

The Integrated Enterprise Excellence System: An Enhanced, Unified Approach to Balanced Scorecards, Strategic Planning, and Business Improvement

Forrest W. Breyfogle III

Bridgeway Books, 2008

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Reviewed by Paul Harmon

Forrest Breyfogle is a consultant and the author of the book *Implementing Six Sigma*. He is an ASQ Fellow and the winner of the society's Crosby Medal for his contributions to quality control. In 2008 he published a series of books on Integrated Enterprise Excellence (IEE) including, not only the book I am reviewing here, but other volumes on The Basics, Business Deployment, Improvement Project Execution and a spiral bound IEE Process Improvement Project Roadmap. All of these volumes have one thing in common - they seek to define an enhanced, unified approach to process improvement.

I feel an immediate kinship with Mr. Breyfogle as I have been working on a unified process methodology since 2005. Indeed, since publishing my own book, *Business Process Change* and founding www.bptrends.com in 2003, I have felt that the process improvement movement would be better off if its various groups or traditions could somehow pull together and stress a common approach to process change. Clearly, Mr. Breyfogle has been working toward a similar synthesis.

For better or worse, each of our efforts toward a synthesis bears the marks of our starting assumptions. My own starting point included a lot of emphasis on modelling processes to figure out how they worked, and on examining human behaviour to see why managers or employees were performing as they were. Breyfogle's starting point clearly began with assumptions about quality and Six Sigma. Indeed, if I were to offer a one sentence summary of this book, I would say "It's mostly about process measurement." That summary would be too simplistic, but it would reflect the response of many readers who would be impressed by heavy emphasis on metrics and measurement.

In fact, Breyfogle is concerned with defining how an organization might manage its overall process effort. In trying to come to grips with integrating and aligning measures he puts a heavy emphasis on strategy, on enterprise goals, and on the balanced scorecard approach advocated by Kaplan and Norton. In my opinion, he doesn't take his analysis far enough, and does not seem to realize the problems that arise from Kaplan and Norton's weak definition of process and their over emphasis on an organization's departmental structure. [1] But leaving that aside, we have both concluded that balanced scorecard provides an established approach that can be used to structure a comprehensive enterprise wide measurement system that is easy to align. Simultaneously, it provides a nice way of linking process measurement with managerial

performance evaluation.

As I always do when I approach a new, holistic methodology, I looked for a single high-level diagram that could show me the overall approach and major concerns. Figure 1 is the figure that Breyfogle uses most commonly to summarize his approach.

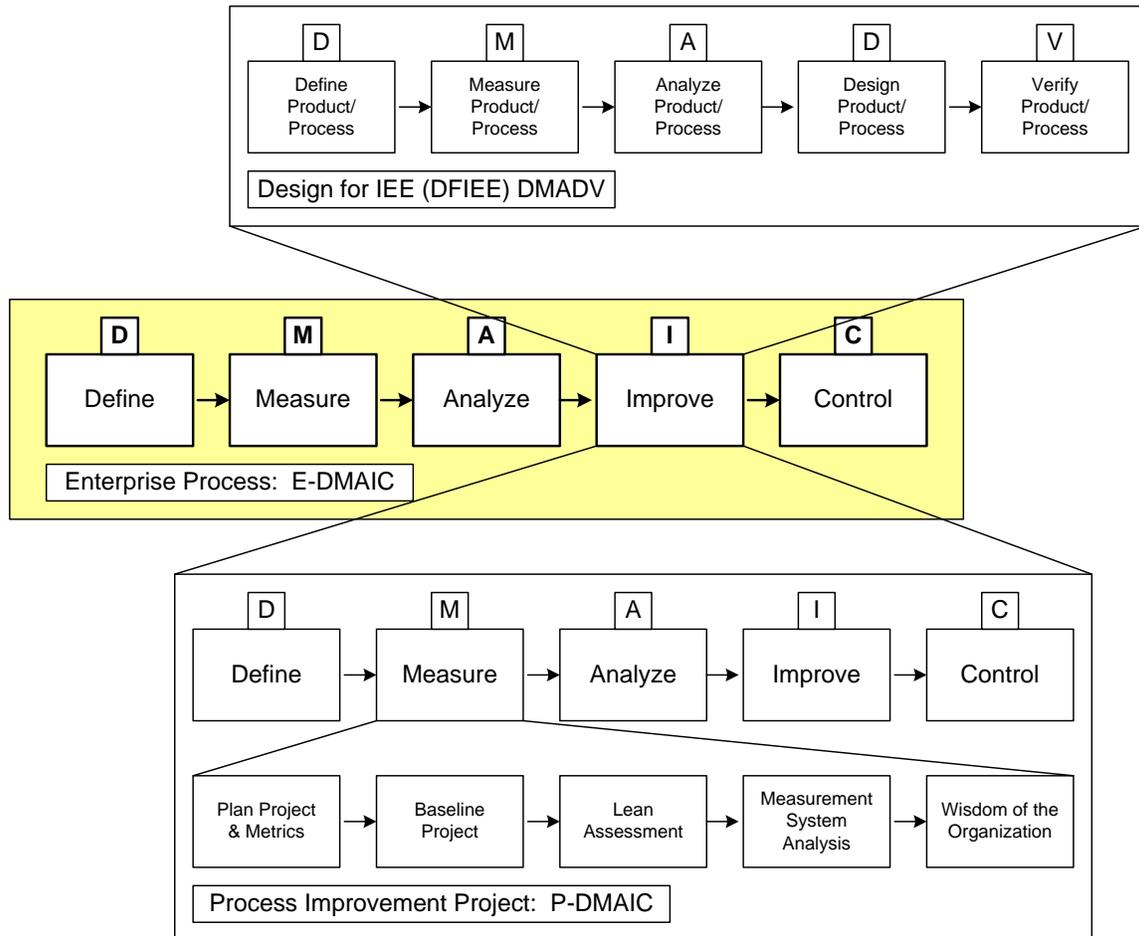


Figure 1. IEE high-level enterprise process roadmap. (After Breyfogle)

Any reader familiar with quality control and Six Sigma will immediately recognize the DMAIC backbone forming the basis of Breyfogle's approach. Unfortunately, because the DMAIC approach is used for small scale process improvement efforts, one can't immediately see what its implications are for business process management. After reading a bit more I decided that Figure 2, which Breyfogle offers as a way of summarizing the thought process of someone doing IEE, actually helped me more. It gives a better feeling for Breyfogle's emphasis on starting at the top with the organization's vision and its high level goals, and working down. Indeed, I suspect the top-down emphasis incorporated into IEE is its most interesting feature – and makes it quite different from the bottom-up, continuous improvement approach one normally associates with TQM or Six Sigma.

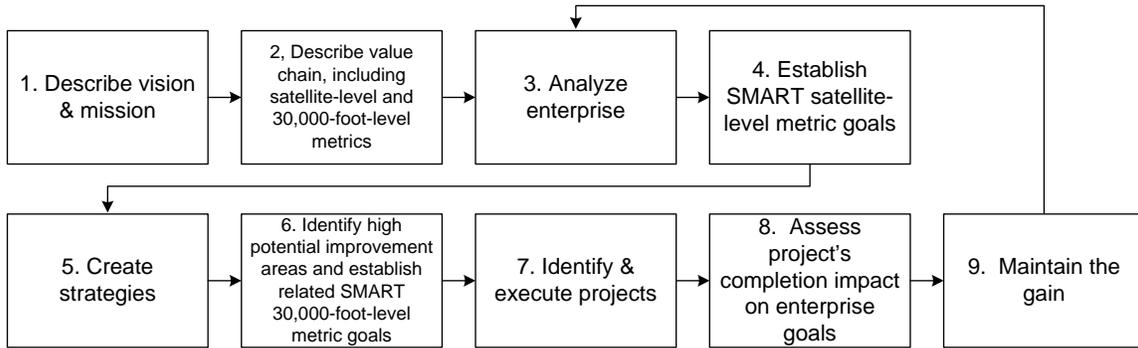


Figure 2. Basic thought process of E-DMAIC execution (After Breyfogle)

The BPTrends Methodology, as most readers know, identifies three levels of process work – work at the Organization or Enterprise Level, work at the Process Level, and work at the Implementation or Support Level. [4]

At the top level one finds an emphasis on business architecture and on prioritizing process interventions. Breyfogle has a high level model or template that describes a value chain lifecycle, which is pictured in Figure 3. This model describes a mix of processes, departmental units and metrics and is used throughout the books. The model is generic, though clearly drawn from a manufacturing perspective, but for most organizations it could only serve as a beginning. Most organizations have value chain architectures that are much more complex than this.

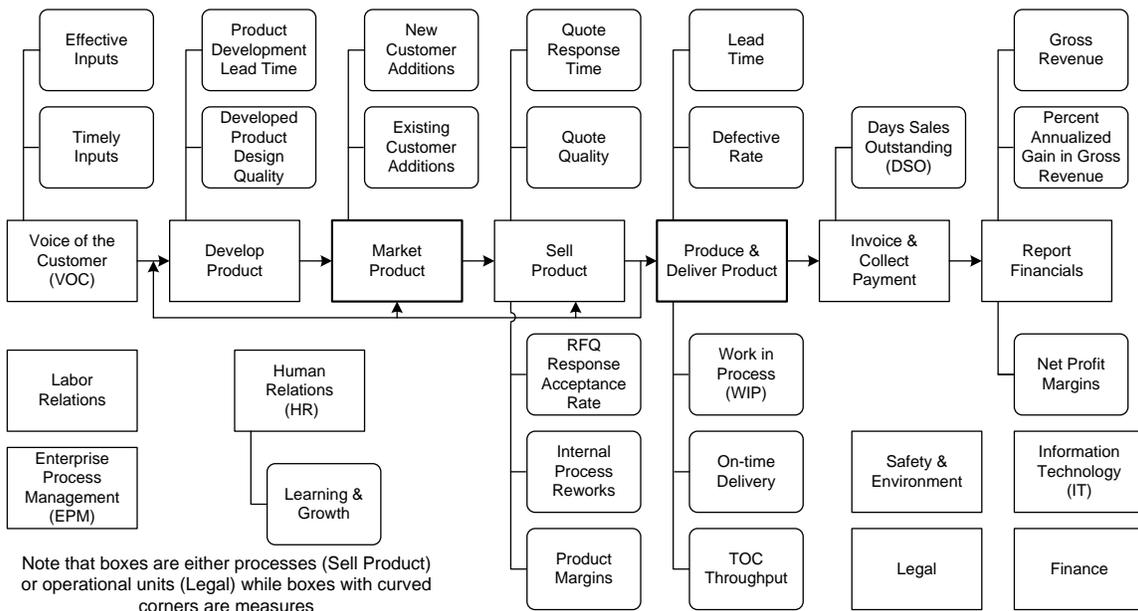


Figure 3. A value chain template that Breyfogle uses to analyze the processes and high level metrics in an organization (After Breyfogle)

In addition to identifying the processes that make up an organization, many organizations seek to prioritize process interventions at the enterprise level. Breyfogle has incorporated Eliyahu Goldratt's Theory of Constraints [2] to serve that purpose. Figure 4 shows how Breyfogle suggests using Goldratt's theory.

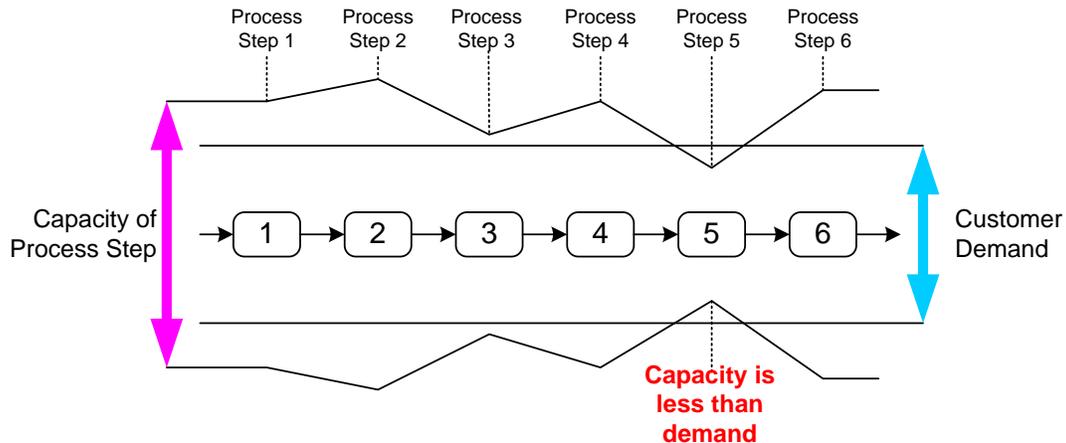


Figure 4. Breyfogle's use of Theory of Constraints to identify process steps as candidates for improvement (After Breyfogle)

Although I have not seen it in practice, to my mind Breyfogle's approach to prioritizing problems is limited for two reasons. First, it's a very linear approach that was clearly developed with manufacturing processes in mind. Today's process problems are more likely to be service processes and they involve very different considerations. [3] Second, this approach would only identify Process Steps that were deficient because of capacity limitations. It would not identify processes that were consistently making poor decisions, processes that were generating outputs whose quality was insufficient, or processes that were losing sales because employees were mishandling the interactions with customers or other key stakeholders. Process steps need to be improved for many reasons and capacity or the ability to scale up or down is only one concern, and not necessarily the most important ones. Similarly, his Theory of Constraints approach to prioritizing, although trivial in the version shown in Figure 3, must admit to some broader approach that would allow him to compare all of the major processes and subprocesses in an organization to arrive at a really comprehensive analysis of which processes need to be addressed in what order.

The book focuses mostly on issues at the process level. Breyfogle focuses primarily on the work involved in undertaking process improvement efforts. Here Breyfogle focuses mostly on Six Sigma and Lean techniques. These two methodologies provide a wide variety of useful techniques and those tools are described in detail in Volume III which is subtitled a "Black Belt Guide." There is, however, no mention of decision management or business rules, no mention of Human Performance Technology or the interaction between process managers and those working on the process. Nor does Breyfogle seem to consider how one might model customer processes [3] or indeed, how one might develop or model service processes with complex interactions between employees and customers.

Nor does Breyfogle talk much about support issues, and one could be excused from thinking that process automation plays no role in process improvement efforts in organizations in which Breyfogle works. That can't be true, of course, but there is next to no discussion in these books on how one moves from process redesign to automation, or how one designs a process so that it makes the best use of data in databases. There is no discussion of serious process workflow notation in these books and it is hard to see how a team using the IEE approach would prepare documents to hand off to an IT team that was to automate all or a portion of an improved business process.

Some readers might assume that I am rather critical of Forrest Breyfogle's IEE approach. They would be wrong. I am very much for efforts to integrate the various process traditions and I think Breyfogle has made a major effort to do this. His methodology, in my mind, joins a select few, including the BPTrends BPM Methodology and the methodology offered by the Value Chain Group, that are really trying to synthesize a holistic approach to process work. If I have seemed critical, it's because I rarely get to talk with someone trying to achieve the same goals as those I have been working toward for several years, and I've tried to offer my own insights into what a solution will entail. I think Breyfogle's IEE approach is very interesting. I also think that he will need to incorporate additional process approaches if he is to achieve a truly enhanced, unified approach to business process improvement.

As I've already suggested, we each start with our own assumptions and Breyfogle's assumptions run nearer to those of Six Sigma practitioners than they do to someone like me, who was trained by Geary Rummler and matured while practicing Business Process Reengineering. Breyfogle's work will probably seem more reasonable to others in the Lean and the Six Sigma tradition – and that constitutes a rather large proportion of those engaged in process improvement today. For myself, I intend to very carefully study how Breyfogle approaches goals and measurements, for this is clearly a matter he has thought long and hard about.

I recommend that process practitioners study Breyfogle's work and consider, especially, the ways in which he integrates process measures at all levels of process work, using both traditional Six Sigma and Balanced Scorecard techniques. I have argued elsewhere that the best and brightest gurus in each of the various process traditions are working toward a more holistic synthesis, and clearly Forrest Breyfogle is one of the leaders in this effort.

Paul Harmon is the executive editor of www.bptrends.com

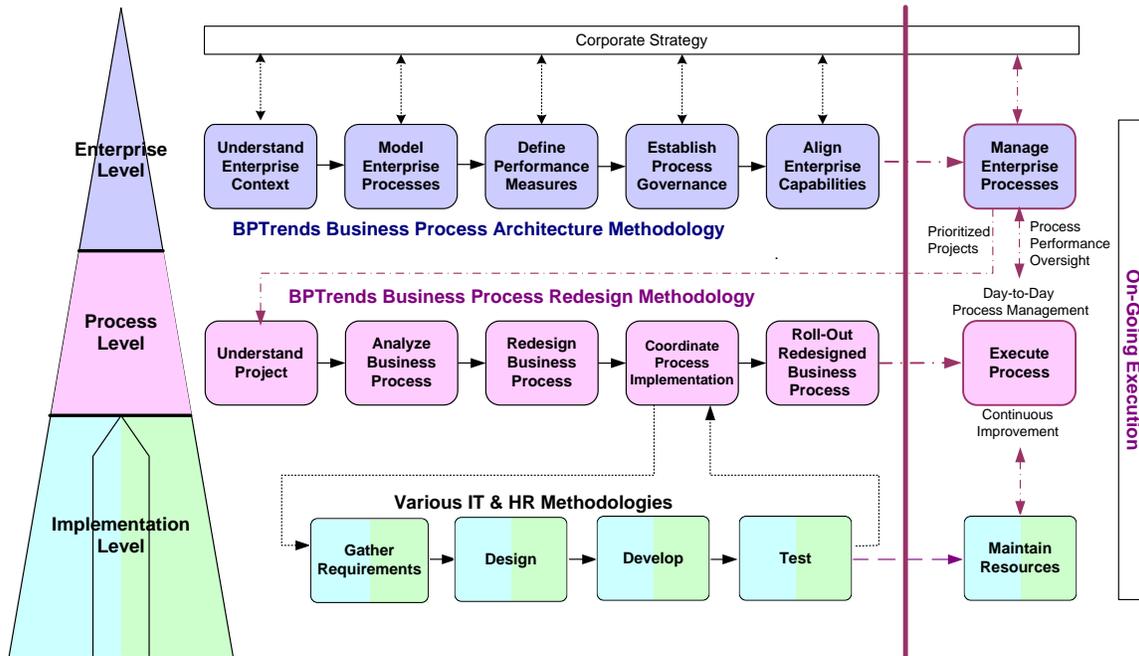
Notes

[1] See my Advisor of October 16, 2007 entitled "Using Balanced Scorecard to Support a Business Process Architecture."

[2] See my Advisor of November 12, 2012 for an overview of Goldratt's Theory of Constraints.

[3] See my BPTrends book review of Womack and Jones' book, *Lean Solutions*, published in April of 2009 or my April 2008 Advisor "Manufacturing and Service Processes."

[4] The BPTrends Associates BPM Methodology overview diagram



Note that the BPTA approach not only discriminates between levels of concern, but discriminates between project work that aims at major changes and operational work that manages and supports existing processes on an ongoing basis. Thus, while a major process design project is usually managed by a team and has a specific goal, continuous improvement is usually handled, by an operational manager or an employee team on an ongoing daily basis. .

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