



A Practitioner's Perspective

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Process Architecture on a Budget – Part 1

In total, an enterprise can easily have a hundred or more processes that qualify as “end-to-end business processes.” Identifying these can turn into a long, expensive, and frustrating “boil the ocean” project. In this Column I’ll look at a current project that is completing enterprise process identification without the usual time and expense, and share some lessons learned.

An interesting assignment

My last Column in the BPTrends September, 2009 Update (www.bptrends.com) revolved around “process discovery” and covered three main topics:

1. Evidence that “process discovery” means very different things to different people;
2. What it means to me – identification of *what* an organization’s processes are, as opposed to analyzing *how* they behave;
3. Some tips and techniques for process discovery.

I didn’t plan it this way, but as it turns out, I’ve been working on exactly that – a process discovery project – and I’d like to share with you some of what we learned along the way. Within my client’s organization it’s called the “enterprise process model” or the “enterprise process architecture” project, but the purpose is definitely to discover processes – lots of processes. It’s been an interesting assignment (as opposed to “interesting” in air-quotes) for various reasons, mostly because we’ve approached it as “non-invasive architecture on a shoestring.” That is, our goal was to build out the first iteration of the client’s process architecture without burning up a lot of people’s time, which is the non-invasive part, and without spending a lot of consulting dollars, which is the “on a shoestring” part. So far, it’s worked out rather well, and I’d like to share some observations, tips, and lessons learned from the assignment, as well as some general observations about building an enterprise process architecture. In keeping with the “practitioner’s perspective”/“from the trenches” theme of the Column, I hope you’ll find some practical advice here. In any case, that’s where I’ve been lately – in the trenches.

By the way, even if you have lots of time and budget, I’m sure you will find some useful ideas in here. And if you do have unlimited time and budget, feel free to get in touch with me anytime.

This started as a single Column, but it grew to the point that it will now be in two parts. This first one covers the background and goals for the project, and describes some of the things that helped while we were working on the all-important “executive buy-in.” That’s the part that kept growing. In the next Column, we’ll look at lessons learned (and relearned) during the development of the enterprise process model. These are grouped into the four main areas listed at the end of this Column.

With that, here’s the story, beginning with some background.

The organization and client

The organization is an independent, self-funded, corporation that works in partnership with industry and the public to ensure the safety of technical installations that might otherwise pose a risk. These installations can be in either residential and/or commercial/industrial settings, and cover a wide range of technologies, including gas or electrical systems, pressure vessels and

power plants, elevators, ski lifts, and more.

The corporation was formed to bring together services that had previously been the responsibility of multiple government agencies, and the current CEO and Board had successfully navigated the transition to being an independent corporation, no small feat. In a commercial environment, many of you have been through M&A (mergers and acquisitions,) and the subsequent need to get processes that originated in different organizations behaving in a consistent way, and presenting a consistent face to stakeholders. The situation here was no different, and, as we'll see, contributed to executive interest in our process discovery project. On top of this, many of their central functions are organized around specific technologies, as well as geography. Even though they are essentially a regulatory agency, this makes them similar to the companies many of you work in, organized around a combination of product, geography, and function, and dealing with processes that have been brought together through M&A activity. In other words, an interesting mix for someone looking at business processes!

My client at this organization was a senior manager responsible for business process development, performance measurement, and audit, among other things. When you think about it, this is a great combination – design a process, audit compliance with that process, and assess process performance. It also meant that within the group was a depth of knowledge about how the organization functioned, knowledge that we would take full advantage of. Her group was kept very busy doing process design and improvement, but she knew they'd be able to do much more once they had a high-level model that depicted the scope, primary activities, and functional area contributions of all of the corporation's major processes. Let's consider why this process architecture would be so helpful.

A quick aside on an important (and relevant!) issue

I'm not referring to this client's situation, but a phenomenon I've seen repeatedly is that one can talk endlessly about process in generalities (and many do!) but, for real impact, there's no substitute for being able to concretely depict one of an organization's *own* central business processes, and show unambiguously how truly cross-functional it is. That inarguable reality can then be used as the basis for discussions about important issues such as misalignment of performance goals among the functional participants, or variations by customer/market, product, technology or geography.

This is a core point that needs to be emphasized, and is probably my number one "what the experts forget" topic – many, probably most, organizations still believe that a "process" is a fairly granular unit of activity, and have certainly not seen a depiction of their own large-scale, cross-functional processes that would counteract this impression. It's easy for us in the BPM community to forget this, because we live and breathe "process" and know otherwise, and mostly hear about case studies from the companies that "get it." For most people and organizations, though, "process improvement" brings to mind a study of a specific task, or a limited set of tasks or activities, because that's what they've seen from their organization's own process improvement / quality improvement initiatives. I've found that people often equate "process" with an "efficiency expert" in a white lab coat, carrying a stopwatch and a clipboard. Unless this perception is dealt with, the rest of the message gets lost.

The Catch-22 is that a high level of organizational understanding of "business process" is usually needed before an initiative will be supported to build the process architecture that will, in turn, lead to the organizational understanding that you needed in the first place to get support. Got it?

A good level of support is needed to develop even a high-level model of an enterprise's processes because it usually takes a lot of time and effort from multiple resources to develop a credible product. This wasn't a problem 20 or 25 years ago when companies undertook extended "boil the ocean" projects to document their enterprise processes. I've seen initiatives that took 6 to 12 months, and even longer, for a dedicated team of several people to complete. They also required a lot of time from staff and management to participate in interviews and sessions. Actually, the projects I remember were mapping out enterprise *functions*, which is a far simpler undertaking, but on the other hand, were done in "inclusive environments" where it seemed

everyone had to be involved. In any case, most organizations today would be unwilling to accommodate this sort of effort.

More with less

My client decided on a different approach. Luckily, she had the credibility and budget authority for a much more limited undertaking that would build a first-cut product without placing a burden on the rest of the organization. That’s where I came in. She reasoned that with the expertise in her group, my experience in doing this type of modeling, and limited interviews with some key people, we could build a good strawman that could later be taken out for review and refinement. It wouldn’t be perfect, but we would produce something a lot closer (and more process-oriented) than an off-the-shelf reference model, and without the time and expense of the “ideal” approach. (Who gets to follow an “ideal” approach in 2010?) There were other factors as well – this is a lean organization in which people don’t have a lot of spare time, and we were heading into year-end and the Christmas break, so running a lot of sessions was not feasible.

Your assignment, should you decide to accept it, ...

My role was to lead the development of the enterprise process model, working with a part-time team of two experienced process analysts, and occasionally calling on subject matter experts from different areas of the organization. The methods we used will be described in the second Column, so for now I’ll just recap what we intended to produce. (To understand some of the methods and terms I use, it might be helpful to scan my September, 2009 Column.)

Overall framework

For the past 25 years, I’ve used a framework that organizes processes into four categories, depicted in Figure 1. Many of you probably use a similar framework, because, well, it works. It’s not without its problems, though, and in the second Column we’ll look at it a little more closely, and examine some of the issues that come up. For now, what matters is that the scope of my engagement was the Line of Business and Enabling processes.

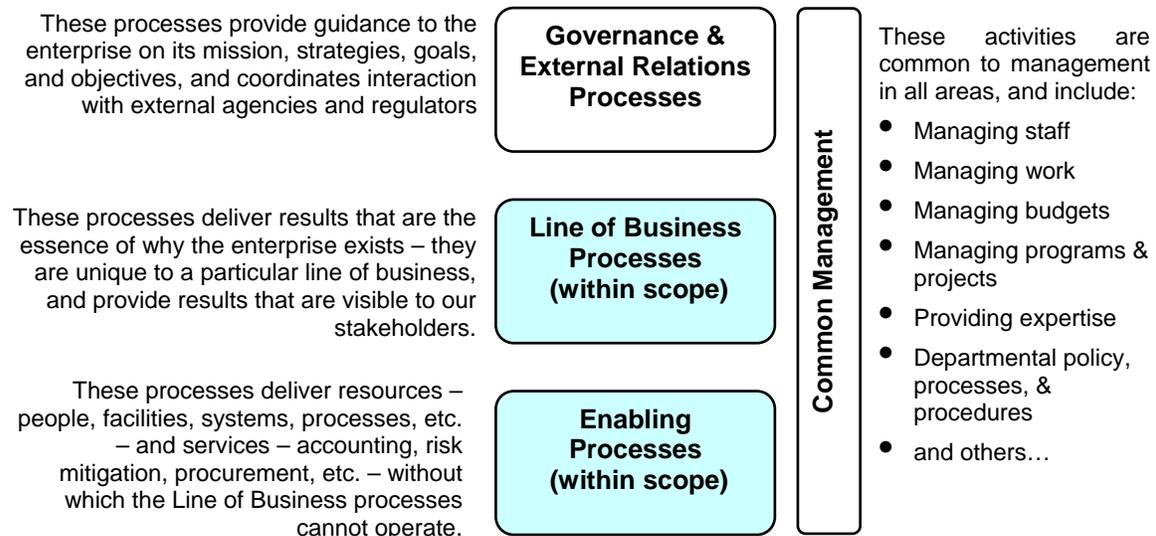


Figure 1: Framework for types of processes

Specific products

For both the Line of Business and Enabling categories, the first product, as illustrated in Figure 2, would be the identification of its main “process areas,” each of which is a collection of related business processes. You likely use different terms, such as “Level 0 processes,” but please, let’s not get into the dreaded terminology discussion. It’s the concept that matters here. Please note that the example here has been generalized, as I can’t simply reproduce my client’s high level

process architecture. However, the number of process areas, nine, and the overall layout, are accurate. The highlighted area, "Administer Client Safety Management Programs," isn't an actual process area, but it's close. The next two examples came from that area.

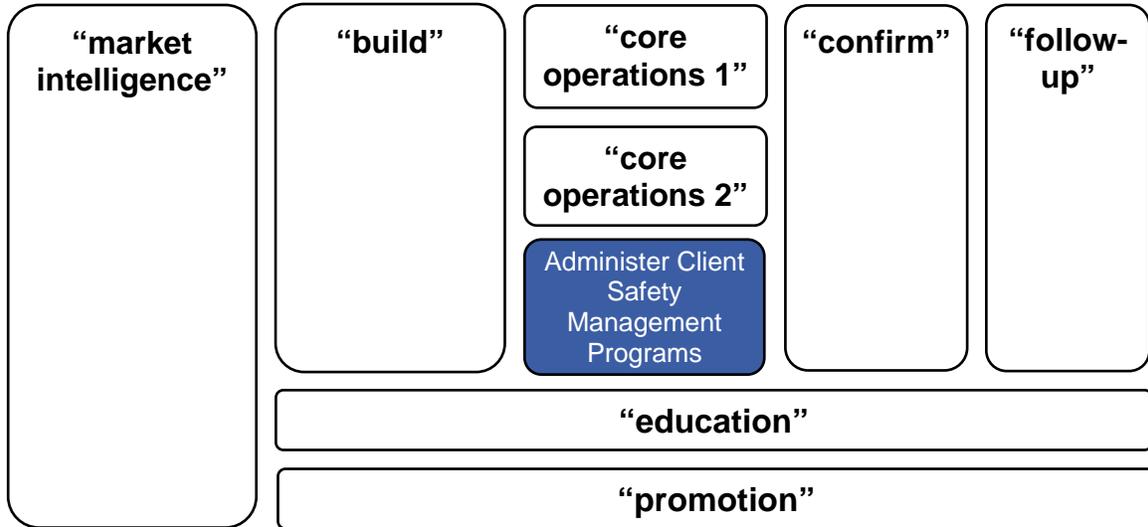


Figure 2: Process areas within the Line of Business category

Within each of these process areas, for both Enabling and Line of Business categories, we would identify each of the included business processes, and depict them on a "process landscape" as shown in Figure 3.

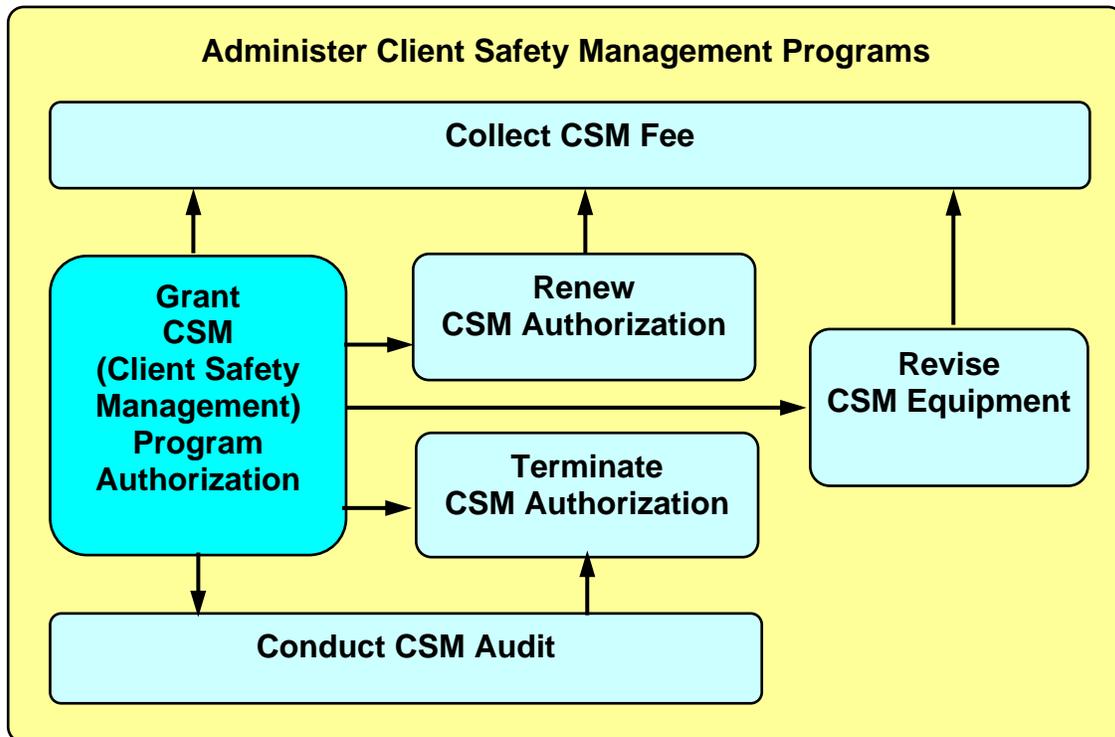


Figure 3: Process landscape for the "Administer CSM Programs" process area

Finally, for each individual process we would document the main subprocesses and the functional areas involved, as shown in Figure 4. We would also document the triggering event(s) and the

final result(s) for each receiving stakeholder, although these aren't depicted on the sample. There was also some narrative documentation and presentations, but these diagrams should convey what we were producing.

It looks fairly straightforward when you see it laid out on the printed page, but this was actually a lot of work. There would eventually be almost 20 process landscape diagrams, and over 100 process scoping diagrams. In addition to the volume of work, the processes weren't self-evident – as usual, they were hidden in the ever-present mix of functional responsibilities, systems, and geographic locations.

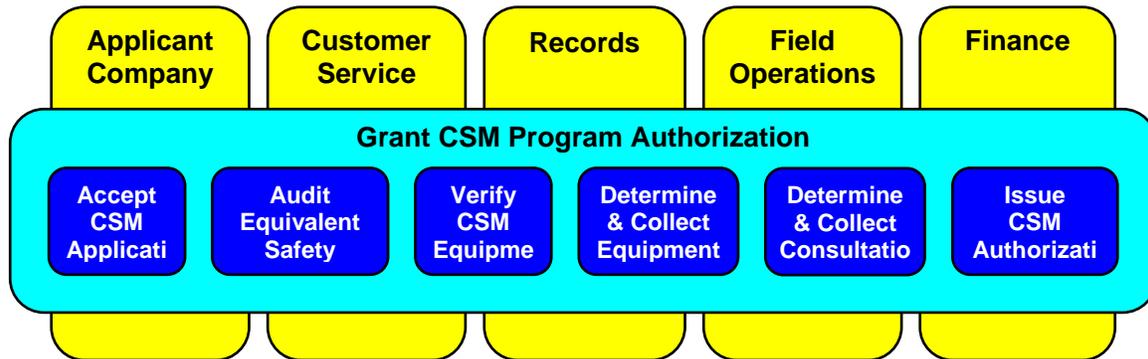


Figure 4: Process scoping diagram ("process vs. function" chart) for one process

Tools?

All of this was going to be supported by the usual suite of Office tools – Word, PowerPoint, and Excel. At this point, we didn't need anything more sophisticated (not even the ubiquitous Visio!) and definitely didn't want to get into The Quest for the Perfect Tool. Prematurely worrying about tools burns up time and money, and usually leaves you wishing you'd just started with standard office productivity tools.

The oft-mentioned "executive buy-in"

Early in the assignment, my client scheduled a one-hour session with each member of the executive team – the CEO, COO, CFO, and so on. I hadn't budgeted for six meetings spread over two or three days, plus preparation time, but getting a reading on how they saw the undertaking seemed like a good idea. A good idea, that is, except for one wrinkle – I didn't really know what we were going to **do** in these meetings. Generally, when I do an executive briefing (and I do quite a few) it's to get approval for an initiative, or to do a report-out on work that has been completed. In this case, we didn't need approval because the scope and budget was within my client's authority, and we hadn't done a lot yet, so there was no progress to report on.

I decided we'd frame the sessions as a courtesy call to let the executive team know what we were up to and why, to ask if they saw any specific synergy or conflict with other initiatives or interests they had, and to ask for any advice on how to ensure success. I've been advised on other jobs that there has to be an "ask" even if you're not asking for money.

As it turned out, the sessions went really well. Everyone supported what we were undertaking, and 5 out of 6 were enthusiastic in their support; without prompting they described why this was an essential undertaking for the organization at this point in its evolution. The 6th was not quite so enthusiastic, but was none the less supportive, and offered the most useful critique of what was presented. Reflecting on it afterwards, we decided our executive meetings went well partly because of the general approach we took, and in part because the executives quickly saw how a process-oriented view would help them deal with upcoming issues. Let's look at each.

The approach – some general observations

In preparing for sessions like these, there are three factors that I always keep in mind:

1. Senior executives don't typically think in terms of process, which stands to reason given that most have responsibility for a specific function. Even if they do think in terms of

“process,” there are so many different interpretations of what “business process” means, theirs will be something different than yours. Paul Harmon, the BPTrends publisher, has written some excellent columns that touch on this – take a look at “How CEOs Think” in the Dec 12, 2006 BPTrends Advisor, and “Getting Senior Executives Involved in BPM” in the Sept 19, 2006 issue.

2. There are often negative feelings toward anything to do with “process.” These could stem from seeing mishandled reengineering efforts years ago, or, more recently, the increasingly common Six Sigma backlash.
3. They might think that “process” is primarily a technocratic view, either because it is so often associated with systems and technology, or because some process improvement approaches really are technocratic in nature.

So, we had to deal with each of these, and do it within minutes, before eyes glazed over or patience wore thin. We also had to follow another guideline I stick to – “don’t preach, don’t overreach.” I’m sure you’ve seen it as well – the well-meaning individual who slips into lecturing and hectoring the executive about the organization’s lack of process focus, and overstating the transformative benefits of process management. Either is more likely to lead to the door than to support.

The approach – some specifics about setting the stage

Here are some of the things we did that that helped get the sessions off to a good start. All of this was done using printed PowerPoint slides while we were seated around small tables:

- After introductions, and a promise to keep it brief, we explained that much of what we had to say would be familiar, but that there were so many variations on “business process” that, with apologies, we had to take a few minutes to make it clear what we were talking about. Even if much of it *wasn’t* familiar, this helped it sound less like we were preaching or talking down to them.
- Rather than deal with processes in the abstract, we took a storytelling approach. In this case, the story involved a real-life, end-to-end process from another industry, a variation of the classic “Fulfill Order” process that crosses several functional boundaries such as Sales, Customer Service, Manufacturing, Logistics, and Finance. See Figure 5. It illustrated that a business process is initiated in response to some important business event, and isn’t completed until that event has been resolved to the satisfaction of all stakeholders. The “Fulfill Order” example was triggered when the customer signaled demand, and wasn’t completed until the customer had received and accepted the goods, the organization had received and cleared the payment, and so on. This process was made up of several subprocesses that might otherwise have been termed “business processes” so this quickly established the scale of what we were calling a “business process.”
- The next step was showing how each of the participating functions was striving to achieve performance targets that collectively worked *against* the process rather than *supporting* it (also shown in Figure 5.) The irony was that the organization in the example had just completed extensive (and expensive!) “process improvement” work. We stressed that these performance issues weren’t caused by laziness, malfeasance, or anything of the sort. Rather, it was people and functional organizations striving to meet what seemed like reasonable targets. Whenever I go through such an example, executives seem very interested that an organization can invest heavily in process improvement and systems, yet make things worse, not better.
- Finally, we highlighted the critical factors that contributed to this situation. First, the “process improvement” had looked within the boundaries of each function, not at the entire process. In fact, it wasn’t until much later, when it became clear that things weren’t working well and the search for an explanation had begun that the actual end-to-end process was identified. Second, while each of the functional organizations had someone in charge, nobody was in charge of looking out for the overall process. Third, nobody could have been put in charge because the true end-to-end business processes had not

been identified. This is self-evident, but it's always worth stating – without identifying a process, there isn't anything to put someone in charge of, nor is there a mechanism for seeing *how* it works, or how *well* it performs.

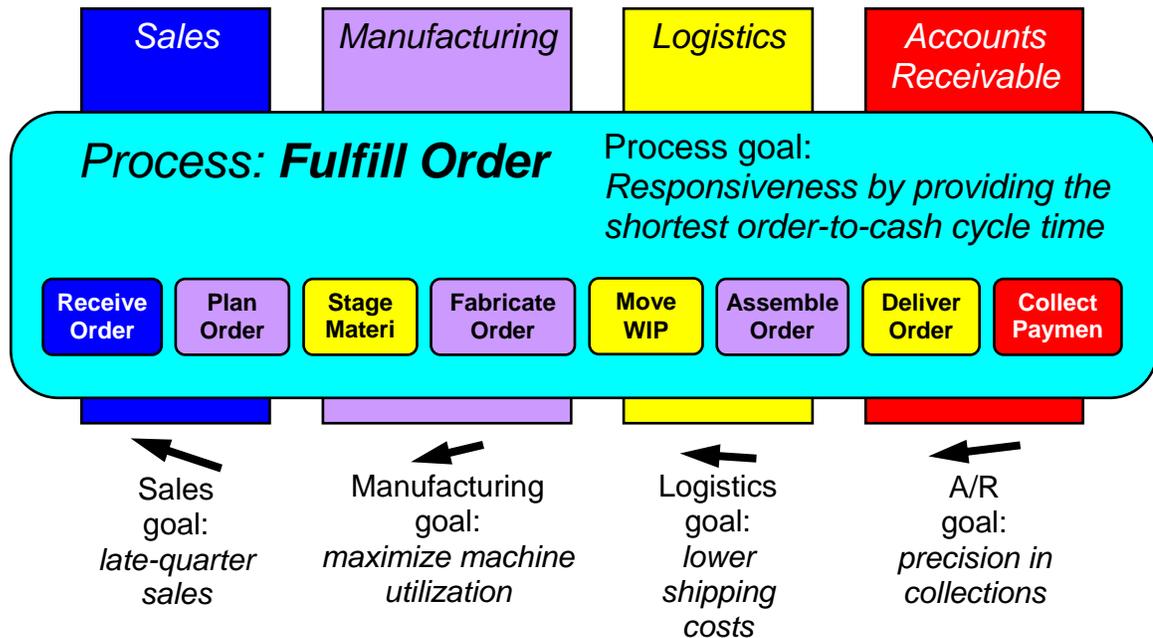


Figure 5: Highlighting process, function, and issues

In this extremely brief introduction, we didn't get into the myriad reasons that a process might behave poorly or the many problems that "bad" processes raise, and we didn't get into all the advantages of well managed processes. Instead, we focused on a very simple message – even when everyone is working hard and meeting their targets, if the overall process isn't recognized and managed as a whole, business performance will suffer. No preaching, no overreaching. In company after company, three points stand out with executives when I review an example like this:

1. It will take some real effort to identify the processes – they certainly won't identify themselves;
2. Someone has to be responsible for the process, whether you call them a "process owner," a "process steward," or, the coolest one I've heard, a "process integration officer;"
3. The goals of the various participants should reflect the goals of the process, but they probably don't right now.

Getting to this point took barely five minutes, but in each of our six meetings, the executive was clearly engaged. Certainly the example is effective, but the fact that we got right to the point, without lecturing, was just as important.

The approach – carrying on

After that, we quickly described what we were planning to develop:

1. Using Figure 1 as an illustration, we explained that our scope included the Line of Business and Enabling processes, but not the other two. There's seldom a lot of benefit to modeling what the executives and all of the managers do;
2. We showed draft versions of the process areas we had identified for both the Line of Business (Figure 2) and Enabling categories;

3. We showed a draft process landscape (Figure 3) for one of the process areas, which was available from some earlier project work;
4. We showed a process scoping diagram (Figure 4) for one of the processes within that process area, also available from the earlier project work;
5. Finally, we showed a high-level swimlane diagram for that process to illustrate the level of detail we were *not* going to.

This also conveyed the scope of the effort – we would be identifying and describing at least 100 processes in just a few weeks or a month with a part-time team of three (and often two!) people. Here's the math – just looking at the central line of business processes, there are probably 8 to 10 process areas to consider, each containing 5 to 7 individual processes, which is over 50 business processes, each in turn typically containing 5 to 7 sub-processes. That's a lot of work! As we'll discuss in the next Column, the numbers are even higher in the enabling area, although the processes tend to be "narrower."

Throughout, we stressed that we weren't going to do any assessment of process performance, and certainly wouldn't be getting into process improvement – we were just trying to figure out *what* the corporation's processes were. The CFO nailed it when he said "Essentially what you're doing is building an inventory of our processes." We also clarified that when the time came for process analysis and assessment, a holistic approach would be taken using my "six enablers" model, the subject of a future Column. In addition to taking a somewhat technical look at the process in terms of process flow and information technology, we would look at *really* important enablers such as human resources and motivation. This sat well, especially with the VP of Human Resources!

One little change...

The only issue that emerged was that it would have been better to start with a more macro-level view than the one conveyed by Figure 2. In an effort to minimize the number of pages we'd use, I made the mistake of putting the Line of Business and Enabling process areas all on one page. That meant our starting point was a chart with 17 or 18 boxes on it. It would have been better to start with something like an adapted version of Michael Porter's Value Chain, which we will certainly do for the report-out. The starting point should also have explicitly shown the customer and other stakeholders.

Respecting time.

Returning to that promise to "keep it brief," let me state the obvious – CxO and VP-level executives are busy. Well, everyone is busy these days, but this group has a never-ending parade of internal and external stakeholders (some carrying stakes!) seeking face-time. You will gain as much support for simply being brief as for anything else you do. An exchange I had with the COO at this organization summed it up pretty well. I opened by saying something to the effect that "I won't take up a lot of your time – we've booked one hour, but I'm sure I can wrap this up in 40 minutes." "Great," she said, "you've got 20." I took that as my cue to just get on with it. After less than 10 minutes of discussing business processes and what we hoped to accomplish, she said "I'm loving this" and then led the discussion into why this was so important at this particular stage in the organization's development. Yes!

Why the executives cared

After the introduction I described, each executive offered reasons why they thought it was so important for the corporation to get a handle on their processes. Every enterprise is different, and the reaction at yours would probably be different, but you might be interested in a summary of what they had to say.

Perhaps the most interesting comment came from the CEO who observed that "We are far too complex an organization NOT to be doing this." He also reminded us that their original Board had steered them successfully through the transition to becoming a self-funding company, and a new Board was taking shape. All indications were that the new Board would be much more demanding and sophisticated, and would be asking much tougher questions about how the corporation was

managed and operated. The CEO offered that “We are nowhere close to being able to say *we do this right*, much less able to say *this is the best way to do it*.” Understanding the reality of the processes, which would begin with this exercise, was seen to be essential.

From my interview notes, here are some of the other observations and comments:

- We’re far more complicated than we need to be, because we’ve inherited cultures, systems, methods, and processes from different agencies.
- This (enterprise process model) might be the only way to get a handle on the confusion caused by functional disconnects, geographic dispersion, and variances across technologies, all of which have a significant impact.
- Aligning incentives to processes will be critical to us.
- Because safety is so dependent on the human factors, our processes should recognize the importance of the human factors.
- We must keep our staff capabilities ahead of the needs of changing business processes, so we have to really understand those processes. This is a great tool for understanding employee capabilities required before a process is implemented.
- Implementing a policy or procedural change is a nightmare because we don’t have this process view.
- As we shift to an approach where clients implement their own safety management processes, we are encouraging *them* to be more process-oriented, and therefore *we* must be more process-oriented.

So, all in all, I’d say it was a successful set of meetings.

Summing up

Even though it didn’t help with my schedule, I was really glad that my client had arranged these sessions. Going forward, it kept us motivated and it kept us focused on doing a good job. The motivation came from knowing that the executive team actually cared about what we were doing, which provided encouragement when things got difficult. (Hey, this stuff isn’t easy.) That executive interest is a double-edged sword, though, which is where the focus comes in – we knew that whatever we produced wasn’t going to become shelfware. The executive team intended to have a close look, which kept us focused on doing the best job we could.

Stay tuned for details

Over the next month or so, not including the Christmas break, we went about developing the process architecture. There were some interesting lessons learned, and some important reminders of timeless principles. In the next Column, I’ll look at these, organized into four topics that I hope you’ll find interesting:

1. Those frameworks and reference models you downloaded from the Web aren’t going to make this a lot faster. That isn’t to say they won’t help, because they will, but probably not in the way you expect, and not with the time savings you might hope for.
2. If you try to approach this the way we did, with minimal disruption to the work of the organization, you’ll need to make creative use of available resources and artifacts. There are people in your organization with a lot of knowledge that can help, and with a little archaeology, there are artifacts that will yield some useful clues too.
3. The processes in the “supporting” or “enabling” areas (Human Resources, IT, Facilities, etc.) are quite different in nature from the central “line of business” processes. I assumed the enabling processes would be more generic, and thus easier to deal with, but this wasn’t the case.
4. Perception is everything. Even though the initial goal is to produce a non-organizational view focusing on “what, not who” you’ll still have to deal with organizational politics and sensitivities. We’ll also look at why you need to be *really* careful how you use the term “core process.”

With luck, that will be the short Column I’d hoped this one would be.

In closing, I hope the New Year is off to a great start for you. Coming out of 2008/2009, anything would look good, but 2010 really is looking like a good year for those of us in the business process space. Take care!

From the Trenches
Alec Sharp