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Impressions of BPM in Brazil

In October I spent a week in Brazil delivering a series of BPM seminars. This Advisor reports on the BPM scene I encountered and describes some typical BPM applications.

First, some statistics: At 8,512 sq km. Brazil is the fifth largest country in the world, behind China at 9,561 sq km and the USA at 9,373 sq km. Brazil also has the fifth largest population in the world with 194 million people behind the USA which has the third largest population with 308 million people. Sao Paulo is the third largest city in the world with 20 million people compared to New York which is the sixth largest city in the world with 19 million people. The USA has the largest Gross Domestic Product (GDP) at 14.6 trillion dollars, China has the second largest GDP with 5.8 trillion dollars and, according to the Centre for Economic Business Research (CEBR), Brazil just passed the UK and now ranks sixth with a GDP of 2.6 trillion dollars - and is predicated to experience continued improvement over the next two decades.

In the last few years vast supplies of oil have been discovered in Brazilian territorial waters, and everyone anticipates that these resources are going to power a major expansion of the economy. At the same time, Brazil has invested in bio-fuel production and most cars in Brazil are now running on bio-fuels, allowing Brazil to export a greater

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Second Edition

Paul Harmon
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percentage of their oil supplies. Simultaneously, the world is experiencing mineral and food shortages and Brazil is a major producer of both. Brazil's vast resources and economic improvements have been widely reported in economic journals, resulting in a business community that is excited and looking forward to a bright future. As if to celebrate all this, Brazil will host the World Soccer Cup in 2014 and the Olympic Games in 2016 and they are currently building new stadiums and upgrading infrastructure to make game sites more accessible. All this leaves any visitor with the impression that the country is growing very rapidly. The business community in Brazil is heavily engaged in the transition and their enthusiasm for future growth, alone, makes Brazil an exciting place to be.

BPTrends Associates (BPTA), and its predecessor, Process Renewal Group, have worked with Alexandre Magno V. Mello and Expertise in Brazil for the last 15 years. During this time Expertise has trained thousands of individuals in the principles of business process change. In the last two and one half years, Expertise has trained more than 120 professionals and certified over 80 individuals in the BPTA methodology. In a recent discussion with Alexandre he remarked, "There has always been an interest among leading Brazilian firms, in improving efficiency. In the Nineties there was an interest in Business Process Reengineering, just as there was in the USA. In the last ten years, however, as Brazilian firms have faced more global competition and as they have begun to realize the opportunities for growth in Brazil, they have been much more interested in becoming more productive and innovative and the BPM market has really taken off."

On my recent visit to Brazil I gave a series of seminars attended by some 250 people in Sao Paulo, Rio de Janeiro, and

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Brasilia, and I met a broad cross section of Brazilian business and government leaders. All were knowledgeable and eager to explore how business process methodologies, tools and techniques could help their organizations become more efficient and help them expand to take advantage of new business opportunities. The Brazilian government has committed itself to, not only exploiting its new oil reserves, for example, but to building a high-technology petrochemical services and support industry. This commitment has already led to the establishment of a variety of new ventures to fulfill this vision.

ELO Group, the BPM consulting company that sponsored my visit, as well as the visit of my colleague, Professor Michael Rosemann from the Queensland University of Technology BPM Group, was founded in 2007 by four university researchers and has already grown to over 100 consultants. This is an impressive growth rate for a BPM consulting group anywhere in the world! And, it is of particular interest to note that this group is not focused on IT development – they are focused almost entirely on helping business people define and improve and, where appropriate, determine how to automate their business processes.

The Association of Business Process Management Professionals (ABPMP) has a chapter in Brazil – and we understand it is the largest ABPMP chapter in the world. Clearly there is a lot of interest in BPM in Brazil today.

A good friend who works with IT departments, teaching them to use Lean, wrote to tell me of his recent trip to Brazil, and his impressions were similar to my own - A fascinating country that is excited about its future and eager to learn

about techniques that will allow Brazilian organizations to become world class in short order.

In a short visit, I could hardly learn about all of the process projects underway in Brazil, and these remarks are necessarily just first impressions. I asked about examples of the kind of process work being done in Brazil, and here are some of the more interesting examples I heard about.

Banco Votorantim

Banco Votorantim is a Brazilian private bank. In 2007, seeking to enlarge the scope of its operation, Banco Votorantim decided to adopt a process approach to support the standardization of its operations. One of the first steps in this approach was modeling their processes and automatically generating procedural manuals from the models.

Since then, several initiatives have been developed, including a value chain definition, process documentation and standardization, the application of technology to implement selected processes, development and implementation of performance indicators, and the creation of a BPM Group. The charter of the BPM Groups is to establish a standardized form of Process Management, to promote the adoption of the standardization company wide, and to establish Process Governance guidelines and procedures throughout the bank.

The Economy and Finance Secretariat of Brazilian Air Force

The Economy and Finance Secretariat (SEFA) is responsible for coordinating and supervising all budgeting, financial and accounting procedures within the Air Force. SEFA is also responsible for the Air Force Internal Control functions.

SEFA's BPM experience began in 2010 when the organization concentrated on reformulating its strategy and defining key performance indicators. Since then, SEFA has decided that understanding its processes should be a priority and they have focused on understanding how a strong process improvement methodology and measurable benefits can be used to build and execute the organization's strategy. The organization began by defining its value chain and core processes to understand how they supported the new strategy. They defined a process improvement plan for 2012 which is tied to specific strategic goals and which, in turn, ties major improvements to specific operational changes.

The Central Bank of Brazil

The Central Bank of Brazil (BCB) plays an important role in the national economy. Its mission is to ensure the stability of the purchasing power of currency and an efficient financial system. The operations of the (BCB) are, necessarily, complex, but the bank wants to simplify and integrate its management operations to the highest degree possible. Moreover, it wants to assure that it can monitor and control its operations without undermining its overall efficiency.

A value chain has been defined to help the bank understand how the organization's processes contribute to the accomplishment of its mission. To assist in this task, a database has been developed to manage the information of process data, actors and products of each major group of activities in the value chain. The goal is to make the value chain an element of central importance for the integration and management of the BCB.

GOL Airlines

GOL Airlines is the second largest airline in Brazil. As part of its expansion

strategy, GOL decided to seek IOSA certification (IATA Operational Safety Audit) that would meet the requirements for carrying out various code-share agreements with other international companies. Certification from the processes involved in Safety and Quality Assurance, attests to concerns, solutions and policies in flight safety and quality.

This project began with identifying the Safety and Quality Assurance Mission and Vision and then moved on to defining the required process architecture, performance indicators, specific processes, and responsibility matrices. This program has promoted integration and shared responsibilities regarding activities in all areas, as well as the creation of a specific group to promote awareness, coordination, and evaluation of Safety and flight Quality. Because of this approach, GOL obtained its certification in record time, and is regularly getting re-certification.

Central Superintendency of Electronic Governance of the State of Minas Gerais

The Central Board Policy Process Optimization (CBPPO) of the Central Superintendency of Electronic Governance (CSEG) of the Secretary of State for Planning and Management (SSPM) of the State of Minas Gerais has, as its goal, "to be the administrative unit of reference for managing processes in the Executive Branch of the State of Minas Gerais." CBPPO plans to assume responsibility for researching, developing, and disseminating methodologies and process management tools to improve organizational performance and to coordinate actions for the Executive Branch of the State of Minas Gerais.

The CBPPO has identified four major priorities: 1) training for process managers, 2) work on process

improvement projects, 3) monitoring indicators and results and, 4) dissemination of methodologies, results, and best practices. Projects will be conducted in a variety of ways, sometimes by providing advice, sometimes via methodological support and, in some cases, by focusing on maintenance and continuous improvement.

Since its founding in 2003, the CBPPO has sought to improve public administration. It is currently focused on how process concepts can contribute to providing higher levels of quality in processes that provide public services to citizens. In the course of its history, CBPPO has evolved from an internal consultant to the Executive Branch focused on improving processes, to today's approach which emphasizes coordinating government strategy, policies and guidelines, processes and IT applications. It is focused on defining methodologies that can support the management and coordination of this approach. Today's CBPPO is focused on this approach to assure that the needs of the citizens of Minas Gerais are met in the most efficient and effective manner possible.

National Bank of Economic and Social Development

Founded in 1952, the National Bank of Economic and Social Development (BNDES) is a public company whose mission is "promoting sustainable and competitive development of the Brazilian economy, generating jobs and reducing social and regional inequalities." BNDES vision is "to be the development bank of Brazil, an institution of excellence, innovation and proactive given the challenges of our society." Unfolding its mission and vision, BNDES defined the following strategic objective - "implementation of an integrated management system of resources, processes and assets of the Bank," This

resulted in the creation of the AGIR project in 2006.

The project began by bringing multiple areas of the Bank together to identify the As-Is processes and to build the To-Be vision. Currently, processes are being implemented in stages, which include the process, the development of integrated technology to support the process, the definition of processes and their performance indicators, change management, and implementation of a governance model. It is expected that BNDES will reach BPM Level 3 maturity in 2014. Along the way, the BPM office's goals are to support the stabilization of the implemented processes, strengthen the culture of process management and integrate management and governance across all processes and aligning them with the management model, including strategic risks, technology and human resources, to name a few.

Sebrae Minas

Sebrae Minas is a private nonprofit organization that promotes competitiveness and sustainable development of micro and small enterprises. It also fosters entrepreneurship management initiatives by means of courses, consulting, lectures and business guidelines.

Increasingly, Sebrae Minas has focused on helping institutions to continuously improve their processes in order to focus on their strategy and to improve their operations. They also have an initiative that aims at increasing the productivity and quality of their own processes in order to add value to activities developed for their customers. This effort is being guided by the staff of the BPMO, whose members have expertise in strategy, process, and project management.

Siemens

Siemens AG (Siemens Aktiengesellschaft) is the largest engineering conglomerate in Europe. Its main offices are located in Berlin, Munich and Erlangen, Germany. The company has three main business areas - Industry, Energy and Medicine, and has a total of 15 divisions.

Operating in Brazil since 1867, the Group has manufacturing, research and development centers and sales and service offices throughout the country. Siemens has been developing their BPM initiatives in Brazil for many years. Recently they implemented a Business Excellence program, which features the following:

1. **Maintenance Process** - focused on maintaining and updating the value chain
2. **Process Improvement** - focused on identifying projects to improve processes. This approach is aimed at improving customer service and optimizing strategic alignment. The important point to note regarding this approach is that, through this action, the scope of the work of the Business Unit Industry Sector was extended.
3. **Assessment of Business Processes Maturity (Create Roadmap)** – focused on analysis of VOC (voice of the customer) and VOB (voice of the business), and establishing requirements for maturity levels to be evaluated by a self-assessment. Based on the assessed maturity level of each process a set of actions is prescribed to improve the results of each process.

Serasa Experian

Serasa Experian is the leading global information services company that provides data and analytical tools to clients in more than 80 countries. It helps

businesses to manage credit risk, prevent fraud, target marketing offers and automate decision making. It also helps individuals check their credit reports and credit scores as well as protect against identity theft.

Serasa Experian has a Process Office which is involved in organization strategy development and drilling down from strategy objectives and maps to process improvement projects and KPIs.

Serasa Experian BPM Manager, Paulo Ivan de Mello, explains their approach as follows: "We define the strategic objectives of each business unit and the project portfolio, including process improvement projects and their KPIs. Every six months we conduct an assessment of the evolution of maps and KPI results. Our Improvement projects are focused on the strategy direction, creating a real value to the organization. This integrates the work of the Process Office with the overall strategy, generating results that provide a differential in our managerial skills, compared to the market. "

Sicredi

Sicredi is the largest credit cooperative in Latin America, with over 115 credit unions, 1100 branches, and 2 million members. In 2010 Sicredi adopted a strategic plan and growth goals that were based on the use of business process management and the systematic improvement of specific processes. A BPM Office was established as a corporate group, reporting to the CCO, with the goal to accelerate the adoption of BPM, shift to a process-based culture, and adopt a process improvement methodology. Today, the BPM group includes 12 professionals who are focused, primarily, on three major areas, or pillars, of the Sicredi process approach:

- **Overall BPM Awareness** - through training and internal marketing, reinforce and maintain a corporate process culture. This first pillar aims to develop every employee's view of the customer expectations and how their work is a part of a bigger picture. This will lead to faster and cheaper problem solutions and small improvements, allowing work to be done bottom-up.
- **Process Improvement Projects (PIP)** – through a corporate methodology the middle level or second pillar provides specific training and recognition programs for accelerating and improving the accuracy of process improvement projects and overall investments. Specifically, IT investments are being evaluated and aligned with process priorities and with the PIP Methodology.
- **Process Ownership and Improvement Sponsorship** - this constitutes the third pillar, which focuses on the roles and responsibilities of leaders and executives. Sicredi believes that overall BPM improvement projects are not enough. It believes that it needs trained, engaged leaders and executives to sustain BPM. Through executive workshops and the use of a BPM Maturity evaluation framework, Sicredi maintains process management roadmaps and sets goals for process owners in accordance with its evolving process priorities.

Sicredi expects to realize significant savings in 2012 as a result of several big projects developed during 2011. It already has a rich process repository, published via the web, which is used by its employees. Managers already apply BPM practices to their everyday activities, monitoring KPIs and setting goals for

process improvement.

Conclusion

Some of these BPM project descriptions are examples of companies using BPM in ways that readers around the world are familiar with. Others provide examples of major state agencies that are committed to using BPM to integrate strategies and policies with operations and to coordinate major improvements in existing public processes.

Economists, business groups and sports enthusiasts already know that Brazil is a country to watch. Having visited, I can tell you that Brazil is also a country that those interested in BPM should watch. The country is growing rapidly and investing heavily in creating new business models and BPM approaches to take advantage of these new and exciting opportunities.

Till next time,
Paul Harmon

Notes

For more information on Expertise, please check www.expertise.com.br

For more information on ELO Group, please check www.elogroup.com.br

For information on the Brazilian chapter of the ABPMP, check www.abpmp-br.org

BPTrends LinkedIn Discussion Group

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