

## The Third Wave

June 2004



**Howard Smith**  
Chief Technology Officer  
(Europe) of  
Computer Sciences  
Corporation (CSC)

**Peter Fingar**  
Executive Partner  
The Greystone Group

co-authors  
*Business Process  
Management: The Third Wave  
and  
IT Doesn't Matter --  
Business Processes Do.*

[authors@bpm3.com](mailto:authors@bpm3.com)

[www.bptrends.com](http://www.bptrends.com)

*As many have recently observed, business process management isn't new, for indeed, it represents a long and winding journey. Going beyond the walls of business, structural changes in how "work works" have been woven through a tapestry of social, political and individual contexts. As we contemplate the next great frontier in how work works, globalization, it's vital that we explore these contexts in order to grasp a greater understanding of the road ahead.*

Alan Bennett has been a household name in British theatre ever since he starred and co-authored the satirical review *Beyond the Fringe* with Dudley Moore, Peter Cooke and Jonathan Miller in 1960 at the Edinburgh Festival. Later the same show played to packed houses in London's West End and in New York. Although Bennett started by writing and acting for the stage, he soon turned his attention to writing plays for television. Born in the North of England in 1934, the son of working class parents, he is now regarded as perhaps the premier English dramatist of his generation.

Many have observed that while Bennett's "Englishness" and "Northerness" are evident to see, they are no more nationalistic or restricting than Chekhov's "Russianness." The characters he writes about are rooted in a particular social environment, but the issues they raise are of more universal appeal: the isolation of human beings within the protective social roles they have adopted or had thrust upon them, the gap between self-awareness and the capacity to change, the crippling power of propriety. All of these themes are relayed through a tone that is simultaneously ironic and tender. Like the poetry of Philip Larkin, another UK Northerner whose writings he admires, his work frequently focuses on the everyday and the mundane: sea-side holidays, lower-middle class pretensions, obsessions with cleanliness, sexual repression, and the mundane nature of work.

Bennett's *Office Suite*, written in 1978, comprises two one-act plays, *Green Forms* and *A Visit From Miss Prothero*. Both plays focus on office life and take a side-splittingly tragicomic glance at the tempestuous daily regime, the drive for efficiency, and the disruptive power of Office Automation that left many clerical and administrative workers confused and disenfranchised.

### A visit from Miss Prothero

Mr. Dodsworth is 65 and recently retired. Sitting at home in the living room of his modest semi-detached house in the north of England, he is contemplating his achievements at the office with quiet satisfaction when there is a sharp ring at the door. His former secretary, Miss Prothero, has come to ruin it all by giving him all the latest "news" from the firm. Initially glad of some company, they recap how the many streamlining initiatives he introduced over decades transformed the firm. But as they talk, we learn that Mr. Dodsworth is a relic of the pre-computer, pre-office automation era, and that his achievements, while relevant in the 60s and 70s, are hardly able to take the firm into the new decade.

**Mr. Dodsworth:** ... I was with Warburtons thirty years Peggy. Thirty years that saw big changes, some, I flatter myself, the work of yours truly. And doubtless

## The Third Wave

by  
Howard Smith  
and  
Peter Fingar

June 2004

the next thirty years will be the same. More changes. Except now it's somebody else's turn. It's time for me to stand aside and let them get on with it. I don't resent that, Peggy. A chapter is closed. A new one begins. The wheel turns. You see, when you get to my age, you accept that, Peggy. I'm not saying I didn't make my mark. I did. In my own way I revolutionised Warburton.

Mr. Dodsworth goes out into the hallway and can be heard rummaging under the stairs. He brings out a dusty and long-forgotten wooden-framed wall chart of inter-office procedure, chains of authority, Central, District, Sub-District, and so on, drawn up in an elaborate and decorative way, in various colors, a relic of the pre-reengineering era. That era itself was dominated, but not by hierarchical chains of command diagrams, but by equally quaint drawings of new business processes, processes to be executed by the new breed of "case workers."

Mr. Dodsworth offers the org chart, lovingly created during his tenure, to Miss Prothero to take back to the office to hang on the wall of the new manager, Mr Skinner. Miss Prothero is now in a difficult position. She and she alone knows the extent of the changes following Mr. Dodsworth's retirement and the fact that her new boss would rather bury the past than celebrate it. Irony is played out with heart breaking clarity as we gradually discover that, after a lifetime dedicated to driving back office efficiency, with little time left for his wife, Mr. Dodsworth was bereaved in the very year of his long awaited retirement. We are brought to tears as he reflects on the time lost with his wife crafting office procedures over decades that, at a stroke, have been superseded by new methods brought in by younger men from "Newport Pagnell," a UK metaphor for "Head Office" and a thriving market town situated in the North West of Buckinghamshire.

**Mr. Dodsworth:** But what's happened about filing?

**Miss Prothero:** Oh, did I not tell you about that? I thought I'd told you that. Filing was all computerized in September anyway. You see what you have to remember about Mr. Skinner is that he was six months at Newport Pagnell. He's got all that at his fingertips.

**Mr. Dodsworth:** Well, I don't care what you say, our turn-around was forty-eight hours. You can't get much slicker than that.

**Miss Prothero:** Halved.

**Mr. Dodsworth:** Halved? (total disbelief, shock)

**Miss Prothero:** Halved. Twenty-four hours now, and Mr. Skinner says that's only a stage, not a target. He envisages something in the range of twelve hours .... even, you'll laugh at this, even same day turnover.

**Mr. Dodsworth:** You'll kill yourselves.

**Miss Prothero:** No. Half-past four and I'm generally just sat there. All done and docketed.

**Mr. Dodsworth:** What about that .... inter-departmental docketing?

**Miss Prothero:** Oh, we still do that.

**Mr. Dodsworth:** That's something.

**Miss Prothero:** Only it's all in alphabetical order now.

**Mr. Dodsworth:** Alphabetical order! What kind of a system is that!

**Miss Prothero:** Listen, I must go. (trying to get out of telling him more)



**The Third Wave**

by  
Howard Smith  
and  
Peter Fingar

June 2004

**Mr. Dodsworth:** I don't see it. What happens .... what happens if you get a 318 and a 247 on the same sheet? If you don't have direct departmental debit you've got the whole process to go through on two separate dockets.

**Miss Prothero:** Can't happen. Not under the Skinner system. You see they couldn't be the same sheet in the first place.

**Mr. Dodsworth:** They could be on separate receipt dockets but the same 348.

**Miss Prothero:** Yes, that happened on Friday. Mr Skinner fed it into the computer and it sorted it out in no time.

**Mr. Dodsworth:** I think that's an admission of failure.

**Miss Prothero:** It only takes two minutes.

**Mr Dodsworth:** Computers, what are they? Glorified adding machines.

**Miss Prothero:** Don't let Mr Skinner hear you say that. He says a computer is an instrument of the imagination. He says that with another computer, me and Miss Glazier he could run Credit and Settlement single-handed.

**Mr. Dodsworth:** That's just Newport Pagnell talking.

And as the play continues, agony is heaped on agony as Miss Prothero, at first prim and proper, suddenly turns, becomes vindictive and takes great pleasure in destroying Mr. Dodsworth's retirement. As he begins to understand the full impact of Peggy's news, Mr. Dodsworth walks over to the 1960s birdcage in the corner of his lower-middle-class sitting room. Saying nothing, we know he feels his whole life has been burgled, the contents of the years ransacked and strewn around the dowdy room. Next time Miss Prothero visits she will tell him more; and he will have less, other than her company in lieu of his lost wife. He sits down in his armchair and cries to his beloved wife and lost years, "Oh Winnie, Winnie."

CURTAIN

### **The World Outside the Office: The gathering storm of commercial and political reengineering**

Bennett's *Office Suite* was first performed as a television play and transmitted by London Weekend Television in 1978. A year later the UK Conservative Party had won the general election making Margaret Thatcher<sup>1</sup> Britain's first ever woman prime minister. She arrived at Downing Street to take over from Labour's James Callaghan after her party won an overall majority of 43 seats. On the steps of Number 10, she quoted from St. Francis of Assisi: "Where there is discord, may we bring harmony. Where there is error, may we bring truth. Where there is doubt, may we bring faith. And where there is despair, may we bring hope." By 1980 the UK Steel strike had begun. By 1981 Ronald Regan was making striking air traffic controllers redundant and breaking up their union. In the UK there were riots in Southall, London, and in Toxteth on Manchester's Moss Side. Arthur Scargill was elected president of the National Union of Mine Workers (NUM), and unemployment in the UK passed 3 million. And in the same year, the first IBM PCs begin to roll off the production lines.

The new office platform that would change work forever was not unnoticed by the scientific community. An obscure group of researchers at the Massachusetts Institute of Technology (MIT), one of whom was an unknown "office automation"



**The Third Wave**

by  
**Howard Smith**  
and  
**Peter Fingar**

June 2004

researcher called Michael Hammer<sup>2</sup>, were defining the potential impact of computers at work.

Writing tragicomedies about the impact of Office Automation might seem an unlikely subject for a British playwright in the late 70s. Bennett's contemporaries were no doubt analyzing the new "Big C" Conservative agenda and charting the rise of the "Militant" left. Yet Bennett's work perfectly captures those turbulent times. As the performance of public sector organizations came increasingly under the spotlight and was starkly compared to the new "best practices" of privately owned firms, the 1980s saw the biggest sell-off of publicly owned institutions in the history of the UK.

During the election campaign, Mrs. Thatcher said the Conservatives would cut income tax, reduce public expenditure, make it easier for people to buy their own homes, and curb the power of the unions. Liberal leader Jeremy Thorpe, awaiting trial at the Old Bailey for conspiracy and incitement to murder, had lost his North Devon seat in a crushing defeat. Reacting to Mrs. Thatcher's victory, he said: "I am horrified. She makes [her predecessor] Ted Heath look like a moderate." It's hard to recollect that pre-Lady Thatcher, all those employed in electricity, gas, telephones, coal, steel, railways, water, car-making, truck and bus-making, ship-building, aeroplane manufacture, haulage, ferries, bus transport, and many others looked to government for their jobs.

**Fast Forward to 1990: The genesis of radical reengineering**

Michael Hammer's office at the Index Group, an office automation consultancy later acquired by Computer Sciences Corporation, was a couple of floors down from Thomas Davenport's. Hammer had been a MIT professor and an office-automation expert. As Davenport reports in his new book *What's the Big Idea?*<sup>3</sup> "In that now-dead field, Hammer argued that it made sense to re-design office procedures before bringing in such then-advanced technologies as word processing—a primitive form of the reengineering idea." Indeed, Hammer had written previously on word processing innovations in his 1981 article "*Etude: An Integrated Document Processing System.*"<sup>4</sup> In this seminar article, he and other members of the "Office Automation Group" at MIT proposed "the first step in a longer range effort to develop an *integrated* set of tools that will comprise an *office workstation*, a personal and interactive computer-based system that will provide an office worker with access to a wide range of support capabilities." The group's vision was to extend the primitive word processors of the era to include a document production system, an office database management system, an image handling system, and a communications mechanism. They argued, correctly, that, "out of this collection of tools can be built virtually any office application system." Today, the tool that MIT envisaged, but had no idea how to build (nor how difficult it would be and how long it would take to come to market), has become known as a Business Process Management System (BPMS). The seeds of that idea go back decades, but their effects were felt throughout the 80s and 90s as "work and motion" studies met "computerization" in an unholy alliance called "business process reengineering." Michael Hammer, obscure MIT academic and office automation expert, was catapulted to consultant stardom,



**The Third Wave**

by  
Howard Smith  
and  
Peter Fingar

June 2004

and became, for a while, the reengineering movement's poster child, that is, until the methods were widely misapplied and the term fell into disrepute.

**Green Forms**

In Alan Bennett's 1978 play *Green Forms*, Doris and Doreen are comfortably installed in an obscure department of a large organization. On a normal day the girls keep busy by flirting with nice Mr. Tidmarsh in Appointments or pursuing bitter feuds with other departments. Work is nowhere. However, this is not a normal day. Someone elsewhere in the organization has his (or her) eye on them. A shadow falls across their tranquil lives. Back biting, back stabbing, illicit romances, and thwarted egos, we are exposed to the rich tapestry of office life as Alan Bennett takes us back to the pre-Internet era when manual filing and paper forms filling and distribution were a significant part of the working day.

A new desk mysteriously appears in Doris and Doreen's office. Who is it for? It looks as if the dreaded influence of Newport Pagnell may once again be about to intrude on their cushy working day where the major concern until now has been whether or not it is Mr. Cunliffe in Personnel who has pinched their washbasin plug! Surely the Green Form is not intended for Precepts and Invoices? Gleaning snippets of information extracted from numerous paperwork routed or misrouted via their office, they gradually discover that a new "Office Manager," Ms. Binns, is to join their "department." They know little of Ms. Binns until her Personnel file turns up, and what they find out horrifies them. Facing the inevitable, they have no choice but to hold on tight and put their faith, incorrectly as it turns out, in "the system."

**Doris:** Oh, she's not coming. I know that for certain. ... Look at the procedure. Selection and Appointments, North Western Area, Newcastle, Triad House. All communication on a district level to be routed through Area Staff and Selection with contingency copies to Records and relevant departments concerned, i.e., us. If this lady were headed in our direction, we could have been notified of the fact by a green form. We haven't had a green form. Therefore she is not coming. Procedure, you see, Doreen, it can be a tyrant. It can set you free. So, *relaxez-vous*, Doreen. Let it all hang out. We haven't had a green Personnel form. She is not coming. So much for Miss Dorothy Binns!

But Doris is wrong. A Green Form is found buried in an untidy stack of unfinished work, and Doris and Doreen begin to feel the impact of HQ's reengineering as procedures they once held sacrosanct melt before their eyes.

**Doreen:** Everywhere she's been, Doris, a trail of redundancy.

**Doris:** Look at the courses. Manpower Services Course, Tewsbury. Personnel Selection Course, Basingstoke. Time and Motion study Course, Winchester ... Manpower Services, Computerisation Course, Andover. Time and Motion, Computerization, there're all different ways of spelling the same word. Redundancy.

...



**The Third Wave**

by  
Howard Smith  
and  
Peter Fingar

June 2004

**Doris:** She didn't stay anywhere long. Crewe, Chesterfield, Lytham, Southport.  
All wound up.

**Doreen:** Down.

**Doris:** Out. Personnel. They're the ones. They've done it to us, Doreen.

**Doreen:** This will be **her** desk.

*And, curious, they open her desk door.*

**Doris:** It's all very neat.

**Doreen:** An apple.

**Doris:** That means she doesn't have lunch.

**Doreen:** Oh Doris, I'm frightened. Look at the point on those pencils!

**Doris:** A name plate. Yes. Dorothy Binns.

*Doreen picks out a framed document, which she reads.*

**Doreen:** Listen to this (reading)

"I am the foundation of all business  
I am the source of all prosperity.  
I am the parent of genius.  
I am the salt that gives life its savour.  
I am the foundation of every fortune.  
I do more to advance youth than parents, be they never so wealthy.  
I must be loved before I can bestow my greatest blessings, and achieve  
my greatest ends.  
Loved I can make life sweet, purposeful and fruitful.  
I am represented in the most limited savings, the largest body of investments.  
All progress springs from me.  
What am I?"

*An ominous figure stands in the doorway casting a black shadow across the stage.*

**Ms. Binns:** I am Work. I am Work.

CURTAIN

*Table 1 on page 7 chronicles the post-Green Forms timeline.*

**Fast Forward: Reengineering White-Collar Work**

*2002: The great migration of IT work to India and China begins. Offshore outsourcing, powered by BPM, encompasses greater and greater numbers of white-collar workers.*

Writing tragicomedies about the impact of BPM will surely be a subject for British playwrights in the early 21st century, only this time it will be called *Executive Suite*. Writing in *USA Today*, Michelle Kessler and Stephanie Armour argue that, "White-collar employees have long-believed their jobs were safe from the economic forces that have shifted millions of factory jobs to foreign countries in the past 30 years. Not anymore. It's not just clothing and electronics being



## The Third Wave

by  
Howard Smith  
and  
Peter Fingar

June 2004

**1982**

AT&T broken up into 22 regional phone companies.  
The Delorean Motor Company goes bankrupt.

**1983**

Water Workers strike in the UK  
NUM UK miners begin overtime bans.  
Margaret Thatcher elected for a second term.

**1984**

Reagan is re-elected in a landslide victory.  
**Apple Computer releases the Macintosh personal computer.**  
UK Coal Strikes begin.  
Picket violence at the Orgreave coke works.  
UK national docks strike.  
The UK High Court rules GCHQ union ban unlawful.  
Floatation of British Telecom.  
Striking miners kill a taxi driver in Wales.  
Sterling falls to \$1.11; interest rates rise 1.5% to 14 per cent.

**1985**

**The Nintendo home entertainment system is introduced.**  
Neil Kinnock, opposition "Labour" leader attacks "Militant Unionism"  
at the Labour Conference in Hansworth.  
Riots in Brixton, Toxteth and Peckham, UK.

**1986**

Violence at the The Times plant in Wapping, UK.  
Floatation of British Gas.

**1987**

Thatcher re-elected for a third term.  
Floatation of British Airways.  
Black Monday – Stock Market drops 22% on October 19<sup>th</sup>.  
Dow Jones Industrial Average plunged 508.32 points. Fall surpasses the  
one-day loss of 12.9% that began the great stock market crash of 1929  
British Petroleum share sale price guaranteed by government.  
and foreshadowed the Great Depression  
US budget reaches trillion-dollar mark.

**1988**

Conservative Party's Parkinson pledges privatisation of British Coal after next election.  
George Bush elected US president.

**1989**

Record balance of payments deficit (£2.43b), interest rates increased 1 per cent to 13 percent.  
Floatation of British Steel.  
UK National Health Service White Paper published (Working for Patients).  
Richmond by-election: Conservative hold, but worst fall since 1979.  
Summer of strikes: unofficial dock strike; rail strike etc.

**Table 1. A Post-Green Forms Timeline.**

made by workers in India and China and similar places. Now, it's office and professional jobs that are being shipped out—raising the spectre that skilled white-collar workers could face the same devastating job losses that decimated the manufacturing industry."<sup>5</sup> As a growing number of jobs move overseas, some economists are prophesying a political storm against offshore outsourcing. To labor unions, the farming out of white-collar jobs is more than just another way for businesses to cut costs. They say the trend has the potential to plunder the American economy, prolonging weak labor conditions, and poses a long-term danger to employment security long enjoyed by white-collar workers. "We see it as a threat to America's middle-class work force, in terms of wages and benefits," says Marcus Courtney, president of Washington Alliance of Technology Workers



**The Third Wave**

by  
**Howard Smith**  
and  
**Peter Fingar**

June 2004

in Seattle. According to analysts, the trend represents a seismic shift. Financial services companies alone plan to move more than 500,000 jobs offshore in the next five years.

Giants such as IBM, Microsoft, Procter and Gamble, and J. P. Morgan Chase are creating myriad electronic links between on-shore and offshore operations across vast distances and time zones. The watchwords are coordination, coordination, and coordination. Already they use workflow and business process tools to cope. The use of these technologies is growing exponentially. The next generation of Office Automation is upon us—not so much a *Word Processor*, more a *Work Processor*.<sup>TM</sup> Facing the current economic realities, can we be more imaginative than Mr. Skinner when he realized that “with another computer he could run Credit and Settlement single-handed”? To do so will require us to keep Doris’ insight firmly in mind, “Procedure, you see, can be a tyrant. It can also set you free.” Work isn’t what you do. Work is not a task list. Work is what you process, for your work depends on others. As we apply BPM, let’s not forget that the health of our society requires us to recognise that we are all dependent on each other. BPM can be a tyrant. It can also set you free.

**Footnotes**

<sup>1</sup> <http://www.margaretthatcher.org/>

<sup>2</sup> <http://www.hammerandco.com/>

<sup>3</sup> Davenport, H. T., Prusak, L., “What’s the Big Idea?,” *Harvard Business School Press*, 2003

<sup>4</sup> Hammer Michael et al, “Etude: An Integrated Document Processing System,” Originally published in 1981 Office Automation Conference Digest (Houston, Texas, March 23-25, 1981), AFIPS, pp. 209-219.

<sup>5</sup> “USA’s New Money Making Export”, [http://www.usatoday.com/money/workplace/2003-08-05-outsourcing\\_x.htm](http://www.usatoday.com/money/workplace/2003-08-05-outsourcing_x.htm)