“Capabilities, Agile, and “Process Blindness”

“Missing the fray”

Apparently, I’ve been working too hard and traveling too much lately. Among other failings, I missed my May BPTrends Column, and, the subject of this long-overdue contribution, missed much teeth-gnashing and angst about the distinction between “business processes” and “capabilities.” (Spoiler note – there is none!) On the upside, I’d worked on five continents by the mid-point of 2011, visited some great places, met some wonderful people, struck up some interesting partnerships, and am now up to about 150,000 flying miles in 2011. That will guarantee some nice future trips and upgrades. But I digress…

So, I didn’t actually miss the entire “process vs. capability” discussion, just the one that played out in BPTrends and its LinkedIn group. The main reason for missing it was that I was busy with consulting, teaching, and speaking engagements that, ironically, often involved organizations that were struggling with confusion caused by the emergence of “business capabilities,” “capability maps”, “capability models,” and so on.” Those discussions mostly took one of two forms:

1. “Our architects have been talking about capabilities, and we’re trying to figure out what they are and where they fit in.” (The capabilities, not the architects.)
2. “Our architects have hired a consulting firm that has developed a capability architecture for us, and we’re trying to figure out where it fits.”

This use of the term “capability” seems to have arisen from an attempt in the Enterprise Architecture / Business Architecture communities to shed their IT-centric roots and appear more business-focussed. This is a reasonable goal, but, unfortunately, the bottom line is that we now have a new term (“capability”) for what is indistinguishable from the way we’ve been defining “business process” since the late Michael Hammer popularized the term 20 years ago in the early 1990s. As a consequence, confusion has arisen in many organizations that are trying to determine how “capabilities” are different, if at all, from their “business processes,” whether they need both perspectives, and if so, how to achieve some sort of rapprochement between the two.

(Note for those of you who care about such things – I’m not going to worry too much about the distinction between “Enterprise Architecture” and “Business Architecture.” That’s one of those “label” discussions I try to avoid, so I’ll just refer to EBA, and doubtless offend people from both affiliations.)

To set the stage, here are some key points and a chronology of what led to this Column:

1. I started noticing this new use of the term “capability” a little over a year ago, sometime around the middle of 2010. I (foolishly) assumed I knew what it meant – something like the usual interpretation that relates to skills or abilities possessed by individuals and organizations. That seemed okay to me, although I wondered if the Human Resources and Organization Development folks hadn’t already done that. However, when I started to see examples at client sites of their recently-completed “capability inventories,” I got more concerned. I remember thinking at one point “this looks like a process architecture developed by someone who isn’t very good with process architectures.” Typically, the capabilities were neither fish nor fowl, although some were clearly “foul” – they weren’t...
quite the functions of “functional silo” fame nor were they well-formed, end-to-end, cross-functional business process.

2. Helpfully, one of my clients sent me a link to Michael Rosen’s December 2010 BP Trends BPM and SOA Column “Business Processes Start with Capabilities.” Wondering how I’d missed this, I eagerly read it, and was both delighted and flabbergasted. Delighted to find such a clear and well-written explanation of what capabilities were, and flabbergasted that it was indistinguishable from how most of us have defined “business process” for many years. To be fair, I was also delighted again by how capability was defined, because it addressed some of the shortcomings in the usual definitions of business process. More on this later.

3. I immediately emailed my friend, fellow BPTrends contributor and BPM expert Roger Burton, asking if he’d seen the Column. I noted that I found it “a good article (but) frustrating because … according to Mike’s definition a capability is indistinguishable from what you and I would call a business process.”

4. Roger got right back to me: “I think you have been missing the fray on this. Paul Harmon wrote a piece about his exasperation on it about a month ago. I started a BPTrends LinkedIn topic on it that got lively. And the manifesto feedback has picked on the topic a bit too. I suggest you look at the recent buzz on these sites.” That was a pretty nice way of saying “where have you been? – get with it!” Chastened, I read Paul’s excellent July 2011 BP Trends article “Capabilities and Processes” which confirmed, among other things, that this use of “capability” is a very new phenomenon, apparently dating from 2010 or so.

5. There were a few points I didn’t agree with in Paul’s Column, notably the idea that there isn’t a critical distinction between “what” and “how,” so I decided not to read any more about the subject until I’d pulled together my own thoughts. Specifically, I didn’t read the BP Trends LinkedIn discussion, but I will as soon as I send this Column off. At that point, I might regret not having read other contributions on the topic before writing this, but I’ll take my chances.

Let’s begin by noting that this is another example of a decades-long pattern of IT-based groups re-inventing concepts that are already well-known in other arenas, applying their chosen techniques outside of the domain in which they actually work, and otherwise not looking to see what already works in other disciplines.

2 – A familiar pattern

If you looked at some of the methods being touted 25 or 30 years, you might conclude that IT believed it had invented the whole field of strategic business planning as an offshoot of systems planning, but that might be a little far back for the memory of most readers.

A more recent example was in the mid-1990s when proponents of Use Cases (then pretty much a software engineering technique) suggested that “a business process is simply a very large Use Case” and so Use Case Analysis was proposed as a viable approach to Business Process Reengineering. Seriously! We can be thankful this never caught on. Similarly, proponents of Object-Oriented Design, a powerful (irreplaceable, actually) design and implementation approach, came up with Object-Oriented Analysis. This was a set of methods that never worked well as a business analysis approach, despite massive hype and effort, until the O-O bits were dropped and traditional methods factored in.

More recently, we have the extreme “process-blindness” (or “process rejection”) exhibited in the Agile community. I’ve watched with fascination over recent years as Agilistas attempt to “scale up” their methods to take on larger and even enterprise-scale initiatives, including “epics,” “themes,” “goal-mapping,” and other constructs. A couple of years ago I asked a well-known Agile expert if it wasn’t likely that “epics” were often just “business processes” and if it wouldn’t be better to just treat them as such, using proven techniques? It was a classic “Doh!” moment – he
literally smacked his own forehead and wondered how he could have missed something so obvious.

A more recent example – at the IRMUK/IIBA Business Analysis Conference in London last week, I watched an excellent speaker describe the mechanisms that had been created to address the “scaling up” issue. At the end, the woman next to me asked, a bit tentatively, what I thought of the presentation. “Well, I’m biased,” I answered, “but it seems to me that Agile practitioners will do anything to avoid simply identifying and describing the business processes that link together their user stories.” “Exactly!” she said, slapping the table hard enough that my teacup rattled, “It drives me crazy.” Ah, a kindred spirit. (By the way, true Agile development is clearly massively successful in most cases, but I also have some great stories about the messes Agile teams have gotten themselves (and their organizations) into because of failing to recognize end-to-end business processes – that will be fodder for a future Column.)

My point here isn’t just to criticize IT disciplines, but also to point out that the business process field in general could do a better job of “process outreach,” a topic I’ve written about before in BP Trends, and about which I often speak. Evidently, with limited success.

The other point here is a cautionary note of sorts – whenever something “new” comes along, we should invest some effort (as I initially didn’t, in this case) to determine how much of it really is new. The odds are that 80% or more will be familiar concepts relabeled, but that doesn’t mean we should dismiss new developments out of hand, because there are likely some real gems in the other 20%. And so it is with “capabilities.”

3 – “Capability” brickbats and bouquets

Using Mike Rosen’s Column as a primary source, but also some of what Paul related in his Advisor, my central issue with the capability concept is how it separates capability from process on “what” vs. “who and how” lines. Quoting Mike’s Column, “Simply put, a business capability describes what an enterprise does, not how it does it.” Evidently, only when the “who and how” are worked out – that is, the as-is or to-be design is described – does it become a business process. This is simply not a helpful distinction, which is probably why it isn’t a common practice in any discipline that comes to mind.

To use the somewhat tired building analogy, when my wife and I decided we wanted to build a new “house,” we went to a designer (having learned early in the game to avoid architects) who then developed the design for our “house.” Eventually, it was built and we moved in, but we still called it our “house.” The point – the name didn’t change as we went from concept to design to implementation. It remained a “house.”

To use an IT example, it might be determined that a “service” is required called “Determine Customer Eligibility.” It will be specified, designed, and constructed, but throughout will be referred to as a “service.” To do anything else would just add confusion.

I’d be more sympathetic to the “capabilities describe what” point of view if it wasn’t so clearly at odds with long-standing practice in the business process field. Virtually everyone I know in the field acknowledges that a good process architecture, or the results of a good process identification effort, starts with a few layers that focus strictly on “what.” In fact, in my September 2009 Column (“Some Thoughts on Process Discovery”) I wrote “The result of process discovery is a pure “what, not who or how” identification of business processes. There is no indication of which parts of the organization are involved, how the process is implemented, or whether it is currently done well or poorly; the purpose is purely to establish “what we do” (or should do.)” Sounds pretty much indistinguishable from “capability” to me.

A little later, Michael’s article states “Capabilities are described in a capability model which is a hierarchical description of what the business does. We usually talk about Level 1, Level 2, and Level 3 capabilities.” Again drawing from my 2009 article, “Effectively, this is a three-level decomposition—a process area into business processes that are decomposed into subprocesses.” These are sometimes referred to as Level 0, Level 1, and Level 2 processes, but I avoid the terms because different organizations number them differently. Again, the essential
concept is identical. In my workshops and in practice, I stop decomposition (the “what” view) after three levels and switch to various forms of business-friendly flow models (e.g., swimlane diagrams) that provide a “who and how” view. If we want to take the process down to an implementation level, we might even call in a BPMN expert to develop a model suitable for an automated workflow environment. In all cases, it’s still a “business process” we’re describing, just from different perspectives and at different levels of rigor, precision, and detail.

As an aside, I note that in the recently-released V3.0 of his “Zachman Framework for Enterprise Architecture,” John Zachman now labels the top three rows “Identification,” “Definition,” and “Representation,” which is consistent with the approach I’ve described. That’s not surprising, given that I’ve been a fan of John’s “rows” since his landmark article first appeared. The thinking they represent is part of my approach, whether the subject is process, requirements, or data. (You can get a copy of V3.0 by emailing Jeremy Hall of IRMUK at Jeremy@irmuk.co.uk.)

Figure 1 is the picture I included in that 2009 Column to illustrate the process area “Administer Client Safety Management Program” that we’d recently studied at a client site. It seems to be exactly what is described as a “capability model” (as in “we need the capability to Administer Client Safety Management Programs”) except that it’s the framework I’ve been using for as long as I can remember. It also follows the norms for most well-developed process architectures I’ve seen. I gather that some commentators have been trying to describe the subtle difference between something like this and a “true” capability model, knowing full well they are really the same thing, but the arguments are evidently of the “angels dancing on the head of a pin” variety. I’ll uncharitably assume that the underlying motivation is that they represent consulting or advisory organizations that are invested in the capability concept. (I’m NOT including Michael Rosen in that group, whose description of the difference he sees between capability and process was crystal clear.)
Finally, the article also quotes another article titled “A Business-Oriented Foundation for Service Orientation” by Ulrich Homann: “A business capability abstracts and encapsulates the people, process/procedures, technology, and information into the essential building blocks needed to facilitate performance improvement and redesign analysis.”

That sounds good, but again, we’ve been using frameworks like that for a long time, and, frankly, they include other important and “business friendly” aspects that this claim for capability does not. For instance, the framework I’ve used to drive process analysis and design for over 15 years is illustrated in Figure 2, and includes factors such as Motivation and Measurement, Policies and Rules, and Facilities. Roger Burton independently developed his similarly-purposed “process hexagon” at least that long ago. Again, my point isn’t to belittle but to point out that this is well-documented knowledge, and introducing new terms and frameworks to cover it is proving to be unhelpful in actual businesses.
Do you have anything good to say?

Well, actually, I do, and I'll expand on it in my next Column, because this one (as always) is longer than I'd intended. The key point -- I really like Rosen and Homann's descriptions of capability, and will shamelessly (but with due credit) adapt them to my own practice, except substituting the phrase “business process” for “capability.” E.g., “A business process is a particular ability or capacity that a business may possess or exchange to achieve a specific purpose or outcome. A capability describes what the business does (outcomes and service levels) that creates value for customers.” I'll adjust some wording to make that consistent with how I usually define “business process” but I like the central idea that a business process is a necessary capability (the combination of ability and capacity) that an enterprise has, or should have.

By contrast, we usually define a business process at least in part with the phrase “a sequence or related set of activities…” and I suspect that is the root of much of the confusion. It implies that you don’t have a business process until you have identified the specific activities that it comprises, but, as I hope you agree, it’s a business process as soon as you identify it by giving it a name. Later it will be scoped, defined (what I call “framed”), and eventually mapped or otherwise represented.

Similarly, I’ve never much cared for the “input-process-output” framework that is usually used to describe a business process because it seems, somehow, too mechanistic. Maybe that’s because I first learned it as a programmer back in the 1970s as part of a program design technique. I like its cousin SIPOC (“supplier-input-process-output-customer”) even less, because it is even more mechanistic, conveying an image of suppliers shoveling inputs into a machine-like process that transforms them into outputs. Instead, I use an “event-action-result” framework that might seem only trivially different, but it resonates well with business audiences. Essentially, a triggering business event occurs (a decision, a predetermined time, or a condition) and the business process is what must be done in order to resolve that event by providing results that satisfy all stakeholders.

Ultimately, though, all attempts to define “business process” fall short. I favour a phrase I “repurposed” after I heard David Loshin (a business intelligence and information value expert I admire) refer to a concept saying “it can’t be defined, only demonstrated.” And so it is with business processes -- in the end, they can only be demonstrated, because most definitions are ultimately either misleading or maddeningly vague. Next time around, we'll look at some of the examples I use to demonstrate the concept of business processes, and how this idea of a “capability” can help.
What to do in the meantime

It seems to me that the Architecture crowd has been drinking their own bathwater – primarily discussing these issues with other Architects – which is something we do well in the BPM community. Let's face it – discussions about the distinctions between “traditional” BPM, Adaptive Case Management, Social or Emergent BPM, and so on are mostly of interest to people who have already self-identified with some particular community and are eager to convince the rest of us of its unique value proposition. These discussions drive me nuts, partially because of my aversion to labels. That's why I don't even call myself a “BPM” professional. (I know, I know – some of you are thinking “That's because you're more of a BPM amateur.”) Mostly, I avoid these divisions because I've always looked at business process work as a continuum of sorts, from highly structured “transactional” processes at one end through to unstructured “creative / collaborative” processes at the other.

What I prefer is getting outside of the business process arena and doing my bit to help people and organizations get past common points of misunderstanding about “business processes” and appreciate their relevance. I've delivered more presentations than I can count along the lines of “Business Processes for HR & OD Professionals,” “Business Processes for Finance Professionals,” ”Business Processes for Business Analysts,” and, a surprisingly popular one, “Business Processes for Enterprise Architects.” I also do a lot of executive briefings, usually “5 Things You Need to Know About Business Processes” or “Business Processes – What They Are, What They Aren’t, and Why You Care.” Within the business process community, some of the conference presentations I most enjoy doing are “Business Processes – What the Experts Forget” and “Getting BPM Professionals Out of Their Silos.”

This is by way of pointing out that on this topic, I can claim to have been putting my money where my mouth is in terms of “process outreach,” which is what I’m encouraging everyone in our business to do. I invest a lot more time speaking to professionals outside the BPM field, and learning from what they’re up to, than I do speaking within the BPM field.

Next time, if all goes well, we’ll have a look at what I’ve been telling them.

From the Trenches
Alec Sharp

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