Process Governance is important and necessary in all business sectors, because: 1- organizations have to protect their interest in solving whatever old and new problems they encounter; 2- Process Management has many applications (knowledge management, information system design and implementation, etc.); 3- within organizations, different units/areas express different interests in Process Management; 4- Process Management initiatives can be integrated according to the benefits they generate; 5- power over cross processes should be balanced, i.e., in Process Management there should be persons responsible and others co-responsible for certain actions; and 6- Process Management yields results for all involved; this, in the long term, will lead to disputes over responsibilities in its field of action.

In order to enable organizations to create and adopt models of Process Governance, some authors on the subject define frameworks that structure the field in which Governance is conceived and operated. The main definitions and frameworks set out in the literature were discussed in Process Governance Part I published in the October BPTrends Update.

Drawing on analysis of these existing Process Governance architectures, on vast experience in consulting projects in companies representing a wide diversity of industries, and on research performed through its website, Enjourney Consulting and Education has developed a framework using what are considered the most important elements in defining an effective Model of Governance which can meet the needs of companies, governments and institutions.

The underlying assumption is that initially the framework for a Process Governance model should make it possible to understand the context of each organization, and to develop a specific model for each organization based on its unique characteristics. To accomplish that goal, the governance model must contain carefully selected constituent elements to accommodate different business contexts.

Given that the primary goal of the Model of Governance relates to identifying, introducing and improving Process Management, the elements judged fundamental for incorporation into the framework are the following:

- Decision-making and Management Models;
- Process Introduction and Implementation;
- Senior Management Sponsorship;
- Organizational Design;
- Budget Policies;
- Process Management-related Roles and Tasks;
- Recognition and Reward Models;
- Process Design and Development Cycle;
- Overall Organization Goals;
- Process Performance Monitoring, Control and Evaluation.

From a synthesis of the above elements, Enjourney developed the Framework shown in Figure 1.
The framework thus comprises seven elements and is based on general construction principles, in addition to being oriented by the strategies and goals that disaggregate into the other elements. Application of the framework centers on the roles OF and IN Governance, in the division of tasks and in decision sponsorship, structure and scheduling criteria. All the elements of this model are supported by pre-defined standards and instruments and make use of control, evaluation, and recognition and reward mechanisms. The components of this architecture are detailed in the remainder of this Article.

Elements of Process Governance:

Strategies and Goals

The goal of Process Governance is to accommodate the organization’s Process Management goals to achieve ongoing Process Improvement and bottom line prosperity. It is extremely important for this goal to be clearly defined and effectively communicated throughout the organization, because it will orient the action of collaborators and of the organization as a whole.

In short, the goal of Process Governance is to steer Process Management in the organization. Factors such as the organization’s strategy, the industry it competes in, its value chain, the maturity of its processes and Process Management, etc., are critical and must be considered in order to define a suitable Governance.

The goals of the Model of Governance may vary: to act on day-to-day activities, to act on production and process routines, to give visibility to the operational flow, and to act on innovation, seeking process improvement and development.
Figure 2 - Goals of Process Governance.

**Roles OF Governance**

The roles OF Process Governance are representations given to it in view of a previously stated goal.

For each statement of goals, specific roles OF Governance can exist or take on different attributions. Some of the alternative roles that Governance may take on are:

- Day-to-day Coordination;
- Driving Improvements;
- Aligning and Integrating Decision Making;
- Normative and Control;
- Performance Evaluation;
- Mentoring and Consultancy;
- Communication;
- Others

**Roles IN Governance**

Roles IN Process Governance are organizational units and positions or, more properly, roles created so that the model structured for action to manage processes can be made explicit and put into practice.

For each stated goal and set of roles OF Governance, specific roles IN Governance may exist or take on different attributions. Some alternative roles IN Governance are:

- Process Governance Decision-making Groups or Committees;
- Process Center of Excellence;
- Process Initiative Stakeholders and Sponsors;
- Process Manager or Coordinator or Owner;
- Process Office Manager;
Roles IN Governance should act in coordination, so that coherent process-related decisions are made.

At this point it is important to bear in mind the difference between Process Governance and the Process Office. The latter is situated at the strategy level of Process Governance and fits in as a role with its respective responsibilities. Other possible names for the Process Office are Center of Process Excellence, Process Competence Unit, etc.

Some authors consider a Process Center of Excellence indispensable to setting up effective Process Governance in an organization, since it is responsible for ensuring that Process Governance functions appropriately. In such cases, the Process Center of Excellence acts as a mechanism to support process integration and alignment and foster process development.

A Process Office may or may not actually exist physically as an organizational unit; in either case, however, its attributions continue to form part of Process Governance. Its existence depends exclusively on the model of Governance constructed.

**Division of Process Management Tasks**

The division of Process Management tasks and responsibilities is determined by attributing responsibilities to the pre-defined roles and by sharing tasks among them. The tasks and responsibilities of Process Management enable it to exist in the organization in a structured form.

For each stated goal and pre-defined set of roles OF and IN Governance, specific responsibilities and tasks will be attributed.

The tasks to be distributed in this phase also relate to the goal of the task. That is, there may exist specific tasks directed to process improvement or even tasks directed to day-to-day process coordination.

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**Figure 3 - Process Management Tasks. Source: The authors**
Examples of tasks directed to process improvement are: understanding organizational strategy and defining an approach to change; understanding, selecting and prioritizing processes; and managing the Process Management design portfolio.

Meanwhile, the tasks directed to day-to-day process coordination may be represented by the following: process inventory management; process execution monitoring; process execution control; updating the process database; and converting processes into work procedures.

One product of this stage may be a RACI matrix in which roles and their respective responsibilities and tasks are defined.

**Decision Making: Sponsorship, Structure and Scheduling Criteria**

The Process Governance structure determines the set of relationships among the roles and may take into consideration determinants as regards hierarchy, interaction and coordination. This structure includes a definition of Governance decision-making entitlements, as well as process design prioritization.

For each stated goal and predefined set of roles OF and IN Governance, different structures may be defined.

This element of the Process Governance model structures how the predefined roles will interrelate to attain the larger goal of Process Management. The Governance Structure is important in preventing redundancy among the components of the structure and even misaligned decisions.

It is important to stress that, at the time this element is defined, any existing decision-making committees in the organization that may form part of its Corporate Governance should be considered. It is through this element that the relationship with Corporate Governance can be better understood and structured.

This element also involves defining a sponsorship structure (and not just a sponsor). This will represent the lead actors involved in Process Management, clearly defining their respective roles, responsibilities and when they are to act.

**Standards and Instruments**

Governance standards and instruments are the set of tools designed to give uniformity to, and at the same time expedite, execution of existing process initiatives. In short, this element provides an instrumental framework, which makes Process Governance adhere to required standards, as well as the process designs in question, "run" more quickly and efficiently.

Accordingly, this element groups tools, methods, methodologies, process architecture, metrics, documentation and so on. For each stated goal and predefined set of roles OF and IN Governance, different standards and instruments may be defined, reviewed and used.

Choices regarding this element of Process Governance are made with a view to standardizing, and assisting in performing Process Management-related activities. The standards and instruments should be managed by the Governance structure.

The choices to be made relate mainly to the following items:

- Process Management Support tools (BPMS);
- Process Architecture – to ensure uniformity among initiatives and how processes are represented;
- Metrics – for process performance monitoring, contemplate indicators and measurement system;
- Methods and Methodologies – standardized and in place throughout the organization.
Control and Evaluation Mechanisms

Governance control mechanisms represent a set of metrics necessary in order to determine the soundness of the Process Governance operating in the organization, in terms of the model designed previously.

This set of metrics varies according to the stated goal and the existing sets of roles OF and IN Governance.

Governance evaluation mechanisms constitute a structured system for evaluating the effectiveness of the Process Governance model in place in the organization by evaluating the action of Process Governance roles, as well as any existing process initiatives.

Lastly, it must be stressed that the metrics defined to measure performance should reflect the organization’s expectation as regards the objects being evaluated, because these behave according to how they are measured.

It is important to note that evaluation can and should also be an input to staff movement, an annual training plan, strategic planning, and so on.

Recognition and Reward Mechanisms

Recognition and Reward Mechanisms are systems of rewards and punishments based on performance of the roles involved in Governance. In turn, a development mechanism is defined which encourages and fosters improvement and progress in performing these roles.

The metrics, as well as the evaluation structure, vary with the stated goal and the set of existing roles OF and IN Governance.

These control and evaluation mechanisms thus define how those involved in Process Management are to be evaluated from the process standpoint, and rewarded for their work.

Staff involved should not only receive performance reports, but should also be able to monitor their own performance over time, so that they can take action before the situation gets out of control and becomes a problem for the organization.

Some suggested actions for defining an organization recognition and reward structure are listed below:

- Define goals for those involved and for the processes, so as to permit evaluation from a process standpoint;
- Structure indicators that reflect performance by processes and by the people in the processes;
- Create mechanisms and policies for evaluating those indicators, disaggregated into rewards and feedback for improvement, when thinks are wrongly conducted (don’t punish, improve policy);
- Institutionalize policies for variable individual rewards conditional on performance by the process of which the individual forms part;
- Others.

Conclusion

The role of Process Governance has gained importance in organizations ever since firms perceived the existence of cross processes. There are lots of possible configurations of Process Governance model and, therefore, specificities of each organization are taken into consideration.

Using this instrument, it is possible to construct an effective model of Process Governance, because the framework presented in detail incorporates the elements judged most important to implementing Governance. On the basis of general principles of construction, the organization can define its ideal model using this framework as a guide. Then, with a robust, well-defined Process Governance model in hand, its introduction and execution in the organization are
facilitated and its importance is reflected in the extent to which it represents the definition, introduction and improvement of Process Management in the company.

The results achieved with a well-structured Governance model actively applied in the organization relate to organization performance, given that the goal of Governance is to forge the link between Organization Strategy and Process Management. It creates guidelines, determines responsibilities and develops metrics that will orient Process Management in the organization. The result is that all processes can be said to be directed to the same organizational goal.

One way of measuring this increase in organizational performance as a result of Process Governance and Management is by way of the Return on Investment (ROI) or the value added for stakeholders. Results generated by Process Management can thus be gauged quantitatively rather than just qualitatively.

In this context, Enjourney Consulting and Education continues to invest in building mechanisms to facilitate the construction and introduction of effective models of Process Governance.

References


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