

## Putting the M back in BPM

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*Rethinking BPM: Business Process Management can be simply defined as the management discipline by which an organization treats its business processes as one of its most valuable assets. However, in the IT world, BPM has become shorthand for “process automation tools.” What is the impact of that on the way we address business process improvement opportunities today? Ian Gotts, CEO of Nimbus, explains how successful enterprises are “putting the M back in BPM” to address their goal of sustained operational excellence.*

### Process Knowledge – Intellectual Capital

A company's most important asset is arguably its employees' knowledge, including how the organization's key business processes work, who is responsible for what, and how to deal with process exceptions. To use that knowledge asset, employees must be able to quickly and simply find out what, when, and how to do the tasks they require. When they find the necessary information, it has to be understandable and trusted as up-to-date, complete, and correct.

In 2001, a study of 6,300 knowledge workers by US research firm Outsell Inc<sup>1</sup>, showed that knowledge workers can spend up to eight hours a week (20 per cent of their time) looking for the right information. In 2005, the same survey showed a rise to 11 hours or 27 per cent. How much time is it for your employees? Now throw in a major business transformation like an ERP implementation or upgrade – how does that impact your organization's understanding of how to leverage its processes?

I am not alone in thinking the BPM TLA<sub>2</sub> has been somewhat hijacked by process automation and workflow vendors. They're also important, but the supporting technologies do not address the knowledge management / intellectual capital challenges mentioned above, or support BPM as a “holistic enabler of operational excellence.”

### BPM as a Management Discipline

Treating BPM as a management discipline and leveraging the resulting process content as a living asset offers huge potential for a business. It provides the common ground required to align departments, people, and their roles with the businesses objectives and supporting IT landscape.

Additionally, and importantly, process management should support

- Analysis and optimization – to drive efficiency and reduce costs;
- Operational risk management – to more easily ascertain where business controls need strengthening;
- Change management and communication – to more easily “roll-out” change.

People's objectives and expectations from BPM vary enormously according to their role and their perspective. Executives and operational management want improved performance, agility, and execution of strategy. IT wants the end-to-end information flows and business requirements to configure and test supporting systems down to transaction detail. Compliance and quality folk want to manage and audit regulatory requirements against activities and roles. Process analysts want “to-be” vs. “as-is” modeling capabilities to support a variety of business improvement techniques. Ultimately, the people who have to carry out the processes simply want to understand how to perform their tasks while conforming to company requirements, new processes, and systems more easily.

Typically, different authors and stakeholders develop process content for multiple projects, such as software implementations, mergers and acquisitions, cost cutting, Lean Six Sigma, compliance, risk management, and outsourcing or shared service center implementations. The different views and requirements of these stakeholders often lead to a fractured approach, with disparate and duplicative process content, described in different and overlapping ways and held in different repositories. It doesn't have to be that way. Both the approaches and supporting technology exist to pull together and govern process content in a central, co-ordinated way. While some approaches focus on a purely technical analyst's model, another approach allows this to become a living process asset supporting the operation as a whole – an “Intelligent operations manual.” This is illustrated in the diagram on the right.

### Working in a vacuum?

No doubt your organization has done plenty of process mapping before. What were the results? Is the content still current and in use today? Take, for example, your last ERP implementation. These typically cover information flows in great detail with end-to-end views like “order to cash” or “procure to pay,” allowing for systems integration, design, and testing. They do not, however, describe the manual processes that go on around the automated steps in any detail. As a result, business end-users often face confusion, with abundant technical detail and process descriptions in some areas, but a lack of context and a vacuum of process visibility and accountability in others.

Too often, process documentation is created and validated at great expense for one initiative, used as a project blueprint, and then never seen again. Processes fine-tuned during implementation all too easily degrade through lack of adoption. Training becomes disjointed coaching on individual transactions, with little visibility or reinforcement of end-to-end process. Usually, process information is pasted or retyped into documents and duplicated on intranets. The result? Poor governance, lack of end-to-end transparency, and unclear roles and responsibilities.

### Establishing a BPM center of excellence

To address these issues and the different stakeholders' requirements, many organizations are establishing a BPM center of excellence (“CoE”). Its goal? – to unify the approach of different stakeholder teams, around a central repository of governed business process content. In addition to this business asset and management approach to BPM, there is also the need to automate specific processes, and monitor performance. That's where so-called BPM tools play their part, but clearly they should fit alongside the overall management approach. The capability of such tools and the skills of IT specialists who use them are not what will “power” your overarching BPM CoE.

### Don't let process knowledge go to waste

To make process management effective, you need to engage with the people who actually carry out processes. Easily accessible, understandable, and trusted information gets used and recommended.

When the content is reliably up-to-date, linked to related work instructions, templates, and systems, which people need to do their jobs, it becomes the easiest way to communicate how you operate and associate changes, as and when required. Engagement is additionally improved by connecting real-time operational metrics to the process content so that people can see how the business is performing (through KPIs) in the context of required processes. I describe this approach as an “intelligent operations manual” for the business. My book, *Common Approach, Uncommon Results*, distills over ten years' experience with many customers who have employed this approach.

Your processes are a significant investment, whether or not you think about them, budget for them, or proactively manage them. It makes sense to ensure that your investment delivers a living, governable, lasting, and valuable asset. If previous process mapping exercises resulted in discarded or outdated content buried somewhere on the “file system,” you will appreciate that what’s described above is different in terms of effort and reward. Hence, the recommendation to establish a BPM CoE and pay attention to the needs of process content management for this kind of sustained approach to succeed.

### When and how to start?

There usually has to be a compelling catalyst for an enterprise to embark on this approach. Typical reasons are significant changes to the business such as

- Enterprise software projects – like ERP;
- System consolidation and standardization;
- Various operational excellences and business efficiency programs;
- Merger or acquisition;
- Reorganization, e.g., outsourcing or shared service centers;
- GRC programs.

Evidently opportunities abound for a more coordinated approach to managing business processes to pay big dividends. But, rather than attempt an enterprise wide “big bang” approach, start with one or a few key initiatives and grow the BPM CoE gradually, in support of successive projects. Each of these can obtain a rapid return on investment. Focus your efforts, deliver the benefits, communicate the success, and build momentum. By coordinating the approach under the CoE you can start to perfect the art of business process management for your organization and start to join up disparate projects into a centralized approach, which pays greater dividends through best practice and efficiency savings. That’s what I mean by putting the M (management) back into BPM.

#### Improving the approach to business process governance.



Figure 1. Improving the Approach to Business Process Governance

## References

1. Outsell Inc – [www.outsellinc.com](http://www.outsellinc.com)
2. TLA = Three Letter Acronym
3. Common Approach, *Uncommon Results*. Ian Gotts ISBN 0-9548309-0-3

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## Author

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