BPM Governance Framework

Vitaly Khusidman

Abstract

There are many excellent publications on BPM Governance that cover various aspects of this discipline from the theoretical foundation and definitions to lessons learned and best practices. These Articles provide a good understanding of these aspects and offer useful, practical advice in respective areas. However, they all fall short of offering a comprehensive framework that can be used as a single source of reference, models, templates, and guidelines for definition and institutionalization of BPM Governance in one’s organization. The purpose of this Article is to define requirements of a comprehensive BPM Governance Framework and to outline the contents of such a framework using the Open Group’s framework for general and SOA governance as a useful pattern.

Background

Definition

The following BPM Governance definitions are useful for the purposes of this Article.

Harmon [1] defines Governance as “…the organization of management. It refers to the goals, principles, organization charts that define who can make what decisions, as well as the policies and rules that define or constrain what managers can do…” Harmon also notes [2] that “…Governance is concerned with how a company organizes its managers…”

Morris and Brandon [3] suggest that “Governance is the cornerstone of the debate between control and flexibility in change projects.”

Spanyi [4] writes that BPM Governance “… creates the right structures, metrics, roles, and responsibilities to measure, improve, and manage the performance of a firm’s end-to-end business processes…”

Motivation

The need for governance in successful implementation of BPM initiatives has always been recognized by the industry. There are a number of publications using common-sense logic and anecdotal evidence to advocate the establishment of governance as a prescription for growing a healthy and rewarding BPM initiative. However, Korhonen [5] makes a rare attempt to bring theoretical justification for establishing BPM Governance practices and supporting organizations that would ensure successful implementation of a BPM initiative. His argument is built on the concepts of “requisite organization” (i.e., the organization specifically designed and equipped with mechanisms to optimally achieve its objectives) and “holacracy” (i.e., form of governance that “…enables the natural consciousness of an organization to emerge and govern itself at any given point…”). The term holacracy was first introduced by Robertson [6] who states that with this form of governance “…an organization has naturally ideal or ‘requisite’ structures that ‘want’ to emerge…”

Infosys presentation [7] argues that having a multitude of roles, teams, projects, and tools concurrently working on the enterprise BPM initiative is a major motivation for establishing BPM Governance.

Spanyi [4] suggests that BPM Governance, by providing guidance on models, metrics, and management accountability, is the way to reduce chances for failing large-scale BPM initiatives.

Morris and Brandon [3] believe that governance for BPM is even more important than it was for traditional IT applications because it requires orchestrating activities on both sides: business and technology. They further suggest that since BPM is a powerful accelerator of evolution of the enterprise business processes the lack of governance or wrong governance may result in “going faster in the wrong direction.”
Gauthier [8] blogs that BPM Governance “…encompasses several high-level areas of responsibility, any and all of which can make or break your BPM initiative.”

Need for a comprehensive BPM Governance Framework

There is a significant body of knowledge required to build BPM governance for a new BPM initiative, and there are many useful resources that elaborate various aspects of it. Yet, every time an organization embarks on a new BPM initiative it has to redesign BPM Governance almost from scratch. There is a need for a comprehensive BPM Governance Framework that could serve as a roadmap for creating BPM Governance customized for the needs of a given organization. Spanyi [4] believes that lack of a robust BPM Governance framework is one of the chief reasons for failing large-scale BPM initiatives.

The rest of the Article discusses requirements of a comprehensive BPM Governance Framework and outlines the content of the proposed framework.

Framework Requirements

The following is a list of major requirements for a comprehensive BPM Governance Framework. These are evolving requirements, and it is expected that this list will be updated and enhanced.

Requirement 1 – Single point of reference

The framework shall serve as a single point of reference for the most significant aspects of BPM Governance that are common across different industries and organization types. It shall offer a set of artifacts that will be used “as is,” and/or offer templates that can be customized for the purposes of a given organization.

Requirement 2 – Coexistence with other governances

BPM Governance shall exist in a context of governances of other initiatives that span across business and technology that deal with strategies, organizations, information, rules, services, etc. BPM Governance shall be integrated with other governances by interfacing respective governance processes, leveraging artifacts, and participating in collaboration with respective governance organizations.

Requirement 3 – Guiding Principles

The framework shall define BPM Governance guiding principles that have universal value and have been proven by BPM initiatives experience across multiple industries and organization types.

Requirement 4 – Governed and governing aspects

The framework shall define governed aspects (the ones answering questions, Why? What? How? Where? When? and By whom? - certain activities needs that are to be done in a BPM initiative) and governing aspects (e.g., knowledge management and communication, verification, and enforcement) of BPM Governance.

Requirement 5 – Guidelines for governed aspects

The framework shall provide templates of the guidelines for the governed aspects of BPM Governance, including BP Lifecycle, BP Analysis and Modeling, Change Management, and Release Management. The templates may require different levels of customization: Some may be used almost on “as-is” basis, and others may require significant tailoring to fit the given industry, organization, methodology, platform, or toolset.

Requirement 6 – Guidelines for governing aspects

The framework shall provide templates of the guidelines for the governing aspects of BPM Governance, including those communicating, facilitating, enforcing, measuring, and reporting the governance activities. These templates shall be industry-independent and allow customization to achieve the desired level of formality selected for the given BPM Initiative. This customization may also depend on the size of the organization and its maturity.
Requirement 7 – Organizations and roles
The framework shall provide guidelines for optimizing the organizational model and creating BPM Governance enabling organizations (i.e., Steering Committee, Center of Excellence) and roles.

Requirement 8 - Standards
The framework shall leverage BPM and related standards as much as it is practical to promote reuse, simplify integration with other solutions, and reduce dependency on proprietary methods, tools, and vendors.

Requirement 9 – Continuous improvement methodology
The framework shall define a methodology for analyzing BPM Governance outcomes and for its continuous improvement.

The next section outlines the proposed content of a comprehensive BPM Governance Framework.

Framework Outline

Framework organization
The Open Group in its “SOA Government Framework” [9] defines approaches to framework organization that can be leverages for the BPM Governance Framework as well. According to this approach, a framework has three major components:

- **Governance Reference Model** – a collection of artifacts and/or their templates that can be used either directly or customized for the purposes of a specific instance of the governance (regimen) for the given organization.

- **Governance Lifecycle Methodology (Vitality Method)** - a process for customizing the Governance Reference Model into a specific instance of the governance (regimen) for the given organization. The process represents a continuous improvement loop that produces a new version of regimen based on the analysis of the measured results of the previous iteration.

- **Governance Regimen** - a collection of artifacts tailored for the purposes of the given organization, used to plan, execute, measure, and analyze governing and respective governed activities.

The Open Group’s approach can be applied at the high level to the organization of the BPM Governance Framework, which would satisfy Requirement 1. However, the specific artifacts/templates shall be defined for the purposes of BPM domain.

Ecosystem of Architecture Governances
BPM initiatives are not implemented in isolation but, rather, as an integral part of overall enterprise business and technology management. It is crucial to create BPM Governance that is consistent and interoperable with other governances within the Ecosystem of Governances of the given organization. Ideally, all sorts of governances within the enterprise would follow similar approaches and have similar frameworks – This would reduce resistance to establishing new governance as well as lower the respective cost and time.

Gauthier [8] blogs: “Governance can tie BPM to other organizational initiatives in a way that maintains their integrity so BPM is not supplanted by other needs.”

Kenney [10] argues that “…process governance must be coordinated with SOA governance to provide visibility and policy enforcement across multiple siloed domains. This includes governance technologies and organizations, including centers of excellence…”
The Open Group Architecture Framework (TOGAF) [11] defines an Architecture Governance Framework as "...the practice and orientation by which enterprise architectures and other architectures are managed and controlled at an enterprise-wide level." The scope of the TOGAF’s Architecture Governance Framework is the entire set of TOGAF’s architecture domains, including Business, Data, Application, and Technology architectures. The BPM discipline spans all these architecture domains. The BPM Governance has corresponding scope – it spans Business and IT (Data, Application, and Technology) architecture domains. The same is applicable to a number of related disciplines, e.g., Information, Services, Rule, etc. (see Figure 1).

![Figure 1. Ecosystem of Architecture Governances - Example](image)

In order to satisfy Requirement 2, the BPM Governance Framework must be a first-class citizen of the Ecosystem of ArchitectureGovernances and cover both business and IT domains.

**Guiding Principles**

As with any governance, a successful BPM Governance shall subscribe to guiding principles proven by industry experience.

Gilbert [12] offers five Charters (guiding principles) of BPM Governance:

- **Platform Sharing** – management of the BPM projects in the pipeline, leveraging common BPMS infrastructure and support, including on-boarding rules, etc.

- **Democracy** – creating flat, educated self-governing organizations

- **Budget Access and Transparency** – includes project chartering, business case management, and Key Performance Indicators (KPI) definition

- **Conflict Situations** – resolution of the competing priorities, rules of engagement, and collaboration between initiatives and organizations (e.g., BPM and SOA initiatives collaboration, interface definition, etc.).
Richardson [13] discusses five basic principles or steps for effective process governance:

1. Establish standards for implementing new BPM projects.
2. Prioritize BPM projects so that you work on the most achievable ones first.
3. Clearly define the roles and responsibilities of everyone involved in the BPM project.
4. Put someone in charge with authority to enforce BPM governance rules.
5. Establish a BPM Center of Excellence to ensure that steps 1-4 are followed on every initiative. These Centers of Excellence serve as internal practices that support deployment of enterprise-wide business processes.

Tregear [14] lists five key elements to BPM governance:

- Measurement
- Ownership
- Accountability
- Control
- Support

Catts [15] discusses a guiding principle distinguishing strategic and tactical aspects of BPM Governance. He suggests that BPM Governance implementation at a strategic level is required when the organization is shifting from unit-focused to enterprise-wide business process management that cuts across multiple business functions. It requires a great deal of commitment and support from executive management. Tactical BPM Governance focuses on establishing organizations, standards, best practices, lifecycle methodology, and governance processes to ensure consistency and effectiveness of a BPM initiative across the enterprise.

BPM Governance should adhere to Einstein’s principle: “Be as simple as possible but not simpler.” There are also important guidelines on “what not to do” in BPM Initiative. For example, Tregear [14] offers a list seven deadly sins that inevitably lead to a failure of a BPM Initiative. These guiding principles are largely complimentary and can make a good foundation for the BPM Governance Framework’s Guiding Principals component. However, in order to satisfy Requirement 3, more guiding principles need to be identified and organized by categories.

Governed VS. GOVERNING ASPECTS

This distinction is often ignored, and that results in the creation of governance guidelines that are not clear and are difficult to follow. Any governance must deal with two sorts of aspects: One type prescribes activities to be done within the core discipline (in this case the core discipline is BPM) and another type makes sure that all that needs to be done is actually completed. The Open Group’s “SOA Governance Framework” [9] calls these aspects governed and governing, respectively. Wolter [16] calls them governance and stewardship, respectively.

According to The Open Group’s “SOA Governance Framework” [9] and TOGAF [11], the governed aspects include all processes and artifacts related to the core discipline. They are answering questions – Why? What? How? Where? When? and By Whom? – that are the essential activities of the core discipline that need to be performed. For example, a legitimate governed aspect is Business Process Model Lifecycle governance, answering these questions in relation to model modification.

According to TOGAF [11], the governing aspects include the following:

1. Key Architecture Governance Processes – required to identify, manage, audit, and disseminate all information related to architecture management, contracts, and implementation.
2. **Policy Management and Take-On** – required to register, validate, ratify, manage, and publish new or updated governance related content.

3. **Compliance** – assessments against Service Level Agreements (SLAs), Operational Level Agreements (OLAs), standards, and regulatory requirements.

4. **Dispensation** – the orderly way to handle non-compliances by either requesting adjustments or dispensation (case-by-case exemption from compliance).

5. **Monitoring and Reporting** - performance management required to ensure that both the operational and service elements are managed against an agreed set of criteria.

6. **Business Control** – required to ensure compliance with the organization's business policies.

7. **Environment Management** – required to ensure that the repository-based environment underpinning the governance framework is effective and efficient.

The Open Group's “SOA Governance Framework” [9] specifically includes the governing aspects 1 (called Communication), 3, and 4 from the above list.

Requirement 4 can be satisfied by adopting the approach proposed in TOGAF and The Open Group’s “SOA Governance Framework.”

**Guidelines for Governed Aspects**

The chart in the Figure 2 below breaks BPM Governed Aspects guidelines into four categories:

- **Alignment** – guidelines ensuring strategic and tactical alignment of BPM with enterprise business objectives, investment policies, other initiatives, and stakeholders.


- **Operations** – guidelines prescribing operational procedures and best practices for BPM, BPMS, and underlying infrastructure.

- **People** – guidelines for sponsorship, roles, and organizations, resources management and training, knowledge management and communication.
**Figure 2. BPM Governance Guidelines for the Governed and Governing Aspects**

The **Alignment** category includes the following guidelines:

- BPM Guiding Principles
- High-level Business Process Architecture
- Business Process Portfolio Management (prioritizing BP for redesign/automation)
- BPM Investment Policies
  - Project Planning, Approval, and Funding
  - BPM Budget Access and Transparency Policies
- Business Process Metrics, KPIs, and Business Activity Monitoring
- Business Process End User and Stakeholders Policies
- BPM Standards

The **Methods** category includes the following guidelines:

- Business Process life Cycle methodology
- Business Process Analysis and Modeling
- Business Process Design and Testing
- Business Process Integration with Information, Services, and Rules
• Business Process Management System (BPMS) Infrastructure Architecture
• BPMS Infrastructure Design and Testing
• BPMS Configuration and Release Management

The **Operations** category includes the following guidelines:
• Business Process Platform Sharing
• BPMS Infrastructure Operations
• BPMS Infrastructure Support
• Business Process End User Support
• Business Process Monitoring and Control
• Business Process Measurements and Reporting

The **People** category includes the following guidelines:
• Executive Sponsorship Policies
• BPM Roles, Responsibilities, and Accountability
• Skills, Expertise, Labor Division, and Assignment
• BPM Knowledge Management
• BPM Education and Training
• Collaboration and Communication

The above list of BPM Governed Aspects guidelines is not final and requires further analysis and refinement; however, it covers most areas for satisfying Requirement 5.

**Guidelines for Governing Aspects**

The chart in the Figure 2 above breaks BPM Governing Aspects guidelines into two categories:
• **Processes** – guidelines prescribing the steps for governing processes.
• **Knowledge** – guidelines for managing and communicating content, resources, and facilities involved in the planning, execution, measurement, and analysis of the governing processes.

The **Processes** category includes the following guidelines:
• Compliance Verification
• Dispensation
• Monitoring and Reporting
• Business Control

The **Knowledge** category includes the following guidelines:
• Governance Roles, Responsibilities, and Accountability
• Governance Education and Training
• Information Management and Communication
• Policy Management and Take-On
• Environment Management

The above list of BPM Governing Aspects guidelines satisfies Requirement 6.
Organization alignment

Many publications on BPM Governance reflect on the importance of alignment of organizational structure, roles, and responsibilities required to fulfill the purposes of a BPM initiative. Initiative sponsorship at the executive level is considered especially important.

Catts [15] notes that “…strategic implementation of BPM governance requires a great deal of commitment and support from your enterprise’s executive management…”

Richardson [13] agrees in an even stronger statement: “…Executive sponsorship is the single most important ingredient required for successful process governance. Without executive sponsorship, most enterprise-wide process initiatives lack a decisive voice capable of resolving process-related conflicts that arise during implementation... The executive sponsor must be empowered to enforce agreed upon governance rules and should have budget authority for process initiatives…”

Harmon [17] suggests that executives will naturally support a BPM initiative when it provides tangible benefits for the company’s business so that they are using BPM capabilities in their strategic and/or tactical activities: “…If the CEO and the executive team think in terms of processes, this usually means they have defined key processes, typically the company’s major value chains, and that they monitor the performance of those processes.”

In many cases, an enterprise-wide BPM initiative is implemented in a traditional function-oriented organization. In such cases, organization realignment is required to support business processes crossing the functional and/or business unit boundaries.

Harmon [17] writes that “…The heart of BPM governance, however, is how the company organizes its managers to assure that its processes meet its expectations. A company that relies entirely on a traditional departmental organization chart simply can’t support a process-centric organization. There is a natural tension between a departmental approach to structuring an organization and a process focused approach. Most organizations that are process focused have moved to some kind of matrix management model. Some managers continue to be responsible for departmental or functional groups, like sales, marketing, manufacturing, and new product development; however, other managers are responsible for value chains or large scale processes.”

Korhonen [5] agrees: “A company that relies entirely on a traditional department organization chart cannot support a process-centric organization; most process-oriented organizations have moved to some kind of matrix management model.” Curtice [19] suggests that the process management structure is overlaid on the existing line-management organizational configuration.

It has been a common practice to build two types of BPM-focused groups within an organization. One type is responsible for setting objectives and assessing the outcomes and is often called a Steering Committee. Another type is responsible for facilitating BPM initiative implementation and is often referred to as a BPM Center of Excellence (CoE). The names of these groups vary in different organizations.

Korhonen [5] defines a Steering Committee as a group that represents executive sponsorship and ensures business commitment, monitors KPIs, and prioritizes BPM initiative objectives. He also defines a CoE as a group that coordinates process-specific BPM efforts at the tactical level in accordance with the strategic intent. A CoE coaches, guides, and facilitates BPM initiatives, builds a business rules and process architecture, develops standards that facilitate reuse and interoperability, enforces best practices, and documents architecture standards and regulatory compliance requirements. Korhonen [5] also lists other CoE’s responsibilities as well as providing extensive references on the topic.

Gauthier [8] blogs on the ways to create the Steering Committee and CoE in a given organization while maximizing use and leveraging existing structures and relationships.
Luyckx [18] suggests that research studies from Forrester about the success of BPM programs show that the BPM program success rate (67%) is dependent on the availability of a BPM Competence Center (i.e., CoE) and a BPM Chief Process Officer (CPO).

Richardson [13] recommends that it is critical to clearly define the roles of everyone who will need to interact on enterprise-wide process implementations. He suggests the following roles:

- Executive Sponsor
- Process Steward
- Process Manager
- Functional Lead
- Technical Lead

It looks like Process Steward and/or Process Manager assume process ownership responsibilities in Richardson’s list of roles. Otherwise, a separate role of Process Owner needs to be included in the list.

The organization alignment considerations discussed in this section address Requirement 7.

**Standards**

Standards are crucial for the Enterprise-wide BPM initiatives. Morris and Brandon [3] argue that BPM requires a different approach and a different understanding of both business and technology than in the past where traditional IT methods were used. Part of the difference is related to the process-centric approach that is cross-functional in nature. Part of the difference is that BPM is oriented toward the definition/generation of application systems and is thus very focused on the definition of a wide range of rules. According to Morris and Brandon, this was not a problem when BPM was focused on small, fairly isolated workflow support. However, for cross-functional business processes consistency becomes critical, and standards governing approach and information become necessary.

Richardson [13] provides an example of a real BPM implementation that was lacking standardization in the presentation layer, orchestrated by a cross-functional business process. Ultimately, the maintenance of such a solution became a nightmare. This example shows the importance of not only BPM standards but also other standards that might play a role in the entire solution.

Richardson [13] suggests considering the following categories of standards:

- Implementation Methodology
- Process Modeling Notation
- Development Platform
- Integration Protocols

The framework shall define a list of standards to be used by BPM initiative. This will satisfy Requirement 8.

**Continuous Improvement Method**

The Open Group’s SOA Governance Framework [9] introduces a Governance Lifecycle Methodology called the “SOA Governance Vitality Method” that utilizes the Governance Reference Model as a baseline for building a Governance Regimen and Governance Roadmap customized for the purposes of a given organization. The qualifier “SOA” is intentionally omitted in front of these names to extend the applicability of the terminology to the BPM discipline. The framework description recommends that governance should be viewed as a process and not as a project; therefore, the phases of the Governance Lifecycle Methodology should be viewed as a continuous improvement loop, whereby progress is measured, and course-correction and updates to the Governance Regimen and Governance Roadmap are performed when needed.
The phases of the Governance Lifecycle Methodology are

• **Plan** – Identify and analyze the core governance areas for improvement. Establish objectives/plan and specific measures for a proposed increment. Previously deployed increments are also evaluated for any necessary improvement.

• **Define** – Define the Governance Model Transition Plans required to deliver the objectives defined in the Plan phase.

• **Implement** – Implement the Transition Plans, including deployment of processes, organization, and technology aspects of the Governance Model.

• **Monitor** – Monitor the effectiveness of the currently deployed Governance Regimen and whether it is meeting its intended purpose. This phase may start another iteration of the Governance Lifecycle Methodology.

This approach can be adopted by the BPM Governance Framework which would satisfy Requirement 9.

**Conclusion**

Despite industry-wide agreement that any organization embarking on a BPM initiative needs to establish BPM Governance, and, despite the availability of publications covering various aspects of it, there is no single, complete, and fully comprehensive source that can be conveniently used by organizations that are just starting their BPM journey. This Article defines the requirements of a comprehensive framework that can serve as a single point of reference for all methods, artifacts, and tools needed for implementing a successful BPM initiative. The list of requirements is not complete, but provides a starting point for creating BPM Governance Framework. The Article also provides an example of the outline of the content of such a framework that satisfies these requirements. Ideally, this Article will be used as a first step in building a comprehensive industry-neutral BPM Governance Framework. However, in the absence of such a framework, this Article can be used for creating custom BPM Governance in the context of a given organization.

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Vitaly Khusidman, Ph.D., Principal, Knowledge Vitality, USA, can be reached at vitaly@knowledgevitality.com

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