Processes in Practice

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The Rise and (Deliberate) Fall of the BPM Competency Center

One of the BPM topics that I get asked most about is how you should go about setting up a BPM Competency Center (or Center of Excellence, as some people prefer to call it). The BPM Competency Center is a key enabler in ensuring effective management of processes, and, in turn, supports the Business Strategy and helps achieve the business mission and vision. There has been much written about the benefits of Competency Centers so most people who think about establishing BPM don't spend too much time considering whether they should have one, but, rather, about what the Center should do and how it should be organized. But, before discussing these questions, let us just reflect for a moment about the nature of BPM and why we may need a Competency Center to establish BPM.

The Nature of BPM

The BPTrends website contains many discussions and definitions of BPM, but I think you can't go far wrong using this definition from Gartner [1], which I have used before in this Column:

> "BPM is a management practice that provides for governance of a business's process environment toward the goal of improving agility and operational performance. BPM is a structured approach employing methods, policies, metrics, management practices, and software tools to manage and continuously optimize an organization's activities and processes."

So, deconstructing this, we can see that some of the keywords include: *structured*, *methods*, *policies*, *practices,* and *tools*. We want to introduce BPM in the first place because we want to change the management approach the business is using from a localized, departmental approach to that of managing the business processes. What I like to call:

"managing your business by managing your processes"

Introducing the necessary methods, policies, practices, and tools to do this requires skills and resources that the business doesn't already have. Or, if it does have them, they are spread around the business in a disparate and uncoordinated way. So the BPM Competency Center is the vehicle to develop, introduce, and coordinate those skills and provide the necessary project management and leadership to make BPM successful.

The Aim of the BPM Competency Center

The aim of the BPM Competency Center is therefore to introduce BPM and make it "business as usual." So we are not talking about "empire building." The BPM Competency Center should not

be seen as a huge bureaucratic organization that is going to grow larger and larger, but, rather, as a group of experts and practitioners whose aim is to support the business in establishing BPM and, eventually, to "put themselves out of business" once the organization is competent in using BPM as the standard management practice. At the very least, the BPM Competency Center should shrink to maybe just providing a core of process-based shared services; for instance, process modeling and analysis skills or simulation. Hence, the title of this article: "The Rise and (**Deliberate**) Fall…" We would expect the center to grow larger in the first few years (say, two to three years) and then fall away to a smaller core skill center.

The BPM Lifecycle

At IDS Scheer, we have developed a Business Process Excellence Lifecycle (Figure 1) that describes the key phases necessary to introduce, manage, and improve processes.

Figure 1. The Business Process Excellence Lifecycle

The same lifecycle is also applicable to the process of establishing BPM itself. We need to think about the strategy for BPM; we need to design and implement the methods and tools; and, finally, we need to monitor, control, and continuously improve our BPM implementation. Such a lifecycle fits nicely with the concept that our Competency Center will initially grow (to support the design and implementation phases) and then shrink to a core team that manages monitoring, control, and the provision of shared services.

We can therefore visualize a BPM Transformation Lifecycle (Figure 2) where, as we go around the lifecycle, we may put into place the practices necessary to establish the process excellence lifecycle as "business as usual." We then repeatedly go around the Process Excellence lifecycle, introducing new processes and improving existing ones, but the BPM lifecycle gradually dies away.
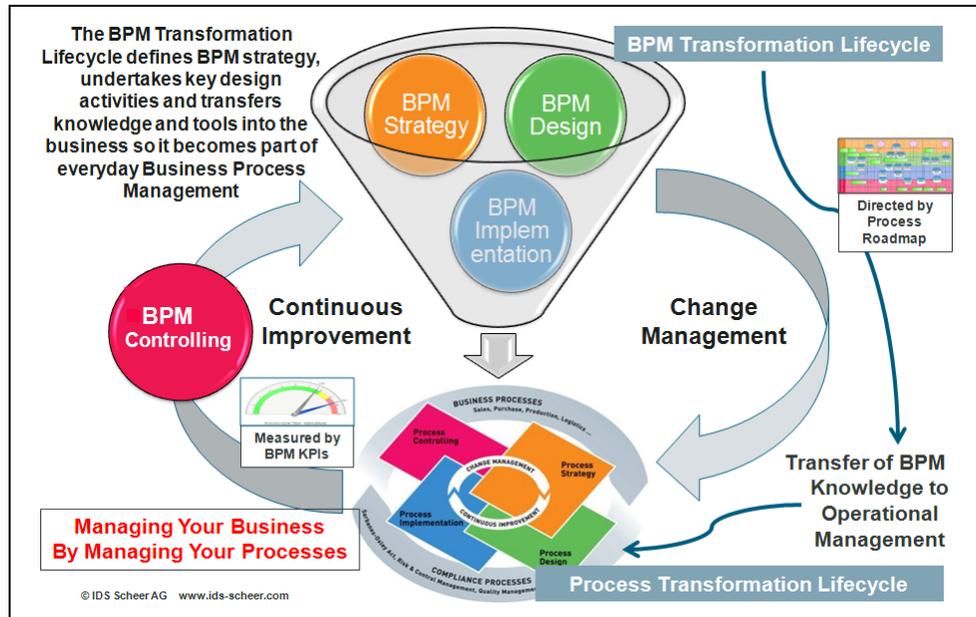
Figure 2. The BPM Transformation Lifecycle

Competency Center Objectives

Based on the idea of introducing BPM into the business in this way, we can identify some key objectives for the Competency Center over different timescales:

Short-term objectives:
- Process transparency through documentation
- Communication using processes
- Establishment of E2E process thinking
- Motivate feedback and suggestions for improvement of processes
- Process-driven change initiatives

Medium-term objectives:
- Process ownership
- Introduction of process measures
- Quantitative process analysis and simulation
- Increase standardization and creation of re-usable process modules
- Management of external and internal interfaces

Long-term objectives:
- Achieve cultural change
  (Process follows strategy, organization follows process, system follows process)
- Establish continuous process measurement, controlling, and improvement
- Managing your business by managing your processes

Setting up the BPM Competency Center

Of course, before we start to introduce BPM into the business we need to set up the BPM Competency Center. Once again we can use the same Strategy-Design-Implementation-Controlling lifecycle to help identify all the key tasks necessary to establish the Center (Figure 3).
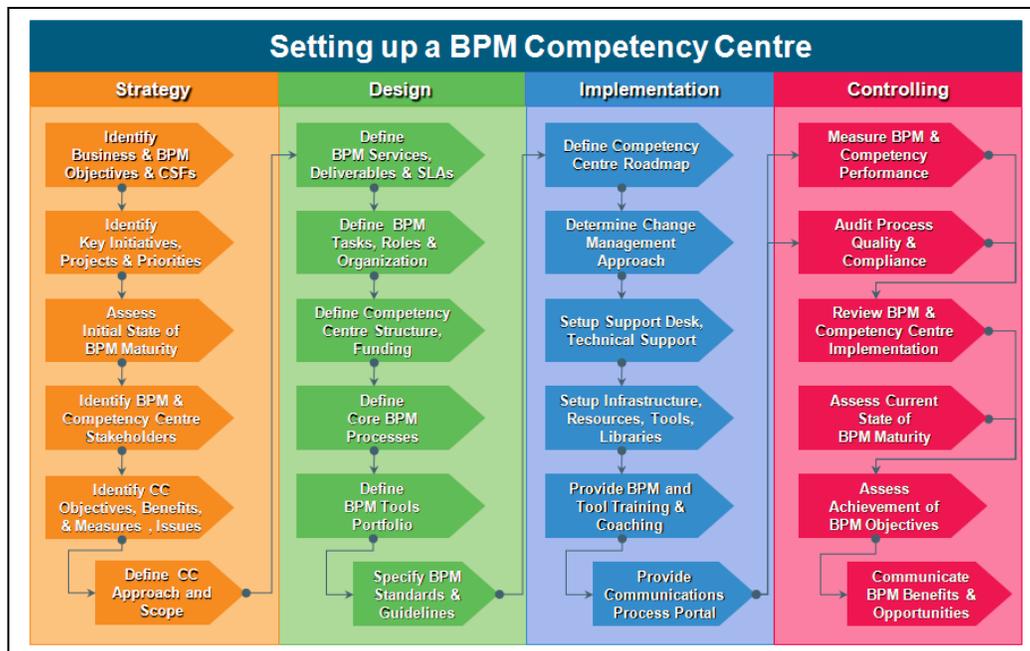
Figure 3. Setting Up a BPM Competency Center

Strategy
- BPM Objectives, Critical Success Factors
- Key initiatives, Major Projects, Priorities
- Initial BPM Maturity Assessment
- BPM and Competency Center Stakeholders
- CC Objectives, Benefits, Measures, Issues
- Competency Center Approach and Scope

Design
- BPM Services, Deliverables, SLAs
- BPM Tasks, Roles, and Organization
- Competency Center Structure, Funding
- Define BPM Tools Portfolio
- BPM Governance Processes
- BPM Standards and Guidelines

Implementation
- Competency Center Roadmap
- Change Management Approach
- Support Desk, Technical Support
- Infrastructure, Resources, Tools, Libraries
- BPM and Tool Training and Coaching
- Communications, Process Portal

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Resourcing the Competency Center

A key question when setting up the Center is where to find your resources. Should the Center be set up as a self-contained business unit or as a virtual team drawing resources from various parts of the business?

There are pros and cons for both approaches. Drawing all the required skills from the business (and from external agencies) into a central team is by far the best approach for quickly establishing the skills and being able to manage and coordinate them. However, the disadvantage is that business can view this team as rather detached, maybe academic, and not business focused. On the other hand, running a virtual team allows people to stay within their existing business units and focus on delivering benefit to them, and thus creates a better connection with the business. But this is much more difficult to manage and coordinate, and, hence, progress is much slower.

The ideal approach is therefore to try and combine both approaches. Establish a central team with a well respected leader with a good business track record and a passion for BPM. Establish a core of experts in the key disciplines (for instance, process modeling, change management, performance measurement, etc.). Then bring in well-motivated people from the business units on short-term secondments (say for 6 months to a year). Use these business people to drive the BPM techniques into their own business areas, supported by the core experts, and, as soon as the key BPM methods and tools are up and running, these people can go back to their normal roles. You can then recruit new people from other business areas. In this way the Competency Center maintains an effective core size, but is not seen as disconnected from the business. Over time fewer business secondeees will be required, and the Center will shrink to just comprising the core experts who will provide key BPM shared services. The key to successfully implementing BPM is delivering this approach through a change management program with effective communications. This approach also allows a shared approach to funding which is often a contentious issue for the Competency Center.

The BPM Competency Center is essential for successfully implementing BPM, but it doesn't have to stay in existence forever. Make clear at the outset (and plan for it) that the rise and deliberate fall of the BPM Competency Center will ensure that it stays focused on its true objective, which is to change the business management approach to one based on Business Process Management.

References

 [1] David McCoy, Gartner. "Business Process Management: Preparing for the Process-Managed Organization"

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