



Down Under

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Practical Guidelines to Successful Implementations*



Business Agility Requires Business Processes as its Basis

From the organizations and clients we have been speaking with recently, agility seems to be back on many executive's agenda, especially as their organizations are forced to deal with change on a continuous basis in the interesting times we are living in. In past discussions, agility was usually viewed from a business perspective; however, we have noticed recently that IT has attempted to hi-jack some of the discussions. IT has suggested to us that an organization can have agility if it adopts an Agile IT development methodology.

In this Column we will briefly discuss the importance of business agility; applying agile process principles and how it can help the organization; and agility as it needs business processes as its basis rather than the suggested IT Agile approach.

Recently we spoke to a Business Analyst who said, *"It is better to be a business analyst than a process analyst, as we first determine what the business needs, then build a system, and then do the business processes."* When we suggested that the business processes are the basis for the business requirements, after some time he suddenly understood the message and realized that a process analyst should be in at the start of the project, prior to a business analyst working on the detailed requirements.

Importance of Agility

Agility is determined by an organization's ability and speed to effect change. Let's use the **"oil tanker syndrome"** as a metaphor.

Most executive managers are frustrated with the lack of agility and maneuverability of their organization. Much time is spent on creating the new course (strategy), and when the captain sets the new course it is often thought that it will take too long for the new course to take effect. As a consequence, many executives rapidly grow impatient and want to change the course again, probably more radically than before, to make it effective. These new changes will again take considerable time to take effect. Furthermore, it is important to remember that too many changes will put considerable strain on the ship (organization).

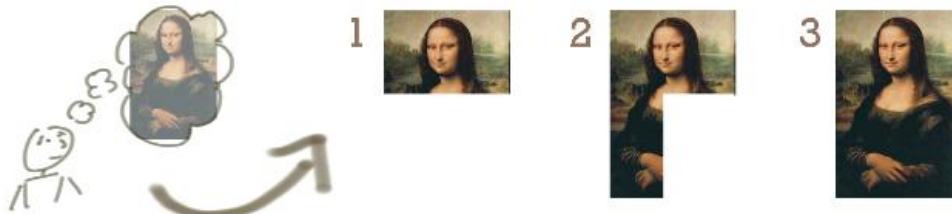
The short cycles of financial reporting also force executives to demonstrate improved financial results for each reporting cycle, often leaving little time for the necessary restructuring and changes so that the ship can be more agile and maneuverable in the future.

Message: It is more important to ensure the maneuverability and strength of the ship than to keep changing the course. Stakeholders do understand that investment in the organization is required and that investment takes time to be effective – as long as the benefits of such an exercise warrant the cost and they are delivered in a timely and managed way.

Applying Agile in just the IT-development lifecycle is like having a faster way of building the same oil tanker you had in the first place. It is important that the end result is more Agile (e.g., the maneuverability of a speed boat).

In other words, applying Agile to the painting of the Mona Lisa means that the painting is developed in a number of sketches that provide an increasing level of detail as guidelines for the next iteration. A “waterfall” method would have produced the painting in one-go on the basis of a thick requirements document.

Linear development:



Iterative (Agile) Development:



Source: http://www.agileproductdesign.com/blog/dont_know_what_i_want.html

Applying Agile Principles

Below is an overview of agile principles and how they can benefit process improvement and management:

- **Value:** Focuses on business benefits and risk mitigation.
Process improvement needs to address key concerns and provide tangible value. Various process improvement opportunities need to be ranked on the basis of their value to the organization and need to be implemented on the value each opportunity provides, rather than completely changing all processes at the same time without sufficient overall benefit.
- **Collaboration:** Focuses on actively working together and leveraging collective knowledge.
Process improvement and management is about working together on managing and improving the end-to-end process through multi-disciplinary teams. Many errors and issues can be traced back to a lack of collaboration and communication.
- **Speed:** Focuses on time-boxed delivery and sustainable development.
Many large-scale process improvement implementations (e.g., introduction of an ERP system) have gone off-track as the delivery time (i.e., time between specification and actual delivery) is way too long. This results in reduced user and management commitment as well as the requirements changing significantly because of the length of implementation. Hence, it is better to have multiple incremental deliveries, rather than a big bang.
- **Flexibility:** Focuses on adapting to business requirements and welcoming change.
Processes are the backbone of the organization and the ability to modify these processes

determines the overall agility of the organization. Too often, business processes (and related systems) have become the bottleneck for any change.

- **Simplicity:** Focuses on keeping things simple.
The most successful business processes are those that deliver value to the organization. Often, unnecessarily complex processes cause the employees to find process execution short cuts with the related consequences.
- **Teamwork:** Focuses on creating empowered, self-adjusting teams.
Teams work well if they have been given a clear objective and are provided the appropriate authority to achieve their objectives. Micro-management rarely achieves anything more than delays and frustrations.

Agility Needs Business Processes as its Basis

Business processes are the backbone of the organization and convert customer requests into the delivery of desired products and services. Applications systems have proven to be too rigid to serve as a complete backbone for the delivery of products and services to customers: People are still critical, and will remain so in the future.

Agile IT development is a process itself and requires the same discipline as any other process. It is a myth for IT to think that the Agile method is easier because it requires less documentation and discipline. Good Agile requires more discipline than most organizations can truly achieve in their execution.

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