



## Practical Process

**Roger Tregear**

Consulting Director, Leonardo Consulting

[r.tregear@leonardo.com.au](mailto:r.tregear@leonardo.com.au)

## Practical Governance

You could be forgiven for thinking that some conversations among the *processerati* have more to do with cliché management than process management. Our language can be obscure and our meanings cloaked in layers of obfuscation. If we are to achieve the levels of organizational performance breakthrough that we know are possible via process-based management, we need to pick up our game.

BPM governance is an area where we need more clarity and simplicity. Let's walk through what I think is meant by "BPM governance" and how it can be achieved in a pragmatic way.

### Governance?

A dictionary will tell us that governance is "a system or manner of government." Not very useful. A thesaurus will offer synonyms such as supremacy, ascendancy, domination, power, authority, and control. It might be the last if we get it right. It's certainly none of the others.

Paul Harmon usefully suggests that "*Governance is 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.*"

The ultimate outcome of effective BPM governance is the proactive, efficient management and continuous improvement of the set of processes (and their subprocesses) by which an organization delivers value to its customers and other stakeholders.

Here are five key elements to BPM governance:

- measurement
- ownership
- accountability
- control
- support

### Measurement

I discussed the measurement of process performance in my September column. Measuring process performance is fundamental. Whatever else we are doing, if we are not doing effective process performance measurement, and responding to those measurements, then we certainly aren't doing process management, and how would we know if we are doing process improvement? Without agreed process measures (and measurement methods), the concept of BPM governance is meaningless.

### Ownership

A Process Owner should be appointed to every process in an organization. Yes, every one of

them. Assign Process Owners starting from the top, i.e., from the highest level of process or value chain. A Process Owner always “owns” all of the subprocesses of that process as well. There may be specific other people who are the Process Owners for the subprocesses, but there doesn't have to be, and, in any case, that doesn't change the higher level ownership. Processes at any level are assigned specific Process Owners when some aspect of that process requires closer management and control. Ownership of subprocesses might only be required for a time and then ownership at that level is dissolved (higher level ownership remaining). So although every process needs to be owned, we want to have as few Process Owners as is reasonable to cover the higher levels of a process architecture. Remember Einstein's advice to make things as simple as possible, but not simpler.

As we move down through a hierarchy of processes (subprocesses), we eventually reach a point where processes are bounded by a single functional area. These intra-functional processes still need to be managed, but this becomes indistinguishable from functional management. Process ownership is materially different to functional management only when the process is cross-functional.

I'm less engaged with the question of what to call the Process Owner position – coordinator, sponsor, manager, steward, guardian, supervisor, controller, director, custodian, principal – than with what people do in those positions and how they are held accountable. You need a title that works in the organization, but there's a danger that we will argue about the title to avoid discussing the core issue of accountability. Much more important than the title is clarity of purpose and the consequences of failure.

### **Accountability**

The role of Process Owner is about leadership not administration. It is not a clerical position. Accountability for a process essentially means being tasked to respond appropriately to the current and forecast performance measurement data. Being accountable for a process does not mean you are the one who is taken out and shot when the performance deteriorates. It does mean though that you are the one who needs to care about and understand the cause of cross-functional process performance variation and propose a corrective course of action.

The owner of a cross-functional process is unlikely to be the functional manager for all parts of the process, perhaps for none. Because of the cross-functional aspects, the Process Owner role is more about influence than authority. Process Owners should not be asked to influence “up” in the organization; their active targets of influence should be peers or subordinates. Especially for higher level processes, therefore, Process Owners need to be senior staff. Not only does this give them more chance of exercising influence, it means that they are people with authority, capability, and resources.

### **Control**

This can be the most difficult bit. How much control should a Process Owner be required to exercise? There is a balance to be struck between being the “process police” and a collaborative leader. The key things that need to be controlled are these:

- the “process of process.” i.e., the framework for process management and improvement
- modeling conventions
- process model change control

For an organization to have a consistent approach to process-based management there needs to be a consistent framework and methodology. Like all other processes, this should be subject to continuous review – but in a controlled way. Building organization-wide BPM capability requires a consistent approach.

All process modeling activity throughout an organization should be contributing material to a central repository of process. This provides a valuable resource for use and reuse by all. It builds breadth and depth of understanding about the mosaic of processes that form the organization. Consistent modeling is mandatory to achieve these ends. Implicit in this requirement is that a detailed enterprise process architecture shapes the repository.

Perhaps most difficult of all is the requirement to exercise change control over business processes and their models and other documentation. Process Owners need to be involved in the formal approval of process changes. Even in the steady state condition of an organization with a high level of BPM maturity, this can be the most time consuming activity. Continuous improvement means continuous change. The process by which process change is controlled needs to be efficient!

In all of this, it is important to remember that the individual Process Owner is not the one doing all of this work. The role of the Process Office or BPM Center of Excellence is critical here. They should be doing the heavy lifting, leaving the Process Owner to remain focused on strategic process management and leadership. Process ownership is about management, not modeling.

If all of this control activity sounds a bit too onerous, imagine a future scenario where the business folk hand over process models to their IT colleagues who then arrange for the models to be executed directly? Will we be quite so relaxed about giving modelers license to make changes on the fly to live business processes? How will we reconcile the very different objectives of wanting to describe versus needing to control? If your organization had an F9 (recalculate) button, who would you allow to press it?

### Support

Process Owners must be supported. It is very likely that people newly appointed to Process Owner roles will need training and coaching. Process management requires a different mindset, and we should not assume that Process Owners arrive fully formed.

The organization must make the mandate of process ownership clear, and support the practical exercise of that mandate. Undermining the authority of a Process Owner with inconsistent support will kill BPM governance.

Process Owners need performance data about their processes. They need this in an appropriate format and delivered in a timely manner. Whether this is a real time dashboard or a monthly report will depend on the nature of the process. Process business intelligence is the lifeblood of BPM governance.

Having a Process Office is a necessary, but not sufficient, condition for BPM governance. The Process Office should be the main source of support for Process Owners, providing advice and guidance as well as data and logistics assistance.

Another common source of support for Process Owners is a form of "Process Council" that has the group of Process Owners from the same level meeting regularly to share experiences (and resolve inter-process issues).

### Common Processes

Another aspect of BPM governance is the treatment of common processes or, more importantly, those similar processes that perhaps should be common. I comment extensively on these aspects in a chapter of the book *The International Handbook on Business Process Management* (Eds Jan vom Brocke, Michael Rosemann) to be published by Springer in 2010.

The arguments for the standardization of common processes across an organization are compelling. Customers and suppliers have a consistent interface. There are economies of scale in training, IT development and operation, document control, process improvement, change management, performance measurement, and quality assurance.

Are these benefits enough to sacrifice local variations that respond to local needs? The arguments for allowing, indeed promoting, local variation in common processes are also persuasive.

The dilemma faced by an organization moving to process-based management is where to strike the balance between global efficiency and local effectiveness. Issues of central control versus local autonomy often arise in developing process governance policies. These tensions must be resolved if process management is to be adopted as the core management philosophy.

A recent example from a consulting assignment showed that strong effective BPM governance is required to be able to address these issues. Having documented three levels of the enterprise process architecture, it became apparent that one value chain (highest level process) would have seven instances across the organization. So for that value chain there is an enterprise reference standard and seven variously diverse instances, each with a Process Owner. The eight Process Owners form a Process Committee in relation to that value chain, and a key objective is to remove as much variation as possible. This won't be easy, but it will be worthwhile. Benefits will come from increased process efficiency, consolidation of common processes, and greater understanding of how this fundamental process really works.

### **Achieving BPM Governance**

To summarize, here are some key considerations in designing and delivering effective BPM governance. The steps are easy to write down and are likely to be hard to do. However, effective BPM governance is what makes process-based management possible.

1. Create, communicate, and agree to a vision for effective BPM governance.
2. Generate and sustain urgency around the compelling reasons for implementing BPM governance.
3. Identify the business processes of the enterprise in a hierarchical enterprise process model – completing the highest two or three levels is a good start.
4. Agree how the performance of each process will be measured, making sure that the measures are aligned, objective, and quantifiable. Be sure to have a reasonable measurement method for each measure. Determine current performance levels and future targets.
5. Decide who will be accountable for responding to poor performance (or trends towards poor performance). These are the Process Owners, and they can be anywhere except in the Process Office. Process Owners must be of the business and in the business.
6. Design and implement process performance reporting systems, making it clear to whom each Process Owner is accountable.
7. Clearly define and communicate the Process Owner role, making clear the mandate, relationships, and constraints.
8. Support Process Owners with training, coaching, and accurate, timely performance information.
9. Create a Process Office (or effective equivalent) to support Process Owners (and others involved in process work).

10. Convene a Process Council (or equivalent) to provide a mechanism for Process Owners to share their experiences and issues.

### The 7 Deadly Sins

Implementing and sustaining BPM governance is difficult, albeit worthwhile. It will be impossible unless you actively work to avoid these seven conditions that inevitably lead to failure.

**Uncertainty.** Ambiguity about the difference between process and functional management can only result in confusion about the purpose of BPM governance. It is matrix management, so clarity about purpose, authority, and loyalties is vital.

**Mired in the Minutiae.** Process Owners who get caught up in the details of process analysis, measurement, and management lose sight of their leadership and alliance goals.

**Centre of Governance.** Having a Process Office or BPM Center of Excellence is NOT the same as effective BPM governance.

**Exaggeration.** Running projects for one-off improvements in individual processes is not the same as Business Process Management. If you aren't doing BPM, you don't need Process Owners.

**Setting Up To Fail.** Appointing Process Owners from levels too low in the functional hierarchy creates an environment where they can only fail.

**DIY.** Process Owners need organizational support not only in terms of budget and resources, but, also, and most importantly, they need knowledge about BPM and data about the performance of their process. DIY will not work.

**Fading out.** If you really want to waste a lot of time and money, allow your organization to get excited about BPM governance for a while and then let support for Process Owners fade out.

### Further References

Much has been written about BPM governance. Apart from the BPTrends website, there are good insights in **Paul Harmon's** book *Business Process Change* and **Andrew Spanyi's** book *More for Less: The Power of Process Management*. An interesting discussion has also started recently in the forum section of the **BPM Collaboration** website (<http://bpm-collaboration.com/>).

I'd love to continue this discussion and hear about your experiences and opinions on this important topic. Feel free to contact me at [r.tregear@leonardo.com.au](mailto:r.tregear@leonardo.com.au).