The Right Start for BPM

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Abstract

Organizations are spending a lot of energy on BPM initiatives to achieve both short term and long term benefits. The benefits are high, with the right implementation, but so are the risks if the work is not done correctly.

A number of organizations struggle to determine what groundwork is required to undertake a BPM initiative and, once conceptualized, how to scope the initiative. The start of the initiative can be broken down into two high level activities:

- Understanding the problem statement for the BPM initiative – This includes understanding the business drivers, the technical and business constraints, and much more.
- Scoping the solution – The initiative can be a departmental solution or an enterprise solution; results can range from improving the process visibility to actually fixing something in the process.

This Article details an approach for handling these two areas and provides guidelines to successfully accomplish the task.

Introduction

Recently, the undertaking of BPM initiatives has increased exponentially. Organizations are focusing considerable resources on BPM. While the benefits of implementing a BPM initiative are significant, companies often struggle in the initial stages to get the right start. Many teams face challenges in determining an approach to get them from BPM as a concept to recognizing its scope and value as a business case. You might have encountered some of the following situations:

- Different stakeholders have different views of the initiative.
- The scope of the work is increased many folds at the scoping stage itself.
- The initiative gets cancelled or postponed at the business case stage.
- The direction of the complete initiative is changed by the sponsor.

BPM initiatives are apt to encounter the issues mentioned above because BPM can provide solutions to a wide spectrum of problems, such as providing visibility into the process, orchestrating multiple subprocesses, improving the process, and many more. Just by the nature of the space BPM operates in, it becomes difficult for teams to keep a check on the scope of the initiative. This Article provides some guidelines to understand the problem and solutions in the approach to the problem.

Audience for this Article

This Article doesn't focus on the activities of any role or group within an organization, but the following roles involved in the BPM initiative might find it useful:

- Architects can leverage some of the guidelines provided to understand the boundaries of the solution.
- Program Sponsors can use the information provided to understand the degree of the unknown in the initiative when the program is at the approval stage.
Solution and Service providers can leverage this information to create a consistent framework to understand the context of the customer's program.

Business Process Analysts will find this information useful for completing the work required before the start of the pilot project.

Managers will find this information useful to staff the team appropriately and create a plan for the preparation of business case and to kick start the pilot project.

Overall Approach

The Article doesn't focus on the activities of any role or group within an organization, but the following roles involved in the BPM initiative might find it useful:

The overall approach, from initiative kickoff to successfully starting the first project, can be broken down into two broad phases, namely,

- Understand the Problem
- Identify the solution approach

The following figure depicts the two phases and some of the activities that should be carried out in these phases.

**Figure 1.**

Understanding the Problem: The organization needs to understand the scope of the problem to make sure the objectives of the initiative are realistic and can be achieved within the boundaries of the agreed business case.

Identifying the Solution Approach: The team identifies the approach that will solve the problem at hand, and is able to identify the prerequisites to accomplish the objectives.
The following sections describe these two phases in more detail.

**Understanding the Problem**

With business architecture, enterprise architecture, and value driven projects, an incomplete problem definition seems like a thing of the past. Unfortunately, some initiatives still struggle to get the right start, which may lead to issues such as the initiative not being approved due to a non-compelling business case, project cost overshooting during implementation, or the ROI not being realized.

In today's competitive environment, organizations are looking to leverage tools and technologies to improve the business; hence, an initiative that doesn't provide a solid business case doesn't go too far in most cases. Considering that a BPM initiative can address a wide variety of business challenges from cycle time reduction to providing better visibility, it is a perfect candidate for scope creep. Though there is nothing wrong in addressing multiple issues in the same initiative, it is a good idea to address some defined problems to start with and extend the solution as the initiative matures.

Some of the key parameters to be considered while undertaking such an initiative are

- Do we understand the problem and the scope of the problem?
- Is it going to be an initiative with measurable outcomes?
- What groundwork has been done to undertake this initiative?

**Do we understand the problem and the scope of the problem?**

The maturity of the problem statement varies from organization to organization. There is a wide variance in the way organizations understand the problem and the scope of the problem. Some teams understand the exact problem and the scope of the problem, whereas some understand there is a pain area and would like to define the problem as part of the BPM initiative.

Understanding and Articleing the problem statement is key to working towards the solution. If we are not able to crisply define the problem, there is a high risk of an initiative failing. The problem statement should be supported with data. Example: Operation cost is too high; we would like to reduce it by 5%. Or it could have something to do with reducing carbon footprint by reducing the use of paper in the process. Though multiple issues can be solved in one initiative, for the first project it is better to have some primary problems, while other problems could become important considerations while defining the solution.

The objective is to break the problem statement into the following three categories, namely

- Definitely need to be solved – This should be a relatively small list of issues that should be solved.
- Nice to have – The team should consider solving them wherever possible, but it is not a requirement that they need to be solved.
- Can be considered for future – The solution should be developed, keeping in mind that eventually these other problems also need to be solved.
Is it going to be an initiative with measurable outcomes?

 Though it is not required that the BPM initiative have a measurable outcome, just by the nature of problems being solved by BPM initiatives there is a pretty high likelihood that the outcome of an initiative would be measured. Most likely, organizations would strive to achieve one or more of the following benefits from the BPM initiative:

- Reduce operating cost
- Improve revenue
- Reduce cycle time

What groundwork has been done to undertake this initiative?

The following activities should be carried out while defining such an initiative:

Define business goals and drivers – Business goals and drivers should be defined for the BPM initiative. These goals should be defined for the entire initiative and not just for the pilot project. Defining goals and drivers at the initiative stage helps in understanding what is to be solved.

Prepare business case – The business case should be prepared even if no monetary benefit is going to be realized from the initiative. The business case helps in scoping out the initiative as it explains the business benefits and cost to achieve it. The business case acts as a reference point when there is a risk of scope creep or the project is missing out on some of the key goals of the project.

Define business and technical constraints – Constraints should be defined to understand considerations for the initiative. Constraints could be time-lines that need to be met due to regulatory or support reasons, or they could be technical, such as integration with a system of proprietary technology.

Analyze organizational change impact if any – Depending on the type of problem, there might be certain organizational changes that should be considered. Team members might have to take new roles; team structure might change. Considerations for the organizational change management should be captured as part of the initial activities. This activity helps the leadership team plan for the organizational change management, which might involve training to take new responsibilities, team members’ physical movement, and team structure changes.

Prepare level zero process map for as-is and to-be (Harmonized) – Process maps are a must, as they provide the boundaries and pain points in the current process and enable completion of all the above activities. A process map for the to-be process should be created even if the end state is going to be realized in many years. This end state might evolve as the team gets into details, but an initial draft helps in conceptualizing the vision and also enables the team to do effective change management.

Identify the Solution Approach

With the problem statement already defined, the team should work towards figuring out the solution direction.

Based on the problem definition, with the right groundwork done, the team should start working on the solution approach. Please note we are not defining the solution; this exercise is strictly to provide high-level understanding of what we are trying to achieve. This exercise also helps in figuring out the pre-requisites to solve the defined problem. The solution direction will help the management plan for the budget, resource requirements, lead time, external dependencies, etc.
The following table illustrates the relationship between the problem symptoms and the direction to an approach that will solve the problem.

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Problem Symptoms</th>
<th>Problem Details</th>
<th>Solution Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Current data unavailable</td>
<td>Not able to provide the process data from the current system</td>
<td>Measure (Process Visibility)</td>
</tr>
<tr>
<td>2</td>
<td>Lot of manual steps and/or current system limitation</td>
<td>Users have to perform a lot of manual steps to complete the work. System doesn't provide a lot of key features like visibility, work management, event management, escalations, etc.</td>
<td>Automation or transition (Migration)</td>
</tr>
<tr>
<td>3</td>
<td>Some of the current systems are able to do the job, but the consolidated process is available</td>
<td>The belief is that process works fine in pockets and we would like to consolidate it to identify improvement areas across smaller process areas.</td>
<td>Orchestration and Integration (Enterprise Process)</td>
</tr>
<tr>
<td>4</td>
<td>We understand the process and the current challenges.</td>
<td>The process has problems. We know the problem, and would like to fix the problems.</td>
<td>Process re-engineering</td>
</tr>
</tbody>
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**Measure (Process Visibility)**

Lot of initiatives struggle because they don't have fine-grained historical data that can be used as benchmarks. This leads to unrealistic expectations and a high level of risk while providing the ROI. Example: We would like to reduce the cycle time by 20%. But we don't know the current bottlenecks in the process. We don't know what is working well. Data might be available, but the completeness or accuracy of the data is questionable.

This is a typical example where the initiative team is looking for visibility into the problem. In such a scenario the objective of the first project should be to provide process visibility and enable the organization to identify the opportunity of process improvement in subsequent phases.

**Automation or Transition**

The current tools and technologies might not be able to provide features like visibility, agility, and opportunities for continuous process improvement. Manual process steps might be a problem area. If the two problems mentioned above are accurate in your business scenario, automating and transitioning to the new process-centric tool and automating critical steps might be an excellent starting point.

An expedited return on investment may be realized by automating some of the manual steps. The effort reduction to complete the activities can be used in other areas and, hence, reduce the overall process cost.

**Orchestration and Integration (Enterprise Process)**

The current process landscape might be composed of various unconnected processes. These processes might be providing the required visibility to the managers of these...
areas. But the overarching visibility to the senior management might still be through data collected and collated manually by individuals.

In such a scenario, the solution approach should be to create an overarching process that integrates the unconnected processes and provides a unified process visibility. This consolidated view enables the organization to optimize and harmonize the process that spans multiple departments.

**Process re-engineering**

If the business understands the problem and is able to identify the gaps within the current implementation, then we are looking at a process re-engineering exercise. The objective of this exercise is to figure out how to improve the current process. This assumes that current data, process map, and pain points are already captured.

This solution direction assumes that there is complete clarity in terms of project direction; vision and the end state process are completely captured.

**Conclusion**

Many organizations have started the journey of business process management with the objective of business benefit. Though it is becoming imperative to optimize and harmonize the processes, it should be done with utmost caution. In the infancy stage of the initiative, it should be done in manageable and controlled chunks so that sponsors see the value of the initiative.

In the initial stages of the project, an attempt should be made to conceptualize what is to be accomplished in the project. This enables providing boundaries to the project and helps in focusing the long term objective of the BPM initiative.

Once the BPM concept is proved out, it has the capability to act as an important building block for an organization’s growth. BPM maturity can streamline the organic and inorganic growth potential of the organization.

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**Author**

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