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## BUSINESS PROCESS TRENDS

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# Getting Senior Executives Involved in Business Process Management

There are a few things that everyone involved in business process change seem to agree on. One of them is the importance of getting senior executives involved in process change projects. Smaller process change initiatives of modest scope may succeed without the active commitment of senior managers, but significant projects need the active support of executives. That support is necessary both during the project and during the months that follow when the new process is being integrated into the corporate culture. Indeed, most practitioners would say there is a proportional law at work. The larger the change you are attempting, the more support you need. Larger projects need the support of more executives. And, to succeed at really significant process change initiatives, you need the active support of division heads and the CEO.

Imagine the problems of getting the initial Six Sigma program established throughout General Electric. It was critical to that effort that Jack Welsh, the CEO at the time, not only spoke out strongly about the importance of Six Sigma to GE and of his commitment to the effort, but announced that a significant portion of every executive's bonus would depend on achieving his or her Six Sigma goals. That's the kind of support required to effect significant change in the way organizations operate and perform.

Unfortunately, most senior executives don't intuitively support process change initiatives. Most executives were trained in a university MBA program, and few MBA programs teach the importance of processes. Instead, they teach a functional view of organizations that evolved in the middle decades of the last century. Courses are still organized around Finance, Marketing, Sales, and Manufacturing. If the typical MBA student encounters process ideas, he or she learns about process in an operations course, where process flow analysis is taught as a technique that can be used to make operations more efficient. They don't learn that "processes" represent a management philosophy and a way to manage the day-to-day performance of the company.

In way too many cases you read of senior executives trying to solve problems by rearranging the organization chart and firing and hiring department heads. As process practitioners, we believe that you can't optimize the way an organization performs without changing the way its processes work, but most corporate executives either don't understand this principle, or don't believe it. Too many focus on strategy and positioning, stock prices, abstract financial measures, and hiring a successor, rather than on how work actually gets done. They assume that operational details will be handled by their department heads. They fail to realize that, in many cases, that means that processes will be divided into silos of control and that aggressive department heads, trying to maximize the success of their own departments, will focus on the processes that optimize their department's performance rather than optimizing the performance of the enterprise. This approach creates and sustains many of the problems that continue to plague the organization.

This situation presents a significant challenge to the BPM practitioner attempting to gain support for an enterprise wide approach to business process management. Each large
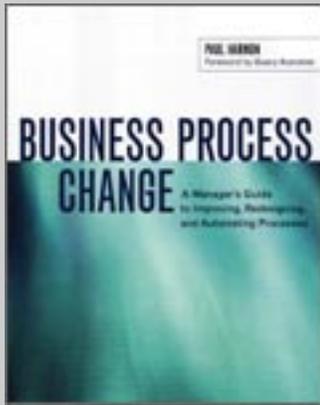
organization is different, and the senior executives of any company are unique individuals. Moreover, it is very hard for a middle-level process manager to re-educate his or her company's CEO. Gaining senior management support is a tough proposition, and it usually takes time and lots of hard work.

I can offer some advice. First, consider this simple observation. I don't know of any large organization that has launched a major initiative to "improve processes" as such. Most CEO's, as I've already suggested, do not understand the importance of process. When large process projects have succeeded, in my experience, they have succeeded because a process manager identified an opportunity to help a senior executive achieve a goal that was important to that executive. Thus, I know an organization that is standardizing all its processes because the CEO wanted to move to a single instance of ERP throughout the entire organization. Someone was lucky enough to be in the right meeting and smart enough to say: "We can make that happen! We have multiple ERP instances because they support multiple ways of doing the same basic processes. The best way to move to a single instance of ERP is to begin by standardizing our recurring processes throughout the company. Then we can use common ERP modules with the standard processes." In other words, the process manager didn't sell "process" as the solution, but offered to solve a problem the CEO wanted solved.

Similarly, smart Six Sigma groups don't try to sell Six Sigma as a technology. They sell cost savings. In essence, they say to the executive, if you invest a certain amount in Six Sigma training we will guarantee a minimum savings within a year.

In a similar way, several successful process initiatives have been undertaken in the past few years to assure CEO's that their organizations would comply with Sarbanes-

Oxley requirements. Sarbanes-Oxley was a great opportunity to do significant process work. In many instances, however, the initiative was executed too quickly, driven by the demands of unrealistic government deadlines. Only organizations that already had a process group in place, and a process manager that was quick on his or her feet, were able to effectively seize the Sarbanes-Oxley opportunity during the initial implementation. Unfortunately, many Sarbanes-Oxley installations were done poorly and will need to be redone. In any case, there is a growing trend toward risk management initiatives that provide opportunities for BPM groups to step forward and show what they can do.

Another opportunity that's available in many organizations involves the development of an enterprise BPM group. Too many organizations have their business process initiatives divided among several different groups that compete for management attention. If a senior executive routinely gets proposals from Six Sigma, IT, Balanced Scorecard, and Enterprise Architecture alignment groups, he or she is likely to divide the available funds among them and not take any one effort very seriously. Smart business process managers in leading organizations have worked hard to create a common, central business process group that can speak with a single voice. That, in turn, positions the group to think more broadly about projects and to focus on major projects that produce really significant contributions to corporate performance. In a few cases, these efforts have led to the appointment of a Chief Process Officer, and a seat at the executive table.

Broadly, all process problems are ultimately business problems. Defective processes result in deficient business performance. Silo-based management leads to hand-off problems that result in slipped delivery schedules and unhappy customers. Unhappy customers lead to declining sales. The successful process change manager must

learn how to appeal to senior executives' concerns over large scale or strategic problems or cater to their desires for improved business performance. In other words, don't sell technology or methodology - sell business results. Moreover, if you want to sell large-scale process projects, you have to identify large business problems to solve. In the meantime, hone your skills and train your project team on those smaller projects that demonstrate clear business results while you look for the opportunity to step forward and say: "I can solve that strategic problem for you," or "I can make that happen." I'm not suggesting this is easy or without risk, but the process managers who have succeeded and really changed the way their organizations do business have sold solutions - not technology or methodology.

Till next time,
Paul Harmon