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Business Process Trends

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BPM is NOT Just About Technology

In keeping with the goals we established when we created BPTrends, we have tried to create a place where managers with diverse interests and requirements can come to find information on all aspects of Business Process Change. Our policy has been, and continues to be, to publish information representing a wide variety of perspectives.

At the same time, we do have our own perspective and our position is simple. We believe that Business Process Management (BPM) does and should mean many different things. It should be a generic term used to describe the many different paths to managing process improvement.

Different organizations have different cultures. What one organization will embrace and adopt without difficulty, another organization will resist and ultimately reject. Some organizations, for example, are risk takers and frequently adopt new technologies in an effort to obtain an early advantage over their competition. Other organizations are risk averse and stall on adopting new technologies until their efficacy has been established by others. Similarly, different organizations have different histories. Some organizations have established business process change organizations and a long history of business process redesign. Some organizations have been doing Six Sigma for years. Some have been using workflow software for over a decade while others have never tried it. Some organizations adopt a new technology because it fits readily with what they are already using. Others resist it because they have never used a similar technology and know they will have to ascend a steep learning curve in order to make the technology effective in their environment.

One of the ways of evaluating organizational readiness for various process initiatives is the SEI's CMMI schema. A quick review of your organization, using the CMMI levels, will probably reveal that some divisions are at level 2 while others are at level 3 or 4. At level 2, only a few processes are well defined and none are managed to maximize process efficiency. At level 3, a division understands all its processes, but is just beginning to rely on process measures to manage processes, while at level 4, managers consistently use process measures to control their processes. CMMI levels can suggest that some process techniques are appropriate for some groups and not for others. Equally, they suggest the difference between

understanding a process and having process measures and management systems in place to actually control the process.

For many BP consultants, software systems are a secondary concern. If your process isn't organized in an efficient manner, then automating it will only result in an inefficient, automated process. Michael Hammer famously referred to this as using IT to pave cow paths. Then, too, there are many processes that are still performed by people. It's people who change the beds in a hotel and who cook your food in a restaurant. It's people who program software and recommend what stocks you might want to acquire for your portfolio. The most wide-spread business process change effort today is Six Sigma. Generally speaking, Six Sigma focuses on improving how people perform their jobs. In a similar way, the highly successful SCOR methodology created by the Supply Chain Council focuses on analyzing and redesigning processes, establishing measures for evaluating processes and implementing best practices that are primarily focused on helping people do their supply chain tasks more effectively.

None of this is to suggest that IT does not have a huge and growing role to play in improving how companies organize their business processes. Some companies are highly automated and others are becoming more so all the time. In the best cases, the software systems support the company's business processes. In too many cases, however, the software systems support departmental silos and are a part of the problem rather than a part of the solution. In many companies, today, the business process change group is located within the IT organization and is focused primarily on identifying processes that can be automated. In some cases this works. In other cases the IT BP groups meet resistance from business managers who perceive IT as pushing technology, which is expensive and disruptive, into situations where it does not support prioritized business strategies and key process goals.

There is, of course, no correct way to change business processes. There is no silver bullet! The needs of companies differ and what works at one company won't work at another. The position of BPTrends, consistently, is that managers need to constantly evaluate a wide range of options, and then choose only what works for their specific organization.

This brings us to the column, "BPM is Not About People, Culture, and Change. It's About Technology," by Howard Smith and Peter Fingar, published here on February 3. Howard and Peter are working very hard to communicate a new way of approaching business process management. Their enthusiasm is probably necessary to get a new approach off the ground. We won't comment on the validity of their approach, except to say that it's a new technology and it always takes time to determine if a new technology will take hold. It also takes time to determine how it is most efficiently deployed. Some companies that are inclined to risk and new technologies will embrace this

new approach to business process change. Most will wait to see how those early adopters fare before they make a commitment. In two or three years we will all have a much better idea of the strength and weaknesses of this approach.

In the meantime, our concern is that some readers might think that BPM is synonymous with a specific approach to business process change. We wrote once before to warn about letting any one group "appropriate" the term business process management. BPTrends believes that the term BPM should be the common property of everyone working to improve business processes. It should cover those working to change company cultures and those working with senior managers to redesign business processes. It should apply to those using SCOR and those managing Six Sigma efforts. It should apply to those working in Business Process Outsourcing and those relying on packaged applications from SAP or PeopleSoft to upgrade processes. And, of course, it should include those who want to use BPEL or Pi Calculus to capture and control functional business processes.

We aren't going to impose vocabulary rules on authors who write for BPTrends. Each contributor is free to define BPM as they wish and argue that BPM refers to organizational design or to a technology or methodology. We do, however, disagree with any narrow definition of BPM. In our opinion, Business Process Management is about people and culture and management and measurement and, yes, about technology too. We believe that everyone involved in business process change is best served by investigating and respecting a variety of different approaches. Enthusiasm is good, and controversy has a role to play in getting us all to think more flexibly about our options. In the long run, however, we believe you will find that new methodologies and new technologies will continue to be introduced, tried and tested. Some will become widely adopted and implemented and others will not. In the end, time and the market will determine their viability.

The successful BP manager will find that he or she must shift priorities to reflect changes at his or her organization. Sometimes the BP manager will need to work on culture change, must sometimes focus on improving human performance and must sometimes work to automate processes. The best long term strategy is a flexible, pragmatic approach that conceptualizes Business Process Management broadly and relies on tools and methodologies that move the organization towards a process centric approach to BP.

Till next time,

Paul Harmon

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