

## Managing BPM

January 2004



**Joseph Francis**  
Senior Director IT BPM  
Hewlett Packard

[Joseph.Francis@hp.com](mailto:Joseph.Francis@hp.com)

[www.bptrends.com](http://www.bptrends.com)

The promise of Business Process Management, like other management techniques, is the promise of a kind of business utopia where your business is growing, reducing costs, and simultaneously improving performance, all in a wonderfully self-optimizing system. Business people, however, are frequently rational, and to a rational business person, this utopian promise sounds a bit too good to be true. If you want to build up confidence in a business process management group, I'd suggest you try different tactics. A utopian solution is too hard to sell.

We've been engaged in a series of business process improvement efforts at Hewlett Packard during the past year. Along the way, we've built up a rather sober view of the benefits of Business Process Management. We've come to believe that the benefits of business process work are highly dependent on the maturity of the business unit and on the type of problem the unit wants to solve. When my Business Process Management group is asked to participate in the solution of a business problem, it is usually asked to begin by defining the benefits that will accrue from our work. We usually start, as most traditional consultants do, by saying "it depends." We ask the unit to answer about ten questions. Based on the answers we can identify the maturity of the business unit and the complexity of the specific problem the unit wants to solve. And based on that, we can usually become rather specific about the benefits we can deliver.

Low-maturity business units with highly complex problems are usually units that have resulted from a series of mergers or acquisitions. They tend to lend themselves to business process architecture planning. Architectural planning is a less formal approach to process analysis. Less detailed modeling is required. Only broad decision patterns and high-level transactions are analyzed. Architectural planning focuses on simplifying the existing processes.

Low-maturity business units with unknown complexity usually report that they are "just not comfortable" with their existing situation. Typically, these units lack clear business goals. We are usually asked to suggest "some strategies for improvement?" In these cases, we tend to focus on high-level benchmarking, and on identifying process metrics. In essence we want to create a structure that will subsequently allow us to identify problem areas for further investigation. We avoid a heavy investment of full process reengineering until we can determine just which interventions might really make a difference to the unit's bottom line.

Units that have achieved a middle-maturity have typically already established high-level benchmarks and are the best candidates for one of three different types of engagement. The first engagement we consider is a formal process assessment and capture. This effort usually supports business goals which include certification (Sarbanes-Oxley, ISO-9000, Basel-II). Little analysis or benchmarking is normally required – these tend to be mostly documentation efforts where the business question is "how do we perform these activities".

The second engagement we consider focuses on process portfolio management. In this case, we focus on aligning all of the programs, investments, business metrics, IT architectures, and other process-linked management tools to ensure



**Managing BPM**  
**by Joseph Francis**

January 2004

different business management techniques are actually working in harmony. This enables the unit to better answer the business question: “are we making the right investments?”

The third engagement we consider focuses on implementing software to automate the documentation of business processes. We consider ERP or CRM software and workflow systems that provide formal documentation of business process requirements and providing adequate information on how processes are functioning.

High-maturity units are usually candidates for two other types of engagement. One engagement results in a full-scale business process reengineering effort. It provides a detailed As-Is process description, process, benchmarks, and a To-Be process design. This type of engagement answers the utopian questions: “How do we reduce cost? How do we improve performance? and How do we grow the business?”

The second engagement we usually provide for mature units, which usually follows the business process reengineering effort, is business process outsourcing (BPO). This solution is appropriate when the need to reduce the costs of the unit dominates all other needs.

So, what are the benefits that result from a business process management engagement? If you take my advice, you'll develop a set of questions that you can use to determine the maturity of your business units and the complexity of the problems they tend to have. In most cases, you won't be able to offer the utopian outcomes that manager's hope for, and you shouldn't promise them. Instead, you should explain that the benefits you can deliver *depend* on the business unit and the specific situation. You can usually help with the specific problem by moving the unit towards more maturity. Later, as the unit becomes more mature, you can help in additional ways. It's better to offer specific results and narrowly defined benefits that you are sure you can deliver than to promise too much and lose credibility.