BPM & PI: Business Performance Partners (Part 3)

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In Part 1 we compared and contrasted BPM and Process Improvement (PI) and concluded that *both* BPM and PI were necessary for business performance excellence. Part 2 introduced a third 'cycle' – that of Process Management; where processes were being managed (not just improved) but not on an enterprise-wide scale. A model and accompanying series of practical questions described the interplay between these cycles of management and improvement – prompts for what your organization might need to focus on next in its continuous improvement journey. In this third and final of this series of articles, we will conclude with an exploration of how you might go about deploying both BPM and PI as complementary strategies toward company transformation. After all, the degree to which your organization has the capability to both improve and manage its processes should be a deliberate exercise – the planning and management of which we will now discuss.

There are many different scenarios that lead an organization to undertake some form of 'process thinking' in the way it manages its business. In general, it is fair to say that most organizations start their process journey from the Process Improvement perspective – introducing a preferred process improvement methodology and toolset to guide project managers in improving the business performance of selected lag indicators. We discussed some of the questions and considerations to help prompt such deployments in Part 2. But how will your organization transcend the project-based improvement cycle to be able to truly transform the business through Business Process Management? The specifics will vary but the general approach suggested here includes a number of pre-requisite capabilities for success.

Starting with Process Improvement

The first thing to be considered as part of successfully deploying BPM to transform your business into a process-driven one is that you have probably got a good start to 'process-thinking' in your organization through an existing PI program. Such programs tend to focus on two main perspectives of process:

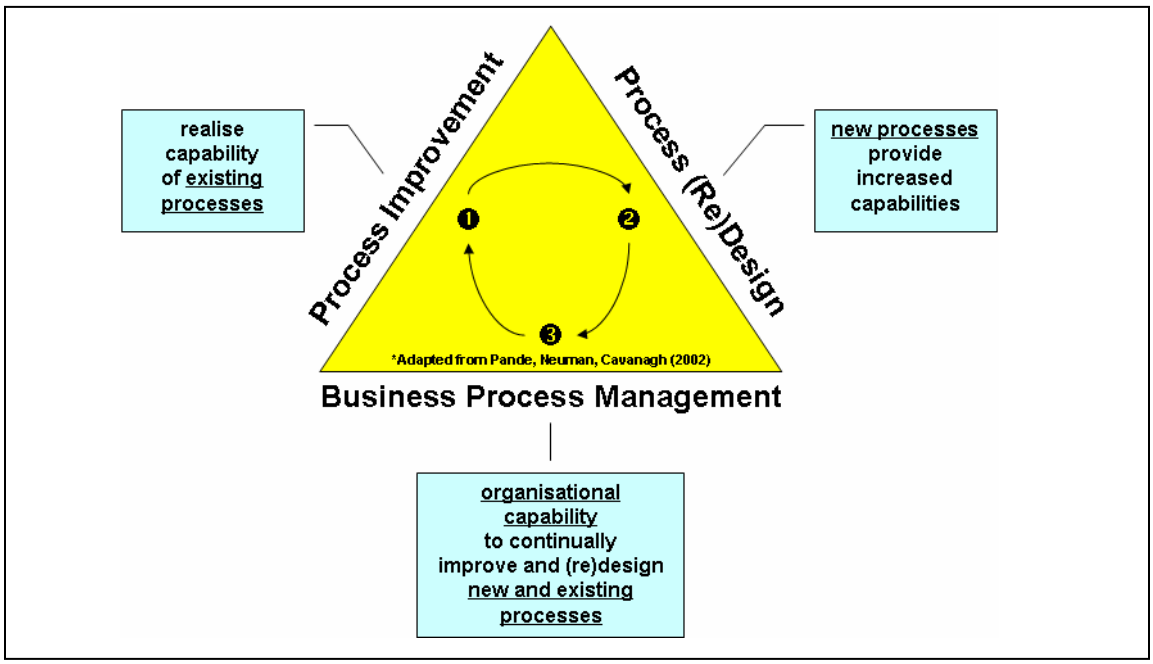
1. improving existing processes to meet current business requirements, and
2. developing new processes to deliver against future business requirements.

These perspectives are generally undertaken in the order listed and are precursors to the BPM perspective. They may be represented as in Figure 1.

To date we have discussed Process Improvement (PI) in its generic sense and not referred to any specific methodology for improvement. In today's business process setting it would be remiss to not make some mention of the Six Sigma PI method. While Six Sigma deployments are extremely varied some reference will be made to the methodology as a means of highlighting the relationship between PI and BPM from what is a significant community of process professionals.

Six Sigma is perhaps one of the most popular PI methodologies applied in organizations across the globe today and is a good representation of PI. In theory it recognizes this PI to BPM maturity cycle, though in practice it seems that too few organizations are able to move from PI to Process (Re-)Design to BPM. This may be due to the enormous challenges of implementing the fundamental changes (cultural and structural) required to realize BPM. "Nevertheless, without [Business] Process Management, Six Sigma is often doomed to become just another flavor-of-the-month program." (Pande, Neuman, Cavanagh: 2002 p.19) The importance of this relationship between PI and BPM cannot be overstated and the Six Sigma professional should be acutely aware of it. Reality is that the relationship is often unclear and the Six Sigma (PI) and BPM professionals find themselves competing for executive attention, resources, and budget. Whereas all process professionals would benefit from working together on a single

program.recognizing that "…Process Management tends to evolve as a business expands its Six Sigma [PI] effort and deepens its knowledge of its processes, people, and customers." (Pande, Neuman, Cavanagh : 2002 p.19)



Figue 1: Three perspectives on 'process-thinking'

This evolution takes time and should not be assumed to be a natural progression. "Indeed one of the things that sometimes make [B]PM hard to achieve is that PI can be so successful in the short term." (Tregear: 2006). So how do we move up the process maturity continuum from isolated improvement projects to a company transformed through BPM? Consciously recognising these perspectives, the capabilities required in moving from one to the other and managing them as a single deployment program are imperative. Program Managing the transformation to BPM is a key capability that requires different foci along the way – from simple project tracking & reporting to project selection, gating and prioritisation across functions. In a mature BPM deployment, the governance will include Process Owners working in partnership with Functional Managers involved in the processes. A central team will be accountable for process policy and methods for all functions as well as the program management of the PI projects.

Phased Deployment – PI to BPM

The BPM deployment plan should build on any existing process work and consciously focus on building BPM capabilities while still delivering on current projects. When planning BPM deployments it is not uncommon for those accountable for BPM to be a different group (even in a different part of the organization!) than those accountable for the existing PI program. Getting these two groups together and developing a joint deployment program should then be the first task.

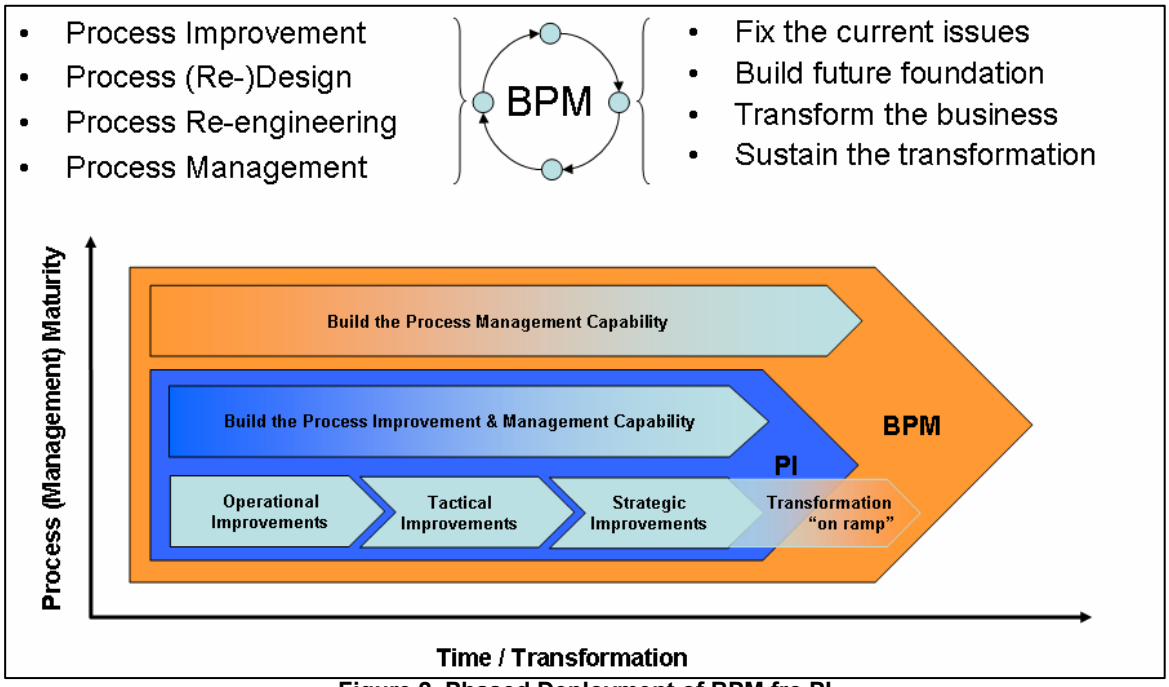


Figure 2. Phased Deployment of BPM fro PI

A high-level view of such a plan is illustrated in Figure 2. Key to the plan is having parallel streams of activity that enable delivery against short-term targets while building capability to deliver against medium and long-term goals. BPM capabilities need to be developed as early as possible and in parallel recognizing that the sustainability of all PI projects is dependant on the organization's capability to manage its processes on an ongoing basis (BPM). If these functions happen to be performed by different groups, then the sooner they partner on a single deployment plan the better.

The transition from PI to BPM should occur only when a certain 'process maturity' is reached within the business. A strategic improvement that focuses on processes of a key value chain may give rise to the notion that the processes involved are critical enough to the business to warrant close attention and management *after the project concludes*. The role of the Process Owner and idea of a Process Model are borne from this. The timing of his Transformation "on ramp" is context-specific though its success certainly relies on having developed certain process capabilities as part of the organizational culture.

A phased deployment plan puts into context both the short-term and long-term benefits of the process journey as well as emphasising that the endeavour is as much about cultural change (through development of PI and BPM capabilities) as it is about realising successful customer and business outcomes through process improvement projects.

Key Capabilities for Sustained Business Performance

Building the PI and BPM capabilities through this phased deployment involves a number of elements that need to be developed and managed as part of the new (process-based) way of doing business. These include consistent and organization-wide capabilities in the following:

Systems Thinking and Change Management

The capacities to both *lead* and *manage* change are central to the successful transformation to a process-based style of business management. All the capabilities listed here rely on our ability to effectively engage the people of our organizations to be positively motivated by the changes as

they are being introduced and importantly to be recognized for embracing those changes once implemented. Ensuring alignment between intent (strategy) and implementation (processes) requires an understanding of change from a systems perspective. Deming took this holistic view in his "*System of Profound Knowledge*" (Deming : 2000) where he referred to four inter-related theories - Appreciation for a System, Theory of Knowledge, Psychology, Knowledge about Variation. These theories are an overarching backdrop to the capabilities required to realize and sustain improved business performance.

Process Improvement Methodology

As most organizations start their process journey with PI – there is probably not much explanation required here. What is important to understand, however, is that regardless of the methodology being employed, it must move beyond the lag indicator-driven 'program' toward being clearly contextual as the means by which your organization improves its processes within a larger (BPM) framework of continuous improvement and systemic management of well-defined business processes. Unfortunately, even mature enterprise-wide PI deployments can be a program of isolated projects managed by the individual business functions – where cross-company processes (and issues) are not the prime focus. This foundation capability should be seen as a starting-point and built upon, after all "…a Process Improvement Project is not the end; it's the beginning. If an infrastructure for the ongoing management of a process is not established, the process[es] will fall into disrepair…" (Rummler and Brache: 1995 p. 125)

Measurement of Process and Process Management Maturity

The saturation of maturity models in the last few years has found its way into the process domain, and there are a number of maturity models available to assist practitioners in evaluating the ability of their organizations to manage processes. Good maturity models are action-oriented in that they not only inform of the level of *process management maturity,* but in doing so give direction as to the specific things that need to be addressed for increased maturity. They can be a guide to what aspect of process management should be focused next on the journey toward sustained transformation.

An important distinction is the application of maturity models to both the organization's capability to manage processes as well as the maturity of specific processes. *Process Maturity* refers to how well developed a specific process is in relation to its stated intent. The more mature a process, the more likely it is of being continuously improved and being able to meet customer and business requirements.

Technology

Whether the technology is integrated as an enabler of improved Business Performance or indeed is the initiator, it is something that must be well managed in terms of its relationship to the original strategy, the people, and the processes that enable improved business performance. There is a wealth of technology articles, and we will not add to them here other than to say that the sooner a repository-based process modeling technology is integrated as part of the process and project governance the better. PI deployments often neglect such a tool until an enterprise-wide process model is developed as part of the transition to BPM. The benefits of introducing an appropriate technology early include assisting in the program management of PI projects, creation of a knowledge-base of processes, ability to identify internal best practices, reduction of duplication and increased capability to re-use processes and project knowledge. The transition to BPM can be accelerated through use of the tool as a communications mechanism and a knowledge-base. Integrating the tool into the PI methodology and governance ensures the content is maintained and relevant.

High Level Process Model

Many organizations embarking on BPM focus much of their initial efforts in the development of a high-level representation of what the company actually does – their process model. This is a key capability for Business Transformation and may be an "on ramp" (Pande, Neuman, Cavanagh : 2000 p.99) to BPM at some point late in the PI journey. Process Models provide context for PI

projects, functional and process-oriented roles and responsibilities, and the lower-level processes and procedures of a business. A high-level process model should clearly and simply illustrate the key processes or value-chains that represent the business – that represent what actually happens in a macro sense. This would be the basis for the "elevator speech" of the company when someone asks so what is it that your company actually does?

Process Ownership

Process Ownership is key to being able to manage a Process Model. While embedding Process Ownership is possibly the most difficult cultural change aspect of BPM; it is "perhaps the most essential step in the transformation to [Business] Process Management [from PI]" (Pande, Neuman, Cavanagh : 2000 p.346). Process Owners ensure the performance of key business processes are known, capable of delivering successful customer and business outcomes, and are continually being improved. Importantly, however, "Process Ownership only makes complete sense in an organization that has implemented Process Management as its chosen way of doing business, an implementation that may take several years." (Pande, Neuman, Cavanagh : 2002 p.29).

BPM Operations Model

Whether starting from PI or not, the way in which your organization is going to manage it's processes as part of the operating cycle needs to be well defined and easily communicated. Inclusive of a BPM methodology, it should be a holistic model that describes how BPM:

- is part of the "organizational system",
- contributes to and unifies currently disparate entities that, together, deliver value to customers,
- provides context for all PI projects,
- ensures sustained transformation and
- delivers against successful business and customer outcomes.

In comparison to PI methodologies, there are few such models.

Business Excellence Frameworks

The application of Business Excellence Frameworks (BEF's) provides the management of an organization with the ability to evaluate their performance against a standard framework. These frameworks recognize the systemic nature of businesses and the results that they achieve – they emphasize the integral value of processes in all business dimensions and should be considered by the process professional as viable tools for evaluating and managing the Process Performance of an organization. Having an appreciation of your organization as a system is central to BPM and these frameworks use systems thinking as a way of managing a business and identifying improvement opportunities.

Conclusion

This series of articles has explored the relationship between PI and BPM 'domains' with the purpose of broadening and deepening the insights of Process Professionals that often tend to focus on one or the other. To effectively undertake BPM "…executives need:

- To understand the what, why, and how of both Process Improvement and Process Management
- To develop a Process Improvement and Management plan, …
- To provide the communication, measures, resources, skills, rewards, and feedback…necessary to reinforce Process Management
- To establish the infrastructure…" elements and capabilities required to sustain improved performance. (Rummler and Brache: 1995 pp.164-166)

Just as PI and BPM are partners in managing business performance so too should be the professionals that practice in each of the domains. We are all change agents whose remit is to change the functional paradigm of our organization to a process-oriented one. These articles provide some basis for PI and BPM Professionals to have a shared view of how their domains relate so that we can partner in adding real value to our businesses, our customers, and in turn the broader community.

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