

Process Innovations

September 2004



Tom Davenport

**President's Distinguished
Professor of Information
Technology & Management
Babson College**

tdavenport@babson.edu

www.bptrends.com

Call me boring, but I've always been a fan of the middle. I was brought up in the middle class, I'm pretty middle-of-the-road in politics, and I'm a middling athlete. Although most people are by definition in the middle, it doesn't have many defenders. So I'm coming to the defense of the middle in process management, which is sadly lacking in most organizations.

The top of process management in organizations is often pretty well-occupied, with senior executives advocating their favorite approaches to process. One might be a devotee of Six Sigma, while another is convinced that reengineering is what's needed. These executives appreciate the benefits of process thinking—cost reduction in particular—but they don't often make informed choices about how one process management approach differs from the others. If they adopt a new process management approach, it's probably because they've learned of a new process—dare I say it?—fad. Some executives certainly take the time to understand the different types of process interventions and why one might employ them, but it's a distinct minority.

Technologists occupy the other extreme of process management. It may not truly be the bottom of the organization, since IT people are well-paid and can easily make it to middle management. But let's call it the bottom for the sake of contrast. IT people also get excited about process management, but in a different way. They enthuse about BPM technologies, but their interest in them isn't always because they advance the art of process management. They're just as likely to be impressed by such BPM technology attributes as workflow, decision rule automation, application integration, easing ERP implementation, and so forth.

If we had a middle ground of process management, then the top and the bottom could communicate and relate to each other. But we don't and they can't. Senior executives don't know how technology can advance their process management movements, and IT people don't generally link the BPM tools they fancy with the latest wave of process thinking. There is an organization, for example, of CEOs and senior executives who meet in seminars and workshops to understand how to advance quality in their companies. They've been meeting for 13 years, and have covered a wide range of topics. Let's just say that "The Role of BPM Technologies in Improving Quality" has not been one of them. Even if they wanted to address this subject, it wouldn't be that easy to develop such a seminar; there isn't that much content on the topic.

There are some who would argue that either the top or the bottom can stretch across the middle. Some would argue that senior executives can get heavily involved in process improvement and management initiatives, but I don't see it happening on a broad scale. They've just got too many other things to do. There are also some techno-utopians who argue that BPM technology is going to be so simple and transparent to use that senior executives need only specify their process goals and visions, and Voila!—a process-oriented IT architecture has been created. Not going to happen, at least not in our lifetimes. Process management needs a middle—the involvement of middle management, the middle ground between business and IT, the middle between the high-level process objectives and the low-level technical details.

Process Innovations

by Tom Davenport

September 2004

A process management middle would not only connect process-oriented business objectives and the IT that could help accomplish them. It would also bring a persistence and sustainability to process management. The middle could bring adherence to a long-term process orientation, regardless of the process management technique in vogue at the time. The middle could also provide a framework for the various types and generations of BPM software to hook onto.

I've said a lot about what the middle of process management could do for us, but just what does it consist of? Of course, my statements are somewhat arbitrary, since there are precious few middles out there to observe and describe. But some elements of the middle are actually in place in some companies. They include the following:

- **A clear process governance and ownership structure.** Process management won't persist in organizations unless it's clear that it's here to stay within the organizational hierarchy. IBM, for example, has had a clear ownership structure for over a decade, and it's well-integrated with the IT organization and its processes.
- **A process-oriented measurement and reporting architecture.** Processes won't be a salient aspect of the organizational landscape until we have well-established measures for them and people begin to be evaluated and compensated on those measures. For example, AT&T Universal Card, which is now owned by Citibank, paid daily bonuses to its workers based on whether process performance targets were achieved.
- **BPM-based process information.** The process management middle would rely on a high degree of information about processes, which would be contained in BPM tools. Process designs are only one piece of the needed information; a well-filled middle would also incorporate the data and information used by a process, process benchmarks, process performance data, and so forth. A few U.S. organizations (Coors, for example) are beginning to develop this information infrastructure for processes, but it's more likely to be found in European firms.
- **Senior executive attention to processes.** Perhaps the most important aspect of a well-fleshed-out process orientation is that senior executives would pay substantial attention to processes. They would think frequently about how they perform, how they compare to competitors' processes, and how to make them better. Given that managers' minds are already pretty busy, they'll have to think less about something else in order for processes to get the brain cells they deserve.
- **An integrated process management toolkit.** Every process movement has its own tools and techniques, but it's rare to find an organization that integrates multiple types of tools from different movements. Why not combine quality circles from TQM, process value analysis from process improvement, IT enablement analysis from reengineering, and defect frequency analysis from Six Sigma? The semiconductor equipment manufacturer Teradyne has such an integrated toolkit, but they're all too unusual.



**Process
Innovations**

by Tom Davenport

September 2004

There are undoubtedly some other attributes of the process management middle, but the ones I've described are hard enough to achieve in themselves. As I've noted, a few companies have put one or two of them into place, but I don't know of any organization that has them all knocked. It's possible, of course, to do process management here and there without these attributes, but it will typically be a one-off activity, to be restarted from scratch when the next process movement comes along. That's just what most organizations have been doing, and it's the reason why we haven't made the progress that we should have in managing processes as an ongoing aspect of business life.

