



Practical Process

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Becoming Process Centric

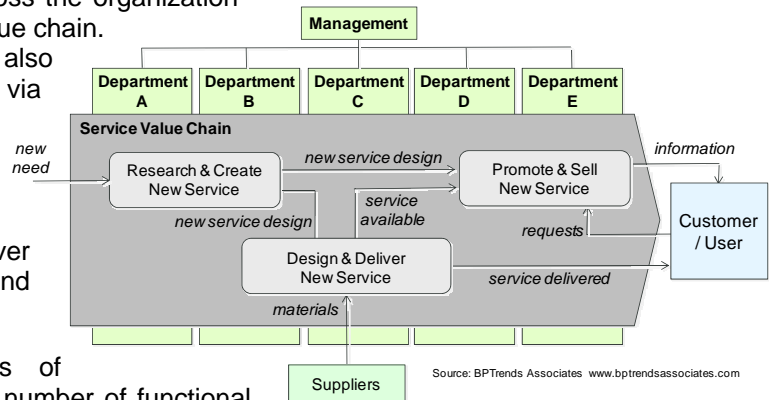
In this Column I want to lay out, in as simple a manner as I can, how I see the journey to becoming truly process-centric. First, I give my view of what it means to be process-centric and why that is important, and then I outline the key steps to becoming process-centric. This is, necessarily, a brief treatment of a wide-ranging topic. While we mustn't be simplistic about complex systems, the journey to higher level of BPM maturity and capability is predictable and achievable.

Note that I define BPM as a management philosophy. It is not a project, nor is it software. It includes everything that is involved in process-based management

What does it mean to be a Process-centric Organization?

Organizations exist to exchange value with customers and other stakeholders. They do this via the collections of cross-functional activities that we call business processes. This is the only way any organization can deliver such value. By themselves, individual functional areas of an organization cannot deliver value to external customers. Value is created by the collaborative activity of different parts of an organization – that is, through cross-functional business processes. Value accumulates in the flow across the organization to be delivered at the end of the value chain.

It follows that organizations also execute their strategic intent via business processes. The sequence from strategy to execution is as follows:



- ✓ Organizations exist to deliver value to customers and stakeholders. ***That's strategy.***
- ✓ They do this via a series of coordinated activities across a number of functional elements of the organization. ***That's a process.***
- ✓ It makes sense to optimize these processes so that they satisfy the requirements of customers and other stakeholders. ***That's process improvement.***
- ✓ Taking a coordinated view of the performance of all of the processes by which an organization delivers value, optimizes performance. ***That's process management.***
- ✓ Process management allows organizations to focus on processes that create the market differentiation described by the strategy. ***That's execution.***

Organizations must always be searching for new ways to improve customer service, seize opportunities, increase productivity, enhance resource usage, increase flexibility and adapt to change. The increased understanding and capability that comes from effective BPM enables such outcomes.

In every organization, there are many circumstances where time, money and goodwill are wasted. It feels like we are driving with the brakes on, that there is sand in the gears. What we want is a smooth flow of activities and information. We want work to be done in creative and innovative ways, and we want a framework to support the innate desire of people to improve the way they work as individuals and as team members. We want Business Process Management.

Process-centric management is about improving organizational performance in meaningful ways. It is about knowing that an improvement was achieved and is being sustained. Not guessing, but knowing. It is also about accurately forecasting performance and anticipating potential problems. It is about knowing that the correct resources are available and that they are being invested sensibly.

Process-centric management encompasses all that is required to sustainably deliver value to external customers and other stakeholders.

To restate the case, every organization creates, delivers and receives value via its business processes. There is no other way. Analysis, improvement and management of processes are, therefore, core business for every organization. Well-developed expertise and methodologies that address these issues result in enhanced customer satisfaction, increased clarity of purpose, better management and savings in expenditure. Improving and managing processes is complex; it involves not just how things get done, but also the impact on customers, staff, contractors, suppliers, and, for public sector and Not For Profit organizations, the communities they serve.

How does an organization become process-centric?

The roadmap for achieving process-based management is straightforward. Some parts of the journey can be difficult, but the destination provides a revitalized view of the organization and its customers, and a framework for optimizing the value that moves between them. Key waypoints on the journey are:

1. Assess the BPM Maturity of the organization, and assess its readiness for the process-centric transformation.
2. Communicate a BPM vision for the organization, identifying the compelling reasons for BPM in the organization that match the strategic context.
3. Develop a model of the organization as a set of business processes (Business Process Architecture).
4. Determine performance measures, and publish results, for each process in the architecture.
5. Assign and support process owners to respond to process performance variation.
6. Continuously improve the performance of thoughtfully targeted processes.
7. Establish support mechanisms, such as the Office of Business Process Management¹, for ongoing BPM activities.
8. Thoughtfully rollout out Office of BPM services in line with the development of the organization's BPM capabilities and demands.
9. Establish an internal social network to support and encourage process-centric work.

¹ The Office of Business Process Management (or Office of BPM) is the central group tasked to assist the rest of the organization to develop BPM capabilities. A longer paper on the Office of BPM is available from the author on request.

10. Automate those processes where it will improve the cost-effectiveness of performance.
11. Build capability for process-based management throughout the organization.

Analysis, improvement, automation, and management of business processes are core business for every organization. BPM, when properly conceptualized as process-based management, provides the enabling platform for optimal, high-value business, IT, and service management.

The Process-Centric Transformation Project

A project outline for the transformation of an organization to process-centric management and operations is presented below. The project schedule and related descriptions are, necessarily, generic. The project described covers the many aspects involved in the development of high levels of BPM maturity and capability. Based on a staged development plan, it makes maximum use of accelerators to enable the realization of the process-centric operational benefits in the shortest possible time. At the same time, it is deliberately designed to create internal capability so that ongoing process-centric management can be developed and delivered by internal resources without any unhealthy, and expensive, reliance on external resources. The key stages of the project are described below.

BPM Audit

The project should commence with a review of previous and current process work in the organization to ensure that what was learned from any past activities in this area is captured. To complement this analysis, some form of BPM Maturity assessment can be conducted. It would also be instructive to assess the readiness of the organization to start and continue the journey.

Strategy and Awareness

Based on the knowledge of BPM history, capability, maturity and readiness for change, project time can now be invested in developing an appropriate level of awareness throughout the organization: what is the project about, and what benefits will it realize? This will be an ongoing task throughout the project. It starts with briefings to executives and other management and staff – an important first step in change management planning and delivery.

The project team also needs to be fully aware of the requirements for planning and decision-making. This should include stakeholder analysis and confirmation of formal decision-making processes.

Establishment

A detailed project plan and charter can then be developed and confirmed to provide the basis for good management of the rest of the project. Also, work can commence on defining the rollout of the services to be offered by the Office of Business Process Management. Services will be progressively offered by the Office to match both demand and its capability to offer the services.

Phase 1: Building Capability Foundations

This first phase of the project proper is about developing the first level of capability. The education curriculum delivery is begun, a Business Process Architecture is developed, conduct of the initial process improvement projects is planned, and the Office of BPM is established.

Education

During this phase, foundational courses for BPM capability are delivered. These courses should cover the fundamentals of BPM, and methodologies for process management and process improvement. Other related courses can also be included to match particular requirements.

Business Process Architecture

Having a Business Process Architecture (BPA) is fundamental for process-centric management. The BPA provides a view of the organization as a hierarchical set of business processes. This provides the overall context for all process management activities. As well as defining the first few layers of the architecture, the BPA also includes process performance measures, measurement methods, and mechanisms for responding to performance outside of the target specifications.

Plan Process Improvement Projects

Demonstration projects to improve the performance of particular processes will be conducted in Phase 2, after the required training programs are complete. In this first phase, the processes to be worked on should be carefully selected and related project plans created. It is important to do this work early to avoid delaying process improvement projects.

Office of BPM

Implementation of the Office of BPM can commence during this first phase. The Office is set up physically and the various management requirements, such as the description of roles and responsibilities, competency plans, and budgets, agreed. The intention should be to have this core facility operational as soon as possible so that it plays, and is seen to play, an important role in the overall project.

Phase 2: Increasing Service Delivery

This second phase should be about continuing to develop BPM capabilities. Office of BPM capabilities are refined and more services are rolled out. Projects to clearly demonstrate the value of process improvement are conducted. Process management and improvement methodologies are tailored to suit the particular environment. Consideration can now also be given to the possibilities for process execution (BPM Systems) projects, and support for the development of a BPM Community of Practice.

Process Improvement Projects

One or two process improvement projects should be conducted to demonstrate the power of process improvement and use of the chosen methodology. This would be done based on standard methodologies that have been covered in the training program and in accordance with the previously agreed project plans. The Office of BPM would work with appropriate business unit staff to complete these projects. On completion, these projects should be reviewed to assess the standard methodology used and to recommend any necessary changes for the particular organizational environment.

Office of BPM

The operation of the Office of BPM should be reviewed, its internal processes updated, and its service offerings confirmed. The various methodologies, tools and techniques used should be re-assessed to ensure optimum outcomes.

Process Execution

BPM Systems technology offers the possibility for direct execution of the business process models. This means that application development can be rapid and agile. During this phase, and in concert with the process improvement project work, opportunities may be found to run proof-of-concept projects. Technical requirements will need to be reviewed and defined, business and technical staff trained, and the target process(es) analyzed and prepared. Project implementation plans can be developed for approval and execution.

BPM Community of Practice

To be process-centric, an organization needs an active culture of interest in BPM and related matters. An important way of achieving this is the development and support of a BPM Community of Practice within the organization. The Office of BPM would lead this activity, developing strategies and implementation plans for the development of a sustainable BPM community throughout the organization. This might involve activities such as regular meetings of those interested in BPM, larger occasional forums, publication of project progress reports and outcomes, and provision of additional information about BPM topics.

Phase 3: Normalizing Operations

Phase 3 is concerned with further refinement of the Office of BPM to ensure its ability to be a leading force in the development of a sustainable process-centric culture and capability. The operation of the Office to date would be carefully reviewed, and its processes subject to scrutiny and improvement. Additional services can be defined, developed and rolled out.

During this phase, there would be additional process improvement projects throughout the organization, further education programs delivered as required, and the Community of Practice will be active in spreading the message of process-centric management.

Phase 4: Establishing the Status Quo

Phase 4 brings the final establishment of a full service Office of Business Process Management, as well as significant process improvement and related activities throughout the organization. As the transformation project concludes, plans are made to implement effective ongoing operations as part of 'business as usual' – or perhaps we should say, 'business better than usual'.

The Business Process Architecture will now be quite mature and a valuable reference for all process management and improvement work, as well as for general management and IT development. Process improvement projects will deliver short-, medium- and long-term benefits across the organization. Process performance will be actively measured and managed. A BPM Community of Practice will be providing a social network for further support and development of process-centric approaches. The transformation to a process-centric organization will be well underway, and the capability to continue development and operations in this way will be firmly embedded in internal resources.

How long does it take?

It's impossible to be precise. To give some guidance as to how I see the project unfolding, I can offer the table below. This shows a 12-month elapsed time. Benefits will be realized in a much shorter time, but the overall development of the soft and hard infrastructure does take time.

Month	Achievements
1	<ul style="list-style-type: none"> • BPM Maturity and Readiness assessed • BPM history reviewed • Strategic context and BPM drivers confirmed • BPM awareness sessions complete • Office of BPM establishment begun
2	<ul style="list-style-type: none"> • Project charter and plans confirmed • Business Process Architecture developed • Process improvement project plans completed • Office of BPM processes modeled and confirmed

3	<ul style="list-style-type: none"> • BPM training program commenced • Office of BPM management and operational plan confirmed • Office of BPM services confirmed
4	<ul style="list-style-type: none"> • Initial live operations for Office of BPM begun
5	<ul style="list-style-type: none"> • Process improvement projects begun • Further BPM training programs commenced • Process execution possibilities reviewed • Ongoing Office of BPM operations reviewed
6	<ul style="list-style-type: none"> • Process improvement projects outcomes reviewed • Process improvement methodology modified as required • Process execution projects commenced • Ongoing Office of BPM operations reviewed
7 - 9	<ul style="list-style-type: none"> • Office of BPM services reviewed and increased • Additional process improvement projects commenced • BPM Community of Practice established
10 - 11	<ul style="list-style-type: none"> • Outcomes to date reviewed – value tested/proven • Plans for ongoing operations developed • Additional training commenced • Handover from project to operational mode planned
12	<ul style="list-style-type: none"> • Fully operational Office of BPM • Well established process management and improvement methodologies • Effective Community of Practice operational • Many staff involved in process improvement and management • Process architecture well developed and in active use • Process performance measurement actively reported and managed.

Summary

An understanding of the starting point, knowledge about the destination, appropriate travel and navigation tools, and sustained management support make the journey to process-centric operation achievable. Not always easy, but achievable.

I'd love to hear your opinions. Let's continue the discussion at the BPTrends Discussion LinkedIn group or you can contact me at r.tregear@leonardo.com.au.

BPTrends LinkedIn Discussion Group

We recently created a BPTrends Discussion Group on LinkedIn to allow our members, readers and friends to freely exchange ideas on a wide variety of BPM related topics. We encourage you to initiate a new discussion on this publication or on other BPM related topics of interest to you, or to contribute to existing discussions. Go to LinkedIn and join the [BPTrends Discussion Group](#).