Wheels Coming off the BPM Project? You Need Alignment

Yash Pandhi

Change is never easy and never ending. As pursuers and purveyors of change, we in the BPM industry should acknowledge that the success of our theories and products has not been as consistent or as profitable as we predicted. Too many projects have failed, or have failed to deliver their expected ROI. Having arrived in the aftermath of stalled projects and having contributed to their turnaround and eventual success, I wanted to share a few of the lessons we have learned. BPM does deliver phenomenal results when executed strategically.

From my consulting industry's selfish perspective, I'd love to tell you that big, complex, enterprise-wide BPM implementations offer the greatest chance for success. I can't. An overly ambitious project scope or implementation schedule is the most frequent problem I see in stalled projects. Certainly, some of that excess ambition resulted from senior managers aggressively responding to competitive pressures. Others, I came to learn, grew in size to justify IT expenditure.

Companies have grown around IT capability for decades now. Viewing IT as a tactical resource to be distributed as a shared service to business owners across the enterprise is common dogma. Troubled BPM projects have mistakenly followed this paradigm and conceptualized and designed process automation as IT project assignments. We've seen consultants focused on hardware and software, not on people and processes. This tactical approach can lead to large, lengthy implementations that are invasive and disruptive. Risks are everywhere. To avoid these mistakes and risks, maintain the discipline of your project plan and align your company to its business strategy.

As always, project planning begins with information collection. We meet with senior executives to discuss the business' strategy and understand its challenges and future direction. Next, we conduct workshops with key stakeholders and business owners across the business unit to learn existing process flow and IT infrastructure. Rather than suggesting the latest "hot tech," we ask about their major points of pain, and how IT can meet their objectives and mitigate their concerns. From the information gathered, we assemble a portfolio of investment opportunities that suggest potential ROI through BPM transformation or optimization.

Be disciplined now. Analyze these opportunities carefully and conservatively. For each opportunity, we estimate the investment necessary and the anticipated ROIs, using almost worst case numbers in both cases. Business benefits are assessed against the costs of IT and business change. Think through these conclusions critically, and factor in any risks.

We categorize the opportunities according to the nature of their benefit. Will the project allow the company to merely "stay in the race," or will it create competitive advantage. Perhaps it promises "game-changing" innovation. There are circumstances that could make any of those benefits ideal at a particular time; we look for that alignment to current business strategy in our selection.

Recently, we applied this analysis to a $35+B global technology company. The opportunity portfolio developed comprised more than thirty projects that were identified, quantified, and categorized. Aligning to the business strategy, we filtered the data by two criteria: Did the proposed project improve current capabilities by reducing costs or improving efficiencies, or did it advance the company toward desired future outcomes? From the results, we opted to present to senior management an opportunity that had the highest ROI, produced a major cost reduction, and created competitive advantage.

With the strategy determined and project selected, align the other key elements of your company – the people, processes, and IT systems. Aligning people is a motivational issue and company leadership must engage the team and ask questions. Provide a clear goal, and develop an execution plan from the team's input, but motivate and empower the team to take the plan and run with it.

 People are aligned above the project team as well. Everyone touched by the transformed or enhanced processes and systems must be on board with the program. Prepare for the deployment with training and testing on new processes and systems. People should anticipate the changes the project will make.

Aligning processes and systems to business strategy must be approached separately, yet they are tightly interlinked. Processes must drive the strategy, and systems must support and deliver those processes. Create separate business and IT teams to assess the opportunity. Each proposes solutions, and the Business Analyst merges the ideas to develop a transformational plan that can be managed to deliver the promise.

The Business team begins by defining all components of the process. Working with the Business Sponsors, the project's scope and goals are formulated. All participating organizations, internal and external, are identified, as are all systems involved in both development and production cycles. The project's scope and boundaries are detailed, and systems for tracking and storing project data are designed.

They drill through process workflows to align process design points, cross-process integration, and project priorities and accountabilities with business strategy. Process maps, dashboards, and scorecards reflect and support the project goals. End users are engaged through requirements gathering workshops, surveys, etc., and Business User Interfaces are developed for workstations and PDAs.

Following closely behind is the IT team using the same methodology – understand and define the existing systems/processes, gather business user requirements to meet project goals, and study how those users envision interacting with the new system. Systems alignment is crucial to ensure that the process automation solution to be created has a holistic systemic approach that reduces or eliminates the information silos that plague so many businesses.

Throughout the solution planning phase, the Business Analyst serves as liaison between business and IT. The Analyst's ability to speak both languages is crucial, as are listening and facilitating skills. He/She must work with the technical and business team Project Managers to develop detailed project and resource plans, and document/clarify issues and communications between the two teams. Above all, the Analyst confirms that requirements are met and usability issues are addressed.

I believe that if more BPM projects would follow these guidelines, the perceived value of BPM would be assured in the market:

• Focus on business strategy.
• Align your Strategy with your People.
• Align your Strategy with your Processes.
• Align your Strategy with your Systems.
• Align, Align, Align, and then Execute.
• Be disciplined in your opportunity assessment and project planning.
• Do not attempt a project that is too large or too complex.
• Break big projects into manageable phases.

We followed each of these steps for the global technology client mentioned above. Now in our fourth year of rolling out the plan, cost savings are near $1B to date and ROI was achieved within two months of go live. BPM transformation and optimization delivers phenomenal returns when executed strategically.