He's Making a List, Checking It Twice

Managing BPM

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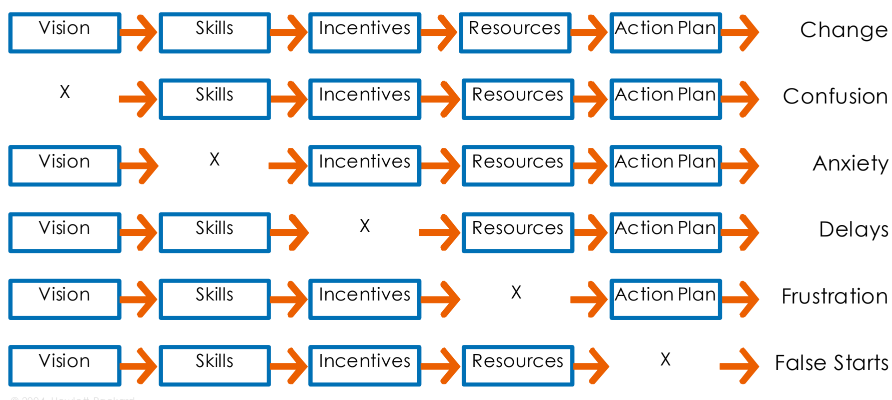
I am frequently asked, "What is the most important thing…" in performing a particular BPM program, or in different case studies. My answers vary: to wrestle with Tolstoy, "all good programs are the same; all bad programs are bad in different ways." Over several years, my team adapted a checklist that identifies which BPM programs will be successful—which corresponded to major modes of management of change:



Vision

A BPM program must have a "Vision." This means, from a re-engineering viewpoint, a clear metric that we can point to and organize around. All our programs begin with identification of a specific metric or set of metrics, and objectives for reaching those metrics.

Easy Success: BPM frameworks like SCOR and DCOR provide simple to use metrics and benchmark capability to create visions that are rigorous.

Danger Signal: We have seen over and over business programs that were focused around things like 'capability' or 'IT automation,' and which failed to be used, to be implemented, to finish because nobody really could see 'value to the business.' Value = Measure = Vision.

Takeaway: Clearly establish the vision before the program starts and use metrics to make the program concrete.

Skills

A BPM program must identify the skills involved to execute the processes. In small, incremental change, simple training may suffice to implement specific BPM changes; however, in large reengineering programs, it is easy to far overreach the abilities of an organization to adapt to skills at a high level.

Easy Success: When a process that was performed with spreadsheets is automated and shifted to being performed with a MRP program, the team is then trained in how to upload/download information into MRP program elements. Though from their job point of view, it has been a significant change, it is a relatively minor change in their 'skill set' – no high level skills have changed. The program is successful, and appropriate training has been easily identified.

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Danger Signal: By contrast, several years ago, when a program changed not a “level 3” process, but a “level 2” process or “level 1” process—a team moving from indirect fulfillment to direct fulfillment, for example, the program was extremely difficult to manage in practice. While many process activities are extremely similar, when managers whose skill sets had been completely organized around “indirect” fulfillment were challenged suddenly with “direct” requirements, they floundered. Business rules had to be reworked, metrics changed drastically, but many process activities remained the same. The business teams trying to design the direct models, in fact, had no skills in direct fulfillment at all, and continually attempted to re-use indirect processes (their skill set and comfort zone) and were mystified why individual processes worked to their understanding, but overall the process didn’t meet customer requirements. They just didn’t have the level-1/level-2 skills, and the program never made any attempt to identify critical skills and build them in at high level.

Takeaway: Identify skill set changes at all levels of a BPM program, not just “in the weeds” of level 3 and 4 processes.

Incentives

A BPM program must identify incentives to make a change – reasons to perform the activity, job definition changes, and so on. In this situation, we find that sponsorship in the chain of command is absolutely critical to making things happen.

Easy Success: In the HP merger, there were very clear incentives for all levels of management to make the business process changes required. A Scorecard was developed and supported from the CEO on down through executive ranks, creating absolutely clear sponsorship for the change.

Danger Signal: We saw, in one case, over a dozen different groups working on a well-defined problem in warranty, but no group actually had appropriate sponsorship, in terms of resource owners and team players, to drive incentives to make the changes occur. We believe that the bad taste left with many groups after “consulting” is actually due to a lack of “incentive,” a lack of sponsorship, to carry out the implementation of changes.

Takeaway: Sponsorship is critical from our viewpoint in ensuring the right incentives are in place to make the program execute.

Resources

A BPM program must have the resources for implementation. As with the sponsorship/incentive relationship, the sponsorship/resource axis is critical.
Easy Success: A program to reduce order cycle time as a critical priority is established with the business sponsor, and given clear priority within several ranked metrics for business performance. When modeling/analysis and program design is concluded, resources are easily accessed and deployed against the program without struggle for priority.

Danger Signal: We have worked on a program in cost reduction in manufacturing where we believed we had all the elements lined up – metrics, priority, and a clear path through the program activities. However, as the program got underway, it became clear that there was a 'higher level' sponsor who did not buy into the program's timing, and withheld resources to work on higher priority items. The program went into hold and missed original delivery timeline by several months while sponsorship was re-established.

Takeaway here: Focus on getting the highest-level possible sponsorship. Use common metrics and outcomes, defined using appropriate metrics, so you can have consistent judgment in application of resources. If you define metrics/ vision when you start, but, in comparison with other metrics/programs defined, you are not going to get the right degree of benefit, why undertake the BPM program at all? Don't start if you are not going to carry through, and establish clear sponsorship for the program governance and resources before you begin.

Action Plan

Lastly, a BPM program must have an action plan to implement/ track. If you are going to have the discipline to measure, model, train, and resource, you should have the discipline to set it all down in an action plan that you can review and support.

Easy Success: All our successful BPM programs have had very clear action plans, and, in fact, used pre-defined project action plan templates based on SCOR to simplify and accelerate getting the right level of sponsorship before we even attempted any project activities.

Danger Signal: We experienced a BPM program, where the action plan, due to the departure of the sponsor mid-program, was never accepted by the new sponsor. However, there were many, many changes outlined as possibilities, and clearly ranked and understood. The business teams, once they perceived the outcomes, began to implement the changes one at a time, with many starts and stops. We reviewed the process environment over the period of a year, and saw the changes happening, but in extreme slow motion and with many more resources required (that is, reworkings) than should have been required.

Takeaway: Sponsorship is crucial. Though you may have some benefits without an action plan, an action plan without sponsorship is a waste of time. Analysis by itself does not create change.

Overall, I would say, based on our experience, you must keep an eye on three variables: skills, including the skill set of senior management; metrics chosen and being changed; and sponsorship, in the form of resources, incentives, and approved action plans. Make a list at the beginning of the BPM project, and check it more than twice during its lifecycle.

If I were to say there is one word that is the key to success, it would be sponsorship. That's #1 on your business checklist.