



## Human Processes

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## Change Aims

My April column, "De-risking Business Change",<sup>1</sup> introduced a change management methodology that goes beyond other methods – including both open methods and those proprietary to consulting firms – since no other existing methods are grounded in a robust theory of human work. The first such theory to appear was **Human Interaction Management** (HIM), and the first associated method is **Goal-Oriented Organization Design** (GOOD).

In the end, all current mainstream approaches to business change are essentially a synthesis of selected best practices. The problem with such approaches is that one cannot join all the dots – establish a management environment that connects high-level strategy with middle-management practice with operational activities on an ongoing basis. Many business change activities appear at first to have succeeded but fail to deliver the expected results, since there are unforeseen breakdowns where the realities of human-driven process enactment do not live up to the expectation as depicted on colorful Web dashboards.

Without a means of **understanding what happens when people work together**, change initiatives are inevitably sabotaged by the white space on the organization chart. Large-scale research indicates that 82% of all organizations are currently undertaking some form of change initiative (SHRM) – but 70% of change initiatives fail (Harvard), and 68% of organizations don't even bother evaluating to what extent their change initiatives succeeded (SHRM).<sup>2,3</sup>

A key reason for this alarming level of failure is Pareto's rule: that the 20% of "exceptions" consume 80% of the costs. Exceptions are really the rule, since they always occur – and to properly handle such edge cases, you need processes that have flexibility designed in. You need processes that do not pretend real life is as simple and mechanistic as a flowchart.

In harsh economic times, when cost reduction and improved effectiveness are more necessary than ever, we need to get business change right first time - which means acknowledging this real-world nature of human-driven work. We need a new approach to business change; an approach such as the GOOD method associated with HIM, in which business change is understood for what it is – a means of building new networks of human interactions.

In this Column I will show the different areas of interest of each of the Roles described in my April column, and explain how to develop a governance structure for your project, venture or initiative in which they collaborate effectively - a governance structure that de-risks business change.

### Change Aims

Any form of business change, on whatever scale, must take into account a number of types of activity, any of which can derail the effort if not dealt with properly:

- Organizational structures both old and new;

- Dependence and impact on external suppliers;
- Perceptions both inside and outside the team;
- Timescales and associated resources;
- Risks and associated mitigations;
- People and associated interactions;
- And so on.

Traditional change management methods prescribe the creation of a separate management stream for each type of activity. This typically leads to an explosion of opportunities for gaps, overlaps and misunderstanding. To deal with these closely inter-related areas in an integrated fashion, and manage them coherently, requires a paradigm shift.

The paradigm shift underpinning GOOD is to dispense with separate management responsibilities for each stream of activity. Rather, specific high-level Roles are defined to support each of a number of general Change Aims, which are the same for every change programme:

1. **To ensure that work meets stakeholder needs** - for which you need to identify stakeholders, both internal and external, and communicate with them effectively;
2. **To deliver results into a business-as-usual environment** – with all necessary resources in place and without disruption to working patterns;
3. **To maximize benefits from outcomes** - i.e., work out in advance what your benefits will be, and then ensure that the consequent work realizes these benefits;
4. **To minimize the costs associated with delivery** - which means managing dependencies and risks.

### GOOD High-Level Roles

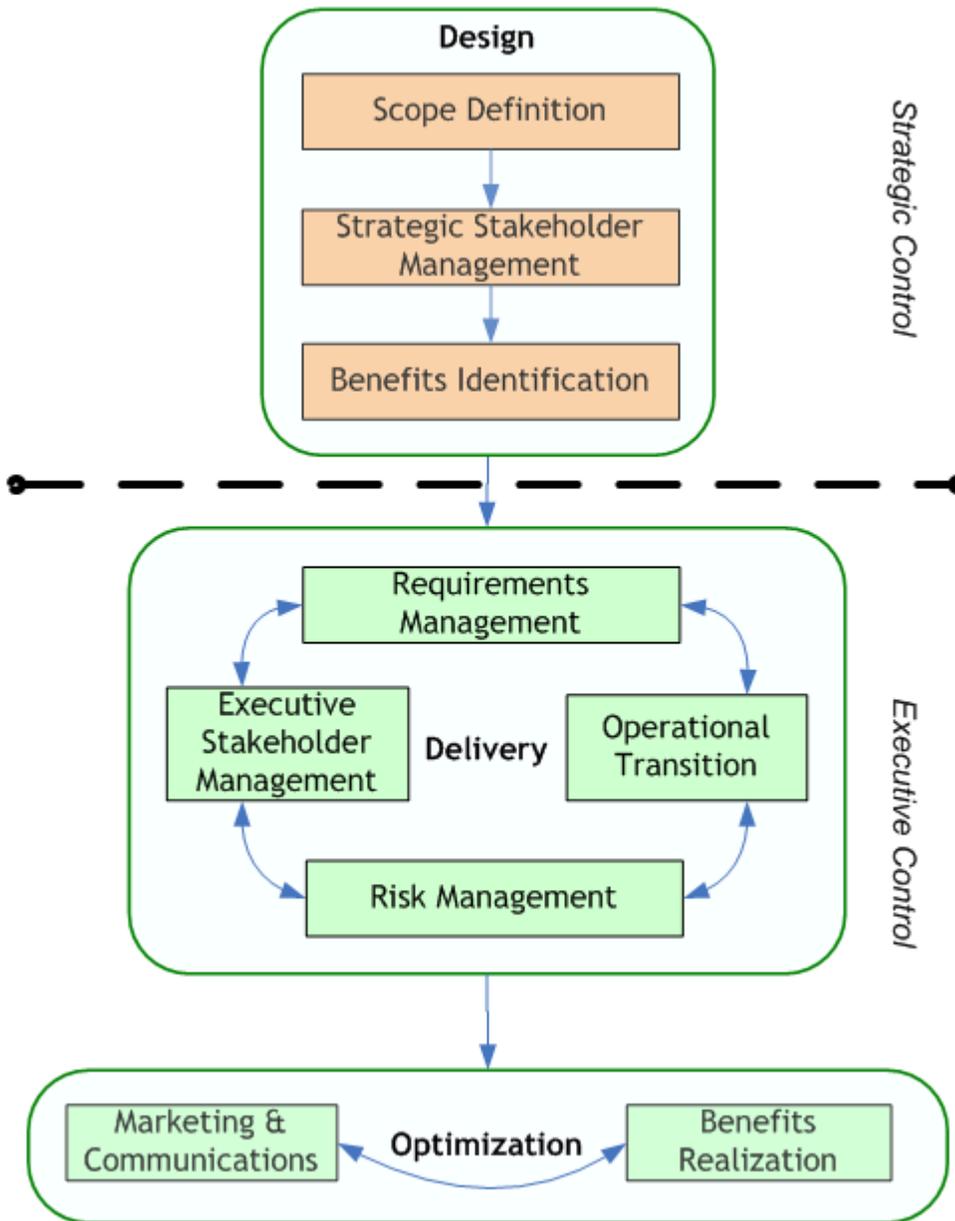
GOOD partitions the management of these Change Aims into a number of co-operating governance Roles:

- Stakeholder Management (Strategic and Executive)
- Deliverables Management (Process Architecture and Requirements Management)
- Benefits Management (Identification and Realization)
- Operational Transition
- Risk And Dependency Management
- Marketing And Communications

The Roles are organized according to HIM Levels of Control, as shown in Figure 1:

- **Strategic Control** - setting change goals and ensuring they are adhered to;

- **Executive Control** - making change work fit into an organizational context;
- **Management Control** – running change teams (not shown on the diagram, since the teams are different for each change project).



**Figure 1: High-Level Roles in GOOD**

On smaller projects, some people may play multiple Roles - there is no need to take on extra staff for the sake of transparency. However, it may be necessary for some people to do extra work to enable transparency, compared to traditional change management approaches. This extra work will pay for itself several times over, through avoidance of the misunderstandings, gaps and overlaps that typically derail change projects.

### **GOOD Strategic Control**

The work of the GOOD Strategic Control Roles follows a loose sequence, though it is highly interactive and there are feedback loops between all stages:

- **Scope Definition**, a part of **Deliverables Management**  
*Define the landscape for the change initiative*
- **Strategic Stakeholder Management**, a part of **Stakeholder Management**  
*Identify the parties whose input is required*
- **Benefits Identification**, a part of **Benefits Management**  
*Determine the focus and approach to be adopted*

### Scope Definition

The Scope Definition Role is responsible for creating a Process Architecture. This is a specialized technique that defines:

- The Business Entities for whose lifecycle the organization has responsibility
- The corresponding business processes
- Interactions between the processes, including which ones generate others

The Process Architecture of an organization is independent of its current management structure, operational practice, technology infrastructure, general culture and perceived value chains. By providing a stable picture of the **overall landscape** with which the organization is concerned, it provides a sound basis for change of any kind.

A Process Architecture is created as follows:

1. Brainstorm the Business Entities
2. Identify the Business Entities that are “Essential” – i.e., independent of current operational practice and technology infrastructure
3. Extract the Essential Business Entities for whose lifecycle the organization has some responsibility
4. Capture the relationships between these lifecycles on a Unit of Work Diagram
5. Mechanically transform the diagram into a first-cut Process Architecture
6. Refine the Process Architecture to add necessary management controls

Figure 2 shows a Unit Of Work Diagram for an organization that conducts Clinical Trials in the pharmaceutical industry:



Figure 2: Unit Of Work Diagram for Clinical Trials<sup>4</sup>

Figure 3 shows the resulting Process Architecture:



Figure 3: Process Architecture for Clinical Trials<sup>5</sup>

### Strategic Stakeholder Management

Once the Process Architecture has been created, the Strategic Stakeholder Management Role is responsible for identifying all the parties that may have an interest in the corresponding processes. These parties may be drawn from:

- Government, for example regulatory bodies
- Industry, for example trade organizations
- Customers
- Suppliers

- Partners
- The organization itself

In each case, it is necessary to identify points of contact who are willing to liaise as the change work progresses and agree on terms of reference for this liaison. Depending on the circumstances in each case, it may be appropriate to define formal Memoranda of Understanding and/or Service Level Agreements.

### Benefits Identification

The Benefits Identification Role is responsible for determining the aims of the change programme, project, initiative or venture. This is done using the **Business Motivation Model (BMM)**. The BMM is now an Object Management Group (OMG) specification<sup>6</sup> although it originally started life with the Business Rules Group, which was responsible for the key concepts.

The BMM provides a framework that you can use to capture the "ends" (vision, goals and objectives) of a proposed business change, together with the "means" to those ends - mission, strategies (with associated tactics), and policies (with associated rules) - and the "influencers" whose "assessments" drive, guide and control the work involved. Simple but powerful stuff. BMM provides just the right amount of rigor - enough to help understanding, but not too much to prevent flexible use in different circumstances.

If you use the IBM Rational Suite, there is a RequisitePro template for BMM available from IBM. However, you don't need specialized software tools to use BMM. You can adopt BMM analysis techniques and document your findings using any word processor or spreadsheet.

Benefits Identification is the Role that co-ordinates Strategic Control, which sets and controls the direction of change work, and the next level of management infrastructure in GOOD, which integrates the work into an organizational context: Executive Control.

### GOOD Executive Control

Executive Control in GOOD contains 6 Roles:

- **Requirements Management**, a part of **Deliverables Management**
- **Executive Stakeholder Management**, a part of **Stakeholder Management**
- **Operational Transition**
- **Risk Management**
- **Marketing and Communications**
- **Benefits Realization**, a part of **Benefits Management**

As shown in Figure 1, the first 4 Roles are part of a Delivery cycle, and the last 2 Roles are part of a separate but related Optimization cycle. Each Role has separate concerns, which are depicted in Figure 4 as a mind-map.

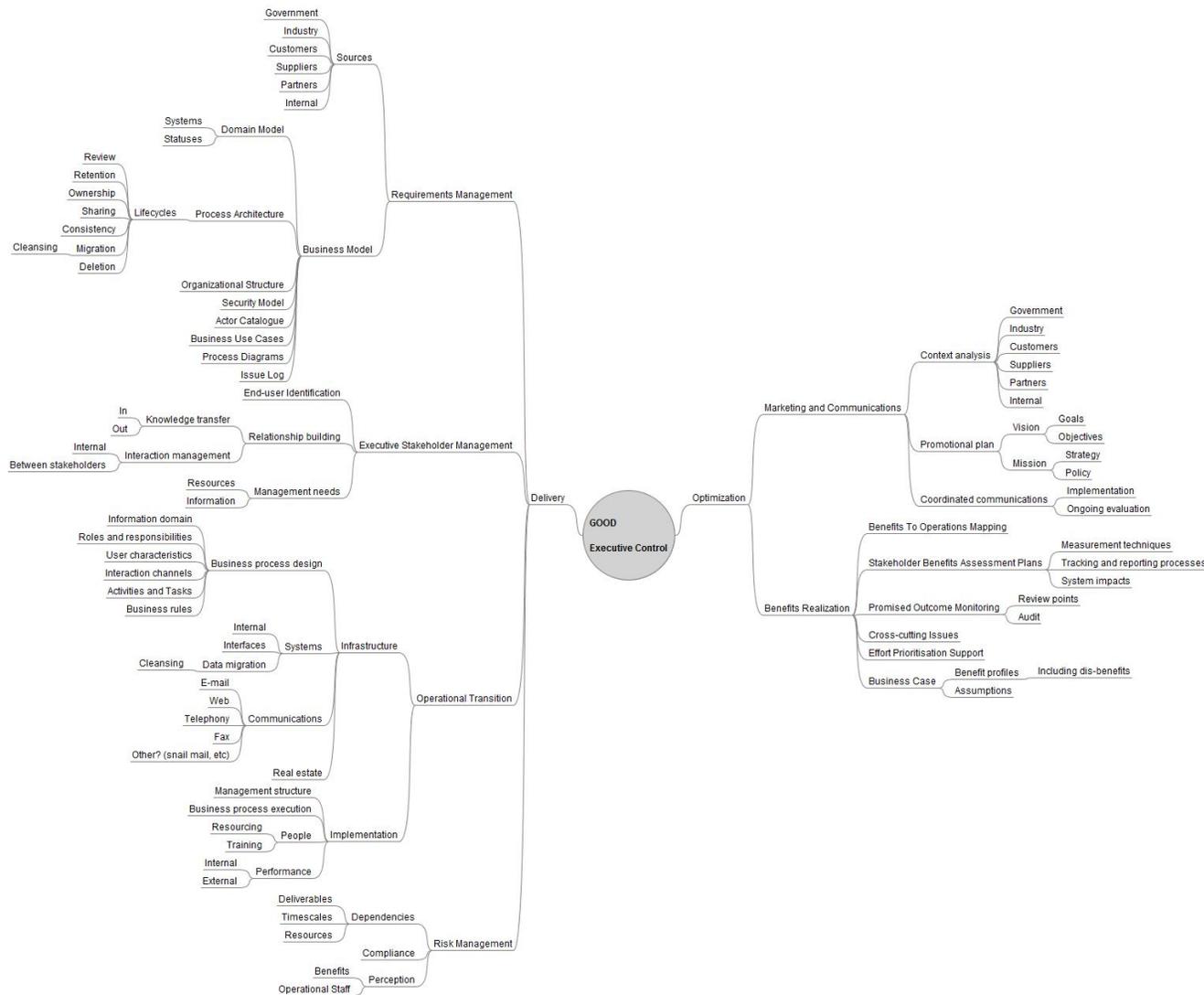


Figure 4: Executive Control in GOOD

The key to successful change engineering is to appreciate that:

- Each HIM Role owns, and is responsible for, its own deliverables;
- The work done by different Roles is coordinated and integrated via purposeful, long-lived communication channels: HIM Interactions. Table 1 shows the Roles in each Interaction, with the associated deliverable for each Role in brackets.

**Table 1: Interactions in GOOD Executive Control**

Interaction	Roles and Associated Deliverables
Business Model	Requirements Management (Business Model) Executive Stakeholder Management (Management needs)
Architecture	Requirements Management (Process Diagrams) Operational Transition (Infrastructure)
MIS	Requirements Management (Business Use Cases) Executive Stakeholder Management (Information) Benefits Realization (Stakeholder Benefits Assessment Plans) Marketing and Communications (Coordinated communications)
Processes	Requirements Management (Process Diagrams) Operational Transition (Business process design) Benefits Realization (Benefits To Operations Mapping)
Issues	Requirements Management (Issue Log) Benefits Realization (Cross-cutting Issues) Risk Management (Dependencies) Marketing and Communications (Coordinated communications)
Business Case	Benefits Realization (Business Case) Marketing and Communications (Promotional plan)

The Interactions may be implemented via any combination of email, the Web, telephone, text messages, meetings and more. Although a HIMS can provide an audit trail if required (to support compliance, analysis and improvement), the mechanisms of communication are subsidiary to the shared understanding of how to structure collaboration. GOOD gives each change management Role ownership over specific deliverables along with the means to align their work with that of their colleagues.

## Conclusion

Successful change management is a sine qua non in the Internet Age. However, 70% of organizational change projects fail. Hence, new techniques are required.

The great figures of 20th century management thought – Drucker, Handy, Senge, etc – all pointed out that organizations are **systems**, driven by feedback loops. In other words, effective organizational change management is dependent on successful collaboration between people at all levels and across organizational boundaries. In order to meet changing stakeholder needs as efficiently and effectively as possible:

- Change processes must be transparent;
- Those involved must be empowered to evolve the processes.

Yet mainstream management practices still derive from Scientific Management, Statistical Quality Control, and Hoshin Kanri – techniques drawn from manufacturing, that describe an organization as a hierarchical tree of processes, starting with separate value chains and descending with inexorable rigor to routine, repetitive flowcharts more suited to enactment by software than by humans. Process management approaches such as Lean and Six Sigma are not at all suited to a modern, globalized organization in which a huge part of the work – and many would say, the most important work - is collaborative human activity.

By contrast, Agile techniques alone do not provide the necessary integration with strategic vision, do not take account of cultural values, and do not provide the structure to support a connect-and-collaborate business model.

The change engineering method **Goal-Oriented Organization Design (GOOD)** fills the gap. Underpinning GOOD is a theory of human work, **Human Interaction Management (HIM)**, that directly addresses five aspects of management with which organizations are currently struggling:

1. Teams
2. Communication
3. Knowledge
4. Time
5. Planning

HIM principles, patterns and techniques for process design permit organizations to support decentralized, cross-boundary processes where there is not necessarily a single process "owner" – a capability critical for dealing with the current inexorable trends towards outsourcing, partnering, and sub-contracting as the fundamental means of doing business.

In particular, HIM techniques for process management allow organizations to eliminate much of the 28% of knowledge worker time currently lost to poor control of human interactions – a loss that costs employers an average of \$840/person/month.

More generally, HIM provides a way around the Pareto principle (that the 20% of "exceptional cases" account for 80% of the costs) by providing a way to deal with the "long tail" – a globalized economy based on an explosive proliferation of niches, in which one must abandon the hopeful notion that business processes can be defined once, then run thousands of times with only minor change.

HIM is the basis for an operational environment in which change is structured, encouraged, and aligned with strategic objectives. In the 21st century, regular improvements to routine processes only bring you up to the norm – to the base level of your competitors. To stay ahead, and stay in the game, the enterprise as a whole must adopt fast-paced change as the regular way of life.

GOOD provides a way to tame this apparent chaos by reducing change of any kind to a small number of constant Change Aims, and separating the structured governance processes that deliver these aims into Strategic and Executive Control. The Roles and Interactions of GOOD are a simple, universal way to approach any business change effort, from a small-scale departmental project to a major government programme.

Although a HIMS can be used to enhance enterprise compliance and improvement, neither HIM nor GOOD require IT investment.

For some, technology-fuelled globalization is a threat. With HIM and GOOD on your side, it is an opportunity.

### Author

Keith Harrison-Broninski has been regarded as an IT and business thought leader since publication of his book "Human Interactions: The Heart And Soul Of Business Process Management" (Meghan-Kiffer Press, 2005 - "a must read for Process Professionals and Systems Analysts alike", BPM Group).

Building on 20 years of research and insights from varied disciplines, his theory of Human Interaction Management (HIM) provides a new way to describe and support collaborative human work. HIM has been described as:

- "the next logical step in process-based technology" (Chair of the Workflow Management Coalition);
- "set to produce the first fundamental advances in personal productivity since the arrival of the spreadsheet" (Information Age);
- "the breakthrough that changes the rules of business" (Peter Fingar, author of "Business Process Management: The Third Wave", "Extreme Competition", etc);
- "the overarching framework for 21st century business technology" (BP Trends).

HIM is now widely taught in MBA and Computer Science courses, and is the subject of books, theses and articles in several languages. In recognition of the importance of his ideas, conference organizers around the world regularly invite Keith to give keynote lectures to business, IT and academic audiences at national conferences, most recently in Poland, India, the Netherlands, the UK, Finland and Portugal.

Keith is CTO of Role Modellers, whose mission is to develop understanding and support of human-driven processes - the field that Keith has pioneered. Role Modellers' software product, HumanEdj, leads the industry in computerized support for innovative, collaborative human work. Keith stays active as a business consultant and software architect, via which activities he continues to refine and extend HIM theory. More information about Keith and his work is available online.<sup>7</sup>

## References

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<sup>1</sup> "Human Processes: De-risking Business Change"

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*In this Column, Keith Harrison-Broninski launches the first of a series in which he will suggest ways you can de-risk business change by using the techniques of Goal-Oriented Organization Design (GOOD). GOOD is the methodology associated with Human Interaction Management (HIM) techniques and tools, but its applicability goes far beyond process design and implementation. Be sure to read Keith's Column to learn what GOOD is.*

<http://tinyurl.com/lq3c7o>

<sup>2</sup> Harold L. Sirkin, Perry Keenan, Alan Jackson, John P. Kotter, Michael Beer, Nitin Nohria, Jeanie Daniel Duck , "Lead Change--Successfully, 3rd Edition (HBR Article Collection)", Harvard Business Publishing, 2005, [harvardbusiness.org/search/Michael%2BBeer+Nitin+Nohria/607797](http://harvardbusiness.org/search/Michael%2BBeer+Nitin+Nohria/607797)

<sup>3</sup> Amanda Benedict, "2007 Change Management - A Study by the Society for Human Resource Management", SHRM Research, 2007

<sup>4</sup> Keith Harrison-Broninski, "SOA Governance and Human Interaction Management", 2007, Keynote and Workshop slides for SOA India 2007 (diagrams ©2007 Venice Consulting Ltd used by permission)

<sup>5</sup> Ibid.

<sup>6</sup> [omg.org/spec/BMM/1.0](http://omg.org/spec/BMM/1.0)

<sup>7</sup> [keith.harrison-broninski.info](http://keith.harrison-broninski.info)