Process Management as a Service

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The Service-Oriented View of the Enterprise

The "service-based view of the enterprise" is an emerging managerial paradigm that defines an organization as a set of decentralized, autonomous, loosely coupled, and interacting capabilities. This is the same approach that currently drives the re-design of IT landscapes in the form of Service-Oriented Architectures (SOA). This Article proposes to view and drive process management following the corresponding concept of the "*Service-Oriented Enterprise (SOE)*."

In an SOE, two types of services can be differentiated. On the one hand, *transactional* services are characterized by being highly repetitive and predictable. The execution of these services does not change the structure or processes of the organization. Examples are payroll, procurement of standard components, or accounts receivable. On the other hand, *transformational* services are those capababilities that impact the organizational structure and processes. Example services are project management, change management, or process management. In the following, we will elaborate on the characteristics of such transformational services using process management as an example. As an inspiration for the design of these services, we will refer to four principles that guide services in the world of SOA, namely abstraction, loose coupling, messaging, and composability.

Four Principles of Enterprise Services: The Process Management Example

Any senior executive, in his or her aspiration to conduct a major or minor transformation of an enterprise, requires certain services to execute organizational change projects. All process management-related capabilities, methods, staff, tools, and methodologies that exist in the organization can be seen as such a service that is available to the executives for managing the enterprise. If we follow this service-oriented viewpoint, we see that an enterprise service such as process management has to be built based on the following four principles:

1. Abstraction

Consumers of a process management service have typically a limited interest in how the actual process analysis and improvement is conducted. Abstraction means that the service can be described and consumed without deeper insights into the way the service is delivered or executed. It simply should not matter if process management follows Six Sigma, Lean Management, Total Quality Management, ITIL, good old Industrial Engineering, or any combination of these approaches. It should not matter what modeling technique or tool is used. A service-oriented view on process management stresses exactly this abstraction from BPM methodologies and related terminologies that are often confusing for the process-agnostic business world (Figure 1).

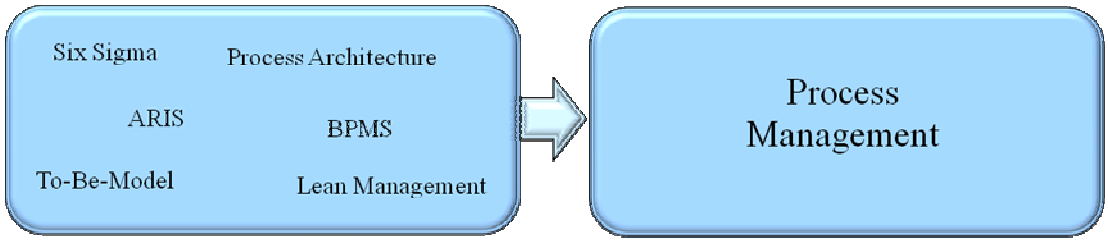

Figure 1. Black Boxing BPM methods, tools, and techniques

2. Loose Coupling

The service-oriented paradigm emphasizes that a single service should be as autonomous as possible. This facilitates wider re-use of this service and allows consuming a service independently of any other service. At the same time, it allows separate make-or-buy decisions about this service. Loose coupling means, in particular, that the process management service should in itself have a compelling value proposition and be free of any overlaps with other managerial support services. This means, e.g., that services related to the management of a BPM *project* would be typically provided by a separate "project management service." In other words, the project management service would be responsible for ensuring project deadlines are met, project KPIs are defined, and so forth, while the process management service is solely concerned with the project content, i.e., documenting, analyzing, improving, and implementing processes.

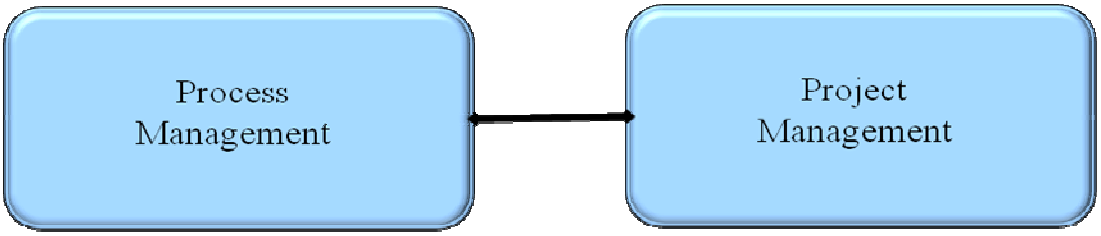

Figure 2. Loose Coupling of Two Services

For loose coupling to work, it is important to define adequate and well-defined key interfaces in order to eliminate potentially confounding shared interests, overlapping areas of responsibility, and goal conflicts. This requirement, in turn, leads to the principle of messaging.

3. Messaging

An enterprise service has to have well-defined interfaces that facilitate its interaction with its environment. These interfaces need to be clearly described in a corporate catalogue of enterprise services. For the process management service this would mean that it is listed in such a catalogue with all its potential sub-services (e.g., minor (10%) improvement, radical process re-design, business innovation, process modeling as a service, etc.). It also is clearly articulated what type of information needs to be supplied to the service (e.g., type of service requested, length of service consumption), and what type of outcomes/messages will be provided in return (e.g., deliverables produced, charges for the services, etc.) (Figure 3).

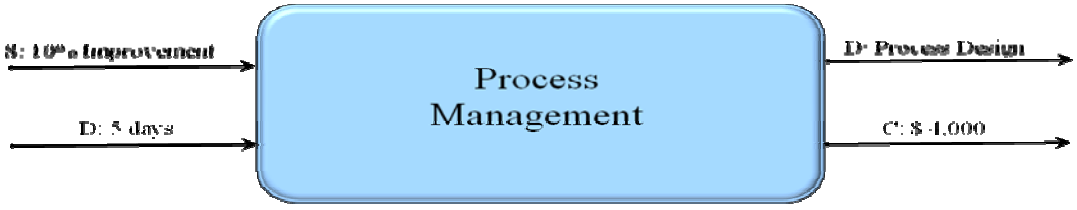

Figure 3. Income/Outcome Messages of a Service

The messaging should further include important KPIs (such as quality of the service and efficiency of service delivery).

4. Composability

Loose coupling leads to a number of autonomous transformational services, each with its own capability and promise of a net value provision into the organization. However, in many cases, the

consumption of a single service will not be sufficient for the issues that business managers are facing. For example, a large-scale SAP implementation across the enterprise requires services related to IT infrastructure management, process re-design, change management, service level managements, and project management, to name just a few. Thus, it is necessary to compose multiple enterprise services to larger aggregated services with a more comprehensive value proposition. This requires that an overarching approach to the choreography of these services exists. Again, the details of this integration of multiple services need to be hidden to the service consumer ("principle of abstraction"). An example would be a larger, composed enterprise service called "Organizational Improvement" that is made up of "Business Analysis," "Process Management," and "Change Management" (Figure 4).

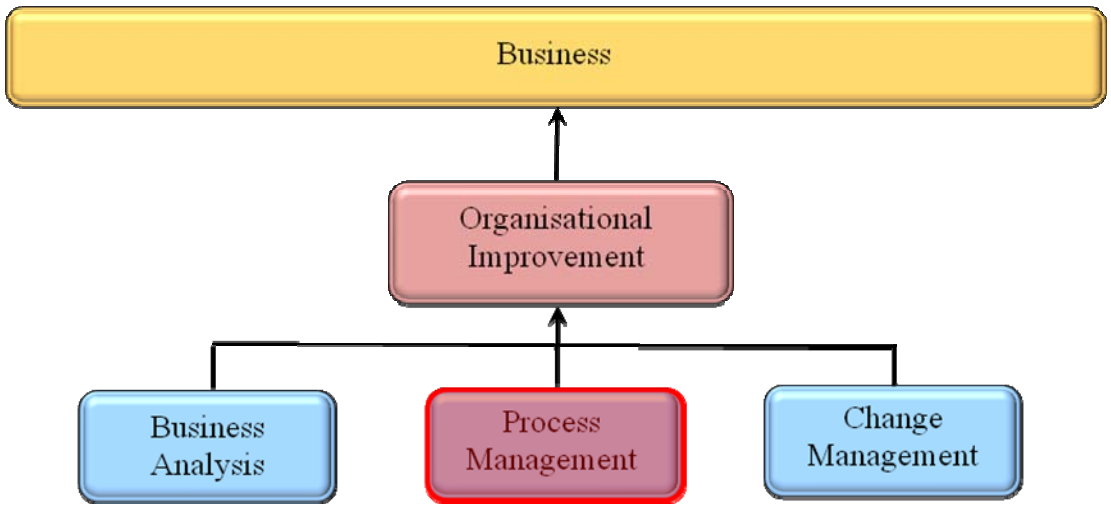

Figure 4. Composition of Enterprise Services

The Chief Services Officer

The application of these four principles can guide the definition of transformational enterprise services. Once defined, they need to be resourced from the existing organizational units. Following the four service design principles above will leave the organizational structure with increased flexibility as it facilitates easier integration of new services or the retirement of services that are no longer required or are outsourced. As in SOA, the definition of enterprise services leads to a de-coupling from the actual organizational structures. Thus, rather than starting with an argument on who owns process management within an organization, the first focus should be on the actual design of "process management as a service."

The clear distinction between transactional and transformational services could have even wider implications when these two groups of services form the main organizational entities. A Chief Services Officer (CSO) for transformational services would be in charge of a comprehensive set of advanced services, including process management, that together lead to larger business transformations. A Chief Services Officer for transactional services would take over responsibilities for all well-defined processes across all classical services domain. Such a service-centered design would, in consequence, influence the existing portfolios of Chief Information Officers (CIO), Chief People Officers (CPO, HR Directors), and Chief Financial Officers (CFO). These portfolios could be potentially reduced to the relevant highly transactional services only (Figure 5).

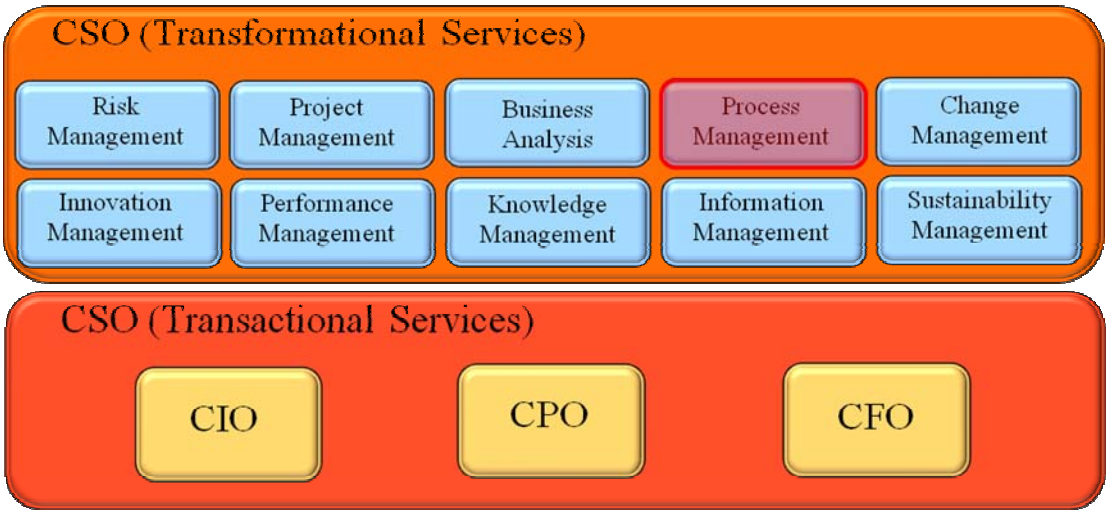

Figure 5. Splitting Transformational and Transactional Services

Is a Service a Process, and vice versa?

For the BPM community, everything seems to be a process ("process as the ultimate first class citizen"). Thus, there is a high level of skepticism that the service notion can add new insights. In fact, every one of the exemplary services mentioned above could be described as a composition of processes.

"Process" and "Service" are complementary views on the same capability of an organization. As two distinct "sensitizing devices," however, their associated viewpoints stress alternative facets of organizational capabilities. A process view sharpens the understanding for the operational model of a capability. It provides the required analytical foundation to reflect on the current and potential future performance of a capability as far as this performance can be impacted by the way it is delivered. As such, a process view can be seen as an approach to "*white box* a corporate capability." In contrast, a service-oriented (external) view on a corporate capability can be regarded as a "black box" perspective. The emphasis is, as described above, on the conscious abstraction of the internal operations of this capability. Instead, the focus is on the overall value proposition (what can the service provide?), the related costs, the underlying governance model ("what happens when the service fails, i.e., service continue management"), and further non-functional service properties as part of a service level agreement (response time, quality standards, etc.).

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