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Artistic Processes

Some of the most important process thinking has been done at business schools. Where would our practice be, today, without Michael Porter's value chain concept, without James Heskett's concept of the service profit chain, or without Robert Kaplan and David Norton's balanced scorecard? That said, however, the business schools don't seem to be very good at the big picture. It's ironic, perhaps, but business schools don't seem to have an overview of an organization that provides any useful insight into the place of process. Most business schools seem determined to fragment organizations into functional units - like Marketing, Human Resources, and Operations. And processes always seem to end up under Operations.

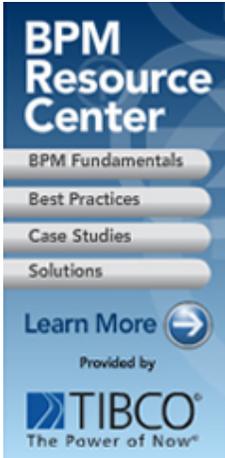
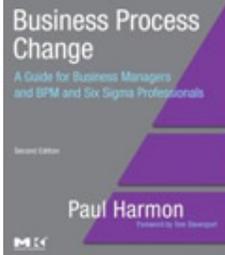
Given their silo focused approach, most business school professors must have a very hard time conceptualizing how corporate customers receive the outputs of value chains. One group looks at operations and another group looks at customers and marketing, but neither seems to focus on the relationships between a value chain and its customers. Similarly, discussions of how HR and IT support value chains and the intricate feedback that makes such support smooth and effective are notably lacking. There are wonderful exceptions to this generalization, of course - Hammer and Davenport both published their initial articles on Business Process Reengineering in the *Harvard Business Review* - but, as a rule, we don't see much high-level process thinking from business schools. Instead, we see good mid-level thinking about subprocesses that occur within specific functional domains.

This was all brought to mind, in March, when I received my *Harvard Business Review* and noticed it included an article entitled, "When Should a Process Be Art, Not Science?" The article was written by Joseph Hall and Eric Johnson, both of whom are associated with the Dartmouth Tuck School of Business. Hall is a professor of business administration and Johnson specializes in operations management. Hall and Johnson lead off with the bold statement: "The movement to standardize processes has gone overboard. Some require an artist's judgment - and should be managed accordingly."

The second statement is obviously true (although we might quibble with using the term "artist.") The first statement is obviously a gross exaggeration. In an effort to support the first statement, the authors say: "Can a successful European sales process be rolled out worldwide, or should regional teams be allowed to perform their individual magic? Does it make sense for a manufacturer to invest in developing and documenting a detailed process that complies with the latest ISO standards, or would more employee training and empowerment lead to higher quality? Can quality be improved by managing surgeons like nurses or auditors like mechanics?"

These questions are a bit hard to answer since the authors don't seem to have much of a feeling for processes - they certainly don't provide a framework that classifies processes in any way that would allow easy answers. (They do offer a "Process Matrix," which I'll come back to in a moment.) At a minimum, we need to agree that there are high-level processes, like value chains and their immediate subprocesses, mid-level processes, like the subprocesses that make up a sales process (e.g. prospecting, qualifying, proposing and closing), and low-level processes - specific activities or tasks that sales people do. Once we have a framework, we can begin to consider whether it is possible to spell out a worldwide sales process made up of 4-5 major subprocesses. Having done this, we would undoubtedly find that some aspects of the overall sales process could, and should be defined and that other aspects of the sales process are not easily defined and probably ought to be left unspecified. In other words, the answer to the question is that it depends on which mid-level process you are focused on.

These same considerations apply to the question regarding ISO standards. For organizations that don't have a very good idea of how their processes actually work, going through the ISO exercise, at least for high-level processes, is very valuable. How far to drill down and what areas to focus on is something else, and we'd have to get a lot more specific to answer the question. When I teach basic modeling and redesign, I suggest that organization's model processes down three levels, to sub-subprocesses of value chains, and then go through individual sub-subprocesses (level 3 processes) to



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determine what to do to improve the process. One option is to train employees. Another is to change the practices of the person responsible for managing the level 3 process. Still another is to consider automating all or part of the process. If automation is to be undertaken, then the process will probably need to be defined in more detail - down, say to level 5-6 processes. But we also teach that you should consider, on a process by process basis, whether the process lends itself to detailed analysis or automation. Put another way, we ask if the process can be defined in a rigorous way, or whether it's better to consider other approaches.

The third question is simply silly. What serious process professional would consider trying to manage surgeons like nurses or auditors like mechanics?

When Hall and Johnson get into the body of their article, they propose a matrix to help companies identify Artistic Processes. One axis looks at the process environment and divides it between low variability and high variability. The other axis looks at the "value of output variation to customers" and divides it between Positive and Negative. The matrix is reproduced in Figure 1.

		Process Environment	
		Low Variability	High Variability
Value of Output Variation to Customers	Positive	Mass customization	Artistic processes
	Negative	Mass processes	Nascent or broken processes

Figure 1. Hall and Johnson's "Process Matrix."

When you think about the Hall and Johnson matrix for a few seconds, a couple of things are obvious. First, most processes aren't low or high variability - they fall in between. Second, and more serious, the second axis doesn't make much sense. It suggests that some processes produce output whose variability is valuable to customers (positive?) while other processes don't (negative). Then the authors generalize to speak of processes that produce undesirable variability as "broken processes." It's all probably valid, as far as it goes, but it tends to confuse the discussion, shifting from "artistic" processes to "broken" processes - as if mass production processes or artistic processes couldn't be "broken" in other ways. And it really underlines the fact that we are missing process environments that are mid-way between high and low variability. Are they half-way to being broken?

The last time I tried to define the difference between processes that could be easily modeled and standardized and those that couldn't, I referred to those that were harder to define as complex/creative processes rather than artistic processes and I used the matrix shown in Figure 2. (See the July 19, 2006 BPTrends Advisor titled *Alternative Approaches to Process Analysis and Modeling*.)

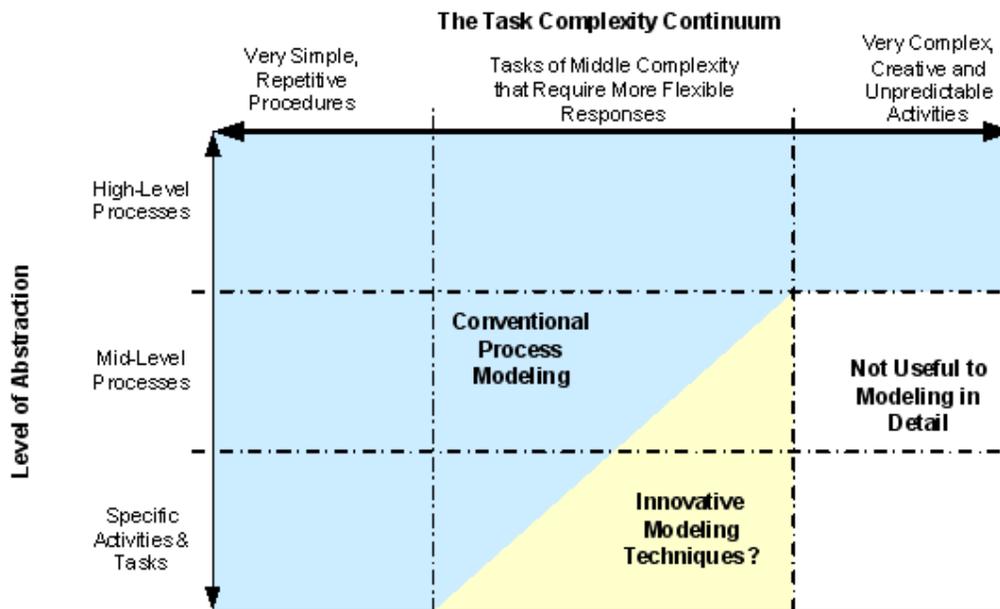


Figure 2. Levels of Abstraction and Task Complexity

The horizontal axis focused on the complexity and creativity required to successfully complete the process. The vertical axis focused on the level of abstraction involved in the modeling effort. As we explained at the time, one can easily model the piano manufacturing process (an example Hall and Johnson focus on) if you keep the model at a very high level. The activities might be: Establish plan, Select materials, Create needed subassemblies, Assemble piano, Sell piano. Moreover, since a piano includes several subassemblies, you might find that some, such as the manufacture of keys, or wires, could be precisely specified, while the shaping of the wood or the final assembly could not.

The main point, however, was that there were some processes that involved so much thought or creativity that they were beyond our current ability to specify in detail. The examples we provided not only included core processes, like decisions on international loans to national governments, or assembling musical instruments, but also included management processes - who wants to try to pin down what a CEO should do - and support processes like designing a software architecture for a major company.

What's more important, for our present purposes, however, is that I wrote the July 19, 2006 Advisor in response to a series of articles by methodologists like Keith Harrison-Broninski on the nature of creative processes and where detailed process analysis and modeling was appropriate or inappropriate.

Since those articles were published, the whole topic has remained an important topic on BPTrends and at process conferences. The Object Management Group (OMG) has a subcommittee of their business modeling task force that is currently working on defining Dynamic processes, or, as many term them, Case Management processes (the emphasis is on the idea that each case is different).

Below are three Articles published on BPTrends that provide an idea of the range of thought that has already gone into how one might deal with creative processes. Harrison-Broninski, of course, writes a BPTrends Column and has been talking about these issues since 2005. I've written several BPTrends Articles as well, and discuss the issue in my book *Business Process Change, 2nd Edition*. Obviously, none of these authors would suggest that every process ought to be standardized or that surgeons ought to be modeled as nurses.

- Keith Harrison-Broninski. Modeling Human Interactions, June 2005.
- Michael Rosemann. Creativity Management - The New Challenge for BPM, May 2008
- Henk de Man. Case Management: A Review of Modeling Approaches, January 2009

In addition, anyone wanting to understand this area will need to look at the standard for case management processes that is evolving at the OMG. A draft of the proposed OMG standard on Case Management Processes is available at <http://doc.omg.org/bmi/2009-03-03>.

It's always good to see articles about process in the *Harvard Business Review*. It is high time that more business school professors learn about the ins and outs of the business process management field. If Hall and Johnson really want to contribute to the discussion of dynamic, creative, case or artistic processes, however, they will probably want to do a bit more research and reading before they seek to enter into a dialog that has been going on for several years.

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Till next time,

Paul Harmon