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Once More: What is BPM?

There is no law of nature that says that “Business Process Management” must mean one thing or another. Like so many terms, it is subject to the interpretation of those using the term. And, of course, even among those of us who are actively engaged in business process work, there are differences of opinion.

Several Six Sigma books argue that the process world is divided into three broad areas: Continuous Process Improvement, Major Process Redesign, and Business Process Management. Using this definition, BPM involves everything that an organization does to manage its process efforts. However, for many in the Six Sigma tradition, BPM simply means managing the organization’s Six Sigma efforts.

In 2001, Roger Burlton wrote a book: *Business Process Management: Profiting From Process*, and laid out a methodology that combined the concerns that Six Sigma theorists had often divided. Burlton argued that every organization needed a group to coordinate its various process efforts and that that group should, in the normal course of things, initiate projects to improve processes and train managers and employees to subsequently maintain and continuously improve their processes.

In 2003, I wrote *Business Process Change: A Manager’s Guide to Improving, Redesigning and Automating Processes* and took a line very similar to what Burlton proposed. I was very influenced by a study of Boeing’s C-17 division, where the entire division was organized around processes, where every process had a manager, and where every manager reported on progress each month. The central BPM group reported to the division’s executive committee. It tracked all processes and intervened whenever processes began to deviate from agreed upon standards. To my mind, this defined an ideal CMM Level 5 organization. Boeing knew their processes, managers measured results with process metrics, and the BPM group constantly monitored the results and offered support and help whenever process managers encountered problems.

In the same year that I published *Business Process Change*, Howard Smith and Peter Fingar published *Business Process Management: The Third Wave*. Smith and Fingar argued that the Web and XML technologies created an opportunity for companies to combine workflow, enterprise application integration and other software technologies to create software tools that could automatically monitor and manage the execution of business processes. This technology continues to develop and today’s tools are being used to build impressive software applications that help manage the execution of business processes. A problem arose, however, when those advocating this new type of software began to term the software products “Business Process Management” or BPM tools. For many, especially those in IT organizations, BPM rapidly became a new category of software.

From our beginnings in 2003, BPTrends has tried to create a big tent where everyone engaged in process work can meet and discuss best practices. We have consistently advocated for the term “Business Process Management” to refer to a comprehensive approach to process change that embraces all of the specific practices and the management of those practices.

Obviously, there is nothing sacred about our use of this term, and other terms could easily be substituted. The fact remains, however, that large organizations have lots of people working on process change and performance improvement.

- Some focus on Lean or Six Sigma. Some use process frameworks like SCOR or eTOM. Some work at defining customer processes or creating new business models.
- Some work on organizational transitions or change management and some are engaged in outsourcing processes.
- Some are concerned with defining business process architectures or the rules that people use when they make decisions.

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- Others focus on training teams who can do continuous improvement or examining how environmental changes affect employee performance.
- Some create balanced scorecard systems to align processes and others build software systems to automate the management of processes.

Each of these different groups could go on defining and using terms within their respective groups, ignoring those outside their individual groups. But, they all share an interest in thinking of the organization as a system, of linking activities into processes, of measuring processes, and organizing people and support systems to make business processes more efficient and effective. All have best practices and everyone would benefit if they shared their knowledge and skills. Thus, we continue to advocate for a common usage of the term "Business Process Management" that everyone can embrace.

We advocate for the use of the term BPMS when referring to software products. We encourage this because when the pundits decide it is time to coin a new term, we would prefer that they say that BPMS is dead and the new hot thing is whatever, leaving BPM to those of us who have a continuing interest in improving the processes in our organizations.

In a similar way, there are many groups who continually try to persuade us that some new term is somehow a broader concept that adds a critical new dimension to BPM. If we allow this to happen, then BPM will fragment and become like BPR or Work Simplification - a movement that lasted a short while and was replaced by the next new thing. If, on the other hand, we insist that there is a continuing, ongoing need for managers to conceptualize their organizations as systems, then we need to try to establish a broad perspective and a common language that we can all live with for several decades.

We've considered other terms such as *Operations Improvement*, or *Performance Management*, both of which suggest a similarly broad concern, and either would work in a pinch. But *Operations* somehow misses the idea of the importance of the customer and *Performance* can be interpreted as too narrowly concerned with outcomes.

Meanwhile, we have been gratified to learn that a number of universities throughout the world have established BPM programs to train students in process-oriented problem solving. Their existence seems to suggest that *Business Process Management* has become established and has some staying power.

Obviously, how you think about *Business Process Management* is related to what you think a **process** is all about.

We sometimes distinguish between the *little process* perspective and the *big process* perspective. In essence, someone who relies on the *little process* perspective looks at Figure 1 and immediately focuses on what goes on inside the process (A). The idea is that the process is a set of contained activities. Those who take the *big process* perspective, on the other hand, look at Figure 1 and see a situation like the one illustrated under B. In other words, the *big process* perspective is a systems perspective and considers, not only the subset of activities that go on inside the box, but also considers all the interactions that occur between the process and the supersystem that supports it.

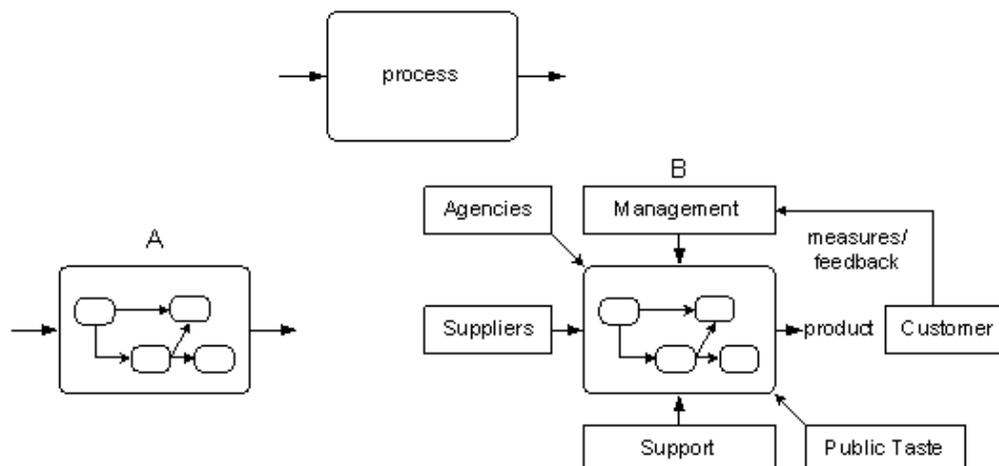


Figure 1. Two ways to think about a given process

For those who take the *little process* perspective (A), the focus is on figuring out exactly how the activities within the process work. In this case, process is only a small part of a bigger system that includes management, government regulation, management policies, customer satisfaction, and so forth. For these individuals, trying to figure out how an organization works must be very difficult because there are so many different forces at work, all interacting without any clear organizing principle.

For those who take the *big process* perspective, **process** is the central principle one uses to understand how everything in an organization fits together. The organization exists to produce goods and services that customers will value. If it does so successfully, the organization prospers. Everything else in the organization is judged by whether or not it supports the processes that produce value for customers. Obviously, this view of process is a lot broader than a concern for how a specific set of activities work together. The *big process* perspective gives managers a way to organize their thinking about how to get things done within an organization. And, it provides the basis for diagnosing what might be wrong if customers aren't happy.

This sense of the centrality of process is exactly the sense that permeates Boeing, Toyota, Motorola, GE and DuPont and justifies their claim that they are process-focused companies. It is the perspective that CMMI seeks to define when it describes an organization as a fully mature process organization (CMMI Level 5).

IT people often take the *small process* perspective and, in fairness to them, it is often what business managers request and expect. They often don't want IT thinking about how management policies work. They simply want IT to focus on installing the new ERP software to support some specific activities. Business Analysts have often taken this perspective and focused on defining the software requirements for a specific set of activities. Increasingly, however, Business Analysts are moving towards a *big process* perspective and seek to take a more comprehensive view of the nature of business problems.

Process practitioners who have been asked to help organizations redesign a large-scale process know that drilling down inside a single process usually doesn't work. Starting with a single process and simply looking at the activities and the workflow inside the boundaries of that process, doesn't provide an adequate basis for improving the process. Processes fail for many reasons and in many ways. A process that really pleases customers may fail because it provides inadequate information to other processes that involve government agencies, or because employees keep quitting and going elsewhere. Increasingly, any given company is only a link in a supply chain and customers are, in effect, choosing among supply chains, forcing individual companies to think seriously about how they can work with partners to make the entire supply chain more efficient. In many companies, there are processes running throughout the world that use a similar activity. The costs of supporting each of the similar activities with slightly different training or ERP modules may be a major source of inefficiency. In other cases, complex decisions may require a detailed study of how business rules are used by the best performers to arrive at solutions that please customers.

This experience, which is shared by all those who have struggled to help organizations with large-scale process problems, leads, naturally, to a *big process* perspective. We need to begin an analysis by looking at nearly everything in the organization, examining how things work together, and only zeroing in on the specific deficiencies once we have a good overview of all the forces in play. There are usually multiple causes and a good solution requires multiple changes.

Mature process organizations understand this just as good process practitioners do. There is no magic bullet and no one set of tools and techniques that work in every situation. If process practitioners are to become respected professionals they need to create a body of practice that systematically integrates a wide variety of approaches under a single umbrella.

BPTrends believes that Business Process Management (BPM) is the best term for this broad umbrella. If the choice had been ours, we might have chosen a different term, but it is late in the day to try to switch, and BPM works well enough. BPM suggests a management discipline and that's what we believe process work must ultimately become.

In the meantime, we will continue to urge all those who seek to solve system and

process problems at their organizations to take a broad, integrated perspective and to rely on BPM as a description that can embrace and support all of our specific approaches.

Till next time,

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