Process Change Methodologies

BPTrends recently conducted a survey of process modeling. As I read the responses to the questions on methodology, I thought, once again, about the current state of process change methodologies.

For several years, I have argued that there are three, more or less independent, traditions in process work. (See Figure 1) It's not that they haven't learned from each other or that they haven't begun to merge, but the fact remains that it's usually pretty easy to determine which tradition practitioners are coming from. One tradition focuses on work simplification and quality control, as is primarily represented by Lean and Six Sigma. A second focuses on a top-down approach aimed at improving the overall performance of the organization and is represented by Rummler, Hammer, Burlton, and a host of business school authors, including Porter, Kotter, Kaplan and Norton. The third tradition is the IT tradition that focuses on the automation of business processes and has been represented by authors like Yourdon, Martin, Jacobson, Smith, and Davenport.
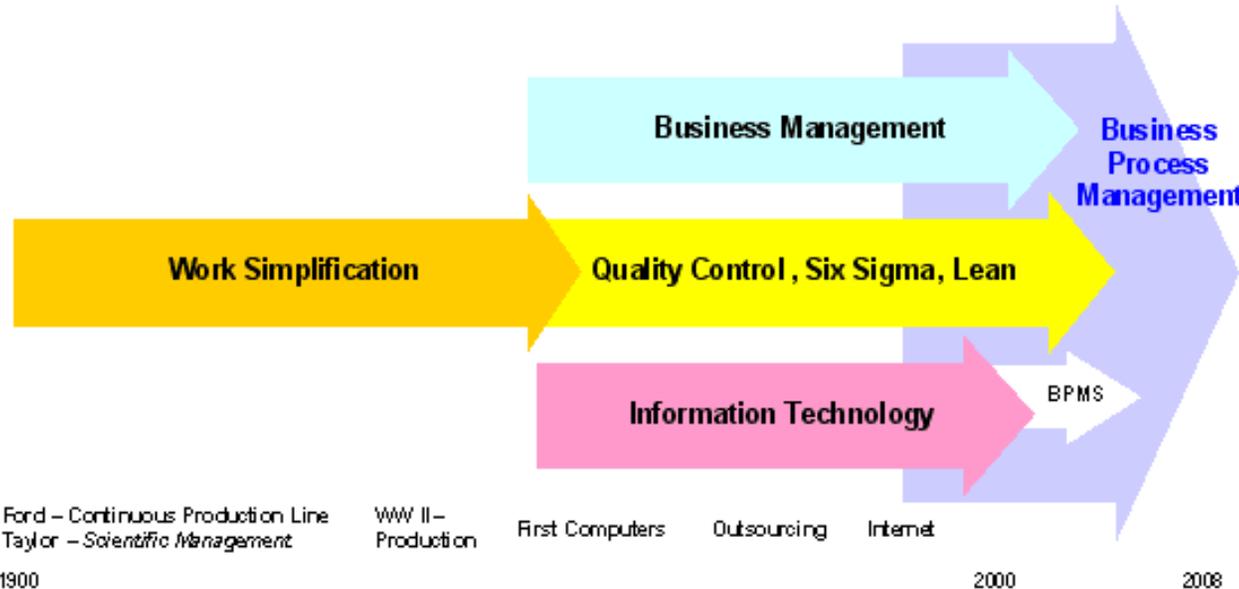

Figure 1. Business Process Change Traditions

Just as there are different traditions in process work, there are different methodologies that

incorporate the ideas of the different traditions. Once again, each methodology incorporates good ideas from other traditions and these methodologies are increasingly tending to merge. But, for the moment, if you ask an organization what methodology they use, they will likely say they use one of the three methodologies described below.

Lean Six Sigma (LSS) Methodologies

The methodology preferred by those coming from the quality control tradition is either Lean, Six Sigma or both together (Lean Six Sigma). Both of these methodologies have strong roots in manufacturing and both emphasize incremental improvement. Both stress getting lots of employees involved in the process and making business managers responsible for driving the effort. Both tend to emphasize cost savings. Six Sigma methodologies tend to be organized around DMAIC (Define, Measure, Analyze, Improve and Control) and to rely on relatively simple modeling techniques.

Business Process Redesign/Reengineering (BPR) Methodologies

The methodologies preferred by those who want to make major changes in the way the organization does business tend to be termed BPR methodologies – and are termed "Redesign" or "Reengineering" methodologies, depending on who you talk with. These methodologies tend to emphasize a top-down approach and usually begin with some kind of an architecture phase that is designed to identify the organization's most pressing problems. Similarly, these methodologies are often designed to help companies rethink their business models, install new technology, or introduce completely new processes. They often emphasize taking advantage of new opportunities, or radically changing how things are done, rather than focusing on saving money by improving lower level activities. Geary Rummler's Performance Improvement approach and Michael Hammer's Reengineering methodology are both very much in this tradition. In a similar way, the Supply Chain Council's SCOR and the TeleManagement Forum's eTOM methodologies are both very much in this tradition. These methodologies tend to place a heavy emphasis on process modeling, although they emphasize how specific activities are related to business units and process managers. These methodologies conceptualize process change as a project that begins with analysis, works through redesign and eventually rolls out a redesigned business process. As a generalization, these methodologies are more service or customer oriented, and they tend to focus more on employee performance, on process management and on process measurement techniques.

IT-Based Process Redesign

Those who work in IT organizations, or Business Analysts committed to process automation, may use either of the methodologies I have already defined, but they always combine a business analysis phase with a software development (or selection of the software tool) phase. In practice, IT organizations have been most comfortable with the BPR approach because they tend to focus on projects that result in a major change, and major projects often rely on the automation of a business process. In the best case, there is a partnership between business process practitioners and IT developers, but in the worst case, IT practitioners seem to push automation on business people with little concern for the non-IT

side effects. Methodologies in this tradition include most of the methodologies from the IT vendors and major consulting firms. ARIS and IBM's Rational Unified Process are both examples of this approach. Earlier approaches one still encounters include Integrated DEFinition Methods (IDEF). These methodologies emphasize a design phase to determine the "software requirements," a software development phase and an installation phase. Analysis tends to focus heavily on the data or information used in the process and on whatever software technology the IT group is promoting at the time. At the moment, for example, various BPMS tools, software services, and cloud computing are all popular features in automation efforts. These methodologies also rely heavily on process modeling, although in the worst cases, they are really diagramming a software process which is incomprehensible to business managers.

I've pictured the three broad methodologies in Figure 2. There are other methodologies, like the business rules methodologies, or the change management methodologies, that we could add, but, as we say, they are increasingly incorporated in these three basic methodologies described below.
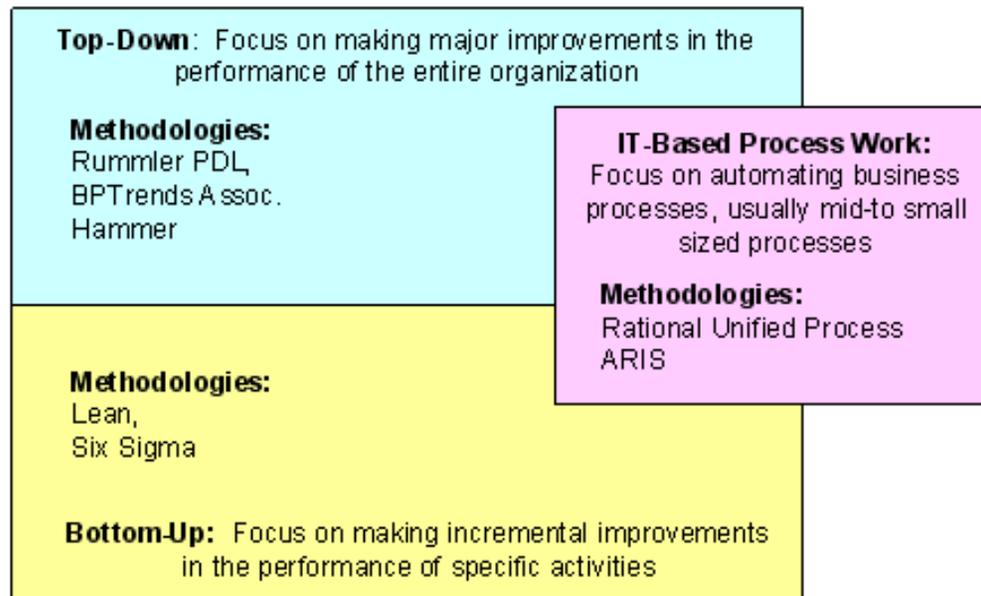

Top-Down: Focus on making major improvements in the performance of the entire organization

Methodologies:
Rummler PDL,
BPTrends Assoc.
Hammer

IT-Based Process Work:
Focus on automating business processes, usually mid-to small sized processes

Methodologies:
Rational Unified Process
ARIS

Methodologies:
Lean,
Six Sigma

Bottom-Up: Focus on making incremental improvements in the performance of specific activities

Figure 2. Three major classes of process change methodology

BPTrends Associates (BPTA) has argued for some time that organizations need a BPM methodology that combines the best features of the three popular approaches. We believe we have created such a methodology, but we understand that others might say the same of their methodologies. Clearly, the BPTA Methodology has its roots in the Top-Down Business Performance focused tradition, but we have worked hard to integrate the best practices of Lean, Six Sigma, and IT-based methodologies, as well as business rules and change management. We believe that organizations are ready for a more sophisticated approach to process work that incorporates all of the various practices.

Michael Hammer used to use a diagram like the one shown in Figure 3 to talk about the lifecycle of a major business process. There are times, he would say, where major improvements are needed, and there are other times where gradual, incremental improvement is what's needed. A comprehensive approach to business process change ought to embrace both.
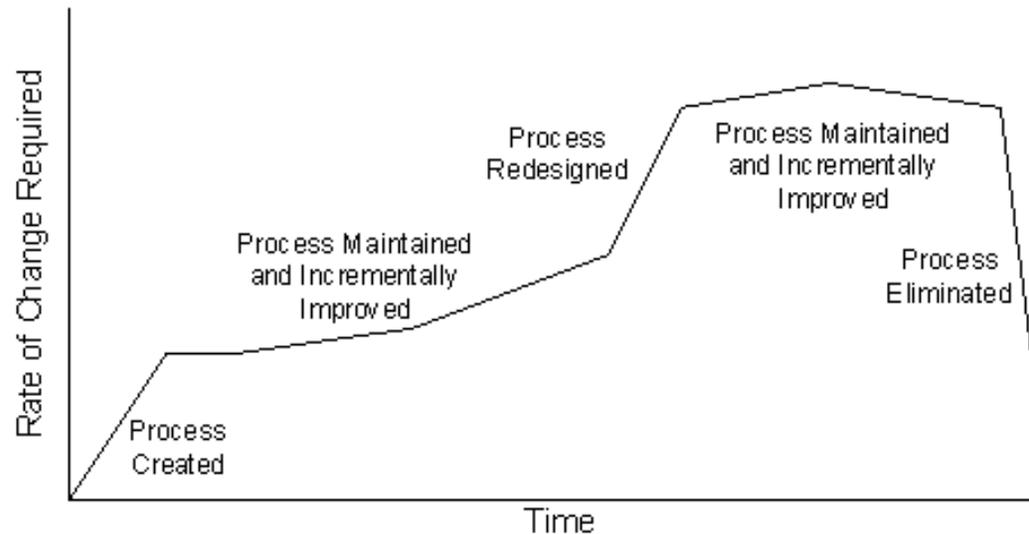

Figure 3. In the course of a process lifecycle, different approaches are required.

What is also clear, however, is that most organizations, today, still focus primarily on one of the three approaches we have defined in Figure 2. When the economic environment is difficult, as it is at the moment, the LSS methodologies, which emphasize small projects and short term cost savings, tend to grow in popularity. When the economy is expansive, companies tend to launch new projects, acquire new companies, and enter new markets and BPR and IT-Based methodologies are more popular.

In the years ahead we will witness each of the existing methodologies growing and becoming more comprehensive, and we will eventually see the evolution of some really comprehensive BPM methodologies that integrate all three approaches.

Till next time,

Paul Harmon

BPTrends Linkedin Discussion Group
We recently created a BPTrends Discussion Group on Linkedin to allow our members, readers and friends to freely exchange ideas on a wide variety of BPM related topics. We encourage you to initiate a new discussion on this publication or on other BPM related topics of interest to you, or to contribute to existing discussions. Go to Linkedin and join the BPTrends Discussion Group.

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