BPM Methodologies and Process Maturity

A business process methodology is a formal description of a procedure that a team can follow to redesign or improve a business process. Some prefer to describe such a procedure as a "framework" to suggest that it provides an overall description of how to proceed, but avoids being too prescriptive. Since we tend to use the term "framework" to refer to a template that can be used to define a set of processes, we prefer to speak of a set of procedural steps as a methodology, and then simply distinguish between more precise and less precise prescriptions. Another way of talking about the distinction is to discriminate between methodologies based on a detailed prescription and those based on heuristics or rules of thumb.

As we are using the term here, a BPM methodology focuses on the redesign or improvement of a business process, and not on the development of an IT software system. Thus, we would not consider a UML-based methodology, like Rational's Unified Process, as a BPM methodology - RUP is a software development methodology.

There are several established business process methodologies. Probably the best known and most widely used is the Rummler-Brache Methodology, defined in Geary Rummler's book, *Improving Performance* (Jossey-Bass, 1990)

Another is Six Sigma's DMAIC (Define, Measure, Analyze, Improve, and Control) which was developed into a methodology in the Eighties and continues to be widely used by Six Sigma practitioners today.

In addition to Rummler-Brache and DMAIC, there are a number of newer BPM methodologies, including the approach advocated by Roger Burlton in his book, *Business Process Management* (SAMS, 2001), the approach described in my own book, *Business Process Change* (Morgan-Kaufmann, 2003), and the approaches described in Martyn A Ould's book, *Business Process Management: A Rigorous Approach* (Meghan-Kiffer, 2005) and in the new book, *Business Process Management: Practical Guidelines to Successful Implementations* by John Jeston and Johan Nelis. Then, there are several methodologies supported by consulting firms, like CSC's Catalyst and IDS Sheer's ARIS methodology, which tend to combine BP and IT methods. There is also the BP methodology promoted by BusinessGenetics and the methodology used in conjunction with the Supply Chain Council's SCOR, which is defined in *Supply Chain Excellence*, a book by Peter Bolstorff and Robert Rosenbaum (AMACOM, 2003). And, there are recent extensions of the SCOR approach, including PCOR (www.pcor.com) and VCOR (www.value-chain.org), and still others we haven't mentioned.

In spite of variations in the names of steps and the notations used in

workflow diagrams, if we step back from the specifics of these different approaches, it is possible to divide BPM methodologies into two broad categories: (1) those that focus narrowly on redesigning and improving business processes and (2) those that focus more broadly on reorganizing the organization and establishing a context for business process governance.

One easy way to think about this distinction is to recall the steps in SEI's Capability Maturity Model (CMMI). In essence, SEI argues that most organizations go through a development process that includes five levels. Level 1 organizations don't have their processes defined. Work in such organizations is accomplished by individuals who get things done by means of heroic efforts.
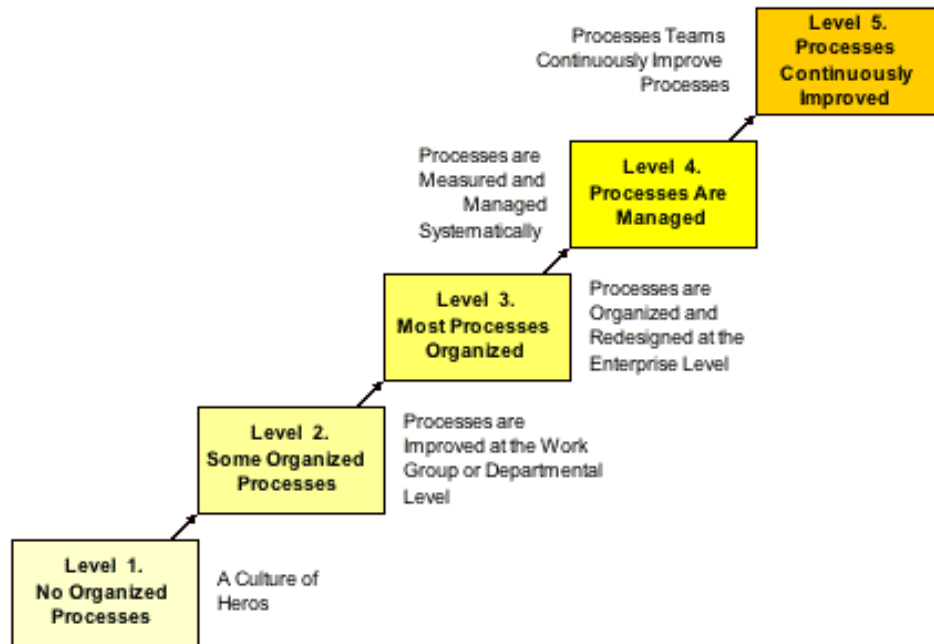
Level 5. Processes Continuously Improved

Processes Teams Continuously Improve Processes

Processes are Measured and Managed Systematically

Level 4. Processes Are Managed

Level 3. Most Processes Organized

Processes are Organized and Redesigned at the Enterprise Level

Level 2. Some Organized Processes

Processes are Improved at the Work Group or Departmental Level

Level 1. No Organized Processes

A Culture of Heros

Figure 1. SEI's CMMI Model of the Steps in an Organization's Growth in Process Maturity

Level 2 organizations have begun to define some formal processes. Usually, this effort begins at the work group or departmental level and focuses on defining processes that are especially important to the group. The initial effort focuses on creating a documented process that can consistently generate results within a predictable timeframe.

Level 3 organizations expand their formalization efforts and begin to organize individual processes into a larger system of processes. Level 3 organizations have redesigned their major processes, have defined their value chains and are focused on eliminating the disconnects among the major processes that make up their value chains.

Level 4 organizations have their core processes defined and aligned and are focused on managing their processes on a day-to-day basis. To do this, they establish systematic process measures and use the data to make management decisions.

Level 5 organizations maintain their already excellent processes and have teams that focus on continuous process improvement, using data derived from the processes and from customers to assure that their processes remain as efficient and effective as possible.
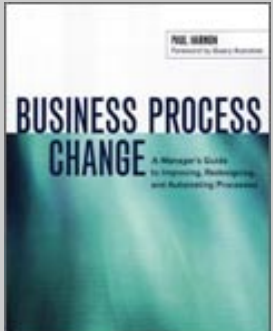
Most organizations are somewhere between Level 2 and Level 3. Put differently, most organizations are somewhere between defining and redesigning individual processes and assembling a process architecture that defines how all the organization's major processes work together to generate value.

In the 1990s, when most organizations began their process journey, they were between Level 1 and Level 2. Thus, it's no surprise that most BPM methodologies are focused on redesigning or improving specific processes. Companies and methodologists have both tended to focus on upgrading specific processes. In effect, they have designed their methodologies to help Level 2 organizations evolve into Level 3 organizations. Given where most organizations are, even today, that's still an appropriate focus.

Recently, however, we have encountered a growing number of organizations that are working their way from Level 3 to Level 4. These organizations aren't interested in process redesign or improvement methodologies, as such. They are interested in methodologies that help them develop integrated process architectures and process governance and performance measurement systems.

Consider the difference between Six Sigma's DMAIC and the Supply Chain Council's SCOR methodology. DMAIC focuses on a single, narrowly defined process - usually a sub-process or sub-sub-process. The team measures the process and proceeds to focus on improving the quality of the output of the process. There is little focus on how this process fits within the larger context of the organization's value chains, or how the process is managed or measured by senior management.

On the other hand, consider the SCOR methodology which begins by defining the organization's entire supply chain. Once the organization's supply chain is defined, measures and benchmarks are applied to determine which specific processes within the supply chain would yield the greatest performance improvement for the organization, as a whole. Put a different way, DMAIC is very much a Level 2, bottom-up approach, while SCOR is a Level 3-4 top-down approach.

Review Pamela Garretson's BPTrends November, 2005 White Paper, _How Boeing A&T Manages BP_ to understand the effort they went through on their way to the Baldridge Award. They started by defining process managers for each core business process. Then, working top-down, they defined their processes and the measures used to evaluate those processes. They set up a BPM group to monitor each manager's performance and intervene whenever managers fail to meet their process output goals. Boeing A&T is an excellent example of a Level 5 organization that has mastered the measurement and management of all the processes within their business group. Obviously, the methodology needed to put a system like the Boeing A&T group's system in place is very different from a methodology that is designed to help a team redesign a specific business process.

The next few years will be an interesting period for BPM methodologies. Some BPM methodologists will continue to focus on techniques and procedures to improve specific business processes.

Increasingly, however, we will see new BPM methodologies designed to help organizations evolve from Level 3 through Level 4. In other words, we will increasingly encounter new BPM methodologies that will help organizations create business process architectures and evolve the BP management and measurement systems necessary to function as a truly process-centric company.

Till next time,
Paul Harmon