BPTrends ARTICLE

Making BPM Work

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BPM, or Business Process Management, helps make organizations work. However, BPM is often a new and foreign approach. Such an implementation can be easier said than done in large and complex organizations that all too often resist change. The purpose of this Article is to share some ideas for organizations on making BPM work, the success of which ultimately will help organizations work better to achieve their goals.

Before we begin, I would like to define terms so we have a shared understanding as the discussion proceeds. At its best, Business Process Management is a holistic approach to management. It includes disciplines such as business architecture, process modeling and governance, process improvement, and process automation. It leverages, but does not include, other disciplines such as program and project management, information technology, change management, and leadership.

In some organizations, the group responsible for BPM has a narrower scope than all of the included disciplines I listed above. An example of such a relatively narrower scope could be focusing only on process modeling. In this case, other parts of the organization focus on other responsibilities such as business architecture, process improvement, or process automation. Alternatively, the BPM group in some organizations focuses on process automation, or business process management suite technology, as defined by its role in the organization. Often, especially in large organizations, various disciplines of BPM thus operate in siloes, both from each other and from a function called "BPM."

This often occurs due to the vertical, organization-structure oriented management of many companies, in which there are few horizontal connection points that allow different groups to share awareness or effectively collaborate on related activities. In addition, different business units can undertake initiatives or new programs independently. Executive sponsorship creates constraints around the design and scope of new programs and, due to the different perspectives and authority of different sponsors, can prevent the alignment of different BPM-related activities and functions to one another.

In best-practice organizations, these various BPM activities are organized and integrated under a central programmatic oversight (or at least coordinating through a stakeholder committee with all relevant participants). The reality often does not align with this best practice. The irony is that one of the aspirations of BPM is to create a process-driven approach to management to prevent or avoid the very siloed approach to management that allows for the emergence of various uncoordinated BPM-related entities in organizations.

I view BPM as a fundamental enabler to create and implement business transformation. In my experience overseeing new enterprise-wide process excellence programs at a multi-billion-dollar engineering and project management company and

then at a multi-billion-dollar investment management company, my core responsibility was to develop and deploy a new capability in process management and process improvement where one previously did not exist. My view after having built such a BPM capability in two different multi-billion-dollar enterprises is that the capability is best understood through a four-part value chain to (1) *Define*, (2) *Measure*, (3) I*mprove*, and (4) *Systemize* process across the enterprise. This methodology, at a high level, provides an exhaustive framework that is relevant for many organizations. However, I am cognizant that some aspects of this approach are more idiosyncratic to me but will nonetheless lay them out below.

This methodology was originally inspired by the CMMI process maturity model, in which the components of *Define*, *Measure*, and *Improve* each respectively correspond to Maturity Levels 3, 4, and 5. CMMI, or Capability Maturity Model Integration, has five levels of maturity that are now used across many functions and industries. The process maturity model is a specific variant of this. Level 1, or "initial," is an ad hoc and chaotic environment, dependent on individuals to achieve process outcomes. Few processes are defined, and success depends on individual heroics. Level 2, or "repeatable," is an environment characterized by addressing specific opportunities by reusing past practices. Basic processes track cost, schedule, and delivery, and earlier success can be repeated by applying lessons from the past. Level 3, or "defined," uses standard, defined processes that are consistent across the organization. Processes are standardized and documented, and all projects or activities use a version of the standard. Level 4 is referred to as "Managed" or "Measured" because processes are managed, controlled, and measured through an integrated business system. Detailed measures of the process and output quality are collected. Last, Level 5, "Optimizing," involves continually and predictably improving performance within the organization. Continual process improvement is enabled by quantitative feedback.

There is also a correspondence to the Six Sigma DMAIC (define-measure-analyze-improve-control) methodology, with a few key differences. DMAIC is a linear process applied to the implementation of Six Sigma improvement projects. *Define-Measure-Improve-Systemize* is a cyclical process that applies to process management across the enterprise rather than an approach to specific projects. *Define* in our methodology involves understanding the enterprise and its capabilities and processes. This corresponds to both the "D" and "C" in DMAIC because processes must be defined and put into a control system to ensure that our definition is up-to-date rather than becoming out-of-date in a rapidly changing business environment. *Measure* corresponds to "measure and analyze" both in DMAIC and in the CMMI family of frameworks. *Improve* is a direct correspondence between the methodology and DMAIC. The *Improve* element of this process management value chain includes DMAIC and other methodologies such as Lean and Kaizen to reengineer processes throughout the enterprise. *Systemize* refers to the advanced capabilities unleashed by intelligent Business Process Management Suite (iBPMS) technology.

The following table shows the outcomes corresponding to the increasing maturity levels associated with increasingly advanced BPM capabilities. (Note that these maturity levels are designed to illustrate the outcomes of this methodology and do not correspond to the common five-level maturity model developed by CMMI. The first three phases of the value chain, *Define-Measure-Improve*, can unlock the second phase below (in which processes are "simplified"), and the technology enabled by iBPMS enables automated and systemized process maturity. Autonomic technology and case management solutions are further enhancing these capabilities.

Table 1. iBPMS-enabled Process Excellence.

Maturity Level	Primitive	Simplified	Automated	Systematized
Process	Collection of tasks built over time with oversight by since process owner	Process reengineered for efficiency	People's time optimized through technology Rule-based process	Complex workflow coupled with principled decision making
People	Few (less than 5)	Still limited set of people involved Requires participants' skills and abilities	Focuses on higher-level abilities	Capture people's judgment over time
Decision Logic	In process owner's head. Not necessarily assessed for efficiency	Still tribal knowledge	Integrate process models and explicit decision rules Rule set is generally static	Automated + loopback mechanism for compounding knowledge (dynamic)
Scalability	Team level	Team Level ++	Can scale to manage interaction across several team	Business unit scale With enterprise-wide potential
Enforce-ability	Team level Most likely driven by process owner himself	Team Level ++ Might be delegated to subordinate management	Process-driven with hard-coded enforcement	Natural buy-in by users who can actually shape the system over time

Note: I would like to acknowledge my colleague, architect Manuel Barbero, for the ideas and visualization outlined in this table. For more of Manuel's work, consult the *Financial Services Technology Journal*.

The *Define* aspect of this methodology consists of three elements: (1) a business architecture discipline that actively identifies capabilities, ownership roles, and their relationships between each other and other dependencies; (2) a process modeling discipline that develops and deploys a process architecture and process models for active reference across the business; and (3) a Quality Management System (per the ISO 9000 series of standards) to keep process references in document control to ensure that content is up-to-date and adhering to governance processes.

The *Measure* aspect consists of implementing a performance management capability that adheres to best practice standards to (1) plan for measurement, (2) collect data, (3) analyze the data, and (4) report findings to management and provide transparency across the organization. In addition, the *Measure* aspect of the program provides active measurement and monitoring of the Quality Management System to ensure usage of, compliance with, and ongoing evolution of documented standards (policies, procedures, and other reference content) over time. *Measure*

precedes *Improve* as corrective action should follow the reporting of business intelligence.

Finally, the *Improve* aspect of the program delivers a training capability to ensure the core BPM team and employees throughout the company are well versed in process excellence. In addition, *Improve* should deliver improvement projects in a variety of methodologies. In order to create quick, impactful improvement across a broad swath of the organization, an initial project methodology in low-maturity environments can be Kaizen. With its focus on short implementations, cross-functional teams, and capabilities building, Kaizen (among other improvement approaches) is well suited to drive quicker results and broader exposure to ensure sustained support for the program among managers throughout the enterprise.

Systemize is the step in the value chain that will enable process management to be sustained by using iBPMS technology to automate process steps, create and implement process boundaries and controls that enforce compliance with defined processes, and develop telemetry to monitor and measure process performance. *Define*, *Measure*, and *Improve* each have programmatic aspects that involve a deliberate and controlled approach to process management and process improvement. In iBPMS, work is accomplished through navigating steps of a work flow designed by the technology. Business rules can automate many of the decision points that would otherwise require either judgment or the manual (and therefore error-prone) application of individual people. Thus, in the iBPMS environment, work must follow the defined process as implemented in the technology application.

Because technology collects and reports data on performance of the processes, measurement is enabled. Despite all of these capabilities, iBPMS technology will not replace the other elements in the process management value chain. Process owners still must understand their business capabilities and how those capabilities relate to each other. Managers must still identify strategic priorities, align metrics to those priorities, and use the metrics reporting to inform decision-making. Last, *Improvement* cannot be automated because it involves higher-level thought processes, a culture committed to excellence, and full engagement of the team.

The *Define-Measure-Improve-Systemize* sequence is a logical approach designed to optimize operational outcomes. The reason *Define* is the first step of the value chain is because accurate measurement or thoughtful improvement of something presupposes an understanding of that thing. *Measure* is the second step because the ability to measure something is a necessity for the improvement of that thing (or at least being able to know that something improved and by how much). *Improve* precedes *Systemize* because the automation of unimproved or wasteful processes is likely to replicate the ineffectiveness or inefficiencies of the manual business process. In reality, elements of each of these steps in the value chain will happen in parallel, particularly during the low maturity phase of a new program. The theoretical approach will nonetheless ensure the most impactful improvements and best business outcomes and should therefore guide implementation to the greatest extent possible.

Finally, enabling capabilities such as leadership, program management, and change management are essential to a BPM program's success. Ensuring that the program is relevant to and supported by executives, business units, and the front-line is necessary to see this transformation through. At its earlier stages, in a low-maturity

organization, a BPM program will necessarily offer more services than in the future, when capabilities will be owned more by business units.

The following paragraph will give a recap of an implementation in an actual company so readers can understand how this went. During the initial year of the enterprise-wide program at a 2,000-employee financial services company in 2014, we established an enterprise-wide business architecture program that serves as a framework for understanding the company as a "machine," a high-level process composed of sub-processes. This architecture serves as a tracking tool for monitoring the implementation of other process management and improvement initiatives across the company. It also serves as the anchor for other architectures, such as process, applications, data, and technology infrastructure. As the Chief Technology Officer launched an enterprise architecture initiative in mid-2014, the business architecture was able to serve as the basic framework for this technology initiative. Process modeling and Quality Management System initiatives were implemented in various parts of the organization, in some cases as directed by top management and in other cases as a service provided on demand. Directed implementations occurred in departments reporting directly to the program's executive sponsor, the Chief Operating Officer, and active control systems began being used by those departments as well as select other parts of the enterprise that opted in voluntarily. The *Measure* program planned to launch key performance indicator (KPI) dashboards in select departments but has thus far not completed this effort nor established an end-to-end methodology for KPIs. Our measure program has, however, established metrics to monitor the Quality Management System and is actively collecting and reporting data. The *Improve* program developed a Kaizen methodology and training program. We also launched pilot efforts in select departments. Finally, the Appian iBPMS capability stood up in 2014, including establishment of a Center of Excellence housed in the Management Information Systems division, with Appian applications implemented in various departments throughout the company.

This is one example of getting things started. The key to making sustainable change is a long-term, holistic view that builds a system that allows BPM to help an organization meet its goals. A deliberate, strategic approach is critical for organizations with no history—or worse, a failed history or legacy—of BPM. Alternatively, organizations new at BPM sometimes decide to "just start doing improvement projects." This is a short-sighted approach, the path to BPM becoming another "flavor of the month," and quickly abandoned with little long-term impact. In order for BPM to make the organization work, the organization first must make BPM work.

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