

'Prioritizing Process and Capability Change Part 2 "Comprehensive Treatment"

Introduction

This is the tenth Column in my Essentials of Business Architecture series. In Column nine, I dealt with a fast way of comparing the strategic intent North Star of our vision, goals and objectives as the basis for a high level business process centric approach to prioritizing the highest gain and highest pain buckets of work to focus on. That approach typically works well for those just starting out or those wanting to conduct a quick filter of possibilities to be examined more deeply. In this Column, I will provide a more sophisticated method to detail the challenge of picking the right problem to solve and to delve more deeply into the short list of possibilities provided by the fast track method shown in Column 9. If you have not read that Column I recommend you do so to have the background thinking used here. All of the guidance of strategic intent, stakeholder analysis and performance gap will provide the same Pain and Gain criteria. I will just apply them more specifically and deeply here. The results will allow us to do confident process and project scoping and define the requirements for capability changes. We will still be in the same domain as Column 9 as shown in Figure 1.

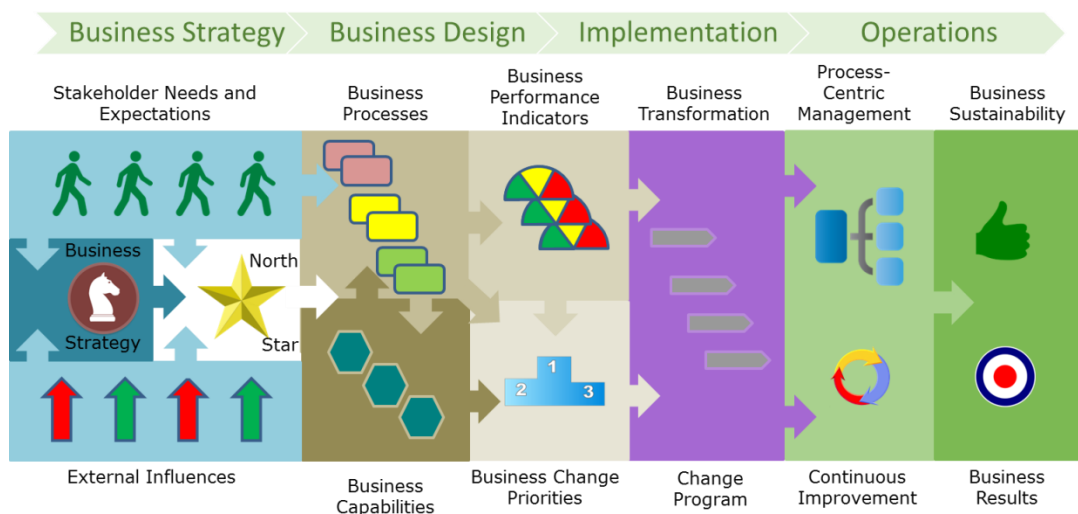
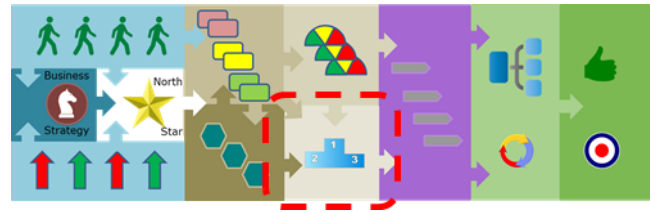


Figure 1

Once again we will use two main types of business knowledge. The first is aimed at understanding the drivers for business operations in terms of the business ecosystem, business intent and strategy as dictated by the world that the business is part of, and our stakeholders in that world. The second is the current performance levels as compared to what we strive to attain by the time we reach our planning horizon.



Comprehensive Pain and Gain

Comprehensive Gain

The approach shown in the previous Column (9) shows a rough cut at the prioritization which may serve well at the beginning of architectural maturity. It can also be used to filter the set of processes to be further assessed – almost a first step. A more comprehensive approach can be taken that compares the processes point by point against the criteria of the North Star and performance gap factors.

In this approach, Gain calculations are made process by process against each separate point on the North Star and factored by their weighting contribution. The Gain calculations are assessed according to a scale from 1 to 5 with each number having the following increasing contribution.

- 1 = No contribution
- 2 = A Little
- 3 = A moderate amount
- 4 = A large amount
- 5 = A significant amount

Of course you will have to define what these values mean and work through a few examples before applying them to the set of processes that you are working on. We must all be on the same page as to what the definition of 'moderate' is.

After application of the gain criteria, each process will be summed by the weighted contribution for the total set of contributions for all North Star points. This is illustrated as shown for a particular process 'Create Product or Service'. In this case it is agreed that the chosen process contributes 'A Moderate Amount' to the North Star aim of 'Increase Online and Mobile Services' which is a score of 3. When multiplying the 3 by the weighting factor of 20%, its value is .6. Doing the same for each North Star statement, we will end up with a net score of 4.1. When we compare this to the other processes evaluated, we discover that this process ranks first in Gain contribution, and we would map it appropriately on the Pain/Gain Grid horizontal axis along with all the others.

PROCESS GAIN WORKSHEET		Scoring for all criteria: 1=None, 2=A Little, 3=A Moderate Amount, 4=A Large Amount, 5=A Significant Amount														Page 1	
Organization: BPT Bank		Strategic Outcome Statements and Weighting															
Value Chain: Provide Consumer Financial Services																	
Process Name	Process #	Increase Online and Mobile Services		Sustain Regulatory Compliance		Increase Wallet Share		Increase Market Share		Decrease Errors						Adj. Score Total	Rank
		Score	Adj. Score	Score	Adj. Score	Score	Adj. Score	Score	Adj. Score	Score	Adj. Score	Score	Adj. Score	Score	Adj. Score		
Develop Strategic Plans	1	2	.4	2	.2	4	1.2	4	1.2	2	.2					3.2	6
Mitigate Regulatory Risk	2	1	.2	5	.5	2	.6	2	.6	4	.4					2.3	10
Create P or S	3	3	.6	2	+.2	5	+1.5	5	+1.5	3	+.3				===>	4.1	1
Identify P or S Need	4	4	.8	1	.1	5	1.5	4	1.2	2	.2					3.8	4
Enhance P or S	5	3	.6	2	.2	4	1.2	4	1.2	4	.4					3.6	5
Provide IT Services	6	4	.8	2	.2	3	.9	3	.9	4	.4					3.2	6
Deliver Consumer Services	7	4	.8	4	.4	4	1.2	4	1.2	3	.3					3.9	2
Settle Consumer Complaints and Claims	8	1	.2	3	.3	4	1.2	3	.9	2	.2					2.8	8
Promote P or S Brand	9	3	.6	2	.2	5	1.5	5	1.5	1	.1					3.9	2
Provide Employees	10	2	.4	2	.2	4	1.2	2	.6	3	.3					2.7	9

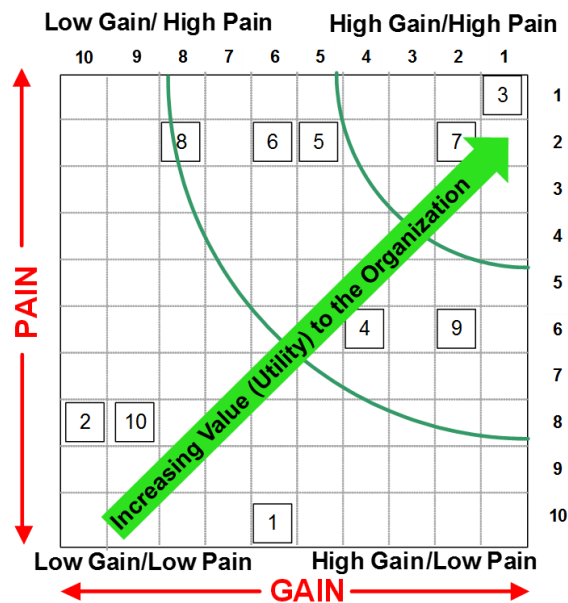
Comprehensive Pain

As with the Gain formalization, the Pain can be calculated using the factors indicated for lack of performance. Once more we will have to define what the scoring amounts really mean, gaining a common understanding of the difference between 'Sometimes' and 'Rarely' for example.

- 1 = Always
- 2 = Mostly
- 3 = Sometimes
- 4 = Rarely
- 5 = Never

This is illustrated as shown for 'Create Product or Service'. In this case, it is agreed that the chosen process 'Never' achieves its ideal direct outcome which is a score of 5. Doing the same for each Pain criterion we will end up with a net score of 13. When we compare this to the other processes evaluated, we discover that this process ranks first in Pain, and we would map it appropriately on the Pain/Gain Grid vertical axis along with all the others.

PROCESS PAIN WORKSHEET		Scoring for all criteria: 1=Always, 2=Mostly, 3=Sometimes, 4=Rarely, 5=Never				Page 1
Organization: BPT Bank		Process Performance Pain Criteria (1 – 5) Relative to the ideal state of the process				
Value Chain: Provide Consumer Financial Services		The process achieves its ideal direct outcome	The process can be executed consistently	All resources are efficiently utilized in the execution of the process		
Process Name	Process #	Score	Score	Score	Pain Summary	Pain Ranking
Develop Strategic Plans	1	3	2	2	7	10
Mitigate Regulatory Risk	2	4	3	2	9	8
Create P or S	3	5	+ 4	+ 4 =>	13	1
Identify P or S Need	4	2	4	4	10	6
Enhance P or S	5	3	5	3	11	2
Provide IT Services	6	5	3	3	11	2
Deliver Consumer Services	7	3	3	5	11	2
Settle Consumer Complaints and Claims	8	3	5	3	11	2
Promote P or S Brand	9	3	2	5	10	6
Provide Employees	10	3	2	4	9	8



Picking the priorities

Combining the results of the Pain and Gain calculations will enable us to define a set of processes that can now be investigated as the beginning of a business driven portfolio of change. The ones deserving more investigation will be to the top right since they will drive the greatest value creation for the market and the company alike. The organization cannot take on everything that's broken so picking the most value added makes sense. This one page grid is of immense value to executives and those responsible for allocating funds. It is concise and elegant but it is not the end. We still have to determine dependencies, scope, the set of capabilities needed to be changed, the specific resources that have to be renewed and the feasibility of the changes not to mention the business case for the change effort.

Column 11 will look at how the priorities developed in this Column will be developed into a clear scoping for change projects and a detailed plan for capability development and implementation and a roadmap for transformation.

Author

Roger T Burlton, P. Eng., CMC, is the President of Process Renewal Group and co-founder of BPTrends Associates, the services arm of the BPM knowledge portal BPTrends.com. He is the author of the thought leading book 'Business Process Management: Profiting from Process'. He is considered the industry leader in the introduction of realistic ways of implementing enterprise BPM programs as well as innovative approaches for business architecture development and organizational change. He is the editor of the 'Business Process Manifesto' which is now available in fourteen languages. He is regarded as a realistic practitioner, who delivers pragmatic solutions for his clients. He has helped over one hundred organizations implement Business Architecture and BPM as a corporate strategy in many different industries, countries and cultures. An exceptional speaker, he has chaired over forty high profile conferences on Advanced Business Architecture and Process Management around the world. To date, he has conducted over seven hundred seminars and has presented to over sixty thousand professionals. His seminars have been translated for diverse audiences around the globe.

