

The Subjugation of Process

In the last several years, there has been an effort among some of the most prominent advocates of “process” to fit it inside Operational Excellence. This is a disturbing trend, in my opinion, because it risks demoting the importance of process and has the potential of causing confusion rather than enlightenment.

There are two well-known organizations in the process world that have subjugated process excellence to operational excellence. These are the PEX Network and the BPM Institute. There are others but given the visibility of these two organizations to process practitioners, I will aim my critique at them.

The PEX Network went first some years ago, by revamping their language and promoting the notion that Lean, Six Sigma and Lean Six Sigma (LSS) are methodologies to support Operational Excellence. But that’s not the only change: Go to the PEX website and look at the descriptions of their conferences and you’ll see OpEx is the banner under which all subjects are enfolded. Sometimes the word “process” is scarcely to be found in all the sessions and articles. (The irony of course is that the “PEX” label has been retained while process topics are becoming scarce.)

More recently, the BPM Institute followed suit, rearranging its curricula to separate training in Six Sigma and Lean into a distinct OpEx certificate program. You can still get a certificate on “BPM” but the removal of BPM’s most well-known methodologies to a separate program amounts to the same approach as the PEX Network. (And of course, the name of the organization remains the BPM Institute even while important aspects of process are being subsumed under OpEx.)

Why OpEx?

The question is why these organizations decided to go this route. In conversations with a few people from the PEX Network I heard that a number of large, prominent member organizations had folded their Lean Six Sigma practice under OpEx and recommended to the PEX Network that it do the same.

But OpEx is hardly a universal concept. Certainly some large corporations have adopted OpEx as a major driver of improvement and promoters of OpEx claim that “many” organizations have created their own internal OpEx programs. But it would be hard to figure out just how popular OpEx has actually become. For some time, I have been conducting my own informal survey whenever I am in front of a group of employees from different companies, by asking how many of them have OpEx as a major program or metric. In a group of twenty or so participants, the hands that go up are typically three or four. That is hardly much of an argument for

making OpEx the major driver of BPM. (By contrast, when I ask how many companies have added Lean, Six Sigma or LSS, more than half the people in room almost always raise their hands.)

Another problem is the vagueness of OpEx. What it is ain't exactly clear. These are some definitions plucked from the vastness of the internet:

- “Operational Excellence is the execution of the business strategy more consistently and reliably than the competition.... Operational Excellence manifests itself through integrated performance across revenue, cost, and risk. It focuses on meeting customer expectation through the continuous improvement of the operational processes and the culture of the organization.”¹
- “Each and every employee can see the flow of value to the customer, and fix that flow before it breaks down.” ²
- “Operational Excellence is a state of readiness attained as the efforts throughout the enterprise reach a state of alignment for pursuing its strategies; where the corporate culture is committed to the continuous and deliberate improvement of company performance **and** the circumstances of those who work there – and is a precursor to becoming a high-performance organization..”³
- “Operational Excellence is an element of organizational leadership that stresses the application of a variety of principles, systems, and tools toward the sustainable improvement of key performance metrics.”⁴
- “Operational Excellence systematically manages workforce safety and health, process safety, reliability and integrity, environment, efficiency, security, and stakeholders in order to meet our OE objectives.” ⁵

So OpEx is sort of about improvement (which explains the tendency to stick Lean and Six Sigma into it), but also sort of about leadership, or readiness, or execution of business strategy or managing a batch of functional departments by cudgeling them over the head with OpEx. What it really seems to be is anything you want it to be, as is so often the case with heady, important-sounding labels. The

¹ Wikipedia

² Institute for Operational Excellence

³ Operational Excellence Society

⁴ “Requirements for Operational Excellence Success”, Marvin Wurtzl, BPM Institute

⁵ Chevron

vagueness of OpEx may be one of its attractions. It's kind of like a grand stew for those who love spinning out theories. Toss in a cup of continuous improvement, a d ram of reliability, a pinch of leadership and, by golly, it starts to smell...really good.

But what does OpEx do to clarify or elevate the importance of BPM and its LSS toolkit? Not much, in my opinion. The soup has just been ladled on top of those topics. Remove OpEx as an organizing banner and nothing written or said about BPM or LSS changes. Check it out for yourself. Go to the websites of the PEX Network or BPM Institute, look at the current articles, seminars and other materials. Then go to back issues and you'll see the same subjects, the same fixations, the same cures. Adding OpEx has changed nothing in the thinking of these organizations.

In addition to wanting to accommodate some of its large member organizations, I suspect that another reason the PEX Network adopted OpEx was to appear more business-oriented because, let's face it, while the process movement has made converts, there are plenty of organizations that remain skeptical. As for the BPM Institute, they apparently were simply copycats. They likely followed the PEX Network's lead in hopes of staying current.

Michael Porter Says Thumbs Down

Perhaps the most damning argument against OpEx comes from Michael Porter, who is revered among many process practitioners as one of the pioneers of process thinking. But in his view, how good is OpEx as a driver of strategic advantage? Not very. In Porter's seminal writing, *What is Strategy?*⁶, he argues that operational excellence may be necessary but is not sufficient to sustain a winning strategy. He states that strategy consists of two related propositions:

1. Engaging in activities that are different from the competition
2. Engaging in activities that are similar to the competition but performed better than the competition.

OpEx is focused on the second proposition, being best at performing in all the categories that matter. The problem is that this is a never-ending treadmill, because the competitive advantage in merely performing better is temporary, as competitors inevitably get smarter about how to out-perform you. The secret to a sustained competitive advantage is doing things differently, in a way that is hard to imitate. That is the essence of strategy and also the essence of process design as a strategic weapon. Relegating BPM to the realm of OpEx ignores its strategic potential.

Conclusion

So there you have it—the reasons for questioning the wisdom of tucking BPM inside OpEx.

One, it's not needed.

Two, it's confusing and imprecise.

Three, it diminishes the importance of BPM.

⁶ "What is Strategy?" Michael Porter, 5-part series in Harvard Business Review, November-December 1996.

I can only imagine the cards and letters this might provoke. Oh well.

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Alan was employed by Motorola for ten years as an internal consultant on organizational performance. As a member of the team that founded Motorola University, he was the first person to introduce Geary Rummler's pioneering concepts in process improvement and management to business units within Motorola. Alan advocated and led several of the first groundbreaking projects in process improvement that evolved to the invention of six sigma and Motorola's winning of the first Malcolm Baldrige Award in 1988. Alan was also involved in major restructuring projects at Motorola, and in job design work, compensation planning, workplace literacy, and educational program development.

After joining The Rummler-Brache Group in 1991, Alan led major successful performance improvement engagements within Fortune 500 companies. His experience spanned several industries and the full spectrum of corporate functions and processes, such as strategic planning, manufacturing, product development, financial management, and supply chain. Major clients included Shell, Hewlett-Packard, 3M, Citibank, Motorola, Steelcase, Citgo, Hermann Miller, Louisiana-Pacific, and Bank One. After leading many high-profile projects, he became a partner and Managing Director of Consulting Services at RBG. He led development of much of RBG's products and services, and was responsible for selecting, training and mentoring RBG's consultant teams. Upon leaving RBG, Alan founded his own consulting company, where he continued to practice in the field of performance consulting. He was also involved in several organizational restructuring initiatives in the U.S. and in Asia.

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