Association of BPM Professionals

www.ABPMP.org

- Non-profit, vendor-independent, professional organization
- Dedicated to the advancement of business process management concepts and its practices
- Practitioner-oriented and practitioner-led
- Founded 2003
- 8 Active US Chapters, 6 more forming
- Affiliations with BPM groups in other countries
- Guide to BPM Body of Knowledge
- BPM Model Curriculum
- Certified Business Process Professional (CBPP)™
What is BPM?

• **BPM is a Management Discipline**
  – Process-oriented thinking
  – Manage end-to-end processes
  – Strategy is carried out through process
  – Process assessment, analysis and design
  – Process performance over functional performance

• **Enabled by an evolving set of technologies**
  – Process discovery and definition
  – Process execution and orchestration
  – Process monitoring and control
  – Process Performance Decision Support
The Case for BPM

• Survey of over 700 companies, 52% in US, 19% UK/Europe, 13% Asia

  – “…more than 80% of the world’s leading organizations are actively engaged in BPM programs, many of these on a global scale”

  – “…the practice of BPM as a primary means to manage business has already gained substantial adoption”
• “BPM is the way best-practice organizations conduct business”

• It also confirmed that regardless of where an organization stands in terms of process ‘maturity’, technology continues to play a vital role.

• While the APQC research participants agreed that technology, by itself, does not constitute “Business Process Management”, they concluded that much of the promise of BPM initiatives will not be realized without powerful, flexible and user-friendly IT solutions to support them.

• Four of the five of APQC’s best practice partners cited technology support being a key success factor for managing, aligning and integrating business processes---thus impacting profitability and their ability to compete in today’s competitive, global market.”
Primary Reasons for Investing in BPM

- Business Agility: 31%
- Increase Customer Satisfaction: 28%
- Cost Savings: 21%
- Reduce IT Deployment Time: 14%
- Compliance: 3%

The good news is that you can get all of these benefits from BPM. You don’t need to choose just one.

Source: Gartner
Traditional methods of performance management focus on department & functional unit performance

Businesses are organized into departments or functional units

Management teams are established

Performance management is functionally oriented
- Reduce costs by $x
- Etc.

BPM focuses on the management of cross-functional processes. This involves continuous monitoring, evaluation, measurement (e.g., cost, quality, cycle time) and process innovation

Clearly defined & documented business processes

Process performance objectives are defined

Process management / team established

Process 1
Process 2
Process 3
Process 4
Process 5

Performance management is process oriented
- Response time, order to delivery time, etc.
PROCESS “MATURITY” MODEL

- **Initial (1)**: ad hoc Process
- **Repeatabile (2)**: Stable Process
- **Defined (3)**: Standard Process
- **Managed (4)**: Measured Process
- **Optimized (5)**: Effective Process
- **Integrated (6)**: Coordinated Process

Process Maturity Levels:
- Chaotic
- Controlled Environment
- Consistent Execution
- Quality and Productivity Improvement
- Continuing Improvement
- Cooperative Optimization

Process Stages:
- Basic Management Control
- Process Definition
- Process Measurement
- Process Control
- Process Integration
- Cooperative Optimization
Process Management “Maturity”

Process Management Maturity

- **Recognize/Organize (2)**
  - **Support/Direct (3)**
  - **Participate/Control (4)**
  - **Manage/Plan (5)**
  - **Steward/Lead (6)**

Process Maturity

- **Initial State (1)**
- **Repeatable Process (2)**
- **Defined Process (3)**
- **Managed Process (4)**
- **Continuously Improving Process (5)**
- **Cooperative Process (6)**

Need Enterprise Integration
Need Quality Management Program
Need Management Regulation
Consistent Process
Disciplined Procedures
Predictable Process
Continuously Improving Process
Cooperative Process
Integrated Process

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• Process Improvement is incremental
• Process Re-Design is end-to-end re-thinking of what we are doing
• Process Reengineering is a \textit{blank slate} approach
• Process Innovation involves changing the model, not just improving its efficiency
ASSESSMENT

- Integrated (6) Coordinated Process
- Optimized (5) Effective Process
- Managed (4) Measured Process
- Defined (3) Standard Process
- Repeatable (2) Stable Process
- Initial (1) ad hoc Process

PRESCRIPTION

- Focus on Improved Integration
- Continual Process Improvement
- Process Improvement, Six Sigma/ABC
- Process Redesign
- Process Reengineering/Redesign
- Radical Reengineering

GOAL

- Process Coordination and Collaboration
- Process Integration - Level 6
- Process Refinement - Level 5
- Process Control - Level 4 or better
- Leverage What Works - Level 4 or better
- Obliterate and Innovate - Level 4 or better

Source: Brett Champlin
“Always design a thing by considering it in its next larger context -
 a chair in a room,
 a room in a house,
 a house in an environment,
 an environment in a city plan.”

- Eero Saarinen
Business Process Meta Model

Adapted from Don Soulsby
Process Domains

Business

Operations

Technical
Exercise your mind...

Put these in order from the **lowest** level to the **highest**

**MAGAZINE**
- Article
- Letter
- Magazine
- Paragraph
- Sentence
- Word

**MAGAZINE**
- Letter
- Word
- Sentence
- Paragraph
- Article
- Magazine
Exercise your mind...
Put these in order from the lowest level to the highest

COMMUNITY
• City
• Continent
• Country
• County
• House
• Neighborhood
• Room
• State
• Street

COMMUNITY
• Room
• House
• Street
• Neighborhood
• City (Toronto)
• County (York)
• State/Province (Ontario)
• Country (Canada)
• Continent (North America)
Exercise your mind...
Put these in order from the **lowest** level to the **highest**

<table>
<thead>
<tr>
<th>SCIENCE</th>
<th>SCIENCE</th>
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<tbody>
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<td>• Sociology</td>
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<tr>
<td>• Sociology</td>
<td>• History</td>
</tr>
</tbody>
</table>
Perspectives

SYSTEM OPERATOR
SYSTEM DESIGN
OPERATIONS
BUSINESS
ENTERPRISE

Technology Domain
Business Domain
Operations Domain

Applications Specification
System Requirements
Process Improvement
Business Redesign/Reengineering
Strategic Planning
Working System
Business Process Framework

Enterprise Model

Business Model

Operations Model

Workflow Model

Systems Model

Measurement & Control
Functional vs Cross-Functional Process Management

Process Management Within Functional Areas

- President
- Human Resources
- Marketing
- Finance
- Information Technology

Cross Functional Process Management

- President
- Marketing
- Sales
- Field Operations
- Underwriting

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Managing Process Transformation

- Business Model
- End-to-End Process
- Activity/Sub Process

Scope of Change

Process Improvement
Process Re-Design
Process Reengineering

Short
Long

Time
Impact and Approach

- Redesign of Industry Value Chain
- Redesign of Business
- Redesign of Processes
- Improvement of Sub Processes
- Incremental Improvements

Point of Approach Within Organization

Source: Jeston & Nelis
Impact and Involvement

- High Impact on Organization
  - Redesign Business Model
  - Redesign End-to-End Process
  - Improve/Redesign Sub Process
  - Incremental Sub Process/Activity Improvement

- Low Impact on Organization
  - Under the Radar
  - Pilot Project
  - Under-ambitious
  - In the Driver’s Seat
  - Business As Usual

- Low Involvement of Business Manager
  - Redesign End-to-End Process

Source: Jeston & Nelli

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Alternate Process Governance Structures

Organization Forms Supporting Process-Based Governance Models

1. Structured Around Processes:
   Electronic Components Manufacturer Example
   - Process owners manage activities within each process.

2. Structured Around Processes and Functions:
   Diversified Industrial Products Company Example
   - Some functions remain to preserve economies of scale.

3. Structured Around Functions With Process Owners:
   Global Packaged Goods Company Example
   - Functional managers are assigned to cross-functional processes as process owners.

4. Structured Around Functions With Process Councils:
   U.S. Aerospace Company Example
   - Functional managers assigned to permanent process council to share best practices. There are no process owners.

Source: Booz Allen Hamilton

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Managing Process Transformation

Business Process Management

- Enterprise Process Alignment/Process Portfolio Management
- Process Re-design
- Process Re-engineering
- Process Improvement
- Low Hanging Fruit/Quick Hits

Degree of Change

Strategic

Tactical

Organization Change Management

Time

Short

Long
Organizational Change Management

• Managing organizations through successful changes
• Being aware of a need to manage change throughout planning and implementation of change programs
• Understanding and influencing how people experience change
• Communications
  – Be honest about where you are
  – Be honest about where you want to go
  – Be honest about how you are going to get there
  – Status reports, what’s new, how are we doing
  – How this will affect “you”
  – What can “you” do to prepare
  – What “you” should do now
  – How “you” can contribute to success
• Accelerate the 4 stages of natural reaction:
  – Denial
  – Resistance
  – Exploration
  – Commitment
Managing Organizational Change

- Organizational change follows a predictable pattern
- Change can be planned for, monitored, and managed
- Numerous models for change management exist
  - The real power is not in the models, but in getting people aligned and able to adapt
- Change Management may minimize resistance, but resistance always accompanies major change
- Change Management deals with patterns of behavior that are predictable, and the success of the interventions utilized is measurable
- Change Management is about Performance
A PARTING THOUGHT...

Wisdom is knowing what to do next…

Skill is knowing how to do it, and…

Virtue is doing it!

- David Starr Jordan
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THE BUSINESS PROCESS
TRANSFORMATION CONTINUUM
Process Change Management

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