Applying a Business Process Management Implementation Framework

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Discussion Topics

- Client CEO Objectives
- Business Process Management Implementation Framework
- Educate management, train Steering Committee and Project Teams members, and launch projects
- Lessons learned
Client CEO Objectives

- Introduce process change as a business practice into the organization – beyond organizational and technology change
- Provide education/training in business process improvement (management)
- Launch process improvement projects
- Nurture continuous improvement culture
What is Business Process Management

- The achievement of an organization’s objectives through the improvement, management and control of essential business processes
  - Achievement – realizing the value
  - Improvement – making more efficient and effective
  - Control – manage end-to-end business processes with the ability to measure correctly
  - Process – all things we do to provide someone who cares with what they expect to receive
- More than just software
- Includes managerial issues
- Integral part of management
- Beyond modeling, includes analysis
What is the problem

- Operational business systems are implemented, but the operational effectiveness is more difficult
- Why is this hard
  - Black box syndrome – do not know the details, so why delve into it
  - Looking at the edges syndrome – processes and associated people are treated as sacred objects – never solving the problem, only the symptoms
- Automating something does not fix its underlying problems – the outcomes only occur more quickly
When should you do BPM

- Perspective categories:
  - Organization: high growth, ...
  - Management: high performance culture, ...
  - Employees: high turnover, ...
  - Customers/suppliers/partners: low satisfaction, ...
  - Product and services: long lead time, ...
  - Processes: too many hand-offs, ...
  - Information technology: new business systems, ...

- Success is strongly aligned with the focus towards a common goal
Who should be involved

- Management of business processes
  - Integral part of management – can not be delegated
  - Governed by the business objectives
  - Strategic, tactical and operational management

- Management of business process improvement
  - Identification, development and roll-out of improvements
  - BPM managers
  - Center of excellence
What is important in BPM implementation

Organizational strategy
- Creates an opportunity to question and challenge some of the stubborn and ignored tacit assumptions and constraints
- Why not considered
  - There is no explicit strategy available
  - Obtaining the strategic information will take too long
  - People involved are not capable of strategic thinking
  - We have already prepared a list of wishes; we do not need to involve strategy
What is important in BPM implementation

Process architecture

- All relevant information is made explicit
- Why not considered
  - We already have process models
  - Creating the process architecture is more effort that the benefits to be derived from it are worth
  - We have process architecture, but no one is using it
  - We have agreed on a common process architecture, but no one sticks to it
What are the critical success factors

- Leadership – attention, support, funding, commitment and time
- BPM experienced business project manager
- Linkage to organization strategy
- Process architecture – guidelines
- A structured approach to BPM implementation
- People change management
- People and empowerment
- Project initiation and completion – aligned
- Sustainable performance
- Realizing value
BPM project framework

Sustainable performance

Realize value

Implement

People

Develop

Innovate

Understand

Launch pad

Leadership

Project management

People change management

Organization strategy

Process architecture
BPM implementation framework - phases

- Organization strategy
  - Strategy (purposeful process) needs to be understood by the project team

- Process architecture
  - Establishes rules, principles, guidelines and models for the implementation of BPM

- Launch pad
  - Selection of where to start the initial BPM project
  - Agreement of the process goals
  - Establishment of the selected projects

- Understand
  - Understand current process (project 1, 2, ...) enough to enable Innovate phase
BPM implementation framework - phases

- **Innovate**
  - Creative activities (project 1,2, ...)

- **People**
  - Ensure activities match the organization strategy and process goals (project 1,2, ...)

- **Develop**
  - Build all components (project 1,2, ...) – IT, infrastructure, and organization change

- **Implement**
  - Roll-out (project 1,2, ...) new processes, roll-out of the new role descriptions, performance management/measures, and training
BPM implementation framework - phases

- Realize value
  - Realize value – ensure benefit outcomes realized (project 1, 2, ...)
- Sustainable performance
  - Establish a process structure to ensure process improvements are sustainable
BPM implementation framework - essentials

- Project management
  - Fundamental for any project
  - Requires an experienced BPM project manager
- People change management
  - Implementation of the personnel aspects is the hard part
- Leadership
  - Must have committed, attentive and understanding support from senior management
BPM implementation framework - essentials

- Project
  - Visibility line
  - Business as usual

- Project management
- Leadership
- People change management
Guidelines on how to use the framework

- Multiple paths through the framework and it has iterative components

- Strategy-driven approach
  - Executed by the leadership team
  - Organization strategy, process architecture, launch pad, projects

- Operational-initiative approach
  - Addresses a business problem
  - Launch pad, organization strategy (partial), process architecture (partial), projects (focused and incremental)
BPM project framework – strategy-driven
BPM project framework – operational-initiative
Applying the Framework

- Educate management in BPM implementation framework (30+ senior management including CEO and direct reports) – 1 day
- Work with CEO to select projects
  - Revenue management (2)
  - Expense management
  - Recruiting/hiring
Applying the Framework

- Train Steering Committee and Project Teams members
  - Guidelines
  - Templates
  - Techniques
  - Checklists
- Launch projects
  - Review workplans
  - Monitor progress
  - Develop recommendations
  - Implement recommendations
BPM Training – Quick Guide

- It’s all about human change - address organizational culture and align performance measurement
- Management must be an active leader in the process improvement
- Framework - a path to insure the change adds value to the strategy
- Do not solve all problems at once, yet focus on a common goal
- Assign an experienced BPM project manager
- Changing any component (people/organization, process, technology) around the strategy affects the other components and requires appropriate project management
BPM Training – Quick Guide

- Process
  - Strategy
    - People
    - Technology

Project Management
BPM implementation framework - modified

**Phases**
- Organization Strategy
- Process Architecture
- Launch Pad
- Understand
- Innovate People Develop
- Implement Realize Value Sustainable Performance

**Activities**
- Planning
- As Is
- To Be
- Implement

**Change/Commitment Planning and Execution**

**Plan For SC Approval**

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BPM Implementation Plan - TOC

- Executive Summary
- Quick Wins
- To Be Recommendations
- Proposed Implementation Approach
  - Suggested Implementation Timing
- Recommended Project Structure
- Change Management Strategy
  - Leadership Support
  - Argument for Change
  - Tactics for Sustaining Momentum
  - Tracking Feedback
BPM Implementation Plan - TOC

- Risk Analysis
- Related Projects
  - Impacted Projects
  - Future Projects
- Benefits Analysis
  - Soft Savings
  - Hard Savings
- Appendix
  - A: Project Charter
  - B: As Is Flows and Key Findings
  - C: To Be Flows
  - D: Proposed Organization Changes
  - E: Proposed Policy Changes
  - F: Other (form samples, ...)

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Lessons Learned - Success!

- **Project Execution**
  - 95% of project participants felt that the overall execution of this project was above average
  - 100% of participants believed their project would increase service at the enterprise level when implemented
  - 83% of participants would like to participate on a future BPM initiative

- **Team Building**
  - Nearly 80% of participants would like to work with the same team on a future project
  - Additionally, 80% of participants felt that internal team communication was effective

Figure 1. Participant perception of project quality

Figure 2. Participant estimation of the impact of project implementation on operations
Lessons Learned - Recommendations

- Each project team delivered valuable improvement recommendations from many hours of effort to the Steering Committee

- Project Duration
  - BPM projects average project duration = 9.5 months
  - Recommendation: Limit project duration to 3-6 months to keep teams active and engaged

- Templates
  - 75% of participants said they would use templates again in their individual departments
  - Recommendation: Modify templates to increase user friendliness, reduce redundancies, and adapt template language
Lessons Learned - Steering Committee

- Recommendation: Review the composition and objectives of the steering committee
  - Continuing with the same committee composition, but narrowing their oversight responsibilities
  - Developing a senior management team that is responsible for serving as the steering committee
  - Assigning a single individual to oversee all BPM initiatives
Lessons Learned - Training

- Training feedback focused largely on the creation of a centralized, internal BPM training plan
- Additional suggestions include:
  - Intersperse training throughout the project at key milestones
  - Provide greater depth to the curriculum
  - Offer further BPM training for interested parties
BPI Initiative – thoughts – management

- Leading change – hard to do
- Stay the course – hard to do
- Encourage innovation
- Keep timeframe short – focus effort
- Establish accountability for results
- Articulate and reinforce key messages
  - BPI is a part of every person’s day job, not an add-on
  - Everyone’s focus is on how to best service customers
  - Everyone thinks beyond their immediate job description
- Permit project teams to challenge and recommend changes to **business as usual**
BPI Initiative – thoughts – project teams

- Continue to invest in BPM project management
- Continue to build internal BPM capabilities
- Utilize project team learnings
- Leverage the BPM framework process and checklist/templates, yet be practicable/realistic
- Proclaim the reason/value for change – cost vs benefit
- Implement some process change and continuously improve the process
BPI Initiative – thoughts – success

- Create/sustain enthusiasm from launch to conclusion – management and project teams
- Make time for change within my real/day job
- Address change implementation issues aggressively/consistently – not just about the process redesign
- Persevere when facing set backs