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The Right Way To Think About BPM Technology

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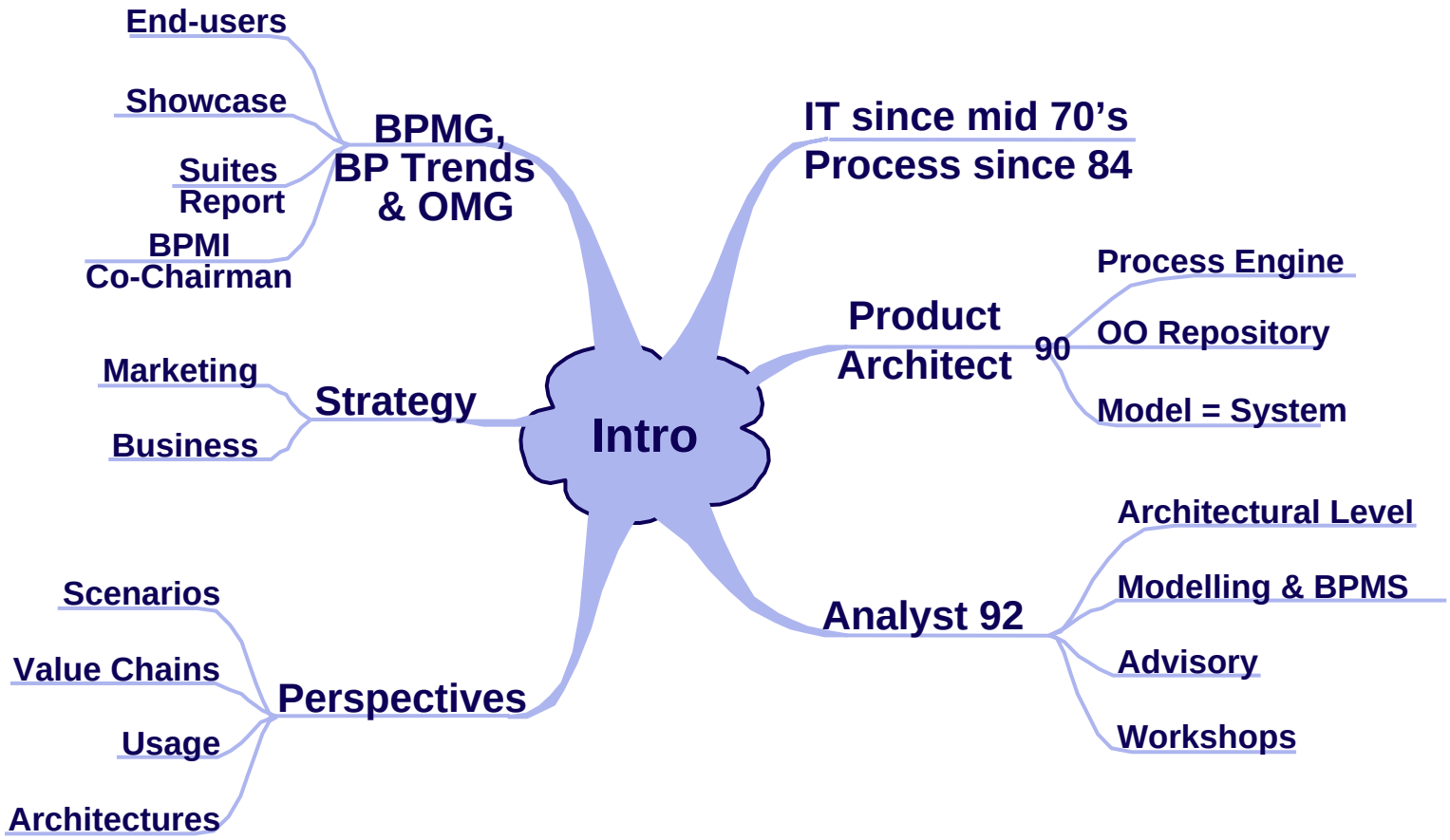

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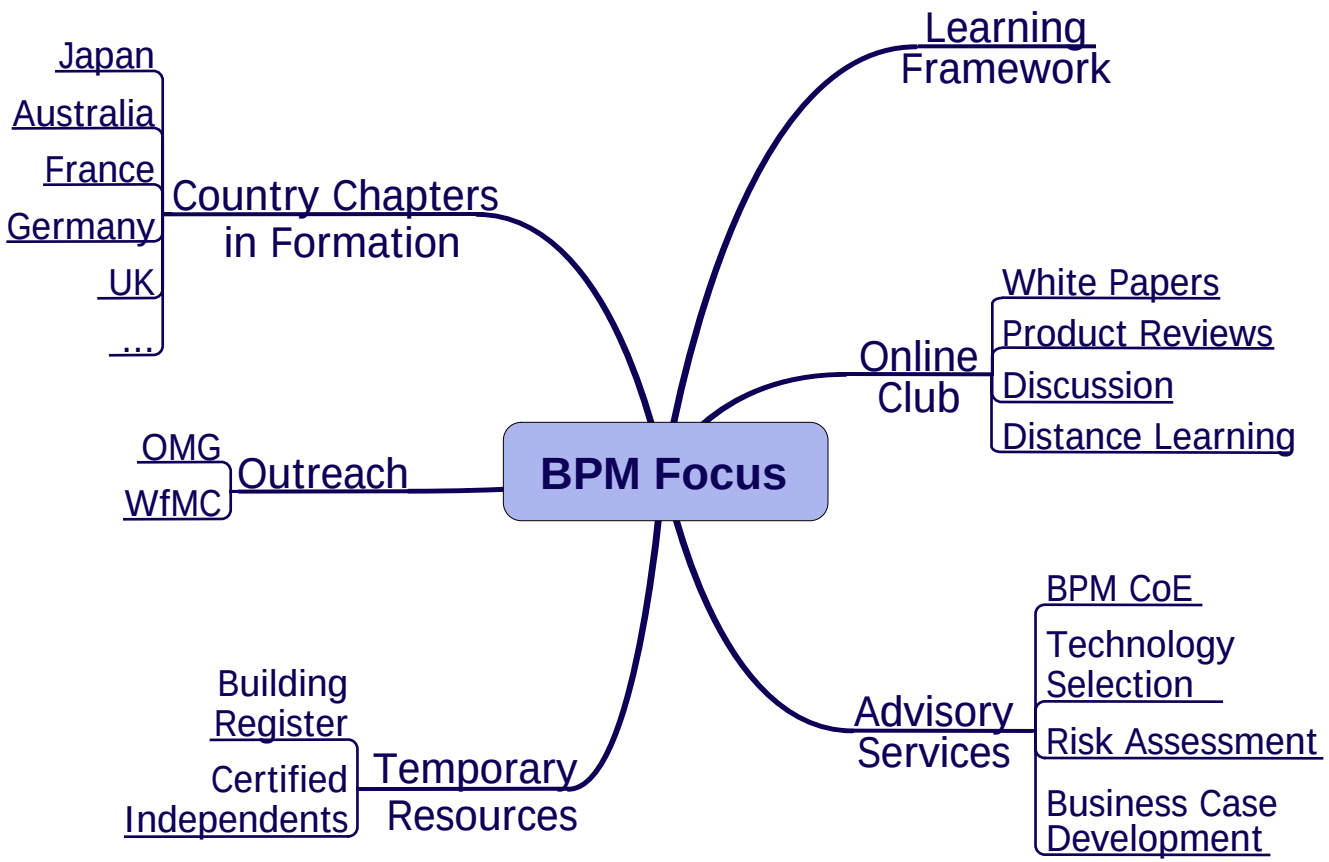

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BPMF Learning Framework

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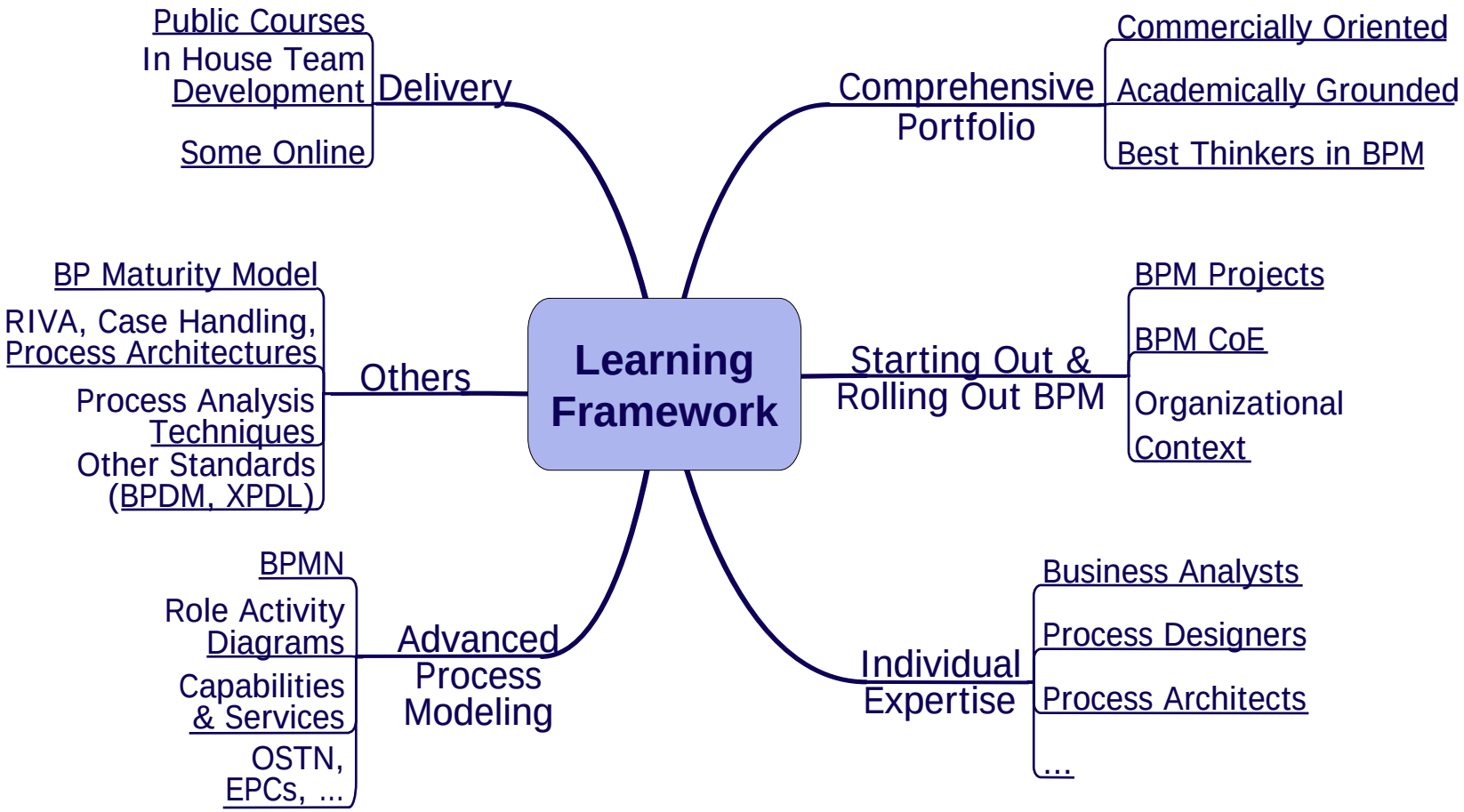

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A BPM Definition

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- Business Process Management is primarily a business philosophy
  - About *people*
  - The way they work *together* (their business processes)
  - The *performance* objectives that these processes underpin
- At the same time, it is about the *technology* used to make this vision a reality
  - Systems implementation is highly iterative (not waterfall)
- It is a way of running the business (a mind set) that continually drives performance improvement
  - A Journey, not a Destination

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Why Firms Are Doing It

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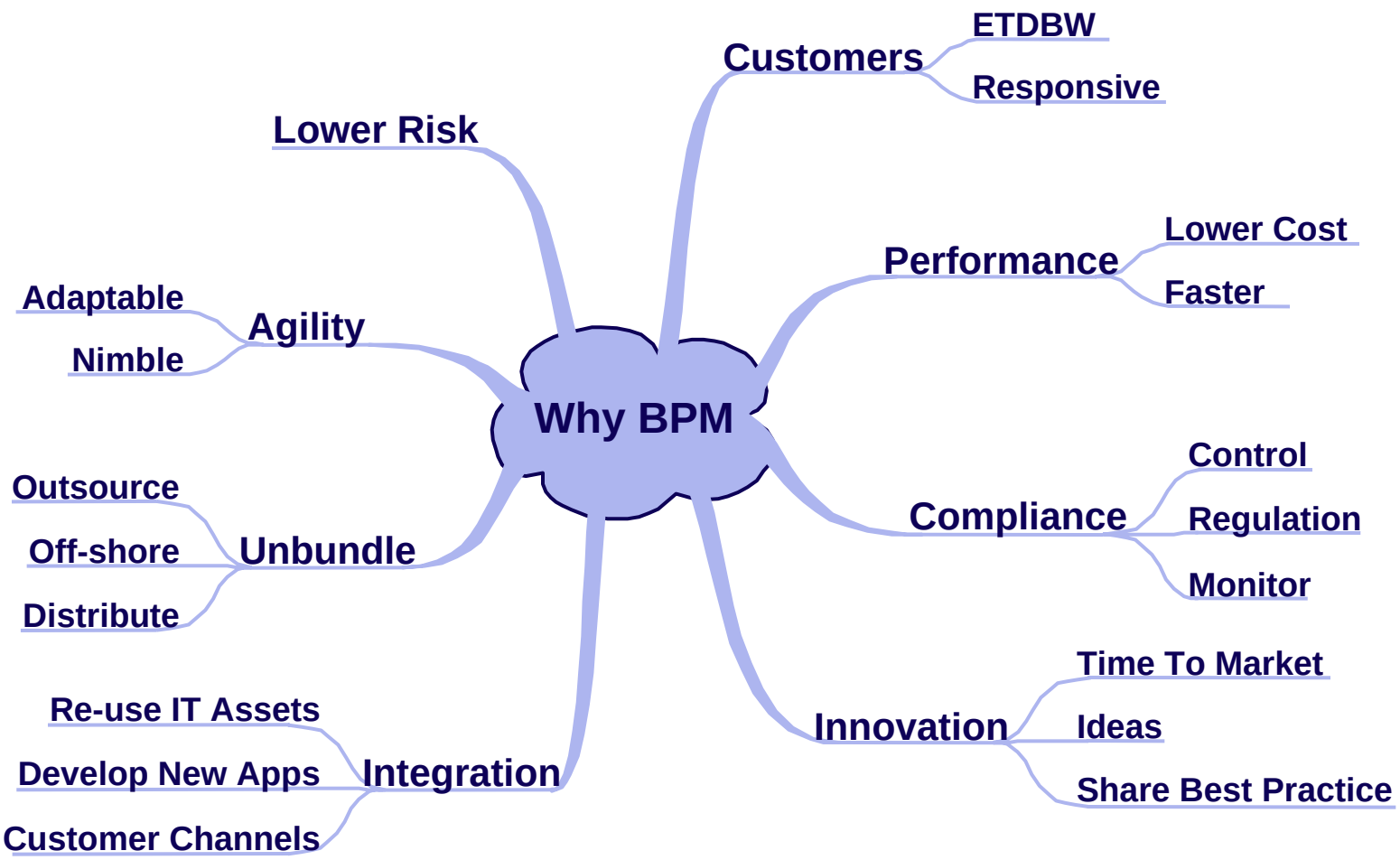

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Source: BPMF Analysis of over 100 BPM Projects

Concerns & Opportunities

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Opportunities for Improvement ?

- Automate non-value adding, repetitive steps in back office
  - Integrate front & back office
- Enhance Customer Service
  - Employees with more time for customers
  - Focus on higher value activities
- Channel integration
  - Consistent processes, integrated across digital and physical channels
- Work items handled multiple times
  - Move to once and done
- Role Rationalization
  - Combine overlapping roles
  - Reduce hand-offs & Risks
- Better Manage Exceptions
  - Begin with the happy path and major exceptions
  - Use iteration to handle exceptions
- Integrate Data & Documents
  - Process coordination mechanisms

Areas of Concern ?

- Current infrastructure
  - Scalability of current network
- Legacy system integration
  - Needs to leverage existing IT Assets
- Multiple overlapping categories
  - Conflicting terminology
  - Marketplace confusion
- Relating real requirements to potential solutions
  - You can do anything with this product
  - Similar offerings
- Standards conformance
  - But do you really understand the implications of standards?
  - Political games of big vendors
- IT change and business change are co-dependent
  - Requires close coordination
  - Support for Process Lifecycle

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Multiple Overlapping Categories

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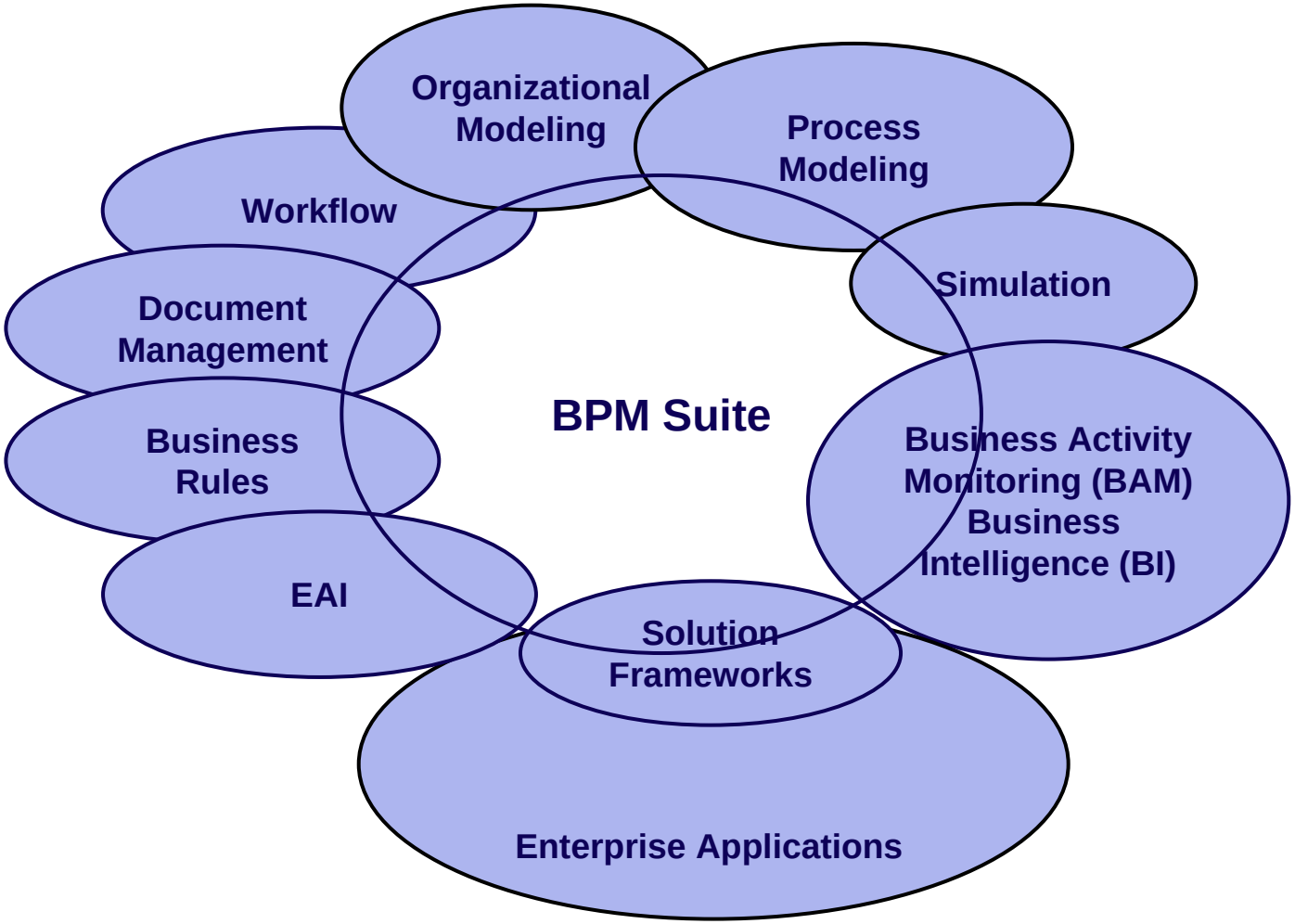

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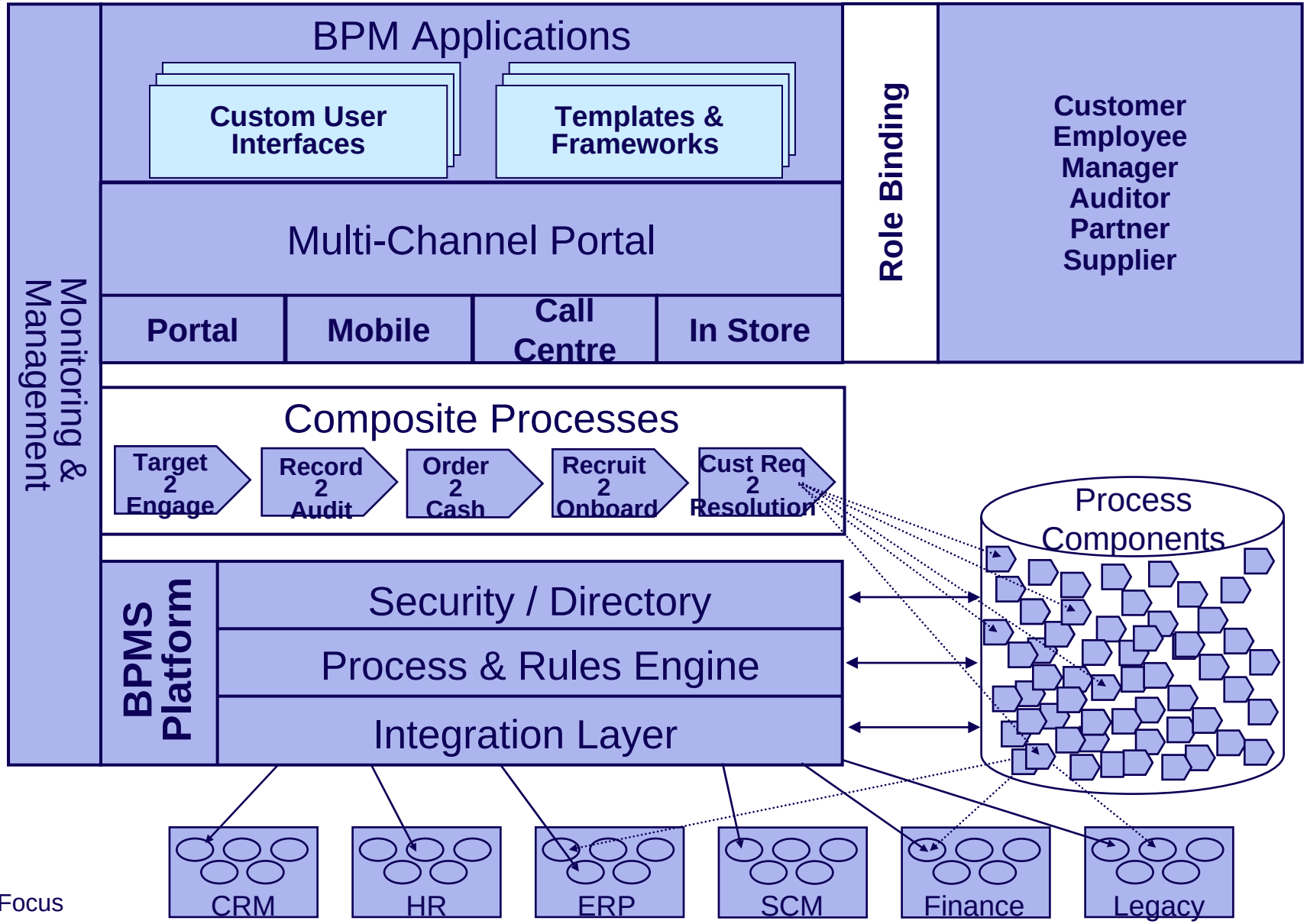
How A BPM Suite Works



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Differing Interpretations

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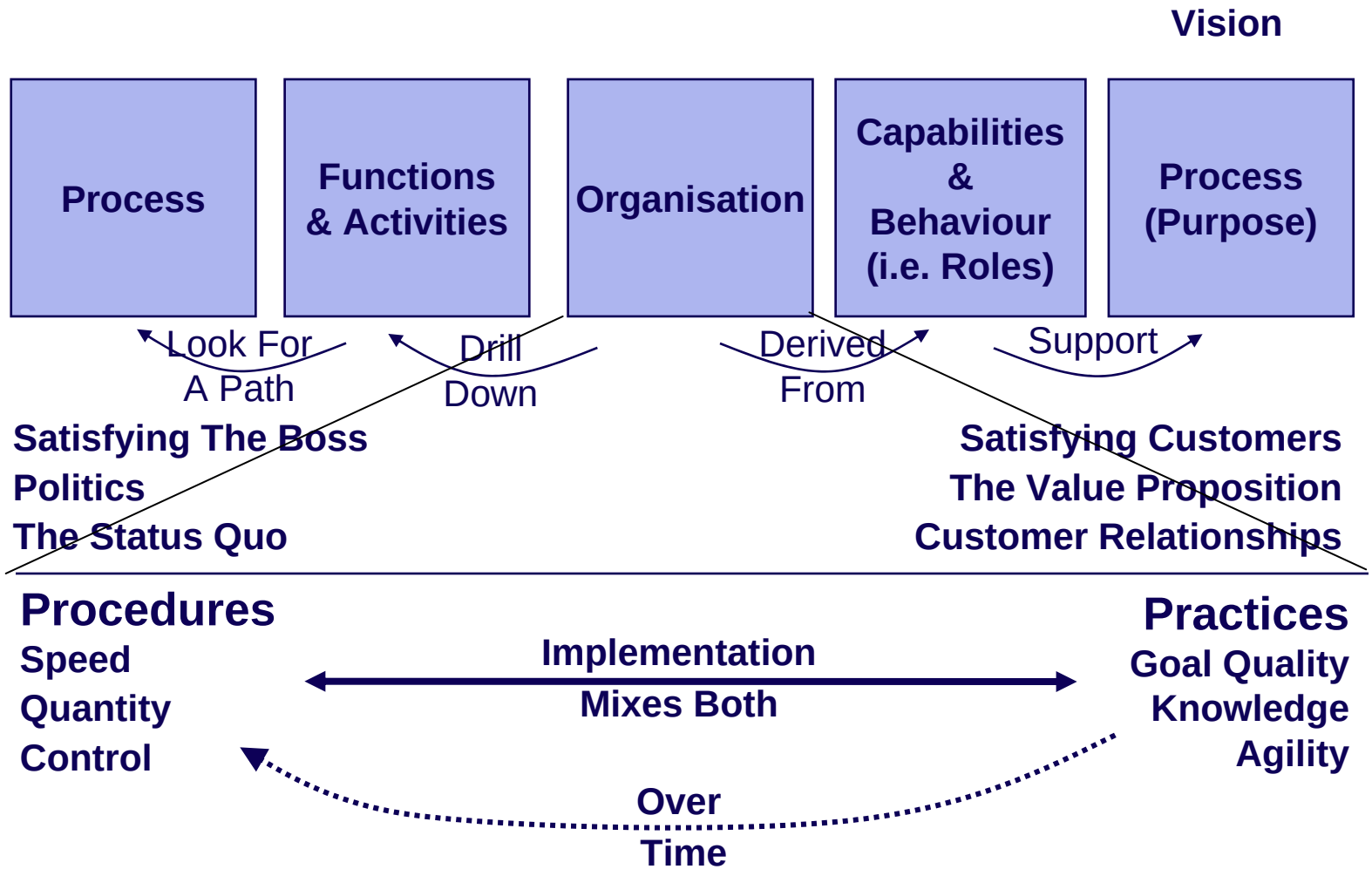

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The Core of BPM

In a process driven production environment, the large majority of real work goes into handling exceptions

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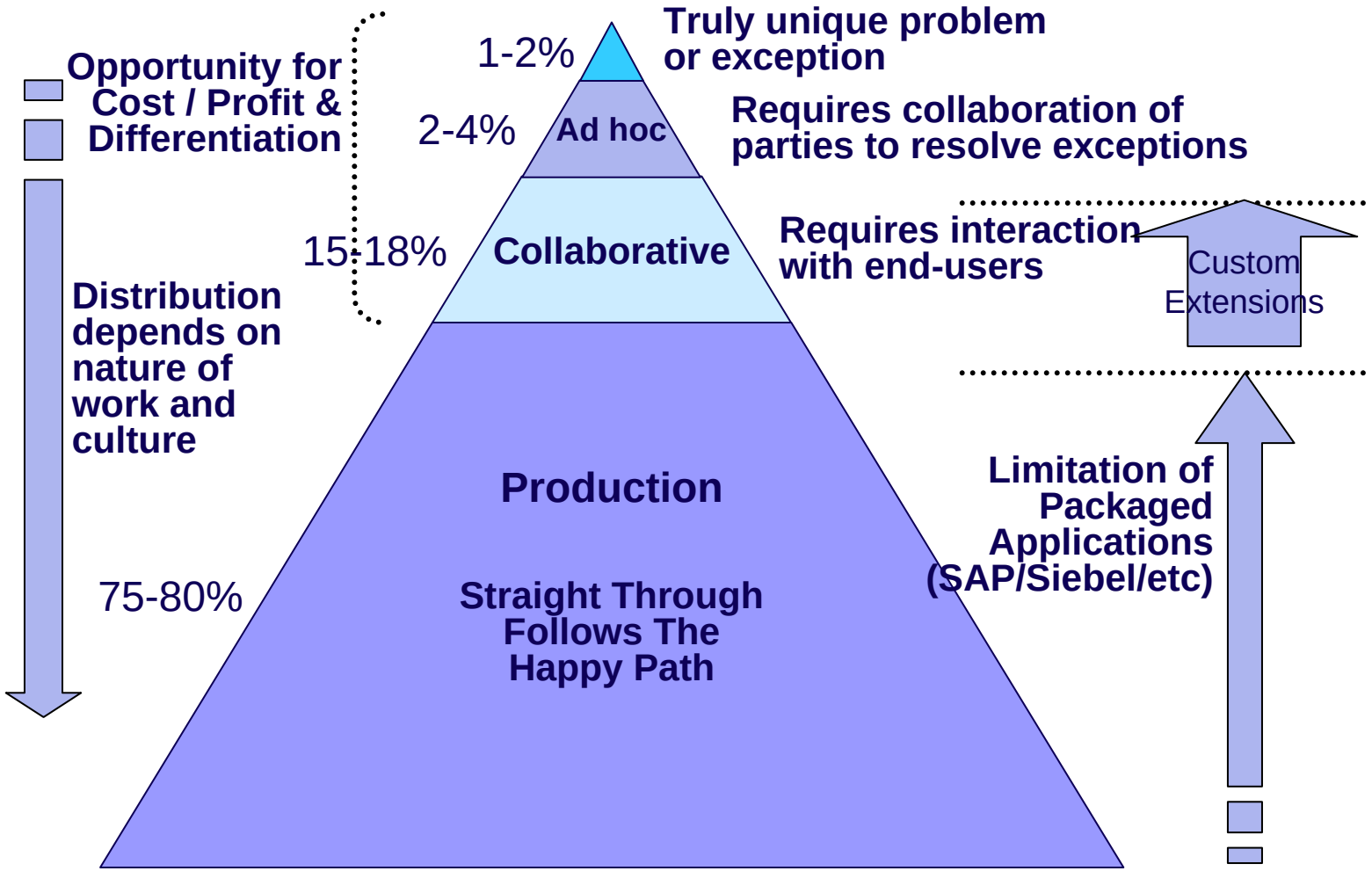

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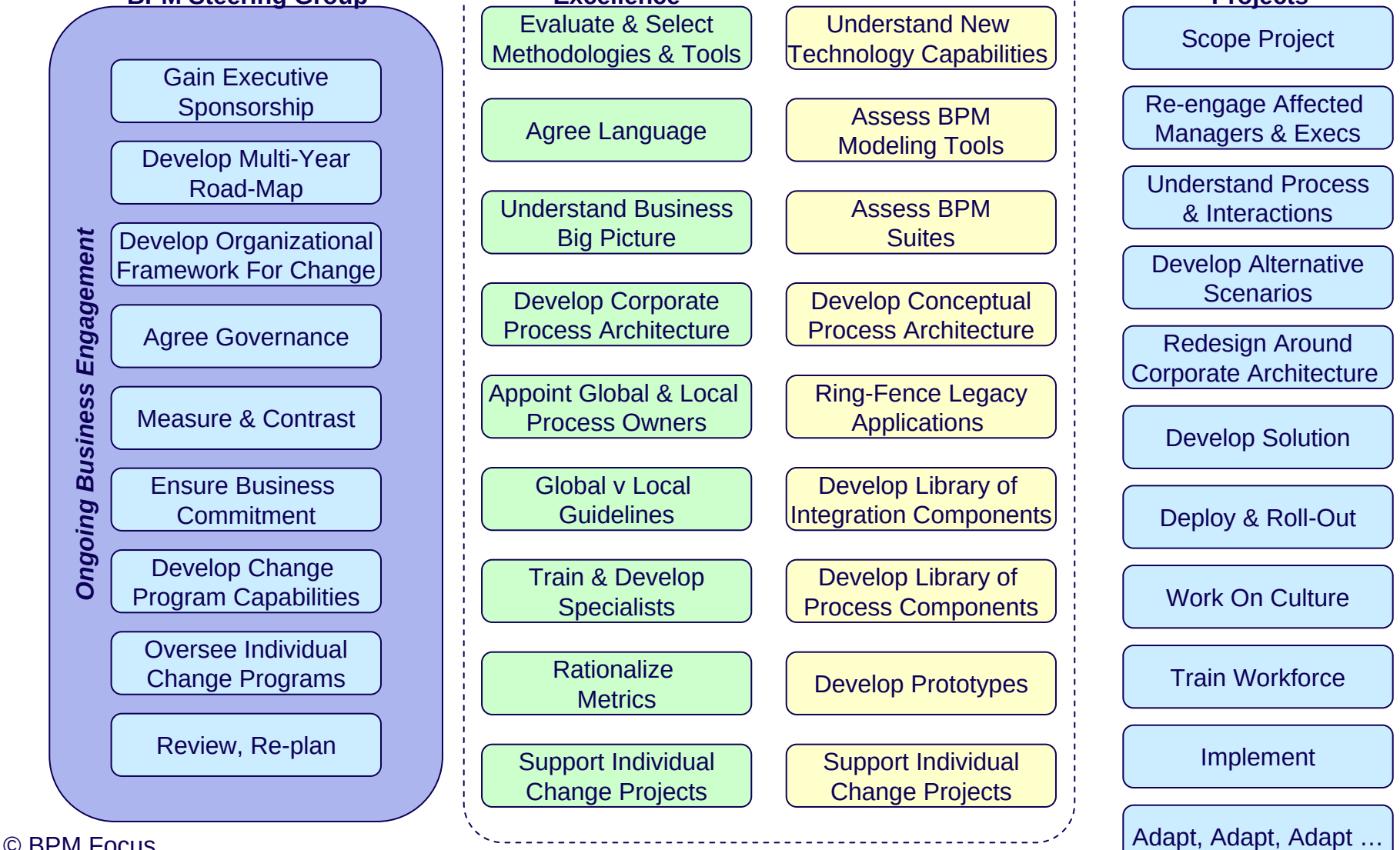
A Broad Range Of Tasks



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Think Big, Start Small - Iterate

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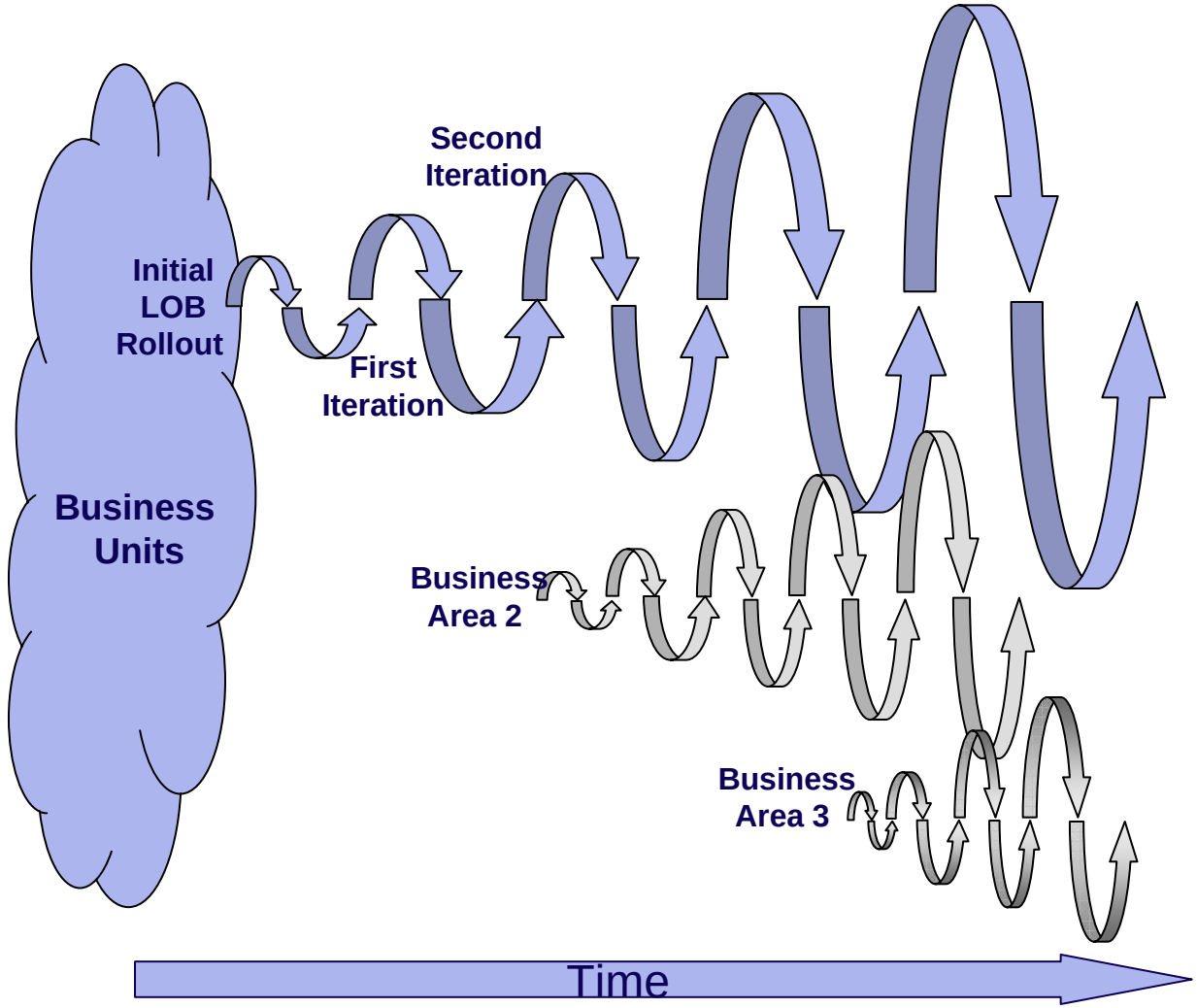

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Development Methodology

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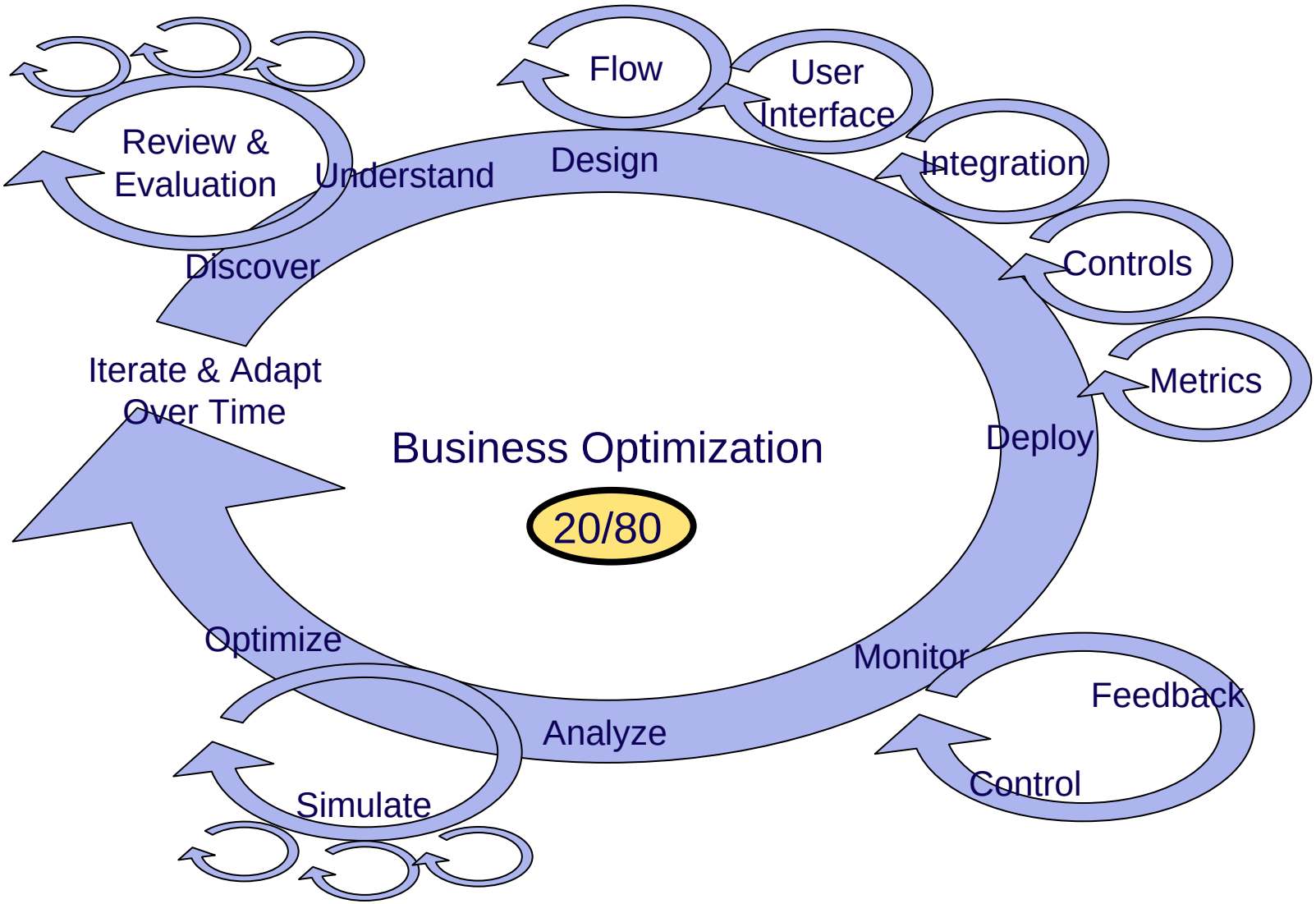

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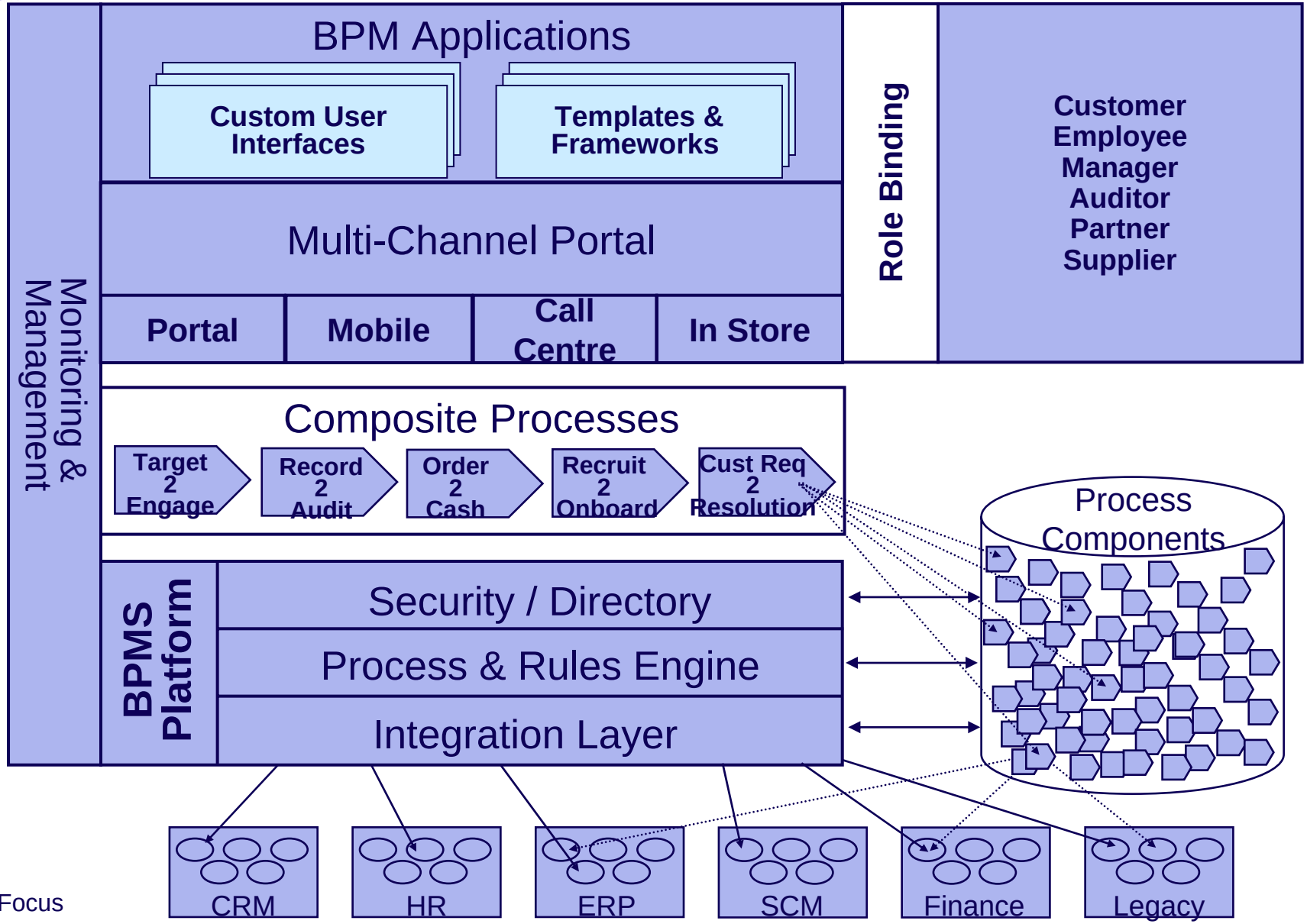
How A BPM Suite Works



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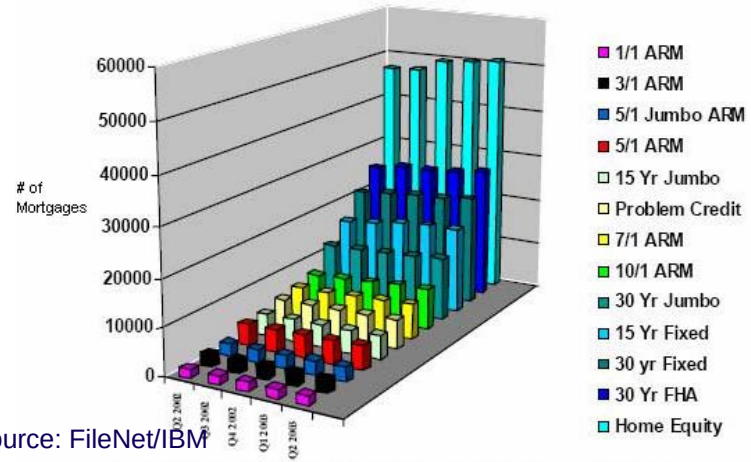
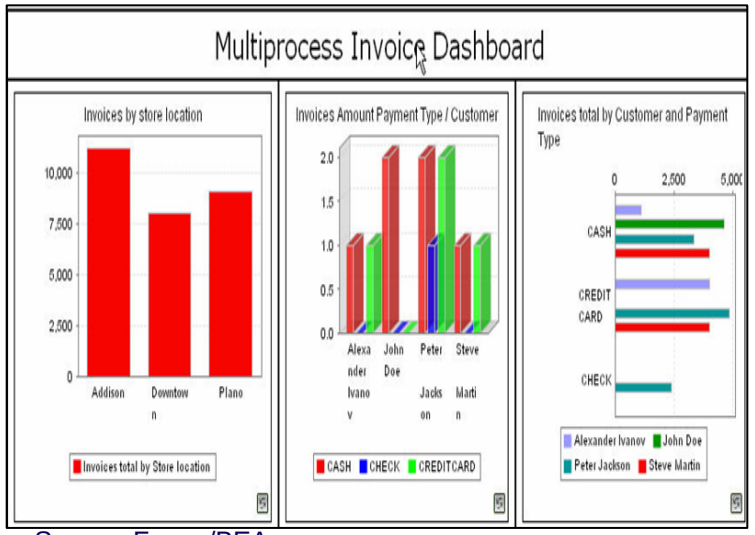
Analytics Development



Source: FileNet/IBM

View of quarterly work volume processed, broken down by Mortgage product line



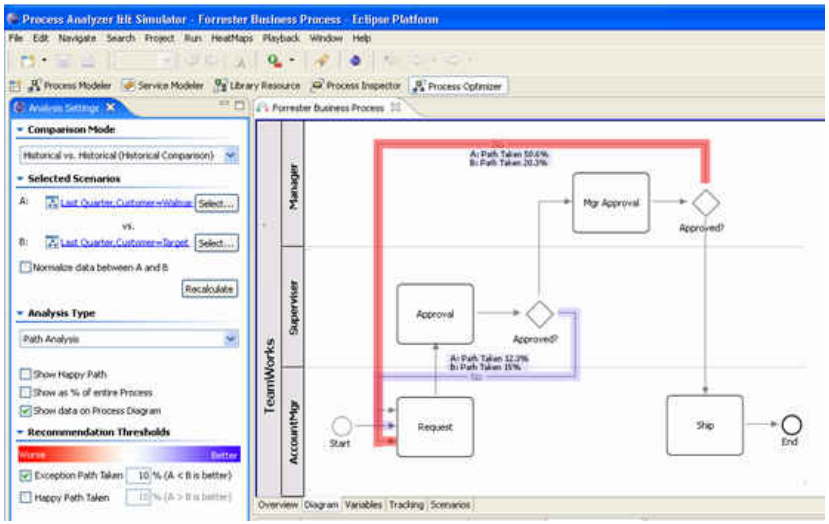
Source: Fuego/BEA

KPI View Panes

Create

View Pane Name	View Type	Chart Type		Update	Delete
Alert View	Alert	Table View			
Loan Activity over Time	Multi-KPI Series	Line Chart			
Approvals by Provider	Snapshot	Pie Chart			
Requests by Car Model	Snapshot	Pie Chart			
Loan Activity	Snapshot	Horizontal Bar Chart			
Loan Activity Statistics	Snapshot	Bar Chart			
Loan Activity Performance	Snapshot	Radar Chart			
Loan Activity Gauge	Snapshot	Gauge Chart			
Average Times	Multi-KPI Series	Bar Chart			
Loan Requests Trend	Actual/Target	Bar Line Chart			
Loan Requests Analysis	Cause/Effect	Table View			

Source: Oracle



Source: Lombardi

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BPMS Driving Transformation

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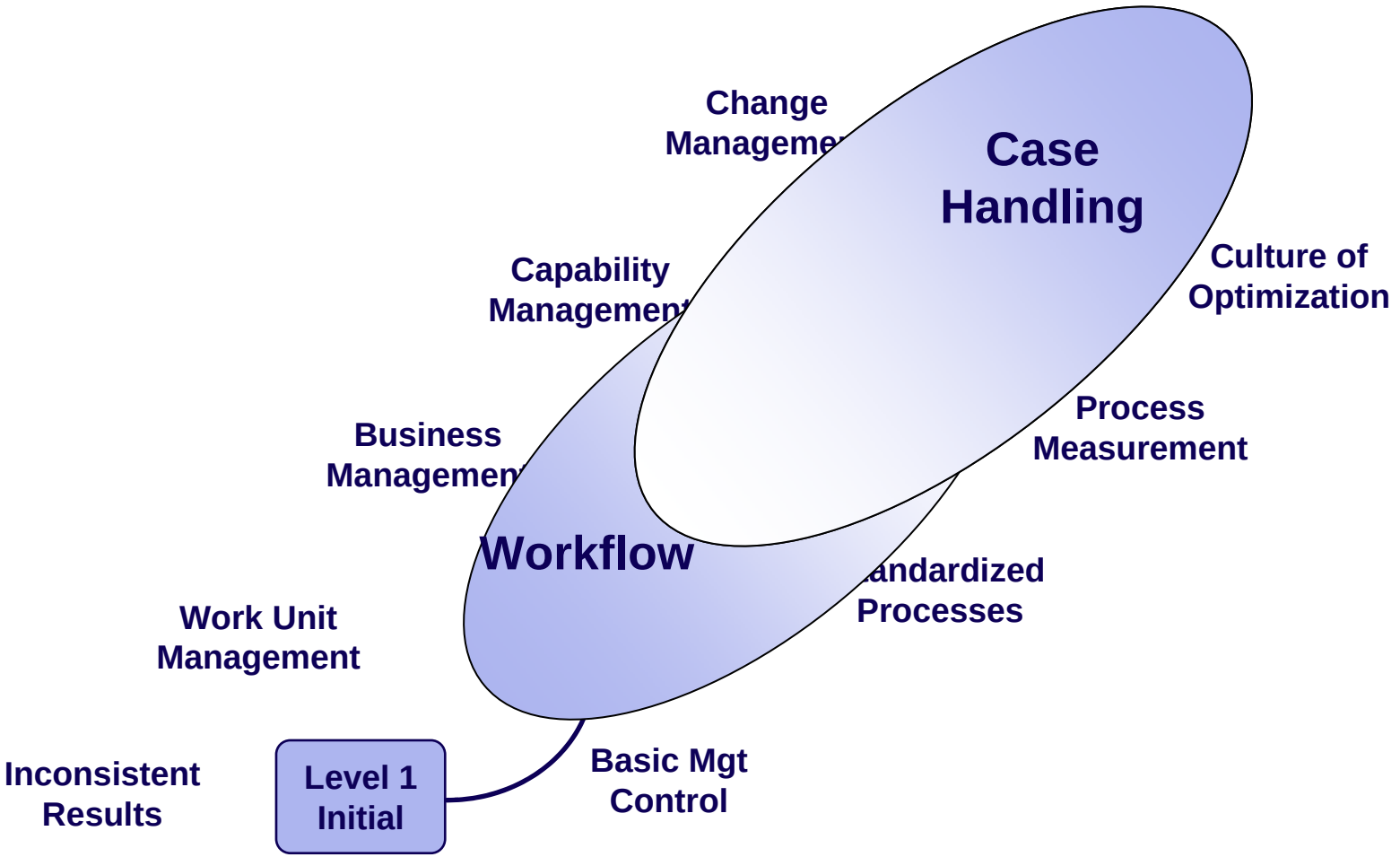

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Enabling Agility …

A Range of Possibilities

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- Complex Content Development
  - Involves managing the lifecycle of critical documents where the routing, participants and results are not predictable a priori, independent security model
- Ad Hoc Collaboration
  - Threaded discussion groups, shared white boards, content management capabilities, independent security model
- Project Collaboration
  - One off projects, collaborate toward a common goal, ad hoc processes; repeatable elements → reuse, yet requiring subtle adaptation; independent security model also required
- Customer Contact Center
  - Unpredictable customer interactions drive the process; 80% of calls are WISMO
- Case Handling
  - General blend of the two ends of the process spectrum; incorporates many aspects of the categories above

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Case Handling Approaches

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- Document-centric Case Handling
  - Manage simple processes, attach documents into a folder
  - Process changes little if at all, all context is buried in documents
- Constraint Based
  - Do anything you like except … goal oriented, work backwards
- "Design Time" Case Handling
  - Parent process, invoke selected procedural fragments
  - All cases share the same set of procedural models
    - No instance specific changes
    - Significant flexibility is still possible with careful design
- "Runtime" Case Handling
  - Suitably authorized users evolve how work is handled
  - Develop new procedural fragments, alter existing cases
    - Cases have their own procedural models (based on initial template)
    - Instance specific change possible
    - Controls required to ensure efficiency
  - Potentially, enables personal process fragments

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BPMS Evaluation

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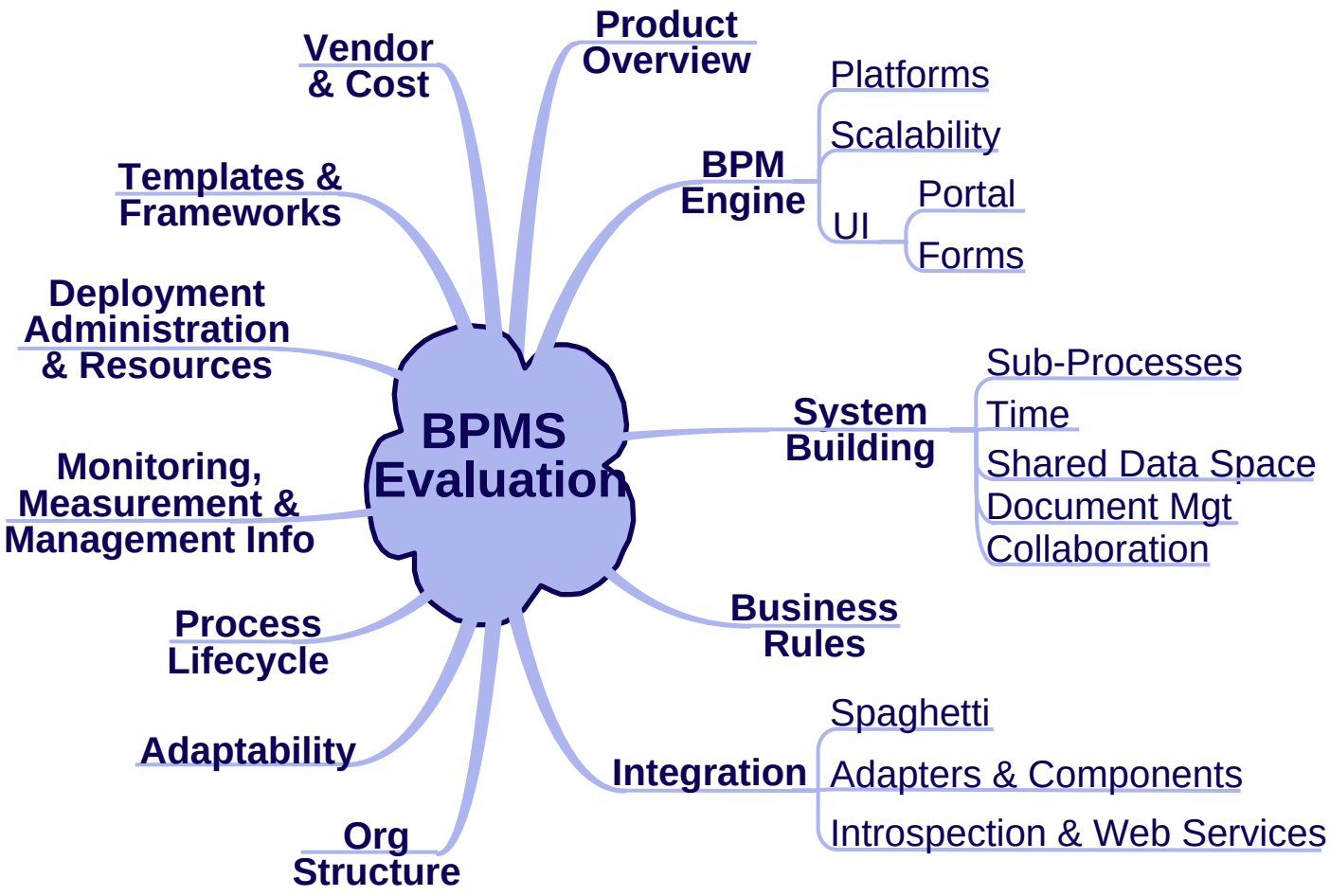

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A Different Way To Run Vendor Selection

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- Long term success relies on business driving the change
  - Requires “wow” factor
  - Demonstrate the power and benefits of the rapid iteration and short delivery time scales
  - Select a tactical project to prove to the business that BPM projects are achievable
- Avoid the check box RFP
  - Especially around standards
- Build RFP around realistic business process scenario
  - Project tightly scoped
  - End-user adoption the primary goal
- The intention is to learn
  - Develop skills and expertise
  - Grow organizational competency
  - Do not attempt to boil the ocean at the outset
- Identify target process - choose something with
  - Impact
  - Low complexity
  - Low level of maturity
- Think Big, Start Small - Iterate
  - 20% that gives 80% of value
  - Understand the process
- Having defined the core 20%, select 3 or 4 leading vendors
  - Invitation to build (in a week)
- Assess against realistic scenario
  - Change the situation during demonstration
  - Adapt on the fly without closing the browser

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BPM Standards Overview

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- BMM – BA-Motivation
- SBVR Part I – BA-Vocabulary
- SBVR Part II – BA-Governance
- BPMM – BP-Maturity Model
- BPMN – BP-Notation
- BPDM – BP Semantics
- BPRI – BP-Performance
- OSM – BA-OrgStructure
- PRR – BA-Rules
- WfMC
  - Wf-XML 2.0 (ASAP)
  - XPDL
- OASiS
  - BPEL (SPEL)
  - ebXML, BPSS, CPA, CPP
- W3C
  - WS-CDL

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BPDM – BP-Semantics

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- Shared vocabulary for process modeling concepts
  - "universal syntax" of process
  - Translation to-from other notations & execution
- BPMN Serialization
  - Supporting the future development of BP-Notation
- Orchestration & Choreography
  - Process & Interaction - Common Behavior Model
  - Abstractions – Course Model, Composition Model
  - Composition and Decomposition or Interaction & Process
- Facilitating a separation of concerns
  - Interaction Patterns without committing to Implementation
  - "What" versus "How" - Roles, Responsibilities & SLAs
  - Business level encapsulation (service orientation)
  - Facilitates evolving, permeable organizational boundary

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Summary

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- BPM is about people, their processes and performance objectives - Technology is just an enabler
- BPM Suite covers multiple overlapping categories
- Process Spectrum – from Procedure to Practice
  - Balance Efficiency with Agility, Evolution & Innovation
  - Trick is to support the top of the pyramid
- Think **BIG**, start small – iterate often
  - Take time to understand the process from the outside in !!
  - Contrast different perspectives - ring fence the 20%
  - Repository based approaches can derail projects
- Think differently
  - Train BPM Team, CoE & Users
  - Evaluate against project scenarios – avoid spreadsheets
- Sophisticated BPMS required to support knowledge workers
  - Standard processes make most sense with Case Handling
  - Complex Document Management, Project Collaboration
- Standards are important
  - BPDM – Enabling a 10x expansion of the BPM market

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Additional Slides

From Making BPMS Work For You Session

Selecting The Initial Project

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- Relatively low level of maturity – look for those processes where the tasks are poorly defined, or the flow of work is highly variable. It is much easier to improve a poorly understood process than one that is already carefully managed and measured.
- High Impact – look at the KBOs of the firm and assess whether an effective solution will produce a high return. This is a question of orientation. Processes that touch customers or suppliers are usually good candidates as they are often full of workarounds and inefficiency. Other clues are lack of management visibility or traceability of the work, where small errors can dramatically affect sales or profitability.
- Low complexity – identify situations where the complexity can be managed and bounded easily. Avoid sophisticated “end-to-end” processes. While a multi-faceted, inter-departmental scenario might create a bigger impact, these types of projects do not allow for quick iteration, extension, and ongoing improvement. These types of processes normally involve too many touch points and provide opportunities for political infighting, delays, and increased project risk. As a result, it is best to develop skills, expertise, and other BPM capabilities before focusing on the “big-bang” projects.

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Capability Maturity Model

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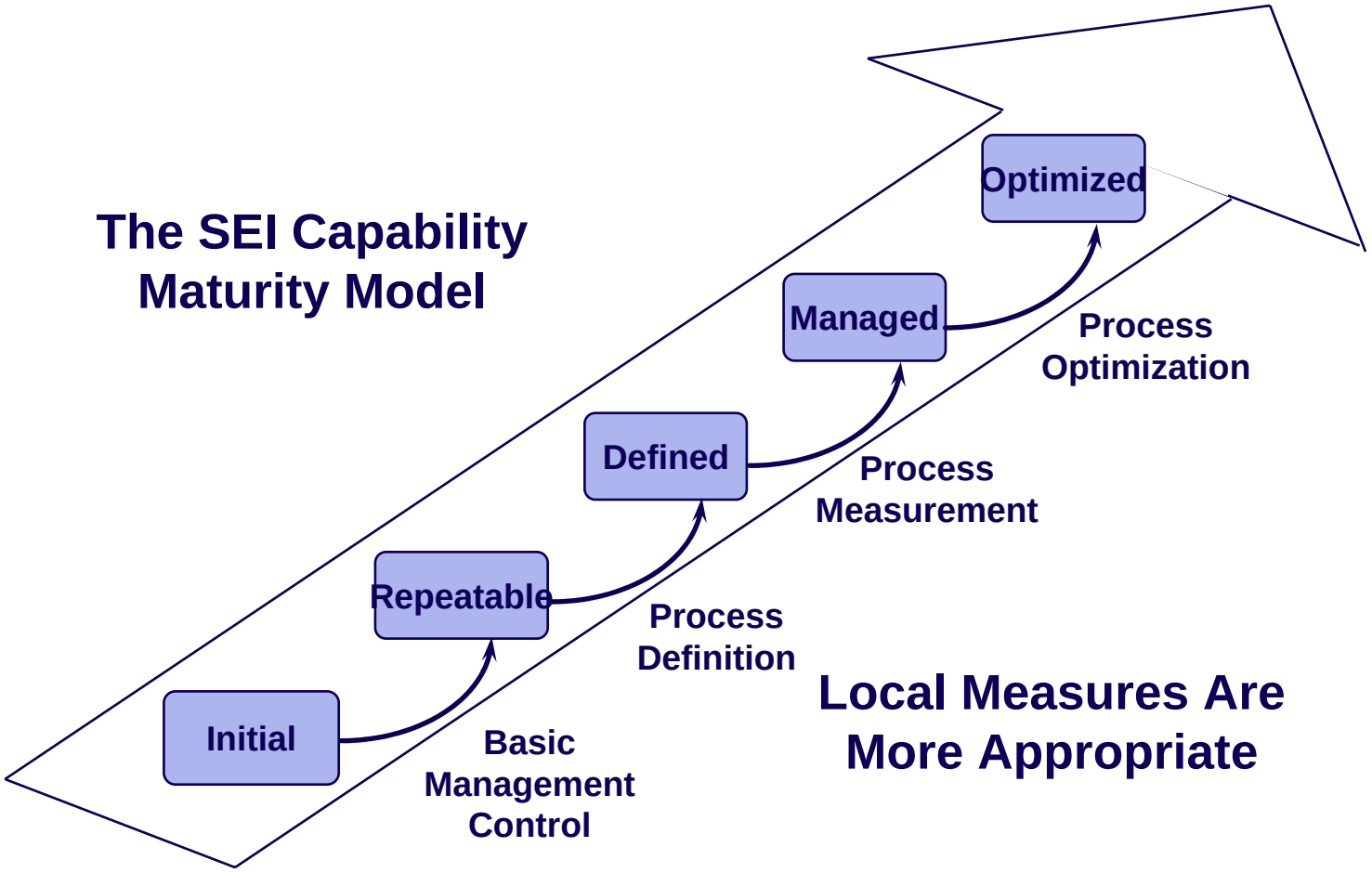

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Visibility Of Process Maturity

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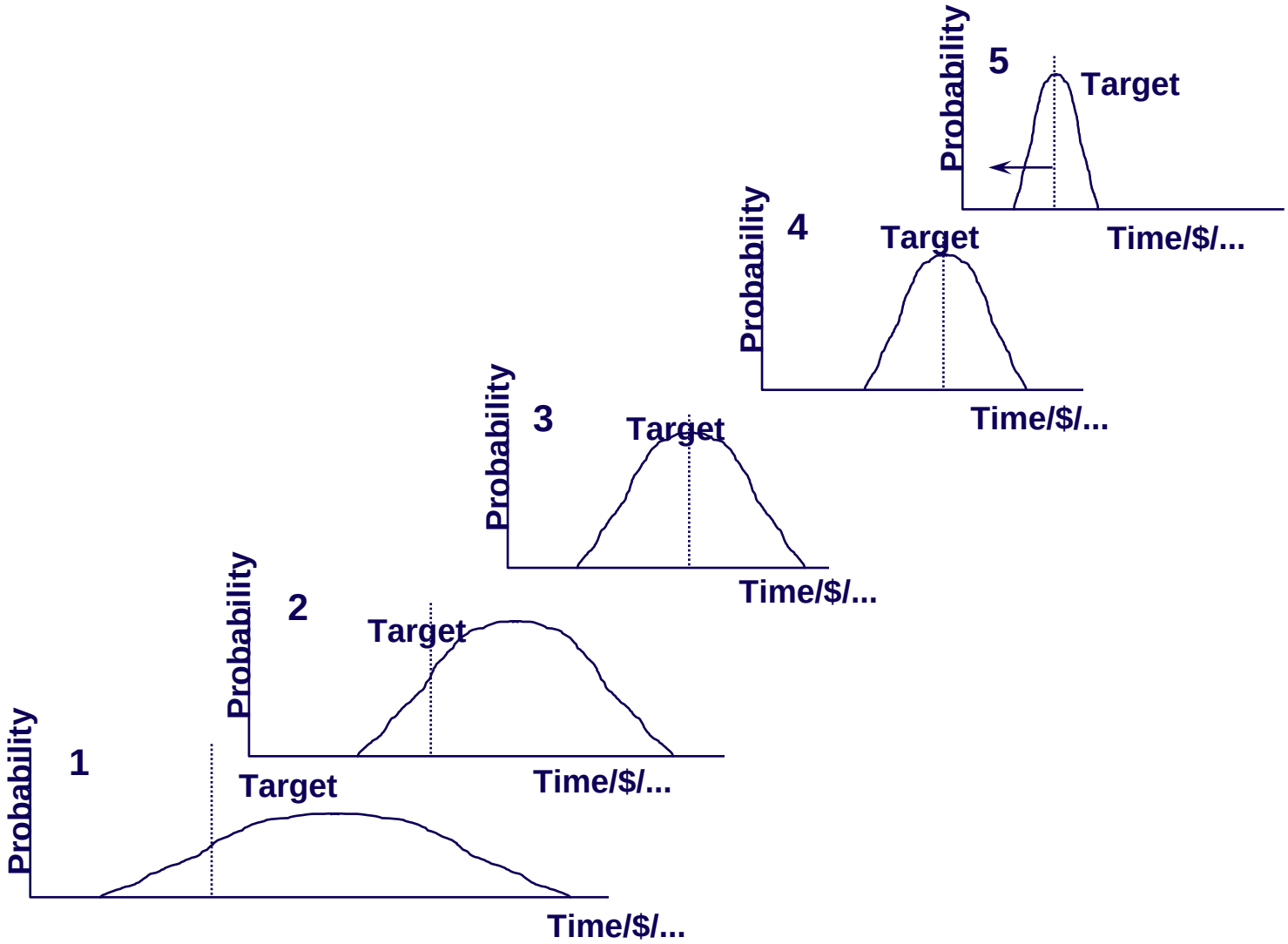

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Review Of Processes

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CSFs / PROCESSES		1	2	3	4	5	6	7	8	NO.	Q	Complexity
1												
2												
3												
4												
5												
6												
7												
8												
9												

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Choosing The Right Project

Balancing Maturity, Impact and Complexity

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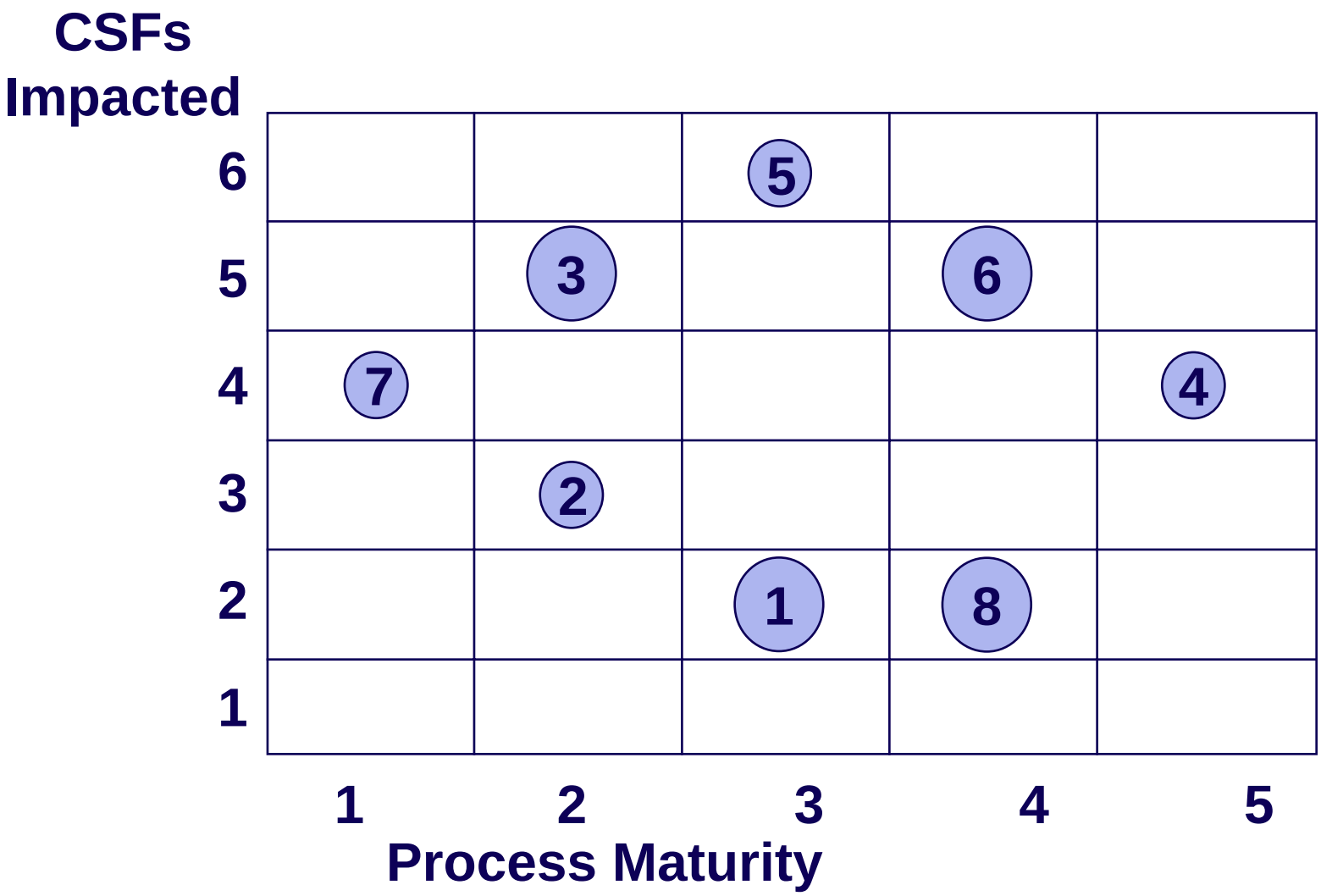

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Validating Project Selection

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- Very often the initial target project is already identified
  - Selection exercise provides an opportunity to engage business decision makers
- A neutral mechanism that does not necessarily favor one area over another
- Allows key protagonists to discuss the issues and arrive at agreement
  - Establish and agree to priorities – which processes will be dealt with first and which parts of the business will be impacted
  - Helps managers look past the initial project
    - Prioritize a roadmap for the journey ahead
  - Helps avoid scope creep
  - The *discussion* is valuable - forces managers to sit down and consider the real state of their respective organizations
  - Provides a method of ensuring the actions of the project team are aligned with business strategy
    - Allows them to understand how their work will impact the CSFs/KBOs of the firm

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Phase I – Initiation

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- Who has the vision of what is possible?
  - Does the sponsor really understand the strategy?
  - Has the sponsor internalized what is possible with a BPM Suite?
- Is the business really committed?
  - Where is the Steering Committee Roadmap
    - Does everyone understand the scope and intention
  - Are expectations over-inflated or hyped?
    - Primary aim to drive user adoption?
  - Often requires informed facilitator to help identify the common ground
- Is it the right project?
  - One that finds a balance between - Complexity, Maturity and Impact (single biggest source of failure)
  - Opportunity to gain business buy-in
- Who is going to “own” this project?
  - In the end-user department?
  - How will they evolve their organization to make most use of the capabilities of the BPM Suite?
- Business Case
  - Where is it? How does it link to Key Business Objectives and Money !!!

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Phase II – Planning

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- Is the scope realistic for the timetable?
  - Compare different high level perspectives (time-box work)
  - Contrast Orchestration (BPMN) with Choreography (RADs)
  - Have you locked down the core set of functionality that delivers the bulk value (20-80 Rule)?
- Team structure
  - Do you have the right resources available
    - Playing the right roles
  - Where will the resources come from (especially SMEs)?
    - Do they still have day jobs (& you need how much of their time?)
- How will you engage the end-users into the program?
  - For each Role, identify “What’s In It For Me” (WIIFM)
- Communications strategy?
  - Set expectations low, over deliver

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Phase III – Execution

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- Having defined the core functionality required
  - How can you keep the scope locked down
    - Trapping new functionality as additions to the roadmap
    - Remember, next revision just around the corner
  - Each aspect regarded as a separate iteration
    - Set the order (Integration, Flow, User Interface, Metrics, etc.)
    - Rapid delivery and validation of each sub-phase
- How will you enhance the BPM team learning during implementation?
  - Before Action Review – After Action Review on each phase, each end user engagement, each new revision …
  - Develop individual capabilities and acumen – training !
    - Comparison of modeling approaches (BPMN, Role Activity Diagrams, Capabilities, Object State Transition Network)
  - Site visits

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Phase IV – Activation

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- Where is the training plan?
- How will each role be affected
  - "What's In It For Me" - How is that communicated?
  - How is compensation going to re-enforce the desired behaviors
- When will you be back with the next major iteration?
  - How does this process fit in with a broader process architecture for the business?
- Who will manage the ongoing business change?
  - What is your strategy for growing the skills and capabilities within the business to do it themselves?

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Aligning Corporate Change Initiatives

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Vision	Skills	Incentives	Resources	Action Plan	Change Result
	Skills	Incentives	Resources	Action Plan	*Confusion*
Vision		Incentives	Resources	Action Plan	*Anxiety*
Vision	Skills		Resources	Action Plan	*Gradual Change*
Vision	Skills	Incentives		Action Plan	*Frustration*
Vision	Skills	Incentives	Resources		*False Starts*

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Source: Deborah Dahl – Chair, Clinical Innovation – Banner Health

Degrees of Impact

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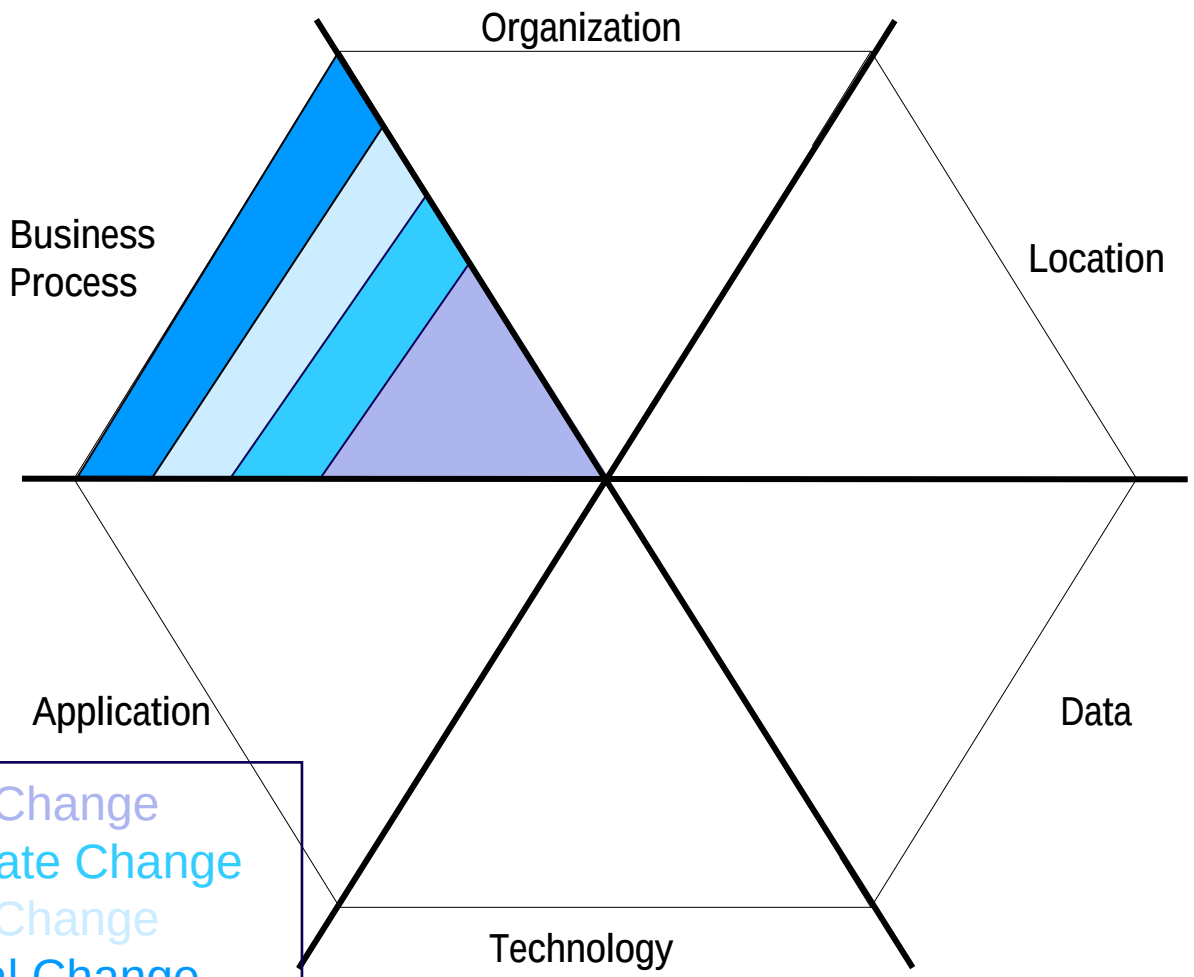
Standards

Extras



Source: Karrie Austin – Pfizer

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Degrees of Impact

	Degree of Impact	Process/ Function	Organization / Motivation	Location	Data	Application	Technology
Complex	Radical Change	New processes (process redesign)	Different Culture	Relocation of workers	New data mart or data warehouse	New application architecture	New technology types (imaging)
Large	Major Change	Revised processes (process improve-ment)	Different jobs and organizational structure	Relocation of work	New data structure	New application	New products
Medium	Moderate Change	Revised activities in current processes	Different job content	New facilities	New entities	Enhancements to existing application	Same products increased distribution, capacity, workload
Small	Minor Change	Support for existing processes	Different procedures	Changed use of existing facilities	Same entities, new attributes	Minor changes to existing applications	Same products, additional uses
No Change	No Change	No change to existing Processes	No change to procedures	No changes in use of existing facilities	No changes to entities or attributes	No changes to existing applications	No change to products or usage

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