

5 Quick Steps to BPM

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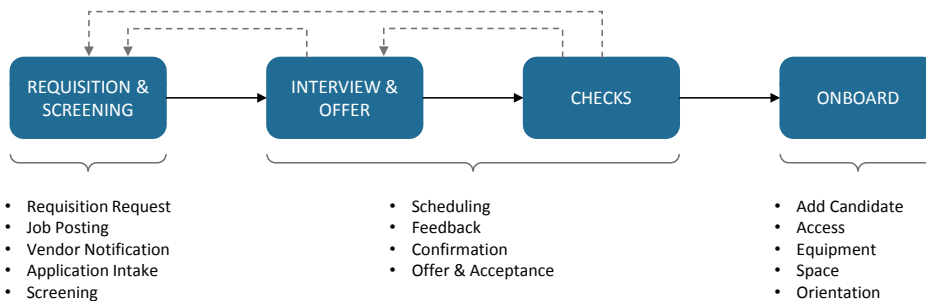


SO WHAT IS BPM?

In a nutshell, Business Process Management (BPM) is a discipline which targets efficiency improvements by standardizing core business processes within an organization. BPM assists in the planning, modeling, and controlling of activities carried out on a day-to-day basis, and ensures that an organization's goals and objectives are successful.

A business process is a series of events or tasks performed by various stakeholders to achieve a distinct outcome. Thomas Davenport defined a business process as *'a specific ordering of work activities across time and space, with a beginning and an end, and clearly defined inputs and outputs: a structure for action'* ⁽¹⁾

Consider a common process that takes place in all organizations: The hiring and onboarding of a new employee. There is a series of tasks that have a definitive start and end. This creates a structure for action and the overall process:



While each activity can stand alone, it is the overall process that achieves the desired outcome: a hired employee. BPM is not so much concerned with improving the way individual tasks are performed, but rather about managing the chain of events, tasks, and decisions that ultimately produce added-value for the organization. Key stakeholders include:

- **Customers** – Typically want quality products and value-added services that provide satisfaction and meet high standards
- **Employees** – Typically want satisfying work, a responsive work environment and empowerment in the end-to-end process formulation
- **Shareholders** – Typically want companies that are efficiently well-managed in their operations, ensuring that costs are minimized and profits maximized

There are numerous methodologies for undertaking a BPM initiative; but in essence, they all boil down to these five basic steps:

1. **Discovery** – During the Discovery phase, key stakeholders identify and outline existing processes. All manual and automated tasks, alerts, communications, and escalations are analyzed to ensure that they are value-added activities.
2. **Design** – During the Design phase, the process is modeled with proposed improvements that were uncovered during Discovery. Improvements may be made to existing system interactions or human interactions, which may result in an entirely redesigned process.

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3. **Deploy** – A BPM tool combines system and human interaction, business rules to govern behavior and compliance, and a rules (or workflow) engine for execution.
4. **Monitor & Analyze** – Through constant feedback and process control, the implemented process is evaluated. Typically, all stakeholders, customers, employees, and process owners provide feedback to the BPM team for analysis.
5. **Optimize** – Optimizing based on feedback from the Monitor and Analysis phase, improvements to the process are made, delivering additional value for the customer, or cost saving for the organization.

WHERE DO I START?

Form a Steering Group

This group won't necessarily manage the BPM initiative directly; rather, they will identify an area for improvement. Discussion is important during this phase, with an understanding that all processes are open for evaluation. Pay special attention to processes that have low ROI or are poorly defined. Quick wins are crucial to the overall success of the initiative. So, while selecting a large, cross-departmental process may have greater visibility, keep in mind that this type of process has many moving parts. These complexities can cause delays related to coordination, departmental politics, or touch points that result in increased risks and cost. Consider starting with less complex processes that will still have an impact, but with less risk to the overall project.

Secure Executive Sponsorship

In larger corporations, many people are often skeptical of the value that BPM delivers compared to the investment made. The reality is that, given the return on time and money, BPM is not only affordable, but necessary. Reasons vary, but the most common objection is usually the fear of change. By securing executive sponsorship, individuals are more motivated to support BPM efforts. A sponsor should be a key stakeholder in a position to empower resources, reward achievements, and provide the guidelines to shape decision-making. A sponsor should also be a passionate advocate, with the belief that BPM is an imperative, based on a powerful business case.

So be open and truthful, or as my boss likes to say, "Let's throw that dead rat out on the table," and describe the current business situation as it is. Identify improvement opportunities and show – don't tell – how change is achievable. Identify applicable risks and any proposed mitigation steps. Show comparisons between the "as-is" and "to-be" scenarios, detailing the costs and value propositions. Getting buy-in can be difficult, so a little creativity can help. A few strategies that can be employed include:

A day in the life – Let the key stakeholder understand what it's like to run with a given process from end-to-end. Sometimes an outside party who does not perform the day-to-day task can see areas for improvement, leading to a better understanding of why a BPM initiative is needed.

Engage in a town hall – Let the key stakeholder speak with those on the front lines. Let them hear from the people performing the work to learn where they see the inefficiencies. Great BPM initiatives bring different levels of the organization together, especially when including those who have a stake in the day-to-day.

Make it about them – Everyone likes to be a hero. Make the stakeholder realize that if the initiative is successful, costs are reduced and performance is improved. And this will happen under their watch.

Secure Commitment from the BPM Team

While securing executive sponsorship is important, even more important is securing

ABOUT PMG

PMG's powerful yet easy to develop solutions go beyond traditional IT service management, helping you create a better, smarter set of automated business processes that streamline operations, reduce costs and improve efficiency. The PMG Enterprise Service Catalog unites the best features from e-Commerce, Business Process Management (BPM) and content management systems (CMS) into one tightly integrated solution. By implementing a flexible PMG solution that easily integrates with existing tools and your established business environment, you can handle internal service requests faster with fewer manual processes and less reliance on staff intervention. The result is a more efficient, less costly set of business operations. And that's just smart!

commitment from BPM team members. Team members should be comprised of key people (stakeholders) involved in the targeted process day-to-day. Find stakeholders that know and understand the process end-to-end, but are not critical to the day-to-day operations. Having team members that are constantly pulled away leads to distractions and delays to the project. Dedication to the BPM initiative is key and should be a team member's primary focus.

Business analysts are also vital. They should be fluent in IT with the ability to bridge the gap between IT and the business. They should have a solid business background and be experienced practitioners in some form of process discipline such as BPR, 6Sigma, Lean, or TQM. It's critical that they have an understanding of process and process improvement techniques.

Rounding out the team should be the hired guns: the consultants. They bring industry expertise to the table, with an understanding of best practices. They are a valuable asset, as they have likely been part of many BPM initiatives and have seen many cases. But, do your vetting thoroughly.

Dive Right In

Once a team is assembled, dive right in. Have the team fully understand the process. However, keep it simple and look at the basics. Just see the process for what it is. Many times it helps to step outside the process and just look in. Don't get too bogged down in the details as this can lead to "analysis paralysis," do model the process, as this will allow for measurement when the process is later redefined and refined.

Be sure to identify innovative opportunities, new technologies, or methods. Develop and prototype them using a BPM suite. Remember that anything goes. Go wild and get crazy. This will allow for visualization of processes in a different light, and provide a mechanism for running simulations and what-if scenarios – all crucial to process optimization.

Change and Adapt

Remember that you are not tweaking the current process—you're recreating the process. You may save some tasks that add value, remove some of the non-value-added tasks, and insert additional value-added tasks. Keep in mind that even if your first test run doesn't prove to be optimal, that's okay. The development of process design is experimental. So be open to change. It is the one great constant.

And it's not over once the new process has been implemented. After launch, it should be monitored and measured. Establish regular monitoring and review any findings to identify key issues and gaps before they become problems. Ensure the process is continuously adapting to changing business needs.

SUMMARY

While BPM initiatives can be a significant undertaking, getting a handle on the many processes and tasks within an organization should not be intimidating. Just ensure that well-defined principles and methods are observed. Be sure to get executive buy-in, focus on quick wins and don't attempt to boil the proverbial ocean. Get commitment from all BPM team members and dive right in, fully understanding the bigger picture without sweating the small stuff. And remember that processes are subject to change and adaptation is crucial to survival.

Cesar Fernandez is the Director of Product Solutions for PMG, a software company that deploys enterprise service catalog for the Global 2000. With a Six Sigma Black Belt and ITIL v3 certification, Cesar has over 20 years of experience in business process management. After several years of working closely with the PMG customer base, he now leads the company in developing service catalog solutions targeted to specific customer and industry needs.

⁽¹⁾ Thomas Davenport (1993). *Process Innovation: Reengineering work through information technology*. Harvard Business School Press, Boston