

MANAGING BUSINESS PROCESS TRANSFORMATION

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ASSOCIATION OF BUSINESS PROCESS MANAGEMENT PROFESSIONALS

- 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)[™]

ABPMP Guide to BPM Body of Knowledge



Knowledge Areas

Business Process Management

Process
Modeling

Process
Analysis

Process
Design

Process
Transformation

Process
Performance
Management

Business Process Management Technologies

Process Management Organization

Enterprise Process Management

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



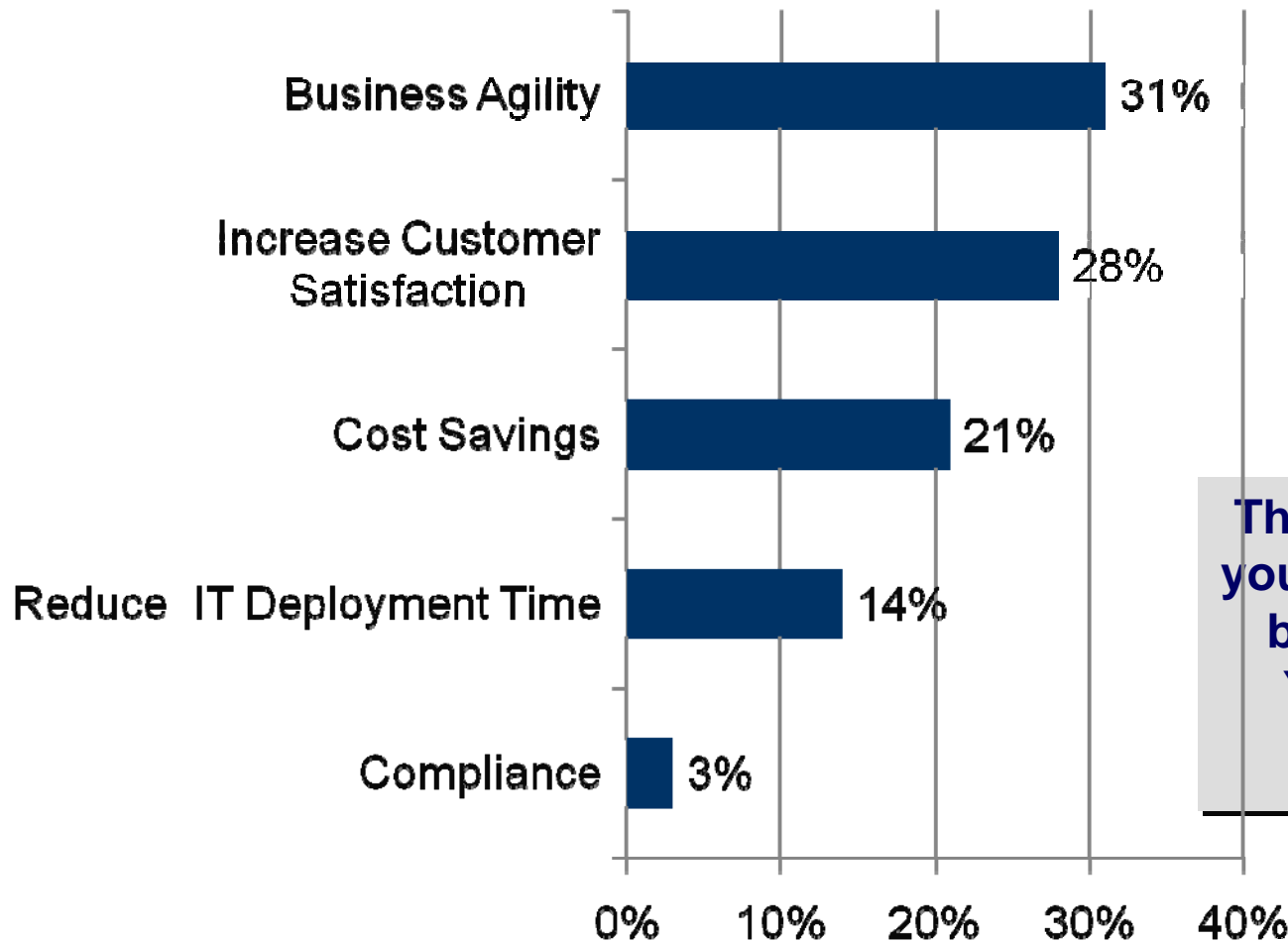
- Survey of over 700 companies, 52% in US, 19% UK/Europe, 13% Asia
 - “...more than 80% of the world’s leading organizations are actively engaged in BPM programs, many of these on a global scale”
 - “...the practice of BPM as a primary means to manage business has already gained substantial adoption”

APQC BPM Benchmarking Study



- **“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



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

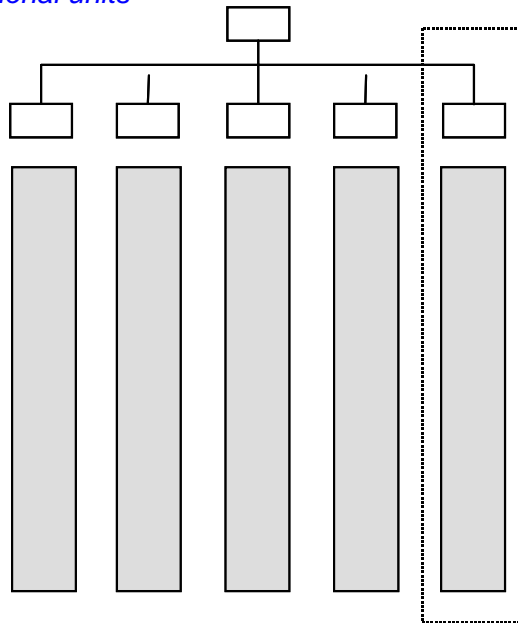
Source: Gartner

Process vs. Functional Management

Traditional methods of performance management focus on department & functional unit performance

Businesses are organized into departments or functional units

Management teams are established



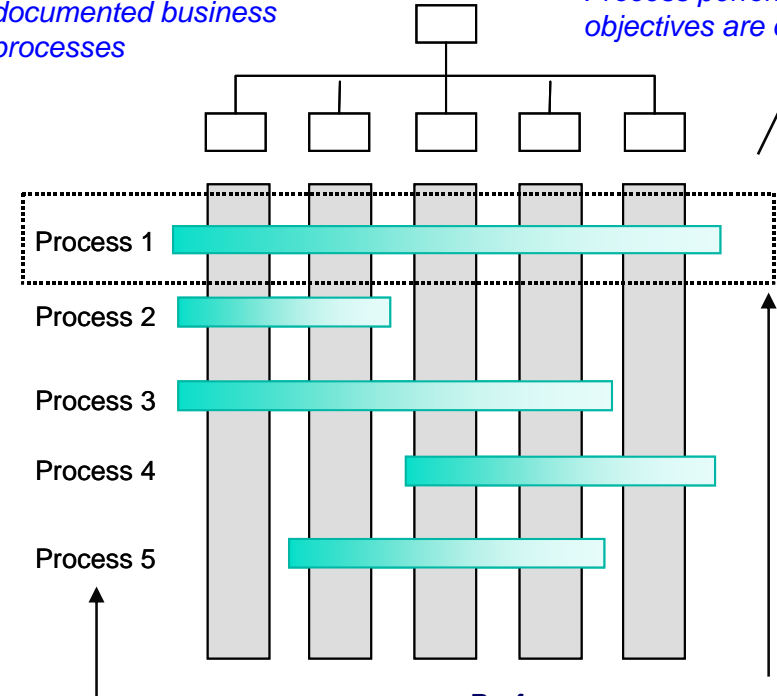
Performance management is functionally oriented

- 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

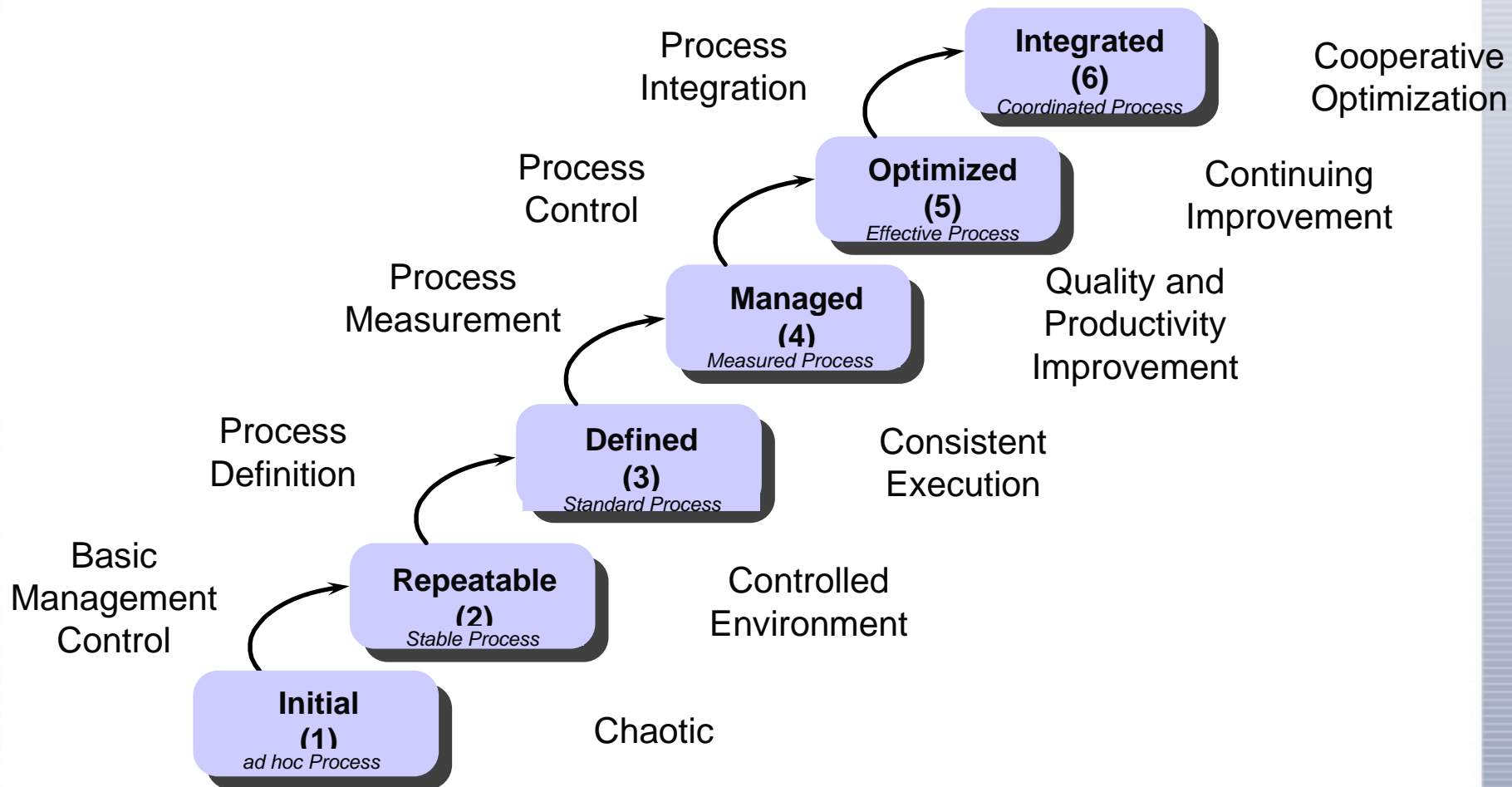


Process management / team established

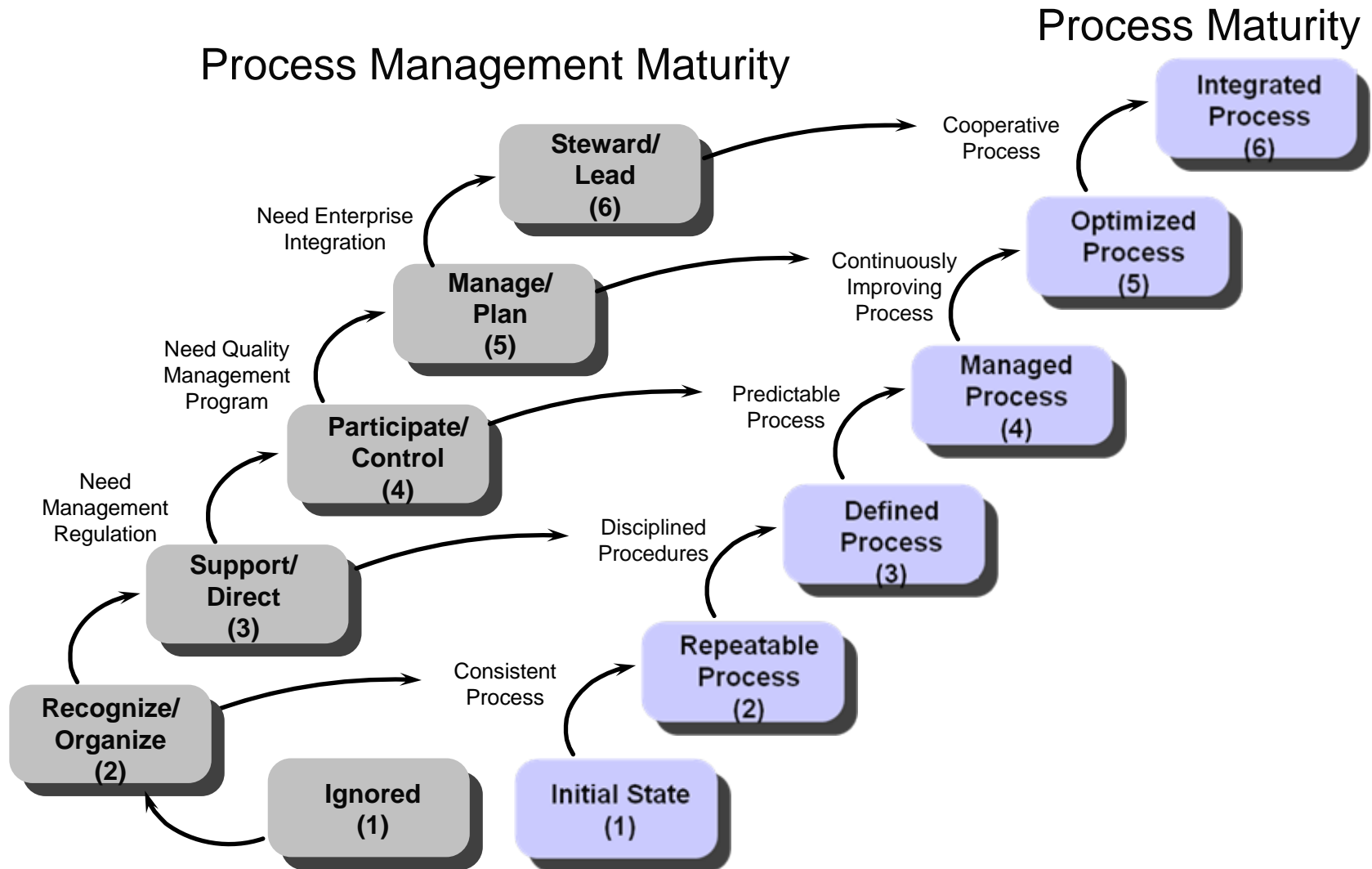
Performance management is process oriented

- Response time, order to delivery time, etc.

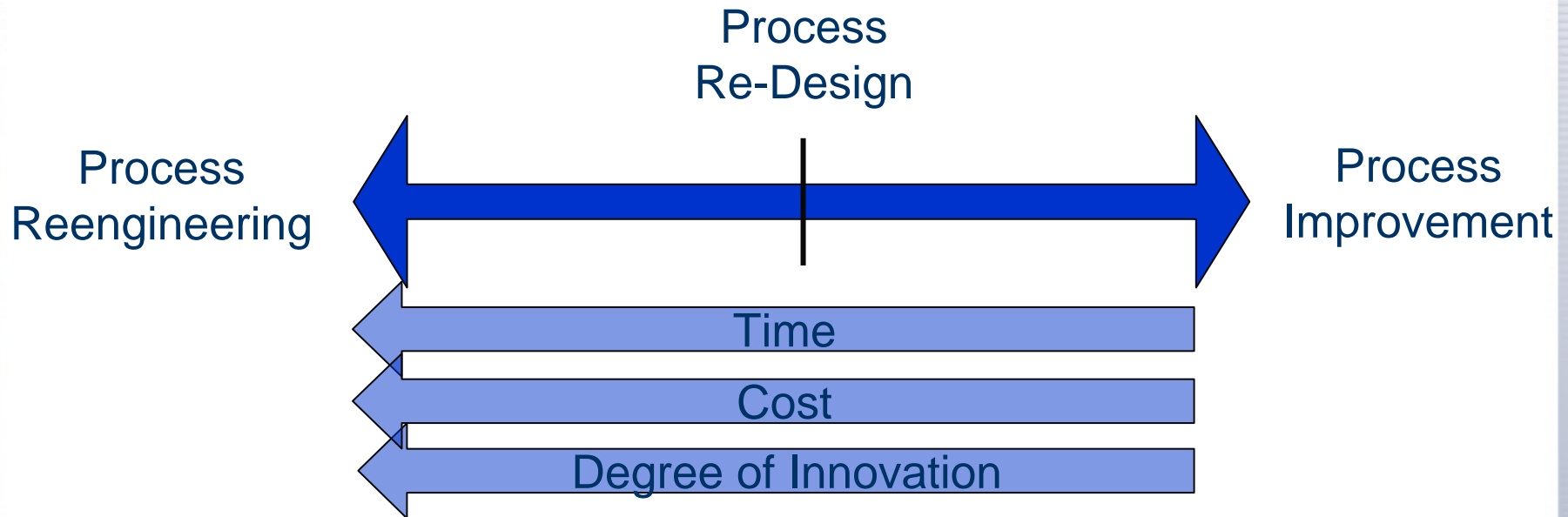
PROCESS “MATURITY” MODEL



Process Management “Maturity”

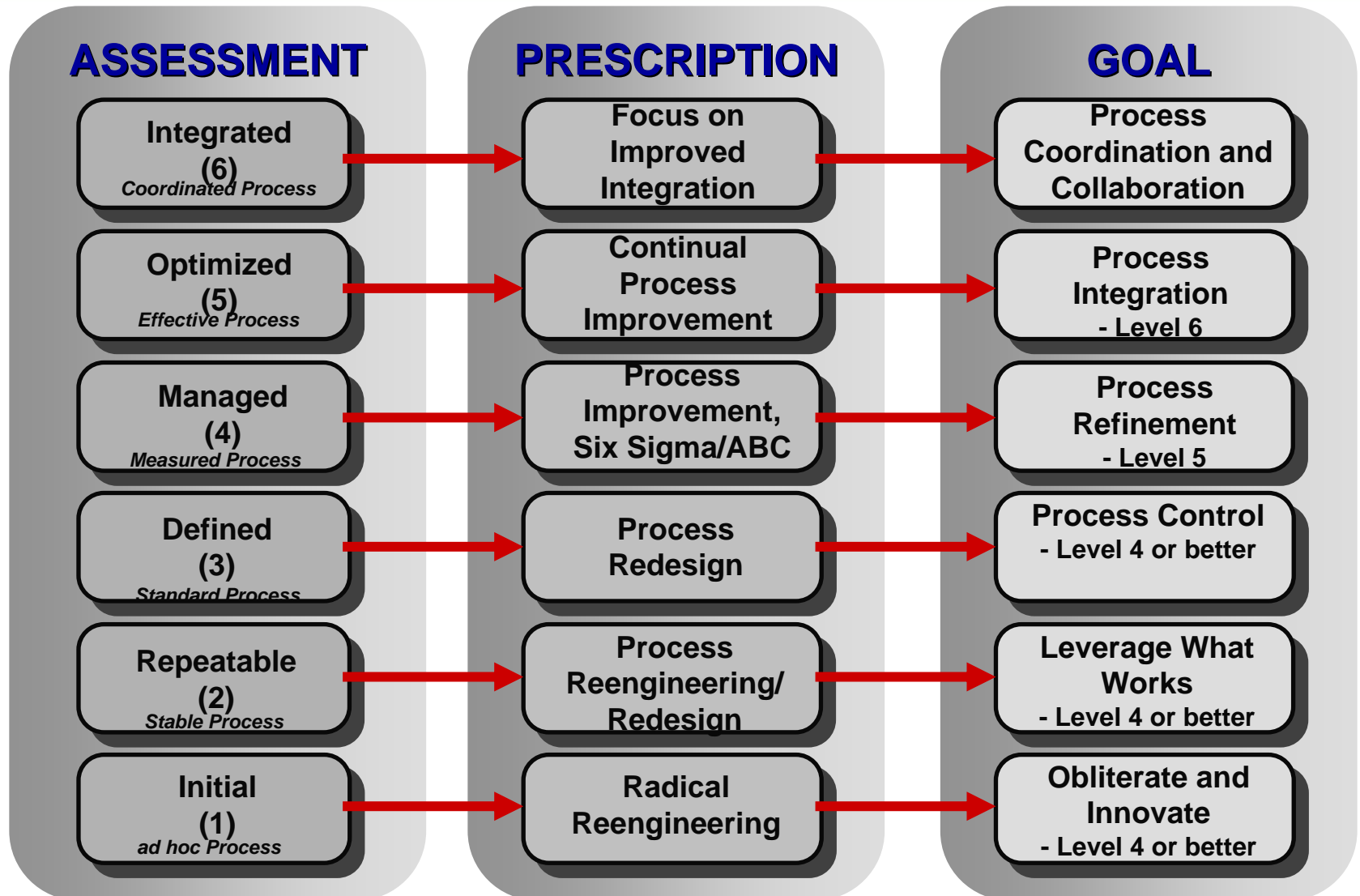


PROCESS TRANSFORMATION CONTINUUM



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

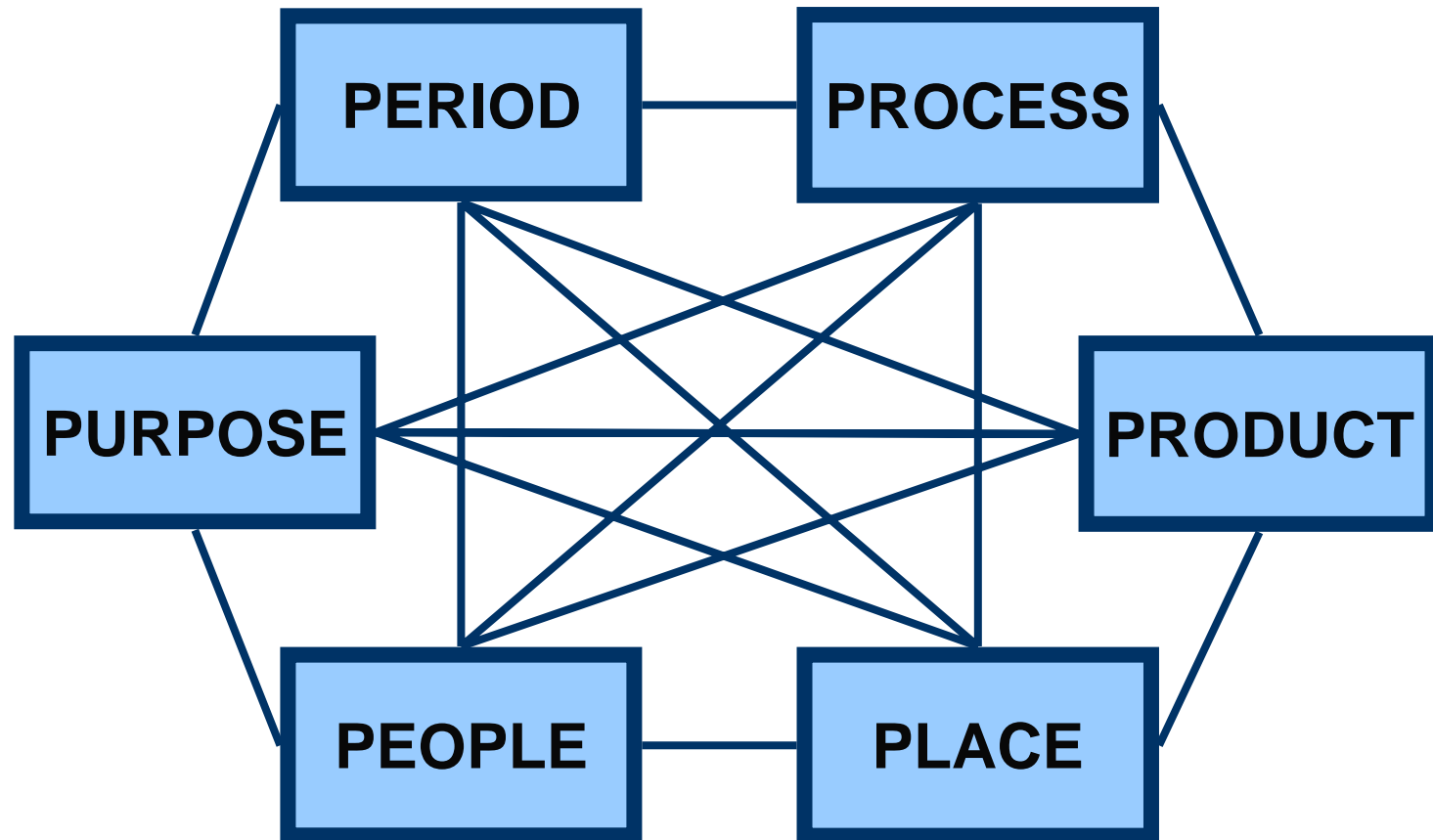
TRANSFORMATION PLANNING



- ***“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

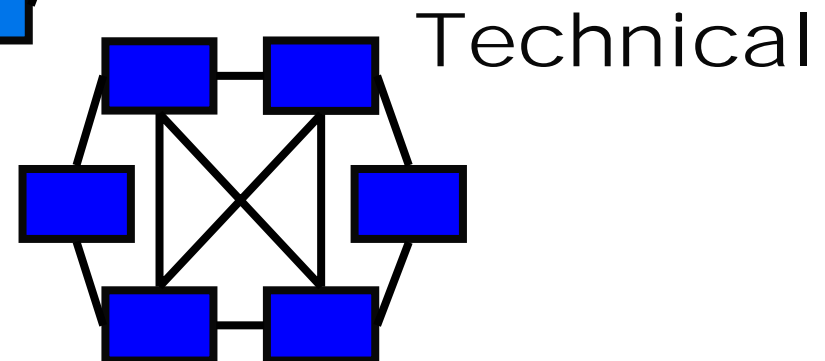
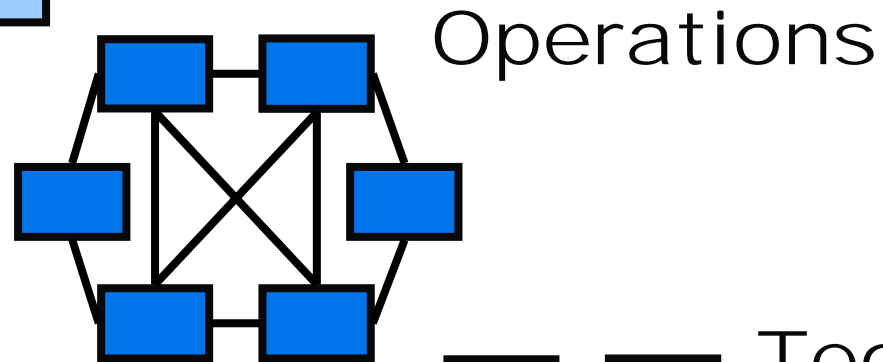
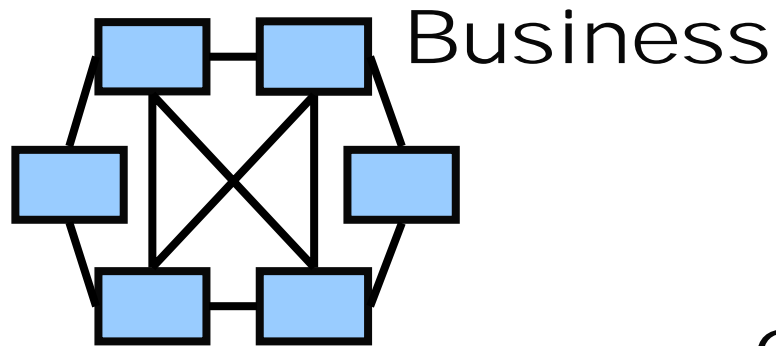


Business Process Meta Model



Adapted from Don Soulsby

Process Domains



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

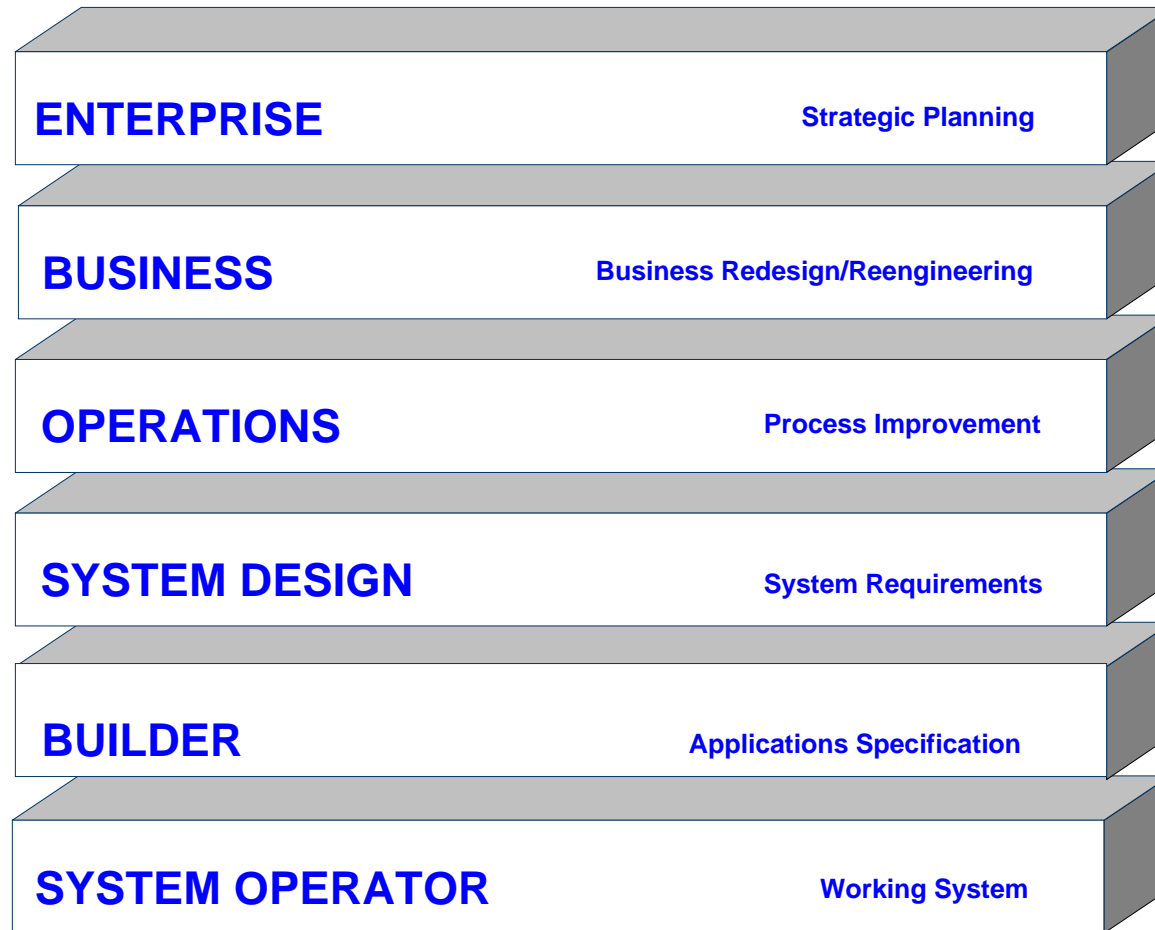
SCIENCE

- Biology
- Chemistry
- History
- Physics
- Psychology
- Sociology

SCIENCE

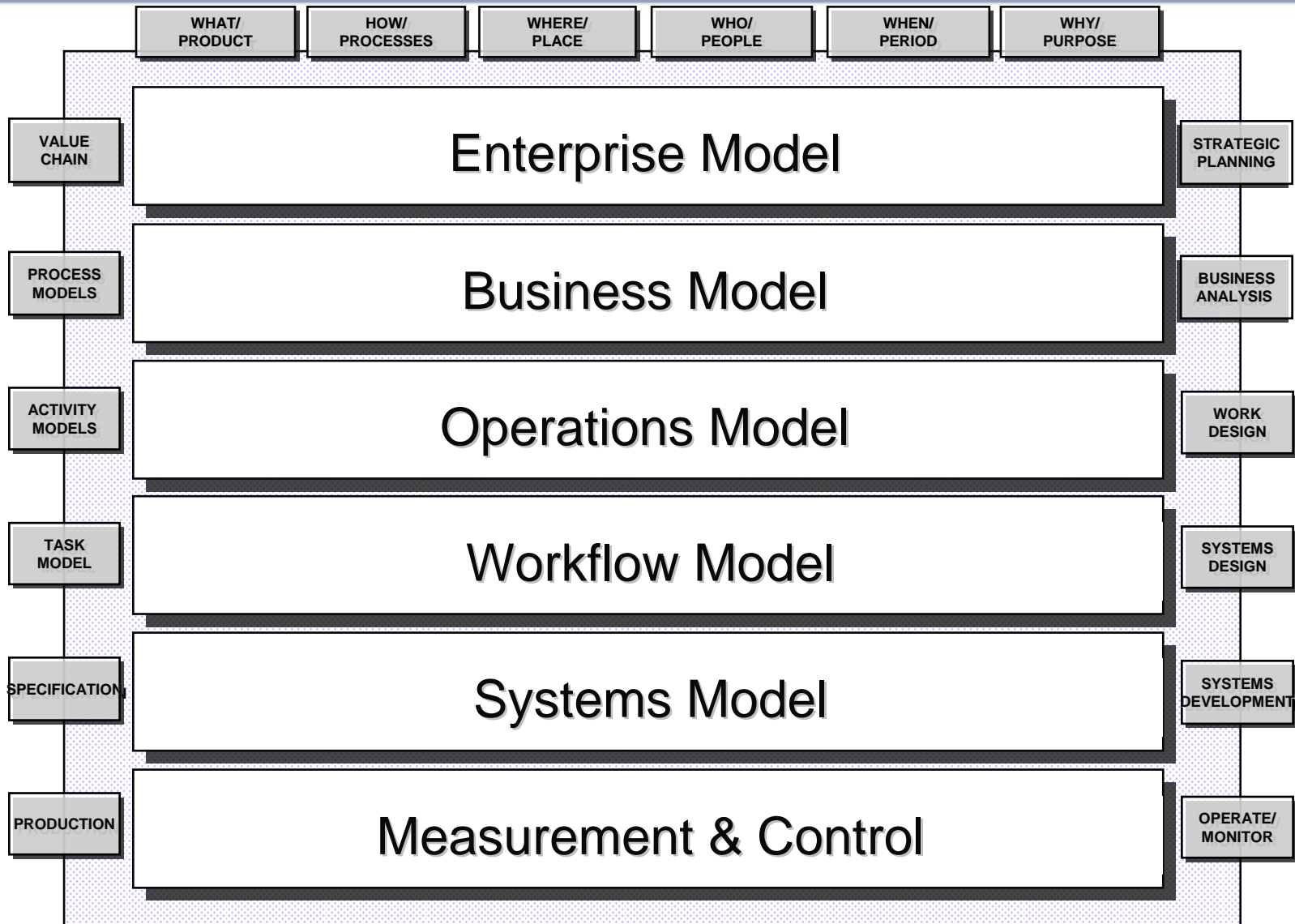
- Physics
- Chemistry
- Biology
- Psychology
- Sociology
- History

Perspectives



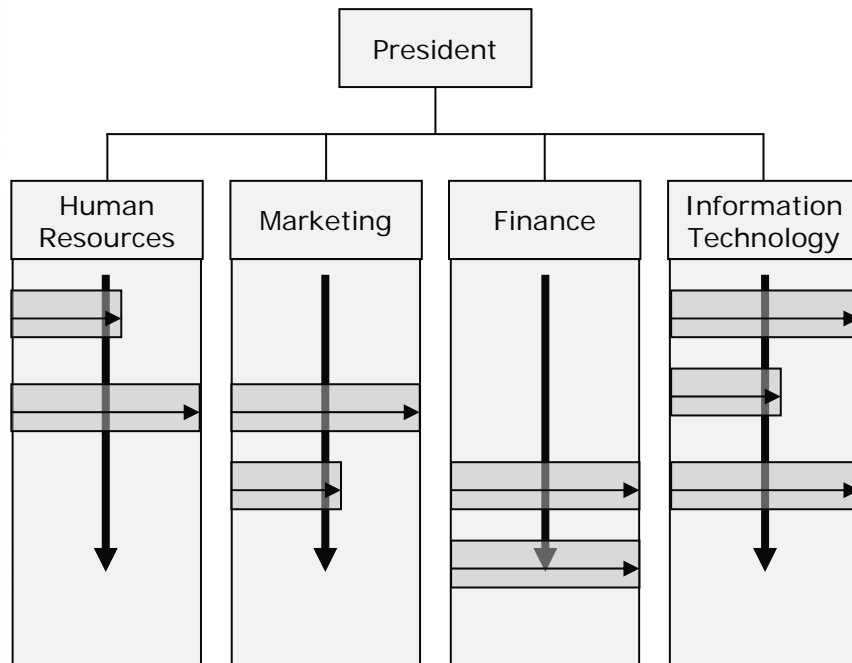
Business Operations Technology
Domain Domain Domain

Business Process Framework

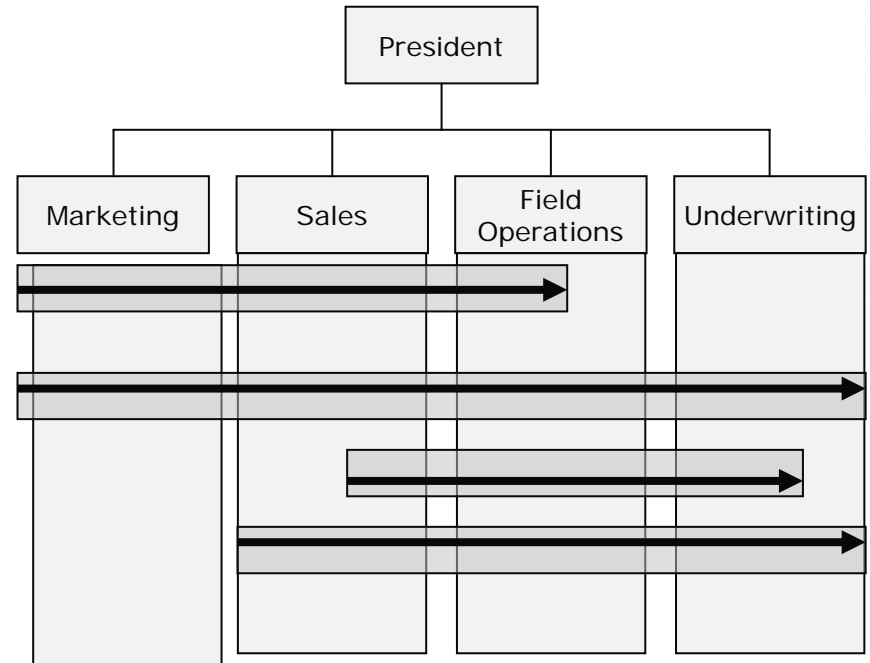


Functional vs Cross-Functional Process Management

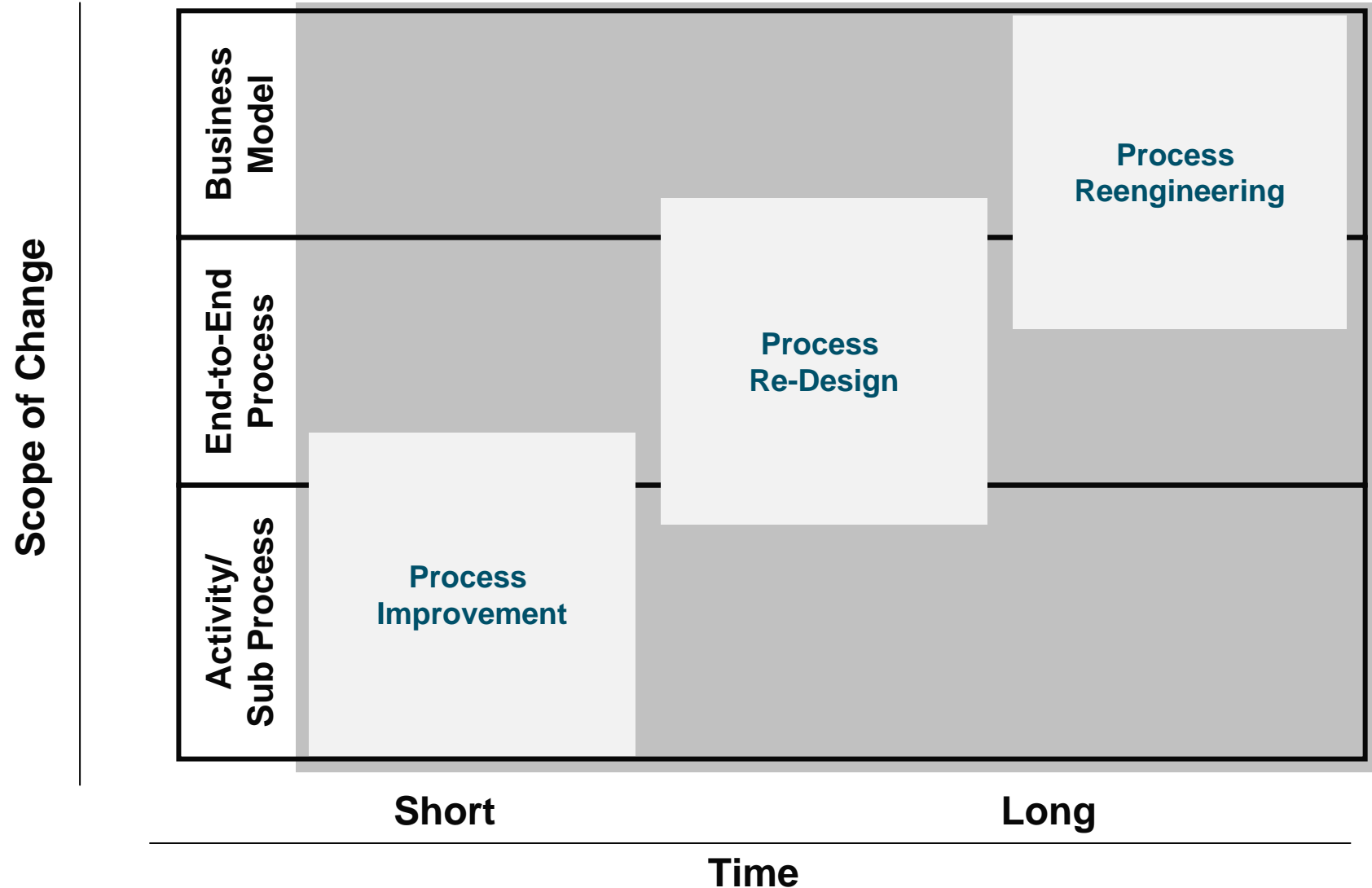
Process Management Within Functional Areas



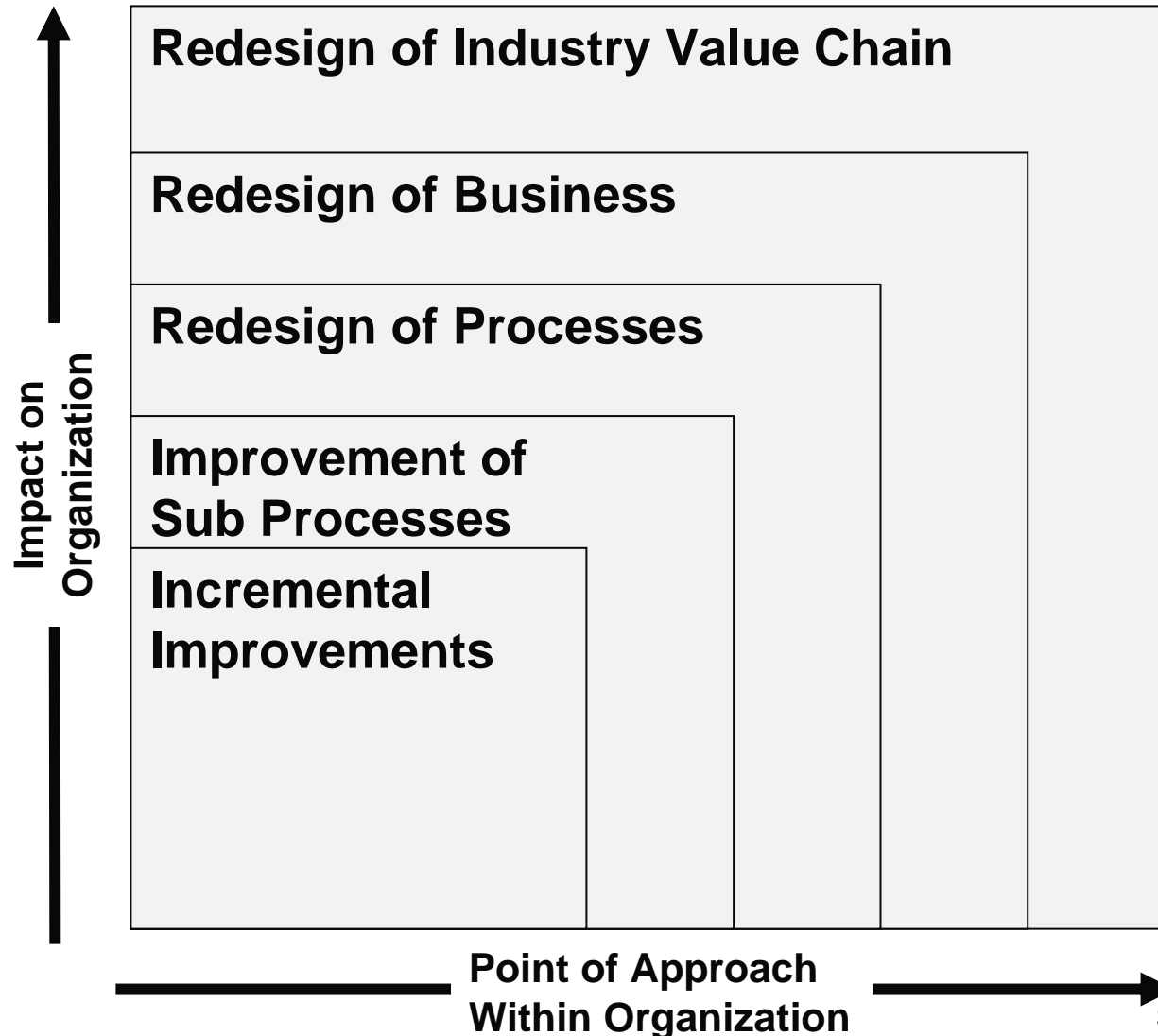
Cross Functional Process Management



Managing Process Transformation

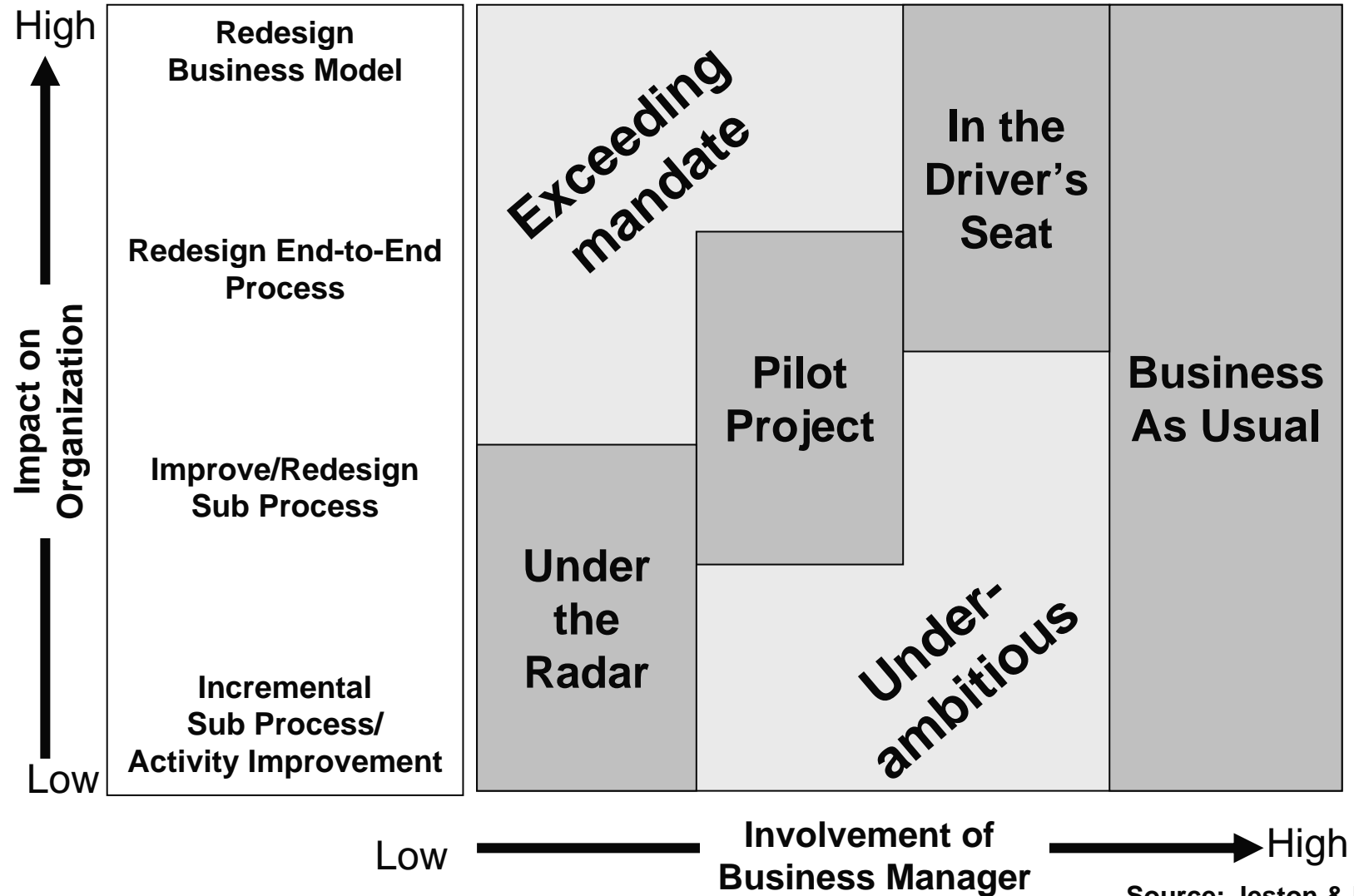


Impact and Approach



Source: Jeston & Nelis

Impact and Involvement

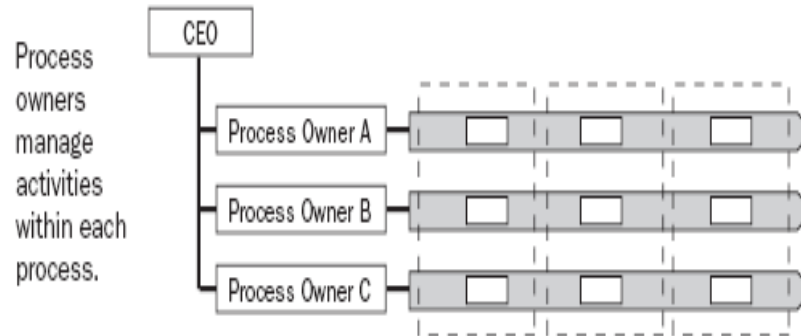


Source: Jeston & Nelis

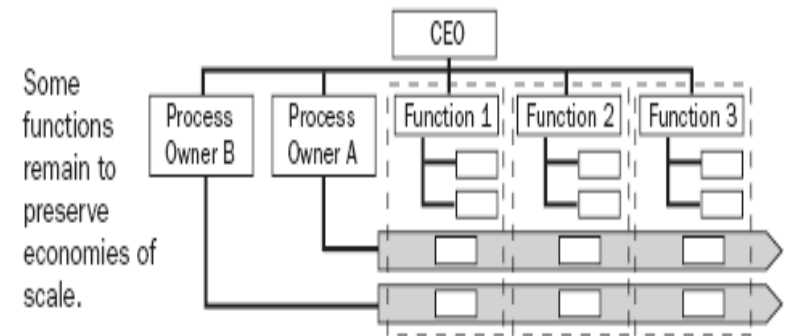
Alternate Process Governance Structures

Organization Forms Supporting Process-Based Governance Models

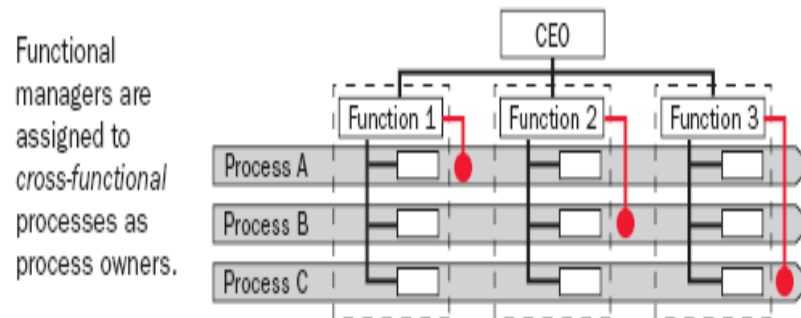
1. Structured Around Processes: Electronic Components Manufacturer Example



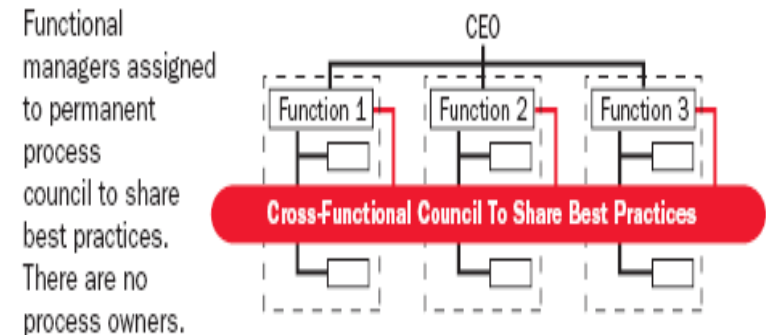
2. Structured Around Processes and Functions: Diversified Industrial Products Company Example



3. Structured Around Functions With Process Owners: Global Packaged Goods Company Example

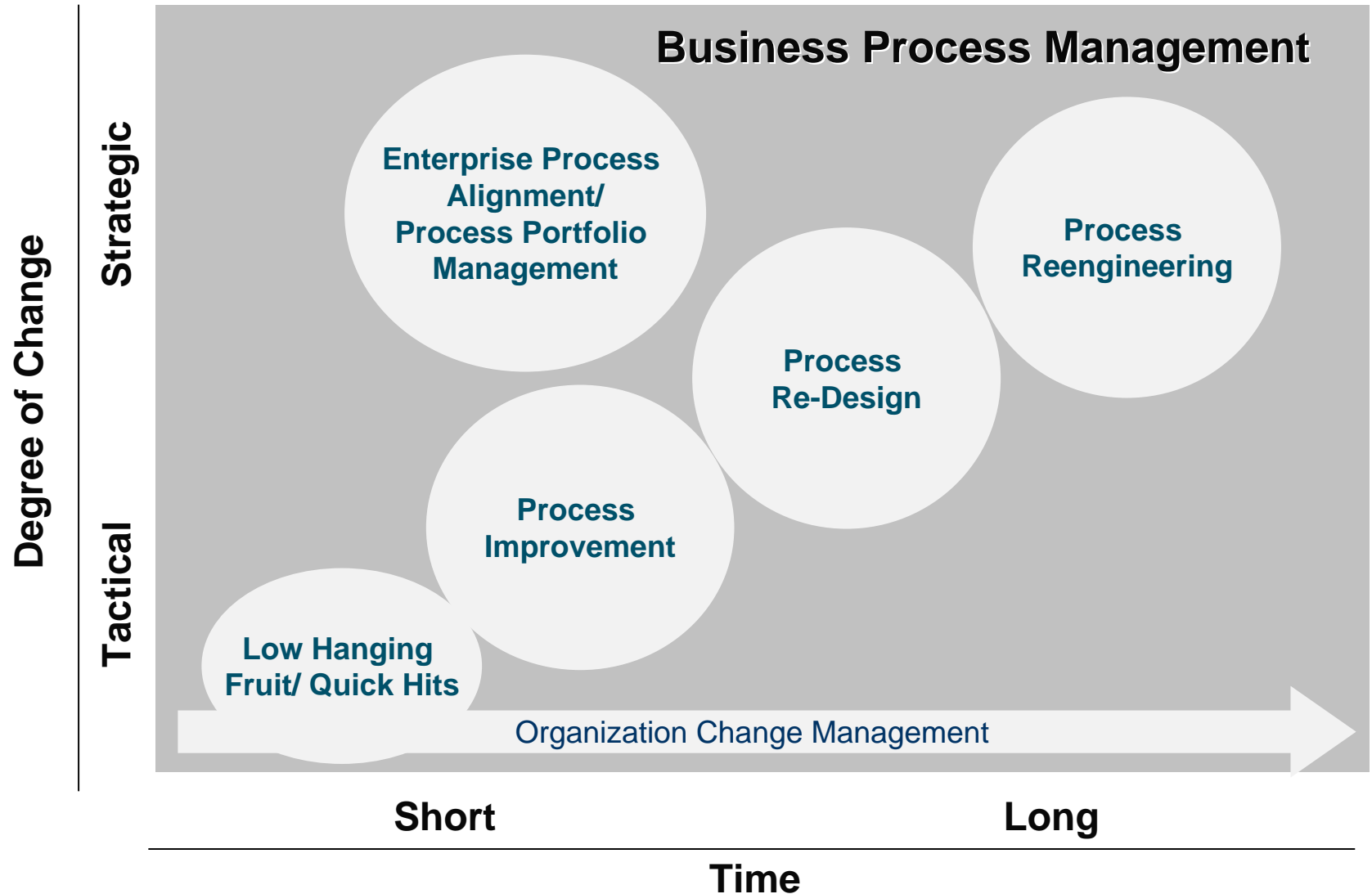


4. Structured Around Functions With Process Councils: U.S. Aerospace Company Example



Source: Booz Allen Hamilton

Managing Process Transformation



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

Wisdom is knowing what to do next...

Skill is knowing how to do it, and...

Virtue is doing it!

- David Starr Jordan

- Process Improvement-Redesign-Reengineering
 - *“Business Process Change: A Manager's Guide to Improving, Redesigning, and Automating Processes”*, Paul Harmon
 - *“Business Process Management: Practical Guidelines to Successful Implementations”*, Jeston & Nelis
 - *“Business Process Management: Profiting From Process”*, Roger Burlton
 - *“Improving Performance: How to Manage the White Space in the Organization Chart”*, Geary Rummler & Alan Brache
 - *“Process Mapping, Process Improvement and Process Management”*, Dan Madison
 - *“Workflow Modeling: Tools for Process Improvement and Application Development”*, Alec Sharp & Patrick McDermott
- Change Management
 - The Change Management Learning Center
 - www.change-management.com
 - The Change Management Toolkit
 - www.change-management-toolbook.com
 - The Manager.org Knowledgebase
 - www.themanager.org/Knowledgebase/Management/Change.htm

THE BUSINESS PROCESS TRANSFORMATION CONTINUUM

Process Change Management

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