

Business Process Management Briefing

Introduction

All work activity forms part of a process. The process maybe undefined, undocumented, indeed the people operating the process maybe completely unaware that they are involved in a process. Organisations are placing increasing importance in having efficient and effective processes. Major improvement methodologies focus on processes — Total Quality Management, ISO9000, Six Sigma, etc. However, the approach often taken to designing and improving processes usually starts at a detailed level and usually takes an inside-out view of the world.

Business Process Management (BPM) takes a strategic approach to process design that is driven from the outside-in by focusing on the expectations of stakeholders.

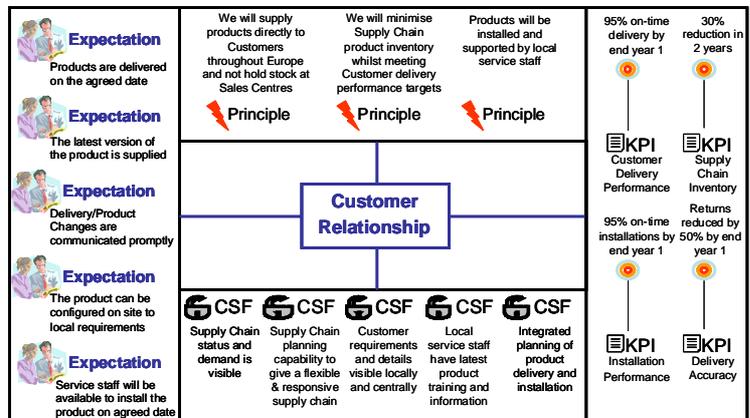
Basic Principles

BPM is a process. It is aimed at providing leadership and guidance in all aspects of process redesign and improvement. It also ensures all aspects of a business's process are aligned — people, technology, facilities and knowledge. BPM takes the view that business processes exist to create or enable the creation of value for the organisation's stakeholders. Processes exist for no other purpose!

BPM is based on 10 key principles:

1. Business change must be performance driven.
2. Business change must be stakeholder focused.
3. Change decisions must be traceable to stakeholder criteria
4. Businesses must be segmented along process lines to synchronise change
5. Business processes must be managed holistically
6. Process renewal must inspire shared learning
7. Process renewal must be conducted from the outside in
8. Process renewal must be conducted in an iterative time-boxed approach
9. Business change is all about people
10. Business change is a journey not a destination

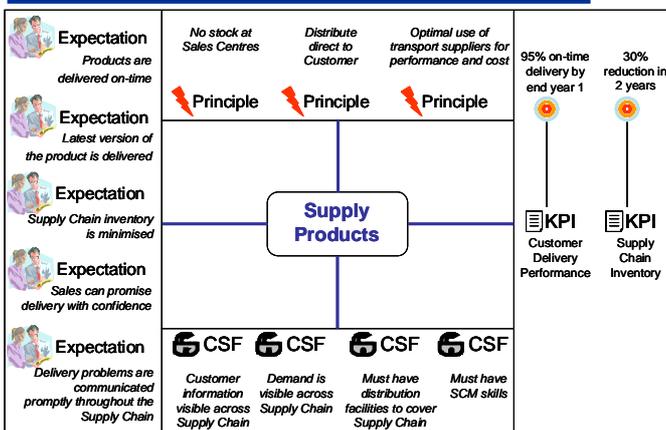
The BPM methodology consists of 5 key phases. It starts with Business Process Strategy that examines the business context, identifies and analyses the key stakeholder relationships (see below), determines the organisation's core and enabling processes and develops a prioritised process renewal architecture.



Stakeholder Relationship Example

The second phase, Process Design and Planning, is focused on the renewal of a specific process to meet stakeholder requirements. The first critical step is the creation of a Process Vision (see example) based on the strategic analysis in Phase 1. In BPM, unlike many BPR projects, the current process is investigated to understand current problems, how value is added, and where money and time are consumed as these can provide critical inputs into the new process design. Best practice and key technologies are also key inputs to the process design.

(continued overleaf)



Process Vision Example

“helping clients make performance improvement happen”

Process redesign identifies a number of potential solutions, evaluates these against the stakeholder criteria, validates the design against business scenarios and makes a recommendation to the executive. The planning component of this phase establishes a governance structure and starts to lay-down the change plan covering detail process design, systems, people, facilities, communications, and assessing the risks. As ever a business case is a key component, we use a benefits scorecard approach to give a complete view of what has to be changed and how success will be measured, see example..

Benefits Stream: Managing Global Customers		Objectives	Measurement	Target	Initiative
Financial	Shareholder returns				
	Increased Order Volume & Value	> Increased order volume and value	> Order value from Global Customers	> 15% CAGR	
Customer	Competitive Global Contract	> Competitive global contracts	> Take up of contracts	> 40% Yr1 > 65% Yr2 > 80% Yr3	> Incentive programme > Quality programme
	Simple Ordering	> Simple ordering	> Customer satisfaction - ordering	> 80% v.good or better	
Internal	Develop Global Contracts	> Simple Proactive ordering	> Time to place order > Order accuracy	> 10 Minutes > 99%	> Process optimisation > Global database
	Simple, proactive ordering process	> Develop global contracts	> Availability of global contracts	> 60% Customers in Yr1	> Global A/C Managers & information
Learning	Network of Global Account Managers	> Global A/C managers network > Access to timely global information	> % Global customers with A/C managers > Quality of global A/C information > Availability of system & database	> 75% Yr1 > 100% Yr2	> A/C Manager development programme
	Access to reliable timely Global Customer information			> 95% Yr1 > 99% Yr2 > 99.5%	> New order processing system and database

Benefits Scorecard Example

Phase three is the detailed development and verification of the process design. In this phase all aspects of the process design are completed, IT systems specified and developed, job roles defined, organisational structures modified and physical facilities planned for the new process. In this phase the detailed process mapping techniques and system design methodologies come to the fore but against a design that is from the outside-in and is aligned to stakeholder expectations.

Phase four is implementation of the new process, this should be first piloted. The pilot enables the team and the organisation too learn what works and what needs to be improved prior to roll-out across the organisation.

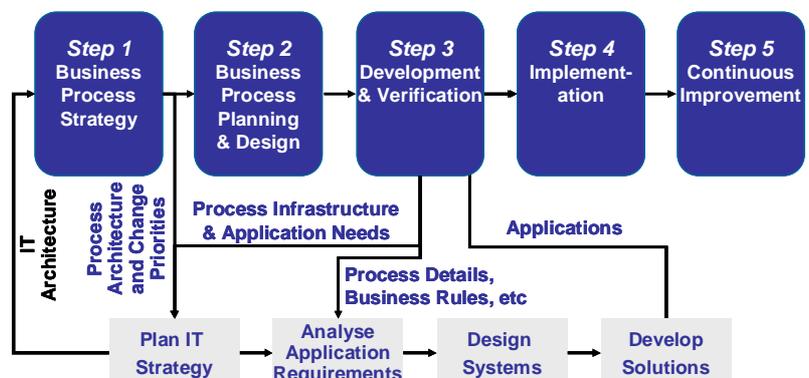
The final fifth phase is never completed as this is continuous improvement. It starts with the completion of all outstanding implementation issues but, more importantly, it establishes a continuous improvement approach within the process team that is driven by the Process Owner.

Benefits of using BPM

- The prioritisation of process change and the design of new processes is aligned to business drivers identified from the business strategy.
- The redesign of processes is driven from the outside-in and is focused on the needs and expectations of the stakeholders.
- Process performance metrics and expectations are defined at the outset and cascaded through the design process.
- BPM ensures that process change brings into alignment job roles, organisation structure, IT systems, information resources and facilities.

Aligning IT Strategy and Development

All too often a change programme is driven by the need to implement a new IT system and the processes have to be brought into line with the new system! **IT systems are the enablers for an organisations processes.** IT Strategy and IT systems development should be aligned to the process strategy and the process design, see diagram below:



How can I learn more?

Business Transformation (Training and Coaching) provides in-house, public and customised courses. Contact Denis Mahoney on +44 1903 784783 or +44 7766 333294 or via email denis.mahoney@business-transform.co.uk