



Lessons Learned from in Becoming a Process Oriented Organization

Hamburg, October 2013

Roger T. Burlton P.Eng., CMC:
Chief Consultant, BPTrends Associates
+1-604-240-5436

rburlton@bptrendsassociates.com

Twitter: @RogerBurlton

www.bptrends.com

Course Agenda

1. BPM Experience and Cases
2. What is Practical BPM?
3. Global BPM Methodology Megatrends
4. Some Overall Best Practices
5. Conclusions





BPM: Experience and Cases

Business Processes

BPM is the **only** perspective that ties together everything the organization does into a single comprehensive picture of how the organization produces valued results for outside stakeholders

Conclusions Based on Organizations Worked with or Visited Globally

- **Provincial Governments**
 - 2 Justice Departments and 6 other Agencies combined
 - 1 Transit Agency – 3 partners combined
 - CIO office
- **Federal Government Agencies**
 - US, Canada, Poland, Saudi Arabia
- **Financial Services**
 - 7 Banking and Insurance Companies in Canada, US, Australia, Saudi Arabia
- **Customer Services**
 - Airline and Airport Services France, Spain, Germany
 - Grocery and Fuel US
 - Grocery and Clothing - Canada
- **Brewing**
 - Mexico
- **Manufacturers**
 - Consumer Electronics – South Korea
 - Aircraft Brazil
 - Cement Mexico
 - Food Canada and Brazil
 - High Tech US
 - Oil and Gas Derivatives - Saudi Arabia
- **Education**
 - University - US
- **Energy and Transportation**
 - Oil and Gas Brazil
 - Hydro Electricity Brazil and Canada
 - Petrochemical Poland
 - Oil and Gas Shipping Canada, Norway, Australia and Singapore
- **Pharmaceuticals**
 - Denmark and France

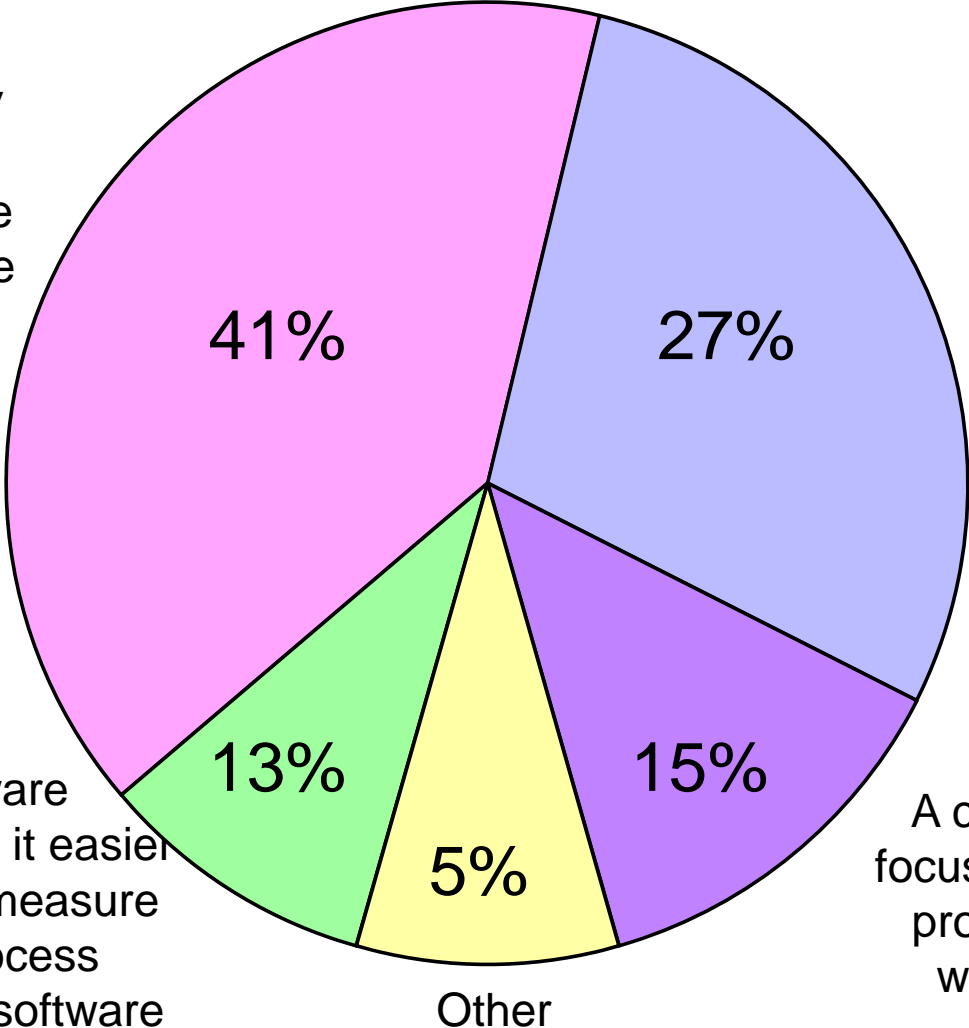
Timing of BPM Adoption



BPM has many Facets: What do People Think BPM Means?

A top-down methodology designed to organize, manage and measure the organization based on the organization's core processes

A systematic approach to analyzing, redesigning, improving and managing a specific process



A set of new software technologies that make it easier for IT to manage and measure the execution of process workflow and process software applications

A cost-saving initiative focused on increasing the productivity of specific workflow processes

Manufacturer/Distributor Case Study: Pressures Faced by Canada and Brazil

- Consumer Marketplace
 - aging population with changing preferences
- Customers (Channel)
 - Consolidating
 - 80/20 revenue (93/10)
- Competition
 - channels competing with own labeled products
- Compliance
 - health and safety
 - environmental
- Parent Company
 - Growth and consistent ROI
- Value Proposition
 - Consumer intimacy

- Consumer Marketplace
 - young population with rising expectations
- Customers (Channel)
 - Widely distributed
 - flatter revenue spread
- Competition
 - Market growing faster than capacity
- Compliance
 - Complex tax regime
 - financial compliance
- Parent Company
 - Growth and consistent ROI
- Value Proposition
 - Operational Excellence

What is Practical BPM?

The Business Process Manifesto

- A clear statement of some of the basic principles underlying Business Process thinking
- Contribution from a wide variety of people throughout the world over 3 years producing several progressive versions
- The Manifesto is now available in 12 languages
- A copy can be downloaded from www.bptrends.com

Das Business Process
Manifest!



Das Business Process Manifest! ist ein Dokument, das die grundlegenden Prinzipien des Business Process Thinking darstellt. Es ist ein Manifest, das die Visionen und Ideen von Experten und Praktikern aus der Welt des Business Process Management zusammenfasst. Das Manifest ist ein Dokument, das die grundlegenden Prinzipien des Business Process Thinking darstellt. Es ist ein Manifest, das die Visionen und Ideen von Experten und Praktikern aus der Welt des Business Process Management zusammenfasst.

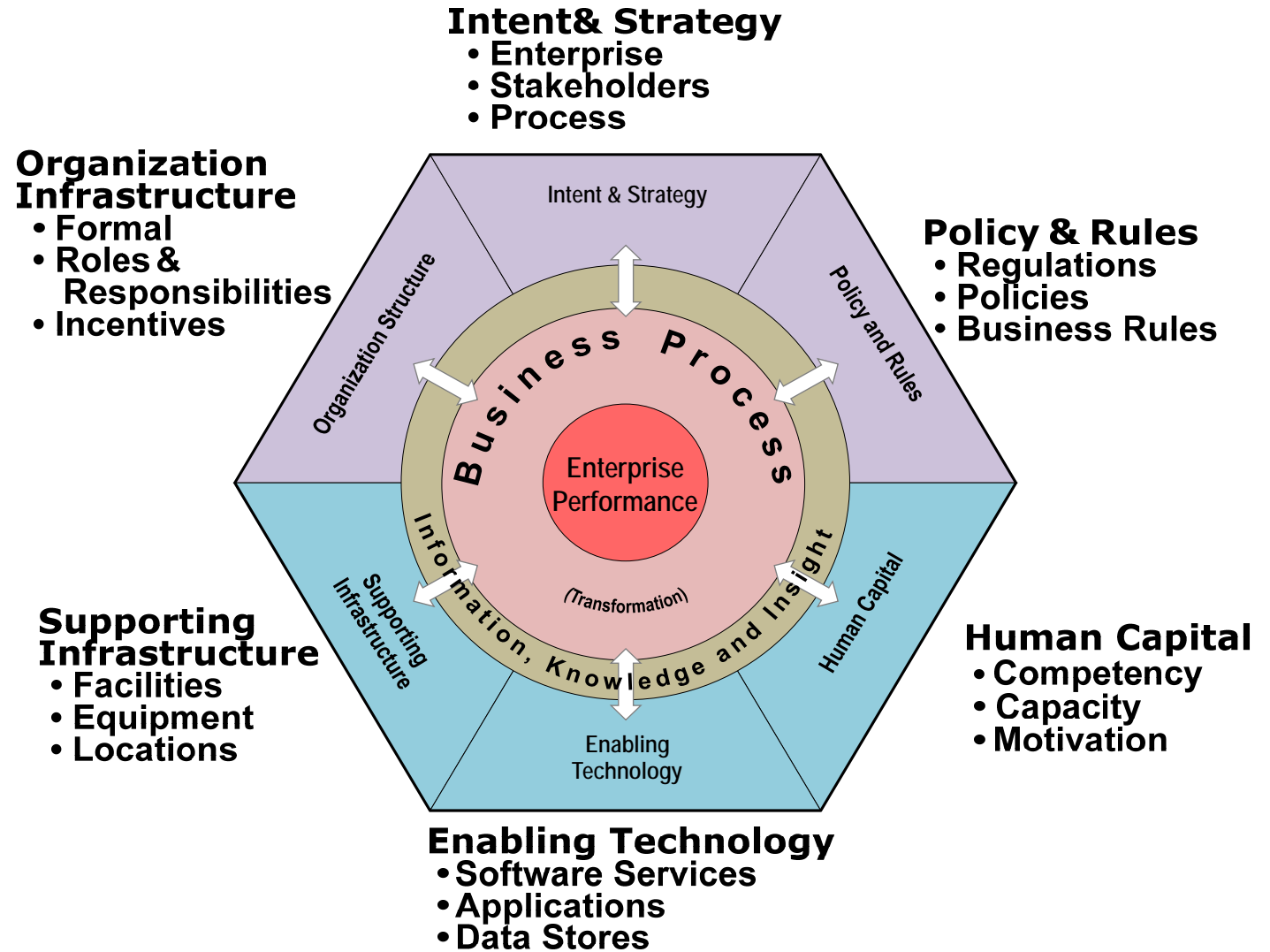
Business Process
Manifesto!



Business Process Manifesto! is a document that outlines the fundamental principles of Business Process Thinking. It is a manifesto that brings together the visions and ideas of experts and practitioners from the world of Business Process Management. The manifesto is a document that outlines the fundamental principles of Business Process Thinking. It is a manifesto that brings together the visions and ideas of experts and practitioners from the world of Business Process Management.

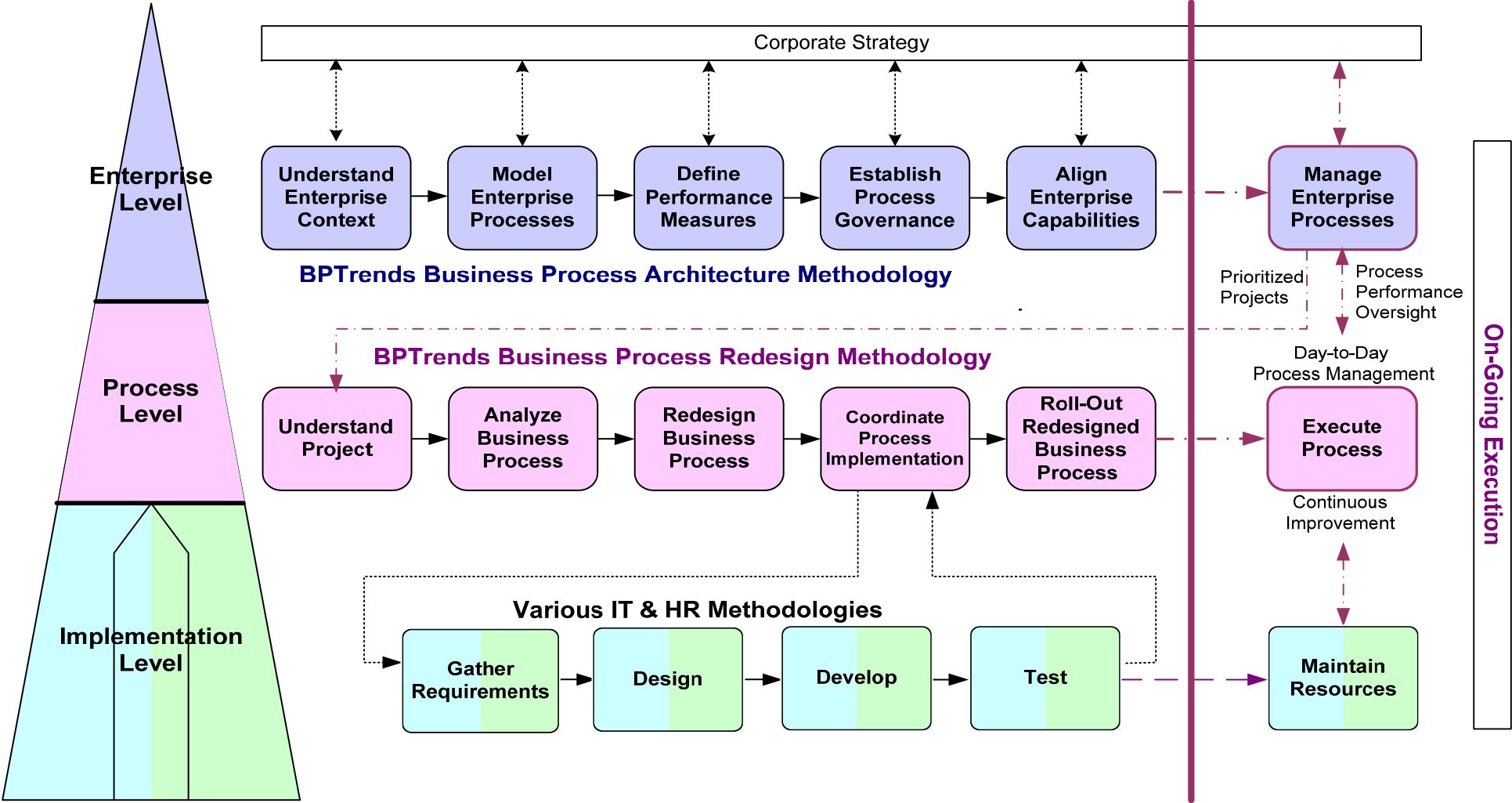
Business Processes Management Includes all Required Capabilities

BPM is the discipline that improves measurable business process performance through ongoing optimization of enterprise-wide processes and their capabilities



(Burlton Hexagon)

The BPTrends Associates BPM Methodology





Global BPM Methodology Megatrends

Trends at the Enterprise Level

- Process Architecture and Business Capability Modeling - Converging beyond the typical EA/IT view
- BPM is widening to a Holistic 'Business Architecture' approach (all hexagon components)
- Stakeholders and Outcomes are becoming the basis for Process Architecture and management systems
- Governance is very misunderstood and mostly not Pragmatic

Trends at the Process Improvement Level

- Lean and Six Sigma being recognized as necessary but limited – need broader process improvement
- Full BPMN being recognized as overkill for business analysis – multiple notations are needed
- Business Rules broadening to Decision Management merging processes and rules – new standards emerging
- Process Mining starting to get some attention

Trends at the IT Implementation Level

- BPMS Technology implementation is still slow
- ERP focus remains consistently high
- Business Activity Monitoring and Analytics starting to grow
- Measurement systems still mostly misaligned with processes
- Generation of Insights from Big Data has some initial promise but still early days

Trends at the HR Implementation Level

- The development of process-centric guidance is growing but slowly – still mostly job and position based
- Lack of cultural readiness is still a very big problem that few are addressing – monitoring and coaching still an afterthought
- The use of Culture Assessment is still hard to sell

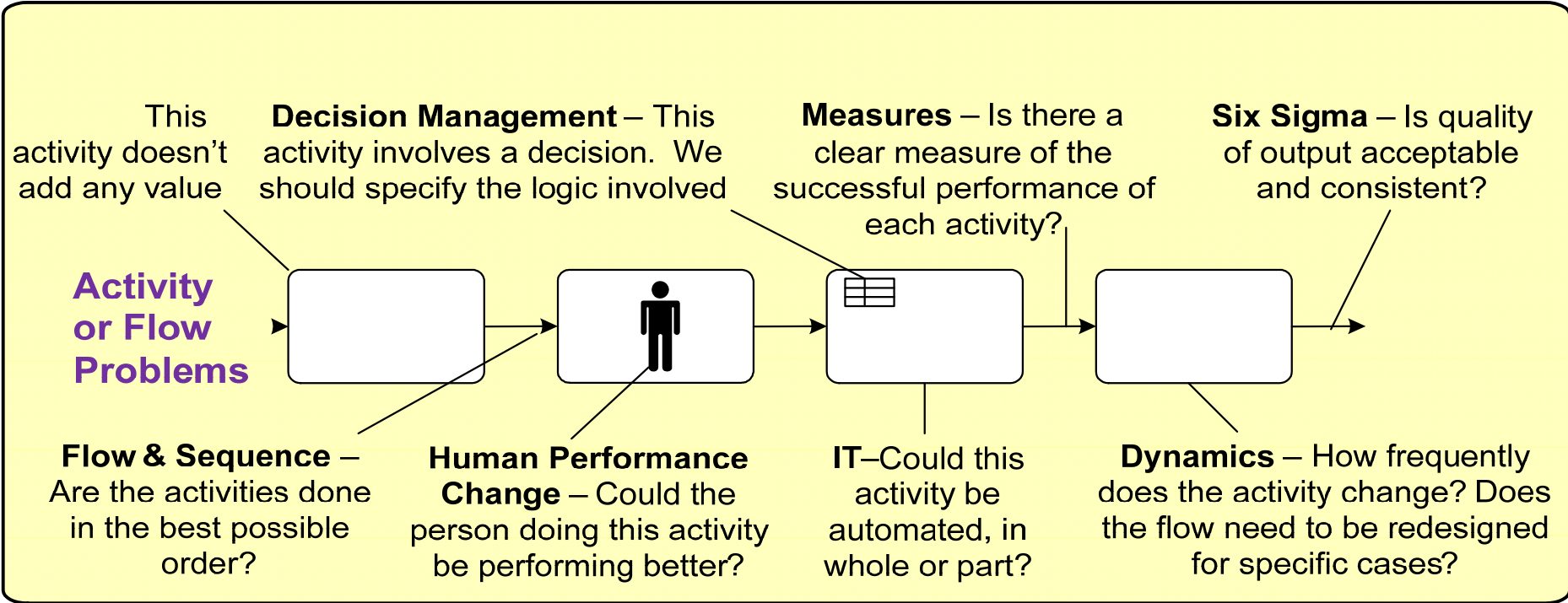


Some Overall Best Practices

Trends in Overall Management

- Stakeholder Outcome and Value Focus not just SIPOC
- Process Architecture as the foundation for Business Architecture
- Process Maturity Assessment (Structural and Cultural)
- Process CoE Critical
- Holistic Process Improvement beyond Workflow
- Process Design including the management of operational work
- Insights and Innovation inclusion

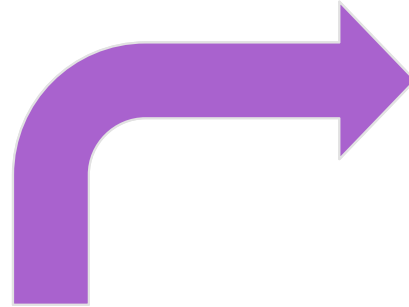
BPTA Methodology Addresses Incorporates Holistic Process Analysis and Design



Three levels of Outcomes Determined Iteratively

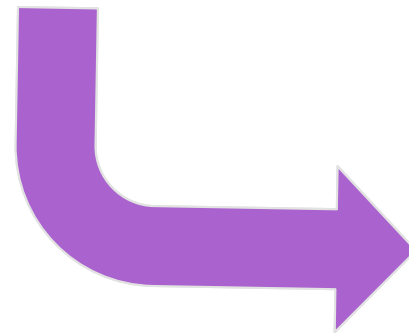
Stakeholder

The set of results that we must deliver to satisfy the needs and expectations of our stakeholders to sustain healthy *relationships*



Strategic

The 3-7 directional end points on the *enterprise* North Star (or Southern Cross) that articulate our vision

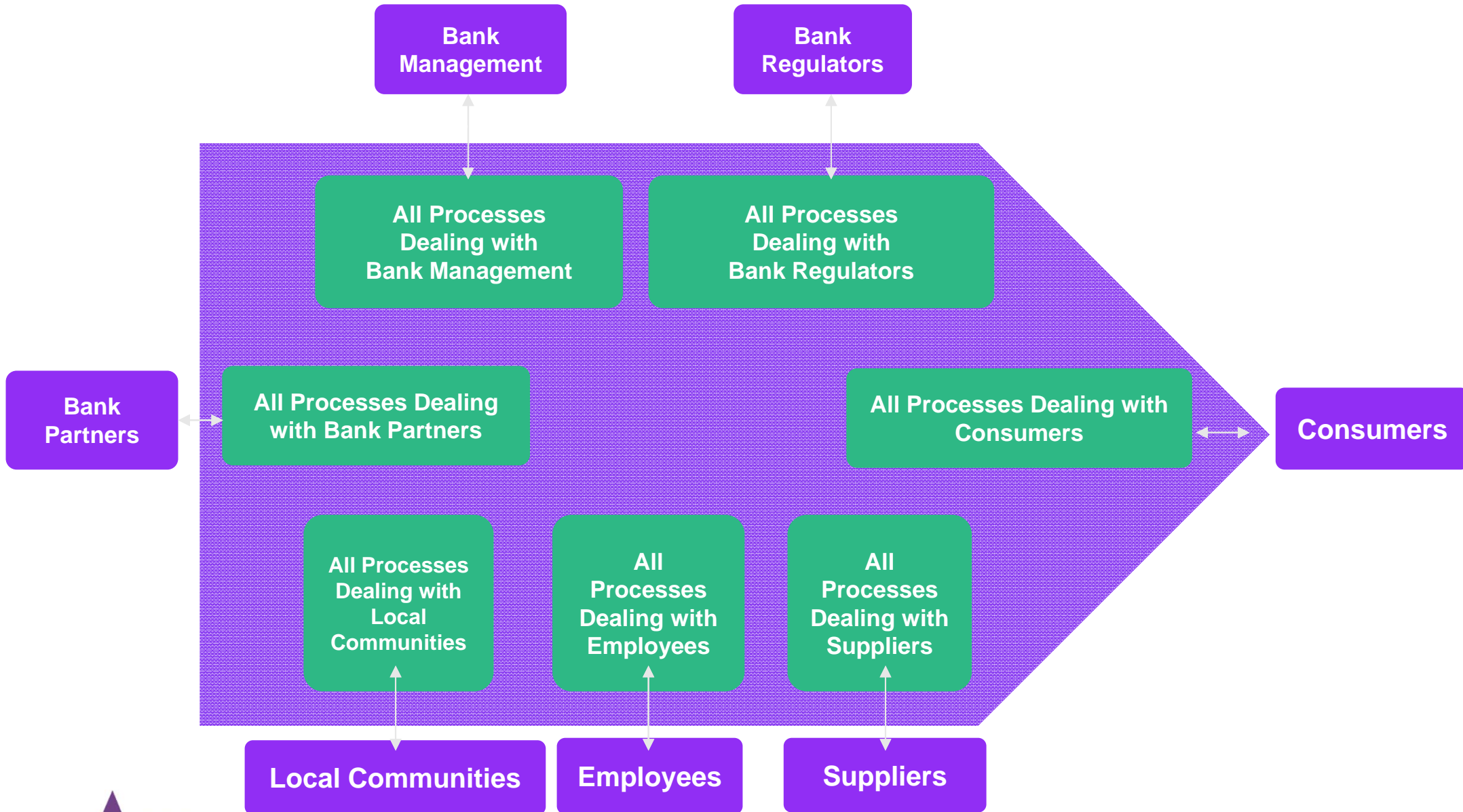


Process

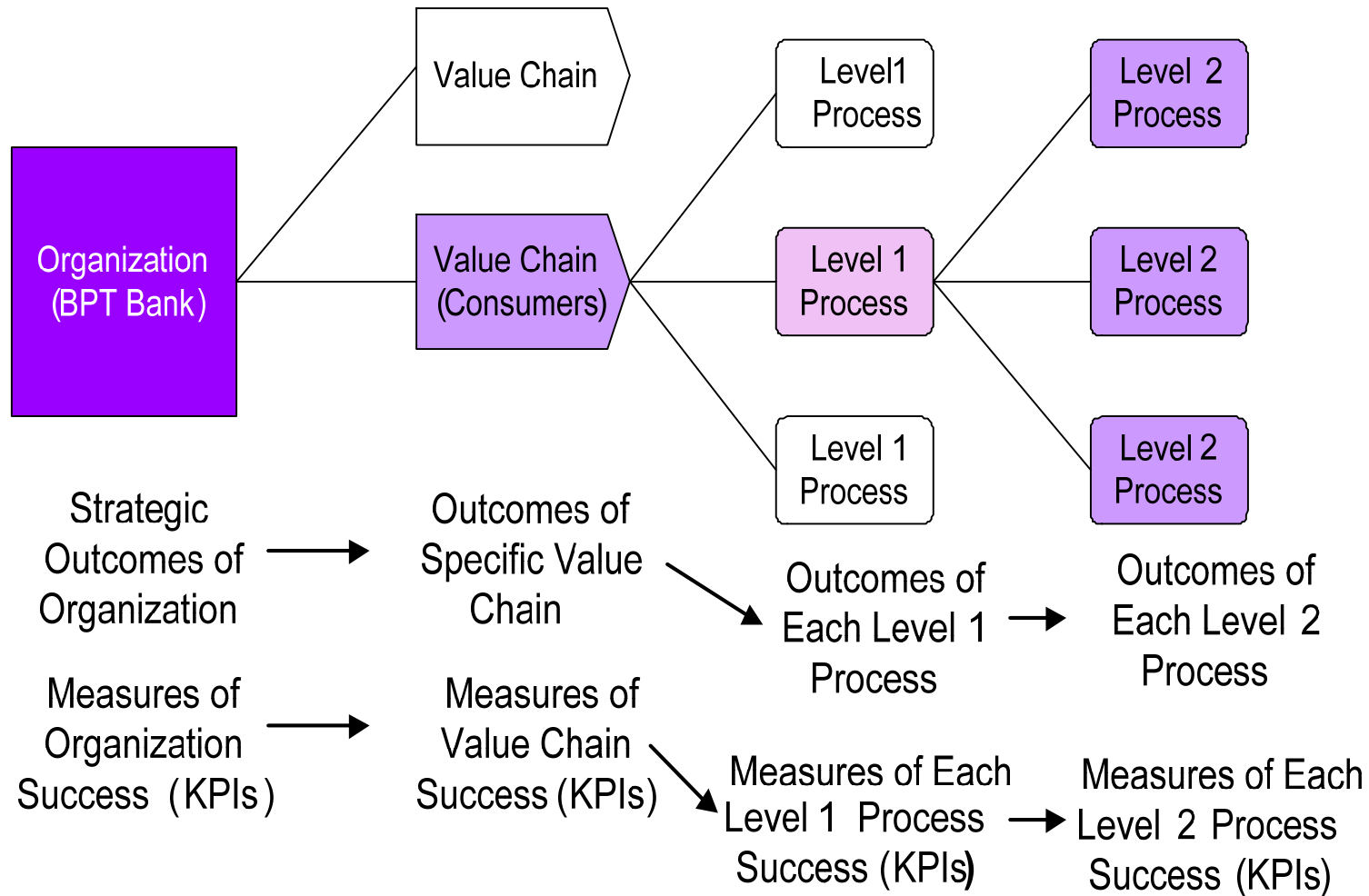
The outcomes of value from the work we do in our *processes* for the stakeholders affected by them



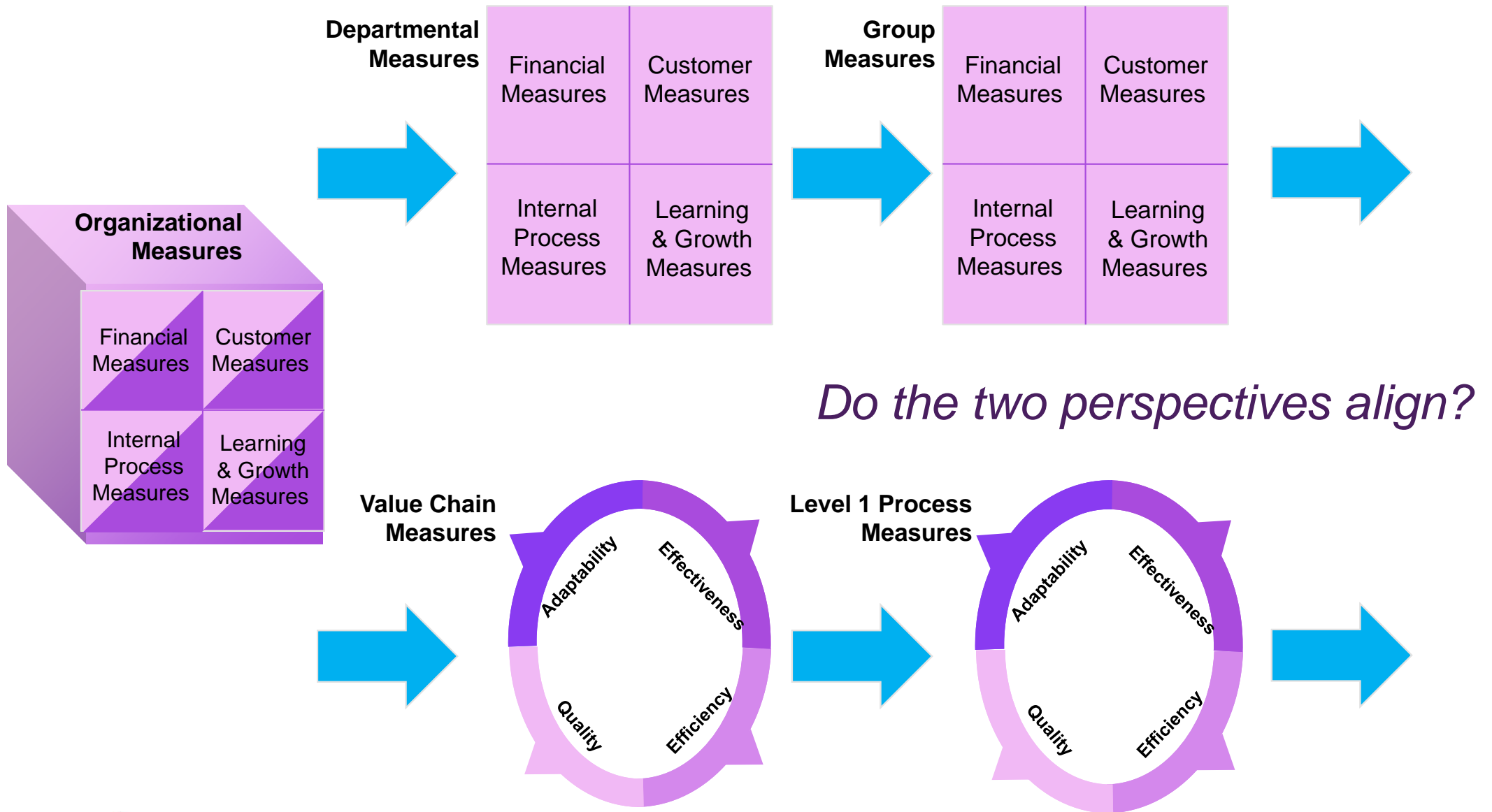
Stakeholders and Sets of Stakeholder Business Processes



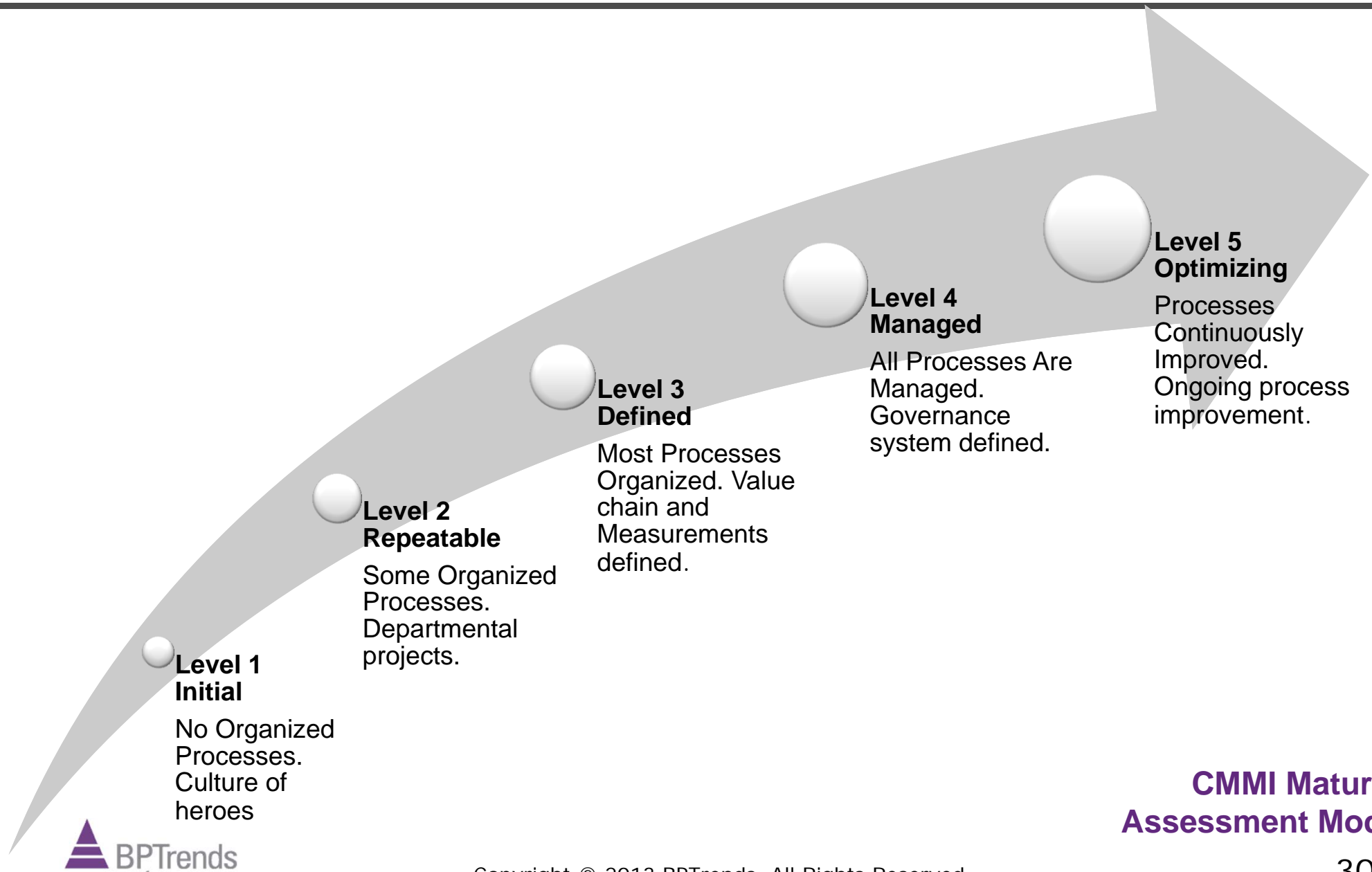
Defining & Aligning Goals and Measures (KPIs)



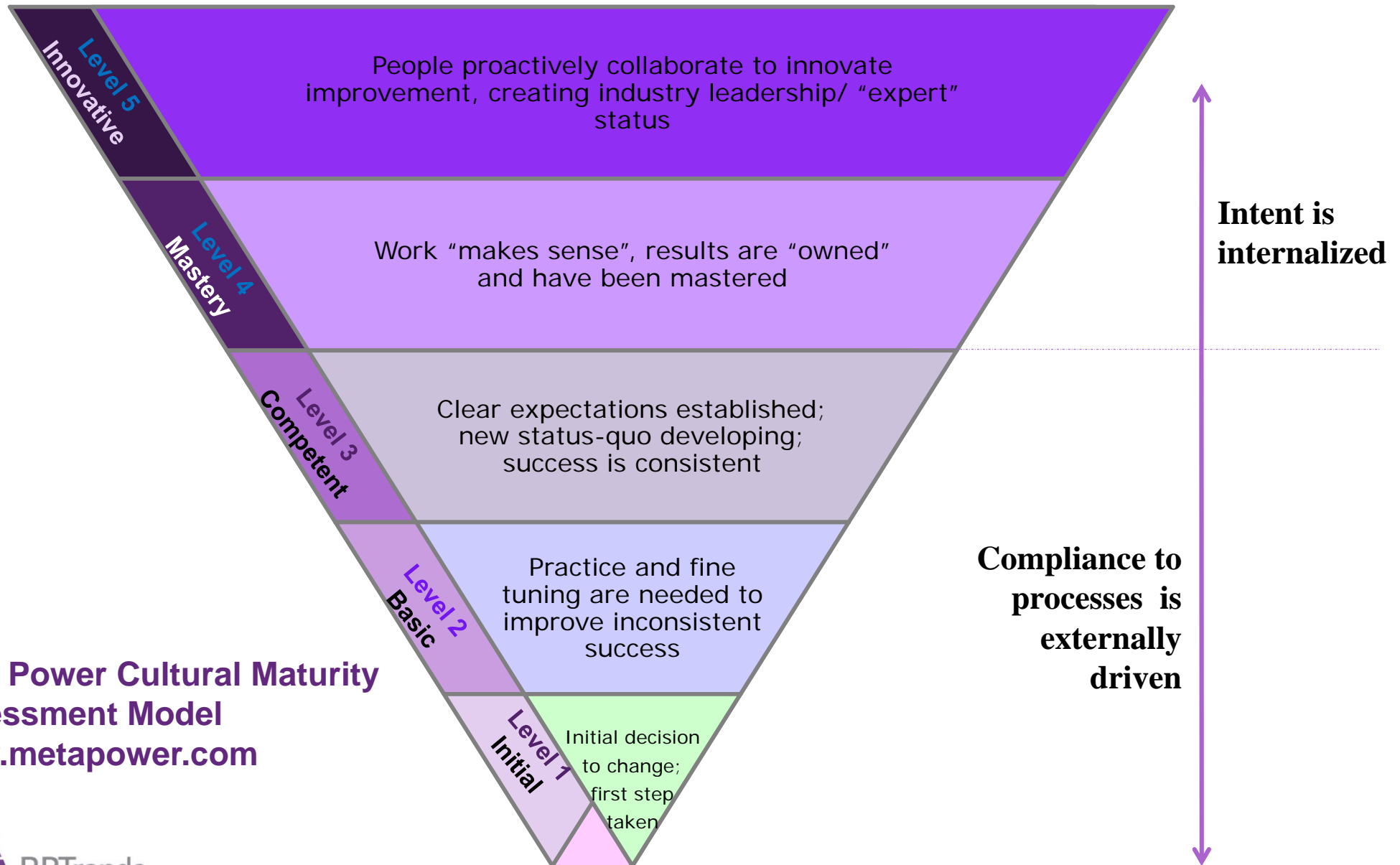
Process Measures are Traceable to Organization Results: Do they drive the right behavior?



Levels of Structure Maturity (Hard Stuff)

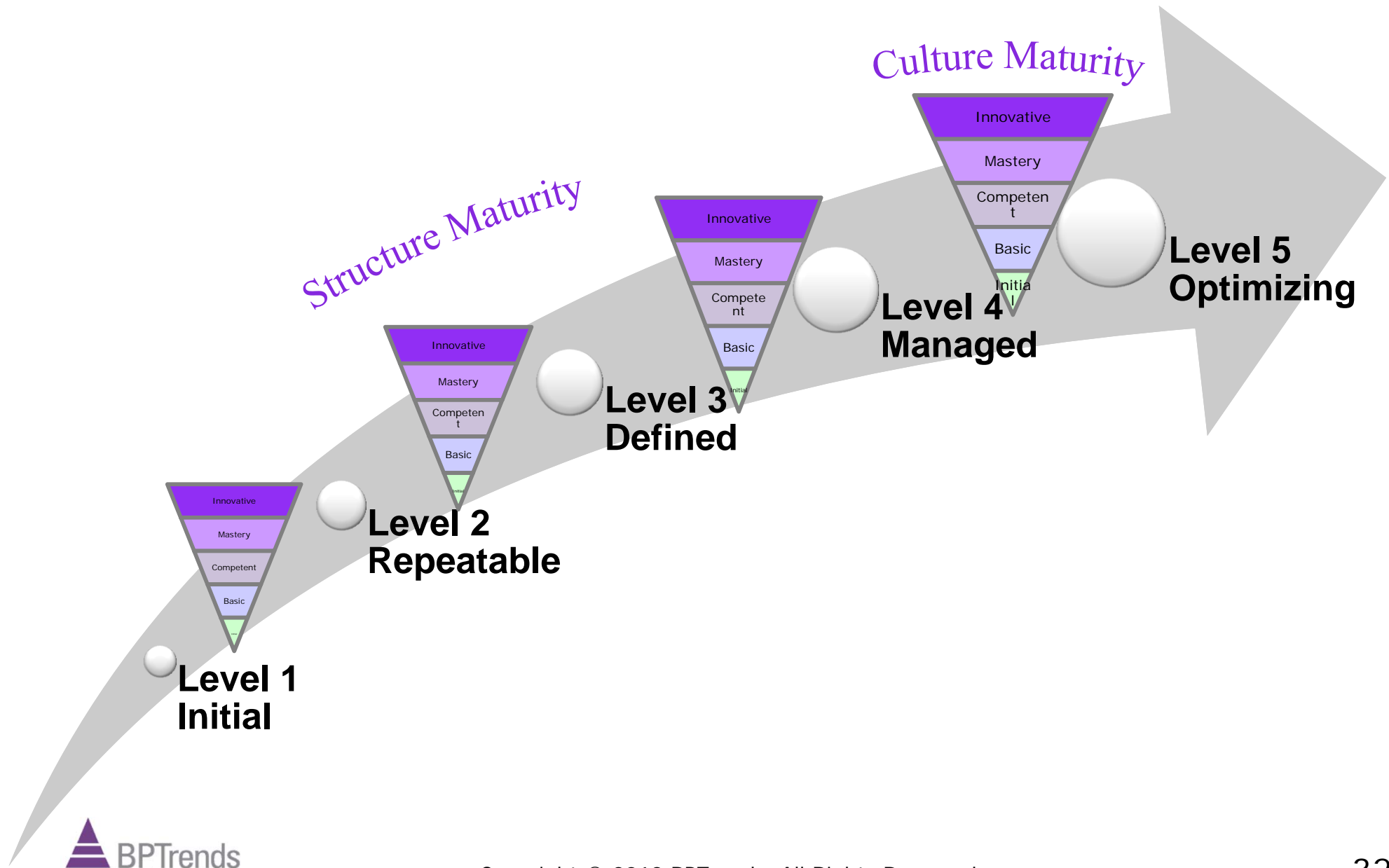


Levels of Culture Maturity (Soft Stuff)



Meta Power Cultural Maturity
Assessment Model
www.metapower.com

Raising Organization's Maturity



What Services are Needed from the BPM CoE?

Deliver BPM Capability

- How will the BPM CoE make the organization capable with BPM methods, techniques and tools?

Improve Business Processes

- How will it provide professional services for conducting BPM work?

Provide Process Governance Support

- How will it support process governance over compliance, performance and change?

Global Conclusions

- There is a lot happening that is new but lots of great approaches are still waiting to be adopted
- Maturity assessment is the best way to figure out what makes sense – do not reach too far beyond your readiness structurally or culturally
- Do not go for governance and CoE beyond your maturity level
- There are more similarities with organizations globally than regional differences
- Have patience – it will take time and be frustrating

