Establishing the OFFICE OF BUSINESS PROCESS MANAGEMENT

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A breakthrough program to design, build, operate and transfer the knowledge, tools and infrastructure required to enable and support a process-centric organization

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A LEONARDO CONSULTING PUBLICATION

The OBPM Concept

Increasingly, organizations around the world are attracted to the idea of process-based management. Central to this idea is the fact that every organization can only deliver value to its customers, itself and other stakeholders via its cross-functional business processes; hence, it is also via its business processes that an organization executes its strategy. Business processes must, therefore, be managed and continuously optimized – this is Business Process Management (BPM).

Every day, each of us sees examples of costly delays, rework, waste, poor service and other problems that just shouldn't happen. We know this is true, but it can be difficult to change our complex organizations.

Many organizations have a long-term goal to create what is often called a BPM Center of Excellence, a business unit tasked to manage, support and nurture BPM throughout the organization. Most organizations see this as an aspirational goal only achievable once a certain level of

BPM maturity has been realized.

In this paper, we present an alternate view suggesting that an Office of BPM is a key enabler and organizations can realize significant benefits by taking this step earlier rather than later. The Office of BPM should be established first, not last.

For many organizations, a gap persists between their aspirations for process-based management and the reality of what is achieved. They strive to get traction with the ideas of BPM, but progress is slow. Creating an Office of BPM can galvanize interest and action and provide a mechanism for effective control and support of the many process initiatives. We believe that the universal need to improve customer service, remove waste, delays and rework and to seize new opportunities makes the early establishment of an Office of BPM a sound strategic initiative.

The OBPM in Practice

These are the key steps in developing an effective Office of BPM and, thereby, significantly improving organizational performance.

PREPARE AND PLAN

Secure project resources. Ensure a comprehensive understanding of the key stakeholders and the levers for change. Identify potential roadblocks.

BUILD BPM AWARENESS

Prepare a sound foundation by conducting briefings, discussions and presentations with all stakeholders. Understand the history of BPM in the organization.

DEVELOP INTERNAL CAPABILITY

Create internal process management capability. Document an Enterprise Process Architecture and tailor methodologies to suit the particular environment. Create an internal BPM community.

BUILD AND OPERATE THE OFFICE OF BPM

Establish an effective Office of BPM via the three development accelerators:

(a) Office of BPM Reference Model

(b) Staged Implementation

(c) BPM capability Development

COMMUNICATE

Build and maintain interest, urgency and commitment by communicating the vision and reporting on developments.

MANAGE CHANGE

Develop change agents, a process-aware culture, and projects that make real beneficial change, not just recommendations.

DEMONSTRATE PROCESS IMPROVEMENT

Transition from classroom to workplace and from theory to practice via proof-of-concept projects – these will improve processes with the support of the Office of BPM.

CONTINUOUSLY IMPROVE

Harvest the lessons learned and implement good process management practice and continuous improvement in the Office of BPM.

ACKNOWLEDGEMENTS

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CONTENTS

SECTION 1
The Executive Summary

1.0 - EXECUTIVE SUMMARY

Organizations must always search for new ways to improve customer[3] service, seize opportunities, increase productivity, enhance resource usage, increase flexibility and adapt to change. New approaches to business process management (BPM) enable such outcomes.

In every organization there are many circumstances where time, money and goodwill are wasted. It feels like we are driving with the brakes on, that there is sand in the gears. What we want is a smooth flow of activities and information. We want work to be done in creative and innovative ways. We want a framework to support the innate desire of people to improve the way they work as individuals and as team members. We want process-based management.

The BPM management philosophy is summarized as follows:

Business processes are the collections of cross-functional activities that deliver value to an organization's external customers and other stakeholders. They are the only way that any organization can deliver such value. Individual organizational functional areas cannot, by themselves, deliver value to external customers. It follows that an organization executes its strategic intent via its business processes. Business processes are the conduits through which value is exchanged between customers and the organization. Therefore, business processes need to be thoughtfully managed and continuously improved to maintain an unimpeded flow of value to customers and other stakeholders.

3. The term "customer' is used in a general sense to indicate any person or group receiving value from a process.

Increasingly, organizations demonstrating performance leadership are adopting a process-based management approach. Business process analysis and improvement is also fundamental to e- services transformation. Using IT facilities to streamline services can only be achieved with a sound understanding of the related business processes and their effective management.

The Office of BPM is an important mechanism that has been widely adopted to coordinate BPM initiatives and perpetuate the benefits throughout the organization. It has these responsibilities:

a) to provide a strategic, customer-value view of the organization
b) to facilitate the continuous improvement of business processes
c) to nurture innovation in process improvement
d) to coordinate process improvement activities via a portfolio management approach
e) to track the benefits delivered from process improvement and management initiatives
f) to define and maintain methods and tools and support their use in all BPM initiatives
g) to support change management activities in relation to process improvement projects
h) to provide an internal BPM research and analysis resource for the organization
i) to support the use of BPM Systems and other process related technology
j) to share process-related knowledge and successful BPM outcomes.

This paper suggests three areas of Office activity. Process management provides resources for sustaining process-based management in the organization. Office support relates to management of the Office itself. Process improvement provides resources for process improvement projects. Process management and Office support are central business – the "brains" of the Office. Process improvement, the "arms", may be provided by the Office or come from operational business units.

For this reason, we recommend that process management and Office support be centrally funded to secure the common business of the Office and that process improvement be funded by the projects. Where core funding is not assured, the Office of BPM staff may be compelled to waste time searching for funding from projects. In any funding model, careful attention needs to be paid to the ongoing ROI for the Office.

There are three styles of Office operation across a spectrum trading off intervention for influence: directing, coaching and serving. A directing Office exercises authority to enforce BPM compliance. Serving offices seek to influence outcomes but without the power to insist. A coaching Office recognizes that business unit volunteers are likely to achieve better and more sustainable results than those forced to adopt BPM approaches. This mode will take time to achieve as the Office capabilities develop and the BPM maturity of the organization increases. The Office is the steward of the methodologies, a source of advice and guidance, a coordination point for all process work, a scorekeeper and a compliance manager. Its role will change over

What impacts have BPM efforts had on your enterprise to date?

Has a team been created to provide BPM guidance?

37%
BPM efforts have led to clear, measurable improvements

- 49%
- 17%
- 28%
- 6%

Base: 54 IT architects

42%
Some BPM efforts have been successful but others have failed

- 10%
- 42%
- 42%
- 7%

Base: 60 IT architects

18%
We have had no measurable success to date

- 4%
- 32%
- 44%
- 20%

Base: 25 IT architects

3% Don't know

- A BPM center of excellence has been created
- A BPM center of excellence is planned
- A team has been created to deal with BPM issues
- No formal team has been created

Base 142 IT architects (percentages may not total 100 because of rounding)
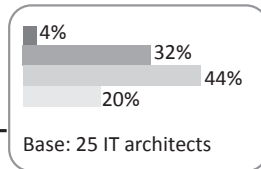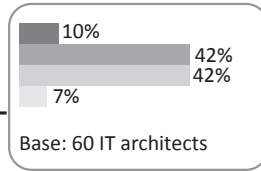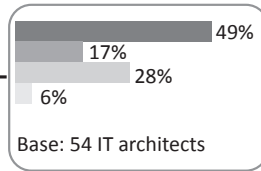
Figure 1: Impact of BPM

time. In an organization that is new to process management, we can expect the Office of BPM to play a large role. As the level of BPM maturity increases, business units will be able to undertake process initiatives with little support from the Office.

One measure of success for an Office of BPM will be the level of process analysis, redesign and management capabilities the rest of the organization develops, and the frequency and effectiveness with which those capabilities are used. The Office of BPM is an internal service-provider to the rest of the organization. Over time, the most important service it will provide is to develop BPM capabilities throughout the organization, creating a process-centric culture that leads to innovative service delivery to external customers and other stakeholders.

Other "offices" may exist in a modern organization – for example, Office of Strategy Management and Project Management Office. There are many aspects to organizational management, and while we see process management as the central management tenet, it is not alone – the Office of BPM must integrate with the complete management portfolio. The Office of BPM is an internal service-provider that needs to integrate with other management services.

The establishment of an Office of BPM is a global trend. Organizations with such a facility benefit from clearer and more tangible results from their BPM initiatives and better process-based management, resulting in better performance overall.

Supporting the anecdotal evidence, and reasonable expectation, that an Office BPM will improve organizational performance, there

is a growing body of empirical research data. Indicative of this are Figure 1 and Figure 2 below from a study[4] of BPM effectiveness.

Figure 1 shows a significant increase in clear, measurable improvements for BPM projects where there is an established BPM Center of Excellence (Office of BPM). Similarly, Figure 2 shows that BPM project benefits are much more likely to be sustained if there is an active Office of BPM.

The BPTrends report, A Survey of Business Process Initiatives[5], further supports the case for an Office of BPM. Figure 3 shows an extract from the report highlighting an undeniable correlation between BPM project success and the leverage of a dedicated process team or establishment of a Center of Excellence (Office of BPM). In this study, the only organizations that reported very successful BPM projects had an Office of BPM or equivalent.

4. Forrester Research Inc, 2007, US and UK Enterprise Architecture and Business Process Management Online Survey.
5. BPTrends, 2007, A Survey of Business Process Professionals, Nathaniel Palmer, www. bptrends.com

"According to these metrics, did the BPM project deliver on your organization's expectations or goals after the initial implementation?"

Has a team been created to provide BPM guidance

$1 billion or more in annual revenue*
Less than $1 billion in annual revenue †

It exceeded our goals significantly

67%
14%
19%
0%
Base: 21 IT architects

It met our goals

23%
32%
36%
10%
Base: 73 IT architects

It failed to meet our goals but was considered a success because of other delivered benefits

0%
18%
73%
9%
Base: 7 IT architects

It significantly failed to meet our goals

14%
71%
14%
0%
Base: 11 IT architects

10%   30%   50%   70%

A BPM center of excellence has been created

A BPM center of excellence is planned

A team has been created to deal with BPM issues

No formal team has been created

*Base: 46 IT architects
†Base: 65 IT architects

(percentages may not total 100 because of rounding)

Figure 2: Ongoing Benefit Realization

50%   60%   70%   80%   100%

Little to no success with BPM initiatives
- 0%
- 6%
- 12%

Initially significant difficulties with BPM initiatives; now experiencing limited success
- 9%
- 15%
- 29%

Limited success

Greater success

Departmental success with BPM initiatives; no success at enterprise level
- 27%
- 26%
- 35%

Leveraged early success into repeatable process improvement initiatives
- 27%
- 32%
- 6%

Very successful enterprise level BPM program
- 36%
- 6%
- 0%

Legend:
- Center of Excellence
- BPM Team
- Center of Excellence

Figure 3: BPM Project Success

The recent BPTrends survey[6], *The State of Business Process Management – 2010*, reports that two-thirds of respondents had some form of an Office of BPM in their organizations.

To take a specific case study example, Wells Fargo Bank reports[7] that, supported and encouraged by its BPM Center of Excellence, process improvement efforts have realized annual savings of $30 million across the bank. From a very low base, some 30 business units have now adopted BPM as their management philosophy, and Wells Fargo has developed significant internal capabilities that deliver an additional annual benefit in avoiding the costs of using external resources. Further savings come from the standardization of processes and process re-use. At Wells Fargo Bank, the process improvement and management work is done in the business units supported by their Office of BPM. Without the centralized focus and resources provided by the Office, much of this significant improvement in organizational performance would not have happened.

The trend towards establishing an Office of BPM is now well established, and the tangible benefits that can be realized are demonstrable.

Many have seen the creation of an Office of BPM as an aspirational target to be achieved once organizational BPM maturity has increased. We believe that the Office is not an aspirational goal, but a vital facility to be created right from the start to promote

6. BPTrends, 2010, The State of Business Process Management, Celia Wolf, Paul Harmon (eds): www.bptrends.com
7. 2010, Paul Tazbaz, Enterprise Architecture, Wells Fargo Bank, Architecting BPM Through a Center of Excellence at Wells Fargo Bank, ProcessDays Conference, 26 July 2010.

successful implementation of process-based management.
The size of an Office of BPM will vary in different organizations
and, over time, in a single organization. The number of staff
required will vary depending on the services offered by the Office
and the extent to which business units want to use those services.
A small staff complement may be sufficient in some organizations.
A larger number of staff will be required where the Office provides
a full range of services.

In this paper, we describe a comprehensive approach to the
implementation of an Office of BPM that is based on a best practice
reference framework, education programs, practical development
activities, and coaching and mentoring for capability development.
We define three development accelerators for establishing the
Office:

a) **Office Of BPM Reference Model** – a repository of generic
process models and document templates tailored to facilitate the
rapid establishment of the Office of BPM.

b) **Staged Implementation** – progressive rollout of the services
offered by the Office to develop BPM maturity in a controlled way,
and to match business unit needs and ensure the early success of
the Office.

c) **BPM Capability Development Program** – a comprehensive
training program to ensure that internal staff have the skills and
capabilities to support the organization in its development and use
of process-based management approaches and tools.

These accelerators lead cost-effectively to a fully working Office

of BPM staffed by well-developed internal resources delivering respected services to the rest of the organization.

The approach described in this paper allows for the rapid establishment of a professional Office of BPM that will then be a catalyst for beneficial and measurable process change and business innovation throughout the organization.

We believe that the development of high-quality internal capability for the ongoing operation of the Office of BPM is a prerequisite for sustained success.

Having a properly functioning Office of BPM will also make it more likely that business managers will commit to process improvement projects and process management approaches, because they will know that expert help is readily available inside the organization.

The Office of BPM is a catalyst for organization transformation. It provides the infrastructure to support development of an organizational mindset where each day provides opportunities for every employee to discover and implement innovative ways of delivering value to customers and other stakeholders.

SECTION 2
The Office of BPM
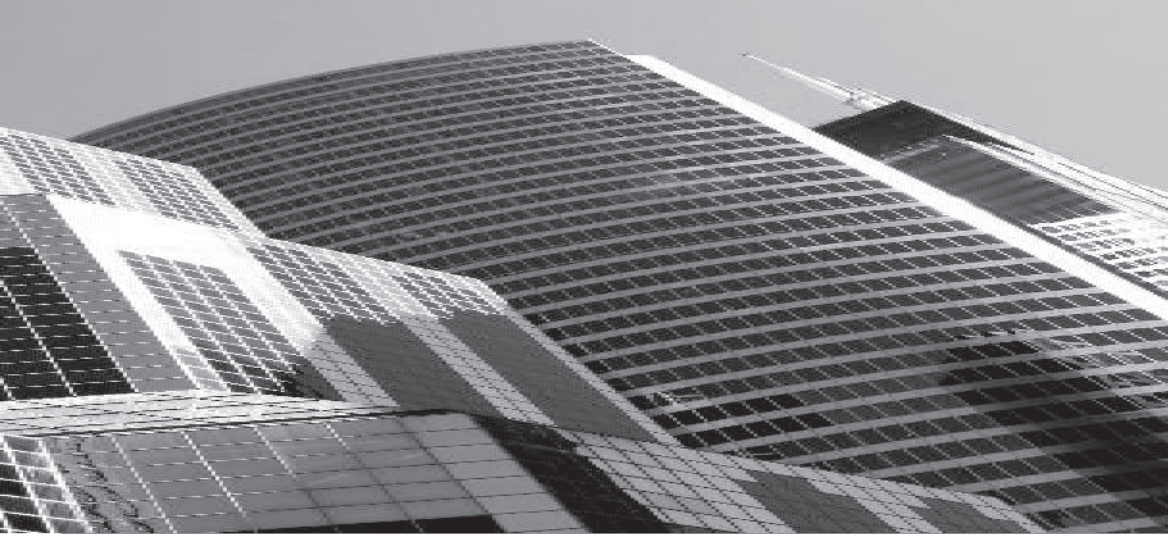
2.1 - DELIVERING VALUE

Organizations deliver value to their customers and other stakeholders via their business processes. There is no other way. Functional areas alone are not able to deliver such value. BPM is a holistic management philosophy that facilitates delivery of appropriate products and services to customers and other stakeholders in a way that is sustainably beneficial to all involved. It also follows, therefore, that every organization executes its strategic intent via its business processes. The profound sequence from strategy to execution is as follows:

✓ Organizations exist to deliver value to customers and stakeholders. **That's strategy.**

✓ They do this via a series of coordinated activities across a number of functional elements of the organization. **That's a process.**

✓ It makes sense to optimize these processes so that they satisfy the requirements of customers and other stakeholders. **That's process improvement.**

✓ Taking a coordinated view of the performance of all the processes by which an organization delivers value, optimizes overall performance. **That's process management.**

✓ Process management allows organizations to focus on processes that create the market differentiation described by the strategy. **That's execution.**

True organizational agility and optimal performance come from deep understanding of the processes that deliver value. Organization-wide BPM capability is a powerful advantage for those organizations that learn to effectively execute process-based management.

2.2 - DEFINING PROCESS

There are many definitions of business process and different ways of thinking about their analysis and management. We take a broad view of a business process. Business processes transform inputs into outputs according to certain rules and constraints, and are enabled by various people, systems and facilities. They exist to deliver value to customers and other stakeholders. Processes do not exist in isolation. The output of one process is always the input to another. The downstream process may belong to our customer or another stakeholder, but it is always there. Processes live in a multi-faceted ecosystem and are not just comprised of simple activity sequences.

In this holistic view of processes, we assume that "external" considerations (such as customer satisfaction, service levels, quality, re-use and process capability) are as much a part of process-based management as "internal" considerations (such as identification of waste, reduction of cycle time, streamlining of handoffs, and simplification of rules).

Organizations, including the Office of BPM, exist to provide services to their external customers. They do this by executing a hierarchical set of processes that deliver appropriate value to those customers

2.3 - MEETING CHALLENGES

All organizations want to optimize customer service, remove waste, reduce cycle times, improve quality, avoid re-work, realize opportunities and remove unnecessary costs. They want to do this in a way that is sustainable. There must be a return on the analysis and implementation investment. Moving a problem from one area to another is not the objective. There needs to be a coherent approach that identifies problems and opportunities, their causes and dependencies, and then derives solutions (IT and non-IT) that optimize outcomes across the complete process.

In recent years, many organizations have made significant investments in a multitude of BPM initiatives to achieve these ends. Many process improvement and process management projects have led to significant changes such as increased operational efficiency, new service offerings, process automation, performance monitoring enhancement, structural re-design, e service delivery and improved regulatory compliance to name just a few.

However, the uptake of process-based management is partly hindered by the fact that BPM as a discipline still lacks a natural home and unified management approach. Consequently, it is common that multiple BPM initiatives with different purposes are conducted in an isolated way inside an organization. This leads to a limited utilization of synergies and a diminished return on BPM investment. In this environment, BPM adoption is more difficult, with costly piecemeal efforts and no consolidation of related benefits. This makes it difficult to collect and collate evidence for the significant whole-of-organization benefits that can come from

a BPM approach.

Alternatively, some organizations find it difficult to get traction for process analysis, improvement and management projects. Without effective guidance, support, resources and a positive expectation, business units are unwilling to commit to changing critical processes.

Another significant challenge is to ensure consistency in the delivery and sustainability of process improvement and management across the organization. An efficient and effective "process of process management" is required.

2.4 - ENVISIONING THE OFFICE OF BPM

The Office of BPM enables organizations to meet these challenges. A fully functional Office of BPM provides powerful, measurable, sustainable benefits to the management of an organization. The focus on process management means there is greater clarity about how the organization's vision is to be executed; it defines "how things get done". Continuous process improvement means that what really matters is measured and constantly scrutinized. It puts the emphasis on performance.

The operational and performance insights facilitated by the Office of BPM foster a culture of reflection, enquiry and innovation. In a process-centric organization, the focus is on understanding how to best deliver value to customers and other stakeholders via the conduits of process. Continuous process improvement ultimately demands innovation.

We don't wish to overstate the case. The existence of an Office of BPM does not herald the start of a utopian existence. We do, however, strongly assert that an organization with a properly operating Office of BPM is a long way removed from the dystopian operations found in many organizations.

Experience has shown that organizations that make the investment required to establish an effective Office of BPM have a significantly improved chance of realizing the benefits of process-based management.

The Office of BPM is the focal point for coordination of process improvement and process management activities. It supports the whole organization with standards compliance, methodologies, templates, education, project support, and coaching. The Office

ensures consistent practice to achieve BPM objectives in a timely and cost-effective manner.

Establishment of an Office of BPM supports the following organizational objectives:

a) streamlined business processes to increase operational effectiveness and efficiency

b) the development of in-house BPM capabilities without dependence on external parties

c) consistent, repeatable, reliable approaches to process analysis and management

d) enhanced ability to identify innovative process redesign options

e) the optimum utilization of resources to reduce operating costs

f) standardized BPM training across the organization

g) greater success in process improvement projects

h) increased levels of BPM maturity leading to better organizational performance

i) improved reporting of process performance facilitating continuous improvement

j) better decision making in determining priorities for process improvement projects

k) increased opportunities for sharing and collaboration for effective reuse of resources

l) better alignment of strategy and process to increase productivity and agility

m) improved ability to develop and implement effective IT and e service strategies.

While implementation in particular organizations will vary to suit the circumstances, the approach described in this document will

achieve all of these objectives.

Developing the Office of BPM does not happen overnight. A staged implementation is required to build up the required capabilities over time. This is discussed in more detail in Section 3 where we define the progressive development of three capability levels.

All organizations need every employee to be inspired, informed and supported to come to work every day looking to resolve a process problem or realize an improvement opportunity. The Toyota Motor Corporation shows what is possible in developing a culture of continuous improvement. In 2007, it was reported[8] that some 600,000 improvement suggestions were received from staff annually. A staggering 99% of these were implemented. That's almost one successful process improvement per month per employee resulting from a deliberate program of engagement. Every organization would be better off with a culture and framework for continuously discovering, analyzing and implementing process improvements in a controlled manner. The Office of BPM provides methodology, training, reporting, coordination, expertise, support, and guidance. It is the linchpin for successful process-based improvement and management.

8. Magee, D. (2007). How Toyota Became #1: Leadership Lessons from the World's Greatest Car Company. Portfolio, New York.

Directing **Coaching** **Serving**

intervention

influence
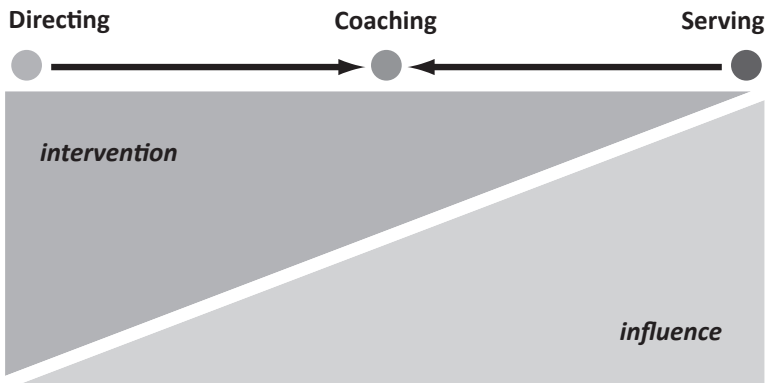
Figure 4: Office of BPM Operating Models

2.5 - SCOPING THE OFFICE OF BPM

The Office of BPM does not take over the existing responsibilities of line managers. Business unit accountabilities are not changed. The Office has a leadership and support role to see that BPM initiatives are completed properly. It provides a central point for marketing, coordination and coaching. It encourages and facilitates use of the organization's BPM tools and techniques. Office of BPM operating models can take many forms. The Office can be designed and commissioned to function across a spectrum that trades intervention with influence as shown in Figure 4. An Office might be sanctioned to have a strongly intervention-ist and authoritarian role where it is formally controlling other business units in their BPM initiatives. At the other end of the spectrum, the Office of BPM might have no powers of control, and is commissioned to achieve BPM success for the organization by influencing, rather than directing, business behavior. Broadly, there are three modes of operation: directing, coaching and serving. In the directing mode the Office has a lot of authority to intervene in business unit operations and enforce BPM compliance. The serving mode sees the Office being responsive to business requirements and seeking to influence outcomes and acceptance of BPM thinking. However, it has no power to insist on a particular course of action. The coaching mode is in the middle ground where the Office has some powers of coercion, but recognizes that having business units participate as volunteers rather than conscripts is likely to achieve a better and more sustainable result.

manage BPM strategy	
support **process management**	**support** **process improvement**
support the office of BPM	
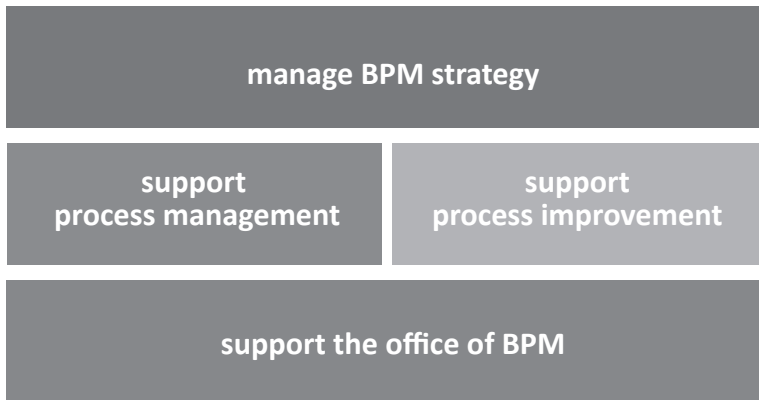
Figure 5: Office of BPM Services

Where a particular implementation of an Office of BPM sits on that continuum will depend on the organization's circumstances and BPM maturity. It is likely, however, that the coaching mode will generally be more successful. However, it is also likely to require time to evolve to that mode in line with developing BPM maturity in the organization.

BPM is about change and improving performance. Change must ultimately come from operational business units, not a central support group. The Office of BPM does not need to take over and run all process improvement and management activities. A central elite group that runs all BPM related projects might, if successful, become the bottleneck and, ironically, handicap the achievement of further process-based management. The primary goal of an Office of BPM is to facilitate and nurture the growth of BPM capabilities throughout the organization. It is an internal service-provider to business unit managers. The Office provides services to guide, review, support, and encourage process improvement and management activities.

An important aspect of the establishment of an Office of BPM will be to define an effective governance regime that will determine the relationship between the Office and other entities (process owners, process leaders, business managers, etc.).

There is an essential difference between the role of the Office of BPM and what is often referred to as "process governance". It is not the role of the Office to be the Process Owner[9] for all of the organization's managed processes. Process Owners are appointed to be

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9. There are many terms used for this 'process owner' role - coordinator, sponsor, manager, steward, guardian, supervisor, controller, director, custodian, principal.

Business Unit Involvement

Increasing
BPM
Maturity

Office of BPM Involvement

Figure 6: Office and Buiness Unit Involvement

accountable for taking action where the agreed limits of process performance are breached. The Office of BPM should provide valuable support for Process Owners, but it does not change their accountability or reporting requirements. An effective Office of BPM is there to serve the business, not direct it.

Figure 5 shows the highest level view of the Office of BPM services and internal processes.

It is important to emphasize the difference between the Office of BPM services and internal processes. By a service we mean a capability that is offered to, and consumed by, the mostly internal customers of the Office (business units). By internal processes we mean those activities that must be performed adequately by the Office so that BPM services can be provided to its customers. These internal processes ensure service demands are being prioritized and BPM services are being effectively designed, delivered and continuously improved.

As shown in Figure 5, the services offered by the Office to the organization are categorized as either "Support Process Improvement" or "Support Process Management". Process improvement services are activities like process modeling, analysis and redesign, which are consumed as required by projects. Some projects will require more involvement from the Office than others, (in this case those activities will be performed by the business units). Process Management services include activities such as maintenance of the process architecture and repository, support for performance measurement and education on process
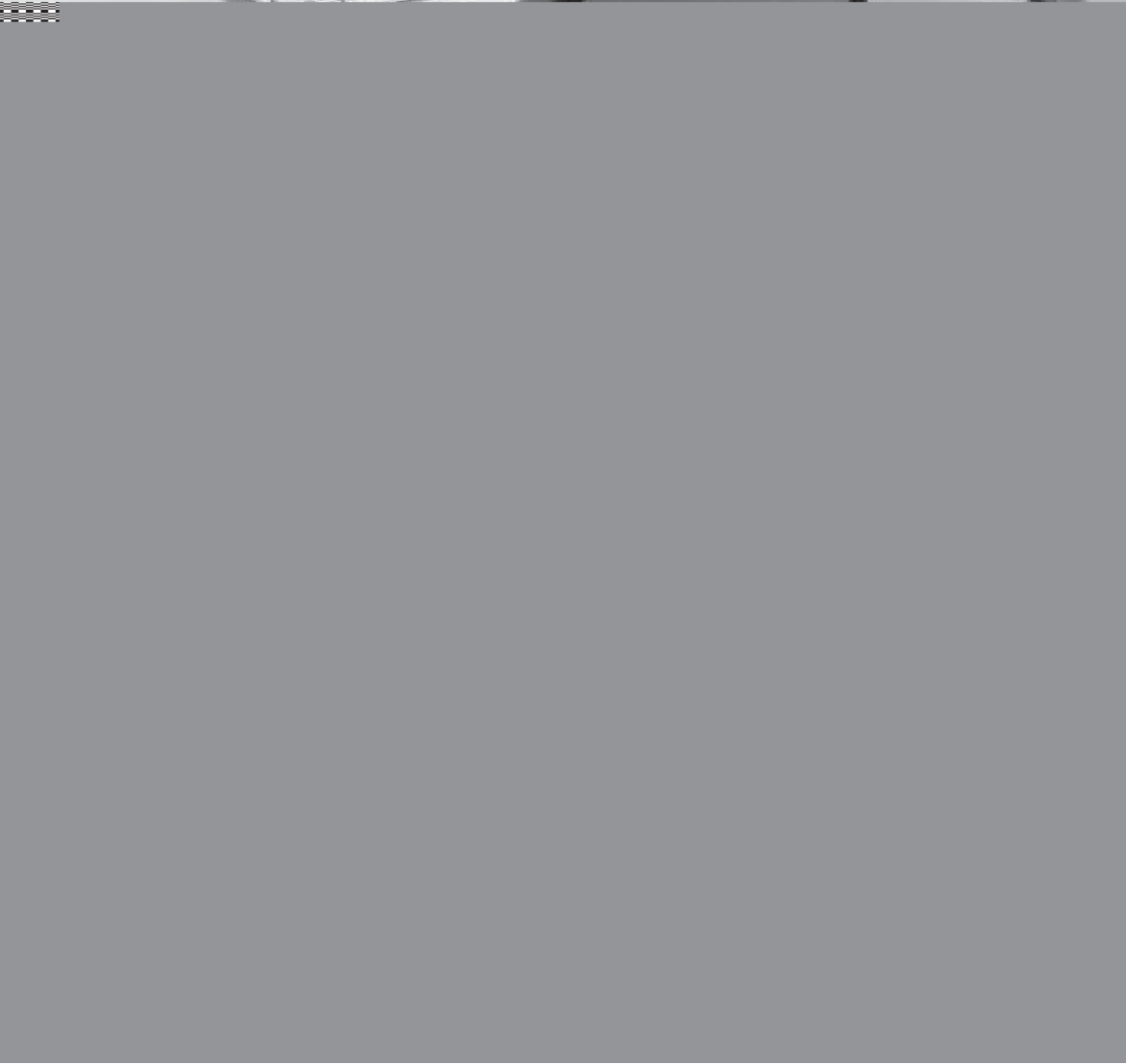
management concepts. They are usually services performed on a
periodic basis, rather than by projects.

The BPM maturity of the organization influences the level
of involvement of the Office in process improvement and
management activities.

The overall organizational objective is to create a culture of
continuous improvement; a culture where every employee (and
all stakeholders) are always looking for ways to deliver better
outcomes. It is NOT the role of the Office of BPM to do all of
the process analysis and management in the organization. The
Office is the steward of the methodologies, a source of advice and
guidance, a coordination point for all process work, a scorekeeper
and a compliance manager. The Office will play a different role in
different organizations. As shown in Figure 6, its role in a single
organization will also change over time. In an organization that
is new to process analysis, improvement and management (i.e.
one with lower BPM maturity), we can expect the Office of BPM
to play a large role and be much more involved with the business
units in the execution of the "process of process analysis". As
the level of BPM maturity increases, business units will have
developed capabilities (largely through the efforts of the Office)
to undertake process initiatives with little support from the Office
of BPM. The level of involvement of the Office will never be zero,
as it has baseline responsibilities (such as monitoring the quality
of process analysis work and maintenance of compliance with
internal standards). Such residual Office involvement may be all

11. BPTrends, 2010, The State of Business Process Management. Eds: Celia Wolf, Paul Harmon.
www.bptrends.com.

but transparent to the business units.

The services offered by the Office of BPM are consumed by business units. In some organizations business units may be directed to use services from the Office rather than external resources. In others, business units may choose whether they want to consume Office of BPM services or not. Typically, Support Process Management services are mandatory in most organizations. Approaches to the provision and use of Support Process Improvement services will vary.

An important measurement of the success of an Office of BPM will be the level of process analysis, redesign, and management capabilities of the rest of the organization – and the frequency and effectiveness with which those capabilities are used. Assuming that there is an appropriate level of high-quality process work going on in the organization, one measure of success for the Office would be the ratio of requests for help to the number of process projects completed by the business units. In a successful Office of BPM, that ratio will be reducing.

The Office of BPM is an internal service-provider to the rest of the organization. Over time, the most important service it provides will be to develop BPM capabilities throughout the organization, creating a process-centric culture leading to innovative service delivery to external customers and other stakeholders. A successful Office may even become smaller while remaining an essential part of the management mix, as it maintains standards, assures compliance, sustains the whole-of-enterprise process view, and continues to support the business units.

2.6 - LOCATING THE OFFICE OF BPM

The location of the Office of BPM within the organizational structure is an important issue. Many variations are possible with no definitive answer.

It may be a completely separate unit, or part of another area (such as HR, Finance, Project Office, Quality Management, Planning or IT). There is no one correct answer for this question. Particular organizational circumstances will determine where the Office of BPM is located and this may also change over time as BPM maturity increases. The most important aspect is that it should report to a senior executive with ready access to the CEO. In some cases, the Office of BPM will report directly to the CEO.

As shown in Figure 7, the BPTrends 2010 survey[10] reports that, of the respondents who reported having an Office of BPM equivalent, the most common locations were at the executive, division or departmental levels, or in IT.

In assessing this data, the report's principal author, Paul Harmon, comments: "It's been our experience that organizations that are serious about enterprise level work ... usually have their BPM Group at the enterprise level, reporting to a corporate level executive or to an executive level committee, like planning or strategy. Organizations that have their business process groups located in IT or Quality Control usually have a more limited perspective on BPM and are focused only on a part of the total BPM picture."

Experience suggests that an Office of BPM will usually work best if it is a physically centralized unit rather than distributed

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10. BPTrends, 2010, The State of Business Process Management. Celia Wolf, Paul Harmon (eds):. www.bptrends.com

throughout the organization. In a large geographically dispersed organization where there is a lot of process work going on, it may be useful to have local Offices reporting to a corporate Office of BPM.

Our BPM group is at the executive level	**19%**
Our BPM group is at the divisional or departmental level	**26%**
Our BPM group is located within IT	**24%**
Our BPM group is located within HR or training	**2%**
Our BPM group is located within finance	**2%**
Our BPM group is located within Quality Control	**9%**
Other	**17%**

Figure 7: Office of BPM Location

2.7 - INTEGRATING THE OFFICE OF BPM

There may be other "offices" or organizational units with a specific whole-of-enterprise charter in modern organizations. These may include the Project Management Office (PMO), Office of Strategy Management (OSM), Office of Change Management (OCM) and others. The Office of BPM should not be seen as a replacement for any of these. They each provide a complementary management support service, not an alternative.

As indicated in Figure 8, there are many management values to be considered. A process-aware organization sees process management as the central philosophy. The Office of BPM is, therefore, vital. While process management is the pre-eminent support service, it is not alone, and must be integrated into the complete management portfolio.
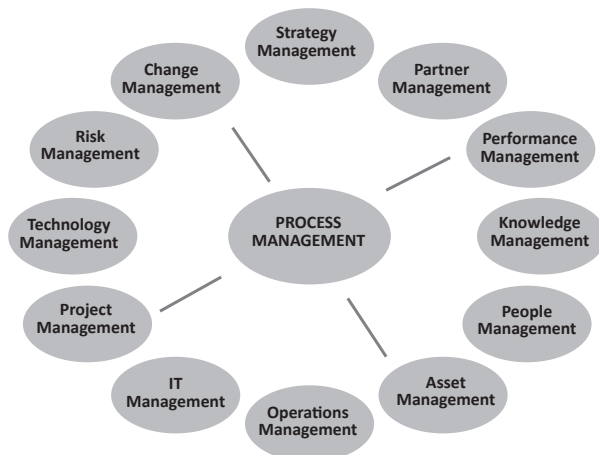
Figure 8: A Portfolio of Management values

2.8 - RESOURCING THE OFFICE OF BPM

The shape and size of an Office of BPM will also vary in different organizations, and over time in a single organization. It will generally be true that 5 to 10 staff will be sufficient, even in large organizations, to deliver the common services. A smaller staff complement may be sufficient in some organizations. A larger number of staff may be required if the Office provides additional services.

In Figure 9, we define some roles or types of work that are likely to be found in the Office. Of course, several roles might be covered by a single person and, in other cases, there may be more than one person in a particular role.

Reflecting the process architecture for the Office of BPM (Figure 5), there are three main areas of activity. Process management is central business for the Office and involves the creation and maintenance of process architectures, methodologies, conventions, and the infrastructure of process management and improvement. Office support covers all of the services related to administration, management of related IT systems, and management of the knowledge resources of the Office, including a central model repository. Process improvement engages with the process-aware business units to provide a range of resources for process improvement projects. We might say that process management and office support represent the "brains" of the Office, with process improvement being the "arms".

While process management and office support are common business for every Office of BPM, Process Improvement may not be. A clear distinction should be drawn between process
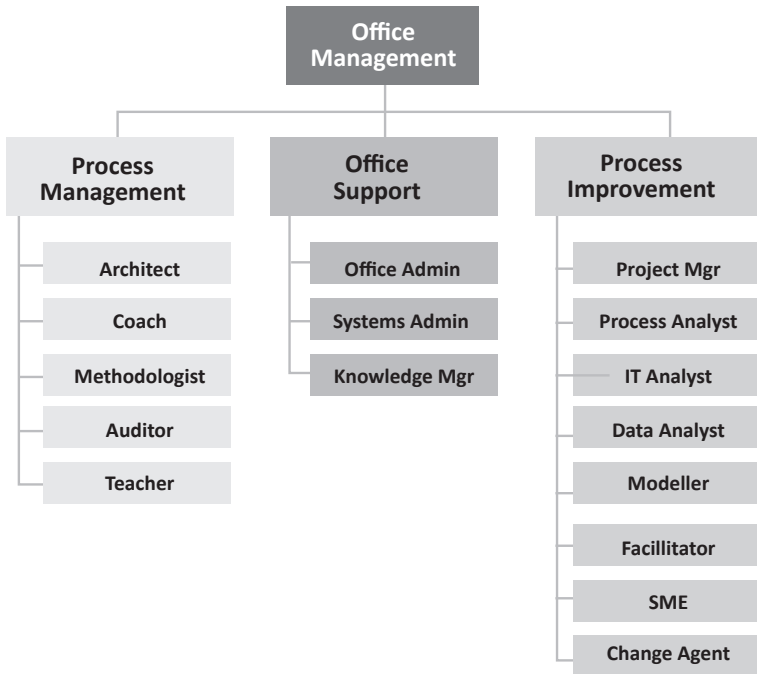
Figure 9

management and process improvement. The former is focused on building and managing all of the common elements required for successful process improvement and management projects, and for teaching people how to use them. Process improvement is about providing resources to directly work on projects. In some organizations, the Office will focus on enabling staff in the business to run projects themselves – teaching and coaching, but not taking over. Other organizations will set up the Office such that it has enough resources to provide specialist personnel to form and run project teams for the business units.

Where the Office of BPM does provide people to work for extended periods on particular projects (process improvement), care should be taken to protect the central work of process management and office support. In the extreme, if everyone is out working on projects, there is effectively no Office of BPM.

The core personnel in an Office of BPM will usually be permanent staff that may be supplemented by external resources to cover periods of heavy project load, provide particular expertise, or to provide informed but external advice. The Office might maintain a panel of external resources pre-contracted and briefed to be able to work reliably and effectively on process projects.

The Office might also usefully maintain a register of internal staff that have successfully completed process projects. These are valuable, experienced resources who might be made available to other parts of the organization for project work, further adding to their experience, capability and value.

It may be appropriate in some organizations for staff to be rotated through the Office of BPM. This can develop enhanced capabilities in those people that they eventually take back into the operational business units. A minimum rotation of 6 to 12 months is suggested. Such staff need to be supported with appropriate training and coaching to maintain the integrity of the services delivered by the Office.

2.9 - FUNDING THE OFFICE OF BPM

In some organizations, internal units gain their funding by charging for their services. We strongly recommend that the core funding be guaranteed and not subject to optional involvement by business units and projects. Where core funding is not assured, the Office of BPM staff will waste a great deal of their time searching for funding from projects. They will also be tempted to stray from their defined mission to take on tasks that come with funding but are not within their brief.

In the terms of Figure 9, we propose that Office management, process management and Office support be centrally funded to secure development and maintenance of BPM methods, tools and techniques, while process improvement be funded via project budgets.

Careful attention needs to be paid to the ongoing ROI for the Office in whatever configuration it is operating. The mission is to improve organizational performance in unambiguous and demonstrable ways. The larger the Office, the greater its cost, and the greater the organizational improvement that must be delivered. The Office of BPM will always be a "cost center". It will play an important part in generating cost savings and revenue from new initiatives – but these will always be in other business units; in someone else's budget.

In this section, we have reviewed the purpose and scope of the Office of BPM, various operating modes, its location in the organization, and how it should be resourced. In the following section, we discuss the details of building, managing and operating the Office of BPM.
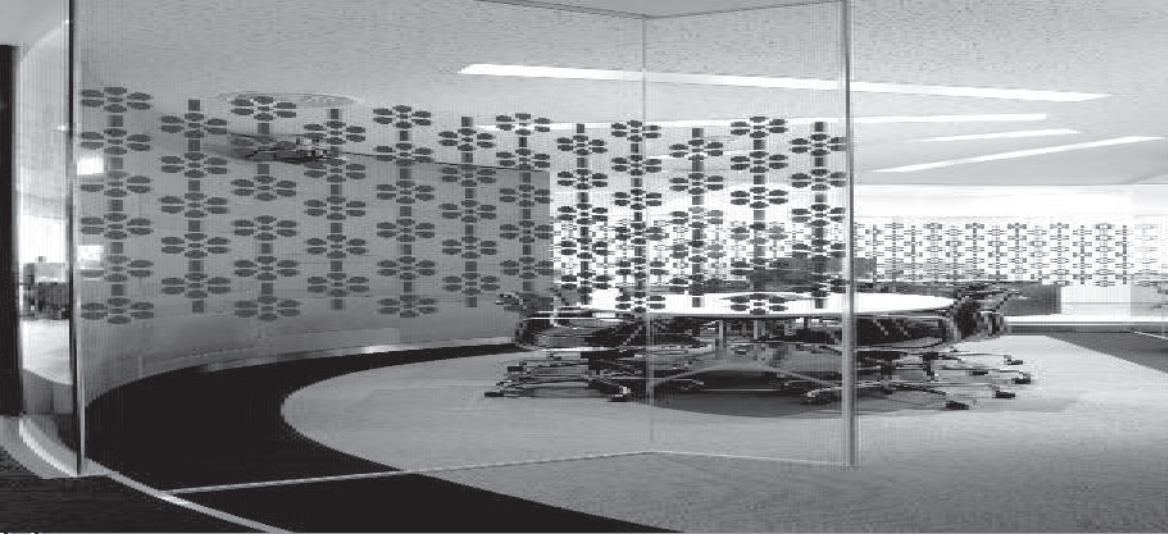
Building, Managing and Operating the Office of BPM

There is no doubt that building, managing and operating an Office of BPM is a complex, albeit worthwhile, task. It cannot be achieved overnight. Inevitably, a staged implementation plan is required. For some organizations, the Office may be fully established in 6 to 9 months; others may take longer. In this section, we discuss three implementation accelerators and progressively reveal the detailed steps in the staged development of capability in the Office of BPM and the organization it supports.

We define three separate, but closely coupled, development accelerators for achieving the fully operational Office of BPM:

a) Office of BPM reference model

b) staged implementation

c) BPM capability development program.

These accelerators are designed to achieve progressive development of the Office, the services that it delivers, and the BPM capabilities of the whole organization. The details of implementation and staging will vary between particular organizations. What we present here is a generic pattern for the activities necessary to shape stakeholders, culture, understanding, process, and infrastructure in a way that facilitates creation of a successful Office of BPM.

To give practical form to the need to prioritize the development of the Office and its services, we define three capability levels; three stages for the development of a trajectory from initial operations with limited services to a full-service facility. The three capability levels of the staged implementation are characterized as:

a) Capability Level 1: diffusion of BPM concepts and benefits

b) Capability Level 2: creation of convergence amongst BPM initiatives

c) Capability Level 3: BPM strategic alignment and BPM culture.

These levels are described in Section 3.4 later in this paper. Implementation of an Office of BPM requires the creation of the processes, capabilities and supporting infrastructure that will support, guide and coordinate all process management and improvement work across the organization, and with other external entities as appropriate.

This paper describes a philosophy and approach to the design and implementation of an Office of BPM that will undertake, or contribute to, the following detailed tasks:

a) develop and maintain an enterprise process architecture and related artifacts

b) develop and maintain business process modeling conventions

c) develop and maintain a process improvement methodology

d) measure and report process performance

e) manage compliance with approved standards

f) support process improvement projects

g) manage BPM education programs for staff

h) enhance staff capacity to undertake process improvement activities

i) create a standard set of process analysis and management methodologies and tools

j) measure and manage BPM maturity

k) benchmark process performance

l) analyze and manage business rules

m) support process owners

n) administer process model repositories

o) coordinate external support services

p) support e-services and automation initiatives

q) manage reference models and their use

r) manage Office of BPM staff and budgets

s) develop a process-centric culture via promotion of the process view

t) advise management regarding ongoing BPM development and related matters

u) evaluate and report BPM initiative benefit realization.

This is a substantial list. However, by using the three development accelerators – reference model, education programs, staged implementation – the Office of BPM can be created and made operational quite quickly for an initial level of service delivery, and then further developed to a fully functioning operation.

The schematic in Figure 10 shows the development roadmap.

The roadmap shows the progressive development of the Office mapping the capability levels against the accelerators.

3.1 - PREPARE AND PLAN

Early and detailed planning is important. Key activities should include the following:

a)   Finalize the project charter

b)   Prepare a detailed project plan

c)   Identify stakeholders

d)   Establish project expectations

e)   Confirm project logistics, timetables and resources

f)   Establish the IT and physical environments

g)   Review and assess the history of "process work" in the organization.

Many people will eventually have some involvement with the Office of BPM. Before establishing the Office, it is important to make sure that as many of these people as possible have a proper understanding of what is planned and why it is important. A detailed analysis of stakeholders is required so that well-informed communication and change management plans can be created.
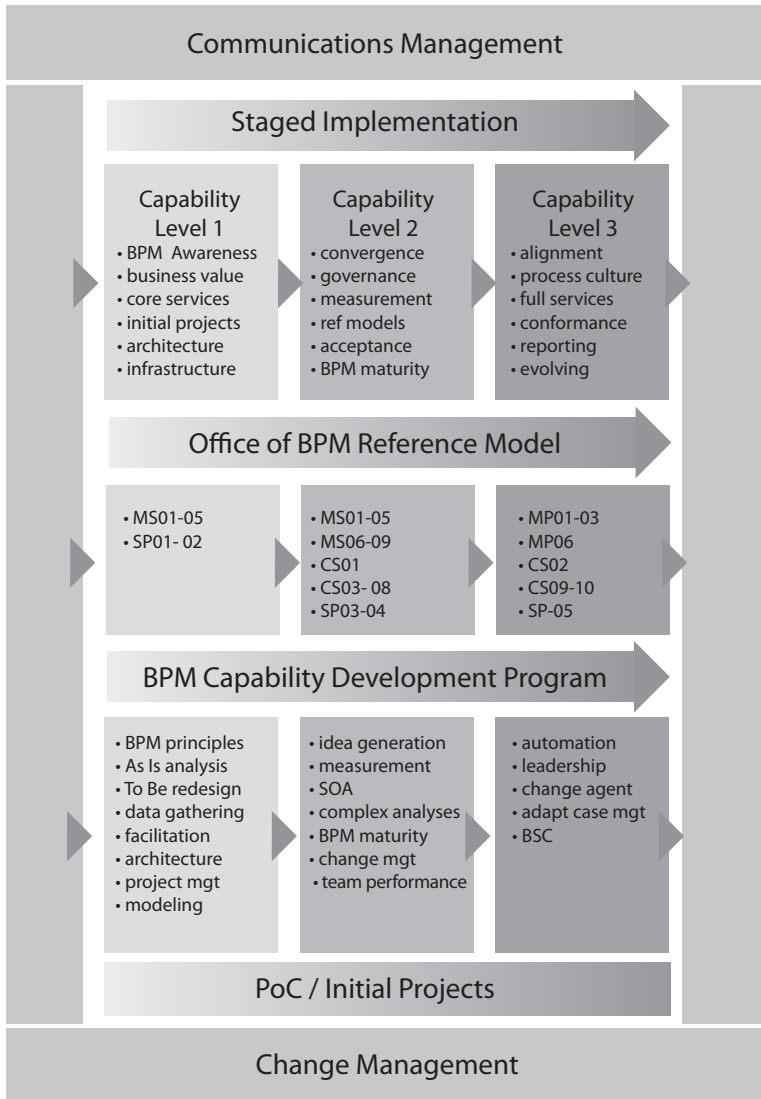
Figure 10: Roadmap to the Office of BPM

3.2 - COMMUNICATIONS AND CHANGE MANAGEMENT

Communications and change management must start from the earliest stages of the project. All stakeholders, and that can be a lot of people, need to understand what is happening and why it is important. Process change is most effective when everyone understands the intent and is keen to participate. For this to happen, all must be well informed and continuously updated. Briefings, workshops, websites and other formal and informal communication channels can be developed. The need for extensive communications with management, staff, suppliers and customers should not be underestimated.

Senior executives will require personal briefings. Presentations will be required for some committees and other groups. Workshops might be held with key stakeholder groups; intranet web pages may be developed; discussion papers can be prepared for wider distribution.

The purpose of these activities is threefold. Firstly, it will be important to gather support for the development and operation of the Office of BPM. Secondly, the Office will be much more successful if all stakeholders welcome it as a positive development and not as a threat. Thirdly, it is vital to understand the organizational context to plan an effective implementation, including understanding any previous initiatives related to operations improvement. It is important to be forewarned about any cultural resistance that will be encountered. The creation of the Office of BPM is the precursor to becoming a much more process-centric organization. As a major catalyst for organizational transformation,

its introduction must be carefully managed.

Raising awareness about BPM and the Office will prepare a sound foundation for its future operation. The need for this should not be underestimated.

The following artifacts should be developed as part of communications and change management:

a)   master communications plan

b)   stakeholder engagement and communications plan

c)   leadership action plan

d)   organization impact assessment.

There is an ongoing need to maintain interest, a sense of urgency and commitment. One of the best ways of doing this will always be to communicate the initial and ongoing success stories in which the Office of BPM has been involved.

Keyed into the communications and change management plans are the controlled release of Office of BPM services (Section 3.3.1) and the education program including aspects of change management and communications skills development (Section 3.5).

3.3 - ACCELERATOR 1: OFFICE OF BPM REFERENCE MODEL

A reference model for the design and operation of the Office of BPM has been developed based on extensive theoretical and practical research. Best practices from several references and case studies are combined, generating a rich instrument to support organizations to achieve improved performance via an effective process management approach.

The Office of BPM reference model provides a significant body of process models and templates that are tailored to suit particular environments. The availability of this material means shorter and less costly development projects based on best practice in BPM. Building on this reference model, we have developed a comprehensive plan for assisting organizations to build, manage and operate an Office of BPM.

3.3.1 - SERVICES PROVIDED BY THE OFFICE OF BPM

The Office of BPM reference model makes a clear distinction between: (a) services that may be provided by the Office to the organization; and (b) internal processes that manage and/or support the delivery of services. By a service, we mean a capability that may be offered to and consumed by the customers of the Office (business units). By internal processes, we mean those processes that must be performed adequately by the Office of BPM so that its services can be provided to customers effectively. Reflecting these concepts, the reference model has four main components: management processes, support processes, process improvement services, and process management services. An overview of the reference model structure is shown in Figure 11 followed by a description of each of its components.

• **Management processes** are those related to the internal management activities of the Office of BPM. These include the translation of strategic and operational demands into BPM services, the analysis, configuration and monitoring of BPM services, evaluation of outcomes and the nurturing of BPM culture throughout the organization.

• **Support processes** are those supporting the operation of the Office of BPM. These include creation and maintenance of processes and methodologies for the process lifecycle, establishment of BPM related roles and responsibilities, administration of the BPM services portfolio, administration of human resources, charging and funding.

• **Process improvement services** are the services that may be offered by the Office during process improvement projects. These
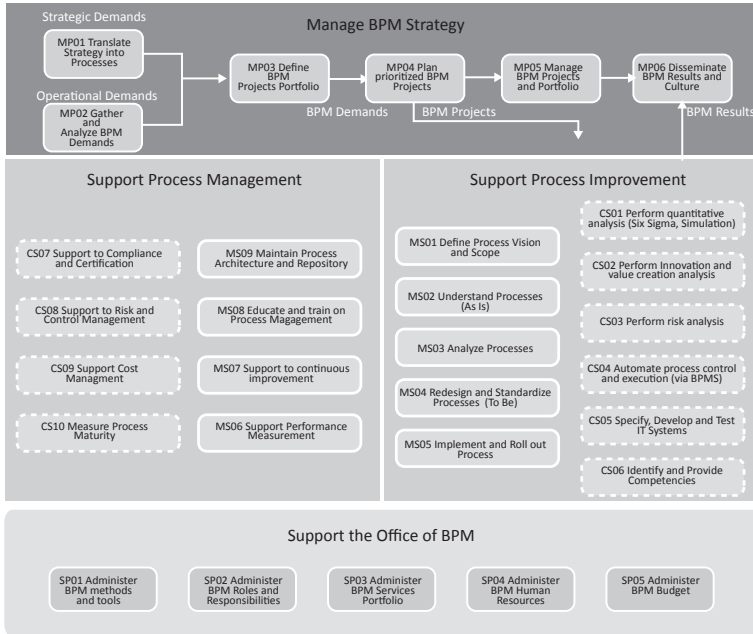
Figure 11: Reference Model for the Office of BPM

include main services (such as process analysis, modeling and redesign, and change management), as well as more sophisticated and complementary related services (such as process automation, risk analysis, and identification of competencies). We consider "main services" as those directly related with BPM, and "complementary services" as the ones that may be the responsibility of other management areas, but are still related to the BPM discipline and its methods and tools.

• **Process management services** are those that should be offered by the Office on a periodic basis, sustaining process-based

management in the organization. These relate to activities best performed in a centralized way. They form the baseline of core services for the Office, even in an organization with a very high level of BPM maturity. Included are main services like maintaining a process architecture, education/training on process management, and support for performance measurement, as well as complementary services related to other disciplines (such as compliance, risk management, and cost management). Figure 11 shows the complete reference model with the presentation of all BPM services and internal processes.

Each of these Office of BPM internal processes and services is described further below.

It is important that the Office of BPM is itself managed using sound process-based management principles. This is not only good practice, but also an important demonstration to the rest of the organization. The Office of BPM should be it's own case study for successful BPM.

The services and internal processes provided by a fully functioning Office of BPM are described in more detail in the table below.

Process Improvement Services

MS01	Define Process Vision and Scope	Definition of future vision for the process, estimating value to be generated with process improvement. Definition of process scope to drive analysis and redesign activities.
MS02	Understand Processes (AS IS)	Development of models for under standing current reality. Models include activities, events, responsibilities, systems and documents displayed according to agreed conventions.
MS03	Analyze Process (Lean Techniques)	Application of techniques for analysis and identification of improvement opportunities. Usually includes basic techniques such as value analysis and elimination of wastes.
MS04	Redesign & Standardize Processes (TO BE)	Redesign of existing processes based on the analysis of improvement opportunities and prioritization of identified solutions. Also includes creation of process standards.
MS05	Implement & Roll Out Processes	Making improvements in existing processes. Tracking of plan status, results and difficulties. Monitoring process roll out.
CS01	Perform quantitative analysis (Six Sigma, simulation)	Measurement and analysis of process costs and times in order to achieve efficiency and, mostly, reliability. May include process simulation.
CS02	Perform innovation & value creation analysis	Application of analysis techniques to innovate and/or improve the customer experience during process execution.
CS03	Perform risk analysis	Analysis of operational risks in processes and definition of internal controls to mitigate risks.
CS04	Identify and Provide Competencies	Definition and evaluation of required compe tencies for process execution. Establishment of training plans.
CS05	Specify, develop & test IT systems	Design and deployment IT solutions based on process requirements.
CS06	Automate process control & execution (via BPMS)	Orchestration of processes control & execution using a Business Process Management Suite.

Process Management Services

MS06	Support Performance Measurement	Definition of process measures. Support measure ment and reporting of process performance. Establishment and tracking of actions to improve performance.
MS07	Support continuous improvement	Day-to-day actions to support minor improvement activities.
MS08	Educate and Train on Process Management	Employee training and education on BPM concepts, methods and tools.
MS09	Maintain Process Architecture & Repository	Maintenance of Enterprise Process Architecture and models repository, based on continuous improvement activities.
CS07	Support Compliance & Certification	Periodic process checking. Verification of adherence of the process models to conventions, reference models and certifications.
CS08	Support Risk & Control Management	Periodic tests to check if process controls are in place and being effective.
CS09	Support Cost Management	Maintenance of the cost structure of an existing process, in order to support cost analysis.
CS10	Measure Process Maturity	Process maturity evaluation, based on existing maturity models.

Supporting Processes

SP01	Administer BPM methods and tools.	Creation and maintenance of BPM methodologies and modeling notation. Administration of software tools.
SP02	Administer BPM Roles & Responsibilities	Definition and updating of information related to BPM roles and responsibilities according to the organization's process management model.
SP03	Administer BPM Service Portfolio	Updating of information related to BPM services provided by the Office of BPM.
SP04	Administer BPM Human Resources	Definition and updating of profiles, roles, competencies and division of labor of the Office of BPM team.
SP05	Administer BPM Budget	Budgeting and, where appropriate, charging for the services of the Office of BPM. Pricing of these BPM services.

Management Processes

MP01	Translate Strategy into Processes	Organizational strategy deployment into processes. Definition of how business processes could be improved to support achievement of strategic objectives.
MP02	Gather and Analyze BPM Demands	Identification, analysis and prioritization of day-to-day operational demands for BPM services.
MP03	Define BPM projects portfolio	Definition of a portfolio of changes to be made based on strategic and operational needs.
MP04	Plan prioritized BPM projects	Planning of service delivery by Office of BPM. Definition of responsibilities and targets.
MP05	Manage BPM projects and portfolio	Management of all BPM services that are being delivered during process improvement and management.
MP06	Disseminate BPM results and culture	Communication of actions and success stories based on BPM results.

The Office of BPM Reference Model is a comprehensive set of processes and services that enable organizations to move quickly and cost-effectively to a full implementation.

3.3.2 - ROLLOUT OF SERVICES

It is not useful, nor would it be prudent, to provide all of the defined services from the commencement of Office operations. In each organization, an assessment is required to determine the appropriate rollout plan. This will depend on the level of BPM maturity of the organization, availability of required skills, and the demand from the business for the services. For some organizations, some services may never be offered.

Figure 12 presents a generic rollout plan showing the services offered at each capability level and the processes that, therefore, need to be defined to enable delivery of these services. Capability levels are discussed in Section 3.4.

The existing reference model material makes a significant difference to the development of the Office of BPM. Many process models, templates and documents are already available, and these can be tailored to suit the particular organization.
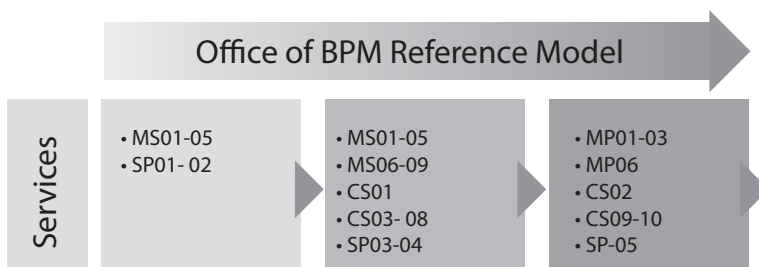
Figure 12: Reference Model Services rollout

3.3.3 - SUPPORTING DOCUMENTATION

For each of the aforementioned services and processes, supporting documents are used to guide implementation and continuous improvement. These documents reflect actual project experience in a range of operating environments.

The following are available as examples of best practices:

a) Service requirements documents

b) Service delivery process models

c) Methods and techniques, tools and templates

d) Work instructions for the templates.

The following sections describe and provide examples of each of these elements.

3.3.3.1 - SERVICE REQUIREMENTS DOCUMENTS

The Services requirements documents give instructions on:

a) Service objectives, specifying why the service is offered and typical outcomes

b) Service periodicity, specifying when the service should be performed

c) Service applicability, specifying in which situations the service should be used

d) Required steps to deliver the service

e) Service deliverables and performance attributes

f) Roles and responsibilities.

Below we provide an example of a service requirements document for the service "Support Performance Measurement".

3.3.3.2 - SERVICE DELIVERY PROCESS MODELS

This document type describes the execution activities of Office of BPM services. It gives further details and work instructions for people directly responsible for the delivery of the service, and shows how Office customers and other supporting areas (IT, HR, etc.) can be involved. Below we provide an example for the service "Implement and Roll Out Process".

	MS06	Process Performance Measurement	
Objectives	Assess, monitor and disseminate KPI results		**Productivity** Periodicity defined by each KPI

Main Activities

1. Update KPIs
• the OBPM collects informations from process executors in order to update KPIs

2. Monitor KPIs
• The OBPM compares KPI results with expected targets

3. Disseminate KPIs
• The OBPM disseminates to the involved areas the results from KPI measurement.

4. Conduct Performance Analysis meetings
• whenever required, the OBPM should conduct performance analysis meetings to present KPI results.
During those meetings action plans may be proposed in order to re-establish required performance.

Participants

(R) Process Manager

(C) Involved areas who contribute for process execution

(I) Managers should be informed about results

Duration

Products

KPI Dashboards

Service Requirements Document Example

Service 12 - Process Change Management

Version: 00 1   Date 23/7/2009

...hange Management

...te 23/7/2009

A — Process Implementation Plan Defined

Analyse improvement RISKS such as COSTS, TIMING, COMPLETC, TECHNIQUE, etc

Identify STAKEHOLDERS and sponsors involved in the improvement and analyse their EXPECTATIONS

Identify improvement proposal quality REQUISITES and INDICATORS that measure generated BENEFITS

Apply change Management and identify Process Iplementation Plan ADJUSTMENT NEEDS

Define ... Implem... Commun... including... utilized

Revise Process Implementation plan and update... BE Process considering... gathered... inform... stak...

Revise Process Implementation plan and update To BE Process considering all gathered information about stakeholders risks and requisites

Swimlanes: BPM CoE, Human Resources, Main involved areas Operational and Tactical Level, Information Technology, Involved Executives, Other involved areas, Auditory

Implement and Roll Out Process Diagram

3.3.3.3 - METHODS AND TECHNIQUES, TOOLS AND TEMPLATES

For each service or internal process, various reference methods and techniques can be applied. The reference model incorporates methods and techniques used to support implementation of a service. This set of documents represents a rich part of the reference model and gives further instructions on how an activity should be performed.

Below we provide some examples of tools and templates for internal processes "Administer BPM Roles and Responsibilities" and "Translate Strategy into Processes".

BPM Governance RACI Chart - Current Status

Service Portfolio	Office of BPM	Business Areas	Board of Directors	IT	HR	External Consultancies	Board Of Advisors
Process Architecture Maintenance	R	C	I				
Process Modelling (AS IS)	R	C, A				R	
Process Improvement	R	C, A	I	C	C	R	
Process Documentation	R	A					
Process Change Management	C	R	I	C	C		
Process Performance Measurement	C	R					
Process Management Training and Education	R						
Process Compliance	-						
Process Maturity Management	-						
Process Benchmarking & Innovation							

Internal Processes	Chief Process Officer	Process Consultant	Process Committee				
Translate Strategy into Process							
BPM Demands Identification and Analysis	A	R					
BPM Services Developement Planning							
BPM Services Programming	C,I	R					
BPM Services Monitoring	C,I	R					
BPM Results Evaluation	I	R					
BPM Culture Dissemination							
Administration of Models Repository	R	R					
Administration of BPM roles and responsibilities							
Administration of BPM services portfolio							
Administration of BPM human resources	R						
Administration of BPM budget							

STRATEGY DEPLOYMENT MATRIX

PROCESS MAP		COMPETITIVE DRIVER 1		COMPETITIVE DRIVER 2		COMPETITIVE DRIVER 3		COMPETITIVE DRIVER 4		RESPONSIBLE
		IMPACT	TARGET	IMPACT	TARGET	IMPACT	TARGET	IMPACT	TARGET	
PROCESS	SUB-PROCESS 1	0								
	SUB-PROCESS 2	1								
	SUB-PROCESS 3	2		3						
	SUB-PROCESS 4	3								
PROCESS	SUB-PROCESS 1							0		
	SUB-PROCESS 2			1		0				
	SUB-PROCESS 3					3		2		
	SUB-PROCESS 4									

INSTRUCTIONS: 0 - No relation, 1- Low, 2- Significant, 3 - Full relation

1. Strategy Deployment Matrix into Processes	Which SHOULD BE the relation between macro-processes and competitive drivers?		0- No relation 1- Small 2- Significant 3 - Total relation			0 1 2 3

Macro-processes	Operational Excellence	Customer Intimacy	Innovation / Differentiation	Expansion to other markets	Organizational Climate	Compliance	Observations
Strategy Management	1	2	2	3	3	2	
Financial Management	2	1	1	1	0	1	
Market and Customer Management	2	3	3	1	0	3	
Supply Chain Management	3	2	0	2	0	2	
Sales Force Management	1	3	3	3	3	2	
People Management	2	1	1	1	3	1	
External Relations Management	1	2	2	2	2	3	
Infrastructure Management	1	0	0	2	2	0	
Technology Management	3	2	2	2	2	1	

Method and technique descriptions for internal process are typically not found in general BPM methodologies. They provide guidance on the management of BPM services (i.e. how a service request can be handled by the Office, how status can be monitored and results reported to business areas) and on the Office's support routines (how activities could be divided within the Office of BPM team, how cost structures can be defined and budget can be charged).

3.3.3.4 - WORK INSTRUCTIONS FOR THE TEMPLATES

For each service tool and template, there is a work Instruction that describes its purpose and practical use. This provides guidance on how the tool/template should be applied and how data should be collected, analyzed and reported. The figure below shows an example work instruction for the template of a "Process Implementation Plan".

The reference model is an invaluable asset in creating the Office of BPM. It reflects considerable experience and allows the basic Office infrastructure to be built quickly and cost-effectively.

Work Instructions

PROCESS IMPLEMENTATION PLAN

Track status of process implementation

Assure process will be implemented according to
process design specifications

1) Register name of the process that will be implemented

2) Register implementation major steps at cells <Action 1, 2, 3 etc >

3) Register ALL planned implementation activities into cells. Consider all
types of implementation activities (training, dissemination, creation of
procedures, implementation of IT systems, implementation of KPIs, formaliza-
tion of process ownership etc.)

4) Register the following informations regarding each activity:

Responsible: Responsible for performing the activity
Expected Start Date: (dd/mm/yyyy)
Real Start Date: (dd/mm/yyyy)
Expected End Date: (dd/mm/yyyy)
Real Start Date: (dd/mm/yyyy)
% Conclusion: percentage of conclusion for each activity
Status: use the following alternatives: delayed, in progress, not started,
finished, postponed, cancelled
OBS: You should report here: (1) Reason for any delays; (2) Issues being
observed during implementation; (3) actions that were considered not
feasible and therefore must be reconsidered

5) On sheet "report", click on right button over "Status" box and then "Update"
to generate updated reports on process implementation status

3.4 - ACCELERATOR 2: STAGED IMPLEMENTATION

We define three capability levels; three stages for the development of a trajectory from initial operations with limited services to a full-service facility. The three capability levels of the staged implementation are characterized as:

a) Capability Level 1: diffusion of BPM concepts and benefits

b) Capability Level 2: creation of convergence amongst BPM initiatives

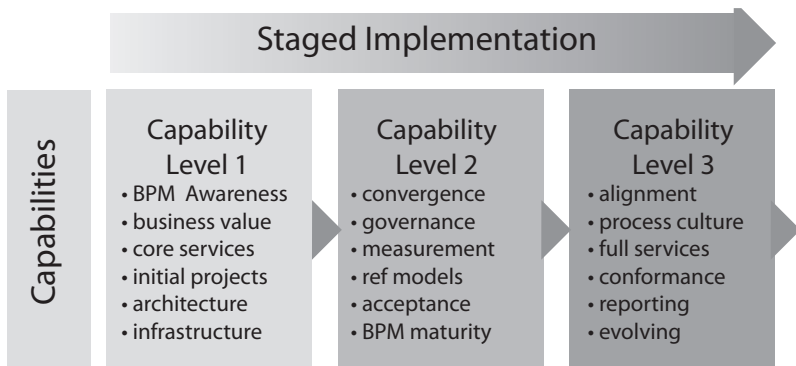c) Capability Level 3: BPM strategic alignment and BPM culture.

Figure 13: Capability Levels

To attempt to provide all services from the first days of operation of the Office risks failure. It is important to develop the services gradually to make sure that they can be delivered in a very professional manner and to match the developing needs of the business for the various services. The Office of BPM is an internal service-provider to the operational business units in the rest of the organization. Consistently high-quality service delivery is a prerequisite for success. If business unit managers do not believe that the Office assists them to meet the challenges they face, then the Office will be short lived.

The BPM Capability Development Program (Section 3.5) has also been constructed to reflect the three capability levels.

Figure 13 shows the three capability levels and the progressive ability of the Office to provide increasingly effective services and the ability of the organization to make good use of them.

The following sections discuss the content and intended outcomes of each capability level[11] .

3.4.1 - CAPABILITY LEVEL 1

BPM adoption firstly requires the diffusion of its importance and the establishment of a core set of services and corresponding methodologies, tools, and techniques that are fundamental within process lifecycle management (e.g. process modeling, process analysis). Thus, the services here are twofold.

First, an initial set of methodologies, tools, and techniques has to be defined to facilitate the execution of preliminary process redesign projects.

Second, managers need to appreciate that BPM is not only about modeling and documenting processes, but a systematic approach to re-thinking the way an organization executes and improves its operations. The Office of BPM has a fundamental role in spreading this idea throughout an organization.

3.4.2 - CAPABILITY LEVEL 2

When managers understand and value the importance of BPM, and first initiatives are successfully completed, it is critical for the Office of BPM to ensure the convergence of BPM initiatives into a consistent, comprehensive, and accepted BPM methodology. Convergence will avoid redundancies and reinforce the idea that BPM represents a portfolio of robust solutions that enable business improvements in a sustainable manner.
The Office has a fundamental role in promoting and enforcing the necessary governance and, therefore, in increasing organizational BPM maturity.

3.4.3 - CAPABILITY LEVEL 3

Finally, besides the desired convergence, it is important for the Office of BPM to demonstrate to the organization that process-based initiatives are aligned with, and derived from, strategic drivers. This can be achieved when the Office manages BPM demands according to the organization's strategic planning, and disseminates BPM culture throughout the organization.
The BPM service portfolio in this stage is complemented with services that relate to process performance and conformance to ensure that BPM is embedded in corporate performance and conformance reporting frameworks.
The Office of BPM must continually adapt its own practices to remain aligned with business priorities.

3.5 - ACCELERATOR 3: BPM CAPABILITY DEVELOPMENT

A key objective of the Office of BPM development is to develop internal BPM capability. This requires a flexible program that provides a mixture of training, consulting, coaching and mentoring, with the overall intent of both delivering specific project outcomes and developing BPM capabilities.

The following capabilities, to be delivered by this program, are vital if the Office of BPM is to be successful:

a)   an understanding of the principles of BPM

b)   the development and use of enterprise process architecture models

c)   the creation of process measurement sets within a balanced scorecard framework

d)   the ability to make process analysis prioritization decisions

e)   the creation and management of a process-centric organization

f)   the use of a process improvement methodology

g)   the gathering of information for process improvement projects

h)   the ability to facilitate innovation

i)   the generation of process change ideas

j)   the measurement of process performance

k)   the ability to achieve and sustain process change

l)   the management of business rules

m) the automation of business processes

n)   the measurement and management of BPM maturity.

As illustrated in Figure 14, the BPM Capability Development Program has two components: (a) BPM Education and Training; and (b) Proof-of-Concept and Initial Projects.
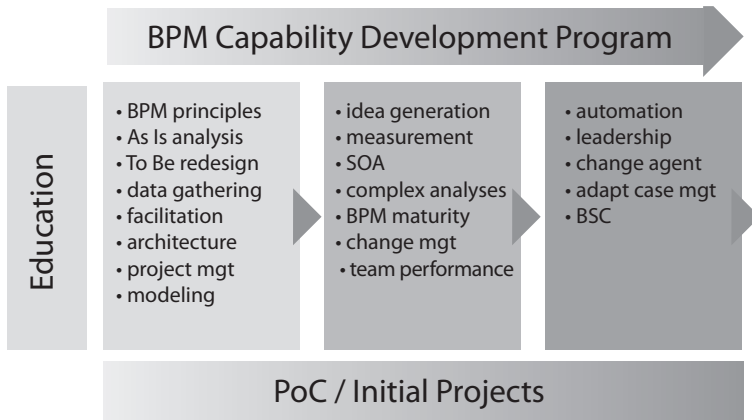
Figure 14: BPM Capability Development

An indicative BPM education curriculum categorized by the three capability levels is provided in the appendices. A broad curriculum is required covering BPM principles, methodologies, change management, facilitation, automation, modeling, coaching and team management.

The amount and type of BPM training required will depend on the particular circumstances of the organization. Over time, and linked with the developing capability levels and demands for services, training will be required for both the Office of BPM staff and the wider organization.

Training programs can be delivered either by Office staff or external resources. In the early stages of developing BPM awareness and approaches, it is likely that external resources will provide training. As the Office develops a stable service delivery platform, internal resources may conduct some of that training. The key issue is not in-house versus external delivery, but quality of training.

Developing practical process analysis, improvement and management capability requires more than training courses. The theory, tools and techniques need to be understood. Then they must be put into practice making the transition from classroom to workplace. Classroom learning must turn into practiced behavior and practical projects that deliver real benefits.

Once Office of BPM personnel have been trained in the process analysis, improvement and management methodologies – and these have been customized, if required – an initial proof-of-concept process improvement project can be conducted.

This gives Office staff the opportunity to use the methodology with a real project in their own environment. Although internal staff should undertake most of the project activities, it may be useful to have an external person with relevant experience to act as coach and mentor to ensure that the early projects are successful.

As confidence and capability (both of the Office and staff and the rest of the organization) develops, more and more projects can be undertaken in conjunction with business unit managers and their personnel.

Building BPM capability requires the careful development of confidence in the process approach. The Office of BPM staff need to be confident in designing and delivering the services that they offer to the rest of the organization. Business managers must have enough confidence in the outcomes of these services to commit their processes to analysis and management. A firm foundation of shared confidence is generally a prerequisite for a successful Office of BPM and process-based management.

3.6 - REVIEW AND PLAN

Managing the Office of BPM using sound process-based management principles means that continuous improvement must also be applied in the Office. After the initial operational period and the first process improvement project, all of the Office of BPM processes and supporting infrastructure should be reviewed and updated as required.

3.6.1 - POST IMPLEMENTATION REVIEW

Such an early stage post implementation review should address several questions:

Office Services

a) Did the service delivered meet the requirements of the Office's internal customer?

b) What lessons have been learned about delivering the services?

c) What was done well?

d) What was done poorly?

e) What changes should be made to improve the outcomes of future projects and other Office of BPM activities.
Methodology

a) What aspects of the methodology worked well?

b) What aspects of the methodology did not work well?

c) Was the methodology well understood?

d) Are there aspects of the methodologies that unproductively handicap the project?

e) What changes should be made to improve the outcomes of future projects and other Office of BPM activities.
Project Outcomes

a) Did the project deliver the expected benefits?

b) The project could have been completed earlier if the project team had ...

c) What was done well?

d) What was done poorly?

e) Was there open and appropriate communication?

f) Were there sufficient resources available?

g) What changes should be made to improve the outcomes of future projects and other Office of BPM activities.

The post implementation review is an ideal opportunity for the Office of BPM to search for, and respond to, problems and opportunities in its own "process of process management".

3.6.2 - TRANSITION PLAN

A transition plan should be developed to manage the change from initial development mode to ongoing normal operation of the Office of BPM. The transition plan should cover these issues:

a) Finalization of outstanding issues from the original development plan

b) Changes in services to be offered by the Office in response to business unit demand and feedback

c) Adjustments to resource requirements for ongoing operations – people, systems, facilities

d) Office staff development plan

e) Continuing education program for the whole organization

f) Long-term plans for the nurturing of the process culture

g) Documentation of successful process initiatives to date showing, if possible, a positive return on investment

h) Marketing plan to re-sell the concept of process-based management throughout the organization, especially in senior management.

Such a transition plan will provide a solid launch platform for ongoing operation of a successful Office of BPM.

SECTION 4
Deliverables and Timetable

An indicative Office of BPM implementation project schedule is shown in the table below. The tale shows the milestone deliverables of the project. The timing indicators give an approximation of the time to deliver each milestone measured from project commencement. Of course, this is a generalization and will vary in practice.

#	Milestone Deliverables	Timing
Phase 1: Prepare and Plan		
1	Project charter document	+ 2 week
2	Detailed project plan	+ 2 weeks
3	Master communications plan	+ 3 weeks
4	Stakeholder engagement and communications plan	+ 5 weeks
5	Assessment of "process work" history in the organization	+ 5 weeks
6	High-level process model of Office of BPM operation	+ 6 weeks
7	Organization impact assessment	+ 6 weeks
8	Leadership action plan	+ 6 weeks
9	Office of BPM staff initial training program design complete	+ 8 weeks
10	Initial BPM awareness sessions	+ 10 weeks
Phase 2: Achieving Capability Level 1		
11	Office of BPM staff initial training program commencement	+ 10 weeks
12	Detailed service/process descriptions for Level 1 services available	+ 10 weeks
13	Office of BPM roles and responsibilities plan complete	+ 12 weeks
14	Competencies matrix for Office of BPM staff available	+ 12 weeks
15	Office of BPM resource and staffing plan complete	+ 12 weeks
16	Office of BPM budget complete	+ 12 weeks
17	Office of BPM methodologies and tools defined	+ 12 weeks
18	Office of BPM commences operations (Level 1 service offering)	+ 12 weeks
Phase 3: Achieving Capability Level 2		
19	Initial process improvement projects commence	+ 14 weeks
20	Advanced training program design complete	+ 14 weeks
21	Advanced training program commencement	+ 16 weeks
22	Design and rollout Level 2 services	+ 18 weeks
23	Review and finalize initial process improvement projects	+ 26 weeks
24	Review and finalize Office of BPM methodologies	+ 28 weeks
25	Review and update Office of BPM processes	+ 30 weeks
Phase 4: Achieving Capability Level 3		
26	Commence additional process improvement projects	+ 30 weeks
27	Design and rollout Level 3 services	+ 34 weeks
28	Reassess BPM maturity	+ 36 weeks
29	Process-aware culture development plan	+ 38 weeks
Phase 5: Review & Plan		
30	Post implementation review	+ 40 weeks
31	Transition plan	+ 40 weeks

Additional Resources

CONTACTS

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FURTHER READING

There are many sources of further and different information on the topic of the Office of BPM. Listed below, in alphabetic order by author, is a selection of further reading about the Office of BPM and related topics.

Burlton, R.T., (2001), Business Process Management: Profiting From Process, Sams Publishing.

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vom Brocke, J. and Rosemann, M. (eds.), (2010), Handbook on Business Process Management, Volumes 1 and 2, Springer-Verlag, Berlin.

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INDICATIVE EDUCATION PROGRAM

The table below presents an indicative education program to support the development of the Office of BPM and the effective use of its services throughout the organization.

Capability Level 1

ID	Course Name	Duration	Content
BPTA 101	Principles of BPM	1 day	• why BPM?
			• BPM maturity
			• process management
			• process architecture
			• process improvement
			• process change
BPTA 102	Modeling, Analyzing	3 days	
	and Designing Processes		• understanding process context
			• stakeholder analysis
			• process vision
			• process and project scope
			• process performance gap
			• analyzing the current state
			• root cause discovery
			• data collection
			• data analysis
			• redesigning processes
			• redesign patterns
			• waste analysis
			• reference frameworks
			• case for change
BPTA 103	Information Gathering and	1 day	• project information management
	Facilitation for Business Process		• facilitating workshops
			• conducting interviews
			• targeting information gaps
BPTA 301	Architecting and Managing	4 days	
	a Process-Centric Organization		• use of process architecture
			• systems view of an organization
			• stakeholder analysis
			alignment of processes
			• performance analysis
			• defining value chains,
			Level 1 and Level 2 processes
			• use of reference models
			• the BPM Center of Excellence
			• process governance systems
			• pain gain analysis

ID	Course Name	Duration	Content
AR 03	7P Facilitation Skills	2 days	• Philosophy – what is facilitation, role of the facilitator
			• Purpose – agenda, participants, outcomes
			• Place – physical and emotional environment
			• Preparation – logistics, walkthroughs
			• Process – opening, decisions, agreement
			• People – group dynamics, reading people, difficult people
			• Practice – observation, feedback
LQ 01	BPM Notation (BPMN)	2 days	• origins and scope of BPMN
			• review BPMN standard
			• levels of BPMN modeling
			• basic control flow modeling
			• organizational modeling
			• process choreography
			• process orchestration
			• event-based decision-making
			• exception handling
			• creating effective BPMN diagrams
			• dealing with complex process modeling requirements
			• creating BPMN diagrams useful for both IT and business people.
BPTA 202	Managing a Business Process Project	3 days	• basics of project management
			• applying PMI approach to process projects
			• scoping a BPM project
			• managing risk
			• organizing a BPM project team
			• project deliverables for a BPM project
			• principles of change management
			• building a successful business case
			gaining acceptance
LED 01	Improving Processes	3 days	• discovering ideas for change
			• 4 Dimensions model
			• improvement
			• innovation
			• utilization
			• derivation
			• achieving change

ID	Course Name	Duration	Content
LED 02	Measuring Processes	2 days	• process vs. functional measures
			• what to measure
			• process measurement failure modes
			• accountability for process measurement
			• basic statistical techniques
LQ 02	Principles of Service Oriented Architecture (SOA)	1 day	• concepts of service analysis
			• concepts of service design
			• best practices and trends
			• creating a service-oriented architecture
AR 01	Change Management for Executives	1 day	• change methodology
			• articulating strategic direction
			• risks and challenges
			• stakeholders
			• measuring progress
			• team building skills
			• supporting people in change
			• coaching essentials
AR 06	Building Better Teams	1 day	• team alignment
			• the four stages of change
			• understanding how people behave
			• DISC (4-quadrant behavioral model)
			• filters/perceptions
			• stages of group development
			• building trust in teams
			• communication skills
			• communication model
			• listening and questioning
			• building rapport
			• influencing skills
AR 02	Becoming a Change Agent	2 days	• overview methodology
			• articulate the strategic direction
			• developing step-by-step plans
			• identify risks and challenges
			• stakeholder buy-in
			• how to measure progress

ID	Course Name	Duration	Content
BPTA 201	Advanced Techniques for Process		
	Modeling, Analysis and Design	3 days	
			• advanced process analysis techniques
			• prioritizing processes for improvement
			• measuring process performance
			• advanced analysis and redesign problems
			• complex design problems
LQ 03	Business Process Automation	2 days	• requirements for successful process automation
			• process modeling to process execution
			• identifying automation topics
			• reference languages for process automation
			• planning for process automation projects
LQ 05	BPM Maturity	1 day	
			• concepts, purpose and role of BPM maturity
			• BPM capability maturity model
			• Factors and capability areas
			• Measurement of BPM maturity
			• BPM maturity development roadmap
AR 04	Managing Team Performance	1 day	
			• motivation – internal/external
			• setting goals and KPIs
			• individual/team rewards and recognition
			• giving and receiving feedback
			• dealing with non-performance
			• resolving conflict
			• passive – assertive – aggressive
			• above and below the line behavior
			• problem-solving
			• scenario practice

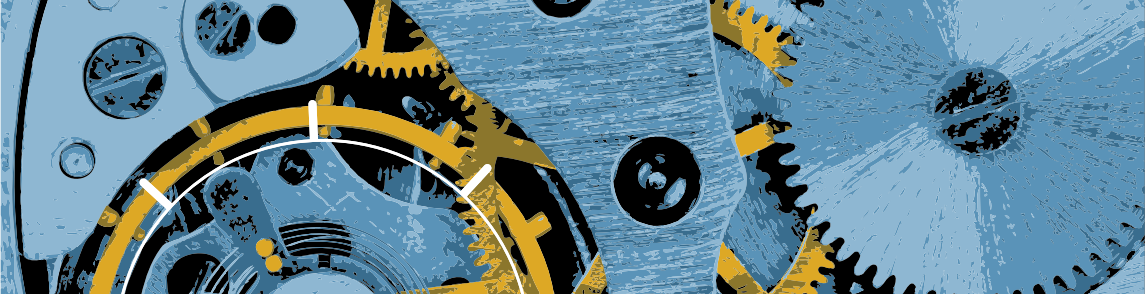| ID	Course Name	Duration	Content
AR 05	Coaching for Leaders	5 days	
			• foundational communication skills
			• building rapport
			• listening
			• questioning
			• giving and receiving feedback
			• advanced communication techniques
			• mindfulness
			• generative listening
			• emotional intelligence
			• pacing
			• reframing
			• appreciative inquiry
			• core coaching skills
			• reflecting
			• enquiring
			• communicating respect
			• being specific and descriptive
			• confirming
			• affirming
			• simple and effective models
			• GROW coaching model
			• Competence vs. Commitment
			• Trust Triangle
			• Trust Equation
			• effective coaching techniques for working with groups
			• practice and observe coaching skills in a safe, supportive environment.

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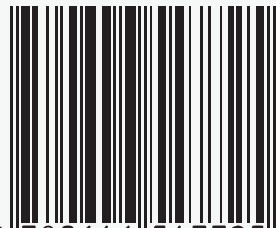
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Process based management is central to the idea that organizations can only deliver value to customers, themselves and other stakeholders via cross-functional business processes.

Find out how to improve customer service, remove waste, delays and rework and seize new opportunities as well as why the the early establishment of an Office of BPM is a sound strategic initiative.

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