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Business Process Management



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Background

- BA Economics
- MSc MIS
- PhD CIM




Walsall

Exeter





RESEARCH



- Development of new knowledge in the field of Business Process Management

Manufacturing	Finance	Utilities	Computing	Public services
BAE Systems	Lloyds TSB	Scottish	IBM (UK)	
Shorts	Prudential	Power	Compaq	Met Police
GKN	Scot Amicable	Vodafone	Fujitsu	Hospitals
Messiers Dowty	NSI	CAL-ISO	Microsoft	Fire Service
	Nationwide	Sprint		MoD
	Bldng Soc			

Introduce yourself

What do you want to get from this session?



Structure

1. Importance of process
2. BPM foundations; the concept of cross functional business processes
3. Identify your top level business processes
4. Key features of a BPM approach
5. How BPM can help your business
6. Next steps & Tips



Section 1

Importance of process



History



- BPR, management fad of the 90's "don't automate, obliterate"
- Engaged senior managers across all sectors
- High failure rates, high consultancy fees
- Current interest BPM
- Something about process...



What BPM is NOT



- BPR
- A Project
- Parts of a process – its end to end
 - ← Nor one or two processes
- A piece of software eg Workflow
- Fad or fashion
- Consultant driven
- Cost only driven
- likely to be the first iteration

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Development of BPM

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- BPMG 1m hits a month – 6000 companies
- Gartner estimates the revenue from BPM product sales reached between circa \$500m in 2003.
- Dataquest estimates that the worldwide BPM tools market grew 20% in 2003

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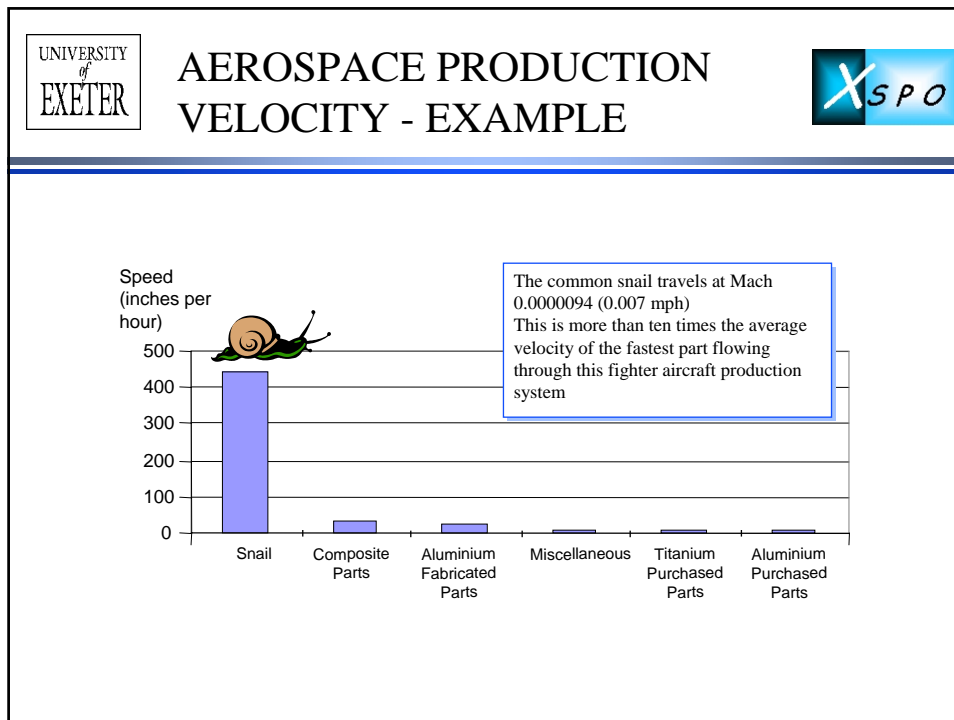
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Harrier Jump Jet
21 Days
to manufacture

Bank Mortgage
22 Days
to deliver

Mortgage

Which should be the most complicated process?



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All sectors

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- Government targets on 4hr wait in A&E – patient flow,
- Telco's moving from a growth to consolidation phase
- MoD moving from provider to decider

Elementary



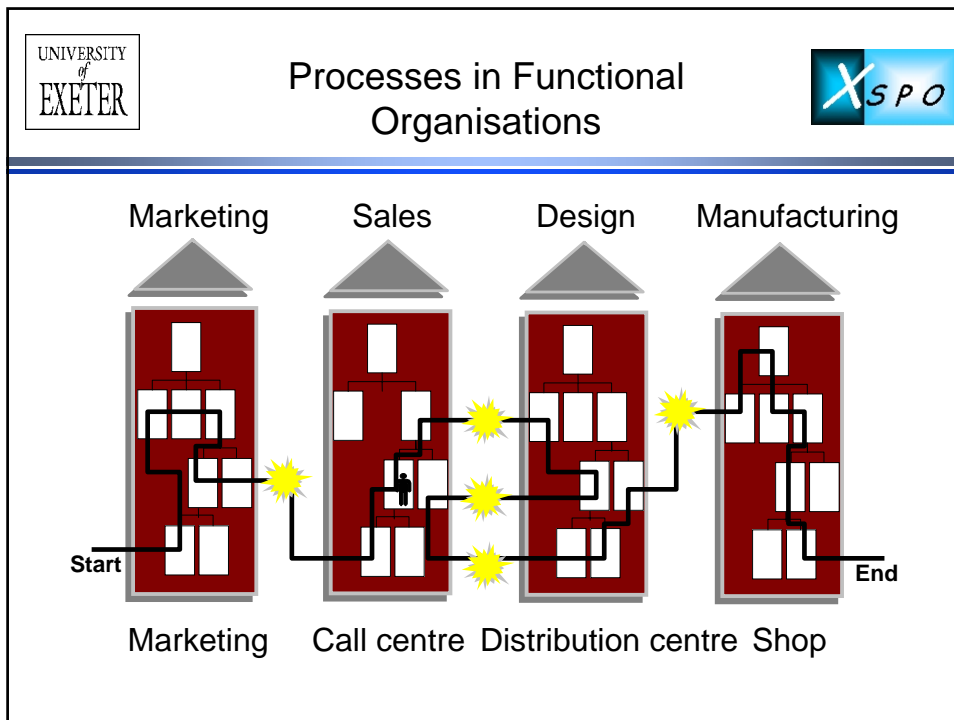
*‘The tide turned, and all
that was left was
process’*

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Section 2

BPM Foundations for Process Modelling





Important Characteristics of a Process



- Processes have customers,
← internal , external
- Processes are independent of formal organisational structure
- Processes may cross organisational boundaries
- Processes should be linked to strategic objectives
- Processes exist in a hierarchy



Systems Thinking



Break each problem into its component parts and solve them one at a time

Don't

Take a systems approach



Objectives



- For a system to have 'purpose' objectives need to be recognised.
- Complex systems may have a number of objectives - what is the objective of a football match?



Boundaries



- Defining boundaries is the most difficult and important job in systems approaches to problem solving.
- Boundaries separate the elements that are part of the system from those that are outside (environment)
- Always think about expanding the boundaries of the analysis Dreamcast and Domino's Pizza
- Supply/Demand chains -

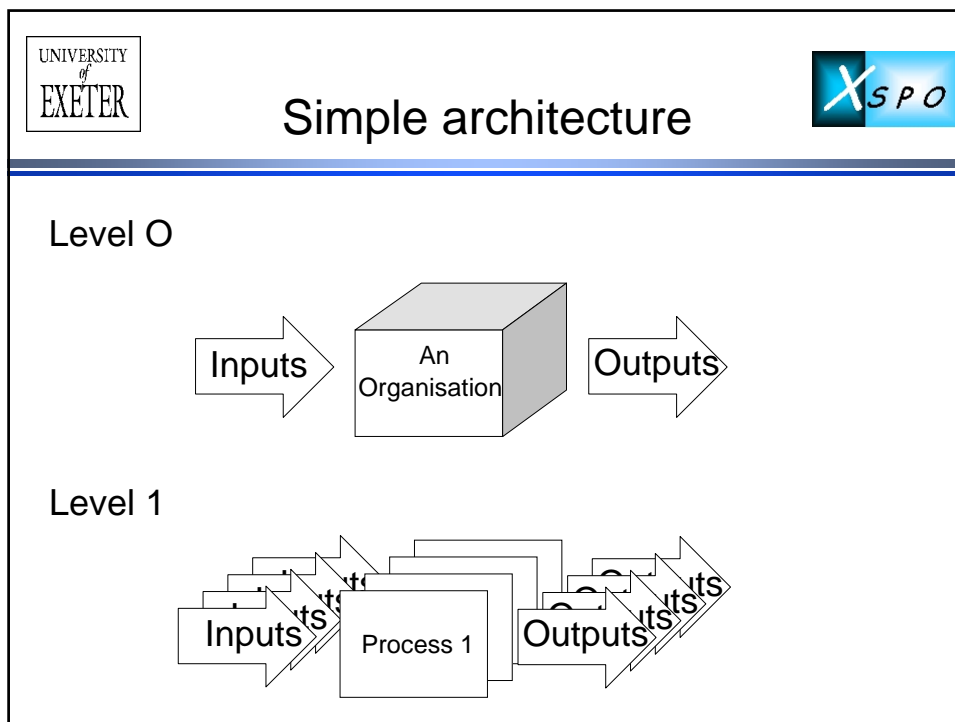
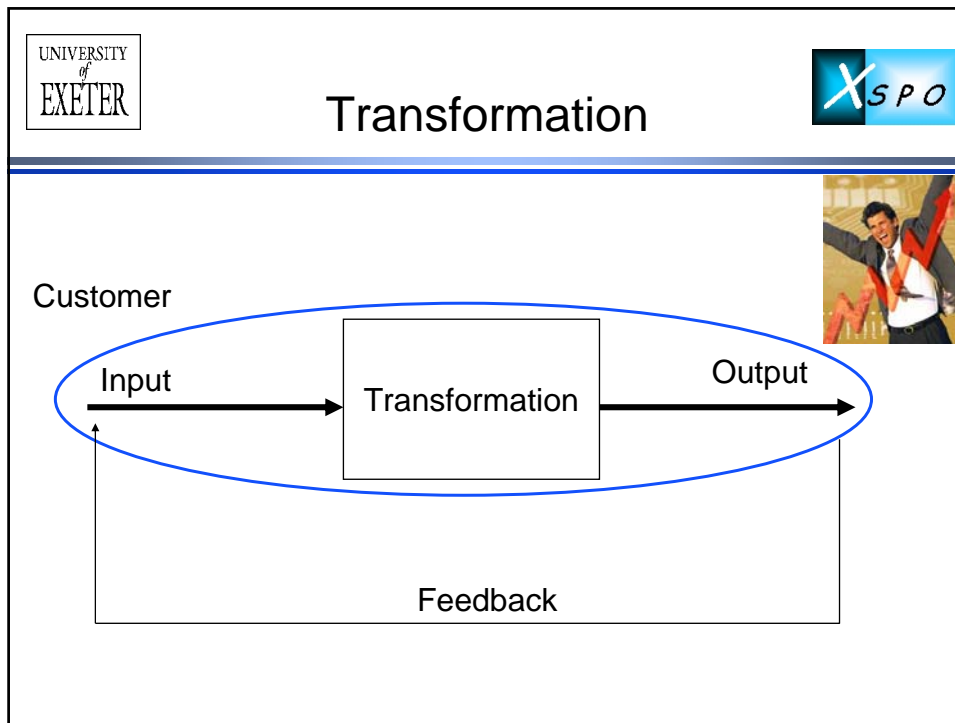


World view



- The critical component, we all have a world view
- The assumptions, perspective or outlook which make the system meaningful.
- Mathematician statistician Accountant engineer





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Section 3

Identify your processes

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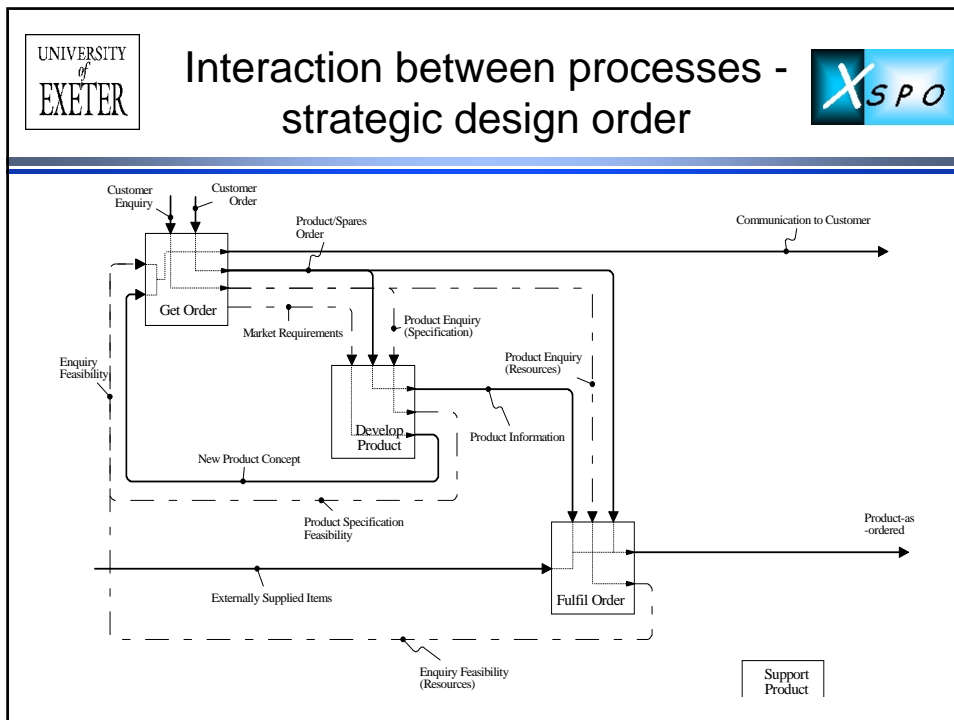
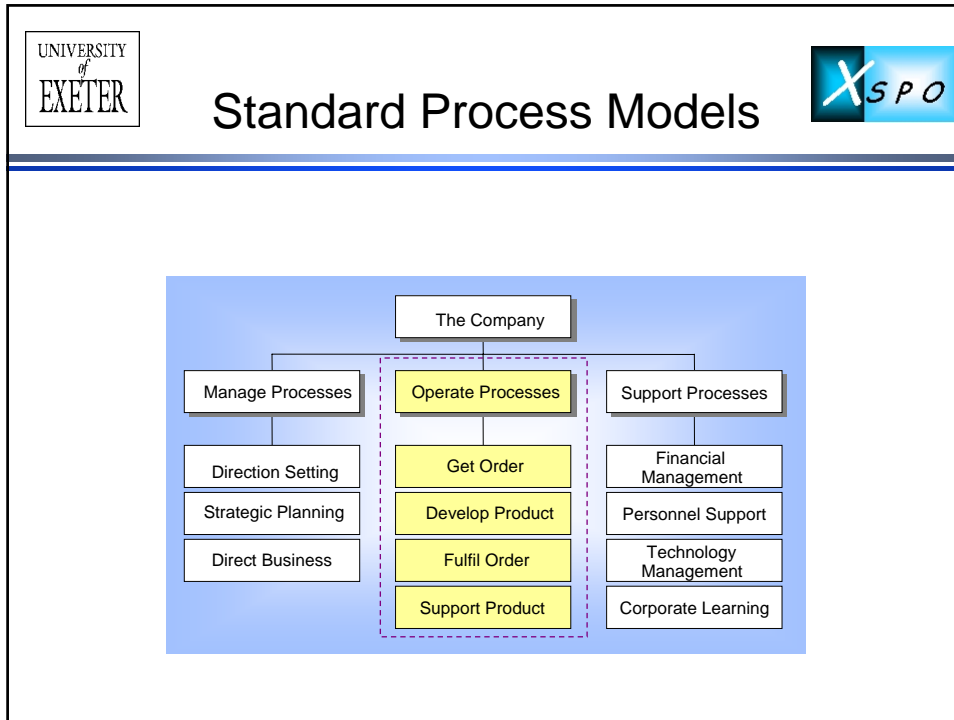
Analyse Your Organisations

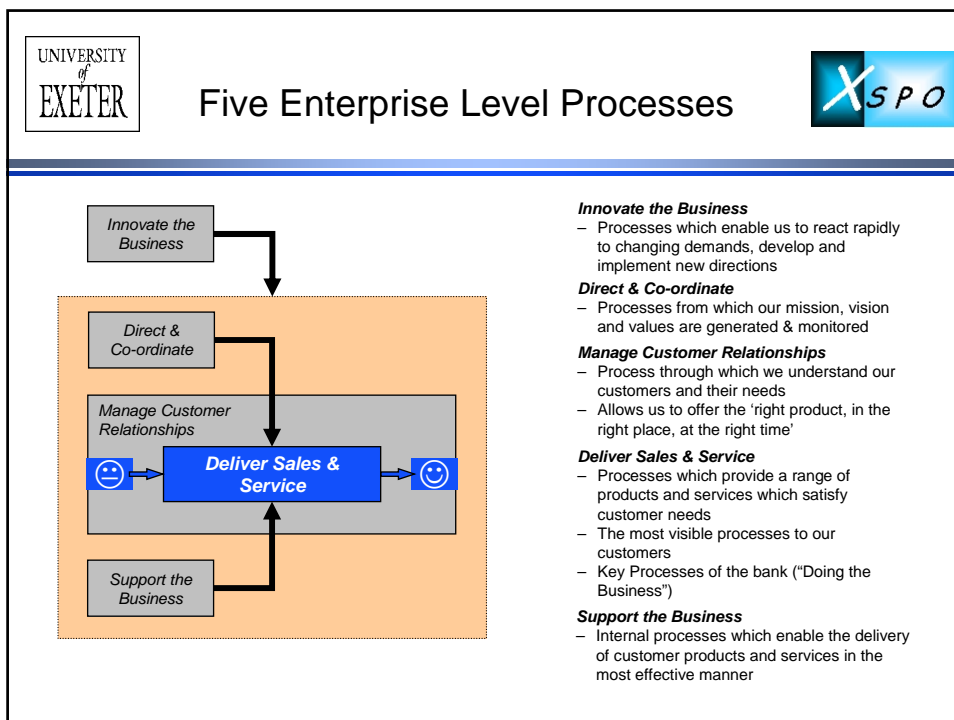
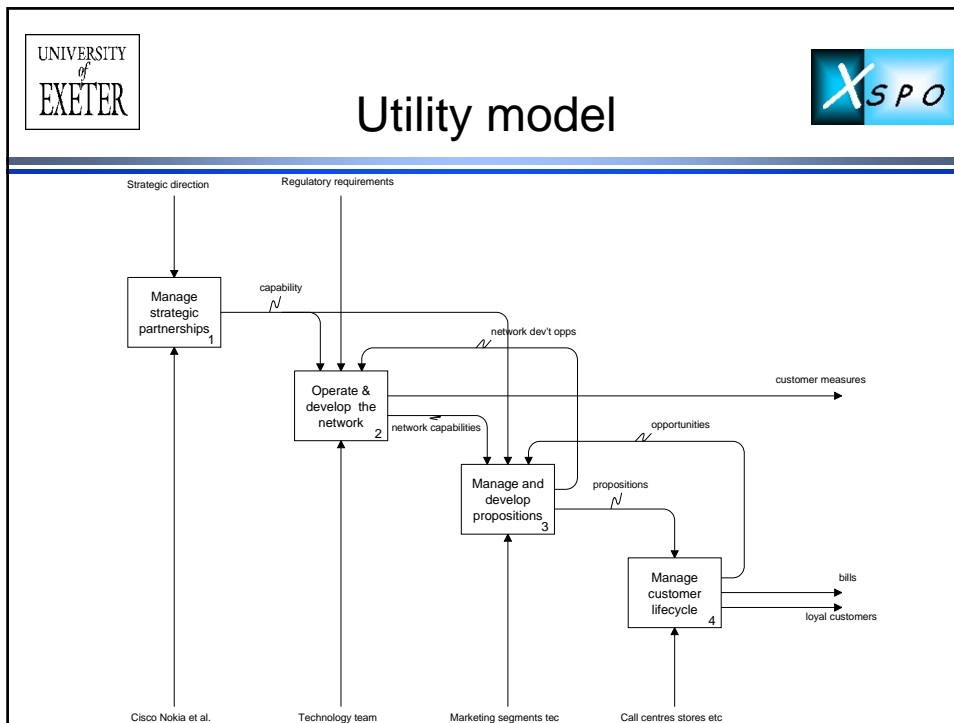
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- Using the I-T-O framework analyse your organisation, (you may want to think of measures and feedback if you have the time)
- Be prepared to share

```
graph LR; Input --> Transformation; Transformation --> Output;
```

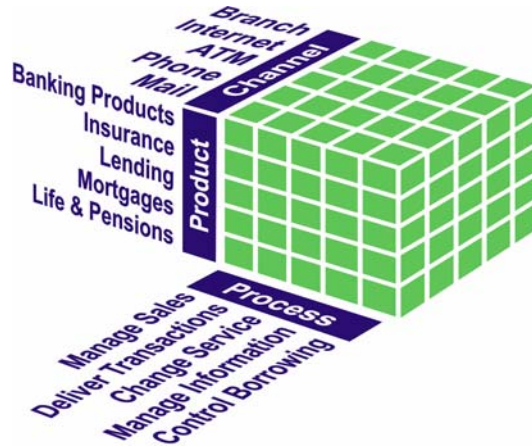
The diagram illustrates the I-T-O framework. It consists of a central rectangular box labeled 'Transformation'. To the left of this box, the word 'Input' is written above a horizontal arrow pointing to the right, which enters the 'Transformation' box. To the right of the box, another horizontal arrow points to the right, labeled 'Output' above it. The entire process, including the 'Input' arrow, the 'Transformation' box, and the 'Output' arrow, is enclosed within a larger blue oval.



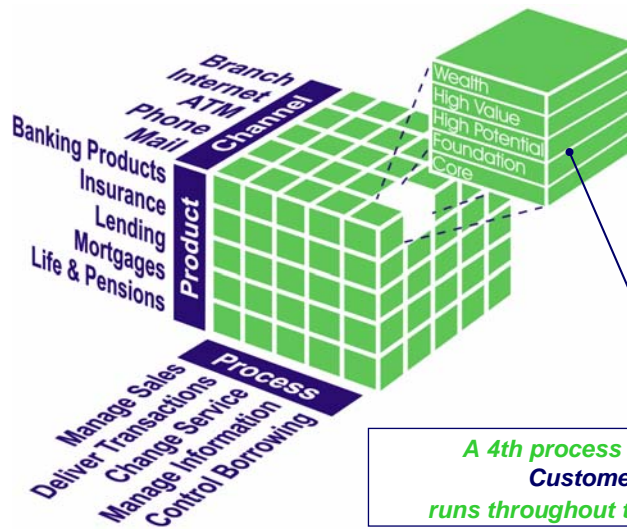





Deliver Sales and Service





[Link](#)



*A 4th process dimension
Customer Segment
runs throughout the "Cube"*




More to BPM than architectures




Section 4


BPM Some key features




Process Strategy



- Engagement
- Conscious management of process
- Reporting on process performance



BP Architecture



- Compelling picture
- Process architecture has “the people in it”
- Provides an overall structure
- Ensures we analyse process NOT a function



Measurement





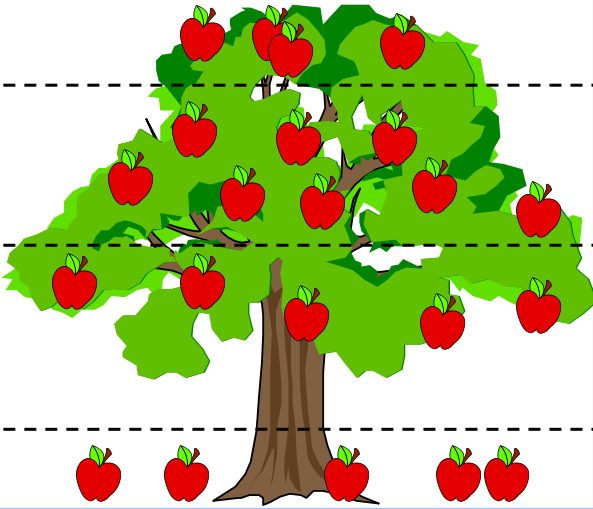
- Process cost
- Quality of service – six sigma







Improvement



- Analyse the model, recognise the cost/service balance
- Test & Model the improvement
- Role for IT


	<h2>Fruit of Improvement</h2>	
		<p>Sweet Fruit <i>Advanced tools</i></p>
		<p>Heavy with Fruit <i>Dynamics of Process (bottlenecks)</i></p>
		<p>Low Hanging Fruit <i>Simple analysis</i></p>
		<p>Ground Fruit & Spoiling <i>Logic & Intuition</i></p>

	<h2>Control</h2>	
<ul style="list-style-type: none"> • Process Owners, • Process governance, <ul style="list-style-type: none"> • Repository & other software issues 		




Section 5


How BPM can help Case studies




Business Process Environment





- **Process Maturity**
 - ← Lack of consensus on scope / task / terminology
 - ← Shared ownership & responsibilities through meetings
 - no clear process ownership
 - Governance is a major issue
 - ← Lack of MI on process performance
 - ← Cultural routines – discipline with creative emphasis
 - ← Phase-gate approach implemented
 - Inconsistency in application



Business Process Environment



- **Technology – used to enable a process discipline**
 - ← **Predetermined Task & Flow**
 - Includes responsibility, accountability
 - ← **Information Management**
 - “Info. kitting”
 - Document management issue
 - Consistency of information (templates)
 - information re-use
 - ← **Process Measurement**
 - Process control enabled through measurement
 - efficiency and effectiveness



So where are you and what are your chances of success?



Where are you?



- Questionnaire
 - ← Fill in (2-3mins)
 - ← Discuss with neighbour (5mins)
 - ← Discuss across table (10mins)

Name			
Company			

Your company *(please tick relevant box)*

How large is your company?	Small <100 branches	Medium 100-1000	Large >1000
How complex is your company?	Simple <20 products	Medium 20-50	Complex >50
How mature is your company?	Modern <10 years	Established 10 -100 yrs	Mature >100 years

What is your approach to Business Process Management? *(please score from 1 (strongly disagree) to 10 (strongly agree))*

BPM is delivered through a structured, central programme	
BPM is focused at the company level, rather than individual Business Units	
BPM deals with 'end to end' processes, from customer request to fulfilment	
BPM deals with the totality of processes & their inter-relationships	
BPM emphasises the customer, not simply the internal business needs	
BPM aims to provide a sustained focus on all processes	
Total	

When did you commence your current BPM activity?
To what extent have you delivered your current BPM programme?%

How are processes managed today? *(please score from 1 (strongly disagree) to 10 (strongly agree))*

There is an overall process strategy	
Processes have been fully identified	
Processes are measured	
There is dedicated process management	
Processes are systematically improved	
Processes are managed effectively within Business Units	
Processes meet customer requirements for speed and accessibility	
Processes are flexible to different customer needs and changing requirements	
Processes are efficient	
Processes are right first time every time	
Total	

How well does the environment support process management? *(please score from 1 (strongly disagree) to 10 (strongly agree))*

The CEO supports process management	
Process management meets a critical business need	
Process management has effective leadership, skills and resource	
There is wide buy in to process management	
The culture supports process management	
The company is stable	
Process management has already delivered visible and tangible benefits	
There is effective project management support to process activity	
Internal politics have been managed effectively	
The company is mature in its process management	
Total	



Predictors



- Volumes
- Variety
- Organisational Maturity
- Mindset for change
- Contact h.maddern@ex.ac.uk for full assessment



Section 6

Issues & Tips



Your Issues + some tips



- Customer focus – if label then include customer
- IT is an ENABLER (Solow)
- Make measurement end-to-end
- Don't get hung up on the models and tools
- Stop piecemeal process improvement, get an architecture
- Cannot just re-design have to instigate process management
- Don't use consultants – DIY (education)



Summary



- BPM more than just change
- BPM will always be an issue = widespread interest
- Need to know top level processes and their interaction – flows & constraints
- 5 features of BPM
- Audit and what's important
- Tips

Einstein

