



BPM Done Right:

15 Ways To Succeed Where Others Have Failed

Mike Lees

Senior Director, BPM Product Marketing, Software AG

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Introduction

Rates of adoption of Business Process Management (BPM) technology are increasing dramatically, and with them, the stories of missed expectations, wasted investment and outright failure are also on the rise.

Have you ever been so excited by a new piece of technology - a computer, phone or iPod - that you ripped open the packaging and started playing without reading the instructions? You probably had fun playing, but it took longer than it should have to find the right ways of making things work.

In fact, you probably still aren't using some technologies the way you should and you may have given up altogether and written off the investment.

BPM includes some cool features with tempting promises of ease-of-use, happier, more productive workers and fast returns. As a result, it is tempting to just plow ahead and get the technology installed without thinking about the less interesting elements such as methodology, new roles and responsibilities, training and the like.

BPM's promises are real, but the path to success is littered with pitfalls and shortcuts to failure. Best practices can help you avoid them. The good news is that BPM has now reached a stage of maturity which ensures that customers who are just embarking on using its methods and tools have a wealth of experience to learn from and build on. To succeed with BPM, you will need to develop your own best practices and constantly evolve them to stay ahead of the competition. The following "lessons-learned" provide a good place to start.

Don't Automate for the Sake of It!

"A man who continually shoots himself in the foot should not buy an automatic weapon!"

- Chinese proverb

Often your processes are working well and the benefit from BPM comes from increased levels of automation and agility. But don't embark on BPM assuming this will always be the case. If a process is broken, then automating it will only generate errors faster. Ensure that you have relevant data on the effectiveness of processes before you automate their execution. Measure first!

Measure First, Measure Often and Measure Last

"The real troubles in your life are apt to be things that never crossed your worried mind; the kind that blindside you at 4 PM on some idle Tuesday."

- Baz Luhrman

Most people won't admit it, but the vast majority of business decisions are based on gut feel, intuition and experience. "We think the process works like this, so we should do X?" Or "Customer orders were delayed in the past primarily because of Y, so go fix that!" This may have worked in the past, but in a fast-changing and unpredictable business environment, gut feel and experience won't cut it. The emphasis has to be on real-time, end-to-end monitoring against the things that matter to your business - Key Performance Indicators (KPIs). You'll be surprised how productive project meetings become when you start to have conversations based on relevant, actionable data!

However, measuring during the project is only part of the story. If you are exploring where to start with BPM, Business Activity Monitoring (BAM) can provide the answer. Would you go to a doctor and receive a diagnosis if he hadn't done a thorough 'root cause analysis' based on your current symptoms? If there is only one thing you should remember here, it is this: Start your BPM project by measuring your current performance. Without an accurate current diagnosis your project will be unfocused; your ROI will be lower, and your efforts may end up being targeted at the wrong problem. If a vendor tells you to model your critical processes before you can analyze and improve them - be wary! It probably means they simply have a really nice modeling tool.

Measuring first always uncovers things you didn't know about your business, purely because until you are able to look inside the key metrics of a process most of your decisions will be made on the process outputs - and that is only half the story. If you are fulfilling 100 percent of your orders on time, but to do that you have to expedite those orders by throwing more and more people at the process, then you're probably not achieving your core business goals. Your margins will be lower, but you won't know why.

Finally, for all the talk of continuous improvement, BPM still involves projects, and projects have fixed durations. Your BPM project must have an end point. Sure, the project itself may be very short and the improvement incremental, but unless you can complete a cycle and measure and celebrate your success (or evaluate your failure) at the end, then you'll be in a constant state of change with no real sense of progress.

1. Plan for Change

Planning is critical in any project, but in BPM, planning and project management require a much more flexible approach. You should clearly understand your requirements at the start of each incremental project, but overall it's important that you plan for requirements to change with each cycle and evolve as you implement and improve.

To mirror this, it is critical to ensure that the technologies you adopt allow for change as opposed to a current state being 'hard-wired' into the solution. Consider the role of business rules in the process infrastructure; consider who, how and when changes to the process model can be made and evaluate the capabilities around rapid UI/application development. All of these capabilities are central to an agile infrastructure but the plan should guide how they are utilized. You want the 'picks and shovels' in the hands of the people with the right knowledge, who are able to initiate change in a timeframe that makes sense. And, as already noted, the decentralization of change management requires strong governance and adequate controls. Ensure that policies are in place to determine who can change what, which changes go live and which changes require approval and testing.

2. Foster a Culture of 'Thinking Differently'

BPM is different. It's going to require you to think differently both in how you approach its implementation, how you foster and reward opportunities for improvement and how you sustain the advantage through continuous improvement and innovation.

BPM should empower everyone to think and act differently. New ideas should start to surface from across the organization - specifically from people involved in the process who see their place in the end-to-end operation and are able to visualize how value is created and what is on the critical path.

But getting employees to come forward with ideas, change their behaviors and think about the world differently is not easy. Only when people feel incentivized and comfortable initiating change will they stand up and be counted. So, incentivize your people to think differently and ensure that management leads by example.

3. Don't Make BPM an Excuse for a Headcount Reduction

Making headcount savings the key objective of your BPM initiative is a sure-fire way to guarantee failure at the outset. The goal is making the staff work smarter, faster, more consistently and with more focus on value creation.

No matter how ambitious your process automation goals, your people are the key to making processes work. Your people are the ones that ultimately deliver customer satisfaction and create value in your business. If process improvement initiatives lead your people to engineering themselves or others out of jobs, retrain and relocate them. More importantly, make it clear that is the goal.

One of Toyota's early Kaizen initiatives supposedly involved the creation of a place on the shop floor where workers would stand once they had completed their tasks. These workers were basically advertising that they were available resources for other tasks. Anyone hazard a guess as to what would happen if a worker at General Motors stood up and said he had no work to do? Fear of job loss is one of the key forces that thwarts change in organizations, so remove all fear before you start.

4. Focus on Your Customer

It's easy to get bogged down in the detail of the process and forget the goal – customer value. At the end of the day, one of the major goals of BPM is to see your business the way your customers do – as a series of inter-related processes that translate an order into a delivered good or service. Your customers don't care how things get done; they just care that they get exceptional service and receive what they ordered at the lowest price you can offer and in the expected timeframe. When you are working out the detail of how web orders over \$20,000 from people with low credit ratings get approved, always keep in mind the big picture! It's simple - if what you're doing doesn't ultimately create value for your customers you should seriously question your motives.

Some things to consider:

- Does my BPM solution allow me to prevent a significant number of errors in the processing of customer orders?
- Am I using a Business Activity Monitoring (BAM) solution in a way that enables me to see problems before my customers do and take corrective action? This requires instance level monitoring and root cause analysis as well as ensuring you have the right KPIs specified.
- Should I expose my metrics and monitoring capabilities to my partners and customers? Processes are a key part of your competitive differentiation and you're proud of the way they run, so use them to win new business and develop great partnerships. Remember, today's leading companies are transparent and easy to do business with.

5. Focus on Your Process Workers

Investing in the plumbing of BPM is critical, but don't over-fund the infrastructure at the expense of users. BPM technology incorporates new capabilities to build intuitive user interfaces that tailor application interactions to particular tasks and shield users from the complexity of the underlying systems. Treat users like customers - always consider how you can make them more productive and the technology more invisible so that their day-to-day tasks are focused on adding value.

6. Align Roles, Responsibilities and Remuneration

There is going to be change and one of the keys to success with BPM is making sure people are incentivized to make that change and have the right skill sets and tools to contribute to the new world order and be successful. Put new remuneration plans in place and train people to be successful.

You'll need to set up a new, cross-functional organizational structure to drive and sustain your BPM initiative. Roles you might want to consider include:

- Chief Process Officer (an evolution of the CIO)
- Process Champion
- Process Owner
- Process Technician
- Process Analyst

Be creative when you look to acquire new skills. Your current staff probably already has the skills necessary to be successful. They won't have the right job titles, but they'll have the right understanding of your business, the people, processes and technology. Don't be afraid to look to vendors and service providers for help, especially in the short term as you gear up. But for some roles, where important business knowledge will be required, consider longer-term staff.

One way to make these new teams work well together and share knowledge is to set up a Process Center of Excellence where stakeholders plan together, meet regularly and perform tasks collaboratively.

7. Recognize and Address BPM's Politics

As with most organizational and management initiatives, politics are going to be a fact of BPM life. Friction may be created as you move from an organizational structure where power is based on functional ownership to one where new people have power across functions. Companies that succeed with BPM are usually companies that have addressed these issues head-on and found effective ways of managing the cultural and organizational impacts. Early in the process make sure you identify:

- the “change agents” (who’s going to get this done)
- the “influencers” (who has a respected voice)
- the “barriers” (those who are threatened by change)
- the “end users” (who is going to have to live with the end result)

‘Change agents’ need to be incentivized to operate under the new discipline. Pick ‘influencers’ who have respect and a vested interest in change. These people need to be given the tools to allow them to act as ‘champions’ or ‘heroes’ within the organization and to ‘ride the coat-tails’ of success of the BPM initiative. Ultimately, ‘barriers’ need to be removed, preferably in terms of education rather than literally. There’s usually always something in it for them. Try to find out what it is or what value they can bring (and be rewarded for). If there isn’t, reconsider their role. Finally, recognize that end users have a lot of power; these are the people that will give the applications that you deliver the thumbs up or the thumbs down. Getting them on board early is extremely important to successful adoption.

8. Secure Executive Sponsorship

It’s an unavoidable fact of life that people with powerful friends get further, faster. But to win friends you have to impress.

The good news is that BPM naturally aligns to strategic business initiatives. So the first thing to do is find a real strategic business pain that your project will help alleviate. Then find the individual(s) closest to the boardroom whose responsibility it is to make that pain go away. Finally, get them excited about what BPM can do for them. Don’t build PowerPoints and write long reports - show them! A good BPM solution and a strong vendor (remember that your vendor shares a mutual interest in getting this sponsor excited) should be able to help you build a demo that highlights your use case and your data, delivers real insight into how problems can be solved and clearly shows how end solutions will impact the process owner and executive.

Many vendors will even go one step further and use their industry and solution expertise to help you build a business case with a well-formed ROI. This is critical to winning the support of another key BPM stakeholder – the CFO. Although a lot of the benefits from BPM are ‘softer’ and span multiple projects, it’s critical that you get the finance department on your side with the initial project and let hard numbers sell them on the approach.

9. Choose the Right Project

Choosing the project that will set you on the right path with BPM is as much about people management as it is about risk management. There are going to be trade-offs between risk, return, learning-by-doing and appetite for change. You should focus on the project that satisfies the right trade-off for your business. Be sure your first project isn’t so high profile that you risk doing too much, too soon, before you have learned how best to implement BPM in your environment. But if the need is great enough and the skills and support are there, then a significant initial project may be the right place to start. Too small a project and you risk not having a real business case, proving real ROI or uncovering the real issues that are going to determine your long-term success with BPM

That said, an internally facing, non-mission-critical project such as for HR or partner onboarding can be a good project to learn how to really pull off a successful BPM project.

And remember, you don’t have to improve whole processes; you can focus on smaller areas where you have day-to-day pain. See “Measure First, Measure Often and Measure Last.”

10. Manage Expectations

How many times have you completed a project confident that you have succeeded, only to realize that a key stakeholder had completely different expectations and objectives?

There are many stakeholders involved in a BPM project and each of them will have a different perspective on what constitutes success and a different motivation for embarking on the BPM path. The key is documenting up front who these stakeholders are and what constitutes success or failure in their eyes. Some will have hard metrics for success based on solid IT-based ROI while others may have 'softer' goals around improved customer retention or reduced regulatory risk. Regardless, a thorough understanding of why people are involved and their "personal wins" is critical to success and critical to winning supporters as you embark on your next improvement project.

11. Select a Process Methodology

BPM is primarily a management discipline and like all good disciplines it requires a guiding methodology or set of methodologies. While the right mix of technology and methodology is key, it's safe to say that a BPM project with a good methodology and no technology has a better chance of success than a project with leading technology and no methodology.

The first thing to ask yourself and the rest of your organization is "what methodologies do we have in place?" Given that BPM is a new implementation style that puts the business in the driver's seat and promotes multiple fast iterations rather than a few, long projects, there's a chance that the methodologies you need will be new to your organization – or at the very least will need significant modification. But many companies already have the right foundation or starting point for a BPM methodology, whether it is Six Sigma, Lean, Balanced Scorecard, Agile development, etc.

Most importantly, the methodology you develop must cover the whole process improvement lifecycle from selection of tools and training, to implementation and sustaining advantage through continuous improvement.

In a nutshell, pick a methodology that is right for you, make sure it covers all the bases, keep it as simple as possible and invest in training to support all of your stakeholders.

12. Implement a Balanced Approach to Technology

BPM has been more successful than previous 'process-oriented' approaches because it blends technology with management best practices. Without a good technology foundation, ROI would be lower, the business would be less engaged and results would take longer to generate. The flip side is that too much technology can make things just as hard - implementation, maintenance and training will take up increasing cycles. End users risk being overwhelmed, and the organization will lose focus on the people and process side of the equation.

The key to choosing the right balance is to focus on your own needs and drivers, but bear in mind the core goals of BPM are process effectiveness, process transparency and process agility. Invest in those technologies that will make the lives of your users easier, make change easier to initiate and digest, and deliver the right information at the right time to the right people. And, if people won't use it, then don't buy it. If it's not aligned to the skill sets of your staff, then hire, train or walk away!

Finally, don't ignore the role of governance. As you liberate your platform and open up the tools of change to a wider audience, governance becomes critical. Governance, like BPM itself, is much more than a technology problem, but the BPM platform you use should be capable of supporting a sound approach to governance by building in rules, policies and communication mechanisms that control how people make decisions and initiate change.

13. Take a Broad View of Training

Training is critical to success with BPM and will take many forms. You'll need to look at methodology training both for business and IT stakeholders, tools training for development teams, and worker training to ensure they can take advantage of the new processes and applications that are being developed. As you research training, you must ensure you aren't just focused on getting trained on how to implement and utilize a one-time solution. BPM is about regaining control of your business and the means to make iterative and frequent improvements. Find resources that can ensure sustained success beyond the initial application. This kind of training will involve all of your stakeholders from your IT group to your users and from your business analysts to your business executives.

Under-investment in training can destroy the returns from the other BPM investments your organization makes.

Formal training is only one part of the BPM education process. You need to invest in getting your team a real education. Why do we say 'real'? Because while they are extremely valuable, there is only so much you can learn from a book, a conference, a website, a vendor or even a training consultant. Take the time to find

companies that have done BPM before (if your vendors and service providers are successful, they can make introductions). The companies should have a similar profile to your own and should have tackled the organizational, cultural, and methodological as well as technological issues associated with BPM.

Finally, don't be afraid to learn by doing. BPM offers opportunities for quick wins, but also fast failures. Don't be afraid to fail; just make sure you know when and why you have!

14. Don't Feel the Need To Do It All Yourself

Sometimes thinking differently requires new minds and BPM certainly requires new roles and skills. But getting new people and skills into the team does not have to mean hiring them immediately or embarking on a significant training exercise on day one. Many companies fail at BPM because they don't ask for help and try to do too much themselves in the early stages. Use professional services staff from your vendors or independent consultants to supplement your team and help bring new skills in-house. But make sure you learn from them so that you become self-sufficient.

15. Profit from Experience

Software AG has developed a strong approach to ensuring that our customers succeed with BPM. The best practices discussed here are highlights from the lessons that we have learned in partnership with our customers over the many years we have been delivering BPM solutions. Our Professional Services and Strategic Business Solutions (SBS) teams continuously build these 'lessons learned' into our customer engagement methodologies to ensure your success.

About the Author

Michael Lees is Senior Director, BPM Product Marketing at Software AG and is responsible for global product marketing initiatives for the company's BPM product line. Prior to joining Software AG, Mike was founder and CEO of Cerebra, Inc., a leader in metadata management solutions. Cerebra, originally located in the U.K., moved to the U.S. in 2004 and was acquired by web-Methods in 2006. Mike has worked with many large corporate and federal organizations on their use of metadata and semantic technologies as enablers (along with BPM and SOA) of agile business, information and IT strategies. He is a graduate of Durham University (Business Economics) and is a fully qualified Chartered Accountant. Prior to founding Cerebra, he was a technology analyst and technology fund manager for one of the U.K.'s largest investment houses.

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