



Business Process Management's Success Hinges on Business-Led Initiatives

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Organizations that had the most-successful BPM initiatives spent more than 40 percent of the initial project time on process discovery. Establish core team responsibilities, select the right tools and use an iterative method to create a process model that supports ever-changing business conditions.

What You Need to Know

The business process management project differs from the conventional projects with which IT professionals and business leaders are accustomed. Avoid the urge to fall back on traditional project techniques, where handoffs occur between business units and the IT organization. Business leaders are now being empowered to manage, optimize and maintain their own process executions, which are abstracted from the underlying technology infrastructure. One of the primary selection criteria for a BPM suite must include how intuitive the tools are for process owners to use.

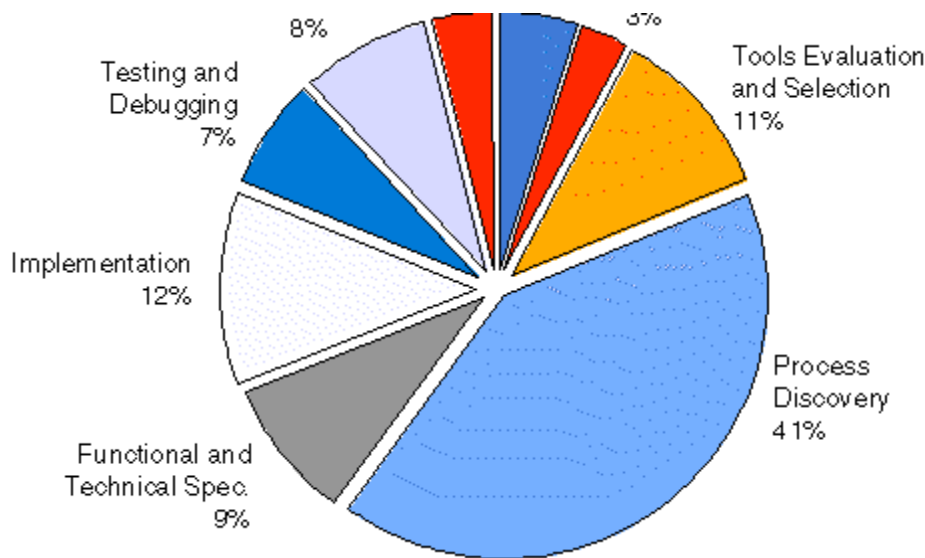
Analysis

The business process management suite (BPMS) is a unique set of software tools that embraces a business-oriented method for the creation and ongoing management of a process. The method is highlighted by an extremely iterative procedure that supports constantly changing business conditions, and empowers business leaders to take full responsibility for designing and optimizing their end-to-end processes. This research provides business leaders with recommendations to establish a profitable business process management (BPM) initiative. The recommendations are based on best practices research conducted with organizations that successfully deployed several BPM initiatives using a BPMS from a single vendor. The processes they undertook combined people and system interactions, ranging from as few as 24 people to multiregional processes involving more than 2,500 people.

The availability of software tools to facilitate the goals of BPM — managing and continuously optimizing an organization's activities and processes — enables organizations to more easily embrace process-centric management. Yet, in the early stages of adoption, many companies unnecessarily waste time and resources, due to viewing BPM as an IT-led initiative and relying on traditional deployment methods (see "Re-examine Your Process Mentality to Avoid Business Process Management Pitfalls"). However, organizations that had the most success rolling out their first BPM initiative spent more than 40 percent of the total project time on discovery and construction of their initial process model (see Figure 1 and Figure 2). Furthermore, BPM is most effectively deployed and managed over time in iterations, rather than in the traditional "waterfall" manner that is familiar to most IT-led initiatives.

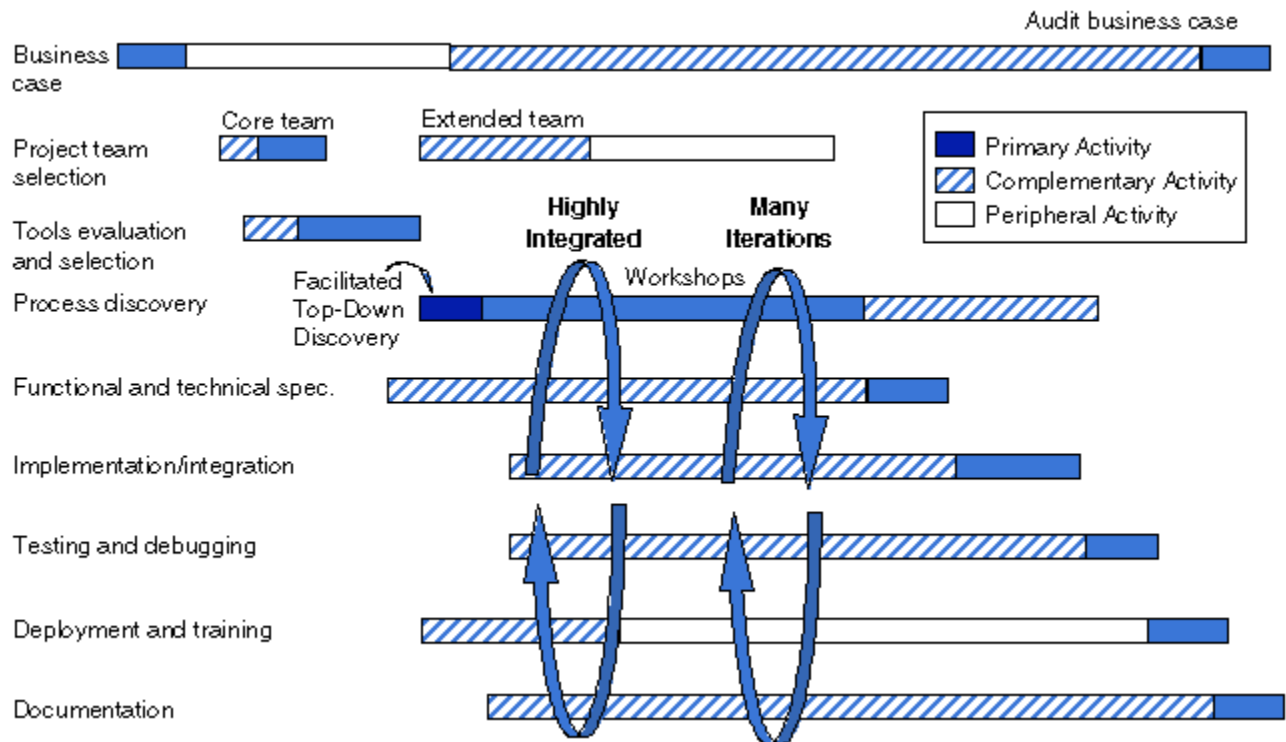
Figure 1.
How Initial BPM Project Time Should Be Allocated

Deployment and Training	Documentation	Business Case	Project Team Selection
4%	5%		



Source: Gartner (July 2005)

Figure 2.
How to Schedule an Initial BPM Project



Source: Gartner (July 2005)

Use a Highly Iterative Method

Constantly changing conditions lead to exceptions in any standardized procedure. Businesses must frequently react to unforeseen events, respond to regulatory or policy modifications and take action to

support evolving business rules. The iterative method (see Note 1) creates a process model that embraces flexibility for re-sequencing process steps and constantly evolving business rules. The iterative method also develops a mind-set of continuous fine-tuning to further optimize processes and stay in lock step with market dynamics.

Eliminate Project Disconnects

Time-consuming handoffs and communication disconnects must be eliminated during a BPM initiative. To make this point, not all interviews conducted during this research uncovered best practices. The following example highlights a poor practice, where the BPM initiative was treated as a traditional IT-led project.

Once the business case was approved, business leaders handed off the technology selection responsibility to the IT department. There were few business requirements attached to the hand-off, and, in turn, the IT department assigned an architectural team to perform technology tool evaluation. The team based the evaluation on technical and infrastructure merits and did not account for the features required to make the business case feasible. Furthermore, the IT architects were not part of the implementation team that deployed the tools in the business. Further disconnects occurred; by the time business needed to be re-engaged, the tools selected had little appeal to the original business case.

BPM projects cannot be treated as a traditional technology deployment of the past. The BPM initiative places primary responsibility for process management on the shoulders of the business units — where it belongs — not the IT department. Much of BPMS selection is based on how easily business people use the tools to model, analyze, report, simulate and optimize their processes. To have a successful initiative, business units must form a core team that is intimate with the business case and will live with the deployment of the project. For example, the core team brings the IT architects for tool evaluation into the selection process and does not simply hand the tool selection process over to the IT department and wait for a response.

Assign a Core Team

During business case development, business leaders must start to develop a cross-functional (IT and business) core project team that will facilitate the initial deployment and ongoing management (see "Align Roles and Responsibilities to Make BPM Work"). Based on project scope, the core team size may vary; however, for large organizations, the average team consists of five individuals who drive the project and act as liaisons with other people in the organization. These individuals assume the responsibilities of:

- A business process champion
- A business process analyst
- A project manager
- Two technical developers

On the business side, the process champion, who led the development of the business case, must stay involved to gain internal constituents' consensus on new concepts and identify business performance and incentive metrics as the project evolves. During the development of the business case, a business process analyst typically helps to collect process metrics to justify the project. The process analyst joins the core team and deals with the aspects of discovery, validation, documentation and communication of business process-related knowledge while the modeling, simulating and analysis phases are under way.

A project manager and two developers are necessary on the IT side. The project manager assumes responsibility for directing the business process analyst and technical developers and reports to the business process champion. The developers perform a host of activities, from working with the business process analyst with model development and rules configuration, to writing any Java or Extensible Markup Language scripts for custom interfaces that are not included in the integration kit

that's offered as part of the BPMS.

Select the Right BPMS

Building subprocesses and process steps with the process owners participating in the real-time testing is required. Selecting the right BPMS has more to do with the comfort level business leaders have with the usability of the tools than technical architecture convenience, because the BPMS:

- Puts the capabilities to design and manage processes into the hands of business leaders.
- Provides the ability to continuously optimize and improve the process.
- Abstracts the business process flows from the underlying technology.
- Gives visibility of the end-to-end business process and enables business leaders to make adjustments in real time.

While the business process analyst works with process owners to discover and build the process models, the other members of the core BPM project team can:

- Configure interactions with databases and applications.
- Test and debug the business process and underlying applications flows.
- Create the final documentation in short, quick iterations.
- Learn how the broader process operates.

To gain further insights into and a deeper understanding about how to evaluate BPM vendors, Gartner published a checklist (see "Creating a BPM and Workflow Automation Vendor Checklist").

Embrace Top-Down Discovery Sessions

Kick off the process discovery phase with a group of facilitated sessions. These are the precursor to the workshops needed to flush out the details of the process. The objectives of the sessions are to set a foundation of understanding and tone for the project. The sessions are divided into three levels: senior management (half day), middle management and practitioners (both full days). These sessions aim to:

- Set expectations regarding the rigor and disciplines associated with the upcoming workshops.
- Capture a top-down overview of the process.
- Identify key success metrics from all levels of the organization.
- Gain a clear consensus of the BPM initiative scope and objectives.
- Seek out the broader community of process participants.
- Identify affinity groups of cross-functional process participants.
- Communicate the need for participation and resulting benefits.

Individuals from the operations side of the organization often find it difficult to remove themselves from the underlying infrastructure issues that stand in the way of accomplishing work. Therefore, the discovery exercise must not focus on:

- Underlying information processing issues
- Challenging data reconciliation and integration
- Mixing the future state of the process with the current state

Start With a Current-State Process Model Before Making Enhancements

With the BPMS in place to record valuable input from process owners and participants, the early stages of process discovery reveal many disconnects. Focusing first on defining the current-state process provides a departure point for making improvements. Furthermore, by making the current-state handoffs, timing and responsibilities explicit, productivity improvements of more than 12 percent are normally realized. Once the current-state process is implemented, enhancements and optimization add

further productivity gains. The discovery exercise is focused on:

- Capturing the interrelationships and dependencies between people and systems
- Determining the events that cause different courses of action
- Describing the rules that govern business decisions
- Gaining consensus on how the process delivers value

Several issues influence how much iteration it takes to determine an initial process model. Some include how broad and deep you define the business process, the willingness of process participants to engage and the experience level of the core team with process modeling. Experienced teams can build the process model in three to four iterations, while teams starting for the first time may require as many as eight to 12 iterations.

When establishing an appropriate process model, many of the challenges are associated with what organizations call the "hidden processes" — work-arounds that address tasks created because system applications did not accommodate process requirements, exceptions that require special handling or activities that are so intuitive that process participants don't think of them as process steps. Also, business processes are not sequential. Business rules may redirect flows and dictate a re-evaluation of a previous decision based on events occurring downstream.

Move to Workshops

Although the BPM suite of software tools may appear intuitive during demonstrations and presentations made by the vendors, to avoid wasting time and encountering frustrations, organizations must send their core teams to product training classes immediately after BPMS selection. Organizations that believed they could perform the model-building and integration activities without training admitted that weeks could have been saved if the core team had participated in upfront training.

Workshops represent the best approach to flushing out the details associated with the current and future states of the business process. Some key objectives of the workshops are to:

- Capture the detail associated with building the process model.
- Educate attendees with process terminology and methodology.
- Build consensus among process participants.
- Define the roles and responsibilities of various participants.
- Instill ownership of process enhancements.
- Eliminate the need for training when the final deployment takes place.

Workshop attendees are selected by affinity groups within the organization, because they will define improvement projects for their own processes and agree on optimization. Attendees are measured and certified on the successful completion of their process projects. Central tracking of all improvement initiatives are captured within the process model by the core team, which provides support through workshops and individual coaching.

Next Steps

The recommendations in this research will lower the risk of the initial BPM deployment exceeding the time frame of the project plan. Of course, a multitude of other unforeseen challenges may stand in the way — for example, user data must be refined and support process must be established. Looking past the deployment of a current-state model, constant iteration to improve the process becomes a standard practice. Ideally, organizations should aim to deploy a new version of the process model every six weeks.

Key Facts

- Consider business use — not just technology requirements — when selecting criteria for a BPMS.
- Never mix future- and current-state requirements when constructing the initial process model.
- Form a core business-led BPM project team that will follow each phase of the deployment and provide ongoing management.
- Use an iterative procedure when building the first process model and making ongoing enhancements.

Key Issues

What methodologies will allow more-consistent project success?

Note 1

Iterative Method

The iterative method refers to a repetitive procedure that's used to fine-tune a process model. Iteration involves a cycle of configuring process parameters in the model, executing the process model, comparing outcomes against the actual process steps, identifying discrepancies between the two and readjusting parameters accordingly.

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