BPM Methodologies:
Turning the Land of Confusion into Solutions for your BPM Initiatives

Alan Ramias
Partner

PERFORMANCE DESIGN LAB
The Uses of BPM Methodology

- To define/describe processes
- To improve processes
- To manage processes
1. What is a business process improvement “methodology” and why should we care?
2. What is an example of a BPI methodology?
3. What are some available BPI methodologies?
4. Can you develop a viable BPI methodology of your own?
The First Process Improvement Methodology

- Invented by Geary Rummler, author of *Improving Performance: How to Manage the White Spaces on the Organization Chart*
- First used at Motorola in 1980’s
  - Huge impacts on cycle time, cost and customer satisfaction
  - Parallel efforts in TQM improved product quality dramatically
- The two methodologies were eventually integrated by Motorola as six sigma
- Rummler-Brache Group applied the methodology to Fortune 500 companies throughout 1990’s
- Performance Design Lab (PDL) is Rummler’s current organization
My Background in this Subject

- I was at Motorola University & helped develop the methodology
- I co-conducted the first improvement projects at Motorola with Rummler
- In 1991, I joined the Rummler-Brache Group as a project leader
- In 1996, I became head of Consulting Operations for RBG
- Am a partner at PDL
Key Issues

1. What is a business process improvement “methodology” and why should we care?

2. What is an example of a BPI methodology?

3. What are some available BPI methodologies?

4. Can you develop a viable BPI methodology of your own?
Definition of a Methodology

*Paul Harmon, BPTrends, November 2007:*

“A comprehensive and specific set of instructions for accomplishing a task—in this case, redesigning or improving a business process…

- An overall approach
- A collection of heuristics
- A precise vocabulary
- Checklists, worksheets
- Specific procedures

…that guarantee that trained teams will approach projects in a reasonably consistent manner and usually achieve the same results.”
A BPI Methodology

- Should be teachable

- Should be repeatable

- Should yield expected results every time the methodology is followed

- Should provide a step-by-step how-to approach
What is a Sound BPI Methodology?

- Guided by principles
- Is highly structured into a logical, coherent, phase by phase, step by step flow
- Contains a logical sequence of guiding principles, roles, steps, tools, techniques, examples, alternatives
- Is scalable
- Addresses all dimensions of BPI projects

...Like a process itself
A Sound BPI Methodology

Guided by principles

Structured

Process Improvement Project Methodology

- **Sponsor**: Steering Team Established
- **BP Consultant**
- **Steering Team**
- **Design Team**

- **Step by step how-to procedures**
- **Imbedded tools & techniques**
- **Defined roles**

- **Guided by principles**
- **Structured**
Benefits of Having a Defined BPI Methodology

- Improvement can be planned
- Large numbers of people can participate in improving processes
- Impact can be widespread
- Results can be predicted
- Costs can be controlled
NOT BPI Methodologies

- Philosophies
- Principles
- Models
- Tools, techniques
- Best practices
- “Schools of practice”
<table>
<thead>
<tr>
<th>Philosophy</th>
<th>Belief that something is important or true</th>
<th>Explains WHY something should be pursued</th>
<th>How to do that something</th>
<th>Kaizen</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principle</td>
<td>Heuristic—high-level rule of thumb</td>
<td>Guides the specific application of tools &amp; techniques</td>
<td>Some guidance but lack of specific step by step application</td>
<td>Single source of truth</td>
</tr>
<tr>
<td>Model</td>
<td>Depiction of relationships between elements or parts</td>
<td>Describes the components of a methodology; depicts the landscape</td>
<td>How to apply the model</td>
<td>Processing System Hierarchy</td>
</tr>
</tbody>
</table>
# NOT BPI Methodologies

<table>
<thead>
<tr>
<th></th>
<th>What It Is</th>
<th>Its Value in BPI Efforts</th>
<th>What It Does not necessarily Provide</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tool, Technique</td>
<td>Specific item for executing a task</td>
<td>Methodologies are made up of tools &amp; techniques</td>
<td>Linkages between tools, techniques</td>
<td>Control chart</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Process map</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Mistake-proofing</td>
</tr>
<tr>
<td>Best Practice</td>
<td>Specific applications of tools, techniques, methods in companies; collections of these practices</td>
<td>How a tool or technique could look as a finished product Evaluation</td>
<td>How it can actually be used successfully</td>
<td>APQC</td>
</tr>
</tbody>
</table>
### Not BPI Methodologies

<table>
<thead>
<tr>
<th>School of practice</th>
<th>What It Is</th>
<th>Its Value in BPI Efforts</th>
<th>What It Does not necessarily Provide</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A loose (not necessarily official) collection of people in a field that may or may not be well defined</td>
<td>Practitioners both share practices and compete, enriching the practice but potentially causing confusion</td>
<td>A consistent methodology</td>
<td>Six Sigma</td>
</tr>
</tbody>
</table>
Key Issues

1. What is a business process improvement “methodology” and why should we care?
2. What is an example of a BPI methodology?
3. What are the available BPI methodologies?
4. Can you develop a viable BPI methodology of your own?
PDL Process Improvement Project Phases

Phase 1: Scope & Define Project

Phase 2: Analyze & Innovate

Phase 3: Design

Phase 4: Construct

Phase 5: Implement

Needs → Additional Process Change Needs/Opportunities
Model: Processing System Hierarchy

Org.

Process

Job
## Project Dimensions

<table>
<thead>
<tr>
<th><strong>Process Design</strong></th>
<th>The design/redesign of the activities required to convert the given process inputs into the desired process outputs.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Information Technology Design</strong></td>
<td>The specification of the information technology required to support the successful operation of the designed/redesigned process.</td>
</tr>
<tr>
<td><strong>Process Management Design</strong></td>
<td>The design/redesign of the Performance Planned and Managed System required for the process to perform as designed.</td>
</tr>
<tr>
<td><strong>Change Management Design</strong></td>
<td>The specification and development of strategies and activities required to successfully implement the redesigned process and management system.</td>
</tr>
<tr>
<td><strong>Project Management</strong></td>
<td>The key activities required to successfully manage the design/redesign and implementation of the process.</td>
</tr>
</tbody>
</table>
Phase 1: Scope & Define Business

WHY IMPORTANT
- Establishes common understanding of the project goals, plan and roles among all stakeholders

KEY DELIVERABLES
- Organizational scope
- Business model
- Required capabilities
- Critical process issues

KEY TOOLS
- Super-System Map
- Business Model
- Capabilities Gap Analysis
“Should” Process Map Development

Subprocess A

Subprocess B

Subprocess C

Subprocess A

Subprocess B

Subprocess C

Subprocess A

Subprocess B

Subprocess A

Subprocess B

Subprocess A

Subprocess B
Step by Step Approach

### 3.0 DESIGN PHASE

- **3.1 PROCESS DESIGN & TESTING**
  - "Should" Sessions

- **3.2 CHANGE ASSESSMENT & STRATEGY**
  - Readiness vs. Complexity Assessment
  - Preliminary Construction & Implementation Planning

### 4.0 TRANSITION PHASE

- **4.0 TRANSITION**
  - Sponsor Meeting: "Should" Model Approval
  - Construction & Implementation Planning Sessions
  - Plan Integration Sessions
  - Sponsor Meeting: Plan Approval

### 5.0 CONSTRUCT PHASE

- **5.1 DETAILED DESIGN**
- **5.2 BUILD**
- **5.3 TEST**
- **5.4 DELIVER TO PARTNERS**

### 6.0 IMPLEMENT PHASE

- **6.1 PREPARE**
- **6.2 GO-LIVE**
- **6.3 STABILIZE**

#### RADICAL REDESIGN

- **L1.** Line of work processes should map developed
- **L2.** Unrealized potential work processes should map developed

#### STRATEGY

- **L3.** Organizational structure and accountability developed
- **L4.** Organizational analysis completed and changes specified

#### CHANGE ASSESSMENT & STRATEGY

- **N1.** Readiness vs. Complexity assessed
- **O2.** Process change strategy developed
- **O3.** Master construction & implementation plan developed
- **O4.** Construction & implementation infrastructure developed
- **O5.** Protesting construction & implementation budget approved

#### 1. Detailed design requirements specified
#### 2. People performance systems developed
#### 3. IT systems developed
#### 4. Should model construction tested
#### 5. Should model packaged
#### 6. Should model distributed to M&A customers
#### 7. Should model capability and implementation readiness approved
#### 8. Should model enhancements managed
#### 9. Detailed construction & implementation plan & budget managed
#### 10. Should model transformation managed
Step by Step Directions

Step 7  Additional Analysis Performed as Required

A.  What?
Conduct additional data gathering and analysis as required.

B.  Why?
Be sure you understand the “root-cause” of poor process performance.

C.  Relevant Dimensions
Process design
Information technology
Process management
Change management
Project management

D.  Who?
Process Consultant with input from Design Team members and other SME’s as appropriate.

E.  “How-to” and Tools

• Possible additional data gathering and analysis include:
  • Benchmarking
  • Internal SME interviews
  • Customer and/or Supplier interviews
  • Begin capturing baseline data
Key Issues

1. What is a business process improvement “methodology” and why should we care?

2. What is an example of a BPI methodology?

3. What are some available BPI methodologies?

4. Can you develop a viable BPI methodology of your own?
# Available Methodologies & Approaches

<table>
<thead>
<tr>
<th>Methodology</th>
<th>Focus</th>
<th>Type</th>
<th>Usefulness as an Improvement Methodology</th>
</tr>
</thead>
</table>
| Six Sigma   | • Quality improvement  
               • Error reduction  
               • Statistical process control | School of practice | • No consistent methodology among practitioners  
               • Not always clear step-by-step approach between tools |
| Lean        | • Waste reduction  
               • Improvement of flow across process steps | Methodology | • Strong principles  
               • Wide selection of tools, techniques but not always clear when to use them  
               • Defined roles |
| SCOR        | Supply chain process documentation | Model | • Does have a step by step approach but known more as a process architecture model  
               • Limited to supply chain processes |
# Available Methodologies & Approaches

<table>
<thead>
<tr>
<th>Focus</th>
<th>Type</th>
<th>Usefulness as a Methodology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Process maturity</td>
<td>Model</td>
<td>• Mostly focused on defining maturity &amp; associated skills, things in place</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• No principles, tools or methodology</td>
</tr>
<tr>
<td>CMMI</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IDEF-0</td>
<td>Tools, techniques</td>
<td>• Best use is for mapping the steps &amp; associated controls (manual or automated) in a sub-process</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Contain step-by-step procedures but very narrow</td>
</tr>
<tr>
<td>BPMN</td>
<td>Tool for process notation</td>
<td>• Not a methodology</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Provides a consistent notation for process documentation</td>
</tr>
</tbody>
</table>
## Available Methodologies & Approaches

<table>
<thead>
<tr>
<th>Focus</th>
<th>Type</th>
<th>Usefulness as a Methodology</th>
</tr>
</thead>
</table>
| Interdependencies between elements in a system | Philosophy (Model) | • No step by step method  
• Main tool is causal loops                                                                 |
| Activity diagrams                          | Tools             | • Used by technology developers to specify actor behavior in a given sub-process  
• Does not apply easily to step-by-step design or improvement of a process |
| Metrics                                    | Tool              | • Primarily a dashboard approach to developing a set of performance metrics  
• Often incorporated into improvement efforts but not a methodology in itself |
## Available Methodologies & Approaches

<table>
<thead>
<tr>
<th>Focus</th>
<th>Type</th>
<th>Usefulness as a Methodology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rumlle-Brache</td>
<td>Process improvement projects</td>
<td>Methodology • Step by step method • Wealth of tools</td>
</tr>
<tr>
<td>Hammer</td>
<td>Process ownership</td>
<td>Philosophy • Primarily provides public forums for best practice stories • Training courses are principle-based</td>
</tr>
<tr>
<td>ITIL</td>
<td>IT services best practices</td>
<td>Best practices • Primarily a set of best practices for designing and managing IT organizations • Does include process but does not have a BPI methodology as such</td>
</tr>
</tbody>
</table>
Key Issues

1. What is a business process improvement “methodology” and why should we care?

2. What is an example of a BPI methodology?

3. What are some available BPI methodologies?

4. Can you develop a viable BPI methodology of your own?
Pitfalls of Creating Home-Grown Methodology

1. Hodgepodge of tools & techniques

2. Lack of logical structure
   - Phases >> Steps >> Sub-Steps >> Examples >> Tools

3. Too much or too little (tools, examples, alternatives, explanation)

4. Mystifying jumps between content
The Organizational Performance System

Organization System Map

Human Performance System Concepts

Monitoring System
How do we know it's happening?

Critical Accomplishments
What has to be managed?
Prioritize outputs for CBI
Identify impact of accomplishments

Organizational Performance System Concepts

General System Concepts

Action Plan
Who does what?
What are the consequences?
How to make desired outputs happen?

Situation Analysis
What is happening now?
What should be happening?
Define desired outputs

Motorola 1984
<table>
<thead>
<tr>
<th>Situation Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is happening now?</td>
</tr>
<tr>
<td>What should be happening?</td>
</tr>
<tr>
<td>Define desired outputs</td>
</tr>
</tbody>
</table>

"As-Is" | "To-Be"
Secret to Building (or Buying) a Sound Methodology:

Define the methodology’s structure and anchor everything to that structure

Map it like a process

Test it as a process
BPM Improvement Methodologies:
Turning the Land of Confusion into Solutions for your BPM Initiatives

Alan Ramias
Partner

PERFORMANCE DESIGN LAB