

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

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?

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

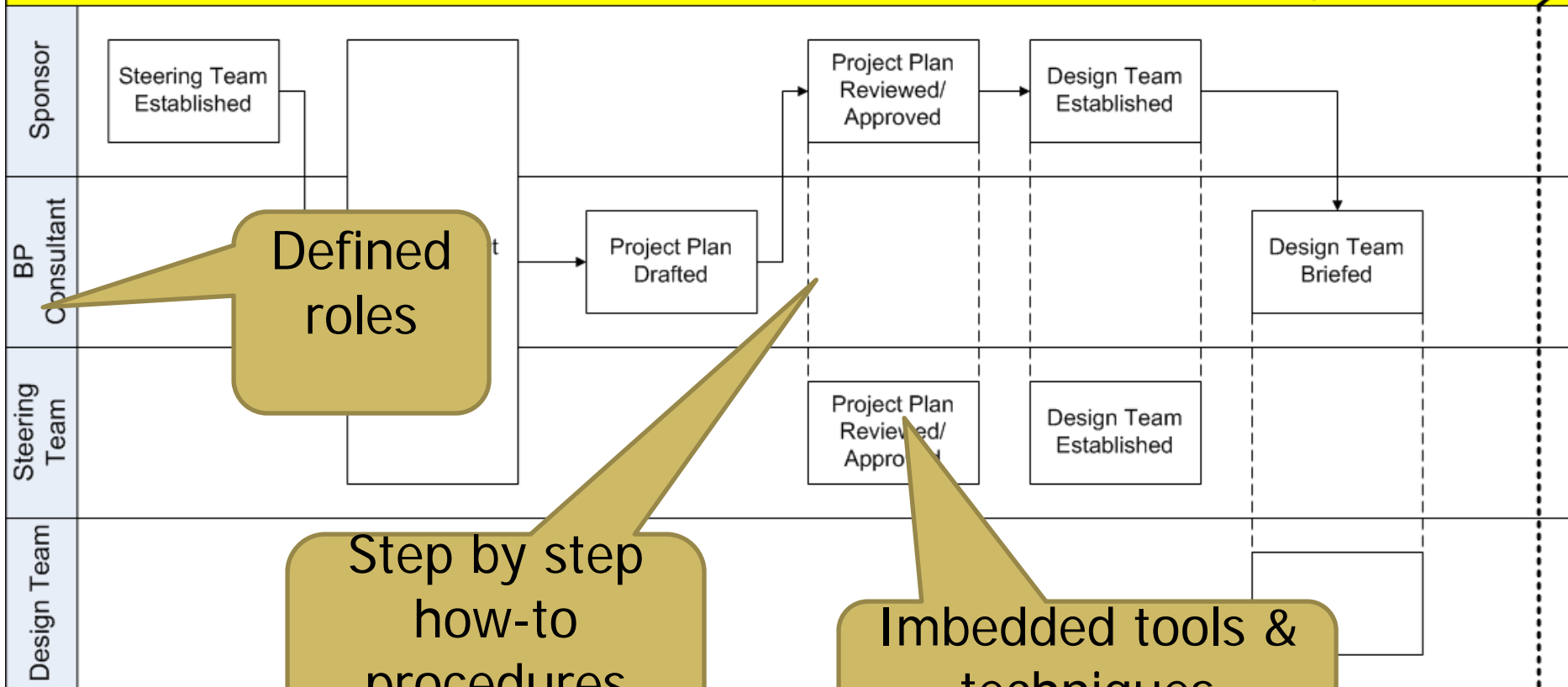
A Sound BPI Me

Guided by principles

Structured

Process Improvement Project Methodology

Project Definition Phase



Defined roles

Step by step how-to procedures

Imbedded tools & techniques

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”

NOT BPI Methodologies



	What It Is	Its Value in BPI Efforts	What It Does not necessarily Provide	Example
Philosophy	Belief that something is important or true	Explains WHY something should be pursued	How to do that something	Kaizen
Principle	Heuristic—high-level rule of thumb	Guides the specific application of tools & techniques	Some guidance but lack of specific step by step application	Single source of truth
Model	Depiction of relationships between elements or parts	Describes the components of a methodology; depicts the landscape	How to apply the model	Processing System Hierarchy

NOT BPI Methodologies



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

NOT BPI Methodologies



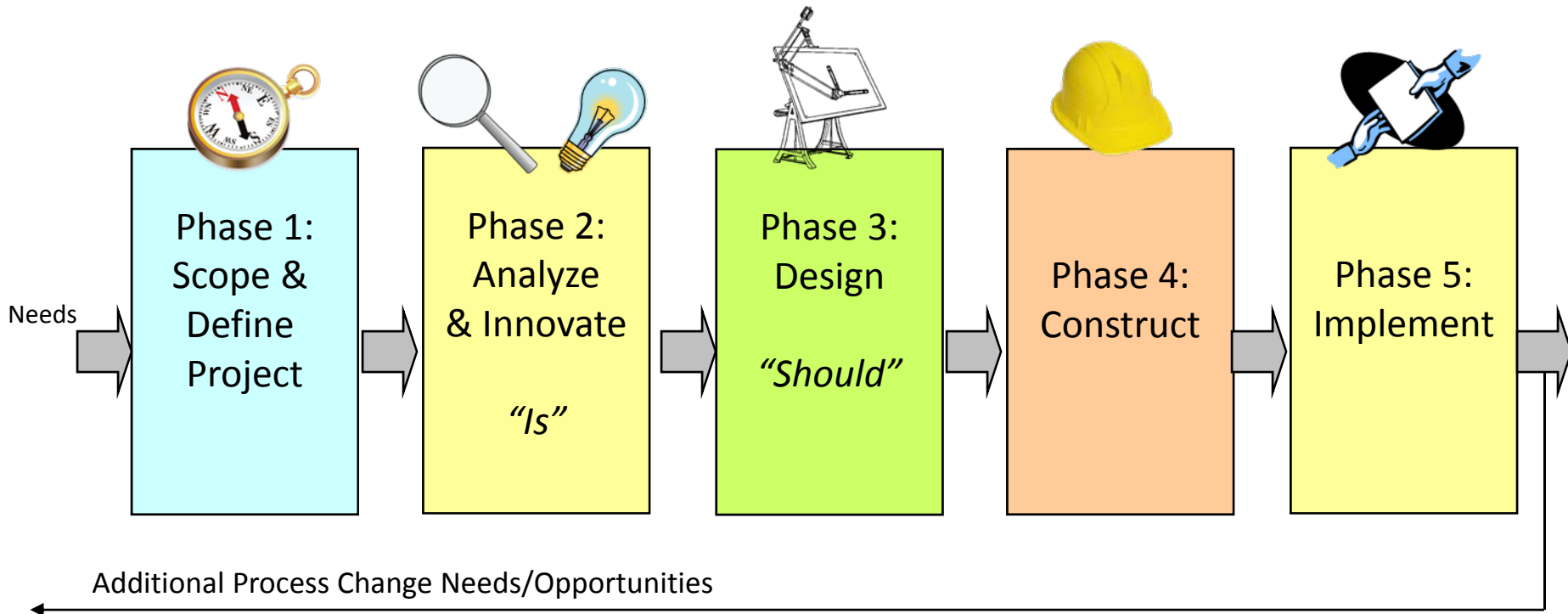
	What It Is	Its Value in BPI Efforts	What It Does not necessarily Provide	Example
School of practice	A loose (not necessarily official) collection of people in a field that may or may not be well defined	Practitioners both share practices and compete, enriching the practice but potentially causing confusion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

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

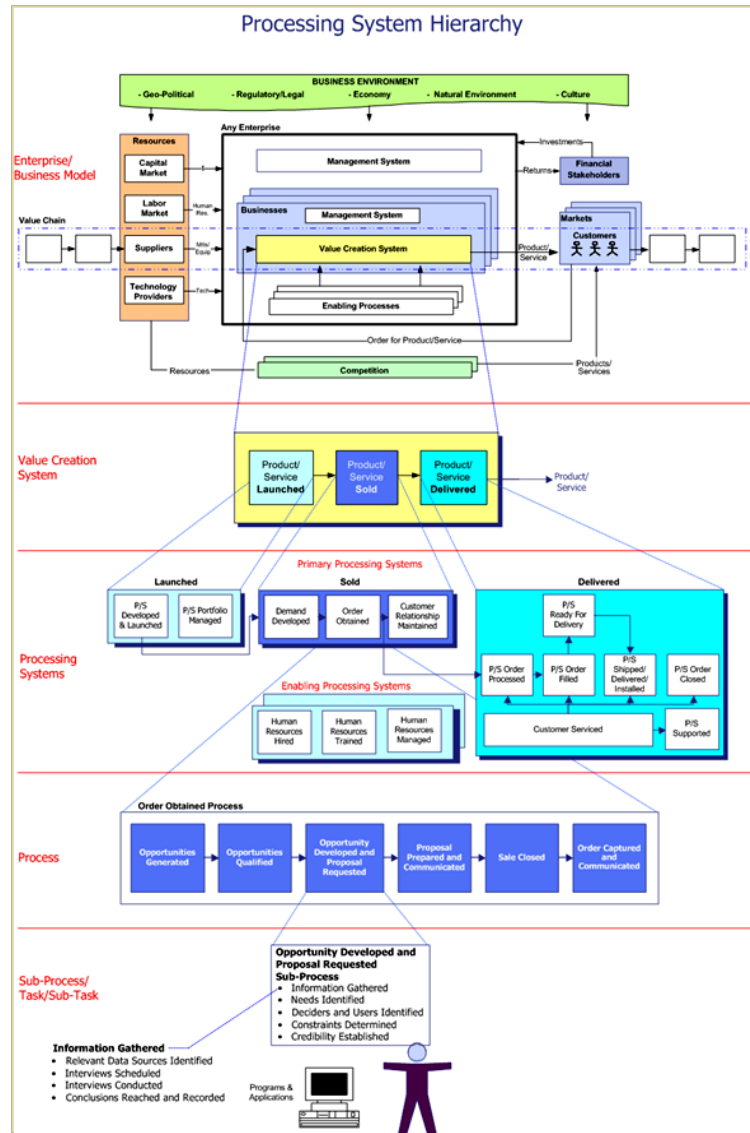


Model: Processing System Hierarchy

Org.

Process

Job



Project Dimensions

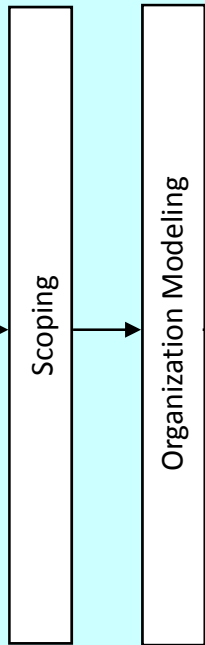


Process Design	The design/redesign of the activities required to convert the given process inputs into the desired process outputs.
Information Technology Design	The specification of the information technology required to support the successful operation of the designed/redesigned process.
Process Management Design	The design/redesign of the Performance Planned and Managed System required for the process to perform as designed.
Change Management Design	The specification and development of strategies and activities required to successfully implement the redesigned process and management system.
Project Management	The key activities required to successfully manage the design/redesign and implementation of the process.

Phase 1: Scope & Define Business



Phase 1:
Scope & Define Project



WHY IMPORTANT

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

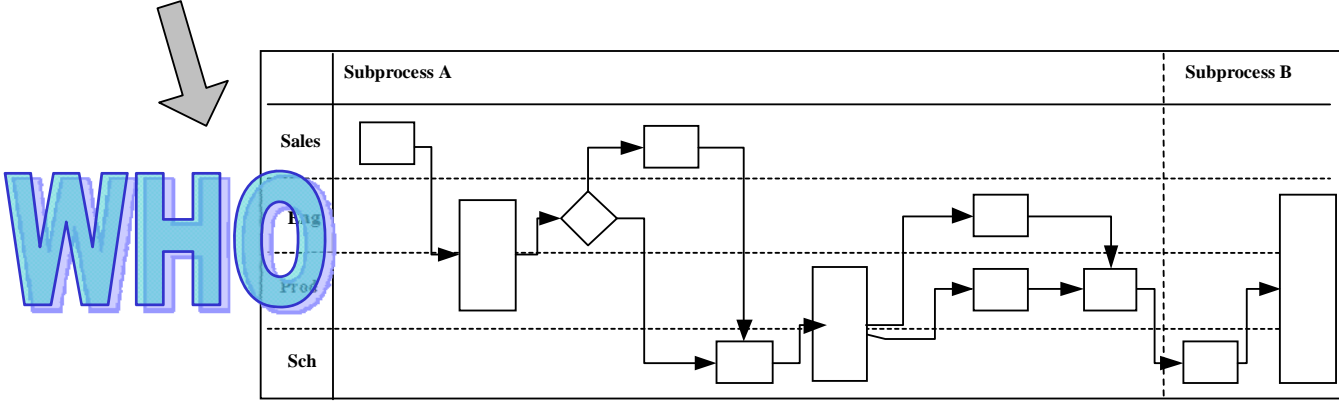
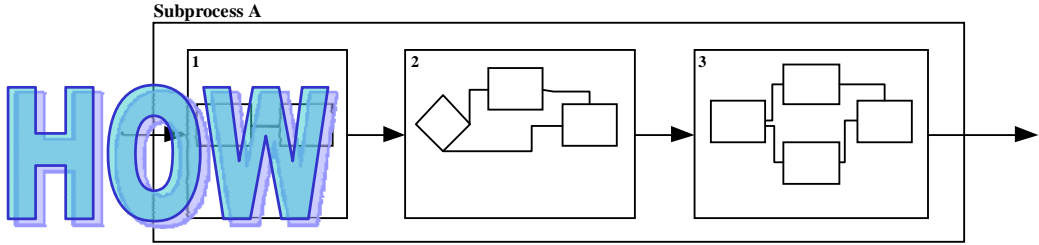
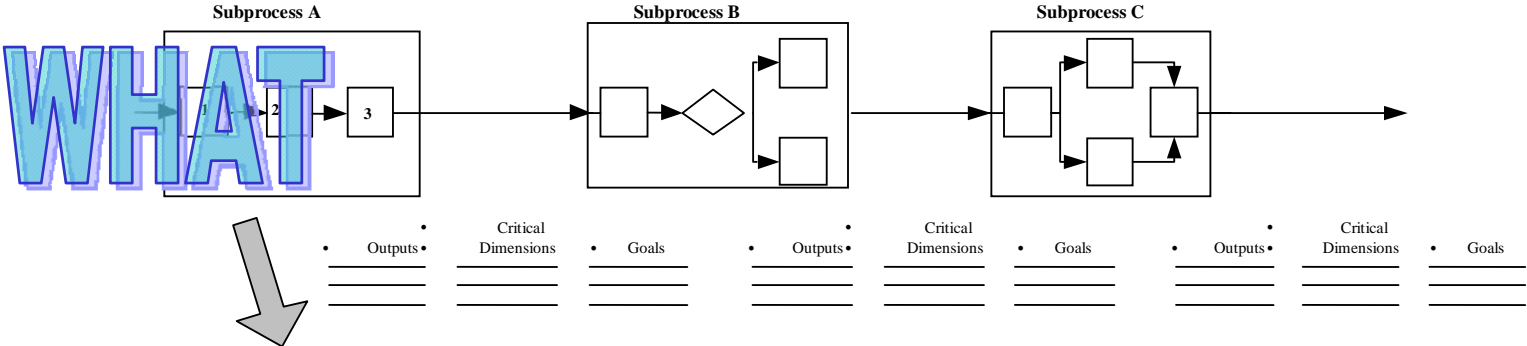
KEY DELIVERABLES

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

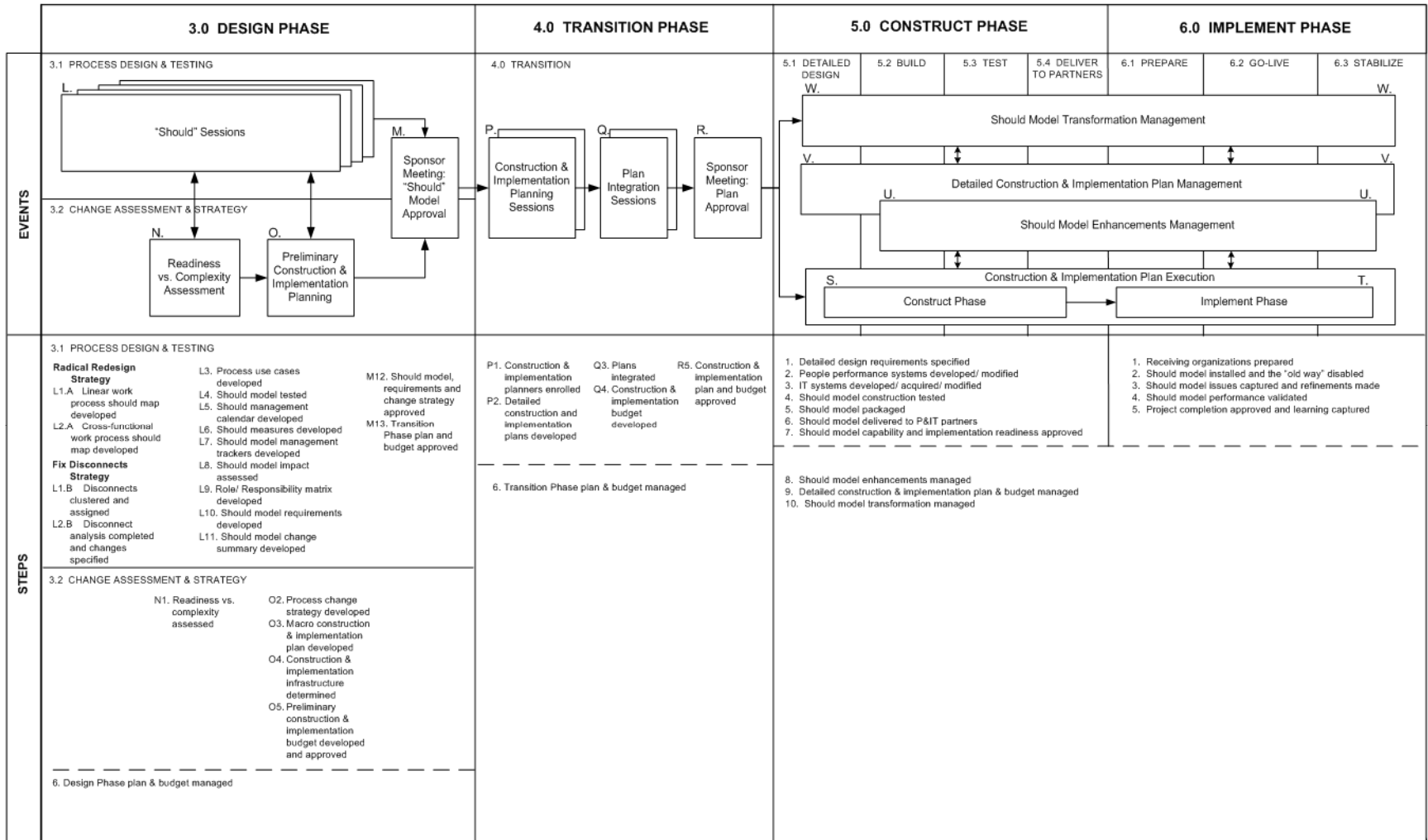
KEY TOOLS

- Super-System Map
- Business Model
- Capabilities Gap Analysis

"Should" Process Map Development



Step by Step Approach



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

	Focus	Type	Usefulness as an Improvement Methodology
Six Sigma	<ul style="list-style-type: none"> •Quality improvement •Error reduction •Statistical process control 	School of practice	<ul style="list-style-type: none"> •No consistent methodology among practitioners •Not always clear step-by-step approach between tools
Lean	<ul style="list-style-type: none"> •Waste reduction •Improvement of flow across process steps 	Methodology	<ul style="list-style-type: none"> •Strong principles •Wide selection of tools, techniques but not always clear when to use them •Defined roles
SCOR	Supply chain process documentation	Model	<ul style="list-style-type: none"> •Does have a step by step approach but known more as a process architecture model •Limited to supply chain processes

Available Methodologies & Approaches



	Focus	Type	Usefulness as a Methodology <ul style="list-style-type: none">•Consistent•Step by step•Scalable
CMMI	Process maturity	Model	<ul style="list-style-type: none">•Mostly focused on defining maturity & associated skills, things in place•No principles, tools or methodology
IDEF-0	<ul style="list-style-type: none">•Process controls•Can be used to map and analyze processes	Tools, techniques	<ul style="list-style-type: none">•Best use is for mapping the steps & associated controls (manual or automated) in a sub-process•Contain step-by-step procedures but very narrow
BPMN	<ul style="list-style-type: none">•Process documentation	Tool for process notation	<ul style="list-style-type: none">•Not a methodology•Provides a consistent notation for process documentation

Available Methodologies & Approaches

	Focus	Type	Usefulness as a Methodology <ul style="list-style-type: none">•Consistent•Step by step•Scalable
System Thinking	Interdependencies between elements in a system	Philosophy (Model)	<ul style="list-style-type: none">•No step by step method•Main tool is causal loops
UML	Activity diagrams	Tools	<ul style="list-style-type: none">•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
Balanced Scorecard	Metrics	Tool	<ul style="list-style-type: none">•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

	Focus	Type	Usefulness as a Methodology <ul style="list-style-type: none"> •Consistent •Step by step •Scalable
Rummler-Brache	Process improvement projects	Methodology	<ul style="list-style-type: none"> •Step by step method •Wealth of tools
Hammer	Process ownership Process centered organizations	Philosophy, Best practices, school of practice	<ul style="list-style-type: none"> •Primarily provides public forums for best practice stories •Training courses are principle-based
ITIL	IT services best practices models	Best practices	<ul style="list-style-type: none"> •Primarily a set of best practices for designing and managing IT organizations •Does include process but does not have a BPI methodology as such

Key Issues

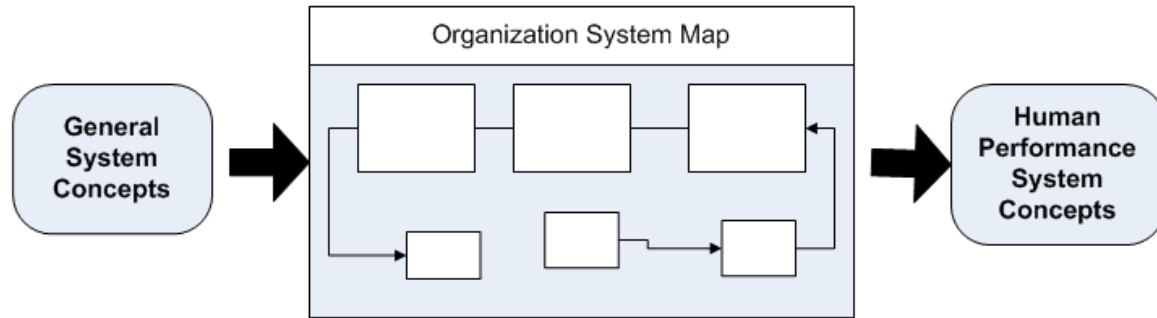


1. What is a business process improvement “methodology” and why should we care?
2. What is an example of a BPI methodology?
3. What are some available BPI methodologies?
4. Can you develop a viable BPI methodology of your own?

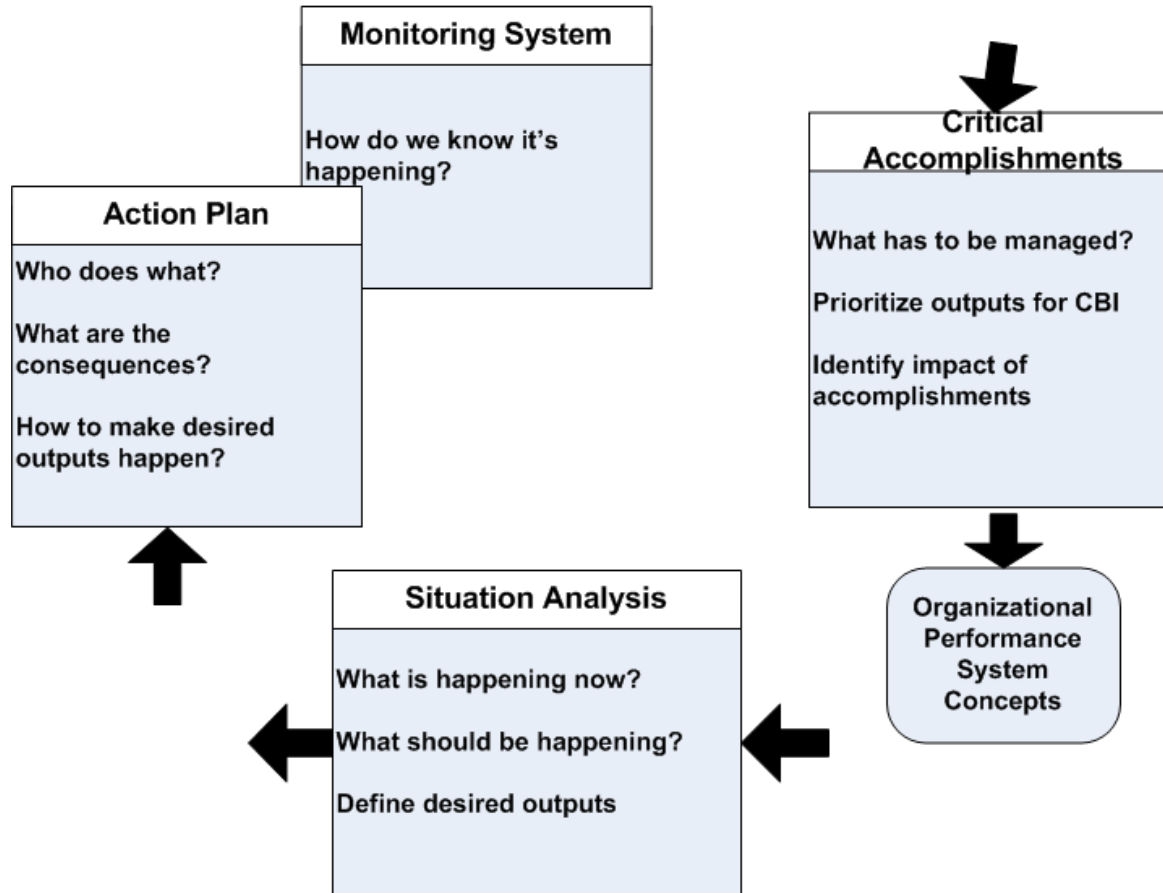
Pitfalls of Creating Home-Grown Methodology

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



Motorola 1984



Situation Analysis

What is happening now?

What should be happening?

Define desired outputs

"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