Bridging the Gap between IT & Business:
A Proposed Model

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“Each year, when CIOs and IT management are surveyed to identify their top priorities, the need for business and IT alignment appears near the top of the list. In CIO magazine’s annual “State of the CIO” survey, heads of IT from a broad range of industries highlighted their need to find best practices for partnering with business units and delivering the greatest value to the organization. Their greatest challenges for the coming year are prioritizing demands from the various business units and aligning IT with business goals.”

David A. Ritter, Vice President,
Proforma White Paper
"As business gets more interested in its processes, so it gets more interested in the alignment of its computer systems with the processes they are supposed to support… The problem is of course that those systems are information systems and not process systems. In reality the information systems world is only capable of imagining information systems and only capable of building information systems. It has…all worked fine as long as the processes the information is designed for remain the processes the business actually operates. And I think this is the crucial point: information is the oil that lubricates the process. It’s as if we have run down a dead end where we have been totally focused on storing and retrieving data with ever greater efficiency, security, scalability and so on. And even though a business thrives by *doing* things we have ignored the doing and we’ve concentrated on what we’ve always done which is to look after people’s data. I think the day of reckoning has arrived.”
In our last Advisor we complained that the BPM world is divided rather sharply between those interested in management issues, high-level process redesign issues and Six Sigma, and those interested in IT issues, primarily BPM systems development and process monitor systems (BAM). This is unfortunate because the two groups need one another. Few companies are so committed to process improvement that they can afford to have different groups competing with each other for the BPM mantle. More important, most companies have limited funds and need to prioritize their efforts. Working together the various BPM groups could have a major impact. Focused narrowly on separate sub processes and activities significantly reduces their overall impact.”

Paul Harmon, Executive Editor BPTrends
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Is There a Problem?

◆ Our View

- IT providers tend to avoid understanding the businesses they serve while pushing technologies for which they have a bias, the result of which is a growing gap between business needs and IT effectiveness in serving those needs.

- Business process experts have a clear understanding of the importance of processes and the need for designing and improving them, but they often end up in battles with IT over language, tools, approaches, which results in reduced effectiveness and positive impact on business.
The Reality

- The reality for business process proponents is that virtually all business processes are increasingly dependent on information systems
  - Implication: You can’t improve business processes without understanding and designing in effective IT

- The reality for IT proponents is that their systems exist to serve business processes
  - Implication: You can’t deliver effective enabling technologies without understanding changing business process requirements

- The reality for both is that many businesses are increasingly impatient with failed IT-centric solutions, huge costs and an ever increasing lag in enabling business processes with effective technology
The Ideal Alignment

Business Leaders

IT Solution Providers/Proponents

Business Process Proponents
What We Think is Needed

◆ A common view of the business shared by its leaders to IT and other providers of improvement technologies

◆ Effective alignment between IT providers and process designers to deliver integrated solutions

◆ A shared language and tools for identifying business problems, designing process improvements and delivering results
A Proposed Model

- Starts with a view of the business as it is

- Links the business view to the tools and processes of enabling functions (IT, HR)

- Links management of the business to management of the enabling functions

- For use by process improvers, IT analysts and developers, and business leaders who want the support of IT and BPM
A Proposed Model: Uses

- For process improvement projects
  - As-Is analysis
  - To-Be design
- For development of enabling technologies to support processes
- For design of roles and jobs to support processes
- For design of management systems that drive enabling functional management
Overview of the Model

Business View

Technology View
People View
Management View
Business Process Architecture - Linkages to Enablers and Management System

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The Business View

- Provides the business architecture view that all technology and improvement work should begin with
- Depicts a picture of the business as it is or should be
  - Business environment
  - Strategy, structure, markets, products/services
  - The processing system that delivers value
  - The affected business process(es)
  - The affected performers
- Is the view most understandable to business leaders
Components of the Business View

- Super System
- Business Process Architecture Framework
- Cross-Functional Value Chain Map
- Cross-Functional Process Maps
- Cross-Functional Role-Responsibility Matrices
Super System Map

- Depicts the organizational context for any change
  - Depicts the environment in which a business exists
    - Markets
    - Resources
    - Competition
    - General external influences
  - Depicts the processing system at a high level
    - Products/services
    - Inputs
    - Organization design

- Usefulness for technology developers/performance improvers:
  - Can help identify where a business issue exists or where the impact of a change (e.g., upgraded technology) will have an impact
Business Process Architecture

- Depicts the major processes of the business and their interrelationships
  - Management processes
  - Core (value chain) processes
  - Enabling processes

- Usefulness for technology developers/performance improvers:
  - Helps in identifying impact of a change or an issue at a process level before diving into design
Cross-Functional Value Chain Map

- Depicts in more detail the processes that together deliver value to customers
- Also identifies (usually at a function or department level) who performs the processes

Usefulness for technology developers/performance improvers:
- Specifies where in the value chain an issue or change is going to have an impact and who needs to be engaged in the change
Cross-Functional Process Map(s)

- Depicts in detail the process that needs to be enhanced or improved
- Also identifies who performs the processes
- In the case of major change or issue affecting multiple processes, a separate map is built for each affected process

- Usefulness for technology developers/performance improvers:
  - Specifies exactly where in each targeted process an issue or change is going to be designed and who needs to be engaged in the change
Swimlane Capture of Performance

Order Fulfillment Process

1. Order submitted
2. Order logged
3. Order logged into order tracking system
4. Order accessed
5. Order checked
6. OK?
7. Order data forwarded to Production System

Field Operations
Finance
User Interface
System Activities
Systems & Databases
Linkages

Order Screen
Order Tracking Screen
Order Screen
Order Screen
Order tracking system
XYZ production system
Cross-Functional Role/Responsibility Matrix

- Depicts in detail the human performers that execute each step in a given business process
- A separate RRM is built for each affected process

Usefulness for technology developers/performance improvers:
- Specifies how each human performer participating in a given process will perform, or show changes in performance, including uses of technology
- Specifies to HR the work requirements for job performers who participate in target processes
## Cross-Functional RRM

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<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. RFP submitted</td>
<td>Provides RFP specs</td>
<td>Delivers RFP to field office</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Data entered</td>
<td></td>
<td>Enters proposal data into the proposal database</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Proposal submitted</td>
<td></td>
<td></td>
<td></td>
<td>Enters proposal data into the proposal database</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>4. Proposal complete?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Reviews for completeness &amp; accuracy &amp; send data to Commission database</td>
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</table>
Value of Business View

◆ Foundation for technology and process improvement work is now in place
◆ Can be validated and reused for other initiatives
◆ Bridges the language gap between business and enablers
  • Basis for technology requirements
  • Basis for human resource needs
Path taken from here depends on your role and assignment

- Technologists to the left
- HR down the middle
- Management system designers to the right

There are multiple linkages between each path
Technology Enabler View
Technology Enabler View

- Links technology design upward to business processes
- Links technology requirements to IT’s processes
- Links human performance to technology performance
- Links IT’s management system to the enterprise management system

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Technology Enabler Chart

- Specifies the technology needed to support process performance
- Can identify existing vs. in development vs. non-existent technology

- A Technology Enabler Chart is built for each affected process; an integrated chart is built across processes when appropriate

- Usefulness for technology developers/performance improvers:
  - Provides the requirements for technology enhancements
  - For process improvers, specifies what technology will provide to improve the process
# Technology Enabler Chart

<table>
<thead>
<tr>
<th>Technology Items</th>
<th>Status</th>
<th>Desired Characteristics</th>
<th>Related Use Cases</th>
</tr>
</thead>
</table>
| Electronic On-Line Submission System (includes Triage Rules Engine) | Does not exist today | • Can receive submissions from a variety of sources (e.g. Sales Reps, Policyholders, Field Offices)  
• Extensive business rules validate completeness of submissions  
• Includes validation for currently in-force, multiple quotes, offices (rules of engagement)  
• Data gathered and options presented are based on group size, segment (if possible) and coverage(s) requested | 2.2.1 Process Receipt of RFP—RFP needs to be complete before system entry starts; probably need to combine 2.2.1 and 2.2.2 and look at sequence of steps; evaluate Triage needs vs. Triage Rules Engine  
2.2.2 Request Plan Change Amendment—Change of Submission Specialist to FO Proposal Support; slot Submission System in for redesign |
| Rating System | In development but will need enhancement | • Connects to workflow software  
• Receives input from Submission System  
• Database records all proposal activity with appropriate retention  
• Include interface to Commissions for Licensing  
• Alternate proposal allows for data entry directly into rating system | 2.2.3 Proposal Underwriting—Eliminate human entry points where possible and receive data from Submission Machine |
| Census Upload | Does not exist | • Interfaces with rating system  
• Provides electronic upload of census info in multiple formats | 2.2.3 Proposal Underwriting—Update to show census received electronically via Census Upload |
Use Case & Drill-Downs

- Use Cases specify accomplishments of people using technology
  - Use Cases are linked to Technology Enabler Chart and cross-functional process maps
  - Each use of technology appears in the Tech Chart and appropriate process map and then is described in a Use Case

- Typical text format

- Supplemented by other kinds of drill-down analyses to capture complex variations
  - Multiple decisions
  - If-then scenarios
  - Use of multiple systems
Enabling IT Processes

- Each IT development task is linked to the IT function’s own work processes.
- The work processes are driven by goals and requirements from the IT function’s management system, which in turn is driven by enterprise goals and requirements.
HR Enabler View
HR Enabler View

- Key tool is the Job Model, which specifies the expectations for each job
- Links each job to business processes
- Links HR’s enabling processes to business processes via the job models and RRM’s
- Links HR’s management system to the enterprise management system
Job Model

- Comprehensive view of a given job’s outputs and requirements
- When linked to business processes, summarizes how the job contributes to those processes
- Is the link between technology use cases and job responsibilities
- Can be used as the basis for hiring, training and performance evaluation
## Job Model

<table>
<thead>
<tr>
<th>Accomplishments</th>
<th>Critical Dimensions</th>
<th>Measures</th>
<th>Standard</th>
<th>Performance Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposal data collected</td>
<td>Completeness</td>
<td>Original vs. data entered in system</td>
<td>100% complete</td>
<td>XB computer or equivalent</td>
</tr>
<tr>
<td></td>
<td>Accuracy</td>
<td>Original vs. data entered in system</td>
<td>0 errors</td>
<td>Proposal database</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>On-line help access</td>
</tr>
<tr>
<td>Proposal data entered into the proposal database</td>
<td>Completeness</td>
<td>Original vs. data entered in system</td>
<td>100% complete</td>
<td>Proposal classification template</td>
</tr>
<tr>
<td></td>
<td>Accuracy</td>
<td>Original vs. data entered in system</td>
<td>0 errors</td>
<td></td>
</tr>
<tr>
<td>Proposal request submitted to Operations via proposal system</td>
<td>Timeliness</td>
<td>Deadline vs. submission lapsed time</td>
<td>within 24 hours</td>
<td></td>
</tr>
<tr>
<td>Additional information requested of Sales Rep or others as situation requires</td>
<td>Completeness</td>
<td>Original vs. data entered in system</td>
<td>100% complete</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Accuracy</td>
<td>Original vs. data entered in system</td>
<td>0 errors</td>
<td></td>
</tr>
</tbody>
</table>
Management System View
Management System View

- Links all processes and technology improvement to business goals and measures
- Links the enterprise planning and management system to the planning and management systems of the enabling functions
Management System Overview

- A set of tools that link goals and measures to a closed-loop tracking and management cycle
- Specifies what management has to do to manage the complex organization
- Driven by the business value chain—what gets planned, monitored and managed is what customers care about
Performance Planned & Managed Hierarchy

ANY BUSINESS

Performance Planned

CEO
Organization and goals articulated and communicated
Process goals and resource allocation set and communicated
Process and function plans and budgets approved

Process Owner
Organization strategy and goals relevant to process articulated and communicated
Process goals, plans, and budgets developed and communicated
Process plans operational (systems and resources in place)

Functional Manager
Organization and process strategy and goals relevant to function articulated and communicated
Function (or sub process) goals, plans, and budgets developed and communicated
Function plans operational (systems and resources in place)

First Line Supervisor
Organization, process, and function strategy and goals relevant to job articulated and communicated
Job goals, plans and budgets developed and communicated
Job plans operational

Performance Managed

Corrective action taken

CEO
Performance monitored
Performance analyzed

Process Owner
Performance monitored
Performance analyzed

Functional Manager
Performance monitored
Performance analyzed

First Line Supervisor
Performance monitored
Performance analyzed

MKT
Market/customer needs/competitor situation

orders, requirements, and feedback

ANY BUSINESS

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Business Process Architecture - Linkages to Enablers and Management System

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The Ideal Alignment

Business Leaders

IT Solution Providers/Proponents

Business Process Proponents
Who Should Lead & Participate?

- **Business View**
  - Business Leaders take the lead
  - IT Solution Providers & BPM experts provide tools and coaching

- **Technology View**
  - IT Solution Providers take the lead
  - Process experts provide process insights

- **HR View**
  - Process, HR, Human Factor Engineering might take the lead
  - Technology providers participate as coaches

- **Management View**
  - Business Leaders take the lead
  - Process experts participate as coaches
  - IT provides guidance on automation of management system

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