



Business Process Improvement
Symposium Community

Trip Report

Business Process Improvement Symposium Community

Key Takeaways

A vast majority of the 382 BPI Community attendees at this year's symposium appeared to be operating in organizations that are still in the foundational stages of establishing business process management (BPM) programs — acknowledging their current BPM operational inefficiencies and becoming “process aware.” Fully 85% of attendees represented firms that are in Phase 0 or 1 of the Gartner BPM Maturity Model. Nevertheless, this same group said their enterprises and agencies were undergoing major transformative efforts in response to changing market conditions, including:

- Business model restructuring
- ERP implementations (including consolidation of instances)
- Massive upgrading of legacy technologies
- Major market changes (for example, a clothing manufacturer that now differentiates on distribution rather than design and a European bank entering U.S. doing agricultural loans)
- Industry regulatory changes (especially in insurance)
- Major technology changes driven by the U.S. Department of Defense enterprise architecture (EA) effort

BPM's greatest value is for addressing such transformative needs, as highlighted in Janelle Hill's marketplace presentation (“The BPMS Market: Key Vendors, Trends, and Outlook.”)

At the same time, a number of attendees acknowledged a desire to establish “enterprise standard” BPM tools (such as business process analysis (BPA) tools or business process management suites — BPMSs) to help them break down business concepts and strategies into action plans. Selecting tools first, rather than focusing on the business process requirements is a practice discouraged by Gartner analysts. Instead, in their presentations — some of which are summarized below, they urged:

- Get your foundation in place first before choosing tools. Understand what you are trying to do with BPM and that it must align with your company's overall strategy. Creating a process architecture (also described as a process taxonomy), identifying needed skills and roles, and understanding the cultural impact of potential changes to operations are critical foundational steps.
- Realize that BPM is a journey. Begin by defining and communicating where you are now and what your next steps are using Gartner's BPM Maturity Model as guidance. (Our new, online assessment tool is expected to be available on Nov. 1 to Gartner Business Process Improvement Role subscribers.) To align and validate your initiatives with overall business processes and strategies, create a common set of process performance metrics.
- Realize that BPM is a discipline that integrates into other work your organization is doing. Use process modeling practices to create alignment and early business buy-in for process-driven application upgrades, service-oriented architecture (SOA) projects, and EA initiatives.

Conference Highlights

The following Symposium sessions were of particular value for BPI leaders:

“Championing Business Process Improvement” by Janelle Hill

In today's global business environment, operational excellence alone is no longer sufficient. Increasingly, operational excellence must be measured by market and customer responsiveness rather than internal efficiency, which calls for greater process agility. Such changes do not come without strong advocacy, and IT leaders must become champions of change that will make processes more transparent and effective, empowering all associates in an enterprise to make improvements.

Recommendations

- Gradually introduce process modeling, analysis and simulation techniques and tools. These techniques directly contribute to process innovation.
- Tie any BPM initiative to an enterprise goal using Gartner's business purpose hierarchy.



“Rethinking Change: The Practical Realities of Successful Transformation,” by Diane Morello and Elise Olding

Business transformation involves the institutional capability of an organization to read events such as changes in legislation, regulations or customer behavior and translate strategic business changes into high-level visions for the business. This presentation offered a road map through the concepts, frameworks and practices that predict change success. Ms. Morello outlined the Gartner process of assessing an organization’s appetite for transformation, or “Enterprise Personality,” explaining ways to tap into the “what’s in it for me” approach at all levels, from senior executives to individual contributors. Ms. Olding provided case studies illustrating examples of effective business transformation in both the travel and financial arenas.

Recommendations

- Engage people quickly. Combine the top-down “push” model of change with a bottom-up “pull” model to enroll people in defining the solution.
- Contextual orientation is everything. Give people information, incentive, education and situational cues. Customize communication so that each person, each group and each role knows “What’s in It For Me?”
- Sustain commitment by integrating goals and processes, acknowledging successes and investing in new capabilities.

“Process Modeling Best Practices,” by Elise Olding and Marc Kerremans

Business process modeling can be applied in many areas — quality, organization, costing, risk management, application development and so on. Each has different requirements on the models. This presentation discussed preparation for process modeling, best practices and provided examples.

Recommendations

- Define requirements for a modeling tool based on a process approach. Use modeling tools where appropriate, but don’t let the many standards guide the modeling.
- Always look at the background and the interest of people who are interpreting the models; there can be a strong bias in the human interpretation.

“Aligning Business Processes With Strategy: How Performance Metrics Make This Happen,” by Michael Smith

Business processes can only be optimized when assessed in the context of the entire organization’s goals, so support at the senior executive level is essential. The presentation examined how business process and performance management can help overcome the obstacles that senior level managers face in developing an effective business strategy that can be executed by middle management.

Recommendations

- Recognize the relationship between strategic planning and business process management.
- Overcome the obstacles to effective strategy execution by building a process taxonomy and performance management framework.
- Use performance metrics to establish a clear, traceable connection between strategic intent and actions to be taken in executing your strategic plan.

“Business Rule Management: State of the Art,” by Eric Deitert

Business rules are everywhere in an organization — in people’s heads, back-end applications, and in legacy systems buried in application code. Rules need to be elevated to a higher level of management responsibility. Business rule management (BRM) helps organizations model, track and store business rules in a central repository so they can be viewed, changed and deleted. This presentation examined the concept of BRM and the vendors and the technologies involved in BRM.

Recommendations

- Determine the right rules to externalize by performing a volatility analysis.
- Determine the downstream effects of rule changes to determine the effect of a bad change

What People Asked About

Business process staff professionals at the conference expressed feelings of frustration and powerlessness, indicting that roles, responsibilities and rules of engagement for establishing BPM processes in their organizations are still unclear. A sense of urgency was evident, as an estimated 85% to 90% of attendees said they were in the midst of major transformative efforts. They shared their concerns and queried Gartner analysts about how to raise cultural readiness within their

organizations and in their companies as a whole.

During one-on-one sessions, the following concerns were most frequently voiced:

- How do we get started?
- How do we achieve the mind-set change necessary to successful BPM implementation?
- How do I break down organizational silos?
- Who does what in governance?
- How do I overcome resistance to process orientation in the organization?

Attendees at this conference generally are not senior enough to do top-down approaches to BPM. Most must prove the concept and push it up to senior management levels. To do that, they need to couch their ideas in terms that top management will understand. To help with that process, Gartner demonstrated its Business Purpose Hierarchy, which links any BPM program or project to a series of logical cause-and-effect connections up to enterprise-level goals. Messages BPM leaders must continually communicate to their business managers are:

- BPM creates customer value — processes, not functions, are how customers experience the value the enterprise or agency creates.
- BPM is the foundation for building agility and fosters innovation — both small and large — from early efforts through the most mature.
- BPM is a discipline that instills continuous process improvement.
- BPM enables your employees to improve their effectiveness by streamlining work and enabling them to spend more time on the important focus: your customers and their experience with your products and services.
- BPM is a strategy to maximize operational performance

Things to Watch For

- By 2009, the proportion and variety of externally sourced functionality in the application portfolio will double, requiring radical redesign of management processes.
- By 2010, at least 30% of high-performance workplace applications will be delivered by two or more of the following: software as a service, rich Internet applications, and rich-client, PC-based deployment.
- The integration of PPM, IT service management and ALM functions into a cohesive IT planning and control (ITPC) offering is under way, but a true ITPC market will not coalesce until 2009.
- The traditional view of an “application” that has prevailed during the past 20 years will be obsolete by 2010. An “application” will shift from being “what you buy” to “what you do with the software assets under your control,” whether those assets are homegrown or purchased.

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