BPTrends ARTICLE

Question 3
Is BPM a strategic tool?
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Paul Harmon and Roger Tregear

An organization exists to deliver on one or more value propositions that are often defined by statements of strategic intent (vision, mission, values and the like). *What role, if any, do you see BPM playing in the execution or achievement of an organization's strategy? To what extent is BPM valued by management as a strategic tool?*

Overview

Taking the view of BPM as a management philosophy, our authors are in general agreement that it and organizational strategy are closely coupled. BPM approaches are generally seen as a toolset that underpins the execution of strategy. Business processes are seen to be a natural way of expressing the execution of strategy, and strategy failure is seen to reflect process failure. Several authors also express a more profound role for BPM in the discovery, testing, and documentation of strategic intent. If BPM is closely coupled to strategy, it cannot be successful if the strategy is deficient. A vague generic strategy cannot be mapped to business processes and, therefore, cannot be effectively managed. Taking a BPM approach forces clarity about strategy. It is also inherently customer-focused. Profound discussions result from the exercise of linking strategic intentions to their operationalization via business processes, from connecting the abstract to the practical. At this strategic level, our authors agree that BPM is a critical and fundamental organizational capability.

Talal A. Alsubaie *Managing Director, Modprex*

I, with my colleagues Mr. Abdullah Alhaqbani, and Mr. Bassam Alkharashi, have developed a model that proposes a new way of thinking about strategy execution using BPM as the main tool.

Closing the gap between the as-is and to-be processes and executing the strategy requires the collaboration of different departments and roles to achieve strategic objectives. Strategy prioritizes the process improvement projects, and defines the gap(s) we need to close between the as-is and to-be processes. In addition, strategy will guide the innovation zones to develop better ideas in targeted areas. Finally, the PMO assures the proper execution of the process improvement and the business transformation projects based on time, budget, and quality.

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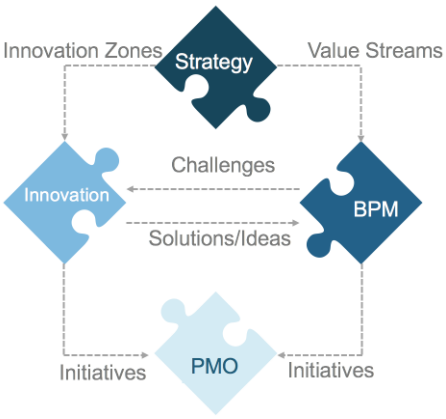

Jim Boots *Owner, Global Process Innovation*

There are either good or bad strategies and there are, distinctly, either good or bad executions of strategies. It should be clear that process management—whether or not it is called that by managers—is essential to good execution of strategies.

Unfortunately, many management teams do not reliably demonstrate the ability to push strategy down into operational details. They recognize the connection, but they either don't know how to operationalize strategy, or they don't have the fortitude to see it through until an initiative's elements are embedded in the organizational culture. So, the results are often inadequate. Execution of the strategy is a failure.

Roger Burlton *President, Process Renewal Group*

Business processes are a natural way of breaking down the delivery of outcomes, whereby organization charts are not. Business processes assure alignment of measurable results towards the goal and ensure the strategy is broken into manageable portions. Unfortunately, most organizations today do not use business processes architected for value creation as the vehicle to build the strategy, although more are realizing the benefit now than in the past.

Gaby Doebeli *Enterprise Architect, Brisbane City Council*

In process centric organizations, processes are managed as an asset where core processes create and deliver customer and shareholder value. Therefore, they are managed to maximize customer value and financial returns, and non-core processes that perform supportive or management functions are managed to minimize risks and control costs. The BPM practice focus is on adding value to achieving strategic outcomes, and uses the process architecture as an input to prioritize BPI efforts. Examples of such a BPI initiative would be to reduce the cost of work performed, or to bring the products and services quicker to the customers. These organizations use BPM as a strategic tool, and the BPI component as the method to implement.

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BPM is often used on a more operational and transactional level rather than on a strategic level, as the efforts, cost, and commitment required are far greater and, usually, a long-term strategy.

Leandro Jesus ***Co-founder & Director, EloGroup***

Just to be provocative, is your existing process architecture, in fact, used by leadership in strategy formulation and deployment? If the answer is negative, it is very likely that the architecture is just a document prepared by a team of consultants or a BPM Office, and known by just a few employees. It is not, however, a legitimate management tool.

Gilles Morin, MBA ***Founder, BPMPlus, Inc.***

Once they start talking about strategic intents, execution, targets or goals, the discomfort becomes noticeable. Some teams are simply not able to talk about real goals as measurable metrics. Sales metric … yes, easy! Strategy execution performance metrics … hum … not so! This is particularly true in a culture allergic to performance measurements or accountability. Anyhow, spending time over strategy-related discussions is seen as theoretical and, often, operational managers just want to get to the hard stuff—operational problems and solutions!

Chris Potts ***Corporate Strategist, Dominic Barrow***

BPM is not an operational support activity. It is a core strategic capability. In organizations where BPM's true role and value has yet to be realized, the essential first step is to check the models being used to design the enterprise. If those models are operations-oriented and activity-focused, then the challenge for BPM (together with other strategic capabilities) is to socialize different and complementary models—ones that are strategy-oriented and investment-focused.

Professor Michael Rosemann ***Head of Information Systems School, Queensland University of Technology***

Far less explored but increasingly important, is the role of BPM as an *accelerator* of the strategy-to-execution process. In this case, BPM is not used to manage transactional processes, but as an approach to manage a fundamental transformational process. Organizations that are able to model, analyze, improve and, where possible, automate, support, and monitor the strategy-to-execution process will have one essential advantage: their strategy latency will be reduced. Strategy latency describes the time from initial strategy design to its execution. With shorter strategy latency,

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organizations can react faster to environmental changes and have an overall higher corporate agility.

Andrew Spanyi ***Founder & Managing Partner, Spanyi International***

The senior leadership team needs to have a common language around end-to-end process in order to make the tough choices that strategy implementation typically requires. What's needed in this respect is a one-page model, or text-based framework, that clearly defines each of the high-level end-to-end processes, their boundaries and outputs. Note that this is dramatically different to what is typically involved with enterprise architecture or business architecture initiatives—and even process architecture efforts where, all too often, the models are not connected to strategy, take a lot of time and effort, and are characterized by a failure to gain a shared understanding of the 'big picture'.

Authors.

Paul Harmon

Executive Editor and Founder, Business Process Trends In addition to his role as Executive Editor and Founder of Business Process Trends, Paul Harmon is Chief Consultant and Founder of Enterprise Alignment, a professional services company providing educational and consulting services to managers interested in understanding and implementing business process change. Paul is a noted consultant, author and analyst concerned with applying new technologies to real-world business problems. He is the author of *Business Process Change: A Manager's Guide to Improving, Redesigning, and Automating Processes* (2003). He has previously co-authored *Developing E-business Systems and Architectures*(2001), *Understanding UML* (1998), and *Intelligent Software Systems Development* (1993). Mr. Harmon has served as a senior consultant and head of Cutter Consortium's Distributed Architecture practice. Between 1985 and 2000 Mr. Harmon wrote Cutter newsletters, including *Expert Systems Strategies, CASE Strategies, and Component Development Strategies*. Paul has worked on major

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process redesign projects with Bank of America, Wells Fargo, Security Pacific, Prudential, and Citibank, among others. He is a member of ISPI and a Certified Performance Technologist. Paul is a widely respected keynote speaker and has developed and delivered workshops and seminars on a wide variety of topics to conferences and major corporations through out the world. Paul lives in San Francisco. Paul can be reached at pharmon@bptrends.com

Roger Tregear

As a Consulting Director with Leonardo Consulting, **Roger Tregear** delivers BPM courses and consulting assignments around the world. Based in Canberra (Australia) Roger spends his working life talking, consulting, thinking and writing about analysis, improvement and management of business processes. His work with clients is on short and long term assignments, in organizational improvement and problem solving based on BPM capability development, and business process, analysis, improvement, and management. He is available to help small and large organizations understand the potential, and realize the practical benefits, of process-centric thinking and management. Contact Roger at r.tregear@leonardo.com.au.

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