



Business Process Management (Including Business Process Reengineering/BPR and Change Management)

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<http://www.ipoms.or.id/mambo> and then click “Knowledge Resources.”
 - Ahmad Syamil’ website <http://www.clt.astate.edu/asyamil/>



What is Process Management?

“...the continuous monitoring of a business process and the initiation, as necessary and appropriate, of incremental process improvement or radical engineering, in order to ensure process objectives continue to be met.

A Process Managed Organization is one that has identified it's key business processes, understands their ties to the organization's strategy and goals ... and manages them as a system of interrelated processes.”

(Brooks, see BPR-L 7 April 97)





What is Process Management?

- Continuous monitoring of a business processes
- Implementation of incremental process improvements or radical reengineering of a process
- Ensures process objectives are met





What is a Process Managed Organization?

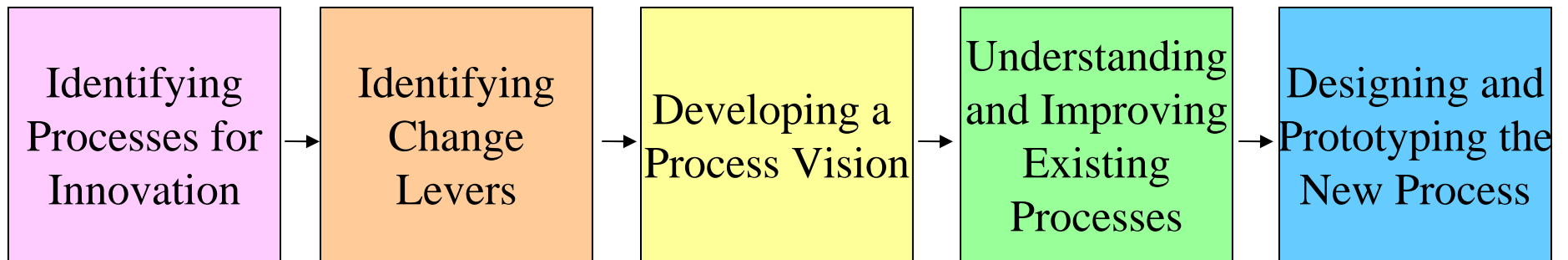
A Process Managed Organization...

- has identified it's key business processes
- understands the processes ties to the organization's strategy and goals
- manages processes, strategies and goals as a system of interrelated processes



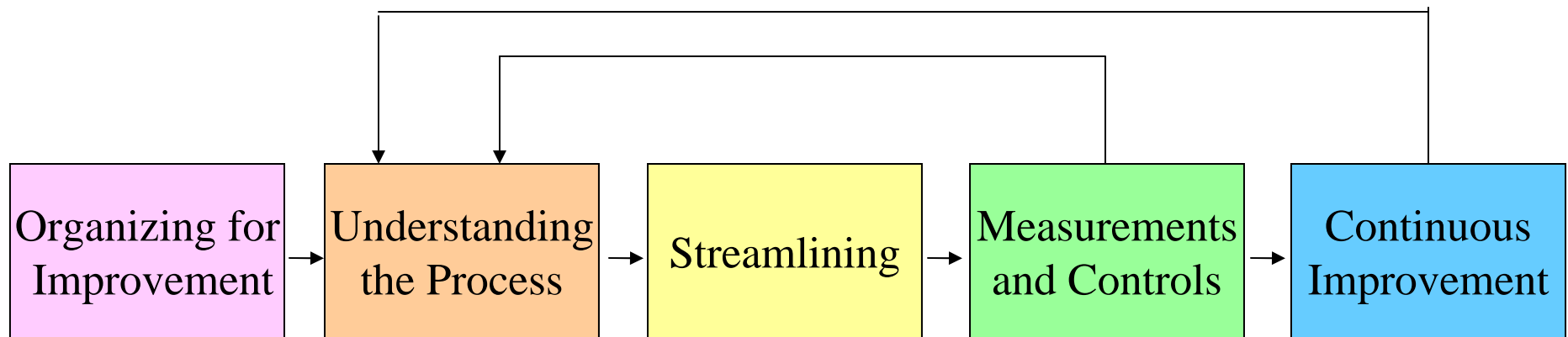


Davenport's Approach to Process Innovation



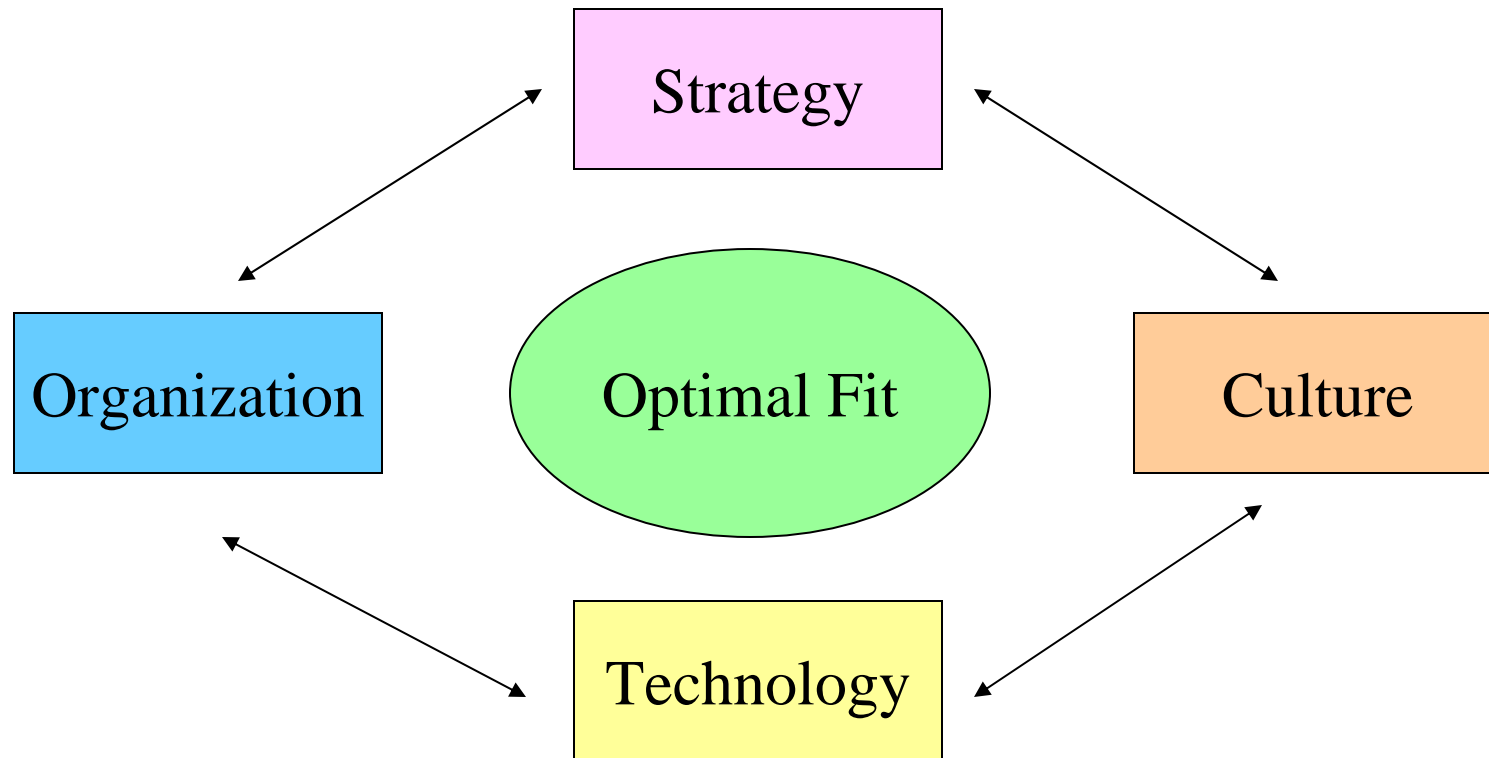


Five Phases of BP Improvement by Harrington



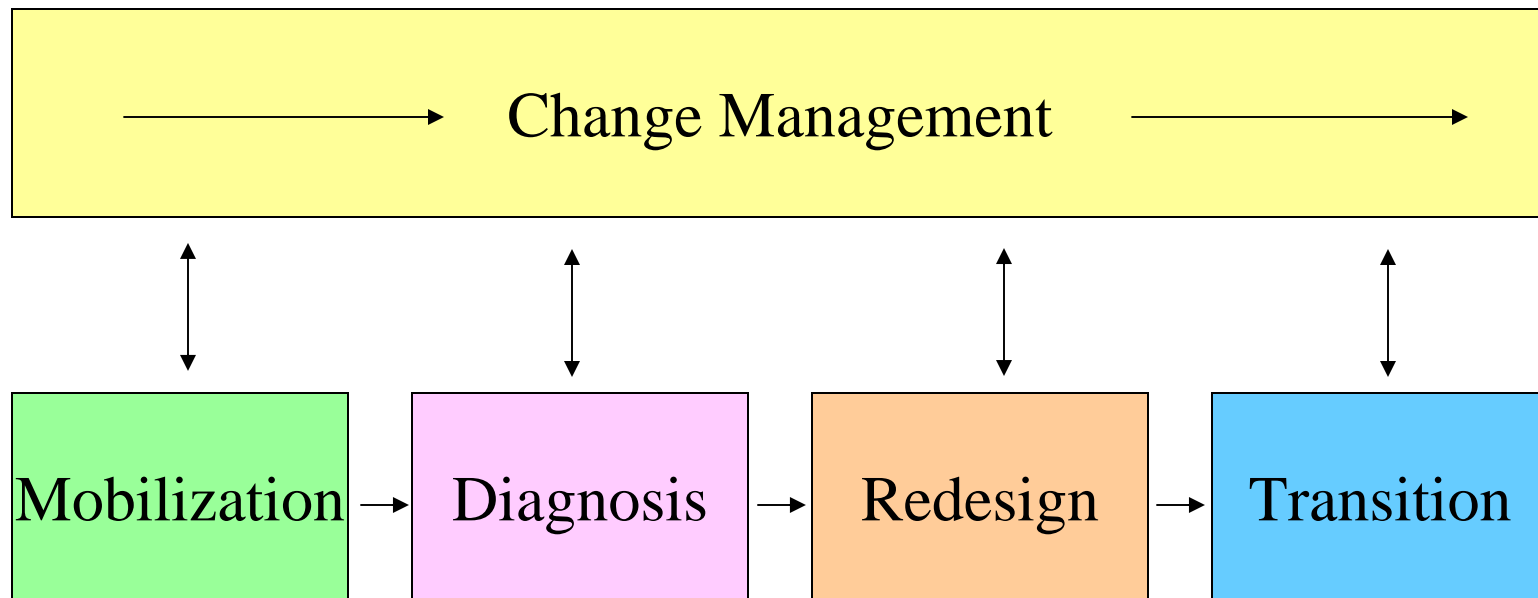


Areas of Activity of Change Management by Vaahs

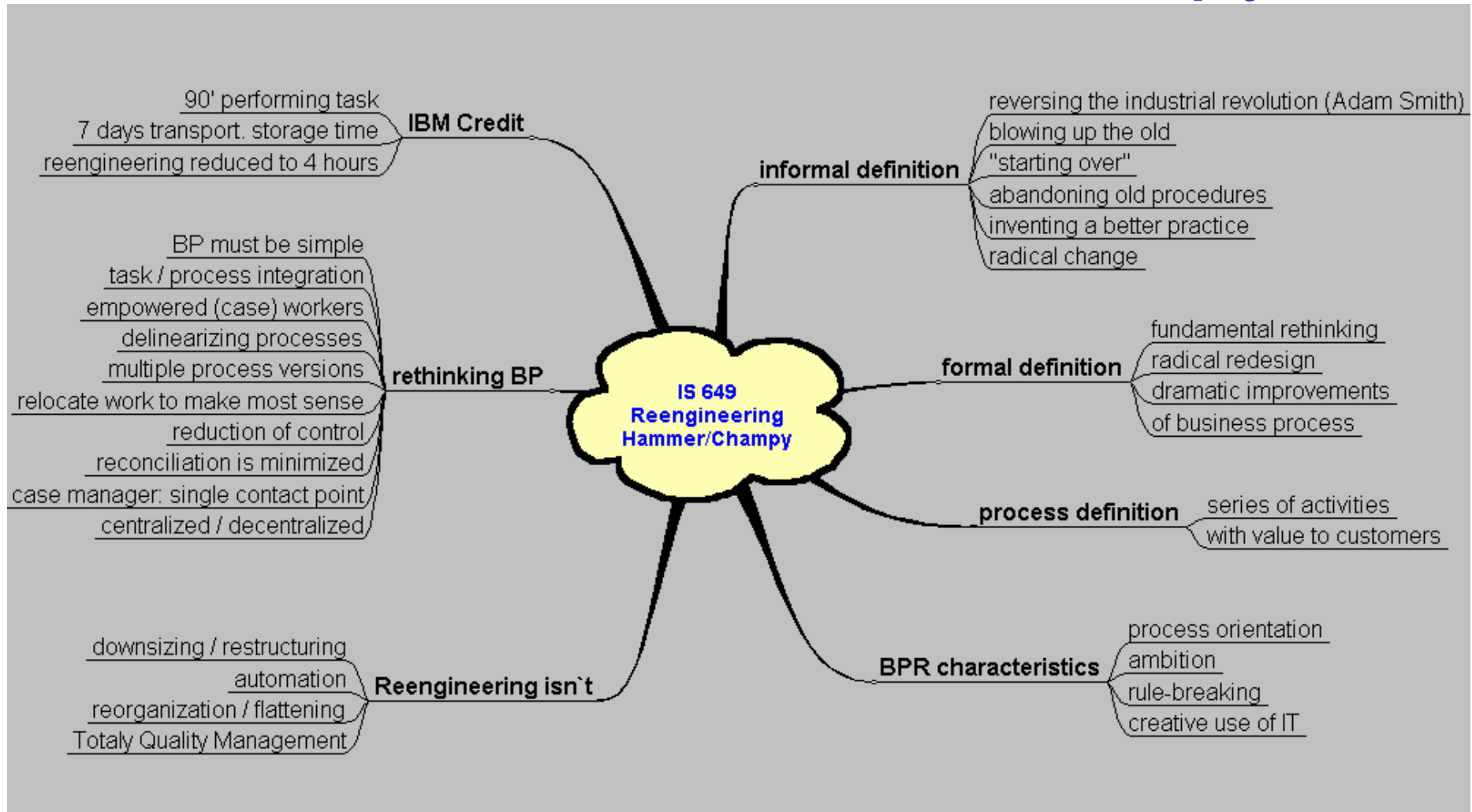




Procedural Model for BPR by Hammer



BPR—Hammer & Champy





Traditional Business Process Reengineering

Radical change

Drastic cuts in manpower

Neglected work practices

➡ lack of quality

➡ lack of acceptance

= **Failing projects!**





The Flaw in the Traditional BPR Approach

“I wasn't smart about that ... I was reflecting my engineering background and was **insufficiently appreciative of the human dimension**. I have learned that's critical.”

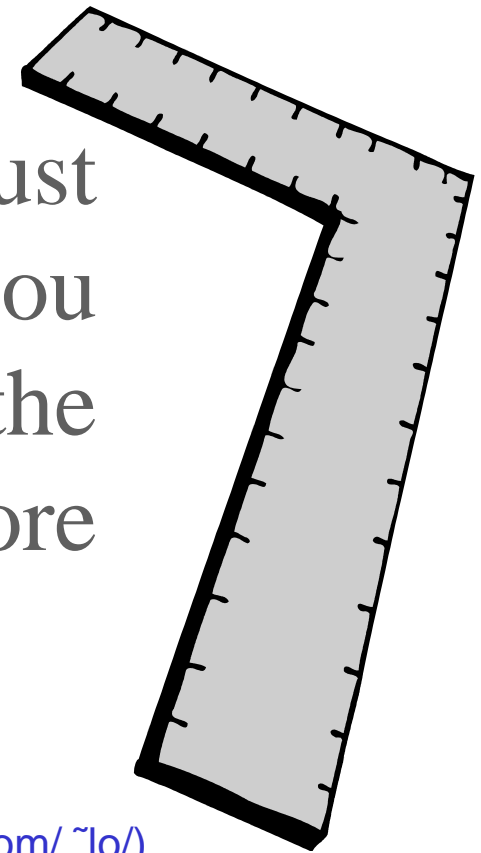
(Source: Hammer - Wall Street
Journal, 26 Nov. 1996)





Another View on Traditional BPR

“It is easy to measure cuts, but just try to measure the customer you never had, or the creative ideas the employees you don’t have anymore never came up with.”



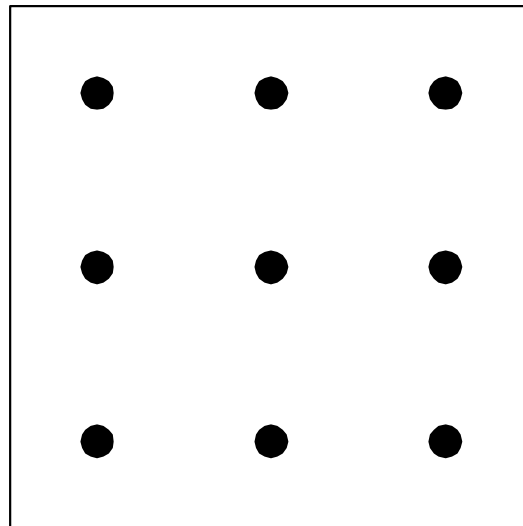
(Learning Organization - <http://world.std.com/~lo/>)





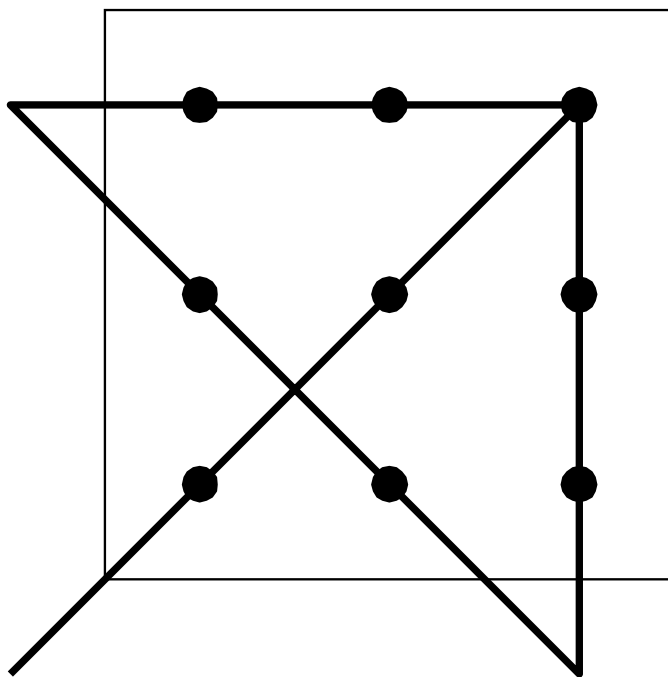
Exercise

Touch all nine points with four connected and straight lines:



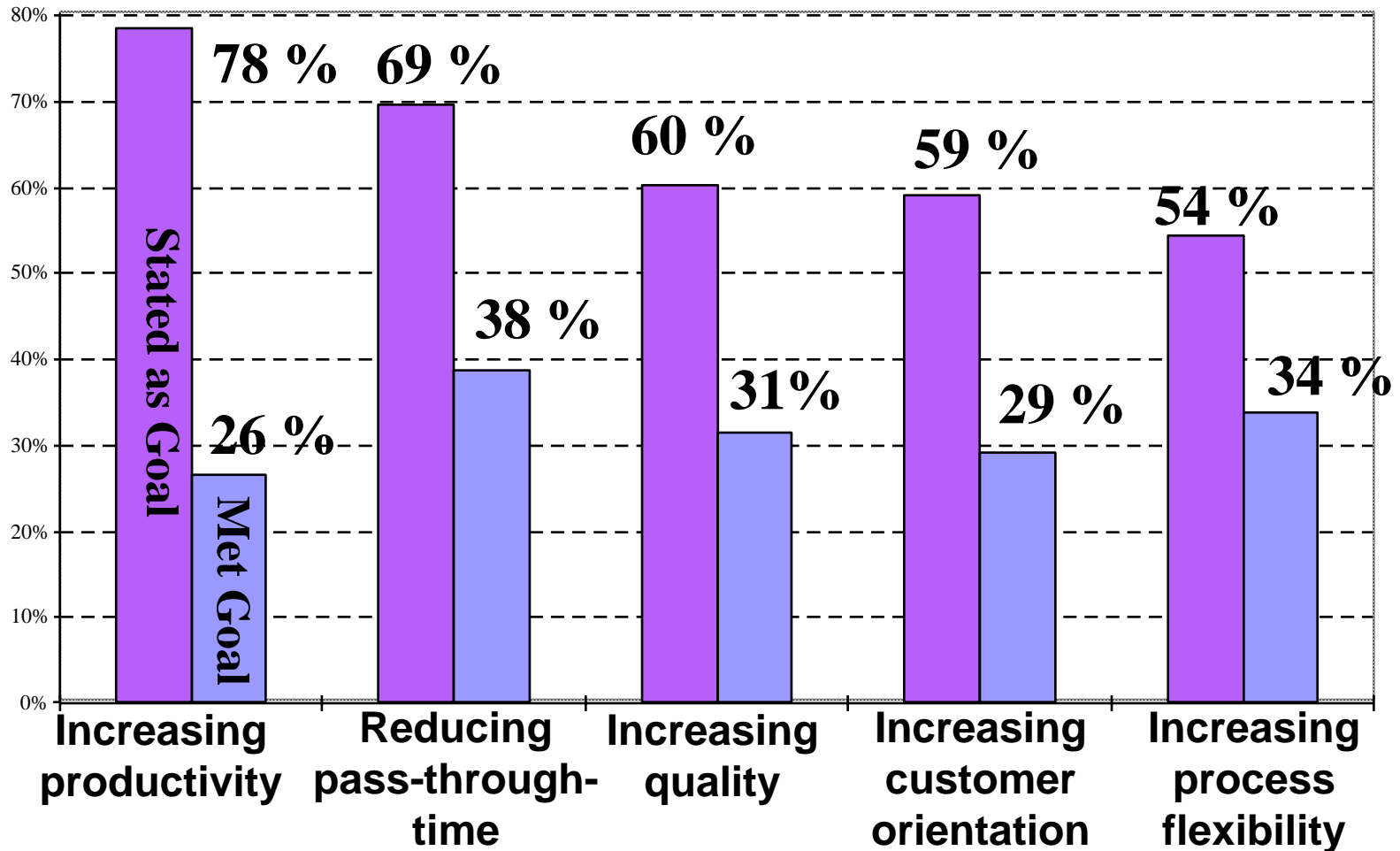


Solution



Percentage of BPR Goals Met

(Survey Results, University of Koblenz/Germany, 1998)





7 Reasons for Failure of Change Projects

1. Focus on hard **facts**

2. **Purpose** of project is not clear

3. **Goals** are not defined precisely enough

4. Too much **time** pressure

5. **Employees** feel overwhelmed by
too many projects

6. **Potential** of employees is not being used

7. Top-down implementation without
consideration of **needs of employees**

Source: Kybernetika, 1998



Business Process

Business Processes are characterized by **hard** and **soft** facts, by **formal** and **informal** aspects; as well as by **fixed** procedures and **exceptions**.






Business Process

A Socio-Technical System

Core Business Process

 *Delivers external customer value*

Support Process

 *Supports core business processes, internal value*






Holistic

Business Process Management

No:


- ➔ Main focus on hard facts
 - ➔ Main focus on workforce cuts
 - ➔ "Disregard" of the employees
 - ➔ Radical change
 - ➔ Too much time pressure
- 



Holistic

Business Process Management

Yes:

- ➔ Balanced human/org/tech-development
 - ➔ Participation (employees/customers)
 - ➔ Reflection: operational/strategic
 - ➔ Solution orientation
 - ➔ Human speed of change
- 



Steps of Business Process Management

According to Melan/Kleinsorge

- Step 1: Determine process ownership
- Step 2: Define the business process
- Step 3: Measure and assess the process
- Step 4: Control of Process
- Step 5: Continuous improvement.





Steps of Business Process Management

According to Melan/Kleinsorge

Step One

– Determine process ownership

- Change from functional oriented to process oriented thinking/working requires a process owner





Step Two

– Define the business process (including boundaries and interfaces)



- Documentation of important process attributes, including agreements with suppliers and demands of customers.

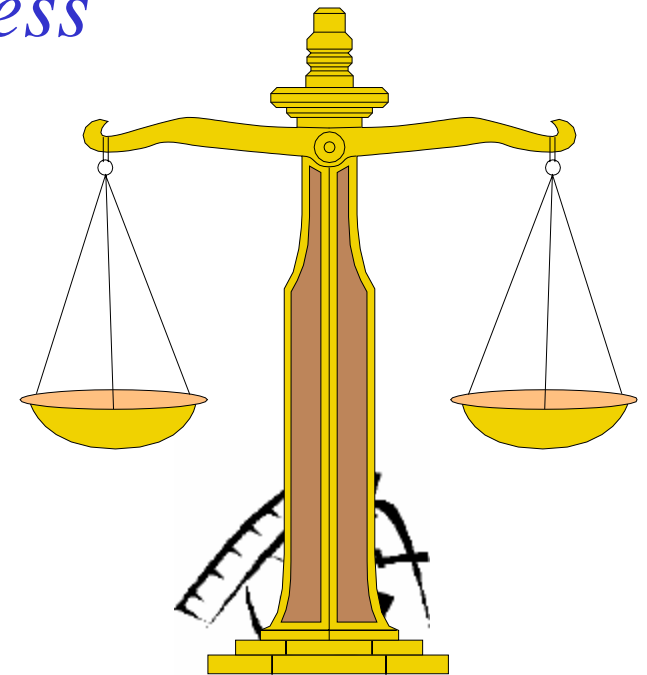




Step Three

– Measure and assess the process

- Check of correspondence between current process and demands on business process.



Step Four

– Control of Process



- Meeting the demands on business process by performing feedback and corrective action



Final Step

– *Continuous improvement.*

- Repeat Steps 2-4 on a higher quality level.





Participation

"...social and technical goals can be simultaneously achieved, or jointly optimized, in the implementation of information technology. The **primary means** for achieving joint optimization **is the participation** of users in the design of information systems.

Through the involvement of both users and analysts in systems development, consequences of the application on individuals and groups can be considered as part of the design problem."

D. Robey and M. Newman in
ACM Transactions 1/1996, S. 58



Participation

- Social and technical goals can be jointly optimized through information technology.
- The participation of users is the primary means in the design of information systems.
- With users and analysts collaborating in the development, the consequences of the application on users can be considered as part of the design problem.

D. Robey and M. Newman in
ACM Transactions 1/1996, S. 58





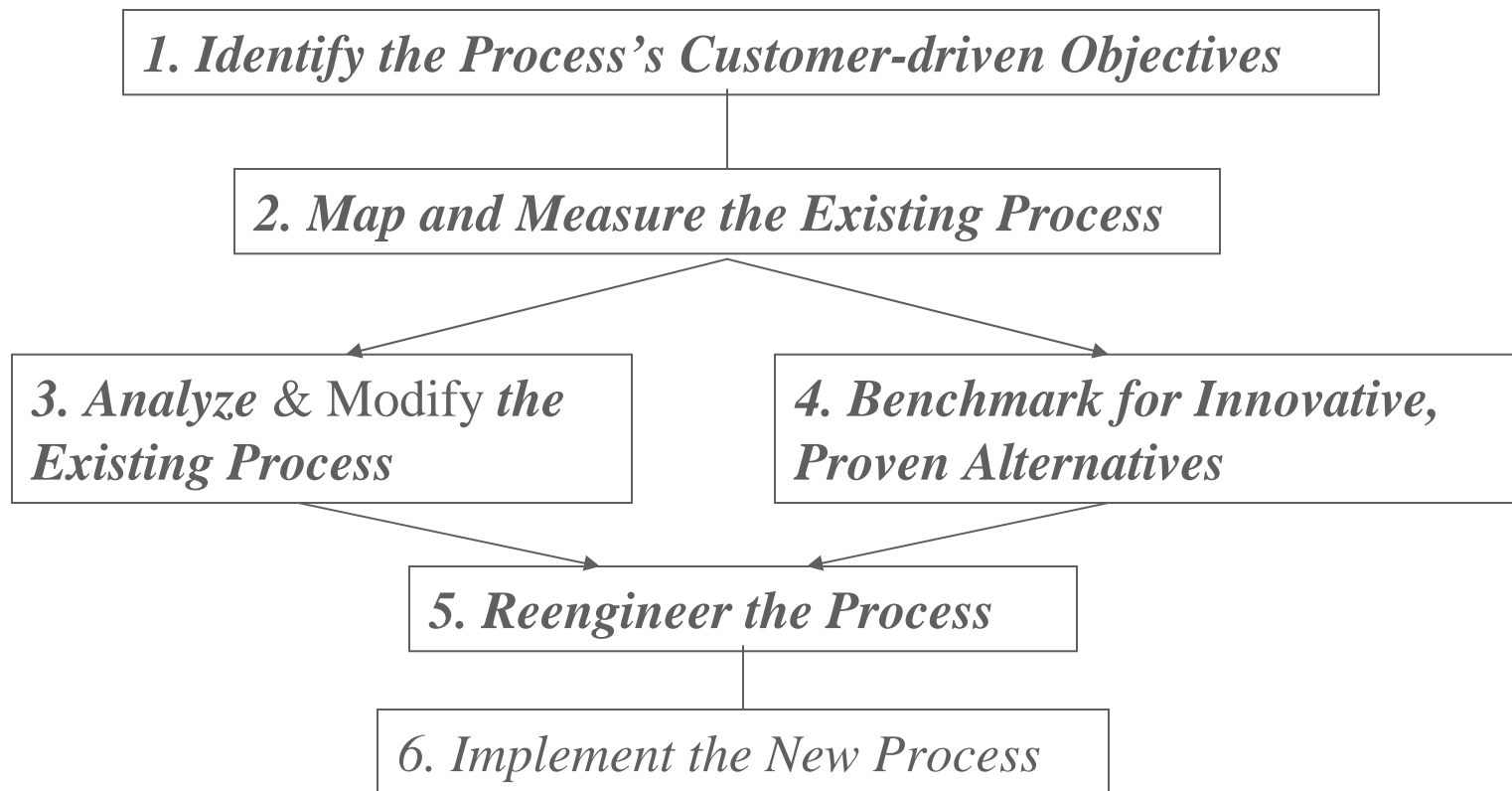
Problematic Business Process Reengineering

- ➔ Main focus on technology
- ➔ Main focus on workforce cuts
- ➔ "Disregard" of the employees
- ➔ Radical change





Six Steps to Process Reengineering



(see Sethi/King, Ch. 8, Furey: Case Study: Precision Materials, Inc., p. 100)





Business Process

A Business Process is “a set of *interrelated work activities* characterized by specific inputs and value-added tasks that produce specific customer-focused outputs. Business Processes consist of horizontal work flows that cut across several departments or functions.”

(Sethi/King, Introduction to BPR, p. 4)



Business Process

Basic characteristics

- **Input:** events, e.g. customers express demand for a service or product, trigger processes
- **Through-put:** people use tools/technology in a certain organizational context (structure, process)
- **Output:** customer demand is being met with service/product .

Business processes need to create value for (internal or external) customers.





Business Process Management

“Process Management is the continuous monitoring of a business process and the initiation, as necessary and appropriate, of incremental process improvement or radical engineering, in order to ensure process objectives continue to be met.”

(Dr. Brooks/Stanford, BPR-L 7 April 97)





Business Process Management

"A Process Managed Organization is one that has identified it's key business processes, understands their ties to the organization's strategy and goals ... and manages them as a system of interrelated processes."

(Brooks, see BPR-L 7 April 97)





Business Process Reengineering

“BPR is the project-oriented redesign and reorganization of business processes that results from questioning the status quo. It seeks to fulfill specific objectives and can lead to breakthrough improvement. It is often associated with significant cultural and technological changes.”

(adapted based on Sethi/King, Introduction to BPR, 1988 p. 4)





Business Process Reengineering

- Project-oriented redesign and reorganization of business processes
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(adapted based on Sethi/King, Introduction to BPR, 1988 p. 4)





Business Process Orientation

Requires Cross-functional integration of...

- **Organization** (of activities across functional silos)
- **Technology** (of IT used in the various phases of the “production” process)
- **Knowledge** (ubiquitous awareness and consideration of available and applied knowledge)
- **Responsibility/authority** (process vs. line mgmt.)






Business Process

Not so much about

- Fixing procedures
- Hard facts
- Formal character

Rather about

- Exceptions and indiv. procedures
 - Soft facts
 - Informal aspects
- 



Business Process Culture

“A business process culture is a culture that is cross-functional, customer oriented along with process and system thinking.”

(McCormack, BPO: What is it and How do you know when you have it?)





Business Process Orientation

Business Process Orientation in an organization comes down to “an organization that emphasizes process as opposed to hierarchies, a process oriented way of thinking (of) outcomes and customers.”

(McCormack, BPO: What is it and How do you know when you have it?)





BPR: The Role of Information Technology

- Automational – Eliminating human labor from a process
- Informational – Capturing process info for better understanding
- Sequential – Changing process sequence, enabling parallel
- Tracking – Closely monitoring process status and objects
- Analytical – Improving analysis of information and decision making

(see Sethi/King, Introduction to BPR, p. 22)





BPR: The Role of Information Technology

- Geographical – Coordinating processes across distances
- Integrative – Coordinating between tasks and processes
- Intellectual – Capturing and distributing intellectual assets
- Dis-intermediating – Eliminating intermediaries from a process
- **ENABLING** – making new ways of providing student services possible

(see Sethi/King, Introduction to BPR, p. 22)

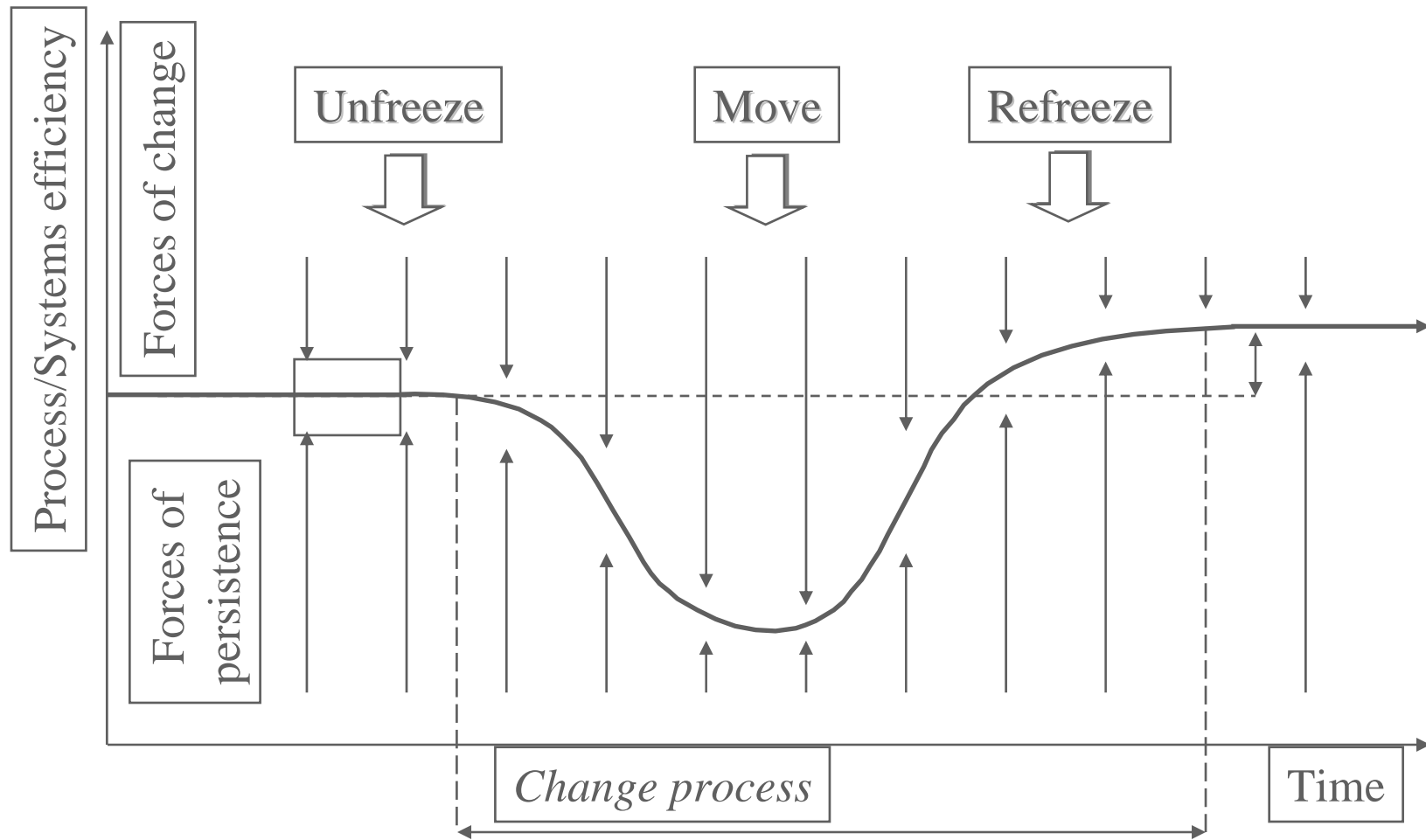




Components of Successful BPR Change

<i>Vision</i>	<i>Skills</i>	<i>Incentives</i>	<i>Resources</i>	<i>Action Plan</i>	<i>Successful change!</i>
Vision	Skills	Incentives	Resources	Action Plan	<i>Confusion</i>
Vision	Skills	Incentives	Resources	Action Plan	<i>Problems</i>
Vision	Skills	Incentives	Resources	Action Plan	<i>Incremental Change</i>
Vision	Skills	Incentives	Resources	Action Plan	<i>Frustration</i>
Vision	Skills	Incentives	Resources	Action Plan	<i>Unsuccessful Start</i>

Important Phases of Change





Holistic (“Whole System”) Business Process Reengineering

- ➔ Balanced socio-technical change
- ➔ Participation (employees + customers)
- ➔ Consideration of soft facts
- ➔ Reflection of work practices
- ➔ Human speed of change





Holistic (“Whole System”) Business Process Reengineering

Our methods

- enable a balanced socio-technical change;
- support human speed of change;
- help consider hard and soft facts.





Importance of Reflection for Holistic BPR

“...reflection processes are essential ... for ... organizational change. ... Systems only gain motivation to change through different forms of self-reflection, because this way they develop an **awareness of the need for change** and they can stop defending the status-quo.”

Krainz, E.: Change in Organizations, Gabler, Wiesbaden 1998, S. 6 f.

HBPM-PPP enables comprehensive reflection



Holistic (“Whole System”) Business Process Reengineering

Principles of balanced socio-technical change

- ➔ Participation (employees + customers)
- ➔ Reflection of reality and opportunities
- ➔ Solution Orientation

Human speed of change, no IT orientation ...





Importance of Participation for Holistic BPR

“The primary means for achieving joint optimization [of social and technical aspects of processes] is the participation of users in the design of information systems [or business processes].”

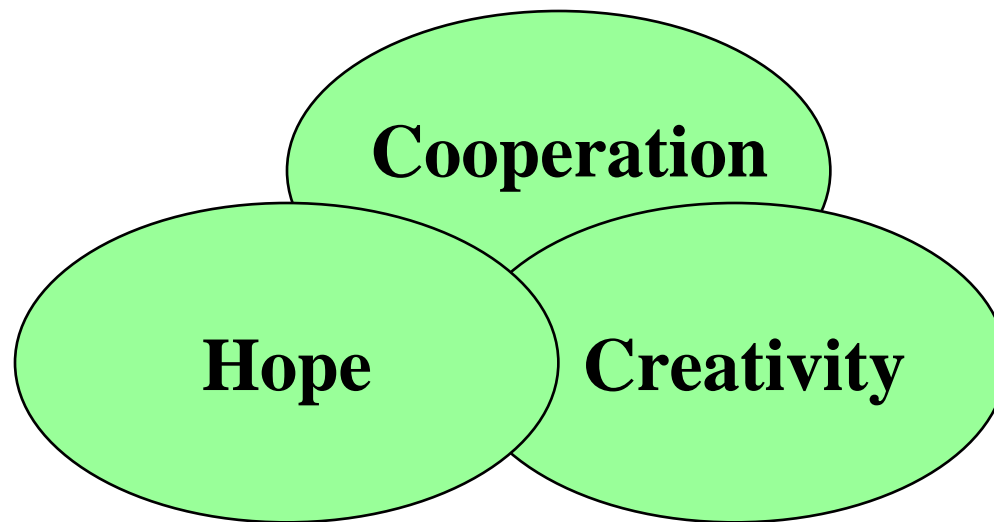
Robey, D. and Newman M. in
ACM Transactions 1/1996, S. 58

HBPM-PPP enables comprehensive participation





Importance of Solution Orientation for holistic BPR



Solution orientation [opposite of problem orientation]
enables hope, cooperation and creativity in BPR

(Ben Furman, 1999)





Focus on **problems**

Problem analysis

Recriminating
statements

Retreat

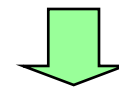


Focus on **objectives**

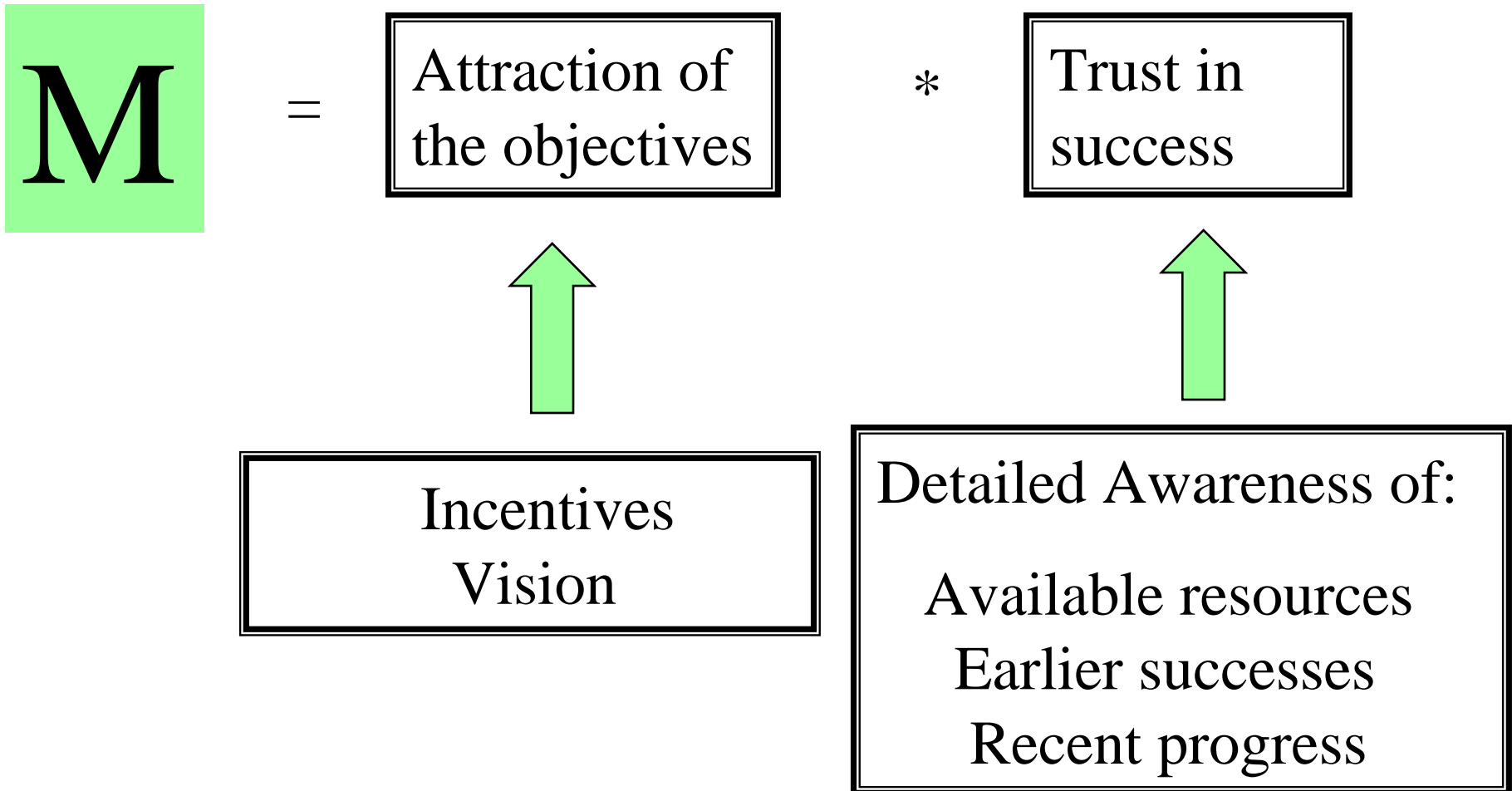
Progress analysis

Respectful statements

Appreciation



Motivation for Change





Problem vs. Solution Orientation

A Comparison

Focus on Problems

Assessing problems
Examining past failures
Awareness of recent
impairment

Focus on Goals

Clarifying goals
Examining past successes
Awareness of recent
improvement/resources





Problem vs. Solution Orientation

A Comparison

Focus on Problems

Explaining problems

Pinpointing weaknesses

Blaming people perceived as being responsible

Focus on Goals

Explaining progress

Pinpointing strengths

Acknowledging the contributions of people



Problem vs. Solution Orientation

Focus on Problems

How can we serve students better (comparison)?

Who is responsible for this (negative) part of the process?

Etc.

Focus on Solutions

How do you think could we meet the needs of our students?

Who else can help us understand the needs of our students?

Do you have a proposal for a procedure which would help in this situation?





From Problem to Solution Orientation
Translation of Problems into Goals

Problems

(Potential) problems you perceive you might face during this project

Example:

Lack of collaboration

Corresponding Goals

Transform the problem into its opposite, into a clear goal (or a wish or an aspiration)

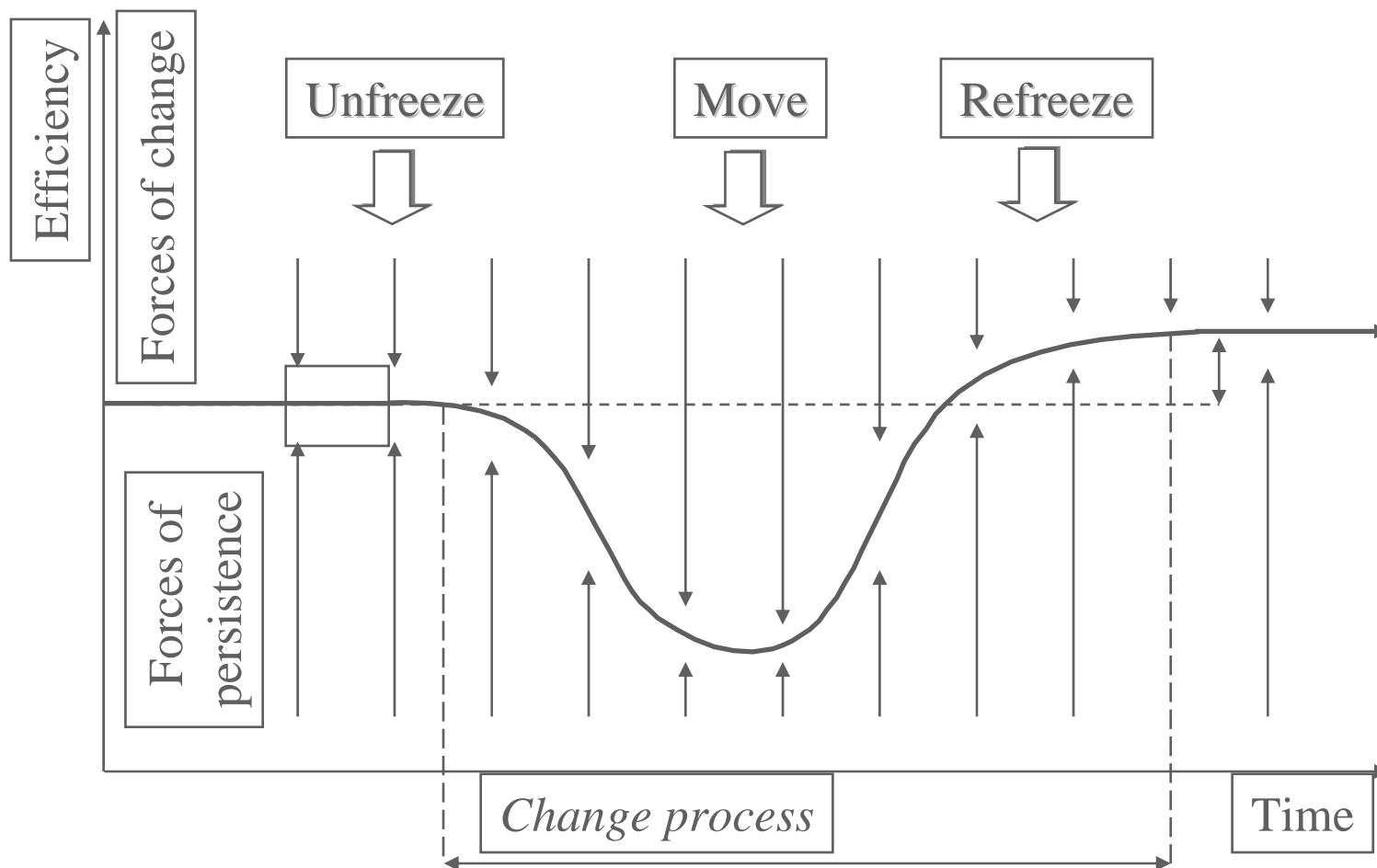
Example:

Flexible collaboration





BPM-Change Management Process





Reengineering: Food For Thought

“Since we are the stewards of a technology that is becoming increasingly pervasive in all aspects of human life, it is incumbent upon us to ground ourselves in a fundamental understanding of the global human community that we influence by our decisions (or actions).”

(Kirk Templeton, Director – Wind Mountain Institute, Ubiquity – An ACM IT Magazine and Forum, 9/26/2000)





BPR Methods


Special Characteristics?



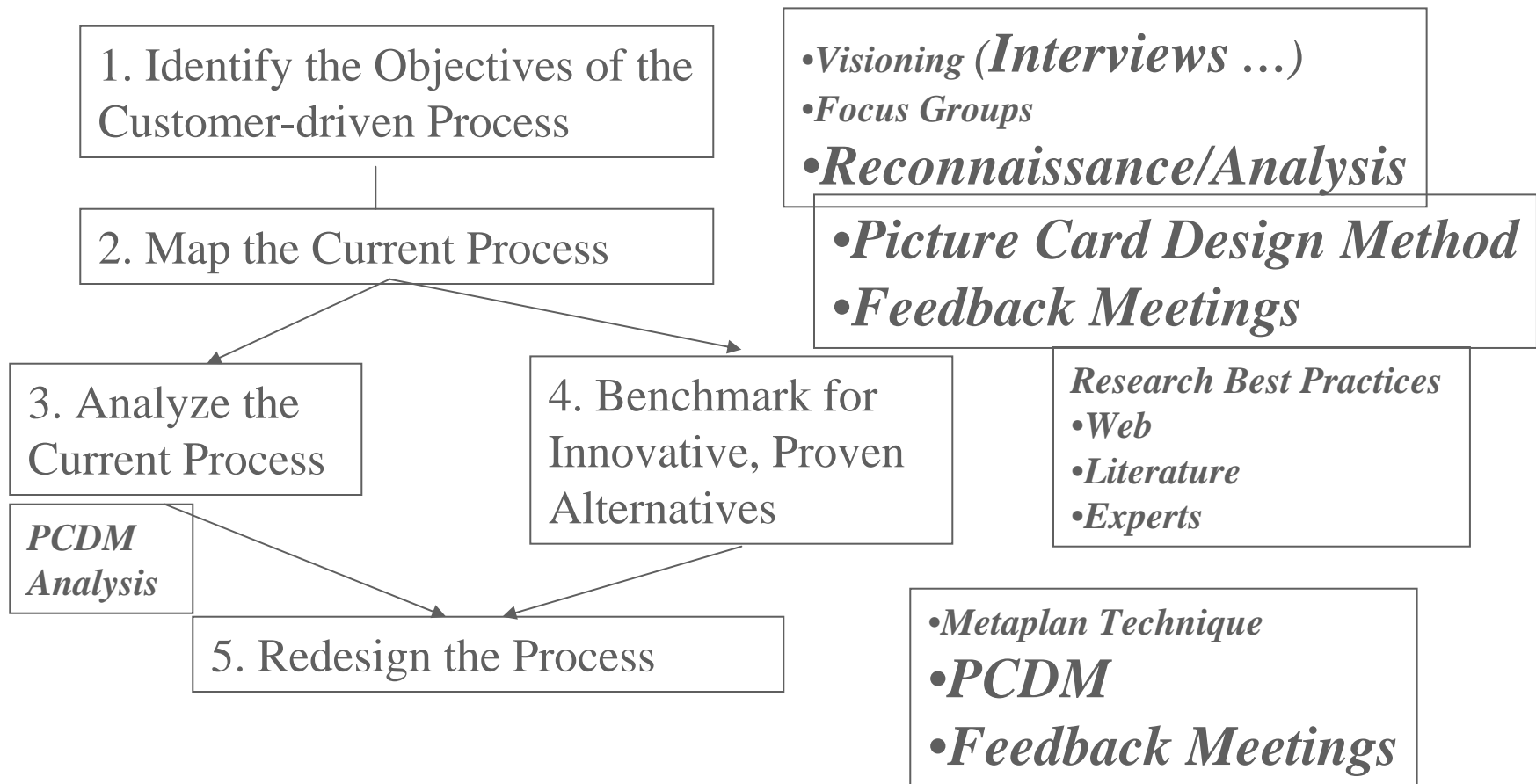


Reflection of BPR Method Application

What we need to know:

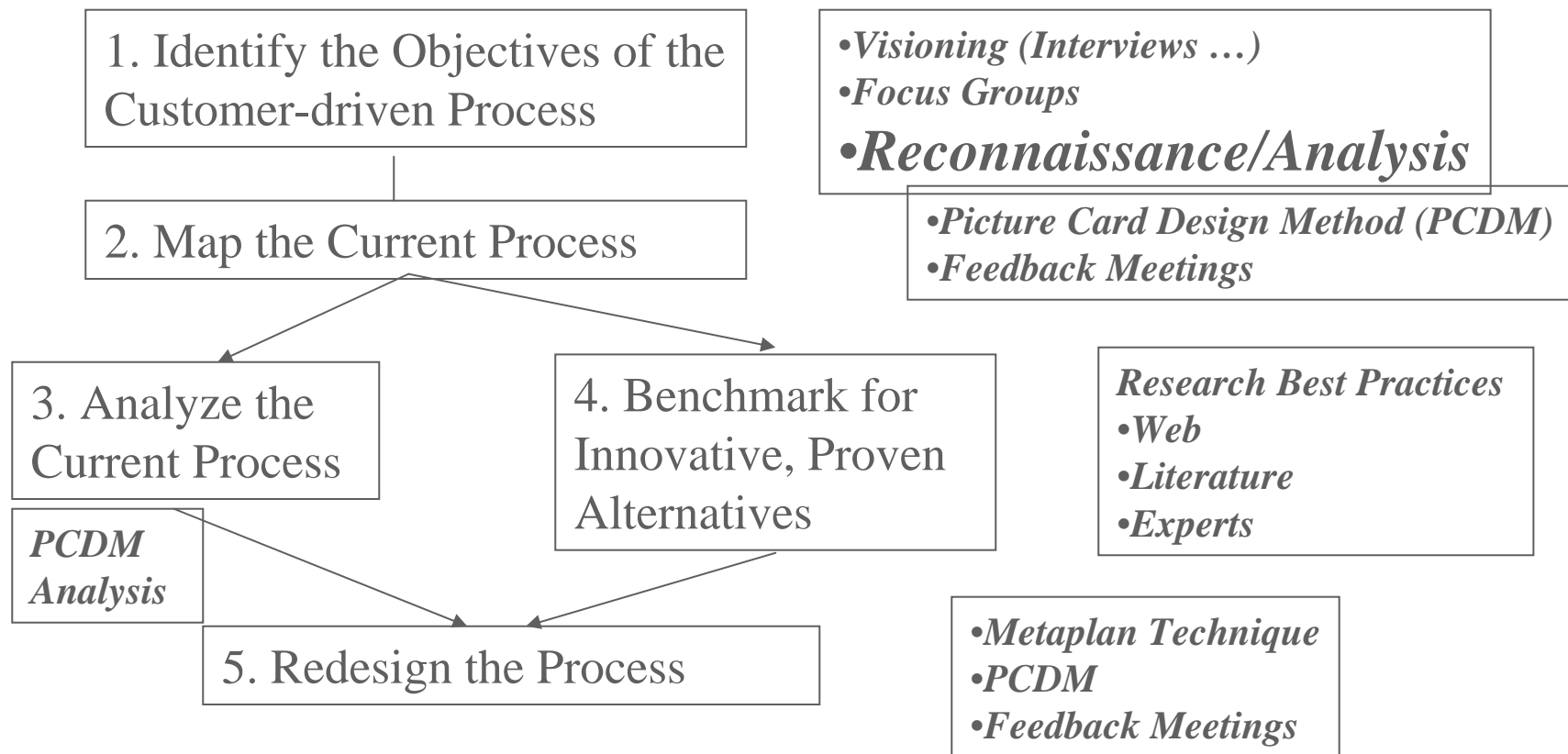
- ➡ Info we *can get* with a certain method
 - ➡ Info we *cannot* get with a method
 - ➡ *Efficiency* of a certain method
 - ➡ Which methods can be *integrated*
 - ➡ Tips/Tricks/Experiences
- 

Process Mapping and Innovation Initiative: The Methods



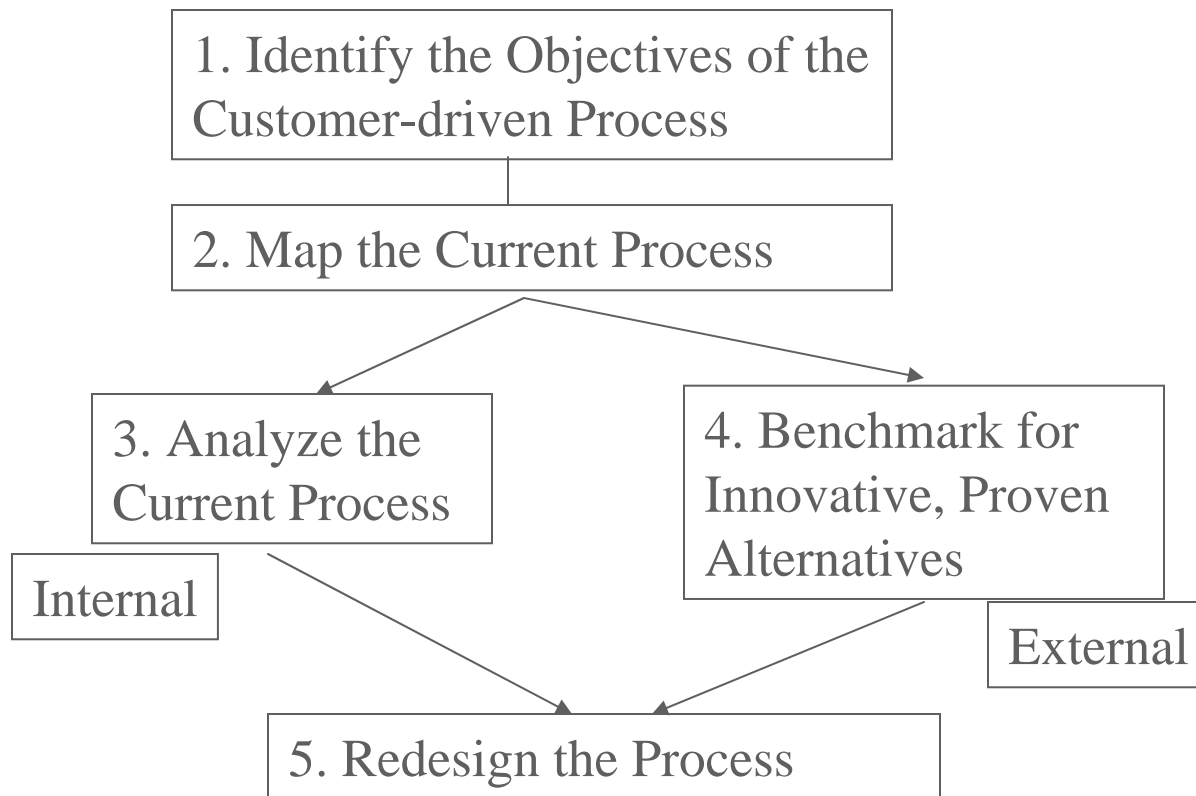


Process Mapping and Innovation Initiative: The Methods





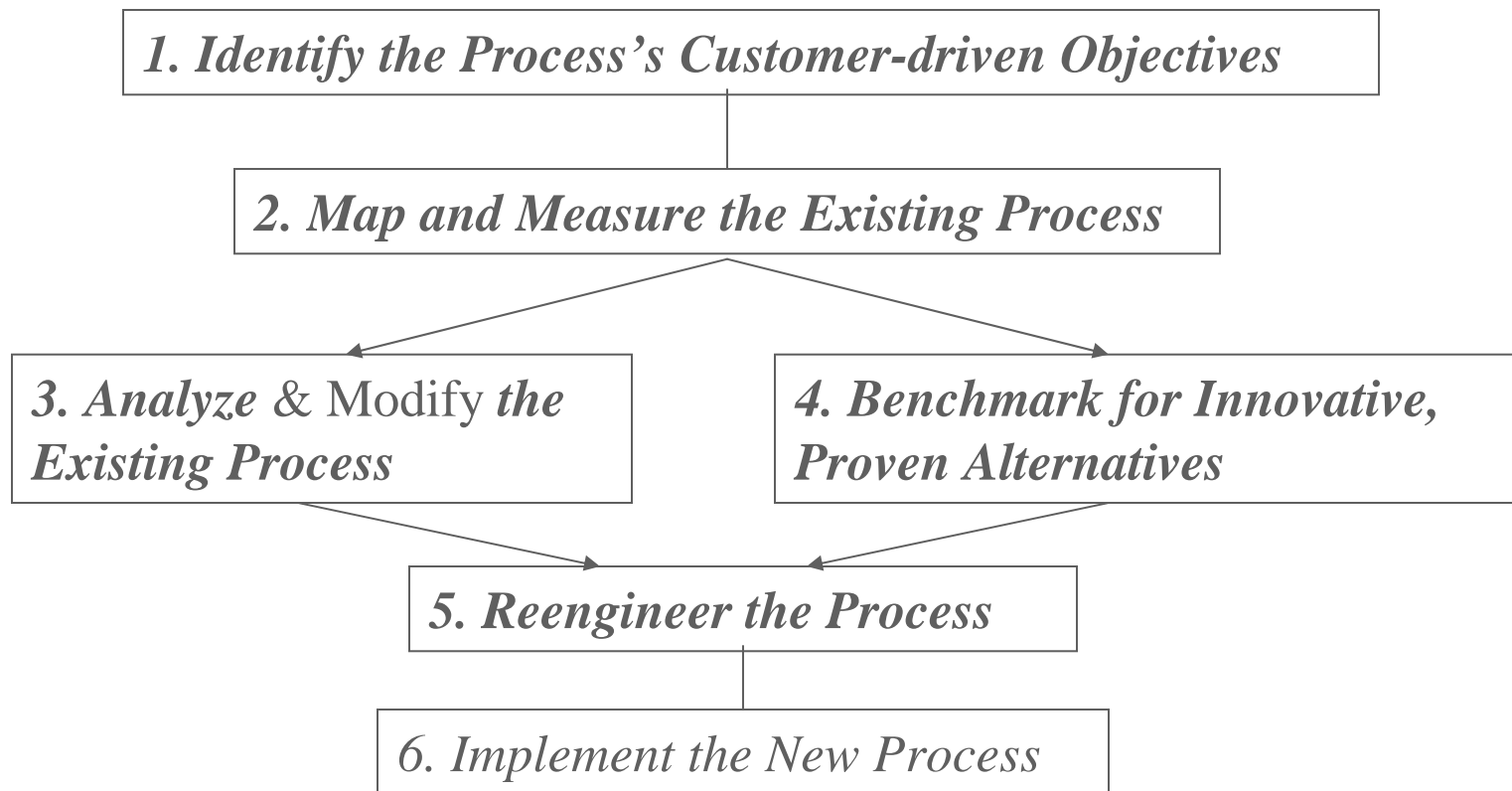
Process Mapping and Innovation Initiative: A Five-Step Approach



(Sethi/King, Ch. 8, Furey: Case Study: Precision Materials, Inc., p. 100)



Six Steps to Process Reengineering



(see Sethi/King, Ch. 8, Furey: Case Study: Precision Materials, Inc., p. 100)