Managing on Purpose: A Practitioner’s Goal for a Recalcitrant Bank
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Abstract

Business Process Management (BPM), as a management discipline, can only deliver value once its principles and practices are effectively integrated into an organization’s business operating model. This paper analyses the application and evolution of a holistic model of the BPM management system in a large Australian bank. The model was applied to operationalize the principles and practices of BPM within a prevailing culture of reactive management.

The contributions of this paper are to: (1) describe extensions to the popular BPM implementation models; (2) identify a critical organizational change management issue and an unconventional approach to addressing this issue; and (3) propose an alternative engagement model to the ‘expert’ engagement model employed between the BPM support unit and the business.

1. Introduction

The definition of BPM is important to the context of this paper. However the definition is more important for organizations hoping to derive benefits from its implementation. There are many meanings assigned to the acronym BPM. The problem is aggravated by the marketing departments of large software vendors putting the latest spin on their products. [1]

Until Gartner published their Research Note in August 2006 [1], the popular definition and approach to BPM was via the implementation of improvement projects. The popularity of the Six Sigma methodology has helped to perpetuate this ‘myth’ later dispelled in the Gartner Research note: “BPM is not a project. Process improvement is a continuous outcome from the ongoing management of the business process” [1].

BPM is not a project nor is it a technology [1]. “BPM is a management discipline that provides governance in a business process environment, with the goal of improving agility and operational performance.”[1]. This is the definition used in this paper.

BPM is an important advance in management science. Combined with the emerging technology of Service Oriented Architecture (SOA); “(processes are) at the heart of a new business architecture and the systems that support it.” [2]

There is currently no standard approach or methodology for the adoption and implementation of BPM. Process management is still considered an art – “Process management must shift from an art to an engineering approach.” [1]

This practitioner paper is based on the implementation of BPM in a large Australian bank using a holistic approach based on a BPM implementation framework or model.

Organization change management was identified as a critical component of the deployment of BPM. The adopted BPM implementation framework (model) was extended to address the change management (people) aspects of BPM implementation. The magnitude of the change management component was amplified by the prevailing culture at the Bank.

This paper describes how each phase of the BPM model was applied in a large Bank. For each phase of the model the paper reviews: the objectives and benefits; the organizational impact; the deliverables; and the change management implications.

Based on this introduction the research questions in this project were:

- How effective and practical are the popular holistic BPM models in guiding the deployment and implementation of BPM?
- What are the critical issues regarding organization culture and change management and how are these best addressed?
- How should the BPM support unit engage with the business in order to be successful?

The contributions of this paper are:

- An examination of the popular holistic models of BPM based on a practitioner’s use of these models to implement BPM practice.
- Extensions to the BPM model to ensure that the fundamental principles, practices and objectives of BPM are preserved.
- An organizational change management strategy and engagement model.
• A description of each phase of the BPM lifecycle (with the associated learning) based on the experience of the practitioner.
• The application of reflective practice to review progress and adjust the approach as required.

2. BPM Implementation Frameworks

Organizations looking to adopt BPM tend to rely on BPM frameworks or models to guide their implementation. The most popular models are extremely similar in nature. One was probably derived from the other. Which came first is not known.

The first model is referenced in the Gartner Research note [1]. The second is published by Oracle Corporation [3] and is shown in Figure 1.

This model was the starting point for the implementation of BPM at the Bank.

![Figure 1: The Oracle BPM Lifecycle](image)

The Oracle Lifecycle starts with process modeling. Simulation follows (if appropriate) to test the theoretical performance of the model. The notation used to document these models is based on the BPMN and BPEL notations. This phase is also known as the design phase.

The next phase is called the implementation phase. Here the process is deployed and executed via a workflow engine (following orchestration to the respective web services). The final phase is the monitoring phase utilizing a series of process performance monitoring dashboards.

The Oracle Model [3] is focused on processes at or near the execution layer. This is typical of many of the BPMS (application software suite) approaches by the major vendors including the IBM Websphere, Tibco and PegaSystems product offerings.

There are two fundamental omissions in this model. They were soon discovered during implementation of BPM at the Bank: (1) the absence of a Strategy Phase and (2) elements of Governance, Ownership and Accountability (the people-related components).

It is critical that BPM is strategy driven. The fundamental principle of BPM is that “one cannot manage outcomes.” [6] One can only manage the underlying processes that deliver the outcomes [5]. Processes are therefore to be designed to realize the strategy once the strategy and objectives have been defined and linked to their corresponding processes.

The consequences of omitting the strategy phase are significant:
1. The absence of higher-level processes (value chain or other business function model) to provide context for these ‘operating’ processes means that processes are designed in isolation. The target processes may be optimized to the detriment of the end-to-end processes. (This is often a criticism of the Six Sigma approach; “a mental model bias in Six Sigma to avoid tackling large cross-functional processes.”) [5]
2. The obvious issue of not aligning strategy to the underlying core-processes. “A visionary strategy that is not linked to excellent operational and governance processes cannot be implemented.” [4]

2.1 Extensions to the BPM Lifecycle Model

The BPM Lifecycle was extended to overcome these omissions as illustrated in Figure 2 below.

![Figure 2: The Extended BPM Lifecycle](image)
The BPM Lifecycle is thus transformed into a closed-loop management system consisting of four major phases:

- Strategy
- Design
- Implementation
- Control

As a closed-loop system it is less important where you start the cycle. It is more important to understand each phase of the lifecycle and its importance in relation to the other phases.

It may be prudent to start in the Control Phase where the process metrics are exposed through Management Dashboards. This helps to ‘crystallize’ the processes and staff can be guided to observe the impact of management decisions on process outcomes.

The underlying perspective provided by this model is of an enterprise framework anchored to its ‘processes’.

2.2 The role of the BPM Lifecycle framework

The BPM Lifecycle [4] provides a holistic framework and has multiple applications:

- Describes the function and benefits of BPM from a business management perspective.
- Illustrates the importance of defining key performance indicators in the strategy phase to ensure that the data are exposed at the Implementation Phase by the IT Infrastructure.
- Provides an example of a closed-loop process-based management model.

In the Bank the BPM Lifecycle has provided a useful framework to describe the operation and benefits of BPM to all organization levels.

The BPM Lifecycle plays a significant part during presentations in illustrating the difference between reactive and proactive management via the key benefits derived from each phase.

3. Project and Organizational Background

This paper is based on the experiences of the Executive Manager, Group Business Process Management (Group BPM) in a large Australian Financial Services company. As the name implies Group BPM operates across the Group and as such interacts with all business units including the Enterprise Information Technology (EIT) business unit.

The role of the Executive Manager, Group BPM could be regarded as a subset of the role of Organizational Architect described by Sauer and Willcocks: [5]

“Organizational architects sustain a dialogue between visionaries and technologists as they define and design the right combination of structures, processes, capabilities and technologies – one that has a greater chance of being responsive to the organization’s goals.”

This is the objective of Group BPM with the ultimate goal of providing an environment to support the BPM-related aspirations of the Group. This objective establishes a context for this paper.

3.1 A brief history of BPM at the Bank

It is appropriate to cover a brief history of process management at the Bank.

The focus on business processes was reignited at the Bank in 2002 with a program established to ensure compliance with the then new Financial Services Reform Act (2001). There was a requirement to access related process documentation. This was assumed to be relatively simple as the Bank had done a considerable amount of work on documenting the processes several months prior.

However upon investigation it was discovered that the documentation had disappeared and the program team had no choice but to start again. The executive made a decision to acquire a suitable application platform to host a process repository and provide a system-based tool to standardize process documentation. A cross-functional team was established and a consulting firm retained to assist in the acquisition.

Several months later the successful platform was installed and commissioned at the Bank.

A small centralized team (four people) was created to administer the repository, co-ordinate training and provide support across the Group for business process modeling.

3.2 Vision for Business Process Management

In 2002 a major transformation program was launched at the Bank. A Lean Six Sigma business area was created within the program and this became the Bank’s common approach to process improvement. The Lean Six Sigma initiative played an important part in promoting process-thinking across the Group. Lessons learned from the application of Lean Six Sigma also played an
important part in formulating the strategy for the deployment of BPM.

The vision for BPM was developed in 2003 and described BPM as a management discipline (versus a project or technology) with the key objective being to align the elements of strategy, business processes and Information Technology (IT) infrastructure across the Group to drive business performance and manage (operational) risk.

3.3 The Challenges of Deploying BPM in a large Financial Services organization

BPM practitioners universally decry the apparent inability of the ‘business’ to understand and acknowledge the benefits of adopting a formal approach to managing the organization’s critical business processes. There is much in the literature as to the possible reasons why.

Andrew Spanyi [6] nominates at least three possible reasons

“Leaders don’t care. Leaders can’t focus. Leaders don’t know how.”

It was the statement “Leaders don’t know how” that provided the needed insight. Perhaps they didn’t want to know and wanted to maintain the status quo.

Many similarities were observed between the behavior of managers at the Bank and the behavior of major account sales people with whom the author had previously worked. Two categories of sales people were observed: (1) those who sold intuitively using their social skills and (2) those who sold using their analytical skills. The category that sold intuitively (in the experience of the author) were not interested in developing strategy and analyzing market forces, they simply wanted to get out, meet people and sell.

This behavior and the parallels with executives in the Bank was later confirmed by the work of Donald Schon, “...the field of management is split into two camps, each of which holds a different view of the nature of professional knowledge.” [9]. Schon differentiates between “management as a science” and “management as an art”.

The author labeled these categories as reactive and proactive management and regarded the transition from reactive to proactive as essential to the success of BPM deployment.

3.4 Reactive versus Proactive Management

From the above the core organizational change management issue become changing the culture from reactive management to proactive management (managing on purpose).

The author’s hypothesis is that a reactive culture evolves over a long period of time until it becomes the dominant culture. A reactive culture focuses on outcomes (especially financial outcomes) and the core competency of a reactive culture is problem solving.

A proactive culture on the other hand develops a deep understanding of their business. They study industry dynamics and develop objectives and strategies to maximize their strengths and minimize their weaknesses. They understand the levers that drive performance (and manage risk). They develop an agile operating model that can adapt rapidly to change. In other words they manage on purpose!

A proactive management culture depends on a disciplined approach and is considered by those who prefer a reactive style of management as laborious and complex.

The challenge faced is to transform those who manage reactively to manage on purpose.

4. Methodology

This paper is based on the direct experience of the author, over a five-year period, in solving a particular business problem; “How to implement and deploy the principles and practices of BPM in a large financial institution”. The critical issue was one of organizational change management, changing behavior from reactive management to proactive management.

From a BPM point of view the main objective of the project was to develop a holistic model that could be used as the framework for implementation. The model would need to:

• Serve as an instrument to communicate the operation of a BPM-driven organization and its benefits;
• Provide a road-map to guide implementation; and
• Serve as an aid to organizational change management.

There were three important shifts in thinking that occurred during the project:

1. A major shift in thinking occurred when we realized that the prevailing holistic models [1][3] were flawed. They were perpetuating the reactive style of management and leading to modeling practices focused on localized optimization.
2. It was further apparent that rational argument had little impact on persuading people of the benefits of BPM. [7]
3. Finally it was realized that the ‘expert’ engagement model practiced by the Lean Six Sigma area was not working. The business was
not effectively engaged in ‘their’ Lean Six Sigma projects. There was little sense of ownership. After completion of the project/s the improvement in business efficiency and effectiveness was often not sustained.

Of the three, making changes to the BPM Lifecycle was the easiest to achieve. The changes were obvious. Insert a Strategy phase between the Optimize stage and the Modeling stage. The model was ‘complete’ and represented a closed-loop management system:

- **Establish** the organization’s objectives and strategy and **Align** them to their enabling processes. (At the same time develop the Key Performance Indicators and Key Risk Indicators.)
- **Design** the processes to realize the strategy. Run **Simulation** to validate design and metrics.
- **Implement** the process; deploy via Standard Operating Procedures (SOPs) or **Execute** via a workflow engine.
- **Monitor, Analyze** and **Optimize** the processes using management performance dashboards.
- **If** the Objectives are not achieved review the strategy and process-design and modify either (or both) as required.

It proved more complicated to overcome the problem that “rational argument was not effective in driving change” until we stumbled on the work Stephen Denning was doing with Business Narrative [7].

We attended Stephen’s workshop, read several books and spent hours crafting business narratives. Although we didn’t conduct a formal study to measure the impact of the stories we did get results. We were getting the message through. We could tell from the animated discussion that followed the delivery of a story.

A ‘coaching’ engagement model combined with lessons in reflective practice was proposed as an alternative to the ‘expert’ engagement model. The coaching engagement model is designed to be supportive and not confrontational. Reflective Practice aimed at encouraging adult learning was a logical addition. At the time of writing this paper the ‘coaching’ engagement model is still in the process of being developed and was not yet in widespread use.

In summary the research methodology was based on Action Learning; Reflective Practice; broad and in-depth reading of past and current literature; participation in BPM Forums and Blogs and consultation with both academics and private consulting firms.

5. The BPM Lifecycle in Practice

Implementation of the BPM Lifecycle was supported by an integrated suite of application software as described in section 3.1. Each phase of the lifecycle was represented by models stored in the BPM repository.

This section reviews each phase of the BPM Lifecycle. For each phase there is a brief description of:

- The phase;
- Objectives and benefits of the phase;
- Phase deliverables;
- Organizational impact; and
- Change management implications.

5.1 The Strategy Phase

The Strategy Phase represents the beginning of the (extended) BPM Lifecycle. Strategy Maps and Balanced Scorecard models described by Kaplan and Norton [5] were created in this Phase.

Three model types were used. The first model, the Strategy Map, provided a graphical representation of the four strategic perspectives; financial; customer; process and organization capability.

The second model type was an Objective Model. This model linked the objectives defined in each of the strategic perspectives to their respective underlying processes. The model was used to define the Key Performance Indicators (KPIs) which were defined within in the model.

The third model was the Balanced Scorecard Model which defined the cause-and-effect relationships between the objectives from each perspective.

The goal of the Strategy Phase was to facilitate the development of the defined objectives and strategy of the area of the business being considered and align and link this ‘strategy’ to the underlying, enabling processes.

The deliverables from this phase included:

1. A visual representation of the business objectives and strategy.
2. A normalized set of objectives with clearly defined metrics.
3. The customer value proposition defined within the market segments.
4. The underlying enabling business processes.
5. The organizational capabilities that must be developed or refined in order to realize the strategy and support the processes.

The key benefit of this phase was the link between strategy and the processes that would deliver the strategy.

The linking of strategy to process had been ignored at the Bank in the past. Objectives and strategy were carefully developed and refined but in isolation from their enabling processes.

Once linked to strategy the critical processes could be the focus of management attention. Without this phase there was a danger that developing corporate objectives and strategy was a useless exercise as the output tended to get lost and ignored over time and the benefits of the strategy process were shared by a few senior managers.

The process of developing a Strategy Map and the other related models was regarded as a lot of effort by the ‘reactive managers’. Their tendency was to ‘get on with it’ – “Give me my targets and let me worry about the rest!” Reactive managers needed to be coached in the benefits of this phase and also the value provided at the completion of this phase – a clearly defined strategy ‘document’ that could be used to focus the efforts of the staff in their business area.

5.2 The Design Phase

A variety of models were used in this phase. They tended to be a combination of models that provided alternating macro views (value chain) and micro views (dynamic flow models).

It should be noted that within the standard BPM implementation models modeling in this phase is limited to the execution layers of process. The macro or contextual views are not included.

There was a tendency during the Business Process Reengineering phase of the early 1990s to model the entire organization. The approach today is based on the concept of a ‘wiki’ where the process models are developed over a period of time and added to the repository as required then validated and amended by the stakeholders and integrated into the whole via higher-level models.

A central repository is critical for this ‘wiki-based’ approach to work effectively.

The objective of the design phase was to document or design the processes that underpin the execution of the strategy.

There were multiple benefits associated with the ability to view the process in various forms, from both an end-to-end perspective and at a detailed level.

Different views of the process were considered. Characteristics of the process were reviewed as they were documented – for example, the purpose of the process; the triggers, the business rules and so on.

The dynamic flow models could be used in simulation mode (discrete event simulation) to gain further insight into the behavior of the process and to test the effectiveness of the defined process metrics.

The deliverables from this phase were a ‘useful’ set of semantically correct models approved by those responsible for the processes, the business unit leader or the process owner. Having the processes stored in a trusted central repository ensured that all staff had access to the processes.

In an organization dominated by a culture of reactive management there is rarely a repository of comprehensive process-related documentation. The impact of not having such documentation stored in a trusted central repository is waste.

The process documentation tends to be in ‘hard copy’ form and is generally discarded after the completion of the project. The whole process is repeated six to nine months later when a new project is initiated.

The impact and cost of not having the organization’s critical processes is very difficult to measure. But the result is a lack of shared knowledge on how the business works and constant re-work to document processes when a new project is initiated.

On the positive side comprehensive process-related documentation provides a common definition of process across the business area and is invaluable in facilitating and understanding of the business leading to the proactive management of the business processes.

The biggest issue faced in this phase was (and remains) to develop appropriate modeling skills in the organization. This included mandating the use of the standard modeling tool (and modeling notation) and discouraging the use of drawing tools such as Microsoft Visio and PowerPoint. This was the biggest challenge as staff found it more time consuming to use formal modeling tools where they were constrained by a particular notation.

There was a tendency to view processes as having one dimension – the process steps in a flowchart. This was a byproduct of using process flowcharting methods. Training in business modeling versus process modeling was required but no formal training was offered.

The key change management challenge was to instill a culture of process thinking in the organization. The goal was to get to the stage where staff used process models to describe how their
business worked instead of using an organization chart.

5.3 The Implementation Phase

Processes that have been documented, designed or re-engineered are deployed for execution in the Implementation phase. The intent is that the processes are executed as they have been documented. However this is rarely the case where the processes are not automated. These processes are called shadow processes and the practice is very difficult to eliminate.

Processes can be manually deployed using Standard Operating Procedures (SOPs); they can be governed by the execution of application software eg. a Loan Processing system or they can be automated using workflow technology.

If the processes have been designed to align with the organization’s objectives and strategies then this is the moment of truth. Effectively designed and documented processes provide the foundation for continuous improvement providing their execution is standardized.

In the case of the Bank there was little standardization of workflow engines and workflow deployment. The integration of process design and process implementation only occurred in a few areas of the business. The application of workflow technology was generally an outcome of individual projects.

Ideally the deliverables from this phase are robust, efficient processes – the realization of the organization’s objectives and strategy. However in reality process execution was disconnected from process design.

In addition to process deployment the process execution environment must effectively expose the process metrics that are designed in the Strategy Phase and utilized in the Control Phase.

The key organizational change required to bridge the gap between process design and process execution was closer collaboration between the business and the technology units. The business needed to understand the IT infrastructure required to execute business processes. This required business analysts that had a technical capability.

On the Technology side, the Enterprise architects needed to work more closely with the business or ideally within the business.

5.4 The Control Phase

The control phase consists of three sub-phases: monitor, analyze and optimize. The control phase requires fairly sophisticated technology to extract the metrics from the process. This phase is also more commonly known as Business Activity Monitoring (BAM).

The monitoring of process performance is extremely important. Once the process is monitored by a suitable tool then it is possible to easily apply (and sustain) Statistical Process Control (SPC) methods to analyze process performance.

It is essential to establish the degree of stability in a process. Once the process is stable (under control) one can then apply statistical methods to analyse and communicate the behavior of the process. Once the process is stable it is possible to predict the behavior of a process within its control limits (process capability). Only then is it appropriate to make adjustments to the process structure in order to control the degree of variation exhibited by the process.[10]

The objectives of the Control Phase were to monitor the performance, analyze the process behavior (variation) and identify assignable causes and common causes of variation by applying SPC methods. [10]

The key benefit was being able to predict the output of the process within the tolerance of its control limits. A secondary benefit was to illustrate the impact of management intervention on the process performance.

The deliverables included detailed information about the performance of the process based on the execution of the process itself. The metrics were not theoretically derived but were extracted directly during process execution.

Management dashboards provided the information to the staff who ‘worked on’ and ‘worked in’ the processes to support them in executing their tasks and serving the end customers.

Having facts to guide management decisions had an important impact on the organization. The tendency to blame individuals for poor performance diminished. Instead there was a focus on the process; “How did the process ‘allow’ this to occur?” [11] This attitude was actively promoted by the BPM support unit.

There were many more benefits. The link between process performance and achieving business outcomes become clear with a greater emphasis on process management.

The use of Statistical Process Control is traditionally limited to manufacturing organizations.
However the penetration of Six Sigma has meant that more organizations are being exposed to its practice.

In a culture of reactive management training staff not to make decisions based on a single data point was critical. They needed to accept the process as it was, ensure it was under control before they started to change the process structures. It was critical that they understood the difference between common and special causes of process variation.[11]

6. Discussion and Lessons Learned

The extended BPM Lifecycle (represented by Figure 2) gives the impression that the deployment of the principles and practices of BPM at the Bank was a logical systematic process. This was not the case.

The initial focus was process modeling and the development of a business architecture without reference to any implementation framework. This situation was aggravated by a major Sarbanes-Oxley compliance initiative. It was much later that we decided to adopt a BPM framework.

The framework adopted was based on the ‘standard’ BPM framework. The issues of governance and ownership and the disconnect between strategy and their corresponding processes were known. These issues and their impact were discussed and the ‘solution’ of the extended BPM Lifecycle evolved.

However the BPM Lifecycle, as a framework for the deployment of BPM is now well understood. It can be effectively used by the Bank (and other organizations) to guide their BPM deployment.

The first research question: “How effective and practical are the popular holistic BPM models in guiding the deployment and implementation of BPM” can now be answered. Without the addition of the Strategy Phase we were at significant risk of promoting the practices of reactive management by not considering processes in a global and strategic context.

The issue of organizational change management addressed by the extended BPM Lifecycle focused on changing the culture from reactive management to proactive management. This was (and still is) the critical issue. The use of the BPM framework to draw attention to this behavior and combined with business narrative were interventions that achieved some success.

Business narrative was used to overcome the tendency to use rational argument as the only method to encourage change. However Stephen Denning [7] describes the use of different story structures to support the entire deployment lifecycle. The use of additional story types in this way has promise and is to be explored later.

The nature of engagement between the BPM support unit and the business received a lot of attention. It became clear that an ‘expert’ engagement model was not effective. Although it did produce results these results were not sustained and the business never really ‘owned’ their business processes.

An engagement model based on executive coaching and reflective practice showed more promise and was welcomed by the business units. It was a less confronting model based on collaboration and the attitude that the BPM unit was part of the business not a separate area.

An important issue is the provision of work-place training of BPM staff in executive coaching and reflective practice. This will be critical to the success of the ‘coaching’ engagement model. The most appropriate method is probably to use coaching and reflective practice to train the BPM coaches. This is an area that needs further research and attention.

The Strategy Phase was a significant addition to the lifecycle. However the business initially regarded the use of models to document strategy as ‘a lot of effort’. This reaction was no surprise in the context of reactive management. Reactive managers tend not to be comfortable with analysis.

Once the sense of ‘effort’ was overcome they tended to enjoy the process and found it very stimulating and useful. They also had a sense of ownership of their strategy as they have helped to formulate it. They understood a great deal more about how their business worked than they did before participating in the process.

In the Modeling Phase we learned that it is extremely important to ensure that the users have a positive experience in using a more sophisticated process modeling tool. Training in the use of the tool as well as training in modeling business processes is required. This is equally true for both business and technical staff.

The models need to be simple and staff need to be encouraged to provide high level models such as value chains to provide a context for the dynamic flow models.

The key lesson learned is that the processes must be useful to the business if they are to be maintained. The intent is to make the process documentation indispensible to the managers as an aid to managing their business. This is achieved by the additional information recorded with the objects that make up the models (object attributes). The tool used to document the processes must have the ability to maintain attributes that are used to describe the
process and provide details on each aspect of the process.

In the Implementation Phase simply having application software that is capable of automating the business processes is not enough. Business representatives need to understand the capability of technology to deploy and automate processes. Technology staff need understand business sufficiently to provide them with an awareness of the possibilities that can be derived from process automation and the emerging technology of SOA.

Finally in the Control Phase implementing a process and business monitoring tool is a complex undertaking. There is a very steep learning curve involved in all aspects from installation, configuration, testing and training staff in the use and analysis of the tool.

It is critical to clearly communicate how each of the Key Performance Indicators (KPIs) has been calculated and how they should be interpreted and used. The users must trust what they see so it is important to have a transparent validation process in place that can be used to demonstrate the accuracy of the measurements and results. Be prepared for rapid acceptance and understanding from the business and requests for advanced features. This behavior may reflect the penchant of reactive managers to solve problems.

There are many areas for further research. It would be interesting to profile managers using Kolb’s Learning Style Inventory [12]. This would provide further insight into the characteristics of reactive versus proactive managers and provide alternatives for intervention strategies. It is possible that a balance of reactive management and proactive management is likely to be more effective than a single management style.

7. Conclusion

This paper has illustrated the use of a holistic framework, the BPM Lifecycle and its use in the deployment of business process management (as a management discipline) in a large Australian financial services organization.

The paper demonstrates that the commonly used BPM models omit two key elements: (1) a Strategy Phase and (2) the important dimension of Governance Ownership and Accountability. Without the link to strategy organizations will tend to focus on local process optimization of process to the detriment of the performance of the end-to-end processes.

A visionary, competitive strategy that is not linked to operational processes cannot be implemented [4]. Effective process management is not possible without appropriate governance and ownership. Suitably qualified, experienced and trained staff are required for the role of Process Owner. Their authority to modify or approve modifications must be derived from corporate policy - the formal delegated authority to modify a process.

The paper argues that the introduction of BPM is further complicated in an organization dominated by ‘reactive-style’ managers. Converting these managers to ‘proactive-style’ managers is a major organizational change management imperative.

Furthermore these managers aren’t persuaded by rational argument. More effective approaches such as the use of business narrative must be used to initiate and accelerate the required change.

Finally an ‘expert’ engagement model is not effective for deploying BPM. Business executives and their staff require coaching in the application of BPM principles and practices assisted by training in Reflective Practice to internalize the learning.

The discipline of BPM is extending rapidly assisted by technology advances. The integration of business rules engines into process modeling tools holds the promise of ‘agile processes’ and redefines the role of risk managers. [13]

The extended BPM lifecycle is not specific to the financial services industry but could be applied to other industries. It provides a very high level framework. The underlying elements can be adapted to include evolving aspects of BPM including the definition, testing and deployment of business rules and the documentation and management of technology related elements such as web services.

The journey at the Bank is not complete by any means. It is merely the ‘end of the beginning’. The major aggravating factor is scale. There are a large number of people, business units and a complex technology platform and an ever changing market environment.

However the modified and extended BPM Lifecycle has proved to be a ‘useful model’ to support the introduction and deployment of business process management at the Bank.

8. References


