

3 Steps for Moving from BPM Projects to BPM Programs

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Introduction

Business Process Management (BPM) is in a period of transition. For the past several years, companies have been getting familiar with BPM, undertaking specific *projects* to address “burning process problems”, or launching tightly-scoped *projects* to understand the capabilities of BPM Suites (BPMSs) and how they should be used.

The successes of those initial projects and pilots have given companies the confidence and vision to take their BPM efforts to the next level – moving beyond that first project to a broader *program* encompassing multiple projects that are part of a larger business process improvement initiative. That leads to the logical questions: “What processes should we focus on next? How do we scale the discovery, development, deployment, and usage of process applications across the company? What are the best practices we should follow to maximize reuse across projects to achieve economies of scale?”

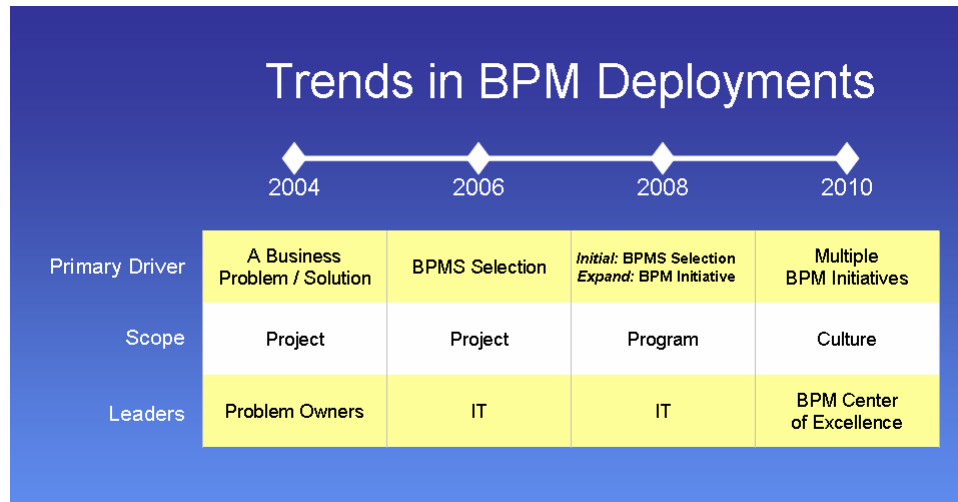
This whitepaper describes how the movement toward broad BPM Programs has changed what companies need in terms of BPM technology and “know how”. We describe 3 steps for establishing a solid foundation for a BPM Program that will enable your organization to scale its process improvement capability in a way that will deliver maximum value to the business.

The Trend from BPM Projects to BPM Programs

In our years of experience delivering BPM solutions, we have witnessed a gradual change in how companies have approached business process management. Four or more years ago (before “BPM” became such a well-known buzzword), companies simply sought solutions to specific process problems. These types of improvement projects were usually driven by the “owners” of the problems, who were experiencing specific process pains on a daily basis. Their goal was to simply “make the pain go away”, with little vision beyond that. Many times, vendors were able to recognize these opportunities to apply BPM tools and technology. In most cases, a poorly-performed manual process was replaced with some amount of BPM-based automation to improve both efficiency and accuracy of the process. These early projects could be considered “tactical” in scope (even when they continue to provide significant business value years later).

The awareness of BPM within companies began to increase a few years later (now 2-3 years ago), especially as word spread about the successes from early projects. At the same time, there was a shift in project ownership from the business to IT, as IT sought to standardize upon common BPMS platform technology, either within a line of business or across an entire enterprise. But even as those BPMS selection exercises had an enterprise-wide scope, the

scope of the initial usage was usually limited to an initial pilot in order to get acquainted with the new technology. (This deployment approach has become a best practice: start small, quickly capture value, iterate and improve, expanding coverage and value incrementally.)¹



Today, we are seeing that many companies are moving beyond those first BPM projects to larger-scale *BPM Programs*, in order to repeat and expand their process improvement successes across a wider range of business processes. A BPM Program consists of a series of follow-on process projects, which are usually adjacent in scope to the initial deployments. Within the context of a BPM Program, a series of BPM projects can be identified, prioritized and aligned to key process improvement initiatives. As a result, BPM Programs are more strategic in nature, providing end-to-end cross-functional solutions to the business. A BPM Program is the vehicle for *scaling* BPM properly across the business.

The end game for many companies is to create a BPM Culture, where every white-collar worker is aware of process improvement goals (at personal, departmental, and corporate levels), has complete visibility to their performance against those goals, and leverages tools to carry out their day-to-day tasks in ways that help them meet and exceed those goals.

A Project-to-Program Example: Pulte Mortgage

Many of Lombardi's customers are going through this transition from project to program. One customer that is far along in the transition is Pulte Mortgage – the financing subsidiary of the nationwide home builder, Pulte Homes. In 2003, the COO of Pulte Mortgage was tasked to find ways to create 300% growth over an 18 month period, primarily by improving their customers'

¹ *How to Start Your First BPM Project*, Lombardi whitepaper, 2008.

experience in order to increase repeat sales within their extremely competitive industry. Their loan origination process was basically “working” – at the time they already had customer satisfaction ratings of 85%. But they had no visibility into how individual loans were being processed by the 1200 employees across a dozen back office systems. You can’t improve what you can’t see.

In turn, they initiated a BPM project to track the flow of each loan through the origination process. With this new visibility, they were able to identify bottlenecks in the process that would cause loans to be delayed, and they were able to better prioritize loan processing tasks in order to guarantee that loans would be completed on time. From their process improvement they were able to improve customer satisfaction ratings to a very high 92%.

Based on that positive experience, Pulte Mortgage laid out a long-term BPM Program to implement workflow, tracking, and SLA management for every part of the business. By 2007, 100% of the business tasks at Pulte Mortgage were managed using BPM.

The result: the employees’ entire relationship with their work has changed. No more “green screens”. Every employee can see their performance against 48 different SLAs in the process that are tied to the strategic initiatives of improving customer satisfaction and enabling company growth and efficiency. And management can see a holistic view of performance – all loans, all tasks, all SLAs, all in real-time.

The entire organization is driven by BPM, and everyone understands where they fit in the end-to-end process. Pulte Mortgage is now moving beyond their BPM Program to a BPM Culture.

What is Required for a BPM Program?

BPM Programs bring with them new requirements to enable scalability well beyond the normal requirements of a typical BPM project:

- **Highly-Scalable Execution Platform** – Today’s BPMS platforms do a reasonable job of managing a small number of projects. But in a long-term BPM Program, the scale increases by at least an order-of-magnitude: the number of BPM projects, the number of BPM authors and developers, the number of users, the number of process versions can all expand dramatically. In order to achieve economies of scale from sharing and reusing process components across a long-term BPM Program, the underlying BPMS must make it easy to manage many more BPM projects, and support many more process authors, developers, and users. Categorizing and finding reusable process assets in the shared

library is critical. Moreover, *understanding* the implementation and performance of multiple versions of processes and their underlying subcomponents will be imperative.

- **Highly-Scalable Communication Platform** – What process improvement opportunities exist in your company? Often there is that “burning process” whose business pain forces an organization to investigate BPM in the first place – by definition, these processes and their specific problems are well-known to all. But how do you discover and prioritize the other improvement opportunities in an enterprise? And for each opportunity, how do you agree what the problem details really are, and what are acceptable ways to resolve them? How do you get your business stakeholders, domain experts, and technical developers aligned on what needs to be done? This frequently presents a *huge* communications problem – especially when your organization is geographically distributed. You will need a communications tool that has the potential to reach every single white-collar worker in the enterprise. Traditional technical BPMS modeling tools are doomed to fail here – the time, money, and effort associated with installing and using these tools are just too high to reach large numbers of non-technical users. A completely different communication platform is required in order to meet the scale.
- **“Know How” to Scale** – Of course, tools and technology are only part of any BPM solution. What’s often more important for success is the “know how” to make BPM Programs work: how to share, how to govern, how to scale. Someday, much of this knowledge will be institutionalized – but we’re not there yet. We are still discovering the patterns and best practices for large scale BPM Program execution – so today we must rely on BPM experts and thought leaders to provide specific guidance on how best to transition from implementation of single projects to multi-project BPM Programs.

Structuring a BPM Program

Lombardi has provided some recommendations for jump-starting a BPM Program. In a previous whitepaper², we detail an approach where one or two project pilots are chosen to provide demonstrable proof of the value of BPM in an organization. At the same time, the requisite planning is done to articulate the BPM Program strategy and governance, and to set up the team and infrastructure.

In today’s deployments, we recognize that not all BPM Programs will start out with an up-front “start up” period. Many or most BPM Programs will evolve out of an initial deployment project

² *Process Driven – 180 Day Transformation Plan*, Lombardi whitepaper, 2007.

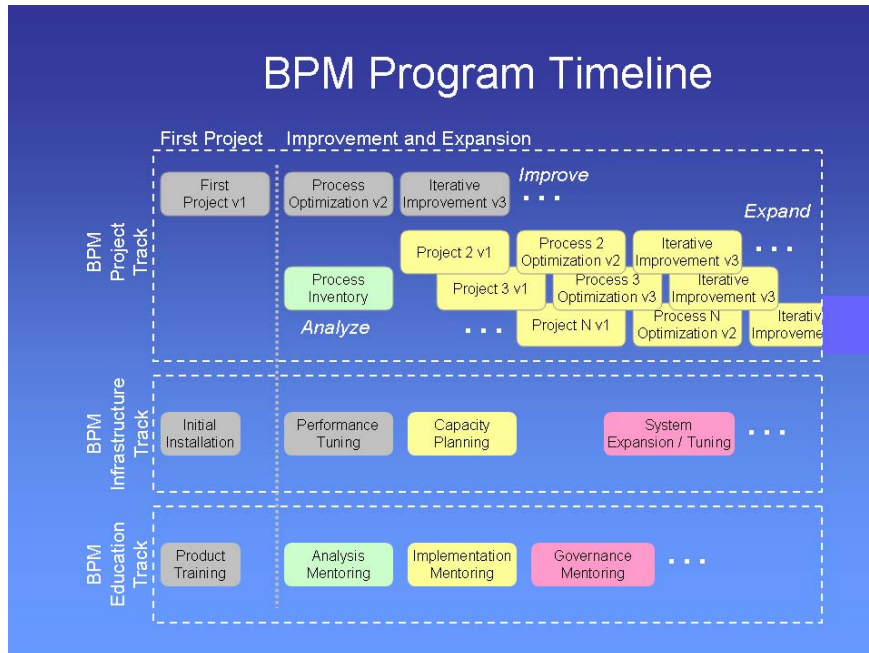
that serves as the “proof”. In those cases, we can build upon the existing project deployment by using a parallel track approach:

- BPM Project Track.** In this track, the BPM team performs a quick, high-level inventory of potential process improvement opportunities. This is done with all business stakeholders. The opportunities are prioritized based on potential business value and alignment with corporate strategy. A prioritized opportunity roadmap dictates the order in which BPM projects will be subsequently analyzed, implemented and deployed.

The project track “expands” over time, as additional projects are added to the BPM Program. After each deployed project has been in production for some time, an optimization analysis can be performed to guide its next set of process improvements.

Process inventories can be repeated to reprioritize the project improvement roadmap.

- BPM Infrastructure Track.** This track focuses on tuning the existing system infrastructure, as well as capacity planning for future growth.
- BPM Education Track.** This track administers the educational packages that are required to build a self-sufficient BPM team. Beyond the generic product training, much of the education comes in the form of *mentoring*, to show the “how to” of analysis, implementation, and governance. This mentoring is best done in the context of the actual program implementation and deliverables.

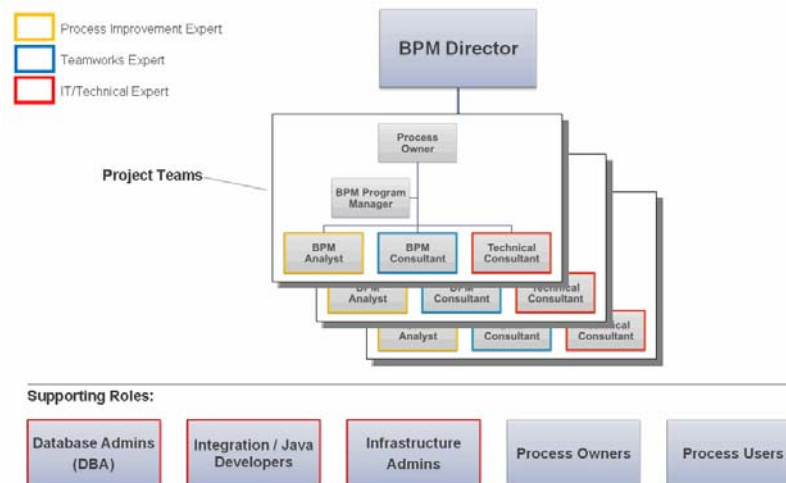


Of course it is important to set up a capable team to carry out the BPM Program. For every project, we recommend:

- one or more **BPM Analysts** to assist with process analysis and requirements definition,
- one or more **BPM Consultants** for process design, implementation, and deployment,
- one or more **Technical Consultants** to provide assistance with overall solution architecture, and integration into your enterprise infrastructure,
- a **BPM Program Manager**, usually provided by Lombardi or a certified partner, who is responsible for guiding the deployment effort to success, and
- a **Process Owner** who is empowered to quickly make decisions regarding process delivery, scope, and budget.

A **BPM Director** leads the overall BPM Program effort, across all projects. The BPM Director typically heads the BPM Governance committee that establishes the policies for proper sharing, access, and reuse of processes.

Other technical and subject matter experts (SMEs) play supporting roles, as needed.



Starting Your BPM Program

Building a successful BPM Program requires the right foundation – one that can scale. As we described earlier, there are 3 critical steps to laying the foundation for your BPM Program:

Step 1

*Make sure you have a BPM Program **execution platform** in place that can scale to handle the design, execution, sharing, and governance of many projects across your enterprise.* The following platform features enable scaling up from individual BPM Projects to full-scale BPM Programs:

- a *collaborative design environment* built to support concurrent development by multiple teams of process authors and developers, as they create and share process implementation components. A shared multi-user development environment maximizes sharing, and enables teams to discover and fix implementation conflicts immediately, instead of waiting until test time to resolve problems when merging components that were developed separately.
- a *Shared Model architecture and repository* that links all aspects of the process design, implementation, and run-time data, to ensure that all of the Business and IT views of a process are always in-synch. Only platforms with true Shared Model architecture directly link everything about a process together: the process diagram, the implementation details, KPI and SLA definitions, in-flight process data, historical performance data, and so on. This linkage is critical to providing Business and IT with the visibility they need to remain constantly "on the same page" about their shared understanding of the process design and operational implementation, across all process changes, and across all process versions, that occur during the BPM Program lifetime.
- a *clustered J2EE-based enterprise execution environment* that is incrementally expandable, highly available, and easily partitioned as additional projects are added over time. J2EE technology platforms are proven to support and manage large-scale, enterprise deployments.

For example, Lombardi's award-winning BPMS, Teamworks[®], is a scalable J2EE platform for BPM that includes all of the features described above to support design, implementation, execution, improvement, and management of multiple versions of processes within a BPM Program. Teamworks' innovative Shared Model architecture enables implementation teams to select a specific process version, visualize performance "hot spots" directly on the process model diagram, drill down to the underlying performance facts to uncover root causes, and "playback" any proposed fixes in order to assess the impact – all within a single development environment.

Step 2

Make sure you have a BPM Program **communications platform** in place that can scale to allow every business stakeholder or domain expert to collaborate on the discovery and documentation of processes and potential improvements. Traditional BPMS modeling tools are too technical and too costly, and consequently can't scale. In order to support the scale required for large-scale, long-term BPM Programs, your communications platform should have the following capabilities:

- *Real-time collaborative editing of process documentation* stored in a shared, versioned repository, so everyone has an up-to-the-second view of a process definition.
- *Extremely intuitive process editors* that are as easy to use as PowerPoint or Word, so that even non-technical users can fully participate.
- *Entirely web-based and hosted services*, so that users anywhere in the organization can be added immediately with no software installation required.

For example, Lombardi Blueprint™ is the industry's only on-demand, collaborative process documentation tool that enables companies to map processes, and discover and prioritize improvement opportunities across very large and distributed teams. Blueprint is already being used as a centralized repository and communications platform for maintaining shared inventories of detailed process knowledge at the world's largest companies, as they carry out their BPM Programs. As a hosted service, companies can easily add Blueprint users upon demand, without having to worry about installing complex client software or adding server hardware.

Step 3

Make sure you have the BPM Program **"know how"** in place to assist and guide your team in defining, implementing, and deploying the projects in your BPM Program. To avoid wasting time and expense from trial and error, you will want to leverage the knowledge of BPM professionals that can show you how to implement:

- *Process inventory and analysis* – to help you identify and prioritize the "pipeline" of process improvement opportunities in your BPM Program, that are aligned with your company's strategic goals.
- *BPM mentoring* – to provide you with detailed, hands-on guidance on how to best approach process implementation, operations, and change management in BPM projects.

- *Process improvement* – to assist you in setting up the correct KPIs, SLAs, reporting, and analytics needed to optimize your production process applications.
- *Process infrastructure* – to assist you with installation, configuration, performance tuning, and capacity planning of your BPM platform as new projects are rolled out to production.
- *Process governance* – to help you establish a Center of Excellence and institutionalize best practices for managing and governing BPM Programs as they expand across the enterprise.

For example, Lombardi has assembled a Global Business Services team with many years of BPM expertise and practical deployment experience to help customers with their project implementations. For scalability, Lombardi has packaged its implementation “know how” into a collection of fixed, repeatable services offerings that address the entire life-cycle of BPM Programs – before, during, and after project deployment, as well as governance across projects.

For Help in Getting Started

Lombardi’s chief mission is to help companies define, implement, and execute their strategic process improvement initiatives through BPM Programs. We are already helping hundreds of companies around the world to get their BPM Programs started. We would be glad to explain how you can leverage Lombardi’s proven technology and “know how” to launch your BPM Program and make it a success. To learn more, please contact us at info@lombardi.com.

About Lombardi

Lombardi is a leader in business process management (BPM) software for companies, systems integrators and government agencies of all sizes. We offer award-winning BPM technology, know-how and services to help our customers succeed with their process improvement initiatives. Our products are built on open standards, and provide ongoing prioritization, planning, visibility and control of business processes, increasing the speed and flexibility with which organizations can manage their business process activities and decision-making.

Teamworks[®] is Lombardi's BPM software for designing, executing, and improving processes. Teamworks for Office[™] makes it easy for anyone to participate in BPM using the familiar Microsoft[®] Office System products. And Lombardi Blueprint[™] is the only on-demand, collaborative process documenting tool that enables companies to map processes, identify problems and prioritize improvement opportunities. At the core is Lombardi's unique shared model architecture, which significantly reduces the time and effort versus competing solutions.

Lombardi is behind some of the largest, most successful BPM implementations in the world. Our customers include Allianz Group, Aflac, Banco Espirito Santo, Barclays Global Investors, Dell, El Paso Energy, FETAC, Financial Services Authority, Ford Motor Company, Hasbro, ING Direct, Intel, Maritz Travel, National Bank of Canada, National Institute of Health, Safety-Kleen, T-Mobile, UCLH, Xbridge and numerous governmental agencies.

