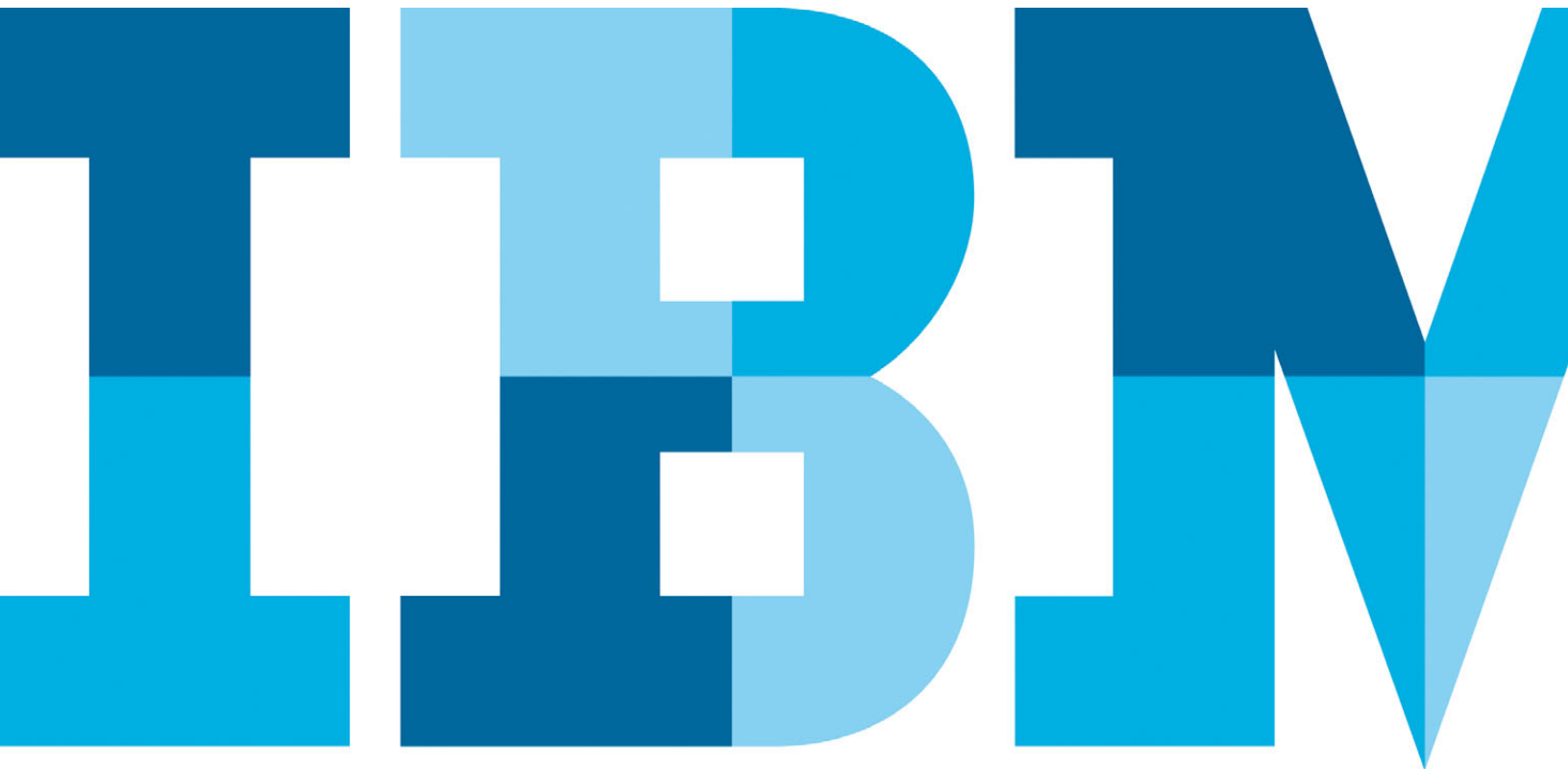


Three Steps to Progress BPM from Project to Program

*How to scale your process improvement capability to deliver
maximum value to the business*



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 (BPMS) 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 a series of logical questions: What processes should we focus on next? How do we scale the discovery, development, deployment and usage of process applications throughout the company? What are the best practices we should follow to maximize reuse from project to project to achieve economies of scale?

This white paper describes how the movement toward broad BPM programs has changed what companies need in terms of BPM technology and “know-how.” We describe three steps for helping establish a solid foundation for a BPM program that can enable your organization to scale its process improvement capability in a way that is designed to deliver optimal value to the business.

The trend from BPM projects to BPM programs

In our years of experience delivering BPM solutions, IBM has witnessed a gradual change in how companies have approached business process management. Four or more years ago—before “BPM” became such a well-known discipline—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. Vendors were often 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 two to three years ago, especially as word spread about the successes from those early projects. At the same time, there was a shift in project ownership from the business to the IT function, as IT sought to standardize upon common BPMS platform technology, either within a line of business (LOB) or spanning an entire enterprise. But even though 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.

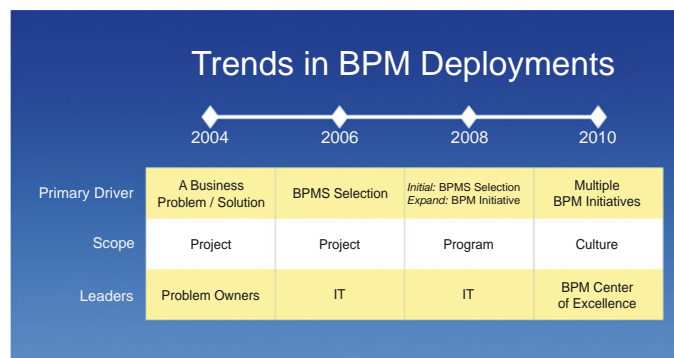


Figure 1: Trends in BPM deployments

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 that span 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 throughout the business.

The end game for many companies is to create a BPM *culture*, where every employee is aware of process improvement goals at personal, departmental and corporate levels; has complete visibility into their performance as measured against those goals; and takes advantage of 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 IBM's clients are going through this transition from BPM project to BPM program. One client that has made significant progress in the project-to-program transition is Pulte Mortgage—the financing subsidiary of the nationwide home builder, Pulte Homes. In 2003 the chief operating officer (COO) of Pulte Mortgage was tasked to create 300 percent growth over an 18-month period, primarily by improving Pulte customers' experience in order to increase repeat sales in the extremely competitive home mortgage industry. Pulte Mortgage's loan-origination process was effective—at the time the company already had customer satisfaction ratings of 85 percent; but, Pulte had no visibility into how individual loans were being processed by the 1200 employees using a dozen back office systems. You can't improve what you can't see.

Pulte Mortgage initiated a BPM project to track the flow of each loan through the origination process. With this new visibility, they were better able to identify bottlenecks in the process that

would cause loans to be delayed and to 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 percent.

Based on that positive experience, Pulte Mortgage laid out a long-term BPM program designed to implement workflow, tracking and service level agreement (SLA) management for every part of the business. By 2007 100 percent 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 screen" displays. Every employee is now better able to 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 is better able to 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. These new requirements include:

- **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 and the number of process versions can all expand dramatically. In order to achieve economies of scale from sharing and reusing process components throughout 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 is imperative.

- **Highly scalable communication platform.** What process improvement opportunities exist in your company? Often there is a “burning” business pain that 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 knowledge 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 nontechnical users. A completely different communication platform is required to meet the scale.
- **Know-how to scale.** 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 and how to achieve all these with business firmly in control and empowered to implement BPM safely. Someday, much of this knowledge will be institutionalized, but we’re not there yet. We’re 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 multiproject BPM programs.

Structuring a BPM program

In today’s deployments, we recognize that not all BPM programs will likely begin with an up-front start-up period. Many or most BPM programs will evolve out of an initial deployment project that serves as a pilot to prove the concept. In those cases, we can build upon the existing project deployment by using a parallel track approach, three of which are described below.

- **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 in scope 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 road map.
- **BPM infrastructure track.** This track focuses on tuning the existing system infrastructure, and includes 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. Mentoring is best done in the context of the actual program implementation and deliverables.

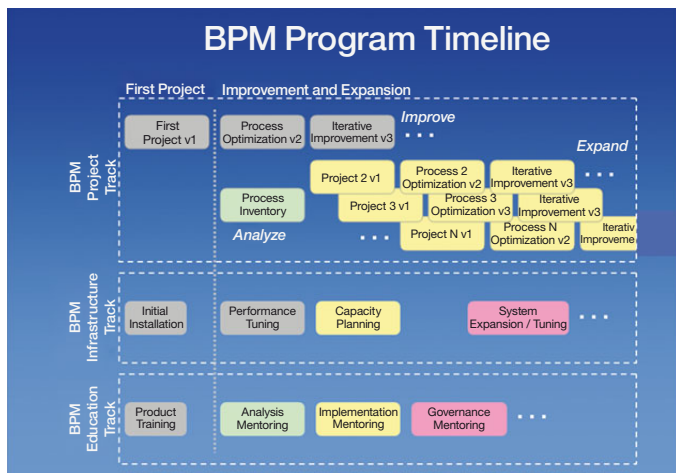


Figure 2: BPM program time line

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 IBM or a certified partner, who is responsible for guiding the deployment effort to success.
- 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 among all projects. The BPM director typically heads the BPM governance committee, which establishes the policies for proper sharing, access and reuse of processes. Other technical and subject matter experts (SMEs) play supporting roles, as needed.

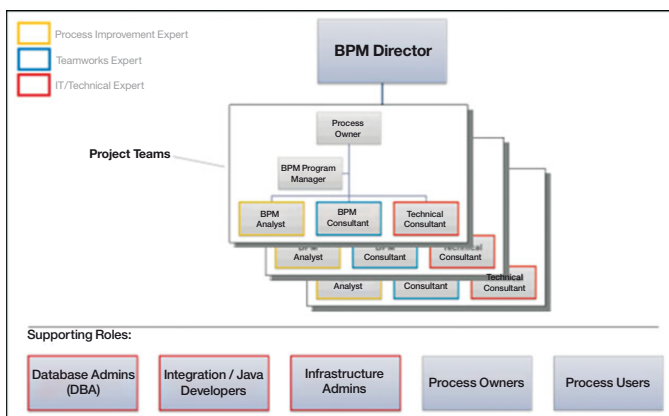


Figure 3: Organized for success with BPM

Starting your BPM program

Building a successful BPM program requires the right foundation—one that can scale. As described earlier, there are three critical steps to laying the foundation for your BPM program.

Step one

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 throughout 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 multiuser development environment can greatly increase sharing and helps enable teams to discover and fix implementation conflicts immediately, instead of waiting until test time to resolve problems that occur when merging components developed separately.
- A *shared-model architecture and repository* that links all aspects of the process design, implementation and runtime data, to help ensure that all of the business and IT views of a process are always in sync. Only platforms with true shared-model architecture directly link *everything* about a process together: the process diagram, the implementation details, key performance indicator (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 in agreement about their shared understanding of the process design and operational implementation—through all process changes and spanning all process versions that occur during the BPM program lifetime.
- A *clustered Java 2 Platform, Enterprise Edition (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, IBM Business Process Manager is a scalable J2EE platform for BPM that includes all of the features described above to help support design, implementation, execution, improvement and management of multiple versions of processes within a BPM program. The innovative shared-model architecture of IBM Business Process Manager is designed to enable 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 “play back” any proposed fixes in order to assess the impact—all within a single development environment.

Step two

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 designed to be as easy to use as Microsoft PowerPoint or Microsoft Word, so that even nontechnical 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, [IBM Blueworks Live](#) is a widely adopted collaborative process documentation tool that helps enable companies to map processes and discover and prioritize improvement opportunities among very large and distributed teams. IBM Blueworks

Live is already being used as a centralized repository and communications platform for maintaining shared inventories of detailed process knowledge at some of the world's largest companies, as they carry out their BPM programs. As a hosted service, companies are able to more easily add IBM Blueworks Live users on demand, without having to worry about installing complex client software or adding server hardware.

Step three

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 take full advantage of the knowledge of BPM professionals that can show you how to implement:

- *Process inventory and analysis.* This is designed 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.* This can provide you with detailed, hands-on guidance on how best to approach process implementation, operations and change management in BPM projects.
- *Process improvement.* This can help you set up the correct KPIs, SLAs, reporting and analytics needed to optimize your production-process applications.
- *Process infrastructure.* This is designed to assist you with installation, configuration, performance tuning and capacity planning of your BPM platform as new projects are put in production.
- *Process governance.* This can help you establish a Center of Excellence and institutionalize best practices for managing and governing BPM programs as they expand throughout the enterprise.

For example, IBM has assembled a services team with many years of BPM expertise and practical deployment experience to help customers with their project implementations. For scalability, IBM has packaged its implementation know-how into a collection of fixed, repeatable services offerings that are designed to address the entire life cycle of BPM programs—before, during and after project deployment, and for governance spanning multiple projects.

Getting started

To get started with your initial BPM project and learn about ways to scale it into a larger BPM program, take advantage of the expert community of BPM practitioners on IBM Blueworks Live and the [30-day free trial offer](#). In tandem, you can engage our team of experts who can help you propel your BPM project forward with a deep knowledge of business process capture, design and analysis. IBM Software Services for WebSphere brings the depth and breadth of knowledge and experience with IBM Software for BPM (including IBM Business Process Manager and IBM Blueworks Live) to help enable your business processes to be more agile and higher performing in a constantly changing business environment. To discuss your specific needs or to find out more about the value that IBM Software Services for WebSphere can offer, please contact your local IBM Software Services sales specialist at ibm.com/developerworks/websphere/services/contacts.html.

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