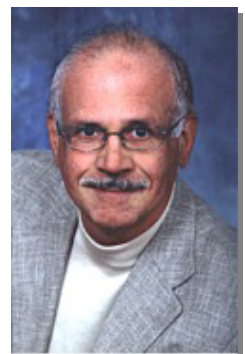




Business Process Management Group

Article – Towards Process Competence



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Towards Process Competence

The resurgence of interest in business process management has understandably driven a keen interest in the application of process maturity or capability models. While such models have value, their indiscriminate application may do more harm than good in assuring the sustainability of business process thinking and acting for improved organizational performance. Those firms that recognize enterprise business process management [EBPM] is all about performance will be more interested in achieving 'process competence' than simple maturity.

Why consider process competence? Simply because in business – as in sports – it is the combination of aptitude and attitude that delivers superior sustainable results.

Let's not forget that this is our third chance to get business process thinking right! Arguably, neither the quality movement of the 70's and 80's or firms' experience with re-engineering in the 90's or Six Sigma has led to the sustainable application of business process improvement and management as the means to assure superior performance improvement. In part, as I've argued for some time now, this may be due to the traditional functional mindset of leaders in many organizations.¹

So, let us not make the same mistakes all over again. Let's learn from past experiences in applying such tools.

Past Practices

It is only human nature to seek some sort of assessment of our progress. We've been conditioned to this from our formative years through to adulthood by report cards, employee appraisals and personal performance reviews.

The quality movement of the 70's and 80's spawned its share of maturity models. Crosby's Quality Management Maturity Grid [QMMG] is one of the models commonly referenced for this era.

Represented in Figure 1 below, Crosby's QMMG recognizes the importance of leadership attitude, implies the need for cross-functional collaboration and attempts to quantify performance on the basis of 'cost of quality' measured as a percentage of sales.

On the other hand, it does not explicitly refer to enterprise level activity and the categories employed have emotive content.

Measurement Categories	Stage I: Uncertainty	Stage II: Awakening	Stage III: Enlightenment	Stage IV: Wisdom	Stage V: Certainty
Management understanding and attitude	No comprehension of quality as a management tool. Tend to blame quality department for "quality problems"	Recognising that quality management may be of value but not willing to provide money or time to make it happen.	While going through quality improvement program learn more about quality management; becoming supportive and helpful.	Participating. Understand absolutes of quality management. Recognize their personal role in continuing emphasis.	Consider quality management an essential part of company system.
Quality organisation status	Quality is hidden in manufacturing or engineering departments. Inspection probably not part of organization. Emphasis on appraisal and sorting.	A stronger quality leader is appointed but main emphasis is still on appraisal and moving the product. Still part of manufacturing or other.	Quality Department reports to top management, all appraisal is incorporated and manager has role in management of company.	Quality manager is an officer of company; effective status reporting and preventative action. Involved with consumer affairs and special assignments.	Quality manager on board of directors. Prevention is main concern. Quality is a thought leader.
Problem handling	Problems are fought as they occur; no resolution; inadequate definition; lots of yelling and accusations	Teams are set up to attack major problems. Long-range solutions are not solicited.	Corrective action communication established. Problems are faced openly and resolved in an orderly way.	Problems are identified early in their development. All functions are open to suggestion and improvement.	Except in the most unusual cases, problems are prevented.
Cost of quality as % of sales	Reported: unknown Actual: 20%	Reported: 3% Actual: 18%	Reported: 8% Actual: 12%	Reported: 6.5% Actual: 8%	Reported: 2.5% Actual: 2.5%
Quality improvement actions	No organized activities. No understanding of such activities.	Trying obvious "motivational" short-range efforts.	Implementation of the 14-step program with thorough understanding and establishment of each step.	Continuing the 14-step program and starting Make Certain	Quality improvement is a normal and continued activity.
Summation of company quality posture	"We don't know why we have problems with quality"	"Is it absolutely necessary to always have problems with quality?"	"Through management commitment and quality improvement we are identifying and resolving our problems"	"Defect prevention is a routine part of our operation"	"We know why we do not have problems with quality"

Figure 1: Crosby's Quality Management Maturity Grid (QMMG)ⁱⁱ

Has QMMG contributed to a significant shift in behaviour? How many firms do you know who have a senior quality manager of the board of directors or as a member of the board's strategy committee? You be the judge.

In the early 90's the process improvement and management movement also produced its share of maturity models. One representative model, developed by The Rummler-Brache Group, in this era is depicted in

Figure 2.

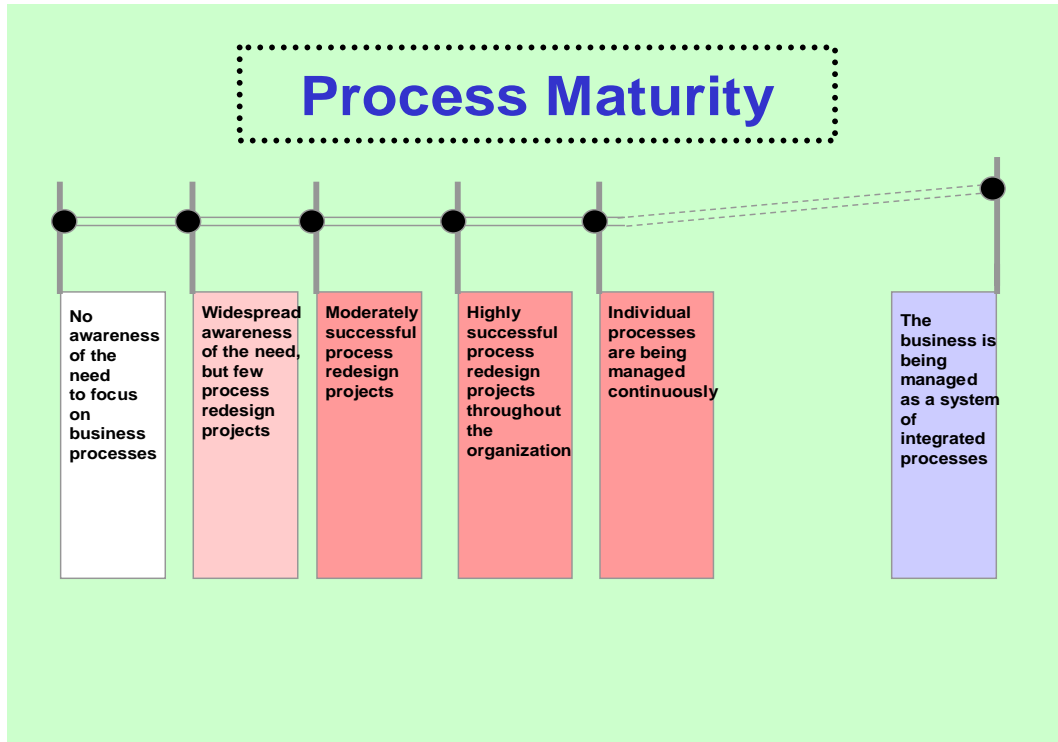


Figure 2: The Rummler-Brache Group Process Maturity Model

This model incorporates elements of both aptitude and attitude in a one-dimensional, linear framework. It refers to successful process redesign project and managing processes for continuous improvement.

However, partly due to this model's one-dimensional view it may be difficult to ascertain exactly what is meant by moderately and highly successful.

During the past decade, perhaps one of the best known 'maturity' models is the Capability Maturity Model or CMM represented in Figure 3. The CMM was developed by the Software Engineering Institute (SEI), a federally-funded R&D centre operated by Carnegie Mellon University. The definitive resource for this model is *The Capability Maturity Model: Guidelines for Improving the Software Process*, (Carnegie Mellon University/Software Engineering Institute), published in 1995 by Addison-Wesley. The CMM serves two major purposes: to guide process improvement efforts in a software development organization, and to assist with identifying contracting organizations that are well qualified to perform software work.ⁱⁱⁱ

Level	Description	Process areas
Optimising	Continuous process improvement is enabled by quantitative feedback from the process and from piloting innovative ideas and technologies	<ul style="list-style-type: none"> · Defect Prevention · Technology Change Management · Process Change Management
Managed	Detailed measures of the software process and product quality are collected. Both the software process and products are quantitatively understood and controlled.	<ul style="list-style-type: none"> · Quantitative Process Management · Software Quality Management
Defined	The software process for both management and engineering activities is documented, standardised, and integrated into a standard software process for the organisation. All projects use an approved, tailored version of the organisation's standard software process for developing and maintaining software	<ul style="list-style-type: none"> · Organization Process Focus · Organization Process Definition · Training Program · Integrated Software Management · Software Product Engineering · Intergroup Coordination · Peer Reviews
Repeatable	Basic project management processes are established to track cost, schedule, and functionality. The necessary process discipline is in place to repeat earlier successes on projects with similar applications	<ul style="list-style-type: none"> · Requirements Management · Software Project Planning · Software Project Tracking and Oversight · Software Subcontract Management · Software Quality Assurance · Software Configuration Management
Initial	The software process is characterised as ad hoc, and occasionally even chaotic. Few processes are defined, and success depends on individual effort and heroics	<ul style="list-style-type: none"> · no required processes

Figure 3: Maturity levels and process areas of the Software CMM^{iv}

The use of CMM is widespread. Some observers believe that CMM will become to software contracting what ISO is to product sourcing. Yet, there is still some question as to whether level 5 software providers actually produce ‘better’ software than those at level 2 or 3. Further, insufficient attention to cultural factors has been identified as one of the shortcomings of the CMM model.^v

While one can learn from some aspects of the CMM model, it would be inappropriate to apply CMM directly as a means to assess EBPM practices.

The Current Landscape

In the current environment, there is no scarcity of process maturity models. Brett Champlin, the President of The Association of Business Process Management Professionals [ABPMP] has identified around 150 such models.

This points to a need for some degree of standardization. Some models, such as the one depicted in Figure 4 build upon the CMM framework.

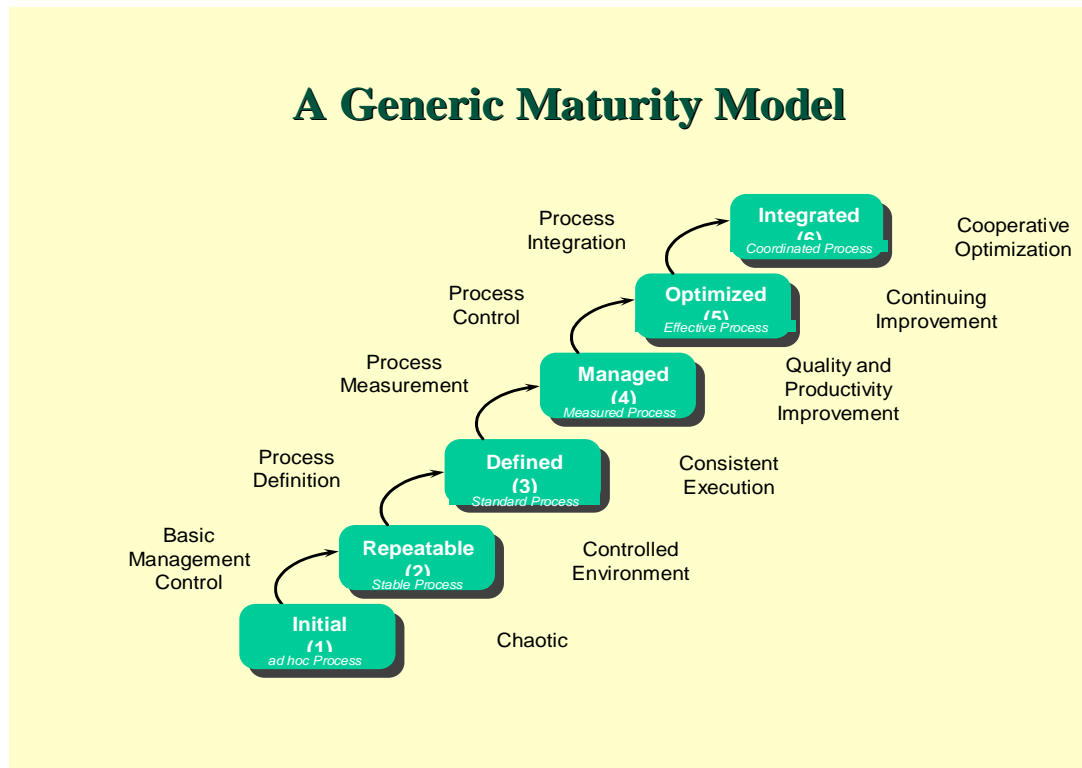


Figure 4: A Generic Maturity Model. Brett Champlin, ABPMP

While useful, such models continue to fail to explicitly acknowledge the critical role of leadership behaviour and culture.

A model, shown in Figure 5, which captures the multi-dimensional nature of process management has been developed at the University of Queensland by Dr. Michael Rosemann.

A 3-Dimensional View

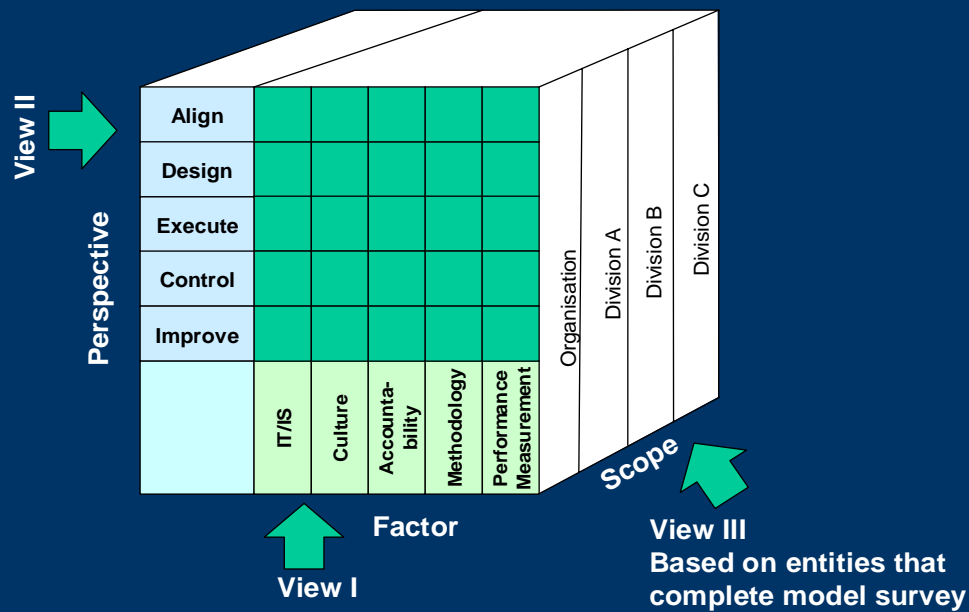


Figure 5: A 3-Dimensional View. The University of Queensland. Dr. Michael Rosemann.

The University of Queensland process maturity model makes an effort to recognize that BPM involves complex factors including, but not limited to:

- top management understanding and involvement
- process improvement
- a structured approach to change management
- people management and development
- aligning processes with the strategic goals
- designing and implementing process architectures
- process measurement
- educating and organising managers

Further, it is supported by structured questionnaires for each parameter and recognizes that the development of BPM practices may vary across divisions in a firm and at the enterprise level. However, this model's major strengths of robustness and comprehensiveness may actually deter its application by some practitioners.

Practitioners who are interested in appraising the extent to which the organization is moving towards process competence will need to evaluate process maturity models and learn from past practices.

Towards Process Competence

There are a number of critical attributes which should be satisfied in selecting a model to assess the degree of process maturity or competence. Some of the key factors to consider are outlined below.

**Process
competence is
all about
performance**

The selected model should recognize that EBPM process competence is all about performance. It's true that when business processes are not understood in the same way by leaders and not measured regularly, it is virtually impossible for a firm to manage these processes. While both process definition and measurement are important, but in themselves they are not sufficient to assure performance improvement. Assessing process competence needs to address the extent to which enterprise level business processes are defined, measured, improved **and** managed.

The selected model must explicitly recognize that process competence at the enterprise level involves a combination of aptitude in improving and managing the firm's large cross-functional business processes and leadership attitude in measuring and managing the firm's activities in business process terms. In terms of leadership attitude, this means that it is essential to assess the degree to which:

Leaders believe that:

- Strategy begins with the customer
- Organizations should be designed, led and managed such that it is easy for the customer to do business with the company.
- Customer value is created through a company's enterprise wide business processes
- Significant improvement is achieved more through the exercise of influence than control

Leaders have:

- Defined the set of enterprise level business processes
- Been dedicated to measuring the performance of the enterprise level business processes
- Expressed the firm's strategy in business process terms
- Developed a shared understanding of which processes need to be improved by how much in order to deliver on strategic objectives.

Leaders are actively engaged in:

- Monitoring the firm's performance in providing products/services to customers, from a customer's point of view
- Discussing the performance of the firm's enterprise business processes
- Managing the flow of cross-functional activity in the enterprise business processes for continuous improvement

The selected model should facilitate either self assessment by a cross-functional team or assessment by an external party. This means that the model should be both sufficiently robust to capture a snapshot of the organization's current performance and be sufficiently streamlined to permit repeated application at the enterprise and division level.

Ideally, the selected model should be designed such that it facilitates a comparison of the firm's performance to industry standards for the majority of the enterprise processes. This will be a challenge on the short term. While the Supply Chain Council's SCOR programme offers valuable information for a broad section of industries, it is one of the few sources of such data.^{vi} Some similar information is available for product development, but much less so when it comes to key supporting processes.

It sounds like a tall order, doesn't it? Yes – but the benefits may be worth the effort. As some experts have pointed out, in up to 70% of cases, the challenge is not planning, instead it is getting things done, not delivering on commitments. That requires at least a two dimensional, robust assessment tool.

Conclusion

Shall we be satisfied with assessing process maturity? Yes – maturity has a connotation of age and wisdom, but when has it been true that maturity is directly linked with exemplary performance?

In this day and age, organizations are both complex business and social systems. Let's go beyond process maturity towards assessing process competence. This requires a focus on both the firm's aptitude and attitude in improving and managing its enterprise business processes.

**Let's go beyond
process maturity
towards
assessing
process
competence**

Let's not pass up our third chance to get business process thinking right.

Andrew Spanyi is the author of 'Business Process Management is a Team Sport, Play It to Win!' Visit the book's Web site at <http://www.anclote.com/spanyi.html>.

He has worked with executive teams at global organizations for nearly two decades, assisting them in transforming the way they tend to think about their business.

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ⁱ Spanyi, Andrew, Transforming the Traditional Functional Mindset, www.bpmg.org, July 2003

ⁱⁱ <http://www.betterproductdesign.net/maturity.htm>

ⁱⁱⁱ <http://www.processimpact.com/articles/miscon.html>

^{iv} <http://www.betterproductdesign.net/maturity.htm>

^v Cultural Obstacles to Measurement and Process Maturity at <http://www.spc.ca/essentials/apr0202.htm#3>

^{vi} <http://www.supply-chain.org/public/sigs.asp>