Business Process Management Governance
Andrew Spanyi
A. Spanyi
Spanyi International Inc., Oakville, ON, Canada
e-mail: andrew@spanyi.com

Abstract Most executives, if not all, are concerned about improving operational performance. While this may be obvious, what is not nearly as apparent is precisely how the most successful firms are able to sustain and optimize operational performance improvements. Whereas most firms are becoming increasingly adept at executing improvements to their operations in projects of small scope, many firms continue to struggle when it comes to projects of larger scope requiring broad cross-functional collaboration. More importantly, they often do not put in place the subtle, yet critical, elements of BPM governance, including the refinements to organization structure, executive roles and responsibilities, and measurement discipline that are needed to sustain and optimize operational performance improvements. This chapter examines the management practices of BPM governance that enable achieving sustainable, consistent, and flawless execution.

1 Introduction
Let us agree on a basic premise. A company creates value for customers and shareholders via the effectiveness and efficiency of activities or work that flows across traditional organization boundaries – often referred to as the firm's complex, cross-functional business processes (Spanyi 2006).

In order to optimize and sustain improvements to operational performance, it is essential to overlay some form of governance that creates the right structures, metrics, roles, and responsibilities to measure and manage the performance of a firm's end-to-end business processes. This is called BPM governance.

Most firms are becoming increasingly adept at executing improvements to their operations in projects of small scope, and yet many firms continue to struggle when it comes to projects of larger scope requiring broad cross-functional collaboration. Why have many organizations become more proficient in executing projects of small scope? The principal reason is that the various methods of process improvement, such as Lean, Six Sigma, Lean-Six Sigma, and Continuous Process Improvement, have become codified over the past decade. As these projects are often defined within the boundaries of one department or unit, the needed governance is in place due to the existing organization design.

But that is not the case when it comes to projects of larger scope requiring broad cross-functional collaboration. Indeed, the success rate for such larger projects remains disappointing. It has been widely reported that 50 to 70% of reengineering projects fail, and IT projects over the past decade have not fared much better. The Standish Group has been conducting a survey on the performance of IT projects since 1995, and even though project success has increased from 16.2% in 1995 to 35% in 2006, around two-thirds of IT projects are still considered failures (The Standish Group 2009). This statistic would be more dismal if the survey had been limited to large projects requiring cross-functional collaboration.

Why do companies continue to struggle when it comes to executing larger operational improvement projects and sustaining results? There are at least three reasons:

• Lack of a robust framework. While business literature emphasizes the importance of improving and managing key end-to-end business processes, there is a deficit of information on
precisely how to do it (Davenport 1993; Hammer 2001a, b, 2007; Hammer and Stanton 1999; Harmon 2003; Rummler and Brache 1995).

- Lack of codification of management practices. The codification of process improvement methods does not sufficiently emphasize the need for the type of leadership behavior that is intrinsic to BPM governance.
- Resistance to change. The majority of companies continue to be organized along traditional lines, and the traditional financial metrics continue to dominate executive thinking and behavior (Herbold 2004). There is resistance to the subtle, yet important, changes in measurement and management practices that are needed for BPM governance to sustain improvements to operational performance.

This chapter will begin with an overview of the results of research on what organizations need to do to effectively execute and sustain improvements to operational performance. Next, a more thorough discussion of the impediments to effectively execute and sustain improvements to operational performance will be presented. Then, the final section of this chapter will examine the role of BPM governance in how to effectively execute and sustain improvements to operational performance.¹

¹Markus and Jacobson (2010) additionally describe various governance mechanisms, identify their advantages and disadvantages, and provide examples that reveal how governance mechanisms contribute to business process success.

2 Research

There is a gap in the literature when it comes to leadership mindset and behavior needed for BPM governance. This author's work on the Mindset Study was one appraisal that did examine this topic (Spanyi 2005, 2006). The Mindset Study, conducted in collaboration with the Babson College Process Management Center, was a qualitative survey of the management practices of 18 firms, which had professed advanced levels of process orientation. The research took the form of a qualitative survey, and interviews were conducted with respondents from businesses who were considered to be concerned with improving operational performance and had advanced levels of process orientation. This was supplemented with Internet-based secondary research. Air Products and Chemicals, Caterpillar, Infosys, Nokia, and Xerox were just a few of the companies in this survey.

Two of the primary insights derived from this qualitative research were thought provoking. (1) There is increasing interest and skill in improving operational performance when it involves a single business process of limited scope. (2) The traditional mindset of leaders continues to be one of the major obstacles in taking process management principles and practices to the next level via BPM governance, where there is sustainable focus on the improvement and management of the firm's large, end-to-end business processes.

The research set out to identify the set of leadership behaviors that organizations need in order to effectively improve operational performance via process management. The hypothesis was that the leading firms would have made progress in all three of the following areas:

The leadership team would have monitored key performance metrics from a customer's point of view, and attempted to link these to the key financial metrics.
The leadership team would have developed an enterprise view of the business in process terms, a schematic or map, for example.

They would have appointed business process owners or stewards for some of the firm's large cross-functional business processes.
The findings were revealing. Six of the respondents were observed to have made some progress in each of the three areas, while the other 12 respondents had not. In what follows, the group of firms that had made some progress in each of three areas of models, metrics, and accountability will be called “leading firms” and the other group will be referred to as “typical firms.” There were three common characteristics and three common behaviors practiced by these leading companies that characterized their success in establishing a governance framework for their improvement efforts, that is, BPM governance. Following were the three common company characteristics:

- Passion about performing for customers. In fact, the respondents from the leading companies talked about customer satisfaction twice as often as respondents from typical firms. In these companies, there was a dual purpose for executing process improvement efforts – increasing customer satisfaction and reducing operating costs.
- A compelling business threat. All of the respondents from leading companies expressed concern with a perceived imminent competitive threat and/or flattening growth.
- A receptive culture. Each of the leading companies had a long history of improving operational performance. In most cases, this dated back to before the birth of methods such as reengineering and Six Sigma. Further, in each of the leading companies, the CEO was a vocal proponent.

In addition to these three common characteristics, the leading companies also practiced several common behaviors with respect to the process models, metrics, and accountability needed for BPM governance. First, they broadly communicated the enterprise process model or schematic, and the appointment of process owners throughout the corporation. This was done primarily via their Intranet, and reinforced through “town hall” meetings, executive presentations, memos, and e-mail. Next, they placed increasing focus on monitoring key performance metrics from a customer's point of view. Two of the commonly observed metrics were company performance in delivering “perfect orders” and responsiveness in resolving customer inquiries and complaints. Then, these companies appointed some process owners for end-to-end processes that crossed traditional organizational boundaries and set up a small group of subject matter experts in a center of excellence type of structure.

Do those firms that have established the needed behaviors for BPM governance, that is, the leading firms, have better financial performance than typical firms? The answer to this question appears to be a resounding YES. Five of the six leading firms were publicly traded companies in the USA. Four of the five consistently beat the Dow Jones Average over the period 2004–2008. In contrast, in examining the typical firms, five of which were also publicly traded companies in the US, it was found that four of the five typical firms failed to beat the DJI over the same period. Of course, there is much more to financial performance than a process orientation, yet these findings are thought provoking.

The respondents from the group of typical firms laid the blame for their relative lack of progress in the areas of models, metrics, and accountability on two primary factors: a traditional, functional mindset, and a narrow view of process. Even the respondents from leading firms continued to struggle with these two obstacles. The prevalence of a traditional, functional mindset was emphasized by respondents in several ways. The COO of a major health care institution said, “In health care – the org chart gets in the way of care delivery.” And it was not just in health care, the majority of respondent expressed concern about leaders' perception of the organization as a group of functional entities. The VP Operations for a technology company said the following with respect to the common mental attitude of leaders at his company, “I think
there's some understanding ... but I think it still reverts back to the siloed concept at various levels. When you get to the upper levels, the executive levels of the company, it's like OK – so that's what happens inside this operational financial space, so if I'm in Engineering, I don't really have to worry about that. And you may choose to do that, and that's an initiative you're spending time on, well –we've got other initiatives that we're working on.”

An unduly narrow view of process was the other broadly perceived obstacle to progress. A VP from a major chemical company stated that “Most of the time I'm pleased with the existence of processes. Sporadically, I loathe them. You are more apt to hear that the process doesn't allow something as opposed to hearing that sure – we can handle that special request easily” (Spanyi 2005). Clearly, this respondent's view of process was at a tactical, procedural level as opposed to being at the level of an end-to-end, value creating set of activities. The COO of a major health care institution expressed concern about the fact that management tends to view processes as being solely within their own functional areas and said that a move needs to be made such that leaders understand the following, “In health care – we all have a responsibility for the whole process – no matter where we sit in the process... I think leaders have to be looking at the whole system and not just the pieces – it's back to this institutional approach. Turning tables. Working together.” (Spanyi 2005)

The combined impact of a traditional, functional view of business and an unduly narrow view of process is significant. It serves to limit process improvement efforts to cost reduction and stands in the way of developing the key, needed elements of BPM governance. The following section explores some of the underlying reasons for the persistence of these obstacles.

3 Obstacles

It is somewhat puzzling why leaders continue to cling to a traditional, functional view of business and an unduly narrow view of process (Herbold 2004). For nearly two decades, thought leaders have emphasized the need for cross-functional collaboration and for viewing business in the context of an organization's end-to-end business processes (Davenport 1993; Hammer 2007; Harmon 2003; Rummler and Brache 1995; Spanyi 2006). Yet, the pace of progress in influencing the mindset of executives has been slow. Some of the blame must be placed squarely at the feet of academia. Most universities have relegated the study of process improvement and management to the confines of their courses on operations and information systems. Essential process concepts are rarely part of MBA courses on leadership (which is precisely where they belong). Given the resistance to change in the academic world, this is not likely to change in the near future.

So let us turn our attention to other underlying reasons that stand in the way of viewing business from the customers’ point of view and establishing the needed elements for BPM governance. There are at least three important areas to consider in this respect:

- The prominent process reference models do not sufficiently address the need for customer focus and cross-functional collaboration.
- The codification of process improvement methods, Six Sigma in particular, does not sufficiently emphasize the need for the type of leadership behavior that is intrinsic to BPM governance.
- When the governance needed for sustainable operational performance improvement is addressed, it is often related to “process maturity models” and appears complex and perceived as “just too hard” to do.

3.1 Reference Models Lack Cross-Functionality
The Massachusetts Institute of Technology (MIT) business activity model and American Productivity & Quality Center's (APQC)'s process classification framework are two of the more widely known process reference models. The work on the MIT process handbook dates back to 1991, and the foundation for the APQC process classification framework (PCF) also began in the early 1990s (Malone et al. 2003; APQC 2009). Both models offer a wealth of information to organizations interested in increasing their level of process orientation. Yet, the highest-level process definitions for both models do not go far enough in acknowledging the importance of cross-functional collaboration. Instead, it is all too easy for companies to interpret these process reference models solely in accordance with traditional functional lines. Figure 1 depicts the MIT business activity model. Note how the key activity areas are closely aligned with the traditional functional departments of R&D, Procurement, and Sales/Marketing.

We observe a similar phenomenon with the APQC PCF which is depicted in Fig. 2. While the APQC PCF provides more detail on both operating and enabling business processes, the nomenclature employed is such that again these are closely aligned with traditional functional departments.

This is also an issue with industry specific process model such as eTOM (tmforum 2009) which serves the needs of the telecommunications industry, and Association for Cooperative Research and Development (ACORD) (2009), which is targeted at the insurance industry. Accordingly, it is not uncommon to see organizations define their own enterprise process models in the context of their organization chart versus the end-to-end processes that truly create value for customers and shareholders.

Fig. 1 The MIT business activity model (Malone et al. 2003)
Fig. 2 The APQC PCF (APQC 2009)

3.2 Improvement Method Deployment

The way in which process improvement methods are deployed is the second major underlying reason for why leaders continue to adopt a traditional, functional view of business and an unduly narrow view of process. Six Sigma is the undisputed leading methodology used to improve and manage processes. In theory, Six Sigma is indeed a robust method. In practice, it has some flaws. In theory, Six Sigma should be deployed to meet customer needs and strategic improvement objectives. In theory, it is focused first and foremost on improving the customer experience through defect reduction. In practice, Six Sigma is often deployed as the means to cut costs, even though lip service is paid to improving the customer experience.

A surprising number of firms simply do not get beyond the phase of deploying Six Sigma for cost containment and never reach its true potential. Simply stated, Six Sigma is frequently deployed along functional or departmental lines simply because that is the predominant mental model of leadership. Whenever Six Sigma is deployed on a departmental basis, it is observed that Black Belts are trained and assigned to the functional departments. They are then typically tasked with completing four to six projects per annum, where each project delivers around $250,000.00 of cost savings. In many instances, Black Belts receive bonuses for bringing in the targeted cost savings. This naturally leads to a narrower definition of projects, as that tends to improve the likelihood of completing projects on time and reaching the targeted goals. In other words, while the rhetoric may emphasize customer centricity, the action is focused on cost reduction, and when it comes to actual projects, there is a very high degree of reliance on the Black Belt.
This method of deployment understandably leads to a large number of relatively small projects, which in turn drives a certain degree of duplication of effort. Given the predominant practice of launching many smaller projects, it is not surprising that most projects are not very cross-functional in nature. Accordingly, some of the largest opportunities for improvement, which have to do with managing cross-functional handoffs in a different and novel way, are not addressed.

There are three key points to note here. First, as some of the largest opportunities for improvement are found at cross-functional handoffs, the firm that fails to tackle the end-to-end, cross-functional processes sub-optimizes the opportunity for performance improvement. Then, due to the high reliance of the Black Belt role, the Six Sigma methodology has done far less to codify the needed leadership behaviors. Instead of using well-defined steering teams, reliance is placed on so called stakeholders, where roles and responsibilities are not as well defined as they could be and certainly not executed consistently. Finally, whenever dozens or even hundreds of small Six Sigma projects are launched to fix the problems in one large process, there is a need for an overarching process framework to integrate results and exercise control. In the absence of such a framework, the longer-term benefits of the improvements can, and frequently are, compromised.

### 3.3 Process Maturity

The third area that stands in the way of further progress in the development of BPM governance is that it simply seems too hard to do. There exists an extensive body of literature on business process maturity models that attempts to define key activity areas. Invariably, governance is one of these key activity areas needed for increased process maturity (see Rosemann, vom Brocke 2010). The degree of complexity inherent in such business process maturity models is daunting (Table 1). Figure 1 depicts the framework for one such model.

The daunting level of complexity is not limited to work emanating from academia. Dr. Michael Hammer, considered by many to be the principal proselytizer for process orientation, released his version of a business process maturity model called Process and Enterprise Maturity Model (PEMM) (Hammer 2007). This model includes one assessment instrument for enterprise maturity and a second for process maturity. The key factors in the PEMM are outlined in Table 2.

For a more detailed discussion on process management maturity and its relations to the topics by Rosemann and vom Brocke (2010). To see how the process maturity model is applied in practice, refer to de Bruin and Doebeli (2010).

### Table 1 Dephi study: process management maturity (de Bruin 2005)

<table>
<thead>
<tr>
<th>Strategic alignment</th>
<th>Governance</th>
<th>Methods</th>
<th>Information technology</th>
<th>People</th>
<th>Culture &amp; leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Process improvement</td>
<td>Process management</td>
<td>Process design &amp; modeling</td>
<td>Process design &amp; modeling</td>
<td>Process skills &amp; expertise</td>
<td>Responsiveness to</td>
</tr>
<tr>
<td>Process architecture</td>
<td>Process output measurement</td>
<td>Process management &amp; standards</td>
<td>Process improvement &amp; innovation</td>
<td>Process collaboration &amp; communication</td>
<td>Leadership attention to process</td>
</tr>
</tbody>
</table>

There are two issues with these complex maturity models. The first is that they are indeed complex, all encompassing, and perceived as hard to do. The second is that there is simply not a strong enough link to operational performance. The size of the prize is unclear and hence the effort involved in taking action is difficult to justify for the leaders of most organizations.
A combination of three factors – lack of useable models, shortcomings in the codification of the needed leadership behaviors, and the perception that it is “too hard to do” is a substantial obstacle. Yet, some companies have made progress in installing the needed elements for BPM governance, and the next section addresses some of the relevant critical success factors in this respect.

4 BPM Governance Principles and Practices

Based on the mindset study research, it is clear that models, metrics, and management accountability for end-to-end process performance are a few of the critical success factors in establishing the type of BPM governance needed for sustainable improvements to operational performance. While there is no shortage of guidance on why companies should increase their focus on end-to-end business processes and generally on what they should do, there is little guidance on how to do it. That is the topic of this section.

The topic of BPM governance is only germane once the leadership team is committed to employing a process focus to improve performance for both customers and shareholders. So, let us assume that this intent is in place. Then, there are the following fundamental principles, essential for BPM governance, to consider:

- The highest-level process model for the enterprise must explicitly address the need for cross-functional collaboration and management accountability for the firm's end-to-end business processes.
- Operational performance must be measured from both the customer's and the company's point of view.
- The organization needs to have a plan in place that outlines the top priorities for the improvement of operational performance.
- Enabling information technology (IT) is one of the most powerful catalysts.

Table 2: The components of Dr. Hammer’s PEMM. Adapted from Hammer (2007)

<table>
<thead>
<tr>
<th>How mature is the Enterprise?</th>
<th>Leadership</th>
<th>Culture</th>
<th>Expertise</th>
<th>Governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>How mature are the Processes?</td>
<td>Awareness</td>
<td>Teamwork</td>
<td>People</td>
<td>Process Model</td>
</tr>
<tr>
<td></td>
<td>Alignment</td>
<td>Customer Focus</td>
<td>Methodology</td>
<td>Accountability</td>
</tr>
<tr>
<td></td>
<td>Behavior Style</td>
<td>Responsibility Attitude to Change</td>
<td></td>
<td>Integration</td>
</tr>
<tr>
<td></td>
<td>Design</td>
<td>Performers</td>
<td>Owners</td>
<td>Infrastructure</td>
</tr>
<tr>
<td></td>
<td>Purpose</td>
<td>Knowledge</td>
<td>Identity</td>
<td>IT Systems</td>
</tr>
<tr>
<td></td>
<td>Context</td>
<td>Skill</td>
<td>Activities Authority</td>
<td>HR Systems</td>
</tr>
<tr>
<td></td>
<td>Documentation</td>
<td>Behavior</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A number of management practices need to be put in place so as to convert these guiding principles into action.

5 Management Accountability

Any organization dedicated to the use of process thinking for sustainable improvements to operational performance will see the need to develop a high-level process model. The terms used to define end-to-end processes in this respect are important. There are three common conventions for naming processes in such models: one word (MIT, Supply Chain Operations Reference Model (SCOR)), phrase (APQC), and “from-to” (Malone et al. 2003; Spanyi 2005; Supply-Chain Council 2009). The major drawback of only using the one word or the phrase naming
convention is that the process names can easily be mistaken for traditional departments. The benefit of the “from-to” naming convention is that it explicitly addresses the boundaries of the business process. Further, it lends itself to catchy memorable expressions that capture the need for cross-functional collaboration. While the exact nature of a firm's high-level process model varies understandably from one company to the next, Table 3 illustrates the value of combining the “from-to” naming convention for some of the typical, major enterprise processes.

By indicating which functions are involved, the table illustrates the fundamental cross-functional nature of each end-to-end process. There are two alternatives to assigning accountability for the performance of these large cross-functional processes. Some companies have chosen to appoint a well respected department head (who sometimes manages most of the resources in the process and has the most to gain or lose based on process performance) as the process owner. In this instance, the process owner wears two hats – one for the function or department and the other for the process. Other organizations have chosen to appoint a full-time senior staff member as the process owner. In this latter case, the role of the process owner is to encourage collaboration among the functional leaders involved in the process. Achieving a shared understanding of the definition of the full set of end-to-end business processes is a fundamental requirement for BPM governance (Spanyi 2006).

**Table 3 End-to-end processes**

<table>
<thead>
<tr>
<th>Process Name</th>
<th>From-To</th>
<th>Abbreviation (Nickname)</th>
<th>Output</th>
<th>Functions Involved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>Promotion to order</td>
<td>P2O</td>
<td>Order</td>
<td>Sales Marketing Call center</td>
</tr>
<tr>
<td>Delivery</td>
<td>Order to delivery</td>
<td>O2D</td>
<td>Delivery</td>
<td>Operations Call center</td>
</tr>
<tr>
<td>Development</td>
<td>Concept to customer</td>
<td>C2C</td>
<td>Product or service</td>
<td>Sales R&amp;D Operations</td>
</tr>
<tr>
<td>Procurement</td>
<td>Requisition to receipt</td>
<td>R2R</td>
<td>Product or service</td>
<td>Purchasing Operations Others</td>
</tr>
<tr>
<td>Inquiries/Complaints</td>
<td>Inquiry to resolution</td>
<td>I2R</td>
<td>Solution</td>
<td>Call center Others</td>
</tr>
</tbody>
</table>

The executive process owner often recognizes the need to assemble a group of managers from various departments to work on a part-time basis as a standing process management team. It is this team that expands the degree of detail in the definition of the end-to-end process, monitors the relevant performance measures, and provides support to the executive process owner in terms of the identification and execution of process improvement opportunities. Any discussion of accountability is meaningless in the absence of performance measures. That is the topic of the next section.

6 **Measuring Performance**

Most executives would readily agree with the principle that operational performance needs to be measured from the customer's as well as the company's point of view. It is well known that customers want and expect to receive what they ordered, when they asked for it, complete and error free. The supply chain council calls this metric a “perfect order.” Customers also want and expect their problems resolved and their inquiries handled right the first time. Yet, according to the Mindset Study, the senior leadership team monitored these two metrics in only about a third of the companies surveyed. A further complication is that some of the performance indicators that customers care about are in the middle of the end-to-end processes. For example, customers want and expect timely and complete proposals. On the other hand, most companies are typically
quite clear on the major metrics of company performance. Indeed, when a leadership team selects the 5–8 key metrics to monitor week in and week out, the performance measures that are important to the company seem to dominate. Table 4 gives a comparison of the customer view and the company view for selected end-to-end processes.

Table 4 The customer view versus the company view

<table>
<thead>
<tr>
<th>Process Name</th>
<th>From-To</th>
<th>Output</th>
<th>Metrics – Customer View</th>
<th>Metrics – Company View</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>Promotion to order</td>
<td>Order</td>
<td>Orders Accurate &amp; Complete Proposals, Timely and Complete</td>
<td>Sales Revenues</td>
</tr>
<tr>
<td>Delivery</td>
<td>Order to delivery</td>
<td>Delivery</td>
<td>Perfect Order Available when promised</td>
<td>Cost/Order</td>
</tr>
<tr>
<td>Development</td>
<td>Concept to</td>
<td>Product or</td>
<td>Available when promised</td>
<td>On budget, on time</td>
</tr>
<tr>
<td>Procurement</td>
<td>Requisition to</td>
<td>Product or</td>
<td>Available when promised</td>
<td>On budget, on time</td>
</tr>
<tr>
<td>Inquiries/ Complaints</td>
<td>Inquiry to Solution</td>
<td>First Time Right</td>
<td>Cost/Inquiry</td>
<td></td>
</tr>
</tbody>
</table>

Monitoring what’s important to customers as well as the company is simply the beginning of the needed discipline for BPM governance. Executive process owners in a process oriented firm will task their process management team to identify the set of performance measures for each subprocess in the relevant end-to-end process. For example, for the end-to-end delivery process, it is important to identify the relevant metrics for the sub-processes of order entry, credit check, scheduling, packing, and delivery. Then, the process-oriented firm will also recognize the importance of the following:

- Including customer centric metrics in monthly operating reviews
- Establishing a keen focus on the top 4–7 enterprise-level metrics
- Developing the means to cascade metrics to the next level for rapid diagnosis
- Using the principal performance metrics as the foundation for recognition and reward systems
- Expressing the impact of improving process performance in financial terms

This set of management practices also equips the leadership team to estimate the size of the gap between current performance and desired performance which is valuable in terms of identifying the high potential process improvement projects.

7 Process Management Plan

Once the leadership team has a shared understanding of the definition of the firm's enterprise-level business processes and its current performance, the company can define a plan that will improve and manage the firm's large, cross-functional business processes. This plan needs to answer two fundamental questions: Which of our business processes need to be improved, and by how much, in order to achieve our strategic objectives? Who will be held accountable for this planned improvement and performance management?

The role of BPM governance also involves certain management practices that will increase the likelihood of success in deploying the process management plan. This includes the development of an effective communication plan, on which processes will be improved in what priority and why, establishing and maintaining a permanent, part-time process management team for each end-to-end business process, and assembling a small group of subject matter experts with deep skills on the various aspects of process improvement. This latter group is often referred to as a “center of excellence.”

The process management plan becomes the reference point for the process-oriented organization as it proceeds on the journey to improve and manage key end-to-end processes. It should be noted that the focus of improvement efforts is not always on the full end-to-end process. Instead,
some targeted improvement efforts may be on a specific sub-process within the end-to-end process. Table 5 provides a partial process improvement and management plan for a manufacturing company.

While improvement methods such as the Define-Measure-Analyze-Improve-Control (DMAIC) approach in Six Sigma may be useful to address incremental improvement of certain business processes, invariably there are one or two end-to-end processes that call for more radical change. That is why organizations that emphasize the development of various integrated methods of process improvement appear to have greater success sustaining a process orientation. A joint study between Babson College and The Queensland University of Technology found that “methods,” as defined by “the approaches and techniques that support and enable consistent process actions and outcomes,” was one of six critical success factors in the assessment of the degree of process management maturity of an enterprise (de Bruin 2009).

In addition, the effective use of influence is surely one of the critical success factors in the improvement and management of end-to-end business processes. The ability to influence peers is an essential skill set for process managers at all levels and particularly for process owners. This has to do with the fact that the end-to-end business processes are typically too large for any one individual to have absolute control. Similarly, the enabling role of IT, as one of the primary catalysts of change is crucial, partly due to the sheer size of end-to-end processes.

### Table 5 Process improvement and management plan

<table>
<thead>
<tr>
<th>End-to-end process</th>
<th>Process owner</th>
<th>Process</th>
<th>Goal</th>
<th>Scope of improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promote to Order</td>
<td>VP Sales</td>
<td>Responding to RFPs</td>
<td>98% on time,</td>
<td>Incremental</td>
</tr>
<tr>
<td>Order to Delivery</td>
<td>VP Operations</td>
<td>Perfect orders</td>
<td>97% perfect order</td>
<td>Moderate</td>
</tr>
<tr>
<td>Concept to Customer</td>
<td>VP R&amp;D</td>
<td>Product launch</td>
<td>100% on promised</td>
<td>Significant</td>
</tr>
<tr>
<td>Inquiry to Resolution</td>
<td>VP Customer</td>
<td>Complaint resolution</td>
<td>95% first time right</td>
<td>Moderate</td>
</tr>
</tbody>
</table>

### 8 Deploying Information Technology

The role of IT is fundamentally to enable the performance of an organization's business processes in creating value for customers and shareholders. In this day and age, practically any broad-based improvement effort relies extensively on IT. An essential role of BPM governance is to assure that IT investments are closely linked to the company's business strategy, and that the payoff from IT investments is directly derived from the specific improvements in business process performance. This will minimize the chances that technology is implemented for its own sake, and should positively impact the relationship between business users of IT and IT practitioners. The potential for IT to act as the primary catalyst for change increases in proportion to the size of the process under consideration. That is one of the reasons why improvement methods that employ dozens and even hundreds of projects of small scope find it difficult to engage IT in the improvement program.

Those organizations that recognize the potential enabling role of IT will emphasize the following as part of their management practices:

- Process improvement-related IT projects are close to the top of the IT agenda (right after compliance-related items).
- IT subject matter experts are involved early in all major process improvement efforts.
- IT subject matter experts play a role on each permanent, part-time process management team.
- IT subject matter experts are represented in the organizations' “center of excellence” for process management.

### 9 Summary
This chapter began with an overview of the results of research on what organizations need to do to effectively execute and sustain improvements to operational performance. Then, a discussion of the impediments to being able to effectively execute and sustain improvements to operational performance was presented. The final section of this chapter examined some of the management practices intrinsic to BPM governance that enable the effective execution and sustainment of improvements to operational performance. The four areas of management practice discussed in the last section are needed for BPM governance effectiveness.

References