

Shifting Management Attention

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While business process management (BPM) has been effective in improving the performance of selected business processes, many organizations still find that the success at the enterprise level continues to be elusive. Executives, BPM professionals and process owners often ask some of the following questions:

- How do we sustain our BPM efforts?
- How can we install process based governance?
- How can we better measure the ROI on BPM?
- How can BPM help our organization to become more customer focused?

The common theme that underlies these questions revolves around shifting management attention from a traditional paradigm of focusing on departmental performance to one that emphasizes performing for customers via value creating end-to-end processes. Shifting management attention is fundamentally a matter of shaping organizational culture – and while anyone who has attempted to do that knows how challenging that can be – the chances of success increase markedly once the drivers of organizational culture are understood and manipulated.

There are at least five levers that need to be manipulated to move management attention and thereby shape organizational culture: metrics, models, methods, accountability and incentives. Just as in the days of Archimedes, where objects weighing several tons were moved by applying the right amount of force to well positioned levers, applying force to these five levers in the right way can significantly shift management attention.

Process owners have a central role to play in shifting management attention. The metrics that are monitored at the senior leadership team level, the models that are top of mind, the methods deployed to improve operating performance, and extent of process based accountability and the nature of reward systems are the primary levers that can be manipulated to shift management attention. While manipulating any one or two of these levers can produce some positive benefits, optimum results are only achieved when all five of these levers are deployed in concert.

Metrics – based on measuring what matters to customers – from the outside-in - is arguably the most powerful lever. As the well known management adage states, “You can’t manage what you don’t measure,” and when an organization begins to monitor metrics such as perfect order delivery performance and first time right responses to customer inquiries and complaints – the stage is set for facilitating dialogue with the leadership team around the need for cross-departmental collaboration and assigning accountability for end-to-end process performance. Establishing the size of the gap between current and desired performance for key metrics such as perfect order delivery and variance to promise date is needed to create urgency around taking action and provides the foundation for the other key levers discussed below. In fact, in the absence of measuring what matters to customers, the efficacy of the other levers can be seriously compromised.

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In spite of the increasing use of BPM to improve individual processes, the most common model that is top of mind in the majority of companies continues to be the organization chart, and while that model is useful in depicting reporting relationships, it does little to draw attention to the products and services that the firm offers and the flow of work that creates value for customers. What's needed is a simple, high level model that can be used to shift attention from how the organization is structured to the flow of work and how various departments interact for value creation. Such a model is not only instrumental in raising awareness on the significance of cross departmental collaboration, but once customer focused performance metrics are overlaid it becomes a foundational element in shifting management attention to performing for customers.

Accountability for end-to-end process performance is the third lever that is essential in shifting management attention. For those companies that have made significant progress in their process based thinking, this can best be accomplished by appointing executive process owners for each core process. Process owners need budget and resources to effectively fulfill their role. Cross departmental service level agreements can also be useful to reinforce the notion of joint responsibility and collaboration.

The next powerful level in shifting management attention involves a conscious effort to integrate various methods of process improvement and emphasize a tight collaboration with information systems. In recent times, lean, six sigma, and lean six sigma approaches have been reduced into fairly mechanical toolsets, emphasizing process improvements at a tactical and incremental level. Accordingly, such change initiatives have sometimes had mixed success and the financial benefits obtained from the use of these approaches can be limited and/or short-lived. Integration of BPM with these improvement methods is an important lever in shifting management attention to the desired results, as opposed to the methods employed.

Aligning incentives is arguably the most commonly overlooked lever in shifting management attention. Many companies continue to structure recognition and reward systems solely in the context of traditional organizational boundaries. They do not realize that modifying recognition and reward systems to honor the people and teams who succeed in improving performance for clients is one of the cornerstones in deeply embedding and sustaining process based change programs.

While many companies have made progress on one or two of these areas, rarely do organizations use all five of these levers depicted below in Figure 1.

In part, this is due to the fact that employing all five of these levers is as much art as it is science. Also, sequence does matter. Pre-requisites include having had success on at least one large process improvement project and having at least two or three advocates of process based thinking on the senior leadership team.

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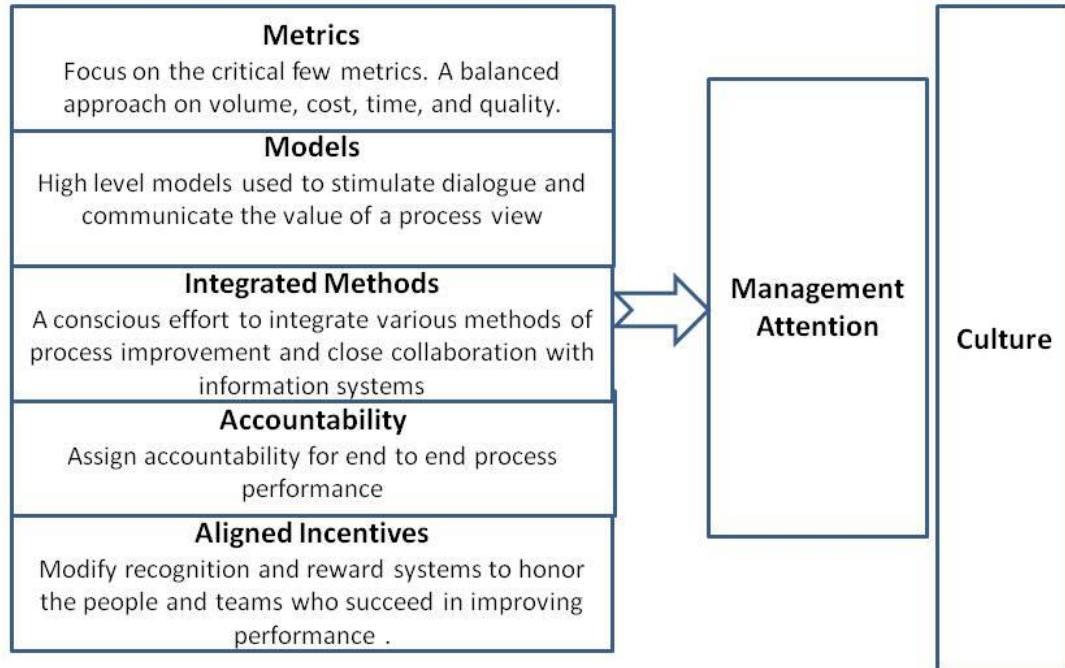


Figure 1

It takes time and effort to make progress in each of these five areas. However, the rewards in terms of customer loyalty and improved operational performance can be significant.

This article has provided an overview of the five levers that can be manipulated to shift management attention. I welcome your comments and questions.

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