

# Process Governance Best Practices: Building a BPM Center of Excellence

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## Introduction

As organizations begin to deploy enterprise-wide solutions for managing key business processes, they are encountering many obstacles and challenges associated with cross-departmental interaction and collaboration. Organizations are discovering that while *intradepartmental* business process initiatives typically execute with minimal issues, *interdepartmental* business process initiatives often become mired in cross-departmental politics, disputes, and miscommunication. For example

- A manager tasked with implementing a new contracts administration process can't get adequate user input or participation because the users' managers say they are swamped and can't assign anyone to the project team. The manager proceeds as best he can, but the project ultimately fails following a user revolt over the new process.
- An organization embarks on three major enterprise-wide BPM projects at once – a new recruiting and hiring system, a new accounts receivables system, and a new order management system – only to have the three project managers competing with each other for time and resources. Eventually, no one in the company wants to participate on any of the teams, each of which has its own schedule and milestones, rules, terminology, and process for completing their respective projects.
- The finance and accounting department released a new budgeting process last year that now needs to interact with the organization's enterprise resource planning (ERP) system. The vice president of finance and the CIO disagree on how the process should interact with the ERP tool. After weeks of wrangling, they decide to have the end users manually re-key data from the budgeting process into the ERP system.

So how can organizations avoid these familiar pitfalls when implementing business processes that span multiple departments? The key to success is to approach the BPM implementation itself as a process – a process that can be captured and automated within a governance framework.

Over the past five years, the term "governance" has gained prominence in information technology and business circles. In this context, the term is used to define the set of rules that dictate or govern how an organization must conduct a specific business function. Thus, process governance consists of the set of guidelines and resources that an organization uses to facilitate collaboration and communication when it undertakes enterprise process initiatives, such as implementing a new contracts administration process or a new budgeting system.

At Project Performance Corporation, where we have a dedicated practice for helping organizations implement enterprise-wide BPM solutions, we have uncovered five basic principles or steps for effective process governance:

1. Establish standards for implementing new BPM projects.
2. Prioritize BPM projects so that you work on the most achievable ones first.

3. Clearly define the roles and responsibilities of everyone involved in the BPM project.
4. Put someone in charge with authority to enforce BPM governance rules.
5. Establish a BPM Center of Excellence to ensure that steps 1-4 are followed on every initiative. These Centers of Excellence serve as internal practices that support deployment of enterprise-wide business processes.

These five principles of process governance provide a base foundation for facilitating the effective communication and collaboration needed to achieve success on complex process projects.

### 1. Establish Process Standards

A few years ago, the finance and accounting division of a large government agency embarked on a major enterprise-wide BPM initiative. Various teams within the department set off on separate paths to develop processes to automate key business functions. After lengthy development cycles, each team released its respective processes to production, only to realize that each had used a different standard for implementing forms. While one group used Java Server Pages (JSP), another group used electronic forms (i.e., Adobe Acrobat), and yet another group used Microsoft Word. Ultimately, maintaining these different processes became nightmarish due to the lack of a uniform standard for capturing process data from end users.

This simple example illustrates why it is important to establish uniform standards that everyone must adhere to when implementing enterprise-wide processes. Process governance should clearly document and enforce these standards.

Examples of process standards include:

- **Implementation Methodology** – Organizations should subscribe to one of the numerous process implementation methodologies floating around the BPM industry. In Roger Burlton's book, *Profiting from Process*, he defines a customer-centric process methodology that is useful for deploying processes using an outside-in approach. The Business Process Management Group (<http://www.bpmg.org>), a BPM industry group, also provides a standard methodology. Its methodology, 8 Omega, details the tasks and deliverables to be completed at each phase of the BPM project.
- **Process Modeling Notation** – When modeling processes, it is important to standardize how different activities and events should be graphically represented. Otherwise, one person's e-mail activity might be viewed by another person as a wait activity. You can choose to use Object Management Group's Business Process Modeling Notation (BPMN) or IBM's Rational Unified Modeling Notation (UML). Both standards are open and can be used within your organization at no cost. It is important to note that most BPM Suite vendors are beginning to adopt BPMN as a standard part of their modeling and design tools.
- **Development Platform** – Implementing enterprise-wide process initiatives require organizations to standardize on a set of development tools. Most importantly, this means selecting a BPM Suite platform as the standard to be used throughout the organization. BPM Suites provide the modeling, integration, simulation, and administration components needed to deploy automated business processes. Additionally, organizations should establish development standards for electronic forms and business rules.
- **Integration Protocols** – Enterprise-wide processes typically require tight integration with back-end data and other enterprise systems. It is important to decide early on which integration standards will be used to connect processes with other internal and external

systems. Depending on your specific environment, integration options include: web services, Java Database Connectivity (JDBC), Open Database Connectivity (ODBC), Enterprise Application Integration (EAI), and custom development.

Establishing these standards up front will save your organization countless hours and expense when implementing process initiatives. Without these standards, organizations can look forward to misinterpreted process models and the challenge of managing a large stable of process tools and integration components.

## 2. Prioritize Process Projects

Process prioritization is another key component of successful process governance. Process selection and prioritization criteria should be established at the outset of an enterprise-wide business process initiative. These criteria should be used to build consensus around which processes will be implemented first.

Example selection criteria include:

- **Level of Complexity** – *How complex is the proposed process?* At the beginning of your process initiative it is important to establish quick wins. If possible, avoid implementing complex processes first. Complex processes usually span three to four departments and involve a high degree of integration with other internal systems. Don't try to overhaul your company's financial management system as your initial process. Start with simple processes to build success and gain buy-in.
- **Process Reach and Impact** – *How many people will the process impact and how much pain is caused by the current process?* Initially, priority should be given to processes that represent the greatest impact to a small group of users. Poorly deployed processes that impact large numbers of users are guaranteed to derail your ambitions if the process is not well received by end users. Iron out process implementation wrinkles and hiccups on a small group of users first.
- **Executive Support** – *Is the process currently a hot topic in the executive board room?* It is important to decide how priority will be given to processes that are widely supported by the executive team. In most cases, you should give these processes priority if they are supported by a large executive contingent. When processes enjoy strong executive support, they are usually connected to a strategic or operational objective, which increases the likelihood of project success.
- **Subject Matter Expertise** – *How well documented is the process; on paper and in carbon life forms?* Priority should be given to processes that are well documented. You should also consider accessibility to subject matter experts. Are they in the same geographic location as the implementation team? Are they currently unavailable due to demands from other projects? If there is little subject matter expertise available, it will be difficult to develop clear process requirements, which could lead to a poorly designed process that is ultimately rejected by end users.
- **Process selection guidelines should list and weight each criterion.** This will create some level of transparency around how processes are selected for implementation. It is important to gain consensus throughout the organization on the slate of process selection criteria. Gaining consensus up front also minimizes the need to constantly elaborate on why a particular process is being implemented first.

### 3. Put Someone in Charge

**Executive sponsorship is the single most important ingredient required for successful process governance.** Without executive sponsorship, most enterprise-wide process initiatives lack a decisive voice capable of resolving process-related conflicts that arise during implementation.

For example, a national financial institution tapped its vice president of technology to serve as executive sponsor for a massive internal process initiative. The vice president was assigned responsibility for conducting monthly process reviews, arbitrating process disputes, and reporting progress to the company's executive management. As a result of establishing accountability at the executive level, the organization has successfully implemented several enterprise-wide processes and has broad executive support to carry out several additional process initiatives.

Within some organizations, the executive sponsor is a full-time vice president or manager that is accountable to the CEO. However, in most cases the executive sponsor plays a part-time role in addition to his or her regular full-time job duties. With either scenario, the executive sponsor must be empowered to enforce agreed upon governance rules and should have budget authority for process initiatives.

### 4. Define Roles and Responsibilities

Although the executive sponsor role is arguably the most important, it is also critical to clearly define the roles of everyone who will need to interact on enterprise-wide process implementations. As with any project, process initiatives can come to a grinding halt as a result of poorly defined project roles and responsibilities.

A perfect example of this was illustrated when an international commodities exchange began implementing BPM to streamline its customer on-boarding process. The business analyst and technical roles went undefined throughout the project. This ultimately led to the project being cancelled due to confusion and on-going disputes over whether the project was being led by the business analysts or the IT department. In truth, the project failed before it even got off the ground due to undefined roles and improperly set expectations.

At a minimum, responsibilities should be defined for the following roles:

- **Executive Sponsor** – As outlined in the previous section, the executive sponsor provides high level visibility for the process initiative. The executive sponsor has budget authority and intervenes in cross-departmental disputes.
- **Process Steward** – The process steward provides guidance and direction for a particular process. This is typically the business unit manager or director that realizes a direct benefit or pain as a result of the process. In some cases, process stewards might have part of their performance evaluation tied to the success of the process, or processes, assigned to them.
- **Process Manager** – The process manager is the person charged with leading the implementation of a particular business process. This individual is held accountable for the success or failure of deploying the business process. In most cases the process manager works closely with all members of the process team
- **Functional Lead** – This individual is responsible for leading process analysis and requirements gathering. Functional leads oversee process discovery sessions with end users and managers, in addition to modeling the process and business rules. Functional leads often work with technical leads to translate business requirements into technical specifications.

- **Technical Lead** – The technical lead oversees implementation of technical components of the process. This includes system installation and configuration, application and forms development, and back-end integration.

It is also recommended that organizations define responsibilities for *customer* and *partner* role these two constituents actively participate in process initiatives.

### 5. Build a BPM Center of Excellence

Process governance is most effective when an internal team of process managers, functional leads, technical leads, and developers are empowered to establish and enforce governance rules. This internal process practice is often organized as a “BPM Center of Excellence.”

BPM Centers of Excellence are usually chartered to accomplish the following objectives:

- **Prioritize and Implement Processes** – The Center of Excellence works with the executive sponsor and business managers to identify and prioritize process projects. As previously mentioned, process selection guidelines should be developed to help the BPM Center of Excellence rank the processes to be implemented. After processes have been prioritized, the Center of Excellence can focus on its primary objective: developing and deploying processes.
- **Maintain the Process Library** – This consists of maintaining knowledge and documentation captured for each process. This knowledge is often contained in process requirements documents, training manuals, and project plans. The Center of Excellence is tasked with maintaining these artifacts in a physical library or within a virtual knowledgebase.
- **Establish Process Best Practices** – Upon completion of each deployment, the BPM Center of Excellence conducts post-project reviews and identifies lessons learned. These reviews are used to establish best practices that can be applied to future process implementations.
- **Evaluate Process Performance** – Working with the process steward and executive sponsor, the Center of Excellence periodically evaluates the effectiveness of deployed processes. Process effectiveness is evaluated based on key performance metrics established prior to process deployment.

BPM Centers of Excellence are growing in popularity as many organizations begin to expand departmental BPM initiatives to encompass the enterprise. Centers of Excellence are most appropriate for organizations looking to deploy three or more processes that will need to interact with multiple departments.

Working closely with the executive sponsor, the BPM Center of Excellence should be assigned responsibility for defining and enforcing process governance rules. Once process governance rules have been established, these rules should be institutionalized and automated by the Center of Excellence.

### Conclusion

At its core, business process management is all about smashing departmental silos and improving cross-departmental collaboration and communication. However, in order to achieve these lofty goals, organizations must first provide a robust framework for governing how processes will be implemented and deployed to the enterprise.

As you begin implementing processes within your organization, remember the five basic principles required for effective process governance:

- **Establish standards for implementing new BPM projects.**

- Prioritize BPM projects so that you work on the most achievable ones first.
- Clearly define the roles and responsibilities of everyone involved in the BPM project.
- Put someone in charge with authority to enforce BPM governance rules.
- Establish a BPM Center of Excellence to ensure that steps 1-4 are followed on every initiative.

After working with dozens of clients on BPM implementations, we have found these five principles make the difference between project success and project failure. When implemented properly, process governance facilitates interdepartmental communication and safeguards your process initiative from becoming another casualty of internal politics and cross-departmental disputes.

### References:

[1] Burlton, Roger T: Business Process Management: Profiting from Process. Indianapolis, 2001.

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