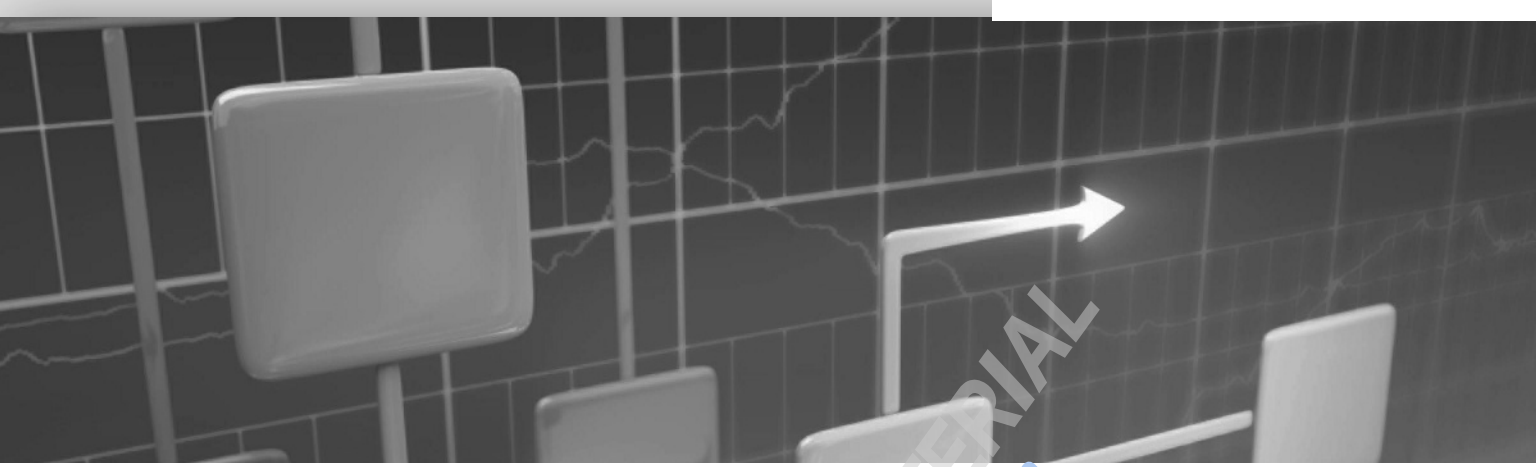
PART **ONE**



# White Space Revisited

CHAPTER **ONE**

# The Silver Anniversary of Process

## CIRCA 1985

In April 1985, we (Geary and Alan) were invited to make a presentation at the annual conference of the National Society of Performance & Instruction (NSPI)[1] because somebody had told the society that we were doing some "experimental stuff" at Motorola.

At the time Geary was founding partner of the consulting company, the Rummler Group, and Alan was a training manager and internal consultant for the Semiconductor Products business groups in the Phoenix area. Over the course of about two years, we had developed a new improvement methodology, and in late 1984 we got a chance to apply it to a business unit that was suffering from some significant delivery, product quality, and coordination problems. They were losing business to competitors. We got the senior management team to sit down and assess their way of managing the work flow. Most important, this team was composed of heads of several different business groups who had been asked to create and support this line of business but who had never acted as a coherent management team. It was during one of those work sessions that Rummler first posited the notion that the job of the team was "managing the white spaces on the organization chart."



At the time we had no name for this new methodology. During the NSPI presentation we laughingly referred to it as "our thing," like *La Cosa Nostra*, but we weren't quite sure what we had—it had started as a training program, morphed into a kind of problem-solving approach, and ended as a management "team-building" intervention, for want of a better label. But while we had the methodology and tools worked out in a primitive way, we didn't yet have any results to show.

Two months later, that changed. In June 1985, we reconvened the original team, now headed by a new senior executive, to see if any good had come out of the effort. It turned out that cycle time had been cut from fourteen weeks to seven weeks in nine months. The business—addressing a vital new segment for the sector—had turned completely around, and now the competition was chasing them.

That was the beginning. We had invented and then evolved the first systematic process design, improvement, and management methodology. Yes, we recognize that many other pioneers made great contributions to the field of what is now "business process management" (BPM)—among them, Frederick Taylor and W. Edwards Deming—long before us. But their ideas were adopted mostly by manufacturing companies, and *process* meant the production process. It was not until the 1980s that the business process movement—meaning design, improvement, and management of all important processes inside organizations—took hold, and that, in our view, was the beginning of BPM.

Our methodology was eventually employed in most of the major business units at Motorola, then was married to Motorola's version of TQM and rolled out in the late 1980s as Six Sigma. By 1990, "our thing" had had a major impact on the transformation of Motorola from a company with quality problems to a world-class leader in innovation and continuous improvement. In 1990, A. William Wiggenhorn, founder of Motorola University and the man who had brought Rummler into Motorola, estimated that the impact of these improvement efforts came to $950 million in savings for what was a $10 billion company at the time. During our years there, revenues tripled.[2]

Along the way, we had both invented and proved the benefits of an improvement methodology that yielded tangible business results with often startling speed. By the late 1980s, the methodology was being endorsed by the CEO on down, and Geary, as a member of the Motorola Management Institute from 1984 to 1995, taught the key concepts and approach to a generation of senior to midlevel managers.

Not that the path to success was always swift and smooth. At first we did not know how to describe this new approach to improvement nor how to educate clients on the importance of processes. The most receptive areas at first were in manufacturing, where TQM was practiced and the concept of process was familiar (although everyone meant the manufacturing process only, not the larger business processes); outside of manufacturing, the notion of process was entirely foreign. Gradually, though, we learned to articulate the benefits of a process view, and we gained adherents one by one.

During that period, Motorola was the most fertile ground for this pioneering work, but there were other takers. Geary built out the methodology as he also did work with other large corporations, including Ford, GTE, Douglas Aircraft, GM, GE Plastics, Sherwin-Williams, Ryder Truck, Capital Holding Corporation, Hillenbrand Industries, Sematec, and VLSI.

### Characteristics of the Approach

What made the methodology work so well? There were several characteristics of these early projects that we think made all the difference:

1. Our process improvement projects at Motorola were conducted directly with the senior executives of the business units where we operated. Instead of having intermediary teams of specialists and lower-level managers on "design teams," the executives functioned as

both "process owners" and designers in what we called an Executive Process Improvement Project. That is one reason why results were often achieved so quickly. Instead of months of analysis, process modeling, and commitment building with midlevel executives and other stakeholders, the people with the power to make things happen were the ones who had designed the improvements and wanted them implemented post haste. There was little time needed to create consensus and seldom much resistance. These people had competitive pressures and were serious. (We note that when we went to other companies, we ended up creating design and steering teams because the Executive Process Improvement Project was a hard sell.)

2. The focus of the improvement projects was on critical business issues such as total customer satisfaction, value creation, and growth of the business. These were issues that executives cared most about and would put their energies into addressing. We didn't do "process work" merely because it seemed like a good thing to do; we did it only in service of a burning business issue.
3. Because of the focus on critical business issues, the processes that we helped to redesign tended to be the core, value-adding processes that create and deliver products and services right to customers. We were not buried in "enabling processes," although we often dealt with them in order to make them more effective in serving the core processes.



### Assumptions on Which We Built the Approach

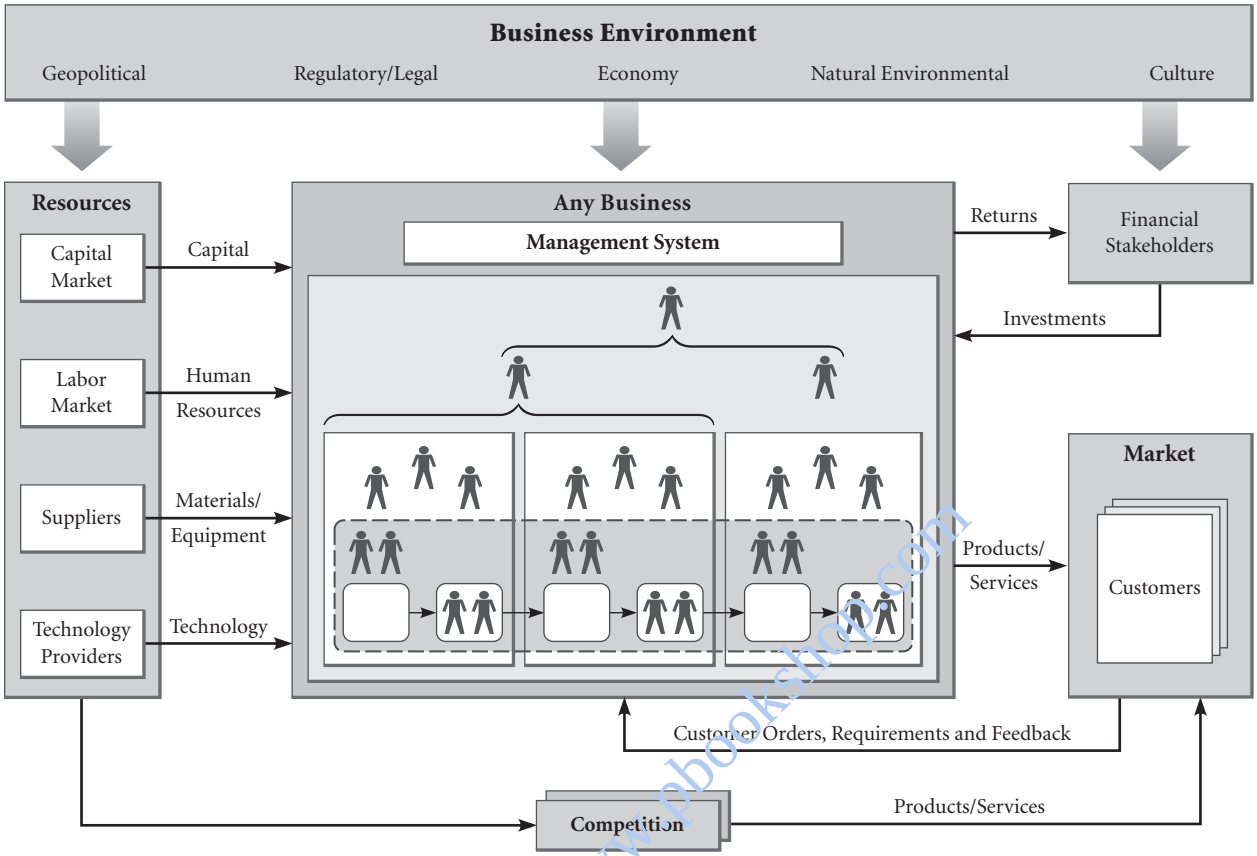
The process improvement methodology that started at Motorola went through innumerable upgrades throughout the 1980s and 1990s as we, with our clients, learned more and more about process design, discovered additional tools and techniques, and covered greater ground in the quest to make it a comprehensive approach for change. In the early years, for example, there was no material on implementation. We relied on our clients to install their redesigned processes, and many did so, but some stumbled hardest at the point when the design work was complete but the organization at large had not accepted it. We added an additional phase to deal with implementation and change management.

There were, however, some basic assumptions about processes and organizations that were used in developing and applying the methodology, and they have proved to be true over the decades.

### 1. Organizations as Systems

We believe that every organization, public or private, is a system of interdependent parts and is subject to systems logic. The concept of systems applies at any level of a given organization, whether it's an entire enterprise existing within a larger, super-system of market, environmental, and competitive forces, or a business unit or even a single department, existing inside as a system within systems. Figure 1.1 is a diagram of any business organization sitting inside its super-system.

**Figure 1.1** The Organization as a System






There are several corollaries to this assumption:

- Every organization is a dynamic processing system, composed of inputs, outputs, and internal processes that transform the inputs into valued outputs. Therefore, every process exists as part of a network of interdependent processes, each playing a role to produce value, manage the production of value, or support that transformative work. This means, among other things, that a single process cannot be effectively redesigned without a clear understanding of the other processes to which it is connected and to the organizational system of which it is only a part. And often, in order to address the deficiencies of a given process, we had not only to understand the larger system in which it resided, but to make improvements in the larger system.
- Every organization must be an adaptive system, continually monitoring the larger super-system and making small and large adjustments to be successful or even to survive in the long run. The critical business issues that were addressed by our process improvement projects at Motorola and other companies were all traceable to something in the super-system

and the need for adaptiveness. The issue might be customer dissatisfaction with delivery times, poor product quality, the need to grow a market segment—the critical business issues were always an expression of the company's need to be more responsive to some changing condition or its own wish to change the competitive landscape.

### 2. Processes Are About Work

Process work is all about defining and managing work. The notion of "process" has turned out to be the best way to articulate the work done in organizations, and that is why it has outlasted its days as a management fad and now is a generally accepted concept for understanding and designing organizations.

### 3. Three Levels of Performance

In order to achieve sustained high performance, an organization has to plan, design, and manage performance at three levels: organization, process, and job. We focused on process improvement because we knew that processes (being all about the work) had the greatest leverage for change, yet they were the least understood, defined, or managed. But the implication of this assumption is that even though our process improvement work was aimed at the middle level, we well understood that process improvements had to be linked upward to organizational goals, plans, and structure, and downward to the daily activities performed by individual performers.



## MILESTONES SINCE 1990

Since 1990, process has followed a trajectory that took us by surprise. In the 1980s, our heads were mostly down, doing this kind of work in a few companies because we saw the results yielded and we were personally convinced of the value. We didn't realize that the time had come for an explosion of interest in process.

In 1990, Geary Rummler and Alan Brache published *Improving Performance: How to Manage the White Space on the Organization Chart*.[3] The three levels of performance and the negative effects of functional silos were guiding themes of the book, and much of what had been learned at Motorola was contained in the examples. The book took off immediately, and our business grew phenomenally overnight, because we had about the only thoroughly developed process improvement methodology available. We were invited into many different industries and built up our own knowledge of process very quickly in the early 1990s as major corporations, especially those looking for innovative solutions, discovered us.

We were also discovered by competitors: other consulting companies began attending our public courses and then putting out their own offerings. Suddenly everyone was an expert in process. But generally it was an exciting and inventive period; many people realized the value of process thinking and began to explore the subject and contribute their own ideas. We were adding people to the staff from many different functional disciplines, because we were finding

out that the arena of process is multidisciplinary, and that people from areas such as Finance, IT, Marketing, and Sales had as much to contribute to process improvement as the manufacturing and engineering folks we were used to working with. And so gradually, "process" evolved into "business process," and "process improvement" expanded to include ideas about "process management."

### Reengineering

In 1993, Michael Hammer and James Champy published *Reengineering the Corporation*, and it hit the business world like a thunderclap.[4] Boosted by great attention in business magazines, reengineering became an overnight sensation; the world of process would be drastically affected.

For us, the early effects were mostly positive. We got a great deal of business from companies looking for "reengineering" help and knowing only that process had something to do with it. We had a reputation for providing solid methodology. We also got a lot of business from Hammer's dictate that one should simply rip up the current organization and start with a clean sheet. We were sought out by clients who had tried the clean-sheet approach and had gotten into deep trouble as well as by skeptical organizations that wanted a more thoughtful methodology. In reaction, we developed an early model of "process maturity" and argued that one should always understand the condition of an existing "is" process before deciding how much surgery is required.

The much greater—and worse—effect of the reengineering fad, however, was its eventual association with downsizing. Several prominent consulting firms began calling their work in cutting costs and headcount a "process improvement approach." One was known for a "brown paper" exercise that appeared to be similar to some of our techniques of mapping business processes on large sheets of paper and analyzing them with design teams. The truth, though, was that we rarely used process improvement for cost cutting or headcount reduction. Far more often, the critical business issue with our clients was business growth. Unfortunately, everyone in the process business for a time was tarred with the brush of the downsizing movement, and the field went into a negative tailspin.



### Six Sigma

In the late 1990s, Six Sigma surfaced as another trend related to process. After Motorola won the first Malcolm Baldrige Award in 1988 and began hosting huge numbers of benchmarking teams from other companies, the Six Sigma approach was adopted by such companies as Allied Signal and GE. It was a gradual expansion, because Six Sigma requires a daunting amount of discipline and investment and could not spread nearly as quickly as the concepts behind reengineering.

Yet despite the obstacles to adoption, Six Sigma has evolved into perhaps the most widely accepted version of BPM practices of any available. A great many companies not involved in the process movement of the 1990s are now ardent Six Sigma practitioners. There are critics

of Six Sigma, of course—those who have published research showing a high rate of long-term business failure among Six Sigma companies and those who suspect that Six Sigma can lead to organizational ailments like rigidity and loss of creativity. But it is hard to deny how powerful and widespread has been the impact of Six Sigma, regardless of its potential drawbacks.

We have thought it kind of a shame that the label of "Six Sigma" ever got attached to the methodology. Certainly, from the name, one would assume that it's all about statistics, and while that is certainly part of the story, the approach to process improvement that was practiced in the mid-1980s at Motorola, as we described earlier, was on addressing critical business issues and getting results.

But unfortunately, as practiced today in some organizations, Six Sigma doesn't look a lot like the original version. For example, today one of the chief goals of some versions of Six Sigma is to choose and certify a cadre of Six Sigma "black belts" to organize and conduct multiple improvement projects. The emphasis is on getting a project and getting certified, which leads to keeping the scope of projects small (seldom if ever taking on a large, cross-functional core process) and creating projects unconnected from each other and not driven by a strategic focus. One of the single big projects we conducted in the 1980s would likely be chopped up into several small projects today, with diminished results.

In addition, the practice of Six Sigma seems to have become a specialty and even a career choice. One supposedly has to be "black-belt" certified to do this work, which distances it from the people who perform the process or manage it. And the cloning of many black belts adds to that aura of needing a special class of people to do process improvement. Contrast that to the situation at Motorola. At one of the sites that Alan supported in the mid-1980s, there were three major business divisions plus five manufacturing organizations and two design engineering houses. The employees numbered about 5,000. They were supported by *one* statistician—who, by necessity, was an advisor, not a project leader. The improvement projects were performed by line people who were experts in their own processes. There are still organizations that approach Six Sigma in this fashion, but there are so many variations of Six Sigma today that it is hard to know what a company claiming to be a "Six Sigma organization" might be doing unless you can see them in practice.



### Process Management/Governance

The concept of process management, or ownership, was described in *Improving Performance* as "someone is looking at and taking action to improve the performance of an entire cross-functional process."[5] Our notion was that process management is a senior management role, with a focus on addressing major "white space" issues. At Motorola the responsibility for process management was the same thing as responsibility for the performance of an entire business.

In the early to mid-1990s, it was rare to encounter an organization that had implemented process management, and if one did, it tended to be in the form of a council of senior managers, abetted by improvement specialists, that assumed collective ownership of the core processes and would meet occasionally to prioritize improvement efforts. But the idea gradually

spread, and today many companies have adopted their own brand of process management. But never did we imagine how the concept could be misinterpreted.

We have been invited into some organizations that have appointed dozens of "process owners" for nearly every type of process, no matter how insignificant. The role is often assigned without any clear definition of the purpose or the responsibilities. In some companies, "process owners" are in reality staff employees who do process design and improvement efforts but are distant from the responsibilities of getting the work done. Inevitably, the concept either dies a quick but embarrassing death because nobody knows what to do, or it leads to turf battles between process owners and line managers over who is in charge of process performance (and performers).

We had never envisioned process management as a shadow "governance" structure laid on top of the line organization. Instead we had seen it as viable only if assumed as an additional role by a senior manager with existing responsibilities relevant to the process ownership role (for example, he or she was the manager of one of the key functional areas participating in the process). And we saw process ownership as necessary for only the big, core processes that deliver value to customers, but not for all the enabling processes and sub-processes.

The idea of process management still has value—and in fact, we think it is the very key to effective performance of an enterprise—but it needs to be cleaned up, redefined, and separated from all of the bad interpretations applied to it.



### Process Documentation/Repositories

In a similar vein, the idea of mapping a business process has evolved into a cottage industry. There is no denying the considerable value to an organization of defining its processes, documenting them in some consistent fashion, and making the documents available for a variety of uses, such as training, measurement and management, and improvement. But we have run into organizations that have spent all of their efforts in documentation alone and have turned it into such a specialty (especially by applying hard-to-use kinds of modeling software) that nobody except the documenters understands or uses the process documents.

In one organization we visited, a special team of highly skilled engineers had devoted years of effort in creating some *5,000 pages* of process documentation in hopes of achieving a certain level in the CMMI process maturity scale. But in answer to the question, "Have you ever done any process improvement?" the answer was no—too busy creating the documentation. Furthermore, it turned out that the line departments weren't using those documents either; the documents were too cumbersome to access, read, or keep up to date. So the process maps did not represent the work at all.

In addition, we have seen a great deal of effort and money spent in trying to put this documentation into repositories so that the documentation can be accessed, referenced, and updated by others. Often these efforts engaged knowledge management professionals who brought techniques for cataloging and controlling the documentation. But despite these well-intentioned efforts we have seen little evidence of effective strategies to ensure the quality of documentation, encourage use by others, and identify and incorporate changes.

Advances in repository software capabilities have helped bring a much-needed hierarchical structuring to the process documentation. But organizing the documentation this way doesn't resolve one of the greatest fundamental challenges: the lower the level of documentation, the shorter the shelf life and the greater the maintenance requirements. So what we often find in organizations is a library of historical process documentation that almost always requires validation before it can be trusted as a statement of what is truly the current practice and is typically only referenced by a handful of "users."

What has tended to fuel this fixation on process documentation are the requirements of programs like ISO 9001 and its descendents, and CMMI and the burgeoning varieties of process maturity models. And to make this tendency worse, the powerful process modeling tools now available can make it relatively easy for people to create great mounds of process documentation—for some reason or other.

Don't misunderstand—we think you should define your processes, which means capturing the current practices and then designing the "should" version—but that means doing documentation with a purpose, and the purpose should shape what and how you document and should also dictate some requirements for usefulness.



### Sarbanes-Oxley

Passage of the Sarbanes-Oxley Act in 2002 spurred a renewed interest in process long after the negative effects of reengineering and downsizing seemed for many companies to have taken a fatal toll on the whole concept. But "process" had never really disappeared, and when Sarbanes-Oxley was suddenly mandated—especially with its Section 404 requirement that CEOs and CFOs must certify that they have an effective system of internal controls over financial reporting and must report on the effectiveness of those controls at the close of each fiscal year—process mapping and management came roaring back. Many companies recognized that the best way to find out whether they had controls in place, and to design them in if they were lacking, was to employ a process approach.

Admittedly, much of the effort expended was in simply mapping processes as they existed, with very little improvement and very little questioning of business need, but Sarbanes-Oxley did serve to bring back an interest in process in companies where it had languished. And in companies where process thinking had never taken hold before, Sarbanes-Oxley was that critical business issue that generated an interest.

### Automation

The biggest driver for process these days is the impact of information technology on process. Automation has always been there, of course, and has been one of the standard options for streamlining or improving a business process. Technology has generally been viewed as an "enabler" of performance, helping the human performer do the work more efficiently. But the acceleration of new developments in technology since the rise of the Internet in the mid-1990s is turning the integration of technology with business processes into a major strategic

issue. Many companies today are increasingly relying on technology to provide their avenues to market, their distribution system, their supply management, their creative edge. And today some processes are so automated that it probably is inaccurate to think of technology as merely an enabler; it has become a performer of the work itself, sometimes alone and sometimes in support of human performers. There is hardly a process to be found that is not to some degree entwined with technology.

This development has pushed the CIO into a role of strategic thinker and collaborator with the CEO on how to engineer a successful enterprise. At lower levels, it has caused many IT organizations to become aware of their relationship to process, and, in some cases, to become the stewards of "process excellence" in their organizations.

There are some specific historical reasons why technology has become so prominent in the process space. We discuss a few of them next.

### ERP Systems and Y2K

In the 1990s, ERP (enterprise resource planning) systems became widely popular, solving some vexing corporate problems while causing new ones. It made great sense for many companies to adopt a rigid, standardized set of software to execute their myriad everyday administrative processes; however, that same standardization was not such a hot idea when applied to the important processes in which competitive advantage potentially lurked—and who could know what processes were tomorrow's competitive edge? But ERP systems locked you into one way of performing a process—reversing the conventional wisdom that an organization should first design its business processes and then automate them. Nonetheless, the widespread adoption of ERP systems hastened the dependence of business processes on software systems.

The other factor to strengthen the process–software tie was Y2K, the supposed threat of catastrophic computer system failure at the end of the twentieth century that caused a mad scramble of organizations large and small to build in preventive measures to protect their computer systems from crashing. (Must have worked.) And it did make processes and systems that much more interdependent.



### Workflow Modeling/BPMS

Workflow modeling tools have been available since roughly the 1980s, but it was not until the mid-1990s that the offerings became robust enough for business to pay attention. It has always been a dream of process designers to take all those sticky notes on rolls of paper and turn them into something easily navigated, changed, tested, and updated.

Some of the most prolific users of workflow models were Business Analysts, who used them to identify requirements as part of systems development efforts. This application of the toolset typically involved modeling the work that surrounded the system, a very worthy objective. But the resulting documentation was often referred to or confused with process models simply because the tools and the formats were the same. The assumption was that because we can document a work activity using workflow modeling tools, it must be a process.

Over time, an entire industry grew up to provide workflow modeling tools, and organizations of providers and users have been formed to agree on rules and conventions for their design. This has led to an increasingly robust but complex range of functionality and conventions that has resulted in a fundamental schism between the tool experts and power users who can build and interpret the models and the people who perform and manage the work (and ideally the users and maintainers of the models). This schism is a large barrier to institutionalizing the use of workflow models in organizations. Today's BPMS offerings do all kinds of valuable and attractive things; the issues today have to do with too much functionality, too much complexity, more bells and whistles than anyone really needs, and the basics—of creating, changing, and saving process maps—still too difficult. But progress continues, and we are hopeful that the usability of workflow models will improve.

## GENERAL RESULTS

So where has the process/process management movement gotten? Despite some real results here and there, and despite our own role as practitioners, preachers, and believers, we think the movement has not reached its real potential. When you look critically at the current practice of process, you see challenges abound.



### IT/BPM Challenges

IT has somewhat taken on (not always by choice) a leadership role in the process movement. But it is facing major obstacles:

- The approach that IT is taking to development of technology solutions is largely functionally focused. They respond to requests from Operations or Finance or Sales or Engineering, and they do their best to deliver functionality to meet the specific needs of the requesting organization. The problem is that the many different solutions don't add up to a coherent system of enabling technologies, but just a hodgepodge of applications and databases that become ever more complex and prone to breakdowns. Even so-called enterprise (ERP) solutions are functionally focused.
- There continues to be a fixation with bringing in the latest technology that fascinates the technologists, rather than starting with the organization's strategies and then figuring out how technology can enhance or improve the organization's ability to accomplish work and deliver results.
- Many IT organizations are not aligned effectively with the businesses they are supposed to be serving. For example, the role of Business Analysts is to play an interpretative role, bringing the requirements of business to the IT development specialists and helping them build solutions that meet business needs. Instead, some Business Analysts have been co-opted by the IT organization's own internal goals and practices, and they spend most of their time negotiating with business in an endless cycle of requirements rewrites.

### Process Improvement Wars

Another issue preventing process and process management from reaching its potential is the battle for control of this discipline. We know of many instances of staff organizations fighting over leadership of process improvement. The reasons for these conflicts vary, but here are a few examples:

- A Fortune 50 multinational firm, with fifteen strategic business units and eighty additional business units, in operation for more than 100 years, had accumulated ten distinct internal consulting groups, including:
  - Supply Chain Management
  - PACE (an accelerated new product development and introduction process)
  - Six Sigma
  - Process Reengineering
  - Organization Effectiveness (OE)
  - Statistical Process Control
  - Strategy Development

In the beginning, these groups, housed in various headquarters staff functions, all worked independently and competed with each other for project work from the line organizations. It was not uncommon for three or four of these consulting groups to be simultaneously pitching their particular expertise to the same business unit. Then, after numerous complaints from line managers about the redundancy and confusion of all these consulting units, they were centralized under one corporate executive. This individual, however, uncertain how to proceed, made no effort to build a conceptual framework that would have provided a logic or rationale for distinguishing among the units, integrating any of their offerings, or consolidating them. As a result, nothing changed. The units remained self-supporting to some degree and continued to compete with each other. In fact, they got worse. Shortly after the reorganization, a big blow-up occurred when four units independently submitted proposals to help one business unit address an operational issue. Its frustrated general manager called representatives of all four proposing units to his office and told them he wanted nothing more to do with them until they returned with an integrated proposal. His rationale was that it wasn't his job to figure out the best solution to his challenge—that is what they were paid to do. But this kind of situation continued to happen again and again, until the budget of this centralized staff group became a highly visible target and the entire group was disbanded. A few survivors found work in specific strategic business units, but the company as a whole was robbed of the expertise that it needed and had been paying for but not getting.

- A large financial services company undertook a major effort to upgrade the company's entire technology, with the goals of eliminating dated and overlapping systems and integrating tools and databases for better employee performance. A prominent technology vendor was hired, and a program office was set up to oversee the initiative. However, inside Operations, work was already underway to meet Sarbanes-Oxley requirements and improve processes by mapping core processes. The IT vendor first got in the way of this effort by staffing up several internal teams and insisting that many of the business people involved in the Sarbanes-Oxley effort switch their attention to the technology transformation. Things were made worse when the IT vendor disparaged the tools being used to capture processes (that is, typical cross-functional process maps) and instead insisted on using its own IT-centric toolkit. It was a process notation war that went on for months and was settled only when the first technology release was so abysmal that the vendor was unceremoniously booted out and the business took over the transformation effort, blending it with the process improvement initiative. But meanwhile, the notion of "process" took a beating.

### Big Crashes and Burns on the "Process-Managed/Process-Centered" Highway

As a long-term objective for a company, becoming "process centered" (or "process managed" or "process driven") is a laudable aim. We're not always sure what a given company might mean by the term, but our interpretation of becoming a process-managed or -centered organization means recognizing and treating processes as one of the most important components of the organization; processes are the means by which work is accomplished and value is created—in other words, processes are essential to any organization's purpose. So becoming process managed means carefully defining, designing, supporting, and managing one's processes. A fair number of companies we know have decided to become a process-managed/process-centered organization. What we haven't seen is much success in getting there. To wit:



- A consumer services organization created a large "process excellence" department, hiring dozens of people with strong experience in process improvement, Six Sigma, reengineering, and the like, and attending this activity with great hoopla and promises of good things to come. To get them all "on the same page," the new folks were sent individually or in small groups to a very well-known provider of seminars and certification in all things process. This action took place over months, at great expense. But meanwhile inside the new organization was utter chaos, with no coherent plan of action, no methodology for identifying clients or issues or areas of focus. So after months of embarrassing floundering around, the department was dismantled and its members disbursed to other areas or sent out the door. Result? The less said about that, the better.

### Business Process Architecture Is a Good Idea, but . . .

Essential to becoming process managed is to define the organization's business process architecture. A business process architecture is a clear picture of an organization's business

processes; their purposes and relationships in producing value; their link upward to organizational strategy, objectives, and requirements; and their link downward to human performers and supporting technologies.

In our early years of doing process improvement, when we focused largely on single cross-functional processes, we created pictures we called "process relationship maps" that would identify the process targeted for improvement along with its upstream and downstream processes, its enabling processes, and the management processes that provide guidance. So we always had a kind of "architecture" view, but in recent years we have come to recognize how important this view of the organization is. One cannot hope to transform a complex organization by addressing one process at a time (the exception being a small company that may have a single product or service and therefore a single core process that constitutes the guts of the organization). One has to comprehend the "organization as a system," which means understanding all of its processes; effective lasting improvement may require redesigning much or all of the process architecture. The ideal scale of this work has increased in our own practice, and we believe that improvement on this larger scale is the preventive to Hammer's message that "70% of reengineering projects fail." However, this is the current reality:

- There is very little evidence that companies have defined their business process architecture, and few see why it's of value to do so. This doesn't mean they are not doing process work; they are often madly generating process maps and doing Six Sigma projects, but they have not cast a net on all this activity with a picture of the business architecture—redesigning parts of the elephant without seeing the elephant.
- Where a business process architecture of sorts is being created, it is being done by the Enterprise Architecture function, so ipso facto it is a technology-oriented view, not a business view, and it is owned by IT, not the business leadership, so the value of such a picture is hard to grasp for anyone other than an Enterprise Architecture type.



### BPM, but . . .

Somewhere along the way, process modeling software vendors adopted the term "business process management" for their wares, and they have invested so much in the term that a lot of people hearing "BPM" today automatically assume you are talking about the software.

But it is hard for us to see the *M* in BPM. Yes, today's BPM suites offer some amount of functionality to amass and report performance data, but they offer little of anything that could be called process management. The management work of planning and designing performance, providing and managing the resources and support to performers in the process, diagnosing variances and making critical adjustments, deciding whether a process should be improved, discarded, or replaced—all these chores can be aided with good tools that help

make data readily available and easy to understand. But it is a major mistake to confuse the assistance with the management.

In a similar way, the ability to simulate process performance can be a very helpful aid in understanding how a process design will work once implemented, but the simulation capability does not by itself guarantee you a good process design—much less one that might be highly innovative and change the rules of a competitive game. Technology cannot substitute for human inventiveness and human intelligence applied to business problems—not yet, anyway, and probably not in our lifetime.

BPM would be better off calling itself what it is: business process technology. In this book, we try to be very clear about what we view as process management.

## CLOSING POINTS

Process has most certainly evolved over twenty-five years, with great progress and impact in some respects but also with bumps along the way. Despite our admittedly dim view of some of the goings-on in the process world these days, we remain convinced that

1. Process/process thinking/process design/process management are essential to all organizations. We believe that, indeed, process is the most valuable insight into the nature of work and organizations in the past hundred years.
2. Process is here to stay, having outlasted its period of faddism and its many misapplications. It is now imbedded in business school curriculums as something every business professional should know. It has proven its worth.
3. There is, however, a better way to go about this work, a way that circles back to our original assumptions of the organization as a system, of processes being about the work, and the three levels of performance—but updated with numerous insights since *Improving Performance* was published.
4. What Motorola—and other practitioners that achieved large-scale successes with process improvement—were focused on was value creation. In hindsight we have realized that they understood that the business is fundamentally about serving customers in the most effective possible way with superior products and services, and that you cannot achieve that best-in-class service through downsizing, cost reduction, or other techniques that merely delay the inevitable.

The key questions for any process practitioner are (1) Where are you right now in your search for process excellence, and (2) where are you headed? We think that even if right now you may be buried down at the sub-process level where you may have little impact on business results, there is a pathway you can follow to move up the "process evolutionary path," if

**Table 1.1** The Scope and Range of Process Work

| *Process Scope* | *Definition/ Documentation* | *Process Design* | *Process Redesign/ Improvement* | *Process Management System Design* |
|---|---|---|---|---|
| Enterprise/Business Model | | | | |
| Value Creation System | | | | |
| Processing System | | | | |
| Process | | | | |
| Sub-Process/ Task/Sub-Process | | | | |

you will. That path is illustrated in Table 1.1, which moves up in scale from sub-process at the bottom to single process to multiple processes to the whole "value creation architecture" (a term we explain in Chapter Two) of a business to the entire business design. For the moment, the cells in this matrix are blank, but we will fill them in throughout the remainder of this book as we explain the approach we think can help you maximize the power of process in your own organization.