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CONSULTING

Business Process Driven Transformation through BPM

Insights and Practices

Imre Hegedus

IBM Business Agility in Action | The event series on BPM, SOA, and Application Integration
MELBOURNE – CANBERRA – SYDNEY 2011





Business Agility is the ability for an enterprise to make quick decisions, to know their likely impacts, and have confidence in their sustainability.

Business Process Management (BPM) provides for some of the key capabilities to do just that...

Business Agility in Action

The event series on BPM, SOA and Application Integration.

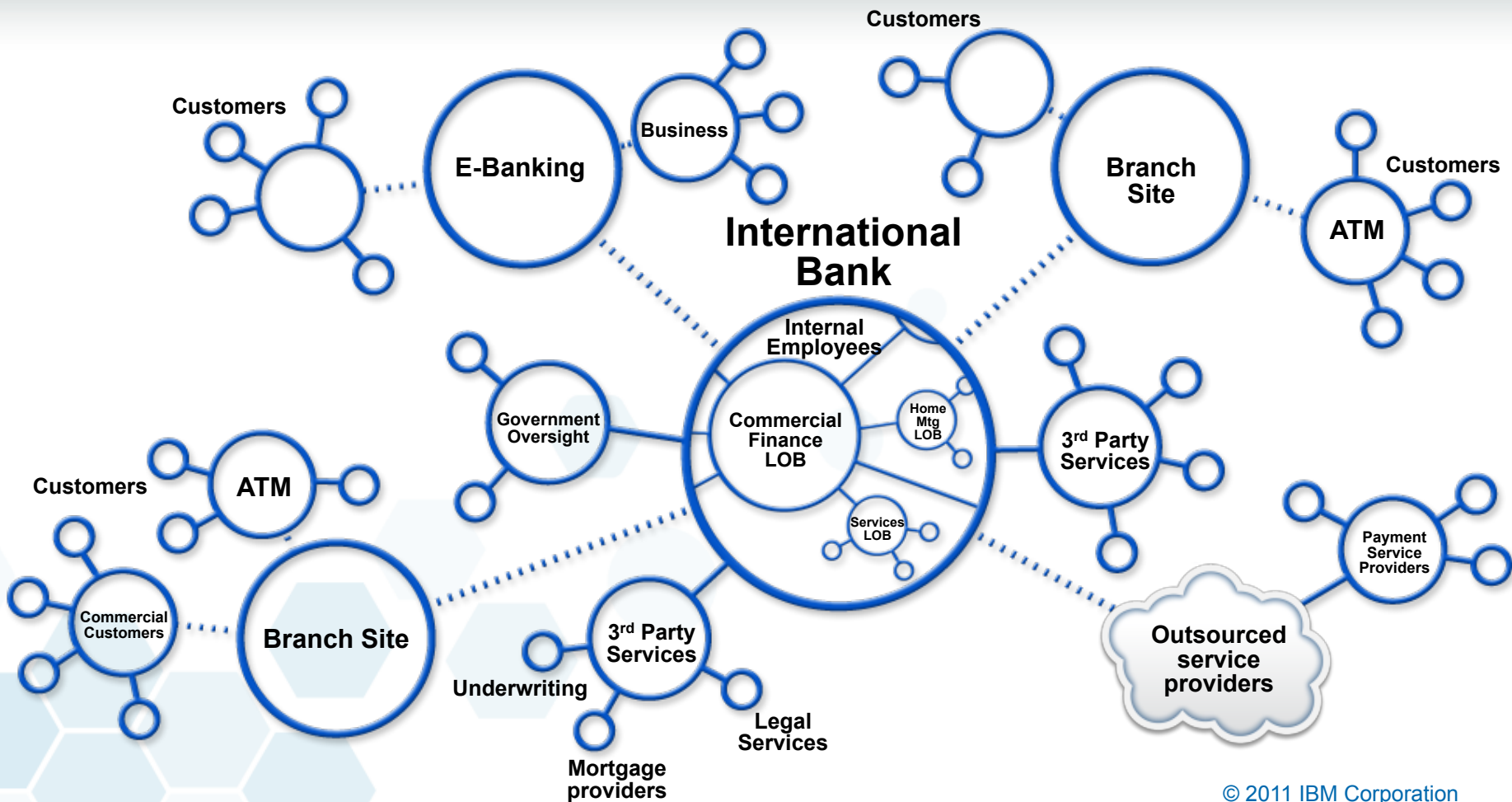
Business Agility requires a different paradigm of the enterprise view



- **Business agility** is the ability of a business to adapt rapidly and cost efficiently in response to changes in the business environment.
- One type of enterprise architecture that supports agility is a non-hierarchical organization without a single point of control.
- Agility is a concept that incorporates the ideas of flexibility, balance, adaptability, and co-ordination under one umbrella.
- The **agile enterprise** is an extension of this concept, referring to an organisation that utilises **key principles of complex adaptive systems** and complexity science to achieve success.

http://en.wikipedia.org/wiki/Business_agility

The IBM view of the Modern Enterprise... ...a complex system...



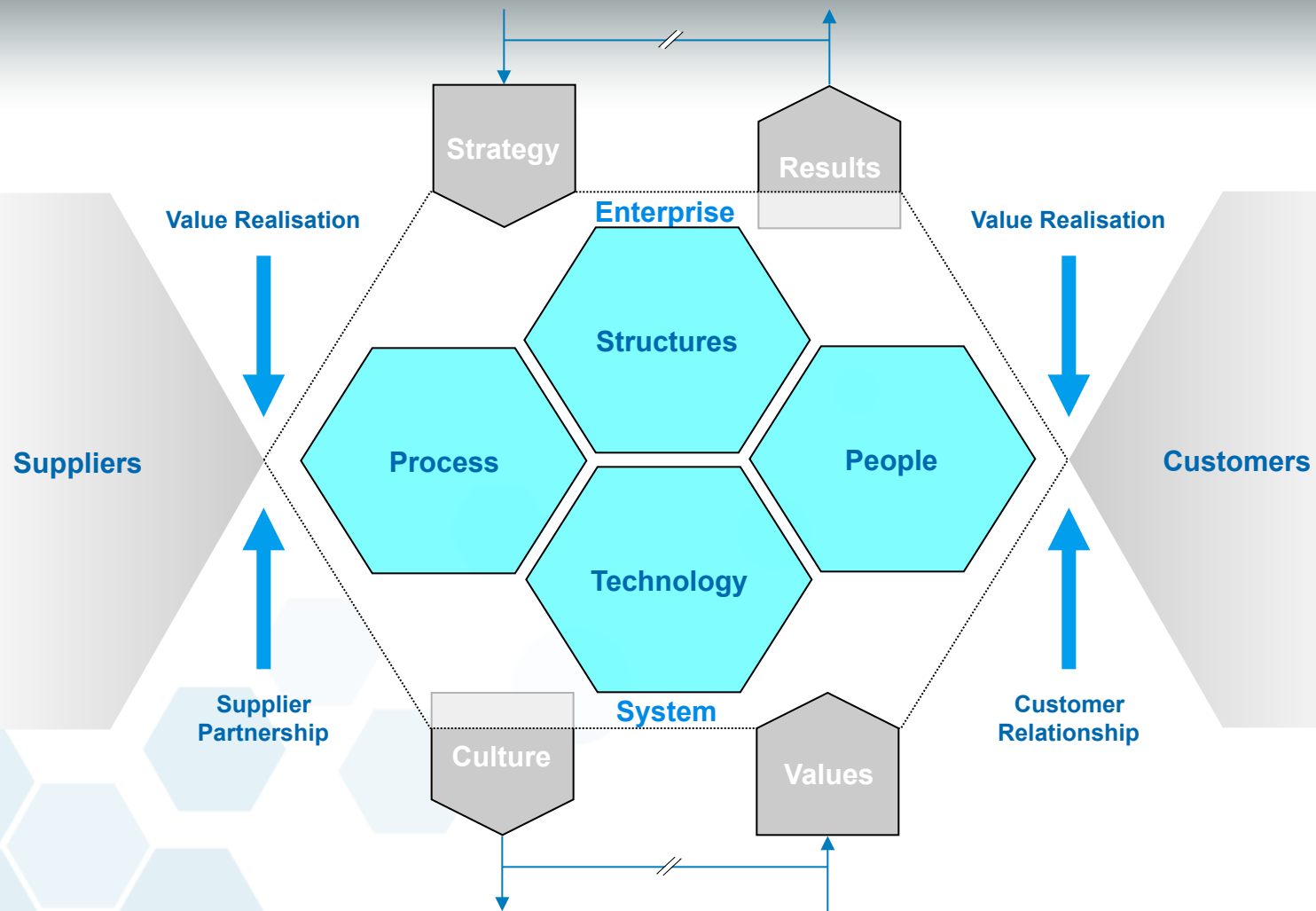
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The Enterprise as a Dynamic System

The Organisation as a Dynamic System

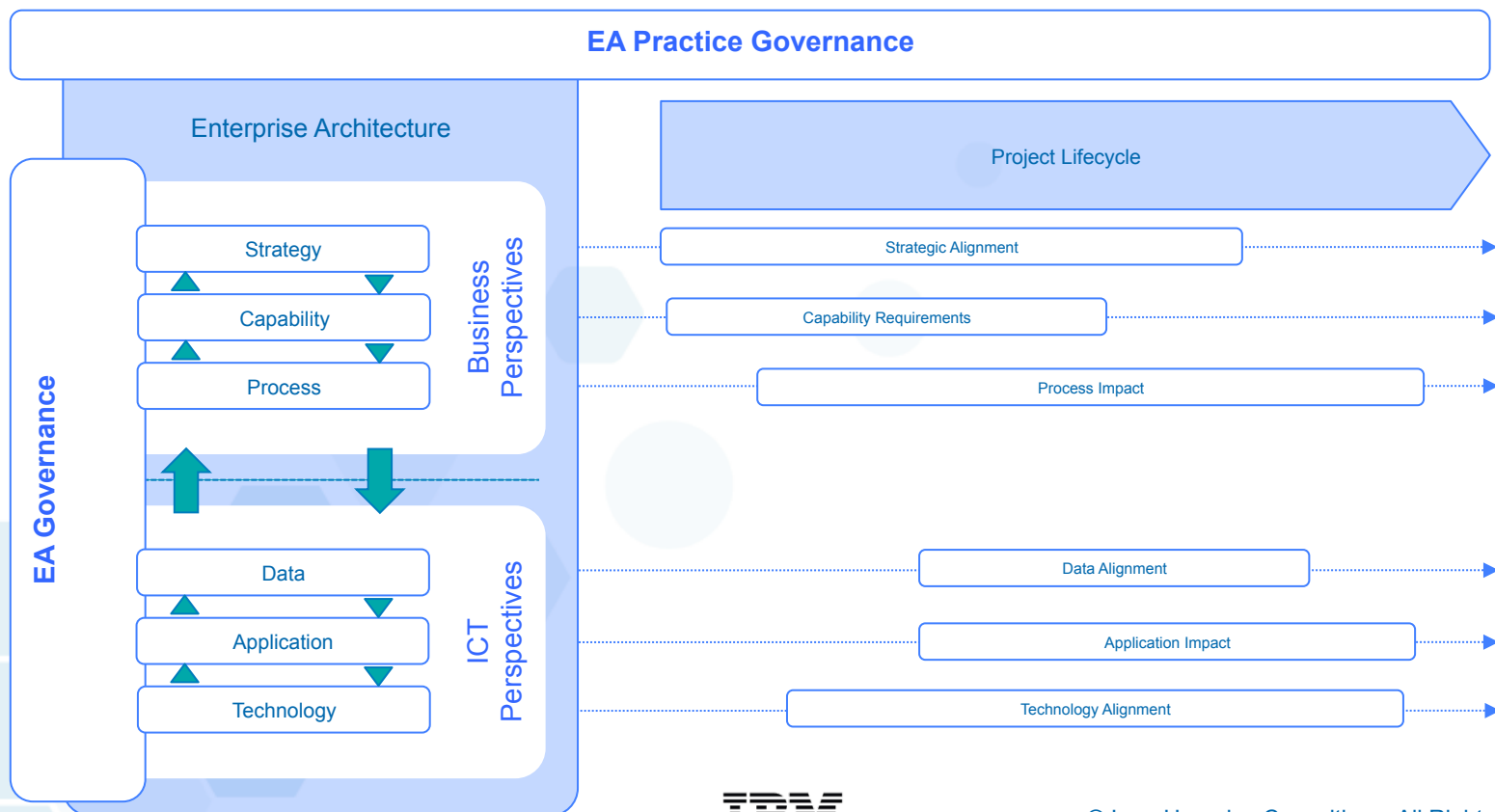


Business Agility: Drivers and Impacts across the Enterprise Model



For an Enterprise Model to be effective in decision-making, it must be part of an EA Practice that:

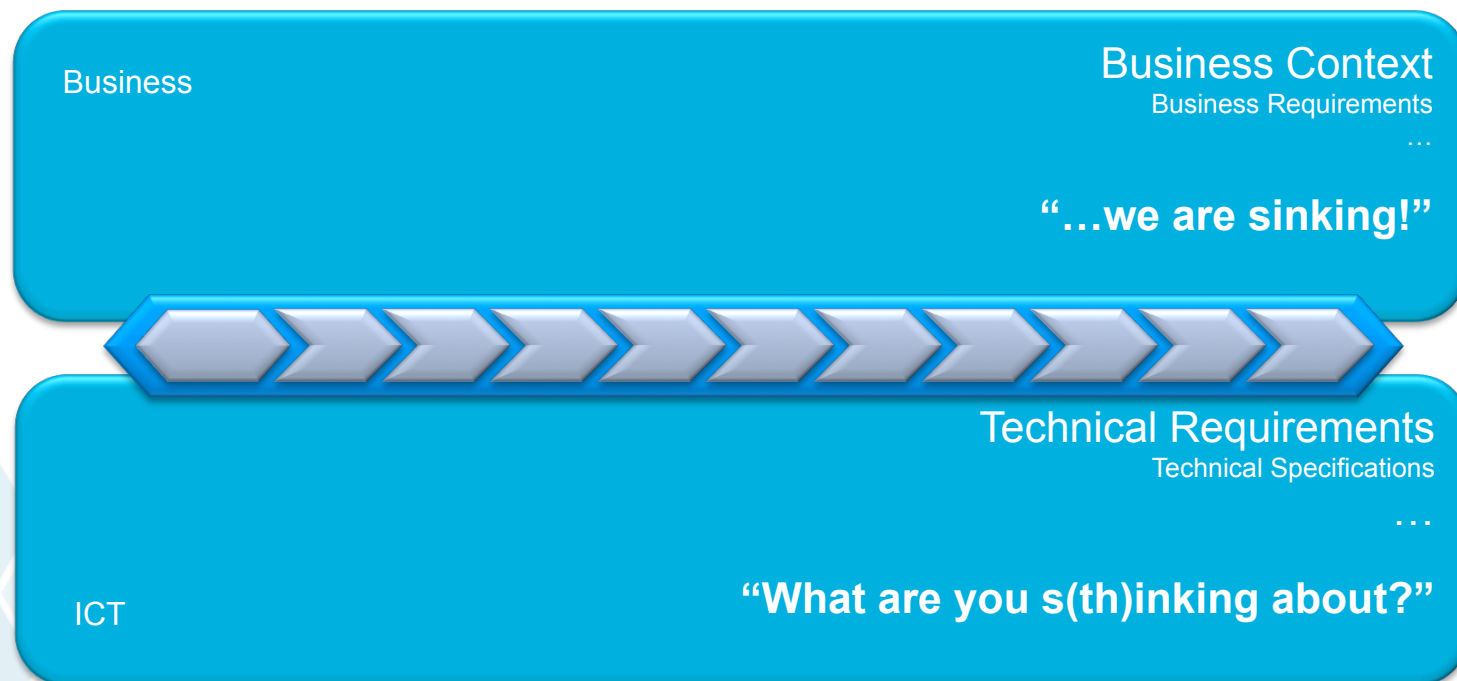
- integrates the architectural domains,
- efficiently undertakes impact analyses,
- informs and is informed by enterprise projects,
- managed as an enterprise reference asset, balancing business and IT perspectives



Business Processes are the common language between Business and IT



- Processes bridge the Business-IT Divide
- A common language is imperative if business requirements are to be effectively and efficiently translated into business and IT solutions



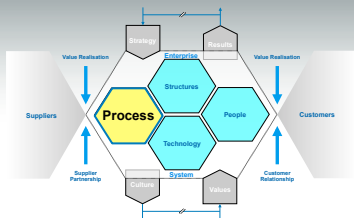


For an enterprise to be agile it must have agile business processes that must be:

- **Explicit:** Agile business processes are documented, understood, and agreed upon
- **Visible:** They are also visible, making process performance available in real time, measurable, and actionable
- **Changeable:** Agile business processes are easily changed, with tasks, activities, and end points that are flexible and quickly adjusted.
- **Managed:** Above all, the business can achieve agility with process information contextualized by role and extended to all stakeholders, as well as with processes that are governed to ensure compliance with business and regulatory requirements and executed as designed

Adapted from an online article "Build a More Agile Business with IBM"

BPM – Technology - Agility



Process Management
managing specific processes

capability to continually manage and improve specific processes

Process Stewardship

Process Improvement
improving specific processes

realise capabilities of existing processes

DMAIC

Technology
Enabling BPM

automating key processes

IT-enabled Business Agility

Business Process Management
managing the enterprise as a system

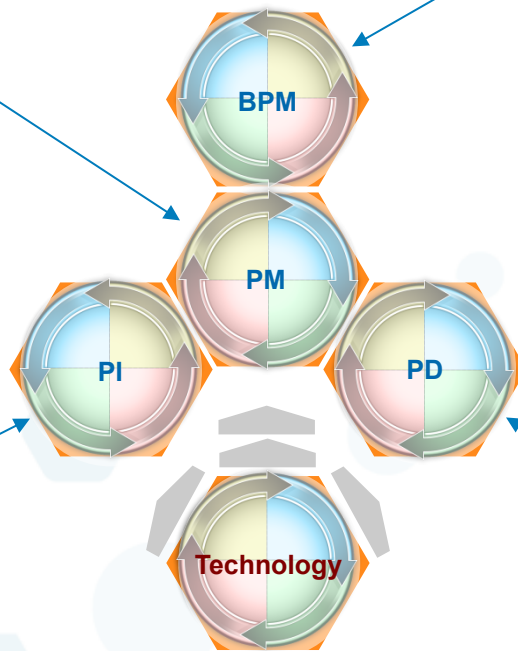
enterprise-wide capability to continually improve and (re)design new and existing processes

BPM Leadership

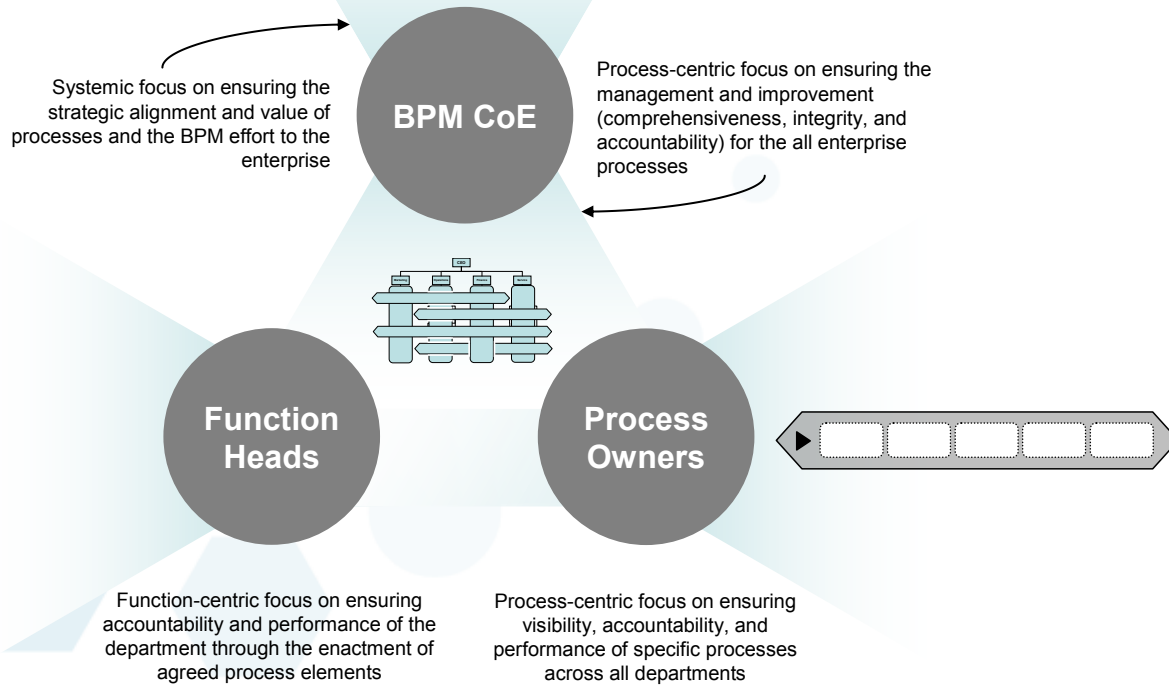
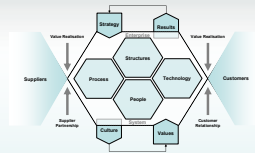
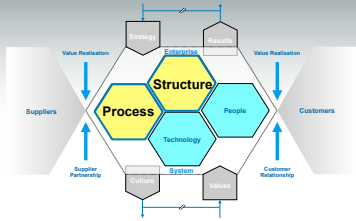
Process (re-)Design
designing specific processes

new processes provide increased capabilities

DMADV



Organising for Agility: The BPM Centre of Excellence



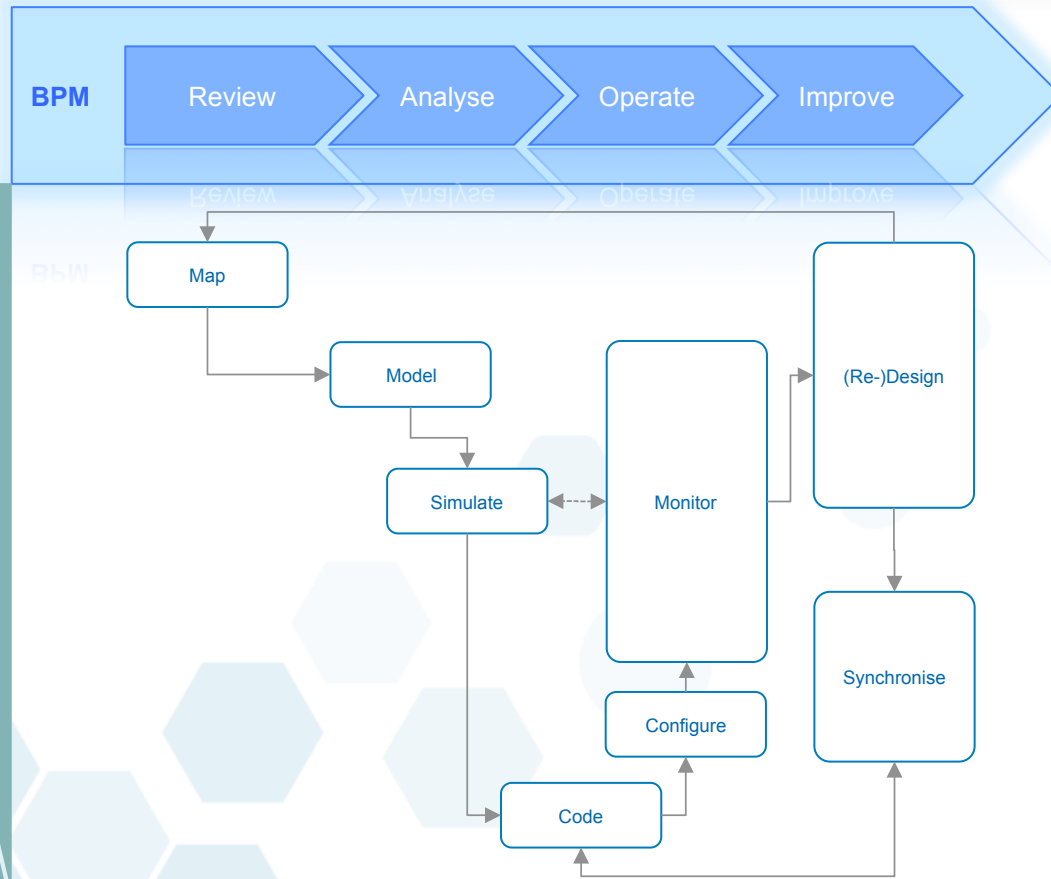
Source: Imre Hegedus Consulting

Source: BPM – Insights and Practices for Sustained Transformation



In Practice Cases

In Practice: Business-to-IT Process Lifecycle Integration



SYMPTOMS

- Significant time, resources, and effort spent on understanding the business and IT impacts of process improvements and innovations
- Technology developments not realising their business benefits

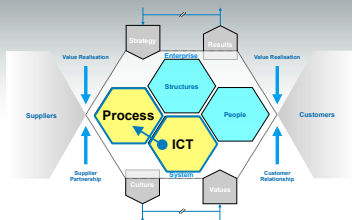
ISSUES

- No Process Lifecycle agreed between Business and IT
- Multiple technologies used throughout the Process Lifecycle
- No single Process Architecture
- Multiple methods and standards used

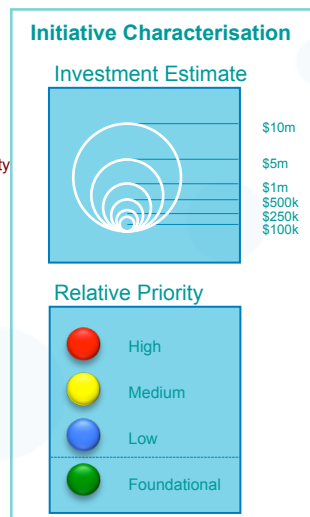
RESOLUTION

- Develop a shared Process Lifecycle
- Establish a Governance Body to manage the process lifecycle
- Integrate with Program Office

In Practice: Process-driven Technology Investment



Initiative Prioritisation Matrix



SYMPTOMS

- Business Functions not working together
- Poor understanding of process performance
- Technology developments not realising their business benefits

ISSUES

- IT investments by separate functional units actually slowing down process performance
- Hand-offs and manual data manipulation required
- Performance Reporting was time-consuming

RESOLUTION

- Agree key customer requirements and prioritise investments accordingly
- Develop a data architecture in line with the process architecture
- Develop a process management capability



Enterprises are complex and dynamic systems

- Develop an enterprise view that facilitates cross-functional impact analysis

BPM Maturity facilitates the realisation of technology benefits

- Develop a BPM Capability within the business and enabled by IT

Business and IT must share common views of enterprise processes

- Establish cross-functional Governance

Business Agility is only effective if accurate and sustainable

- Improve only what you can manage - Automate only what you have improved

BPM enables Business Agility
Technology enables BPM

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New - BPM Report

Welcome
 "Excellent business performance is based on a number of integrated capabilities. These include the knowledge of and ability to manage your key business processes, an understanding of people and change management, a passion and capability for customer service, effective use of innovation and technology, and the desire to always improve what you have chosen to do."
 Imre Hegedus
 The BPM Professional
 Imre Hegedus is committed to working with you to develop these core capabilities within your business.

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BPM Resources at: <http://www.imrehegedus.com/resources/index.php>



Presentations

- BPM: Aligning Business and IT
- BPM: Context-setting Models
- BPM: Key Elements

Articles

- BPM & Culture
- Customer Value: The Business Discipline of BPM
- Innovation and BPM
- BPM & PI: Business Performance Partners (part 3)
- BPM & PI: Business Performance Partners (part 2)
- BPM & PI: Business Performance Partners (part 1)

**“Business Process Management –
Insights and Practices for Sustained
Transformation” (2008)**

available from:

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