



P24D Request for IT-Project Prioritization Review

Howard Smith and Peter Fingar

“There’s nothing new in “BPM” we heard someone say. True, if we limit our thinking to those three letters. Businesses have always had processes. They have always managed them. Who better to explain the benefits than reengineering advocate, Michael Hammer:

- *Process re-design is central to performance improvement.* Hammer has conducted research that shows that companies that re-design processes enjoy lower operating costs, increased speed, enhanced accuracy, improved asset utilisation and greater responsiveness.
- *Processes create discipline, repeatability, consistency, predictability and clarity of action.* Hammer concludes that processes eliminate improvisation and wheel re-invention, reduce confusion, ensure activities are performed in correct sequence and enhance outputs.
- *Process creates teamwork and alignment.* Hammer has observed that this leads to new behaviours and that process is the tool for integrating, prioritising, clarifying, and leveraging other performance improvement initiatives.
- *Processes make the business more manageable.* Hammer advocates process as creating a shared language of metrics, visibility, comprehensibility, focus, responsibility and terminology: a framework for insight and comprehension
- *Process let you change faster than the competition.* As the basis for end-to-end work, Hammer sees customer focus and measurement as drivers of adaptability, design and accountability.
- *Process focus creates greater employee satisfaction.* Hammer believes that processes create broader jobs, more employee autonomy, connection, performance, ownership and, therefore, customer satisfaction.

What’s new in BPM?

During the reengineering wave of the 1990s, management prophets’ books full of stories about other companies were all you had to guide the transformation of your business. Although their underlying theories were based on age-old common sense and general systems theory proposed fifty years earlier, they offered no path to execution. What’s new in BPM? Using BPMS companies can now build process advantages into everything they do. BPMS let the business focus on the process design while the BPMS takes care of the complexity of execution and lifecycle management.

We recently spent some time with the demand chain manager of a major pharmaceuticals company. We asked her about challenges she faced each and every day. She told us a story about how she had recently approached her IT manager—let’s call him David—to ask for a new extranet application. Her objective was to get more visibility into the value chain to help the business and its partners manage demand during a forthcoming sales campaign.

David told her that the new application implied some “quite complex new functionality,” would probably cost “about \$100K,” and would be ready in “about six months”. This is what David said. “If I were you, I’d raise a P24D.” He told her about an intranet web page the IT department had set up just so she could easily submit P24D’s, a form titled “Request for IT-Project Prioritization Review.” While she admitted this was helpful, she pointed out to David that her sales campaign would be over in 4 months.

She left David’s office thinking “That’s just the way IT is!” As we sat down with Gail, for that was her name, we wondered how we might brooch the subject of BPM. We began by explaining to her that her problem was not “IT” but the *type* of IT her company had in place.

We used analogies to begin with. We asked her to think about the Outlook email program she used every day and how “IT” were able to provide email *service* without the need to get involved in the content of every email message she sent (except to monitor the number of messages and attachments in order to size servers, and to watch for viruses). She didn’t get the connection to BPM at first, so we explained that in many others tasks, not just email, she was totally dependent on IT, but not the IT department. Spreadsheets were another example. She understood how they gave everyone the ability to manipulate familiar rows and columns of data using schoolyard formulae. With spreadsheets everyone can build “what-if analyses” aimed at optimizing results. No programming is needed—simply design and calculate! Spreadsheets, we agreed, were a genuinely innovation—simple, convenient, irresistible. They took 20 hours of work per week and turned it out in 15 minutes or less ... and let everyone become much more creative. Spreadsheets took numerical computation off the critical path and launched the PC revolution in business.

And so, quietly and carefully, we started to explain the “third wave” breakthrough, the one we have been explaining in this column. She was skeptical to say the least, but we persevered.

We explained that when she had gone to David, her IT manager, she was in fact asking for a new “business process.” We pointed out that *before* she had stepped into his office she already *knew* most of the details of the new process she needed. Gail was dubious at first, but after a few minutes with us, we had sketched out most of the details, using swimlanes, different shaped boxes and connecting lines. She said the diagram would certainly have helped communicate with David. It was at this point that we decided to drop our bombshell. “Gail”, we said, “why can’t it be the same for processes as it is for email and spreadsheets?”

There was a short silence, and then she spoke up. “I suppose it could be, in theory, but surely it’s not possible, technically?” We told her it was possible, but before explaining that we should return to the question of the original “application” she had identified and whether she might be able, using appropriate tools, to define the process herself in enough detail for some kind of clever system—we called it a Business Process Management System (BPMS)—to go ahead and perform the process

for her, whenever she needed it. Again, she was skeptical at first, but we showed her how many of the complexities she imagined, based on her preconceptions about “IT”, could in fact be handled by the BPMS and has *nothing whatever* to do with the design of the process she needed, or indeed, any other process. After a few minutes more discussion she appeared to be partly convinced that, with these complexities taken out, she might indeed be able to specify the process itself, most of which involved identifying the individual participants in the process, how they communicate, coordinate and what calculations would need to be performed to get the information she needed.

We then asked her to estimate how long she thought it might take, given suitable tools, to set out the whole process design. We arrived at an estimate of 3 hours. What was striking was that she *already knew the process* she wanted and that all that was required was to describe it, and that this depending upon the building blocks that the BPMS made available. The BPMS was then responsible for putting it into operation. She then started putting to us.

“Why isn’t my IT manager giving me this capability?” she said. We explained that the technology was new and needed to be integrated with other systems already in operation. Having mentioned integration she once again started to question whether she could really do this type of work, and started to wonder about the way existing systems would need to be included in the new process design. We explained that one of the roles of the BPMS was to expose all existing services and databases so that she could simply include them as required, offering her a “Lego Brick” systems integration dashboard. She said she could imagine this, but not how it worked. We reassured her that she would not have to understand about how “projectors” worked and that, in any case, David’s IT folks should make all those useful services available to her as building blocks and that they could do this once, for all possible processes. Her confidence grew again, and we concluded by talking about some of the things she might do with her new found power. Amazed, we sat there in awe when she said, “I would set about improving the processes around me and my colleagues.”

Coyly, she then turned to us and asked “Are you guys real?” We explained that BPMS was real, and that it depended on some maths that made “process building blocks” work, reliably, and that these “third wave” processes could adapt as she used them so that she would never have to worry about getting something “wrong” or losing some information she might need in the future. She said “Can you come see my IT manager?” We said “Yes, but it’s going to be a long and difficult conversation.”

IT don’t have to keep pace with business, they have to get out of the way, using BPMS. Agility will follow. Request for IT-Project Prioritization Review? We don’t think so.

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