

# Chapter 2

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## What is business process management?

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This is a question that needs to be asked and addressed right at the very beginning to ensure that we have a common understanding. There are as many answers to this question as there are vendors, analysts, researchers, academics, commentators and customers.

We would like to clarify one thing straight away. In our opinion, BPM does *not* equate to a technology tool or initiative for business processes. In our experience, there is significant business process improvement that can be achieved without technology. Can BPM involve technology, and is technology a good thing? Absolutely, in the right circumstances and when it can be justified. Are process modeling and management tools useful for achieving process improvements in non-technology circumstances? If the tools referred to are process-modeling tools, then yes, they can be extremely useful in this process. In fact, it is difficult to complete complex process improvement projects in a time-effective manner without the use of these tools.

*One word of caution: There is a danger of organizations believing that once they have purchased a process-modeling tool, it will solve all their problems and the process improvements will just follow. Nothing could be further from the truth. A process-modeling tool is just a piece of software, and without a methodology or framework, skilled resources to use it and a genuine commitment from organizational leadership, it is useless.*

Refer to Appendix L for how to select a process-modeling tool.

BPM is just like many other three-letter abbreviations in the recent past, such as CRM and ERP, which have been misused and misinterpreted.

Currently, BPM is being used by:

- some vendors who only focus on the technology solution of process improvement
- other vendors who think of BPM as business process modeling or business performance management
- some consultants who use BPM to continue their message on BPR
- some managers who want to jump on the BPM bandwagon, with no idea where it is going
- some process analysts who use BPM to inflate their process-modeling aspirations.

**Table 2.1**

Definition of terms used in our definition of BPM

Achievement	Realizing the strategic objectives as outlined in the organization's strategic plan. At a project level, it is about realizing the value or business benefits as outlined in the project business case.
Organization	The organization in this context refers to an enterprise or parts of an enterprise, perhaps a business unit that is discrete in its own right. It is the end-to-end business processes associated with this part of an organization. This end-to-end focus will ensure that a silo approach does not develop.
Objectives	The objectives of a BPM implementation range from the strategic goals of the organization through to the individual process goals. It is about achieving the business outcomes or objectives. BPM is not an objective in itself, but rather a means to achieving an objective. It is not 'a solution looking for a problem'.
Improvement	Improvement is about making the business processes more efficient and effective.
Management	Management refers to the process and people performance measurement and management. It is about organizing all the essential components and subcomponents for your processes. By this we mean arranging the people, their skills, motivation, performance measures, rewards, the processes themselves and the structure and systems necessary to support a process.
Control	BPM is about managing your end-to-end business processes and involves the full cycle of plan-do-check-act (Deming circle, Walton, 1986). An essential component of control is to have the ability to measure correctly. If you cannot measure something, you cannot control and manage it.
Essential	Not every process in an organization contributes towards the achievement of the organization's strategic objectives. Essential processes are the ones that do.
Business	An implementation of BPM must have an impact on the business by delivering benefits. It should focus on the core business processes that are essential to your primary business activity – those processes that contribute towards the achievement of the strategic objectives of the organization.
Processes	What is a process? There are as many definitions of process as there are processes. One we agree with is Roger Burlton's, where he says that 'a true process comprises all the things we do to provide someone who cares with what they expect to receive' (Burlton, 2001: 72). This covers a true end-to-end process, from the original trigger for the process to the ultimate stakeholder satisfaction. Burlton adds that the '... final test of a process's completeness is whether the process delivers a clear product or service to an external stakeholder or another internal process'.

Many of the industry commentators and vendors provide definitions that specify technology (automation tools) as an essential component of BPM – in fact, they say that BPM is technology. However, if you take a simple and commonsense view of BPM, it is obviously about the *management of business processes*.

With this simple statement in mind and the organization as the primary focus, we would suggest that BPM is

*The achievement of an organization's objectives through the improvement, management and control of essential business processes.*

It is important to have a common understanding of what we mean by each of the *italicized* words in our definition, so each is defined individually in Table 2.1.

We are happy to see that there is currently a movement towards an agreement that BPM is about the management of business processes. Paul Harmon, of *Business Process Trends*, recently defined BPM ‘as a management discipline focused on improving corporate performance by managing a company’s business processes’ (Harmon, 2005a).

Thus, process management is an integrated part of ‘normal’ management. It is important for leadership and management to recognize that there is no finish line for the improvement of business processes; it is a program that must be continually maintained.

BPM is

- more than just software
- more than just improving or reengineering your processes – it also deals with the managerial issues
- not just hype – it is an integral part of management
- more than just modeling – it is also about the implementation and execution of these processes, which requires analysis.

Last but not least, as a management discipline, BPM requires an end-to-end organizational view and a great deal of common sense, both of which can often be in short supply.