Putting process at the center of business management

Reimagining Management

Many organizations face the complex dilemma of dealing with major strategic and operational changes, often simultaneously. The complexity of the management challenge is increasing, often with alarming speed and consequences. This causes, not just a superabundance of operational problems, but strategic hazards that may test the viability of the organization. Key macro-challenges might include:

- radically increased customer expectations
- sector and business-model disruption
- reducing costs of market entry
- intensified competition
- radically and rapidly changing technology
- cost pressures
- mounting regulatory-compliance demands
- diminishing staff numbers
- increasing operational complexity
- fragile workforce enthusiasm

Executive management must continually deal with complex, real-life 'pain points' such as:

- *"Too many of our products are returned"*
- *"Staff morale is low"*
- *"Our social network ratings are dropping"*
- *"Our customers' lives are becoming digital faster than we are"*
- *"Customer satisfaction is at a record low"*
- *"New regulations are changing our marketplace"*
- *"Costs increased by 10% in the last year"*
- *"A new competitor is taking market share"*

These are mission-critical problems and there is a growing realization that something new is needed if they are to be solved.

The organization chart shapes traditional management. Management effort consequently focuses on functional areas, i.e. 'boxes on the chart', and is easily fragmented. This form of 'functional' management has always been a key feature of management practice. Long before the invention of the theory of contemporary management in the first half of the

twentieth century, organizations have structured themselves into units based on the type of work performed. Clearly, this works, and has worked for millennia—ancient Egypt and the Roman Empire are compelling examples.

Just as clearly, to get work done, to deliver value (products and services) to customers, requires collaboration across the organization and coordinated work across the separate functional areas. Every organization creates, accumulates, and delivers value *across* its organizational structure. Resources are managed 'vertically', following the organization chart, but the value pathway is 'horizontal', based on cross-functional collaboration.

To take a familiar example, imagine the sequence involved in air travel. The passenger arrives, checks in, boards the plane, completes the flight, retrieves luggage, and leaves the airport. For the passenger to have a good trip, all of that must go well. No point having the world's best check-in service if the luggage is lost. Having to find lost luggage is both annoying for the passenger and expensive for the airline.

If all goes well until the passenger encounters a one-hour delay in leaving the destination airport, this is not going to rate as a good trip. The airline might say that local transportation problems at the airport are not their fault; the passenger will quite reasonably say that their journey is from, say, home to hotel, and the whole thing needs to work well for them.

The creation, accumulation, and delivery of value to customers is inherently cross-functional and requires collaboration across the organization, and often beyond into other organizations. This is fact, not an opinion to challenge or a point of view to contest. Management needs its own disruption, a radical departure from the traditional model.

For most organizations, the time has passed when improving performance can be achieved by 'simply' reducing budgets and assuming those affected will adjust to the change. After years of budget cuts and efficiency dividends, the easy changes are done, contingency resources are extinct, and further change is deep, structural, and difficult. The need to 'do more with less' seems both inevitable and impossible.

Neither can any organization focus only on the negatives, but must also think more broadly in analyzing operations to discover innovations to be embraced, as well as problems to be solved. It's not just about measuring performance, but also about reimagining performance.

Organizations must be good at identifying circumstances that threaten performance, but that is not enough. They also need to look for characteristics that make it strong, and for opportunities to do something new, perhaps radically innovative.

It is no longer enough, if it ever was, to focus on immediate performance issues and ignore opportunities for improvement. Henry Ford reduced the build-time for a Model T chassis from 12½ to 1½ hours—a prodigious feat, an innovation whose impact is still felt today, but it would have been pointless if no one wanted to buy a car.

In this disruptive world where the unthinkable and unexpected quickly become unexceptional, there is an urgent need to discover 'solutions looking for a problem', as well as identifying the more traditional 'problems looking for a solution'.

In 1976, with a ninety per cent share of the US market, Eastman Kodak was ubiquitous; by the late 1990s it was struggling; by 2012 it was in bankruptcy protection. Despite having invented the digital camera in 1975, Kodak was slow to react to a serious decline in photographic film sales. At its peak, Kodak also had a great story to tell about increasing efficiency and performance improvement. It became efficient at producing a product few wanted, and good at delivering services few needed.

In times where digital substitutes overwhelm established business models, every organization must expect to have its own 'Kodak moment'.

The primacy of process

A business process is a collection of activities that transforms one or more inputs into one or more outputs. Many resources are involved in the management and execution of a process—customers, staff, materials, systems, infrastructure, information, technology, suppliers, facilities, policies, regulations—and these must also be seen to be integral to the definition of process. Processes are vital because this is how organizations get work done.

For some, the term 'process' invokes ideas of inefficient, unchanging, and frustrating bureaucracy. Clearly that is not the definition used here. Business processes, properly designed and managed, are an enabler of change and agility, not a handicap.

The fundamental concept underpinning the ideas and practices described in this paper is the *primacy of process*. This says that business processes are the only way any organization can deliver value to customers and other stakeholders outside the organization. By themselves, the separate functional areas of an organization cannot deliver value to external parties. It follows that every organization executes its strategic intent via its business processes.

The sequence from strategy to execution is shown in Figure 1, encapsulating both the strategic and the operational importance of the process view.

The inescapable conclusion is that the starting point for effective organizational management is to understand, manage, and optimize those business processes. Without a proactive focus on business processes, organizational performance cannot improve and strategy cannot be effectively executed.

If value is created, accumulated, and delivered across the organization, are those value pathways defined and documented? Are those pathways understood? Do all staff understand their roles along those pathways?

If value is created, accumulated, and delivered across the organization, what measures of performance are made in that direction? What is the measured performance of cross-functional processes, and is there a documented performance target? What are the performance gaps and how should their resolution be prioritized?

If value is created, accumulated, and delivered across the organization, who is in charge of that? The organization chart is silent on such cross-functional matters. While it is true that CEOs are responsible for everything, they already knew that, and it doesn't help. If the cross-functional path through which value is exchanged with customers is not proactively managed, can this be a good idea?

Organizations must reimagine their operations as value creation and delivery flows that must be proactively managed and continually improved. The management philosophy that facilitates that is process-based management.

From Strategy to Execution

Organizations exist to deliver value to customers and other stakeholders - *that's strategy*.

They do this via a series of coordinated activities across several functions of the organization - *that's a process*.

It is sensible to optimize these processes so they satisfy the requirements of customers and other stakeholders - *that's process improvement*.

A coordinated view of performance of all processes by which an organization delivers value, optimizes performance - *that's process management*.

Process management focuses organizations on activities that create the value delivery outcomes described by the strategy - *that's execution*.

Figure 1: Strategy to execution

Defining process-based management

Bringing together these concepts, three principles underpin process-based management:

1. Business processes are the collections of *cross-functional activities that deliver value* to an organization's external customers and other stakeholders—the only way that any organization can deliver such value. Individual functional areas cannot, by themselves, deliver value to external customers.

2. It follows that an organization *executes its strategic intent via its business processes*. Business processes are the conduits through which value is exchanged between customers and the organization. Therefore, business processes need to be thoughtfully managed and continuously improved to maintain an unimpeded flow of value with customers and other stakeholders.

3. An organization's resources are traditionally managed vertically via the organization chart. *Value is created, accumulated, and delivered horizontally* across that chart. Value is accumulated, not up and down the functions as represented in an organization chart, but across the organization as shown in a business process

architecture. The various functions collaborate via business processes to create, accumulate, and deliver value to customers and other stakeholders in the form of a desired product, service, or some other outcome.

The organization chart is effectively silent on the all-important issue of cross-functional process work. It is quite alarming to think that, in the many organizations where there is no conscious attention being paid to the management and optimization of cross-functional business processes, nobody is responsible for the creation, accumulation, and delivery of value to customers and other stakeholders. This cannot be a good idea.

Starting from that perspective, the critical elements are that organizations discover their processes, understand how they should perform, know how they are performing, decide what performance gaps are worth closing, and take steps to make the required closures. And repeat, forever.

The profound premise for process-based management is illustrated in Figure 2, showing both the functional and process organizational views.
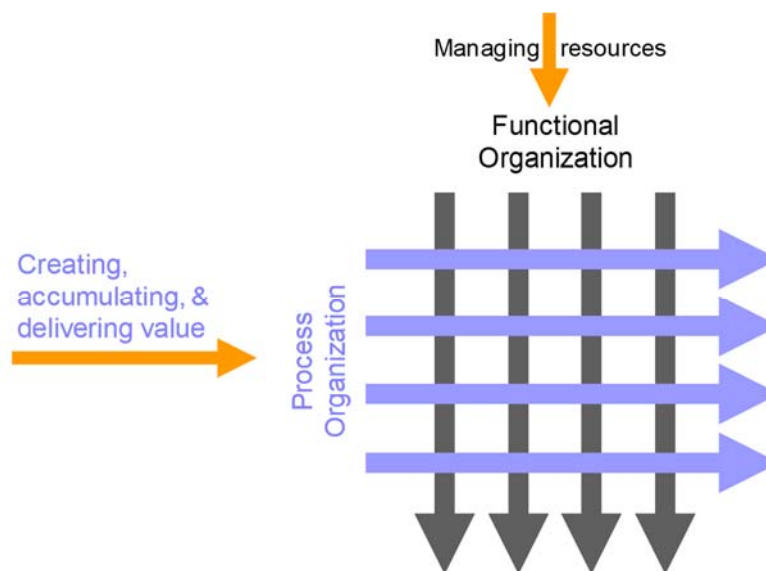

Figure 2: Functional and process organization views

To restate and summarize that position as the core of process-based management:

- Organizations are traditionally managed in accordance with the organization chart.
- No entity on any such chart can, by itself, deliver value to an external customer.
- Value is created, accumulated, and delivered via collaboration across the chart.
- Value accumulates, not up and down the functional organization as represented by the chart, but across the organization as represented by business processes.
- Other organizations are likely to be involved in the effective delivery of value to customers, and the collaboration needs to include them as well.
- Organizational performance depends on cross-functional business processes.
- An organization executes its strategy via its cross-functional business processes.

Consider an orchestra as another illustration. Like any other organization, it has a functional structure, an organization chart. Here the 'departments' are the string, woodwind, brass, percussion, and keyboard sections. There is a well-defined reporting structure including a conductor, a concertmaster (leader), and principals and assistant principals for each section. In addition, all the supporting infrastructure dealing with technology, personnel, finance, administration, and logistics is also present.

Of course, the purpose (strategic intent) of the orchestra is to create beautiful music, and that can only take place in collaboration across the orchestra. The brass section must play its part very well, and that is the primary focus of the principal trumpet, but each player (cornet, horn, trumpet, trombone etc.), and the whole brass section must be in tune with the rest of the orchestra.

Collaboration doesn't stop with just the musical aspects. The "beautiful music" cannot happen take place if the lights go out. Beyond the orchestra, and beyond the direct control of the conductor or any of their team, are many others who need to perform if the audience is to receive the value they expect.

The beautiful music happens only through collaboration within and across every part of the orchestra, as well as in partnership with other people and organizations outside the orchestra. Every organization plays to this same tune, whatever the 'music'.

Enabling process-based management

Seven elements, *the 7Enablers of BPM*, come together to create and sustain process-based management. If developed simultaneously at the pace appropriate to the organization, these elements significantly increase the likelihood of creating sustained process-based management.

The 7Enablers is a collective of mutually supportive prerequisites for successful and sustained process-based management.

- *Process architecture*: discovery, understanding, and documentation of the organization's business processes and related resources in a hierarchical model.
- *Process measurement*: defining process performance measures and measurement methods, collecting and reporting process performance data.
- *Process governance*: reimagining, and responding to, process performance anomalies, innovation opportunities, process documentation, and general hygiene.
- *Process change*: continually discovering ways to close process performance gaps by eliminating problems and capitalizing on opportunities.
- *Process mindset*: creating an environment where the organization, its people, and their teams, are always conscious of the processes in which they participate.

- *Process capability*: developing the tools and skills required throughout the organization to identify, analyze, improve, innovate, and manage business processes.
- *Process support*: providing support throughout the organization to develop, sustain, and realize process-based management benefits.

These seven enablers are shown in Figure 3. A Mobius strip format is used to highlight the interdependencies between the elements.
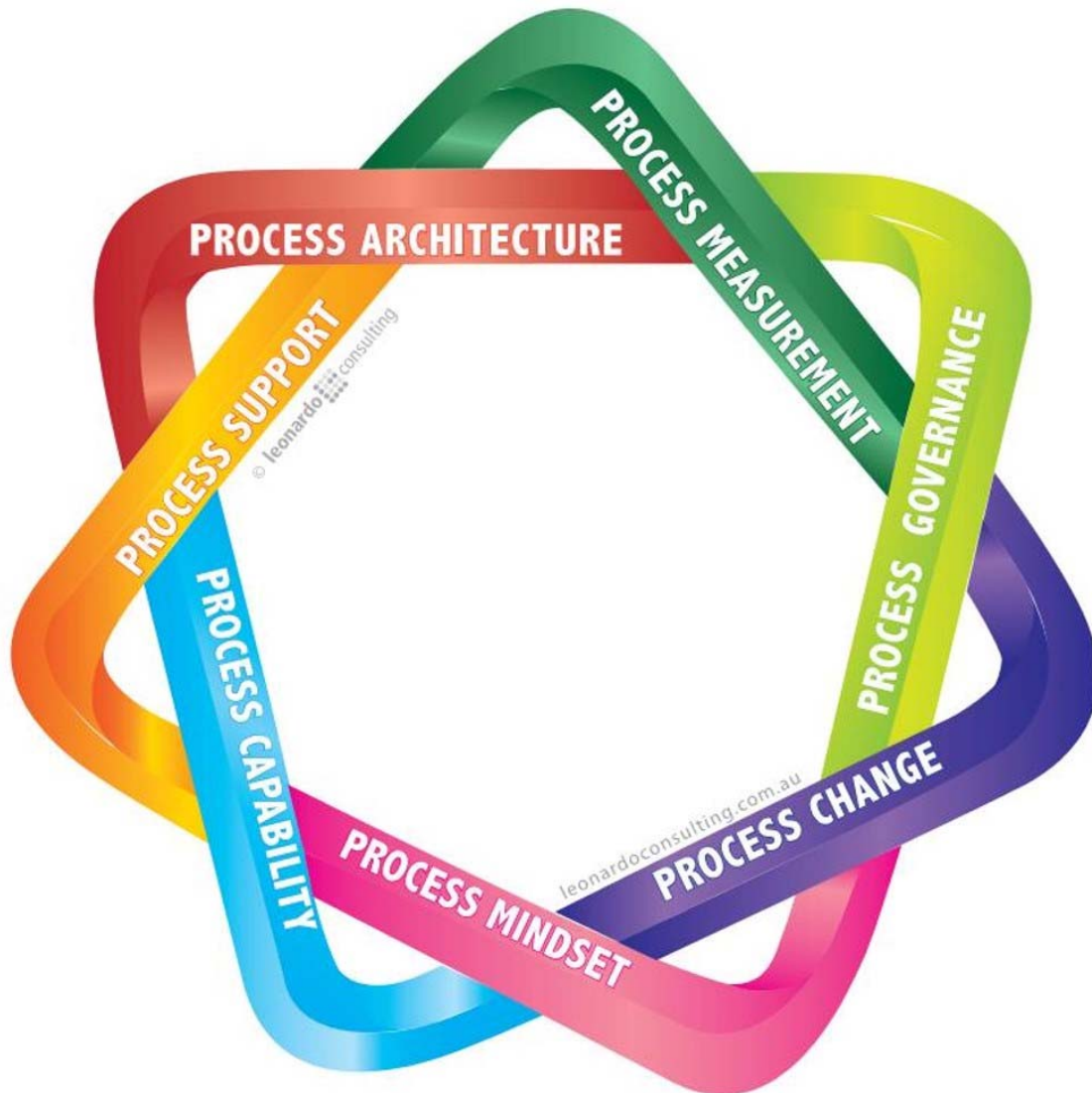

Figure 3: The 7Enablers of BPM

The core artefact is the process architecture since documenting the key processes is the necessary first step. Once documented, processes can be measured and once we have measures we need the governance arrangements to define who should respond to the performance reports. These first three enablers (architecture, measurement, governance) are the 'physical infrastructure' on which the rest is built. Continuous process improvement is the cornerstone of process-based management. Without process improvement, and its big brother process innovation, all else is waste. For process management and improvement

to become ubiquitous, it must be embedded in the organization culture. Having a central specialist group to do all process work, does not scale and will soon impose a bizarre restriction on process management and improvement work. Therefore, it is necessary to build the capability for identifying, analyzing, improving, and managing business processes throughout the organization.

The enablers are interconnected; change one, and one or two others will likely change; change several, and they will all change. This mutual reinforcement trait is bidirectional; change can be negative or positive. One enabler may track another in a direction that improves performance, or in a way that causes worse performance. However, the interconnectedness among the enablers is generally a very positive attribute as it makes it possible, and necessary, to develop them in a synchronized way and at a controlled pace.

To thrive, perhaps even to survive, in times when 'doing more with less' seems both inevitable and impossible, executives need to reimagine their organizations as value-creation and delivery flows. Process-based management delivers a practical, proven approach and the 7Enablers represents a breakthrough in management practice.

An overview of each of the seven enablers of process-based management is provided in the following sections.

Enabler 1: process architecture

A business process architecture is a hierarchical model of the processes of an organization. Usually created, initially at least, to include the two or three highest levels, the process architecture provides a powerful visualization and management tool. It includes not just the hierarchical description of process activities, but also the related resources, documentation, performance measures, measurement methods, and governance arrangements.

The simple, but indicative, process architecture shown in Figure 4 is an abridged version of an architecture developed for an IT service vendor.

A well-formed business process architecture is a powerful management and decision-making tool and can be used to:

- visualize the organization's set of business processes
- understand how the organization's strategic intent is executed
- communicate business process information
- concentrate organizational focus on value delivery
- understand the business process interdependencies
- priorities process analysis and improvement activity
- coordinate process improvement project portfolio management
- provide a repository of business process information.

Lead The Organisation

| Define strategy | Govern The Organisation | Improve performance | Build strategic relationships | Ensure project effectiveness |

Service the Customer

Define the Service

| Research target markets | Define market gaps | Design products/ services |

Market the Service

| Plan Sales Strategy | Target prospect | Qualify prospect |

Deliver the Service

| Acquire project customer | Implement project | Provide post-project support |

Support The Organisation

| Support staff lifecycle | Assure legal & policy compliance | Maintain ICT systems & services | Control financial resources | Maintain working environment |

Figure 4: Business process architecture example

Enabler 2: process measurement

If you don't measure process performance, you can't do process management, and you won't know if you are doing process improvement.

The only reason for doing process analysis, improvement, innovation, and management is to improve organization performance in meaningful ways. Without measurement, we don't know if there is improvement; we don't know what is meaningful.

Business processes are the way an organization delivers value to its customers. On that basis alone, the argument for measuring process performance is easily made. Are we delivering value to customers in a way that satisfies them and is sustainable for us? The plethora of measures about internal achievement—budget tracking, policy compliance, project completion, training attendance, people management, etc.—say little, if anything, about value delivery. Process performance says it all.

A government organization implementing a new service did a lot of planning, created lots of process models, and had many sessions with a wide range of stakeholders. Green lights everywhere, so the service was launched with appropriate 'ribbon cutting'. Two days later, everyone was relieved that the launch had gone well; two weeks later, there was a slowly rising murmur of complaint; two months later, service delivery was in virtual gridlock and the murmur was a cacophony. One month after that, it was finally discovered that a key process in the delivery of the service was often failing, causing significant rework, and introducing inordinately long delays. Further analysis found a way to reduce these delays by 95%. After resolving the backlog, normal service delivery was resumed. However, customer and staff memories of the fiasco will never be erased.

It didn't need to be like that. Careful analysis of process performance expectations before launch, and appropriate measurement of process performance from launch, would have

either avoided the problem, or detected it early and allowed resolution before it became a major issue.

Measuring business process performance delivers many benefits:

- factual evidence of customer-service levels
- better understanding of cross-functional performance
- enable internal operational efficiency tracking
- enhanced alignment of operations with strategy
- evidence-based determination of process improvement priorities
- detection of performance trends
- better understanding of the capability range of a process
- uncovering actual and latent problems
- changing behavior based on factual feedback
- improved control over the risks that really matter

Process initiatives that do not incorporate process measurement will fail. Process measurement is not always easy, but it is always possible.

Figure 5 shows the ProMeasure methodology, the Leonardo Consulting approach to detailed process performance development.
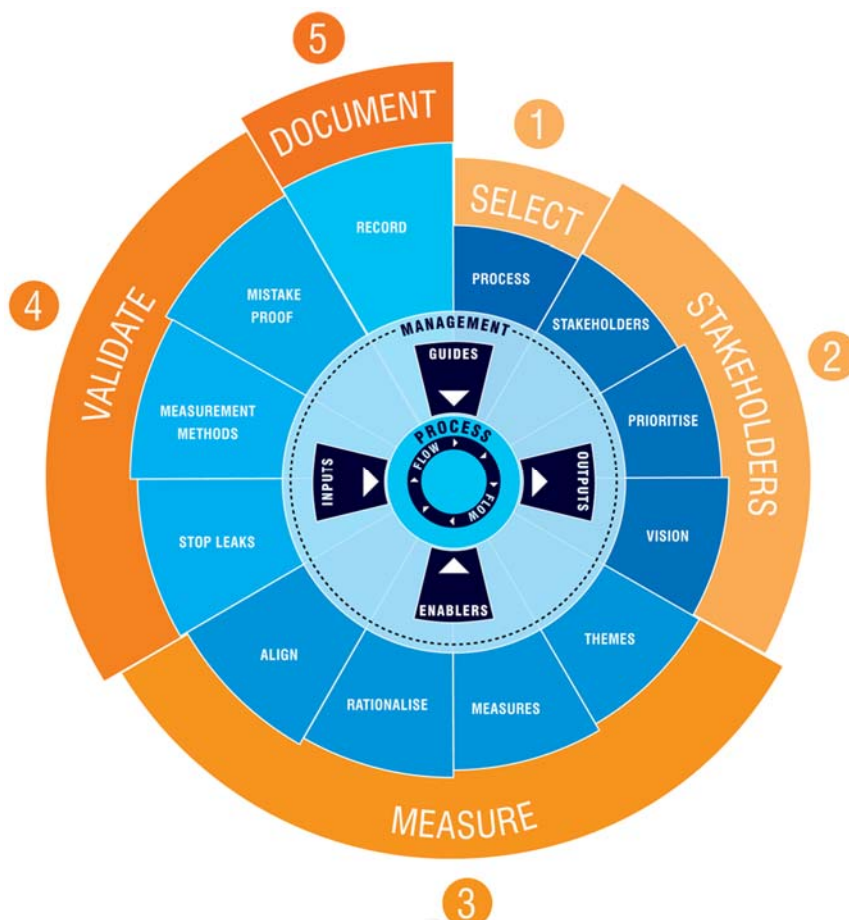

Figure 5: ProMeasure—a methodology for discovering process measures

Enabler 3: process governance

Governance is about the 'management of process management', describing how control is exercised over processes, both individually and collectively.

The concept of process governance is often misunderstood. A common implementation mode is to appoint people as process owners (or similar job title) and tell them they are responsible for the performance of their processes. This is almost certainly impossible. It is not reasonable to ask a process owner to be responsible for the performance of something, i.e. a cross-functional process, over which they have, at most, only partial control.

The key aspect of process governance is to have a plan for responding to process performance anomalies, and to have people tasked to execute such process performance interventions. Process governance is mainly about responding in an appropriate way to actual or emergent process performance anomalies and opportunities. Without such response, the measurement of process performance is meaningless. Remember that the organization chart is silent on the management of cross-functional processes.

Process owners are accountable, not for the performance of the process, but for responding appropriately to process performance reports.

Governance mechanisms also deliver oversight of all activities and issues involved in achieving and maintaining the target performance for a process. This involves:

- control of process change
- guiding process development and promoting process management ideas
- updating process models and other documentation
- resolving conflicts requiring trade-offs along the process.

The ultimate outcome of effective process governance is proactive, efficient management, and continuous improvement, of the set of processes (and their subprocesses) by which an organization delivers value to its customers and other stakeholders.

Enabler 4: process change

Process improvement is at the heart of all process-based management activities. The reason for taking a process view of an organization is to improve business processes. In discovering, modelling and monitoring business processes, the main objective is to close performance gaps where cost-benefits can be proven.

Process change is what makes doing 'more with less' possible. Recruitment was proving to be very difficult for an organization whose development plans were dependent on attracting new staff of considerable experience and expertise. However, often when an offer of employment was made it was found that the target of the offer had already taken another position. Over the previous twelve months this had happened in 73% of cases. This circumstance was jeopardizing the achievement of an important strategic objective.

Documenting the *Recruit staff* process and obtaining detailed performance data showed that it was taking, on average, twelve weeks from receipt of an application to the offer of a position. No wonder the good candidates had taken other offers. The process was analyzed in detail with a focus on eliminating wasted time. As a result, the average cycle time of *Recruit staff* was reduced from twelve weeks to three weeks. None of the process changes required any IT development or modification, but rather changes in the flow of paperwork, greater awareness of the impact of delays, removal of unnecessary steps, streamlining of approval stages, better assessment guidelines, and enhanced communication with the applicant. In the six months following the changes, 85% of all jobs offers were accepted by the first-choice candidate. A welcome, if unexpected, additional consequence of the changes was that labor costs related to the recruitment process were reduced by 22%.

Process improvement should be part of everybody's job. This work cannot be assigned to a small central group since that model will eventually mean that process improvement is delayed. A well-defined methodology which can be used by all staff, as exemplified in Figure 6, is required to give effect to continuous improvement.
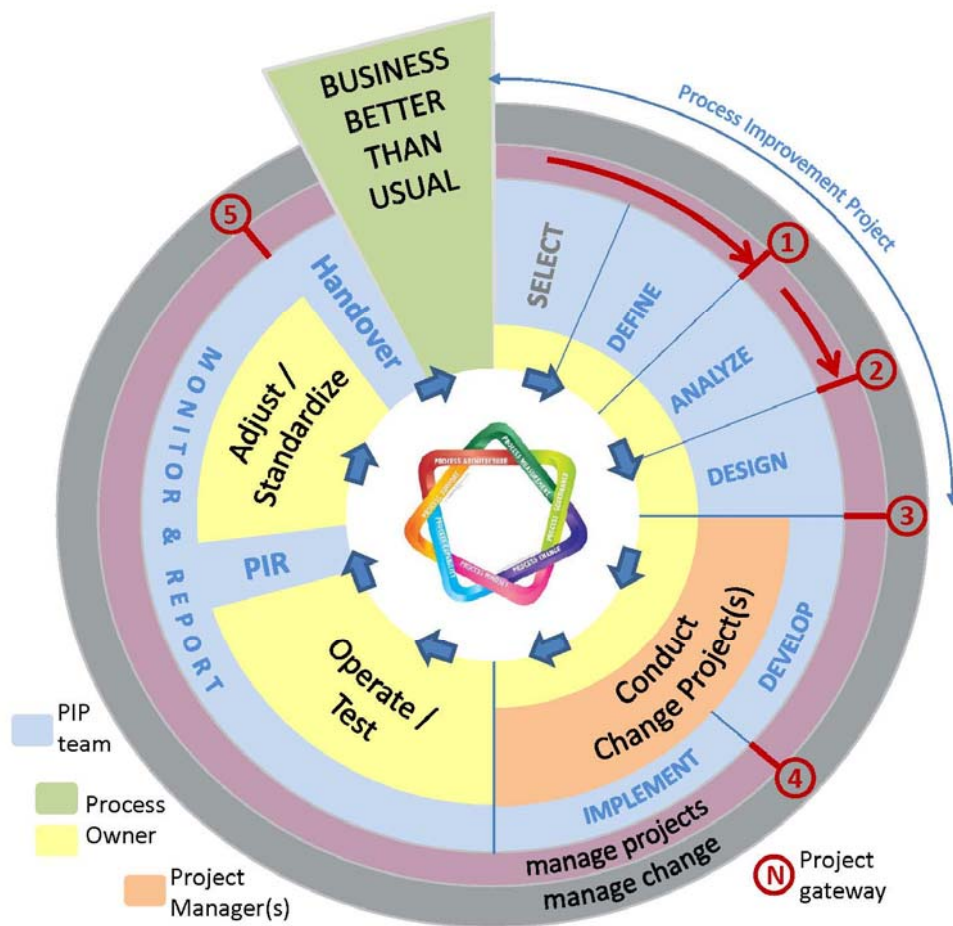

Figure 6: The process of process improvement

Enabler 5: process mindset

To 'do process', an organization, its people, and their teams need to 'think process'. In a process-centric organization, employees are conscious that their roles are to participate in executing a range of processes. They think beyond the activities described in their own job description to see their role in the bigger picture of creating, accumulating, and delivering value to customers and other stakeholders via cross-functional processes.

Achievement of effective, sustained, process-based management is ninety per cent mindset and ten per cent toolset. Too often, the focus is on the ten per cent at the expense of the ninety per cent. Tools and techniques are important—the full one hundred per cent is needed—but the tools are not the main game. Tools and techniques alone won't create a viral spread of the idea of process-based management. Hearts and minds are also needed.

To have any value, process-based management must support achievement of organizational objectives. Success is not measured by the number of models drawn, the cleverness of a process architecture, the number of process measures identified, or the sophistication of automation. Success can only be claimed if organizational performance has been demonstrably improved as a result of taking a process view.

The process mindset must be about achieving those consequences of effective process management and improvement; that is, it must be about improving organizational performance.

Having the process-based management idea resonate throughout an organization provides a shared mindset with which to build its practices.

The practical application of process-based management needs to take systemic form. It may not be enough to declare a commitment to 'operational excellence', since that might just imply working harder to keep poorly designed processes operation-al. 'Excellence' needs to be found in a ubiquitous desire to continually find ways to improve performance—not just in a continuous, heroic struggle to correct for process flaws.

Ironically, at the highest levels of BPM maturity, the practices of process-based management are so embedded in the culture, and so ubiquitous in practice, that they are virtually unseen. At the lowest levels of maturity, the idea of process does not even arise. As maturity develops, driven by the development of all seven enablers, individuals, and then teams, start to think about cross-functional processes.

Eventually those thoughts result in practical activities to shape and nurture process thinking. Over time, the application of process-based management becomes automatic and the classic definition of organizational culture, 'the way we do things around here', once more proves accurate.

Timing is everything. An organization must be ready to start, and continue, a journey to process-based management, a change that is as much about organizational culture as it is about the logistics of process management and improvement.

Passively waiting for the happy day when everyone is ready is clearly not a winning strategy. Neither is the development of a process mindset a Jedi mind trick, something that just requires the exercise of a greater and more powerful will. A deliberate, well-designed plan is required to develop an organization's process mindset, that is, its cultural readiness for process-based management. The ongoing results of such a plan need to be measurable.

A process-aware organizational mindset will have a particular, and sometimes challenging, set of characteristics. Each of these is important. It will be:

- measurement-friendly
- community-focused
- quality-motivated
- change-welcoming
- challenge-addicted
- action-oriented.

The most challenging of the organizational characteristics might be an openness to performance measurement. One of the most significant roadblocks to robust and sustainable process improvement and management can be the absence of a measurement-friendly culture.

Where measurement is about finding someone to blame, catching people doing the 'wrong thing', then nobody will be pleased about the idea of additional measures. Acceptance of measurement as an exciting pathway to performance improvement must be common for process-based management to succeed.

Continuous process improvement means continuous change and, from time to time, significant change that poses challenges for the organization, its people, and their teams. The process mindset is uncomfortable in a static environment.

In an organization with a well-developed process mindset, the following comments would be unremarkable:

- "It's OK to make mistakes; we welcome the opportunity to learn and improve."
- "All questions are welcome, and we are open to new ideas; we like to experiment."
- "Everyone is listened in open discussions about new ideas; we welcome dissent."
- "We have a strong collaborative ethos without silos lend turf wars; we strive for excellence by being collegiate and customer-focused."

The absence of a process mindset at the organizational level is the difference between ad hoc attempts at process improvement, and the sustained operation of a systemic approach that deliberately and continuously discovers opportunities for process improvement, an approach that is embedded in the organization-al culture.

A measurement-friendly organization culture is a prerequisite for the success of process-based management.

During one process-improvement project, a strange conversation with a senior manager occurred. The project team was investigating a process with a customer satisfaction problem, and had developed three change ideas that would significantly increase customer satisfaction at quite low cost. Quite rightly, the team was pleased with its work. However, the senior manager pushed back and found reasons why the changes should not be made. This went on for several days, with the team dispatching each new objection as it came up. Finally, the manager took the project leader aside and explained that his real concern was that if customer satisfaction increased from 83% to 95%, he would get sacked. He was prepared to accept a new target of 85% and that, over time (perhaps a year or two) it might be "safe" to achieve the 95% mark. He was serious. This was a culture of *continuous dissembling*, not *continuous improvement*. The culture was anything but measurement-friendly, and BPM development was inevitably handicapped.

Enabler 6: process capability

Process-based management is a participative endeavor. It is not something others do; it is something in which all must collaborate. While specialized support is important, it is also necessary to develop personal and team abilities to understand the process approach, and undertake the various activities involved in process discovery, analysis, innovation, redesign, change, and management.

For continuous process improvement to be ubiquitous, it is necessary that all staff have access to, and know how to use, the tools and techniques of process-based management. If these tools and skills are vested only in a central group, then that group will inevitably become a bottleneck, slowing down process improvement. Process improvement must be part of everyone's role and everyone must be able to develop the capabilities required to accomplish such related tasks.

Organized, accessible, useful knowledge is the currency of process capability. Such knowledge cannot be assumed; it must be thoughtfully curated.

Allowing staff to develop genuine understanding, skills, and expertise in process-based management creates a solid foundation for development and execution of the process view throughout the organization. Widespread capabilities greatly assist in developing the process mindset, as well as maximizing the amount of effort that can be applied to process analysis and improvement.

Developing process capabilities across an organization creates a valuable asset that will provide significant returns based on a culture of performance improvement, and the delivery of value to customers and other stakeholders.

What capabilities are required? The following list shows the main elements that must be understood by a critical mass of staff:

- general principles of process-based management
- process improvement and management methodologies
- project management for process projects
- process change management
- use of related process modeling and analysis tools
- idea generation techniques
- innovation management
- process automation possibilities
- performance measurement purpose and logistics
- process governance arrangements
- modeling conventions
- modeling quality frameworks
- personal/team communications
- data analysis
- conflict resolution

The suggestion is not that everyone needs to have all of these capabilities, but that all must be available throughout the organization.

Process-based management seeks to take down the walls that create 'siloed' working, where each person or team does their job oblivious to what happens before and after their work. Taking down walls and creating new ways of working, provoking new conversations, and encountering new conflicts, is not something to be taken lightly. When those walls come down, appropriate support must be provided to the people, and their teams, now working 'in the open'.

For many people, new skills are needed both to understand the theory and practice of process-based management, and to work with others in new ways based on open collaboration. Both 'hard' skills (tools, techniques, methodologies) and 'soft' skills (relationships, teamwork, cooperation) are needed—and this at a time when staff are being asked to contemplate significant change.

Enabler 7: process support

There is a requirement for a centralized support facility. However, it is not the job of any central group to do all the process work in an organization. Effective process improvement

and management is based on distributed responsibilities and activity. If a central group does all the process analysis, improvement, and management work then, when they are successful, they will not be able to respond quickly to an increasing level of requests for assistance. The central BPM group then becomes the reason that some process improvement work is *not* being done.

Supporting all the stakeholders in process management and improvement, ensuring compliance with operational standards and maintaining the central artifacts such as the process architecture is the proper role of a central Office of BPM (aka BPM Centre of Expertise or Centre of Excellence). The key role of such a group is to raise the BPM capabilities of the rest of the organization.

Many organizations have a long-term goal to create a central business unit tasked to manage, support and nurture process-based management throughout the organization. Most organizations see this as an aspirational goal only achievable once a certain level of BPM maturity has been realized. An alternative view is that the Office of BPM is a catalyst allowing faster and more certain realization of the significant benefits to be gained from a process support facility.

For many organizations, a gap persists between their aspirations for process-based management and the reality of what is achieved. They strive to get traction with the ideas of process-based management, but progress is slow. Creating an Office of BPM can galvanize interest and action and provide a mechanism for effective control and support of the many process initiatives.

Managing reimagination

Organizations get work done, not up and down the organization chart, but via collaboration across it. Strategic and operational challenges must also be addressed through that lens. Significant issues such as declining customer satisfaction, increasing costs, loss of market share, employee disengagement, market disruption, and the many other challenges faced by executives and their organizations, have their root causes in business process failures. Just as value must be delivered in a collaborative, cross-functional way, so must solutions to operational and strategic problems.

There is no shortage of management activity in the vertical or functional direction, but often a complete absence of attention to the important horizontal alignment.

This needs to change, and both aspects need close management attention, always remembering that the horizontal or process view delivers the value.

Process-based management shows how this can be done. The 7Enablers framework provides the control levers for effective process-based management and guideposts for development of management maturity.

We need both the functional and the process view, but we miss the second view because the money and reporting structure are in the first. Senior executives need to take a step back from the day-to-day functional issues and reimagine their organizations as value creation and delivery flows.

This paper has discussed seven enablers of process-based management, seven elements that will put management focus where it should be, on cross-functional value creation, accumulation, and delivery. If you accept the premise that no unit identified on an organization chart can, by itself, deliver value to an external customer or other stakeholder, (and how could you not do so?) then you accept the main concept of process-based management. The inevitable consequence of that is acceptance of the certainty that processes must be identified, analyzed, improved, and managed. Since the organization chart is silent on the management of cross-functional processes, a separate, targeted, and comprehensive intervention is required to enable process-based management and realize the benefits that come from it.

At a time when the requirement to 'do more with less' seems both inevitable and impossible, process-based management delivers a practical, proven approach.
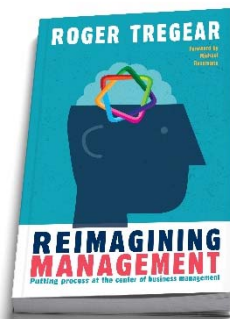
This paper is an edited extract from the book, **Reimagining Management**. From the foreword by Professor Michael Rosemann: '*This book has the potential to become an essential, shared point of reference for designing organizations.*'

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