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Know-How Column

**Head:        No Matter What You Call It, It's Still About Managing  
Processes**

**Subhead:    Our evolution toward BPM**

**By:            Sara Braziller and Michael Scherer**

What is being addressed today as Business Process Management (BPM) has gone under the guise of many things over the years. It was known as just-in-time manufacturing in the 1980s. In the 90s it was repackaged as re-engineering, then as Lean, Six Sigma and Value Stream Mapping. While all of these methodologies tend to focus on vertical, or functional process improvements, today's BPM is about looking at organizations horizontally to improve the whole. It is about delivering well-orchestrated value to customers, and efficiency and profitability to the organization. When the whole business is in sync, both customer and stakeholder value is maximized.

The reason it has been so difficult for business to get its arms around BPM is that it goes counter to our traditional thinking. We build organizations functionally by hiring experts to manage areas from Manufacturing to Marketing to Finance. While people must specialize, these departments tend to get silo-ed, working to optimize their own processes. Rarely do they have time to coordinate processes, and frankly, coordination is perceived as slow and cumbersome.

## **The advantages of cross-functional thinking**

But the advantages of BPM far outweigh the difficulties getting there. We see this regularly in the practice of Business Analysis. For instance, while developing the back-end requirements for a new consumer shopping website, a good BA asks how the new site will interface with the company's existing order entry system. And how Customer Service will interact with the site and respond to inquiries. Beyond that, questions about maintaining inventory for the site need to be addressed to Operations, and Marketing needs to provide input on how it is going to make special offers on the site, or introduce new products.

By involving other departments and coordinating efforts at the front end of such a project – a time-consuming effort to be sure – implementation and maintenance of the website will be smoother and less subject to unforeseen and often difficult revisions.

## **Getting started**

So how do you get started on BPM? First, heed this warning: BPM takes discipline, going against the grain of most organizations, and tenacious champions. For those still interested in taking the leap, here is a 30,000 foot overview.

1. **Find and develop BPM champions in your organization.** Choose independent, broad thinkers and give them the freedom and authority to keep the organization on track toward realizing BPM.
2. **Train the BPM team in door-to-door process thinking.** Whether you hire an expert to help with this, or research and manage it internally, this team will learn to recognize the cross-functional processes that go into gathering the goods and information that your company turns into a product or service. A way to start defining these processes is to identify all the activities that occur in each department, and then identify where there is cross-over. For instance, Procurement is involved in purchasing, vendor management and quality control.

Obviously quality control also falls under Manufacturing's activities, as does vendor management. And as the keeper of the purse, Finance is involved in purchasing.

3. **Develop a SIPOC (Suppliers, Inputs, Processes, Outputs and Customers) diagram.** This is a high level visual that maps out all the interconnecting activities within your organization. It will go through many revisions as each department provides feedback on how they interface with any given function – from the receiving dock to the shipping platform.
3. **Harness the power of what you've learned.** BPM is a journey, not a goal. It is a continuous effort at optimizing the processes that run your business. Things will change, and processes will be added and dropped. You will need to be vigilant in continuing to drive horizontal thinking.

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Sara Braziller is an independent consultant, instructor with Watermark Learning, and professor at the University of St. Thomas where she focuses on Lean. She can be reached at: [s.braziller@worldnet.att.net](mailto:s.braziller@worldnet.att.net) or 651-751-0621.

Michael Scherer is a consulting director and head of the Business Analysis COE at Solutia Consulting. She can be reached at [michael.scherer@solutiaconsulting.com](mailto:michael.scherer@solutiaconsulting.com) or 612-384-6815.

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