

11 Habits for Highly Successful BPM Programs

Proven Steps for Getting Started with Process Improvement

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"BPM allows us to focus on our most critical business priorities first."

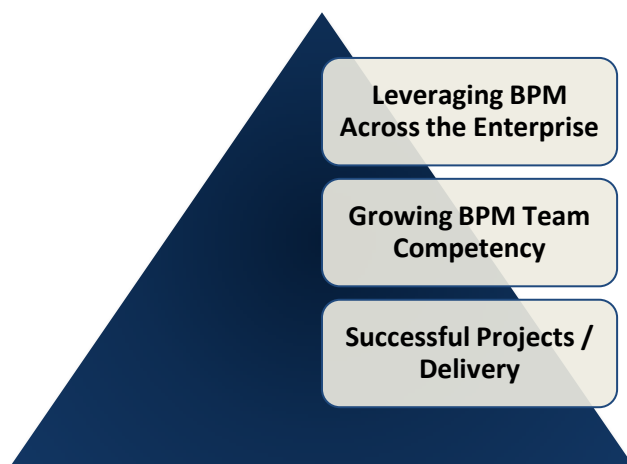
- Erik Keller, CIO, SIRVA (Keynote Presentation, Driven Online 2009)

We've been at BPM for quite some time now – almost a decade! We hear quite often from our customers at the beginning of their BPM initiative that they have high hopes and big plans for BPM in their company as a core capability to drive process improvement across the business. They are eager to find out what they can do to ensure a successful BPM program.

Over time we have captured the 'habits' of our customers that have proven to be successful with BPM on a long-term basis. What do they do at the beginning that sets them up for success? How do they invest along the way? And how do they really establish an enterprise-wide BPM capability?

We decided to present these suggested guidelines around the framework of Stephen R. Covey's book, *The 7 Habits of Highly Effective People*. The basic point he makes is that you have to have a paradigm shift in order to be effective -- you have to think about things a little differently. There are progressions and stages that you need to go through in terms of building up your capability to become more effective. The first stage is about working on yourself as an individual, and later progressing to become someone who can have a significant effect across your community. BPM follows this same strategy.

Levels of BPM Success



What habits will help an organization move up these levels?

Success breeds success. You can't just jump into a fully developed enterprise-level program if you don't have any experience with BPM. It is definitely a progression in which each level supports the next. Start with the ability to deliver single projects -- prove you can do it. Then build up the team competency and infrastructure enabling BPM to be the platform for driving process improvement across the enterprise. By following the progression and the very specific habits at each step that we will outline for you here, your organization will be able to provide a real asset to your entire company as you move up the levels of a successful BPM program.

Habit #1 - Prove Business Value First

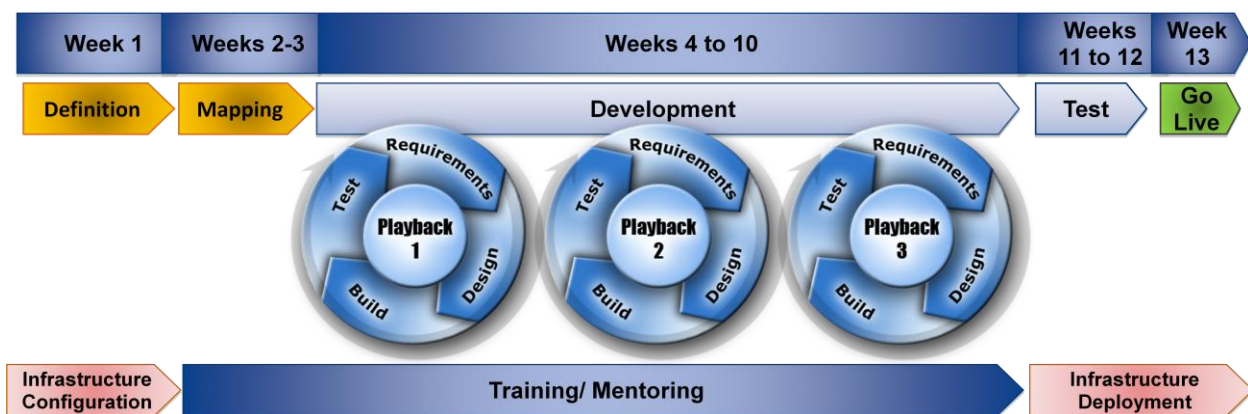
- Don't forget the focus should be on business value
- Be willing to make trade-offs for the first release

Pick out a challenge that provides business value – don't just do a small starter project. Successful BPM customers have jumped right into solving a business problem that matters.

In the first project, go after a discrete problem you are confident you can tackle. Only after a successful first iteration will you be able to completely justify the next deployment and continue to look at other parts of the business for additional process improvements.

BPM is agile. You need to take advantage of that – and don't attempt to solve all problems with a single “big bang” deployment of an end-to-end process. You need to continuously improve and iterate.

BPM Project Timeline

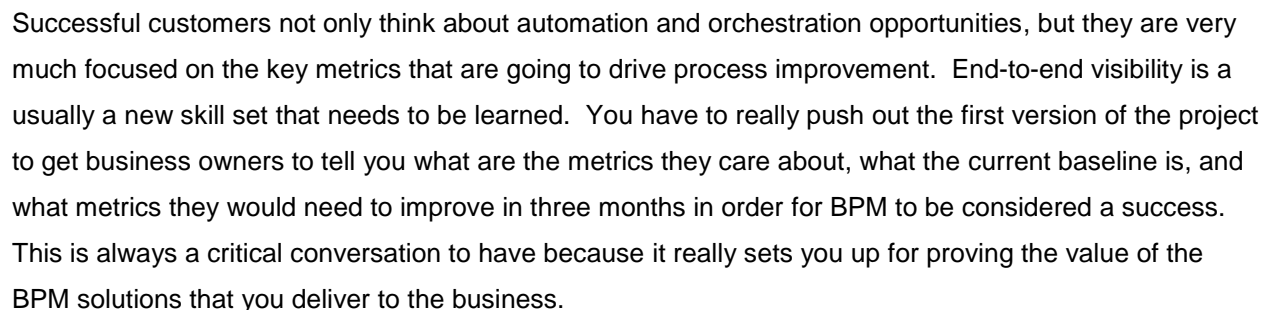


It has become common knowledge in the BPM space that in order to deliver business value, the only methodology that works is iterative delivery of a process. The traditional waterfall methodology has high risk of failure, because the business and its requirements may change by the time the “final” process is ready to be deployed. Instead, through iteration and playbacks you can engage the business throughout the development phase and they will be able to share with you where the key points of value are in the process, which ultimately ensures that the right application gets built.

Lombardi suggests conducting at least three major playbacks in each project delivery. It is imperative that you bring together all stakeholders and step through the process application at three or more playbacks over the course of a 10 to 12 week long project. We even have some customers who, after realizing the importance of playbacks, hold them every week!

- Metrics, KPIs and SLAs should be part of the Definition Phase
- Don't push metrics out of scope
- Remember visibility is critical to improvement

Successful BPM customers determine the key metrics they are trying to move by measuring the before and after. Without baseline measurements it is difficult to show the value business gained from all the process improvements. Many companies can give you discrete metrics in particular departments, but they can't give you end-to-end metrics of a key customer-facing process. Lombardi BPM can help.

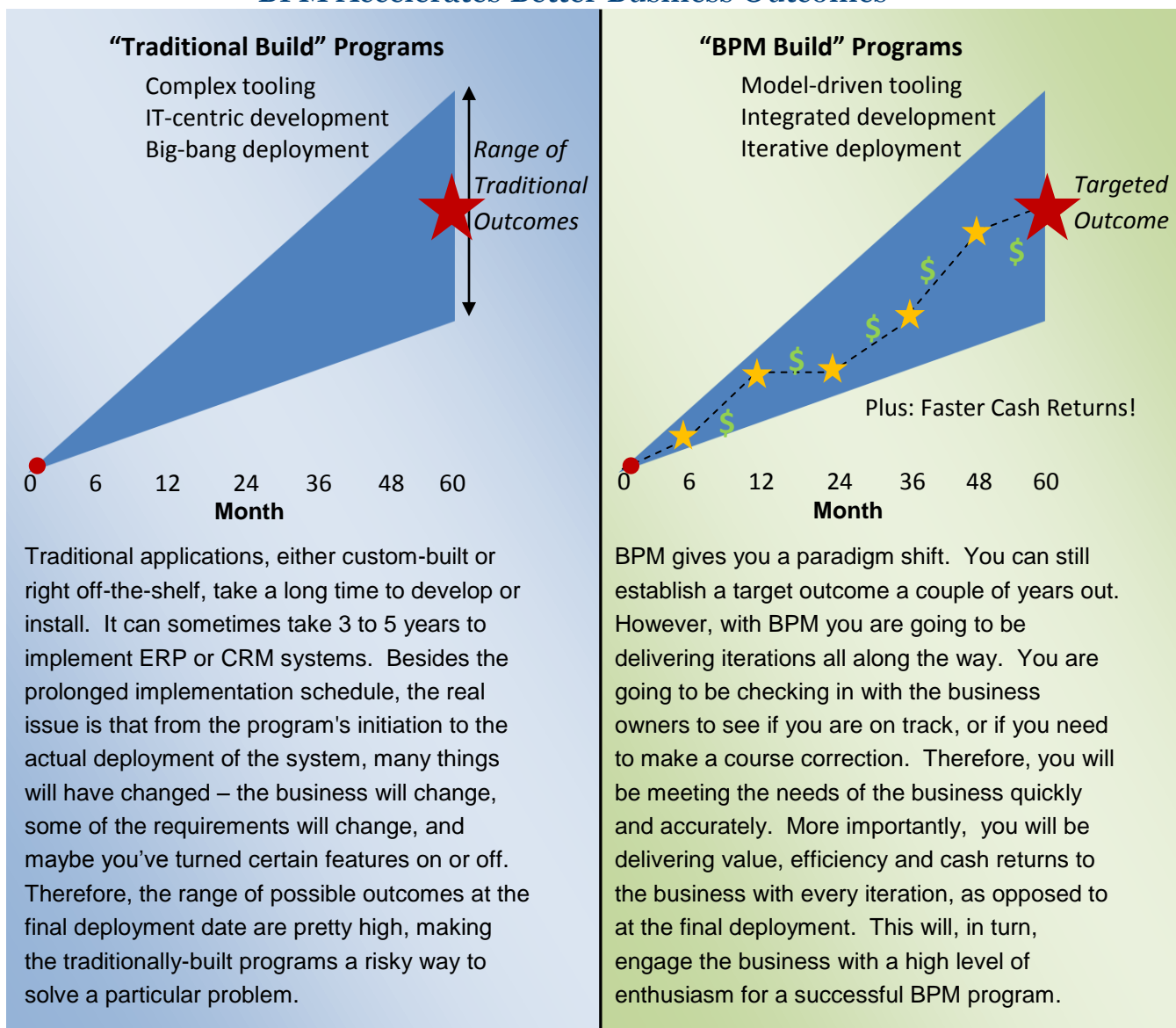


Habit #3 - Never "One and Done"

- Iterative approach...for Continuous Process Improvement
- Phases and Versions 2, 3, ... N will always happen
- Make trade-offs (but don't trade-off the metrics!)

With the iterative approach, you need to establish a paradigm, a mentality – not just within your BPM project team, but ideally in the organization as a whole – that you're not just deploying an application once. BPM allows you to get a first version of a process deployed quickly, to solve a discrete problem and to prove value to the business. But the real opportunity is in versions 2, 3 and beyond, bringing entirely new levels of capability and sophistication in efficiency or effectiveness to your organization.

BPM Accelerates Better Business Outcomes



Habit #4 - Don't Skip Process Analysis

- Requirements documents are not Process Analysis
- Don't over-do the initial requirements Definition phase
- Develop Process Analysis skills in your team early

While we are always excited to see that our new customers are extremely eager to dive right into solving business problems using BPM, we know that many times they are missing an extremely crucial step. You simply cannot start a BPM initiative by going directly to building custom process applications just by using a 'requirements document.' It is imperative to complete Process Analysis, because this ultimately sets the foundation for a successful BPM program.

The opportunity with BPM is to really adopt a process mindset – which will immediately put you and your team in a collaborative context. Processes are performed by different groups within your organization. You can't rely solely on a 'requirements document' to go and build an effective custom application.

Process Analysis helps illustrates the end-to-end process:

What is the data needed at different points?

What is the velocity that we need in this process?

How quickly do we need the turnaround time to be and where are the issues with meeting this requirement?

You won't find the answers to these questions in traditional requirement documents. The objective behind Process Analysis is to help lead you through your process improvement effort.

Process Analysis is designed to help you:

Analyze specific business processes

Understand the main problem areas in the current process

Formulate a roadmap for recommended process improvements

In order to be successful, you have to have to develop Process Analysis skill within your team. It's a critical factor and it is something that sets apart traditional application development from building process application solutions using BPM.

Habit #5 - Take the Time to Deliver Value

- A project that takes longer than 90 days is not a failure
- Self-sufficiency can extend project timelines
- Timelines can be dependent upon the sophistication of the process

For better or for worse, there is a ton of marketing out there for BPM vowing that you can deploy in two weeks, or you can deliver a complete solution with value in a month. We're not denying that such short timeframes are possible, because you can deploy within a month, given certain conditions. If that's the right timeline for your company, then do it.

But, don't forget our # 1 Habit – Prove Business Value First! Here at Lombardi we believe that you should be able to accomplish the following within a 90-day timeframe:

- Prove business value
- Start delivering value back to the business
- Deploy first iteration
- Earn your right to do the next phases
- Get your win on the board

If, on the other hand, it is going to take you 120 days because that is how your organization works and there are certain procedures that you need to follow – that's fine. Just be sure that you impart business value – don't just ship an irrelevant trouble ticketing system in 30 days, because that will not help your BPM program in the long run. Instead, take the time to deliver value. And really stretch yourself – it is going to take effort but it will all be worth it once your company is able to realize maximum business value.

Another key point – if you make the decision that you want to be self-sufficient very early on in your BPM program, you need to extend your project timeline because you are taking time to learn along the way. You are not just sitting in the passenger seat and watching. These factors need to be taken into account when determining a timeline. You need to communicate to your team that you are going to take a little bit longer, but your organization will exit the project with some new capabilities that allow you to achieve success on your own. That's probably a great trade-off to make depending on what your company values and prioritizes.



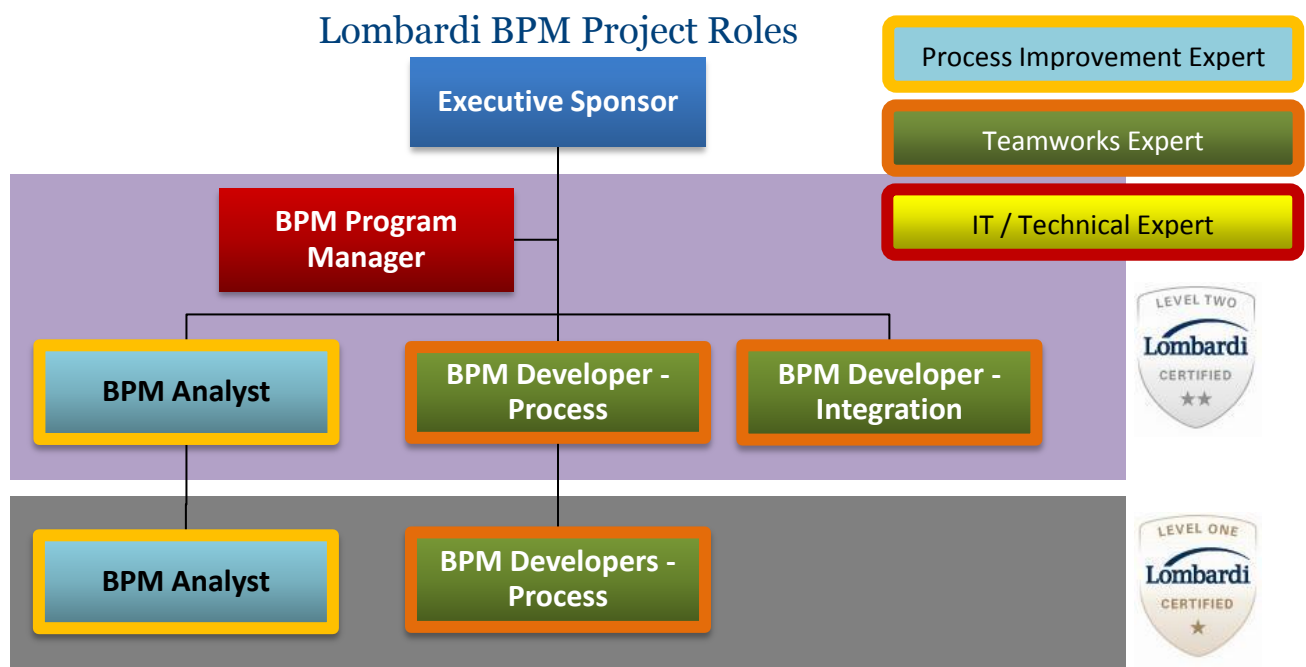
Habit #6 - Build a Complete Team

- Java (or .Net) developers aren't all you need
- Have the right mix of resources on the team
- Identify good pools of talent for developers (BPM consultants)

From our perspective, you have to go into BPM thinking about building a complete team. Having a BPM program is an investment – we think that it's a critical capability for any progressive IT department. You have to build a broad set of skill sets. Valuable BPM process applications are going to be integrated with your core systems of record, and you are going to be leveraging services – so there is definitely a place on your team for very technical people. But you also have to have to attain some new skills and capabilities as well, such as Process Analysis.

Successful companies executing BPM start thinking about the following during their first BPM projects:

- What is my team going to look like as I scale and expand this program?
- Who are good candidates for me to reach out to and plug into these different roles?
- What talent and capabilities do I still need to acquire?



Supporting Roles:



The good news is there is a well-defined set of roles. The terminology will be different depending on who you're talking to, but by and large the necessary skill sets are pretty clearly identified.

BPM Role Descriptions



Process Owner

- Establishes process goals and project success criteria
- Provides clarity on process scope and relative value of process activities
- Makes key business decisions that clear impediments to team progress
- Provides cultural leadership to facilitate adoption of process improvements



BPM Program Manager

- Guides Iterative Delivery
- Manages scope, budget, and resources
- Identifies and mitigates risks
- Conduit for escalations and issue resolution
- Provides internal and external status and dashboards
- Lets the Delivery Team deliver



BPM Analyst

- Leads process improvement efforts
- Expert in process decomposition, process/data analysis, scoping, optimization
- Identifies business case, key opportunities, prioritized roadmap, and ROI
- Identifies and enforces delivery of KPIs, SLAs, and scoreboards



BPM Developer - Process (Lombardi BPM Consultants)

- Drives Business Playback sessions
- Expert in Teamworks features in the context of solutions
- Implements process flows, services, business logic, and user interfaces
- Develops KPIs, SLAs, and scoreboards
- Models organization and task routing rules



BPM Developer - Integrations (Lombardi Technical Consultants)

- Responsible for systems architecture
- Designs and implements integrations, custom data storage, and complex data manipulations
- Guides infrastructure design and implementation



BPMS Administrator

- Responsible for installation and configuration of application servers, databases, and enterprise operating systems
- Identifies appropriate environment architecture required to support development, testing and production migration requirements
- Performs troubleshooting and root cause analysis of system and application issues
- Proficient in monitoring and tuning performance of a multi-tier solution with service-based integrations

Habit #7 - Make Self-Sufficiency a Priority

- Don't allocate partial human beings
- Make sure all of the right skills are represented
- Don't mix self-sufficiency with tight deadlines

In the long run, customers that really succeed with BPM programs do one of the two following things:

- They make a commitment to allocating people full-time to assemble a BPM team that represents all of the skills.
- They do not mix self-sufficiency with tight timelines - they make it a priority to take time to deliver value, which requires carving out time in the beginning of the program for the team to learn BPM. Some customers also use 3rd-party partners extensively. Even then, the partners may need time to get up to speed on BPM, to become self-sufficient and acquire the skills that they need to be able to support you.

Education is a Key to Self Sufficiency

Lombardi Recommends:

| | | |
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| Role-oriented training vs. "one size fits all" | Ongoing training & testing at multiple maturity levels | Mentoring to learn application of skills |
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Missing or insufficient skills can lead to slow adoption, lost value ... or complete failure

Make sure you are factoring in time and investment in education. To help you with this, Lombardi has established a certification program within Lombardi University. In addition to testing, certification accounts for real applied skills demonstrated during deployments. This on-the-job training and mentoring helps put you in the right mindset to be successful with BPM. Here at Lombardi, we think the combination of certification, training and mentorship will help you to succeed with your BPM program.



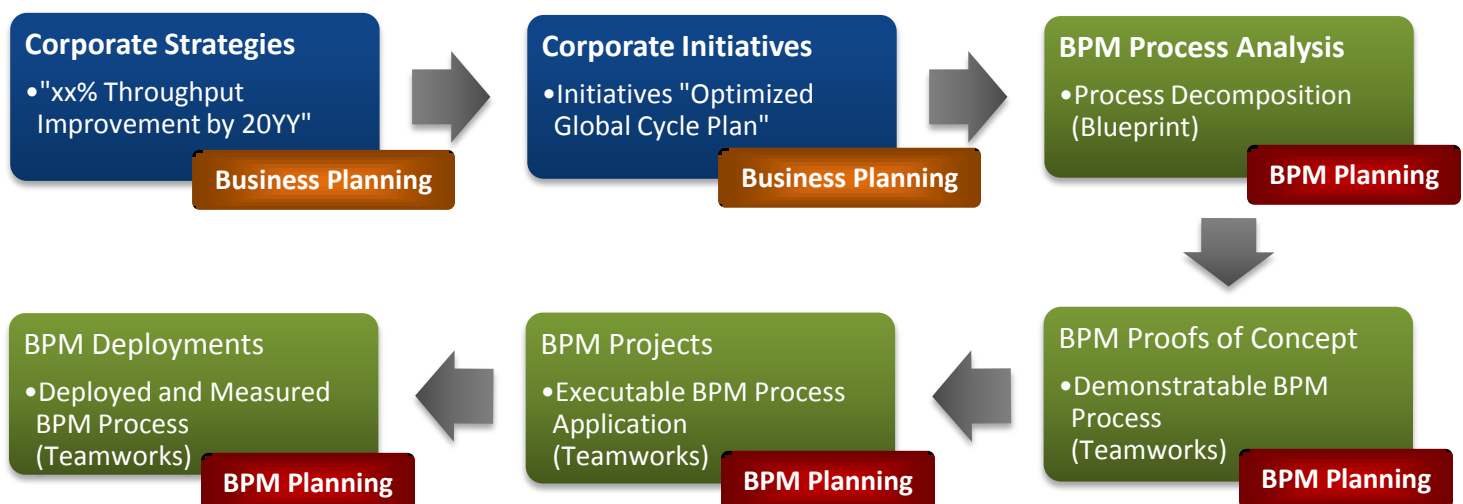
Habit #8 - Fund to Value ... Not Just First Release

- BPM is about Continuous Process Improvement
- BPM should be programmatic
- Funding model should contemplate Projects and the Program

In order to drive BPM awareness to the executive level, successful customers capture funding for the ongoing value of process improvement and not just for the first release of a project. You cannot simply go project-to-project – you are investing in a program. The companies that are thriving at process improvement tie BPM to a key initiative that they know is going to span multiple quarters and multiple years, in order to facilitate funding for the program throughout all stages of improvement and maturity.

Tying BPM to Corporate Strategy

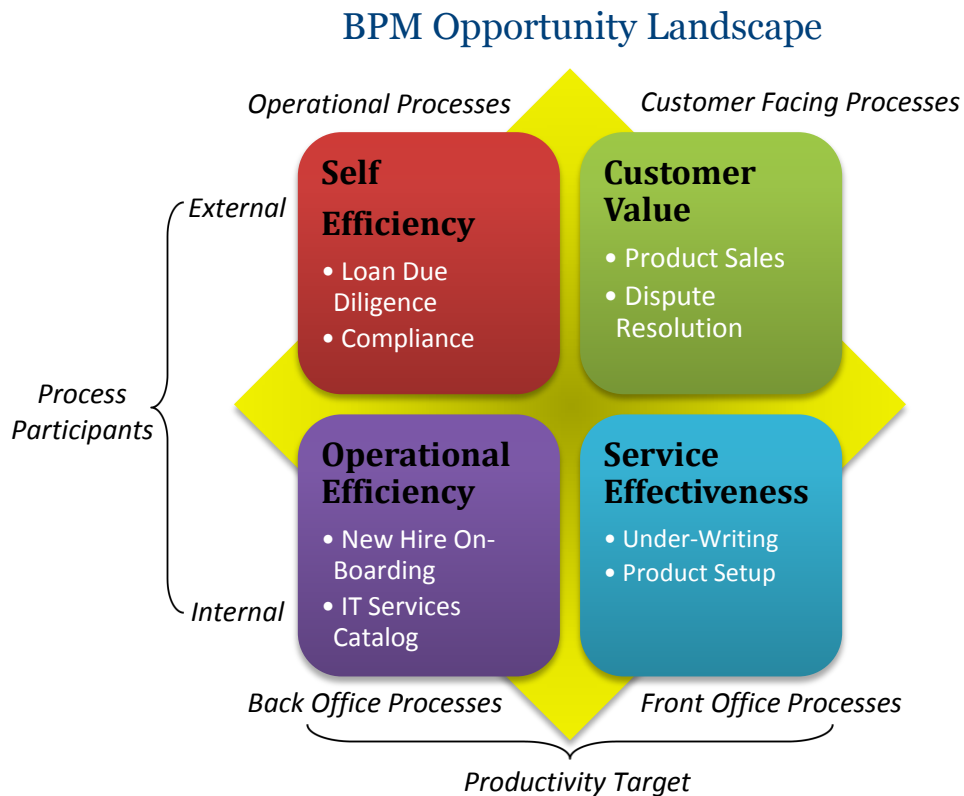
BPM Pipeline (Executive Review) - Increasing level of process definition at each stage with steering committee approval when promoting projects from stage to stage.



The most successful practitioners tie BPM into the corporate strategy of the organization. They look at the global initiatives the company is trying to accomplish.

- Are we looking to change our model to an outsourced manufacturing model?
 - If so, where are the pain points going to be and how can BPM and process applications help us as an organization thrive in that.

Some organizations really do things using a top-down approach - they take their global initiatives and then determine at a strategic and tactical vision of how BPM can get them to achieve their objectives. This is a great way to sustain your BPM program and not be impeded by a project-by-project mentality.



We have customers who follow a shared-services organization model and realize that BPM can help in a lot of different places. Customers like this go out and advocate BPM to different lines of business so that they can, depending on priorities, drive:

- Customer Value
- Operational Efficiency
- Service Effectiveness
- Service Efficiency

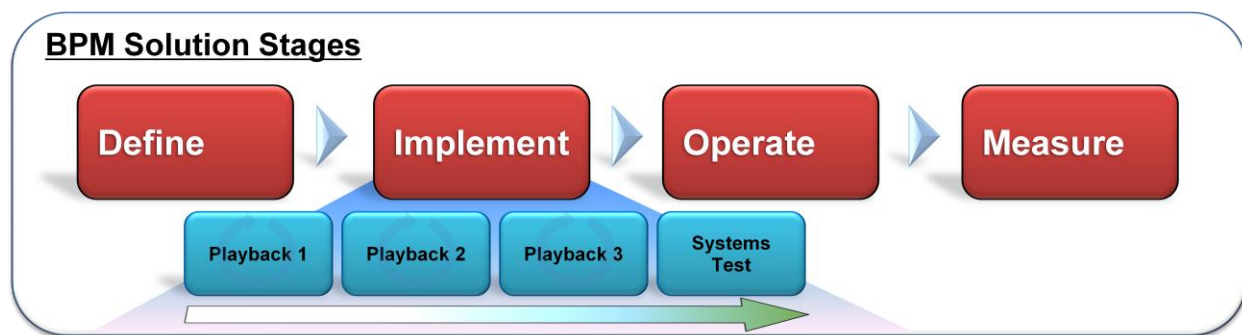
Then they gather input from different groups who are interested in using BPM to help their processes and they identify a pipeline of all the different implementable locations within their organization.

They also have a **prioritization matrix** in which they factor in the Return on Investment (ROI) for completing the project to help deliver business value by justifying the cost of implementing BPM. Another interesting point – the BPM program promoters look at the line of business and they determine what that group's organizational ability is to accept change, and what the awareness is as a group around process. If the group does not accept change very well and knows nothing about process – that in turn gets factored into the prioritization of the success rate for that project.

Habit #9 - Force Collaboration

- Consider carefully for the first project
- Co-locate team members from business and IT
- Leverage the Playbacks

We believe that in order to succeed in BPM as an organization, you have to engage the business. Core learning in BPM requires that you force collaboration. You have to co-locate team members together and go after a completely different level of business engagement than you ever had for traditional applications that were built only in the IT side of the house. Our successful customers are able to fill the room during playbacks with people from both the IT and the business side of the house. This way you make sure you are on the right track throughout the development of the application and you can maximize the value you deliver back to the business!



Our approach and toolset allows for very fast and easy iterations. We call these **playbacks** – IT and business can sit side-by-side to tweak, playback and repeat. With Teamworks, you can press ‘play’ at any time. No delays, no overhead - you get to leverage instant feedback from your process stakeholders.

Customer Story: Playbacks Drive Engagement



This photo is from a playback at a large pharmaceutical company.

People from call centers, partners and process owners are present. The GM of this process has over a billion-dollar responsibility for this line of business. But he is here in this early playback, looking at the process,

providing feedback on key metrics and on the future of the process. He is making the playback a priority. We consistently see that our successful customers are getting the business owners, process owners and process participants in the room where they can iteratively develop these process applications as a group throughout the delivery of the project. This is a key component of success. If you don't have this kind of collaboration, you won't have repeatable success with BPM projects spanning the enterprise.

Habit #10 - Establish the Owners

- Processes are business-owned
- BPM is the discipline/program
- BPMS is the enabling technology

"If there is no business owner for the process, there's no process application. I won't do it." - Erik Keller, CIO, SIRVA ... and Lombardi customer.

You need people from the business engaging and saying what the priorities are for any project. The key benefit to this iterative approach is that you can make tradeoffs and changes along the way in order to adapt to changing business conditions and requirements. To ensure that the right decisions are made, you have to have a level of business engagement that guides and directs you on your BPM journey.

Business Owners are an absolute requirement for succeeding with BPM.



Classic Question:

Who should own the BPM project - business or IT?

Lombardi's answer:

The business should own the process improvement and IT should own the BPM program.

In a BPM program, one of the core elements is obviously the BPM suite (BPMS) – which is enterprise software. The BPMS is going to integrate with your core systems and share information across applications and services. Your key partners and Lombardi believe that a BPMS should be a differentiating capability of a progressive IT team. Using a BPMS, a team should have the ability to go into any business group and put together a process application in a short amount of time that starts delivering business value and ROI.

Habit #11 - Market Your Work

- Create regular internal communications about progress
- Use videos, wikis, and portals to "show off" new processes
- BPMS is the enabling technology

Some IT groups do this habit intuitively – others need to develop it. We've noticed something interesting about BPM, particularly at the business side of the house – they don't "get" BPM until they actually see it.

Luckily, with products like Teamworks they can easily see:

- Process applications
- Process status
- Reports with drill downs
- Who is doing what task
- Bottlenecks and problems
- System integrations

Users can go from swivel-chairing between 7 different systems to interacting with just one process application. All of these aspects help the business side see how BPM makes the process streamlined.

In order for you to get people in the various groups in your organization to buy into BPM, you have to market it to them. You have to go out and do road shows, impart knowledge on what process improvement has done for your projects, and what it can do for them.

Get a process conversation started - and more importantly - keep it going!

There are so many different technological venues that are available to help you do this quickly. Leverage your internal wikis and company newsletters. We've also had many customers who have done recordings of process application demos, or interviews with their end users. This material is sometimes uploaded to YouTube® for easy viewing by colleagues.

The key is to get people to "see" BPM and to see the opportunity – because once you've done that, we can guarantee you the flood gates are going to open. You're going to have lots of different people coming to you and saying that they need your help over in a certain part of the business. That's when your BPM has program has really achieved an enterprise level impact and mentality.



So What's Next?

We have some assets that could be helpful to you whether you are just getting started with BPM or if you are building your team competency and looking to increase process engagement across the business.

Blueprint Account



- Go to www.lombardi.com/blueprint
- Sign up for a free 30 day account!
- Single best way to get people in your business thinking about BPM and starting to document process problems that can feed into your process project pipeline.

Webinar: Justifying a BPM Project



- Check this out if you are trying to get your organization on board with BPM
- This really emphasizes why process improvement is a number one priority that IT teams and CIOs should be investing in.

Whitepaper: How to Structure your First BPM Project to Avoid Disaster



- Must read during the BPM planning phase!
- Contains specific tips and tricks which will be critical for setting you up in your first BPM project.

Resource Center



- Go to www.lombardi.com/bpm-resource-center
- Provides different kinds of assets and ideas for getting BPM projects started and sustaining them across your enterprise

Recap of the 11 Habits of Highly Successful BPM Programs

Make Projects / Delivery Successful

- Prove business value first
- Make BPM about productivity AND visibility
- Never "One and Done"
- Don't skip process analysis
- Take time to delivery value

5 Habits to really help you get your project out the door and succeeding

Grow BPM Team Competency

- Build a complete team
- Make self-sufficiency a priority

2 Habits to help set up other projects to have broader impact on your business

Leverage BPM Across Enterprise

- Fund to value...not just first release
- Force collaboration
- Establish the owners
- Market your work

4 Habits to get awareness of BPM and process improvement at the CIO and CEO levels

From our perspective – at each stage, you are developing BPM capability.

At Lombardi we believe BPM is all about helping customers improve the productivity of their people. We provide innovative BPM software and expertise that engage business process owners and participants in every aspect of process improvement. From the upfront discovery and documentation of business processes, to engaging business participants throughout the development of process applications, and continuing through the collection of the right business data and metrics used to measure and identify areas for process improvement - you are developing your BPM capability. Lombardi's focus in business process improvement initiatives has been putting business engagement first – this has consistently yielded the most transformative results for our customers.

About Lombardi

Lombardi, an IBM company, is a leader in business process management (BPM) software for companies, systems integrators and government agencies of all sizes. We offer award-winning BPM technology, know-how and services to help our customers succeed with their process improvement initiatives. Our products are built on open standards, and provide ongoing prioritization, planning, visibility and control of business processes, increasing the speed and flexibility with which organizations can manage their business process activities and decision-making.

Teamworks® is Lombardi's BPM software for designing, executing, and improving processes. Teamworks for Office™ makes it easy for anyone to participate in BPM using the familiar Microsoft® Office System products. And Lombardi Blueprint™ is the only on-demand, collaborative process documenting tool that enables companies to map processes, identify problems and prioritize improvement opportunities. At the core is Lombardi's unique shared model architecture, which significantly reduces the time and effort versus competing solutions.

Lombardi is behind some of the largest, most successful BPM implementations in the world. Our customers include Allianz Group, Aflac, Banco Espirito Santo, Barclays Global Investors, Dell, El Paso Energy, FETAC, Financial Services Authority, Ford Motor Company, Hasbro, ING Direct, Intel, Maritz Travel, National Bank of Canada, National Institute of Health, Safety-Kleen, T-Mobile, UCLH, Xbridge and numerous governmental agencies.