

Six Challenges for Government Business Process Management

David McClure

19 May 2008

Government Business Process Management: Drivers and Inhibitors

Drivers



- Compliance initiatives, including refocus on internal controls
- Government reorganizations
- SOA-based EA push
- Web 2.0
- Process improvement initiatives: BPI, Six Sigma, Lean
- Vendor-driven IT: SaaS and commoditization
- Enterprisewide solutions (such as shared services)
- Information sharing needs

Efficiency, Accountability and Transparency

BPI = business process improvement
EA = enterprise architecture
SaaS = software as a service
SOA = service-oriented architecture

Inhibitors



- Wrong business and IT culture
- Entrenched application-centric focus silos
- Lack of business process expertise
- Challenges in implementing governance policies and programs
- Trough of Disillusionment: SOA and Web services
"Same Old Adventure"?

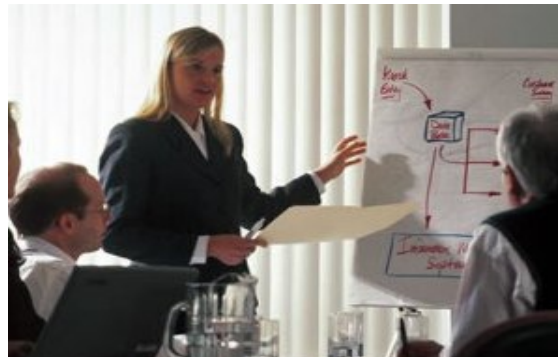
"We are doing just fine ... why disrupt?"



What Is Business Process Management?

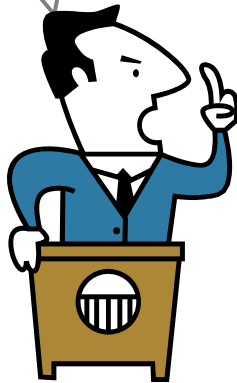
Business process management (BPM) refers to a set of management disciplines that accelerate effective business process improvement by blending incremental and transformative methods.

- BPM's management practices provide for **governance of a business process** environment toward the goal of improving agility and operational performance.
- BPM is a **structured** approach that employs methods, policies, metrics, management practices and software tools to manage and **continuously optimize** an organization's activities and processes.
- BPM is a **cultural change**; pay special attention to communication and engagement activities to minimize resistance and maximize stakeholder involvement.
- BPM's disciplines are **largely** technology enabled.



New Roles and Responsibilities: It's a Business Project, Not an IT Project

We need to have one face with the public instead of one per program to efficiently service citizen needs. By understanding our citizens' needs better, we can improve service delivery, reduce costs and enhance citizen satisfaction.



**Agency Head
or Elected
Official**

Translation



**Program
Analyst**

What people, process and technology factors are most affecting our performance targets on cost, quality and timeliness of services?



**IT
Experts**

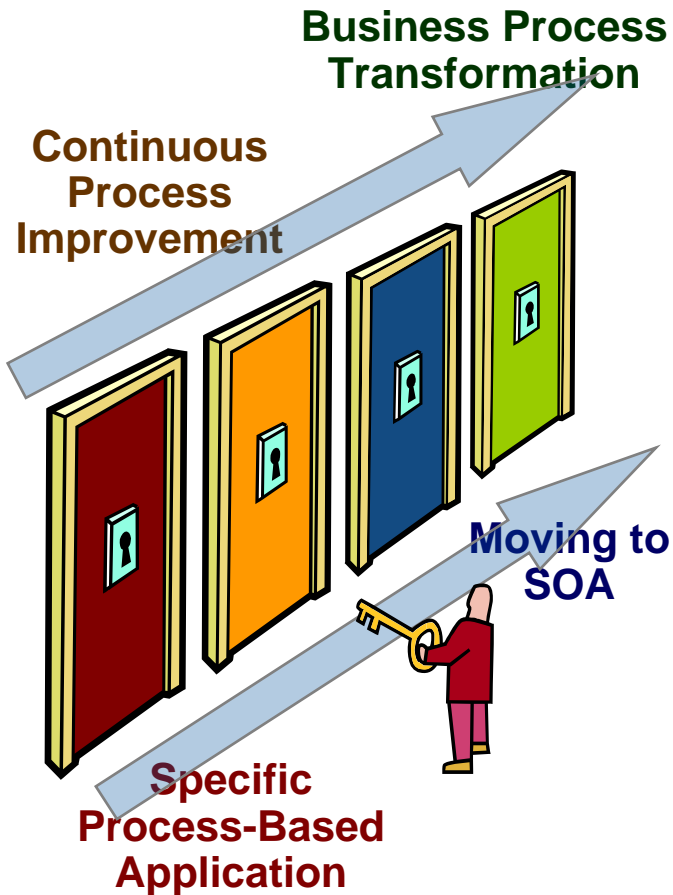
Our enterprise system integration and consolidation efforts must ensure reliable, consistent support in a secured environment.



**Process
Analyst**

Optimize Tier 1 call center automation resources and cross-train Tier 2 customer support representatives. Our productivity should rise by 20% and handle expected new workload increases from legislation.

Four Government BPMS Opportunity Patterns



Specific Process

- Program director or CIO/IT buyer
- Looking for quick, point solution
- Want a process-based application
- Extend existing application use, if possible
- Results: Process automation and \$ efficiency

Continuous Process Improvement

- Program director or process owner buyer
- It is a BPM initiative
- Looking for agility and continuity in outcomes

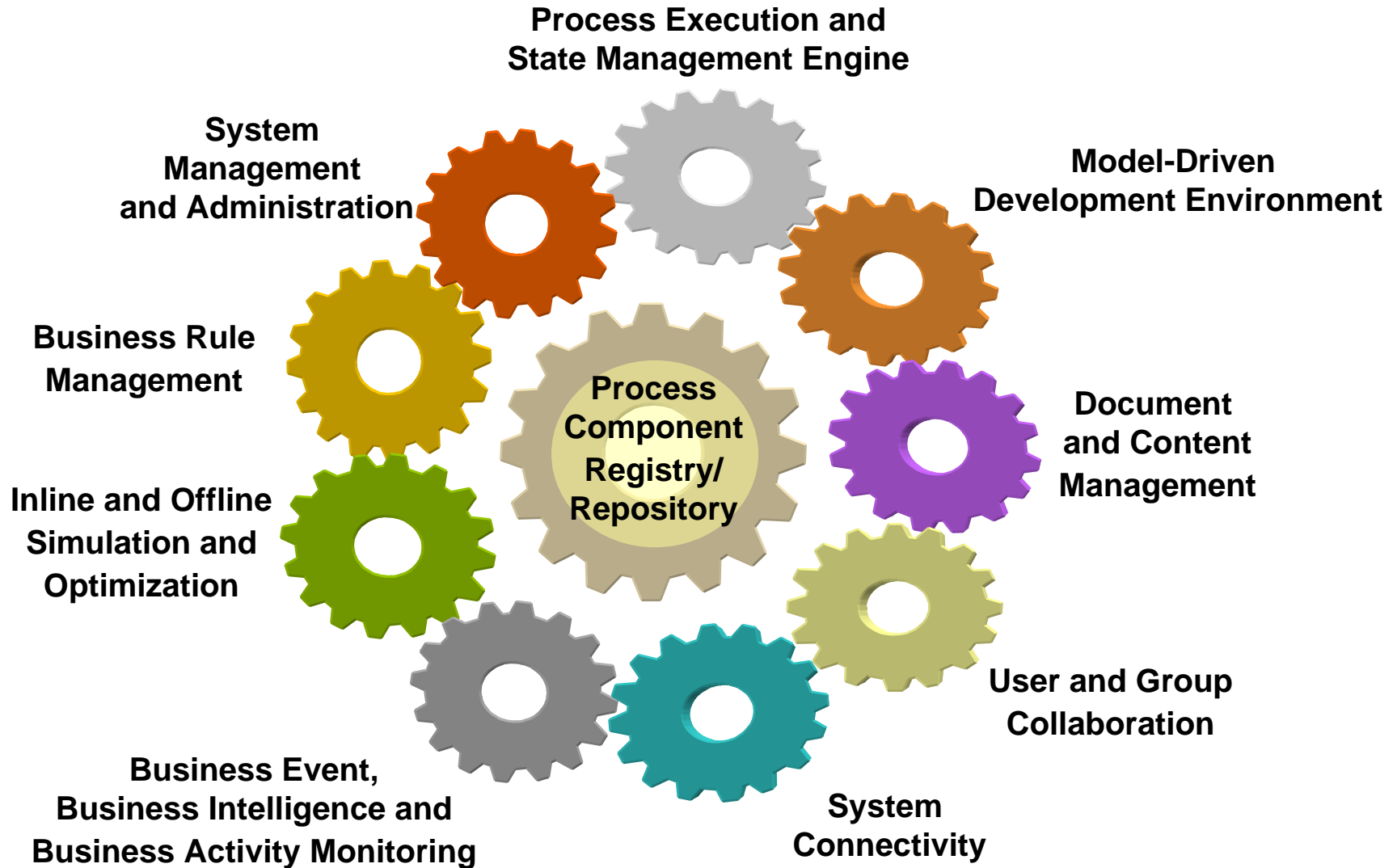
Moving to SOA

- CIO/IT buyer
- Application/infrastructure modernization

Business Transformation

- Senior executive
- Rethink an entire core service process
- Wants to make a "game changing" play

Business Process Management Suites

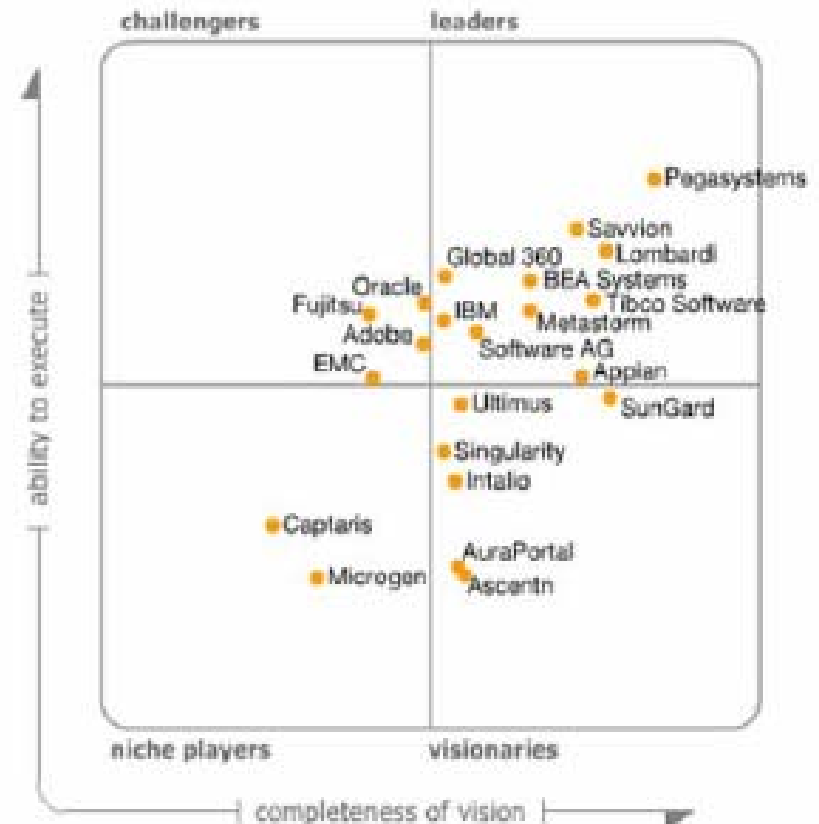


Technology Providers

Former BPM pure-play vendors continue to lead the BPMS market, but the "classic" use case for BPMS is becoming less clear as application infrastructure technologies converge into model-driven, integrated-composition environments.

Vendors with considerable public sector presence include Tibco, Metastorm, Italo, Ultimus, Appian and BEA

Magic Quadrant for Business Process Management Suites, 2007

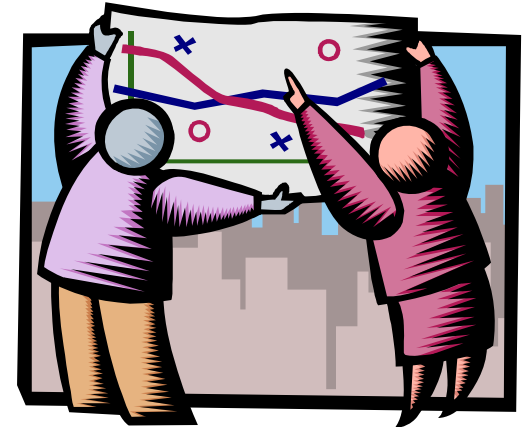


As of December 2007

(From "Magic Quadrant for Business Process Management Suites, 2007," 14 December 2007)

Government BPM Opportunity Needs

- Alberta Ministry of Justice
 - U.S. Dept. of Agriculture Food Stamp Program
 - FCC Spectrum Management System
 - South Carolina Employment Security Commission
 - New York State Teachers' Retirement System
 - U.S. Marine Corps Procurement
 - Social Security Administration Office of the Inspector General
 - City of Norfolk (Virginia) Permit Request System
 - U.S. Justice eDesignate
 - ... and many more
- AF-Copenhagen
 - Harlow District Council
 - Italy INPS Social Security
 - ... and many more
- AU Driver and Vehicle Licensing Agency
 - AU Capital Territory Emergency Services
 - Western Australia's Water and Rivers Commission
 - ... and many more



Challenge 1: Process-Centric Government Is Not an Oxymoron

Functionally Centric

Roles and responsibilities are aligned by *functional* area.

Business leaders have little process visibility beyond their *functional* areas.

Handoffs are implicit.

Business rule changes rely on IT department to schedule changes to application code.

Cost accounting is aligned by *functional* area.

Risk analysis is led by business leader experience, intuition and data analysis.

Process-Centric

Roles and responsibilities are aligned by *business process*.

Executives have broad visibility of the end-to-end *business process*.

Handoffs are explicit.

Business rules and process steps are changed by *business process* owners.

Cost accounting is aligned by *process* steps.

Risk analysis is led by simulations based on current operational conditions.

A different way of working and managing

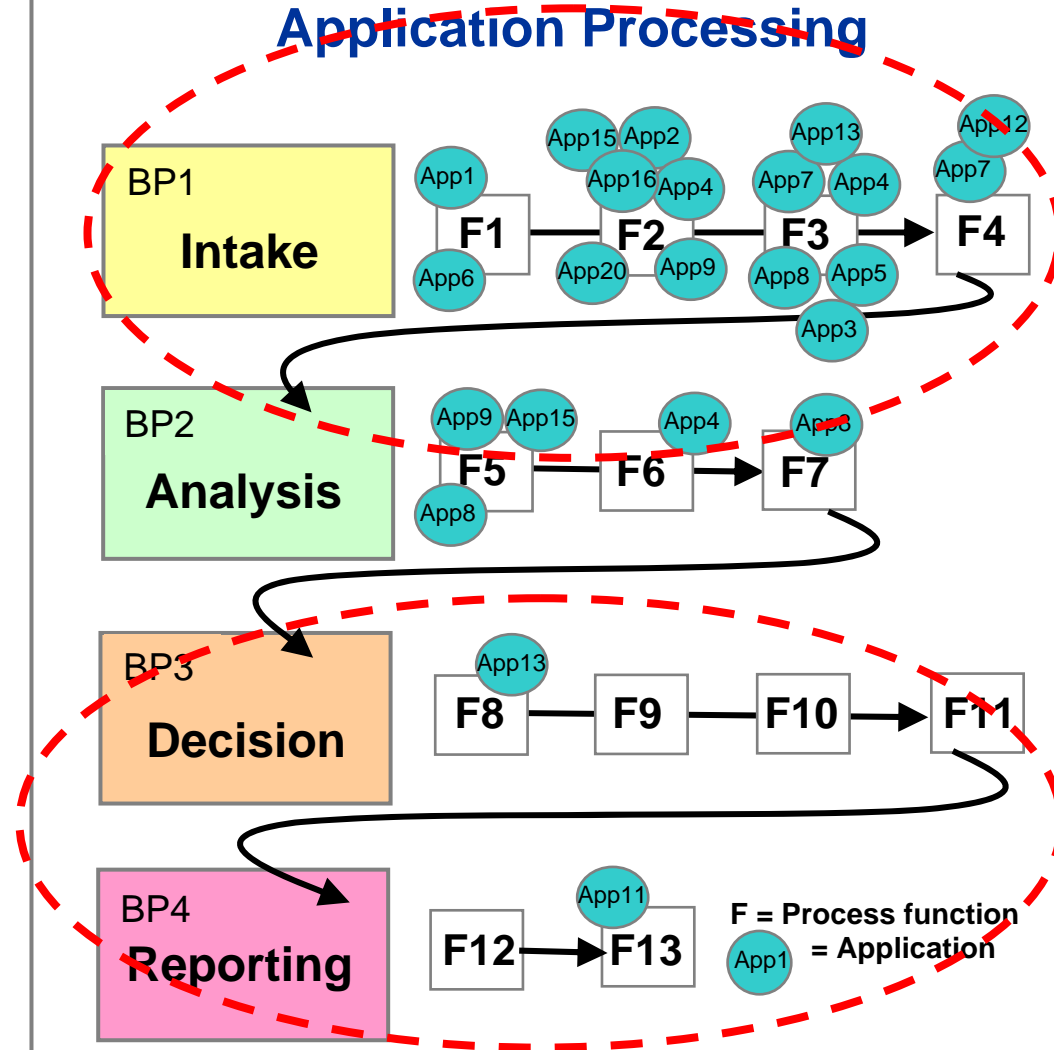
Challenge 2: Understanding IT Applications and Business Process Links

Subsidized Housing Approval Processes

	BP1	BP2	BP3	BP4
App1	<input checked="" type="checkbox"/>			
App2		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
App3			<input checked="" type="checkbox"/>	
App4		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
App5		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
App6				
App7			<input checked="" type="checkbox"/>	
App8		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

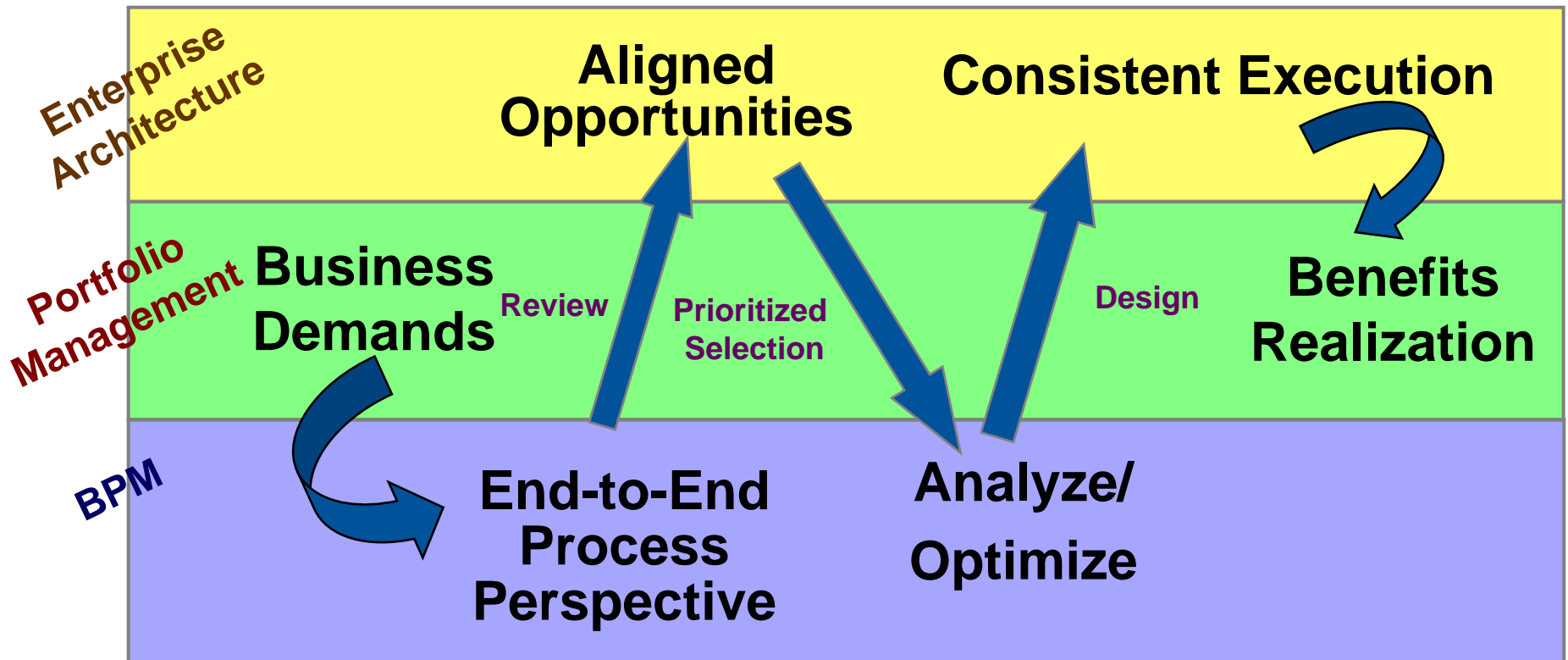
BP = business process

Application Processing



Challenge 3: Using a New Dual Perspective

A Superior Approach to Agency Investment Planning



Challenge 4: Too Much CIO/IT Ownership of BPM

Business expectations not properly set

- Underestimate resources and time needed for process change
- Lack process governance
- IT department's role is not clear to all stakeholders

Process accountability blurred

- By default, IT department becomes accountable for process outcomes
- Lack of distinction between mission-critical and support processes
- Leadership of process specialists unresolved



Impending Train Wreck

- IT's own processes not well managed, lowering IT's credibility
- IT has insufficient business process skills and understanding
- Lack of mechanism to link process change to technical requirements

IT department lacks process competencies

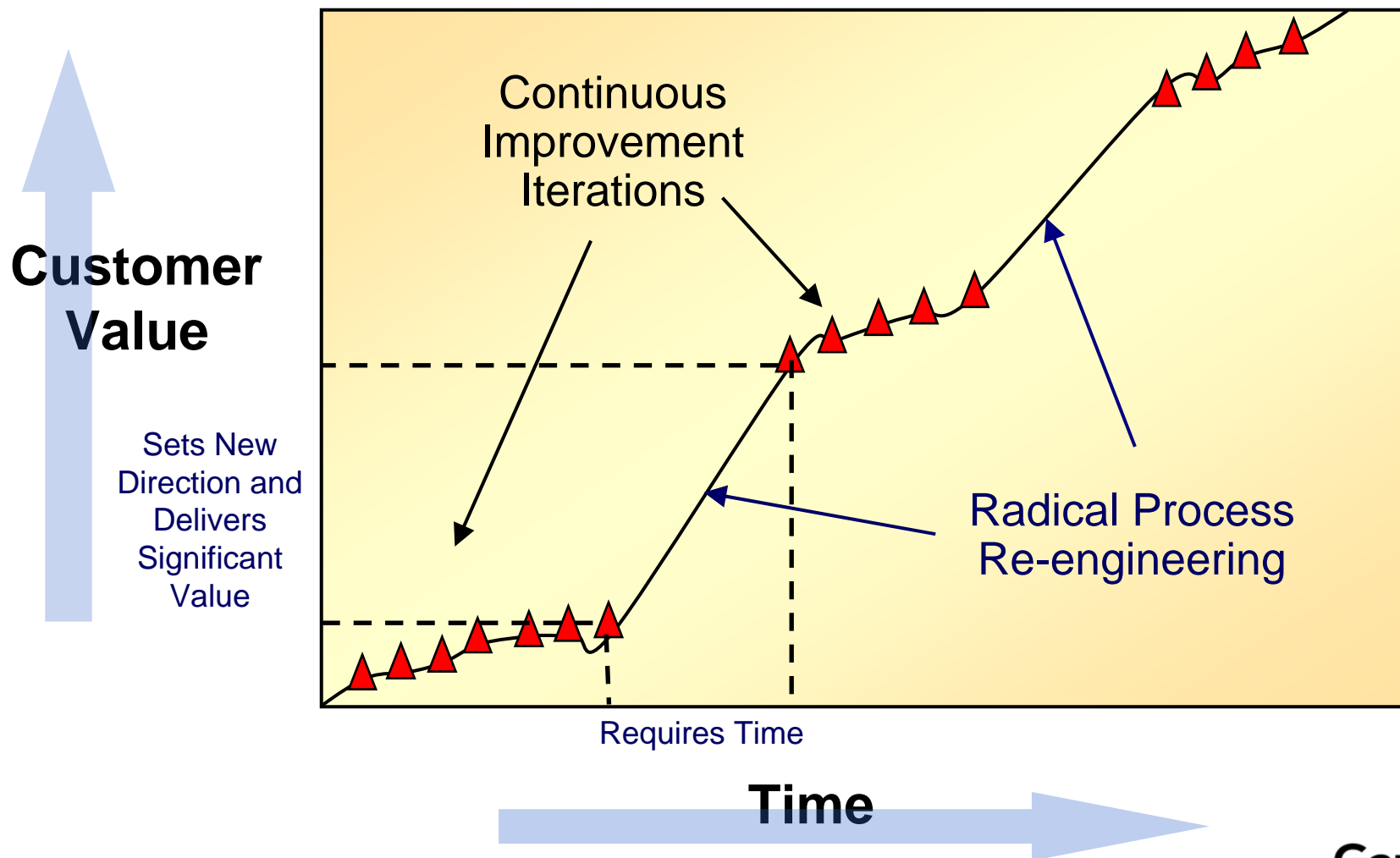


Business Process Challenges

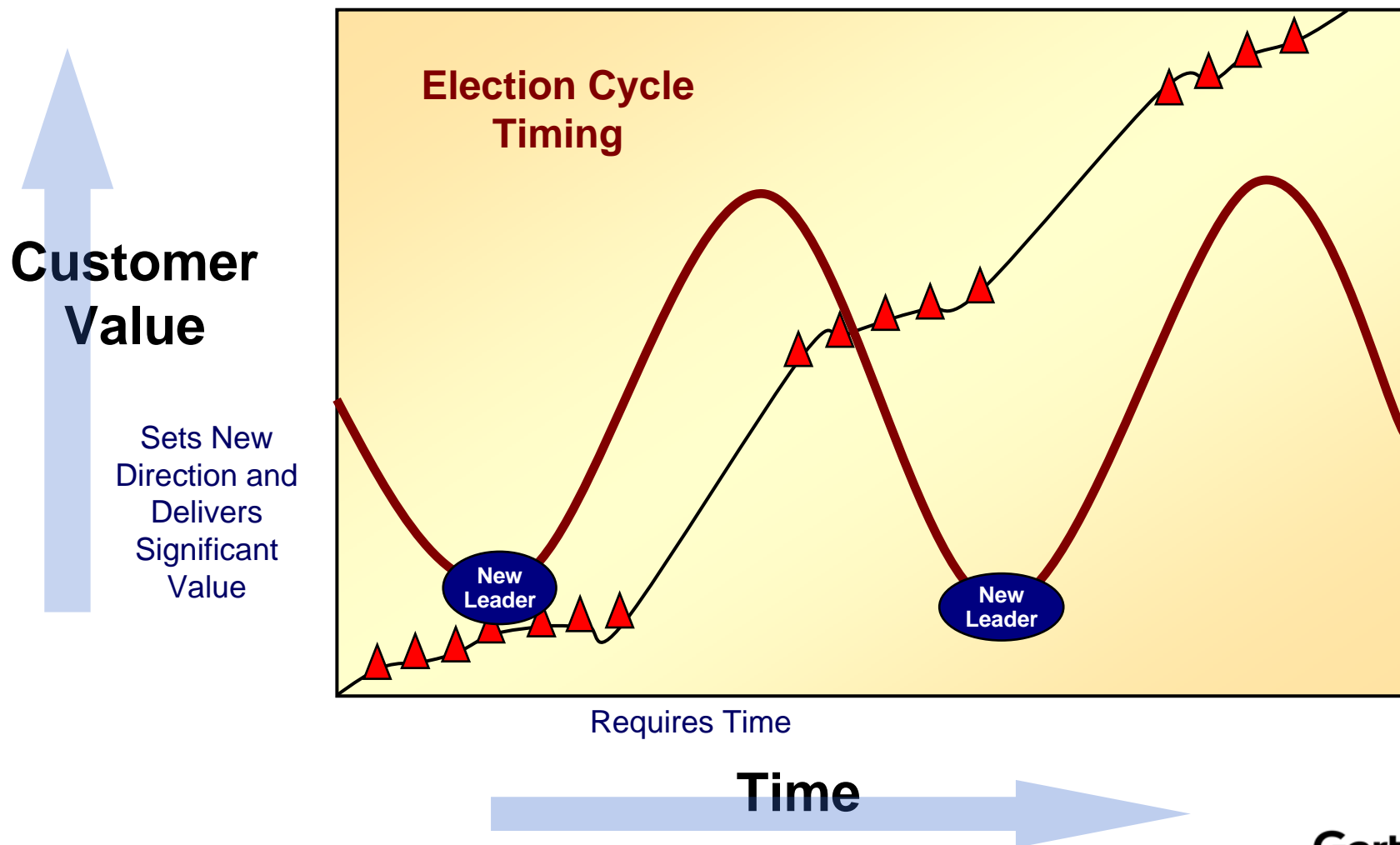
CIOs and IT may accept more process outcome risk than is warranted, because they don't own the business processes.



Challenge 5: The "Life" of Business Process Improvement in Government



Challenge 5: The "Life" of Business Process Improvement in Government (Continued)



Challenge 6: Web 2.0 Has Unexpected Effect on BPM and Dynamism

- Collaborative process tasks
- Tools for event-based processes
- Community evolution of a process
- Multiple scenarios for every process
- Social processes
- The process of me
- Presence-aware
- Context-aware processes



What You Need to Know

- BPM in government is about helping business users in your agencies drive business agility through modest or transformative process change.
- Continuous process improvement initiatives may result in program-centric or agency transformation.
- BPM is a management discipline, which may be enabled by software. While BPMS and other BPM-enabling technologies can help throughout the business process life cycle, a technology-first approach to BPM is likely to result in failure.
- Process visibility is required for process agility. If you can't see the process (in terms of formal and informal work practices), then you're going to have a difficult time changing it.