



ADAPTABILITY STARTS WITH PREDICTABILITY:

THE CASE FOR KNOWING THE CURRENT STATE

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INTRODUCTION



It has often been said that we live in a world of fast-moving change. The pace of change often appears relentless, with new communication technology allowing ideas to incubate and spread faster than ever. Technology is allowing new social trends to emerge, and provides new ways of consumers gaining information about services or products before they make a purchase. Twenty years ago, the only way of comparing insurance quotes was to ring different insurance brokers. Now, quote aggregator sites will do the comparison for you with the click of a mouse.

With so much change happening in the external business environment, organizations are increasingly focusing on developing the capability to adapt. This ability to both scan and detect what is changing, to make a swift decision, and to take action (and monitor the success of the action taken) is crucial. It involves taking calculated risks, creating 'hypotheses', and expediting action.

It would be easy to imagine that this type of organizational agility means that organizations must be prepared to live on 'shifting sands'; they must exist in persistent chaos. Yet, in reality, this type of adaptability and organizational agility can benefit from elements of predictability. In order to change, it is necessary to know how the current organization operates.





ENABLING SWIFT CHANGE

One of the challenges of achieving organizational agility is creating the conditions where the organization can adapt quickly. It is crucial that when a potential change is being discussed that the impact of that change can be assessed, and the positive and negative effects can be weighed up against each other. Perhaps an insurance company wants to experiment with a ‘chat bot’ that will provide answers to common policy related questions. They might predict that this will reduce the number of calls into the contact center (impacting the required level of demand in this area), but might increase the need for analytics on the types of questions asked (so that the answers it can give can be improved).

It might also mean that the types of queries that do lead to a customer calling in are now far more complicated, meaning that additional skills and knowledge are required on the front line. This could have a significant impact on processes, people and the skills that the relevant workers need. It would also be necessary to think about how the relevant data and information is captured to monitor whether the predictions made have in fact materialized – for example, whether people are actually using the chat bot and whether calls to the contact center actually have reduced!

Unless we are creating a brand new organization from scratch (or we plan to disregard our existing processes and start from a blank sheet), these types of conversations become much easier when there is a documented understanding of how the organization currently operates. It is possible to draw an analogy here with an electronic circuit board. If an electrical engineer wanted to make a change to a circuit board, they would presumably look at the circuit diagrams to ensure that they made the change in an optimum way. They would also do so in a way that doesn't

cause inadvertent ‘short circuits’ or other problems. They would likely review the design on paper (or on screen) first, then trial it, and then roll it out.

Imagine if they didn't have the circuit diagram: They would have to reverse engineer the entire circuit – or at the very least an entire sub-module. This would be extremely time consuming, and would make change cumbersome and expensive. Imagine now if they did reverse engineer the circuit board, drew a comprehensive diagram, but then kept that to themselves (not sharing it to others in the organization who need to make a change). This would sound crazy!

Yet, crazy as it sounds, replace “circuit board” with “process” and this is how too many organizations manage their processes. I'm sure many people reading this eBook will be familiar with this situation. Organizational processes have ‘emerged’ over time, and may or may not be documented (if they are documented, they are not stored consistently and are not stored in a repository). Processes that are documented may be out-of-date and there may be a lack of process ownership. Organizations in this situation still need to change and adapt, but changing and adapting becomes extremely cumbersome. Typically, when a change is needed, the existing processes need to be ‘reverse engineered’. Yet since this work is being undertaken by a project team, it is likely (for very understandable reasons) that the project team will only focus on the areas of immediate impact – and if there is no common repository for process artefacts, it is likely that the good work that they do will languish in a project repository, slowly collecting dust and becoming out-of-date.

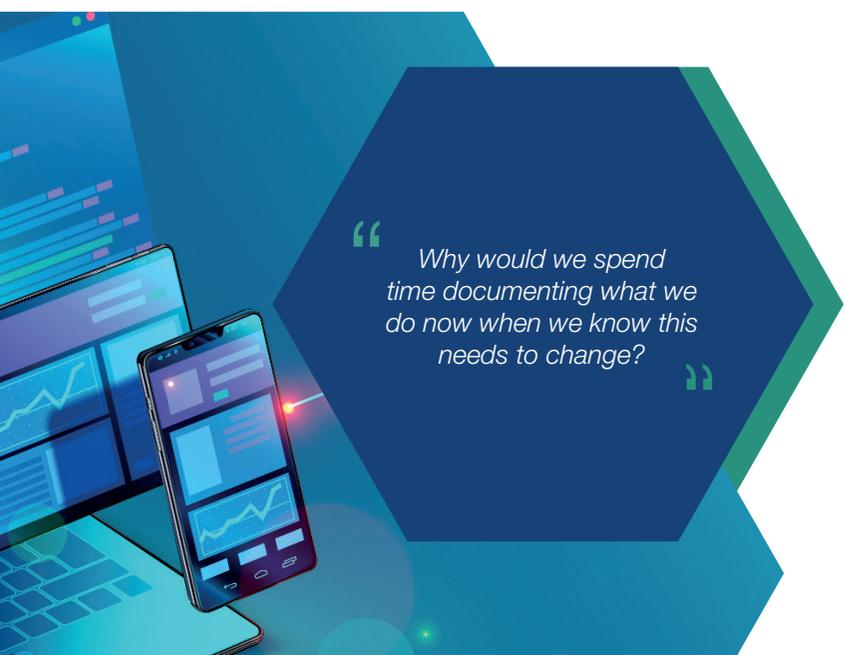
A CHALLENGING DECISION: A PATH TO PREDICTABILITY

If we accept that change will be easier when we understand how the current organization operates, organizations that do not have the relevant processes understood and documented are faced with a difficult decision. They can carry on doing what they are doing – being the metaphorical electrical engineers having to reverse engineer the circuit board for every change – or they can divert resources into modeling and then managing the current state. From a process perspective, this will involve diverting resources into modeling and managing the relevant end-to-end processes that typically span teams, departments and even organizations.

This can be an unpopular and even controversial decision in the short term. It may necessitate some resource to be diverted from change programs. It is often seen, by some, as a backward step. “Why would we spend time documenting what we do now when we know this needs to change?”.

In reality it is of course a fine balance – it is unlikely that completely ‘downing tools’ and shifting to current-state modeling will be sensible. There will likely be change programs that absolutely have to proceed, and they can often be a catalyst for the discovery and documentation of existing processes. If they are changing the way that work is done, they can produce artefacts that are maintained and used on an ongoing basis. They can be an integral part of the modeling and managing approach.

However, the importance of buy-in cannot be understated. Process modeling and management will be of most benefit when stakeholders throughout the organization feel able to support it. It will need strong sponsorship, and investment for the long-term. It should also be recognized that some stakeholders within an organization may see these types of initiatives as “management fads” that they can ignore. (“Oh, it’s all about processes today. It was empowerment last year, voice of the customer the year before. We can just keep doing what we’re doing; they’ll come up with a new buzzword soon enough”). It is entirely understandable why this cynicism develops, but for an initiative to be successful we must engage in a way that cuts through it. We must cultivate an organization that nurtures and monitors its processes – creating an environment where the benefits are clear for all to see. This starts with clear communication from the outset, and creating a clear and compelling reason that the work is necessary.



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CONSIDERATIONS FOR MODELING

It would, of course, be foolhardy to jump head-first into an enterprise-wide process modeling exercise without planning the approach. There will be a wide range of considerations, many of which will depend on the context of the organization and its current level of process management maturity. The points shown in figure 1 are likely to be worthy discussion points in just about every environment.

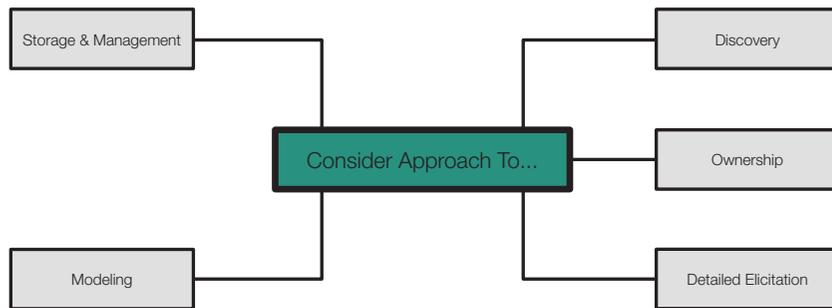


Figure 1: Elements to consider include those shown in this diagram

These points are further described below.

- **Approach to Discovery:** Unless the process architecture is already documented, it'll be necessary to spend some time working with stakeholders to 'discover' the processes that exist. This will likely be an eye-opening process, and it is likely that we'll find areas of duplication and even conflict. A good place to start will be any existing process documentation, but depending on how complete this is it is highly likely that further meetings, discussions, questionnaires and even observation sessions may be necessary. A key output from these sets of activity will be a set of high level

artefacts – this could be an initial process catalogue, which simply documents the name of each process, the event or events that trigger it, dependencies and connections, the process owner, the possible outputs or outcomes of the process and so on. This high-level artefact will help us drill down into each individual process.

- **Approach to Ownership:** Discussing processes can be politically tricky. There may be some processes that multiple senior stakeholders want to 'own', and some processes which appear to be neglected and where there is no natural owner. Resolving ownership on each process is an important step to ensuring there are ongoing champions who make decisions and ensure the processes continue to or start to operate effectively. In the Harvard Business Review article entitled "How Process Enterprises Really Work", Michael Hammer and Steven Stanton observed that:

“ The most visible difference between a process enterprise and a traditional organization is the existence of process owners. Senior managers with end-to-end responsibility for individual processes, process owners are the living embodiment of a company's commitment to its processes. ”

(Hammer & Stanton, 1999)

- **Approach to Detailed Elicitation:** High level artefacts such as a process catalogue will provide a broad description of the processes that exist within an organization, but further analysis will need to be undertaken to uncover the detail. This will likely involve process modeling workshops, the analysis of existing data and

CONSIDERATIONS FOR MODELING (CONT...)

metrics to see how work flows through the organization, observation and so forth. If possible it is useful to propose a semi-repeatable approach (for example, a 'standard' approach to workshopping) that stakeholders can get used to. Of course, the approach will be adapted and tweaked as the initiative progresses, but providing some kind of standard experience will ensure that stakeholders know what to expect and are able to come prepared.

It is also important to note that detailed elicitation often uncovers other processes that have not been mentioned before, and other supplementary information that means that we must adapt our high-level artefacts (e.g. the process catalogue).

- **Approach to Modeling:** It is useful to separate out elicitation from modeling. This might sound like a technical distinction but it can actually be rather important. When we are eliciting information about a potential process, we are essentially 'fact finding'. This might involve rough sketches, or even moving sticky notes around on a wall, but the aim is not (yet) to produce a formal process model. There may be some cases where we can produce the formal model simultaneously, but often it'll be necessary to iteratively build the model as more information becomes available.

For example, we might interview a set of stakeholders about a particular process and get slightly conflicting information. A workshop might provide us with consensus, but then we also discover that there are certain exceptions that must be handled. This information is all useful and can feed into a formal model that is then reviewed and validate.



“ It is crucial that the relevant stakeholders become familiar and comfortable with the relevant notation. ”

A key question is which modeling approach to take. It is crucial that the relevant stakeholders become familiar and comfortable with the relevant notation. Business Process Model & Notation (BPMN) is considered by many to be a 'de facto' standard, and provides the ability to produce very granular and executable models. If using BPMN thought must be put into who will validate which models. Executive stakeholders are likely to be interested in the high-level view, with operational stakeholders wanting to see the 'zoomed in' view. Thought should be put into which diagrams will be used with which groups, and which information can be 'abstracted away' for clarity. Whilst BPMN's advantage is the ability to convey rich and precise information, this can be overwhelming to stakeholders who are not expecting it. Creating different 'views' on the process for different stakeholders can help to alleviate this problem.

CONSIDERATIONS FOR MODELING (CONT...)

It is also important to consider how proficient the stakeholder community is with the chosen notation or approach. For example, if BPMN has not been used in the past, then training sessions could be considered. Some stakeholders may need detailed training, others might need less formal or detailed knowledge – perhaps a short 'lunch and learn' session might be a sufficient starting point to those who are involved at the periphery of the initiative.

- **Approach to Storage and Management:** Process models will be most beneficial if they are actually used, referred to and kept up to date. The ideal situation is to utilize a common repository that all relevant team members can access, and to have clear process ownership with a commitment to ensure that the process model is kept up to date. This boils down to two parts: The technology (some form of repository) but also the culture (a culture of using the repository and keeping things up to date). In many ways implementing the technical solution will be the easy part – however it is important to ensure that people are engaged and the organization cultivates a culture that values the models and used them for continuous improvement and innovation. If people see the initiative as a 'tick box' exercise, they will likely disengage. Conveying the wider vision of an organization that can change quickly, that can monitor its progress and that can 'learn' and adapt becomes crucial.



OPPORTUNITIES FOR ORGANIZATIONAL LEARNING

Whilst having the ability to quickly adapt is a key driver for modeling processes in the way described in this eBook, it can also enhance organizational learning. Activities that are typically very tricky such as root-cause analysis become more practical. Imagine an insurance company received a series of customer complaints relating to incorrect documentation being received. It would be possible to utilize the end-to-end process model to highlight areas where this defect could have occurred, and then ‘zoom in’ and ask specific questions about why it happened.

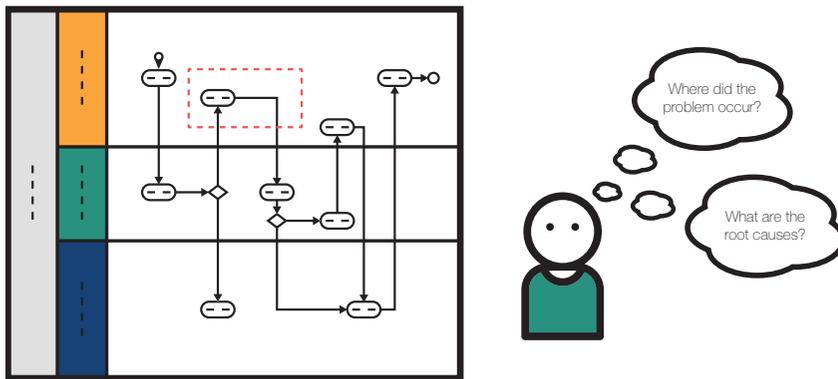


Figure 2: Driving root cause analysis from a process model

Perhaps there is a process deficiency, or a technical problem. Or perhaps it was human error due to staff training (requiring a change to the ‘induct new staff member’ process). Examining input, outputs and how the work is carried out (and what went wrong) will help uncover potential causes. By narrowing down the areas where the problem occurred, this analysis can be precisely targeted.

The conversation about process management naturally extends into process measurement. With well-documented processes we can have a more informed discussion about what should be measured – both in terms of internal measures of efficiency, as well as trickier external measures such as customer satisfaction. We can start to see where data ought to be collected which might anticipate problems. For example, a sudden spike in telephone calls to customer services might be an indication of sudden demand for a product (a good thing, but it may have implications for resourcing) or a systemic problem (lots of return requests due to defects). With a micro and macro-level view, we can start to discuss these observations and build in this type of monitoring. Suitable monitoring will help ensure the organization can sense changes in its environment. When there’s a sustained anomaly in the figures, it might indicate that further investigation is needed – perhaps a new competitor has emerged that is changing the game.

CONCLUSION

Too often, organizations find themselves in a position where they have to 'reverse engineer' their existing processes every time they seek to make a change. This severely impacts the ability for an organization to adapt and innovate. A decision to create an enterprise-wide process model may initially be faced with resistance; however there are ways of conducting the initiative in a way that does not interfere with any existing crucial projects. Engaging stakeholders and conveying a compelling vision for the future becomes key, and planning the approach to discovery, elicitation, modeling, storage and management is crucial. Whilst these types of initiative are inevitable effortful, the short-term investment will likely yield significant benefit in the long-run as the organization is better able to sense and respond to change.



REFERENCES & FURTHER READING

Readers interested in the topics discussed in this e-book may find the following resources useful:

Cadle, J., Paul, D. and Yeates, D. J. (eds) (2014). Business Analysis. Swindon: BCS Learning & Development Limited.

Dumas, M., La Rosa, M., Mendling, J. and Reijers, H. (2018). Fundamentals of business process management. 2nd ed. Springer.

Hammer, M. and Stanton, S. (1999). How Process Enterprises Really Work. [online] Harvard Business Review. Available at: <https://hbr.org/1999/11/how-process-enterprises-really-work> [Accessed 7 Jun. 2018].

IIBA®, (2015). Guide to the business analysis body of knowledge v3. Toronto : Ontario: International Institute of Business Analysis.





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