

Business Process Primer — Core Concepts and Practical Techniques

Prepared and presented for ING Belgium by Adept Events & Clariteq Systems Consulting Ltd.

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Developer/instructor background...

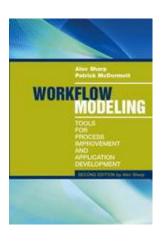




- 40+ years experience as an independent consultant:
 - Business Process Change discover, model, analyse, and design/redesign processes
 - Concept Modelling (Business-friendly Data Modelling)
 - Application Requirements Specification
 - Facilitation & Organisational Change
 - Project Recovery
- Consulting, teaching, speaking globally
- Author of "Workflow Modeling"
 - best-selling book on process modelling & improvement
 - second edition 2009 (sole author, complete re-write)



Data Concept Modelling



A Business Process Primer prepared for ING Belgium

Clariteq – small, husband & wife company, global clients

ABB (ASEA Brown Boveri)

Aflac

American Honda

AMP (Australia Mutual Provident)

BackOffice Associates

Bank of Finland

Bellrock

Booking.com

Brisbane City Council (Australia)

Canadian Natural Resources Ltd.

City of Seattle Civica UK

Clearwater Paper

Corvias Dell

DHL Express

Dutch National Bank

Ericsson Essitv

Eurojust (European Justice Comm.)

European Central Bank

Fortum GoFore

Helse Vest - Norway HM Land Registry - UK

Home Depot

Idaho Transportation Dept.

Intel

ISO New England

ING Bank

JP Morgan Kal Tire

KONE

LGM Financial Services

Liberty Mutual

Livestock Improvement Corp.

MacDonald Dettwiler

Manitoba Public Insurance

Marathon Pipe Line

Microsoft

Ministry of Defence - UK Ministry of Defence - NL

Ministry of the Interior - Slovakia

MTS Allstream

Nexen

Novo Nordisk

Nusenda Credit Union

OP Bank

Partner Reinsurance

Ritchie Brothers Phillip Morris

Roche Diagnostics Salt River Project Saudi Aramco

Serco Shell

Sparta Consulting State Street Bank

SunGard SVB (NL) Synechron Sysdoc

Talent Base

Teck

The MUSIC Group The Seattle Times

UK Government

University Med Ctr Groningen

YIT(FI)

Washington Gas & Light

Higher Education –

Carnegie Mellon University

Cornell University Douglas College Gonzaga University

Humboldt State University The Jackson Laboratory

The Ohio State University

Portland State University
Salt Lake Community College

Southern NH University University of Arkansas

University of British Columbia University of the Fraser Valley

University of Maryland

University of Utah

University of Washington Utah Valley University

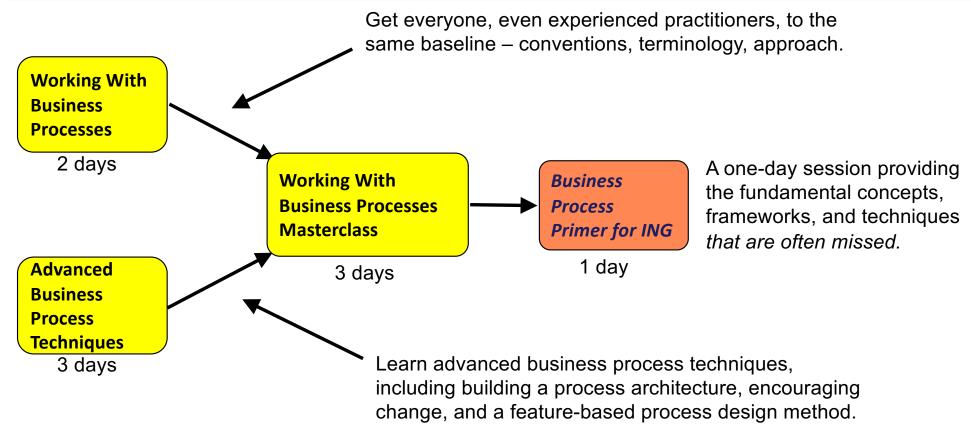






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Background for this seminar



Notes:

- This is very compressed, but you will learn techniques that are immediately useful.
- If you are serious about the Business Process space, there will still be value in attending the February Working With Business Processes Masterclass



Themes and overview...

Three main themes:

- 1. Simple techniques, rigorously applied, help us achieve more in less time.
- 2. Communication with and engagement of the people who do the work is essential.
- 3. A holistic not technocratic approach, including human, social, & organisational factors.

And finally... YOU:

- Name how should I address you?
- Role / job title and organisation
- Brief description of your work
- A topic you are especially interested in?
- Please keep your intro under 1 minute

Section 1 – Fundamentals

- Four things you need to know about business processes
- A proven, agile methodology for Business Process Change

Sections 2 to 4 – Techniques

- 2. Identifying true, end-to-end, cross-functional Business Processes
- 3. Process modelling for *humans*
- 4. Overview of the transition from as-is analysis to to-be design



1 – Four things you <u>need</u> to know about Business Processes

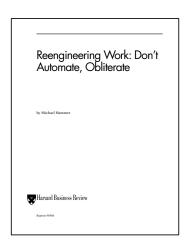
- 1. It's essential to have clarity on what a business process really is
- 2. Existing performance measures are often *functionally aligned* and work *against* business processes
- 3. Success with business processes depends on taking a holistic view in which six enablers are considered it's not a technocratic undertaking
- 4. Business processes can't be great at everything a single *differentiator* or *strategic discipline* should be chosen

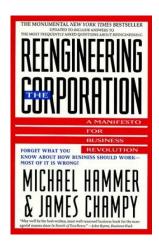


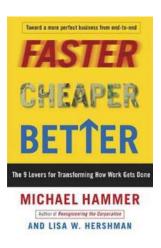
1. Confusion – what is a "business process?"

- 1. It is essential to have clarity on what a *business process* really is
- Performance measures may be functionally aligned - work against business processes
- 3. Success with business processes requires a *holistic view* in which *six enablers* are considered
- A business process can't be great at everything – a single differentiator must be chosen

In the early 1990s, Michael Hammer popularised the focus on *business process*







Introduced core terminology:

- end-to-end, cross-functional, functional silo, ...
- even business process

Still, people and organisations miss the point...



Lesson #1 – Never assume everyone agrees what a "process" is

We need some help with our *Product Lifecycle Management* process.

Not a single process – it's a *family* of multiple business processes (a *process area* or *process domain*)



A whole *spectrum* of interpretations of *process*.

I spend all day writing business processes, like the <u>process</u> to *Revise Product Brochure Image.*

Not an entire process – it's a *procedure* providing instructions for a single task (SWI – standard work instructions)

Seek balance – a "business process" lies between the extremes

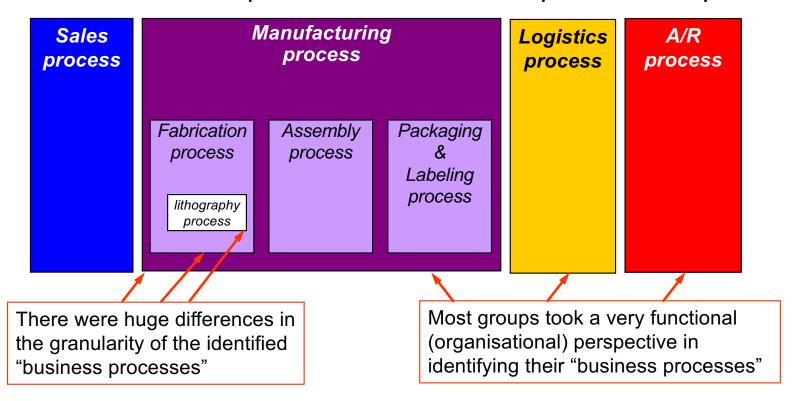
Most people hear *process* and think *procedure!*

The key issues – granularity and orientation



A real life (and expensive!) example

As part of a massive system implementation, a global manufacturer identified the *business processes* that were expected to improve:



The problem? *These aren't processes – they're functions!*

The "real" business processes were missed

Everyone confused "process" and "function." None of the actual end-to-end processes were correctly identified.

Sales function

Manufacturing function

Logistics function

A/R function

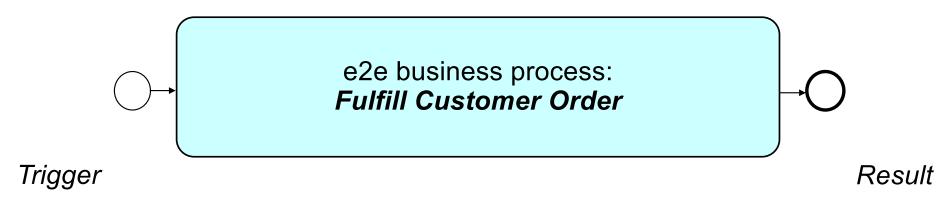
Business process: Fulfill Customer Order

"Business Process" =
end-to-end, cross-functional, business process.

"Larger" than people think – from initial trigger to final results.



Discuss - what are the boundaries of the process?





What are the boundaries of the process?



Trigger

Order received? No.

Before that...

- Contract is Finalised
- Price & Schedule are Negotiated
- Specifications are Confirmed

And before that...

Demand is Signalled. Yes.

Result

Order is Shipped? No.

Order is Received? No.

Order is Received, Tested, and Accepted? Yes.

Any other results? Yes, for other stakeholders.

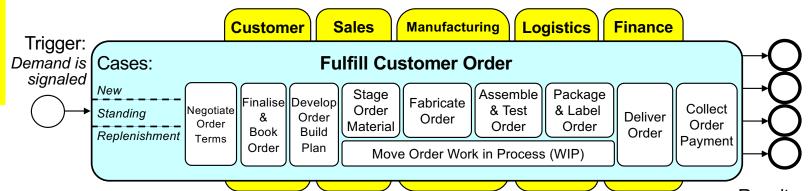
Always trace to the earliest trigger, and to the final results for each stakeholder.

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Process Scope Model – "what" first, "who and how" later

I build a

Process Scope Model & a Process Summary Chart on ~100% of Project Recovery assignments -



"TRAC" -

- 1 **T**riggering event or events
- 2 **R**esults: final outputs
 - result(s) received by the process' primary customer
 - result(s) for other stakeholders (performers, owner, supplier, regulator, ...)
- 3 Activities: 7 +/- 2 phases, milestones, or sub-processes
 - a phase achieves a significant intermediate result
 - simply ask the participants for ~5 to 7 milestones within the process

4 – Cases

- main variations, e.g. "new order" vs. "standing order"
- verb qualifier noun

5 – Functions or Organisation Units

- 6 Actors and responsibilities
- 7 Systems, data sources, other mechanisms

essence of the process ("what")

as-is elements of the process, for clarification ("who and how") (6 and 7 not shown)

Results:

Customer:

Goods received, tested, & accepted

Owner:

Payment received

Performer:

Commission credited

Industry Association:

Order stats reported

Always construct a

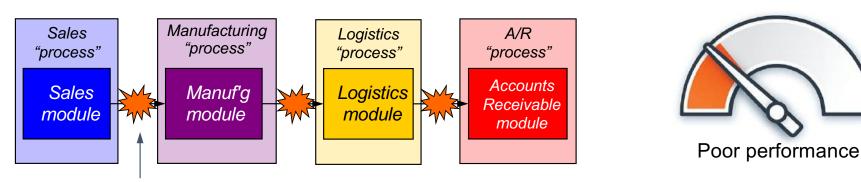
Process Scope Model & a

Process Summary Chart before
diving into Workflow Modelling /
Swimlane Diagramming



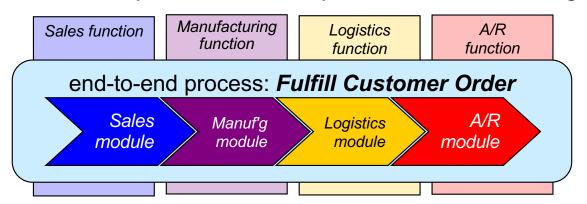
Resolving the situation

SAP was implemented without clarity on "process" -



Conflicts: timing, coding, terminology, data formats, performance targets, ...

SAP re-implemented in a process-driven configuration –



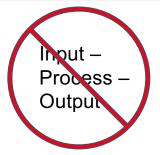


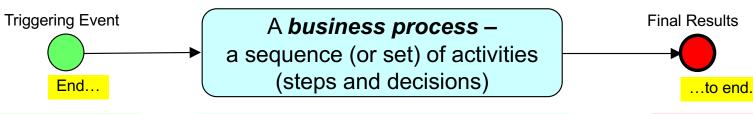
Same software, radically different outcomes

The essential framework

Business Process:

- a sequence (or set) of activities (steps and decisions,)
- initiated in response to a *triggering event*,
- that achieves a defined result for each process stakeholder





- Three types of events:
 - Decision-based (action)
 - Time-based (temporal)
 - Data-based (conditional)
- The *earliest* triggering event
- Important processes are virtually always cross-functional and involve multiple actors / roles
- May be a defined sequence, or a more ad hoc set of activities
- First, identify "what" it includes –
 Trigger, Results, Activities, Cases ("TRAC")
- Later, we add "who and how,"
 then map the process flow, if there is one

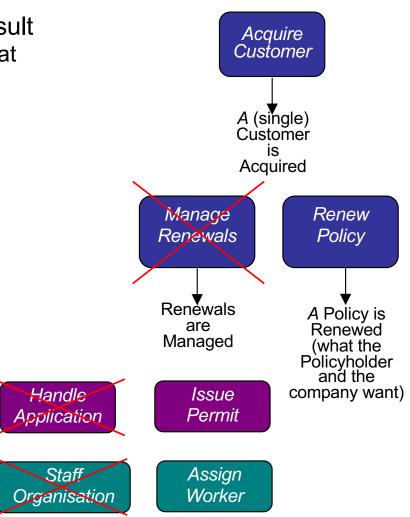
- Three types of results:
 - A service
 - A good
 - Information
- The *final* result

"What" before diving into the "who and how"



Naming conventions will make life easier

- 1. The process name *must* indicate the expected result
 - Name potential process in "active verb noun" format
 - Restate that name as a result ("noun is verbed")
 - Ensure this is the intended result of the process: discrete, so results are identifiable & countable
 - No mushy verbs: manage, monitor, administer, handle, track, support, maintain, etc.
 - Active verbs only: Evaluate Prospect, Acquire Customer, Fill Customer Order, Resolve Customer Issue, ...
 - Applies to business processes, phases (subprocesses,) activities, steps, ...
- 2. Name process from customer's perspective (what do they want from the process?)
- 3. Name process in the singular

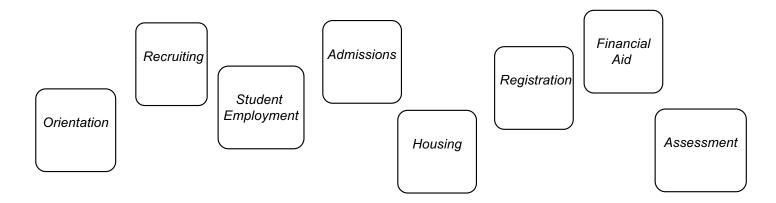




If there's time, an example from higher education

As part of a strategic initiative to address falling graduation rates, a university took a process-based approach to determine why they were failing to admit the most promising candidates...

The "processes" that were initially identified...



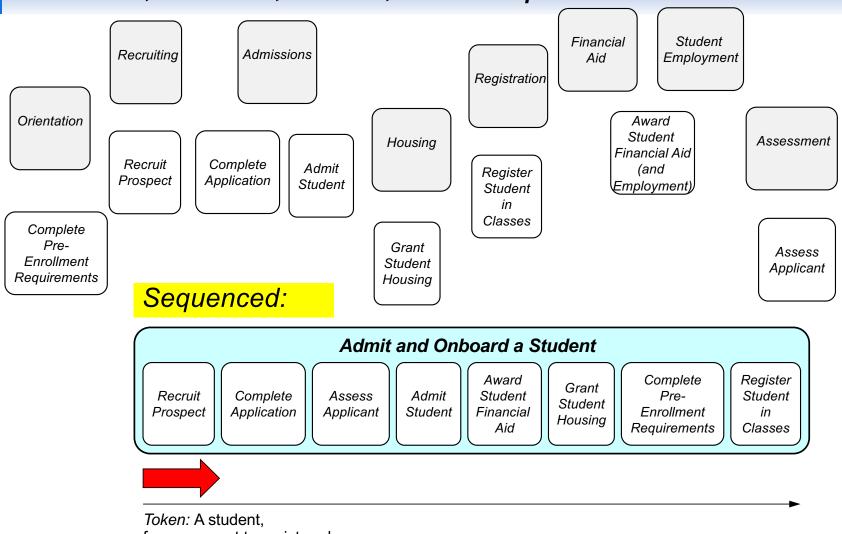
Are these good business processes? NO!!!

- not named with an "active verb and noun"
- each of these is a department or function.

We convened a facilitated session to determine the "real" process

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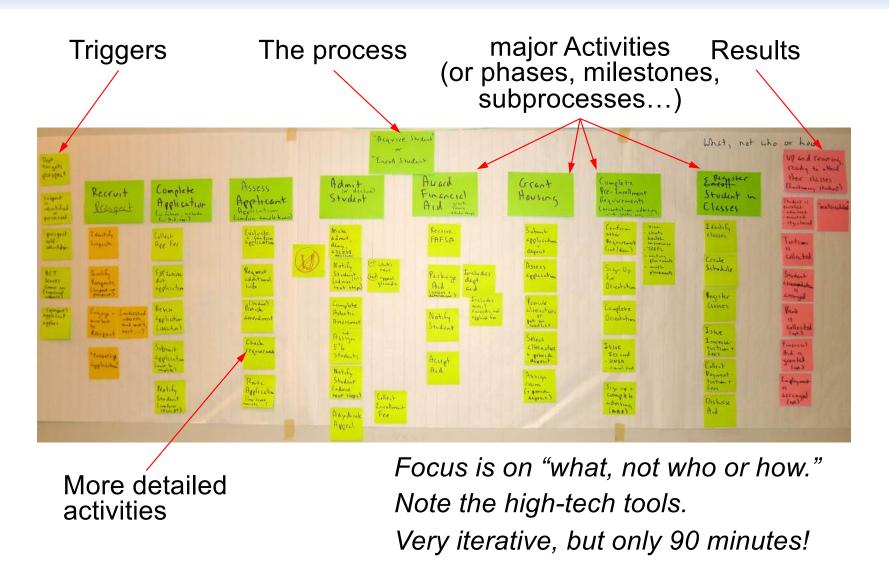
Rename, reduce, refine, and sequence



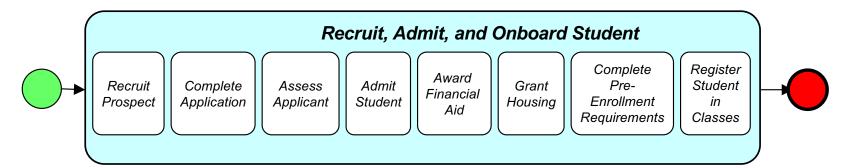
from prospect to registered



From the session – "Is it a single X-functional process?"



The cleaned-up "Process Scope Model"



Triggering Events:

- Dept. targets prospect
- Suspect is identified or purchased
- · Prospect self-identifies
- · ACT scores come in
- Prospect applies

• ...

Cases:

- In-state undergrad
- Out-of-state undergrad
- ..

TRAC -

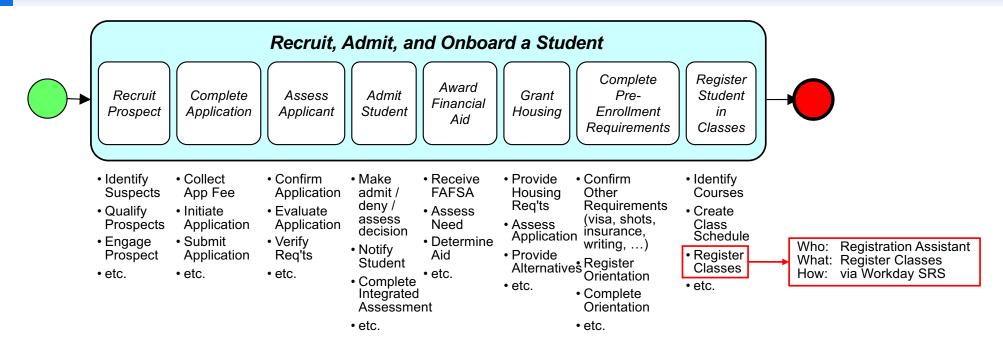
- Trigger
- Results
- Activities (~5-7 phases or milestones)
- Cases (major Variants)

Final Results:

"Up and running," ready to attend classes:

- Student is:
 - admitted
 - oriented
 - · registered
- · Tuition is collected
- Student accommodation is arranged
- Financial aid is granted
- Employment is arranged
- ..

The cleaned-up "Augmented Scope Model"



Typically, 5 – 7 activities identified within each major activity.

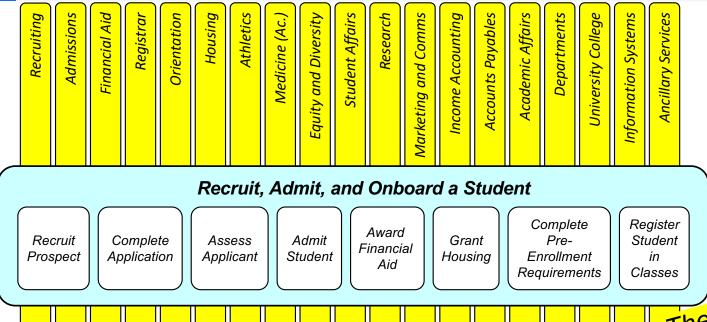
Initially just "what" (verb – noun) – later, add "who and how,"

e.g., Registration Assistant (who) Register Classes (what) via Workday SRS (how)

Identifying the functional area responsible for each activity revealed the process was massively cross-functional...

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Process Summary Chart shows an astonishingly cross-functional process



Without explicitly addressing the end-to-end process:

- almost no chance the student experience is positive
- very frustrating for the people doing the work
- almost no chance the university is going to meet its goals
 Two key points:
- 1. Functions are doing their best to optimise their activities
- 2. A multitude of dis-integrated systems and data sources are being used

The point – the execs said

The point – the execs said

There's no

"Get on with it! There's no

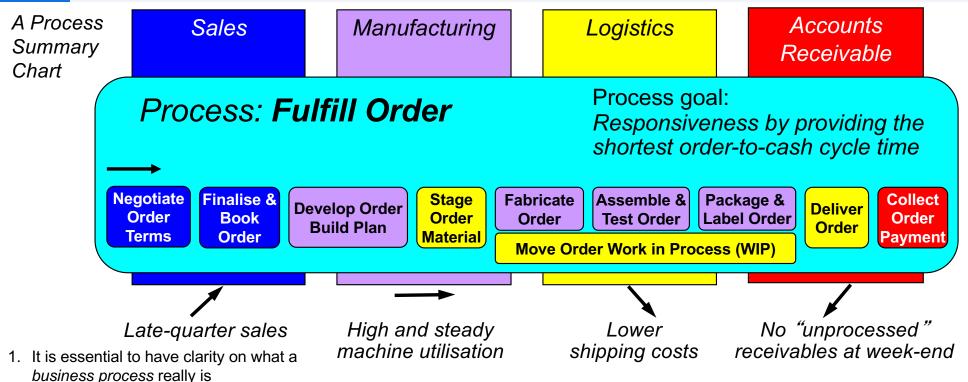
need to burn up \$50,000

need to burn up case."

on a business case."

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2. A common obstacle – misaligned performance measures



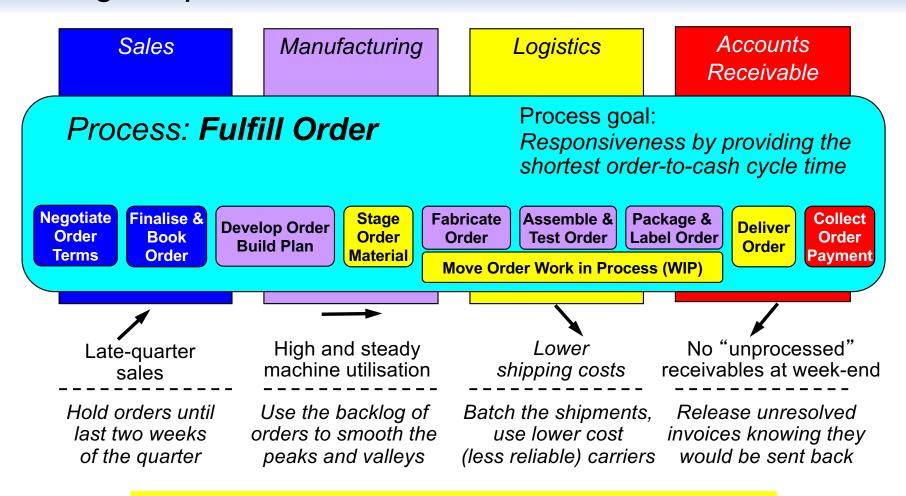
- 2. Performance measures may be *functionally aligned* and work *against* business processes
- 3. Success with business processes requires a *holistic view* in which six *enablers* are considered
- 4. A business process can't be great at everything a single *differentiator* must be chosen

But... performance measures were established *functionally,* before awareness of the *end-to-end process*

Discuss -

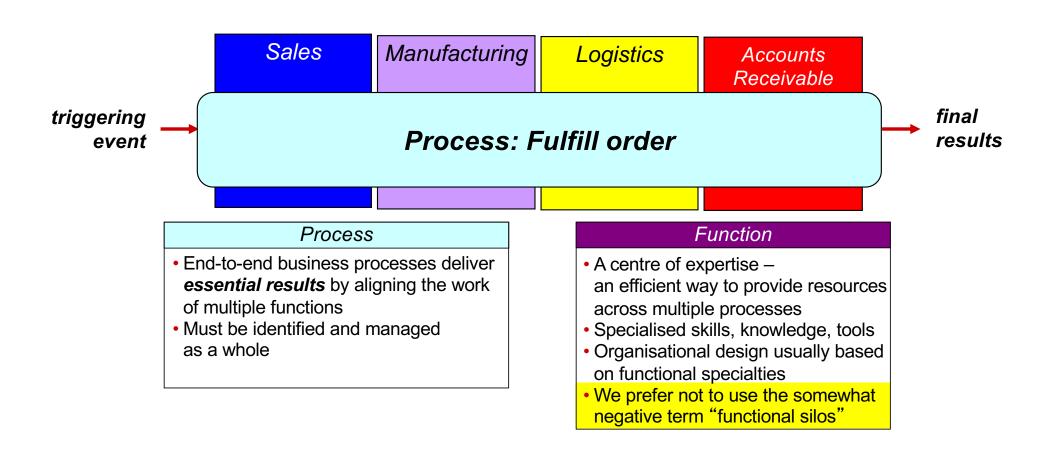
What are the likely impacts of these performance goals? What will the different functions do to meet the targets?

Misaligned performance measures



Poor performance because each function was working hard to meet uncoordinated, functional targets

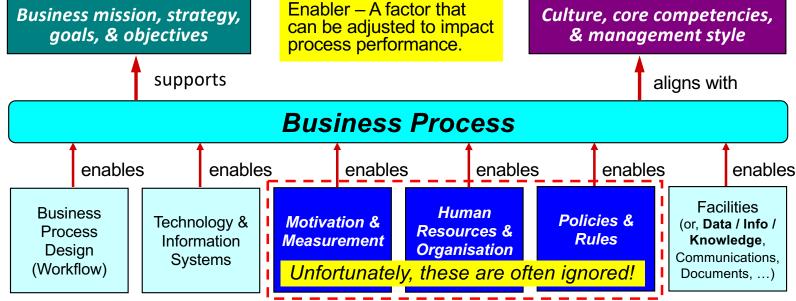
This doesn't mean functions are bad!



Ultimately, business processes are all about alignment

3. A holistic view for process analysis and design

- 1. It is essential to have clarity on what a *business process* really is
- 2. Performance measures may be functionally aligned - work against business processes
- Success with business processes requires a holistic view in which six enablers are considered
- 4. A business process can't be great at everything a single differentiator must be chosen







- Roles
- Steps & decisions
- Flow sequence and • Devices and handoffs
- Who does what when

The usual suspects!

- Applications Assessment and incentives
- Data "Reward and
- Information
- Integration
- platforms
- Process KPIs VS. **Function KPIs**

punishment"

Implicit and

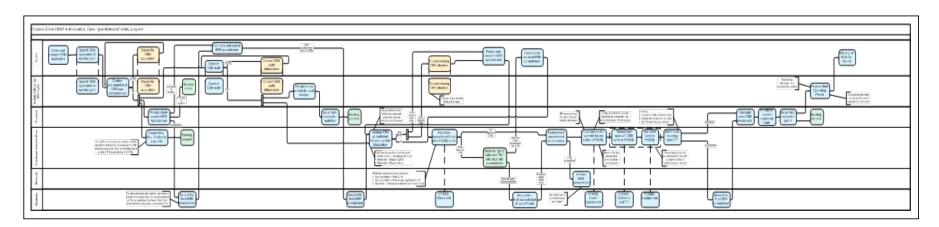
explicit

- Recruitment & selection
- Skills
- Role design
- Organisation design
- Assignment of roles in processes
- Constraining Workplace or enforced by layout The 40% office the process
- External Remote hubs (laws / regs) or Equipment internal (real / • Fixtures and "anecdotal") furnishings

Assess the process by each enabler - one at a time after as-is modelling.

We model the as-is process to support assessment by enabler

As-is modelling maps *reality* – *who*, does *what*, *when*.



This supports a *fact-based* assessment of the *as-is* process by enabler.

Process Workflow Design:

Is each step adding value, placed at the right point in the process, sequential or parallel as appropriate, performed by the best role, etc.?

Information Systems & Technology: Are the proces

Are the process, the steps, and the actors supported by the right systems and technology?

Motivation & Measurement:

How is the performance of the steps, the actors, the participating functions, and the process measured, and what are the consequences?

Human Resources & Organisation:

Are roles suitably broad, are organisations designed properly, and are roles & skills deployed well into the process?

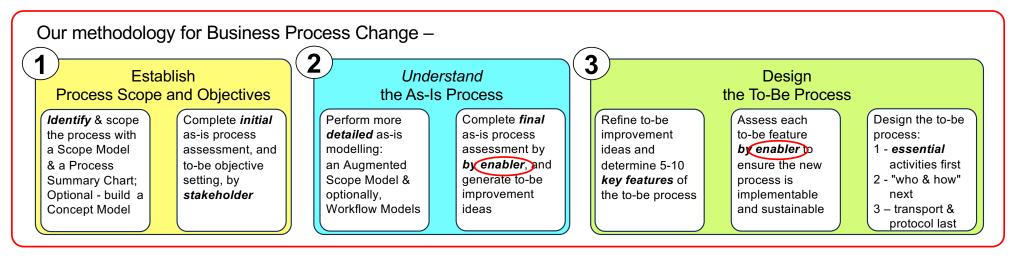
Policies & Rules: What policies or

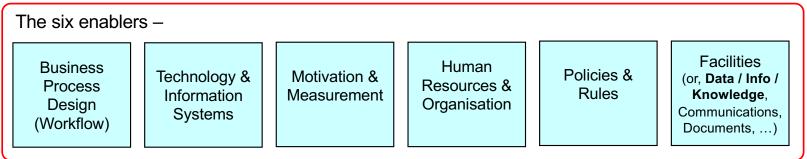
rules, whether internal or external, constrain or are enforced by the process, and what is their impact?

Facilities (or other):

Are the layout & furnishings optimal or do they impede the process? (Many clients instead use this enabler to consider data, info, and knowledge.)

Enablers play a key role in phases 2 & 3





- Focusing on the six enablers provides a holistic view –
 that is the key feature of our methodology (along with simplicity)
- The enablers help us make the as-is to to-be transition

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4. Process goals: know your "differentiator"

Continuous and rapid

products and services.

for adapting to needs of

or changes to the mix

introduction of new

More flexible

new offerings.

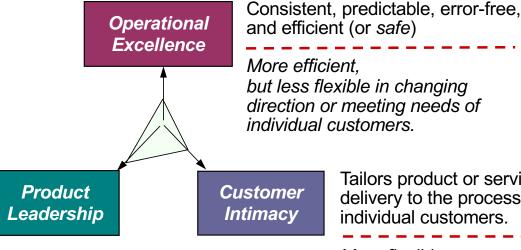
but less efficient.

- 1. It is essential to have clarity on what a *business process* really is
- 2. Performance measures may be functionally aligned - work against business processes
- 3. Success with business processes requires a holistic view in which six enablers are considered
- 4. A business process can't be great at everything - a single differentiator must be chosen

As noted, this is one of the things I do on ~100% of Project Recovery assignments -

- 1. Build Process Scope Model & **Process Summary Chart**
- 2. Develop Case for Action an As-Is Assessment by Stakeholder
- 3. Establish the *Differentiator*
- 4. (Optionally conduct an As-Is Assessment by Enabler)

Great processes don't try to be all things to all people – strive to be *great* at one differentiator, and *good* at the other two...



The original reference: The Discipline of Market Leaders Michael Treacy and Fred Wiersma Addison-Wesley 1995

Tailors product or service delivery to the processes of individual customers.

More flexible for adapting to needs of individual customers. but less efficient.

- Concept developed for the entire enterprise, but great for individual process areas a "signpost" for decisions on process changes.
- Processes in an enterprise do not all have the same differentiator.
- The Process Differentiator can change over time slowly!

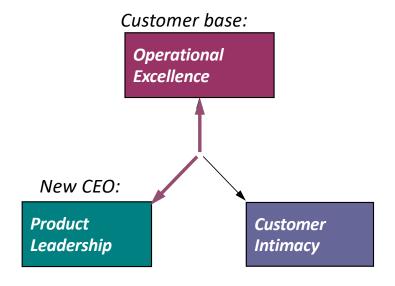


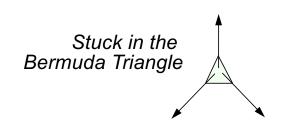
Common differentiator problems

- Focus on the wrong differentiator
 - Insurance company recruits CEO from high tech industry
 - New CEO decides "innovation is everything" \$100M spent on process redesign and system development in support of "innovative car insurance products" – Product Leadership
 - Total failure customers wanted affordable, easy to understand, easy to buy insurance – Operational Excellence (Op Ex)
 - 2. No differentiator or trying to excel at *multiple* differentiators stressed workforce and lower performance

 Operational Excellence "We must be the low-cost provider!"

 Customer Intimacy "We must do what it takes for each client!
 - 3. Conflicting differentiators within functions of a process *lower performance*





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Business Process – part of the Clariteq Framework for Business Analysis

Framework Layer **Technique sample** What it covers This is not a sequence! **Project Charter:** documents the The university is initiating the "Strategic Enrollment" Goals rationale, objectives, scope, and **Business** program to raise Student graduation rates in part by success measures for the project ensuring Classes are available for Student **Objectives** registration when needed. Registrar's Attach Rea **Process Model:** shows "what" in a Process Student **Business Process:** Office Form and **Business** Scope Model, then "who & how" in a Report gives great context Workflow Model – the steps done by Process Check Rea for Business Analysis Department Register Request for the actors in the process Student in Advisor Class When advisor enters five Use Case: describes how an actor Presentation characters of Last Name Then System lists matching Students would like to interact with a system to Services Use Cases and When advisor selects list item obtain a service, typically to complete Application Then System displays expanded Student (user interface) Services: view with needed Classes step in a process When advisor etc where we capture **Functional** Service Specification: describes **Business** Register Student in Class Requirements a service - a package of rules and Verify Student Status Services Input Message: **Output Message:** Verify Student pre-reas logic – that is triggered to complete or Student Number Results Confirm Class availability Course ID (rules & logic) Create Registration respond to a business event Class ID Course Data Mgmt. Concept Model: depicts Departme Instructor Data Number Student the things and the facts about things Concept Model: Services Number Name assigned offering of Name Rating Code the organisation needs to record; a great platform GPA Class (databases) Dates

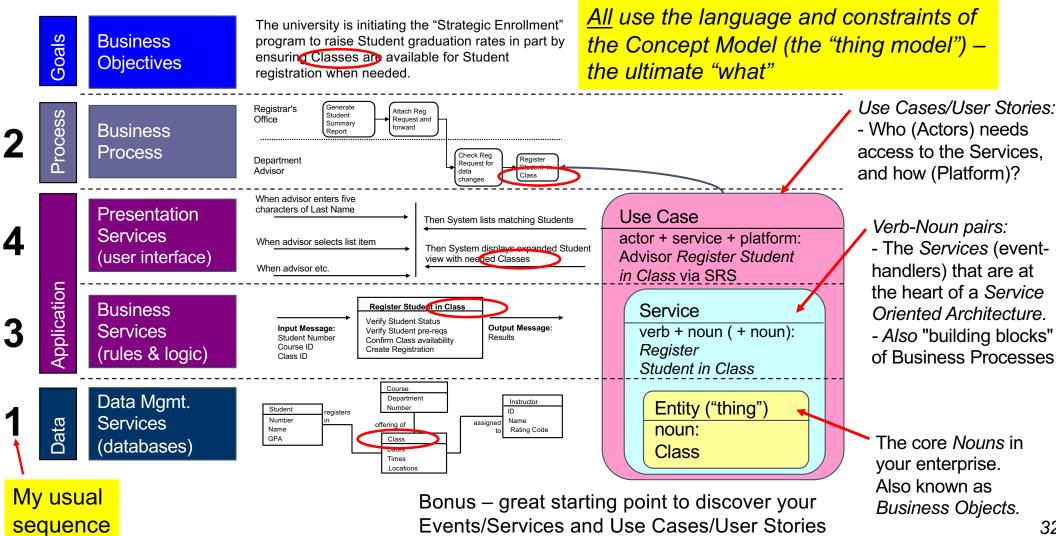
the things (the entities) are what

processes and solutions act on.

Only four types of models vs. 14 in the UML! (Unified Modelling Language)

Times Location for Business Analysis

Key point! Everything relies on the concept model



Another key point! Different levels of detail for different purposes

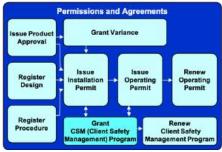
Different models and levels of detail for different audiences and purposes.

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Also applies to Use Cases, Services, and Data Models

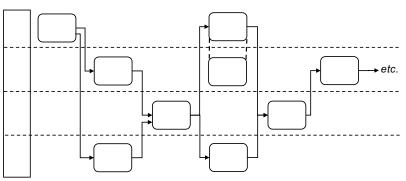
Scope for Planning

Process Landscape (optional):



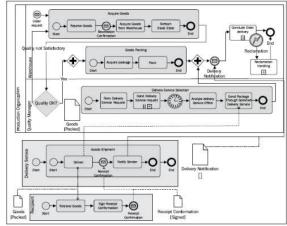
Concept for Understanding

- Augmented Scope Model showing next level activities: who - what - how
- "Business-friendly" (just boxes & lines) flow models to maximise communication and participation
- Two levels Handoff and Service



for Specification

 Detail for technical design, perhaps using full BPMN



Process Summary Chart:

Process Scope Model:



Main Activities (or Milestones, Phases, or Subprocesses)

Boxes

Boxes & Lines

Boxes. Lines. & MANY Symbols

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Our three-phase methodology - proven, practical, & agile

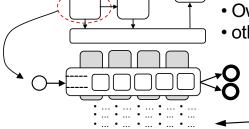
Establish **Process Scope and Objectives**

Some goal or issue, not rigorously specified

Complete initial as-is process to-be objective setting, by stakeholder

assessment, and

- Customer
- Performers
- Owner
- others...



Identify & scope

the process with

a Scope Model

Summary Chart;

Concept Model

Optional - build a

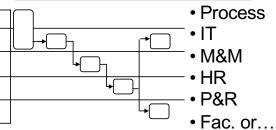
& a Process

- ID processes & draw Process Landscape (Optional – only if you have a large scope)
- ID Trigger, Results, main Activities, Cases (TRAC) & draw Process Scope Model focus on what, no reference to who or how
- ID involved functions & mechanisms (who and how) & draw Process Summary Chart
- Conduct stakeholder-based assessment

Understand the As-Is Process

Perform more detailed as-is modelling: an Augmented Scope Model & optionally, Workflow Models

Complete *final* as-is process assessment by enabler, and generate to-be improvement ideas



- Develop as-is models:
 - Augmented Scope Model add ~5 - 7 more detailed Activities for each main Activity
- (Optional) as-is Workflow Models only enough detail to understand process behaviour
- Conduct enabler-based assessment and identify potential improvements

Design the To-Be Process

Refine to-be improvement ideas and determine 5-10 kev features of the to-be process

3

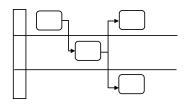
Assess each to-be feature by enabler to ensure the new process is implementable and sustainable

Design the to-be process:

- 1 essential activities first
- 2 "who & how" next
- 3 transport & protocol last



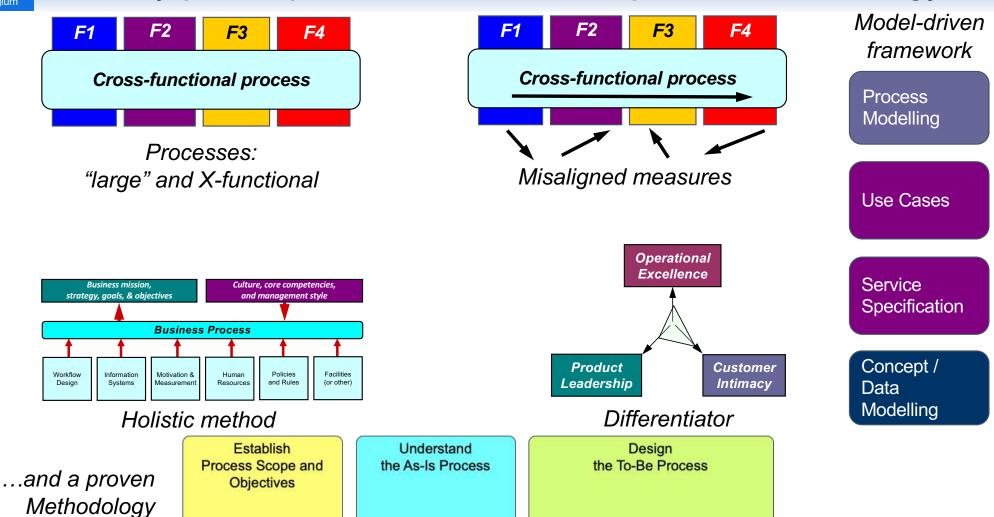
 Select key to-be Features



- Assess each key Feature by enabler
 - Identify and sequence essential activities
 - Develop Workflow Models for essential activities by adding who and how
 - ...on to requirements definition and 34 implementation

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Five key points plus a BA framework plus a methodology

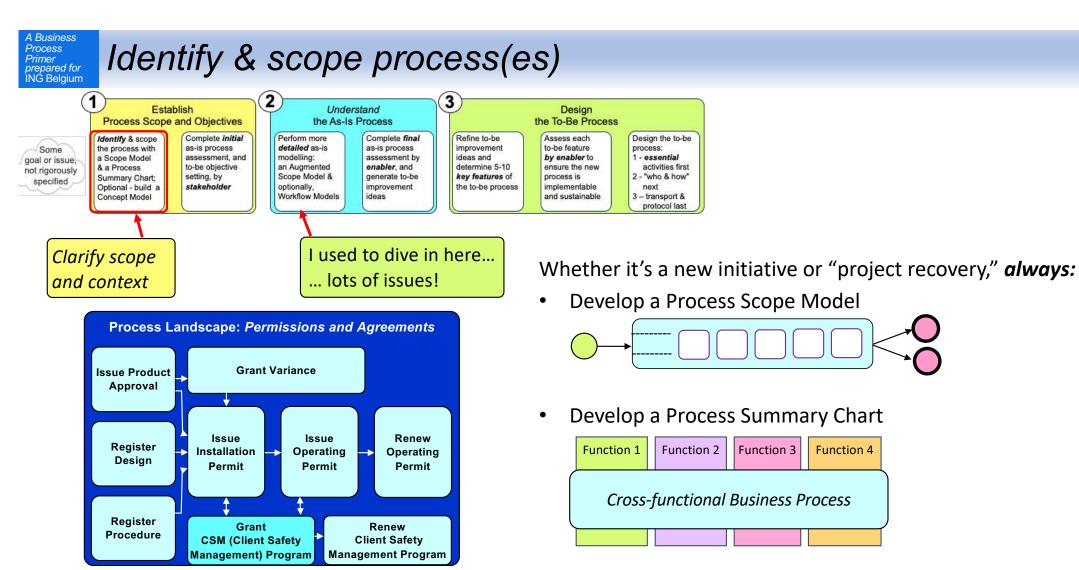


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Identifying and Scoping Business Processes

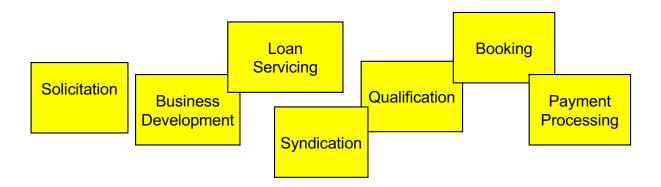
- 1. Four things you *need* to know about *Business Processes*
- 2. Identifying true, end-to-end, cross-functional Business Processes
- 3. Process modelling for *humans*
- 4. Overview the transition from *as-is* analysis to *to-be* design



You *might* start at a higher level, with a *Process Landscape* – a decomposition of a business area into a family of *individual business processes*

Process discovery example

A bank believed they had identified the 12 *business processes* in their Commercial Loans Management area, including these 7:

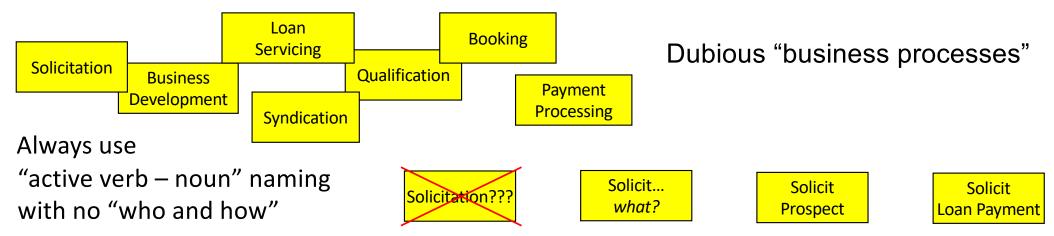


Discuss:

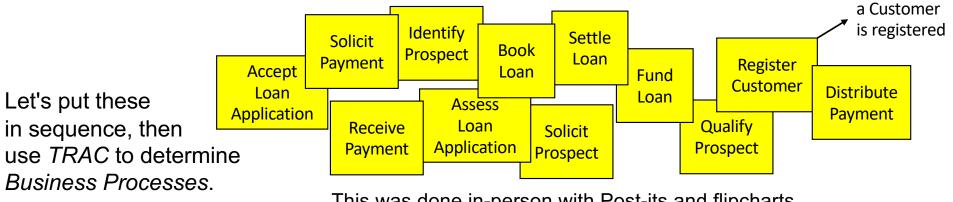
- What is wrong with the names of these processes?
- Can you think of any questions to help improve these process names?



Bottom-up process discovery – example



Client then identified recognisable activities, each producing an essential result (easy!)



This was done in-person with Post-its and flipcharts but tools like Lucidchart and Miro work well virtually

Summary – sequence activities

Not usually linear – parallel chains are typical

Identify Prospect

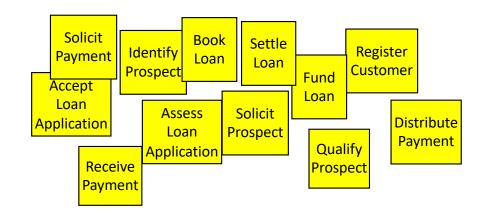
Qualify Prospect Solicit Prospect Register Customer Receive Loan Application Assess Loan Application

Fund Loan

Book Loan Solicit Payment Receive Payment Distribute Payment Settle Loan

The clients arranged the activities in sequence:

- easy!
- a learning experience!

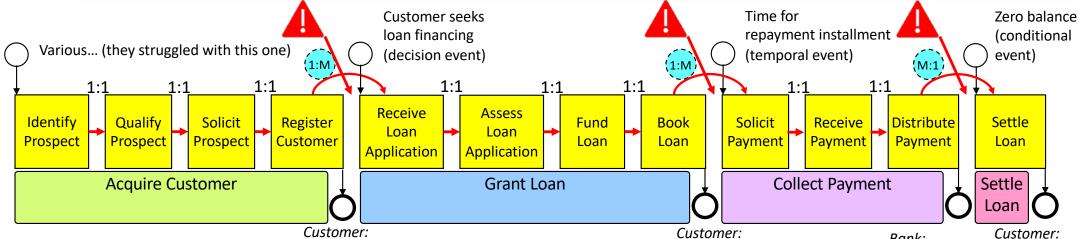


Now we'll use my "TRAC" framework for business processes –

- Trigger
- Results
- Activities
- (Cases later)



Summary – use TRAC to discover business process boundaries



It appears we have discovered four business processes, each with:

Trigger
Results
Activities
(Cases later)

an Account that enables business with the bank The Bank:
a new Customer (an asset)

a new Customer (an asset)
Business Development:

Commission credit

1. ID where a final Result of value is delivered to one or more (usually at least two) stakeholders – "happiness points"

- 2. Identify points where a <u>Triggering</u> event (decision, time, condition) beyond the organisation's control is required before activities can proceed
- 3. Identify "cardinality" of connections between Activities (1:1, 1:M, M:1)
- 4. Identify "tokens" flowing through the activities
- 5. Name business processes with active verbs and nouns (usually the tokens)

Bank:
Loan payment
received &
distributed
Syndication
Partners:
Loan Payment
received

Loan funds available

Syndication Partners:

a share of the Loan

a performing asset (Loan)

The Bank:

The Bank &
Syndication
Partners:
completed
Loan
Regulator:
Loan

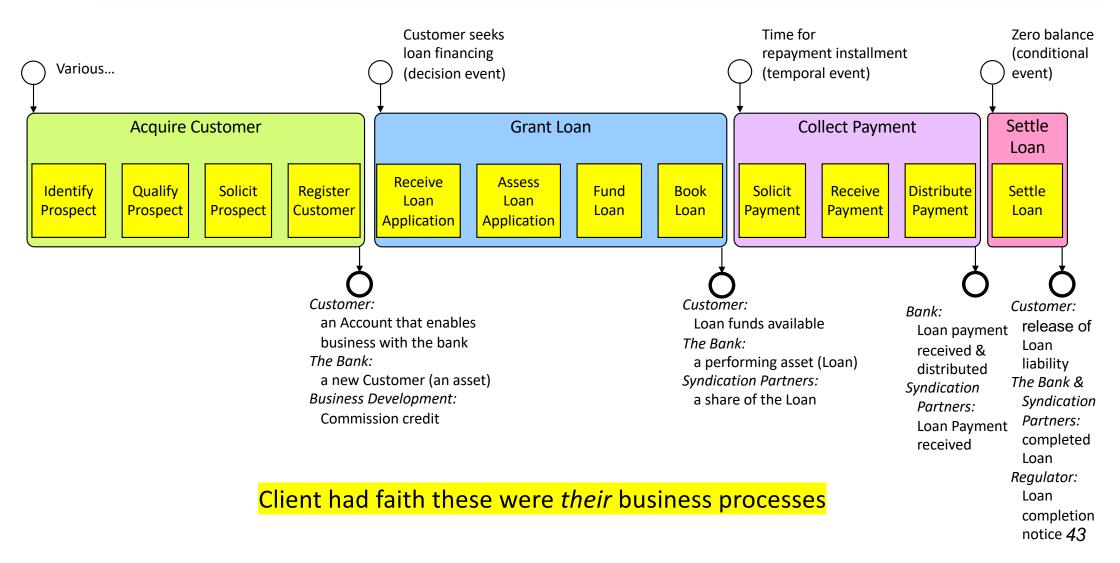
release of

Loan

liability

completion notice

Four end-to-end business processes, objectively demonstrated

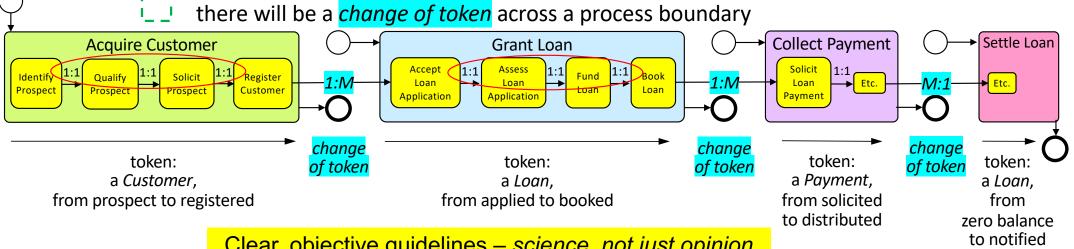


Six guidelines for well-formed processes, two clients really appreciate

- "Active verb noun" naming that indicates primary result 1.
- 2. Triggered by an event (decision, time, data) outside process' control
- 3. At the end are results that makes one or more stakeholders happy
- In between are ~5 to 7 major Activities (phases, milestones, subprocesses, ...)

Activities linked 1:1 are probably part of the same process; a 1:M or M:1 connection between activities is probably a boundary

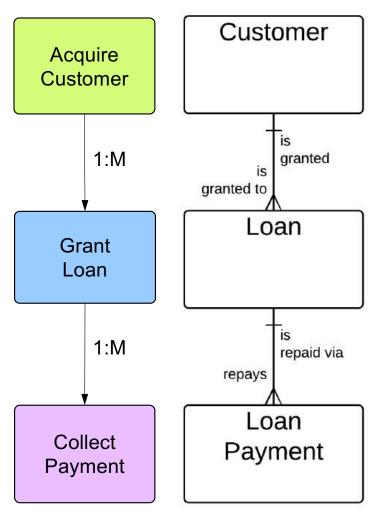
The same token moves through the whole process, changing state, e.g. a Loan, from applied to booked;



Clear, objective guidelines – science, not just opinion

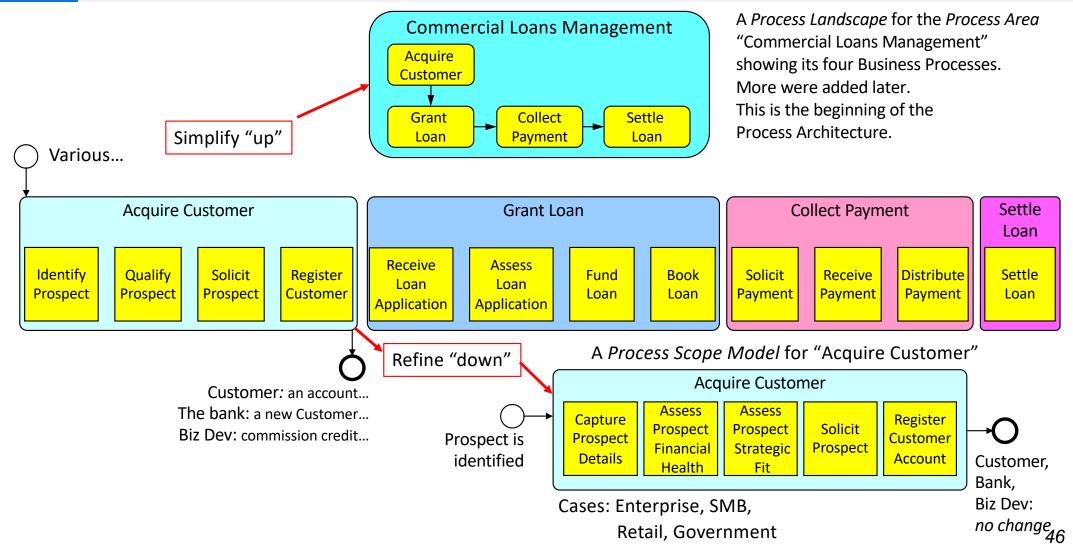


Correspondence to the Concept Model



- The nouns in your verb-noun *Process* name are most often the *Entities* in your Concept Model, and each will usually have one primary *Process*
- The relative number of Process instances
 (e.g., 1:M or M:1) align with relationship cardinality
- This does not mean there is only one Process per Entity
 - Assess Customer Performance
 - Retire Customer
 - Merge Loans
 - Write Off Loan
 - ...

What next?



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Our methodology – three responses to three common difficulties

Some goal or issue. not rigorously specified

Establish **Process Scope and Objectives**

Identify & scope the process with a Scope Model & a Process Summary Chart; Optional - build a Concept Model

Complete initial as-is process to-be objective setting, by stakeholder

assessment, and

Don't start

Understand the As-Is Process

Perform more detailed as-is modelling: an Augmented Scope Model & optionally, Workflow Models Complete *final* as-is process assessment by enabler, and generate to-be improvement ideas

Design the To-Be Process

Refine to-be improvement ideas and determine 5-10 key features of the to-be process

3

Assess each to-be feature by enabler to ensure the new process is implementable and sustainable

Design the to-be process:

- 1 essential activities first
- 2 "who & how" next
- 3 transport & protocol last

Big picture first

My hardest assignments

here!

Flow first, detail later

1 – Premature diagnosis of the situation

2 – Failure to identify true end-to-end processes

3 – A rapid descent into unhelpful detail

Don't start with a problem statement! There will be some goal or issue, but don't formalise it **yet**.

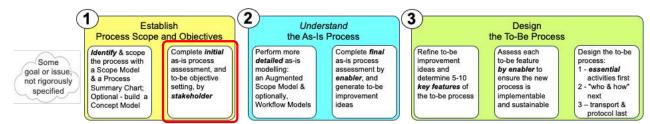
And remember... it may not be a "process" issue.

Rigorous techniques to identify real business processes – a Process Scope Model and a Process Summary Chart make scope and context visible.

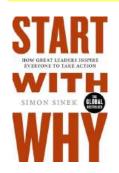
Clarify the big picture, then take a controlled descent with well-defined levels of detail.

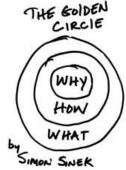
A Business Process
Primer
prepared for INĠ Belaium

Now that you have e2e context, perform initial as-is assessment



Why does this process need to change?







"People don't buy what you do, they buy why you do it."

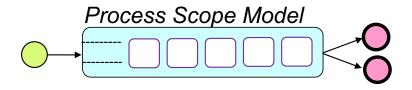
But for a process...

What first

Who & How next

Only then Why

Why does this process need to change? We'll answer that with a Case for Action (a nuanced form of problem statement)



Process Summary Chart

Function 2 Function 3 Function 1 Function 4 Cross-functional Business Process **Supporting Mechanisms**

> Now we have an end-to-end. cross-functional perspective.



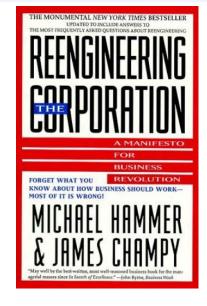
My version of Michael Hammer's "Case for Action"

Simplified, re-sequenced, more stakeholder-focussed

1) Stakeholder assessment – makes it real What are the concerns of each stakeholder group?

- Customer
- Performers
- Owner/manager (the enterprise itself)
- Others (regulator, partners, ...) as needed





2) Context – makes it blame-free
What changes in the environment since the process
was "designed" have caused these issues to surface?



Yay – It's not our fault!

3) Consequences of inaction – makes it compelling What will happen if the process is left as-is?



We'd better get on with it! 49



1. Stakeholder concerns

"You must communicate in a clear and compelling way why the process has to change by completing the initial assessment for the as-is process."

Initial assessment – 3 components

Stakeholder assessment – makes it real

- Customer
- Performers (what's in it for me?)
- Owner/manager (the enterprise itself)
- Others, as needed

Initial assessment – typical questions

Customer:

- Are there too many interactions?
- Are rules, requirements, protocol reasonable?
- Can your work be located within the process?
- Are you the process integrator –
 the human glue that connects the process steps?

Performer:

- What are your major sources of frustration?
- Do you have the necessary tools and support?
- Are there redundant steps or steps that serve no purpose?
- Are problems caused upstream? Does the workload vary wildly?
- · What would you change if you could?
- Is there a documented process?

Owner/manager:

- Does the process use resources you would rather re-allocate?
- Is it a net contributor or a source of problems?
- Does the process constrain innovation, growth, or opportunities?
- Is it a source of customer or media criticism?



2. Context – assessing changes in the environment

Context – makes it blame-free

What changes in the environment since the process was first "designed" have caused these issues to surface?

Areas to consider:

- Regulatory change
- Workforce changes (e.g., "recruiting and retaining" vs. "retiring")
- Emergent technology (AI, robotics, drones, BP Automation, SMAC ("Social, Mobile, Analytics, Cloud,") or current technology is EOL ("End Of Life")
- Changing customer expectations
- Competition, especially new or emerging Current "Top Five"
- Economic conditions
- Change in business volume (growth or contraction)
- Change in business model (e.g., customised or standarised)
- Change in business ownership (public, private,) M&A, divestiture
- Change in business leadership / executives
- Change in government (post-election fallout)
- Changes in business operating locations
- Socio-political change
- Environmental ("green") concerns





3. Consequences of inaction

Consequences of inaction – makes it compelling

What will happen if the process is left as-is, and the status quo is maintained?

For the individual:

- Unsatisfying work environment?
- Diminished opportunities?
- Reduced employment or loss of employment?



For the organisation:

- Reduced performance?
- Reduced stature or reputation?
- Withdrawal from the market?



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"Case for Change" example

Situation:

- Manufacturing firm redesigns core Financial Reporting processes prior to COTS selection
- No progress! Project has descended into "the blame game"

Stakeholder assessment –

- Customer financial markets / fund managers cannot get the info they need for investment decisions
- *Performers* Finance staff spend all their time on assembling "the numbers" with no time for value-added analysis
- Owner/manager CFO is under constant pressure and criticism from the financial markets and other executives

Context -

- · Firm recently divested from a huge conglomerate
- Financial reporting was formerly to Head Office,
 but now is to financial markets which the processes were never designed to do

Consequences of inaction -

- Planned acquisition of competitor will not go ahead due to lack of financial market support for new bond issue;
- Firm likely to be acquired by the competitor. Uh oh... Finance staff quickly realised their employment was threatened and got on board!

Client was very happy!

Alec, I'm so happy I could just kiss you!



That's not in my contract

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Then, establish process goals / improvement targets

"You must also provide a sense of direction by defining to-be process goals and objectives."

Subjective goals

Give people a "feel" for direction:

- "Customers will love this process because..."
- "Performers will love this process because..."
- "The process owner will love this process because..."

Measurable objectives

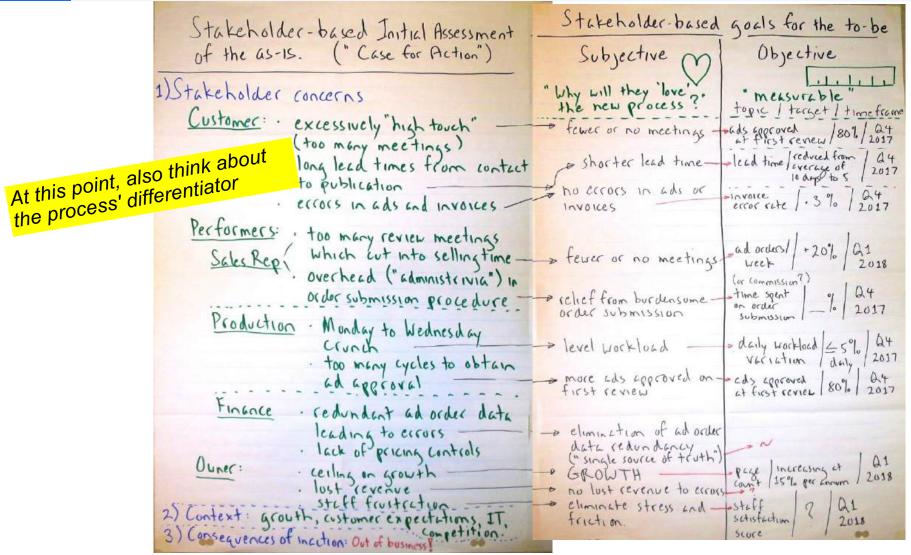
Provide *specific targets*Establish baseline to *prove* success
Format:

- Topic (what will be improved?)
- Target (what is the measurable objective?)
- Timeframe (when will these results be realised?)



It may now be appropriate to introduce new process measures, metrics, and key performance indicators (KPIs) to establish baseline performance

Example from in-person workshop – assessment to goals



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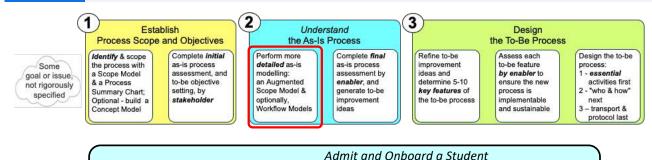


Making process modelling relevant

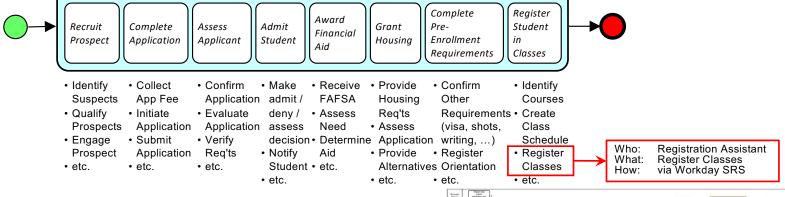
- 1. Four things you *need* to know about *Business Processes*
- 2. Identifying true, end-to-end, cross-functional Business Processes
- 3. Process modelling for *humans*
- 4. Overview the transition from *as-is* analysis to *to-be* design

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3 - Complete additional as-is modelling



The goal is to understand the as-is process, not document it in excruciating detail!



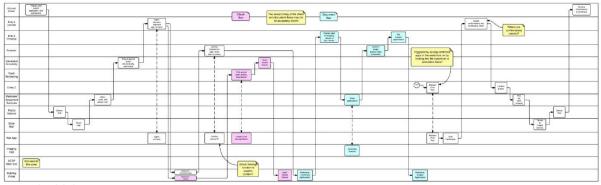
Optionally, model initial Workflow –

- Simplicity minimal symbols and detail
- "Flow first, detail later!"

I always build an Augmented Scope Model –

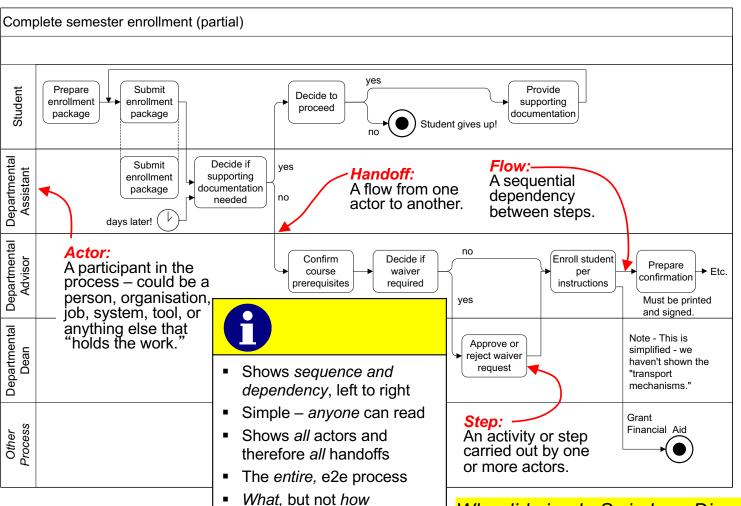
- 1. What the detailed activities are, e.g. "Register Class" (verb + noun)
- 2. Add who and how, e,g, "Advisor Register Class via SIS"

This is often good enough! – no need for an as-is swimlane diagram / workflow model



www.lucidchart.com

Simple Swimlane Diagrams – maximise their strengths



Who – the actors

What – the steps

When – the flow

Other tools are better for capturing detail – how the steps are done:

- step-by-step procedures
- checklists
- decision trees
- use cases
- etc.

Why did simple Swimlane Diagrams become popular?

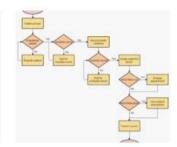
A quick Google Images search on "swimlane diagram" reveals...



... lots of diagrams I might draw differently.

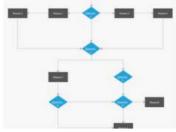






complex RENO flowcharts easier ...

Follow flowchart best practices without ... cacoo.com



Flowchart Tutorial (Complete Flowchar...

21 Creative Flowchart ...

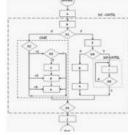
visme.co

rt ... Flowchart Programming ... conceptdraw.com

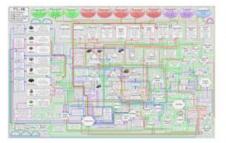
Free Flowchart Templates ... gliffy.com

Flowchart Tutorial (with Symbols, ... visual-paradigm.com







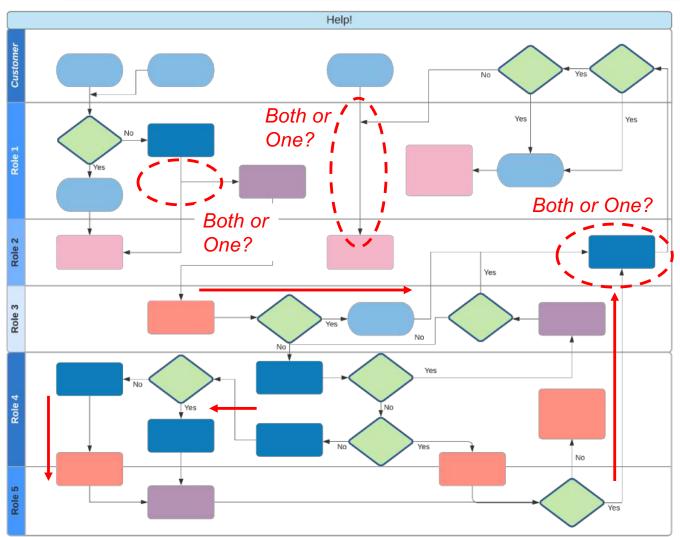








One example... "Chaos With Colours"

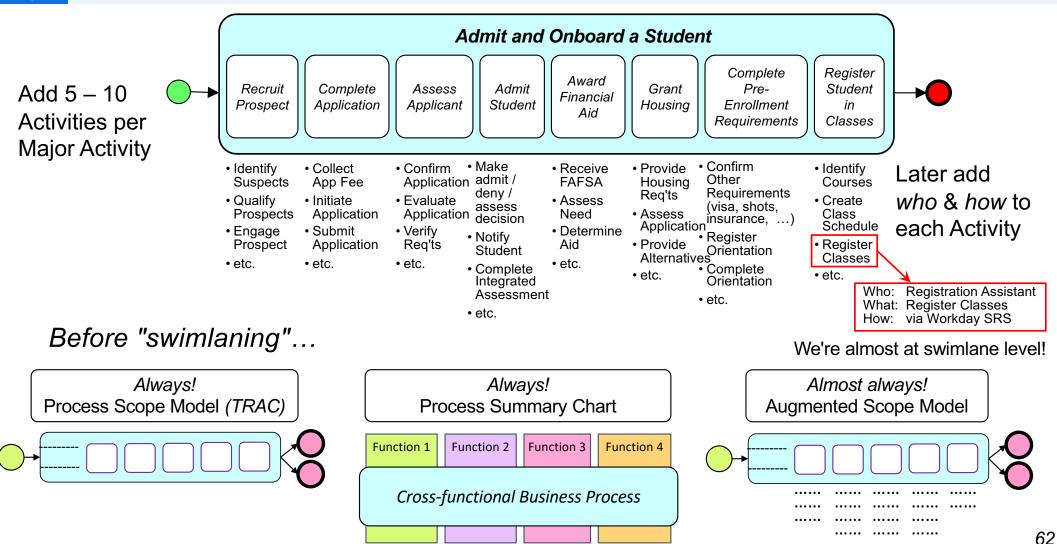


Probably accurate, not too many symbols, but...

- do unexplained colours help?
- significance of multiple flows?
 - · two separate flows inbound to a step
 - two joined flows inbound to a step
 - one outbound flow splitting
- but most of all... flows in all directions!:
 - left to right
 - right to left
 - top down

Forcing it into a "one-pager" defeats the graphic power of the diagram.

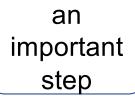
If you need a one-pager draw an Augmented Scope Model



The Cognitive Psychology of diagramming

What do people first perceive on a diagram?

1. relative size

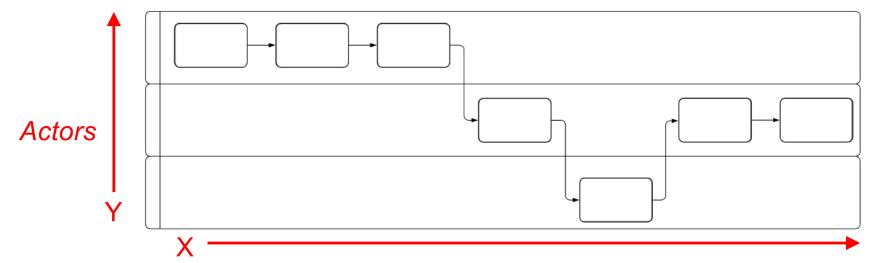


a less important step



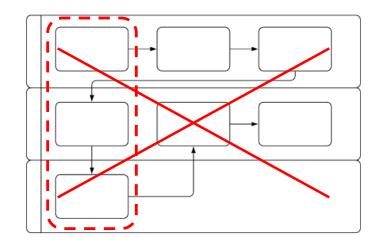
Make all the steps the same size, unless you're trying to make a point

2. relative X-Y position





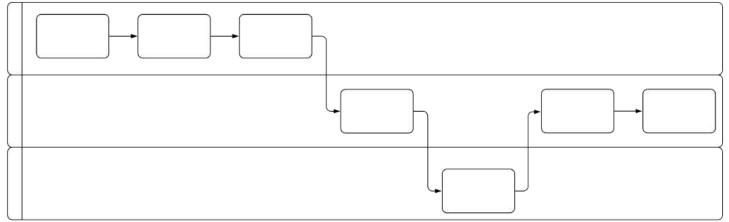
Don't conceal sequence and dependency



Steps perceived as happening in *parallel*, even though flow lines indicate *sequential*.

Critical in analysing a process:

- sequential vs. parallel
- dependent vs. independent



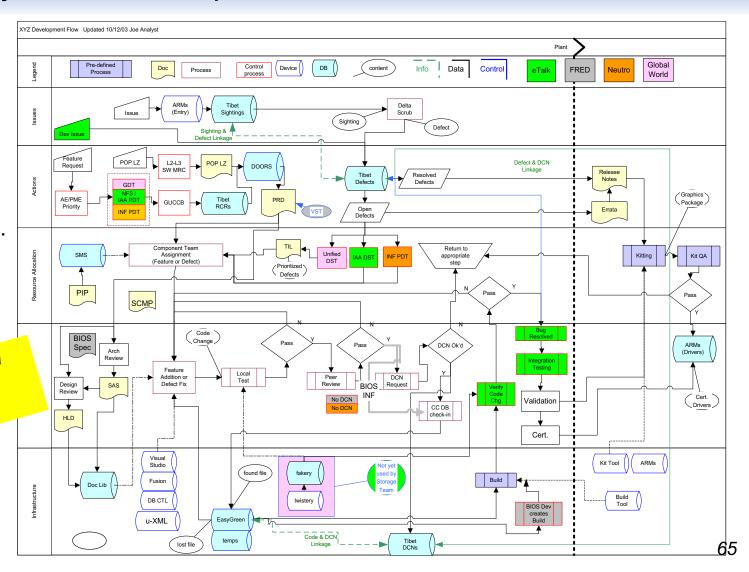
A simple guideline: flow lines *only* leave the right edge and *only* enter the left edge – never the top or bottom.

"I think I know why our business partners don't want to review this..."

Probably a good DFD (Data Flow Diagram) useful to a technical audience Not a good Process Flow Diagram, useful to business professionals, because...

- no obvious flow
- too many symbols
- cryptic acronyms
- lanes aren't actors

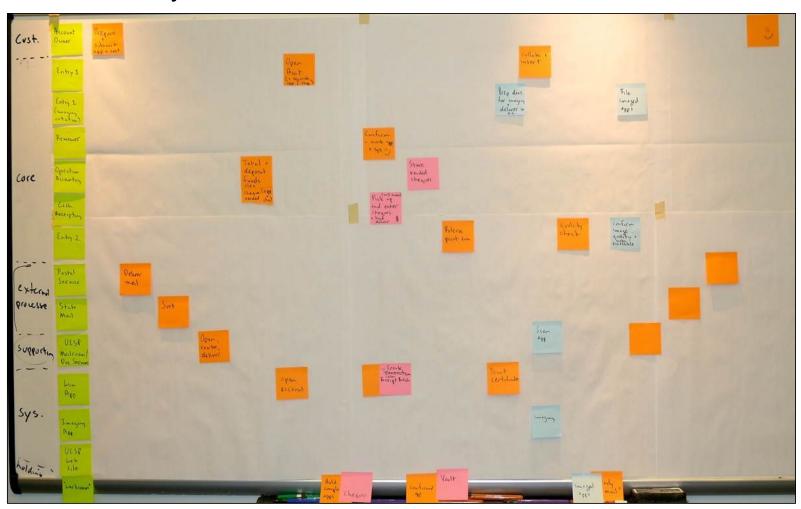
What's wrong with this diagram as a means of communicating with a business audience?



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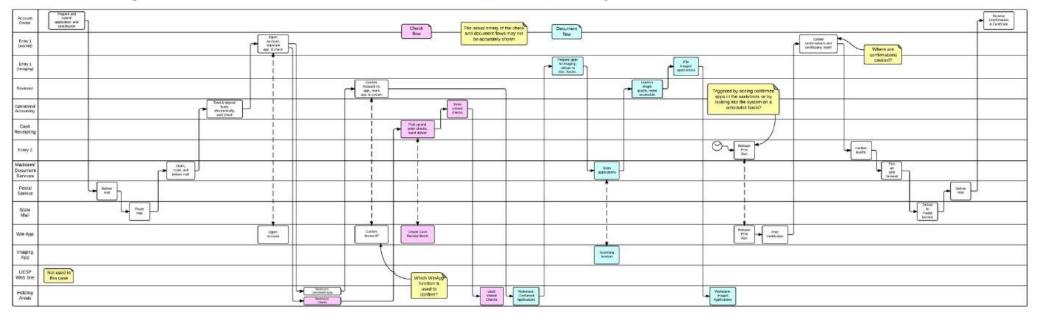
Boxes alone are a great start

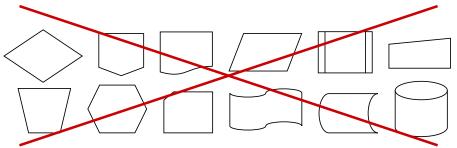
Remember – you can build an initial flow model with Post-its, real or virtual

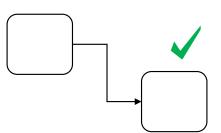


Minimal symbols

Later, redrew it with *Lucidchart* (www.lucidchart.com) – add rigour, but still focus on flow and simplicity.



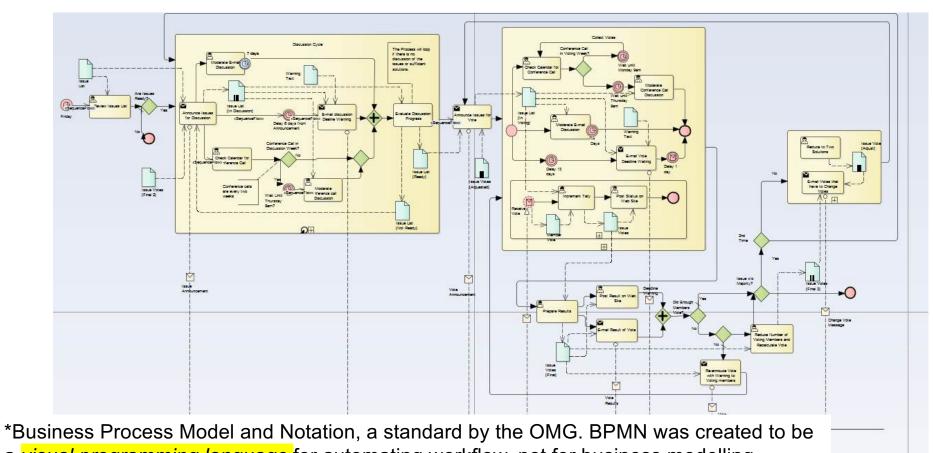






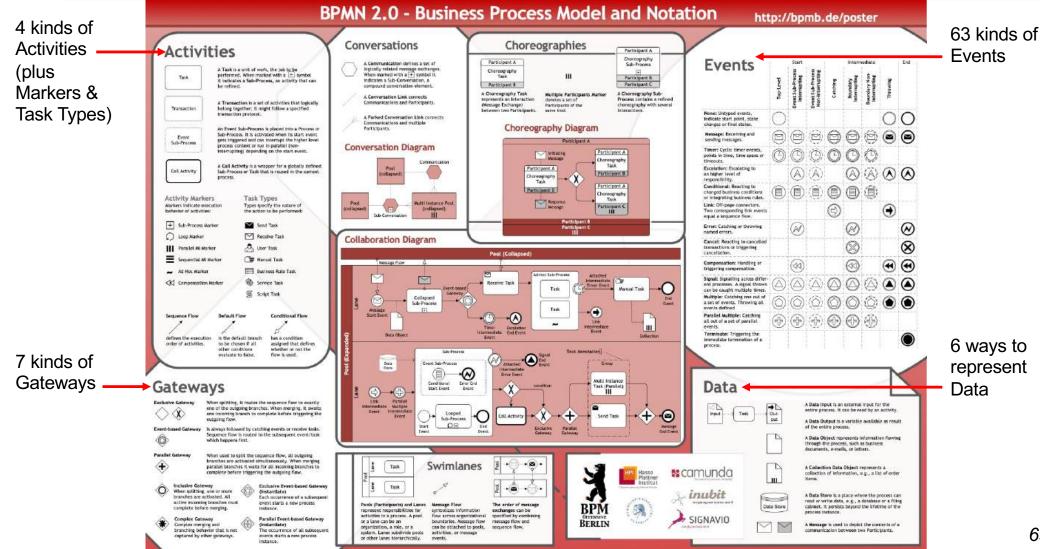
Full BPMN* – not useful for business purposes

If you choose to use BPMN, use extreme restraint! Only use a few symbols such as Lanes, Tasks, Flows, simple Events, and optionally Gateways



a visual programming language for automating workflow, not for business modelling.

The full BPMN symbol set (why we use a subset)





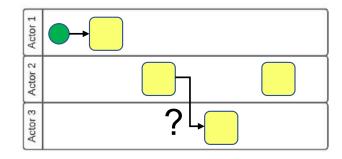
Three questions to develop your initial workflow model

Emphasis:

- keep you out of the details focus on flow
- ensure the involvement of every actor is shown –
 it doesn't matter how much or how little they do,
 or whether they add value

Three simple questions:

- 1. "Who gets the work next?"
- 2. "How does it get there?"
 - Often uncovers "transport" actors or systems
- 3. "Who *really* gets the work next?"
 - Often uncovers additional actors

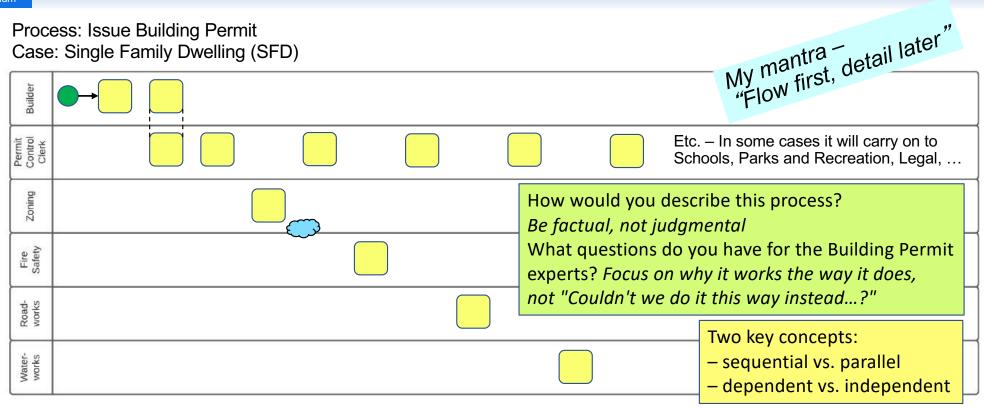


Guideline for the initial Handoff Diagram: Whenever an actor holds the work, whether they do a lot or a little, draw one box (or post one sticky) and move on!

(And no value judgements – include every actor that holds the work!)



Question 1 – "Who gets it next?" traces overall flow



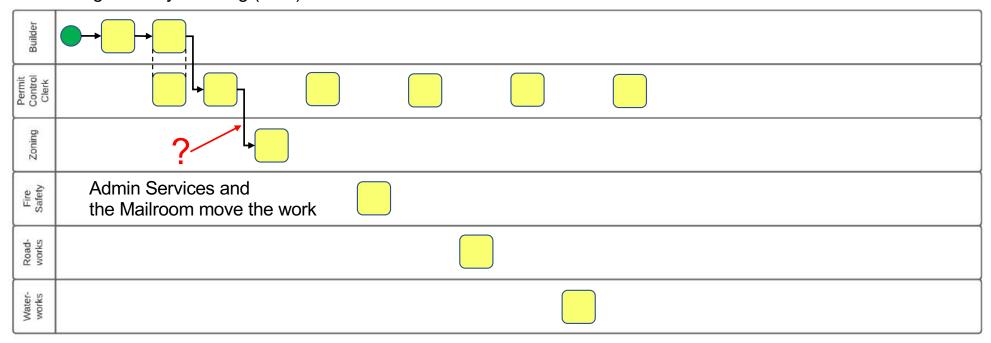
In scoping, you identified the trigger, the result, and the main actors. Now, starting at the triggering event, keep asking question 1 –

- "Who gets the work next?"
- trace the flow of work through to the Customer's result, following one path only!
- at a decision or parallel flows, follow the main path, mark the other with a cloud, and return later
- **DO NOT** ask "What do you do?"



Question 2 – "How does it get there?" uncovers more actors

Process: Issue Building Permit Case: Single Family Dwelling (SFD)

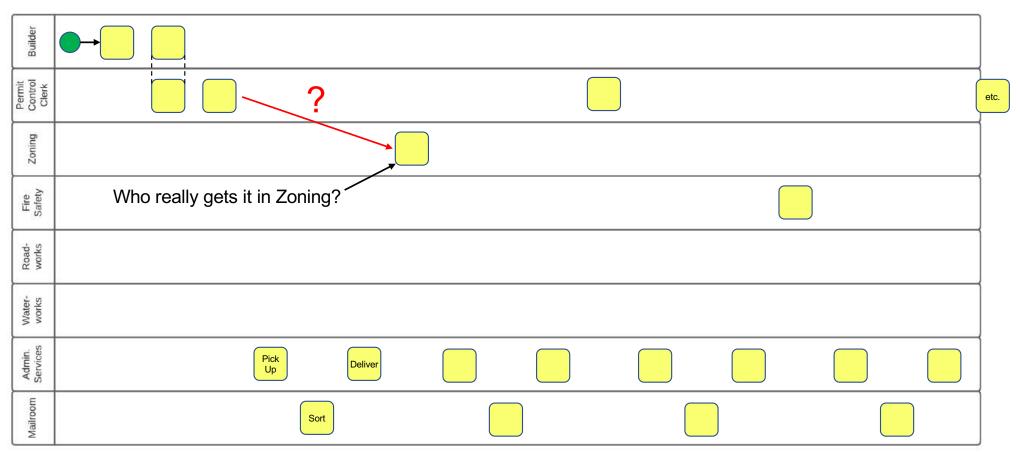


Next, at every handoff, ask question 2 – "How does it get there?"

- uncovers additional actors, and therefore more handoffs
- a handoff is a potential source of delay, error, or expense



Question 2 revealed more actors and transport mechanisms

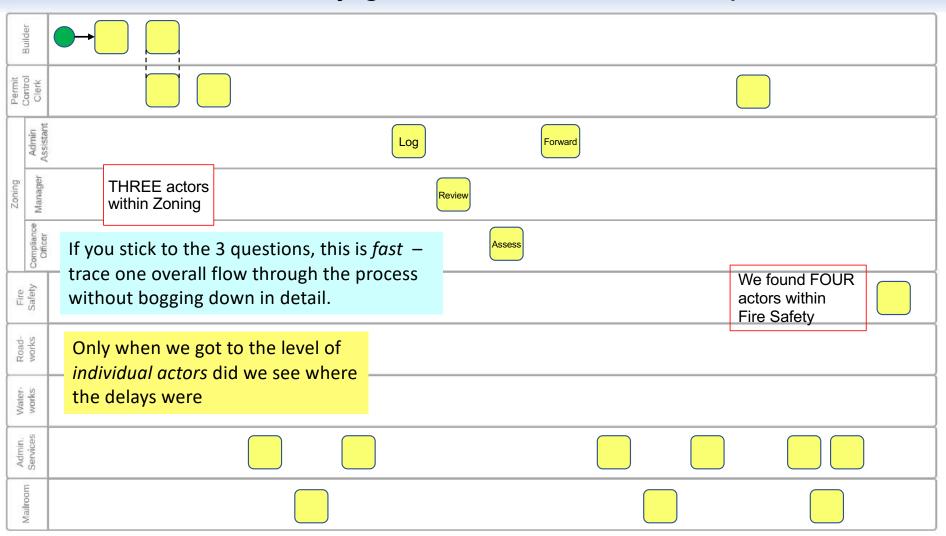


Now, inspect handoffs again, looking for missing actors, ask question 3 - "Who really gets it next?"

- does it really go directly to the actor you first identified?

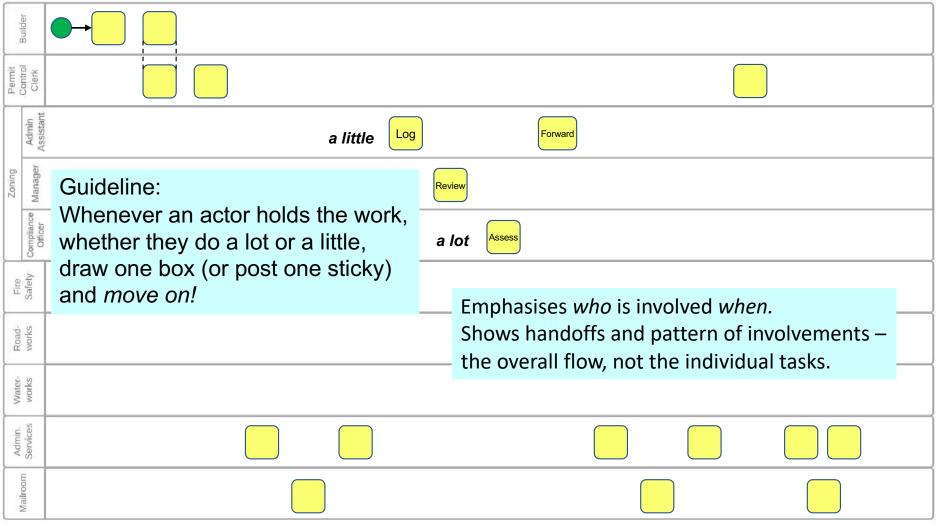
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Question 3 – "Who really gets it next?" uncovers specific roles

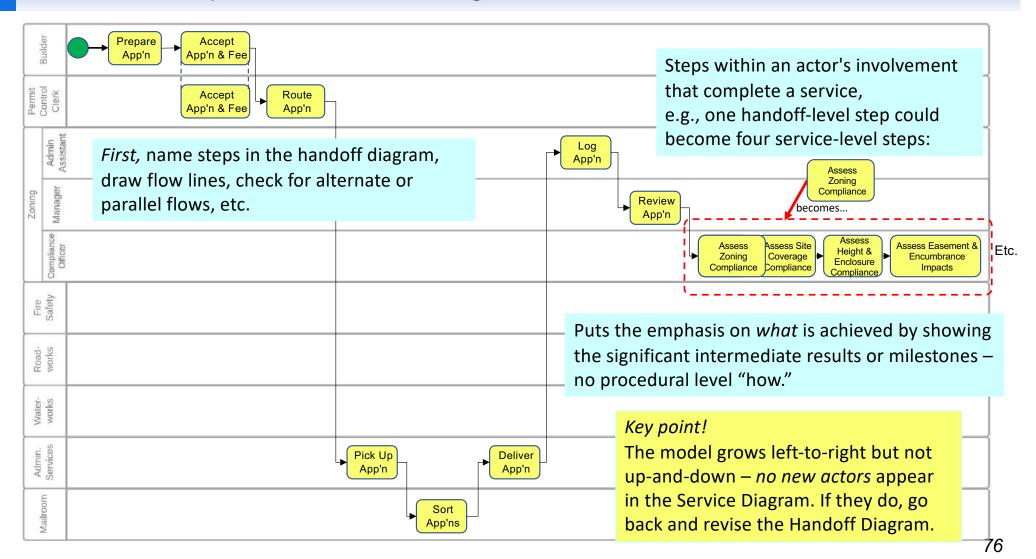




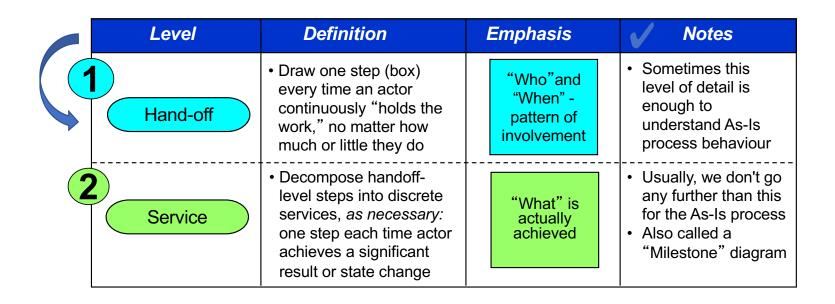
We have <u>started</u> a "Handoff Diagram"



Now develop a "Service Diagram"



Two levels of swimlane diagrams

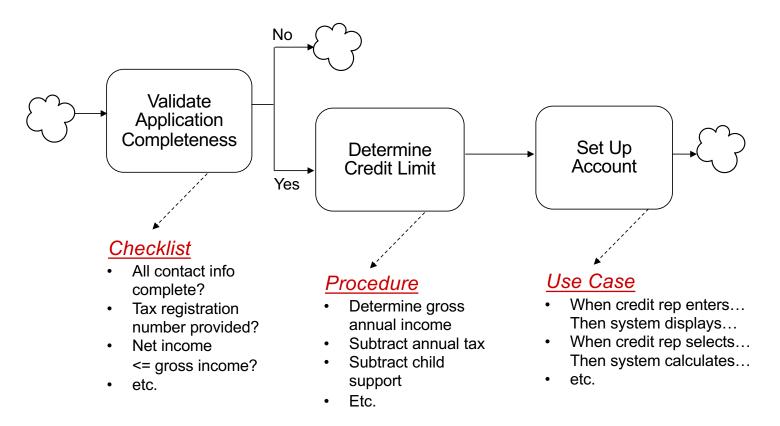


The handoff-level diagram is <u>critical</u> – ensures we discover the overall flow before diving into detail.

Stop diagramming before you get into "how"

Stop workflow modelling when work isn't flowing.

Do **not** use a workflow model to describe **how** an activity is done – that belongs in the activity description or in a linked document.

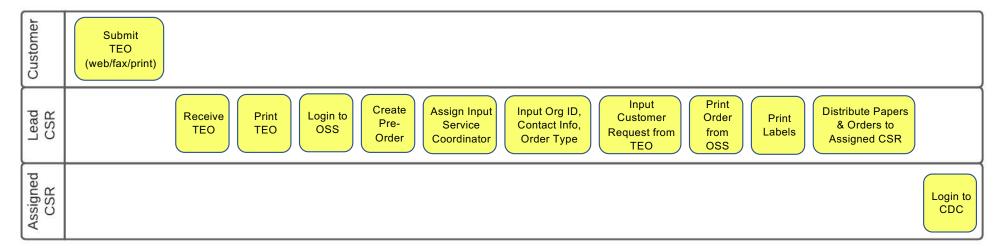




Knowing when you've gone too far

Do **not** use a workflow model to describe **how** an activity is done – that belongs in the activity description or in a linked document.

Handle TEO (Telecom Equipment Order)



You've gone too far if:

- there are multiple steps in sequence by the same actor
- the steps include "how-to" instructions (procedural level detail)



Summary – where we've been, where we're going

Principles

The purpose of a Workflow Model is to show the Flow of Work

Simplicity is a virtue

Always do a Scope Model and a Summary Chart before flow modelling

Why they work

Flow (sequence & dependency) is clearly visible, left to right

Simple to read – the symbols are mostly boxes and lines

Shows all actors and their steps, and therefore all interactions and handoffs

Shows the entire, end-to-end process, from trigger to results

Shows "what" the steps are without diving into "how"

The most common errors

Concealing flow by drawing a convoluted diagram, usually in an attempt to make it a "one-pager"

Using a lot of symbols that regular folks don't understand

Omitting actors just because they play a minor part – everyone has an impact

Cutting the diagram into onepage segments – the initial flow model should be continuous

Using a Workflow Model to document procedural level detail

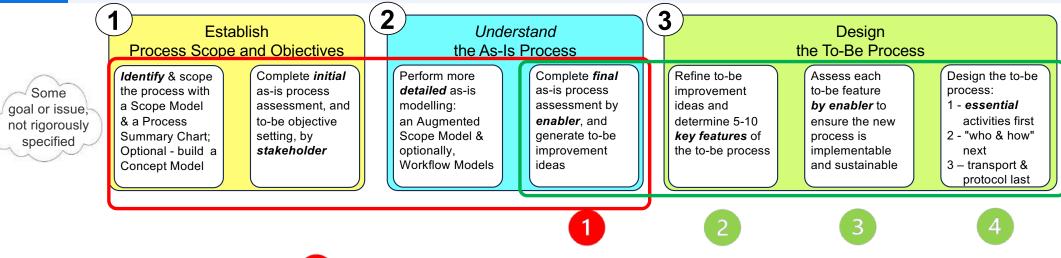


Moving into to-be design

- 1. Four things you *need* to know about *Business Processes*
- 2. Identifying true, end-to-end, cross-functional Business Processes
- 3. Process modelling for *humans*
- 4. Overview the transition from *as-is* analysis to *to-be* design

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The link between the As-is Process and the To-be Process



- This activity (1) marks the pivot from as-is to to-be:
- we capture what we learned while studying the as-is
- we use this to generate ideas for the to-be
- three more activities (2 3 4) lead us to a new design
 Key point!

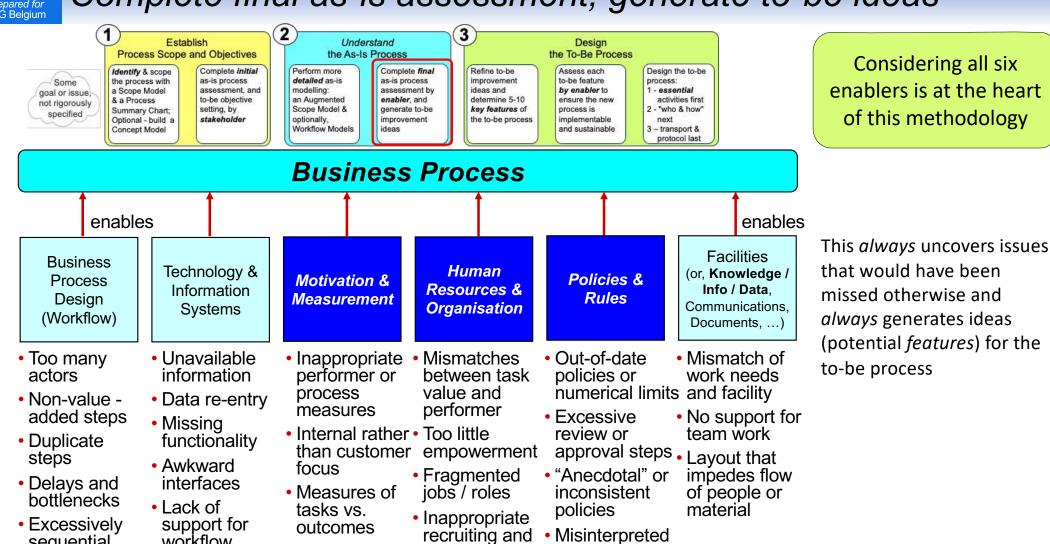
Much of what we learn comes from discussions along the way, not from studying the swimlane diagram.

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workflow

sequential

Complete final as-is assessment, generate to-be ideas



placement

regulations

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A few examples...

Business Process Design (Workflow)

Technology & Information **Systems**

Motivation & Measurement

Human Resources & **Organisation**

Policies & Rules

Facilities (or, Knowledge / Info / Data. Communications, Documents, ...)

Workflow AND Technology

- Failing to rethink process design to take advantage of new technology...
- The new "Settle Claim" process was still completely sequential after implementing a Workflow system because they copied the old paperbased workflow

Motivation and Measurement

- What you measure is what you get...
- Customer Service Representatives: measured on not exceeding 2 minute call time, so they hung up on Customers at 1:58 or 1:59

Human Resources

- Depressingly common... Clerical, administrative, and support staff made redundant, so highly-paid professional staff do the work instead (and poorly)

Policies & Rules

- Micromanagement...
- Laboratory technicians: work had to be checked by a senior manager after every step, so the process was bogged down in pointless reviews

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Assess by enabler, establish 5-10 to-be features, assess each feature by enabler

Establish Process Scope and Objectives

Identify & scope Some the process with a Scope Model goal or issue. & a Process not rigorously Summary Chart; Optional - build a Concept Model

Complete initial as-is process assessment, and to-be objective setting, by stakeholder

Understand the As-Is Process Perform more detailed as-is modelling: an Augmented

Scope Model &

Workflow Models

Assessment:

optionally,

Complete final as-is process assessment by enabler, and generate to-be improvement

Refine to-be improvement ideas and determine 5-10 key features of the to-be process

3

Assess each to-be feature by enabler to ensure the new process is mplementable and sustainable

Design

the To-Be Process

Design the to-be process: 1 - essential activities first

2 - "who & how" 3 - transport & protocol last A *feature* is a significant *change* or improvement to the process, or a significant *factor* in the design of an all-new process.

Enabler-based assessment of Motivation & the as-is process generates ideas for the

to-be process.

Measurement

Sales Reps motivated entirely by

Human Resources commission, with no motivation to return and submit Service Orders

Order Capture and Order Submission are not effective uses of a Sales Rep's time

Features:

Increase Rep's commission for early submission New Sales Assistant role to enter Service Orders

A feature.

Service Order entry directly by Customer

Another feature.

Rejected by execs.

New Sales Assistant role to enter Service Orders

Same feature again.

Then, assess each Feature – what changes are needed, enabler by enabler, to make this feature work?

Feature	Process Design	Info. Systems & Tech.	Motivation & Measurement	Human Resources	Policies & Rules	Facilities (or other)	Feasibility & Notes
Direct Service Order entry by Customers	Need to get the Service Order from the server to the Engineering Supervisor for assignment, and then to Engineer for assessment Customer review?	Obviously, all the Web stuff Integrated Service Order DB Workflow functionality? What format for Customer sketches?	Commission? What impact on commissions for current sales force?	Displacement of current Sales Reps? What are expectations for freed-up Sales Rep time? Customer training?	Will all Customers have access to this?	Electronic orders may free up space currently used for bins, boards, etc	Highly feasible. What will Customer and Sales Rep reaction be?

Avoids unanticipated consequences!

A bit more on assessing each to-be feature, enabler by enabler

Intent:

- Ensure each feature is implementable and sustainable
- Avoid unanticipated consequences through a holistic assessment

For each feature, ask...

"What needs to change in *this specific enabler* to make this *feature* work?" ***Changes in multiple enablers are usually needed for each feature.

Feature	Process Design	Info. Systems & Tech.	Motivation & Measurement	Human Resources	Policies & Rules	Facilities (or other)	Feasibility & Notes
Assign authority for higher-value work to Support Staff rather than having it all done by Senior Records Managers.	Need to decide whether we can auto-route requests to the appropriate staff member, or if all should go to a Senior Records Manager for routing	Current systems are much too complex for most cases, especially the ones that would now go to Support Staff. Need to isolate and only display essential functions	We MUST adjust the performance measures of Support Staff to ensure they are not penalised for taking on additional responsibility	Revise job descriptions for Support Staff as necessary. Provide additional training in Records Management functions and the RM System	Current policies dictate that all categorization and classification work be carried out by Records Managers – this will have to change. Some regulations may be a factor	Some Support Staff will be moved closer to Records Managers, but this is a minor change	Highly feasible if we can resolve Policy issues. Support Staff are very positive about the opportunity, and Records Managers look forward to more time for high-value work.

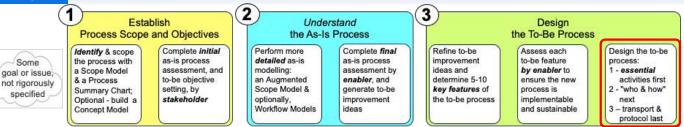
This feature required change in all six enablers, especially M&M and P&R!

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Some

specified

Design to-be process – overview (beyond scope of Primer)

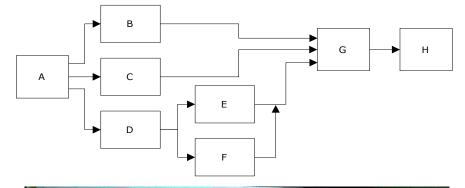


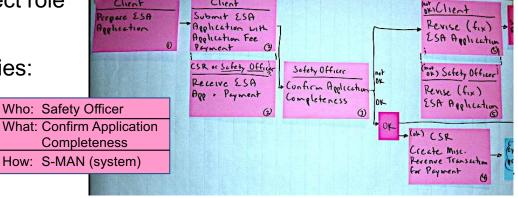
Use an Augmented Scope Model to determine what the essential activities are

- Next, factor in who will perform each activity, then how
 - a person as a manual activity
 - a person interacting with a system, e.g. a use case
 - a system, e.g., RPA (Robotic Process Automation)
- Link essential activities by dependency a PERT chart
- Adjust e.g., verify activity is assigned to the correct role
- Only then redraw as a swimlane diagram
- Finally, add non-value-added but necessary activities:
 - transport, record keeping, notification, etc.
 - ensure any approval steps are really necessary ("Don't confuse notification with approval.")

Key points:

- As with the as-is process "What first, who and how later"
- Design around essential steps, not administrative steps





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Remember – "It's a process!"

Some goal or issue, not rigorously specified Establish
Process Scope and Objectives

Identify & scope the process with a Scope Model & a Process Summary Chart; Optional - build a Concept Model Complete *initial* as-is process assessment, and to-be objective setting, by *stakeholder*

Understand the As-Is Process

Perform more detailed as-is modelling: an Augmented Scope Model & optionally, Workflow Models

Complete *final* as-is process assessment by *enabler*, and generate to-be improvement ideas

Design the To-Be Process

Assess each

to-be feature

by enabler to

process is

ensure the new

implementable

and sustainable

Refine to-be improvement ideas and determine 5-10 *key features* of the to-be process

3

Design the to-be process:
1 - essential

- activities first 2 - "who & how"
- 2 "who & how" next
- 3 transport & protocol last

Transparency and involvement are core principles – Brad Wheeler – "You can't skip the therapy" and "We are legitimising what comes next."

You can't start here with "best practices"

Making the new process sustainable:

- Alignment of all enablers, especially Motivation & Measurement, Human Resources & Organisation, and Policies & Rules
- Visibility of the process the whole process, right down to job aids
- Training in the new process for current and new staff
- Time for each feature of the new process to take hold before more change continuous change should mean regular but not constant change

Other courses for analysts by Alec Sharp

Working With Business Processes – Process Change in Agile Timeframes

2 days

Business processes matter, because business processes are how value is delivered. Understanding how to work with business processes is now a core skill for business analysts, process and application architects, functional area managers, and even corporate executives. But too often, material on the topic either floats around in generalities and familiar case studies, or descends rapidly into technical details and incomprehensible models. This workshop is different – in a practical way, it shows how to discover and scope a business process, clarify its context, model its workflow with progressive detail, assess it, and and transition to the design of a new process by determining, verifying, and documenting its essential characteristics. Everything is backed up with real-world examples, and clear, repeatable quidelines.

Business-Oriented Data Modelling – Useful Models in Agile Timeframes

2 day

Data modelling was often seen as a technical exercise, but is now known to be essential to other initiatives such as business process change, requirements specification, Agile development, and even big data, analytics, and data lake implementation. Why? – because it ensures a common understanding of the things – the entities or business objects – that processes, applications, and analytics deal with. This workshop introduces concept modelling from a non-technical perspective, provides tips and guidelines for the analyst, and explores entity-relationship modelling at contextual, conceptual, and logical levels using techniques that maximise client involvement.

Working With Business Processes Masterclass - Aligning Process Work with Strategic, Organisational, and Cultural Factors

3 davs

This 3-day interactive workshop combines the core content from two highly-rated classes by Alec Sharp – "Working With Business Processes" and "Advanced Business Process Techniques." This structure is popular because it gets both new and experienced practitioners to the same baseline on Claritiq's unique, agile, and ultra-practical approach to Business Process Change. First, it shows how to effectively communicate Business Process concepts, discover and scope a business process, assess it and establish goals, and model it with progressive detail. Then, it shifts to advanced topics – specific, repeatable techniques for developing a process architecture, encouraging support for change, and completing a feature-based process design. The emphasis is always on ensuring business process initiatives are aligned with human, social, cultural, and political factors, and enterprise mission, strategy, goals, and objectives.

Business-Oriented Data Modelling Masterclass – Balancing Engagement, Agility, and Complexity

3 days

Our most popular workshop! This intensive 3-day workshop combines the core content from two popular offerings by Alec Sharp – "Business Oriented Data Modelling" and "Advanced Data Modelling." First, the workshop gets both new and experienced modellers to the same baseline on terminology, conventions, and Clariteq's unique, business-engaging approach. We ensure a common understanding of what a data model *really* is, and maximising its relevance. Then, we provide intense, hands-on practice with more advanced situations, such as the enforcement of complex business rules, handling recurring patterns, satisfying regulatory requirements to model time and history, capturing complex changes and corrections, and integrating with dimensional modelling. Always, the philosophy is that a data model is a description of a business, not of a database, and the emphasis is on engaging the business and improving communication.

Model-Driven Business Analysis Techniques – Proven Techniques for Processes, Applications, and Data

3 days

Simple, list-based techniques are fine as a starting point, but only with more rigorous techniques will a complete set of requirements emerge, and those requirements must then be synthesised into a cohesive view of the desired to-be state. This three-day workshop shows how to accomplish that with an integrated, model-driven framework comprising process workflow models, a unique form of use cases, service specifications, and business-friendly data models. This distinctive approach has succeeded on projects of all types because it is "do-able" by analysts, relevant to business subject matter experts, and useful to developers. It distills the material from Clariteq's three, two-day workshops on process, data, and use cases & services.

*** Note: two-day in-person workshops are delivered virtually as three half-day sessions via Zoom.

Three-day in-person workshops are delivered virtually as five half-day sessions via Zoom.



Thank you!



Alec Sharp, West Vancouver, BC, Canada

If you have questions or comments... don't be shy, get in touch!

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