Smarter Process
Center Of Excellence

IBM Lab Services
Common Questions Around Establishing a Smarter Process CoE...

- What do we need/want?
- What are our current capabilities?
- How a CoE really works?
- How should the CoE be integrated in the enterprise, interact with other departments, be organized?
- Who should be involved? Architects, Leaders...
- What options do we have?
- What are the capabilities we need vs the capabilities we have?
BPM and the shift to a Process-Driven Culture

Functionally-Driven

- Aligned by functional area
- Little process visibility beyond functional area
- Rely on IT to change application business logic
- Implicit
- Defined within functions
- Led by business leader experience, intuition and data analysis
- Individual hero

Process-Driven

- Roles & Responsibilities
- Business Leaders’ visibility
- Business logic changes
- Hand-offs
- Cost for accounting
- Risk Analysis
- Culture

- Aligned by business process
- Broad visibility of the end to end business process
- Business rules and process step lead by business owner
- Explicit
- Defined by activities in the process context
- Led by simulation and measurement based on current operational conditions
- Team
The challenges we see in the trenches

Lack of...

Leadership
- Vision & understanding of paradigm
- Adoption journey
- Iterative delivery demonstrating business Value quickly and frequently
- Resources and skills

Enterprise Platform
- Scalable and robust architecture
- Enterprise Process and Rules repository
- Integration with enterprise systems
- Enterprise-class standards & security

Organizational Support
- Proven & adequate best practices
- Proper enterprise modeling
- Alignment of IT and the business
- Dedicated support structure
Successful BPM/ODM projects must avoid potential pitfalls

- Wrong project scope
- Changes in process that don’t deliver ROI
- Outcomes are not the expected or required ones
- Lack of collaboration across Business and IT
- Lack of coordination between departments and organizational boundaries

Unintended results

- Inconsistent BPM/ODM project approaches across the organization
- Inability to quickly implement new projects
- Duplication of resources across the organization
- Difficulty with identifying process owners for key projects in the business
- Lack of critical mass of skills
## Obstacles for BPM widespread acceptance

<table>
<thead>
<tr>
<th>What obstacles or challenges do you face as you try to gain widespread acceptance of business process efforts at your organization? (Choose one or more)</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior management isn’t interested or is focused elsewhere</td>
<td>58%</td>
</tr>
<tr>
<td>Management wants ROI estimates that we cannot produce</td>
<td>30%</td>
</tr>
<tr>
<td>We have multiple process change efforts competing for attention</td>
<td>44%</td>
</tr>
<tr>
<td>We have had process projects that failed and management is cautious</td>
<td>25%</td>
</tr>
<tr>
<td>Management does not want to make the investment at this time</td>
<td>24%</td>
</tr>
<tr>
<td>Other</td>
<td>13%</td>
</tr>
</tbody>
</table>

Source: 2016 BPM State of the Market Report
BPM Adoption Journey – Definitions

**Project**

Individual or stand-alone implementation of a process application or decision service, or a combination, to address a specific business need. Typically at the department level.

**Program**

Coordinated set of projects which contribute to common objectives and shared infrastructure and guidelines. Can be within or across LOBs.

**Enterprise Adoption**

The state of an organization which has changed its operating procedures and culture to fully embrace and leverage a new paradigm.
The Smarter Process Adoption Journey

Think Big... Start small... Grow Fast...

Journey Stage

1. Identify Business Challenge & Value
   - Define the Opportunity
     - Established business priorities & objectives.
     - Build a plan for your BPM/BRM skills & potential.

2. Succeed with an Initial Project
   - Accelerate Business Value
     - Deliver your first solution successfully.
     - Build foundational platform skills.
     - Use early win to foster new adoption.
     - Demonstrate Value

3. Establish a Program
   - Scale Delivery Capability
     - Increase scope & impact of mission.
     - Establish critical mass of platform skills.
     - Establish governance & delivery consistency.

4. Adopt within LOB/Enterprise
   - Scale Business Impact
     - Line-of-business / Enterprise focus.
     - Align strategy and execution goals.
     - Mature platform skills & solution discipline.

Customers Goals & Context

Maturity

Time

1. Build Project-Based Credibility

2. Establish a Program

3. Transform Across and Beyond the Enterprise
From successful projects to broader adoption requires discipline and governance

1. Identify a Project
   - Identify opportunities to improve processes
   - Identify opportunities to improve decision making
   - Develop a roadmap for transformation
   - Identify skills, tools, and, standards gaps within the organization
   - Automate simple processes

2. Extend Initial Project into a Program
   - Develop automated capabilities for processes and decisions
   - Leverage proven methodologies to implement process and/or decision automation
   - Scale on initial project success

3. Transform by Integrating Capabilities Across the Enterprise
   - Extend automation with greater integration across the enterprise
   - Further optimize decisions with situational context from business events
   - Provide detailed visibility into running processes with configurable dashboards

Value realized

- Discover & Document a Current Business Process
- Simulate Process Models to Optimize Process Flow
- Understand key improvement opportunities and position the organization for maximum return on BPM and BRMS projects
- Automate simple processes to receive rapid ROI

- Track Process Steps in Real Time
- Automate Manual Activity Flows
- Document Policies and Automate Decision Logic

- Establish a Center of Excellence
- Monitor Process KPIs to Optimize Effectiveness
- Build a Skills Development Program
- Consolidate Governance Activities

- Increase the number of automated processes and decisions
- Increase efficiencies by extending automation of processes and rules
- Decrease risk of industry and regulatory non-compliance

Continuous Process Improvement Across the Enterprise

- Provide revenue enhancing opportunities with enhanced time-to-market
- Improve customer loyalty with improved customer responsiveness
- Optimize processes and decisions that span across business network
- Reduce operating costs across the enterprise
What is a Center of Excellence?

A logical or physical “service bureau” providing expertise across projects in a “shared services model” to drive standardization of quality products and processes across the Enterprise:

- The Hub for all things BPM
- The guardian of methods and standards
- The link between strategy and execution
- The change agent
Why Establishing a Smarter Process CoE?

This is the organization which manages standardization for BPM, business rules, and business services implementations.

**Shared infrastructure, same methodology**

- Multiple projects in progress simultaneously
- Shared reusable elements: data model, UI widgets, integration toolkits, vocabulary,

**Improve Business Value Impact**

- Shared vision for the enterprise value chain
- Adopt a continuous business process improvement approach

**Improve quality of the solution**

- Shared collection of best practices and reusable assets
- Repeatable methods to identify, assess, discover, and analyze processes
- Repeatable methods to implement, deploy, and manage processes

**Maximize investment in software, platform, and human resources**

- Servers optimization, adapt for different process application SLA
- Deploy on hybrid infrastructure
BPM COE Responsibilities

- **Governance**
  Prioritize initiatives & implement governance processes

- **Process Optimization**
  Analyze trends and alert process owners to situations that need attention

- **Develop Skills**
  Identify skill gaps & create development roadmaps

- **Ensure Sound Architecture**
  Promote reuse
  Assess new design
  Ensure scalability, performance and high availability for any new process

- **Thought Leadership**
  Set direction and vision for process management

- **Best Practices**
  Capture, communicate and enforce best practices and methods

Center of Excellence

Support scaled delivery
A BPM CoE Lays the Foundation for Key Success Patterns and BPM adoption...

1. Aligns BPM Program with Key Business strategies
2. Links process performance to overall business results
3. Infuses BPM capabilities within the business
4. Delivers business value early, consistently, and frequently
5. Builds and evolves BPM skills within core team
6. Establishes scalable and sustainable delivery capability

How do we get started on our first BPM Project?
How do we become self-sufficient on multiple BPM projects?
How do we scale up, sustain results, and evolve our capabilities to meet company-wide demand?
Companies that implemented CoEs

“...many of the process people we talk with seem to be focused on the problems of setting up a new BPM group or Center of Excellence (CoE) than on any other single issue.”

“About a third of the respondents said they do not have a BPM group or CoE. Of those having a BPM group, most report the group is located at the executive level, at the departmental or divisional level, or in IT.”

Source: 2016 - BPM State of the Market Report
CoE Impacts

Increased BPM/ODM delivery success

- 24% more
  - 15% No BPM CoE
  - 39% BPM CoE

Companies that implement CoE see returns more quickly than companies that do not.

- 25% more
  - 63% No BPM CoE
  - 88% BPM CoE

- The creation of a smarter process CoE significantly increase ability to leverage early project successes.
- 88% of companies that implemented a BPM CoE saw a payback in 2 years or less.
- Only 63% of companies who had no CoE saw a payback in less than 2 years.

Source: BPM State of the Market Report, Transformation & Innovation
Correlation between CoE implementation and successful implementations

**Figure 29: Degree of Success in Using BPM**

- **Benefits**
  - Ensures consistency across the organization
  - Enables an organization to scale successes quickly
  - Creates better business outcomes by ensuring the scope of the solution matches the business objective
  - Reduces cycle time
  - Enables reuse of resources
  - Enables corporate governance and compliance solutions
  - Develop synergies of concentrated talent

80% of the organizations with a CoE report some degree of success with BPM

*Source: BPM State of the Market Report, Transformation & Innovation*
**BPM CoE Style**

Highly collaborative decision making model that considers many stakeholders points of view

Highly collaborative projects focused on process optimization and execution

Specialists focused on making projects successful through promoting best practices and thought leadership, enforcing standards and building skills with implementation support

Focused on centralized process governance and ownership, prioritizing initiatives and aligning various projects

**“The Committees”**

**“The Community”**

**“The Experts”**

**“The Drivers”**

Floors:
- **Federated**
- **Centralized**

Directions:
- **IT-led**
- **Business-led**
## IBM Lab Services CoE Setup – Typical Steps

<table>
<thead>
<tr>
<th>Analyze, assess, define Smarter Process CoE vision, mission, and charter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Select the CoE style(s)</td>
</tr>
<tr>
<td>Conduct gap analysis by using IBM BPM capability model</td>
</tr>
<tr>
<td>Staff the CoE according to evolving needs</td>
</tr>
<tr>
<td>Establish a CoE services catalog</td>
</tr>
<tr>
<td>Document a BPM, SOA and ODM governance models &amp; processes</td>
</tr>
<tr>
<td>Establish a formal demand management process</td>
</tr>
<tr>
<td>Enable systematic business process discovery and decision point discovery</td>
</tr>
<tr>
<td>Link program to the Enterprise/Process architecture function</td>
</tr>
<tr>
<td>Build skills and transfer knowledge</td>
</tr>
<tr>
<td>Create a standardized delivery methodology framework</td>
</tr>
<tr>
<td>Create and enforce best practices, guidelines, and standards</td>
</tr>
<tr>
<td>Establish a CoE communication framework</td>
</tr>
<tr>
<td>Document key success factors, monitoring, and reporting needs</td>
</tr>
<tr>
<td>Ensure a shared infrastructure meets the program needs</td>
</tr>
<tr>
<td>Document an education/training plan</td>
</tr>
</tbody>
</table>
IBM Lab Services CoE Setup – Deliverables

Deliverable 1: CoE Profiling & Requirements
- CoE requirements elicitation
  Profiling key findings
- Capability Assessment
  Stakeholder interviews

Deliverables 2&3: CoE Setup Guidance
- CoE Style
  Sample cases, Roadmap
- CoE Charter Definition
  Vision, Mission, Measures of success
- Capability gap analysis & traceability matrix
- CoE Design
  CoE interactions with actors
  Customer needs and service catalog
  Operating model
  Key roles and functions
  Responsibility assignment (RACI)

Deliverable 4: Action Plan
- Develop Reference Architecture
- Education Plan
- Roadmap for next phases

Deliverable 6: QWP for first process
- Analysis
- Construction
- Testing

Deliverable 5: Process Catalog
- Business Improvement Request
- Discovery

Deliverable 7: Tailored Methodology
- Current SDLC Assessment
- Integration of IBM Playback
- Tooling & Maintenance Process
# IBM Lab Services CoE Setup Plan

<table>
<thead>
<tr>
<th>ID</th>
<th>Tasks</th>
<th>Deliverable</th>
<th>Month 1</th>
<th>Month 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Assess CoE expectations / profiles</td>
<td>CoE profiling / short and long term priorities</td>
<td>Wk1</td>
<td>Wk2</td>
</tr>
<tr>
<td>2</td>
<td>Build capability assessment / interview stakeholders</td>
<td>capability assessment (excel + ppt)</td>
<td>Wk3</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Present capability finding</td>
<td>Executive presentation (ppt)</td>
<td>Wk4</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Build CoE setup guidance report</td>
<td>Report document</td>
<td>Wk5</td>
<td>Wk6</td>
</tr>
<tr>
<td></td>
<td>Framework and integration model</td>
<td></td>
<td>Wk7</td>
<td>Wk8</td>
</tr>
<tr>
<td></td>
<td>Mission and vision</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Charter</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>AS-IS vs TOBE CoE analysis</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Structure and operational model</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>CoE roles and responsibilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Taylor methodology</td>
<td>Methodology content / tools</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Define the CoE service catalog</td>
<td>service catalog ppt</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Build business process improvement demand management process</td>
<td>process model</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Build CoE design - how to support recommendations</td>
<td>Design doc</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Wrapup / presentation / fix deliverables</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Facets/Capabilities</td>
<td>Details</td>
<td>Progress</td>
<td>Status</td>
<td>Comments</td>
</tr>
<tr>
<td>-------------------------------------</td>
<td>-------------------------------------------------------------------------</td>
<td>----------</td>
<td>--------</td>
<td>--------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Leadership &amp; Organization</td>
<td>CoE leadership, program orchestration, change mgt.</td>
<td></td>
<td></td>
<td>Structured defined, need official, adequate &amp; stable staffing</td>
</tr>
<tr>
<td>Skills &amp; Expertise</td>
<td>Skill building, hiring, training (CoE + program), int or extern.</td>
<td></td>
<td></td>
<td>Role definition ok, some training &amp; enablement, need more</td>
</tr>
<tr>
<td>Knowledge &amp; Methodology</td>
<td>Knowledge harvesting, best practices and implementation standards</td>
<td></td>
<td></td>
<td>Methodology established, need to keep harvesting from ongoing implementations</td>
</tr>
<tr>
<td>Governance</td>
<td>Governance model &amp; process</td>
<td></td>
<td></td>
<td>Governance defined, need implementation</td>
</tr>
<tr>
<td>Enterprise Architecture</td>
<td>Enterprise &amp; process architecture, service design</td>
<td></td>
<td></td>
<td>Procedures documented but no consistent top-down approach</td>
</tr>
<tr>
<td>Process Modeling</td>
<td>Process modeling capability</td>
<td></td>
<td></td>
<td>Tool in place, in-house hands-on experience, could leverage additional help</td>
</tr>
<tr>
<td>Delivery &amp; Deployment</td>
<td>Agile development, implementation and delivery excellence support to projects</td>
<td></td>
<td></td>
<td>Some hands-on experience, need more and to implement project health check/governance</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>Shared infra, HA, DR, capacity planning</td>
<td></td>
<td></td>
<td>Need to work with Production Support on infra. planning</td>
</tr>
<tr>
<td>Communication</td>
<td>External &amp; internal communication, marketing</td>
<td></td>
<td></td>
<td>Need to maintain some level of comm. although demand exists</td>
</tr>
<tr>
<td>Funding</td>
<td>Budget setting, tracking and reporting, utility model</td>
<td></td>
<td></td>
<td>Need to establish funding model, business case elements</td>
</tr>
<tr>
<td>Program planning</td>
<td>Program planning, demand management/generation</td>
<td></td>
<td></td>
<td>Need to adopt PIDW, process scope scale</td>
</tr>
<tr>
<td>Mission</td>
<td>Vision, mission, charter</td>
<td></td>
<td></td>
<td>Document CoE orchestration mission &amp; Program concept</td>
</tr>
<tr>
<td>Monitoring &amp; Reporting</td>
<td>Business Activity Monitoring needs</td>
<td></td>
<td></td>
<td>Main KPIs identified, need BAM capability</td>
</tr>
</tbody>
</table>
Questions and discussion