Maturity Assessment for Business Process Improvement Leaders: Six Phases for Successful BPM Adoption

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Most businesses have not linked together their scattered process competencies to support a comprehensive process management strategy. This is changing as business process management (BPM) gains momentum. The Gartner six-phase BPM maturity and adoption model has been created to guide organizations to process maturity.

Key Findings

- Enterprises will traverse distinct phases as they mature in BPM expertise.
- Each phase of maturity builds on the previous phases, but also allows for initiatives that grow competencies for later phases to occur during earlier phases.
- The competencies gained along the way to becoming agile create greater visibility into how the organization delivers value, innovates customer service, and gains operational productivity and effectiveness.
- As the organization transcends through each phase of maturity, the alignment of its business characteristics must also evolve; leading organizations take a balanced approach to managing the business characteristics.

Recommendations

- Use the BPM maturity and adoption model to assess current process capabilities and to set the expectations for what remains to be learned and experienced.
- For each phase in the maturity model, enterprises must monitor:
  - The typical triggers that herald an organization's transition from one phase to another
  - The business characteristics for each phase
  - Competencies needed in each phase
  - Potential challenges that will limit growth
- Do not attempt to "skip" maturity phases. Each phase should be considered a precursor to the next phase.
TABLE OF CONTENTS

Analysis ................................................................. 4
 1.0 Introduction ........................................................................ 4
 2.0 Overview of the Six Phases of BPM Maturity .......................... 4
  2.1 The BPM Maturity Model and Its Business Characteristics ....... 5
  3.0 The Six Phases of BPM Maturity — in Detail ......................... 7
  3.1 Phase 1: Acknowledge Operational Inefficiencies .................... 7
  3.1.1 Triggers ........................................................................ 7
  3.1.2 Business Characteristics’ Status ...................................... 7
  3.1.3 Needed Competencies .................................................. 8
  3.1.4 Potential Challenges ................................................... 8
  3.2 Phase 2: Become Process-Aware .......................................... 8
  3.2.1 Triggers ........................................................................ 8
  3.2.2 Business Characteristics’ Status ...................................... 8
  3.2.3 Needed Competencies .................................................. 9
  3.2.4 Potential Challenges ................................................... 9
  3.3 Phase 3: Establish Intraprocess Automation and Control .......... 9
  3.3.1 Triggers ........................................................................ 9
  3.3.2 Business Characteristics’ Status ...................................... 10
  3.3.3 Needed Competencies .................................................. 10
  3.3.4 Potential Challenges ................................................... 10
  3.4 Phase 4: Establish Interprocess Automation and Control .......... 11
  3.4.1 Triggers ........................................................................ 11
  3.4.2 Business Characteristics’ Status ...................................... 11
  3.4.3 Needed Competencies .................................................. 12
  3.4.4 Potential Challenges ................................................... 12
  3.5 Phase 5: Establish Enterprise Valuation Control ..................... 12
  3.5.1 Triggers ........................................................................ 12
  3.5.2 Business Characteristics’ Status ...................................... 12
  3.5.3 Needed Competencies .................................................. 13
  3.5.4 Challenges ............................................................... 13
  3.6 Phase 6: Create an Agile Business Structure ......................... 13
  3.6.1 Triggers ........................................................................ 13
  3.6.2 Business Characteristics’ Status ...................................... 14
  3.6.3 Needed Competencies .................................................. 14
  3.6.4 Potential Challenges ................................................... 14

Recommended Reading ................................................................ 14

LIST OF TABLES

Table 1. Expected Percentage of Organizations That Have Mastered Maturity by Each Phase..... 5
Table 2. Five Business Characteristics to Develop in the BPM Maturity Model ......................... 6
LIST OF FIGURES

Figure 1. The Six Phases of BPM Maturity ....................................................................................... 4
1.0 Introduction

Most businesses have a limited, explicit understanding of end-to-end business processes, and if any understanding exists, it is often tucked away within disparate groups across the organization. It’s rare to find an organization that has linked together its scattered process competencies to support a comprehensive process management strategy.

This is changing as BPM gains momentum. Gartner has created a six-phase BPM maturity model to guide your organization to process maturity. This research also includes:

- A description of the typical triggers that herald an organization's transition from one phase to another
- The business characteristics for each phase
- Needed competencies
- Potential challenges

2.0 Overview of the Six Phases of BPM Maturity

Figure 1 identifies the six phases of BPM maturity.

**Figure 1. The Six Phases of BPM Maturity**

```
<table>
<thead>
<tr>
<th>Phase of Maturity</th>
<th>Phase of Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Acknowledge Operational Inefficiencies</td>
<td>2 Become Process-Aware</td>
</tr>
<tr>
<td>Model and analyze business processes</td>
<td>Identify process owners and governance structure</td>
</tr>
<tr>
<td>Measure and monitor business activities</td>
<td>Establish Intraprocess Automation and Control</td>
</tr>
<tr>
<td>Integrate activity-based accounting with process steps</td>
<td>Achieve process alignment</td>
</tr>
<tr>
<td>Directly link process model and rules to execution</td>
<td>Ensure goal-driven processes</td>
</tr>
<tr>
<td>Craft process automation across the enterprise, customers and trading partners</td>
<td>Achieve advanced exploitation of business rule management</td>
</tr>
<tr>
<td>Achieve advanced exploitation of business rule management</td>
<td>Innovate new businesses, products and services through an agile business structure</td>
</tr>
</tbody>
</table>
```

Where most companies are today

Source: Gartner (September 2008)
The journey toward a fully process-driven organization begins in Phase 1 with the acknowledgment that there are some business improvement opportunities, although it may not always be clear what the improvement will look like. The need to seek fundamental operational change results in Phase 2, becoming "process-aware." As the organization becomes more process-aware, it enters Phase 3 when it gains better control and begins automating specific processes. Eventually, the boundaries of individual processes expand, and in Phase 4, the organization must integrate these processes with each other, as well as those of trading partners and customers. Competencies grow around managing the relationships between major business processes, and by Phase 5, the expertise exists to dynamically link strategic goals to process execution. This, ultimately, leads to the creation of an agile business structure — Phase 6, the highest level of BPM maturity.

The curve embedded in the BPM maturity model represents the amount of effort, and subsequent benefit that will accrue in each phase. As you approach the more advanced phases, the steepness of the curve shows that more work is required, but more return value is expected. This is a hallmark of maturity: Wisdom comes from investment, and wisdom begets increased benefit.

The majority of organizations that are engaged in process efforts are in the earlier phases of BPM maturity. Table 1 shows Gartner results based on a survey regarding the percentage of such organizations mastering each phase by the end of 2006 and the end of 2007, as well as Gartner's expectations for 2008. Although many of these organizations were deep into learning the disciplines of Phase 3 by the end of 2006, few will have mastered the process automation and control competencies. Therefore, the percentage of enterprises mastering any particular phase will be much smaller than the percentage experiencing or experimenting with the same phase. Furthermore, mastery of the more advanced phases will remain elusive well beyond 2008. We set the standards high when we created this maturity model.

Table 1. Expected Percentage of Organizations That Have Mastered Maturity by Each Phase

<table>
<thead>
<tr>
<th>Timeline</th>
<th>Phase 1</th>
<th>Phase 2</th>
<th>Phase 3</th>
<th>Phase 4</th>
<th>Phase 5</th>
<th>Phase 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizations by the end</td>
<td>82%</td>
<td>16%</td>
<td>2%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>of 2006</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizations by the end</td>
<td>78%</td>
<td>19%</td>
<td>3%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>of 2007</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizations by the end</td>
<td>75%</td>
<td>20%</td>
<td>4%</td>
<td>1%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>of 2008</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Note: The population for this analysis is limited to organizations that have met the requirements of Phase 1 or higher.

Source: Gartner (September 2008)

2.1 The BPM Maturity Model and Its Business Characteristics

The BPM maturity model is based on the belief that superior process management leads to realizing a truly agile business structure (see "Achieving Agility: BPM Delivers Business Agility Through New Management Practices"). The competencies gained along the way to becoming agile create greater visibility into how the organization delivers value, innovates customer service, and gains operational productivity and effectiveness. Each phase of maturity builds on the previous phases, but also allows for initiatives that grow competencies for later phases to occur during earlier phases. The objective then becomes managing the "weakest link" when balancing the business characteristics of organizational process management.
In addition to the six phases of maturity, the other important dimension is the organizational factors that must be balanced within and between phases. Table 2 displays five business characteristics that an organization must evolve during each phase as it becomes process-driven.

Table 2. Five Business Characteristics to Develop in the BPM Maturity Model

<table>
<thead>
<tr>
<th>Business Characteristic to Develop in BPM Maturity Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Organizational Behavior</td>
</tr>
<tr>
<td>2 Human Resources</td>
</tr>
<tr>
<td>3 Governance</td>
</tr>
<tr>
<td>4 Methods and Techniques</td>
</tr>
<tr>
<td>5 Technology</td>
</tr>
</tbody>
</table>

Source: Gartner (September 2008)

As the organization progresses through each phase of maturity, the alignment of its business characteristics must also evolve. Leading organizations take a balanced approach to managing these five business characteristics. Managed together, they represent the framework from which BPM competencies are built. The five business characteristics are:

1. **Organizational behavior.** This is the continual tight linkage of organizational value to its diverse stakeholders, enabled by organizational design and development within the existing corporate culture, thus establishing the appropriate organizational behavior. (See, for example, "Role Definition and Organizational Structure: Business Process Improvement.")

2. **Human resources.** Collective values and beliefs shape process-related attitudes and behaviors, as well as the roles and competencies needed in every process management initiative. (See, for example, "New Roles and New Competencies: Blurring Boundaries.")

3. **Governance.** This is the relevant and transparent accountability, decision making and reward processes to guide actions, as well as the leadership styles that shape the governance execution. (See, for example, "Toolkit Decision Framework: A Decision Rights Framework for Business Process Management Domains.")

4. **Methods and techniques.** These approaches and techniques support and enable consistent process actions and outcomes, in every aspect of the business characteristics. (See, for example, "The Gartner Business Value Model: A Framework for Measuring Business Performance.")

5. **Technology.** These software, hardware, and information management systems and architectures enable and support process activities. (See, for example, "Magic Quadrant for Business Process Management Suites, 2007.")

Specific examples of the five business characteristics are included in each of the phase descriptions.

The remainder of this document provides an overview of the process competencies gained during each maturity phase and the impact on each business characteristic. Also described are the triggers that move the organization into new phases, the competencies that are to be gained during a phase, and the likely challenges that will arise.
3.0 The Six Phases of BPM Maturity — in Detail

3.1 Phase 1: Acknowledge Operational Inefficiencies

The primary motivation of Phase 1 is to uncover the root causes of poor performance.

3.1.1 Triggers

Organizational process orientation can be triggered by many different initiatives. The common denominator is usually some people within an organization realizing that any significant productivity or performance gains will hinge on examining processes as a whole, rather than on automating functional tasks. In many cases, this realization is driven by monitoring business activities and creating functional metrics that enable more-factual approaches for improvement. During this phase, it's common to find organizations monitoring specific business activities, examining what is happening and seeking potential trouble spots. However, analyzing metrics around specific activities begs the question, "How do we improve these metrics?" This simple question represents a trigger that moves the organization to the next phase of becoming process-aware. The analysis generally leads to understanding the broader business process, and local projects get started.

3.1.2 Business Characteristics' Status

- **Organizational behavior**: The organization is aligned around a functional area (for example, sales, marketing, finance or HR), product line, or geography. Organizational development is based on a functional hierarchy. Line of business (LOB) management acknowledges that a fundamental operational change in business is needed and realizes that significant productivity or performance gains hinge on examining end-to-end processes.

- **Human resources**: Staff are mainly concerned with meeting expectations of their immediate management. They have little understanding of how their roles contribute to the end-to-end process performance.

- **Governance**: The predominant leadership style is a command style of control that is focused on departmental or functional operational metrics. This promotes incentive metrics that compare one functional unit with another, fostering internal competition across functions.

- **Methods and techniques**: IT solutions are mostly delivered to business through a waterfall approach, seeking out best-of-breed applications to meet functional requirements. The organization usually starts to standardize on process-modeling and process analysis tools. Typically, there are some local efforts to reorganize administrative workflows, such as sending reports and getting authorizations (see Note 1).

- **Technology**: The current-state technology supporting the process area that is in focus typically reflects a built-to-last application architecture, with an application-centric approach to solutions. This contrasts with a built-for-change architecture, with a process-centric approach to solutions. Advanced enterprises are experimenting with monitoring using business activity monitoring (BAM) and have invested in dashboards for reporting business activities. Business intelligence technologies are also common.
3.1.3 Needed Competencies

Experience must be gained in monitoring and analyzing business activities and key performance indicators and represents a foundation for process management. This includes overcoming the challenges of knowing what to measure, when to measure and how often to measure, and distilling the correct analysis. Within some areas of the business, capturing real-time information and reporting through dashboards to the LOB manager provides the needed exposure.

3.1.4 Potential Challenges

It’s commonplace during this stage that the IT organization still contends that business applications represent business process flows and that reconciling information across the organization is a higher priority. In this case, business analysts should collect application requirements from the lines of business, write up functional specifications, and hand them off to developers for creating technical specifications, coding, testing, sending to production and maintaining.

3.2 Phase 2: Become Process-Aware

*The primary motivation of Phase 2 is to create a culture that wants to understand its existing processes and learn where to improve them.*

3.2.1 Triggers

The signal that your organization is becoming process-aware typically starts with the modeling of end-to-end business processes. The modeling work may be focused on improving a specific process or be driven by strategic planning where a process architecture group is formed. Often, analysis of the first problem area uncovers the relationships between processes. The organization starts to see their interdependencies.

As organizations mature through this phase, several things occur: Business modeling and business process modeling become pervasive, measurements of business process are established, global process owners are identified, and initial forms of process governance are put in place. Process modeling gains broad organizational support, as improvements link poor performance results to weak processes. Organizations are just discovering their processes, and during this phase, simple discoveries fall to the bottom line quickly. Using workshop techniques, organizations flush out process disconnects and bottlenecks and create explicit roles and responsibilities. Many of the changes become habit. This early stage of BPM quite often pays for itself without a significant investment in process automation technology.

3.2.2 Business Characteristics' Status

- **Organizational behavior:** The organization adds a new dimension “process” as an organizing construct to complement its functional, product and geographical orientation. Processes are reflected in organizational planning and budgeting. Strategic alignment around processes is considered, and each major business process has a global process owner. A large portion of the IT spending is determined by process owners. Culture is being stretched, with mixed messages around the importance of process.

- **Human resources:** Staff has roles and responsibilities that are well-understood. Some staff have attended process-modeling workshops and see the benefits of visualizing the end-to-end process.

- **Governance:** The governance structure is now a matrix, with global process owners identified. Employee performance metrics may include process improvement objectives. Leadership emphasizes the need to reassess and improve existing processes.
• **Methods and techniques**: Process modeling, as a best practice, is broadly adopted across the organization. Lean, Six Sigma, total quality management (TQM) or another well-known process improvement methodology has been adopted by the organization.

• **Technology**: As a best-practice approach for a build-for-change architecture, the IT organization is laying out plans for a service-oriented architecture, launching proof-of-concept initiatives, aligning the IT department around processes and investigating in BPM technologies as they relate to system-to-system processes. The organization is investing in process discovery technologies, such as business process analysis, and it starts building a business process framework and architecture. Rules start to be separated from processes and managed.

### 3.2.3 Needed Competencies

At this stage, organizations should identify their four to eight major, end-to-end business processes that deliver customer value and support the corporate mission and goals. These should be modeled at a high level of abstraction, with the objective of creating a shared, enterprise view of these critical processes. (We refer to this set as the highest level of process architecture.) Each process is an asset and requires a senior executive as steward. A business architecture group should be established and begin to identify process and subprocess redundancies and disconnects across the organization. Process modeling and facilitation skills will be at a premium. In addition, process performance measures should be established. (For more information on the activities and competencies linked to enterprise business architecture, see "Understand Enterprise Business Architecture to Realize Your Future State.")

### 3.2.4 Potential Challenges

For many organizations, gaining senior management active participation is a challenge. The roles of champion and process owner must be established. In addition, an executive sponsor is needed to prioritize and fund specific business process improvement projects. Without a champion for process orientation as a program, the justification for process orientation may get relegated to a pilot project. Also, learning a comprehensive method for process discovery, modeling and analysis can slow down progress if the justification is not resolved early on in the phase.

### 3.3 Phase 3: Establish Intraprocess Automation and Control

*The primary motivation of Phase 3 is to control and instrument processes for continuous improvement. Automation is one of the means to this instrumentation.*

#### 3.3.1 Triggers

The trigger that moves an organization into Phase 3 is typically the need for increased process visibility, control and operational agility (that is, market responsiveness). This phase moves beyond the acknowledgment of inefficiencies and the creation of awareness and opens the door to the execution (that is, control and automation) of explicit business processes — reversing process inefficiencies and translating the new process awareness into software-based coordination and potential action. Process automation is most often implemented from the activity level up to the broader business process and involves enabling technologies such as the use of a business process management suite (BPMS). Technology is used to coordinate human steps, system steps and information flows. Process control from a management perspective is implemented in a top-down manner. As the organization realizes further productivity gains, the notion of continuous process improvement drives greater investments in BPM-enabling technologies and explicit process management technologies that make process change easier. This places a stronger focus on the process owners, who become the "lightning rods" for process improvement and rapid change.
3.3.2 Business Characteristics’ Status

- **Organizational behavior**: The successful organization has committed itself to align around global business processes and has linked them to organizational goals. For example, the IT department is 50% to 70% realigned on these global processes. Corporate culture is about process ownership.

- **Human resources**: Employees are skilled in communicating process issues and have gained a collaborative approach to solutions. Every employee and staff member understands how their efforts contribute to corporate performance goals. Some, in advanced organizations, will begin learning more-sophisticated optimization techniques that start with the visualization of results and move to dynamic comparisons of alternatives.

- **Governance**: The governance structure is more explicit, with multiple levels in the organization capable of resolving process and policy discrepancies. Leadership seeks continuous improvement and is considering the adoption of a new process value system. Incentive structures are aligned around continuous process improvements.

- **Methods and techniques**: These methods are a collection of best practices drawn from Six Sigma, lean manufacturing and other methodologies. The IT organization applies BPM technologies using iterative methods that business process owners drive. Another technique used in this phase is to instrument at the task level or at least the subprocess level for service-level metrics, so that employees can monitor their own work to expected service-level metrics.

- **Technology**: If a technology competency center does not already exist, then the IT organization creates one to assist business managers with automating processes and begins laying out plans for policy-driven services that can respond to the continual optimization needs of business. Advanced IT organizations realize that BPM-enabling technologies manage the end-to-end processes and leverage the dynamic configuration of services, and that moving activities from humans to rule-driven services puts them into a stronger partnership with the process owners. Rule optimization and real-time infrastructure, service inventory, and dynamic service assembly highlight some of the infrastructure enhancements of the most mature organizations in this phase.

3.3.3 Needed Competencies

The creation of a business process competency center (BPCC) is needed before multiple business process management suite (BPMS) deployments take root across the organization (for more information on BPCCs, see “Starting Up the Business Process Competency Center,” and for more information on BPMSs, see "Business Process Management Suites Enhance the Control and Management of Business Processes"). The competencies normally include sharing best practices, providing coaching and facilitating, and generally acting as a guide to the business on process and rule discovery, modeling techniques, process improvement methodologies, automation alternatives, process optimization methods, and generally, how to manage process resources toward greater performance levels. Because a BPCC not only is a technology competency center but also has organizational responsibilities, competencies around change management, organizational readiness, program management and communication skills are indispensable. Activity-based accounting should be integrated with process steps by now.

3.3.4 Potential Challenges

The biggest challenge is the lack of understanding and experience in the new methods required for supporting the entire process improvement cycle and exploiting new BPM-enabling
technologies. These process-focused technologies are designed for dealing with constantly changing business process conditions. Successful deployment should not rely on a typical "waterfall" application deployment approach. Rather, agile and iterative methods should be used. Furthermore, technological as well as organizational skills may not be appropriate to higher-level objectives. If formal training is not provided, skills that delivered early successes will not translate to more-complex process areas or broader-scoped initiatives.

3.4 Phase 4: Establish Interprocess Automation and Control

The primary motivation of Phase 4 is to optimize the relationships between business processes across functional barriers, partners and customers.

3.4.1 Triggers

The trigger that moves an organization into Phase 4 is the need to more explicitly establish links and relationships between business processes that cross boundaries, within the organization itself and beyond, and with trading partners and customers. Competitive pressures will loom over process owners to resolve interprocess inefficiencies and gain greater control and automation of broader intercompany processes. This means pressure for greater productivity and increased quality, effectiveness, and process agility beyond the existing definition of the intraprocess design.

3.4.2 Business Characteristics' Status

- **Organizational behavior:** Strategic alignment has taken on two further dimensions — the integration of discrete business processes with each other and with suppliers and customers. Corporate culture is based on new values of respect for other opinions, collaboration and consensus building. The IT organization is structured to support continuous process improvement.

- **Human resources:** Employees should be able to anticipate the impact of change beyond the processes they participate in and the constituents affected by the processes. Collaboration and consensus building become normal to staff, as resistance to change is deemed inappropriate.

- **Governance:** The governance structure includes incentives for suppliers and customers to collaborate to improve processes. Executive councils, made up of key customers and suppliers, are put in place to reconcile differences between conflicting goals. Cross-functional process performances are constantly measured. Portions of senior executive compensation are based on process performance metrics.

- **Methods and techniques:** Methods and enhancements to approaches such as value chain analysis are adopted to support intercompany processes. There is no single BPM methodology; a combination of different methods and techniques is drawn from a toolbox of various process-focused methods as needed.

- **Technology:** Collaborative infrastructure, such as e-rooms and knowledge management technologies, is integrated into the support of process management. The advanced IT organization focuses on creating agile services linked to self-adapting, real-time, agile infrastructure. Event-driven technologies and BAM become critical for managing and monitoring composite processes and the process-connected value chains.
3.4.3 Needed Competencies

Anticipation of the value chain impact will be the rare skill. Inclusion of multiple process owners and process stakeholders in planning, simulation and implementation phases will be the training ground for learning the planning skills necessary to achieve frequent change in complex processes. Some enterprise business architecture (EBA) competencies will be required, because this stage also implies moving to a strategic planning cycle now, with the process view influencing strategy.

3.4.4 Potential Challenges

Challenges will be cultural and organizational, as well as technological. Existing "islands of automation" were likely developed in isolation during the intraprocess phase (Phase 3), rather than in the context of a process topology. The islands will be difficult to integrate into broader, end-to-end intercompany processes. Also, at some point, further process improvements lack direct customer value; as a way to regain value, the definition of the end-to-end business process expands. The expanded definition of a process drives the need for automation and control over other related business processes, as well as other outside organizations' processes. Getting all participants (inside and outside the organization) to agree to testing and accepting the planned changes will be difficult as rapid process change rolls out in waves. Fallout will require new steps to avoid the unwanted effects of process change (that is, cultural and technical transformations).

3.5 Phase 5: Establish Enterprise Valuation Control

The primary motivation of Phase 5 is to link process results to desired operational and strategic outcomes into a closed loop.

3.5.1 Triggers

This phase is entered when senior leadership has visibility into, and control over, the broader value chain that is coordinating partners and customers. The leadership team can set goals for these broad business processes, and the execution of these processes is directly linked to organization strategy. Changing strategy will dynamically affect processes, and changing processes will alter strategy because of the scope and scale of the control and automation deployed.

3.5.2 Business Characteristics' Status

- **Organizational behavior**: Strategic alignment explicitly links strategic goals to complex process webs. In this phase, the linkage is much more automated so that corporate goals more directly drive process performance and changes. The linkage between goals and execution is much more explicit. The culture of the organization places greater trust in the complex decision support capabilities of the system of processes, rules and services.

- **Human resources**: Staff is more synchronized with system recommendations and analysis for dealing with process changes. Workers gain experience with linking goals to processes and smoothing out exceptions and anomalies.

- **Governance**: The governance structure has become more streamlined in dealing with constant and rapid change. Supporting the governance are real-time optimization simulations and system suggestions for correcting organizational challenges that stand in the way. Leadership embraces principles of simulation and the results of simulation, and it has developed a sizable "war chest" of alternative business scenarios that add to the agility of the organization.
• **Methods and techniques:** New methods (for example, methodologies for the internal value chain) will evolve around creating and managing goal-seeking processes and creating proper visual tracking solutions. Organizations should expect to look deeper into complex-event processing (CEP) techniques and pattern matching for early detection and proactive notifications.

• **Technology:** The advanced IT organization focuses on creating self-adapting, agile-infrastructure-driven goals. For example, many strategic processes will be goal- and heuristic-driven. A more holistic policy management system becomes dynamic. This will require advanced exploitation of business rule concepts and the mastery of a comprehensive business rule strategy. Although a business rule strategy is an important asset starting in Phase 2, Phase 5 cannot be achieved without its mastery. IT will be expected to support various business scenarios without negative technical impacts.

### 3.5.3 Needed Competencies

Innovation becomes dependent on simulations of market conditions, constituent responses, competitive reactions, cost-effective execution and time freed up from employees performing mundane tasks to shift to higher-value planning tasks. Building flexible processes will be a rare skill (that is, business engineering), and the organization must master reacting to and embracing system-generated suggestions for change. Experience with heuristic methods is helpful.

### 3.5.4 Challenges

Conceptualizing variable processes will need some significant R&D. As management attempts to steer the organization to new goals and directions, the process changes can become a bottleneck, just as IT applications are today. There may be too many exception paths as well. The cultural changes that this phase requires may be well beyond the reach of many organizations.

### 3.6 Phase 6: Create an Agile Business Structure

*The primary motivation of Phase 6 is the creation of best-in-class processes that remain sharp in the face of change.*

#### 3.6.1 Triggers

Agility is the ability of an organization to sense environmental change and to respond efficiently and effectively to it. Enterprises will see BPM deliver many benefits of agility long before they reach this final phase of maturity (see "Achieving Agility: BPM Delivers Business Agility Through New Management Practices"). However, this phase requires more than achieving a few benefits of agility — it is the creation of an agile business structure and, therefore, remains the most elusive phase. This phase is one of comprehensive business agility.

Among the triggers for entrance to the final phase is the pressure to expand future growth. This forces senior leadership to seek new opportunities beyond the traditional base, often requiring the penetration of new markets. Process owners are pressured by intense process competition in an environment that is being bombarded with change.

Becoming an agile business involves more than being able to react quickly to challenges. In many cases, being agile means anticipating or creating opportunities. During this phase of process maturity, the organization has visibility and control over many key market or ecosystem dynamics, and as a result, it becomes highly innovative in capturing new opportunities. Knowledge of how customers, clients, competition and partners are incorporated into the rules and policies guides the end-to-end process. Employees are comfortable with change and become uncomfortable when things are status quo.
3.6.2 Business Characteristics’ Status

- **Organizational behavior:** The ability to maintain organizational equilibrium while changing speeds and direction becomes the norm. Directional shifts in strategy automatically cause the organization to seek out best-in-class processes in the market, and processes will rapidly adapt around changing conditions. Process management becomes the organization’s primary asset. Corporate culture is fine-tuned to overcome resistance to change.

- **Human resources:** Employees are comfortable with constant change. Decision making has been highly decentralized, with roles and responsibilities clearly understood.

- **Governance:** The governance structure is more decentralized. Senior management’s changes in strategy will be clearly visible to the organization’s employees as the explicit goal-to-execution linkage removes barriers. Leadership is about empowering the frontline employee with decision-making authority, with a clear link between organizational strategy and employee performance goals.

- **Methods and techniques:** New methods will emerge to support creating goal scenarios to address settings of intense competition. Complex events will be mined to indicate the emergence of a potential scenario or opportunity. Creation of business process scenarios, policies and rules to guide goal-driven processes will become the standard mode of strategic operation.

- **Technology:** The applications of advanced technologies that are smart and self-adapting will take root here. Advanced approaches such as dynamic process management, real-time, round-trip engineering and event-driven processes will be commonplace partners to BPM, used to the agile advantage of many organizations.

3.6.3 Needed Competencies

By this time, the organization has gained vast experience innovating new business models and crafting new products and services. Building real-time “war game playbooks” based on meticulous scenario simulations highlights the organization’s ability to be agile.

3.6.4 Potential Challenges

The challenges of this phase will be unlike any that the organization has seen in prior phases of the maturity model. Simulating process dynamics to “practice” before real conditions occur will be a constant area for improvement. Learning to recognize complex events and managing a myriad of automated agents acting in behalf of the corporation, while responding with prebuilt policies, will likewise be a new challenge that requires advanced analytical skill sets.

**RECOMMENDED READING**

"Achieving Agility: BPM Delivers Business Agility Through New Management Practices"

"Role Definition and Organizational Structure: Business Process Improvement"

"New Roles and New Competencies: Blurring Boundaries"


"Magic Quadrant for Business Process Management Suites, 2007"
"Understand Enterprise Business Architecture to Realize Your Future State"
"Starting Up the Business Process Competency Center"
"Business Process Management Suites Enhance the Control and Management of Business Processes"
"Achieving Agility: BPM Delivers Business Agility Through New Management Practices"

Note 1
Workflow Solutions

Ad hoc, administrative and production workflows were first introduced by S. McCready in “There Is More Than One Kind of Workflow Software” (Computerworld, 2 November 1992). This categorization was later popularized by D. Georgakopoulos, M. Hornick and A. Sheth in “An Overview of Workflow Management: From Process Modeling to Workflow Automation Infrastructure” (Distributed and Parallel Databases, Volume 3, Pages 119-153, 1995).