Overview of the Business Process Maturity Model (BPMM)

Bill Curtis
Co-Founder & Chief Scientist

The Business IT Divide

Requirements
- Quality of Requirements
- Accuracy of Estimates
- Process Consistency
- Process Discipline
On the Way to Level 3

Level | The Business | IT
---|---|---
3 | “We’re now the problem” | “We know”
2 | “Non-responsive” | “No, it will take longer!”
1 | “You’re not a reliable partner” | “We know”

1) Functional Fractures

Bill of sale | Contract | System | Invoice
---|---|---|---
Sales | Legal | Product | Finance
YP | YP | YP | YP
2) Best Practices

Best practices are not always integrated into a seamless process

3) Process Obesity

Level 3—Standard Process

Level 2—Local Processes
4) Technology Envy

Level 3

Level 2

Level 1

5) Configuration Conflagration

The materials that support your work must be consistent with each other.

Materials whose current states are tightly linked must be controlled.

Training = Process maps = Forms = Systems
6) ****flow

BPM focuses on the enterprise:
- Create seamless workflow
- Integrate functional silos
- End snowballing rework
- Roadmap for automation

**Items left off bill of sale**
- Incomplete information
- Unspecified requirements
- Incorrect invoices
- Rework
  - Value adding work

**Sales**
- Bill of sale

**Legal**
- Contract

**Provisioning**
- Specification

**Finance**
- Invoice

---

**Reasons for Adopting—1**

**Client 1: International Bank**

**Objectives:**
- Achieve cost reductions
- Recognition for efficiency

**Barriers:**
- Overload, rework
- Multiple ways to do similar things
- Disappointing automation results

**Client 2: Health Care Services Company**

**Objectives:**
- Reduce billing errors
- Provide framework for 6σ and business process reengineering

**Barriers:**
- Workflow bottlenecks, errors
- Difficulty selecting 6σ projects
- Disappointing end-to-end solutions
BPMM Overview © 2004

Client 3: Semiconductor Equipment Supplier

Objectives:
- Integrate improvement framework
- Extend process maturity benefits to every business process

Barriers:
- Multiple improvement frameworks
- Best practices rather than processes

Process Maturity Foundations

Business Process Management
- process domain
- best practices
- goals & benefits

Total Quality Management
- Deming, Juran, Crosby
- quantitative management
- continuous improvement

Organizational Change and Development
- cultural evolution
- organizational learning
- change management
Begatting of Maturity Models

- Crosby’s Quality Maturity Grid
- Humphrey’s Process Maturity Framework
- Shewhart, Deming SPC & PDCA
- System Eng. CMM
- CMM for Software
- People CMM
- Acquisition CMM
- Business Process MM

Evolution of Maturity Models

- **Business Process MM**
  - Built on CMM foundation
  - Early and continuing ROI
  - Aids business-IT fusion

- **IT Maturity Model**
  - IT Operations needs a CMM
  - ITIL/COBIT provide content
  - CMM provides roadmap

- **CMM/CMMI**
  - Project-based models
  - Understood principles
  - Proven successes

- Business Sector
  - IT Organization: IT MM
  - Application Development: CMMI
  - SW-CMM
  - ITIL COBIT
  - ISO MBNQA
A Family of BPMMs

Transaction-based service businesses

Service Operations Maturity Model

Business Process MM

BPMM Marketing

BPMM Manufacturing

BPMM <your business process here>

Information technology operations ITIL, COBIT

BPMM Information Technology

(1) Initial
- Motivate people to overcome problems and just "get the job done."

(2) Managed
- Create disciplined management within work units and stabilize work

(3) Standardized
- Establish standard end-to-end, integrated business process

(4) Predictable
- Manage process and performance quantitatively

(5) Optimizing
- Continuous proactive improvement

Level

Objectives

Benefits

Achieve targets
Flatten organization
Business agility

Predictable results
Reuse
Real-time corrections

Productivity growth
Effective automation
Platform for growth

Reduced rework
Reduced overload
Stable local procedures

Hero worship

Business Process Maturity Model
Process Maturity Framework

**Level 1: Initial**
- Inconsistent management
  - People rely on personal methods for accomplishing work
  - Little preparation for managing a work unit
  - Few measures for analyzing effectiveness of practices
  - No foundation or commitment for improvement

**Level 2: Managed**
- Work unit management
  - Repeatability of practices

**Level 3: Standardized**
- Business line management
  - Standardized best practices

**Level 4: Predictable**
- Capability management
  - Quantitatively managed practices

**Level 5: Optimizing**
- Change management
  - Continuously improving practices
Initial Organizations

Managed Organizations

- Committed: Executives commit organization to improving operations
- Proactive: Managers take responsibility for work unit operations & performance
- Managed: Commitments are balanced with resources
- Repeatable: Work units use locally-defined practices that have proven effective
- Responsible: Work units are capable of meeting their commitments
Level 2 Process Areas

Organizational Process Leadership

- Work Unit Requirements Management
- Work Unit Planning and Commitment
- Work Unit Monitoring and Control
- Work Unit Performance
- Sourcing Management
- Work Unit Change Management
- Process and Product Assurance

Levels 2 to 3 Transition

Enterprise-wide end-to-end, integrated business process

Level 3

Confederated units

Level 2
Standardized Organizations

- **Strategic**: Focuses on end-to-end integration of business processes.
- **Organizational**: Integrate best practices from work units into standard processes.
- **Tailored**: Processes defined for use tailored from standard processes.
- **Leveraged**: Common measures and processes promote organizational learning.
- **Professional**: Organizational culture emerges from common practices.

Level 3 Relationships

Organizational Process Management
Organizational Competency Management
Organizational Resource Management
Configuration Management

Product and Service Preparation
Product and Service Deployment
Product and Operation
Product and Service Support

Domain: Product and Service Management
Predictable Organizations

- **Quantitative**: Process variation, performance, and capability understood quantitatively
- **Stable**: Variation reduced through reuse, mentoring, & statistical mgt.
- **Empowered**: Corrective action taken at the point of performance
- **Integrated**: Processes integrated across participating disciplines
- **Predictable**: Outcomes predictable from subprocess capability & performance

Level 4 Process Areas

- Business Process Integration
- Organizational Capability Management
- Organizational Common Asset Management
- Quantitative Process Management
- Quantitative Business Management
Optimizing Organizations

- **Strategic**: Improvements planned to achieve business strategies & objectives
- **Systematic**: Improvements evaluated and deployed using orderly methods
- **Dedicated**: Individuals and workgroups continuously improve capability
- **Aligned**: Performance aligned across the organization
- **Preventative**: Defects and problem causes systematically eliminated

Level 5 Process Areas

1. Organizational Improvement Planning
2. Organizational Process and Product Innovation
3. Defect and Problem Prevention
4. Organizational Improvement Deployment
5. Continuous Capability Improvement
6. Organizational Performance Alignment
Changing the Organization

**Organization**

- **Management**
  - Establishes process discipline
- **Proactive organizational improvement projects**

**Project**

- **Management**
  - Establishes process framework
- **Project reduces process variation**

**Individual**

- **Ad hoc, inconsistent, undisciplined process**
- **Individual improves personal process**

**Maturity levels**

1. Trust
2. Discipline
3. Management
4. Project
5. Individual

---

Process Area Linkage

**Process Areas Linked by Role Responsibilities**

<table>
<thead>
<tr>
<th>Level</th>
<th>Organizational Management</th>
<th>Organizational Process Improvement</th>
<th>Service Operations Management</th>
<th>Service Operations Work Performance</th>
<th>Service Operations Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Organizational Resource Management</td>
<td>Organizational Process Management</td>
<td>Service Management</td>
<td></td>
<td>Organizational Competency Management</td>
</tr>
</tbody>
</table>

---
### BPMM Overview

#### BPMM to CMMI Mapping

<table>
<thead>
<tr>
<th>BPMM</th>
<th>CMMI</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Org. Improvement Planning</td>
<td>Causal Analysis &amp; Resolution</td>
</tr>
<tr>
<td>Org. Performance Alignment</td>
<td>Organizational Innovation &amp; Deployment</td>
</tr>
<tr>
<td>Defect and Problem Prevention</td>
<td></td>
</tr>
<tr>
<td>Continuous Capability Improvement</td>
<td></td>
</tr>
<tr>
<td>Org. Process &amp; Product Innovation</td>
<td></td>
</tr>
<tr>
<td>Org. Improvement Deployment</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Org. Process Management</td>
<td>Organizational Process Performance</td>
</tr>
<tr>
<td>Org. Common Asset Mgt.</td>
<td>Quantitative Project Performance</td>
</tr>
<tr>
<td>Service Process Integration</td>
<td></td>
</tr>
<tr>
<td>Quantitative Service Management</td>
<td></td>
</tr>
<tr>
<td>Quantitative Process Management</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Org. Process Management</td>
<td>Organizational Process Focus</td>
</tr>
<tr>
<td>Org. Process Management</td>
<td>Organizational Process Definition</td>
</tr>
<tr>
<td>Org. Resource Management</td>
<td>Organizational Training</td>
</tr>
<tr>
<td>Product &amp; Service Management</td>
<td>Decision Analysis &amp; Resolution</td>
</tr>
<tr>
<td>Product &amp; Service Development</td>
<td>Integrated Project Management</td>
</tr>
<tr>
<td>Product &amp; Service Deployment</td>
<td>Requirements Development</td>
</tr>
<tr>
<td></td>
<td>Technical Solution</td>
</tr>
<tr>
<td>Product &amp; Service Delivery</td>
<td>Product Integration</td>
</tr>
<tr>
<td></td>
<td>Verification</td>
</tr>
<tr>
<td>Product &amp; Service Maint. &amp; Support</td>
<td>Validation</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Org. Process Improvement Leadership</td>
<td>Requirements Management</td>
</tr>
<tr>
<td>Work Unit Requirements Management</td>
<td>Project Planning</td>
</tr>
<tr>
<td>Work Unit Planning and Commitment</td>
<td>Project Monitoring and Control</td>
</tr>
<tr>
<td>Work Unit Monitoring and Control</td>
<td>Measurement and Analysis</td>
</tr>
<tr>
<td>Work Unit Performance</td>
<td>Supplier Agreement Management</td>
</tr>
<tr>
<td>Sourcing Management</td>
<td>Configuration Management</td>
</tr>
<tr>
<td>Configuration Management</td>
<td>Process and Product Assurance</td>
</tr>
<tr>
<td>Product and Process Assurance</td>
<td></td>
</tr>
</tbody>
</table>

#### BPMM and Six Sigma

<table>
<thead>
<tr>
<th>Level</th>
<th>Expected benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>Continuous, proactive, data-driven improvement; Design of experiments</td>
</tr>
<tr>
<td>4</td>
<td>Statistical process control; Understand and control sources of variation</td>
</tr>
<tr>
<td>3</td>
<td>Standardize process to enable organization-wide benefits from Six Sigma projects</td>
</tr>
<tr>
<td>2</td>
<td>Stabilize process to achieve meaningful data and establish foundation for Six Sigma</td>
</tr>
</tbody>
</table>
BPMM provides a framework to improve end-to-end business processes

- Improvements done when the organization is ready for them
- Approach based on proven maturity model concepts (developed by original authors of SW-CMM, CMMI and People CMM)
- Leverages industry experience with maturity model-based improvement
- Targets improvements for manageable units to start
- Enables effective six sigma use at all levels of maturity