

# Business Process Management: Strategies to Improve Performance

IMRE HEGEDUS



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BUSINESS PROCESS PROFESSIONALS

## Business Process Management: Strategies to Improve Performance



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# Executive summary

ORGANISATIONS TODAY are experiencing more change, having to deal with more information, required to improve performance to new levels and having to do so with fewer resources and a much more dynamic workforce. The world economic environment has only increased these pressures.

Almost every day there are news reports of organisations (even schools) declaring bankruptcy, going into voluntary administration and simply closing down – employees laid off with little notice. Large corporates, even household recognised brands, are seemingly not immune. While some claim world and macro-economic dynamics are to blame, many are simply the result of an inability to manage their performance in the context of their environment.

This report brings together a unique combination of professionals from different perspectives of performance improvement. Each with considerable depth and breadth of experience in their chosen disciplines, they have been drawn together through a common set of philosophies, concepts, theories, values and beliefs. Importantly, they have all observed that, while there are numerous contemporary approaches to performance improvement, the majority are applied with little or no understanding of the underlying foundation principles from which their true value would be fully realised. This has resulted in the fad-like nature of new improvement methodologies that cycle around corporate, government and education sectors.

In this report we look to reinforce the proven foundation principles and approaches to improving performance. For some, this will provide a reminder of the key sustaining factors of performance improvement. For the majority, we expect it will provide new insights into personal and enterprise improvement. This report provides numerous models, methods, and tools to assist organisational change agents in planning and implementing strategies for sustained performance improvement.

## Insights and practices

This is an evolution of the 2008 report *Business Process Management – Insights and Practices for Sustained Transformation*.

Business management and improvement references tend to focus on specific disciplines or methods to describe the means by which executives might improve performance in their organisations. As a result, executives often have libraries of texts describing various approaches, research, case studies, models and methodologies. Having been exposed to and involved in various ‘transformation efforts’, the authors of this report have similarly developed their own unique perspectives on managing, improving and sustaining business performance. They have shared their insights and perspectives to develop a broader approach to improving and sustaining business performance without losing any depth on each discipline, and developed an overall performance improvement model from their collective experience.

The authors are all:

- Seasoned professionals, ensuring real-world relevance and insight;
- Thought leaders in their chosen field, ensuring a strong research base to the content; and
- Change agents who apply and refine their knowledge and experience across all industry sectors, ensuring relevance to a broad audience.

This report draws on the strengths of each of the authors' complementary perspectives in creating a better, more holistic, consumable and integrated reference, which is the differentiating strength of the report.

### **Systems thinking as a unifying theme**

This report will assist the reader to:

1. Effectively visualise and communicate key elements of their enterprise to senior executives;
2. Understand the change process from both personal and enterprise perspectives;
3. Sustain process improvements through the practical integration of process improvement methods and tools with process management methods and tools;
4. Take a strength-based approach to traditional process improvement and change management;
5. Sustain performance improvement through the application of theories of learning and motivation.

### **Chapter 1: Visualising the enterprise – Developing shared understanding**

Whatever view of the enterprise is the predominant model shared by the executive leadership is the model that will be used as the basis for managing and improving performance. The organisation chart

describes only how you are organised to achieve business outcomes – it does not describe how those outcomes are achieved.

To be able to effectively manage and transform an enterprise, the executive leadership team must have a shared view of how to visualise the enterprise both in its current state and in its desired future state. Today's enterprise is a complex socio-technical system and, as such, requires the visualisation of the social and technical elements and their inter-relationships. Systems theory forms the backdrop for more contemporary models of enterprise characterisation including enterprise architecture, organisation structure representations and the ever-present need to have governance structures that coalesce whatever predominant model is used as the basis for representation. In this chapter we discuss communicating complex issues and solutions to the board, MD/CEO and C-level executive. Topics covered include:

- Visualisation and communication;
- Enterprise maturity; and
- Cultural archetypes.

### **Chapter 2: Changing the enterprise – The change process**

To improve requires change and change management methodology that must be principles-driven and adaptable. Enterprise maturity should inform the change intervention required.

Change management methods are often seen as the 'soft side' of enterprise transformation. Drawing upon her considerable experience in leading change, Kimberly dela Cruz Odom presents a contemporary approach to change management. Looking at personal change alongside enterprise-level change provides the reader with an understanding of how to

make organisational change sustainable by making it personal. Topics covered include:

- Managing change;
- Personal change; and
- Enterprise change.

**Chapter 3: Managing to improve – Process-oriented improvement**

Improve only what you can manage – the sustainability of any process improvement is a function of the ability of the enterprise to manage processes on an ongoing basis.

BPM sets out to synthesise ideas from IT development, process improvement and change management. However, many current practitioners of BPM have had limited exposure to process improvement thinking and methodologies. In this chapter, Robert Lamb provides a rationale for integrating process improvement approaches into BPM to improve the effectiveness and robustness of BPM programs to sustain performance improvements. Topics covered include:

- Business process management;
- Process improvement methodology; and
- Variation.

**Chapter 4: Improving through engagement – People-centric improvement**

Only through engaging people in the constructive analysis of the current state and the design of the desired future state can employee satisfaction be increased as a result of any transformational intervention.

In this chapter, Jeremy Scrivens considers how to engage employees in using a strength-based approach to process improvement and change. This is contrasted with the deficit-based approaches of recent years (Lean and Six Sigma) and uses survey data and case studies to illustrate why focusing on the emotional dimension of change is a

necessary adjunct to the traditional rational methods. Topics covered include:

- Appreciative inquiry;
- Engagement at work; and
- Technical and adaptive change.

**Chapter 5: Learning to improve – The value of improvement**

To improve is to change and to change is to learn. Only through engaging people through a holistic framework of knowledge, psychology, systems and variation can true learning take place.

This chapter recognises that the way in which executives approach enterprise management in their professional life is first and foremost the result of what they learnt throughout their educational life. Here we explore the way in which we are taught and learn as the basis for understanding the ways in which organisations tend to behave. Acknowledging that the education system is a precursor to the management systems we seek to improve, Jane Kovacs and Michael King re-focus the reader on the importance of intrinsic motivation and learning as central to breaking the dysfunctions of modern organisations, and the bases for sustained improvement. They discuss Deming’s System of Profound Knowledge as an essential capability. This provides the reader with a way of re-learning. Topics covered include:

- Learning theory;
- Intrinsic and extrinsic motivation; and
- Managing learning systems.

Common themes are cross-referenced throughout the report.

# About the authors

## Lead author – Imre Hegedus

An internationally recognised process professional, Imre Hegedus is passionate about improving business performance. By enabling others to realise their potential through process and quality methods, Imre has developed a reputation for delivering real business value through process-based methods, models and designs. He has assisted some of Australasia's largest companies in their process endeavours, has led the development of a number of Australian and international quality/process forums and is the founder and convenor of BPMLink – Australia's largest network of process and change management professionals.

Fifteen years' corporate experience as a business process management (BPM) practitioner and senior executive has seen Imre successfully influence at the most senior organisational levels on the case for process-focused transformational change.

Imre has significant experience in: engaging with senior executives on the case for BPM; establishing, leading and coaching BPM competency centres; developing BPM strategic and operational roadmaps; aligning BPM with enterprise architecture; technology enablement; and ongoing coaching and mentoring of executives and staff.

Building on this experience, Imre has established a consulting practice focusing on improving business performance through process management and has consulted to some of the largest corporations in Australia and New Zealand including Toyota, Australia Post, Telecom NZ, BHP Billiton, Fonterra and the University of Sydney.

Imre has led the development of a number of networking forums relating to quality and BPM including the BPMLink forum. This was established in 2005 and is the longest running collaborative BPM forum in the Asia Pacific region. Imre chairs the Business Process Management Conference, an annual conference of the Ark Group held in Melbourne and Sydney attracting local and international experts in the field.

Imre is managing director of Imre Hegedus Consulting ([www.imrehegedus.com](http://www.imrehegedus.com)) and founder director of BPM Link ([www.bpmlink.com](http://www.bpmlink.com)). He is also the author of *Business Process Management: Insights and Practices for Sustained Transformation* (Ark Group, 2008).

## Imre Hegedus Consulting and Associates

Imre Hegedus Consulting (IHC) and Associates focuses on developing process management and improvement capabilities for sustained transformation.

By combining the improvement capabilities of Six Sigma, Lean and quality techniques with the ongoing governance structures and practices of quality principles, business excellence and process management, IHC engages with senior executives to develop long-term business process strategies and with management and operational staff to ensure the knowledge and capabilities for sustained process improvements become part of the culture.

### **Co-authors – Michael King and Dr Jane Kovacs**

Michael and Jane have extensive experience in the design and facilitation of professional learning based on the time-tested principles and practices of quality improvement, and brain and learning research. Their focus is on building capacity in the use of collaborative, practical ‘how to’ methods that lead to demonstrable and sustainable improvements in performance, learning and the quality of work life. Since 2003 Michael and Jane have worked together as directors of Quality Learning Australia, supporting the improvement efforts of schools across Australia. They continue to find great joy in seeing students and educators realise the many benefits the quality improvement approach brings to learning.

#### **Michael King**

BE (Hons), MBA, Grad Dip Science (Statistics), Grad Dip Ed  
Director – Quality Learning Australia Pty Ltd

Michael developed a passion for the principles and practices of continuous quality improvement while working in the Corporate Quality Management Branch at Telstra. During these years, he was personally responsible for the development of the Telstra ‘Guide to Process Re-engineering’. He also played a key role in the development and implementation of measurement systems for the core business processes of the corporation, applying the Six Sigma philosophy and methods. Michael was also an evaluator for the internal Telstra Quality Management awards.

Michael left Telstra in the mid 1990s to join the Australian Quality Council (AQC) where he worked with many organisations, assisting them to benefit from the Quality approach. Clients included government departments and agencies, large corporations and small enterprises. In 1996 he was instrumental in establishing and leading the AQC Quality in Schools initiative.

Michael relocated to Canberra and established Quality Learning Australia (QLA) in September 2002.

#### **Dr. Jane Kovacs**

BAppSci, GradDipAppSci (Env. Health), ME, MB, DBA  
Director – Quality Learning Australia Pty Ltd

Jane spent the early years of her working life in hospitals and local government in various roles in health, education, human resources, strategic planning and project and quality management. It was during this time that Jane was introduced to the quality improvement theory and practice, and directly experienced its many benefits (and challenges!).

From 1999 to 2003 Jane worked as project director for Business Excellence Australia (previously the AQC). During this time she supported the improvement efforts of schools, government and business. She joined QLA as a director in 2003.

#### **Co-author – Jeremy Scrivens**

Jeremy works with many diverse enterprises: commercial, government and not for profit. He has facilitated them to take their own unique journey of shared contribution by building on the best of who they are as communities of people who share a passion for purpose, the heart to make a difference and the values to invest in the things that matter – the wellbeing and creativity of their people.

Jeremy’s work and passion is facilitating ‘whole system’ change through appreciative inquiry (AI), a positive system that releases and deploys the energy for change. AI focuses on what works and what people really care about, so they engage passionately and positively with change. AI discovers and aligns strengths, making weaknesses in enterprises, processes and people irrelevant.

Jeremy has discovered that people take the journey on change when they are in authentic, trusting relationships together. So Jeremy gives priority in his work to building relationships, starting with natural talents. The most creative, engaging business change processes occur when you see strong personal relationships, starting with appreciation and respect for each other's differences. Jeremy helps participants discover their own unique natural strengths and how to release more of these strengths, as individuals and as a team.

Jeremy is married to Sue with two children and lives in beautiful Hidden Valley, 60km north of Melbourne.

See <http://www.theemotionaleconomyatwork.com>.

### **Co-author – Kimberly dela Cruz Odom**

An organisational change facilitator, Kimberly dela Cruz Odom is passionate about supporting the evolution of healthy, resilient companies. "I easily see different perspectives: yours, his, hers and the forgotten perspective – the organisation's. One of my strengths is integrating these views so the purpose of the team and organisation is fulfilled." With over 25 years' experience working in professional service or knowledge industries, Kimberly helps managers understand the processes and structures they can harness to mould their organisation and realise the potential of their people to effectively create and transfer knowledge.

Kimberly has held both strategic and operational roles including as an internal change agent, carried responsibility for multi-million dollar budgets and led teams of up to 50 members. She was fundamental in project managing internal integrations of M&As that produced increased market presence or market dominance and yielded over AUD\$100m in fresh revenue streams. Kimberly was also instrumental in shifting a major professional service firm's focus and behaviour from product orientation to market/client satisfaction orientation. She did this by creating new or streamlining existing processes, procedures, training programs and reward and remuneration structures. Currently she is working with a AUD\$1.3bn turnover organisation to help it understand its complex end-to-end processes and manage itself across silos and functions to deliver an effective and efficient service.

A keen travel bug, Kimberly happily hops on planes for work, play and to visit family. Fortunately she has a peculiar love of airports and the anticipation of a new adventure that they inspire. She lives in Sydney, Australia.

### **Co-author – Robert Lamb**

Robert Lamb is the owner and principal consultant for Process Management International (Australia), an associate consultant with Imre Hegedus Consulting and a Lean Six Sigma facilitator for the Australian Graduate School of Management. He has more than 15 years experience delivering business process improvement consulting and training in Australia and Asia.

He has an MA in Psychology from Cambridge University and a Masters of Management (Organisational Systems) from Monash University, and is a Six Sigma Black Belt.

Robert's experience covers consulting, coaching and training in Six Sigma and Lean based process improvement initiatives, including project selection and governance, process mapping, customer requirements analysis, the use of statistical and Lean methods to reduce variation and improve flow, and change management. He has a special interest in developing appropriate measures, data collection, storage, analysis and reporting tools to support process management and improvement projects.

# Acknowledgements

In many ways, this report represents the passions and near life-long dedication of the co-authors to their chosen fields of improving performance. I consider myself privileged to know my contributing authors, let alone consider them as colleagues and friends. Their patience and commitment to this combined work that was visualised only in my mind was in itself enough of a confirmation that I should pursue such a venture.

*“Friendship shows us who we really are”*  
Star Wars – The Clone Wars  
Season IV Episode 14: A Friend in Need

For my parents, Yolan and Imre, who taught me the value of learning, the importance of relationships and the challenges of change.

*“Where we are going always reflects where we came from”*  
Star Wars – The Clone Wars  
Season IV Episode 11: Kidnapped

For my son, Phoenix, who is the very embodiment of personal improvement and provides me with meaning and purpose on my own journey.

*“A great student is what the teacher hopes to be”*  
Star Wars – The Clone Wars  
Season III Episode 22: Wookiee Hunt

Imre Hegedus  
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