

A Framework for a BPM Center of Excellence

Leandro Jesus, Andre Macieira, Daniel Karrer, Michael Rosemann

Abstract

A BPM Center of Excellence (CoE) is a governance mechanism that is widely adopted by organizations aiming for a consistent and centralized roll-out of BPM initiatives. This Article debates and groups a list of services that could be offered by a centralized BPM Center of Excellence, and proposes three capability levels for the structured progression of the CoE offerings. The level of detail of analysis goes beyond previous proposals and facilitates the design of such a CoE according to different levels of BPM maturity.

BPM Governance and the Need for a Center of Excellence

In recent years, several organizations have made significant investments in a multitude of Business Process Management (BPM) initiatives. Practice has shown numerous examples where BPM projects led to significant transformations of organizations, such as increased operational efficiency, new service offerings, process automation, performance monitoring enhancement, structural re-design, and improved compliance, to name just a few.

However, the uptake of Business Process Management is partly hindered by the fact that BPM as a discipline still lacks a natural home. Consequently, and combined with the high interest in BPM, it is not uncommon that multiple BPM initiatives with different purposes are conducted in an isolated way inside an organization, leading to a limited utilization of synergies and a diminished return on BPM investment. This makes the BPM adoption more difficult, because most of the efforts become costly, piecemeal efforts, and there is no consolidation of BPM benefits leading to limited economies of scale and overall credibility. One of the significant challenges in the BPM adoption is assuring consistency in the delivery and sustainability from the executed action, leading to an effective process culture that legitimates BPM as a management discipline.

In order to solve this issue, organizations need to create governance mechanisms that can drive BPM actions in a disciplined manner. BPM Governance relates to the definition and enforcement of guidelines and rules that drive activities and decisions along the process lifecycle, as well as the consequent definition of responsibilities and accountabilities for BPM actions on project and program management level [1,2]. Effective BPM Governance has to reinforce the strategic alignment among process management activities and business priorities, clearly define and enforce the accountabilities of each involved stakeholder, and avoid redundancies related to BPM initiatives.

A BPM Center of Excellence (BPM CoE, aka BPM Group, Process Team or BPM [Support] Office) is an important organizational mechanism that has been widely adopted by enterprises aiming at institutionalizing BPM initiatives and perpetuating their benefits throughout the organization in a more centralized approach.

Our combined experiences in Brazilian and Australian organizations have shown that a BPM Center of Excellence must gradually develop three main capabilities, as shown in Table 1 below [3]:

Capability	Description
1. Diffusion of BPM Concepts and Benefits	<p>Disseminating the concept that managing business processes means to continually reflect on the way an organization executes its activities in order to achieve ongoing performance improvements. This includes the provision of tangible and robust BPM methodologies, techniques, and tools in order to facilitate the well-defined execution of process re-design activities. This task requires high familiarity with BPM methodologies, techniques, and tools along the entire process lifecycle as well as the capability to convert actual project impact into highly visible success stories in order to complement the methodological focus of BPM with a convincing communication strategy.</p>
2. Creation of Convergence among BPM Initiatives	<p>Creating alignment, governance, and convergence of all BPM-related services within an organization with the aim to increase synergies and consistency, ultimately leading to increased return on investment. This capability is concentrated on the central ownership of methodologies and the establishment of a credible authority to define, customize, and enforce BPM standards. The BPM CoE has to become the trusted source of BPM expertise and owns all related methods, tools, and techniques. This demands, among others, expertise in governance and resource management.</p>
3. Strategic Alignment and BPM Culture	<p>Linking BPM services with corporate strategy and establishing a BPM culture. The BPM CoE provides BPM program management while BPM project management might increasingly be taken care of in the lines of business. This capability requires embedding processes as part of corporate performance and conformance frameworks and reporting systems. Process portfolio management becomes an established discipline. A proactive approach, in which processes to be redesigned are consciously selected, replaces the often dominating reactive approach. The increased maturity will also demand the design of appropriate charge back mechanisms as a sign that the provision of BPM services is valued by the receiving organizational units.</p> <p>The strategic alignment of BPM has to be complemented by nurturing a BPM culture that is materialized in thinking about business processes as essential corporate assets that deserve attention in all project and operational activities of the organization. This is a long term target and requires deep experience in cultural change management.</p>

Table 1. The BPM Center of Excellence three Main Capabilities

A Previous List of BPM Services

In a previous article in BPTrends, we [4] recommended a list of 15 BPM services that could be used as a general starting point by managers in charge of a BPM journey. We focused on services that could be offered by a centralized BPM Center of Excellence to all organizational areas, and we illustrated in a case study how these ideas could be applied.

This list included the following services: (1) BPM Maturity Assessment; (2) Strategic Alignment; (3) Process Modeling; (4) Library Management; (5) Process Improvement; (6) Designing Process-Aware Information Systems (PAIS); (7) Process Automation; (8) Process Change Management; (9) Management of BPM Projects; (10) Process Governance; (11) Process Compliance; (12) Process Performance Measurement; (13) Process Forensics; (14) Process Management Education/Training; and (15) Process Portfolio Management.

It was suggested that a BPM CoE should manage these services as a portfolio, i.e., considering both the organizational appetite (demand) and the BPM CoE's readiness to adequately provide the services to the organization (capability). That means the BPM service portfolio must evolve throughout time by evaluating and prioritizing current and future organizational needs and continuously developing and aligning its capability to deliver BPM services to the organization's demand for these services.

Besides active service portfolio management, our research showed that it was also important to structure the BPM Center of Excellence's internal processes and routines (e.g., funding, resourcing, communication). These processes could serve as a guideline for a CoE's setup and operation.

It's important to emphasize the difference between "BPM services" and "BPM CoE's internal processes." By a *service* we mean a capability that is offered to and consumed by the mostly internal customers of the CoE [5]. As such, a service can be seen as the product that the CoE as the provider supplies to internal stakeholders. This reinforces the service-oriented view of a CoE, which must be linked to and driven by organizational demands.

By *internal processes*, on the other side, we mean those procedures that must be performed adequately so that BPM services can be provided to customers. These are management and support activities that facilitate the provision of CoE services to external clients – services that are mostly behind the line of visibility, i.e., invisible to stakeholders external to the CoE. BPM CoE's internal processes, among others, assure service demands are being prioritized and BPM services are being effectively designed, delivered, and continuously improved.

The lack of accepted standards for the establishment of BPM Centers of Excellence motivated us to develop a **Reference Framework for the Operation of a BPM Center of Excellence** to be presented in the next section.

Compared to the original list of BPM services shown in [4], it is important to emphasize some minor adjustments regarding the conception of this framework:

1. We propose splitting some original BPM services into more detailed ones with slightly different purposes. This way, it will become easier for an organization to gradually adopt BPM services. *Example: the original service "Process Improvement" is being replaced by new and distinct improvement services related to to-be process redesign (i.e., general improvements), Lean & Six Sigma oriented improvements, reference model implementation (e.g., SCOR and/or ITIL adoption), cost-related improvements (e.g., using activity-based costing models), and process innovation efforts.*
2. We are introducing three subsequent capability levels regarding the adoption of BPM services. These capability levels are related to the three aforementioned capabilities a BPM Center of Excellence must gradually develop (Diffusion of BPM Concepts and Benefits; Convergence among BPM

initiatives; Strategic Alignment and BPM Culture). The idea of capability levels is based on our previous empirical research with some organizations on different stages of their BPM maturity. In particular, it facilitates developing a roadmap of continuous improvement in a Center of Excellence.

Main Components of the Framework

We divided the Framework for the Operation of a BPM Center of Excellence into five main components: (1) management processes; (2) support processes; (3) main services; (4) complementary services; and (5) BPM technologies. An overview of the framework structure is shown in Figure 1 followed by a description of each of its components:

- **Management Processes:** The set of processes related to the management of a BPM Center of Excellence's internal activities. It includes the translation of strategic and operational demands into BPM services; the analysis, configuration, and monitoring of BPM services; the evaluation of results generated by BPM services; and the communication and dissemination of BPM culture throughout the organization.
- **Support Processes:** The set of processes that supports the operation of the Center of Excellence. It includes the creation and maintenance of methods for all activities within the process lifecycle – establishment of BPM related roles and responsibilities, administration of the BPM services portfolio, administration of BPM human resources, charging, and funding.
- **Main Services:** These services are central to the implementation of the BPM approach and are the usual responsibilities of a BPM Center of Excellence¹. This set includes services like process modeling, process improvement and design, process change management, process performance management, and process management education/training.
- **Complementary Services:** Services that may not be the direct responsibilities of a BPM Center of Excellence, but are still related to the BPM discipline and its methods and tools. This set of services includes, for example, process auditing, risk and internal control management, process forensics, systems design, etc.
- **BPM Technologies:** The set of systems and technological aspects that support the implementation of BPM concepts. It captures a high variety of process-aware information systems, including SOA, workflow management, EAI, etc.

Framework Overview

Figure 1 below shows the completed Framework with the presentation of all BPM services and internal processes related to the three capability levels:

¹ We acknowledge that the implementation of BPM services varies from organization to organization, and therefore the BPM Center of Excellence may not always directly execute main services. Instead, the CoE may support a decentralized execution of services by process owners and other areas. Still, this category of services remains central for the implementation of a process-oriented management approach.

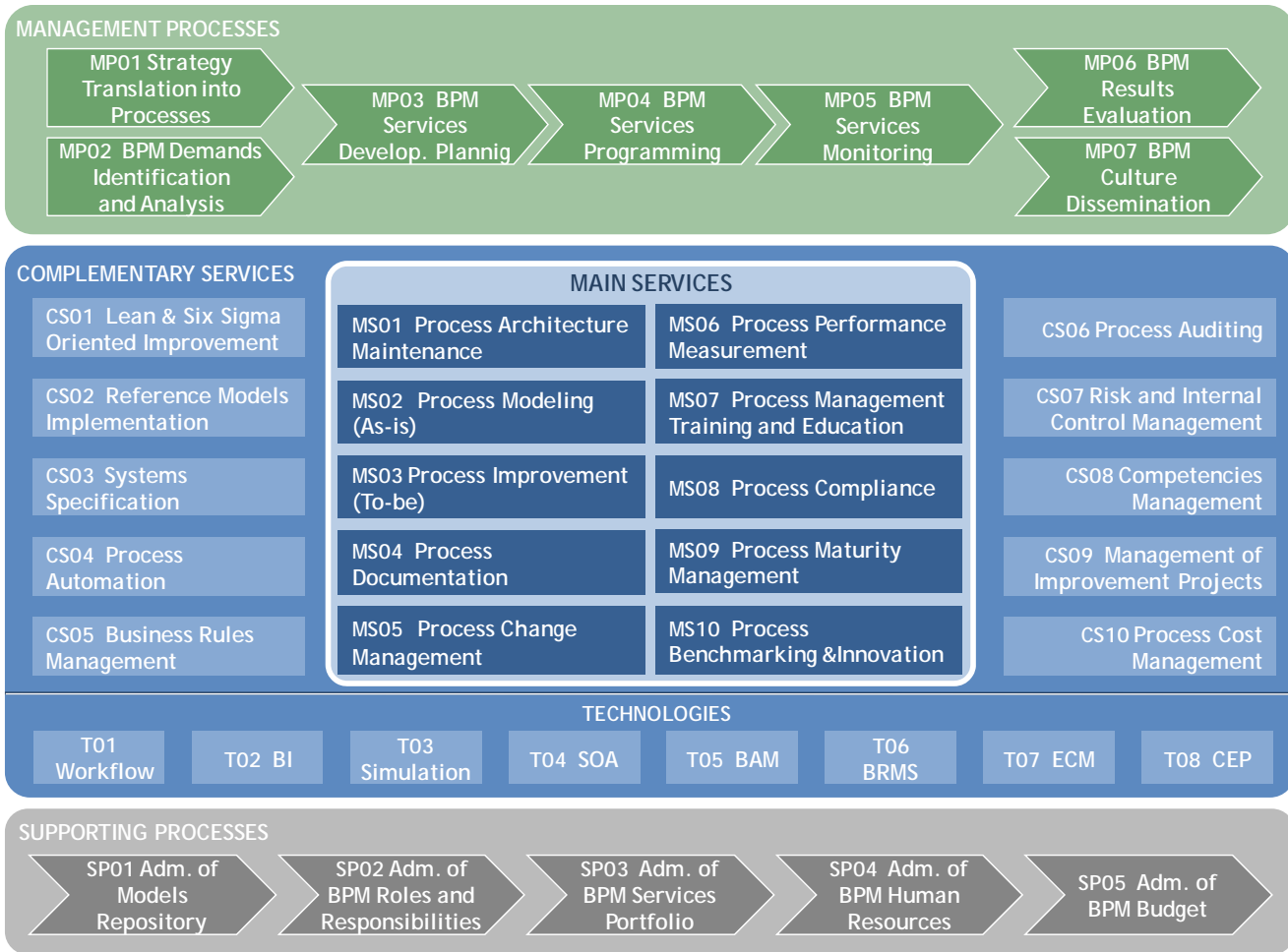


Figure 1. Framework for the operation of a BPM Center of Excellence

In the next sections we will detail each of the services and process related to the capability levels.

Capability Level 1 – Diffusion of BPM Concepts and Benefits

BPM adoption firstly requires the diffusion of its importance and the establishment of a core set of services and corresponding methodologies, tools, and techniques that are fundamental within process lifecycle management (e.g., process modeling, process analysis). Thus, the services here are twofold. First, an initial set of methodologies, tools, and techniques has to be defined to facilitate the execution of preliminary process redesign projects. Second, managers need to value that BPM is not only about modeling and documenting processes, but a systematic approach to re-thinking the way an organization executes and improves its operations. The Center of Excellence has a fundamental role in spreading this idea throughout an organization.

In order to achieve this first capability, a BPM Center of Excellence must perform the following services and internal processes:

Code	Name	Type	Description
MS01	Process Architecture Maintenance	Main Service	Definition and/or updating of the organization's value chain and business process architecture that illustrate its mission, vision and main attributions. Dissemination of process-based vision throughout the organization
MS02	Process Modeling (AS IS)	Main Service	Modeling and/or updating of the way work is performed. Models usually include activities and events, responsibilities, related systems and documents and are displayed in notations like BPMN, EPC, IDEF. It can also include identification of improvement opportunities.
MS03	Process Improvement (TO BE)	Main Service	Redesign of existing processes based on the analysis of improvement opportunities and prioritization of identified solutions. It can also refer to the design of a new process.
MS04	Process Documentation	Main Service	Creation and/or updating of procedures and manuals that detail processes models and can serve as a basis for work execution.
MS05	Process Change Management	Main Service	Definition of an action plan to incorporate improvements in existing processes. Tracking of action plan's status, intermediate results and difficulties.
CS01	Lean & Six Sigma Oriented Improvement	Complem. Service	Improvement initiative focused on process efficiency and productivity increases, mainly based on Lean & Six Sigma techniques.
SP01	Models Repository Administration	Support Process	Creation and/or maintenance of BPM methodologies e modeling notation. Administration of models repository (backups, access control etc.)
SP02	Administration of BPM Roles and Responsibilities	Support Process	Definition and/or updating of information related to each of the BPM roles and responsibilities (process owners, analysts, specialists, sponsors etc.), according to the organization's process management model.

Table 2. Capability Level 1: services and internal processes

Capability Level 2 – Creation of Convergence Among BPM Initiatives

When managers understand and value the importance of BPM, and first initiatives are successfully performed, it's critical for the Center of Excellence to ensure the convergence of BPM initiatives into a consistent, comprehensive, and accepted BPM methodology. Convergence will avoid redundancies and reinforce the idea that BPM represents a portfolio of robust solutions that enable business improvements in a sustainable manner. The BPM Center of Excellence has a fundamental role in promoting and enforcing the necessary governance and therefore in increasing organizational BPM maturity.

In order to achieve this second capability, a BPM Center of Excellence must perform the following services and internal processes:

Code	Name	Type	Description
MP04	BPM Services Programming	Mgmt. Process	Prioritization and programming of all BPM services being offered according to availability of personnel in Center of Excellence. Definition of responsibilities and targets of each initiative.
MP05	BPM Services Monitoring	Mgmt. Process	Monitoring of all BPM services that are being performed and related controls (time, scope, quality, resources etc.)
MS06	Process Performance Measurement	Main Service	Definition of a structure of business process measures. Measurement, monitoring and reporting of process performance. Establishment and tracking of actions to improve performance.
MS07	Process Management Education and Training	Main Service	Employees' training and education on BPM concepts, methods and tools.
MS08	Process Compliance	Main Service	Periodic process checking. Verification of the adherence of the process models to reality.
CS02	Reference Models Implementation	Complem. Service	Planning, adoption and maintenance of reference models like ISO9001, SCOR, ITIL, VRM etc., focused on performance improvements and/or achieving certifications.
CS03	Systems Specification	Complem. Service	Definition of requirements to support software development that can optimize process execution
CS04	Process Automation	Complem. Service	Implementation of systems that could automate work.
CS06	Process Auditing	Complem. Service	Definition and execution of internal auditing tests to evaluate adherence of business processes.
CS07	Risk and Internal Control Management	Complem. Service	Analysis of operational risks in processes and definition of internal controls to mitigate risks.
CS08	Competencies Management	Complem. Service	Definition and evaluation of required competencies for process execution. Establishment of training plans, HR selection and relocation.
CS09	Management of improvement projects	Complem. Service	Management of major organizational projects that involve process improvement efforts (linkage between a PMO and a BPM Center of Excellence)
SP03	Administration of BPM Service Portfolio	Support Process	Updating of informations related to BPM services like: responsibilities, methods and tools involved, periodicity of execution etc.
SP04	Administration of BPM Human Resources	Support Process	Definition and updating of profiles, roles, competencies and division of labor of the BPM Center of Excellence team.

Table 3. Capability Level 2: services and internal processes

Capability Level 3 – BPM Strategic Alignment and BPM Culture

Finally, besides the desired convergence, it's important for a Center of Excellence to demonstrate to the organization that process-based initiatives are aligned with and derived from strategic drivers. This can be achieved when the BPM CoE manages BPM demands according to the organization's strategic planning and disseminates BPM culture throughout the organization. The BPM service portfolio in this stage is complemented with services that relate to process performance and conformance to ensure that BPM is embedded in corporate performance and conformance reporting frameworks. The Center of Excellence must continually adapt its own practices in order to remain aligned with business priorities.

In order to achieve this third and last capability, a BPM Center of Excellence must perform the following services and internal processes:

Code	Name	Type	Description
MP01	Strategy Translation into Processes	Mgmt. Process	Organizational strategy analysis. Definition of how business process could be improved to support achievement of strategic objectives. Identification of new BPM services needed.
MP02	BPM Demands Identification and Analysis	Mgmt. Process	Identification, analysis and prioritization of day-by-day operational demands for BPM services.
MP03	BPM Services Evolution Planning	Mgmt. Process	Planning of the evolution of BPM Services Porfolio, matching new organizational needs (demand) and BPM CoE's readiness to provide new services (capability).
MP06	BPM Results Evaluation	Mgmt. Process	Evaluation of tangible and intangible results related to BPM services. Determination of ROI.
MP07	BPM Culture Dissemination	Mgmt. Process	Dissemination of actions in course, results obtained and success cases. It can include presentations to areas, BPM events, intranet informations and management reports.
MS09	Process Maturity Management	Main Service	Process maturity evaluation, based on existing maturity models.
MS10	Process Benchmarking and Innovation	Main Service	Benchmarking and dissemination of internal and external best practices related to process execution.
CS05	Business Rules Management	Complem. Service	Definition and/or updating of business rules of an existing process, detailing their characteristics and specific conditions.
CS10	Process Cost Management	Complem. Service	Analysis and optimization of cost structure of an existing process, mainly using ABC techniques. Identification of cost reduction opportunities.
SP05	Administration of BPM Budget	Support Process	Budgeting and charging for the cost structure of the BPM Center of Excellence. Pricing of BPM services.

Table 4. Capability Level 3: services and internal processes

Conclusion

The **Reference Framework for the Operation of a BPM Center of Excellence** presented in this Article can help managers in charge of the BPM adoption to consolidate and structure their BPM services and internal processes. This framework is designed to be a starting point for the creation of a BPM Center of Excellence inside an organization, or as a benchmark for the continuous improvement of an existing one. It goes beyond the previously proposed set of BPM services by grouping them and positioning them in a three stage capability model.

The introduction of three capability levels in the operation of the Center of Excellence is an advancement, because it reinforces the concept of the evolution of BPM practices inside an organization. Although it needs to be empirically validated in future research, and the final allocation of services to capability levels might still be revised over time, we are confident that this structure provides a valuable reference point that captures the important dimensions of a BPM CoE.

It is important, however, to remind the reader that this framework is to be used as a *reference* model. This means it should be adapted considering the particularities of each organization.

References

- [1] P. Harmon. Business Process Change: A Guide for Business Managers and BPM and Six Sigma Professionals. 2nd Edition, 2007.
- [2] M. Rosemann, T. de Bruin and B. Power: BPM Maturity. In: Business Process Management. Practical Guidelines to Successful Implementations. Eds.: J. Jeston and J. Nelis. Elsevier 2006, pp. 299-315.
- [3] L. Jesus, A. Macieira, D. Karrer, H. Caulliraux. BPM Center of Excellence: The Case of a Brazilian Company. In: Handbook on Business Process Management, Volume II, editors: J. vom Brocke and M. Rosemann, Springer. 2009.
- [4] M. Rosemann: The Service Portfolio of a BPM Center of Excellence. BPTrends, September 2008.
- [5] M. Rosemann, E. Fieft, T. Kohlborn, A. Korthaus. Business Service Management - Smart Services CRC Pty Ltd. Brisbane, July 2009.

Authors

Leandro Jesus, Andre Macieira, and Daniel Karrer are Lecturers at Federal University of Rio de Janeiro, Engineering School (UFRJ) and Co-Leaders of ELO Group, a research, training, and consulting group in Brazil. They can be contacted at (1) leandro.jesus@elogroup.com.br; (2) andre.macieira@elogroup.com.br; and (3) daniel.karrer@elogroup.com.br.

Dr Michael Rosemann (m.rosemann@qut.edu.au) is a Professor for Information Systems, the Co-Leader of the Business Process Management Group at Queensland University of Technology, Brisbane, Australia, and Advisor to BPTrends. He can be contacted at m.rosemann@qut.edu.au.