**Brief Article About BPM Governance for Applied BPM Class**

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**Articles**

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| **BPM Governance**By: Andrew Spanyi, author of "More for Less: The Power of Process Management"Friday June 6, 2008 Share/Bookmark Let’s agree on a fundamental principle. Companies create value for customers and shareholders via the effectiveness and efficiency of activities or work which flows across traditional organization boundaries – often referred to as the firm’s cross-functional business processes. In order to optimize and sustain business process improvements it’s essential to overlay some form of governance that creates the right structures, metrics, roles and responsibilities to measure, improve and manage the performance of a firm’s end-to-end business processes. This is called **BPM Governance**. Most firms are becoming increasingly adept at executing improvements to their operations in projects of small scope, and yet many firms continue to struggle when it comes to projects of larger scope requiring broad cross-functional collaboration. Why have organizations become more proficient in executing projects of small scope? The principal reason is that the various methods of process improvement such as Lean, Six Sigma, Lean-Six Sigma and Continuous Process Improvement have become codified over the past decade. As these projects are often defined within the boundaries of one department or unit, the needed governance is **already in place** due to the existing organization design. But that is **not the case** when it comes to projects of larger scope requiring broad cross-functional collaboration. There are at least three reasons why companies struggle in executing such large process improvement projects:* **Lack of a robust framework.** While the business literature addresses the importance of improving end-to-end business processes, there is a deficit of information on precisely how to govern for sustainability.
* **Lack of codification of management practices.** While the tactical aspects of improving processes have been codified, the leadership behaviors needed for BPM Governance have not.
* **Resistance to change.** Many companies continue to be organized along traditional departmental lines and traditional financial metrics continue to dominate executive thinking and behavior. There is resistance to the subtle changes in measurement and management practices that are needed to sustain improvements to process performance.

**Models, metrics, and management accountability** for end-to-end process performance are a few of the critical success factors in establishing BPM Governance. While there is no shortage of guidance on why companies should increase their focus on end-to-end business processes and generally what they should do, there is less guidance on how to do it. The topic of BPM Governance becomes meaningful once a company’s leadership team becomes dedicated to deploying a process focus to improve performance. Then, the following fundamental principles for BPM Governance apply:* The leadership team needs to acquire a **common view**, or a **shared understanding**, of the highest level process model for the enterprise. This requires that the business be viewed from **‘the outside-in’** or the **customer’s** point of view.
* The high level process model must **explicitly** address the need for cross-functional **collaboration** and management accountability for the firm’s end-to-end business processes
* Process performance must be measured from both the **customer's** and the **company's point of view**
* The organization needs to have a **plan** in place that outlines the top priorities for process improvement
* The leadership team must put the right **enablers** in place such that Information Technology can fulfill its promise as a powerful catalyst

A number of management practices are needed to convert each of these principles into action. Future installments of this editorial will address the principal aspects of BPM Governance and the related management practices. However, if you are in the midst of setting up a BPM Governance framework or if you have a pressing question please contact andrew[at]spanyi.com \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *Andrew Spanyi, is the author of two books on Process Management; More for Less: The Power of Process Management and Business Process Management is a Team sport: Play It to Win (*[*www.spanyi.com*](http://www.spanyi.com/)*). He is an editorial board member of BPMInstitute.org.  Since 1991, Andrew has managed or participated in over 140 major process improvement projects in both the USA and Canada. He has delivered keynote speeches on Process Management at conferences in the USA, Canada and Europe. He has written extensively on business process issues and has had articles appear in a broad range of print and electronic magazines including Strategic Finance, Industrial Engineer, Manage Online, and on the BPMInstittue.org Web site. He holds an MBA degree from York University (Toronto) and a BA degree from Brock University.*  |