



# Bridging the Gap between IT & Business:

## A Proposed Model

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# Is There a Problem?



“Each year, when CIOs and IT management are surveyed to identify their top priorities, the need for business and IT alignment appears near the top of the list. In CIO magazine’s annual “State of the CIO” survey, heads of IT from a broad range of industries highlighted their need to find best practices for partnering with business units and delivering the greatest value to the organization. Their greatest challenges for the coming year are prioritizing demands from the various business units and aligning IT with business goals.”

David A. Ritter, Vice President,  
**Proforma White Paper**



# Is There a Problem?



“As business gets more interested in its processes, so it gets more interested in the alignment of its computer systems with the processes they are supposed to support... The problem is of course that those systems are information systems and not process systems. In reality the information systems world is only capable of imagining information systems and only capable of building information systems. It has...all worked fine as long as the processes the information is designed for remain the processes the business actually operates. And I think this is the crucial point: information is the oil that lubricates the process. It's as if we have run down a dead end where we have been totally focused on storing and retrieving data with ever greater efficiency, security, scalability and so on. And even though a business thrives by *doing* things we have ignored the doing and we've concentrated on what we've always done which is to look after people's data. I think the day of reckoning has arrived.”

**Business Process Management: A Rigorous Approach**

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# Is There a Problem?



“In our last Advisor we complained that the BPM world is divided rather sharply between those interested in management issues, high-level process redesign issues and Six Sigma, and those interested in IT issues, primarily BPM systems development and process monitor systems (BAM). This is unfortunate because the two groups need one another. Few companies are so committed to process improvement that they can afford to have different groups competing with each other for the BPM mantle. More important, most companies have limited funds and need to prioritize their efforts. Working together the various BPM groups could have a major impact. Focused narrowly on separate sub processes and activities significantly reduces their overall impact.”

**Paul Harmon, Executive Editor BPTrends**

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# Is There a Problem?



## ◆ Our View

- IT providers tend to avoid understanding the businesses they serve while pushing technologies for which they have a bias, the result of which is a growing gap between business needs and IT effectiveness in serving those needs
- Business process experts have a clear understanding of the importance of processes and the need for designing and improving them, but they often end up in battles with IT over language, tools, approaches, which results in reduced effectiveness and positive impact on business



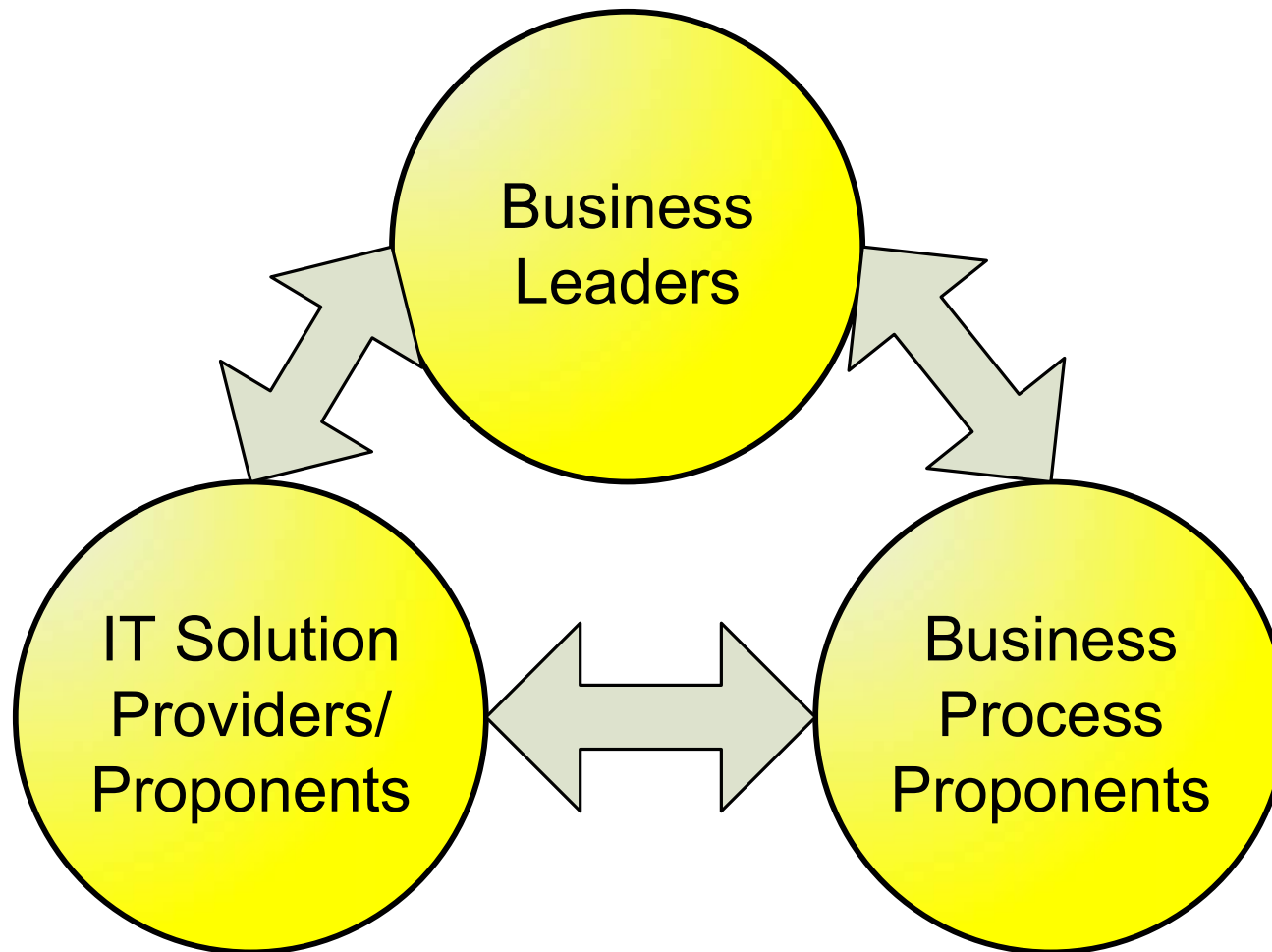
# The Reality



- ◆ The reality for business process proponents is that virtually all business processes are increasingly dependent on information systems
  - Implication: You can't improve business processes without understanding and designing in effective IT
  
- ◆ The reality for IT proponents is that their systems exist to serve business processes
  - Implication: You can't deliver effective enabling technologies without understanding changing business process requirements
  
- ◆ The reality for both is that many businesses are increasingly impatient with failed IT-centric solutions, huge costs and an ever increasing lag in enabling business processes with effective technology



# The Ideal Alignment



# What We Think is Needed



- ◆ A common view of the business shared by its leaders to IT and other providers of improvement technologies
- ◆ Effective alignment between IT providers and process designers to deliver integrated solutions
- ◆ A shared language and tools for identifying business problems, designing process improvements and delivering results





# A Proposed Model

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- ◆ Starts with a view of the business as it is
- ◆ Links the business view to the tools and processes of enabling functions (IT, HR)
- ◆ Links management of the business to management of the enabling functions
- ◆ For use by process improvers, IT analysts and developers, and business leaders who want the support of IT and BPM



# A Proposed Model: Uses



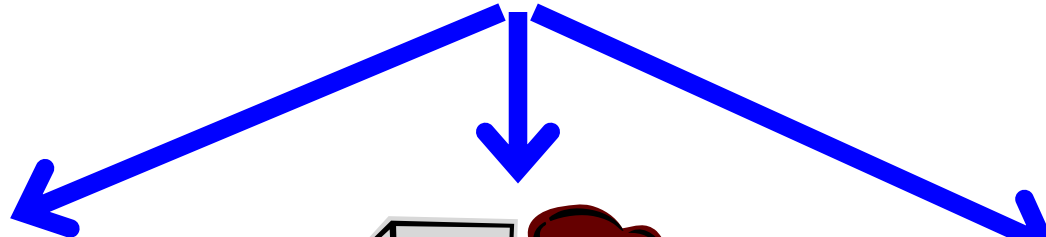
- ◆ For process improvement projects
  - As-Is analysis
  - To-Be design
- ◆ For development of enabling technologies to support processes
- ◆ For design of roles and jobs to support processes
- ◆ For design of management systems that drive enabling functional management



# Overview of the Model



Business View



Technology View



People View

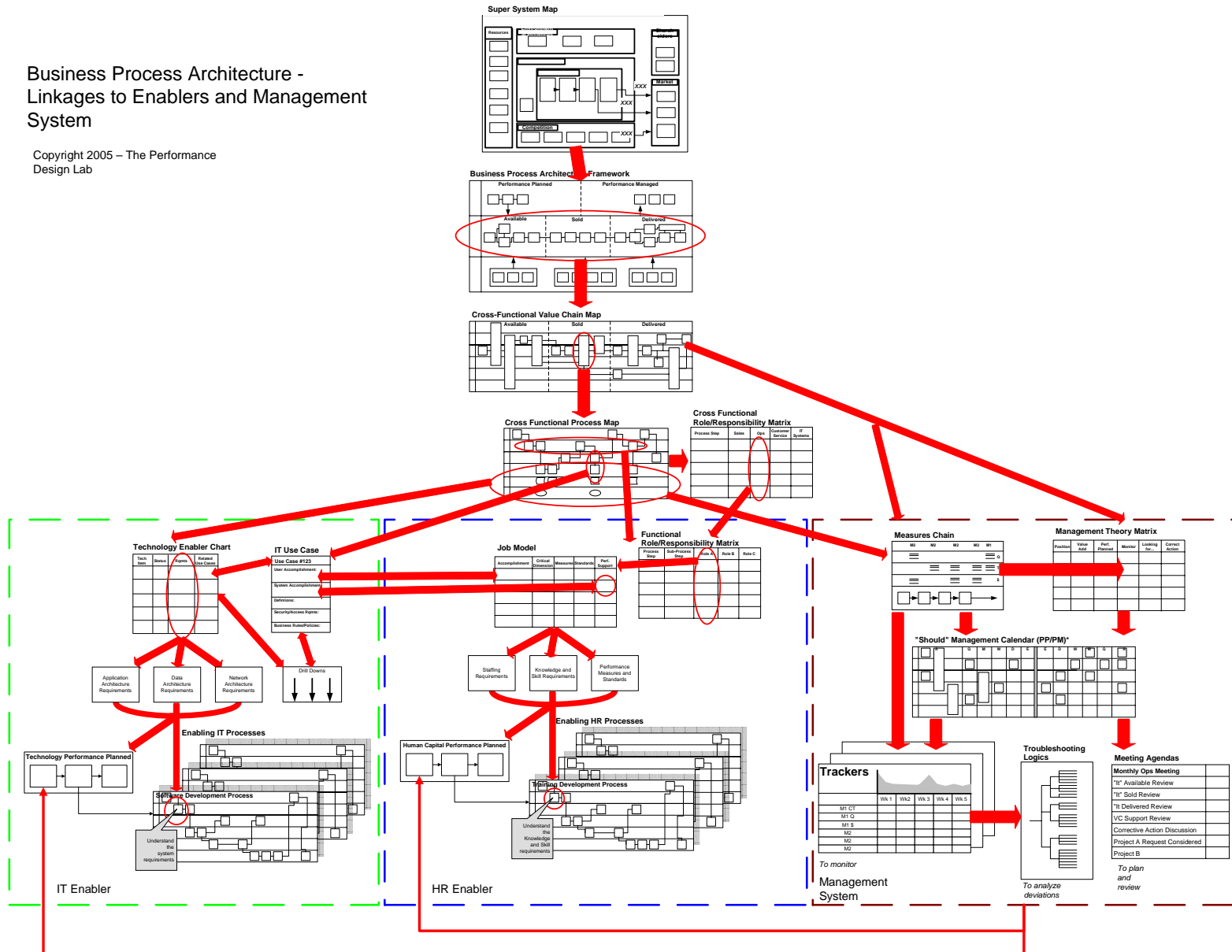


Management View



# Business Process Architecture - Linkages to Enablers and Management System

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# The Business View



- ◆ Provides the business architecture view that all technology and improvement work should begin with
- ◆ Depicts a picture of the business as it is or should be
  - Business environment
  - Strategy, structure, markets, products/services
  - The processing system that delivers value
  - The affected business process(es)
  - The affected performers
- ◆ Is the view most understandable to business leaders



# Components of the Business View

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- ◆ Super System
- ◆ Business Process Architecture Framework
- ◆ Cross-Functional Value Chain Map
- ◆ Cross-Functional Process Maps
- ◆ Cross-Functional Role-Responsibility Matrices

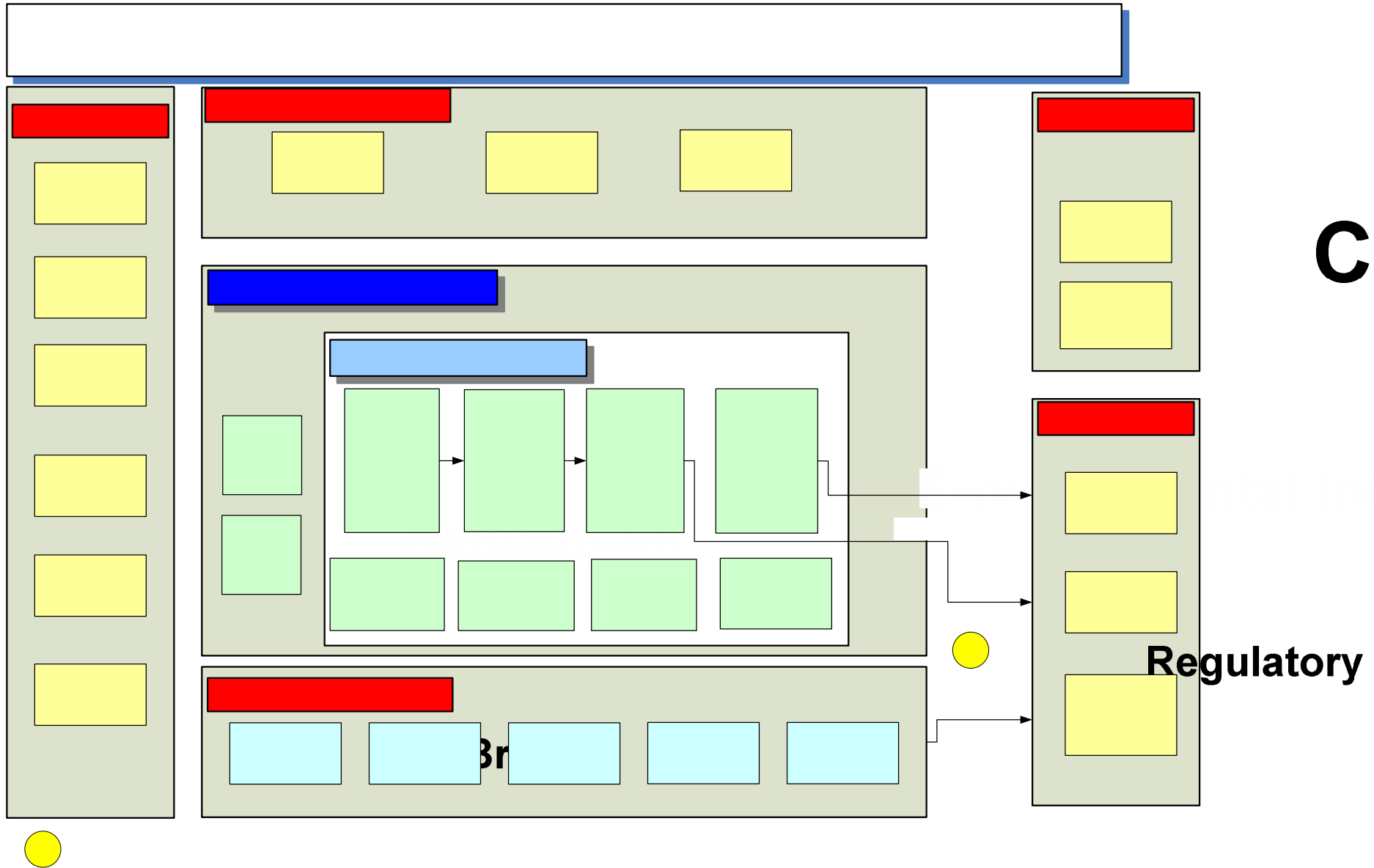


# Super System Map



- ◆ Depicts the organizational context for any change
  - Depicts the environment in which a business exists
    - Markets
    - Resources
    - Competition
    - General external influences
  - Depicts the processing system at a high level
    - Products/services
    - Inputs
    - Organization design
  
- ◆ Usefulness for technology developers/performance improvers:
  - Can help identify where a business issue exists or where the impact of a change (e.g., upgraded technology) will have an impact







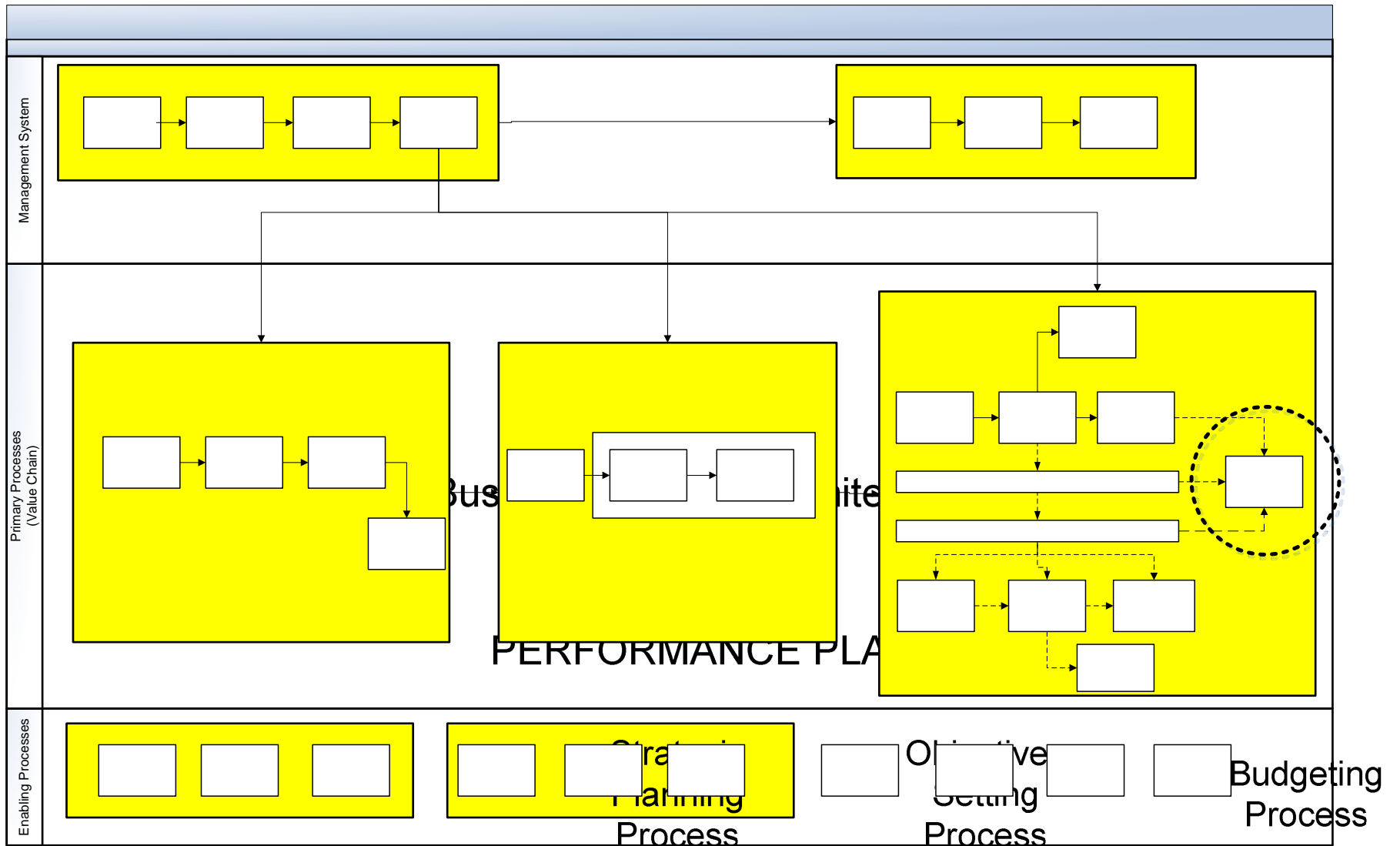
# Business Process Architecture



- ◆ Depicts the major processes of the business and their interrelationships
  - Management processes
  - Core (value chain) processes
  - Enabling processes
  
- ◆ Usefulness for technology developers/performance improvers:
  - Helps in identifying impact of a change or an issue at a process level before diving into design



# Business Process Architecture



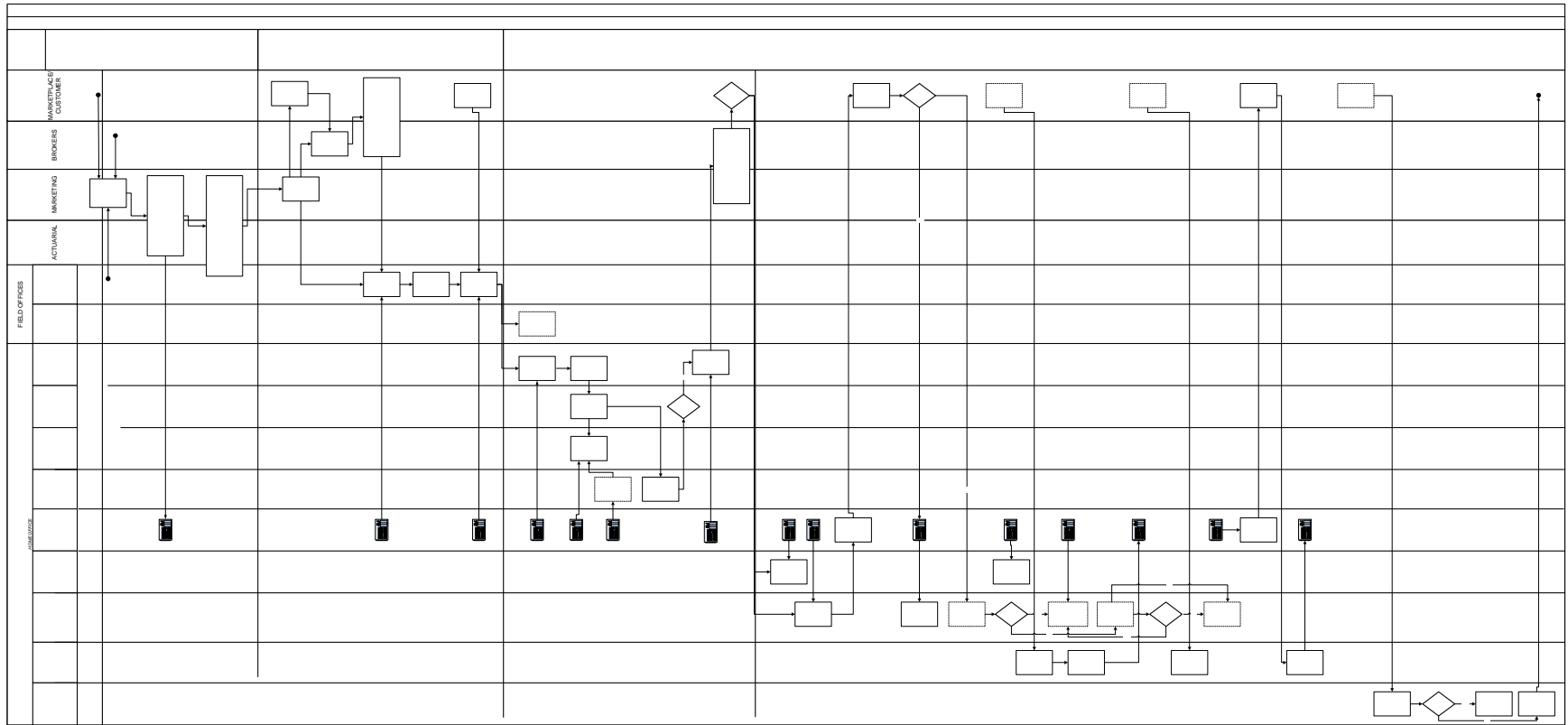
# Cross-Functional Value Chain Map



- ◆ Depicts in more detail the processes that together deliver value to customers
- ◆ Also identifies (usually at a function or department level) who performs the processes
  
- ◆ Usefulness for technology developers/performance improvers:
  - Specifies where in the value chain an issue or change is going to have an impact and who needs to be engaged in the change



# Cross-Functional Value Chain Map



PRODUCTS/SERVICES OFFERED

PRODUCTS/SERVICES SOLD

Offering reviewed

Inquiries made

New products/ services promoted



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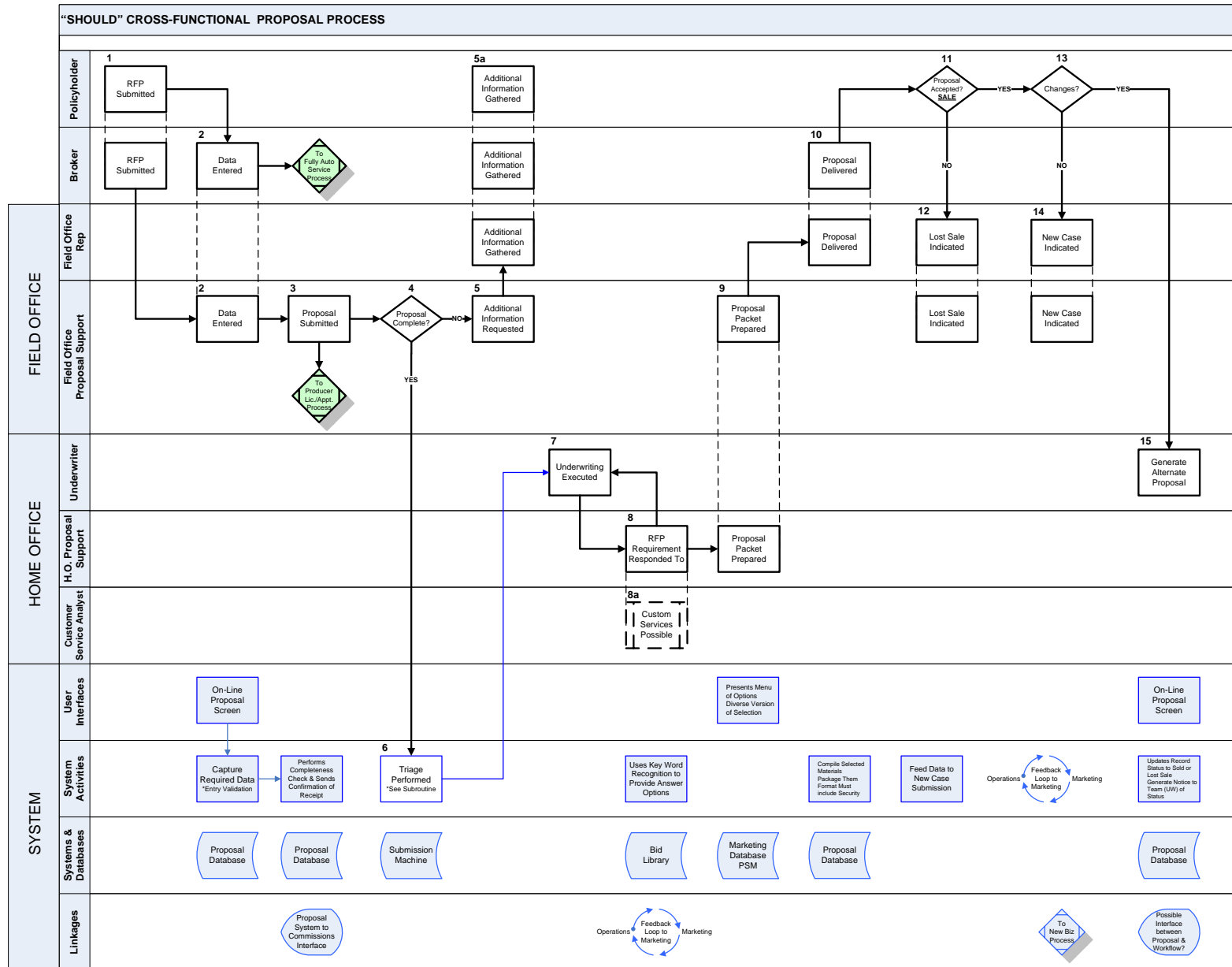
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# Cross-Functional Process Map(s)

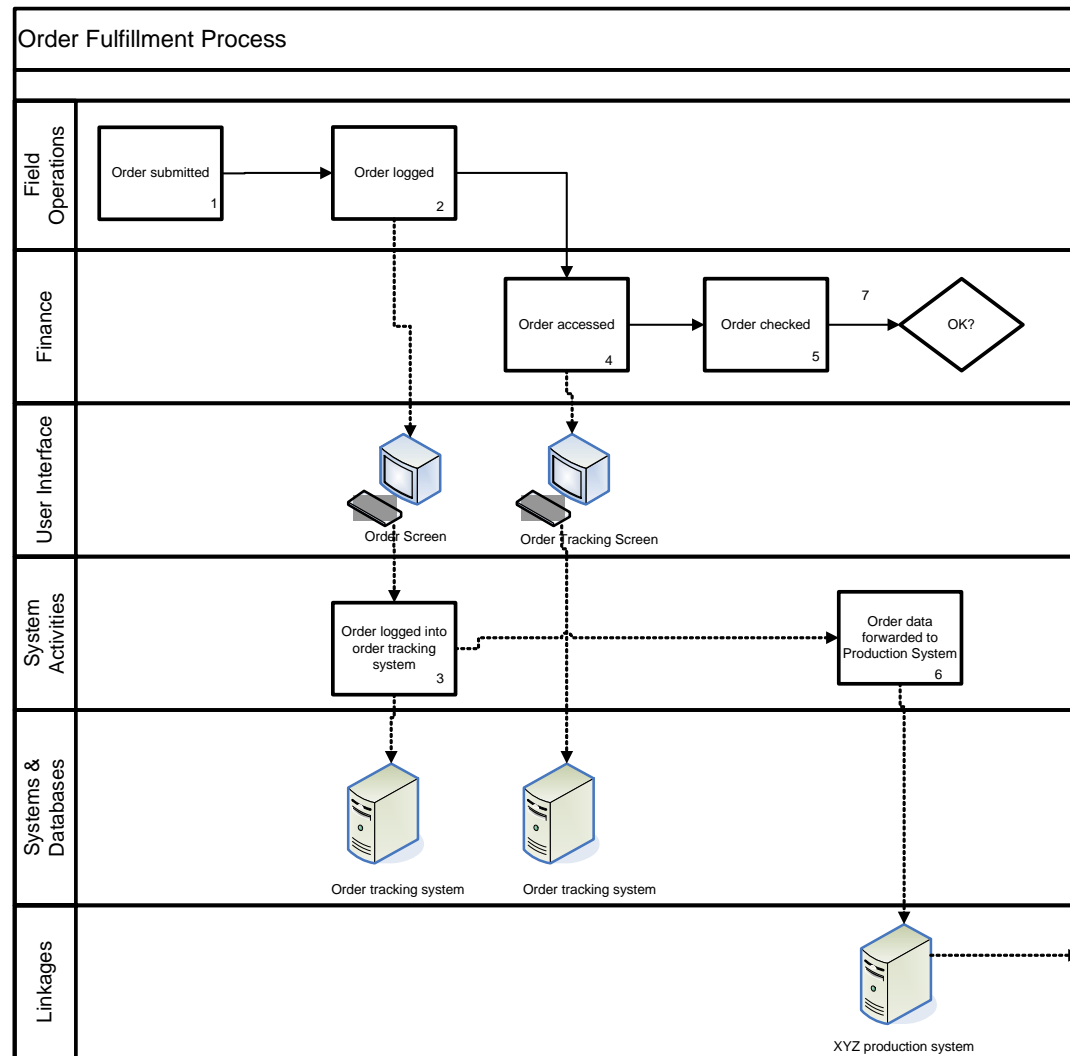


- ◆ Depicts in detail the process that needs to be enhanced or improved
- ◆ Also identifies who performs the processes
- ◆ In the case of major change or issue affecting multiple processes, a separate map is built for each affected process
  
- ◆ Usefulness for technology developers/performance improvers:
  - Specifies exactly where in each targeted process an issue or change is going to be designed and who needs to be engaged in the change





# Swimlane Capture of Performance



# Cross-Functional Role/Responsibility Matrix



- ◆ Depicts in detail the human performers that execute each step in a given business process
- ◆ A separate RRM is built for each affected process
  
- ◆ Usefulness for technology developers/performance improvers:
  - Specifies how each human performer participating in a given process will perform, or show changes in performance, including uses of technology
  - Specifies to HR the work requirements for job performers who participate in target processes





# Cross-Functional RRM

Proposal Process	Policy holder	Broker	Field Sales Support	Field Office Proposal Support	Home Office Proposal Support	UW Team	Customer Services Analysis	System
1. RFP submitted	Provides RFP specs	Delivers RFP to field office						
2. Data entered		Enters proposal data into the proposal database		Enters proposal data into the proposal database				
3. Proposal submitted				Submits proposal request				
4. Proposal complete?								Reviews for completeness & accuracy & send data to Commission database

# Value of Business View



- ◆ Foundation for technology and process improvement work is now in place
- ◆ Can be validated and reused for other initiatives
- ◆ Bridges the language gap between business and enablers
  - Basis for technology requirements
  - Basis for human resource needs





- ◆ Path taken from here depends on your role and assignment
  - Technologists to the left
  - HR down the middle
  - Management system designers to the right
  
- ◆ There are multiple linkages between each path





# Technology Enabler View



# Technology Enabler View

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- ◆ Links technology design upward to business processes
- ◆ Links technology requirements to IT's processes
- ◆ Links human performance to technology performance
- ◆ Links IT's management system to the enterprise management system



# Technology Enabler Chart



- ◆ Specifies the technology needed to support process performance
- ◆ Can identify existing vs. in development vs. non-existent technology
- ◆ A Technology Enabler Chart is built for each affected process; an integrated chart is built across processes when appropriate
- ◆ Usefulness for technology developers/performance improvers:
  - Provides the requirements for technology enhancements
  - For process improvers, specifies what technology will provide to improve the process



# Technology Enabler Chart

Technology Items	Status	Desired Characteristics	Related Use Cases
Electronic On-Line Submission System (includes Triage Rules Engine)	Does not exist today	<ul style="list-style-type: none"> <li>• Can receive submissions from a variety of sources (e.g. Sales Reps, Policyholders, Field Offices)</li> <li>• Extensive business rules validate completeness of submissions</li> <li>• Includes validation for currently in-force, multiple quotes, offices (rules of engagement)</li> <li>• Data gathered and options presented are based on group size, segment (if possible) and coverage(s) requested</li> </ul>	<p>2.2.1 <i>Process Receipt of RFP</i>—RFP needs to be complete before system entry starts; probably need to combine 2.2.1 and 2.2.2 and look at sequence of steps; evaluate Triage needs vs. Triage Rules Engine</p> <p>2.2.2 <i>Request Plan Change Amendment</i>—Change of Submission Specialist to FO Proposal Support; slot Submission System in for redesign</p>
Rating System	In development but will need enhancement	<ul style="list-style-type: none"> <li>• Connects to workflow software</li> <li>• Receives input from Submission System</li> <li>• Database records all proposal activity with appropriate retention</li> <li>• Include interface to Commissions for Licensing</li> <li>• Alternate proposal allows for data entry directly into rating system</li> </ul>	<p>2.2.3 <i>Proposal Underwriting</i>—Eliminate human entry points where possible and receive data from Submission Machine</p>
Census Upload	Does not exist	<ul style="list-style-type: none"> <li>• Interfaces with rating system</li> <li>• Provides electronic upload of census info in multiple formats</li> </ul>	<p>2.2.3 <i>Proposal Underwriting</i>—Update to show census received electronically via Census Upload</p>

# Use Case & Drill-Downs



- ◆ Use Cases specify accomplishments of people using technology
  - Use Cases are linked to Technology Enabler Chart and cross-functional process maps
  - Each use of technology appears in the Tech Chart and appropriate process map and then is described in a Use Case
  
- ◆ Typical text format
  
- ◆ Supplemented by other kinds of drill-down analyses to capture complex variations
  - Multiple decisions
  - If-then scenarios
  - Use of multiple systems





# Enabling IT Processes



- ◆ Each IT development task is linked to the IT function's own work processes
- ◆ The work processes are driven by goals and requirements from the IT function's management system, which in turn is driven by enterprise goals and requirements





# HR Enabler View



## HR Enabler View



- ◆ Key tool is the Job Model, which specifies the expectations for each job
- ◆ Links each job to business processes
- ◆ Links HR's enabling processes to business processes via the job models and RRM's
- ◆ Links HR's management system to the enterprise management system





- ◆ Comprehensive view of a given job's outputs and requirements
- ◆ When linked to business processes, summarizes how the job contributes to those processes
- ◆ Is the link between technology use cases and job responsibilities
- ◆ Can be used as the basis for hiring, training and performance evaluation



# Job Model

<b>Accomplishments</b>	<b>Critical Dimensions</b>	<b>Measures</b>	<b>Standard</b>	<b>Performance Support</b>
Proposal data collected	Completeness	Original vs. data entered in system	100% complete	XB computer or equivalent Proposal database On-line help access Proposal classification template
	Accuracy	Original vs. data entered in system	0 errors	
Proposal data entered into the proposal database	Completeness	Original vs. data entered in system	100% complete	
	Accuracy	Original vs. data entered in system	0 errors	
Proposal request submitted to Operations via proposal system	Timeliness	Deadline vs. submission lapsed time	within 24 hours	
Additional information requested of Sales Rep or others as situation requires	Completeness	Original vs. data entered in system	100% complete	
	Accuracy	Original vs. data entered in system	0 errors	



# Management System View



# Management System View

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- ◆ Links all processes and technology improvement to business goals and measures
- ◆ Links the enterprise planning and management system to the planning and management systems of the enabling functions



# Management System Overview

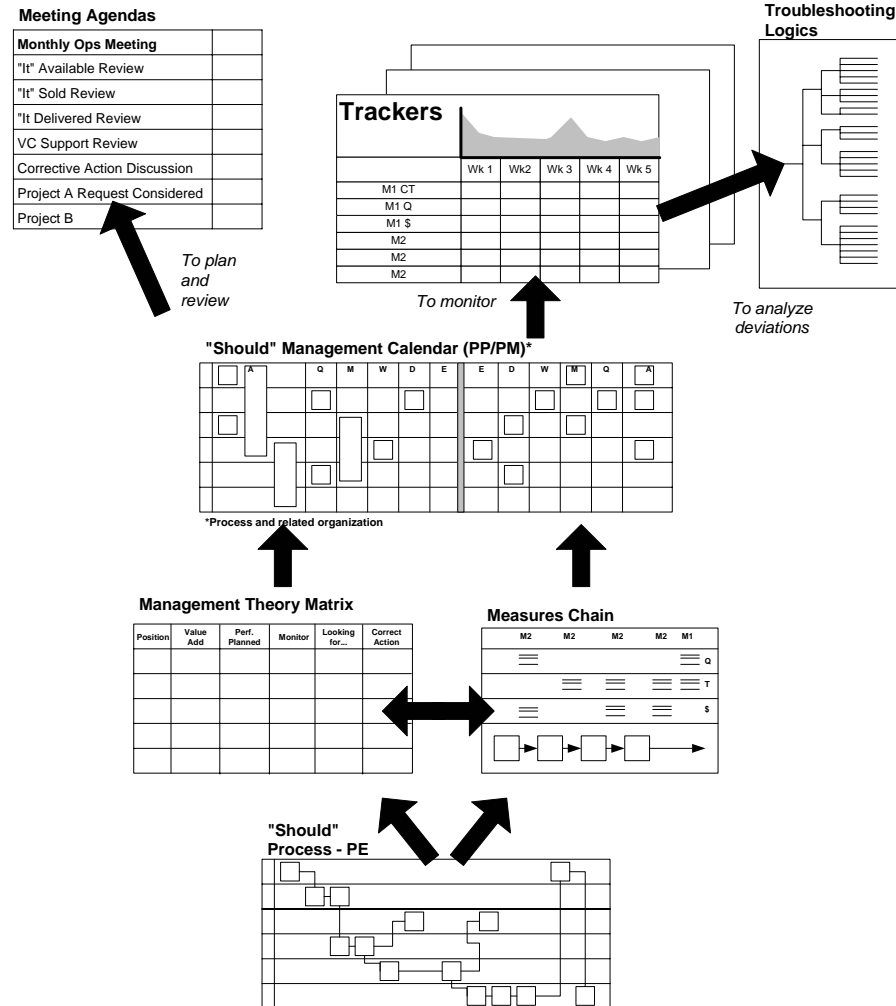


- ◆ A set of tools that link goals and measures to a closed-loop tracking and management cycle
- ◆ Specifies what management has to do to manage the complex organization
- ◆ Driven by the business value chain—what gets planned, monitored and managed is what customers care about

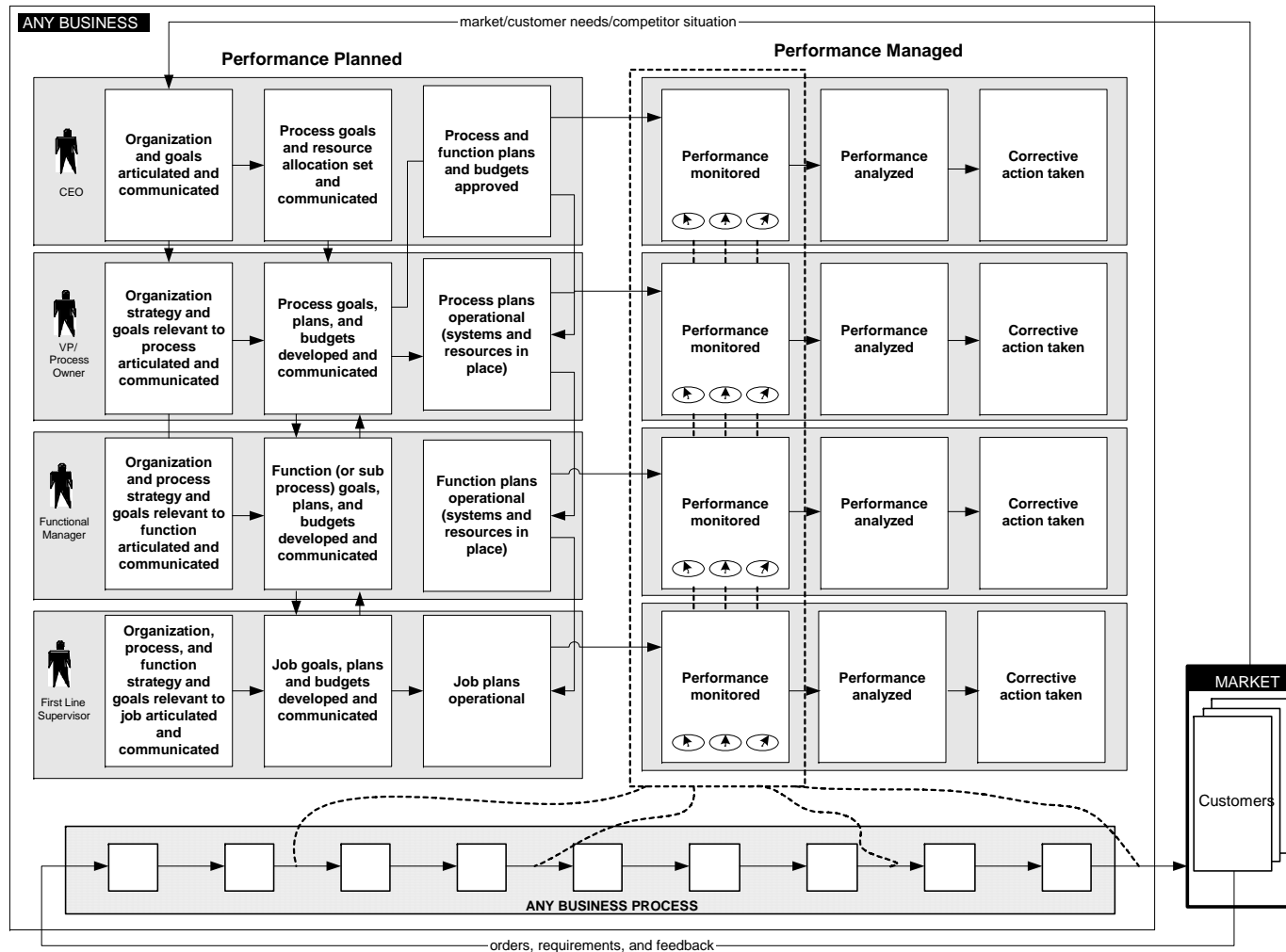




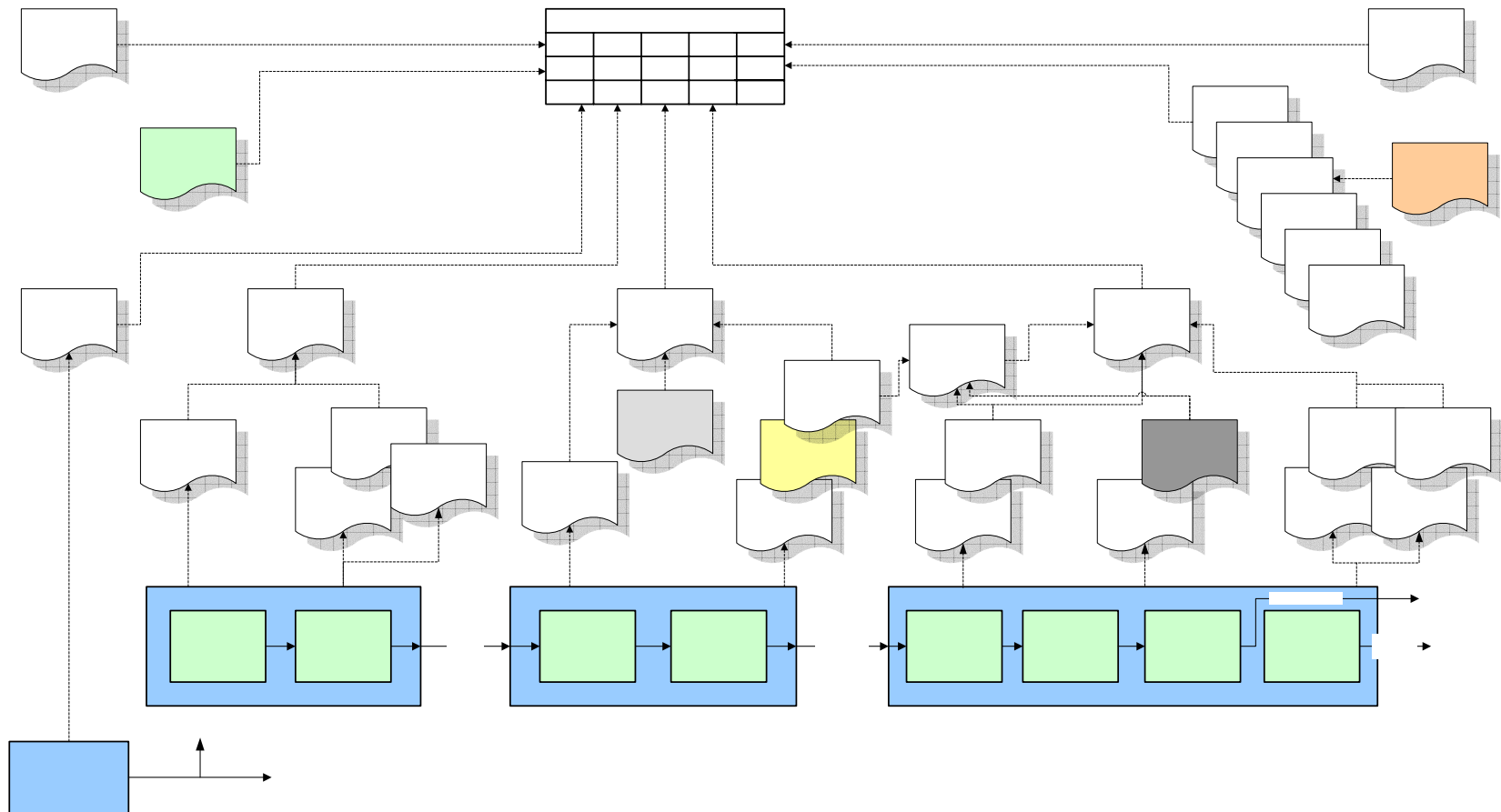
# Management System Tool Set

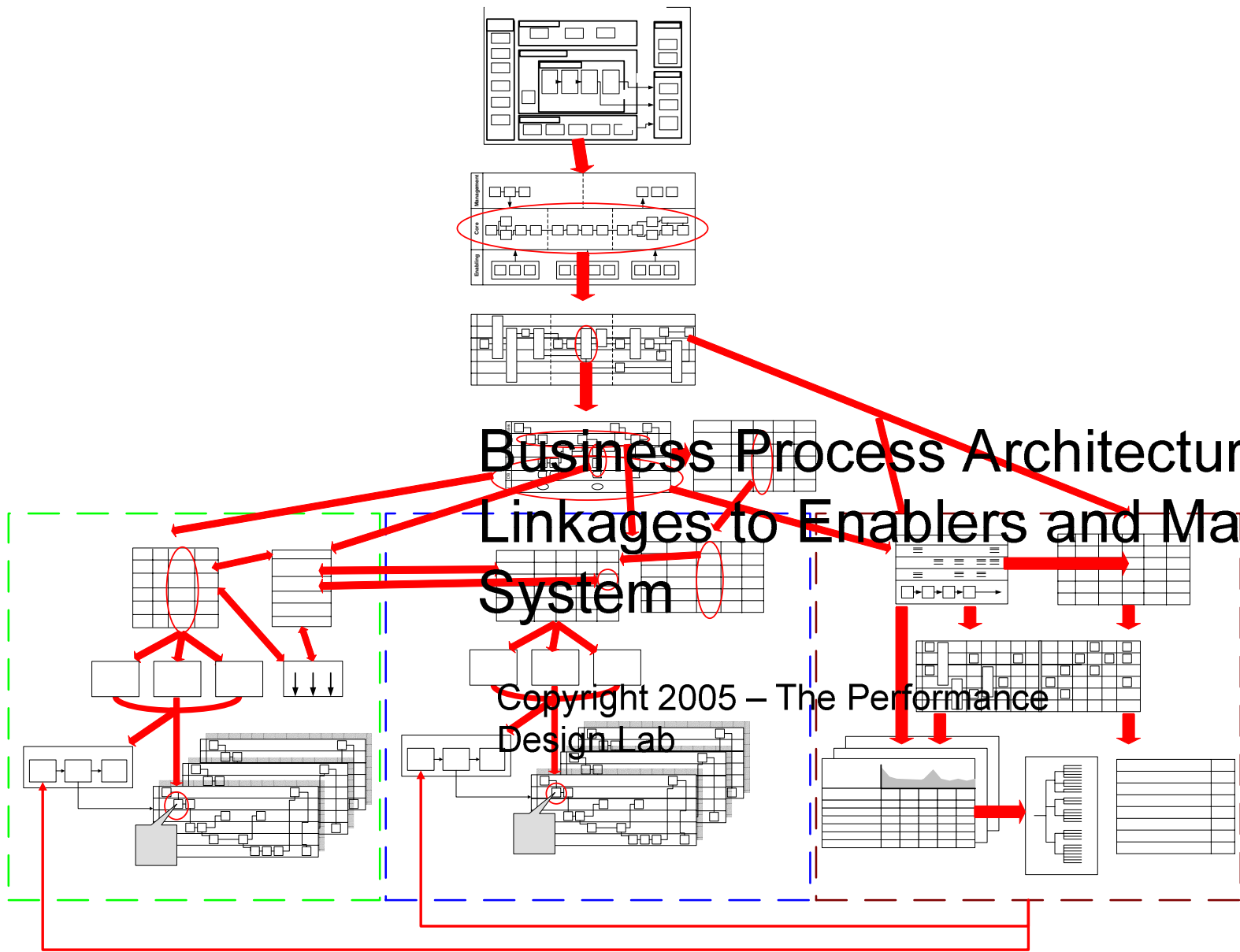


# Performance Planned & Managed Hierarchy



# Performance Tracker System

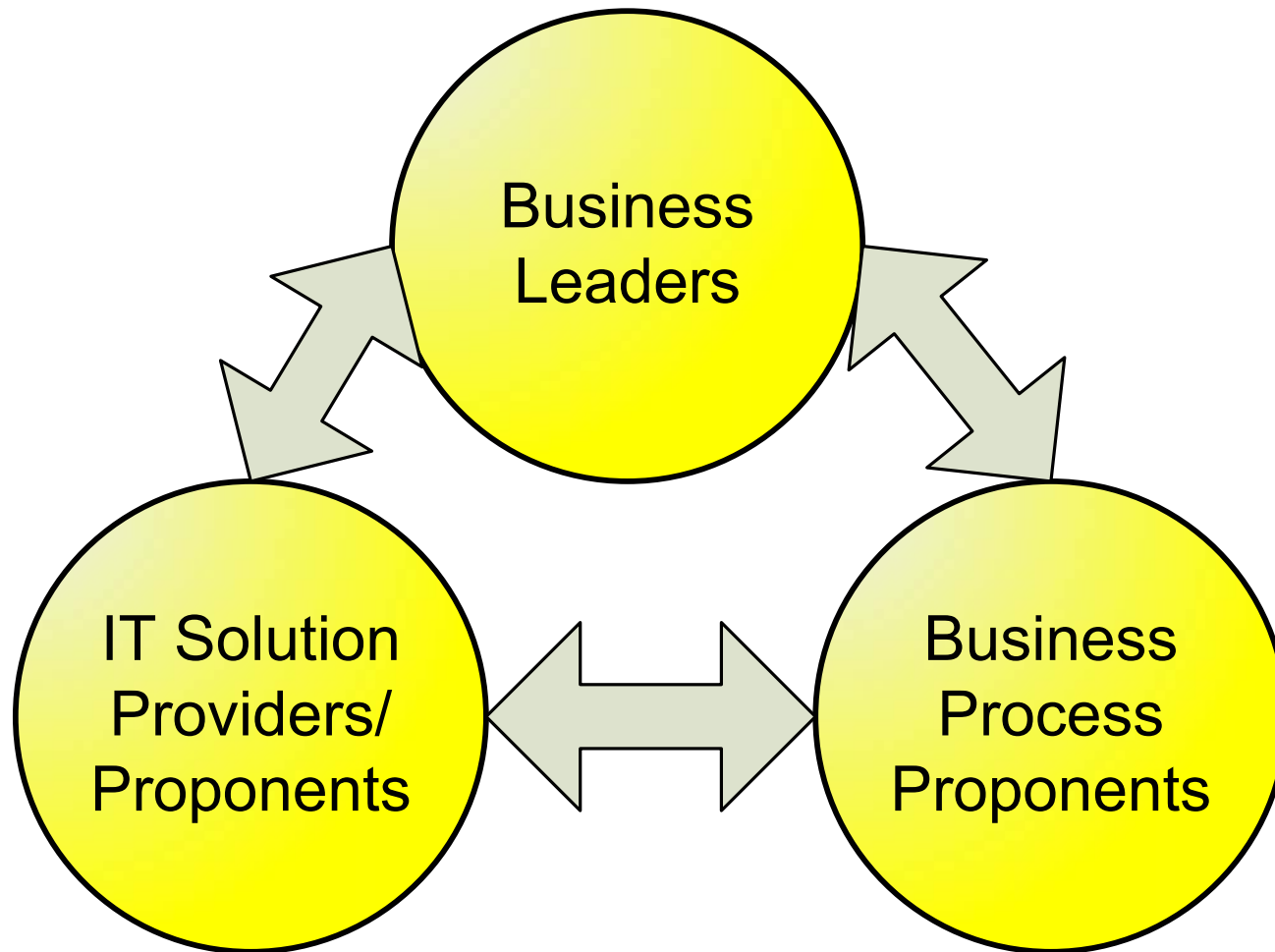




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# The Ideal Alignment



# Who Should Lead & Participate?



- ◆ Business View
  - Business Leaders take the lead
  - IT Solution Providers & BPM experts provide tools and coaching
- ◆ Technology View
  - IT Solution Providers take the lead
  - Process experts provide process insights
- ◆ HR View
  - Process, HR, Human Factor Engineering might take the lead
  - Technology providers participate as coaches
- ◆ Management View
  - Business Leaders take the lead
  - Process experts participate as coaches
  - IT provides guidance on automation of management system

