
Keane White Paper

Establishing a Successful BPM Program Office

Achieving Enterprise Agility
Through an Evolutionary
Program Office

The success of your BPM implementation rests with a Program Office that anticipates patterns of change and enables leadership to plan ahead.

EXECUTIVE SUMMARY

A BPM implementation program is an important undertaking. It represents a dramatic shift in an organization's ways of doing and supporting business.

A well-defined and evolutionary program office with the right set of people and policies is the first step in meeting the exhaustive challenge of a BPM implementation. In addition, leaders need to be able to anticipate patterns of program evolution during the program life cycle, enabling them to plan ahead.

By outlining the structure, roles, and evolutionary pattern of a BPM program, this paper will help organizations of all sizes achieve a smoother BPM implementation and quicker ROI.

About Keane

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Introduction

A BPM implementation program is an important undertaking for organizations of all shapes and sizes. It dramatically shifts an organization's ways of doing and supporting business in order to increase business growth potential. Because of this, a BPM implementation is at risk of getting side tracked, resulting in delays and/or failure.

Keane believes that by using a well-defined and evolutionary program office, an enterprise will have the right set of people and policies to meet the exhaustive challenge of a BPM implementation. A well-structured program office with clearly laid down roles and responsibilities is able to function in a cost-effective manner while delivering the ultimate goal of enterprise agility through successful BPM implementation. Anticipating patterns of program evolution during the program life cycle enables leadership to plan ahead, resulting in smoother implementation and quicker ROI.

The Benefits of BPM

- » Improved customer satisfaction
- » Ability to cross-sell across multiple lines of business
- » Greater enterprise agility
- » Reduced costs

What Is a BPM Program Office

A BPM implementation is a multi-faceted initiative spanning multiple projects, lines of business, systems, and years. Many organizations make the critical mistake of seeing a BPM implementation as just another project. This results in numerous disconnected projects and a fragmented IT landscape that inhibits enterprise agility.

Keane believes that a BPM implementation demands a well-structured program office to oversee its progress and evolution. A program office provides a centralized body to enforce structure, road maps, governance strategies, standards, and policies across all the projects involved in the BPM transformation effort. The presence of a program office gives an enterprise a holistic view of its BPM transformation effort. This holistic approach toward BPM streamlines efforts and enables the organization to reach its goal of enterprise agility.

Organizational Structure of a BPM Program Office

To create a successful BPM program, the organizational structure of a program office must evolve along with the different stages of the program. The execution path of all BPM programs can be divided into four distinct phases:

- » Initiation
- » Planning

- » Execution
- » Transition

For each stage, the structure of the program changes to meet the specific needs of the phase. What follows is a description of program office structural changes and activities for each phase.

Initiation Phase

At the inception of the program, major activities include:

- » Identifying business problem
- » Identifying business and technology sponsors
- » Appointing program director and his/her immediate reports
- » Establishing program's mission statement
- » Creating and issuing request for proposals (RFP)

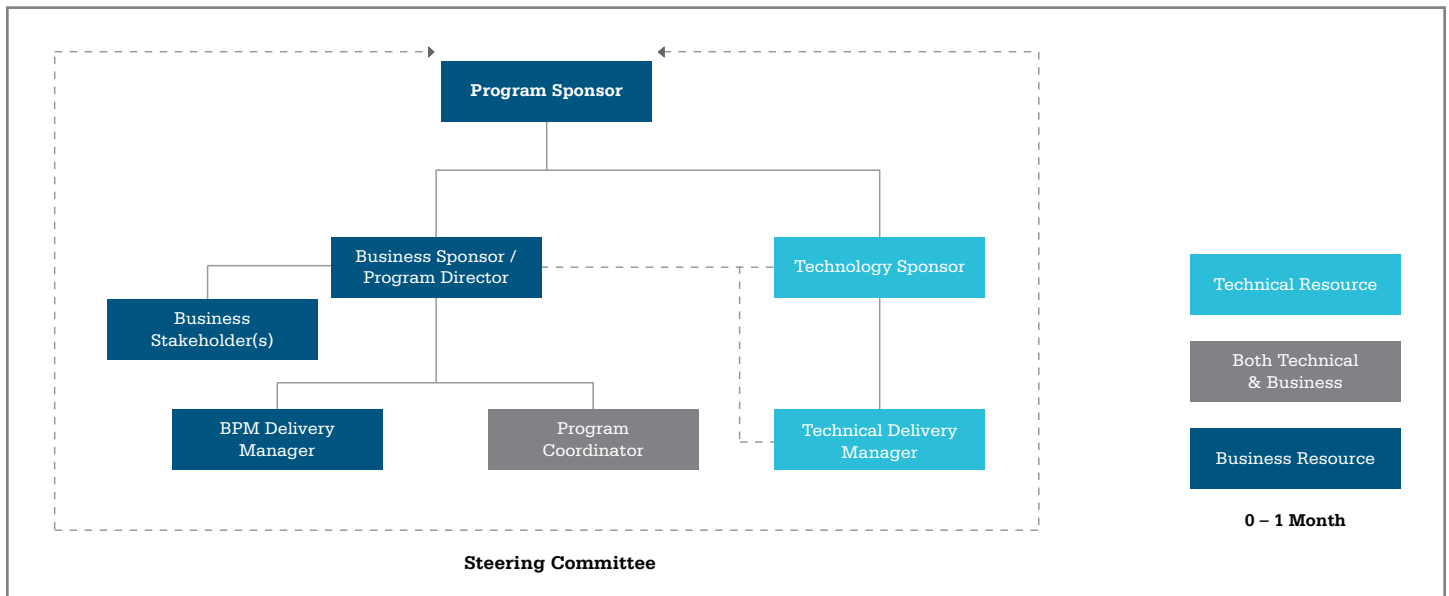
The org structure at this stage includes only members of the program steering committee and looks something like the diagram below.

Program Sponsor

In most cases, the program sponsor is the individual who has provided the strategic guidance and vision to initiate an enterprise-wide implementation. More often than not, this individual is at the CxO level in an organization. The responsibilities of the program sponsor are to provide the program with:

- » A clear and precise vision of the objectives the program must achieve
- » Sponsorship from both business and IT to support the program throughout its life cycle
- » Financial support and necessary budgetary allocations to support the program

Figure 1: Steering Committee



- » Assurance that the program is progressing in the right direction to meet its objectives by chairing the program steering committee

Business Sponsor/Program Director

The program director heads the program office. This person is appointed by the program sponsor to transform the strategic vision of the program into reality. A program director is also the program business sponsor and in this capacity holds the responsibility of interacting with and managing business stakeholders. The responsibilities of a program director include:

- » Creating a business case validating the program need
- » Establishing the program office
- » Identifying and managing business streams that will be impacted by the program
- » Working with the technology sponsor to identify and manage information assets required to successfully execute the program
- » Chairing the program committee to continuously monitor the direction and progress of the program
- » Managing the program budget and assets

Technology Sponsor

The technology sponsor is responsible for providing the technical infrastructure and resources that are necessary for the success of the program, including:

- » Providing technical infrastructure and resources required by the program
- » Making sure program is in alignment with the overall architectural goal of the enterprise

- » Making sure the enterprise is able to support the resulting application in an efficient manner

Business Stakeholder

The business stakeholder represents a business stream that will be impacted as part of the program. The business stakeholder is ultimately responsible for identifying a business problem and developing the matrix to evaluate the success of its solution.

Program Coordinator

A program coordinator is the program director's "chief of staff" and helps run the program office. The program coordinator is responsible for:

- » Creating and maintaining a program-wide schedule
- » Ensuring the highest level of coordination between the BPM delivery manager, BPM implementation manager, and technical delivery manager
- » Establishing a program CoE to create and implement program-wide standards, procedures, and practices
- » Working with a BPM delivery manager in defining and enforcing quality gates verifying the readiness of a process/project before progressing to next stage of the life cycle
- » Defining multiple project streams, their order of execution, and processes within

BPM Delivery Manager

BPM delivery manager represents the "business" in the BPM delivery team and is responsible for providing valid requirements to the development team and verifying the health of the developed solution. A BPM delivery manager is usually responsible for:

- » Managing process owners and business SMEs during different phases of requirements gathering
- » Managing testing teams to verify the validity of the BPM solution
- » Maintaining the project schedule
- » Managing business issues, risks, and mitigation
- » Owning the support during warranty period

Technical Delivery Manager

The technical delivery manager assists the technology sponsor in providing the technology infrastructure and assets required for a program's success. While collaborating with its two counterparts, the BPM delivery manager and the BPM implementation manager, the technical delivery manager is responsible for:

- » Providing the hardware and software required for BPM platform
- » Providing Web services and other channels that will enable BPM application to integrate with other systems inside the enterprise
- » Providing overall architectural solution for the program
- » Managing technology resources and assets involved with the program

Planning Phase

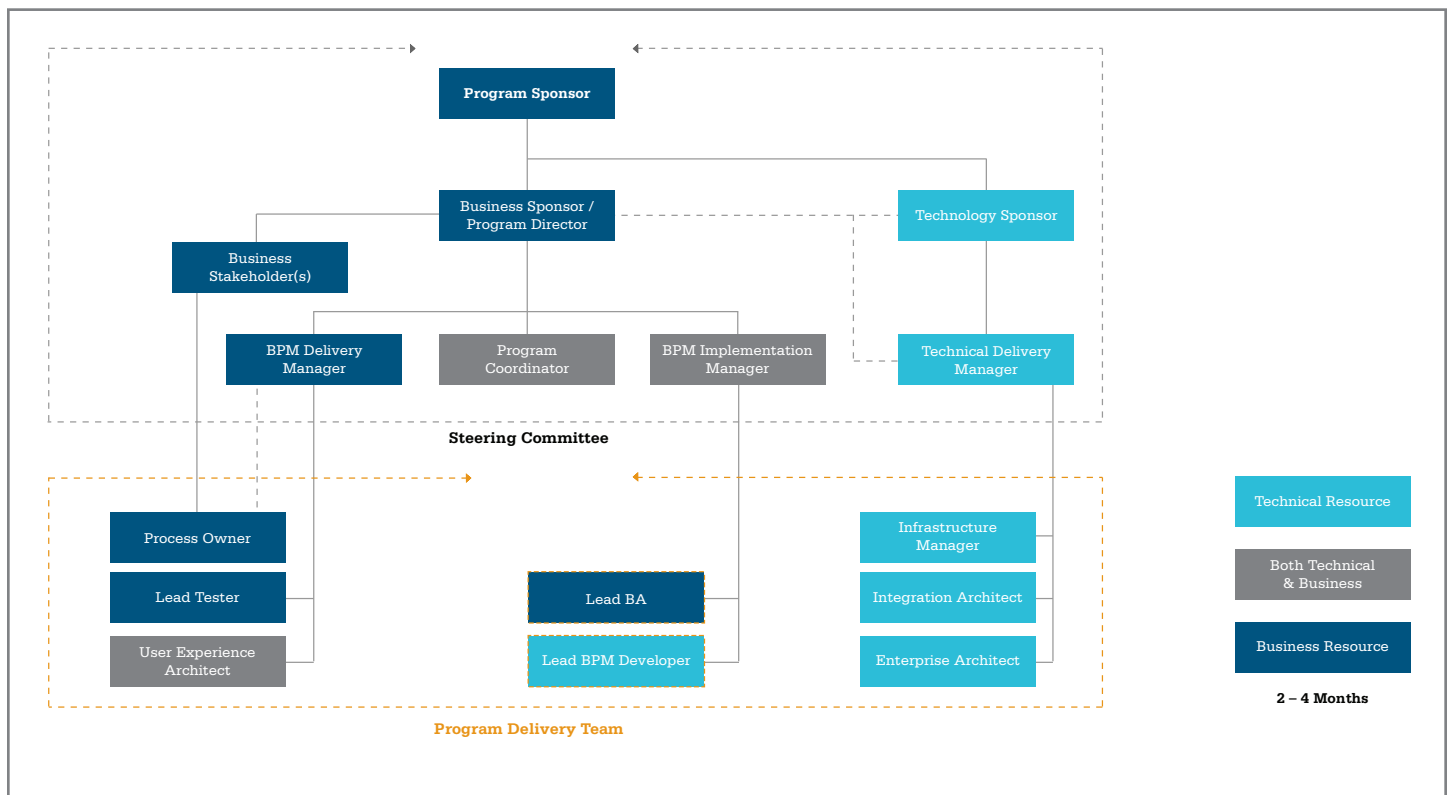
In the planning phase, the program office prepares the road map and strategies for the program execution and transition. Key activities during this phase include:

- » Appointing the following resources
 - » Enterprise architect
 - » Integration architect

- » DBA
- » Lead tester
- » Project manager(s)
- » Process owner(s)
- » Infrastructure manager
- » Evaluating responses to RFPs and selecting the most suitable solution
- » Negotiating licenses and terms of use for the required software/hardware
- » Identifying program and project implementation methodology and road map
- » Establishing key milestones and associating them with quality gates and related artifacts
- » Identifying approval committees for the gates and artifacts
- » Performing architecture gap analysis and establishing enterprise architecture road map and solution architecture document (SAD) for the program. (This is different from a project SAD that each project will be creating later in the program.)
- » Establishing a change control process
- » Formulating the program's governance strategy and communication plan
- » Laying down a resource plan
- » Creating and populating the process maturity scorecard(s) for at least the first two releases
- » Identifying projects, capabilities they will deliver, and their order of execution for at least the first two releases
- » Establishing the BPM Center of Excellence (CoE) and appointing its manager and coordinator
- » Finalizing the global requirements for the solution

In order to perform all these tasks, the organizational chart starts to grow and resembles the below diagram.

Figure 2: Planning Phase



BPM Implementation Manager

The BPM implementation manager is eventually responsible for putting the business requirements into the process automation tool to the satisfaction of the process owner and business stakeholders. Typically this role is filled by a seasoned consultant equipped with both industry knowledge and technical expertise to ensure a smooth BPM implementation.

A BPM implementation manager is responsible for:

- » Managing the business analysts to ensure the efficient capture of the process information required for implementing into the selected BPM tool
- » Managing the BPM development team to ensure the proposed solution meets business specifications and requirements

- » Maintaining and socializing the development delivery schedule
- » Providing warranty support for the developed solution

Process Owner

The process owner is a delegate of the business stakeholder. The process owner owns the business case for the processes that will be automated as part of the BPM initiative. The process owner is the ultimate authority regarding process-related matters and is responsible for the health and accuracy of process requirements and other knowledge assets. In addition, the process owner manages and directs business SMEs during requirements-gathering and knowledge-sharing sessions and exercises.

Lead BPM Developer

The lead BPM developer guides the team of developers who implement the business processes in the BPM tool. This person is generally an accomplished technical consultant with extensive knowledge of the tool. A lead BPM developer serves as a technical advisor in the requirements gathering sessions to ensure the business expectations aligns with the technical capabilities of the tool. In the later phases of the program, the responsibilities of lead BPM developer are transitioned to a seasoned in-house developer. This role gets involved in the program at the latter half of the planning phase.

Lead BA

The lead business analyst (BA) is responsible for capturing the business requirements, business rules, and process flows during requirements-gathering sessions. This person is assisted by one or more business analysts.

Lead Tester

This person is responsible for laying down the test strategies as well as creating and executing test scripts to verify the accuracy of the developed product. The lead tester is also responsible for maintaining the testing schedule along with defects and resolution logs. A lead tester is assisted by one or more testers.

User Experience Architect

The user experience architect works with the business subject matter experts (SMEs) to arrange the screen data in a user-friendly manner. This person is generally responsible for establishing the program-wide look-and-feel and user interface requirements.

Enterprise Architect

An enterprise architect lays down the architectural solution for the whole program in accordance with the IT standards and policies of the enterprise. With the help of application architects, an enterprise architect ensures that each solution delivered as part of the program meets the IT standards and requirements of the enterprise. An enterprise architect is also responsible for authoring and maintaining the program SAD.

Infrastructure Manager

The infrastructure manager is responsible for assisting the technical delivery manager with providing the hardware and software components necessary for the programs' successful implementation. It is the infrastructure manager's responsibility to keep all the environments up and running.

Integration Architect

The integration architect determines the integration services required for communicating with systems

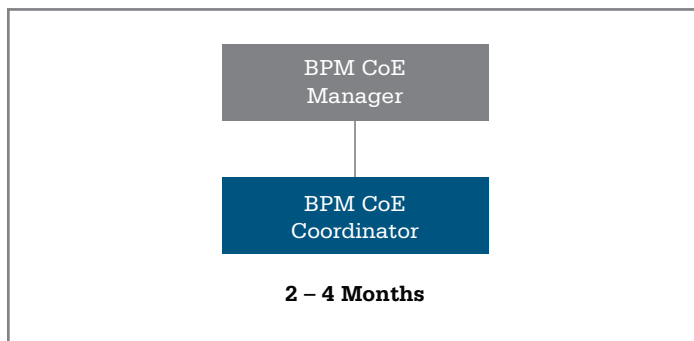
external to the BPM application. This person also coordinates the development and availability of the new services required to process the business logic and collects required data.

BPM CoE

An important organizational component that gets introduced during the planning phase is the BPM Center of Excellence (CoE). Because of long durations and complexities involved in a BPM implementation program, the role of the CoE is much more important than that of a traditional CoE. A BPM CoE serves not only as the custodian of standards, best practices, and policies, but also enforces them and supports the solution in the business-as-usual (BAU) phase following the warranty period. A BPM CoE establishes its “nucleus” during the execution of the program using the resources that are actively involved in the development of the solution. During the BAU phase, the CoE and its resources may become part of a different reporting hierarchy but the structure and working of the CoE should not be impacted by this change.

During the planning phase, the structure of the BPM CoE looks like the diagram below.

Figure 3: BPM CoE, Planning Phase



BPM CoE Manager

The BPM CoE manager is responsible for managing both the BPM CoE and the BAU phase. Traditionally this responsibility lies with either the BPM delivery manager or the technical delivery manager based on organizational hierarchy. A BPM CoE manager should never be the technical support manager; although the latter can report to the former. The BPM CoE manager is responsible for:

- » Working with the program coordinator in establishing and running the BPM CoE
- » Managing the BPM CoE delivery team
- » Providing both application and solution support following the warranty period

BPM CoE Coordinator

This person assists the BPM CoE manager in running the Center of Excellence. This person is responsible for:

- » Managing the latest artifacts and standards
- » Keeping track of the current work pool and resource allocations
- » Assisting CoE manager in establishing delivery and resource plans

Execution Phase

Here is where the “work” gets done. During the execution phase, multiple projects kickoff, delivering specific functionalities for the overall solution. The main activities during the execution phase include:

- » Gathering and verifying detailed business requirements
- » Reengineering and optimizing existing business processes

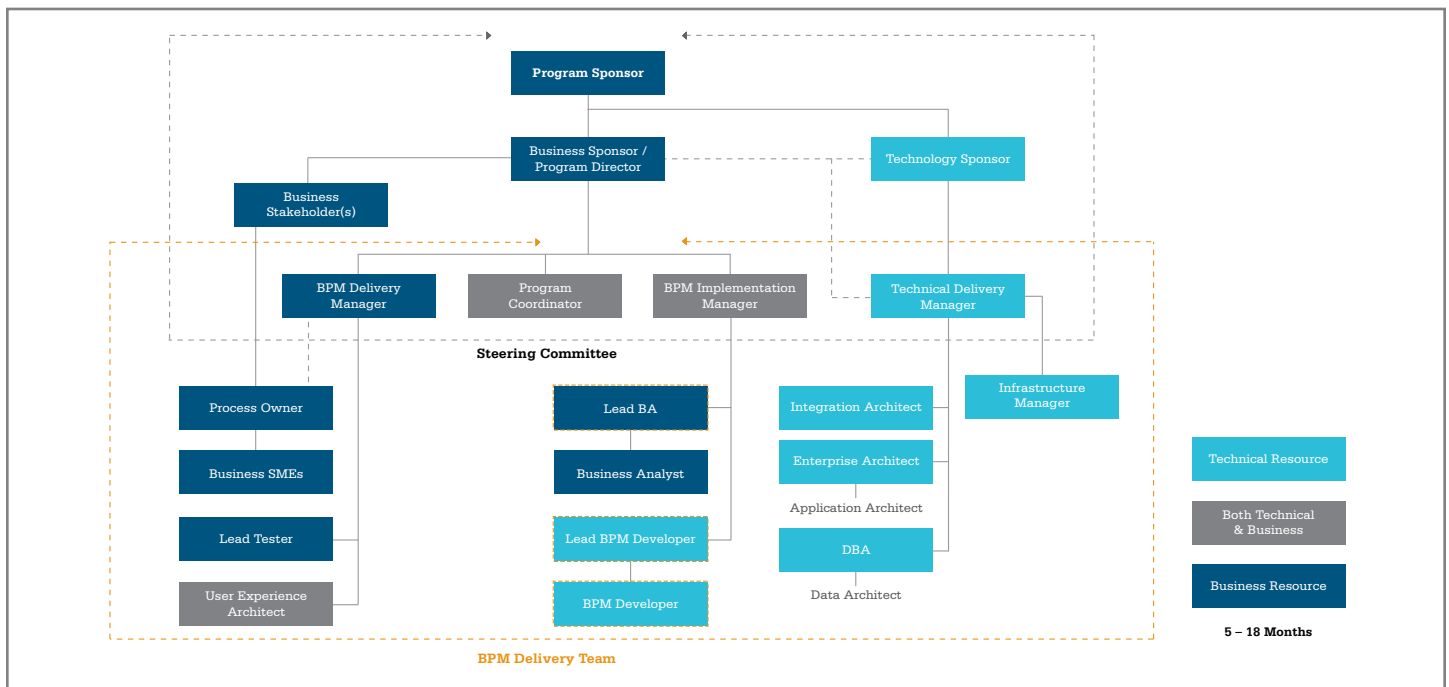
- » Creating a SAD for the project in alignment with the program SAD
- » Designing and developing the solution in the chosen BPMS
- » Designing and developing services and other integration components required for the project
- » Performing end-to-end testing of the solution developed as part of project
- » Fixing any defects identified during the testing cycles
- » Delivering the solution to the business
- » Supporting the solution during the warranty period
- » Providing BAU support through the BPM CoE

Because a program uses the most number of resources during the execution phase, it absolutely needs a well-defined road map and resource plan to ensure success. During this period different aspects of the program evolve to meet the challenges posed by the above mentioned activities. The organizational structure during the execution phase is depicted in the diagram below.

Business SME

The business SME performs the actual work. In most organizations, most if not all enterprise knowledge is kept in the minds and hearts of its SMEs. The responsibility of a business SME is to clearly and accurately articulate the existing processes, requirements, business rules, and success criteria for the respective processes.

Figure 4: Execution Phase



Application Architect

While an enterprise architect oversees the overall architectural direction of the BPM solution, an application architect’s job is to ensure that each project is executed in accordance with that plan. The application architect is also responsible for creating project-specific software architecture document.

DBA

The database administrator (DBA) is responsible for maintaining the data assets for the program.

Data Architect

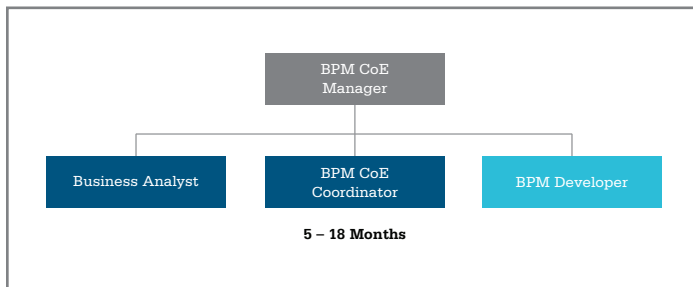
A data architect is responsible for maintaining the data dictionary for the program, which contains the mapping of business data elements to database tables and properties.

BPM CoE

The BPM center of excellence (CoE) evolves as well during the execution phase as depicted below.

During the execution phase, the BPM CoE starts “ingesting” business and technical resources from the project teams to form the “nucleus” of the center of excellence. During the initial months, these can be in-house resources or consultants who have a deep

Figure 5: BPM CoE, Execution Phase



knowledge of the business problem and the solution developed. During the latter half of the execution phase, the CoE resources must all be in-house business and technical resources.

Transition Phase

The goal of the transition phase is to gradually transfer all the responsibilities of accepting and delivering new work streams and projects to the BPM CoE. The program org structure starts to shrink in this phase with more responsibilities being transitioned to the BPM CoE. This phase starts in the last quarter of the life of program and finishes when the transition of activities to the BPM CoE and technical support team is complete. The structure of the program during the transition phase is depicted on the next page.

BPM CoE

BPM CoE starts to grow considerably during this phase in terms of both resources and responsibilities. During this phase, the BPM CoE manager assumes responsibilities of the BPM implementation manager and his or her team. BPM CoE at this point looks like the diagram below.

Figure 6: BPM CoE, Transition Phase

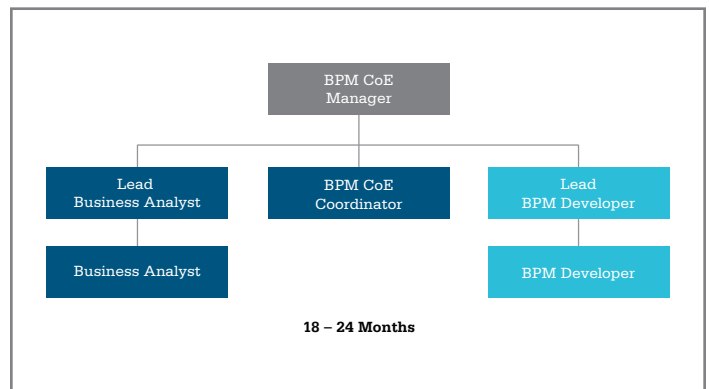
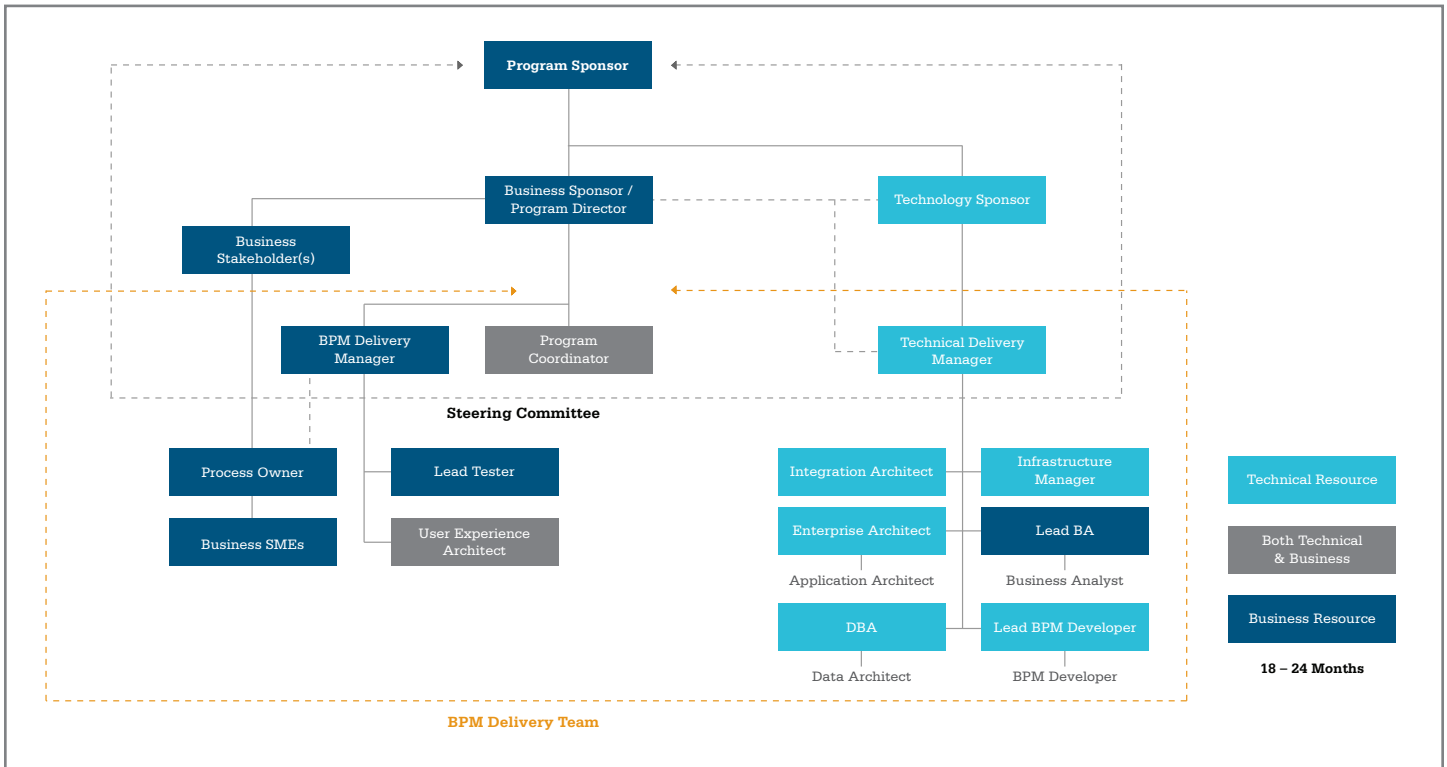


Figure 7: Transition Phase



Did You Know?

- » By year 2017, the global BPM market will exceed \$5 billion.¹
- » Gartner’s 2010 CEO and Senior Executive Survey showed that “56% viewed BPM as ‘material to business growth’ or ‘a source of competitive advantage.’”²

¹ “Business Process Management (BPM): A Global Strategic Business Report,” Global Industry Analysts, April 2011.

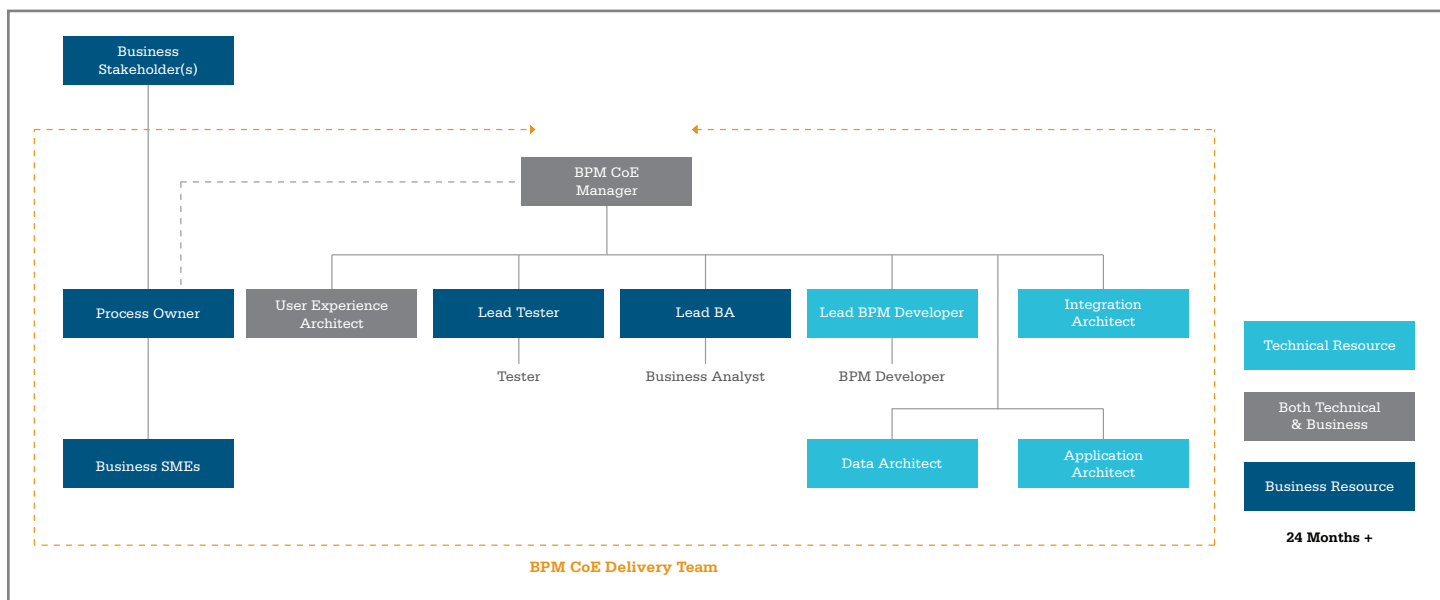
² Gartner, Inc., “Hype Cycle for Business Process Management,” July 2011.

Post-Program Activities

At the completion of the program, the BPM CoE assumes the responsibilities of conducting new

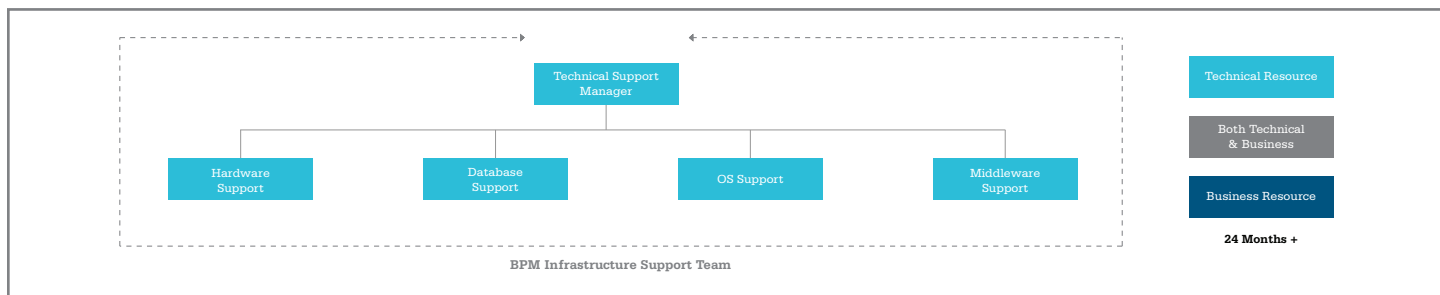
development and supporting the overall solution. The organizational structure in the BAU phase resembles the diagram below.

Figure 8: BAU Phase



The responsibilities of managing the infrastructure are transferred to the technical support manager. The structure of technical support team is depicted below.

Figure 9: Technical Support Team



Technical Support Manager

The technical support manager is responsible for maintaining system health once a BPMS is out of warranty period. In its capacity, technical support manager is responsible for:

- » Ensuring the health, availability, and maintenance of:
 - » Hardware
 - » Operating system
 - » Middleware
 - » Database
- » Providing necessary system and resources required for a product upgrade (upgrading to a newer version)

Conclusion

The goal of a BPM implementation is to promote enterprise agility and cooperation among multiple lines of business and IT. BPM initiatives tend to cross boundaries across multiple lines of business and involve a close interaction between both business and IT to succeed. Therefore, forming a BPM program office using already-existing functional boundaries will inhibit success.

A well-structured program office, like the one presented in this paper, helps enterprise leadership lay down the plans for the program execution across these functional boundaries. It also helps them establish road maps, key milestones, delivery schedules, induction streams, stake holders, reporting structures, governance, and communication plans as well as the overall architectural direction for the length of the program. Through these clearly established structures and policies, a BPM implementation effort stays on course by delivering on the promises of enterprise agility and greater ROI.

About the Author

Mr. Muhammad Khurram Bashir Bhatti is a manager at Keane's BPM practice and leads Keane's Global BPM CoE. Mr. Bhatti has been part of BPM implementations across the globe and has worked in financial services, healthcare, insurance, asset management, and hospitality industries. He is particularly interested in the subject of enterprise agility through legacy modernization, SOA, and BPM.