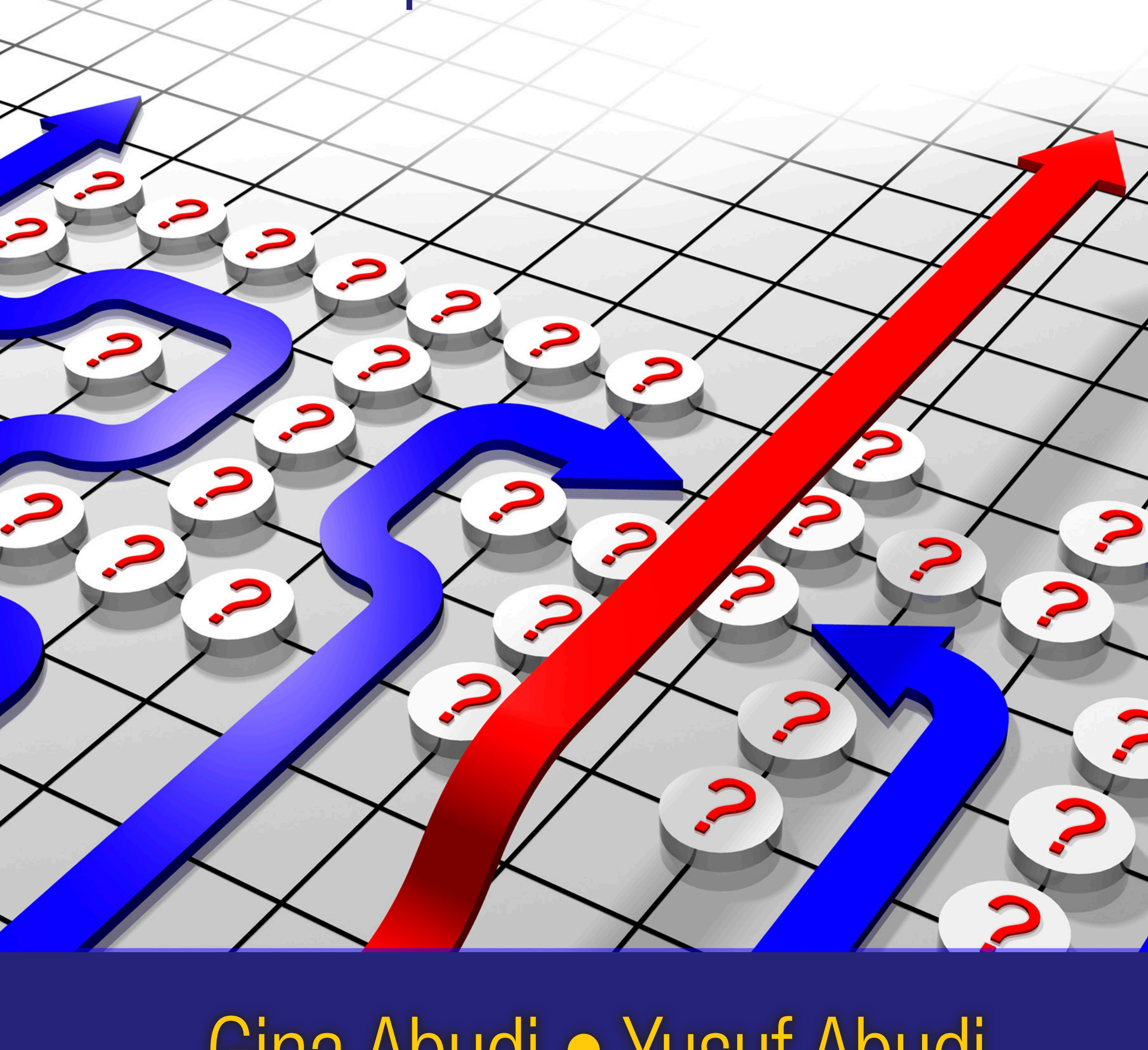
Best Practices For Managing BPI Projects

Six Steps To Success



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1

INTRODUCTION TO MANAGING BUSINESS PROCESS IMPROVEMENT PROJECTS

We often hear from clients that they are challenged with effectively managing business process improvement (BPI) initiatives. It isn't even the size of the initiative that troubles and worries project managers, but simply the fact that a BPI project will likely be quite visible and a bit contentious within the organization is worrisome for project managers, and will likely entail many challenges. As one client, a senior project manager in his organization with 30 years of experience told us, "I cringe each time I am assigned a BPI project! I just know I am going to have a difficult time dealing with the stakeholders and keeping the team engaged." And yet another client noted that, "The most difficult project I have ever managed was a business process improvement project—and I only had to work across two divisions in the organization! I felt as if all my experience in managing projects just didn't prepare me well enough to manage a business process improvement project."

The goal of this book is to prepare project managers, at all skill levels, to manage BPI projects more effectively and efficiently and with less frustration and stress. This book is not intended to be about the details of process notation and diagramming processes or other technical aspects of business process management; rather, it is intended to help project managers who are already managing projects to learn best practices for managing BPI projects. BPI project teams will always include experts in process notations and the fine details of diagramming processes. This book is to support project managers who need some best practices and want to generally improve in how to effectively manage and oversee BPI projects.

Follow the best practice steps provided throughout this book—from socializing the BPI initiative prior to getting started, through evaluating and measuring the success of the BPI project after implementation—in order to increase the success of BPI projects overall. This book will also provide information on the value and benefit from focusing on the people-side of change management, and engaging and motivating diverse project teams. A project manager's ability to manage the people-side of projects—whether that entails helping stakeholders embrace change, or getting a virtual or remote project team engaged and motivated to contribute to the project goals—is absolutely essential to the success of a BPI project. Most good project managers know how to technically manage their projects. Frankly, that is the easier part of the project manager's role. Likely the challenge project managers face in leading successful BPI projects is in influencing those around them to help achieve that success. Given that, this book will focus on the processes and procedures and important leadership skills needed in order to increase the chances of BPI project success. This book is chock full of best practices necessary to enable project managers to increase their comfort level and confidence in managing such challenging projects.

Let's define two terms that will be utilized throughout this book:

> *Project:* A project has a defined start date and a defined end date. It is undertaken to accomplish something—whether to create a new product or service or improve a process within the organization. A project may also be launched in order to hold an annual customer appreciation event.
>
> *Process:* A process is an ongoing operation or work effort with no end period. Processes have the following characteristics:
>
> - A starting point of the process and an end point
> - Defined users of the process
> - Business rules that govern the process
> - A link to other processes within the business

Let's look at an example of how a process becomes a project.

> An ongoing process for the Human Resource (HR) department is the processing of external training invoices prior to sending them to Accounts Payable. Human Resource's simplified process in place to validate invoices might include:

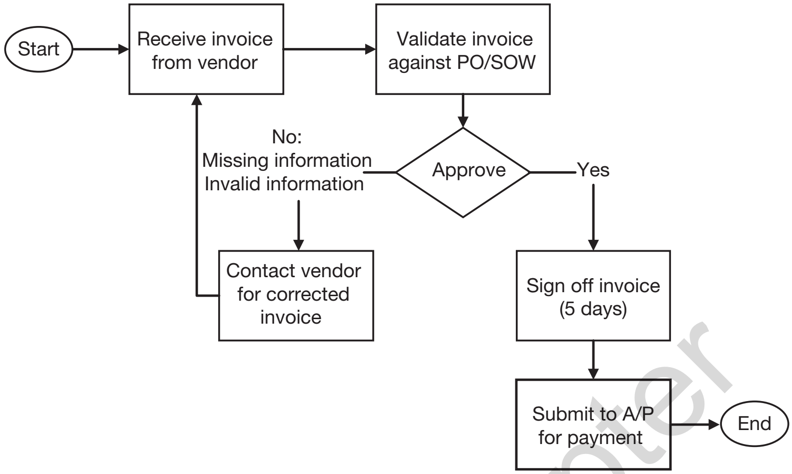

Figure 1.1 Invoice against purchase order validation process

As can be seen in Figure 1.1, when an invoice is received from a vendor, HR's task is to validate that invoice against the Purchase Order or Statement of Work. This validation includes confirming the invoice amount and other relevant information, such as dates of service and items purchased. If all checks out accurately, the invoice is approved and HR signs off on it and submits it to Accounts Payable for processing. This ends the process.

However, if the invoice is inaccurate, the process does not end. HR contacts the vendor for a corrected invoice. A corrected invoice is sent to HR by the vendor, HR validates the invoice and, if now accurate, signs off on it and sends it to Accounts Payable for processing. This is a process as defined earlier.

Now, let's assume that Human Resources wants to change how they process invoices for payment. They would start a BPI project to analyze the current process to improve upon/redefine and implement a new process. The project objective would be to implement a new procedure for processing and validating invoices from contractor trainers for payment. In this example, the goal is to reduce the time to submit to Accounts Payable from five days to three days of receipt from vendor.

Once Human Resources accomplishes this project, the project terminates and an ongoing work effort—a new procedure for processing invoices from vendors—takes over.

Many project managers often assume that if a high-level project sponsor initiates a BPI project, it will be successful. If only that held true 100% of the time!

While certainly executive or senior leadership support is essential for any BPI project; this support alone does not suffice. BPI projects can get total support at the executive level; but if the employees (non-leader stakeholders) do not support the effort, it is destined to fail. After all, it is these employees who are most likely impacted by the BPI project and must work with whatever is implemented. Their support is essential. The organization alone cannot initiate, nor successfully conclude, a BPI project; it must rely on the people within the organization in order to accomplish effective and successful BPI projects.

A national manufacturing client launched a second attempt of a BPI project without considering the following two major mistakes made during the first attempt:

- *Lack of engaging those on the manufacturing floor (the stakeholders closest to the process) in the redesign of the process, which caused the process to be redesigned in a way that did not work for those doing the work and, in fact, took longer to complete tasks than under the previous process*
- *Launching the initiative during the "busy season," thereby causing those on the manufacturing floor to miss deadlines*

Additionally, the project manager assigned to the BPI project focused on those stakeholders who were in his location only and did not bother to reach out to stakeholders at the company's other manufacturing sites. Because he did not do so, he neglected to learn that what works at one site does not necessarily work at another.

Attempt two of the project also failed. Attempt three is being planned currently. What a scary endeavor! A new project manager has been assigned and as her first task, before the project is officially launched, she will be reaching out to all stakeholders at all sites to begin to build relationships and smooth the path to a successful BPI project. She knows that unless something different is done, the third attempt cannot possibly be a success. The first step in relationship building will be acknowledging the errors of the past and explaining what will be done differently this time.

THE VALUE OF EVALUATING BUSINESS PROCESSES

Business process management is a focus on improving the performance of the organization by improving how the work is done within the organization. Effectively, it is looking at processes and procedures for accomplishing the day-to-day work of the organization, which enables the organization to meet its goals.

This might include how sales are made to customers, how products are manufactured or sourced, and how clients are invoiced for services provided. Individuals who focus on business process management regularly evaluate how the work is getting accomplished and look for better ways to get the work done—in less time, with fewer resources, more efficiently, and more effectively. They look for ways to enhance processes to improve customer service and satisfaction, increase revenues, improve profitability, and reduce costs.

Too often organizations launch an evaluation of their business processes *after* something has gone wrong in the business. For example, the organization may have lost key customers or are finding that their products and services no longer meet customer needs and they are losing market share. Or maybe no changes have been made as to how products are manufactured, thereby making product lines unprofitable. Not often enough is the culture of continuous evaluation of business processes considered something that must be done. When companies plan for regular evaluation of business processes, it enables stakeholders to more effectively engage and adapt when the organization does launch a formal, complex BPI project. It enables the adoption of a culture of continuous change within the organization. BPI projects are change initiatives that require *not* just the employees to change how they work, but also require the business to change how things get done in support of their clients and how the organization needs to support their employees' efforts. This may entail changes to technology or other systems that are required for running the organization. When BPI projects cross a number of divisions or functions within the organization—especially within merged organizations or organizations with global offices—it likely will necessitate culture change. Culture change is not an easy task, and certainly not one that should be undertaken without considerable planning. For wide-scale BPI projects to be effective over the long term (and have *sticking* power), organizations must consider the organizational culture, and review how that culture might change or adapt to support the BPI project.

Culture change is a necessity, at some point, for every organization. As organizations change—they grow or contract; launch new products or services, or retire others; change leadership or representatives on Boards of Directors; or face new competition in the market—they are forced to change how they work, think, and meet the needs of clients. This can be dramatic for many stakeholders. Managing change on BPI projects does *not* simply mean managing changes that occur on the BPI project, but also entails managing stakeholder expectations around change itself.

Chapter 10 will focus on best practices for developing a culture of continuous improvement through evaluating business processes on a regular basis.

THE IMPACT OF EMPLOYEES' PAST EXPERIENCES WITH BPI PROJECTS

What is important to realize when a BPI project is launched is that the project is not evaluated or considered on its own. It is unlikely the project management is starting with a clean slate. Every stakeholder involved, or impacted by, the BPI project is thinking about past initiatives in which they have been involved—and I guarantee that they were not all successful projects. For those stakeholders and team members involved in unsuccessful BPI initiatives, the project manager will have to manage perceptions of BPI projects that are negative at their worst, and indifferent at their best.

Past experiences on BPI projects impact how we perceive future BPI projects. If we have not had a good experience on a past BPI project, we are not expecting a good experience on the next BPI project. We immediately focus on all the things that could go wrong and how they will impact us personally.

The project manager must understand and manage these perceptions in order to ensure the BPI project is a success.

Within the Organization

Considering past BPI projects that have been launched and implemented *within* the organization should be a first step when undertaking a BPI project. If the organization captures and analyzes lessons learned from past projects, use this information to better prepare for the current BPI project. Consider also talking with stakeholders who have been involved in past BPI projects in order to understand what they believed was successful about the initiative and whether they believe improvements exist for the next BPI project. Undoubtedly they will have information to share. The data gathered should aid in increasing the chances of success of the current initiative, because the project manager becomes aware of how he must move forward with the initiative based on the last BPI project to avoid the same problems and disappointments. Additionally, the project manager will begin to sort out the project champions from those who resist the project, which will lead the way to more effective and accurate development of project communication plans. This knowledge will be essential to the project planning efforts. Review past BPI projects for the following:

- Success in achieving the goals and objectives of the project
- Success in engaging stakeholders throughout the initiative
- Effectiveness and consistency in communications throughout the engagement
- Channels used for communicating with stakeholders
- Follow up after the completion/implementation of the BPI project

Follow up with those stakeholders who have been the most vocal about BPI projects within the organization—whether positive or negative. These stakeholders will be easy to find—especially the negative ones. Those who have had positive experiences will be champions to help promote and push forward the new BPI project. Those who have had negative experiences will need more attention in order for the project manager to understand the root cause of their negativity and to get them acclimated to, and accepting of, the BPI project.

The project manager will learn a significant amount as an end result of reviewing past BPI projects within the organization—both those projects that were successful and those that failed or were ended prior to completion. And as a bonus, the project manager will begin to build relationships and trust with stakeholders. No BPI project should be initiated without understanding how effective past BPI projects have been. Through the research of past BPI projects, the project manager will learn much that will help better promote and get support for the current BPI project.

In Other Organizations

It's more difficult to understand stakeholder's experiences in BPI projects external to the organization. However, these external experiences *will* impact the stakeholders' expectations of BPI projects and determine whether they are champions or resisters to the BPI effort.

If the project manager (or project team members) notice stakeholders who seem distant, or who are vocal about their disapproval of the project, efforts should be made to probe a bit deeper to understand if there are past *external* BPI projects that are impacting their support of the current initiative. Sometimes the direct approach is best. Until it is understood *why* (the root cause) a stakeholder is against the initiative, the project manager cannot begin to convert those stakeholders to champions who support the effort.

I was working with a Chief Technology Officer (CTO) of a consulting firm to help him develop his plan to evaluate processes around making decisions on technology to be used within the firm, including how technology is selected and implemented. He was trying to get the support of the Chief Finance Officer (CFO), as funding was needed for the BPI project he wanted to launch. The CFO was adamantly opposed to the initiative and, rather, felt that the CTO should be focusing on reducing the amount of technology within the organization. Certainly, part of the initiative was to ensure that better decisions would be made on technology in use and the CTO felt this *was adequately explained to the CFO, and also in an executive leadership meeting. He didn't understand where the CFO's concern was coming from. In a private conversation over coffee, the CTO learned that the CFO had gone through a similar BPI project in a past company where the outcome was that more technology was needed, not less. Given the company's current financial situation, the CFO wanted to be sure any investment would focus on efficiencies in the use of technology and reducing technology costs overall. The outcome of their meeting over coffee was that the CTO would ensure that the focus was on increased efficiencies and reduction in technology costs, with an eye toward reducing technology tools/systems. Simply meeting with the CFO enabled the CFO to explain his concerns privately and allowed the CTO to address those concerns and ensure that the CFO would be a champion of the project rather than a resister.*

WHAT ELSE IS GOING ON IN THE ORGANIZATION?

In addition to experiences on past BPI projects within and external to the organization, other projects being undertaken within the organization will impact whether or not stakeholders support the BPI initiative. When project managers are tasked with launching BPI initiatives, a best practice is to understand what other projects are being undertaken at around the same time as the planned BPI initiative, to determine if those initiatives may impact the BPI project. The proposed impact on the BPI project could be in any number of ways, including not getting sufficient responses to surveys or interviews, not getting support for documenting current processes or designing new processes, being unable to secure sufficient budget monies, and disengaged stakeholders or project team members in the initiative.

A pharmaceutical client was undertaking a process improvement initiative to change how they engaged with partners on drug research projects. The project manager assigned to the initiative launched the project with no knowledge of other initiatives being undertaken by the organization. The information was never provided to her by the project sponsor, and she didn't even think to ask the question. She soon learned that due to other projects in progress, which included merging two departments and the launch of a new product, many of the team members were finding it difficult to engage in this initiative and a number of stakeholders felt overwhelmed by everything going on. Timing *was just not good. While this initiative was important to the organization, it was not as strategically important as some of the other initiatives. In order to ensure success of the BPI initiative, the project manager was able to convince the sponsor to hold off on launch until the other projects wrapped up. She spent the time until launch talking with stakeholders about the upcoming initiative so that when it was launched, she had a head start in engaging stakeholders.*

The most effective project managers are well aware of other initiatives that are either in progress or about to be launched within the organization. This impact of other projects (BPI or not) on a BPI project is not simply the ability of team members to commit to working on the initiative or in engaging stakeholders, but may also impact the project plan and the desired end result of the BPI project. In the story above, the merger of two departments would impact the BPI project that was planned since many of the same stakeholders were part of the departments being merged. It certainly did not make sense to move forward with the BPI project until the departments were merged. Any processes to be fine-tuned or changed under the proposed BPI project would certainly have had to be evaluated yet again once the two departments had merged if the project had moved forward.

BENEFITS AND CHALLENGES IN EVALUATING BUSINESS PROCESSES

Throughout this book we'll go into the benefits of launching BPI projects and the challenges associated with doing so, in more depth. The step-by-step approach and best practices discussed in the following chapters will enable project managers tasked with BPI projects to increase the likelihood of success of their initiatives.

First though, let's agree on the term *business processes*. Business processes are those activities or tasks which enable an organization to produce and deliver a product or service for their customer. Business processes enable invoices to be paid, employees to be hired, development of a new service, or delivery of a product to the customer. Business processes allow customer needs to be fulfilled and the goals of the organization to be accomplished.

There are three specific types of business processes as shown in Table 1.1.

Table 1.1 Types of business processes

Process Type	Examples
Management processes	Processes that enable the governing of the organization. These include strategic management of the organization given its industry and marketplace positioning and systems and processes to control and operate the organization, such as Boards of Directors, stakeholder engagement, and ensuring regulatory compliance.
Operational processes	Processes that enable development, selling and delivery of products and services—the core business of the organization. These include processes around how the product is manufactured, how the product is marketed to potential customers, and how sales are made to those customers.
Supporting processes	Processes that support the core business of the organization. This includes how technical support is provided to customers, how employees are hired and onboarded into the organization, and how customers are invoiced for purchases made.

For the purposes of this book, the focus will be on operational and supporting processes, as these are usually the types of BPI projects to which project managers are assigned to lead.

Let's look at Figure 1.2, a sample business process. This figure depicts a process for training seminar registration. It depicts the process from the point in which the individual visits the website looking for seminars to attend, through registering for the seminar and exiting the website. This process depicts validation of user registration and a path for taking corrective action.

Figure 1.3 depicts sample general inputs and outputs of a business process. It also depicts influencers on the business process, such as enablers, as well as rules and guidelines.

What is shown in Figure 1.3 are:

- The inputs, or forms, documents, and approvals, that go into the process (inputs can also be raw materials in some instances—for example, when the process involves manufacturing)
- The policies and procedures that guide how the process is enforced
- The roles, responsibilities, or technology that enables stakeholders to complete the process
- The outputs from the process, such as reports, products, services, and other deliverables

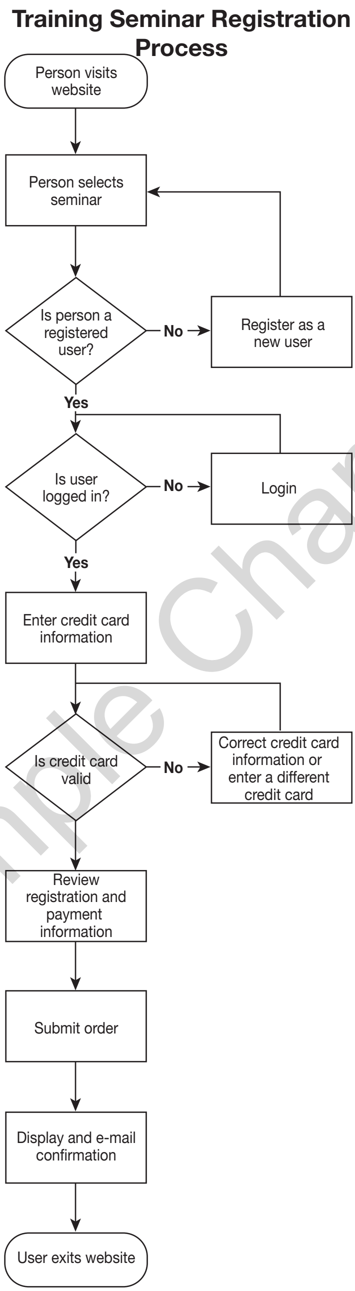

Figure 1.2 Training seminar registration process

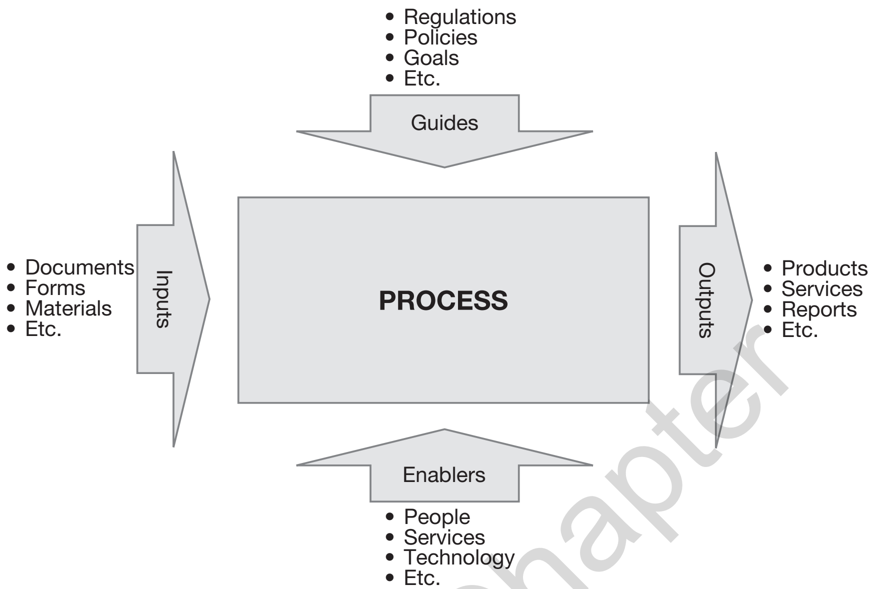

Figure 1.3 Sample general inputs and outputs of a process

The steps of managing a BPI project—from analysis of the current process, to design of initial options or paths that may be taken to improve upon that process, to development of the *to-be* process—will be discussed throughout the remaining chapters of this book.

When an organization takes the time to evaluate their business processes, involving employees from throughout the organization, they move toward realizing the following benefits shown in Table 1.2.

Often, when project managers think of business process projects, the first thing that comes to mind is improving efficiencies within the organization. And yes, BPI projects drive efficiency. However, even more importantly, BPI projects can, and should, drive revenue within the organization. Because the focus on BPI projects is mainly on reducing costs and doing the work in a more efficient and effective manner, we forget that BPI projects can help organizations drive revenue. When project managers can clearly state and show how driving revenue is an end goal of a BPI project, they are more likely to gain commitment for that project. This is especially true when trying to garner commitment at leadership levels. BPI projects that gather support from the lower levels of the organizations first can successfully add leadership levels to that support when those involved in pushing the BPI initiative forward can show how it will drive

Table 1.2 Organizational and individual benefits of evaluating business processes

Organizational Benefits	Individual (Employee) Benefits
• Increased efficiencies overall • Improved customer satisfaction • Increased revenue and profitability • Reduced costs • Improved competition/competitive advantage • Increased market share/market positioning • Faster time-to-market for new products and services • Alignment of roles and responsibilities to meet strategic goals	• Increased employee engagement in the business • Improved skills and knowledge, business acumen • Improved problem solving and decision making • Increased efficiencies in getting work completed • Improved retention of top talent through improved utilization of resources and through enabling for increased opportunities

increased revenue. Remember—nothing engages senior leadership more than a positive impact to the bottom line.

Of course the benefits realized just from evaluating business processes are not sufficient to push an organization forward. Challenges can be numerous, and when an organization is uncertain or not confident about how it might overcome challenges, business processes are left *as is*. Challenges, or fear of potential challenges, must be addressed. Over the long term, fear of launching BPI projects impacts the business when it comes to effectively competing and meeting the needs of customers. There is also an impact on individuals within the organization. Top talent does not stay long in a company that doesn't change and adapt.

ALIGNMENT TO STRATEGIC GOALS

Any BPI project launched within the organization *must* align to strategic goals. Frankly, this holds true for *every* project launched within an organization. The most successful BPI projects launched can be linked back to a long-term strategic goal within the organization. There is often an assumption that BPI projects must be large, transformative business efforts if they are going to be linked to a strategic goal within the organization. This is not necessarily the case. In fact, Gartner notes that, "By 2015, 70% of business process improvement efforts will deliver only incremental improvements rather than transformative business outcomes." Incremental improvements are essential to long-term business success and can more easily garner support from throughout the organization because the BPI effort is being chunked into more easily managed and accepted components. Additionally, if an organization focuses on incremental improvements, they are likely undertaking a review of business processes more frequently overall.

Table 1.3 Examples of launching BPI projects to meet strategic goals

BPI Project Launched	Link to Long-term Strategic Goal(s)
Evaluation of manufacturing processes for a national manufacturer	• Realize efficiencies from new manufacturing equipment installed within facility • Quicker time-to-market of new products to more effectively compete with increased competition • Increased revenue due to shorter time-to-market of new products
Evaluation of processes for how projects are managed within a software development company	• Improve time-to-market of gaming software to improve profitability after two new competitors entered the marketplace • Increased revenue due to shorter time-to-market of software
Refinement/development of processes when two business units merged due to acquisition of a marketing company by a Public Relations firm	• Improved operations and increased efficiencies due to merger in order to support an increased client base • Reduction in headcount where redundancies exist • Reduction in costs due to reduced headcount
Evaluation of HR processes and procedures in onboarding new employees, development of new onboarding programs	• Reduction in turnover rate of new hires; retention of top talent • Increase productivity of new hires (decrease time to be effective in new role)
Review of A/R procedures by Finance	• Reduce time in collecting on client invoices • Improve cash flow

Table 1.4 Example BPI project launched and link to strategic goal and measurement

BPI Project Launched	Link to Long-term Strategic Goal(s)	Measurement Goal
Evaluation of HR processes and procedures in onboarding new employees, development of new onboarding programs	• Reduction in turnover rate of new hires; retention of top talent • Increase productivity of new hires	• Reduce turnover rate from 30% annually of new hires with 1–2 years of service to 10% within the first year. • Increase productivity from 45 to 30 days to become effective and efficient in role.

Table 1.3 provides a few examples from a variety of industries of BPI projects launched, and why they were launched within the organization (specifically their link to long-term strategic goals).

Each of these examples in Table 1.3 is linked to one or more strategic goals within the organization. In Table 1.4, let's look at one of these examples further.

In Table 1.4, it can be assumed that increased productivity for new hires will ultimately increase revenue and profitability, as new hires will be able to contribute to the organization much sooner. Over time, the organization will be able to evaluate the success, or return on investment, of this effort. When there is a metric to measure against, project sponsors and project managers are better able to ensure the BPI projects they launch involve the right people, are planned to ensure meeting the goal set, and have a return on investment component to the project to enable measurement of success.

COMPARING AND CONTRASTING BPI AND OTHER PROJECTS

The following are common for BPI projects, and not necessarily the case for other projects launched within the organization:

- BPI projects always involve some level of change
- BPI projects require extensive participation from within the organization
- Strong project management leadership, specifically in the areas of change management, facilitation, and the ability to develop strong relationships is essential to BPI project success

BPI projects are the most challenging for project managers, and are often the projects that cause the most anxiety and frustration for them. While every project can certainly present challenges to the project manager charged with leading it; BPI projects, because they tend to have a trickle effect throughout the organization, can present the most challenges. These are the projects that are often in the spotlight and for which there is frequently little support initially from throughout the organization.

While every project the project manager leads should be socialized at the onset, much more time must be spent socializing BPI projects. This is because these types of projects involve change, and change is difficult for individuals to adapt to and accept. Socializing, or getting buy-in and support for the BPI project, is not an easy task and, for many organizations, socializing an initiative is akin to doing nothing. Many executives do not believe the project has started until they see people actually producing something. This book will explore, in detail, how to effectively socialize a BPI project. The ability to socialize a BPI project in a variety of ways that works for the individual stakeholders is an essential skill for any project manager leading BPI efforts.

An Introduction to Steering Committees

Steering committees are an advisory group to the BPI project manager and are an important component in getting commitment for BPI projects. Steering committees provide guidance when it comes to securing resources and budget monies; assist with decision making and resolving conflicts between business units; and ensure alignment of the project to company procedures, policies, and long-term organizational goals. A variety of personnel from throughout the organization should serve on steering committees, including:

- The project sponsor
- Executives within the organization
- Senior line of business managers from business units impacted by the BPI project
- Technology support personnel

Consider the steering committee as an extension of the project sponsor for the BPI project. Best practices for forming and utilizing steering committees will be discussed in Chapter 2.

BPI projects have specific steps, or components, that must be completed as part of the project in order to increase the success of the project and to ensure it *sticks* when it is launched. Throughout this book we'll review, in detail, each of these six steps shown in Figure 1.4.

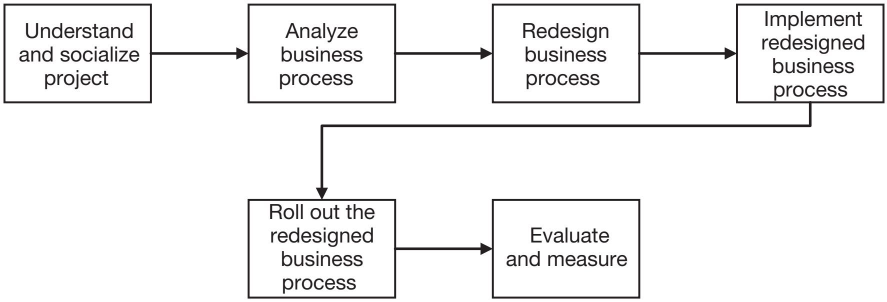

Figure 1.4 Six-step process to managing BPI projects

Understanding Perceptions of Change

Chapter 11 will go into detail on the people-side of change management. Briefly, it is essential to understand that BPI projects involve change for individuals within the organization. While it may appear to be a minor change—such as simply electronically filling out one form instead of another—it may *not* be considered a minor change for the individual involved. People's perceptions of change are impacted by what is going on in the workplace *and* what is going on in their personal lives.

A human resources director was leading an initiative to change the processes and procedures around biannual performance reviews. She reached out to three business unit managers who, for the last year, have been asking for changes to be made to how biannual performance reviews are completed within the organization. Two of the managers were thrilled the project was being launched. The third, however, who was key to the initiative since he had the most staff within the organization, told the human resources director that he did not support the project and would let the executives know that he did not. The human resources director was shocked! This was a key stakeholder who had been, frankly, nagging her for a while about making changes to the performance review process. Further discussions revealed that there was much going on personally for the manager and he just wasn't prepared to have one more change thrust at him. The HR director needed to work closely with this stakeholder to get him on board with the BPI project.

The project manager will not always hear of personal matters that will impact employees' perceptions of change, but it is important to keep in mind that anything happening outside of the workplace will impact how, if, and when change is accepted.

I was working with a project manager of a mid-sized service organization who was responsible for leading an initiative that entailed changing how individuals within the data entry department were inputting customer information. There were eight people in the department and they had, together, 10+ years of experience performing the job. As the current process was defined, it took 12 minutes per customer to input data into the system. The BPI project was to reduce that time from 12 minutes per customer to 8 minutes per customer. This would enable the data entry group to *increase their productivity. No one would lose their job with this increased efficiency; rather, they were going to be assigned additional responsibilities. My responsibility was to help the project manager get the BPI initiative off the ground successfully. From the leadership perspective, this was a "no brainer" as the job was improving for the people involved because the time to complete the task was being reduced. How could anyone be unhappy about that? From the perspective of the eight people (the stakeholders) this was a scary endeavor! Would some of them lose their jobs? Would they be able to learn the new process? Would they get training? What happens if they make a mistake? A meeting with the eight stakeholders appeared to calm them down. They were told that they would be involved in the redesign of the process to reduce the time involved and that training would be provided. And, more importantly, no employees would lose their jobs. Jump to mid-project. All seemed to be going well, until suddenly, one of the eight stakeholders seemed disengaged and, even worse, appeared to be trying to convert other stakeholders to her point of view that this project was going to fail and they would likely lose their jobs. Because the project manager had spent time with the stakeholders and developed a strong relationship with each of them, he saw this change early. A one-on-one conversation helped the project manager to understand that, due to current personal difficulties, the stakeholder was feeling insecure about this initiative. A few conversations with the stakeholder enabled her to become the champion for the initiative, as she was initially.*

Additionally, as noted earlier, keep in mind that more complex BPI projects will require culture change. For example, if two organizations are merging and there is a need to evaluate and make changes to processes in place in the two organizations to reduce redundancies, the project will require one or both organizations to change the very fabric (culture) of the organization. Given that culture change needs time to take hold, consider how the BPI project might help in beginning to change the culture. When initially thinking about the BPI project about to be launched, consider the following questions about those stakeholders who will have to be engaged in the initiative:

- Who are the key people in the organization outside of a formal leadership role?

In many organizations there are individuals with informal power. These are the individuals others call upon when there is a problem to be solved, a task that requires specific expertise, or input is desired in order for a decision to be made.

These key individuals with informal power have the ability to influence those around them. Ideally, these individuals will be champions of the BPI project, as they will be able to influence others around them to support the project. A survey conducted with 907 human resource, organizational development, and workplace learning professionals and leaders in the United States by People NRG, Inc. in 2011, showed that over 80% of employees accept change when that change is supported by influential non-leaders (key individuals *outside* of a formal leadership role) within the organization. Imagine the benefits to BPI projects if the project manager can convince those influential non-leaders within the organization to support the project efforts?

- What business rules (policies and decision procedures) exist within the organization and (possibly even more important for ensuring buy-in and understanding) what *unspoken* rules exist within the organization?

Those same individuals with informal power within the organization may be able to assist the project manager to understand the unspoken rules that exist. Let's look at this further. Let's assume that there are policies and decision procedures in place for when a customer is given a discount. However, exceptions are sometimes made for a variety of valid reasons. These are not necessarily documented rules and are not part of the formal process, but need to be discovered and considered when analyzing a current process.

- How does the organization communicate: Within departments; department to department; to external clients; from the leadership team down; and from the individual contributors up to leadership?

While there are likely formal communication channels in place, it is also highly likely that there are informal communication channels in place that are absolutely essential to getting stakeholders engaged in BPI projects. These informal channels are often more influential and prolific within the organization than the formal channels. In addition to the formal communication channels, utilize these *informal* channels.

These three questions to be considered provide the project manager with a better understanding of the true culture of the organization. Along with a number of other components, organizational culture is comprised of both formal and informal processes and procedures that allow work to get done, communications to be delivered, problems to be solved, and decisions to be made. An understanding of these components of organizational culture enable the project manager to better engage stakeholders in the initiative and ensure the BPI project truly does meet the needs of the stakeholders. When documenting current processes, the project manager must ensure that both formal and informal processes and procedures are captured for an accurate and true picture of the process being evaluated within the organization. On a side note, understanding the informal processes often helps the project manager to understand how new processes must be developed to ensure support and buy-in from stakeholders.

Challenges in Managing BPI Projects

The majority of challenges around evaluating business processes are in the communication and leadership of such efforts. Communication includes socializing the BPI project *prior* to the actual launch of the initiative. Given how essential communications, from the beginning and throughout the BPI project, is to the success of the initiative, there will be significant focus throughout the chapters of this book on effective communications. Ineffective communication only serves to delay or reduce buy-in for the BPI project, which ultimately leads to BPI project failure.

A healthcare insurance organization was evaluating business processes across the organization with an eye toward improvement in how new products and services are developed, marketed, and sold to customers. This BPI initiative was being launched because the organization had gotten to the point where many of their new products and services were launched late and, when launched, did not have the financial impact expected. There was limited communication at the very beginning about the BPI project. In talking with a number of employees throughout the organization, it was believed that this BPI project was being launched to reduce headcount. In reality, this was not the case. The primary goal of the initiative was to improve the process for developing, marketing, and selling new products within the organization so that the organization could more effectively work with the current employees to support customer needs. This simple lapse in communication caused a slowdown in work for three days because employees' conversations focused on who would lose their job and when!

Challenges also appear when an organization does not educate employees in business process evaluation and the reason (benefits) behind such initiatives. It cannot be expected that employees will be engaged and motivated to contribute to seek efficiencies in business processes when they:

- Do not know why the initiative is being undertaken
- Are unsure of the impact of any BPI initiatives on their own role and responsibilities

- Are not trained in how to effectively participate in such initiatives
- Are not given the time needed to effectively participate in such initiatives
- Do not believe the suggestions and recommendations they make will be considered

When processes are evaluated as part of an annual strategic planning process with employee involvement, it becomes part of the cultural norm and, therefore, reduces the challenges involved in such initiatives. In Chapter 10, we will discuss further how to develop a culture of continuous improvement so that such initiatives become the norm within the organization.

Lack of executive sponsorship is another challenge often faced by those leading BPI initiatives. We may see the desire for a BPI project to be launched from the ground level without sufficient support from the top of the organization. These projects often come about due to the need for those doing the work of the business to find a more efficient way to meet goals and get things accomplished. Often, this is seen in organizations that have reduced headcount where those employees who remain after layoffs are taking on additional responsibilities to keep the business going. It may not garner executive level support due to any number of reasons, with the most common being that the executive team just does not see the need for change, as they do not see a problem. If those who remain after layoffs continue to get the work done, often with heroic efforts, all appears fine at the leadership level. However, without a clear mandate and support from the top for BPI initiatives of any complexity, a number of problems may occur, including the inability to engage key leader stakeholders in the initiative and lack of necessary funding for the project. To engage executives in the need to launch a BPI project, the focus must be on the bottom line. What is the business impact to the organization if the BPI project is launched? For example, will the BPI project when complete:

- Reduce the time to manufacture new products from 18 weeks to 12 weeks?
- Enable an increase in revenue by 10% within one year?
- Increase the client base from 10 key clients to 15 within 6 months?
- Enable reduction in expenses by 25% within two years?

If the business case is made as to why a BPI project should be launched when it doesn't initiate from the top down, the chances of executive support increase significantly. This often requires spending time early on to sell (socialize) the initiative with executives. Consider this time well spent in educating the leadership team in the value of launching the BPI project, focusing on their *hot spots*. These hot spots may be increased revenue, reduced expenses, increased profitability, growth potential, or any other key business drivers that impact the organization at a monetary level.

What's In It for Me?

For the organization, focusing on the bottom line is not *all* that is required to achieve successful BPI projects. In order to effectively engage individual contributors and other nonmanagement employees in BPI projects, shift the focus from the bottom line to benefits for the individuals—or, *what's in it for me*. While everyone in the organization can understand those efforts that are good for the organization's health, at the individual level there is also concern about what is good for the individual—align the BPI project to the benefits for the individual. Table 1.5 provides some examples of individual benefits of BPI projects.

Additionally, when the project manager of a BPI project knows that individuals within a particular department have specific goals to be met and/or are faced with challenges in performing their roles, the project manager might attempt to align the BPI project toward helping to reach those goals or solve those challenges. Nothing increases buy-in and support for an initiative more than when the project manager can help individual contributors see how the BPI project outcome will specifically help them in their individual roles. We'll discuss more about this in Chapter 2 when we discuss building relationships throughout the organization—a key skill for project managers leading BPI projects.

Table 1.5 Examples of individual benefits of BPI projects

Potential Individual Benefits Realized from BPI Projects	
Ability or potential to…	
Learn new skills and increase knowledge; increase business acumen	Participate in reshaping the organization
Have input into designing processes and procedures for workflow; have input into how to complete tasks more effectively and efficiently	Have increased visibility within the organization by participating on the BPI project team
Create additional opportunities that may enable for professional and personal growth	Participate in organization-wide efforts that impact long-term strategy

This book has free material available for download from the Web Added Value™ resource center at *www.jrosspub.com*