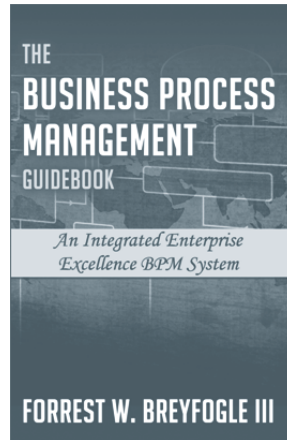


Book Review

By Robert Spencer

The Business Process Management Guidebook: An Integrated Enterprise Excellence BPM System.
Forrest Breyfogle III
Austin, TX: Citius Publishing, 2013

Business Process Management (BPM) is a methodology for identification, documentation, alignment, and management of strategically critical processes throughout the organization. With BPM there is an orchestration of performance and quality metrics that promotes doing the right activity at the right time to create and drive value for customers.



This guidebook presents the details on how to conduct Business Process Management from a strategic Enterprise Process Management (EPM) perspective. A “How to Do It” directional strategy is clearly communicated in what Breyfogle calls Integrated Enterprise Excellence (IEE, or “I double E”). IEE is an understandable roadmap to design, establish, and conduct BPM. Breyfogle refers to this strategy as IEE BPM/EPM. In effect, IEE is the methodology to integrate BPM with EPM. IEE provides the framework to develop metrics and enterprise-wide performance measurement scorecards that drive business improvements, innovative efforts, and increased profits.

Breyfogle introduces this guidebook with the statement, “Organizations need to establish an orchestrated business process management system that continually moves them toward achieving the 3Rs of business, i.e., everyone doing the Right things, and doing them Right, at the Right time.” A BPM system must help executives create a long-lasting organizational culture that is independent of people, personalities, and business circumstances. Wise use of the IEE roadmap, with a focus on enterprise-level metrics, offers organizations a standardized structure to improve productivity, increase flexibility, and promote better decision-making to benefit the whole enterprise.

Lean and Six Sigma practitioners will find this guide full of useful examples and explanations for applying traditional process-focused efforts to the enterprise level. Five key BPM goals are presented to help in this transition:

1. A system for managing the business using effective scorecards and action plans to keep business processes in alignment with strategic organizational needs identified in the IEE value chain (this value chain is a description of what an organization does and how it measures its performance).

2. An enterprise analysis process to identify performance gaps and focus areas that lead to whole-system success. Needs should flow out of the organization’s vision and mission; often, performance metrics are required first to establish the correct strategies.
3. Implementation of a robust improvement methodology that ensures timely gains in overall enterprise performance (improved management governance and innovation driven through IEE).
4. Clear and actionable performance metrics, including realistic, time-based financial objectives, enterprise rules that are managed through the IEE value chain, and targeted analytical and innovative strategies aligned with operational value chain performance goals.
5. Successful improvement projects that include metric improvements that positively impact the enterprise as a whole and embrace systematic day-to-day management controls to sustain gains and improved performance.

In the diagram on the next page, Breyfogle presents the IEE Enterprise Process Management 9-step system. Notice that these steps follow the traditional DMAIC process; however, there is a focus here on the entire enterprise through using 30,000-foot-level metrics, determining recent region of stability (to allow accurate predictions), and reporting numerical values of process capability.

Working through these nine steps will require understanding in each of these areas.

Measurements—Use measurement tracking tools in EPM to monitor performance, which provides insights on whether the process is adequate (Has BPM improved the process or not?).

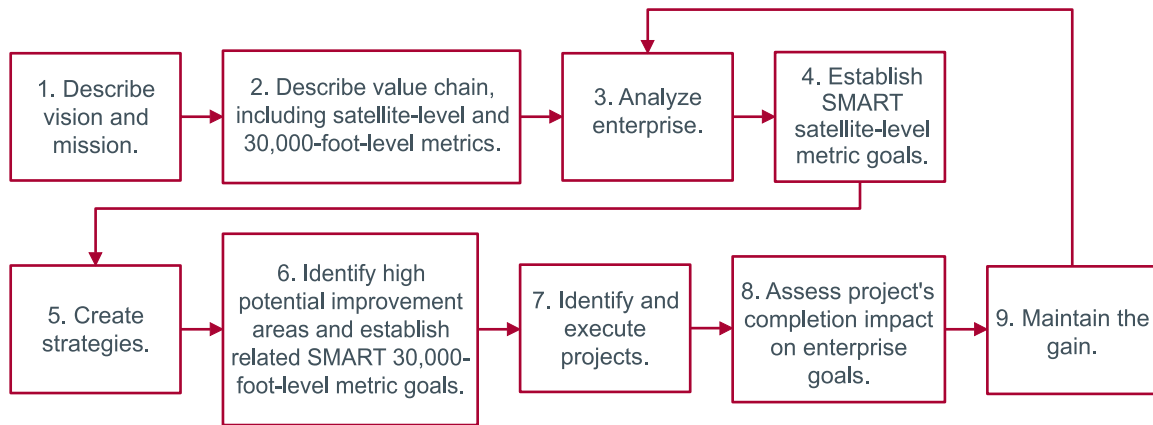
Process Workflow Effectiveness—Lean, Six Sigma, PDCA, and other quality methods are recommended to improve the existing BPM application or improve processes if the workflow performance is inadequate.

Rules—Develop process management rules and verify their adequacy to ensure a good final process before applying BPM improvement and automation tools.

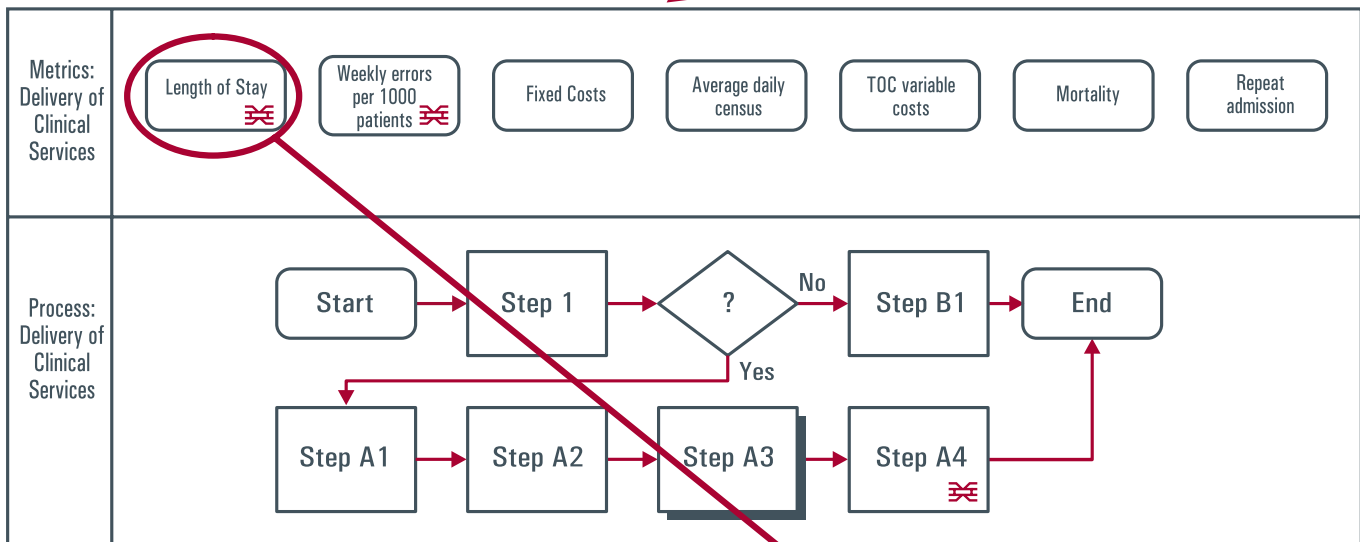
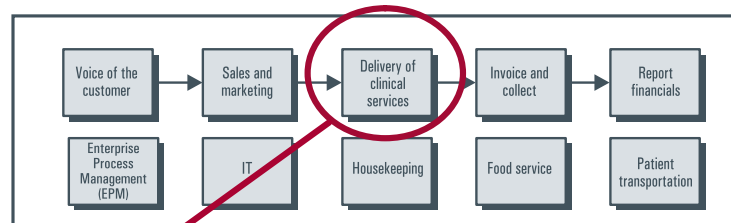
Process Design—New processes need efficient and effective workflows that include meaningful specifications and integrate effectively with other processes.

Process Analysis and Modeling—Ensure that new processes will perform well as the business grows and future problems arise.

Process Management Plan—Ensure that identified process metrics are adequate to manage the process.



From Figure 7.2. *The Business Process Management Guidebook: An Integrated Enterprise Excellence BPM System*, Forrest W. Breyfogle, III, Citius Publishing, ©2013



Statement of how the process is performing at a high level or 30,000-foot-level.

From Figure 4.4. *The Business Process Management Guidebook: An Integrated Enterprise Excellence BPM System*, Forrest W. Breyfogle, III, Citius Publishing, ©2013

(BOOK REVIEW,
continued from page 19)

Process Automation—Determine if an IT solution is appropriate for the process that will fulfill the needs of process monitoring.

Relevant to the topic of health care in this edition of the *Quality Management Forum*, the IEE value chain above for a hospital highlights a drill down to a 30,000-foot-level metric report, where arrows describe IEE value chain drill downs.

The BPM Scorecard

Breyfogle makes a case for a different perspective in using scorecards. He states, “A scorecard helps manage an organization’s performance through the optimization and alignment of organizational units, business processes, and individuals. A scorecard can also provide goals and targets, which helps individuals understand their organizational contribution. Scorecards span the operational, tactical, and strategic business aspects and decisions.” These scorecards report on enterprise performance using 30,000-foot-level operational

metrics and satellite-level metrics (financial metric) to focus on determining whether a process is stable, and if so, reporting on how the process is performing in meeting the needs of the business. Scorecards should show process variability to confirm a recent region of stability from which accurate predictions can be made. If the scorecard metric has a specification requirement, then capability can be displayed as a nonconformance percentage or DPMO (i.e., using the current process, deliveries will be late about two percent of the time). If the metric does not have a specification requirement, then capability can be displayed in terms of the median response and 80 percent frequency of occurrence rate (i.e., using the current process, the predicted monthly profit margin will average about 14 percent, and 80 percent of the monthly reported values will be between 10 percent and 18 percent).

At this point we have only begun to present the features of the IEE BPM/EPM system. A series of book reviews will follow to explore more fully the data analysis and execution techniques provided in IEE BPM/EPM to direct process management implementation. Through the methodologies and examples in the following books, the Lean Six Sigma practitioner can move toward achievement of the three Rs of business—everyone doing the Right things, and doing them Right at the Right time.

The integrated enterprise excellence system: An enhanced, unified approach to balanced scorecards, strategic planning, and business improvement. (2008).

Integrated enterprise excellence volume I—the basics: Golfing buddies go beyond Lean Six Sigma and the balanced scorecard. (2008).

Integrated enterprise excellence volume II—business deployment: A leader’s guide for going beyond Lean Six Sigma and the balanced scorecard. (2008).

Integrated enterprise excellence volume III—improvement project execution: A management and black belt guide for going beyond Lean Six Sigma and the balanced scorecard. (2008).

Integrated enterprise excellence improvement project execution volume III—improvement solutions manual: A management and black belt guide for going beyond Lean Six Sigma and the balanced scorecard. (2009). (Includes over 140 Minitab datasets on CD demonstrating process DMAIC analyses and conclusions).

Lean Six Sigma project execution guide: The integrated enterprise excellence (IEE) process improvement project roadmap. (2012).

Additional resources and training are offered on Breyfogle’s website: www.smartersolutions.com

Robert Spencer is the editor of the *Quality Management Forum*

A New QMD Sub-Group on LinkedIn!

Having just launched in 2012 the “Organizational Excellence Technical Committee,” the OETC LinkedIn Group now has over 350 members from 42 countries participating in rich, experiential discussions on various Excellence Frameworks.

Are you interested in the use of excellence criteria such as Baldrige, EFQM, and others to help organizations of all types attain higher levels of performance? Then join the QMD’s Organizational Excellence Technical Committee (OETC) on LinkedIn. The OETC goals are to be a reference point on excellence frameworks and models; to contribute to a body of knowledge on excellence models; to promote the use of international, national and local excellence programs; to share case studies, lessons learned, and success stories about performance; to make assessment tools available; and to show how quality methods and tools integrate with excellence models. Also visit our webpage for a list of resource materials at <http://www.asq-qm.org/organizational-excellence>.

