

WHAT IS BPM

Introduction

As explored in an earlier chapter was the term 'business process modeling' was coined in the 1960s in the field of systems engineering by S. Williams in his 1967 article 'Business Process Modeling Improves Administrative Control'¹. It was however not until the 1990s that the term became popular² and the term 'process' became a new productivity paradigm³.

Companies were encouraged to think in processes instead of functions and procedures.

Today, there are multiple books, white papers, articles, blogs, and even entire conferences on the subject of Business Process Management (BPM). However, many people still struggle to find a precise definition of BPM. As we will show, the opinion varies wildly making people unclear whether BPM is a process, technology, or management discipline. The answer depends upon whom you ask. If the question is asked of a technology company, most likely the definition of BPM will be centered more on technology than business. Going into this analysis we believed that there a strong bias toward technology within the industries was indicated by the way that software companies refer to BPM in the context of the capabilities of their particular technology, e.g. SAP, to describe the BPM Netweaver engine or Oracle to describe their BPM collaboration platform. We are greatly concerned by the way that the BPM acronym is used loosely with its meaning depending upon the context. The lack of a widely accepted definition has arguably had the single most harmful effect on the industry.

Definition Research

During a concerted review and assessment of approximately one hundred articles we found dozens of differing definitions of BPM; what was offered as authoritative meanings varied significantly which creates a significant problem. Without a common understand of BPM, one can't make a conclusive statement about what BPM does or how one might or might not use it. The goal of this research effort is to find the definition that most closely represents the concept that people (expert and otherwise) generally have for the term "BPM". To this end we want to uncover a definition that will resonate with most people in a meaningful and useful way when we say "BPM." With the goal to find a common definition, we will cite well-known definitions of Business Process Management and then provide our analysis of the usefulness in terms of various contexts e.g. business, technology, length etc.:

Cambridge Dictionary Online: *"(BPM is) the development and control of processes used in a company, department, project, etc. to make sure they are effective."*

¹ Williams, S. (1967) "Business Process Modeling Improves Administrative Control," In: Automation. December, 1967, pp. 44 - 50

² Michael Hammer, "Reengineering Work: Don't Automate, Obliterate", Harvard Business Review, July, 1990

³ Asbjørn Rolstadås (1995). "Business process modeling and reengineering". in: Performance Management: A Business Process Benchmarking Approach. p. 148-150.

Discussion Points: This definition does not say anything about process efficiency or quality and ignores the idea of process improvement, all of which are necessarily part of BPM. With the focus on development and control the definition might lead the reader to take on a very technology centric view that suggests a focus on the automation aspects of processes, and it is the automation that is the focus and goal of BPM. The larger view is that processes exist outside of development, and they are subject to examination and improvement with or without technology.

Rummler and Brache, Improving Performance: How to Manage the White Space in the Organization Chart: *“(BPM is the) management of the series of steps that a business executes to produce a product or service.”*

Discussion Points: Management of the work steps is clearly an aspect of process. This definition potentially conflates the automation of the tasks (that is the process) with the continual improvement of the process over time. The reader could easily confuse the term “management” as used here with the idea of “automation”, but BPM is not necessarily or even particularly about automation.

Smith and Fingar, Business Process Management: The Third Wave: *“(BPM is) management of the complete and dynamically coordinated set of collaborative and transactional activities that deliver value to customers.”*

Discussion Points: The idea of coordination imparts a sense that control and stewardship are aspects of the management of business process but it does not talk about improvement. Management of the activities is different from the management of the process. This definition focuses on transactional work, ignoring the idea that work may be transformational or tacit within a process that delivers value. This definition lacks the specificity that would clearly show that process and process management can exist without automation.

Martyn Ould, Business Process Management: A Rigorous Approach: *“(BPM is the) management of a coherent set of activities carried out by a collaborating group to achieve a goal.”*

Discussion Points: The management of activities of one instance of a process is different than the management of the flow of activities in a set of processes over time. The goal of BPM is not to successfully complete one process, but to control, steward, and continually improve all processes over time. This facet is not clear in this definition. Again we fear that management, in this setting, could be interpreted as automation.

Marlon Dumas, et al., Fundamentals of Business Process Management: *“Business Process Management (BPM) is the art and science of overseeing how work is performed in an organization to ensure consistent outcomes and to take advantage of improvement opportunities.”*

Discussion Points: This is a very good definition. It is important that a definition of BPM clarify that it takes a process-oriented approach as opposed to a function-oriented approach. That being said, this definition, because it talks only of work and outcomes, could also be seen to apply to improvements aimed at a single step (unit of work) of a process in isolation of the entire process.

Wikipedia article on BPM, captured around Nov 28, 2013: *“(For clarity the text not directly related to defining BPM is removed) Business process management (BPM) has been referred to as a “holistic management” approach to aligning an organization’s business processes with the wants and needs of clients. BPM uses a systematic approach in an attempt to continuously improve business effectiveness and efficiency while striving for innovation, flexibility, and integration with technology. It can therefore be described as a “process optimization process.” As a managerial approach, BPM sees processes as strategic assets of an organization that must be understood, managed, and improved to deliver value-added products and services to clients.”*

Discussion Points: This is poorly written and clearly far too long to be a definition. The gratuitous use of ‘holistic’ does not help in understanding, and the many uses of vague, conditional phrases like ‘has been’ ‘could be’ ‘attempt’. More to the point there is no requirement for a reference to technology in the definition and an overemphasis on other areas.

IBM: *“BPM is a discipline that leverages software and services to provide total visibility into an organization. Discover, document, automate, and continuously improve business processes to increase efficiency and reduce costs.”*

Discussion Points: This narrowly defines BPM as software and services, conveniently matching the sort of thing that IBM can supply. There is wide agreement in the field that BPM is a management discipline which could be done on paper and pencil if necessary; software is not a necessary ingredient.

AIIM: *“BPM is a way of looking at and then controlling the processes that are present in an organization. It is an effective methodology to use in times of crisis to make certain that the processes are efficient and effective, as this will result in a better and more cost efficient organization.”*

Discussion Points: A fairly reasonable definition, but positioning BPM as something to be used in a crisis is not consistent with what most people see as being an essential aspect.

“What is BPM Anyway? Business Process Management Explained” at BPM Institute:
“(BPM is a) ... process of managing your business processes; A management discipline; A technology or set of technologies; A rapid application development framework. First and foremost, BPM is a process and a management discipline.”

Discussion Points: Here BPM is defined as just about anything you want. Again there is confusion with the technology perspective. BPM is certainly not a rapid application framework. This definition simply does not help people understand what BPM is.

Paul Harmon, 2005: *“(BPM is) a management discipline focused on improving corporate performance by managing a company’s business processes.”*

Discussion Points: Very good for a short definition. It however is not clear about whether BPM is the management of the tasks within a single process (e.g. automation) or the means of how processes are repeatable, modified and improved over time. It is important to say a few more words to make it clear that BPM is the latter and to emphasize the need to care for processes as part of the going concern of the enterprise.

Gartner: *“Business process management is the discipline of managing processes (rather than tasks) as the means for improving business performance outcomes and operational agility. Processes span organizational boundaries, linking together people, information flows, systems and other assets to create and deliver value to customers and constituents.”*

Discussion Points: Not bad. A little bit wordy. Does not fully capture the idea of stewardship or control of the process in the steady state.

Hammer, cited by Tim Weilkiens in OMG’s OEC: *“(BPM is a) structured approach to performance improvement that centers on the disciplined design and careful execution of company end to end processes.”*

Discussion Points: Exclusively about design and execution can easily be confused with automation of processes.

CIO Magazine: *“BPM is a systematic approach to improving a company’s business processes.”*

Discussion Points: Needs to mention a process oriented approach as opposed to a functional oriented approach. It speaks solely to improvement, thus ignoring the idea of controlling and making decisions about the operating processes.

BusinessDictionary.com: *“(BPM is an) ... activity undertaken by businesses to identify, evaluate, and improve business processes. With the advancement of technology, BPM can now be effectively managed with software that is customized based on the metrics and*

policies specified by a company. This type of action is essential to businesses seeking to improve process performance related issues so that they can better serve their clients.”

Discussion Points: Not bad. A bit wordy. The focus on technology is somewhat misplaced.

Techopedia: *“Business process management is a concept that focuses on aligning all organizational elements to improve operational performance. The BPM strategy is categorized with holistic management approaches which are used to develop better business efficiency, while channeling organizations toward more creative, flexible and technologically-integrated systems.”*

Discussion Points: Unclear what is meant by “aligning all organizational elements” “channeling organizations” or “holistic management.” This is missing the aspect that BPM by nature is process oriented, and that performance must be measured across the entire process, as opposed to only a single step of the process. There is a problem using the term management as a way to describe what happens within the nature of business process management, so it would be helpful if this point of clarification was made.

“BPMN and Business Process Management” Popkin Software: *“BPM is concerned with managing change to improve business processes.”*

Discussion Points: Nice and short, but the use of business process within the definition makes it circular. The definition needs more explanation about how this is accomplished and ignores the idea of controlling the process on an ongoing basis.

IBM Redbook “Business Process Management Enabled by SOA”: *“Business Process Management is most often associated with the life cycle of a business process. The process life cycle spans identifying and improving processes that deliver business capability to deploy and manage the process when it is operational. What is often forgotten is managing process performance after a process is operational.”*

Discussion Points: The mention of “deploying a process” might be construed as a technological view centered on process automation, as is the phrase “process is operational.” There is no idea of control, or oversight, care for processes as an asset of value.

PC Magazine: *“(BPM is a) ... structured approach that models an enterprise’s human and machine tasks and the interactions between them as processes.”*

Discussion Points: A very technological view, particularly the mention of ‘machine tasks’. BPM might or might not use modeling, but this definition implies that BPM is the modeling of the process, and not the work that people do to steward or improve a process.

BABOK: *“Business Process Management covers a set of approaches that focus on how the organization performs work to deliver value across multiple functional areas to a customer. BPM aims for a view of value delivery that spans the entire organization and views the organization through a process-centric lens.”*

Discussion Points: While this definition avoids the technology bias there is nothing that speaks to the nature of “management”. It looks to be an analytic method rather than a management discipline.

Insights Gained

We have discussed at length what many authorities see as representing BPM and observed what we believe to be the key shortfall of each case. In the following, it is the goal to elaborate on what was learned about the nature of process to synthesize the best features of what we observed and to address the limitation we saw. The specific desire is to understand “what works” in terms of good patterns as well as to reflect on some of the “what doesn’t work” and thereby expose useful anti-patterns.

BPM Is Not About Automation Of Processes

The implication is that BPM is not about automating business process (in the ‘paving the cowpaths’ meaning) but about improving them. It presumes the idea that you view business is viewed as a set of processes, and BPM is the act of improving those processes. This is important: “skill” is different from “skill improvement”. This can be confusing. For example in competitive situations the two ideas are often intertwined - what is the act of playing tennis, if not also the act of trying to improve the way you play tennis? However, in other contexts it is easier to distinguish – the activity of driving is different than taking a driving course to improve the way you drive. The same way that ‘reengineering’ a process is about not simply automating what is currently there. Some will say that automation by itself is an improvement over a manual process. BPM is the activity of discovering and designing the automated process, and is done when the finished application is deployed to the organization. The running of the processes is not part of BPM. However, monitoring the process to find areas of improvement would still be an important part of BPM.

BPM Is Done By People Concerned Primarily With Improvement Of The Process

A business process will involve many people, but how many of them are concerned with improving it? Some will insist that improvement is everyone’s job. That is, the receptionist should be thinking about how to improve the operations if possible. This interpretation is too broad to be useful. The cook who adds a new spice to the food making it taste better, motivating more employees to eat in the building, cutting down on waste of time driving to an outside restaurant, and improving the amount of information interaction between worker, and resulting in better performance is NOT business process management by any account. Everybody in a business is working to do their best job, and every good job helps the business, but all of this is not BPM. BPM must be narrowly defined as the activity done by people who actively and primarily look specifically at the business processes, and trying to improve them. Clearly those people must solicit input from as many others as possible, but those others are not doing BPM.

Misrepresentations Of BPM

In this section we suggest a variety of different ways that people abuse the BPM term and offer our thoughts on why the point is problematic.

BPM Is Not A Product

There is a product category called “BPMS” which is a BPM Suite or BPM System. Gartner has introduced a new product category called “intelligent BPMS.” What is included depends very much on the vendor. Analysts have attempted to list features and capabilities that are necessary, but those features change from year to year. For example, in 2007 the suggestion was that BPM Suites must have a BPEL execution capability, but today this is entirely ignored or forgotten.

BPM Is Not A Market Segment

Again, there might be a market segment around products that support BPM, or BPMS products, but BPM itself is a practice. Vendors may be labeled as a “BPMS Vendor”, which simply means they have some products which can support the activity of BPM, among other things.

An Application Does Not Do BPM

The application might be the result of BPM activity. Once finished, it either controls the business process, or supports people engaged in doing the business process. It may, as a byproduct, capture metrics that help further improvement of the process. In this sense an application supports BPM in the same way that a receptionist may support BPM by coming up with good ideas, and that is not enough to say that the application, or the receptionist, is “doing” BPM.

BPM As A Service Is Not Application Hosting

We use the term business process as a service (BPaaS) to mean applications hosted outside the company that supports more than one function of a business process. Like the application above, it does the process, but it does not do BPM.

Entire Organizational Units Don't Do BPM

To say that a company is doing BPM is simply a way of saying that there are some people in the company that are doing BPM. This kind of abstraction is normal. It should be obvious that when a company or division claims to be doing BPM, the majority of the people there are not actually doing BPM.

BPM Is Not Merely Anything That Improves Business

Some argue that every activity is part of a process – because a process is just a set of activities. Then, any action taken to improve any activity is BPM. We have argued against this interpretation because such a broad interpretation would make BPM meaningless: it would mean anything. There is broad acceptance that BPM is a practice of methodically improving a process that supports business, and that improvements in part of the process must be done only after the consideration of the entire end to end process.

BPM Is Not All Activities Supported By A BPMS

As mentioned earlier, a BPMS supports many things (e.g. application development) which is not BPM. A BPMS that only supported the exact activity of BPM would not be as useful as one that bring a lot of capabilities together. It is however a common mistake for people to say that because a BPMS supports something, it is then an aspect of BPM. While it is true that someone who does BPM needs to document a process, it is not true that anyone who documents a process is doing BPM; and while it is true that many BPMS support designing a screen form, it is not true that designing a screen form is BPM. The activity of BPM is fairly well defined, but a BPMS supports a much wider set of activities.

Because You Can Do Something With A BPMS Does Not Mean It Is BPM

A BPMS is designed to support the activity of BPM, however there are many things a BPMS can do that are not BPM.

Participating In A Process Is Not Doing BPM

A manager approving a purchase order is not doing BPM even though that approval is an activity in a process. A bank manager rejecting a loan application is not doing BPM even though this activity is a step in a business process. These people are doing jobs that are part of a process, but they are not doing BPM.

Implementation (Coding) Of The Process Application Is Not BPM

An application developer designing a form for data entry as a step in a process is not doing BPM at that moment. Once the “to-be” process has been adequately spelled out, the actual implementation of the application that supports it is no longer actively engaged in improving the process. A small caution here: applications are often developed incrementally — show to the customer, get feedback, improve, and iterate — and the process may be improved incrementally as well. Those incremental improvements should be included as the activity of BPM, but the activity of implementation of the application is not BPM. The criteria is clear: if you are actively and primarily engaged in improvement of the process, then it is BPM, otherwise it is engineering.

Making A Suggestion For Process Improvement Is Not BPM

This means that there is a distinction between many people who make suggestions, and those who then actually do the BPM. When a process analyst is involved in BPM, it is expected that they will solicit lots of information about what is and is not working, as well as suggestions on how it might work. Those people who give the feedback are helping the BPM work, but not themselves doing BPM.

Improving A Single Step Of A Process Is Not BPM

Some have the mistaken idea that any possible action that improves a process is BPM no matter how small. A person doing BPM needs to have some kind of big-picture view of the process; it has been described as an “end-to-end view” of the process. Optimizing one step in a process, without knowledge of the entire process, is exactly what Hammer and Champy were warning about: to understand the correct optimizations we need to consider those optimizations within the context of a complete business process. A workman smoothing

gravel on a road is improving all of the process that involved driving on that road, but it is not BPM because he does not have visibility of the whole process. The engineer finding a way to double the bandwidth of a fiber optic cable is improving all the processes that require communications, but this is not BPM either. An office worker who finds that OpenOffice4 helps to create documents faster than some other word processor is improving all the processes that involve writing documents; this is not BPM either. In order to have a discussion about BPM, we can consider only those activities by people who have a view to, and consider the effect on, the entire end to end process.

Conclusion: One Common Definition

From the above analysis and comparing the definitions as well as a long research discussion lead by Keith Swenson among others on the Linked-in BPM Guru group, BPM.COM forum, ABPMP forum, and other places, brings us to propose this definition:

“Business Process Management (BPM) is a discipline involving any combination of modeling, automation, execution, control, measurement, and optimization of business activity flows in applicable combination to support enterprise goals, spanning organizational and system boundaries, and involving employees, customers, and partners within and beyond the enterprise boundaries.”

This definition is designed to be short enough to use regularly in both business and technology context and without gratuitous words. There is a trade-off: a longer definition might make it clearer, perhaps at the cost of being more cumbersome. Here is clarification of what we mean by these words:

- BPM is a discipline; it is a practice; it is something you do. Predominant in the definitions is the idea that BPM is something you do, not a thing you own or buy. It is described in many definitions as a practice. There was wide agreement on this, well over 90% of the participants expressed this view.
- Business stems from the state of being busy, and it implies commercially viable and profitable work. A business exists to provide value to customers in exchange for something else of value.
- Process means a flow of business activities and seeing those activities as connected toward the achievement of some business transaction. Flow is meant loosely here: the order may or may not be strictly defined.
- A person doing BPM must consider a process at the scope of interrelated business activities which holistically cooperate to fulfill a business objective. This is the key difference from a functional view of business where the production of the different classes of output might be optimized independent of the other functions. In a complex system like a modern business, it is well known that local optimization of part of the system will rarely lead to good overall results. A BPM practitioner must consider the metrics of the entire system when evaluating a specific process.
- Modeling means that they would identify, define, and make a representation of the complete process to support communication about the process for the purpose of

creating shared understanding and to provide the tools to exercise control. There is no single standard way to model, but the model must encompass the process.

- Automation refers to the work that is done in advance to assure the smooth execution of the process instances. In many cases this means writing software, but it might include building machinery or even creating signage to direct participants in the process.
- Execution means that instances of a process are performed or enacted, which may include automated aspects. Conceptually, the process instance executes itself, following the BPM practitioner's model, but unfolding independent of the BPM practitioner.
- Control means that there is some aspect of making sure the process follows the designed course. This can be strict control and enforcement, or it might be loose control in the form of guidelines, training, and manual practices.
- Measurement means that effort is taken to quantitatively determine how well the process is working in terms of serving the needs of customers.
- Optimization means that the discipline of BPM is an ongoing activity which builds over time to steadily improve the measures of the process. Improvement is relative to the goals of the organization, and ultimately in terms of meeting the needs of customers.
- Enterprise is used here simply to mean a business organization or organizations where people are working together to meet common goals; it does not need to be exceptionally large, and it does not need to be for profit.
- The mention of enterprise goals is included here to emphasize that BPM should be done in the context of the goals of the enterprise, and not some small part of it. This might seem a bit redundant in one sense: any improvement of a process must be an improvement in terms of the enterprise goals – anything else would not be called an improvement.
- Within and beyond the enterprise boundaries recognizes that the enterprise is part of a larger system. Customers are part of the business process. Their interaction, along with those of employees should be considered as part of the end-to-end interaction.

Our goal was to find a common definition. So our request is that you endorse this definition of BPM, to have a common definition that we can use as a basis of creating shared understanding and advancing the discipline. If you agree that a single common definition is of critical value to the entire marketplace, then this is the same wish we have and that started this research, analysis and led to the definition. In the aim and objective to isolate the single prominent definition, we did not wish to single out definitions and while we realize that with such a publication, there will probably be people who will say "I would prefer if the definition had X, or didn't have Y."

Everyone has an opinion. The question we asked ourselves and we think you should ask yourself: is this building a common definition which covers the concepts which are inherent in the idea of Business Process Management. To that end this work is built on research and analysis, and single opinions avoided to unite and build a common understanding of the subject and trust it is taken in this spirit.