Leaning Out Business Processes With Evidence-based Process Discovery

May 6th, 2009

Presented by: FORRESTER®  FUJITSU
Agenda

- Skills and traits that embody the “Lean Discovery” mindset
- Best practices for lean process improvement initiatives
- Benefits of evidence-based process discovery
- Success stories - how organizations have uncovered evidence-based process insight with Fujitsu’s offering
Lean Process Discovery: Trim The Fat From Bloated BPM Initiatives

Clay Richardson
Senior Analyst
Forrester Research

May 6, 2009
Agenda

- Avoid the hatchet-wielding CFO
- Audit BPM roles and responsibilities
- Break consensus log jams
64% of CFOs expect major cutbacks in capital spending.*

*Source: CFO Quarterly Outlook Survey, Financial Executives International and Baruch College
Source: http://www.flickr.com/photos/penguinbush/2507631233/
Expect cutbacks for new projects, travel, and IT operations.

What type of contingency plans are you making? (check all that apply)

- None
- Small (<15%)
- Large (>15%)

<table>
<thead>
<tr>
<th>Reductions in budgets available for new project investments</th>
<th>20%</th>
<th>64%</th>
<th>16%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reductions in travel, training, or other administrative spending categories</td>
<td>40%</td>
<td>49%</td>
<td>11%</td>
</tr>
<tr>
<td>Reductions in IT operations budgets</td>
<td>56%</td>
<td>42%</td>
<td>2%</td>
</tr>
</tbody>
</table>

N=45

Source: October 2008 Global Economic Downturn Online Survey
Majority of BPM projects facing budgets cuts

"Has the current economic downturn affected your organization's BPM budget?"

- Yes, our budget has been drastically reduced (>35%): 18%
- Yes, our budget has been moderately reduced (0-35%): 35%
- No, our budget has not been affected: 46%
- Yes, our budget has been increased: 1%

Base: 95 IT decision makers
Source: April 2009 Lean BPM Trends Online Survey
The silver lining: CFOs have a passion for process
KEEP CALM AND CARRY ON
BPM leaders must detect and eliminate common budget busters.
Agenda

• Avoid the hatchet-wielding CFO

• Audit BPM roles and responsibilities

• Break consensus log jams
Proper role alignment will save you down the road.
Put the right process analyst in charge to prevent bloated requirements

Mindset
- Evolutionary
- Collaborative

Passion
- Process-oriented
- Tech-savvy

Tasks
- Build consensus
- IT/Business liaison
Process analysts must bridge the divide between business and IT

“What is the background of the person leading process discovery?”

- Business analyst with some development experience: 39%
- Technical architect with good business facing skills: 25%
- Business analyst with no IT experience: 20%
- Other: 16%

Base: 96 IT decision makers (percentages do not total 100 because of rounding)
Source: April 2009 Lean BPM Trends Online Survey

This is the sweet spot!
Good process analysts fit the mold of business technology analysts

<table>
<thead>
<tr>
<th><strong>Business technology analysts</strong></th>
<th><strong>Business architects</strong></th>
<th><strong>Business-oriented business analysts</strong></th>
<th><strong>IT-oriented business analysts</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Responsibilities</strong></td>
<td>Measuring and improving business operations by implementing changes in the software that automates them</td>
<td>Ensuring the correspondence of business architecture and IT architecture by facilitating communication across initiatives</td>
<td>Measuring and improving business operations</td>
</tr>
<tr>
<td><strong>Skills</strong></td>
<td>Familiarity with a particular business function</td>
<td>In-depth understanding of the past, present, and future states of both the business and IT, as well as their intersection points</td>
<td>Familiarity with business functions</td>
</tr>
<tr>
<td></td>
<td>Familiarity with technologies for building dynamic business applications</td>
<td></td>
<td>Familiarity with analytical techniques and frameworks</td>
</tr>
<tr>
<td><strong>Common prior experiences</strong></td>
<td>Primarily business-oriented business analysts, but some IT-oriented business analysts</td>
<td>Enterprise architects, senior IT professionals, individuals with deep backgrounds in the business and in IT</td>
<td>Tech-friendly individual contributors in functions or lines of business</td>
</tr>
<tr>
<td><strong>Population</strong></td>
<td>Dozens per enterprise, with loose organizational structure to permit wide and deep engagement</td>
<td>Several per division or for the entire enterprise</td>
<td>Between one and 10 per line of business or function, depending on the size of the organization</td>
</tr>
</tbody>
</table>

Source: April 8, 2008, "The New Business Analyst"
Agenda

• Avoid the hatchet-wielding CFO
• Audit BPM roles and responsibilities
• Break consensus log jams
Consensus log jams lead to bloated time lines and budgets.
Top three consensus building techniques

1. Put process discovery on the clock to keep everyone focused

2. Build conference room pilots that accelerate buy-in and adoption

3. Prioritize what matters the most
1. Time-box process discovery to force rapid consensus

Poor collaboration and competing agendas blow up process discovery efforts.

Realize that only 20% of features are always or often used.*

Time-boxed discovery forces stakeholders to agree on most critical improvements.
2. Deploy conference room pilots early and often during process discovery

Most stakeholders won’t read thick process requirements docs.

Build simple executable models to validate basic process flow.

Mock up forms to validate required data and process variables.

Source: http://www.flickr.com/photos/8369298@N03/504674955/
3. Prioritize most valuable process features and requirements to gain momentum

- Conduct feature prioritization session with business and technical teams to identify which features are critical and which features are “nice to haves”

- Prioritization should be led and driven by the business

- Assign each feature a priority on a scale of 1 to 5, with 1 being “nice to have” and 5 being “must have”

- Set business at ease by explaining that the intent is to develop all features
Thank you

Clay Richardson
+1 703.584.2630
crichardson@forrester.com

www.forrester.com

Upcoming Forrester Events:

Forrester’s Business Technology Forum 2009
Becoming Lean: There Is No Other Option
October 8–9, 2009 • Marriott Downtown Chicago Magnificent Mile • Chicago, Ill.
Interstage: Visualize & Optimize Processes

People

Visualize

Process

Govern

Optimize

Information
Options for Process Optimization

- Process Discovery
- Existing Systems
- "As Really Is" Process
- Visualization
- Optimization
- Periodic Health Checks (e.g. every six months)
- Existing Environment
- Interstage BPM Platform (On-premise/ Cloud)
### Traditional Approach to Process Discovery

<table>
<thead>
<tr>
<th>As Is</th>
<th>To Be</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>What you think is happening</strong></td>
<td><strong>What should be happening</strong></td>
</tr>
</tbody>
</table>

**As Is**
- **By the book**
- **Through interviews**

**To Be**
- ARIS Platform
- Microsoft Visio
Fujitsu’s Unique Approach To Visualizing & Optimizing Business Processes

**As Is**
What you think is happening

**Really Is**
What is really happening

**To Be**
What should be happening

**Visualize with APD**

**Optimize with Interstage BPM**

By the book

Through interviews

[Image of a workflow diagram and software interface]
Traditional process maps (operations view) present a simplistic view of processes whereas APD visualizations are based on evidence.
APD is unlike existing approaches:

- It visualizes processes that have taken place, not the standard pre-defined workflows.
- It works from a simple data extract and does not need permanent links to your IT.

AN INNOVATIVE TECHNOLOGY PROVIDING EVIDENCE-BASED PROCESS MAPS AND PERFORMANCE METRICS

AN INNOVATIVE TECHNOLOGY PROVIDING EVIDENCE-BASED PROCESS MAPS AND PERFORMANCE METRICS

Application data extract (csv file) → Process Visualization → Process Performance and Analysis


2. Process Generation

Main process
Infrequent process
Process repetition
Bottlenecks
Value vs Failure
Automated Process Discovery
Case Study: Client Services Desk
Situation

■ The work was commissioned as a rapid process discovery for the IT support process (incidents) for one of Fujitsu’s client support desks

■ The desk was thought to be performing very well in terms of SLAs and customer satisfaction

■ The main objectives were to:
  ■ Visualize how the staff were following the desk’s processes
  ■ Understand whether there were opportunities for further improvements
  ■ Illustrate the benefits of APD for Service Desk environments
Key Findings: Teams Execute Differently

- Customers being dealt by German or French agents will not receive a Resolution notification.
- The Italian team is not resolving incidents as per agreed process which means the resolution classification is not captured.
- The Turkish team has the highest URR (Unique Route Ratio) which means they follow the process more consistently, France has a 0hrs process time which could mean incidents are logged after the call.
Key Findings: Process Inefficiencies

Reassignments and handoffs
- There are a significant number of incidents featuring excessive repeat handoffs between the Helpdesk and SYS ADMIN teams (from 3 to 5 handoffs).

- It appears that a number of new agents in the off-shored SYS ADMIN team needs training.

- It has also been found that there is lack of clarity on which documents (often screenshots) are required by SYS ADMIN and other teams which might be contributing to the time spent in the attach document activity.

- There are also repeat handoffs between the HD Helpdesk and the Onsite teams.
Project Summary

- There is significant variation in the way the different agents and teams follow the incident process
  - Implications: Customer service and satisfaction in jeopardy, SLA reporting not accurate
  - Recommendation: Update, document and maintain the processes. Training should be across teams rather than within teams
  - Benefits: Improving consistency of customer experience, avoiding service credits from incorrect SLA report

- There are excessive handoffs between the HD Helpdesk and SYSTEMS ADMIN teams
  - Implications: Introduction of unnecessary delays and waste, poor service as a result of poor cooperation between teams
  - Recommendation: Clarify the requirements between the two teams, write clear work instructions and communicate performance
  - Benefits: Waste elimination, improved efficiency

- System workflow can be manipulated by users
  - Implications: Calls end up in unattended queues, essential fix information not captured
  - Recommendation: Monitoring in the short term and plan fix for next system upgrade
  - Benefits: Prevention of a number of costly problems
Summary: Benefits From APD

- Quick discovery and visualization of processes
  - Valuable insights for automation and process improvement initiatives
  - Helps the customers’ process improvement teams ask the right questions
  - Minimal disruption to customer’s business; non-invasive approach
  - Fraction of the time compared to “interview” method for discovery
  - Comparison of ‘As-Is’ and ‘Really-Is’ processes
  - Diagnosis based on metrics

- Respond and improve
  - Improve and optimize high-visibility/high-impact processes
  - Converge business processes to best-of-breed processes

- Ensure compliance
  - Determine unauthorized actions/fraud – reduce risk from non-compliance

- Jump-starts BPM projects
  - Process mapping in standards-based modeling environment
  - Full BPM suite to instantiate “To Be” processes
APD Service Delivery Methodology

Activities

1. Project Kick Off
   - Prepare kick-off session
   - Define scope
   - Agree project objectives and deliverables
   - Agree approach and timelines

2. Feasibility Study
   - Go through Proforma and populate in client workshop
   - High level business process
   - Identify Applications supporting process
   - Assess feasibility and options

3. Data and Model Preparation
   - Obtain data extracts, cleanse and transform (if required)
   - Request amended or additional extracts as required
   - Build model using APD tool

4. Process Analysis
   - Provide process visualization
   - Use lean/six sigma tools and techniques to analyse process efficiency and effectiveness
   - Root cause analysis using complementary data

5. Progress Presentation
   - Present preliminary findings and explore business implications
   - Identify issues for further investigation
   - Source additional data extracts if required

6. Present Findings/ Next Steps
   - Source additional data extracts if required
   - Prepare additional analysis from client input
   - Prepare findings, issues, impacts, recommendations and proposed outline plan
   - Create business case
   - Agree on further engagement details

Resources and effort

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Client Process Expert</td>
<td>Client Systems Architect</td>
<td>Consultant</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consultant</td>
<td>Consultant Analyst</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Elapsed Time

Week 0 | Week 2 | Week 3 | Week 4 | Week 5 to Week 6

Copyright 2009 FUJITSU
To ask a question, please use the chat capability on your screen

Next steps:
Visualize an “as is” process as it “really is” through a two-day workshop
Contact: interstage@us.fujitsu.com
to learn more

For more information on Automated Process Discovery, please visit:
www.fujitsu.com/interstage