The Business Process Maturity Model (BPMM)

An Overview for OMG Members

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Dr. Bill Curtis – Chief Scientist

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Agenda

- Kick off, introductions and purpose-John Alden
- Overview of BPMM-Bill Curtis
- Fit with OMG standards-John Alden
- Discussion-all *

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OMG standards relationships:

Organizational Capability:
BPMM
- People CMM (SEI)
- Other standards for measurement:
  - ITIL, COBIT, and CMMI(SEI)

Business targeted standards:
- BMM
- OSM
- BPMN
- SBVR

Software targeted standards:
- SPEM
- BPDM
- MDA/MOF/UML
The Ecology of Failed Systems

- Work overloads
- Siloed functional processes
- Unmanaged commitments
- Inconsistent procedures for identical tasks
- Cascading rework
- Inconsistent materials
- Lack of measures & defined processes
- Unintegrated best practices
History of Maturity Models

- Crosby’s Quality Maturity Grid
- Humphrey’s Process Maturity Framework
- Shewart, Deming, SPC & PDCA
  - Business Process MM
  - People CMM
  - Acquisition CMM
  - System Eng. CMM

Developed by two authors of the CMM for Software.
Maturity Model Typology

Level of Implementation Detail

Descriptive states

Prescriptive practices

Locus of Transformation

Process maturity

Organizational Capability

CMMI Continuous

COBIT Maturity Ratings

ITIL Maturity Ratings

CMMI People Staged CMM

Business Process MM

SOA MMs

Crosby Quality Maturity Grid

ITIL Org. Growth

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The Five Maturity Levels

Level 1
Initial
Inconsistent management

Level 2
Managed
Work unit management

Level 3
Standardized
Business line management

Level 4
Predictable
Capability management

Level 5
Optimizing
Change management

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## How the BPMM Works

| Level 5 | Optimized | Implement continual proactive improvements to achieve business targets | Capable processes  
Perpetual innovation  
Change management |
|---|---|---|---|
| Level 4 | Predictable | Manage process and results quantitatively and exploit benefits of standardization | Predictable results  
Reuse/knowledge mgt.  
Reduced variation |
| Level 3 | Standardized | Develop standard processes, measures, and training for product & service offerings | Productivity growth  
Effective automation  
Economies of scale |
| Level 2 | Managed | Build disciplined work unit management to stabilize work and control commitments | Reduced rework  
Repeatable practices  
Satisfied schedules |
| Level 1 | Initial | Motivate people to overcome problems and just “get the job done” | Mistakes, bottlenecks  
Ad hoc methods  
Hero worship |
Structure of the BPMM

Level 5
Level 4
Level 3
Level 2—Managed
Level 1

Maturity Levels

Level 2 Process Areas
- Organizational Business Governance
- Organizational Process Leadership
- Work Unit Requirements Mgt
- Work Unit Planning and Commitment
- Work Unit Monitoring & Control
- Work Unit Performance
- Sourcing Management
- Work Unit Change Management
- Process and Product Assurance

Work Unit Requirements Mgt. Goals
- SG1: Requirements are identified and evaluated
- SG2: Requirements baseline is maintained
- InG: Process is institutionalized

Work Unit Requirements Mgt. Practices
- SP1: Identify requirements
- SP 2: Clarify requirements
- SP 3: Evaluate requirements for implementation
- SP 4: Negotiate requirements
- SP 5: Maintain agreed to requirements
- SP 6: Conduct regular requirements review
- In 1: Describe the process
- In 2: Plan the process
- In 3: Provide knowledge and skills
- In 4: Control the process
- In 5: Objectively assure adherence
“The practices for [process_area] are institutionalized.”
Level 1 – Initial Organizations

- **Undisciplined**: Few repeatable processes, often sacrificed under pressure
- **Individualistic**: People rely on personal methods for accomplishing work
- **Inconsistent**: Little preparation for managing a work unit
- **Inefficient**: Few measures for analyzing effectiveness of practices
- **Stagnant**: No foundation or commitment for improvement
Initial Organizations

Rework

Firefighting

Heros
Level 2 – Managed Organizations

**Committed**
Executives commit organization to improving operations

**Proactive**
Managers take responsibility for work unit operations & performance

**Managed**
Commitments are balanced with resources

**Repeatable**
Work units use local procedures that have proven effective

**Responsible**
Work units are capable of meeting their commitments
Level 2 Process Areas

- Organizational Business Governance
- Organizational Process Leadership
- Executives
- Managers
- Work unit members
- Staff

- Work Unit Requirements Management
- Work Unit Performance
- Sourcing Management
- Work Unit Change Management
- Work Unit Planning and Commitment
- Work Unit Monitoring and Control

- Process and Product Assurance
<table>
<thead>
<tr>
<th>Level</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>Organizational</td>
<td>Integrate end-to-end business processes across siloed functions</td>
</tr>
<tr>
<td>Integrated</td>
<td>Establish standard processes from best practices in work units</td>
</tr>
<tr>
<td>Adaptable</td>
<td>Standard processes tailored for best use in different circumstances</td>
</tr>
<tr>
<td>Leveraged</td>
<td>Common measures and processes promote organizational learning</td>
</tr>
<tr>
<td>Professional</td>
<td>Organizational culture emerges from common practices</td>
</tr>
</tbody>
</table>
Levels 2 to 3 Transition

Enterprise-wide end-to-end, integrated business process

Level 3

Confederated work units

Level 2
Level 3 Process Areas

**Staff**
- Organizational Process Management
- Organizational Competency Management
- Organizational Resource Management
- Configuration Management

**Work unit members**
- Product and Service Preparation
- Product and Service Deployment
- Product and Service Operation
- Product and Service Support

**Managers**
- Product and Service Management
Domain Specific Process Areas

- Product and Service Preparation
- Product and Service Operation
- Product and Service Support
- Product and Service Deployment

- Market Evaluation
- Market Communication
- Sales Support

- Product Specification
- Marketing Management

- Collection & Dispersement
- Financial Reporting
- Financial Governance
- Financial Modeling & Projection

- Finance Management
Level 4 – Predictable Organizations

**Quantitative**
Process variation, performance, and capability understood quantitatively.

**Stable**
Variation reduced through reuse, mentoring, & statistical mgt.

**Empowered**
Process data empowers staff to manage their own work.

**Multi-functional**
Functional processes reengineered as roles in business processes.

**Predictable**
Outcomes predictable from subprocess capability & performance.
## Level 5 – Optimizing Organizations

<table>
<thead>
<tr>
<th>Proactive</th>
<th>Improvements planned to achieve business strategies &amp; objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Systematic</td>
<td>Improvements evaluated and deployed using orderly methods</td>
</tr>
<tr>
<td>Continual</td>
<td>Individuals and workgroups continuously improve capability</td>
</tr>
<tr>
<td>Aligned</td>
<td>Performance aligned across the organization</td>
</tr>
<tr>
<td>Preventative</td>
<td>Defects and problem causes systematically eliminated</td>
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</tbody>
</table>
Level 5 Process Areas

- Executives
  - Organizational Improvement Planning
- Staff
  - Organizational Performance Alignment
- Work unit members
  - Defect and Problem Prevention
  - Continuous Capability Improvement
- Organizational Process and Product Innovation
- Organizational Improvement Deployment
<table>
<thead>
<tr>
<th>International Bank</th>
<th>Health Care Services</th>
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<tbody>
<tr>
<td><strong>Objectives:</strong></td>
<td><strong>Objectives:</strong></td>
</tr>
<tr>
<td>• Achieve cost reductions</td>
<td>• Reduce billing errors</td>
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<tr>
<td>• External recognition for efficiency and low risk</td>
<td>• Provide framework for $6\sigma$ and business process reengineering</td>
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<th>Semiconductor Equipment</th>
<th>Gaming</th>
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<td><strong>Objectives:</strong></td>
<td><strong>Objectives:</strong></td>
</tr>
<tr>
<td>• Integrate improvement activities</td>
<td>• Integrate development, installation, &amp; support processes</td>
</tr>
<tr>
<td>• Extend process maturity benefits to every business process</td>
<td>• Improve efficiency of operations</td>
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Transforming the Culture

Organization

Work unit

Individual

Level 1
Ad Hoc processes, inconsistent results, Hero-driven culture

Level 2
Project mgrs. establish discipline & stability, Commitment culture

Level 3
Organization develops standard processes, Engineering culture

Level 4
End-to-end process managed statistically, Precision culture

Level 5
Proactive Improvements, Agile culture

Level 5
Opportunistic Improvements, Empowered culture

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Summary

1. The immaturity of business processes strictly limits the value and success of IT systems

2. The process maturity framework is a proven roadmap for improving process capability and unlocking the full value of IT systems

3. The Business Process Maturity Model enables greater fidelity between the actual performance of business processes and their model-based representations
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