The Service Portfolio of a BPM Center of Excellence

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Abstract A key concept for the centralized provision of Business Process Management (BPM) is the Center of Excellence (CoE). Organizations establish a CoE (aka BPM Support Office) as their BPM maturity increases in order to ensure a consistent and cost-effective way of offering BPM services. The definition of the offerings of such a center and the allocation of roles and responsibilities play an important role within BPM Governance. In order to plan the role of such a BPM CoE, this chapter proposes the productization of BPM leading to a set of fifteen distinct BPM services. A portfolio management approach is suggested to position these services. The approach allows identifying specific normative strategies for each BPM service, such as further training or BPM communication and marketing. A public sector case study provides further insights into how this approach has been used in practice. Empirical evidence from a survey with 15 organizations confirms the coverage of this set of BPM services and shows typical profiles for such BPM Centers of Excellence.

1 Typical Stages of Business Process Management Adoption

The enterprise-wide adoption of Business Process Management (BPM) in organizations tends to go through multiple stages.

First, an *awareness* of the benefits and methodologies of BPM has to occur. In many cases, we see a limited adoption of BPM simply because of a lack of a deeper understanding of BPM. This might be explained by an existing high activity level of an organization, by its previous commitment to another methodology for organizational engineering or by the absence of a demand for change and improvement.

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The initiating BPM proponents may also lack the required comprehensive appreciation of the methodologies, merits, and challenges of BPM or how these could be utilized within the specific context of an organization. Overall, an inhibiting lack of awareness is often due to lack of training, which, once conducted, is the most promising means of creating, increasing, and maintaining BPM awareness.

Second, this awareness and understanding of BPM has to convert into a *desire to adopt*. This is a critical stage and requires a business driver, that is, a sense of urgency, (e.g., a large system implementation or a corporate merger) and a champion, that is, at least one individual with passion for the idea of BPM. Such drivers and champions can be found in various parts and on alternative layers of the organization. In some cases, IT managers build the business cases for BPM. This is typically based on the impact that IT capabilities can have on business processes. In this context, Davenport and Short differentiate among other transactional, geographical, automational, analytical, informational, and sequential IT capabilities (Davenport and Short 1990). In other cases, the desire to adopt BPM is triggered by business improvement teams, HR departments, or business stakeholders such as line managers or senior executives. It remains, in any case and without a doubt, an ongoing challenge for the community that BPM has no classical home in an organization.

Third, assuming that the business case was successful, individual *BPM projects* have to be set up, executed, and monitored, often with the desire to achieve quick-win situations that can then be used to market and expand the BPM ideas across an organization. This is typically the phase in which organizations build up BPM capabilities and credibility. It also often means that individuals develop a fascination with BPM, see potential career paths in its development, and take (often unofficial) BPM ownership.

Fourth, assuming that individual BPM projects have been successful, organizations seek a wider capitalization on the BPM idea and convert multiple, but potentially isolated BPM projects into a governing and typically more centralized *BPM program*. In this stage, an overall BPM methodology needs to be designed. Methods, techniques, and tools have to be specified, documented, installed, communicated, and maintained. A main challenge in this phase is the design of a BPM strategy that has at its core a roadmap that specifies the planned BPM-related activities over the next 3–5 years. We recommend for this exercise the use of a BPM maturity model centered on the factors strategic alignment, governance, methods, process-aware information systems (PAIS), people, and culture (Rosemann and de Bruin 2006; Rosemann and vom Brocke 2010). A high number of organizations globally adopted this approach and have specified roadmaps that describe how and in what sequence they plan to increase the maturity in each of these six factors (de Bruin and Doebeli 2010). Once this type of momentum is gained, accountabilities have been assigned, and a roadmap is agreed on, a more specific definition of the deliverables and the overall benefit realization of BPM is required.

This fifth phase of a BPM adoption is the focus of this chapter. The typical scenario at this stage is that a centralized BPM Center of Excellence (CoE) is

established in order to consolidate all BPM-related activities and ensure consistency and cost-effectiveness in their delivery. In addition to the activity-focused view of a maturity-driven BPM roadmap, it is now required to *productize BPM*, that is, to consciously identify the BPM-related services offered by such a central BPM Group. In this chapter, we will not discuss how the set of these services varies over time with increased BPM maturity as this would lead to highly contextualized recommendations.

2 The Business Process Management Service Portfolio

The following overview of typical, as well as emerging and rather visionary, BPM services has been derived through a series of workshops with organizations from the public and private sector. These workshops took place as part of engagements that were aimed toward the design and organizational setup of a BPM CoE. This set of services enables managers in charge of the BPM journey to start productizing their portfolio of current and future BPM services. The conceptual idea behind this framework is the design of a BPM service portfolio (Fig. 1); that is, all services offered by the BPM CoE are positioned in a portfolio with the two dimensions of demand and capability. Each of these represents a continuum and not just a simple dichotomy of high and low. *Demand* reflects the current organizational appetite for

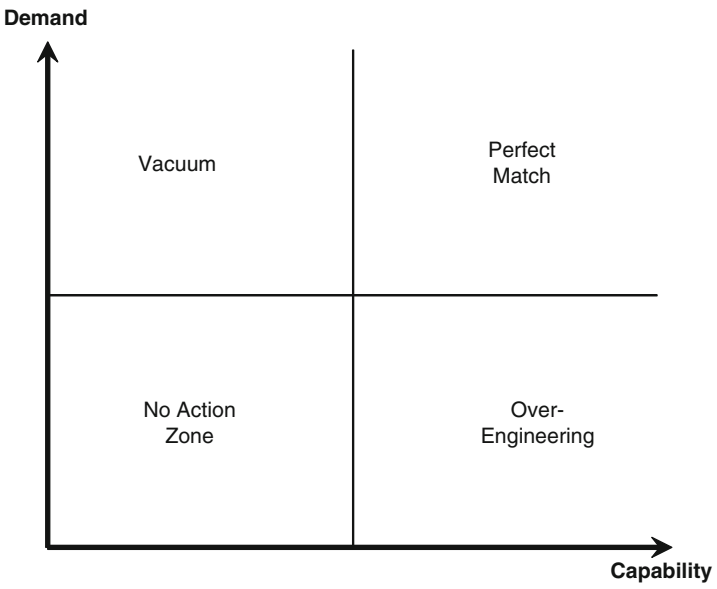

Fig. 1 The demand-capability-portfolio

a BPM service. Like all demands, the demand for BPM services can be influenced through appropriate marketing and communication strategies. The given demand is a good, first indicator for the prioritization of the current suite of BPM services, especially when the CoE is project funded. *Capabilities* describe the readiness of the BPM CoE to provide a certain service. These capabilities reflect the accumulated knowledge, skills, and experience of the BPM CoE as well as available technological capacities to successfully deliver the individual BPM service.

In this portfolio, four quadrants can be differentiated (Fig. 1).

The *perfect match* exists, when high demand for a service and high capability to deliver it meet. Organizational requests for a BPM service can be satisfied assuming the BPM CoE has a sufficient bandwidth to deliver and a funding model that supports growth with increasing demand. Being able to comply with service level agreements and providing skilled resources will be key challenges. A typical strategy for sustainable and scalable service delivery is to progressively transfer accountabilities from the BPM CoE under the banner of "BPM self services" into the lines of business. This can be typically observed for services such as process modeling or process improvement.

It is more critical when the BPM CoE possesses a set of capabilities without corresponding demand for it. This could indicate capabilities that, at least at this moment in time, are *over-engineered*. The BPM CoE might have undertaken training in process simulation, in the conversion of conceptual to logical process models, or in the implementation of BPM Systems for process execution. However, the organization may not (yet) see the demand for such services. There are two possible pathways from here. Either the service will be retired, or the BPM CoE is convinced of the importance and benefits of the service. Assuming that the capabilities are of sufficient quality, the CoE will then invest in a stakeholder-specific communication and marketing plan for this service in order to increase the awareness for the potential future benefits of the service.

A very different challenge exists when the demand for the BPM service is high but the BPM CoE lacks the capabilities to deliver. This scenario is, in fact, most often the case for newly established BPM initiatives. Awareness and the desire to adopt exist, but there is no corresponding investment in BPM training and education programs. This obvious *vacuum* is often filled, in the short term, with external resources. The internal BPM CoE has to carefully consider whether or not to build up the required capabilities internally. Funding such a capability development and the sustainability of the demand will be the main challenges and require sound business cases based on a long-term BPM strategy. In some cases, this might be simply a very specific or temporary demand (e.g., Enterprise Systems upgrade or support for a corporate merger).

The *no-action zone* indicates a lack of demand *and* capability. However, ongoing monitoring for emerging BPM services (e.g., process forensics or process portfolio management) is advisable. A continuous assessment (e.g., by using surveys or focus groups) is required in order to evaluate the demand for further capability building.

As with all portfolio management approaches (e.g., Jeffery and Leliveld 2004), a BPM manager would seek a natural balance between the BPM services. In a charge-per-service environment, certain services like process modeling might become cash cows that can be used to subsidize the development of entire new services (e.g., process forensics or process portfolio management). Also, existing capabilities and skills should be carefully screened in order to identify potential for further growth.

BPM services might be differentiated into three types. First, essential 'keep the lights on services' (e.g., library management) are managed in a cost center (service) fashion. They provide a supportive capability to the organization but have limited impact on the current or future business model, customer experiences or overall revenue. Funding for such services will require a central, nonproject-specific budget to ensure the sustainability of the delivery. Second, some services will be critical for the quality of the interaction with external stakeholders. An example for such a service could be process improvement. These services could be seen as a 'profit services'. Funding could come from specific projects and the consuming side within the business will have a high level of interest in being involved in these services. Third and finally, there is a class of 'innovative services' (e.g., process portfolio management). A specific innovation fund needs to be allocated to develop these services even when the business case for this development cannot be clearly articulated.

3 A Proposed List of Business Process Management Services

The introduced portfolio can now be populated with specific BPM services. While the list (and labels) of these services will vary from organization to organization and by no means claims to be complete, the reference list provided in the following serves at least as a starting point for the identification of BPM services. We focus on those services that potentially could be offered by a centralized BPM CoE. However, it is acknowledged that many of these, and additional services, could (and should) be offered by other departments (e.g., IT, Corporate Governance, Business Improvement, Compliance Management, Project Management, Human Capital Management, external providers) and that the service ownership might vary over time. An appropriate funding model (e.g., budget and cost recovery) and service governance models are important. These issues are out of scope for the purpose of this chapter.

3.1 Business Process Management Maturity Assessment

As indicated above, we see the ongoing assessment of the BPM maturity of different parts of the organization as a fundamental service. Nowadays, a number of BPM maturity models are available (Hammer 2007; OMG 2008; Rosemann et al. 2006). While these models differ, among others, in their understanding of BPM,

their scope, their depth, the richness of the supporting methodology, or their empirical or theoretical foundation, they have in common that they are designed around a number of perceived critical factors. Following the BPM maturity model by (Rosemann et al. 2006) the evaluation of the six central organizational capabilities – strategic alignment, governance, methods, PAIS, people, and culture – provides a starting point for the identification of BPM priorities and a corresponding roadmap for BPM implementation and evolution (Rosemann and vom Brocke 2010). Such a BPM maturity assessment service could be offered in different packages, ranging from interviews with senior executives and workshops with multiple stakeholders to comprehensive surveys. It could also focus on a subset of the factors within the maturity model, e.g., strategic alignment only. The key contribution of this service is the triangulation of different sources of information to a rich, valid and reliable picture about the current status of the organizational BPM capabilities and the design of a way forward that considers organizational context factors such as executive buy-in, organizational disposition, or relevant external factors (de Bruin 2009).

3.2 Strategic Alignment

Before any BPM activities (e.g., process documentation or process improvement) are initiated, a dedicated service should target the assessment of a process under consideration, or of BPM overall, in terms of its alignment to corporate strategy and mission (de Bruin 2008). The value proposition of this service is twofold. First, it will help allocating priorities to processes based on their strategic alignment. Second, it will ensure that all process-related work will contribute to the corporate agenda. This service is based on a solid understanding of the organizational strategy and the way it can be operationalized for various processes. Strategic tools such as Strategy Maps can be utilized for this purpose (Kaplan and Norton 2004). It also requires the capability to regularly collect relevant process performance data in order to quantify the alignment without making this data collection a large project on its own. The deliverables of this service most notably feed into potential business cases and also operationalize objectives and constraints for BPM activities such as process documentation or process re-redesign.

3.3 Process Modeling

The advanced graphical and repository-based documentation of business processes in the form of process models can be broken down into two sub-services. First, it includes the methodology for model lifecycle management itself. For this purpose, the BPM CoE should host the BPM methodologist and the process modeling tool competence. Related services can then include training in this methodology and supportive tools, model governance, development of procedural models, methodological upgrades, and the provision of conventions and advanced practices. It

will also facilitate the adaptation of this methodology to emerging requirements (e.g., process-based compliance or risk management). Second, process modeling as a narrowly defined service covers the actual capture and documentation of a current or intended future business process. This service could be offered on different levels of granularity and may cover modeling high level enterprise-wide processes, cross-departmental value chains, and detailed and more transactional business processes. It could also require attending related workshops and interviews, and providing process modeling support, facilitation and coaching services as part of these events (Sharp and McDermott 2008). Process modeling is often the "bread-and-butter service" of a BPM CoE, and it demands substantial scalability and expertise. Junior process analysts with limited domain and process improvement knowledge, but a deep knowledge of underlying methods, tools, architectures, and modeling conventions, can provide this service especially for more transactional processes. However, it is important to stress that the required skills go beyond mastering the modeling tools and techniques as multiple pitfalls are related to process modeling (Rosemann 2006a). The more process modeling is about enterprise-wide processes or the design of a process architecture (Aitken et al. 2010), the higher will be the requirements in terms of the qualification and domain experiences of the process analyst. It will be important for the BPM CoE to define a clear strategy how the fast increasing number of process models can be managed in terms of integration, update, change management, communication, and simple scale ("modeling in the large"). Moreover, it has to be defined when process model ownership will be transferred to the business. Otherwise, a further ongoing process model maintenance service could be offered.

3.4 Library Management

In addition to modeling and managing business processes, a number of related artifacts have to be maintained. These artifacts can, for instance, be complementary conceptual models of data, knowledge, risks, services, and applications, as well as conventions, policies, business rule descriptions, best practices, etc., that provide a wider context for the business process models. A BPM CoE will typically outsource the management of at least parts of these models to other groups (e.g., IT or Human Capital Management), and provide some sort of methodological constraints to these groups to ensure the overall integration. The BPM CoE, however, might also decide to maintain at least a subset of these artifacts itself (e.g., organizational charts, knowledge maps) and potentially charge other departments for the service of bringing essential artifacts to a higher conceptual and more integrated level. In any case, this service will require close alignment with the design and ongoing management of the Enterprise Architecture. Furthermore, the Library Management service could include managing a process-related knowledge repository, covering, for example, emerging social network solutions such as communities of practices

(e.g., http://bpm-collaboration.com), discussion groups, and the entire management of process issues and process improvement ideas.

3.5 Process Improvement

Process improvement as a BPM service goes beyond simple process modeling, and concentrates on deriving an improved version of a process. The involved process analysts should be more senior than those involved in basic reflective process modeling. A certain understanding of the domain and a wide set of skills, including creativity management and organizational improvement skills, but also financial analysis or risk and compliance assessments are essential. The capability to improve a process requires expertise in process analysis (e.g., Pareto, bottleneck, viewpoint or root-cause analysis), process enhancement (e.g., the transfer of as-is into to-be models using techniques such as TRIZ or process improvement (best practice) patterns (Mansar and Reijers 2007), process utilization (e.g., a resource-driven approach towards process improvement such as positive deviance), process derivation (e.g., use of external reference models and benchmarks), and process innovation (e.g., the design of entire new solutions and processes via brainstorming, de Bono's Six Hats or other lateral think skills). Further capabilities related to moderation, presentation, change, and conflict management are also essential. Process improvement is a high-value add activity of the BPM CoE and may be its most important profit service. The related service specification has to be clear about the final delivery, which will often be a set of (to-be) process models, issue registers, and improvement proposals. A concluding business case is, often out of scope and in the hands of a project manager outside the BPM CoE.

3.6 Designing Process-Aware Information Systems

In many cases, improving the business process will, at least in parts, demand process automation or support through existing or future IT infrastructure (Davenport and Short 1990). Detailed process design captures all services related to the development of models that build on the process analysis and convert these conceptual models into requirements that inform the design and configuration of PAIS (Dumas et al. 2005) or even entire service-oriented architectures or web service ecosystems. This service will require very specialized resources, deep knowledge of BPM systems, close affiliation with related vendors and standards and training to ensure a high level of awareness with current technologies. The service provides the critical glue in the overall aim of process-oriented business-IT alignment.

3.7 Process Automation

Further from the process design, a BPM service could exist that is dedicated to the actual implementation and execution of a business process. This will be typical system development work that tends to be located in the IT department or an external service provider. Process automation is a fast developing BPM service that requires staying on top of topics such as Service-Oriented Architectures and various other types of middleware, Web 2.0, social software, etc. It also covers the evaluation, selection, and implementation of PAIS.

3.8 Process Change Management

In addition to the IT-related implementation challenges, change management will be required to ensure a smooth transition of all organizational issues, procedures, policies, reporting structures, forms, cultural values, etc. This rich service covers organizational re-design, cultural assessments, personal and organizational profiling, job ranking, recruiting, policy and document revisions, etc. While it is the core act in the transformation to an improved process, a centralized BPM Group tends to have a rather secondary role in this service. Its involvement focuses on ensuring consistency with the conceptual process blueprints, required revisions, and extensions of it, and also the provision of support services for the change manager. In any case, it is important to integrate existing BPM and Change Management approaches within the organization.

3.9 Management of Business Process Management Projects

In addition to services related to the individual steps of a BPM initiative (e.g., process modeling, process improvement, process analysis), a service might also be dedicated to the task of managing the project. A process-minded project manager will ensure a strong focus on business processes during the entire project. Strong BPM skills have to be complemented with deep knowledge of the enterprise-specific project management methodology (e.g., PRINCE2, PMBOK). A BPM CoE that provides project management as a service will take over a more significant influence in projects leading to a higher opportunity to stress the critical role of process design. Merging process management, project management, and also change management methodologies will be a main challenge in this context.

3.10 Process Governance

Services related to the set-up of appropriate process governance structures will often stretch beyond the initial competencies of Enterprise Architects and Business Analysts. Nevertheless, it is an essential capability, and should be part of the initial BPM service catalog. Governance covers roles (e.g., process owner, process manager, and process analyst), responsibilities, duties, and decision-making processes (Spanyi 2010). While the governance of BPM itself is a more internal activity in the setup of the BPM CoE (e.g., who nominates process owners, who signs off on a new BPM methodology, etc.), a core BPM service can evolve around the governance of specific business processes. This service includes advice on the responsibilities of a process owner, the implementation of corresponding decision-making authorities and procedures, and the institutionalization of process-related tasks in a line of business. It will typically involve a close collaboration with Human Capital Management.

3.11 Process Compliance

The design of not only high performing, but also compliant, processes has become an area of substantial interest (Sadiq and Governatori 2010). Organizations increasingly acknowledge the role of business processes and business process models in their transfer to more compliant entities. The related challenges for the BPM CoE will be to build up a sufficient level of knowledge about relevant compliance standards (e.g., BASEL2, SOX) in order to customize the BPM methods, tools, and techniques. This will typically mean collaboration with (external) compliance experts and auditors. The contributions of a central BPM CoE tend to be limited to the design of compliant process models (i.e., does a process model comply with a mandated standard?). However, this service could also include support services related to ongoing compliance monitoring (i.e., does the organization work in a way compliant to the specified process model?). Again, the BPM Group will be challenged by issues related to scalability when a high number of compliance standards in various regions of the world matter, as this not only requires dealing with a high number of standards but also deep knowledge in each of these.

3.12 Process Performance Measurement

Measuring the performance of a business process is another potential high-value service of a BPM Group (Heckl and Moormann 2010). Many organizations show a high interest in, but only a limited uptake of, process-based performance

management or process analytics (zur Mühlen and Shapiro 2010). The BPM CoE will have to possess, or have access to, solid skills related to techniques such as activity-based costing (ABC), economic value added (EVA), selected Six Sigma techniques (Conger 2010), forecasting, process simulation or process/data mining. Process performance measures will have to be derived from available documents such as Balanced Scorecards and Strategy Maps (Kaplan and Norton 2004). Appropriate and cost-effective ways of collecting and analyzing the identified measures have to be established. The identification, collection, and collation of process performance data is another high-value but also highly specialized service. The BPM CoE requires not only substantial skills within the group, but also high maturity in the line of business demanding this service, as well as in the IT-based implementation and application of these measurement concepts. Advanced BPM suites already offer a wide range of technological services to support the measurement of process performance.

3.13 Process Forensics

Process forensics is dedicated to the objective of identifying the reasons for process failures. While thorough process governance will strive for the avoidance of such a situation, it can never be completely excluded. Process forensics as a service is a clear statement that an organization is committed to uncover the causes of past errors in the execution of business processes. This service will require close collaboration with other (e.g., financial) forensic activities in an organization, and naturally will be triggered by insufficient process performance or compliance. It may even be envisaged that process forensics can be integrated with other ex-post analysis approaches such as incident and problem management.

3.14 Process (Management) Education/Training

Educating the organization on BPM will be an ongoing BPM service and is key to warranting sustained BPM success. Demand will increase when an enterprise-wide roll-out of BPM is the ultimate goal. While many organizations utilize external offerings from professional or academic BPM training partners, some organizations start to internalize this service, for instance, by adopting train-the-trainer education methodologies. In addition to providing process management skills (e.g., process improvement skills, process methodologies), the BPM CoE could also create a service related to process education, i.e., teaching the specifics of a certain process. Such a service could be, for example, consumed by the Human Capital Management department as part of an induction process for a new cohort of employees.

3.15 Process Portfolio Management

In higher stages of BPM maturity, an organization will convert from a reactive approach, in which the BPM CoE responds to specific needs for process improvement articulated by the lines of business, to a more proactive approach in which the BPM Group uses process portfolios to identify relevant processes (Rosemann 2006b). Process portfolio analysis requires an Enterprise Process Architecture and is used to identify those business processes that are of the highest priority for initiatives, such as compliance management, process improvement, or the upcoming roll-out of an Enterprise System. As such, process portfolio management can provide a BPM service of high interest for senior executives in an organization as it helps to condense the high volume of process (model) information, and it has the potential to become a substantial base for decision-making processes.

4 Case Study

A brief case study provides some insights into an organization from the public sector that adopted the BPM service portfolio management approach described in this chapter. Four former Business Analysts in this organization had been assigned the responsibility to establish and populate BPM within a specific line of business of this Australian organization comprising approximately 200 employees.

The four analysts undertook a 6-day BPM training with the BPM Research Group of the Queensland University of Technology (www.bpm-training.com). While 5 days were dedicated to establishing essential skills in process modeling, improvement, analysis, and BPM evolution, the additional day six of the program was dedicated to customizing the contents of the previous days for the specific purposes of the organization. Based on the fifteen potential BPM services above, a portfolio was designed that clearly positioned each of these services in the demand-capability-diagram shown in Fig. 1. For each of the 15 above-mentioned services, the organization also differentiated the intended ownership model (BPM CoE or line of business). Each service was evaluated in terms of demand and capability by each of the four analysts. The resulting portfolio (Fig. 2), is now used for the design of the wider BPM roll-out and specifies upcoming BPM training needs (i.e., to increase BPM capabilities). It also helps with the BPM communication and marketing plan targeted toward increasing the organizational appetite for some of the low-demand services (i.e., to increase BPM demand).

Process modeling and improvement are the clear and expected mainstream services in this portfolio. BPM education will be another main target for the near future, even though it is envisaged that Human Resource Management and individual business managers will be in charge of process education. The BPM CoE of this organization is committed to invest in further training related to the design of PAIS. Due to the specific expertise required, process compliance and process automation will only be secondary priorities for the BPM CoE. Specific communication and

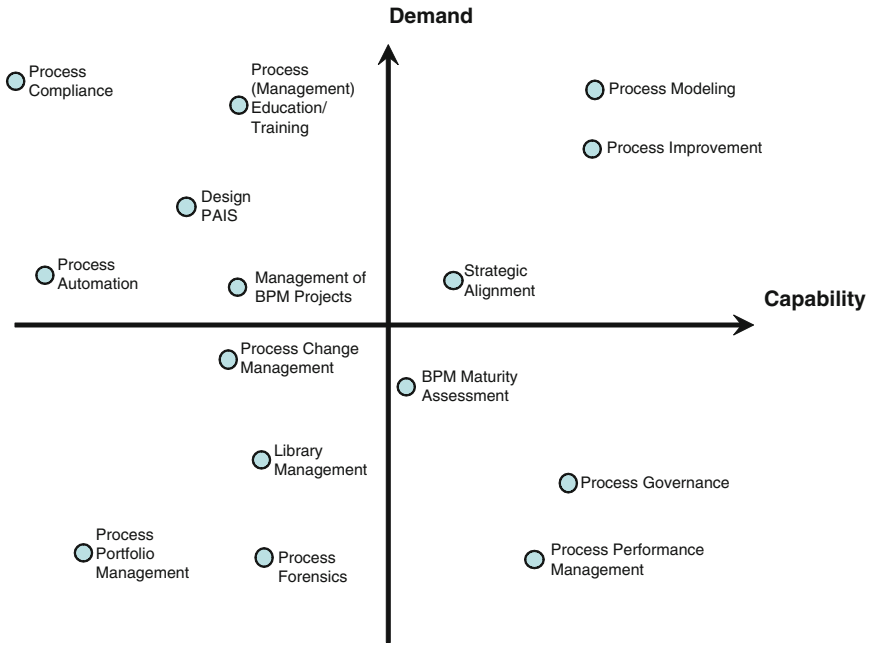

Fig. 2 The demand-capability-portfolio in the case of a public sector organization

marketing strategies are planned for process governance and process performance management as the BPM CoE is convinced that the low demand can be explained by a lack of awareness more than by a lack of importance. Process change management and library management will be approached when internal resources become available while process portfolio management and process forensics are seen as interesting and relevant services in the future. However, at this stage, both the line of business and the BPM CoE lack the required maturity.

5 Patterns in Business Process Management Center of Excellence Service Portfolios

In order to generalize beyond the findings from a specific case study and to gain insights into typical patterns in the configuration of the service portfolio of a CoE, a brief survey was conducted in May 2008. All participating organizations are active members of the Australian BPM Community of Practice (http://bpm-collaboration.com). They belong to a variety of industries (among others aviation, retail, banking, energy, consulting, state government). Most of these organizations are part of Australia's Fortune 100. The survey instrument was sent to 38 members

of this community of practice. Membership is individualized and by invitation only. It is restricted to the manager in charge for BPM within the organization. At its core, the instrument asked for a ranking of the perceived capability and the perceived internal demand for each of the 15 listed services above on a 1–5 Likert scale with 1 meaning very low and 5 meaning very high. The managers were also asked to name any further services that their BPM CoE provides beyond the set of 15 services listed in the instrument.

In total, 15 valid responses (39% response rate) were received. The following four additional services were all mentioned only once indicating a high level of completeness of the identified set of services.

- Process documentation (policies, procedures, work instructions)
- Business process analyst resource pool management
- Business analysis
- Balanced Scorecard reporting and analysis

It was interesting to note that when asked for the name of the central BPM entity, a long list of names came back as responses, indicating a lack of common branding in the BPM community. Here are the titles as reported by the survey participants:

- Process Support and Improvement Group
- Business Excellence
- Business Process and Systems
- Process Capability
- Business Process Services
- Corporate Development
- BPM Team
- BPM Support Office
- Business Improvement Group
- BPM Group
- Architecture and Liaison Office
- BPM CoE

In a similar way, it was astonishing to note the high diversity of reporting structures in which the BPM Group is integrated. Explicitly, we asked the question 'Who does the Head of the central BPM Group report to?' The following list of responses indicates the severe problem of a 'default home' for a BPM CoE.

- Chief Financial Officer (CFO)
- Chief Information Officer (CIO)
- Chief Technology Officer (CTO)
- General Manager Shared Business Services
- Global Director Business Process and Applications
- Manager Employee Relations and Development
- General Manager Operations
- Director Business Performance and Improvement
- Director Project Support Office

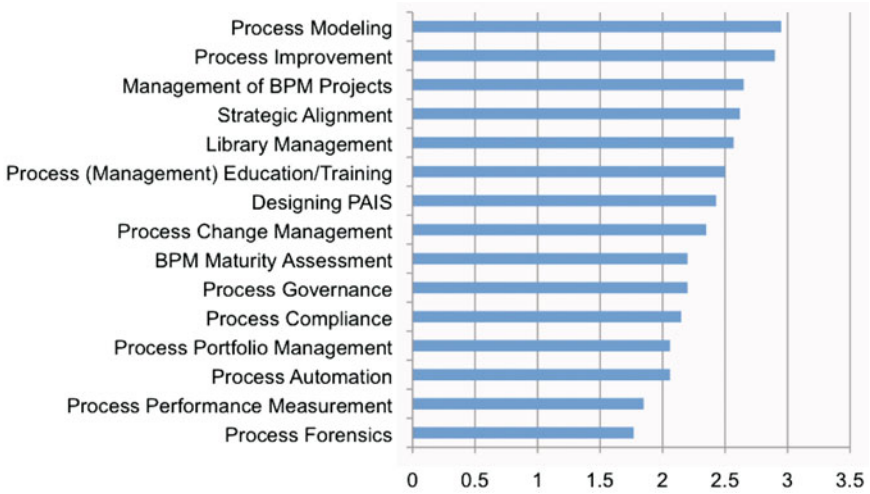

Fig. 3 The perceived capability to deliver BPM services

- Executive Director, Division of IT
- Manager Enterprise Solutions (IT)
- President of Customer Services

When asked how the individual managers rank the perceived quality to deliver the individual services on a Likert scale from 1 to 5 with 5 being the highest, the two 'mainstream services' process modeling and process improvement clearly stood out (see Fig. 3 with the average values, per service).

In a similar way, the next Fig. 4 reports, using the same 1–5 scale, on the perceived internal demand for each of the 15 services. Again, process improvement and process modeling were the highest ranked services.

An interesting analysis is now to calculate the perceived gap between demand and capability, that is, where do the demands for certain BPM services exceed the internal capability, and vice versa. Figure 5 shows the result when calculating perceived capability–perceived demand. Strong negative values indicate that the organizational demand exceeds the perceived BPM CoE capabilities. This is, in particular, evident for the following services: process automation, process performance management, and process change management. However, also the two mainstream services, process improvement and process modeling appear in this list. On the opposite site, it is interesting to note that the three services that appear to have a capability that exceeds the demand can all be regarded as belonging largely to BPM program management, and less to the set of services required for an individual process re-design initiative. This can and may be seen as an indicator that the high demand of organizational departments is indeed with the specifics of process re-design, and that the development of a wider BPM capability is less appreciated (at this stage).

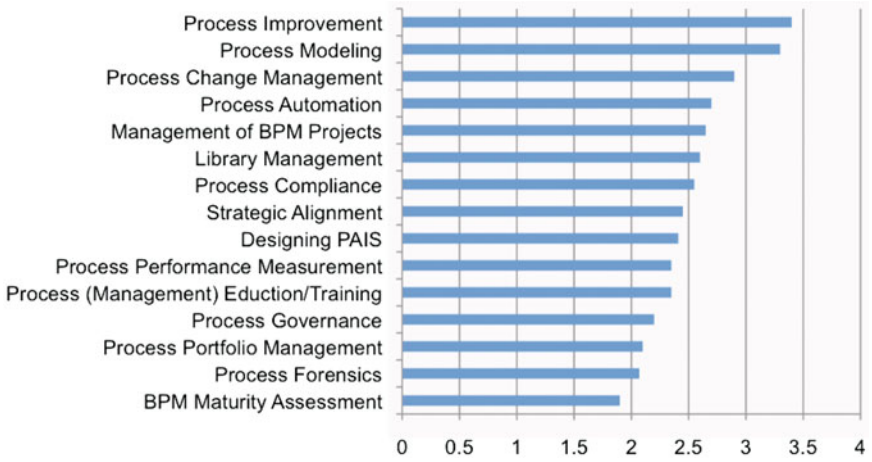

Fig. 4 The perceived internal demand for BPM services

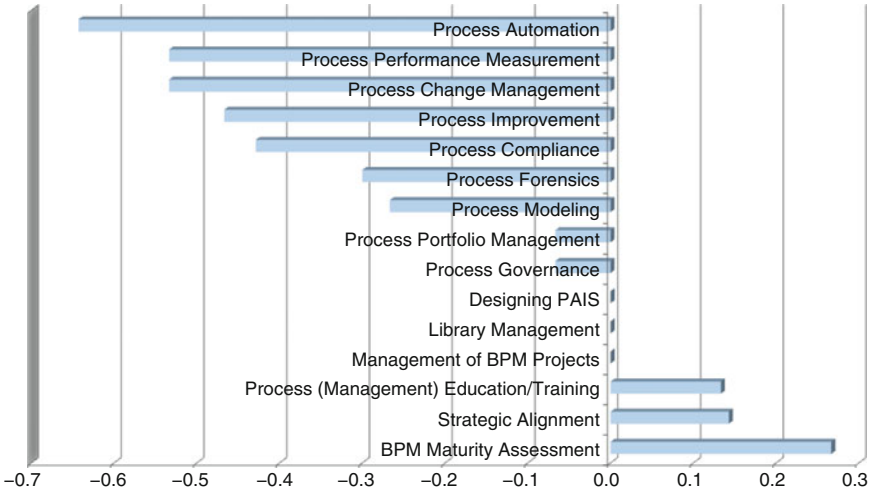

Fig. 5 The difference between perceived capability and perceived demand for BPM services

It is important to be clear about some of the *limitations* of this study. First and foremost, the study reports on the perceptions of BPM managers. As such, there are constraints with regards to the validity and reliability of the data. There might also be a bias within the group of respondents. We also did not seek multiple responses from within one organization due to the individualized membership. Second, the notions of capability and demand do not necessarily equal actual activity levels per service and cannot reflect any future developments. Third, we are very much aware that a set of 15 respondents is too small to derive statistically significant data.

However, we are convinced that the data presented in this chapter shows at least important trends. Fourth, while we added definitions per service to the survey instrument, we cannot exclude differences in the interpretation of the meanings. This potentially compromises the comparability of the responses. Fifth, the comparability of the demand and capability scores (see also Fig. 5) is not guaranteed so that this last diagram can only show rough directions.

6 Conclusion

While the academic and practical BPM literature comprehensively covers BPM methods, techniques, and tools, there is a shortage of advice on BPM strategy design and BPM adoption and evolution models. Previously, we proposed a BPM maturity model (Rosemann et al. 2006) for the design of a BPM strategy roadmap. This chapter ventures to complement this work and provides some guidance on the actual specification of the portfolio of BPM services for an emerging BPM CoE as a cornerstone of organizational BPM Governance. A set of 15 BPM services has been defined that gives organizations, with an interest in institutionalizing a BPM program a, guideline for how they can specify and improve the services of such a group. Insights from a public sector case study provide an example for such a populated service portfolio. Results from a survey with 15 large Australian organizations across multiple industries provide an impression for common patterns in the set-up of such BPM CoEs.

Further challenges are related to the exact specification of the two fundamental dimensions of demand and capability (supply), related service level agreement and funding models, the contents of related training programs, and how BPM communication and marketing plans can help increase the organizational demands for BPM. Moreover, a closer alignment of this set of services with the proposed BPM maturity model will be required to ensure consistency between these two models (de Bruin 2009). It can also be observed that some BPM CoEs started considering the commercialization of their services beyond the narrow boundaries of their organization. This will lead to new business models and requires deeper investigation.

While applied research in these areas is currently undertaken, we believe that the proposed model, even in its current form, will be beneficial for stakeholders in charge of BPM and its governance.

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