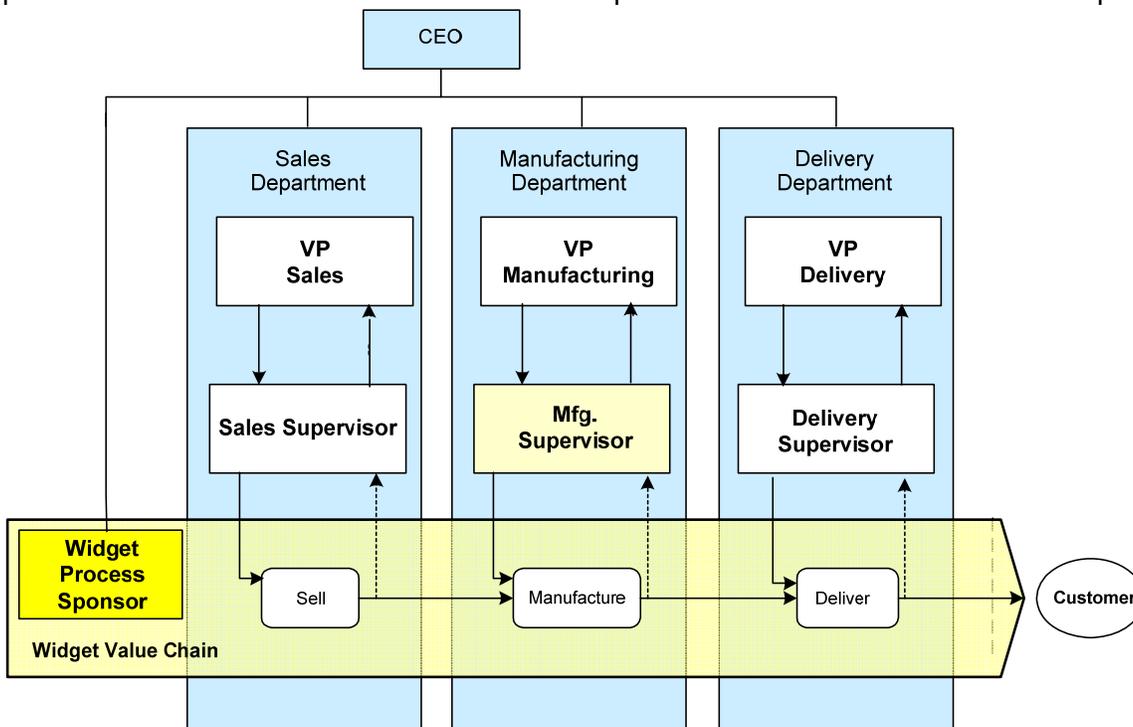


## What Do Business Process Managers Manage?

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Process management can be a confusing subject. Depending on what you read, you will encounter terms such as *process sponsors*, *process governance*, *process managers* and *business process management*. Usually these terms are used, without much precision, to refer to the fact that companies are increasingly focused on managing, measuring and improving their organization's processes.

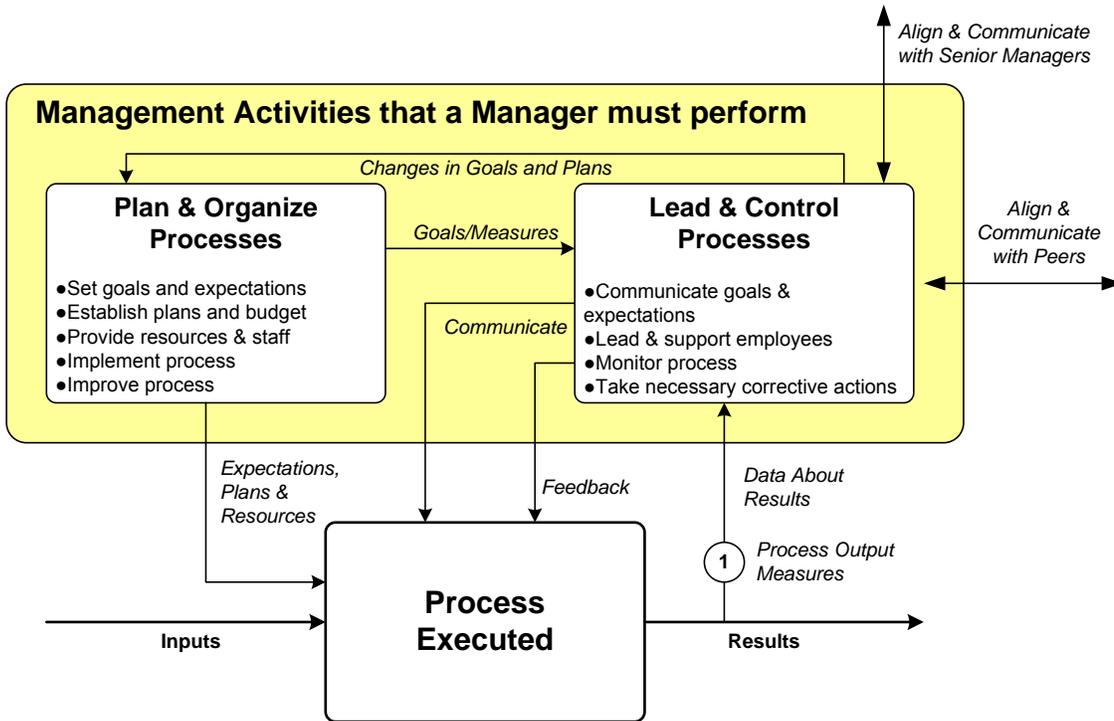
Let's start with some simple assumptions. Let's discriminate between managers who are responsible for processes that cross departmental boundaries, and managers responsible for an ongoing activity or sub-process. We'll refer to the former as Process Sponsors. We'll refer to the latter as Operational Managers.



**Figure 1. Two basic kinds of process management**

In Figure 1 we show an organization chart – in blue. We have overlaid a major process that integrates activities that occur in Sales, Manufacturing and Delivery. To assure that the entire process (the Widget Value Chain) functions smoothly, the company has assigned a Widget Process Sponsor. Separately, there is a Manufacturing Supervisor – an Operational Manager who is responsible for the manufacture process which is one of several subprocesses in the larger Widget Value Chain.

Before looking at the specific activities undertaken by the Process Sponsor and the Operational Process Manager, let's consider management more abstractly. There are lots of general models that describe what managers do. To keep things simple, let's assume that all managers Plan, Organize, Lead, and Control. Figure 2 provides an overview of some of the primary tasks managers are responsible for. (The figure itself is a variation on a figure originally popularized by Rummler and Brache.)



**Figure 2. The basic tasks of management**

Whether a manager thinks of him or herself as a Process Manager, or simply a Business Manager responsible for a business unit, he or she is responsible for planning and organizing the process or unit by setting goals and expectations, establishing plans and a budget, providing the resources and staff needed, and implementing and improving the activities performed by the employees who report to the manager. Similarly, the manager is responsible for leading and controlling the process or unit on a day-to-day basis. He or she must communicate goals and expectations, lead and support employees, monitor activities and outcomes, provide feedback and, when appropriate, provide incentives or take corrective action. The managerial role includes communication with peers and with superiors to assure that the process supports the work of the entire organization.

Process Sponsors are responsible for the ongoing functioning of processes that cut across departmental boundaries. They are responsible for planning, organizing, leading and controlling the work of those engaged in the larger process. Process Sponsors may have direct reports and control over a budget, or they may be the chair of a committee that collaboratively manages the performance of the overall process.

An Operational Manager is focused on a smaller unit or activity, but he or she is also responsible for planning, organizing, leading and controlling the work of the unit or activity he or she manages. Again, depending on the organization, Operational Managers may be responsible for one or more processes, or they may be responsible for a set of activities. Similarly, the Operational Manager may report to a Senior Manager within

the silo, or may work in a matrix organization and report to both a Departmental Manager and a Process Sponsor.

Table 1 suggests some of the key tasks that Process Sponsors and Operational Managers should be concerned about.

<b>Table 1. Some Concerns of Process Sponsors and Operational Managers.</b>		
<b>Management Concern</b>	<b>Process Sponsors</b>	<b>Operational Managers</b>
<b>Plan &amp; Organize</b> Set Goals Est. Plans & Budgets Provide Staff & Resources Implement Process Improve Process	<p>Need to establish exactly why Value Chain perspective is important and keep people focused on the whole.</p> <p>May have staff to manage. Often given control of IT budget supporting the whole process and budget for major process redesign efforts.</p> <p>Responsible for understanding how process, as a whole works, and where changes can be made to improve the whole process.</p>	<p>Need to understand how specific activities fit together as a process. Need to think of goals in terms of process outputs.</p> <p>Need to communicate how the specific activities fit together into a process that is, in turn, part of a larger process. If our activities fail, what happens.</p> <p>Need to plan for process. Need to think of activities as value adding and allocate resources and staff accordingly.</p> <p>Need to be constantly thinking about how to continuously improve the process</p>
<b>Lead &amp; Control</b> Communicate Lead & Support Employees Monitor Process Provide Feedback & Incentives Take Corrective Action	<p>Need to work with functional and operational managers to assure integration, smooth flow, and that problems are identified and corrected quickly.</p> <p>Need to establish way to measure performance of entire value chain and each of the major subprocesses. Need to make information about results available frequently</p> <p>Should be able to reward good performance and to take action when the process starts to encounter problems.</p>	<p>Need to understand how specific activities fit together as a process. Need contracts with upstream and downstream processes to assure that input and output commitments are well understood.</p> <p>Need to assure that employees think of their work as part of a process and understand implementations.</p> <p>Need clear business rules to define important decisions. Need clear measures to determine activity success.</p> <p>Need to provide employees with feedback about how the work they do impacts downstream results.</p> <p>If something goes wrong, the manager should be able to diagnose the flow implications.</p>

We can hardly mention all of the concerns that Process Sponsors or Operational Managers must deal with. It is, however, very important to keep in mind that different companies approach process management in very different ways.

At Boeing GMS and Air Products, for example, all Operational Managers are responsible for developing, maintaining and publishing process diagrams describing their processes. When a manager improves a

process he or she is responsible for changing the diagram and notifying both the upstream and the downstream managers of the change.

Similarly, Boeing GMS, Air Products, and many other companies are matrix organizations that divide responsibilities between Departmental Managers and Process Sponsors. In these cases, the Process Sponsor has a budget and can offer incentives, generally resulting in better and faster outcomes.

Many companies rely on Six Sigma, or some closely related set of tools and provide training in defining and measuring process results and techniques for implementing continuous improvement projects.

Other companies have groups that are responsible for maintaining enterprise-wide consistency between company policies and business rules, assuring that managers implement the specific business rules that apply to the activities they are responsible for managing.

Companies that make a commitment to process management tend to initially focus on improving specific processes and then on assigning Process Sponsors [1] to assure that processes are integrated across departmental boundaries. Later, as companies become more sophisticated, they realize that every manager is a kind of Process Manager, and they begin to focus on improving the process skills of Operational Managers.

Wherever your organization finds itself, understanding process and developing a clear overview of the connectedness of things is key. It can be done with ISO 9000 documentation or via flow charts. It can be done in group meetings on a whiteboard. Or, it can be done with software tools. However it is done, if it is done right, individual managers will become less focused on “just doing what they do” and become more focused on the implications of how their work supports the work of the larger organization. In many cases, this immediately leads to questioning: “If we simply exist to support process X, then why are we doing Y?” These are exactly the questions senior management ought to be stimulating and addressing. Non-value adding activities should be eliminated. Similarly, sub-optimization should be avoided. Eliminating a report in process Y, to save money, which subsequently costs process X more money, should be avoided. As companies tighten their belts for an economic slowdown, process management will continue to become increasingly important.

A process focused organization can not be created overnight and managers can not change the way they manage overnight, but organizations that expect to survive over the next two decades had better be working on the transition. Change is inevitable and every organization is going to have to respond to change rapidly and in unimaginable ways in the future. New technologies will continue to change how we do things. Customers will continue to demand better service and more customized products, faster, better and cheaper. And, more and more processes and activities will continue to be outsourced. Managers will be faced with wave after wave of changes and the only way they will succeed in dealing with this state of constant change will be by having a broad, flexible, very practical understanding of how the organization is put together, why it does what it does, and how it can be changed quickly and effectively. That’s what process is all about and it is why process management is so important.

[1] To simplify the discussion, I focused on only two types of process management. Readers should be aware, however, that many companies use the term *Process Sponsor* to refer to an individual who is responsible for the same activity, wherever it occurs throughout the company. Thus, there might be a Process Sponsor for the Customer Data Capture Process, whether it occurs in the Sales, Service, or Credit Approval processes or in the Widget or Finance Value Chains. This type of role is especially common in companies that are trying to manage their ERP applications. This Process Sponsor is, if you will, in a third

dimension, neither concerned with the value chain, or with a functional silo. The concerns of this process manager lie somewhere between those of a Value Chain manager and those of an operational process manager. He or she is concerned with a single activity, no matter what value chain or silo it occurs in.



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