BPM Maturity is Needed for Digital Business Success[i]

By Andrew Spanyi

The importance of a process orientation in driving digital business success has been known for some time. In the early days of digital – it was already predicted that leading companies will succeed with digital by re-envisioning customer experience, operational processes and business models.[ii]

Gartner has also underlined the importance of BPM in digital transformation success and predicted that a deficit of BPM maturity may actually prevent 80 percent of organizations from achieving the desired business outcomes from their *digital* business strategies.[iii]

The main options for deploying digital are:

a) Find a digital tool and deploy it
b) Decide which digital tools to deploy to improve departmental performance
c) Start with the customer experience and deploy digital tools to improve the performance of value creating processes

Option (c) is most likely to lead to success with digital business. Thoughtful executives understand the importance of paying attention to aligning people, processes, and culture to achieve long-term digital success. They focus on customer experience and ask how digital can make the customer journey easier and better. Then, they recognize that end to end business processes are what creates customer value. That's why BPM maturity is so important for lasting digital business success.

To understand the importance of BPM maturity, the table below summarizes the extremes:

Low Maturity	High Maturity
Random, isolated projects	Planned projects create customer value
Departmental focus	Customer and cross-functional focus
Tools deployed individually	An integrated approach to tool deployment
Control	Collaboration
Low resources	Dedicated resources
Silos dominate	Process governance in place
Financial metrics dominate	Measures include quality and timeliness

Sustainable success with digital business is not easy. Forbes reported that 84% of companies fail with digital transformation.[iv] Digital business is not something that you can go and buy and just

plug it into your organization. It is multi-faceted and diffuse, and it involves much more than just technology. Digital business requires an investment in skills, infrastructure, and, sometimes, in cleaning up IT systems.[v]

Researchers at the MIT Initiative on the Digital Economy have identified that leading companies use digital to transform both the customer experience and their operational processes while simultaneously challenging their business model. This is in plain contrast to other, less successful digital programs where companies take a technology led approach to solve discrete business problems of relatively small scope or when they attempt to deploy digital solely to resolve problems within departmental boundaries.

It's important to be aware of the central role of process thinking in developing business models and operating models. Andrew Campbell, a co-author of a book on the Operating Model Canvas, emphasizes that a one page operating model canvas promotes dialogue and is easy to share. To understand an operating model, it's important to start with laying out the value chains or large processes that need to perform flawlessly to deliver the company's value proposition. As depicted below, the operating model canvas can best be used when there is clarity on customer experience and the interdependence of the various components of the model.
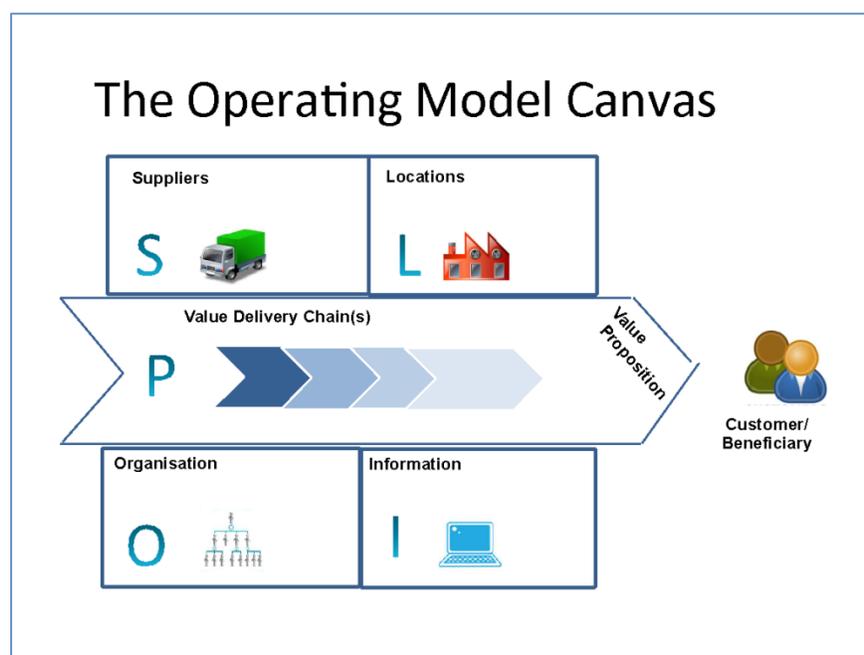
Operating Model Canvas[vi]

It's fairly clear that the digital program has to be led from the top down. Employees want to work for leaders who get digital. Also, there is strong evidence to support that the integrated use of multiple digital technologies yields superior results to using one tool at a time in a disconnected fashion. Then, a focus on customer experience will help avoid sub-optimizing the benefits of digital technologies. While actions by individual departments can potentially improve *customer experience*, these benefits can be short lived unless changes are also made to

supporting back-end systems or back office operations. Ideally, what's needed is a management approach that emphasizes customer experience, features a business process based view of the enterprise and is integrative in nature. That's why BPM maturity is so important. Indeed, BPM is unique in the sense that it combines a management discipline with enabling technology.

BPM professionals, business analysts, business process analysts, business architects and enterprise architects can all make a greater contribution to their company's digital programs by working together to improve the level of BPM maturity and thereby increasing the chances of success with digital business.[vii]

Andrew Spanyi is recognized internationally as an expert in operational leadership and Business Process Management. He is the author of three books and has over two decades of management consulting practice experience. He has worked on over 170 major improvement projects and the development and delivery of dozens of sales and management training programs. He was an adjunct faculty member at Babson College in Wellesley, MA and currently acts as an Advisor to ABPMP and is instructor with BPMInstitute.org.

[i] An earlier version of this article was published at http://www.bpminstitute.org/resources/articles/bpm-maturity-needed-digital-business-success

[ii] https://www.capgemini.com/wp-content/uploads/2017/07/Digital_Transformation__A_Road-Map_for_Billion-Dollar_Organizations.pdf

[iii] https://www.gartner.com/newsroom/id/2968317

[iv] https://www.forbes.com/sites/brucerogers/2016/01/07/why-84-of-companies-fail-at-digital-transformation/#16b687e4397b

[v] https://hbr.org/2018/03/why-so-many-high-profile-digital-transformations-fail

[vi] https://operatingmodelcanvas.com/

[vii] The above references were accessed between May 3rd and May 9,, 2018