

Review

Establishment of a Central Process Governance Organization Combined with Operational Process Improvements

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January 10, 2023

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Definitions

- Operational Process

An operational process is a method to get a specific, singular task done, such as the assembly of a product.

- Business Process

A business process is a series of operational processes that result in a specific goal, such as creating and delivering a product or service to a customer.

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Definitions

- Business Process Management (BPM)
BPM is concerned with improving a business process from start to finish. (Plan-Do-Act-Check; Design-Model-Execute-Monitor-Optimize; ...)
- Business Process Governance (BPG)
BPG is the practice of overseeing, monitoring, regulating, and managing how business processes are aligned and executed.

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The telecommunication company "ME Telco" adapted to changing market conditions and innovations, to increase competitive advantages, and improve customer satisfaction and operational efficiency.

ME Telco is a leading telecommunications operator with more than 100 million customers.

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Project Introduction – Main problems

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The company suffered from the following issues:

- Customer satisfaction on the decline
- Competition by innovative market rivals
- Requests and incident resolutions took too long
- Unclear responsibilities leading to task reassignment

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Project Introduction – Organizational issues

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Among the main difficulties for the organization to handle, to alleviate the core issues, are as follows:

- Organization's functional structure is oriented around technical infrastructure
- Growing complexity was no longer manageable with existing structures

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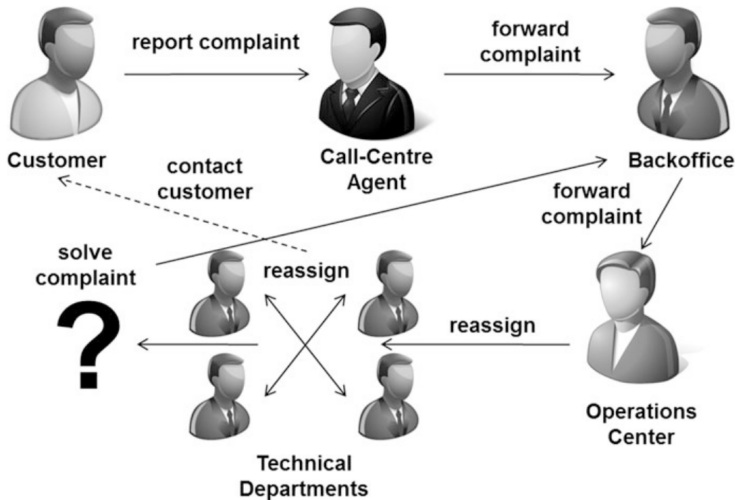


Fig. 1 Exemplary illustration of the incident management process (as-is)

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Project Introduction – Problem analytics

Identification of core problems via BPM diagnostics:

- Missing main process management structure
Each department had it's own silo-oriented process management
- Lacking process definition level
Processes were defined only on operational level
- Intransparency
Activities between departments were not aligned
- Responsibility
Searching for a responsible person was a major effort
- Task reassignment
Many tasks being reassigned, leading to long delays

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Split the project restructuring into three phases:

1. High-level diagnostics study of present situation utilizing BPM.
2. Use findings from phase 1 to design, implement and improve BPM.
3. Monitor results and transition to the line organization

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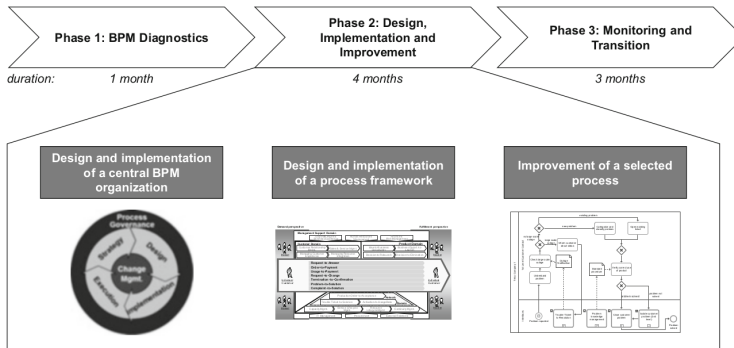


Fig. 3 Project overview

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Problem approach – 1. Phase

BPM diagnostics served as a preliminary assessment based on general maturity criteria. It covered organizational responsibilities, methods and tools of BPM, existing process framework, and process reengineering.

In summary, findings were related to process ownership, alignment with strategic targets, planning, and future realization of improvement measures.

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Problem approach – 2. Phase

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Based on Phase 1, Phase 2 consists of 3 objectives:

- I. Development of a central BPM department
- II. Development of company-wide process framework
- III. Refining of selected processes

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I. Development of a central BPM department

Create an organizational entity that is responsible for the management and methodical governance of business processes.

This encompasses the creation of a BPM department, selecting tools, defining roles and responsibilities, and the development of policies and templates.

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II. Development of company-wide process framework

Based on the industry-specific process model standard, "eTOM", a customized process framework is generated. It followed a hierarchical process structure, detailed to level 2 process descriptions for the whole company.

This covered identifying and involving appropriate stakeholders, changing employee communication and documents, employee training, and a final approval by the executive board.

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III. Refining of selected processes

The incident management process was selected as a proof of concept.

The process was re-developed through employee training and changes to existing applications.

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BPM Department & Governance

The new process governance involved the following positions:

1. Process ambassadors
Responsible for communication and escalations
2. Process owners
Senior managers, who had functional responsibility for whole business processes.
3. Process team leader & Sub-Process partners
Design and implementation on operational process level
4. Business process office
Responsible for the overall governance

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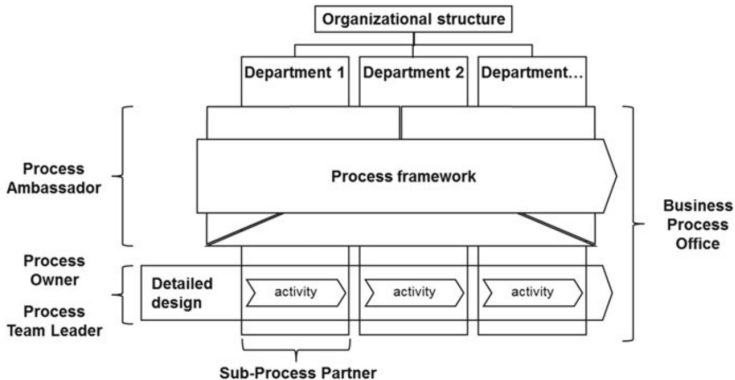
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Process Framework

A cross-functional process framework was created to bridge the gap between the central BPM department and the operational processes.

It provides high-level definitions of all processes based on the eTOM process model.

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Process Framework – Domains

The process framework contains five domains:

1. Customer-centric: Sales and customer service; Tasks started and ended with the customer
2. Technology: The development and realization of telecommunication services
3. Product: Design and launch of services, provided by the technology domain
4. Customer: Market research and campaigns; Supports customer-related activities
5. Support: General support activities, including finance and human resources

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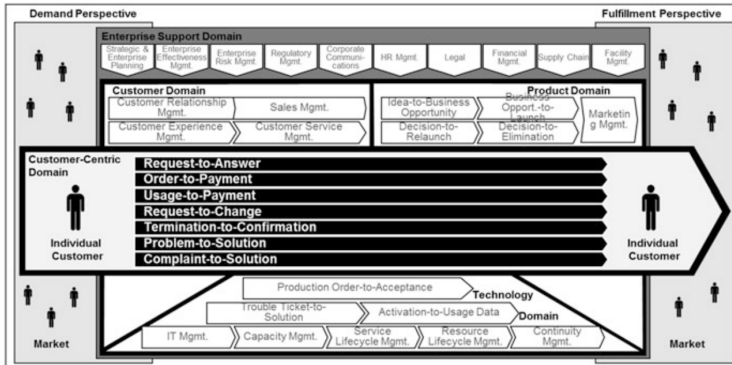
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Phase 3 – Results monitoring

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In respect to Phase 2, the following results were achieved:

1. Creation of BPM department
2. Company-wide process framework was established
3. Major improvement of the incident management process

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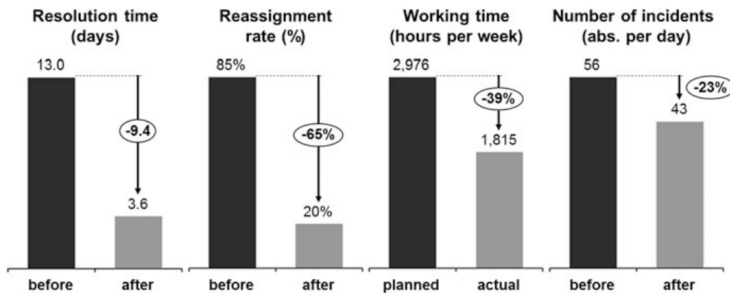
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Figures are average based on a two months period

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Project results – Extent of restructuring

- Project duration of 8 months
- 18 stakeholder groups were involved
- 170 employees received training
- 30 interviews and site visits were conducted for as-is analysis
- 120 employees received operational training on the new incident management process alone
- 8 employees received detailed off-site BPM training

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Project results – Figures

All figures are averages that were calculated based on performance for 2 months before and 2 months after implementation.

- Incident resolution time: 13 days → 3,6 days
- Task reassignment rate: 85% → 20%
- Working hours: 2976 → 1815

Additionally, the numbers of incidents declined by 23%, presumably due to elimination of repeated reports. A positive effect on customer satisfaction was not analyzed, but can be assumed.

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Project results – Additional remarks

- Implementation tasks were partially finished – 45% were realized, further 38% have been started.
- Planned changes for application systems were partially – 40% were implemented, 60% required additional budget and/or decisions.
- Continuous change of organizational positions – Parallel reorganization initiatives, re-nominations and additional training has to be considered
- Future plans were not completely ensured – Other initiatives were launched during the project that could influence the process management

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From a BPM perspective, the following points can be derived from this study:

- Process content is an important factor in BPM implementations
- Process ownership requires considerations of different BPM elements
- Early involvement of stakeholders is essential
- Customization of industry-standard models require transparent decisions and approaches
- General BPM governance and methods are important for an operational process improvement

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A telecommunication company strategically transformed their workflows via business process management (BPM).

- **Problems**

- Silo-oriented process management
- Missing cross-functional transparency
- Lack of assigned responsibility

- **Approach**

- Identification of counter-measures
- Creation of new organizational unit responsible for central BPM
- Monitoring and transferring project results to daily operations

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○ Results

- Improve average resolution time from 13 to 3,6 days
- Decrease task reassignment rate from 85% to 20%
- Decrease working time from 2976h to 1815h

○ Outlook

- Process content and management is an significant business success factor
- Early involvement of stakeholders is essential
- Decision making models require transparency

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Thank you for your attention

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