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

Auer Thomas

University of Klagenfurt

December 30, 2022

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

Auer Thomas

Definitions

Project Introduction

Problem approach
Phase 1
Phase 2
Process Governance
Process Framework
Phase 3

Project results

Important takeaways

Summary

Definitions

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

Auer Thomas

- Operational Process
  An operational process a method to get a specific, singular task done.

- 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.

Definitions

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

Auer Thomas

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.

Project Introduction

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

Auer Thomas

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

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

Project Introduction – Core issues

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

Auer Thomas

The company suffered from the following problems:

- Customer satisfaction on the decline

- Competition by innovative market rivals

- Requests and incident resolutions took too long

- Unclear responsibilities leading to task reassignment

Project Introduction – Organizational issues

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

Auer Thomas

Among the main difficulties for the organization to handle, in order 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
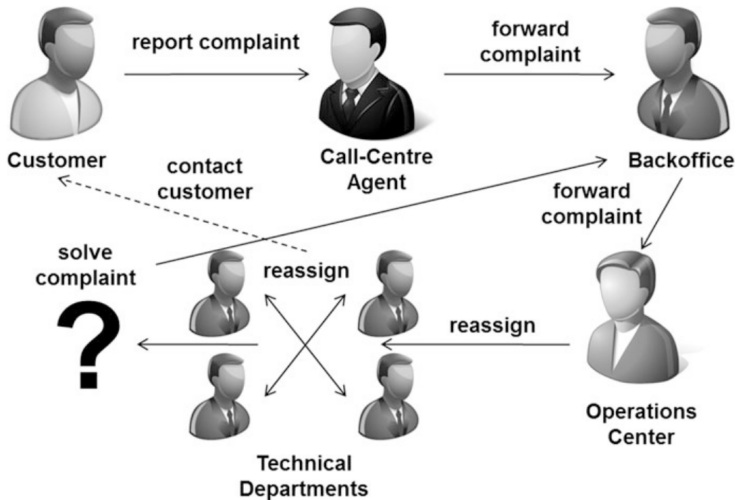
Fig. 1 Exemplary illustration of the incident management process (as-is)

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

Auer Thomas

Project Introduction – Problem analytics

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

Auer Thomas

Identification of core problems via BPM diagnostics:

- Missing process management structure
  Each department had it's own silo-oriented process
  management

- 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

Problem approach

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

Auer Thomas

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

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

Auer Thomas
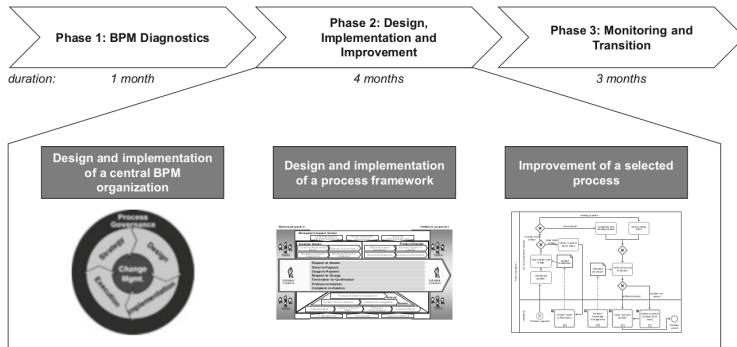
Fig. 3 Project overview

Problem approach – 1. Phase

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

Auer Thomas

BPM diagnostics served as 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 realization of improvement measures.

Problem approach – 2. Phase

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

Auer Thomas

Based on Phase 1, Phase 2 consists of 3 core topics:

  I. Development of a central BPM department

 II. Development of company-wide process framework

III. Refining of selected processes

I. Development of a central BPM department

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

Auer Thomas

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

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

II. Development of company-wide process framework

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

Auer Thomas

Based on the industry-specific process model "eTOM", a process framework as 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.

III. Refining of selected processes

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

Auer Thomas

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

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

Governance & BPM Department

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

Auer Thomas

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

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

Auer Thomas

Definitions

Project
Introduction

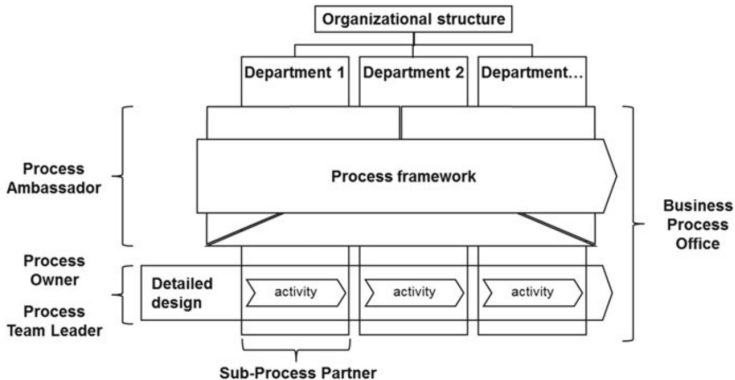Problem approach
Phase 1
Phase 2
Process Governance
Process Framework
Phase 3

Project results

Important
takeaways

Summary

Process Framework

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

Auer Thomas

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

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

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: Development 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

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

Auer Thomas

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

Auer Thomas

Definitions

Project
Introduction

Problem approach
Phase 1
Phase 2
Process Governance
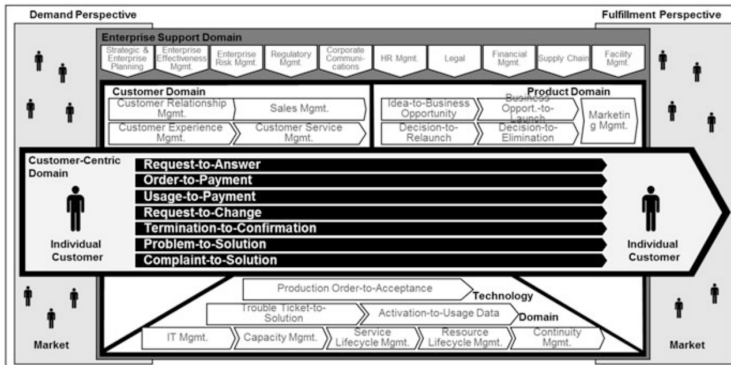Process Framework
Phase 3

Project results

Important
takeaways

Summary

Phase 3 – Results monitoring

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

Auer Thomas

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

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

Auer Thomas

Project results – Extent

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

Auer Thomas

- 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

Project results – Some numbers

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

Auer Thomas

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

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

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

Project results – Notable

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

Auer Thomas

- ○ 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.
- ○ Continous 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

Important takeaways

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

Auer Thomas

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

Summary – Problem and Approach

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

Auer Thomas

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
  - – Create new organizational unit responsible for central BPM
  - – Monitoring and transfering project results to daily operations

Summary – Results and Outlook

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

Auer Thomas

○ **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 is an significant business success
  factor
  – Early involvement of stakeholders is essential
  – Decision making models require transparency

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

Auer Thomas

Thank you for your attention