

Business Process Management Update



Happy New Year

We are several weeks into the new year, and you may have already broken some New Year's resolutions. In your personal life that may be okay, but in the today's business climate missing objectives can have disastrous consequences. Utilizing Business Process Management solutions and utilizing a philosophy of continuous improvement, you greatly increase your odds of success.

Arthur Hedge

Special points of interest:

- IBM continues move into Business Process Management
- How Do You Use XML?
- XML Resources
- Reach Consensus with Affinity Diagrams

Collaboration Models

All of us in the business world collaborate. Whether it is the weekly project team meeting, working on an RFP response with a business partner, or working with a customer to solve a problem, we collaborate.

As successful organizations move towards management of their Business Processes, one area to review is how to support the process of collaboration. There are a number of software tools on the market that help you organize workers from vendors such as IBM/Lotus, SiteScape, and Microsoft. But what exactly is collaboration?

If your company is looking to improve how its workers collaborate, the first step in developing a solution is to define specific objectives. I thought it

might be helpful to discuss different models of collaboration. This will help you in your decision-making process regarding what tool to use. SiteScape, a software vendor that provides a robust collaboration tool, describes a taxonomy that includes five different models of collaboration.

- Library
- Solicitation
- Team
- Community
- Process Support

The library model describes an active repository of information of important content that has value over a long period of time and is managed by a small group of people, but consumed by a large group.

The Solicitation model de-

scribes the collaboration that takes place between a buyer and a group of respondents to the buyer's RFP's.

The Team model describes the activities that a project team engages in the completion of a set of related tasks.

The Community model describes how a group of people related by Interest or Practice come together to share information.

The Process Support model describes the activities required to support a business process or workflow that follows a predefined set of steps.

If you would like to receive SiteScape's white paper on these models please email us at info@castleventures.com.

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Common Sense Comes to IT Management

In the November, 2002 issue of the Harvard Business Review is a great article, "Six IT Decisions Your IT People Shouldn't Make" by Jeanne W. Ross and Peter Weill of MIT's Center for Information Systems Research. The article focuses on a critical business problem facing many organizations, the failure to maximize the potential benefits from

their IT investments. They come to the conclusion that in successful organizations the senior business leaders make decisions in a small number of crucial areas. They divide these decisions into two categories, strategy and execution. The strategic choices are IT spending levels, business process prioritization, and corporate standards. The three execution

choices are quality of service, level of security standards, and accountability standards.

If you are a business executive, this article provides clarity on how you need to interact with the IT department. For the technology executive, your take-away is that you need to step up to the plate and get business involved. **Read IT!**

XML in the Business Process Management World



Escher's Tower of Babel

“XML is going to save the world!”

“When you can define in one tool... and execute in a different tool, XML for BPM will be ready for prime time.”

“XML is going to save the world!” That was the hype three years ago at the height of the DOT COM bubble. But last I heard, Bill Gates was still delivering his Comdex keynote address in English and EDI (Electronic Data Interchange) was still going strong. What happened? Well part of the problem is that XML is only a language and just as with English, two people can convey the same meaning in thousands of different ways. Until each specific exchange has an agreed upon format, people will struggle with the implementation of XML. One way organizations are trying to deal with this is by coming up with very specific standards for their business or industry.

This approach has led to some great successes. For example, Intel announced that in 2002 they did over **\$5 Billion** in transactions utilizing the RosettaNet standards. Following the standards created for the electronics industry, Intel has gathered greater operational efficiency, faster throughout, and improved customer and supplier satisfaction.

What does this mean for those companies taking a process-centric view of their business and implementing Business Process Management solutions?

We can divide the usage of XML into 3 categories that are directly relevant to Business Process Management. This ignores other uses that might be significant elsewhere. such as Web

Publishing and Content Management. First, XML can be used for inter-company communications. Second, XML can be used for intra-company communications. Third, it can be used for Business Process Definition.

Each of these methods is at a different level of maturity and you should tailor your actions accordingly. XML for industry organizations is in the adolescent phase, so one should not be replacing EDI systems and converting all systems willy-nilly at this stage. What you should be doing is working with Industry Standard organizations, like Intel has with RosettaNet. The first level objectives should be to perform all new data exchanges utilizing XML. The ACCORD standard set in the insurance industry is one example to review. The second level objectives will be at the process level, when you are sharing public data about all stages of a business process with your business partners. The RosettaNet Partner Interface Processes® (PIPs®) provide a very mature example of this effort.

In the second category the usage of XML is much more mature because you control your internal standards. There is no reason that your IT organization should not be utilizing XML for interprocess communications. The major middleware, database, and BPM vendors support XML solutions. Even as these standards converge, it will be far easier to map XML formats internally than to continue to support proprietary data ex-

In the third category, business process definition is still in its infancy. One sees a number of standards being developed. The Business Process Management Initiative released the final draft of its XML-based Business Process Modeling Language in November. In August IBM, BEA and Microsoft announced their support for 'Business Process Execution Language for Web Services' - or BPEL4WS for short. BPEL4WS is an XML-based flow language that defines how business processes interact. The Workflow Management Coalition has been developing standards over a number of years defining various aspects of the BPM architecture. OASIS, a non-profit standards organization supported by the UN, has been developing ebXML with promises that it will “enable organizations of any size, in any location to meet and conduct business through the exchange of XML-based messages.”

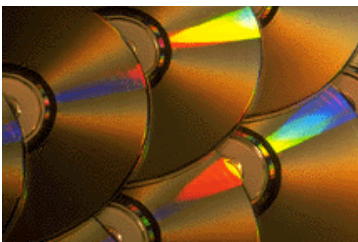
In implementing new BPM solutions you should make standards adoption one of your selection criteria, but not your only one. When the day comes that the business people can create process maps in one tool that they feel comfortable with and execute them in a different BPM tool that fits into your IT architecture, we'll declare XML for Business Process Management ready for prime time. **Until then, keep your eyes and ears open to vendor hype.**

XML Resources

Web Sites:

Business Process Management Initiative
ebXML
RosettaNat
Workflow Management Coalition

bpmi.org
www.ebxml.org
www.rosettanet.org
wfmc.org



Affinity Diagrams

What do you do when you have a bunch of users complaining about a system that the IT staff claims is working properly? How do you handle a process that appears to be broken in a number of ways? When you are undertaking a new initiative and you need to capture priorities from a number of stakeholders, where do you start?

The answer may be found in the Affinity diagram. An Affinity diagram is the output of a creative process performed by a team of people to organize ideas, issues, and opinions into coherent groupings. The Affinity diagram, and the K-J method used to produce it, was developed by Jiro Kawakita, a Japanese anthropologist. It is one of

the “Seven Management and Planning Tools” to evolve out of the Total Quality Management movement.

Creating an Affinity diagram usually involves a group of 5 to 10 people who meet for 1-2 hours. The process starts by selecting a problem statement that represents the issue that the group is grappling with. It is helpful to state the problem in the form of a question, such as “Why can’t we underwrite a policy in two days?” Then proceed to:

1. Capture ideas on cards using brainstorming techniques.
2. Refine ideas by clarifying “idea cards.”

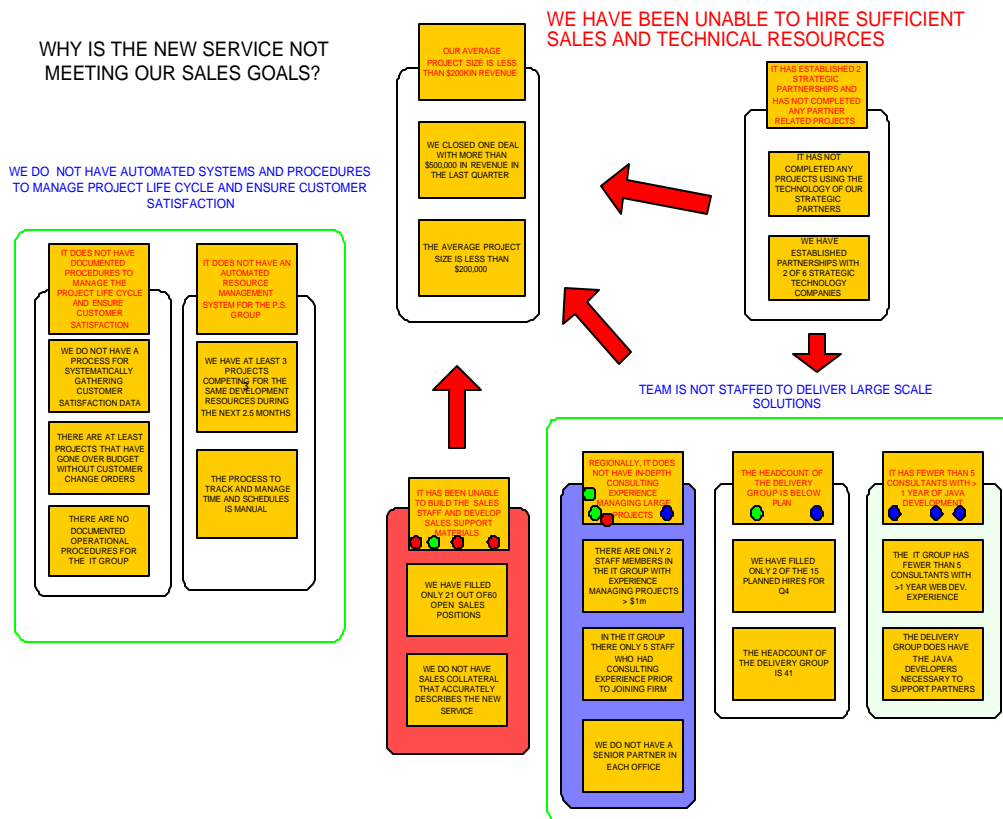
3. Sort ideas into related groups.
4. Create summary level headers for each category.
5. Develop a conclusion and draw the Affinity diagram.

In the Business Process Management arena, the Affinity diagram can be helpful in ways such as identifying barriers to improving a process or generating ideas to help solve recurring customer problems. Next time you want to jump start a problem-solving effort, consider the Affinity diagram. The K-J method seems simple, but it is amazing in action.



“All progress is precarious, and the solution of one problem brings us face to face with another problem”

Martin Luther King, Jr.



Example Affinity Diagram



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Business Process Improvement Services

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Castle Ventures has extensive experience in delivering solutions to organizations in the Financial Services, Healthcare, Pharmaceutical, and Government sectors. Our approach quickly builds a bridge between your business objectives and a technology solution.

IBM Continues Acquisition Spree

IBM is at it again. In the last issue of our newsletter, we talked about IBM's acquisition of Holosofx, a Business Process Management software vendor. In December, IBM announced that they had reached agreement to buy Rational Software Corp. Rational makes software development products, such as Rational Rose, a UML modeling tool.

Should Microsoft development shops be worried? IBM is clearly in the Java space with its Websphere line and Rational supports Java Development Environments. Rational has historically supported both the Java and the Microsoft development platforms. There has been some market fear expressed and two weeks after the acquisition announcement,

the CEO of Rational issued a statement affirming their current and future support of the .NET platform. IBM has indicated that they will retain the Rational name, giving good reason for optimism for the Microsoft faithful. IBM's history with Lotus has demonstrated their willingness to maintain an independent product brand, but keep your eyes open for future developments here.

My takeaway here is IBM's continued move into model-driven approaches to developing software applications, clearly a good thing for those of us who believe in the Business Process Management approach to running IT organizations.

