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# Developing BPM Capability in Practice

Promises, Pitfalls, and Lessons Learned

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# What Motivates Firms to Engage in BPM?

## Problem- vs Opportunity-driven Engagement

- “Our process is Excel over email”
- “It’s complicated”
- ”I wish we could change, but the auditors won’t allow it”
- “We’re playing ping-pong across teams”
- “The only one who knows the process is the customer”
- “We want Hyper-automation – Processes, Rules, Procedures”
- “Process Mining can solve for gaps in our knowledge”
- “Staff needs to be able to focus on what’s important”
- “No implementation without design”
- “What does the Future of Work look like?”

90%

(and shrinking)

10%

(and growing)





# Case 1: Department of Defense

## Motivation:

Department of Defense (DoD) has thousands of systems, which are each described using models that follow the DoD Architecture Framework. There is no standard required notation for the different architecture views, hindering systems integration efforts.

## Scope:

Develop standard description mechanisms for DoDAF views as requirements for system vendors/builders

## Sponsor: CTO

## Approach:

Map DoDAF views to possible standard notations. Identify workable notation subsets. Work with the OMG on BPMN standardization. Write public policy. Train vendors.

## Outcome:

- BPMN subsets
- Experiments in Semantic Technologies
- Moving the needle in a 2-million-member organization is hard



# HOW STANDARDS PROLIFERATE:

(SEE: A/C CHARGERS, CHARACTER ENCODINGS, INSTANT MESSAGING, ETC)



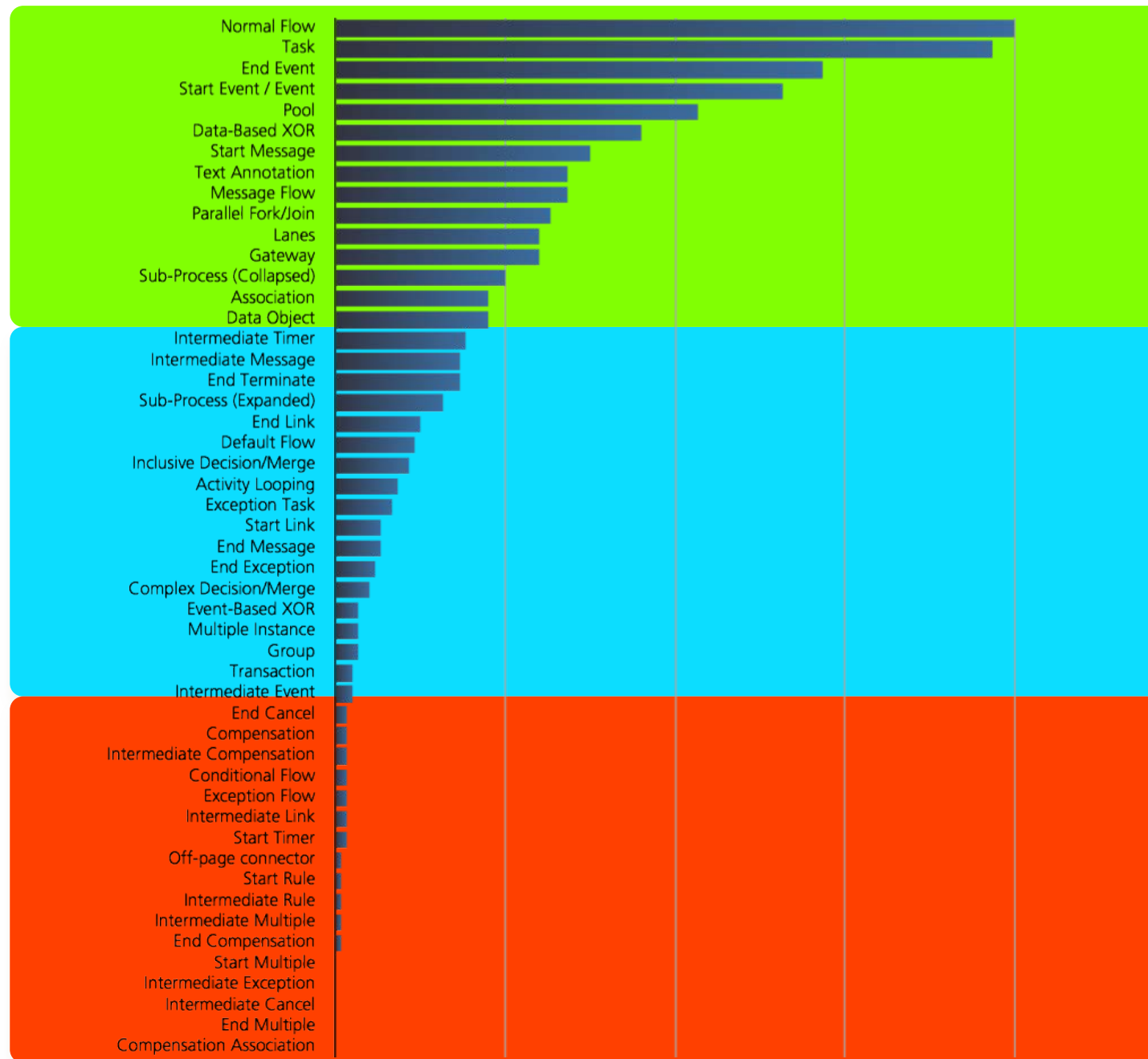
SITUATION:  
THERE ARE  
14 COMPETING  
STANDARDS.

14?! RIDICULOUS!  
WE NEED TO DEVELOP  
ONE UNIVERSAL STANDARD  
THAT COVERS EVERYONE'S  
USE CASES.



SOON:

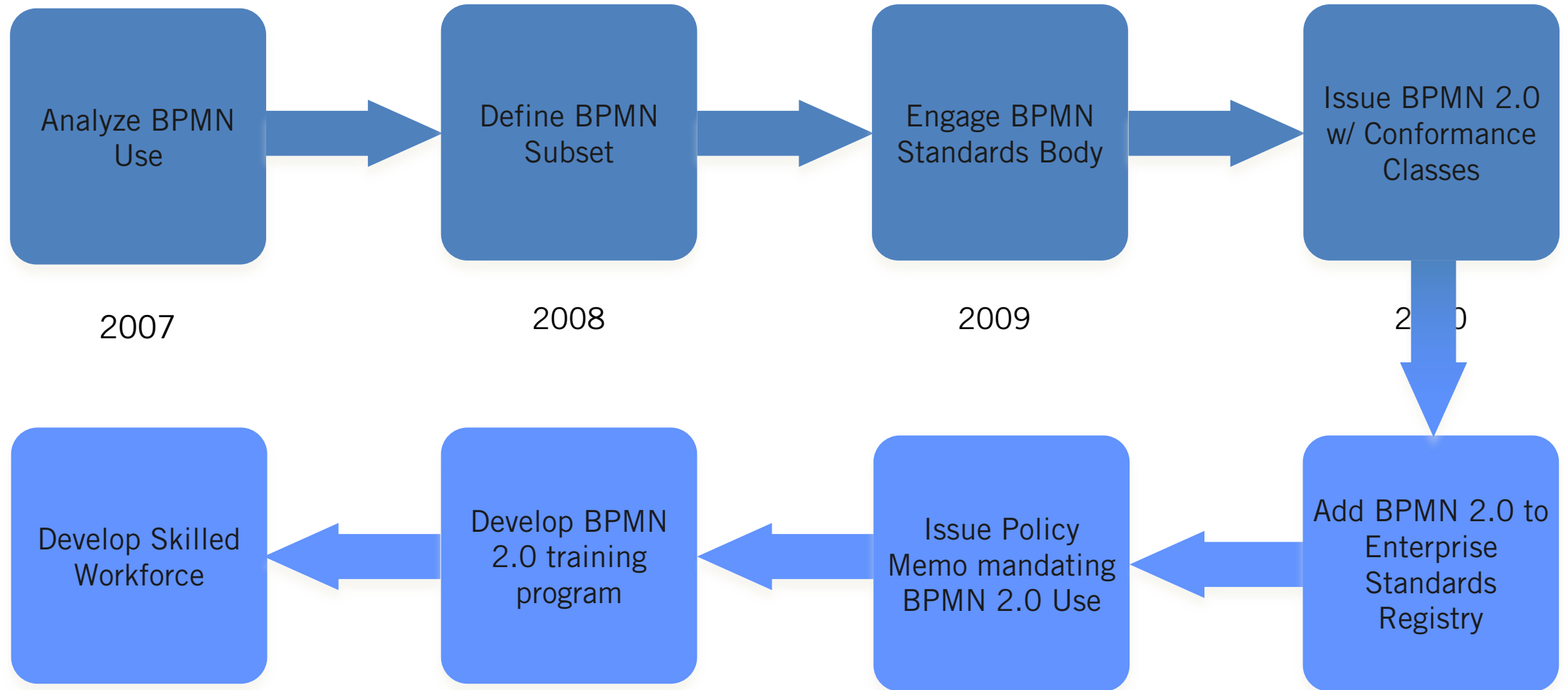
SITUATION:  
THERE ARE  
15 COMPETING  
STANDARDS.



source: zur Muehlen, Recker (2007)



# How to Improve a Standard







## Case 2: Fortune 100 Investment Bank

- Motivation: Industrialization of the Back-Office
- Scope: Establish a baseline BPM capability across Operations
- Sponsorship: COO + multiple partners
- Start: Team of 3 (2 VPs, 1 Associate) + Consultant
- Step 1: Maturity Roadmap
- Step 2: Process Architecture (Draft...)
- Step 3: Create Center of Excellence (Central)
- Step 4: Expand Center of Excellence Globally
- Step 5: Train Line-of-Business in BPM(N)
- Step 6: Embed Training in Standard Onboarding



# The Process Analyst's Dilemma

Marco Polo describes a bridge, stone by stone.

*“But which is the stone that supports the bridge?”* Kublai Khan asks.

*“The bridge is not supported by one stone or another,”* Marco answers, *“but by the line of the arch that they form.”*

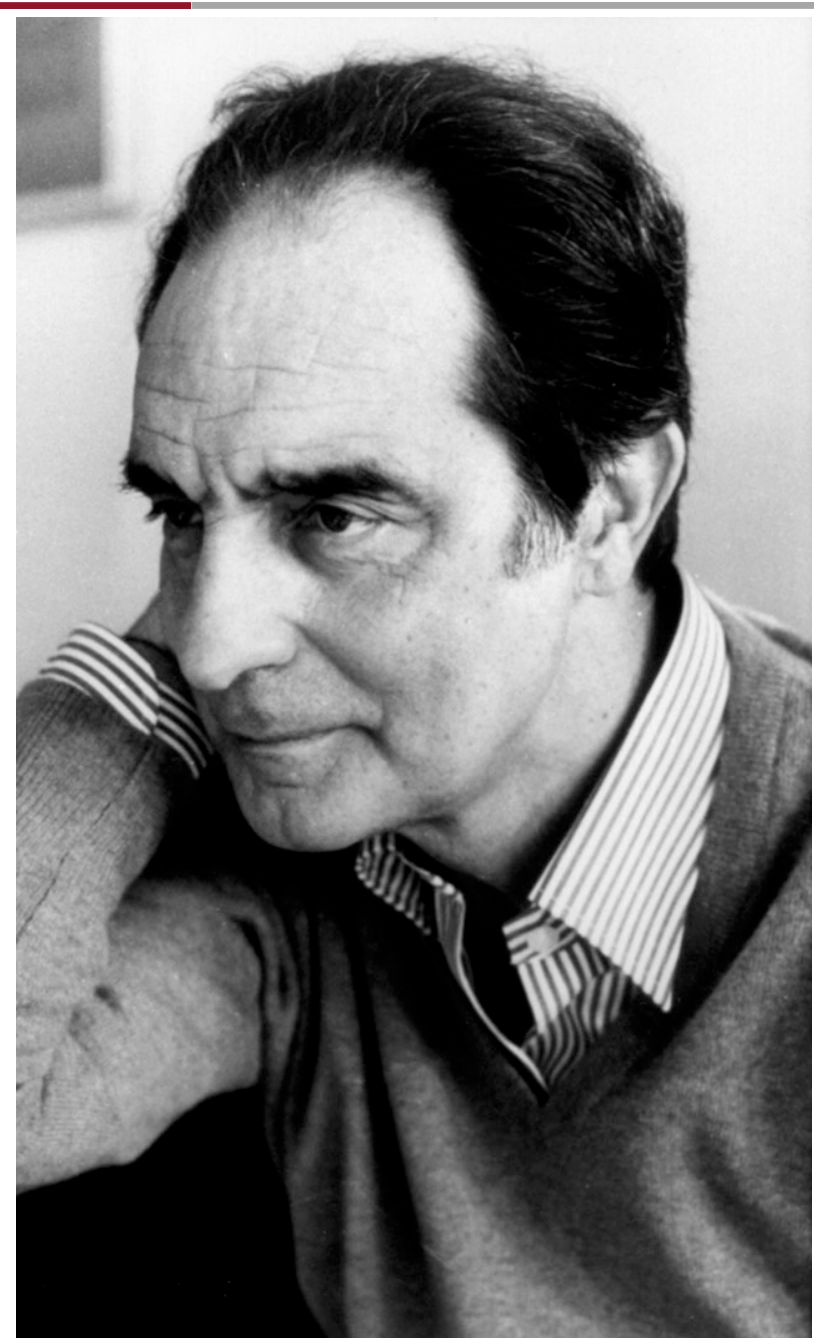
Kublai Khan adds:

*“Why do you speak to me of the stones? It is only the arch that matters to me.”*

Polo answers:

*“Without stones there is no arch.”*

Italo Calvino: Invisible Cities, 1972

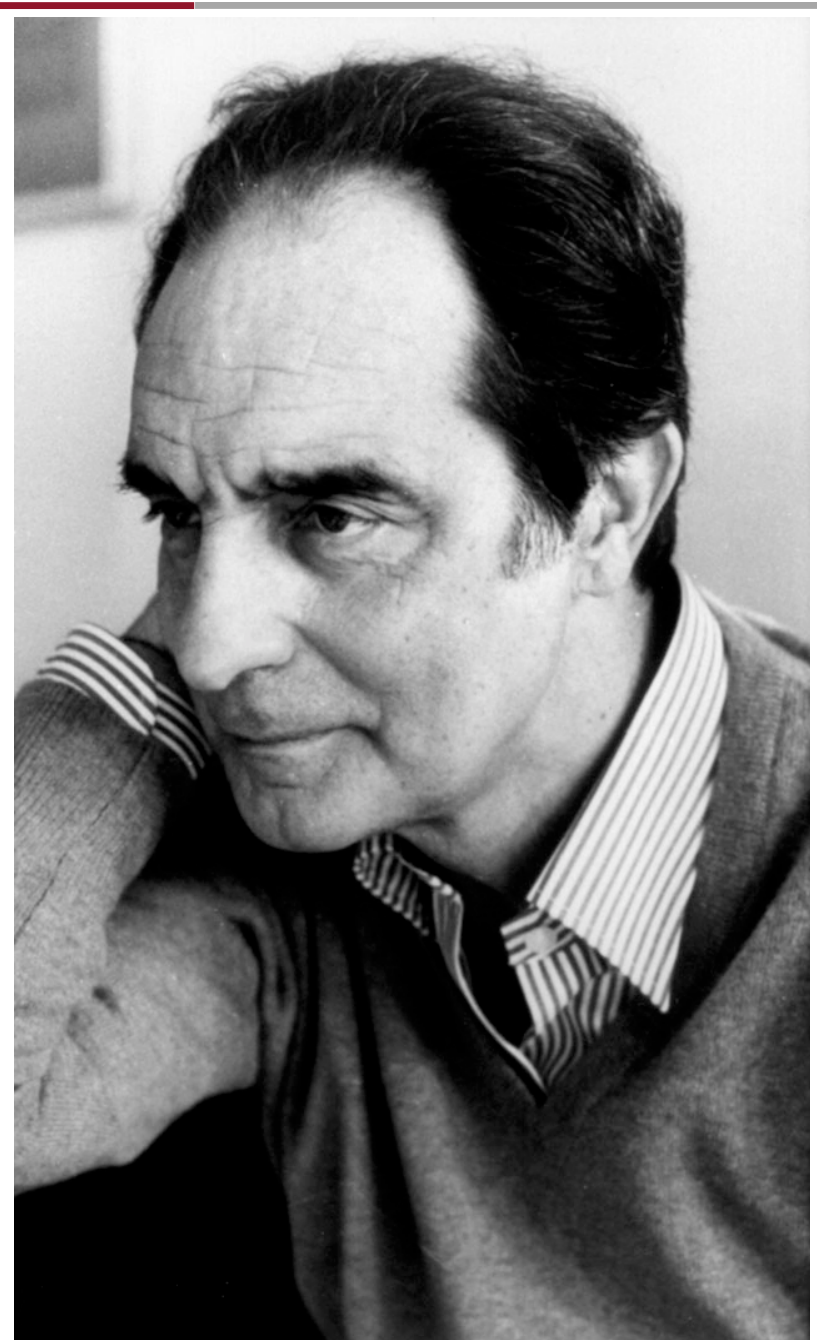




# Analysis Paralysis

In every age someone, looking at Fedora as it was, imagined a way of making it the ideal city, but while he constructed his miniature model, Fedora was already no longer the same as before, and what had been until yesterday a possible future became only a toy in a glass globe.

Italo Calvino: *Invisible Cities*, 1972



# Case 3: Federal Reserve

- Motivation: Need to Streamline Reporting Function
- Scope: Process Analysis, Improvement Suggestions
- Sponsorship: Function Head
- BPMN Training
- Process Analysis
- Integration Recommendations
- Moving Minds vs Moving Boxes

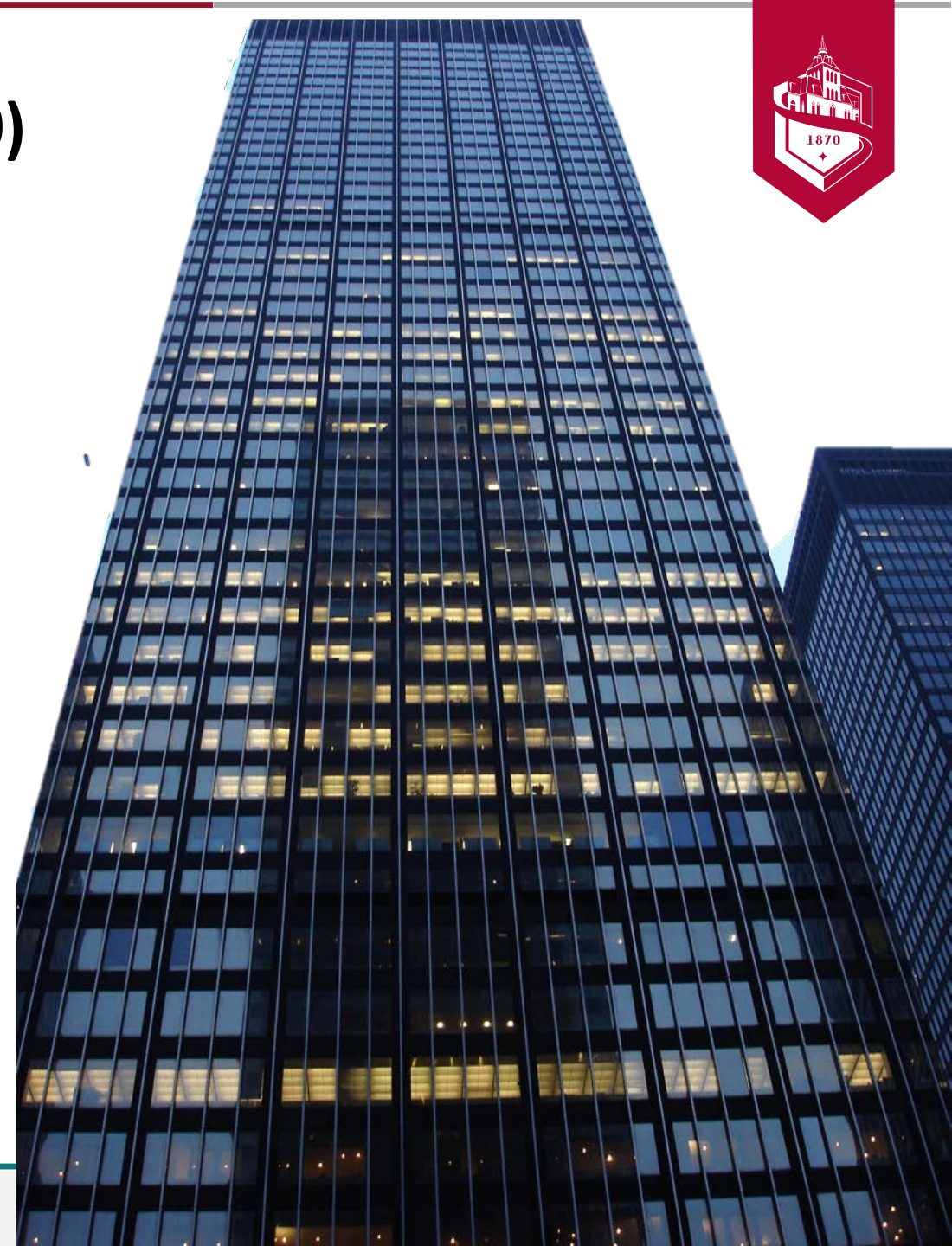






# Case 4: Global Asset Manager (Fortune 50)

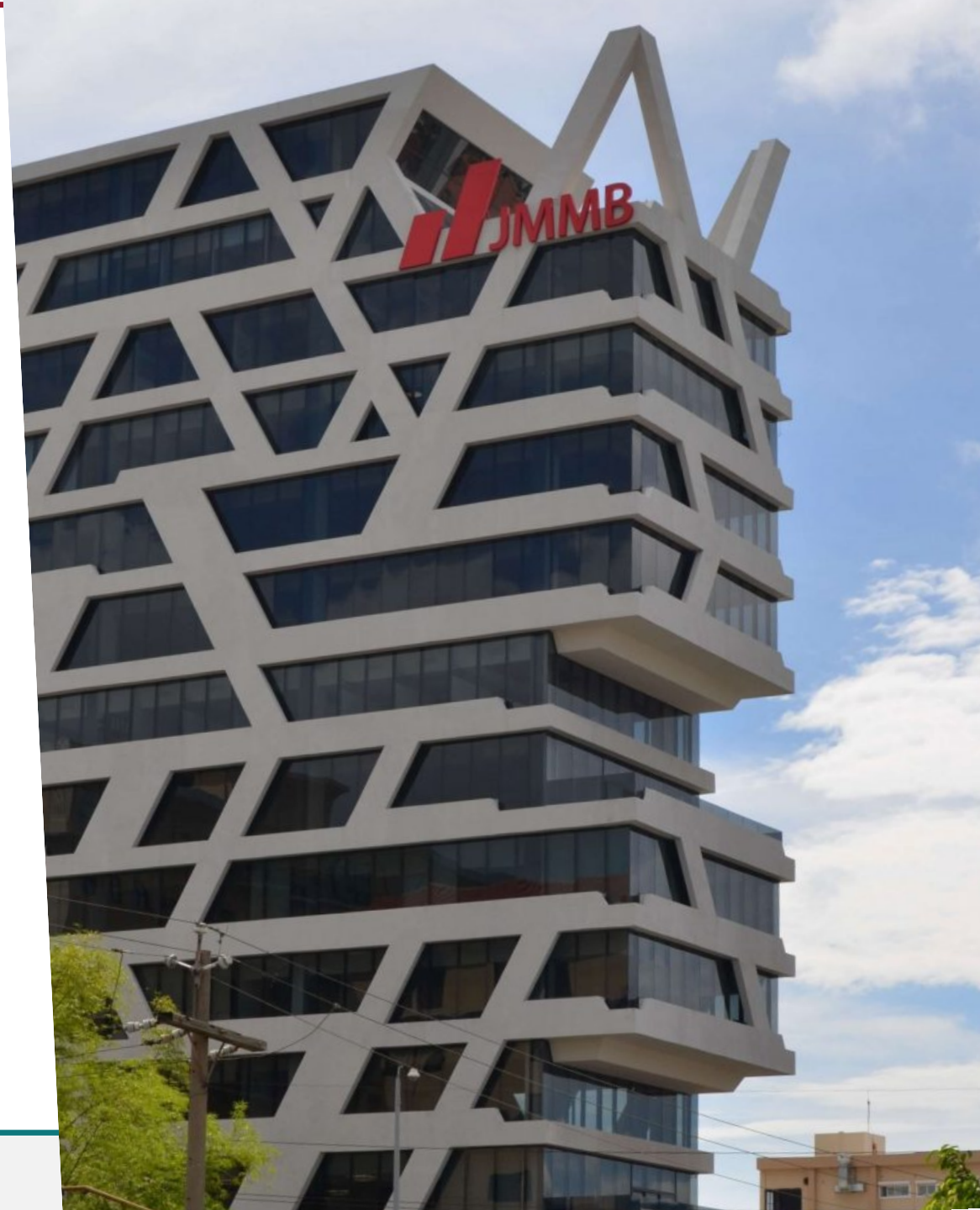
- Motivation: Growing Complexity, Manual Work, Need for Efficiency
- Scope: Establish a Design Capability across Operations
- Sponsorship: Area CEO
- Team: 160 Members of Change Management Organization
- Parallel Efforts:
  - Process Design
  - Decision Design
  - Service Design
  - Hyperautomation
  - Analytics and Dashboarding
- Leadership Matters
- Effect of Global Changes
- Synchronization across Business Units





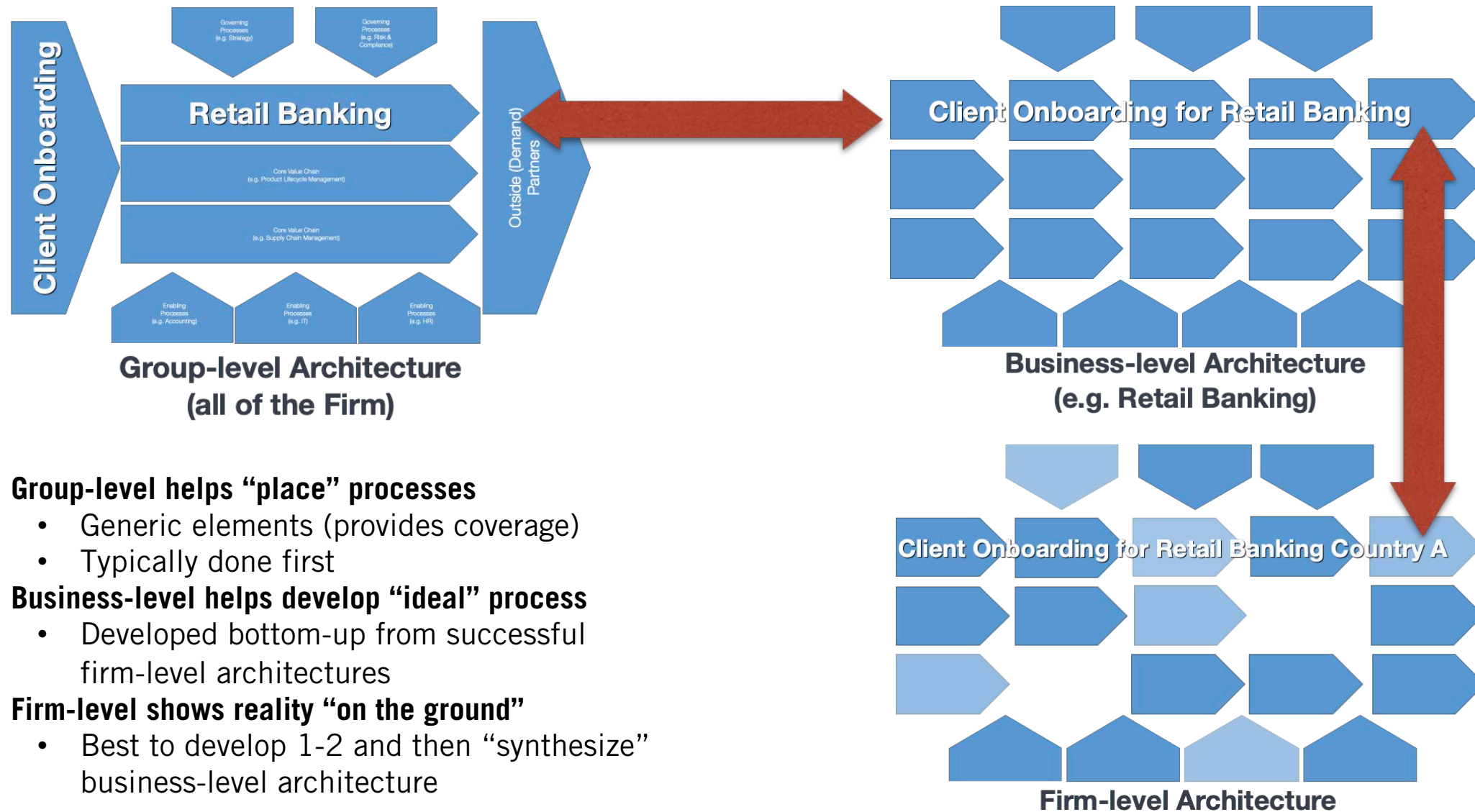
# Case 5: Multinational Retail Bank

- Motivation: Too many replicated and redundant functions
- Scope: Create a shared back-office for operations across 3 countries and 5 business lines
- Sponsorship: CEO
- Steps:
  1. Plan to Develop BPM Maturity
  2. Training to Achieve a Common Language re: Process
  3. Develop a Process Architecture





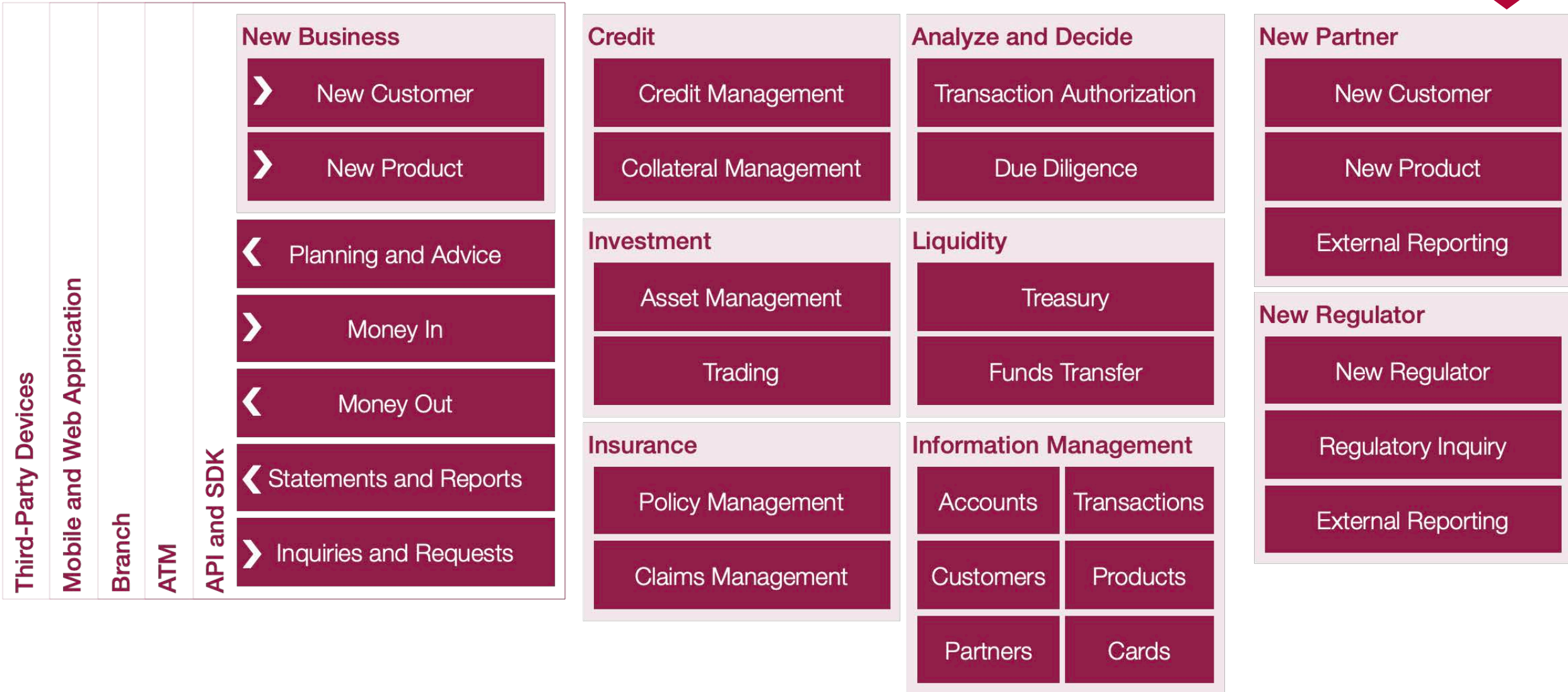
# Architecture Evolution



- **Group-level helps “place” processes**
  - Generic elements (provides coverage)
  - Typically done first
- **Business-level helps develop “ideal” process**
  - Developed bottom-up from successful firm-level architectures
- **Firm-level shows reality “on the ground”**
  - Best to develop 1-2 and then “synthesize” business-level architecture



# Stylized Architecture







# Some Process Changes are Subtle



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iPhone 12



iPhone 12 Pro



iPhone Upgrade Program

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# Lessons Learned

- The profession is shifting – fewer gurus, more professionals
- Your success **always** depends on relationship management
- Demonstrating **value** is paramount, and is becoming easier
- The golden triangle of performance is bounded by **Client Experience, Risk, and Economics**
- Front-office, Back-office, and Technology have different **goals, cultures, agendas**
- **Where** and **how** you set the goal posts matters
- **Data** is a huge blind-spot for many
- Just because a tool can do it does not mean it should be used that way
- **Communication** is key – who is your audience, and what do they need to know?



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