

# Transitioning From Functional Silos to Process Centric - Learnings from Australian Organizations

**Tonia de Bruin and Gaby Doebeli**

Business Process Management (BPM) enables a company to successfully align business practices with strategic objectives and increase business performance. Functional silos or roadblocks disappear and the company is better positioned to satisfy all stakeholders – customer, owners, and employees (by Robert M. Curtice, 1997). Over the years, many organizations have tried to find pathways to establish a successful culture of sustainable business performance, but many continue to struggle with this transformation. Despite advances in this area, key questions remain for business managers including

- How can an organization become excellent in conducting enterprise wide BPM?
- How can BPM be just “simply doing business”?
- How can an organization move from a functional to a more process centric and customer focused organization?

The BPTrends community in Brisbane, Australia, has conducted workshops and researched the above questions in more depth throughout 2007. The purpose of this research was to investigate how organizations have gone about changing from a functional to a process centric organization.

Brisbane’s BPTrends community participants are representatives of different organizations from the public, private, and research sectors. Participating organizations range in size from small to large organizations from a wide range of industries, including telecommunications, transport, utilities, and professional services. Our study included nine Australian organizations that were representative of our broader group, encompassing both public and private sectors, small and large organizations, and representing a number of industries (Refer to Table 1).

Our purpose in writing this paper is twofold. On the one hand, this paper outlines the key learnings arising from this study that indicate among other things that (despite being a common starting point) a bottom up, process improvement based approach to BPM is unlikely to provide sustainable business improvement. On the other hand, in this paper we raise a number of questions that we hope will generate future debate and discussion. We do this in the hope that it will invoke a healthy environment, including greater collaboration and open discussion that aims to move our BPM discipline forward.

## Data Collection Phase

In mid 2007, the BPTrends Brisbane Forum (previously the BPM Chapter) conducted their first workshop on the topic “Silo to Process Centric.” This group had met on a regular basis since July 2005 and there was a high level of trust and openness among participants of the group. Four questions formed the basis of the first workshop where nine organizations were represented:

- What has been the experience in your organization around business process management?
- What methods have you seen in your organizations to rollout business process management?
- In your view, what works or doesn't work to roll-out business process management?
- What does a successful process-centric business look like?

We collected and consolidated the data from each participating organization during a regular BPTrends Brisbane meeting using different facilitation methods, i.e., “Open Space” to assist participants to openly discuss the topic. Prior to undertaking any further analysis, we consolidated and returned this data to the BPTrends Brisbane community for verification at a subsequent meeting. This workshop included members of participating organizations as well as

members from non-participating organizations, including different sector organizations as well as Universities and Consultancies.

Details of the nine organizations that participated in this research are included in Table 1.

Company	Sector	Industry	Company Size (employees)	Year BPM Started
1	Private	Telecommunications	Approx 35,000 FTE	Process Owners appointed in 1997 with ongoing partial variations of Business Process Management implemented during intervening years. [i.e., CMMI Level 2]
2	Government Owned	Transport / Logistics	Approx 14,000 FTE	1996?
3	Government Owned	Utilities	800 FTEs	Started in 1999, although we didn't know at the time that's what it was; started calling it BPI in 2004.
4	Government Owned	Banking and Finance	400 FTEs	Not identified
5	Public	Government (state)	2200 FTE	Conception 2007
6	Council	Government (local)	7000 FTE	Business Process Improvement started in 2000 and got formal with a corporate process in 2002.
7	Public	Government (state)	3594 FTE	Started actively Modeling/Innovations since 2004
8	Consultancy	Professional Services	2000 people	2005
9	GOC	Utilities	5000 FTEs	1 July 1999

**Table 1. Demographics of Participating Organizations**

## Data Analysis Phase

Following the two rounds of data collection, we formed a small analysis team from the BPTrends Forum to analyze and report on the data. The team included a Business Architect, a Six Sigma Black Belt, and a PhD student. The Business Architect was from a participant organization. The Six Sigma Black Belt was from a non-participant organization. The PhD student was from a non-participant organization, experienced in research into BPM in organizations and highly experienced in analyzing qualitative data.

This team first independently categorized the data before coming together to review and consolidate classifications. The analysis team entered the categorizations from the analysis team into a database containing all data from the study prior to conducting a series of *shuffle tests*. For the shuffle tests, the analysis team transferred both the categories they had determined and the individual items to *shuffle cards*. The analysis team selected an individual from a participating organization with experience in BPM for the first *shuffle test*. The participant received the shuffle cards separated into the categories and the items, and the analysis team asked that she place each item into the appropriate category. The participant was encouraged to provide comment during the process and to ask questions of the analysis team as required. The analysis team recorded the outcomes of the classification into the database. Following the first shuffle test, the analysis team reconsidered the classification and amended the categories as required.

The analysis team conducted the second shuffle test with all members at the next BPTrends Forum to confirm the categories. This included members of both participating and non-participating organizations. The approach taken in the workshop was to split attendees into three groups. Members' details and comments were captured within each group to enable the analysis team to clarify any issues with the groups during later data analysis, if required. Each group received the category and item cards and were asked to undertake their own classification, placing all items into one of the categories provided. Members were encouraged to write down comments on any issues they encountered. At the completion of the placements, the analysis team collected all cards and sealed them in envelopes corresponding to the categories from each team. The analysis team later opened these envelopes, and the categorizations were transferred to the consolidated database for further analysis.

Following the shuffle tests, the analysis team discussed how best to analyze the next round of data as there were five rounds of categorized data in total. Rules were set to guide the analysis team in the next phase of analysis. The data was split among members of the analysis team due to time constraints, and each analyst applied the rules separately to the data before swapping analysis with each other for review.

Following the comments provided by the members of the BPTrends Forum, the analysis team was able to consolidate a number of the categories and construct definitions of all the final categories. Where 4 out of 5 placements were for the same category, the item was placed into that category. Where placements did not strongly match a single category the analysis team reviewed the comments, the categorization from each group, and revisited the initial data in light of the proposed definitions. If this resulted in clarification of placement, the item was duly categorized and a comment regarding the placement was noted in the database, elaborating in detail how we reached the decision. If this did not result in clarification, the item was flagged for discussion with other members of the analysis team. Where the analysis team was unable to reach a common view on a categorization, the item was referred back to the initiating organization for placement.

The analysis team presented the data back to the BPTrends Forum for review and comments at the end of the analysis. All participating organizations were asked to verify and confirm the placement of their items in light of the final categories and their definitions.

While the data collected covered a number of aspects of the journey from silo to process centric, this paper focuses and presents the lessons learned.

## Findings

In this paper, we present the findings from our study, being the “Lessons Learned” during the organization’s journey from a functionally driven to a process driven organization. In total, 16 items were recorded in this section of our study. Our coding process to classify the data items identified four categories of BPM Approach, BPM Skills and Expertise, Executive Buy-In, and Organizational Culture. The category that captured most lessons was that of BPM Approach with 50% of all items recorded. We classified the remaining 50% of items into categories of BPM Skills and Expertise, Executive Buy-In, and Organizational Culture. Table 2 shows the categories of Lessons Learned together with the definitions we derived for each category and the number of items we allocated to each category.

Category	Definition	Items Allocated
BPM Approach	The manner in which the organization is going about establishing BPM; e.g., this may include a top-down or bottom up approach or it may include using a centralized BPM.	8
BPM Skills and Expertise	The availability and accessibility the organization has to appropriate process skills and expertise.	3
Executive Buy-in	The demonstration and commitment executives and senior management show to BPM within the organization.	2
Organizational Culture	The culture within the organization as it pertains to BPM, including the attitudes and behaviors of individuals and groups.	3

**Table 2. Learnings from Research**

The following sections expand on the categories and the items placed within them.

### BPM Approach

Without a doubt, the single biggest area in which organizations identified lessons learned was in their approach to BPM. Our study showed that the documented learning relating to the BPM Approach was the result of a negative experience with the BPM Approach they had tried. On the positive side, in every case, the organizations worked to adjust their approach and continue with BPM itself. This suggests that, within our study, the commitment to BPM remains, despite not having success in the first instance.

The organizations in our study were predominately from the public sector, including a number of government-owned organizations. A smaller number were from the private sector, including industries of finance and insurance. Only one private sector organization reflected learnings with regard to its BPM Approach. All remaining items pertaining to the category of BPM Approach were from public sector organizations.

The items we classified to the BPM Approach category were

- Current view is that the approach to transition from silo to process-centric will be a long-term and incremental.
- It is a journey.
- Isolated successes within some functional groups via a “top down” approach.
- Need different approaches, depending on the drivers and type of initiative.
- Shared Services are more advanced in being “process-centric” because they have always needed to approach the business in an integrated way.

- Temporary success with Six Sigma (isolated improvement initiatives not end-to-end) was unsustainable.
- The method (bottom up, isolated improvement initiative approach) was a start; however, it did not add great value to the end-result of the organization.
- This method (i.e., IT only focus) was not successful.

When talking about the approach to BPM, organizations in our study identified approaches that we classified along two spectrums. On the one hand, there was the traditional top down or bottom up approach. On the other hand, there was the centralized or de-centralized approach with organizations opting to have a BPM Centre or Team or not.

All organizations participating in our research applied the bottom-up approach at one point in time. Despite this, none found this approach to be successful in achieving a change from functional to process driven organization. In fact, our study suggests that a bottom-up approach to implementing BPM capabilities in an organization offers little or no (long-term) success. A number of organizations indicated that the change from a functional silo to more process centric thinking requires a long-term strategy; hence, organizations talk about the "Journey of BPM."

One organization that started with BPM as a company-wide initiative indicated that using just Six Sigma provided some short-term improvement, but that this was unsustainable in the long term. Such comments support emerging views that enduring BPM is about more than a co-ordinated program of process improvement projects, even ones using well-recognized and widely applied methods. Interestingly, this same organization indicated that its organizational structure was a significant challenge in its BPM journey. One could suggest then that methods, such as Six Sigma, are potentially insufficient for addressing cultural issues especially those arising in a functionally structured organization.

In another organization, an independent, centralized team was driving the BPM initiative. This team focused on process improvement, leveraging off technology projects to identify quick wins for the business area. The organization had recognized top-down support for major technology initiatives such as implementation of new ERP systems. The organization adopted a bottom-up approach for smaller initiatives where process improvement aimed at addressing recognized pain points. Despite this, the organization found a challenge engaging the business. They felt they did not do this early enough and recognized that they had different cultures within different business groups. This situation highlights the importance of people and culture to the way in which an organization approaches BPM. Top down support, in itself, is not sufficient but responding to known areas of pain (whilst being a well-recognized approach to BPM) does not necessarily lead to the required transformation within businesses. This organization suggested matching the BPM approach to the business drivers and the type of initiative when transforming from a functional to process organization.

A number of organizations displayed iterative approaches to BPM where they started with a bottom up approach, found that it did not work, experienced a period of reflection that led to a change in tact and a move to a different approach. These organizations were fortunate enough to have continuing support through a number of BPM incarnations. In all cases these companies moved away from focusing on the individual methods or IT tools, i.e., process modeling, Six Sigma, and started to consider other factors like Strategic Alignment, People, and Culture. These organizations reflected on the importance of having executive buy-in to their BPM initiatives. Another finding was that most of the organizations that indicated a change in their BPM approach experienced challenges with the organizational structure and fluctuating levels of executive buy-in.

Such comments provide a number of important insights for organizations looking to BPM as a new approach to managing their business. On the one hand, organizations need to commit to BPM over a long term. At the same time however, they also need to recognise that the first attempts are unlikely to be lasting. This in itself presents a significant paradox both to the organizations and to the BPM discipline. For example, many organizations are constrained in their BPM Approach by an inability to gain senior executive sponsorship and commitment. The

inability to articulate ROI (return on investment) on the intangible but essential elements of BPM such as cultural change and employee behavior, drive these organizations to focus on more tangible process improvement projects such as the implementation of new technology to gain executive support and commitment. Any failure in the resultant projects only serves to reinforce sceptics in their belief that BPM is no good. However, any success in resultant projects fuels the short-term fire, thus making it still difficult to argue the longer-term view. Despite this, we have seen evidence in our organizations that the short-term approach, even when it does deliver benefits, does not deliver sustainable improvement within an organization.

The majority of organizations participating in this research experienced some early success in the implementation of methods such as Six Sigma or in using business process modeling tools. Despite this, none of the organizations felt that they have achieved a sustainable change from a silo to a process culture. This indicates that an organization can have the best Process Analysts, adopt recognized process improvement methods and IT tools, and still not achieve a successful shift from a functional to a process driven organization.

Our study shows that a bottom-up, process improvement based approach to BPM does not lead to sustainable business improvement, no matter that it may be organization wide. Similarly, a top-down approach in itself is insufficient to guarantee success when driven by a centralized team that struggles to engage the rest of the organization. We would raise the following question for further contemplation:

*How do we get organizations to engage in the long-term commitment to BPM that is required to deliver **sustainable** business improvement?*

### Skills and Expertise

The categories of BPM Skills and Expertise and Organizational Culture received the next highest number of items in which organizations identified lessons learned. We consider the availability and accessibility the organization has to the appropriate skills and expertise in this section. The items classified to this category included

- Encyclopaedia Management is required.
- Levelling (i.e., Process model levels) is difficult to explain.
- Skilled, experienced process analysts are hard to find.

All items identified in this category related to learnings around process modeling and analysis at an operational level. This is not surprising considering our earlier insights into the BPM Approach whereby all organizations started with a bottom-up approach, choosing to focus on process modeling and improvement initiatives rather than adopting a more strategic approach to BPM. By looking specifically at the individual organizations that voiced their learnings within "Skills and Expertise," we confirmed this notion, with all organisations having adopted a bottom up and ad-hoc approach to the implementation of BPM. Furthermore, all organizations noted little or no executive buy-in to the BPM initiative. A principle driver for these organizations was the desire to capture process knowledge.

Arguably, another area of BPM Skills and Expertise that appears to be sadly lacking is that of broader BPM understanding. While not actually raised by our participating organizations, the common issues and lack of early success experienced in almost all of the companies, could suggest a lack of knowledge and skills in implementing strategic BPM initiatives. Perhaps, if more understanding of BPM existed in, or was available to, these organizations, they may not have had so many false starts with their BPM journeys.

We would raise the following questions for further contemplation:

*What BPM skills and expertise do we need to see developed?*

*How can we, as a community, best develop these?*

## Organizational Culture

One organization reviewed their success and challenges in light of their people, their values, and behaviors, leading to the identification of “Organizational Culture” as a significant learning. Over time, and because of early learning, this team changed their BPM Approach from bottom-up and fragmented to a more top-down, distributed approach. This single organization accounts for all the items placed into this category being:

- BPM is a team effort and requires collaboration, patience, and the ability to put yourself into others positions, etc.
- No room for EGOs.
- We don't yet seem to learn from our previous mistakes.

This organization found that to achieve a top-down approach and company-wide acceptance of BPM, strong executive buy-in is required. For this organization, it took an ERP implementation and a new CEO to enable a top-down and company-wide BPM focus. However, the BPM momentum was lost after the ERP implementation and the project team closure. Only a small, centralized team of process architects and analysts remained, with the support of a BPM Community. This team did not have any strong support or commitment from the Senior Executive, and soon BPM efforts occurred again in isolated pockets of the organization. The organization soon found that without the buy-in and commitment of the Senior Executive and leadership teams, a company-wide program was not sustainable.

The findings of this organization are consistent with the other companies that participated in this study. Despite this, all the organizations in our study remain committed to progressing BPM, as evidenced by their willingness to participate in this study and their continued support of the BPTrends Forum participation and other similar community groups.

In a similar vein, in his book *“Process Management is a Team Sport,”* Andrew Spanyi says a team needs a coach and a leader who is committed to his team and supports all players. Our evidence supports the view that strong BPM leadership at a strategic and tactical level is essential for long-term BPM efforts. Despite this, findings from our organizations also suggest that BPM teams on their own are insufficient for sustainable BPM success, even those with high levels of top management support. The question we would pose for further contemplation is therefore:

*Why are some BPM teams ineffective, even when they seemingly have top-level support?*

## Executive Buy-In

Finally, a number of organizations learned lessons relating to the levels of executive commitment they had for BPM. Comments reflecting this sentiment included

- Commitment to continuous improvement by Executive is essential.
- Top-level support makes it so much easier.

Organizations that experienced learning in the Executive Buy-in category approached BPM using a fragmented, bottom-up approach. A number of other participating organizations reported a need to gain executive buy-in during their journey in order to overcome challenges. These organizations progressed from an ad-hoc approach focusing on the methods and IT tools to progress the journey. The majority of these organizations were from the public sector.

The question we would pose for further contemplation is therefore:

*How can an organization increase executive buy-in to BPM?*

## Conclusion

In this paper we have presented a subset of findings arising from a study of 9 organizations seeking to change from a functional to a process driven organization. We have seen that a bottom up, fragmented approach to BPM is rarely found to deliver sustainable business improvement. Furthermore, we have found strong support for the role of executive buy-in to BPM transformations. Despite this, we have found that for some organizations a BPM team with strong executive support can be insufficient for sustainable practices.

We posed a number of questions that we hope will open debate in these areas. We reiterate these questions here:

1. *How do we get organizations to engage in the long-term commitment to BPM that is required to deliver **sustainable** business improvement?*
2. *What BPM skills and expertise do we need to see developed and how (as a community) can we best develop these?*
3. *Why are some BPM teams ineffective, even when they seemingly have top-level support?*
4. *How can an organization increase executive buy-in to BPM?*

If you would like to comment on these questions, we welcome emails to [t.debruin@qut.edu.au](mailto:t.debruin@qut.edu.au) or [g.doebeli@qr.qld.gov.au](mailto:g.doebeli@qr.qld.gov.au). Alternatively, we would encourage further discussion within the BPTrends Forum.

## Acknowledgements

The authors would like to acknowledge and thank the participants of the “Silo to Process” study and the BPTrends (Brisbane) Forum participants for their insights and continued support.

## Copyright

de Bruin, T and Doebeli, G © 2008. The authors assign BPTrends a non-exclusive licence to use this document for personal use and in courses of instruction providing the full article is used and this copyright statement is reproduced. Any other usage is prohibited without the express permission of the authors.

Transitioning to Concept- has been added to your Cart. Add to Cart. Buy Now. She was a consultant to the International Baccalaureate Organization for the development of the Middle Years Programme—the Next Chapter. Lynn is the author of three best-selling books, *Stirring the Head, Heart and Soul: Redefining Curriculum and Instruction*, 3rd edition ©2008; *Concept-based Curriculum and Instruction: Teaching Beyond the Facts*, ©2002; and *Transitioning to Concept-based Curriculum and Instruction: How to Bring Content and Process Together*, co-authored with Dr. Lois Lanning, © 2014, Corwin Press Publishers. Gives a step by step process for implementing concept-based curriculum at the teacher, school leader, and district leader levels. *Transitioning From Functional Silos to Process Centric* — Learnings from Australian Organizations Tonia de Bruin and Gaby Doebeli, along with other members of the BPTrends FORUM in Brisbane, Australia, wanted to know how organizations have gone about transforming from functional to process centric organizations. They conducted workshops and research among organizations from a cross section of industries representing both large and small organizations, and organizations in both the public and private sectors. Read their Article to learn the results of their work and, perhaps more importantly, th Learning organizations are skilled at five main activities: systematic problem solving, experimentation with new approaches, learning from their own experience and past history, learning from the experiences and best practices of others, and transferring knowledge quickly and efficiently throughout the organization. Each is accompanied by a distinctive mind-set, tool kit, and pattern of behavior. Many companies practice these activities to some degree. But few are consistently successful because they rely largely on happenstance and isolated examples. By creating systems and processes that sup *Transitioning From Functional Silos to Process Centric-Learning from Australian Organizations. Article. Full-text available.* Functional silos or roadblocks disappear and the company is better positioned to satisfy all stakeholders — customer, owners, and employees (by Robert M. Curtice, 1997). Over the years, many organ View. *Insights into the Evolution of BPM in Organisations. Article. Tonia de Bruin.*