



CPI - BPM Leadership Circle

The Next Step in Transformation

September 2009

Lean Six Sigma and BPM
Collaborating for More Value

 **software**^{AG}

Sponsor and Co-Host

The International Society of Six Sigma Professionals and Software AG have established the **CPI-BPM Leadership Circle** to provide a collaboration forum for senior leaders in Six Sigma, Lean, Process, and IT in order to jointly facilitate the synergies that will stimulate the next step in business transformation.

THE KNOWN VALUE OF CONTINUOUS PROCESS IMPROVEMENT

Continuous Process Improvement (CPI) methodologies such as Six Sigma and Lean have a rich and undeniable history of creating great value. Organizations both large and small have reaped breakthrough benefits by increasing performance through process improvement. As an example, DuPont has realized over \$2 billion in quantifiable benefits through its Six Sigma initiatives over the past decade. Similarly, Lean practices first transformed Toyota's manufacturing operations and is now reforming the principles and processes of corporations and government entities in multiple industries world-wide. These initiatives have proven that business success is process-centric.



CPI initiatives have operated largely independent of the enterprise information technology arena. Practitioner tools are used individually, and projects are usually focused on a single work function, or a department, or a sub-process within a work stream. These projects have yielded great benefits, but they're only part of the story. Significant areas of improvement have yet to be conquered, including the reduction of project cost and time, and covering the complete, end-to-end customer value chain. The 'Measure' phase of DMAIC in Six Sigma, for example, takes a disproportionate amount of time and effort due to the difficulty of accessing and rationalizing data. Similarly, it's prohibitive to implement a comprehensive, real-time *Andon* display within Lean, because of the challenges of integrating the underlying systems and getting real-time visibility of metrics. Worse still, it's nearly impossible to implement feedback loops that ensure processes remain in control. Without a complete view of enterprise processes, improvements are "functionally sub-optimized;" defects eliminated in one area can increase problems in other processes.

CPI practitioners traditionally had available a limited set of computing tools, such as statistical analysis and process mapping software. These limitations prohibit the effective measurement, analysis, and control of upstream and downstream processes. CPI practitioners need usable tools that can extend the scope of their programs while delivering process improvements quickly and more cost-effectively.

BPM: THE NEW ROLE OF INFORMATION TECHNOLOGY IN CPI

IT has traditionally been on the sidelines of the CPI movement. IT has not been able to deliver value because its tools have been too slow, expensive and cumbersome. The opportunities for improvement and profitability expire quickly, and the ROI from long-term IT investments erode away. The lack of a disciplined and programmatic approach to IT initiatives also leaves IT in the position of trying to extract short term profitability with long-term IT expenditures.



Business Process Management (BPM) Software has changed the equation. A BPMS is designed to enable rapid builds of new capabilities and delivery of value much faster than previous IT technologies. Modern BPMS platforms provide rich functionality for process modeling, analysis, simulation, execution, control, and management of processes. A BPMS enables complex process interactions and connects internal and external applications together so that processes can flow seamlessly across business lines and functions. A BPMS provides for sophisticated process management, inclusive of existing systems and applications.

CPI + BPM: COLLABORATING FOR MORE VALUE

True continuous improvement in today's global environment requires a programmatic approach that combines the enterprise-class technology of BPM with the methodologies of CPI. BPM is the platform that enables faster enterprise-class definition and measurement of business processes, the implementation of ideas, and management of business operations. CPI has the powerful and proven methodologies for improving processes and managing change, addressing inefficiencies and defects in all process areas. BPM closes the loop through its support for process management and control.

By incorporating CPI into BPM, IT can extend its reach into complete processes and help the business by executing processes seamlessly across systems and people. By collaborating with BPM, CPI can take process improvement to the enterprise level, continuously measure, and control business performance at various levels. Together, BPM and CPI can establish a much-needed, disciplined approach to process improvement and process management.

ISSSP LEADERSHIP CIRCLE: THE NEXT STEP IN BUSINESS TRANSFORMATION

How do CPI practitioners make use of BPM? How does BPM enable a company's culture and support the existing CPI methodologies of project management, program management, change management, and quality? How is a BPMS implemented? How is everyone educated and empowered?

The programmatic approach to process improvement and management:

- Fosters a close alignment between the functions of the business and IT;
- Incorporates change management and program management;
- Ensures communication at all levels;
- Establishes control mechanisms for sustainability.



ISSSP and Software AG established the CPI-BPM Leadership Circle to provide a forum for senior leaders in Six Sigma, Lean, Process, and IT to facilitate this transformation. In this Leadership Circle, you will discuss and share ideas for leveraging the synergies of these tools, techniques, and methodologies of these disciplines for greater performance.

- Explore with your peers and industry leaders how craft a programmatic approach.
- Discover and identify best practices for achieving the value of synergy between CPI and BPM.
- Network with a special interest group.
- Take away practical ideas that you can implement immediately.

PARTICIPATE!

ISSSP Leadership Circles provide opportunities for Senior Managers and Thought Leaders to engage with peers who share an interest and knowledge on specific topics. Explore areas of concern, discover new ways of thinking, and share insightful experiences and lessons learned in an intimate, interactive roundtable forum.

If you are interested in joining the senior leadership group for this CPI-BPM Leadership Circle, or if you are a senior leader interested in hosting your own Leadership Circle topic, please contact Edna Cribb, Membership Director, ISSSP at 480-688-5147 or via email at ednacribb@issp.com.