

# *Wake Up To The Future Of Work*

## *Operational Performance Management*



### **Why Read This Paper**

Despite their best intentions, enterprises still don't have effective control of their processes. Given an aging workforce and increased compliance responsibilities, firms need greater transparency and better accountability; systems are still antiquated/archaic and not equipped to provide visibility into process performance. Updating and reinterpreting the core tenets of Operational Performance Management for the cloud era provides firms with an effective framework going forward.

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# *The Journey To Operational*

## *How Work Is Changing*

Innovation, agility and collaboration have become watchwords for organizations seeking digital transformation. Under intense pressure to avoid becoming obsolete, businesses are struggling to radically enhance the value delivered to customers. Established firms are having to contend with a new breed of competitor—digitally enabled “cloud natives” who do not have the same constraints as incumbent players. Secondly, customer expectations continue to evolve rapidly in all industries.

These two forces are pushing organizations to rewrite their existing value propositions and operating models. For most, that means doing more with the resources available; doing it more quickly and more conveniently while still ensuring compliance and reducing operational risk. Of course, these challenges are not limited to the walls of any single business—the organization must coordinate assets in business partners and suppliers, as well as customers, all of whom are constantly searching for ways to improve performance across the entire value chain.

So the drivers of transformation have never been stronger. Business leaders want the transformational benefits associated with new forms of value, but they also need to keep a close eye on improving day-to-day operational performance. They need to enable the organization to reconfigure itself while making sure it delivers on today’s offerings—metaphorically rebuilding the boat plank by plank while still at sea. Such a journey of change is not easy, but it usually plays out in a number of manageable stages.

## Stage 1: Understanding Key Challenges

With the advent of the modern cloud-based infrastructure, firms have to reconsider their current systems. Three key factors are further complicating decisions here—a rapidly aging workforce, antiquated systems infrastructure and the need for greater transparency.

### **Retiring Workers Are Impacting Operational Knowledge**

As key knowledge sources head for retirement, it's becoming more and more important to capture their operational knowledge. They've been the go-to resources for difficult cases, navigating corporate silos to resolve challenging customer requests. Secondly, as more and more work gets automated, organizations need better ways to capture, encode and embed these workers' tacit knowledge. It's their knowledge about handling the exceptions and unpredictable elements—i.e. dealing those items that do not follow the “happy path” taken by 80% of cases. To respond to this sort of challenge:

- » **Knowledge workers need to “own” their own processes.** It's not a question of having IT resources develop rigorous workflows—they soon become the bottleneck as process definitions rapidly get out of date. Employees have become used to the ease and convenience of mobile apps. It's the employees themselves that need to capture their working practices.
- » **Processes need to work natively with cloud infrastructure and integrate with in-house systems.** Today's business users expect to be able to mix and match cloud-native services such as document management and CRM with on premise resources and legacy applications inside the firewall.
- » **Resulting systems should identify repetitive patterns on the fly.** Where necessary, developed applications and the supporting infrastructure ought to suggest appropriate alternatives based on the context of the work in hand; this means accessing data that's usually locked up in the unstructured documents associated with the case.

### **Distributed Teams Struggle To Coordinate Work Across Antiquated Systems**

Firms need to secure appropriate access to a varied mix of internal systems and disparate, cloud-based ecosystems that employees use to collaborate with each other and their partners. This is further complicated by the fact that:

- » **There is often no centrally managed user directory.** As line of business executives embrace cloud-based CRM and document management tools, employees have come to rely on cloud-based user names and passwords. This has only exacerbated the challenges associated with managing user access and authorization to critical and confidential data.
- » **Modern applications are no longer single executables.** In the days of client-server computing, everything sat neatly behind the firewall and access was governed by a central IT department that managed the associated complexity. Today, end-to-end process applications are littered with multiple applications.
- » **Data structures were usually developed and maintained within internal silos.** Regardless of whether business applications are in the cloud or not, most organizations have relatively poor master data management practices, making it practically impossible to align terminology and systems.
- » **Employee lack consistency in tool usage and have misaligned collaboration frameworks.** The employee's frame of reference and expectations with regard to working practices are often misaligned—especially when multidisciplinary teams are working together across organizations.

So if an employee leaves or gets fired, revoking access rights to confidential documents becomes extremely difficult.

## ***Business Managers Need Transparency And Accountability***

Decision makers don't have a holistic view on where operational inefficiencies reside today; the metrics are buried and blurred by the siloed and disparate systems of the enterprise and the fuzzy collaboration that characterizes how employees and partners get work done. All of this is happening in an environment where rivals are also evolving, innovating and adapting ever more quickly. At the same time:



- » **Everyone has to deal with new market demands and new forms of compliance.** This is driving the need for greater transparency and accountability—on what employees do, how they act, and how they make decisions—through every level of business.
- » **This need for greater transparency increases the potential for reputational risk.** An ever-watchful government, press and investment community can catch any misstep in execution, with a potentially huge impact on the brand.
- » **Anytime-anywhere access helps productivity but also drives up operational risk.** If a worker accidentally deletes a shared file, it disappears for all members of the work team; and recovery of lost work is by no means straightforward.
- » **Executives, managers and employees need visibility into work performance.** They need to understand where work is being done today, and how the organization is delivering against clients' needs. They also need to assess the impact of any potential change to operational activities and processes.

The increasingly fluid nature of teams and increased dispersion of knowledge workers has made the need for clear transparency and visibility paramount.

## Stage 2: Knowing How Traditional Business Process Management Systems Struggle

It is against this backdrop that traditional forms of process support such as BPM, workflow and case management struggle to smoothly coordinate work across internal systems and the plethora of cloud-based applications.

Traditional workflow, BPM and case management approaches tend to:

- » **Fail at the user level because their underlying approach is just too rigid.** They primarily focus on the systems rather than the people who do the work. They rely on carefully structured human capital management (HCM) and identity management systems. Effectively, people become subservient to the process—mere robots in the machine bureaucracy—to such an extent that they (the people) ignore applications and instead choose to “work around the system.”
- » **Result in applications that are still expensive to develop and maintain over time.** Such applications need dedicated technical teams to create working applications. As requirements inevitably evolve, the resources from outsourced partners are no longer available. Even if they are internally developed, the models underpinning them are still extremely difficult to understand.
- » **Ignore benefits of deep integration with global corporate directory services, SSO and HCM systems.** Human capital management and LDAP/Active Directory services offer the possibility of incorporating real-time knowledge about organizational structure into the way work happens. While virtually all workflow tools rely on groups and roles that they import from LDAP or Active Directory systems, they use separate mechanisms to control access to systems of record and neglect cloud-based applications. They miss opportunities to embed this contextual knowledge into how work happens.
- » **Rely on up-front modeling of business activities to create end-to-end processes.** They then require heavyweight IT resources to handle the integration with disparate systems of record. They tend to ignore the fluid working environment that employees have become used to outside of the core process area. By the time the integration challenges are solved, the requirements have moved on and the change effort has stalled.
- » **Deliver dashboards that are limited to their singular process domain.** While these applications may tell you about cycle time for work items that follow the happy path and a few exceptions, they tend to miss the opportunity to connect the dots across the people and the extended teams they work with to get things done. As a result, business users are still chained to repetitive and frustrating data collection and reporting processes.
- » **Miss opportunities to leverage machine learning and AI.** Customers want to shorten process cycles and drive efficiency. It's in this area where machine learning and AI could naturally fit to act on operational feedback, continuously iterating along the design and execution continuum to help improve customer outcomes.

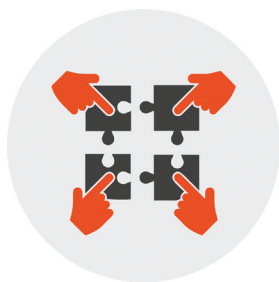


## Stage 3: Seeking Modern Operational Performance Management

Operational Performance Management (OPM) is the alignment of all business units within an organization to ensure they are working together to achieve core business goals. While the concept first popped up in manufacturing during the 90s, it's since evolved to become more applicable to today's business world regardless of the business function. We normally think of this alignment as something driven very much top-down, yet today's knowledge worker needs a more "democratized" approach—one that enables them to tie together the people they work with, industrializing their processes and yet still tracking and reporting performance to management. The core of modern OPM revolves around:



» **People to develop, run and monitor their processes based on how they work.** With the freedom to easily build out processes that reflect their needs, employees become far more engaged in driving and implementing change programs. Working together in real time, employees can more easily build transparency and hold each other accountable, which, in the end, helps eliminate silos.



» **Processes that become mechanisms for collaboration with colleagues, partners and suppliers.** Rather than a constrained, systems-oriented view, business users can easily access, refine and improve operational activities without relying on IT support. Overcoming this challenge still represents a major hurdle for most BPM, workflow and case management environments.



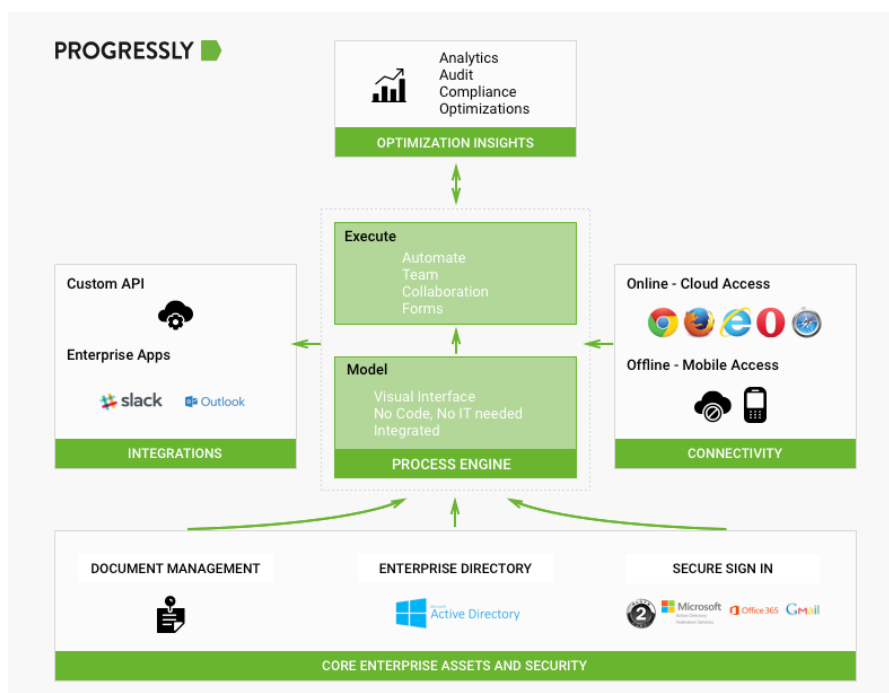
» **Tracking progress, which naturally leads to performance improvement.** This allows employees to more easily develop the operational intelligence they need to identify and remove bottlenecks. That means the platform itself needs to help them learn from the work they handled yesterday and take action to improve how it is done tomorrow—the platform gets smarter the more it's used.

# Progressly: A New Take on OPM

Progressly is the first company we have found focused on deploying an OPM solution in the cloud. Progressly has set out to develop a platform that deals with the modern-day operational challenges outlined earlier, overcoming the shortcomings of traditional BPM approaches and delivering true transparency and performance insights.

The Progressly platform is primarily mapped to people—putting them at the center rather than the systems they work with. Progressly sets out to empower business users, giving them complete control over how they document and measure their processes. The core engine links the people and the roles they fulfill (executive, manager, approver, or supplier) to their key objectives. Progressly was designed from the ground up to integrate with modern cloud-based apps—particularly identity management systems and shared document repositories. As a result, Progressly captures and aggregates performance metrics around a given work item while inferring insights from document collaboration. Operational Performance Management comes “out of the box” rather than as the result of some sort of ham-fisted add-on. Progressly is the first vendor to offer this type of support environment.

Figure 1: The Progressly OPM Platform





As shown in Figure 1, Progressly's vision for their OPM platform is to provide:

- » **Single Sign On that underpins integration with cloud services.** Progressly integrates with an organization's existing HCM and identity management solutions—capturing explicit user and group structures. This integration underpins the way organizations manage how their employees, partners and suppliers collaborate.
- » **Insights derived from collaboration.** As workers interact with each other and the artifacts that they produce, Progressly produces metrics enabling companies to generate insights into improving their operations. This will provide a holistic view of where operational inefficiencies reside, surfacing the metrics that are buried and blurred by siloed and disparate systems.
- » **An effective “Operational Graph” that represents work, resources and relationships.** This will help executives and employees gain better insights and make better and faster decisions while reducing the need for meetings to get everyone on the same page. This enables companies to more efficiently organize and operate corporate assets—the human resources and business processes they develop—to deliver better outcomes that align with core objectives.
- » **A “consumer-level” app experience to business users.** Through an engaging user interface that naturally supports work, the product captures more of the “whitespace” that normally falls through the gaps of traditional support environments. By automating and normalizing the way data is collected and presented, Progressly's Operational Graph frees employees—executives, managers and workers—from the inefficient, time-consuming tasks that have kept them from contributing to more strategic, higher-value activities.

Today, Progressly is already delivering the core of this vision to major corporations. For example, one major organization in the energy sector uses Progressly to enable a “single system of record” to manage vendor and supplier relationships, streamlining supplier communications while ensuring transparency and managing performance.

Without relying on over-stretched IT resources, business users were able to:

- » Streamline communications with multiple suppliers.
- » Automate ad hoc and manual processes that previously relied on e-mails and phone calls.
- » Get teams quickly collaborating on both new and repeatable processes.
- » Document and increase visibility with their suppliers.
- » Use a built-in, flexible interface for dynamic form-building and signature routing/approval.
- » Standardize processes and encourage re-use.
- » Improve transparency and accountability with suppliers.

We believe that Progressly is the first company to properly formulate OPM into a tangible toolset for modern cloud-era organizations. As employees interact with each other and with company artifacts, Progressly produces metrics enabling employees to generate insights into improving their operations. Unlike rigid business management systems, Progressly's OPM platform unifies people, processes and performance to allow customers to cut costs without relying on centralized IT resources.

# *Operational Performance Management Democratizes Change*

In today's hyper-competitive environment, organizations—regardless of industry—are focused on two key challenges: delivering new forms of value to customers and maintaining profitability. For most organizations, that means changing their operating model to become more nimble and agile. Yet change efforts become a sinkhole for time, money, and morale. It's these sorts of circumstances that keep executives awake at night. The reality is that organizations need a better way to manage and improve processes that are mission-critical—processes that have a direct impact on costs and long-term sustainability.

Operational Performance Management provides a framework for organizing, automating and analyzing processes, and for providing visibility for managers and executives by surfacing the key metrics underpinning business performance. This involves capturing institutional knowledge and then embedding and leveraging that knowledge within operations. Effectively, individual workers need the ability to document their processes and measure their results. Of course, they also need the ability to provide a holistic view of these metrics to colleagues and managers—reducing cycle times and pinpointing bottlenecks. Perhaps most importantly, they need the ability to do this at the point of need, without relying on scarce IT resources.

# About The Author



**Derek Miers focuses on the methods, approaches, frameworks, techniques, and technologies around BPM and business transformation programs—workflow, case management, robotic process automation, decision management; alongside the methods associated with business architecture, and target operating models.**

His deep competence is around BPM; business process improvement; and organizational change. He places a special emphasis on an outside-in, outcome-based, customer-focused approach. His engagements usually focus on helping major organizations charter and establish their change programs, ensuring the change has the best chance of success.

Prior to joining Structure Talent, Derek spent 5 years at Forrester Research where he led the Business Architecture research practice for 2 years after guiding research around BPM, Case Management and Organizational Transformation. While at Forrester, Derek published over 60 different research reports exploring these areas. Prior to Forrester, Derek worked as an independent Industry Analyst for 18 years.