

Business Process Management: An Emerging Core Competency for Customer Experience Management

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Business Process Management Defined

Although *business process management* (BPM) is an aspirational, emerging core competency for customer experience management (CEM) projects, most CEM professionals lack sufficient understanding of the discipline and the technology that support business process transformation. Yet BPM holds three important keys to CEM projects:

1. **Continuous improvement and transformation:** BPM guides teams to look at old, inefficient, internally focused and often outdated business processes and continuously improve and/ transform them.
2. **Cross-functional processes:** BPM provides the mechanism for replacing siloed (departmental) business processes with cross-functional processes that take a customer-centric viewpoint while spanning multiple departments.
3. **Process rules:** BPM is supported by a layer of software (not required but highly recommended) that sits above packaged and custom business applications. It codifies business and process rules for the new process, making it easier to enforce and/or change how cross-functional processes execute in real time.

The acronym “BPM” can be hard to understand because it represents both a discipline and, to some, a software category. (More-experienced practitioners refer to BPM as the discipline and *BPMS* as the software category, to delineate the difference.) It also provides insight into the handling of customer requests, interactions, and deliveries.

BPM is defined as:

A business discipline to continuously improve or transform cross-functional business processes by delivering value from the customer’s viewpoint, drawing upon well-established process-improvement methodologies such as Lean and Six Sigma.

In contrast, *business process management software* or “BPMS” refers to:

A category of software for business people, business analysts, architects, and developers that provides business process modeling, business rules, process analytics and optimization, process monitoring, and feedback loops for continuous improvement and customer insight.¹

Transform Customer Processes by Using BPM and CEM Together

Similar to BPM, *customer experience management* or “CEM” is a business discipline used by CX professionals when reinventing or transforming the entire CX. More specifically, CEM refers to:

The strategies, processes, skills, technologies, and commitments that aim to ensure positive and competitively outstanding customer experiences, across the totality of a customer’s interactions with a company or brand, while encompassing all channels and touch points over the entire life of the relationship.

Although many are tempted to refer to CEM software or suites, no such thing actually exists. Instead, software that automates aspects of the CX is a loose collection of fairly unrelated technologies. Examples include technologies for managing data (e.g., data warehousing, business intelligence, analytics, and master data management), content solutions (e.g., content management systems, web content management, EFSS, and digital asset management) and business applications (e.g., CRM, customer service software, and marketing automation). CEM comprises a wide array of software to create, store, deploy, analyze, and optimize the aggregations of digital assets that make up the user experiences on digital channels.²

Until five or six years ago, almost all business processes inside organizations were internally focused, whether the nexus was supposedly “customer oriented,” like customer service, or largely internal, such as claims processing. For example, customer service was historically a cost center,

instead of a customer value center. Only recently has CEM shined a light on the need to measure the customer’s life-time value instead of counting the cost per minute spent talking to the customer.

But now the interest in digital transformation through concepts like “outside-in” and “voice of the customer” has reached an unprecedented high. The interest in CEM initiatives is transforming a growing number of customer processes, so that companies really do care about delighting customers rather than merely giving customers lip service. And it is precisely that type of transformed CX that CEM practitioners can bring to business process projects being transformed internally through BPM.

But this is not just a one-way street – not only can CEM benefit BPM projects, but BPM can benefit CEM initiatives. As a result, BPM is becoming an emergent, aspirational and yes – core – competency for CEM. To understand how and why these two disciplines are complementary requires a brief look at what types of challenges BPM tackles, what problems it solves, and how it fits neatly with CEM.

For years, BPM has taken an internal view of improving business processes as practitioners toiled to lower defects, reduce rework, eliminate waste, increase efficiency and productivity, and achieve operational excellence. These projects have delivered amazing results, but often the process “began” when work entered the department’s door--- not with the customer who initiated the action. It was only when CEM became prevalent that BPM practitioners started focusing even a little bit on outside-in

“ CEM excels at an outside experience while BPM excels at an inside experience. ”

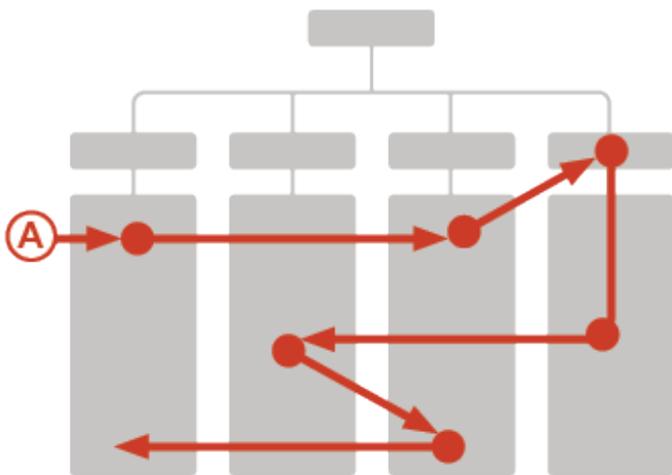
processes that began with the customer. This is ironic because Lean, a well-established BPM methodology for improving and transforming processes, has always put customer-centricity at the heart of processes.³ As one practitioner describes, “lean means a never ending endeavor of *creating more value for customers* with fewer resources.” This means that BPM and CEM are a natural fit, even if the disciplines developed separately and for different reasons.⁴

BPM excels at streamlining archaic, inefficient business processes — those that involve multiple error-prone hand-offs between departments — by

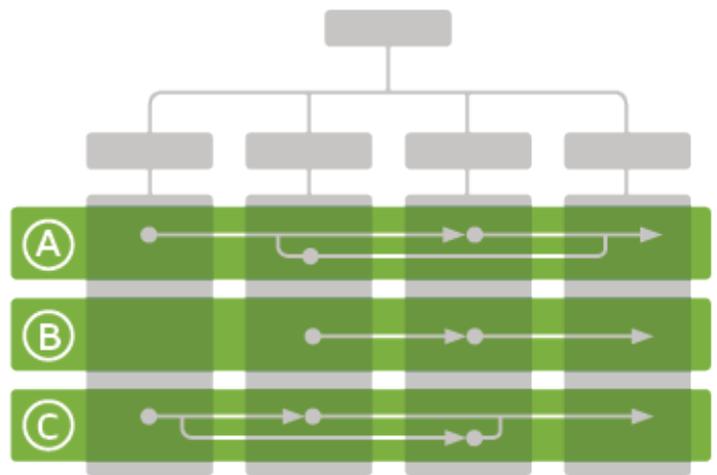
focusing on steps that add value to the customer while eliminating waste. Identifying this added value involves looking at old, compartmentalized processes in a new way—figuratively turning processes on their heads and developing much larger, more strategic processes that cut across departments, functions or silos.⁵ These new mega-processes, or *cross-functional business processes*, follow a series of activities, tasks, and steps from end-to-end (e.g., order to cash, hire to retire). (See Figure 1.)

Figure 1.

Outdated, Siloed (Functional) Process



Transformed, Cross-functional Process



Although CEM and BPM initiatives typically reside in different parts of the organization and are staffed by different practitioners with different skill sets and methodologies, the two worlds are actually tackling the same problem: how to add value to the customers

when engaging with them *outside* the organization, and how — in parallel — to add value to the customers when addressing their needs *inside* the organization. Think of CEM working with BPM as two sides of the same coin, as shown in Table 1.

Table 1.

Digital Outside + Digital Inside = Exceptional Customer Service Across The Organization

Digital outside steps that a customer makes when buying	Digital inside functions that support the customer's buying process
1. Learning about the product	1. Marketing provides sales collateral
2. Buying the product	2. Sales places the product with the customer
3. Getting the product	3. Distribution sends the product to the customer
4. Using the product	4. Customer service helps the customer learn how to use the product
5. Paying for the product	5. Finance processes the customer's payment
6. Maintaining the product	6. Customer support helps the customer maintain and update the product

Because of the siloed nature of the business inside the organization these six departments have become disconnected from the customer – focusing on internal metrics and internal issues instead – and even disconnected from other inside departments

(as seen in Figure 2). As a result, digital transformation projects that figure out this symbiotic outside/inside relationship and add BPM as a core competency to CEM will gain a major competitive edge.

Figure 2.

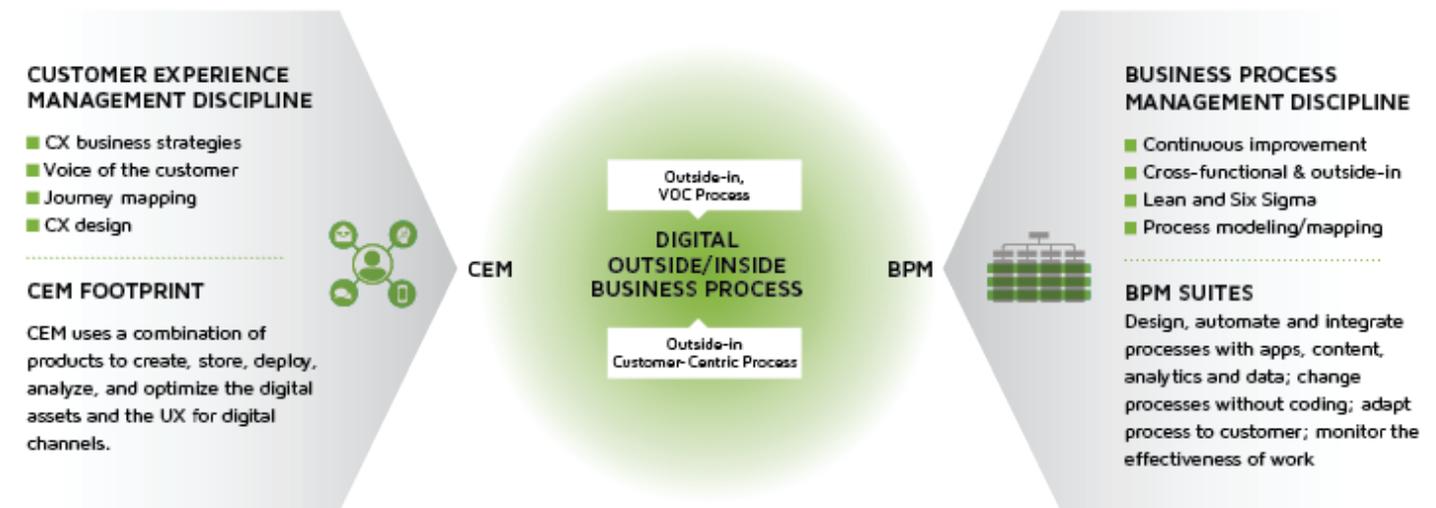


When both disciplines are combined and relevant technologies are deployed, the enterprise is not just digital inside or digital outside, but both. (See Figure 3.) A few companies have encountered this opportunity when they followed value stream mapping or process mapping to the “end” of the

digital inside process, only to discover they needed to reach out to the CX teams and look at digital outside, too. While these are early days, a growing number of project teams will discover the benefits of looking at CEM and BPM holistically.

Figure 3.

Use BPM and CEM to Create Transformed, Outside-Inside Process



Staff Your Multi-disciplinary CEM Team With BPM Practitioners

One reason why CEM and BPM projects typically occur worlds apart is because they are both figuratively and literally separated, rarely coming into contact with one another.

- **Customer-focused initiatives.** CEM can be driven from many places, including: marketing and sales, newly formed CX teams led by a newly appointed executive, customer service, other business departments or they are staffed partially by IT.
- **Operationally focused initiatives.** BPM is usually driven by the COO and concentrates on operational excellence. If projects are tackled at a departmental level, the number of practitioners will be small – say, under five employees. If instead BPM projects are focused on business transformation, the number may increase to 10-20+ employees.⁶

CEM project leaders should rely on internal resources to expand their focus on digital inside. Some key steps for the CEM leader to consider include:

- **Seek out BPM (or Lean, or Six Sigma) leaders** to keep each other updated on projects, strategic initiatives and external developments in the two disciplines.

- **Add internal expertise in BPM to CEM projects**, either as project advisors or members of the core team.
- **Train the CEM staff on BPM principles** so they will look for and recognize synergies between the two disciplines.
- **Align strategic focus and priorities** so as to provide maximum value to the enterprise
- **Communicate regularly** across digital outside and digital inside projects. This is particularly important if the organization is pursuing business transformation.

By expanding CEM's focus on BPM, CX leaders can deliver transformed processes that link digital outside with digital inside to support a 360-degree view of the customer. And by expanding BPM's focus on CEM, process leaders can deliver on the oft-promised but elusive outside-in focus instead of staying stuck with an internal-only viewpoint.

BPM + CEM = A win/win for everyone.



Endnotes

1. Examples of a few of the many BPMS vendors include: Adobe, AgilePoint, Appian, Bizagi, BonitaSoft, bpm'online, Dell (formerly EMC), Fujitsu, Lexmark, IBM, Microsoft, Newgen, OpenText, Oracle, Pegasystems, Perceptive Software, Software AG and TIBCO. For the latest developments in BPM software, see “Tackle Complex Processes With Dynamic BPM Suites and Business-Ready Apps,” Connie Moore, <http://www.digitalclaritygroup.com/tackle-complex-processes-bpm/>.
2. For more on CEM terminology and definitions, see “Putting the ‘management’ into CEM,” Tim Walters , 11/08/2013, <http://www.digitalclaritygroup.com/can-ce-really-be-md/>.
3. Note that Lean Startup methodology is not the same as Lean. (Lean is also known as Lean Thinking and the Toyota Production System.) Instead, Lean Startup is a use case for Lean, and focuses on rapid development cycles, minimum viable products, frequent testing with buyers, and validated learning. For more information, see <http://theleanstartup.com/book> <http://www.lean.org/whatslean/> and <http://blog.hubspot.com/blog/tabid/6307/bid/33718/Lean-Marketing-How-to-Run-Your-Marketing-Team-Like-a-Startup.aspx>.
4. “Lean Thinking” Is More Important Compared to “Lean Tools,” Zeeshan Syed, August 1, 2014, <https://www.linkedin.com/pulse/20140801041813-148241079-thinking-lean>.
5. For more information about the detrimental impact of siloes in business, see “The Silo Effect: The Peril of Expertise and the Promise of Breaking Down Barriers,” Gillian Tett.
6. A word of caution, sometimes these BPM teams are known instead as Six Sigma, Lean or process excellence teams.



About Digital Clarity Group

Digital Clarity Group is a research-based advisory firm focused on the content, technologies, and practices that drive world-class customer experience. Global organizations depend on our insight, reports, and consulting services to help them turn digital disruption into digital advantage. As analysts, we cover the customer experience management (CEM) footprint – those organizational capabilities and competencies that impact the experience delivered to customers and prospects. In our view, the CEM footprint overlays content management, marketing automation, e-commerce, social media management, collaboration, customer relationship management, localization, business process management, analytics, and search. As consultants, we believe that education and advice leading to successful CEM is only possible by actively engaging with all participants in the CEM solutions ecosystem. In keeping with this philosophy, we work with enterprise adopters of CEM solutions, technology vendors that develop and market CEM systems and tools, and service providers who implement solutions, including systems integrators and digital agencies. For more information about DCG, visit www.digitalclaritygroup.com or email info@digitalclaritygroup.com.

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