Description and Documentation of Best Practices for Business Processes

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Summary

Business processes must be documented for various reasons. Usually processes are described in the form of a flowchart which includes the detailed sequence of process steps. But many process documentations miss essential elements which are needed for "Best Practices". The following document outlines the objectives a documentation of Best Practices should fulfill with examples of the single elements of such a documentation.

Objectives of Documentation

Especially in the domain of Business Process Management Best Practices have become very popular. Best Practices describe how a business process should be designed and implemented to ensure that the execution of this process delivers an excellent result. But how should Best Practices be described ? We can answer this question by looking at the objectives a documentation of Best Practices should fulfill. A documentation of Best Practices

1. describes the business process and its single steps and their sequence in sufficient detail
2. includes organizational roles and responsibilities for the process steps
3. explains why this process is called "Best Practice", i.e. illustrates which features of the process and its steps qualify the process as "Best Practice"
4. describes or even measures to what extent a process deviates from the Best Practice process

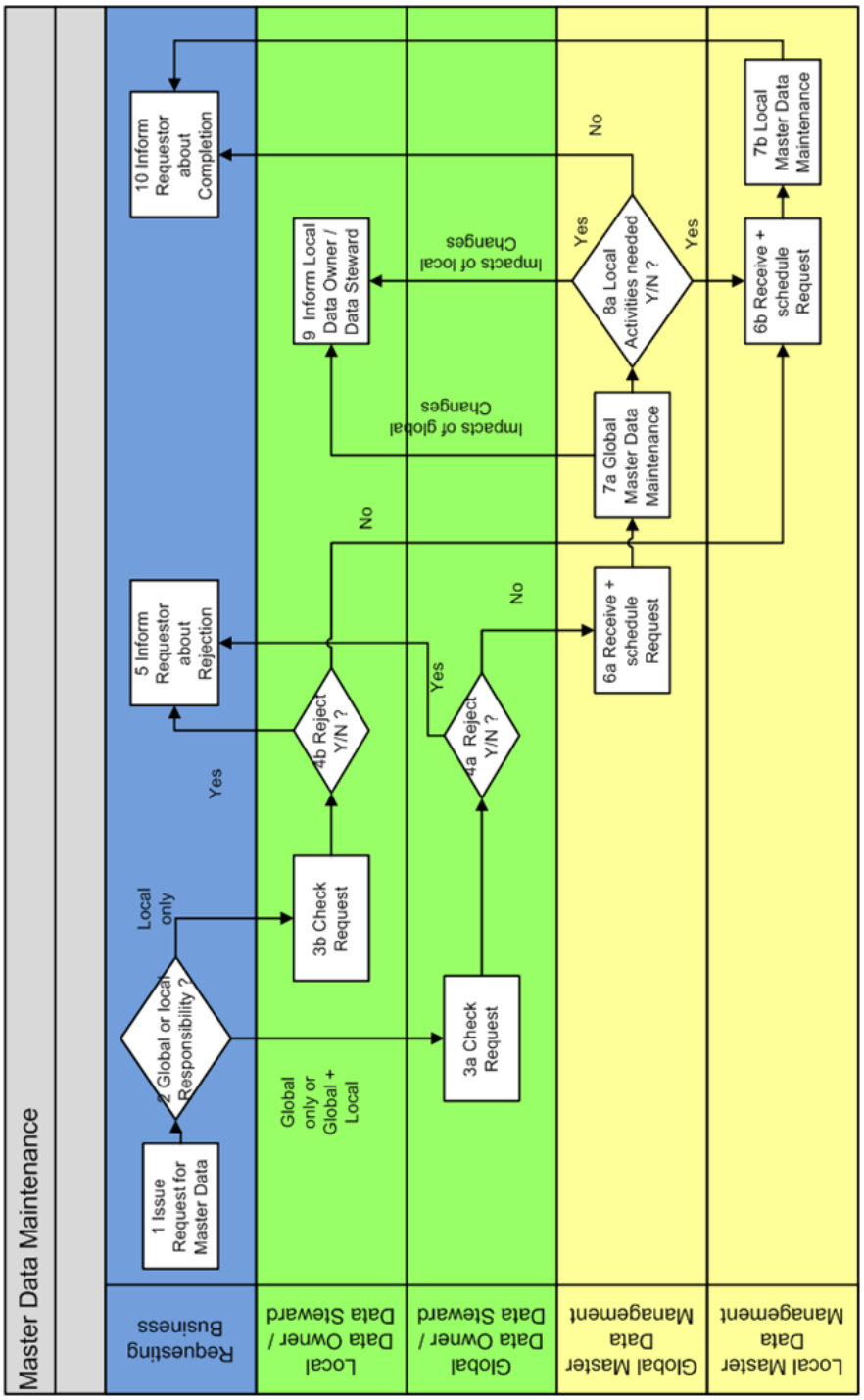
While the first three points are indispensable elements of a Best Practice documentation the fourth point could be considered as optional. However, if the level of excellence a process has achieved compared with Best Practices should be determined a reference for answering this question must be available - either in a qualitative form or as process KPI.

Documentation Elements

The objectives of a Best Practice documentation are now clear. The next question is how the documentation should look like. What are the single elements that need to be described ? The following documentation elements can cover above points 1 to 4:

- Points 1,2: a process flowchart in the form of a swimlane diagram
- Point 3: a method to identify the features that qualify the process as Best Practice
- Point 4: a capability maturity matrix that helps to describe different stages of achieved excellence

In order to illustrate these elements a simple business process will be used. The following swimlane diagram describes a maintenance process for master data, e.g. the maintenance of product master data.


Master Data Maintenance
Requesting Business
Local Data Owner / Data Steward
Global Data Owner / Data Steward
Global Master Data Management
Local Master Data Management
1 Issue Request for Master Data
2 Global or local Responsibility ?
Local only
Global only or Global + Local
3b Check Request
3a Check Request
4b Reject Y/N ?
4a Reject Y/N ?
Yes
No
5 Inform Requestor about Rejection
6a Receive + schedule Request
6b Receive + schedule Request
7a Global Master Data Maintenance
7b Local Master Data Maintenance
8a Local Activities needed Y/N ?
9 Inform Local Data Owner / Data Steward
Impacts of global Changes
Impacts of local Changes
10 Inform Requestor about Completion

The horizontal axis shows the sequence of the single business process steps. The vertical axis describes which organizational roles are involved in the execution of the steps.
A business process expert is usually able to build this chart. The main challenge here is to find the appropriate granularity for the process steps as they will be the reference points for describing the Best Practices features. A few exemplary guidelines how to find the right level of detail are the following (more ideas on this you will find in various books on BPM):

- Important decisions should be steps
- Start with a new step if activities are executed by a different role
- Create a step if a unique and outstanding functionality is invoked that could represent a "Best Practice" feature of the process step
- Every creation or change of a document (paper or electronic) should be a step
- Transactions in the IT systems can represent steps or the begin / end of a sequence of steps

When looking at the swimlane diagram the next step is to explain why this process is a Best Practice Process. It is not sufficient to compare the process step patterns of two processes as the patterns could be very similar while the quality of the two processes could be very different. What differentiates an average process from a Best Practice process can only be identified when looking at the features of single process steps. There is no systematic way to identify the relevant features but process experts will know the differences between an average process and an excellent process. The following questions can help to identify those features

- How are decisions of an executing role supported ?
- Is an outstanding functionality used in the step that makes the execution of this step very efficient ?
- Is the information flow complete and does every involved role know at what stage the information processing is ?
- Which steps could be expedited, e.g. by automation ?
- Which process controls help to monitor the execution of the process ?
- Which information flows follow a push vs. pull principle and is that in line with the information needs ?
- How flexible is the process and how quickly can it be adapted to new situations ?

This set of questions is of course not exhaustive. It requires some practice to build this set and I recommend to select a few processes that are well documented to create more ideas which questions can be applied to identify Best Practice features.
Best Practice features for the recorded steps of the master data maintenance process are as follows:

- Step 1
  - Requesters are supported by a configurable procedure that checks if master data duplicates already exist
  - Request is created electronically and starts an automated workflow
- Step 2
  - Responsibilities can be defined on data attribute or higher levels
  - Request is automatically forwarded to responsible data owners and data stewards
- Step 3 a,b
  - Incoming request triggers an alert based on priority of request
  - Data owners and data stewards can simulate and see impacts of changes on their business that supports a decision about approval or rejection
- Step 4 a,b
  - Data owners and data stewards can approve or reject the request. If rejected, predefined rejection reasons can be selected
  - Additional experts can be involved in approval and rejection as needed
- Step 5
  - In case of rejections requesters are informed via workflow why request has been rejected
  - Requestors are supported in selecting workarounds for rejected requests
- Step 6 a,b
  - In case of approvals request is automatically forwarded to executors
  - Executors can plan and schedule request based on date when it shall become active
- Step 7 a,b
  - Request is processed and information is automatically forwarded based on status
  - Status can trigger follow-up activity or is an information about completion
- Step 8 a
  - Completed global activities automatically trigger local activities
  - Local executors can simulate and see impacts of global changes on local business

- Step 9
  - Completed global activities that require local activities are sent to local data owners and data stewards for information
  - Sending of information can be configured to individual needs
- Step 10
  - Requestors are informed about completion of their request
  - For scheduled changes a follow-up message can be sent before activation

If the Best Practice features are identified the final point examines what stage of excellence the features of a process have achieved when matched against the Best Practice level. A method often applied here is a Capability Maturity Model CMM with 5 stages. The stages usually found in a standard CMM have been renamed here for this example

- Stage 1 Feature is missing
- Stage 2 Basic elements for feature are implemented
- Stage 3 Common elements for feature are implemented
- Stage 4 Advanced elements for feature are implemented
- Stage 5 Best Practices for feature are implemented

The main task is now to rate the features concerning its stage of maturity of the currently implemented process. For three exemplary steps we describe how the features for an implemented process that is not yet on Best Practice level could be rated:
Step 1: Would be rated with stage 2 of maturity model

- Requesters check manually if master data are already available
- Request is sent via email

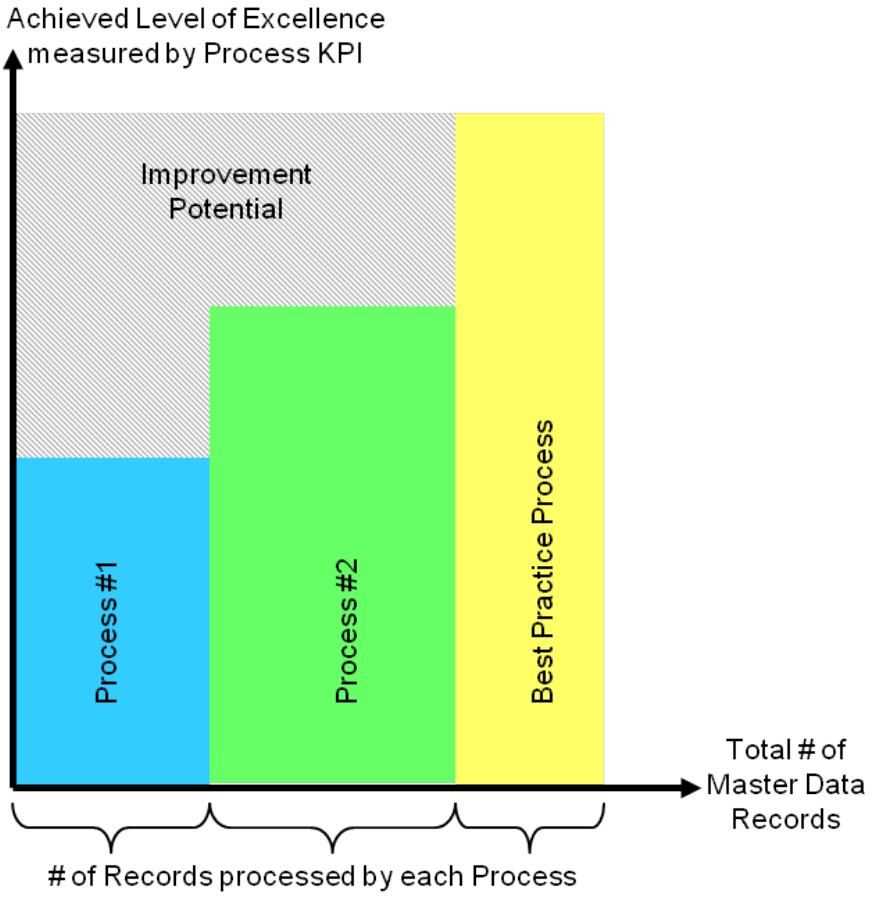
Step 2: Would be rated with stage 3 of maturity model

- Responsibilities are defined on business object level (customer, product, vendor)
- Request is automatically forwarded to responsible data owners and data stewards

Step 8a: Would be rated with stage 2 of maturity model

- If global activities are completed global responsibles inform local responsibles via eMail
- Local executors manually check impacts of global changes on local business

While this approach is a qualitative evaluation of single process steps KPI's represent an output-oriented evaluation. KPI's measure the overall performance of the different processes compared with the performance of the Best Practice process. Appropriate KPI's for the exemplary process could be the average time needed to complete a master data request or master data quality criteria like data consistency.The performance of different processes compared with Best Practice performance could be described as follows:



This concludes the outline how to describe and document Best Practices. In order to keep the efforts manageable for such a description the Best Practice features should not be defined on a very granular level. In most of the cases level 3 of a process description (business process step level) is sufficient. As this outline is not a complete cookbook I recommend that you apply these ideas to your existing documentation to find the right approach for your organization.