Create A Governance Strategy To Meet The Process Imperative

The Shift Required To Drive Process Automation At Scale

by Rob Koplowitz

May 21, 2020 | Updated: May 26, 2020

Why Read This Report

Digital transformation requires lots of software to enable process automation. But how do you avoid chaotic software sprawl with thousands of disconnected pockets of automation that will undermine business transformation? The answer lies with new software development approaches, skills, and organizational structures. Read this report to learn how application development and delivery (AD&D) leaders are creating governance structures for process automation.

Key Takeaways

Process Automation Is Crucial

Process automation remains at the heart of digital transformation. For many, the scale of automation required to meet the challenge will outstrip their traditional development approaches.

Technology Governance Is Lacking

The emergence of digital process automation, low code, and robotic process automation (RPA) will help meet the growing requirements. However, governing these new technologies remains a challenge.

Organizational Change Will Be The Issue

Development leaders and CIOs will not be able to meet this technology challenge alone. Automation at enterprise scale will require all employees to participate, and for many, that will require changing the organizational DNA.

Create A Governance Strategy To Meet The Process Imperative

The Shift Required To Drive Process Automation At Scale

by Rob Koplowitz
with Christopher Mines, TJ Keitt, Abigail Livingston, and Kara Hartig

May 21, 2020 | Updated: May 26, 2020

Table Of Contents

Related Research Documents

Advance Process Automation By Keeping Automation Technologies In Their Own Lanes

COVID-19 Remote Work Just Broke Your Processes: Here's What To Do About It

Fix Business Processes To Improve Customer Experiences

FORRESTER®

Forrester Research, Inc., 60 Acorn Park Drive, Cambridge, MA 02140 USA
+1 617-613-6000 | Fax: +1 617-613-5000 | forrester.com

The Goals For Process Automation Are Clear — But Not The Direction

Attempting to drive digital transformation on top of inefficient, ineffective, and often manual processes will not only fail but also expose companies' operational warts to the world. If the competition can onboard a customer in 5 minutes on a mobile device while your process executes over the course of multiple days with little or no visibility into status, you will likely not survive the current digital shift. AD&D leaders must now streamline and digitize once-lengthy processes hidden behind old operating models. According to Gustavo Gomez, CEO of Bizagi, "Customers are looking for processes that look like transactions."

Streamlined, Digitized Processes Produce The New Norm

What do streamlined, digitized processes look like? A timely example is the disruption by Apple Card. The application process starts directly in the Apple Wallet on an iPhone and results in a working Apple Card in the Apple Wallet in minutes. This process used to involve filling out forms and providing additional documentation, and if all went smoothly, it only took one trip to the bank. If exceptions occurred, more interactions were often required. The Apple process turned that tedious process into a transaction-like experience for the applicant. And that becomes the new norm that competitors must try to match.

Apple has leveraged extensive automation to drive this outcome, and it represents an excellent example of digital disruption. Digital competition drives thousands of examples of market disruptions; in every industry, organizations are automating their processes to avoid being digital roadkill. One critical response is aligning process initiatives with digital transformation goals, moving from the traditional goal of cost reduction to one of digital business transformation and customer experience.[1]

Process Governance Has Three Critical Components

The prospect of shifting a successful organization from a familiar operating model and embracing the realities of a digitized world can be daunting. A 62-year-old Midwest financial services firm referred to its process challenge as "a giant hairball." Our research uncovered three areas to focus on: process reengineering, intelligent automation governance, and change management.

Process Reengineering: It's Back

To support digital transformation, first stop and assess current processes with a strategy to reengineer before even thinking about automation. In fact, heading straight to automation risks "embalming your current operating model," as one IBM executive described. The actions and flow of many interrelated actions and technology to model discovery-to-automation work have emerged to address this challenge.[2] Our research reinforces a few key themes:

› **You don't know what you don't know about your processes.** Before considering process reengineering, address the enormous task of discovering how your organization operates today. With the exception of select high-profile processes that execute in line-of-business (LOB) applications and a few compliance-related ones, most organizations cannot describe and have not documented their processes. This realization is driving an uptick in interest in process mining and analytics solutions from vendors like Celonis and Minit. These products allow process discovery and analytics at scale by analyzing the server-side event log data from LOB systems. Increasingly, users augment this information with analysis of client-side customer-generated data to provide a more complete view of current processes. When the actual process emerges, it could be very ugly.

"Transparency hurts because it sheds light on things that are done badly." (Gero Decker, CEO, Signavio)

› **Analyze collaboratively before you do anything else.** One additional benefit to process mining tools is the ability to export a model in a standard format. The Business Process Model and Notation (BPMN) standard allows a common approach to defining process models as well as interchange between process automation technologies. In this case, BPMN 2.0 (the current standard) can be imported directly into a tool for collaborating on process improvement. Process pros wield such modeling and documentation tools from firms like BusinessOptix, iGrafx, Signavio, and Software AG to collaborate with multiple stakeholders, most notably business experts on documenting and defining reengineered processes. Once defined, they can export the refactored process, again in BPMN 2.0 format, to any one of a number of process automation tools that support the standard. Once reengineered and in some instances automated, the cycle starts again through discovery and analytics that feed continuous monitoring and improvement.

› **Process expertise remains critical.** It's been almost 30 years since Michael Hammer lit the business process reengineering (BPR) fire, and the term and concepts have fallen largely into disfavor. However, the goals of BPR were very real and remain largely unrealized. They have reemerged as organizations struggle to reengineer to meet the requirements of digital customers. And with reengineering, the role of the process expert has come back to the fore.[3] In our latest process automation survey, 29% of respondents planned to increase or significantly increase the role of Lean/Six Sigma to support process improvement and automation, which indicates increased focus on process excellence.[4] While interviews indicated that many are not embracing the entirety of Six Sigma, more companies view its process focus as a critical skill for success.

› **Process improvement supports customer/employee journeys.** While the majority of process professionals align their process improvement initiatives with the term "customer journey mapping," our interviews indicate that most do not truly understand the concept and focus on automating whatever is in their control.[5] A customer journey represents a far more comprehensive experience than any individual process. It very likely crosses multiple organizational boundaries and a myriad of business systems and manual processes. Within journeys, there are often numerous opportunities to improve process or apply automation to achieve better customer outcomes (see Figure 1 and see Figure 2).

FIGURE 1 Process Improvement And Automation Support Customer Journeys

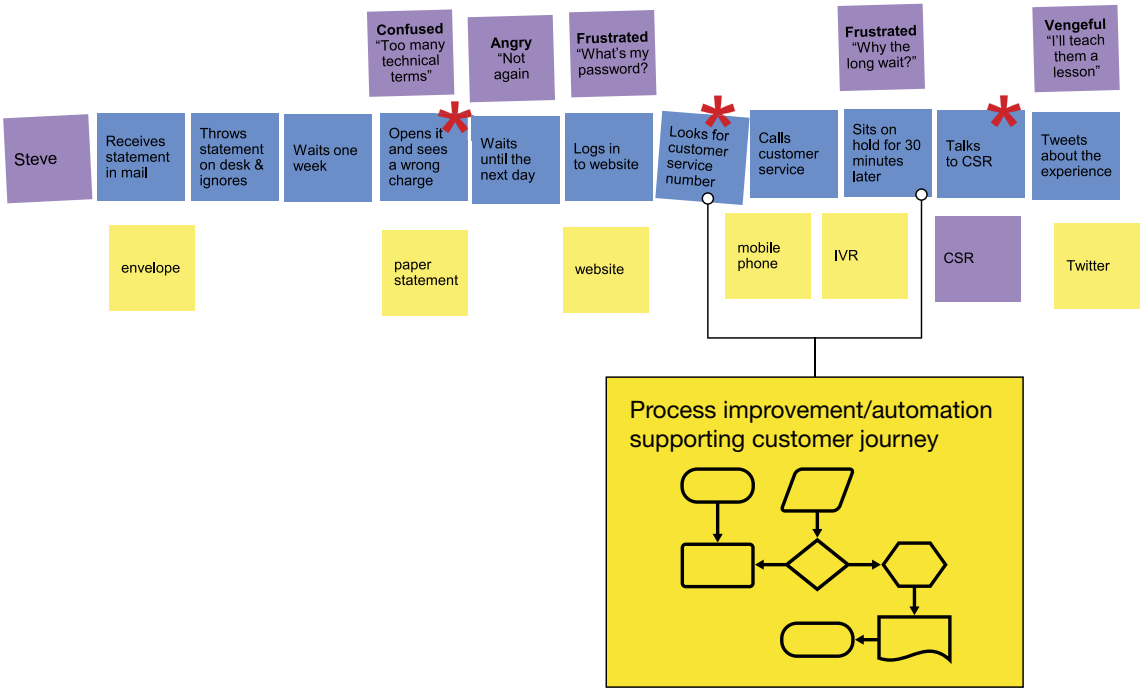
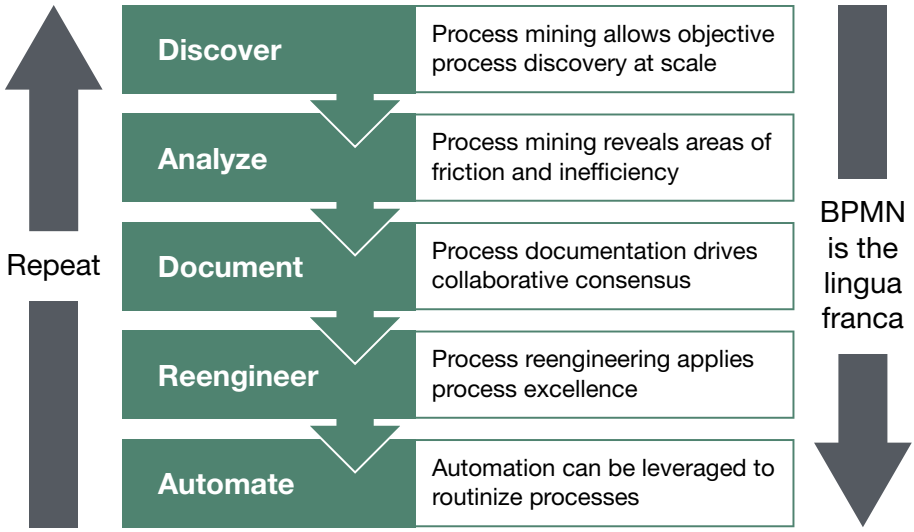


FIGURE 2 The Path From Discovery To Automation And Back To Discovery



Intelligent Automation Governance: It's Complex — But Necessary

An abundant array of technologies helps enterprises drive process automation. In fact, for many, there are too many technologies, and vendors are too quick to present their solution as a bag of magic beans. While the landscape of technology is broad, it is important to understand that each piece plays a critical role in driving complex end-to-end automation. And it's imperative to architect these technologies with your enterprise to work together seamlessly.[6] Forrester fully defines a strategy for managing these complementary technologies in Forrester's November 2019 report "Advance Process Automation By Keeping Automation Technologies In Their Own Lanes" (see Figure 3).

FIGURE 3 Intelligent Automation Technologies Serve Specific Technical Needs

Automation technology	Use cases
DPA-deep	Designed to handle sophisticated long-running processes, including designing, orchestrating, and monitoring processes that utilize most or all of the other intelligent automation technologies
DPA-wide	Designed to drive wide-scale process automation of low to medium complexity and may have capabilities to utilize multiple intelligent automation technologies
DCM	Designed to manage complex ad hoc and human-centric processes, which are often based on documents and require collaboration, coordination, service-level tracking, and content management, including archiving and retention
RPA	Designed to automate human tasks and potentially orchestrated to handle more comprehensive processes, with tasks and integration generally driven from the client, which provides simple integration by coordinating actions between multiple systems
Rules/decisioning	Designed to handle complex conditional logic and potentially used to drive process routing and resolution, generally offering easy maintenance of rules by business users without the need to reprogram process logic
AI	Designed to power a wide range of process capabilities including better understanding of unstructured content through natural language processing and tone analysis for routing and classification, natural language input through chat and voice, process optimization through machine learning (ML), and ML assistance for critical workloads like fraud detection and knowing your customer; often provisioned through cloud platform vendor offerings like those from Amazon, Google, IBM, and Microsoft

Change Management: Without It, All Else Fails

During the course of this research, many examples of best practices emerged. However, it is important to note most automation efforts were pilots (i.e., not at enterprisewide scale and only for a small number of people in the organization). The prospect of moving to a model where most employees are involved in driving process improvement and automation will be a difficult goal to achieve. A change management strategy needs to address the challenge of bringing a wide population of business users to:

› **Defining existing and reengineered processes.** No one understands the inner workings of a business better than the people who run the business every day. To drive widescale process reengineering and automation, businesspeople must help define the current and desired states to drive desired outcomes, using process documentation tools to collaboratively define and refine

process definitions. Assume that few if any businesspeople have incentives to support process improvement initiatives in addition to their day jobs. Process leaders will have to address hiring, education, training, and job performance goals to drive the wide-reaching change required.

- **Monitoring process efficiency and effectiveness.** Once processes are redefined and potentially automated, monitoring and refining becomes an ongoing responsibility for many businesspeople. In addition to new responsibilities, this will require training in the use of process analytic tools to identify and address potential areas of process friction.
- **Developing software.** While the idea that every company will become a software company and every employee a software developer is compelling, it will be difficult to achieve. Most job descriptions do not include time spent side by side with developers building software and certainly not building software on your own. And tools and techniques are not readily available to support this. Organizations must make a concerted effort to drive incentives, training, and support for a new class of business developers. The shift required in the mindset of businesspeople will be akin to the shift to PCs and self-serve technology like spreadsheets, which became pervasive several decades ago.

Organize Around Key Roles And Responsibilities

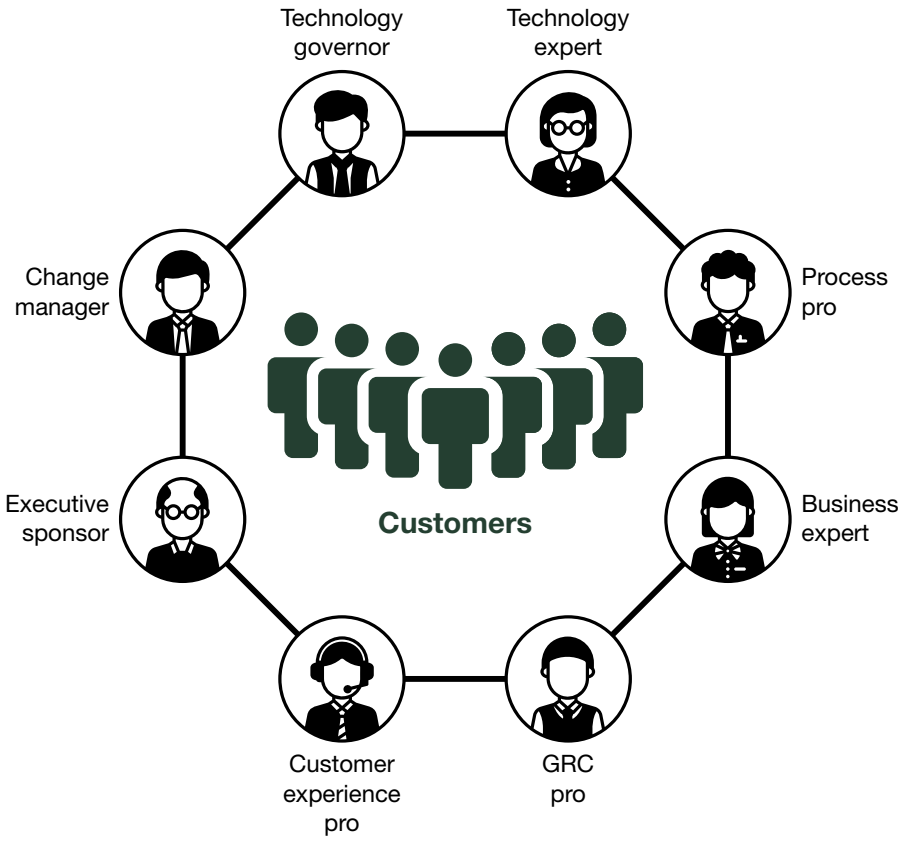
Driving widescale change required for digital transformation does not happen in isolation. It requires coordination that starts at the top and more importantly radiates out to the entirety of the organization.[7]

Roles And Responsibilities Will Be Wide-Ranging

Many roles will be required to drive process change at enterprise scale. Unlike most project-based technology initiatives, the resources and skills required will cross established organizational boundaries. While centralization is not necessary for all roles (in fact, it would be extremely cumbersome), both an approach that defines common goals and a coordinated approach are necessary. If the goal is to drive operational excellence and automation in service of customers, there are a lot of internal stakeholders (see Figure 4). For example, Zespri, the world's largest producer and distributor of kiwifruits out of New Zealand, started with clear goals. Standardizing and automating processes across 70 different countries with different regulations and business requirements required it to rethink the approach, ultimately placing process and standardization at the center of the initiative while enabling flexibility by country.

"We moved from a project view to an enterprise view. Projects execute within that framework. You can't have 20 different solutions where departmental goals are more important than strategic goals. Four and a half years ago, we created a process architecture and process governance structure. When you want to manage processes end to end, you have to focus on architecture." (Matthias Mueller, business process management facilitator, Zespri)

FIGURE 4 The Roles Required To Support Process Improvement Span Multiple Disciplines



Emerging Best Practices Mix Centralized And Federated Models

The fundamental tension is that consistency requires a coordinated approach, but centralization is slow, inefficient, and sometimes counterproductive. Resolving that tension requires organizations to leverage scarce and expensive skills and make some key bets on critical methodology, frameworks, and technology standards.

> "The distribution of the activity under digital transformation is currently very siloed. What is the connective tissue that ties all of these pieces together? Is it optimized? Is it within your compliance policy? How do we accelerate these rather than gate them? Centralizing key skills and farming them out to the business drives alignment with the corporate vision." (Ed Maddock, CTO, iGrafx)

The balance that most forward-thinking organizations have struck is to centralize some level of software development support and skills and federate them to the business for initial projects and skills transfer. A set of common patterns emerged from our research interviews, particularly that (see Figure 5):

- **IT drives technology standards.** To drive automations at scale, many of the interviewed organizations moved toward a model that established central standards and governance. For example, Bosch has a standard governance model to determine if a project best suits RPA, digital process automation (DPA), or a combination of both. To scale its low-code DPA strategy across the organization, it standardized on Catalytic software. This allows the company to provide central support and training. This model of centrally supported standards to drive scale and continuity across organizational boundaries was the most common pattern we discovered.
- **Process skills are centralized.** Companies augment their increased use of Lean/Six Sigma with new approaches that leverage tools and techniques that are more modern, collaborative, and accessible to business users. With this model, process professionals deploy to the business to assist with the reengineering of critical processes alongside businesspeople who best understand the business goals. Part of the skills transfer is introducing businesspeople to process mining and/or process modeling tools to ensure ongoing participation in process improvement.
- **Orgs should federate process and technology skills all the way to businesspeople.** Standardizing tools and centralizing process expertise allows organizations to scale automation efforts and drive deep participation from businesspeople. This model strikes a balance between centralization, which has traditionally been cumbersome, and fully distributed models, which hamstring the level of coordination and cooperation needed to automate complex processes that cross multiple parts of an organization.

FIGURE 5 Organizational Mix Of Centralized And Federated Roles To Augment Existing Org Structures

Role	Org placement	Responsibility
Executive sponsor	Per current structure	• Sets overall goals and objectives • Establishes overall KPIs • Creates context for cross-organizational cooperation; mediates organizational border skirmishes
Governance, risk, and compliance pro	Per current structure	• Determines overall governance, risk, and compliance (GRC) strategy • Creates and enforces framework to ensure that process reengineering and automation efforts fit GRC guidelines
Customer experience professional	Per current structure	• Focuses on optimal customer and employee user experience • Helps define use of appropriate front-end technologies and requirements • Defines optimal journeys in collaboration with process and technology roles
Change manager	Centralized	• Prepares business users to participate in process reengineering • Trains users based on new responsibilities — up to and including development • Trains users on new systems
Technology governor	Centralized	• Establishes governance frameworks for all of the relevant technologies that make up the overall solution • Vets incoming technology requests to determine if tech fits and should adhere to standard(s)
Technology expert	Centralized	• Provides technical expertise for the technologies that make up the overall solution • May initially come from technology vendor or SI but needs a skills transfer component for internal team
Process professional	Centralized	• Assists in defining, documenting, and reengineering complex end-to end processes • Helps measure, analyze, and optimize processes
Business expert	Federated	• Defines and helps document as-is business functions/processes • Assists in defining reengineered processes, including opportunities for automation

Recommendations

Drive A Process Automation Culture

We've heard for many years that every company will become a software company. If that isn't enough of a challenge, it's becoming clear that every company will need to be a *process automation software* company. In other words, the challenge for AD&D is rearchitecting existing business processes first and then automating. And the real challenge is that a shift this profound requires not only IT but also the breadth of the organization. To meet this demand:

- **Create an organization that supports a culture of process improvement.** The people who understand how your organization runs on a daily basis are the people who run it — your employees. However, they are not necessarily experts in process improvement. To bridge this gap, create a model in which process professionals are centralized and loaned to the business to support process innovation in partnership with businesspeople. The goal is to bring businesspeople up to speed on tools like those that support collaborative process modeling and documentation as well as on process methodologies that will ultimately drive a pervasive culture of process improvement.
- **Tie process improvement to process automation.** We have traditionally not tied process improvement to process automation. And we still need to approach automation deliberately. The one with the most automation may not win. However, it's naive to assume that digitally native organizations with a well-designed and executed process automation strategy are not a huge threat. Approach process improvement with process automation in mind. Make sure that technology experts with process automation skills are involved in process improvement efforts to ensure that the art of the possible with regard to automation is always understood and represented.
- **Take your medicine: Embrace IT governance.** IT governance, standards, and architectures are often not well received. Developers, among others, complain that they slow down the organization's efforts to drive improvements. And that perception can be well founded if standards are not balanced with technology agility. However, to drive meaningful process automation in support of digital transformation, organizations need to automate across traditional organizational boundaries that often have ties to legacy technologies. Your processes do not respect your organizational boundaries, and a standards-based architecture is necessary to ensure technology consistency. This will drive common approaches to data access, integration, security, privacy, and a host of other technology issues. It will also support common change management and training approaches to drive consistent participation from businesspeople who will be vital participants in driving this shift.
- **Find your way to a change management strategy.** Perhaps the most challenging aspect of this shift toward a culture of process improvement and automation will be engaging the business. Many, but not all, organizations have a formal approach to change management. While this may

seem a bit fluffy for people who are used to focusing on technology, make no mistake, it will be essential. Engage with human resource professionals in your organization to determine if they have strategies and resources to support the effort. If not, consider elevating the issue to the executives driving the initiative to determine the possibility of engaging outside resources.

Supplemental Material

Survey Methodology

Forrester's Q1 2020 Global Digital Process Automation 2020 Survey was fielded to Forrester contacts with knowledge of AD&D. For quality assurance, we screened respondents to ensure they met minimum standards in terms of job responsibilities.

Forrester fielded the survey from January 2020 to February 2020. Respondent incentives included a summary of the survey results. Exact sample sizes are provided in this report on a question-by-question basis.

This survey used a self-selected group of respondents knowledgeable about the content area and is therefore not random. This data is not guaranteed to be representative of the population, and, unless otherwise noted, statistical data is intended to be used for descriptive and not inferential purposes. While nonrandom, the survey is still a valuable tool for understanding where users are today and where the industry is headed.

Companies Interviewed For This Report

We would like to thank the individuals from the following companies who generously gave their time during the research for this report.

BusinessOptix

iGrafx

Signavio

Software AG

Zespri

Endnotes

[1] In the 2020 survey of process professionals, 37% placed the primary focus of current process improvement efforts on driving digital business transformation, while 34% cited improving customer service as the primary focus. Source: Forrester's Q1 2020 Global Digital Process Automation Survey.

[2] Source: Forrester's Q1 2020 Global Digital Process Automation Survey.

[3] In the 2020 survey of process professionals, more than 29% indicated that they planned to increase or significantly increase the use of Lean/Six Sigma to support process improvement efforts. Interviews to support this research indicated that these resources primarily focused on supporting process improvement and automation, skills transfer to businesspeople, and training for users on collaborative process modeling and documentation tools. Source: Forrester's Q1 2020 Global Digital Process Automation Survey.

[4] Source: Forrester's Q1 2020 Global Digital Process Automation Survey.

[5] Source: Forrester's Q1 2020 Global Digital Process Automation Survey.

[6] Forrester lays out the process technologies that make up an intelligent automation portfolio and goes into depth about the proper architecture to drive the most effective interactions of these technologies to serve end-to-end process automation. The report also defines the proper use of discrete technologies and how they complement one another to achieve business goals associated with process automation. See the Forrester report "Advance Process Automation By Keeping Automation Technologies In Their Own Lanes."

[7] John Rymer and Jeffrey Hammond explore the critical role of the CEO in establishing and supporting an environment in which software is leveraged for competitive advantage. See the Forrester report "CEOs: Foster The Software Teams And Talents Your Firm Needs."

We work with business and technology leaders to drive customer-obsessed vision, strategy, and execution that accelerate growth.

PRODUCTS AND SERVICES

- Research and tools
- Analyst engagement
- Data and analytics
- Peer collaboration
- Consulting
- Events
- Certification programs

Forrester's research and insights are tailored to your role and critical business initiatives.

ROLES WE SERVE

Marketing & Strategy Professionals

CMO
B2B Marketing
B2C Marketing
Customer Experience
Customer Insights
eBusiness & Channel Strategy

Technology Management Professionals

CIO
- Application Development & Delivery

Enterprise Architecture
Infrastructure & Operations
Security & Risk
Sourcing & Vendor Management

Technology Industry Professionals

Analyst Relations

CLIENT SUPPORT

For information on hard-copy or electronic reprints, please contact Client Support at +1 866-367-7378, +1 617-613-5730, or clientsupport@forrester.com. We offer quantity discounts and special pricing for academic and nonprofit institutions.