Tools Are Cool But Processes Rule
by Phil Wales

Still misunderstood by many corporate executives, technology is a business enabler and not a business solution. For example, company management calls out: "We need a solution for problem x." Since many people consider technology synonymous with solution, managers invariably look to IT and ask preferred vendors: "Do you have a solution for problem x?" At least one vendor will say "yes" and the company's new 'tool' is installed as the solution. Yet, facts predict a 50 percent failure for new solutions.

Facing that forecast, why do private corporations and public entities alike continue investing in this high-risk approach? Profound in its simplicity, they're blinded by the technology mystique and, instead, trust the easy answer that technology will solve the problem. They fail to recognize that the real problem is process focused. Technology is important but takes a back seat to process.

Now don't get me wrong, technology delivers business benefits. Yet, experience shows that this investment is most successful when selection and implementation dovetail with a clearly defined business need. Technology doesn't absolve the business of understanding the intricacies of doing work. In turn, the best results come when technology is used to enable optimized business practices through work automation, measurement and control.

Huge Change In Decade

Two fundamental changes have recently made possible this focus on process. The first is a change in solutions available on the market. Previously, companies could not do much about business/IT misalignment because available tools were hard-coded to work only the vendor's way. Even today, vendors still sell solutions that can't be effectively aligned with your specific business needs. But those legacy systems are quickly being left behind by newer, configurable solutions that better support business nuances.

The second major change is the shift in how work gets done. In automation's first wave, managers looked for improvements by eliminating redundant and non-value-add tasks. Accordingly, technology provided significant benefits by eliminating non-skilled positions, providing better data tracking and clearer reporting. However, these benefits were equally available to everyone deploying technology. Today, the focus - and competitive advantage - is on doing work faster, better and cheaper, illustrating the shift in management's focus and driving business process redesign.

Business Process Rules

That's the basis for "tools are cool but processes rule." Yes, the most successful technology implementations have little to do with the technology. They're successful because the business first expends time and energy on fully understanding what they do and how best to do it. Then they select a solution that aligns the business or can be best configured to support actual business requirements.

That makes sense but there's a catch if business process efforts are executed in a silo. For example, say the asset management team streamlines their inventory management process to cut costs by not stocking high-priced, seldom needed items. This saves considerably on their operating budget and looks like a good process

improvement. However, in a silo, the ability to maintain business critical equipment may be compromised and the company's entire mission put at risk with the catastrophic failure of a key piece of equipment. Optimizing silos often creates issues in the broader business enterprise.

Therefore, we recommend a top-down perspective starting with the high-level lifecycle focus and four simple steps that help align business process with technology deployment:

1. Start with business strategy. Develop a business-wide view of critical services that deliver value: "What services do we provide to support the organization and what value do they bring?"

2. Define the enterprise level lifecycle. Identify unique and independent processes within a particular service area and how they must interact. Identify touch points between independent processes - key inputs and outputs - to ensure silos aren't created. The key question is "How does each service area work with and support other service areas?"

3. Define the optimal practice for each operational process. This is where most companies start but, in context, you can now document the unique and independent activities (workflow) for each operational process since you understand its role in the overall enterprise. Here we answer: "How do I streamline and standardize the business activities while still meeting the strategic objective?"

4. Select and implement technology, if appropriate. With well-defined business requirements, you can clearly identify what technology must do for you. It's finally time to select a tool, implement it against process expectations and deploy it to support the mission.

Driving It Home

Technology is a critical component of almost every business solution but not the panacea that many managers think. Instead, standardized and streamlined business processes are the key to an optimized business operation. They facilitate communications about how the business operates, enable smooth handoffs across functional or geographic boundaries and make possible comparative measures of performance. In short, *process rules*.

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