



Research-Consulting-Publication

Proposal for BPM Assessment

Co. XXX.

July 18th, 2003

DRK Research and Consulting LLC
2232 Baneberry Dr.
Birmingham, Alabama 35244
Tel 205 733-2096
www.drkresearch.org

Background

Co. XXX is currently developing strategies and plans for building a business process oriented organization and is looking for ways to provide input into this process. The Co. XXX team assigned to this effort is considering the BPM benchmarking assessment as a key input and is looking for assistance in this effort. They are also considering using the BPM measures as progress evaluation tools for each process team leader and their group.

The organization under review manufactures and delivers on an international basis and has nine process teams. The current business process organization consists of a mix of both corporate and local resources. Co. XXX has approximately 100 people that may be involved in the BPM assessment.

Proposal Scope

Managers implementing Business Process Orientation have a myriad of tools and techniques from which to choose. The BPM Benchmarking Assessment helps managers pinpoint areas of progress and stagnation. The quantitative analysis shows managers where they currently are in BPM maturity and guides them toward the future. The results uncover specific areas for focused improvement initiatives. The BPM Assessment uses a web based survey questionnaire that asks questions in three categories of BPM measures; process view (PV), process jobs (PJ) and process management and measures (PMM).

Process View:

- A clear documented understanding and agreement of what is to be done within and between processes. Usually achieved through process design and mapping sessions or review and validation sessions with the process teams. Maintenance and change control of this documentation is also a critical component.

Process Jobs:

- Reflects the assignment of broad process ownership. Formally creating broad, cross functional jobs with real overall process authority is a key component of this group.

Process Measures:

- The identification and assignment of responsibility for process outcome, efficiency, cost and quality measures as well as the link to resources and rewards.

The questions used in the assessment survey have been developed from several years of statistical research and provide a solid measure of current standing and predictive value for future performance.

BPM Maturity

Each organization is like any evolving entity. Some are immature and don't perform very well and some have evolved to higher order configurations. The survey results, when tabulated, illustrate a company's BPM developmental maturity compared to over one hundred companies in the U.S. and Europe.

The client's organization is placed in one of the levels of process maturity (shown in figure 1) from Ad Hoc, through Defined, Linked and Integrated to Extended. This Extended stage is the ultimate extended and connected organization with customers and suppliers integrated within a company's processes resulting in a networked organization. The maturity assessment clearly shows the client where they fall in the five developmental categories and provides specific actions for moving forward

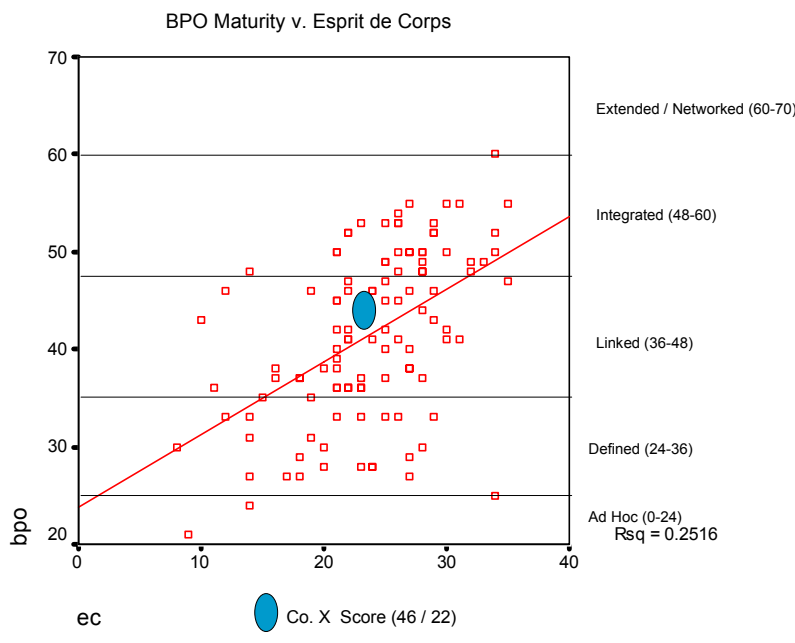


Figure 1. The BPM Maturity Model

The following is the process used for the assessment.

- 1. Select Participants-** DRK will assist the client leadership in identifying the "key informant" participants. We recommend 12-30 knowledgeable people available to participate in the survey for each organizational unit.
- 2. Review and Build Instruments -** DRK will assist in "tuning" the survey to the specific client's organization, building the cover letter and web greeting for the key informants which includes a web link to the survey questionnaire. 15-30 minutes are needed for the survey.
- 3. Assemble and Analyze Data -**DRK will assemble, analyze and plot the results compared to the DRK benchmarking database.

4. Build Conclusions and Recommendations - The DRK research team and Dr. Kevin McCormack will develop a presentation of the data, conclusions and recommendations for presentation in PowerPoint format and a written record in Microsoft Word.

5. Report and Present Results - Dr. Kevin McCormack will present the results, conclusions and recommendations at your office during a one-day discussion with the supply chain leadership team or participants selected by you.

The following are the specific deliverables created in this process.

- BPM Maturity Model position– visual.
- Scores by maturity model variable – numerical.
- Scores plotted on benchmarking database histogram views .
- Detailed “Blue Bar” benchmarking scores by questions organized in the following views:
 1. By BPM component variable
 2. By BPM impact variables (inter functional conflict, connectedness)
 3. By organization performance variable – (esprit de corps, business performance)

A final report summarizing the above deliverables and providing specific recommendations will also be provided.

Availability - Timeframes for Engagement

The total time for this effort is 3-4 calendar weeks. Dr. McCormack is available for the next 30 days and can be available for specific project activity after that on a scheduled basis.

Rate Information

The cost of this BPM assessment is \$15,000 for a single organizational unit with a charge of \$5,000 for each additional organizational unit under study, plus travel, meal and hotel expenses for the presentation at the client office.

Dr. McCormack is proposed as the full time project leader and primary consultant with support provided by the DRK team. Should additional work be undertaken outside of the scope of the assessment, Dr. McCormack's daily rate is \$3000 per day with a half-day billing for travel days. Additional DRK research team members are billed based upon their skill and experience.

Billing will be upon presentation of the reports with payments due 10 days after receipt of billing. All expenses will be submitted using a client's normal expense reimbursement processes.

Dr. Kevin McCormack

DRK Research and Consulting LLC

Date: _____

Client. _____

Co. XXX

Date: _____

Organizational Background - DRK Research and Consulting LLC

DRK Research and Consulting LLC, formed in 2000, is a focused provider of research and consulting services to large and mid-size companies. We advise our clients on strategic business, operational and technology issues. We also develop and implement the appropriate solutions. DRK has a strong history of commitment and success in serving its clients in North America and Europe.

Though DRK has worked with market leaders in many industries, we have built special expertise in the following industries:

- Manufacturing
- Retail Banking
- Public Sector
- Aerospace
- Utilities
- Technology Services

The mission of DRK Research and Consulting LLC is to provide leading edge, technology enabled business improvement services for clients that result in lasting change. This mission is accomplished through the processes of **D**iscovery (research), **R**euse (consulting) and **K**nowledge transfer (publication and training). Therefore, the following services are offered to DRK clients:

Research: DRK sponsors, charters, manages and executes focused, practitioner oriented research projects investigating best practices that relate to superior business performance. Several multi-year projects in the areas of supply chain management, business process orientation and inter-company process are on-going and funded by DRK. Specific research efforts are also chartered focused on a client's need or in support of specific engagements and funded by the sponsoring clients.

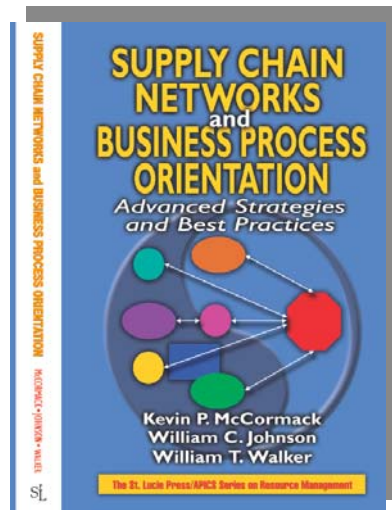
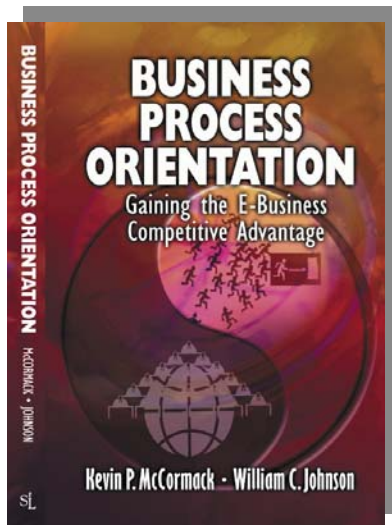
Consulting: Leading edge business improvement strategies and practices are put to use and refined through consulting engagements focused upon a specific client's needs or market opportunities. e-business assessment, strategy and business planning, supply chain strategic assessment, business process engineering and technology enabler evaluation are typical service offerings that put DRK research to use.

Publication and Training: DRK is dedicated to improving the state of knowledge in the areas of technology enabled business improvement. Therefore, knowledge transfer through publications and training events is a key component of the DRK mission. Non-proprietary learnings are frequently made available through publications in journals, trade magazines, community and DRK web-sites. Public and custom training events are also held to facilitate knowledge transfer and learning.

Bio of Dr. Kevin P. McCormack

Dr. Kevin McCormack has over 25 years of business leadership, consulting and research experience in business strategy and leadership, supply chain management, business process engineering, change management, organizational design and information technology. His experience covers many national and international industry segments and a broad range of business processes.

Kevin's research and publication focus is on best practice models in supply chain management. He has developed, tested and consulted on the implementation of cross-functional and cross company collaborative process models for the past ten years. He has developed a benchmarking framework and database that has been used by major companies to assess their cross functional collaborative efforts and develop prescriptions for improvement. The results of his work are captured in his recent books Business Process Orientation: Gaining the e-business competitive advantage, and Supply Chain Networks and Business Process Orientation: Advanced Strategies and Best Practices, both from CRC press (www.crcpress.com). Attached is a list of publications concerning his work on this subject.



Some of Kevin's work experience or clients include Kraft, Philip Morris, CPC International, Cargill, Texas Instruments, USMC, Phillips Petroleum, Columbia Forest Products, Dow Chemical, Warner-Lambert, Standard Charter Bank, Microsoft, Tektronix, Intel, several state governments, Borden Chemical, California Public Employees Retirement System (CalPERS), Allied Irish Bank, Wal-Mart, Campbell's, P&G, Fairchild Industries and PepsiCo.

Kevin holds Chemistry and Engineering degrees from Purdue University, an M.B.A. and a Doctorate of Business Administration. He is on the faculty of the University of Alabama at Birmingham School of Business (MBA and Information Engineering Management) and President of DRK Research (www.drkresearch.org). He can be reached at kmccormack@drkresearch.org.

