Integrating Knowledge Management in a Business Strategy Process Operationalized using Process Management Approach

15th European Conference on
Knowledge Management - ECKM 2014

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Santarém, 05-09-2014

Agenda

- Research objectives
- Theoretical framework
- Proposed approach for business context
- Knowledge Management and Business Process Management integration
- Case study developed
- Conclusions

Research objectives

- Optimization of organization operations using knowledge to handle with process design;
- The optimization should be aligned with the organization objectives or real needs;
- Assuming an improvement context needs the clarification of the organization breakthrough efforts;
- The improvement efforts should be targeted considering the maximization of the impact;

Theoretical Framework

- Organization strategy can be developed using traditionally top-down (deliberate) and bottom-up (emergent) approaches (Rose and Cray, 2010);
- Top-down approach is based in top management influences in the behaviour of lower-level managers using strategic objectives and control mechanisms (Ansoff, 1965; Rumelt, 1974; Porter 1980);
- Bottom-up approach assumes that strategies may arise from initiatives from lower levels (Bower, 1970)

Ansoff, H.I., 1965. Corporate strategy: an analytic approach to business policy for growth and expansion. McGraw-Hill.
Rose, W.R., Cray, D., 2010. Public-sector strategy formulation. Can. Public Adm. 53, 453–466.
Rumelt, R.P., 1974. Strategy, structure, and economic performance.
Porter, M.E., 1980. Competitive Strategy: Techniques for Analyzing Industries and Competitors. The Free Press.
Bower, J.L., 1970. Managing the Resource Allocation Process: A Study of Corporate Planning and Investment. Harvard Business Press.

Theoretical Framework

- Business Process Management (BPM) is a comprehensive system for managing and transforming organisational operations, based on what is arguably the first set of new ideas about organisational performance since the Industrial Revolution (Hammer, 2010);
- BPM treats processes as assets that directly contribute to enterprise performance by driving operational excellence and business process agility (Jones & Dixon, 2011);
- The processes represent work being developed implemented using Job Design, Training Development and Knowledge Management (Harmon, 2007);

Hammer, M., 2010. What is Business Process Management?, in: Brocke, J. vom, Rosemann, M. (Eds.), Handbook on Business Process Management 1, International Handbooks on Information Systems. Springer Berlin Heidelberg, pp. 3–16.

Jones, T., Dixon, J., 2011. Hype cycle for business process management (Pesquisa No. G00214214). Gartner Research.

Harmon, P., 2007. Business process change: a guide for business managers and BPM and six sigma professionals, 2nd ed. ed. Elsevier/Morgan Kaufmann Publishers, Amsterdam ; Boston.

Knowledge as facilitator

- Incorporating exception handling features in processes helps that the processes fulfill the organization goals (Dellarocas and Klein, 2000);
- Managers use their experience and understanding of the process to handle their deviations from expected flow of events (Dellarocas and Klein, 2000);
- Knowledge supports processes giving robustness to their execution;

Dellarocas, C., Klein, M., 2000. A Knowledge-Based Approach for Designing Robust Business Processes, in: Aalst, W. van der, Desel, J., Oberweis, A. (Eds.), Business Process Management, Lecture Notes in Computer Science. Springer Berlin Heidelberg, pp. 50–65.

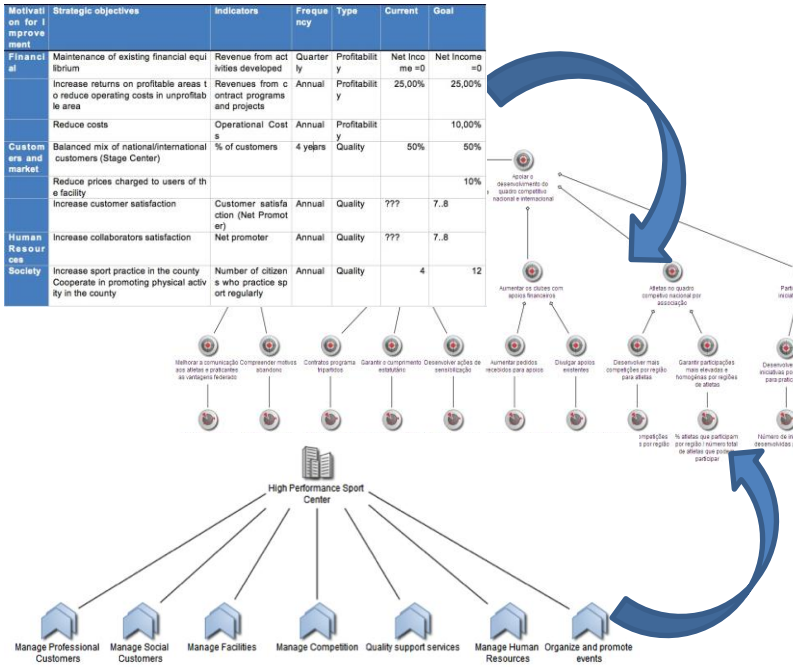
Proposed approach

- Combining top-down and bottom-up strategy approaches;
- Using the knowledge as a simplification of business processes and more effective way to handle exceptions;
- The knowledge identification used as a reference for training plans for employees;

Why a context?

- The identification of a context assumes the clarification of business strategy, formalized or not;
- Facilitates the identification of the area to develop the organizational improvement;
- The improvements should be targeted to the real organizational needs, maximizing the impact in the organizational strategic objectives;

Improving organizations performance using Business Process Management



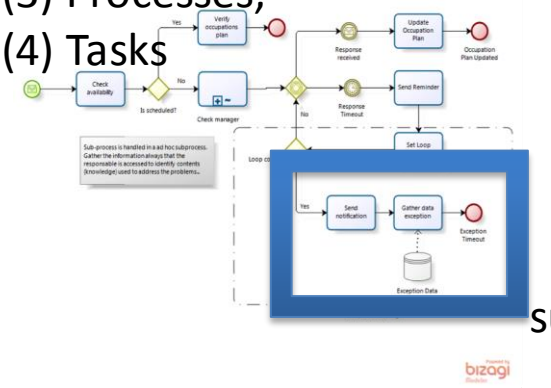
Motivation for Improvement	Strategic objectives	Indicators	Frequency	Type	Current	Goal
Financial	Maintenance of existing financial equilibrium	Revenue from activities developed	Quarterly	Profitability	Net Income =0	Net Income =0
	Increase returns on profitable areas to reduce operating costs in unprofitable area	Revenues from contract programs and projects	Annual	Profitability	25,00%	25,00%
	Reduce costs	Operational Costs	Annual	Profitability		10,00%
Customers and market	Balanced mix of national/international customers (Stage Center)	% of customers	4 years	Quality	50%	50%
	Reduce prices charged to users of the facility					10%
	Increase customer satisfaction	Customer satisfaction (Net Promoter)	Annual	Quality	???	7..8
Human Resources	Increase collaborators satisfaction	Net promoter	Annual	Quality	???	7..8
Society	Increase sport practice in the county Cooperate in promoting physical activity in the county	Number of citizens who practice sport regularly	Annual	Quality	4	12

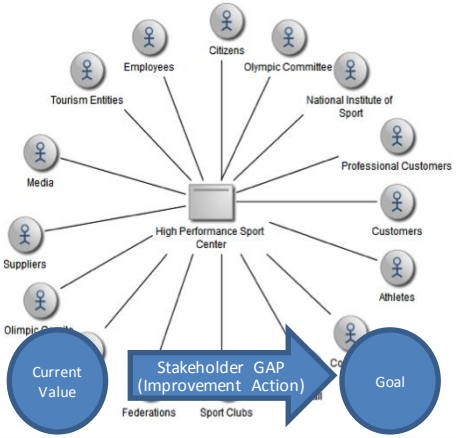
Define a context

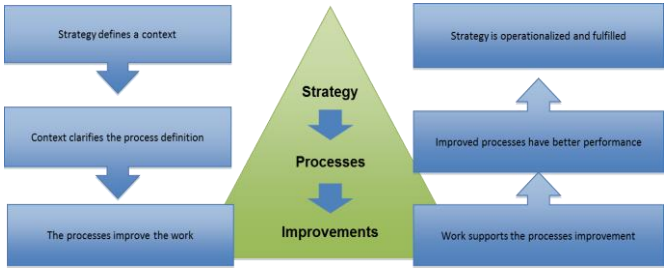
(1) Organization mission and vision;
(2) Identification of strategic objectives;
(3) Stakeholders assessment;
(4) Identification of business capabilities;
(5) Assessment of stakeholder concerns and objectives;
(6) Clarification of operational objectives;
(7) Priorization of improvement areas;
(8) Definition of an action plan.

Design Business Processes

(1) Capabilities;
(2) Macro-processes;
(3) Processes;
(4) Tasks







Organizational Architectures

(1) Top-down approach;
(2) Clarify organizational structure;
(3) Support the definition of a business process architecture;

Clarify Knowledge that supports the processes normal flow and exception handling

Case study developed

- Case study approach as proposed using a single case (Eisenhardt, 1989; Yin, 2003)
- In the initial steps were used semi-structured interviews with the top-management to get an overall context;
- The assessment allowed the identification of improvement area (business capability);

Eisenhardt, K.M., 1989. Building theories from case study research. Acad. Manage. Rev. 532–550.

Yin, R.K., 2003. Case study research: design and methods, 3rd ed. ed, Applied social research methods series. Sage Publications, Thousand Oaks, Calif.

Strategic Objectives

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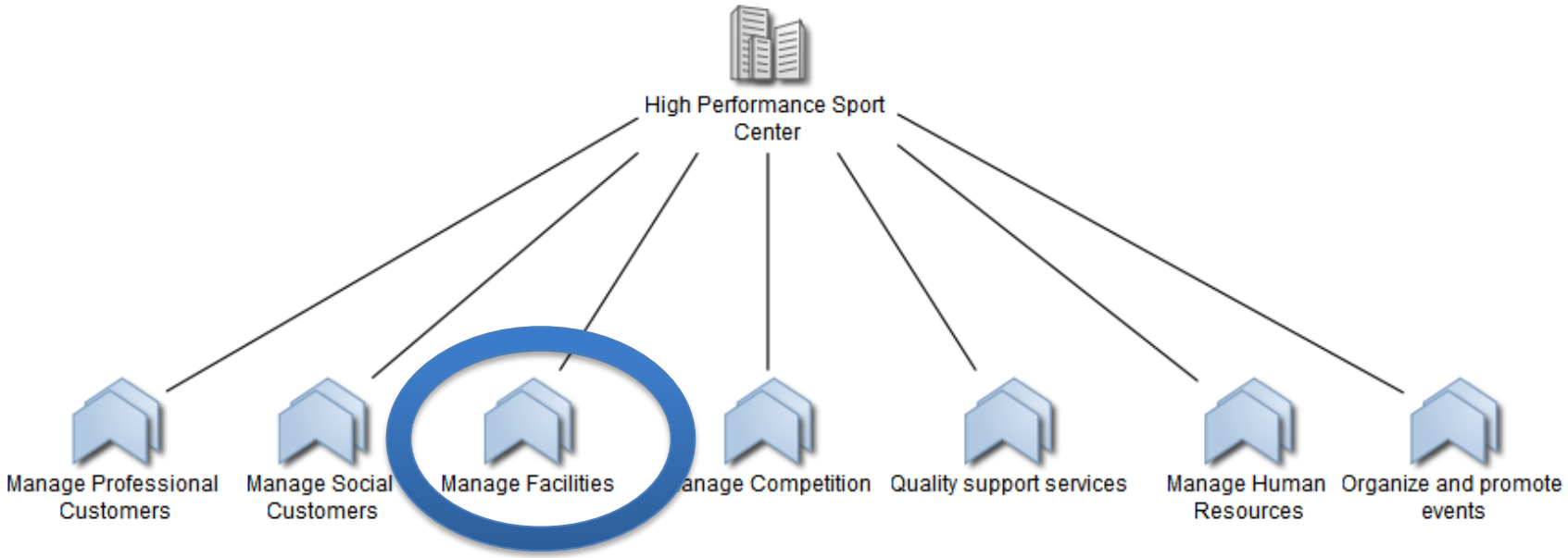
Business capabilities



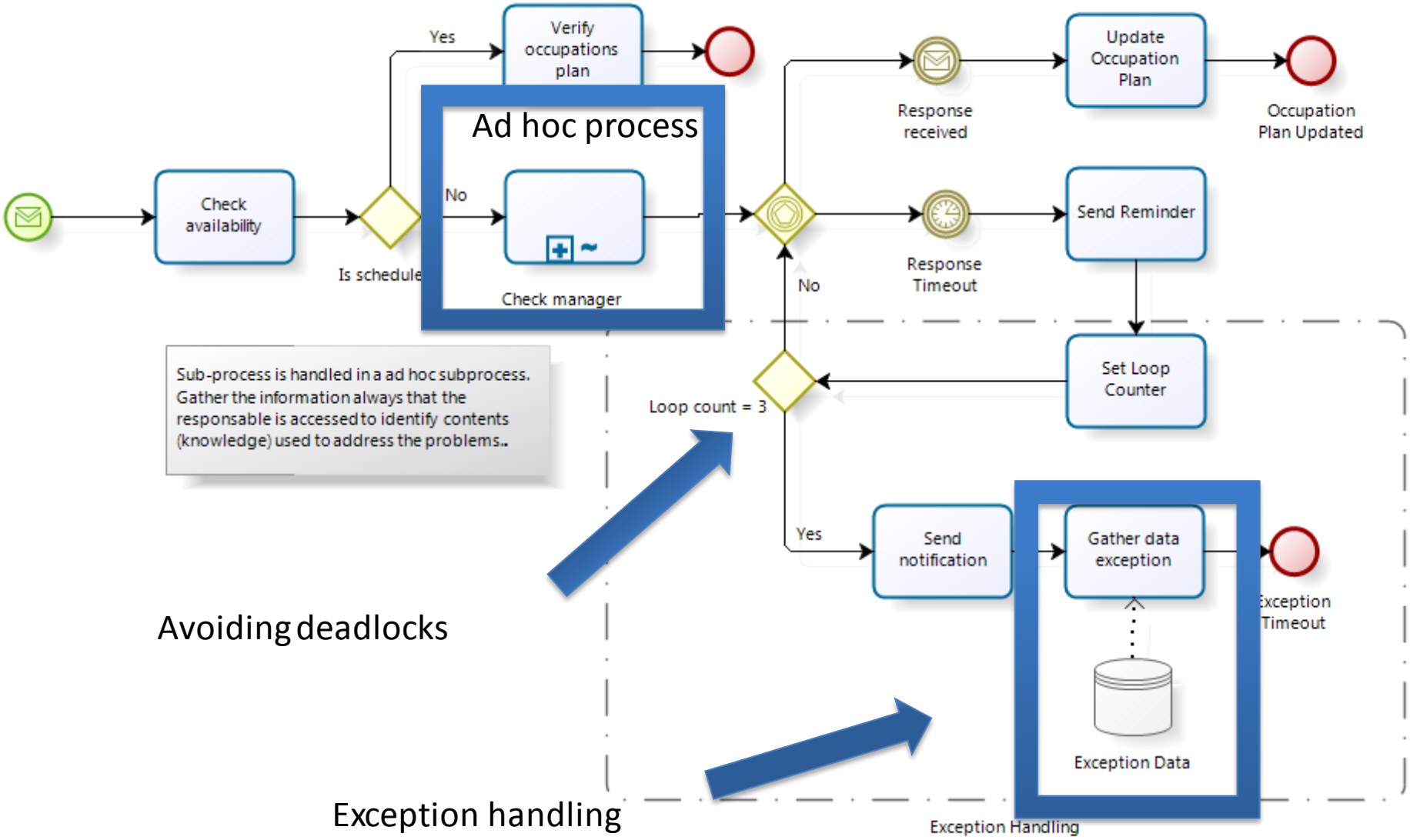
Improvement area

- Identified crossing objectives, investments, resources (what is available) with restrictions, improvements, generally what to be solved;
- Capabilities with the bigger overall score should be targeted first;
- Can be assumed other restriction for a final pool of targeting capabilities, like budget restrictions;
- Excluding in final pool of improvements could lead to targeting to areas with bigger organizational results and less investments costs;

Improvement Area

- “Manage Facilities” was identified as a top improvement priority;
- Semi-structured interviews with operational level workers using bottom-up approach, to assess this particular business capability, gathering: (1) processes involved; (2) activities performed and (3) sequence of those activities;
- This assessment helped us identifying the “Escalations” used in the processes and knowledge necessary to deal with that situations;

Knowledge concepts incorporated in the process design



Avoiding deadlocks

Exception handling using knowledge

Conclusion

- Knowledge is an important facet dealing with exception elements in processes design;
- The identification of process exceptions can lead to the need of specific knowledge to deal with the decision;
- Process improvement should be developed creating training actions targeted to the real organization needs;

Questions?

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