

Down Under John Jeston and Gina Craig

The Internet of Everything and BPM

Business environmental change is accelerating, especially with the rapid and continual introduction of the Internet of Things (IoT) (or the Internet of Everything (IoE) as Cisco calls it).

Firstly it is worth distinguishing between these two terms.

Cisco would argue that the IoE has four pillars: people (humans), process (manages the way people, data, and things work together), data (rich information) and things (inanimate objects and devices) which build on top of the IoT (one pillar: things).

It is suggested that the IoE makes networked connections more relevant and valuable than ever before – turning information into actions that create new capabilities, richer experiences, and unprecedented economic opportunity for businesses, individuals, and countries.¹

The increasingly digital world is contributing to the requirement for significant changes and is creating new challenges for organizations.

When physical devices equipped with sensors provide information with the ability to capture, communicate, and process data, the impact on a business is significant. The impact upon BPM and an organization's business processes will be profound.

No longer is it good enough to redesign or optimize your business processes only taking into account the human and traditional supporting IT application systems – we need to do a lot more.

Now we need to consider the fact that:

1. Many parts of an organization will have sensors throughout it. For example, Smart Cities is now on the agenda in Australia with sensors being suggested for energy (lights), parking, transportation, health, water, waste, WiFi, etc. Another example is a manufacturing organization that had 15,000 staff 10 years ago. With plant rejuvenation the number of staff it was reduced to 2,000. Now there are sensors and digital devices everywhere within the manufacturing plant and the staff numbers have

¹ <http://blogs.cisco.com/ioe/answering-the-two-most-asked-questions-about-the-internet-of-everything>

been further reduced to 300. While this could be considered a sensational outcome from the organization's perspective, the social impact is dramatic;

2. The digital devices within a given process may be exchanging information between themselves. This will add another complexity and challenge to the process design. Perhaps providing a digital device to a customer could be the service being delivered to the 'customer';
3. Data is considered by some to be the new competitive asset, so organizations that can gather the most insight from their data may have an upper hand in decision making and therefore a competitive advantage; and
4. Many organizations are data rich and information poor. Ensure that your business processes are gathering all the data and information that an organization requires, or thinks it will require in the future.

We need to rethink how we conduct BPM, business transformation and certainly business process improvement activities. But where do we start?

Firstly we must take into account the IoE aspects into the design of our business processes. But is it this simple? We would suggest it is not that simple, at least at a discrete or individual process level. The impact on an organization's business operating model will be significantly influenced by the IoE and will require adaption.

So perhaps we should start by revisiting the organization's business operating model to ensure it is still appropriate or determine if it requires redevelopment. If you doubt this, Gartner² has stated: "Digital business introduces change that is much broader than a change to business processes alone. Focusing on the business model instead of the process is an important method for reimagining the way an organization does business..."

A few of the questions we should consider:

- what are you doing;
- what is your plan;
- how are you different;
- what is your vision;
- how do you plug into the IoE ecosystem;
- what are the impacts and interactions with customers;
- how does the organization wish to interact with its customers; and
- indeed, who is the customer. Perhaps a "thing" (a sensor or digital device) could be a customer – at least of the process, if not another organization.

These are BIG questions and decisions that are critical to answer to determine the future of an organization. Get it wrong, and it may severely impact organizational viability. The answers will certainly impact your BPM implementation.

² "Market Guide for Digital Business Consulting Services, 17 June 2015, page 3

Gartner³ have suggested that:

“By 2017, 50% of large enterprises will engage a Digital Business Consulting Services firm to jump-start their digital transformation efforts.

By 2016, 70% of digital business initiatives will have failed to deliver business growth due to lack of business model innovation, effective big change techniques, organizational liquidity and process adaptability.”

McKinsey have stated that “IoT will soon become a differentiating factor in competition.”⁴ With this ever increasing digitization and ‘things’ becoming more connected, IoE/IoT alone will not be enough to make a business have a differentiating factor. Organizations will need to have a revised business operating model in place, supported by BPM to continuously drive innovation in its operational and management processes.

John Jeston



John has serious experience getting things done—the right way. For over 30 years he has covered Business Process Management (BPM), business process re-engineering, project management, systems development, outsourcing, and general management. He has held the positions of Financial Controller, Divisional Manager, Company Director, HR Director and Chief Information Officer. John is internationally recognized as a key opinion leader in BPM strategy and implementation. He has provided these services to significant organizations throughout Australia, Europe, Saudi Arabia, Dubai, the United Kingdom, U.S.A., Singapore, Mexico and Brazil. He has authored a number of books and more than 20 articles on BPM and high performance management. He is a regular speaker at conferences and a Master Project Director, with the Australian Institute of Project Management and is a Chartered Accountant.

John has authored or co-authored:

Business Process Management: Practical Guidelines to Successful Implementations (2006 and 2008)

³ “Market Guide for Digital Business Consulting Services, 17 June 2015, page 2

⁴

http://www.mckinsey.com/Insights/Business_Technology/An_executives_guide_to_the_Internet_of_Things?cid=digital-eml-alt-mip-mck-oth-1508

Management by Process: A Roadmap to Sustainable Business Process Management (2008)—the only book to provide a roadmap to sustainable BPM and High Performance Management

Beyond Business Process Improvement, On To Business Transformation (2009)

He also writes a regular Column in the international *BP Trends* Monthly Update. He can be reached at johnjeston@managementbyprocess.com

Gina Craig



Gina has 30 years' experience as an adult teacher, trainer, facilitator, designer of training courses, writer and senior manager. Gina has provided these services to the higher education sector, private enterprise and large and complex government agencies.

Gina has proven expertise in the creation of, and transformation to, an extremely large and complex shared services environment. She then demonstrated that the new entity was designed and structured correctly by successfully managing the largest team within that entity. She also leaned the processes within the entity to find work and workforce efficiencies.

Gina has also been a lecturer and tutor with University of New South Wales, Australia where she lectured and tutored economics, calculus, statistics and accounting; managed and supported a Learning Management System and Learner Content Management System; lead and managed large teams of 100 plus staff; and managed numerous projects some of which resulted in \$10'sm in savings.

Gina's consulting, communication and relationship skills enable her to successfully manage and mentor individuals and teams.

BPT Column Title: Verdana 16pt Bold

Heading 1 or BPT Column Level 1 Title: Verdana 13pt Bold

Heading 2 or BPT Column Level 2 Subtitle: Verdana 11pt Bold

Heading 3 or BPT Column Level 3 Subhead: Verdana 10pt Bold Italic

BPT Col Figure 9pt Bold Centered - Figure 1. Caption