

## Class 5

### Learning Objectives

- Describe organizational or managerial aspects of a successful process implementation and differentiate those for unsuccessful process implementations

**Hammer, Michael: The Process Audit. *Harvard Business Review*, April 2007.**

Michael Hammer's article presents a framework to assess the maturity of an organization's processes and enterprise capabilities that support or enable those processes. Hammer is quite clear that “designing new business processes involves more than rearranging work flows” (pg. 112), and his maturity model is one tool to identify (although not to manage) necessary changes. The four enterprise capabilities, leadership, culture, expertise and governance, are to a large extent soft-skills or people skills, similar to those identified by Champy in the previous article, although the advantage of Hammer's PEMM framework is that it is quite specific and tries to frame these issues in ways that can be quantified easily and without the use of external consulting expertise. In fact, Hammer claims that this ease-of-use is one of the advantages of this framework and points to successful applications of the framework.

One point that might require a little bit of explanation is Hammer's mention of the CMMI (Capability Maturity Model International) framework. The CMMI model was originally developed for the process of software development, an area notorious for failed projects. It has subsequently been made more generic and applied to a wide range of processes. The CMMI framework applies to individual processes and has five levels. At the first level (“initial”), a process is not formally defined, executed ad-hoc, and therefore unreliable. At the second level (“managed”), a process is identified and work practices are specified and, to a large extent, followed. The execution of the process can be traced. At the third level (“defined”), a process is formally defined and standardized across the organization. At the fourth level (“quantitatively managed”), process metrics are defined, collected and statistically analyzed, making the execution of the process predictable. At the fifth level (“optimizing”), a process is continuously evaluated and improved based on quantitative metrics.

### Review Questions

After this class, you should be able to answer the following review questions:

- Explain any 5 of Champy's 11 guidelines on how to manage process implementation change? How do they relate to implementation success?
- Explain the five process enablers in Hammer's PEMM
- Explain the five enterprise capabilities in Hammer's PEMM
- Explain why a certain level of enterprise competence (e.g. E-2) is required before the process enablers can be moved to that same level (e.g. P-2)