What is business process management?

Business process management (BPM) is a management discipline employing methods, policies, metrics, management practices and software tools to manage and optimize an organization’s activities across the business process lifecycle. By providing an integrated approach to process management—from design to execution and control—BPM ensures that key business processes can be managed with as much rigor as other critical business assets.
Why business process management matters to oil and gas companies

The global energy sector is experiencing a period of profound change. Such trends include the need for international expansion or divestment, growing health and safety requirements, and ongoing margin pressures, which have resulted in changes in the way oil companies are running their operations.

Most oil companies today are running global portfolios and complex and interconnected operations. They need to be able to easily and rapidly make adjustments to processes and resources as required, to make sure they are operating their business both efficiently and profitably.

Information technology (IT) has a critical role to play in enabling the agile responses that are so essential. Accenture’s experience indicates that oil and gas companies need to manage their core and enable business processes to determine they have the right IT in place. Adopting this approach will allow companies to react to events in real time, to see a snapshot of their business on any given day in terms of cost and efficiency and ultimately to make sure there are “no surprises” in how they are operating their assets.

Business process management (BPM) gives oil companies the tools to obtain visibility into their business allowing them to make informed decisions. Accenture is seeing BPM prove its value by allowing companies to continuously capture information about each process, providing valuable data that can be analyzed to help forecast trends, identify what works and what doesn’t, and help employees work out how to make better decisions and improve their overall productivity. In an industry that is increasingly demanding that companies combine their long-term view of the business with the ability to react to changes in real time, this ability is turning into a vital competitive differentiator and leading to high performance.

Focus: How to gain traction for BPM programs

Process excellence has proved itself a goal for a wide range of energy sector challenges—from growth through capital build and M&A to complex system implementations. Today, BPM has emerged as a key enabler of successful and sustainable change as the strength of its value proposition lies in its ability to unlock durable business value.

However, because it is not the primary focus for these projects, many energy companies still struggle to build buy-in for planned BPM activities. As organizations seek to build active participation in their BPM activities, we believe the following success factors need to be considered:

- Explicitly linking the articulation of benefits to the company’s agreed strategic targets, stakeholders’ individual value drivers and actionable outcomes.
- Adding the leverage of peers and change agents to promote BPM.
- Reducing individual effort through focus on the most important BPM activities and central support.

There is no doubt that BPM deployments are a key enabler of value-creating change for oil and gas companies. This Accenture point of view draws on our experience in BPM to highlight the key obstacles that can arise during these deployments and explain how they can be overcome to achieve high performance.
BPM: Enabling value-creating change

Our experience shows that resistance to BPM usually centers around six key questions. As companies seek to address these questions, we believe the adoption of an integrated approach—combining clear articulation of benefits, focus on critical aspects and centralized support—can help position them for success.

1. Why is this BPM program business critical?

In many cases, we see the purpose and benefits of BPM programs articulated in a generic way. Statements such as "documenting business processes will help us to create transparency about the way we operate" may attract general acceptance. But because they lack a link to business-critical outcomes, such statements are unlikely to generate any sense of urgency.

To address this challenge, we typically advise companies to identify precisely how each BPM project will support and enable specific strategic business targets. For example, assuming the business target is international growth, the program team must show why documented business processes are a prerequisite for the rapid and efficient launch of safe, compliant operations in new geographies.

2. What's in it for me?

BPM programs are typically justified from a predominantly corporate perspective. Failure to build stakeholder buy-in and level of understanding can result in loss of traction for the program.

In our view, the priority should be to articulate clearly why BPM is critical for individual stakeholders within the business. This means identifying core stakeholder groups and emphasizing the benefits of BPM in the context of their respective value drivers. For example, assuming the chief information officer’s principal value driver is fit-for-purpose IT solutions, the program team must demonstrate how documented business processes will enable IT requirements to be captured and the business impacts of new IT solutions to be assessed.

3. What does it help me to do?

BPM activities can appear to be conceptual exercises. As a result, stakeholders can find it difficult to understand the tangible benefits that these programs can provide for their day-to-day work.

Based on Accenture’s experience, we have learned that successful BPM programs create outputs that individual stakeholders can use to assist them in doing their jobs better and to help them create tangible value. From the perspective of the procurement department lead, for example, documented procurement processes could be attached to supplier contracts specifying supplier compliance procedures and interfaces with the organization. The key performance indicators (KPIs) associated with these processes can be used to assess and manage supplier and employee performance.

Case study: Global oil company—business process optimization program

This global company is a leading exploration and production (E&P) operator with oil and gas operations around the world. An E&P diagnostic study revealed the need to transform the company’s operating model to achieve several goals: improve cost competitiveness and achieve capital and operational excellence, manage complex capital projects more effectively, invest in new technologies to address environmental challenges, and address the recruitment and talent management challenges posed by an aging professional workforce. With Accenture’s help, the company embarked on a business process transformation program covering its entire E&P business.

High performance delivered

Using business process model design, the team visualized the business footprint in scope for transformation; defined, prioritized, developed and documented “to-be” core business processes; and created job aids to support the rollout of these new processes to more than 1,000 users. The program successfully increased the client’s asset value through integrated management of optimized and standardized E&P processes. The results included an improvement of up to 6 percent in capital investment optimization and standardization of E&P core business processes, underpinned by uniform KPIs, standard documents and a business/technical standards action plan.
4. What can we learn from others?

Because a central group often runs BPM activities, stakeholders may feel that these programs are being imposed top-down. Instead of securing enterprise-wide buy-in, this approach typically leads to limited traction, piecemeal business engagement and ongoing debate about the planned scope and approach of BPM activities.

Our experience shows that program teams can resolve this challenge by mobilizing peers and change agents to explain how BPM helped them achieve their goals. This means identifying sponsors who have successfully used BPM in the past (within the business or members of BPM organizations) and encouraging them to speak about their personal experience, including the success factors and pitfalls they encountered. Once one part of the business picks this up, the program develops traction with the aim that other stakeholders will join in.

5. What are the “must do” activities?

Seeking to provide comprehensive benefits, BPM programs frequently target multiple objectives across the entire business. The significant effort required to sustain these programs can become very burdensome.

By focusing on those aspects of the BPM program that support specific strategic targets for the most critical parts of the business, the program team can build credibility and stakeholder support. Where a management system is being introduced to enable compliance management, for example, the team should filter the business footprint according to key strategic targets, defining respective risk categories and focusing on high-risk process areas.

6. How can this be made as easy as possible?

Instead of viewing BPM activities as one-off projects, organizations are usually advised to embed these programs into a long-term roadmap of process excellence. This makes sound strategic sense, but because it calls for BPM skills (process modeling or specific repository tools, for example) to be widely used across the business, it can be another burden for existing staff within the business.

We believe this burden can be addressed by establishing a central support group, with dedicated BPM skills and tools available to support the rest of the business. This might mean capturing content input on document or spreadsheet templates from existing process documentation and through interviews with individual business units, modeling that output centrally, standardizing it and uploading it into tools.

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**Case study: Global oil company & gas producer – content migration to streamlined BPM platform**

One of the world’s largest deep-water oil and gas producers needed to optimize and integrate legacy and newly inherited business processes post-merger. Migration of content data from these old systems to a modern, flexible and streamlined BPM platform raised a number of challenges. Limited understanding of migration scope demanded an easily scalable engagement that would make optimum use of available BPM resources. High levels of onshore manual entry threatened to elevate costs, there was a risk that repetitive high-volume transactions would undermine the BPM initiative’s core agenda and the company lacked end-to-end visibility into the initiative. The company selected Accenture to add value in driving, strategizing and implementing the data migration.

**High performance delivered**

Focused from the outset on delivering a high quality, cost effective and easily scalable solution, Accenture assumed responsibility for the smooth migration of data from three legacy systems into the Architecture of Integrated Information Systems (ARIS), a tool for the design and management of business process modeling from IDS Scheer, a Software AG company. The project scope spanned 21 process areas, and impacted over 2000 process and workflow models. The successful outcome illustrates how a hybrid delivery model, mixing onshore and offshore resources can be used to manage projects efficiently across multiple geographies and locations. The client now has a powerful new capability that provides cost-effective support for its drive to high performance. Key benefits of Accenture’s solution include on-demand scalability, access to specialized skills that complement local resources, and maximized cost savings.
Why Accenture?

Accenture’s unique blend of skills, approaches, assets, tools and industry insight gives us the demonstrated ability to generate value from BPM programs.

We have 25 years of experience in working with the world’s leading energy companies, and continuously invest in deepening our industry knowledge. This commitment includes developing the Accenture Energy Business Process Management program—a one-stop resource for process insight—and our unique Energy Industry Process Model, with more than 2,000 business processes, 200 capability assessments and 150 role descriptions.

The value Accenture delivers has three core components:

**Accelerating value**
Our proven accelerators and assets, together with our deep industry and functional knowledge, aim to help clients generate value quickly from their BPM investments.

**Delivering measurable results**
We focus on creating more agile connections between people, processes and technology.

**Achieving lasting solutions**
We do not just help put optimized business processes in place. We also provide the organization and infrastructure to help support durable BPM solutions that clients can manage themselves, with the help of our BPM specialists, or through outsourcing.

At every stage of delivering change, we understand how to use BPM to add pace and drive certainty to help achieve high performance. And we have over 500 BPM core experts and over 4600 Accenture professionals who work in BPM disciplines, giving us a deep understanding of process excellence and true end-to-end capabilities at each stage of each assignment.

To find out how Accenture’s energy BPM program can help your company achieve high performance, please visit www.accenture.com/us-en/Pages/service-business-process-management-energy-summary.aspx
About Accenture

Accenture is a global management consulting, technology services and outsourcing company, with more than 249,000 people serving clients in more than 120 countries. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world’s most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments. The company generated net revenues of US$25.5 billion for the fiscal year ended Aug. 31, 2011.

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Silke Lehmann has 15 years of international consulting experience—with more than 12 years in the oil and gas industry. Based in Munich, Ms. Lehmann leads two of Accenture’s key offerings for the energy industry: the Accenture Business Process Management Program and Accenture Advanced Enterprise Services.