



Carval Swaby YOU
Strategy, Enterprise
Architecture, BPM Consultant
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From a business management standpoint, which is more important: Business Capability (the WHAT) or Business Process (the HOW)?

I recently completed some business architecture related work for a medium-size Property and Casualty (P&C) insurance company. Specifically, I conducted a business capability assessment of their entire business enterprise (utilizing a special, triage technique I developed).

The exercise was commissioned as part of a new business strategy being rolled out by the CEO and executive leadership team. My objective was to quickly assess and report on the current-state business capabilities, identify critical gaps, align capabilities to the strategy, and provide some guidance regarding the degree of attention or prioritization needed for both new and existing capabilities.

The overall experience triggered some rethinking on my side, which lead me to the question: What fundamental aspects of the business should decision-makers be most steadfast about managing (and monitoring): Business Capability or Business Process?

What's your take?

Posted 2 months ago |

Comments (28)



Gaby Doebeli
Business Architect & Process
Design Adviser at QR
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The exercise you have conducted sounds very interesting and must be rewarding to assist an organisation highlighting their gaps and be able to guide them to mitigate them. To answer your question I believe your winner would be business capability and focus on business performance. However just some of my thoughts as our organisation has been on the journey for a while (happy to share some case studies):

Business Process Management (BPM) in our org. is a way of managing the business and it requires a range of capabilities in people, process and systems to make it a success. My favorite model I use is a BPM Maturity Model (by Tonia DeBruin) that outlines the factors taken into consideration which range from Strategic Alignment, Governance, Methods, IT, People to Culture. Each one of these elements has a range of capabilities that are identified which an organisation has to mature in to become a process thinking org. I guess having said that the focus is no longer just on measuring an individual process's capability but on the entire capability needed to allow an organisation to manage their processes effectively by having the mind set that is required to do so. Hence picking Business Capability as your winner and not Process Capability.

Look forward to hear some other views and thoughts.

Posted 2 months ago |



Glenn Hopkins
Principal Asset Management
Consultant at Logica Australia
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Is the realisation of capability the important indicator and the alignment to the Corporate strategy the goal of strategic business process modeling. I work in an IT consulting organisation that implements ERP and EAM systems. It is typical that the Customer does not have a clear understanding of capability or the extent of strategic alignment of the business process model to a level of detail that would allow clear realisation of the promised outcomes.

Although I'm fighting an up-hill battle I would recommend the application of the Business Motivation Model (The Open Group) strategic business process modelling approach. It provides a direct link between between the business process employed and the extent to which these support the obtaining of business objectives.

To answer you question:business process modelling at the strategic level needs to be inclusive of the modelling of Strategy (and the tactical underpinning), Goals and the measured objectives that prove or challenge the settings. Under this approach the business process model is an expression of realisable capability and how to get there.

Just some thoughts.

Posted 2 months ago |

**Alexander Samarin**

Author of "Improving enterprise business process management systems"
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Support Gaby about "focus on business performance". In my books, capability is the possession of characteristics required to produce a particular outcome. The latter is a pair "right things" (assets) and "done well" (performance, reliability, etc.) as the result of work of a function (regardless how this function is implemented). So, a capability combines functional and non-functional characteristics (timeliness of outcome, data accuracy, quality of result, efficiency, effectiveness, impact on stakeholders, SLA, SLE, etc.) of a function. See <http://improving-bpm-systems.blogspot.com/2009/11/linking-concepts-and-expressions-used.html>

Sure, decision-makers should monitor the business performance. Such a monitoring may be reactive by measuring the outcome (function is a black-box), or it may be proactive by measuring the process of achieving the outcome (function is a white-box and its business processes are visible). My experience – business line managers like the proactive monitoring, because it helps them to prevent problems.

Actually, we speak about GRANULARITY of performance monitoring which may be different for different decision-makers and may change over the time. I would recommend asking decision-makers explicitly about their needs for performance monitoring. Then it will be clear where to measure – just at the level of some capabilities or add a few check-points within some business processes.

Thanks,
AS

Posted 2 months ago |

**Jim Stuart**

Business Process Management Professional
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I would suggest that neither is more important than the other. However, the architecture is less often identified and managed, which limits the ability of an organization to address 1) the relative importance of addressing one process "what" over another, and 2) the relationships between the processes. While the architecture is an important piece, delivery of business function (and implementation of most change) occurs at the "what" level. Both are required to effectively manage business processes.

Posted 2 months ago |

**Carval Swaby** (YOU)

Strategy, Enterprise Architecture, BPM Consultant
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@All:

First, being somewhat biased towards business strategy, I must admit that I too support the business capability perspective. However, I might differ in the approach taken as described by Gaby.

The BPM maturity model that Gaby outlines seems to take an operational (or bottom-up) approach when dealing with capability. I take the opposite (or top-down) viewpoint -- that is, capability (more specifically, business capability) must first be defined (and managed) at the strategic level of the enterprise. I consider process, technology, people, organization, etc. as key components that help to realize an enterprise's suite of capabilities. But not all of these enterprise components are absolutely necessary, as evident in many of today's small and start-up businesses.

I would agree that process, technology, people, organization, etc. do have their own set of capabilities that must be assessed, tweaked, measured, and managed in order to have an highly efficient enterprise. But the focus here tends to be more on operational aspects rather than strategic aspects -- in fact, this is where Business Process Management (BPM) comes into play, specifically regarding the PROCESS enterprise component. I therefore support the viewpoint that Business Process Management (which addresses the HOW aspects) is subordinate to Business Capability Management (which addresses the WHAT aspects).

Now, there is no wrong or right to either a bottom-up or a top-down approach as long as the focus is on business capability at the end. Obviously the bottom-up model would be more granular from the start, allowing for early spotting of operational and efficiency issues, identification of low hanging fruits, and so on. But the challenge generally comes when it's time to tie-in to the higher level business strategy, as well as garnering a macro-level view of overall business performance. The one thing I would say though is that the top-down approach tends to provide tighter strategy alignment from the onset, something that key business stakeholders have very keen interest.

So here's a follow up question: Why not just fully go with a [business] capability-oriented model from the start and align people, process, technology, organization, etc. around this paradigm?

Posted 2 months ago |

Akshay Suryawanshi

AVP at TCS eServe Ltd.
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Apologies for the definition of Business Capability in this discussion is not very clear to me, as I have more of a process to business view.

In my understanding.. A business may have Capability(can do), but its only as good as they(the business) leverage it to meet business objectices(actually done)... I would take process capbaility as a measure of efficiency of delivery.. In my experience often things well done exceed expectations than things well planned.

To my mind the (What you do)Business Capability and Objectives should be aligned to customer expectations and (How you do)Process Capability should ensure that customer expectations are met.. Both important.. tilting more towards process capability... as long as there is Customer focus..

Posted 2 months ago |

**Steve Robert**

Business Process
 Management Advisor
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Hi Carvel,

Interesting points here. All very valid depending on the context they are placed.

First I would agree mainly with general remarks made by Jim - both are important and in my mind cannot be seperated. Everything is a process.

Second, I would agree with Gaby and Alexandre that the using a Capability Maturity Model is an excellent way of managing strategy execution. I would love to use DeBruin's here but our organizational maturity is not there yet.

Third, Aksay's comments are right on.

I would disagree with you on some of the nuances you infer. BPM (the philosophy) is a holistic approach with it is focus completely on the customer. So my top focus is not on the capability model. It is tool (an excellent one) but another might come along and I will go to it if it is in the best interest of the customer (a new paradigm might be required when control would distributed throughout an organization rather than in the managerial roles).

Another nuance is the word strategy. A lot (but definetely not all) of strategic thinking (military term) occurs behind the lines. But all of the strategic action occurs in operations (winning the hearts and minds and controlling the ground). A model will not do that. We have to execute a customer oriented architecture in real time.

So I guess that is also my response to your second question. No, an organization must align all it's resources around the paradigm of the customer to ensure that we "identify and shape customer expectations, and once set, meet those expectations without exception".

Posted 2 months ago |

**Jim Boots**

Sr. BPM Advisor at Chevron
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It is easy to become confused in this space, but here's one way to think about it. Senior managers don't really care about processes per se. They care about capabilities to deliver the outcomes necessary for business success. Capabilities are comprised of an appropriate combination of assets - people, process, data, IT assets (such as applications and infrastructure), facilities and equipment, and other assets (such as raw materials and supplies). The source of any capability gap could rest in any one of those asset areas.

The strategic approach is to have management identify the capabilities they need as well as any "pain points" or gaps they're currently feeling, then have those with expertise in the various asset areas to discuss which asset or assets need to be addressed to close the capability gaps. Sometimes it is a matter of people competencies, sometimes IT systems, sometimes data quality, sometimes process.

Some of the confusion can creep into this discussion when the idea of BPM capability is introduced. BPM, like other capabilities, requires competent people, good processes, support technologies, etc. BPM does not manage other capabilities; it manages the processes that contribute to those capabilities. Not every gap is closed by focusing on process.

Posted 2 months ago |

**Carval Swaby** YOU

Strategy, Enterprise
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@Jim.B:

Thanks for preempting me in clarifying the issue of business capability. Well said!

@Akshay:

I believe you (and maybe others) wanted some clarification and/or contextual

definition about business capability. Well, I'm hoping what Jim has provided might help. There are also tons of information available on the topic on the web - here are two that I just quickly google...

1. Business capabilities or business processes:

<http://weblogs.asp.net/ngur/archive/2006/07/28/Business-capabilities-or-business-processes-.aspx>

1. Business Capability Modeling:

<http://iansrobinson.com/2009/03/25/business-capability-modeling/>

@All:

It's important to note that Business Capability is a familiar term used in business architecture and business strategy development spaces. It's considered to be at a higher level of abstraction to business process (as Jim and I have indicated), and is mainly concerned with WHAT the business does to achieve business outcome, as oppose to HOW the business actually does it (possibly by utilizing resources like people, processes, technologies, etc.).

So the theme here is not about Process Capability, Technology Capability, People Capability, Organizational Capability, Capability Maturity Model, etc., etc. I'm hoping this help clarify things a bit.

Posted 2 months ago |



Patricia Bunde

Business Process Specialist at Foster's Group
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In my opinion decision makers are more focused on the WHAT (capabilities and activities). However without the link to the HOW this is implemented (processes) the impact of decisions made can be limited. Therefore where there is access to both you leverage bottom up. Where there is no access to processes the capability approach should kick of a deep dive into the processes the capabilities enable. Ultimately processes will implement that strategy. So either way both views should be established. However for comms to executives focus is on the high level capabilities and activities rather than the detailed process steps.

Posted 2 months ago |



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Posted 2 months ago |



Anne Koivunen

Vice President, Development & Quality at TTS Liftec Oy
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Based on my experience, I would say the focus of different managers vary. Some people are very good in determining What and the other ones are more concentrated on How. Both What and How are needed for success. If What is set wrong, we might build very detailed and efficient How -process, but we are doing something, which is not adding value to our business. And of course How we do something is directly related to our service level towards customers and also determines our efficiency.

Companies and people are part of several networks today - I believe, that the position in these networks has impact to both What and How and good question is how to do something bottom-up or top-down in network? Business process management is/will be beyond one company and will challenge our management and leadership paradigms.

Posted 2 months ago |



Steve Robert

Business Process Management Advisor
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Hi Carval,

Me again. Yes I do realize that Business Capabilities are an abstraction of processes and that numerous people consider the difference to be WHAT versus HOW. I come from the old school where we were taught that process was WHAT. HOW was procedure. Things have evolved (a good thing) and I work with capabilities now to build a conceptual model of the "Important Chunks".

I am however, concerned that people who focus on business capabilities focussed internally and lose sight of the customer. I am concerned that this internal focus continues to support "managerial" power rather than building a new power network based upon performance and empowerment. I am concerned that little focus is made upon how to ensure a holistic management system can be executed through business capabilities (as you stated, it could be stated as

one capability). etc.

My post most likely goes well beyond what you intended. You may have thought I was discussing managing A process rather than full BPM. Business Capabilities I'm all for, so long as the model is used properly. That is why I talked about nuances. Right now we call BPM a holistic management approach / philosophy. Maybe we should find a new name but so far nothing seems to stick.

As to where the importance is, let's look at a team. When you build it, you will analyze the capabilities that you will need to win. Much thought is invested. Then you fill those capabilities with resources. But nothing really matters until you commit those resources (the difference between planning and operations). And so to conclude I will paraphrase Mike Babcock - "we have to focus on process and the rest will take care of the itself" (Coach of Team Canada - Winner of the 2010 Olympic Gold Medal in Hockey - Go Canada Go!).

Posted 2 months ago |



Carval Swaby YOU
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@Patricia:

You wrote: " Where there is no access to processes the capability approach should kick of a deep dive into the processes the capabilities enable."

I tend to view it the other way around -- i.e. processes enable capabilities. In other words, we first have to know WHAT we are after before determining HOW to go about accomplishing it -- and incidentally, there just might be many HOWs available to get us there.

@Anne:

I agree that both WHATs and HOWs are critically important for overall enterprise success. I also agree that these play to different stakeholders in the enterprise But the big challenge is which is more important? Does one drives the other? And besides the traditional process-oriented (aka HOW) paradigm that we are all accustomed, what if we switched to a capability-oriented (aka WHAT) paradigm? How would things shake out?

@Steve:

Sorry for not responding earlier to your comments... here goes.

First, everything is a process if one is hunkered down in the HOW camp. But in the WHAT camp, it's all about those specially selected outcomes -- i.e. the ones that matters most, like those that improve revenue or profit.

IMHO, servicing the customer is but one of several capabilities that are important to drive profit in for-profit organizations. But orienting such organizations primarily around [business] processes that enable this sole capability might caused other equally viable capabilities to be missed or completely ignored. Besides, there are multiple ways to drive profit -- in other words, there are multiple HOWs available for this single WHAT.

In some respect my question somewhat challenges the orientation paradigm of traditional business management practices and philosophies: managing Business Capabilities or managing Business Processes?

Posted 2 months ago |



Tony Puah
Consultant - SMS
Management and Technology
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It took me a while to decide whether to wade into this discussion or not because my personal opinion is that the two are just different sides of the coin. The coin is important to the business, the importance of one side of the coin over the other depends on a number of things - maturity being one of them. Management that lets one or the other take significant priority for an extended period of time is not good - you either plan very well but cannot execute or execute well in delivering a capability that the organization does not want or need.

IMHO assuming one side is always more important than the other naturally leads to a "us vs them" attitude within the organization.

Posted 2 months ago |



Steve Robert
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Hi Tony,

Thank you for your post because I think you are correct. I think that my comments might have encouraged that opposition.

My comments were aimed at certain nuances stated above that I disagree with which I think many who might want to use Business Capabilities might follow.

Carval, thank you for your comments. I hope we can continue to discuss. IMHO, improving revenue and profits for me should not be that primary aim of an

organization. But that is perhaps another discussion. I find using Business Capabilities is an excellent way of creating dialogue around the priorities of an organization and how that will impact organizational culture. But again, after the discussion, you still have to implement those decisions, follow them and see how it impacts the customer.

So I see Business Capabilities as part of a holistic management approach. At the moment, the only name I have for this is BPM. Maybe another term will come along that satisfies everyone. I know that some people are proposing new terms (especially to distinguish the approach from system vendors).

But this is different than managing a process. Which you can have a capability. And I agree that if you look at only your operational processes, you may miss some very significant and extremely important capabilities (ie Manage Talent). So on my side, I believe that we are very close in our points of view. What's your take ?

Posted 2 months ago |



Anne Koivunen

Vice President, Development & Quality at TTS Liftec Oy
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Carval,

I believe that the capability-oriented (What) paradigm we need to focus more in future. The competition is not anymore "company against company" but goes to extended enterprise -level including the partnerships and whole supply chain. To me this means, that for example access to unique capabilities is strategic asset and needs to be planned and managed. Through it the company can create a competitive advantage for longer period of time than in traditional operational process development. At least in my business sector (OEM).

The networking and capability paradigm was introduced here at the end of 90's. Some companies changed their paradigm and also accordingly operational processes. After few years hard work, "the harvest " was good. I learned, that the paradigm change must always be done on individual level (between own ears) and this is the hardest part in business management. Also I learned, that the paradigm change need to go through all organizational levels (since the work was reengineered - some outsourced etc) in order to have excellent day-to-day processes. For me it was really shake-out experience - a very good one.

Anne

Posted 2 months ago |



Carval Swaby YOU

Strategy, Enterprise Architecture, BPM Consultant
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@All:

I apologize for being missing in action for a while... anyway, I just now got a chance to follow up on some of the later discussion points.

@Tony:

I agree with your point. I would only add that, in the real world, no two things are equal, and therefore no two things are of the same relative value. So here is a question: since business capability (BC) and business process (BP) are different sides of the same coin, are they of equal weighted value to, say, the folks in the C-suite who are the key decision makers?

@Steve:

One caveat is that a BC management approach tends to focus more on results or outcomes, as oppose to a BPM approach which is focused on the finer-grained operational aspects and their resulting outcomes. In essence, the BC management approach is about managing the enterprise from a designated "desired state" as envisioned by key stakeholders.

Another key distinction is that for a single BP there may be several solution options -- for instance, the business might decide on automation, manual labor, outsourcing, or any combination of these. And in the case of a BP being 100% outsourced, the business might not even care much about the inner-workings of the BP as executed by the outsource service provider. However, the business will most certainly care deeply about the results or outcomes from the provider's services.

@Anne:

I think you are dead on. The capability- or WHAT-paradigm do require some re-thinking on the part of traditional business management approaches. Yes, the hardest part is the human side... but again this is usually overcome by visionary and effective leadership at the helm!

Posted 1 month ago |

Carval, if I'm not mistaken my earlier comments would suggest that in normal circumstances the two sides of the coin will not be equal. The only time they are in equilibrium is the time where the business has got the capability and process right but generally this (if it occurs) will not last for very long. As we all know the only constant is change and therefore the business will need to review the

**Tony Puah**

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capabilities required to succeed or improve on their process to succeed.

Ideally a business should want to keep this equilibrium for as long as possible, meaning the business has identified the right capabilities to focus on, and are the best at delivering this capability internally, develop the right partnerships to deliver on the other capabilities that they need (and that these partners are the best at delivering said capabilities). There are lots of factors - internal and external - that will impact such an equilibrium - most are likely to be people related, e.g. personal ego/agenda, empire building, complacency, others could be market forces (competition not sitting still). You will get the occasional "paradigm shifts" that may cause an organization to completely rethink the capability and/or process.

Again my view still stands that any approach to get the C-suite to focus on one side of the coin over the other can only be detrimental to the overall long term success of the business.

I also agree that a business needs to approach management differently to get this right - and in most cases - the problem is mainly on the "human side". While I do think "visionary" may be (in some cases) useful I am more convince that a solid team with a shared vision, mission and values will be far more critical in achieving this (and all these also need to be balanced).

Posted 1 month ago |

Akshay Suryawanshi

AVP at TCS eServe Ltd.
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Everyone seems to agree that both the BC and BP are important.. I would like to compare this to an HR concept that I am easily able to relate with.

Leadership = Focusing on Business Capabilities (What to do?)
Managership = Focusing on Business Process (How to do?)

Both the things equally important.. Another point to ponder is that there is no single success formula for either.. work with different models in different situations..

Another quick thought, follow KISS principle.. Keep it Simple.. Easier said that done.. I feel, we as human beings, are good at complicating simple things.

Posted 1 month ago |

**Kishore Lanka , PMP**

Managing Consultant,B&FM
CoC at IBM Global Business
Services
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Its nice to see various thoughts and explanations that are coming in, but the end point is same. Both BC and BP are important and they are two sides of a coin.For me BC is defined in terms of key design principles(KDPs) which will be coming from the strategy/vision of the management and BP will be aimed at acheiving the Key performance indicators(KPIs) which are the offshoot of the KDPs. Hence each one of them cannot live without the other..

Posted 20 days ago |

Dee Carri

Founder and Director,Torque
Management:
BPM,Performance,Quality
Training and Consultancy,
BPTrends European Agent
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Coming late to this discussion I've really enjoyed all of the discussion that has caused me to reflect on my own experience which I've shared below.

Based on my own experience as a senior manager and more recently as a BPM trainer I have observed that the current maturity of the organisation has an impact on whether the what or the how is more important.

1. Leading an excellence programme

Leading a performance improvement programme in the past I found that at the outset (we probably had a maturity level of 2 - 2.5) because we were doing a lot of fire-fighting there was a strong bias towards the how. Its easy to see why, we were trying to get our house in order.

As the maturity improved (3.5 - 4) there was a noticable shift and bias towards thinking about capability, not just to close pain gaps but also to exploit capability opportunities. The opportunities were identified by our customers though our ongoing assessments. They told us that we excelled at certain activities. So using this information we sought new opportunities to expand in the areas where we were differentiated.

2. BPM Training

Based on my experience of delivering BPM training, it is very noticable that senior management tend to start with the capability gap / opportunity and then drop down to high level 'how' questions. For example, capability: "what capability do I need to build to become process centric organisation" will be translated into 'how do I build a centre of excellence, how do I train X belts, how many do I train, what outline budget should I assign etc."

The process professionals / operational managers, on the other hand, are more focused on acquiring modelling, analysis, design, measurement, business rules, project management, and monitoring skills. The reason for their 'how' focus may be because their leadership has already made the 'build the BPM capability' decision.

As others have commented, they can't live without each other and I would observe that organisations that have a smooth handover between the 'how' and the 'what' have strong and visible connections between strategy and operations.

Dee

Posted 19 days ago |



Tom Andries

Business Process Manager
VOO for X4P
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What strikes me time and time again is the relativity of concepts. You define Business Capability as the WHAT and Business Process as the HOW. In some BPM corners, the process is considered the what, and the procedure the how. While the relativity of concepts implies that what is important will depend entirely on your viewpoint, we need to realize that in the end, it ALL needs to be there and fit. Hence the importance of instruments that allow to steer and make it all fit in a coherent view (BSC someone?)

Thanks for triggering this interesting discussion.

Posted 17 days ago |

George Chast

Americas BPM Sales Leader
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@ALL I am so happy to have finally gotten to this thread. Most Business Architecture discussions start with business capability and drop immediately to Applications and Tools. This is such a breathe of fresh air to be talking at this level.

I will suggest that we are not talking about sides of a coin, what we are focused on and everything else... We are touching on distinct 'perspectives' and management functions.

Using Dee's comment as an example, the perspective is from within the Capability - fight fires first (processes in distress), then look at our performance (Capability gaps vs. objectives) The Strategic LOB had already decided to address that capability.

Top to bottom, businesses have Strategy, Controls and Operations. Strategy is "Where" we need to go. Controls can be by Capability. Operations can be focused on How/Processes.

Businesses invest to address capabilities where their Weaknesses line up with their Opportunities and Threats.

Let's step outside, above & below our immediate individual focus. An example from older Steel mfg: To Strategically go into a new product area, a firm needed a new finishing process capability that was slightly different than what they had - The LOB had decided WHERE they wanted to go (strategy) and did the capability gap analysis to build a new dept with that capability (WHAT). It happened to have excess capacity and we outsource another's needs too. We set objectives for that process (HOW we do it) - the other customer has an SLA for the Capability. White box/Black box as mentioned earlier. It depends on your Perspective.

Today, in financial arenas, similar morphing takes place. An insurance company makes a strategic decision to address a capability in their claims process. That could be because it is a weakness and the Threats are looming or because with some tweaking they can take on Claims processing from other firms, an Opportunity. Strategic Analysis drives Capability Gap Analysis. The Investment in Capability Improvement drives Process Improvement. That requires fixing what is in the black box -- How we provide that capability.

You can see how the levels and activities align and Business Network analysis becomes important. Today, there are very few Business Models that do not have some form of shared business services within the business architecture. However, how even common capabilities are provided varies widely.

Most people are not used to thinking at this level at all. They are operationally focused. I see a few people in enterprises with this perspective. I am glad to join you all here talking about it.

Today, Universities like Berkeley, RPI & NCState are offering a new discipline, Services Science and Management Engineering (SSME) to address this and IBM has free capabilities in BPMBLueWorks.com to link all three to help you mind map your particular area to communicate and share. I blogged on the Strategy aspects there - I never finished my Capability blog. You may have motivated me

to do that.

In the meantime, we will keep looking at what capability needs to be fixed and how we tweak the process to meet those objectives. Seems like the two aspects we come back to all the time - look at one (our perspective) and see the other on the backside of the coin we are earning...

Cheers

Posted 16 days ago |



Roger Burlton

Columnist at BPTrends
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In the spirit of KISS, how about we recognize that Business Processes are also enterprise assets that require investment, optimization, management and ultimately renewal or retirement. As such they are a capability in and of themselves. They are not physical but nonetheless real and valuable. Let's think about capability as an ability to perform as required to get something done or achieved in the best way possible. From that point of view Business Processes have to be appropriate or effective (what we do) and efficient (how we do it). In my view the what versus how question is just an issue of perspective. Bottom line for me is that Business Processes are unique capabilities in that they are the mechanisms to ensure that other capabilities such as IT, people and facilities are focussed on doing the right things right according to the strategic intent of the enterprise.

Posted 11 days ago |



Itamar Elbaum

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Following the discussion, a known quote of Peter Drucker went into my mind: "Management is doing things right; leadership is doing the right things."

I agree with Akshay and with Peter Drucker:

If do the right things right, you are on the right way :)
Both are important.

Posted 9 days ago |



Carval Swaby YOU

Strategy, Enterprise
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@All:

The last few comments have hit on something special here. Tom, yes, the BC vs BP debate is an issue of "relativity of concepts"... GRANULARITY, if you will. But George and Roger are also correct in saying that it's about PERSPECTIVE. Bottom line, it all boils down to a case of ends vs means -- as in Vision vs Mission, Goal vs Strategy... and yes, WHAT vs HOW (i.e. Business Capability vs Business Process).

We are all familiar with managing the HOWs (BPM anyone!), but most outside the executive or business strategy realm are not as familiar with managing the WHATs (Capabilities anyone!). It's possible that the WHAT perspective is not as concrete or not as tangible enough, hence the challenges of shifting towards a capability-based management approach throughout the management chain.

For folks who are still wrestling with the WHAT vs HOW perspective dilemma, I'll share my insights. First, a couple of important ground rules to note:

- 1) WHAT drives HOW -- "Your boss tells you WHAT to do, you figure out HOW to do it (in ways not visible to him/her)",
- 2) HOW at one level becomes a WHAT at a lower level -- "Your boss's HOW becomes your WHAT", "Your HOW become your subordinate's WHAT", and so on.

Now, let's take an executive management perspective. Executive management defines the high-level goals and strategies needed to drive business performance. These may be stated as, for example, "improve sales by 10% this year", "reduce operating costs by 30% over the next 3 years", "design products that are priced 20% less than the competition", etc. etc.

The high-level goals appear as WHATs to those outside the executive ranks, but they are in fact the HOWs that executive management have crafted for, say, the "maximize shareholder value" WHAT. These HOWs are typically delegated to lower-level management for implementation, at which point they become their WHATs. The process continues in a cascading fashion down the management chain, giving rise to a progressively granular web of "WHATs and connected HOWs" at each level of the organization hierarchy.

Got the picture?

The one thing I'll conclude from all this is: WHAT drives HOW from all perspectives (and this is irrespective of the fact that both are inextricable and key assets). As to the weight of importance of one over the other, specifically from a

business management standpoint, this might be an organization's strategic decision!

Posted 8 days ago |

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Capability is the super structure built on the strong foundation and construction quality of Process. It is capability (super structure) that attracts customers, while it is process (strong foundation and construction quality) that customers place their trust and faith in. Put differently organizations smell money through display of capability, but taste money through delivery of process. Both are like two blades of a scissor, that work in tandem and not at cross purposes.

Posted 4 days ago |

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