

## Case Study

### Towards a Process Centric Organisation – Elisa Eesti SA



#### ***Introduction: The Elisa Business Process Management (BPM) Project***

*The Elisa Business Process Management Initiative is a direct result of its 2007 strategic plan. The company has adopted a strategic, top-down approach to improving its critical processes which, in October 2009, is already beginning to deliver results.*

*This paper provides a unique insight into the approach to implementation of a comprehensive, strategic, enterprise-wide BPM project from the perspective of the implementing organisation – Elisa Eesti AS, and also from the perspective of the Training Partner – Torque Management Ltd.*

## The Implementing Organisation

### **About Elisa**

*Elisa Eesti AS ([www.elisa.ee](http://www.elisa.ee)), a subsidiary of Finnish leading telecommunications group Elisa Corporation, was established on 31.05.1994. Elisa's objective is to supply customers with simple and easy-to-use services based on modern technology.*

*A leader and innovator from its inception, Elisa was the first GSM operator in Estonia to offer fast data speeds (download 7.2 Mbps (HSDPA), upload 1.4 Mbps (HSUPA). Once again, in 2008, Elisa was the first company in the Baltic States to introduce a UMTS-900 test network that allows its rural customers enjoy the same 2.5G services as the urban population, such as fast M-Internet and video calls.*

*Today Elisa has 354,300 customers and employees 320 staff. Elisa business activities includes retail network build, and network operations.*

### **Towards a process-centric organisation – Elisa's Journey**

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### **Getting started with Process in Elisa**

Elisa took its first steps in business process management thinking during the development of our strategic business plan in 2007. Prior to this, we, like many organisations, had documented some processes based on our current understanding. In fact, once reviewed, it was clear that these processes were 'idealised pictures' and did not reflect the real situation in the workplace. Therefore, as part of the development of the strategic business plan in 2007, it was decided to include the documentation of business processes in the business plan.

Because our knowledge of BPM was limited, we found it difficult to see how and where an external consultancy would add value to our BPM effort, so we decided to start work on business processes by ourselves.

During our planning phase and prior to describing our processes, we realized we needed to speak the same language and use the same definitions (and we had many different definitions for everything across our business). To address this vocabulary issue we started a definition synchronizing project named the Definition Register Project. Today, Elisa has approximately 800 definitions in the Elisa wiki definition register.

With the Definition project complete, we began to map our processes in order to gain an understanding of the current situation, and to also identify the main processes in use. During this period, we interviewed many different departments and named their processes. This project was named the Processes Register Project in which some 180 different level processes were identified. Based on the eTOM framework we attempted to generate a high level process map and categorized sub-projects under higher level processes.

Once the Elisa business processes were mapped we engaged with our parent company, Elisa Finland, who shared their process experiences. Because we had no formal BPM training, this experience sharing was very important to us and we gained lots of valuable advice. However, our initial idea that we might adopt Elisa Finland's BPM system was invalidated as they did not have a standard BPM methodology that we could adopt, and they were also in the process of updating their BPM application.

Following this, we asked our three divisions to identify their critical processes. Based on this list we decided to analyse and develop 10 critical processes that were confirmed by the Elisa Board. Once the processes were described and we had attempted to establish metrics and assign process owners, the project became stuck! We realised that we actually didn't know if we were on the right path, what to do next, or how to go about implementing a process-centric, organisation-wide BPM initiative. In addition, some of our feedback on the ground suggested that employees actually did not understand why we were undertaking this initiative. Reflecting on this situation, we realised that if we really wanted to implement BPM in our organisation, everyone would need to understand the rationale for BPM at Elisa and speak the same BPM language.

### ***Sourcing appropriate BPM Trainers***

By this time, we had a good understanding of our training needs and we began to seek out possible BPM training providers. We found training providers from Estonia, Finland, Ireland and USA, with some advice from Elisa Finland.

Our search was focussed on the provision of basic internal BPM methodology training with workshops for 45 people.

The main goal of our BPM training was to agree and implement a single BPM language, to achieve a common understanding of our BPM needs, and to learn and adopt a single process improvement methodology for process improvement projects across Elisa.

The most coherent program responding to our expectations was Torque Management's ([www.torquemanagement.com](http://www.torquemanagement.com)) training proposal which is based on BPTrends ([www.bptrends.com](http://www.bptrends.com)) methodology and offered three courses that addressed the different needs of our business as shown in table 1 below:

Course	Number of Days	Participants	Rationale for attendance
<b>Principles of Business Process Management</b>	1	Board Members Process Owners Managers	Managers would spread the process thinking to their employees
<b>Introduction to Business Process Modelling, Analysis &amp; Design (MAD)</b>	3	Mainly Process Owners	Will be involved in or leading process improvement initiatives – need to have competence in the methodology
<b>Information Gathering and Facilitation for Business Processes</b>	1	Mainly Process Owners	Same as MAD

**Table 1: Courses, duration, and Elisa participants**

During contract negotiation, two 1-day workshops were added to the formal training plan:

- one prior to the internal training
- one post training workshop to be conducted 8 weeks after in-house training.

It was also decided that I should attend the public course in Dublin before we began the internal training program. This was very useful as it allowed me to understand the course materials, provide some suggestions about including examples that were more relevant to Elisa (Telecom case studies), and provide input about the topics most important (to be emphasized) to Elisa's in-house training.

### ***Funding for BPM Training - Enterprise Estonia***

Enterprise Estonia ([www.investestonia.com](http://www.investestonia.com)) is a public institution that provides a national support system for entrepreneurship. As such it provides financial assistance, advisory, cooperation opportunities and training for entrepreneurs, research establishments, public and third sector. We thought BPM training would be the type of training that Enterprise Estonia might support so we submitted our application for funding. After a month, our training application was approved so we

started to plan the logistics and training schedule in earnest. The good news was also posted in our intranet, emphasizing the importance of process to Elisa and, again communicating the process improvement strategy.

### ***Selecting the correct people for BPM training***

It was agreed that BPM training would be compulsory for Board Members, ensuring a top-down, participative approach by senior management. This also reinforced the message that Elisa was taking process seriously.

Prior to funding approval we had identified possible participants for BPM training but we wanted to be seen to select participants in a non-biased manner whilst also ensuring that only those with a genuine interest in BPM and process improvement would attend the training. So we announced a competition for training places and used this competition to select training participants. The competition required interested employees to write a motivational letter explaining why they believed they needed the training, and to describe how their work (and therefore, Elisa) would benefit from the training.

The competition was fun and effective. We gained a deep insight into what employees thought about BPM and an indication of areas where process could be improved. Participants were then chosen based on the best motivation letters and the competition provided another useful opportunity to communicate and engage employees with the BPM strategic initiative.

### ***The BPM Training***

Finally, one month after I attended the public course in Dublin, our BPM training commenced.

In the pre-training workshop before the courses began, we introduced Dee Carri (Torque Management Instructor) to Elisa's history, services, organisational chart, strategy, BPM situation, and current market situation, so she could better relate to our business situation and our people, and adjust the standard training materials to provide more relevant (telecom and Elisa) examples during the courses.

### ***Principles of BPM***

The Principles of BPM course was run three times, with 15 participants attending each day.

This training described the BPTrends methodology, and included examples, workshops, and Elisa based exercises.

During this course we received an overview of why the organisation needs BPM and an understanding of the goals of a BPM initiative. We gained an understanding that we need BPM to be more effective, to adjust better with new technology, and react quicker to customer's needs and

competitor activities. We discussed how important it is to align processes with strategy and why processes must have metrics that are connected to our balanced scorecard.

As part of this course, each participant was required to assess Elisa BPM maturity level, which provided a baseline for measuring future progress. We assess our overall maturity at predominantly level 2, which means we launch process projects to fix problem, which is not ideal.

Another team activity during the Principles course identified our BPM business drivers and BPM opportunities / suggestions/ideas. This provided a good opportunity for discussion and provided valuable insight into Elisa employees' views on where we should focus our efforts to get the best return from process improvement. [These outputs were collated by Dee after each day of training, and they were communicated to the Board and also used to inform our 'next steps' on the last training day].

At the end of this course, all 45 participants had an agreed, common definition of process and BPM; the process improvement process steps; and a process scope diagram. We also received a good overview of the three levels of process management as defined by BPTrends: enterprise level, process level and implementation level).

*Having this common BPM knowledge and vocabulary has made it much easier to communicate about process across the organisation.*

### **Process Modelling, Analysis and Design Course**

The 3-day Process Modelling, Analysis and Design Course had 10 participants. In this course, we focused more on BPTrends second level (process level) and concentrated on process problem solving, stakeholders, inputs and outputs recognition. We gained an understanding of the importance of composing a clear process vision statement and the different types of process metrics. We learned that in analysing the process we have to undertake a GAP analysis, which means we analyse the difference between the current and desired situation. The GAP analysis helps us to concentrate on reducing or eliminating the gaps. We also learned how to generate to-be processes, when to use quick wins, and how to implement to-be processes. During the course we undertook practical exercises based on the templates which we have used in our own company process improvement projects.

### **Information Gathering and Facilitation Course**

On our last 1-day Information Gathering and Facilitation course we learned the difference between facilitation and information gathering, when to interview, and when to run facilitated sessions. We experienced how to build interview checklists and workshop agendas, and how to plan and facilitate a group session to gather process information. Then we practiced these methods using case studies.

During this day, facilitated by Dee, we discussed Elisa's current situation at length, drawing on the discussions and outputs from all of the previous training days. In this session we generated an Elisa service development process vision, process scope diagram, metrics and value chain descriptions.

We also generated Elisa BPM next steps plan. Lastly, each participant was assigned a process requiring improvement – so that we could immediately begin the process of documenting and improving the process - applying the BPM methodology and tools that we had acquired on the courses.

### Training and Trainer Assessment

After each course we sought feedback from participants about the trainer and the training. Evaluation was based on a 5-point scale where a score of 1 is lowest and 5 is highest.

Training was assessed across four categories, with the following overall results:

Category	Score
Trainer Competence	4.9
Training Programme	4.0
Training Methods	4.2
Trainer / Group Interaction	4.9

**Table 2. One-day Principles of BPM Evaluation:**

Category	Score
Trainer Competence	4.8
Training Programme	4.3
Training Methods	4.5
Trainer / Group Interaction	4.9

**Table 3. Four day MAD course**

**Note:**

There were some language and comprehension challenges due to the fact that the training was conducted in English and participants' mother tongue is Estonian.

## ***Post Training Phase – The Initial Process Improvement Programme***

Once training was completed we communicated our plans and next steps on the Elisa internal website.

By this time we were highly motivated to demonstrate lots of progress when Dee returned for the one day follow-up, so we undertook a lot of activities, including:

1. The first task to agree to prioritise 2-3 pilot processes for documentation and improvement using the methodology. It was not an easy task, but finally we agreed on 4 processes, which were:
  - Development process (Product & Service)
  - Strategy management process
  - Change management process
  - Revenue Assurance process

We introduced the pilot process proposal to Elisa's Board, and agreed the process owners at Board level, ensuring that every board member became the owner of at least one process. We also agreed process project managers and process managers for these processes. Every process project team included persons from 3+1-day course or MAD (Modelling and Design) team as we call them.

2. An informal BPM group was established, including four members who undertook the BPM Certificate training. This group was virtual - apart from me - but it did serve the immediate need for an overall governance structure that we recognised was critical to maintaining focus on the process improvement initiative.
3. During the two months, the pilot process project teams agreed process vision, metrics and process scope diagrams for each of the four pilot process projects. In addition, departments undertook workshops to agree departmental process visions, metrics and scopes.

We were very effective during this post-training period as we wanted to demonstrate to our trainer that we had done a good job and to get her feedback and further ideas for improvement!

### ***Pilot: One-Day follow-up***

On the follow-up day we presented our process activities and discussed each process project in detail. We received very valuable feedback about what we had done, answers to questions we couldn't solve by ourselves, and suggestions about how we should go forward. Our experience shows that this follow-up day is an absolute must-have to get best value from this type of in-house training.

### ***And after that we are alone....***

We realized that due to other business pressures and the large workloads involved we needed to narrow our focus to the four pilot processes and place the development of departmental processes on hold.

## ***Our current situation (October '09:***

- **Development process**

We have discovered problems in our current process, modelled to-be process, changed documents, made organizational chart proposals, started resource planning management project etc.

This process implementation is a Q4 2009 goal for the Technology division.

- **Strategy Process**

In the Strategy Process we have updated the strategy and commenced different sub-projects, started to connect employee's goals with strategy, and collect metrics and results to one central role in the company.

The first sub-project to be delivered will be the Balanced Scorecard Dashboard which will be delivered on Jan 1<sup>st</sup>, 2010. This project will see the collection of metrics and results in one central role in Elisa, which will be connected to the employee reward system.

- **Revenue Assurance Process**

In the Revenue Assurance Process we have created different teams, who have mapped 'as-is' and current problems, so we can begin to model a to-be process.

This process implementation is a Q2 2010 goal for the Administration division.

- **Change Management Process**

In the Change Management Process we have modelled the to-be process and now we will implement the new process through integration with our incident management software.

This process implementation is a Q4 2009 goal for the Technology division.

- **Two o additional process improvement projects were also added:**

- **The Bundle Service Process** which is currently problematic. The goal of this process improvement project is to decrease the bundle service ordering time.
- **The supply process implementation**, which is also a sub-project of the strategy implementation. This process improvement is a Q4 goal.

## ***Other learning / Challenges***

### **Linking Strategy to the Reward system**

During our training we understood the theory of linking strategy to the reward system. What we have discovered by ourselves, however, is that this is *key to improving and sustaining process change*. We have found that unless we connect employee's goals to process outcomes, we do not get the improvement results, or we get insufficient results. As in most companies, everybody in Elisa is busy, they have many different competing tasks and, although they understand process management is necessary, people don't prioritize their everyday tasks to process management until it is connected to their bonus system.

## BPM Group

Our BPM Group requires greater formality and more resources. Currently the department is ad-hoc, and under resourced, meaning that we are continually juggling priorities. We realise that we don't have the resources necessary to deal with value chain level, process map(s) updates etc. Our understanding is that the BPM centre of excellence won't work effectively until this is formalised.

Although we also studied this topic in the BPM training, it seems we had to experience it ourselves in order to really appreciate how *critical it is to maintaining momentum and continuing success for the programme*. This is an ongoing challenge and our current thoughts are to change the organisation chart through the creation of a more formal department - perhaps name it the "Service and Process Development Department", and apply more dedicated resources.

## Conclusions

We undertook our BPM training in March / April 2009. Since then we have created a structure that is providing real results - two of our initial process improvement projects are moving into implementation in Q4 '09, two others in Q2 '10 and other improvement projects are being added to the process improvement pipeline.

Without a single definition of process and a common BPM methodology, it would have taken us significantly longer to achieve these results. In addition to the individual successes, we now have a way to identify obstacles and opportunities for process improvement, and a roadmap for continuous process improvement.

We also have a good understanding of each others BPM activities in the organisation, which enables us to analyse, connect, and improve our cross-functional and cross-departmental processes.

Undertaking this type of training program provides a very good basis for communicating the need for BPM, for creating a single BPM language and for implementing a common process improvement methodology.

## The Training Provider Perspective

### ***About Torque Management***

Established in 2002, Torque Management is a consultancy whose core purpose is the improvement of best practice and performance through education, support, research and benchmarking.

Our approach incorporates current best practice and proven methods for implementing successful business process change.

Our Course Leaders, Senior Analysts and Consultants provide a one-stop shop for clients for business transformation, business process management, quality management and compliance management.

Torque Management is a strategic partner of BPTrends Associates in Europe.

**Author:** Dee Carri, Torque Management Ltd. BPTrends Accredited Trainer

From the initial enquiry about our BPM training and consultancy services, I was sure that Elisa's BPM programme would be different. In discussion, it became clear that the Elisa programme was conceived as part of the company strategy to improve capability and operational excellence. As such, the programme had caught the attention of the Board of Management, it was externally funded by Enterprise Estonia (a first for Elisa), and it was approached in a formal, professional manner. It was a real privilege to be part of the initiative, as it provided a unique opportunity to observe an organisation embark on systematic change in such a determined fashion.

The Elisa training programme differed from others in which I have been involved. In my opinion, its success is due to a number of distinct reasons:

### ***Top-down, strategic approach***

The Elisa BPM initiative was an output from the 2007 company strategic plan. As such, it had the support of the Board and the attention of all employees. In addition, there was a scrupulous preparation phase where stakeholder expectations were set, including Board Members, Operational Managers, Process Owners, Users, and the external instructors. This is an ideal way to commence an enterprise-wide process improvement programme as it aligns the company vision and goals with process vision and goals, something that we teach in all of our classes but sadly do not see so often in real life.



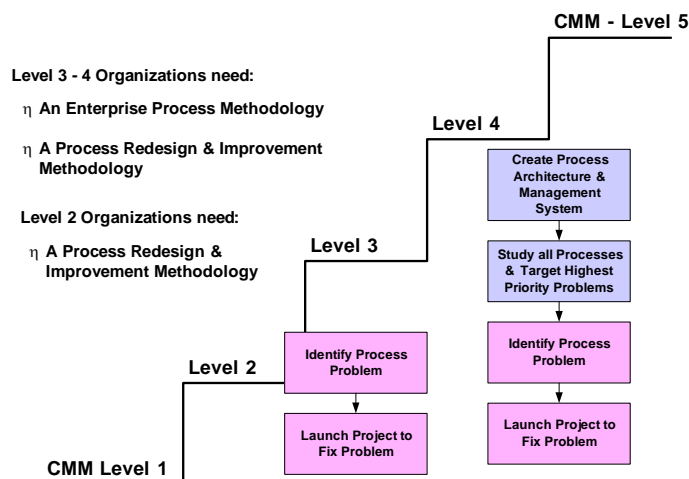
such as 'Scorecard'. This eliminated the potential for wasteful background 'noise' that sometimes exists around BPM and ensured that the relationships between BPM, other improvement methodologies, and other pre-existing quality / compliance systems were understood and respected. Day one of the Programme (Principles of BPM) which ran on three consecutive days was used to:

- Develop the BPM vocabulary
- Asses the current maturity level of Elisa's business processes
- Link business drivers to processes requiring improvement
- identify process goals, priorities and targets for the overall programme

The training was particularly successful due to Kristel's management of the participants, ensuring that each group comprised a mix of Board Members, Senior Operational Managers and Process Owners. This ensured lively debate and development of ideas which contributed greatly to the development of the definition of BPM in Elisa. At the end of the three days, the information from the exercises was collated to provide an overall picture of:

- Current BPM Maturity Level (participants had completed the BPTrends mini-audit which were collated to provide a consensus view of maturity). This assessment provided a baseline for future measurement as the programme progresses.
- An outline governance structure (roles and responsibilities) for the management of the BPM programme
- Business Drivers for BPM
- 'Next steps' for the BPM initiative, including pilot processes

Figure 2. BPTrends Associates: BPM maturity.

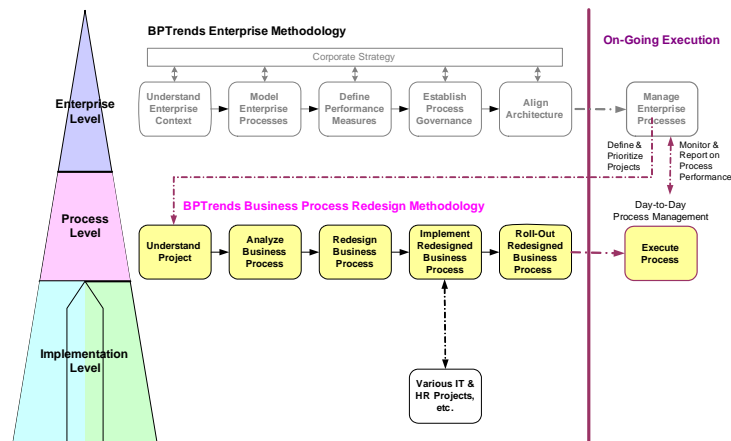


### A Common Process Improvement Methodology

Elisa Management was also keen to understand and adopt a standard approach to managing process improvement projects. This standardised approach ensured that all stakeholders - once educated on the methodology, were capable of resourcing and managing process improvement projects. This

approach has provided transparency for Process Owners and efficiencies for process improvement leaders / project managers.

**Figure 3. Source: BPTrends Associates. BPTrends Methodology**



With these outputs already agreed, a smaller group of 10 persons undertook further training to complete the Certificate Programme. These attendees were nominated as future process owners, process managers and process improvement project managers, needing the skills to apply the BPTrends methodology to the chosen processes. Some of this group became members of the BPM Group - the BPM centre of competence for Elisa. During the four days, this group fine tuned some of the ideas from the Principles Day and ultimately, they proposed the processes for the pilot project.

The chosen pilot processes were a mixture of important, difficult, and complex core and enabling processes such as change management, revenue assurance and the strategy development process, providing a real challenge as they cut across all business functions and, as such, they may even challenge the organisational structure of Elisa. The selection of 'tough' pilots is unusual, and it signifies the ambitious nature of the Elisa BPM programme, and the strong support of the Board, a critical success factor in this project.

## Post Training Workshop

Eight weeks after the training I returned to Tallinn to consider and comment on progress achieved since training was completed. We had an intense day, where each process team presented the current status of their process improvement project, their achievements, and current challenges. This day, whilst gratifying for me to see the progress, was, I believe a really important day for the process teams and Elisa management. The external review provided an endorsement of progress, an opportunity to discuss challenges, explore alternatives, and a good opportunity to refer back to the company strategic plan and its goals.

The one day review confirmed that the BPM Group was functional and working well. Pilot projects were well underway, with new process Vision statements documented and agreed, Gap Analysis

available, including 'as-is' measures and 'to-be' measures, some 'as-is' process maps, and detailed plans were available for the completion of the pilots improvements. In short, significant progress had been made since the training.

## **Conclusions**

Having the discipline to commit to, and educate the organisation on, a common BPM vocabulary and improvement methodology, a clear governance structure (in this case supported by the Board), and a central BPM Group to manage policies and standards have been key to the achievement of significant progress in such a short time.

The next six months phase of the programme will be critical to Elisa. Process workload will increase with new process improvement demands competing with the resources needed to transition the improved processes to business as usual operations. Strong links between process outcomes, balance scorecard and individual reward systems will assist in sustaining the improvements.

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