Overview of the OMG’s Business Motivation Model (BMM)

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Business Motivation Model

“A model for recording governance decisions”
• Describing the influencers that affect your business
• Documenting assessments of impact, options considered, decisions made - and why
• Referencing supporting detail - internal and external
• Building up history of cumulative effects

“A model for connecting governance to operations”
• Influencers to assessments
• Assessments to: desired results, business policies & courses of action
• Desired results, business policies & courses of action to the detail of operational business systems
History

- November 2000: The Business Rules Group (BRG) published “Organizing Business Plans: The Standard Model for Business Rule Motivation” Used in practice since publication, with varying levels of support in tools
- 2004: BRG invited by Object Management Group (OMG) to submit for “Request For Comment” process (adoption as existing de-facto standard)
- January 2005: BRG Version 1.1 of the model published as “The Business Motivation Model” (BMM)
- September 2005: BRG Version 1.2 of the model published
- Dec 2005: BMM accepted by the OMG for RFC
- June 2007: completion of finalization for publication by OMG for general use
- September 2007: BRG Version 1.3 of the model published, downloadable from www.businessrulesgroup.org
- August 2008: formal publication by OMG of Version 1.0
- December 2008: completion of first revision – BMM 1.1
Simplified View of BMM

Means

Ends

Influencers

Assessments

Assessment of impacts and decisions on how to react

Whatever you decide may affect your business

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Simplified View

What you decide your Enterprise needs to do

Means

Ends

What state you decide your Enterprise needs to be in

Results of decisions

Influencers

Assessments

What you decide your Enterprise needs to do

What state you decide your Enterprise needs to be in

Results of decisions

Influencers

Assessments
Simplified View of BMM

- **Means**
  - Courses of Action
  - Directives

- **Ends**
  - What you decided your Enterprise should do
  - Govern the Courses of Action

- **Business Operations**
  - Business Processes
  - Business Rules
  - Responsibilities
  - Resources
  - etc

- **Influencers**

- **Assessments**

References to
BMM Core Concepts

Compact model – small number of concepts
BMM “Placeholders”

References to changes in operational detail
General Principles

• The BMM is methodology-neutral, but some general principles are assumed:
  – Creation and population of an enterprise's BMM should be business-driven.
  – Maintenance of an enterprise's BMM should be driven by change – actually, the enterprise’s decisions on how to react to change
  – The ability to deliver organized business plans is essential.
  – Business rules, business processes and organizational responsibilities are needed to operate the business, and traceability to and from the relevant elements of governance is essential.
Underlying (implied) Process

- Identify relevant Influencers and monitor them
- Assign Organization Responsibilities
- Decide on Desired Results
- Select Courses of Action
- Realize Courses of Action in Business Processes
- Decide on Business Policies
- Develop Business Rules
- Assess Impact of Changes

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Core Concept: Influencer

• External:
  – Competition, Technology, Regulation …

• Internal:
  – Infrastructure, Resource Quality, Habit …

• Those given in the BMM are an example set
  – Could be changed or even completely replaced
Core Concept: Assessment

• Two parts:
  – Impact of change(s) caused by Influencers
  – Impacts of possible reactions to the changes

• Scenarios for reaction:
  – Industry and enterprise good practice
  – Creative thinking from within the enterprise

• Need:
  – Good information support
  – “What if?” tools
When to make assessments?

• External influencers cause changes:
  – The enterprise decides when they are significant enough to require strategic assessment

• Internal influencers require assessment:
  – Routine, e.g. annual budgeting, replacement of major assets
  – Exceptional, e.g. operational performance problems, new product/services created

• The enterprise fails to meet some of its major objectives

Many changes will be handled at operational level
Core Concept: End

• Maintain current position
  – React to change in the environment (rather than seek to change the business) e.g. Regulation
  – Defensive activity to maintain current position

• Expand/diversify
  – Retain business model substantially unchanged
  – Add new products/services and/or operate in new territories

• New business model
  – Need a ‘starter’ model
  – Industry reference models may be good basis

Ends indicate the motivation
Ends

- Vision (what the enterprise aspires to be)
- Factored into Desired Results, at two levels
- Goal:
  - Longer-term direction for an aspect of the Vision
  - Direction may be adjusted over time
- Objectives
  - “Step along the way” towards a Goal
  - Quantified (“SMART”):
    - Specific
    - Measurable,
    - Achievable
    - Relevant
    - Time-targeted
Core Concept: Means

• Mission (what the enterprise has to do in order to realize its vision) …

• … factored into complementary aspects:

• Courses of Action:
  – Strategies & Tactics
  – Best ways to deploy resources and capabilities to achieve Desired Results

• Directives:
  – Business Policies and Rules
  – Direct and constrain Courses of Action
Means

Course of Action
component of plan for

Strategy
implemented by

Tactic
enforced by

Directive
source of

Business Rule
derived from

Business Policy
composed of

Mission
planned by means of

enables

enables

formulated based on

guides

guides

enables

enables

enables

enables

enables
Means achieve Ends

Means
- composed of part of
- enabled by enables
- formulated based on
- source of

End
- composed of
- made operative by
- amplified by

Vision
- composed of
- amplified by
- Desired Result

Desired Result
- composed of
- quantifies
- quantified by

Objective
- quantifies
- supports achievement of
- has achievement supported by

Goal
- quantifies
- supports achievement of

Mission
- makes operative
- planned by means of
- Course of Action

Course of Action
- implemented by
- implemented by

Strategy
- implements
- guided by level

Tactic
- has enforcement level
- effects enforcement level

Directive
- supports achievement of
- has supported by

Business Rule
- derived from
- basis for

Business Policy
- composed of
- part of
Operational Detail

- Courses of Action and Business Policies reference operational detail:
  
  ... supported by OMG standards
  - Business Processes
  - Business Rules
  - Organization Units (roles & responsibilities)
  
  ... not yet supported by OMG standards
  - Resource, Asset, Liability, Offering

- References can be plain text, document names, URIs ...
Operational Detail

- **Mission**
  - planned by means of

- **Course of Action**
  - component of plan for

- **Strategy**
  - determines
  - implements
  - implemented by

- **Tactic**
  - guided by
  - effects enforcement level

- **Directive**
  - source of

- **Business Rule**
  - derived from

- **Business Policy**
  - composed of

- **Business Process**
  - shaped by
  - guided by
  - guided by

- **Organization Unit**
  - responsible for
  - recognizes
  - realizes
  - realized by
  - established by
  - defined by
  - enables

Attributes

- Identifier and text description
- Tool vendors could choose to add more
- Simplest visualization – description includes references (e.g. document names, URIs) for detail:
  - Documents
  - Spreadsheets
  - Decision support applications and services
  - External sources
  - Etc.
Performance (simple view)

• The BMM is a tool for governance:
  – “Are we doing the right things?”
  – Changes made as a result of Assessments are about what the enterprise does and why: Desired Results, Courses of Action and Business Policies
  – Is changing the things you can control affecting the things you can’t?

• Operational performance also has to be managed:
  – “Are we doing things right?”
  – Below the BMM horizon
  – Mainly handled in business process management and workflow management systems
  – Some measurements may be aggregated for “actuals” to be compared with Objectives
  – Major operational problems may emerge as Internal Influencers in the enterprise’s BMM
Metrics

• Potential Impact:
  – What Risk or Potential Reward

• Goal:
  – What must be achieved, by when

• Purpose of BMM repository:
  – Is to connect the measurements to the related elements in the BMM, e.g.
    • The risks and potential rewards considered in assessing the effect of an influencer
    • The objectives set/modified as a result of an assessment, and the Courses of Action and Policies that support them
  – Is not to contain all the detail – this can be done better in other tools
Shared Models

Collaboration in a Shared Interest Group

**Enterprise Differentiation**
- What an organization does that distinguishes it from its competitors

**Consensus Definition**
- What an organization in a given business typically does

**Neutral Definition**
- What an organization needs to do to be in a given business

This is where an enterprise’s competitive edge is

All enterprises in the sector do most of this

All enterprises in the sector do this

An enterprise will define its own business architecture

A shared interest group can provide partial business architecture
Business Motivation Model in two roles

Corporate Governance Model

Operational Governance Model

Means

C of A

Directive

Influencers

Assessments

Ends

Maintains

Localization, local outcomes

Corporate Spec

Content to be adapted

Guidance on adaptation

Corporate guidance acts as local regulation

BMM can be federated for other aspects of corporate governance, e.g.
- Risk management
- Document management
- Quality assurance.

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Corporate and Operational interactions

**Corporate GRC Group**
- Develop update of QM specifications
- Advise and clarify
- Identify improvements of QM specifications

**Operational Sites**
- Localize QM specifications to produce local standards, processes and policies
- Report on localization

**Corporate GRC Group**
- Determine whether QM specifications are affected
- Advise and clarify
- Identify improvements of QM specifications

**Operational Sites**
- Report on local influencers and proposed reactions to them
- Report on resolution of problems and opportunities
Dealing with local influencers

- Dealing with operational problems, opportunities, etc. is the responsibility of operational management, (although Corporate can advise on some aspects)

- Corporate concerns:
  - Is the operational site doing the right things?
  - If not, why?
    - Could the Corporate Specification content be improved to provide a better basis for localization?
    - Could the localization guidance be improved?
  - Is the operational site doing things right?
  - If not, operational management has to bring it back into compliance – but could the Corporate Specifications have ensured that better controls were in place?
  - Are the influencers relevant to other operational sites?
Summary

• High-level metamodel for enterprise governance models
• Industry commitment to tool support
• Supports audit trail for change management:
  – Influencers, Assessments, Ends, Means directly
  – References to operational detail
• Models are interchangeable between compliant tools
• Business-oriented
  – Models can be expressed in business-friendly form
• BMM can be federated for corporate governance – corporate
  policy group is internal regulator
  – General ‘reaction to change’ mode
  – For regulation, with more elaborate regulation model
  – For other specialized aspects – risk management, quality
    assurance, documentation and reporting …
• Similar “federation” will support industry group representative
  negotiating with regulator on behalf of group members