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RETHINK THE SERVICE MODEL

Transforming the largest service provider in Germany, the Federal Employment Agency into a modern service provider

This case story is written together with representatives of the German Government, Federal Employment Agency and LEADing Practice. The information shared does not represent the official meaning of the organisation, but shares the journey undertaken. It is done with the purpose, to share knowledge of how to go about Government Service renewal, Digital Transformation as well as standardisation.

Some of the key words are among others: SMART Government, Digital Transformation in the Government, Service Renewal, Service Drivers, Strategy Execution, Service Model, Process Owner, Service Owner, BPM Roadmap, Process Lifecycle, Process decomposition, End 2 End Processes, Service LifeCycle, End 2 End Services, Application Lifecycle, SOA, Policy Objectives, Process Analytics, Data Analytics, Real time decision making, Standardisation Benefits, Change Management, Continuous Improvement and Value Lifecycle.

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Introduction to the German Federal Employment Agency

The development of the German employment services can be traced back to the year 1894. In the small German town Esslingen am Neckar the first comparable institution, which was called "Arbeitsnachweisamt" (office for certificates of employment) back then, was founded with a balanced participation between employees and employers.

In the following years additional regional "Arbeitsnachweisämter" were founded. It was not until 1920 that a central organizational structure was implemented through the establishment of the "Reichsamt für Arbeitsvermittlung"(Reich office for employment services).

Due to the global economic crisis in the 20`s of the past century the "Reichsanstalt für Arbeitsvermittlung und Arbeitslosenversicherung" (Reich agency for employment services and unemployment insurance) was instituted in 1927. Not only a new service in form of vocational guidance was provided by the agency but also the merge of employment services and unemployment insurance was implemented.

During the National Socialist era the self-government of the agency was abolished. Several laws were enacted which should reduce unemployment. At the same time the requirements for the entitlement to unemployment benefits became also substantially more stringent. Citizens could no longer freely choose their profession.

In March 1952 the act on the establishment of the "Bundesanstalt für Arbeitsvermittlung und Arbeitslosenversicherung" (Federal authority for employment services and unemployment insurance) was passed and the self-government of the authority was reintroduced. The headquarters were henceforth located in Nürnberg. The renaming into "Bundesanstalt für Arbeit"(Federal authority for employment) finally took place in 1969.

The transformation into a modern service provider

The latest renaming into "Bundesagentur für Arbeit (BA)" (Federal Employment Agency) took place in 2004. It was a sign for the journey which the BA had undertaken to become a modern, efficient and customer-oriented service agency.

Today the BA is not only the largest service provider of the German labour market but also ranks among the most successful agencies in Europe. A self-governing body equally represented by representatives of employer, employees and public authorities acts as the supervisory board.

The legal mandate of the BA comprises the core/main tasks of employment services, unemployment insurance as well as taking the necessary precautions for keeping the qualitative and quantitative balance of the labour market. The provision of the basic income support scheme for job-seekers forms another essential pillar of the BA. Further responsibilities range from labour market research to the payment of child benefits.

Like any other private company, the BA is also subject to a constant change process.

Hence the BA constantly faces new challenges and in recent years evolved from a classical authority with many public servants into a successful, lean and highly efficient service provider. The transformation project was given the mandate to leverage existing investment and leverage Enterprise standards e.g. LEADing Practice.

The framework conditions for service management

Challenges and organization

The need for flexibility in accommodating the needs of customers or the goal to reduce costs are often only associated with private companies. Public administrations or let alone public agencies not only pursue similar objectives but beyond that also fulfil important legal mandates.

In this context of the ambivalence of economic efficiency and social policy orientation, goals such as customer satisfaction or maintaining and increasing the market share are no longer strangers to the BA. Economic acting and the effectiveness of all measures in respect to the fulfilment of the entrusted tasks are closely related. Economic and cost-conscious acting of the employees of the BA helps to avoid increases in the premiums which have to be paid by all employers and employees of Germany. Through the goal-oriented allocation of available monetary resources good results in matching the supply and demand of the labour market can be achieved.

The basic prerequisite for this is a sufficient level of transparency of the allocated resources as well as of the achieved results on the one hand and a sound understanding of the business procedures and processes on the other hand.

To be able to carry out its mission nationwide as well as on-site close to the customers, the BA is based on a decentralized structure. The multitude of regional offices in German towns has the advantage of keeping distances short for customers which have matters that require personal presence, while call centers provide toll free numbers for phone contact. Furthermore, the BA service offer is supported by constantly improved online services.

Last but not least the emerging demographic change within the BA forces the organization to ensure that the knowledge of departing employees remains within the organization and can be made available for others.

Time- and personnel-consuming back office functions are bundled within decentralized offices (the so called „operational services“ and „internal services“). Development and operation of IT functions are provided through an internal IT service provider (the so called „IT Systemhaus“) and applying reference content provide via LEADing Practice.

Size and complexity of the organization

Besides the administrative headquarters in Nürnberg, the BA is divided into 10 regional directorates at the federal level,156 employment offices, 306 job centers and a further 600 branches. Additional departments for special services consist of the International Placement Services, the BA Service House, the Institute for Employment Research as well as the „IT-Systemhaus“ as the central IT service provider.

The BA currently has approximately 100.000 employees.

Composition and structure of the BA (overall)

Supreme federal authority
Federal Ministry of Labour and Social Affairs
(legal supervision)

self-governing higher federal authority
The federal employment agency (BA)

Administrative headquarters
(functional supervision)

Regional directorates
(functional supervision over the different employment agencies – local level)

Employment agencies
-156 main employment agencies with 600 branches-
local accessibility

Task fulfillment through decentralized offices: Family Benefits Department, Service Center, Internal Services, Operational Services

Cooperation with municipalities by 206 job centers (joint institutions) in the context of providing the basic income support scheme for job-seekers

Despite the drastic reduction of unemployment from 2012, the historic collapse in German GDP in 2020, the unemployment rate in the world's fourth biggest economy ticked just a few notches higher — thanks to a short-time work program that has roots dating back a century. It has been frequently tapped to protect jobs in Germany since the crisis in 2010.

According to Germany's federal statistics office, second quarter GDP declined 10.1% on the first quarter, its worst fall since records began in 1970. That's equivalent to a drop of 11.7% on the same period last year. EU GDP data for the quarter will be published on Friday.

With the exception of government spending, all areas of the German economy including exports, imports, investment and household spending, suffered sharp falls.

The following table provides a short overview of the most important figures of the 2020 German unemployment rate.

Germany Labour	Last	Previous	Highest	Lowest	Unit
Unemployment Rate	4.50	4.50	11.50	0.40	percent
Employed Persons	44579.00	44640.00	45244.00	37643.00	Thousand
Unemployed Persons	2759.78	2847.15	5288.25	84.97	Thousand
Unemployment Change	-35.00	-10.00	371.00	-96.00	Thousand
Long Term Unemployment Rate	1.10	1.20	6.30	1.10	percent
Youth Unemployment Rate	6.00	6.10	15.90	5.60	percent
Labour Costs	117.67	111.20	117.67	78.67	points
Productivity	93.30	96.20	106.10	17.00	points
Job Vacancies	602.32	590.73	891.70	57.80	Thousand
Wages	4021.00	4035.00	4035.00	1832.00	EUR/Month
Wages in Manufacturing	102.30	167.80	167.80	7.70	points
Wage Growth	-4.70	0.40	6.00	-4.70	percent
Minimum Wages	9.35	9.19	9.35	8.50	EUR/Hour
Population	83.20	82.85	83.20	72.54	Million
Retirement Age Women	65.75	65.67	65.75	65.00	
Retirement Age Men	65.75	65.67	65.75	65.00	
Labor Force Participation Rate	62.60	62.00	62.60	56.90	percent
Part Time Employment	11138.90	11230.10	11230.90	6330.60	Thousand
Employment Change	-1.40	0.00	0.90	-1.40	percent
Employment Rate	75.80	75.80	77.00	63.60	percent
Full Time Employment	30459.60	29922.00	30459.60	26748.40	Thousand

The online job portal „JOBBÖRSE“ provided by the BA witnessed a tremendous increase in usage during the recent years. At the same time the increasing acceptance of online job portals as well as the positive development of the labour market can be deduced by the amount of published job vacancies.

In the context of awards of benefits, 200 million payments are yearly processed for the payment of unemployment benefits, the payment of basic income support scheme for job-seekers (unemployment benefits II) as well as for the payment of child benefits. The monthly transaction volume amounts to approximately 10 billion Euros. The measures taken by the BA for securing the livelihood of people are divided into two main areas. The benefits according to unemployment insurance (insurance-financed) and the benefits according to the basic income support scheme for job seekers (financed through taxes).

The benefits according to unemployment insurance consist of:

- Unemployment benefits (insurance payment in case of unemployment): Unemployment benefits are paid as insurance payments under certain conditions in case of unemployment. For unemployment benefits and partial unemployment benefits (including payments from foreign insurance carrier) the BA has a spending between 12 to 15 billion Euros yearly.

- Short-time working benefits for the preservation of jobs: Short-time working benefits as partial compensatory wages contribute to the preservation of jobs. The expenditure for short-time work in response to economic conditions amounted yearly between 200 to 240 million Euros, seasonal short-time working benefits where are paid yearly for about 300.000 -350.000 employees in the amount of about 300 million Euros.

- Insolvency substitute benefits for the preservation of wages and salaries: Insolvency substitute benefits ensure that outstanding wages and salaries of employees are paid in case of company insolvency. The expenditure for insolvency substitute benefits amounted to about 1 Billion Euros yearly.

The benefits according to the basic income support scheme for job seekers consist of:

- Unemployment benefits II resp. social security benefits are paid for persons and children of employable age resp. unemployable age living in a joint household (regular benefits, special individual benefits as well as municipal benefits for accommodation and heating costs).

- Contributions to private health and long-term care insurance

- Benefit payments for trainees
- Municipal benefit payments for education and participation
- One-time benefit payments such as payments in case of pregnancy and childbirth

These one-time and regularly benefits are paid yearly, in the amount of about 25 to 30 billion euros. In this context more than 19 million benefit notifications were sent out to the recipients of the benefits.

To master all this successfully, the BA needs a massive IT infrastructure. The IT-landscape of the BA comprises 160.000 networked PC workplaces. Customers of the BA have also access to 12.000 self-information workstations. The monthly email output amounts to 36 million mails. In addition, there are 8 million postal mailings and 43 million print pages.

The development of service management in the BA

The first initiative

Since 2005 the BA aims to create the necessary conditions for documenting all business processes of operative tasks and for increasingly aligning them with the software development process of the BA. The need was born to analyze and describe the processes of the different organizational units in order to use these models as a source of information as well as the basis for deducting functional requirements for the IT department. Right from the start the objective was to obtain the most realistic "picture" of the operational processes. Thus, it was decided to involve employees with the necessary expert knowledge and with extensive practical experience from the respective organizational units into the process documentation effort. The documentation of the processes allowed for the first time to analyze the procedures of the decentralized departments by means of a common methodology.

The valid modelling conventions at that time were primarily focused on optimizing the visual display of the documented processes. One important requirement of these conventions was that a documented process should be readable on a DIN A4 paper format. If this was not possible the process flow was fragmented into several processes. Hence a clear process hierarchy or structure was missing at this point. In 2005 a major organizational reform of the BA was already completed. It was therefore assumed that this newly implemented organizational form, the respective allocation of responsibilities and consequentially the modelled processes would remain unchanged for a long time. Furthermore, it was assumed that after the completed documentation of the processes during the initial modelling project the responsibility for maintaining and updating these processes could be taken over from the respective line organization. A clear assignment of these responsibilities to the line organization could be rather established with a functional display than with a cross-functional display of the modelled processes.

From the beginning, one of the main objectives of the modelling project was to publish the modelled processes for all employees. The additional benefit achieved by publishing the processes and the knowledge contained in the processes were quickly recognized by the organization. Thus, it became clear that the created service model of the BA should not simply act as an internal information source for the administrative headquarters and the IT department of the BA but should be also made available for the complete organization. As a result, the documentation of the processes was continued after the completion of the initial modelling project and hence further processes of organizational units were documented.

Since the initially modelled processes were based on the vocational experience of the modelers from their respective business department discrepancies concerning the wish for general cross-functional process flows became more and more obvious. The modelled

processes up to this point did not provide a holistic view but rather depicted individual aspects of decentralized procedures of various organizational units. The importance of having a holistic, cross-functional process view was only recognized later on.

The fact that there were differences between the documented processes and the actually performed processes led to first reflections concerning the implementation of quality-assuring measures and the development of quality assurance concepts. As part of the therefore implemented quality assurance measures, processes were regularly checked to ensure they were up-to-date, and the documentation of yet undocumented processes was advanced in order to enhance the completeness of the service model.

For the initial modelling project, it was decided to use a modelling tool which was already in use by the IT department of the BA. It was expected that this software would ensure that the modelled business processes could later on be used as a basis for product development by the IT department. The disadvantage of this software was however that for the publishing of models the support of external consultants, who then created the necessary HTMP pages, was needed. The publishing process itself was cumbersome and slow. Due to cost considerations and time constraints the publishing of process models therefore was only possible three times a year. As a consequence, the published service models were partially not up-to-date. All too often the modelled processes were already outdated once they were published.

These given circumstances made it difficult to communicate the importance of a process documentation into the organization and also made it difficult to spark the interest of the employees for the topic of service management. Hence the BA had to look for a more suitable modelling tool only a few years after the initial implementation of service management. Functional requirements for the new modelling tool were, among other things, the ease of use concerning the handling of the tool in order to simplify the daily work of the modelers. Other requirements included: The time needed for training new modelers in the use of the tool should be shortened considerably; the publishing of models should be possible on a monthly basis in order to increase the up-to-dateness of the processes as well as to improve the acceptance among the employees of the organization.

With the switch to the newly chosen modelling tool all of the above mentioned requirement criteria were met. Initially the existing structure in terms of a functional rather than a cross-functional end-to-end process-view was retained. Yet the increasing significance of online offerings and workflow management systems more and more called for a cross-functional and end-to-end process oriented service perspective. For this reason, a change towards an end-to-end process perspective of the BA service model became inevitable.

Accepted necessity

Once the necessity of a holistic service management has been recognized, implementing it represents a particular challenge for an organization. The related objectives and the underlying motivation have to be communicated clearly and unambiguously. Only when it becomes accepted by the employees of an organization, service management can be implemented and practiced on a daily basis.

A modern organization such as the BA pursues a "management by objectives" approach. Achieving the objectives set by the organization easier and more effectively requires however an effective and efficient acting of each individual employee on the basis of transparent processes.

Implementing a professional service management is therefore key in creating the needed transparency. Only by documenting the as-is processes of an organization, existing deficits can be identified. The as-is documentation not only offers a glimpse into individual procedures but also gives insight into the complete process landscape of an organization.

Business policy objectives, efficiency and effectiveness

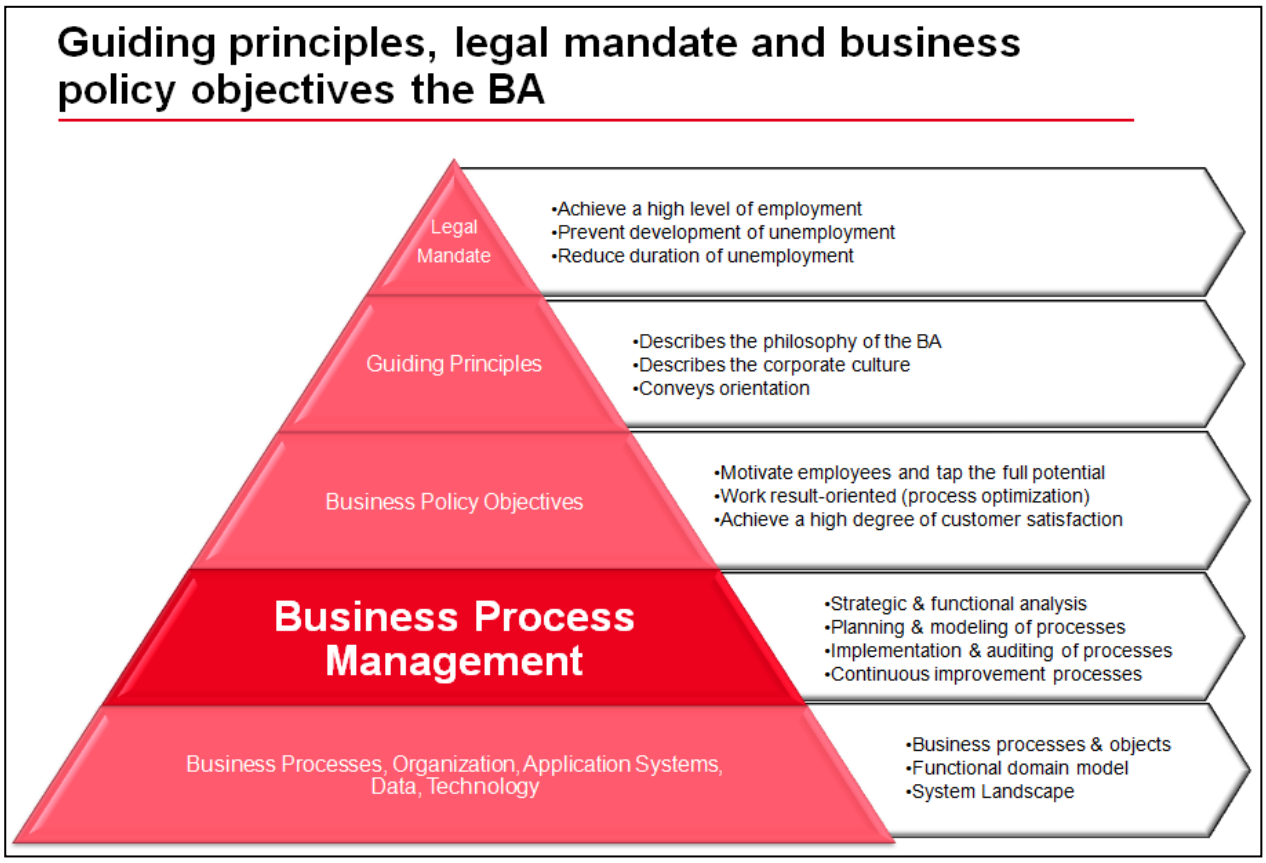
From the business policy objectives the following consequences can be deducted:

- Process flexibility and efficiency
- Continuous improvement
- Professional process management

Business policy objectives	Efficiency / Flexibility = doing things right	Effectiveness = doing the right things
Deficiencies ▪ Unclear process and product objectives ▪ Lack of knowledge about customer concerns	Deficiencies ▪ many complaints ▪ many errors ▪ high costs ▪ long processing times ▪ lack of flexiblity	Deficiencies ▪ lack of convincing guiding principles ▪ unclear strategic objectives ▪ insufficient knowledge of success factors and success potentials

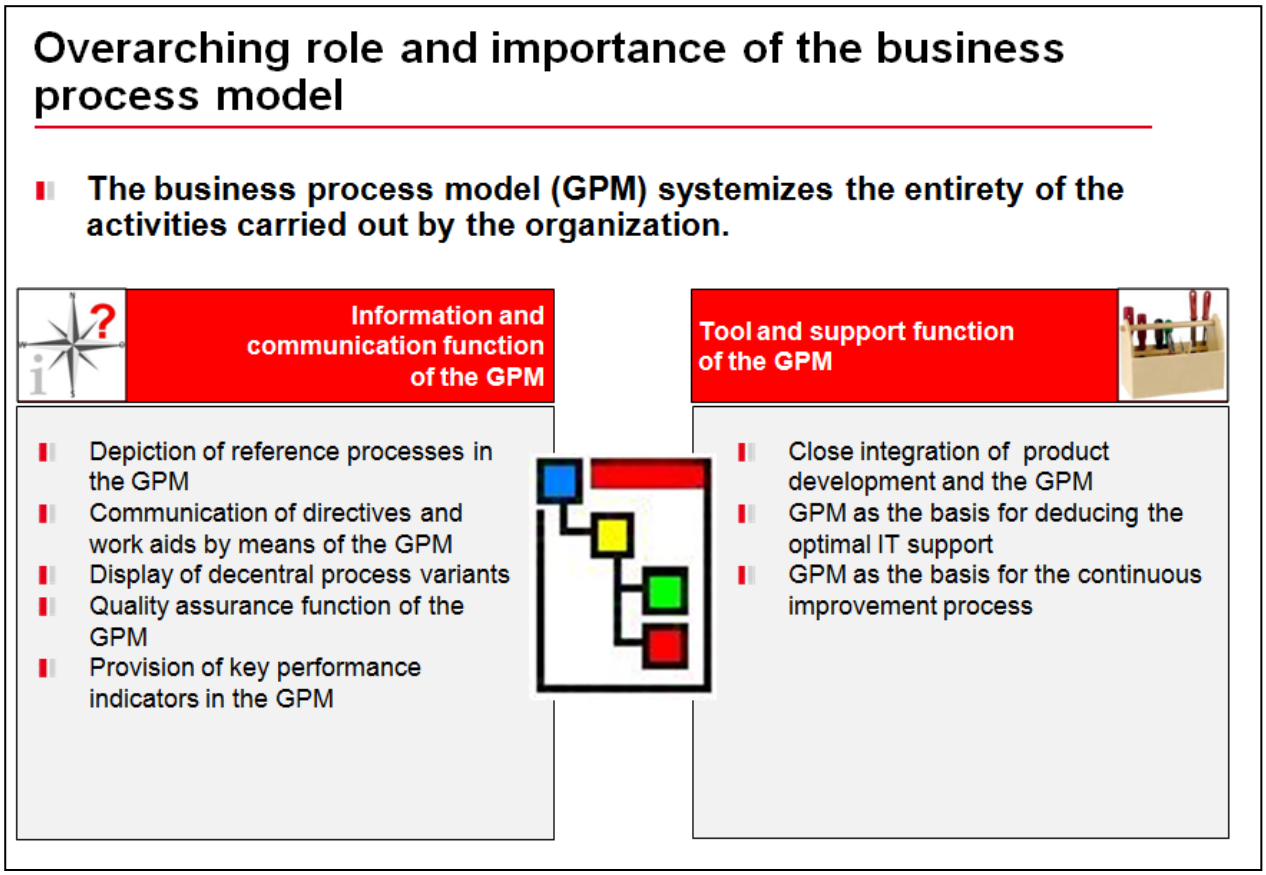
After the benefits of a professional business process management and with that the management of the service deliverables had been recognized by the organization, cross-divisional workshops were conducted to identify medium-term objectives for the service

model. Due to the workshop approach a high acceptance among the employees could be achieved. Likewise, the workshops proved to be an appropriate platform for communicating the necessity of and the reasons for service management.



In the course of the conducted workshops two main functions which should be provided by the service model were identified: the information and communication function and the tool and support function. The information and communication function of the service model is ensured by a complete and up-to-date documentation and publication of all BA service models.

Employee turnover in organizations again and again leads to an enormous loss of knowledge. By documenting the services, the related knowledge is also archived. If required, it thus can be made quickly available for employees. This tremendously simplifies and accelerates the onboarding process of new employees as they can start to work efficiently much earlier, which in turn, enables them to contribute much earlier to the achievement of the organizational goals.



The tool and support function are realized by a close integration of the product development of the BA and the business process model (GPM). For exerting a steering influence on the labour market, the processes of the BA are taken into consideration, and changed if necessary, during the development of internal directives for the service products of the BA.

During the requirements analysis phase of a project, the service models serve as a basis for the deduction of an optimal IT support for new or changed business products or services. In this context it was by now recognized that an integrated view of business processes and IT requirements results in cost reductions, first and foremost, due to the prevention of costly and repeated adjustments of IT services.

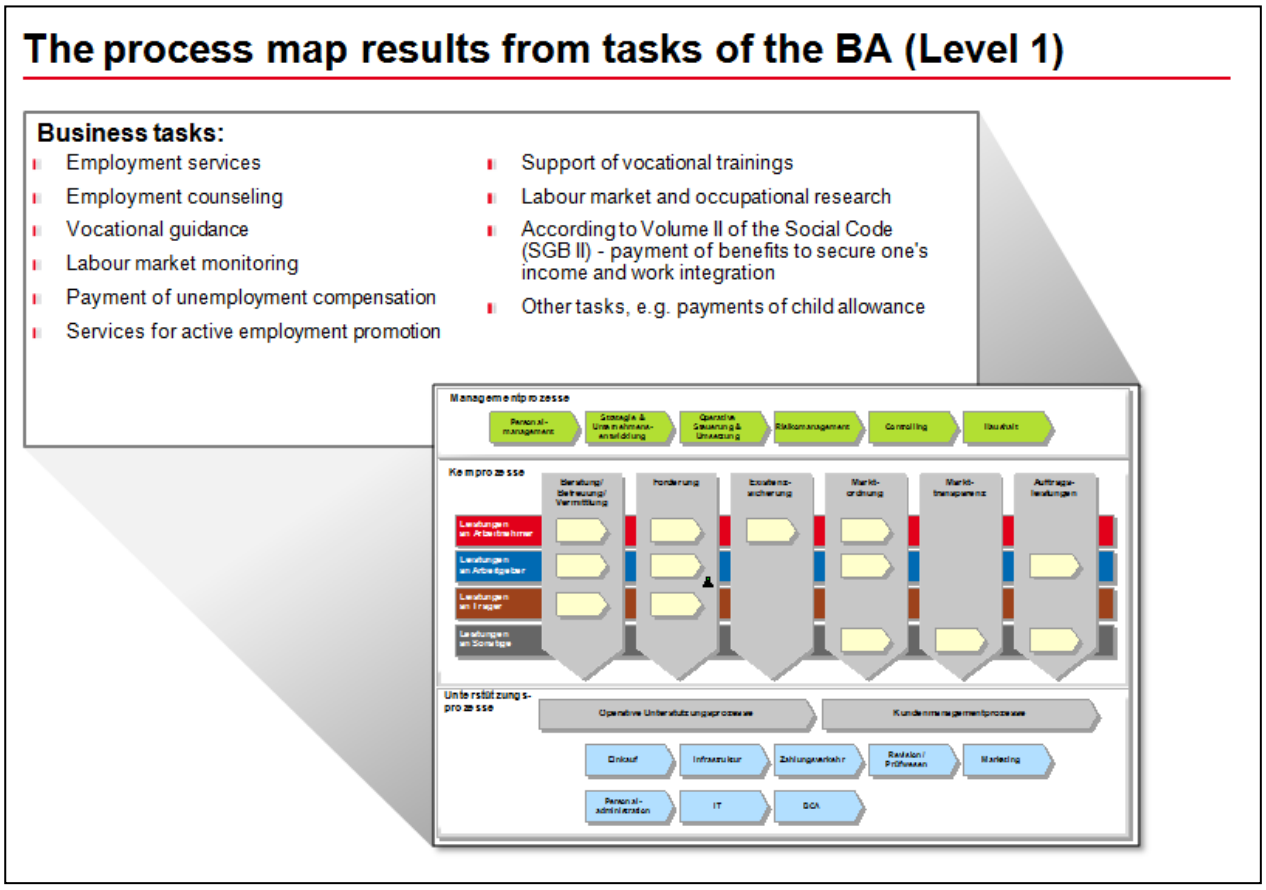
Both functions of the GPM represent medium-term objectives which have been already achieved for the most part. The already mentioned holistic view of the process landscape of an organization requires consistent modelling conventions, a standardized structure and above all a common understanding of it.

The fields of action

The high-level process map of the BA

Due to the diversity and complexity of the tasks fulfilled by the BA, it proved to be a great challenge to develop a consistent and standardized process map. The paradigm shift from a functional view to an end-to-end process view, the implementation of consistent modelling conventions and a consistent modelling level structure proved to be the key steps needed for mastering this challenge.

A professional workshop held outside the BA premises and led by external moderators finally brought the breakthrough in establishing a high level process map agreed to by all involved stakeholders. During the workshop a solution was developed which incorporates all the different task areas of the whole organization. Besides considering all relevant laws and internal directives, process map examples of other companies were also analysed and taken into consideration.

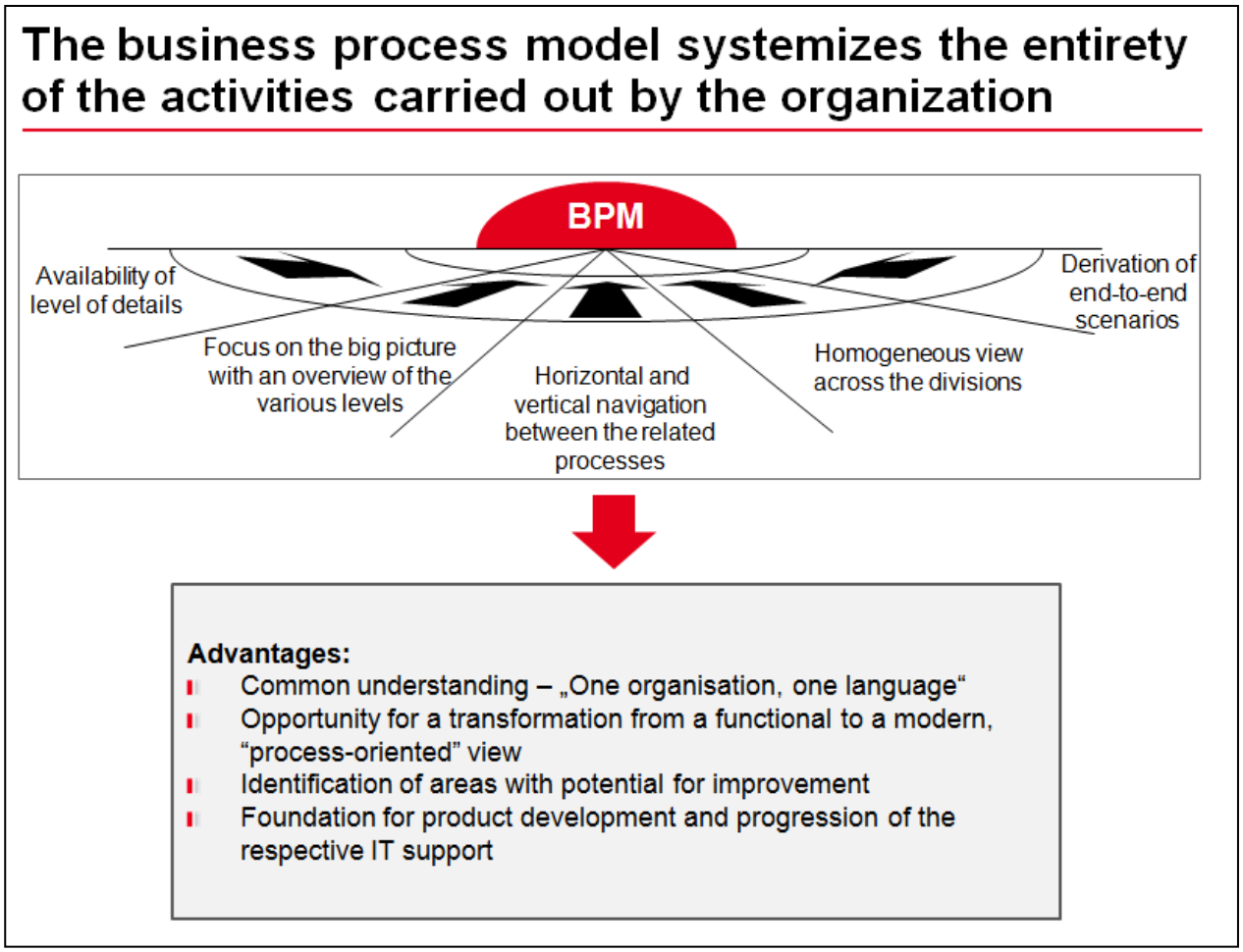


After a preparation phase, two work groups were set up, each of which was working on a suitable solution. Both identified solutions were then discussed and finally brought together into a common solution which was agreed upon by all stakeholders.

The high-level process map displays the tasks of the BA by means of matrix which is aligned to the respective customer request. If for fulfilling a customer request more than one service product is needed, this circumstance is displayed in a special modelling layer.

Furthermore, the process map also allows those organizational units yet not involved to enter into the service model later on by reserving the respective spots for them within the process map.

To sum it up, the jointly developed process map and the modelling conventions laid the foundation for a holistic process view on the organization. This added value is now recognized by the entire organization.



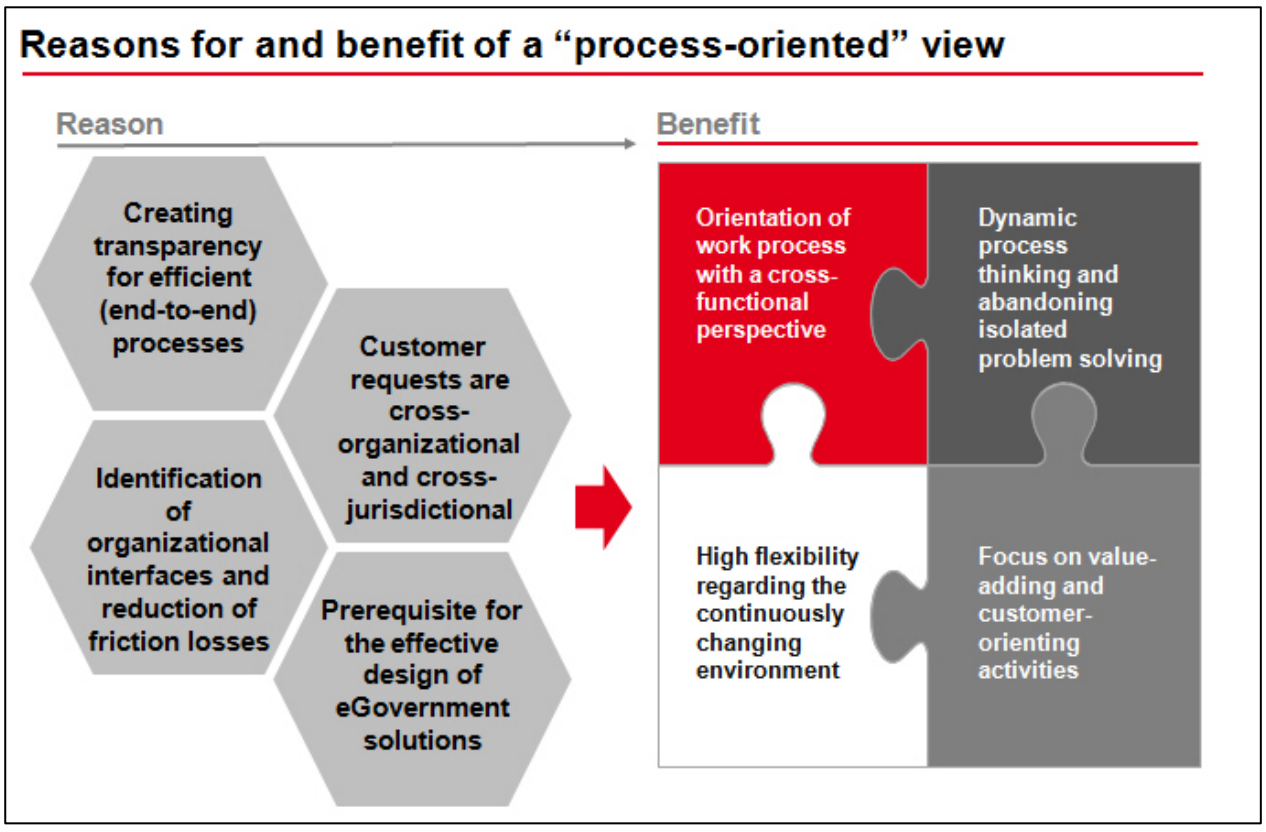
With the implementation of the new modelling conventions and the process map, the interest of those departments, which had not engaged in service management up to this point, could be sparked. Other departments which had developed their own modelling conventions adopted the new conventions and integrated their processes into the process map, respectively into the common service model of the BA. Although these effects were not envisaged, naturally they have to be rated as being very positive and can be interpreted as a sign for the high acceptance of the developed solution within the organization.

Structure and build-up of the service model

The former structure of the service model did not satisfy all requirements. Hence suitable adjustments had to be made concerning the structure and the modelling conventions.

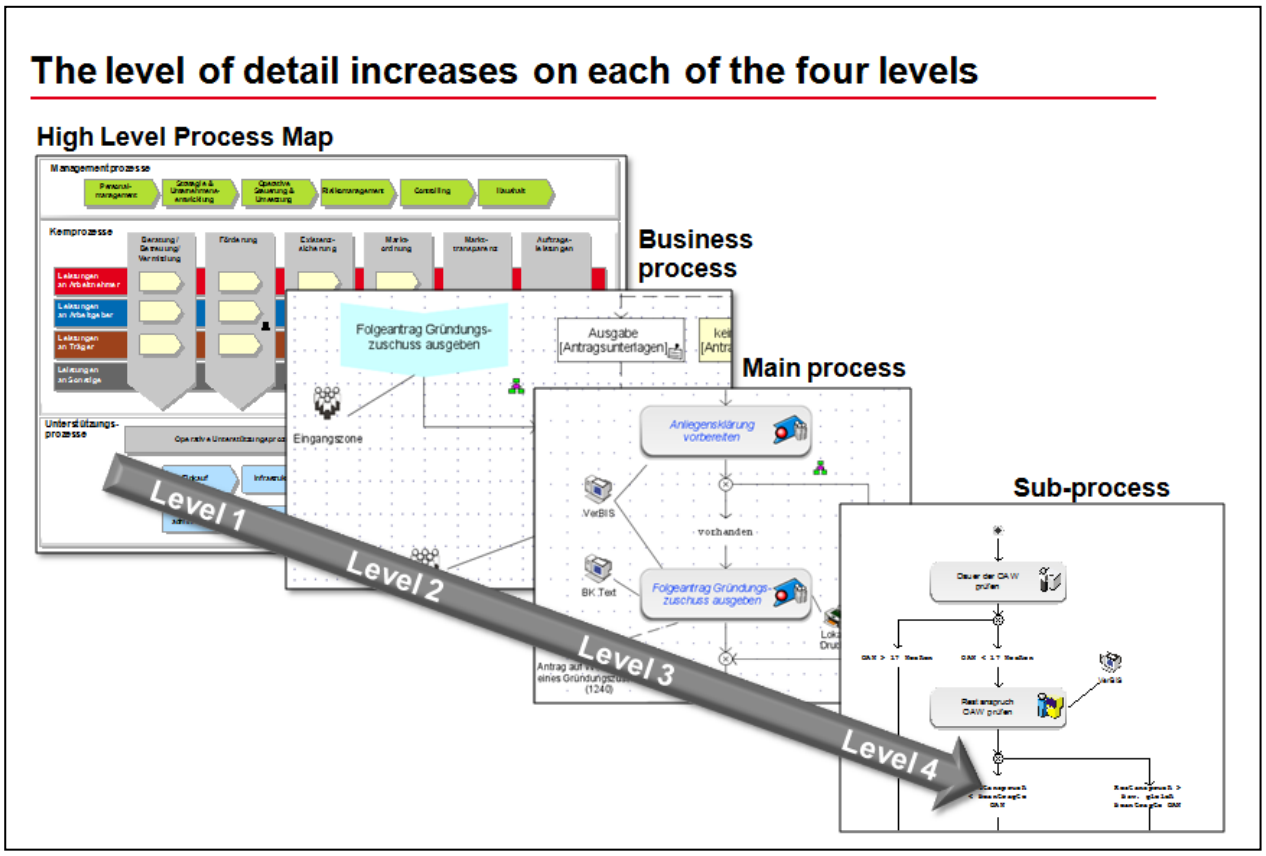
The most important change was the paradigm shift from a functional view to an end-to-end process view in the display of processes. Up to this point the modelled processes ended at the respective functional boundary of a department or organizational unit. Preceding and succeeding activities were neither taken into account nor displayed and could therefore not be linked together.

For this reason, an end-to-end view of the service delivery processes for customers was not possible.



The newly developed holistic view allows for supporting the fulfilment of customer request in an optimal way as the consistency of the closely interlinked processes was an important prerequisite for further developing the online services and the digitalization of the BA processes.

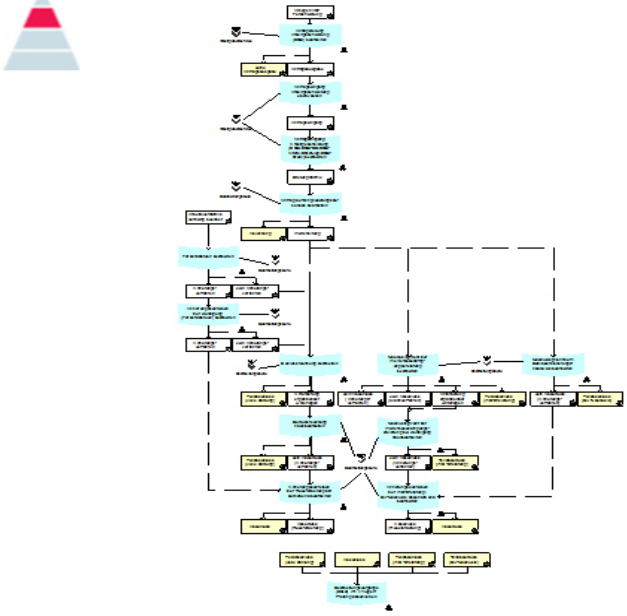
Another important change was the implementation of a clearly defined modelling level structure. Starting with the high-level process map, four modelling levels were established that where decomposed.



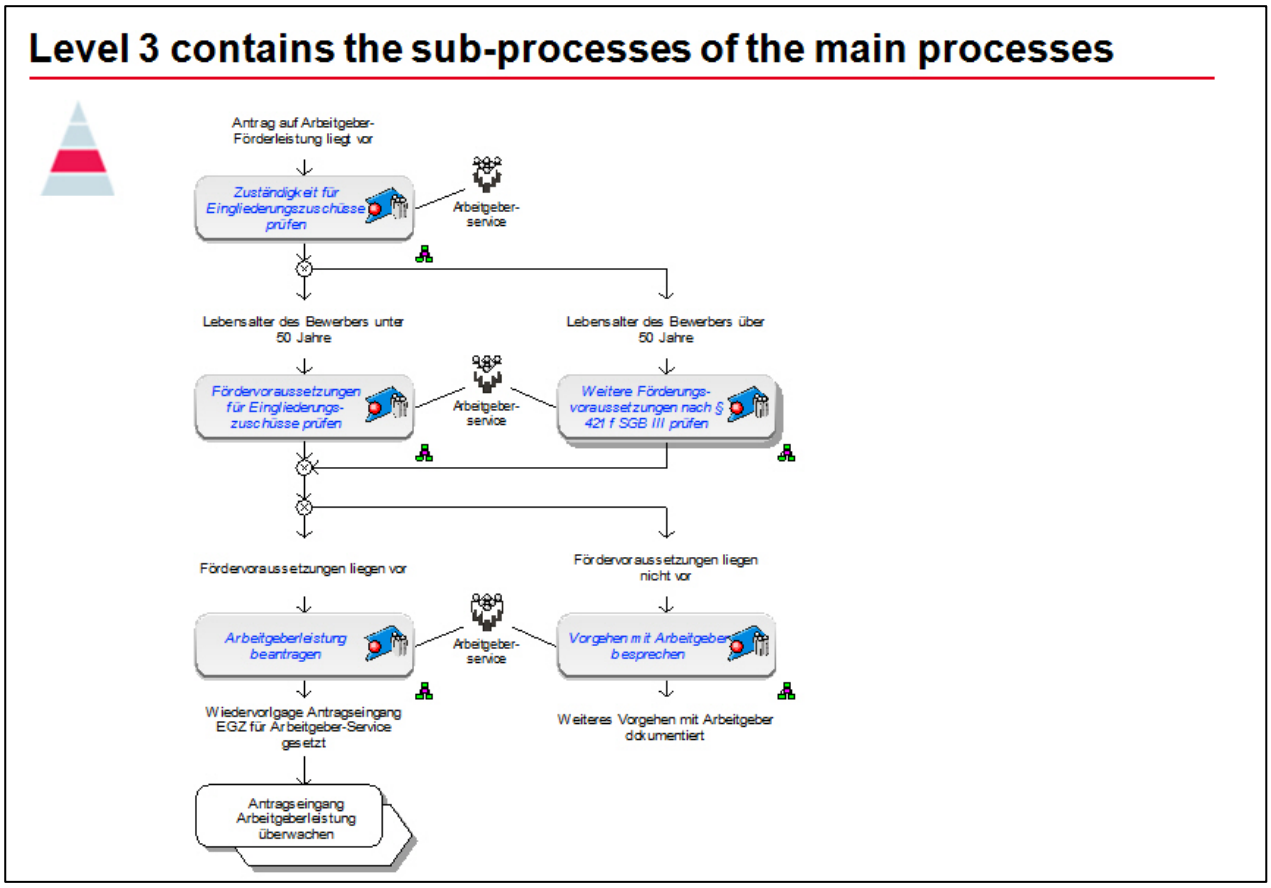
Similar to a geographical map, the process map of the BA incorporates elements which facilitate an intuitive comprehensibility and a clear arrangement of the process landscape of the BA and therefore ensure a greater degree of acceptability amongst the employees.

At the highest level (process map, level 1) the processes are divided into management, core/main and support processes.

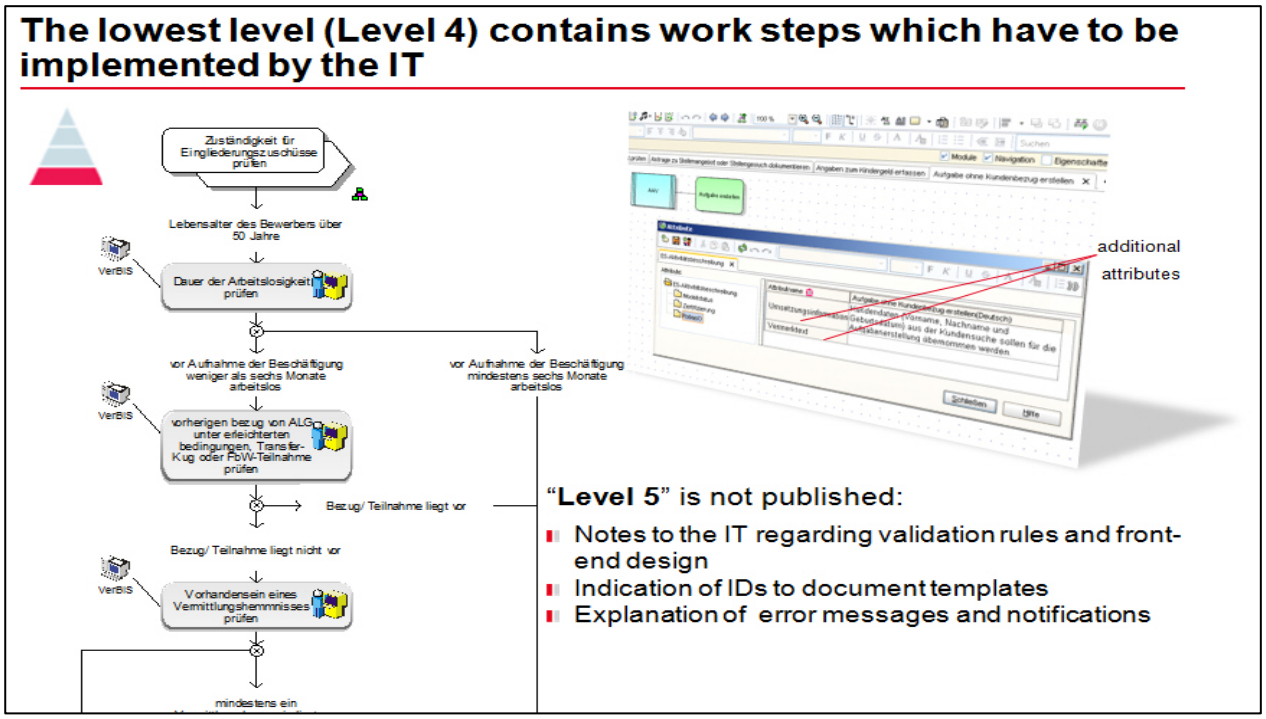
Level 2 contains the main processes of management, core and support processes



Level 2 of the service model depicts the processes in their entirety. An example for this would be the depiction of a process flow starting from the occurrence of a customer request to the final fulfilment of it. This level contains the main processes of the BA and displays the organizational units which carry them out.



Level 3 contains sub-processes which display the level 2 processes in more detail. On this level it becomes clear which positions within an organizational unit are responsible for carrying out the processes.



Level 4 represents the lowest business process modelling level and contains the process steps which can be supported or automated by IT systems to improve the services delivered.

While there is actually a level 5 modelling layer, this level is not published and solely serves to provide information to the IT department for the implementation of technical IT requirements.

For each modelling level the appropriate modelling elements were defined. By the composition of these objects, modelling objects which were already used in the initial modelling project were recycled in order to take advantage of the familiarity effect.

Bundesagentur für Arbeit — Modeling elements GPM 2.0

	ARIS symbol	Description	
Activities	Manuel activitiy	**Manual activities** are carried out without any IT system support.	E4-sub process
	IT supported activity	**IT supported activities** are at least partially carried out with the support of an IT system. The IT system used has to be modeled as a satellite object.	
	Automated activitiy	**Automated activities** display automated process steps.	
Important satellite objects	IT system	An **IT system** supports the execution of an IT supported activity. IT systems (e.g. VerBIS) are objects which can be connected with activities.	
	Document	**Documents** are records which are not produced by IT supported activities or auotmated ativities. A document can be an input and output of a manual activity. It can also be an input of an IT supported activity.	
	Template	**Templates** are documents which are produced by IT supported activities or auotmated ativities.	
Sub process	Sub process	**Sub processes** are activities which are detailed in the assigned process model (one modeling level below). They are meant for the clear display of very complex matters. The assigned detailed process is reached by clicking the assignment symbol ( ).	E3-main process
Final event	Final event	A final event corresponds to an event which ends with a sub process and which is not connected to another main process by means of a process interface. Once a final event is reached the execution of a main process is finished.	

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	ARIS symbol	Description	
Events	Event	An **event** describes the occurrence of a business management-relevant state that controls or influences the progression of one or more business processes. Events can: - be the basis for decision-making in terms of which process path has to be followed - trigger following actions - symbolize the endpoint of a process	E4-sub process E3-main process
Logical operators	⊗	**The logical operator *„XOR“*** *(either/or)* leads to an unambiguous decision: - any number of following process paths is possible - but only one of the following process paths can be passed through	
	⋁	**The logical operator *„OR“*** leads to at least one decision: - any number of following process paths is possible - all following process paths can be passed through, but at least one of these has to be passed through	
	⋀	**The logical operator *„AND“*** states that all following process paths have to be passed through	
Interface	Process interface	**Process interfaces** serve as a link to preceding and succeeding processes.	
	Process reference	**Process references** indicate that on leaves a main process. They reference to a model of a superordinate modeling level.	
Connections	——→	A connection serves to connect 2 objects - displays the process flow - signalises an input or output - signalises responsibilities	
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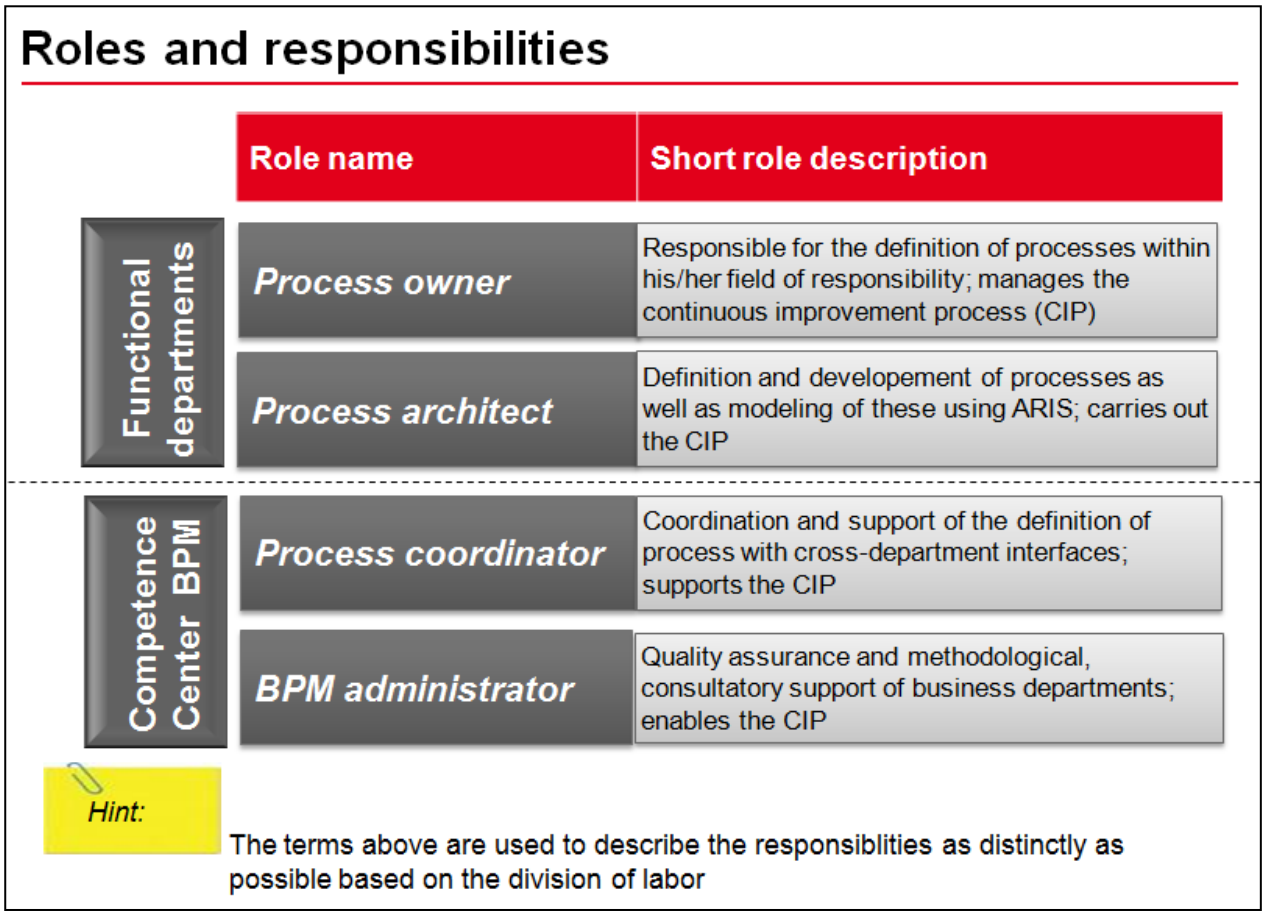
Governance of the business processes

Even in a modern service agency organizational structures can hinder the work with business processes. This circumstance poses a particular challenge for the implementation of a governance framework. Thus, an approach had to be chosen which would be able to reconcile the needed changes for implementing process governance with the existing organizational working structures of the BA without changing them fundamentally. The chosen governance approach had to take into account the organizational particularities of the BA while allowing a holistic end-to-end business process management approach to govern and control service delivery across departmental fields of responsibility.

For this reason, the BA defined four different business process management roles.



The processes owner roles and the process architect roles are carried out by the functional departments. The process owner is responsible for the sub-processes in his/her field of responsibility, respectively organizational area. The process owner usually assigns the responsibility for the detailed definition and the development of the processes to the process architect.

The competence center „business process management“ fulfils the process coordinator and BPM administrator roles. The process coordinators support the harmonization of processes with cross-department interfaces.

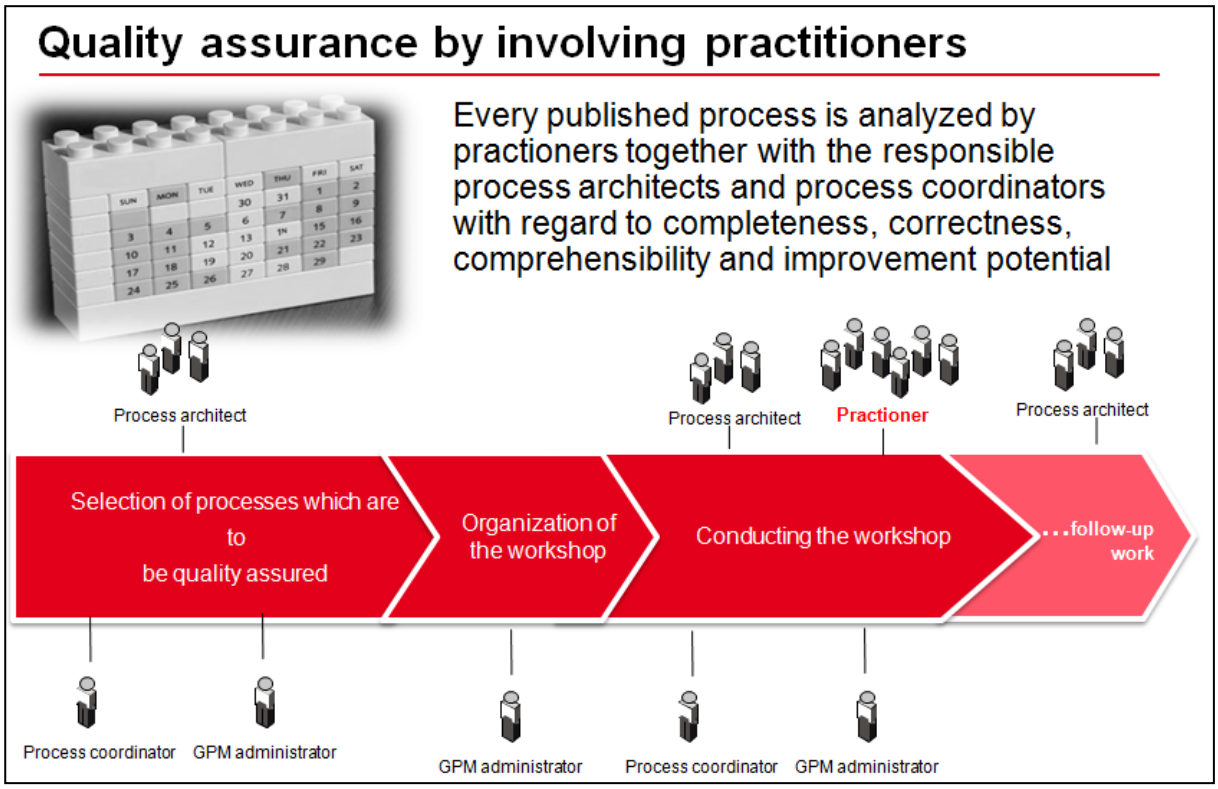
The business process management administrator provides methodological, consultatory support for the modelling business departments. Furthermore, this role supports the methodological quality assurance and is responsible for the administration of the service model. Additional responsibilities of this role include the regular updating of the service model publication as well as the strategic development of business process management and of the service model itself.

Regular quality assurance

As already mentioned earlier, the quality assurance of the business processes has already become a topic when the first business process modelling initiative started in 2005.

It is intended that every business process should at least be quality assured once in a year. In this context the process owner decides about the way in which the quality assurance of his/her process is undertaken.

Right after the first publication of the business process model, the first workshops, attended by employees from the respective business departments, the process owners and the competence center business process management, were conducted. The current quality assurance concept is not static but can be adjusted, if necessary, to changing conditions.



Changes to the business process model which do not require changes to the supporting IT systems are captured in the business process model subsequent to the quality assurance workshops. If the workshop outcome requires changes to the existing IT support or leads to new IT requirements, these requests are dealt with through the IT requirements process of the BA.

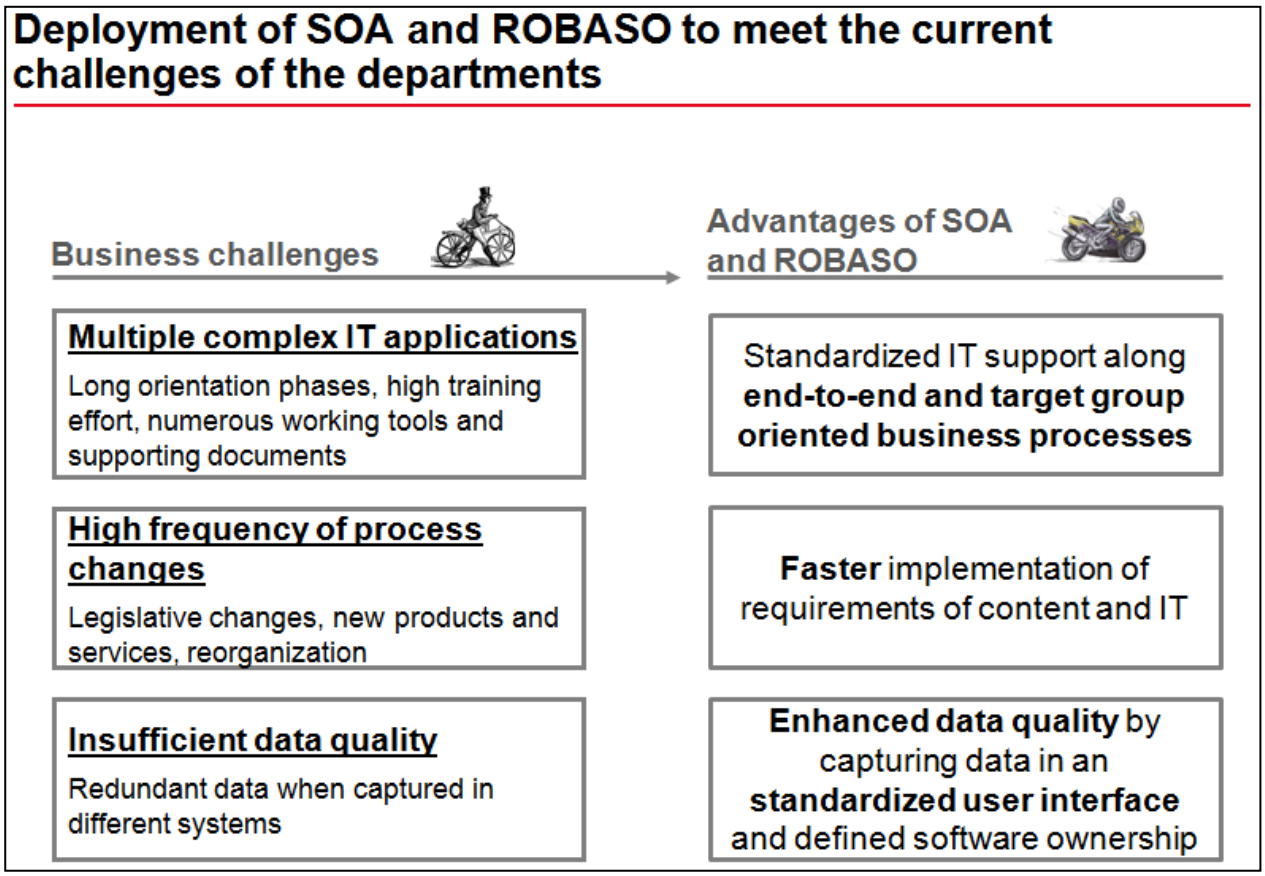
This well-tried business process quality assurance approach will be detailed and enhanced within the scope of the project OPOS.

Development of workflow management systems (project ROBASO)

Up to now an analysis of business processes in case of changes to the process-supporting IT systems was only conducted selectively. With the project ROBASO (role bases user interface), for the first time in the BA, a complete IT system will be developed in correspondence to the business processes.

The ROBASO system is developed to guide an employee during the task fulfilment through the complete process flow with the aid of a role based user interface. The project is piloted with the tasks delivered by the customer portal (entrance zones of the local employment agencies for handling personal customer requests and 52 call centers for telephone requests). This

piloting area was chosen as the existing telephone interview guidelines for call-center employees already defined in detail how the business process should be executed in a nationwide standardized way.



Especially in the customer portal area the staff fluctuation is quite high, which is currently causing high efforts for the training of employees and the development and maintaining of work instructions. In addition to this the employees in the customer portal area have to handle a lot of different IT systems. The ROBASO project tackles these deficiencies by supporting the easy fulfilment of tasks through the provision of a consistent and intuitive role based user interface. As a consequence, the time needed for the onboarding and training of employees can be reduced dramatically.

Legislative adjustments and changes, which often lead to changes in the product and service portfolio of the BA, require the BA to ensure short response times concerning the therefore needed adjustment of the affected business processes and the respective IT system support. In the past, due to the lack of flexibility, the changed business processes could not always be immediately supported by appropriate IT systems. Thus, expensive and complex work-around solutions had to be developed. The thereby increased complexity of the BA IT landscape and the fact that for executing one process an employee had to use a multitude of IT system, led to error-prone processes, especially concerning the collection and processing of data.

With the ROBASO project the architectural principle of service oriented architecture (SOA) is introduced into the IT landscape of the BA. The SOA services provide the employees with the required data from the IT systems and also transfer the data back to the relevant back-end systems. This approach guarantees a high and consistent data quality, without the need of storing any data in the ROBASO system.

The vision of ROBASO is:

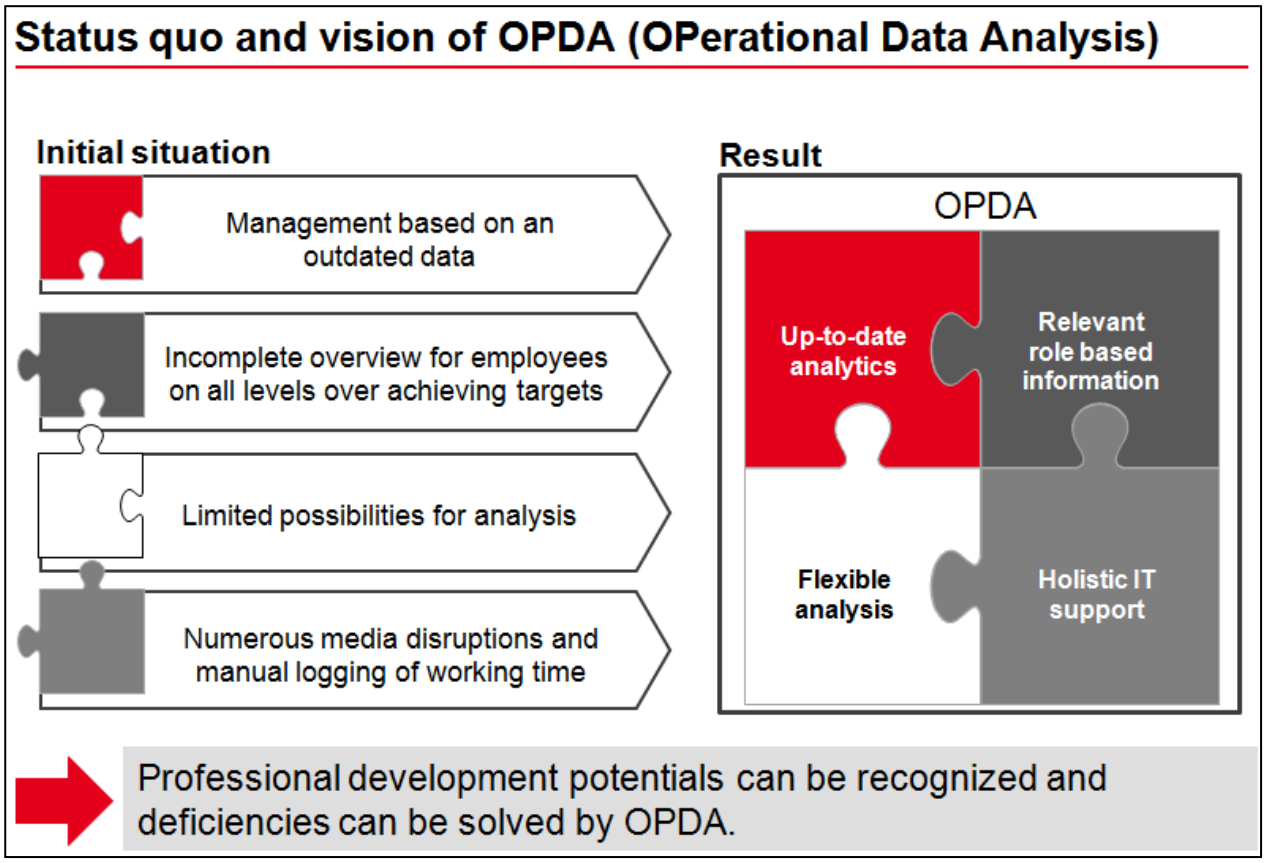
Process-orientation: The processes do not follow any longer the requirements of IT systems, but the IT systems follow the requirements of the business processes. Processes can be executed by using one consistent user interface.

Employee-orientation: Every function or data needed for a process execution will be automatically provided through the system.

The need for manually gathering static data for management and controlling purposes is no longer given as the relevant data will be generated and recorded automatically during the process execution.

Operational data analysis supplies process key performance indicators (project OPDA)

The basic idea of this project is that the process documentation can be used as source for subsequent data analysis. Processes display the process steps which are prescribed as a nationwide standard in order to be able to carry out tasks in an optimal way. For data analysis purposes, measuring points have to be set alongside these processes, so that the needed process key performance indicators can be extracted without manual effort.



A major goal of this project is that every employee is provided on a daily basis with transparent and daily updated information about his/her contribution (or the contribution of his/her team) to the achievement of objectives.

Up to now the operational management was only possible on the basis of retrospective data stemming from the data warehouse system of the BA. This data is only updated once in a month. Furthermore, it often took several weeks until the figures had been prepared and made available for the management teams. For an operational management to be effective it is required however that the necessary data is provided on a weekly or even daily basis.

Processes can be used to draw conclusions about the working style of an employee. The more efficient a process is defined, the more efficient an employee will be able to carry out his tasks and the easier it will be for the employee to reach the goals set for him/her.

An example therefore would be the productivity of the processing of applications. In this scenario the required (human) resources are brought into relation with the applications to be processed and the average processing time of an application is determined. The automated recording of the start and end time (from the receipt of an application to its fulfilment) of the process allows for an exact determination of the processing time of an end-to-end process.

The Operational data analysis (OPDA) is primarily rendered possible through the project ROBASO (role based user interface). The modelled processes, particularly those supported by IT systems, are assigned to ROBASO system. The respective employee, who executes a process, starts the process through the ROBASO system and will be subsequently guided through every process step by the system. At those points, where a user entry is required, the entered data will be transferred to the respective back-end systems by means of web service call. Since the whole process flow is covered by the ROBASO system, measuring points can be set up at every crucial stage of a process.

Besides the technical challenges of the project the definition of which data should be extracted and who should be allowed to view the data poses another challenge, since one major requirement to the project is that at no point it should be possible to use the extracted data for a behaviour check or a performance assessment of an individual employee.

Optimization of processes (project OPOS)

The consolidation of back office functions for the fulfilment of benefit payments into 40 decentralized departments was carried out. For this reason, the processes conducted in these departments were chosen for the first major business process optimization project, called OPOS (optimization of operational processes).

The goal of this project is to reveal the efficiency potential of the operational processes as well as to identify enhancements for customers, employees as well as for the BA itself as an organization.

The project is carried out by employees of the BA in cooperation with external consultants.

The project consists of four phases.

„Optimization of Operational Service“ follows four fundamental phases

Phases	Preliminary stage / preparation	Diagnosis and design	Agree-ment	Piloting
key results / end products	Hypotheses for process improvement proposals	Complemented, reviewed and detailed improvement proposals Designed to-be processes[1]	Concerted approach for the testing of the to-be processes	Tried and tested, if necessary adjusted to-be processes

1 taking account of process improvement proposals

Phase 1: During the preliminary stage hypotheses for process improvement proposals are developed for the area in scope. In this context the already modelled business processes for this area are taken into. The hypotheses development is supported by the employees of the respective business departments.

Phase 2: The developed hypotheses are complemented, reviewed and detailed in workshops with the local employees, again taking into account the existing process documentation. Drafts for to-be processes are then created by the project on the basis of the workshop results.

Phase 3: Subsequently the process drafts are brought into agreement with the functional departments of the BA administrative headquarters in order to define a concerted approach for the testing of the to-be processes.

Phase 4: During the piloting phase the to-be processes of the operational services are tried and tested. The piloting phase within the operational service departments is overseen and validated by the project.

Based on the results of the piloting phase the following options can be chosen for each process area:

- Based on the results of the piloting phase, the responsible team of the administrative headquarters of the BA decides for a nationwide implementation.
- The piloting is extended to further departments (with adjustments to the process drafts if necessary).
- It was concluded that the piloting did not lead to any process improvements and hence the to-be-processes are discarded.

Lessons learned

Creating a holistic view on the process landscape of the BA by providing a high-level process map was the key step in establishing service management within the BA. Only with this level of abstraction in the display of processes, a basis for discussions about business process management on management level could be created.

Before switching to a new business process modelling tool, a detailed requirements analysis and an intensive market observation was undertaken. The now used modelling tool meets all requirement criteria such as a high level of usability as well as the possibility to publish up-to-date processes without the support of external consultants at very short intervals. Advanced features such as the creation of versioned models, which allows tracing the changes to models over the course of time, and the automatic model comparison function, which is especially useful for identifying differences between various process variants, have already become indispensable. Further features such as the simulation and measuring of process flows or the ability to automatically transform functional process models into technical BPMN models are not in use yet but are planned to be used in the future.

The core/main processes of the BA, which serve to fulfil customer requests, often run across several functional departments. The consistent modelling conventions ensure an end-to-end process view for the employees by depicting the complete flow of a process even if it is spanning over a multitude of organizational areas. In addition to this, the new modelling conventions also allow for an easier deduction and analysis of process improvement potentials.

The level of acceptance of the business process model amongst the employees was significantly increased by the introduction of a clear structuring of the process model in terms of a descending sequence of modelling levels each displaying a different level of detail. An indication for this increased acceptance is the steady rise in feedback which is received for the process model.

The implementation of clear roles and responsibilities for business process control and therefore the service delivery management and as a consequence the assumption of responsibility for modelling their own processes by the business departments has led to a tremendous increase in the use of the business process model. By now the “thinking in processes and the resulting services” has become firmly anchored in the mindset of the BA employees.

In those business departments where business process modelling is also used in the context of developing new service products, a higher level of maturity for the developing processes could be achieved.

The strong involvement of the business departments during the migration of processes into a central modelling database and into a holistic process map for the BA was essential for creating the understanding for the need to document end-to-end processes from the customer's point of view.

The following quote from an employee is an example for the feedback we received:

"The new structure of the business process model finally allows me to see my process in its entirety. For the first time I also have an overview of the interrelations between the processes relevant for my day-to-day business."

Various organizational units of the BA have planned to implement a quality management system according to the ISO 9001 standard over the next couple of years. The therefore required process documentation is either already available as part of the business process model or can be created with much less effort based on the consistent modelling conventions.

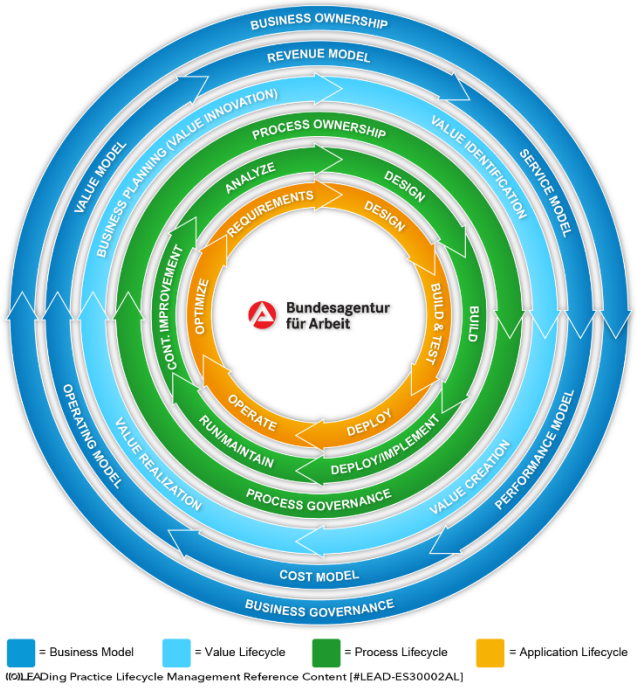
The following quote from a department manager underlines this benefit:

"We are glad that you have taken the trouble of laying the proper groundwork for us. The business process model is the ideal tool for supporting our plans."

Experience has shown that the implementation of training and qualification measures plays an essential part in increasing the understanding of and the acceptance for business process management. As a positive side effect, the constant training of employees also leads to a decreased effort for the consulting support that needs to be given by the BPM competence center and the BPM administrators in the long run.

Business process management has by now become an important pillar of the organization.

Summary of Bundesagentur für Arbeit's Modelling Principles:



BUSINESS MODEL
Business Ownership
- Business Requirements

Business Governance
- Value Map
- Value Control
- Value Rules
- Critical Success Factors

Revenue Model
Service Model
- Service Construct & Design
- Service Delivery
- Service Owner
- Service Roles
- Service Flow
- Service Rules
- Service Level Approach
- Service Measurement
- Service Channel
- Service Architecture

Performance Model
- Business Performance Indicators
- Key Performance Indicators

Cost Model
- Cost Map
- Cost Control
- Cost Flow
- Cost Cutting Optimization

Operating Model
- Organizational Construct
- Organizational Capabilities/Competencies
- Operational Weakness Clusters
- Operational Standardization

Value Model
- Value Construct & Design
- Strategy Map
- Value Drivers
- Value Proposition
- Value Architecture

VALUE LIFECYCLE
Business Planning (including Value Innovation)
- Strategic Business Objectives

Value Identification
Value Creation
Value Realization

PROCESS LIFECYCLE
Process Ownership
- Process Owner
- Process Roles
- Process Rules

Process Governance
- Process Compliance
- Process Modelling
- Processes

Analyze (including New Processes)
- Process Identification
- Process Gathering
- Process Mapping
- New Rules
- New Products
- New Services

Design
- Process Map
- Process Modelling
- Process Simulation
- Performance Drivers
- Business Performance Indicators

Build
Deploy/Implement
- SOA Service Design
- BPM Collaboration Platform
- Process Publishing
- Process Implementation
- Business Process eXperts
- Business Process Architects
- ESR Soa Service Setup

Run/Maintain
Continuous Improvement

APPLICATION LIFECYCLE
Requirements
- Business Functions
- Business Services
- Business Measurement
- Business Reports
- Application Goals
- Application Modules
- Application Functions/Tasks
- Application Services

Design
- Process Map
- Process Modelling
- Process Simulation

Build & Test
- Application Architecture

Deploy
- Business Process eXperts
- Business Process Architects
- ESR Soa Service Setup
- Data Architecture
- Technology Architecture

Operate
- System Measurement

Optimize

Figure: Bundesagentur für Arbeit's Application, Process and Value Lifecycle including the 6 Digtal Innovation & Transformation domains. See table 1 for a list of the Innovation & Transformation modelling principles associated with this Lifecycle Model.

BUSINESS MODEL Digital Innovation & Transformation		
Business Ownership • Business Requirements		
Value Model • Value Construct & Design	**Revenue Model** While such a government agency doesn't really have a revenue model. Some	**Service Model** • Service Construct & Design

<table>
<tr>
<td>

- Strategy Map
- Value Drivers
- Value Proposition
- Value Architecture

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principles still apply, like to identify:

- Value Proposition
- Core Competencies
- Non-Core competencies
- Financial flow

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- Service Delivery
- Service Owner
- Service Roles
- Service Flow
- Service Rules
- Service Level Approach
- Service Measurement
- Service Channel
- Service Architecture

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Business Governance

- Value Map
- Business Ownership
- Critical Success Factors
- Value Rules

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Performance Model

- Business Performance Indicators
- Key Performance Indicators
- Service Performance Indicators
- Evaluation & Audit

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Cost Model

- Cost Map
- Cost Control
- Cost Flow
- Cost Cutting
- Optimization

</td>
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Operating Model

- Organizational Construct
- Organizational Capabilities/Competencies
- Operational Weakness Clusters
- Operational Standardization

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<tr><td colspan="2">Business Planning (including Value Innovation)
Strategic Business Objectives
Business Plan</td><td>Value Identification
Strategy Map
Value-Service matrix</td></tr>
<tr><td colspan="2">Value Creation
Service reusability</td><td>Value Realization
Business Transformation</td></tr>
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Process Owner
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Process Identification
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Process Mapping
New Processes
New Rules</td><td>Design
Process Map
Process Modelling
Process Simulation
Indicators</td><td>Build</td></tr>
</table>

• New Products • New Services		
Process Governance • Process Compliance • Process Modelling • Processes		
Deploy/Implement • SOA Service Design • BPM Collaboration Platform • Process Publishing • Process Implementation • Business Process Architects • Business Process Experts • SOA Service Setup	**Run/Maintain** • Performance Drivers • Business Performance • Monitoring • Evaluation & Audit • Reporting	**Continuous Improvement** • Feedback loop • Optimization • Improvement • Effectiveness • Efficiency

Table 1: A list of the Innovation & Transformation modelling principles associated with this Lifecycle Model.

APPLICATION LIFECYCLE		
Requirements • Business Functions • Business Services • Business Measurement • Application Modules • Application Tasks • Application Services	**Design** • Process Map • Process Modelling • Process Simulation • Link between process flow and service flow	**Build & Test** • Application Architecture • Service Oriented Architecture • Service testing
Deploy • Business Process Architects • Business Process eXperts • SOA Service Setup • Data Architecture • Technology Architecture	**Operate** • System Measurements • Business Reports	**Optimize** • System consolidation • System Harmonization • System flow optimization • System standardization

Table 2: The modelling principles associated with the Bundesagentur für Arbeit's Lifecycle Model.

Conclusion

This case is unique in many ways and the case was chosen for many reasons, for the most it describes well the advantages of digital innovation and transformation in the public sector. How it involves rethinking the service model, while also standardizing and integrating business processes. Some of the unique aspects of this case are among others:

Strategic perspective:

- This case illustrates how to use BPM, Service Model renewal in the context of digital innovation and transformation to react quickly to new challenges and to seize the respective opportunities.
- Enable the service model of the organization.
- Support of establishing quality management systems (ISO 9001 certification).
- Establish standards.

Organizational perspective:

- Support of the coordination between departments.
- Improvement of employee information.
- Support of communication within the organization, especially across business departments.

Process-related aspects:

- Process transparency.
- Improvement of process quality.
- Optimization of business processes.
- Reduction of process steps.
- Ability to reuse processes.
- Support of continuous process improvements.

- Minimization of errors.
- Identification of activities that do not add value

It is a case that clearly enables advanced business, process, service and IT modelling techniques, creating a new way of thinking and working.

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