

The BRMP® Guide to the BRM Body of Knowledge

Certification Series



The BRMP® Guide to the BRM Body of Knowledge

Other publications by Van Haren Publishing

Van Haren Publishing (VHP) specializes in titles on Best Practices, methods and standards within four domains:

- IT and IT Management
- Architecture (Enterprise and IT)
- Business Management and
- Project Management

Van Haren Publishing offers a wide collection of whitepapers, templates, free e-books, trainer materials etc. in the **Van Haren Publishing Knowledge Base**: www.vanharen.net for more details.

Van Haren Publishing is also publishing on behalf of leading organizations and companies: ASLBiSL Foundation, CA, Centre Henri Tudor, Gaming Works, IACCM, IAOP, IPMA-NL, ITSqc, NAF, Ngi, PMI-NL, PON, The Open Group, The SOX Institute.

Topics are (per domain):

IT and IT Management

ABC of ICT
ASL®
CATS CM®
CMMI®
COBIT®
e-CF
ISO 20000
ISO 27001/27002
ISPL
IT Service CMM
ITIL®
MOF
MSF
SABSA

Architecture (Enterprise and IT)

ArchiMate®
GEA®
Novius Architectuur Methode
TOGAF®

Business Management

BABOK® Guide
BiSL®
EFQM
eSCM
IACCM
ISA-95
ISO 9000/9001
Novius B&IP
OPBOK
SAP
SixSigma
SOX
SqEME®

Project, Program and Risk Management

A4-Projectmanagement
DSDM/Atern
ICB / NCB
ISO 21500
MINCE®
M_o_R®
MSP™
P3O®
PMBOK® Guide
PRINCE2®

For the latest information on VHP publications, visit our website: www.vanharen.net.

The BRMP® Guide to the BRM Body of Knowledge

Business Relationship Management Institute (BRMI)



Colophon

Title: The BRMP® Guide to the BRM Body of Knowledge

Author: Business Relationship Management Institute (BRMI)

Publisher: Van Haren Publishing, Zaltbommel, www.vanharen.net

ISBN Hard copy: 978 94 018 0022 8

ISBN eBook: 978 94 018 0532 2

ISBN ePub: 978 94 018 0533 9

Print: First edition, first impression, February 2015

The information contained in this material is subject to change without notice.

Copyright © 2014 by Business Relationship Management Institute, Inc. All rights reserved. Except as permitted under the United States Copyright Act of 1976, no part of this publication may be reproduced or distributed in any form or by any means, or stored in a database or retrieval system, without the prior written permission of the publisher.

All trademarks are trademarks of their respective owners. Rather than put a trademark symbol after every occurrence of a trademarked name, we use names in an editorial fashion only, and to the benefit of the trademark owner, with no intention of infringement of the trademark.

Details of the range of materials published under the BRMI Banner can be found at: www.brminstitute.org

If you would like to inform us of any changes that may be required to this publication, please email them to info@brminstitute.org.

For further information on the Business Relationship Management Professional (BRMP®) professional development and certification program, please visit:
<http://brminstitute.org/professional-development/businessrelationship-management-professional-brmp/>

For further information on the BRMP® training accreditation, please visit: <http://brminstitute.org/accredited-brmitrainers-and-training-organizations/>

Alternatively, please contact BRMI at:

Business Relationship Management Institute, Inc.
747 Third Avenue, 2nd Floor, New York, NY 10017
Phone: +1.888.848.3012
Email: info@brm.institute
Online: www.brm.institute

For any further inquiries about Van Haren Publishing, please send an email to:
info@vanharen.net

Although this publication has been composed with most care, neither Author nor Editor nor Publisher can accept any liability for damage caused by possible errors and/or incompleteness in this publication.

No part of this publication may be reproduced in any form by print, photo print, microfilm or any other means without written permission by the Publisher.

Foreword

Allow me to start by congratulating you on picking up a copy of this book. You made a great choice!

I have two reasons for this...

Reason one: It's now commonly understood that properly educated and prepared BRM professionals can provide extraordinary benefit to organizations that employ them to more effectively use shared service assets and to target those assets more directly to improve business and strategic performance. This book will provide you the information and assist in learning the use of new terms, tools, and techniques that you'll need to accomplish this.

Reason two: As you explore, study, and apply the insights presented on the following pages, you will also improve your business value and your career prospects. In reviewing the 70 topics to be covered in this book and the corresponding Business Relationship Management Professional course, you'll find that while they do address their BRMP purpose, as their primary goal, they will also help you acquire the softer and ever more important skills needed to:

- Communicate in business terms
- Be a better leader in the enterprise
- Negotiate your client ecosystem more effectively
- Introduce beneficial change
- Inspire your team
- Become invaluable to the success of your business partners and the service providers you represent

Both of these expected outcomes, by the way, are no accident.

By way of brief background, I know something about BRM business value as I've implemented BRM programs four times as a corporate IT executive and I know that the expertise of the BRMI founders and leadership team as BRM thought leaders, practitioners, authors and teachers was built over two decades.

BRMI didn't stop there, though.

When it's decided that something can be improved using a better involvement process (such as BRM), not much thought usually goes into making the transition something that goes beyond moving from a yesterday to a today perspective.

BRMI's BRMP course and the book you are now holding in your hands, however, set forth the framework on how we can introduce ever more beneficial change to realize tomorrows we all want to see.

So, please prepare to enjoy the BRMI learning experience before you and know that it has been carefully arranged to help you advance in your career, make it last, and make it count.

Al Kuebler

Al Kuebler was senior vice president and chief information officer (CIO) for the McGraw-Hill Companies, Alcatel-Lucent, AT&T Universal Card Services and Los Angeles County. He's also authored 46 articles for CIO magazine, Computerworld, Forbes, Reuters and other IT management publications and the Amazon bestselling book: "Technical Impact: Making your Information Technology Effective, and Keeping It That Way."

Al is a pioneer in implementing BRM programs for joint business-IT collaboration to improve business and strategic performance through more effective use of the strategic engine of the enterprise, the IT function, as the truly powerful and exciting resource it is.

Al has received eleven industry awards for IT innovation in customer service and, as a member of the executive team at AT&T, he received the Malcolm Baldrige National Quality Award presented by the US Department of Commerce, National Institute of Standards and Technology (NIST) and the president of the United States.

Al is also the founder and principal of Technical Impact.

Acknowledgements

Writing a book of knowledge in any discipline is an audacious task requiring enormous commitment and dedication from subject matter experts, content reviewers, editors, and other contributors. This edition of Business Relationship Management Professional Body of Knowledge is no different—it is made possible by collaborative hard work of many dedicated individuals. Our principal authors contributed countless hours of work to generously share their professional knowledge shaping and polishing every section and every diagram to make them as clear and accessible as possible.

Business Relationship Management Institute is forever grateful to Vaughan Merlyn, this edition's chief contributor, chief editor, BRMI co-founder and Chief Knowledge Officer, without whose indistinguishable enthusiasm, dedication, and incredible expertise this book and the BRM Interactive Body of Knowledge (BRMiBOK), one-of-a-kind interactive repository of BRM wisdom on which this volume is based, would not exist. We thank Sheila Smith, an expert on Transition Management and BRM, who contributed numerous articles in both areas. We hope that, as you read this book, you will benefit from Sheila's ability to clarify complex concepts and present them in an easy-to-grasp way as much as we did, while we collaborated with her on this project. We thank Stephen Plante, who generously contributed the golden nuggets of his professional insights to sections on business-provider relationship management and improvement and business value optimization. In addition to contributing content to a wide range of topics, Roy Youngman, provided architectural expertise, leadership and technical oversight of data governance and content development logistics making it possible for this volume to be born and evolve as a stabilized and carefully scrutinized subset of the more dynamic larger BRMiBOK.

This book would not be possible without Aaron Barnes, a seasoned BRM practitioner, co-founder and CEO of the Institute who, together with Dr. Aleksandr Zhuk, the Institute's co-founder and President, kept the Institute running assisting the editorial and contents development teams in every way possible and contributing bits of valuable insight along the way. We thank Glenn Remoreras, an expert BRM practitioner, passionate BRMI volunteer and leader, established blogger, and frequently published BRM role evangelist, for his suggestions, insight, and inexhaustible enthusiasm! We thank members of BRMI Leadership Team including Aaron Barnes, Mark Edmead, Peter Lijnse, Vaughan Merlyn, Steve Plante, Alex Skinner, Sheila Smith, Glenn Remoreras, Ivy Remoreras, and Dr. Aleksandr Zhuk, who spent considerable time and energy reviewing all the comments submitted through the BRMiBOK. We would like to recognize the leadership and expertise Peter Lijnse provided guiding our course structure and publication.

Our special thanks to Meriah Barnes for reviewing and editing the contents. We thank Wanda Washington of Wanda Washington, P.C. (w@wwatlaw.com, www.wwatlaw.com) for her expert help in all legal matters. We are grateful to Anna Zhuk for designing the cover page of this volume. We also thank all our members and subscribers whose numerous comments and generously shared insights helped to inform our thinking and improve our understanding of the concepts presented herein. Any shortcomings and omissions you might find are solely our responsibility.

Sincerely,
BRMI Team

Preface

One of the most intransigent and perennial challenges an enterprise faces is the alignment between their service providers and the business they serve. The so-called ‘alignment challenge’ is especially visible when the provider is an internal Information Technology (IT) organization. In these cases, the IT budget often represents somewhere between 4% and 20% of revenues—a significant business cost. But IT providers are not the only ones that suffer the ‘alignment’ challenge. Human Resources, Facilities, Finance, and other shared services providers struggle to demonstrate their value and relevance to the businesses they serve. And with alternate sourcing arrangements becoming an increasingly important aspect of business operations, the ‘alignment challenge’ is as real for external providers as it is for internal shared services.

The role, job and organizational capability of Business Relationship Management (BRM) has emerged as a powerful means to address the alignment challenge. BRM first surfaced in 1990’s, with little fanfare, as progressive IT organizations established the role to strengthen their business relationships, and to drive value realization from IT assets and investments. It gained legitimacy in 2005 with ISO/IEC 20000 service management standard, and was reinforced with the release of ITIL v3 in 2007.

In spite of this formal recognition, the BRM role is difficult to establish and sustain. On the one hand, it must represent and satisfy demanding business partners, who always want more while often not really knowing what they want or how to justify that demand. It must also satisfy the needs of the provider organization, and the complexities and constraints under which they operate. BRM is a connector—forging productive connections between provider resources and their business partners. It is also an orchestrator between the provider organization and its business partners—orchestrating key roles, resources and capabilities to help stimulate, surface, shape and harvest business value. Finally, BRM is a navigator—guiding provider business stakeholders along the best path to realized business value.

But establishing credibility, building trust, clarifying shared goals and closing the alignment gap demands a rare set of competencies, strong relationship skills, and an ability to thrive in highly ambiguous and even turbulent environments. The effective BRM is equally at home with their business partners and with their provider stakeholders—equally comfortable with the language and context of the business and the provider domain. They have at their fingertips models, frameworks and techniques to clarify strategy, stimulate innovation, prioritize investments, marshal appropriate resources and help ensure that business transitions deliver the full value that was expected from them. They have superb communication skills, able to “read between the lines,” to hear the unspoken and to influence and persuade without having direct authority.

Business Relationship Management Professional® (BRMP®) training and certification program is designed to equip those interested in Business Relationship Management with the foundation knowledge they need to be successful.

This document is intended to support your BRMP® training experience and help you prepare for the BRMP® certification exam. Everything you need to know to pass the exam is within these pages. The passion to learn and grow, and the courage to be a great Business Relationship Manager must be within your own heart. But we hope that what you learn through this training will inspire your passion and strengthen your courage.

Vaughan Merlyn

Chief Knowledge Officer

Business Relationship Management Institute

Table of Contents

- 1. Introduction to the BRM Role9**
 - 1.1. Terminology9
 - 1.2. BRM as a Role, a Discipline and an Organizational Capability.9
 - 1.3. BRM Metaphors10
 - 1.4. BRM-Related Standards12
- 2. Organizational Capability13**
 - 2.1. Definition of Business Relationship Management.13
 - 2.2. Capability Model13
 - 2.3. BRM Core Disciplines17
 - 2.4. House of BRM19
 - 2.5. Operating Model20
 - 2.6. BRM and the Service Provider23
 - 2.7. Business-Provider Maturity Model23
 - 2.8. Business Relationship Maturity Model28
 - 2.9. Business-Provider Alignment30
 - 2.10. Business Partner’s Decision Cycle32
- 3. Organizing BRM.35**
 - 3.1. Typical BRM Activities Across the Provider Capability Model35
 - 3.2. Strategic versus Tactical BRM36
 - 3.3. Common BRM Reporting and Organization Structures37
 - 3.4. Demand Shaping38
 - 3.5. The BRM Role in Practice.40
- 4. Service Provisioning.45**
 - 4.1. Business-IT Governance45
 - 4.2. Key Business-IT Governance Domains46
 - 4.3. Business-IT Governance Illustration47
 - 4.4. Service Management48
 - 4.5. Portfolio Management52
 - 4.6. Portfolios, Programs and Projects.53
 - 4.7. Portfolio Classification56
 - 4.8. Weill/Broadbent Classification Scheme56

4.9. The Boston Square	57
4.10. Portfolio Balancing	59
5. Techniques	63
5.1. Business Capability Roadmapping	63
5.2. Linking Business Drivers with Technology	67
5.3. Value Management	69
5.4. The Value Management Process	70
5.5. Business Value Leakage	74
5.6. Business Outcomes	76
5.7. Customer Value Hierarchy	80
5.8. Diagnosing Relationship Quality	83
5.9. Relationship Value Mapping technique.	86
5.10. Strategic Relationship Management	87
5.11. Repairing Broken Business Partner Relationships	92
5.12. Building the Relationship Strategy on a Page	93
5.13. Building a Relationship Improvement Plan	98
6. Competencies	101
6.1. Business Transition Management.	101
6.2. Myths and the realities of Business Transition Management (BTM).	102
6.3. Business Transition Management Capability Model	104
6.4. The Art of Body Language	111
6.5. The Art of Emotional Intelligence	112
6.6. The Art of Listening	113
6.7. The Art of Rhetoric and Persuasion	115
6.8. Influencing and Persuading	116
6.9. Expressing a Unique Value Proposition	120
7. List of Figures	123
8. Glossary of Terms	125

Page Intentionally Left Blank

1. Introduction to the BRM Role

This book provides an Introduction to the Business Relationship Management (BRM) role, discipline and organizational capability.

The concept of Business Relationship Management Business (BRM) is related to and employs the techniques and disciplines of Customer Relationship Management (CRM). However, while CRM most often refers to a company's external customers, the BRM typically deals with a company's internal customers or an internal Provider's products and/or services.

While BRM has its roots in CRM, it has come to mean different things to different people—often depending upon the specific industry context. For example, in banking and finance, the Business Relationship Manager manages and maintains current business relationships and seeks new accounts. Banking BRMs are typically responsible for a portfolio of small to mid-sized businesses. In other industries, the label *BRM* has come to be an euphemism for *account executive* or even *salesperson*.

The most consistent (though limiting!) definition comes from the world of Service Management, and, in particular, IT Service Management. Frameworks such as the IT Infrastructure Library (ITIL) and standards such as ISO/IEC 20000 call out the Business Relationship Management role as it pertains to service management.

1.1. Terminology

Throughout the BRMiBOK we use the following terminology:

- We refer to the role as Business Relationship Manager (BRM). In practice, the titles used by BRMs vary considerably (e.g. Business Partner, IT Partner, Account Manager, Business Unit Manager, Business Integration Manager).
- We refer to the BRMs business customer/client as Business Partner. Again, the terms used to refer to the Business Partner vary in practice (e.g. Customer, Client, Consumer).
- We refer to the Supply Organization as Provider. The Provider is most often an Information Technology organization, but increasingly BRM roles are being established for Human Resource, Finance, Training, Facilities and other enterprise functions.

1.2. BRM as a Role, a Discipline and an Organizational Capability

Business Relationship Management embodies a set of competencies (knowledge, skills, and behaviors) that foster a productive, value-producing relationship between a Provider organization and their Business Partners. These competencies can be leveraged through organizational roles (for example, in an IT Provider, the CIO typically has a role of BRM for the enterprise), a discipline (for example, all Business Partner-facing Provider roles should be skilled in Business Relationship Management), and an organizational capability (for example, a Provider organization should be effective in shaping and channeling demand to the highest value opportunities).

1.3. BRM Metaphors

The metaphors for Business Relationship Management (*Connector*, *Orchestrator*, and *Navigator*) can be helpful ways to think about and describe the BRM role, discipline, and organizational capability.

Metaphors can be a helpful way of describing a concept. We use three metaphors to describe the BRM role, discipline, and organizational capability.

1.3.1. BRM as a Connector

The BRM acts as a *connector* between the Provider organization and its Business Partners—forging productive connections between Provider resources and the Business Partner, and among Business Partners. There are three primary aspects to the BRMs role as a connector:

1. Facilitate productive connections and mobilize projects and programs.
2. Stimulate, surface, and shape business demand for the Business Partner while increasing the *savvyness* within the Business Partner regarding the Provider's services and products.
3. Influence the Provider to ensure appropriate supply of services and products, both in terms of quality and capacity.

1.3.2. BRM as an Orchestrator

The BRM also acts as an *orchestrator* between the Provider organization and its Business Partners—orchestrating key roles, resources, and capabilities to help stimulate, surface, shape, and harvest business value. There are three primary aspects to the BRMs role as an orchestrator:

1. Orchestrate capabilities to drive value from Provider services.
2. Coordinate and aggregate business demand for the Business Partner.
3. Orchestrate key Provider roles on behalf of the Business Partner (e.g. Enterprise Architecture, Subject Matter Experts, Project Managers, and Program Managers.)

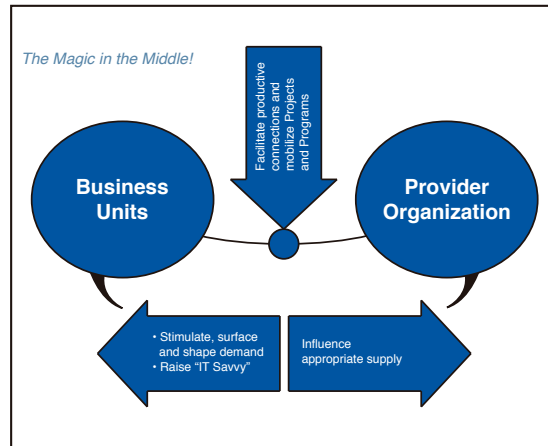


Figure 1 - The BRM as a Connector

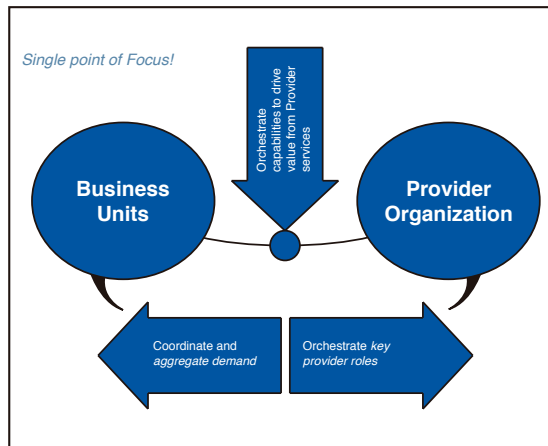


Figure 2 - The BRM as an Orchestrator

1.3.3. BRM as a Navigator

The BRM also acts as a *navigator* between the Provider organization and its Business Partners—navigating both the Business Partner and the Provider along a path to realized business value. There are three primary aspects to the BRMs role as a navigator:

1. Facilitate convergence between Provider and Business Partners. Convergence breaks down walls and embeds Provider capabilities within the Business Partners so as to increase agility and business value.
2. Facilitate business strategic planning and roadmapping for the Business Partner.
3. Guide key Provider roles on behalf of the Business Partner such as Enterprise Architecture, Portfolio, and Program Management.

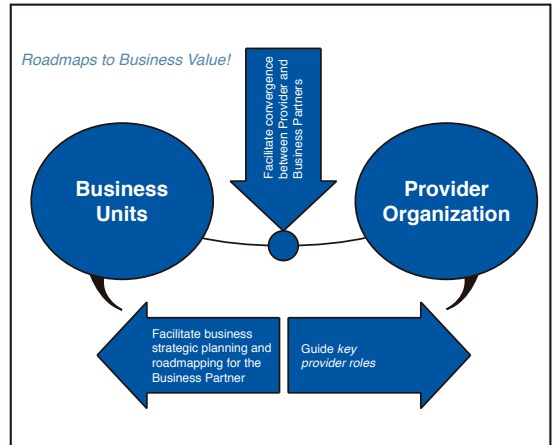


Figure 3 - The BRM as a Navigator

1.4. BRM-Related Standards

The BRM role is referenced in several industry standards, mostly associated with Information Technology, Service Management and the IT Profession. These include ITIL, COBIT, ISO/IEC 20000-1:2011, and the SFIA skills framework.

1.4.1. Background

It would be extremely helpful if there were meaningful standards associated with the Business Relationship Management role and profession. Unfortunately, today there are no such standards, though the BRM role is called out in some Service Management standards, is briefly mentioned in the COBIT business framework for the governance and management of IT, and is addressed in the SFIA skills framework.

It is an aspiration of BRMI, in collaboration with relevant standards-setting bodies, to help shape and establish meaningful BRM standards over time.

1.4.2. Purpose

BRM standards could help bring consistency and uniformity to the BRM role and associated processes. The downside is that insofar as such standards limit the role inappropriately, or fail to keep up with advances in the state of practice, such standards could constrain the growth and value of the BRM role.

It is the purpose of this section of the BRMiBOK to help BRMs be aware of related standards.

1.4.3. Current List of BRM-Related Standards

- COBIT—COBIT provides managers, auditors, and IT users with a set of generally accepted measures, indicators, processes and best practices, to assist them in improving the benefits derived through the use of information technology, and developing appropriate IT governance and control in a company.
- ISO/IEC 20000—ISO/IEC 20000-1:2011 is a service management system (SMS) standard. It specifies requirements for the service provider to plan, establish, implement, operate, monitor, review, maintain and improve an SMS. The requirements include the design, transition, delivery, and improvement of services to fulfill agreed service requirements.
- ITIL—ITIL (IT Infrastructure Library) is an approach to IT Service Management that embodies a framework for identifying, planning, delivering and supporting IT services to the business.
- SFIA—The Skills Framework for the Information Age (SFIA) is a system for IT Professionals to match the skills of the workforce to the requirements of the business. It is a logical two-dimensional skills framework defined by areas of work on one axis and levels of responsibility on the other. It has been proven as an effective resource that benefits business by facilitating all aspects of the management of capability in corporate and educational environments.

2. Organizational Capability

Business Relationship Management is an organizational capability. Every group in a service provider will have a relationship with the business (customers). In this chapter the organizational capability is discussed. The following topics are addressed:

- Capability Model
- BRM Core Disciplines
- Operating Model
- Business Provider Maturity Model
- Business Relationship Maturity Model
- Business IT Alignment

2.1. Definition of Business Relationship Management

Business Relationship Management stimulates, surfaces, and shapes business demand for a provider's products and services and ensures that the potential business value from those products and services is captured, optimized and recognized.

2.2. Capability Model

2.2.1. Framework for the BRMI Provider Capability Model

The BRMI Provider Capability Model uses a Capability Model framework to represent a set of related capabilities that is an extension of a Value Chain Analysis approach popularized by Michael Porter. This model represents the major capabilities any organization would need to have in place where there is a business generating demand for products and services and a Provider trying to meet that demand.

This framework also uses the technique of decomposition, which allows each higher-level capability to serve as the context for a more granular set of capabilities. The decomposition progresses down until the underlying processes are discovered at the lowest level of decomposition. In this way, the reader can progress from a higher abstraction of capability to a lower level of abstraction as needed with a clear understanding of the context of each capability.

It may be tempting to think of Business Relationship Management (BRM) as a *process* in its own right. But that would be confusing the *means* as an *end*. As an organizational capability, BRM is the means for achieving the highest value possible for services provided to a business by a provider, either internal or external. Therefore, BRM must exist within the context of how a business generates demand for those services and within the context of how the Provider meets that demand.

The BRM Body of Knowledge (BOK) sets this context by modeling a set of *normative* Capabilities involved in the shaping of demand and a set of *normative* Capabilities involved in satisfying that demand.

2.2.2. Putting BRM in the Context of a Provider Capability Model

The question is often raised: Is BRM more of an art or more of a science? Unfortunately, this question assumes that art and science are two ends of a continuum, which is not really the case, at least not for BRM. There are some aspects of BRM that can be ordered and structured into well-defined best practice processes much like any business process. There are other aspects of BRM that require dynamic judgement calls from people with an extensive amount of competence and experience. But even that competence can be defined as well as the process of increasing the level of needed competencies. In the end, Business Relationship Management requires a combination of defined processes and competent experienced people.

Accordingly, the BRM Body of Knowledge (BOK) is set into the context of Capabilities, which incorporates both the definition of best-practice processes as well as the standardization of needed competencies in people (and how to increase the level of those competencies). So in this sense, BRM is an art because there is a significant amount of judgement required that cannot always be prescriptive. Like artists, BRMs have to gain a high degree of competency to be effective. But BRM is also a science, because there are proven methods that can be applied based on commonly experienced situations.

BRM is a connector, orchestrator, and mutual navigator for a business that places demand for shared-services and the Provider that tries to service that demand. This means whether an art, a science, or a combination of both, BRM exists in the context of the interaction between DEMAND and SUPPLY. Therefore, BRM needs to be completely integrated with the business processes that generate demand and the Provider capabilities for servicing it. To meet this need, the BOK uses normative Capability Models following the framework described on this page for the key shared services to set the context of BRM. Since the BOK is focused on BRM, we include the breadth of all capabilities for a normative Provider with a perspective of BRM implications, and we add depth to capabilities that are BRM-intensive. The top-level normative capability model is the BRMI Provider Capability Model.

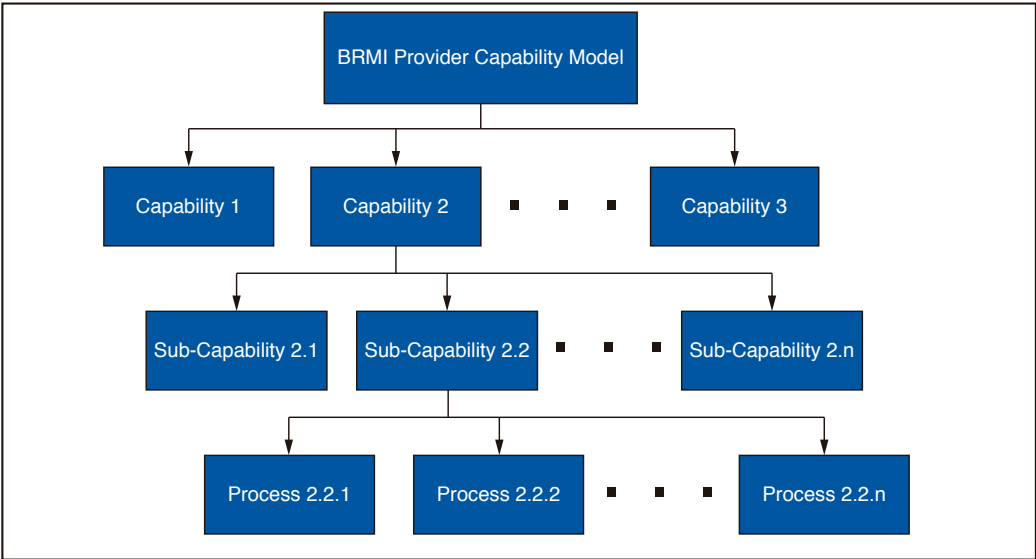


Figure 4 - Capability Model Decomposition

2.2.3. Basic Framework Design

There are two main types of content that serve as the building blocks of the overall BRMI Provider Capability Model: Capabilities and Processes.

- A Capability is everything it takes, both visible and behind the scenes, that makes producing goods or providing a service possible. This includes having people with the right competencies to play the roles required by defined processes, and armed with useful techniques and tools, all backed by management systems that create incentives for performance and improvement.
- A Process outlines a structured set of activities designed to accomplish a specific objective. A process takes one or more defined inputs and turns them into defined outputs. A process may reference any of the roles, responsibilities, tools, and management controls required to reliably deliver the outputs. Processes describe *what* to do whereas Techniques specify *how* to do it.
- Every Capability page has a graphical model that depicts its sub-capabilities or its processes (see Figure 4). Using the decomposition technique, a Capability may be composed of other sub-capabilities which in turn may be composed of other *sub-sub-capabilities* and so on. Each Capability has its own page in the BOK. The decomposition continues until reaching the point that further decomposition has little utility or actually insults the intelligence of our readers. The lowest level of granularity of this decomposition is called a *Process* rather than a *Capability* to distinguish the activity-oriented nature of reaching the lowest level of detail; therefore, Capability and Process pages differ in their content.

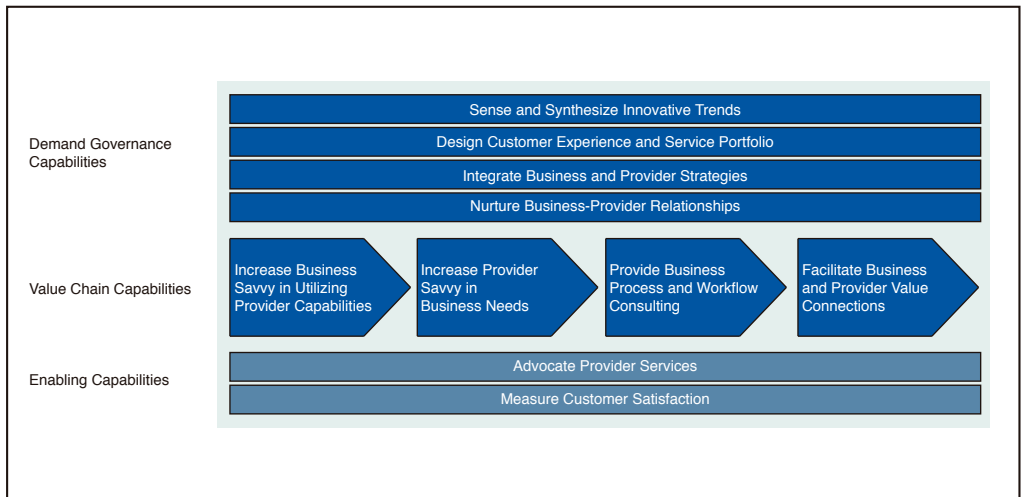


Figure 5 - Capability Model

2.2.4. Capability Descriptions

All Capability pages in the BRMI Provider Capability Model have a set of standard components designed to clarify the purpose, scope, and meaning of the capability and the implications the capability has on the Business Relationship Management discipline.

2.2.5. Capability Model

The first and key element of every Capability page is a graphical Capability Model.

A Capability Model is a collection of sub-capabilities or processes that work together for a common purpose. That purpose sets the overall context of the Capability and also identifies the end customers, who receive value from the collection of Capabilities. Please refer to Figure 5, as a sample Relationship Management Capability Model, and notice that the Capabilities are organized into three tiers:

1. At the core of a Capability Model is the value chain—those capabilities that create value based on the context of the Capability Model and its customers. If the context of the Model is the entire business, then the capabilities depicted in the value chain should create value to business customers. If the context of the Model is another high-level capability, then the capabilities depicted in the value chain should create value to whoever is a customer of that higher-level capability. This framework forces a discipline of thinking first about who the customers are and what really creates value in their eyes and is a key reason this framework was chosen to be the standard for the BOK.
2. Depicted above the value-chain capabilities are Demand Governance Capabilities—capabilities that are needed to manage the demand that flows into the value-chain. Shaping Demand is a core discipline of BRM which is another key reason this framework was chosen to be the BOK standard.
3. Depicted below the value-chain capabilities are Enabling Capabilities—capabilities that are needed to enable the value-chain or demand governance capabilities. Enabling capabilities are infrastructural by nature. They are essential and critical to success, but don't in themselves actually create value to the customers of the Capability Model. Separating them into their own tier helps remind us what is the “end” (what value is created) versus what is a means to the end.

2.2.6. Example Relationship Management Capability Model

Understanding the differences between a value chain, demand management, and enabling capability is useful. It puts emphasis on what creates value and for whom that value is created. It builds an understanding that value chains consume resources and therefore need the ways and means to direct those resources to the highest value producers. Finally, these differences draw attention to the logistics that make it all happen, but in a manner that identifies it as the means to an end and not an end in of itself.

2.2.7. BRM Aspirations and Measures

Following the Capability Model on each Capability page, we start to focus on the BRM perspective of the Capability. First up is a list of business relationship aspirations which can be thought of as what a BRM should want out of the Capability. For each aspiration, there may be some metrics listed that could be useful measures of whether or not the aspiration is taking place. The main purpose of this section is to help BRMs consider the reasons they might care about any specific Capability, what they might want, and by what measure they would objectively know if that is happening.

2.3. BRM Core Disciplines

There are a few disciplines that are always in play when dealing with the dynamics of demand and supply with the goal of maximizing realized business value. These disciplines are considered for each and every Capability to provide a BRM perspective on each capability no matter what its focus or purpose.

The BRM Core Disciplines are:

- **Demand Shaping**—The Demand Shaping Discipline stimulates, surfaces, and shapes business demand for Provider services, capabilities, and products. It ensures that business strategies fully leverage Provider capabilities, and that the Provider service portfolio and capabilities enable business strategies. Most importantly, Demand Shaping is focused on optimizing the business value realized through Provider services, capabilities and products—that low-value demand is suppressed while higher value demand is stimulated.
- **Exploring**—The Exploring Discipline identifies and rationalizes demand. Business Relationship Management helps sense business and technology trends to facilitate discovery and demand identification. Exploring is an iterative and ongoing process that facilitates the review of new business, industry and technology insights with potential to create value for the business environment. The key benefit of this discipline is the identification of business value initiatives that will become part of the Provider portfolio of services, capabilities and products.
- **Servicing**—The Servicing Discipline coordinates resources, manages Business Partner expectations, and integrates activities in accordance with the Business Partner-Provider partnership. It ensures that Business Partner-Provider engagement translates demand into effective supply requirements. Servicing facilitates business strategy, Business Capability Roadmapping, portfolio and program management.
- **Value Harvesting**—The Value Harvesting Discipline ensures success of business change initiatives that result from the exploring and servicing engagements. Value harvesting includes activities to track and review performance, identify ways to increase the business value from business-Provider initiatives and services, and initiates feedback that triggers continuous improvement cycles. This process provides stakeholders with insights into the results of business change and initiatives.

Note that the Demand Shaping Discipline is performed primarily through Demand Governance Capabilities, the Exploring Discipline is performed primarily through the Value Chain Capabilities, the Servicing Discipline is performed primarily through the Value Chain Capabilities, and the Value Harvesting Discipline is performed primarily through the Value Chain Capabilities.

One or more of the BRM Core Disciplines are usually needed for any capability to perform effectively. For every Capability, we consider what aspect of each BRM Core Discipline is needed to make the Capability possible. Some capabilities will require more of one BRM Core Discipline than another, but we use the BRM Core Disciplines as a template for asking BRM questions when analyzing the application of the BRM Core Disciplines on each and every capability. Figure 6 provides a template of the most general questions as an illustration:

		BRM Core Disciplines			
		Demand Shaping	Exploring	Servicing	Value Harvesting
Capability Types	Demand Governance Capabilities	<ul style="list-style-type: none">• How does demand enter into the value chain in the form that has the greatest chance of realizing value in the end?• How are decisions made when demand exceeds supply?	<ul style="list-style-type: none">• What demand is not on the radar but should be?• How much can get invested in explorations and how are those decisions made?	<ul style="list-style-type: none">• How do service consumers and customers become more savvy in the use of the value chain capabilities?	<ul style="list-style-type: none">• How are leaks in the value chain identified and patched?• How do business stakeholders understand and perform their roles in realizing value?
	Value Chain Capabilities	<ul style="list-style-type: none">• How are demand changes dealt with after that demand has entered the value chain?• How do those who create demand become more savvy in the potential value of Provider services and initiatives?	<ul style="list-style-type: none">• How does high-level demand get broken down into workable alternatives and how is an alternative selected?	<ul style="list-style-type: none">• How does the Provider of value chain capabilities become more savvy in the full purpose and implications of the demand they service?	<ul style="list-style-type: none">• How does an organization become resilient to changes that are necessary to realize value?
	Enabling Capabilities	<ul style="list-style-type: none">• How is the backlog of demand tracked?	<ul style="list-style-type: none">• How can innovation coexist with ongoing operations?	<ul style="list-style-type: none">• What levels of Provider services maximize business value and how should those services be bundled?	<ul style="list-style-type: none">• How is value measured and monitored?

Figure 6 - BRM Core Disciplines