

Business Process Management

What do we mean by BPM?

One of the biggest challenges facing business today is how to manage the increasing complexity of their business processes. This also has to be balanced with the objectives of growing their business, improving customer service and complying with regulatory compliance requirements.

Business Process Management has now become the key tool to deal with this complexity. Historically BPM has been associated with the implementation of technology suites based on workflow systems to automate and manage processes. However, BPM actually covers a wider picture and to focus on the technology alone would be to miss out on most of the benefits.

BPM is fundamentally about changing to process orientated thinking to execute your business strategy. BPM should be part of how you define how to organise and operate your business and should also drive adoption of best practice from inside or outside your own industry.

Process orientated organisations need to understand the answers to the following key questions for their business:

1. Strategy - What do we do?
 - Can we consolidate the products and therefore the IT systems we have?
2. Location - Where do we do it?
 - Is there a cheaper location from which to execute some or all of the process?
3. Operating Model - How do we do it?
 - Can we re-engineer the process?
 - What is the model time and cost of activities?
 - Can we achieve closer alignment of supply and demand for people and resources?
 - Can we standardise shared processes for economies of scale?
4. Execution Efficiency - How well do we do it?
 - How can we measure execution to identify opportunities for improvement in time, cost and quality?

The use of technologies should be seen as an optional requirement after all of these questions have been answered rather than as an end in itself unless a business case can be proven for them. Business value can only be released efficiently once you have an efficient business process design to begin with.

“Eliminate before you automate” is still therefore the key to success in managing your business processes. Given the functionality available within BPM tools today, companies can sometimes fall into the trap of thinking this principle no longer applies. They can use BPM tools as a panacea to cure their underlying “as is” process issues.



The reality is that no amount of process automation will ever make a bad process into a good one so effort on developing a good “to be” process design is time well spent.

Another reason companies sometimes miss the process review stage, especially larger organisations, is that they may be organised in silos that divide the management of business processes, people and IT systems across different groups of people. This makes it difficult to build up the skill set to review their processes in a holistic way.

To tackle a BPM initiative effectively requires cross functional teams that can follow a process from a user’s perspective across and through the organisation to allow them to streamline it to the activities that are directly valuable to the customer.

Conclusion

BPM should be thought of as a mindset rather than a technology to get the most benefits from it.

Processes must be reviewed and re-engineered before any automation to ensure best return on investment.

