

Business Process Management (BPM) *Building Sustainable High Performance Organisations*

Business Context

Most organisations face the challenge that costs are too high and productivity too low. Boards, executives and senior management face increasing pressure to improve business performance, by implementing new business strategies, operating models and generally improving existing operations.

These challenges need to be faced in an increasingly complex environment, characterised by:

- High risks related to competition, governance, risk, compliance, sustainability and security
- Workforce instability, with high turnover/loss of management and staff
- Rapidly changing technology innovation that is driving complex enterprise architecture and investment decisions, followed by disruptive technology implementation

Simply cutting costs to improve the bottom line is a short term option, but without sustainable productivity improvements as well, this approach will quickly/inevitably lead to a down-grade in business performance.

BPM is a technology-enabled management and operations discipline which addresses this dilemma through improved resource utilisation, making organisations more process-oriented, agile and resilient to change.

Business Process Management (BPM)

From a business performance perspective, important characteristics of a new BPM paradigm are:

- Integration of business processes and technology (e.g. accessing ERP systems from processes), leveraging existing technology to improve individual/group productivity and business performance
- An environment where management and staff can collaborate more productively, with improved process visibility, compliance, performance analysis and flexible resource utilisation
- An ability to implement formalised process management selectively and incrementally, addressing key processes where the greatest productivity gains can be achieved (‘cherry picking’ ROI)
- An ability to rapidly implement and adapt business processes to match business strategies
- Breakthrough BPM technology enables integrated mobile process apps, social and cloud access

BPM is business-driven, not constrained by IT investment. Key stakeholders and business managers can set priorities for tackling business performance improvement. There is no need for major ‘up front’ capital investment, long delivery lead times or reliance on IT departments. BPM Pilot Projects are simple to establish and execute if participating business areas are engaged and motivated to achieve ‘early wins’.

Value Proposition for BPM

Major benefits are achieved through staged integration of formalised business processes and existing technology. Benefits can be achieved selectively and incrementally, minimising risk and maximising ROI. A common fallacy is that large-scale technology investment is the major key to realising major business benefits. In reality, benefits are realised through the improved business process performance enabled by BPM – critical success factors for business performance, as addressed by BPM, map to tangible benefits:

- Visibility of formal/informal processes and patterns of process compliance
- Faster, more effective embedding of process and technology changes for management/staff
- Flexible workforce capability, enabling process load balancing across teams
- Ability to assess process compliance and performance, followed by process optimisation
- Collaboration within self-managed teams during process execution
- Optimum staff development, resource utilisation and contribution of business value
- Encapsulation of process knowledge, to deal with staff turnover and succession planning
- Providing business context for defining, delivering or upgrading Application Systems

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The major costs associated with implementing BPM solutions are:

- Management & staff participation in process discovery, modelling and implementation
- BPM process facilitators and designers
- BPM technology, typically low-cost cloud technology which allows an organisation to start small and grow their BPM solutions to meet business needs – can be provisioned as Opex or Capex

In summary, investment in BPM solutions can be made in stages, tackling specific processes to ‘cherry pick’ business performance improvement and ROI. There is no need for major ‘up front’ capital investment, long delivery lead times or reliance on IT. Momentum can be built rapidly by conducting BPM pilot projects.

Achieving Business Process Improvement via BPM

In simple terms, people perform work using systems/tools/methods/techniques to produce value (goods and services) for their organisation. Most work is comprised of formal and informal processes, where:

- Formal processes are well-defined and documented in some way (often becoming shelf-ware)
- Informal processes are where people do things based on their tacit knowledge and sometimes under the guidance of a colleague or supervisor
- There are imprecise metrics (often anecdotal) about who performed what processes, when were they performed, how long did they take, how much effort was required, what systems/tools/methods/techniques were used, what value did they deliver
- Process compliance is not understood, so patterns of performance and behaviour are unknown

In this type of environment, there is insufficient information to analyse processes and inadequate ways to explore/model alternatives that may produce outstanding improvements.

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