

Module 1:

Introduction To Business Process Management



Agenda

- What Is BPM?
- Why Implement BPM?
- BPM Framework
- The Thin line Between ERP & BPM



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What is BPM?

- **BPM** = Techniques + Structured methods + Means *to streamline operations and increase efficiency*
- The techniques and methods of BPM allow us to identify and modify existing processes to align them with a desired future state
- Involves looking at business processes with a view to improving them from the **customer's perspective**



BPM is not solely:

- Change management
- Six Sigma
- Technology
- Automation of manual processes
- Reengineering
 - These are all bits and pieces of BPM



Principles of BPM



- Organize improvements around outcomes not tasks
- Correct and improve processes before (potentially) automating them
- Establish processes and assign ownership
- Standardize processes across the enterprise
- Enable a culture of continuous change
- Aim to improve existing processes rather than build radically new or “perfect” processes
- There must be a clear reason for changing things
- Automated and non-automated processes are subject to the power of BPM

BPM Nugget 1

- “Don’t launch BPM Projects based on perceived problems – it should be based on facts”



-
Gartner Research



BPM Nugget 2

- “BPM is not all about *technology*... It’s more about *change*”

-*Gartner Research*



BPM Nugget 3

- “Don’t focus on mapping processes but on improving them”

-Gartner Research



BPM Nugget 4

- “Look at enhancing and evolving processes versus replacing them”

-*Gartner Research*



BPM Nugget 5

- “View processes from end to end”
- *Gartner Research*



Challenges of BPM

- People tend to resist change
- Support from the Business is mandatory



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Why Implement BPM?



- It helps:
 - Process business critical activities faster
 - Reduce the number of errors and exceptions
 - Reduce overall IT costs
 - Increase visibility into operational efficiencies and bottlenecks
 - Reduce business risks
 - Improve customer service and retention

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BPM Framework

- Accenture's Process Management Reference Model
 - Significant success with implementation
 - Provides guidelines for getting value from BPM.



1. BPM Operations: “The Central Command”

BPM Maturity & Value Analysis

Process Value Analysis

Roadmap

Governance

BPM Operations: “The Central Command”



- Proactive approach to answer questions such as:
 - Which processes provide the most value?
 - Which processes should be prioritized?
 - What do we do to develop a lasting BPM capability?
 - What is the business case for each proposed improvement?
 - What capabilities do we have in place and which do we need to build?

2. BPM Methods & Tools: “Tactics of BPM”

Business Architecture

Standards & Guidelines

Process Improvement Methods

Repository

BPM Systems

BPM Methods & Tools: “Tactics of BPM”



- Answers questions such as:
 - Where & how do we store process information for access, use & reuse?
 - Which software platforms are appropriate?
 - Which process improvement methods can we use?
 - What standards & guidelines do we follow while executing BPM projects?

3. BPM Delivery: “Getting Work Done”

Process Strategy

Process Analysis

Process Design

Process Implementation

Process Execution

Process Monitoring

BPM Delivery: “Getting Work Done”



- Questions BPM delivery can answer:
 - How do we execute our road map, using our methods and tools?
 - How can we make sure process change is implemented?
 - How do we measure process change to ensure it meets defined KPIs?

4. BPM Transformation: “The People Part”

Culture & People Change Management

Program & Project Management

BPM Transformation: “The People Part”

- Questions BPM Transformation can answer:
 - How are the technical, organizational and cultural changes that need to happen?
 - How can we ensure that the principles of BPM “stick” with all personnel?
 - How will training be delivered?



5. BPM Support: “Embedding Change”

- Questions BPM Support can answer:
 - How do we relate with business units that can facilitate change?
 - How do we reward successful process outcomes? - HR



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The Thin line Between ERP & BPM

BPM	ERP
Seen as a practice that may /may not involve the use of technology	Involves the use of technology – It is an example of BPM technology
A process-intelligent layer that can link data from multiple systems in addition to the ERP	Serves as a central repository for organizational data. Its reach does not typically extend beyond the ERP
Can be used to handle processes not covered by the ERP	Focuses on key, standardized business processes



Typical ERP software applications, no matter how configurable, are designed to meet general assumptions about how a business operates and the processes that it needs to adhere to.

Implemented to meet a quantified set of business requirements, they often prove inflexible and cumbersome to change or, worse, require a significant upgrade to meet additional requirements.

- FlowCentric Technologies



Business Process Management (BPM) is the next natural step in the evolution of any business that wants to go beyond the transactional efficiencies accomplished with Enterprise Resource Planning (ERP) to achieve competitive advantage.

- FlowCentric Technologies



Instead of suffering buyer's remorse when the realization hits that ERP can't deliver on all of their needs, companies can leverage BPM to extend the functionality of ERP and ensure their specific operational requirements are 100% met.

- FlowCentric Technologies

References

- Value-Driven Business Process Management: The Value-Switch for Lasting Competitive Advantage By **Peter Franz & Mathias Kirchmer**

