



An Introduction to Business Process Management

An overview of the principles, drivers, and benefits of BPM

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1.1 What is BPM?

Business Process Management (BPM) is the conception, design, observation and continuous improvement of business processes. Improved business performance is delivered by streamlining a process to remove causes of 'waste', and managing both its human and technological agents. Often achieved with a degree of automation, BPM allows businesses to measure process performance with real-time statistics, and update their processes to optimise efficiency or respond to new ideas or external business events.

BPM solutions consistently deliver impressive results, primarily because there is so much intrinsic inefficiency in business processes that has evolved in a paper-based, manually intensive environment. The most significant BPM benefits encompass:

- Efficiency
- Visibility
- Control
- Flexibility
- Speed
- Production Management
- Performance Management
- Resource Management

BPM software typically consists of a set of tools that enable a team to design, simulate and then automate a business process. With a variety of tools to support process modelling, play-back, testing, and integration, BPM software has become a much more efficient instrument to develop and deploy efficient IT systems to support business processes, with more involvement from the business that is conventionally the case.

In the production environment, BPM products not only enable business users, teams and managers to supervise the process (task management, resource management); they also collect and display performance data (real-time dashboards, reports), providing managers with invaluable data which can be used to drive and inform continuous process improvement. How the process performs, how well it responds to seasonal or market-led peaks of activity, how users interact with the system, and changes in platform or infrastructure, all have an impact on process efficiency and BPM tools allow businesses to respond proactively to these factors, keeping their business, and their process, at the cutting edge, making their process their competitive advantage. Because BPM software is readily configurable, and because the solution architecture supports the deployment of revised rules and processes, it is a powerful instrument for maintaining an agile organisation with no loss of control.



1.2 Typical Benefits

What follows is a high-level exploration of the benefits BPM implementations can deliver:

- **Improved efficiency:** By cutting down on lag time, removing the need for re-keying of data, and providing exactly the right information to a user at the right time, a BPM software application can deliver substantial efficiency savings within an organisation. Integration with other core systems means that the BPM software can access data repositories across the organisation, delivering information to the user without the need for manually consulting other applications.
- **Improved visibility of process performance:** Most BPM applications offer a two-fold approach to this; one allows managers to review process performance in real time and adapt their workforce to apply extra power to processes or tasks encountering a peak of activity; the other allows managers to analyse process performance over time, enabling an assessment of process weak-spots and bottlenecks. This information can then inform the cycle of continuous improvement.
- **Process adherence / regulatory compliance:** Once established, processes are controlled and not subject to arbitrary modification; a task cannot normally progress to the next step until it has been marked as completed, and the chain of events in an end-to-end process need all events to be completed in order for the process itself to be successfully closed. Enforcement is therefore naturally inherent in any BPM process. If activities within a given process are subject to compliance regulations, then the measurement of these, along with suitable deadline alarms and escalation points, can be built into the system.
- **Getting business to think about processes:** in a BPM development project this can be achieved through the development cycle, partly in response to the close collaboration such projects entail between the business and the project team. Given the right training, BPM software can become a useful in-house business attribute, enabling users to become involved in ongoing development, and mapping processes directly into the process designer tool. The whole BPM lifecycle tends to get all involved thinking in a more process-centric way, because in order to optimise the usefulness of the BPM software, stakeholders begin to consider how best the process can serve them.
- **Managing resources better in process:** as with better monitoring of process performance, BPM also facilitates closer measurement and monitoring of resource performance. This could support An organisation's Resource Requirement Planning activity by showing where delays occur in any process due to insufficient or inappropriate resource. Some BPM suites encourage process designers to think in terms of resource 'swim lanes' so that resource functions are grouped into appropriate skills patterns, seniorities, or degrees of access. Furthermore, as information builds up regarding process and resource utilisation over time, statistics become available enabling longer term planning to accommodate seasonal or market-led peaks of activity.
- **Cost management:** because process time and resource time can be accurately measured by a BPM application, a realistic view of the cost of a process can be calculated. This can inform decisions within the continuous improvement cycle where wastage can be viewed in terms of cost.



- **Quality management / assurance:** BPM can provide indications regarding the quality of a deliverable. For example, if an element manager requires a fix and this is managed as part of an end-to-end business process, any repetition of a failure in the same element manager can be flagged to indicate that the original fix may not have met a quality threshold. Similarly, other deviations within a business process – such as an unduly long cycle time, multiple repetition of a review-revise subprocess, can indicate quality issues that can then be addressed. Once again, this delivers excellent information into the hands of process improvement expertise such as Six Sigma, which can be used in the cycle of continuous improvement.
- **Cycle time reduction:** as discussed above, a BPM process can serve to minimise lag time in a process. In many manual processes one of the most significant causes of delay is that one user is not aware that the previous task has been completed and that their work can commence. Because BPM processes deliver tasks to the next step in the process as soon as they have completed the prior step, this lag is eradicated. Furthermore, the ability of BPM software to integrate with applications and data repositories across all tiers of the business, cuts down on retrieval time which has hitherto been an onerous human activity. Additionally, new information needs to be entered only once, so duplication of data entry is rendered unnecessary.
- **Better data/diagnosis/analysis:** Because BPM software stores detailed audit trail records for transactions, tasks, and processes, information is readily available to assist managers with reporting on productivity as well as analysing and forecasting for the future. Key performance indicators can be derived from this information and delivered either as part of the BPM suite or as part of a corporate reporting tool. Some examples already explored of how useful BPM is in this regard include:
 - Process analysis – end to end process time
 - Identification of process weak points and bottlenecks
 - Resource analysis – resource utilisation
 - Planning for seasonal/market peaks
 - Identification of process 'waste'
 - Flagging of potentially poor quality
 - Statistics on compliance
 - Identification of skills/resource mismatches
 - Identification of costs in process terms
- **Change management:** The ability to modify processes to respond to market forces or regulatory changes, while retaining control over existing process instances, is one of the key strengths of BPM software. It allows new versions of a process to be introduced without impacting those instances of the pre-existing process working their way through the system. This capability enables businesses to remain agile in the way they respond to changing circumstances, while retaining full control over the work in hand and the statistics that work provides.
- **Distributed Work management.** A number of business are now operating in an environment where teams are not co-located as they traditionally were; not only do staff teams operate across multiple sites, individual staff are increasingly spending some of their time either hot-desking or working remotely from their 'home' office – either at home or in different business locations. Because BPM can operate in a secure VPN or web-based environment, it fully supports the distributed work model, allowing a user to log in and continue their work wherever they can access a



workstation. Consequently BPM is also useful for maintaining business continuity as part of Disaster Recovery management.

- **BPM end to end:** End users and a number of business functions tend to have a restricted view of a process, in that their only interest is in the part of the process that involves them; they see work come in and work go out, perhaps without an holistic appreciation of how the whole process fits together. BPM encourages an end-to-end perspective because to run optimally it needs to understand all the inputs, outputs, resources, sub-processes, and products across the whole process, and not just at particular points. This makes it a particularly useful tool for process designers in that the tools support not only an iterative and prototyping approach to building up a comprehensive process design, but also enable comparison of similar processes which can lead to streamlining. Organisations use this to build process 'libraries' containing a number of generic smaller processes that can be inserted into fuller, end to end processes, confident in the knowledge that the smaller processes are compliant, controlled, and widely recognised. The advantage of using a BPM tool to map and store these processes is that they are then directly deployable; they are therefore less abstract than processes mapped in Word or Visio, for example.