

Business Process Management What Value Does It Offer You

Business Process Management (BPM) is being touted as the next big thing in the business applications world, since 2002-03. Does it really deserve the hype?

In one word – YES! Once referred to as workflow and process automation it has now stabilized in the market place and offers immense business value.

In theory, BPM technology makes it possible for its users to automate business processes as they exist in business environment today. This is achieved by providing a platform on which to map or configure the process and run them with the help of an engine that drives the process, captures information, gives output but remains invisible to the end user.

BPM is for everyone

The underlying principles or assumptions in BPM concept are that all the activities in an organization

- 1) Can be categorized to fall under certain functions (read departments)
- 2) Can be described as steps in a larger flow of events
- 3) May or may not require human intervention
- 4) Need to communicate with each other at some point of time

Let us look at an example of a fairly common 'business process'

If you reflect over the situation in your specific organization you will find that you already have automated a large part of your back office operations but you have gaps in the areas where the information silos need to communicate with each other. Additionally, over time, business needs and realities have changed but your automated processes are 'locked in', and it would require huge (re) investment to 'morph' these processes to reflect changed business realities.

Function : Human Resources

Event : A new employee joins the organization

Process : Recruitment

Brief Description : A candidate interested in joining the organization sends an application. First short-listing is carried out on the basis of resume. If found suitable, interview is scheduled and candidate is informed through an email. An interview is conducted and results noted. If the candidate is selected either negotiations are held or the candidate is offered the job. A next round of interview is scheduled, if required and candidate is informed accordingly. If the candidate

fails at the interview stage, a regret letter is sent to the candidate. If the candidate is selected and accepts the job, medical test is conducted. Candidate's joining details are transferred to the Employee database.

Steps in a Managed Process: To automate this process it can be broken down in following simple activities or steps:

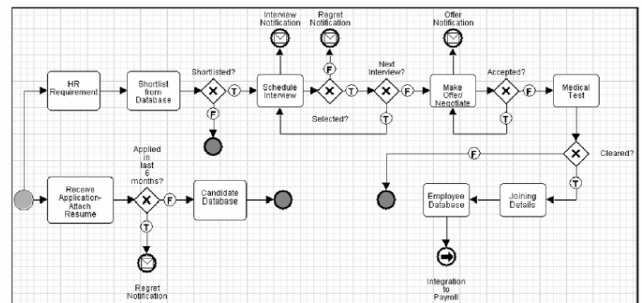
1. Receive application from a candidate
2. Shortlist based on the resume
3. Conduct interview. Note the result
4. Make an offer
5. Medical examination
6. Joining details

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However, in reality there could be more details involved. For example, an organization may have a rule that

candidates who have applied in last 6 months are not eligible for re-application; There could be multiple rounds of interview conducted which should be reflected in the process design; Organization may decide to introduce a new step in the process after the original process is reasonably stabilized e.g. Aptitude Test or Technical Test, the results of which should get aggregated in the final score of the candidate. The candidate and the organization may get into a negotiation loop over the package offered. It may be required that at every step in the process notifications are sent out to the concerned individuals. There could be certain decision-making expected out of the automated system whereas certain 'soft' decisions could require human intervention. Possibilities are innumerable.

A good BPM product will help you model this process, design related documents, define business rules, run it in simulated environment to assess the resources and data volume, configure analytical reports and finally deploy the process on internet or intranet as per the requirement.



Document Management – A Case Study

Document Management is another example where BPM concepts can be applied most suitably. Let us look at a case study on Document Management.

Background

The company is a national leader in the title insurance industry for a more than a century. It handles from the simplest to the most complex residential and commercial real estate transactions. It provides its services through direct and agency operations.

There are many participants in the residential real estate market place like real estate and financial professionals, sellers, insurers, banks, buyers of the property who need to either provide or access and verify property related documents.

Challenges

It was a challenge to make all related documents available in a timely fashion, from a single access point, to a diverse set of users, in an easy, secure way. It was also important to allow the access to authorized users only. Another challenge was to keep up with the company’s image as a pioneer in automation software, which reduces paper flow and significantly improves the efficiency of document imaging and electronic recording.

The Solution

We studied the complete operations of the company. The Portal module combined with the other operational modules of the BPM product provided the ideal platform as a solution in this case. A unique MLS number identifies each property. Multiple Listing Service enables real estate professionals to list real properties for sale and match buyers and sellers efficiently. Users can enter the MLS number of the property they are interested in and own contact details. Complete property details with picture and list of property specific documents are displayed. Users can print or package these documents for electronic delivery or save them on the hard disk. Users can enter New Property information in prescribed format, attach property picture and send related documents for upload.

Steps

1. We handled uploading and managing the property related documents on client website.
2. We configured Document Management process and designed Property Information forms.
3. The end-users (in this case, the property sellers) initiated transactions and entered data in the forms designed by us.
4. They attached property related documents through faxing or scanning the documents.
5. We uploaded these documents on client’s website.
6. We allowed only a restricted access to the users by introducing user identification and password protection for this process. Thus only authorized users could access this process.

7. The approval or rejection of each transaction was controlled by the client.
8. Client wanted to monitor the process performance on an ongoing basis. We trained their System Administrator to monitor the process performance.
9. Dashboard module facilitated the monitoring of the process metrics. In-built reports allowed client to View and Trace the process using drill-down upto document level.

A sample document

Results

The implementation of has resulted in following benefits to the client:

1. This portal has become a single gateway for all property related activities.
2. Maintaining property information, pictures and related documents has become very easy for all parties. Users can print and save or package and deliver documents for their own use.
3. Access is password protected and hence all important property documents are safe and secured.
4. Client has a benefit of continually upgraded BPM platform without having to incur the investment in software and hardware.
5. Client has reduced operating expenses by 50% on direct labor and overhead costs.
6. Client has a benefit of a built-in disaster recovering plan for the Document Management function.

Benefits of BPM Approach

● BPM helps you configure and deploy your processes as they exist TODAY with a scope to improve them as the business reality changes. So the end-users do not feel the change in their operating environment and get comfortable with the technology faster. You can decide the pace that of automation based on your specific needs, skills and capabilities of the players involved.

- You can first automate simple process in your organization and check the 'proof of concept'. Once comfortable you can go on adding the upstream and downstream processes, linking the related ones together. In the Recruitment example given above, you can automate this process first and then integrate it with your Payroll system as the employee data flows from Recruitment to Payroll. The obvious extension of Payroll is Accounting as your GL gets affected by the Payroll process.

Automation is essential. The only question that organizations need to ask themselves is whether they would prefer to do so in a die cast manner through ready software or use a flexible approach based on open world technologies freeing them of dependence.

- The BPM approach a mix of human interaction, system validation, Enterprise application interfaces engineered by the process builder so that the organization moves in harmony. On the other hand, Process Management tools can also be used to simply pump data from one Enterprise application to another and back.
- It is necessarily an end-user tool. A business analyst or a functional expert is most ideally suited to define a business process or direct the flow of a process on the

installed platform.

- BPM technology also offers you the benefit of integrating with your legacy applications (fully or partially automated), it leverages your existing investments on applications, tools, utilities and training the resources.
- The BPM approach also helps deliver benefits like improved operating efficiency and helps cut costs. It also leads to BPM leads to BPI (Business Process Improvement) by offering a number of useful performance measures for the senior management.

Conclusion

Many organizations across the globe have successfully embraced one or the other BPM product to reap the rich rewards of BPM approach. Many vendors in the BPM market are finding acceptance by delivering specialized solutions for niche areas; some of the verticals being banking, financial services, insurance sector. Apart from regular functions like Back-office, Accounts, HR, Production, Sales and Inventory, the typical solutions such as Document Management and Compliance Management are among the popular areas where BPM technology has been successfully deployed.

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