Allo SBT | **The About Series**

About Business Process Strategy (Series III of III) [Business Process Management (BPM)]:

Business Process Management (BPM) is a term used to describe activities focusing on the improvement, operations and functionality of organisational processes. It is the act of channeling work items through a multi-step process. These work items are identified and tracked as they move through each step, with either specified people or applications processing the information.

BPM involves aligning processes with the organisation's strategic goals, designing and implementing process architectures, establishing process measurement systems that align with organisational goals, and educating and organising managers so that they manage processes effectively.

BPM can also be applied to various automation efforts, including workflow systems, business process languages and packaged systems. In this case, management emphasises the ability of workflow engines to control process flows, automatically measure processes, and to change process flows from a computer terminal. Business Process Management is a tricky term in the sense that two different groups within the business process community tend to use it in different ways.

Business process management (BPM) is all about transferring the results of business process re-engineering discussed above into production. BPM technology provides not only the tools and infrastructure to define, simulate, and analyse business process models, but also the tools to implement business processes in such a way that the execution of the resulting software artifacts can be managed from a business process perspective.

The BPM infrastructure allows users to monitor the execution of individual processes, to analyse the overall behaviour of a set of business processes, to verify their successful performance, and to provide input for process optimisation. It is important to note that public and private process models are only one half of a complete business process realisation; the other half are services that implement the process steps and these services must be managed together with the process models.

The scope of a business process can be limited to a particular department in an enterprise. It may span multiple divisions within an enterprise, or it may require inter-enterprise collaborations. In the simple case of a departmental process, the BPM infrastructure will

probably be homogeneous (e.g. a specific process management system, local resources). In the general case, however, and especially in inter-enterprise system processes, processes are executed in a federated process management infrastructure.

In some instances, the business process will rely on one or more external service providers. This has impact on process modeling (e.g. selecting the optimum service provider as part of the business process simulation), on the deployment of the overall process into a federated environment, and on process monitoring (e.g. monitoring input that can be expected from the external partner).

Almost all business software at present is data-centric - that is, it uses linguistic constructs for manipulating data in databases. It is possible to perform an enormous variety of tasks using tools and applications based on these principles, as the proliferation and adoption of very large, complex applications such as enterprise resource planning suites demonstrates. But ultimately, these applications are all about the flexible manipulation of data. The actual process for doing this, needs to be programmed in by experts, and this is difficult and time-consuming. These processes are usually bought off the shelf (in the form of packaged applications), and once installed and customised, are so difficult to change that it is usually not attempted. In this way, IT systems have come to be regarded as a straightjacket by many frustrated executives. Business processes - ways of doing things - are thus hard-wired, making change difficult or impossible.

Software engineers, analysts and executives globally, believe this is all about to change. At the core, they believe there will be a new system in computing - the process. Processes, which are all about relationships and activities, can be described by a new form of calculus which will be used to create a new set of tools and applications.

All of this means that business processes will become as manageable as data is today. There will be tools to model processes, to extract processes, to translate processes, to project processes, to manage large databases of processes (business process management systems), to analyse processes, to simulate processes, to test processes, to create new processes.

The importance of this to the business user cannot be understated. It will become possible to quickly adapt even the most complex of IT systems to new business requirements. Ultimately, non-technical managers should be able to do most, or all, of their systems work using tools of spreadsheet simplicity. Systems changes, whether it is a change of procedure within a department, a wholesale change in distribution and sales channels, or the merger of two business units, will be carried out at a graphical level using a business notation system.

However, technical revolutions and so-called paradigm shifts involve disruption, the overthrow of value chains and active opposition by vested interests. This means all this will take some time to achieve. Even the most rigorous and visionary of independent

analysts rarely foresee how new technologies are rolled out, although there is a lot of optimism about the speed and scale of the introduction of BPM.

In a nutshell, BPM is the practice of improving the efficiency and effectiveness of any organization by automating the organisation's business processes. Many companies have business processes that are unique to its business model. Since these processes tend to evolve over time, as the business reacts to market conditions, the BPM solution you choose must be easily adaptable to the new conditions and requirements and continue to be a perfect fit for the company.

In order to use BPM effectively, organisations must stop focusing exclusively on data and data management, and adopt a process-oriented approach that makes no distinction between work done by a human being and that done by a computer. The idea of BPM is to bring processes, people and information together. Identifying the business processes is relatively easy. Breaking down the barriers between business areas, and finding owners for the processes is difficult. BPM not only involves managing business processes within the enterprise, but also involves real-time integration of the processes of a company with those of its suppliers, business partners, and customers. BPM involves looking at automation horizontally instead of vertically.

An example of the usefulness of BPM is as follows: when a Business 2 Business partner needs some inventory, he can log into the web site and order required inventory. An email will be generated and sent to the supervisor responsible for the partner's inventory. The supervisor can click on the link in the email, login to the site and approve the inventory. The partner will be notified of the allocation, and the inventory will be shipped.

Generally in many businesses, competitive strategies such as BPM are rarely implemented. This may be because implementation requires alignment between strategy, processes, knowledge and projects. In practice, managers launch a variety of technology and change projects to transform business processes – yet in many instances, linkages between projects and processes and knowledge and strategy are at best unclear and at worst non-existent. The very projects meant to implement strategy end up stifling, and sometimes strangling, the strategy.

Nonetheless, the unique business processes of a business, is what defines the business. It gives the business the ability to satisfy and retain its customers, to maximise its partnerships with other businesses, and to out-execute its competitors. Business process management (BPM) is the automation and coordination of the countless assets and tasks that make up the business processes. As earlier mentioned, effective BPM requires the coordination of human and electronic resources, inside the business, and in the network of customers and partners.

The CEO needs to reduce costs; improve business controls; provide quicker response to customers, flatten the organisational structure and above all else, deliver improved

business processes by harmonising his existing infrastructures including existing technologies, with the aid of BPM. The only effective way of achieving these objectives is to improve the effectiveness and flexibility of his end-to-end processes. With the implementation of the BPM, the management of the company will be able to design and execute processes that are designed with customers in mind; deliver better quality, faster and at lower costs and retain competitive advantage by being able to execute processes that deliver the business strategy.

The management of a company is responsible for making sure the needs of the CEO are met quickly, effectively and with zero disruption to the business. Systems implemented in today's rapidly changing technology world must show rapid return on investment (ROI) and bring benefits to the bottom line, without having to discard what works. Providing technology that enables users to map out the business process in clear graphical notation is an important aspect of BPM, but it's only part of the solution. Being able to execute that process, facilitate simple integration with existing systems and commercially available packages and monitor/manage how those processes are executed are also vital components. Furthermore, BPM will enable management to implement new applications quickly and tie the front office applications and the back office systems together seamlessly. This will reduce maintenance costs, time to deploy business processes and makes the IT function far more responsive to the business needs.