

ELITE PROCESS MANAGER
BUSINESS PROCESS
MANAGEMENT:
NEW LEADERSHIP IN
PROCESS EXECUTION



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Differentiation and the ability to execute better than your competition are keys to building and maintaining a competitive advantage in the marketplace. Many firms are focusing their budgets on technology, giving their employees best-of-breed systems for managing and analyzing data to improve service or product offerings to their clients. These systems include customer relationship management systems to keep and manage your contacts and potential clients, financial and accounting systems to manage the incoming and outgoing resources, and document management systems to manage the records of items relating to the business with a client just to name a few, and the list goes on and on. One area that has been overlooked but is now getting the attention it deserves, is the increasingly important task of business process management (BPM), i.e., managing how the firm's data gets approved and entered into these various systems. All businesses have a "process" for getting core tasks completed, but the degree of data quality control and automation involved varies significantly, from paper-pushing to partial automation and ultimately, full automation, utilizing the full range of BPM software capabilities.

LEVELS OF BUSINESS PROCESS AUTOMATION

Firms today are using many different technologies and methods to manage their data entry and business processes and can be categorized into four stages. At each stage, firms have identified different challenges and inefficiencies and are taking steps to address the most important issues they face.

Recognizing the Need

At the lower end of the spectrum, there are firms still using paper forms and routing them around the office via inter-office or intra-office mail or even manually moving the paper between the participants in the process. In this type of environment, many variables can affect the quality of data that is ultimately entered into the various systems such as loss of forms, non-legible handwriting, data entry errors, and partially completed forms. These inefficiencies and errors require time to address and correct, and time is money. These small delays, data clarifications, and the time to route these forms around to the required participants quickly add up to big costs in countless staff hours. At this stage, standardization and ease of movement are two key drivers to get data through the process and to the right people much more efficiently.

Moving On Up

The second level is where progressive firms have recognized the problem and have taken the initial steps to get closer to a full BPM system where they have leveraged the technical infrastructure of the firm to a limited degree. They have taken the paper form and transformed it into an electronic form resulting in the ability to move that form around the firm through e-mail (e.g., paperless pro forma). Firms at this level have addressed the manual routing delays to some extent and have also addressed the issue of standardizing the capture of data. Many of the forms are somewhat sophisticated, where limited validation is built into the forms using macros or formulas. With these improvements, data capture standardization and increased collaboration have been addressed, but there are still efficiency issues associated with retyping data into other systems, data validation, and partial data going through the routing system. The next step is to automate the data entry and ensure data integrity throughout the firm.

Taking On the Data Integration Challenge

The third level requires much more from the IT professionals either internally or in the form of consultants. Firms at this level want to invest in their business process control and manage the data without requiring large amounts of rework and clerical activity. While they have the electronic forms and some limited data validation, firms are moving toward full automation of the data, which includes database validations, field and form level validations such as protection and required status, and database updates for the various data repositories such as the accounting or CRM system. This level is where true efficiencies begin to be realized such as validated fields cannot be entered incorrectly, multiple systems receive clean data, retyping data is minimized, and data modeling saves input time. Until this point, there was little control over the business rules and process, just data control. These firms have almost reached the point of full business process management but are missing a few key components, which are addressed in level four.

Full Business Process Efficiency

Level four is the most advanced but is also the most challenging. Firms at this level recognize the requirement for a full process management solution and have purchased or will need to purchase a full BPM system capable of automating and managing those processes. This level requires a substantial amount of time devoted to defining the needs of the organization, defining the processes and rules, and deploying the system firm-wide. Business process management consultants work closely with firms to customize the best BPM solution.

GETTING STARTED

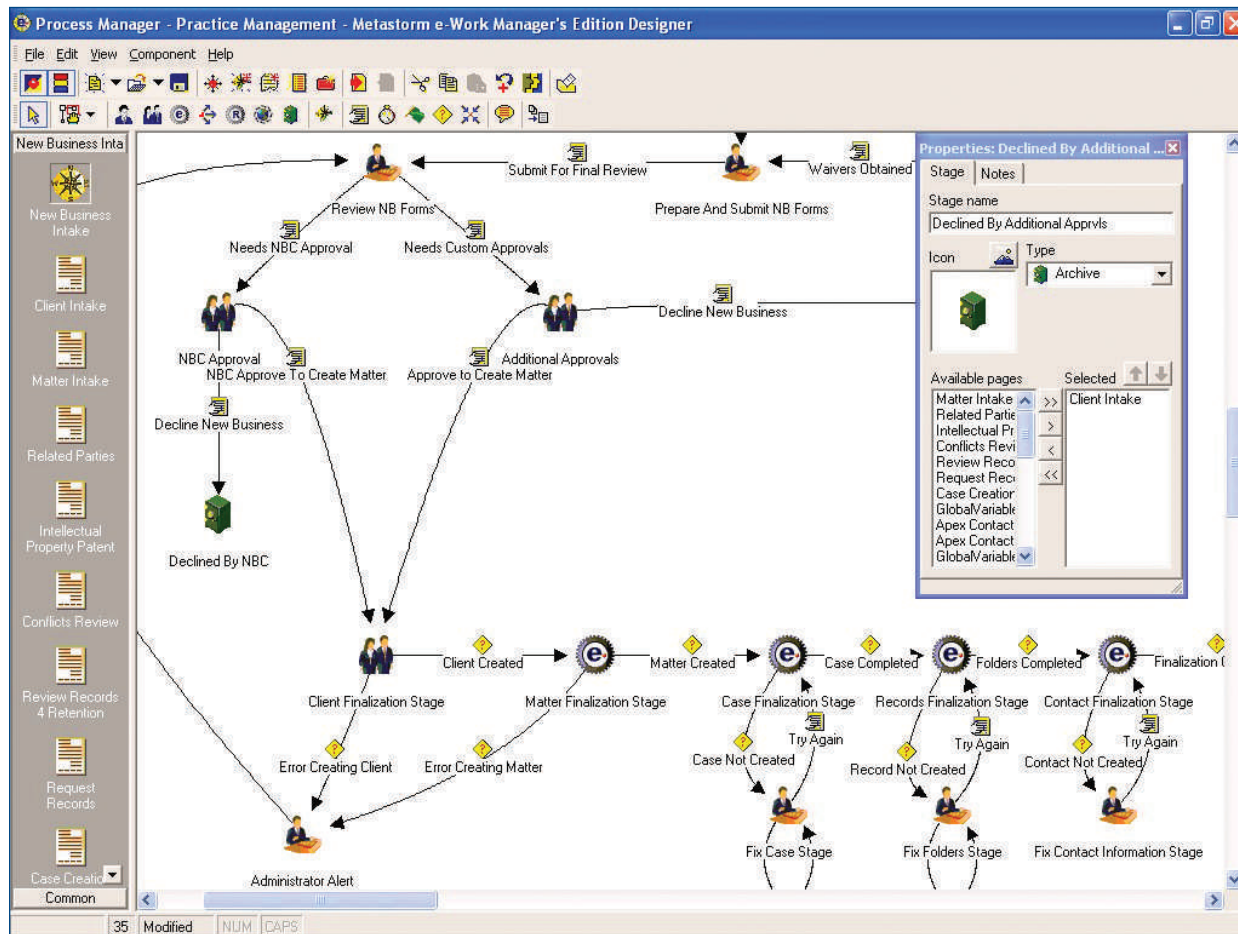
The biggest challenge for most firms is to define the business processes. Not only is this the most critical success factor for firms using a business process management system, but it is generally the most difficult. Why is this so challenging? Often the process that the firm’s managers think is in place is very different than the process that the employees are using and following. Many of the firms are using “generational stories” to pass along the business activities inside the firm, including approval processes and exceptions to the rules. In the past, an ad hoc approach has been used where each staff member would have the ability to send the forms to the appropriate user and even bypass approvals if speed was of the essence. Firms may not have enforced process security such as defining who can begin a process other than hiding the forms in a locked directory on the network. Many firms have never defined their business processes. The challenge is to convene the appropriate process owners and users to produce and agree to a definition that is usable and realistic.

SELECTING BPM SOFTWARE

Once the process is defined and accepted, the next challenge is to find an appropriate BPM software solution that is powerful, scalable, flexible and fits with the organization’s technology direction and capabilities. It must be easy for the end user to use as well as for the administrator to maintain and update processes. Some other features to consider are time needed to deploy and ease of development. It is important that the firm match its resources and capabilities to the tools that it will use to build the business process solution. These solutions require a substantial amount of time and resources to achieve the intended long-term outcome of work and cost efficiencies.

THE BPM COMPETITIVE ADVANTAGE

Firms that reach this level can fully expect to see a number of benefits that can take them to a new level of efficiency and control. The defined business process and deployed BPM system allows the firm to define who can start and participate in a process and how much they can see and do. The process can interact with disparate systems and aggregate data for



Using Process Manager’s graphical modeling tool, business process analysts can create and modify the visual representation of a business process.

review such as client, contact, and AR information viewable for an approval stage. It can be started from another system or event in that any credit to an invoice would automatically kick off an approval process before allowing the credit to enter the system. The opportunities are endless in regards to automating the business rules and leveraging the system to control any process in the firm. Using the system, managers are able to now look at processes and work history to determine load balances, process life cycle times, or even see what stage is holding up the process. In a non-automated process, these metrics are almost impossible to extract, but now firms have the ability to streamline and optimize their processes and enforce the business rules they require.

As a result of new laws, such as the Sarbanes-Oxley Act, firms are now finding that there needs to be an audit capability within the business processes, especially in the financial and accounting world, where auditors and managers are able to view and record the business practices going on in the firm. With a full BPM system, firms have that audit history available including data, attachments, and participants, and it gives them a fully documented control system for auditor review.

In the hyper-competitive market today where any advantage, however small, can mean the difference between success and failure, firms need to embrace change and strive for operational excellence. Complacent firms are falling behind and some will never be able to recover unless they reduce costs, create more efficient workers, and maintain the processes that set them apart from their peers. Business process management can take the firm to a new level of performance, visibility, and control.

BENEFITS OF A BPM SOLUTION

- Speed
- Data integrity
- Security
- Rules enforcement
- Data aggregation
- Analysis and optimization
- Audit history

CONSULT THE EXPERTS

Elite® has a dedicated team of business process management consulting experts that focuses on helping professional services firms better understand their business processes, identify efficiency gains, recognize strategic opportunities and implement business process automation solutions that match their unique vision and business objectives.

