



CAVENDISH

Business Process Management - Expand Your Reach for Real Results



Business process management (BPM) is focused on aligning organizations with the wants and needs of their customers. It is a holistic management approach that promotes business effectiveness and efficiency while striving for innovation, flexibility and integration with technology. Business process management attempts to continuously improve processes. It could therefore be described as a "process optimization process".

BPM provides the ability to model, manage, and optimize processes. BPM is about the continuous comprehension and management of business processes that interact with people and systems, both within and across organizations. It is based on the following assumptions:

- * Business processes are ever-changing and developing
- * Processes are inter-related and inter-dependent
- * Processes must flow between multiple organizations and interested parties
- * Processes interact with systems and people. The people could be employees, partners, customers, or suppliers.

For the organization as a whole, BPM can ensure process transparency and visibility, which can lead to higher productivity, reduced errors, and tighter compliance with legal requirements. This directly impacts an organization's ability to adapt to changes in the market place (e.g. new products), reduce operational costs, and improve customer service.

For the IT department, BPM can connect disparate systems, thereby squeezing more value out of current investments. BPM allows IT to future-proof infrastructure so that additions or changes to the system do not require reinvention or significant changes to the business processes. This allows IT to be more responsive to the changing demands of the organization.

BPM is the framework for organizing, automating, and analyzing the business methodologies, metrics, process and systems that drive business performance. It is a blueprint for better business management. It promotes better visibility and accountability and better aligns stakeholders with strategic and operational planning.

Strategic Edge Group's BPM lifecycle is comprised of four distinct phases. They are Identification, Proof-of-Concept, Execution, and Optimization.

Identification encompasses both the definition of existing processes and the design of "to-be" processes. Areas of focus include: representation of the process flow, the people within it, alerts & notifications, escalations, Standard Operating Procedures, Key Metrics, and Service Level Agreements. Good "identification" reduces the number of problems over the lifetime of the process. Whether or not existing processes are considered, the aim of this step is to ensure that a correct and efficient "to-be" design is prepared.

Proof-of-Concept takes the "to-be design" and introduces combinations of variables (e.g., changes in the cost of materials or introduction of new methods) that determine how the process might operate under different circumstances. The outcome of this phase is a prototype of the "to-be" process that can be tested under this combination of variables.

Execution entails the full implementation of the final "to-be" process, including all the new or revised Standard Operating Procedures, metrics, roles and responsibilities, alerts & notifications, and Service Level Agreements. It also entails ongoing monitoring of the new process to ensure consistent performance over time.

Optimization includes: retrieving process performance information from Execution phase; identifying the potential or actual bottlenecks and the potential opportunities for cost savings or other improvements; and then, applying those enhancements in the design of the process. Overall, this creates greater business value.

BPM Key Considerations:

Processes need to align to Business Goals. An organization's strategic goals should provide the key direction for any Business Process Management program. This alignment can be brought about by integrating programs like Balanced Scorecard to the BPM initiative, e.g., when deploying Lean Six Sigma, identification of projects can be done on the basis of how they fit into the Balanced Scorecard agenda of the organization.

Customer Focus. Fast-changing customer needs underscore the importance of aligning business processes to achieve higher customer satisfaction. It is imperative in any BPM program that the "Voice of Customer" be known, and factored in, when reviewing or redesigning any process.

Establish Process Owners. For any process to be controllable, it is essential that there be clarity on who the process owner is, and what constitutes success/failure of the process. These success/failure levels also help establish "specification limits" for the process, and provide a healthy check on whether or not a process is meeting the desired customer objectives.

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Colin is a former successful Managing Director of Transactional/Print Manufacturing Plants, Print Management/Workflow Solutions companies and other organisations, former Group Chairman of the Academy for Chief Executives and Non-Executive Director, helping companies raise their `bottom-line` and `increase cash flow`. Author of several publications, research reports, guides, business models on CD-ROM's/Software and over 400 articles published on business and educational subjects worldwide. Plus, International Speaker and Visiting University Professor on the International circuit.

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