

Business Process Management: challenge and opportunity



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Business Process Management (BPM) is gradually getting mainstream and we see an increasing number of organisations starting new initiatives. For all those who are planning for the launch of such project, we want to present here a couple of quick reflections on potential challenge, but also on new opportunity.

Most vendors of IT technology are living a couple of very difficult years. Still, a number of providers of BPM-style solutions can rightfully claim to experience an increasing interest for their offering. To some degree, this interest is influenced by the favourable comments of some leading analyst firms who are positioning BPM as an important building block for tomorrow's "agile" or "resilient" organisation. But even more important, it is directly triggered by an increasing number of real-life BPM implementations whereof the ROI or the resulting efficiency improvements are more than exceptional. Reasons enough to give it a closer look. However, potential buyers of such technology must be aware of a couple of realities.

It will never be the same

In today's difficult business climate, the majority of the BPM implementations are squarely focused on cost reduction and efficiency improvement. In general, the ambition is twofold: first, achieve a significant cost reduction by eliminating expensive manual interventions and second, increase the overall throughput of the process. To a minor degree, you will find more "quality-oriented" ambitions such as the reduction of the number of errors in the process or achieving a better visibility and measurability of the process.

Whatever the ambitions, the sponsors of such process improvement exercise must be aware of the reality that every process improvement, by definition, also implies some level of process change. Therefore, it is good practice to ask yourselves the question to what extent all the "good" characteristics of the old process still survive in the new one.

Especially when dealing with processes that encompass interaction with external parties such as partners or customers, this becomes a crucial question. As we all know, automated processes are usually somewhat less flexible than their "human" ancestors, so you better have a closer look at the things that might become a burden for success.

Whatever the BPM-solution you will use, it is very likely that the process definition and control capabilities will be mostly limited to the logical, functional steps of the (planned) process execution. In a similar way, the conditional logic will be limited to rather straightforward decision patterns such as success or failure, agree or not, etc.

However, in every business process that encompasses interaction with external parties, some degree of less binary decision logic, not to say emotional interaction, will influence the process flow. Unfortunately, most of this is hard to implement in an automated solution. Indeed, human interaction, even when partly automated by techniques such as e-mail, fax, etc. is far more complex and is able to respond to subtle "hints" of the other party. Very few of this is achievable in a fully automated process.

In addition, it is hardly possible to support every potential exception. Apart from the technical complexity of

planning for all these circumstances, very often they are unknown, or not well documented, or the people who are aware of these exceptions are not directly involved in the BPM-implementation.

As a result, our automated process logic will always be somewhat incomplete and less flexible. In general, this should be a major risk, but you must be conscious that in case of an unexpected process breakdown, there is no longer the escape route of human intervention. Most often, unexpected conditions will go unnoticed and there will be no corrective action.

As we have illustrated in [The unreachable enterprise](#), even the most sophisticated automated process is likely to break down some day. You simply cannot plan for everything. So you will have to face the reality that in some situations the process will fail without you knowing why, or as in our example, without even noticing the process failure.

Therefore, even when dealing with a straightforward process improvement exercise, organisations must try to identify all changes that are likely to affect the "experience" of the participants. Try to put yourselves in the position of the "consumers" of your improved process. How will they experience the change? Is there any added value for them? Where are you in conflict with their previous experience? How will this alter their expectations?

Beyond the process improvement

And these reflections bring us to the second part of this Xpragmatic View: process innovation.

We do agree that it is very likely that in today's difficult economic context a rather classical process improvement exercise, focused on cost reduction, is the only acceptable scenario. As we all know, today, a fast and positive ROI is a mandatory requirement for any new business initiative. Still, is this the big opportunity?

In the past years, most organisations have already launched numerous process improvement exercises such as BPR, TQM, Six Sigma, etc. As a result, it is very likely that most of the quick wins are no longer readily available. Therefore, it is hardly conceivable that a bit of IT-technology, whatever its quality, will bring you the major breakthrough. Organisations that are achieving today an exceptional ROI or efficiency improvement with their BPM-initiative should have a closer look at the things they have *not* done in the past.

We ourselves believe that the real potential of BPM is not the ability to reduce costs or improve efficiency, but rather the new business practices that become available or achievable by making use of this technology.

In today's organisations, the "structure" of the current business processes is always some kind of replication of the underlying organisational and technical infrastructure. We all know the stories about the "islands of automation" of the EAI-marketing literature. These same stovepipe theories are also valid when talking about business processes. Still, most current BPM-initiatives are narrowly focused on aspects of automation and improvement of an existing process, without really challenging the nature and the value of the process itself.

Any BPM project should be a good opportunity to review your current business practice in a more fundamental and strategic way. To what extent can improved process visibility and measurability become a basis for new initiatives? To what extent can a process that is better controlled be positioned as a "product" for your partners or customers? How can BPM help you bringing new products faster to the market? How can BPM allow for a further segmentation of your target markets?

As you can see, the potential is huge. However, as we have seen with e-business, it is not always easy to discover and choose the right opportunity. Therefore, give it some serious thinking. Do not go for the obvious, overnight decision. Just like other "breakthrough" technologies such as ERP, CRM, EAI... that entered the market the past years, BPM is essentially an "enabling technology". It can make certain things feasible or achievable, but by itself, it is not the miracle solution that will solve all your problems. Once again, your way of applying this technology in an appropriate way will be the basis for your success. But, didn't we hear this before?

Success!

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