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White Paper

Achieving Organisational Effectiveness and Agility with Smart Process Applications

the process ninja

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Achieving Organisational Effectiveness and Agility with Smart Process Applications

Craig Reid, The Process Ninja

Abstract

In this whitepaper Craig Reid explains what Smart Process Applications are and how they can deliver 8 key business benefits which help to solve today's business challenges of achieving organisational effectiveness and agility.

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Introduction

Today's latest evolution in business process technology takes us another step further in the ability to respond to our customers and their needs. The focus on organisational efficiency remains but the emphasis has started to swing towards a new goal – effectiveness. Allied with the need for large organisations to be faster to market with new offerings in order to remain competitive, **smart process applications** are delivering the functionality to achieve organisational agility and effectiveness. This whitepaper explains these key challenges and explains the benefits that smart process applications can deliver.

What is a Smart Process Application?

A smart process application refers to an application that has been created for a specific purpose within the organisation using technology such as Bosch BPM software, called inubit, or BPM+ edition or an off the shelf process application. Smart process applications can be custom designed to suit the needs of a specific business service or industry, whilst still retaining the flexibility to change the processes in an agile manner. In particular, smart process applications have been pinpointed as a means of getting the best out of the unstructured nature of collaborative business processes. For example, a common collaborative process is project management – where many individuals work together to achieve a common goal. Typically many organisations use a variety of tools to manage the project lifecycle but with smart process applications the functionality of many tools could be brought together to manage the process in one tool.

Key Challenges: Effectiveness and Agility

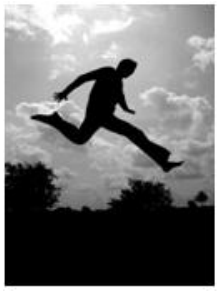
Whilst cost reduction via process efficiency is still a strong driver of business process improvement initiatives, organisations are now moving towards a greater focus on effectiveness.

What do we mean by effectiveness?

Effectiveness is simply meeting the desired goal or outcome in the most optimum manner. Processes can be highly efficient but ineffective. Today's focus on effectiveness ensures that the efficiency effectiveness see-saw is balanced.

Peter Drucker once said that "effectiveness *can* and *must* be learned." Effectiveness can and should be learned, but smart process applications significantly reduce the learning curve and provide a broad range of convincing business benefits.

Why is Agility so Important?



In today's business environment, technology has the potential to level the playing field. Small organisations are able to start up and compete with large corporates faster than ever before. Those organisations that cannot adapt quickly to changing competitor offerings face a bleak future.

Business Benefits of Smart Process Applications:

Benefit – Collaboration is enhanced

In recent years technology vendors have increasingly focussed on the unstructured nature of work – particularly service organisations whose knowledge based work does not follow a production-line style, linear process. Increasingly these organisations are hungry for technology that can cope with unstructured processes via "dynamic" or "adaptive" case management. Smart process applications take this one step further via a combination of content, data, business rules and automated business process. Processes that previously were thought to be beyond the capabilities of conventional BPM tools are now brought into the fold. Thus, collaboration efforts are centralised within the tool providing greater visibility, interaction and ease of accessing the information required.

Benefit - Complex becomes Simple

When organisations work with complexity they expose themselves to greater cost and greater risk – why? Complex processes that are not supported by adequate technology require significant efforts in terms of training staff and keeping staff up-to-date. When processes are burdened by complex decisions and business rules staff training is arduous and slow, which leads to increased cost. There is also the danger of losing unique process knowledge when key staff leave the organisation. However, when complex rules are built into a system, complex becomes simple. Staff no longer need to implicitly understand the rules themselves, but can instead focus on delivering an effective result. Training staff becomes simpler and the need for process documentation is vastly reduced.

With complexity comes risk – the risk of errors, the risk of re-work – both of which can cost organisations dearly. But when business rules are automated process complexity is reduced and the risk of errors is minimised.

Example: A major insurer decides to implement a change to its car insurance product to target a new customer group. Using, for example, a user interface such as in inubit, the organization can instantly visualize the impacts to downstream processes which helps to ensure that all of the changes at the strategy and product level are supported in the operational processes.

Benefit - Change becomes agile

In the past process automation was largely the domain of the IT department. Development was slow and costly requiring programming and long "waterfall" software development cycles. BPM+ edition from Bosch is designed to be flexible and adaptable – to put the business rules and process back into the hands of the business users. Business users can design processes and change their own business rules without IT intervention. Software implementation timeframes are slashed, allowing organisations to launch new products and services quicker than ever before, thereby offering a significant competitive advantage.

Example: Smart process applications also offer a modular approach that focusses on reusability. For example a loan calculator could be used as part of a home loans process then this same calculator could be re-used for the personal loans process with only minor modification, thereby reducing the work and cost required to implement.

Benefit - Efficiency is Increased

Smart Process Applications can speed up process throughput in a number of ways. Firstly as mentioned earlier, the automation of complex business rules makes the process simpler, which leads to faster processing and less errors, thereby reducing "process loops". Smart process apps are also able to integrate with a vast range of different systems which enables the passing of data to and from systems and eliminates the re-keying of data from one system to the next. Furthermore SPA's can be used as the end user interface to capture customer input data to enable straight through processing.

Benefit - Legacy to Next Generation

Legacy systems are common in today's organisations, but they represent a painful business problem. They lack the flexibility and functionality of today's best of breed technology tools, but they are often too difficult or too costly to replace as they are entrenched within the organization's operations. BPM+ bridge this problem by interfacing with legacy systems – thereby providing the functionality that the business needs without having to decommission systems. In essence the BPM+ tools become the development platform of choice for the organisation. There are many other inherent advantages of using a BPM+ approach to develop SPA's. For example inubit has more than 70 out of the box connectors that help to integrate systems within a heterogeneous IT landscape. Bosch Software Innovations' strength in strong integration capabilities helps to build SPA's for the next generation of business.

Benefit - Visibility is enhanced

Connectedness from the process design to execution layers via intuitive graphical interfaces allows analysts to quickly understand, design and implement process change. Upon implementation operational data is logged at every stage of the process thereby ensuring total visibility – particularly useful for auditing, compliance and regulatory purposes. Usage of standard BPMN modelling for processes brings agility in development and is easier to maintain on ongoing basis which caters to the dynamic business environment and continuous process improvement. For rules management, tools such as Visual Rules empower the business users to model, manage and execute business logic with minimal dependency on the IT team. This brings speed, accuracy and efficiency to the development cycle.

Benefit - Information is abundant

When a process is first implemented it is merely the start. Through day to day operations vast amounts of data are generated about every stage of the process. This data can be analysed to identify process improvement opportunities, such as the elimination of bottlenecks, under or overstaffing, delays in the process, complaints at key points or rework rates. Process data can also be combined with external Business Intelligence data to predict operational impacts

Benefit Strategy & execution are connected

There is often a disconnect between the strategic goals of the organisation and what is happening at the organisation's front line. SPA's have the ability to link the organisation's strategic goals into real action via their modelling capabilities. Strategic initiatives can be linked to business services, products or processes to ensure that a change at the top level has real impact.

Example: A major insurer decides to implement a change to its car insurance product to target a new customer group. Using, for example, a user interface such as in inubit, the organisation can instantly visualize the impacts to downstream processes which helps to ensure that all of the changes at the strategy and product level are supported in the operational processes.

Summary

Smart process applications created by using BPM+ represent the next evolutionary step in agile software that enables effective, customer focussed processes. By embracing BPM+ tools organisations can reap a host of benefits:

- Collaboration is enhanced
- Complex becomes simple
- Change becomes agile
- Efficiency is increased
- Legacy becomes next generation
- Visibility is enhanced
- Information is abundant
- Strategy & execution are connected

Now, more than ever, organisations need to embrace using BPM+ tools to create Smart Process Applications that will provide an edge over competitors on an increasingly level playing field.

Author

Craig Reid is known throughout the business world as "The Process Ninja" – he is a passionate advocate of business process management (BPM).

His ability to make things simple has resulted in a proven track record of saving organisations millions of dollars whilst simultaneously improving the customer experience.

Craig was named as one of the top process bloggers in the world by both the Process Excellence Network and Processpedia, and his writing has been featured on the BNet, Flyingsolo, BPM Leader, PEX Network, IDatix and Orbus websites as well as in the Herald-Sun newspaper.

Contact information

www.theprocessninja.com

craig@theprocessninja.com