

WHITE PAPER



10 Frequently Asked Questions about Business Process Management

Is “BPM” a methodology or a tool? What are its real costs and benefits? Who should be driving BPM implementation? 10 key FAQs and 10 clear answers.

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Business Process Management Overview

Many common business practices, once analyzed, can be understood as being a series of relatively simple processes that interact with each other to accomplish a larger result. Although these smaller processes are essential to day-to-day business activity, many businesses only consider large and complex aspects of their operations to be processes. Refining and simplifying even simple current business practices can often improve efficiency and quality while reducing costs.

Business Process Management (BPM) is a way to plan, implement, and ultimately improve the processes that make up the aspects of your business. BPM offers a useful and clear view into business processes by allowing you to model existing (and planned) processes and run in-depth analysis and simulation scenarios; processes can be tested and improved prior to actual implementation so that potential flaws or inefficiencies can be resolved.

BPM is the end result of utilizing several fully-formed processes (processes that have been modeled, simulated, and debugged) working together in a real-world environment. These processes often govern human interactions, allow multiple systems to work together, or facilitate task automation in your organization.

In traditional approaches, BPM is applied in a top-down approach where a relatively small number of people define a process, proceed to re-engineer existing information systems to work with the process model, and then inform end users how it is to be implemented. Furthermore, many organizations implement BPM only for their mission-critical processes. However, you can use BPM with any process, regardless of size or complexity. The reason BPM is often not used has more to do with the cost and complexity of traditional BPM solutions than with the nature of the processes it can be applied to.

Open source solutions are now enabling “BPM everywhere” strategies at lower cost and with higher versatility than older traditional alternatives. This allows everyone to use BPM regardless of budget, which means that bottom-up process improvement is possible. Furthermore, the open architecture of BPM software like Bonita Open Solution allows extensive customization and adaptation of the process for a variety of projects and situations, rather than having to re-engineer or adapt existing external systems. Bonita Open Solution even provides the capability to create process-based applications that interact with many different data sources and handle the vital information your processes rely on.

1. How is BPM able to improve my organization's efficiency?

Applying BPM can ensure that standard procedures are defined and followed for common day-to-day activities, and can help manage the soft resources (information, data, labor assignment) and hard resources (equipment, material) that are relevant to those activities. BPM can also help automate routine yet repetitive tasks or support the individuals whose expertise is required for non-routine tasks. For example, organizations often generate large amounts of paperwork from routine internal activities since data must be generated, shared, and stored on a regular basis. The processes involved can be quite complex and add yet another complication to new employee training. BPM can help alleviate this problem by providing clearly defined processes for employees and managers to follow. This allows your people to spend their time moving your business forward instead of running in circles looking for the right person or the right information they need.

2. What are the benefits of using BPM in my organization?

Improving your processes will quickly result in reduced costs, increased efficiency, and faster time-to-market. Implementing BPM helps ensure that key individuals involved in a process are notified when action is required, ensures that they have access to the resources they need to do their jobs well, and that their actions help make downstream activities more effective as well.

BPM also helps to establish a clear chain of responsibility within your organization. For example, individual departments may create processes that automatically delegate work to (or share work with) the appropriate people in case of another employee's absence and establish clear escalation procedures for certain situations. This can reduce time lost due to employee confusion and the need for managerial intervention in such instances. BPM can also simplify getting a new employee up to speed by clearly defining what must be done before, during, and after the hiring process and by whom. With an automatic delegation and escalation procedure in place, the main process does not get held up if someone is out sick, on vacation, or overloaded. If one of your processes relies on an external application and BPM is used to manage that process, any other users outside your organization (such as suppliers or clients) will reap the benefits as well.

3. Is BPM a “methodology” or a “technology?”

Both. BPM is used as a methodology for modeling, testing, deploying, and improving business processes within a company or organization. Likewise, BPM is applied as a technology when a tool such Bonita Open Solution is used to systematically apply this methodology.

The methodology of BPM also facilitates a clear understanding of how a process actually works, moving towards how a process should work, then moving further to optimize both individual processes and the “superprocesses” that rely on multiple smaller processes to accomplish the results that management objectives are aiming for. From a technological perspective, BPM takes the form of executable software that is applied to manage a process.

For example, an application can notify any individuals that are involved in a process of any tasks they must perform and then link them to the resources they need to do their jobs. Such a program may automatically delegate up or down the management chain when appropriate to perform automatic tasks such as KPI (Key Performance Indicator) data collection and data archiving without human intervention or display KPI information to the people who need it. IT specialists use BPM to design these actions into the process model with the goal of turning the process model into an executable application to be deployed in the field.

4. Is BPM only for mission-critical tasks in my organization?

BPM is ideal for both mission-critical and routine tasks. The benefits of applying BPM to smaller, routine processes can multiply quickly throughout an organization since it is typically easy to implement changes to smaller processes. However, it is important to remember that complex, mission-critical processes are often built on simpler ones. Maximizing the efficiency of minor processes will likely improve overall efficiency of the mission-critical ones as well. One of the best ways to leverage the power of BPM is to “start small” and build up from there.

5. What are some examples of applications that can leverage a BPM solution?

Many organizations use some form of BPM in their processes. For instance, any manufacturer has likely established a clear procedure for assembly line production. This is essential since the various components that make up a car or any other machine must be installed in a certain order (and sometimes rely on other parts having been installed beforehand) if the finished product is to work properly. Similarly, an auto repair shop can use BPM to track orders, manage inventory, track the repair process, etc. Insurance

companies can use BPM for online claim filing, tracking, and resolution while banks can use BPM to manage loan processes.

BPM is also useful for helpdesk processes. Requests must be logged, tracked, resolved, documented, and forwarded to other support engineers. When used in a helpdesk setting, BPM is different from other common approaches that require employees to read a script. A BPM process clearly establishes how situations should be handled rather than simply telling the employee what to say. Integrating BPM capabilities into software designed to assist in helpdesk roles can enhance this process. New employees can be trained much more quickly if they have easy access to information related to their position (clear procedures to follow, previous records, etc.).

6. What are the benefits of open source BPM over proprietary alternatives?

Traditional BPM solutions are proprietary applications generally intended for implementation from the top down within an organization. These tools are often quite rigid in their design, and third-party extensions tend to be unsupported by the original software publisher. The basic characteristics of open source software (such as Bonita Open Solution) actually help to spread BPM to organizations worldwide; there is a minimal cost of ownership (compared to proprietary solutions) yet all essential features are included, along with greater flexibility for both management (design) and IT (implementation).

Open source software is inherently community-oriented. Open source solutions can fully leverage the combined power of the user community to improve the overall product. Software users know what works best for their particular situations and many have the skills required to adapt the product to their needs with custom extensions, resources, and even translations of the core software. These improvements are then shared with everyone, so it is not always necessary to start from scratch to deal with a particular situation. For instance, Bonita Open Solution allows users to create their own connectors and to reuse those made by other people in the community. The user community can also provide additional support channels through online sharing tools such as wikis (specialized encyclopedia-like websites that everyone may contribute to) and forums. In this way, an open source product can be extended and modified to satisfy many diverse needs and implementations.

7. Is BPM for “business people” or “technical people?”

Both. Once implemented, BPM can be equally useful to users with different skills at many levels in an organization.

Those in management can use BPM to establish clear processes for routine business procedures, since they need to be able to model processes easily using standard notations like business process management notation (BPMN). Managers also frequently need to identify key performance indicators to implement business activity monitoring. With the process model in place, a manager can test alternative process versions using process simulation; once the actual process has been deployed in the field, data collected can be used for continuous improvement or process modification. Should a process need more than a minor adjustment, a flexible BPM solution will allow complex modifications and re-testing without incurring further development cost.

IT specialists need an effective development environment that allows fast and agile application development. A flexible BPM tool provides a means for nearly code-free application development, allows easy connectivity with external information systems or data sources, and includes an integrated test and simulation environment prior to deployment.

Advanced BPM solutions like Bonita Open Solution provide business and development features all-in-one, which not only supports both types of users but also encourages ongoing collaboration between business and IT in process design, development, testing, and deployment.

8. How is BPM related to application development?

BPM has the potential to revolutionize your web application development practices. Developing a custom in-house application from scratch using conventional methods is expensive and it can take months (or longer) to bring a solution from concept to production. Furthermore, manually coding a software solution requires employees with specialized knowledge or the use of outside contractors. Bonita Open Solution provides the tools for easy, simultaneous application and process model development. Applications built on processes can then be deployed in typical production environments or distributed “in the cloud.” When you want to modify an application, BPM (as implemented by Bonita Open Solution) allows you to simply change the underlying processes instead of manually re-coding the application itself.

9. What is “BPM-enabled process automation”?

In addition to its application for modeling and improving business processes, Business Process Management enables a useful form of process automation.

As noted in “BPM as a technology,” executable software applied to a process can be applied to perform automatic tasks such as KPI data collection, data archiving, sending notifications, or fetching and displaying information to users.

While you are analyzing a process during the design phase, (or even when it has been deployed and is being monitored) you may notice certain aspects that would be more effective if they were automated. For instance, routine data entry would be far more efficient if a process could automatically retrieve data from its source, process it, and forward it to the right channels (performing all steps simultaneously) instead of requiring a clerk to do all the steps manually for each entry. Process automation can also help your organization interact more effectively with your business partners and customers.

10. How can I start using BPM?

A good place to start is to identify a process in your organization that is already working but could be improved. If you are looking to validate the value of BPM, consider choosing a process that, if improved, could result in demonstrable reduction in cost, time, or some other measurable result. It may be tempting to choose a minor, isolated process to experiment with to minimize risk, yet you would also sacrifice the opportunity to improve a process that is more likely to be noticed and could potentially open the door to further improvements with BPM.

Start by modeling the way a process works without any sort of BPM enhancement. Next, adjust this model to the way the process could be improved once BPM has been added. Finding current practices to improve may seem difficult at first, but opportunities will likely materialize after some investigation. Many important (and often routine) business practices are never documented in detail or discussed verbally. This is the time to document what is currently being done and then consider what might be done differently and the benefits that such changes might bring.

Next, do a thorough analysis of how your employees conduct themselves while doing their jobs. Why do they function the way they do, what resources do they need to use, and what bottlenecks do they experience? Have they ever asked for specific changes? What would help them do their jobs more effectively? Not only does this increase your awareness of the current situation, but it also helps you learn how to create a comfortable and efficient work

environment that utilizes your employees' strengths instead of forcing them to adhere to other methods that are unnatural and cumbersome.

Involve the process stakeholders in the process design. This means including the people who are responsible for implementing the target process, those who are interested in the results or outcome (management), and those who will be responsible for taking the process design into its execution (IT staff). Involve the end users in the testing phase whenever possible and use their feedback to further refine the process design.

BPM is not all or nothing. It is unrealistic to start with no real BPM usage in an organization and suddenly expect to receive maximum benefits on your next project. Simply striving to “increase efficiency” is an ambiguous goal, so set concrete, measurable expectations and monitor the process before and after implementation of BPM to document progress.

Look for small ways to implement BPM in your organization, but choose a process that will feed its improvements into downstream processes. Once small, influential aspects are measurably more efficient due to BPM, it becomes easier to bring people on board to apply BPM to improve efficiency in other areas of your business.



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