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# BEST PRACTICES FOR ENHANCING BUSINESS PROCESS MANAGEMENT

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## **Abstract**

Business Process Management is deemed as a breakthrough solution for the problems affecting organizations in the current tough economic times. Although BPM is approached extensively in the area of research, one can notice a low level of alignment with regards to how it is being viewed, what it represents. With this article we are stressing on the importance of BPM, placing emphasis on its development while also underlying its impact on organizations and best practices with this regard.

**Keywords:** Business process management (BPM), Change management, Process, Reengineering.

## **1. INTRODUCTION**

Business Process Management (BPM) represents the third wave in business process theory. It is still relatively new and contributions to the field are made every day. This article is aimed at trying to show some basic guidelines for successfully implementing BPM. The examples that we presented are by no means the only things that matter and do not ensure success, but they are the pillars without which a BPM action is extremely risky. With this research we attempt to refine earlier theories on what makes the implementation of BPM successful. Based on the practices highlighted by earlier researchers, surveyed with practitioners, we attempt to come with an enlarged new theoretical model.

## **2. BUSINESS PROCESS MANAGEMENT BACKGROUND AND DEFINITIONS**

Before attempting a definition of BPM it is necessary to clearly define and characterize business processes. Business processes represent a structured, measured set of activities designed to produce a specific output for a particular customer or market. It implies a strong emphasis on how work is done within an organization, in contrast to a product focus's emphasis on what. A process is thus a specific ordering of work activities across time and space, with a beginning and an end, and clearly defined

inputs and outputs, a structure for action. Taking a process approach implies adopting the customer's point of view/perceptions. Processes are the structure by which an organization does what is necessary to produce value for its customers (Davenport, 1992). According to other (Hammer et Champy, 1993) a business process is a collection of activities that takes one or more inputs and creates an output that is of value to the customer.

A business process is a series of steps designed to produce a product or service (Rummler et Brache, 1990). Most processes are cross-functional, spanning the "white space" between the boxes on the organization chart. Some processes result in a product or service that is received by an organization's external customer; we call these primary processes. Other processes produce products that are invisible to the external customer but essential to the effective management of the business; we call these support processes (or secondary processes) (Rummler et Brache, 1990). In a simple definition of business processes Zairi (1997) states that they represent the means by which the resources of an organization are used safely, repeatedly and consistently in order to achieve the objectives of the organization. These are just some of the definitions that have been given to business processes. In our opinion business processes can be defined as an activity or a series of activities that contribute to the generation of the final product or service either by adding value to the organizational input either or by contributing to the optimal development of organizational activities.

In the early 1990's a new concept began to stand out, Business Process Reengineering (BPR) that has known a very high popularity. Practically, BPR demanded the complete reorganization of an organization based on the business processes that occurred there. This is a radical solution but it was well perceived especially by companies that were facing big problems either regarding competition or change. Hammer and Champy (1993) gave the first clear and accepted definition for BPR which was sought as the fundamental rethinking and radical redesign of business processes used to achieve dramatic improvements in critical contemporary modern measures of performance, such as cost, quality, service, and speed. According to Bergeron and Falardeau (2004), BPR represents the transformation of organizational processes in a radical way in order to obtain major improvements in terms of quality and productivity. Reengineering consists of organizational re-design based on IT technology and infrastructure. From these definitions it becomes clear that BPR is based on a conviction that the current business processes of an organization do not work anymore or are not as competitive as they should be and need to be replaced with something new. This means the redesign of business processes as a whole and not the gradual improvement of existing ones. Unlike the definitions given to organizational change which take into account every component of the organization in order to

achieve strategic objectives, reengineering concentrates exclusively on redesigning fundamental business processes.

BPR was and is a very controversial concept mostly because of this radical approach. Although BPR has been used successfully by large companies such as Hallmark, the overall results have been found lacking desired outcomes either due to misunderstanding of BPR, unrealistic objectives or the miscorrelation with the overall strategy of the organization. Despite the entire criticism, one thing is certain, BPR was a step forward in business process theory drawing attention to the importance of business processes and to the potential that they have. BPM is a relatively new theoretical concept, catching attention mainly in the last decade being considered the successor of the BPR wave of the '90s.

BPM is a managerial approach aimed at aligning all organizational aspects with the needs and demands of the customers. It is a holistic approach to management that promotes efficiency and effectiveness in business and encourages innovation, organizational flexibility and the use of high technology. Weske (2007) defines BPM as the concepts, methods and techniques that are used in order to design, model, execute, monitor and optimize business processes.

Based on this definition, Weske (2007) identified five categories of activities linked directly to BPM: design and analysis; modelling; configuration; implementation; monitoring and evaluation.

BPM is more than a short term solution like in the case of reengineering. BPM seeks continuous improvement and the understanding of this fact can greatly help organizations in the correct implementation of this concept. BPM should deal more with continuous improvement rather than radical changes. This is one of the reasons why it is very important that, when discussing BPM, to not lose sight of other concepts directly correlated, such as organizational culture and leadership, strategic management, change management, organizational flexibility, quality management, etc. BPM is meant to increase customer satisfaction by granting special attention to the existence of a high level of effectiveness of business processes, a level that in the traditional view could not be reached although the functions of the organization had an acceptable level of performance. It is clear the organizations that implement this approach of BPM have a high degree of efficiency and effectiveness, a lower response time to market demands, a higher quality of products and services, a greater degree of customer satisfaction (Pritchard and Armistead, 1999).

In a technical definition of BPM viewed from the perspective of IT systems, it is considered a concept that points out the support granted to business processes through the use of methods, techniques and design software in order to plan, implement, assure quality control and operational process analysis with

the involvement of individuals, the organization, applications, documents and other sources of information (Weske et al., 2004). BPM determines the analysis and modelling of processes, which have the capacity to bring about an improved visibility with regards to business activity, identifying narrow spaces and areas of improvement, reducing lead times, better establishing tasks and roles, developing means to prevent fraud. (Ko, 2009)

### 3. BEST PRACTICES FOR BUSINESS PROCESS MANAGEMENT

Various research is available in the area of BPM and what determines the success of such initiatives, Rosemann et De Bruin (2005) identify key factors that are the basis for successfully implementing BPM : Organizational culture and change ; Involvement of top level managers in all aspects of the implementation process ; clear tasks and measurements for quantifying process efficiency ; policy of continuous improvement in regards to business processes ; alignment of the BPM approach to the strategy and long term objectives of the organization

TABLE 1 - ELEMENTS THAT DETERMINE THE SUCCESS OF THE IMPLEMENTATION OF BUSINESS PROCESS MANAGEMENT

Summary	Description
<b>Aligning the business environment with business processes</b>	Aligning strategy with business processes; measuring performance; IT investments; the level of specialization of the employees.
<b>Continuous improvement</b>	Organizational changes; establishing process owners; implementing the proposed changes; using a framework of continuous improvement.
<b>Aligning the IT systems with business processes</b>	Standardizing processes; informatization; automation; preparing the human resources for change.

Source: adapted from Trkman (2010).

The opinions referenced above were surveyed with practitioners and resulted in the below referenced model that details best practices for the implementation of BPM.

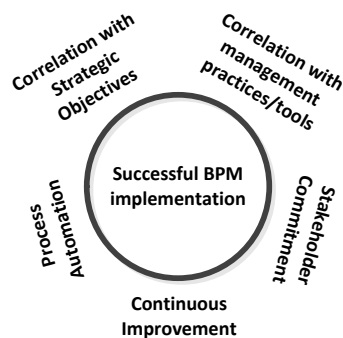


FIGURE 1 - BEST PRACTICES FOR ENHANCING BUSINESS PROCESS MANAGEMENT

Source : made by authors

### ***3.1. Correlation with strategic objectives***

BPM must not be considered a stand alone strategy but rather a strategical component, a strategic option of a strategic plan. It is true that BPM brings important changes in virtually every level of the organization. The analysis of the current strategy of the organization and of the direction in which it wishes to go must be the basis for the decision on whether or not to implement BPM. The orientation of organizations toward processes with the aim of developing and maintaining the competitive edge is no longer a novelty. The implementation of a concept as complex as BPM requires important investments and, therefore, has inherent risks. First of all, before implementing BPM it is necessary to determine that it is needed. Second of all, the concept of BPM must be studied and fully understood by top management and the future members of the implementation team. Without this understanding the implementation will be done on an empirical basis, not using scientific principles and will increase the possibility of failure.

### ***3.2. Stakeholder commitment***

The involvement of all internal stakeholders in the implementation of BPM is vitally important to all major changes that occur in an organization. This is one of the best methods to reduce and cancel out the negative influences of change resistance. The most important part of this phase is the involvement of top level management. The decision to implement BPM can only come from top management because the effect on the organization will be a profound one. The changes produced by BPM will create an atmosphere of uncertainty and distrust for the employees, which is why the active involvement of top level management must make itself felt. Top level managers must be involved in some measure or another in all the steps for the implementation process. Furthermore, the measures that will be implemented must first be explained to the employees in order to try to create an atmosphere, an organizational culture that will react positively to change. It is necessary for the tasks and responsibilities to be established down to the individual level.

### ***3.3. Correlation with management tools/practices***

BPM can be divided into two components: a managerial component and a technological component. BPM is a relatively new concept, developed in the last decade and therefore has no widely accepted methodology. Organizations that focus on processes must understand that BPM cannot be considered a strategy but rather a strategic component. Concepts like this should be explored and implemented in relation to others, trying to establish a correlation with medium and long term objectives. The failure of the implementation of reengineering was attributed mainly to: a lack of knowledge concerning

reengineering methodology and a lack of correlation between this concept and other aspects of the organization. Large organizations use a human resource management adapted to their needs and visions, knowledge based management is becoming increasingly sought after, strategic management is the basis for every successful company and the examples could go on. It is important to bear in mind that in an organization all or most of these ideas enter into a relationship with one another as different departments interrelate.

### **3.4. Process automation**

Process automation became an important trend in the last 30 years and is one of the foundations of BPM. It is also where the technological dimension of BPM comes into question. Process automation requires the introduction of new technologies or improvements to existing ones in order to increase the efficiency of a business process. This step involves aligning IT systems with business processes. The automation of processes is a very important step and is viewed by some as a synonym to BPM, which is false. In conjunction with the automation of processes it is necessary to give employees the power to supervise these processes and to intervene in the case of any irregularities. Minor improvements that can be made by employees or teams must be taken into account. The involvement of senior management in the implementation of these improvements would create long waiting periods, which is why employees should be given a certain amount of freedom.

### **3.5. Continuous improvement**

BPM is a complex concept, bringing about fundamental changes to the organization, how society will react to these changes is often difficult to predict, also bear in mind the technological aspects, as mentioned previously, the introduction of new technologies is one of the most important components of BPM. Continuous improvement should cover both aspects of BPM. Thus, from an organizational point of view, the adaptation of employees, teams, departments to new tasks must be continuously observed, comparing results to previously established goals. Organizations must be flexible in order to adapt successfully to increasingly frequent changes in the business environment. Also, new practices can be identified by the use of benchmarking activities in order to maintain a high level in terms of process performance. From a technological point of view the life span of new technologies is becoming shorter. Innovation is an issue of increasing importance in the life of organizations, especially large ones. Technical progress may make progress today, impairing tomorrow's, maintaining current technologies used is therefore essential. Technological progress can transform today's advantage in tomorrow's handicap, keeping current technology is therefore essential.

These are just some aspects that contribute to a successful implementation of BPM. Certainly they are not the only issues to be considered, but we feel they can be defined as generally valid. These practices presented previously do not guarantee the success of BPM implementation, but are rather trying to avoid some mistakes that can be considered fatal. BPM is a concept whose implementation requires significant investment and change in the organization, either as a whole or in specific departments or subdivisions.

#### 4. CONCLUSION

Probably the most important decision a company can make regarding BPM is whether or not it could be a solution for their problems. BPM is a concept that shows great potential and although it has been around for 20 years it still has its fair share of not being solid/robust, not having the same meaning for everyone who is implementing it; thus we can consider that this concept is targeting continuous improvement while being under continuous improvement in terms of definition, methodology, tools, implementation practices.

Business Process Management should be synchronized with the organization's objectives and strategic management; BPM is not a strategy, but a strategic option. BPM can yield great results but these should be weighed against the corresponding costs, the automation of some activities together with new technological solutions might be required, but BPM should not be limited to this.

Business Process Management is not a short term solution and should not be viewed as such, an organization focused on business processes should target its efforts towards continuous improvement, monitoring and evaluation.

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