



Automating Processes:

Plucking the Low-Hanging Fruit of Process Management

A White Paper

By Jay O'Brien
Chief Technical Officer
BP Logix, Inc.

“Continuous process improvements in any one area eventually transform the business. They lead to innovation. They lead to new processes. They lead to new business.”

■ Peter Drucker, Management Challenges for the 21st Century

Business Process Management. To many, these words conjure up images of tremendous complexity. Months of planning. Committees. Meetings. More meetings. Boxes and arrows and squiggles depicting your business processes – as they are and what you hope they will be – on wall-length whiteboards. The process sounds complicated, complex and exhaustive.

While BPM can be that complex, it needn't be. You can move, and move quickly, to pluck the low-hanging process automation fruit for your company.

In this short paper, we will provide some guidance, along with things to ponder, consider, and act on, as you contemplate how to automate your business processes.

We'll start with one critical takeaway – GET STARTED.

“Perfection” is often the enemy of good – and, often, good is ... good enough. Yes, business process management can be used to automate and remodel complex business processes for increased efficiency. Interestingly enough, many business processes by their nature are not complex. Simply automating the existing manual process can deliver significant business benefits. The key is to start ... somewhere!

Many experts say that “paving the cow path” overlooks ways to improve your process efficiencies. So does wasting time identifying the perfect process while you could be gaining efficiency by just getting started. Again, the key is to start ... somewhere!

By focusing on manual processes that can be automated quickly and providing near-immediate process efficiencies and ROI, an organization can quickly become more agile relative to its competitors. Even if those process efficiencies are gained in a non-revenue generating area of the business, the money saved can be applied to ensure greater returns or to improve the company's ability to compete globally (i.e., increasing its competitive advantage by building better products, having more dollars available for research, etc.). Automating an inefficient and slow manual process can also increase customer loyalty, which leads to all good things.

What is Process Management?

According to *Webster's*: “a process is a series of actions or operations conducing to an end; *especially*: a continuous operation or treatment especially in manufacture; or, to subject to or handle through an established usually routine set of procedures.”

Companies have been performing business processes since there have been businesses. Today, those processes can be streamlined and made more efficient with automation.

All companies have processes. Without processes, a business would grind to a halt. What's the result of automating those processes? A more agile and efficient business. And, an additional benefit of automation: Those processes become more visible and demonstrable.

Business process management (BPM) has been defined as a method of efficiently aligning an organization with the wants and needs of its customers, both internally and externally. BPM embraces a structured approach that employs the methods, policies, metrics, management practices, and software tools to manage and continuously optimize an organization's activities – and its processes. This boils down to automating work and making it faster and more efficient. In the long run, BPM involves identifying the current state of the business process and identifying an improved future state. Please note: this is a continuous feedback loop and, ideally, a continuously improving process.

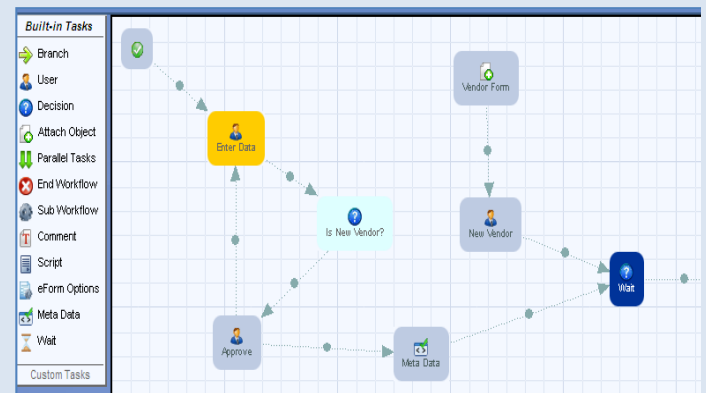
Business Value

OK, now that you know what BPM is, why should you care? A recent AIIM study asked, “How important is BPM to your organization's success?” 19% of respondents answered “Imperative,” while 46% rated BPM as

A Word on Workflow

The terms “business process management” and “workflow” are sometimes used interchangeably. A basic and very important component of BPM is workflow, which enables organizations to easily model their review and approval processes, automate routing, and monitor results. The goal of good workflow software is to align business processes with the goals and capabilities of the people and applications involved in their execution – effectively uniting business and technology.

*Well-defined workflow engines allow documents, forms and tasks to be automatically routed in accordance with the organization's established **business processes**. Automated workflows enable organizations to capture their business processes, ensuring that forms and documents are created, reviewed, approved and published according to company policies and procedures.*



BPM is, then, an overarching strategy that incorporates workflow tools into an organization's overall IT architecture and strategy. BPM establishes an overall focus on automating the organization's business processes. In concert, workflow is one of the key tools that contribute to making that strategy a reality.

“Significant.” At the same time, the study noted that BPM is not understood throughout companies. When asked “How well is BPM understood in your organization?” 34% answered “Vague” and 26% answered “No clear understanding.”

However, the AIIM research revealed many benefits for those who have implemented BPM tools:

- 82% Increased Process Efficiency/Productivity
- 81% Demonstrated Continuous Process Improvement
- 78% Improved Process Quality/Consistency/Quality
- 70% Improved Organizational Agility and Flexibility
- 70% Demonstrated Cost Reductions
- 68% Increased Customer Satisfaction
- 61% Ensured Better Reporting/Executive Dashboards
- 55% Ensured Reuse of Sub-Processes (Consistency)

Success Factors

Business process management success can be straightforward.

Be successful and:

- *Minimize scope creep*
- *Ensure executive sponsor*
- *Properly prepare staff for change and train them*
- *Match the technology with the process.*

Forrester Research, an independent marketing research company that provides pragmatic and forward-thinking advice to global business and technology leaders, echoes this desire for productivity on the part of those who already have implemented – or are in the process of implementing – BPM. In response to the question, “What are your reasons ... for embarking on your process improvement initiative?” 71% responded with “Improve Productivity.” The second most popular response was to “Eliminate Wasteful Process Steps/Activities,” another productivity-related reason.* Forrester also cites “Investment/Cost” as the most significant barrier to implementation identified by survey respondents.

Despite BPM’s relatively immature state of adoption, survey data suggests that the introduction of BPM into an organization can have a very strong and positive impact – one that is actually measurable in hard dollars. Among those companies that conducted a return on investment (ROI) study, 52% achieved a positive ROI in three years or less. Another 15% achieved ROI in five years or less. A full 70% of those who reported executing an ROI indicated direct cost savings as an achieved benefit. It is, therefore, no surprise that 65% of survey respondents indicated that BPM was imperative or significant to the success of their organization.**

To get started, you need to demonstrate to budget-conscious executives that you can quickly implement the chosen solution and do so at a very competitive cost (while ensuring that the tool you select will scale, enabling you to grow as large, and rapidly, as you require.) BP Logix tools address both of those concerns.

BP Logix Process Director is a web-based software solution that provides business users with the advanced capabilities they need to provide greater agility and visibility into their business processes. Built on an integrated document management and workflow automation system, Process

Director manages, automates and reports on any organization's business processes. It also provides powerful storage, categorization and search technologies for all documents, electronic forms (eForms), and workflow processes.

The modular design of Process Director means that organizations, both large and small, can easily and affordably deploy the product to manage their current needs – yet the product can also easily scale to meet new and changing requirements. Designed for business analysts and users, it is a product that is easy to implement and administer, providing a rapid return on investment.

Process Director contains a powerful workflow engine that enables business users to easily model review and approval procedures, automate routing, monitor results, and satisfy content management needs. The workflow automation engine provides a 100% web-based interface that enables them to graphically model and build their processes – without requiring either Development or IT resources.

Consider then how an effective electronically-based workflow – combined with a processing engine that includes clearly articulated business rules – might improve your efficiency. Think about a company involved with processing a customer's credit application, for example, and how an electronic workflow will make the process more agile and adaptable to changing business requirements. Or, how business intelligence and analytics can drive business effectiveness – by using information that enables the company to improve response rates, cross-sell and up-sell ratios.

About eForms Processing

Business processes involve handing off various work items. Often, those work items are forms. Start with the knowledge that you need to automate forms and place them into a workflow, whether that form is captured as a paper document (via a scanning device) or originates as a digital form. Electronic forms (eForms) must be easy to create and use. An eForm should be able to be pre-populated with data depending on a person's role – inside OR outside of the organization. That same eForm should automatically kick off a workflow, such as a review and approval cycle. For additional ease, only relevant fields based on specific criteria should appear. With electronic signatures, processes can be entirely

Glossary of Key Terms for Business Process Management

BPM (Business Process Management) / Workflow - Automation of business processes, in whole or in part, where documents, information, or tasks are passed from one participant to another for action, according to a set of rules. A business process is a logically related set of workflows, work steps, and tasks that provide a product or service to customers. BPM is a mix of process management/workflow with application integration technology.

Electronic Signature - Method of signing an electronic message that identifies and authenticates a particular person as the source of the electronic message; and indicates such person's approval of the information contained in the electronic message.

Digital Signature - Cryptographically based signature that can be used to authenticate the sender of a message.

eForms/Web Forms - Forms designed, managed, and processed completely in an electronic environment, usually from within a web browser.

Forms Processing - The ability for software to accept scanned forms and extract data from the boxes and lines to populate databases. Software usually includes the ability to drop out the form so that recognition accuracy improves. Intelligent Document Recognition automatically identifies document types from the layout and structure of the document.

Workflow – The steps by which work is routed throughout an organization. Also, a set of technology tools that automates those steps while providing tracking, automated routing options, and seamless hand-off of approvals.

paperless – saving trees, and more importantly, providing a complete audit trail of approvals in the case of an audit.

Process Director's eForms component is an easy-to-use 100% web-based solution for creating, deploying and routing electronic forms. It enables organizations to easily route electronic forms in accordance with defined business processes, reducing paper handling and manual routing, eliminating errors and reducing lifecycle of mission-critical forms processing. eForms allows users to pre-populate forms, make changes in isolated sections of the forms, automatically kick-off a review and approval cycle, instantaneously track and audit all tasks, and execute changes automatically once approvals are completed. eForms requires no client software, and forms can be easily built using the BP Logix eForm Builder or existing ASP.NET tools.

Identifying the Process

While your end users definitely need to be involved in the identification of the business process, the Business Analyst is typically the key person who will ensure that your processes are identified. This person is the liaison between IT, the corporate sponsor and the user community – and is responsible for gathering information and requirements. Your business analyst can evaluate existing process and recommend alternatives/solutions that represent improvements to those processes.

BP Logix Process Director is a product that enables your business analysts to more easily and effectively document your processes. What makes Process Director unique is its ability to automate existing process without requiring users to change the way they do business. Because it incorporates workflow, document management, forms processing and collaboration, Process Director integrates easily with existing applications as well as your data sources. Based on a strong understanding of business and IT roles, Process Director provides business users with a robust infrastructure that enables them to administer and process changes directly, minimizing the IT resources that are usually required.

Please note: Many vendors will try to convince companies to re-evaluate or redo their existing processes before actually automating them. This often leads to problems with user acceptance – and user frustration. While automating a process and moving to an electronic system can be troublesome, trying to redo how a process actually works at the same time it is being used can cause even greater resistance to a new implementation.

Overall Benefits

BPM benefits boil down to two main categories:

1. Improving operational efficiency, including reducing the amount of human intervention required to carry out business tasks, by automating business rules and reducing cycle times (i.e., less time to approve a claim or HR-related forms, such as vacation requests, new hire forms, performance reviews, etc.)
2. Supporting innovation

While the second benefit, supporting innovation, is certainly important, for the purpose of this particular paper we will focus on efficiency, and address how BPM supports innovation at another time.

Use Cases and Benefits

What are some examples of low-hanging fruit? Processes are simple, in essence, but yield exceptional savings. Simply switching from paper, manual processes to a digital, automated flow of work yields quantifiable and valuable savings:

- Coordinating requests from multiple departments, geographic locations, vendors, and suppliers
- Maintaining a log of change requests and insight into when changes are occurring
- Enabling web self-service to launch requests
- Reducing manual routing errors from handling paper
- Providing visibility into the processes that support management decisions and compliance initiatives
- Ensuring that processes are followed consistently, which has the additional benefit of improving compliance
- Improving productivity as a result of reducing mishandled requests

The low-hanging fruit can also be grouped into two broad categories:

Automating Processes: The National Institute of Mental Health Use Case

The National Institute of Mental Health (NIMH) is the largest scientific organization in the world dedicated to research focused on the understanding, treatment, and prevention of mental disorders and the promotion of mental health. The mission of NIMH is to transform the understanding and treatment of mental illnesses through basic and clinical research, paving the way for prevention, recovery and cure. In support of this mission, NIMH generates research and promotes research training. NIMH is one of 27 components of the National Institutes of Health and part of the U.S. Department of Health and Human Services.

For John Harris, CIO of NIMH and responsible for the IT infrastructure and services that support the 1300 NIMH users, effectively handling the sheer number of forms that keep a research organization moving efficiently was a challenge. As the organization grew, the tracking and management of these forms became an administrative challenge that needed addressing. For Harris, that meant automating and gaining control over the forms and workflow processes required for the Institute to conduct its business.

Seeking to implement an automation, tracking and workflow system that could be used effectively by operations, procurement and administrative users, faced with time constraints and a need to streamline and automate its processes quickly, Harris began. He created a matrix of capabilities, needs and wants, selected vendors to complete the matrix, conducted product demos and walkthroughs. After an evaluation that spanned five months, Harris selected BP Logix Process Director, identifying 50 forms whose automation and workflows he believed would ensure faster time to completion for the Institute.

“We wanted a product that had been developed to address business requirements like ours, offered an intuitive interface, was not overly complex and was competitively priced,” Harris commented. “I like what BP Logix has done for us in making our processes more effective. Forms and workflows that used to take days and weeks now take hours and days. We appreciate the efficiency that Process Director provides NIMH,” concluded Harris.

1. **Approvals** – Route and track approval processes in multiple functional organizational areas. For instance:

- IT Change Issues – Your IT department provides essential services that support your organization. Your IT department deals with change on a daily basis. Automating functions such as installing and implementing hardware, applications, and configuration changes; changing employee access rights; and managing a company’s ISO or compliance documentation are typical examples.
- The Human Touch – The HR department spans the enterprise and must comply with many federal, state and local laws, requiring a detailed audit trail for personnel changes including compensation, position, or title; employee performance appraisal and review; new hire and termination processing; travel and expense reporting; time reporting; and requests for leaves of absence. Because of the sensitivity of the information regarding personnel (and the respect for privacy required of employers involved in HR documents), a paper-based system can leave an organization exposed to risk through misplaced documentation or delays in response to and/or compliance with regulatory deadlines.

**Automation in Action:
The Woolpert Use Case**

Woolpert, one of the top 100 engineering design firms in the U.S., is using BP Logix Process Director as part of the company’s initiative to automate HR and Accounting applications. That includes the use of electronic forms and automating the business processing required to support Woolpert’s HR and Accounting applications.

Laura Davis, IT project leader at Woolpert, needed a solution “... that would provide flexibility, offer an intuitive forms creation tool, would work with Active Directory, and was not so complex that it was daunting for employees to use.” The roll-out, based on a successful proof-of-concept, has provided faster access to information while preventing redundancy of that information.

The HR pilot has gone well. Davis anticipates a greater usage of Process Director throughout the company. “Our users appreciate the reduction in time they now have to spend dealing with forms. Being able to eliminate email and hard copies of documents is a real plus. Our Purchasing staff is looking forward to using Process Director as well in the future,” Davis added.

- Pay Me Now – One of your key vendors hasn’t been paid. The invoice is nowhere to be found. The person who authorized the invoice just left on a two-week vacation sans Blackberry. Keeping the dollars flowing in and out smoothly and efficiently is important. Combining process automation technology with document capture will allow paper documents to be digitized so that they can be routed where they need to be, when they need to be there, so that your vendors and suppliers are paid on time (though not before). Automation also helps to prevent errors from creeping into your accounting system.

2. **Compliance** – BPM provides a complete audit trail of decision-making. Who saw what when, and should those individuals have seen those specific documents? Identifying and ensuring that organizational roles and responsibilities are adhered to as part of the review and approval cycle.

Wrap Up

As mentioned previously, automating business processes can appear to be more complex than it truly is or has to be. Remember, there's no reason to make this overly complex. Sometimes a straightforward solution is just the ticket for a straightforward business issue. Get started on the basics. Some business processes will be more complex than those described here and will require a more in-depth solution, with longer planning and a more detailed roll-out. But, if that's not you, you can get going now and start to see results while others are pondering how to improve their business processes!

To learn more about Process Director and how it can address your process automation needs, go to <http://www.bplogix.com/requestdemo.aspx> to request a demonstration. We will be happy to contact you and learn about your requirements -- so that we can tailor a demo to your specific needs.

**Source: October 2007 North American Business Process And Applications Online Survey from Forrester Research. www.forrester.com.*

*** Source: Business Process Management (BPM): Leveraging Competencies and Streamlining Processes to Achieve Operational Excellence. An AIIM Market IQ. www.aiim.org/marketiq*