Business Process Management

Opportunities and benefits vs pitfalls and threats

Business Process Management – Opportunities and benefits vs pitfalls and threats

Efficient setup of processes is the baseline for fluent adaptation and dynamic changes of the operation in the company. To select the right platform can be difficult and full of pitfalls. How to avoid them?
How to choose wisely the right solution?
What features to pay attention to? Why "free" very often means the same as "very expensive"?

Inappropriately managed processes negatively affect the effectiveness of the organization and therefore its position on the market. Improper analytical platform do not allow data collection and integration. Informative value of the analysis depends on the data accuracy.

Making right business decisions requires processing huge amount of data – often tens of terabytes. Unstructured data coming from different sources may be confusing as well.

The answer to these problems are Business Process Management solutions.

BPM, where did it come from?

Business Process Management (BPM) is a philosophy that helps to rationalize operational activities of your organization. This is a holistic approach that sets the starting point for improving efficiency, innovation, flexibility and competitiveness. BPM is focused on analyzing processes throughout their entire existence, not just within separate organizational units or competing islands. What exactly is behind this philosophy?

Since the industrial revolution, companies start to focus on ensuring the proper functioning of every single department. Each of them had a very specific task, and when it was done, it was transferred to another unit. That's what the primary goal was: to do tasks at a certain level of accuracy and to pass them on.

It was not until the early 1990s that managers seeking for efficiency improvements began to ask themselves questions about a slightly broader perception of business reality: what path of a given company a customer order goes through during the implementation phase? Can this journey be

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more efficient and effective? Considering the main goal, which is greater customer satisfaction, the changes made throughout the organization are aimed at improving the quality of products offered, faster service or better pricing. It is not about changes in specific departments of a company. These changes must simply be aligned with the overall goal of the entire organization, which is to optimize the business process. So the whole process is managed, not just its individual components.

Business Process Management - Let's start from the beginning

What is the optimal BPM system? This tool allows you to model, run, and measure the performance of your business processes. As a result, it enables faster, cheaper and more advanced operations within the enterprise. By providing real-time insight and control over the processes, the right solution of this class can help reduce costs and speed up the execution of multiple processes. Regularly provided key information plays an important role in evaluating those processes. This enables efficient and systematic optimization of the company's operations.

Such a platform must allow direct creation of analytical models from selected areas of the company's operations – after enriching them with appropriate definitions or implementations of the various stages of the process. It is also important to be able to perform various integration tasks (eg. external database functions, network services and QS systems).

It is essential on the stage of modeling the process to have the possibility to determine its qualitative parameters. Based on this, relevant information is automatically collected by the processing server which, without additional products or tools, allows to download quality measures of the process and export them to the modeling tool. Ability to perform vulnerability analyzes to take immediate corrective action seems to be equally important. Do not forget that the tool used to build process applications

must be user-friendly and understandable for business users, not just IT employees. It should support both parties to cooperate in the same work area.

Gartner, in its analysis, highlights 9 crucial features that should characterize a Business Process Management application:

↘ Interaction Management - a feature that allows you to mix together, in real-time, various activities and interactions to support the work of many different people, applications, or "things" (if your organization is using IoT).

↘ Creating process management applications - helps you to create process-oriented applications quickly and easily. The software that you create uses a metadata model to manage the business process throughout its life cycle.

↘ Business Activity Monitoring (BAM) - providing real-time key business indicators for the monitored processes, their groups, or the entire organization. It also monitors the quality of the process so that it can be kept up to date on whether the process meets the KPIs imposed.

↘ Management of rules and decisions - the presence of motivation, generating recommendations, or business decision management, which is extremely valuable for those who make key business decisions in the company. Making them in an optimal manner becomes simpler thanks to the presence of applications that partially automate this process.

↘ Analytics - transforming raw, often unstructured data, into the most transparent statistics possible.

↘ Collaboration with external tools - the ability to integrate BPM with other applications, services or databases to obtain additional information or data.

↘ Mobile device support - Access to the BPM platform from any mobile device such as smartphones or tablets.

↘ Fast process optimization - tools for faster detection and optimization of defective components in activities such as processes, tasks, or policies. Implemented changes and proposals can be based both on actual history of changes and on predictive analysis.

↘ Functional data archive - the ability to manage archival processes, decisions or requests that have occurred after the implementation of the BPM platform. In order to improve the efficiency and accuracy of system analysis some of the Business Process Management solutions allow you to enrich their history with information from external sources such as applications and databases.

Modern organization, and the BPM system - why does the company need efficient process management?

If we look closely at the activity of any business, we come to the conclusion that almost each activity is defined by processes. In addition to the most obvious such as new product design, manufacturing and distribution, marketing communications with potential buyers or after-sales service, we will find a whole lot of processes whose identification needs more in-depth analysis. We can mention for example training a new employee or his/her optimized and effective recruitment. In the concept of process, we also include the monthly calculation of worked hours by employees who are not settled on a lump sum or even the process of sending corporate correspondence.

By introducing the Hybrid Cloud Appliance, company Comparex has taken on the task of integration itself and the risk of matching all components to the platform. As a result, customers receive a pre-installed hardware and software solution ready to run in the data center in one day.

All these processes affect more or less the business efficiency of the organization. Each of these can also be carefully controlled, analyzed and modified to effectively eliminate defects, speed up execution, and reduce costs while increasing productivity. For many organizations, problems that affect processes are similar and can be defined as:

- **Faulty communication reality**

  Exchange of information is ad hoc or conducted by channels that do not work in an instant or lossless manner, eg. e-mail, paper prints, telephones. As a result, data passed from one stage to another is distorted or fragmented.

- **Human errors**

  The lack or incomplete integrity of systems present in an organization forces the need to move data from one system to another (eg. from ERP to CRM). Very often these types of activities are carried out by employees. Consequently, the whole process becomes highly susceptible to human error.

- **Lack of information and analysis available right away**

  To understand the status of a given matter, managers lose a lot of time going through company resources in search of data. It is only after their assembly that it becomes possible to analyze the problem and to attempt to infer. This whole process takes quite a long time, while the current technology makes it possible to shorten it to minimum.

- **Unreliable information transfer "up-the-chain"**

  Process owners and business analysts often do not have enough knowledge about how a process works in an organization. Ignorance of the basic mechanisms prevents optimal understanding of the problem and blocks attempts to improve its functioning.

If you are able to define even one of above problems within your organization – it proves the existence of defects in running and controlling of current processes. The answer to this is Business Process Management, which allows the programmer to draw a process as a sequence of actions, some of which are performed by employees and others by the existing business systems of the enterprise.

Building a process solution involves creating a user interface layer in the form of template that enables employees to interact with the process and define the integration of data exchange between the process and the existing systems. Once a process application is built, the developer implements the process on the engine that executes it and keeps track of the state of each process. Moreover, if the process itself is modeled in accordance with Business Process Modeling Notation (BPMN), it can be exported to any other, standardized process engine.

Business Process Management - what to choose?

It's important to know how a business process model should look like, but the key to success is understanding which specific tool is best suited for your organization. It is also important to be aware of the pitfalls found in many of the offerings available on the market, especially those charge-free with Open Source engines.

- **Availability of qualified specialists**

  First major feature that distinguishes most Open Source BPM applications from solutions provided by large and experienced vendors like IBM is the availability of qualified and certified specialists at the initial stage of the experience with such a platform. This includes both the consultation phase before the selection and implementa-

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tion of the BPM and the implementation process in the company.

For most Open Source BMPs this service has to be paid extra, which means hidden costs you need to pay anyway – otherwise it won't be accessible. In the case of IBM BPM, you can be certain that the selected tool will be optimized for the specificity of your business. This is important because the impact of such a platform affects the crucial elements of the organization's functioning.

Moreover, due to the wide spectrum of offered services, expertise of specialists provided by IBM is more holistic. It is not limited to the field of process management. This allows to look at the customer more holistically and as a result in the end – more accurately.

- **Local representation and service**

  Nowadays are many platforms on the market implemented through partner companies what may cause problems and limitations. IBM makes here difference with an office and professionals from local market, ready to provide individual support and solutions. This makes impact on the financial result of the local branch, which in economic terms is practically an independent entity. It is not the case with global companies, for whom the local market is just one of many revenue channels.

  Language and geographical barrier can significantly impede communication. This is because of linguistic aspect and limited opportunities to discuss complex details at face-to-face meetings. The limitation or partial impairment of the communication is one of the main reasons indicated as the failure source in this kind of implementation projects.

  Foreign engineers may be significantly more expensive than their local counterparts, which perceptibly increases the cost of day-to-day running of the process platform and lowers ROI from such investments.

What is IBM Business Process Manager?

IBM Business Process Manager Express	IBM Business Process Manager Standard	IBM Business Process Manager Advanced
Basic solution to start implementing BPM. Here you can find the mechanism of performing, monitoring and optimizing processes. The key advantages of this product are the design tools for business users, customized forms and fast access to process previews.	It provides tools and run-time for design, execution, monitoring and optimization, as well as basic system integration mechanisms. It works best in the implementation of multi-faceted workflow optimization and productivity programs.	A unified platform for analyzing and optimizing business operations through business process management, case management, service-oriented architecture (SOA), and analytics. The product includes Process Server, Process Center, and Visual Design components for use in process management, case management, and integration.
• full visibility of processes • real-time teamwork environment • supervising business processes • support for mobile devices	• full visibility of processes • real-time teamwork environment • supervising business processes and the entire management program • support for mobile devices • integration of business processes with existing IT systems	• full visibility of processes • real-time teamwork environment • supervising business processes and the entire management program • support for mobile devices • integration of business processes with existing IT systems • the ability to act as a single process server or as a part of complex system

- **Direct service andtechnical support**

  IBM Business Process Management's great asset is the quality and availability of laboratories which produce the software. During implementation, it often turns out that it is necessary to report bugs in purchased technology platforms. Ease of contact with the people who work with the supplier directly at the production of the software you selected has a significant impact on the speed at which you receive work-arounds and the repair packs for the error.

- **Deficiencies in detailed functionalit**

  It is worth pointing out that at first glance many open source BPM platforms have very similar functionality to the solutions offered by standard vendors. However, differences may be much clearly visible at a more detailed level. For example: this often applies to mobile device support. Many solutions are theoretically mobile-ready, but they do not offer ready-made mobile applications that can be installed on client devices. This, in turn, missing self-writing of relevant applications and involves the investment of financial resources and unnecessary use

of a much more valuable one. Instead of optimizing the monitored processes the organization notes delays in launching a production process solution which should give business users the ability to interact with processes from anywhere and with a convenient mobile device. IBM BPM contains ready-made mobile applications that can be installed on the chosen devices. What's more, the product contains source code of those applications, so local IT department can modify them easily to fit their specific requirements.

Another notable issue is the lack of functions responsible for collaboration between users. As a result, employees use traditional forms of communication (telephone, email). This sometimes results in significant delays in the execution of the task. Consequently, it reduces the performance of business processes based on such engine. On the other hand, IBM BPM includes built-in collaboration mechanisms between people who carry out business processes. The user can at any time check the availability of experts and contact anyone through the built-in IBM BPM communicator or share the screen to review or modify the data.

Common disadvantage of many Open Source applications is lack of the ability to optimally define KPIs. Administrators therefore have access to valuable data, but it is extremely difficult for them to draw any business conclusions, and practically impossible to formulate them in real time. IBM BPM includes transparent control panels that show data from past processes. At the same time, this information can be combined with the expectations to identify bottlenecks and control the implementation of KPIs.

IBM Business Process Management vs the competition

The quality of IBM BPM platform cannot, however, be shown only by pointing out the tools or features implemented in this platform. It is necessary to look at the overall solution and analysis of many factors. This kind of overview is often performed by independent research companies monitoring the market of Business Process Management solutions. An example of such a publication is Gartner's latest report (August 2016), the so-called Gartner Magic Quadrant which for BPMS Platforms is as follows.

For an overall evaluation of process management platform, you need to analyze the products in the market leader segment (upper right corner) and the so-called visionaries (bottom right corner). It is worth emphasizing, however, that the above report has been prepared for the world market in general, and therefore includes products which might not be present in local market.

Considering the above, there is a significant advantage of IBM over the competition for our native home market. Its competition might have similarly developed products, but they do not have IBM support, resources, content networks, and many certified engineers who speak your language every day. Traditional competitors, whose presence on our market and the availability of resources can compete with IBM (ie. Oracle), have significantly underrated platform process products.