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BPM Has to be a Passion!

Simplistically speaking, to me BPM is clearly defining, understanding and managing Business Processes. If we can **execute the processes repeatedly** following clearly laid down procedure and policies, achieving the same results each time, we have achieved BPM. Therefore, it is a means to **achieve the output required in an otherwise chaotic condition.** Eliminating variance and ensuring certainty in process performance, first time and every time are the hallmarks of effective BPM. In a Manufacturing process Production is easy to control, as it is tangible and each step of input, process & output can be seen & measured, a defect or a delay can be quantified, while the Services are intangible. An invoice paid cannot be easily quantified, especially in case of a defect or delay, but customer dissatisfaction becomes very "pronounced". BPM is thus an instrument for achieving organizational goals by having Consistent and Controlled Processes. It is about **repeatability & reliability, metrics & measurements, data driven culture, clarity of roles and responsibilities, aligning CTQs/CTPs to inputs outputs and processes.**

Some may say that BPM strategy is about cost optimization and enhanced customer experience. That may be quite true, but in my opinion both these are by-products which will come automatically by adopting a robust BPM strategy. In its core BPM is about defining business processes clearly.

Technology plays a vital role in executing a BPM strategy in any organization. BPM and Technology have become complementary to each other. Solutions such as ERP are used to convert raw material (input data) into finished products (output information) sifting through a complex process of controls. ERP brings in the element of scale and consistency. But this has now become just basic hygiene. So many bolt-on tools such as ICR, OCR, Robotics,Workflows, Query Management are now used as complementary to ERP to meet and improve the requirements of the modern businesses.

The BPO/Shared Services sector, whether it is captive or third-party has evolved in last 15 years and continues to evolve. The focus now is on Business impact through Standardization, Simplification and Automation. Centralization definitely brings benefit when there is fragmentation of processes at various locations, it can then be standardized and controlled better. Co-location also brings the advantage of scale, skill and best practices cross-pollination. **Talent can be harnessed and deployed** easily. Another advantage is that standard process and scale makes an excellent business case for Automation/ Transformation.

We, at Adani, established a centralized shared service centre around 4 years ago. We have brought several F&A processes under the centre and are moving up the value chain progressively. Some of the processes have been incubated under the

centre and optimized further. We further plan to bring in more value add to processes through enhanced controllership and compliance activities. Adani's business plan is to grow meteorically over the next few years as per Vision 20:20 & we are readying shared services to align with the same.

To fuel the growth to such a degree requires dedicated and motivated team. Leader should be 'grounded' to extract the true value from BPM – should have grown from operations. They should understand transactions at the root level. We do not encourage 'paratroopers' who come in, without personally experiencing issues while servicing transactions. The best leaders are those who can view **the business both from 5 feet and 500 feet at the same time**. Domain can be embedded, but practicality has to be nurtured.

Change Management is an important aspect of any advancement. The more we feel it is not required, the more we need it. More is always less. Change Management needs to be driven very effectively by clear communication all through – right from the top management to the staff on the shop floor. This "Inclusiveness" accelerates change adoption dramatically.

Embedding effective controls in business processes is one of the biggest challenges that an organization has to overcome in creating an automated solution. Many times, Operations Managers want automation simply to reduce manual effort, and as we all know, technology also has its own limitations. A good metric to evaluate the effectiveness of an automated process could be the number of manual controls in the process, even after automation. The **skill is in assessing the risk and effectively deploying the controls at appropriate place in the process stream.**

We need to continuously review processes and re-engineer or re-design, as required to sustain 'excellence'. At times process documents like SOPs and process maps are less comprehensive and impractical. There is a need to ensure that such process documents are updated at all times to reflect the as-is processes. At Adani, we conduct class-room tests on our staff, not to test if they know the process, but more to check if the process documents are consistent to the practice.

Before undertaking a huge change in the system, such as setting up a shared service centre or moving processes into an existing one, organizations need to assess their own readiness. Organizations can assess their readiness to manage change if they have well defined and documented processes. To a certain degree, one can predict the future basis past data on transactions. The decision on what processes can be centralized largely depends on a **Process Focus, Organization's Risk Appetite and Executive Conviction.** If an organization has these 3 decision making enablers, each function can be brought under shared services.

Overseas off-shoring to India has been a favourite move for large corporates overseas. This started largely to take advantage of a **low cost** location as compared to the parent country. This brought immediate gains. In addition, this move changed the focus of these processes from 'back office' to 'front office'. Additional benefits that came along were **elimination of risk, simplification of processes, application of lean, six sigma**, etc. bringing additional benefits, apart from cost savings. Clearly, India has been a success story for the overseas corporates who brought-in processes to India, years ago.

The two key factors that each BPM

manager has to keep in mind are "Passion for Process" and **"Passion for Quality"**, in a way that the concepts are translated into reality at shop floor. Never deviate from the process and never accept a sub-standard output. At the end of the day, improvement in business process should result in improvement to business performance. This can only be done by strengthening the processes by keeping the end customer & output in mind.

Ramesh Sharmahas over 21 years of Finance & Operations experience ofwhicharound 17 were with GE & GENPACT. He has been in Global leadership roles in Shared Services/ BPO space for last 13 years or so. He is a graduate from Delhi University & has completed a 2 year GE Financial Management Program. He is Quality Certified & is also a Certified Controllership Trainer.