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Business Process Management – a Growth Story

Generally BPM is understood to be an application or a system (usually IT based) which is used by business houses to **simplify** their processes and provide superior results for their customers. When used effectively, BPM can be an extremely powerful tool in the hands of the business managers. It **transfers the power** of the process to the people. It operates in an extremely flexible work environment and the users are free to design their own processes as they see fit. An ideal BPM system is well documented, simple to use and easy to change. The dependence on IT trained staff is minimal - office staff can themselves modify the process flows based on changes. It enhances the sense of creativity and allows the teams to experiment with the process flows so as to provide results faster, cheaper and with better quality.

The essence of BPM systems is always customer centricity – be it internal customers or end customer. Traditionally the BPM systems designed for internal staff processes. However in the modern times, several business houses are looking at BPM systems and solutions (BPMS) directly impacting the external customers as well – usually through use of portals and cloud computing. Not only are the customers now demanding better service and quality, but also variety. The range of offerings is changing faster than ever before. An effective BPM system can **rapidly respond** to these changing business realities.

BPM as a concept need not necessarily mean an IT based solution. Any modification to current processes resulting in an improvement in turnaround time, cost, or quality can be classified as BPM. Practically, however, this is really not possible without an IT solution. Most business managers today refer to the term 'BPM' as process modification using technology of some sort. The term 'BPM' has also begun to be identified with a specific IT application tool designed primarily to help improve processes (quite the same way as the term 'ERP' now connotes an enterprise management application to manage huge volume of data and linked processes). For this reason alone organisations who are looking to adopt a **culture of change** by using BPM, automation is a must. BPM efforts in an un-automated environment are not likely to show much needle movement. In its practical use, BPM and Technology are joined at the hip.

Practices such as outsourcing non-core processes, staff functions or even line functions in services industries are also great examples of BPM. Such companies need not use specifically designed BPM tools to achieve this. Technological advances allow such companies to

outsource work to specialised companies to take advantages of cost and time. At times, these outsourcing firms are quite far apart from the parent company – even in a different country. These outsourcing/ BPM initiatives can bring **advantages** other than mere labour cost arbitrage – such as economies of scale, adoption of best practices, improved speed-to-market and freedom from managing a possibly large workforce.

Many organisations think of automation as office automation. Unfortunately even advanced automation systems such as ERP do not bring end-to-end solutions. In a 10 step process, possibly only 2 or 3 would normally be within the scope of the ERP. The rest of the process steps would still be manual. A well defined BPM solution can be built to supplement the ERP and increase the automatable steps to 7 or 8. In a complete solution, a BPM system is often a complement to the ERP.

Such advanced thinking has really evolved only in the recent past. In India even as far back as around 10 years ago, labour cost arbitrage was on every leaders' mind when thinking of BPM. Today these leaders have realised that in addition to the obvious benefits of centralisation, there are several softer benefits of outsourcing. **People Management**, which takes up a substantial band-width of the leaders' time and effort, is off the plate. Leaders are freed up from Aspiration Management, Attrition, Career Pathing, Hiring, Compensation, Training, People Process Management and several other people related activities.

While the outcome is clearly great, its implementation may not be simple. The biggest shift required is in the **paradigms** of the people. Adapting to change may be the single biggest road-block to best of the BPM initiatives. People fear loss of control and power. People fear inferior customer experience. In Banking, for instance, centralisation could mean loss of power at the branch level. Customers could be lost due to fading away of the people touch. Other big paradigms that need to shift are: **moving from process management to metrics management & documentation, from people management to systems management, and from managing process experts to managing vendors/ internal IT experts.**

Implementing even basic BPM methodologies gives several immediate competitive advantages to the business: improved ROI, freedom for the leaders to focus on their core business, freedom from managing fluctuating business volumes. Using even basic quality tools such as six-sigma can make a big difference

In India, several companies have moved great strides in increasing their BPM footprint, but then again, several have not. This may not even be a reflection of their size. These ideas and initiatives have not percolated widely. BPM is still considered a complicated process. Several vendors who provide application and advisory services may have made it so – and 'jargonised' it. People working at multi-national companies exposed to the best of international practices may have an understanding of the BPM systems, but the vast majority, Indian Companies, more so the SME segment still think of them as fancy jargons. The need of the hour in India is to create **'simplified logical solutions'** which are easy to understand and implement i,e. focus on the user-application of the technology, than the technology itself!. The best example is the Telecom 3G understanding – the Airtel ads refer to how one can get 1 Re videos on to the mobiles. Simplification is the key for the future growth of BPM and BPMS.

The logical next step in the context of

using BPM tools is widening its **awareness** amongst the relatively smaller players in the industry. There is a huge opportunity using **cloud based** computing systems. In the banking industry, even the small cooperative banks have adopted technology completely. It is time for the industry to adopt the benefits offered by modern technology and reap the benefits.

Punit Jain, BTech, PGDM has 25 years experience largely in the IT and BPO industry, and in key verticals of Banking, Insurance and Manufacturing. He has managed global sales teams, set-up delivery systems, managed product development and quality systems in various organizations. He started his career with C-DoT and later associated with organizations like Modi Xerox, Mafatlal Micron, DGP Windsor and Newgen Software Technologies. His last assignment was with Datamatics Global Services where he was Global Head, Document Management Solutions.