

## Making BPM Work

**E**ffective Business Process Management in the long run acts as an enabler to achieve business outcomes. However the key to success is a strong understanding of the business processes. It is very important to know

- a) which are the critical processes
- b) what are the objectives of these processes, and
- c) whom are they intended to serve.

This would help in actually defining meaningful and end outcome focused processes as fractured/ sub-processes may not meet end customer/ business objectives.

In my experience I have seen both Effective and Ineffective Business Process Management. Where implemented well I have seen **customer satisfaction and cost effectiveness both contributing to achievement of business objectives**. The technology or tool used is not as important as how the business processes are actually defined and set up because once the foundation is strong the technology or tool then acts as a catalyst.

While India has been the hub for Business Process Management for companies in US and Europe for more than a decade, the journey has been relatively slow for Indian companies. Even centralization and Shared Servicing has been achieved by a very few companies. **The major road block**

**is mind-set** and the unnecessary need of businesses to retain control/ authority over Process Management.

However BPM has been managed very effectively at one of my earlier organizations where they set up Shared Services almost 10 years back , started off on a small scale (just P2P), then expanded to include more processes covering O2C, R2R, Payroll, Travel Management etc. Later they outsourced the entire Shared Service Operations to a third party BPM firm. The logic was to allow business processes to be managed by organizations for whom it is core and also provide better career opportunities for employees in Shared Services.

Organisations have started focusing on BPM to gain competitive advantage. However different operating models are being adopted - from creation of internal shared service centres to outsourcing to a hybrid approach. While several existing ERP's provide extensive support for BPM there is still a long way to go to achieve complete integration and hence in the short run companies continue to adopt various work flow systems on top of their ERP's. **There is a world of opportunity for technology companies to come out with a really integrated BPM solution** which combines everything that a routine ERP does and also manages upstream and downstream processes

In the first decade the primary focus of off-shoring was cost arbitrage, however with increasing costs in India BPM firms have realized that sustenance can be achieved only by creating value. **There is increased focus on building capability, scalability and predictability.** The eSCM model provides a right framework to assess the current state of business process management and also provides a clear direction to achieve success by implementing industry best practices.

To enhance the value of BPM it is imperative to set the tone from the very TOP. It is important to set the BPM strategy (centralization, outsourcing, tools and technology) and have meaningful short term and long term goals. While business leaders would focus their energies on the CORE it is quite possible that they might not be able to devote enough time. Hence leaders managing business processes should have effective **influencing skills** and be able to demand a seat on the table and percolate the importance of BPM throughout the organization. An important tactic could be to have BPM related goals for all business leaders forcing them to focus on these. It is also important to have the right set of people managing BPM – Leaders with strong understanding of the business, the related processes and having the right mix of detail orientation and articulating the BIG picture would definitely help organizations.

Considering the realized positive outcomes, BPM is definitely here to stay. While we haven't seen rapid progress in India there has been some noticeable but tentative progress. More and more companies have started believing in centralization of processes and a few forward looking companies have taken the bold step of outsourcing. I believe that most industries would first set up their shared services, consolidate it and then look at the outsourcing option. While outsourcing would not give any great cost advantage, the experience of running Global Business Processes by specialized BPM companies would definitely make them think about the outsourcing option in the long run.



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