

Optimizing Business Process Management

Through processes global companies impose order and consistency on a diverse set of global operations. Processes help share knowledge across enterprise and seamless delivery and service processes can be central to meeting customer expectations. Metrics is expected to be part of management DNA.

Optimize processes. Companies have significant opportunities to improve their processes, both global and local. Standardization helps eliminating duplicates and cut down on the number of processes to manage. Companies can also work to maximize value at minimal costs and complexity.

Assess what value the process currently delivers and what it could deliver; the gaps need to be fixed and with right rationale e.g. capital investments, process creates value by reducing project duration and costs. If there are duration or costs creeps, it could be due to lack of cross-functional expertise. Having technologies, procurement and other stakeholders evaluating the project will ensure omissions are minimized. Six Sigma, Kaizen, Lean principles typically help optimize the steps of any process. Most importantly the culture to stay ahead and be efficient makes the task easier.

Balancing Complexity, Costs and Standardization. While optimizing automation, a set of homogenous activities will be required to give desired homogenous outputs. Standardization need not mean that every business fills same forms in a same manner at the same time. For instance, for talent acquisition, a company facing issues to standardize its processes noted that it's important for people to understand that hiring an assistant in a new location won't require approval from headquarters. It is just that the same fair-hiring guidelines must be followed globally. Degree of standardization left in the process should be as light as possible while remaining consistent with key KPIs and value drivers.

Technology can rapidly standardize process. Normally once it's locked in, technology can make changing that process very complicated and expensive. So as part of their optimization, companies must assess how quickly the value drivers underlying a given process are likely to change and what effect those changes are likely to demand from a given process. If the value drivers are likely to change soon, then the supporting technology must be designed and built as flexible as possible.

Implement change from the top. Often discussions of process change bring out deeply vested interests that CEOs/ top management are unwilling to tackle. Involving people in process design - helps, but new-process implementation requires a top-down mandate. My experience tells me that global companies had senior leaders leading change made the journey and end result effective and confront inertia. Assessing, optimizing and embedding processes aren't a one-time event. Leaders need to review them regularly.

Processes may not provide desired benefits if:

- **There are many processes and little value** - Companies do not differentiate between processes that are essential to create global value and must be globally standardized. As companies grew, they've built processes ad hoc to manage expanded operations. Most address this through "lean" and focus on reducing the number of people, not the number of processes. When companies try to manage them to a global standard, they miss local nuance; when they manage to local nuance, they end up with different processes for every country. **Processes also proliferate and become more complex** as companies add new partnerships, outsourcing arrangements, M&A etc. Companies often try to set a single, standard global process but find that various locations maintain the old processes in the background – a bank that tried to institute a global expense-processing system only to find that many countries retained their own system to avoid the issues with currency conversion and long lag times that plagued the global process

- **Over - standardizing processes** - Maximizing control and reducing risk while being important priorities, often result in 'concerns', leading to over-standardizing processes, making them too rigid and dramatic decrease in local responsiveness. Over-standardization can also create unexpected problems. This tended to stifle innovation because achievements outside the plan weren't counted.
- **Resistance to change** - Processes that aren't immediate pain points often fade into the background. Leaders have a hard time making the case for spending time or money changing back-end processes, given other priorities. They even find it hard to change customer-facing processes until they face customer backlash.

Companies, especially the captives from various sectors focus on SLAs, attrition, location scale and from a business outcome perspective end-to-end ownership, Technology, Scale etc. **The future will be of those which move up the value chain and provide business impact.** To do this companies should consider focusing on entrepreneurial leadership, strengthening management structures, release capacity of existing SMEs to take on higher roles while enhancing speed of execution, invest developing capabilities of business insights, analytics and contextualization. As there will be pressures on companies to consolidate through right-shoring, captives and third parties will be differentiated through **total customer experience and business insights.**

Consistent global processes add value, up to a point. Companies find the right balance between consistency and flexibility. In a world of ever increasing competition best-

in-class processes can create competitive advantages.



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