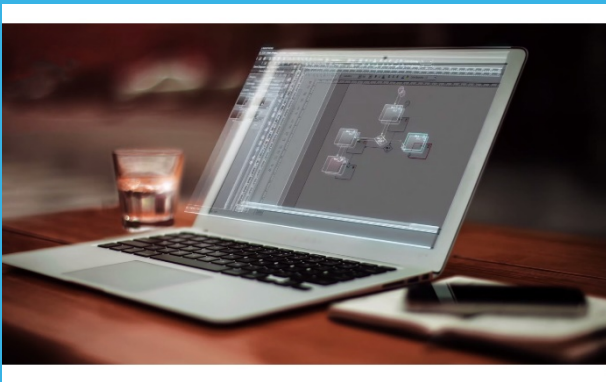


Why Should Businesses Use Process Management?



Report

Traditionally, company management systems were conceived and structured to work using functions. However, in reality all companies perform their activities according to workflows which are coordinated and aligned with company culture, strategy and objectives, known as processes.

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1. WHAT ARE BUSINESS PROCESSES?

A process is a combination of coordinated activities or events that are carried out (alternately or simultaneously) for a specific purpose.

This definition is universal and describes all types of processes. For example, the process of "watching a movie at the cinema" could be: Reading the billboard to decide which movie we want to watch, getting a cab, buying the tickets, buying some popcorn and sitting down to watch the movie.

It is an undeniable reality that every company or organization is managed internally using processes (even if they are unaware of it), given that all their activities are undertaken and **coordinated** to achieve specific objectives.

In fact, the **sum of all of the processes defines the company's entire activity**. In other words, all activities performed by a company or organization are the sum of its processes.

Some of these processes can be simple and do not need defining (for example, an employee handing in a document to their supervisor to be approved or validated), and others can be more complex and very structured.

But all of them need to be managed.

Given that business activities can be spontaneous or routine, we can differentiate two classes of process:

- Spontaneous activities, like when a boss wants to ask an employee about the results of a previous job, are managed through free workflow processes, meaning without prior structuring.
- Routine activities are managed through structured processes, a set of coordinated tasks with a pre-defined structure. Such processes can be used repeatedly over a long period of time.

These processes are called **Business Processes**.

As you can see, the Process concept is extensive and when it comes to business processes there is often a lot of confusion.

There is talk of the "Continuous Improvement Process" the "Quality Process" etc. In fact, they are processes in the sense that activities are performed to achieve a specific goal, but they are not BPM processes.

Business Processes refer to Operational and Manageable Processes, i.e. coordinated workflows to solve a specific matter.

Thus, all business processes have a **beginning**, a **development** and a **completion**.

1. They **begin** when, from day to day, an event occurs in the organization that requires a solution.
2. In the **development**, activities (called tasks) are performed that are necessary for the resolution. There are two types of tasks:
 - **Personal Tasks**. These are carried out by individuals while performing their work.
 - **System tasks**. These are carried out automatically by mechanical systems (physical or logical) without the need for human intervention.
3. They are completed when they have been resolved, be it successful or not.

2. FUNCTIONAL MANAGEMENT VS PROCESS MANAGEMENT

Although, businesses have always worked “using” processes, traditionally company management systems were conceived and structured to work using functions. This focus is based on the idea that “if all functions are optimized, company management will in turn be optimized”

This is not true. **Coordination**, an important variable, is missing.

Just imagine a football team full of top players but each doing their own thing. Failure.

2.1. Functional Management and the Information Generated

Functional Management is the oldest and still the most common type of organizational management.

This approach to business management requires a rigid hierarchical structure which is organized into areas, departments, sections, etc. as it is based on the control, analysis and optimization of the activities performed by each employee (or machine): billing, customer visits, the study and approval of proposals, etc., without taking into account the processes used for these activities.

The **information** generated can be dealt with in **two ways**:

1. The management of structured information (data) generated in the company and managed using tools (management hardware and software) that, on the one hand, ease the optimization of peoples work and, on the other hand, provide reports and analysis based on the database contents.
2. Equally, the management of non-structured information (documents and/or contents) generated by the company and manipulated using similar but different and independent tools (Document Management, ECM, etc.).

2.2. Process Management and the Information Generated

Process management is based on the **optimization and continuous improvement of the processes**, not the actions or functions

In **Process Management**, when an event occurs it initiates a process; the functions and activities of the process are optimized, furthermore these process actions are also coordinated from beginning to end and they are aligned with the company's culture, vision and objectives.

*Although the **processes** designed in a **BPMS** may be integrated and work comfortably with existing enterprise software, such as **ERP** and **CRM**, companies usually use the **BPMS** to gradually model their **ERP** and **CRM** activities, in order to substitute those applications with the **BPMS** modeled processes, hereby obtaining better automation, flexibility, security and power, in addition to a global unification of company operations.*

This allows thorough control of the **information** generated in the company, facilitating the uniformity and cohesion of this information to include:

1. **Structured information.** All of the data that is created, modified or deleted, not only in the processes but also in the company's applications: ERP, Legacy, etc. (which have been included in the Suite) including data from integration with external devices, from devices used in the company or automatically captured from the Internet.

2. **Non-structured information.** All types of documents that have been created, provided by external parties (customers, suppliers, etc.), archived, consulted, signed or deleted. As well as all digital content.
3. **Related information.** Management elements (employees, accounts, projects, etc.) connected to the other elements by 1:1, 1:N and N:N relation networks and also to the Processes and documents.
4. **Information on Rules.** Business Rules, strategies, procedures and guidelines, both internal and mandatory, either **textual** (interpretable) or **mechanical** (automatic).
5. **Activity information.** Information on people, groups and roles involved in the execution of processes and free workflow tasks (minor or unstructured activities) times, usage, current and future expenses and deviations, etc.
6. **Control and Analysis information:** Control of costs and profitability and direct access to times, views, Business Intelligence, etc., for each process and combination of processes to be analyzed throughout the company.

Thus, all information is centralized in one integral platform that offers a complete and single vision of all management elements, gathered from their database or integrated applications, therefore there is no need for external tools such as MDM (Master Data Management), CDI (Customer Data Integration) or Multichannel Integration, which, in reality, complicate data analysis and management as they are additional applications.

This approach to managing business processes is relatively new and is changing the way operations are managed in companies and organizations worldwide, resulting in **much greater efficiency**.

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3. BUSINESS PROCESS MANAGEMENT (BPM)

Although no “official” definitions exist, **BPM** can be considered as a business strategy focused on the management of business processes aligned with the company’s mission, vision, culture and objectives.

The methodology to determine the way in which the business should run is based on:

1. The analysis of the entity’s situation applying different criteria, methods, models and regulations (ISO, EFQM, DAFO, ISO, Six Sigma, etc.).
2. The identification of processes used.
3. The definition and documentation of activities in the process flows.
4. The definition of the entity’s measuring elements.
5. The creation of a Process Map of the entire entity to allow an “understanding of the company” from this new BPM point of view.

Following these actions, a Business **process infrastructure aligned with the entity’s objectives and strategic plans** is created. This is communicated to all involved to ensure they **accept** the changes brought on by the new way of working, and to provide the **motivation** necessary to ensure compliance.

But this is not enough.

You can have the best processes in the world, but if the individuals involved in the process do not do their job properly these processes become useless.

The problem is not that the people do not want to do their job properly, but that as time goes by, good intentions begin to fade and compliance with regulations diminishes.

In reality a BPM project, even if it is correctly implemented, will not be effective without certain tools enabling the verification that all activities from different departments and areas within the company are performed well, on time and by the correct people.

So, to aid the theory of BPM, companies began using ad-hoc BPM tools which have naturally evolved to gradually become better and more reliable. Hence, the arrival of **BPMS**.

3.1. Digitization and Automation of Business Processes

Like all other business management disciplines, BPM is supported by hardware and software tools.

BPMS is the software that supports BPM.

Unlike BPM, BPMS has an extremely **practical** focus, in that the **implementation process** involves the input of the theoretical **BPM** proposals which have already taken into account the analysis undertaken by the company by applying certain criteria, methods, models and regulations such as ISO, EFQM, DAFO, Six Sigma, etc., so that the system itself can:

1. **Automate** operations as much as possible
2. **Optimize** operations that cannot be automated

3. Strictly **control** their compliance
4. Apply the necessary **analysis** for their **continuous improvement**

This input of BPM proposals is basically carried out through Process modeling and Business Rules. They both have the same aim: to tell the system how the company should run.

Modeling a process is determining how it should work once executed. The **Business Rules** are the regulations and procedures that are generally applied within an organization. So **BPMS already includes the theoretical BPM proposals**.

BPMS should become the company's **global management system**, given that its tasks (activities performed in the company) are linked to each other and also to any other information, be it documented or connected to other elements such as accounts, employees, projects, etc.

In this way, when BPMS has reached a high level of maturity, the sets of coordinated tasks form a structured system that acts as a network which, in addition to constructing the company activity, enables immediate access to all company information, whilst respecting access permissions granted to each employee.

*When a BPM suite is set in motion for the Management of enterprise activities, all the company's tasks are created, developed and recorded in the system in such a way that everything is controlled and automatically produces a **constant drive** which induces the performance of tasks with perfection, resulting in a dramatic increase in efficiency throughout the organization.*

Thus, the scope of a next generation **BPM** tool is universal. It can easily automate any process, including human resources, quality control, purchases, customer relations (CRM), supply chain, risk management, sales, billing and many other company specifics.

Companies that implement a BPMS at corporate level improve the ENTIRE company. Weaknesses are brought to light and the most important activities are strengthened, making them more **flexible, competitive** and **efficient**. Besides experiencing superior power and operational flexibility, companies benefit, almost instantaneously, from a reduction in company costs and a Return on Investment (ROI). These results substantially improve when using an iBPMS.

*Gartner, the world's leading information technology research and advisory firm, coined the term **iBPMS** for intelligent Business Process Management. It is the natural evolution of BPMS systems.*

3.2. Working with Digitized Processes

Basically, the **day to day use** of BPMS consists of the following:

1. After the input of each of the company's processes, the system itself informs and updates all people who should perform an action, in accordance with the Process Model.
2. Each of these people, on receipt of the task in their personal task inbox, performs their work following the task instructions, presents their opinions and completes the task.
3. The task itself **drives and facilitates** the individual's **work** using forms, which contain all the data and documents necessary to carry out their work without leaving the task, even though these documents are based in other company applications, resulting in complete integration.

The person responsible doesn't need to find the information, the information finds them.

As a result of this work, the system records the **interventions** of each user, such as the **data** and **documents** created, modified and deleted, and **automatically updates** the records of each management element determined by the company: employees, customers, suppliers, projects, etc., in addition to the databases used for calculating the company's **Monitoring and Intelligence** (also done automatically).

3.3. Automatic Information Management (with AuraPortal)

In order to convert the vast amount of information into useful and relevant knowledge, it must be structured into controls, views, queries, reports, analysis, etc.

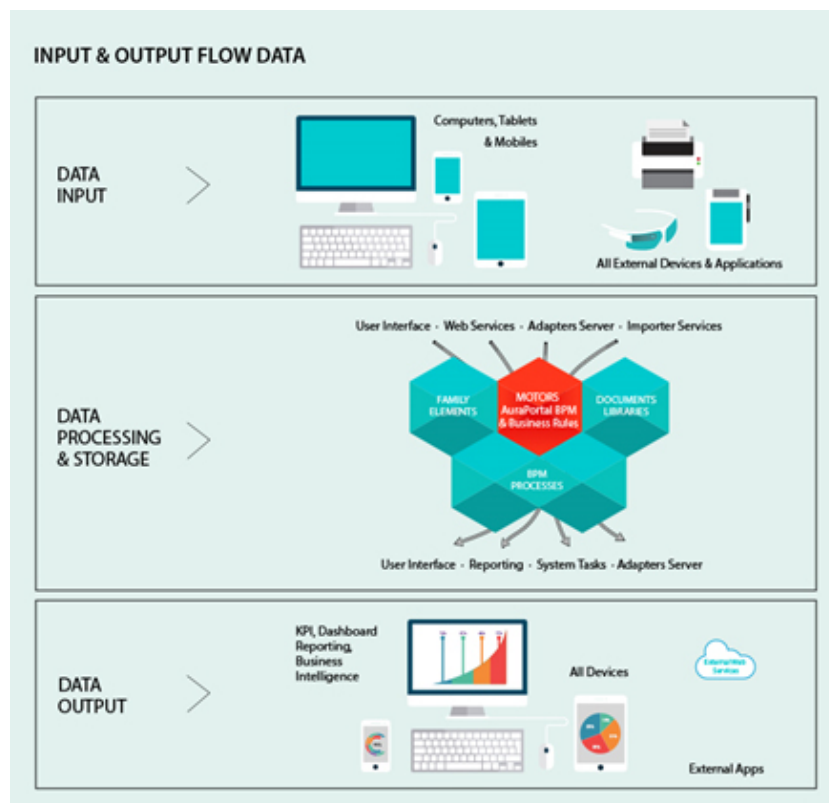
Thus, by performing all day-to-day tasks with BPMS:

- Each executed process records all the information generated by the activities throughout the flow, including all information manually input by the users, automatically generated by the system or by integration with other external applications, sensors and other devices, etc. KPIs are recorded to analyze the performance of the processes and enable well-founded decision making.

AuraPortal enables the design of any desired KPI, which can be analyzed using a range of intelligence tools.

- Thus, all information is automatically recorded and organized according to a pre-determined structure, so that the suite's intelligence tools: BAM (Business Activity Monitoring), Dashboard, BI (Business Intelligence), Reports, etc. also **automate** the monitoring, control and analysis of company facts and data.

The following image is an outline of the information flow (Input, Processing and Storage and Output) when working with AuraPortal.



1. Data Input

Information (any type of data archive or document) is entered in the suite:

- **Manually**, either by employees or external users (customers, agents, subcontractors, etc.) on computers, tablets, smartphones, or any other mobile device.
- **Automatically**, by the system through the direct transmission of result values, measurements, or in general, all types of information gathered from artifacts used by the company or the Internet, or from applications, machines, sensors, etc., that are integrated in the system via Web services, Server Adapters, import services, etc.

2. Data Processing and Storage

Once in the system, the information is stored accordingly, in Family Elements (employees, accounts, projects, etc.) and/or in Document Libraries and/or directly in the processes, and in day-to-day work, it is processed and managed by the BPM and Business Rules Motor.

For example:

- 1- *In a banking process for the Credit Risk Assessment of a mortgage, the system would capture the current interest rates from the Internet, automatically generating risk calculations with the current value.*
- 2- *The information published on the Internet forecasting 'heavy snow' in a specific area automatically alerts a logistics company, reorganizing routes (manually or automatically), modifying the delivery arrival times, generating notices, etc.*

3. Data Output

All this information, having been converted into useful knowledge by people's actions, reports, system tasks, server adapters, etc. becomes readily available in real time and to the right people.

