

HOW BPM BUILDS BUSINESS RESILIENCE

Why BPM is as relevant as ever in today's digital world, how it helps organizations increase their competitiveness and why BPM is at the heart of efficient hybrid work models



INSIDE:

- Creating an effective hybrid work model with BPM at Maersk
- Why combining BPM and low-code will boost innovation
- The role of BPM in aligning strategy with execution

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Introduction

Building agility through business process management (BPM) can aid organizations move forward in their journey out of the Covid-19 pandemic and the challenges it may have created. It can also help them work toward the 'next normal', achieve efficient hybrid work models involving both remote and office work, and adapt to changing customer expectations.

BPM plays an important role in allowing companies to react quickly to contingencies, challenges and risks that could set them back from delivering to their customers and achieve their core objectives. It also ensures organizations are equipped to support changes continually, as Vikram Mehta, head of continuous improvement at shipping company Maersk, explains.

"A strong, ongoing BPM set up, backed with technology, would mean businesses are ready to quickly absorb and adapt to meet the changing needs of their customers and employees," he says.

This PEX Network report looks into how BPM methodology and solutions can help organizations become more agile, implement innovation and build business resilience to move forward in the 'next normal'. Featuring real-life examples and insights from Shell's Integrated Gas Division, Neste, WISE Employment, Maersk, iGrafx and Accenture, it aims to provide an understanding of the value of BPM in today's digital world and offers recommendations to ensure the success of initiatives, by aligning BPM initiatives with the company's overall vision and engaging the employees in a continuous improvement mind-set.

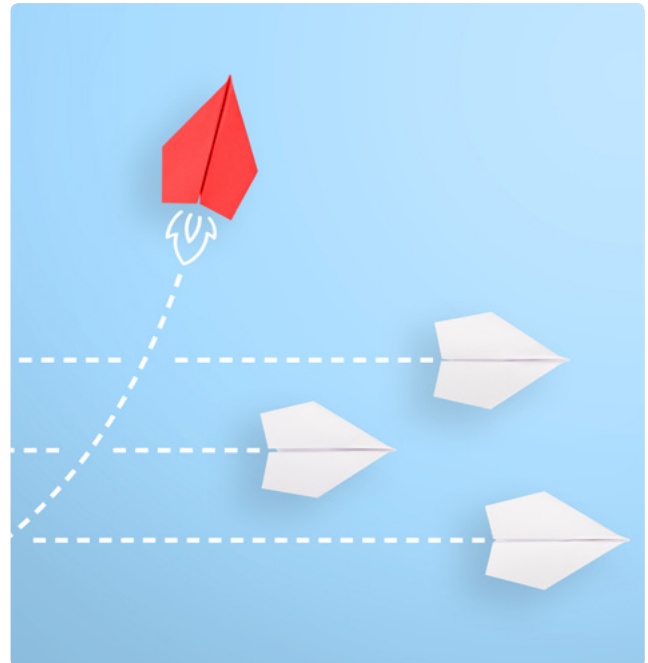
"It is very important to get your hybrid work model right to ensure higher productivity and efficiency while we continue to offer flexibility to our employees and customers – this is where BPM comes into play."

Vikram Mehta

Head of continuous improvement at Maersk

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Driving agility with BPM

BPM methodology is key for organizations who want visibility on how they operate across departments, share process knowledge and compliance with employees, and provide root cause analysis for inefficient processes. Through this transparency, organizations can look to become more agile by pinpointing the areas that need to be optimized and digitized.

While BPM methodology has been around for 30 years, Gerard Poolman, manager – continuous improvement at Shell's Integrated Gas Division, believes its content is still relevant, but "the way to conduct it has to continuously adapt to most modern technologies".

Markko Rajatora, vice-president of business processes at renewable diesel and sustainable aviation fuel company Neste, notes that its relevance today lies in its ability to bring philosophy and framework together to enable business to run.

"BPM collate digital tools and means to operate and manage daily operations and business processes better," says Rajatora. "It should ideally pinpoint challenges and bottlenecks you have in your operations, not only related to IT systems but how you operate – it should also transparently show what kind of variations you have in your processes."

Improving processes can truly make a difference on customer experience and, by extension, business growth. When the Australian government changed its rules around disability employment services and removed the requirement for job seekers to use a provider based on location, WISE Employment, a not-for-profit employment services provider, saw an opportunity for rapid growth.

The organization, however, struggled with a decentralized approach to process management. Because of process documents being stored in Microsoft Word, Excel and Visio, WISE Employment delivered inconsistent customer experiences, experienced errors, inefficiencies and duplication of work, which led it to start a process improvement initiative.

At the start of the project, the organization had nearly 230 processes documented, of which only 34 were current, with the rest being redundant or outdated with no single employee responsible for them. Implementing Nintex Promapp® enabled WISE employees to provide feedback on processes and map them, which allowed the organization to apply value stream mapping and customer-centered design principles to improve the efficiency and effectiveness of its processes.

In the 12 months following the implementation of Nintex Promapp, WISE Employment published more than 100 processes across the organization, with employees scoring their process effectiveness of 4.8 out of five stars. It also increased the organization's disability market share by 60 per cent.

Agility is critical for businesses to meet changing customer behaviors and, following the aftermath of the pandemic, the transparency provided by BPM is able to help. By connecting key processes, resources, external suppliers and services provided to customers, Ed Maddock, chief evangelist at iGrafx, believes that it can avoid customers experiencing adverse impacts to their journeys when buying a service or product, even in times of crisis.

Shell Integrated Gas Division's Poolman adds that voice of the customer is the starting point for any transformation initiative, "because they define the purpose of your business".

"If you understand what customers want you will be able to serve them digitally," Poolman notes.

What is BPM?

BPM is a process excellence methodology that incorporates various disciplines to discover, model, analyze, measure and optimize business processes. Although not its primary aim, it can often uncover opportunities for automation.

With consumers now used to numerous digital channels to interact with companies, Rajatora sees that “there is no going back”. There is now a growing need to have total visibility on the sales and delivery status of a product a customer has bought, which BPM can provide via data on specific points in the journey.

“Successful organizations spend significant resources on BPM to identify, determine and cater to future needs of their existing customers and new opportunities.”

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To transform and compete with “digital native” organizations that do not have to overcome the challenges of legacy systems, Maersk’s Mehta sees design as an important aspect of the BPM cycle. It involves designing existing processes, systems and tools to meet and “exceed business needs”.

“Successful organizations spend significant resources on BPM to identify, determine and cater to future needs of their existing customers and new opportunities,” he says. Becoming a more agile digital organization helps companies live up to the expectations of their own digital-savvy staff. Now that hybrid work models are on the rise, with companies as large as Microsoft and Google announcing switches away from office operations, BPM is key in planning and adapting to a different working environment.

“It is very important to get your hybrid work model right to ensure high productivity and efficiency while continuing to offer flexibility to employees and customers – this is where BPM comes into play,” he says.

At Maersk, a good understanding and practice of BPM tools such as a responsibility assignment matrix helps Mehta ensure he has a model that works and meets the company’s objectives. He explains: “It has allowed me to clearly define and review responsibility, results and effective communication in my teams.”

The next section of this report will look at how BPM can be a stepping stone to innovation.



A stepping stone to innovation

BPM methodology is one potential base for the implementation of technology on processes as it allows companies to understand them and know where to apply them for optimization purposes. According to iGrafx's Maddock, the key for companies to ensuring a successful business transformation through BPM is to connect business strategy with execution. This will allow for a more holistic view of what is needed rather than localized technological implementations, which can be detrimental to overall innovation.

"Local automation can only take you so far and innovation is often the victim of that local activity," Maddock remarks.

While, as Maddock explains, BPM is often thought of as just business process automation, it can be difficult to get alignment between strategic goals and the operations of an organization. He says: "It is very much a project-specific approach and the prioritization is often who yells the loudest. By using a more encompassing definition of BPM, however, we would consider a complete set of tools beyond automation."



These tools include process discovery for documentation and import purposes; process analysis and operational excellence to redesign processes for efficiency and effectivity; process compliance for audit resilient knowledge management; and business architecture.

Maddock sees low- and no-code solutions as "critical" in driving improved business efficiency quickly through technologies like robotic process automation (RPA), with BPM helping to prioritize projects and ensure their success in the longer term.

"Without having a way to prioritize where low- and no-code automation activity is focused, what often happens is automation is random and not tied to the key objectives of an organization," Maddock explains. "By applying tools like business architecture in the context of a business transformation platform, however, an organization can make sense out of the chaos and get to the levels of ROI they expected when investing in these low- and no-code solutions."

At Maersk, BPM is an integral part of the way of working across the company and is actively practiced in transformation teams, with innovation being at the forefront of the decisions they make to help improve processes, systems and policies, and to match their customers' expectations. The company also uses process mining to monitor the uptake of existing services and features on its website, and in understanding where bottlenecks exist.

Mehta states: "BPM tools, machine learning and RPA linked to Salesforce helps us pre-empt customer sentiments and deliver a 'WOW' customer experience."

By integrating process mining and process discovery into a BPM suite, organizations will be able to find opportunities for optimization, leverage data and apply artificial intelligence (AI) and machine learning to that data to help with decision-making. Intelligent BPM suites will allow businesses to simulate any process change and technology implementation across departments to understand what the impact will be.

At Neste, improved analytical capabilities brought in by BPM initiatives have provided more relevant data on processes, helped recognized automation opportunities and even created some KPIs that did not exist in the company before.

Rajatora explains: "We have been able to address areas of the business where we can do changes to improve human-to-human interaction and human-machine collaboration. It is faster and easier to address issues and is a good support for continual improvement of processes and reengineering."

To cut internal IT costs and allow for a more decentralized approach to business information, are increasingly moving to the cloud. According to Research and Markets, the BPM-as-a-service (BPMaaS) market is growing and is expected to accelerate at a CAGR of more than 28 per cent, or \$19.6 bn, between 2021 and 2025.

This forecast growth can be explained by BPMaaS's ability to provide real-time process optimization and how it can scale self-service capabilities through web apps. Maddock see the biggest benefit of BPMaaS as reduced IT costs and recommends working in

collaboration with a vendor to leverage it. Maddock advises, however, that when looking for a partner, to ensure that vendor is able to provide the required "scalability, resiliency and security".

BPMaaS can also allow for self-service capabilities through mobile. In PEX Network's 2020 BPM report, it was found that mobile tech was becoming increasingly important for company-wide transformation programs. While this is true for many industries, those involving logistical or production facilities outside an office can particularly benefit from it.

Maddock sees the importance of mobile BPM increasing especially for the purpose of accessing process knowledge on the "shop floor" in order to guarantee quality and consistent execution of activity. He says: "We have seen an uptick in the use of technology, such as QR codes, that allow handheld devices to zoom in quickly to the data they need to do their jobs."

The next section of this report discusses how BPM is a continuous tool to strengthen transformation programs and build resilience.

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Ed Maddock

Chief evangelist at iGrafx

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A continuous method for strengthening transformation programs

By constantly applying BPM methodology and using BPM platforms to improve process knowledge, organizations will be able to strengthen business transformation initiatives by ensuring continuous process compliance, technological training and change management all through a centralized structure.

At Mavim's IMAGINE event, which took place in early June 2021, Silke Lehmann, managing director of global business process management at Accenture, discussed the need for organizations to focus on processes, while discussing transformation programs.

"These discussions very rarely kick off with business processes and this is a miss because they are the ones that need to change to transform an organization – they make data flow and they get enabled by technology," she said.

Maersk's Mehta believes that the first step for an organization to leverage BPM is by acknowledging its potential to support its vision, especially around growth ambitions, while the second step is to drive it as a culture across the company, going beyond a team or department.

While he says most respectable organizations today have a well-established continuous improvement team, it should be in the driver's seat to spread awareness and gain a commitment from the company to continuously improve.

"We do believe that BPM and continuous improvement go together as there are synergies between the two, and we leverage that to drive that mind-set in our company," he explains. His approach is to conduct bite-sized trainings, share case studies and best practices from within the organizations and across the industry.

"My team's aim is to demystify BPM for the business, make it easy to understand and simple to implement," he adds. "We lead very busy work lives today, and most people and teams want to continuously improve their processes and outcomes. However, they need to weigh the benefits

versus the effort investment in their endeavors – this is the part where my team plays an important role."

At WISE Employment, improving processes means bringing all stakeholders of a process together to find areas for improvement as Kon Stoilas, organizational development and learning manager at the company, explains.

Stoilas says: "It is really about creating a culture and practice of continuous improvement that will allow us to have the most efficient and effective processes for our customers."

Shell Integrated Gas Division's Poolman agrees that, although BPM is critical to strengthen transformation programs, organizations need to focus on purpose, people and platforms as well.

"Processes are a tool to help you improve a transformation program, but it will not work if you do not get the purpose for it, the reason you are doing it, or have people with you on the journey," he says. "We were successful at Shell because we had a purpose and we engaged the people – in some instances, perhaps the purpose is there, but it is not well communicated or understood."



Many established businesses have some process management capabilities, such as a process repository, an automation tool, or a unit focused on BPM. They are, however, typically not implemented consistently, with examples including a process automation tool still at the pilot stage or only deployed on specific processes. For this reason, Lehmann believes that to be truly effective, these capabilities need to be embedded in a business transformation platform that brings together business strategy, processes, customer journeys, technological decks and process stakeholders.

Lehmann remarks: "By doing so, we help to protect investment into BPM, accelerate and de-risk platform transformation programs, while gaining an enhanced BPM capability that provides business value beyond the transformation program itself."

She recommends an approach toward system-led process design and focused efforts on which deviations are required, such as adapting to regional regulatory requirements.



"Leverage what is standard and design where it is specific to your business context and strategy to really differentiate and have a competitive advantage," she advises.

In the future, Neste's Rajatora sees BPM as consisting of analytical approaches, active action-taking, automation capabilities, the integration of human and machine together and AI.

Rajatora argues: "It must include more and more live data, it needs to be digital and help businesses and people to operate better, and prevent business mistakes."

iGrafx's Maddock asserts the priority for businesses to invest in the concept of process redesign to achieve the level of innovation desired. This will also give customers a more seamless and pleasant digital experience, after "the pandemic exposed how much automation has been random with little ROI".

Maersk's Mehta sees BPM as a democratized tool used beyond Fortune 500 companies, with its solutions and offerings tailored according to organizations' goals. While companies are investing more in IT, AI and machine learning, there is an increased focus on BPM and by extension, process excellence and continuous improvement, with the solution design journey starting from the customer as opposed to the developer.

"BPM plays an important role in building business resilience, technical competency, business continuity and the success of a product or service through its lifecycle – the future of BPM and continuous improvement is as bright as the Sirius star," he adds.

BPM today is still relevant providing the platform many organizations need to enhance their organizational agility and bring more digital offerings to their expectant customers. With new technologies needing to be implemented alongside a clear knowledge of processes, BPM is here to stay for years to come, helping organizations achieve business agility, competitiveness, growth and resilience for potential future crises.

Top three takeaways from this report:



- > BPM can help organizations become more agile, adapt to hybrid work models and deliver digital offerings to customers.
- > BPM solutions, combined with low-code, can be a stepping stone to implementing innovation within business processes.
- > For an organization to strengthen its transformation program, BPM is needed to engrain a culture of continuous improvement within the workforce.

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