

# **Document Business Process Improvement: The Method and Tools are Everything...**

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## Introduction

Business Process Improvement, a revolutionary new approach to analyzing traditional business processes, fuses information technology and human resource management. When effective, Business Process Improvement (BPI) can dramatically improve business performance. As we embrace the accelerated migration into the e-Business era, simply *formulating* strategy is no longer sufficient. It is also essential to *design* the process to implement the strategy effectively.

Built around new technologies and motivated workers, effective Business Process Improvement begins with a commitment to a strategic vision from senior executives. Its scope can be vast and cross multiple business functions. Its goals should be ambitious. Companies embarking on Business Process Improvement often seek tenfold improvement in cost, time, or quality.

A cornerstone to effective Business Process Improvement's dramatic results is information technology – a largely untapped resource, but a crucial “enabler” of Business Process Improvement. In turn, only a challenge like BPI affords maximum use of information technology's potential.

However, information technology is an enabler tool that *should only* be deployed after both the old and new business processes are well understood, mapped for process and cost, and redesigned. The following information will cover a disciplined approach to implementing Document Business Process Improvement for meeting business goals and objectives. Additionally, the subject of advanced software modeling tools used to chart and simulate workflows will be covered.

## Rationale for Business Process Improvement (BPI)

### Why change?

Work processes in today's production world have never before been so widely affected by technology as they are currently. PCs, networks, infrastructures, and information access is so rapidly changing and becoming so cost effective, companies are easily being forced into change. It simply becomes a given: Today's business climate requires frequent process updates.

Companies are consistently being presented with the following questions:

- Are our business and financial goals being met?
- Is our competition better?
- How can we improve?
- What things really need to be changed?

In providing answers to these questions, companies are challenged to put new processes, procedures, and systems into place to affect the profitability and future stability of their companies.

## Driving Factors of Process Change

We can define the following items as major driving factors for Process Change:

- Customer Service Concerns
- Daily Operations Costs
- Employee Productivity
- Work Process Cycle Time
- Constant Advances in Technology
- Competitive Challenges in the Marketplace
- Organization Infrastructure

After examining each of these factors, it is commonly agreed that the most influential factor from the group is Competitive Challenges in the Marketplace.

## Competitive Marketplace Drives Process Change

The nature of today's competitive business environment drives differentiation. Companies are challenged on a daily basis to watch and understand what their competition is offering. The following factors have a direct impact on this competitiveness and the efficiency a company has to meet these needs.

- Customer Satisfaction
- Customer Needs
- Productivity
- Products and Services
- Cost
- Document Usage

When examining these factors in detail, a common theme emerges: many typical business processes are driven by documents. In the past, a big deterrent of automating these documents has been the cost of providing technology to meet the needs. With the continued price reduction of networks and computers, technology that enables business document automation is rapidly growing throughout corporations. However, the main driver for migrating from paper processes to using electronic alternatives is the business benefit, not the technology itself. In today's competitive business environment, achieving desired business goals requires constant process improvement particularly in the area of business document automation.

## Definition of Business Process Improvement (BPI)

The following definition can be used in terms of describing general Business Process Improvement:

*“BPI is the re-design of existing business operations to achieve significant production improvement.”*

Effective Business Process Improvement will typically generate positive results in the following two major areas:

- Increased Operational Efficiency
- Increased Customer Focus

A key to achieving successful Document Automation Business Process Improvement is focusing on the *business requirement* of the solution and not the *technology* used to facilitate the solution. Projects will fail when technology has not been analyzed properly and built into a solid business solution for a new process. One should not look to re-engineer a process to implement a technology, but use a technology as component to process improvement.

Another very critical key to achieving success is following an effective Business Process Improvement Methodology during the project. When BPI is implemented using a structured methodology, it can effectively help companies reduce operations costs, improve quality, and facilitate improved customer service. We will examine a structured BPI Methodology in detail after summarizing the typical benefits achieved from a Document Automation BPI project.

## Benefits of Document Automation BPI

### Benefits

The following benefits are typically recognized after implementing an effective Document Automation project:

- An established set of common goals and objectives throughout the company
- Integrated document management processes
- Uniform display, data collection, and printing strategies
- Improved control of documents
- Higher quality of documents
- Less paper, reduced costs
- Improved document processing cycle time

## Business Process Improvement Methodology

### Structured Approach

In order to achieve successful change in a process, a structured Business Process Methodology must be used. I have found the following four step methodology to be very effective.

1. Identify and Select the Processes
2. Map the Processes
3. Redesign the Processes
4. Implement the Solution

Step 1 is to Identify and Select the Processes to automate. One must:

1. Gain agreement change is needed
2. Find opportunities with potential to deliver big results
3. Select a Project Champion and Process Owner
4. Finalize goals, objectives, and scope
5. Organize a “Process Improvement Team”

Step 2 is to Map the Processes

1. Map and analyze the current process
2. Determine the bottlenecks, hand-off points, and process times
3. Complete process and activity based costing
4. Evaluate resource utilization
5. Determine process weaknesses

Step 3 is to Re-design the Processes

1. Set goals and objectives for the new design
2. Design and map a new process
3. Simulate, evaluate, and refine the process
4. Verify the redesigned process meets objectives
5. Integrate the redesigned process with the other processes
6. Gain agreement for the new design and cost/benefit analysis

Step 4 is to Implement the Solution

1. Finalize the process improvement implementation plan
2. Gain consensus and funding for implementation phase
3. Establish infrastructure for the new process
4. Develop process and fully test
5. Train staff and plan for on-going support
6. Implement and integrate the new process
7. Measure new process to ensure compliance with objectives

## Recommended Project Deliverables

### Documentation

To deliver an effective Business Process Improvement Project from concept into implementation will take an effective team effort incorporating strong leadership and individual team member participation. In order to help facilitate effective communications between the process improvement team, the sponsoring executives, and the end-users, proper documentation must be written and delivered. The following deliverables should be generated as part of the BPI project.

- Project Plan
- Current Situation Analysis Findings with Process Maps
- Requirements Definition and New Process Design Maps
- Recommendation Summary on Technology
- Cost/Benefit Analysis Report and ROI Analysis
- Executive Summaries
- Systems Integration Plan, Test Plan, and Solutions Implementation Plan
- Project Marketing Plan and Training Plan
- Support Task Plans

## Obtaining Success and not failure...

### Recommendations

Several factors can be identified as key elements to obtaining success in a properly implemented Business Process Improvement project. They include defining and agreeing on needs and remaining focused on project scope and objectives. Start early on obtaining senior management and executive support and maintain it properly. Develop and promote teamwork between employees that are suggesting the changes, implementing the changes, and those affected by the changes. Remember – change is very hard to accept by some people. Promote and maintain strong relationships with outside vendors and suppliers. Remember to promote and relate the actual process improvements to project objectives. And always be acceptable to change...

## Business Process Improvement Tools

### Process Modeling Software

The BPI software marketplace is currently going through a stage that holds the promise of enhanced capabilities for users of both low and high-end re-engineering tools. There are currently more than 50 programs available ranging from \$15,000 simulation and modeling packages to \$600 flowcharting packages. Software reviewers and analysts argue endlessly about relative strengths and weaknesses of various approaches, but they all seem to agree on one thing. There is no single product that can deliver all the BPI tools current users want. Integration is a key as users seek to flexibly model, visualize, analyze, simulate and implement the processes they are re-engineering.

On several process model projects I have implemented, I have used a popular Windows based product, ProcessModel, available from ProModel Corporation. Founded in 1988, the company provides both high-end and low-end BPI software tools. The ProcessModel product is positioned as one of their low-end products, but has provided superb results. One of the strengths of the ProcessModel software is the ability to both flowchart and run a simulation of a designed workflow process. Once flowcharted as a process map, individual tasks can be assigned cost variables for simulation purposes. Next, a simulation can be run for any selectable time period using the process map as input to generate a series of output reports that define the overall simulation period, work unit cycle times, production costs, and unit throughput. Once

the reports are analyzed, the original process map can easily be changed and another simulation can be run to measure the effectiveness of the proposed changes.

## Summary

Earlier I examined the rationale for Business Process Improvement and determined that today's competitive marketplace requires companies to continually change processes. I reviewed the primary benefits of Document Automation BPI and I defined the need to follow a structured BPI Methodology. To improve communications as part of a successful process improvement project, I defined a list of recommended documentation deliverables. I also reviewed a list of success factors that should be monitored throughout the project. And finally as part of the documentation, I recommended a software modeling tool for charting, analyzing, and simulating both the existing and suggested changed processes for work unit production and cost benefit analysis. Using these suggestions will help you succeed in your next Document Business Process Improvement project.