

EXECUTIVE BRIEF

5 Key Benefits of BPM

By Cesar Fernandez, Director of Product Solutions

Read our fresh take on 5 Key Benefits of Digital Process Automation

Organizations continuously face competition. Business leaders are under constant pressure to decrease operational costs and increase productivity in order to remain competitive. In the face of these challenges, many organizations turn to business process management (BPM) as a means to improve operational efficiency, enhance customer service, and increase innovation in their products and services.

BPM's value proposition is to enable organizations accomplish more with less effort. Higher quality services and products can be delivered at reduced costs, saving both the organization and its customer's money.

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THERE ARE 5 KEY BENEFITS OF BPM:

1. Improved Business Agility & Intelligence

Agility is not just about an organization's ability to change. When circumstances change outside of their control, agile organizations are able to respond quickly. The goal of business intelligence is to enable better business decision-making. Business intelligence is derived from the analysis of both historical and daily operational data, delivering valuable insight to the current state of a business, based on targeted measurements and metrics. BPM offers the ability to monitor and discover vital data, providing an organization visibility into the performance of their processes.

BPM empowers organizations to seize opportunities and manage threats in the marketplace by capitalizing on business intelligence gleaned from this analysis of their internal business processes. Armed with this valuable insight, companies can go to market with new products or services more quickly, maintaining or potentially improving their market position.

2. Enhanced Operational Accountability & Management

Operational accountability is essential to the fiscal health of any organization, particularly in today's competitive marketplace. Each individual in an organization must take personal responsibility for ensuring that processes move forward and requests are completed as efficiently as possible. Operational accountability exists when there is a clear request channel and a commitment to fulfill such requests, as well as consequences for failing to meet those commitments.

BPM supports operational accountability within an organization by establishing clear goals, roles, responsibilities, expectations, boundaries and the authority needed to track deliverables and their corresponding budgets. This kind of accountability also fosters operational transparency, thus minimizing the potential for fraud, errors or loss.

3. Continuous Process Improvement & Performance

An organization's "3 P's" (policies, procedures, and processes) often define its uniqueness. But, as the saying goes, "The only constant is change," and these P's are constantly evolving, especially when it comes to processes.

Business professionals need to examine their processes continually in order to eliminate problems. Continuous process improvement is a formal, ongoing approach to refining processes that can ultimately increase productivity, enhance service offerings and improves products.

Cesar Fernandez is the Director of Product Solutions for PMG, a software company that deploys enterprise service catalog for the Global 2000. With a Six Sigma Black Belt and ITIL v3 certification, Cesar has over 20 years of experience in business process management. After several years of working closely with the PMG customer base, he now leads the company in developing service catalog solutions targeted to specific customer and industry needs.

Leveraging BPM, organizations can continually assess processes, thereby providing process performance transparency and enabling stakeholders to quickly remediate problems. Additionally, with proper feedback mechanisms, employees and customers can also provide valuable information. This kind of feedback can help organizations continue to meet their goals while keeping the needs of those employees and customers in mind.

BPM establishes a system of evaluated metrics, leading to increased process efficiency (through automation), improved product/service quality, increased production, reduced time to market, diminished costs, and most importantly, enhanced customer satisfaction.

4. Improved Risk Management & Governance

Due to increasing regulatory policies imposed on corporations, governance and risk management are multifaceted challenges. Audits to ensure compliance are costly and time consuming. Corporations face a multitude of compliance requirements across the organization, from IT management and security, to product safety and consumer data. Failure to meet these regulations can lead to safety risks for consumers, tarnished reputations, stiff penalties and even potentially bankruptcy as a worst case. Understanding and managing these requirements is challenging because each compliance regulation may require its own set of control mechanisms, forcing different business units to enforce compliance in ad-hoc ways. This can lead to situations where each individual business unit may implement its own methodology, tools, policies and oversight.

Good risk management is an integral part of any process. BPM ensures that organizations stay in compliance through periodic reviews of documented processes. Through rigorous process management across the applicable business units and the organization as a whole, BPM assesses for potential risk and non-conformity. Successful BPM initiatives globally implement reliable checks and balances at every process level through the use of standardized tools, procedures and policies. This helps organizations ensure they are compliant and avoid the potential of costly non-compliance repercussions.

5. Time and Money

It's really all about the bottom line. Organizations are always looking for ways to save money, which often translates into reduced resources – especially during economic downturns. Unfortunately, reductions in staff can be detrimental because they diminish organizational productivity, impact staff moral and can ultimately result in customer dissatisfaction.

Implementing BPM can help organizations uncover potential cost and cycle-time savings by identifying redundant processes and eliminating duplicated work. Additionally, BPM will help organizations standardize their business processes, creating repeatable processes that produce consistent results. These standardized processes also become candidates for automation, which can further reduce cycle times, eliminate waste, increase efficiency and ultimately boost profits.

CRITICAL TO REMAIN COMPETITIVE

These five key benefits of BPM are critical to an organization's ability to gain or maintain a competitive advantage in the market. In the absence of BPM and its resulting benefits, businesses will effectively face an uphill battle in the competitive landscape.

ABOUT PMG

PMG's powerful yet easy to develop solutions go beyond traditional IT service management, helping you create a better, smarter set of automated business processes that streamline operations, reduce costs and improve efficiency. The PMG Enterprise Service Catalog unites the best features from e-Commerce, Business Process Management (BPM) and content management systems (CMS) into one tightly integrated solution. By implementing a flexible PMG solution that easily integrates with existing tools and your established business environment, you can handle internal service requests faster with fewer manual processes and less reliance on staff intervention. The result is a more efficient, less costly set of business operations. And that's just smart!