

# > PRACTICAL BUSINESS PROCESS IMPROVEMENT

---

## TABLE OF CONTENTS

Introduction .....	1
Understanding Process Improvement Opportunities .....	2
Challenges in Achieving Continuous Process Improvement .....	3
Realizing Process Improvement .....	3
Key Considerations .....	4
Process Improvement with Savvion .....	5
Problem Identification with Savvion .....	6
Analysis with Savvion .....	8
Immediate Problem Resolution with Savvion .....	8
Realizing Process Improvement with Savvion .....	9
Conclusion .....	11

---

## INTRODUCTION

The promise of BPM is to make your business more efficient and deliver that ever elusive continuous improvement. This continuous improvement, though very desirable and conceptually simple, has been a challenge for all businesses. The key question remains “how can I know what needs to be improved?” And once they know something needs an improvement how to act on that. All agree that in order to stay competitive, business processes need to be improved continuously. But how can we make this happen?

There is vast amount of business data, events, rules, policies, procedures, etc., available to business managers. How would you know which ones to focus on to achieve that next 5% gain in efficiency? Are you putting together tons of reports and spreadsheets to find that source for improvement? Even if you are able to find that source for improvement, are you, as a business person, empowered to make that improvement happen? Or do you need to run around and get an IT team together making a six month plan to implement process improvement change? What if the situation is so dynamic that it needs the action NOW because your business is bleeding? Moreover, if you wait for six months for an improvement, the solutions you developed are no longer valid as the business environment has already changed.

The pace of change in our world is faster than ever. Changes in our environment demand that our business responds to these changes and adapt quickly. These changes are driven by political, economic, social or technological factors. These changes may be required to respond to a business move by a competitor or new regulatory guidelines issued by government. We have seen a number of companies in recent times that could not change fast enough with the changing environment and went down very quickly. Whether it was a large telecommunications company that could not handle number portability in time or a bank that was not able to handle large volumes of loan modifications, businesses have failed for lack of quick adaptation.

Today's BPM empowers the business users to look for business process improvement opportunities and quickly act upon them. Progress® Savvion® BPM provides an effective approach to business improvement that is timely, quick and driven by business users.

---

## UNDERSTANDING PROCESS IMPROVEMENT OPPORTUNITIES

Process improvement is aimed at identifying the waste in your processes and eliminating it. It is about understanding what parameters in your processes are important, monitoring those in real time to make sure they are always on target, and then improving them if they are not

Improving your process means eliminating the bottlenecks in your process that throttle the smooth flow of work from one process participant to the other. The process participant can be a person or a system. Improving your process means reducing your cycle times, so that you can process more orders or can serve more customers with the same resources. Improving your process means reducing the cost of processing each order, resolving customer disputes faster and, thereby, increasing customer satisfaction. Improving your process means identifying redundant process steps that can be eliminated.

In order to improve the process you need to understand what the measures for the process are. These can be referred to by various names like “process metrics,” “KPIs” (key performance indicators), “performance objectives,” etc. The idea is that in order to improve the process you should be able to describe what your process is and measure the process for its performance. Only then you can improve the process. The metrics for the processes are determined by your business goals. If quick processing of orders is important to you and your customers, then the cycle time of your order management solutions needs to be the key metric. If reducing order management cost is the business objective, then you may want to reduce the number of orders that need special processing because it is more costly.

Business people are most suited to identify the process metrics or KPIs as they are the ones who manage the business and are responsible for its performance. Business managers, whether they are responsible for order management, fraud detection, or product delivery, have certain performance targets that they strive to achieve. Because business results directly affect their performance evaluation, they want to know at all times how they and their teams are performing—so that they know if they are meeting their targets or their plan needs a course correction. That is why it is important that the business managers have the ability to define the metrics, monitor them and do something about them

when they fall short of expectations. They need to do all these without needing to wait for lengthy, time consuming and costly IT projects.

## CHALLENGES IN ACHIEVING CONTINUOUS PROCESS IMPROVEMENT

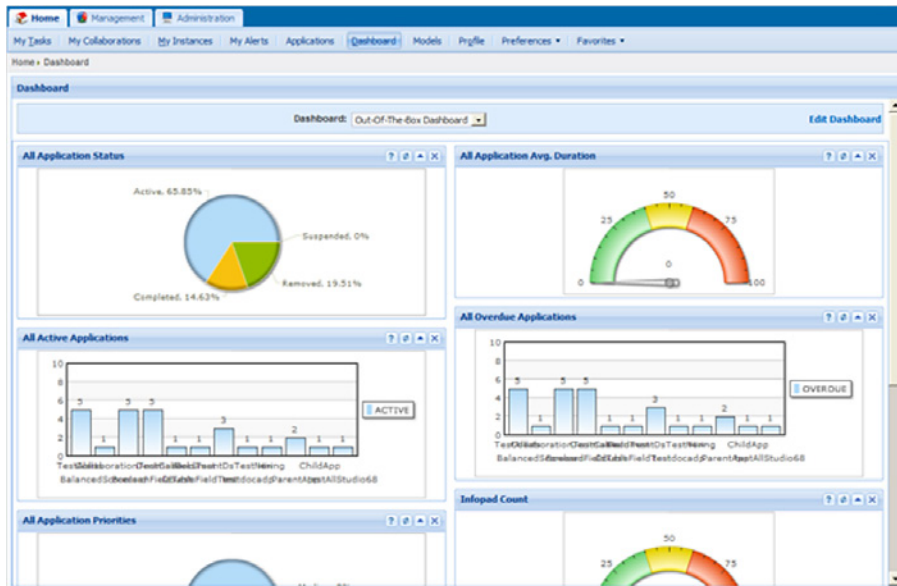
Most of the time when we need business improvements, we get overwhelmed with data. The problem is not that there is too much data; the problem is that the data is not analyzed or presented in context of a process whose execution generates that data. It is presented in volumes of reports or spreadsheets, and it is very hard to make sense of that data without the proper context or abstraction. Another issue is that the data is based on past events and, hence, is historical. Such analysis is good for understanding the trends, but to make the improvement in real time you need to evaluate the events in real time so that you can take actions while the problems are happening or avoid the problems altogether with predictive analytics.

Therefore process-centric, event-based model is much more suited for business improvement in real-time than a data-centric model.

## REALIZING PROCESS IMPROVEMENT

Process improvements in businesses can be categorized into two types: quick fixes and long-term solutions. There are situations in your business that need triage right away, and there are ones that you want to improve as a part of an ongoing improvement initiative.

Once the business manager has identified process metrics, she can monitor them from a role-based dashboard at the correct level of aggregation. A BPM system monitors the value of these metrics and sends out an alert if a metric misses its target at any point in time. Such a situation calls for an immediate action. BPM with integrated business activity monitoring (BAM) capabilities can identify such situations immediately and send the alerts to the responsible people. BPM systems enriched with data mining capabilities also present you with possible causes for the anomaly and recommend corrective actions. You can quickly escalate the issue to the right authority or delegate the tasks appropriately for the immediate action.



**Figure 1:**

*Process dashboard for real-time visibility*

In addition to the immediate actions, you can set some rules so that if a similar situation occurs in the future, the system can take some automatic action to resolve it until you find a long-term solution for the cause of the problem.

For the long-term, continuous improvement solution, BPM needs to provide you with in-depth analysis about your business metrics to get to the root cause of the problem. If for certain processes you are not meeting your targets, the system generates an analysis automatically so that you can see which process parameters are causing the problem. For instance, if you are not able to meet the target time for order delivery, you can see if the problem is caused by a particular order type or only for certain products or is particular to a customer or sales group. The resolution of the problems may not be only on the human side but can also be on the system side. It may happen that some of your underlying systems like ERP or CRM are dropping the ball and slowing down the processing. Once the analysis identifies the source of the problem, you can take action to address the problem, and improve your business operations.

## KEY CONSIDERATIONS

The idea of process improvement is quite interesting and catches the imagination of many. We all want to be able to improve our businesses and be successful. But are the software tools that we are using enabling that process improvement or are they a hindrance for a realistic process improvement?

BPM needs to be an enabler of your process improvement vision and empower the business users to impact that change effectively and quickly without overdependence on IT resources. Imagine if the business person has identified the key metrics to be monitored or a process improvement idea that can reduce the order processing time by 20%, but in order to operationalize either of these, she needs to sponsor an IT project and wait for weeks or months because the project needs to go through the customary cycle of planning, approval, staffing, implementation, testing, and deployment. By the time all the dust settles, hundreds of hours have been spent; the business environment has changed; assumptions are no longer valid; and the whole purpose of the requested change is lost.

Business users should be able to monitor their business from a central dashboard, and, when they need to add a KPI to the mix, they should be able to do that from their portal itself. If they need to adjust the process as per the current business environment, they should also be able to do that quickly from the portal rather than waiting for an IT project to implement the improvement ideas.

Many times the improvement in the processes is delivered through changes in the process rules, and changes in the process rules should not require redesigning the process and months of implementation. Rule sets need to be externalized from the process and available to the business users from a user friendly portal so that they can change the rules as determined by the improvement ideas.

So, as your business improvement initiatives are being developed, make sure that your business managers have tools to analyze the business problems, are notified in a timely manner to take actions when needed, and are empowered to make changes to implement process improvement ideas.

## PROCESS IMPROVEMENT WITH PROGRESS® SAVVION

Progress Savvion offers Progress® Savvion™ BusinessExpert, the first solution bringing business process management, business intelligence (BI) and business activity monitoring (BAM) together to enable business users operationalize business improvement.

## PROBLEM IDENTIFICATION WITH SAVVION

There are two key sources of process improvement. First, the improvement is achieved during process design and analysis itself. You can improve your process using process analysis and simulation by identifying the bottlenecks and resource constraints so that you can better understand the process and optimize it. There are various analyses available, such as 360 degree analysis, to verify the process design. Goal-based simulation allows you to specify the business goals for the simulation run, which then identifies the problems with the current process design and recommends improvement opportunities.

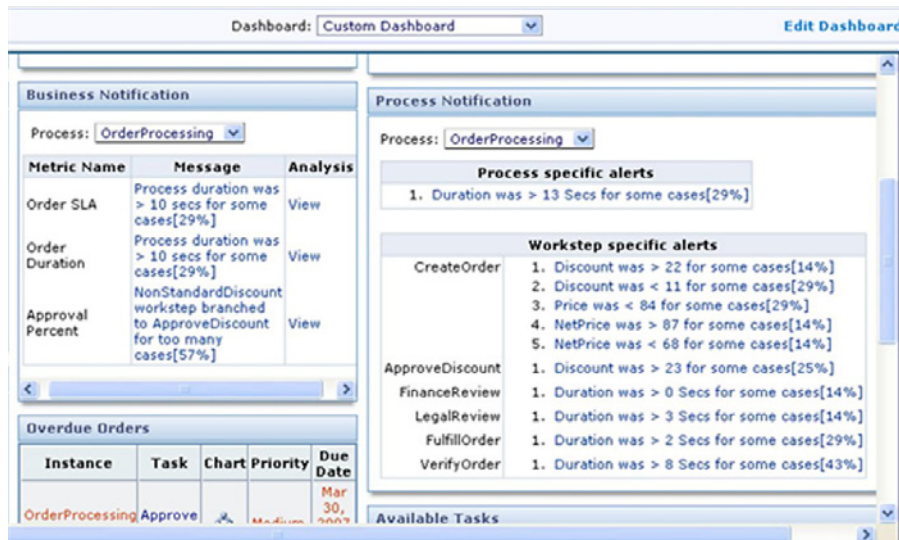


**Figure 2:**

*360 degree analysis of the process*

Second, once the process is executing, Savvion BusinessExpert helps business users to define the metric that they want to be monitored and keep a note of its values on an ongoing basis. If at any time this value is out of the target limits, a notification is sent on the business user's dashboard to have an immediate look at the situation. The BusinessExpert also offers all the possible causes for the situation and recommends corrective actions that the user can take.





**Figure 3:**  
Notifications on dashboards

Very often the business users are not really aware which metrics are important. They may either get into problems or miss opportunities for improvement just because they were not looking for or measuring the correct metrics. Savvion BusinessExpert is capable of silently observing the process and its completions. It will recognize any interesting patterns in your process and send you notification once any such pattern is identified. These patterns could be a source either of a potentially adverse situation to avoid in the future or information on how your business can be improved.

All these improvements are possible due to the process context provided by Savvion BPM. Savvion Process Modeler allows you to design your process giving everybody in the organization a common understanding of as-is and to-be processes. Once they all have a common understanding of the process, it is much easier to define the goals of improvements. Now your improvement objectives are not abstract; you exactly know what you want to improve and by how much.

Even when your process is running, you can see the effectiveness of your process by looking at the process diagrams in the runtime and immediately make sense out of it. The process diagram that was designed by the business is the same one you see running, is the same one used in defining metrics, you define metrics on and is the same one you are monitoring during your day-to-day operation. This is a key capability of Savvion BusinessExpert that provides process context to business intelligence and business activity monitoring.

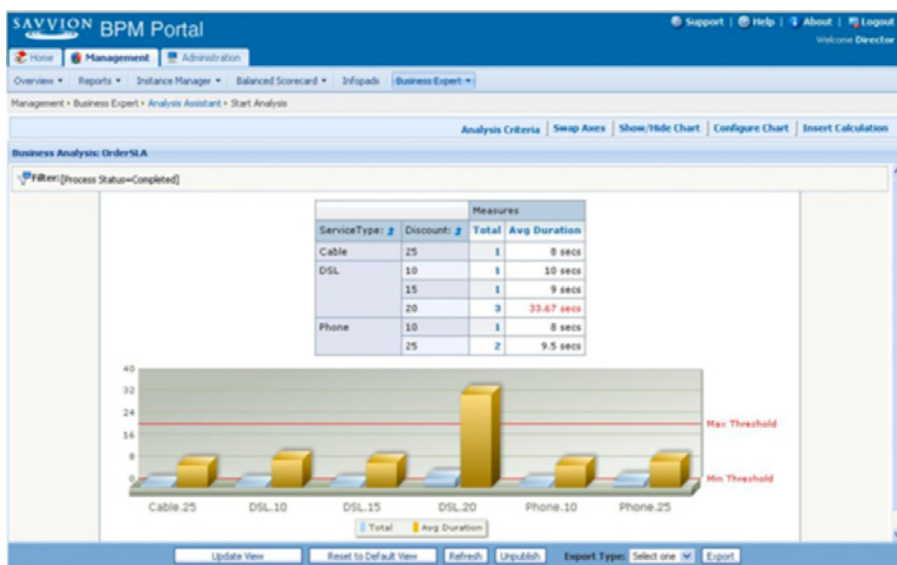
## ANALYSIS WITH SAVVION

Savvion BusinessExpert allows a full analysis in which a user can determine the dimensions of a particular metric to be analyzed. For each defined metric, the system automatically generates an analysis. Additionally, business managers can define their own analysis across any measures and dimensions that include the process or even external data. Managers can employ an easy-to-use interface from the portal to define the analysis and can create charts and graphics that allow rich visualization of an analysis. Any analysis created by users can be presented on their individual dashboards for real-time monitoring.

All this is possible from their work portal without any IT help or going to design-time tools, or any Integrated Development Environment (IDE), empowering them to carry on the business improvement quickly and efficiently.

## IMMEDIATE PROBLEM RESOLUTION WITH SAVVION

Savvion BusinessExpert notifies you whenever there is a problem with your process and provides you information on probable causes and corrective actions. It enables you to triage the situation by allowing you to immediately create rules from the portal that would let you take certain actions now and in future when a similar situation occurs. This is the key to quick process management until a long-term solution is formulated and implemented. For instance, you can create a rule that, whenever the average order processing



**Figure 4:**

*In-depth analysis of process from portal*

time increases beyond the required service level agreement (SLA), delegates all the orders of value more than \$10,000 to a special processing group.

**Figure 5:**

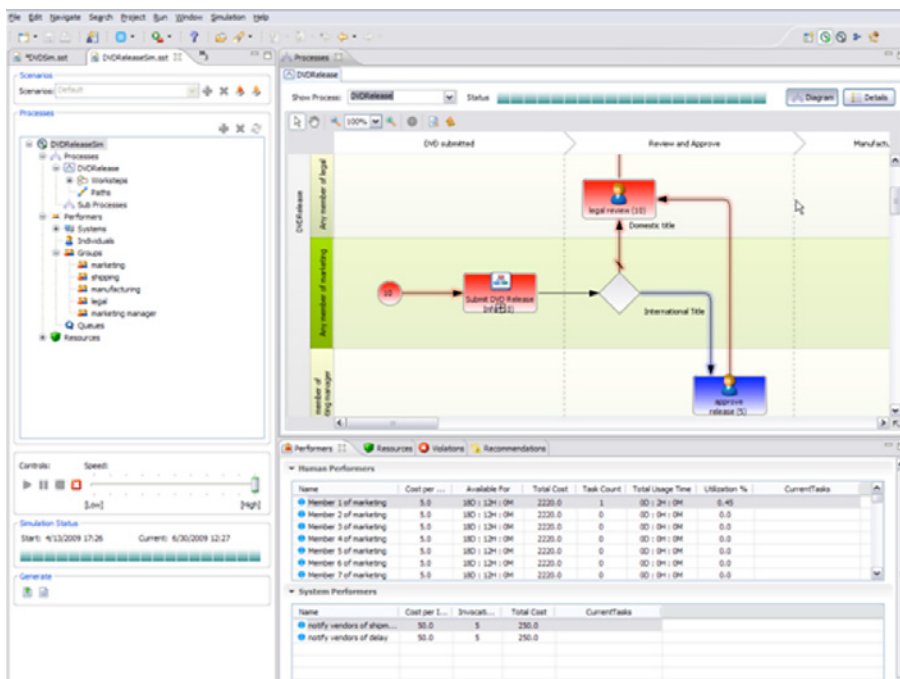
Create action rules from the portal

## REALIZING PROCESS IMPROVEMENT WITH SAVVION

Once you know the problem area in the process, there are multiple ways you can improve the process. First, we looked at the quick triage actions that can be taken and automated. For example, whenever there is an order whose value is more than \$5000 and that order is delayed, delegate it to a senior manager for immediate processing.

Business managers can also change the processing behavior by changing the business rules in the process. It is in their control to change the process rules from the portal to improve the process. For example, they can create a rule that any order with discounts less than 10% can be processed directly without the need to go through an approval and save the time and cost of order processing. To make such changes, they do not have to go to IT or to any design environment but can do these from their portal. Savvion provides a comprehensive Business Rules Management System (BRMS) in order to manage the business rules separately from the process, but use them inside the business process applications. This makes your process solutions more agile and process improvement quicker.

Business users can also bring the real-life data from the process applications back into the process modeling environment and re-run the goal-based process simulation to see if the processes actually in production are achieving the goals desired at design time and if they can be further improved. The improvement from the simulation would allow you to allocate appropriate human and system resources so that there is proper resource utilization, removing redundant activities or automating the manual activities and eliminating all bottlenecks. You can perform activity-based costing and adjust process design for desired process costs.



**Figure 6:**  
Powerful goal-based simulation

Following the optimization of the process design, subsequent process improvement is delivered through automating the improved version of the process. The new improved process may have new process paths, lesser activities, or automatic processing for additional tasks. This does not require you to stop your business, but you can introduce newer version of your processes while the older ones are still running and have a smooth transition from one version of the process to the new improved one.

---

## CONCLUSION

Business process improvement is about not just technology but also about methodology. Savvion Business Process Management Systems (BPMS) provide you with the tools to make your process improvement initiatives real. Savvion customers not only have made effective use of Savvion BPMS Suite but also have put in place a center of excellence to establish governance and methodology around the process improvement. Methodology around metrics definition, identification of process change management in deploying improved versions of the processes needs to be thought through well.

Industry-leading Savvion BPM systems can make your business improvement initiatives a success by providing a platform for metrics definition, monitoring, improvement recommendations, rapid iterative change, business empowerment and guidance by Savvion services on how to establish a center of excellence so that you can keep moving ahead on your journey for successful process improvement and become a mature BPM-enabled organization.



---

## PROGRESS SOFTWARE

Progress Software Corporation (NASDAQ: PRGS) is a global software company that enables enterprises to be operationally responsive to changing conditions and customer interactions as they occur. Our goal is to enable our customers to capitalize on new opportunities, drive greater efficiencies, and reduce risk. Progress offers a comprehensive portfolio of best-in-class infrastructure software spanning event-driven visibility and real-time response, open integration, data access and integration, and application development and management—all supporting on-premises and SaaS/cloud deployments. Progress maximizes the benefits of operational responsiveness while minimizing IT complexity and total cost of ownership.

## WORLDWIDE HEADQUARTERS

Progress Software Corporation, 14 Oak Park, Bedford, MA 01730 USA  
Tel: +1 781 280-4000 Fax: +1 781 280-4095 On the Web at: [www.progress.com](http://www.progress.com)

For regional international office locations and contact information, please refer to the Web page below:

[www.progress.com/worldwide](http://www.progress.com/worldwide)

Progress, Savvion, Savvion BusinessManager and Business Making Progress are trademarks or registered trademarks of Progress Software Corporation or one of its affiliates or subsidiaries in the U.S. and other countries. Any other trademarks contained herein are the property of their respective owners. Specifications subject to change without notice.

© 2009-2010 Progress Software Corporation and/or its subsidiaries or affiliates. All rights reserved.

Rev. 01/10 | 6525-129658