

Do you need a Business Process Department?

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The innumerable benefits of investing in business process techniques are in efficiency, productivity, cost reduction, quality, faster results, standardization, less variability, greater value in activities, but, above all, in the encouragement of innovation, leading to competitive advantage and client satisfaction.

So, how can we implement business process improvement in an organization's functions within and between departments? In what ways does the application of these skills lead to opportunities for greater profit? Should everyone in the organization be trained? Who will be responsible for that training? Finally, how do we assure that this culture will be assimilated?

All these questions could be answered by creating a team to specialize in business process improvement.

What follows is a description of the objectives of a business process department (BPD), what services it will offer, and how it may help organizations to streamline their process as well as describing the "modus operandi" for providing support and benefits to the whole company.

The mission of BPD is to optimize the process of a company through impartial and independent analysis, proposing consulting and support for its clients, and areas and departments within the company.

All services carried out by BPD will culminate in business process improvement, whether strategic or operational services.

BPD Services Portfolio

1. Process Documentation describes the current flow of activities, with a division by levels, as initiated by value chain – macro-process and subprocess activities, including some case tasks. This documentation is crucial for standardization and to verify how things are done and who is responsible for activities. In addition, it is important, preliminary to disseminating information and training employees. Also, in some cases, it is demanded by regulatory entities (Sarbanes Oxley, government legislation, etc.), which are helped by being able to deliver a description of manual procedures.

2. Process Improvement Analysis verifies the current model of process (As-Is) and makes it possible to propose designs for the future model (TO BE). It provides diagnostic information on issues to be improved and opportunities for beneficial change.

3. Organizational Structure Change: The best way to align or realign an organizational structure is to understand its process very well, in order to see and suggest the best realignment of structure and the functions need to support the changes.

4. Support to System Development (Business Process Automation): The great advantage to having a future process model before system development is in having the opportunity of thinking about the better way to do the things beforehand to avoid needless automation.

5. Indicator Evaluation: This service helps in the monitoring of results in specific areas, such as performance evaluation, or in discovering ways to measure productivity and quality resulting from process and human resources behavior. Monitoring through indicators permits the departments to assure corporate governance and to link clients' satisfaction (internal and external). Also, BPD can be a diagnostic tool for establishing appropriate remuneration as incentives to motivate employees.

6. Benchmarking is a way to understand the market: The BPD provides the time and expertise, along with a holistic view that permit consolidate the important information gathered

from inquiries about competitors, suppliers, and/or about all stakeholders of a value chain, thus leading to the discovery of new ideas that may be around.

7. Business Strategic Analysis is generally demanded by the CEO or major directors who define corporation issues that affect business process – for instance, projects that cover the relationship between internal areas (client / supplier), permitting increased speed, and elimination of bureaucracy, and better communication and quality of services between them. This analysis also concerns issues such as the evaluation of organizational costs and finding out the process that most contributed to enterprise expenses. The critical or real advantages of changes and business opportunities can be visualized dramatically. First level executives need suggestions, new ideas, and corporate information to help them to make the right decisions for the organization.

8. Process Culture Orientation: Offering and disseminating the process culture and practices of business process improvement for entire organization is the responsibility of BPD. This will happen through the experience acquired when BPD services are executed or through consulting, mentoring, or, in some cases, training client departments on business process methodology, depending of the experience and maturity of a particular department.

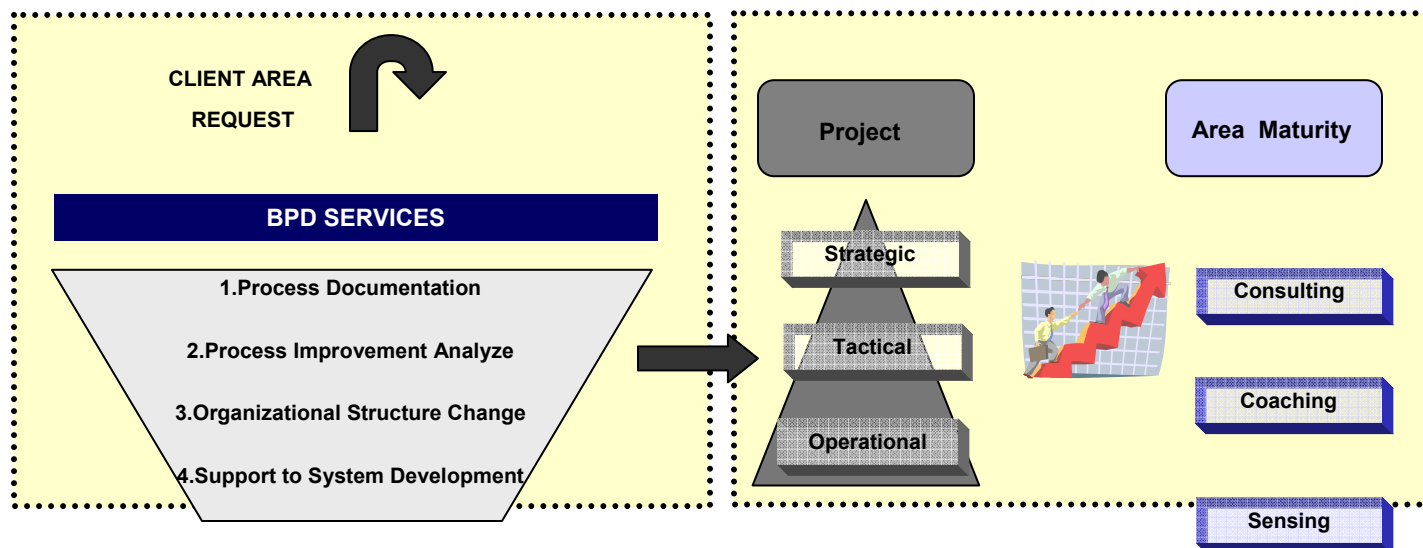


Figure 1. BPD Services Portfolio

Benefits

The BPD has the big picture as well as the detailed view of the company, with an understanding of the relationship between areas. It helps in finding both the crucial issues and the opportunities at the same time, both forest and tree view. BPD also provides excellent learning conditions for the professionals managing the companies, once these people have had time to understand the whole company by process without concerns about silos or operational problems.

All companies should consider implementing a Business Process Department. They will discover that the costs for such an investment will be incredibly low in comparison with the positive and profitable results, the opportunities that will be discovered while disseminating a culture of continuous improvement and innovation.

Author

Ricardo Fuzaro is a Brazilian senior business consultant specializing in business process improvement, strategic planning, and system development, and has worked at various large companies in several kinds of industry, such as PricewaterhouseCoopers, BankBoston, Bristol Myers Squibb, Altana Pharma, British Gas, MetLife, Porto Seguro Insurance, and others.

Also, he is a professor of Business Administration, Engineering, and IT classes at Paulista University, Engineering and IT classes.