

Start Building Your Business Process Models “Now”

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Abstract

Of late, many organizations have realized the importance of building their business process models and started such initiatives for one reason or the other. Some of the prominent reasons are: improving visibility of processes across the enterprise, meeting regulatory compliance requirements, helping in various process improvement initiatives, cost reduction initiatives; business transformation and technology upgrade initiatives etc.

However, it is observed that the approach taken by most of the organizations in modeling their business processes is “reactive” i.e. building models only after finding a suitable requirement to do so. But this approach causes delays in their initiatives and is detrimental to their interests in the long run.

Considering the recent advancements in process modeling tools, standards and availability of skilled people, it is recommended for organizations to “proactively” start their process discovery and model their business processes. Once this process discovery is done covering all business processes across the enterprise, it is going to benefit many initiatives. Such efforts are never going to be in vain. In fact, they benefit organizations in cutting short their implementation cycle and costs; as the process discovery has already been done.

Context

As organizations grow over a period of time, they spread their geographic presence to cover more and more regions across the globe. As a result, their business processes become more complex, inefficient and expensive. Inefficiency builds into the processes due to many reasons, such as: lack of visibility into the process, poor monitoring capabilities, need for accommodating local laws, more and more constraints from new partners and internal limitations etc.

To address such issues and reduce operational costs, Organizations adopt various techniques and technologies. Most famous among those are Six Sigma, Lean, Out sourcing non-core competencies, implementation of Business Process Management (BPM) projects, IT rationalization and Legacy modernization / Technology upgrade / SOA.

However, a vast majority of organizations are still not reaping benefits from these techniques due to lack of big picture of their enterprise and the linkages between various business processes. By means of building business process models, organizations can get handle on their processes and get a detailed view of their entire process landscape. These process models stand as a blueprint to organization's functions.

In other words, well documented process models represent a one-stop shop to provide a clear view of processes, people, IT and their dependencies. They provide the necessary base inputs in a structured manner to a variety of process improvement techniques as indicated in the following table.

Table 1 Industry Trends for Process Improvement

Process Improvement Technique	Description	Base Inputs from Business Process Modeling
Six Sigma	It is a very effective mechanism in minimizing process defects and there by reducing costs.	<ul style="list-style-type: none"> • As-Is business process details • People/ partners/ applications working on the processes • Process dependencies and constraints • Current Service Level Agreements (SLAs) • Current Key Performance Indicators (KPIs) • Operational data (process performance)
Lean	It is a very effective and popular mechanism in eliminating non-value added steps in the process and thus reducing cycle time and over all costs.	
Outsourcing	It is an effective way to reduce enterprise operational costs year on year by transferring non core functions such as customer care, after sale service, IT support etc. This involves significant amount of time to transfer process knowledge to the outsourced vendor if organization does not have ready-to use process models.	
BPM	Every BPM initiative revolves around one or more business processes and provides a mechanism for continuous improvement.	
IT Rationalization	Current trend in IT rationalization is looking at IT portfolio from business process perspective to eliminate redundant applications, improve applications from best of breed processes.	
Legacy modernization / Technology upgrades / SOA	Many legacy modernization techniques such as SOA are geared towards making enterprise agile through implementation of business services for easy adaptation to new changes in the business.	

Though many organizations have realized the importance of process modeling, many still have apprehensions on time and effort involved in developing and maintaining such process models.

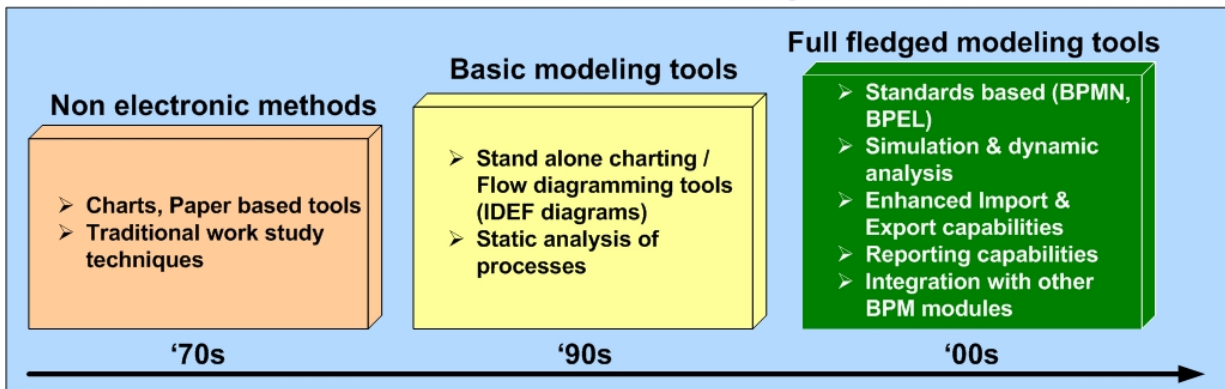
However, such apprehensions can be put to rest by considering:

- Maturity of process modeling tools during the recent past
- Readily available, experienced and knowledgeable IT staff for working on business side at a much lower cost compared to high-end business consultants

Maturity of business process modeling tools

There has been a significant maturity in the process modeling tools during the recent years. Industry standards such as BPMN, BPEL have emerged. The following diagram shows the evolution of process modeling tools and the characteristics:

Evolution of Process Modeling Tools



Many latest BPM tools provide rich features for continuous process improvement such as:

Modeling Tool Feature	Description
Collaborative environment	Most of the tools provide many collaborative process capturing features such as: ability to work both offline and online, change tracking and reporting features.
Easy to use	Ability for business users to easily define the processes themselves & minimize the dependency on IT people to describe their processes. Ability to extend process attributes according to organization requirements.
Single repository	Readily and easily accessible enterprise-wide processes within a single repository. Most of the tools facilitate publishing the modeling content in various formats such as: html, pdf, MS Word documents etc. with out much effort.
Standards compliance	Many of the modeling tools support industry standards (such as BPMN, IDEF0 and IDEF3 etc.). They also facilitate enterprise modeling standards (naming & notation) by means providing customizable palettes and templates.
Import from other formats	Ability to import and export other formats for easy integration with other IT technology in the organization.
Facilitate process analysis	Many tools have built-in simulation capabilities. It is possible to do dynamic analysis of a process and find the bottle-necks and improve process performance.
Reduced development costs	Many modeling tools come packaged along with BPMS suites. They facilitate generation of executables (BPEL) from process models. This will reduce the development costs.

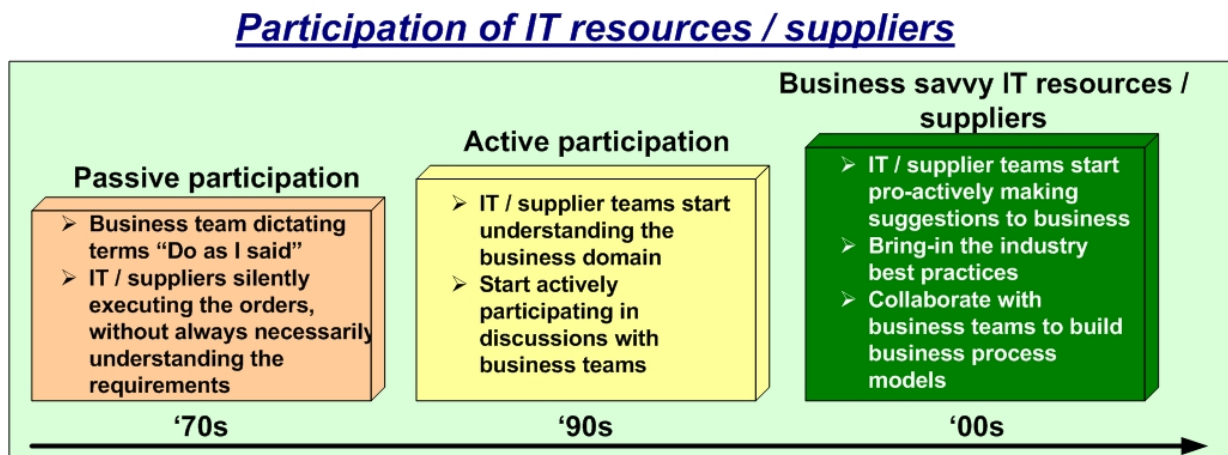
Abundant skilled resources

Over the past few years, many IT people (both internal staff as well as suppliers) have gained adequate knowledge on business side while doing software development. These senior IT resources can be better utilized on more value added business functions at much lower costs for an organization (compared to business consultants). They can easily do that due the knowledge they had gained on both the worlds of an organization i.e. Business and IT.

Some of those value added functions that these IT staff can perform are:

- Conducting workshops and capture “As-Is” and “To-Be” business processes
- Analyze processes and suggest improvements based on their knowledge on six sigma & lean
- Ability to use this business & process knowledge gained to build better systems

The following diagram shows the increased business awareness among IT team and suppliers during the past few years:



Conclusions

Some organizations are still waiting for the right time to take up business process modeling initiative. Considering the maturity of technology and availability of skilled manpower, it is not necessary to wait any longer. They can start this initiative proactively at the earliest either in a ‘big bang’ way or in an iterative manner. Current business process modeling tools facilitate both types of approaches. Secondly, it is much easier for organizations to do this exercise early-on and keep it ready. Such work is never going to be wasted, as it becomes a handy input for all kinds of future initiatives.

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