

Improving Business Processes

A way to increase organizational efficiency

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An efficient business process increases the profitability and growth of an organization while reducing cost and turnaround time. It is common practice to implement these business processes which focus on meeting the needs of customers as well as delivering satisfactory service. In many cases, the business process is actually a collection of interrelated processes that function in a logical sequence to achieve an ultimate goal.

-Lara Akingbulu
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Each business process is specifically defined based on the service rendered or product developed and is usually a workflow from the initiation stage to the completion or output stage termed the 'process chain'.

The need for Business Process Improvement (BPI) is drawn from the continuous occurrence of inefficiency in methods built for different business processes. BPI not only improves the business process, it promotes flexibility and innovation. Major target areas for BPI include:

Effectiveness: The effectiveness of a process is very critical in its design. The output at each stage of a process chain determines the level of relevance and adequacy of that business process.

Efficiency: This is a key factor that affects the growth and profitability of a business. A process design should be efficient enough to produce required results.

Internal control: For every business process, a set of rules and regulations should be put in place. These set of rules guides the quality of service and products offered.

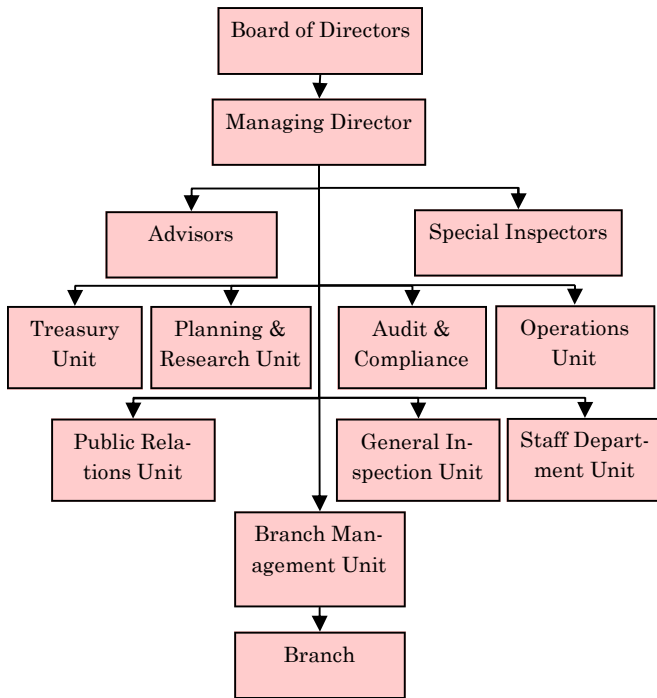
Performance management: At every stage in which there is required output, a tracking system should be developed. This measures the level of adequacy for effectiveness, efficiency and internal control.

Business Process Models

There exist different business process areas which are structured on the need to achieve a required output. Major business process areas are:

M a n a g e m e n t P r o c e s s e s :

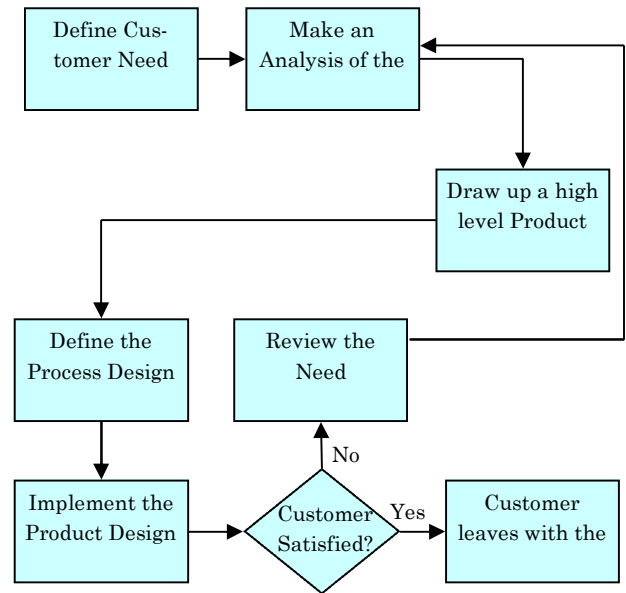
The management of an organization deals with governance and control methods. It is necessary that efficient processes are put in place for proper and effective management. Different organizations have structures and models that are designed for their management processes. In most cases, process models are customized for each organization based on its needs and type of business. For example, in the banking sector, most banks have an organizational structure that illustrate hierarchical and process flow of designated responsibilities to individuals involved in the management and administration of the bank. Examples of management processes include corporate governance.



Example of a Management Process

Operational Processes:

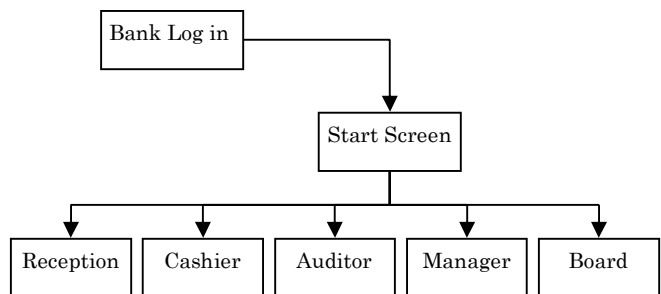
An organization’s process flow is dependent on the type of activities, products offered and services rendered. It involves the different stages of activities; from the initiation stage to the final output stage. Operational process models are usually designed for optimal efficiency. This is because it determines to a large extent the profitability, cost, turn-around time, service delivery and growth of the organization. Despite the importance of these sets of processes, most organizations do not consider the need for an efficient model design. In most cases, processes are developed based on a wrong perception and there is no framework put in place to monitor its efficiency for improvement strategies. Operational process examples include sales, marketing and customer service.



Example of an Operational Process

Support Processes

Support processes are back-end processes that control platforms on which operational and management processes are done. These are very important processes that augment the job of other processes for optimal efficiency. For example, the efficiency of an IT process model is very essential in the development and growth of an organization that is dependent on IT products like the bank. Examples of support processes include IT and Human resources.



Example of a Support Process

Business Process Improvement

Business Process Improvement is about reducing turnaround time, cutting cost, improving products and service delivery, increasing profitability and enhancing organizational growth. To increase efficiency, key points to note are:

Align processes with business objectives

The value proposition of an organization should help in the structure and design of its business processes. Processes should be customized based on its relevance to the activities in the organization. E.g. when deploying a business process management process like Six Sigma, identification of projects can be done on the basis of how they fit into the agenda of the organization.

Be Customer-centric

Customer needs evolve based on various factors and business processes need to be designed to accommodate these changes. Organizations that are customer-centric have to factor this as highly important and consider the effect on its growth when improving its processes.

Determine significant benchmarks

When improving business processes, it should be structured to produce measurable results. For this purpose, benchmarks are important in a business process improvement strategy. Benchmarks are determined depending on the process involved and the objective to be accomplished. Benchmarks could be determined internally or by external factors.

Allocate process managers

For easy monitoring and accountability, it is important that processes are designated and managed. It helps to track the process appropriately to determine the causes of failure or success. It also helps to monitor the quality delivered and also determines if the process is relevant to the organization's activities.

In conclusion, business process improvement should be done periodically in organizations as the needs arise. Management should put checks in place to monitor the need for change or development of business processes in order to increase efficiency.

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