HOW BPM IS ENABLING BUSINESS TRANSFORMATION

The role BPM can play in transforming businesses and assisting them as they navigate a post-Covid-19 world

Introduction

The rapid adoption of a widespread remote working culture brought on by the global Covid-19 pandemic has made it essential for many businesses to go digital to survive the crisis. During this turbulent time, BPM teams can help their businesses transform and succeed in their digital transformation goals. Even before the current crisis, a majority of PEX professionals understood the transformational value of BPM, with 54 per cent of the audience at PEX Network's BPM Live online event in September 2019 agreeing with the statement "you cannot digitally transform without BPM".

By analyzing existing internal processes through tools and suites with the view to optimize them, BPM teams map out the opportunities for process excellence and automation within businesses and organizations. At global music management and promotion giant LiveNation, the requirement to put in a tool and a process to ensure GDPR compliance led its BPM team to find opportunities in process automation, resulting in the development of an internal RPA team halfway through last year, who looked into which processes to automate. In this case, automation led to increased efficiency and cost savings, as employees stopped working on manual, repetitive tasks and began to focus instead on value-generating ones.

BPM can create a strong base for success in the post-crisis economy by allowing BPM teams to design and implement new processes that will be needed in the 'new normal'.

"We are currently designing the processes we want to implement during the recovery time," says Giovanni Angeli, senior manager BPM, IT strategic business solutions at Coca-Cola European Partners (CCEP). "We are supporting operational excellence in the company's recovery and by the time we move out of the crisis we will have the processes ready."

In this report, we look at how BPM helps businesses transform and the role it can play in helping organizations navigate the post-Covid-19 world by combining expert opinion from Coca-Cola, LiveNation and Comidor with research conducted with PEX practitioners.

Contents

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How BPM can help organizations navigate the pandemic and post-pandemic worlds

BPM can help organizations ensure business continuity by figuring out which processes work and which processes do not. The team in which works Giovanni Angeli, senior manager BPM, IT strategic business solutions at CCEP, is currently refocusing and reprioritizing process designs. While some of these initiatives formed a core part of the company's transformation program, many had to be paused so the focus could shift to managing the impact of the pandemic on the company.

> "BPM is a theory in practice, and implementing a robust BPM solution is more vital now than ever before for any organization to achieve optimal business performance, operational excellence and sustainable growth."

Spiros Skolarikis, CEO at digital automation platform provider Comidor

"The current crisis is testing how robust our current processes are and which are working best – even in this heavy stress situation – and which are stretched out," explains Angeli. "This will help us address future sudden changes in business models or environment."

The benefits of BPM are wide-ranging and include cost cutting, optimal use of human resources, fast and effective response to customer demands, increased productivity, efficient cross-department and multichannel communication and collaboration, improved safety and security, and full compliance to regulations. Spiros Skolarikis, CEO at digital automation platform provider Comidor, is among those who believes BPM is an essential tool for any business or organization during the crisis.

"BPM is a theory in practice, and implementing a robust BPM solution is more vital now than ever before for any organization to achieve optimal business performance, operational excellence and sustainable growth," Skolarikis remarks.

The three levels of BPM

Business leaders can implement three types of BPM platforms to speed up application development, business processes remodeling and digitization.

A basic BPM platform is a controlled and trusted repository of an organization's standard operating procedures and documentation. It features the latest approved processes in place to help maintain a consistent level of quality across the board.

A BPM suite is a basic BPM platform augmented with a structure that offers a holistic view of all processes and an understanding of the interdependencies between all departments involved. It allows BPM teams to monitor the impact of a process change on different parts of an organization.

An intelligent BPM suite can enable BPM teams to design a new process to address incoming or future business needs and simulate it to understand its impact on an organization. The ability to map processes against logs, data and operations via an intelligent BPM suite uncovers opportunities for process improvement and enables BPM teams to make decisions driven by data or simulations.

The BPM suite implemented at CCEP also serves as a process design and publishing tool and is gradually becoming intelligent.

"We are looking into simulation and estimating the efforts with a basic functionality at the moment that we might expand in the future," notes Angeli.

Additionally, BPM can help organizations understand which processes to automate first during the crisis to ensure business continuity. Angus Law, business process improvement manager, business strategy and transformation at LiveNation, says that he has seen an uptake in automation especially in his company's refund process, which had to be automated out of necessity due to huge demand on its operational functions. One ticket at a time could be refunded by someone in a call center via a legacy system, which proved challenging during the pandemic as all physical events were cancelled.

BPM can also help organizations navigate the 'new normal', as a **survey conducted by Gartner** in March 2020 showed that 74 per cent of the 317 US-based

CFOs and business finance leaders surveyed will make five per cent of their workforce permanently remotely based.

Comidor's Skolarikis believes much thought and effort should be put into creating the future workspace capable of supporting an organization's sustainable development goals. BPM can help as it provides businesses the theoretical background, methodologies and software components to enable them to successfully respond to post-crisis challenges.

"No one knows with certainty how long this situation will remain nor how deep the impacts will be," comments Skolarikis. "Businesses realize that a more flexible working environment like the work-from-home model supported and enhanced by web collaboration tools is not enough, and they need much more to remain on top."

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For more than 30 years, BPM has been maturing and has been part of many technological transformations of the modern software industry. From the initial development of basic workflow design tools to full platforms for digital automation and digital transformation, BPM is on a solid footing within the software stack, with many organizations utilizing it in at least one form to achieve operational excellence. Today, BPM is a mature management discipline that has proven largely successful in supporting both efficiency and effectiveness of business processes. As the most essential part of any enterprise architecture framework, Comidor's Skolarikis believes BPM is staying ahead of any technology part of the IT infrastructure or any application included in the application architecture.

"This is especially true for those organizations that would like to digitize, improve and automate their business processes to optimize their operations," Skolarikis explains.

Tim Roberts, who will be in charge of digitizing the end-to-end Australian home loan mortgage document at Commonwealth Bank, agrees BPM will help him in his endeavor.

"My first job will be to understand the process through BPM to figure out how to make the process entirely paperless," he says.

BPM is not a technology, it is an evolving management discipline which integrates many modern technologies. Below, we look at three technologies that ensure BPM's relevance continues into the future.

Automation

Automation has become a top priority in the digital transformation strategy of most organizations as it reduces the number of redundant and repetitive tasks, while automating error-prone manual activities to streamline processes and improve performance. Automation must add new value to the business through data-driven analysis, which can make users work smarter and enable business leaders to make better and faster decisions.

To have the right approach to automation, Brent Harder, head of automation at Fiserv, recommends that businesses should first know their processes before applying automation.

"BPM is about understanding how you are performing before jumping straight to the adoption of technologies," he says.

Skolarikis adds that by taking this approach, automation can become agile and ensure the best results in the analysis, design and

optimization of processes, while being in line with wider business goals and business strategy.

For him, the next step for automation is digital automation platforms that bring together all technologies to make intelligent use of data for predicting change, risk or opportunity. "Digital automation platforms combine BPM with advanced automation and robotic technologies," Skolarikis notes. "They come with improved user and customer experience, and are equipped with design and development tools that can be used by business professionals who need speed coupled with simplicity."

Process mining

Process mining is a technology which collects data on each step of the processes and can help companies understand which processes are best fitted for automation.

As LiveNation's Law notes: "We are not at the maturity level for process mining yet but we will start to get there because we want to select the best and easiest processes to automate, which is currently hard to do manually."

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Once implemented, process mining can enable organizations to create value stream mapping to understand what steps of the processes bring value to the customers, which Eric Hedman, former global managing director, head of lean management office at S&P Global Ratings,

believes is essential for organizations to increase customer satisfaction.

"It is great to map out a process but you need to understand which parts of the process steps the customer feels are valuable for them," he adds.

Low-code/no-code

There has been a lot of talk around low-code platforms during the Covid-19 crisis. Comidor's Skolarikis believes that low-code frameworks are becoming the new normal to develop applications and automate processes over traditional programming languages and platforms.

Offered as part of or integrated with BPM software, low-code/no-code platforms allow businesses to build custom enterprise-grade applications for business process implementation through graphical user interfaces instead of traditional hard-coding, enabling them to speed up application delivery and time-to-market.

"Low-code BPM combines the characteristics of low-code with process and workflow automation features and is best when automating hundreds or thousands of complex processes spanning different departments and involving numerous people in their execution," says Skolarikis.

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How McKesson automated numerous critical processes quickly via a low-code BPM

McKesson Corporation is a global player in healthcare supply chain management solutions, retail pharmacy, healthcare technology, community oncology and specialty care, and comprising more than 78,000 employees.

As part of its corporate digital transformation strategy, the Fortune 500 company was researching the market for a solution with low-code and workflow capability to achieve two goals. Firstly, to visualize and leverage critical data, share it with stakeholders, ensure regulatory compliance and maximize productivity. Secondly, to automate its processes to improve process efficiency and avoid costly data errors.

This case study looks at how Comidor's low-code BPM platform helped McKesson automate three different processes rapidly.

Vendor master data process

McKesson wanted to import and manage a vast amount of data related to supplier accounts in one place through multi-level approval workflow and application. McKesson's need of handling accounts from three different subsidiary companies led to a demanding workflow. The activities involved the creation of new accounts, amendments to existing accounts, and replication of accounts to be processed.

More than 1,600 account records were imported initially into Comidor from a third party system. Now, through Comidor workflow engine, users can add new accounts, edit and replicate the existing ones. The workflow includes dynamic forms that show or hide fields based on business rules and comparison tables that enable reviewers to get an overview of the old and new values before the approval/rejection. Requesters and reviewers from four different departments collaborate with each other, operate transparently and get informed via automated emails that include real-time data from workflow dynamic fields. The whole process was completed in 10 days, which comprised six days for workflow design, two days for custom development and two days for testing and acceptance.

Payment run process

McKesson's challenge was to streamline, control, ensure compliance, eradicate errors and mitigate financial risks in the payment process. Before implementing a workflow automation solution, the company was dealing with a lack of visibility and control over the payment processes.

The solution to this case was the redesign of a formerly manual payment run process in which many departments and responsible groups take part, such as accounts payable employees, team leaders and managers, treasury, the head of finance and the finance director. Comidor offered an end-to-end process automation solution with a smart multi-level approval workflow that allows users to upload documents related to payments and choose who will be the approver of each payment. Based on the user preference, the workflow dynamically assigns the approval tasks to the responsible approver. To ensure that the approver has read the document before the approval, information such as the date of the file preview, the approver's name and job title, and the data of the approval is visible and easily accessible. In this way, McKesson achieves data visibility within the corporation and addresses SOX issues related to the Sarbanes-Oxley Act, a legislation passed in the US Congress in 2002

⟫ How McKesson automated numerous critical processes quickly via a low-code BPM

to increase transparency in the financial reporting from organizations, involving a formalized system of checks and balances in each company. Smart emails and notifications are sent to the requesters and approvers to inform them about pending tasks and approved or rejected payment requests while the payment run audit report enables users to have an overview with real-time reporting.

Invoice approval process workflow

The purpose of this case was to automate a manual invoice approval process that was based on an Excel template. Users were manually completing the invoices and sending them for approval. The issues that McKesson had to overcome were the fact that the Excel template was difficult to update, the tracking of the approval status was problematic, and the limited capability

of the Delegation of Authority (DoA) to approve or take decisions. Furthermore, the whole process was inefficient because the invoice approvals could not be easily identified and this was leading to conflicts and time delays.

An automated workflow with low-code BPM and RPA was built in less than 14 days. Unnecessary tasks are now eliminated through many automation functionalities such as smart notifications, approval forms, auto-corrections and suggestions and error checks; paper-based tasks and consequently manual errors are reduced. A powerful RPA component is used to create a PDF file with all the approver details that are used for audit purposes. This end-to-end process automation resulted in full traceability of each approval request, full visibility of all workflow stages, instant accessibility, and transparency in the invoice details.

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Implementing the right approach to BPM

Organizations are all on different journeys and each should have a different approach to how BPM can help them move forward.

Companies early in the journey

Although some BPM tools are helpful, small companies starting their BPM journey should focus on understanding their end-to-end processes rather than buying software. Small organizations should bring in an expert who can map out their key end-to-end processes for the service or product they are providing, to understand how to improve and optimize it.

Companies looking to improve and digitize their existing processes through BPM

As the world is becoming more digital in product offerings, ways of working and communications, S&P Global Ratings' Hedman believes larger companies should have a small suite of BPM tools to understand the business at large and provide a framework for further operational improvements.

"This is where a lot of opportunity is for BPM," he says. "Companies today are dealing with their business being completely interrupted and they can use BPM to figure out anything they want to."

Advanced large-scale companies

BPM allows these advanced companies, which are on the competing edge of digital with intelligent automation and data science teams, to have a good documentation, understanding and governance of their key processes, along with back-up plans when crises hit, enabling them to function with a remote workforce.

What is next for BPM

Hedman believes BPM will continue to be an important part of the business world and, because of Covid-19, organizations will have to operate differently in a remote-working world.

"Mobile technology that facilitates BPM and large-scale initiatives will become more important," he says.

Comidor's Skolarikis believes BPM will need to be more strategic moving forward.

"Many organizations are applying only single components of BPM like process modeling or workflow automation, while managerial components such as strategic alignment, governance, people and change are neglected or overlooked," Skolarikis remarks.

The new breed of digital automation platforms, born of earlier business process management software are now embracing AI, RPA and data analytics. By offering extended collaboration and 24/7 mobility they will help organizations achieve one of Gartner's top technological strategic trends for 2020 – hyperautomation – by creating a digital twin of the business.

Comidor's Skolarikis believes blockchain will also continue to change the BPM landscape. BPM platforms can be strengthened by integrating a blockchain network, which will ensure the transparency of the transactions that occur outside the internal systems of an organization. It allows real-time audits and control of workflows via smart contracts technology.

Conclusion

BPM may have been around for more than 30 years, but as an evolving methodology utilized by numerous businesses around the world, it remains as relevant and useful today as it has throughout its long history. Its role in more recent times has had to adapt to help organizations ensure continuity throughout a global health pandemic. Its role after the crisis, no matter how simple the task, will be to help those businesses that survive thrive in a new economic environment.

As CCEP's Angeli explains. "At the end of the day, what BPM does is formalize business requirements, including implementing any potential technologies, reengineering processes and facilitating change management," which he adds would lead into standardization and competitive advantage.

According to S&P Global Ratings' Hedman, BPM allows companies to continuously improve internal processes and help uncover the next big process opportunity. In BPM, businesses and organization have a tool that can help define their processes, while enabling a broader understand of their value.

Ultimately, as Hedman says, "this is what BPM is supposed to be about". In BPM, businesses can enable transformation, strategic initiatives and the delivery of a handful of strategic plans without the pain of starting again. In the 'new normal', this type of approach could prove invaluable.

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> **Eric Hedman, former global managing director, head of lean management office at S&P Global Ratings**

Join us at BPM Live, taking place online on 29 September – 02 October, to learn how to streamline business processes for increased revenue, productivity and operational excellence.

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