

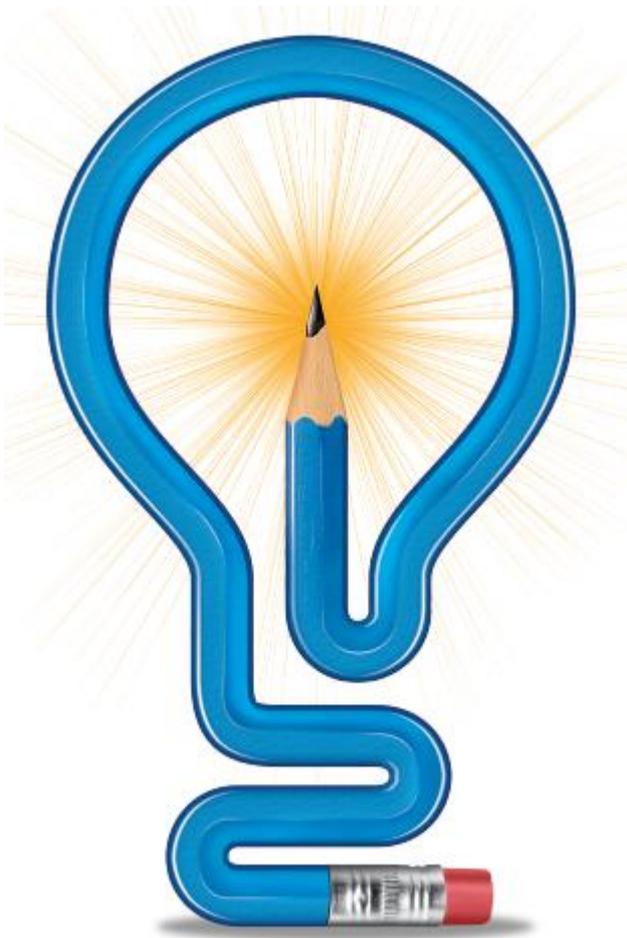


White paper

# **Business Process Management System**

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# Business Process Management System

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## Introduction

In this era of globalization, both the manufacturing and service industries face the challenge of meeting and exceeding the customers' expectations. As far as the employees are concerned, all the routine activities they perform on the job on a day-to-day basis constitutes "work" for them. A collection of such activities (work) that delivers the final output and outcome to the customers is often called a 'process'. Say for example in a McDonald outlet, while one of the employees makes the burger, the other services the customer and yet another collects the money. As far as these employees are concerned, it is the "work" they do, day in and day out, without really realizing that they are one of the links in the chain of activities called a "process". In manufacturing parlance, we call this as 'process capability', and is often expressed as Cp or Cpk. It indicates the capability of a manufacturing process to deliver a defect free product or a component from the process. The process capable of delivering its intended outcome, fails to do so when the volume of work goes up. Hence, the process definition cannot be set in stone forever. It needs a metric that shows its capability and which will drive the process owners to take up process re-engineering initiatives when they fail to meet the expectations of their customers.

We are living in a competitive world. In the blink of an eye, old orders are swept away. Companies everywhere are being forced to improve the way they do business in order to survive and to flourish. Well, the first step is to understand your business better. It's not enough to know what your business does, it is just as important to know how your business does it, how are the new products launched. Business processes are those ordered activities and tasks within the organization that connect the people with the management systems consisting of the organization's operating procedures. Simply put, any function within an organization that enables the organization to successfully deliver its products and services is a business process. The second is taking this understanding and using it to identify the business' strengths and weaknesses. The third step is to find the quickest and smartest way to first fix when it's broken and improve when it's not optimized.

If we say we are managing some aspects of a business, we need a management system. Dr. Edward Deming defined a management system as establishing a system of PDCA cycle in a company. PDCA means Planning, Doing, Checking and Acting. If an organization wishes to manage its processes, it must have a Process Management System which has all the elements of PDCA i.e. Planning a process, Doing the work as per the process, Checking the efficacy of the process using a metric and Acting to improve. **The Process Management System consulted by SSA is known as BPMS – Business Process Management System.**

### **Why is Business Process Management System (BPMS) so critical to companies?**

BPMS helps the managers to make the bold changes happen that are necessary to turn the current challenges to their benefit – by making their businesses stronger, fitter and smarter. As Albert Einstein once said, "Insanity is doing the same thing over and over again and expecting different results." So BPMS helps a company to rise to the challenge and embrace the need for change. In an increasingly competitive environment, an organization's business success depends on its ability to achieve efficiencies through effective process management.

### **Objectives of BPMS**

BPMS aims to achieve the following objectives:

- Link processes with strategy
- Define unambiguous Process
- Create accountability of process steps
- Aid training of new employee in a shortest time
- Measure Process efficiency and effectiveness
- Process maturity measures to drive improvements
- Drive continuous improvements

## What is BPMS?

BPMS is an acronym for Business Process Management System which combines the benefit of BPR - Business Process Re-engineering and Six Sigma. BPMS was adopted by GE as a precursor of Six Sigma for tuning up the business processes. Business Process Management System (BPMS) is a process definition and reengineering methodology considering the value chain of the organization, starting from Customer requirement identification until the delivery of the final product/ service. It enables companies to model, deploy and manage mission-critical business processes, which span across multiple enterprise applications, and corporate departments. BPMS is usually used for making processes repeatable and reliable. All the business processes are mapped and critically examined for their effectiveness to achieve the business goals.

## Why BPMS and why not apply Six Sigma directly?

When the process has no definition and metrics, the process is said to be “people dependant” as there is no standardization of practices and no metric for measuring the efficacy of the process. BPMS raises the process maturity by removing people dependency from the processes and establishing metrics for monitoring them. Six Sigma focuses mainly on elimination of defects from the process, but it does not eliminate the disconnects between the processes and within the processes, which is where BPMS acts. A typical business process is like a chain of beads. It consists of several sub-processes. Each sub-process may represent a different workflow or a system or a department.

The end-to-end process management distributed across dozens of functional departments and systems with several sub-flows is a challenge easily addressed by a BPMS. Innovation is a result of reorganizing the business processes to achieve competitive advantage. Innovation can occur in every department and every functional area of a business. BPMS leads to consistency in process execution whereas Six Sigma does not have such benefits directly. Therefore, Six Sigma cannot be applied directly.

## How is BPMS study conducted?

A BPMS study is a study of end-to-end activities in the business value chain commencing from the receipt of customer’s order till its delivery. It is a comprehensive study of all the processes in the value chain that link all the functions in an organization, in order to identify the process disconnects, opportunity for improvements and automation that will improve the efficiency of the organization. It is explained in the following section in detail. SSA applies its RMAOR® methodology which is one of its thought leaderships.

## SSA's BPMS Model

### Step: 1 Process Introduction

- Activity
- Process
- Business Process
- BPMS

### Step: 2 Recognize

- Project Identification
- Project Selection Criteria
- Systems Approach

### Step: 3 Map & Measure

- Data Collection
- DPA
- VSM & As-Is Process Mapping
- Project Charter
- Arena Simulation

### Step: 4 Analyze

- Value Analysis
- Time Analysis
- Root Cause Analysis
- Kaizen Project Identification

### Step: 5 Optimize

- How Kaizen projects are solved?
- Quick hits
- Brainstorming
- 5 S
- Poka Yoke
- Benefit Analysis
- Table

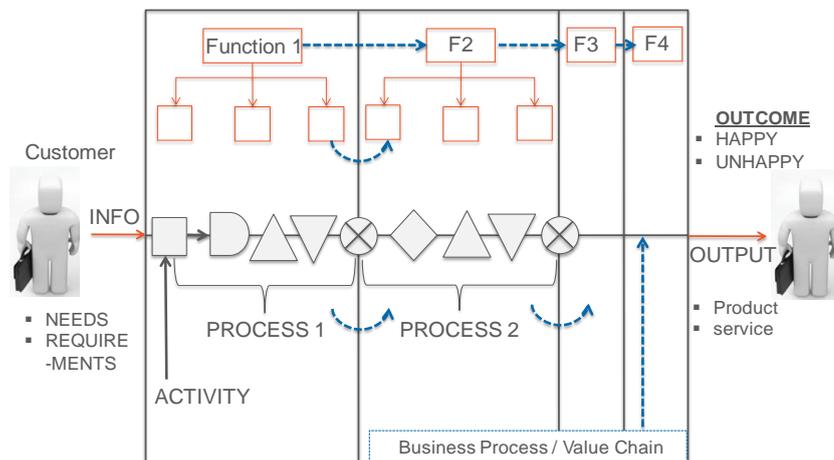
### Step: 6 Repeatable

- Process Standardization
- KPIs
- MIS
- MOP
- Dashboard
- Daily work Management

The model can be explained step-wise as below:

### Step: 1 Process Introduction

a. Understanding the overall business model as shown below:



### Step: 2 Recognize

- a. The projects are selected based on the three criteria
- Business criteria
  - Feasibility Criteria
  - Organizational Criteria
- b. The following list of questions is asked to identify the target areas:
- Who is the customer?
  - What is the output & CTQ (VOB, VOP & VOE data)?
  - Who is the supplier?
  - Which are the functions/departments to deliver the output?
  - What are the processes involved in each functions?
  - What are the disconnects between the functions?
  - What are the problems that the customer is facing (As-Is process)?
  - Draw the interface diagram/Process maps?

### Step: 3 Map & Measure

- a. Data collection is done after identifying the target area.
- b. Departmental purpose analysis is done and then the As-Is process is plotted
- c. Finally, the project charter is made out of the data collected.

### Step: 4 Analyze

- a. Value and time analysis is done in the process map (Identifying the value added, non-value added and business value added activities).
- b. Root cause analysis is done to identify the root causes of the problem
- c. A list of Kaizen projects are identified from the analysis

### Step: 5 Optimize

- a. Kaizen projects are solved by using the following steps: which are as follows:
  - Brain Storming
  - Theme and Goal Set-up
  - Data Collection
  - Classification
  - Cause and Effect Analysis
  - Countermeasure Set-up (Plan)
  - Implementation (Do)
  - Effectiveness of Results (Check)
  - Correction of Countermeasure (Action)
  - Monitoring
  - Standardization

- b. Problem solving techniques like 5S and Poke-Yoke are used when needed.

### Step: 6 Repeatable

- a. After the problem is solved, monitoring and sustaining the solution is important. Different monitoring and controlling tools are used like:
  - Process standardization
  - Measure of Performance (MOP)
  - Key Performance Indicators (KPI)
  - Dashboard and
  - Daily Work Management

## How is SSA's BPMS model unique?

SSA's unique BPMS consulting model aims to synergize SSA's facilitation skills with the domain knowledge of its client's team.. SSA has its own way of approaching the problem, and it is what SSA calls, 'The RMAOR Approach' (Recognize, Map & Measure, Analyze, Optimize, and Repeatable).

SSA's Recognize phase includes a 'Systems approach', which comprises of a list of questions, where SSA directly interacts with the Process owners and its employees. This approach ensures timely completion of the project and helps the process owners achieve a measurable goal before SSA signs off.

SSA takes the responsibility of achieving the results through implementation of BPMS recommendations. SSA uses state-of-the-art process simulation software to estimate the financial gains of the re-engineered process. This makes it easier to convince the process owners to implement the new process. The Value Stream Mapping and activity-based costing methods are applied by SSA in its BPMS consulting, and it also effectively uses problem solving tools like 5S and Poke-Yoke.. SSA not only solves the problem but also helps in monitoring the processes and sustaining the solutions implemented by using different tools.

## Tools used by SSA in BPMS

- DPA – Departmental Purpose Analysis
- I/O Analysis
- Value Stream Mapping
- Interface diagram
- Process Mapping
- Process Simulation
- CTQ drill down tree
- Waste Analysis (VA/NVA/BVA analysis)
- Time Analysis
- Brainstorming
- 5S
- Poka Yoke
- Daily work Management
- Key Performance Indicator
- Dashboard

## Benefits of BPMS

- Improves process quality
- Improves Customer Satisfaction
- Engenders Continuous Process Improvement
- Reduces Costs
- Improves the Customer Experience
- Improves Business agility
- Reduces time
- Improves Process efficiency
- Ensures optimum resource utilization and improved productivity
- Ensures Process Standardization
- Improves Process control

## Industry Application

<b>CLIENT</b>	<b>INDUSTRY</b>	<b>SCOPE</b>	<b>OBJECTIVES</b>
<b>Celetronics</b> (Now Jabil)	India's largest EMS company taken over by Jabil, USA	End to end process re-engineering i.e. order processing to delivery	To reduce lead time, inventory and cost
<b>L&amp;T Heavy Engineering Division</b>	Heavy Engineering	To reduce the lead time for supply of machined parts (inbound logistics)	To reduce lead time and ensure on-time project completion to avoid penalty clause.
<b>Marathon Constructions</b>	Real Estate (one of the largest construction companies in Bombay)	End-to-end process re-engineering	To reduce construction lead time and meet customer commitments.
<b>Team Global</b>	Logistics	End to end process re-engineering	To standardize processes and optimize cost
<b>Godrej Hicare</b>	Pest control services	End to end process re-engineering	To standardize processes and optimize cost
<b>L&amp;T Finance</b>	Financing	End to end process re-engineering	To standardize processes and optimize cost
<b>Zicom Security systems</b>	Security products & services	Order processing system	To improve throughput and reduce TAT for delivery.

<b>CLIENT</b>	<b>INDUSTRY</b>	<b>SCOPE</b>	<b>OBJECTIVES</b>
<b>Zicom Security systems</b>	Security products & services	Servicing within warranty	To reduce warranty cost
<b>Acuprint Systems</b>	Flexible packaging cylinder manufacturing	Order to material planning systems	To reduce lead time of order to inbound logistics.
<b>Crompton Greaves</b>	Geyser manufacturing	Order to dispatch	To reduce manufacturing Lead time
<b>ICICI Bank</b>	Banking	Vendor Payment	To reduce lead time for vendor payments



## About SSA

SSA is a leading management consultancy firm headquartered in Mumbai, India with local presence in Middle East and Africa and a rich clientele base spread across Asia, Middle East and Africa. SSA provides tailor-made solutions for the various problems faced by an organization with special focus on improving profitability and reducing costs.

Founded in 1999 with a missionary zeal to make 'Made in India Synonymous to Quality', In well over a decade of its existence, SSA has worked successfully with valued clients such as Pfizer, DHL, Maruti Suzuki, Reliance Industries, Vodafone, ABN AMRO, Bharat Petroleum, Novartis, Cadbury, and National Stock Exchange of India, to name a few, and has effected cumulative savings of over US \$200 million.

In the area of corporate training, SSA is the first and only institution in India to have been accredited to IACET, USA (International Association for Continuing Education and Training). SSA offers a host of training and certification programs on topics ranging from Lean, Lean Six Sigma to Performance Scorecard.

To know more about SSA, visit us on [www.ssa-solutions.com](http://www.ssa-solutions.com)

Our Clientele

