

BUSINESS PROCESS MANAGEMENT BRIDGE BETWEEN BUSINESS AND INFORMATION TECHNOLOGY

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ABSTRACT

In the current scenario, Advanced Technologies and technological means are easily available that can effectively build the gap between business processes and the information technology environment. Business Process Management implies to repetitive activities performed in the context of an organisation's normal, everyday operations. It is all about the use of appropriate tools and techniques to design, analyse, and manage operational business processes and, where possible, to improve those processes. When organization goes for technological advancement in improving the business processes, it reduces project costs, bolsters user enthusiasm and support, mitigates the challenges and risks. This research was conducted on the basis of detailed literature review. Validation of the model system was done through interviews of the people involved in business management and experts in Information Technology. The findings of the research shows that new technologies integrate business processes with information technology service to provide an enterprise-wide view of the organization's business processes mapped to the information technology infrastructure. Information technology and line of business owners can share this view, providing a common language with which to communicate and collaborate.

Difference between line of Business Owners and Information Technologist in their perspective has created a communications gap. Business owners want to talk about business processes. Information Technologist wants to talk about technology resources, and typically may not understand the relationships between these resources and the business operations they support. Bridging this gap is essential to aligning Information Technology with the business.

This convergence requires that both parties understand the relationships between business processes and information technology resources that support these services and processes. Such an understanding delivers compelling business benefits, including greater business agility, improved service, reduced risk, greater ability to achieve and demonstrate regulatory compliance, and reduced costs.

Technologies are now available that bridge the gap between business processes and the information technology environment. These technologies integrate business processes with information technology service to provide an enterprise-wide view of the organization's business processes mapped to the information technology infrastructure. Information technology and line of business owners can share this view, providing a common language with which to communicate and collaborate.

INTRODUCTION

About two decades ago, people in Pakistan used to keep computers in their offices as a symbol of elegance and sophistication. It was hard to make the owners to understand the true usage and its real potential as they were afraid of making damage to the heavy investment they paid to pretend being the part of an elite class. Usage of word processor for composing reports and letter writing was the maximum utilization of computers at that time. Since then, things have not changed much. However the focus is switched from keeping sophisticated hardware under the cover to the

trendy software are under the spotlight, without the understanding of the true benefits of automation, identifying and deploying the relevant applications to match the actual requirements.

Looking at the global cut throat business competition, companies need to be lean, nimble and responsive to the customer expectation for low prices, excellent quality and quick responses. Customer expects product innovations to be introduced on a regular basis. Business units need a solution to get an edge over their competition where Information Technology thrives to deploying the latest and most sophisticated technology. Both are racing to achieve an excellence at their grounds without much of the realization of the actual requirements.

Conflicts between business and Information Technology organizations have existed from the very beginning of computerized information systems. We have advanced in so many ways both in business and in technology. Yet the problem still plagues most businesses.

The gap between business and information technology people must go away. The cost is high; the value is null; and the barriers that it creates grow bigger each day. According to John Mahoney, managing Vice President at Gartner, "Its not that we haven't tried or made any progress to align Information Technology and Business. However, the frontier continues to move." He continued, "Good alignment suffered a setback by the dot.com fall out and continues to be threatened by economic stress and business turbulence. The consequence of this has been three-fold; business and Information Technology still fail to communicate and consequently value suffers, the information services organization is threatened and so are careers of their leaders. Unless this is tackled, threats to careers will be realized sooner rather than later."

Organizations must change to survive and achieve success in current global economical conditions. There are three generic schools of business transformation. Although they differ in many respects but they all focus on viewing the business as a portfolio of processes, rather than a hierarchy of functions. This "process viewpoint" represents a revolutionary change in perspective because it opens up a whole repertoire of techniques for improving business operations. The difference in information technology and business expert perspective has created a gap. Business owners want to talk about business processes. Information Technology wants to talk about technology resources, and typically may not understand the relationships between these resources and the business processes they support. This convergence requires that both parties understand the relationships between business processes and Information Technology resources that support these services and processes. In past costly mistakes were made in the technology acquisition, however this is no longer an affordable choice.

The leading organizations are already having a layer of organization development unit with professionals that can serve as the intermediary between the various business units and IT with the key requirement to ensure that technology meets the needs of the business. In many cases these units are also responsible for driving IT projects from start to finish. The selection of true technology which can drive the result for an overall success is still a tricky question; there is a need to identify and make use of the technology with true interpretation of both sides for fast turnaround from conception to final rollout.

In order to answer the question to create standards that help in reducing implementation complexity; bridging the IT and business experts closer to get the benefit from the next generation of technologies; the utilization of a top-down analysis and design approach through interventions for process improvement is required. BPM is recommended for its rapid implementation holding down the project costs, bolsters user enthusiasm and support, mitigates the challenges and risks that can hamper new projects and enables companies to quickly realize the desired payoff in result of business performance that is faster, cheaper and better.

BPM is a management discipline that requires organizations to analyze, model, and redesign their business processes in a way to improve the effectiveness of those processes. Using BPM, organizations can achieve savings and efficiencies through new applications that streamline and automate business activities. Some organizations are already taking advantage of BPM technologies; reaping the benefits which are compelling and include enhanced business agility, improved business and support services, and reduced risk, enhance ability to achieve and demonstrate regulatory compliance, and lower the costs. Thus, BPM provides a springboard to

business innovation, allowing organizations to dramatically improve such activities as recruiting and hiring, budget formulation and reporting, inventory management, and customer service and support hence filling the gap between business and Information Technology with minimum deployment time and maximum adaptation.

METHOD

A number of readily available documentary sources were consulted and a detailed, comprehensive literature survey was carried out to investigate the state of research. Different case studies were studied to investigate the state of practice in formulating the strategies in filling the gap between Business unit and Information Technology. Validation of the model system was done through interviews of the people involved in business management and experts in Information Technology. The Triangulation method gave an opportunity to discuss a broad range of historical, attitude related and behavioural issues to increase the objectivity since several sources are used instead of one or few.

RESULT

The study shows that business executives and information technology experts are now closer to agreeing on how their respective goals should harmonize. This is encouraging, because aligning perceptions and improving communication are critical first steps. Leader from both groups, see a similar degree of progress in improving information technology alignment with the business functioning over the past few years.

Despite an increasing mutual assent between business and information technology leaders on business objectives, obstacles to alignment and the expanding role of the information technology leadership still lacks authority over major technology investments, although it remains accountable for the success of information technology initiatives.

In global competition, companies are constantly evolving. This is why process design is treated as an ongoing commitment, not a onetime creative act. Business Process Management encompasses the design, simulation and implementation of optimal business process that frequently span multiple systems. BPM therefore addresses directly the need of modern businesses to maximize growth opportunities by swiftly adapting their technological underpinnings to meet changing market conditions.

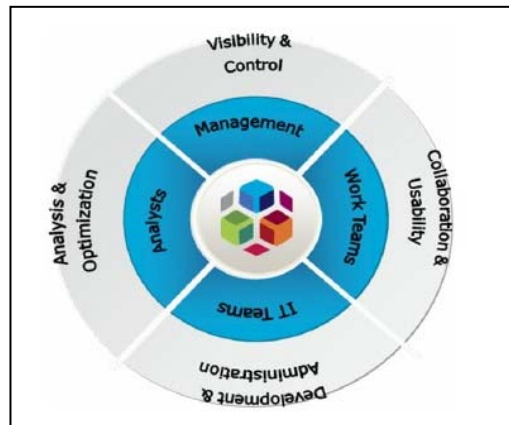
DISCUSSION

Technology is a double-edged sword. It can do wonder if appropriately deployed. The classical problem of technology is that if the rules which define it are trying to optimize the wrong thing, the consequence is wrong. If you automate something bad, you simply get more of it more efficiently! Technology must be used wisely, with proper governance and good rules that optimize the outcome for all the stakeholders.

For the reason given above, business expert must own business processes. They must be evaluated and rewarded based on the effectiveness of the processes as measured by the organization key performance indicators (KPIs). While business systems are becoming more powerful, the underlying technology is also becoming more complex. Functional managers need help from IT to cope with the technical complexity. IT on the other hand does not have the business knowledge necessary to understand the complexities of business.

To reduce this friction, technologies like BPM are now available that bridge the gap between business and the Information Technology environments. These technologies integrate business process management applications with Information Technology service management applications to provide an enterprise wide view of the organization's business processes mapped to the Information Technology infrastructure. Information Technology and line of business owners can share their views, providing a common language with which to communicate and collaborate.

BPM can be defined as a management practice that provides for governance of a business's process environment toward the goal of improving agility and operational performance. Gartner defines BPM as a “process management discipline in which business processes are viewed as assets to be managed, designed, and continuously improved to enhance business agility and operational performance.” The given definition is pictorially depicted in the following diagram, showing the relationship and involvement of functional business and technology experts.



Source: Ultimus

Managing business processes can be complex. A business process is a sequence of structured or semi-structured tasks performed in series or in parallel by two or more individuals or applications to reach a common goal. Behind this simple definition lie a wide variety of routing rules, exception handling procedures, data and document requirements, and other considerations. When a process is automated, all of these issues need to be addressed in ways that encourages use (it's got to be easy) and works consistently. In addition, even the best-laid plans of process designers are thrown out the window when people take vacations, change responsibilities, or discover new rules.

The BPM project differs from the conventional projects with which Information Technology professionals and business leaders are accustomed. Avoid the urge to fall back on traditional project techniques, where handoffs occur between Business units and the Information Technology organization. With BPM, business leaders are being empowered to manage, optimize and maintain their own process executions. The business process management suite is a unique set of software tools that embraces a business-oriented method for the creation and ongoing management of a process. The method is highlighted by an extremely iterative procedure that supports constantly changing business conditions, and empowers business leaders to take full responsibility for designing and optimizing their end-to-end processes on the other hand technical expert to support that by deploying it using best of technologies available.

Information Technology and Business executives do not reach to any consensus on which emerging technologies will help them to bring their perspectives closer; however collected data shows that both groups seem confident on selecting the emerging technologies of Business Process Management.

- Alignment between Information Technology and Business has improved over the past few years, but there remains a distinct “perception gap”, in that executives from Information Technology believe that they are more closely aligned to the business objectives than business executives perceive them to be.
- Executives from information technology are developing a greater understanding of their respective businesses as indicated by the solid consensus that exists between two groups on key business objectives.
- Discussions with executives from both groups' shows that they do not agree

completely on which emerging technologies will help them to bring their perspectives closer, but both groups seem confident that development of structured business processes and their management will eventually narrow the alignment gap.

Profitability and performance of the companies strongly depend on the design and deployment of their business processes. Today, there is hardly any business process which does not rely on Information Technology. Despite different criteria for the performance evaluation of business process and Information Technology, the impact of Information Technology on business process performance remains inevitable.

Various researchers have indicated the potential benefits from adopting a process oriented view of the business value. However, where process oriented studies have appeared their application has focused on specific technologies thus limiting the generalization of their findings to other technological and organizational contexts. These observations led to the development of a process oriented framework based on the premise that organizations derive business value through the impact of Information Technology on intermediate business processes.

Business systems rely on the IT infrastructure that is owned by IT. Most of the technical expertise to make these systems technically successful also resides in IT. Likewise, functional managers have the responsibility for processes in their areas and also the domain expertise to make these processes effective. It does not make sense to make someone responsible for processes in different functional areas, and yet have management of the functional areas be measured and rewarded by processes which they do not fully control. BPM reduces this tension by providing enterprise wide platform to gain level of introspection necessary to drive it to true optimization and achieve the operational excellence.

CONCLUSION

When companies build new business applications and systems, a fast turnaround from project conception to final rollout is crucial for overall success. Rapid implementation helps hold down project costs, bolsters user enthusiasm and support, mitigates the challenges and risks that can hamper new projects, and enables companies to quickly realize the desired payoff – business performance that is faster, cheaper, better. BPM foster this by providing technology people focus on IT infrastructure and technologies while business experts to reap the benefits of using these deployment by achieving their defined business KPIs.

After observing scores of organizations struggle to automate and manage their business processes, it is believed fervently in BPM. It is essential to understand and synchronize all the elements required to achieve maximum value on economics, process change, and collaboration. The benefits are compelling and include enhanced business agility, improved business and support services, reduced risk, enhanced ability to achieve and demonstrate regulatory compliance and lower operational costs leveraging the existing IT investment.

Moreover, the fact remains that the success of BPM at any organization would not be possible without a key role of Business Process Analyst. An educational background that combines business and IT skills will provide an excellent foundation for Business Process Analysts for the successful deployment of business processes.

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