

Business Process Management: Determining Factors Influencing growth

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Accepted 6th January, 2015

Abstract

Business process management (BPM) provides an awareness and know how of business and their processes. Despite the widespread of the use of bpm and the concepts historical standing, many organisations fail to take advantage of its ability to facilitate organization's workflow more effective, more efficient, and capable of adapting to an ever-changing environment, towards organisational development and growth. Increase in product complexity calls for globalization, stories towards Information Technology and virtualization, market forces and customer needs all wanting clear work flows for performance and ultimately growth. This paper looks at BPM as a complex line and seeks to see how businesses and organisations are affected by its mention. Desk study as a methodology was used seeking to examine factors influencing growth. The results were highlighted using graphs and charts.

Keywords: Business, Process, Management, BPM, Growth.

1.0 Introduction

Business Process Management (BPM), though a very old concept, Shewhart, (1931), continue to attract the interest of both academic and business circles, because of the various goals it achieves; performance improvement, process automation, and product efficiency. The concept of 'rethinking' and 'redesigning' springs from business processes management and creates an avenue for growth.

The basic idea for any development is among many things; to create value for customers through activities and generate returns to shareholders, (Hammer & Stanton, (1999), Strnardl, (2006), Ohtenen & Lainema, nd).

Like any other study of growth, BPM maturity, have elucidated challenges to many organizations, with research to date indicating that many organizations do not progress past very rudimentary levels of BPM maturity. This is likely due to the fact that BPM is a complex and complicated issue, but the support of best practice is critical for its success, Reijers, Mansar, (2005).

Business Process Management is a combination of three words; 'business', 'processes', and 'management' and the three words are co-opted into value chain of any organisation for the effective and efficient work flows, towards economic development and growth. Business is a legal organisation, and O'Sullivan and Shefrin, (2003), states that, it's an economic activity which exists to provide goods

and services for the satisfaction of human wants on a systematic and regular basis with a view to earning profits.

Process is the sequence of steps pursued by business, to accomplish set objectives, Pfleeger, (2001), to which (Kotelnikov, 2008), adds that 'processes are not an end in themselves; they have a purpose, to create and deliver results that customer care about. Hammer, 2001 notes that a process is a revolutionary way of thinking about work in customer terms. For a business to create wealth towards a people's development, bpm adds value. Process is therefore, a discipline that makes outstanding performance a matter of design rather than luck. An organization leadership will collect data/information and advice the executive. Processes are the inputs, outputs and stored data from a repeat function, through which coordinated tasks and activities are conducted by people and equipment leading to a specific organizational goals.

Management consists of the interlocking functions of creating corporate policy and organizing, planning, controlling, and directing an organization's resources in order to achieve the objectives of that policy, (Management, 2013). Maccoby, (2000), sees Management as a function that must be exercised in any business, and Schulz, (2012) talks of management being a processes, (Lau, Tang, & Ho, 2007).

Development and growth is a result of good management, good human capacity and good strategies that puts various activities, in the name of workflows in the process at the right time and place.

Workflows according to van Hee, (2004) are those that help the concerned organization to collaborate on documents and manage tasks by implementing specific tasks. The aim of workflows is to help organizations adhere to consistent tasks, and also improve organizational efficiency and productivity by managing given tasks effectively. This will then facilitate the people performing those tasks to concentrate on performing the work rather than managing the workflow.

Placing these words together, business process is an activity or set of activities that will accomplish a specific organizational goal, while Business process management, (BPM) is a systematic approach to improving those processes, Burlton, (2001); Chang, (2006). It is an activity or set of activities that will accomplish a specific

organizational goal towards growth. With business Process Management, an organization can perform to either optimize their business processes or adapt them to new organizational needs. As these activities are usually aided by software tools, the term BPM is synonymously used to refer to the software tools themselves, (Second International Conference, 2004).

Fast technology development, globalization, entrepreneurial and customer's intellect in their demand are among the determinant of Business Process Management towards growth. Due to the frequent advancement, competitive advantage of a company can be very temporal. Using the macro level, innovations have a vital influence on economic development of a country, and bpm can play a vital role towards given growth, Nebojša, Jovanović, & Stamatović, (2008).

This paper looks at discussing; those factors that influence business process towards growth, adapt and optimize processes, and highlight bottlenecks and inefficiencies whenever noticed Hofstede, et al. (2010).

1.1 Problem Statement

Business Process management efforts need to be linked to the organisation's mission, vision, objectives and strategy without which, a business may slow down, or hinders understanding of roles within the system, or be clocked due to laxity created from bureaucracy in systems emerges. The problem is not the lack of financial backup, but the ill feted human capacity.

1.2 Study Gap

The awareness of the existence of a Business process management system in one thing, the mistakes of not implementing well through involving the stakeholders is yet another.

1.3 Objectives

The paper establishes how when business processes is integrated into the strategic plans of organization, development and innovation is the reward and the challenges experienced are managed using strategical prowess.

2.0 Literature Review

Business Process Management is an activity undertaken by businesses to identify, evaluate, and improve business processes, making complex business processes easy, efficient, and effective. This helped by technology improves in effectiveness and efficiency of work flows, eventually making the internal workforce happy of policies and procedures, and the external customer excited of performance.

The genesis of BPM runs from Adam Smith, through Academics identifying the influence of individual process management and improvement methods such as BPR, TQM, and CPI on BPM, but these methods are beyond the scope of this paper Huffner (2004). The assumptions therefore would be that BPM maturity can be measured.

This is a field in operations management that focuses on improving corporate performance by managing and optimising a company's business processes Panagacos (2012). The three words create synergy through bringing in efficient and effective to organizations Ko, (2009).

Whenever BPM is discussed, Thiault, (n.d.), it is linked to people and/or technology. Therefore, BPM in Information Technology, bring about intelligence. The organisations business tasks or operations can employ BPM to bring in real-time issues (CMS, 2013). When an organization employs bpm, they are eying on effectiveness and efficiency which has the ability to improve the reliability of information and its dissemination in a timely manner Harrison-Broninski, (2005). For fast decision, effect actions and accurate dissemination, accurate information is required for important and time sensitive business decisions. Business process management (BPM) is a systematic approach to making an organization's workflow more effective, more efficient and more capable of adapting to an ever-changing environment.

Gartner, (n.d.) defines Business process management (BPM) as "the discipline of managing processes (rather than tasks) as the means for improving business performance outcomes and operational agility. Processes span organizational boundaries, linking together people, information flows, systems and other assets to create and deliver value to customers and constituents."

According to Van Aalst, van Hee, (2002), Business process management (BPM) is a systematic approach to making an organization's workflow more effective, more efficient and more capable of adapting to an ever-changing environment.

Harmon, (2007), hints that the goal of BPM is to reduce human error and miscommunication and focus stakeholders on the requirements of their roles.

BPM is a subset of infrastructure management, an administrative area concerned with maintaining and optimizing an organization's equipment and core operations Dumas, et. al. (2013). Note that, BPM is a point of connection within a company between the line-of-business (LOB) and the IT department.

Business Process Management is an activity undertaken by businesses to identify, evaluate, and improve business processes, to make complex business processes easy, efficient, and effective. In today's world where technology has advanced, BPM can now be effectively managed with software that is customized based on the policies specified by a company. This type of action is essential to businesses seeking to improve process performance related issues so that they can better serve their clients and enhance customer experience Weske, (2012).

According to Burlton, (1997-2015), where Business Process Management has been implemented well it makes work less costly, drive higher revenues and market share, bring products and services to market faster, keep products and services in market longer, enable continuous performance improvement and enable new products and services that are more flexible and easier to change and sustain. BPM delivers improved and sustainable performance.

Burlton, (1997-2015), adds that with BPM, a mechanism to assure alignment of all required actions and capabilities of the organization is achieved by integrating strategies, performance, technologies, rules, information, knowledge, facilities and equipment, organization, and human resources. Business process management is driven by satisfying outside stakeholder requirements, through which work from the inside out, or by department, is risky, at best. These stakeholders will include; Customers, Consumers, Suppliers, Regulatory bodies, Owners, Competitors, and Staff. These

entities exchanges products and services with the organization. BPM then comes in to enables organizations to align internal business functions with customer needs, and helps executive determine how to direct, monitor and measure company resources. When properly executed by qualified professionals, business process management has the capacity to reduce costs, enhance efficiency and productivity, and minimize errors and risk thereby protecting and optimizing corporate resources Harrison-Broninski, (2005).

The Business Process Manifesto

1. A Business process is a distinct **ASSET** of an organization.
2. A Business Process exists within a clearly defined business **CONTEXT**.
3. A Business Process is **GUIDED** by business strategy.
4. The performance of a Business Process is **MEASURED** to evaluate business value creation.
5. A Business Process is **ENABLED** by a set of business capabilities.
6. A Business Process **NAME** should be unambiguous, business friendly and internally consistent.
7. **A MODEL** of a Business Process retains explicit knowledge about that Business Process.
8. Business Process must have **INTEGRITY**.

Source: Burlton (1997-2015)

3.0 Methodology and Design

This paper follows a descriptive nature from the data collected from the journals, web sites, library, and other related studies.

The report is informed by unpublished academic thesis that used a population of 294 with a sample of 107 at 5% precision and a level of confidence of 5%.

4.0 Data Analysis and Finding

As seen from **Figure 1**, where BPM is in practice, there is 37% enjoying serving in such institutions for a long period whether the other factors are diverse or not. The frequency for the question 'How long have you worked in this organization?' the 31 out of 85 leads us to conclude that because of the well-established BPM, one finds fulfilment to remain.

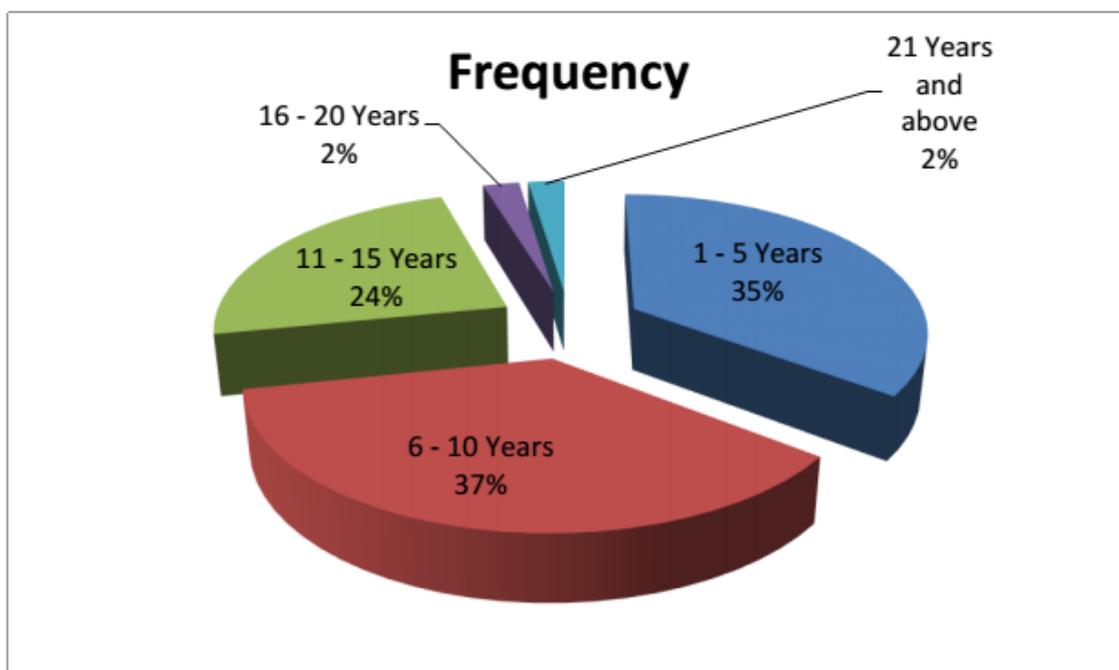


Figure 1: Length of period to serve the Organization

In such ventures, information flow was high at 28.2% measured by how effective communication one to another is.

Figure 2, indicates that while identifying various activities an organization enjoying BPM, it indicates that 68.2% of staff can identify various flow of activities from start to end.

Figure 3, in answering the question on whether activities can be identified across the organisation, 68.2% indicates that various activities can be identified.

This indicates that while identifying various activities an organization enjoying BPM, has easy work flow that from start to end.

Figure 4, gives the results of the inability to trace business process activities, a contrast giving 51%, opting not to respond to the question indicates that with only 49% Responding could mean that the respondents were aware of the activities involved, or that they had no idea of what was happening and don't care. The other option could be that the question was not clear to respondents.

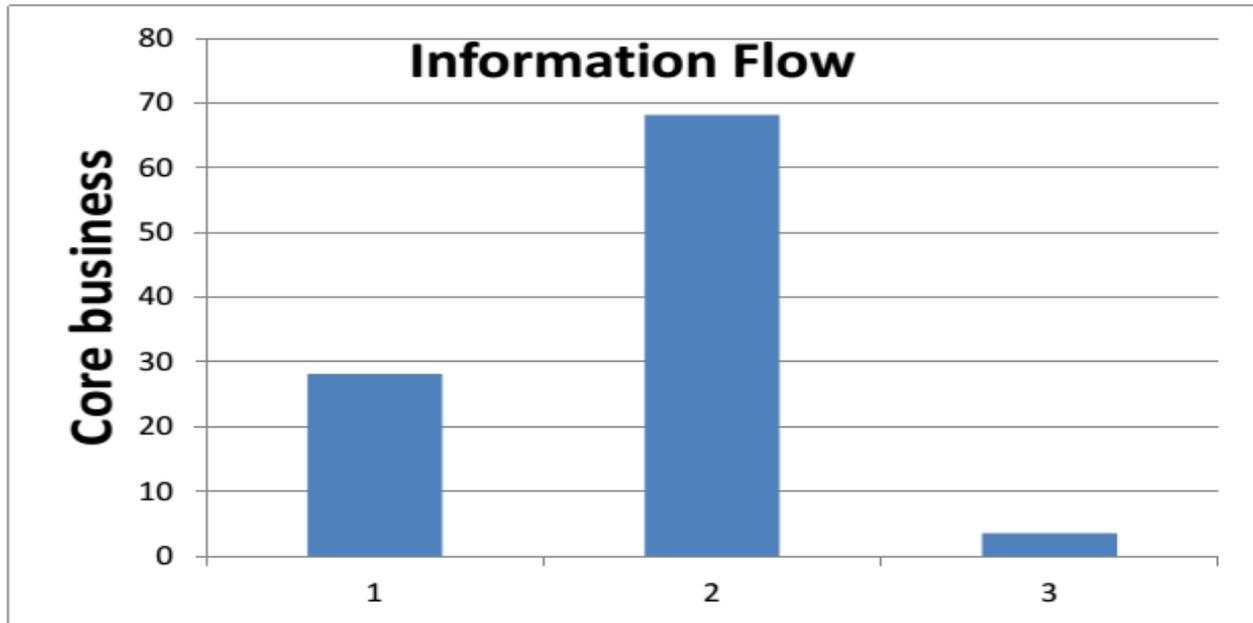


Figure 2: Work Flow in the Organisation

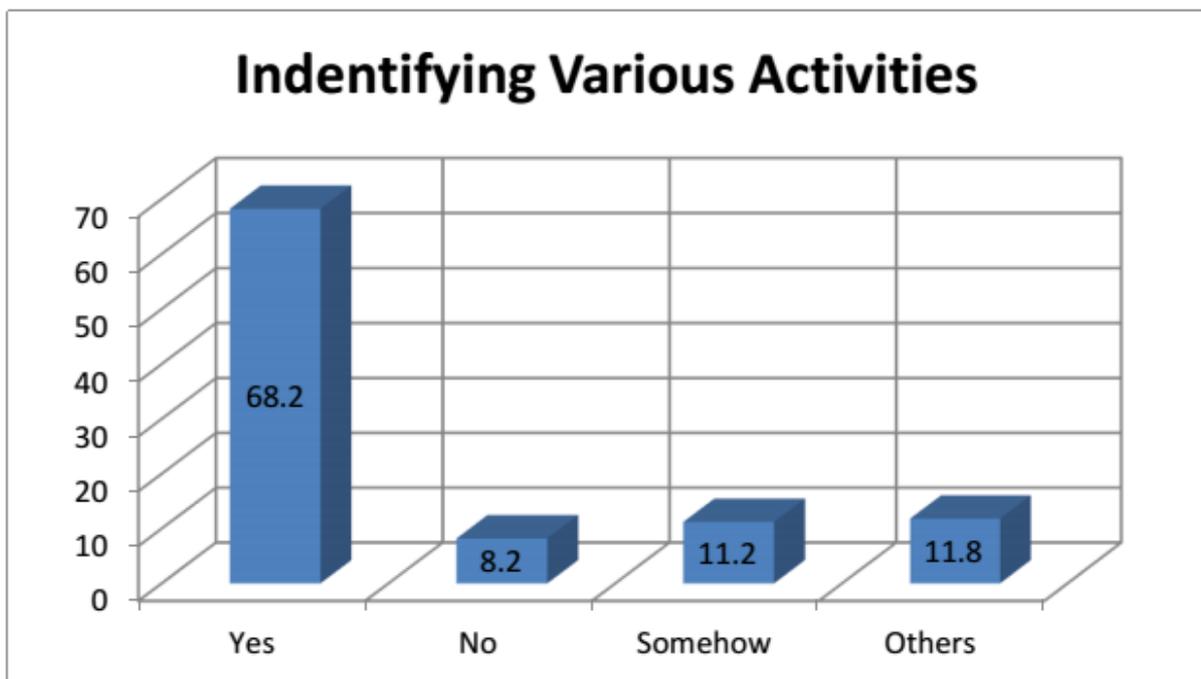


Figure 3: Activities of the work flow identification

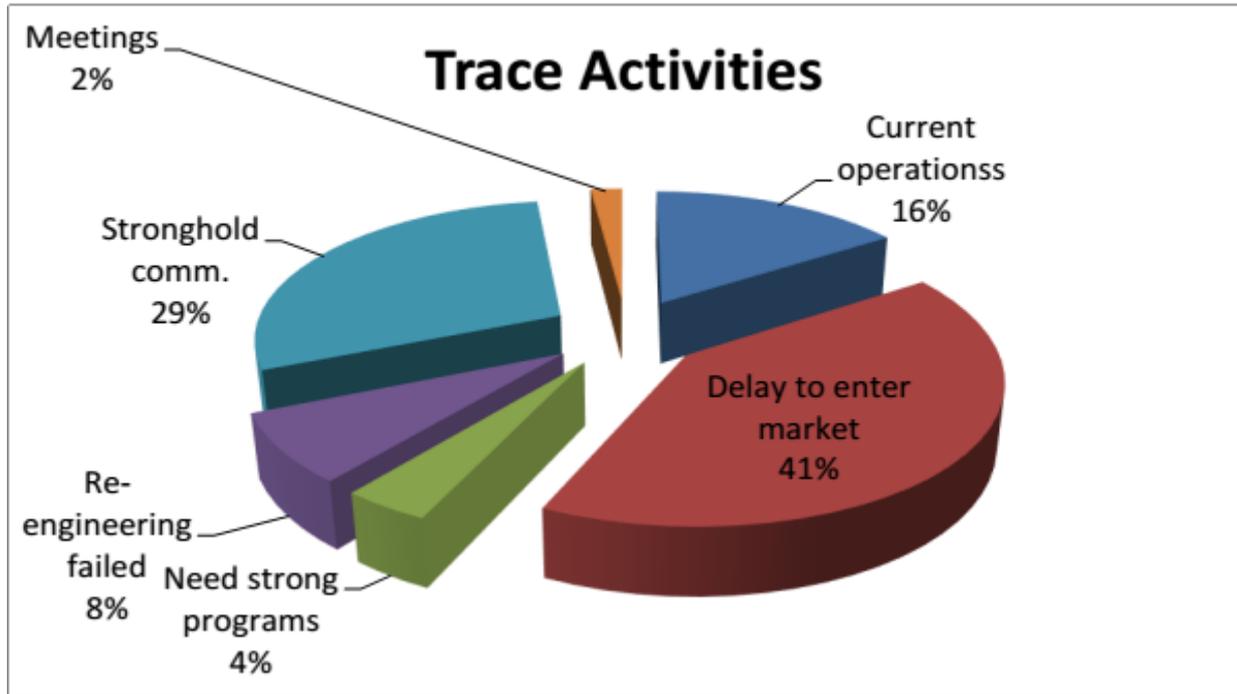


Figure 4: Tracing Activities Engaged in the Organisations

The **Table 1**, below indicates that 42.4% agreeing that the management understood work flows within its operations, meaning that they are committed to addressing issues pertaining to the same. It may also appear that management held onto business processes that the operational staff didn't obtain full freedom to own the business processes and

perform well. In this way, efficiency is subject to lacking, professionalism will not be practiced and many of the operations would be routine. Note that 5.9% who just do what they are told, indicating that motivation to performance to their best, trusting their ideas to the organization and contributing towards the vision at force.

Table 1: The Organisation Understanding its Work Flows

Area	Number of respondents	Percentage (%)
My supervisor coaches me well	63	74.1
Not sure what I do is business process	6	7.1
I just do what I am told to do	10	11.8
No one has inducted me to this	3	3.5
Lacks job evaluation	3	3.5
Requiring help to understand what is done	85	100.0
None		
Total		

Once problems have been identified from with the structures of the organisation, it is possible to ask whether or not we continue on the route established. This was supported by the respondents who indicated that 74.1% (**Table 2**), were of the opinion that re-engineering was appropriate as a

means of growth. Only 25.9% were of a contrary opinion, the study taking that business organisations achieved remarkable gains from a well-managed re-engineering of process.

Table 2: Business Process Re-engineering

Area	Number of respondents	Percentage (%)
Yes	63	74.1
No	6	7.1
Not sure	10	11.8
No comment	3	3.5
None	3	3.5
Total	85	100.0

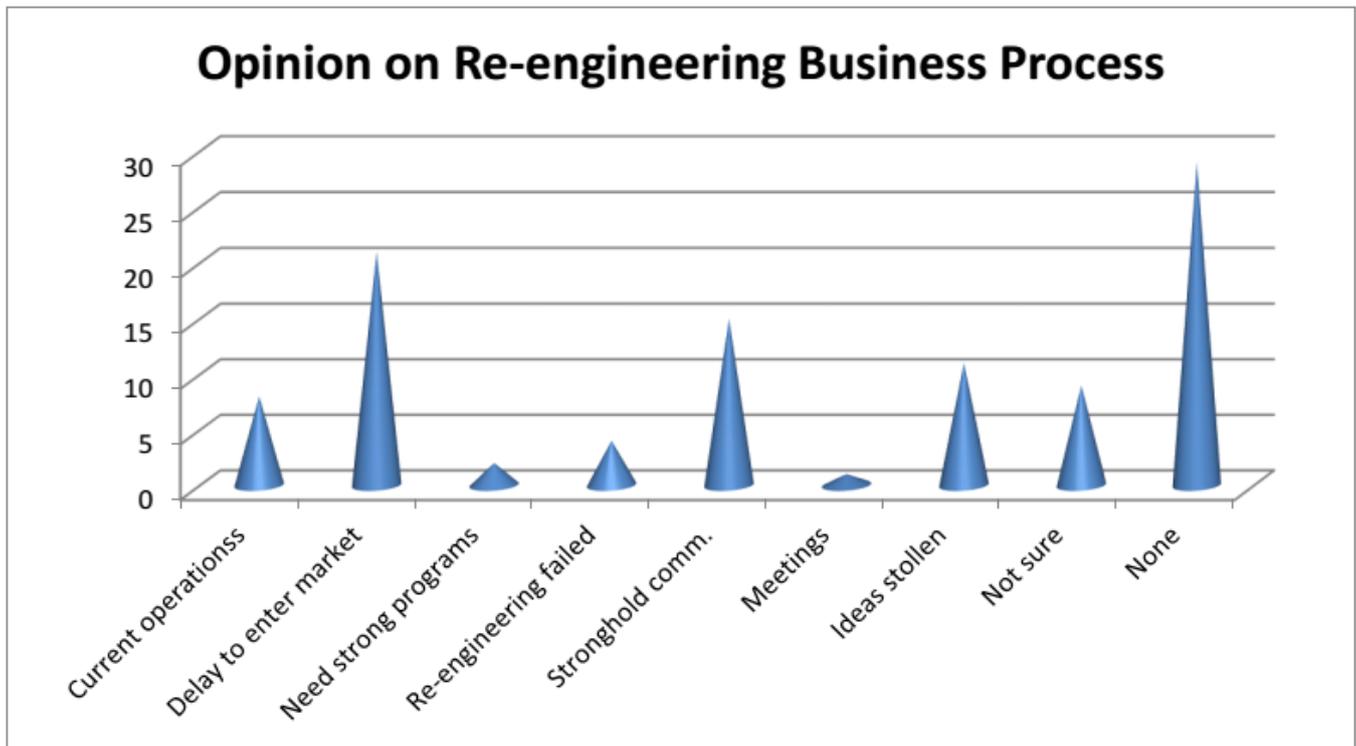


Figure 5: Decisions arrived at by management help in accomplishing objectives

This **Figure 5**, the 29% came out clear that they did not want to answer to this question, and together with those that were not sure, they accounted for a score of 37%. Due to challenges of embracing BPM, 19% indicated that there were delays into market entry, whereby causing a trail into the market.

This **Table 3**, appears to indicate that there is consensus by respondents that all decisions arrived at by management in discharging duties contribute to the main objectives and

mission (30.6%). Decisions may come late, being overtaken by time and events, others can use the organisation as a bench mark to steal their ideas.

Table 4, shows mode of communication, giving 58.8% respondents agreeing that there were various modes of communication and the rest, 41.2% being indifferent that the mode of communication if we mind the works flows is right.

Table 3: Decisions contribute to accomplishing Objectives

Area	Number of respondents	Percentage (%)	Valid Percentage (%)	Cumulative Percentage (%)
Decisions help achieve objectives	18	21.2	21.2	21.2
Delays creates high overheads	20	23.5	23.5	44.7
Collective responsibility arise	26	30.6	30.6	75.3
I reserve my comments	20	23.5	23.5	98.8
None	1	1.2	1.2	100.0
Total	85	100.0	100.0	

Table 4: Reports, Policies, Instructions

Valid	Number of respondents	Percentage (%)	Valid Percentage (%)	Cumulative Percentage (%)
Yes	18	21.2	21.2	21.2
No	20	23.5	23.5	44.7
Not sure	26	30.6	30.6	75.3
I reserve my comments	20	23.5	23.5	98.8
None	1	1.2	1.2	100.0
Total	85	100.0	100.0	

5.0 Conclusion

Business Process Management have a big hand in determining factors influencing growth if and when handled correctly, they impact organizational Financial performance if strategic approach to business process management (BPM) is embraced. It is true, BPM assists organization to survive in the global competitive environment after Mergers and Acquisitions. Business process management (BPM) is key to strategic focus and linking business strategy with bottom-line results.

Business Process Management (BPM) has become an important management practice. A European study published in 1999 has shown that BPM is of high interest to European managers, but the study found evidence for low BPM maturity among European organisations (Pritchard & Armistead, 1999).

In particular, the maturity of BPM is an area of current research. There is a need to clarify what BPM maturity consists of, how it can be increased, and what the linkage is between BPM maturity and perceived benefits. This has not been widely researched yet. Practitioners are interested in the value-proposition of BPM. What benefit does a more mature BPM approach yield? What factors and barriers are critical to the success of BPM? Academically, the interest lies in a theoretical definition of BPM maturity model (BPMM model) and its application.

In 2003, Maull, Tranfield and Maull (2003) published an article which focused on the maturity of BPR implementations and problems related with defining measures for maturity. In 2004, Harmon (2004) presented an approach for evaluating business process maturity. The increased evaluation in the literature indicates that there is still a lack of understanding as to how BPM is defined, what BPM really is, and what benefits can be achieved by an adoption of BPM activities. This research characterises BPM maturity as being correlated with the probability of achieving BPM-related benefits, such as increased effectiveness, efficiency, or quality. In addition, an increased maturity can lead to less varying results and, therefore, greater ability to predict results. The organisation-wide deeper understanding of how the business is conducted results in work being more consistent and repeatable and as a result more effectively and efficiently.

The conducted studies show that organizations are starting to focus on processes and implementing process management principles. However, the current approaches lack a structured foundation. The organizations desire to identify their current position of Business Process Management before planning next steps.

A comparison of existing maturity models revealed that they are conditionally applicable for assessing BPM maturity, but that they do not cover BPM in its comprehensiveness. BPM does not only consist of process orientation but also of an organizational and cultural change programme. The models do not explicitly assess interrelated aspects related to BPM.

This master thesis aims to define BPM maturity and to establish a comprehensive model that enables us to understand, assess, and evaluate BPM approaches of

organizations. This builds the foundation for further research focusing on the linkage between achievable benefits and maturity stages and on giving guidance for improving maturity.

This thesis is embedded in a more comprehensive BPMM research project at Queensland University of Technology's (QUT) Centre for Information Technology Innovation (CITI). The research project has already attracted interest of an American research group around BPM. QUT is currently exploring collaboration opportunities with this group and other interested parties with a view to developing an internationally recognized BPM Maturity model. The first phase of the research project aims to establish a theoretical BPMM model. In the following phase, it is planned to test the model for its practical relevance and applicability.

The purpose of the case studies and surveys is to gain qualitative and quantitative input for the model. This can contribute to its review and redesign. The model, based on empirical data, aims to assess comprehensively BPM policies and practices throughout the organization. The main objective is to identify strengths and weaknesses in current BPM practices with a view to developing a roadmap for use in attaining higher levels of BPM maturity.

Within the project, this thesis contributes to the first part of the project, including a comprehensive literature research and the establishment of a first BPMM model. In order to receive a first proof of practical relevance, a case study has been conducted. The received feedback from practitioners through these case studies has led to changes within the model.

6.0 Recommendation

From the dawn of business process management to business process reengineering, the study may be limited to BPM in organizations that have embraced it. The paper therefore, proposes that more studies be carried out linking BPM to finance and development, and more specific in the sub-Saharan Africa. There is a void in the literature of the models and frameworks to address the implementation challenges, and further study into the critical working models in Africa will help. And finally a study into what works and what does not as we adopt the bpm concept in Africa will give Africa a cutting edge in debt management, financial institution, small business enterprise capabilities and micro financing organisational structure towards maximum benefits.

Acknowledgements

I acknowledge Nicholas Biekpe of the Africa Group Institute, the entire editorial team, Dina Potgieter and Lydia Roux of Africa Group Institute, and the Conference attendee of Cape Town, 2015, Growth and Development for their valuable critique to this paper and suggestions to an earlier draft of this paper.

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