

Real Benefits of Automated Processes

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Today's economic reality is that of increased competition, better informed and demanding customers, and relentless pressure to cut costs. Companies are being asked to do more with less. Improving processes has become a top priority for all types of businesses. A recent survey of 1,400 CIOs by Gartner Executive Programs revealed that the top business priority of their company was business process improvement. Of course, there are many ways to improve processes, but implementing process automation offers significant opportunities for gains in efficiency, compliance, and a host of other benefits. This article examines some of the real business benefits that can be realized through process automation.

Introduction

With increasing pressure to keep costs down, improve performance and service delivery, companies are looking for solutions that automate processes, standardize best practices, and improve efficiency. According to business process expert, Dr. Laury Verner, businesses over the past decade have devoted increasing attention to business processes, their improvement, and their automation. This interest grows out of the need to streamline business operations, consolidate organizations, and reduce costs. Dr. Verner states, "The design and automation of business processes warrants its own field of study, known as business process management (BPM). BPM has emerged as a critical cross-discipline control and process enabler, and is responsible for ensuring consistency in planning and performance management while reducing costs across the enterprise¹."

Why Automate Processes?

Better processes produce lower costs, motivated employees, and happier customers. This starts with examining how work is accomplished, documenting current processes, and then improving those processes. However, simply documenting your processes and relying on manual process implementation does not give your business managers real control over the process. Gartner indicates that by automating processes, without any process redesign or improvement, but by simply "making the current-state handoffs, timing, and responsibilities explicit, productivity improvements of more than 12 percent are normally realized²." Of course, this is just the beginning, as a basic tenant of process automation is its ability to facilitate process improvement.

Continuous improvement is at the heart of process automation. The ability to have the information with which to continuously improve processes and gain incremental return on investment (ROI) on a consistent basis is a major benefit of process automation. A real benefit of process automation and management is the visibility and control of the business processes that is achieved. Process automation can activate the process; orchestrate the people, data, and documents involved in the process; and give managers visibility into how the process is operating, where the bottlenecks may be, and highlight possible process improvements. Process automation systems can capture and collect critical measurements or key performance indicators and make that data available to facilitate process optimization. With this data, business managers can then use any process improvement technique to optimize the process and feed those improvements back into the process automation tool, thus driving maximum performance and efficiency.

The Benefits of Process Automation

In addition to those already mentioned, there are many benefits to process automation. Some of these include:

Improved Efficiency. Many business processes span systems, departments, or even external business partners. Manual effort, poor hand-offs between departments or partners, and the general inability to monitor overall progress results in a significant waste for most processes. Process automation eliminates or significantly reduces these problems with a resultant reduction in labor hours, time span, and increased throughput.

Increased Productivity. By automating processes that are currently being implemented manually, individuals can work more efficiently and can take on new or additional workloads. Process automation allows us to rise to the challenge of being asked to do more with less.

Shorter Cycle Times. Time is money. By automating processes, they are kept moving, hand-offs are facilitated, consistency is assured, and cycle times to complete the process are shortened. Getting the product or service to the end user or to market quicker can result in significant financial benefits.

Consistent Process Implementation. Consistency comes from having a documented process that is understood and followed every time. Process automation makes the process easy to understand and enforces adherence to the process steps. This eliminates missed steps often found in manual processes, resulting in consistent, reliable measures that assist in making decisions and implementing process improvements.

Corporate Governance and Compliance. Process compliance, regulatory compliance, and corporate governance are ever increasing in importance. Organizations must demonstrate consistency and show that effective controls and business monitors are in place to ensure processes are sound and will provide financial accountability, visibility, and reduce risk and fraud. Process automation can help your company with compliance issues surrounding regulations like the Sarbanes-Oxley Act, Combined Code for Corporate Governance, Bilanz Reform, and more. Noncompliance or lack of adequate controls can cost your company big-time. Process automation ensures your processes are followed as they are laid out.

Ability to Quickly Implement Change. Another benefit of automated process is that the reliable, consistent information provided can enable you to recognize the need for change or improvement quickly and then be able to make that change and put it into effect in a faster and more controlled manner than you could with a manual process. The ability to change quickly provides an important business advantage.

Improved Customer Service and Satisfaction. Customers are much more satisfied when they receive timely, top quality products and services. Process automation enables you to build consistency into your products and services, facilitate continuous improvement, and get the product or service to your customer faster. Happy customers are repeat customers.

Reduced Costs and Improved Profits. All of the above benefits result in direct bottom-line results of reduced costs, ability to take on more work, and improved profitability. All things any company is seeking.

Summary

In this competitive business environment where we are asked to cut costs and do more with less, process improvement is essential to staying alive and meeting our strategic objectives. Process automation can facilitate process implementation and improvement, provide consistency in process execution, ensure regulatory compliance, and allow us to change in response to rapidly changing conditions and demands.

A good automation tool will provide an easy way to automate processes, coordinate tasks, and move data between process-players. It will also provide the flexibility and agility to support a constantly changing environment. You owe it to yourself and your company to investigate process automation in order to keep pace with the competition and move to the next level of performance.

Biography:

Jim Moudry is a retired Air Force Officer and is currently the Director of Technology and Product Development, Director of Contracts, and Facility Security Officer for Software Engineering Services. He has over 30 years experience in Project Management, Quality Assurance, Test & Evaluation, Systems Integration, Software Engineering, and Process Improvement. He earned his B.S in Aeronautical Engineering from the United States Air Force Academy and his M.S. in Aeronautics from Purdue University. He has earned the Certified Manager of Quality and Organizational Excellence (CMQ/OE) and Certified Software Quality Engineer (CSQE) designations from the American Society for Quality and the Candidate Standard CMMI Appraisal Method for Process Improvement (SCAMPI) Lead Appraiser qualification from the Software Engineering Institute of Carnegie Mellon University.

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