

Reality Based Business Operations Improvements are Finally Here

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The Challenge:

Business operations are based on the collective activities of your people, systems and constituents and improving those actions can prove to be very profitable. However, there are problems with knowing what really goes on without precise and detailed measurements. These measurements are often time consuming and require specialized skills, if you can get at the measures. Traditionally business professionals have to rely on process or technology professionals who have methods that are less than perfect because they rely on interview driven process models to lay the baseline for improvements. While there may be precise measures for individual parts of a process, getting a complete end to end and precisely measured process is usually not possible. In addition, getting a view actions and effectiveness by individual resource is virtually impossible. This is why process or systems improvement generally takes a long time and employs more trial and error than one would expect or desire.

The Solution:

Operations Intelligence with Process Discovery:

Processes are a reflection of the business operations in an organization. By basing process improvement on real metrics or measurements and allowing business professionals to direct the creation of the existing base line for improvement, the results should be profitable and timely. Improvements driven by these accurate pictures of actual behavior can be designed and implemented in the new and improved processes. How this is accomplished makes all the difference in the size and speed of the benefits. Operational Intelligence can be implemented in several ways, but it is always based on real data. The best approach uses combinations of the contributing functions below:

You Need Process Metrics:

If a process or a portion of a process was created with modern process technologies such as a business process management tool or a business activity monitoring tool, it is likely to already have measurements of the crucial measures of success designed around known goals.

The problem is there are few of these kinds of processes or sub-processes in existence today's organization and the metrics are not complete enough to foster improvements. Few of these metrics span end to end process because end to end processes usually involve many sub-processes, some with metrics and others without metrics. Metrics are the basis of good process intelligence, but completeness is crucial, so metrics have to be aggregated by hand in spreadsheets and stand-alone reporting tools. Process discovery enables new and additional metrics easily and aggregates them in one place.

You Need Process Visualization:

If a process has been crafted with a preplanned dashboard synchronized with established goals for the operations, process managers can see the performance of the process. This is a great advantage for portions of an end to end process. There are still problems with metric aggregation and new measures applied in an ad hoc fashion that can be solved with true process discovery.

You Need Holistic End to End Process Discovery

By collecting real data about actions from systems, people and machines in an aggregated fashion, a picture of the real end to end process can be established. Combined with metrics and visualization, this can be a powerful way to lay a process or operations baseline. Process mining does not have to decide all the metrics ahead of time, so it supports ad hoc measures and can be focused on resource details as well. The problem with this approach is that it is very labor intensive unless it is automated in some fashion. Even when automated, there is a level of technical sophistication that is needed.

You Need Non-Intrusive Ease of Use:

By actually watching participants at the glass, where appropriate, with simple and visual direction, information about real work can be captured and presented in a visually digestible fashion give insight for process improvements. This is a simple and reality based way of process discovery in a semi-automated fashion.

You Need Resource Utilization Insights:

Each resource can be tagged and their activity in context will help coach each of the resources, if human, to practice better approaches to work. If a system component, improvements can be implemented to make its participation in an end to end process as optimal as possible under various conditions.

Net; Net:

The ultimate operational performance will require a good balance of using all the capabilities listed above based on real actions, not perceived, and mined from interactions between people and technology. You can only manage what you measure and real time measurements will deliver a more complete pool of benefits.

The Results:

Discovering Processes for Real World Benefits

The perfect combination of machine assisted metrics, visualization, holistic view, ease of use and resource focused automated process mining can deliver impressive benefits when based on process reality. The benefits include tangible costs, time benefits plus intangible benefits that can make the difference in operational excellence and customer experience.

Top Tangible Benefits:

1. Reduction of cost of gathering process improvement data range from 50 – 80% savings over manual modeling and metric efforts
2. Reduced time to results – process improvement can be accomplished in weeks
3. Reductions of time to response for customers range from 30 - 60%
4. Reduction of the cost of operations range from 15 – 30%

Top Intangible Benefits:

1. Increased customer satisfaction scores which could lead to revenue raising opportunities
2. Coaching material for people involved with the end to end process
3. Identification of emerging better practices for process improvements
4. Ability to implement variable cost practices

Typical Deliverables of Process Discovery

1. Generated Process Models: A visual picture of the process can be drawn with normal (happy) paths, viable alternative paths and exceptions paths identified for further human analysis
2. Metric Dashboards: A visual picture of the aggregate results of many executions of a process to show results and trends
3. Targets and Variances: An indication of targets being reached with intolerable results highlighted and root causes
4. Operations Manuals: Documentation of best or better practices that lead to successful process outcomes. This can be quite large and expensive to produce yet maintain manually
5. Alternative Solutions: Patterns of success can be highlighted that produce acceptable results and alternatives to established current best practices.

Case Study Summaries:

Best Process Improvement Project Award 2014



Call Center Process Improvement Project



Potential Savings for High, Medium and Low Complexity Processes (%)

Process Complexity	Process Measurement			Wasted Time (mm:ss.0)			Savings (%)	
	Number of Iterations	Total Baseline Time (hh:mm:ss)	Total Actual Time (hh:mm:ss)	No of Errors	Inefficiency	Due to Errors		Total
High	9	00:52:04	01:30:30	4	00:17:47	00:23:02	00:40:48	45.09%
Medium	7	00:27:57	00:46:35	1	00:14:47	00:04:15	00:19:02	40.86%
Low	82	01:13:58	01:37:15	0	00:43:12	00:00:00	00:43:12	44.42%

Detected delays

- Achievements:**
- Cut the customer service response time by 56%
 - Reduced the error rates (errors in servicing customers) from 20% to ~0%
 - 8 consecutive months above 65% NSAT (Global Corporate Target for Customer Satisfaction – first team to achieve globally)
 - Reduced the operational cost by 30%



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Business Case: 4 Western States



Background

- Modernization of Unemployment Tax and Benefit systems
- Discovery and analysis of the AS-IS business process in each state
- Design of the consolidated solution to enable all 4 states

The Challenge

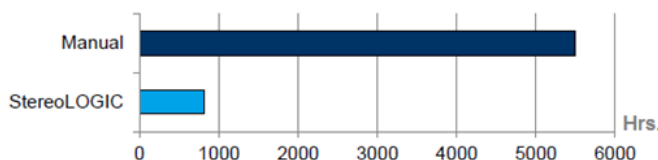
- Stakeholder meetings with senior subject experts facilitated by elite business analysts
- Complex to set-up and organize over 100 participants into sessions
- Manual Process Discovery: 5,500 hours of analyst's time

StereoLOGIC Process Discovery

- Business processes are auto-captured as they are performed in 1:1 walkthroughs
- 1.5 days of set-up needed to organize small number of participants into sessions
- Automated Process Discovery: 810 hours of analyst's time

SAVINGS:

85% of the process analysis time
\$1.5M of the cost



Little Skills and Training Required:

Process modeling and analysis skills are helpful in leveraging process discovery. Business professionals have been known to attempt the use of friendly automated business process discovery technologies to gather the initial benefits in weeks and turn the remaining tuning to process excellence skilled personnel.

Typical Costs & Time to Delivery:

Because of the automated gathering of action data across both narrow and wide scoped processes, the time to deliver results is reduced significantly. The case studies highlighted above indicate quick time to benefit and only come from one successful vendor. There are other examples in the industry

Market:

There is a specific technology market for process discovery and it contains a number of vendors. One of the leading vendors, StereoLOGIC, sponsored this white paper to educate business professionals on the need and benefits. That is why the case studies had a specific logo.

What's next in Process Discovery?

Process discovery will not only be aimed at traditional structured processes but will be aimed at more dynamic and unstructured processes to identify emerging better practices that could be turned into structured processes or collaboration pairings based on resource skill and availability. This is typically seen in adaptive case management.

Conclusion:

It is hard to imagine operations improvements without process discovery and particularly automated business process discovery. As processes get more complex and dynamic as processes take on knowledge work, the drive to process discovery is inevitable.

About the Author:

Jim Sinur is an independent thought leader in applying business process management (BPM) to innovative and intelligent business operations (IBO). His research and areas of personal experience focus on business process innovation, business modeling, business process management technology (iBPMS), process collaboration for knowledge workers, process intelligence/optimization, business policy/rule management (BRMS), and leveraging business applications in processes. Jim is also one of the authors of BPM: The Next Wave

