Achieving Process Innovation, a business & technology view

Pablo D. Irassar
Director, BPM Software Engineering
IBM Corporation

Business Process Effectiveness is the Top Priority for Executives

McKinsey's Global Technology Survey found that "Improving business process effectiveness" ranked as the #1 priority for executives

McKinsey Global Technology Survey, December 2011 , How IT is Managing New Demands
https://www.mckinseyquarterly.com/High_Tech/Strategy_Analysis/A_rising_role_for_IT_McKinsey_Global_Survey_results_2900

Effective and Efficient Processes Deliver *Significant Results…*

Horizon Healthcare *speeds up payments to members and providers* while achieving *over 300%* return on investment

City of Madrid *reduces emergency response time* by *25%* through end-to-end co-ordination of emergency and municipal services

Globe Telecom *increases promotion related sales* by *112%* through an improved customer experience and more effective campaigns

… *but* Process Defects can Topple Major Global Companies

"Between **now and year-end 2014**, overlooked but easily detectable business process defects will **topple 10** Global 2000 companies"

~ Gartner

Emerging Roles Personify the Need to Achieve Process Innovation

Customer Centricity:
Chief Customer Officer
Ensure customer's interaction with the business is seamless and maximize customer profitability

Risk Management:
Chief Risk Officer
Manage operational, financial, strategic, compliance and reputational risk

Healthcare Delivery:
Chief Medical Information Officer
Increase physician productivity and hospital utilization by streamlining patient flow

End-to-end Product Delivery:
Chief Commercial Officer
Collectively manage product development, marketing and sales to bring an idea to market

Business processes must be interconnected to serve the shared interests of the organization

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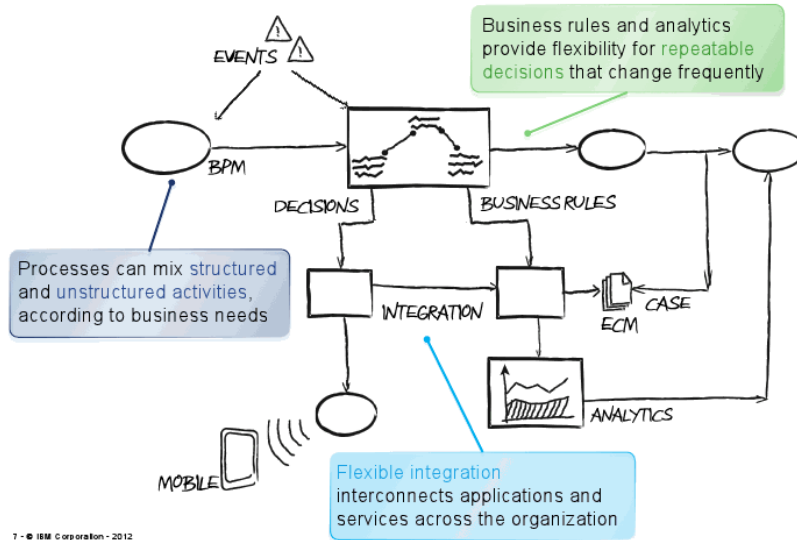
Cross-Functional Outcomes Require Cross-Functional Processes

Interconnect and synchronize departments with enterprise-wide visibility

Manage for cross-functional outcomes enabled by collaboration

Prevent sub-optimized 'islands of excellence' with simple, easy to use governance

Capabilities must be simple, yet powerful to bridge across silos in a continually changing environment

Building Blocks to Achieve Process Innovation
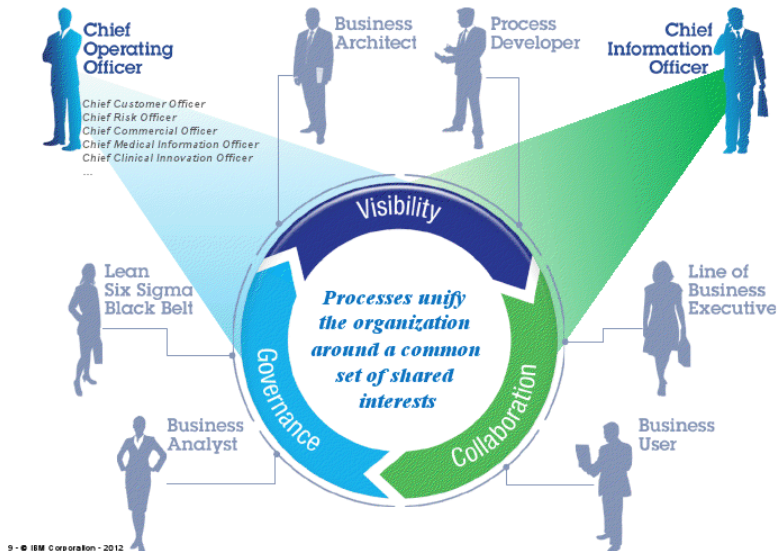*Empowering business and IT users to easily manage change*

Business rules and analytics provide flexibility for repeatable decisions that change frequently

EVENTS

BPM

DECISIONS

BUSINESS RULES

Processes can mix structured and unstructured activities, according to business needs

INTEGRATION

CASE

ECM

ANALYTICS

MOBILE

Flexible integration interconnects applications and services across the organization

Consumerization of Change

enabled by

VISIBILITY

COLLABORATION

GOVERNANCE

A Focus on Business Operations Connects the C-Suite to Execution

Chief Operating Officer

Business Architect

Process Developer

Chief Information Officer

Chief Customer Officer
Chief Risk Officer
Chief Commercial Officer
Chief Medical Information Officer
Chief Clinical Innovation Officer
...

Visibility

Lean Six Sigma Black Belt

Line of Business Executive

Processes unify the organization around a common set of shared interests

Governance

Collaboration

Business Analyst

Business User

Each Business Operation Should be Iteratively Improved

VISIBILITY
Achieve *clearer line-of-sight* to business operations

GOVERNANCE
Align business operations with strategic intent in the *face of change*

COLLABORATION
Foster *cross-functional* and *cross-divisional* outcomes

Visibility
Governance
Collaboration

Start at the Point of Greatest Need...

Typical entry points to achieve process innovation

Product Development
- Reduce time to market of new products & services
- Streamline production procurement sourcing

Go-to-Market
- Dynamic pricing to respond to market conditions
- Leverage customer insights for target marketing

Order to Cash
- Account opening process automation
- Automated order processing & fulfillment

Insurance
- Automated claims processing
- Improved fraud detection

Banking
- Reduced loan processing times
- Financial risk & regulatory compliance

Healthcare
- Improved patient care
- Personalized fitness & nutrition

Government
- Customs & border control
- Improved public safety

Energy & Utilities
- Power grid management
- Energy consumption management

Travel & Transportation
- Online ticketing & reservations
- Travel & hotel pricing management

Retail
- Retail distribution supply chain automation
- Customer loyalty programs

Manufacturing
- Manufacturing production quality & control
- Reduced manufacturing production time

... But Begin with the End in Mind

Governance
Visibility
Collaboration

Order to Cash
Go to Market
Shareholder Management
Product Development
Human Capital Management

Core Processes
"Run the business"

Secondary Processes
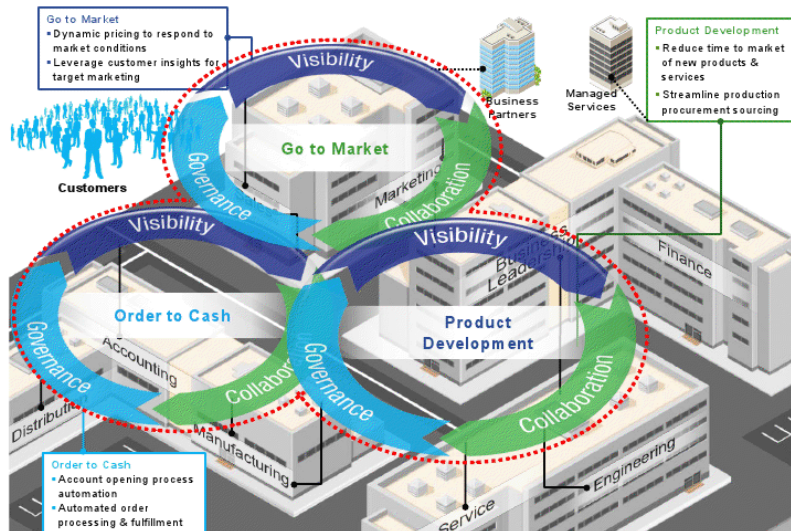"The long tail"

A single platform provides the right rigor for all operational processes and decisions

Process Innovation in Action

Interconnecting the design and execution of business operations

Go to Market
- Dynamic pricing to respond to market conditions
- Leverage customer insights for target marketing

Product Development
- Reduce time to market of new products & services
- Streamline production procurement sourcing

Visibility
Governance
Collaboration
Go to Market
Sales
Marketing

Business Partners
Managed Services

Visibility
Governance
Collaboration
Order to Cash
Accounting
Distribution
Manufacturing

Business Leadership
Finance

Visibility
Governance
Collaboration
Product Development
Engineering
Service

Customers

Order to Cash
- Account opening process automation
- Automated order processing & fulfillment

An Enterprise View of Synchronized Business Operations

Go to Market
- Dynamic pricing to respond to market conditions
- Leverage customer insights for target marketing

Product Development
- Reduce time to market of new products & services
- Streamline production procurement sourcing

Visibility
Governance
Collaboration
Go to Market
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Customers

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The Ottawa Hospital Realizes Process Innovation

CEO Mandate

Become a top 10% performer in Quality of Care and Patient Safety in North America

New Role: Chief Medical Information Officer

Before

- Needed patient focused processes to improve quality of care with better visibility

- Lack of timely information to staff at the point of care & across operational areas

- Need to improve key metrics: Patient wait times, Discharge rates, Instances of relapse

After

- Improvements in patient flow through electronic closed-loop consults and easy access to patient information

- 'Circle of Care' visual interface improves communication and collaboration within the care team

- Benchmarking process execution to use historic and real-time data to make better patient care decisions

"What we are doing is putting process orchestration and process models in place, so that you can literally see the characteristics of the hospital system... and you can then influence that."

~ Dale Potter, Senior VP and CIO, The Ottawa Hospital

VISIBILITY

COLLABORATION

GOVERNANCE

in Action…
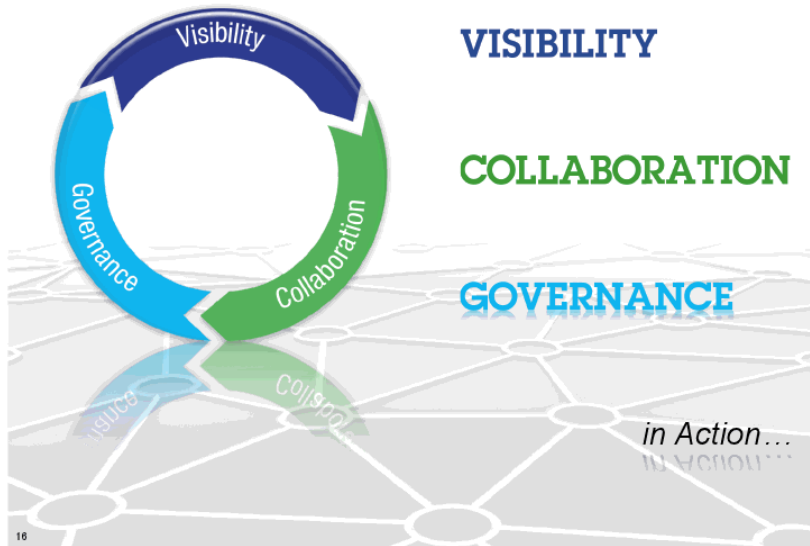
Visibility
Achieve clearer line-of-sight to business operations

Visibility

Powerful tools for the identification, design and understanding of business processes.

"What's New" quickly displays deployed assets

Real-time scorecards show work-in-progress

From anywhere

Visibility
Achieve clearer line-of-sight to business operations

Visibility

A collaboration environment to provide context to knowledge work

Full Search capabilities to enable 'known' behaviors in end users

Visibility
Achieve clearer line-of-sight to business operations

A simple way to describe the rules of the business

Collaboration
Foster cross-functional and cross-divisional outcomes

Combined collaboration environments between business and IT teams

Social Capabilities as the cornerstone of intra-divisional collaboration

Collaboration
Foster cross-functional and cross-divisional outcomes

Automated change notification & verification, enabled 'controlled' agility.
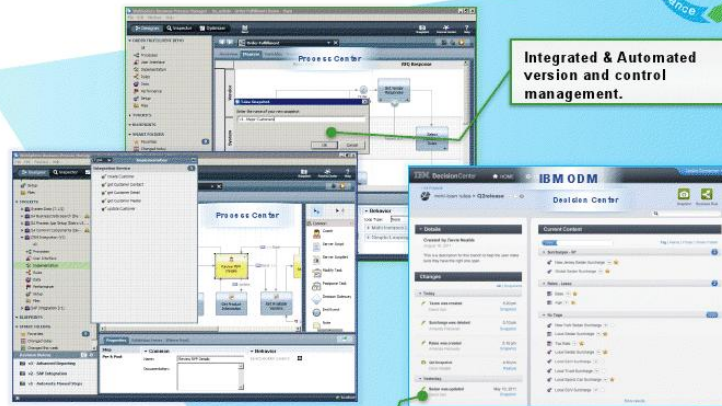
Collaboration
Foster cross-functional and cross-divisional outcomes

Connect with experts directly within process context (messaging)

'Take over' capabilities in collaborative decision making.

Governance
Align business operations with strategic intent in the face of change

Integrated & Automated version and control management.

History and auditing capabilities as part of the working streams.

Governance
Align business operations with strategic intent in the face of change

Syncronized and federated organization assets control.

Establish a Virtual CoE repository for exemplary content

Facilitate reuse across departments

Simplify reuse by integrating directly into LO B tools.

Download process templates

Reference Assets in other enterprise repositories

Governance
Align business operations with strategic intent in the face of change

Timeline-like visualizations on the evolution of the assets
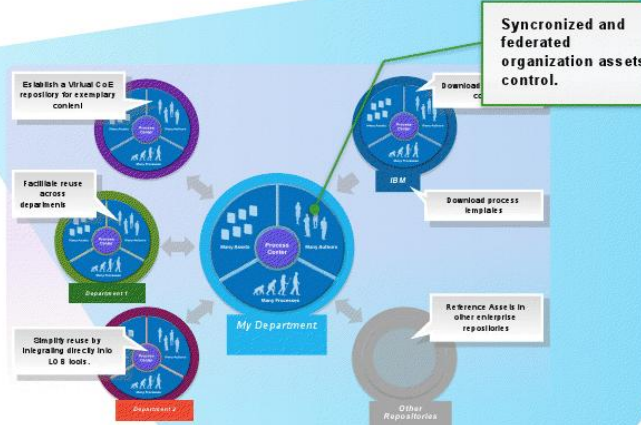
Mobile and Cloud Accelerate Process Innovation

Mobile: Deliver process innovation to where your users are
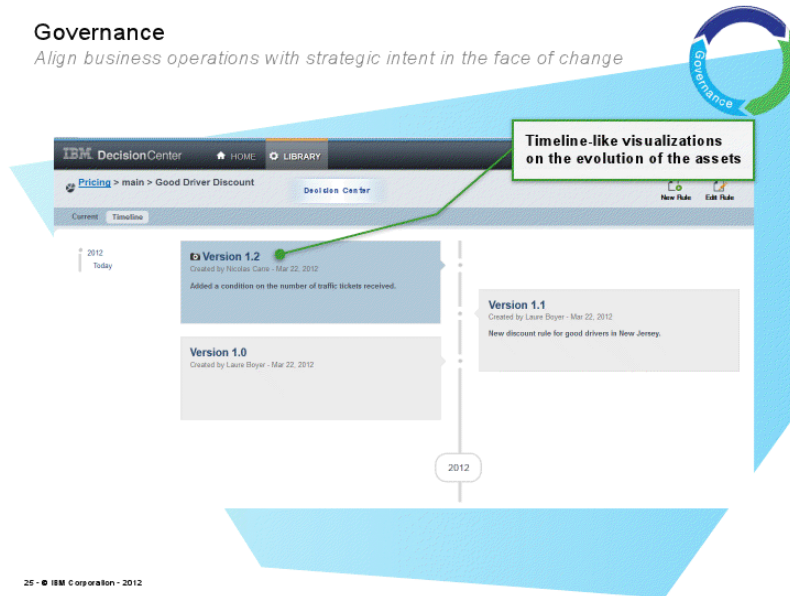
Cloud: Decrease your time to achieve process innovation
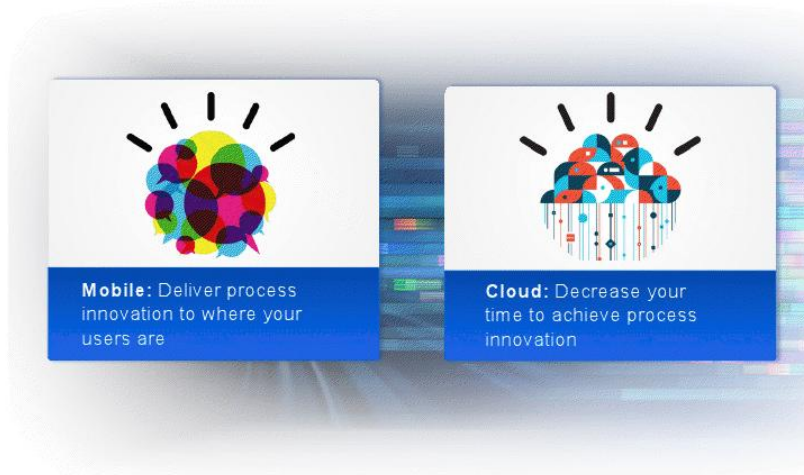
Build Your Roadmap to Achieve Process Innovation

Business Outcomes

1 Identify Business Challenge and Value

2 Succeed with an Initial Project

3 Establish a Program

- Quickly change and integrate business processes
- Improve speed of operational decisions
- Deliver new services faster

- Match customers with products in real-time
- Link customers and partners into processes
- Deliver new customer self-service features to beat competition

- Extend real-time operational decision making capabilities
- Enable rapid business led process changes
- Streamline multiplatform development, deployment, and information delivery for mobile, web, and cloud

Project Scope

The new basis of Process Innovation

Social

Collaborative

On-the-go

Key IT Capabilities Required to Achieve Process Innovation

Industry Expertise and Solutions

Process Discovery & Design

| Business Process Management | Operational Decision Management | Advanced Case Management |

Business Monitoring

Master Data Management   *Integration*   *Analytics*   *Enterprise Content Management*
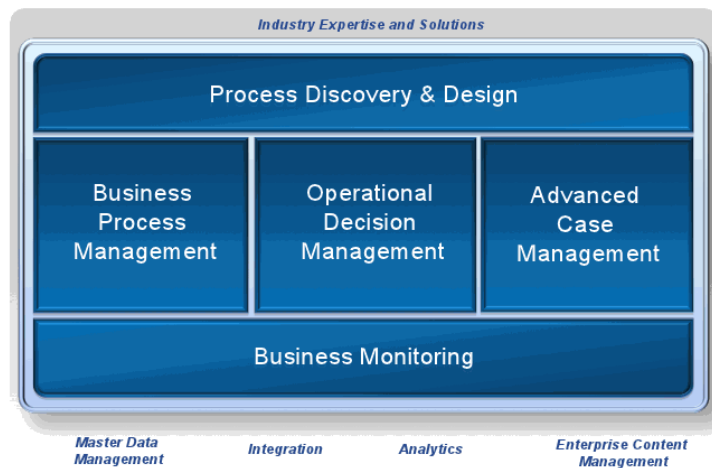
Odyssey Logistics Provides End-to-End Transportation Solutions

Connecting individual transportation providers into a complete delivery network

Challenges

- Choose the best transportation options given each customer's unique needs across the globe
- Implement customized logistics processes to provide full service to customers expanding globally

Benefits

- 300% increase in productivity for certain logistics operations
- Reduction of errors by more than 10%
- Meet or exceed customer KPIs in areas of on-time deliveries, invoice turnaround and error-free shipping

Odyssey Logistics & Technology

Solution for Process Innovation

- Pre-constructed processes based on sets of common activities that can be quickly customized for local needs
- Business rules reduce complexity by managing rate structures, routing guides and carrier information

Technology Drivers:

IBM Operational Decision Management

IBM Business Process Manager

"Process innovation allows an organization like OL&T to go in to a customer and figure out how to work with them versus trying to overlay a very specific rigid model on our customers"

~ Russell Marky, Senior Vice President, Global Business Technology, OL&T

UK Border Agency Detects Threats Earlier

Advanced passenger processing enhance security and improve responsiveness

Challenges

- Threats to border security are growing while passenger traffic increases, driving need for early detection of risks

- Passenger risk assessment involves data and processes across Carriers, Port Authorities, Immigration, Police, Customs

Benefits

- Enables the agency to identify threats sooner so they can focus attention on high-risk situations

- A near-real-time risk assessment provides enhanced security and speeds up processing

Solution for Process Innovation

- IBM Global Business Services designed and deployed solution that enables data sharing and process automation between various agencies

- System handles over 120 million passenger cross-border movements per annum.

Technology Drivers:

IBM Operational Decision Management

IBM Business Process Manager

"IBM has enabled us to identify threats earlier so that we can more effectively deploy resources at the border, and in some cases prevent travel altogether."

~ Ian Neill, Deputy Director, eBorders