

Process Optimization

Positioning Paper

Dealing with issues tied to?

- ◇ I can't see it
- ◇ I can't find it
- ◇ I can't control it
- ◇ I can't track it

The real driving force for process optimization is efficiency. Companies understand that if they can function more efficiently, it will improve their bottom line.

Let's define a process as a collection of related, structured activities [a chain of events] that produce a service or product. Business processes exist on 2 levels - human and technology. Until today, the emphasis on process improvements has centered on the human 'activities'. As you might imagine, you can improve human activities only so much. Think of sprinters – they worked hard to break the 10 second 100 yard dash. Now that they are around 9 seconds, how long will it take to get to 8 seconds [or is it even possible].

Over the last several decades, the few companies that have been looking at ways to optimize processes have tried many different methodologies. Many have succeeded in improving their processes but, over time they have reached the point of diminishing returns. They believe that they have squeezed out as much efficiency as they can. So, what is their next step?

We believe that there is significant potential for gains in process optimization. And, we see a couple of ways to catch this next big wave of efficiency.

One - Implement a process to improve processes

We call it a 'process optimization process'. Companies have tried many strategies to improve their processes. Some have only informal, unwritten processes in place to improve their processes.

Others, companies embracing Six Sigma, have identified a couple of processes for their process improvements: DMAIC [Define, Measure, Analyze, Improve and Control] & DMADV [Define, Measure, Analyze, Design and Verify].

Keeping in mind that the objective of process improvement is 'improvement', how do you know when you are successful? Most of the pundits we read will recommend that you begin with the 'as is' of your process. They say you should define the steps of the process and measure how long this process takes. They will say that without that information, you will never know if you have actually made improvements.



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One thing that all companies have in common is that change happens. A process to improve processes should adapt to change and allow you to quickly modify your process as necessary.

Two - Use technology to automate steps within a process

Up to this point, most process improvements have been around human activities. Now it is time to look at your processes to see what activities can be automated. There are 2 levels here as well - local and global. By local, we mean automating processes within the BPM software whereas, global means automating activities between disparate enterprise software packages.

Malcolm Baldrige quality criteria, ISO, Lean Manufacturing, Six Sigma, TQM, Kanban, Kaizen, etc. all focus on identifying waste and removing it. So, why should a human perform an activity that software can perform for them?

It is fairly simple to automate steps within a single software environment. For example, if an activity goes well - say a product test, the process could travel one path while if the product test goes badly, it could travel another. 'If, then, else' logic is extremely useful to automate these kinds of steps.

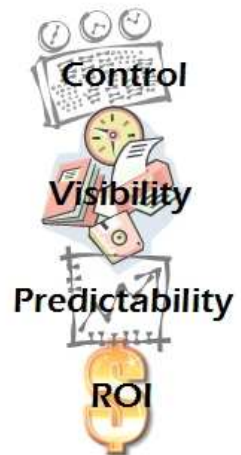
More complex activities may be automated with integration between your enterprise software packages [maybe using SOA]. This would allow the BPM software to read/write into some other enterprise software or even run some program within the other software.

The following Benefits of Process Optimization will drive Efficiency:

- Reduced costs
- Shortened cycle times
- Shortened audits
- Increased throughput
- Improved quality
- Improved morale
- A Competitive Advantage.

And, Efficiency WILL improve your company's bottom line.

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