# How to Improve Your Business Processes:
# An Introductory Guide

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# Successful Workflow Analysis

Many business processes are in place for historical reasons.  Sometimes companies don't even know why processes are carried out the way that they are.  The reasons might have been valid originally, but businesses change.  Unfortunately, business processes sometimes carry on well past when they should have been updated.

Workflow analysis is the first step towards improving your business processes, which in turn improves your business.  Interestingly enough, a properly done analysis can be used for two things:

1. Streamlining your manual business processes to make them more efficient
2. Automating your business processes

Here are the basic steps we take to ensure a successful workflow analysis for your organization:

## Review and Assessment of the Current State

An important step in streamlining business processes is identifying paper based documents and processes that can be converted to electronic.  This includes creating as many self-service functions as possible.  An Electronic Document Management System should work with both scanned documents and electronically created documents.

This task requires the participation of management and employees involved with the intake and processing of the documents.  Design input from participating employees is important to the success of the overall project.  Why include employees at this stage? First, they have good ideas; second, it creates a stronger buy-in to the new way of doing things.

This assessment will address the following:

- Current document management systems
- Current document workflow processes
- Security and permissions requirements
- Identification of challenges and opportunities
- Legacy system or line of business integration

Without a proper design, the chances for a successful project are significantly reduced.  We strongly believe in the concept of "Peer Review" in all phases of project

implementation.  This concept requires that peers review all work before submission or completion.  This approach not only reduces errors, but also brings more, varied ideas into the design.

# Definition of Future State Requirements and Workflow Strategy

The Detailed Design Requirements and Strategy are important building blocks in the implementation of any successful business automation project.  The first step in business process automation is to determine the documents and information that are moving through the organization.  The documents must be categorized to determine the indexing attributes that will allow for fast and easy retrieval as well as monitoring throughout their lifecycle and records retention.

While categorizing the documents, the lifecycle of those documents can be reviewed and documented.  This will provide the information needed for ways to streamline the processes.  This will also assist us in determining the retrieval needs as well as any type of reports that may be needed for monitoring the processes and effectiveness of the department.

Once the documents have been categorized the format of the documents can be determined.  Some of them may be scanned images, some may be submitted electronically, and some may be generated internally.

The development of the strategy will address the following questions:

- Which documents drive essential business functions?
- Which documents and processes have the highest potential for re-engineering or refinement to produce benefits?
- Which documents and process flows have an opportunity to be changed with the best probability for success?
- What applications and systems are used to produce the documents included in this review?
- Who are the major stakeholders with respect to responsibility for document performance and efficiencies?
- Who are the authors, readers, producers and stakeholders of these documents?
- What are the needs regarding efficiency, legislation and compliance requirements?
- How well are those requirements being met?

## Summary of Benefits and Operational Savings

The summary of benefits and operational savings will address the following qualitative benefits and quantitative efficiencies gained:

1. Overall efficiency
2. Employee time: searching information, reformatting documentation, copying information, and sorting formation
3. Physical space utilization
4. Improvements in customer service
5. Compliance
6. Employee job satisfaction

## Implementation Roadmap

To achieve the maximum benefit from automating business processes, we must ensure that the new processes are aligned with the business needs. To be able to measure the effectiveness of the automation project a baseline set of parameters must be measured using the current processes. This includes timing each step of a process and the time required to complete the entire process. Developing a process improvement plan and engaging the staff in the redesign effort significantly reduce the fear of change. This also improves the chance for success by bringing in the ideas from the people who do the work every day; also increasing their buy-in of the new processes since they were able to provide input.

Part of the change management process is to assess the current skill set of the staff and compare that to the skills required to operate the new automated processes. Proper implementation of new business processes increases the ability to cross-train employees by automating the manual steps and letting them focus on tasks that create value. The system manages the process and the people execute the tasks.

# Case Study: A Struggling Accounts Payable Department Finds Success

According to a study done by the Accounts Payable Network, the three major challenges facing Accounts Payable departments during a struggling economy are:

1. Cost Reduction
2. Process Improvement
3. Increased Control

The story of this [accounts payable department](#) will show you how an AP department that was once over-burdened with too many invoices and purchase order (PO) documents (suffering with late payments and overpayments because of lack of organization) implemented an electronic process that reduced their costs, improved their business processes, increased their security, and organized the information in their department.

The economic fury strikes yet another business, and its AP department is forced to reduce their headcount requiring them to manage the same amount of work with half the people. What to do? The business process had to be restructured now that the department only had half of the initial staff.

This presented some major challenges, resulting in a domino effect. The staff couldn't keep up with the workload... forcing invoices to be paid late... charging the company an excess in late fees... and tragically missed opportunities for savings because they could not get organized and on track to pay invoices early or on-time.

With fewer employees, the staff was having an extremely difficult time locating and matching PO's to invoices, resulting in overpayments or even duplicate payments. They knew it was time to re-evaluate their process and come up with a solution. After thorough research, the company decided to implement an [electronic document management and workflow system](#).

**So how did this change their accounts payable process and the way they processed and managed documents?**
In many instances, the vendor faxes the invoice to the organization which is then picked up by the document management application. If the invoice comes in via mail, a scanner is used to capture the document or if by email, the email/fax manager would receive the invoice, index and route the new electronic document through the system. The invoice(s) are indexed according to the associated purchase order number(s), eliminating the tedious process of an employee manually matching the incoming invoice with its purchase order.

The paper document is never touched by human hands again! The employees were also thrilled to discover that the new solution would allow them to take their existing batch of invoices and PO's and bulk-load them into the system all at once.

Now with all vital information entered into the online content management system, the AP department could easily open the image of the actual invoices online, allowing them to instantly review and collaborate electronically.

The best part of the document management system and greatest time-saving feature is the [automatic invoice routing](#). When an invoice comes into the system, the application follows pre-defined routing rules and automatically routes the document to a specific employee's task box based on the document's attributes. Then the employee/user can electronically review and approve the information so that it will continue through the workflow process. The application can also be integrated with the accounting system so that as incoming data is pushed through, users can view the document images from either the electronic document management platform or the accounting system itself. With the implementation

of the electronic document management system, the AP department now enjoys many benefits:

- They can electronically schedule payment alerts so early-pay discounts can be realized.
- Duplicate payments and over-payments are never made!
- Paper file storage needs are eliminated, resulting in tremendous savings.
- Reports can be run with ease as the information is simple to locate.
- Their information is protected securely and they have a built-in disaster recovery plan.

**Now what about security?**
Because the information is stored online, this AP department was initially worried about the security of their information. Their fears were calmed when they found out that the data resides in a globally known data facility that provides protection to the top ten global financial institutions. Incorporating multiple layers of security, only approved users have access to the information in the system. The administrator has the ability to restrict visibility as well so that users are only permitted access to the information they have been approved to access.

**Now what about records retention and compliance?**
AP also needed a solution for their records management compliance. They must retain the accounting documents for several years and were having challenges tracking the records and their disposition dates of the records in various locations. Some were stored in the buildings and some were stored in outside facilities. This cost money and time trying to locate the documents when audited. Since it was not cost effective to send staff digging thru boxes of paper they were able to solve this problem instantly since the document management platform was a suite of solutions that also included a records management tool. Now the system notifies them when a document is ready to be purged and they no longer worry about lengthy audits that use multiple staff over a course of a week. They can now give the auditor access to the area of information needed and not worry that they are not in compliance.

And the best part of all is that in the end, this accounts payable department realized that they didn't need extra staff... they just needed a better document management and workflow system.