Clear Process Solutions

CFOs Play a Critical Leadership Role in Instilling Enterprise Wide Efficiency

Business process management (BPM) has been referred to as a "holistic management" approach to aligning an organization's business processes with the wants and needs of its customers, employees and suppliers. It promotes business effectiveness and efficiency while striving for innovation, flexibility, and integration with technology. BPM attempts to improve processes continuously. It can therefore be described as a "process optimization process." It is argued that BPM enables organizations to be more efficient, more effective and more capable of change than a functionally focused, traditional hierarchical management approach.

CFOs of successful growth and middle market companies understand that business processes are critical to the success of any organization. **Business processes play a critical role as to how successfully a company generates revenue, manages costs, and creates profits, cash flow and EBITDA.** Business processes also often represent a significant proportion of operating costs. As a managerial approach, BPM sees processes as strategic assets of an organization that must be understood, managed, and improved to deliver value-added products and services to its customers, employees and suppliers.

CFOs of successful growth and middle market companies play a critical leadership role in instilling enterprise wide efficiency. CFOs of growth and middle market companies should be keenly aware of the business processes across their organizations and the technology that supports them. CFOs also have the data available to measure, communicate and benchmark costs as well as make suggestions for cost improvements and/or value generation.

CFOs can turn to third party resources such as Clear Process Solutions, LLC of Cleveland, OH (CPS) www.clearprocesssolutions.com to assist in their BPM solutions. CPS is a company that works with organization leaders to help them to obtain resource and process optimization solutions and best practices that add value to people and reduce paper and manual costs. According to Mark Orzen, CEO of CPS, factors that CFOs should consider when implementing BPM solutions include:

- **Positioning Efficiency** – How are you positioning internal roles in terms of value contribution? How can the bottom line improve by facilitating people working smarter, faster and by delivering the highest quality?

- **Managing Process Improvement Demands** – Change can be good and necessary. Look for new ways to perform necessary functions and instill BPM consistently without increasing IT spend. Envision and keep evolving your process optimization strategy with your extended supply chain requirements. Communicate process and resource priorities often by using the BPM platform to log and value improvement requests.

- **Process Improvement ROI** – Identify and confirm how improvement implementation costs are offset by resource reduction, deferred expenditures, increased sales or other efficiency savings.

According to CPS, obtaining Process and Resource Optimization starts with documenting your company's objectives for efficiency. Examples of some key areas include:

- **Improved People Value Contribution** – The people value contribution is not limited to employees but the entire ecosystem interfacing with any order, client communications or interaction. Maximizing that experience from the client interface to employee and extended supply chain is becoming more and more critical in ensuring growth and profitability.

- **Deferred and/or Decreased Systems (ERP, CRM, and PLM) Expenditures** – Extending the lifecycle and value of existing business systems can significantly save or defer costs, although it can be appropriate to replace and or augment various core systems. Regardless, it is critical to architect an environment where all systems talk to each other, are intergraded seamlessly and where data is consistent and trusted. A well architected BPM platform often breathes life and value into these existing ERP, CRM, PLM platforms.

- **Decreased IT Development Costs** – As with all companywide budgets, IT utilization continues to be vital to enabling operational throughput and work-streams. However, costs will be inherently higher if solutions are driven by customization and coding or programming. Tools have evolved that are more or less packaged and off the shelf solutions that decrease the requirements to code and continually maintain applications, integrations and customization.

- **Decreased Manual and Paper Based Processes** – As technologies like mobility and other collaboration vehicles have changed our cultures of meetings, so has the method of our collaboration. This evolution from people to machines or paper, to email, PDF documents and texting has consumed the everyday worker. According to CPS, BPM solutions enable paperless process while increasing auditability, traceability and compliance.

- **Reduced Staff / Outsourcing** – The more efficient collaboration and workflows are, the less time a person needs to spend on a business task. This frees time for additional work or reduces the overall headcount requirement to perform functions.

CFOs need to be focused on value creation throughout their companies. Business processes can enable or detract from value. CFOs of growth and middle market companies are in a unique position to provide leadership in BPM. Harvest CFOs understand the importance of BPM and its holistic impact to every organization.

Leaders of growth and middle market companies seeking to increase their knowledge as to how BPM can be a catalyst in their organizations to add value to their people and processes, reduce costs and create value should attend LEANutopia www.leanutopia.com and CPS process user groups. All events can be found at www.clearprocesssolutions.com/cps-events.

Article originally printed and released by Harvest CFO Consulting on September 18, 2013.

Note: Since blog in 2013, a new acronym has been created by Forrester, DPA (Digital Process Automation), that focuses on going wide across your organization and creating hundreds if not thousands of new applications. If you'd like to discuss the differences between BPM and DPA, please contact us.