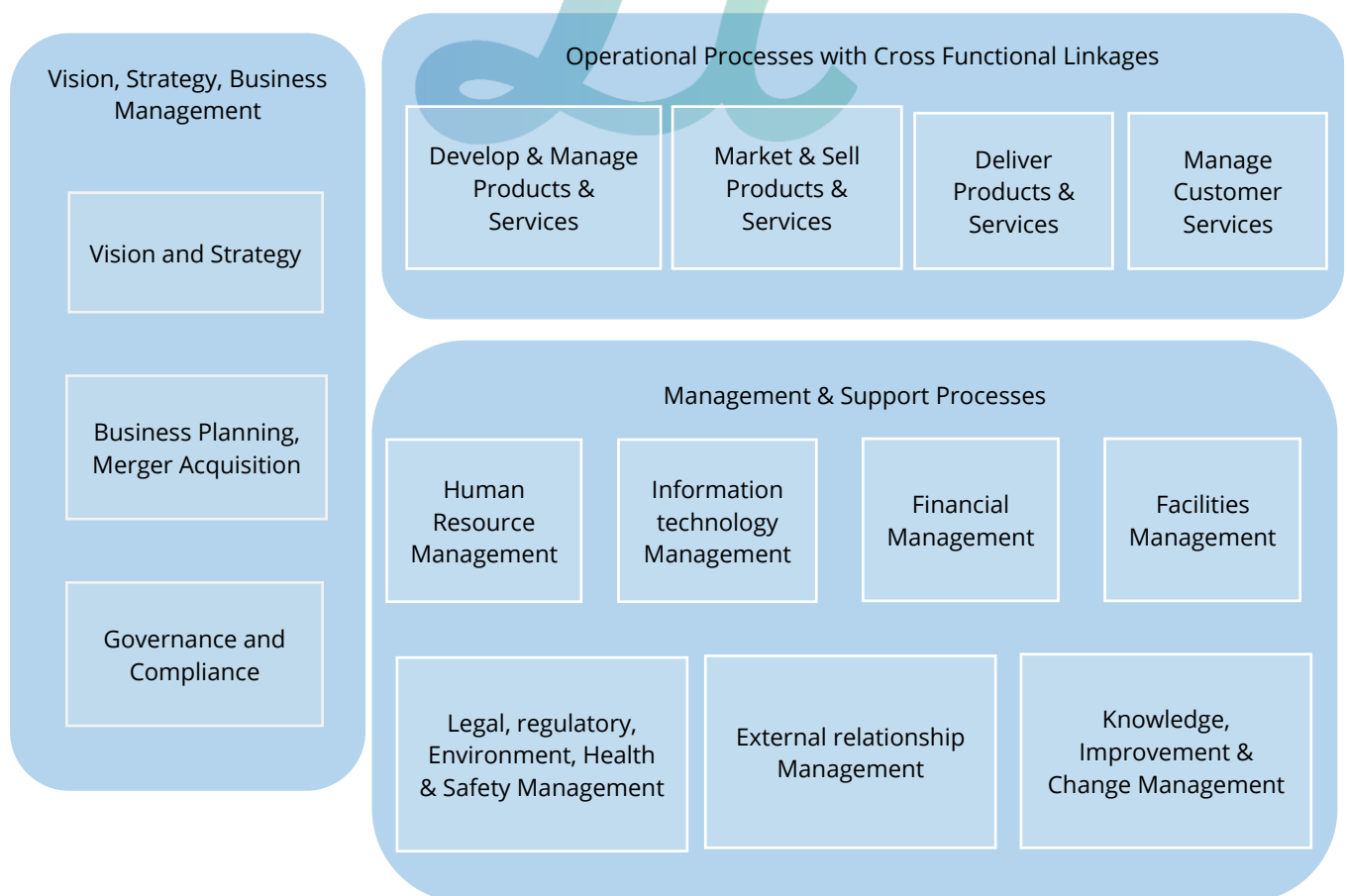# Automated Business Processes

What is Process?

Coordinated & Standardized Set of Activities

What is Business Process?

Activities which realizes Business Goals &

Those Activities if Coordinated & Standardized are known as Business Process

The business process is the flow of information, customized by value-added tasks, that begins with the primary contact with a potential customer and continues through deliverance of a finished product.

Vision, Strategy, Business Management

- Vision and Strategy
- Business Planning, Merger Acquisition
- Governance and Compliance

Operational Processes with Cross Functional Linkages

- Develop & Manage Products & Services
- Market & Sell Products & Services
- Deliver Products & Services
- Manage Customer Services

Management & Support Processes

- Human Resource Management
- Information technology Management
- Financial Management
- Facilities Management
- Legal, regulatory, Environment, Health & Safety Management
- External relationship Management
- Knowledge, Improvement & Change Management

What is EIS – Enterprise Information system?

- Any kind of information system which improves the functions of an enterprise business processes by integration.

- A technology platform that enable organizations to integrate and coordinate their business processes on a robust foundation

- when a customer places an order, the data flow automatically to other fractions of the company that are affected by them leading to the enhanced coordination between these different parts of the business which in turn lowers costs and increase customer satisfaction
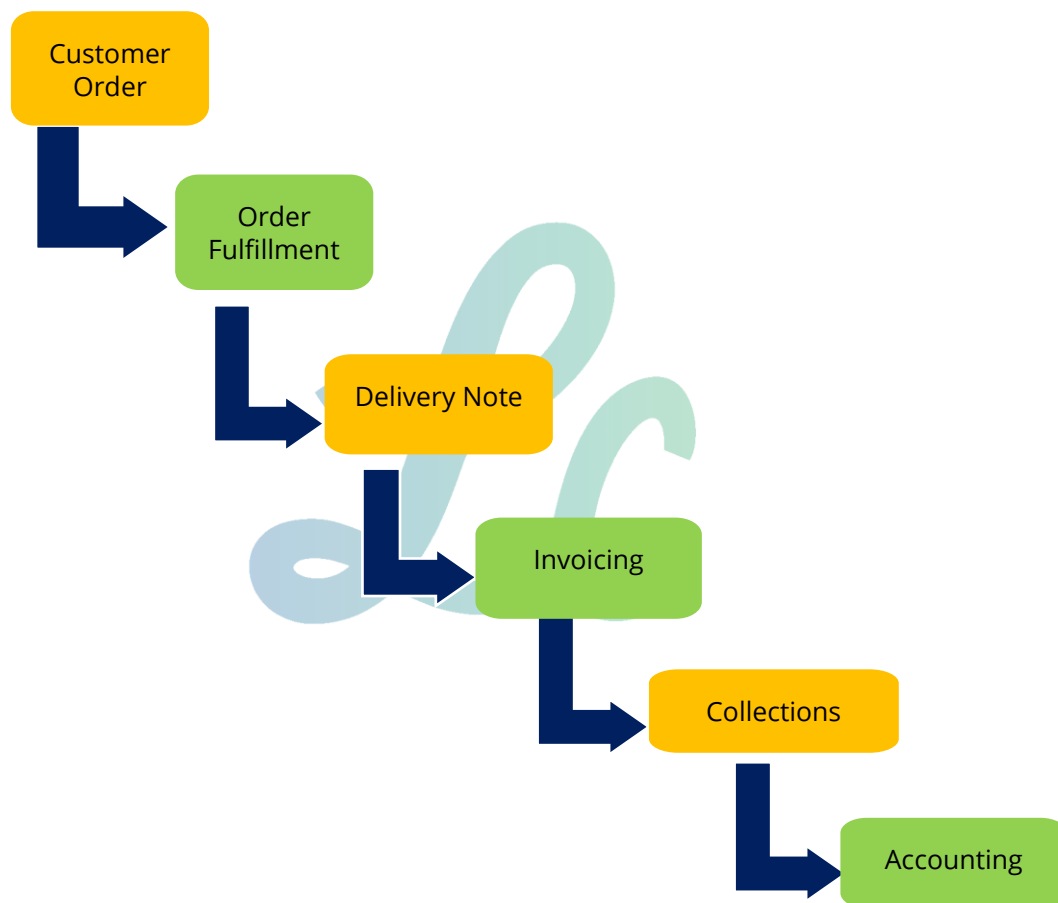
Types of Business Process

Supporting Processes

S

Management Processes

M

Operational Processes

O
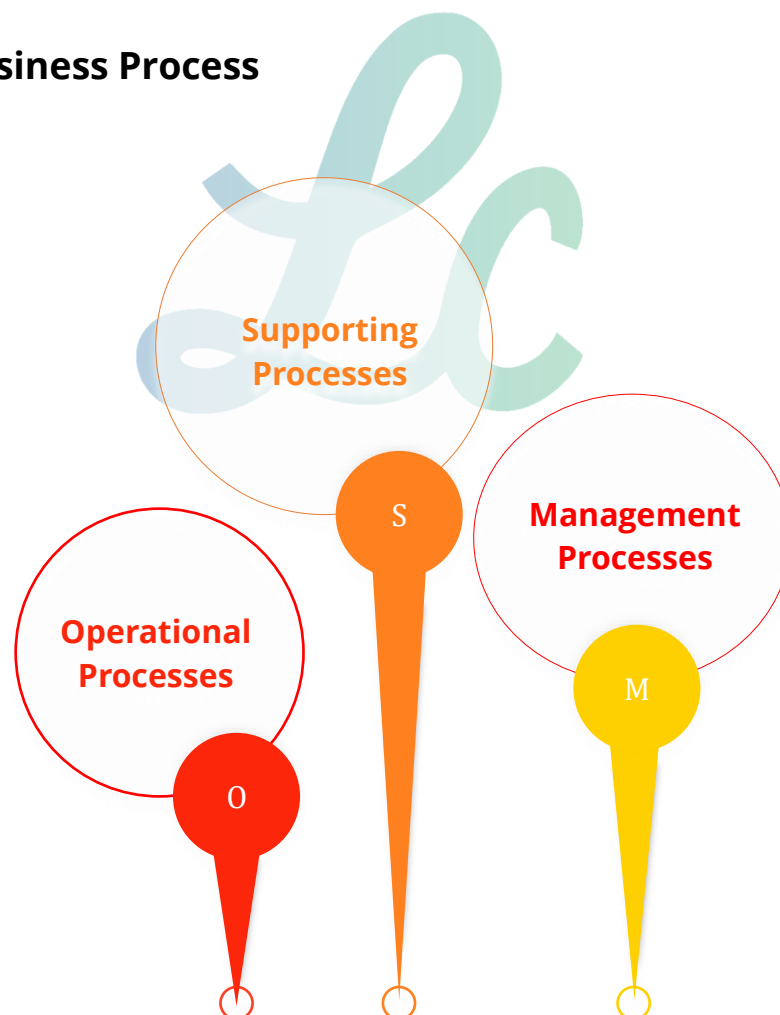
1. Operational Processes

Deal with the core business and value chain. These processes deliver value to the customer by helping to produce a product or service

Order to Cash Cycle

```
Customer Order
    → Order Fulfillment
        → Delivery Note
            → Invoicing
                → Collections
                    → Accounting
```

2. Supporting Processes

Supporting Processes back core processes and functions within an organization. Support processes is that support processes do not provide value to customers directly. Ex. HR Process

3. Management Processes

Management Processes measure, monitor and control activities related to business procedures and systems. It has a direct impact on the efficiency of the enterprise
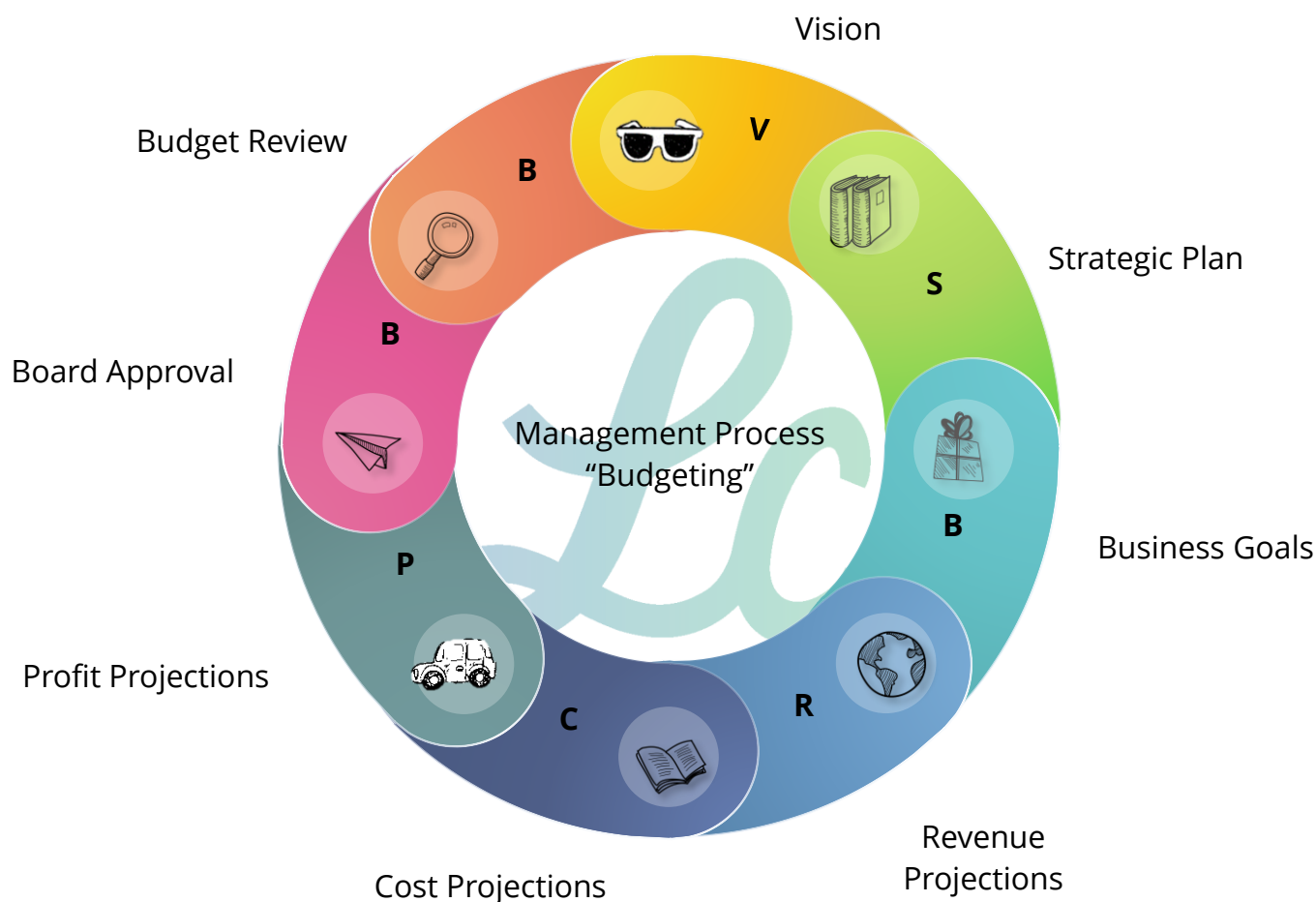
Business Process Automation

BPA is the technology-enabled automation of activities or services that accomplish a specific function and can be implemented for sales, supply chain, HR, IT etc.

BPA is the tactic a business uses to automate processes to operate efficiently and effectively

Objectives of Business Process Automation

- Confidentiality
- Integrity
- Timeliness
- Availability

Business Process Automation – Benefits

Automation maintains the accuracy of the information transferred and certifies the repeatability of the value-added tasks performed. And key benefits are :

- Quality & Consistency
- Time Saving
- Visibility
- Governance & Reliability
- Reduced Turnaround
- Times
- Reduced Cost
- Improved Operational efficiency

Ensures that every action is performed identically - resulting in high quality, reliable results and stakeholders will consistently experience the same level of service.

Time Savings

It frees up time to work on items that add genuine value to the business, allowing innovation and increasing employees' levels of motivation.

Visibility

Automated processes are controlled and consistently operate accurately within the defined timeline. It gives visibility of the process status to the organization.

Governance & Reliability

The consistency of automated processes means stakeholders can rely on business processes to operate and offer reliable processes to customers, maintaining a competitive advantage.

Reduced Turnaround Time

Eliminate unnecessary tasks and realign process steps to optimize the flow of information throughout production, service, billing and collection. This adjustment of processes distills operational performance and reduces the turnaround times for both staff and external customers.

Reduced Cost

Automation allows to accomplish more by utilizing fewer resources. As reduced manual involvement.

Improved Operational Efficiency

Automation reduces the time it takes to achieve a task, the effort required to undertake it and the cost of completing it successfully.

Automation not only ensures systems run smoothly and efficiently, but that errors are eliminated and that best practices are constantly leveraged.

Implementation of BPA

Step 1: Define why we plan to implement BPA	The answer to this question will provide justification for implementing BPA
Step 2: Understand the rules/regulation under which it needs to comply with?	The underlying issue is that any BPA created needs to be complied with
Step 3: Document the process, we wish to automate	The current processes which are planned to be automated need to be correctly and completely documented at this step
Step 4: Define objectives/goals to be achieved by implementing BPA	This enables the developer and user to understand the reasons for going for BPA. The goals need to be precise and clear
Step 5: Engage the business process consultant	Once the entity has been able to define the above, the entity needs to appoint an expert, who can implement it for the entity
Step 6: Calculate the ROI for project	The answer to this question can be used for convincing top management to say 'yes' to the BPA exercise
Step 7: Development of BPA	Once the top management grant their approval, the right business solution has to be procured and implemented or developed and implemented covering the necessary BPA
Step 8: Testing the BPA	Before making the process live, the BPA solutions should be fully tested.

Real Life example of Business Process Automation

- Reliance completes consolidation of 170 companies within 30 days
- Entire E-commerce space is due to BPA
- Watasale retail store in Kerala – Grab & Go model
- Courier delivery by Drone - DHL
- Entire Banking system today is live example of BPA

Risk – it has various definitions

In chapter 5 Risk is defined as "the potential harm that caused if a threat exploits a particular vulnerability to cause damage to an assets"

In chapter 1 Risk is defined as "any event that may result in a significant deviation from a planned objective resulting in an unwanted negative consequence"

BPA gives substantial benefits to enterprises but have some inherent risks

Input & Access: All input transaction data may not be accurate, complete and authorized.

File & Data Transmission: All files and data transmitted may not be processed accurately and completely, due to network error.

Processing: Valid input data may not have been processed accurately and completely due to program error or bugs.

Output: Is not complete and accurate due to program error or bugs and is distributed to unauthorized personnel due to weak access control.

Data: Master data and transaction data may be changed by unauthorized personnel due to weak access control.

Infrastructure: All data & programs could be lost if there is no proper backup in the event of a disaster and the business could come to a standstill.

Strategic Risk	Financial Risk	Regulatory Risk	Reputational Risk	Operational Risk
Risk of Noncompliance of business objectives	Risk of negative Financial Impact	Risk of exposure to fine and penalties	Risk of exposure to negative publicity	Operations may go disruptive instead of effective and efficient

Control

- **Control** is defined as policies, procedures, practices and organization structure that are designed to provide reasonable assurance that business objectives are achieved, and undesired events are prevented or detected and corrected.

- SA-315 defines the system of internal control as the plan of enterprise and all the methods and procedures adopted by the management of an entity to assist in achieving management's objective of ensuring, as far as practicable, the orderly and efficient conduct of its business, including adherence to management policies, the safeguarding of assets, prevention and detection of fraud and error, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

- The internal audit function constitutes a separate component of internal control with the objective of determining whether other internal controls are well designed and properly operated.

Control Environment

The **Control Environment** is the set of standards, processes, and structures that provide the basis for carrying out internal control across the organization.

Risk Assessment

Risk assessment requires management to consider the impact of possible changes in the external environment and within its own business model that may render internal control ineffective. risk assessment forms the basis for determining how risks will be managed.

Control Activities

Control Activities are the actions established through policies and procedures that help ensure that management's directives to mitigate risks to the achievement of objectives are carried out.

- **Segregation of Duties:**
  is the process of assigning different people the responsibilities of authorizing transactions, recording transactions, and maintaining custody of assets.

- **General controls :**
  Include information technology management controls addressing the information technology oversight process, monitoring and reporting information technology activities, and business improvement initiatives.

- **Application Controls :**
  are designed to ensure completeness, accuracy, authorization and validity of data capture and transaction processing.

Information

- Information is a data that is accurate and timely, specific and organised for a purpose, presented within a context and gives it meaning and relevance