

# IS BPM RIGHT FOR YOU? LEARN HOW COMPANIES HAVE LEVERAGED BPM TO IMPROVE OPERATING MARGINS

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## Report Highlights

**p2**

**A leading strategy for the Best-in-Class is to manage cases based on goals rather than rigid workflows.**

**p3**

**The Best-in-Class are 2.2 times as likely to have implemented an enterprise-level BPM tool.**

**p5**

**The Best-in-Class are 2.3 times as likely to create dynamic processes based on the collection of information to determine process resolution rather than predefined workflows.**

**p7**

**Organizations with BPM saw greater improvements in operating margins, time to decision, productivity, and time to resolution over the past 12 months.**

This report identifies how top performers utilize BPM to collect information and utilize it to determine process flows that improve customer service and create efficiency.

# 2

**In order to become more efficient while satisfying customers, today's organizations must take a new approach to designing, implementing, executing, monitoring, measuring, and updating processes. Effective organizations must remove the rigid constraints and requirements that have traditionally been applied to their best practices workflows.**

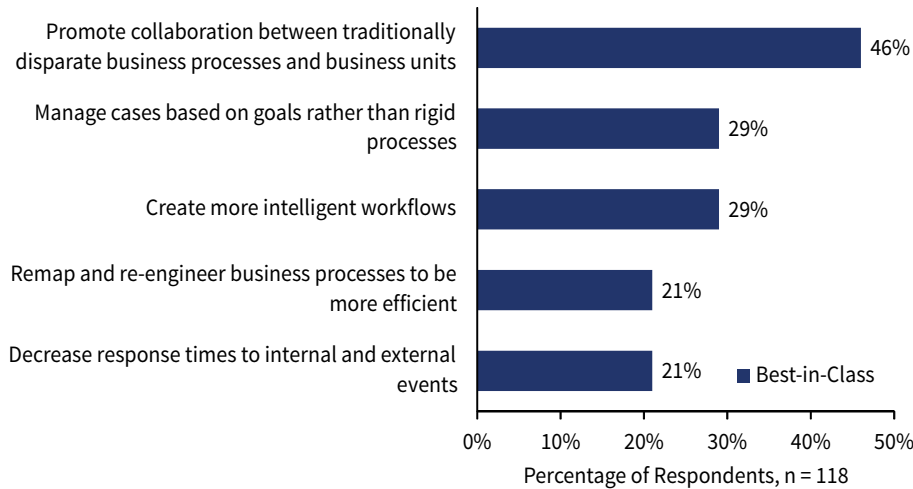
The reasons that businesses choose to alter and update the business processes that are completed within their organization are varied. Whether part of an initiative to better serve customers or simply to reduce operational costs, process improvement is the foundation for operational success. But in a frequently changing business environment, it can be very difficult to continue to achieve the intended goals of processes due to varied situations, needs, and data inputs. Therefore, effective organizations must remove the rigid constraints and requirements that have traditionally been applied to their best practices workflows. Still, empowering employees to complete tasks in a fluid, agile, and adaptable manner is easier said than done. In order to provide these capabilities, Best-in-Class organizations are over twice as likely to have a Business Process Management (BPM) solution. This report identifies how top performers utilize BPM to collect information and utilize it to determine process flows that improve customer service and create efficiency.

## **A New Approach to Process Management**

Aberdeen's [2015 Business Process Management Benchmark Survey](#) asked survey takers to select their "top two" strategies related to process improvement. Best-in-Class organizations place an emphasis on creating more agile and efficient workflows (Figure 1).

# 3

**Figure 1: Top Best-in-Class Process Improvement Strategies**



Source: Aberdeen Group, May 2015

Top performers collaborate internally and externally to update their business processes to be more efficient. They want to improve their response times and react immediately to execute processes as soon as they receive information. But while efficiency is clearly extremely important for the Best-in-Class, processes must deliver the intended results. The difference between old and new process environments is that rather than creating rigid workflows that are based on the input of strictly defined information, more innovative organizations provide an environment where a wide range of information causes agile reactions that lead to resolution. Top performers define their goals, collect information, and then provide their employees with technology that guides them towards success.

## The Platform for Process Improvement

In order to enable a new approach to process management, top performers have implemented a wide range of functionality

The Aberdeen maturity class framework is comprised of three groups of survey respondents. This data is used to determine overall company performance. Classified by their self-reported performance across several key metrics the groups are:

- **Best-in-Class:** Top 20% of respondents based on performance
- **Industry Average:** Middle 50% of respondents
- **Laggard:** Bottom 30% of respondents

Sometimes we refer to a fourth category, **All Others**, which is Industry Average and Laggard combined.

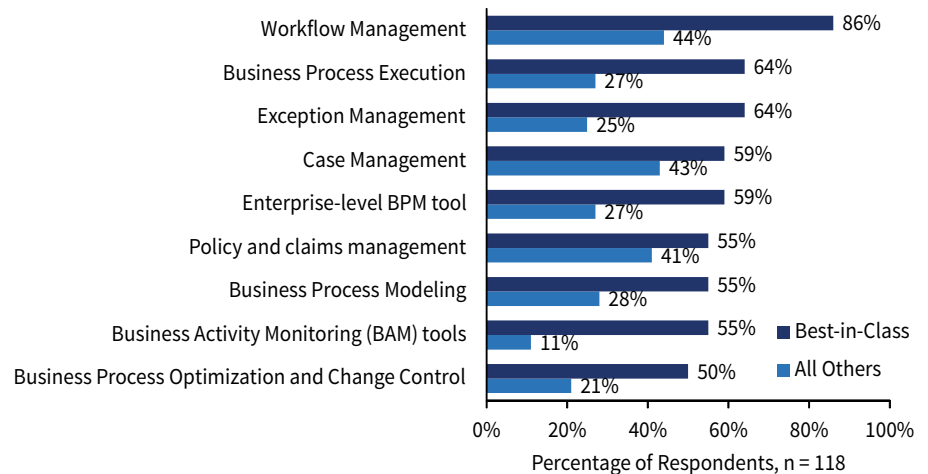
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In Aberdeen's [2015 Business Process Management Benchmark Survey](#), respondents were ranked on the following criteria:

- **Change in the cycle time of key business processes over the past 12 months:**
  - Best-in-Class - 18% improvement
  - Industry Average - 5% improvement
  - Laggard - 36% worsening
- **Percentage complete and on-time delivery of products and services:**
  - Best-in-Class - 94%
  - Industry Average - 77%
  - Laggard - 47%
- **Change in time to decision over the past 12 months:**
  - Best-in-Class - 20% improvement
  - Industry Average - 4% improvement
  - Laggard - 16% worsening
- **Percentage internal schedule compliance:**
  - Best-in-Class - 95%
  - Industry Average - 76%
  - Laggard - 48%

enabled by BPM software. In fact, the Best-in-Class are 2.2 times as likely to have implemented an enterprise-level BPM tool (Figure 2). Therefore, they are more likely to have solutions that help them design, implement, execute, monitor, measure, and update their business processes to be more effective. Through exemption management, case management, and policy and claims management, organizations can create processes that are more fluid. These organizations can determine the different types of data input, structured or unstructured, and work within their BPM solution to create an environment that leads every process towards a satisfying, and appropriate, resolution.

**Figure 2: Implementation Rates of Key Technology**



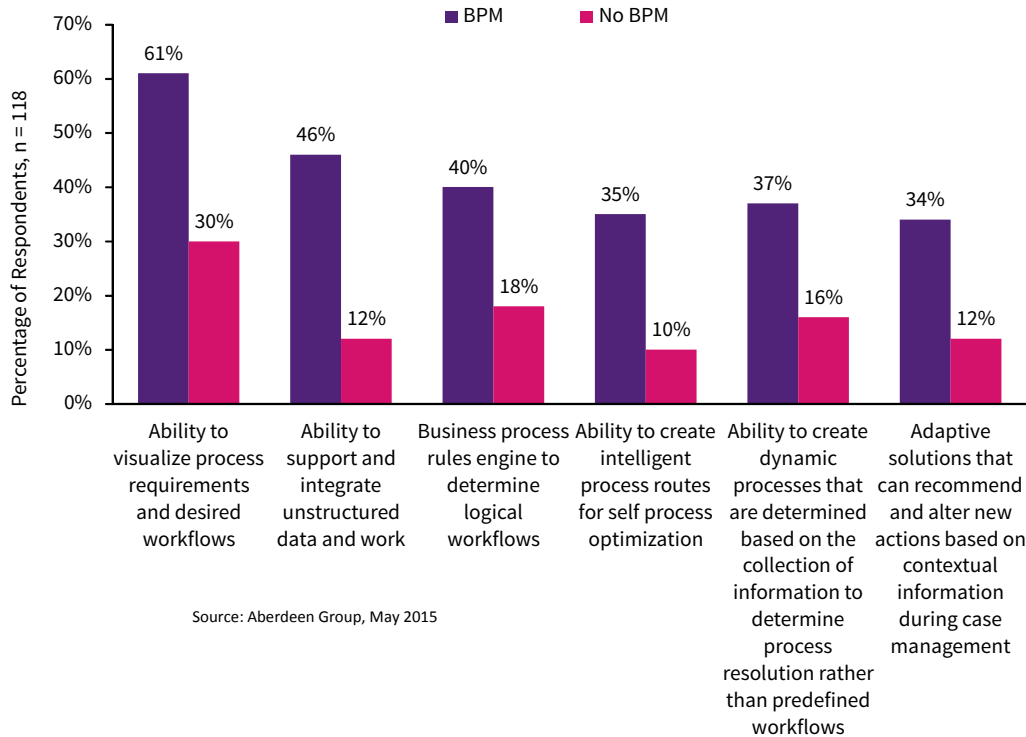
Source: Aberdeen Group, May 2015

## Enabling an Input-First Approach

BPM is able to help organizations execute on this new way of doing business through the capabilities that it provides. Compare organizations with BPM to organizations without. Organizations with BPM are more likely to be able to create adaptive and flexible processes (Figure 3).

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**Figure 3: Designing Processes and Building Rules**



In fact, organizations with BPM are over twice as likely to be able to visualize process requirements and desired workflows.

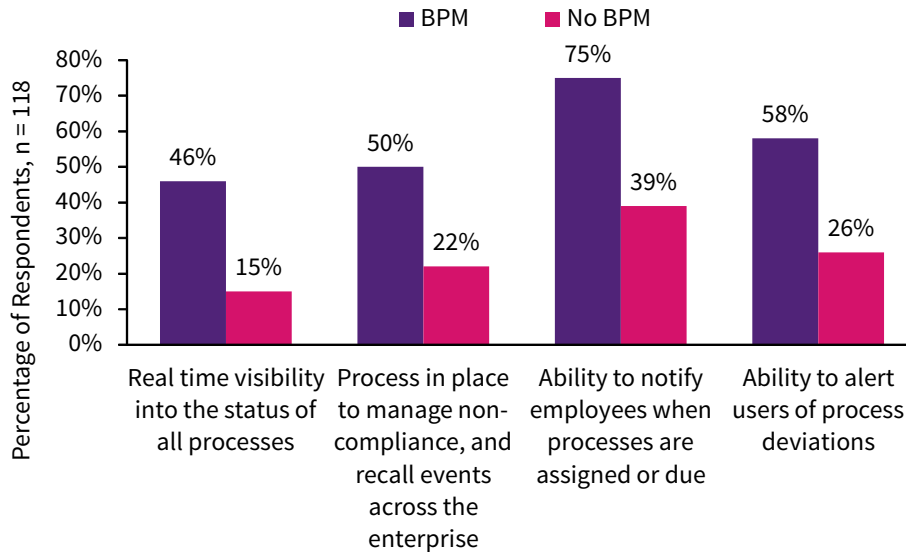
Employees can define the types of information that must be processes and relate that criteria to potential outcomes. For example, how will a typical customer request need to be handled due to the information that the customer provides? There are an infinite number of options and ways that a typical interaction could go. Many times, these process flows will include unstructured data, which has been difficult to manage in the past. It can all be quite confusing and complex.

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Therefore, top performers rely on the advanced intelligence contained within their BPM system. These systems can calculate logical workflows, create adaptive and reactive process routes, and help employees to execute dynamic processes without forcing them into a rigid situation. It is really all about enabling users and business solutions to collect information and automatically determine how the case should be resolved due to organizational goals. The idea is to improve customer interactions as well as sidestep process steps that may not be necessary.

So how does BPM enable organizations to meet their process objectives in practice? The capabilities within these solutions are able to track process flows in real-time and guide employees through execution. For example, organizations with BPM are over three times as likely to have real-time visibility into the status of all processes (Figure 4). Therefore, the organization can identify when unexpected events occur and alter process routes accordingly. This is a key component when organizations commit to an input-based method of process management instead of rigid workflows. Next, organizations with BPM are more likely to be able to notify employees when tasks are due and alert them of process deviations. These employees can then act immediately, resulting in more flexible, agile workflows.

**Figure 4: Capabilities for Executing Agile Workflows**



Source: Aberdeen Group, May 2015

The capabilities enabled by BPM lead to significant enhancements in a variety of performance metrics (Table 1).

### The Benefits

Since these organizations can take a more modern approach to managing their processes, the metrics related to agility, efficiency, and customer service are improved. For example, organizations with BPM saw greater improvements in operating margins, time to decision, productivity, and time to resolution over the past 12 months. This is evidence that BPM can be a catalyst for improved performance. Even more so, organizations with BPM perform better in complete and on-time delivery and internal schedule compliance. Ultimately, organizations with BPM see improved customer satisfaction. These findings prevent

a compelling case for purchasing and implementing a BPM solution.

**Table 1: The Results**

| Performance   | BPM | No BPM |
|---|-----|--------|
| Improvement in operating margins over the past 12 months                        | 11% | 6%     |
| Improvement in time to decision over the past 12 months                         | 14% | 6%     |
| Improvement in the cycle time of key business processes over the past 12 months | 14% | 6%     |
| Improvement in time to resolution over the past 12 months                       | 19% | 7%     |
| Improvement in productivity over the past 12 months                             | 13% | 6%     |
| Complete and on-time delivery   | 85% | 79%    |
| Internal schedule compliance  | 88% | 76%    |
| Customers that report “better than average” satisfaction                        | 88% | 78%    |

Source: Aberdeen Group, May 2015

## Key Takeaways

In order to become more efficient while satisfying customers, today’s organizations must take a new approach to designing, implementing, executing, monitoring, measuring, and updating processes. Rather than creating rigid requirements and fully defined, end-to-end process flows, top performing organizations instead identify what their ultimate goals are and then enable employees to meet those goals in individual cases through supporting technology. Processes therefore become more fluid and flexible, while perhaps adding greater value to the organization. All of this can be enabled by implementing a BPM solution. In fact, organizations with BPM are:



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- ➔ two times as likely to have the ability to visualize process requirements and desired workflows
- ➔ 3.8 times as likely to have the ability to support unstructured data and work
- ➔ 3.5 times as likely to have the ability to create intelligent process routes for self-process optimization
- ➔ 2.3 times as likely to have the ability to create dynamic processes that are determined based on the collection of information to determine process resolution rather than predefined workflows
- ➔ 2.8 times as likely to have adaptive solutions that can recommend and alter new actions based on contextual information during case management

With BPM, your organization can take a new approach to managing processes and achieve its goals.

For more information on this or other research topics, please visit [www.aberdeen.com](http://www.aberdeen.com).

## Related Research

*[BPM for IT: Enabling the Enablers of Process Improvement](#)*; May 2015  
*[Business Process Optimization and Change Solutions: Innovative Technology for Agile Businesses](#)*; January 2015

*[Drive Innovation and Efficiency with Business Activity Monitoring](#)*; August 2014  
*[Business Process Modeling: The Foundation of a Successful Business](#)*; April 2014

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## About Aberdeen Group

Since 1988, Aberdeen Group has published research that helps businesses worldwide improve their performance. Our analysts derive fact-based, vendor-agnostic insights from a proprietary analytical framework, which identifies Best-in-Class organizations from primary research conducted with industry practitioners. The resulting research content is used by hundreds of thousands of business professionals to drive smarter decision-making and improve business strategy. Aberdeen Group is headquartered in Boston, MA.

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