

Business processes improvement (BPI)

What is a business process?

A business process is all the activities it takes to deliver a whole service or product to your customer.

To monitor your business processes, follow the flow of work activities needed to provide what your customer wants from beginning to end - from inputs (resources) to outputs (goods or services).

In today's competitive business environment, a major role for any manager is to redesign the way work gets done and products and services get delivered. This is known as Business Process Improvement (BPI).

BPI is now an integral part of change improvement strategies to re-think the way you do business, deliver more with less and maintain competitiveness.

Why improve your business processes?

All businesses face ever-escalating pressure to change, keep ahead of competitors, maintain relevance in the marketplace, and keep up with new technologies.

There are two approaches to BPI - 'incremental' and 'radical'.

1. **Incremental** starts with the current process and makes continuous small improvements.
2. **Re-engineering** (or radical) sees the current process as flawed or irrelevant, and takes a 'clean-slate' approach to make dramatic or complete changes.

Before you think about doing BPI, it's a good idea to understand just what elements there are in any work system that *can* be changed. BPI usually starts with a stock-take of things like:

- How are work processes and activities divided up and distributed now?
- What are the boundaries between different work areas, functions and teams?
- What drawbacks are there with the current way our work systems are set up?
- What opportunities would flow from doing things differently and redesigning?
- Is the current way we do things contributing to quality, customer or performance issues?

Challenges impacting business processes

Traditionally, work tasks are organised by functions where whole work processes are broken up into separate work activities and put into different functional boxes - or 'silos'. Inside each silo, work is broken down into even smaller pieces that get scattered between different work groups or different divisions. Rigid boundaries, like brick walls, are put up between different functions or work areas.



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Several problems have been identified with functional work:

- People get locked into their job boxes and find it hard to think outside of them.
- People can't see the whole work process, product or service that the customer actually gets.
- The work process is slowed down by many layers of tasks.
- Work can get so compartmentalised, units don't talk to each other - even when the quality of the final job depends on it.
- Functions may get looked after, but no-one looks after the overall work process.
- This way of organising work also needs lots of co-ordination and many layers of supervision.

BPI sees individuals working in isolation now being replaced with fluid and flexible structures and team-based work processes.

How to improve business processes

Form a BPI Team

BPI is more effectively designed and implemented by a team of individuals comprising different perspectives on the process (eg. staff, line managers, technical experts etc). The team needs to:

- **Learn together:** To avoid the risk of re-inventing what you already have, a BPI team needs to learn BPI tools and approaches, and review current processes. Project management, change management and teamworking skills are also required.
- **Create together:** The whole point of BPI is looking for new and innovative ways. Usually, this means looking outside at what other businesses are doing, gathering data and ideas from customers and staff, and engaging in what's called 'blue-sky' thinking - get creative about your design options! Teams need training in creative re-thinking and idea generation as well as new approaches to work redesign.

BPI Steps

1. **Identify a BIP leader.**
2. **Scope and plan your project:** Identify training needs, define project scope/boundaries, select BPI methods and tools, secure management support, clarify roles and communicate these activities to the rest of the organization/team.
3. **Map current work processes:** Develop an agreed picture of how work is done now, the key activities and what problems exist.
4. **Develop BPI specifications:** Clarify the ideal work process design. Consider options and agree on what is to be built into the new design and what is to be removed.
5. **Gather ideas for process redesign:** Ideas can be sought from numerous and varied sources. Select and detail the agreed option along with supporting systems, operating principles, work roles, and leadership/co-ordination structures.



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6. **Develop a business case to answer the question ‘Why change?’:** A business case will illustrate your reasoning in a clear, compelling, concise way that highlights benefits of the change and what the new work process will be like.
7. **Develop a change-over plan:** BPI is major change - and you need to have a change management plan working alongside the technical aspects of your process. This is often overlooked. Change plans cover things like training in the new process, making the transition, pilots, trials or phased implementation and ongoing contingency planning/monitoring.

Business Process Re-engineering (BPR), Business Process Improvement (BPI) and Business Process Redesign are all related, as is Work Process or Work & Job Design, Redesign or Improvement.

Further information

The following fact sheets provide further information on these issues:

- Balanced scorecard
- Best practice
- Business values
- Manage business growth