MANAGING CHANGE AND BUSINESS PROCESSES

IN ORGANIZATIONS

The profitability of today's business relies on sharpening of one's competitive edge through a more efficient production, improved innovativeness, quick response in critical situations or systemic reduction of redundant costs. However, to optimize all of the above areas, you need to subject your company to global changes impacting most of the divisions. It is necessary to control your business processes in an optimal manner. How and to what effect such a control is performed?

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MANAGING CHANGE AND BUSINESS PROCESSES IN ORGANIZATIONS

Unmanaged processes or processes managed in an improper manner weaken the company's business performance and its market position. In many cases there may arise a need for an analytical platform collecting and integrating data. It would enable an efficient and fact-based analysis of all possible variables and, consequently, making of informed decisions. The answer to these problems, at least theoretically, are the Business Process Management (BPM) class solutions.

A survey made by Computerworld magazine in collaboration with WEBCON aimed to verify the above assumptions. We have checked, among other facts, what is the popularity of BPM solutions, what benefits are gained by companies implementing such platforms, which business areas are most often supported, and what the problems related to business process management are.

### IT IS NOT BAD, BUT COULD BE BETTER

The general assessment of process and change management among the Polish companies is positive. Most interviewees, almost 90%, positively reflects on efficiency and flexibility of the business process management within their organization. More neutral assessments such as: quite good (41%) or good (38%) are dominant. Among the companies, which negatively assessed this aspect of their business, almost 85% also sought for a more moderate answer and described their condition as "rather bad". The more definitely negative response was received only from 1.5% of total pool of surveyed persons.

The surveyed group returned very similar results when asked about the assessment of change management within the organization. This variable was assessed positively by as much as 85% of interviewees, with distribution of high marks similar to the question on process management. The situation is analogical in case of persons, who offered negative answers.

36% of the surveyed organizations declares they have an implemented BPM class platform for management of business processes and change (an overwhelming majority of almost 95% is using it for a year or more). The subsequent 29% of interviewees declares their company is implementing or is considering the implementation of such solution within their structure.
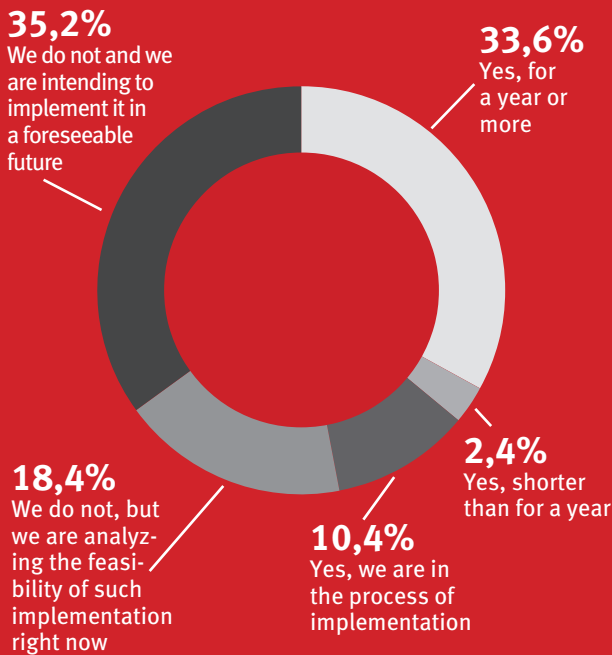
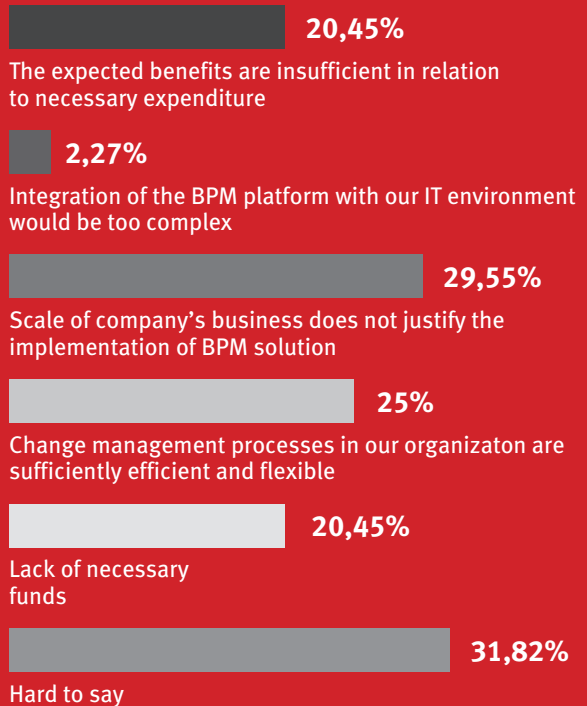## HOW DO YOU ASSESS THE EFFICIENCY AND FLEXIBILITY OF BUSINESS PROCESS MANAGEMENT WITHIN YOUR ORGANIZATION?

0,8% Very bad
0,8% Bad
8,8% Rather bad
11,2% Very good
37,6% Good
40,8% Quite good
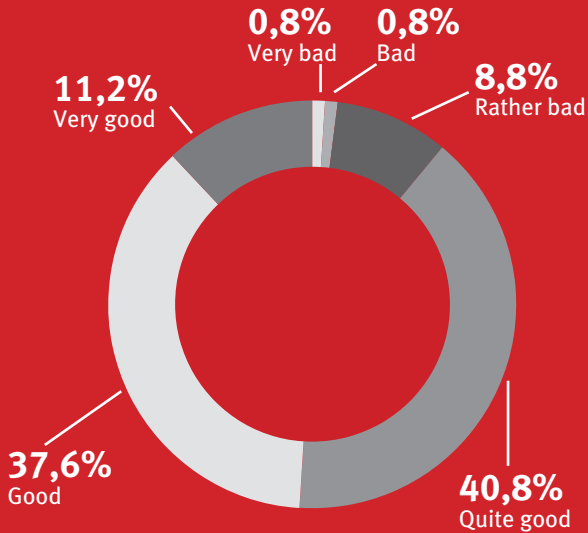
HOW DO YOU ASSESS THE EFFICIENCY AND FLEXIBILITY OF CHANGE MANAGEMENT WITHIN YOUR ORGANIZATION?

2,4% Bad
0% Very bad
10,4% Very good
12,8% Rather bad
29,6% Good
44,8% Quite good
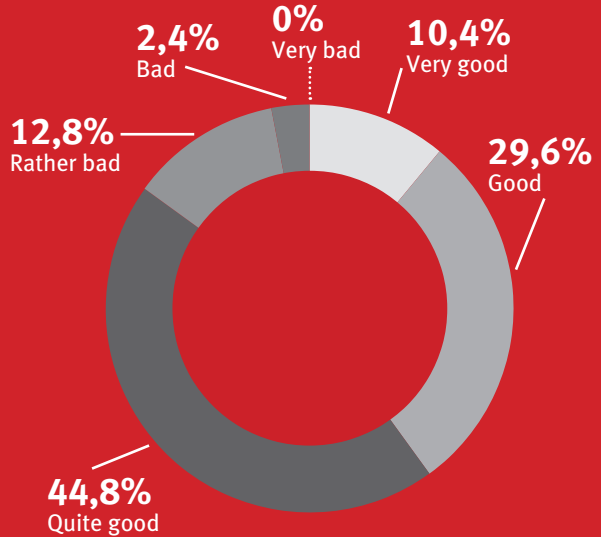
DOES YOUR ORGANIZATION HAVE AN IMPLEMENTED BPM CLASS PLATFORM FOR MANAGEMENT OF BUSINESS PROCESSES AND CHANGE?

35,2% We do not and we are intending to implement it in a foreseeable future
33,6% Yes, for a year or more
2,4% Yes, shorter than for a year
18,4% We do not, but we are analyzing the feasibility of such implementation right now
10,4% Yes, we are in the process of implementation

WHY DO YOU INTEND NOT TO IMPLEMENT BPM CLASS SOLUTIONS?

20,45% The expected benefits are insufficient in relation to necessary expenditure

2,27% Integration of the BPM platform with our IT environment would be too complex

29,55% Scale of company's business does not justify the implementation of BPM solution

25% Change management processes in our organizaton are sufficiently efficient and flexible

20,45% Lack of necessary funds

31,82% Hard to say

WHAT ARE THE BIGGEST CHALLENGES AND ISSUES RELATED TO MANAGEMENT OF BUSINESS PROCESSES AND CHANGE WITHIN YOUR ORGANIZATION?

18,18% Information silos within organization

15,91% High complexity of corporate business processes

4,55% Lack of sufficient technological background

34,09% Lack of competence and human resources

20,45% No support from the management

4,55% Difficulties in cooperation with the provider

18,18% Difficulties in proving the return on investment (ROI)

18,18% Adapting the processes to changes (e.g. GDPR, restructuring, rotation, growth)

29,55% Hard to say / We do not have any special issues related to change / business process management

■ **LACK OF BPM SYSTEM BECAUSE OF TOO HIGH COSTS?**

Approx. 35% of the surveyed completely rejects the possibility of applying BPM systems both now and in the foreseeable future. The grounds for such decision are quite understandable. The most common argument was that the scale of organization's business does not justify the implementation of BPM solution (30% of answers) and, not always, but often, pointed to the related lack of means for such tools (20%). As it had been foreseen, another important factor was the belief that change management processes in the organization are sufficiently effective and flexible (25%) and that the expected benefits do not balance the required expenditure (20%).
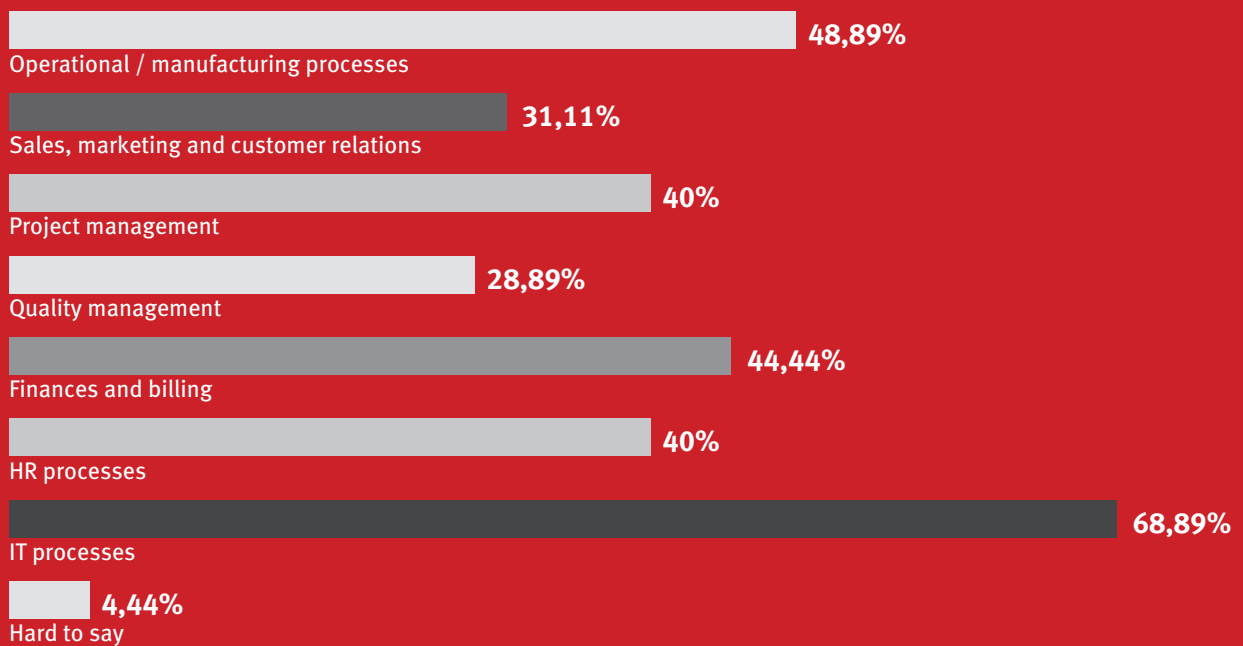
At the same time the representatives of the same organizations acknowledge that despite the general positive assessment of the process and change management within the company, there are also outstanding issues in these areas. The most frequently cited problem was lack of competence or human resources (34%) and lack of support from the management (20%). The interviewees also showed other important issues: difficulty to prove the return on investment, existence of information silos within the organization or the need to adapt processes to performed changes (e.g. implementation of GDPR or restructuring) - each of these three answers was given by 18% of the surveyed.
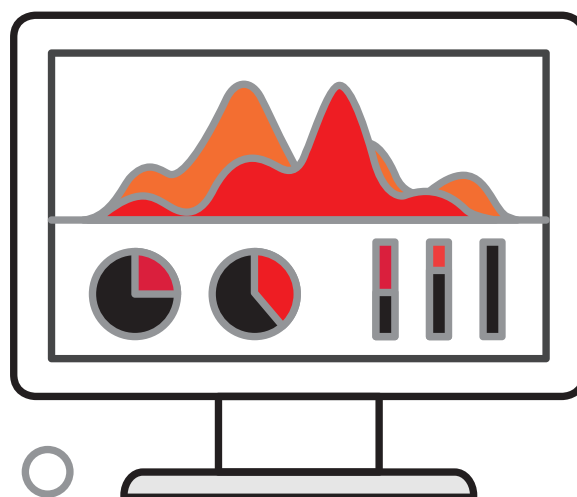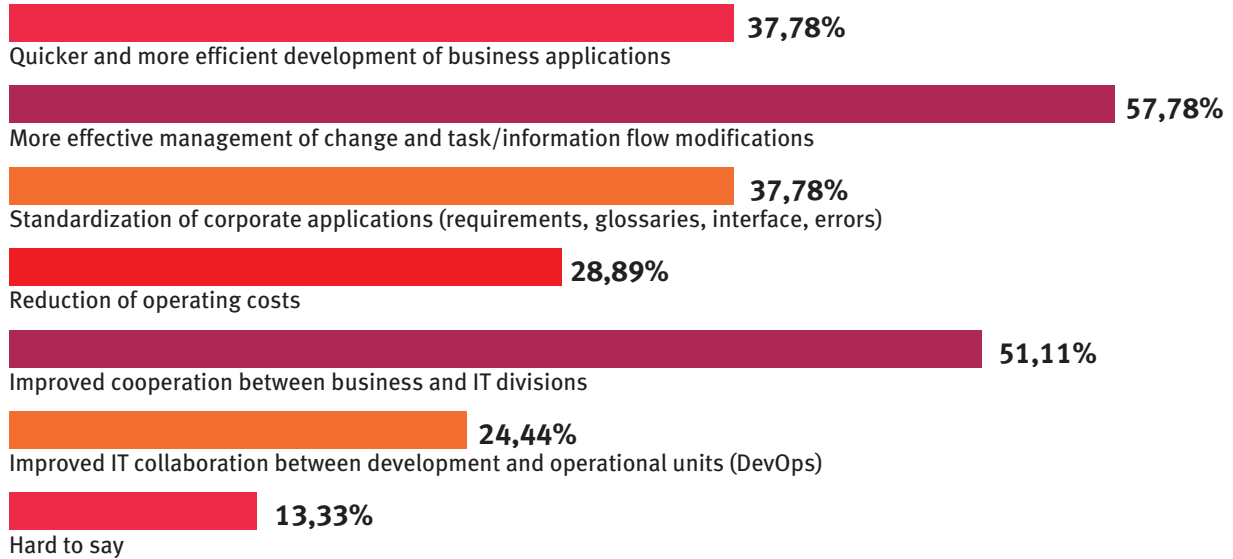
WHAT WERE THE BIGGEST CHALLENGES AND ISSUES ACCOMPANYING THE IMPLEMENTATION OF BPM SOLUTION?

35,56%
Information silos within organization

60%
High complexity of corporate business processes

2,22%
Lack of sufficient technological background

28,89%
Lack of competence and human resources

6,67%
No support from the management

15,56%
Difficulties in cooperation with the provider

8,89%
Difficulties in proving the return on investment (ROI)

26,67%
Adapting the processes to changes (e.g. GDPR, restructuring, rotation, growth)

15,56%
Hard to say / We had no special issues related to change / business process management

WHAT AREAS OF YOUR COMPANY'S BUSINESS ARE MANAGED WITH USE OF BPM TOOLS?

48,89%
Operational / manufacturing processes

31,11%
Sales, marketing and customer relations

40%
Project management

28,89%
Quality management

44,44%
Finances and billing

40%
HR processes

68,89%
IT processes

4,44%
Hard to say

WHAT ARE THE PRIMARY BENEFITS YOU HAVE GAINED THROUGH IMPLEMENTATION OF BPM CLASS SOLUTION?

37,78%
Quicker and more efficient development of business applications

57,78%
More effective management of change and task/information flow modifications

37,78%
Standardization of corporate applications (requirements, glossaries, interface, errors)

28,89%
Reduction of operating costs

51,11%
Improved cooperation between business and IT divisions

24,44%
Improved IT collaboration between development and operational units (DevOps)

13,33%
Hard to say

▌ USE OF BPM SYSTEMS IN THE COMPANY

BPM systems are utilized by significantly less then half of the surveyed organizations - only 36%. Most of them, almost 84%, declares that during implementation of such application they had experienced certain issues or complications. These were most commonly related to high complexity of the company's business processes (60%). When asked about the major roadblocks, directors from the surveyed companies also indicated to existence of information silos within the organization (36%), lack of competence or human resources (29%) or the need to adapt processes to performed changes (e.g. implementation of GDPR, restructuring or personnel rotation).

In turn, the areas of utilization of BPM tools seem to be highly important in view of this survey. BPM applications predominantly (in case of almost 70% of companies) worked in the area of IT management. They also quite commonly support the operational and manufacturing processes (49%), procedures in the departments responsible for finances and billing (44%), project management or HR processes (40% each). What is interesting, only 31% of companies declares the use of BPM applications to support sales or marketing or to develop their customer relations. Even smaller number, only 29%, uses them to support the quality management.

Considering how the companies are using BPM applications, it is quite obvious that interviewees notice the improvement of the functioning of processes in scope of management of change and task/information flow modifications (58%), and the business/IT correlation. (51%). Some more important

benefits quoted by the surveyed were also quicker and more efficient development of business applications or improvement in scope of standardization of corporate applications - in both cases the answers were chosen by 38% of the surveyed organizations - and the reduction of operating costs (29% of companies).
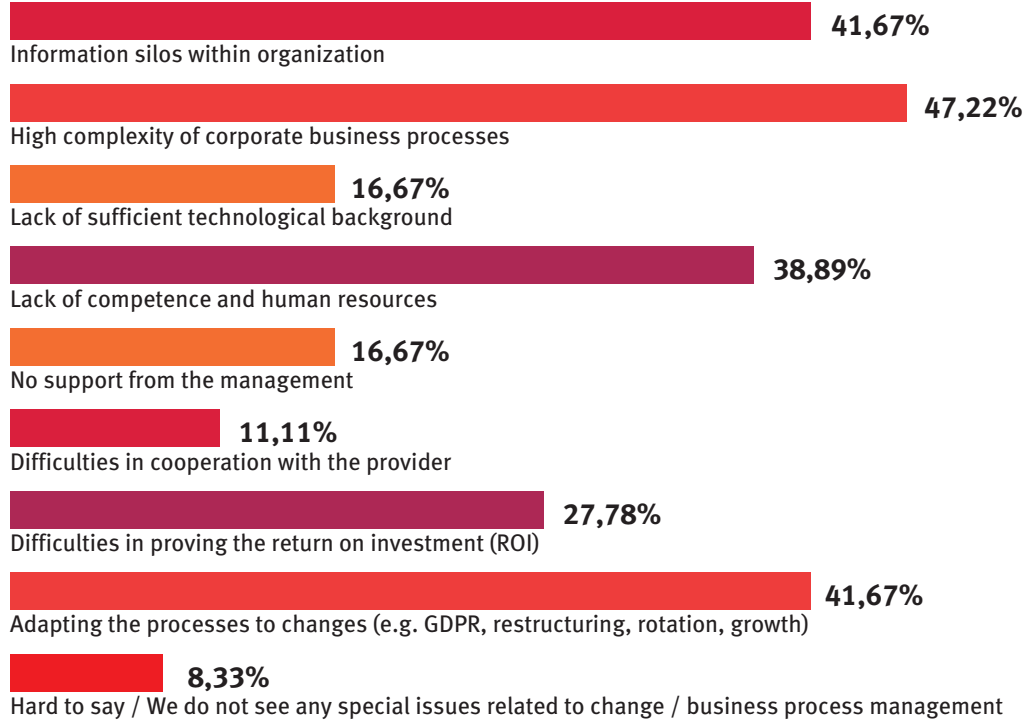
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Łukasz Wróbel
Vice-president and Chief Business Development Officer in WEBCON

– Paradoxically, the stopping factors indicated by the interviewees are as a matter of fact the most basic reasons to proceed with the implementation. In other words, the more isolated are the information silos, the weaker the cooperation between departments and the higher the complexity of processes, the more determined should you be to solve the matter – comments Łukasz Wróbel, CBDO and vice president of WEBCON, who also points out that suspending the decision on BPM implementation is often influenced by the fear of the long period of solution introduction, as well as colossal costs of implementation and further maintenance in view of change management.

IN YOUR OPINION, WHAT ARE THE BIGGEST CHALLENGES AND ISSUES, WHICH MAY MAKE IT DIFFICULT OR IMPOSSIBLE TO IMPLEMENT A BPM SOLUTION?

41,67%
Information silos within organization

47,22%
High complexity of corporate business processes

16,67%
Lack of sufficient technological background

38,89%
Lack of competence and human resources

16,67%
No support from the management

11,11%
Difficulties in cooperation with the provider

27,78%
Difficulties in proving the return on investment (ROI)

41,67%
Adapting the processes to changes (e.g. GDPR, restructuring, rotation, growth)

8,33%
Hard to say / We do not see any special issues related to change / business process management

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■ BPM APPLICATIONS - PLANS FOR THE FUTURE

Relatively big part, as much as 29% of the interviewed companies, is right now implementing or considering the implementation of BPM class application within their structure. The organizations are largely aware of the complications, which may emerge in the process. Only approx. 8% declares they do not expect any trouble. Among the rest, the most common risk are the issues related to high complexity of corporate business processes (47%), existence of information silos within the organization or the need to adapt processes to changes (each of the answers garnered 42%). Another limiting variable is also lack of competencies and human resources necessary to implement such tool (39%) and difficulties in proving the return on investment (28%).

Despite the fears, expectations towards the BPM class systems are huge. As much as 72% of the interviewed companies admits that after implementation they expect improvments in scope of more efficient management of change and the task/information flow modifications. Half of interviewees expects improvement in standardization of corporate applications (requirements, glossaries, interfaces or errors), and every fourth surveyed seeks for reduction of operating costs
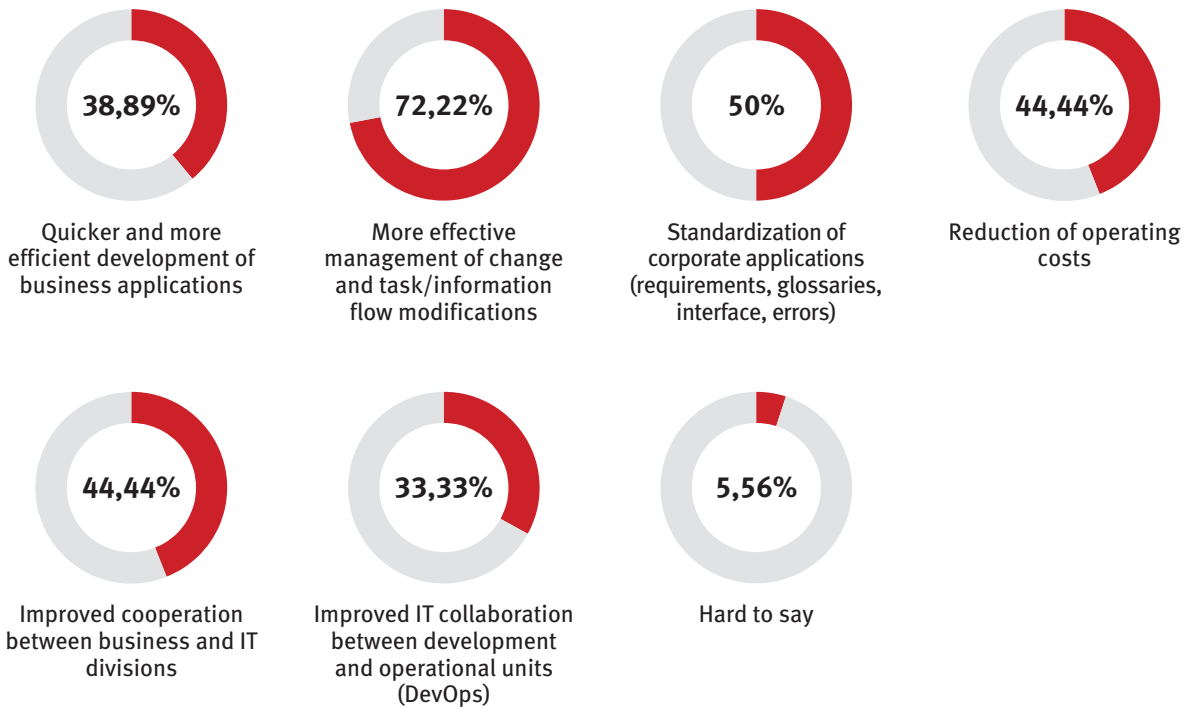
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– The growing pace of changes of the corporate processes and procedures results in changed requirements and expectations towards the BPM platforms. As business processes are constantly evolving, the key factor is how easily the IT department is able to handle the change of requirements – both those in the stage of implementation (so they do not become the reason for perpetual delaying of the production start), and (or perhaps predominantly) those which appear after the magical 'go live' – so the lack of possibility of quick introduction of changes does not become a roadblock stopping the growth of the business. – explains Wróbel. – We need to be aware that with growing complexity and significance of the supported processes, BPM platforms quickly become a certain process backbone for the organization - they very quickly get into the top three most critical IT systems of the company – he adds.

WHAT ARE THE PRIMARY BENEFITS YOU EXPECT TO SEE AS AN EFFECT OF THE IMPLEMENTATION OF BPM CLASS SOLUTION?

38,89%
Quicker and more efficient development of business applications

72,22%
More effective management of change and task/information flow modifications

50%
Standardization of corporate applications (requirements, glossaries, interface, errors)

44,44%
Reduction of operating costs

44,44%
Improved cooperation between business and IT divisions

33,33%
Improved IT collaboration between development and operational units (DevOps)

5,56%
Hard to say

and improved cooperation between IT and business. The questioned directors also showed high hopes related to quicker and more efficient development of business applications (39%) and improved IT cooperation between development and operations (DevOps) - this answer was chosen by every third interviewee.

When approaching the issue of investment in BPM solutions in more general manner, we can see the share of companies planning purchases in the area (including the companies already having the process management systems, which intend e.g. to perform an upgrade or expansion in this scope) is 46%. Foremostly, their goal is to improve the functioning of the aspects related to operational and production processes (65%). The further positions in the list of priorities are the support for IT areas (57%), financial/billing procedures (55%) and project management (53%). Much smaller number of companies indicated to optimization of quality management processes (47%) or support for sales, marketing or customer relation processes (41%).

It should be emphasized that almost half of the organizations (49%) currently utilizing the BPM class systems plans on changes in this scope in the next 18 months, and only 20% of the companies definitely rejects such option. In half of the companies planning the additional
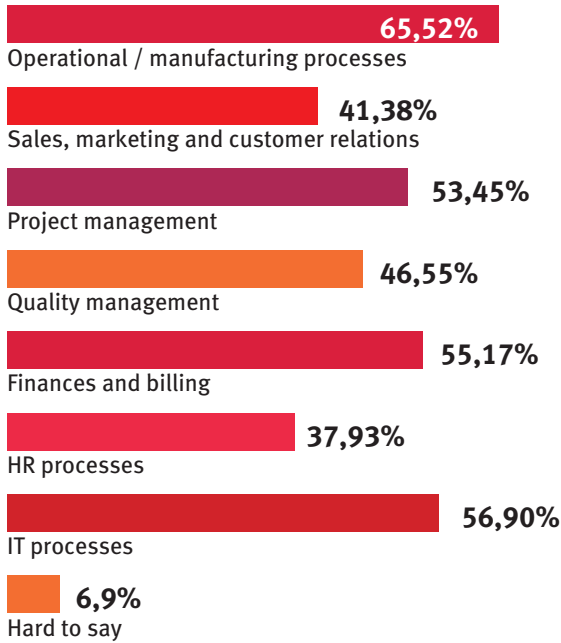
Łukasz Wróbel
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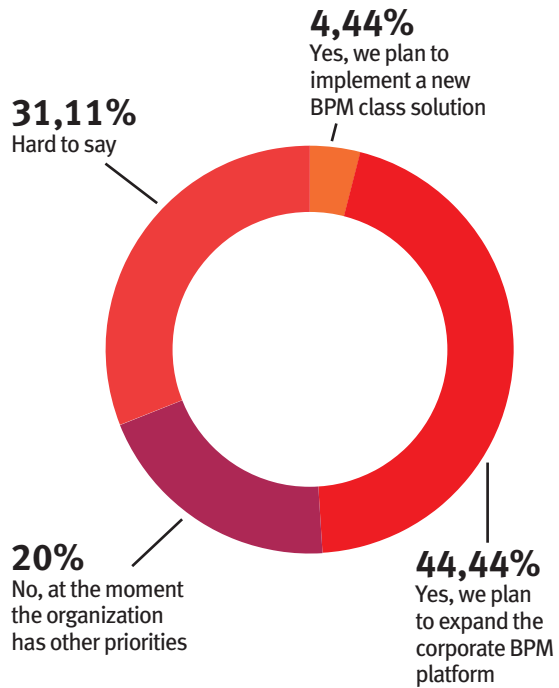– Efficient change management is one of the most noticed effects of the implementation, valued both by the IT and business – comments Łukasz Wróbel from WEBCON. – Let us not fool ourselves: today every company need business applications in order to efficiently implement changes, new procedures and business models. The best BPM platforms allow to provide such solutions much more quickly, in an iterative, more partnership-oriented manner, helping to build DevOps culture. When the change of requirements is no longer an issue, it turns out that everybody – both IT and business personnel – can perform implementations more easily, collaboration becomes less stressful, and execution of subsequent ideas helping to improve your everyday work and the quality of business processes can be fun. In such manner the IT departments not only become equal partners of the business division, but even rise to the rank of corporate superheroes.

IN WHAT AREAS OF YOUR COMPANY'S BUSINESS THE SUPPORT PROVIDED BY BPM TOOLS WILL BE IMPLEMENTED OR EXPANDED?

65,52%
Operational / manufacturing processes

41,38%
Sales, marketing and customer relations

53,45%
Project management

46,55%
Quality management

55,17%
Finances and billing

37,93%
HR processes

56,90%
IT processes

6,9%
Hard to say

ARE YOU PLANNING TO CONTINUE YOUR INVESTMENT IN BPM CLASS SOLUTIONS WITHIN THE NEXT 18 MONTHS?

4,44%
Yes, we plan to implement a new BPM class solution

31,11%
Hard to say

20%
No, at the moment the organization has other priorities

44,44%
Yes, we plan to expand the corporate BPM platform

investment in this scope, the application will be developed with internal resources, and in 40% a tailored solution will be purchased. Only 5% of companies thinks about the purchase of cloud service. The same number plans to implement ready-made, off-the-shelf solutions available on the market.

WEBCON expert describes that at the moment the companies work on the development of applications supporting the business models in one of the two models. More and more companies create competence teams, aimed to provide business applications internally with use of the BPM platform selected by the company. This is the shortest way to produce results and build an effective DevOps model. Role of the platform provider is only to offer support and consulting, allowing to maximally use the platform's features and to base on provider's business expertise. Only the large, business critical implementations, requiring a significant project management skills and involving multiple departments, each of them pulling in their own direction, become a real challenge. In such situation it is often easier and more effective to employ a third party provider to perform the entire project.

This is also the approach of most companies, whose strategy does not assume the growth of internal IT
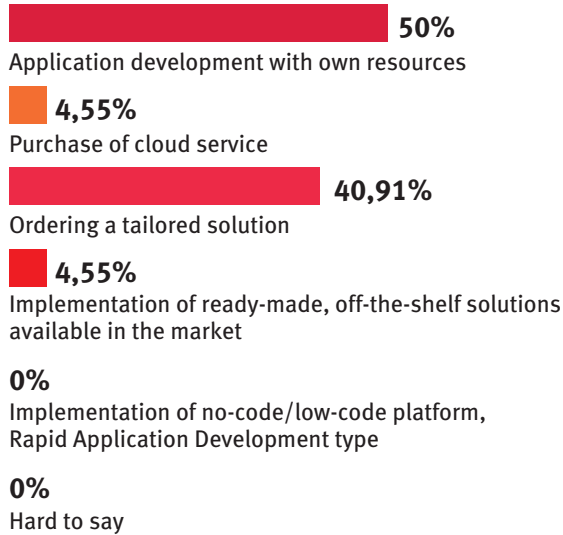
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– The most common scenario we observe is the purchase of BPM platform within a realized project, e.g. cost invoice approval workflow. Only after the successful implementation the companies start to think whether such platform can be used to a similar effect to support other business processes – explains Łukasz Wróbel. – Such approach is understandable, but has significant consequences. With the increased complexity of supported processes and their interrelations, we start to discover that the platform usability analysis performed prior to the first implementation, with the view to execution of requirements known back then, was insufficient. This is why 50% (!) of the surveyed companies plans to change the utilized platform. On the other hand, it means a huge number of companies admits the tool needs to be changed, but the expected business results were achieved, and it is worthy to continue or even expand the investment.

IN WHAT MODEL DO YOU PLAN TO IMPLEMENT OR DEVELOP THE CORPORATE BPM PLATFORM?

50%
Application development with own resources

4,55%
Purchase of cloud service

40,91%
Ordering a tailored solution

4,55%
Implementation of ready-made, off-the-shelf solutions available in the market

0%
Implementation of no-code/low-code platform, Rapid Application Development type

0%
Hard to say

Łukasz Wróbel
Vice-president and Chief Business Development Officer in WEBCON

– Luckily fewer and fewer companies use hard coded tools to manage the business process, as they know in a long term such approach practically closes the road for effective change management and highly increases the exposure to risk of rotation, either internal or on the side of a third party

resources. However, it becomes common that "tailored systems" are solutions executed and configured with use of BPM platform, not written as source code.

One of the key aspects, indicated by 38% of the surveyed, is the improved standardization of corporate applications through the use of BPM platforms. It is a

benefit experienced regardless of the implementation model – internal, based on provider's resources or mixed one. At the end of the day, the standardization translates into a uniform application interface and behavior, as well as one set of competencies and lower risk of rotation from the perspective of maintenance and development.
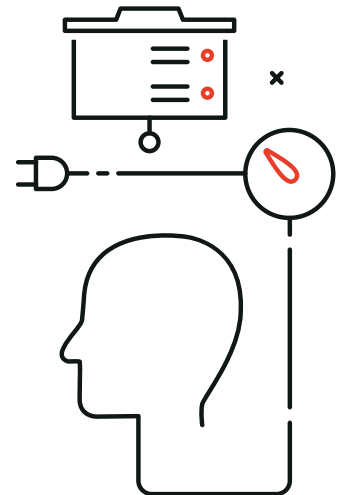
MAIN ROADBLOCKS

Looking at the bigger picture of the survey participants, a few primary issues plague the companies in scope of the corporate process management. As much as 41% of the surveyed indicated to overly complex corporate business processes. Similar number, 34% talked about significant gaps in competencies and human resources. Every third also mentioned issues related to information silos within the company. These three groups appear to be the main roadblocks for the fluent execution of existing processes, their modification or implementation of a software aimed to optimize them.
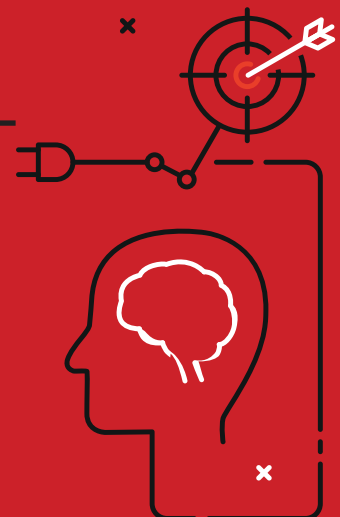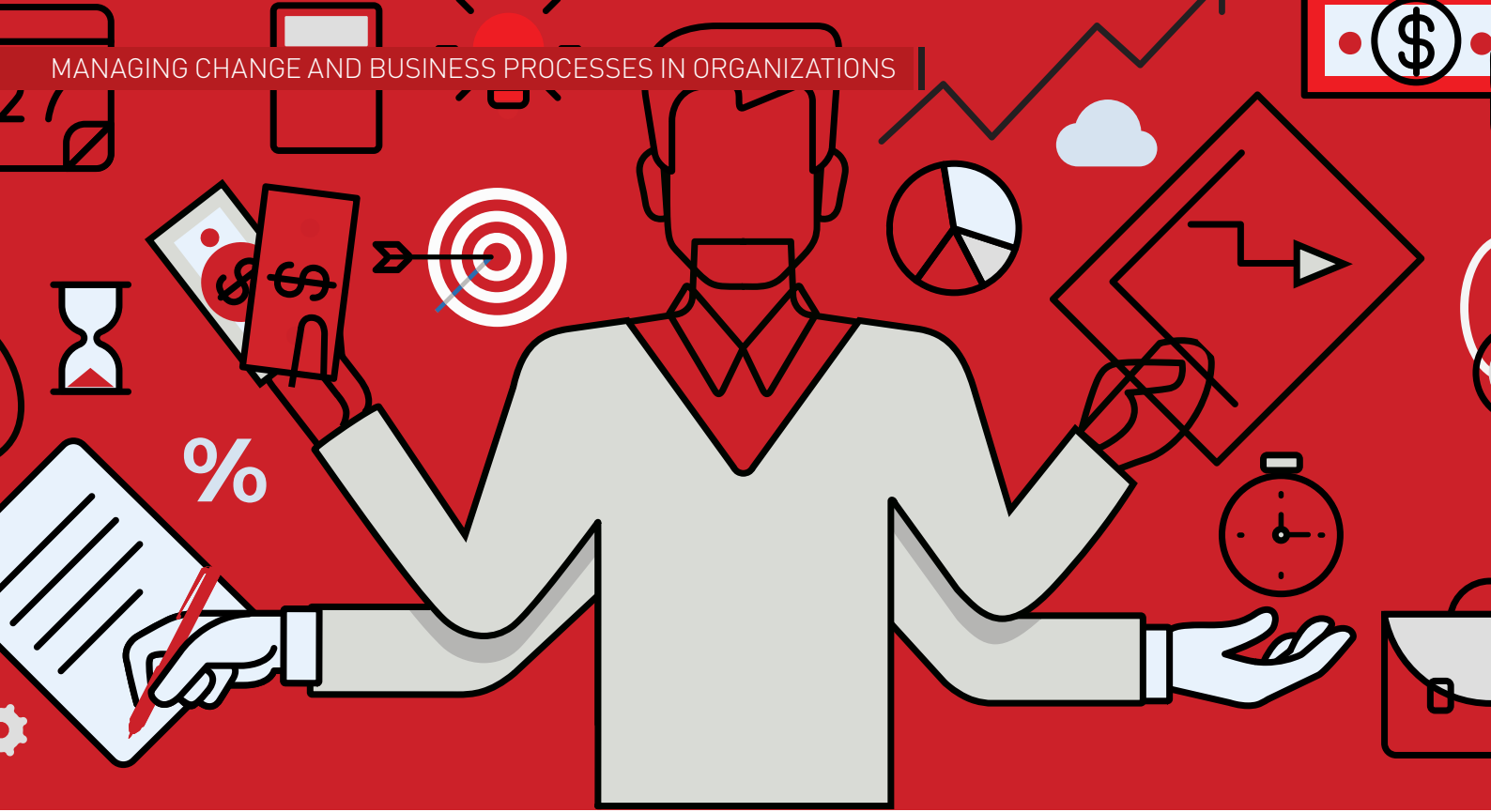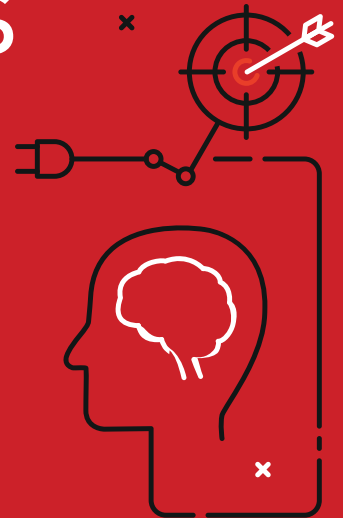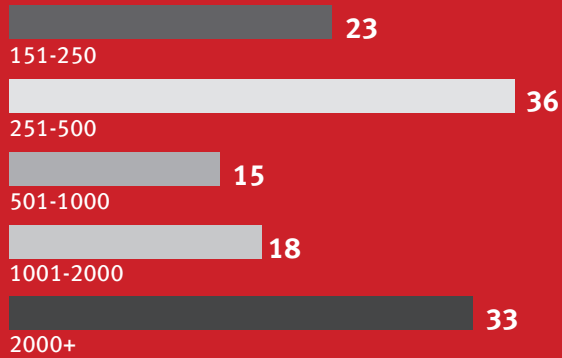
SURVEY PARTICIPANTS

The survey on management of change and business processs in companies, performed by Computerworld magazine in cooperation with WEBCON, included 125 IT directors from companies operating in Poland and employing more than 150 persons. The most numerous group were the industrial and manufacturing companies (22%), public administration units (13%) and financial/banking organizations (10%).
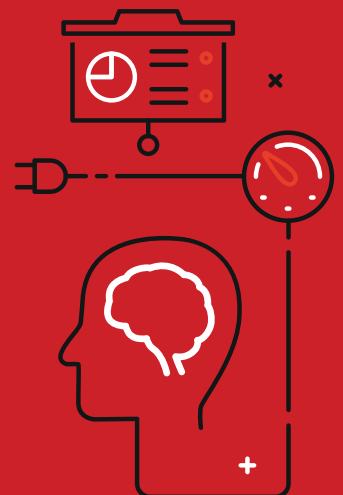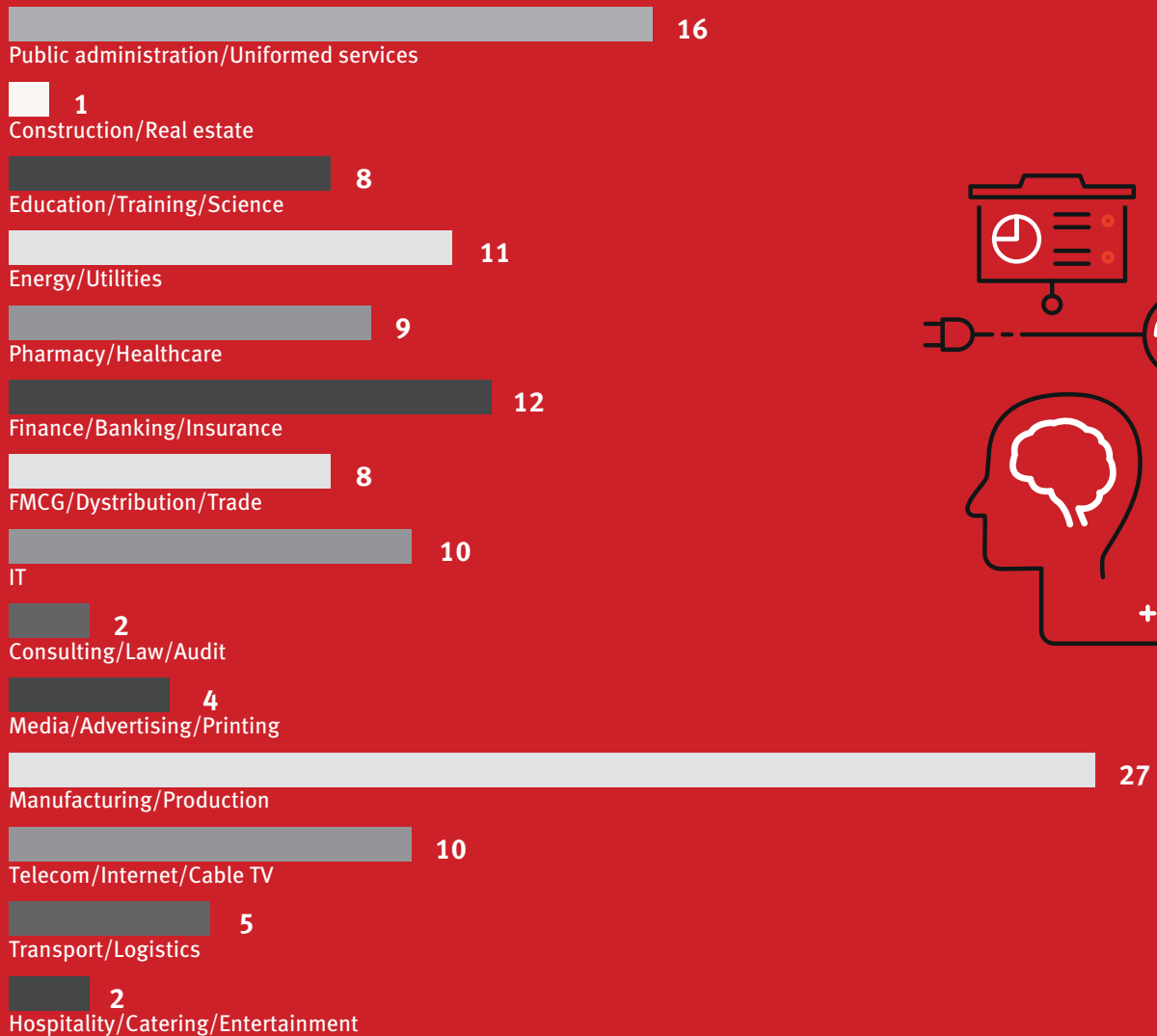
SURVEY PARTICIPANTS

LEVEL OF EMPLOYMENT

23
151-250

36
251-500

15
501-1000

18
1001-2000

33
2000+

INDUSTRY

16
Public administration/Uniformed services

1
Construction/Real estate

8
Education/Training/Science

11
Energy/Utilities

9
Pharmacy/Healthcare

12
Finance/Banking/Insurance

8
FMCG/Dystribution/Trade

10
IT

2
Consulting/Law/Audit

4
Media/Advertising/Printing

27
Manufacturing/Production

10
Telecom/Internet/Cable TV

5
Transport/Logistics

2
Hospitality/Catering/Entertainment

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