In a world where speed matters, businesses need agility and flexibility to quickly modify their processes and business practices to stay competitive. Historically, large companies have hampered process agility by locking themselves into outdated systems, processes, and ways of working, but several different factors are increasingly playing a role in driving companies toward process innovation, an emerging topic in the realm of process excellence.

This white paper, based on the Process Excellence Network and K2 webinar, “5 Ways to Transform Business Processes to Optimize Agility,” by Rob Speck, Vice President of Services at K2, focuses on what drives process innovation, what causes organizations to adopt platforms that support process innovation, and examples of organizations that have done this and their return on investment (ROI) as a result.
The most common drivers of process excellence are regulations and compliance, risk management, efficiency, and customer experience. While regulation and compliance rules have always been around, there has been a renewed focus on this area because of fraudulent corporate practices by companies such as Enron, Tyco, Adelphia, WorldCom, and others. As a result, new federal legislation was implemented called the Accounting Reform and Investor Protection Act of 2002, better known as the Sarbanes-Oxley or SOX. This law brought about a major set of changes for public companies, one of the most major shifts being that leadership within corporations would now be accountable for corporate governance, as well as the execution of internal controls. This caused the leadership within companies to start looking for ways to manage governance, risk, and controls to tighten up processes and meet SOX requirements.

REGULATIONS AND COMPLIANCE CHALLENGES

This led to a different set of challenges. Regulatory bodies and compliance rules are not new. Financial services firms have a plethora of regulations that guides how they account, record, trade, and settle. Each of these are processes. Pharmaceutical companies have strict standards that dictate how they run clinical trials, record findings, and label products. If you combine this with all of the internal standards that govern best practices related to a company’s unique products, partnerships, and execution of contracts, and then add new controls to meet SOX requirements, the complications that result can be immense. To address this concern, many companies started creating a matrix of relationships between the risks, controls, owners, and their relevant process areas in spreadsheets. However, this approach was not very collaborative, and the data was not positioned in a way that could be leveraged across a company’s compliance needs. This resulted in internal audit teams, compliance directors, external auditors, and quality managers continuously repeating these steps in the different process areas to comply with regulations, making it challenging for employees to do their jobs.

The good news is that while companies continue to struggle, many are realizing that they need to find better ways to manage these processes. Once leaders and managers within a company define end-to-end processes, they identify opportunities for improvement, measure performances and identify improvement targets, and then look for rapid process-centric business application development technologies, like the K2 platform, that can automate and speed up processes.

FIVE KEY COMPONENTS TO TRANSFORM BUSINESS PROCESSES

The platform used to build these business process applications must have five key components for it to be successful:

1. **Time to market:** the velocity of a business must be supported by systems that can be established but easily modified to support the immediate needs of business change.

2. **Information at the point of need:** technologies must allow access to the right information at the point of need, eliminating the need to have lots of domain knowledge to access source systems.
3. Standards for building, integrating, and proliferating: it is important to establish strict standards for building, integrating with other systems, and growing the number of business process applications in a manner that ensures consistency and leverages existing assets.

4. A balance between power and simplicity: a platform doesn’t need to be massive to be successful but should be able to handle a wide variety of process-workflow patterns, complex event handling and rules, and be able to manage data across disparate sources.

5. Obvious results: the platform should be able to provide real process improvement that can be measured. The platform should be able to actually measure how instances are performing in terms of cycle time, data expectations, and consistent use, enabling companies to make objective judgment calls and decisions with regard to change.

If a platform does not have these five components, it will be unable to give businesses the agility and flexibility they need to remain competitive. The K2 platform meets all of these requirements and is a platform that can not only provide the business process improvement that organizations need, but can also provide businesses with a continuous-innovation capability that allows them to easily change processes in the future to comply with new regulations and compliance rules. The K2 platform has a set of easy drag-and-drop tools that companies can use to build scalable business process applications composed of workflows, forms, and data that automate business processes and easily integrate with industry-leading backend systems. The K2 platform allows process management to become what it should be—an integral part of knowledge capture, process improvement, compliance management, and business agility rather than the result of fire drill exercises to satisfy auditors.

**WORKFLOW SOLUTION SAVES COMPANY US$125 MILLION ANNUALLY**

One example of how the K2 platform has transformed process management is an oil and gas company that saves approximately US$125 million annually through a K2 solution that speeds up a process around oil well maintenance. Once the company has identified that a well needs maintenance, the steps involved to get the well repaired are fairly complex. A well exception needs to be created and passed along to several different people to analyze the issue and plan the job and method used to fix the well, depending on the extent of repairs needed. By using the K2 platform to automate this process, the amount of time that the well is down is significantly reduced. The K2 solution aggregates the essential information from multiple, disparate systems into a single view, allowing the planner to quickly and consistently plan and organize the project and ensure it is assigned to the right person to initiate the repair work on the well. With this particular oil company, the K2 solution reduced the failure-identification and well-work-planning phases from a total of 23 days down to 7 days. This succeeded in reducing the overall time each well was down by about 30 percent, which extrapolated over the number of wells the company deals with on an annual basis, equates to a US$125,000,000 annual impact to the business. This ROI does not take into account other variables impacted by the K2 solution, such as the time regained that employees can use to start drilling in new areas, so the overall production and subsequent annual profits and returns are even higher than the number suggests.
5 WAYS TO TRANSFORM BUSINESS PROCESSES

HUMAN-RESOURCES SOLUTION SAVES ORGANIZATION £200,000

Another example of how the K2 platform has improved processes for a company revolves around a solution built for the human-resource life-cycle management for the North Yorkshire County Council in the United Kingdom. This K2 solution has saved the company around £200,000 in human-resources staff costs. The North Yorkshire County Council is responsible for providing a wide range of public services to around 600,000 people in the areas of education, social care, transport, waste production and recycling, and development planning. Although the impact is less than the oil company in terms of money saved, the ROI for this solution extends far beyond a dollar sign. In addition to the money saved, the solution played a key role in improving employee satisfaction because it allowed the North Yorkshire County Council employees to automate processes that they previously had to do manually, enabling them to focus their time and energy on higher-value activities and make better-informed decisions.

KEY TAKEAWAYS

The final takeaway is that using a platform like K2 to automate and speed up business processes is an investment, but the ROI for implementing a platform like this is invaluable. However, it is important to make sure the platform has the capabilities needed to yield a high ROI, as in the case of the well-maintenance and human-resources solutions. A platform must be able to speed up the time to market; deliver information to the right people at the right time; establish standards for building and growing business-process applications and integrating them with other systems; and create powerful processes that are still simple and easy to use. Most importantly, it must give obvious results that not only save companies time and money, but also set those companies up for future success by enabling them to easily change, adapt, or build new processes as the need arises. A platform, like the K2 platform, that has all of these components is truly innovative and will give companies the agility and flexibility they need to quickly build and modify business processes to stay ahead in a highly competitive market.