

AOT Handouts from  
June Burr, BPM Pgm. Mgr.

**Rhode Island Reengineers State Government**  
By: Elliot King, Editor-in-Chief, BPM Strategies Magazine  
Friday July 20, 2007

BPMstrategies.org's  
**BPM STRATEGIES**  
MAGAZINE

*This article originally appeared in the members-only quarterly BPM Strategies Magazine*

Here are some news headlines that the governor of any state would like to trumpet: The state has slashed its wireless telephone costs by 25 percent. A new purchasing process has saved the state \$62,000 in the acquisition of public-safety and police vehicles. Centralizing state agencies, such as human resources, information technology, state facilities, and legal services has resulted in cost savings of more than \$3 million. A new program aimed at tax scofflaws has led to an \$8 million increase in revenues.

These are actually some of the results of Governor of Rhode Island Donald L. Carcieri's "Fiscal Fitness" program, also known as the "Big Audit." Launched three years ago, the Big Audit was intended to be a far-reaching initiative that would cut costs, improve efficiencies and streamline the state government. Its mission – to establish Rhode Island as a model for the delivery of cost-effective government services to citizens who have confidence that tax dollars are being spent efficiently. One of the behind-the-scenes areas in which the Big Audit has had a big impact has been in the method used to develop software applications to meet business needs.

"The governor had a vision for a more effective and efficient government," said Mark Treat, who, at the time, was the director of Rhode Island's six-person project management office within the IT division. With 200 employees, the IT division is responsible for maintaining the information infrastructure, including networks, servers and applications, for the 10,000 or so state employees. Treat's office was charged with the delivery of IT projects statewide, as well as facilitating the "change management" that was often an element of the project delivery. As a result of changes being implemented as part of the Big Audit process, IT project delivery is moving from what Treat described as a culture of surviving disappointed expectations to a culture of delivering significant new capabilities.

#### **Launching the Big Audit**

To conduct the Big Audit, a task force was assembled with representatives from across the state government. Individual teams were assigned to study specific areas. "They took people from one agency and had them study a related area," Treat recalled. For example, within the area of health and human services, a person working in the mental health division might have been assigned to review the processes serving the elderly. In that way, the "audit" would be conducted by people familiar with the operation of an area, but not burdened by the need to defend the established way of doing business.

The individual teams looked at how state agencies were delivering services and generated around 450 ideas for improvement, ranging from reengineering business processes like licensing to improved signage.

The individual teams were grouped into "super" teams that reviewed all the suggestions for a specific area. The suggestions were then reviewed by the project management office, which had representatives from the major functional areas of state government: education, health and human services, public safety, transportation, natural resources, and general government. Finally, in conjunction with the mega-team leaders, the project management office prioritized the suggestions and sent them to the governor's office.

An advisory board, whose members were drawn from the state legislature, directors of the major state agencies, and the major public employee unions, then evaluated the suggestions. "They provided input to the governor's agenda," Treat noted. Eventually, it was the governor's office, however, that made the final determination of which project to tackle and when.

#### **Application Delivery Process**

As could be expected, many of the projects involved changes with the applications used to support specific processes. They required new applications to be built or new functionality to be incorporated into existing applications. But when the project management office, which had been created as part of the fiscal fitness program, reviewed the status of the software projects under development, it

prototype to the users rather than a big UML document. Users can see what they like and don't like and the developers can iterate on that."

### **Cultural Change**

The shift in the application development process was not without its challenges. While business users eagerly embraced it, some members of the IT staff were not as enthusiastic. "It involved new technologies and new ways of doing things," Treat said. "And change is difficult."

Nonetheless, the new approach dramatically improved the level and quality of communication between IT staff and business users. Business users, Treat said, "could speak the language of IT. The state manages a tremendous amount of information. For business users to be able to use the proper terms for data structures and data models, and to understand entities, attributes and concepts of normalization - it was empowering."

Indeed, Treat said, in his view the improved communication was the most significant result from the change in process. "Rather than through Word documents and written requirements, we moved to diagrams and pictures," Treat observed, which could much more clearly and concisely convey the necessary information. The communication was fast; the feedback was rapid and progress towards goals could be measured in weeks rather than months or years.

### **Measuring Success**

The state is now applying the new application development process to many applications, including permitting, licensing and invoice payments. Other targets of opportunity include claims processing, case management and administrative workflow. "A lot of things become a 'case' in state government and BPM is terrific for case management," he said.

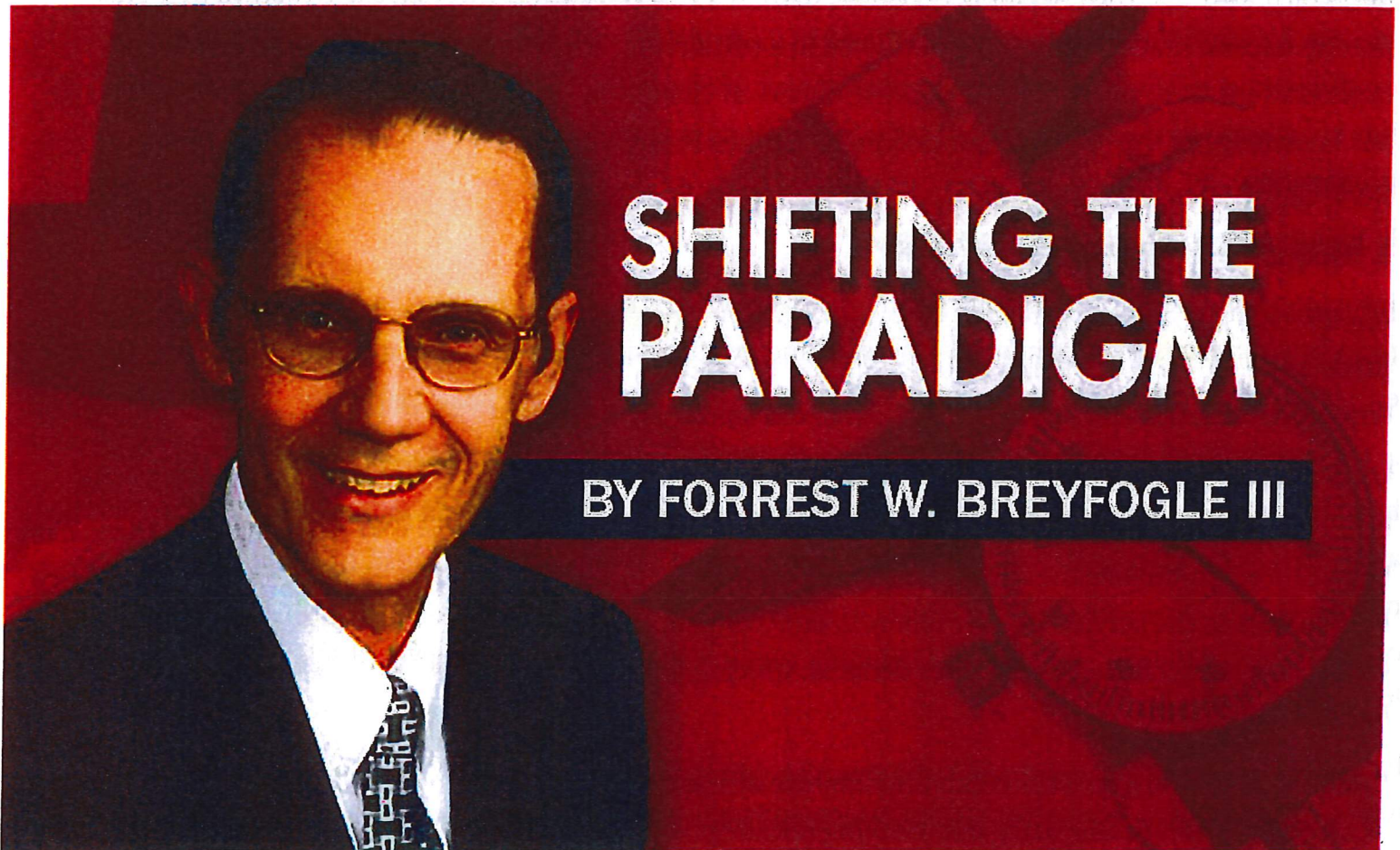
Though just in the early stages, success will be measure in two ways, Treat said. Government services should improve. It will be easier for constituents to complete a transaction, open a business or get a license. Second, state agencies will be able to better fulfill their missions and real cost savings will emerge. BPM, he said, will be supported by a shift to an underlying service-oriented architecture, enabling integration across agencies and systems. "There will be a huge payoff over a long period of time," Treat said.

*Elliot King, Ph.D., is editor-in-chief of BPM Strategies and a professor of communication at Loyola College in Maryland.*



*Forrest W. Breyfogle III is founder and CEO of Smarter Solutions Inc. (Austin, TX). For more information, e-mail [forrest@smartersolutions.com](mailto:forrest@smartersolutions.com), call (512) 918-0280 or visit [www.smartersolutions.com](http://www.smartersolutions.com).*

## Five Benefits from Implementing Business Process Management



December 4, 2014

Forrest Breyfogle

Organizations often implement Business Process Management for a variety of reasons. However, the main stimulus is to be more competitive in the intense competition of today's economy. A majority of company leaders are pressured

Deployment of BPM enhances the efficiency of business processes tremendously. This potential is brought by the integration of organization processes from start to finish. Process owners are automatically alerted every time they hand out responsibilities to its individual members. This leads to more proficient monitoring of delays or reallocating tasks among the members. Therefore, BPM aids in eliminating bottlenecks and reducing lead time in terms of implementing and enhancing business processes.

BPM also results to optimization of processes through the removal of any redundant tasks and implementing automation to reduce the possibility of rework and errors. This quality and more has attracted organization leaders to deploy favorable BPM processes not only to maximize returns, but also align the organization objectives with its processes.

#### **4. Better Visibility**

Essentially, BPM makes use of refined software programs in order to make process automation possible.

These programs allow process owners to keep track of performance and see how the business processes function in terms of real time. The automation of processes discloses how processes are working without the need of extensive labor and monitoring techniques. Enhanced transparency allows management gain a better understanding of their processes. These things allow the management to modify structures and processes efficiently while keeping track of outcomes.

#### **5. Compliance, Safety and Security**

Reliable BPM practices assist organizations informed of their duties. These can be financial reports, labor laws compliance and a wide range of government rules that organizations should follow. A comprehensive BPM guarantees that organizations comply with the standards and stay up to date with the laws.

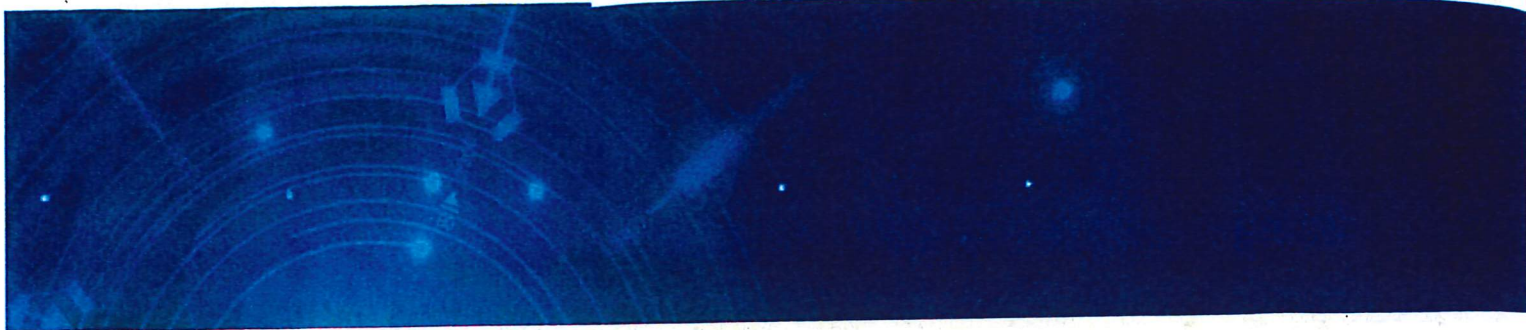
Furthermore, business process management also has the ability to promote security and safety measures. It is done by properly documenting procedures and facilitating compliance. Organizational policies and internal controls play a vital role in BPM. Such things aid organizations encourage their staff to safeguard organization assets, which include private information and physical resources from misuse, loss or other acts like theft.

Overall, organizations that utilize BPM principles discover that they have the capacity to reduce cost and enhance productivity by simply identifying how processes would work under the best conditions. This is also followed by implementing the necessary adjustments to implement control and achieve the best performance that would aid in tracking future outcomes. With all these, there is no wonder why BPM is making a buzz in the giant world of business and marketing.

#### **A Free Business Process Management e-book**

Organizations benefit when they integrate in their BPM deployment:

- Automatically updated predictive performance metric reports
- Analytically/innovatively determined targeted strategies
- Identified improvement efforts so that the enterprise as a whole benefits



**Gartner.**

# It's a Matter of Survival: Use BPM to Drive Out Costs

12 March 2009

Elise Olding

Gartner RAS Core Research Note G00165528

For struggling companies, business process management is a lifeline that helps them survive by reducing and avoiding costs in this volatile and turbulent economy.

## Overview

In a troubled economy, struggling companies often cut costs broadly and blindly without understanding whether those cuts further compromise their survival. This research presents a series of real-life examples in which business process management (BPM) has helped organizations survive by identifying ways to improve business processes and cut costs at the same time. BPM gives companies visibility into processes that are key to cost management. BPM is a lifeline in this troubled economy. It helps companies find and avoid hidden costs — to keep companies in business.

## Key Findings

- Companies that use BPM create business process models that identify process redundancies, hidden costs and avoidable risks. Companies survive by using cost savings from BPM efforts to fund critical business operations.
- Applying BPM enables process visibility, allowing better collaboration among the activities being performed.
- For struggling companies, compliance is often another burden. BPM is well-suited to drive costs out of compliance and regulatory work.
- Simplifying the administrative work of your employees can increase morale and enable them to spend time on high-value work. It can also help companies in survival mode do more with less.

## Recommendations

- Gain a competency in BPM now.
- Before you wield the cost-cutting axe, construct a high-level business process model to understand the impact of head count and resource cuts across the enterprise so that you do not decrease process efficiency and inadvertently drive up costs.
- Use BPM to manage your business case justification and measurement processes.
- Identify processes where costs may be high and there is not a focus on measurement. Target one of these processes for your first or next BPM project, and demonstrate tangible results.

## Analysis

### Introduction

The daily headlines bring more bad news about the economy. Depending on which economist you want to

started out with quick-win projects and continued to take on more impactful projects. The 65 projects it has undertaken have resulted in a cost avoidance of \$700,000 and the earlier recognition of customer revenue. Another benefit is that, by driving out manual work, such as filling in spreadsheets and creating reports, it has increased employee job satisfaction and morale.

- A developer of long-term-care pharmacy systems used BPM to validate and cross-check a complicated maze to determine prescription insurance coverage. Before implementing the solution, prescriptions were being shipped to customers in good faith — in some cases, before these validations could be performed. Sometimes these prescriptions are not covered. If a claim for a drug is rejected, and the pharmacy ships it but doesn't get paid, that is a 100% loss. Checking if the prescription is covered first eliminates this loss of cash and is a big survival issue in this current environment.

[Return to Top](#)

## Bring Visibility to Hidden Costs and Take Action

What you don't know about your processes may be costing you money. Gaining visibility can help to coordinate the work being performed and enable better coordination of activities. Two organizations delved into examining work that occurs in and around visible processes. By creating simple ways to collaborate and create visibility, impressive results were delivered:

- A telecommunications company increased the visibility into its sales pipeline and shortened the "quote to cash" cycle time by 10 days, resulting in decreased expenses and a reduction in errors and rework. The business process management suite (BPMS) solution it deployed provided management with full visibility into its sales pipeline for the first time, enabling it to build the capability to orchestrate dependent activities. The solution enables clear management control and reporting that drive the business direction with facts, not assumptions. It also enabled a reduction in sales head count, while maintaining and increasing sales and profitability. This shortened cycle equates to a €3 million net per annum. In 2009, with further rollout, the estimate is €50 million. In addition, the solution enables the organization to monitor the processes with Six Sigma methodologies.
- An industrial equipment manufacturer saw impressive results in record time. Using a collaborative approach to designing the new process, it went from a blank piece of paper to an implementation process in 15 days. Prior to the project, the product development group had a very manual engineering change-notice process. Missed reviews and a lack of visibility enabled design changes to get into the production line at a significant cost per unit. The ease of use and process visibility enabled by the BPMS solution have brought better collaboration and scrutiny to design changes, ensuring that all changes have engineering sign-offs. The results are significant — prior to implementation, changes were averaging \$2,000 per unit. Since the process change was implemented, changes are averaging \$50 per unit, a cost savings of \$1,950 per unit. With tens of thousands of units produced a year, the cost savings are substantial. In addition, BPM has received recognition as an important strategy by its top executives.

[Return to Top](#)

## Reduce Costs and Errors Associated With Compliance Requirements

Ensuring compliance with regulations can be tedious and time-consuming. Using BPM techniques to define a streamlined process that provides the necessary audit trails can pay off with more than just savings in money. Simplifying the administrative work of your employees can increase morale and enable them to spend more time on high-value work.

- An entertainment company needed to better manage Sarbanes-Oxley compliance and make the audit trail visible. This was being performed manually, with information scattered in multiple sources and was very labor-intensive. It started with a small application and used a BPMS, which enabled it to make this activity more visible. It has defined all the steps, is able to flag items requiring attention and has created one centralized data repository. A valuable byproduct is that the company feels this improvement has made employees' lives better, and the solution will enable improved efficiency. The work helped the company standardize, streamline and achieve compliance. The manager of the project predicts that continuing to do this will help free up employee time that can be refocused on more value-added activities.
- A federal agency streamlined compliance requirements — saving time and expenses associated with regulator travel. Each time an airplane is serviced, it requires an approval. The "before" process involved inspector travel to the aircraft site and a manual sign-off of the records. Until this approval is obtained and filed, the plane cannot fly. In some cases, it was taking days to get to the location. Additionally, each plane must have its own aircraft record in the plane, and this record must be registered locally and tracked. The new process uses BPMS to automate this process, enabling electronic signatures, and has, at times, decreased the amount of time to get a plane back into service from days to hours. In one case, a