

Business Process Management Trends & Observations





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Executive Summary

In 2015, global market research company, TNS Global, conducted research on the current state and importance of Business Process Management (BPM) with 627 organizations in the United States, New Zealand and Australia, on behalf of Promapp Solutions Ltd.

The research found that the majority of organizations across all three countries have bought in to the concept of business process management with two-thirds of respondents having some sort of BPM system in their organization.

One of the main reasons behind the organizational buy in to business process management is that companies, on average, see more than 5 different benefits from BPM.

Within both public and private sectors, people at all levels of the organization agree that business process management plays an extremely important role in helping to meet their organizational goals. The research also found that the benefits achieved from BPM by public sector organizations outweighed those in the private sector.

Investment in business process management over the last three years has been reasonably strong, and is expected to remain strong in the next three years. 70% of respondents indicated that they plan to either maintain or increase their spending in BPM in the next 3 years. Organizations are investing in BPM in a number of different ways with software, training and dedicated staff the most frequent areas of investment.

Despite the level of BPM effort and investment to date, a large number of organizations say that few or none of their processes are documented or up to date. And only 40% of companies think their processes are better than their competitors'.

When asked about the barriers to business process improvement efforts within their organizations, respondents highlighted resourcing constraints, a lack of time and a lack of consistency in their practices as the top three barriers overall, with budget constraints at the top of the list for US organizations. 49% of respondents think they have too few BPM staff.

Most organizations do not have fundamental process governance roles in place and more than 45% do not have process owners identified.

**70% of companies
plan to maintain
or increase their
investment in BPM in
the next 3 years**

Even with claims of too few resources, and the low number of companies who consider their processes to be above average, 84% of private sector organizations, 88% of public sector organizations and 90% of US organizations say that BPM has had a positive impact on their organization. The research also found that organizations who focused on BPM were more likely to have delivered higher profit growth over the last 3 years.

Organizations who focused on BPM were more likely to have delivered higher profit growth over the last 3 years

While BPM is achieving key benefits in both the public and private sectors in all three countries, good intentions and investment are not enough. The general state of organizations’ business processes leave a lot of room for improvement.

About the Research

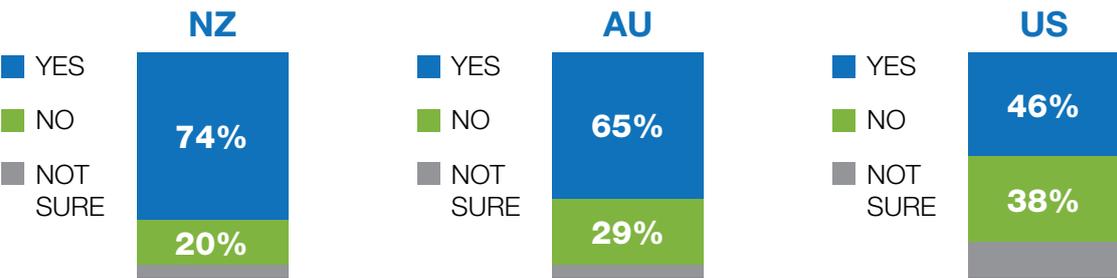
This survey was conducted by TNS Global, a market research company, in 2015 using an online questionnaire. The survey was completed by 627 organizations from the United States (122), New Zealand (313), Australia (159) and rest of world (33).

Respondents were a mixture of functional managers and senior executives from a range of industries.

BPM: Current state

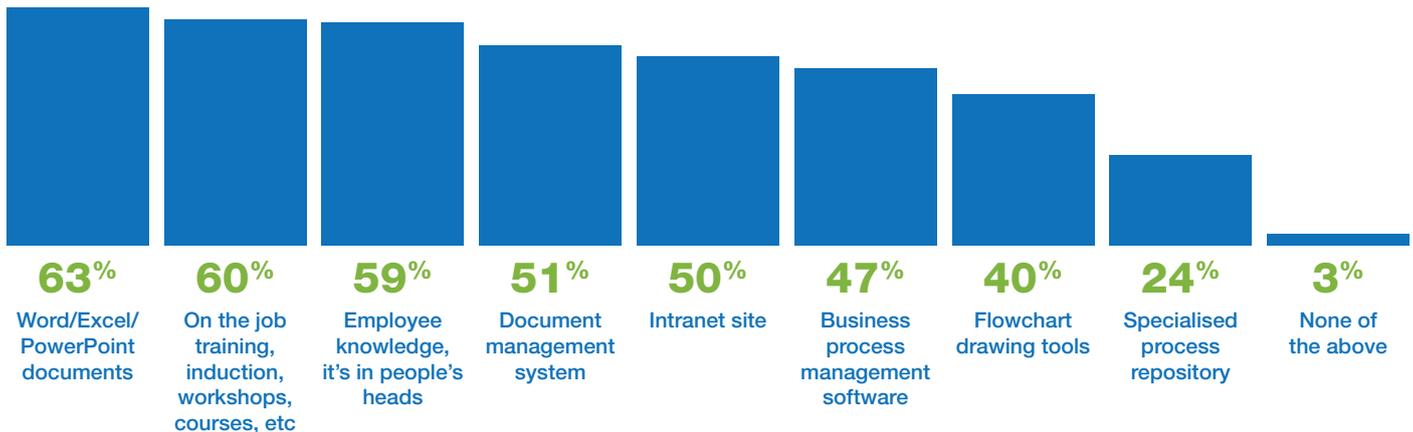
The majority of organizations across all three countries appear to have bought in to the concept of Business Process Management (BPM). Two-thirds of those surveyed have some sort of business process management system within their organization. At 74% and 65% respectively, New Zealand and Australian organizations are more likely to have a BPM system in place than those in the United States. Only 46% of US companies say they have a business process management system in place, although this number increased to 69% for US companies with more than 500 employees.

Does your company have business process management systems?



While BPM is clearly way past the early adopter stage, there is still a wide range of formal and informal systems used by organizations to manage their business process knowledge. This is true of all three countries. Microsoft office tools such as Word, Excel and Powerpoint are still used by 63% of organizations as one of the ways they manage their business processes. And 59% of organizations admit that they also rely on employee knowledge – in other words, their valuable process information is in people’s heads. Almost half of the companies who responded to the survey use some form of business process management software. Slightly fewer United States organizations stated that they currently use BPM software than their peers in New Zealand and Australia. (US: 41%, NZ: 57%, AU: 48%).

Managing business process knowledge



Organizational priorities & the role of BPM

Organizations see increasing profitability and customer satisfaction as the main priorities for the coming year, with resource utilization and productivity also strong secondary priorities. This is consistent across all three countries.

Public sector organizations identified their top organizational priorities as increasing customer satisfaction, making better use of physical and financial resources and improving quality.

Within both public and private sectors, people at all levels of the organization agree that business process management plays an extremely important role in helping to meet their organizational goals. The majority of organizations see business process management as something that needs to be done and they see and believe in the benefits of BPM.

83% of respondents believe that BPM plays an important or very important role in helping them meet their organizational goals. United States organizations (72%) are less likely to believe BPM is important to achieving their priorities than organizations in New Zealand (86%) and Australia (85%), however this differed significantly by company size. 94% of US organizations with 101-500 employees and 87% of US organizations with more than 500 employees believe BPM plays an important or very important role in helping them meet their organizational goals.

While all industries place a large degree of importance on business process management, Manufacturing organizations are more likely to believe BPM is important in achieving their priorities than other industries. This was expected given the focus on quality and improvement you'd expect to see within these types of organizations. 87% of Manufacturing/Construction organizations believe that BPM is important or very important to achieving their organizational priorities.

83% of respondents believe that BPM plays an important or very important role in helping them meet their organizational goals

Perceived benefits of BPM

One of the main reasons behind the organizational buy in to business process management is that companies, on average, see more than 5 different benefits from BPM.

Providing consistent delivery of services and making staff more efficient are regarded by a very large proportion (72%) as the key benefits of business process management. They were the top 2 benefits identified in all three geographies.

US organizations list improvements in customer satisfaction and profitability as their third and fourth most noted BPM benefits. At 50% and 54% respectively New Zealand and Australian organizations are more than twice as likely to identify reduced training time and costs as a benefit of BPM than their US counterparts. (22%).

Top benefits of BPM



Public vs Private Sector

The research found that the benefits achieved from BPM by public sector organizations outweighed those in the private sector. Of the survey group, 82% of public sector organizations said BPM had helped to improve staff efficiency, compared with 72% of private sector respondents.

Other BPM-related benefits that appear more evident among public-sector organizations involved enabling consistent service delivery (82% versus 72% in the private sector), improving customer satisfaction (64% vs 55%) and reductions in training times and costs (55% vs 46%).

Continued BPM investment

Investment in business process management over the last three years has been reasonably strong, and is expected to remain strong in the next three years. 70% of respondents indicated that they plan to either maintain or increase their spending in BPM in the next 3 years with 37% of organizations saying their investment in BPM will increase. 65% of US organizations plan to maintain or increase their investment in BPM, and this number is even higher for US organizations with 101-500 employees. 76% of US organizations with 101-500 employees plan to maintain or increase their BPM investment in the next three years.

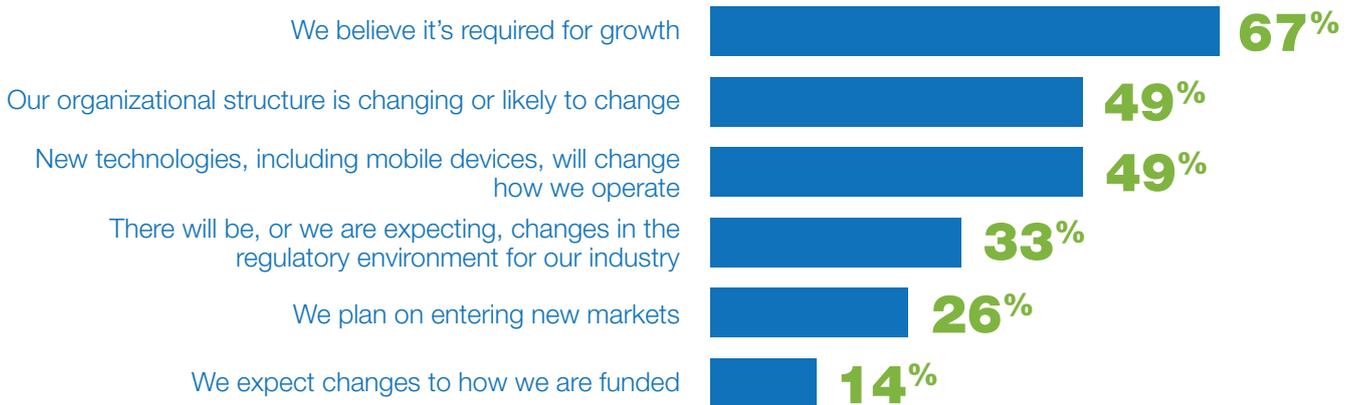
65% of US companies plan to maintain or increase their investment in BPM in the next 3 years

Primary & Government industries are more than 10% more likely to increase their investment compared to other industries.

Wanting to help drive growth is the main reason why organizations plan to invest more in business process management across all three geographies. Anticipated organizational change and introduction of new technologies, including mobile devices changing the way we operate are also major reasons behind increased investment.

Expected changes to the way they are funded are a key driver behind increased investment in BPM by Government organizations (US: 65%, NZ: 22%, AU: 45%) with the US indicating this as the second biggest reason. US organizations (42%) are also more than twice as likely to list new market expansion as a key driver behind increased BPM investment than New Zealand (20%) or Australian (18%) organizations.

Main reasons for wanting to invest more in business process management



Organizations are investing in BPM in a number of different ways with software, training and dedicated staff the most frequent areas of investment. 60% of organizations are investing in BPM software, 54% of organizations are investing in dedicated resources to manage processes and 24% are still reliant on external consultants to manage their processes.

Organizations in the United States are less likely to invest in process management software and are more likely to invest in staff training.

Government & Primary industries are more likely to have dedicated resources and a BPM function when compared to other industries.

Process problems

Despite the level of BPM effort and investment to date, a large number of organizations say that few or none of their processes are documented or up to date. And only 40% of companies think their processes are better than their competitors'. A very small proportion of organizations say that all of their processes are robustly looked after and used.

The perception of the quality of an organization's processes differs by country with Australia trailing behind the US and New Zealand. 47% of organizations in the United States think their processes are above average when compared to their competitors, while only 43% of New Zealand organizations and 31% of Australian organizations would give their processes an above average grade.

Respondents believe this is largely due to the lack of a proper system, lack of consistency and standardization and due to processes being outdated, overly complex and unclear.

44% of organizations say that few or none of their processes are used by employees. This should come as no surprise really when 39% say that few or none of their processes are documented, 43% say that few or none of their processes are easy to find or accessible and 42% say that few or none of their processes are up to date.

53% of US companies think their processes are in worse shape than their competitors' processes

Current state of processes

% of orgs where few to no processes are:	Overall	Public Sector	USA
Documented	39%	52%	30%
Up to date	42%	53%	26%
Clear and helpful	41%	48%	24%
Easy to find & accessible	43%	54%	28%
Used by employees	44%	50%	26%

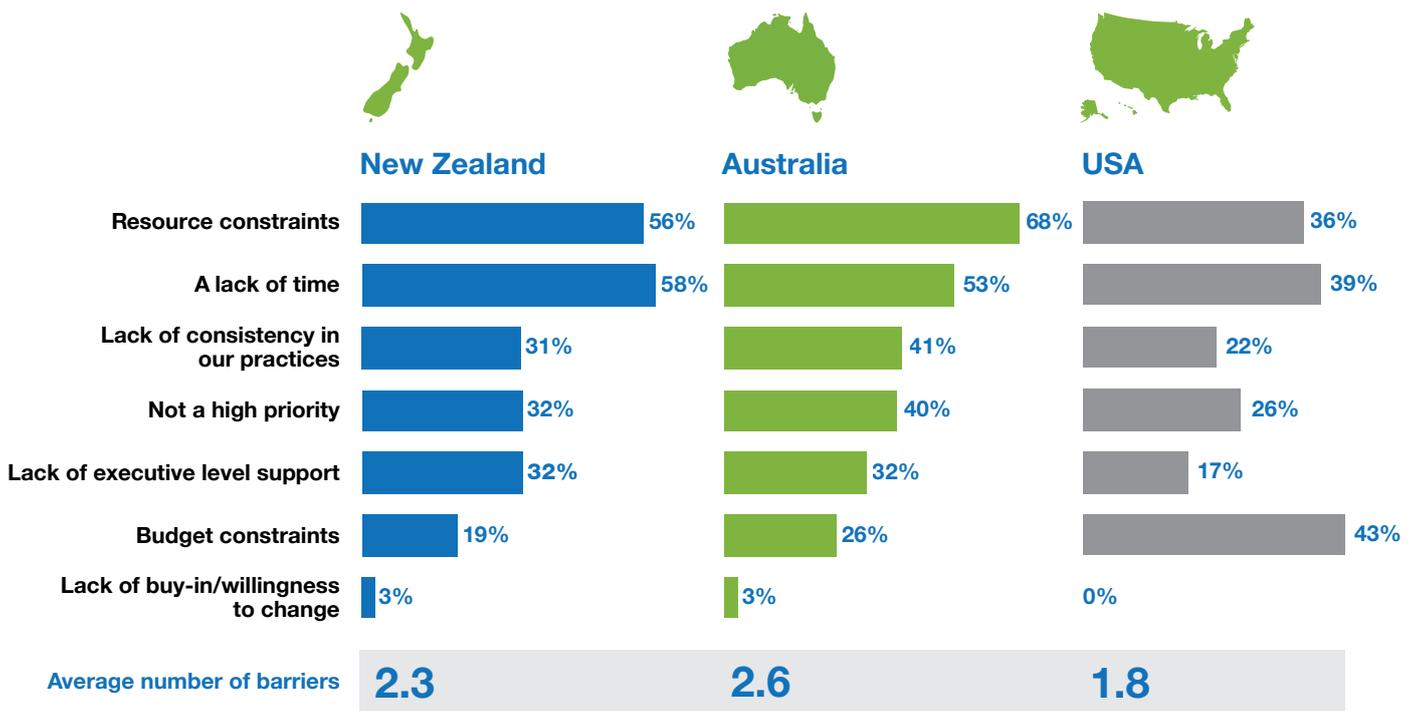
Barriers to process improvement

When asked about the barriers to business process improvement efforts within their organizations, respondents highlighted resourcing constraints, a lack of time and a lack of consistency in their practices as the top three barriers. 49% of respondents think they have too few BPM staff.

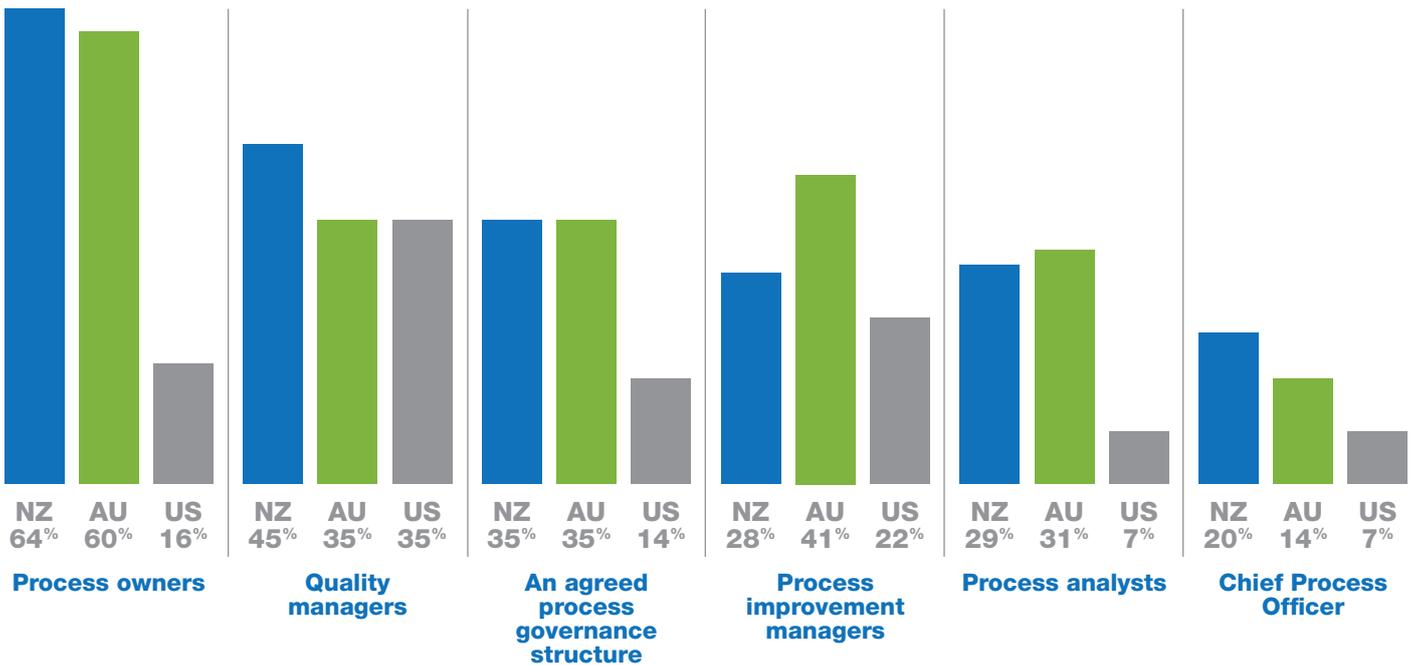
US respondents were more likely than New Zealand or Australian respondents to identify budget constraints as a major barrier to BPM improvement.

In addition to a lack of time and resource, Government industries were more likely to indicate budget and a lack of priority as barriers compared to the private sector respondents.

Main barriers to business process management efforts by country



Incidence of process roles and governance structure



Most organizations do not have fundamental process governance roles in place and more than 45% do not have process owners identified.

Only 16% of organizations in the United States indicated that they have process owners, compared to 64% of New Zealand organizations and 60% of organizations in Australia.

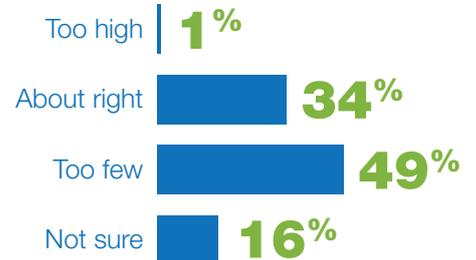
44% of United States organizations identified that they had none of the options listed: process owners, quality managers, an agreed process governance structure, process improvement managers, process analysts or a chief process officer.

BPM resource levels

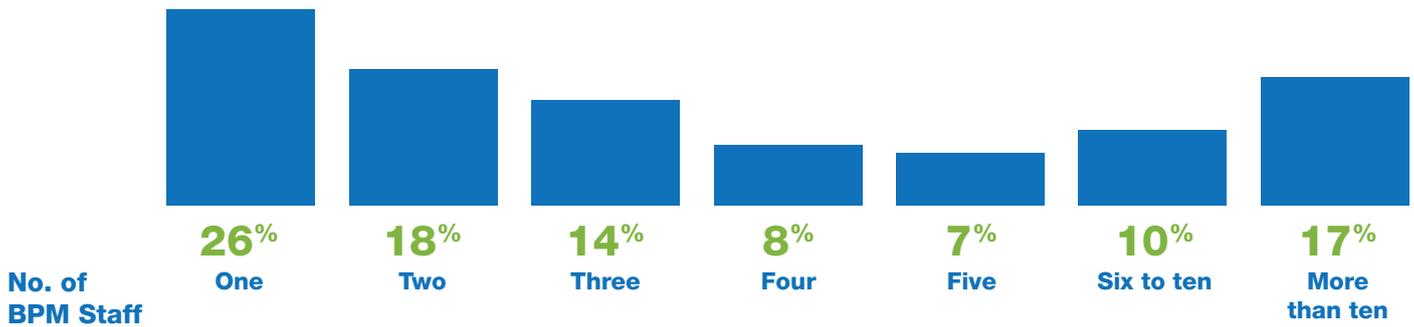
There is a wide range in the level of BPM resourcing within organizations across all three countries. 44% of organizations have one or two full-time business process management resources and 17% have more than ten. While this is slightly influenced by the total number of employees in each organization, smaller organizations are still well represented in the 10 or more BPM resources group.

It doesn't seem to matter how many full-time BPM resources companies have, nearly half of all organizations say it is too few. 53% of NZ organizations and 60% of Australian organizations indicate they need more BPM staff, while US organizations are more likely to say that their current resource levels are about right (52%).

Number of full-time BPM staff is:



Number of full-time staff involved in on-going business process management



Still seeing benefits

Even with claims of too few resources, and the low number of companies who consider their processes to be above average, most organizations say that BPM has had some positive impact upon their performance.

84% of private sector organizations, 88% of public sector organizations and 90% of US organizations say that BPM has had a positive impact on their organization. The public sector organizations seem to see an even greater benefit from their BPM investment.

90% of US companies say that BPM has had a positive impact on their organization

The main examples of this positive impact provided by respondents were:

- Greater consistency, better alignment between teams and standardization
- Improved productivity and efficiency
- Easier induction and training of new staff
- More up to date processes and documentation

However, probably the most impactful research finding was the strong correlation between a focus on BPM and profit growth over the last 3 years. Those organizations who focused on BPM were also more likely to have delivered higher profit growth over the last 3 years.

Organizations who focused on BPM were more likely to have delivered higher profit growth over the last 3 years

Good intentions and investment are not enough

While BPM is achieving key benefits in both the public and private sectors in all three countries, good intentions and investment are not enough. The general state of organizations' business processes leave a lot of room for improvement. There are many ways in which the benefits of BPM efforts and investment could be extended even further.

Within many organizations the fundamentals are just not there. Process Owners, a governance structure and more visible leadership are essential ingredients for BPM success.

These fundamentals are key to making an investment in BPM more effective and to enabling organizations to realize even greater ROI from their BPM investments and efforts.

5 Critical Ingredients for Business Process Management Success:

1. **Process Owners**
2. **Governance structure**
3. **Visible leadership**
4. **Central, accessible process repository**
5. **Process methodology appropriate for the audience**

The research shows that organizations who consider their processes to be "best practice" are more likely to have internal process owners, an agreed process governance structure and a Chief Process Officer.

Without the addition of these 5 critical ingredients, organizations will make limited advances, regardless of the level of their BPM investments.

Organizations who consider their processes to be "best practice" are more likely to have internal process owners, an agreed process governance structure and a Chief Process Officer

About Promapp

At Promapp, we believe that expressing and managing process knowledge simply is crucial to sustaining an on-going culture of process improvement. With Promapp's intuitive cloud-based application, used by hundreds of organizations worldwide, anyone can create, navigate and change business processes.

Sign up for a 30-day free trial and see just how simple smarter processes can be.

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