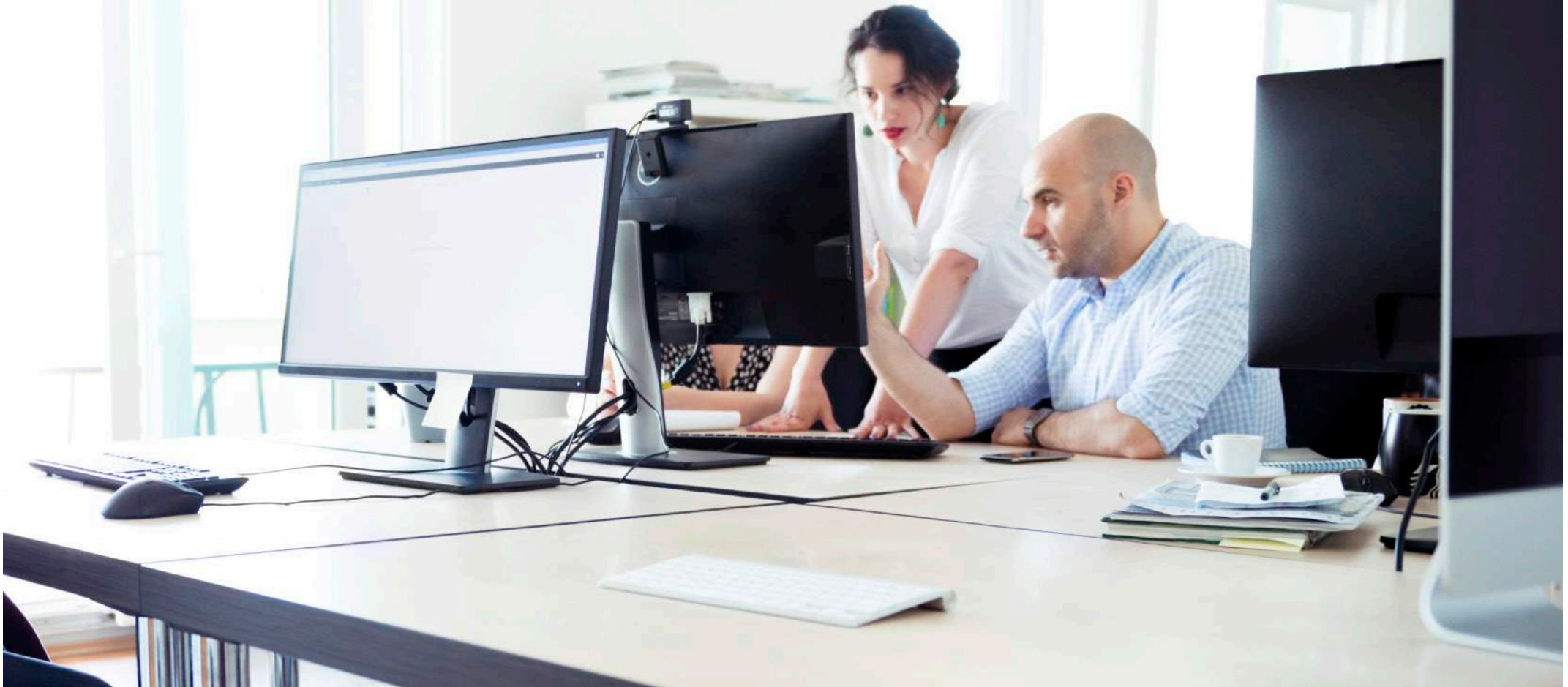




BUSINESS TRANSFORMATION DOESN'T NEED TO BE A LONG, DRAWN-OUT PROCESS



BPM: CLOSING THE GAP BETWEEN STRATEGY AND EXECUTION

When driving any major change within an organization, strategy and execution are intrinsic to a project's success. Nevertheless, closing the gap between strategy and execution remains a challenge for many organizations, as explored in a recent Process Excellence Network report: "Shift Business Excellence Into High Gear: Drive Strategic Performance Through Process Excellence."¹ Companies tend to focus more on execution than strategy for quick results, instead of taking the time needed to understand the parts that make up the whole, so the right execution plan can be put in place to deliver the best outcomes.

A large part of closing this gap is understanding that business operations don't fit neatly within the traditional organizational hierarchy. Business processes are often messy, collaborative efforts that span people, departments and systems, making them difficult to manage within a hierarchical structure. Business process management (BPM) helps by redefining an organization according to its end-to-end processes, so opportunities for improvement can be identified and processes streamlined for growth, revenue and transformation.

A CHANGING BPM LANDSCAPE

In a world where people increasingly depend on technology to support any major change or business transformation, process excellence initiatives usually go hand in hand with technologies that help companies deliver desired business outcomes, such as connections to brands, innovations in customer service, better

products and improved business models.² BPM suites, which have evolved as a means of helping companies achieve these goals, do add value, but they are often huge systems that require a high level of expertise and training to implement and use. As a result, these systems can take so long to implement that they become counterproductive. Companies in need of quick results to retain customers and drive profits in today's highly competitive market cannot be slowed down by the pace of technology.

In addition to slow implementation cycles, many BPM systems focus only on internal business operations and core processes. Modern BPM solutions need to also streamline the untamed processes that hold these core processes together, which often involve a mix of unstructured content, such as emails, collaboration portals like SharePoint, and social streams. BPM solutions need to be able to integrate with these collaboration points, in addition to line-of-business systems and cloud file-storing services like Box, Dropbox and Google Drive.

Today's customers interact more with products and services through software.³ With easier access to the Internet from tablets and mobile devices, they are more apt than previous generations of customers to look for other products and services that meet their needs. As a result, there is more pressure on companies to lower costs, and provide better services and faster development and delivery cycles. They can no longer afford to wait a year or two before seeing a return on their

¹ To help solve the well-documented strategy versus execution gap, a survey of 404 process professionals helps identify five practical steps to better align process improvement with strategy. See the September 23, 2014 report, "[Shift Business Excellence into High Gear: Drive Strategic Performance through Process Excellence.](#)"

² Companies are realizing how integral software has become to a business' success. See the January 23, 2014 report, "[Software Must Enrich Your Brand.](#)"

³ Increasing customer interactions with software are driving development teams away from coding. See the June 9, 2014 report, "[New Development Platforms Emerge For Customer-Facing Applications.](#)"

investment. Organizations need agile, integrated solutions that are faster to market, while still adding the value that BPM suites have to offer.

To meet these needs, low-code business application platforms are rising as an alternative to BPM suites. According to a recent Forrester report, "Predictions 2015: The Age Of The Customer Is Set to Disrupt The BPM Market,"⁴ low-code platforms are one of several alternative approaches to BPM suites that will "disrupt and reshape the BPM market."

Business process applications minimize hand coding and speed up development and delivery cycles with visual tools that can be utilized by business users and developers alike.

Applications are delivered through a test, learn and pivot approach, where having requirements, design, development and deployment condensed into a single platform allows companies to deliver solutions more quickly for immediate feedback from customers, employees and partners. If changes need to be made, developers can pivot and make adjustments within hours or days, compared to a hand-coded solution that could take months to redesign.

As a comprehensive low-code business process application platform, K2 supports the full range of BPM needs, from top-down, standardization initiatives to smart process applications that incorporate information from various sources, including LOB systems, collaboration platforms, social streams, email and cloud file-storing services. BPM needs also include a way to rapidly build custom apps that can be IT-led or driven by business owners to solve specific process-based challenges. Regardless of the initiative, K2 drives transformation, growth and revenue through business process applications that automate business operations with minimal disruption, while providing the business with immediate value. This white paper provides guidelines on what to consider when using business process applications to solve your BPM initiatives, as well as highlights unique K2 capabilities that can help ensure both your product's success and the success of your organization as a whole.

IDENTIFYING PROCESSES

When evaluating and identifying processes that can be improved to deliver desired business outcomes, it can be difficult to find time to map out all end-to-end processes that your organization may have. To save time, subject matter experts (SMEs) from each area can identify core and value-chain processes that would be good candidates for automation. SMEs look for processes that are repetitive, error prone, causing chokeholds, or that have other characteristics that make them easy to automate. This is also the

⁴ A need for more agile technologies that automate customer-centric processes, as well as internal processes have led to a rise in low-code platforms, which are expected to disrupt the BPM market. See the November 6, 2014 report, "[Predictions 2015: The Age of The Customer is Set To Disrupt The BPM Market.](#)"

K2 drives transformation, growth and revenue through business process applications that automate business operations with minimal disruption, while providing the business with immediate value.

time to consider applications that could support new market opportunities or revenue streams, including short-term opportunities. One of the benefits of K2 is the speed with which business applications can be built, making it possible to create applications for market opportunities that are only available for a limited time.

K2's ability to rapidly build and run business process applications makes it easy to test out candidate processes that have been identified for automation, at a low risk and cost. Visual, no-code tools make it possible to build applications within hours, as opposed to the lengthy development cycles of hand-coded solutions. As mentioned previously, this allows for feedback and adjustments in a very short period of time. If it is decided that a process is better off left manual, the resources that have been spent to test the process are minimal compared to a similar effort with a custom solution. Sometimes, just attempting to improve a process can bring about positive changes by putting a stop to "it's always been done this way" kind of thinking. To help people understand the value that automation is adding to a process, K2's reporting capabilities let you derive all kinds of data to monitor, measure outputs and clearly see how each process is performing in comparison to the original. This makes it easy to maintain visibility into the more detailed aspects of the business and identify further opportunities for improvement.

MEASURING AS-IS PROCESSES

Once you have identified the processes that will be automated, there are many different ways to

measure these processes and identify KPIs, so you have something to measure against once the new processes are in place. Possible ways to measure processes include looking at cycle times, the number of resources allocated to a process, and the time each resource spends to complete the process lifecycle. KPIs should align with overarching organizational strategies and goals. A clear vision of how KPIs tie into organizational strategies can make a big difference in gaining and maintaining buy-in from the business to ensure your project's success.

Once the automated process is live, K2 provides dashboards and reports, like those shown in the diagram below, that can be used to measure the new process against the original. With K2, you can create high-level or detailed reports that measure information, such as overall process time, number of process instances or individual user performance. In addition, a universal task list makes it possible to see the status of all running processes within a single view, making it easy to track and manage them.

It is important to understand that business process automation is not about automating people out of processes but eliminating the time-consuming, redundant components that slow employees down. Understanding where there is value in automating and where there is value in maintaining a manual process is an important but sometimes difficult discernment to make. K2 provides a unique ability to measure processes end-to-end, including manual processes that fall within larger automated processes. This makes it easy to maintain full



process visibility. K2 customers currently leverage this capability to identify opportunities within manual subprocesses where employees would be better supported through further automation.

DETERMINING TO-BE PROCESSES

After processes have been measured and KPIs determined, the to-be processes need to be mapped out. Before this step is taken, it is vital to make sure that all process requirements are understood. Business owners, sponsors, stake holders, SMEs, analysts and architects all play a pivotal role in working together to understand and map each process. Numerous tools, including the more common Business Process Model and Notation (BPMN), are used to capture process maps and overall business requirements. Today, there are several dozen different modeling tools on the market with a variety of capabilities.

K2 encourages each organization to choose the design and process-modeling method that best matches their organizational goals and competencies.

Organizations can either choose K2's model-and-run approach of mapping out process directly

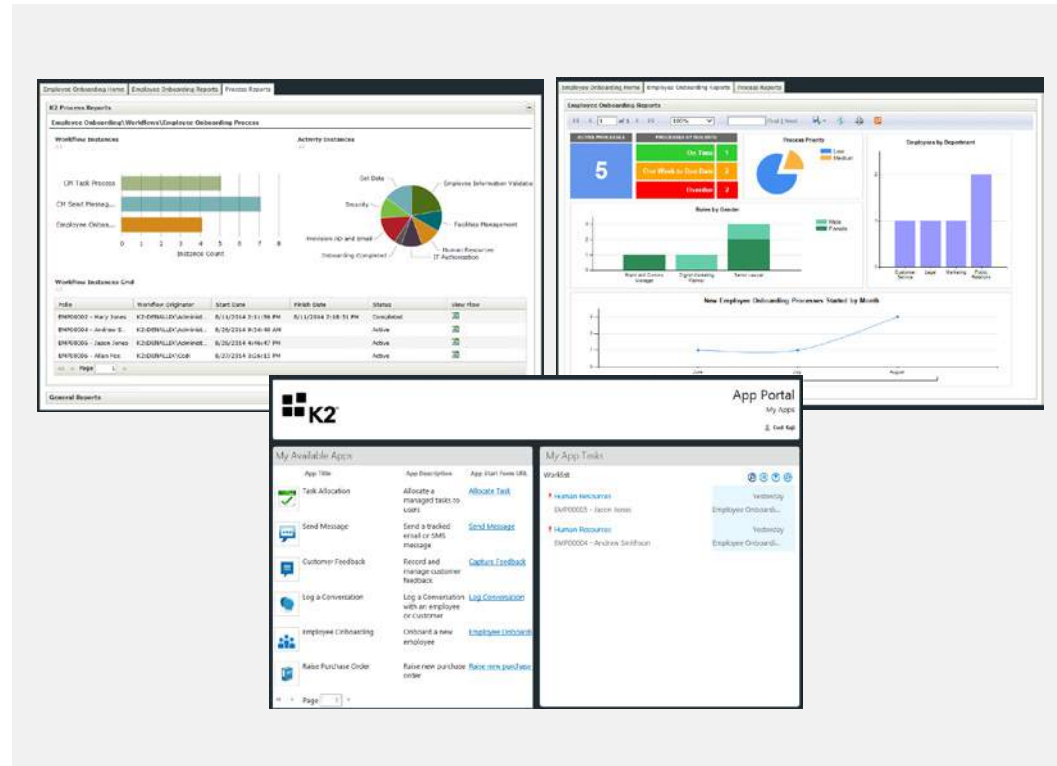


Figure 1. K2 provides dashboards and reports

into K2's execution-based designer or choose their own process-modeling tool. For small initiatives, K2's process designers are made to support rapid process automation modeling through a model-and-run design approach. These designers provide visual, executable process maps that give companies the flexibility to quickly make updates to a business process or solve individual process needs. For larger initiatives, pure process modeling tools are generally used and encouraged. By using design and modeling tools that support BPMN as an output, K2 can import these process models as a starting point for further modeling in K2.

When mapping out processes, it is also important to look at how system capabilities can optimize and shorten process lifecycles. K2 provides process architects and analysts with an array of advanced features that make it possible to support complex business scenarios, such as multiple approvers needing to review a task at the same time or a business rule specifying that if a claim is over a certain dollar amount, it is routed to higher-level management for approval before processing. In addition, escalation and exception handling capabilities make it possible to alert a manager or reroute tasks when someone is sick, on vacation or has not responded to a request within a specific time frame, ensuring that the business continues to run smoothly. With K2, it is possible to dynamically create teams or make updates to existing teams without having to make changes to backend systems, making it easy to update responsibilities and roles as people are promoted or their area of focus changes.

CHOOSING A METHODOLOGY AND IMPLEMENTATION STRATEGY

As process requirements are captured and you draw closer to execution, there are many methodologies to choose from that will define the approach you take in carrying out your BPM initiative. Some of the better-known approaches are Six Sigma, Lean, Lean Six Sigma, Agile, Waterfall and Change Management. The size of your company and the training of your employees can make a big difference in which methodology you choose.

K2's goal is to support the approach that is best suited to your business or department.

While some companies do adopt one methodology and implement it across the organization, other companies prefer a softer approach, with methodologies and approaches varying widely depending on employee and departmental needs. K2's flexibility with regard to methodology makes it possible to implement K2 across multiple departments with varied implementation approaches, as needed. If your organization does not lean heavily toward any one methodology, and you are unsure of the best approach to use, K2 pairs exceptionally well with Agile, due to its advocacy of small, incremental releases and iteration. However, other methodologies or blends of methodologies

can just as easily be used if better suited to your organization's practices, in combination with the incremental approach.

In alignment with modern BPM practices, K2 recommends an incremental approach when undertaking a large BPM initiative for a variety of reasons. Large big-bang projects inherently have a higher rate of failure since testing can be difficult prior to implementation, and a failure to account for a single interdependency can have knockouts that impact the entire project. There is also a higher learning curve with this approach and more pressure on employees to sink or swim when adopting new technologies. If the organization simply isn't ready for the new technology and takes longer than expected to adjust, performance can decline, which can have a detrimental effect on the business.

With an incremental approach, development and delivery leaders can quickly develop, deliver and gain feedback, so processes can be fine-tuned to best suit the unique needs and practices of the organization. The first process should be something that is small enough to implement in a short time frame but big enough to make a difference in terms of how it will benefit the organization. This incremental approach pairs exceptionally well with K2, due to the speed with which K2 applications can be built and run, ensuring quick development and delivery cycles.

GAINING AND MAINTAINING BUSINESS BUY-IN

Gaining and maintaining business buy-in is critical to the success of any initiative. A key element in this

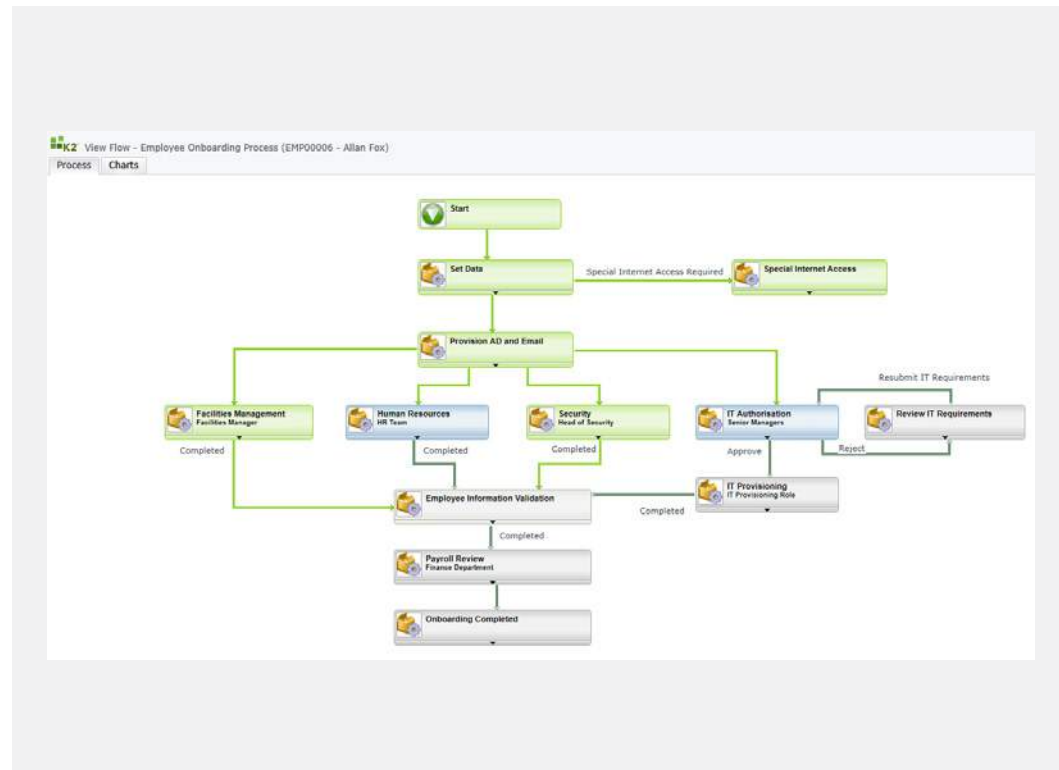


Figure 2. K2's rich user interface and visual process models

regard that many organizations lack is making sure that solutions align with user requirements. SMEs are extremely experienced and knowledgeable within their area of expertise and can tell you what they wish they had in terms of access to data, better systems, etc., but can't necessarily draw you a picture of exactly what it is they're looking for.

Traditionally, when creating custom applications, questions about rules, data and integration points are asked up-front. Developers then go off to build the application, and once it is completed, bring back the finished project for review. The building period can take months to complete, and if missing elements are identified during the review period, this can mean that part of the project needs to be completely scrapped and redone, resulting in several more months of work.

K2's BPM tools ensure that this doesn't happen. K2's rich user interface and visual process models, as shown in the diagram below, make it quick and easy to create a visual diagram or process map that SMEs, stakeholders and future users can look at to ensure the application aligns with user requirements. If adjustments do need to be made after the solution is live, updating the interface or process using K2's no-code visual tools is a cinch.

CHOOSING A SOLUTION FOR CONTINUED EXCELLENCE

When it comes to choosing a platform for continuous excellence, companies are interested in sustainable technologies that will become an integral part of the organization. To this end,

K2 makes it easy to standardize the way business apps are built across the enterprise, with K2's designers providing a consistent way to rapidly create business process applications, at a low risk and cost.

The reusability of the building blocks that make up K2 applications also helps with standardization. For example, K2's SmartObject technology ensures that once a connection to an external system, like SAP or Microsoft Dynamics CRM, has been established, that integration point can be reused across any number of interfaces and processes, instead of developers having to build a new integration point every time a new application is built that requires access to that particular system. This makes it quick and easy to pull together information from disparate systems into a single view, as shown in the diagram below, for easy approval, analysis and decision making. Another plus is that all integration points with external systems look and behave in the same way, making it easy to utilize data from disparate systems – such as SAP, Microsoft SQL Server, Microsoft CRM, Microsoft SharePoint, Salesforce, Oracle, Box, Google Drive and more – without having to learn the nuances that pertain to a particular technology. This makes it possible



for business users to access critical information from these systems, even if they are unfamiliar with how these systems operate. Interfaces and process designs can be reused across multiple applications as well, ensuring that as technical assets are developed, applications become faster and easier to build - a key reason why some of K2's customers have been able to roll out hundreds of applications across the business in a relatively short time.

K2 also provides central management capabilities that make it easy to standardize the way processes are managed across an enterprise. For example, a universal task list makes it possible to view and manage all processes in one location, from any mobile device. This makes it easy for employees to maintain visibility of all processes that pertain to them, as well as the status of all tasks within that process. As mentioned previously, K2's reporting capabilities let you derive all kinds of data to monitor each process, measure outputs, and clearly see how each process is performing, end to end. In addition, K2 provides auditing capabilities that maintain the history of all actions taken within a process, to support compliance and regulation guidelines that might be associated with various business operations.

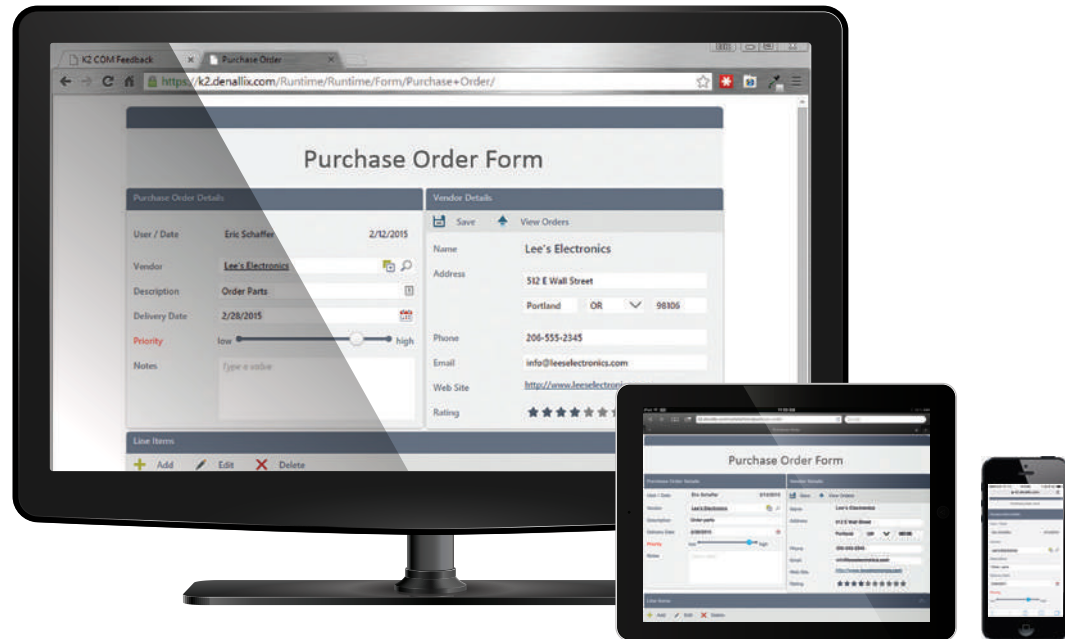


Figure 3. K2 pulls together information from disparate systems into a single view

CONCLUSION

An agile BPM strategy will empower your business to keep up with the quickly changing market. With today's modern technologies, BPM doesn't need to be a long, drawn-out process. K2's low-code business process application platform has helped companies across all industries transform their business in record time. K2 customers report hundreds of thousands of dollars in savings from shorter cycle times, fewer errors, enriched customer service and improved service-delivery models. To learn more about the value of agile technologies, visit the [K2 BPM page](#).



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