

Factsheet

Business Process Management (BPM)

Business Process Management (BPM) is the next evolution to process analysis, re-design and control. BPM allows for real-time management and control of a Company's processes to help avoid the pitfalls of duplication, poor control and inadequate understanding.

BPM enables the generation and maintenance of dynamic process information and the linkage of this information to organisational objectives, process stakeholders, legislative controls and costs. It is then possible for key processes to be actively monitored and managed by management

Historically an organisation's analysis of its business processes produced snapshots of a moment in time, but then things change and the analysis becomes outdated and irrelevant. However recent approaches can enable ongoing management by the organisation. This shift to more continual improvement represents a significant evolution in BPR.

The BPM framework

The key elements of an effective BPM framework are:

- Formalised process ownership, identified stakeholders and clearly defined roles
- Living process documentation including risks and controls
- Flexible databases of process relationships and dependencies
- Performance measurement, monitoring and improvement
- Integrated organisational ownership and change management

Key BPM benefits:

- Regulatory compliance: Through BPM, management can implement a risk management and control structure that enables reporting of processes and controls that meet these regulatory requirements.
- Process integration: BPM can provide management with the ability to remove duplication, improve efficiency and help ensure that new changes do not result in a repetition of old problems.
- Cost reduction: BPM provides the ability to link costing information to the organisation's processes and facilitates tweaking of processes for increased performance.
- Integrity: BPM arms the organisation with an internal self review function to analyse, resolve and improve any inconsistencies in process or data integrity.

How we can help

As an independent resource with many successful implementations worldwide, Lysis provides objectivity and insights to minimize projects risks during the change process. Increases in process performance ranging from 25-50% were realized in most implementations.

Lysis will:

- Train the BPM Project Team on both Change Management and the specific BPM steps
- Apply the Lysis BPM 7-step approach to analyse and improve key business processes
- Coach and facilitate during the implementation of both the pilot and roll-out programmes
- Support the organisation in the transitional period of change
- Provide Programme Management expertise to complete the project on time/budget
- Manage interfaces and communications across the Company

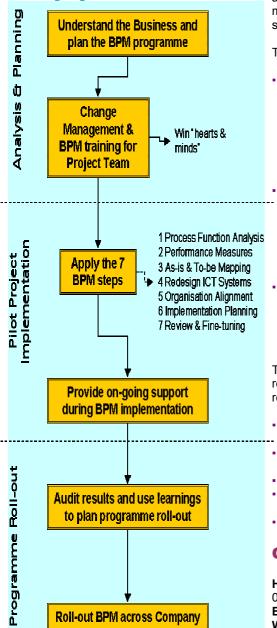
Our tested approach (see next page) guarantees optimum results regardless of the industrial sector where BPM is introduced.





Approach & Work Example

Over the last 15 years, the Lysis BPM model has been optimised to deliver maximum benefits at minimum time and cost. Our structured methodology is tailored to the needs of major industrial clients, in Energy, Utilities and Manufacturing. Its key elements are highlighted below.



Example of Work

This example focuses on a leading oil company based in the Middle East. Its Well Services group believed that a reduction of 10-15% could be achieved to operating costs by optimising the efficiency of the processes carried out by its contractors. An 2-week analysis carried out by Lysis validated that the main reasons for incurring excessive costs were that there was a high number of non-value added activities, no clear ownership of the cross-cutting processes and valuable time was lost due to poor communication between functional groups.

Well Services understood that, in order to achieve exceptional performance from its work processes, it would need to install radical changes in the manner that work was carried out. However, those changes had to be embraced by all the parties involved in Well Services activities including contactors, customers and suppliers. In launching a major BPM initiative the Company chose Lysis consultants to provide support using their proven change implementation methodology.

The Lysis approach consisted of the following three phases:

- In the Planning Phase, the project organisation was created and centred on five cross-functional BPM teams; each focusing on improving key processes for their respective areas. In addition to providing generic BPM training, Lysis consultants helped to define team roles, project plans, key success factors and to rank the business processes within each function in terms of dysfunction, importance and change feasibility so as to determine where to focus its efforts
- In the Design Phase, each team re-designed selected business processes. With Lysis' facilitation, the teams produced "As-is" and "To-be" process maps, as well as a management reporting system that provided ongoing information on process performance. In order to create cross-company awareness of the improved processes, Lysis consultants transferred all the maps into the Company's intranet with a simple navigation mechanism
- In the final phase, each redesigned process was implemented. The feedback from the implementation was communicated to the project team, who resolved implementation-related problems and monitored improvements. Implementation was fast-tracked by bringing in best practices from applying similar BPM projects worldwide

There were significant financial and operational benefits realised as a result of this work, which exceeded the Company's expectations and recouped the involvement of Lysis consultants 12 times over, including:

- In excess of \$2 million annual saving in contractor charges, as a result of a 17% reduction in non-productive time for rig activities
- \$680,000 annual saving, as a result of reduction to the well opening up time by 40%
- Planning compliance increase from 72.9% to 88.9%
- Better teamwork and communication between all parties impacted by Well Services activities
- Reduction in stand-by time for crews by 35%.

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