

Introduction: The Importance of Embracing Change

The incident could not have come at a worse moment: a 220,000-ton ship, longer than the Eiffel Tower is tall, blocking one of the busiest waterways on Earth. When the Ever Given ran aground in the Suez Canal in March of 2021, global supply chains were already stretched to the limit. A year of Covid-19 lockdowns had shuttered factories and led to shifts in consumer preferences which meant business processes around the globe were out of sync. Companies scrambled to deal with container shortages, congested ports, and a lack of key inputs like microchips. The Ever Given made a bad situation worse: in the six days it was stuck, nearly \$60 billion worth of global trade was disrupted.

Today, the global supply chain crunch continues: renewed lockdowns in China and the Russia-Ukraine conflict have added new risks and areas of stress. Still the Ever Given remains a potent symbol—of how crises in the business world can come at any moment, and how companies should never take their processes for granted. No business leader could have predicted that a single vessel would create such a massive bottleneck, or that a global pandemic would alter consumer behavior overnight. Yet companies with a deep understanding of their processes—and that documented their processes digitally—were far better prepared to embrace change, and use it to drive business transformation.

Business Process Management—a definition

What is true in the context of the global supply chain crisis is also true more broadly: in an era where success is defined by the speed of innovation, processes matter more than ever. At Software AG, we believe the best way to thrive in this ever-changing world is by embracing BPM, or Business Process Management. First utilized in the 1990s, BPM is an approach to improving an organization's processes by aligning them with its strategy and with the goal of improving efficiency. Rather than a one-time project, process management is defined by continuous optimization and improvement—to detect and reduce operational bottlenecks, accelerate the development of new products, comply with ever-shifting regulations, fulfill customers' expectations, and ultimately help your business thrive, ahead of the competition.

Is a BPM solution right for your company? And if so, how best to get started? In the following guide, we'll introduce you to Business Process Management, its value to business, and the potential it holds to help your company unleash its process power. We'll show how BPM can help you design operations that can quickly respond to change, ensure your IT reflects business reality, forge a more cohesive workforce, improve the management of risk, find and fix inefficiencies, simplify the customer journey to improve satisfaction, and utilize process mining insights to make intelligent, informed decisions. To start, though, we'll dive a little deeper into a few of BPM's core uses.

What is the Value of Business Process Management?

Forging a <u>supply chain</u> that's fit to withstand the most unforeseen of crises is an example of BPM at its best. Yet BPM's utility extends far more broadly—to challenges impacting corporate, IT, and business. Are you seeking to improve cost efficiency, reimagine customer journeys, get in-depth business insights, quickly adapt to new laws and regulations, or optimize your processes to bring strategy to life? Is your company searching for a tool to embrace strategic change?

Business Process Management can help you achieve:

Process Transformation

As the global supply chain crisis has laid bare, market conditions can change at a moment's notice—and success in today's business world demands lightning quick evolution to stay ahead of the competition. That's the purpose of business process transformation: to recognize new opportunities, observe and adapt to shifting market realities, and agree on a structured plan to continuously transform your business based on new, stronger foundations. A business process analysis (BPA) and management platform provides a foundation to keep strategy and operations aligned and orient all employees around a "single way of working." It can help you forge a deep transformation of your business model, support IT/cloud migrations, and place your strategic vision into practice across your operations.

Managing Business Processes: Five Best Practices

- 1. Follow the people, process, and technology principles, and not the other way around.
- 2. Establish clear goals—and ways to measure them.
- 3. Start small, in clearly defined steps. Use early successes to inform future projects.
- 4. Find yourself a C-suite advocate. BPM will only deliver if management is on board.
- 5. Organization is key: make sure you have clearly defined roles for process governance.

Operational Excellence

To be to be successful in re-imagining and transforming your entire organization, you need to align your business vision (how to win in the market) with your operating vision (how you run your business). By aligning your organization end-to-end with an adaptive **enterprise management system**, you'll gain greater visibility into your operations—and be able to make impactful, future proof business decisions. You'll gain the ability to roll out your operating procedures and policies organization-wide in a shared, single source of truth based on automated process governance. Anyone, anywhere, anytime, can contribute to your transformation. By embracing **process mining**, you'll be able to measure how your processes execute, and how this differs from their processes as planned. You can then go back and fix any discrepancies—before they impact your bottom line.

Sustainability

Not long ago, sustainability was a buzzword that had little to do with your bottom line. Today it's at the heart of everything—from brand reputation, to innovation, to growing revenues and maintaining a thriving business. As a business leader, this new normal can feel daunting: no matter your industry, you're likely to confront a growing number of policies, standards, laws, and regulatory frameworks designed to forge a greener, more equitable, and climate-friendly world. How to best navigate this sustainability jungle? A "Green BPM" solution, allows your company to **put processes at the heart of your ESG strategy** to achieve your sustainability goals and secure your brand's reputation—ahead of the competition.

Business Continuity

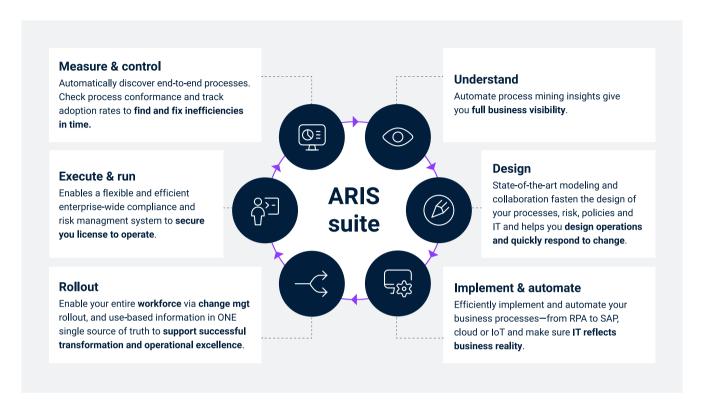
Even before the Covid-19 pandemic put global production, distribution, supplier networks and demand out of sync, business continuity and resilience were of rising importance. Today, resilience means being able to react with flexibility to rapidly changing markets—emerging stronger after weathering a crisis. BPM can boost your business continuity by prioritizing risks and business impacts, defining and prioritizing measures to counter them, integrating lessons learned from past crises, and designing recovery strategies and updated controls to adapt your processes and to lead your company through the chaos.

Toward Business Process Transformation—with ARIS

Is your company ready to embrace business transformation? At Software AG, we've long believed the key lies in your processes. Our market-leading product suite, ARIS, has been there from the beginning: ARIS' founder, Dr. August-Wilhelm Scheer, is a BPM pioneer, who developed the tool in the early 1990s as a way to diagram and model continuous process improvement based on actual process performance. For 30 years, ARIS has been the #1 business process analysis and management software solution for organizations seeking to embrace digital transformation. ARIS enables tightly managed and controlled business change—enterprise wide, across departments, hierarchy, systems, and locations. It gives stakeholders the tools and insights they need to make better decisions—and paves the way to operational excellence.

No matter what your business does or what size it is, ARIS can do it all: it's the only BPM software on the market that supports your transformation from strategy down to operations, and throughout the six BPM phases—from understand, process design, implement & automate, rollout, execute & run, to measure and control. ARIS acts like a "one stop shop" for your one way of working. It's the only solution on the market that combines modeling and mining into a single tool, unlocking advantages you're unlikely to achieve in a standalone scenario. It can help you forge a deep transformation of your business model, support IT/cloud migrations, and place your strategic vision into practice across your operations.

What are the six phases of the Business Process Management lifecycle?



Real life examples and applications of BPM

Learn how ARIS can guide you through the business process management lifecycle—with insights from Software AG customers across energy, retail, food & beverage, healthcare, banking, and product development:

CUSTOMER STORY

Understand

Any process/transformation journey begins with understanding the existing processes at play: by collecting information from departments across the company that are often working in silos and using different tools and formats. The efficiency gains from this first phase can be dramatic: Enzen, a global leader in sustainable energy and water management, turned to ARIS to document and share its business models with clients—and cut its service delivery time in half.

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Design

Using BPM to design better, more efficient processes lets you to respond quickly to changing business or market requirements. Before embracing ARIS, the multinational grocery retailer Tesco was constantly reworking its processes, which hampered its decision-making ability and created an inconsistent customer experience. Now, with a digital single source of truth for process design, it has complete control over its processes worldwide.

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Implement & automate

By aligning your processes to IT, and embracing process automation, you can achieve unprecedented productivity gains—from RPA to SAP*, cloud or IoT. Alicorp, a Latin American food production giant, turned to ARIS to integrate and standardize more than 60 years of core business processes. The result? A single source of truth that's helping the company unify all technologies across nine different countries.

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Process rollout

How well you roll out new business processes is critical to managing change across your entire workforce—and to positioning your company for the future. The Phoenix Group, a leading European healthcare provider, needed a way to more effectively onboard new users while optimizing workflows, leveraging pre-defined roles, and avoiding costly duplication of roles and processes. Learn how ARIS helped it created a more transparent user experience.

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Execute & run

Protecting your business from risks of non-compliance is more important now than ever. Like many financial services providers, Austria's OeKB faced strict and increasingly complex banking regulations. With ARES, it seamlessly integrated its processes, risks, and controls into a central enterprise management system. Ensuring its license to operate is now easier than ever.

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Measure & control

The ability to monitor process conformance in real time is one of BPM's hallmarks: above all, it allows companies to find and fix inefficiencies before they proliferate. Huaquin Technology, a Shanghai-based developer of smart devices, embraced ARIS to measure and control its end-to-end R&D lifecycle. The result? Staff could spot and correct errors immediately, driving a timelier, more cost-effective product development process.

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Benefits of Business Process Management—and ARIS

Not only does ARIS master the BPM basics: it also helps companies embrace other business disciplines, from process mining to risk & compliance.

- Process Mining. Have you already invested time in mapping and designing your business processes? If so, perhaps you've wondered whether your colleagues working with these processes are doing so as you envisioned? Process mining, a method of analysis that "mines" all your process data for discovery and continuous improvement, can help you reach the next level of process maturity. With ARIS Process Mining, you'll ensure both conformance and compliance by uncovering gaps that require adjustments to the design, the underlying systems, or the need for additional training for your workforce. You'll gain critical insights that will allow you to understand how your business actually functions—and make the necessary changes for your processes to execute as planned.
- Risk & Compliance. No matter your industry, if you're a business leader, you're thinking about risk—from supply chains, to compliance with regulations, to the theft of digital resources and breaches of data security. In today's digital world, where big data and IoT have creased an entirely new information network, proactively managing risk matters more than ever. ARIS Risk & Compliance Management allows your company to take a process-focused approach to building, implementing, and operating an enterprise-wide compliance and risk management system. You'll be better prepared than ever to identify and document risk, meet core regulations, manage incidents and loss, conduct enterprise audits, and confirm new procedures. You'll have the peace of mind that you're doing everything in your power to protect and preserve your company integrity.

Can your processes handle the pressure?

Is your company ready to unleash your process power? To commit to continuous improvement that will help you put in place your strategic vision and weather the pressure of the next unforeseen global crisis? Get in touch to learn more about how ARIS can drive your business process transformation and operational excellence.

You may also like:

ANALYST REPORT

The Total Economic Impact of ARIS

When it comes to investing in your next business transformation initiative, see what benefits you can expect by choosing ARIS. Read The Total Economic Impact* of Software AG ARIS by Forrester Consulting.

Read study >

GUIDE

A guide to achieving your ESG objectives

Navigating all of the policies, laws and regulations designed to forge a sustainable world can feel overwhelming. But it doesn't have to. Get the guide to achieving your ESG objectives by putting the right processes in place.

Read Guide >

Try ARIS for free

Start your free 30-day trial of ARIS, Software AG's business process analysis platform that allows you to design, document, analyze—then optimize—your business-critical processes. Process excellence awaits!

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Contact our Experts today: www.softwareag.com/aris-contact

ABOUT SOFTWARE AG

Software AG simplifies the connected world. Founded in 1969, it helps deliver the experiences that employees, partners and customers now expect. Its technology creates the digital backbone that integrates applications, devices, data and clouds; empowers streamlined processes; and connects "things" like sensors, devices and machines. It helps 10,000+ organizations to become a truly connected enterprise and make smarter decisions, faster. The company has more than 5,000 employees across more than 70 countries and annual revenue of over €830 million.

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