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# Process more critical than technology

**It is more important to look at processes and see how one can transform the same to create substantial value. Technology is just an enabler**

M Muneer

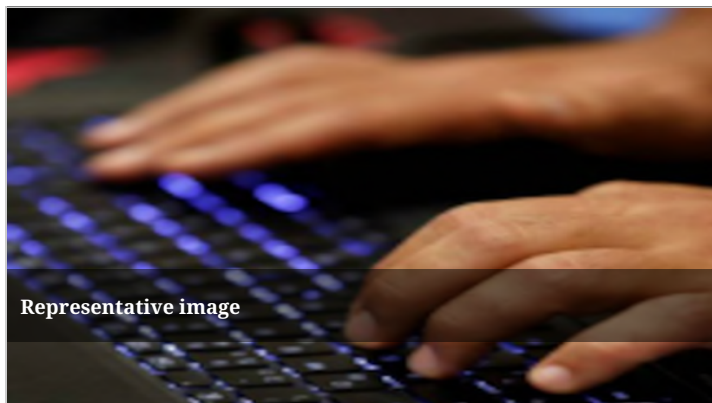


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Remember the saying by tech gurus: "The technology's the easy part. Changing people and processes is the hard part."



Representative image

The importance of changing business processes to get full value out of technology investment is gaining currency more than ever in

these times of fleeting competitive advantages and pandemic crisis. The large investments in cloud technology, the demand for real-time data, the increasingly complex tie-ups between business stakeholders, and the growing pressure to cut costs in a tight economy all have CTOs of customer companies and CEOs of supplier companies talking the same language about business processes. It is more important to look at processes and see how one can transform the same to create substantial value. Technology is just an enabler.



Once the process improvement is done, appropriate technology should be looked into to bring about the changes. Today most companies approach business processes with technology woven into the efforts. Call it the mobile age or whatever where we are comfortable letting the drop down menu dictate our thinking rather than using the best computer of all...our own brains. When one implements enterprise resource planning (ERP) system, it is very critical

to have clarity on one's business processes. As it does not happen that way, most ERP systems have major problems once installed. Unless the managers look at technology as an aid to drive business it is very difficult for any technology to drive business improvement.

Companies that sell technology solutions are focused on business users' goals and are evolving their sales messages away from just positioning technology to promoting new ways of doing business. That focus is a big reason why IBM bought PricewaterhouseCoopers' business-consulting practice and why top executives at vendors such as PeopleSoft and Cisco Systems are talking about the need to help customers examine their business processes.

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These companies are responding in part to a general sense among businesses that they want more value out of the enormous investment they have made in technology. According to one of our clients, where we are helping them implement Balanced Scorecard, the technology investments they have made resulted in great returns only because we forced them to drive the behavioural changes and the business-process changes.

In the early 1990s, thought leaders advocated reengineering, and this is what the tech folks are talking about today. Reengineering mantra happened when there was a recession. No wonder similar sentiments are echoed now with world economy is facing its biggest double dip recession. With sales and profits down and little room for price increases, companies made major layoffs but still needed to cut costs. What is different today is the role technology plays in business. When reengineering was the buzzword years ago, changes were enabled not by technology, but by process changes in terms of cutting down cycle time, etc. Nobody talked about technology then.

Ideally executives should first examine business process changes and then decide on the technology. I can tell you about a large bank client that implemented an automated purchase-order system a few years ago. The rollout took longer than planned because IT staffers found it harder than anticipated to integrate the system into the bank's back-end system. And bank employees made relatively few purchases through the system, so the return on investment didn't meet expectations. Bank CEO raised the possibility of pulling the plug, but based on our advice, they reworked the underlying purchase-order business processes to exploit the system. But it is not the best of situations.

As an example of how new technology can sometimes aid the process change, a leading technology company is exploring technology that lets managers change business procedures with the mere movement of a mouse. For instance, the process of sending supplies destined for one manufacturing plant to another one can be easily changed using such tools. That's because the tools separate the application layer from the business processes, no longer requiring programmers to rewrite core code when a process changes. That empowers business managers in developing processes without needing IT to intervene.

Top IT executives tout business-process change as central to the value their systems can add. Vendors making products that can change more easily with companies' changing business processes makes sense to customers. It includes applications that support business processes such as customers ordering online and negotiating prices.

Technology also can help enforce a business process. That was exactly the problem faced by a healthcare client. Staff members would often ignore hospital policy and order supplies from unauthorised sellers or without necessary approvals. The medical centre forced everyone to use an online purchase-order system to place any order, which eliminated deviations in the process because it won't let buyers skip steps. By using technology the client saved more than 200 percent on process costs for purchasing alone.

While it is true that changing the business processes is complicated and costly, a collaborative effort with client executives and vendors can help make the migration much easier.



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*Smart Growth is a column is about smarter ways to drive manage, innovate and grow true business whether it is small, medium or large but mostly focused on tips and ideas for the SME sector. This weekly column will deal with diverse topics ranging from leadership, branding and marketing, innovation and processes.*

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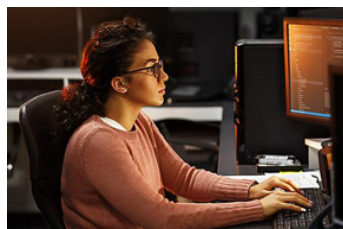
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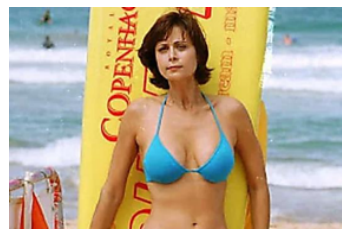
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