DELIVERING SUSTAINED VALUE WITH TASK AND WORK MANAGEMENT SOFTWARE

The ROI of Human to Human Workflow

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Setting the Stage –Task and Work Management Defined

Jim Collins writes in *Good to Great* that "good is the enemy of great" – an important lesson for any business seeking to remain competitive and relevant. Years before, however, Aristotle, Confucius and Voltaire proclaimed that "perfect is the enemy of good" which captures the challenge faced by many organizations when they attempt to deploy an enterprise-wide business process management (BPM) solution. Driven by multiple factors including the complexity created by the evaluation and selection of methodologies, implementation of process standards, and tool selection it can easily take a year or more (or, in the case of the FBI, 12 years and $600M[1]) before a working system is in place and it can be difficult to determine whether the expected benefits are being realized when a production system is fully operational. While some things like wine and cheese may get better with age, BPM projects rarely do and the six-month rule is a useful reference.

> **The Six-Month Rule: Get your project into production within six months. Every day after that is on borrowed time and is at greater risk, like penalty time in a soccer game.[2]**

With this in mind it is important to take a step back and ask why firms even consider BPM in the first place. In most cases the need arises from a requirement to improve communication and better manage human-to-human workflow, or to empower an organization's stakeholders to produce more consistent or compliant results. Ideally, the focus should include optimizing the performance of end-to-end business processes that span functions, as well as processes, that might extend beyond the enterprise to include partners, suppliers, and customers across the value chain. Taking a process view allows companies to analyze and improve the way work is done which in turn helps to reduce costs, improve output consistency and quality, increase productivity, and manage risks. Unfortunately, this is easier said than done as the business processes in many organizations are inefficient, outdated, undocumented, or simply anecdotal. With BPM every stakeholder has a clear view of what comes next. BPM emphasizes process optimization to create processes which are resilient in the face of today's changing business climate.

While Sarbanes-Oxley was a catalyst, the need for transparency and accountability continues to grow. Businesses need to prove consistent process execution, support due diligence, and reduce process failures. Taking a holistic view from start to finish and incorporating employee tasks, communication activities, and integration with other systems produces efficient, structured processes.

Task and Work Management is a subset of BPM and the BPM software space can generally be broken down into three distinct categories:

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[1] Perez, Evan. "FBI Files Go Digital, After Years of Delays." *The Wall Street Journal.* 1 August 2012. Web. 18 January 2013

[2] Francis, S. (2012, August 21). [Web log message]. Retrieved from http://www.bp-3.com/blogs/2012/08/the-six-month-rule/

- BPM Suites,
- PPM (Project Portfolio Management) Solutions, and
- Enterprise Task and Work Management Solutions.

BPM Suites (BPMS) are highly customizable applications and are typically best suited for large organizations or departments with more than 100 users who have complete end-to-end business processes predetermined and accurately pre-mapped. In particular, these suites are a good fit for those who desire solutions for long term, large scale steady state business processes where niche solutions do not exist. Most depend on embedded proprietary Modeling and Simulation Features, Data Integration Suites, and Service Bus solutions. A downside to most BPMS is that they lack the agility and ease of use to respond to changing business requirements and are often better suited to managing processes between systems, rather than people.

A typical BPMS implementation can span 12 to 36 months, requires a dedicated team and/or consultants for ongoing support, along with ongoing customization by programmers and IT staff once implemented. While offering an exceptional mix of features and functionality, BPMS acquisition and implementation costs typically range from $1-3M, notwithstanding the FBI example referenced above, with ongoing maintenance, training, and support running an additional 25-30% annually.

The impacts of a lengthy BPMS implementation project can be significant, especially if the initial 4-6 months are spent simply on requirements analysis and planning. The additional workload placed on staff negatively impacts productivity and even once the project is "complete" there can be a steep learning curve with benefits realized gradually over several years.

PPM solutions are excellent tools for traditional Project Managers, who have a portfolio of non-recurring projects to complete and desire to monitor the status and history of those projects and to create and delegate tasks within them. While most offer robust features in the area of traditional Project Management, PPM Solutions are typically not well suited for recurring processes, ad-hoc tasks, or those tasks that may need to flow through numerous stages, or various individuals and departments before completion. PPM solutions are typically designed to manage an inventory of projects with a well-defined start and finish and many offer Gantt based planning tools. While there are some exceptions, few PPM solutions offer workflow capabilities and those that do rarely go beyond simple approval processes. Therefore, PPM solutions are excellent for Project Management needs, but not well suited for the management of ad hoc, recurring, or ongoing processes with complex or dynamic workflows.

Task-Centric Process Management (TCPM) solutions enable rapid definition, delegation, and automated distribution and routing of tasks through both ad-hoc and predefined business channels and assignment routes. These solutions make work and workloads more visible, searchable, and accountable through the standardization and automation of business process and interactive status

communication. While work may be organized under master projects, programs, or processes, task management systems organize the directives, details, routing, rules, and artifacts of task instances into searchable and routable discrete units.

TCPM is quickly emerging as the fastest, leanest, and most agile approach available for quickly delivering scalable value to organizations interested in implementing BPM initiatives offering improved communication, collaboration, transparency, accountability and work visibility. By focusing on tasks and the forms, artifacts, and workflow models that support them, common human-to-human workflows can be defined and aggregated from the top down, or they can be defined at lower and more granular levels and allowed to naturally evolve into larger business processes. Repeatable and cross functional activities such as employee on-boarding, trade show and event planning, new product development, marketing services, facility maintenance and IT support are representative use cases.

Task-centric solutions are more quickly adapted to micro and macro change than larger solutions that only support top down models because the scope of change can be contained locally, facilitating decision making closer to the problem and closer to the available subject matter expertise. As such, task-centric solutions are often deployed at departmental or team levels first and larger emerging business processes can be organically interconnected as the solutions are scaled. For many organizations TCPM delivers 80% of the value and utility of a full BPMS at 20% (or less) of the total time and cost.

Evolving Business and Technology Landscape

Two key forces are shaping the way business looks by 2015 – empowered, self-sufficient, and tech-savvy employees combined with business-ready, self-service technology. The former comes from a

generation that has grown up with technology. They bypass user manuals and often don't have the time or patience to wait for a centralized IT department to deliver a reformatted report. The latter is driven by any number of public and private cloud-based solutions which are delivered on-demand and can be easily configured to support the requirements of each user. However, most IT organizations were designed with a "built to last" and not a "built to change" mindset and lack the required level of agility to adapt which creates conflict with these paradigms and slows the adoption of new approaches.

| How the customer explained it | How the project leader understood it | How the business consultant described it |
| How the analyst designed it | How the programmer wrote it | What the customer really wanted |

This new reality represents a different take on the divide that has existed between business and IT and it
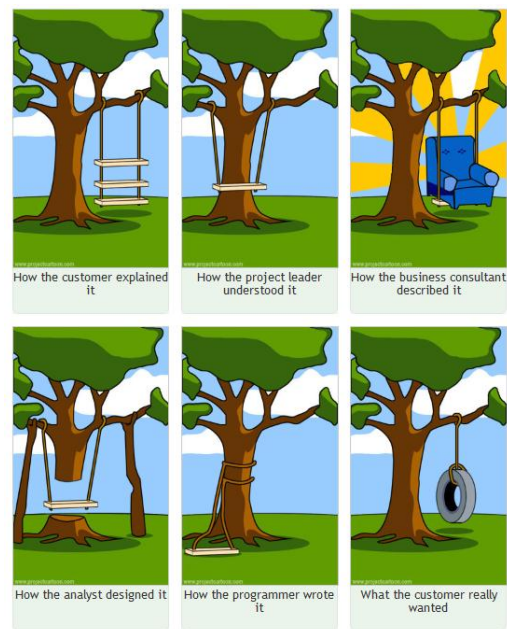
is at the core of what prevents rapid and sustained process improvement. Business users often rely on tools like Microsoft Visio to document workflows since they are simple to use and the output is then turned over to analysts, consultants, or product specialists who are responsible for implementation. The tools aimed at developers and other technical users rely on proprietary APIs, web standards, and application-specific programming languages to translate user requirements into a usable solution. Often what the user wants gets lost in translation as the developers are unfamiliar with the underlying process rules and it is difficult for business users to translate their requirements into the appropriate technical terms. What is needed is a solution which puts the control back in the hands of business users who can complete 80-90% of the work themselves and engage IT for activities such as integration with external systems.
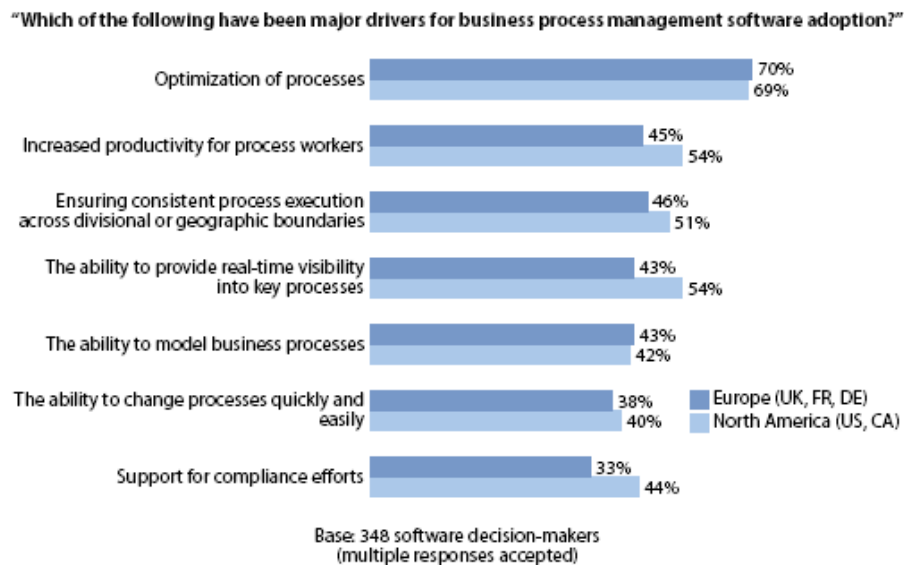
"Which of the following have been major drivers for business process management software adoption?"

	Europe (UK, FR, DE)	North America (US, CA)
Optimization of processes	70%	69%
Increased productivity for process workers	45%	54%
Ensuring consistent process execution across divisional or geographic boundaries	46%	51%
The ability to provide real-time visibility into key processes	43%	54%
The ability to model business processes	43%	42%
The ability to change processes quickly and easily	38%	40%
Support for compliance efforts	33%	44%

Base: 348 software decision-makers
(multiple responses accepted)

Figure 1 - Major Drivers for BPM Software Adoption

Source: Forrester's Forrsights Software Survey Q4, 2010[3]

Why are Task and Work Management Solutions Important?

Task and work management solutions coordinate interactions between people and software systems. It coordinates the flow – the interaction patterns across manual and systematized tasks. As a technology, it has existed for at least the last 20 years and it has evolved from often being a technology that is embedded within individual applications to being a middleware-like technology, shared as a utility across multiple applications, or a coordinating hub between them. Workflow is a crucial element in fostering process compliance and consistency.

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[3] Forrester Research Forrsights Software Survey Q4, 2010

Managing business processes with a task-centric workflow system focuses an organization on the actual bits of work which must be completed in order to keep the business moving forward. It also accelerates the pace of transformation within an organization, establishing and maintaining competitive advantage through operational efficiencies, consistent delivery, and superior visibility and management metrics.

When there are only a handful of employees, it is easy for a manager to delegate tasks and monitor results in an informal way, because everyone is sitting in the same office. As an organization grows in both numbers and locations the increasing pressure of multitasking requires a different approach. Many companies try to address this with e-mail, Microsoft Outlook Tasks or Microsoft Excel, but none of these options scale with growth. In addition, these tools provide limited visibility, no collaboration, and lack an easy way to update or reassign tasks.

In today's ever-changing business environment, a pen and a piece of paper are no longer enough for a manager's success. Without effective software tools for task management and team collaboration, a manager is left empty-handed against the information flood. The constant flow of new data, rescheduled deadlines, and modified requirements needs to be quickly processed by the manager and communicated to the whole team, but without a tool these bits of vital information often dive under the radar only to resurface with the resulting crises.
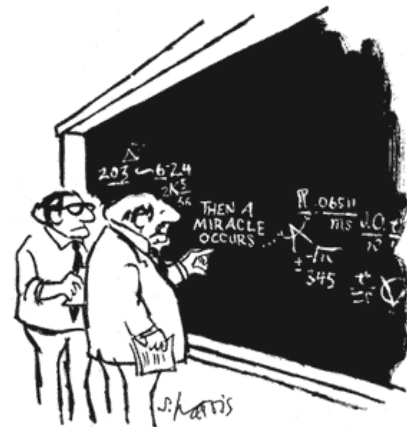
It does not need to be this way. With disciplined planning and forethought you can develop workflows that coordinate everyone's efforts so that the right things happen at the right time. Workflows aren't meant to replace workers, but rather to let your team members focus on their own work while giving them (and you) visibility into the process as a whole. The measurement and metrics now available to be gleaned provide the data needed to continuously evolve those processes. Workflows also let you apply operational "best practices" to the informal but similar projects that will inevitably come up.

The results available to organizations can be compared to the success experienced by a franchise business through the standardization of processes, workflows, training, and production mechanisms.

A single request may impact multiple work areas sequentially or in parallel, but the workers are not required to be aware of the "big picture" in order to keep up with demand. Rather, the system is responsible for distributing tasks to the areas that will address them, allowing workers to focus on less complex portions of an otherwise complex process and deliver their part in short order. This individual focus allows the organization as a whole to scale work volumes or speed significantly, without developing the centers of risk equated with simply pushing workers towards further error prone levels of multitasking.

A TCPM solution also provides the ability to require the gathering and entry of certain information artifacts at the correct points throughout a business process' lifecycle, as well as the automation of workflow and task division and distribution. This ensures that workers have the localized visibility and information they need to quickly process tasks consistently and effectively, without requiring the noise or physical proximity of a manually collaborative environment.
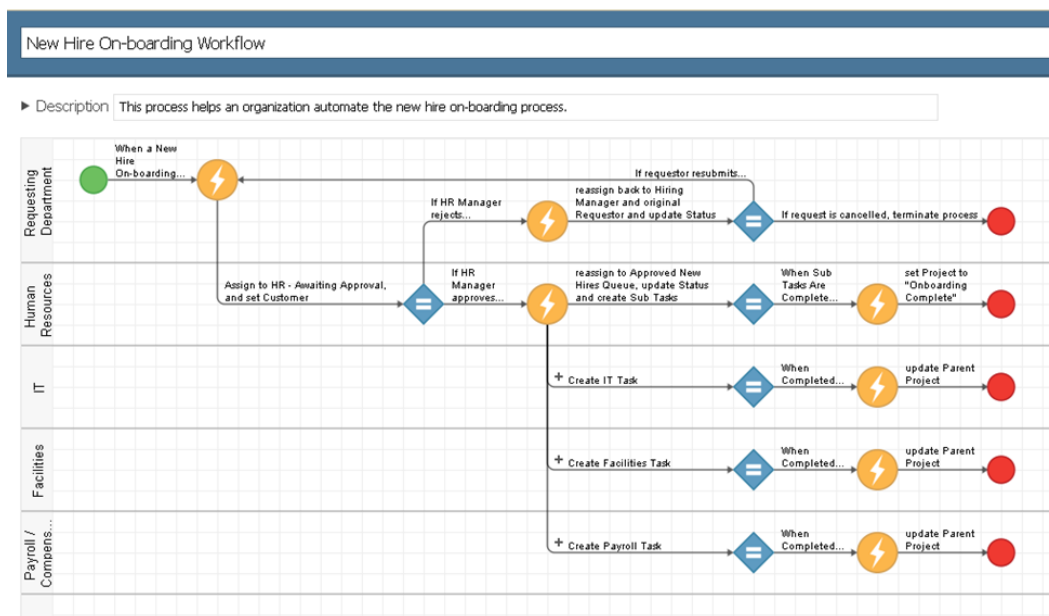
When this is applied at a larger scale, or to more complex and distributed business processes, the outcomes of noise reduction, less e-mail and status calls, and productivity enhancement are similar. Less time is spent trying to interpret the results in a noisy environment (regardless of whether that noise is local, email, or phone based), fewer communication queues are created, and more time is spent producing useful work. There is also less rework because of the proper collection of needed items along the way. An additional benefit of the disaggregated automation of simple or complex multi-stage processes is that dynamic metrics naturally emerge because discretely measurable units of work are increasingly well-defined. It is challenging to accurately record and measure these units of work in most environments, nearly impossible in non-automated environments or PPM Centric solutions, and difficult in abstract process-centric BPM solutions as well as in many home-grown systems. But this level of dynamic visibility is paramount and must not be compromised because it

lends itself to continuous improvement at a granular level where the most value can be achieved, yet the impact on high level processes can also quickly be analyzed. This enables both real-time course corrections and the rapid detection of newly created downstream backlogs.

TCPM, or Task-Centric BPM, provides a combination of both disaggregation and re-aggregation of work steps. Metrics are available not only for individual steps, but also for the overall processes they support, whether they be a collection or progression of tasks. Steps that are determined to be redundant are removed in minutes. Steps that need to be refined or further automated are modified without impact to other stages in a process. This high level of fluidity is the reason that Task-Centric BPM Solutions have emerged as recognized leaders in delivering sustainable ROI through high worker productivity enhancements. The rapid process automation and continuous incremental improvements enabled by these solutions allows ROIs to be achieved sooner and incremented as you go.

> **"…leading organizations embrace business process management methodologies that drive rapid process change, increased business engagement, and dramatic improvements in worker productivity."**

According to Clay Richardson, Senior Analyst at Forrester, "Even the most traditional firms now realize that the pace of business change has accelerated to the point where they must build dynamic, fluid business models that can adapt to new competitive threats and business opportunities. At the dawn of the 21st century, a growing number of firms now view business processes as the primary driver of real transformation— looking beyond simple IT-driven transformation approaches that yield only incremental improvement. Instead of deploying slow-to-change niche applications or building difficult-to-change custom solutions, leading organizations embrace business process management methodologies that drive rapid process change, increased business engagement, and dramatic improvements in worker productivity."[4]

TCPM ROI Realization

Organizations which opt to implement a TCPM solution should recognize both quantitative and qualitative benefits once the solution reaches production. Establishing performance benchmarks during the planning process, along with modeling the current and desired future state play a role in evaluating whether anticipated benefits are being realized. Past research shows leading workflow management software tools improve worker productivity by reducing time spent rerouting tasks, improved exception handling and consistency of process execution results in productivity savings of 30-50% for clerical/back office functions and 20-25% for knowledge worker functions.

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[4] The ROI of BPM, August 22, 2011 by Clay Richardson, Senior Analyst, Forrester Research

Return on investment (ROI) is a performance measure used to evaluate the efficiency of an investment or to compare the efficiency of a number of different investments and is derived with a simple formula:

ROI % = (gain from investment - cost of investment) / cost of investment * 100

Since BPM projects focus on a combination of process improvement and technology change to drive increased revenue and/or decreased costs an ROI calculation will assist stakeholders in evaluating whether the project drives the expected value or return. While some BPM benefits are "soft" or intangible (e.g., increased customer satisfaction), there are hard costs and benefits (e.g., reduced headcount). Adapting the above formula for a BPM project looks like this:

ROI % = (Estimated Improvement $ – Estimated Project Cost) / Estimated Project Cost * 100

As an example, assume that ACME Propulsion Systems wants to implement a BPM solution in order to streamline operations, improve internal communication and increase revenues by 10% from $4M to $4.4M. The estimated cost of the core business process is $3.2M and the goal is to reduce this by 8% or $256,000 with another $40,000 in direct costs. In addition, ACME anticipates eliminating 2 FTEs with a fully burdened cost of $120,000. ACME will need to engage a consulting firm to assist with the implementation at a cost of $60,000. The BPM software and required hardware add $150,000 and $25,000, respectively, to the project's total cost.

A simple table quickly shows the BPM project's anticipated value.

BPM ROI Worksheet - ACME Propulsion Systems

	Process Improvement	$ 256,000	*Current Cost * % improvement*
+	Increased Revenue	$ 400,000	
+	Direct Cost Reduction	$ 40,000	*Non-labor Costs (e.g., postage, facilities)*
+	Labor Cost Reduction	$ 120,000	*FTE * Loaded Cost (salary & bebefits)*
=	**Estimated Improvement (Savings)**	$ 816,000	

	Implementation Fees	$ 60,000	*Project Management, Implementation, SME*
+	Hardware Costs	$ 25,000	
+	Software Costs	$ 150,000	
=	**Estimated Project Costs**	$ 235,000	

Retun on Investment	**247%**

During the planning process organizations often discover that many projects are similar and that they actually have smaller processes embedded within them – for example, approvals and reviews –

where things have to happen in a certain order, with dependencies. Automated workflows which reflect those processes contribute to the overall benefits which compound and accrue with TCPM.

Qualitative Improvement Drives Quantifiable Benefit

While cost-cutting is the traditional, and often primary, justification supporting BPM and TCPM projects, organizations often realize a range of topline benefits as a result of a stronger process orientation or an improved customer experience. Simple changes such as eliminating redundant data entry across multiple systems – having application programming interfaces (APIs) perform this function – is one way of driving increased operational efficiencies. In a similar vein, reducing the amount of time spent routing and rerouting tasks, more timely notification of exceptions and a general improvement in process execution consistency yields worker productivity improvements and increased stakeholder satisfaction.

Benefit – Rapid deployment of process changes

- Quickly adapt to changing business requirements
- Agile: Configurable by business experts – no IT expertise required
- Mobile: Access from anywhere
- Open: Integrate with anything
- Breaks through common configuration constraints
- Provide the ability to keep up with the pace of change in regulations

Benefit – Improved worker productivity

- Eliminate duplicate data entry in legacy systems
- Automate recurring processes
    - Enforce procedures and timelines
    - Effective rule-based routing of work items
- Decrease process cycle times
- Increase efficiency of decision making
- Increase consistency of process execution
- Decrease negative impact of worker turn over
- Train new workers in less time

Benefit – Process visibility

- Hierarchical and proactive visibility of all activity
- Workers know what they should be doing
- Gather objective metrics to justify team staffing
- Identify and resolve bottleneck tasks
- Team productivity analysis

Benefit – Engagement with business stakeholders, customers, and vendors

- Provide a collaborative environment
- Eliminate end-to-end process gaps
- Record task-related collaboration
- Store and retrieve work artifacts
- Streamline multi-department processes
- Centralize data for reference and reporting
- Manage and control customer access

Making the Right Choice and Pitfalls to Avoid

The previous sections of this whitepaper have offered context and the value proposition supporting the implementation of a TCPM solution, but what separates a good solution from one that is simply adequate? A quick Google search for "task management software" or "workflow management software" yields dozens of results with varying degrees of capability and costs ranging from a few hundred dollars to $250,000 or more. With so many options, how do you avoid selecting a solution which cannot deliver the expected benefits and ROI?

The best answer can be summed up in a single word – agility! Enterprise task management projects demand the ability to pivot in the face of changing requirements which significantly increases utility, value, and ultimately, ROI. The ideal solution should be like a box of Lego pieces, but instead of being used to build a fighter jet today and the Eiffel Tower tomorrow the solution may start off supporting marketing services before tackling purchasing, HR and IT, each with uniquely different use cases. However, many solutions are designed to do one thing exceptionally well – call them 'unitaskers' – but when you want to apply them to a slightly different business need they either fail or perform badly. Think about a butter knife – it is the perfect tool at breakfast, but a poor substitute when you need to tighten a screw.

 While every business is different, there are core features and functionality which should be part of the evaluation process. Vendors that effectively address each of the following criteria offer the best opportunity for delivering solutions which provide utility and sustained ROI.

Ease of implementation	Focused on quickly deploying a production environment and empowering stakeholders with the skills to assume day-to-day system ownership
Ease of configuration	Forms, fields and reports are customizable to business-specific reqirements with limited IT/technical support
User Experience	Provide a familiar and easy-to-use interface
Workflow Design	Offer a visual workflow tool with "drag and drop" functionality which does not require IT support to implement and deploy
Rules Engine	Flexible and easy-to-use rules engine to support task creation, routing, assignment and escalation
Document Management	Ability to attach content in any format (e.g., documents, images, sound, video) with version control
Business Intelligence and Reporting	Fully integrated with configuration tools. Powerful and user-friendly report designer
Security	Flexible permission-based security architecture which allows access to be tailored based on role
Accessibility	Browser-agnostic and accessible via any web-enabled mobile device - iOS and Android
Platform Flexibility	Licensing support for both on-premise and SaaS environments
E-mail Integration	Notifications and task assignments provided via Microsoft Outlook and/or Gmail
Scalability	Support 5 user workgroup through 5000+ user enterprise with identical platform and functionality
Licensing	Flexible model which encourages integration of internal and external stakeholders into end-to-end process workflows
Templates	Allow for fast and easy creation of recurring tasks and projects
API	Support mashups and integration with 3rd party software applications

Figure 2 - Core TCPM Capabilities

About Swift Software

Swift Software is the developer of JobTraQ, Task Management and Workflow software for the enterprise.

The first version of JobTraQ® was developed in 2001 to fulfill an internal efficiency need identified by our parent company, a regional IT services and consulting firm. The resulting technology empowered half a decade of 50% annual growth in top line sales and productivity without a parallel growth in staff size or administrative overhead. The ability to track every task through to effective delivery differentiated the company, and soon clients were asking for access to this increasingly powerful task-centric solution. Today, JobTraQ is used by leading companies and organizations worldwide including TransCanada, Total, NASA, Schlumberger, Fifth Third Bank, and RBS.

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JobTraQ®: Agile Task, Project and Program Management, with Enterprise Grade Workflow and Powerful Business Intelligence and Reporting