IMS 5047 - MANAGING BUSINESS RECORDS

TOPIC 2 - WEEK 5

WORKFLOW - BUSINESS PROCESS RE-ENGINEERING

Further reading…

These notes are based on material prepared by Anne Picot, with some additional material by Barbara Reed and Frank Upward. The material is not to be used by bodies other than Monash University students in the course of study without their permission, and in all cases must carry appropriate attribution.

Business Process Re-engineering

Workflow is often used to automate existing processes, but those processes may be inefficient. Business process re-engineering is an advanced level of workflow analysis in which the aim is to improve the processes being automated.

This is likely to involve the documenting of the reasons for each constituent action in the sequence. It could be quite simple, eg, after describing each element a brief comment on the reasons for its existence is made. These can vary from a legal reference through to the requirements of a computer application being used, reference to procedures manuals, local practices and audit requirements. This aspect should uncover the evidentiary requirements, and provides assistance in re-engineering the process.

To ensure that the data gathering and recording has been accurate, before designing new systems which re-engineer the process it is important to validate the description of the existing workflow with the participants who can also be involved in improving the process by suggesting improvements.

As a check on the validity of the description it should be scrutinised first by the original informants and then verified by other participants who also perform these duties or similar ones perhaps elsewhere in the organisation. The matters to be checked include:
  • are all elements in the activity included?
  • are the reasons for each element documented and correct?
  • is the sequence of elements correct?
  • are there variations to sequences which should be documented?
  • do the descriptions and terminology used reflect organisational usage so they can be easily understood?

Once the account of the existing workflow has been verified then the task of analysis to rationalise and codify can begin.
Analysis of the existing pattern for rationalization, codification of decision-making, identification of variations and contingencies, and assessing compliance to business rules and record keeping requirements.

This begins with scrutiny of both the purposes of the task and the way it is done:
- Why is it being done (do we need to do this)?
- Why is it being done as it is currently done?
For example, in many organizations, certain financial actions are deliberately broken down into small steps requiring separate authorizations to guard against fraud. Before modifying such workflows the reasons for those steps and risk implications of changing them need to be assessed.

Most activities consist of a routine pattern and variations, which occur when changes to certain key elements change the routine. It is necessary to identify the variations and why they occur to codify the decision-making, particularly if the aim of the workflow analysis is to automate the activity:
- What conditions are attached to approving/authorizing the activity to go ahead or be completed?
- Who authorizes or approves the key actions
- What happens if those key personnel are not available?
- What are the key materials and systems needed to perform the workflow?
- What happens if all conditions are not met?
- Which are the key conditions, which must be met to authorize the activity?
- What are the procedures which identify these conditions and any variations to them?
- If the workflow is re-routed, where does it go?
- What evidence of the activity is required?
- What happens if something goes wrong?
- How and where is the approval/authorization recorded?
- Have the organisation’s rules and legal requirements for this activity been met by the existing procedures?

This is the key component of the workflow analysis, which requires meticulous documentation, as it will form the analytical basis for the redesign and the justification for any changes proposed.

At the conclusion of this phase the sequence should be clearly documented and it should be possible to identify both redundant elements and any gaps in compliance.

Redesign to incorporate improvements to the workflow

This is based on the findings of the previous section, combined with the detailed account of the existing workflow and current resources required to perform it. It starts with looking at actions, which can be eliminated:
- Are there actions, which are repeated or redundant in certain circumstances?
- What happens if they are not completed?
- Are there actions, which can be performed in parallel or otherwise combined?
- Are there elements in the workflow which are vestiges of previous systems or required by old forms which could be eliminated?
- Can actions currently requiring approval at one level be authorized at a lower level or automated?
• Are there identified problems with certain elements in the existing process which need to be addressed?
• What are the risks of eliminating repeated or redundant elements or combining actions?

Codification of the main decisions and their variations in a workflow often offers the possibility of automating them:
• Can the elements, which routinely occur, be identified and structured into a form for a computer application?
• Does the activity have a relationship with other activities with which it might be economically combined?
• Have there been regulatory changes which eliminate the need for some actions or which require the incorporation of new ones?

Deciding to undertake workplace activities through a new medium such as the Internet requires meticulous analysis of the existing process to identify elements which may need a higher level of identification or expansion for the new medium. For example,
• is the organisation readily identifiable in an online transaction?
• are all the sequential elements in the activity visible and secured?
• are there regulatory requirements which are specific to the new medium and have they been met?
• does the new design for the process meet those requirements?

At the conclusion of this phase, the new design for the workflow should:
• identify elements or actions which can be eliminated and/or combined
• outline the new sequence proposed
• identify the sequence which can be automated with a recommendation for a suitable type of computer application to use
• assess the risks involved in changing the existing process and propose a means of managing them
• incorporate the elements needed to meet new medium and/or new regulatory requirements.