

Banking Business Process Management Implementation

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ABSTRACT

Scholars and practitioners in the fields of Business Process Management (BPM), performance measurement and business information systems tend to use different approaches for implementing BPM Programs without arguing about the quality strategy set to ensure successful implementation and adoption. This lack of quality standards makes it difficult for researchers and practitioners to build on each other's work. The purpose of this article is to present a model for a BPM Program implementation in the banking sector. The authors' four steps implementation model is based on a quality strategy monitoring the different phases of the entire procedure. Through this work, they aim to identify the key characteristics of a BPM system as well as open a debate on what are the necessary and sufficient conditions for the full implementation of a BPM Program. The authors review the relevant literature and present their BPM implementation approach. Based on their research, they presented a case study on the implementation of a BPM program in a Greek bank. Some of the subjects discussed included the integration plans for the projects, Human Resources management issues, and other concepts for the improvement of the bank's processes. The main part of the case study was the integration themes that the bank in question had identified and separated in order to produce a viable and continuous plan for the full implementation of the projects. The analysis in this paper provides an approach that researchers could use as a reference framework in their efforts for implementing BPM Programs in general and more specifically in banking sector.

KEYWORDS

BPM Implementation, Business Process Management, Greek Bank, Performance Measurement

1. INTRODUCTION

Business process management (BPM) is a set of methods, techniques, and tools that can support the design, performance measurement and analysis of operational business processes (Glykas, 2013, Glykas, 2015, Glykas & Johnnichen, 2017; van der Aalst et al., 2003). The existing opinions about BPM effectiveness and the validity of its methods are numerous and, in some cases, opposing one another resulting in controversial opinions about the correct approach towards it. Following the analyses of

DOI: 10.4018/IJPMAT.2018010104

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the different definitions of BPM, all opinions agree that there are two necessary prerequisites for its success: “appropriate performance measures” and “established supporting infrastructure” (Trkman, 2010). In the last two decades, the rapid rate of change in market conditions has boosted the importance of constantly changing and adapting human resources, processes, and organizational structures of the institution. The success of this constant change is continually monitored by performance measurement systems and other supporting managerial systems (Glykas, 2013b; Valiris & Glykas, 2000; Valiris & Glykas, 2004; Valiris & Glykas, 1999, Valiris & Glykas, 1999b; Holden et al., 1994).

This continual change has forced many companies that decided to initiate BPM projects to improve their business, though the adoption of BPM which can prove a daunting task (Vuksic, Glavan, & Susa, 2015). These companies have developed a wide range of performance indicators they review periodically, while some have very complex and sophisticated Process Management Systems (PMS) which allow them to track their processes in real time. Performance measures are designed, tested, and agreed upon for use, but there is no consensus or standards as to their nature or design. It is impossible to define a generic set of measures that should be included in any PMS (Franco-Santos et al., 2007).

An effective means of organizational performance evaluation is based on the systematic measurement of business process performance and is known as Process Performance Measurement (PPM) (Xirogiannis & Glykas, 2004; Xirogiannis & Glykas, 2004b; vom Brocke & Rosemann, 2010). PPM entails capturing qualitative and quantitative performance information about the processes and allows managers to examine the alignment of process performance with business goals and objectives (Vuksic, Glavan, & Susa, 2015). Via PPM, managers also perform comparisons (benchmarking) with other companies or evaluate process to best in class or business excellence process standards (Glykas et al., 1993c, 1993d).

A supporting infrastructure can vary from very simplistic manual methods of recording data to sophisticated information systems and supporting procedures which might include data acquisition, collation, sorting, analysis, interpretation, and dissemination (Neely, 1998), and the human resources required to support them (Kerssens-van Drongelen & Fisscher, 2003). A supporting infrastructure may be an explicit and instantly recognizable system and a set of processes that have been implemented as part of a discrete BPM system, or might be separate activities within other performance management processes that the BPM system functions (Xirogiannis & Glykas, 2008; Sezenias et al., 2013; Stakias et al., 2013; Plakoutsi et al. 2013; Glykas et al., 1993; Glykas et al., 1993b).

Ravesteyn and Versendaal (2007) defined BPM Systems as software applications that enable the modelling, execution, monitoring, and user representation of business processes and rules. They stressed that BPMSs are based on the integration of existing and new information systems that are orchestrated via services. IT support is needed in process modelling and analysis, and in process execution (Wilhelmij et al. 1993; Wilhelmij et al., 1993b; Holden & Glykas, 1994; vom Brocke & Rosemann, 2010). Today, many software applications to support BPM are available on the market. The importance of integrated performance measurement indicators in BPMS has been identified in the extant literature (Glykas, 2011).

2. BUSINESS PROCESS MANAGEMENT IN THE BANKING SECTOR

The theory and practices of BPM and, in particular, the modelling and analysis of processes have been used extensively in the banking sector (Xirogiannis et al., 2004b; Xirogiannis et al., 2004; Glykas & Xirogiannis, 2005). The increased competition and the necessity for better performance have driven many banking institutions to explore BPM in their effort to reengineer their processes and reduce their costs (Becker, Bergener, Räckers, Weiß, & Winkelmann, 2010; Becker, Breuker, Weiß, & Winkelmann, 2010; Weiß, 2011; Wu, Tzeng & Chen, 2009; Xirogiannis, Glykas & Staikouras, 2010).

According to Becker, Breuker, Weiß, and Winkelmann (2010), banks are not only interested in reducing their costs in BPM. They also aim at business process cycle time reduction, enhancing customer satisfaction as well as process redesign and restructuring to become more efficient. They

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