Addressing Process Debt for Efficiency

July 2024

Prompt: "The background of the image is a BPMN2.0 compliant process map. In the foreground, a group of professionally dressed people is squashed under a mountain of papers.."

BEVINGTON GROUP

PERFORMANCE OUTCOMES DELIVERED

What we'll cover today…

What is process debt?

- Process Debt – A Massive Missed Opportunity
- Introduction to Process Debt
- Tech Debt vs. Process Debt

How may process debt be hurting your organisation?

- The Issue of Process Inefficiency
- The Cost of Process Debt
- Lack of Documentation

How (and why) to pay down your process debt…

- The Opportunity in Process Debt
- Steps to Address Process Debt
- Case Study: Process Debt in System Implementation
- Two-Step Approach to Process and Tech Debt
- Tools and Technologies for Process Improvement

BEVINGTON GROUP
PERFORMANCE OUTCOMES DELIVERED

You may have heard of "tech debt"
*"Process debt" is a related and extremely important concept*

Tech debt refers to the technical challenges that accumulate when organisations fail to keep their systems up-to-date, leading to fragile and outdated applications.

Process debt is a related concept that refers to the inefficiencies and lack of documentation that accumulate in an organisation's processes over time, hampering performance.

Tackling process debt can improve customer experience, boost staff productivity, reduce risks, and drive cost savings - making it a significant opportunity for enterprises.

BEVINGTON GROUP
PERFORMANCE OUTCOMES DELIVERED

Process debt increases costs and risks, while reducing customer and staff satisfaction
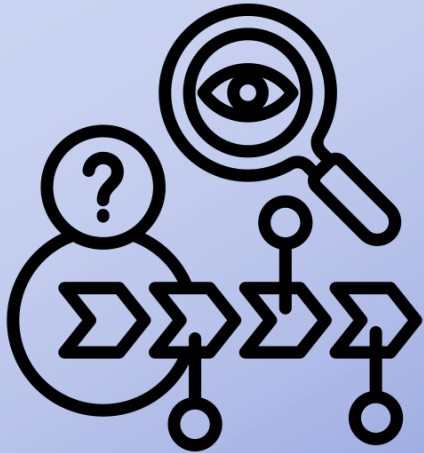
Causes of process debt:

- Lack of process documentation,
- Failure to update processes as context changes
- Lack of process automation

Impacts of process debt:

- Frustrated customers
- Irritated staff
- Introduction of unnecessary risks
- Increased costs
- Revenue impacts

BEVINGTON GROUP
PERFORMANCE OUTCOMES DELIVERED

Tech debt and process debt are related in very practical ways…

The relationship between tech debt and process debt

The impact of outdated process on technology systems

An opportunity to optimise process before transformation

Tech debt and process debt are closely intertwined, as outdated systems often have related inefficient processes that further compound the problem.

Failing to review and update processes before implementing new systems can lead to automation of inefficient practices, resulting in more expensive and riskier system builds.

Reviewing and streamlining processes before a technology refresh can unlock cost savings and create a more efficient, less risky system implementation.

BEVINGTON GROUP
PERFORMANCE OUTCOMES DELIVERED

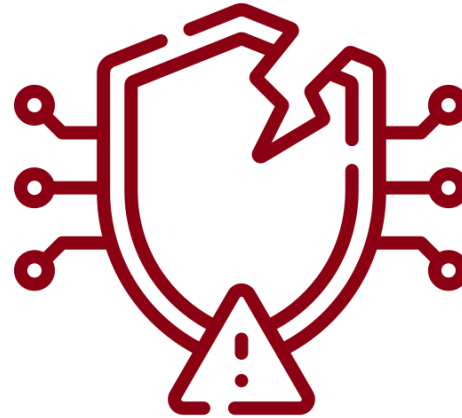# Process inefficiency is exceptionally common…

Examples of inefficient processes

- Outdated approval workflows
- Manual data entry
- Redundant approval steps

Consequences of not updating processes

- Frustrated customers
- Irritated staff
- Increased risks
- Higher costs

Opportunities in process optimisation

- Improve efficiency
- Enhance customer experience
- Reduce technology implementation risks
- Reduce technology implementation costs

BEVINGTON GROUP
PERFORMANCE OUTCOMES DELIVERED

Let's consider the simplest case: A lack of process documentation

Lack of Process Documentation

Undocumented processes lead to the "whispers" problem:

- *Uncontrolled changes* are introduced as processes are passed down
  - → This raises risks, critical control gaps, and inefficiencies

Regulatory Compliance Concerns

Regulators, such as CPS230 in the superannuation industry, now demand that processes be properly documented and managed, posing compliance risks for organisations with process debt.

Inability to Adapt to Change

Without documented processes, organisations struggle to update their workflows as business needs evolve, leading to further inefficiencies and missed opportunities.
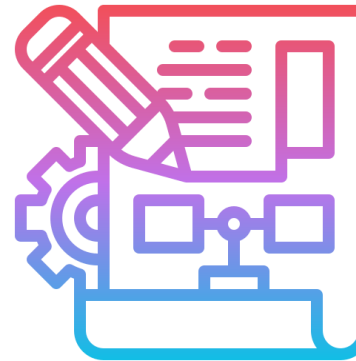
BEVINGTON GROUP
PERFORMANCE OUTCOMES DELIVERED

Case Study: Process Debt in System Implementation

Common System Specification Issues

Organisations often fail to design their process and data landscape before specifying new systems, leading to automation of inefficient practices.

Importance of Process Design Before System Design

Reviewing and optimising processes before a technology transformation ensures new systems are designed to support efficient workflows, reducing implementation costs and risks.

Regulators such as CPS230 in the superannuation industry now demand documented and managed processes, highlighting the need to address process debt before system changes in regulated industries.

BEVINGTON GROUP
PERFORMANCE OUTCOMES DELIVERED

We often recommend a two-Step Approach to Process and Tech Debt

Optimise Existing Processes

Review and streamlining current processes can eliminate waste, enhance efficiency, and unlock cost savings before implementing new systems.

Transform Processes with New Systems

Designing new processes in tandem with new technology systems ensures efficient workflows are automated, reducing implementation risks and costs.

Realise Dual Benefits

This two-step approach allows organisations to improve customer and employee experiences while funding technology transformations through process optimisation.

BEVINGTON GROUP
PERFORMANCE OUTCOMES DELIVERED

There are an increasing number of tools and technologies for Process Improvement

Process Mapping Tools

Visualise and document workflows to identify inefficiencies and optimise processes

Data Capture and Analysis Tools

Collect and analyse process data to uncover opportunities for improvement

Change Management Tools

Facilitate the adoption of new, streamlined processes and minimise disruption

e.g.,

apromore

SAP Signavio

data iku   alteryx

ikigai   V

And many more…

BEVINGTON GROUP
PERFORMANCE OUTCOMES DELIVERED

In conclusion...

Process debt is a significant opportunity for enterprises

Addressing it can
- Improve customer experience
- Boost staff productivity Reduce risks
- Drive cost savings

Negative impacts of process debt make addressing it a critical issue

- Impact revenue
- Introduce operational risk
- Hinder ability to adapt to changing needs

Organisations should prioritise reviewing and optimising their processes, both before and during technology transformations, to unlock the full benefits of process debt reduction.

BEVINGTON GROUP
PERFORMANCE OUTCOMES DELIVERED

Contact details and disclaimer

Bevington Group is a specialist consultancy with six core practices:

Operating Model Design and Restructuring

Lean Process Reengineering

Process Automation, Digitisation and AI

Accelerated Implementation

Change Management

Risk Intelligence

Questions or clarification of the content of this report can be directed to:

Report authors		
Roger Perry	+61 3 9663 5522	roger.perry@bevingtongroup.com

Other enquiries can be directed to		
Roger Perry	+61 3 9663 5522	roger.perry@bevingtongroup.com
Bevington Group Office	+61 3 9663 5522	admin@bevingtongroup.com

All content in this report is subject to copyright and cannot be reproduced without the express permission of Bevington Consulting Pty Ltd.

Disclaimer:

This report has been prepared in good faith based on information provided by client staff and other sources of information available at the date of publication without any independent verification. It is the responsibility of the client management to ensure that their staff provide accurate information, and that management are not aware of any issues that may impact the usefulness of the data for its intended purpose. Readers are responsible for their interpretation and actions based on the content of this publication. Bevington Consulting will not be liable for any loss, damage, cost or expense incurred or arising by reason of any person or organisation using or relying on information in this report for purposes other than its intended purpose.

BEVINGTON GROUP
PERFORMANCE OUTCOMES DELIVERED