8 Steps to Operational Excellence with Process Mining

Faster, focused, data-driven results for better decisions for large organizations

Executive Summary

As business processes evolve over time, they become cluttered with waste, unnecessary steps, extraneous controls, duplicated resources, and manual workarounds – much of which is hidden from sight. Organizations today are under significant financial and competitive pressure, managing disruption at a scale not previously imagined. Customer expectations have reached all-time highs, and, employees demand remote- and hybrid-working models.

Business process owners are struggling to keep pace with change and to gain the process intelligence and modeling tools they need for effective decision making. Continued operational excellence is built on better decisioning with fewer missed opportunities. In short, prioritization is now centered around active elimination of waste and variation from processes; empowering employees to work smarter, better; and delighting customers at key moments of truth.

Process mining is a family of data-driven techniques to analyze business processes using event data extracted from information systems. Process mining allows business users to identify bottlenecks, rework, deviations, and sources of waste in their processes, and to discover opportunities to optimize performance and to maximize positive business outcomes. With the discovered models as a foundation, the pathway to improvement then becomes far easier, more accurate, carries less risk, and is significantly faster.

Here's how business leaders can lay the groundwork for automating process discovery and continuous improvement through an eight-step pathway to operational excellence.

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8 Steps to Transformational Operational Excellence

STEP 1: Stop Doing Non-Value-Added Work

The challenge: Much work is often still conducted from habit. For example: members of one team may follow a process that no longer aligns with the needs of another team. Eliminating this effort is fast and easy to implement and can provide immediate benefits.

How process mining helps

The discovered process model not only makes it easier to identify bottlenecks, rework, and areas where processes are stalled, but also makes it easier to quantify the benefits. By analyzing the difference between best practices and existing (as-is) models in a delta analysis, business decision makers can explore opportunities to eliminate waste, reduce risk and improve operational efficiency and customer experience.

STEP 2: Consolidation

Over time in large, mature enterprises, operating models change, existing products are modified, and new products introduced. The result is often fragmented and distributed processes that range across multiple teams. A critical step towards operational excellence is to consolidate similar processes, activities, and teams. Yet, consolidation is not without risk.

How process mining helps

Process mining's variant analysis capabilities let users compare different paths or workflows of the same process. With this perspective, business, operations, and risk professionals can focus on the differences and their impact. This highlights opportunities for consolidation, and the benefits and risks that may be involved. This level of transparency also provides data to support the transition such as resource usage, demand profiles, bottlenecks, and more, significantly de-risking consolidation efforts.
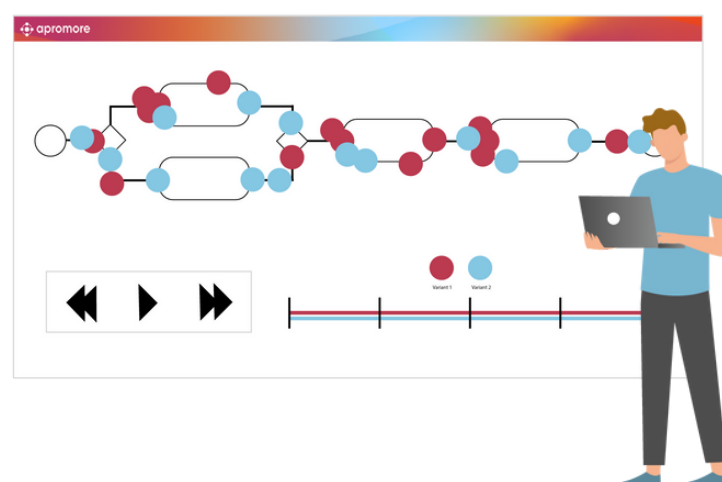
STEP 3: Standardization

Delivering a consistent customer experience at a lower operating cost is a hallmark of digital giants and startups. Comparing how two different teams execute a process can provide valuable insight into how work impacts positive or negative, and planned or unplanned outcomes. While people may share tips and checklists within their own team, this is increasingly difficult amid remote and hybrid working models. As a result, processes quickly drift from the norm, and quality and compliance become unpredictable.

How process mining helps

Comparing process variants via process mining to understand pathways, task times, wait times, bottlenecks, exceptions, resource usage and other processes quickly highlights where the opportunities to standardize lie.

STEP 4: Simplification

Business processes inevitably evolve over time, including unnecessary steps, extraneous controls, duplicated resources, and manual workarounds. When things go wrong, the instinctive response is often to add another control or introduce a range of unsustainable, error-prone manual processes.

How process mining helps

The visibility, transparency and availability of process models discovered by process mining with accurate representation of the flow and real process metrics allow analysts to quickly identify the waste. Transaction types that slow processes, duplicate controls, non-value-adding steps, broken or slow handoffs, rework loops and exceptions can all be readily be identified. Removing this waste directly reduces cost and improves quality, delivering a better outcome to customers faster.

STEP 5: Business Process Reengineering

By the time a process is consolidated, standardized, and simplified, identifying opportunities to reengineer it is usually the next step. To do this successfully requires not only an understanding of each "As-Is" process for the relevant channels including the detailed process metrics behind them, but also a detailed understanding of all the possible exceptions.

How process mining helps

Understand hidden tasks and identify poor handovers, rework, and underutilized or overutilized resources to make data-informed process improvement decisions. Process mining helps identify highly repetitive, manual, and error-prone routines for automation. And, it can help discover the root causes of common delays in supply chains or workflows that impact delivery times and quality, and subsequently lead to revenue loss.

STEP 6: Tactical Automation

Automating processes is a focal point for many companies. While a full transformation is underway, tactical automation is a common approach to deriving some of the benefits in the meantime. This may include modifying business rules, implementing Robotic Process Automation, or Machine Learning models. Because of the underlying complexity, even a reengineered process that is built on the same technology stack is hard to automate tactically end-to-end.

How process mining helps

Identifying the precise steps in the process where automation can make the biggest impact requires a thorough knowledge of acticity execution times, resource utilization and resource costs. Process modeling using process mining can help prioritize tactical automation efforts. It also ensures that time is not wasted on automating parts of the process that may not deliver a return on investment. Process mining enhances the traditional approach: automation opportunities, at the task or process level, can be identified via process mining, and the impact of their automation can be assessed quantitatively, based on hard data.
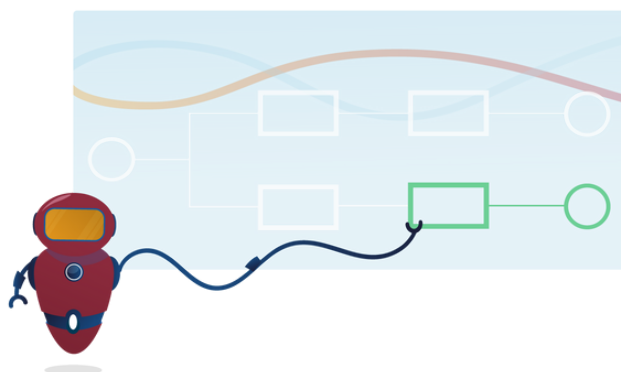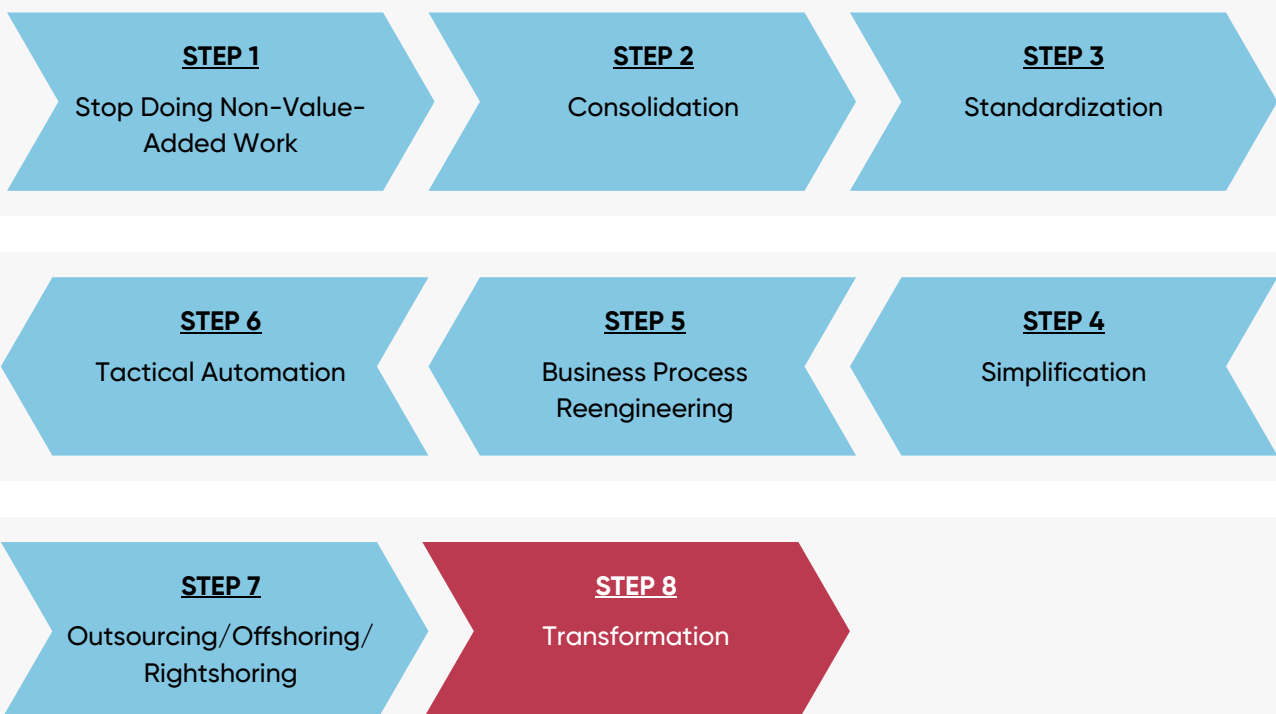
STEP 7: Outsourcing/Offshoring/Rightshoring

It may seem easy to estimate how many people are required by just counting the number of people involved in the sending or production team. However, this may not reflect unpaid overtime or reflect the differences between what is expected and what is done. It is unlikely to allow for accumulated years of experience and knowledge, and the productivity gains that go with it.

Moving key business processes from one location to another, or from one business to another, is risky and often relies on workers' abilities to ask questions or relay how work is conducted.

How process mining helps

Running an automated process discovery exercise prior to transition ensures both sending and receiving teams are on the same page, and that there is a full understanding of all exceptions and the resourcing calculations that sit behind them.

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STEP 7 Outsourcing/Offshoring/Rightshoring	**STEP 8** Transformation

STEP 8: Transformation

Digitization can streamline business operations and processes and allow organizations to transform operating models and increase business outcomes. However, digitization is not a matter of simply replacing an existing service with a digital form or implementing more technology. To gain the full benefit, processes must be understood and ideally optimized prior to automation and digitization, a considerable challenge for organizations that have tens of thousands of processes and just as many exceptions to those processes.

How process mining helps

Process mining brings a much-needed transparency to how an organization works and therefore allows transformation leaders to understand where to focus, what to prioritize, and how to transform key processes for sustained operational excellence. It's imperative to understand "As-Is" process flows, understand where bottlenecks occur and which activities consume the highest amount of effort, and test and predict "To-Be" process models and changes before after the transformation. It is crucial to establish a clear vision of the changes required, their possible outcomes, and the customers' reaction to them.

Conclusion

Many companies still have far to go to achieve process maturity. A key challenge is a lack of transparency and process data to help teams develop the detailed understanding of how their current processes operate. The visibility and insight that process mining provides is a realistic benchmark of progress and can stimulate considerable learning of how organizational processes work. Using existing event logs as the basis for simulation enables teams to accelerate insights and draw faster conclusions.

Process mining enhances traditional approaches to operational excellence by automating the critical step of process discovery. The maps and models that are generated reflect business reality and are supported with operational data that is so often lacking. With the discovered models as a foundation, the pathway to improvement then becomes far easier, more accurate, carries less risk, and is significantly faster. Ongoing monitoring provides the data insights for business responsiveness, resilience and continuous improvement.

At Apromore, we are committed to creating business value by helping our customers to achieve the full potential of process mining by turning our cutting-edge research into easy-to-use capabilities. By abstracting complexity, supporting an systems-neutral approach and maintaining a flexible licensing strategy, we help organizations to embed process mining best practices into in their continuous process improvement initiatives. If you are interested in learning how we can help you to achieve your business goals, please reach out to us.

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