Opinion: Why SMBs cannot afford to ignore BPM

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Paul Berger, managing director of Australian owned business software company, Happen Business, (pictured), talks to CRN about Business Process Management.
'Quite simply, Business Process Management (BPM) allows an SMB to grow. What most SMBs don't realise is that BPM and putting business processes in place is extremely important and perhaps even more critical for them to adopt than larger businesses.

Undoubtedly, BPM solutions enable companies to do 'more with less' through well-managed processes. We see that many companies have adopted BPM solutions and have achieved great results. But we also find that typical users of BPM solutions are medium to large sized enterprises.

How about SMBs? "It's too expensive and too complicated for my business", "Why do I want BPM? Accounting is all I need"... We often hear these comments from SMB owners. The main concern of SMBs is focused on the costs of the technology vs. the ROI of the technology.

For typical small businesses, the owners certainly worry about customers and cash flow more than IT system upgrades. As long as the PCs are running OK and the accounting software keeps financial records, the business is on track.

However, as a company grows, issues start to appear: the more customers they have, the more administration work is created, so they need more staff, need to keep more records and make sure they match each other; the operational costs go up much faster than the profits.... The owner then realises that the business is stuck with a situation – more customers, but less profitable. The business has outgrown its processes and operating procedures.

Without integrated processes in their business system, SMBs are losing their competitiveness in the marketplace, not to mention growth and expansion.

More importantly, since BPM is used by more and more enterprises, SMBs are facing the increasing threats from big companies. BPM enhances SMB ability to deliver products in weeks, rather than months, giving them clear competitive advantages over enterprises.

The advantages of BPM for SMBs are obvious – it maxmises productivity and profitability with minimum resources by putting system processes in place and ensuring information flows within the company.

In contrast to the rich human resources and centralised information systems that most big companies own, SMBs have limited number of staff and sometimes isolated data in different systems. Staff have to spend hours keying customer orders into one system and updating contact details in another document. So quite often, owners find that employees 'waste' their time on consolidating and correcting important information.

Having streamlined and automated processes, SMBs are able to free up employees from tedious admin tasks and make better use of their time, knowledge and creativity. It not only slashes the unnecessary time on admin work, but also helps elevate staff's motivation and performance.

A centralised system reduces human error and keeps information up to date all times. Everyone in the company can browse the job status at any time, be aware of the next steps and who is responsible for what. When a customer rings, anyone can pick up the call and provide accurate information.

Apart from improving customer satisfaction, BPM also provides SMBs with great visibility into business – owners are able to get real-time information, monitor the operation of the company and respond quickly to business opportunities. In fact, being flexible and adaptive is one of the advantages of SMBs to win business against big companies.

Despite of the benefits of BPM, in reality, SMBs rarely take into account business processes when using their business management software or assessing new software. Often it is assumed that process driven business software is simply not affordable for SMBs.

It is true that the upfront cost and licensing of BPM solutions can be more expensive than standard accounting software. However, accounting software is unable to provide the level of transparency and process management that a BPM solution can do.

SMBs should look at long term ROI and the potential for business growth that BPM brings to the business. A good BPM system can handle far more requests from customers than manual processes with less staff. It gives business owners peace of mind when opportunities come up and because they are sure that they can grasp the opportunity and grow the business, instead of worrying about the limited resources.

In order to take the advantage of this new technology, SMBs should find a solution that integrates the process with accounting and build the business on a single platform.'