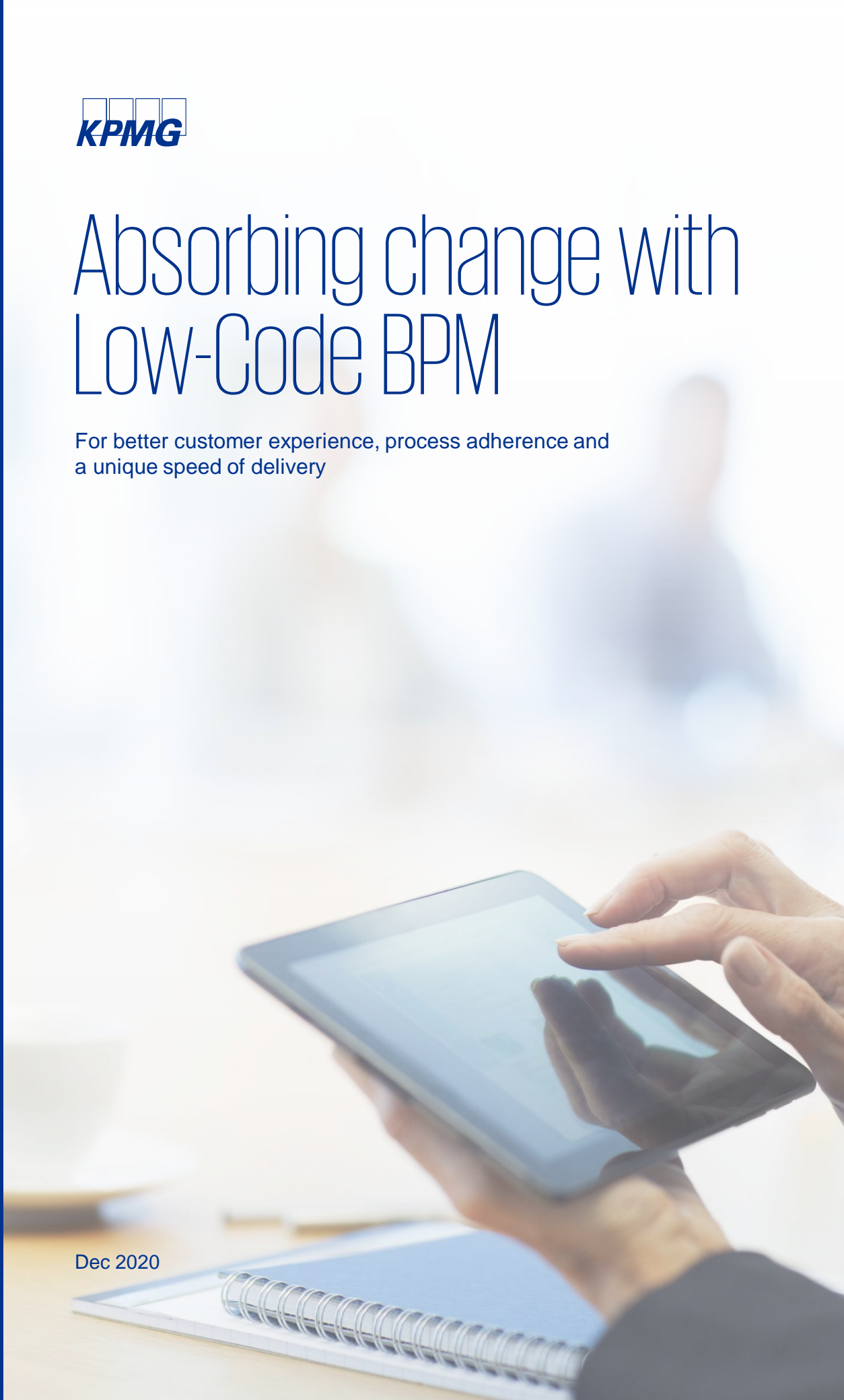




Absorbing change with Low-Code BPM

For better customer experience, process adherence and
a unique speed of delivery

Dec 2020



Introduction

Digital transformation is a key topic in every boardroom today: organizations are seeking to leverage the capabilities offered by the new trends and technologies that have emerged over the last few years to gain a competitive advantage, or sometimes simply to survive. The most important driver of this digital transformation can be summarized with one word: change. According to KPMG CIO Survey 2020⁽¹⁾, almost 82% of all organizations regard change as 'business as usual'. Change can come in various shapes and forms:

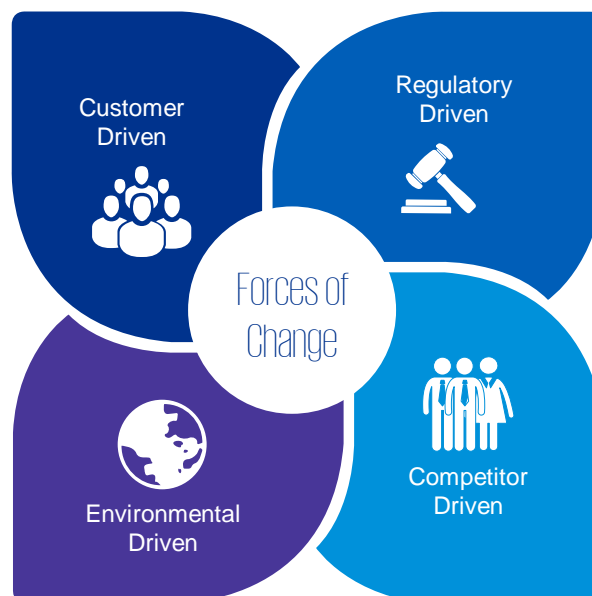
- Changes brought on by customers who are increasingly seeking great customer service instead of only a well-defined product;
- Regulatory changes, such as GDPR, which forces companies to handle personal data in a more structured and secure way;
- Competitor-driven changes, especially those that were born as digital natives and can disrupt entire markets through their novel approaches;
- Environment-driven changes, which recently have become the most important drivers of change with the COVID-19 virus. This pandemic has made it perfectly clear that many companies are not able to deal with radical change.

Bottom line: the way organizations can absorb change defines the successful companies of the future.

Change impacts multiple layers within an organization, namely people, process and systems. In order to cope, Lean Six Sigma projects have been started left and right to optimize business processes. Organizations train their people to work in an agile manner and follow lean principles. The impact on systems is generally managed either by customizing existing legacy applications or by adding new specific applications to the IT landscape based on business needs to support these processes.

However, these familiar approaches all have their downsides:

- Lean projects can create a new standardized end-to-end process, but many companies struggle to maintain this standard for a longer period, with the organization reverting to its traditional silos.
- People may quickly revert to old habits without the support of a standardized process or due to the lack of sustainable knowledge management procedures.



Note: ⁽¹⁾ KPMG CIO Survey 2020

- Customizing existing systems can be quite a headache, both in the short term (limited built-in flexibility) and long term (customizing core systems such as ERPs leads to upgrade issues).
- Acquiring a new system, besides its long lead time, generally means compromising on some of the functional requirements that are specific to that organization.

Overcoming these challenges and getting your people, process and systems working together harmoniously is fundamental when attempting to absorb the forces of change that are constantly battering an organization.

This article will focus on a potential solution to this challenge: Low-Code BPM.

With Low-Code BPM, organizations are able to manage their people, processes and systems more effectively resulting in better customer experience, process efficiency and change absorption capability. So, what exactly is Low-Code BPM and how does it add value to your company? These questions will be answered in this whitepaper.



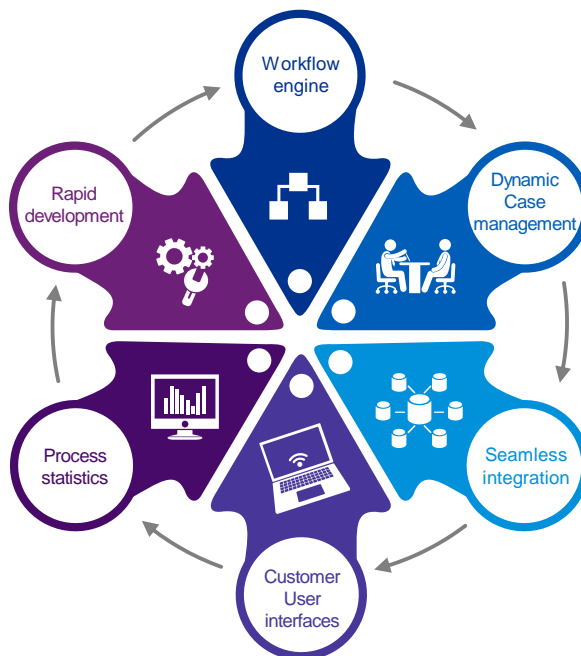
What is Low-Code BPM?

Low-Code BPM is an aggregation of the more known terms Low-Code and BPM, which are defined as follows:

- **Low-Code:** A low-code development platform is software that provides an environment programmers use to create applications through visual workflows and drag-and-drop features instead of traditional computer programming resulting in 20x faster development⁽²⁾.
- **BPM:** Business process management (BPM) is the discipline of improving a business process end-to-end by analyzing it, modelling how it works in different scenarios, executing improvements, monitoring the improved process and continually optimizing it.

When aggregating both definitions it becomes clear that Low-Code BPM goes further than only the functionalities of a pure-play low-code platform or a BPM tool and brings the best of both worlds together. Low-Code BPM platforms allow you to build a digital twin of your optimized, end-to-end process in the form of an application without the need for traditional application development. So, what is in the box? Here are some of the key features offered by these platforms:

- **Workflow engine defined by business rules:** Powerful workflow capabilities are a must have for every process-driven application. With Low-Code BPM, organizations can easily create and manage their own workflows based on predefined business rules. This liberates end users from having to orchestrate processes themselves, which often results in shadow costs due to incorrect routing, errors and rework.
- **Dynamic task/case management:** Tasks are automatically created and assigned to a user or group and can be reassigned where seen fit by a supervisor. This enables organizations to easily keep track of their workload and intervene when necessary to ensure that tasks and resources are properly matched up.
- **Seamless integration:** Getting the right data from the right system can be a challenge and time consuming for employees. Low-Code BPM offers a lot of integration possibilities, such as SOAP and REST APIs. With these integrations, users can retrieve data from both internal (legacy) systems and third-party organizations, and also send data to systems depending on the outcome of the process.



Note: ⁽²⁾ Appian.com

This is a key difference with older workflow tools deployed in many organizations: they exist in isolation, meaning that it was up to the user to supply data into the workflow or process the outcome if necessary. Another idea that is important to understand with Low-Code BPM is that your data is not copied and duplicated from your underlying systems: it is exposed to the user from wherever it is stored, thus ensuring compliance with the principle of 'a single source of truth'.

- **Custom user interfaces:** Customers and employees demand a better user experience when interacting with applications. With the drag-and-drop functionality of low code, applications with a unique user experience can be created that are perfectly tailored to the needs of your users.
- **Out-of-the box process statistics:** Having insight in key process metrics such as throughput time and outstanding tasks is key for

organizations to measure operating efficiency. Low-Code BPM offers a wide array of process statistics as a standard feature. These out-of-the-box statistics can be transformed in easy-to-interpret dashboards for management, which empowers them to make better decisions based on real-time data insights.

- **Rapid development:** As mentioned before, using low-code technology, app development delivery time can be decreased 20x compared to traditional application development. This gives organizations which adopt low-code techniques a competitive edge in today's market, where speed of delivery and flexibility are key to survival.

Now that we have clarified what is in the box, the next key question is how do these features combine to drive value in your organization?



The value drivers of Low-Code BPM

To understand how Low-Code BPM platforms can drive value creation in organizations, we need to think in terms of key challenges that businesses face today and how Low-Code BPM's combination of features helps to overcome these challenges. The challenges / value drivers we will focus on are:

1. Process Adherence and Control
2. Speed and Agility
3. User and Customer Experience

Adherence, or getting the process to stick

The simple idea is this: it should not be a hassle to follow the right process. And yet, according to Forrester, process adherence, orchestration and case management are still key challenges for many businesses⁽³⁾.

Process management typically starts with a design

workshop and brown-paper session to define a new to-be process, followed by training of employees to follow the newly implemented process with the help of new work instructions. All good up until that point. Sounds familiar? The next phase is where the difficulty lies, making that new process stick.

Now more than ever, employees interact with many different stakeholders, retrieve data from multiple sources and are dependent on tacit knowledge of a process and the underlying systems to fulfill the tasks assigned to them. Over time, these factors, coupled with employee turnover and changing business circumstances, result in the loss of process adherence. The hard-gained benefits of having a clear, standard process quickly unravel, employees or entire departments slowly revert to working in silos without knowledge of what happens upstream or downstream, and it is time for a new brown-paper session to simply maintain the original gains.

Process Adherence & Control

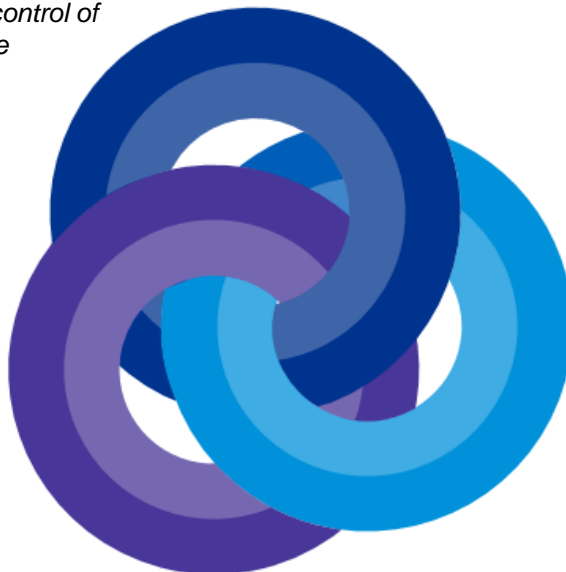
We are fully in control of our performance

Agility

We can adapt our process rapidly to changes in our environment

User & Customer Experience

We can manage our work effectively and focus on value added task



Note: ⁽³⁾ The Forrester Wave™: Software for Digital Process Automation for Deep Deployments, Q2 2019

This is where the first value driver of Low-Code BPM comes into play. By creating a digital twin of the organization, clearly defined business process rules are now not only defined on paper, but used as input for a workflow rule engine of the low-code application. The process management cycle becomes much easier since the ideal process is crystallized into an application. Changes can of course occur, but instead of happening out of sight, they can be handled through a rigorous change management process. And finally, risks related to insufficient knowledge management and attrition are partially mitigated as the business process rules are stored within the application, as opposed to being enforced through training and reliance on work instructions.

The need to stay agile

As mentioned in our introduction, the rapid pace of change in today's economy in a broad sense is driving businesses to change or adapt the way they operate at a high frequency. New business requirements in the digital era generally mean that systems must adapt as well. Easier said than done: IT departments are not always able to deliver against new requirements due to a large backlog of other projects coupled with the sizable responsibility to maintain current IT systems and infrastructure. And when a change request is picked up, the solution generally fluctuates between either trying to customize current IT systems and applications that lack the flexibility to adapt, or acquiring a point-to-point application which will work straight out of the box, but almost certainly at the cost of some functionality that the business was hoping for. Moreover, this can lead to a large software vendor landscape for IT to manage as the number of suppliers grows. All in all, the result is suboptimal for both the business and IT.

What Low-Code BPM offers is the possibility to deliver the required application very rapidly, and without having to sacrifice functionality along the way. The whole premise is to deliver a business process, any business process, and deliver it fast. A recent study shows that low-code platforms, with

their drag, drop and configure interfaces and 'programming with a mouse' philosophy, allow applications to be developed 20x faster than in traditional application development. Low-Code BPM platforms have the added advantage of providing certain out-of-the-box features that are specifically designed for business process apps, such as business rule wizards and process reporting engines that further accelerate the deployment of use cases.

From a strategic application management perspective, Low-Code BPM platforms also offer agility in the sense that they are designed to be positioned as a layer on top of core systems and easily integrate with them. In other words, that layer can become your system of differentiation, integrating with your systems of record which can be kept clean of the thousands of lines of custom code that make upgrade cycles a corporate nightmare.

User experience: resetting ambitions to the right level

According to an HR survey⁽⁴⁾ performed by KPMG, 95% of HR organizations see employee experience as a strategic goal and providing the right (digital) tool as a method to achieve this goal. However, typical questions that get lukewarm results at best in many employee surveys are along the lines of 'do you feel you have the right digital tools to do your job?' or 'do you find your systems easy to use?'. While this may not have an obvious immediate impact, poor user experience is a factor that contributes to errors in tasks, and, perhaps more importantly, that will erode your employee satisfaction in the long run. And should one of your organization's systems be exposed to customers, the results are clear: in this day and age, a customer's digital experience will cause them to either love or hate you. As a result, customer-facing applications are often (but not always) designed to be more user-friendly, while those destined for internal use engineered more towards underlying functionality than user experience. In any case, why is it so hard to give people a good experience?

Note: ⁽⁴⁾ KPMG CIO Survey 2020

There can be several explanations.

As mentioned in the previous section on agility, when faced with change, organizations will look for a cost-effective way to cope.

That could mean, for example, adapting an existing IT Service Management application to function as a workflow engine for other domains such as HR and Finance. On paper, that may be acceptable, but in reality, the result will be poorly suited for the target audience for whom the application was not originally designed.

Another factor leading to poor user experience is simply the sheer volume of systems one needs to interact with to get anything done. A first request received through email may require the user to then switch to a reporting system to obtain data, then log into an ERP to make a correction and finally upload a result to a collaboration tool. The juggling around between applications and the need to pass information from one to the next hardly make for a lean, efficient experience.

Low-Code BPM applications can have a strong positive effect on user experience. Through process orchestration, system integration, tailored interaction and great user interface design, users have access to a one-stop shop where they can understand what work they have to do, view the data that is relevant for the task at hand, and trigger actions in underlying applications without having to log in and carry over information. Cherry on the cake: no more having to inform other stakeholders on the status of tasks and where bottlenecks are, since the very essence of workflow/case management is to bring the status to the surface and make it visible.



A practical example: claim remediation process

With these value drivers in mind, let us see how they apply in this example of a use case that was developed for a financial institution.

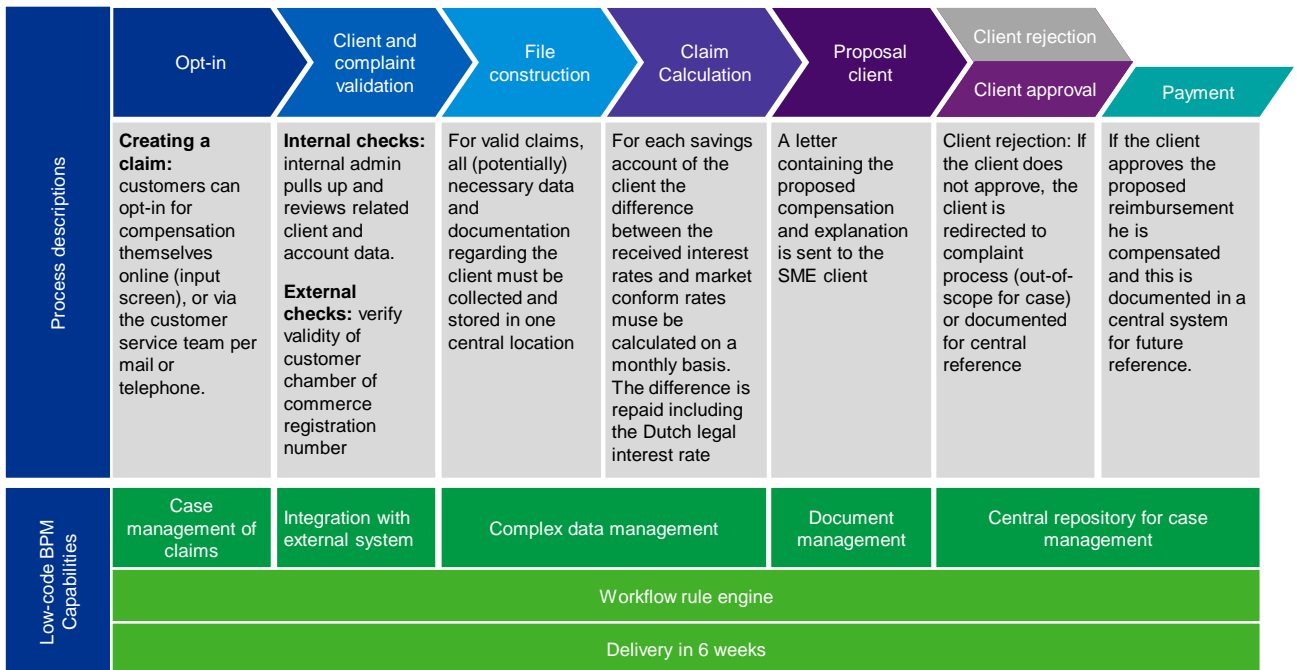
This institution was facing a crisis due to its incorrect handling of interest payments to customers on certain financial instruments. As a result, customers could submit claims related to their investments which the institution would need to analyze and eventually issue compensation.

Due to the sensitive nature of the issue, efficient processing of the claims by the institution's remediation team was paramount, yet there could be no compromise on quality assurance.

The client faced several challenges during this process. Remediation team members needed to interact with a lot of stakeholders, manage multiple claims and access data from several systems, both internally and externally. Using available means, a first claim management process was set up by repurposing a combination of a questionnaire tool with an agile development tracking tool. This solution

quickly proved to be ill-adapted from a user perspective and posed quality control issues in the context of regulatory changes that required the remediation process to be constantly modified.

The implementation of a Low-Code BPM solution was presented as a viable alternative. In just over six weeks, an application was developed that fully supported a standardized remediation process using case management, complex data management and integration with the necessary supporting systems. This new application and its functionalities also lead to a better experience for both clients and bank employees as the interfaces created enabled a more user-friendly experience and claims could be processed more efficiently leading to a faster remediation of the claim. Moreover, the progress of every claim was fully traceable and visualized in dashboards created for the remediation management who needed to ensure that clients were receiving satisfactory responses in as short a time as possible.



Want to know more?

In this whitepaper we have discussed the potential of Low-Code BPM for organizations and highlighted its capabilities by showing a use case example. Do you want to know more about Low-Code BPM and how it can help your organization? Please contact us directly

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