eBook

Business risk is a process problem

Take a holistic approach

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Why does risk management matter?

Business risk management can make or break a company. By anticipating risks and creating strategies to help reduce them, companies can maximize their potential for success. It's essential for those in leadership positions to understand the current landscape and address any existing or developing risks that may prevent future progress. To successfully manage business risk, leaders should remain proactive and aware of industry trends or changes that could impact their day-to-day operations.

Without proper risk management, finance, operations, information technology, and C-suite executives will find themselves struggling to make headway. It's increasingly important to stay on top of potential risks and create action plans that help mitigate them, should the need arise.

It isn't just about planning for the worst. Increased awareness of potential risks can provide invaluable insight into how a business operates and what positive steps can be taken in order to keep all business operations running efficiently.

In this eBook we'll tackle how process problems cause business risks. We'll highlight key risks, explain why processes break, and show how top companies can fix them with smart process management and automation.

What business risks should you be aware of?

Business risks can seem like an infinite list of potential pitfalls. From regulation to compliance, cash flow to contracts, there's a lot for leaders to consider.

Business risks come in all shapes and sizes, but regulation and compliance risks are believed to cause the most damage. They are often the areas most closely monitored by management, and not to mention by auditing bodies, too.

Regulatory risk

Most businesses face regulatory risks. For example, if an industry has stringent restrictions on how a product must be produced, this regulation puts a strain on the business both financially and in terms of meeting customer expectations.

Compliance risk

Compliance is equally important. Companies must comply with local laws and regulations to ensure the safety of their customers and their employees.

Operational risk

People understand operational risk less than other business risks. It's the systems and procedures that are set up to support your day-to-day, and the risks associated with them. This includes areas like supply chain risk management, reporting processes, data security protocols, data accuracy, cost overruns, customer responsiveness, and reputational risk management.

Prioritize a holistic approach

Although regulation and compliance are the obvious risks often prioritized and managed more closely, other less-obvious business-type risks should also be understood and managed.

This includes:

- Making sure that processes are efficient throughout all departments
- Engaging with stakeholders often
- Investing in new technology when necessary
- Training staff so they understand the right processes and systems they're expected to use

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In a fast-changing business environment, those who prioritize a new, holistic risk management approach will add value to their organizations— and to their customers too.

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Risks don't discriminate

Big or small, streamlined or complex, global or regional – business risk impacts every company. But it's worth understanding that some regions and their economies feel the impacts of major economic risks more or less than others.

Your company's process maturity and how well your processes are mapped and managed on an ongoing basis will impact the type and size of the risk you will face. Generally, the bigger the business, the more exposure to risk it experiences and the greater the necessity to manage it.

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Managing business risks with process

Processes underpin everything people do at work, and influence the outcomes delivered by every department. Before automating and optimizing them you need to understand each process's role in the overall workflow of your organization. By identifying, cataloguing, and mapping them you'll see which processes to improve first.

As you take inventory, don't rely solely on analysis from managers and consultants. Instead, go to the people who do the actual work, collaborate with and ask them why processes happen the way they do, where things are going wrong, and most importantly, what's needed to help them automate and digitize.

For more time-poor organizations, consider a tool like Nintex Process Discovery that reduces the manual work required to map processes and instead uses unobtrusive robots to automatically discover your organizational processes.

Many times, organizations continue with manual processes because "that's the way things have always been done," yet the people doing the existing work actually want to find a better way. We guarantee you'll find more than a few knowledgeable folks who can give you a list of processes that need improvement, along with some ideas for making it right and where automation would help.

Ongoing process maintenance and governance

Processes are only useful if they are regularly managed and updated to reflect the way an organization does business. If not, you will end up with broken processes that do not follow the correct steps to get something done, often resulting in additional exposure to risk.

Every time it takes 20 minutes to get a password reset, every time new hires can't start working because they don't have the right equipment, every time an employee must rewrite a sales proposal that's been written many times before, or a production worker isn't doing things in the right sequence, productivity stalls, quality fails and optimal results are not realized.

Sadly, many organizations tolerate problems that erode productivity and increase the company's exposure to risk. If left unmanaged, over time more and more processes will break, and as each one breaks your exposure to risk adds up. Often the catalyst to act can be a breach in compliance, regulations, failed audits, or even reputational damage.

Are your processes broken?

When Nintex conducted research to understand what the world's most broken processes are—surveying over 1,400 large organizations across 12 countries—the results understandably varied by industry.

However the most broken processes quoted were those that related to business operations, and all posed risks (both big and small) to the success of their businesses.

What happens if you don't manage risk with process?

Every minute of every day, businesses are exposed to many process-related business risks. Depending on your business type, industry, and your leader's appetite for risk, the more obvious ones are likely to already be on a 'risk register' somewhere within your organization. For many, it's fair to assume that most operational business risks are simply not getting noticed at all, and there will be a lack of process management and automation effort acknowledging and controlling them.

What happens over time when processes are not managed and automated?

Operational risks

- Increased errors
- Reduced output
- Cease production
- Operational inefficiencies

Reputational risks

- Lost customers
- Lost investors
- Damaged reputation

Financial risks

- Less profit
- Unable to secure funding

Legal and regulatory risks

- Legal penalties
- Fines
- Criminal charges
- Additional headcount

Cybersecurity risks

- Data breaches
- Loss of trust

Process mitigates business risks and fuels success

Looking at the current global insolvent trends in the USA, a well-known trucking giant with over 30,000 employees suggested its primary cause of reported bankruptcy was due to customers moving to more agile, efficient operators.

In the UK, a discount chain empire with 12,000 employees and an annual turnover of £1.2 billion is on the brink of collapse, suggesting they are being outmuscled by more efficient competitor companies.

Further afield in the APAC region, the primary cause of collapse for many large construction companies are supply chain issues and increased labor costs.

Companies don't collapse because they fail to recognize risk. They fail because they overlook the value of process and continuous improvement to manage it.

How companies are solving risk with business process management

Customers like the Ministry of Business, Innovation and Employment in New Zealand has been using process management to maintain its ISO 9001 standards. They also save time and money with faster and easier ways to maintain a higher level of data transparency and accuracy.

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Coke Florida leverages Nintex Process Manager so they no longer have to wait for problems that could impede business growth, to come to them: "We search them out, and proactively address them as part of our commitment to moving our business forward."

READ MORE

Business process management (BPM) is a key tool for companies to manage risk and keep operations running smoothly. Leading software providers like Nintex have spent years perfecting **best-of-breed process management tools like Nintex Process Manager** that makes discovering, planning, mapping, and then managing your business processes over time, so much easier.

Process streamlining is one of the major benefits of process management. It makes doing business more controlled, less risky, faster, and more convenient for customers and employees alike. Companies that have adopted process management claim to have achieved other benefits too, like improved data accuracy, cost savings from reusing existing technology, and greater visibility into how work gets done.

How using process automation further reduces risk

Once your processes are discovered, mapped, documented, managed and optimized over time, you are ready to further reduce risk with business process automation (BPA). BPA helps organizations reduce business risk through fewer process errors and deviations. In addition, improved compliance due to faster process completion and lower operating costs help meet industry and government mandates.

Automation is not a new concept, as organizations are successfully automating certain aspects of their business with point solutions. But today, companies are looking to software platforms that deliver end-to-end process automation, applying the right tools for the right processes to reduce risk across the business. Tools such as workflow automation to automate forms and workflows, robotic process automation (RPA) to automate low-level computer tasks, or document automation to automate document generation and signatures, help companies take their risk management to the next level, beyond BPM.

How five companies reduced risk with automation

1

New Belgium Brewing adopted Nintex Automation Cloud to mitigate the compliance risk of not responding in a timely manner to privacy requests from California residents.

READ CASE STUDY

2

New Bedford Corporation adopted Nintex RPA to mitigate the security risk of data errors resulting from the manual entry of sensitive patient data.

READ CASE STUDY

3

Auswide Bank adopted Nintex Automation Cloud to mitigate the poor customer experience risk caused by slow home loan application and approval processes mired in manual data entry, paper forms, and Excel spreadsheets.

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4

Zoom looked to Nintex process automation to mitigate the partner experience risk of not meeting channel order fulfillment needs in a timely manner.

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5

Hernando County School District adopted the full Nintex Process Platform to mitigate the safety risk of manually issuing delayed, inaccurate, or non-compliant building permits, which could result in the district's failure to meet building, fire, and life safety code requirements.

READ CASE STUDY

Take the next steps with Nintex

Simply put, business process management and business process automation benefits businesses by mitigating all types of business risk. These range from regulatory compliance; to financial losses due to market volatility; to potential reputational damage stemming from a data breach; to inefficient operations eroding profits, and employee and customer confidence. By proactively taking a process approach to understand and manage risks, businesses can enjoy multiple benefits including improved cost efficiency, better customer experiences, greater agility, and more revenue opportunities, to name a few.

Whether your aim is to ensure compliance, control costs, boost productivity or increase sales figures, implementing robust risk management strategies through process management and automation will help you achieve your goals faster, and more efficiently.

Managing business risk is easier than you think!

Watch this Nintex Process Manager product demonstration to see how quickly you can get started with planning, mapping, and managing your organization's processes.

WATCH NOW

Watch this Nintex Automation Cloud product demonstration to see how easy it is to automate your organization's workflows for reduced business risk.

WATCH NOW

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Nintex, the possibility engine™, helps companies unlock the power of endless possibilities. Today more than 8,000 public and private sector organizations across 90 countries turn to the Nintex platform to automate how work gets done, remove friction from business processes, and unlock the full potential of their people.

Learn more about how Nintex and its global partner network are propelling people, work, and business forward at **nintex.com**.