

Preface

Business Process Management (BPM) refers to “the control and management of transactions between organizations both within and outside corporations by viewing the transaction flows as processes, which is enabled by breaking up the traditional walls between organizations, sharing information and resources among them, and combining and connecting their transactions”.

Today we are experiencing major environmental changes which are characterized by the development of internet and the cut-throat competition between firms. The availability of abundant information and fierce competition among suppliers have made the bargaining power shift from suppliers to buyers and consumers. Consequently, firms began to feel the need to evaluate their performance from the view point of customers, and BPM was considered to be a right answer to these needs. The concern for BPM has increased due to the IT innovation where the has visualization of business processes and the sharing of information become possible. However, recent research on BPM has put too much focus on the visualization of business process by using IT. We believe that the research on BPM must be linked with the existent management tools.

This book focuses on how to build BPM as a management model, addressing the importance of BPM views, the effectiveness of its approach, and the research trend of BPM. This book also includes the survey results of Japanese and Korean companies’ BPM practices and case studies of Japanese and Korean companies. In summary, the purpose of this book is to construct and discuss a BPM model based on oriental views.

Let us now briefly consider how such intentions are specifically presented in each part of this volume.

Part 1. Theory and Framework of BPM

In Part 1, a priority is given to clarify the theoretical aspects of the basic BPM structure. This part begins with the framework of BPM model, followed by various theoretical aspects of BPM including business process

innovation under varying conditions, the management information used in BPM, and the influence of global environments.

The first paper in Part 1 starts the discussion by dividing BPM into two fragments — a *process management* and a *process strategy*. This paper provides the framework about how to understand, construct, manage and evaluate business processes both inside and outside corporations so that the customers are satisfied.

The second paper aims at accomplishing following ideas in practical business: by linking BPM and actual cost accounting based on ABC with latest information technology, timely controlling the operation of the field and cost-accounting for financial accounting; and at the same time, verifying cost related to management indicators in order to ensure profitable products.

The third paper overviews the current situation and challenges captured in Small and Medium-Sized Enterprises (SMEs) network, looking at the network as a business process, and exploring the significance of managing the SMEs' business processes within such a network.

The fourth paper discusses how global process management in the enterprises is executed and what issues must be considered. Moreover, it examines the methods for managing global processes across corporations.

Part 2. Case Studies on BPM in Japanese and Korean Companies

Part 2 consists of four papers on BPM practices in Japanese and Korean companies — *Panasonic Corporation*, *Nagahama Canon* (a subsidiary of Canon Inc), *LG Electronics*, and *Korea Telecommunication*. Based on the BPM model, each paper reports the results from the case studies carried out during 2003–2008. They attempt to reveal the present state of BPM practices in Japan and Korea.

The first paper in Part 2 summarizes the main points of the research results from the case study on the BPM practices in *Panasonic Corporation* of Japan and explores how and why Panasonic Corporation has been pursuing *Business Process Innovations* so actively.

The second paper explores the factors enabling *Nagahama Canon management* to gain the understanding and cooperation of the workers and successfully implement a new BPM system in the company.

The third paper presents a case study concerning the management system and BPM introduction process of *LG Electronics* of Korea, which was performed during the site visit in 2006. In this paper, the BPM system of this company is discussed, and the structure of its process management is examined.

The fourth paper highlights the application of BPM in service business by studying *Korea Telecommunication (KT)*. It shows how BPM supports the corporate vision and strategy. The paper begins by reviewing the background and the phases of introducing BPM in the company. Then, it presents the overall system of KT's BPM and how two illustrative processes selected among many are implemented.

Part 3. Empirical Study of BPM in Japanese and Korean Companies

In this part, the results from surveying companies in Japan and Korea about BPM practices are analyzed and the characteristics as well as their differences in BPM practices are discussed. Furthermore, based on the survey, it attempts to provide insights on how the degree of process reform influences enterprise value in Japanese and Korean companies.

The first paper in Part 3 presents the current status of process management in both countries as in 2004, which focused particularly on the relationships between process innovation and those factors such as customer participation and competitive factor in Japanese and Korean companies.

The second paper discusses the relationship between the degree of process reform and its outcomes based on the survey results of Japanese and Korean companies regarding BPM. Particularly, the categorical regression analysis with the framework of Balanced Scorecard (BSC) has been performed and the causal relationship between the degree of process reform and its effects is verified.

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Finally, the authors who worked for this volume will be amply rewarded if it contributes new ideas or knowledge to the literature on business management, information management, and Asian management, thereby being of some use to people around the world.

Gunyung Lee
Editor-in-Chief
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