A Case Study of Conceptual Framework for Process Performance

Authors : Ljubica Milanović Glavan, Vesna Bosilj Vukšić, Dalia Suša

Abstract : In order to gain a competitive advantage, many companies are focusing on reorganization of their business processes and implementing process-based management. In this context, assessing process performance is essential because it enables individuals and groups to assess where they stand in comparison to their competitors. In this paper, it is argued that process performance measurement is a necessity for a modern process-oriented company and it should be supported by a holistic process performance measurement system. It seems very unlikely that a universal set of performance indicators can be applied successfully to all business processes. Thus, performance indicators must be process-specific and have to be derived from both the strategic enterprise-wide goals and the process goals. Based on the extensive literature review and interviews conducted in Croatian company a conceptual framework for process performance measurement system was developed. The main objective of such system is to help process managers by providing comprehensive and timely information on the performance of business processes. This information can be used to communicate goals and current performance of a business process directly to the process team, to improve resource allocation and process output regarding quantity and quality, to give early warning signals, to make a diagnosis of the weaknesses of a business process, to decide whether corrective actions are needed and to assess the impact of actions taken.

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