

## ***Do You Even ERP***

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# **Business Process vs. Business Logic (+ Examples)**

# By Do You Even ERP Updated on January 10, 2021



Business Process

ERP Terms

## ARTICLE TABLE OF CONTENTS

- ▼ [What Is the Difference Between a Business Process and Business Logic?](#)
- ▼ [What is a Business Process?](#)
- ▼ [What is Business Logic?](#)
- ▼ [Business Process vs. Business Logic: Understanding the Differences](#)
- ▼ [Business Process vs. X](#)

This article is about business process vs. business logic.

You'll learn:

- What a business process is
- What business logic is
- The differences between a business process and business logic
- Lots more

So if you want to understand this fundamental part of business processes, then this article is for you.

So without further ado, let's do this!

# What Is the Difference Between a Business Process and Business Logic?

Wrapping your head around all the business terminology, you need to know can be an arduous task.

From business processes to business logic to business SOPs and everything in between, it's a job in itself keeping track of these different facets of a business, and how they affect the way you serve your customers.

Read on, and we'll help you make sense of some of the more confusing concepts that relate to your business.

Today, we'll be covering business process vs. business logic so you can start to make sense of these oft-mistaken terms and how they apply to your business.

# What is a Business Process?

In layman's terms, a business process is a collection of steps that stakeholders or members of your company perform to achieve a defined goal.

Different stages in the process can be delegated to various members of your team, and each member is responsible for handling their portion of the business process.

Every department performs business processes within a company, and they can also be applied to software and computer technology in addition to the processes that your employees carry out.

For larger organizations, business processes are an especially important area of focus.

Most large companies have plenty of opportunities to “trim the fat” by streamlining or automating their business processes, which can save tons of time and money.

Business processes act as a road map for employees, letting them know precisely what they need to do to solve problems, complete complex processes, and do their job as efficiently as possible.

When business processes are functioning correctly, they make it easy for employees to achieve operational goals.

Another critical characteristic of business processes is that they can reduce mistakes during critical processes.

When employees have a precise and repeatable path to complete their work, they're able to do so efficiently, which helps streamline your business and can reduce costs.

Learn exactly what a business process is in this [definitive guide to business process.](#)

# Types of Business Processes

Business processes typically fall into one of three categories: management processes, primary processes, and support processes.

## Management processes

Management processes provide the framework for operations, governance, and strategy.

They define the company's standards and goals, and they also include the study and monitoring of primary and support processes so they can be refined.



# Primary processes

Primary processes are the lifeblood of a business, as these processes deal primarily with delivering value to your customers.

These processes relate to how the company provides its product or service to its customers, and each step of a primary process is aimed at adding value to the products you offer.

# Support processes

Support processes don't necessarily add value to your product offering the way that primary processes do.

But, they provide the groundwork for you to be able to carry out primary processes.

You can think of support processes as the day to day operational processes of a business.

## What Makes a Sound Business Process?

For a business process to be efficient and effective, there are four characteristics it must have.

# Finite

A sound business process has a defined beginning and end.

In between, there is a limited number of steps you'll need to complete to finish the process.

# Easy to replicate

Sound business processes don't throw any bumps in the road at you.

The outcome should be identical, time after time, no matter how many times you repeat the process.

# Creates value

Within each step of a business process, it should be clear why the step needs to be there.

Does a step not seem to add any value to the process as a whole? Try to eliminate it; it probably isn't essential.

# Flexible

Within any business process that's working well, there should be room to adjust the process to account for new technologies, new ways of doing business, or other ways to streamline the process.

A sound business process should be flexible enough to change to meet the needs of your business as it moves forward.

## Business Process Automation (BPA)

All businesses aim to become more efficient, and business process automation can enable them to do so.

With BPA, technology or artificial intelligence is used to execute repetitive tasks that once required a human element.

Some business processes can be automated, either partially or entirely, and doing so allows a business to reduce costs while improving accuracy and reducing or eliminating human error.

# What is Business Logic?

Business logic, which is sometimes referred to as domain logic, is a set of custom rules and algorithms that govern the exchange of information between the user interface and the

database of a software program.

Within business logic are business rules, and these rules define the way the business operates.

The business logic of a program dictates how the business rules are applied to different scenarios within the program in the real world.

Most business logic is deployed as true or false binary code, and it's easy to see business logic in play when you look at the workflows the logic supports.

These workflows specify the sequences and steps that determine how information, data, and decision making flow.

## Business Logic in Practice

It might be a bit scary to look at, but at its core, business logic is simply an expression of how we apply the real-world rules of business.

When you see business logic at work, it becomes easier to wrap your head around.

The workflows that data flows through between users and software are the easiest place to see business logic in practice.

Based on business logic, how data can be stored, displayed, created, or edited can be defined.

This system of rules guides how the different parts of the software interact with one another, as well as how those elements can be viewed or changed.

# Illustrated Examples of Business Logic

Sometimes, business logic becomes a bit easier to understand once you wrap your head around some of the areas within a program that rely on business logic to dictate their actions.

Here are some examples of where business logic is applied.

## Calculations

Such as applying a discount, promotion, or tax to an invoice

## Transactions



The rules and logic that define how to execute transactions, like a purchase

## Validation

Rules and logic for ensuring user inputs are correct

## Process flow

Dictates when to engage different steps in an automated business process

## Page flow

Like process flow, these are the rules and logic that dictate which pages to show a user

## Notifications

The logic that dictates when to send information to different users based on defined business rules

# Business Rules vs. Business Logic

Business rules and business logic are so closely related that differentiating between the two can be difficult.

While business rules exist as a formal expression of company and business policies, it doesn't speak to how those rules are applied in the real world, and that's where business logic comes into play.

As an example, a company rule may be that tax is applied to all invoices.

But, that doesn't speak to how tax should be calculated and applied to the invoice.

The business logic will dictate how and when that tax is applied, and to which customers such a tax is applied to.

Things get more challenging because there's often little or no separation between business logic and other aspects of the software, and that's especially true with layered system architectures.

With layered architectures, many developers isolate business logic into their own tier of the data hierarchy.

Over time, business logic can spill out across the software architecture levels, and business rules can become scattered throughout the system.

The danger of a layered architecture is that it makes it more challenging to make changes to business rules and logic, and when you do need to make changes, a single change may require ten other changes to function correctly.

Not only will this be frustrating for the member of your team tasked with maintaining system architecture, but it can cost you money, too.

# Business Process vs. Business Logic: Understanding the

# Differences

When it comes to business process vs. business logic, the two terms are often misunderstood or confused, even though they have very little in common.

As mentioned before, business processes serve as a roadmap for how your employees will carry out the various functions necessary to support your business.

Each function of the company is supported by a business process, or in many cases, multiple business processes.

Meanwhile, business logic refers to how business rules are applied within the system architecture of software programs.

Things do get a bit more confusing when you consider business process automation, a software process by which particular tasks within a process (or entire processes themselves) can be automated, eliminating unnecessary labor and reducing human error.

In business process automation, business logic must be applied to the architecture of the process automation software to define how the software is supposed to handle specific tasks and automation processes.

So, these two terms overlap with each other from time to time, but only in the instance of BPA.

# Business Process vs. X

There are many activities in business that are similar but yet different to a business process.

Below you find a list of the most important distinctions between different business activities and a business process:

- [Business process vs. business function](#)
- [Business process vs. business model](#)

- [Business process vs. business procedure](#)
- [Business process vs. business rule](#)
- [Business process vs. business service](#)
- [Business process vs. business workflow](#)
- [Business process vs. operational process](#)
- [Business process vs. use case](#)
- [Business process vs. SOP \(Standard Operating Procedure\)](#)
- [Business process vs. technical process](#)
- [Business process vs. system process](#)



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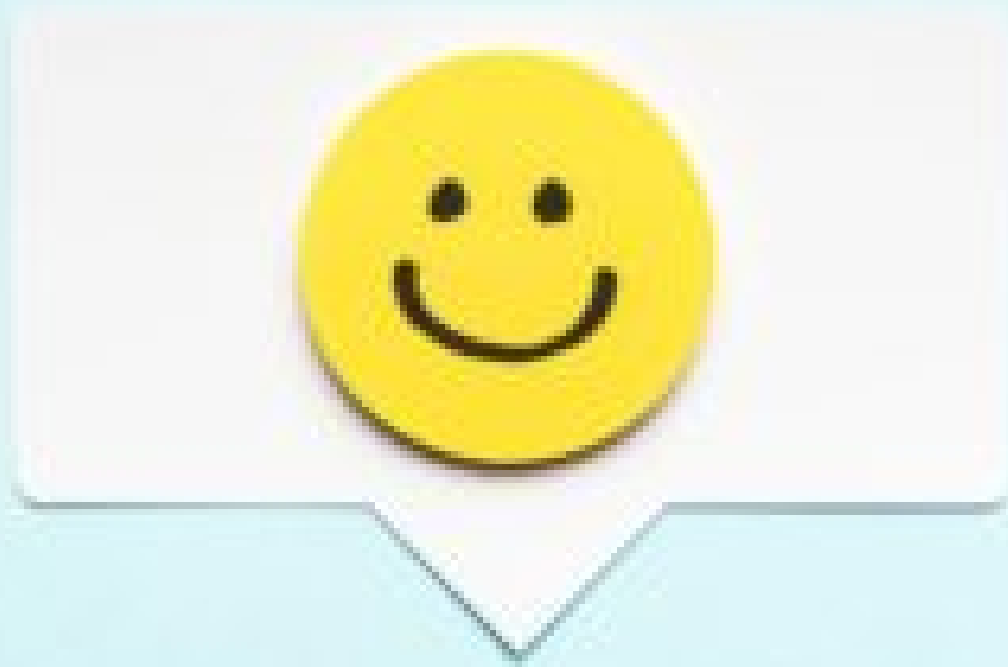
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