

Business Process Management (2 - 20200220)



Classroom Policy

- Lecture time: 10:20-12:00
 - Be on time!
 - Once door is closed, DO NOT knock!
 - and, do NOT enter!!
- Mobile phones MUST be on silent/vibration mode during lecture time
 - Recommended: turn your phone completely off!
- **No recordings!**
- Fostering an atmosphere of mutual respect will always be a priority for me.
- I trust you, unless you force me not to!

A business process is...

*a chain of **events**, **activities** and **decisions**
...involving a number of **actors** and **objects**,
....triggered by a **need**
and leading to an **outcome** that is of **value** to a **customer**.*

Examples:

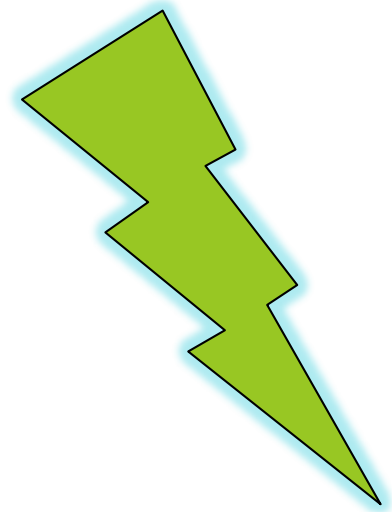
- Order-to-Cash
- Procure-to-Pay (aka Purchase-to-Pay)
- Application-to-Approval
- Fault-to-Resolution



Process performance

If you had to choose between two services, you would typically choose the one that is:

- F...
- C...
- B...



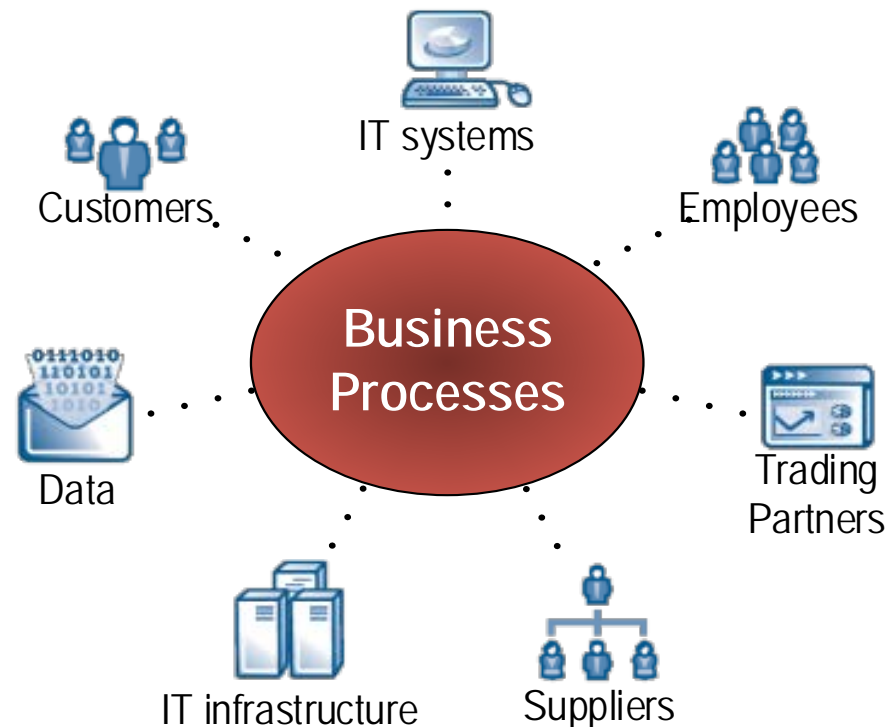
Process performance

If you had to choose between two services, you would typically choose the one that is:

- Faster
- Cheaper
- Better

Business Process Management (BPM)

*Body of principles, methods and tools to design, analyze, execute and monitor **business processes**, with the aim of **improving** their performance.*



Why BPM?

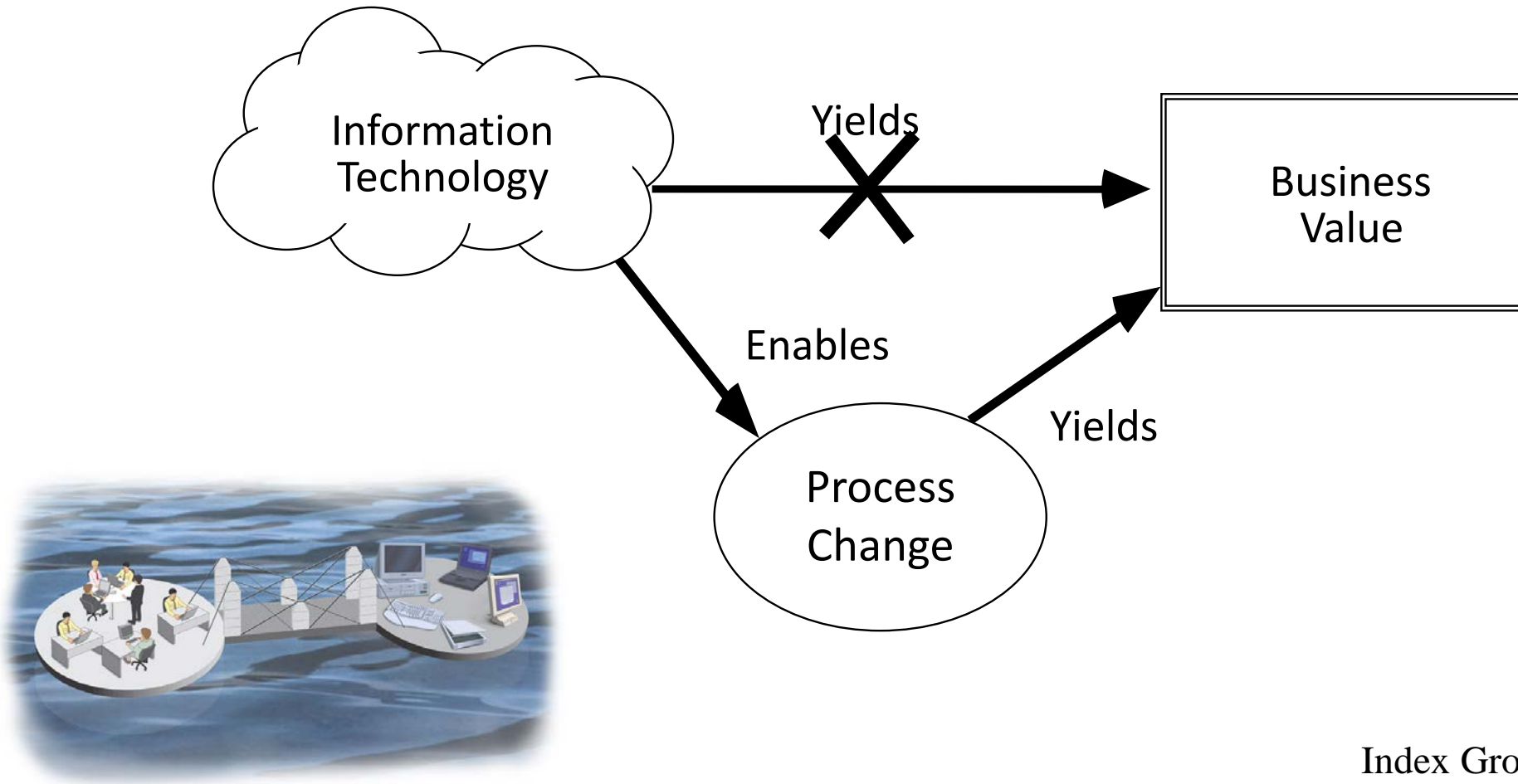


“The first rule of any technology used in a business is that automation applied to an efficient operation will magnify the efficiency.

The second is that automation applied to an inefficient operation will magnify the inefficiency.”

Bill Gates

In other words...



Index Group (1982)

Why BPM

Job ad - SOFTWARE ENGINEER WITH FOCUS PROCESS DEVELOPMENT (BUSINESS PROCESS AUTOMATION)



Kühne + Nagel opened its Corporate IT Center in Tallinn August 2012, located in the district of Ülemiste City. We are almost 400 IT professionals and are still looking for new minds.

JAVA DEVELOPER (OUTPUT MANAGEMENT)

International Output Management System (iOPM) is used by all standard applications. It provides a solution for the generation and distribution of documents via different output channels (print, fax, email, preview, electronic). You will be a team member of the International Output Management Team (iOPM) department. Services you will develop innovative software solutions based on agile development. **First you will design the processes in cooperation with the business side, code.** When needed, you will participate in projects to connect the iOPM software to other applications within the company. This is an existing application package, so expect some bug fixing, refactoring and optimization. Some 3rd level support will also be needed once in a while.

Software Engineer for Mortgage Accounting

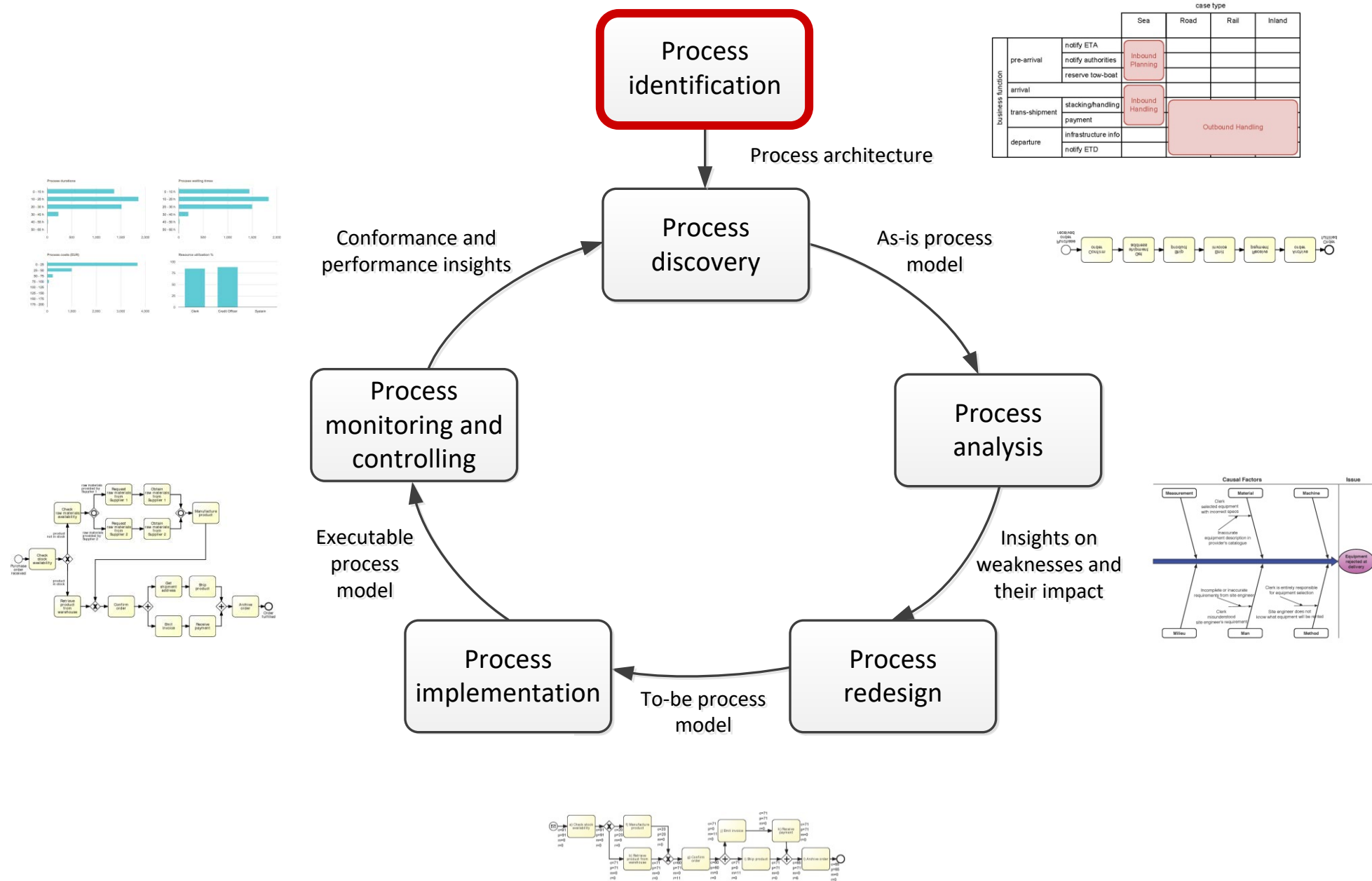
We are looking for a Software Engineer to be part of an agile team supporting Swedbank Group Accounting solutions.

About the job

You will be a part of international **agile team** focused on development of Swedish Mortgage Accounting systems. Our people are responsible for an end-to-end solution from **analysis, design, development, test, and maintenance of our processes and services.** This includes work in close collaboration with other development team members, stakeholders, and business side within processes and

How to go about BPM?

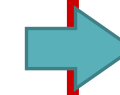
The BPM lifecycle



Process identification steps

1. Designation step

- Enumerate main processes
- Determine process scope

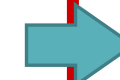


Process
Architecture

2. Prioritization step (aka Process selection)

Prioritize processes based on:

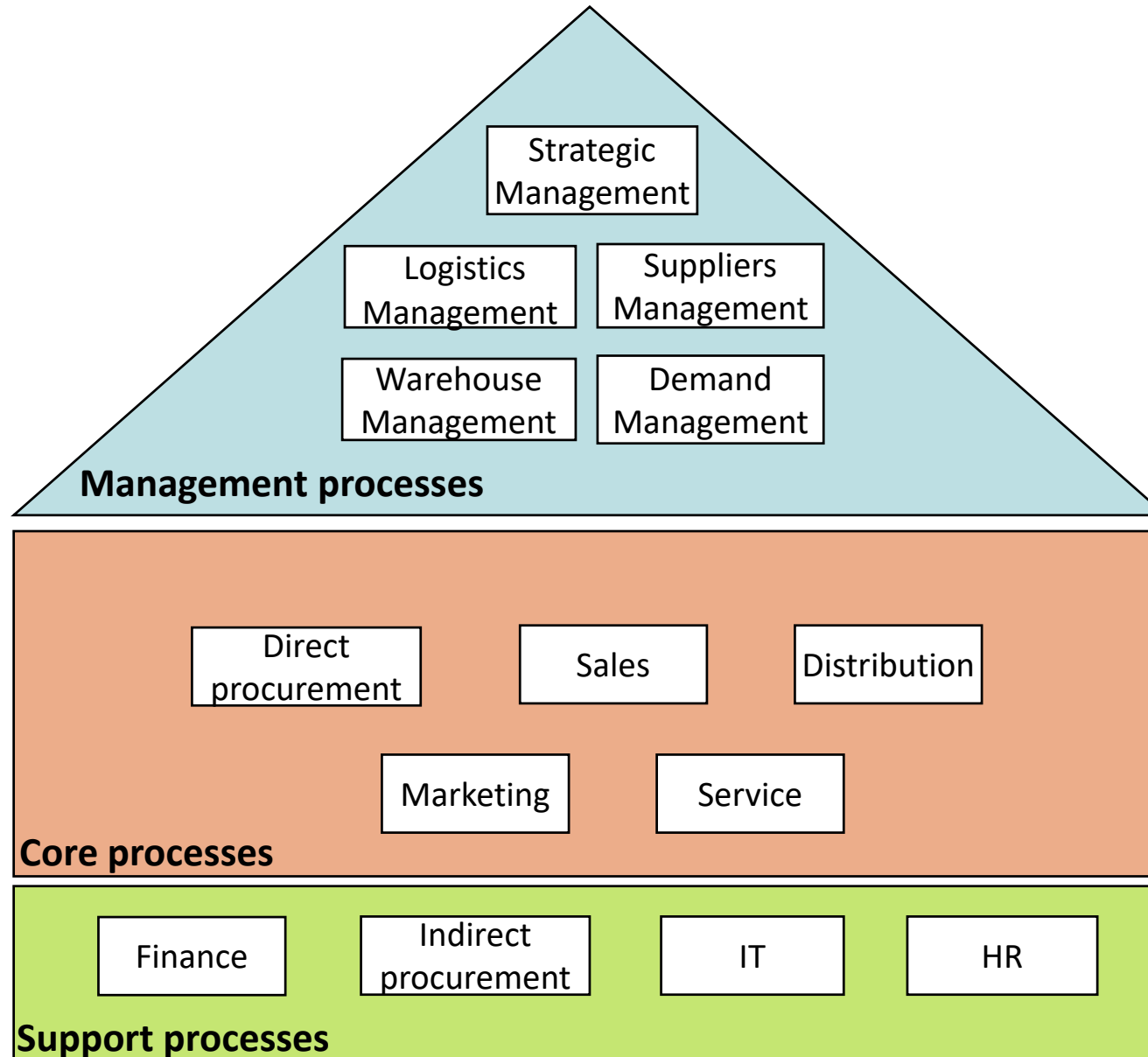
- Importance
- Health
- Feasibility



Prioritized
Process
Portfolio

Example: process architecture

Wholesaler



Prioritization (aka Process Selection)

1. Importance

Which processes have greatest impact on the organization's strategic objectives?

2. Health (or Dysfunction)

Which processes are in deepest trouble?

3. Feasibility

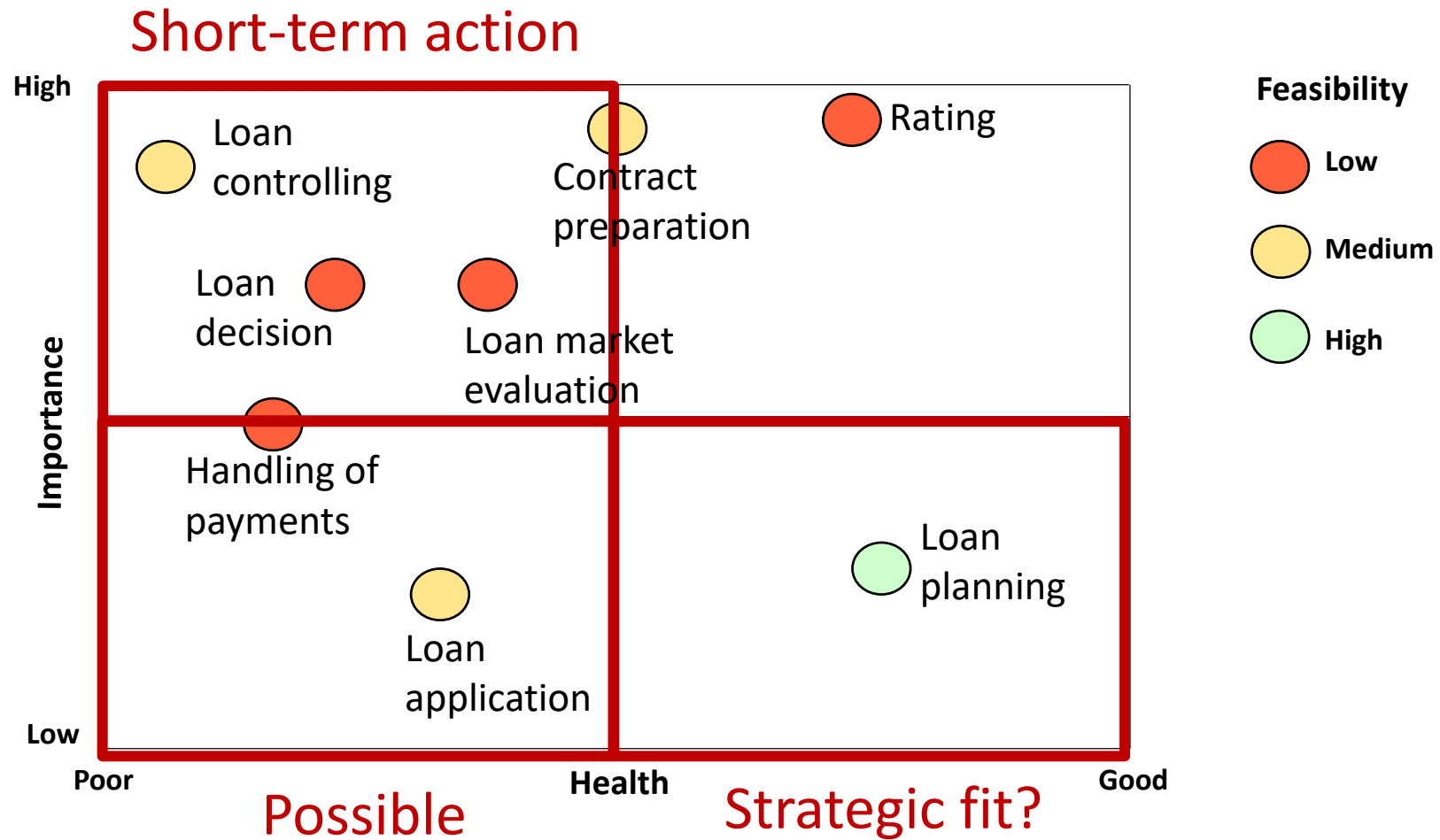
Which processes are most susceptible to successful process management?



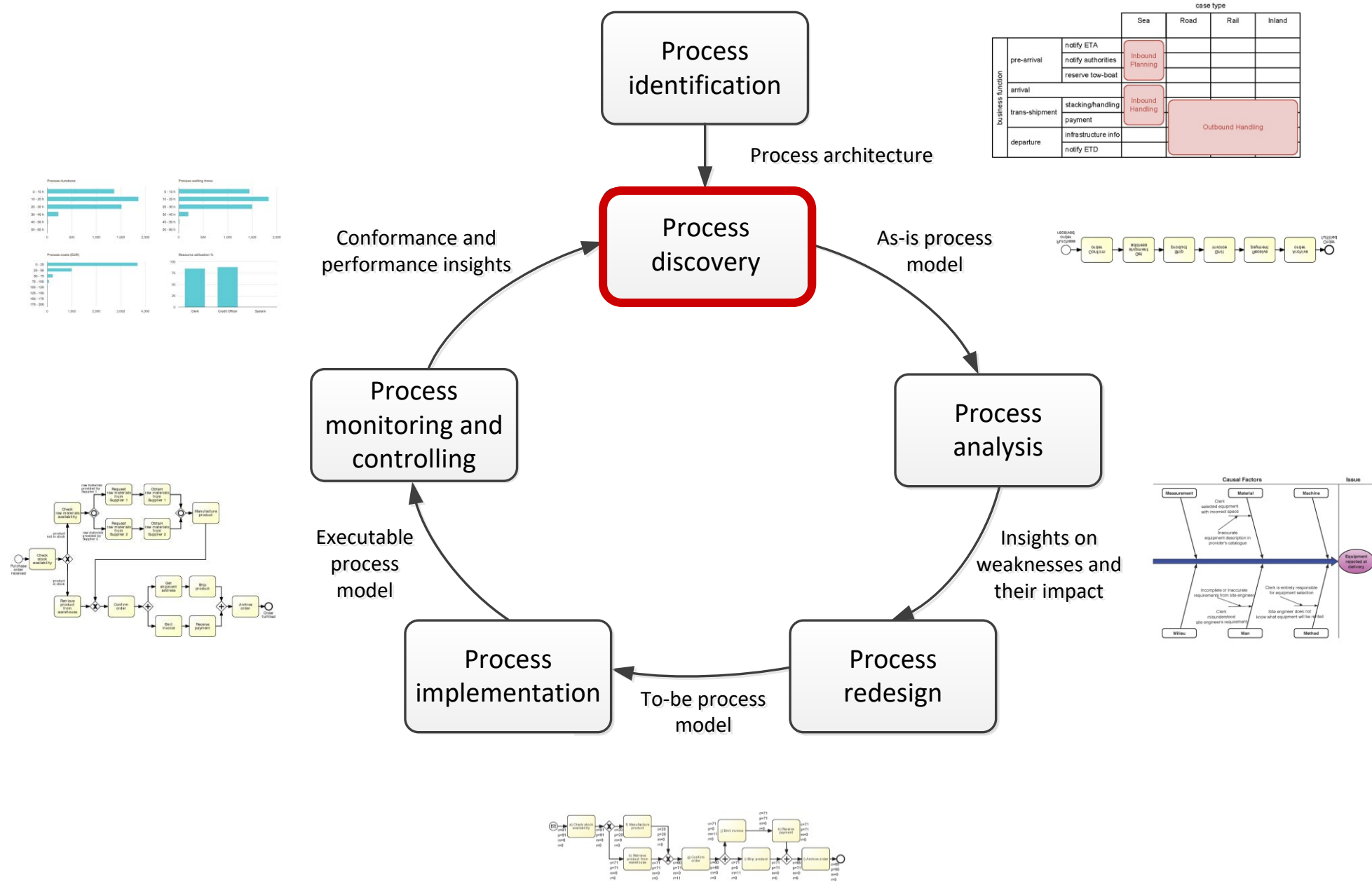
Prioritized process portfolio

Example: prioritized process portfolio

Financial institution

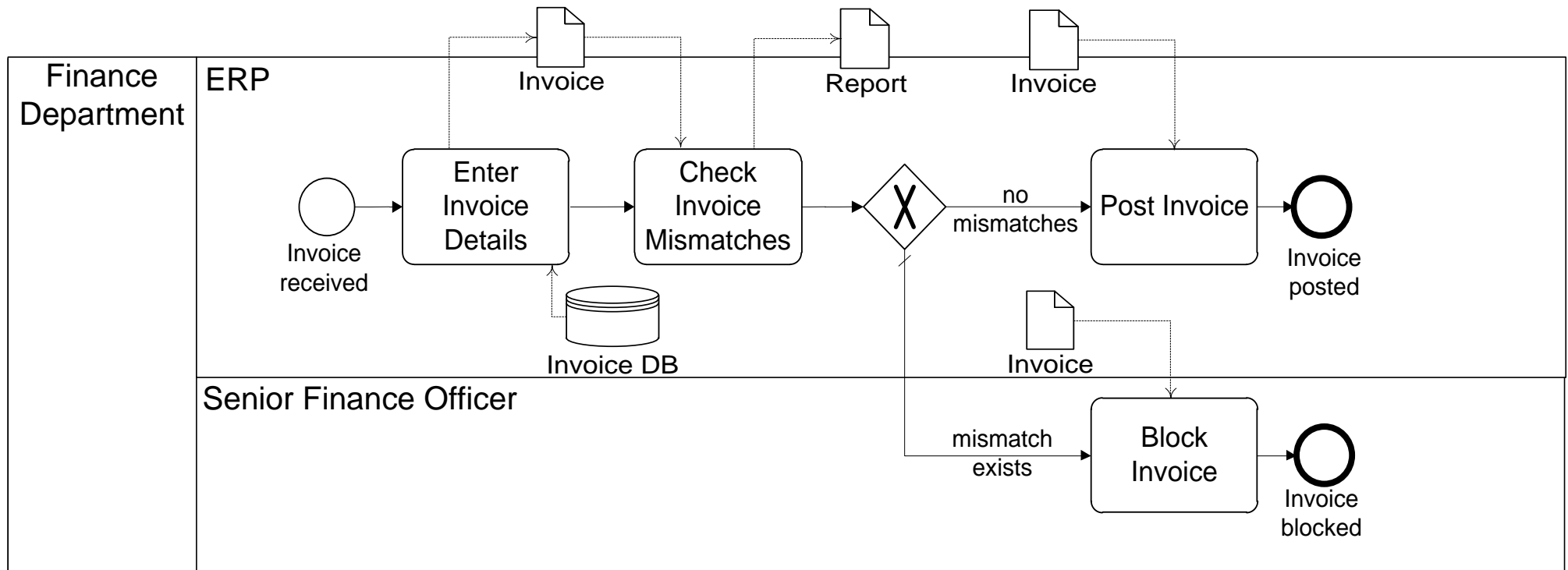


The BPM lifecycle

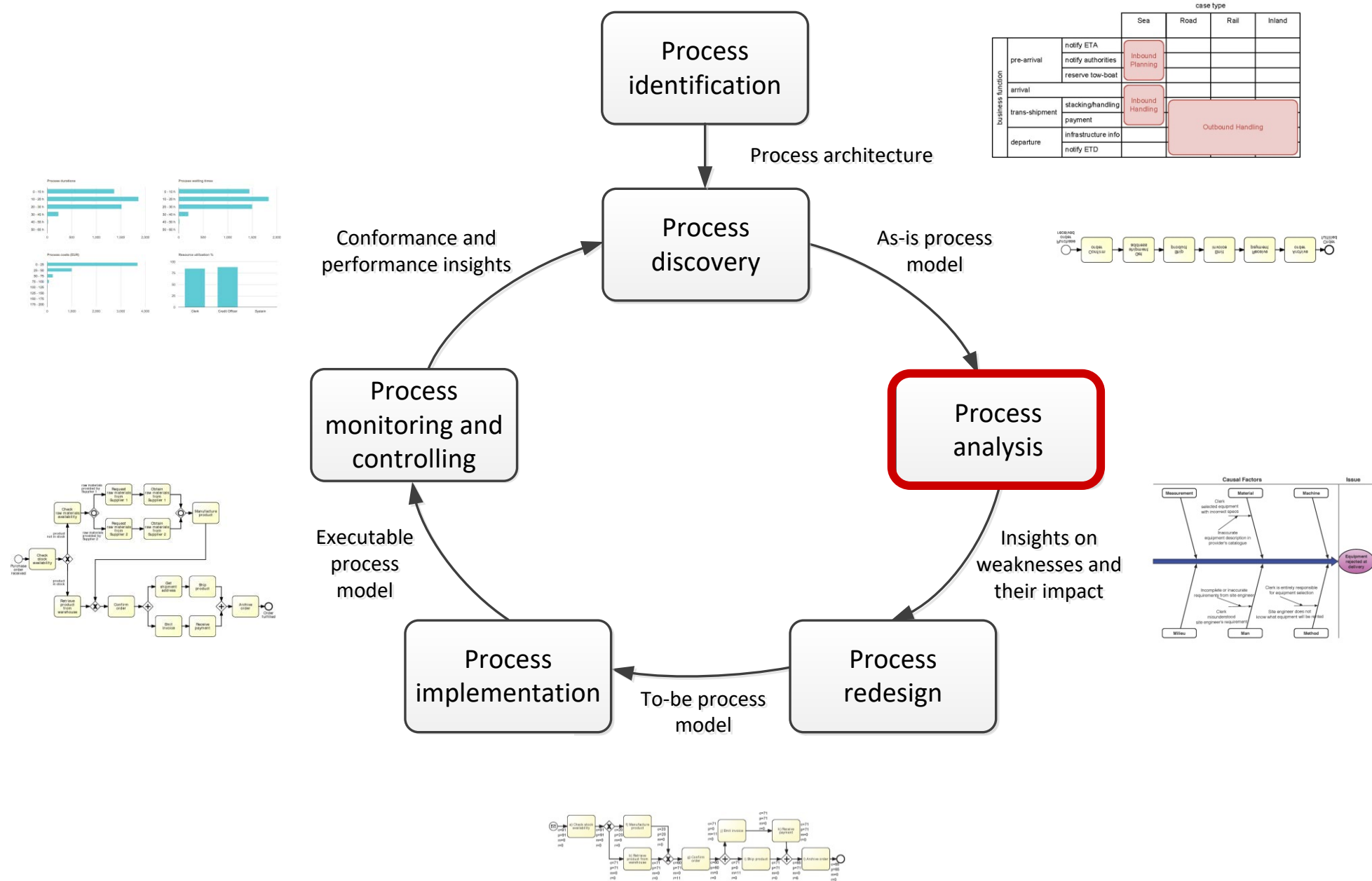


Business process model

Invoice handling example



The BPM lifecycle



Qualitative process analysis

Root-cause analysis example

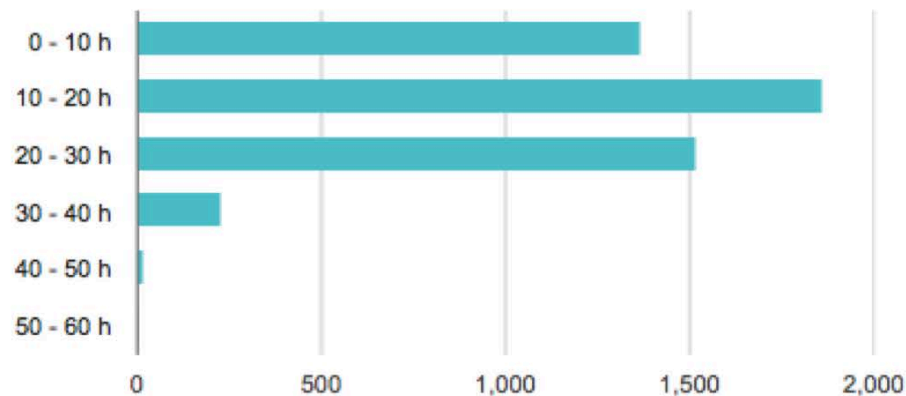
the site engineer informed^p



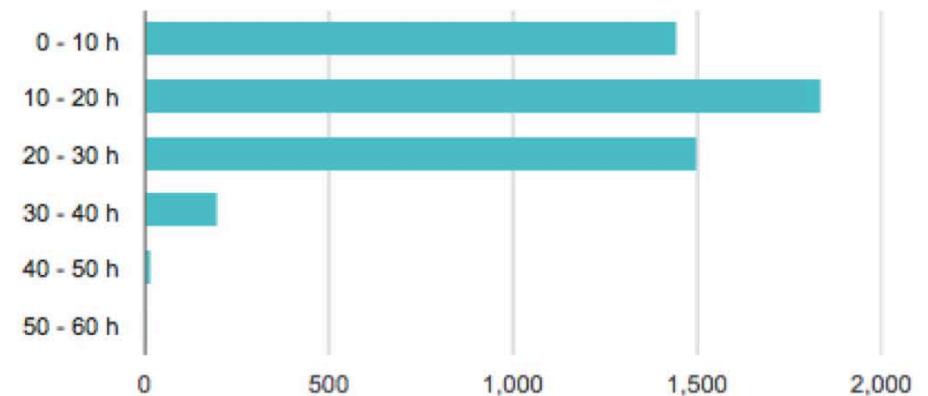
Quantitative process analysis

Process simulation example

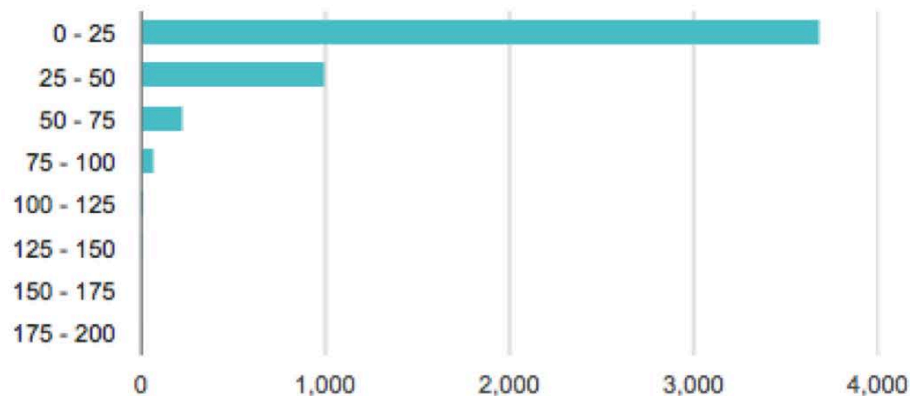
Process durations



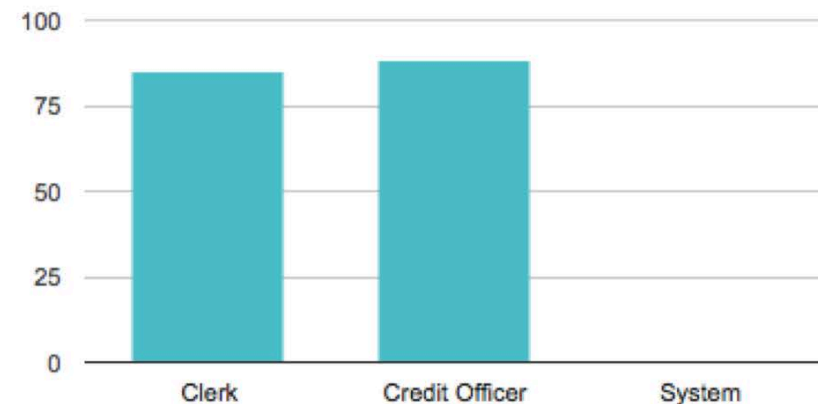
Process waiting times



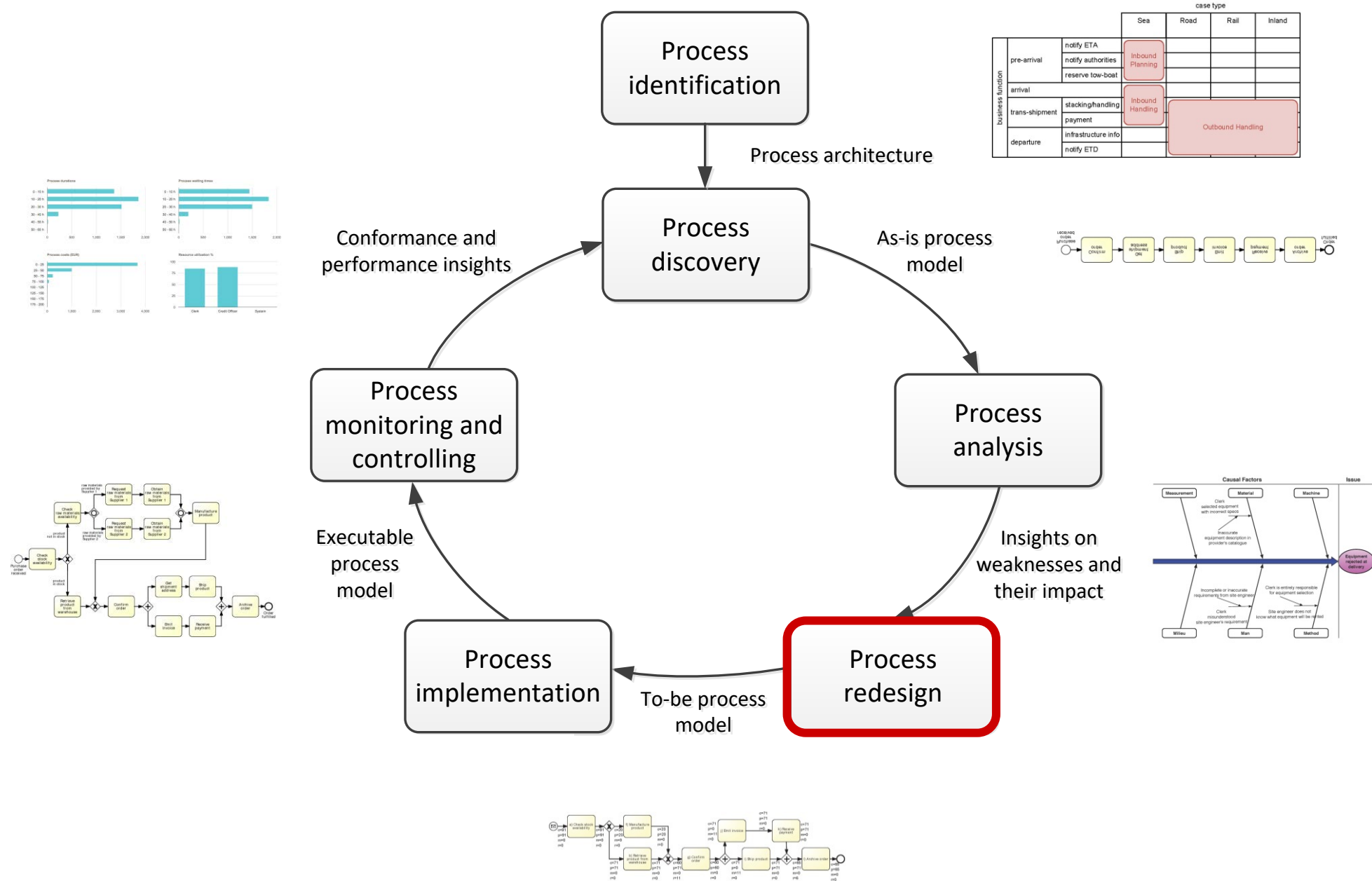
Process costs (EUR)



Resource utilization %

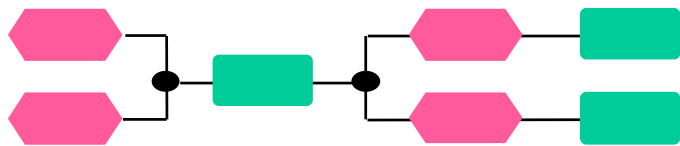


The BPM lifecycle

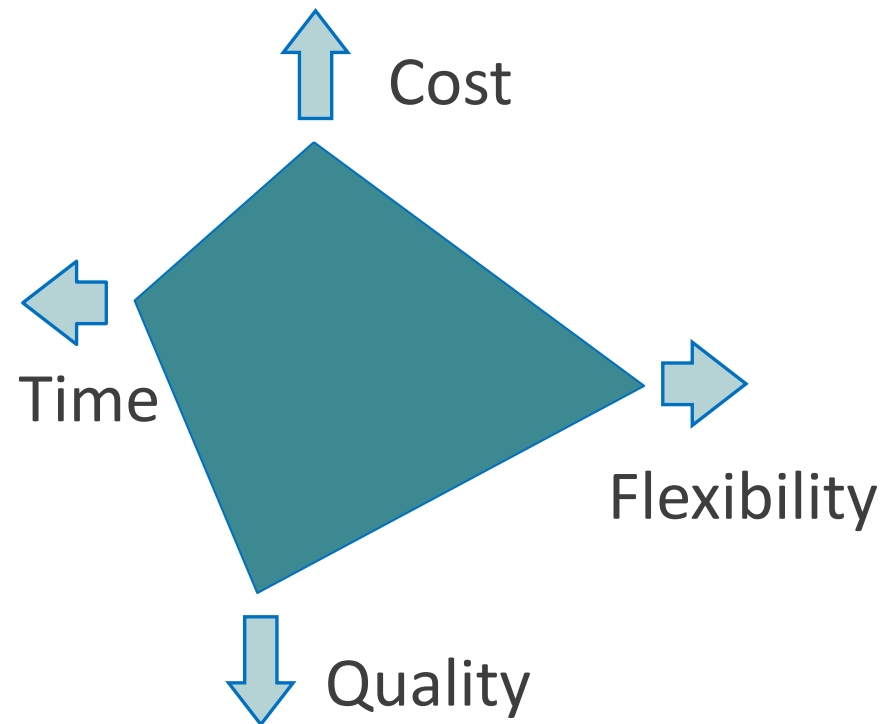
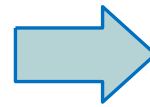
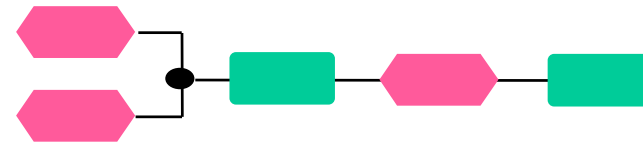


Process redesign

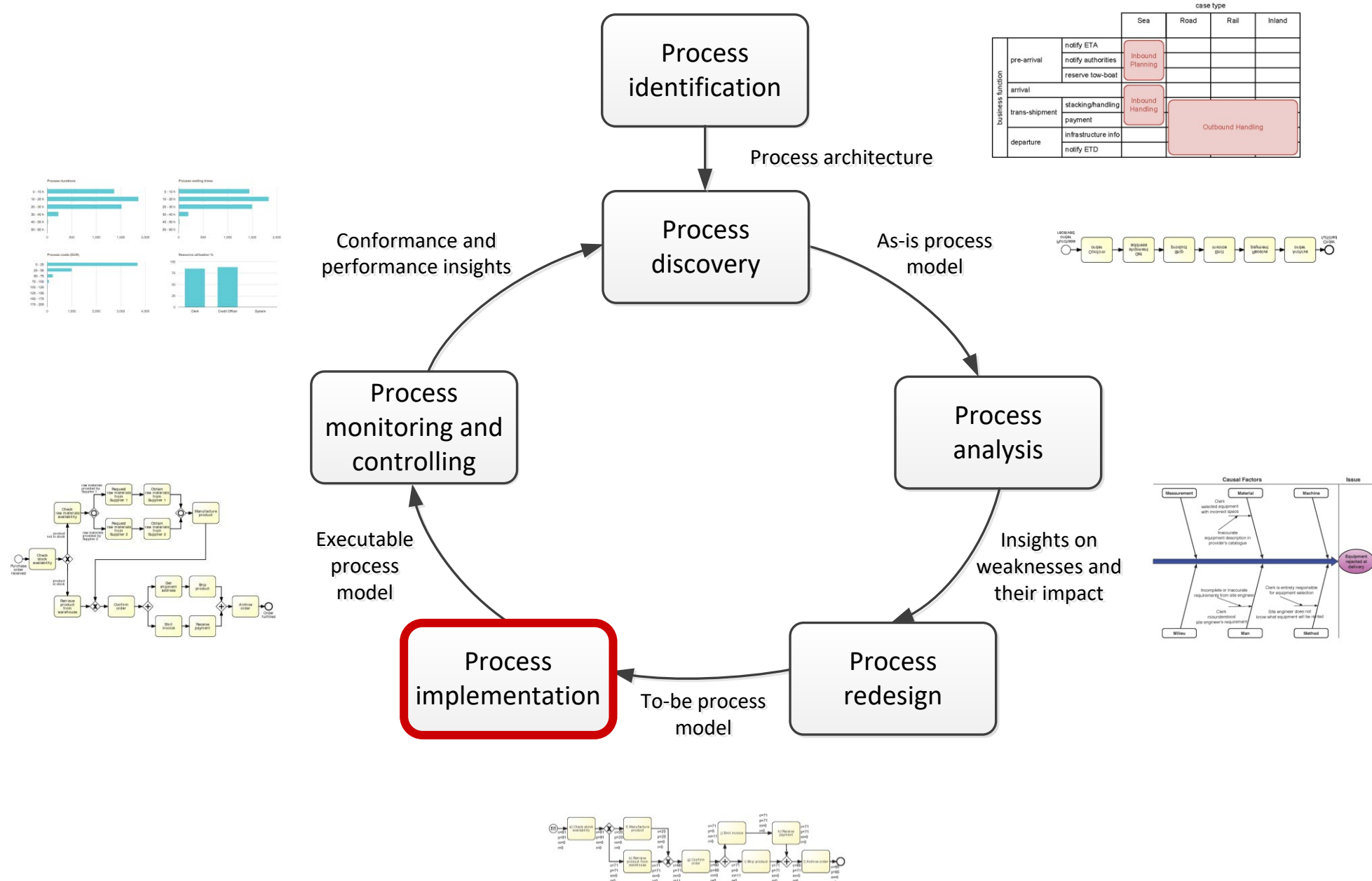
AS-IS process model



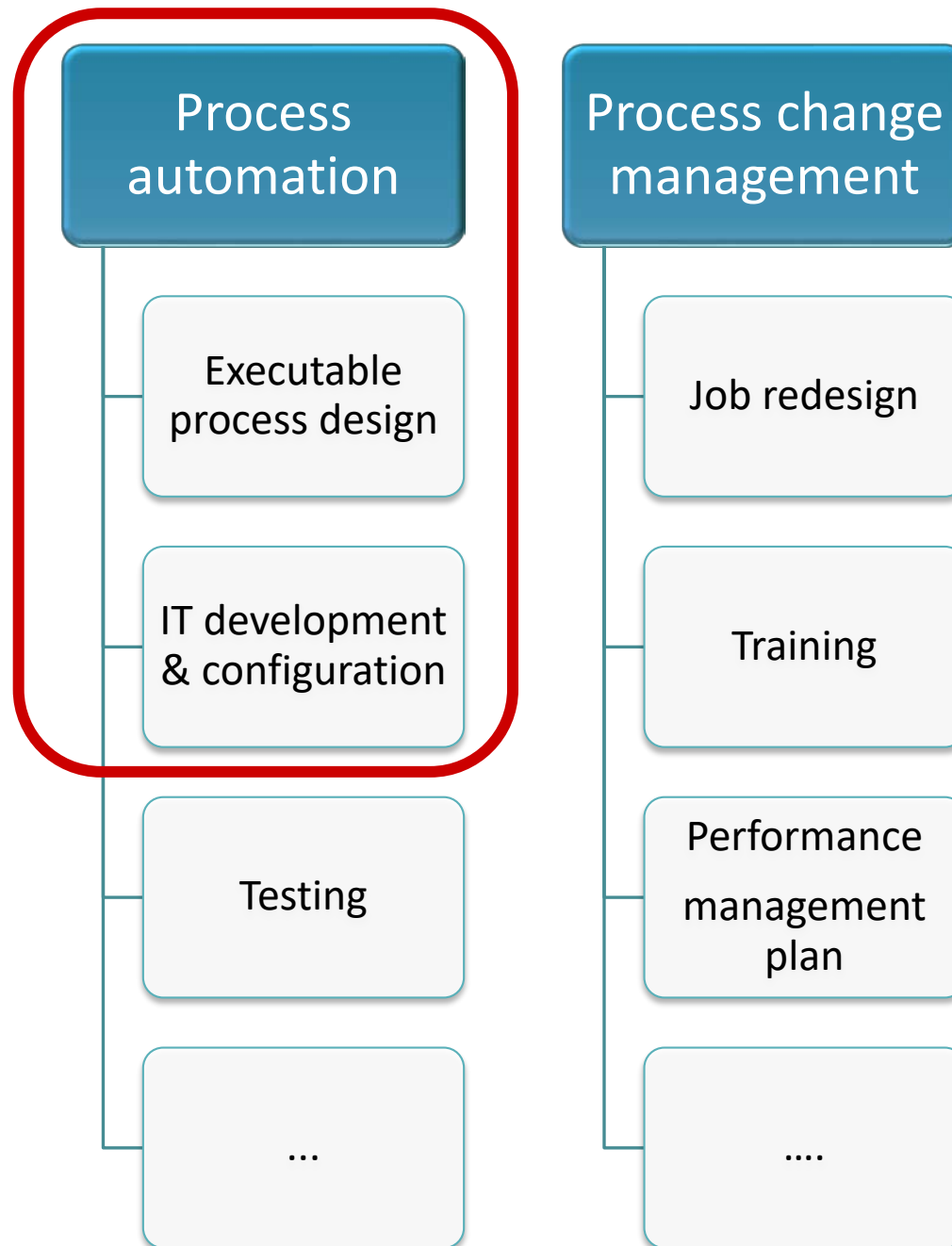
TO-BE process model



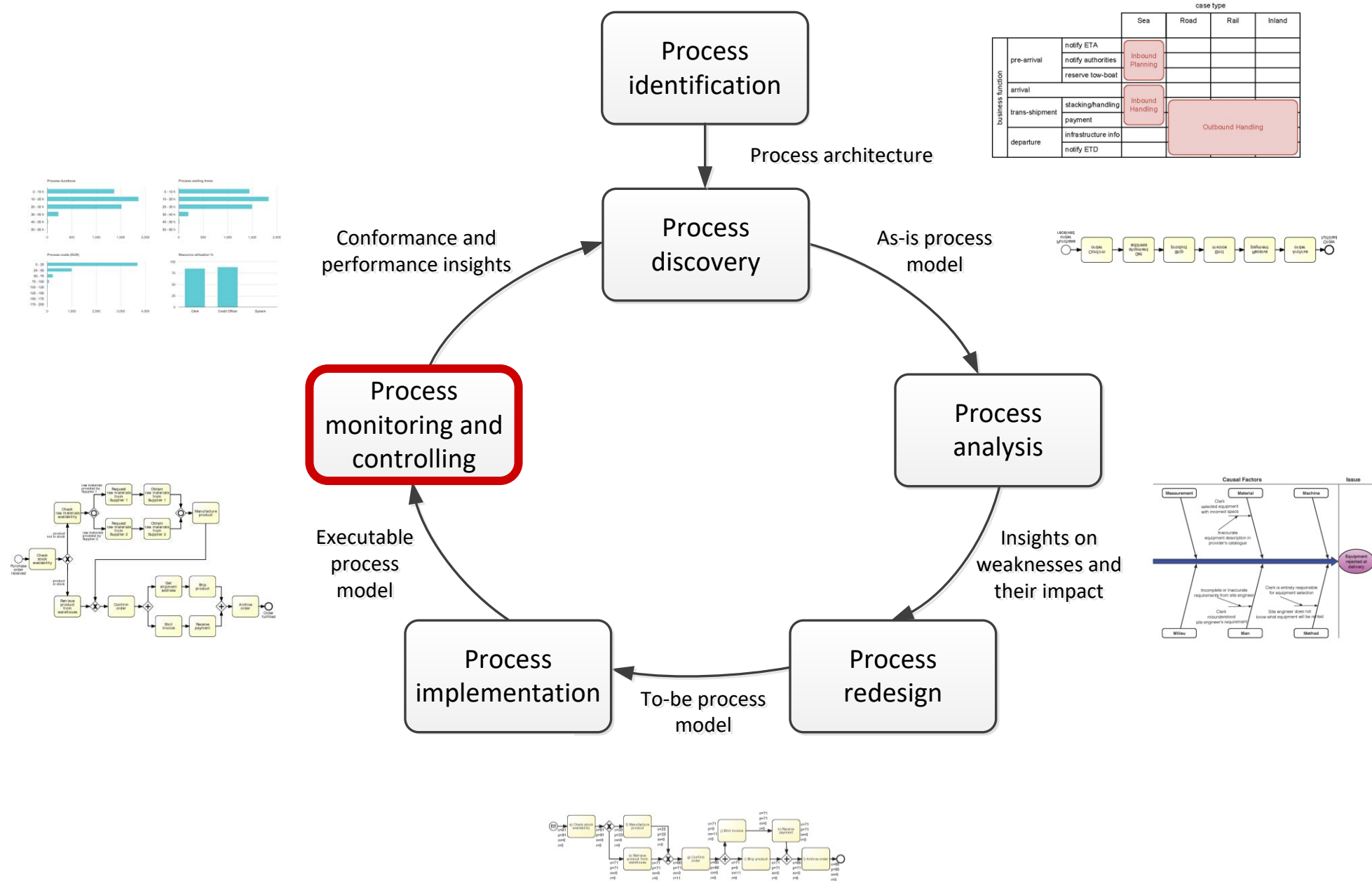
The BPM lifecycle



Process implementation



The BPM lifecycle



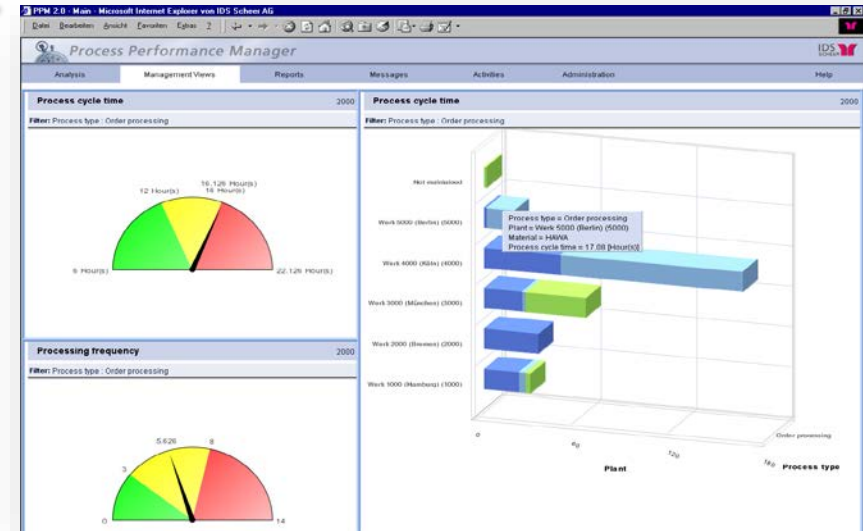
Process monitoring

Dashboards, alerts & reports

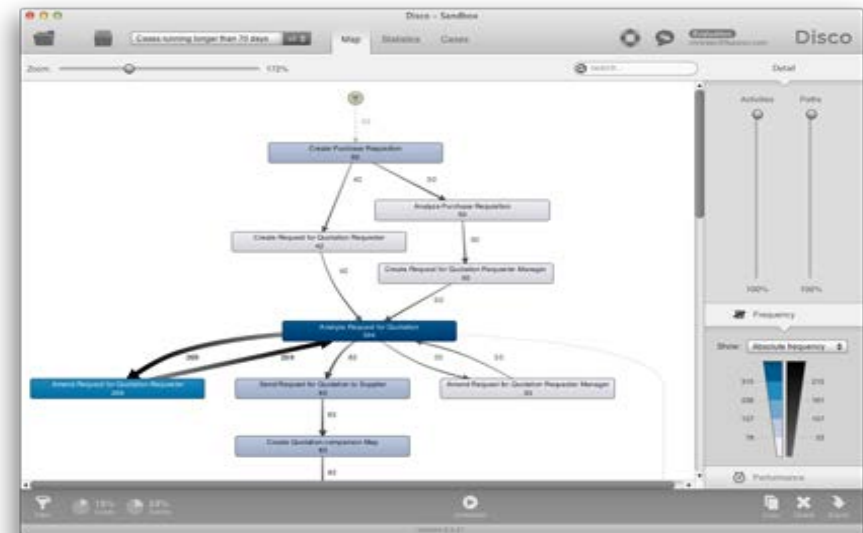
Event stream
DB logs



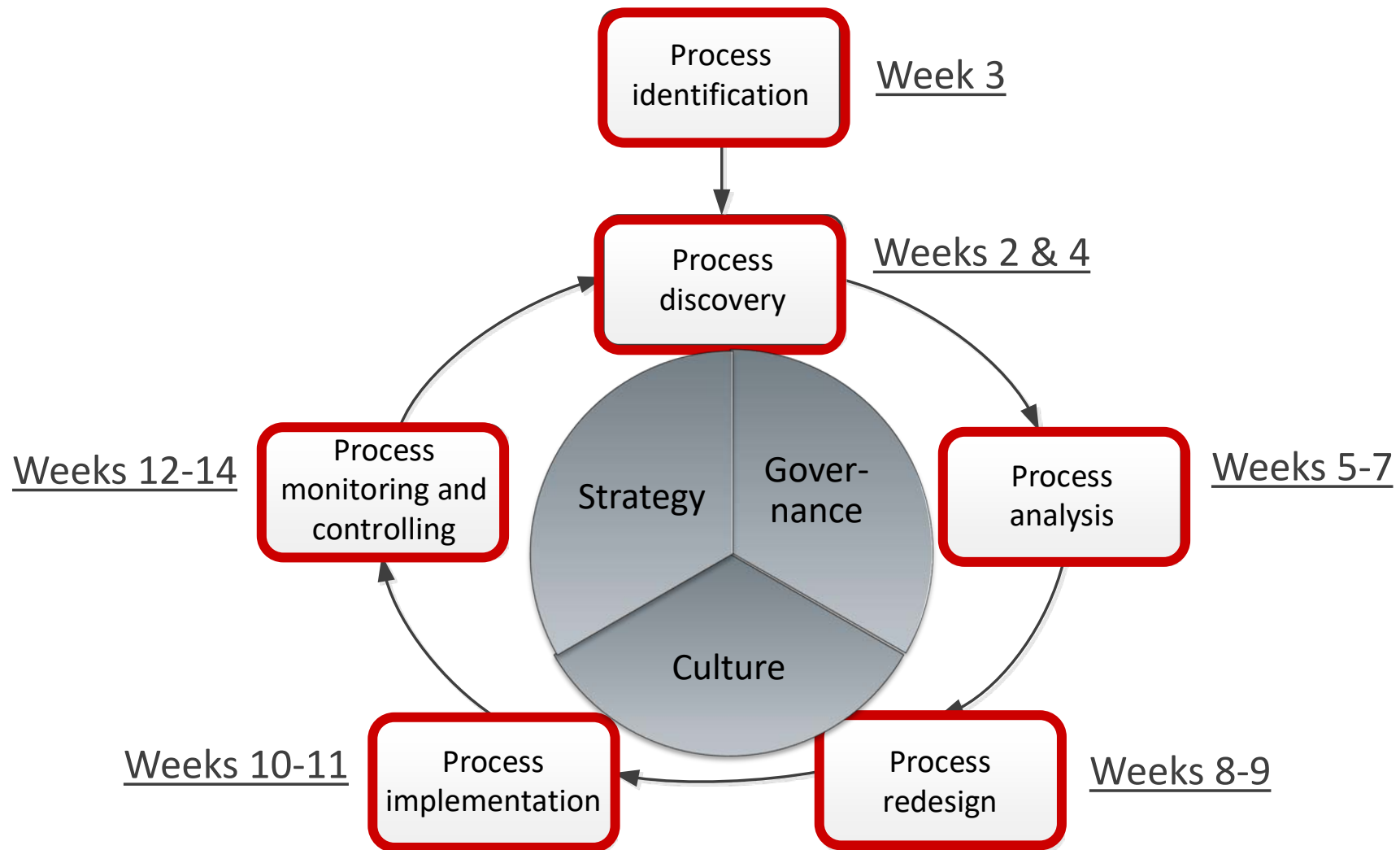
DB logs



Model-based analytics (p. mining)

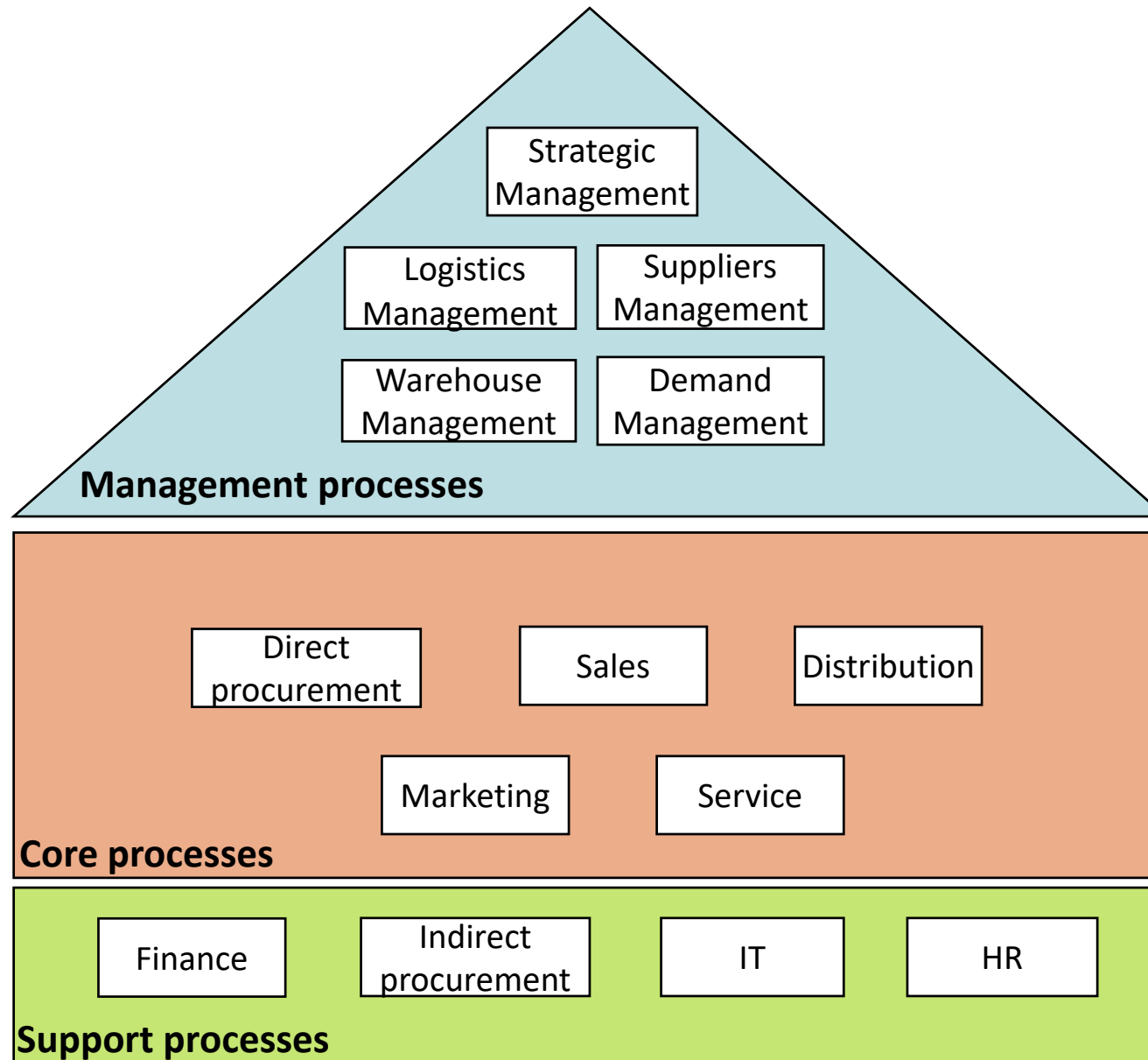


Course structure



Next Week

Process Identification



Questions

