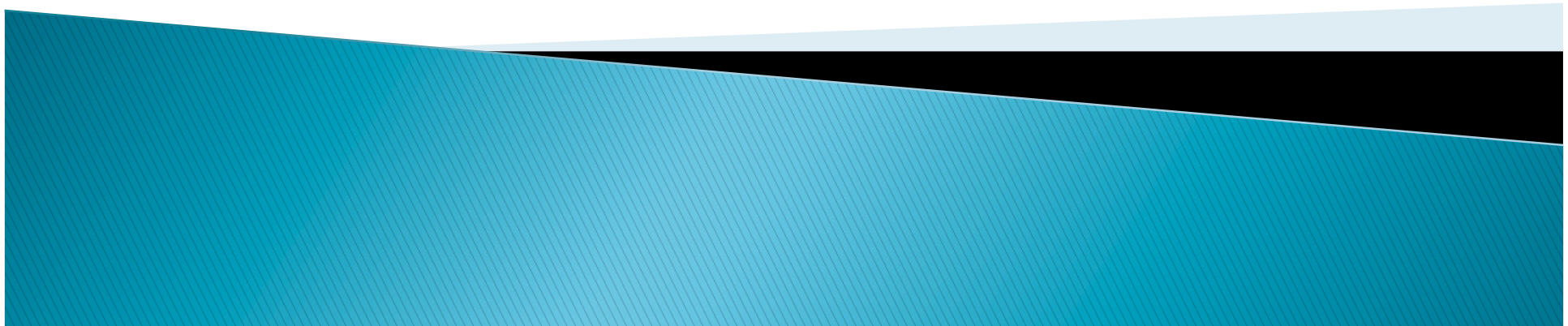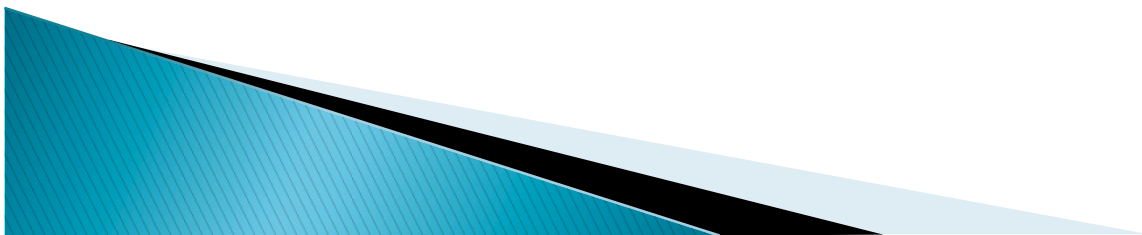# Introduction to business Processes

Prof H.MIMOUN

ESIEE Paris
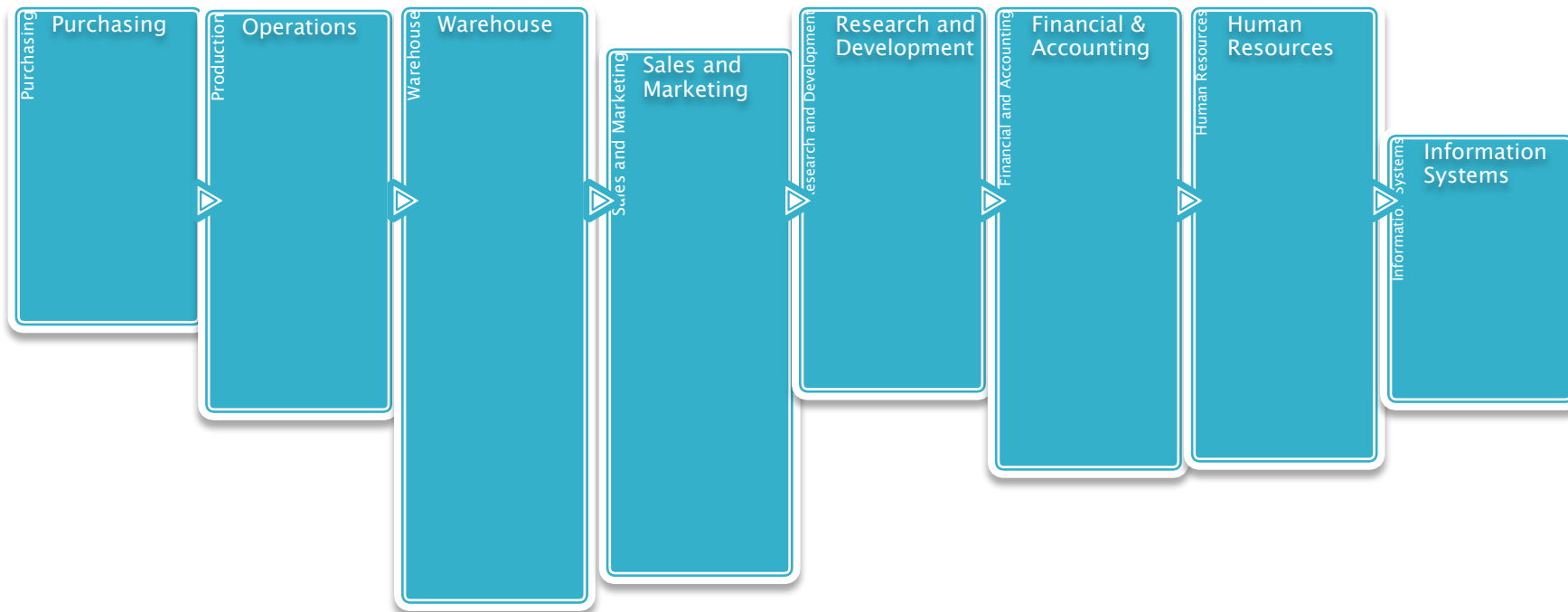
Learning objectives
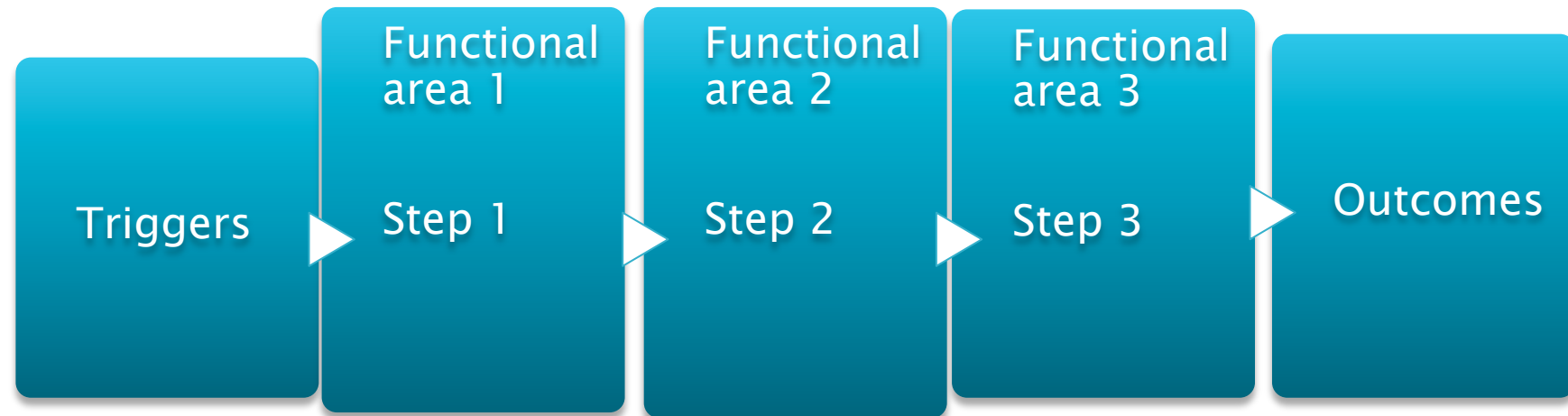
- Define the functional organizational structure
- Describe key business in an organization
- Identify the main integration points between and among processes
- Explain how the SAP ERP system promotes an integrated approach to business processes

The functional organizational structure

Purchasing

Purchasing

Production

Operations

Warehouse

Warehouse

Sales and Marketing

Sales and Marketing

Research and Development

Research and Development

Financial and Accounting

Financial & Accounting

Human Resources

Human Resources

Information Systems

Information Systems

Business Process

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┌──────────┐   ┌──────────────┐   ┌──────────────┐   ┌──────────────┐   ┌──────────┐
│          │   │ Functional   │   │ Functional   │   │ Functional   │   │          │
│          │   │ area 1       │   │ area 2       │   │ area 3       │   │ Outcomes │
│ Triggers │ ▷ │ Step 1       │ ▷ │ Step 2       │ ▷ │ Step 3       │ ▷ │          │
└──────────┘   └──────────────┘   └──────────────┘   └──────────────┘   └──────────┘
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- An organization use many processes to achieve its objectives
- Three processes are directly related to creating and delivering products and services :
1. Buy: procurement process
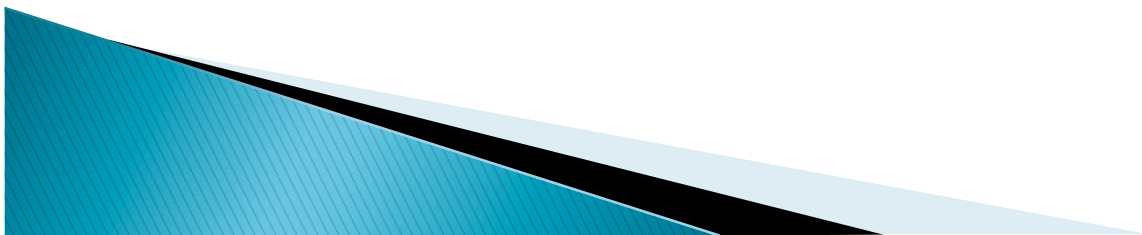2. Make: production process
3. Sell: fulfillment process

Business process

- Closely related to buying, making, and selling are four processes used to *design, plan, store, and service* products
- Organizations use specific terms for these processes:
  1. *Design*: lifecycle data management
  2. *Plan*: material planning process
  3. *Store*: inventory and warehouse management process (WM)
  4. Service: asset management and customer service processes
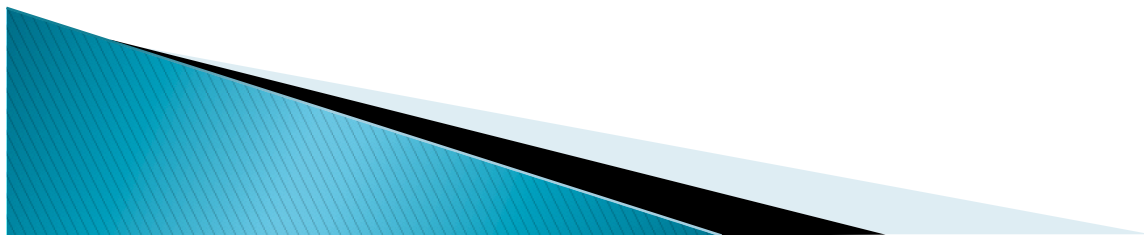
Business process : Going further

- Two support processes related to people and projects are:
    1. Human capital management (HCM) processes
    2. Project management processes
- Last two processes track the financial impacts of processes:
    1. Financial accounting (FI) processes (track-external)
    2. Management accounting or controlling (CO) processes (track-internal)

Procurement – Buy

Warehouse	Purchasing	Warehouse	Accounting	Accounting
• Create purchase requisition	• Create and send purchase order	• Receive materials	• Receive invoice	• Send payment

The process begins when the warehouse recognizes the need to procure materials:

1. The warehouse documents this need in a purchase requisition and send it to the purchasing department
2. Purchasing department identifies a suitable vendor, creates a purchase order, and sends it to the vendor
3. The vendor sends the materials, which is received in the warehouse
4. The vendor sends an invoice, which is received by the accounting department
5. Accounting department sends payment to the vendor completing the process