Business Processes Overview

As enterprises grow, enterprise resource planning (ERP) is a common way to unify the business activities and related systems. As such, ERP concepts are now at the forefront of all information systems courses, which work together to tie the enterprise integration points together. Additionally, databases are the at the operational core of ERP systems, and understanding the concepts of business processes are essential to understanding the complete enterprise, and to aid in integrating the systems that facilitate collection, storage, retrievable, management and exchange of data and information that occur across business processes.

A **business process** is a collection of related, structured activities or tasks that produce a specific service or product (serve a particular goal) for a particular customer or customers. It often can be visualized with a flowchart as a sequence of activities with interleaving decision points or with a Process Matrix as a sequence of activities with relevance rules based on the data in the process.

There are three types of business processes:

1. *Management* processes, the processes that govern the operation of a system. Typical management processes include "corporate governance" and "strategic management."
2. *Operational* processes, processes that constitute the core business and create the primary value stream. Typical operational processes are purchasing, manufacturing, advertising and marketing, and sales.
3. *Supporting* processes, which support the core processes. Examples include accounting, recruitment, call center, technical support.

A business process begins with a mission objective and ends with achievement of the business objective. Process-oriented organizations break down the barriers of structural departments and try to avoid functional silos. A business process can be decomposed into several sub-processes, which have their own attributes, but also contribute to achieving the goal of the super-process. The analysis of business processes typically includes the mapping of processes and sub-processes down to activity level.

Business Processes are designed to add value for the customer and should not include unnecessary activities. The outcome of a well-designed business process is increased effectiveness (value for the customer) and increased efficiency (less costs for the company).

Business processes comprise a set of sequential sub-processes or tasks, with alternative paths depending on certain conditions as applicable, performed to achieve a given objective or produce given outputs. Each process has one or more needed inputs. The inputs and outputs may be received from, or sent to other business processes, other organizational units, or internal or external stakeholders. Business processes are designed to be operated by one or more business functional units, and emphasize the importance of the "process chain" rather than the individual units.

In general, the various tasks of a business process can be performed in one of two ways; manually and by means of business data processing systems such as ERP systems. Typically, some process tasks will be manual, while some will be computer-based, and these tasks may be sequenced in many ways. In other words, the data and information that are being handled through the process may pass through manual or computer tasks in any given order.