

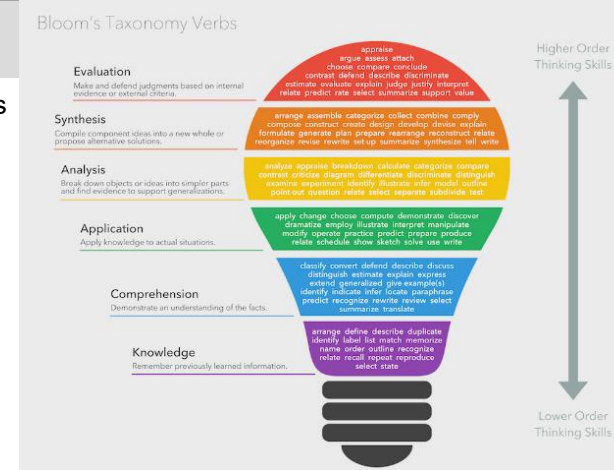
„Business Process Technologies“

[1] Introduction to Business Process Management

Bloom's Taxonomy Verbs
by [Fractus Learning](#),
Lizenz: CC-BY-SA 4.0

Learning Goals

- ✓ Motivate BPM
- ✓ Understand the meaning Business Process Management (BPM) and other terms in the knowledge area
- ✓ Categorize business processes
- ✓ Understand the contents of Business Process Management
- ✓ Understand the impact of organization on business processes
- ✓ Understand alternatives for business process improvement



Agenda

- Business Process Management (BPM)
 - Definitions
 - Levels
 - Common Terms in the Context of BPM
- Business Process Categorizations
- Business Process Improvement
 - Business Process Optimization
 - Business Reengineering

[01.1] Motivation

Motivation & Challenges

- Companies face an increasing **competitive pressure**
 - Pricing
 - Quality
 - (Customer) satisfaction
- Companies with more effective processes experience a large competitive advantage!

Types of Disruptions over the Past Four years

Percentage of Respondents; Multiple Respondents allowed



Source: Gartner
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Gartner

[01.2] Terminology

Business Process – Definition derived from [Gadatsch]

- Goal-driven temporal-logical sequence of activities which can be performed by multiple organisational entities sharing labor and potentially using IT.
- Creates value according to company strategy-driven process goals.
- Can be described formally on different levels and views.
Maximal detail, when a single person can perform an activity at once and in one place.

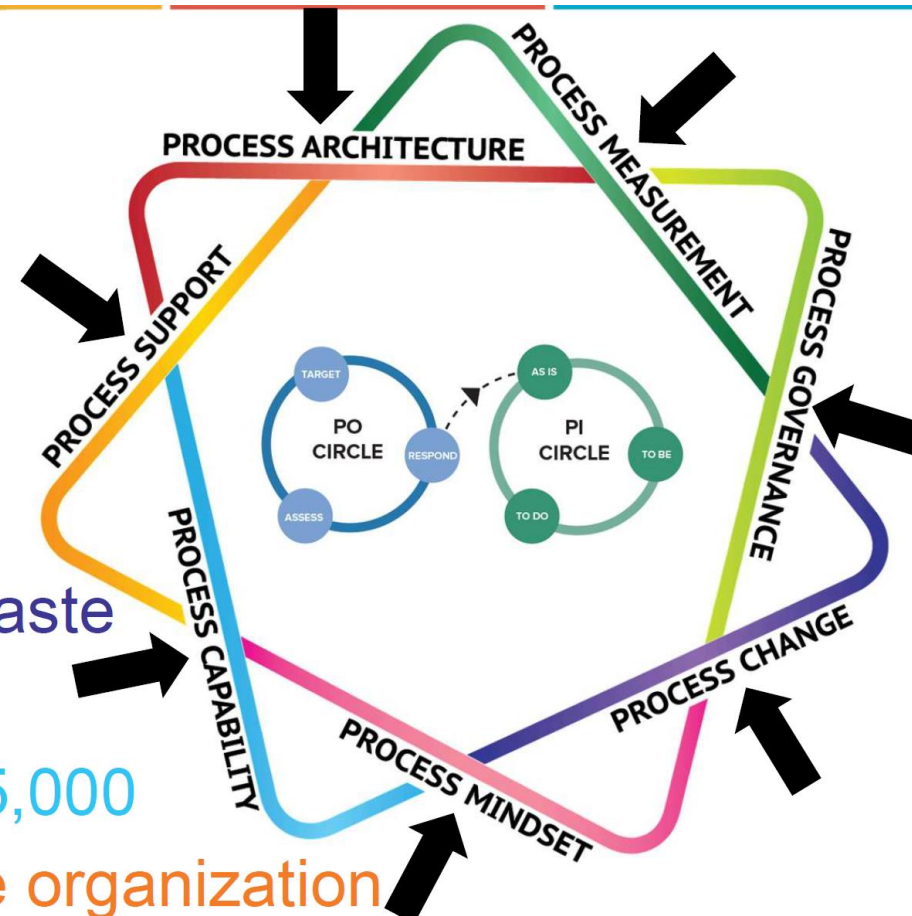
Properties of successful business processes

- **Effectiveness**: process has line-of-sight to strategy
- **Value focus**: process management is value management
- **Transparency**: documented end-to-end
- **Collaboration**: process mindset is about collaboration
- **Agility**: continuous assessment allows continuous change
- **Optimization**: genuinely continuous improvement
- **Resilience**: deep process understanding enhances recovery

7 BPM Enabler

7 Enablers of BPM *enabling the circles to turn*

1. Processes, made visible
2. By what measure?
3. Mind the gap
4. Without change, all else is waste
5. Think first
6. Not 5 process analysts, but 5,000
7. Raising capability, across the organization



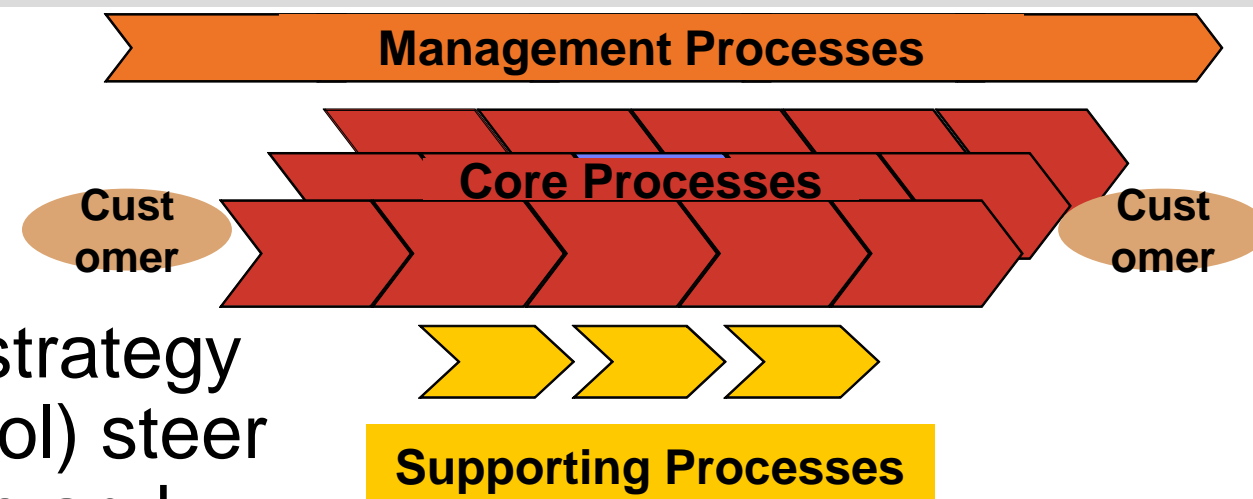
BPM: further abbreviations

- **Process Warehouse (PWH)**: collection of (historical real-time) business process event data
- **Process Performance Management (PPM)**: term covering CPM and BAM
 - Corporate Performance Management (CPM): methods and technologies for analyzing a businesses' process performance based on key performance indicators (KPIs)
 - Business Activity Management (BAM): real-time monitoring of business process activities
- **Business process intelligence (BPI)**: application of business intelligence to business processes so as to improve different aspects of how such processes are being conducted.

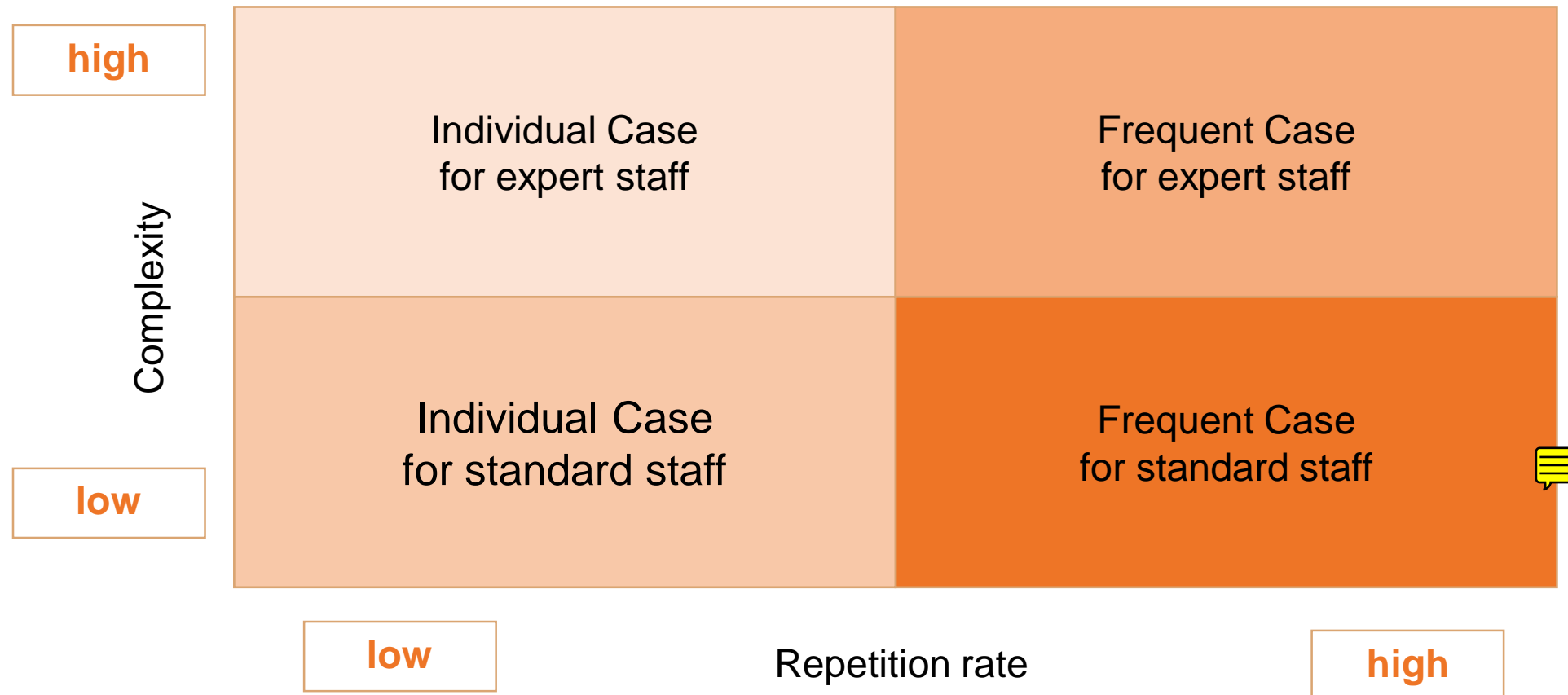
[01.3] Systematisations

Process types

- **Management processes** (e.g. strategy development, planning & control) steer the integrated operation of core and supporting processes.
- **Core processes** are **mission critical differentiating processes in creating addressee value from desire to delivery** (e.g. order processing, product development).
- Non-differentiating **support processes** create a **low degree of value** (e.g. book keeping, cost calculations).

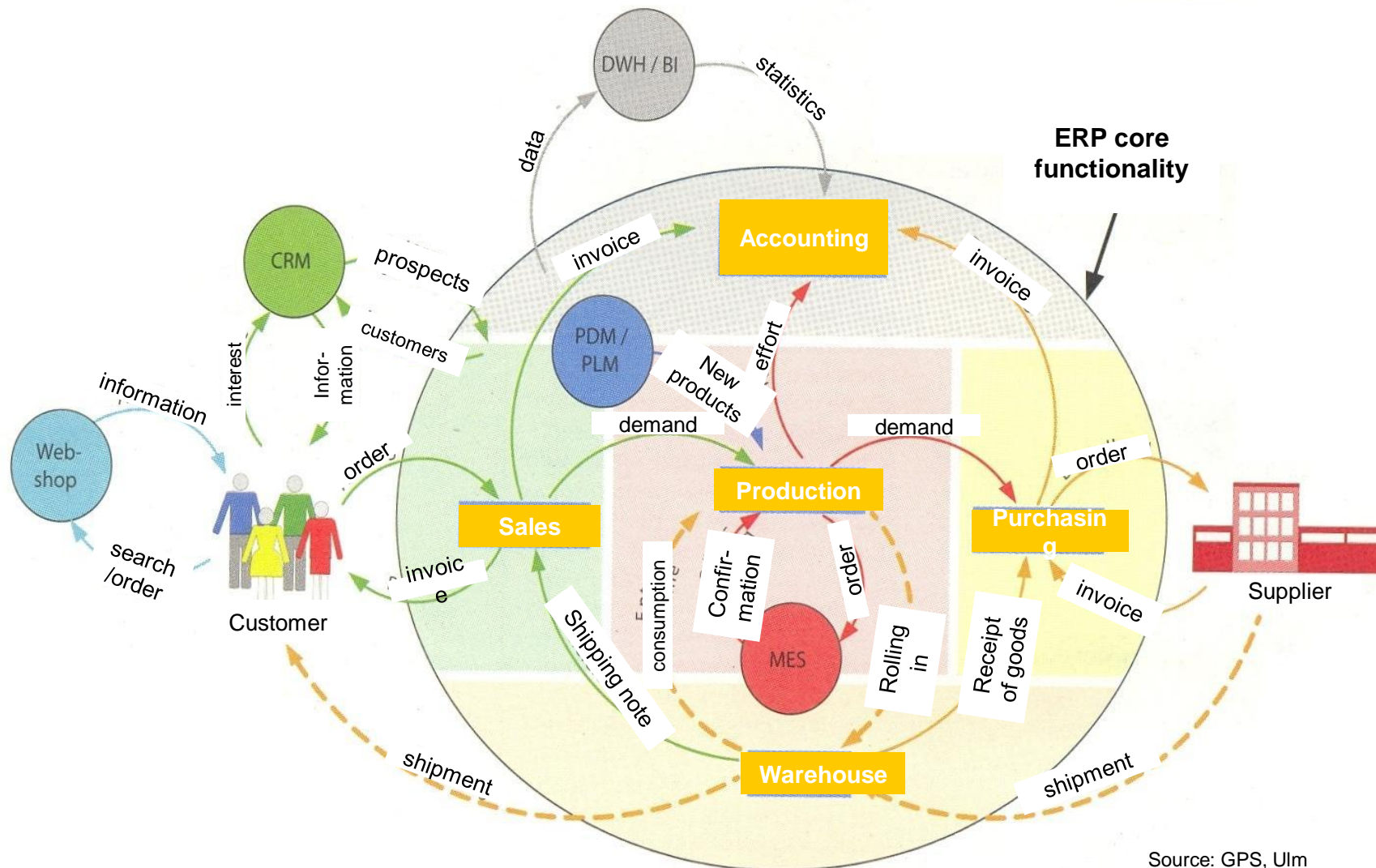


Process spectrum

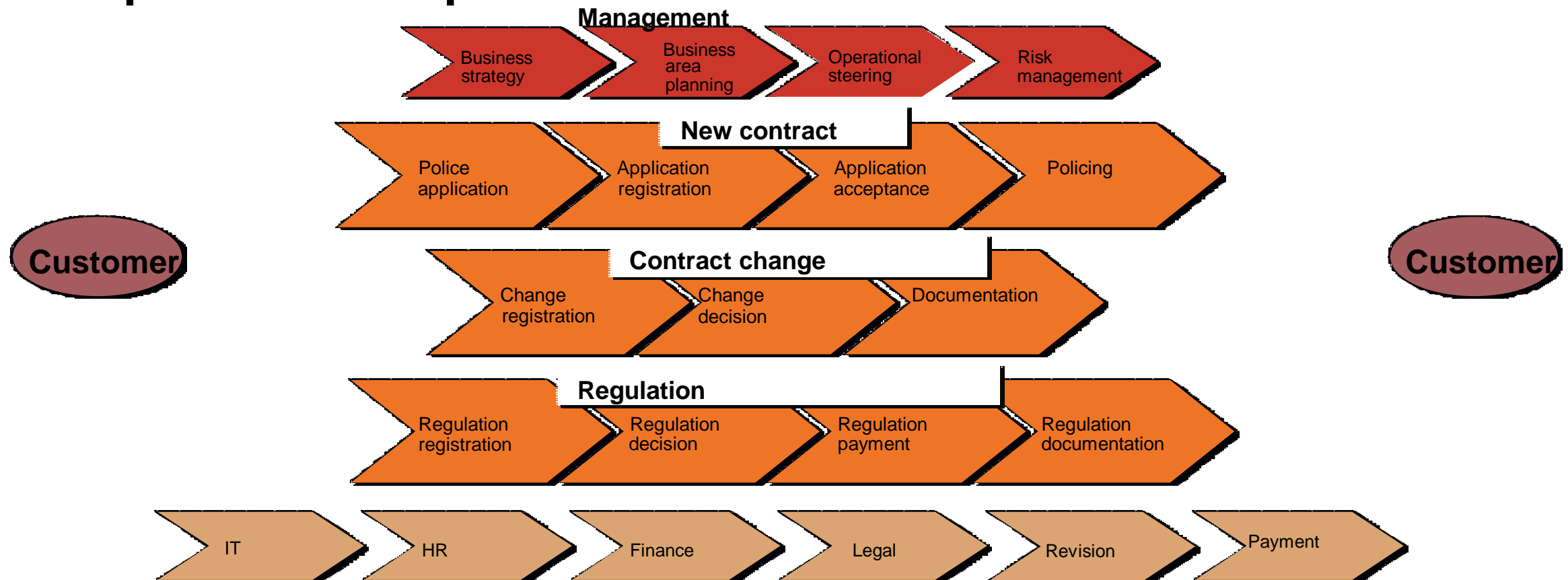


[01.4] Business process levels

A „Reference Company“

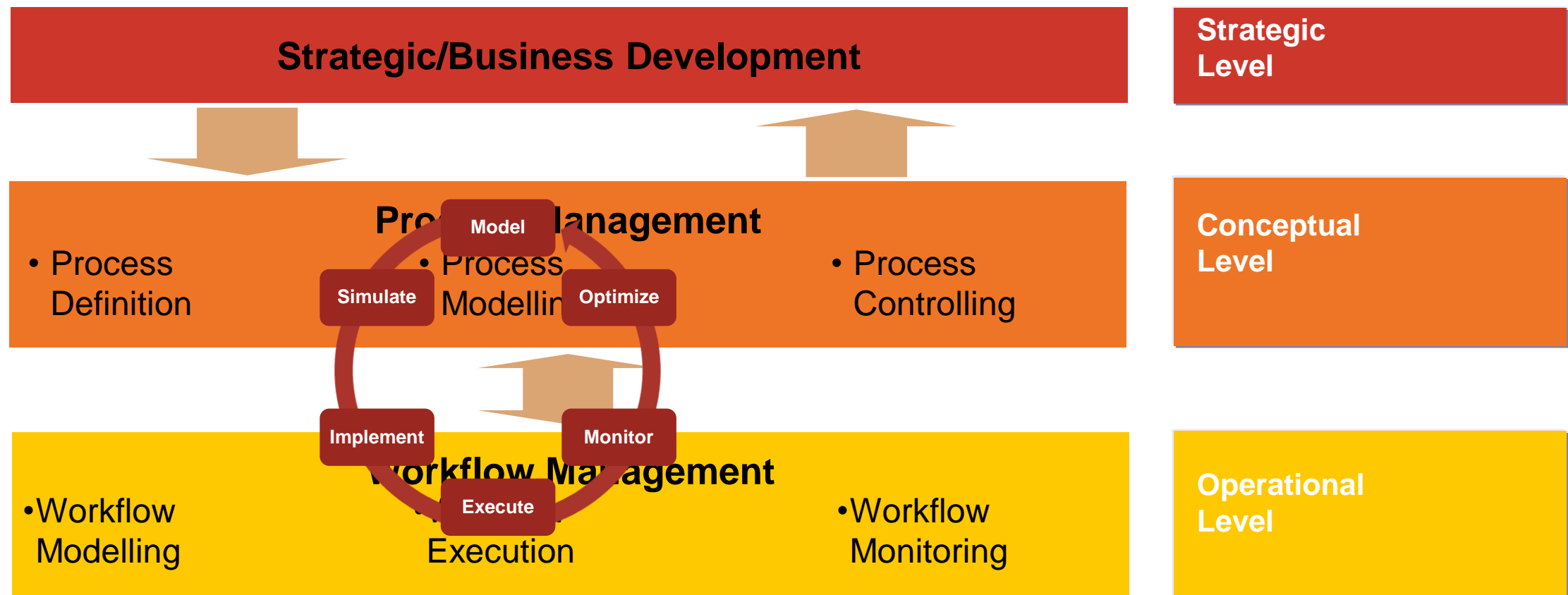


Modeling levels: value chain diagram as top level representation

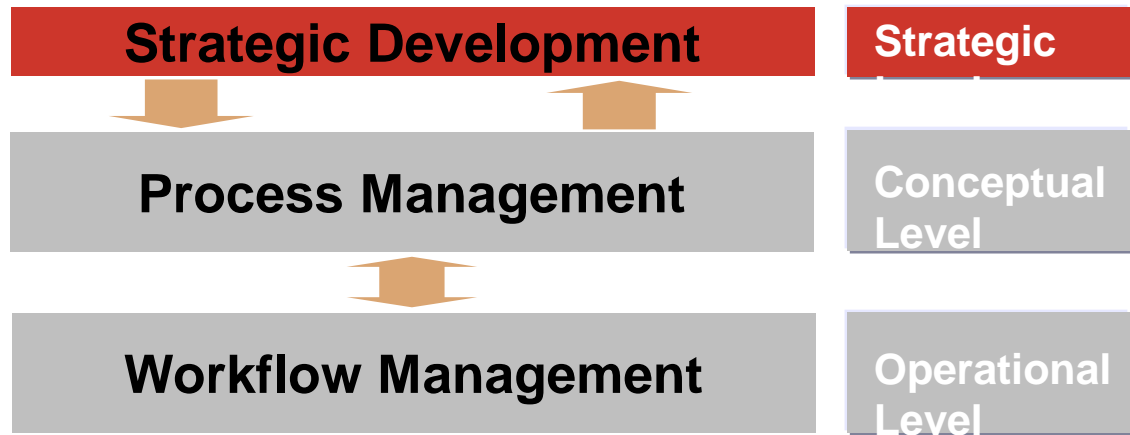


Source: Gadatsch

Process management cycle around hierarchical levels



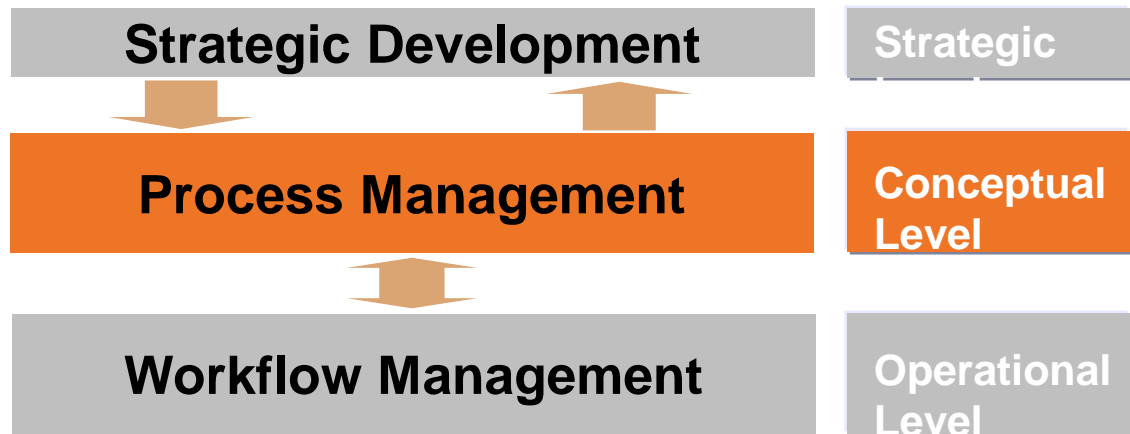
BPM-Levels (1): Strategic



Key Tasks

- Definition of Business Areas and product / service portfolio of an enterprise
- Definition of Critical Success Factors (CSF)

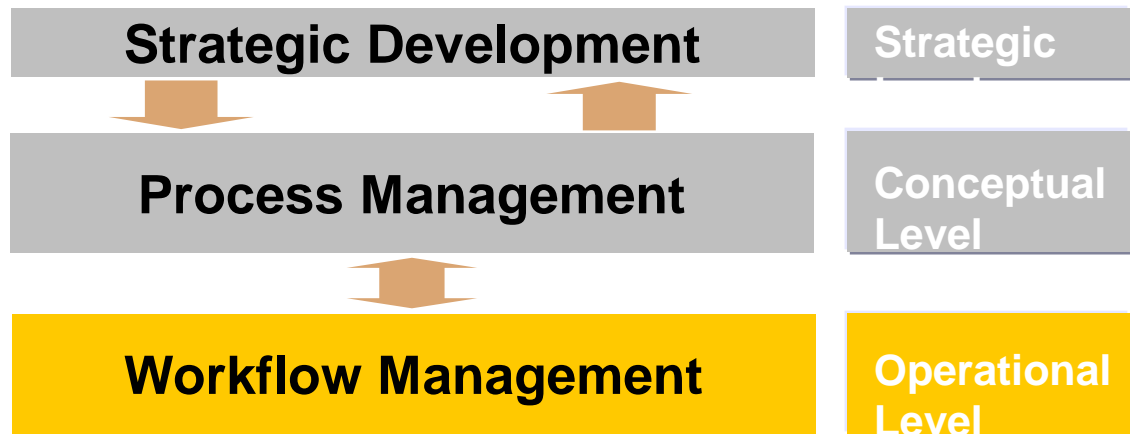
BPM-Levels (2): Conceptual



Key Tasks

- **Process Definition**
 - Defining relevant process candidates to be modelled in the next step
- **Process Modelling**
 - Modelling relevant processes using methods like BPMN, ...
- **Process Controlling**
 - Defining and monitoring Key Performance Indicators (KPI) derived from the Critical Success Factors

BPM-Levels (3): Operational

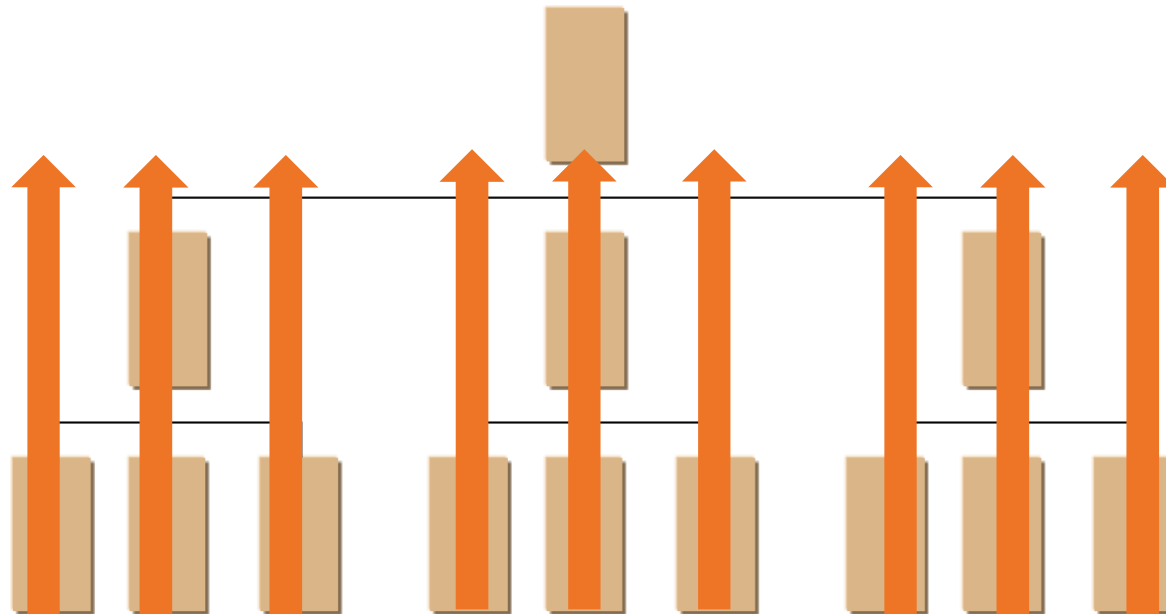


Key Tasks

- **Workflow Modelling**
 - Modelling executable processes as workflow templates
- **Workflow Execution**
 - Creating workflow instances
 - Running them in a **workflow engine** (part of a **Workflow Mgmt. System**)
- **Workflow Monitoring**
 - Monitoring process performance: comparing actual and target values of KPIs

[01.5] Organisation structures and reorganisation

Functional organisation: properties



- Groups staff by factual specialization
- Problems
 - Chimney effect: cross-functional communication escalated to management
 - Information silos redundantly in business units
 - Core processes difficult as they run cross-functionally

Solution: Business Reengineering

- Radical approach for improving process/customer orientation in companies
 - Core processes derived from business strategy
 - The core processes form the center of the process-oriented organization
 - They are supplemented by management processes and supporting processes
- Important Names
 - Hammer/Champy
 - In Germany: Scheer (Saarbrücken) und Österle (St. Gallen)

Company	Situation before Business Reengineering	Situation after Business Reengineering
Bell Atlantic Corp, Philadelphia, USEA 8000 Empl.	Phone installation for customers in 15 days	Phone installation for customers in 1 day
Ford Motor Company Detroit, USA, 180.000 Empl.	Accounting Department for Creditors with 500 Empl.	Accounting Department for Creditors with 125 Empl.
IBM Credit Corp Connecticut, USA	Each credit application process handled by 5 Empl. in 6 working days	Each credit application process handled by 1 Empl. in 4 hours

Summary

- ✓ Business process management (BPM) has multiple definitions
- ✓ BPM is required in today's companies
- ✓ Companies possess different organisation structures – some better, some worse suited for processes
 - ✓ A transformation is radical
- ✓ BPM involves all levels of a company in a defined management cycle.

Thank you

For your attention!