

# Developing the Business Model

## The Steps of Business Rule Methodology\*

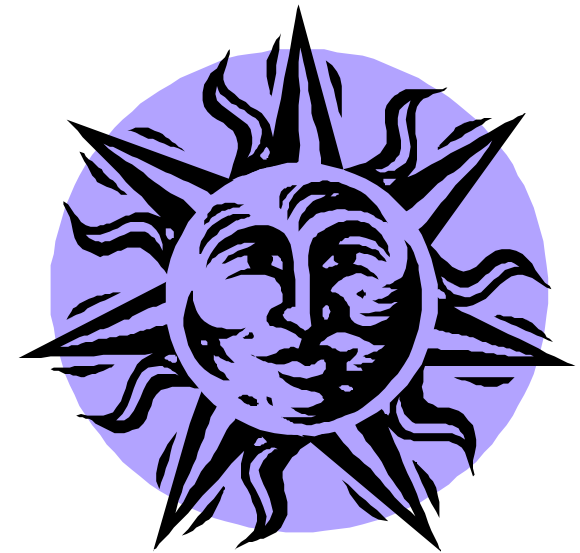
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\*Note: The complete set of steps presented in this document is usually tailored according to the particular circumstances and needs of the given business rule project.

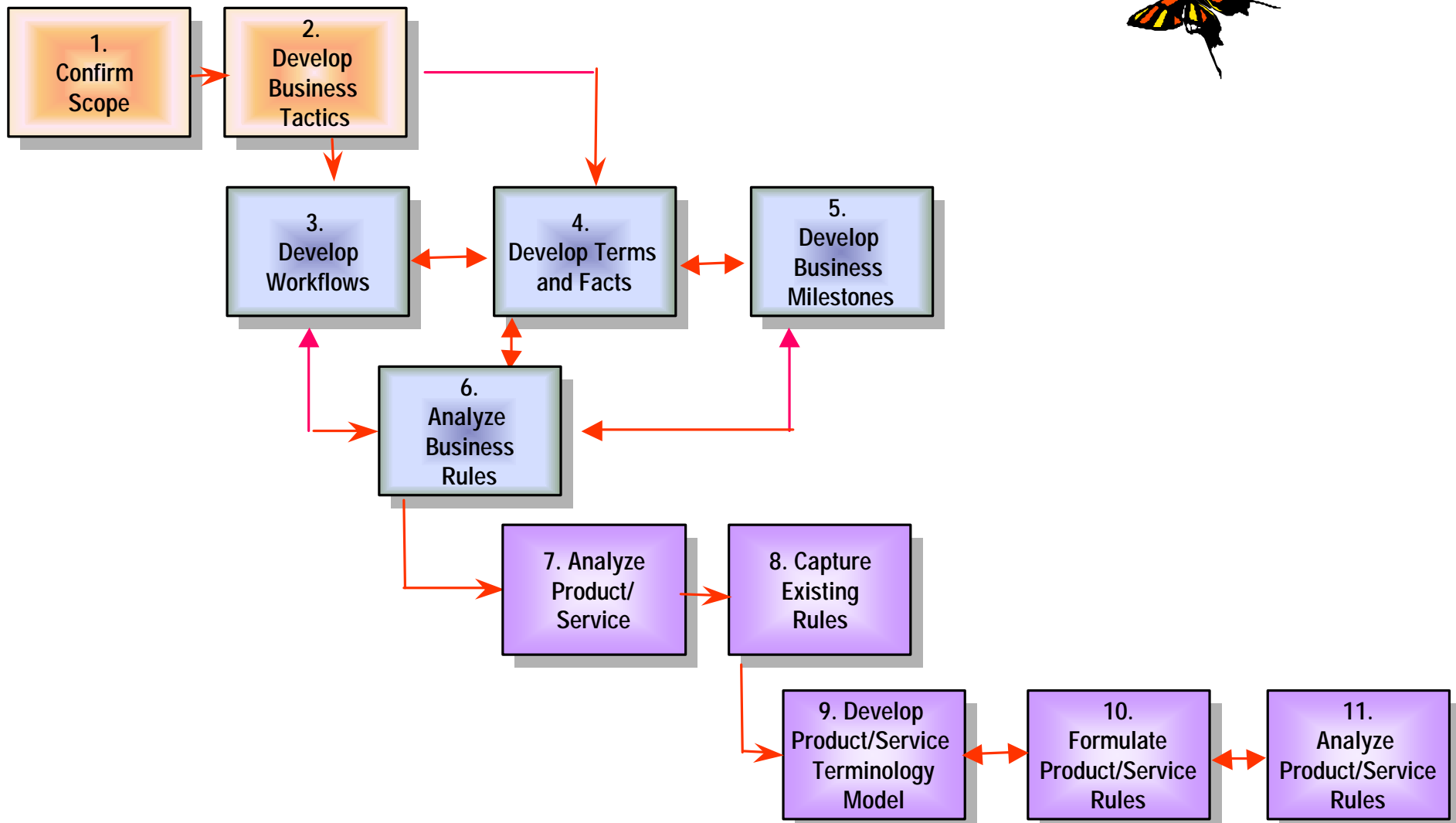
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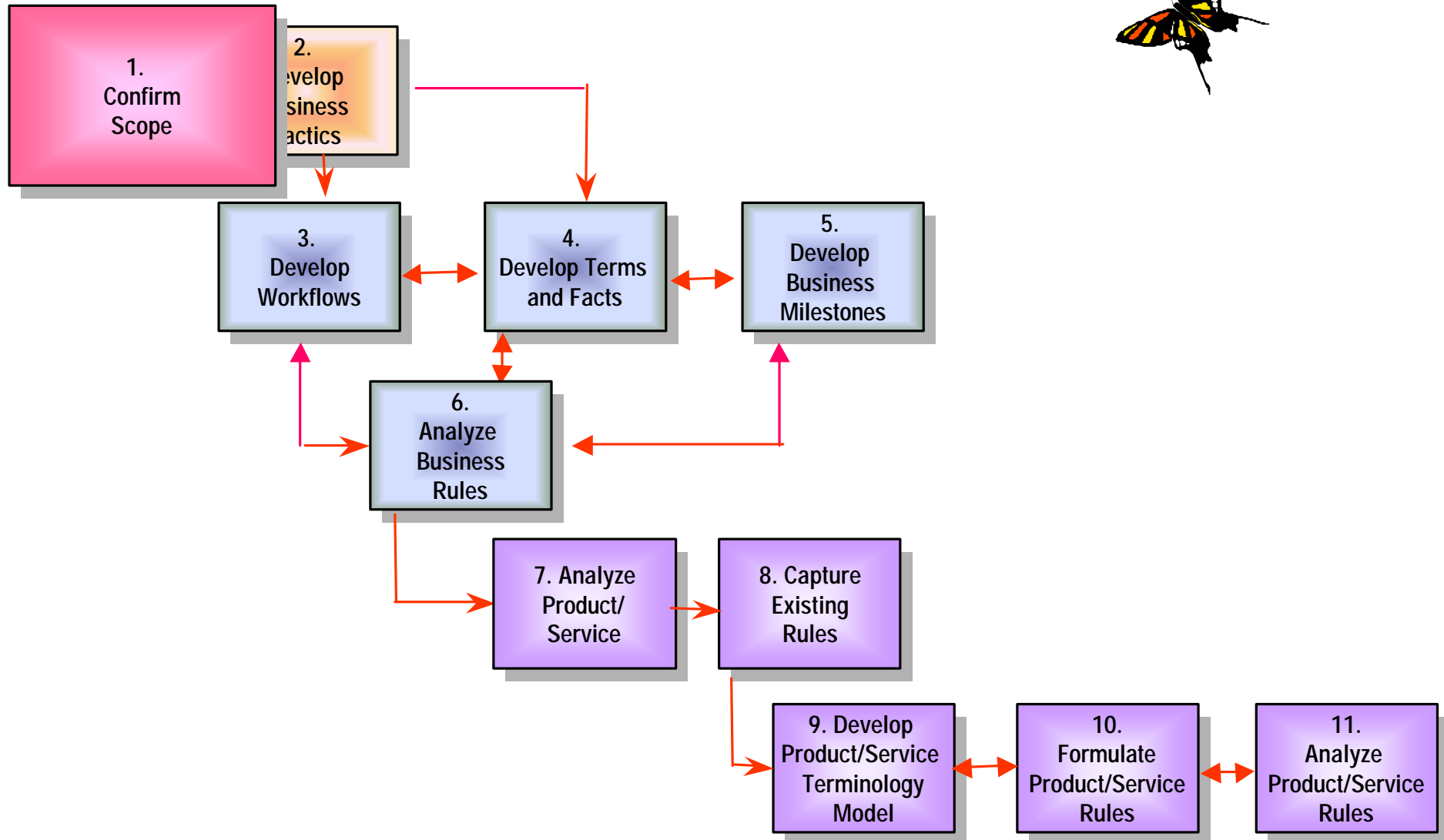
**TM**

*... the BRS Business Rule Methodology*  
Fourth Edition

## Business Model Steps ...



## Business Model Steps ...



## Step 1. Confirm Scope ...

1a.  
Identify  
Mission  
& Goals

Articulate the operational, day-to-day Mission for the desired Business Capacity, and establish the ultimate effects (i.e., Goals) that the business wishes to achieve.

1b.  
Identify  
Business  
Events

Define the Business Events that the Business Capacity must satisfy. These events precipitate significant work, and are ones for which Workflow Models must be developed.

1c.  
Identify  
Principal  
Actors

Define the Principal Actors for the Business Capacity. These Actors are typically external to the organizational chart of the Business Capacity itself. The purpose of the Business Capacity is to produce value-added for the benefit of such Actors, and/or coordinate their participation therein.

## Step 1. Confirm Scope Cont ...

1d.  
Identify  
Core Business  
Terms

The central concepts and things of the Business Capacity are listed. These Core Business Terms will be central to the development of Business Rules, and to rethinking both the Business Process and business Product/Service.

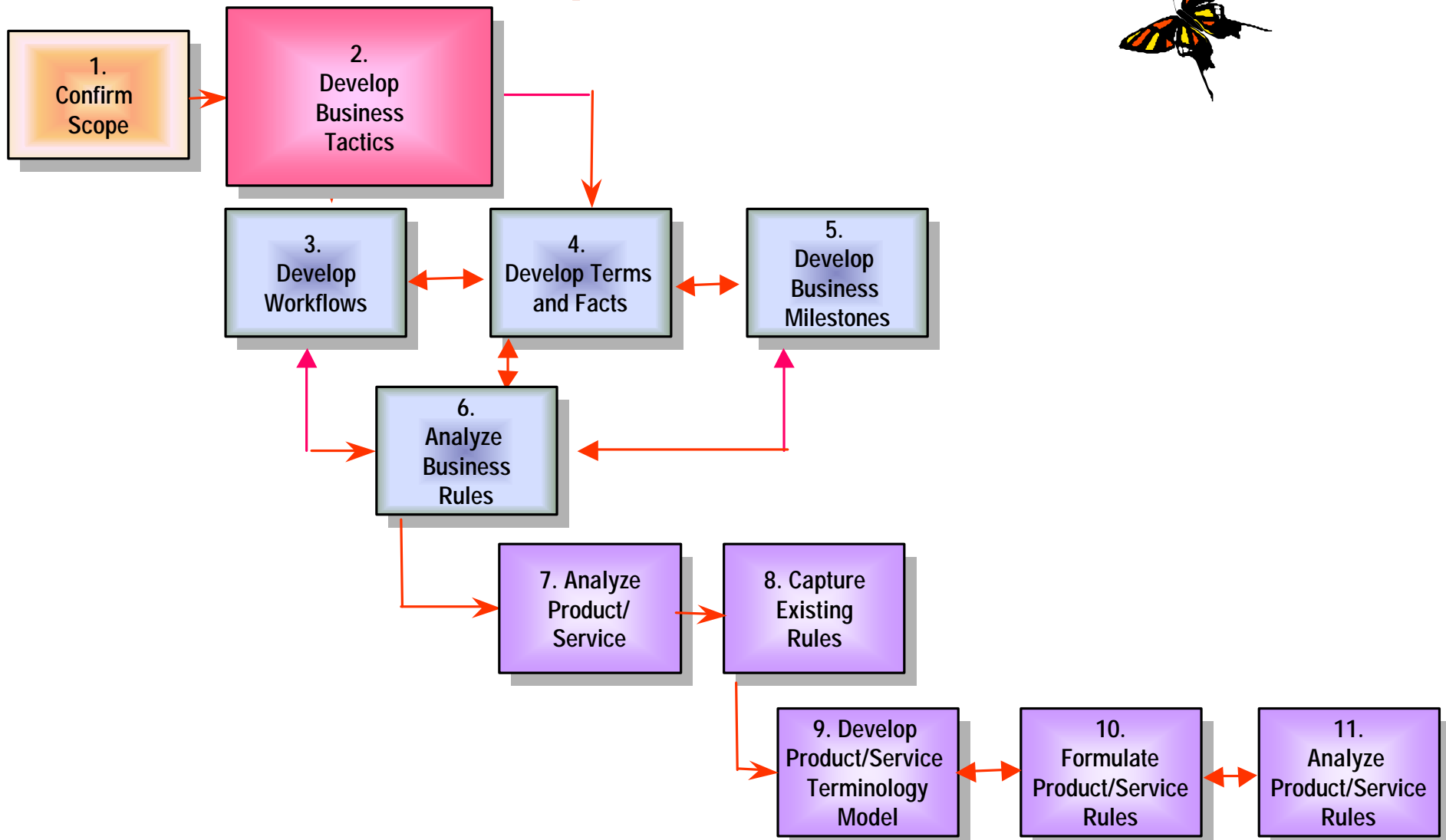
1e.  
Identify  
Major Business  
Transformations

Create a list of the broad value-adding transformations (a.k.a, business functions) of the Business Capacity. This helps define the business functionality the Business Capacity must define.

1f.  
Identify  
Business  
Locations

Create a list of physical and "virtual" locations where work will be performed. This will allow subsequent analysis of locational optimization and connectivity.

## Business Model Steps ...



## Step 2. Develop Business Tactics ...

### 2a. Prepare for Business Tactics Capture

Assess existing documentation, and interview key players, in order to understand the context in which the business solution will be developed. Review current issues and problems facing the enterprise from a business perspective. Review business trends, and how they relate to the business solution the Project Team needs to create. Review existing policies and Core Business Rules, and their effectiveness from a business point of view.

### 2b. Define High-Level Tactics

Create a first-cut set of high-level Tactics -- i.e., courses of action the business will adopt within its business solution.

### 2c. Identify Risks

Identify the significant business Risks that represent barriers to successful operation of the high-level Tactics, and/or imperil production of the results they seek to achieve.

## Step 2. Develop Business Tactics ...

2d.  
Define Business  
Tactics to  
Address Risks

For each significant Risk, lower-level tactics and/or Core Business Rules will be formulated. The significant Risks for each of these Tactics and Core Business Rules are then analyzed and addressed, and so on, until all the significant business Risks identified by the Project Team have been identified.

2e.  
Formulate  
Policy Charter

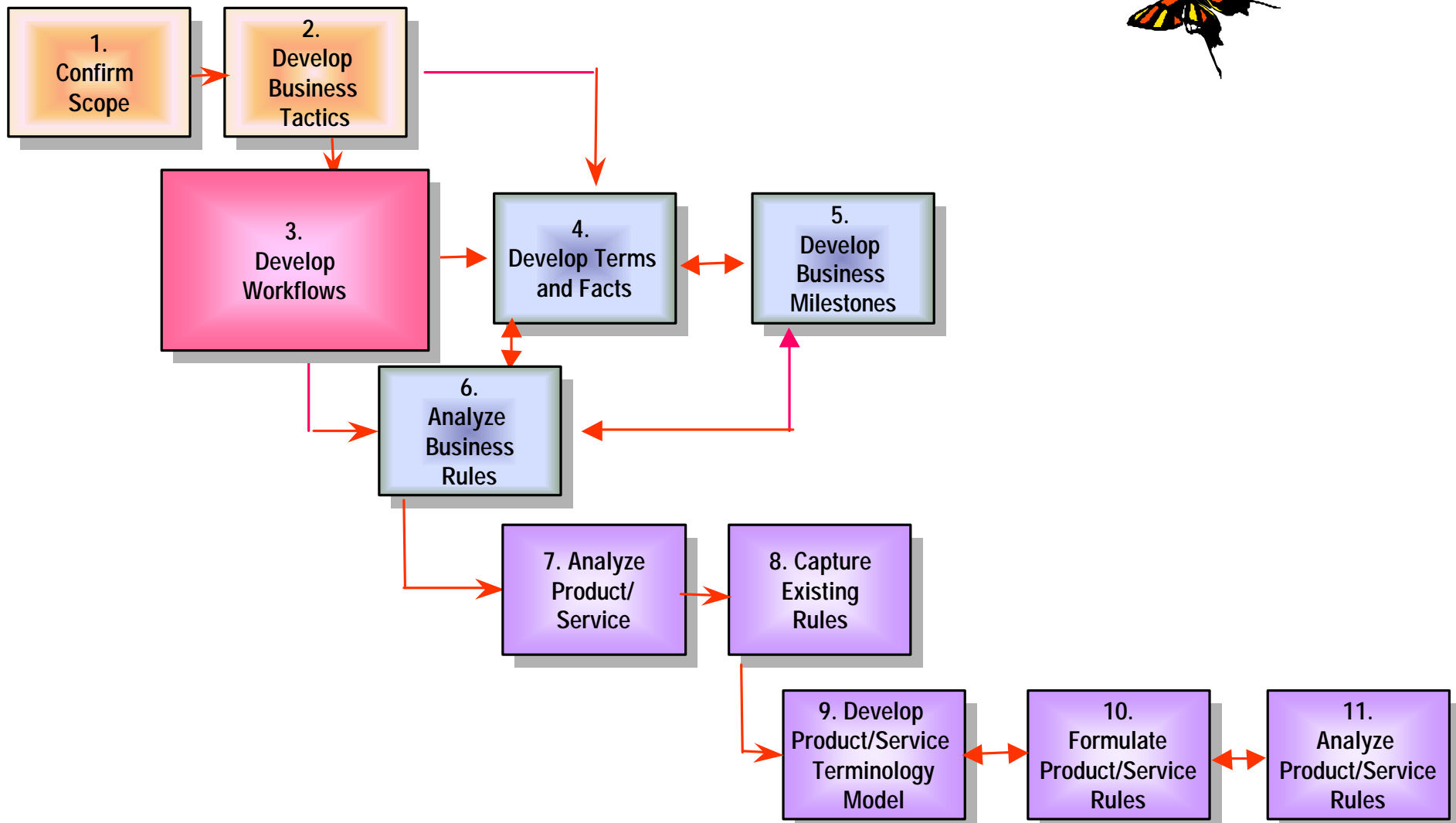
The Business Tactics are organized and consolidated into the Policy Charter\* deliverable. Loose ends are addressed, and areas requiring follow-up work are identified.

**\*Reference:**

"Business Knowledge -- Packaged in a Policy Charter," by Gladys S.W. Lam, May/June, 1998, [www.BRCommunity.com](http://www.BRCommunity.com).



## Business Model Steps ...



## Step 3. Develop Workflow ...

### 3a. Identify Normal Scenario(s)

Identify the Scenario(s) for the Initiating Event that represent a typical progression of Events.

### 3b. Develop As-Is Workflow

Develop an As-Is Workflow Model for the Normal Scenario covering Tasks, Actors and Events. This allows examination of the context in which the Workflow Model will be developed. This includes: Current issues and problems; existing approaches, and the Roles and Responsibilities associated with them; opportunities for improvement, realignment, streamlining and/or re-engineering; etc.

### 3c. Develop To-Be Workflow

Define the basic process to support the business solution. This To-Be Workflow Model is focused on the Normal Scenario, and covers Tasks, Actors and Events. This effort provides an opportunity for improving, realigning, streamlining, and/or re-engineering the Workflow as appropriate.

### 3d. Define Tasks

Define each Task within the Workflow Model, including inputs, transform(s) and outputs. Describe in detail how the Work is done (i.e. how the transform is conducted).

## Step 3. Develop Workflow Cont ...

3e.  
Revise To-Be  
Model towards  
Concrete Actors

Revise the Workflow Model to indicate Actors whose implied Roles and Responsibilities are more clear within the organizational context. This provides the means to explore and discuss how Responsibilities for Tasks should be allocated in the new Business Capacity.

3f.  
Extend Workflow  
Model Using  
Scenarios

Enhance the To-Be Workflow Model by addressing a variety of Scenarios, especially ones addressing exceptions or unusual progressions of Events. By this means, the completeness and fitness of the Workflow Model is assured.

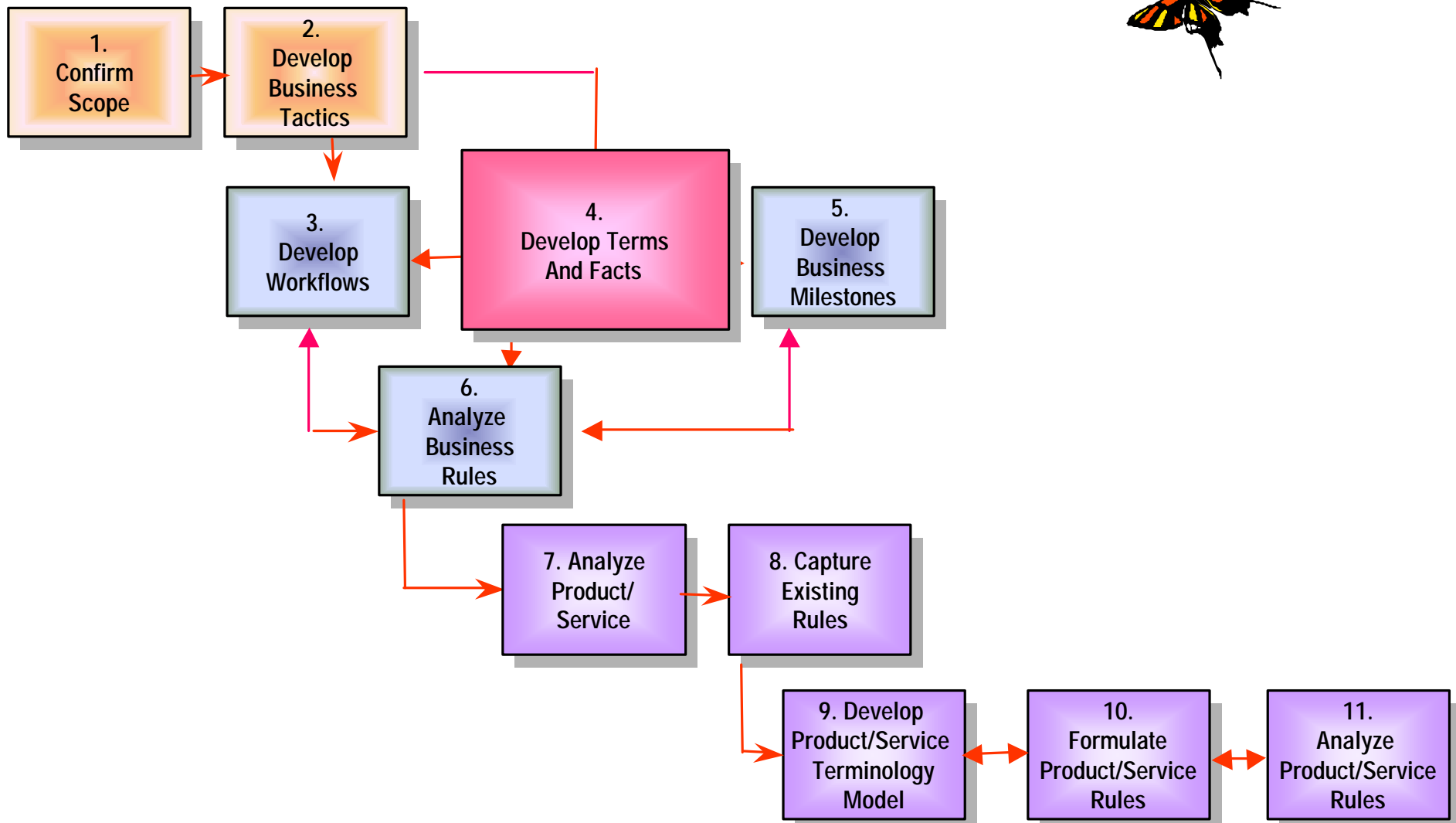
3g.  
Compile and  
Review  
Workflow Rules

A well-developed Workflow Model provides a basis for defining fundamental Rules to guide the Business Process. Examination of the Workflow Model and related Task Definitions allows these Rules to be captured and examined.

3h.  
Review Roles &  
Responsibilities

Re-assess the Roles and Responsibilities for Actors based on the completed Workflow Model and related Rules. Determine how the allocation of Work can be optimized from an organizational point of view. Explore what implications these revised Roles and Responsibilities have for the organization.

## Business Model Steps ...



## Step 4. Develop Terms and Facts ...

### 4a. Capture Existing Terms and Definitions

Find and retrieve sets of existing Terms and Definitions from industry glossaries, corporate glossaries, Project documentation, procedure manuals, repositories, data dictionaries, and/or other sources as available. Assess these Terms and Definitions for quality, completeness and relevance, and determine where shortcomings, gaps and/or discrepancies exist from a business perspective. Prepare strawman Definitions for key Terms as appropriate.

### 4b. Review As-Is Fact Model

Locate and examine a model of the As-Is Terms and Facts. This may be in the form of a Fact Model from a previous Project, Corporate Data Model, existing conceptual or high-level Data Model, and/or reverse-engineered ("logicalized") model for an existing database. This allows examination of the context in which the new Fact Model will be developed. This includes: Current issues and problems; existing concepts and categories, and their meaning and intent; opportunities for improvement, consolidation, innovation, and/or refinement; etc.

### 4c. Review Concrete Terms

Identify and examine Concrete Terms -- i.e., those Terms referring to people, places and things. Develop relevant Categories. Review for commonalities, overlaps and/or broader groupings by identifying the appropriate inclusion and exclusion criteria. Select appropriate names and develop first-cut Definitions.

## Step 4. Develop Terms and Facts Cont ...

### 4d. Rethink Abstract Terms

Identify and examine Abstract Terms -- i.e., those Terms referring to Concepts and Events (i.e., business interactions and transactions). Review for commonalities, overlaps and/or broader groupings by rethinking the inherent meaning and coverage of each Term. Select appropriate names and develop first-cut Definitions.

### 4e. Develop Fact Model

Develop the Fact Model, showing Terms and Facts, including Categories and Properties, where appropriate. This permits a unified view of the basic operational knowledge needed to support the Workflows, and the on-going operation of the Business Process.

### 4f. Define Terms

Create a concise, business-oriented Definition for each Term that is consistent with its business intent and reflects its usage in the Fact Model. Organize the Definitions within the Concepts Catalog.

## Step 4. Develop Terms and Facts Cont ...

### 4g. Cross-Validate Fact Model

Evaluate the completeness and correctness of the Fact Model. Cross validate concepts and facts with all deliverables produced thus far, including: Scope Lists, Policy Charter, Workflow Model(s), and Task Definitions.

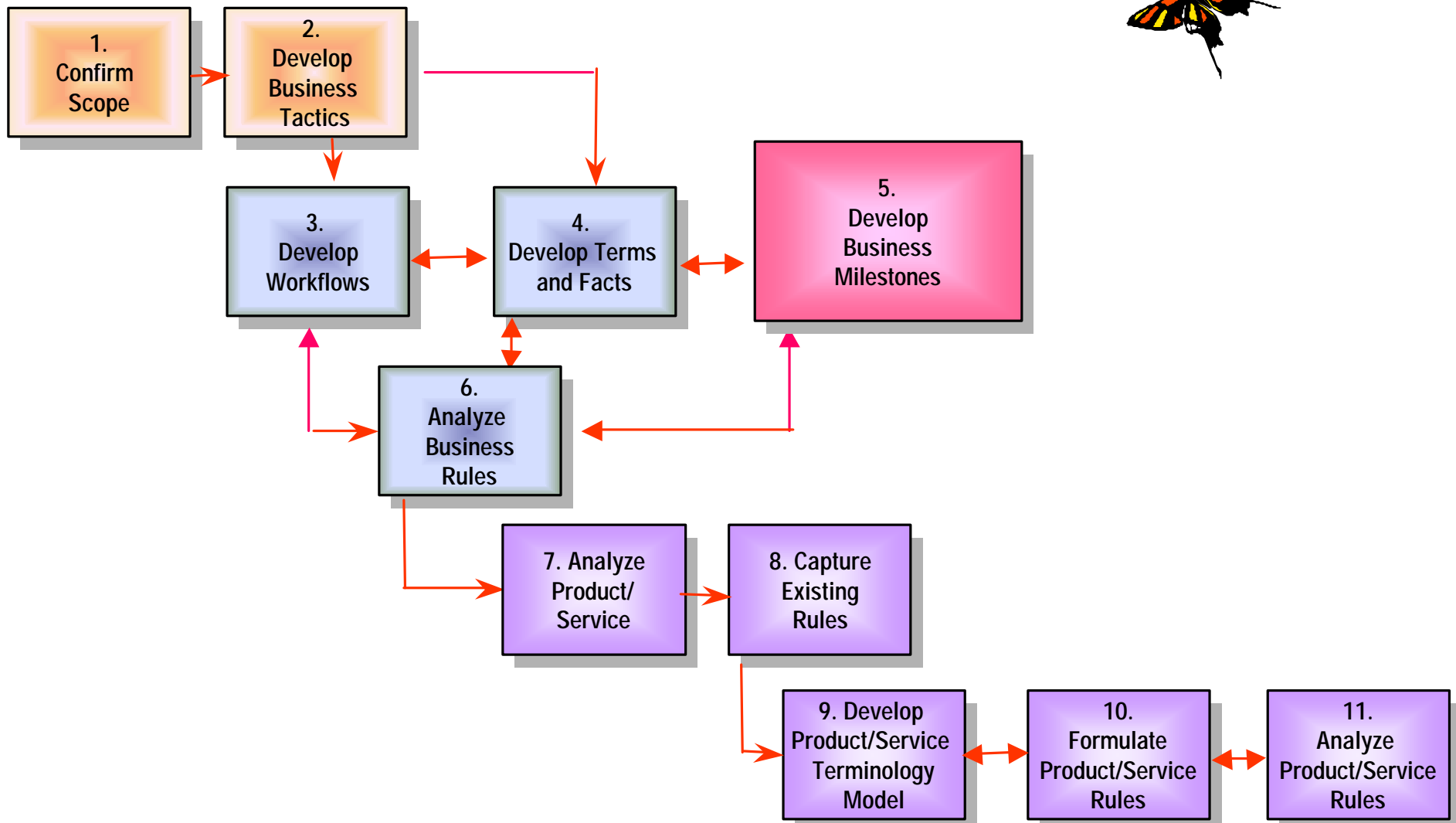
### 4h. Review Rules

Review existing Rules to ensure all terminology is represented in the Fact Model.

### 4i. Compile Fact Model Rules

A well-developed Fact Model provides the basis for defining fundamental Rules to guide the Business Process. Examination of the Fact Model and related Definitions allows these Rules to be captured and examined.

## Business Model Steps ...





## Step 5. Develop Business Milestones ...

5a.  
Select Terms

Identify the Terms appropriate for Business Milestone analysis by reviewing the Fact Model. These are usually Abstract Terms central to coordinating work across different Tasks and Workflows, and over time.

5b.  
Identify Normal  
Milestones

Identify the basic stages or states (i.e., Milestones) for the selected Term reflecting the normal or most desirable regimen to coordinate related Work activities. Name and define each Milestone.

5c.  
Define Normal  
Milestone Rules

Prescribe basic Rules to coordinate the normal or most desirable regimen for the set of Milestones of the Term. Such Rules may prescribe that certain transitions or sequences either are required or are disallowed.

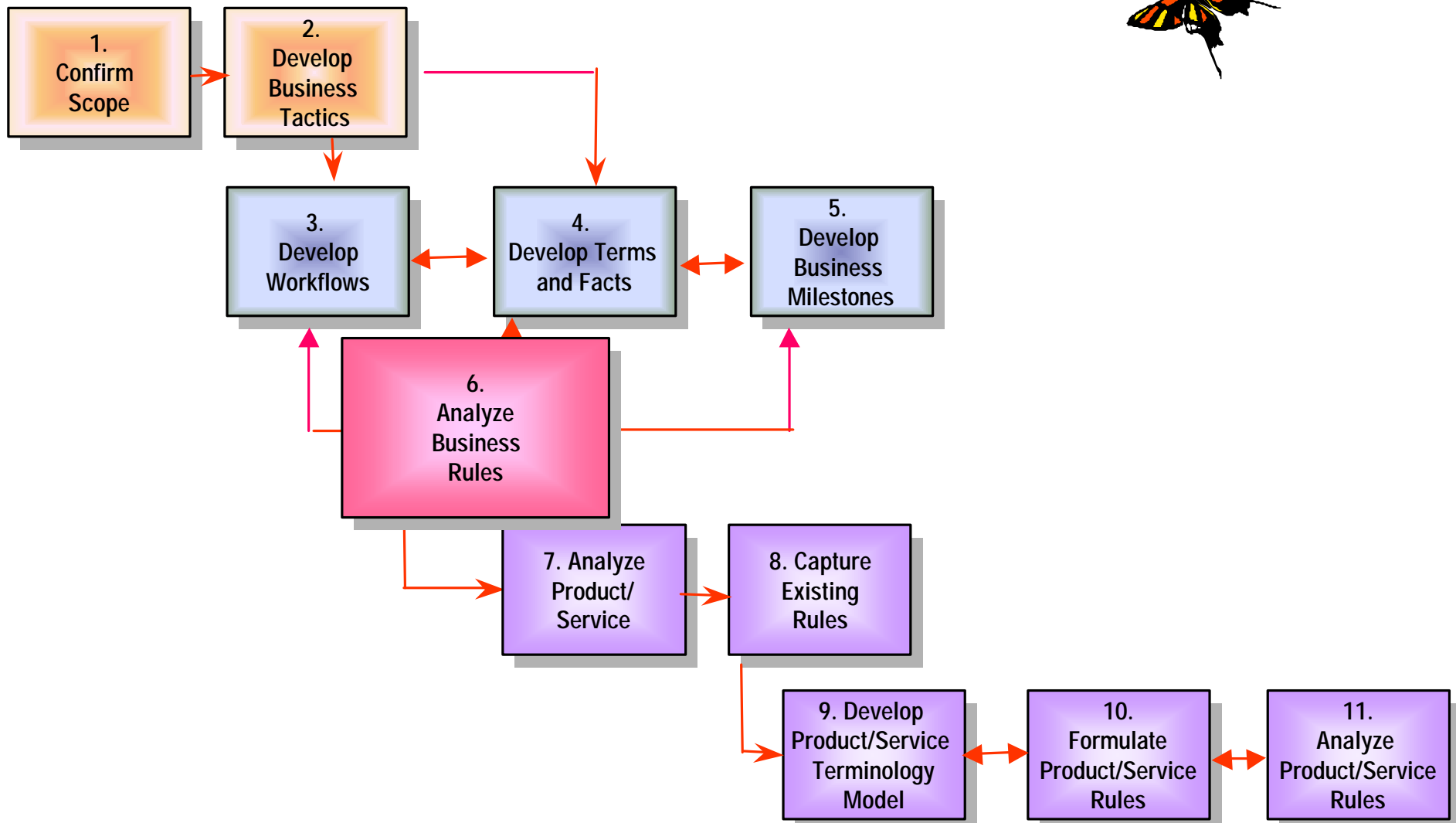
5d.  
Identify Abnormal  
Milestones

Identify abnormal stages or states (i.e., Milestones) for the selected Term reflecting undesirable, out-of-the ordinary, or special circumstances that may occur (e.g., "cancelled order"). Name and define each abnormal Milestone.

5e.  
Compile & Review  
Business Milestone  
Rules

Capture Rules to coordinate the Term in a consistent manner across multiple Tasks and Workflows, and over time.

## Business Model Steps ...



## Step 6. Analyze Business Rules ...

6a.  
Decompose  
Complex Rules

Evaluate each Rule to determine whether it represents a single element of business logic (i.e., whether it is in atomic form). If not, the Rule should be decomposed. This may involve: Breaking out computations and derivations; identifying and breaking out subcomputations and subderivations; expressing exceptions as separate Rules and eliminating unessential "ands"; etc.

6b.  
Specify Rule  
Properties

Specify the appropriate information describing each Rule. This may also involve: Categorizing the Rule, relating the Rule to other Rules, and relating the Rule to other Business Model items.

6c.  
Challenge  
Individual  
Rules

Examine each Rule to ensure that the Assumption(s) on which it is based remain valid, and that each Term, Actor and/or qualification is appropriate, accurate and optimal.

## Step 6. Analyze Business Rules ...

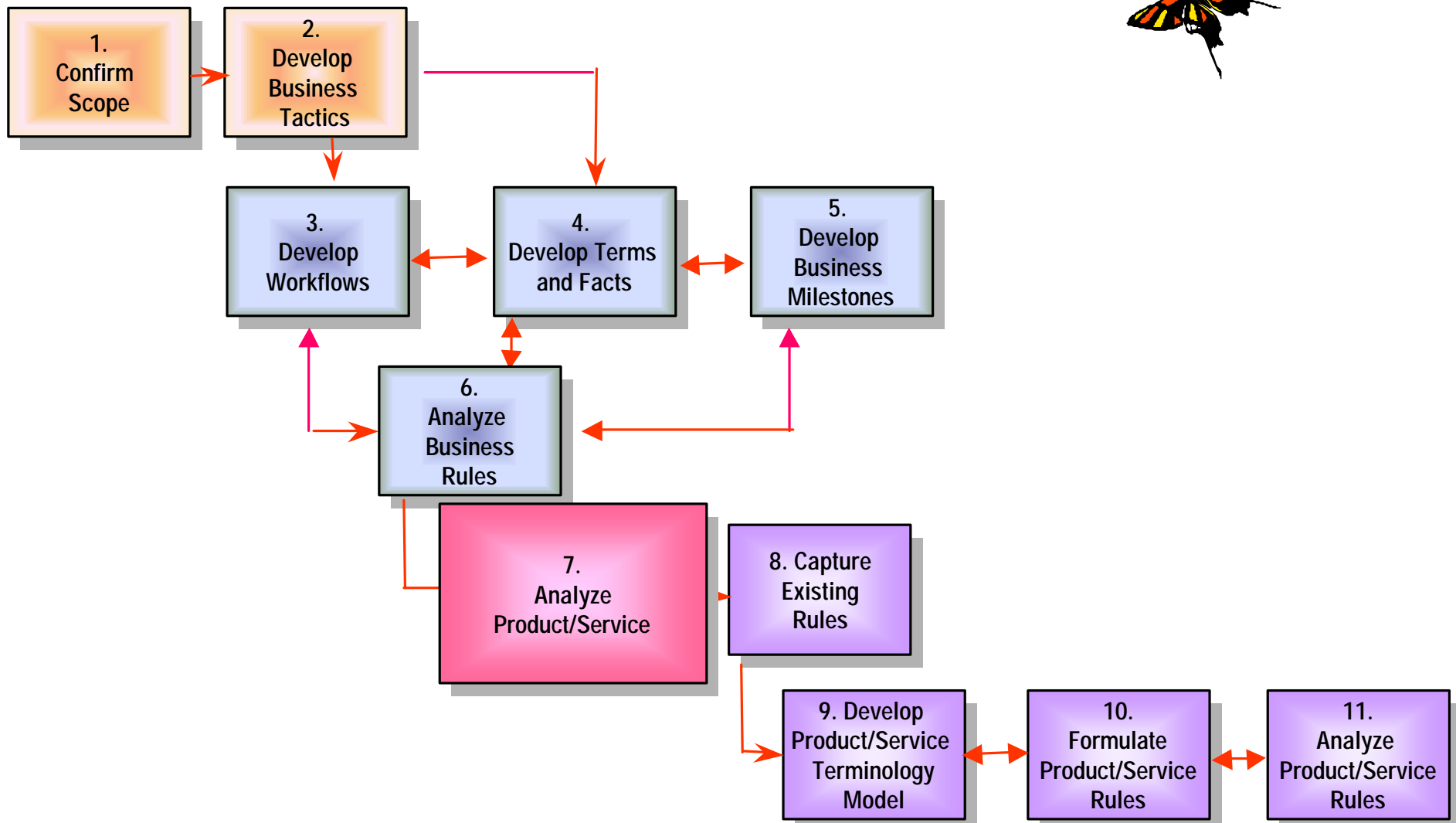
### 6d. Challenge Rule Set

Evaluate the Rule Set collectively, identifying cases of the following: Duplications, Identical effects, Semantic equivalence, Subsumations, and Conflicts. Consolidate and eliminate Rules as appropriate.

### 6e. Explore Exception Scenarios

Evaluate each Rule for potential exceptions. This may be accomplished in several ways, including: exploring 'what if' Scenarios from a business perspective and analyzing specific Events where the Rule would apply. Revise the Rule and/or define Rules to handle the exceptions, as required.

## Business Model Steps ...



## Step 7. Analyze Product/Service ...

### 7a. Review Service Differentiation

The Product/Service is reviewed to identify knowledge-intensive components, and to assess how these can be organized and exploited for competitive advantage and/or to achieve better compatibility or manageability. The Business Process(es) of the Business Capacity are reviewed from a Product/Service perspective, in order to review and rethink the value-added produced or provided. Such value-added should be implied by the Service Differentiation of the Business Capacity Mission.

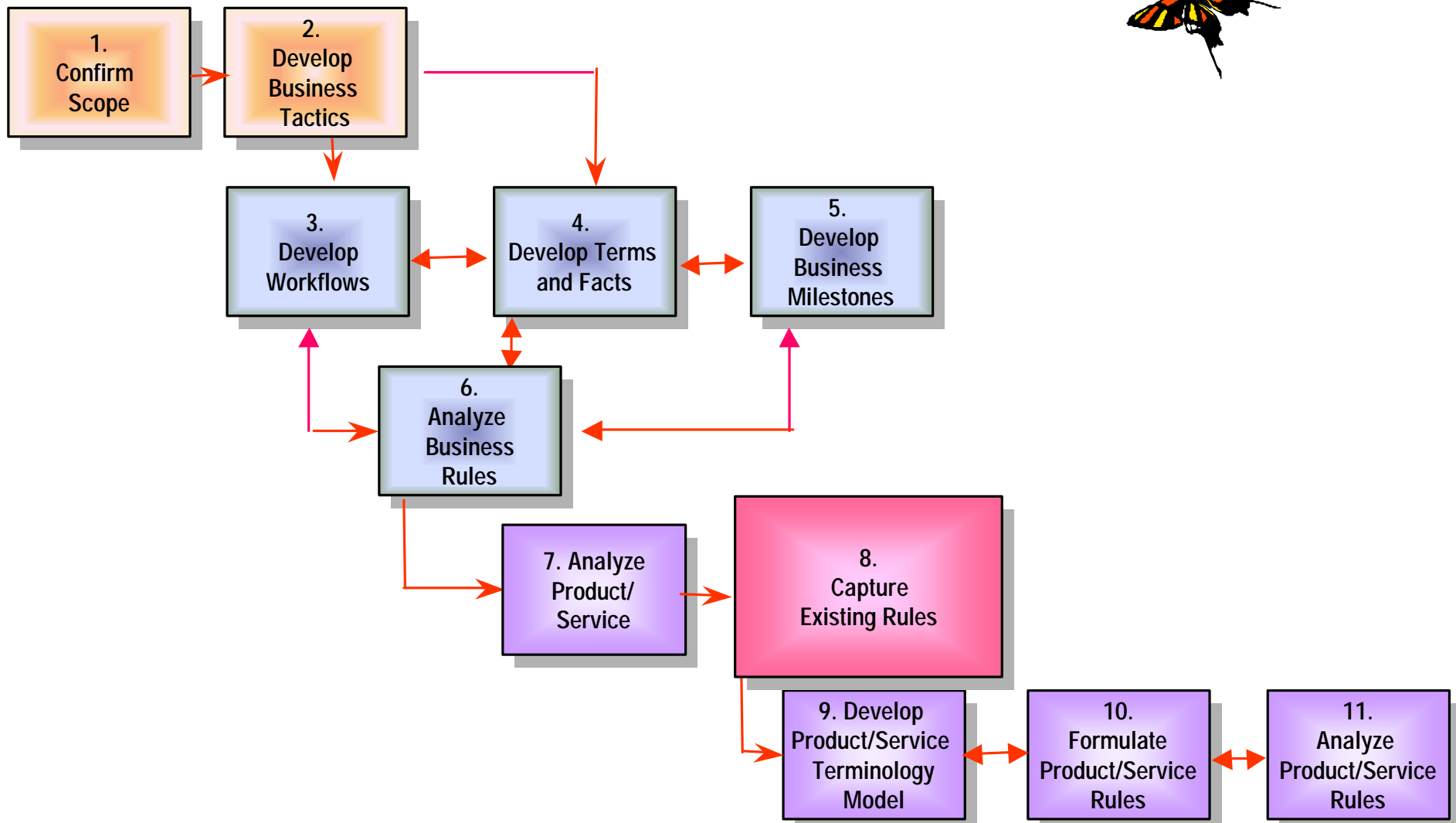
### 7b. Identify Decision Points

Identify Decision Points within the Business Process(es) where significant and/or complex decisions must be made. Such Decision Points may be represented within: Decision-Making and/or Creative Tasks, Derivation-Type Rules, Tactics that involve choosing between alternatives, etc.

### 7c. Identify Terms Supporting Product/Service

Identify terms essential to understanding, categorizing and organizing the Product/Service.

## Business Model Steps ...



## Step 8. Capture Existing Rules ...

8a.  
Identify  
Relevant  
Sources

Identify all relevant sources for Product/Service Rules, and make an initial assessment of availability and quality.

8b.  
Identify  
Governing  
Rules

Obtain copies of sources containing Governing Rules for the Product/Service, if available.

8c.  
Capture Explicit  
Operating  
Rules

Obtain explicit as-is Product/Service Rules guiding the operational level of the as-is Business Capacity, if available. These may be obtained from procedure manuals, training materials, help messages, existing systems documentation, etc.

8d.  
Capture Tacit  
Operating  
Rules

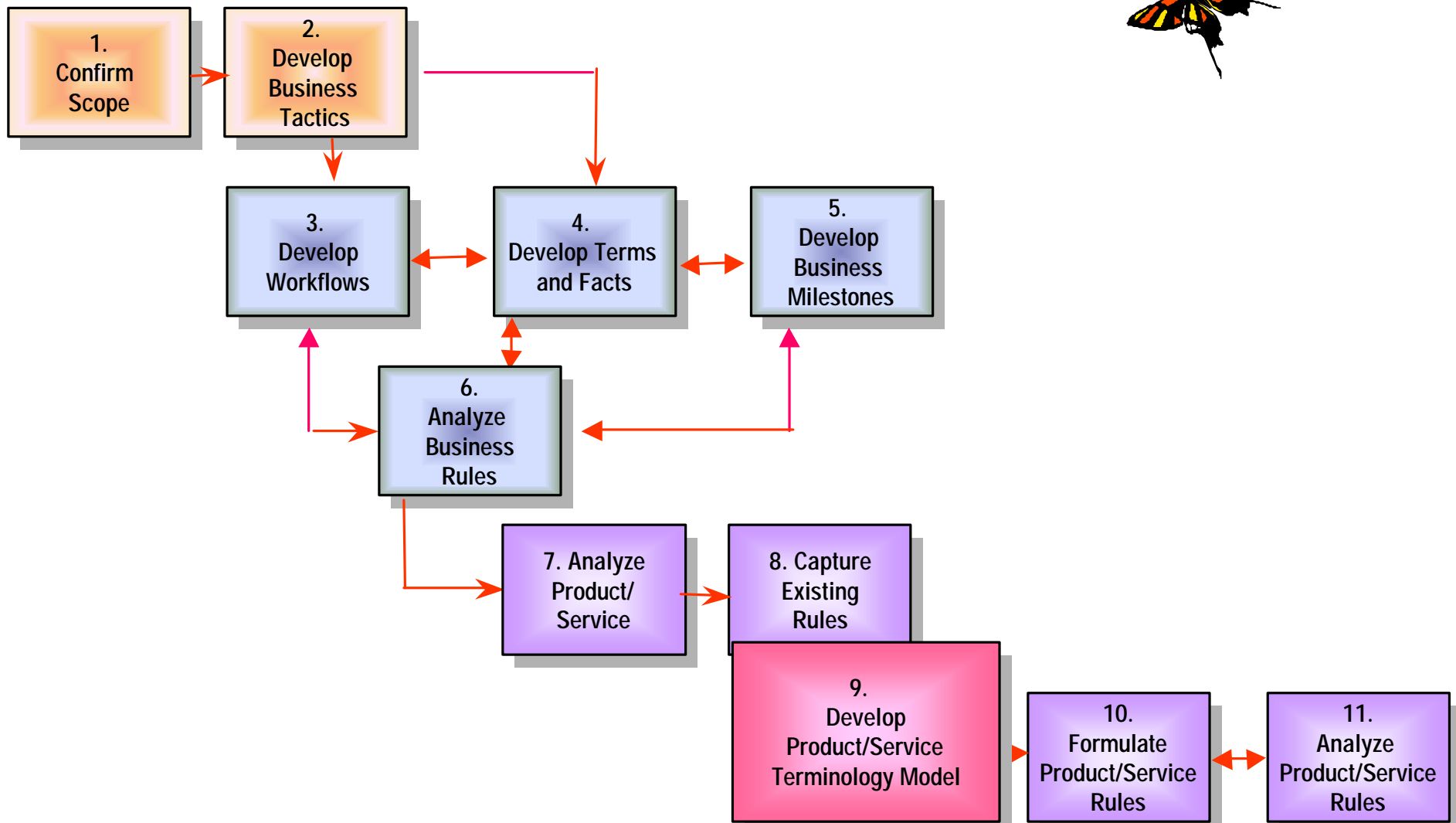
Harvest tacit Product/Service Rules guiding the operational level of the Business Capacity. These may be captured on a facilitated basis from subject matter experts, if available.

8e.  
Identify  
Automated  
Rules

Extract source code statements from automated systems relating to Product/Service Rules, if appropriate.



## Business Model Steps ...



## Step 9. Develop Product/Service Terminology Model ...

9a.  
Capture Existing  
Product/Service  
Terminology

Identify existing Terms, names and code structures used to refer to Product/Services, and to Categories and Properties thereof, within the as-is Business Capacity, as available.

9b.  
Develop As-Is  
Product/Service  
Terminology Model

Organize, analyze and model the as-is Product/Service terminology, with special emphasis on detailed categorization, and on Properties describing these Categories. Interpret the business intent of as-is system-level codes, terms and names.

9c.  
Develop New  
Standard  
Categories

Develop a new in-depth categorization of Product/Service-related Terms, define the meaning of these Categories, and establish business-oriented Terms to name them in standardized fashion as appropriate. Identify and name appropriate Properties and inter-Category connections as appropriate. Develop a business-oriented Model to portray these Categories, connections and Properties.

## Step 9. Develop Product/Service Terminology Model ...

9d.  
Develop  
Instance-Level  
Terms

Create standard names and/or codes for Product/Service-related concepts and Categories at the Instance level, as appropriate.

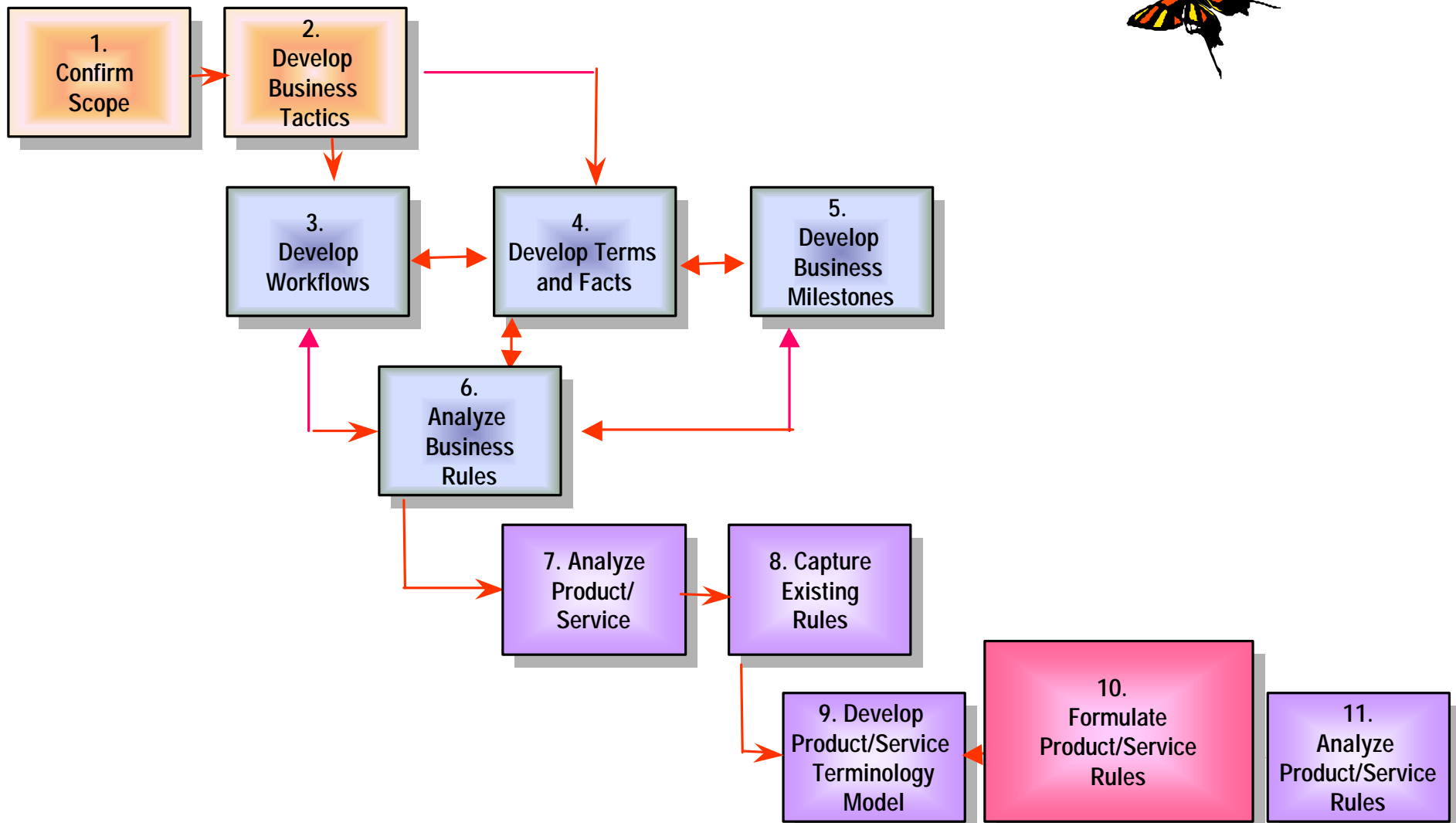
9e.  
Review  
Existing  
Rules

Examine existing Rules for Categories and/or Instances of Product/Service Terms that may have been overlooked. Ensure the fitness of the new or revised terminology for support of the Product/Service Rules.

9f.  
Develop  
Conversion  
Rules

Specify Conversion Rules to guide translation of the as-is Product/Service terminology to the Terms, names and codes of the new Product/Service Terminology Model.

## Business Model Steps ...



## Step 10. Formulate Product/Service Rules ...

10a.  
Eliminate  
Inappropriate  
Operating Rules

The set of Operating Product/Service Rules previously harvested is evaluated to eliminate Rules that are obsolete, redundant, ineffective, or out-of-scope.

10b.  
Identify  
Operating Rules  
Gaps

Review the set of Product/Service Rules to identify gaps or areas of incomplete and/or inadequate coverage.

10c.  
Interpret  
Automated Rules  
Addressing Gaps

Analyze program code statements and/or tables to address missing Product/Service Rules. The business intent of the relevant code and/or tables is interpreted, and the missing Rules are expressed at the Operating-Rule level using standard Terms.

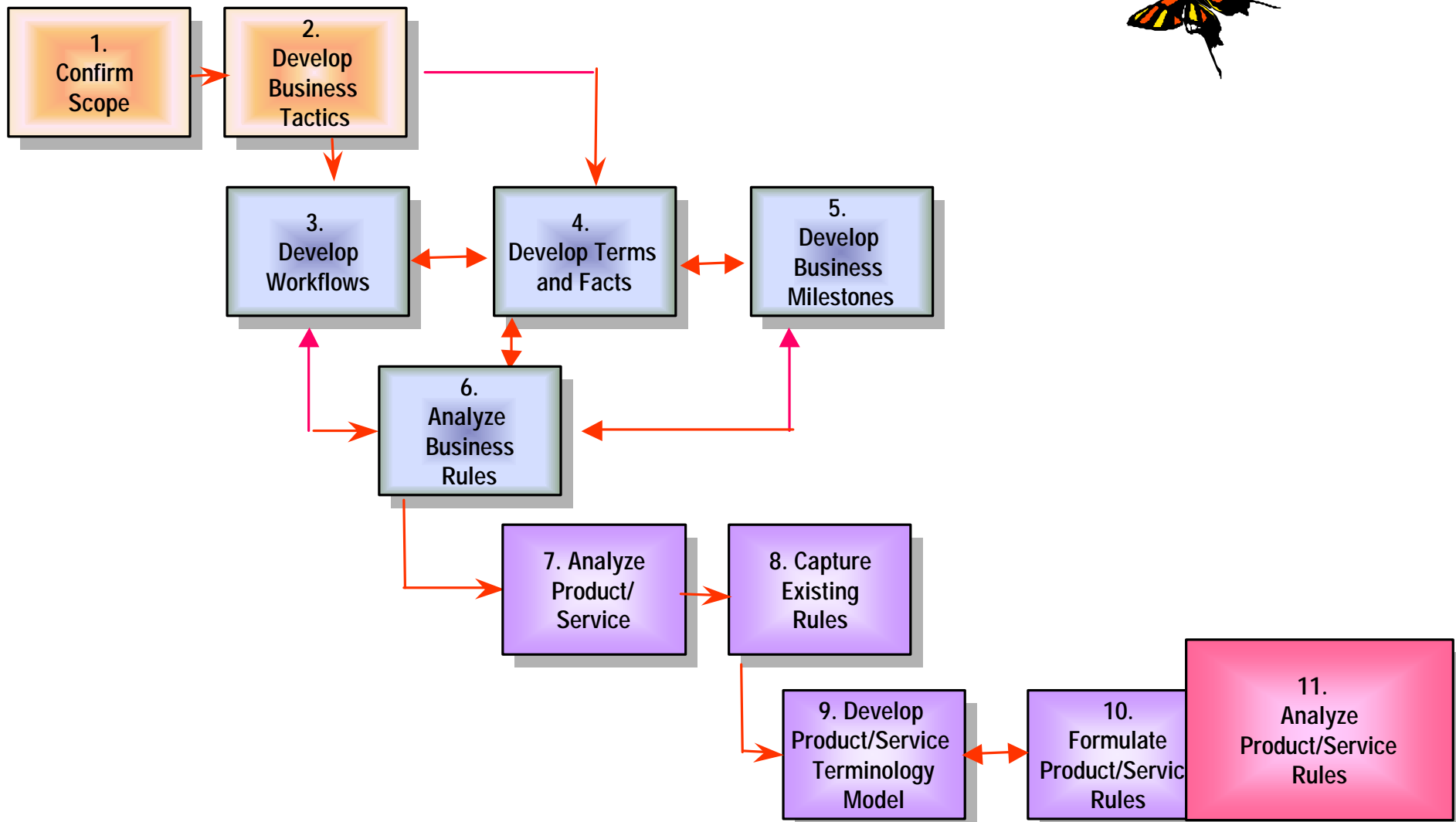
10d. Interpret  
Governing Rules  
To address  
Remaining Gaps

Analyze Governing Rules to address missing Product/Service Rules. Interpret the operational implications of the Governing Rules and express at the Operating-Rule level using standard Terms.

10e. Develop  
Operating Rules  
For Remaining  
Gaps

Develop Rules to address remaining gaps in the Product/Service Rules.

## Business Model Steps ...



## Step 11. Analyze Business Rules ...

### 11a. Decompose Complex Rules

Evaluate each Rule to determine whether it represents a single element of business logic (i.e., whether it is in atomic form). If not, the Rule should be decomposed. This may involve: Breaking out computations and derivations; identifying and breaking out subcomputations and subderivations; expressing exceptions as separate Rules and eliminating unessential "ands"; etc.

### 11b. Specify Rule Properties

Specify the appropriate information describing each Rule. This may also involve: Categorizing the Rule, relating the Rule to other Rules, and relating the Rule to other Business Model items.

### 11c. Challenge Individual Rules

Examine each Rule to ensure that the Assumption(s) on which it is based remain valid, and that each Term, Actor and/or qualification is appropriate, accurate and optimal.

## Step 11. Analyze Business Rules ...

### 11d. Challenge Rule Set

Evaluate the Rule Set collectively, identifying cases of the following: Duplications, Identical effects, Semantic equivalence, Subsumations and Conflicts. Consolidate and eliminate Rules as appropriate.

### 11e. Explore Exception Scenarios

Evaluate each Rule for potential exceptions. This may be accomplished in several ways, including: Exploring 'what if' Scenarios from a business perspective and analyzing specific Events where the Rule would apply. Revise the Rule and/or define Rules to handle the exceptions, as required.