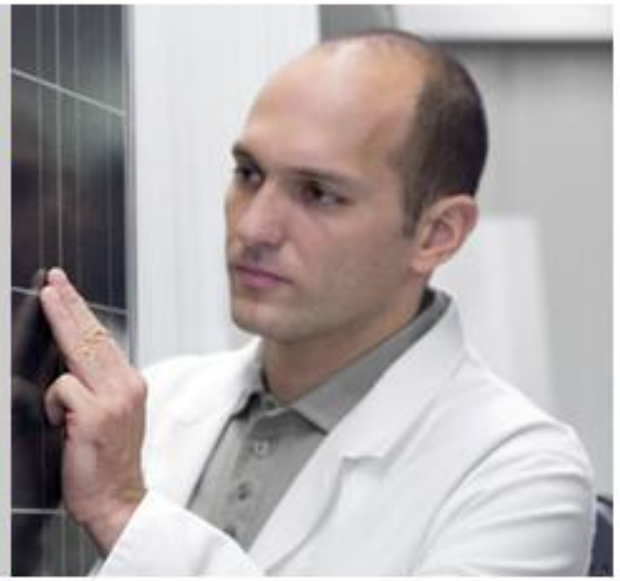
Reliance Industries Limited

Executive Board Presentation

BEST BUSINESS PRACTICES & MEASURES



SAP BPM : Business Process Management

APPROACH WHITE PAPER

BUSINESS TRANSFORMATION SERVICES

1st July 2011

Author .

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PRINCIPAL

SAP BUSINESS CONSULTING

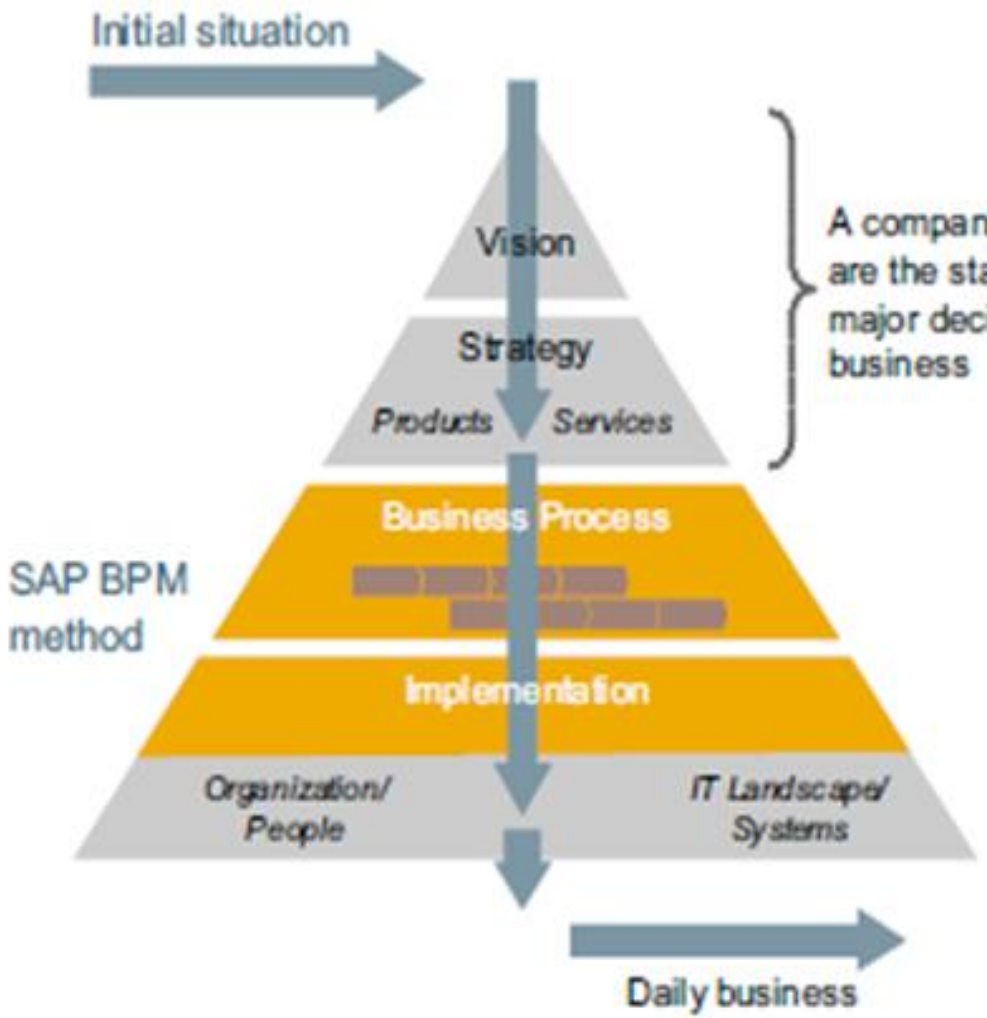
INDIA SUB-CONTINENT. BANGALORE

THE BEST-RUN BUSINESSES RUN SAP™

Agenda

- BPM Methodology
- BPM Business Transformation Phases
  - Phase1 – BP Calibration
  - Phase2 – Current Process Analysis
  - Phase3 – Target Process Design
  - Phase4 – Business Solution Transformation
- BPM Summary

SAP BPM – Business Process Management
Critical Success Factors



A company's vision and strategy are the starting points for all major decisions to optimize daily business

The strategy is translated into processes which deliver the optimal value concerning the dimensions quality, service, and time.

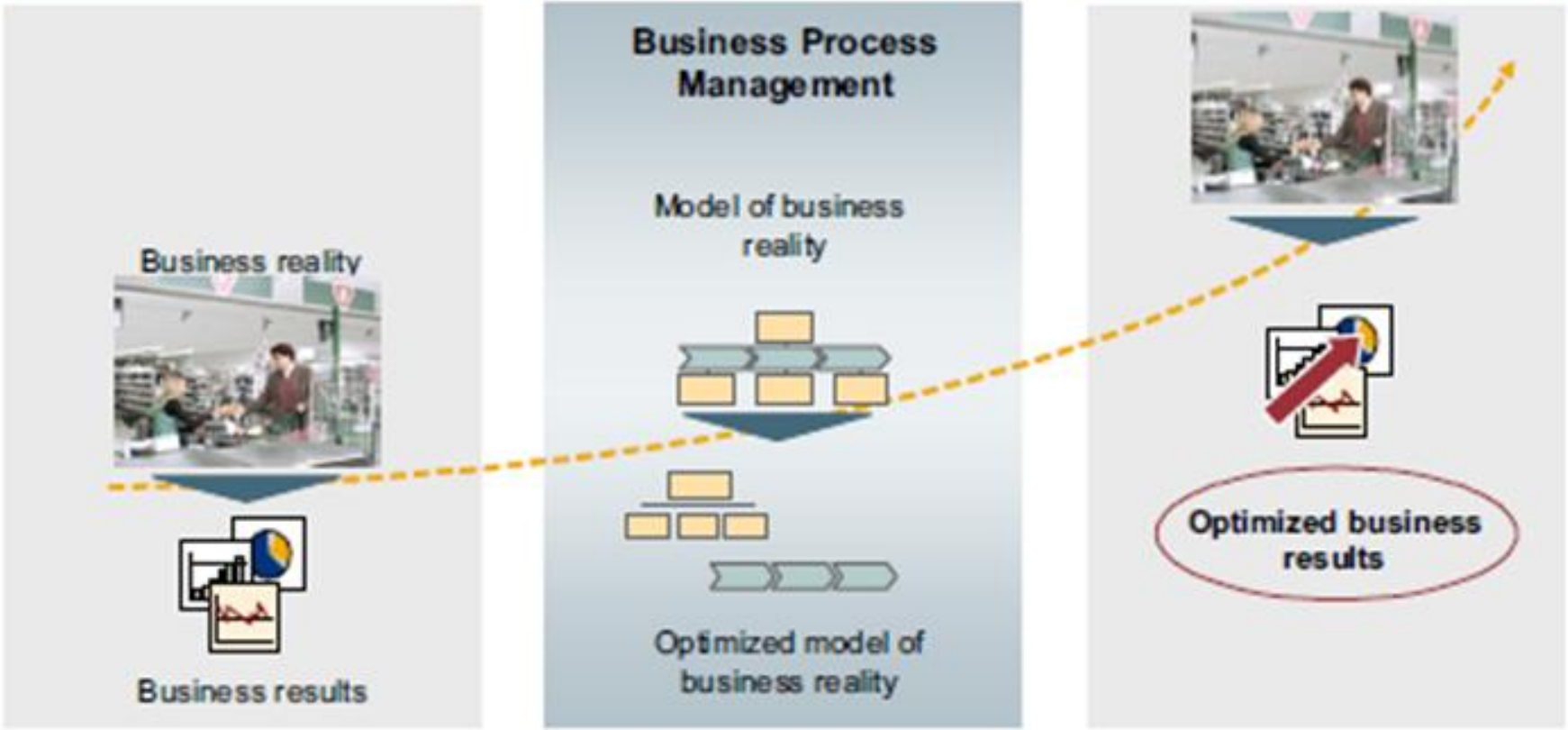
Based on business processes value is generated through the implementation of IT-systems and organizational structures

SAP BPM – Model Oriented Methodology, enabling ... optimized Business Process Management

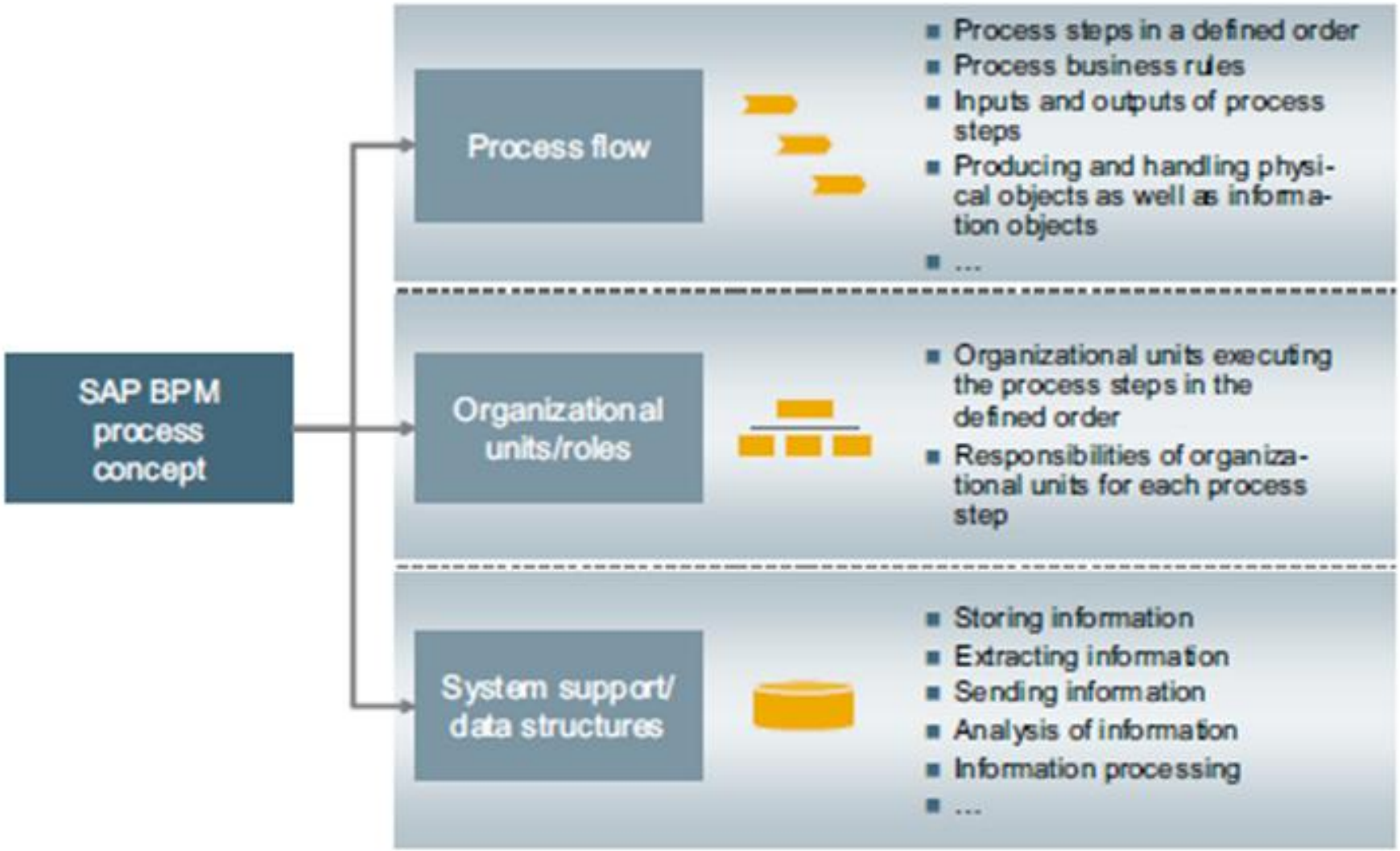
Business results are determined by business rules, standards, and systems

- Business reality is transformed in a process model
- This process model is optimized and implemented

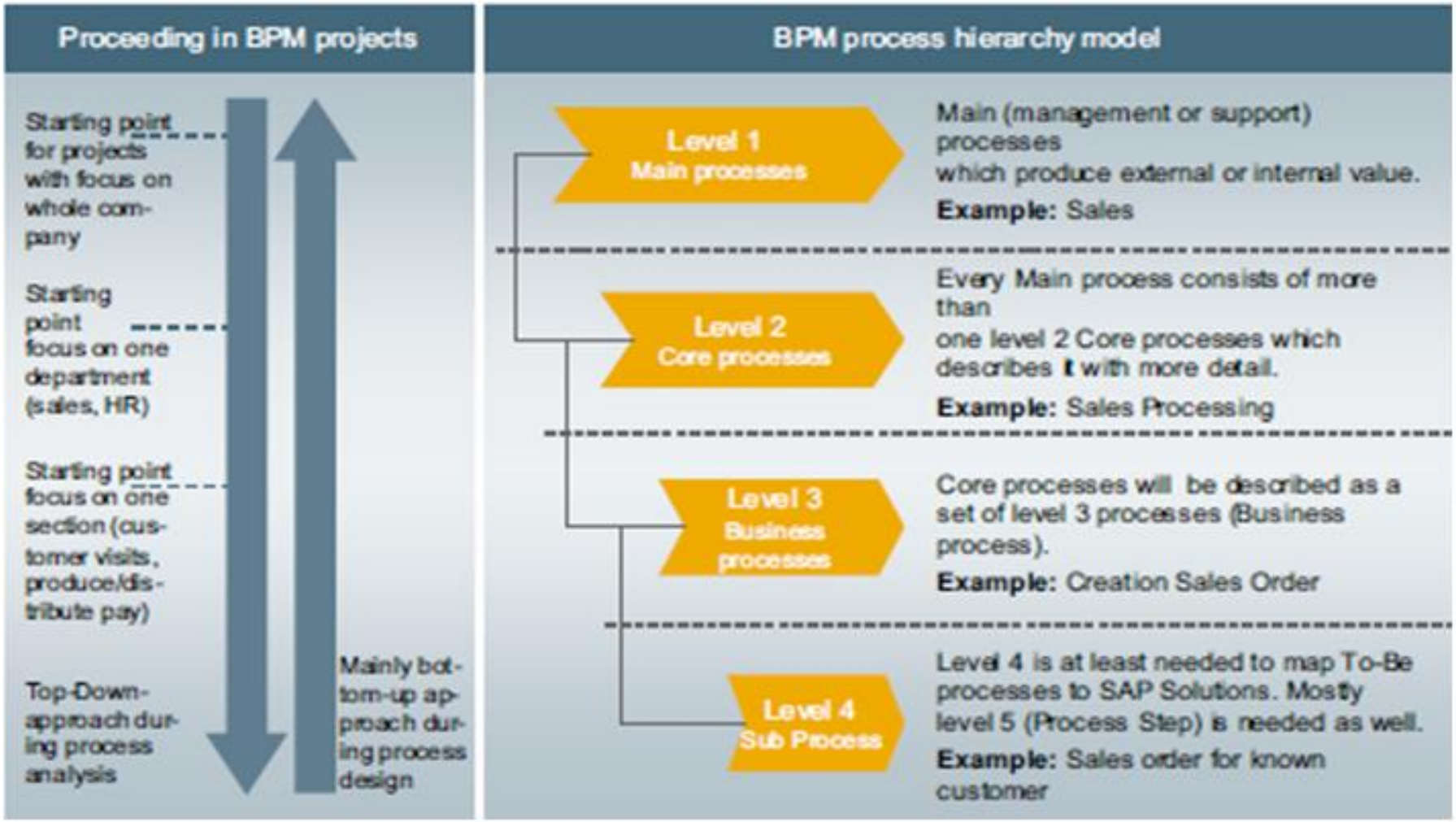
Adapted business reality leads to higher efficiency and effectiveness and thus to better business results



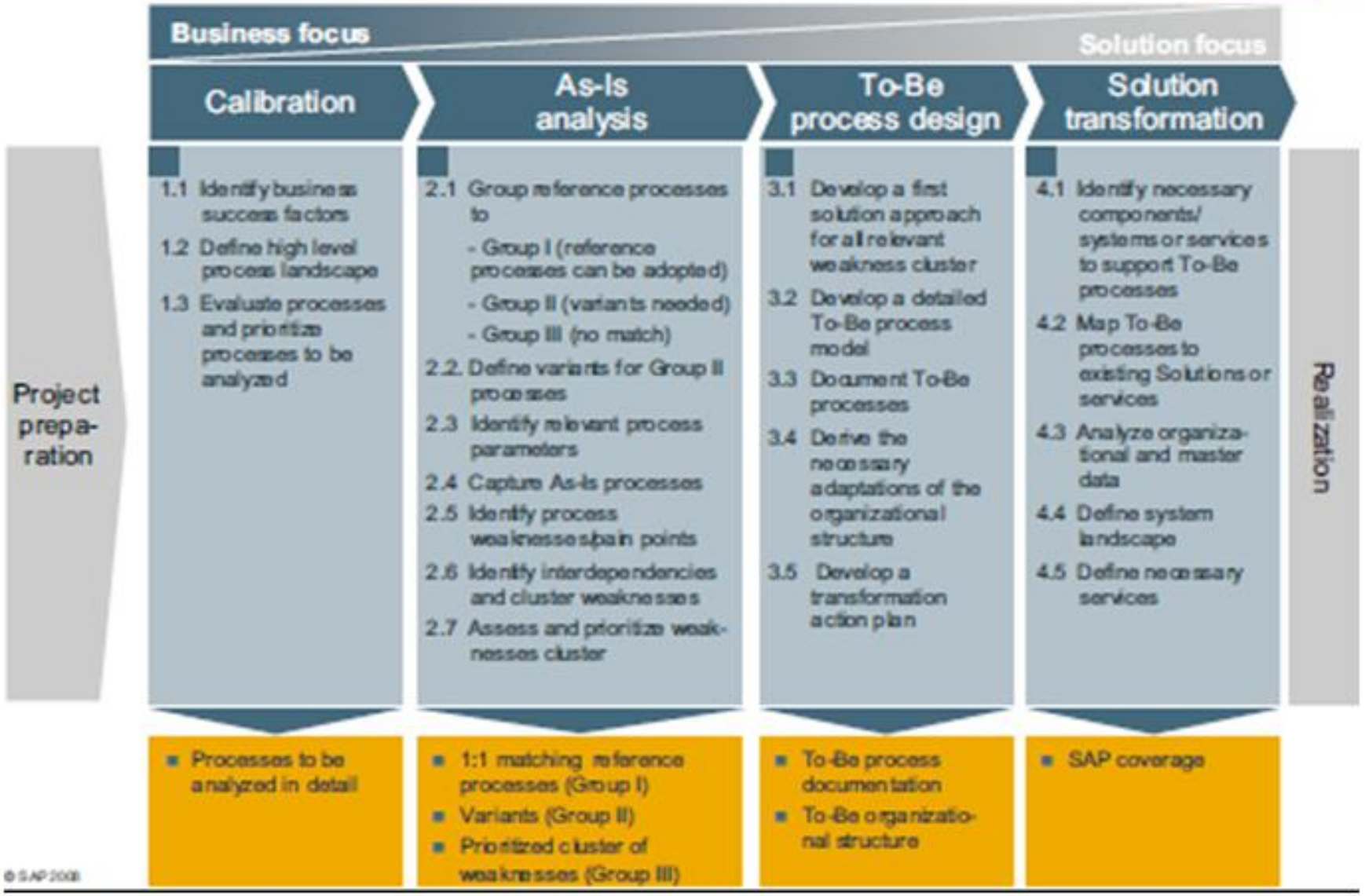
SAP BPM – Business Process Management
... optimization needs



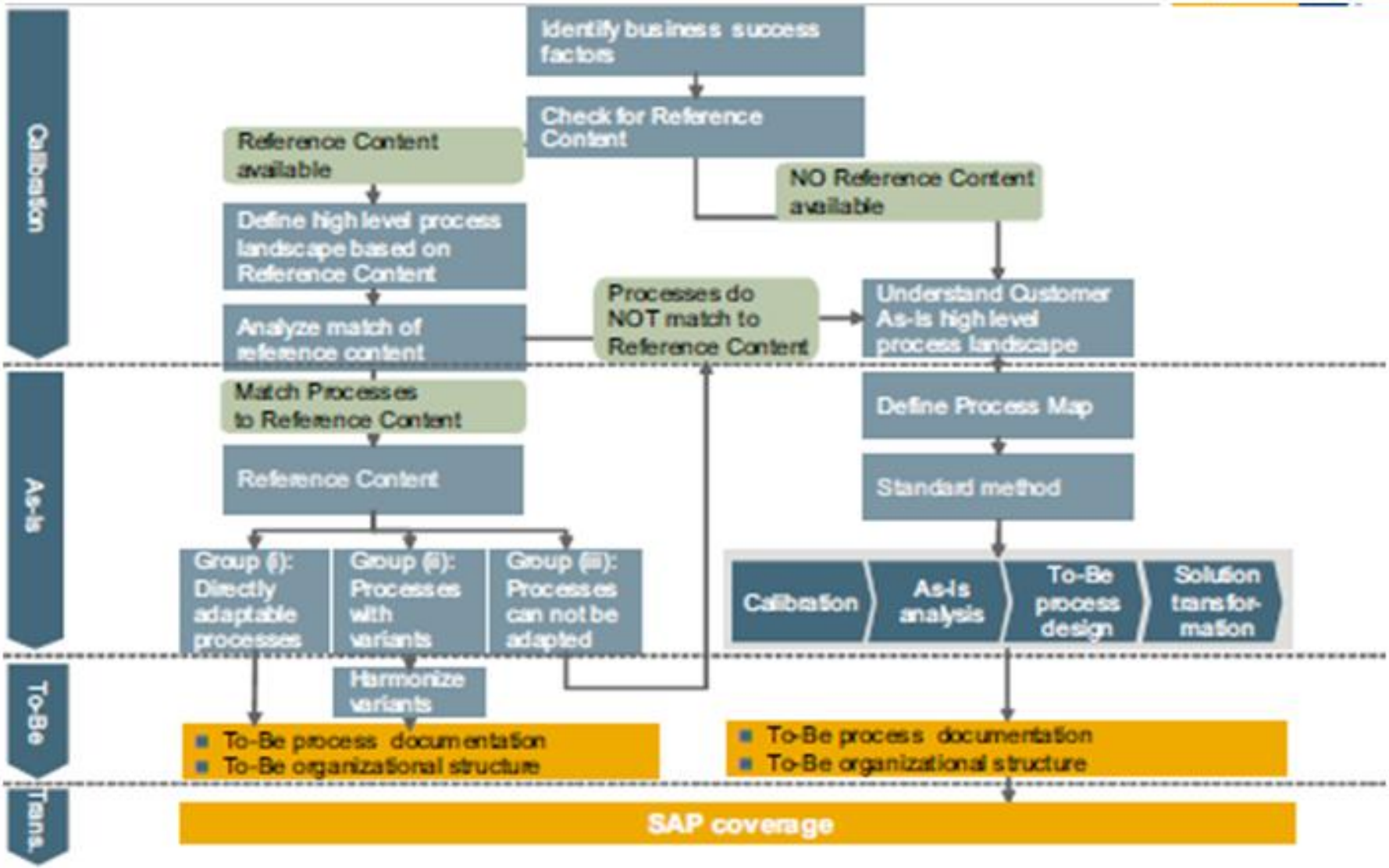
SAP BPM – Business Process Management
… key enabler – Process Hierarchy Modeling



SAP BPM – Business Process Management
... consist , 4 Main Phases



SAP BPM – Business Process Management
Decision Tree - for Reference Content Grouping



SAP BPM – Business Process Management , an optimal

... approach strategy comprise Methodology & Process Knowledge

Project team

	Characteristics of Project Teams
Method Expert	■ Team lead with high experience in BPM projects ■ Knows how to guide the customer ■ Builds networks within the customer organization ■ Brings in knowledge of tools and accelerators ■ Knows how to structure workshops and conduct BPM interviews efficiently ■ Knows typical process deficiencies and optimization methods ■ Presents results to the customer and discusses
Process/ Technical Expert	■ Has deep knowledge of processes in the industry or functions ■ Speaks the language of the customer ■ First contact person to operative customer employees ■ Is able to bring in reference information to the customer ■ If possible a close link to solution approach should be tied by involving technical experts as well.

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SAP BPM – Phase1 – Calibration

... Process Selection

Calibration

1.1 Identify business success factors

1.2 Define high level process landscape

1.3 Evaluate processes and prioritize processes to be analyzed

Activities

Identify business success factors

- Benchmark with competitor of the customer in order to find factors which impact customers success

Define high level process landscape

- Identify all level 1 processes based on existing customer documentation
- If there exists no clear level 1 process definition define level 1 processes based on main business areas
- Check for existing reference content and compare with customer processes.

Evaluate processes and prioritize processes to be analyzed

- Assign process costs, project risks, strategic relevance to all level 1 processes, if necessary
- Evaluate processes based on expected process deficiencies
- Develop portfolios (risk, process costs, expected process deficiencies ...) and evaluate level 1 processes
- Discuss prioritization with customer

Results

Success factors

Define high level process landscape

List of Prioritized processes

SAP BPM – Phase1 – Calibration
… key economic parameters/goals

Calibration

1.1 Identify business success factors

Goals/Why?

- The business success factors for a business area or a business process have to be understood in order to focus on the right strategic direction to eliminate weaknesses.
- Success factors can be different depending on the business and the products/services that a company is dedicated to.

Activities

- Success factors can be identified by:
  - Benchmark with a competitor of the customer in order to find factors which impact customers success
  - Desktop research (analysis of management handbooks and process descriptions)
  - Interviews with head of departments (high level process flow, weaknesses, responsibilities, process goals)
- Example:
  - Customer Satisfaction
  - Innovation Capability

Results/Tools

Result will be a a list of success factors

Customer group/ product group matrix as basis for success factors

SAP BPM – Phase1 – Calibration
... Process Landscape - ' the big picture '

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Calibration

1.2 Define high level process landscape

Goals/Why?

- The evaluation of the higher level process landscape is the starting point for the later activities.

Activities

- Process landscape can be identified by:
  - Identify all level 1 processes based on existing customer documentation
  - If there exists no clear level 1 process definition define level 1 processes based on main business areas.
    - Interviews with process owners and experts
    - Workshop with process owners and experts
- To define high level process landscape we use the process hierarchy model seen in the chapter BPM method.
- As a starting point for definition check for reference content i.e. does a Business Process Map exist?

Results/Tools

The result will be a customer specific Business Process Map. I.e. on each level of the Business Process Map new entries might be necessary or existing ones must be deleted.

SAP BPM – Phase1 – Calibration
... Customer Strategy driven Critical Success Factors

Enterprise Strategy	Strategy Focus	Derived Success Factors (+ Factors defines by customer)
Cost Leadership	▪ Price / Cost ▪ Standardization	▪ Outsourcing ▪ Profitability ▪ Low production costs
Differentiation Strategy	▪ Performance / Quality ▪ Uniqueness	▪ Innovative Capability ▪ Quality ▪ Human Capital ▪ Customer Satisfaction
Niche Strategy	Strategic focus on ▪ Customer Groups ▪ Segments of product line ▪ Geographical markets	▪ Customer inclination ▪ Quality ▪ Innovative Capability ▪ Human Capital (e.g. special qualifications required)

SAP BPM – Phase1 – Calibration
... define high Level Process Map Landscape

External Sources

Internal Sources

APQC: www.apqc.org

SCOR: www.supply-chain.org

Internal Process Documentation

Project Experience

SAP BPM – Phase1 – Calibration
... SAP reference Contents facilitates Analysis

Process factbook

1. Business Process Map

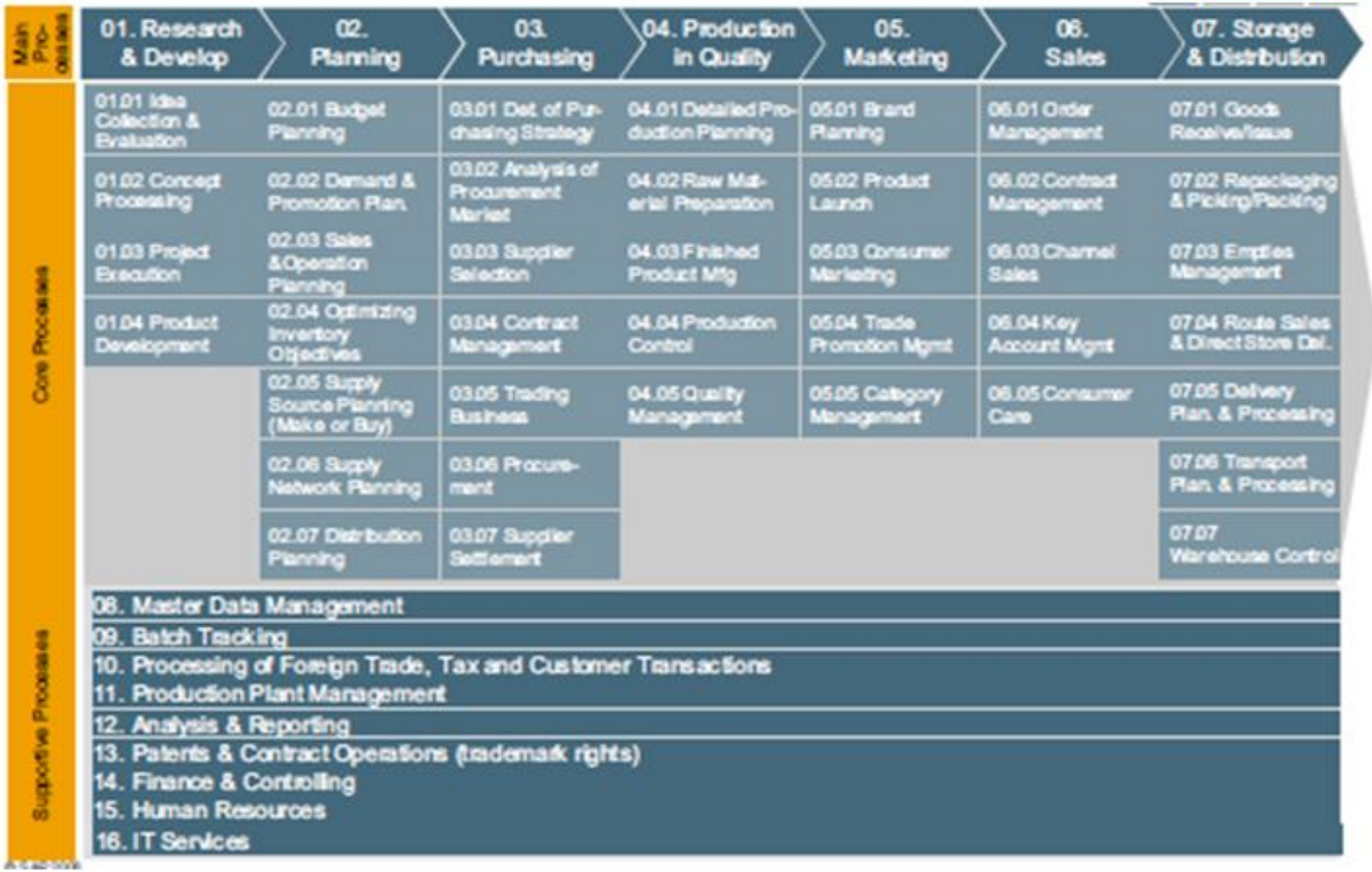
2. Process modeling (FlowChart)

3. Process description (RACI)

4. Process factsheet

SAP BPM – Phase1 – Calibration

… reference MAPs



SAP BPM – Phase1 – Calibration
... Reference BPM Maps (example) : Level - 2 & 3

SAP BPM – Phase1 – Calibration
... key Focus – Prioritizing Process

Calibration

1.3 Evaluate processes and prioritize processes to be analyzed

Goals/Why?

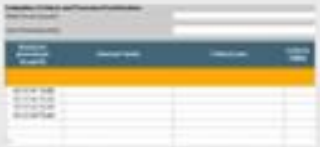
- To get the results of the phase it is necessary to evaluate the processes.
- Furthermore criteria for prioritization have to be defined and discussed with the customer, to jointly agree on prioritization of processes .

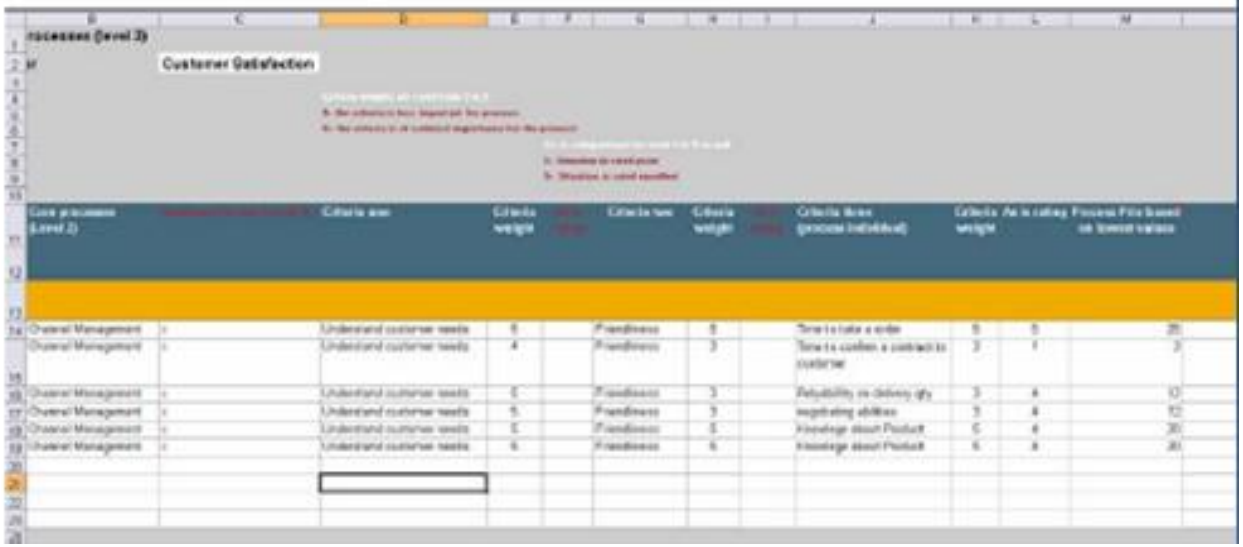
Activities

- Assign process costs, project risks, strategic relevance to all level 1 processes, if necessary
- Evaluate processes based on expected process deficiencies
- Develop portfolios (risk, process costs, expected process deficiencies ...) and evaluate level 1 processes
- Discuss prioritization with customer (e.g. perform a workshop with process owners and experts.

Results/Tools

Result will be a list of prioritized business process





SAP BPM – Phase1 – Calibration
... Key Critical Success Factors

The identification of the right processes for a detailed analysis in the calibration phase is key for success

	Customer group/ product group matrix	Business success factors	High level process landscape	Process prioritization
Tool				
Task	■ Identify strategic customer areas and customer products ■ Choose relevant products and areas	■ Identify business success factors for chosen products and areas ■ Compare customer strengths with competitors	■ Identify high level processes for chosen products and areas	■ Assign processes to success factors ■ Prioritize processes
Typical Timeframe	Start			End

Even in complex BPM projects, a high-level calibration phase should be finished in one week

Identification of the processes which most determine customer success.

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SAP BPM – Phase2 – Current Process Analysis
… identify Business reality & Organization Pain Points

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As-Is analysis

2.1 Group reference processes to
- Group I (reference processes can be adopted)
- Group II (variants needed)
- Group III (no match)

2.2. Define variants for Group II processes

2.3 Identify relevant process parameters

2.4 Capture As-Is processes

2.5 Identify process weaknesses/pain points

2.6 Identify interdependencies and cluster weaknesses

2.7 Assess and prioritize weak-nesses cluster

Activities

Group reference processes
- Group I: Process can be adopted without changes
- Group II: Process has to be adopted in minor way e.g. due to regional variants or legal requirements.
- Group III: Process has to be designed completely (no reference process available)

Define variants for Group II
- The regional or legal requirements (variants) have to be analyzed and defined

Identify relevant process parameters
- Define the relevant process parameters to be analyzed

Capture As-Is processes
- Organize process workshops to capture process flow, identify business units responsible for process execution and system support (with or without reference content)

Identify process weaknesses / pain points
- Document process weaknesses and their reasons, evaluate optimization potential and prioritize weaknesses

Identify interdependencies and cluster weaknesses
- Summarize all weaknesses due to interdependencies and similarities

Assess and prioritize weaknesses cluster
- Prioritize the clusters based on well defined criteria

Results

Grouped Processes

Documented As-Is Processes incl. clustered weaknesses (e.g. RACI)

SAP BPM – Phase2 – Current Process Analysis
... different Process Grouping & initiation

As-Is analysis

2.1 Group reference processes to
- Group I (reference processes can be adopted)
- Group II (variants needed)
- Group III (no match)

Goals/Why?

- In order to speed up and to focus on the processes with maximum potential optimization possibilities it is applicable to cluster the processes to the grouping criteria.
- Different groups will be handled differentiated

Activities

- Group I: Identify processes that can be adopted without changes
- Group II: Identify processes that have to be adopted in minor way e.g. due to regional variants or legal requirements.
- Group III: Identify processes that have to be designed completely (no reference process available)
- Group III: Organize process workshops to capture process flow, identify business units responsible for process execution and system support.

Results/Tools

Grouped Processes

SAP BPM – Phase2 – Current Process Analysis

... reference contents & understanding Customers Structure

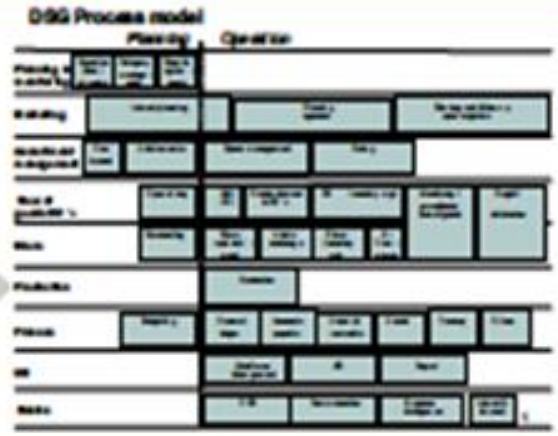
Reference content

- Reference Content
- Customer's Business Maps
- Consultant's experience
- ...

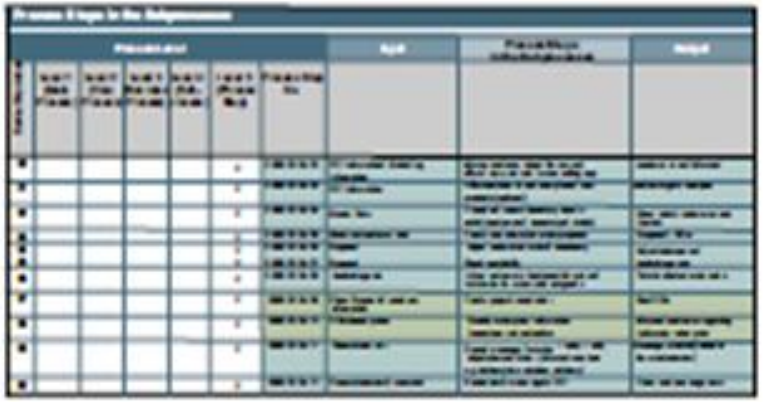
- Business success factors
- Customer's Project Goals
- ...

Customer specifics

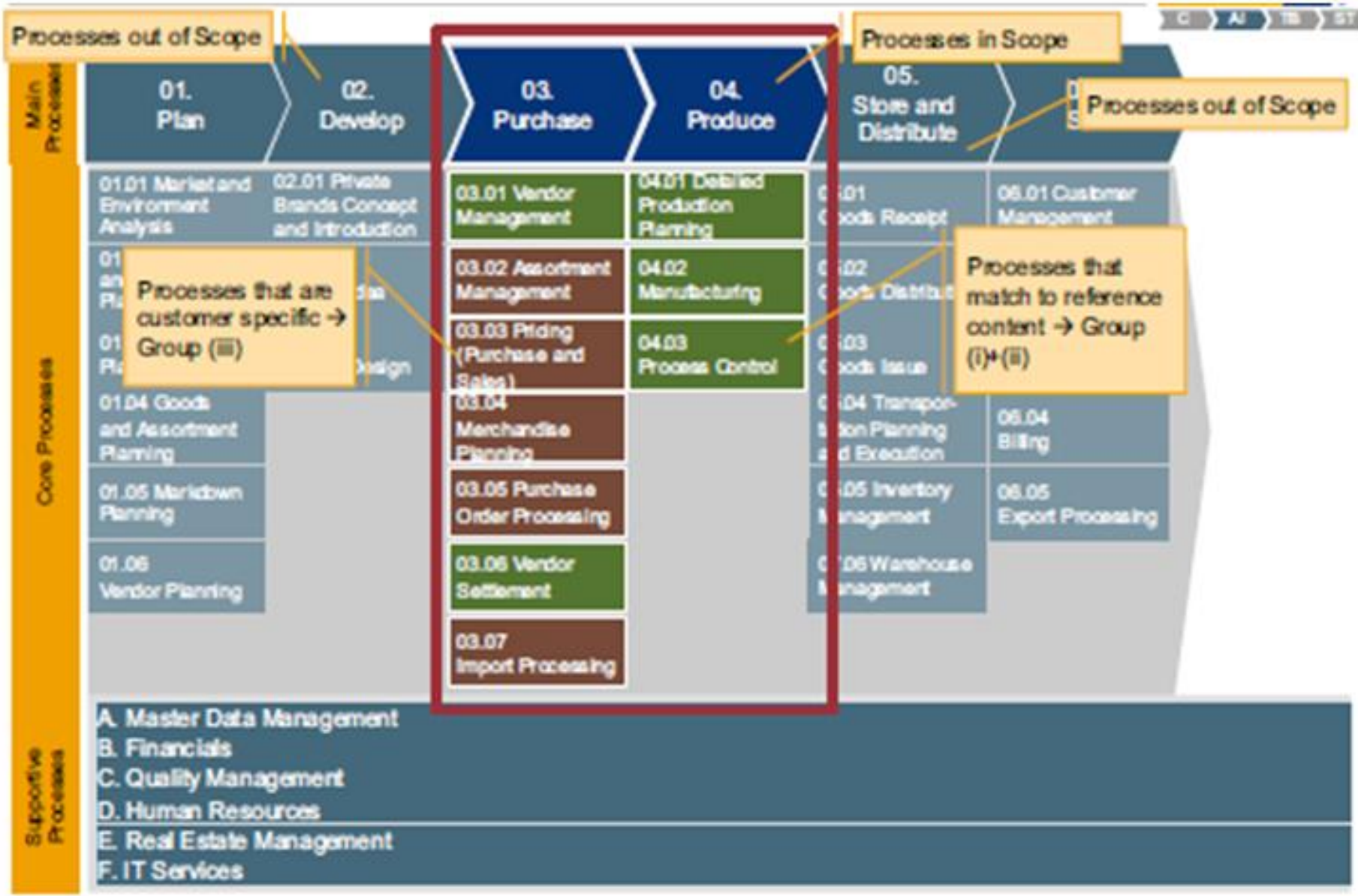
Customer As-Is processes



Analyze match of Reference Content



SAP BPM – Phase2 – Current Process Analysis
... Scoping – Next Phases



SAP BPM – Phase2 – Current Process Analysis
... Process Grouping

Group (i)

- High level mapping shows that reference processes could be directly adapted
- No regional variation of processes necessary

Business Blueprint available or fast development possible

Regrouping during detailing possible

Group (ii)

- High level mapping shows that reference processes or existing regional process could be generally adapted
- Regional variation or variation across business units of processes are necessary

Harmonization approach to be executed

Regrouping during detailing possible

Group (iii)

- High level mapping shows that reference processes cannot be adapted due to different business model or process requirements
- If necessary, process variants have to be defined

BPM Methodology to be executed

SAP BPM – Phase2 – Current Process Analysis

... Group-1 Process : directly transferred to Target Process

Two Options to define To-Be Processes:

Option 1: Business Blueprint Documentation already available

- Adapt existing documentation to specific project documentation standards
- Add existing documentation to business blueprint
- Use SAP predefined configuration content to reduce implementation complexity, if possible

Only limited effort necessary before implementation

Option 2: Business Blueprint Documentation to be developed

- Detail existing process description of reference process
- Describe necessary adaptations for identified process areas with modification needs
- If necessary, execute BPM Methodology for clearly described, limited process areas

Additional effort necessary before implementation

SAP BPM – Phase2 – Current Process Analysis

... Group-2 Process : identify Variants across LOB & Regions

As-Is analysis

2.2 Define variants for group II

Goals/Why?

- The goal is to identify all process deviations/variants that have to be adopted due to regional, local or legal requirements.

Activities

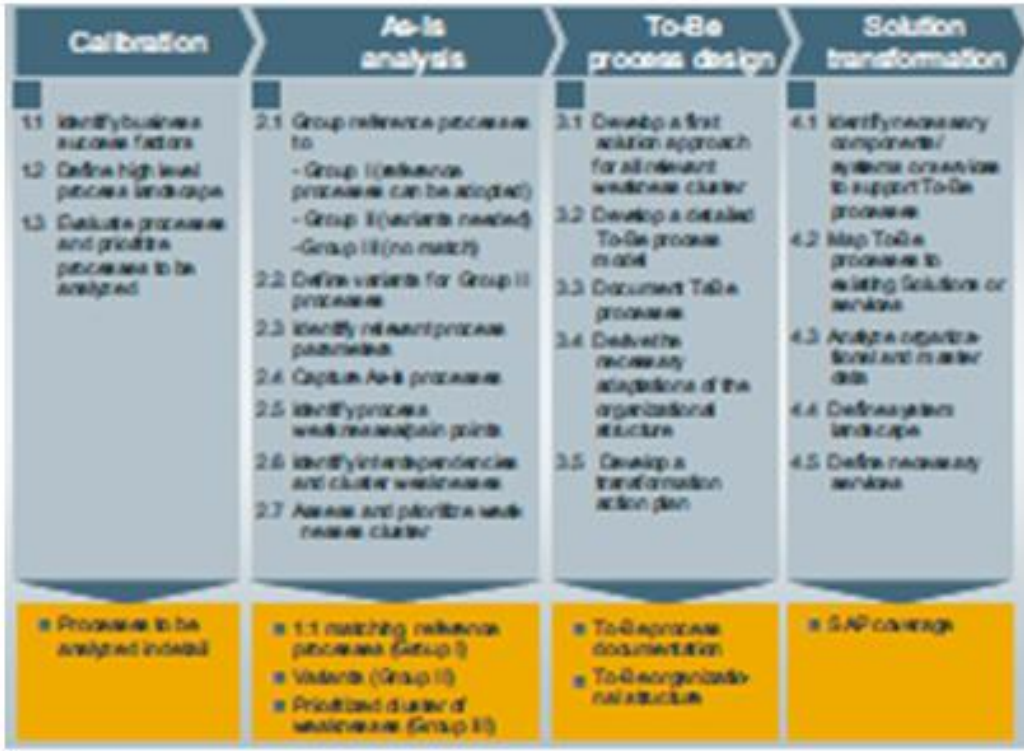
- The Process has to be altered in a minor way e.g. due to regional variants or legal requirements.

Results/Tools

Grouped Processes

SAP BPM – Phase2 – Current Process Analysis

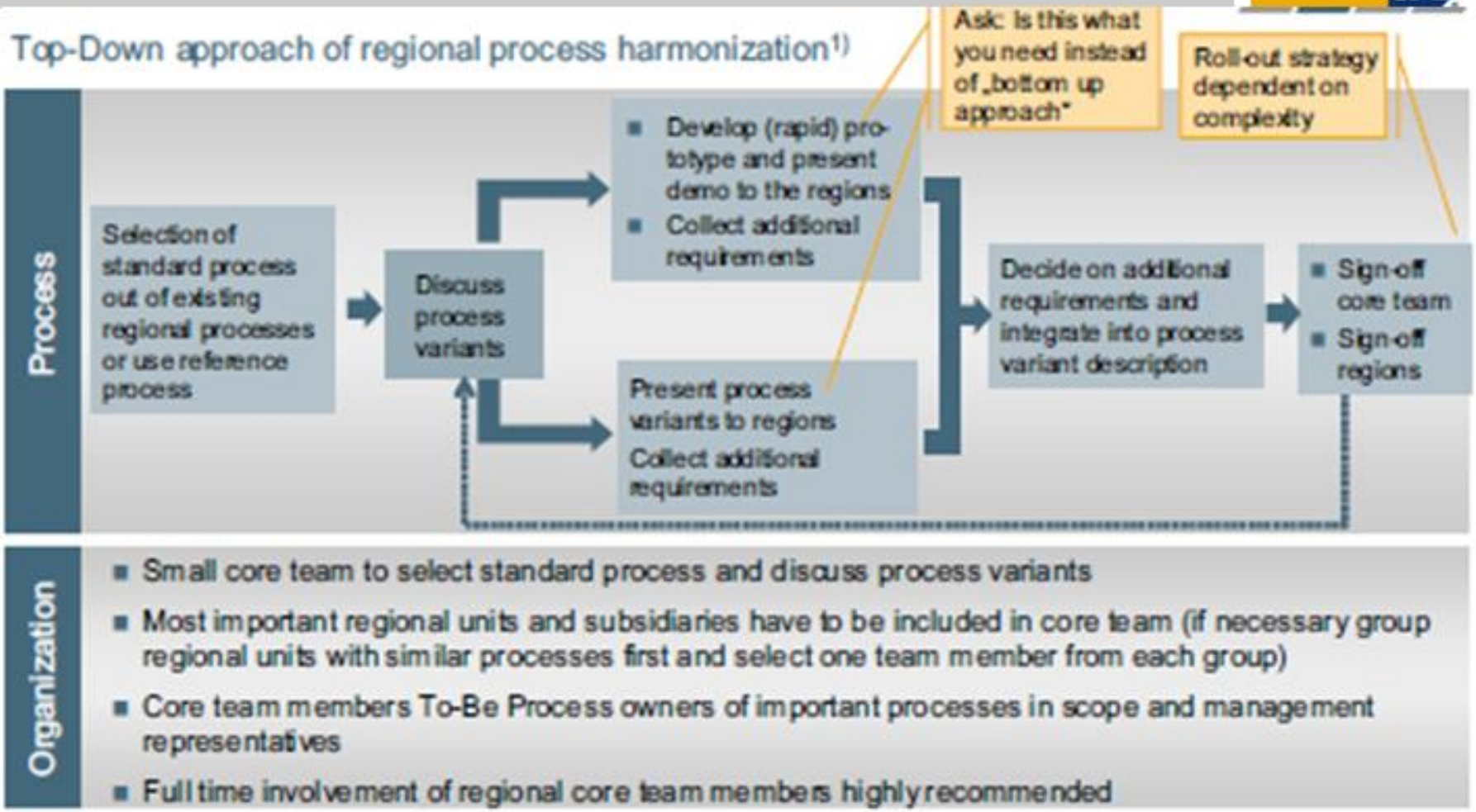
... Group-3 Process : adopted according to Standard Methos



- During As-Is Analysis reassignment of processes to Groups I and II is possible based on more detailed process description
- Interdependencies to Group I and II processes have to be considered during process optimization

Execute As-Is Analysis and To-Be process design for all processes grouped in category III

SAP BPM – Phase2 – Current Process Analysis
... top down process harmonization



1) Combination of process harmonization and standard process optimization is difficult to execute. In this case the core team has to-be Process optimization team or optimization has to be executed for one regional unit and optimized processes have to be selected as standard processes in later harmonization project.

SAP BPM – Phase2 – Current Process Analysis
… identify & prioritize Process Parameters

Purpose & Goal

Why is the process performed?	Ultimate reason for the existence of the process Example: Getting the right products to the right person at the right time based on existing orders

Business Rules

Which rules govern the business?	Description of the operational characteristics of the business Example: Prioritization guidelines, disturbances, decision processes

KPIs (Key Performance Indicators)

How is the process performance measured?	Definition of measurable indicators to verify whether the process goals have been achieved Examples: Number of created POs, process cycle time

Objects

Which objects are used, modified, and produced?	Processes result in the manipulation of physical or informational objects. The two most important objects are input and output. Examples: purchase order (PO), invoice

Process Owner

Who is responsible for the process?	Managers with end-to-end responsibility for individual processes

Technology

What kind of technology enables the process execution?	Systems, tools, and hardware used Example: mySAP SRM

Process

Roles

Which roles need to contribute to the process execution?	Definition of all resources involved in performing the process Examples: hiring manager, recruiter, HR Business Partner

Media

By which media do processes interact?	Means of communication used Examples: paper, fax, e-mail

Process Flow

Which processes precede and follow?	Definition of process sequence and process interfaces, input and output Example: receive PO, check availability, confirm delivery date

Organizational Units

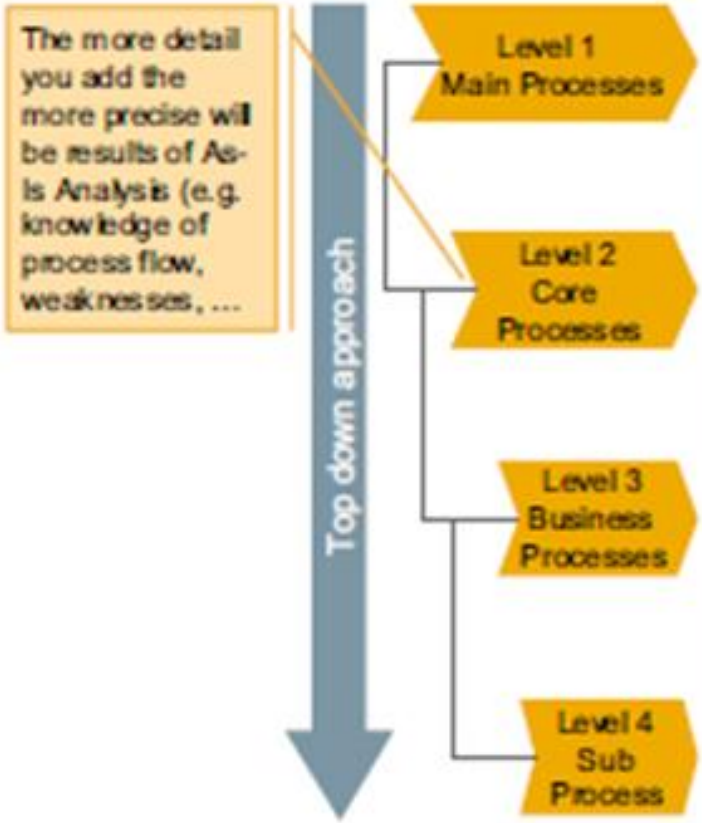
Which organizational units own the process execution?	Processes are performed by one or more organizational units. Examples: Business department, HR, Controlling

SAP BPM – Phase2 – Current Process Analysis
... different Process Capturing Procedures

Customer documents / Desktop research	Questionnaire	Interview	Workshop
▪ Structured process documentation has to exist ▪ Clear understanding of process flows and parameters by customer ▪ Could be first step to get a high-level overview	▪ Can done remotely (time restrictions and limited travel budgets) ▪ Structured survey of relevant information ▪ If substantial surveys are required e.g. statistical reporting ▪ Could be a first step to derive process relevant figures.	▪ Most important method to get information on current processes ▪ Helps to built relationships with the customer ▪ Helps to discover process weaknesses ▪ Helps to get different views on processes	▪ Helps to get an agreement on processes with all relevant stakeholders. ▪ Difficult questions can be discussed with all relevant customer employees, if carefully prepared.
Existing documentation or done by process owner/expert	Employees, end users, customer surveys	Heads of departments, process owners/experts project sponsors	All relevant stake-holders

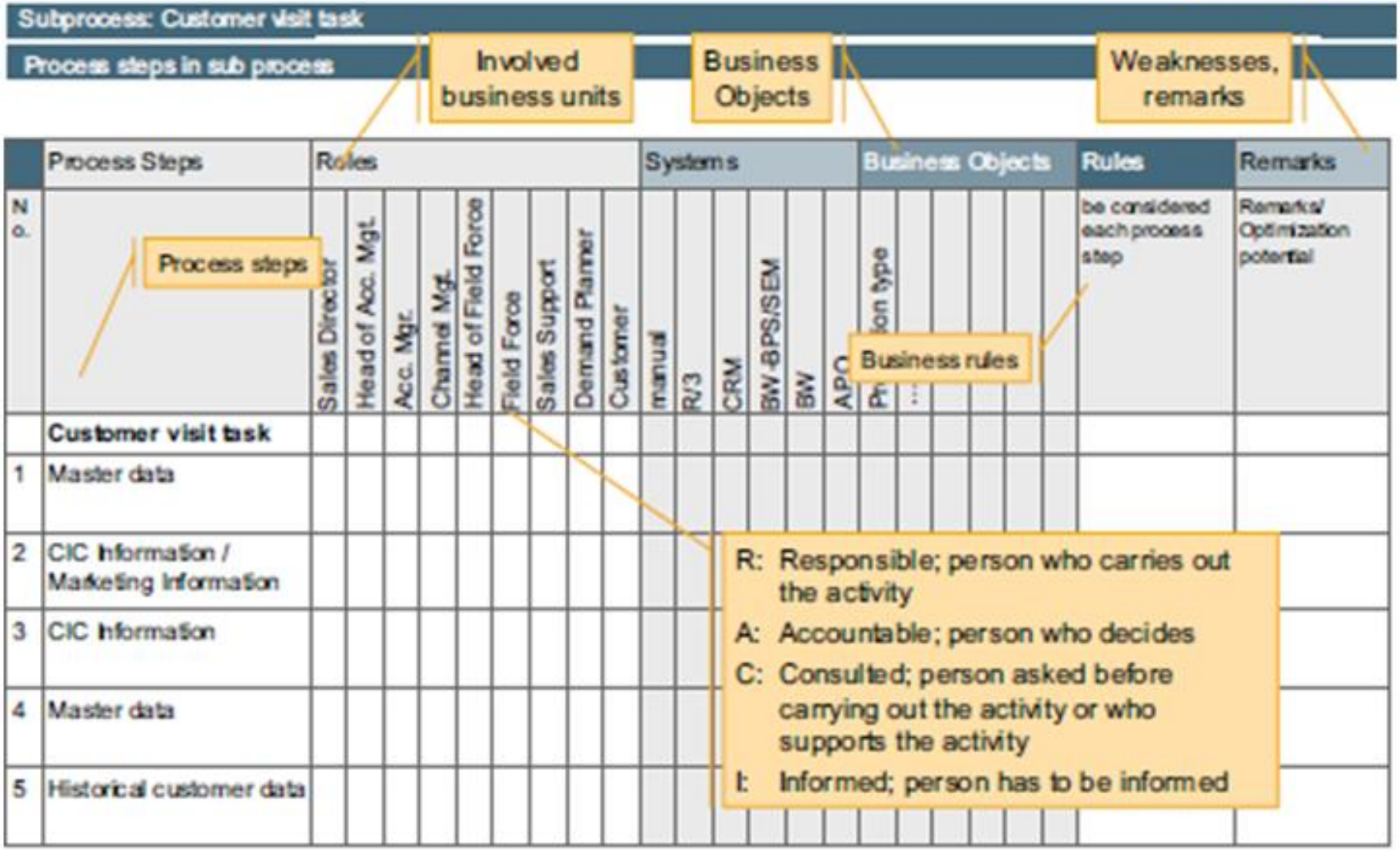
The deeper the process level for analysis the more operative working employees can provide the relevant pro-cess information from level 1 (Management, Heads of departments) down to level n (process owners, experts)

SAP BPM – Phase2 – Current Process Analysis
... Clear Top Down Approach



- Start with High level process landscape from calibration
- Map processes and identify As-Is process parameters one level deeper to be sure to have a full understanding of all relevant process information (use reference content if possible)
- Add additional detail step by step going 1 level deeper until final level of detail is reached
- For all steps: If there is no clear understanding analyze all relevant process parameters, for last process level to be analyzed the analysis of process parameters is mandatory
- If there is a clear understanding of As-Is processes skipping of process level to accelerate project work is rational
- The last level for analysis does not have to be the same for all processes
  - Processes identified as relevant in calibration are analyzed in detail
  - Processes very well known to the consultant can be analyzed faster, rather than unknown and complex processes
- The Top-Down-Approach is also relevant for weakness identification and analysis

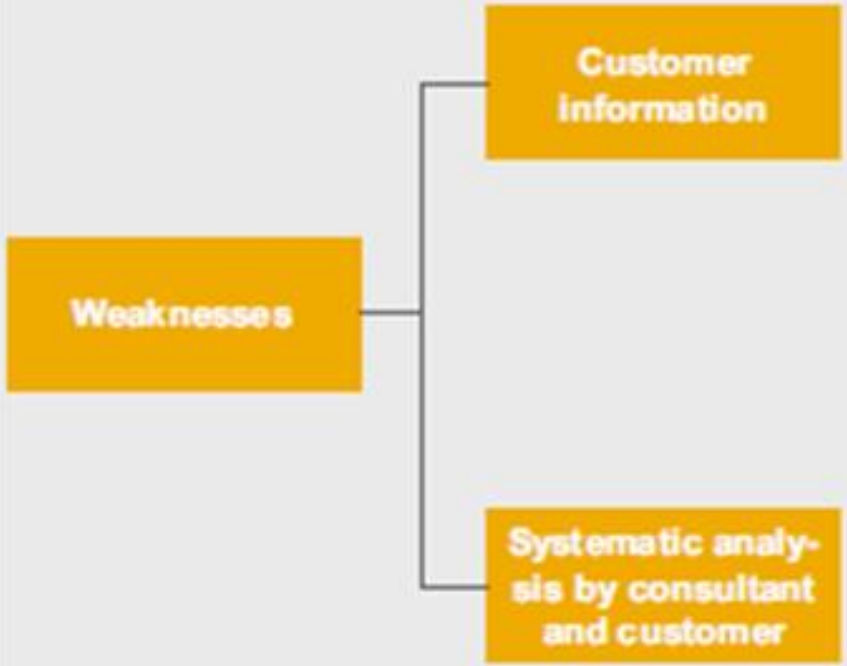
SAP BPM – Phase2 – Current Process Analysis
... RACI Matrix Analysis



No.	Process Steps	Roles									Systems						Business Objects							Rules	Remarks
		Sales Director	Head of Acc. Mgt.	Acc. Mgt.	Channel Mgt.	Head of Field Force	Field Force	Sales Support	Demand Planner	Customer	manual	R/3	CRM	BW-BPS/SEM	BW	APO	ion type							be considered each process step	Remarks/ Optimization potential
	Customer visit task																								
1	Master data																								
2	CIC Information / Marketing Information																								
3	CIC Information																								
4	Master data																								
5	Historical customer data																								

SAP BPM – Phase2 – Current Process Analysis
... Deficiency & Weakness Identification

Sources for weakness identification



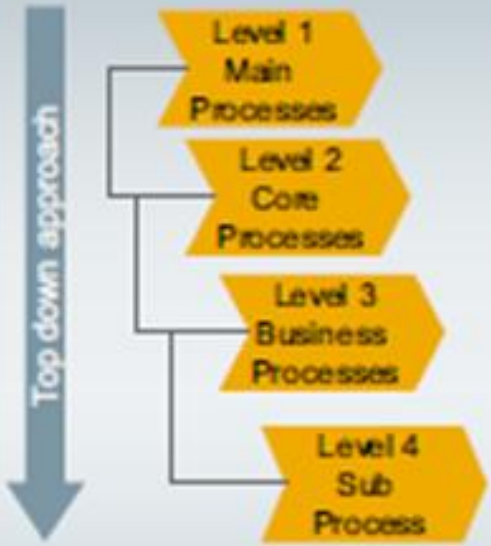
Remarks/Explanation

- Clear picture of problems from customer perspective
- Overall problem often understood on higher level (interviews with top management/heads of departments) but weaknesses not known in detail
- Deficiency often known in detail but very much described from their own perspective on lower level (operative employees)

- Take customer information as the starting point for further analysis.
- Analyze all process parameters to identify further weaknesses
- Systematically derive weaknesses from missed process goals or process performance
- Systematically analyze causes for weaknesses

SAP BPM – Phase2 – Current Process Analysis
... Deficiency & Weakness Analysis

Top-down approach



- Weaknesses are often first identified on higher level
- On lower level, a more detailed understanding of weaknesses is possible

Weakness identification and analysis

- Precondition for the identification of weaknesses is the knowledge of process goals and performance
- Weaknesses have to be described on all mapped process levels
- On deeper levels of the process hierarchy, a better understanding of weaknesses is possible
- Only a structured cause and effect analysis, starting with the analysis of missed project goals, can be the basis for the identification of optimization measures

Cause and effect analysis

1. Missed process goal/ process performance
2. Describe weakness
3. Analyze cause for weakness

SAP BPM – Phase2 – Current Process Analysis

... RACI Matrix facilitates Process Weakness Identification

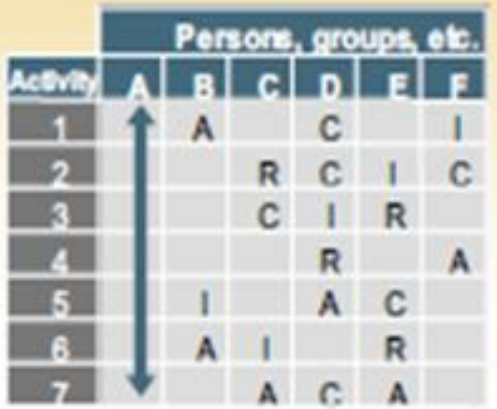
Questions, analyzing the matrix

- Multiple responsibilities
- Unnecessary rework
- Excessive division of tasks
- Lack of responsibilities
- Repeated activities
- Excessive or missing information

Beware of ...

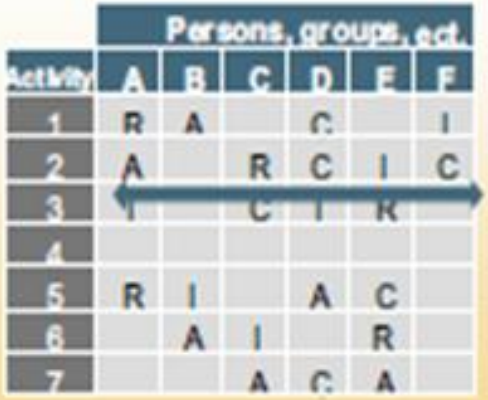
Vertical analysis

- ... many R's
- ... a lack of R's and A's
- ... too many A's
- ... Qualification



Horizontal analysis

- ... empty fields
- ... too many R's
- ... more than one A
- ... too many C's
- ... too many I's



SAP BPM – Phase2 – Current Process Analysis
... typical Process Weakness Structuring Criteria

Typical process weaknesses

Process flow

- Loops
- Decentralized activities
- Inputs not necessary, waiting times
- Long lead times
- Not enough information for process owners
- Goal of the process not specified
- High number of interfaces
- Low quality of process output
- No quality control for process results
- No process standardization where possible
- Big product and service portfolio which leads to complex processes
- No outsourcing of processes which are not core to the customers business
- Not enough process automation
- ...

Organizational structure

- Pure functional organizational structure (no process ownership across departments)
- Responsibilities not clearly assigned
- Overlapping responsibilities
- Decision processes take too long
- No fit of competencies and responsibilities (governance)
- Wrong degree of centralization and decentralization
- Not enough transparency
- ...

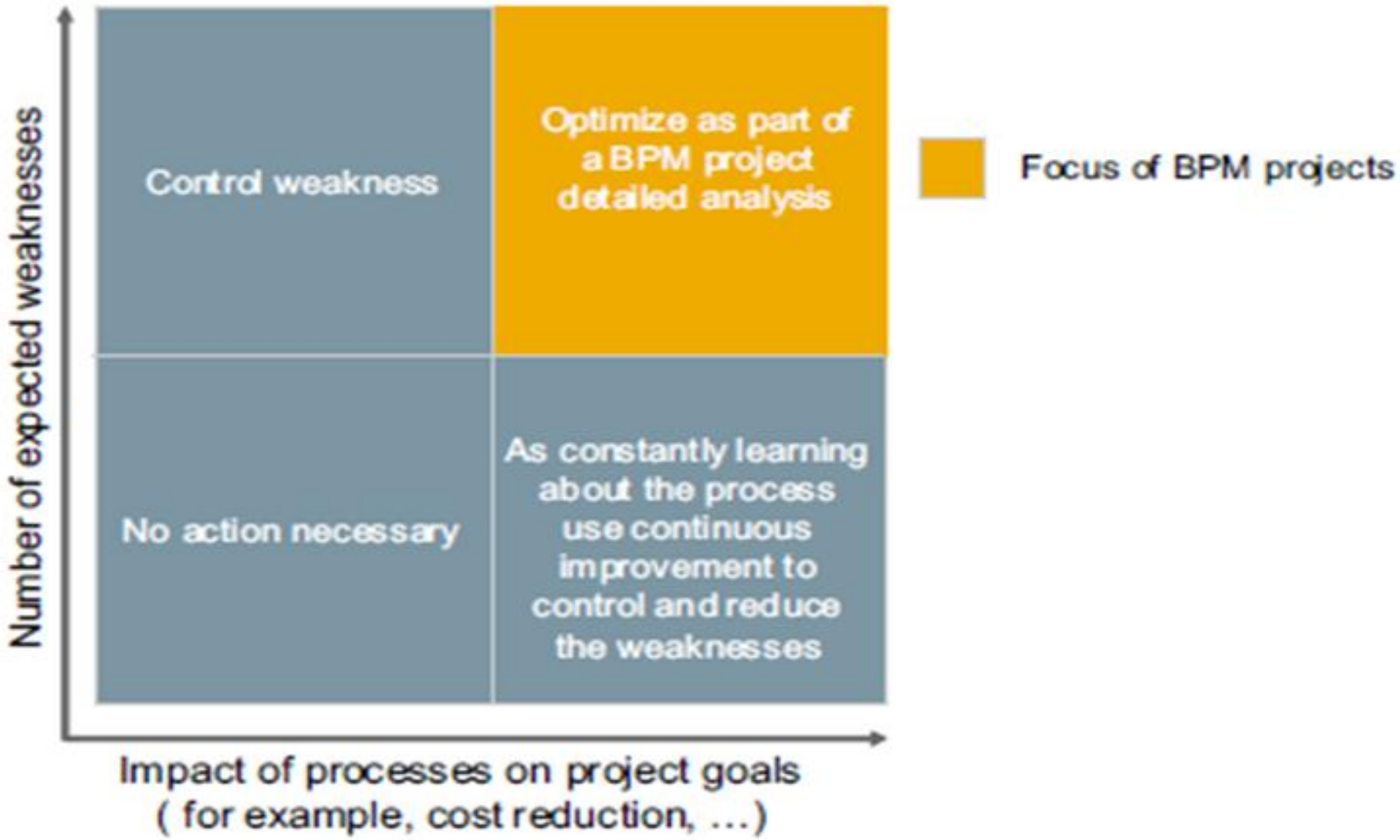
System support/data structures

- Systems do not support the processes (degree of automation)
- Missing functionalities
- Redundant systems support
- User interface not user friendly
- Low data quality, redundant data
- No integration
- Slow information access for process owners
- System support not standardized
- ...

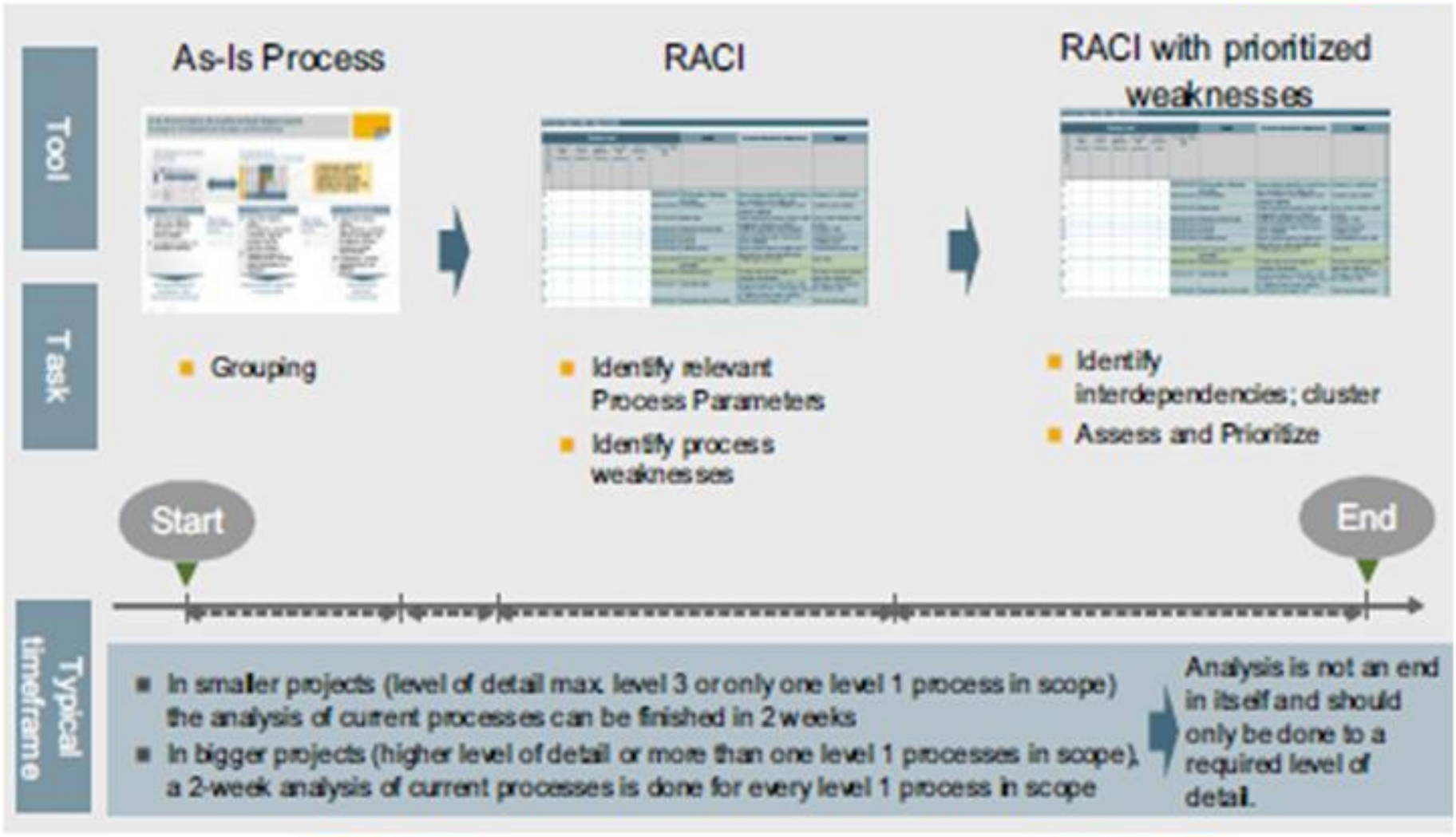
SAP BPM – Phase2 – Current Process Analysis

… identified Process Weakness Clustered along Similarities

SAP BPM – Phase2 – Current Process Analysis
... Prioritizing (identified) Process Weakness Cluster



SAP BPM – Phase2 – Current Process Analysis … Key to understanding existing Organizational Process Weakness



Identification of weaknesses and prioritized weaknesses cluster.

Agenda

- BPM Methodology
- BPM Business Transformation Phases
  - Phase1 – BP Calibration
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SAP BPM – Phase3 – Target Process Design
... Weakness Cluster

To-Be process design

3.1 Develop a first solution approach for all relevant weakness cluster

3.2 Develop a detailed To-Be process model

3.3 Document To-Be processes

3.4 Derive the necessary adaptations of the organizational structure

3.5 Develop a transformation action plan

Activities

Develop a first solution approach for all relevant weakness cluster

- Define solution approaches
- Define evaluation criteria
- Evaluate and decide on approach to be detailed

Develop a detailed To-Be process model

- Take over processes without deficiencies
- Execute benchmarking (external, internal)
- Organize To-Be process definition workshops and define To-Be processes without the identified weaknesses
- Describe process parameters and Key Performance Indicators (KPI's) for To-Be processes

Document To-Be processes

- Use standard documentation format (e.g. ARIS, Visio)

Derive necessary adaptations of organizational structure

- Assign new responsibilities and define or change organizational units

Develop a transformation action plan

- Describe the way from As-Is to To-Be with responsibilities and time frame (roadmap)

Results

RACI

Transformation action plan (roadmap)

SAP BPM – Phase3 – Target Process Design
... Goal - High Level Solution Proposal

To-Be process design

3.1 Develop a first solution approach for all relevant weakness cluster

Goals/Why?

- For all relevant weakness clusters a solution approach must be derived and discussed with customer. To meet customer expectations often variants must be derived in order to provide solution alternatives.
- Consequently criteria must be clear to assess and evaluate possible solutions.
- If possible these criteria should be given a rating in order to make decisions clearer and easier.

Activities

- Define solution approaches
- Define evaluation criteria
- Evaluate and decide on approach to be detailed

Results/Tools

Solution Concepts

SAP BPM – Phase3 – Target Process Design

... Solution Summary , based on Key Target Process Principles

A solution concept is a high level graphical description or a high level process description which summarizes the principles of a solution for a weakness cluster

Example

- No information about product availability.
- No information about historical customer orders.

Two weaknesses with same cause "visit paper based" → Cluster

- Solution concept to make use of new technologies available in the Consumer Products (CP) industry, to provide information directly.

Field Sales Organization →

Mobile Handheld

High level description of concept

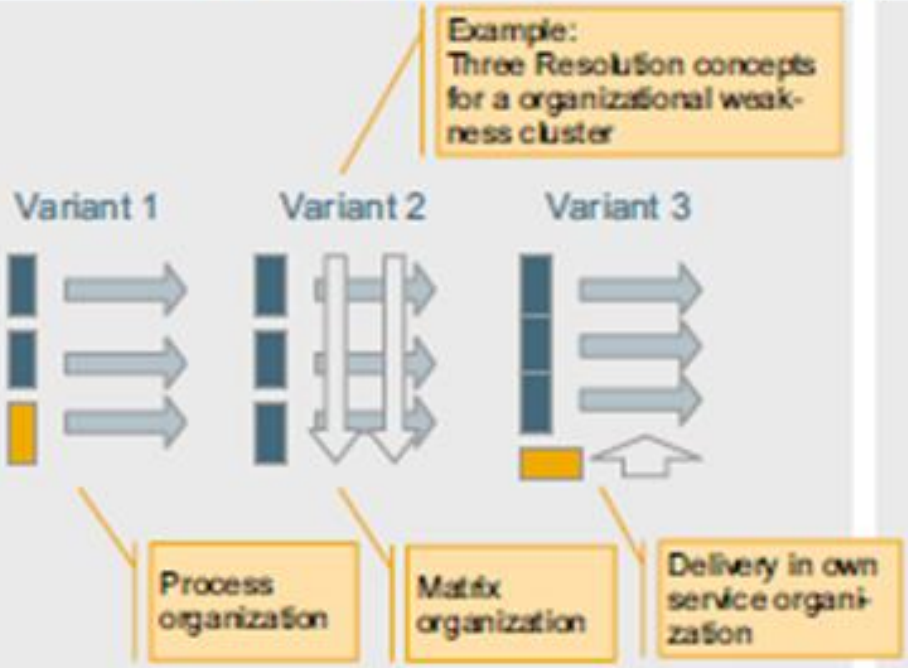
- Direct information about product availability
- Historical customer data visible,
- Order proposal possible
- ...

Based on a clear and systematic understanding of the key principles of a solution for a weakness cluster, a detailed description of To-Be processes is much more easy.

SAP BPM – Phase3 – Target Process Design

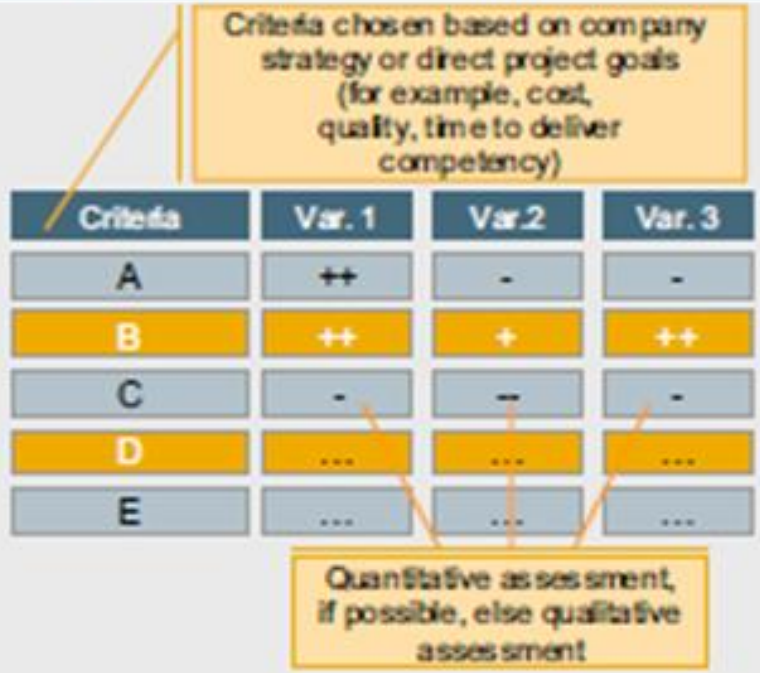
... Assessment & Resolution of Concepts

Resolution concepts



- The identification of resolution concepts can be based on benchmarking or reference organization
- High-level description of resolution concept variants (high-level processes, high-level organizational structure)

Assessment of resolution concepts



- Assess resolution concept variants based on criteria with strategic relevance for the company or direct project goal relevance
- Prioritize resolution concept variants and agree on the variant to be chosen and detailed

SAP BPM – Phase3 – Target Process Design
... Detail Design

To-Be process design

3.2 Develop a detailed To-Be process model

3.3 Document To-Be processes

Goals/Why?

- A detailed To-Be Process design is necessary to enable next step (Solution transformation) and to fix and agree the solution with customer.

Activities

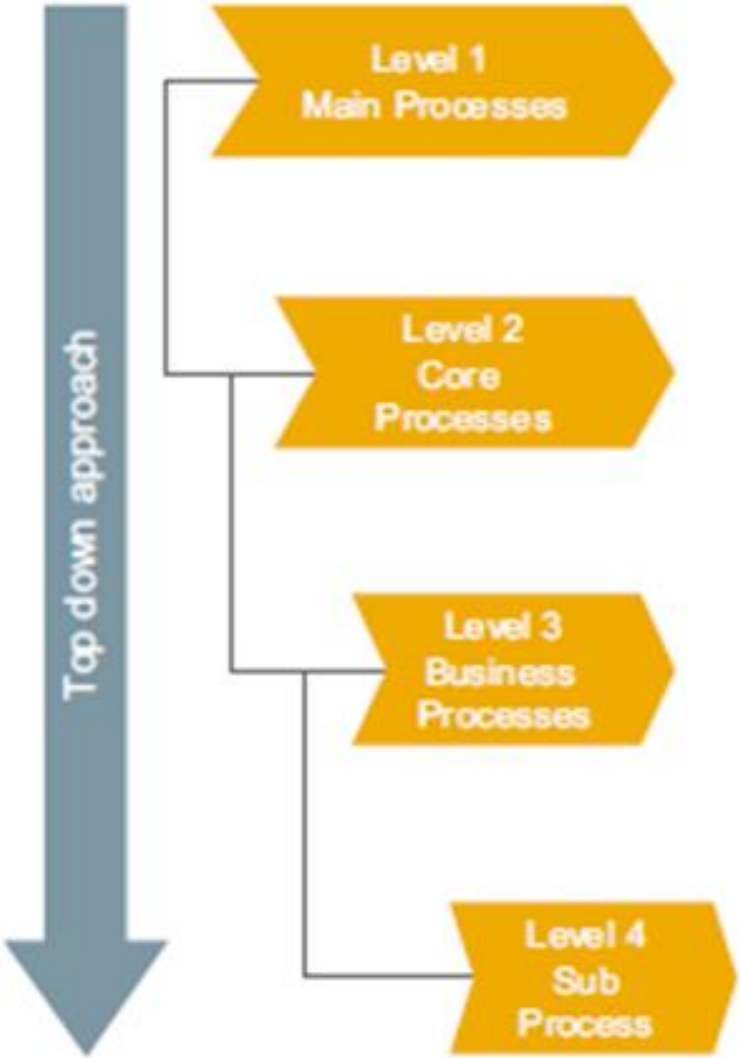
- Take over processes without deficiencies
- Execute benchmarking (external, internal) for improvement verification
- Organize To-Be process definition workshops and define To-Be processes without the identified weaknesses
- Describe process parameters and KPI's for To-Be processes
- Use standard documentation format (e.g. ARIS, Visio)

Results/Tools

Result will be a RACI or other customer specific documentation

SAP BPM – Phase3 – Target Process Design

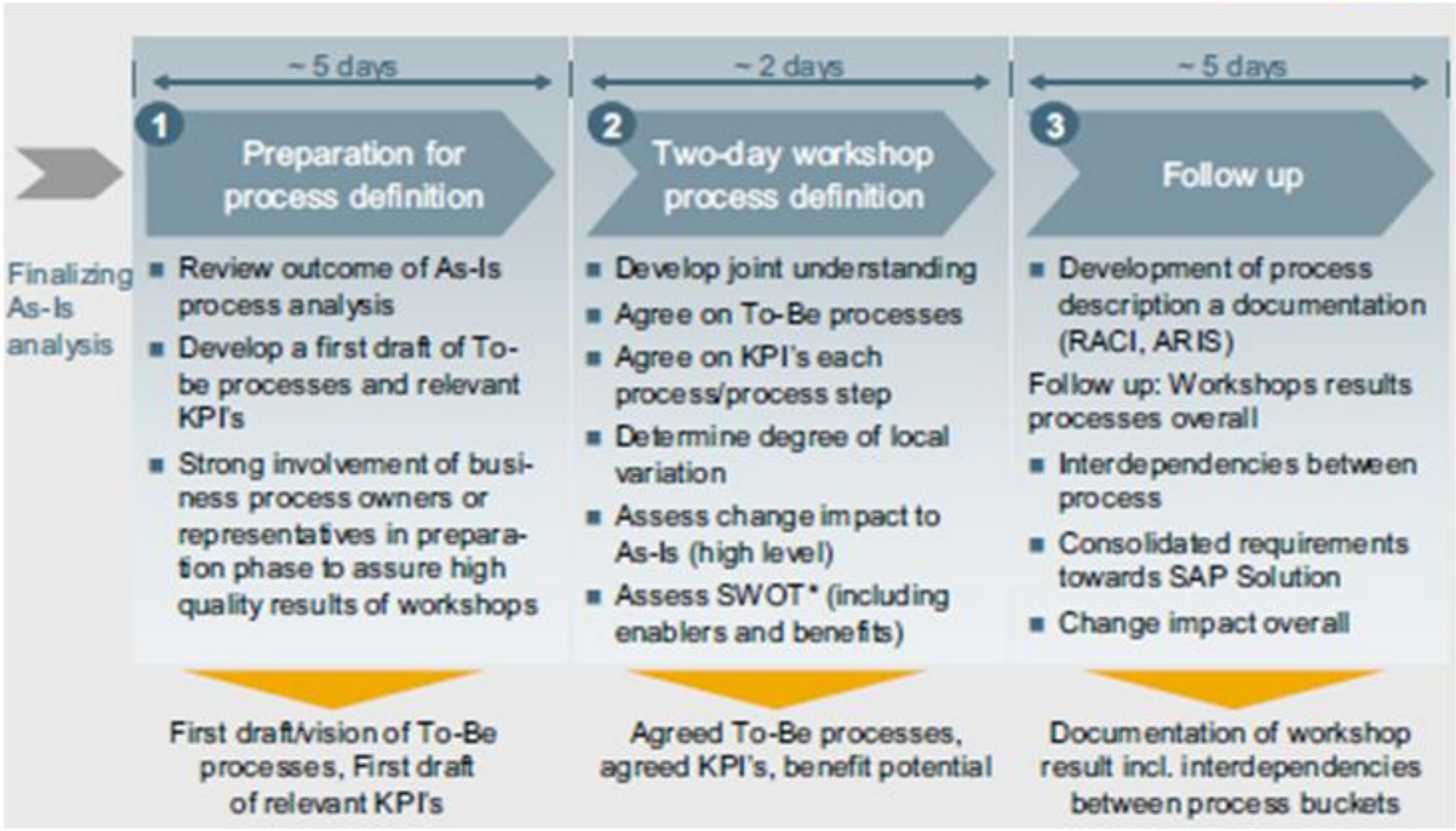
... Clear Top Down Approach



- Start with a high level Solution concept
- Map processes and define proposed process parameters one level deeper
- Add additional detail step-by-step going 1 level deeper until final level of detail is reached
- For all steps: Process parameters have to be defined carefully to make sure that process controlling is possible
- If there is a clear understanding of the process, skipping a process level to accelerate project work could be done
- The documentation of proposed processes has to be complete and should be the basis for process enforcement after implementation
- All processes have to be documented on the same process level
- Processes should be defined on process task level (normally level 5) to include additional information for a business blueprint development and the following Solution transformation phase

SAP BPM – Phase3 – Target Process Design

... 3 Step Structure

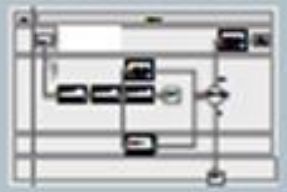


SAP BPM – Phase3 – Target Process Design
… Tool & Method driven Document Process

Tools to describe and document processes

RACI

- Chose RACI to map and document processes on detail level
- Accelerators to define and map processes together with the customer
- No specific documentation tools



Swim lane/PowerPoint presentation

- Fast documentation possible, no set up time
- No specific knowledge necessary

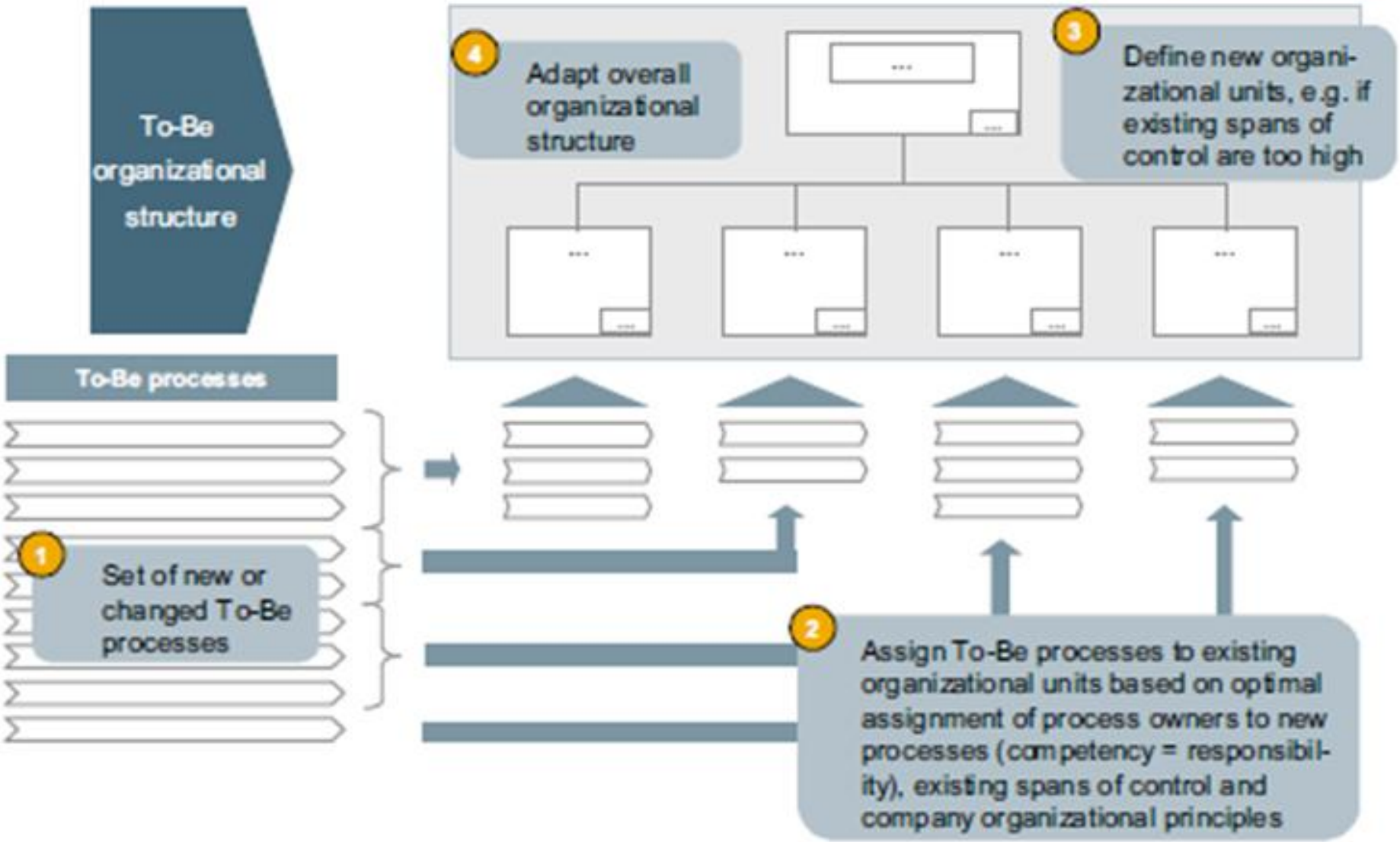
ARIS/Visio or other BPM tool

- Complex tools to document current processes in detail
- Possibility to document different views of business processes (service, data, function, organization) in ARIS/Visio to reduce the complexity of the business processes
- Report generation (role matrix, IT matrix, …)

The decision is a trade-off between completeness and speed

In most BPM projects, the customer has specific ideas about which tool to use.

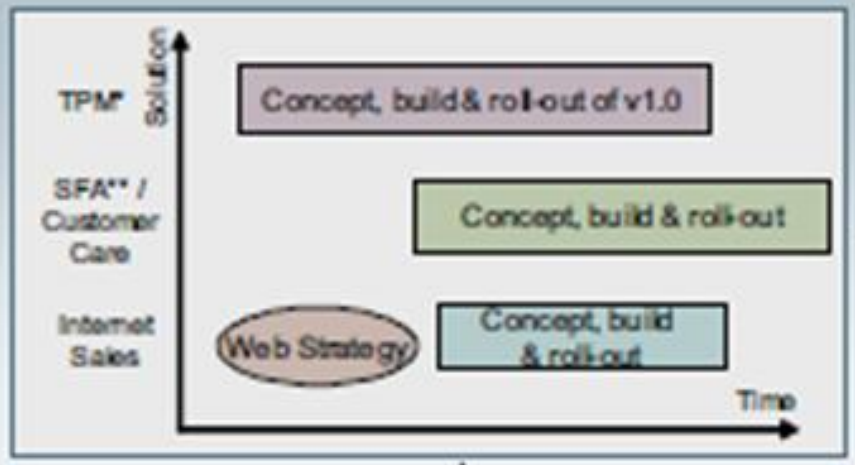
SAP BPM – Phase3 – Target Process Design
... Necessary Adaptation , for Target Model Design



SAP BPM – Phase3 – Target Process Design

... Realize , Landscape & Strategy driven Road Map

SAP CRM Roadmap - High level view



Example

Target landscape

- The recommended target landscape leads to high benefits without complex change effects for customer
- The target landscape includes a "lean approach" TPM* and a core field sales force and customer care support
- It is assumed that the web channel is an add on to existing channels without specific web strategy

Implementation strategy

- The implementation strategy is adapted to the SAP release and solution strategy
- An reusable template approach is the basis for the realization of overall integration benefits
- The proposed implementation strategy considers the customer´s IT resource capacity constraints
- Implementation steps with a very high technical complexity are sorted out in a first step

Road Map

SAP BPM – Phase3 – Target Process Design
... To Be Design

Development of a solution concept → **Definition of processes and organizational structure**

Solution concept

- Cluster process weaknesses based on similarities
- High level description of improvement concepts each deficiency cluster[1)]
- Consider ideas from Greenfield approach
- Consider benchmarking analysis (internal, external)
- Evaluate possible Solution variants

Definition of To-Be processes

- Develop high level process landscape based on Solution concepts
- Elements of a Greenfield approach have to be detailed top-down
- As-Is processes without weaknesses can be directly transferred into To-Be processes
- Benchmarking processes can be adapted and directly transferred
- Define To-Be processes without identified weaknesses
- Describe defined process parameters, document processes

Description of organizational change

- Completely new processes have To-Be assigned to organizational units
- Organizational units without remaining responsibilities can be eliminated
- Process owners with changed responsibilities have to be assigned to the right organizational units
- Free capacity can be reassigned

SAP BPM – Phase3 – Target Process Design

… To Be Design

The To-Be Design Phase is key to eliminate process weaknesses

Tool

Workshop	RACI	Transformation Action Plan (roadmap)
		

Task

■ Develop detailed To-Be Process model	■ Document To-Be Processes	■ Derive and describe necessary organizational and other adoptions

Typical Timeframe

- In smaller projects Solution concepts could be directly transferred to To-Be Processes on lowest process level
- In bigger projects the definition of To-Be Processes on the basis of Solution concepts could be very complex and resource intensive
- The definition of organizational change based on process optimization often needs political action and works council integration. Change management measures should be planned during To-Be Process design

To-Be Process model with eliminated or diminished weaknesses.

Agenda

- BPM Methodology
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SAP BPM – Phase4 – Business Transformation
... Target Process

Solution transformation

4.1 Identify necessary components / systems or services to support To-Be processes

4.2 Map To-Be processes to existing Solutions or services

4.3 Analyze organizational and master data

4.4 Define system landscape

4.5 Define necessary services

Activities

Identify necessary components/systems or services to support To-Be processes

- Identify systems and components
- Identify existing services (service bundles)

Map To-Be processes to existing Solutions or services

- Map detailed processes/Sub Process
- Check feasibility
- Identify gaps

Analyze organizational and master data

- Analyze and assess organizational and master data

Define high level system landscape

Define necessary enterprise services

Results

RACI with Solution mapping

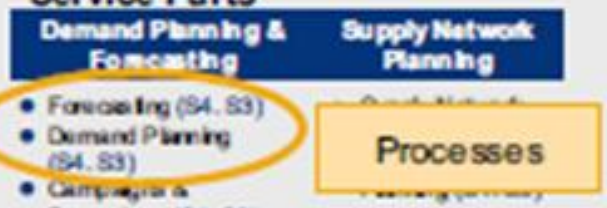
Process Hierarchy mapped to Solution

SAP BPM – Phase4 – Business Transformation

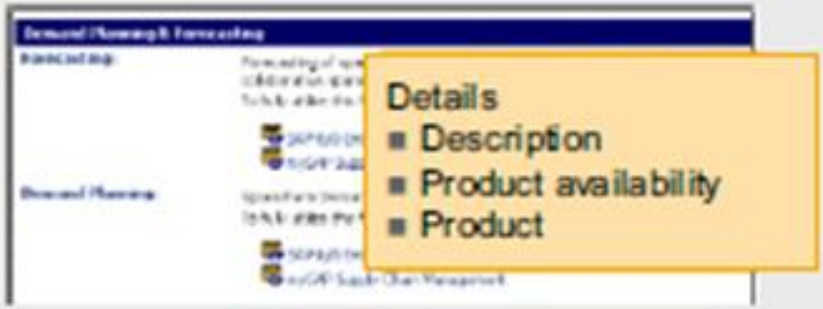
… Target Process through Solution Composure

Level 1

Level 2



Details



SAP BPM – Phase4 – Business Transformation
... 3 STEP Process

Component view

- SAP solution composer is used to map To-Be Processes to SAP solution components
- Consider composite applications based on a service oriented architecture, when mapping To-Be Processes
- Consider existing customer application landscape

First evaluation of coverage

Process view

- Use Process or service repository from SAP solution manager
- Use information from SAP best practice documentation
- Work closely together with solution consulting
- ARIS for NetWeaver can be used to transfer Processes from Solution Manager to an ARIS description

Detailed solution mapping

Data view

- Map SAP data objects to defined To-Be Processes to give the customer an impression on necessary master and transaction data
- Use information objects from RACI matrix if possible
- Work closely together with SAP Solution Consulting

Solution and data mapping

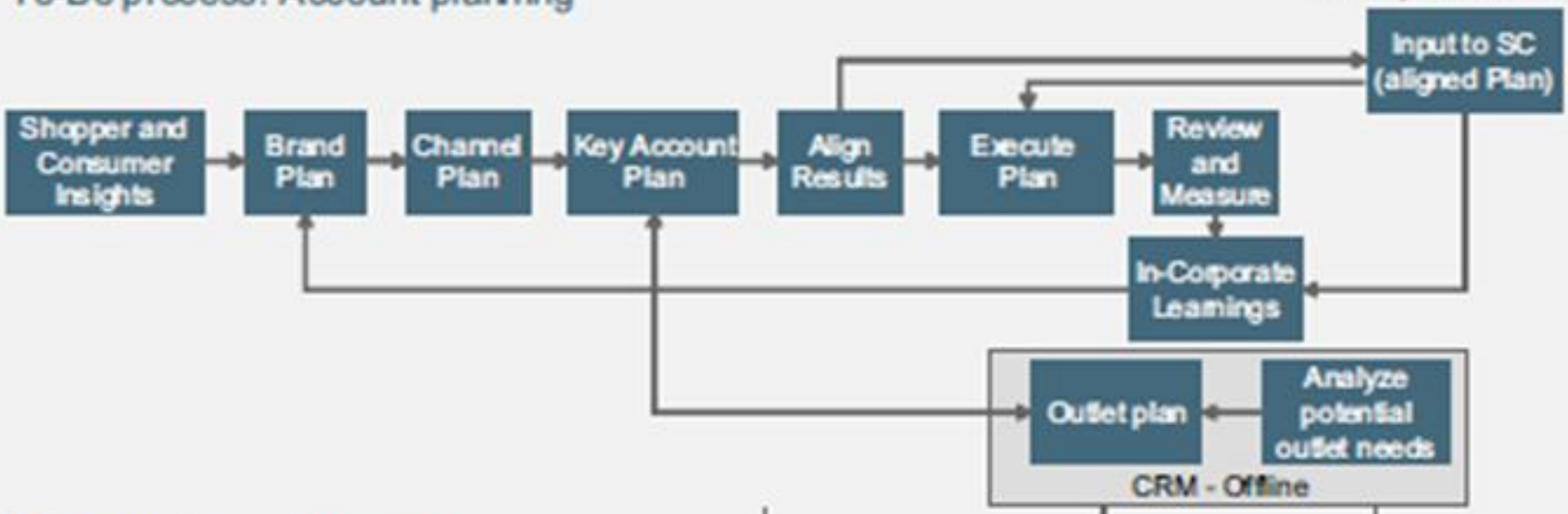
Activity 4.3

SAP BPM – Phase4 – Business Transformation
... SAP Mapping - Component View

The mapping in this project was done in 3 views: The component view demonstrated the coverage of the customer To-Be Process by SAP components and was done based on the solution manager and solution consulting knowledge.

To-Be process: Account planning

– Project example –

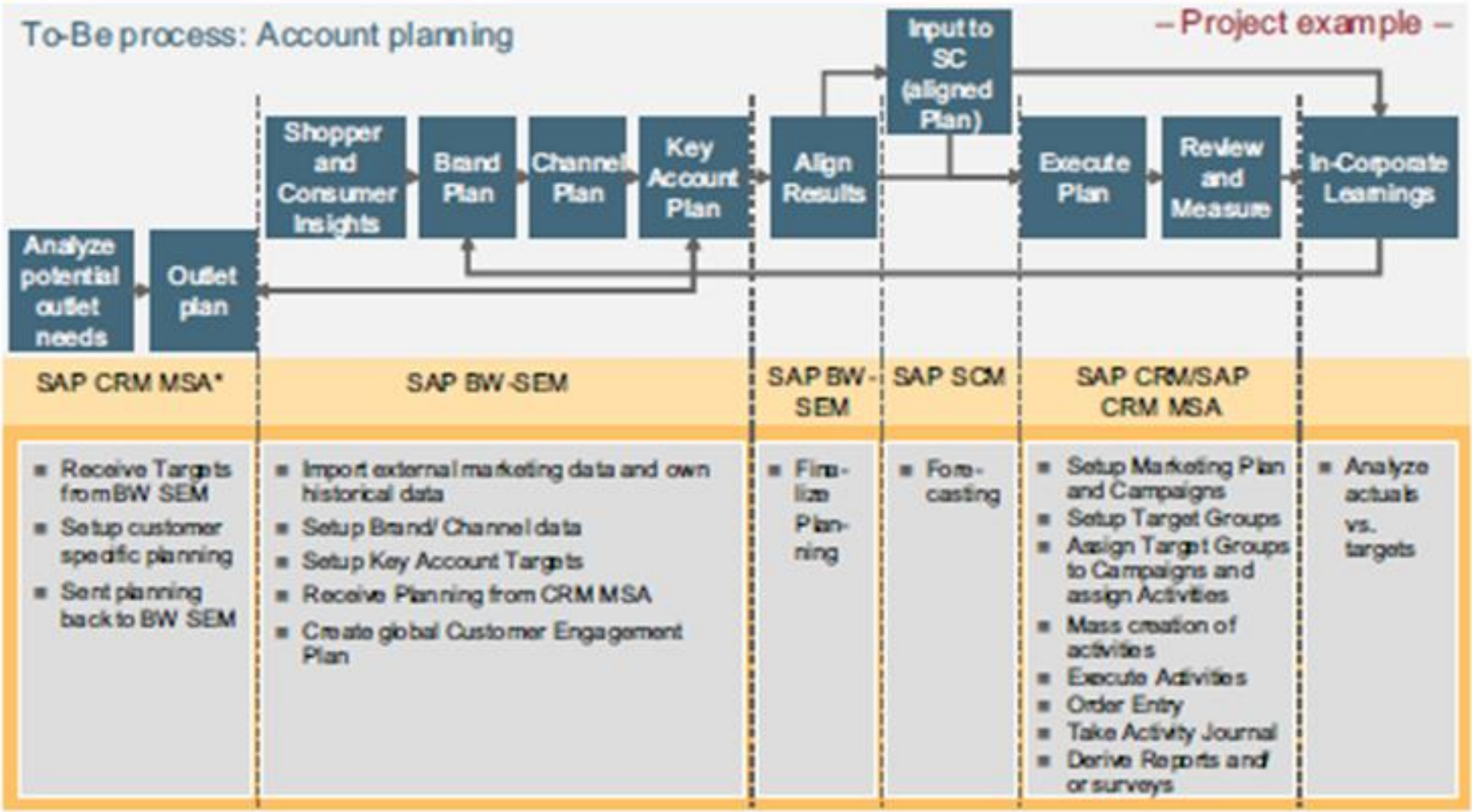


SAP mapping - component

System/ Component	SAP BW-SEM	SAP CRM	SAP CRM MSA	SAP SCM
Compo-nents	Business Planning and Simulations	■ Marketing Planning ■ Segmentation ■ Campaign Mana-gement ■ Activity Manage-ment	■ Field Account and Contact Management ■ Field Activity Management	■ SAP Forecasting and Reple-nishment ■ APO

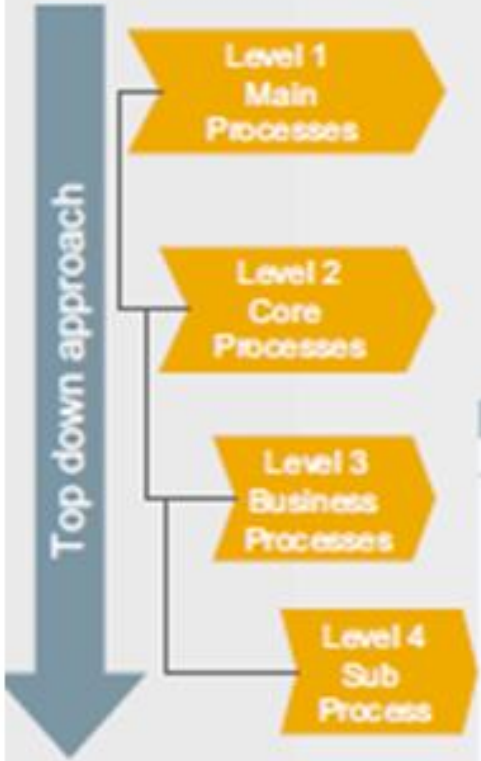
SAP BPM – Phase4 – Business Transformation
… SAP Mapping - Process View

The process view is the most important mapping view and brings together SAP processes (solution manager or solution consulting knowledge) with the defined To-Be Processes



SAP BPM – Phase4 – Business Transformation
... SOLMAN – Central Process Repository

SAP Solution Manager Business Process Repository

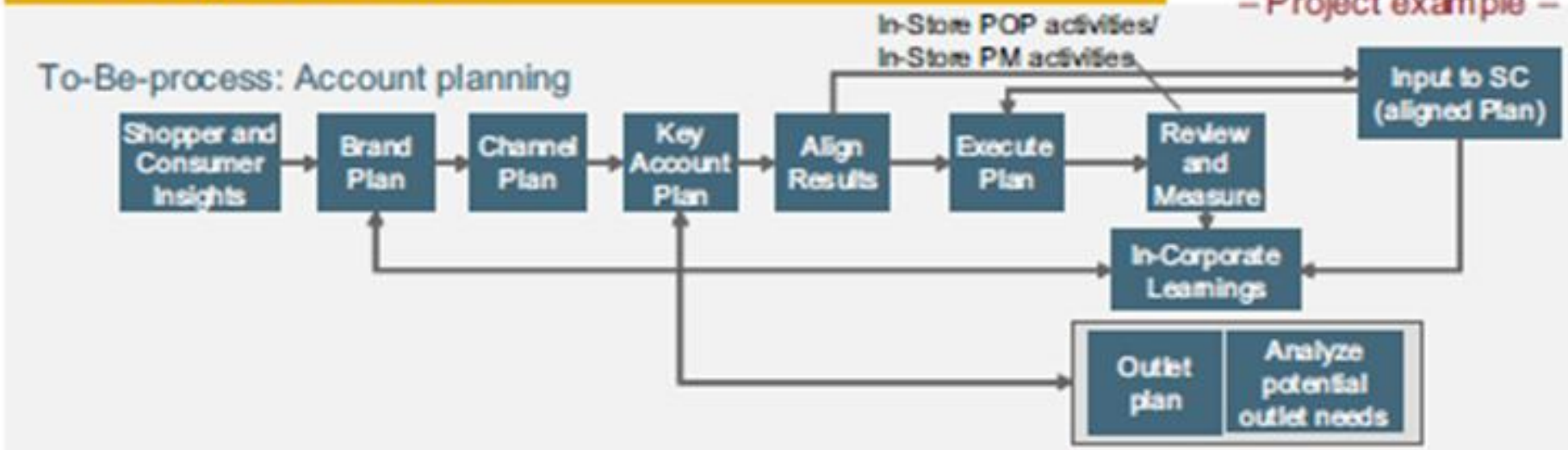


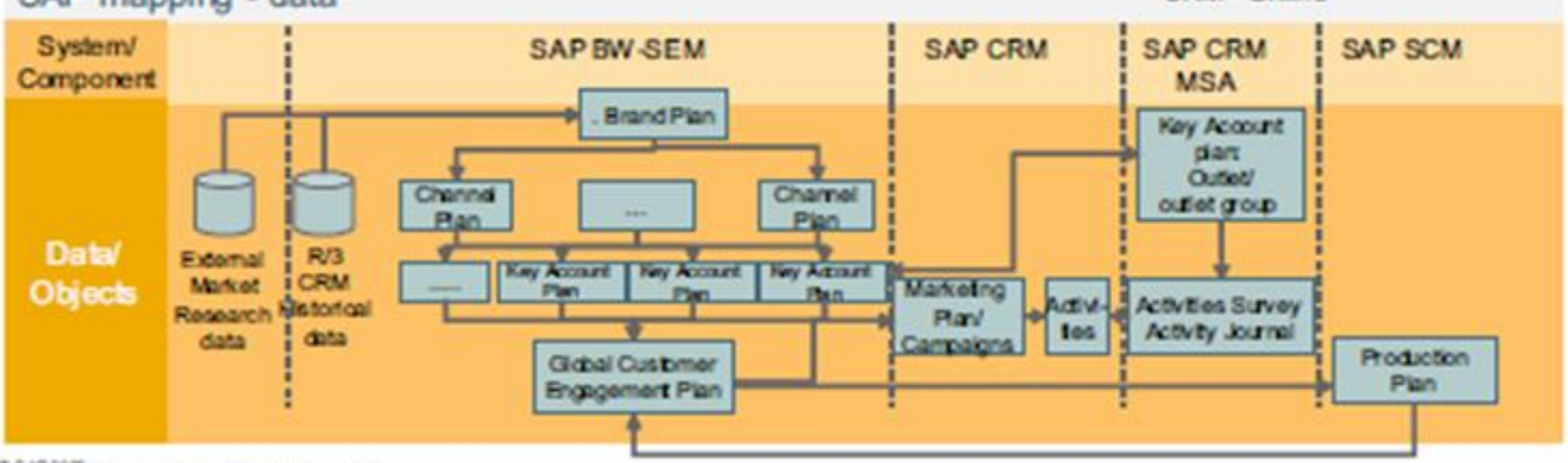
If you access the Business Process Repository you will find predefined Processes and assigned solutions.

SAP BPM – Phase4 – Business Transformation
… SAP Business Solution Mapping - Data View

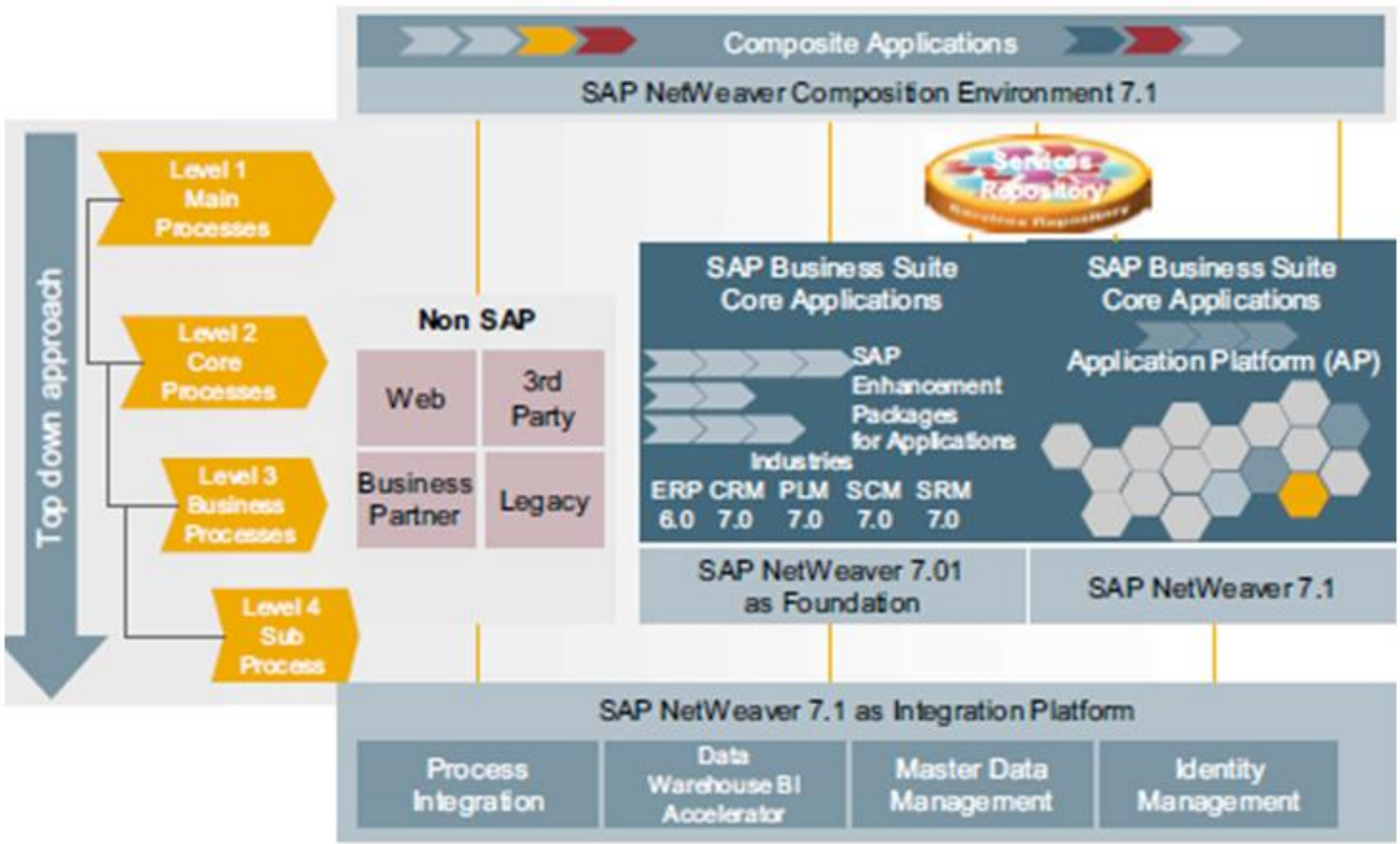
The data view is optional and should help the customer to understand necessary SAP data structures to support the To-Be Process

– Project example –





SAP BPM – Phase4 – Business Transformation
… Target Process Design – by System Landscape



SAP BPM – Phase4 – Business Transformation
… follows a Structured Approach

The solution transformation phase is key to mapping processes of the implementation project to SAP Solutions and Services

Tool

Task

SAP Solution Manager

- Map To-Be Processes on component level

Process Hierarchy

- Map To-Be Processes on Process and Data Level

To-Be Processes transformed into SAP Solutions/Services

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SAP BPM – Business Transformation

SUMMARY : METHODOLOGY

Thank you !

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