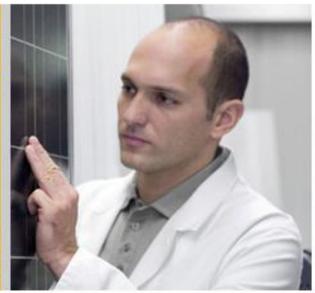
Reliance Industries Limited Executive Board Presentation BEST BUSINESS PRACTICES & MEASURES



SAP BPM: Business Process Management

APPROACH WHITE PAPER
BUSINESS TRANSFORMATION SERVICES



1st July 2011

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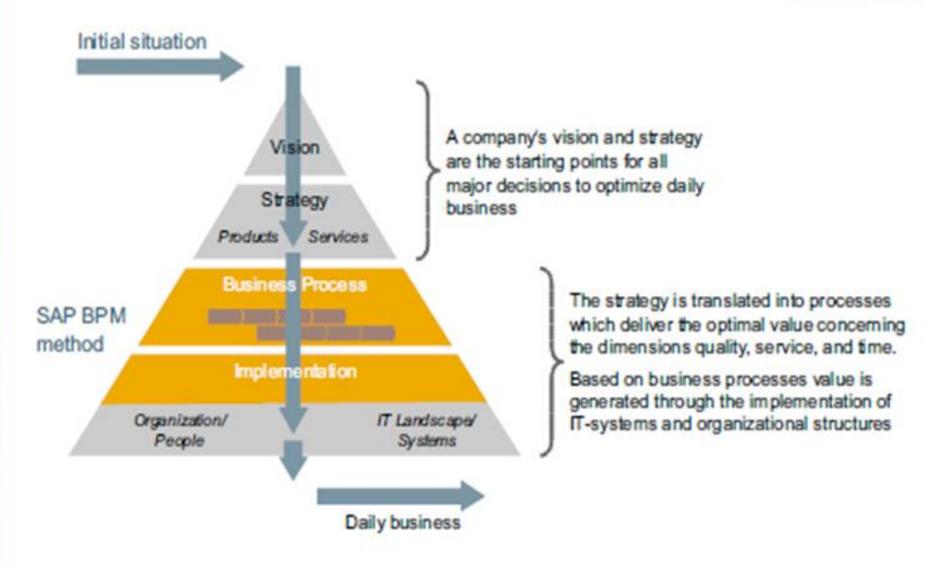
Agenda



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





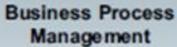
SAP BPM - Model Oriented Methodology, enabling ... optimized Business Process Management



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





Optimized model of business reality



Optimized business results

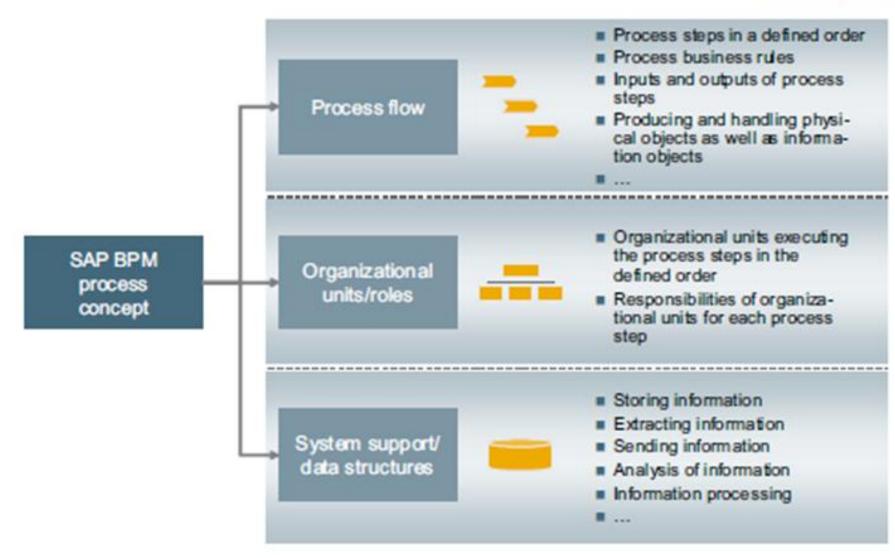




Business results

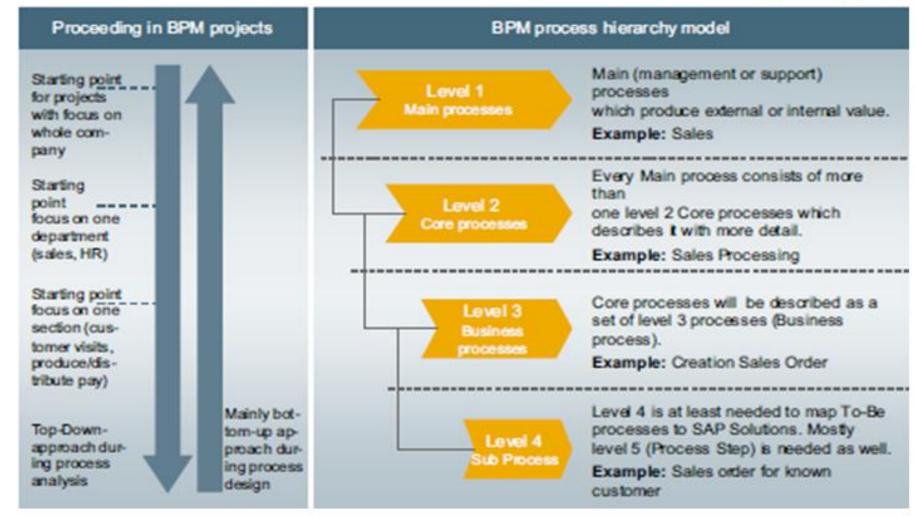
SAP BPM – Business Process Management ... optimization needs





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





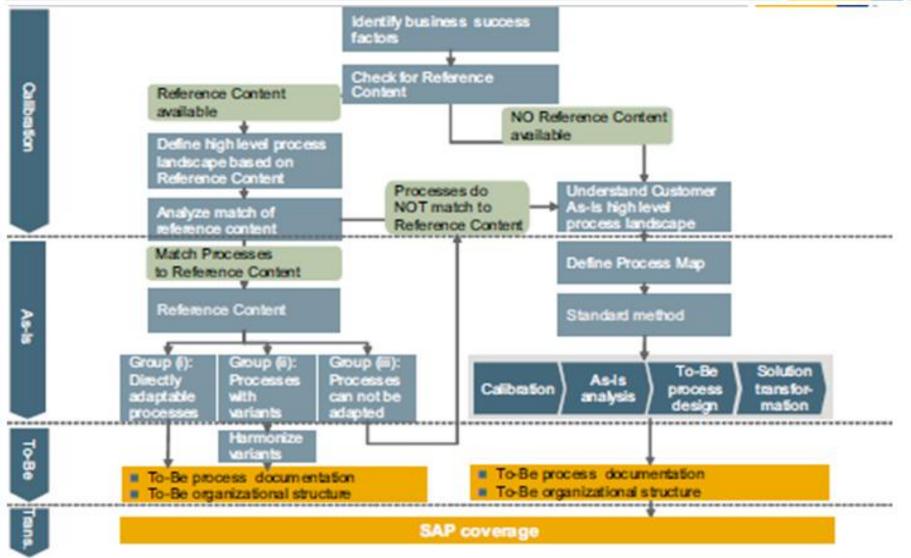
SAP BPM – Business Process Management ... consist, 4 Main Phases



	Business focus			Solution focus	
	Calibration	As-Is analysis	To-Be process design	Solution transformation	•
Project prepa- ration	1.1 Identify business success factors 1.2 Define high level process landscape 1.3 Evaluate processes and prioritize processes to be analyzed	2.1 Group reference processes to - Group II (reference processes can be adopted) - Group III (variants needed) - Group III (no match) 2.2 Define variants for Group III processes 2.3 Identify relevant process parameters 2.4 Capture As-its processes 2.5 Identify process wealenesses shain points 2.6 Identify interdependencies and cluster weaknesses 2.7 Assess and prioritize weaknesses cluster	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	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	Realization
0 SAP2008	 Processes to be analyzed in detail 	1:1 matching reference processes (Group I) Variants (Group II) Prioritized cluster of weaknesses (Group III)	To-Be process documentation To-Be organizational structure	SAP coverage	

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





SAP BPM - Business Process Management, an optimal







Method Expert

Process/ Technical Expert

Characteristics of Project Teams

- 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
- 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.

Agenda



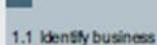
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SAP BPM - Phase1 - Calibration

... Process Selection



Calibration



 Define high level process landscape

success factors

 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 fisks, 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 weak-nesses.
- 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 '



Calibration



 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)

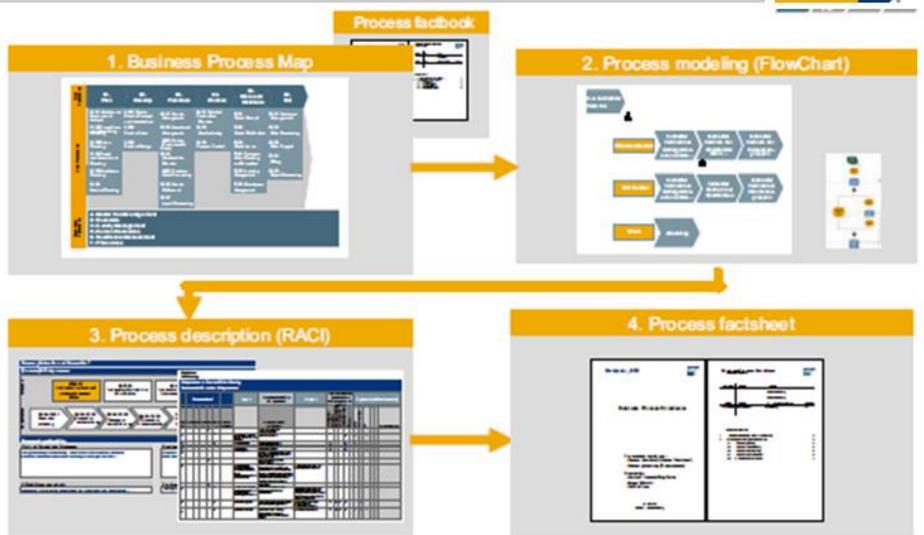
SAP BPM – Phase1 – Calibration ... define high Level Process Map Landscape





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





SAP BPM - Phase1 - Calibration

... reference MAPs



Main Pro- optios	01. Research & Develop	02. Planning	03. Purchasing	04. Production in Quality	05. Marketing	06. Sales	07. Storage & Distribution								
	01.01 Idea Collection & Evaluation	02.01 Budget Planning	03.01 Det of Pur- chasing Strategy	04.01 Detailed Pro- duction Planning	0501 Brand Planning	06.01 Order Management	07.01 Goods Receive/Issue								
	01.02 Concept Processing	02.02 Demand & Promotion Plan.	03.02 Analysis of Procurement Market	04.02 Raw Material Preparation	0502 Product Launch	06.02 Contract Management	07.02 Repackaging & Picking/Packing								
1	01.03 Project Execution	02.03 Sales &Operation Planning	03.03 Supplier Selection	04.03 Finished Product Mfg	0503 Consumer Marketing	06.03 Charnel Sales	07.03 Empties Management								
Core Processes	01.04 Product Development	02.04 Optimizing Inventory Objectives	03.04 Contract Management	04.04 Production Control	05:04 Trade Promotion Mgmt	06.04 Key Account Mgmt	07.04 Route Sales & Direct Store Del.								
Con		02.05 Supply Source Planning (Make or Buy)	03.05 Trading Business	04.05 Quality Management	05.05 Category Management	08.05 Consumer Care	07.05 Delvery Plan. & Processing								
		02.06 Supply Network Planning	03.06 Procure- ment				07.06 Transport Plan. & Processing								
		02.07 Distribution Planning	03.07 Supplier Settlement				07.07 Wanehouse Control								
	08. Master Data Management														
8	09. Batch Track			NAT WARRANT WARRANT											
Supportive Processes		of Foreign Trade, Plant Managemen		er Transactions											
ď.	12. Analysis & I														
ě	13. Patents & C	ontract Operation	s (trademark righ	ts)											
ě	14. Finance & C														
60	15. Human Res	ources													
	16. IT Services	D. C.													

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



	Business Process
06.01. Order Management	06.01.01 Order capture 06.01.02 Order Confirmation 06.01.03 Order release 06.01.04 Billing 06.01.05 Returns
06.02. Contract Management	
06.03. Channel Sales	06.03.01 06.03.02 06.03.03 06.03.04 06.03.06 06.03.07
06.04. Continuous Replenishment	
06.05. Key Account Management	
06.06 Consumer Care	06.06.01 Complaint management 06.06.02 Service 06.06.03 Event Customer loyality
	Order Management 06.02. Contract Management 06.03. Channel Sales 06.04. Continuous Replenishment 06.05. Key Account Management

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



Calibration

 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 oustomer, 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 oustomer (e.g. perform a workshop with process owners and experts.

Results/Tools

Result will be a list of prioritized business process

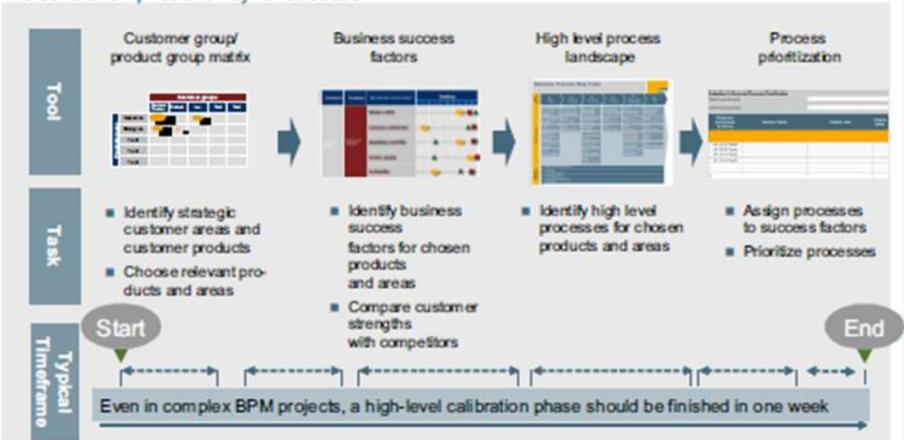




SAP BPM – Phase1 – Calibration ... Key Critical Success Factors



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



Identification of the processes which most determine customer success.

Agenda



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



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 Il 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.

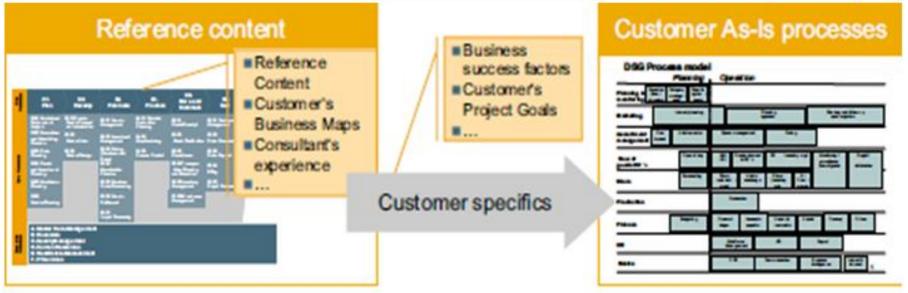
Results/Tools

Grouped Processes



SAP BPM – Phase2 – Current Process Analysis ... reference contents & understanding Customers Structure



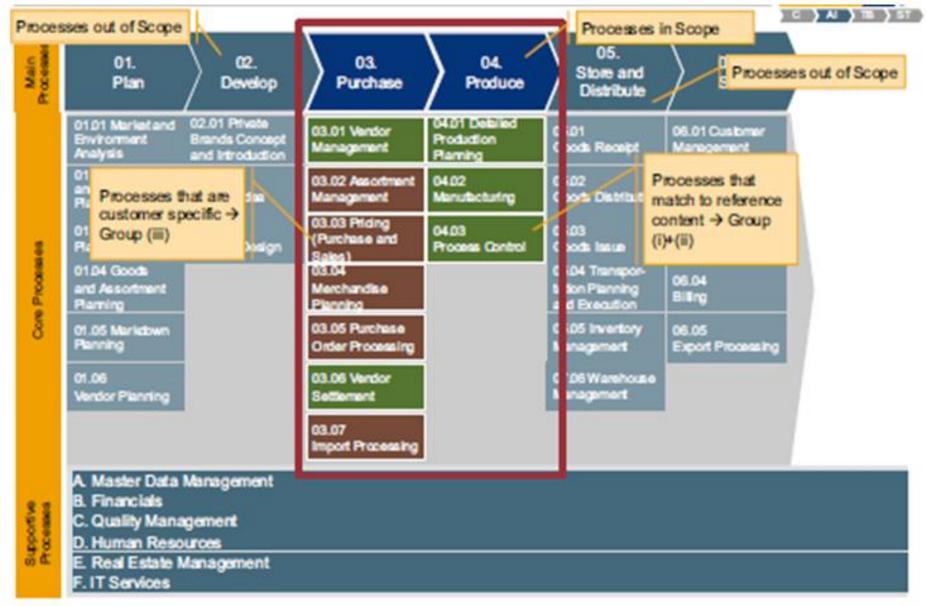


Analyze match of Reference Content

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

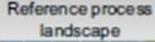




SAP BPM - Phase2 - Current Process Analysis ... Process Grouping



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Customer As-Is High level process landscape



Compare reference process landscape to customer As -is process landscape and execute high level process mapping

during detailing

possible

Group (i)

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

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 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

Business Blueprint available or fast development possible

BPM Methodology to be executed

SAP BPM - Phase2 - Current Process Analysis ... Group-1 Process : directly transferred to Target Process



Group I

04. Produce

04.01 Detailed Production Planning

04.02 Manufacturing

04.03 Process Control Processes which could be adapted by the customer as reference processes based on process mapping

- Only limited modifications necessary
- Modifications areas and modification needs described



 Analysis of As-Is process landscape necessary to desorbe migration strategies

- Detailed analysis of modification needs and analysis of As-is processes for not adaptable process areas
- Description or adaptation of To-Be Processes

To-Be

04. Produce

04.01 Debilled Production Planning

04.02 Manufacturing

Process Control

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

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

Only limited effort necessary before implementation

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.

Results/Tools

Grouped Processes



Activities

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



SAP 2010 / UJJAL / BTS / RIL / OSG / BBP - Page #

SAP BPM – Phase2 – Current Process Analysis ... Group-3 Process : adopted according to Standard Methos

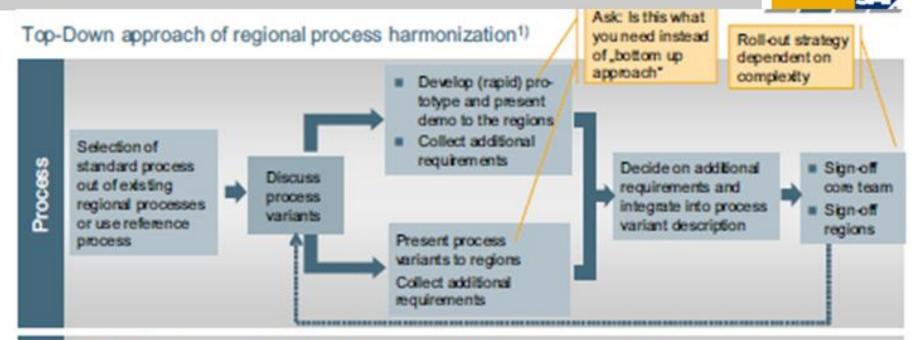


Calibration	As-is analysis	To-Be process design	Solution transformation	
11 Identifybusiness success factors 12 Cedro high level piccess indicape 13 Cestude processes and processes to be arelyzed	2.1 Group reference processes to - Group I (Indiannos processes can be atoglad) - Group II (Indiannos processes Camp III (Indiannos needed) - Group III (Indiannos needed) - Group III (Indiannos needed) 2.2 Define variente for Group III processes 2.3 Identify indiannos processes 2.4 Captum Anit processes 2.5 Identify indiannos points 2.6 Identify indiannos points 2.6 Identify indiannos and challer westernoses 2.7 American and provitors westernoses 2.7 American and provitors westernoses 2.8 Identify indiannoses 2.9 American and provitors westernoses 2.1 American and provitors westernoses 2.2 American and provitors westernoses	2.1 Develop a first solution approach for all releases challer wedness challed To-Se process or cold 2.3 Decument Tell-e processes 2.4 Deduction for an approach of the organizational standard	4.1 identify/necessary occupanents/ systems occupanism to support To-De processes to existing ficializes or services 4.2 Map To-De processes to existing ficializes or services 4.3 Analysis operation forms of the ficialized in seter date 4.4 Definesystems bridges of the ficialized in seter date 4.5 Define recoverary services	 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
is Programme to be analyzine income.	# 1.1 matching reduction processes (setup 1) # Velocities (Group 1) # Priorities of durant of westpresses (Group 1)	# To-Gaprocase cogumentation # To-Gaprocasion naliataciase	и SAР сочинде	

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





Organization

- Small core team to select standard process and discuss process variants
- Most important regional units and subsidiaries have to be included in core team (if necessary group regional units with similar processes first and select one team member from each group)
- Core team members To-Be Process owners of important processes in scope and management representatives
- Full time involvement of regional core team members highly recommended
- 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



Business Rules



KPIs (Key Performance Indicators)



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.

Which rules govern the business?

Description of the operational characteristics of the business. Example: Prioritization guidelines, disturbances,

decision processes

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



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 anables the process execution?

Systems, bols, and hardware used Example: mySAP SRM

Process

Roles



Which roles need to conditions to the process execution?

Which

organizationa

lurits own

the process

execution?

Definition of all resources involved in performing the process

Examples: hiring manager, regrutter, HR Business Partner

Media



Process Flow

BBBBBB



Organizational Units



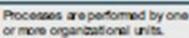
By which meda do DIDCOSS OF interact?

Means of communication used Examples: paper, tax, e-mail

Which D700095985 precede and follow?

Definition of process sequence and process interfaces, input and output

Example: receive PO, check availability, confirm delivery date



Examples: Business department, HR, Controlling

ALC: NO DAYS IN

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



Customer documents / Desktop research

- 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

Existing documentation or done by process owner/expert

Question naire

- 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.

Employees, end users, customer surveys

Interview

- 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

Heads of departments, process owners/experts project sponsors

Workshop

- Helps to get an agreement on processes with all relevant stake holders.
- Difficult questions can be discussed with all relevant customer employees, if carefully prepared.



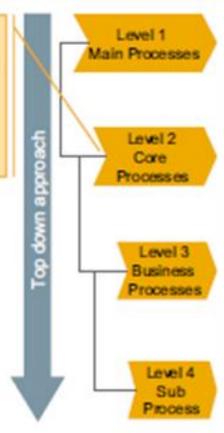
All relevant stakeholders

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



The more detail you add the more precise will be results of As-Is Analysis (e.g. knowledge of process flow, weaknesses, ...



- 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

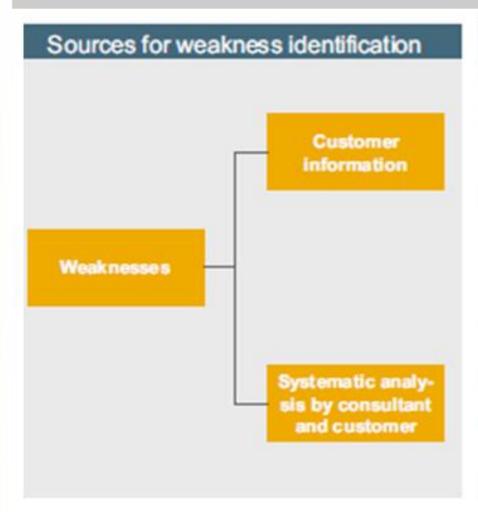
SAP BPM - Phase2 - Current Process Analysis ... RACI Matrix Analysis



	ubprocess: Customer visit rocess steps in sub proce	_	*	/	b			lve ss t	_	s				sin e		I							Weakne		
Ī	Process Steps	Ro	les								Sy	stor	ns				Bu	sine	055	Оъј	ject	3	Rules	Remark	cs
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Ī	Customer visit task	-					1						Ť												_
1	Master data								1	1															
2	CIC Information / Marketing Information												R: Responsible; person who carries out the activity												
3 CIC Information																							o decides d before		
4	Master data												 C: Consulted; person asked before carrying out the activity or who supports the activity 												
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SAP BPM – Phase2 – Current Process Analysis ... Deficiency & Weakness Identification





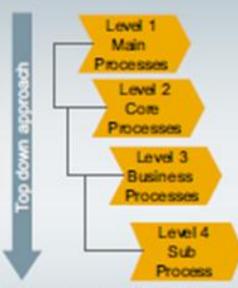
Remarks/Explanation

- 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

Missed process goal/ process performance

Describe weakness

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 ...

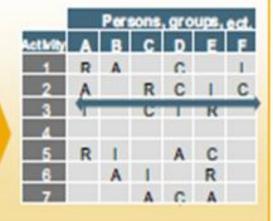
Vertical analysis

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

		Pers	ons	gro	ups,	etc.
Activity	A	В	С	D	E	F
1	1	A		C		1
2			R	C	1	C
3	-		C	-1	R	
4				R		A
5	-	-1		A	C	
- 6		A	1		R	
7			A	C	A	

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

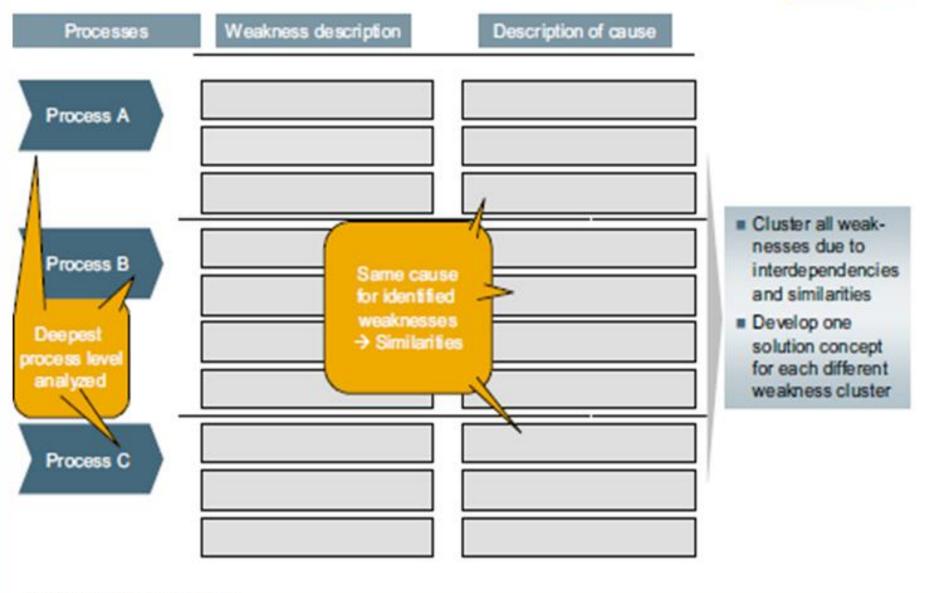
- Pure functional organizational structure (no process ownership across departments)
- Responsibilities not clearly assigned
- Overlapping responsibilities
- Decision processes take too long
- No fit of competencies and responsibilities (governance)
- Wrong degree of centralization and decentralization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

System support/data structures

- Systems do not support the processes (degree of automation)
- Missing functionalties
- 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

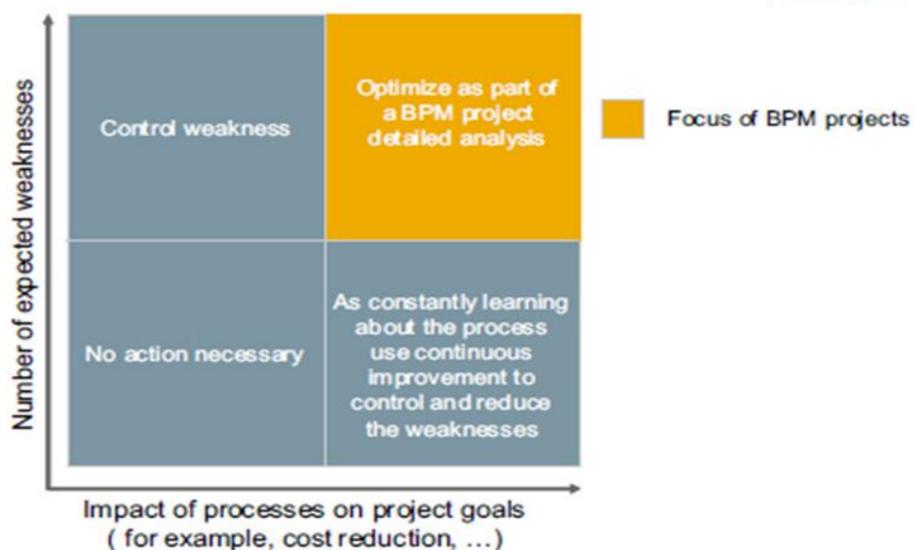




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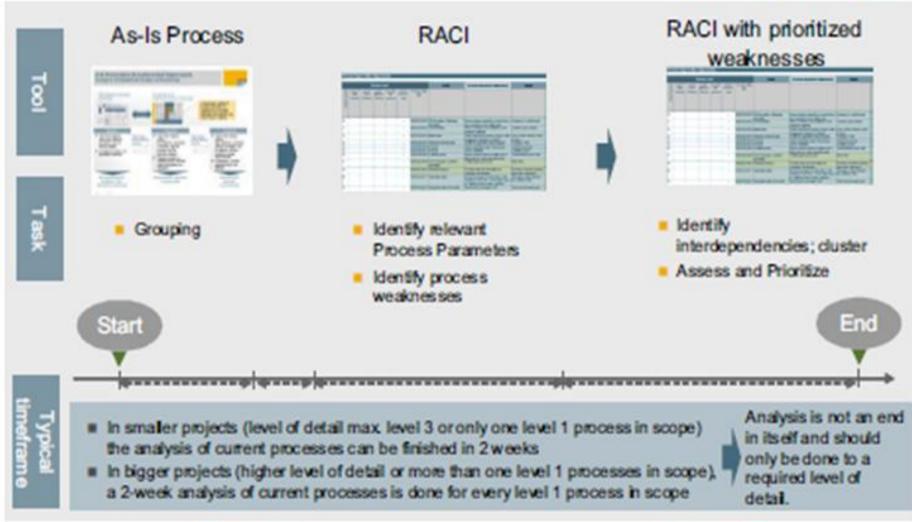
SAP BPM – Phase2 – Current Process Analysis ... Prioritizing (identified) Process Weakness Cluster





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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BPM Summary

... Weakness Cluster



To-Be process design



- 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



 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 ofteria 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

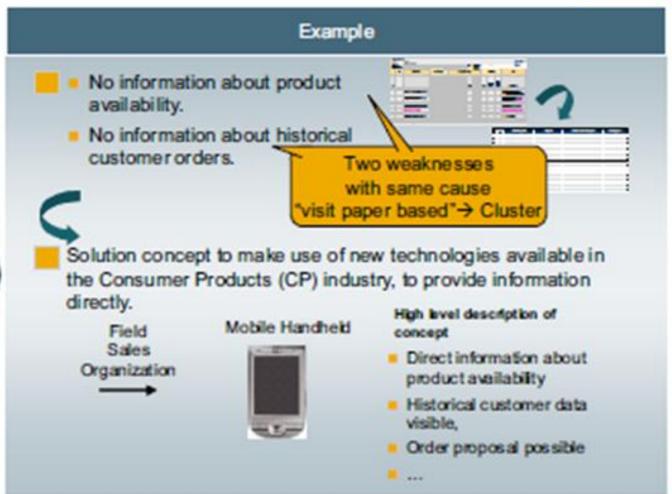
Solution Concepts







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



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.



Prioritize resolution concept variants and agree

on the variant to be chosen and detailed



Resolution concepts Assessment of resolution concepts Criteria chos en based on company Example: strategy or direct project goals Three Resolution concepts (for example, cost, for a organizational weakquality, time to deliver ness cluster competency) Variant 1 Variant 2 Variant 3 Criteda Var 2 Var. 3 A C D E Delivery in own Quantitative assessment. Process Motrix service organiif possible, else qualitative organization organization zation assessment The identification of resolution concepts can be Assess resolution concept variants based on based on benchmarking or reference organization criteria with strategic relevance for the company or direct project goal relevance High-level description of resolution concept variants

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structure)

(high-level processes, high-level organizational

... 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)

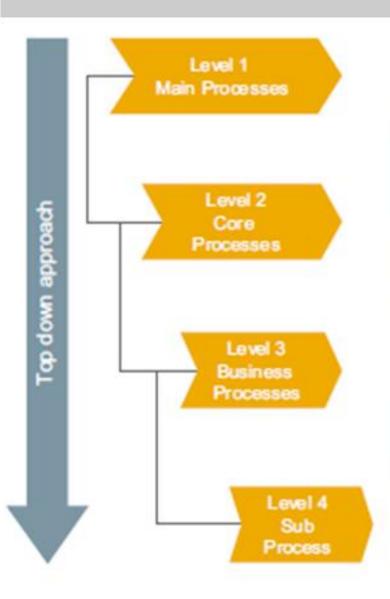
Results/Tools

Result will be a RACI or other customer specific documentation



... Clear Top Down Approach

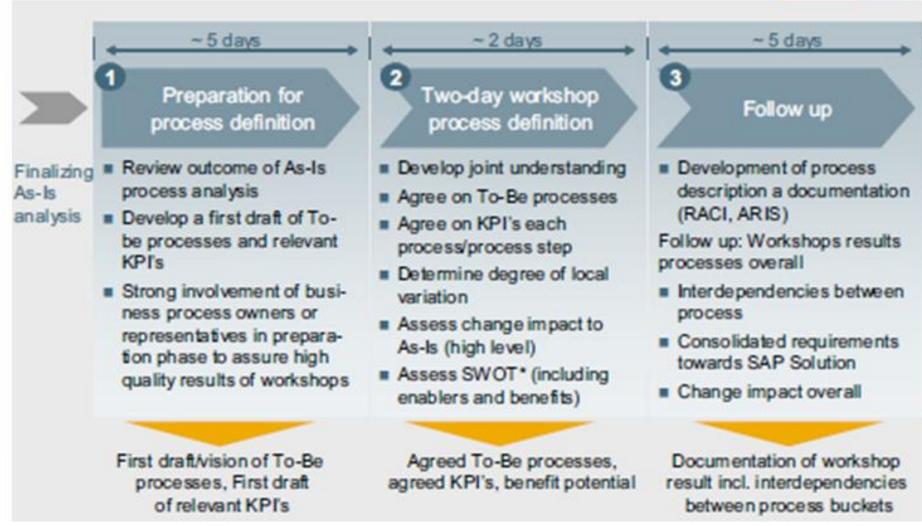




- Start with a high level Solution concept
- Map processes and define proposed process parameters one level deeper
- Add additional detail step-by-step going 1 level deeper until final level of detail is reached
- For all steps: Process parameters have to be defined carefully to make sure that process 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

... 3 Step Structure





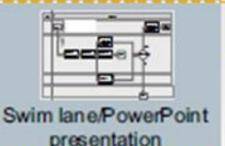
... Tool & Method driven Document Process



Tools to describe and document processes



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



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

ARIS/Visio or other BPM tool

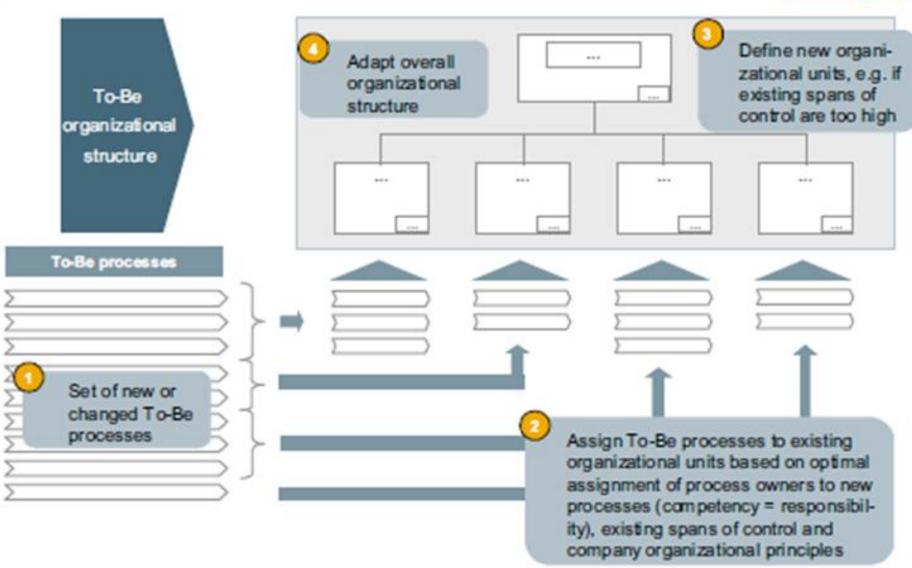
- Complex tools to document current processes in detail
- Possibility to document different views of business processes (service, data, function, organization) in ARIS/Visio to reduce the complexity of the business processes
- Report generation (role matrix, IT matrix, ...)

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

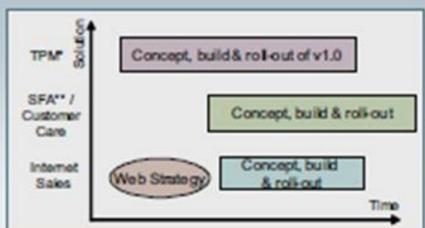


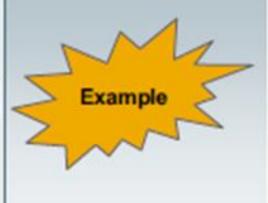


SAP BPM - Phase3 - Target Process Design ... Realize, Landscape & Strategy driven Road Map









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

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



Solution concepts



Increasing detail Solution/ organization building



To-Be processes/ organization



Development of a solution concept

Definition of processes and organizational structure

Solution concept

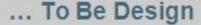
- Cluster process weaknesses based on similarities
- High level description of improvement concepts each deficiency cluster¹⁾
- Consider ideas from Greenfield approach
- Consider benchmarking analysis (internal, external)
- Evaluate possible Solution variants

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

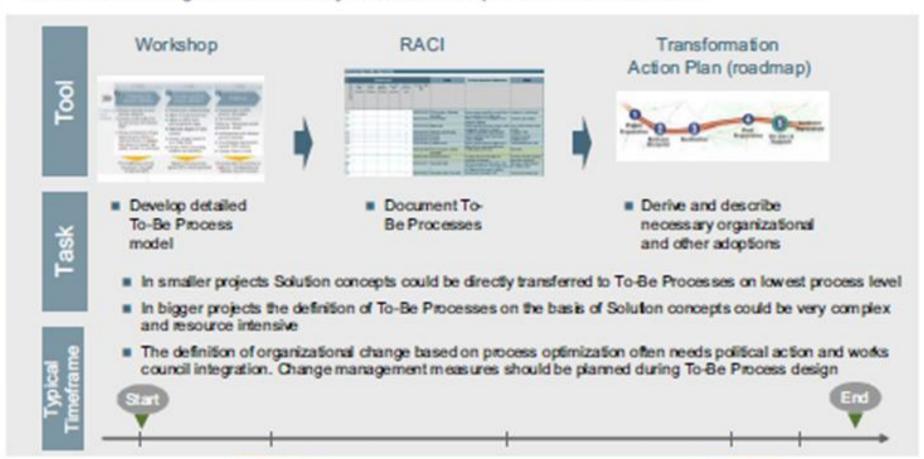
Description of organizational change

- 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





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



To-Be Process model with eliminated or diminished weaknesses.

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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

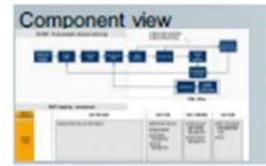






SAP BPM - Phase4 - Business Transformation ... 3 STEP Process





- 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

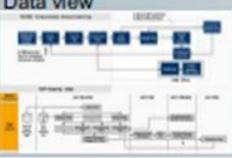




- Use Process or service repository from SAP solution manager
- Use information from SAP best practice documentation
- Work closely together with solution consulting
- ARIS for NetWeaver can be used to transfer Processes from Solution Manager to an ARIS description

Detailed solution mapping

Data view



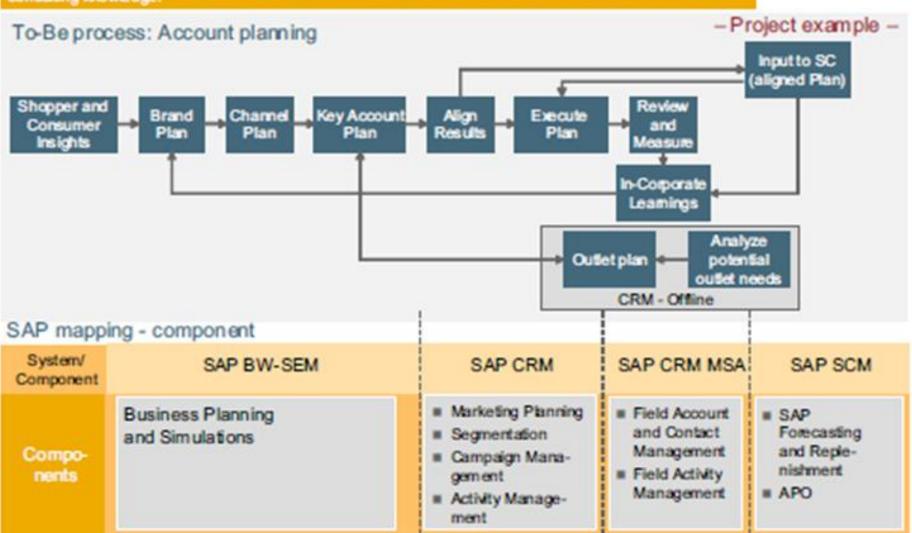
- Map SAP data objects to defined To-Be Processes to give the customer an impression on necessary master and transaction data
- Use information objects from RACI matrix if possible
- Work closely together with SAP Solution Consulting

Solution and data mapping Activity 4.3

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



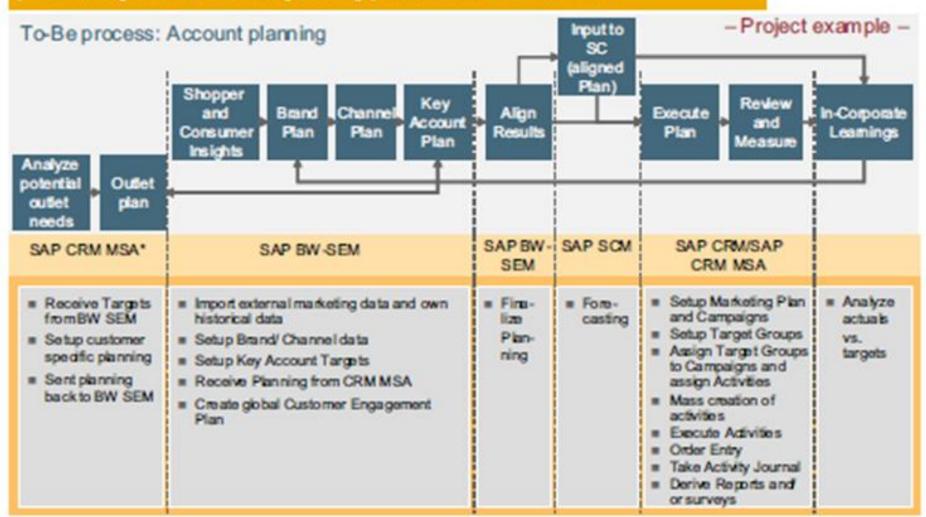
The mapping in this project was done in 3 views: The component view demonstrated the coverage of the customer To-Se Process by SAP components and was done based on the solution manager and solution consulting knowledge.



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

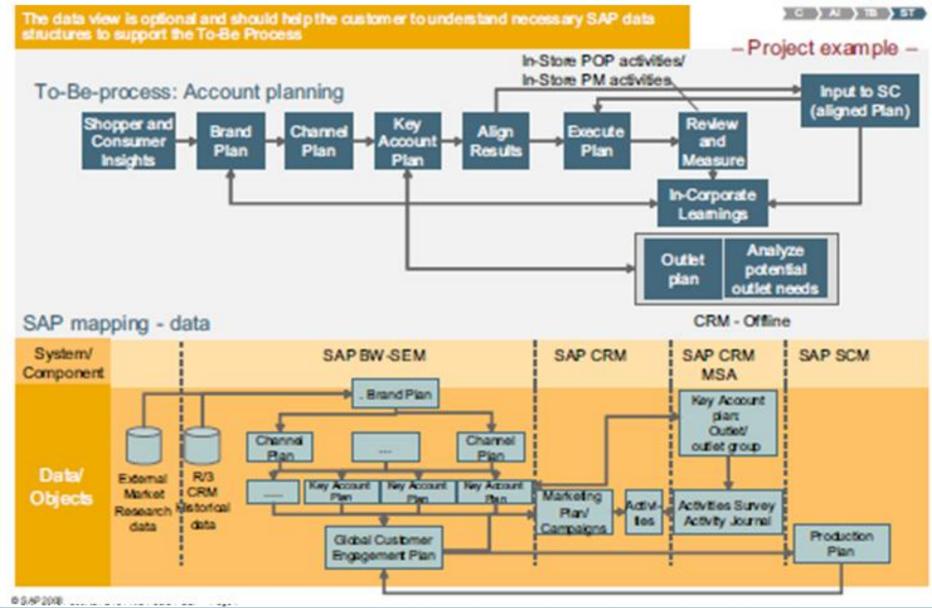


SAP Solution Manager Business Process Repository



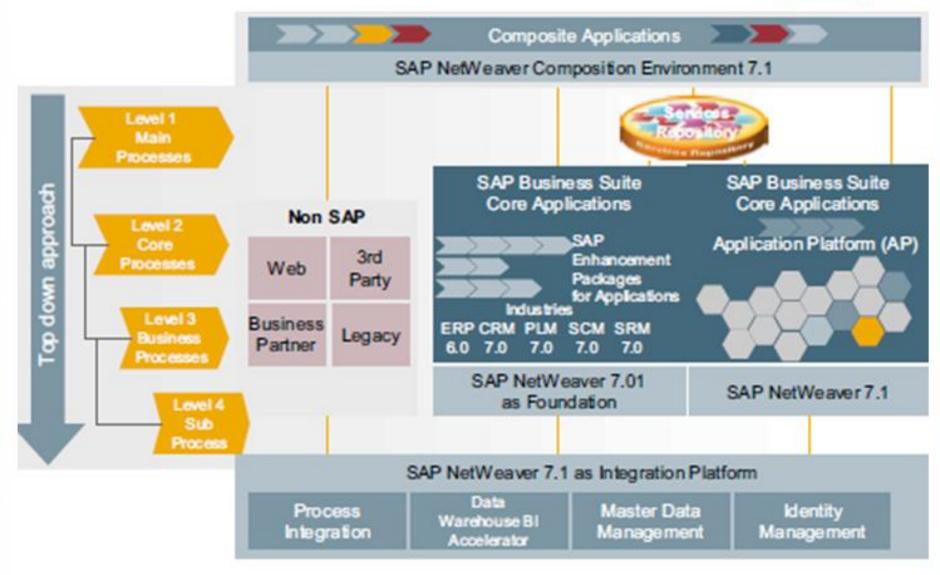
SAP BPM - Phase4 - Business Transformation ... SAP Business Solution Mapping - Data View





SAP BPM - Phase4 - Business Transformation ... Target Process Design - by System Landscape

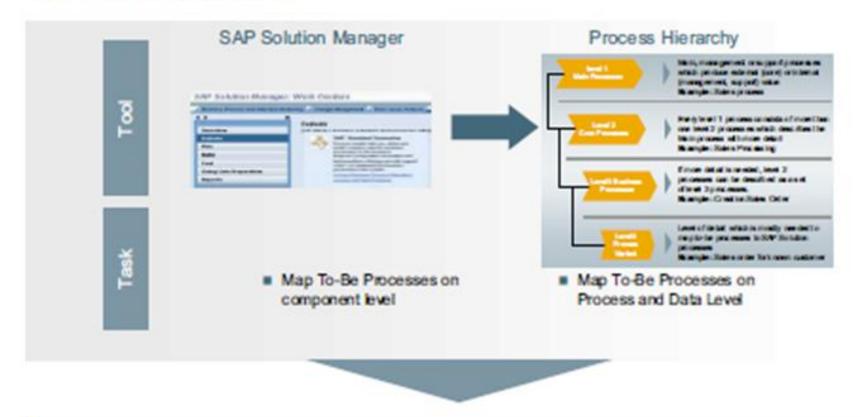




SAP BPM – Phase4 – Business Transformation ... follows a Structured Approach



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



To-Be Processes transformed into SAP Solutions/Services

Agenda



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Realization

Business focus

Solution focus

Calibration

As-Is analysis

To-Be process design

Solution transformation

success factors 1.2 Define high level process landscape

1.1 Identify business

- Evaluate processes and Prioritize processes to be analyzed
- 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
- Identify process weaknesse spain points
- 2.6 Identify interdependencies and cluster weaknesses
- Assess and prioritize weaknesses cluster

- Develop a first solution approach for all relevant weakness cluster
- 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

- 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

 Processes to be analyzed in detail

- 1:1 matching reference processes (Group I)
- Varients (Group II)
- Prioritized cluster of weaknesses (Group III)
- To-Be process documentation
- To-Be organizational structure

SAP coverage

15AP2000

Project

prepa-

ration



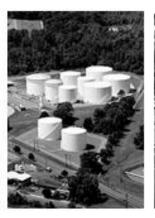
Thank you!













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