The iThaste Business Motivation Model

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Organization of this document

The organization of this document is based on the document, “The Business Motivation Model - B*usiness Governance in a Volatile World”, p*repared by “The Business rule(s) Group” ([www.BusinessRulesGroup.org](http://www.BusinessRulesGroup.org)). That document is a tutorial document about the business motivation model. We used the layout as an inspiration to make sure we would not forget anything in our model. We also incorporated the glossary of that document in this document.

This document centers on an explanation of the “iThaste Model”, from this point on called Model.

The audience for our Model is:

* Developers of business plans (Thaste IT management). For them, the Model is a conceptual tool for engineering the business itself.
* Analysts supporting the developers of business plans (Business consultants, Thaste IT departments, etc.). For them, the Model is a tool for organizing and clarifying business plans.
* Implementers and users of software tools and repositories (Thaste IT development team, iThaste users). For them, the Model is a formal scheme for structuring information about such business plans.

Chapter 1 “Introduction” describes the basics of iThaste as well as the basics on the Business Motivation Model principles.

Chapter 2 ”The iThaste Business Motivation Model” describes the business motivation for iThaste in detail.

How to read this document

**Definitions**

Definitions are expressed in this document by a surrounding box.

**Object Candidates**

Since this document has the goal to give a conceptual view of iThaste, some of the terms used in this document will become objects in the iThaste Tool. These terms are called *Object Candidates* and will become Objects if described as such in the Structural Model. *Object Candidates* are expressed in *Italic* and start with a capital letter.

**Relation Candidates**

Since this document has the goal to give a conceptual view of iThaste, some of the terms used in this document will become objects and relations between terms will become relations in the iThaste Tool. These relations are called Relation Candidates and will become Relations if described as such in the Structural Model. Relation Candidates are underlined and start with a capital letter.

# Introduction

## What is iThaste

iThaste is based on Twist & Thaste which is a 3 step methodology to represent and improve Quality of projects, topics and/or practices.

* Step 1: Twist – Choose a subject, which can be a project, topic or practice
* Step 2: Twist – represent your chosen subject in a reference reality
* Step 3: Thaste – a 13 step story about the subject in the reference reality.

The aim is that iThaste will ‘Thaste’ the subject in the professional reality.

e.g. At Thaste IT, the professional reality is software development. We represent the topic Quality by a Bowler Hat. That’s the Twist. To Thaste the topic Quality, we will tell a 13 chapter story of the bowler hat, highlighting the similarities with our topic Quality. iThaste will contain the 13 chapters, fit for the professional reality, referencing the twisted reality.

The 13 chapters that are told in the story are:

1. Mission
2. Assess
3. Goals
4. Requirements
5. Governance
6. Knowledge
7. Practice
8. Improve
9. Measure
10. Track
11. Guide
12. Score
13. Success

The first 4 chapters provide governance for and guidance to the business, the management of a company, department, project.

Chapters 5 through 11 provide governance and guidance to Quality improvement teams.

Chapters 12 and 13 provide governance and guidance to the Quality stakeholders to assess the success and continuance of the continuous improvement.

Each chapter represents one of the thirteen Business Functions of iThaste.

In what follows we will discuss the motivations that lead up to the development and promotion of iThaste as a tool to support Quality initiatives.

For this we use the Business Motivation Model of the Business Rules Group, an OMG initiative.

## What is the Business Motivation Model?

The Business Motivation Model (BMM) provides a structured scheme to develop iThaste, the Quality related support tool, promoted and developed by Thaste IT.

The BMM identifies the factors, which motivated Thaste IT for their iThaste business plan. It also represents what is included in the first four chapters of iThaste.

The BMM also identifies and defines the elements of the business plan as well as how all these factors and elements inter-relate.

The BMM answers the questions “What”, “Why”, “Which”, “Who” (,“How”).

### Why?

Why does Thaste IT want to develop and promote iThaste.

A Business Motivation Model answers this question with:

* End(s): desired outcome + Vision + Desired Result.
* Vision(s): mental image of future state.
* Desired Result(s): what has to be achieved + Goals + Objectives.
* Goal(s): object of ambition.
* Objective(s): realistic, time dependent and measurable target.

#### End

An end is an outcome worked toward especially with forethought, deliberate planning, and organized effort

End(s) include *Vision* and *Desired Result*

Influencer(s), expressed in Assessment(s), may impact end(s).

End(s) must be defined by at least one *Organization Unit*.

#### *Vision*

Vision is an End that is about the future state of the enterprise, without regard to how it is to be achieved. Vision is a mental image of what the future will or could be like.

A *Vision* is made operative by some *Mission(s)*.

A *Vision* is amplified by *Goal(s).*

Some Desired Result (s) makes a *Vision* more concrete

#### Desired Result

A desired result is an End that is a state or target that the enterprise intend(s) to maintain or sustain. It is a satisfactory or favorable outcome of an undertaking or contest

*Desired result(s)* include *Goal(s)* and *Objective(s)*.

*Desired result(s)* may have its achievement supported by

*Directive(s)*.

*Desired result(s)* may include other *Desired result(s)*.

*Desired result(s)* may be included in other *Desired result(s)*.

*Desired result(s)* may be supported by ‘*Course of action(s)’*.

Additional constraints: The related (composed of/part of) *Desired result(s)* must be of the same type. Specifically, *Goal(s)* may be composed of (sub)*Goal(s)*, and *Objective(s)* may be composed of (sub)*Objective(s)*. *Goal(s)* are not composed of *Objective(s)*, and *Objective(s)* are not composed of *Goal(s)*. *Goal(s)* and *Objective(s)* are related via a separate, distinct fact type “quantifies / is quantified by”.

#### Goal

A Goal is an End that is a state or condition of the enterprise to be brought about or sustained through appropriate mean(s). A Goal tend(s) to be ongoing (longer term), qualitative (rather than quantitative) and more general (rather than specific). A Goal is the end toward which effort or ambition is directed. A Goal is the object of a person’s/company’s ambition or effort

A *Goal* amplifies at most one *Vision*.

A *Goal* is quantified by *Objective(s)*.

#### Objective

Objective is an End that is a specific time-targeted, measurable, attainable target that an enterprise seeks to meet in order to achieve its Goal(s). An Objective is short(er)-term, not continuing beyond its timeframe (Of course such timeframes can be cyclical — i.e., monthly, quarterly, etc.). An Objective is something toward which effort is directed, an aim or end of action.

An *Objective* quantifies a *Goal*. (It provides the basis for measures to determine that progress is being made towards the Goal.)

### What?

What will Thaste IT do to develop and promote iThaste.

A Business Motivation Model answers this question with:

* Mean(s): method used to achieve the End(s) + Mission(s) + Course of Action(s) + Directive(s).
* Mission(s): Main functions of the business plan (Business Functions).
* Course of action(s): Chosen way to accomplish the Mission(s) + Strategy(ies) + Tactic(s).
* Directive(s): Elements of Guidance + Business Rule(s) + Business Policy(ies).
* Strategy(ies): A plan to accomplish the Mission(s).
* Tactic(s): Detailed plan, part of strategy(ies).
* Business Rule(s): Detailed controls and constraints.
* Business Policy(ies): Controls and constraints on the chosen Course of Action(s).

#### Mean

A Mean is a device, capability, regime, technique, restriction, agency, instrument, or method that may be called upon, activated, or enforced to achieve End(s). A Mean(s) is an action or system by which a result is brought about.

*Mean(s)* include *Mission(s)*, *Course of action* and Directive(s).

A *Mean(s)* is established by *Organization unit(s)*.

*Influencer(s)*, expressed in *Assessment(s)*, may impact a Mean(s).

#### Mission

Mission is a Mean(s) that is the ongoing operational activity of an enterprise. A Mission is the main function or responsibility of an organization, department, institution or individual.

A *Mission* makes operative at most one *Vision*.

A *Mission* is planned by mean(s) of *Strategy(ies)*.

#### Course of action

Course of action is a Mean(s) that is an approach or plan for configuring some aspect of the enterprise involving things, processes, locations, people, timing, or motivation undertaken to achieve End(s). A Course of action is a mode of action; “if you persist in that course you will surely fail”; “once a nation is embarked on a course of action it becomes extremely difficult for any retraction to take place. A Course of Action is a chosen manner of conducting oneself: way of acting “our wisest course is to retreat”

*Course of action* includes *Strategy* and *Tactic*

A *Course of action* is governed by *Directive(s)*.

A *Course of action* may be formulated based on *Directive(s)*.

A *Course of action* may enable other *Course of action(s)*.

Other *Course of action(s)* may enable a *Course of action*.

A *Course of action* may include other *Course of action(s)*.

A *Course of action* may be included in other *Course of action(s)*.

A *Course of action* channels efforts towards *Desired result(s)*.

A *Course of action* is realized by *Business Processes*.

A *Course of action* may define *Offering(s)*.

A *Course of action* may deploy *Asset(s)*.

A *Course of action* may discharge *Liability(ies)*.

Additional constraints:

The related (enables/enabled by) *Course of action(s)* must be of the same type.

Specifically, *Strategy(ies)*may enable *Strategy(ies)*, and *Tactics* may enable *Tactics*. *Strategy(ies)*do not enable *Tactics*, and vice versa.

The related (composed of/part of) *Course of action(s)* must be of the same type. » Specifically, *Strategy(ies)*may be composed of (sub)*Strategy(ies)*, and *Tactics* may be composed of further *Tactics*. Strategy(ies) are not composed of Tactics, and vice versa. *Strategy(ies)*and *Tactics* are related via a separate, distinct fact type ‘implements / is implemented by’.

#### Strategy

Strategy is a Course of action that is an element of a plan devised through the science and art of business leadership exercised to ensure the most advantageous conditions. Compared to a Tactic, a Strategy tend(s) to be longer term and is broader in scope. Strategy is the science and art of military command exercised to meet the enemy in combat under advantageous conditions. Strategy is a careful plan or method or a clever stratagem.

*Strategy* is a component of the plan for a *Mission*.

*Strategy* may determine *Organization unit(s)*.

*Tactic(s)* implements *Strategy*.

#### Tactic

Tactic is a Course of action that is a device or expedient to be employed as part of a Strategy. Compared to a Strategy, a Tactic tend(s) to be of shorter term and narrower in scope. A Tactic is a device or expedient for accomplishing an end. A Tactic is a plan scheme or trick with a particular aim.

A *Tactic* implements *Strategy(ies).*

A *Tactic* may affect the enforcement level for *Business rule(s)*.

Only Business rule(s) that guide behavior (SBVR ‘operative business rule’) require enforcement. Definitional Business rule(s) (SBVR ‘structural business rule’) are “true by definition.”

#### Directive

Directive is a Mean(s) that defines or constraints some aspect of an enterprise. It is intended to assert business structure or to control or influence the behavior of the enterprise (Synonym: Element of Guidance) A Directive is an official or authoritative instruction.

A *Directive* includes *Business Policy*(ies) and *Business Rule*(s)

A *Directive* governs *Course of action*(s).

A *Directive* may be the source of *Course of action*(s).

A *Directive* supports the achievement of *Desired result*(s).

A *Directive* may act as some other *Organization Unit*’s *Regulation*.

*Assessment*(s) may motivate a *Directive*.

*Potential Impact(s)* may motivate a *Directive*.

A *Directive* may govern use of *Asset(s)*.

A *Business Policy* or *Business Rule* made by senior management may be obeyed as *Regulation* lower down in the organization.

#### Business Rule

Business Rule is a rule that is under business jurisdiction. A rule is a proposition that is a claim of obligation or of necessity. The common sense understanding of ‘rule’ is that a rule always tend(s) to remove some degree of freedom. A Business Rule is an individual Directive that is practicable — that is, does not require additional interpretation to undertake Strategy(ies) or Tactics. ‘Practicable’ mean(s) that a person who understands a Directive could observe a relevant situation (including his or her own behavior) and recognize directly whether or not the business was complying with that Directive. For rules that govern activity (SBVR ‘operative business rule’), this recognition is about the behavior of people and what form compliant behavior takes. For definitional rules (SBVR ‘structural business rule’), this recognition is about evaluation of the criteria vested in the rule to produce consistent outcomes for decisions or calculations. A Business Rule is highly structured, discrete, atomic and carefully expressed in terms of standard vocabulary.

A *Business Rule* is derived from *Business Policy*.

A *Business Rule* guides Business *Process(es)*.

A *Business Rule* has enforcement level affected by a *Tactic*.

Only *Business rule*(s) that guide behavior (SBVR ‘operative business rule’) may have an enforcement level. Definitional *Business rule(s)* (SBVR ‘structural business rule’) are “true by definition.”

#### Business Policy

Business Policy is a Directive that is concerned with directly controlling, influencing, or regulating the actions of an enterprise and the people in it and that is not directly enforceable. Compared to a Business Rule, a Business Policy tends to be less structured, less discrete, less atomic, less compliant with standard business vocabulary and less formally articulated. The purpose of a Business Policy is to govern or guide the enterprise. The formulation of a Business Policy is under an enterprise’s control by a party authorized to manage, control, or regulate the enterprise, by selection from alternatives in response to a combination of Assessment(s). ‘Not directly enforceable’ mean(s) that some interpretation of the Directive (e.g., in Business rule(s)) is needed in order to detect violations. In contrast to Business rule(s), Business Policies are not directly enforceable in that sense.

A *Business Policy* is the basis for *Business rule(s).*

A *Business Policy* may govern *Business Process(es).*

A *Business Policy* may include other *Business Policy(ies).*

A *Business Policy* may be included in other *Business Policy(ies).*

### Which?

Which are the drivers that brought the necessity/possibility to develop and promote iThaste.

A Business Motivation Model answers this question with:

* Assessment: judgment
* Strength: area of excellence
* Weakness: area of inadequacy
* Opportunity: advantageous circumstance
* Threat: possibility of trouble
* Potential Impact: evaluation of assessment
* Risk: possibility of loss, injury, disadvantage, or destruction.
* Potential Reward: probability of gain
* Liability: reservation of some resource to meet commitments
* Asset: something of value owned by the enterprise
* Resource: a stock or supply of money, materials, staff,…
* Fixed Asset: Asset that is maintained over time and reused
* Offering: specification of a product or service

#### Assessment

An Assessment is a judgment that an Influencer affects the employment of Mean(s) and/or the achievement of End(s).

Sample categories of Assessment following SWOT are strength, weakness, opportunity and threat

Categories of Assessment may themselves be categorized in broader categories; a narrower category may be included in more than one broader category.

An Assessment expresses a logical connection between Influencer(s) and the End(s) and/or Mean(s) of the business plans. Specifically, it expresses the impact of Influencer(s) on End(s) and/or Mean(s).

An Assessment is a judgment about Influencer(s).

An Assessment provides impetus for Directive(s).

An Assessment must identify Potential Impact(s).

An Assessment must be made by at least one Organization Unit.

An Assessment may use other Assessment(s).

An Assessment may be used by other Assessment(s).

Additional constraints:

If an Assessment is related to both a Mean(s) and an End, then this suggests that the particular Mean(s) is somehow related to the particular End. Specifically, if there is not a fact relating them — such as ‘Course of action channels efforts towards Desired Result’ or ‘Directive supports achievement of Desired Result’ — then careful consideration should be given to that omission.

#### Strength

Strength is an Assessment that an Influencer indicates an advantage or area of excellence within an enterprise that can impact its employment of Mean(s) or achievement of End(s).

#### Weakness

Weakness is an Assessment that an Influencer indicates an area of inadequacy within an enterprise that can impact its employment of Mean(s) or achievement of End(s).

Weakness is a quality or feature regarded as a disadvantage.

Weakness is lacking in power to perform properly a function or office.

Weakness is lacking skill or proficiency.

#### Opportunity

Opportunity is an Assessment that an Influencer can have a favorable impact on its employment of Mean(s) or achievement of End(s).

Opportunity is a combination of circumstances, time, and place suitable or favorable for a particular activity.

Opportunity is an advantageous circumstance or combination of circumstances especially when affecting security, wealth, or freedom (as from constraint) : a time, place, or condition favoring advancement or .

Opportunity is a set of circumstances that makes it possible to do something .

#### Threat

Threat is an Assessment that an Influencer can have an unfavorable impact on the enterprise’s employment of Mean(s) or achievement of End(s).

Threat is something that by its very nature or relation to another threatens the welfare of the latter.

Threat is the possibility of trouble, danger, or ruin.

#### Potential Impact

Potential Impact is an evaluation that quantifies or qualifies an Assessment in specific terms, types, or dimensions.

Categories of Impact Value include Potential Reward and Risk.

*Potential Impact* is significant to an *Assessment*.

*Potential Impact* may provide impetus for *Directive(s).*

#### Risk

Risk is a Potential Impact that indicates the possibility of loss, injury, disadvantage, or destruction.

Some Risks are expressible as formulae of the type:

Probability of loss. (e.g., 5% probability)

Potential loss. (e.g., $500,000 loss)

Risk has a Unit-of-measure. (e.g., loss in USD)

Risk is the possibility of loss, injury, disadvantage, or destruction.

*Risk* is a *Potential Impact*

#### Potential Reward

Potential Reward is a Potential Impact that indicates the probability of gain.

Some Potential Rewards are expressible as formulae of the type:

Probability of gain. (e.g., 30% probability)

Potential gain. (e.g., $40,000 gain)

Potential Reward has Unit-of-measure. (e.g., gain in USD)

Potential Reward is something that is given in return for good or evil done or received and especially that is offered or given for some service or attainment.

*Potential Reward* is a *Potential Impact*

#### Liability

Liability is a reservation of some resource to meet commitments.

A Liability is a reservation of actual resource(s) (materials, finished goods, people’s time, cash etc.) to meet commitments, rather than the accounting sense of ‘liability’ — the monetary value of these resource(s).

Liability is something for which one is liable: as a (1): an amount that is owed whether payable in money, other property, or services.

*Liability* may be discharged by *Course of action(s).*

*Liability* may be the responsibility of *Organization unit(s).*

*Liability* may claim *Resource(s).*

#### Asset

Asset is something of value owned by the enterprise.

An Asset is an actual thing (tangible or intangible) owned by the enterprise, rather than the accounting sense of ‘asset’ — the monetary value of the thing.

Categories of Asset include Fixed Asset and Resource

Asset is an item of value owned.

*Asset* may be deployed by *Course of action(s).*

*Asset* may have use governed by *Directive(s).*

*Business Process(es)* may manage *asset*.

*Asset* may be the responsibility of *Organization unit(s*).

#### Resource

Resource is an Asset that is consumed in the operations of the enterprise and replenished.

Resource is an Internal Influencer that is a stock or supply of money, materials, staff, and other asset(s) that can be drawn on by an enterprise in order to function effectively.

Resource is a stock or supply of money, materials, staff, and other asset(s) that can be drawn on by a person or organization in order to function effectively.

Resource is asset(s) of a short-term nature (as cash, accounts receivable, or merchandise) .

*Resource* may be claimed by Liability(ies).

Fixed Asset (s)may provide *Resource(s)*.

*Offering(s)* may require *Resource(s)*.

#### Fixed Asset

Fixed Asset is an Asset that is maintained over time and reused.

For example: Production equipment, IT equipment, buildings, vehicles.

For example: Patents, brands, licenses, designs, people’s skills.

Fixed Asset(s) are tangible asset(s) (as land, buildings, machinery, equipment) of a permanent or long-term nature.

Fixed Asset(s) are long-term asset(s) either tangible or intangible (as land, buildings, patents, or franchises).

*Offering(s) may use Fixed Asset(s)*.

*Fixed Asset(s)* may provide *Resource(s).*

#### Offering

Offering is a Fixed Asset that is a specification of a product or service that can be supplied by the enterprise.

Instances of Offering(s), such as finished goods, are a kind of Resource.

Offering is a thing produced for entertainment or sale.

Offering is to make available or accessible.

*Offering* may be defined by *Course of action(s).*

*Offering* may be delivered by *Business Process(es*).

*Offering* may require *Resource(s).*

*Offering* may use *Fixed Asset(s).*

### Who?

Who are the people or groups of people that contributed to the decision to develop and promote iThaste.

A Business Motivation Model answers this question with:

* Influencer: External Influencer and Internal Influencer
* Influencing Organization: organization external to enterprise and that influences the enterprise.
* Internal Influencer: Influencer from within an enterprise
* Assumption: thing that is accepted as true
* Corporate Value: an ideal
* Habit: settled or regular tendency or practice
* Infrastructure: basic physical and organizational structures and facilities
* Issue: point in question
* Management Prerogative: right or privilege of enterprise management
* Resource: a stock or supply of money, materials, staff, and other assets
* External Influencer: Influencer outside an enterprise’s organizational boundaries
* Competitor: rival enterprise
* Customer: individual or enterprise that has investigated, ordered, received, or paid for products
* Environment: surrounding conditions
* Partner: enterprise that shares risks and profit with the subject enterprise
* Supplier: individual or enterprise that can furnish or provide products or services
* Regulation: order prescribed by an authority
* Technology: application of scientific knowledge
* Organization Unit: recognized association of people in the context of the enterprise
* Company: Enterprise
* Department: part of a company
* Project: logical grouping of people within company or department
* Employee: people working for a company
* User: user or customer of iThaste

#### Influencer

Influencer is something that has the capability of producing an effect without apparent exertion of tangible force or direct exercise of command, and often without deliberate effort or intent.

Categories of Influencers include External Influencer and Internal Influencer. Categories of Influencer may themselves be categorized in broader categories; a narrower category may be included in more than one broader category.

Influencer is the capacity to have an effect on the character, development, or behavior of someone or something, or the effect itself.

*Influencer* has effect on *End(s)* and/or *Mean(s)* that is judged in *Assessment(s).*

*Influencer* is recognized by *Organization unit(s).*

*Influencer* may be from *Influencing organization(s).*

#### Influencing Organization

Influencing Organization is an organization that is external to the enterprise modeled in a given enterprise Business Motivation Model and that influences that enterprise.

An *Influencing Organization* is a role that may be played by an *Organization Unit*.

*Influencing Organization* may be the source of *Influencer(s).*

#### Internal Influencer

Internal Influencer is an Influencer from within an enterprise that can impact its employment of Mean(s) or achievement of End(s).

Internal Influencers can be Assumption(s), Corporate Value(s), Habit(s), Infrastructure, Issue(s), Management Prerogative(s) and Resource(s)

#### Assumption

Assumption is an Internal Influencer that is taken for granted or without proof, a thing that is accepted as true or as certain to happen.

#### Corporate Value

Corporate Value is an Internal Influencer that is an ideal, custom, or institution that an enterprise promotes or agrees with. It may be positive or negative, depending on point of view.

#### Habit

Habit is an Internal Influencer that is a customary practice or use.

A Habit is a settled or regular tendency or practice, especially one that is hard to give up.

#### Infrastructure

Infrastructure is an Internal Influencer that is the basic physical and organizational structures and facilities needed for the operation of the enterprise.

#### Issue

Issue is an Internal Influencer that is a point in question or a matter that is in dispute as between contending partners.

#### Management Prerogative

Management Prerogative is an Internal Influencer that is a right or privilege exercised by virtue of ownership or position in an enterprise.

#### Resource

Resource is an Asset that is consumed in the operations of the enterprise and replenished.

Resource is an Internal Influencer that is a stock or supply of money, materials, staff, and other assets that can be drawn on by an enterprise in order to function effectively.

Resource is a stock or supply of money, materials, staff, and other assets that can be drawn on by a person or organization in order to function effectively.

Resource is assets of a short-term nature (as cash, accounts receivable, or merchandise)

*Resource* may be claimed by Liability(ies).

*Fixed Asset(s) may provide resource*.

*Resource* may be required by *Offering(s)*.

#### External Influencer

External Influencer is an Influencer outside an enterprise’s organizational boundaries that can impact its employment of Mean(s) or achievement of End(s).

Categories of External Influencer are Competitor, Customer, Environment, Partner, Regulation, Supplier, and Technology

#### Competitor

Competitor is an External Influencer that is a rival enterprise in a struggle for advantage over the subject enterprise.

Competitor is an organization or country that is engaged in commercial or economic competition with others.

#### Customer

Customer is an External Influencer that is a role played by an individual or enterprise that has investigated, ordered, received, or paid for products or services from the subject enterprise.

#### Environment

Environment is an External Influencer that is the aggregate of surrounding conditions or Influencer(s) affecting the existence or development of an enterprise.

#### Partner

Partner is an External Influencer that is an enterprise that shares risks and profit with the subject enterprise (or is associated with the subject enterprise to share risks and profit) because this is mutually beneficial.

Partner is a person who takes part in an undertaking with another or others, especially in a business or firm with shared risks and profits.

#### Supplier

Supplier is an External Influencer that is a role played by an individual or enterprise that can furnish or provide products or services to the subject enterprise.

Supplier provides (someone) with something needed or wanted

Synonym: Vendor

#### Regulation

Regulation is an External Influencer that is an order prescribed by an authority such as a government body or the management of an enterprise.

A Regulation may be a role played by a Directive (e.g., a Business Policy or Business Rule made by senior management may be obeyed as Regulation lower down in the organization).

Regulation is a rule or directive made and maintained by an authority.

Regulation is a rule or order having the force of law issued by an executive authority of a government.

#### Technology

Technology is an External Influencer that is caused by developments in and limitations of technology. There may be prerequisites for use of technology; there may be enterprise activity that technology enables or restricts.

Technology is the application of scientific knowledge for practical purposes, especially in industry: machinery and equipment developed from such scientific knowledge

#### Organization Unit

The fundamental element of an organization structure is the organization unit. This represents any recognized association of people in the context of the enterprise. In a hierarchical structure, these are (for iThaste) Company, Department, Project, Employee and (iThaste) User.

Organization Unit is a group of people that has a more or less constant membership, a body of officers, a purpose, and usually a set of regulations

*Organization Unit* may define *End(s).*

*Organization Unit* may establish *Mean(s).*

*Organization Unit* may make *Assessment(s).*

*Organization Unit* may recognize *Influencer(s).*

*Organization Unit* may be defined by a *Strategy*.

*Organization Unit* may act as an *Influencing Organization*.

*Organization Unit* may be responsible for *Business Process(es).*

Organization Unit may be responsible for *Asset(s).*

Organization Unit may be responsible for *Liability(ies).*

#### Company

#### Department

#### Project

#### Employee

#### User

### How?

The course of Actions (Stratey(ies) and Tactic(s)) already gives a high level view of how iThaste wants to achieve the Mean(s). The Business Motivation Model doesn’t really go more in detail, except for one thing, the Business Process, which is more detailed in the “iThaste Business Process Model and Notation”.

A Business Motivation Model answers this question with:

* Business Process(es): set of activities

#### Business Process

The concept ‘Business Process’ is adopted from the OMG’s Business Process Modeling and Notation (BPMN) specification. A Business Process is a set of activities that are performed within an organization or across organizations. [OMG BPMN]

A *Business Process* is the responsibility of an *Organization Unit*.

A *Business Process* realizes *Course of action(s).*

A *Business Process* is guided by *Business rule(s).*

A *Business Process* is governed by *Business Policies*.

A *Business Process* may deliver *Offering(s)*.

A *Business Process* may manage *Asset(s)*.

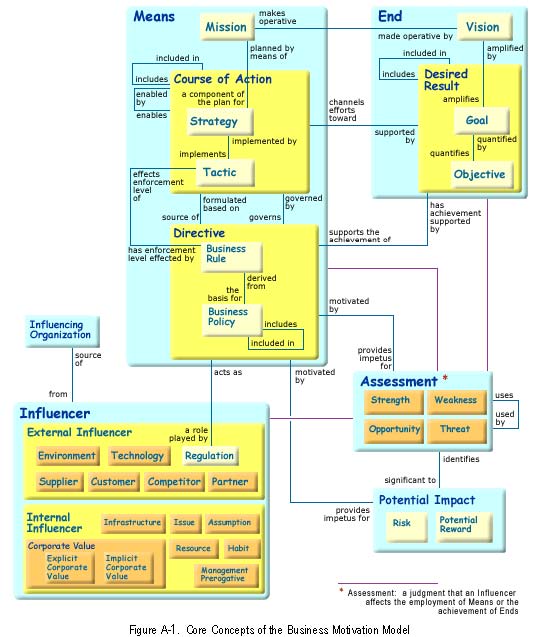
A *Business Process* may contain more than one separate *Business Process*.

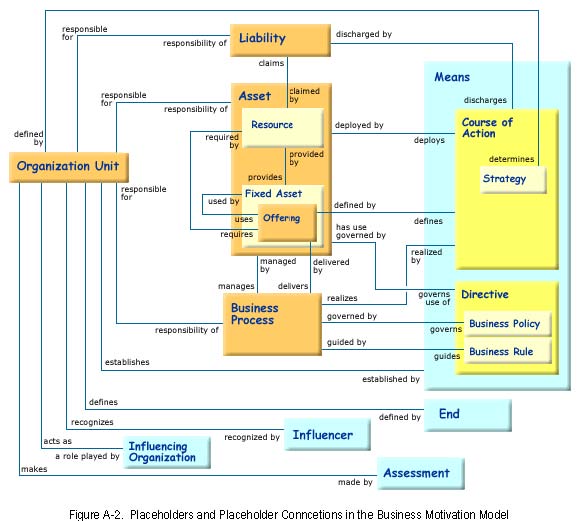
Each *Business* *Process* may have its own Sub-*Business Process(es)*.

Individual *Business Process(es)* would be independent in terms of Sequence Flow, but could have Message Flow(s) connecting them.

An *Activity* is work that is performed within a *Business Process*. An *Activity* can be atomic or non-atomic (compound). The types of *Activity* that are a part of a *Business Process* are: *Process*, *Sub-Process*, and *Task*

## Business Motivation Model Schema





## Constraints:

### Other Elements of a Full Business Model

The Business Motivation Model is not a full business model. For example, the elements of business plans do not prescribe in detail any of the following, each of which is an essential part of a full business model.

**Business Processes**. Business plans include *Course of action(s)* — what the enterprise has to do to achieve its End(s) — transformed into Business Processes that encompass activities, sequencing, dependencies, interactions, triggering by business events, etc. Business Process specification is outside the scope of business plans. However the Business Motivation Model does include a placeholder for Business Process, to provide for integration with emerging Business Process standards.

**Workflows**. The basis of workflow is assignment of responsibilities for Business Processes to roles in the organization. Design of workflow is outside the scope of business plans. However, the business plans may include Strategy(ies) or Tactics that configure organization structure to achieve effective workflow.

**Business Vocabulary**. Also needed is full specification of the terms and facts needed to support the business.However, the business plans do provide a business basis for such development — namely, the concepts and vocabulary used in the elements of the business plans, particularly in its Business rule(s).

### Methodologies and the Business Motivation Model

It is important to note that the Business Motivation Model is not in any sense a methodology. Indeed, it is entirely neutral with respect to methodology or particular approach, with only several general exceptions as follows:

* The requirements development process should be business-driven.
* Organized business plans should be a fundamental deliverable in any such process.
* Business rule(s) and Business Processes are key elements of such business plans.

One way to think of the Business Motivation Model is as a blueprint purposely designed to support a range of methodological approaches. Implementation of the Model would result in the elements of business plans being stored and related to other information about the enterprise, no matter what methodology was used for discovering and defining them.

In the design for any such implementation, each concept of the Business Motivation Model (i.e., each concept listed in the Concepts Catalog) should be assigned two attributes — ‘name’ and ‘description’ — to be included in the implementation. User enterprises and repository vendors could, of course, choose to include additional attributes.

### Placeholders

Four concepts (Asset, Organization Unit, Business Process, and Business Rule) have roles in the structure of the Business Motivation Model but actually belong in other OMG standards, where they are defined and associated with related concepts needed for detailed business modeling.

The defaults for the required external standards are the OMG’s specifications for

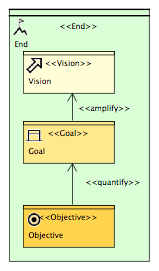
* Organization Structure Metamodel (OSM),
* Business Process Modeling and Notation (BPMN), and
* Semantics of Business Vocabulary and Business rule(s) (SBVR).

# The iThaste Business Motivation Model

The next sections examine each of the concepts of the Business Motivation Model in detail for iThaste, a quality enabling tool, developed and promoted by Thaste IT, based on the Twist & Thaste methodology.

## End(s)

### Reminder

****An End is something the business seeks to accomplish. The important thing to remember about an End is that it does not include any indication of how it will be achieved. In describing End(s), it is useful to document who *defined* the End and at what point in time, so that an audit trail exists for future reference. This, of course, cannot always be mandated.

An End may be either a *Vision* or some Desired Result (a Goal or an Objective). The essence is that these are kinds of things, in varying detail, which the enterprise is trying to accomplish.

*Vision* is an overall image of what the organization wants to be or become. It usually encompasses the entire organization and is long-term in its perspective. Desired result(s), on the other hand, are the more specific Goal(s) and Objective(s) that the enterprise, or some part of it, intends(s) to achieve.

### iThaste

An *End* has a reference ID and title and is uniquely linked to an enterprise or *Company*. For iThaste we opted to use the term *Company*, which also is a category of an *Organization Unit*.

|  |  |  |
| --- | --- | --- |
| **End ID** | **Title** | **Company** |
| 1 | iThaste | Thaste IT |

### Constraints

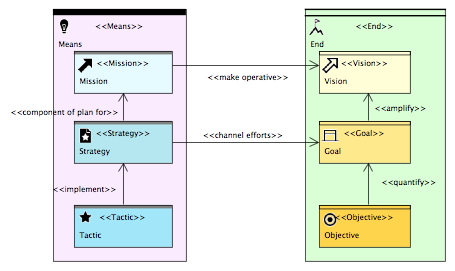
1. *End* may consist of *Vision(s)*
2. *End* may consist of *Goal(s)*
3. *End* may consist of *Objective(s)*

### iThaste Schema



## Vision

### Reminder

A *Vision* describes the future state of the enterprise, without regard to how it is to be achieved.

A *Vision* is the ultimate, possibly unattainable, state the enterprise would like to achieve.

A *Vision* is often compound, rather than focused toward one particular aspect of the business problem.

A Goal, in contrast, should generally be attainable and should be more specifically oriented to a single aspect of the business problem.

### iThaste

A *Vision* has an ID, Title and description.

|  |  |  |  |
| --- | --- | --- | --- |
| **Vision ID** | **Title** | **Description** | **End ID** |
| 1 | Twist & Thaste | It Is the Vision of Thaste IT to make its Quality methodology, Twist & Thaste, a market standard | 1 |
| 2 | iThaste | It is the Vision of Thaste IT to develop and promote its Quality Tool, iThaste and to make it a market standard in the pursuit of Quality initiatives. | 1 |
| 3 | Book of Thaste | It is the Vision of Thaste IT to write and promote its book, Book of Thaste and to make it a market reference in the pursuit of Quality. | 1 |

### Constraints

1. *Vision* is part of 1 *End*
2. *Vision* may be supported by *Mission(s*)
3. *Vision* may be amplified by *Goal(s)*.

### iThaste Schema



## Desired Result

Desired Results will not be kept in iThaste.

iThaste considers Desired Results as a container for Goals and Objectives. A policy we follow for iThaste is to keep things as simple as possible, without losing functionality. At this moment there is no added value in implementing Desired Results in iThaste.

## Goal

### Reminder

A Goal is a statement about a state or condition of the enterprise to be brought about or sustained through appropriate Mean(s). A Goal *amplifies* a *Vision* — that is, it indicates what must be satisfied on a continuing basis to effectively attain the *Vision*.

A Goal should be narrow — focused enough that it can be *quantified by* Objective(s). A *Vision*, in contrast, is too broad or grand for it to be specifically measured directly by Objective(s). However, determining whether a statement is a *Vision* or a Goal is often impossible without in-depth knowledge of the context and intent of the business planners.

### iThaste

A *Goal* must have an ID, Title and Description. A Goal may have Parent Goal and must have a Parent Vision

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **ID** | **Title** | **Description** | **Parent Goal** | **Vision** |
| 1 | Twist & Thaste | It Is the Vision of Thaste IT to make its Quality methodology, Twist & Thaste, a market standard |  | 1 |
| 2 | iThaste | It is the Vision of Thaste IT to develop and promote its Quality Tool, iThaste and to make it a market standard in the pursuit of Quality initiatives. |  | 1 |
| 3 | Book of Thaste | It is the Vision of Thaste IT to write and promote its book, Book of Thaste and to make it a market reference in the pursuit of Quality. |  | 1 |

### Constraints

1. *Goal(s)* amplify(ies) at least one *Vision*
2. *Objective(s)* may quantify *goal.*
3. *Goal* may be detailed by *Goals(s)*
4. *Strategy* may channel effort towards *Goal*

### iThaste Schema

#### Objective

An Objective is a statement of an attainable, time-targeted, and measurable target that the enterprise seeks to meet in order to achieve its Goal(s).

* Attainable. It is self-evident that Objective(s) should be attainable. If they are not, the business plans are unrealistic and will likely fail.
* Time-targeted. All Objective(s) should be time-targeted. This mean(s) that either an absolute timeframe (e.g., “by January 1, 2007”) or relative timeframe (e.g., “within two years”) should be included in each Objective. This timeframe indicates when the Objective is to be met.
* Measurable. Objective(s) should be measurable. This mean(s) they must include some explicit criteria for determining whether the Objective is being met in practice. This criteria may be fairly exacting (for example, “on-time 95% of the time”). At the very minimum, the criteria must provide a basis for making a “yes or no” determination (e.g., “up and running”). Such criteria may be the basis for certain Business rule(s), created specifically to compute or derive the relevant evaluation.

This understanding of ‘Objective’ is consistent with the industry’s popular “SMART” criteria that an Objective be: Specific, Measurable, Attainable, Relevant, and Time-Based.

Statements of Objective should always begin with the time-targeted phrase, followed by a quantified noun.

Example time-targeted phrases:

* *By 09/01/2001, ...*
* *Effective immediately, ...*
* *After 2 years, ...*
* *Within 5 weeks, ...*
* *On or before June 1, 2002, ...*

*• On April 15, 2001, ...* An Objective *quantifies* a Goal — that is, it provides the basis for measures to determine whether the Goal is being achieved. Conversely, the Goal is *quantified by* these measurable Objective(s). For example, the Goal “To provide industry-leading customer service” is quantified by the Objective “Effective immediately, a ranking of 8 or better on a monthly customer satisfaction

scale of 1-10” and by the Objective “By Jan. 1, 2001, a B+ grade level on the annual Better Business Bureau ratings.”

Examples of Objective include the following:

***Facts that Organize End(s)***

Besides those mentioned above, other logical connections (i.e., fact types) are required to fully organize the End(s). These logical connections provide additional structure among elements of the End(s) themselves.

**Interrelating Desired result(s)**

One Desired Result can *include* other Desired result(s); a Desired Result can be *included in* some other Desired Result. In other words, there can be a ‘parts explosion’ of Desired result(s). This connection should only be used to associate like instances — that is, Goal(s) only to other Goal(s) and Objective(s) only to other Objective(s).

Figure 3-4. Interrelating Desired result(s)



A ‘parts explosion’ of Desired result(s) happens when there is a decomposition of some higher-level Goal (or Objective) into lower-level Goal(s) (or Objective(s)). Such decomposition occurs, for example, when elements of the business plans created by one level of management are handed down to a lower organizational level for more detailed planning or implementation. This creates a ‘recursion’ among the elements, from higher level to lower level. For example, the Goal “To keep customers satisfied” is composed of the sub-Goal “To deliver pizzas in an expedient amount of time” and the sub-Goal “To produce tasty pizzas.”

**3.2 The Mean(s) Concepts**

A Mean(s) represents any device, capability, regime, technique, restriction, agency, instrument, or method that may be called upon, activated, or enforced to achieve End(s). Remember that a Mean(s) does not indicate either the steps (business processes and workflow) necessary to exploit it, nor responsibility for such tasks, but rather only the capabilities that can be exploited to achieve the desired End(s).

In describing Mean(s), it is useful to document who *established* the Mean(s) and at what point in time, so that an audit trail exists for future reference. This practice, of course, cannot always be mandated.

**Categories of Mean(s)**

Mean(s) concepts can be arranged in a hierarchy, as shown in Figure 3-5.

Figure 3-5. The Hierarchy of ‘Mean(s)’ Concepts



A Mean(s) may be either a *Mission*, a *Course of action* (a Strategy or Tactic), or a Directive (Business Policy or Business Rule).

*Mission*, like its counterpart *Vision*, indicates a correspondingly long-term approach — one that is focused on achieving the *Vision*. Like *Vision*, *Mission* is not very specific; it is something broadly stated, in terms of the overall functioning of the enterprise.

Apart from the basic *Mission* of the enterprise, the Mean(s) of the Business Motivation Model have been carefully organized into *Course of action(s)* and Directive(s).

In some respects, *Course of action(s)* are the more basic of the two. In and of themselves, however, *Course of action(s)* tend to be rather blunt instruments. They require Directive(s) to have any real chance of success.

In contrast to *Course of action(s)*, Directive(s) cannot really stand on their own. They exist to give the *Course of action(s)* a fine edge — in other words, to ensure that the *Course of action(s)* will be applied intelligently and within the boundaries of what is acceptable or optimal for the enterprise. In short, Directive(s) represent encoded (i.e., written down) knowledge that ensures the highest possible chances of success for the *Course of action(s)*.

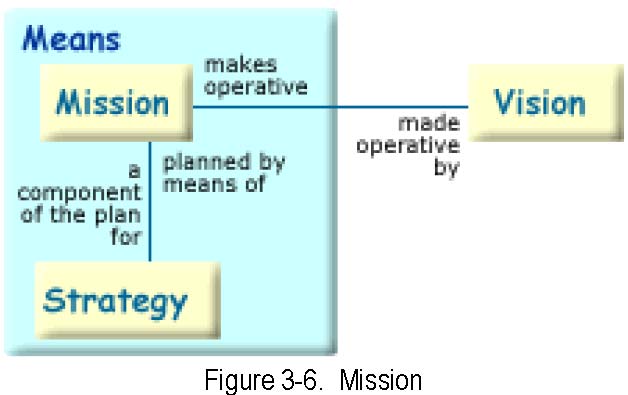
A Directive always has to do with governance or guidance. A *Course of action*, in contrast, identifies an active approach in moving toward the End(s). A *Course of action* is always action-dominated (action-oriented).

***Mission***

A *Mission* indicates the ongoing operational activity of the enterprise. The *Mission* describes what the business is or will be doing on a day-to-day basis.

A *Mission* *makes* a *Vision* *operative* — that is, it indicates the ongoing activity that makes the *Vision* a reality. A *Mission* is *planned by mean(s) of* Strategy(ies).

Figure 3-6. *Mission*



A *Mission* statement should consist of the following three items only and should be formed using brief statements of them.

1. An action part. *For example, “provide”*
2. A product or service part. *For example, “pizzas”*
3. A market or customer part. *For example, “customers city-wide”*

The *Mission* statement should be focused on day-to-day operations, generic enough to cover all Strategy(ies), and broad enough to cover the complete area of operations.

Examples of *Mission* include the following:

|  |  |
| --- | --- |
|  | ***Mission*** |
| *EU-Rent* | Provide car rental service across Europe and North America for both business and personal customers. |
| *Pizza Company* | Provide pizza to customers city-wide. |
| *Consulting Company* | Provide consulting, outsourcing, and staff augmentation services to companies in North America. |
| *Retail Pharmacy* | Provide generic and ethical drugs to the retail market. |

***Course of action***

A *Course of action* is an approach or plan for configuring some aspect of the enterprise involving things, processes, locations, people, timing, or motivation, undertaken to achieve Desired result(s). In other words, a *Course of action* *channels efforts towards* Desired result(s). To help ensure success in this regard, *Course of action(s)* are *governed by* Directive(s).

*Course of action(s)*, which include Strategy(ies) and Tactics, represent the basic elements of a general plan or overall solution — in other words, an overall approach — that the enterprise will take to achieve its Desired result(s). It is important to remember that *Course of action(s)* are not Business Processes; rather, *Course of action(s)* can be *realized by* Business Processes — that is, made operative by Business Processes.

**Categories of *Course of action***

*Course of action* includes the following concepts:

* Strategy
* Tactic

Figure 3-7. *Course of action*



Compared to Tactics, Strategy(ies) tend to be longer term and broader in scope. A Strategy is *implemented by* Tactics. Strategy(ies) usually *channel efforts towards* Goal(s), rather than Objective(s).

Compared to a Strategy, a Tactic tend(s) to be shorter term and narrower in scope. Tactics *implement* Strategy(ies); they are *course of action(s)* that will support those Strategy(ies). Tactics generally *channel efforts towards* Objective(s), rather than Goal(s).

Determining whether a *Course of action* is a Strategy or a Tactic may be impossible without in-depth knowledge of the context and intent of the business planners. In fact, in the course of developing and analyzing business plans, some elements may change category as the target problem is understood better. For example, an element originally defined as a Tactic may subsequently be elevated to a Strategy. The reverse is also likely to occur. In other words, the business plans will gradually evolve toward greater accuracy in specification, as well as greater coherence and completeness.

***Strategy***

A Strategy is one *component of the* plan for the *Mission*. A Strategy represents the essential *Course of action* to achieve End(s) — Goal(s) in particular. A Strategy usually *channel efforts towards* those Goal(s).

A Strategy is more than simply a resource, skill, or competency that the enterprise can call upon; rather, a Strategy is accepted by the enterprise as the **right** approach to achieve its Goal(s), given the environmental constraints and risks.

Examples of Strategy include the following:

|  |  |
| --- | --- |
|  | **Strategy** |
| *EU-Rent* | Operate nation-wide in each country of operation, focusing on major airports, competing head-to­head, on-airport, with other premium car rental companies. |
|  | Manage car purchase and disposal at local area level, with national (operating country) guidance covering: What models may be bought from which manufacturers; Overall numbers and mix of models; When to dispose of cars, by mileage and age; Phasing of purchasing and delivery. |
|  | Join an established rewards scheme run by a third party (i.e., outsource rather than building own scheme). |
| *Pizza Company* | Deliver pizzas to the location of the customer’s choice. |
| *Consulting Company* | Implement a Customer Relationship Management System. |
|  | Increase repeat business. |
| *E-Business Company* | Buy other e-business mailing lists. |

***Tactic***

A Tactic is a *Course of action* that represents part of the detailing of Strategy(ies). A Tactic *implements* Strategy(ies). For example, the Tactic “Call first-time customers personally” implements the Strategy “Increase repeat business.”

Tactics generally *channel efforts towards* Objective(s). For example, the Tactic “Ship products for free” *channels efforts towards* the Objective “Within six months, 10% increase in product sales.”

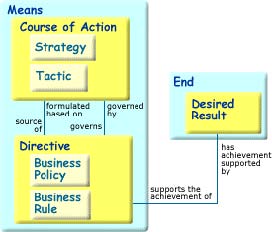
Examples of Tactic include the following:

|  |  |
| --- | --- |
|  | **Tactic** |
| *EU-Rent* | Encourage rental extensions. |
|  | Outsource maintenance for small branches. |
|  | Create standard specifications of car models, selecting from options offered by the manufacturers *Note: these will be trade-offs between ‘rentable’ and ‘high residual value for sales’.* |
|  | Equalize use of cars across rentals so that mileage is similar for cars of the same car group and age |
|  | Comply with car manufacturer’s maintenance schedules |
| *Pizza Company* | Hire drivers with their own vehicles to deliver pizzas. |
| *Consulting Company* | Provide each member of the sales force with a palmtop. |
|  | Call first-time customers personally. |
| *E-Business Company* | Ship products for free. |

***Directive***

As the name suggests, Directive(s) indicate how the *Course of action(s)* should, or should not, be carried out — in other words, they *govern Course of action(s)*. Specifically, a Directive defines or constrains or liberates some aspect of an enterprise. It is intended to assert business structure or to control or influence the behavior of the business, and is stated in declarative form.

Figure 3-8. Interrelating Directive(s) with *Course of action(s)* and End(s)



Directive(s) *govern Course of action(s)*. For example, the Business Rule “Pizzas may not be delivered beyond a radius of 30 miles” governs the Strategy “Deliver pizzas to the location of the customer’s choice.” This governance applies to Tactics as well. For example, the Tactic “Encourage rental extensions” is governed by the Business Policy “Allow extension of rentals by phone.”

It is expected that all *Course of action(s)* should be *governed by* some Directive, especially as the business plans evolve and become more coherent and complete. Any *Course of action* not *governed by* a Directive should be examined carefully to discover potential o*mission(s)*.

On the other hand, having too many Directive(s) may become unduly constraining. The correct balance in this regard can only be identified by having in-depth knowledge of the context and intent of the business people participating in the planning.

In striking this balance it should be remembered that, unless a Directive is made explicit, it is assumed that no constraint on other elements of the business plans will be exercised. ‘Unstated’ Directive(s) simply cannot be addressed in the Model — quite literally, they can be recognized only by stating them.18 To be taken into account within the Model, every Directive must be explicit and recorded in an official manner.19

18 For Business Policies in particular, this represents a de facto boundary between Model and methodology. The BRG recognizes that to be workable, a practical methodology must address the reality of *implicit* Business Policies within the business.

19 Making Business rule(s) explicit is a fundamental principle of the Business Rule approach. Refer to the *Business Rule Manifesto.*

It is also possible for the *Course of action(s)* to be *formulated based on* Directive(s). For example, the Tactics ‘Comply with manufacturer’s maintenance schedules’ and ‘Equalize use of cars across rentals so that mileage is similar for cars of the same car group and age’ are both formulated based on the Business Policy ‘Depreciation of cars must be minimized’. The Directive thereby serves as the *source of* the *Course of action*.

Occasionally a Directive is defined to *support the achievement of* a Desired Result directly. For example:

* The Business Policy “The cell phone numbers of customer representatives should be available to customers” supports achieving the Goal “To provide high-quality customer support.”
* The Objective “Within six months, 10% increase in product sales” is supported by this Business Rule that defines product sales: “Product sales must be computed as total sales, minus all of the following: sales tax, shipping charges, and maintenance contract fees.”

**Business Rule Enforcement Level**

A Business Rule that guides behavior20 has an enforcement level. Enforcement levels represent alternatives in a graded or ordered scale, each of which indicates the severity of action imposed to put or keep a rule in force. An example of a range of enforcement levels21 — from ‘strictly enforced’ to ‘guideline’ — is:

*Value Meaning*

**strictly enforced** If the rule is violated, the penalty is always applied.

**deferred enforcement** Strictly enforced, but enforcement may be delayed — e.g., waiting for resource with required skills.

**pre-authorized override** Enforced, but exceptions allowed, with prior approval for actors with before-the-fact override authorization.

**post-justified override** If not approved after the fact, you may be subject to sanction or other consequences.

**override with explanation** Comment must be provided when the violation occurs.

**guideline** Suggested, but not enforced.

20 Only Business rule(s) that guide behavior (SBVR ‘operative business rule’) require enforcement. Definitional Business rule(s) (SBVR ‘structural business rule’) are “true by definition”.

21 From the OMG specification for “Semantics of Business Vocabulary and Business rule(s)” (SBVR).

Examples of enforcement level include the following:

|  |  |  |
| --- | --- | --- |
|  | **Directive** | **Enforcement Level** |
| *EU-Rent* | A EU-Rent agent who is found, after a managerial review, to have rented a vehicle to a customer without a valid driver’s license, is to be fired. | strictly enforced |
| *Pizza Company* | A driver who is convicted of one moving traffic violation while driving for the company will be counseled by a manager concerning safe driving. | pre-authorized override |
| *E-Business Company* | A customer rated negative by more than ten other customers will be blocked forever from doing business. | override with explanation |

Deciding what enforcement level is to be applied to a Business Rule is often a Tactic within business plans. In the Model, Tactic *effects enforcement level of* Business Rule.

Figure 3-9. Setting Enforcement Level



**Directive as Regulation**

A Directive may *act as* some other Organization Unit’s Regulation. The Business rule(s) and Business Policies determined at one level in an organization may be effectively the *law* (Regulation) for lower-level organizations.

Figure 3-10. Directive as Regulation



For example, production and sales di*vision(s)* both have to comply with company policy on safety at work. These units in turn have to determine their own local policies and rules for their particular compliance with the ‘law’ (company policy) imposed from above. Furthermore, the rules and policies they come up with will most likely be unique; rules for safety within the production di*vision* are different from those in sales.

**Categories of Directive**

Directive includes the following concepts:

* Business Policy
* Business Rule Compared to a Business Rule, a Business Policy tend(s) to be less structured,22 less discrete, and usually not atomic — that is, not focused on a single aspect of governance or guidance. Also

compared to a Business Rule, a Business Policy tend(s) to be less compliant with standard business vocabulary, and less formally23 articulated.

In contrast to a Business Policy, a Business Rule is highly structured17 and is carefully expressed in terms of standard vocabulary. A Business Rule should be discrete and atomic — that is, represent only a single aspect of governance or guidance.

Business Policies provide broader governance or guidance that is not directly enforceable. Business rule(s) provide specific, *practicable* governance or guidance to implement Business Policies. ‘Practicable’ mean(s) that a person who understands a Business Rule could observe a relevant situation (including his or her own behavior) and decide directly whether or not the business was complying with the rule.

Some Business rule(s) could be automated in software; some can be applied only by people. Business Policies are not directly automatable.

22 This mean(s) ‘structured’ in a natural language sense, not ‘structured’ in any technical sense. 23 ‘Less formally’ should not be interpreted as ‘less carefully’.

***Business Policy***

A Business Policy is a Directive that is not directly enforceable24 whose purpose is to govern or guide the enterprise. Business Policies provide the *basis for* Business rule(s). Business Policies also *govern* Business Processes.

The formulation of a Business Policy, which is always under the enterprise’s control, is by some party who is authorized to manage, control, or regulate the enterprise by selecting from a variety of alternatives in response to one or more Assessment(s).

Business Policies that exist merely to enable a Strategy in a direct and trivial manner should be avoided. For example, suppose the enterprise has the Strategy “Encourage repeat business.” A Business Policy that says “Repeat business should be encouraged” is trivial and does not need to be expressed.

In general, Business Policies exist to govern — that is, control, guide, and shape — the Strategy(ies) and Tactics. For example, the Business Policy “We will not make on-site visits” governs the Strategy “Encourage repeat business,” as well as the specific Tactics that might be selected to implement the Strategy. Specifically, no Tactic requiring on-site visits will be permitted to support the Strategy — even though on-site visits would probably be effective in that regard. On the other hand, a Tactic involving sending coupons by mail would be acceptable under the Business Policy since it involves no on-site visits.

24 “Not directly enforceable” mean(s) that some interpretation of the Directive (e.g., in Business rule(s)) is needed in order to detect violations.

Examples of Business Policy include the following:

|  |  |
| --- | --- |
|  | **Business Policy** |
| *EU-Rent* | Depreciation of rental cars must be minimized *Compare the (non-practicable) Business Policy with related (practicable) Business rule(s): The Car assigned to a Rental must be: at the time of assignment, of the available Cars in the requested Car Group, the one with the lowest mileage. A Rental cannot be extended by phone if the Car’s odometer reading is greater than (next service mileage — 500).* |
|  | Rental payments must be guaranteed in advance *Compare with Business Rule based on this policy: A provisional charge for the estimated cost of the Rental must be made against a valid credit card held by the Renter before the Car is handed over.* |
|  | Rental cars must not be exported *Compare with Business Rule based on this policy: An ‘out of country’ car can be rented only on a one-way rental with drop-off at a branch in its country of registration.* |
|  | Rental contracts are made under the law of the country in which the pick-up branch is located |
|  | Rentals must comply with relevant laws and regulations of all countries to be visited |
| *Pizza Company* | Safety in the kitchen, and in the streets, comes first. |
| *E-Business Company* | A business representative will personally contact each customer who makes a complaint. |

***Business Rule***

A Business Rule is a Directive, intended to govern, guide or influence business behavior, in support of Business Policy that has been formulated in response to an Opportunity, Threat, Strength, or Weakness. It is a single Directive that does not require additional interpretation to undertake Strategy(ies) or Tactics. Often, a Business Rule is *derived from* Business Policy. Business rule(s) *guide* Business Processes.

Formally, a Business Rule is a rule that is under business jurisdiction25. A rule is a proposition that is a claim of obligation or of necessity. The common sense understanding of ‘rule’ is that a rule always tend(s) to remove some degree of freedom.

Examples of Business Rule include the following:

|  |  |
| --- | --- |
|  | **Business Rule** |
| *EU-Rent* | Each Car purchased must match the standard specification of its Car Model. |
|  | The Car assigned to a Rental must be: at the time of assignment, of the available Cars in the requested Car Group, the one with the lowest mileage. |
|  | A customer must present a valid driver’s license in order to rent a EU-Rent vehicle. |
|  | A Car whose odometer reading is greater than (next service mileage — 200) must be scheduled for service. |
|  | A Rental cannot be extended by phone if the Car’s odometer reading is greater than (next service mileage — 500). |
|  | The rental of a car whose odometer reading is greater than (next service mileage — 500) may be extended only if the car is exchanged at a EU-Rent branch. |
|  | Every driver on a rental must be over 21 years old. |
| *Pizza Company* | Pizzas must be delivered within one hour. |
|  | Pizzas may not be delivered beyond a radius of 30 miles. |
| *E-Business Company* | The order tax amount must be calculated at the time the order is placed. |
| An order must not contain more than 25 order items. |

25 This definition is adopted from “Semantics of Business Vocabulary and Business rule(s)” (SBVR).

***Facts that Organize Mean(s)***

Besides those mentioned above, other logical connections (i.e., fact types) are required to fully organize the Mean(s). These logical connections provide additional structure among elements of the Mean(s) themselves.

Figure 3-11. Facts Involving Mean(s)



**Interrelating *Course of action(s)* — Composition**

One *Course of action* can *include* other *Course of action(s)*; a *Course of action* can be *included in* other *Course of action(s)*. In other words, there can be a ‘parts explosion’ of *Course of action(s)*. This connection should only be used to associate like instances — that is, Strategy(ies) only to other Strategy(ies) and Tactics only to other Tactics.

Such ‘parts explosion’ happens when there is a decomposition of some higher-level *Course of action* into lower-level *Course of action(s)*. This decomposition occurs, for example, when elements of the business plans created by one level of management are handed down to a lower organizational level for more detailed planning or implementation. This creates a ‘recursion’ among the elements, from higher level to lower level. For example, the Strategy “Ensure that the stock of available vehicles never falls below an acceptable level” is composed of sub-Strategy(ies) appropriate to each geographic region.

**Interrelating *Course of action(s)* — Enabling**

One *Course of action* can be *enabled by* another *Course of action*. In other words, the latter *Course of action* provides basic support that makes the former *Course of action* viable. This connection should generally be used to associate like instances — that is, Strategy(ies) only to other Strategy(ies) and Tactics only to other Tactics.

For example, the Strategy “Ensure that the stock of available vehicles never falls below an acceptable level” is enabled by the Strategy “Maintain vehicles in good working condition.” For another example, the Tactic “Provide each member of the sales force with a palmtop” enables the Tactic “Input sales orders at the source.”

**Interrelating Business Policies**

One Business Policy can *include* other Business Policies; a Business Policy can be *included in* other Business Policies. In other words, there can be a ‘parts explosion’ of Business Policies. For example, the Business Policy “Safety first” can be decomposed into more specific policies that deal with vehicle safety and workplace safety.

**3.3 Expressing Core Elements of the Business Motivation Model**

It is expected that statements an enterprise gives representing its End(s) and its Directive(s) will be laden with words that are judgmental, qualitative, and/or comparative. Indeed, the inclusion of such words is one fundamental characteristic of these elements.

Examples of such words include the following.

* Best • Biggest • Clear
* Closest • Convenient • Courteous
* Durable • Effective • Efficient
* Expedient • Fast(est) • Leading-Edge
* Low(est)-cost • Premier • Professional
* Reliable • Responsive • Quickest

These ‘qualitative’ (judgmental or comparative) words should be avoided in expressing *Mission(s)*, Strategy(ies), and Tactics when the words actually refer to a desired end-state. Statements containing such words should be carefully analyzed and then re-stated as appropriate Desired result(s) or Directive(s). Indeed, the absence of adjectives suggesting desired end-states is one fundamental way in which *Course of action(s)* are distinguished from Desired result(s) and Directive(s).

However, qualitative words may be used in *Course of action(s)* if the words do not refer to the end-state desired. For example, the Tactic “ship products for free” includes the adjective ‘free.’ This is valid word usage in a *Course of action* since it does not describe the Desired Result.

**4. Influencer(s) and Assessment(s)**

To fully understand the elements of business plans, it is necessary to identify the Influencer(s) that shape them. This helps communicate the full intent of the Mean(s) and End(s) by explaining the context in which they were formulated.

Influencer(s), however, are neutral — they are more or less simply just ‘there’ until someone makes an Assessment about how they are likely to impact some End or Mean(s). Influencer(s) should always be stated in a neutral, factual manner. Therefore, Influencer(s) should be devoid of qualitative words. The presence of qualitative words indicates a statement *about* an Influencer

— in other words, an Assessment.

This section describes the concepts that define these aspects of the Business Motivation Model. Understanding these elements supports intelligent re*vision* of the business plans, possibly well after the business plans and related application system(s) have been implemented.

**4.1 Influencer(s) on the End(s) and Mean(s)**

***Influencer***

An Influencer can be anything that has the capability to ‘produce an effect without apparent exertion of tangible force or direct exercise of command, and often without deliberate effort or intent.’ The Influencer(s) specifically of concern to business plans are those that can impact the enterprise in its employment of Mean(s) or achievement of its End(s). This impact *has influence that is judged in* Assessment(s).

Influencer(s) should not simply be named but described as well. Such amplification communicates sufficient background and/or contextual information for other planning participants to make appropriate, relevant Assessment(s).

In describing Influencer(s), remember they are always neutral, and must be *assessed* to determine implications for business plans. Suppose a statement is made that ostensibly describes some Influencer. If it appears that a Business Rule can be derived *directly* from the statement, then the statement is almost certainly not an Influencer. For example, consider the statement “The company color is blue.” This leads directly to the Business Rule “Each web site screen must contain the company color blue.” Because no Assessment needs to be made, the statement is of another kind — in this case mostly likely a Business Policy.

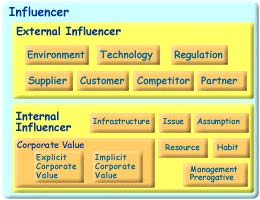
In describing Influencer(s), it is also useful to document who *recognizes* the Influencer and at what point in time, so that an audit trail exists for future reference. This practice, of course, cannot always be mandated.

**Categories of Influencer**

Influencer(s) impact an enterprise’s employment of Mean(s) or achievement of End(s). There are two built-in categories of Influencer:

* External: an Influencer that is outside the enterprise's organizational boundaries
* Internal: an Influencer from within the enterprise.

Figure 4-1. Concepts Reflecting Possible Influencer(s)



Beyond these, an enterprise can define whatever Influencer Categories it requires. Enterprises that do not have a preferred set of categories may choose to use this default set, modifying and extending it as required. This default set provides general categories that are used for examples and discussion in this specification. It is suggested that each Influencer is categorized as (at least) one of the general categories and as either internal or external, as described in the following tables.

Influencer Categories may themselves be categorized in broader categories; a narrower category may be included in more than one broader category. Management of consistency when Influencer(s) are categorized in multiple categories is a matter for methodology, practice, and tools, and is beyond the scope of this specification.

***Example: External Influencer(s)***

External Influencer(s) are those outside an enterprise’s organizational boundaries that can impact its employment of Mean(s) or achievement of End(s). Influencer Categories usually also categorized as External Influencer include the following.

**Competitor** A rival enterprise in a struggle for advantage over the subject enterprise.

**Customer** A role played by an individual or enterprise that has investigated, ordered, received, or paid for products or services from the subject enterprise.

**Environment** The aggregate of surrounding conditions or Influencer(s) affecting the existence or development of an enterprise.

**Partner** An enterprise that shares risks and profit with the subject enterprise (or is associated with the subject enterprise to share risks and profit) because this is mutually beneficial.

**Regulation** An order prescribed by an authority such as a government body or the management of an enterprise. **Supplier** A role played by an individual or enterprise that can furnish or provide products or services to the subject enterprise. **Technology** The role of technology, including its developments and limitations

— there may be prerequisites for use of technology; there may be enterprise activity that technology enables or restricts.

One Influencer Category, Regulation, is explicitly defined in the Model. This supports the requirement (discussed above in “Directive as Regulation”) for Directive to be able to act as a Regulation within an enterprise.

This list of External Influencer(s) is not necessarily exhaustive. The enterprise may choose to add additional categories or even introduce its own categorization scheme (i.e., the list above is replaceable as a whole).

Also, the categories are not necessarily mutually exclusive. A particular instance of External Influencer actually may have more than one of these categories.

Examples of External Influencer include the following:

|  |  |  |
| --- | --- | --- |
|  | **External Influencer** | **Influencer Category** |
| *EU-Rent* | Two smaller competitors have merged and the joint enterprise is now bigger than EU-Rent in several European countries. | *Competitor* |
|  | ‘Premium brand’ car rental companies such as Hertz and Avis have a ‘high quality, value for money’ image — and can charge higher rates |
|  | Budget airlines offering low-cost, short-haul flights, often to secondary airports |
| *EU-Rent* | EU-Rent’s primary target is business customers, but it recognizes the need to appeal also to personal renters. | *Customer* |
|  | Market research has determined that customers: generally accept that the rates for ‘premium brand’ car rental companies will be higher than the ‘cheap and cheerful’ competition. tend to see ‘on-airport’ companies as premium and ‘off-airport’ as cheap and cheerful |
| *EU-Rent* | Car parking and storage in city centers is limited and expensive | *Environment & Competitors* |
|  | The car rental market in Eastern Europe growing year-on-year by at least 5% per year |
|  | All on-airport car rental companies offer similar types of car, and are physically lined up in a row. If any promotes a special offer, others react almost immediately, so there is very little room for maneuver against competitors on product, service, or price. |
| *EU-Rent* | EC-Lease, which finances cars for EU-Rent at preferential terms within several EC countries, in return for a share of EU-Rent profits in those countries | *Partner* |

|  |  |  |
| --- | --- | --- |
| *(cont.)* | **External Influencer** | **Influencer Category** |
| *EU-Rent* | Laws and regulations in each country of operation for: driver license and insurance; roadworthiness of cars, including e*mission(s)*; protection of customer personal information. | *Regulation* |
| *EU-Rent* | Car manufacturers — car models and options offered, prices, contract terms and conditions | *Supplier* |
|  | Insurers — cover offered, options, premiums |
| *EU-Rent* | Vehicle identification and tracking systems. | Technology |
|  | Availability and cost of (environment­friendly) electric and LPG cars |
|  | Internet support for self service rental reservations |
| *Pizza Company* | “Depreciation starts when you first use the property in your business or for the production of income. It end(s) when you take the property out of service, deduct all your depreciable cost or other basis, or no longer use the property in your business or for the production of income.” — IRS 1999 1040 Forms and Instructions 1999 Instructions for Schedule C, Profit and Loss from a Business Part II. Expenses, p. C-3 | Regulation |

***Example: Internal Influencer(s)***

Internal Influencer(s) are those from within an enterprise that can impact its employment of Mean(s) or achievement of End(s). Influencer Categories usually also categorized as Internal Influencer include the following.

**Assumption** Something that is taken for granted or without proof. **Corporate Value** An ideal, custom, or institution that an enterprise promotes or agrees with (either positive or negative). -**Explicit Value** -A Corporate Value explicitly set forth and declared. -**Implicit Value** -A Corporate Value not explicitly declared but nonetheless understood by some or all of the

people in an enterprise. **Habit** A customary practice or use. **Infrastructure** The basic underlying framework or features of a system. **Issue** A point in question or a matter that is in dispute as

between contending partners.

**Management Prerogative** A right or privilege exercised by virtue of ownership or position in an enterprise. **Resource** The resource(s) available for carrying out the business of

an enterprise, especially their quality.

This list of Internal Influencer(s) is not necessarily exhaustive. The enterprise may choose to add additional categories or even introduce its own categorization scheme (i.e., the list above is replaceable as a whole).

Also, these categories are not necessarily mutually exclusive. A particular instance of Internal Influencer actually may have more than one of these categories.

Examples of Internal Influencer include the following:

|  |  |  |
| --- | --- | --- |
|  | **Internal Influencer** | **Influencer Category** |
| *EU-Rent* | EU-Rent needs to expand its business year on year. | Assumption |
|  | A loyalty rewards program is essential for attracting business customers. |
| *EU-Rent* | Managers are generally promoted from within the company | Habit |
| Successful branch managers are usually allowed to remain at their branches for as long as they want to. |
| Branch counter staff receive two days’ introductory training. Further training is informal, on the job |

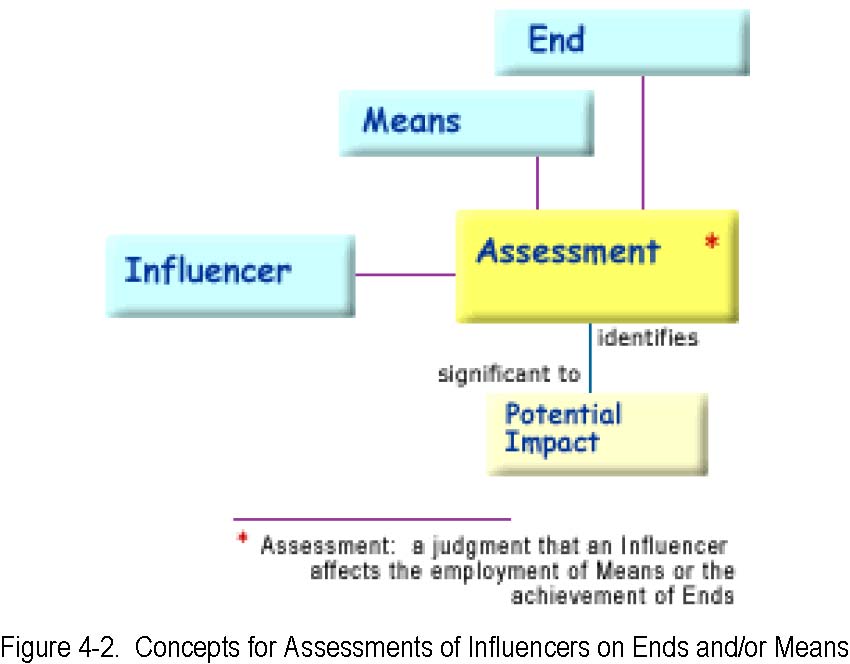
|  |  |  |
| --- | --- | --- |
| *(cont.)* | **Internal Influencer** | **Influencer Category** |
| *EU-Rent* | Rental branches are clustered in and around major cities, with large branches at airports and city centers, medium-sized branches in suburbs and nearby towns, and small agencies in hotels and travel agents’ premises. | Infrastructure |
|  | Cars are owned by local areas, not by rental branches. The cars owned by a local area are available to all branches in the area. |
|  | Rental reservations can be made by telephone, via Internet, or in person. A rental branch can accept an in-person reservation for any other EU-Rent branch |
|  | The internet rentals software was developed for individual rentals. It has few facilities to support corporate rental agreements |
| *EU-Rent* | How to split promotion and marketing between business customers and personal renters. | Issue |
|  | To what extent car maintenance and servicing should be outsourced. |
| *EU-Rent* | The EU-Rent board has decided to give priority to Eastern Europe for business expansion in the next three years. | Management Prerogative |
|  | Branch managers have authority to offer ad-hoc discounts in reaction to competitors’ offers. They use their discretion in doing so, as the reduced price will affect branch financial performance. |
| *EU-Rent* | Cars — popular models from reputable manufacturers, low mileage, environment-friendly, low-cost maintenance | Resource |
| Branch staff: Counter clerks — high turnover, variable quality Managers — low turnover, high quality. |

|  |  |  |
| --- | --- | --- |
| *(cont.)* | **Internal Influencer** | **Influencer Category** |
| *EU-Rent* | EU-Rent is environment-friendly. All the car models it offers for rental have good fuel economy and low e*mission(s)*. | Explicit Corporate Value |
|  | EU-Rent offers quality, service, and value for money, rather than lowest possible price. |
| *EU-Rent* | Rental branch staff are supportive of colleagues and customers. *For example, if there is a long queue of customers, they will help colleagues on the counter without needing direction from the manager to do so, and may delay a rest break until the queue is cleared.* | Implicit Corporate Value |
|  | Rental branch staff take good care of cars. *For example, if they notice problems, (e.g., oil leaks, muffler noise, tire wear) they ensure that maintenance staff are alerted, even if it is not their direct responsibility to do so.* |
| *E-Business Company* | Short lunch hours. | Implicit Corporate Value |
| *Accounting Company* | Regional managers have considerable latitude. | Management Prerogative |

**4.2 Assessing the Impact of Influencer(s) on End(s) and/or Mean(s)**

Influencer(s) are neutral — they are more or less simply just ‘there’ until someone makes an Assessment of them as they relate to End(s) and/or Mean(s). Such an Assessment represents a *judgment about* an Influencer with respect to its *impact on* End(s) and/or Mean(s). Specifically, the Assessment indicates that the Influencer affects the employment of Mean(s) and/or the achievement of End(s), in certain ways.

Figure 4-2. Concepts for Assessment(s) of Influencer(s) on End(s) and/or Mean(s)



If an Assessment is related to both a Mean(s) and an End, then this suggests that the particular Mean(s) is somehow related to the particular End. Specifically, if there is not a fact relating them

— such as ‘*Course of action* channels efforts towards Desired Result’ or ‘Directive supports achievement of Desired Result’ — then careful consideration should be given to that o*mission*.

***Assessment***

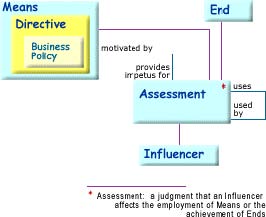
An Assessment is *a judgment about* some Influencer that affects the organization’s ability to employ its Mean(s) or achieve its End(s). In other words, an Assessment expresses a logical connection (i.e., fact type) between Influencer(s) and the End(s) and/or Mean(s) of the business plans. In this way, an Assessment indicates which Influencer(s) are relevant to which End(s) and/or Mean(s).

Different people or groups of people26 might make different Assessment(s) of the very same Influencer(s) on the very same End(s) and Mean(s) — and perhaps even the same person or group of people at different points in time. It is very important to indicate which person or group of people *makes* which Assessment of an Influencer at which point in time, so that an audit trail exists for future reference. This practice, of course, cannot always be mandated.

26 Organization Unit. The Model does not elaborate organizational structures — the BRG recognizes their importance, but this area is outside scope.

An Assessment can *provide impetus for* Directive(s) that *govern Course of action(s)* and/or *support the achievement of* End(s). In other words, the Directive is *motivated by* the Assessment.

Figure 4-3. Assessment and Directive



**Use of Assessment(s) by Assessment(s)**

Assessment(s) can also *use* other assessment(s). Typical use of this association is connecting an assessment to other assessment(s) referenced while arriving at the judgment. These associations can then be used for many purposes, including:

* Decision support for making new assessment(s) — identifying the full set of concerns taken into account in earlier assessment(s)
* Compliance audit — justifying decisions made in reacting to change

**Categories of Assessment**

The Business Motivation Model supports a general categorization structure for Assessment, as illustrated in Figure 4-4. Categories of Assessment may themselves be categorized in broader categories; a narrower category may be included in more than one broader category.

SWOT — Strength, Weakness, Opportunity, Threat — is a frequently-used set of categories for Assessment. There are other approaches, but if an enterprise does not have another preferred set, SWOT is a sound default. SWOT is used as the illustrative approach for discussion and examples in the rest of this document.

When applying SWOT to making assessment(s),27 Assessment(s) are categorized as follows:

* Strength
* Weakness
* Opportunity
* Threat

Figure 4-4. Categories of Assessment



***Strength***

This category of Assessment indicates some advantage or area of excellence within the enterprise that can impact its employment of Mean(s) or achievement of End(s).

Some examples of Strength Assessment(s) are:

|  |  |  |
| --- | --- | --- |
|  | **Strength** | **Affects** |
| *EU-Rent* | Infrastructure: geographical distribution of branches | Appeal to business customers. |
| Implicit corporate values: environment-friendly, value rather than price — good positioning of EU-Rent, differentiating from competitors. | Promotion to all customers as a ‘premium brand’. |
| Resource: rental branch managers — ground-level leaders of the customer-facing business. | Building branch networks around major cities and airports. |

27 As stated in Section 2, SWOT is one approach that can be used in making assessment(s). The Model does not specify SWOT as *the* technique. These categories of Assessment are illustrative.

***Weakness***

This category of Assessment indicates some area of inadequacy within the enterprise that can impact its employment of Mean(s) or achievement of End(s).

Some examples of Weakness Assessment(s) are:

|  |  |  |
| --- | --- | --- |
|  | **Weakness** | **Affects** |
| *EU-Rent* | The software for internet rentals has few facilities for self-service of corporate rental agreements — e.g., analyzing car usage by employees, removing people who have left their employment with the corporate customer. | Appeal to businesses for corporate agreements. |
| High turnover of branch counter staff frequently causes shortage of experienced staff in branches. This can cause delays in dealing with exceptions and problems. | Pro*vision* of high-quality customer service. |

***Opportunity***

This category of Assessment indicates that some Influencer can have a favorable impact on the organization’s employment of Mean(s) or achievement of End(s). For example, the bankruptcy of Pizza Company’s major competitor in Region-Y is assessed to be an Opportunity in its Goal “To increase market share.”

Some examples of Opportunity Assessment(s) are:

|  |  |  |
| --- | --- | --- |
|  | **Opportunity** | **Affects** |
| *EU-Rent* | EU-Rent thinks there is room for competition in the ‘premium brand’ car rental market. | Appeal to business users. Increase in rental rates. |
| Depreciation on cars between their purchase, new, and their sale at the end of their rental life is a critical factor in financial success. | Improved management of depreciation would reduce costs. |

***Threat***

This category of Assessment indicates that some Influencer can have an unfavorable impact on the organization’s employment of Mean(s) or achievement of End(s).

Some examples of Threat Assessment(s) are:

|  |  |  |
| --- | --- | --- |
|  | **Threat** | **Affects** |
| *EU-Rent* | Budget airlines provide low-cost flights to major cities, but using secondary airports where EU-Rent does not have branches | Appeal to business users. Expansion into Eastern Europe. |
| Budget airlines offer a cost effective and faster alternative to car rental for short distances (say, up to 200 miles). | Building ‘premium’ business from major airports. |
| Congestion charges in European city centers: Discourage customers from renting cars in city centers Increase EU-Rent operational costs when moving cars to and from city offices | Positioning city offices — moving them outside congestion zones will reduce convenience for business customers. |

***Potential Impact***

An Assessment records judgments about the impact (or potential for impact) of some Influencer on End(s) and/or Mean(s) in terms of Potential impact(s). In other words, an Assessment *identifies* some Potential Impact(s) that is/are *significant to* that Assessment. Each Potential Impact is an evaluation that quantifies or qualifies some aspect of an Assessment in specific terms, types, or dimensions.

A Potential Impact *significant to* an Assessment can *provide impetus for* Directive(s) that *govern Course of action(s)* or *support the achievement of* End(s). An Influencer may lead to the creation of a Business Policy *only* through an Assessment having been made that *identifies* some Potential Impact.

Figure 4-5. Assessment and Potential impact(s)



**Categories of Potential Impact**

Potential impact(s) are categorized as follows:

* Risk
* Potential Reward

Risks are typically regarded to be negative impacts, whereas Rewards are considered positive.

Where there is more than one Assessment associated with a single instance of an End or Mean(s), the total impact should be evaluated to uncover tradeoffs between Risks and Potential Rewards. This is the basis of risk/benefit analysis.

***Risk***

A Risk is a category of Impact Value that indicates the impact and probability of loss. Some Risks are expressible as formulae of the kinds:

* Probability of loss. (e.g., 5% probability)
* Potential loss. (e.g., $500,000 loss)
* Unit-of-measure. (e.g., loss in USD)

Some examples of Risk are:

|  |  |  |
| --- | --- | --- |
|  | **Assessment** | **Risk** |
| *EU-Rent* | Opportunity: room for competition in the ‘premium brand’ car rental market. | Failure to position EU-Rent as a premium brand risks loss of an estimated 15% of current customers without replacement by new customers. |
| Opportunity: targeting business customers & increasing rental rates. | Many unrented cars at weekend(s), with rates undercut by the ‘cheap and cheerful’ competition. |
| Threat: stringent e*mission* control requirements in Scandinavia — have to be met by any EU-Rent car that might be driven in Scandinavia. | Severe financial penalties for failure to comply. |

***Potential Reward***

A Potential Reward is a category of Potential Impact that indicates the probability of gain. Some Potential Rewards are expressible as formulae of the kinds:

* Probability of gain. (e.g., 30% probability)
* Potential gain. (e.g., $40,000 gain)
* Unit-of-measure. (e.g., gain in USD)

Some examples of Potential Reward are:

|  |  |  |
| --- | --- | --- |
|  | **Assessment** | **Potential Reward** |
| *EU-Rent* | Opportunity: room for competition in the ‘premium brand’ car rental market. | Market acceptance would support an average increase of 12% on rental rates. In moving up-market, EU-Rent expects to replace at least 15% of its current customers. |
| Opportunity: improved management of depreciation of cars. | Reduction of depreciation costs by 3%. |

**4.3 EU-Rent Example: Reaction to Influencer(s)**

EU-Rent needs to decide how it wants to position itself in the car rental market.

* ‘Premium’ car rental companies, such as Hertz and Avis, have a ‘high quality, value for money’ image. *(These EU-Rent Competitors are External Influencer(s).)*
* Customers generally accept that the rates for premium companies will be higher than the ‘cheap and cheerful’ competition. Customers tend to see ‘on-airport’ companies as premium, and ‘off-airport’ companies as cheap and cheerful. *(These Customers — determined by market research — are External Influencer(s) for EU-Rent.)*
* EU-Rent thinks there is room for competition in the premium market. *(This is an Opportunity Assessment.)*
* EU-Rent decides that it wants to be a premium car rental company. *(This is a Goal.)*
* To achieve this, EU-Rent decides to be nation-wide in each of its countries of operation, focusing on major airports, and to compete head-to-head, on-airport, with other premium car rental companies. *(This is a Strategy.)*
* A problem for on-airport car rental companies is that all the competitors offer similar types of car, and are physically lined up in a row. *(This Environment is an External Influencer for EU-Rent.)* There is very little room for maneuver on product, service, or price. *(This is a Weakness Assessment.)*
* This on-airport constraint on pricing mean(s) that depreciation on cars between their purchase as new cars, and their sale at the end of their rental life will be a critical factor in financial success *(This is an Opportunity Assessment.)* In response to this, EU-Rent decides that depreciation of cars must be minimized. *(This is a Business Policy.)*
* EU-Rent has a *Strategy* for car purchase and disposal, covering:

» What models to buy from which manufacturers.

» What overall numbers and mix and cars to buy.

» When to dispose of cars, by mileage and age.

» How to phase purchasing and delivery of cars.

» etc.

Within this Strategy, EU-Rent develops *Tactics*28 for its “minimize depreciation” Business Policy, and *Business rule(s)* to govern and guide these Tactics. For example:

|  |  |
| --- | --- |
| ***Tactics*** | ***Business rule(s)*** |
| Create standard specifications of car models, selecting from options offered by the manufacturers — this is a trade-off between ‘rentable’ and ‘high residual value for sales’. | Each Car purchased must match the standard specification of its Car Model. |
| Equalize of use of cars across rentals. | The Car assigned to a Rental must be: at the time of assignment, of the available Cars in the requested Car Group, the one with the lowest mileage. |
| Comply with manufacturer’s maintenance schedule. | Any Car whose odometer reading is greater than (next service mileage — 200) must be scheduled for service. A Rental cannot be extended by phone if the Car’s odometer reading is greater than (next service mileage — 500). The Customer must bring it to a EU-Rent branch for a change of car. |

28 These Tactics will be realized in Business Processes. As before, however, the detailing of these Business Processes is outside the scope of the Model.

**Metrics for the Business Motivation Model**

Implicit in many areas of the Business Motivation Model is the subject of metrics. In almost all organizations there are ‘things of interest’ that are heavily measured and tracked.29 These metrics govern, control, and influence a wide range of important aspects of the organization. The very fact these ‘things’ are so heavily measured makes them important.

Some of the most important metrics of an enterprise are established by its Goal(s). Each Goal can have one or more *measures of performance*. For example, a metric of the Goal “To be profitable” is the measure of performance ‘annual net revenue.’ Another measure of performance of this Goal might be ‘monthly net revenue.’

Some of the example Goal(s) presented earlier have been extended below to illustrate measures of performance:

|  |  |  |
| --- | --- | --- |
|  | **Goal** | **Measure(s) of Performance** |
| *EU-Rent* | To provide industry-leading customer service. | market share |
| *EU-Rent* | To provide well-maintained cars. | quality of product |
| *EU-Rent* | To have vehicles available for rental when and where customers expect them. | usage % order fulfillment |
| *Pizza Company* | To deliver pizzas in an expedient amount of time. | elapsed time |
| *Consulting Company* | To improve customer satisfaction (over the next five years). | customer satisfaction |
| *Publishing Company* | To improve customer satisfaction (over the next five years). | customer satisfaction |
| *E-Business Company* | To have more customers than any other e-business. | market share |

Objective(s) should *always* be measurable. Therefore Objective(s), by definition, will have metrics. The metrics for an Objective are established by the measures of performance of the Goal that the Objective quantifies. To be able to do this, an appropriate unit-of-measure for the metric must be determined for each Objective. The Objective then expresses the target value that the metric should attain in the timeframe specified. In that way, while a Goal sets the direction, its corresponding Objective(s) set the milestones to be attained in pursuing the Goal. For example, to quantify the Goal “To be profitable” the enterprise might set one Objective to have a monthly net revenue of at least $5 million (by a specified date) and another Objective to have an annual net revenue of at least $100 million (by a specified date).

Metrics are imperative for Potential impact(s). Without thoughtful and careful identification of appropriate metrics, the Risk / Potential Reward evaluation becomes meaningless.

29 Rule management is outside of the scope of the Model; however, the enterprise should consider Business rule(s) to be one of the ‘things of interest’ that it carefully ‘measures and tracks’. Management of rules over time is important not only to performance assessment and improvement, but also addresses related issues, such as response to changes in Influencer(s).

If a metric is particularly important, it may attain a special status and be called a *Key Performance Indicator* (KPI) or a *Critical Success Factor* (CSF) — or something else. The choice of signifier is unimportant. The enterprise will decide on many different things to be measured.30 Each of these measurements will have differing degrees of importance relative to the attainment of some Objective or set of Objective(s). The fact that the enterprise has decided to measure, evaluate, and act on the results of the metrics is the important thing.

30 In fact, if the Zachman Framework is used, it is possible to identify important ‘things’ to be measured in virtually every cell.

**Appendix A**

**Business Motivation Model Diagram**

Figure A-1. Core Concepts of the Business Motivation Model

Figure A-2. Placeholders and Placeholder Conncetions in the Business Motivation Model

**Appendix B**

**Concepts Catalog**

*Definitions for Terms*

***Note:*** In the design for an implementation of the Business Motivation Model, each concept in this Concepts Catalog should be assigned two attributes — ‘name’ and ‘description’ — to be included in the implementation. User enterprises and repository vendors could, of course, choose to include additional attributes.31

**Explicit Corporate Value**

is a Corporate Value that is explicitly declared

Dictionary basis:

• See Corporate Value

**Implicit Corporate Value**

is a Corporate Value that is not explicitly declared but understood by some or all of the people in an enterprise.

Dictionary basis:

• See Corporate Value

**Organization Category**

is a category of Influencing Organization.

Enterprises can define whatever Organization Categories they need. Organization Categories may themselves be categorized in broader categories; a narrower category may be included in more than one broader category.

Dictionary basis:

• a class or di*vision* of people or things regarded as having particular shared characteristics [ODE ’category’ (1)]

**Appendix C**

**Diagramming Conventions**

The graphic representation of the Business Motivation Model is based on three non-normative conventions, as follows. These conventions have been purposely kept neutral of any particular modeling notations. The BRG selected conventions that are largely self-explanatory and visually intuitive.

* **Box**: A box of any size represents a core concept. The name in the box is the preferred term (name) given to that concept. Refer to the Concepts Catalog for the precise meaning of each term.
* **Box-Within-A-Box**: This indicates categorization — in other words, a box within a box indicates that one concept is a category of the other concept. Another way to think about this is that the inner box represents a specific kind, type, class, or variation of the outside box.

This graphic representation of categories does *not* imply any constraints; specifically it does

not imply that:

* The list of categories is mutual exclusive.
* The list of categories is exhaustive.
* Any category is mandatory.

When any of these constraints do apply, that fact is always documented explicitly in the

Concepts Catalog.

**Connection-Between-Boxes**: A line connecting any two boxes (or the same box twice) indicates a logical connection — that is, a fact type — between core concepts.

Crucial to any line is its labels. These labels are written carefully as verbs or verb phrases (in both directions) so that the logical connections of the Model can be read as simple English sentences. These sentences convey the exact meaning of the connections in the context of the Model; however, more explanation is given in the Concepts Catalog, along with the definitions for each of the terms involved.

This graphic representation of logical connections (fact types) does *not* imply any

constraints; specifically it does not imply that:

* The logical connection is mandatory for any concept involved.
* Any upper or lower limits apply to the logical connection.

When any such constraint does apply, that fact is always documented explicitly in the Concepts Catalog. In the absence of such documented constraint, the connection lines can be taken to represent simple unconstrained fact types (i.e., ‘many-to-many’ and optional in both directions).

Two special conventions are worth noting.

1) When a fact type involves three or more concepts, a simple line cannot be used to represent the fact type. In this case, the fact type is shown as a concept box, named with a term for the fact type (shown suffixed with \*) and having unlabeled lines radiating from the box to the fact type’s participating concepts. One reading of the fact type is given in a Legend.

2) A shaded (orange) box represents a concept that is related to concepts of the Model but this concept, itself, is from a source external to the Model.

**Appendix D**

**Overview of EU-Rent**

*This Appendix provides an overview of the fictitious car rental company used for examples throughout the specification.*

EU-Rent is a car rental company that operates in several countries in Western Europe and North America. In each of its countries of operation, EU-Rent has an operating company that defines a number of local areas in which it locates rental branches and service depots.

EU-Rent rents cars to customers, and offers standard models from major manufacturers. Car models are categorized into groups ranging from ‘economy’ to ‘luxury’, with a different tariff for each group.

Rental branches do not own specific cars. Each local area owns a pool of cars that are available to the rental branches in the area. Each branch has an allocation (capacity, not actual cars) from the pool, which it uses to meet demand for rental bookings. If it exhausts its allocation it can request additional capacity, which is provided from a reserve pool on a ‘first come, first served’ basis.

Tariffs are set nationally. The operational rental business is managed mainly at the local area and branch level, with fairly strong national guidance on car purchase and disposal — what models can be purchased, how long to keep them, etc. — and global guidance on customer service and the EU-Rent brand.

EU-Rent accepts both rental bookings in advance and walk-in rentals. Advance bookings are accepted by phone, Internet or in person in branches. A EU-Rent branch can accept a booking for pick-up at any EU-Rent branch world-wide.

EU-Rent is a medium-sized company catering to the general car rental market. It has two major concerns:

* It is facing increasing competition from companies offering lower rates, especially in vacation and resort areas.
* It sees opportunities for expansion as Eastern European countries enter the European Community, and business and trade increase.
* In response, EU-Rent has decided to:
* Position itself in the market as a ‘premium’ brand, alongside the bigger players such as Hertz and Avis.
* Expand into Eastern Europe, focusing on major business centers.
* Target business renters, in two ways: » As individuals, offering convenient locations, high-quality service (value for money rather than lowest possible price), and an attractive loyalty rewards scheme for frequent renters

» As companies, offering corporate agreements in which discounted rental tariffs are offered in return for ‘captive business’

EU-Rent represents itself as environment-friendly and uses electric and LPG cars where suitable models are available.

**Appendix E**

**The Business Motivation Model in the Context of the Zachman Architecture Framework**

John Zachman has provided a useful context for discussing the architecture of an enterprise. His ‘Framework for Enterprise Architecture’ is a matrix that describes the various ways the stakeholders of an enterprise view the business and its systems.34

The Framework characterizes *architecture* in terms of the perspectives of the different stakeholders (represented by rows in the matrix) and focuses on the different aspects (or ‘abstractions’) of architecture (represented by the columns). The rows represent, successively, the *Planner*, *Owner*, *Designer*, *Builder*, and *Subcontractor* perspectives. The columns reflect the abstractions dealing with the aspects of *Data*, *Process*, *Location*, *Role*, *Timing*, and *Motivation* (What, How, Where, Who, When, and Why).

The Business Motivation Model addresses the business *Owner’s* perspective (i.e., *Row Two*) of the sixth aspect (i.e., the *Motivation* or ‘Why’ column).35 Indeed, the name of the Model directly reflects this focus on *motivation.*

Also noteworthy is that the positioning of the Model in *Row Two* mean(s) that all references to Business rule(s) in the Model describe or prescribe elements involved in the structure and operation of the business — not its information systems or its technology.

**E.1 Relationship to Other Aspects of the Business Model**

As acknowledged at the beginning of this document and again just above, motivation is just one aspect of a complete business model. So, while every effort was made to limit the scope of the Model to this single abstraction, selective reference to elements of other abstractions were sometimes necessary — specifically, to concepts of the ‘Who’ and ‘How’ columns.36

***The ‘Who’ Connections***

It is difficult to avoid references to ‘Who’ in discussions of ‘Why.’ Generally, it is not adequate to say, “the motivation is that the company wants it that way.” This leads to the perpetuation of

34 John A. Zachman, “A Framework for Information Systems Architecture,” *IBM Systems Journal*, Vol. 26, No. 3 (1987).

35 The BRG’s 1995 paper addressed the first and sixth aspects (that is, the *data* and *motivation* columns) from the *Designer’s* perspective (that is, *Row Three*).

36 Three concept areas discussed in this Appendix — Organization Unit, Business Process, and Asset/Liability — are designated as ‘placeholder’ in the OMG BMM Specification. In this respect, they have roles in the structure of the Business Motivation Model but actually belong in other standards, where they are defined and associated with related concepts needed for detailed business modeling. The relevant family of OMG standards for these concepts is the OMG’s *Organization Structure Metamodel* (OSM) for Organization Unit and its *Business Process Definition Metamodel* (BPDM) for Business Process. Asset/Liability, discussed in BMM “8.5.3 Asset and Liability,” is not yet referenced to any particular OMG specification. See BMM “8.5 Placeholders” for the complete discussion of the harmonization of these standards.

unnecessary rules — unnecessary either because the business requirement for them has passed, or because they were not Business rule(s) in the first place (e.g., they were imposed as workarounds in systems that did not fully support business needs).

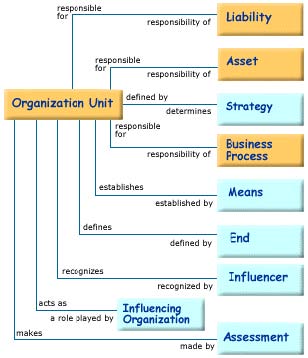
Being able to pin down the motivation more precisely is essential. After all, if a responsible party cannot be found for a rule, it should probably be challenged. The Model therefore supports identifying those parties who play key roles with respect to *motivation*.

This capability is reflected in the Model by linking elements of the business plans to specific parts of the organization (i.e., its Organization unit(s)). This has been done where the connection is important for developing, analyzing, challenging, and maintaining the business plans.

These logical connections (i.e., fact types) include the following:

* Organization Unit *is responsible for* Asset(s)
* Organization Unit *is responsible for* Liability(ies)
* Organization Unit *defines* End(s)
* Organization Unit *establishes* Mean(s)
* Organization Unit *acts as* Influencing Organization
* Organization Unit *recognizes* Influencer(s)
* Organization Unit *makes* Assessment(s)
* Organization Unit *is defined by* Strategy(ies)
* Organization Unit *is responsible for* Business Processes

Figure E-1. Organization Unit Connections

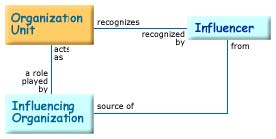


**Influencing Organization**

It is useful to be able to connect an Influencer to one or more Influencing organization(s); for example:

* To connect Regulation Influencer(s) to their originating Regulators
* To reference some specific competitor companies from a Competitor Influencer
* To reference a Technology influencer to organizations involved in its development or delivery

Figure E-2. Influencer and Influencing Organization



An Influencing Organization is an organization that is external to the enterprise modeled in a given enterprise Business Motivation Model, and that influences that enterprise.

An Influencing Organization *is the source of* Influencer(s). An Influencer may have multiple sources, or none.

BMM also supports Organization Category for categorization of Influencing organization(s), but does not provide a default set of categories. Enterprises can define whatever Organization Categories they need. Organization Categories may themselves be categorized in broader categories; a narrower category may be included in more than one broader category.

An Organization Unit from the same organization as the enterprise modeled in a given Business Motivation Model can act as an Influencing Organization for some Influencer(s). An Organization Unit playing this role would normally be outside the boundary of the enterprise modeled in the given Model.

For example, a Directive on working conditions from the Human Resource(s) Department may have to be treated as Regulation by an operating department, such as Production. The Human Resource(s) Department, from the perspective of the Production Department, would be acting like an external regulator. Similarly, there might be internal sources for other kinds of Influencer, such as Customer, Competitor, Technology.

***The ‘How’ Connections***

To expand on the ‘being-doing’ relationships between End(s) and Mean(s), the ‘How’ column of the Framework needs to be considered. ‘How’ is specified as Business Processes.

It is widely recognized that Business Processes and Business rule(s) are closely related. It is important to be clear on the differences.

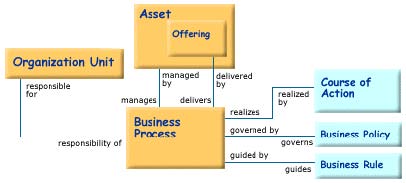
Business Processes *realize Course of action(s)* — they provide detail of activities, plus sequencing, control, and synchronization that enable the enterprise to undertake its *Course of action(s)*. Business rule(s) *guide* Business Processes — they provide the basis for decisions that need to be made within Business Processes.

Business Processes, *Course of action(s)*, and Business rule(s) are all developed to help the enterprise reach its Goal(s). They need to be coherent and consistent. This is feasible if they are governed by a coherent and consistent set of Business Policies.

Business Processes are *governed by* Business Policies, which:

* Provide guidance (both directly and via *Course of action(s)*) on what Business Processes have to do.
* Set limits on how Business Processes may undertake what they have to do.

Figure E-3. Business Process Connections



‘Business Process’ in the Model is a ‘placeholder’ for a concept adopted from the OMG’s Business Process Modeling and Notation (BPMN) specification.

Each Business Process is the *responsibility of* some Organization Unit (the process owner). There are other facts connecting Business Process and Organization Unit; for example, assignment of activities in Business Processes to roles in the organization is the basis of workflow. However, these connections are again outside the scope of the Model, and are appropriately addressed by some other standard(s).

***The ‘Asset/Liability’ Connections***

When *Course of action(s)* are being defined, ‘things’ that are used in operating the enterprise often have to be considered. They are represented in the Model as Asset(s), of two kinds:

* Fixed Asset(s): things that are kept long-term, maintained, reused, and, perhaps, eventually replaced. They can be tangible, such as equipment and buildings, or intangible, such as patents and licenses.
* Resource(s): things that are consumed and replenished, such as raw materials, parts, finished goods, and cash.

Two things should be borne in mind. Firstly, the term ‘Asset’ has an accounting flavor, but it is not used in that sense in the Model. Most users of the Business Motivation Model will probably have an operational perspective. They will want to refer to the real things in the business — the actual equipment, buildings, and stocks of materials — and that is what ‘Asset’ mean(s) in the Model. The accounting perspective would be the monetary values, rather than the things themselves. Also, a Business Motivation Model can include Asset(s) that might not be explicitly valued financially, such as skills of people in the enterprise.

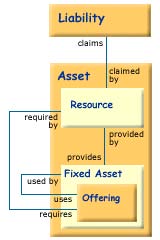
Secondly, Asset, Resource, and Fixed Asset are placeholders — references to things defined in detail elsewhere in the enterprise, outside its Business Motivation Model. Only those that are relevant to governance decisions need be included. There is no requirement for a coherent, complete structure of Asset(s) within a Business Motivation Model; that will be maintained in the system(s) referenced by the Model placeholders.

One type of Asset that is often explicitly referenced is the enterprise’s products and services, called ‘Offering’ in the Model. An Offering is a specification of a product or service — an intangible Fixed Asset. Instances of it, such as quantities of finished goods, would be a Resource.

As well as Asset(s), enterprises also need to consider Liability(ies) — again, not in an accounting sense. A Liability in the Model is a reservation of Resource(s) to meet commitments, such as materials needed to fulfill a contract or cash to pay taxes.

These Asset and Liability concepts are illustrated in Figure E-4.

Figure E-4. Asset and Liability



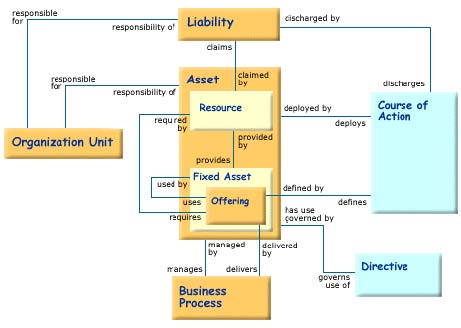
Some Fixed Asset(s) *provide* Resource(s) in the form of capacity over time; for example: production equipment, storage buildings, skills possessed by people. The Resource(s) they provide are either consumed or are dissipated as time passes without their being used.

Offering(s) — specifications of products and services — may *use* intangible Fixed Asset(s), such as designs, licenses, patents, and brands. An Offering *requires* Resource(s) — materials, equipment capacity, people’s time — for production of things that meet the specification.

A Liability *claims* Resource(s); it reserves resource(s) needed to meet commitments — which mean(s) that the resource(s) cannot be used for other purposes.

Figure E-5 illustrates the connection of Asset and Liability to the rest of the Model.

Figure E-5. Asset and Liability Connections



*Course of action(s)* may:

* *deploy* Asset(s) — determine how Asset(s) will be assigned and used in realizing the *Course of action(s)*.
* *define* Offering(s) — the products and services that can be supplied by the enterprise.
* *discharge* Liability(ies) — ensure that commitments are met.

A Directive may *govern use of* Asset(s), regardless of which *Course of action(s)* *deploy* them.

Other placeholders may be associated with Asset(s) and Liability(ies). Business Processes may:

* *deliver* Offering(s).
* *manage* Asset(s).

An Organization Unit may *be responsible for* Asset(s) and/or Liability(ies).

**E.2 Additional Aspects of the Business Model**

The other abstractions of the Framework at Row 2 are significant in a complete business model. For example,

* The ‘Where’ aspect — a **Logistics Model** identifying where the business will operate and how those locations are linked together. Such a model might also prescribe application of Business rule(s) in different places (including differences that need to be accommodated in globalization of the enterprise).
* The ‘When’ aspect — an **Event Model** describing the events in the business cycle and how those events cause changes or activities in the enterprise.

In addition, all six abstractions of the Framework have potential interdependencies. For example, workflow to accomplish the same End(s) may be different for different categories of location.

**Appendix F**

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