Business Processes Modelling

MPB (6 cfu, 295AA)

Roberto Bruni
http://www.di.unipi.it/~bruni

05 - Methodology
Objective

Coarse-grained methodology for developing business process management solutions

Guidelines for process designers to plan and conduct business process management projects

Ch.1.3, 8 of Business Process Management: Concepts, Languages, Architectures
Levels of business processes

Focus on overall operations of the company

Determine the **operational goals**, such as focus on customers, cost efficiency, leadership in innovation or quality or price

Focus on **individual business processes**
Levels of business processes

Focus on overall operations of the company

Determine the **operational goals**, such as focus on customers, cost efficiency, leadership in innovation or quality or price

Focus on **individual business processes**
Levels of business processes

long-term company strategies
to develop sustainable success in the market
Business strategies

Competitive Advantage
A competitive advantage is one gained over competitors by offering consumers better value.

You increase value by lowering prices or increasing benefits and services to justify the higher price.
Business strategies

Cost Leadership Strategy
To compete for the largest number of customers through price.

Cost leadership pays off when the goods or services are standardized: generic acceptable goods sold at the lowest prices.

Minimize costs to the company and minimize costs to the customer without decreasing profits.
Business strategies

Differentiation Strategy
Provide a product or service with distinctive qualities valued by customers.

Attract customers because products are set apart from the competition.

Leading scientific research needed: highly skilled and creative product development team; a strong sales and marketing team.
Business strategies

Focus Strategy
Concentrate on a particular customer, product line, geographical area, to serve a limited group of customers better than any competitor who serve a broader range of customers.

A focus strategy works well for small but aggressive businesses.
Levels of business processes

long-term company strategies to develop sustainable success in the market

define operational goals that contribute to the realization of the business strategy
Operational goals

Management implements the business strategy by defining operational goals.

Profitability:
to increase revenue while limiting expenses

Customer Service:
to improve response time to customer complaints

Efficiency:
to implement a new shipping procedure that improves delivery time
Levels of business processes

Informal & semiformal techniques: plain text + diagrams + forms-based

- Business Strategy
  - long-term company strategies to develop sustainable success in the market
  - determine, realize

- Operational Goals
  - define operational goals that contribute to the realization of the business strategy
  - determine, realize

- Organizational Business Processes
  - high-level **processes in textual form**: input, output, expected results, dependencies
  - determine, realize
Organizational process

Top-level: Form-based description of organizational business process
(black-box view, internal structure not shown)

<table>
<thead>
<tr>
<th>Process Name:</th>
<th>Product Development Process</th>
<th>Responsible Process Manager: Dr. Myers</th>
</tr>
</thead>
<tbody>
<tr>
<td>From:</td>
<td>Requirements</td>
<td>To: Rollout</td>
</tr>
<tr>
<td>Process Results:</td>
<td>Integrated and completely tested innovative product with complete documentation</td>
<td>Customer Processes: Order Management Process, After-Sales Service Process</td>
</tr>
</tbody>
</table>
Intra-organizational process

No interaction with business processes performed by other parties (single organization processes)

Primary focus:
streamlining of internal processes,
eliminating activities that do not provide values,
allocating activities to persons who are competent and skilled enough

Orchestration!
Inter-organizational process

Business-to-business process (multiple organizations)

Primary focus:
communication aspects,
legal matters,
interoperability of heterogeneous software infrastructures

Choreographies!
Levels of business processes

long-term company strategies to develop sustainable success in the market

define operational goals that contribute to the realization of the business strategy

high-level processes in textual form: input, output, expected results, dependencies

activities and relationships are specified, but implementation aspects are disregarded
Repetitive vs collaborative

Highly repetitive processes, fully automated, no human involvement: process automation can pay off (e.g. online airline ticketing)

On the opposite, for rarely enacted processes it is questionable if the effort of modeling can pay off (e.g. vessel design: cost per instance too high)

Collaborative business processes, low degree of repetition, involved persons are at the centre of attention: allow to track relationships (human activities, no cost for automation)
Levels of business processes

Informal & semiformal techniques: plain text + diagrams + forms-based

Business Strategy
- determine
- realize

Operational Goals
- determine
- realize

Organizational Business Processes
- determine
- realize

BPM level

Operational Business Processes
- determine
- realize

Implemented Business Processes
- determine
- realize

Architecture & Sw level

long-term company strategies to develop sustainable success in the market

define operational goals that contribute to the realization of the business strategy

high-level processes in textual form: input, output, expected results, dependencies

activities and relationships are specified, but implementation aspects are disregarded

executable/technical/organizational environments (from written policies and procedures to enactment platforms)
Select the platform on which the business process will be enacted and possibly enhance the process model with additional information to make it executable.

It can be a technological platform but also a non-technical one (e.g., written business policies, manual procedures, service-oriented architecture).
Operational business processes design: Guidelines
Guideline #1

Recursively:

**Collect** observations

**Classify** information

**Validate** findings with stakeholders

**Refine** artefacts
Guideline #2

Gather information (in textual format) about the business process environment, including project goals, project team and legislative regulations.

Prepare a domain ontology to fix a common understanding of terms and concepts in the application domain.
**Guideline #3**

**Represent** the (textual) gathered information as business process model(s)

Exploit the model as a **communication basis** to consolidate findings and improve the organizational/technical environments (e.g., acquire new skills, move to service-orientation)
Rules for identifying business processes

1 - who is the customer?
Each business process starts and ends with a customer who requests a product and who receives the product as a result of the business process

(remind that a customer can be internal to the organization, e.g. a department)
Rules for identifying business processes

2 - who is the owner?

Each business process is assigned a process owner, who is responsible for the process

(individual in charge of making sure that process instances are conducted correctly and that business goals are met)
Rules for identifying business processes

3 - which tasks?
Each business process comprises a set of activities needed to realize the business goals.
Rules for identifying business processes

4 - which roles?
Each task needs some specific abilities to be carried out
Rules for identifying business processes

5 - which dependencies?
Execution constraints are used to order activities in the business process in a way that enterprise resources are used efficiently and at the same time the business goals are met

(process orchestration language are used to express process execution constraints)
From business functions to business processes (and their implementation)
Step 1: Functional decomposition
Business functions: activities

- Enterprise E
  - Operations
    - OrderManagement
      - GetOrder
      - CheckOrder
      - AnalyzeOrder
      - SimpleCheck
      - AdvCheck
  - Marketing and Sales
Step 2: Structuring business processes

Textual process descriptions are ok for coarse-grained functions

Operational business processes are ok for fine-grained functions
Start event / End event
Step 3: Related business processes

Value chain with related, high level functions

The end event of one process can trigger the start event of another process
Step 4: Activity implementation

Activities are functions at the finest granularity

They are the building blocks of operational business processes
(but sometimes activity implementation can be provided by knowledge worker)
From value system...
Business-to-business value system

Buyer → Reseller

Payment Org → Manufacturer
Business-to-business processes