

# Business Process Management

# Agenda

- End-to-end business process definition
- Function centric versus Process centric enterprise
- Process Management (BPM) Lifecycle

# What Is Business Processes



## – Business Process :

- Is end-to-end work which delivers value to customers.
- End-to-end involves all the work crossing any functional boundaries, necessary to completely deliver customer value

## End-to-End



Customer with need

Register Order

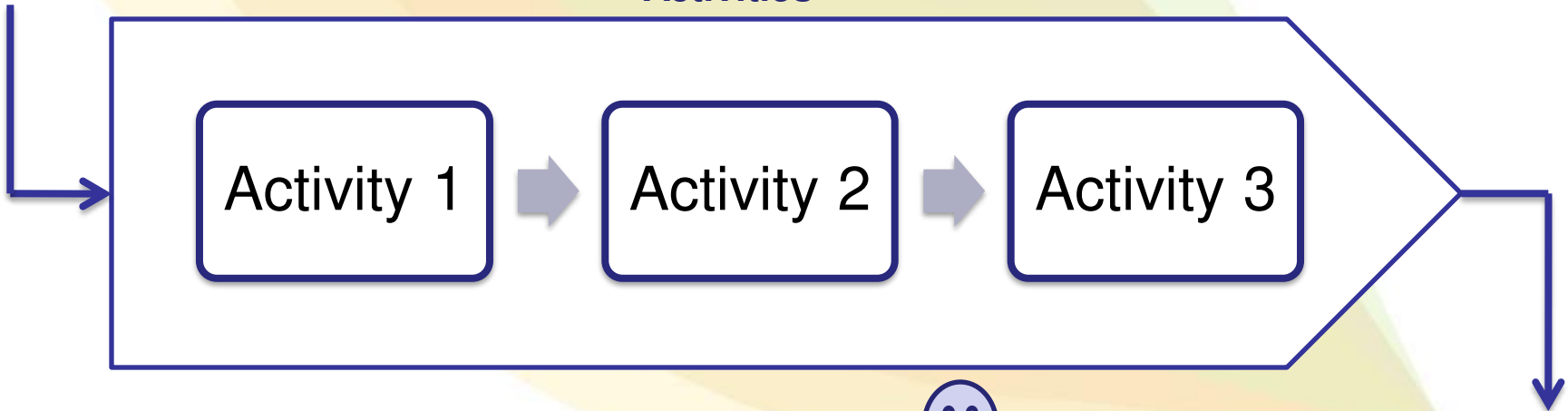
Dispatch Order

Ship good

Customer received value

Input

## Activities

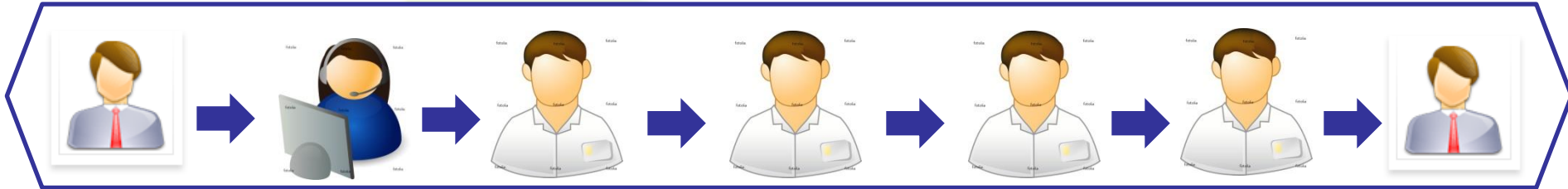


Output (**Value**) for particular customer or market

- End-to-end work Is a set of structured (*Specific ordering of work activities across time and place, with beginning and end, and clearly identified input and output*), measured and coordinated activities, designed to have a specific output and to accomplish particular business result.
- This business result should add and bring value for particular customer or market

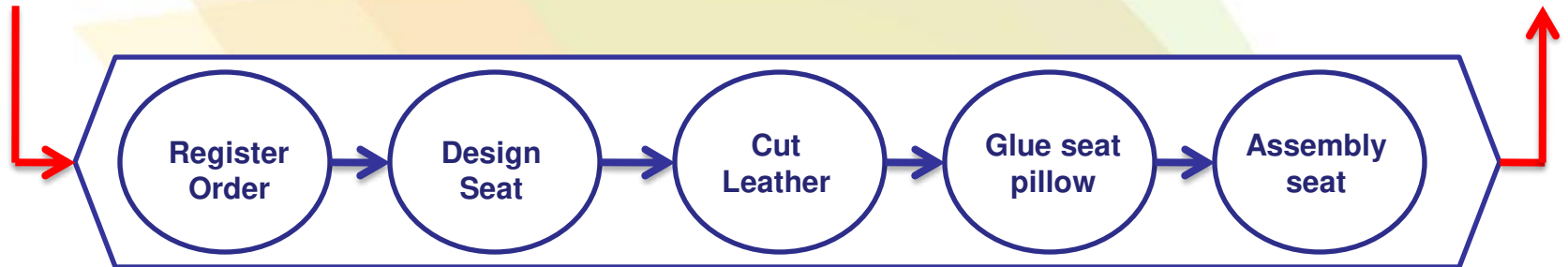
- Business process gives strong emphasizes on How work is done (the work flow)
- For example :
  - A company that produces car seats requires an efficient production process. Such a process can be automated, starting with the cutting of leather, continuing with the gluing of seat pillows, assembly of the seat carrying construction, and so on.

## End-to-End



Customer  
needs car  
seats

Customer  
received  
car seats



End-to-End activities to provide customer with car seats



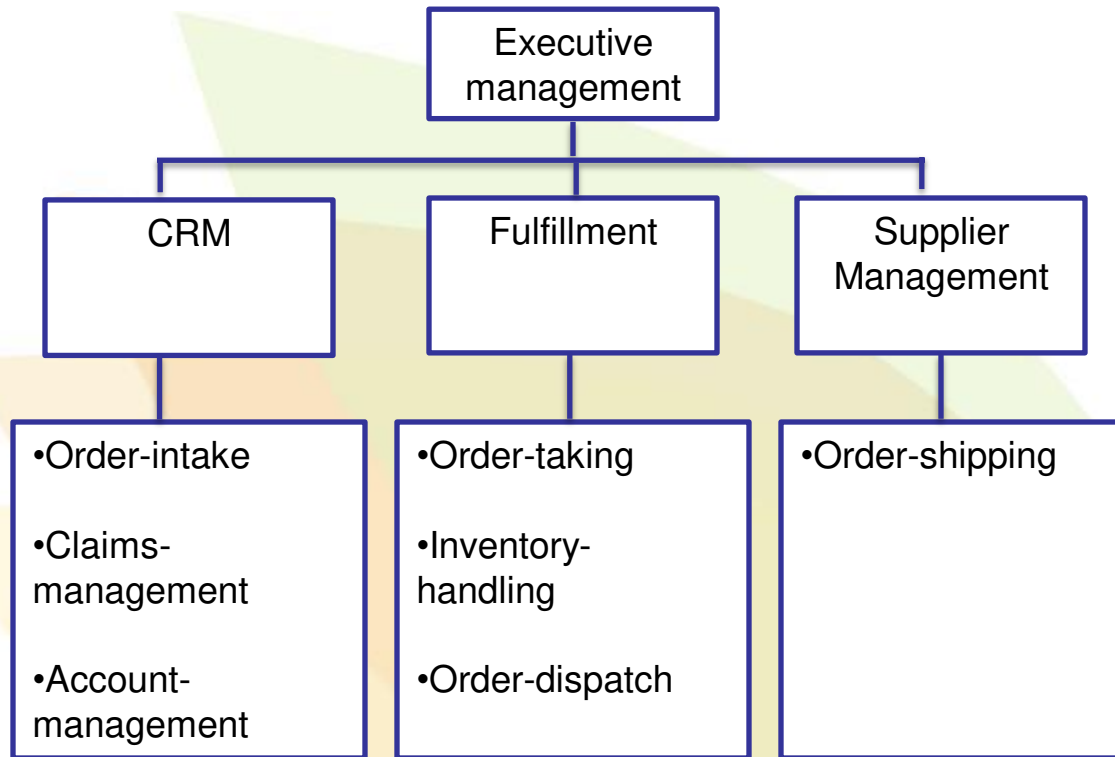
# Functions Versus Processes

## 1- Function centric enterprise

- Most companies have been structured around functional disciplines.
- Business Functions are defined by a group of activities related by a particular skill or goal, i.e. sales, finance, manufacturing , etc...
- The focus on the individual tasks.
- The work is continuous and ongoing.

- This structure involves hierarchal delegation of responsibility, from one level of management to the next, with final accountability to the organization's shareholders.
- This delegation is expressed as downward managerial focus on command and control of individual workers with responsibility for a specific set of tasks.

- The job of the first-line workers is to complete their individual tasks.
- First-line managers' jobs is to make sure that tasks were performed properly.
- The job of second-line managers is to make sure that the first-line managers performed their tasks properly.
- And so on up the hierarchy



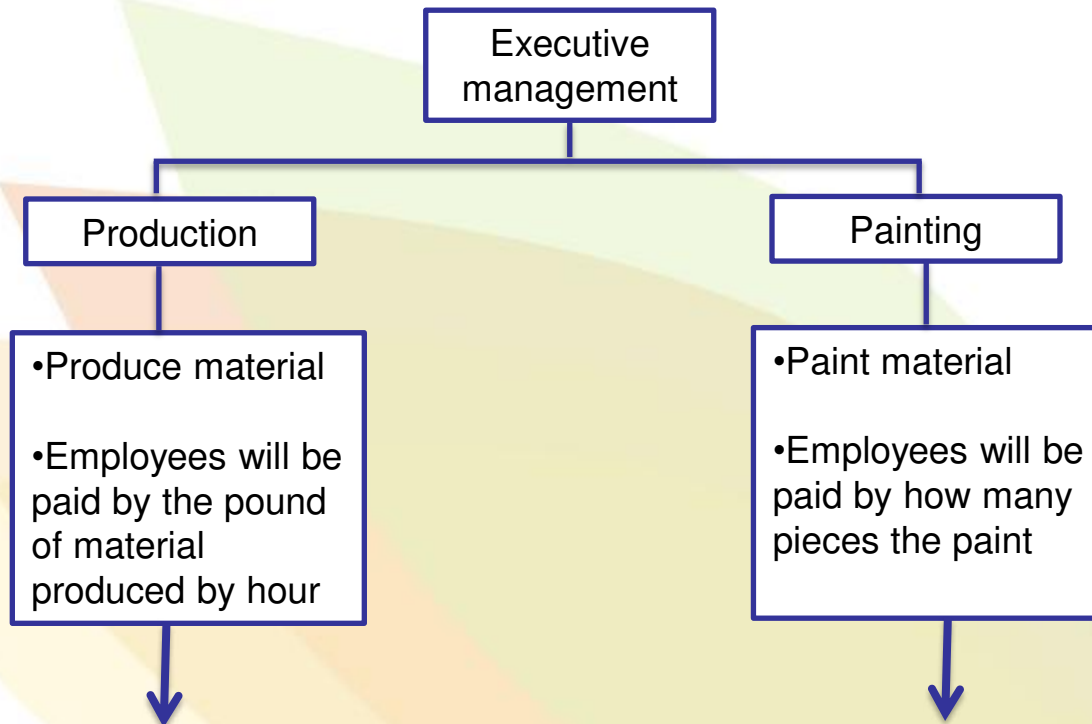
Performance is functionally oriented. Customer relationship department focuses on tasks associated with taking order and account management in the same department.

- **Negative effects:**

- Internal cooperation and communication between department is extremely difficult.
- Reward for employees will be based on how they perform with regard to their own specific area “task”.
- Customer satisfaction is hard to be measured.

- Process cycle-time will be longer and hard to be controlled.

# Aluminum Manufacturer

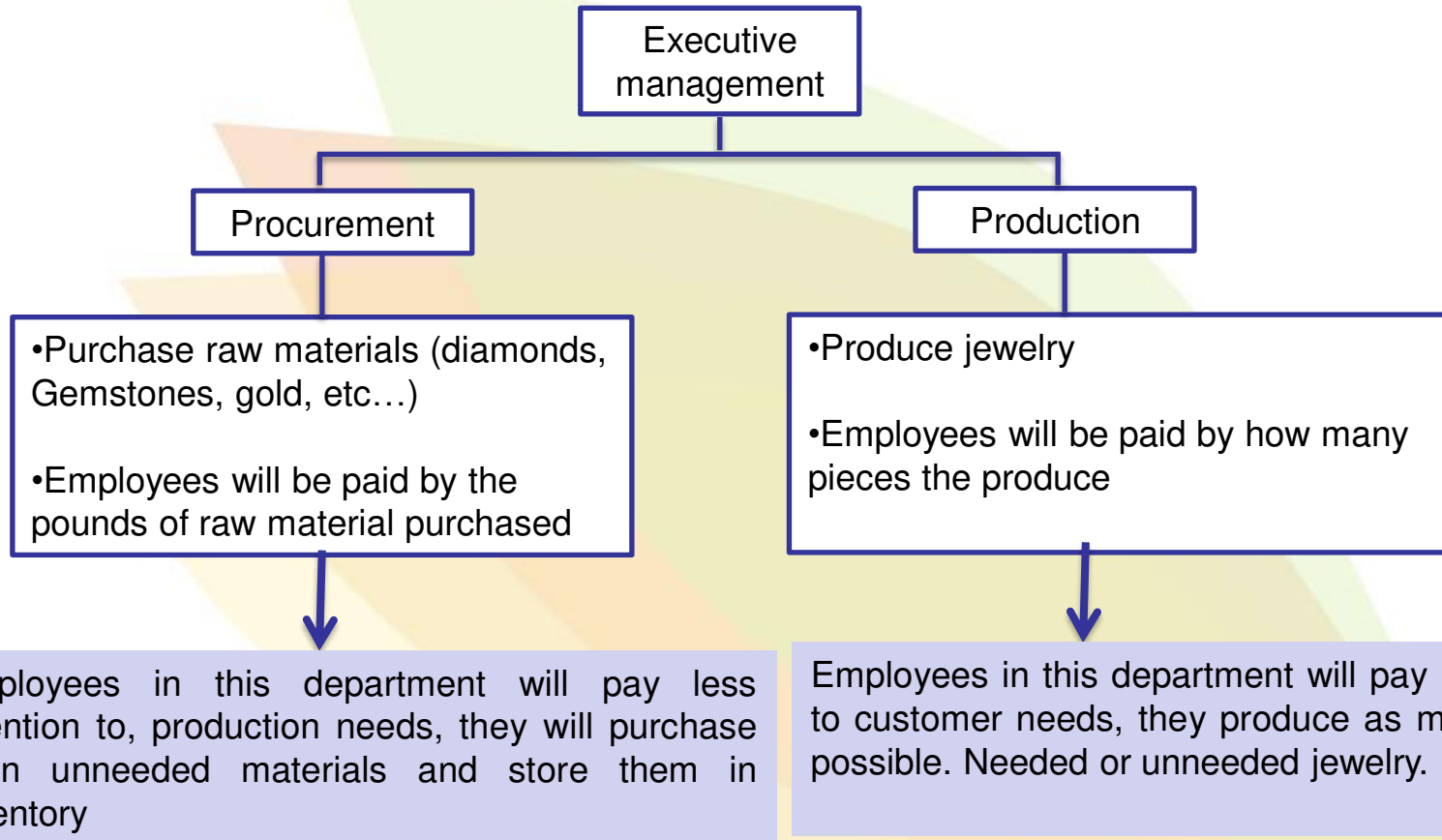


Employees in this department will pay less attention to customer needs, job due dates, or special requests, they will produce even unneeded materials and store them in inventory

Employees in this department will pay attention to paint as many items as possible. Needed or unneeded items

As a result cost will be increased, customer satisfaction is not major priority. The environment of 1970' it was possible to risk customer satisfaction and even to add cost on to customer. For sure this is not a choice for a global competition environment

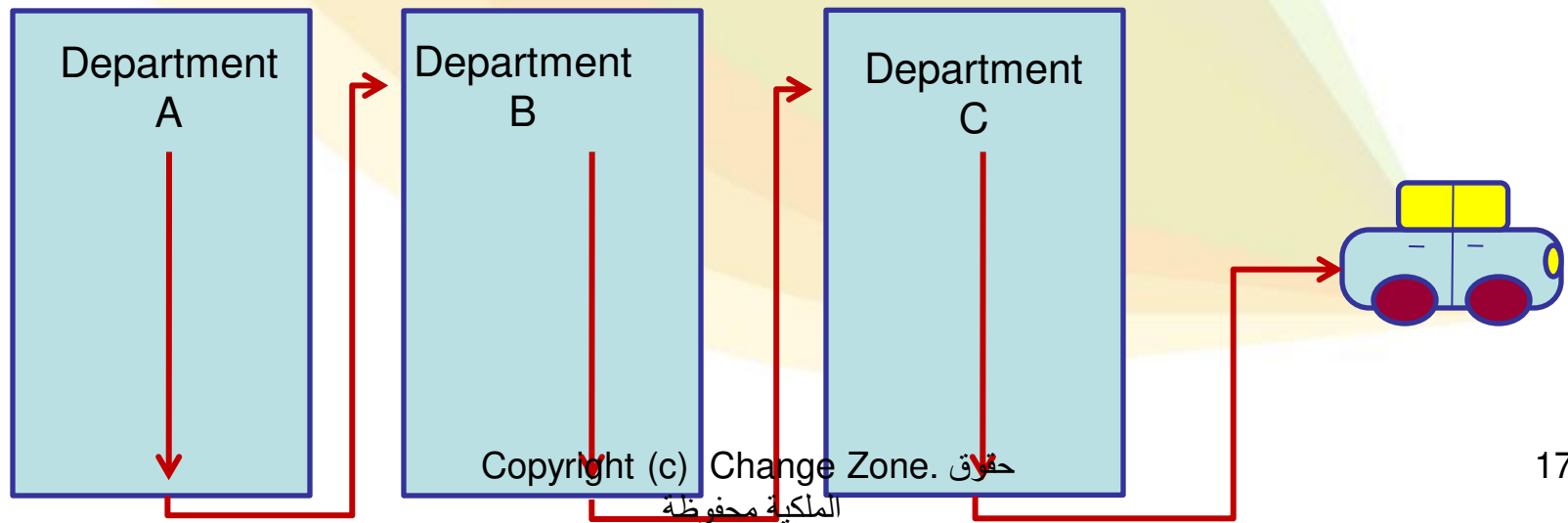
# Jewelry Manufacturing



As a result cost will be increased, customer satisfaction is not major priority, stock of unneeded manufactured jewelries and raw material will increased. The company will face a Liquidity problem, and lose many opportunities in the market



- Example :
- At 1970 When Chrysler wanted to develop new model for a car, the process cycle time : from idea-to-showroom-floor was measured by 5 years .



## 2- Process centric enterprise

- ABPMP association of business process management professionals defines the process centric enterprise as :
  - An institution that is structured, organized, managed, and measured around its primary business processes.
  - Process organizations focuses on end to end work
  - Tasks and activates across all functional boundaries to deliver value

- Some of these tasks are associated with customer engagement through request through fulfillment.
- It includes horizontal accountability to the customer for delivery value across all functions
- Process focus involves process design, documentation, measurement, and improvement. **Rather than command.**

## Business process owner

- Business process owner are assigned for each end-to-end process.
- A process owner is an individual or group of individuals with an ongoing responsibility and accountability for the successful design, development, execution, and performance of a complete end-to-end process across functional department.  
(manage horizontally)

## BPM Centers of excellence

- Department managers will act as a project managers at the BPM office or center. reporting status on various process improvement projects across the enterprise to business owners.
- Centers of excellence are organized around a particular skill or profession: sales, marketing, finance, IT, etc...

- BMP center of excellence agreement includes:
  - Setting standards
  - Providing different tools, methods, training and education on BPM
  - Allocating resources to BP
  - Reporting and process performance metrics to the respective process owners and executive management.

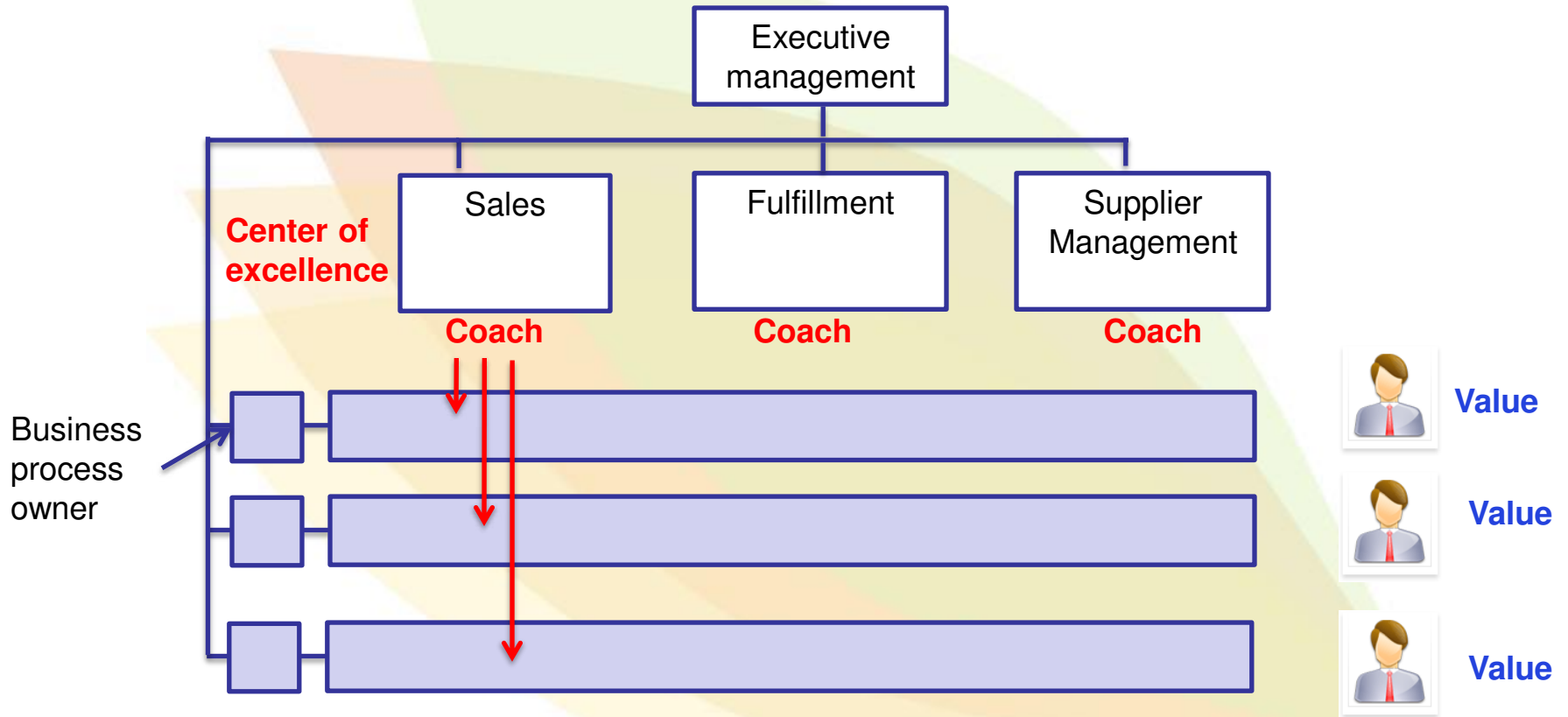
- **Coaches** may be assigned to business processes from the centers of excellence with a responsibility for supporting and developing members. Centers offer training and education programs as well as professional networking for sharing experience.

## Team based performance:

- End-to-end process team reward to the performance of the process, to the results of the workgroup, and to their individual performance within that group.
- These measures relates closely to customer satisfaction and the process results such as cycle time, service levels, quality, and value delivered.
- Individual is accountable to the outcome of a process and finally the customer.



- Business hierarchy is :

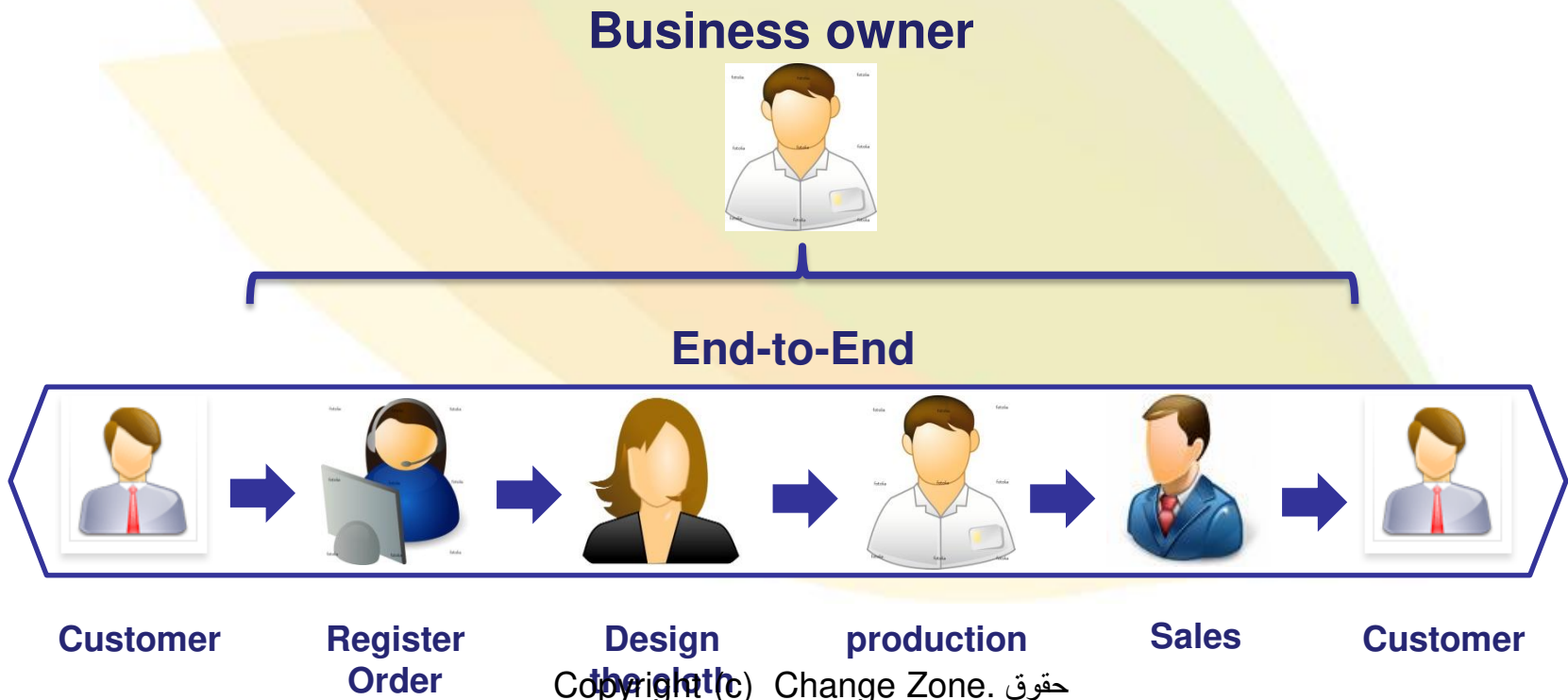


From hierarchy ..... To..... Process Working

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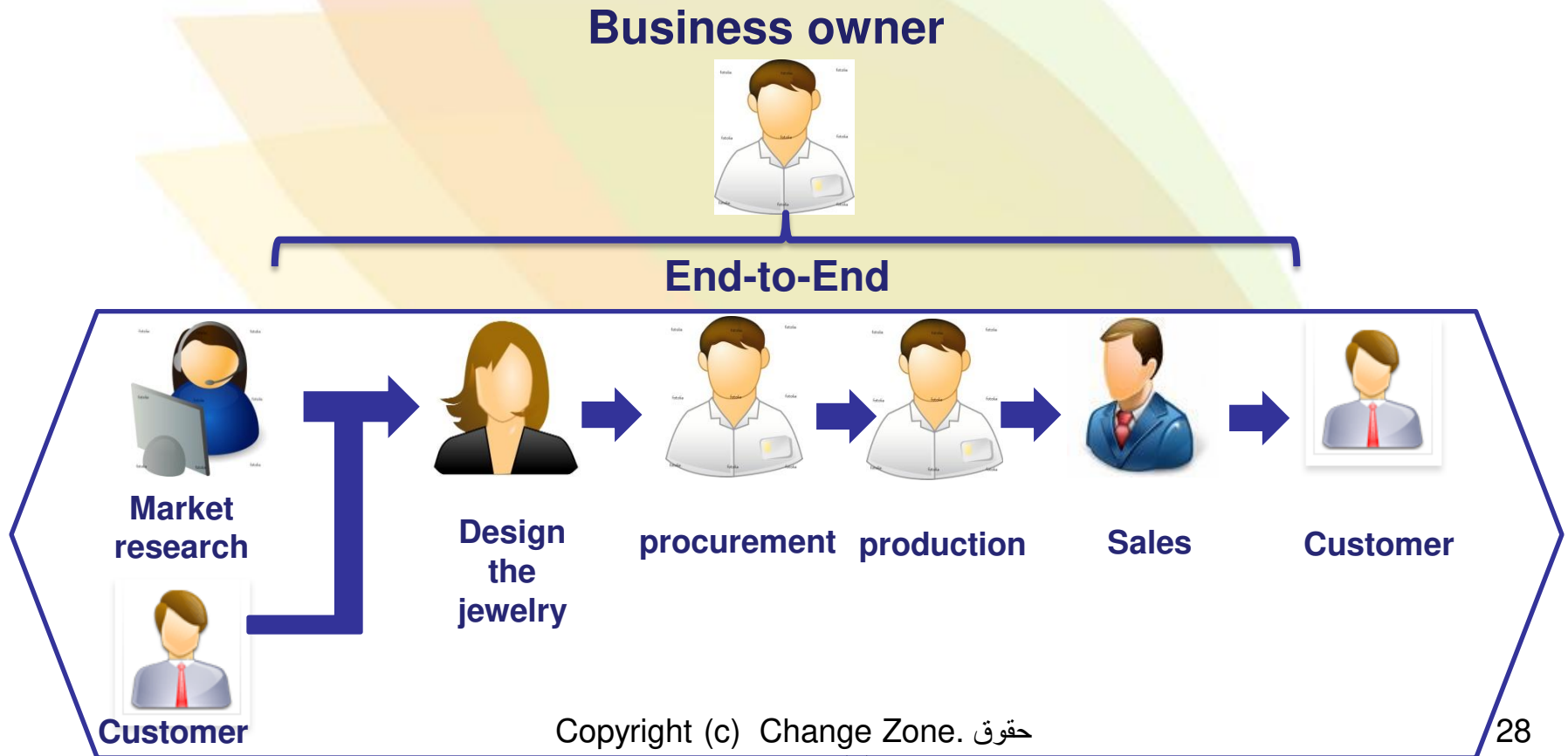
الملكية محفوظة

- Example :
- A clothing company's core processes are design, production, and sale of clothes.



- The faster the turnaround between design and production, the more flexibility the company has to react to customers' wishes, and the better it can adapt to new opportunities.
- The better the connection between production and sales, the better the company can adjust its production to actual demand in the market.

- **Example :**
- A jeweler company's core processes are design, production, and sale of jewelry.



- Company will produced Jewelry that match customer needs.
- Procurement will purchase items according to production line. (decrease stock )
- As consequences: wasted stock will decrease, customer satisfaction will increase and the liquidity will improve.