Process Identification

Enterprise and Business Process Modelling

Barbara Re

What does process identification involve?

1. Identifying an organisation's business processes
   1. Within an organization
   2. Within the scope of a particular project
2. Prioritising the management of processes based on certain criteria
   1. Asses the project

Motivations

- Why do we perform process identification?
    - Understand the organization (Transparency)
    - Maximise the value of BPM project (Budget considerations)
- Why do we perform process prioritisation
    - Dynamics of time
    - Process Change over time
        - Identification shoould be exploraroty and iterative
        - Improvement opportunities are time contrained

How to approach?

- **Step 1: Designation → Process Architecture**
  - **Enumerate the main process (catalog of business process)**
  - **Determine process scope**

- **Step 2: Prioritisation → Prioritised process portfolio**
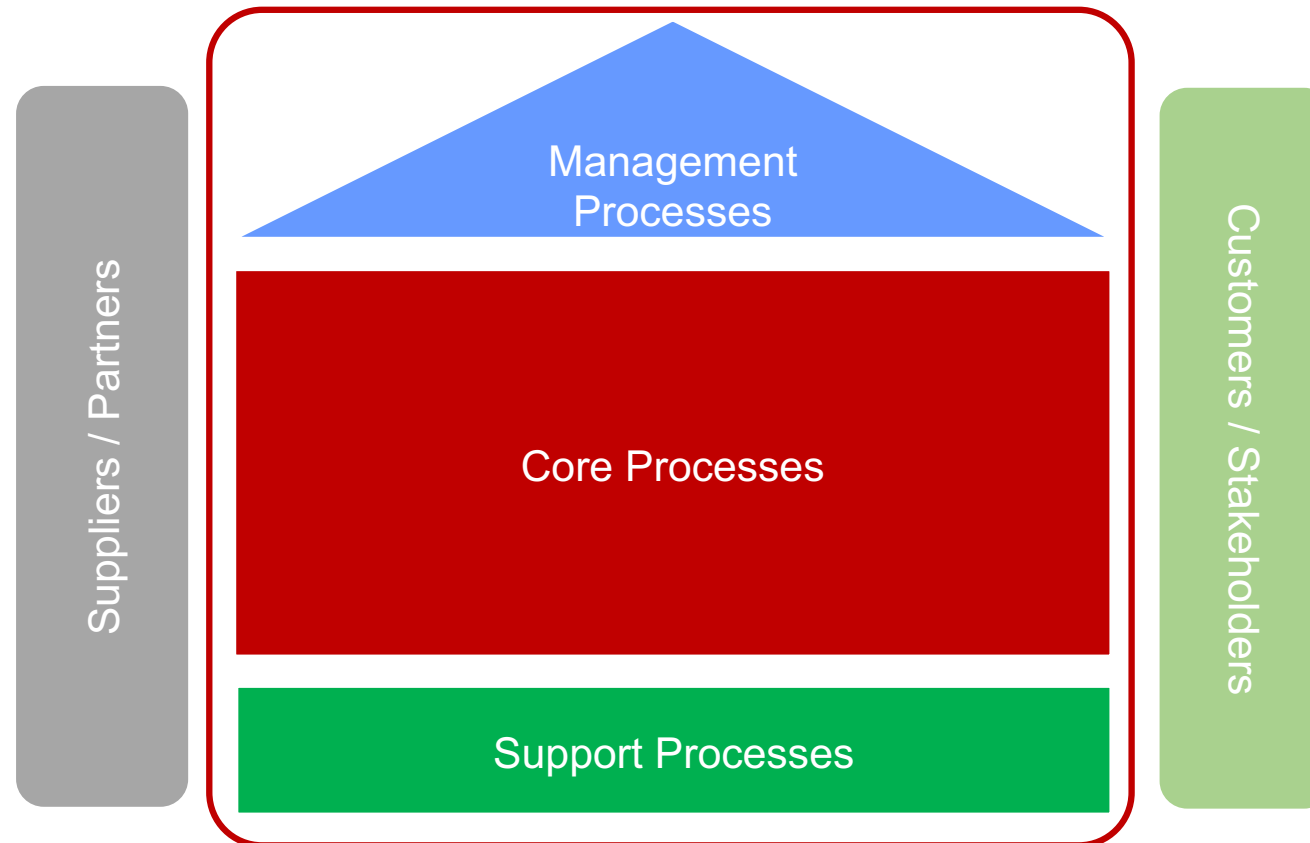 - **Importance**
  - **Health**
  - **Feasibility**

Process Enumeration

"Most businesses have just three core processes:

1. Sell stuff

2. Deliver stuff

3. Making sure you have stuff to sell and deliver"

Geary Rummler

Porter: Types of processes

After Michael Porter (1985)

Example: core, support and management processes
Wholesaler

Core processes
- Sales (lead-to-quote, quote-to-order, order-to-cash)
- Purchase-to-Pay (direct procurement, e.g. supplies replenishment)
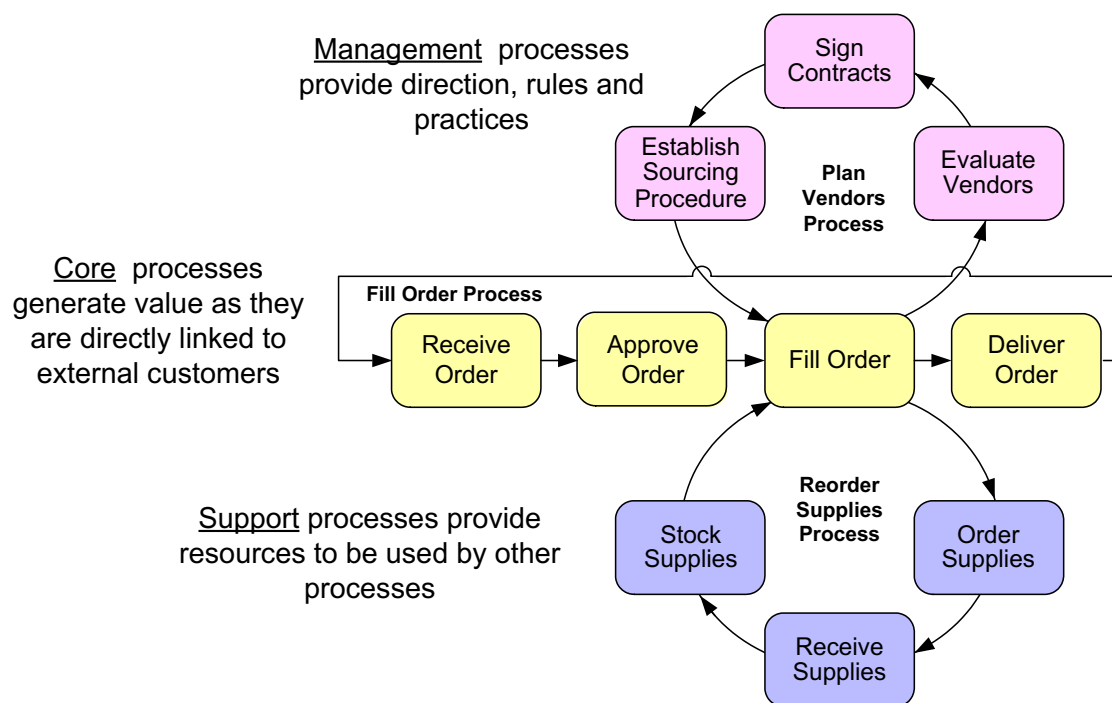- ...

Support processes
- Purchase-to-pay (indirect procurement, e.g. parts replenishment, operational resources replenishment...)
- HR (policies update, recruitment, induction, probation...)
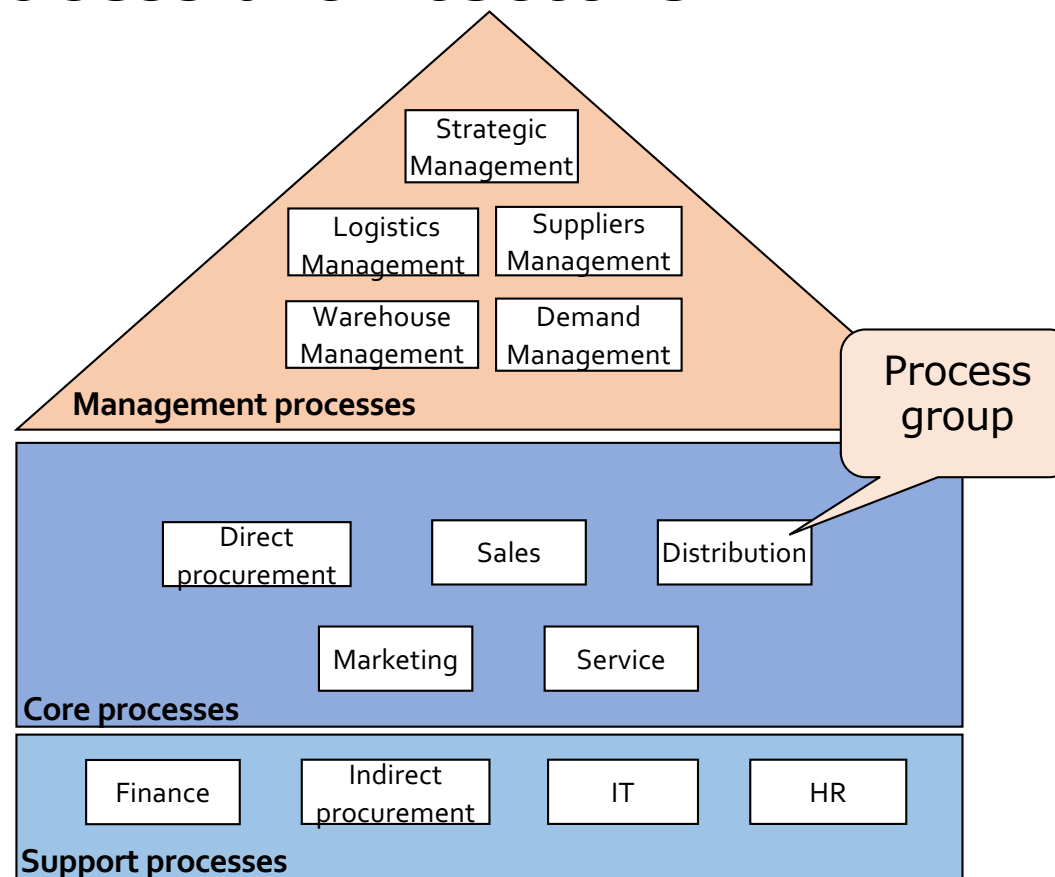- ...

Management processes
- Suppliers management (suppliers planning, suppliers acquisition...)
- Logistics management (logistics planning, logistics controlling...)
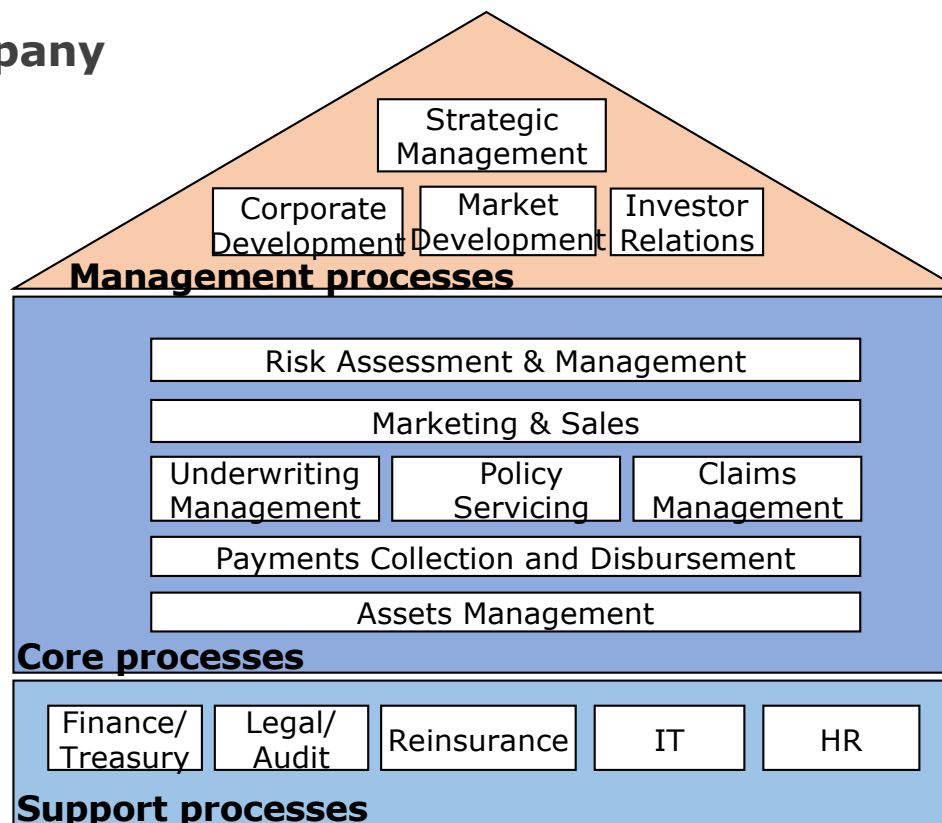- ...

Relations between core, support, mgt processes

Management processes provide direction, rules and practices

Core processes generate value as they are directly linked to external customers

Support processes provide resources to be used by other processes

Sign Contracts

Establish Sourcing Procedure

Plan Vendors Process

Evaluate Vendors

Fill Order Process

Receive Order

Approve Order

Fill Order

Deliver Order

Reorder Supplies Process

Stock Supplies

Order Supplies

Receive Supplies

Example: process architecture

Example: process architecture

Insurance company

Strategic Management

Corporate Development | Market Development | Investor Relations

Management processes

Risk Assessment & Management

Marketing & Sales

Underwriting Management | Policy Servicing | Claims Management

Payments Collection and Disbursement

Assets Management
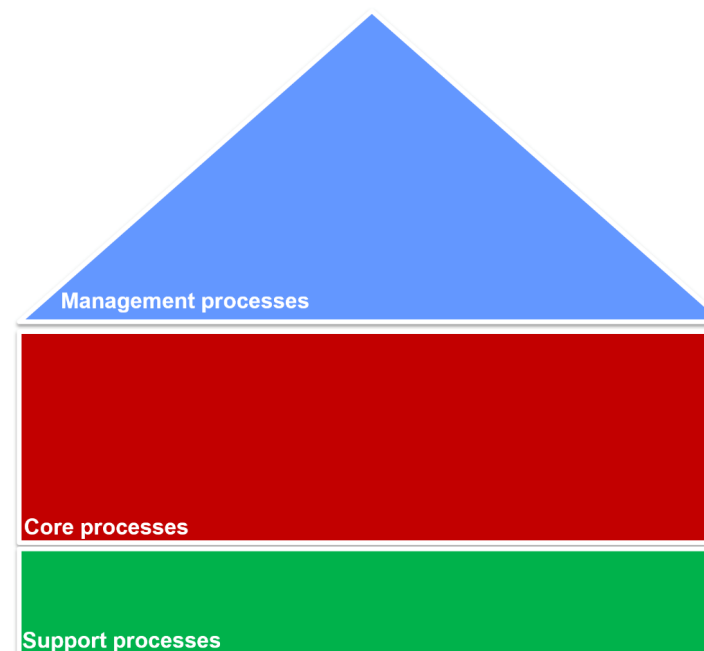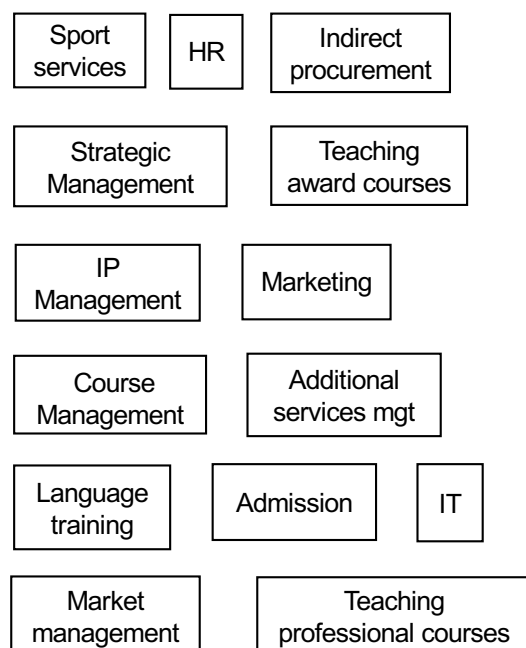
Core processes

Finance/ Treasury | Legal/ Audit | Reinsurance | IT | HR
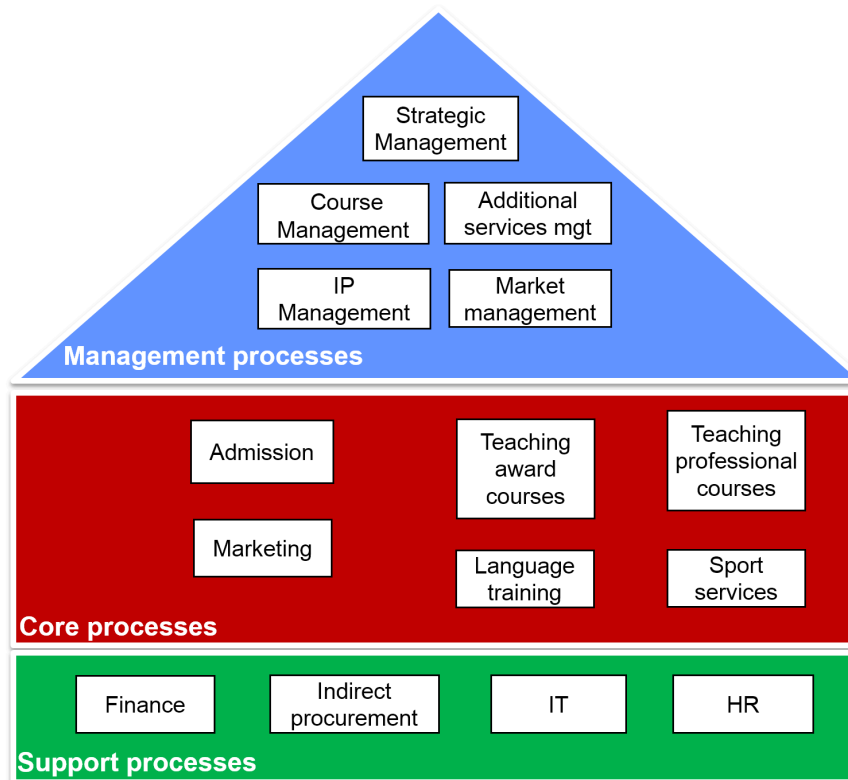
Support processes

Exercise: classify by process type

These groups of processes are typically performed at a university. Categorize each process group as core, support or management

Sport services

HR

Indirect procurement

Strategic Management

Teaching award courses

IP Management

Marketing

Course Management

Additional services mgt

Language training

Admission

IT

Market management

Teaching professional courses

Management processes

Core processes

Support processes

Solution: identify process types
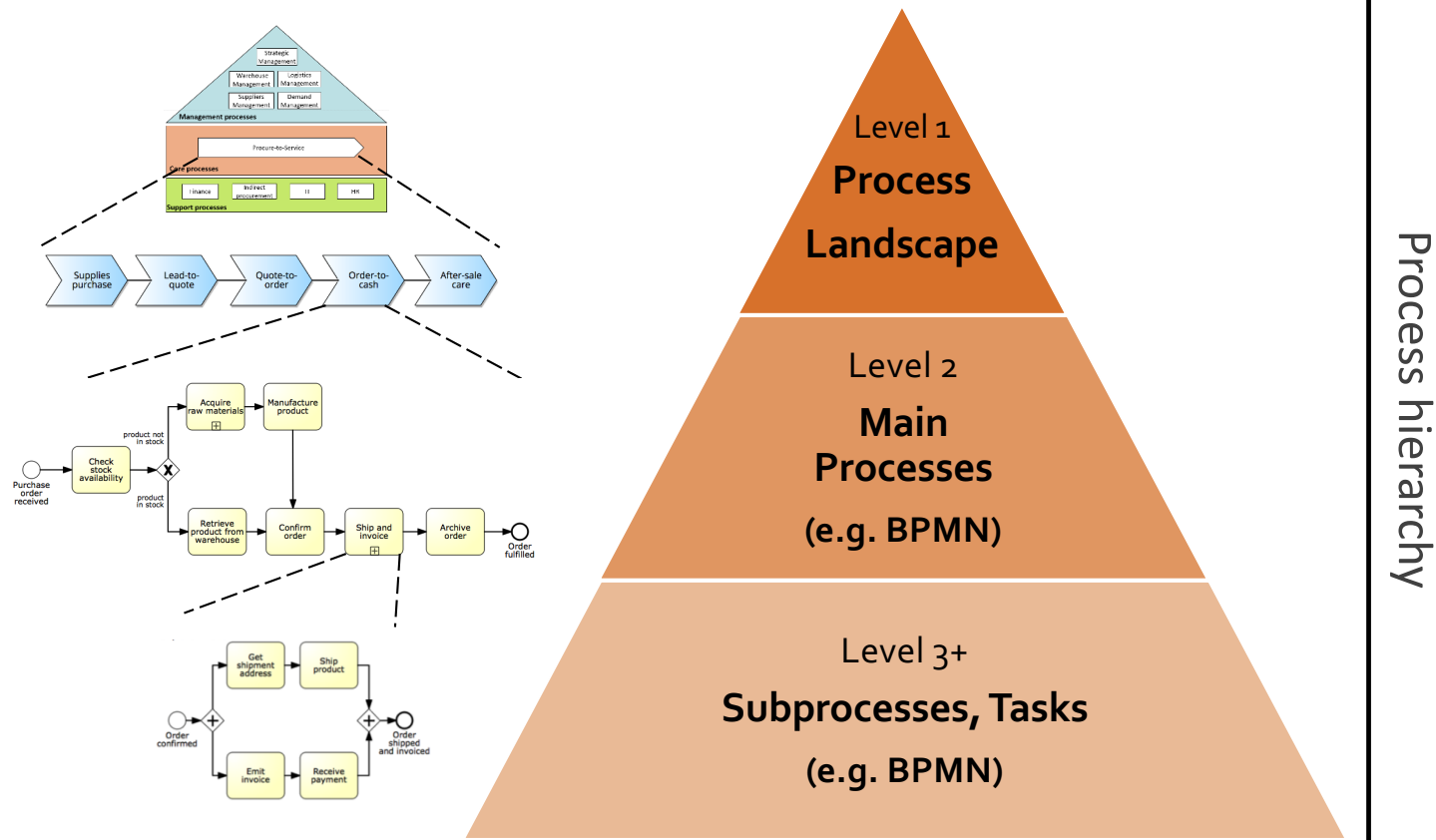
Process scoping

Processes are interdependent → insights into interrelations required

- <u>Specialization</u>: general – special product/service
- <u>Horizontal</u>: upstream – downstream processes and their value chains
- <u>Vertical</u>: main processes – sub-processes

Process architecture

Process architecture: hierarchical view

Prioritization (aka Process Selection)

1. **Importance**

   Which processes have greatest impact on the organization's strategic objectives?

2. **Health (or Dysfunction)**

   Which processes are in deepest trouble?

3. **Feasibility**

   Which processes are most susceptible to successful process management?

Prioritized process portfolio

Hammer, Champy (1993)

Example: prioritized process portfolio

Financial institution