

# Process Analysis

Strategisches Prozessmanagement

# Agenda

Business Process Reengineering

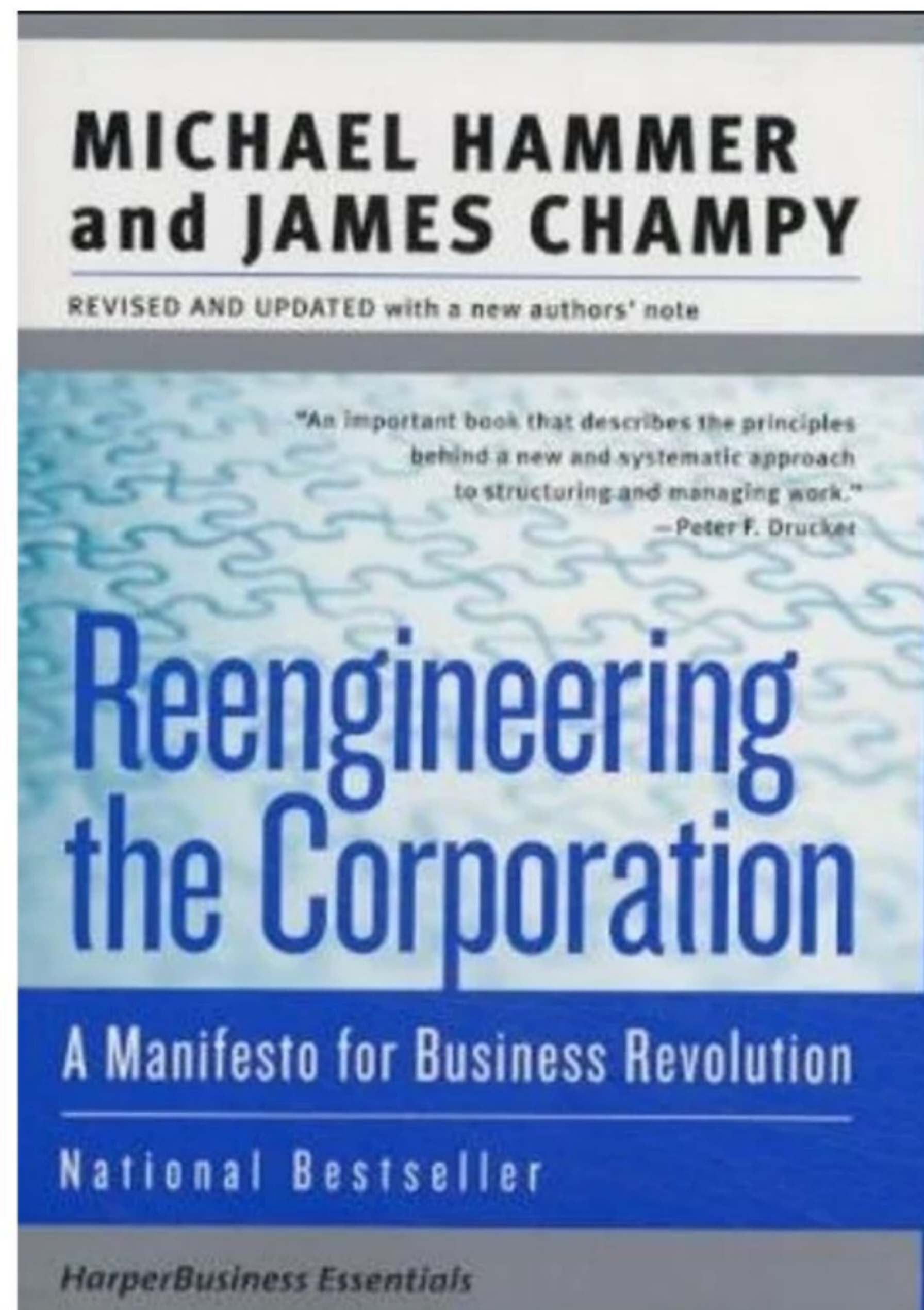
Heuristics for Business Process Analysis

Analysing Business Process Models

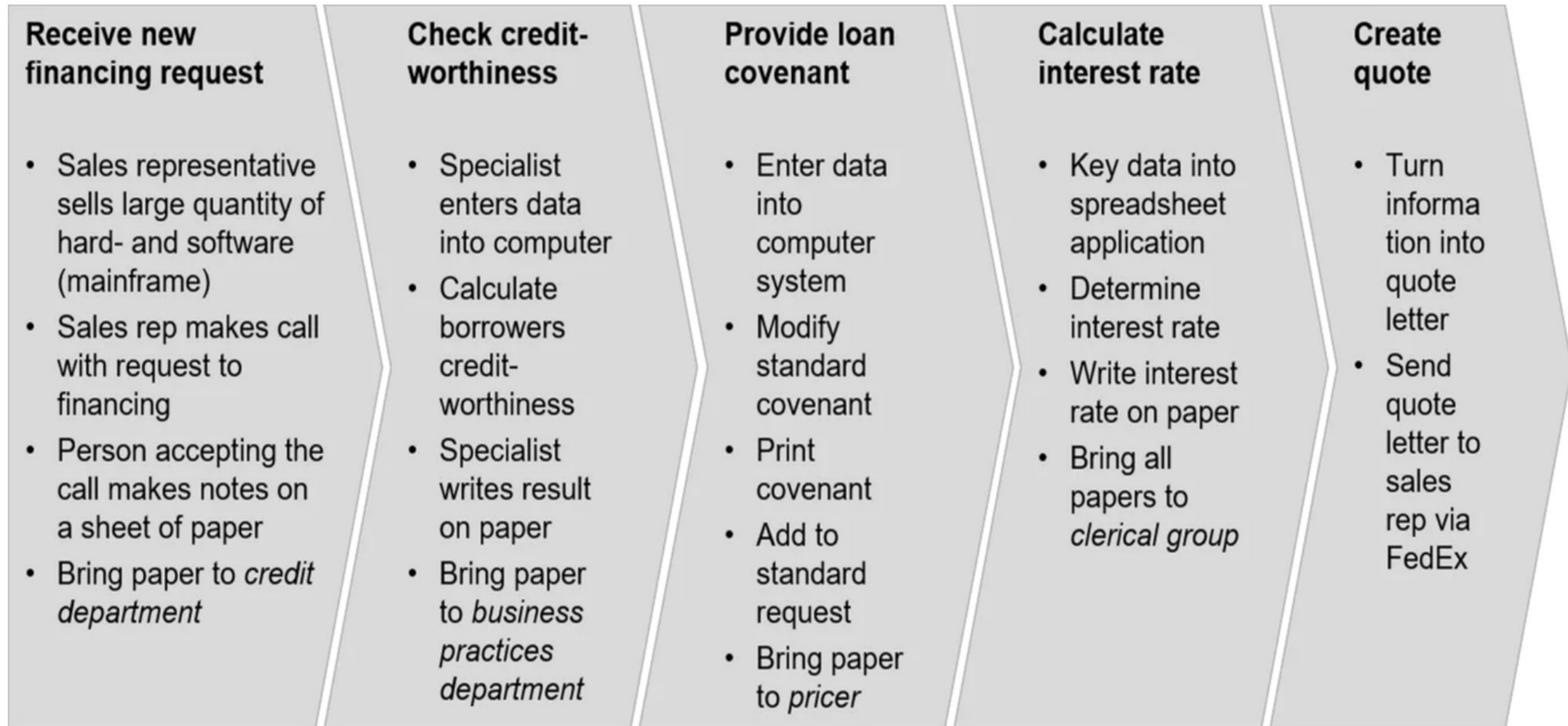
Quiz

Outlook

# Business Process Reengineering



# Example: IBM Credit



# What's wrong with the process?

unconnected systems

paperwork

zu viel papier- zu wenig digital

Manueller Aufwand ist hoch

Receive new financing request läuft noch über Papier ab. Das könnte man digitalisieren

Änderungen können nur schwer berücksichtigt werden

Zu viele beteiligte Personen/Abteilungen

Viel Fehlerpotential durch ständiges Ausdrucken und Eintippen von versch. Personen

Prozess ist sehr "getrennt" was Abteilungen/Mitarbeiter betrifft

kein Papier -Digitalisierung

# IBM Credit: Issues



## IBM Credit: Issues with existing process

- Average processing time: 6 days (losing customers)
- Maximum processing time: 14 days
- Distributed responsibility (“Where is my deal?”)
- Error prone (multiple data entry)
- Media clash (media discontinuity)

## First fix: adding control desk

- Recording completion of each step
- Adds additional processing time

**Time essentially working on request: 90 minutes!**

# How can we fix the process?

use a unified system (avoid media clash)

Der kunde kann bsp die Daten eingeben

Transportweg verbessern (an Moderene anpassen, bspw. E-Mail, Brieftauben, etc.)

Change Management

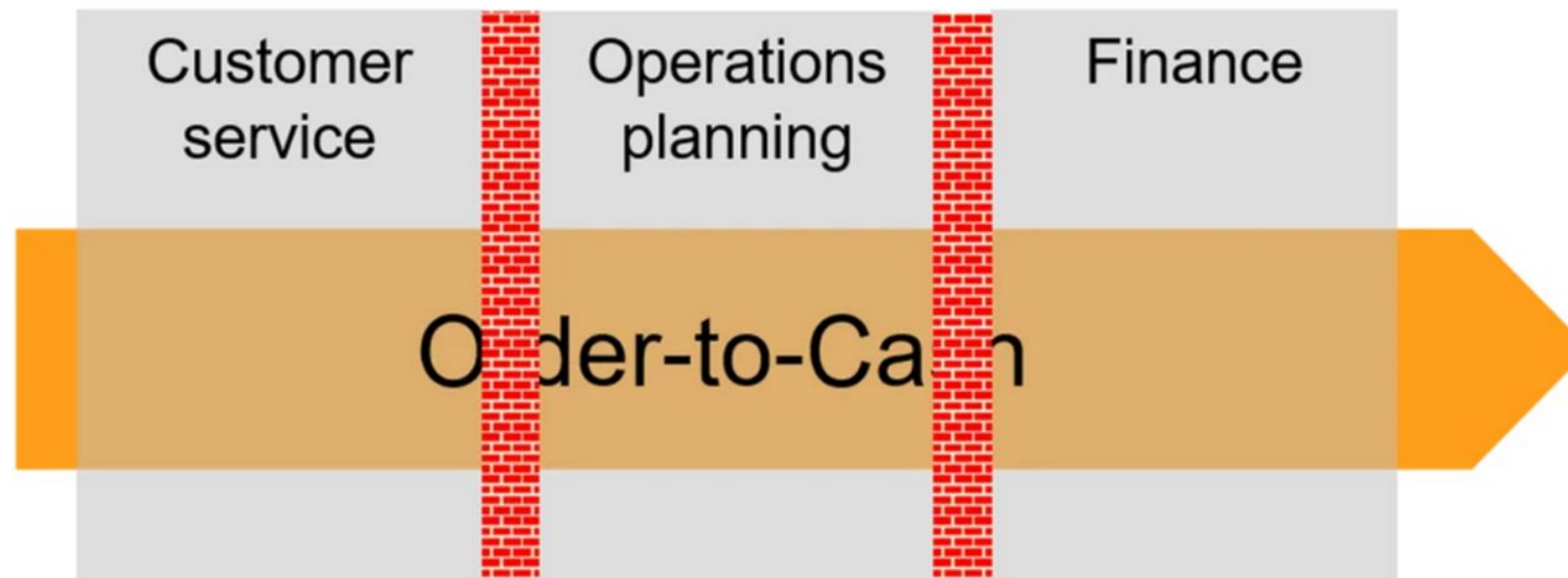
Eine Person erledigt nicht nur einen Teil, sondern den ganzen Prozess

Dateneinträge vereinfachen / reduzieren (Datenreduktion)

Kommunikation und Arbeit auf einem einheitlichen System durchführen, sodass Anfragen, Probleme, Fortschritte schneller bearbeitet werden können

# Focus on E2E Process

E2E processes foster a cross-functional view on business processes.



- Functional organisations tend to focus on their individual process
- Frictions between organisational units hamper process quality
- There is big optimisation potential by optimising the whole chain



**Business Process Reengineering (BPR)** aims at a holistic redesign of a business process. Its main characteristics are:

- Customer focus
- End-to-end view
- Revolutionary (big bang)
- May imply organizational change

# IBM Credit: Solution

Generalist  
processing  
single request

- Single responsibility (by case)
- Single point of contact (SPOC)
- Initial *disbelief*: each credit request is unique
- Supported by specialists

Integrated  
computer system

- Data entry as early as possible
- Less data entry
- No media clashes
- Standard calculations by system

New  
processing  
time **4h**

# Can we fix any process with BPR?

Nein, es gibt z.b. Prozesse welche vorgegeben sind (z.b. gesetzlich)

# BPR: Drawbacks

## Concept misuse

- BPR just a label for change
- Not applied to processes
- Operational improvement not always the focus
- Downsizing (reduction of workforce)

### Consequence

- Resentment by middle management and operational staff

## Over-radicalism

- „re-design has to be radical“
- „Don't automate, obliterate!“ (i.e. destroy utterly, wipe out)

### However

- Radical changes only realistic in some cases
- Many cases require iterative approach
- No silver bullet!

## Support immaturity

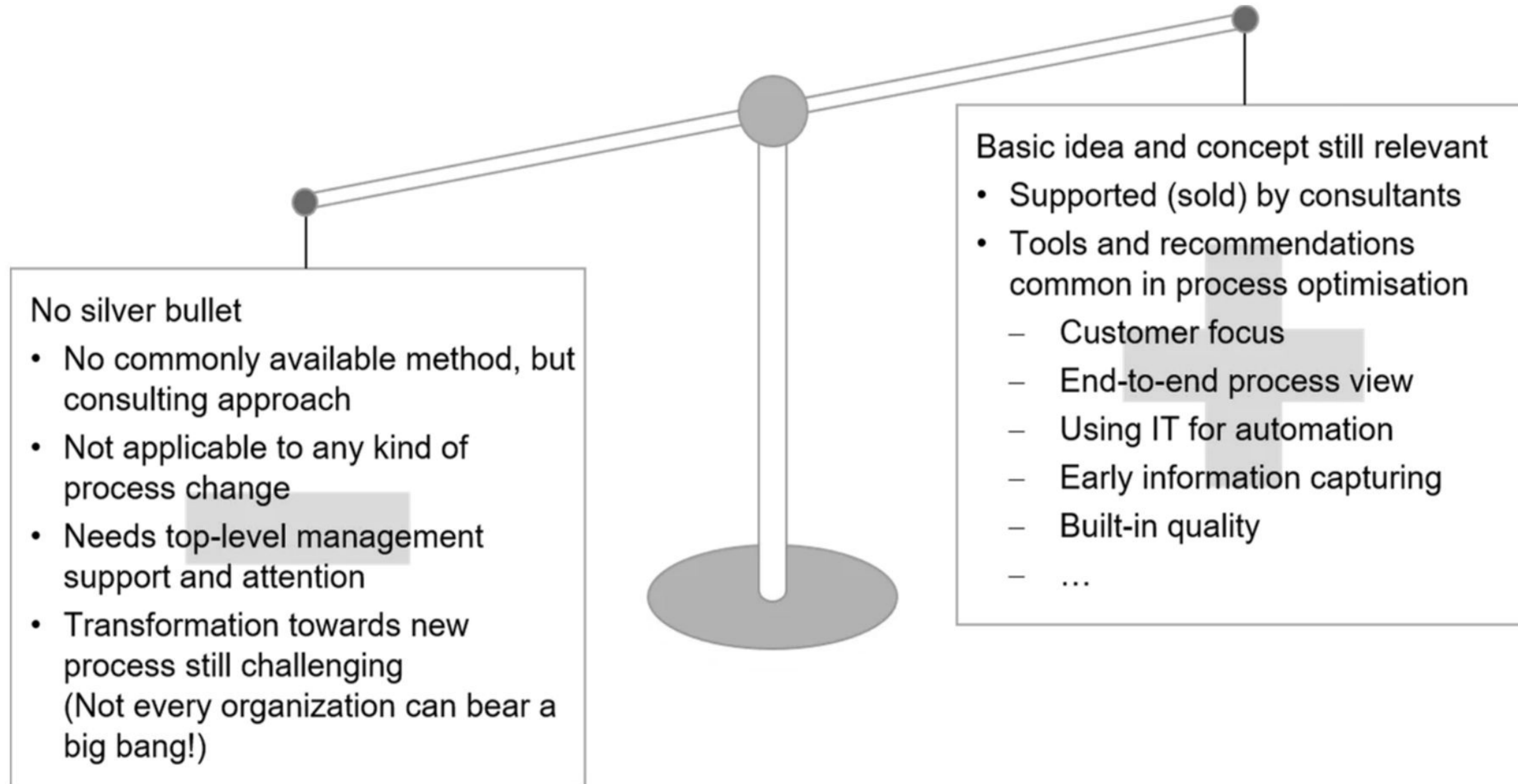
- Required tools or resources not available
- Existing resources not adequate
- Change effort unreasonable
- Example: Logic hard-coded in IT systems

### Consequence

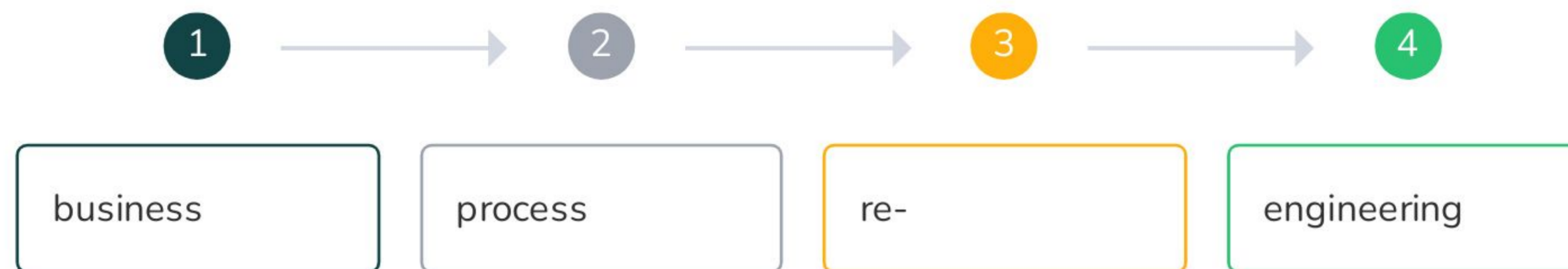
- Frustration due to lacking infrastructure

Source: Duma/La Rosa/Mendling/Reijers: „Fundamentals of Business Process Management.“ Springer 2013, p. 12

# Pluses and Deltas






# Put the word into the correct order.



✓ 13 👤 | ✗ 1 👤

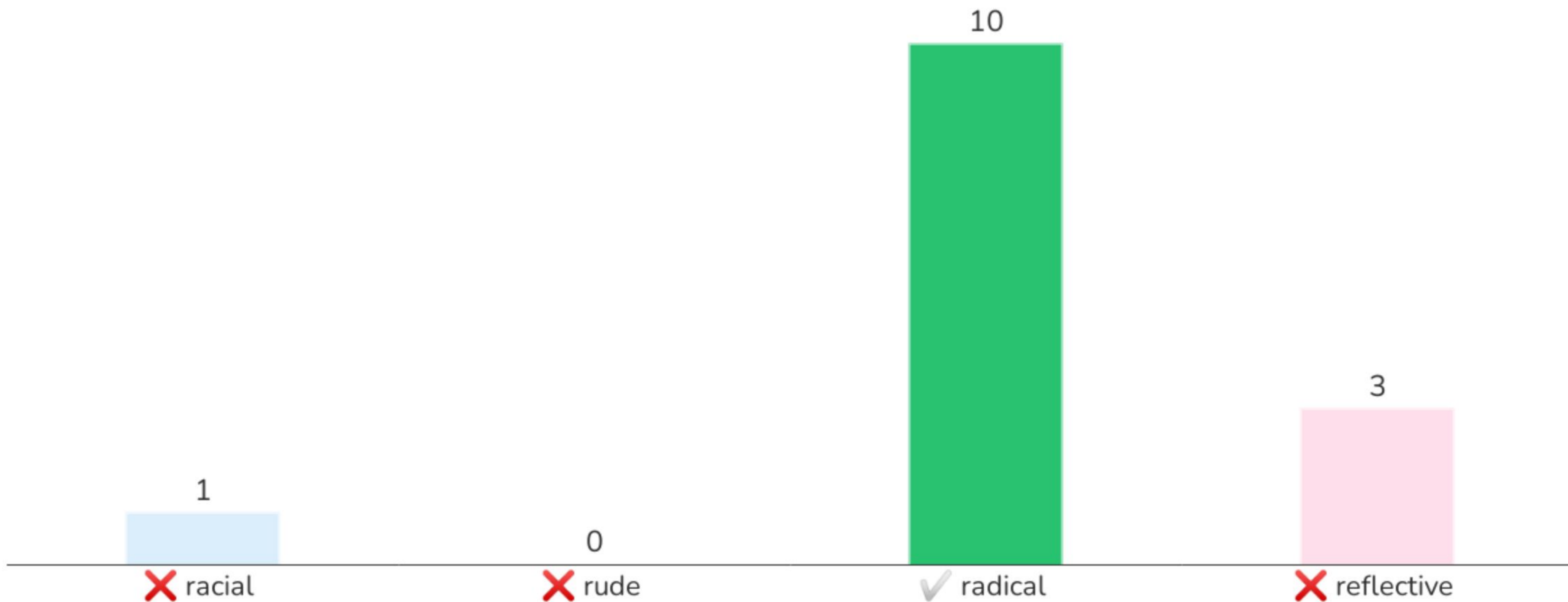
# Leaderboard

14 players

1	 q	96p +96
1	 birdy	96p +96
1	 Kendrick	96p +96
4	 Rolltreppe	95p +95
4	 Gürckchenwasser	95p +95







# The BPR approach is known as being ...





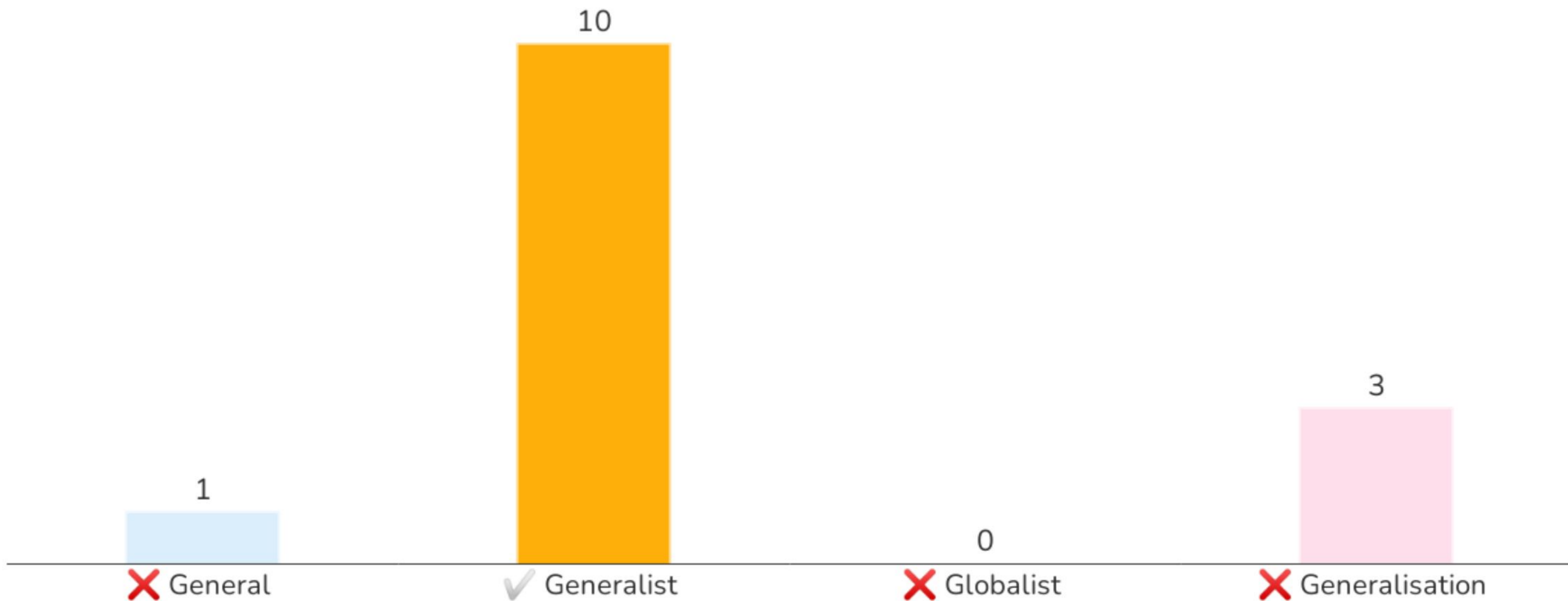
# Leaderboard

14 players

1	 Rolltreppe	187p +92
1	 Kendrick	187p +91
3	 Lachs	184p +90
4	 Gürckchenwasser	183p +88
5	 ghost	182p +89










# Part of the solution for the IBM Credit case is a ...



# Leaderboard

14 players


x 3

 Rolltreppe is rocking the longest streak!

1	 Rolltreppe	280p +93
2	 Lachs	276p +92
3	 Gürckchenwasser	274p +91
4	 Huhn	270p +93
5	 Kondriek	260p +90

# Heuristics for Process Analysis

# Heuristics Provided by Hammer/Champy



- Organize around outcomes, not tasks.
- Have those who use the output of the process perform the process.
- Subsume information-processing work into the real work that produces the information.
- Treat geographically dispersed resources as though they were centralized.
- Link parallel activities instead of integrating their results.
- Put the decision point where the work is performed, and build control into the process.
- Capture information once and at the source.

# What's wrong with this process?

# Heuristics (1)

## Demand-driven

- Produce only what is really required
- Quality is determined by customer
- Customer triggers demand
- Customer decides on quantity

## Collaboration

- Simplify interfaces with customer
- Move controls to customer
- Integrate business processes and IT

## Organisation

- Implement case manager as single point of contact (SPOC)
- Build cross-functional customer teams
- Make assignments flexible

Customer orientation

# What's wrong with the process?



# Heuristics (2)

## Focus on value-add

- Process should only include value-adding activities
- Design process for typical cases
- Reduce checks and approvals
- Isolate exception handling

## Built-in quality

- Avoid quality checks and error corrections at the end
- Avoid errors locally
- Design process so that errors won't occur
- Make process robust

## Flow optimisation

- Eliminate waste
- Resequencing
- Parallel execution
- Dynamic task assignment
- Generalist work with specialists

Process Performance

# What is the average processing time?

# What is the average processing time?

# Model-based Process Analysis

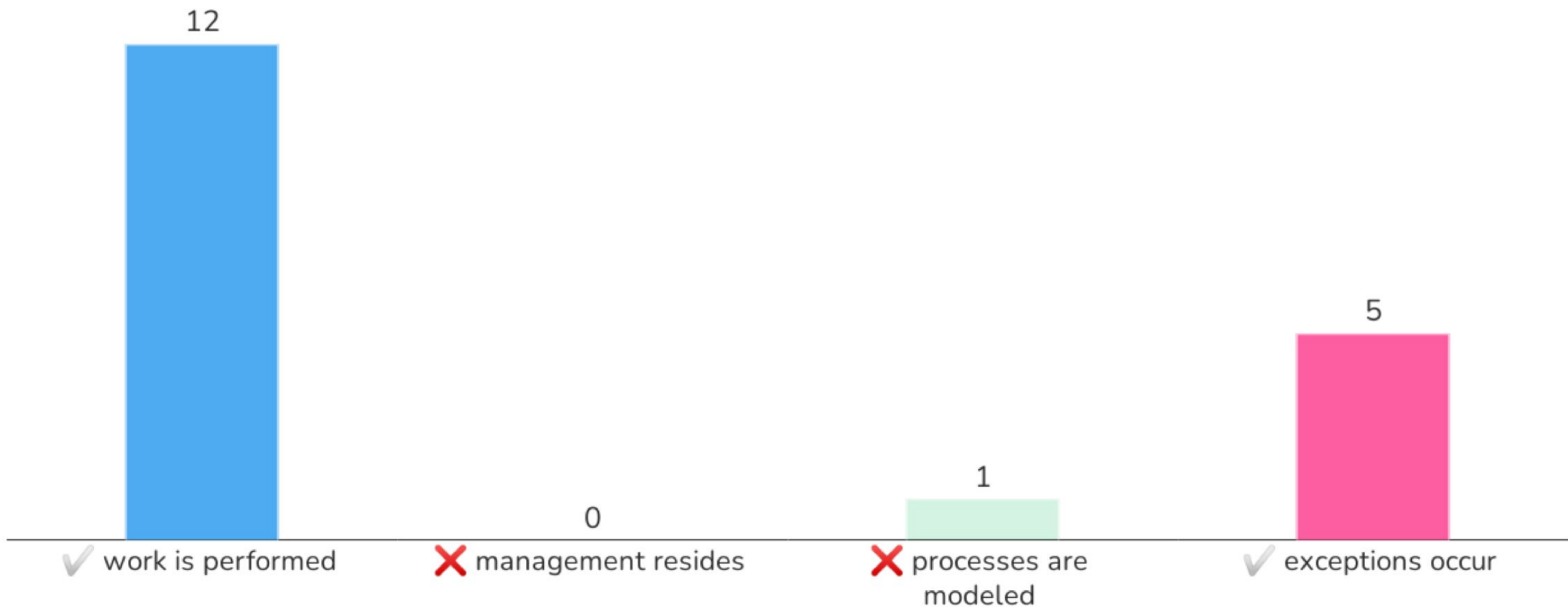
- Documentation of models needed anyhow as common reference
- Various standardized modeling languages available
- Tool support available for
  - Modelling
  - Analysis
  - Simulation
  - Execution
- Applications (examples)
  - Flow and time analysis
  - Activity-based costing
  - Resource usage

## Pluses

## Deltas



- Effort for creating detail business process models
- Effort for keeping models up to date
- High level of detail required
- Wrong or missing details may negatively impact the result's quality
- Requirements
  - Correctness
  - Completeness
  - Actuality
- Limited relevance of results for reality ("garbage in, garbage out")






# Put the decision where the ...



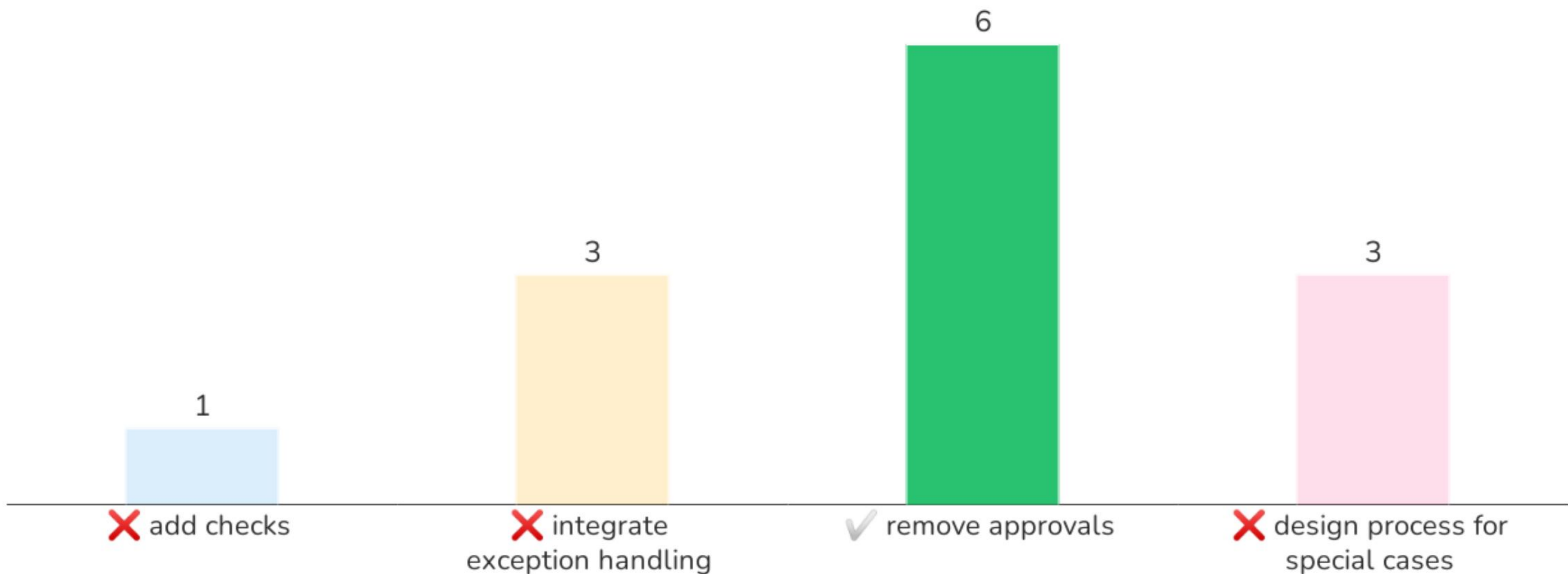
# Leaderboard

14 players


x 4

Lachs is rocking the longest streak!

1	 Lachs	353p +77
2	 Huhn	345p +75
3	 q	331p +66
4	 Gürckchenwasser	317p +43
5	 ...	...

# How can we focus on value-add?



# Leaderboard

14 players



x 5



Lachs holds the longest streak record!



# Lachs

1	Lachs	439p +86
2	q	412p +81
3	Ghost	354p +92
4	Huhn	345p +0
5	Günter...	217p +0

# 439 points



# Story so far ...



## Introduction

- Digital Transformation and Process Management
- Strategy and Management
- Strategic Process Management

## Describe

- Describing business processes
- Business process models and documentation

## Measure

- Quality management and business processes
- Key Performance Indicators

## Analyse

- Methods and tools for analyzing processes
- Improving business processes

## Change

- Managing process changes
- Changes in an organisation

## Sustain

- Implement corporate process management
- BPM Centre-of-Excellence

# Questions and Answers

## Top questions (2)

Pinned

Newest

Oldest

Answered

 Anonymous 3 hours ago

1 

Wenn mehrere Abteilungen in einem End to end Prozess integriert sind wer sind dann der Prozessverantwortliche?

 Gürckchenwasser 2 hours ago

1 

Thema Dienstreise: Bei uns werden die Verkehrsmittel und Hotels von den Mitarbeitern herausgesucht und dann von der Reiseabteilung gebucht. Es gibt jedoch Einschränkungen hinsichtlich Budget.