

# Lecture 01 - Introduction to BPM

## MPH\_ACMS Business Process Management

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- 1 Good manners first
- 2 Today's Agenda
- 3 Course organization
- 4 Nowadays economy, view on the companies
- 5 Business Process Management
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# Who am I?

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- And of course, I don't mind you making mistakes... ;-)

- Have been dealing with BPM for about 6 years:
  - ▶ Studied the topic at FI
  - ▶ Consulting and grading students projects for 4 years
  - ▶ Participated on few seminars abroad
  - ▶ Read lots of books :-)
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  - ▶ But still I must learn a lot... as we all have to.



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- I have already done my introduction, now it's your turn!
- Little warm-up exercise:
  - ▶ name, country, faculty, year of study
  - ▶ experience and knowledge about BPM
  - ▶ motivation and expectations about this course
  - ▶ something interesting about You...

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- The difference between lectures and seminars will be relative (first half - more lectures, second half - more seminars)



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- Apply: final project and defense
- Questions?

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- You can use your effort made in EKRП.
- Consultation and presentation of drafts during last two weeks in seminars.
- Defense of the project during exam period (early term before Christmas will be available).
- You will define few processes, define measures, make simple simulation and try to optimize processes
- Questions?

# List of course topics I

- 1 Introduction to BPM – context, definitions, scope, purpose.
- 2 BPM frameworks and models - basic description of frameworks and models.
- 3 Governance of BPM versus strategy - how to manage and control BPM.
- 4 Cultural and people aspects of BPM - the soft side of BPM.
- 5 Modeling in BPM and IT support - the core part of BPM.
- 6 Business process - basic part of BPM + Business Process Model and Notation - how to model business processes.

# List of course topics II

- 1 National Holidays
- 2 Modeling of business processes - retrieving of information and requirements.
- 3 Modeling of business processes - modeling in teams, brown-paper session.
- 4 Modeling of business processes - modeling tools and BPMS.
- 5 Designing of business processes - how to design a measurable business process.
- 6 Process optimization techniques.
- 7 BPM implementing and critical success factors.

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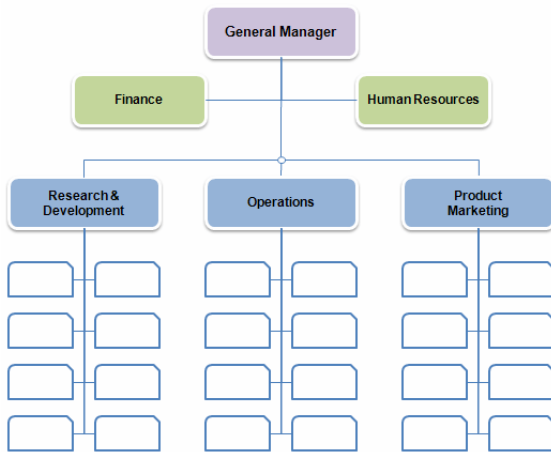
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- What are new trends in management and business?
- What is important for customers?
- What about quality?
- How do we ensure quality?

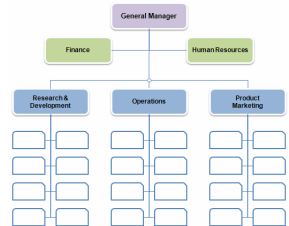
# Typical (old) view on the company

## Functional Organizational Structure



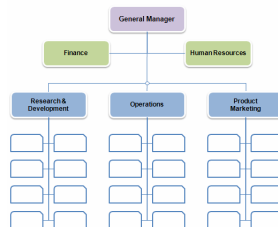
# Is it OK?

Functional Organizational Structure



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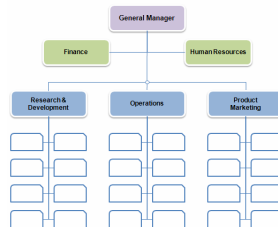
Functional Organizational Structure



- No interconnections between departments
- No customer focus, no added value focus,

# Is it OK?

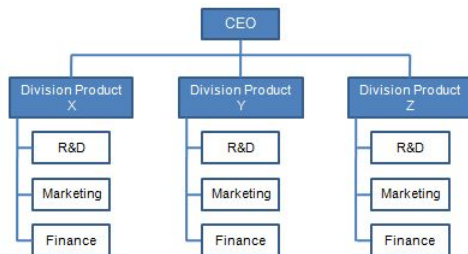
Functional Organizational Structure



- No interconnections between departments
- No customer focus, no added value focus,
- only cut, cut, cut (expenses) and locally increase productivity

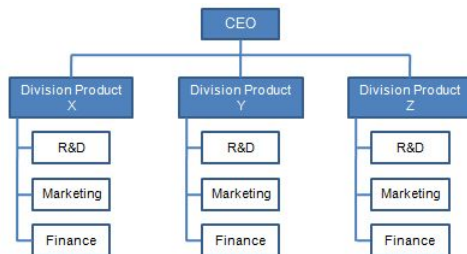


# Process view on the company





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- Is this a solution?

# Why not?

# Why not?

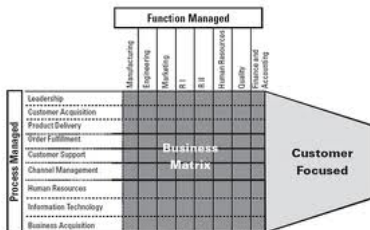
- double activities

# Why not?

- double activities
- fighting between process (product) departments

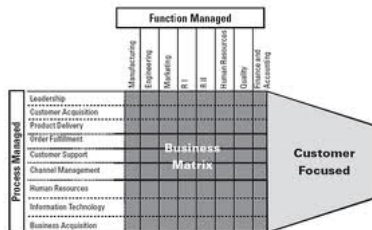


# Solution is in balance



- No extreme is usually good.

# Solution is in balance



- No extreme is usually good.
- And how to make it work?

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# Introduction

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- Q1: What is BPM?

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- Business introduction to BPM
- Listen, take notes, there will be discussion
- Q1: What is BPM?
- Q2: What is it good for?
- Q3: Which example of BPM can you provide?

# Definition 1

- A holistic management approach focused on aligning all aspects of an organization with the wants and needs of clients. It promotes business effectiveness and efficiency while striving for innovation, flexibility, and integration with technology. BPM attempts to improve processes continuously. It can therefore be described as a "process optimization process."

# Definition 2

- Business process management (BPM) is a systematic approach to making an organization's workflow more effective, more efficient and more capable of adapting to an ever-changing environment.
- The goal of BPM is to reduce human error and miscommunication and focus stakeholders on the requirements of their roles. BPM is a subset of infrastructure management, an administrative area concerned with maintaining and optimizing an organization's equipment and core operations.

# Definition 3

- A management discipline that treats business processes as assets that directly contribute to enterprise performance by driving operational excellence and business agility.
- The most critical disciplines for BPM success are related to nontechnical issues, such as changing people's attitudes and assumptions based on building a new frame of reference or perspective (that is, the process perspective) for evaluating business performance of government agencies.
- These essential elements consist of:
  - ▶ Comprehending processes through business process modeling for visualization
  - ▶ Evaluating process performance through attention to the right process metrics
  - ▶ Generating options for performance improvements through process analysis
  - ▶ Gaining the willingness to change the processes from the stakeholders involved

# Definition 4 - common characteristics

- holistic, systematic approach or discipline (depends on POV);
- business processes, effectiveness, efficiency, improvement
- clients

# Evolution I

- First wave of BPM - F. Taylor's theory of management, 1920s
- Second wave of BPM - ERP systems, workflow, 1990s
- BPR - Don't automate, obliterate!
  - ▶ Micheal Hammer: Reengineering Work: Don't Automate, Obliterate, Harvard Business Review, vol. 68, is. 4, 1990.
- Third wave of BPM - today's BPM - [further reading](#)
- Influenced also by: Six Sigma, TQM (i.e. quality 'movement')



# Evolution II - Paul Harmon's view

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P. Harmon

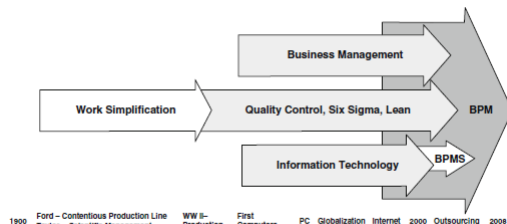


Fig. 1 An overview of approaches to business process change

- More during discussion...

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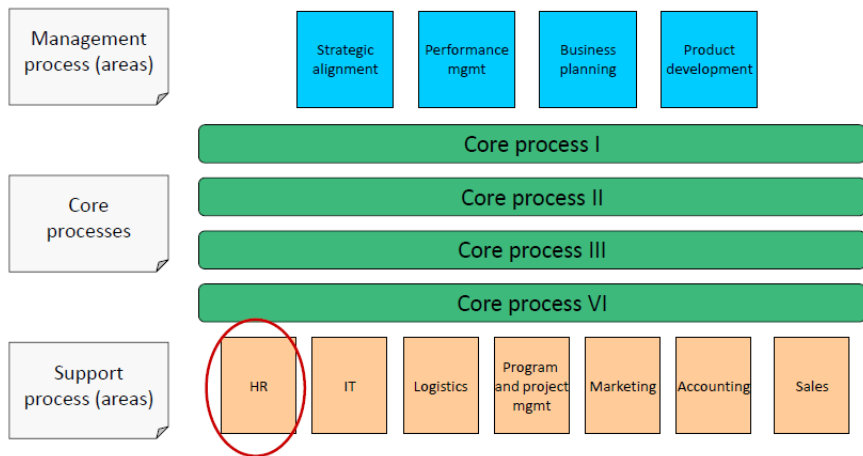
# Examples

- Try to name at least one business process.

# Definition

- A business process or business method is a collection of related, structured activities or tasks that produce a specific service or product (serve a particular goal) for a particular customer or customers. It often can be visualized with a flowchart as a sequence of activities.
- The systematic activities by which an enterprise conducts its affairs.
- Processes in non-manufacturing environments. Examples include order entry, engineering changes, purchasing, financial closings, request for quotes, etc.
- At its most generic, any set of activities performed by a business that is initiated by an event, transforms information, materials or business commitments, and produces an output. Value chains and large-scale business processes produce outputs that are valued by customers. Other processes generate outputs that are valued by other processes.

# Process categorization



- More regarding this topic will be discussed during 6th week...