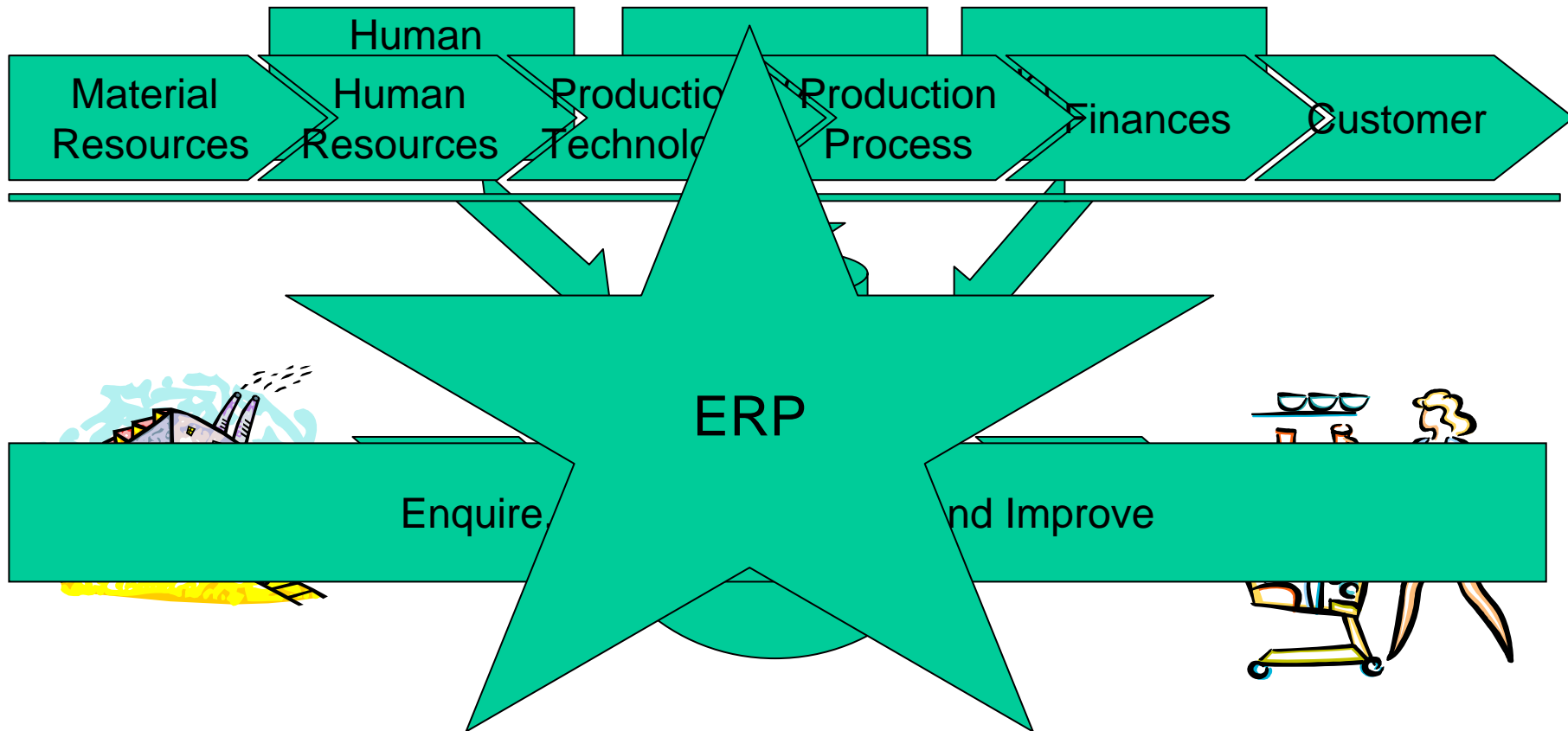# ERP Course: Re-Engineering Readings: Chapter 2 Mary Sumner

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A Company

Business Process

Process

- A related and organized group of activities with result as a value of customer

Business process

- Ordering of work activities across time and place with beginning, end, input, output and common goal (usually one departmental)

Enterprise business process

- End to end business process

Values

Economical
Informational
Emotional
Value innovation

Process Thinking

How business processes contribute to the value of the
   customer?
How am I going to change the processes, organizational
   structures, information flows and information to improve
   value for customer?

I am doing this to keep existing customers and attract new once
   which will guarantee me continuous income
How do I make the human resources involved to see that it is
   value added for them too?

Levels as in CMM

Initial
Repeatable
Defined
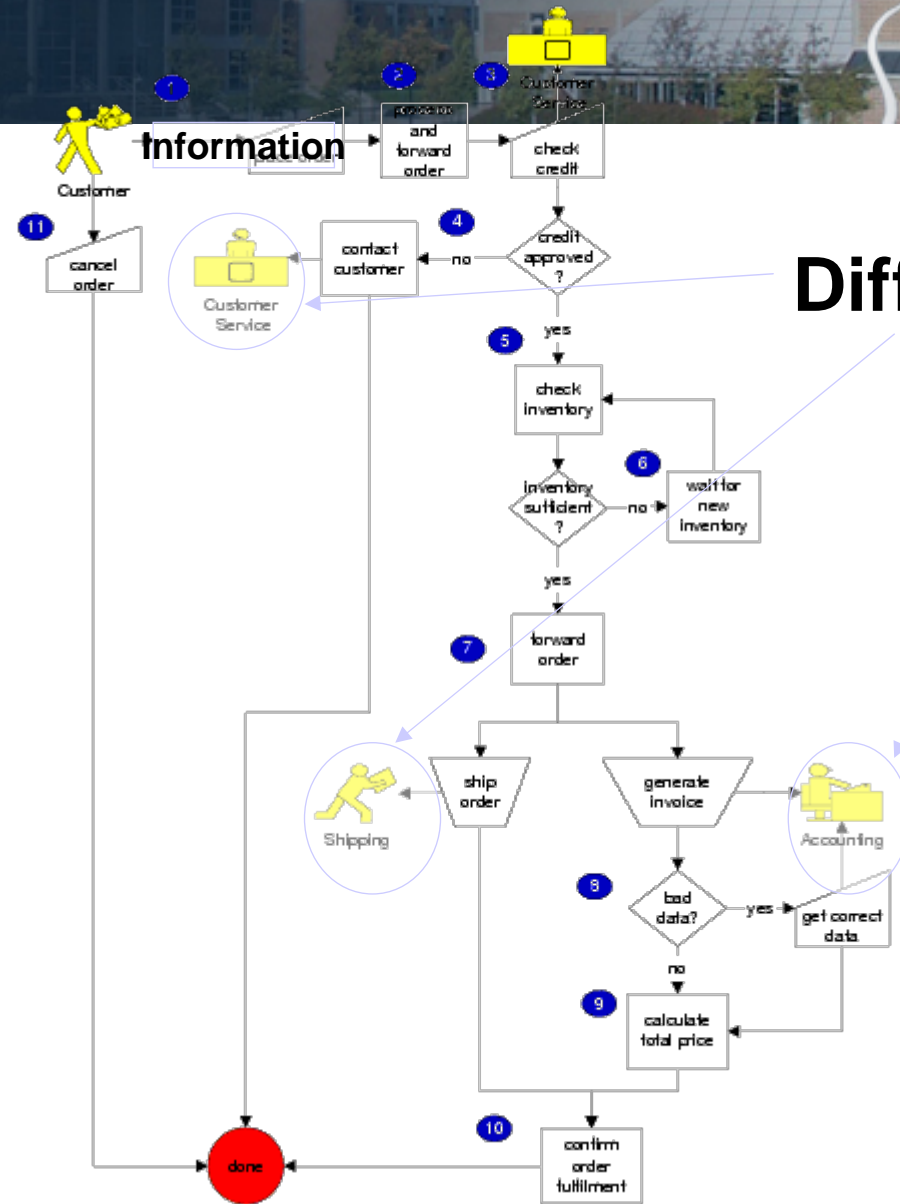Managed
Optimising

Document Current Processes

Activity graphs
Document flow graphs
Unit Interaction graphs
Organization graphs

To understand how the company works and how it delivers
value to a customer

Information

Different Units

http://edocs.bea.com/wli/docs70/bpmtutor/ch1.htm

Place Order

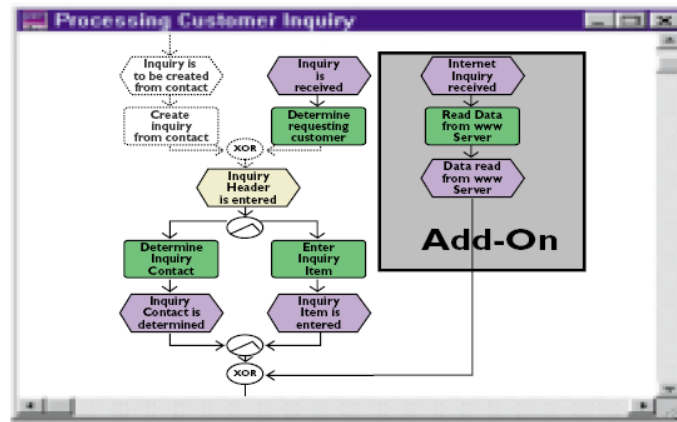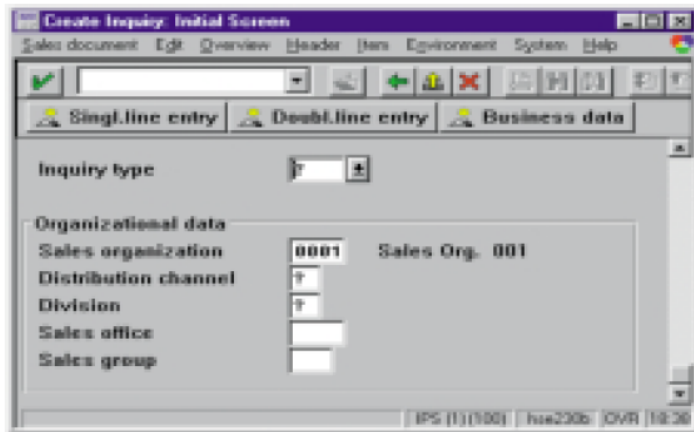# August-Wilhelm Scheer and Frank Habermann: MAKING ERP A SUCCESS

Figure 2. Model-based BPR and customization of ERP systems.
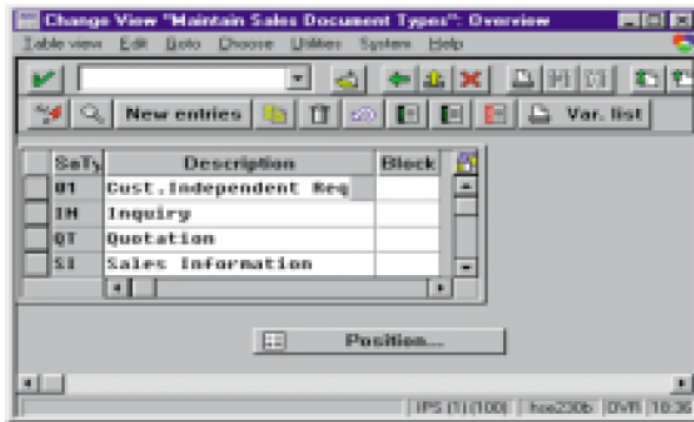
Customizing: Maintain Sales Document Types

Process Model

Function "Create Inquiry"

Documentation of Results

Creating Metrics
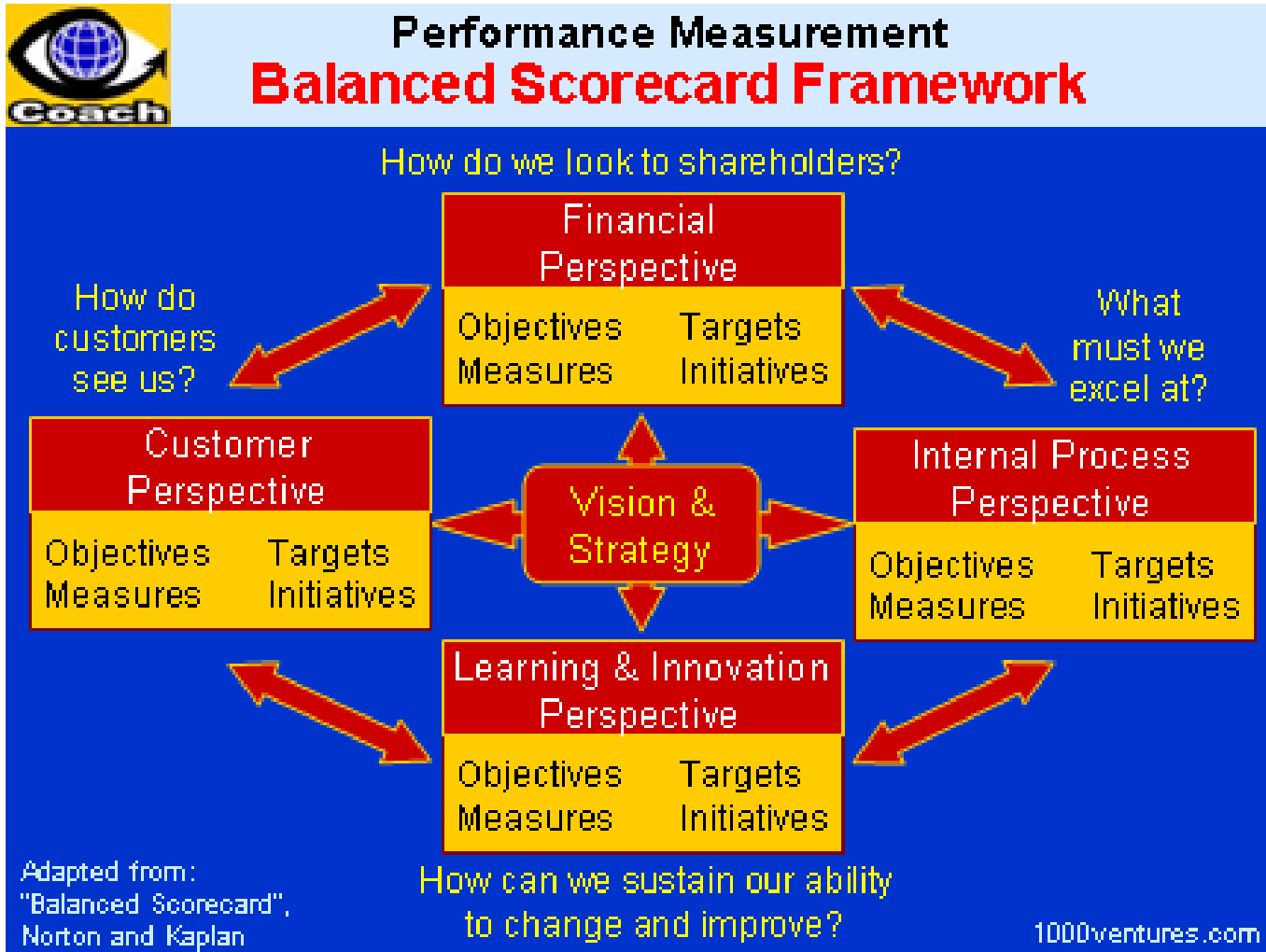
Performance Measurement to perform better
Balanced scoreboard
Economic value added
Measuring cleaner production

Balanced Scoreboard

Metrics

Customers

- Performance against requirements
- Customer satisfaction

Internal work processes

- Cycle times
- Product and service quality
- Cost performance

Metrics II

Financial

- Profitability (company level, product line level, or individual level)
- Market share growth

Employee satisfaction

Performance of suppliers against your requirements

Other metrics

Economic Value Added

- Efficiency with which the company used their resources
- It is a difference between return received on resources and cost of the resources

Measuring Cleaner Production

- Producing less waste – using less raw material, using recycled material, …
- Lean manufacturing: doing more with less: less time, inventory, space, people and money

Factors of Reengineering

Focusing just one activity or one unit usually fails to improve
   globaly
To general focus usually fails too
Important is to understand a problem