

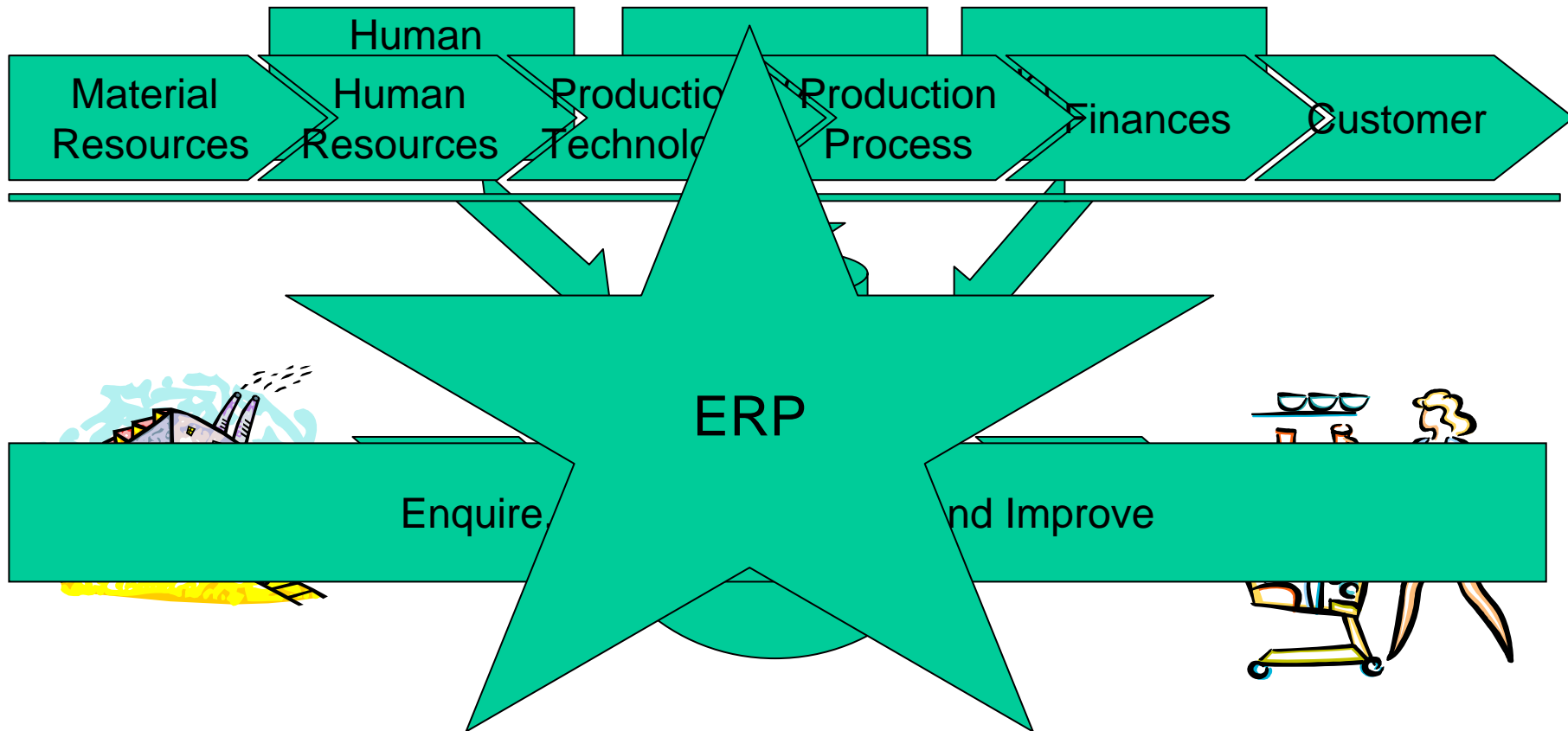
# ERP Course: Re-Engineering

## 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 ones 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

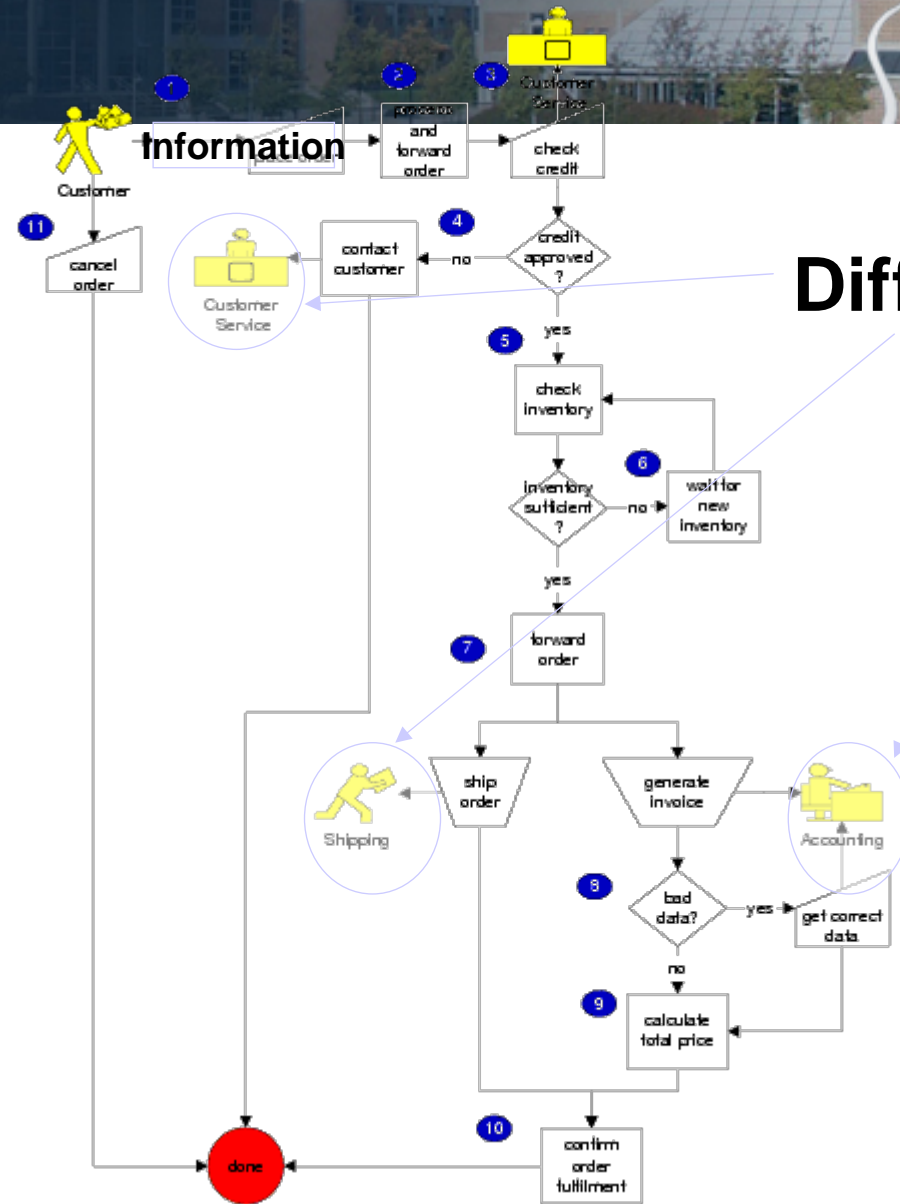
Activity graphs

Document flow graphs

Unit Interaction graphs

Organization graphs

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



# Different Units

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



# Place Order

2001 Kontorcentralen A/S - Sales Order

General Invoicing Shipping Foreign Trade E - Commerce

No. . . . . 2001

Sell-to Customer No. . . . . 10000

Sell-to Contact No. . . . . E000001

Sell-to Customer Name . . . . . Kontorcentralen A/S

Sell-to Address . . . . . Carl Blochs Gade 7

Sell-to Address 2 . . . . .

Sell-to Post Code/City . . . . . DK-2610 Rødovre

Sell-to Contact . . . . . Hr. Anders Madsen

No. of Archived Versions. . . . . 0

Posting Date . . . . . 17-01-01

Order Date . . . . . 17-01-01

Document Date . . . . . 17-01-01

Requested Delivery Date . . . . .

Promised Delivery Date . . . . .

External Document No. . . . .

Salesperson Code . . . . . PS

Campaign No. . . . .

Responsibility Center . . . . . RYDOVRE

Status . . . . . Open

Customer Information

Sell-to Customer

- Ship-to Addresses (2)
- Contacts (5)
- Sales History

Bill-to Customer

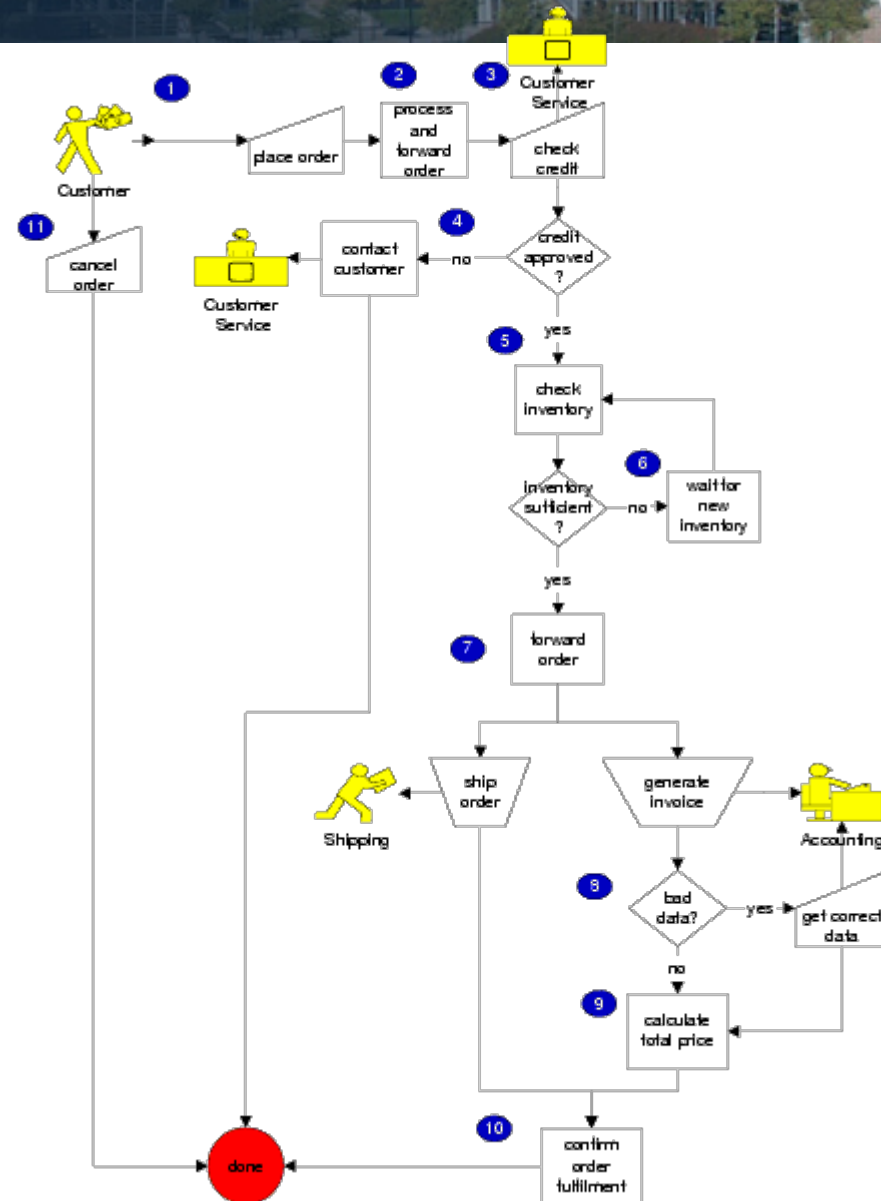
- Avail. Credit 0

T..	No.	Description	Location ...	Quantity	Reserve...	Unit of M...	Unit Pric...
▶ I...	LS-MAN-10	Brugervejledning t. hjøttalere	HVID	4		STK	

Item Information

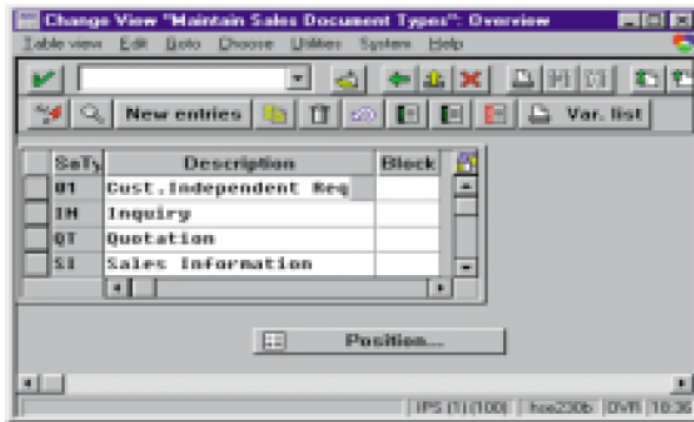
- Item Card
- Availability (75)
- Substitutions (0)
- Sales Prices (0)
- Sales Line Di... (0)

Order Line Functions Posting Print... Help

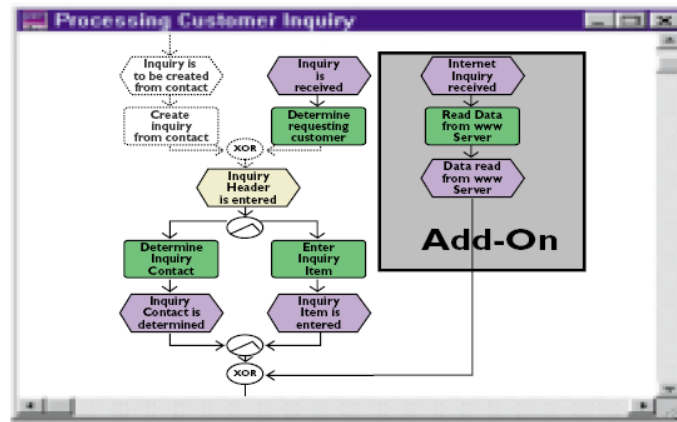


# August-Wilhelm Scheer and Frank Habermann: MAKING ERP A SUCCESS

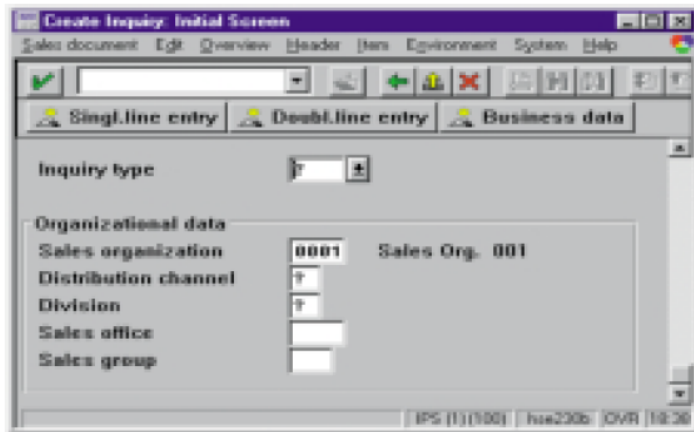
**Figure 2. Model-based BPR and customization of ERP systems.**



**Customizing: Maintain Sales Document Types**



**Process Model**



**Function "Create Inquiry"**

Process: Processing Customer Inquiry						
Function	As-is/Target	Unresolved Issues	Interface	In Charge	Date	Effort
1. Determine Ordering Customer	From now on, ordering Customers will be queried in Accordance with ISP Country Codes	CPD Customer necessary	Customer Master Data (Internal)	C. Jones	May 29	Standard
2. Determine Inquiry Contact	Define third-party as new Partner Type in customized Version	None	Customer Master Data (Internal)	P. Miller	May 29	Standard
3. Enter Inquiry Item	Use AFN Item Type as Standard	None	Customer Master Data (Internal)	P. Miller C. Jones	May 30	Standard

**Documentation of Results**

# Creating Metrics

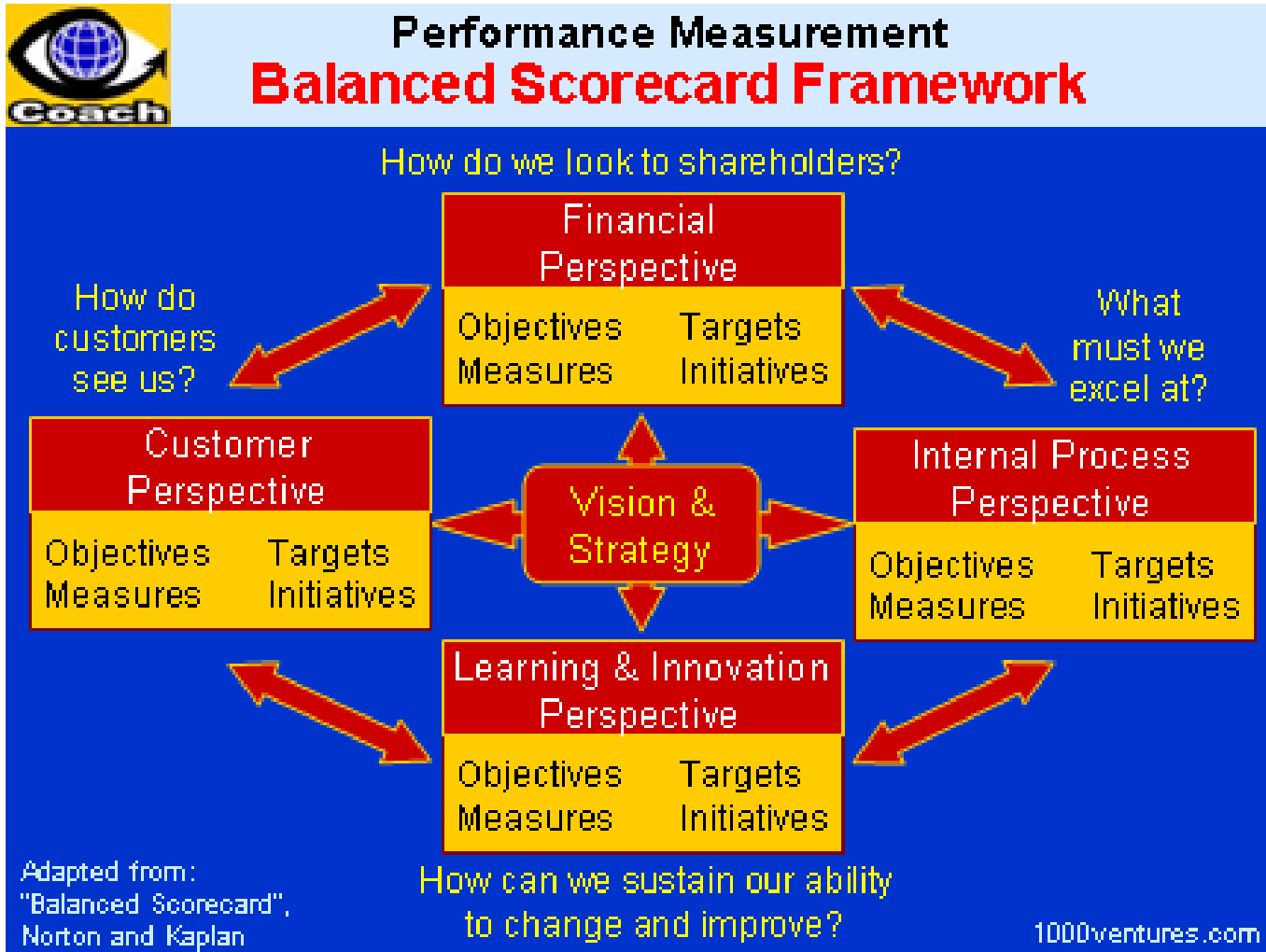
Performance Measurement to perform better

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 globally

To general focus usually fails too

Important is to understand a problem