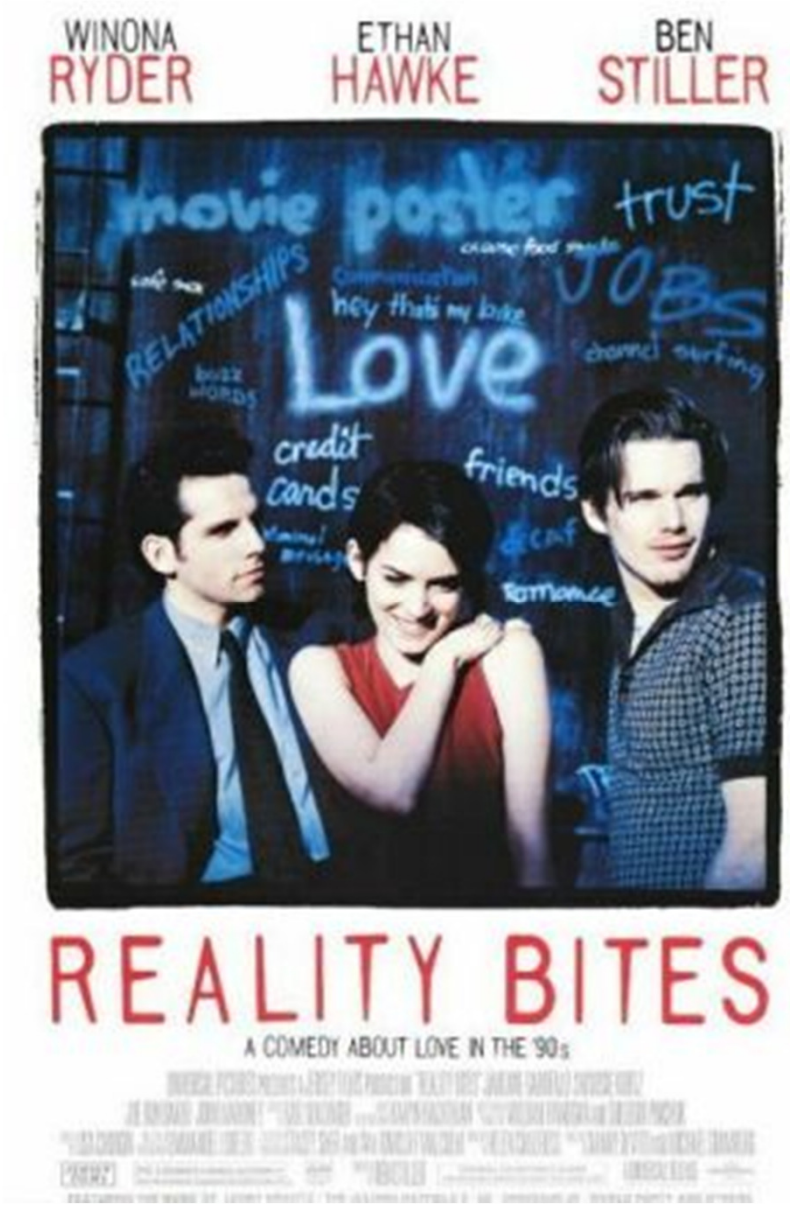
Business Model-Oriented Approach to BPM

Dr. Edward Schreckling, WITTENSTEIN AG

Houston/TX, November 10, 2011



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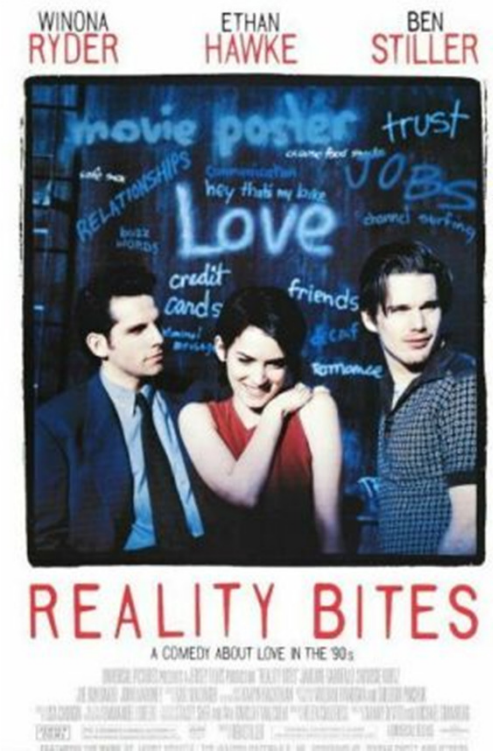
BPM Reality Bites, Too

(at least, sometimes)

BPM

Board:

- Efficiency
- Standardized processes



MDs:

- Effectiveness
- Tailor-made processes

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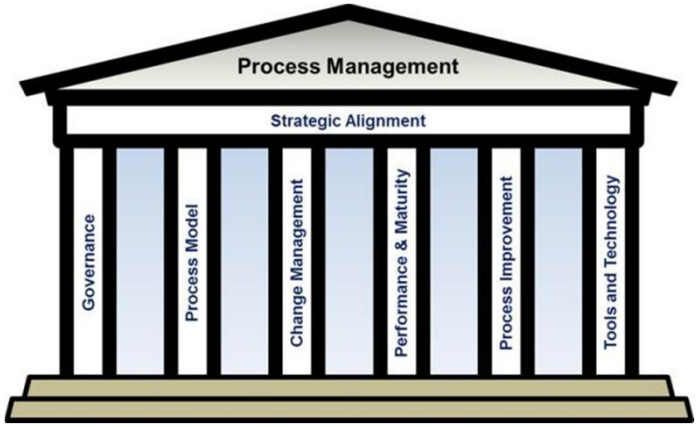
Structure

1. The Problem
2. WITTENSTEIN
3. The Seven Tenets of BPM (and the Solution)
4. Key Takeaways



More detailed handout structured identically.

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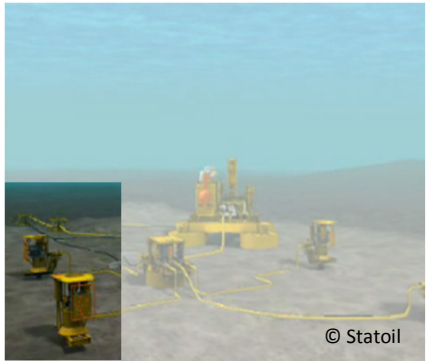
Selected Applications

Active Side Stick

Subsea Valve Drives



FITBONE®

Electro-Mobility

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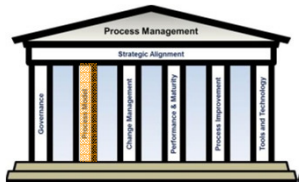
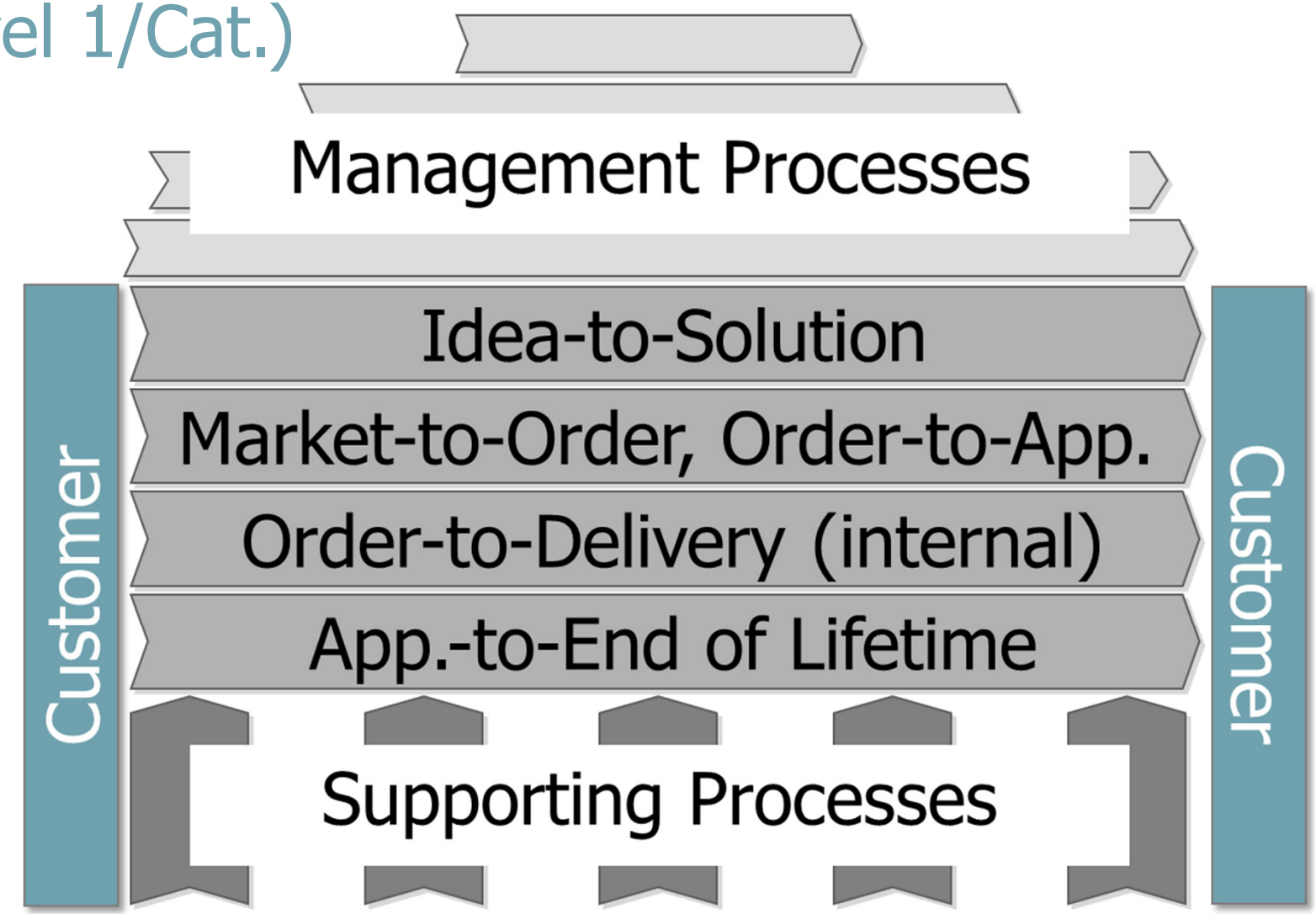
Our Process Framework

(level 1/Cat.)





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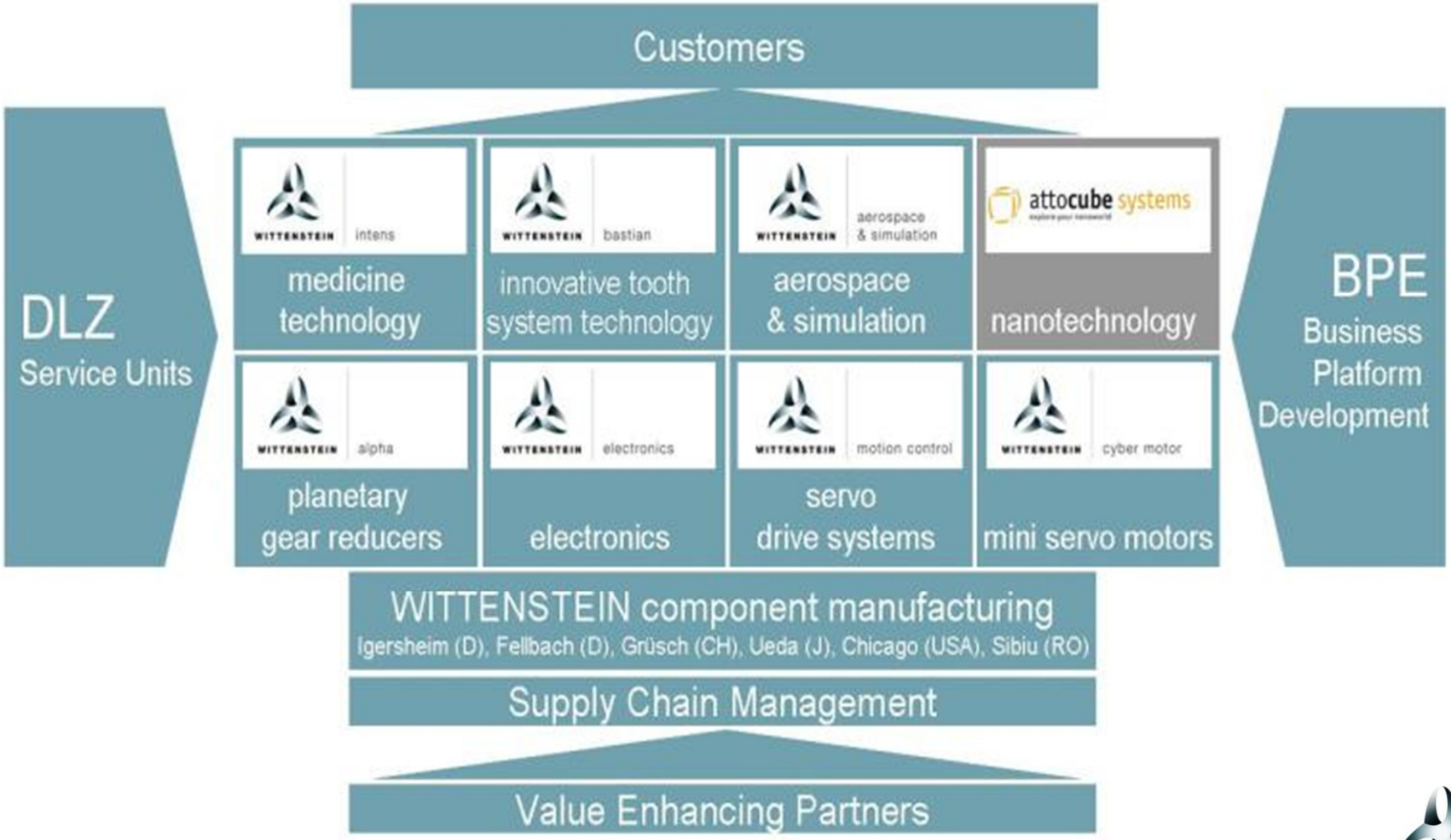
Our Structure

(w/o 27 international subsidiaries)



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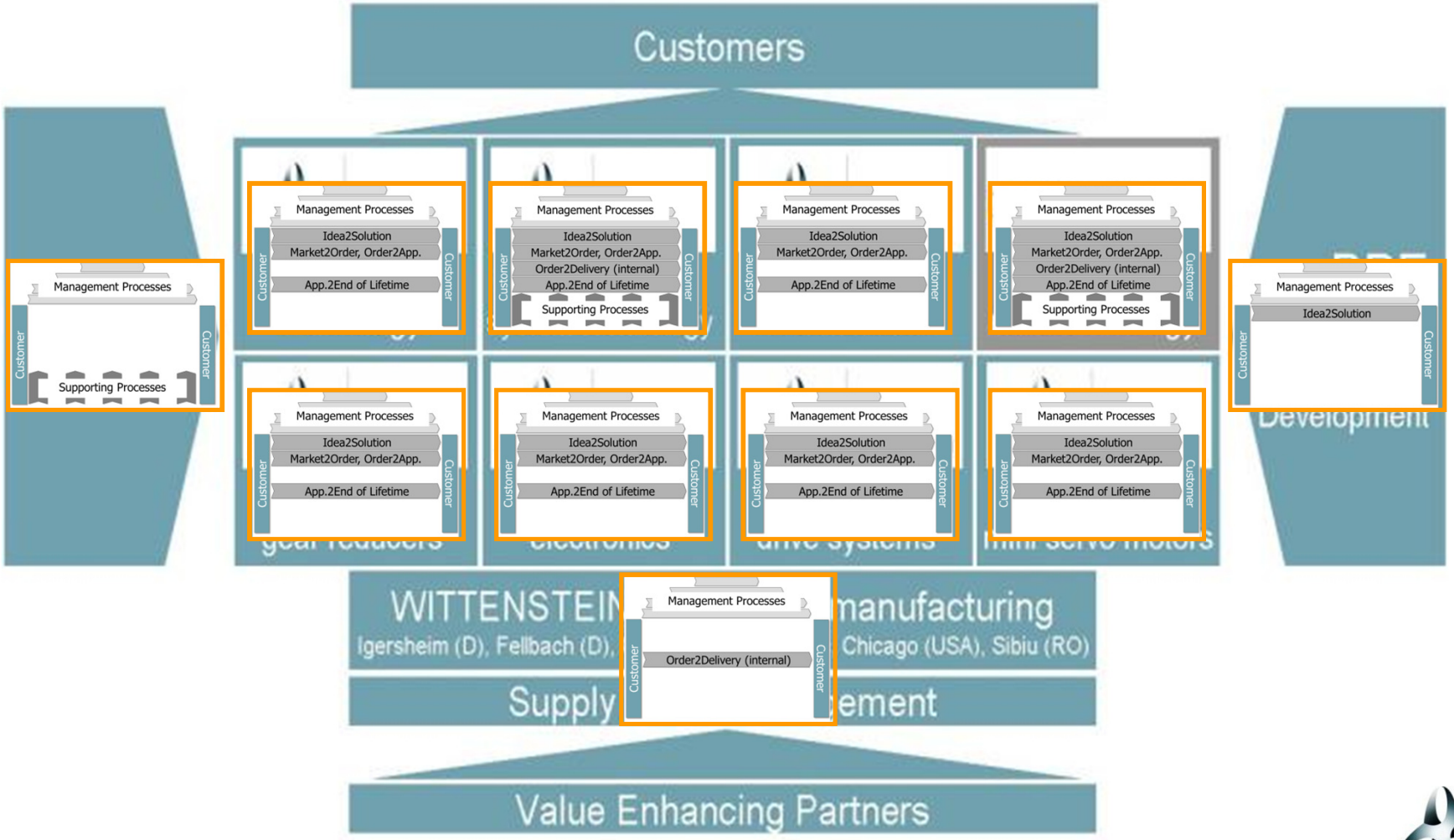
Our Process Framework*s*

(this time, using the plural)



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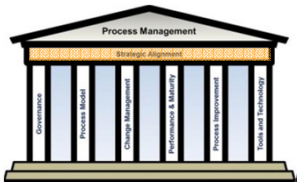
Our BPM Mission



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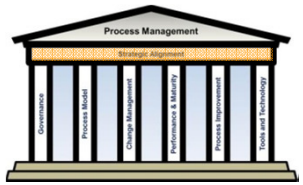
Our BPM Goals



FAST LANE Criteria

- C — Increase **c**ustomer orientation
- F — Increase **f**lexibility
- V — Increase effecti**v**eness
- E — Increase **e**fficiency
- T — Increase **t**ransparency

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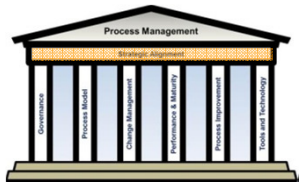
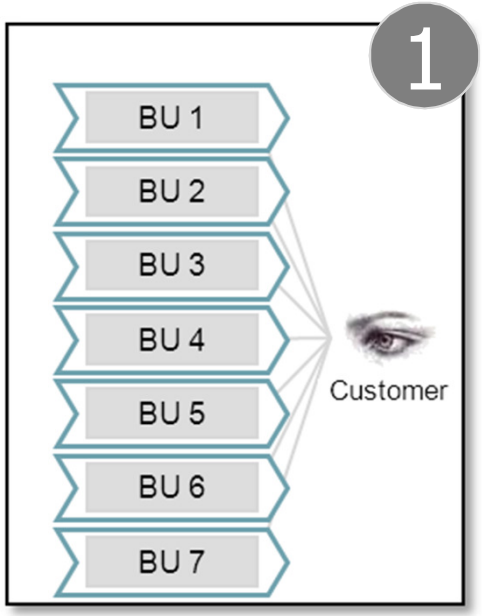
Our BPM Challenge



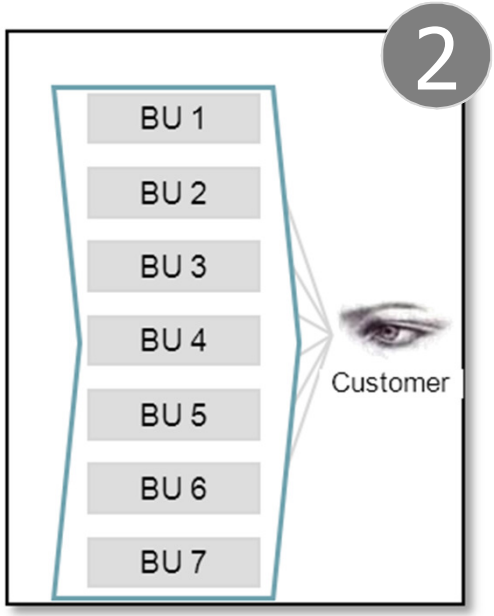
Extreme Approaches

One For Each



Criteria C, F, V

One For All



Criteria E, T

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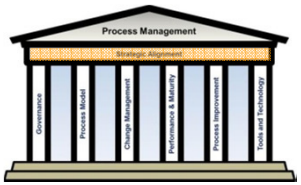
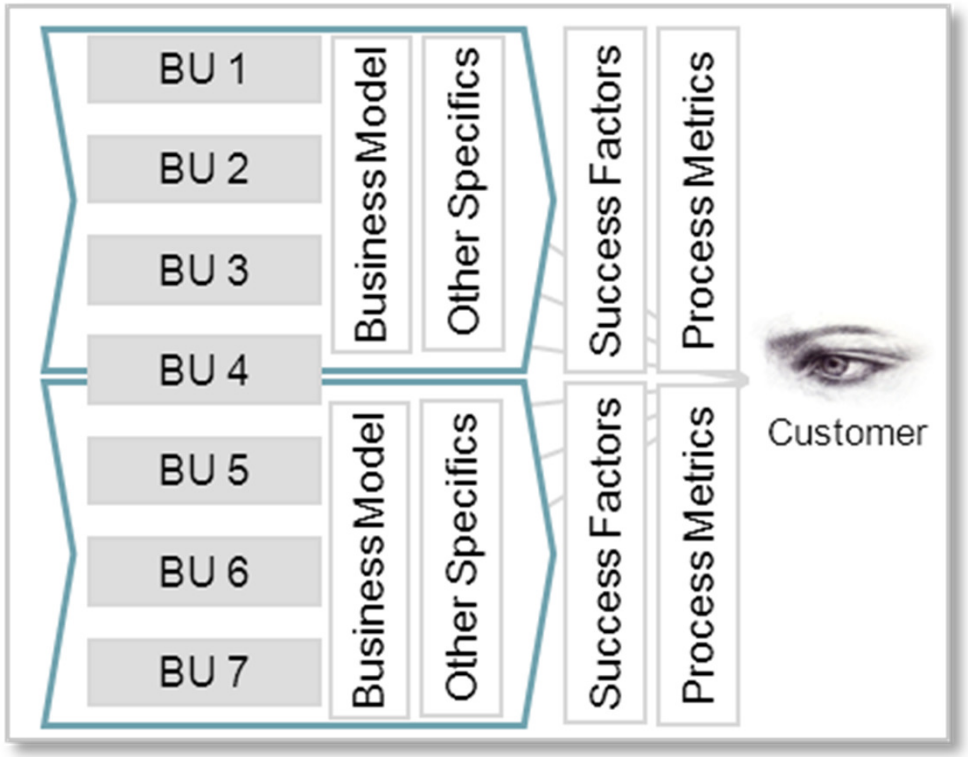
Our BPM Approach



Business Model-Orientation



Steps: 1 2 3

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Our Business Models

Standard Business	Build to Print
	Build to Standard
	Adapt to Standard
	Buy and Sell
Project Business	Design and Build Once
	Design and Build for Volume
	Design and Build to Print
	Design
Service Business	Serve and Support
	Train and Consult

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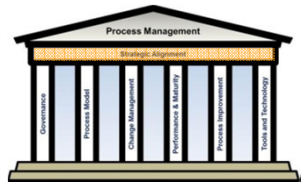
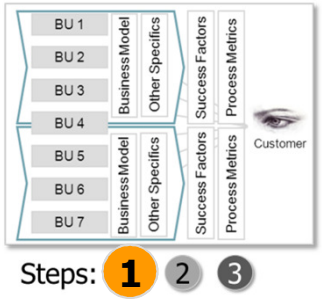
Step 1: Build & Fill Business Model/Business Unit Matrix





1.1 Interrelate **Business Models** and **Business Units** (BUs).

1.2 Consider process-relevant **Market Specifics**.

1.3 Consider process-relevant **Strategies**, **Structures**, and **Regulations**.

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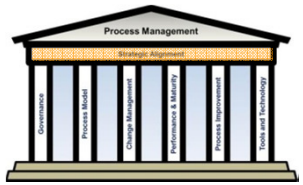
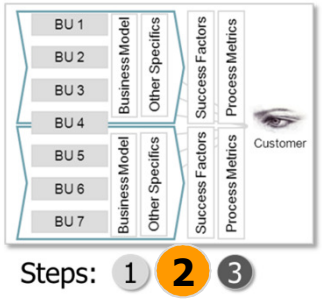
Step 2: Build & Fill Success Factors/Process Matrices





2.1 Interrelate **Success Factors** and **Processes** for each BM.

2.2 Identify critical **Process Categories**.

2.3 **Prioritize** Process Categories.

2.4 Identify critical **Process Groups**.

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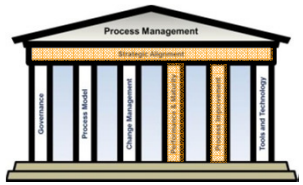
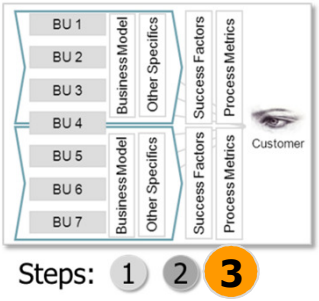
Step 3: Link BPM with BMs Through Process Metrics





3.1 Assign appropriate **Process Metrics** to Process Groups.

3.2 Determine **Target Values** for each Process Metric.

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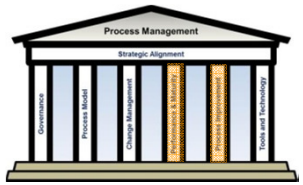
Our Evaluation Criteria
(selection)



- Metrics (optimization potential)
- Strategic importance of Business Model
- Revenue Share of Business Model
- Contribution to Success Factors of Model(s)
- Process Costs
- Business Case
- Relevance for planned IT Project (e.g. ERP)

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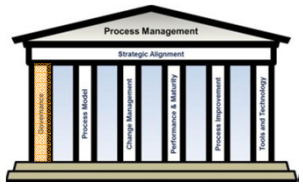
Our Governance Model



- **Main Processes**
  - Process Project Proposition
  - Process for Releasing To-Be-Processes
- **Main Roles**
  - Process Driver
  - Steering Committee
  - Process Developer
- **Process Modeling Conventions**

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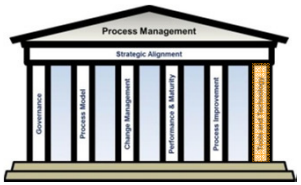
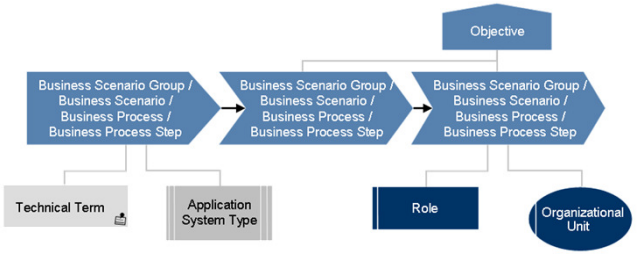
Our BPM Tools

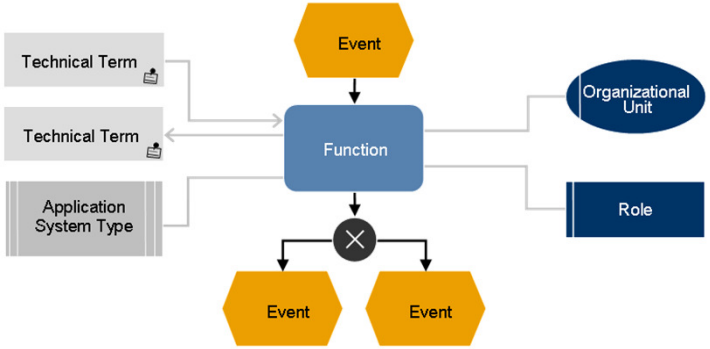


- ARIS **Business Designer**
  - Value Chain Diagrams
  - Event-Driven Process Chains

ARIS Platform

software AG





- ARIS **Business Publisher**

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Change Management

(BPM is not always welcomed like this)

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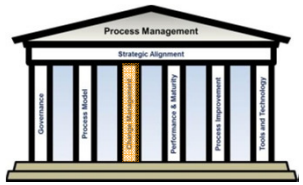
Our Efforts in a Nutshell



- BPM Mission and Roadmap
- Show-case Project
- Low BPM resources (staff, budgets)
- Involvement of Top Management
- Business Model-Orientation

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Key Takeaways

1. Business models link strategy with BPM.
2. They can help:
   - Bringing in the customer perspective
   - Managing complexity
   - Finding a resilient compromise between effectiveness and efficiency.

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