

BPM or Requirements Analysis Where to Start?

Business Process Management

- **A management philosophy for creating and managing agile organizations capable of transforming their business processes in pursuit of extraordinary results¹.**
- **A specific ordering of work activities across time and place, with a beginning, an end, and clearly identified inputs and outputs: a structure for action².**

¹ BPT Group

² Thomas Davenport

Requirements Analysis

- Requirements analysis defines the methods, tools and techniques used to structure the raw data collected during Requirements Gathering, identify gaps in the information and define the capabilities of the solution, which must be documented³.

³IIBA BABOK



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Why are we gathering requirements?

- Creation of brand new systems
- Modifications to existing systems:
 - Legacy
 - ERP – Enterprise Resource Planning
 - SCM – Supply Chain Management
 - CRM – Customer Relationship Management
 - SFA – Sales Force Automation
 - And on it goes



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Project Statistics⁴

- 16 % of projects are completed
 - On time
 - On budget
 - And meet the users' requirements
- 53 % of projects are completed but
 - Are over budget
 - Exceed the allotted time frame
 - Have reduced user functionality
- 31 % of projects are cancelled during the SDLC
- 94 % of projects must be restarted from scratch.

⁴Standish Group Chaos Report



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Where the blame lies

- Poor requirements definition is responsible for half of the failures when it comes to translating what users need into ICT (Information and Communications Technology) reality.⁵

⁵ 2005 survey by ESI International



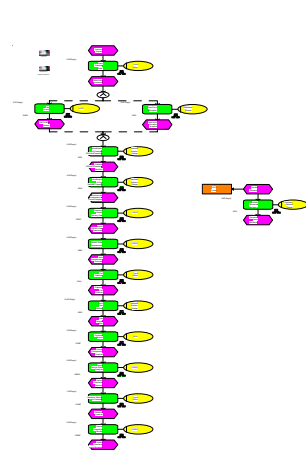
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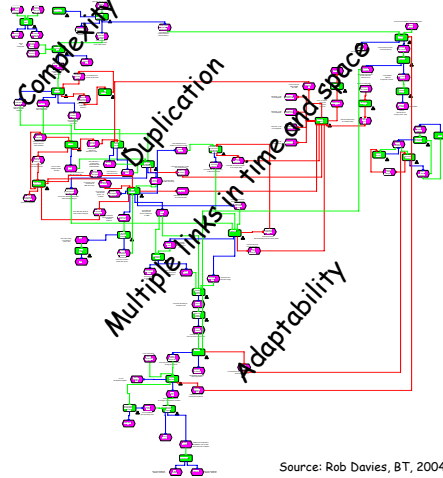
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The Challenge – ... it's never the way you thought it was...

Documented



Actually Executed



Source: Rob Davies, BT, 2004



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Requirements Inhibitors⁶

- Users don't understand what they want or users don't have a clear idea of their requirements
- Users won't commit to a set of written requirements
- Users insist on new requirements after the cost and schedule have been fixed.
- Communication with users is slow
- Users often do not participate in reviews or are incapable of doing so.
- Users are technically unsophisticated
- Users don't understand the development process.
- Users don't know about present technology.

⁶Steve McConnell



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When you gather requirements

- How many of your users
 - Understand their current processes?
 - Know how they want the new process to work?
 - Know what they want?
- Do you have access to the right users?
- Have you discovered all of the requirements?
 - Conscious, unconscious, undreamt?
- How much will change before implementation?

In your organization....

- How many main processes are there?
- How many individual processes?
- How many disparate systems are there?
- How much duplication and overlap is there?
- How much time do people spend looking for information as opposed to using it?
- Does management make decisions based on accurate information or gut feel?

Why organizations need to Transform their Business Processes

- “It’s too easy to give our customers a disjointed customer experience, and our customers tell us that!”

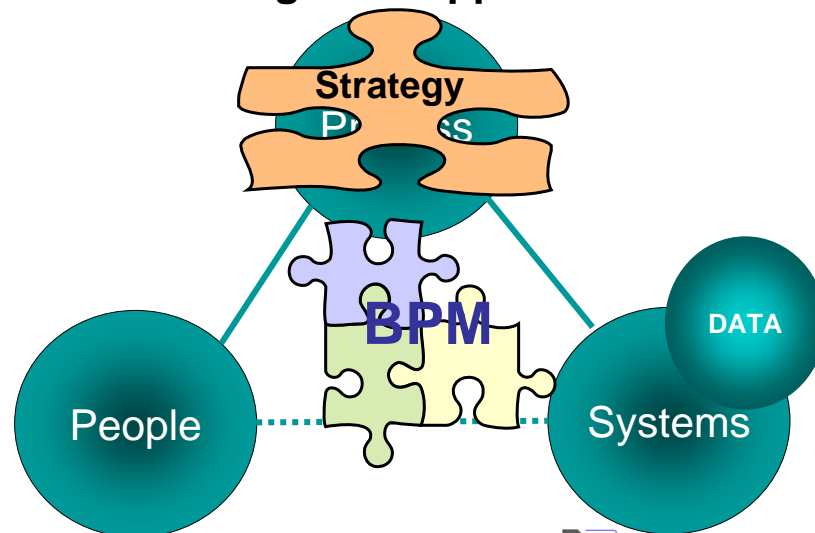
-“it’s inefficient and costly every time we do not get it right”

- “We are a big and complex organization and.... ..through time we have lost control of our processes”

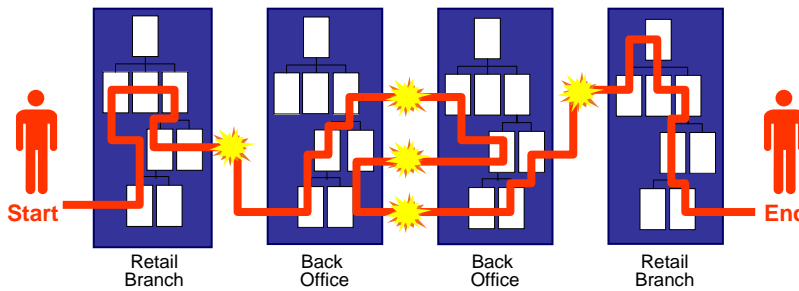
-“we need to regain that control if we are to improve our delivery to customers”.

CEO, Footsie 100 Company

The BPM change ... to a Strategy-Driven Integrated Approach



Companies are Organised around Functions...



...But it's the **END to END** process that matters to the customer

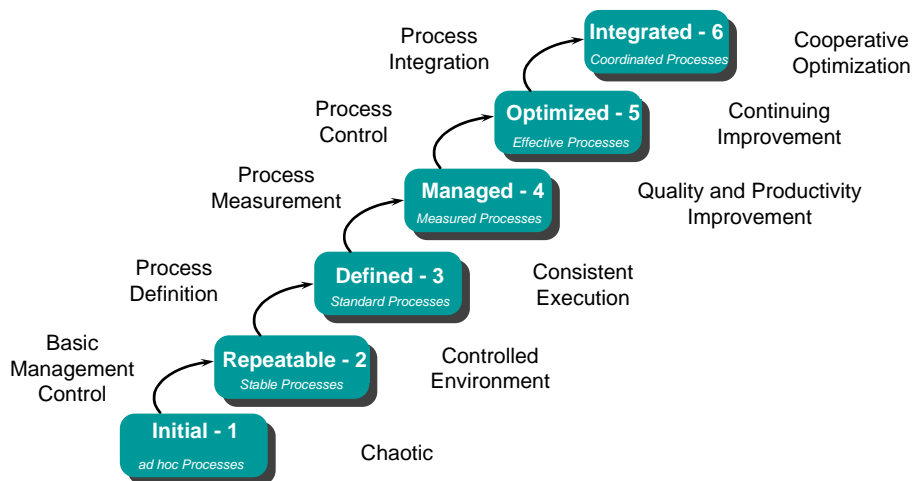


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Generic Process Maturity Model



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Some Key Elements that Change

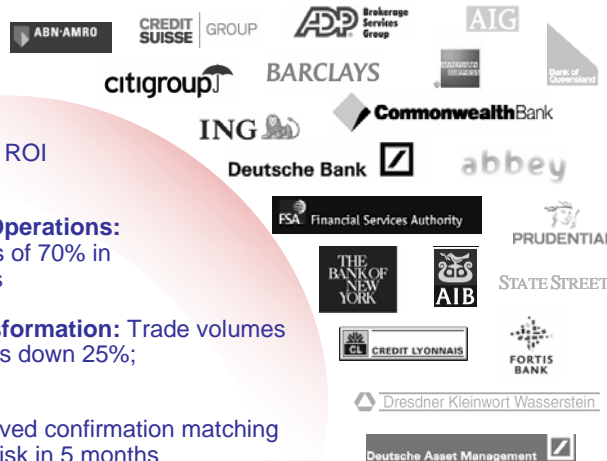
	<i>From</i>	<i>To</i>
Processes	Complex Opaque	Simple Transparent
People	Controlled	Empowered
Structure	Hierarchy/ Functional	Team
IT Applications	Prescriptive	Adaptive
Measurement	Activities	Results
Customer	End of chain Segmented	Inclusive Individual

BPT in Financial Markets

ROI

Butler Group Report:

- **BPMS Vendor** delivers ROI in 6-9 Months
- **Citibank e-Business Operations:** Reduction in exceptions of 70% in 1 year; ROI in 6 months
- **Deutsche Asset Transformation:** Trade volumes up 85% in 2 years; costs down 25%; ROI in 6 months
- **Deutsche Bank:** Improved confirmation matching & reduced operational risk in 5 months
- **DrKW:** Late trade interest payments – 4 months to achieve 85% increase in performance & turnaround



Process / Needs Matrix

Key Processes vs. Needs	Ease of Access to Information	Material Catalogue/Easy order process	Visibility of Suppliers/Maintainers	Accurate Data	Asset condition and history	Management Information	Quality of goods and services	Right Item	Right Place	On-time	Order visibility / Status	Competitive Price/reduced cost	Integrating scheduling	Repriorize schedules	Joint Logistics Planning	Requirements Decision Making Tools	Accurate Workload Projections	Immediate Pricing Information	Managed Improvement	Technical Expertise	scheduling	Financial flexibility	Technology /insertion in Depots	Maintenance Services	Installation Security	New Product Development	Total Package Fielding Support	Material Readiness	Open Access/External Connectivity
	GROUP 1: ASSET MANAGEMENT																												
Material requisition processing	X	X	X				X	X	X	X											X								
Packaging	X	X	X																										
Validation/editing	X	X	X														X				X								X
Receipt confirmation	X	X	X		X					X	X																		
Customer communication	X	X	X	X	X		X			X																			X
Status reporting	X	X	X	X						X											X								
Shipment tracing and tracking	X	X	X	X	X					X																		X	X
Procurement	X	X	X	X	X	X					X		X	X	X		X		X		X		X			X	X	X	
Validate requirement to buy	X	X	X	X	X						X		X	X	X		X		X		X		X			X	X	X	
Budget/Funding	X		X	X	X						X		X	X	X		X		X		X		X		X	X	X	X	
Acquisition strategy	X		X	X	X	X					X		X	X	X		X		X		X		X		X	X	X	X	
Sourcing	X		X	X	X	X	X	X	X	X	X		X	X	X	X	X	X	X	X	X		X		X	X	X	X	
Vendor management	X		X	X	X	X	X	X	X	X	X		X	X	X	X	X	X	X	X	X		X		X	X	X	X	
Inventory management	X	X	X	X	X	X	X	X	X	X	X		X	X	X	X	X	X	X	X	X		X		X	X	X	X	
Return management - serviceable, unserviceable	X	X	X	X	X																X	X	X				X	X	
Excess management	X	X	X	X	X								X	X	X		X		X		X		X			X	X	X	
Redistribution	X	X	X	X							X		X	X		X		X		X		X							
Control of distribution depots/warehouses	X	X	X	X	X					X			X	X		X		X		X		X							
Total package fielding	X	X	X	X	X	X	X	X	X	X	X		X	X	X		X		X		X		X			X	X	X	
Transportation	X		X		X								X	X	X	X	X	X	X	X	X		X					X	
Retail supply (internal to AMC) AMC/ISS	X	X	X	X	X	X	X	X	X	X	X		X	X	X	X	X	X	X	X	X		X				X	X	



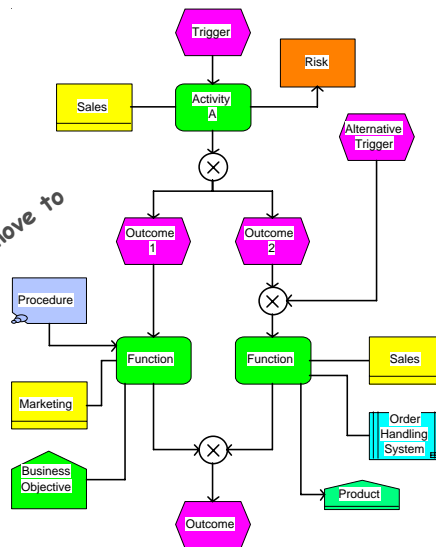
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Why, How, What, Why Process Map?

... only when you have an understanding ... do you move to the next phase.

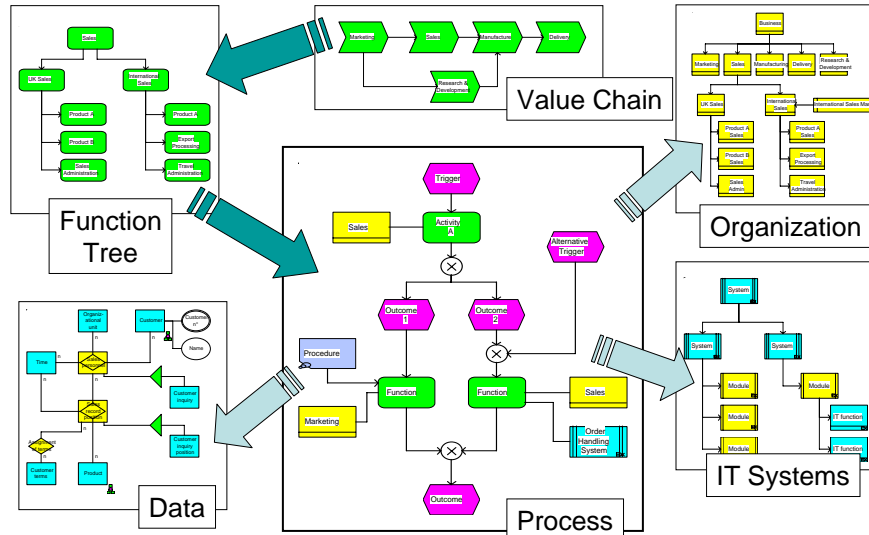


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Enterprise Modelling Viewpoints

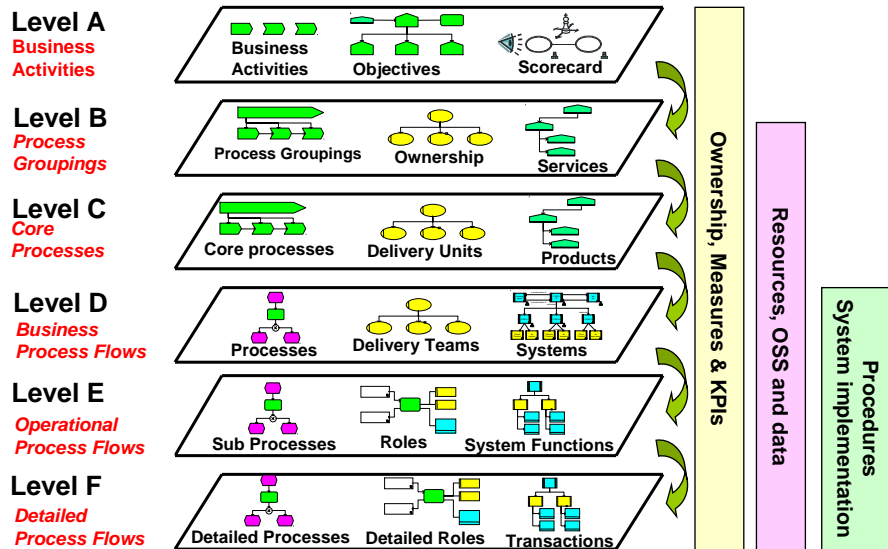


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Six-Level Process Hierarchy



Hierarchical Decomposition

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The Case for BPM

- By simply “making the current-state handoffs, timing and responsibilities explicit”, productivity improvements of more than 12 percent are normally realized.⁷
- 78% of projects see an internal rate of return (IRR) of greater than 15%.
- Projects were deployed⁸
 - 67% in less than six months,
 - 50% in less than four months.

⁷BPM's Success Hinges on Business-Led Initiatives", Gartner, 26 July 2005

⁸Justifying BPM Projects", Gartner, 2004



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BPM Productivity Improvement⁹

Typical BPM Project Phases	% of Project	Productivity Improvement
Functional Requirements And Design	25 %	50 %
Development	50 %	20 – 25 %
QA / Testing	25 %	30 %

⁹A BPMS Suite Vendor



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Now add SOA

- A business driven architectural approach that supports integrating your business as linked, repeatable business tasks or services.¹⁰

¹⁰Sandy Carter – The New Language of Business SOA and Web 2



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Benefits of BPM and SOA

- Vastly improved collaboration between business and IT
- Ability to visualize your business processes
- Real time monitoring and control
- Interactive analysis and optimization
- Rapid development



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Traditional Requirements Analysis is

- Too slow
- Too painful
- Too expensive
- A one time fix

The message....

- Gather requirements in context
- Understand how the requirements support the business strategy and goals
- Understand the **end to end** process and how the requirements fit in
- Start with mapping and modeling your processes using a tool that will allow you to go forward.