

# **Business Process Management (BPM)**

## **Report on Fragrance manufacturing AMOUAGE Company in Oman**

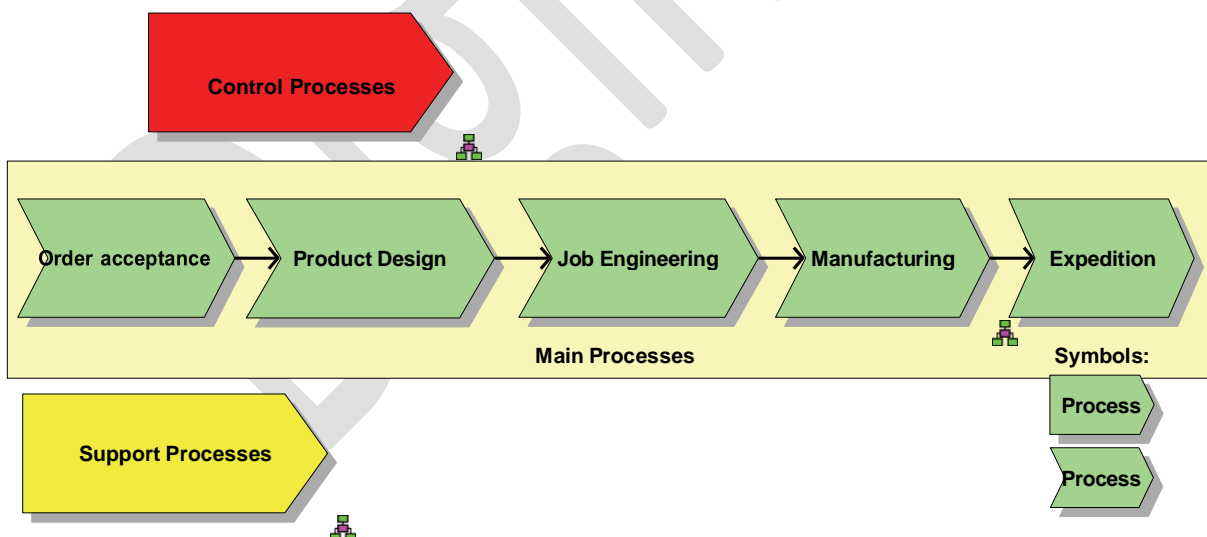


## INTRODUCTION

Businesses Process Management (BPM) is defined as an approach to make an AMOUAGE Company processes and operations more effective, efficient and adaptive to the dynamic environment. On the other hand, a business process refers to activities that ensure are performed together to fulfill given organizational goals. The purpose of BPM is to eliminate or reduce miscommunication and human errors from business operations. Through BPM, respective stakeholders understand and play their roles more effectively. There are two types of BPM frameworks that are commonly used in the market. The horizontal BPM framework which focuses on developing and designing business processes that are focused on reuse and technology. On the other hand, the vertical BPM framework entails specific coordinated tasks which are captured in pre-built templates. These set of activities can be readily deployed and configured into the business operations.

The Systems Analyst and IS Development BPM is a methodology used by AMOUAGE Company to continuously improve end-to-end business processes. It follows a cycle of systematically creating, assessing, and altering said processes. The four steps of BPM are Step 1 defining and mapping the steps in a business process, Step 2 creating ways to improve on steps in the process that add value, Step 3 finding ways to eliminate or consolidate steps in the process that don't add value, and Step 4 creating or adjusting electronic workflows to match the improved process maps. By studying and improving their underlying business processes, organizations can achieve several important benefits, including enhanced process agility, improved process alignment, and increased process efficiencies.

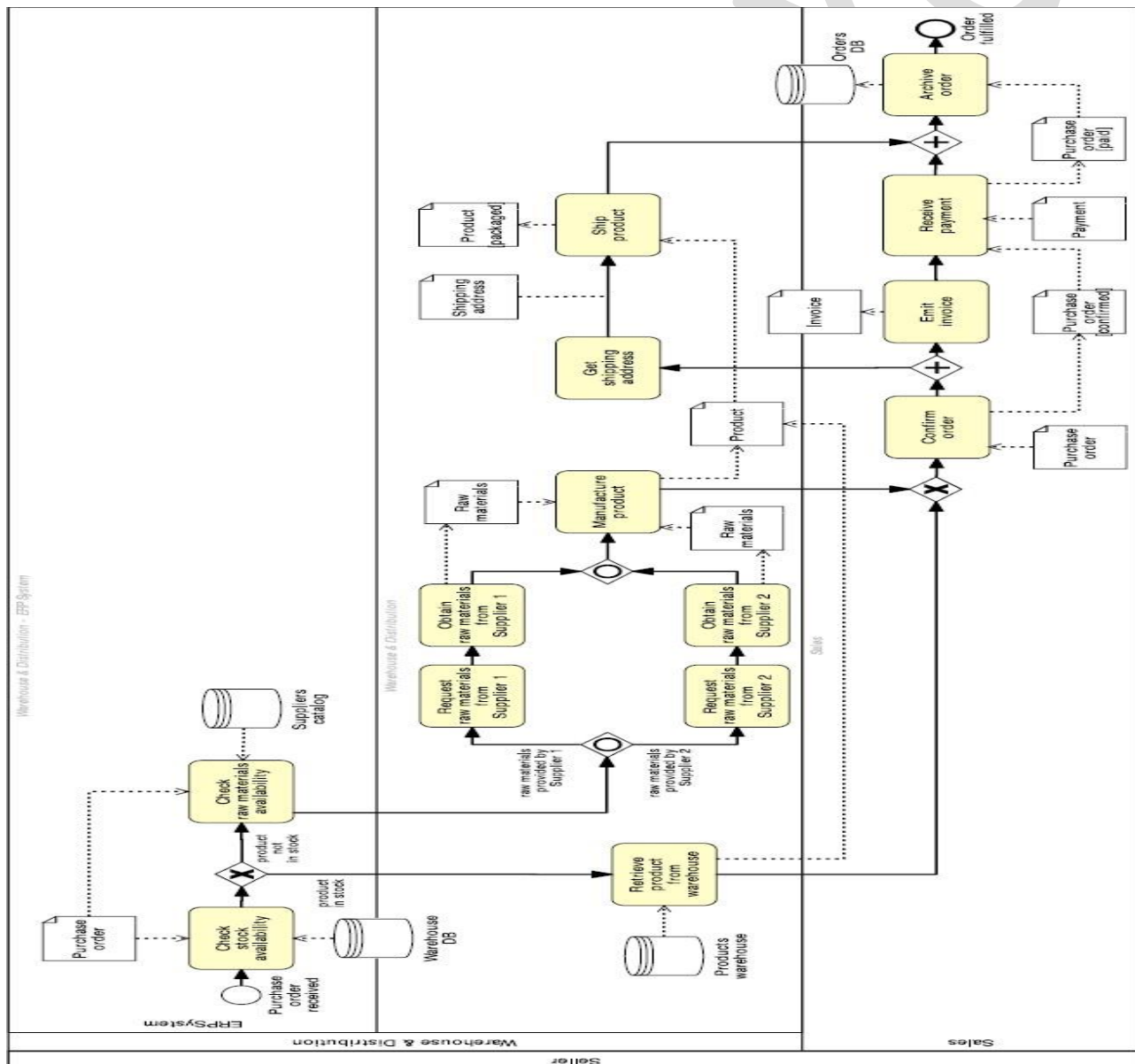
### 1. PROCESS LANDSCAPE MODEL FOR AN AMOUAGE COMPANY



# ORDER FULFILLMENT PROCESS

## Scenario:

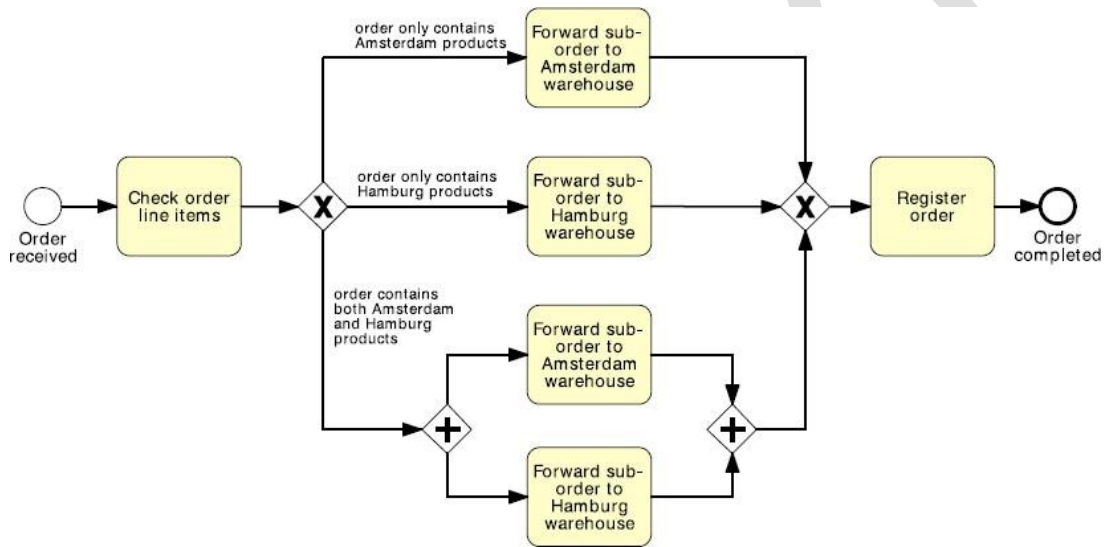
The order fulfillment process is carried out by a seller's Amouage Company which includes two departments: the sales department and the warehouse & distribution department. The purchase order received by warehouse & distribution is checked against the stock. This operation is carried out automatically by the ERP system of warehouse & distribution, which queries the warehouse database. If the product is in stock, it is retrieved from the warehouse before sales confirm the order. Next sales emit an invoice and wait for the payment, while the product is shipped from within warehouse & distribution. The process completes with the order archival in the sales department. If the product is not in stock, the ERP system within warehouse & distribution checks the raw materials availability by accessing the suppliers catalog. Once the raw materials have been obtained the warehouse & distribution department takes care of manufacturing the product. The process completes with the purchase order being confirmed and archived by the sales department.



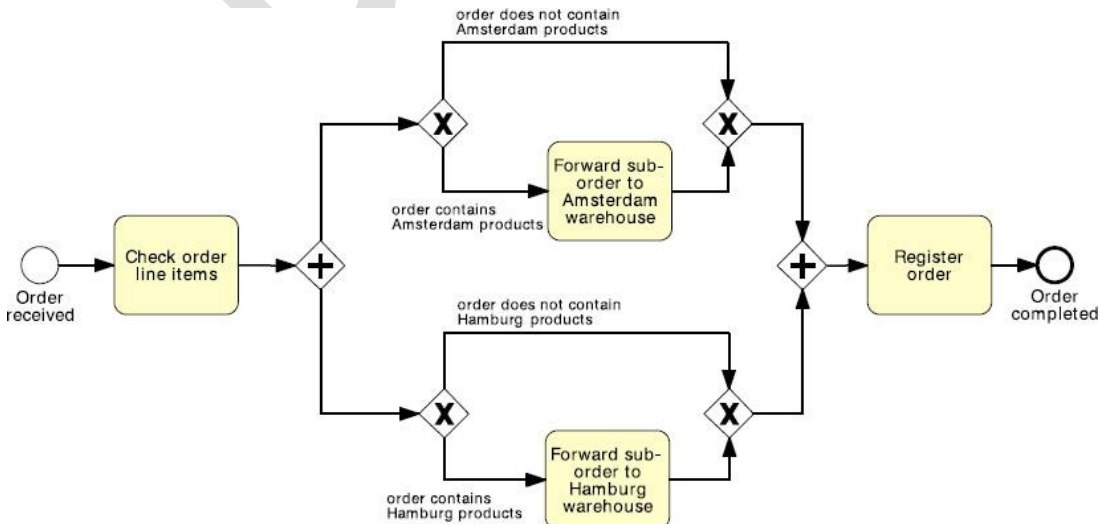
## ORDER DISTRIBUTION PROCESS

### Scenario

AMOUAGE Company has two warehouses that store different products: Amsterdam and Hamburg. When an order is received, it is distributed across these warehouses: if some of the relevant products are maintained in Amsterdam, a sub-order is sent there; likewise, if some relevant products are maintained in Hamburg, a sub-order is sent there. Afterwards, the order is registered and the process completes.



OR



## 2 SELECTED BUSINESS PROCESS TO BE THE FOCUS OF BPM PROJECT IN AN AMOUAGE COMPANY

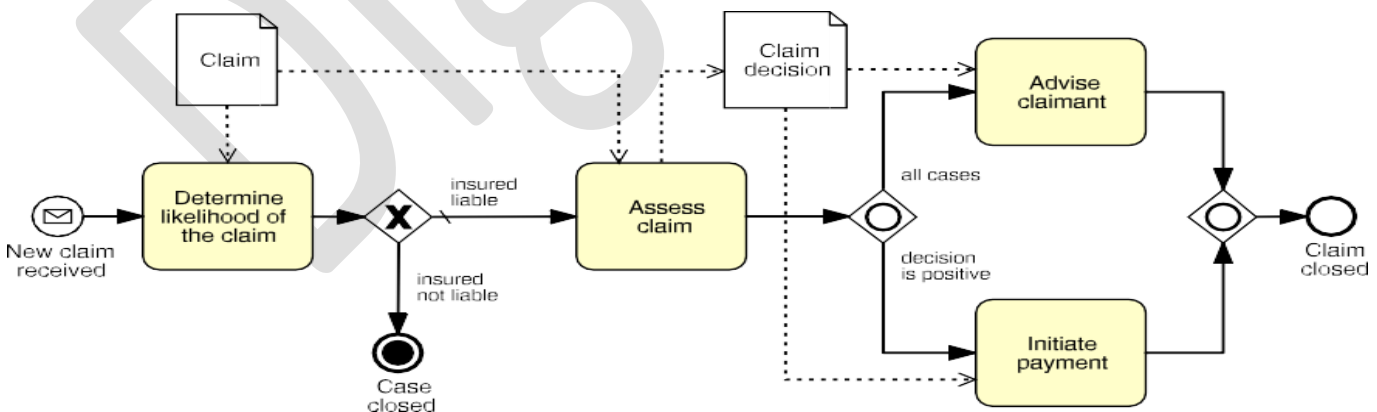
The three techniques applied within BPM for business processes are that of Automation (BPA), Improvement (BPI), and Reengineering (BPR). It is entirely possible that all three of these techniques could be used on the same project depending on the scope and impact the planned change will have on the steps of BPM. As a rule, when technology is applied to a process to enhance agility and provide more ability for change the project would be a BPA. When a process incorporates industry “best practices ” or perhaps finds ways to eliminate or consolidate steps in the process it would be termed BPI . The BPR technique changes the fundamental way in which the organization operates. In effect, BPR makes major changes to take advantage of new ideas and new technology.

BPR is considered to contain the most amount of risk of the three techniques due to the significant organizational and operational changes that result. The answers can certainly vary with regard to greatest potential. In many cases it will be a “hybrid “blend of all three that could hold the most potential for the organization.

**Consider the claims handling process modeled to implement business process using a BPMS of choice.**

### Scenario

The process starts when a customer submits a new insurance claim. Each insurance claim goes through a two-stage evaluation process. First of all, the liability of the customer is determined. Secondly, the claim is assessed in order to determine if the insurance company has to cover this liability and to what extent. If the claim is accepted, payment is initiated and the customer is advised of the amount to be paid. All activities except “Initiate Payment” are performed by claims handlers. There are three claims handlers. Activity “Initiate Payment” is performed by a financial officer. There are two financial officers.



## 3. PROCESS PERFORMANCE MEASUREMENT AS PART OF BUSINESS PROCESS MANAGEMENT IN AMOUAGE COMPANY

We decided use the ARIS Process Performance Manager (ARIS PPM) software tool for process controlling in Amouage Company case, because this tool can be implemented to any information system and structure. The information technologies make the important support for business process management nowadays.

### Key process indicators:

Pre-configured process key performance indicators are calculated and aggregated for each imported process stage. The ARIS PPM base system already includes a core set of key performance indicators, and these are set as default ones regardless to a connected source system. The key performance indicator types can be divided into 3 groups:

- ✓ **time-related key** performance indicators (e.g. throughput times, processing times, frequencies),
- ✓ **cost-related key** performance indicators (e.g. process costs/rates on the basis of the performance standard) and
- ✓ **quality-related key** performance indicators (e.g. number of processors, error rates, deadline reliability)

Key process indicator	Type	Category	Description
Interval of order processing	Process	Time	Process duration from an order acceptance till issue of an invoice.
Interval of acceptance of an order	Process	Time	Sub process duration: "Receipt of order".
Interval of PCB design	Process	Time	Sub process duration: "Design of PCB".
Interval of manufacturing preparation	Process	Time	Sub process duration: "Manufacturing data preparation".
Interval of PCB manufacturing	Process	Time	Sub process duration "Manufacturing of PCB.
Interval of PCB expedition	Process	Time	Sub process duration: "PCB expedition".
Interval of invoice issue	Process	Time	Sub process duration: "Issue invoice".
Activity process time	Function	Time	Difference between the end of current activity (process) and the end of previous activity.
Processing time of an activity	Function	Time	Difference between the end of activity and the start of a particular activity.
Idle time of activity	Function	Time	Difference between the start of an activity and the end of previous activity.
Keeping the order term	Function	Time	Difference between planned and real order completion date.

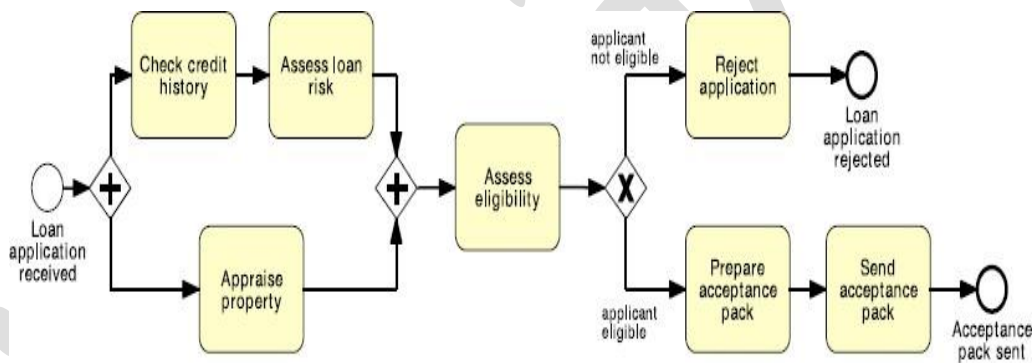
#### 4. MODEL A FRAGMENT OF BUSINESS PROCESS IN AN AMOUAGE COMPANY

##### Scenario

Model a fragment of an AMOUAGE Company business process for assessing loan applications. A loan application is approved if it passes two checks:

- I. The applicant's loan risk assessment, done automatically by a system, and
- II. The appraisal of the property for which the loan has been asked, carried out by a property appraiser.

The risk assessment requires a credit history check on the applicant, which is performed by a financial officer. Once both the loan risk assessment and the property appraisal have been performed, a loan officer can assess the applicant's eligibility. If the applicant is not eligible, the application is rejected; otherwise the acceptance pack is prepared and sent to the applicant.

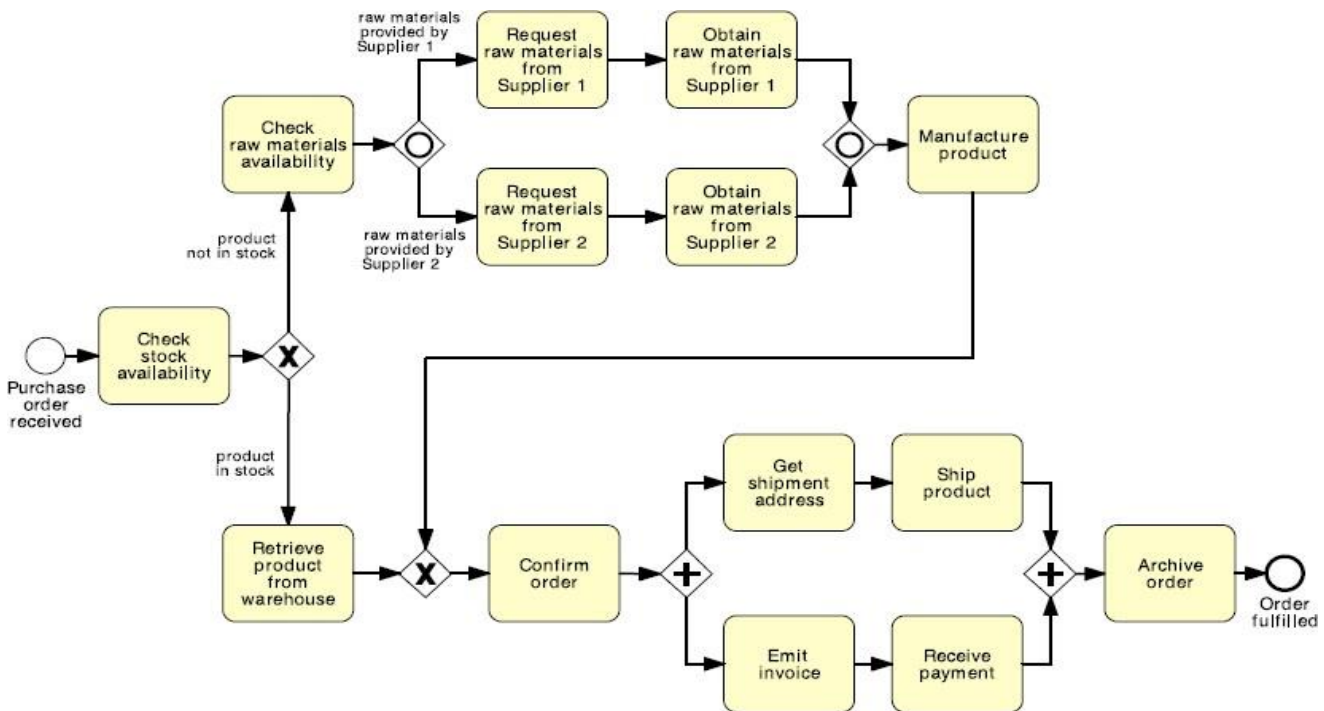


#### 5. IDENTIFY TWO VALUE ADDING ACTIVITIES IN AN AMOUAGE COMPANY

Operating + project

##### Scenario

If the product requested is not in stock, it needs to be manufactured before the order handling can continue. To manufacture a product, the required raw materials have to be ordered. Two preferred suppliers provide different types of raw material. Depending on the product to be manufactured, raw materials may be ordered from either Supplier 1 or Supplier 2, or from both. Once the raw materials are available, the product can be manufactured and the order can be confirmed. On the other hand, if the product is in stock, it is retrieved from the warehouse before confirming the order. Then the process continues normally.



## 6. APPLY ONE (1) PRINCIPAL OF REENGINEERING APPROPRIATE TO THEAMOUAGE COMPANY

Business Reengineering is the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical, contemporary measures of performance, such as cost, quality, service, and speed

### Principle of Reengineering

**Organize around outcomes, not tasks.** For example is where a company redesigned its equipment sales and installation process from one that involved a number of departments and steps to one where a single customer service representative oversees the whole process of selling, delivering, and installing equipment.

### **Scenario**

In the treasury minister's office, once a ministerial inquiry has been received, it is first registered into the system. Then the inquiry is investigated so that a ministerial response can be prepared. The finalization of a response includes the preparation of the response itself by the cabinet officer and the review of the response by the principal registrar. If the registrar does not approve the response, the latter needs to be prepared again by the cabinet officer for review. The process finishes only once the response has been approved.

