

Operational Efficiency Through Business Process Excellence



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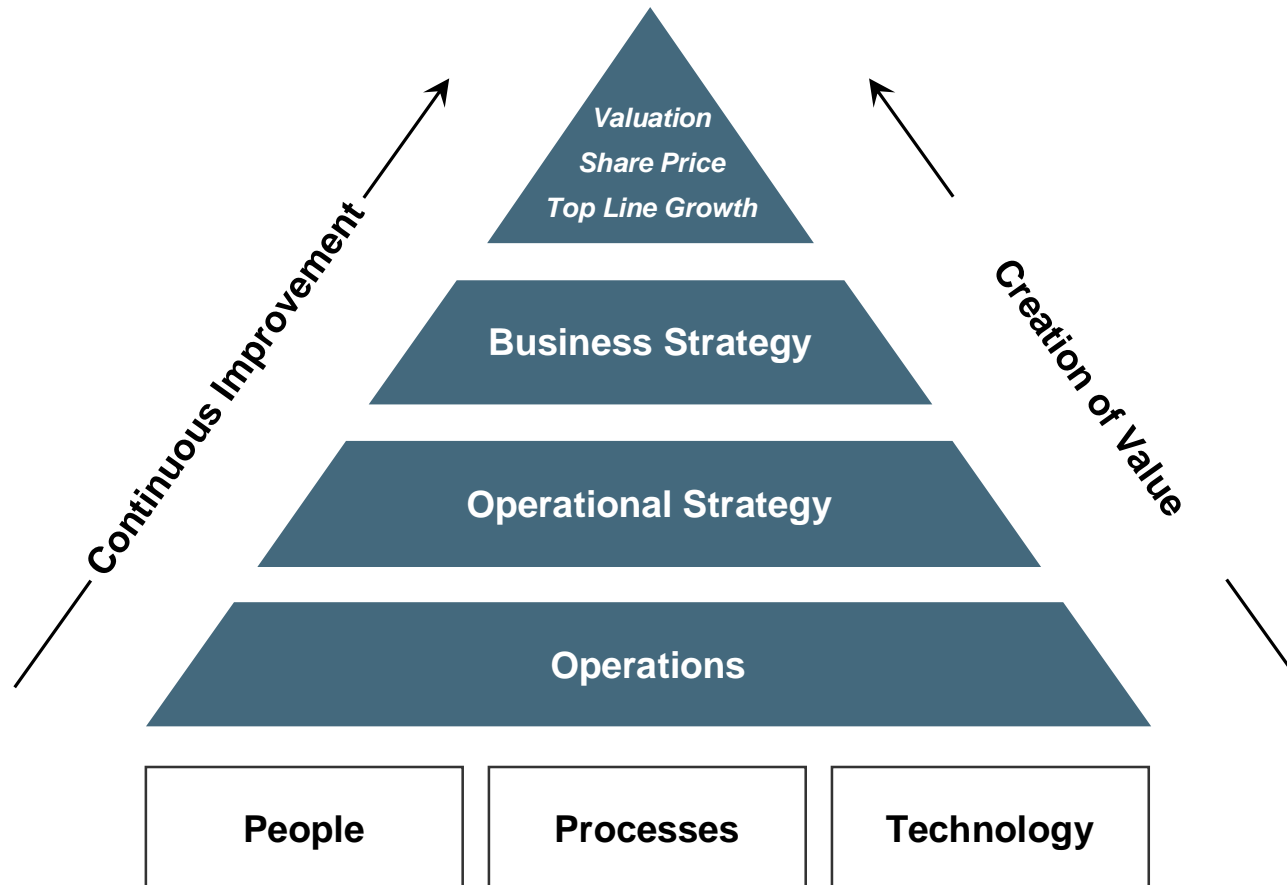


THE BEST-RUN BUSINESSES RUN SAP™



- Process Management and Improvement to achieve operational efficiency
- SAP/IDS Scheer Offering for Business Process Management
- Case Study: Petro China

The Corporate Value Pyramid



... represents the **corporate memory** and is the only element in the business foundation that is 100% under management's control

Gartner Executive Survey

Top Business Priorities for 2009



Business process improvement	1
Reducing enterprise costs	2
Improving enterprise workforce effectiveness	3
Attracting and retaining new customers	4
Increasing the use of information/ analytics	5
Creating new products and services (innovation)	6
Targeting customers and markets more effectively	7
Manage change initiatives	8
Expanding current customer relationships	9
Expanding into new markets or geographies	10

Source: Gartner EXP worldwide survey <http://www.gartner.com/it/page.jsp?id=855612>

What does process improvement really mean?



- One needs to have complete end to end view of business processes including:
 - What needs to be done
 - Why
 - Who should do it
 - What information is needed / generated at each step
 - What resources / systems are available to complete the step

- How is it really done?
 - Measure performance of live running process
 - Identify bottlenecks or areas for improvement

- Align “what should be” and “how” to improve process and operational efficiency

Business Process Management

Helps improve processes and achieve operational excellence



*As the latest Gartner EXP survey emphasizes, **today's challenging economy means the focus on Business Process Management (BPM) is more important than ever.** The survey underscores the value BPM can provide to help companies “survive, thrive and capitalize” in an economic downturn.*

BPM is seen as a lifeline keeping organizations above water

Attendees response at a recent Gartner event – source biztech2 article
3/17/09

According to Michele Cantara, VP of Research at Garner:

In a survival mode, many companies' cost cutting measure result in derailment of critical programs. **Process visibility (via BPM) should be used to cut cost with surgical precision** so as to understand its impact on critical processes



Document end to end processes in a structured manner

- Process, People, System & Input/Output

Build a Central process repository that can foster

- Process transparency
- Process re-use

Communicate process information to masses in an unambiguous manner

- Foster constructive feedback
- Reduce learning curve for new employees and improve productivity
- Enforce standard way of working
- Prepare reports on roles, job descriptions, procedures, policies, etc.

Run impact analysis on processes across all linkages

Perform what-if analysis on processes for improvement

SAP and IDS Scheer Offering

How it is really getting done today?



Challenges of the Process Performance Management



Which processes do not perform as planned?

What are the reasons and circumstances?

Who can tell what's going wrong?

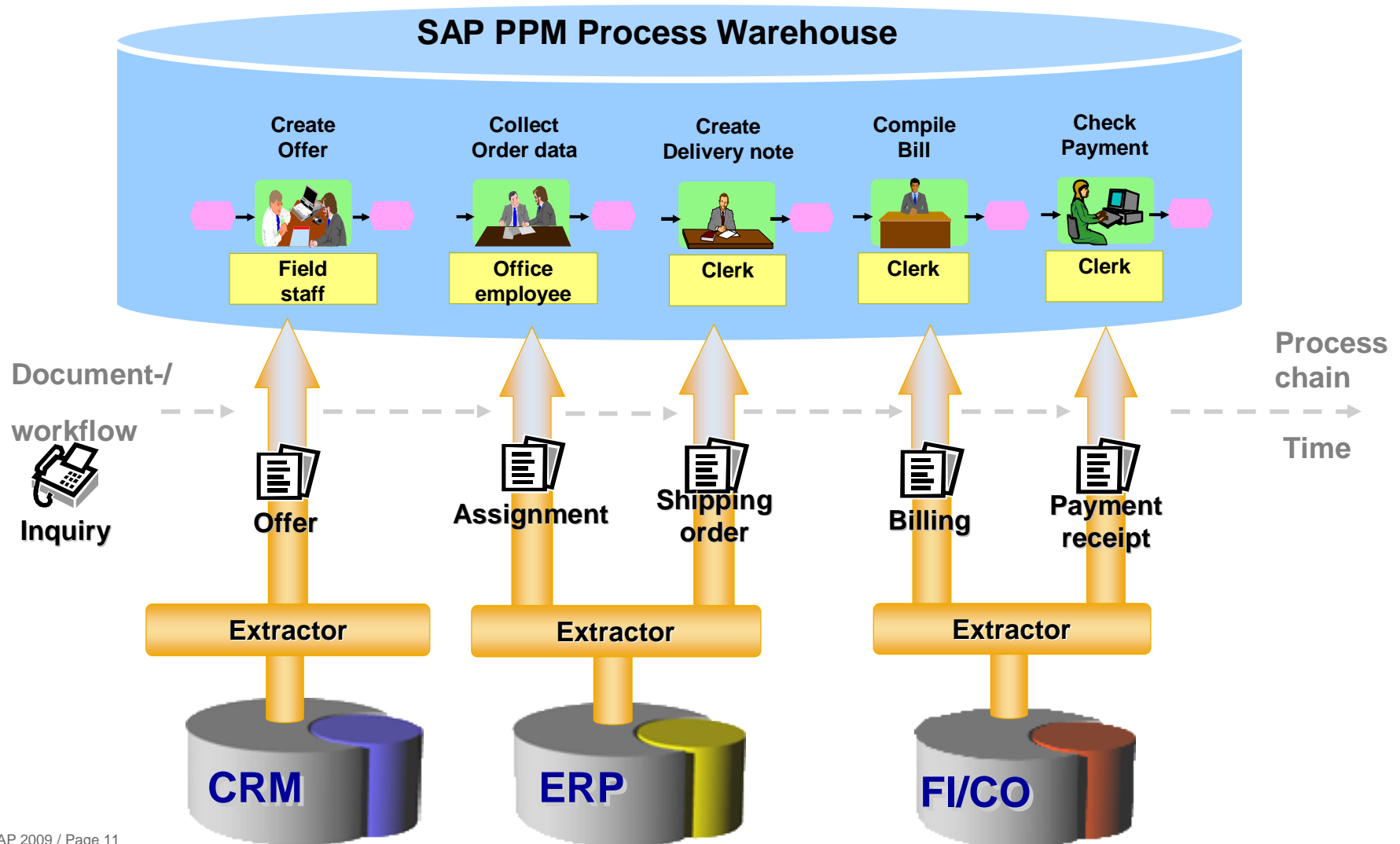
How can we derive improvements?

Could we avoid those bottlenecks?

SAP Process Performance Management (Example Quote-to-Cash)



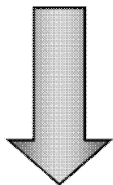
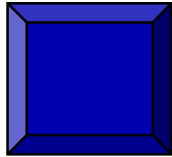
Process-auto-extraction out of source data



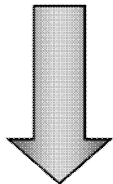
Defining Measurement Points in an End-to-End Scenario



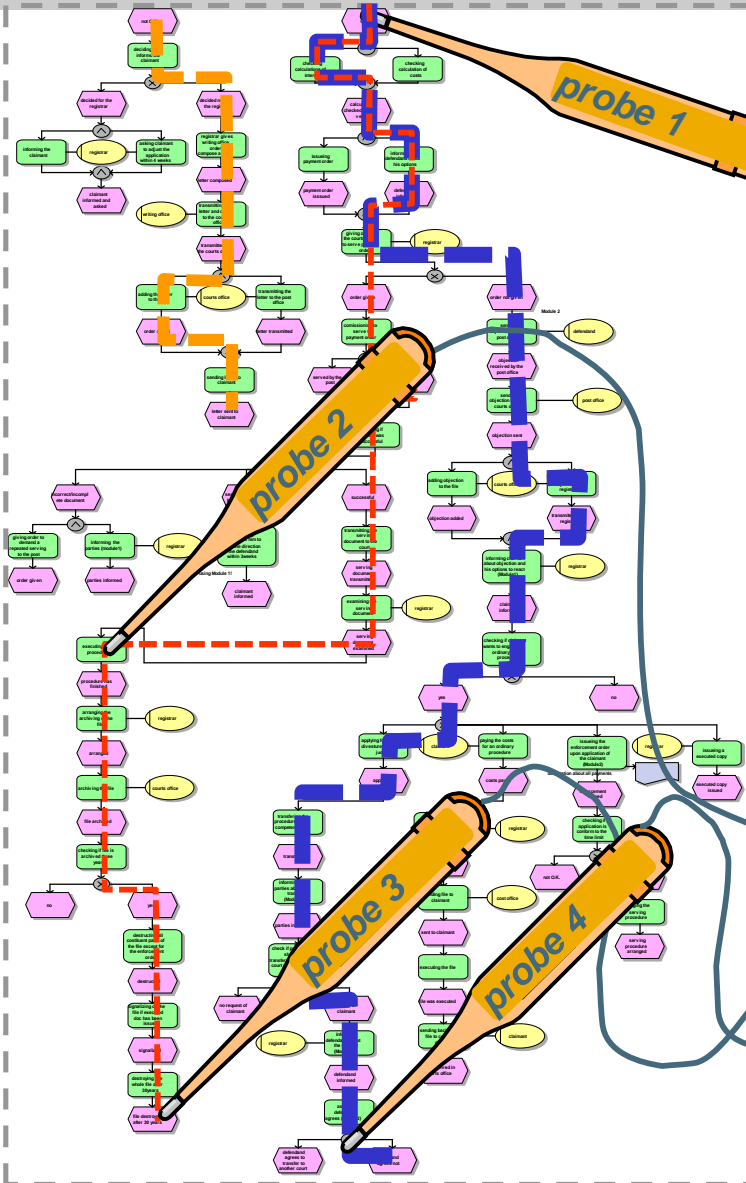
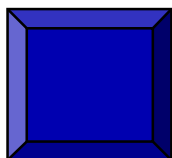
Acquisition



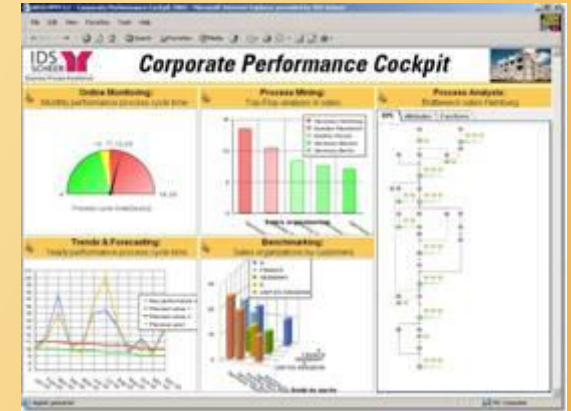
Clarify



Maintain



Process Controlling

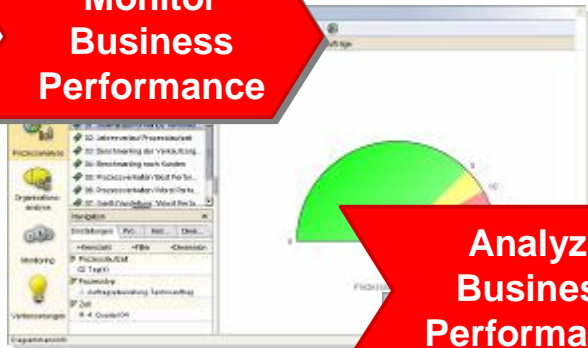


**SAP PPM
Process Warehouse**

Continuous Improvement of Business Process Performance

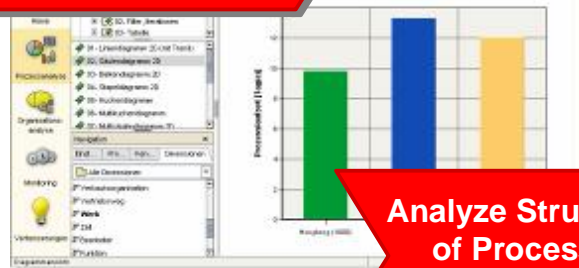


Monitor Business Performance



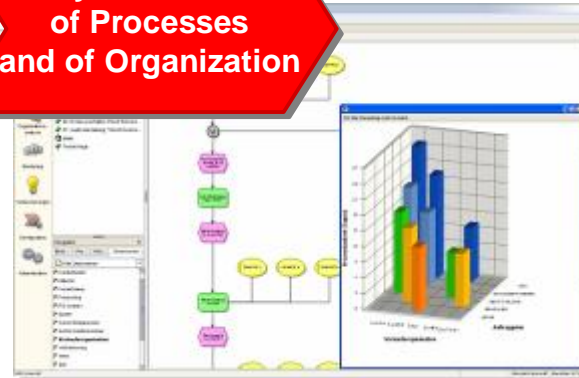
◆ **Transparent end-to-end processes**

Analyze Business Performance



◆ **Reveal cause & effect chains**

Analyze Structures of Processes and of Organization



Establish Continuous Improvement

◆ **Recognize optimization potential**

RAS Oil and Gas Company (RASCO)



Ras Lanuf Oil and Gas Processing Company (RASCO) is a subsidiary company of NOC, the National Oil Corporation of Libya, and was founded in 1982. Its petrochemical complex is composed of a Refinery Plant, an Ethylene Plant, Polyethylene Plants, and associated Utilities Facilities. The company has approx. 3500 employees.

Business Challenges

- ▶ No consistent process documentation
- ▶ No process transparency
- ▶ No clear process in place how to measure internal and external service levels

Our Solution

- ▶ Mapping and analysis of the finance and accounting processes using ARIS Toolset
- ▶ Design of the optimized business processes
- ▶ Process performance monitoring of the finance and accounting processes using ARIS Process Performance Manager and ARIS Web Publisher
- ▶ Solution for Business Process Monitoring

Customer Benefit

- ▶ Process portal with the optimized processes increases visibility of best practices
- ▶ Feedback from Process Performance Management system helped increase process efficiency
- ▶ Establishment of Process Improvement Culture

	ARIS Toolset, ARIS Web Publisher, ARIS Process Performance Manager
Industry	Oil&Gas
Topic	PPM for finance and accounting

- ***PetroChina – the no. 7 oil&gas company worldwide***
- ***Revenues of Euro 68.898 billion in the fiscal year 2006***
- ***China's flagship energy enterprise, plays an important role in China's oil and gas production and supply***
- ***Strong distribution network with more than 18,000 gas stations***
- ***One of the largest technical and engineering service suppliers***

Project Roadmap for PetroChina



Internal Control System Implementation Project Roadmap for PetroChina

Phase I

Phase II

***“Compliance Project”
SOX Document Modelling and Test
Management Automation***

***“BPM Project”
Enterprise Process Architecture***

***SAP blueprint modelling and
synchronization***

***Business Process Modelling and
Analyzing on gas station process
and financial reporting process***

“BPM and Compliance Project”

***Support Total Risk Management with
Process Portal, Process modelling,
Process Auditing and Process Performance
Monitoring***



Project framework for PetroChina on ERM, BPM and PPM



<i>Phase</i> <i>Topic</i>	<i>Strategy</i>	<i>Design</i>	<i>Implement</i>	<i>Control</i>	<i>Portal</i>
<i>Enterprise Risk Management</i>	<p>SOX System Design</p> <p>ERM system Design</p>	<p>Identify Risk</p> <p>Design Control</p> <p>SOX Doc. Modeling</p>	<p>Manual Control</p> <p>IT Control</p>	<p>Control test And Report</p>	<p>ERM portal</p>
<i>Process Management</i>	<p>Process Architecture</p> <p>Process Mgt. system</p>	<p>Process design</p> <p>Process Modeling</p> <p>Modeling Convention</p>	<p>IT implement</p> <p>Org. implement</p>	<p>Process Performance Monitoring</p>	<p>BPM portal</p>
<i>Performance Management</i>	<p>PM system design</p>	<p>KPI design</p> <p>E2E process design</p>	<p>PPM implementation</p>	<p>KPI monitor</p> <p>KPI analyze</p>	<p>PPM portal</p>



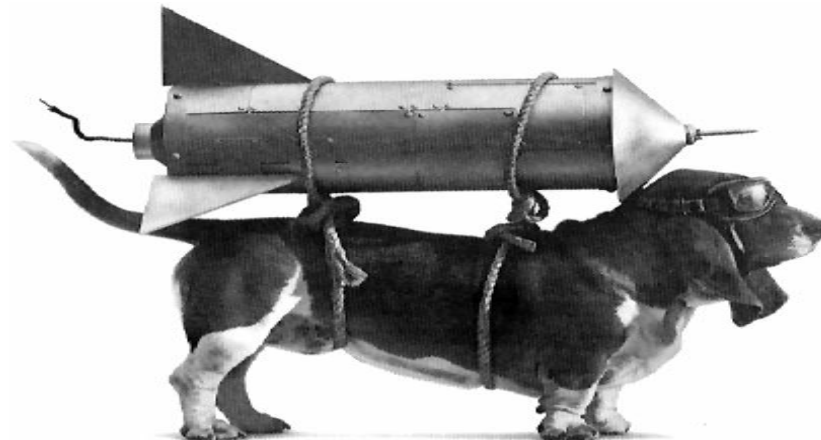
- Improve the effectiveness of SOX Documentation administration
- Pass the SOX audit with Zero-deficiency in fiscal year 2007**
- Easy sharing of compliance knowledge through portal
- Cost reduction for test result analysis, reporting, and SOX Manual management
- Ensure ERP implementation comply with internal control requirement**
- BPM culture throughout the company using integrated platform
- Established Process Owner and Process Management Policies
- To Implement an Integrated Portal to support ERM, BPM and PPM



- To achieve operational efficiency,
 - Company must get transparency on processes
 - Processes should be measured
 - Processes should be improved
- Process Management and Continuous Improvement should become **culture** of an organization
- ELSE

$$OO + NT = EOO$$

(Old Organisation + New Technology = Expensive Old Organisation)



Thank You !