



BUSINESS PROCESS MODELING

- A *HOSPITALITY CASE STUDY* -

January 20, 2010



Today's Topics

- **Welcome and Introduction**
- **Why focus on Business Processes?**
- **Business Process Realignment (Hospitality example)**
- **Business Process Analysis Approaches**



Welcome

Introducing your Presenter -- Vince Bordo

- Over 25 years experience in the IT industry
- **CBAP**[™] Certified Business Analysis Professional
- Specializing in requirements elicitation, analysis, documentation, verification, and project management
- Lead Business Analyst & Mentor for two hotel chains who were replacing their Property Management Systems

Senior Consultant
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Discussion

Why are organizations focusing more on Business Processes?

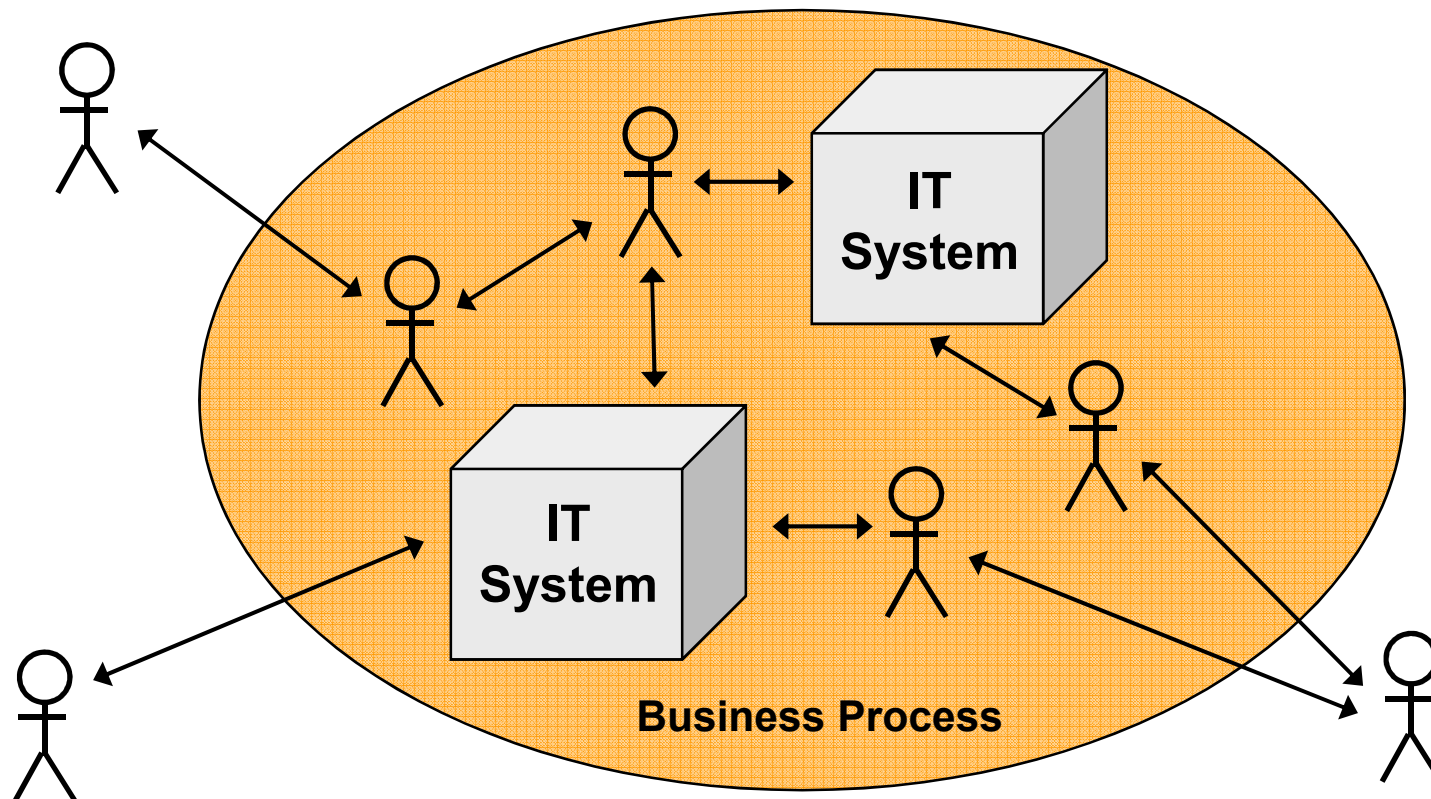


Why Business Processes?

- Document an undocumented process
- Enforce a consistent / standard way of doing a process
- Staff training now and in the future
- Look for problems or efficiency gains
- Look for automation opportunities
- Enable change for new product or service
- Satisfy a regulation
- Save money
- Improve customer service
- Cope with mergers and acquisitions
- Stay competitive
- Stay in business!



Business Processes and IT Systems



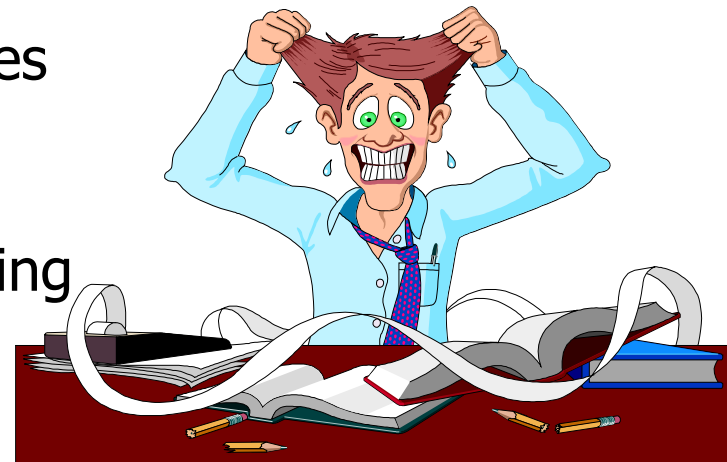
An Inhospitable Scenario

- **Poor front desk processes were causing negative guest experiences**
 - Missing reservations
 - Inaccurate guest folios
 - Inoperable key cards
 - Unrecognized frequent guests
 - Incorrect room assignments



Back-Office Troubles Abound

- **Poor back office processes were causing incorrect accounting**
 - Inconsistent room inventory profiles
 - Disparate customer databases
 - Lack of consistent chain-wide guest information
 - Insecure links to booking websites
 - Multiple sales channels
 - Frequent guest programs not being credited



Let's Analyze the Problems

- **What are the root causes?**
 - Processes are not capable of supporting today's increasing demands which result in:
 - Manual workarounds
 - Manual errors
 - Incompatible data
 - Non-integrated standards with partner systems
 - Batch-oriented processing vs. real-time messaging



Incompatibility Issues

•Q: Why do we have such an epidemic of incompatible systems and business processes throughout our industries?

•A: Because of Conway's Principle

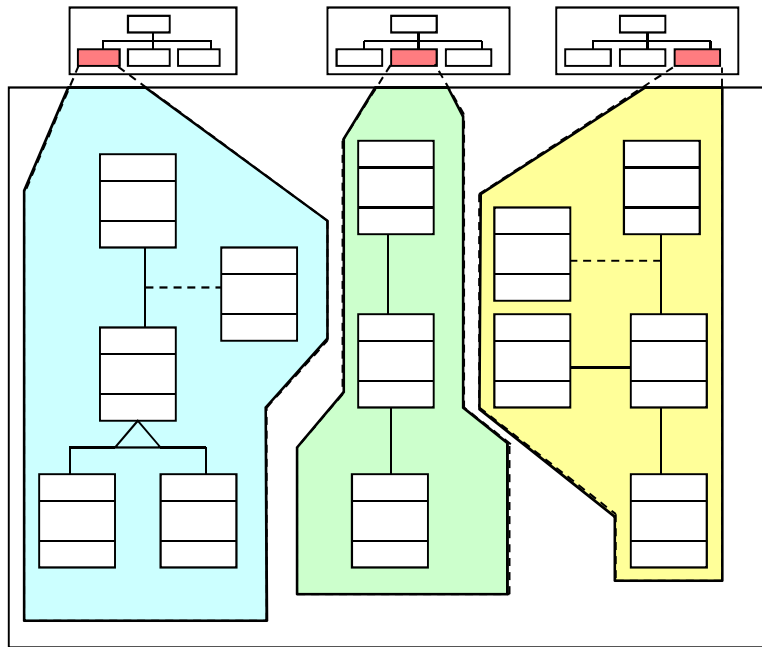
Conway's Principle *prov.* The rule that the organization of the software and the organization of the software team will be congruent; commonly stated as "Organizations which design systems are constrained to produce designs which are copies of the communication structures of these organizations."

The principle was named after Melvin Conway, an early proto-hacker who wrote an assembler for the Burroughs 220 called SAVE.

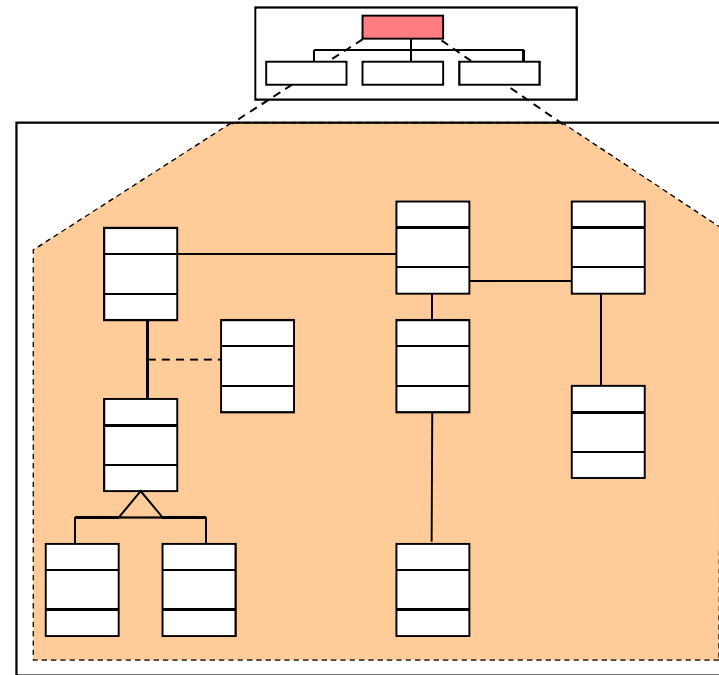


Conway's Principle

Three owners = three systems



One owner = one system



The structure of a system reflects the structure of the organization that built it.



More Reasons for Disparity

- **Architectural disparities are caused by:**
 - Different needs for automation
 - “In-place” systems incompatible with new technology
 - Investment constraints
 - Different vendors systems
- **Some vendors “resist” standards because of:**
 - Little incentive to redesign proprietary interfaces
 - Perceived loss of competitive advantage
 - An unwillingness to believe standards will “fix” the problem
 - But...there are those who do develop to standards

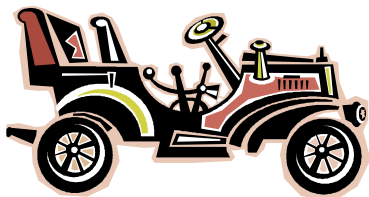
Single-perspective solutions have caused enterprise-wide incompatibilities



Business Process Realignment

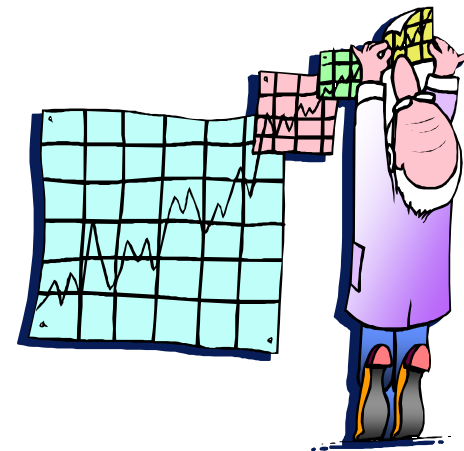
- **It's time to re-think our current business processes**
 - Determine which processes need rework
 - Take-on an enterprise view regarding the flow of activity
 - Redesign the inefficient processes
 - Utilize “new” technology (when possible) to rejuvenate outdated and/or outmoded operations

Process Improvement

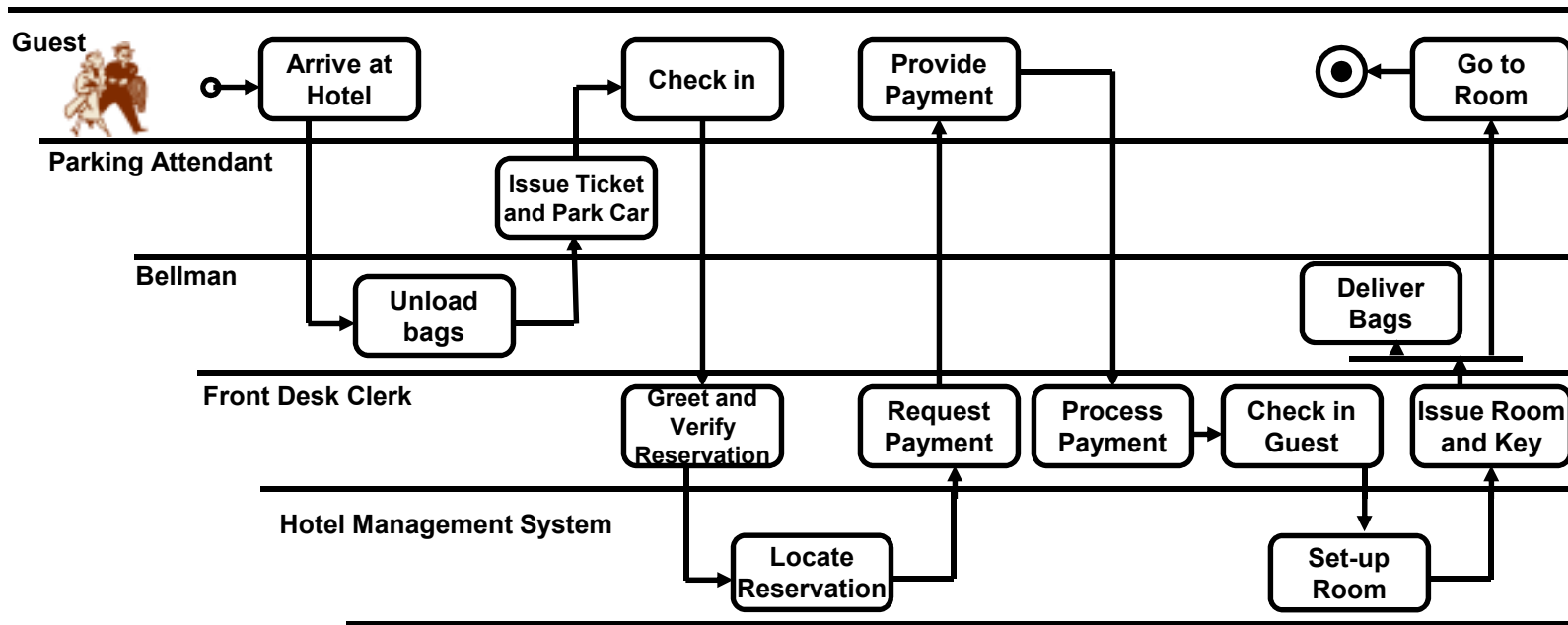


Locate Areas of Inefficiency

- **Conduct an “as-is” process mapping**
 - Trace the flow of operations
 - Look for timing and control loops
 - Identify areas that require both manual and automated processes
- **Trace the flow through the operations using an “activity (i.e., flow) diagram”**



“As-Is” Activity Diagram



Note: The systems can be “hidden” for business process modeling

Traditional
Check-in Process

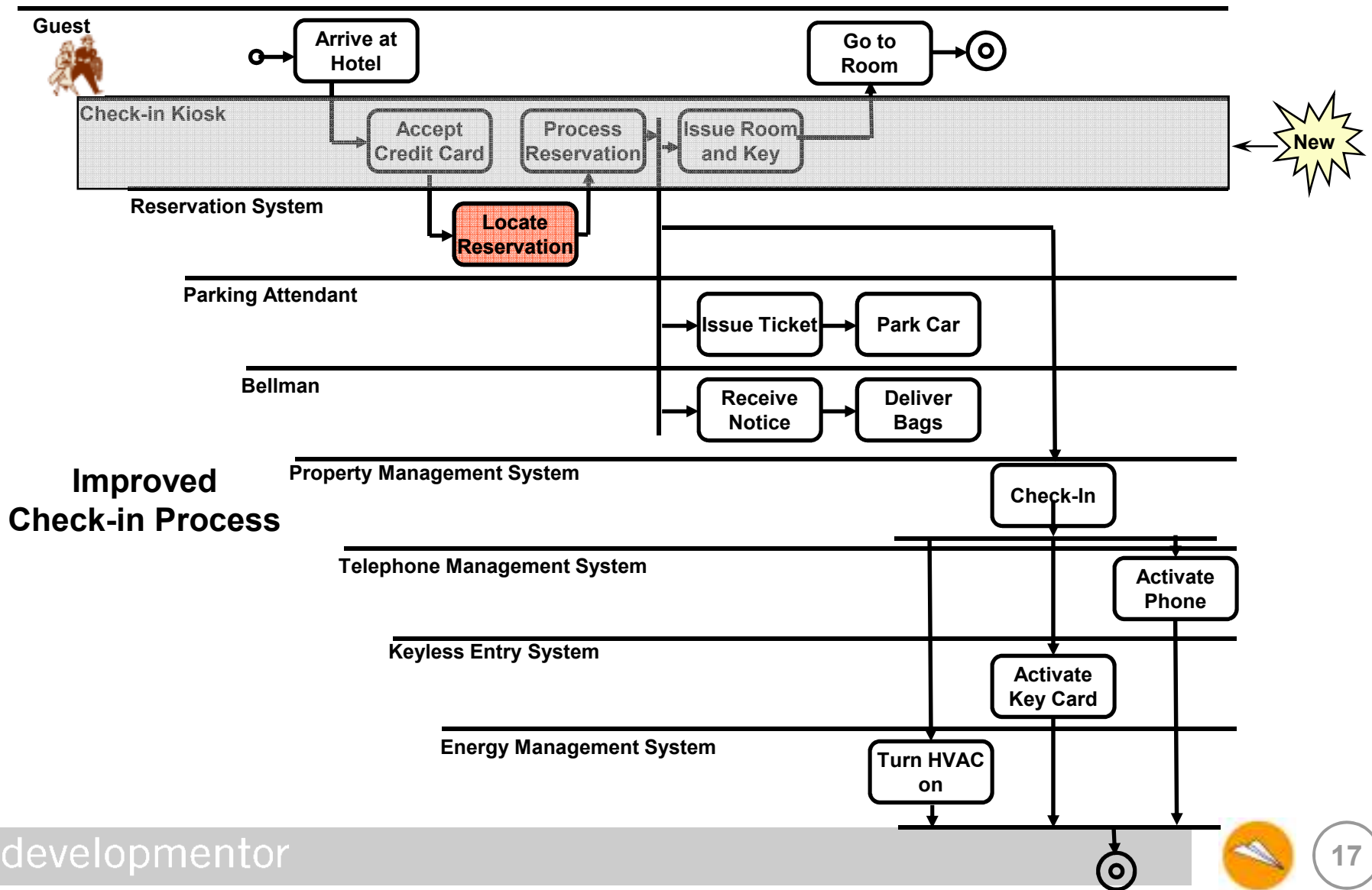


Improve the Process

- Review the “as-is” process for areas requiring improvement
- Look at the current process with the “guest-experience” in mind
- Ask yourself “how can we make it better”?
- Identify all systems that could be improved (i.e., impacted) by the new process
- Document the “new” process by using a “to-be” activity diagram



"To Be" Activity Diagram



Identify the Impacts

- **Identify the interfaces which will require modification based on the “new” process**
- **Describe the interface specifications (i.e. data, frequency, volume, etc.)**
- **Determine which systems could change and which must stay the same.**
- **Choose the most appropriate middleware technology for each interface**
- **Implement the solution**



Improve the Process First...

- **Organize around outcomes, not tasks**
- **Process modernization precedes automation**
- **Use of benchmarking and other techniques to regularly assess the costs and benefits of functional processes**
- **Establish process ownership (responsibility, accountability, and authority)**
- **Subsume information-processing work into the real work that produces the information**
- **Put decision points where work is performed, and build control into the process**
- **Standardize similar processes**
- **Be Guest/Customer focused**
- **Capture information once, and at the source**
- **Move toward standard data definitions**
- **CHANGE NOW, do not wait for a "perfect" solution**
- **Build new systems only as a "last resort"**



Approaches To Business Process Analysis

- **A full business change cycle might involve:**
 - Documenting the current ('as-is') process
 - Capturing the business efficiency metrics
 - Uncovering the problems
 - Creating and selecting solutions
 - Creating new ('to-be') process
 - Determining the IT services which need to be changed or introduced to support the new business process
 - Managing People, Process and IT issues in order to implement the new process and IT support



Discussion

What organizational factors will influence your approach to Business Process Analysis?



One Last Thought:

No current industry standard exists for Modeling Business Processes:

- **Flowcharts**
- **IDEF3 Process Schematics**
- **Business Process Modeling Notation (BPMN)**
- **UML Activity Diagrams**

...Lots of areas for a special interest group
to continue to discuss!



Thank you for attending this presentation!

Questions?

**For a copy of this presentation, or follow-up question, please
feel free to contact:**



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