Six Business Problems the Business Rule Approach Addresses

I’m frequently asked to summarize what business problems the business rule approach was created to address. Here’s my take on that important question. I believe the potential benefits for your company are compelling.

1. **Ad hoc rules:** Most businesses have no logical approach for defining their business rules. As a result, business workers often make up the rules as they go along. This leads to confusion, contradiction, and operational inefficiency. After-the-fact resolution of these problems wastes time and resources and causes frustration for customers and staff alike. The larger the organization, the bigger the problem. Also, since many business rules involve monetary transactions (for example, whether a customer should be given a discount, and if so, how much), this problem can also directly affect the bottom line.

   *Business rule solution:* A structured approach helps you think through rules before the fact.

2. **Miscommunication:** Misunderstanding of key business concepts inevitably results in miscommunication. Does *preferred customer discount* mean the same across all departments? If not, what are the differences? What rules apply? Do these rules differ for different areas of the business? Are the rules consistent?

   *Business rule solution:* A clear set of concepts provides a foundation on which rules can be directly based.

3. **Inaccessible rules:** Finding out what rules apply to a given business situation often involves an open-ended search through multiple sources. It is not uncommon in the end to resort to the application source code. Pursuing rules in this fashion is time-consuming, inefficient, and inaccurate.

   *Business rule solution:* A way to manage business rules provides direct accessibility.

4. **Massive differentiation:** Many businesses seek to support highly individualized relationships with growing numbers of customers and other partners for ever more complex products or services. How can businesses massively differentiate between business parties and, at the very same time, conduct each business transaction faster, more accurately, and at ever lower costs?
Business rule solution: A rule-based approach featuring rapid development and deployment of rules supports differentiation.

5. The need to keep up to speed: Rapid change, at an ever faster pace, is a fact of life. In the Internet age, people expect almost instantaneous implementation of changes. How can line workers consumed with day-to-day activities ever hope to keep up?

Business rule solution: Real-time delivery of business logic to knowledge workers as errors actually occur creates a seamless, never-ending, self-training environment.

6. Knowledge walking out the door: By and large, baby boomers created much of the operational business capacity and operational systems we see in place in larger organizations today. Much of the related knowledge still sits in their heads—and nowhere else. What will happen when they retire? On a smaller scale, people with vital operational knowledge walk out the door almost every day.

Business rule solution: A systematic way of capturing, documenting, and retaining the business rules prevents the loss of knowledge when people leave.

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Postscript: This list of benefits was written over a dozen years ago. About the only thing I would change today is to add the following buzzwords for the respective problems listed in the following table. Strange how sometimes the more things change, the more they stay the same.

<table>
<thead>
<tr>
<th>Problem Number</th>
<th>New Buzzwords</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Consistency (of Decisions and Business Responses)</td>
</tr>
<tr>
<td>4</td>
<td>Customization and Personalization</td>
</tr>
<tr>
<td>5</td>
<td>Business Agility</td>
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<tr>
<td>6</td>
<td>Knowledge Retention</td>
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Ron is recognized internationally as the "father of business rules." He is the author of ten professional books including the groundbreaking first book on business rules The Business Rule Book in 1994. His newest are:


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