



A Postcard From Europe  
July 2003

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Historically, Business Process Modeling and Enterprise Resource Planning (ERP) have been strange bedfellows.

The ERP vendors have impressive marketing machines and they have succeeded in convincing many companies that they don't need to do process analysis before they select a process design. As a result of this, companies simply accept the process analysis and design of the ERP vendor and move directly into the implementation phase. In many cases, those who endorse the more systematic approach of conducting an independent analysis of the company's processes are perceived as simply slowing down the move to ERP.

The difference in the two approaches does not become apparent to most customers until after they have spent a fortune on purchasing and customizing an ERP package. At this point, they discover they have automated processes they might better have outsourced, or worse yet, that mimic their competition and prevent them from innovating to gain a competitive advantage. If one commits to a comprehensive solution before one understands the implications, it is difficult and costly to go back.

Process modelling vendors advocate the more systematic approach of first analyzing processes, and second, determining which means are best for handling which sub processes or activities. Their emphasis is on a high level analysis of value.

Recently, however, the ERP and business modelling vendors have been developing a closer working relationship. SAP has a stake in the ARIS toolset and many see ARIS as a SAP toolset. Vendors such as Casewise and Popkin have also flirted with supporting SAP, and Proforma has a relationship with J.D. Edwards. (Or is it PeopleSoft, or Oracle?)

These relationships have, however, not gone far enough. Most of the process modelling "support" for ERP provides users with the underlying ERP vendor's data models. This may be of help in some cases, but it is limited. The models "shipped" or "supported" by tools are high level process models, but they only describe processes as they will be automated by the ERP modules. They don't describe business processes abstractly, or show how they fit with other business processes to describe a company's value chain. Some of the consulting firms that specialize in ERP implementations have also built their own "best practice" libraries but these tend to be automation related, too.

So it was with great delight that I spent a couple of hours recently talking with Celine Foucher, Finance Process Director at Alstom Transmission and Distribution. Using tools and services from MEGA, Alstom and Celine have found a way to not only blend true Business Process Modeling and SAP together, but have actually accelerated the world wide roll out of their system, as a result of it.

As a multi-billion dollar corporation, with over 100 locations operating on 5 continents, rolling out standard processes supported by SAP to the 33,000



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member workforce was a major challenge. So one would expect a fairly large team working over a long period, especially as the company was looking to model from the value chain all the way down to the SAP transaction level. I was surprised to learn that in fact, the objectives were being achieved by a very small team over a relatively short time. From start to roll-out at the first pilot sites was less than 6 months, and roll-out to all 100 locations is scheduled for completion within 2 years.

Alstom has adopted what might be seen by many as an unusual approach - they are using the output from their process maps as an online help system for the actual SAP users, thus providing online, context sensitive help directly from within the SAP transactions. This leads to another element of their success – the online process maps they are delivering via an Internet are available in 5 languages simultaneously, all derived from the same data and using the same maps.

Whilst it was great to hear what is clearly a “Business Process Success Story” I was keen to find out the answer to the key question one inevitably asks, “How can we calculate the ROI on the modeling project?” Celine’s answer was interesting and certainly not what one might have expected - “The purpose of the modeling exercise was to speed up the implementation, to act as a roll-out accelerator, and as such, the ROI was largely irrelevant. Our challenge was not whether to do the Business Process Modeling, but how to do it as quickly as possible and with the lowest costs we could. For us, the ROI was an issue of the overall ERP adoption program.”

There were so many “nuggets” of information shared that there is not space to do justice to them in the space we have here, but I will weave more into future columns.

There were, however, a couple of points that it would almost be unfair of me not to share. With regard to the modelling standards, it was found that the workload could be kept down dramatically by soliciting views from a limited number of people, that by using only a few concepts, productivity could be improved, and that keeping a separation between manual and automated processes helped in terms of abstraction.

In terms of the overall project, the idea of promoting the benefits of a standard approach and sharing information along the way certainly made it easier to keep project sponsors and end users alike supportive and feeling involved. (They were able to see that the information was going to be provided to them in a way they could both access and use it to help them in their learning of the systems.) And, yes, the project was visible at the senior management level and did have buy in from the top of the organization.

Having spent so much time trying to explain to business managers and IT people alike the benefits of doing business modeling, if not before, then certainly at the same time as, ERP adoption, it is nice to be able to report on someone who has not only done it, but has realized those benefits, and so much more.

Hopefully, in the future, I can report back to you on a number of other end users who have learned how they can profit through process.

