Maine Digital Government Summit

Thursday, November 29, 2012 3:10PM

Session: Business Process Management

Topic: A Model for Defining Business Requirements

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Today’s Presenter

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Today's Agenda

- Introduction to BerryDunn
- Business Process Management Approaches
- A Model for Defining Business Requirements
  - Document the Current Environment
  - Document Requirements
- Questions

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Introduction to BerryDunn

Maine-based company with a national presence

- In business for over 40 years
- 40+ consultants, servicing Maine customers for over 20 years

Independence and Objectivity:

- We **do not** sell or develop hardware or software.
- We **do not** partner with software developers or solution providers.
- Our **independence** allows BerryDunn to provide objective IT consulting services and offer recommendations that represent the client's best interests.

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INSIDE Public Accounting 2012 TOP 100 FIRMS

Business Process Management Approaches

Business Process Improvement…

…with the intent of improving business processes and leveraging existing technology

…with the intent to acquire new technology to support the improvement of business processes

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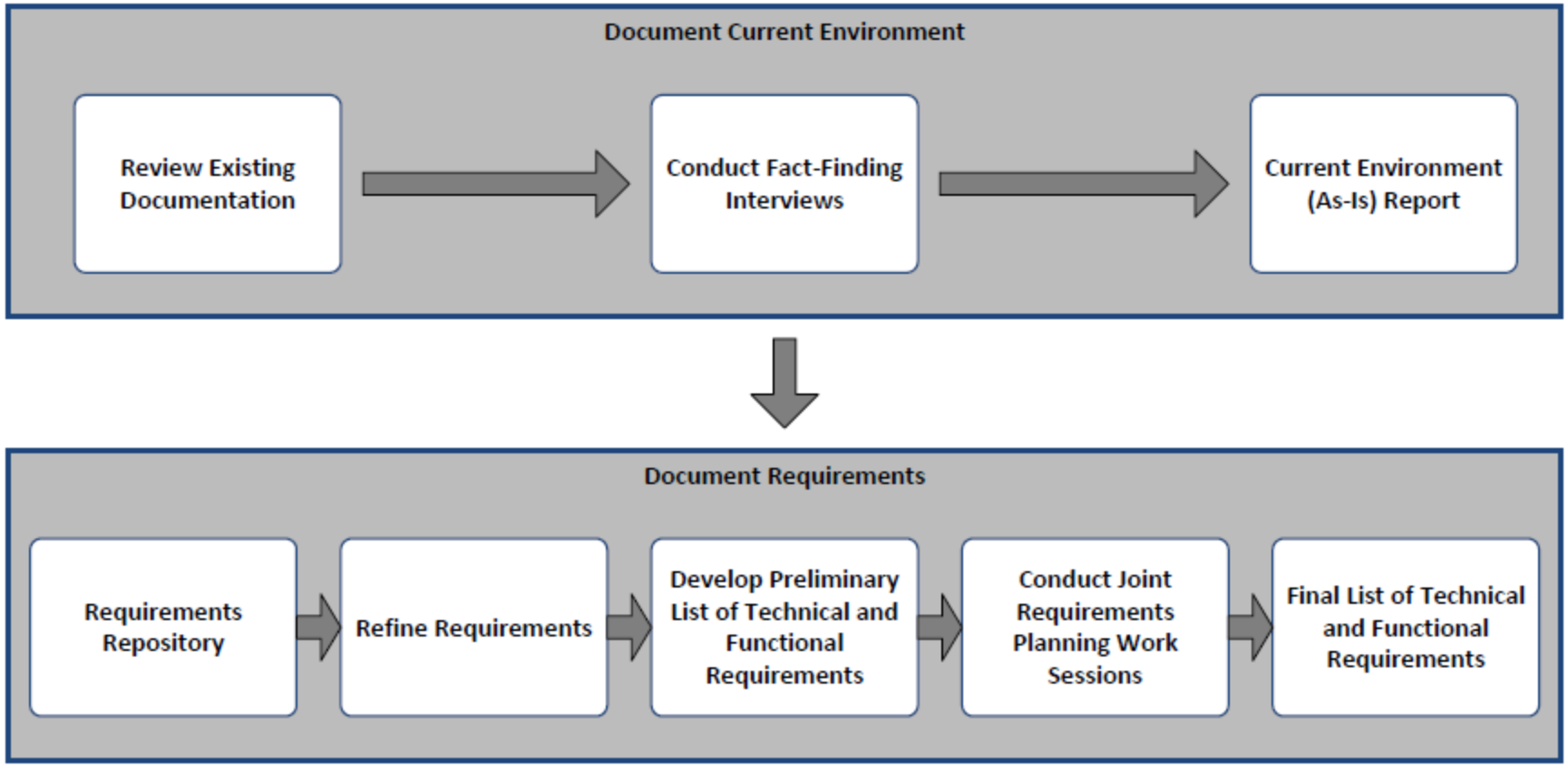
A Model for Defining Business Requirements



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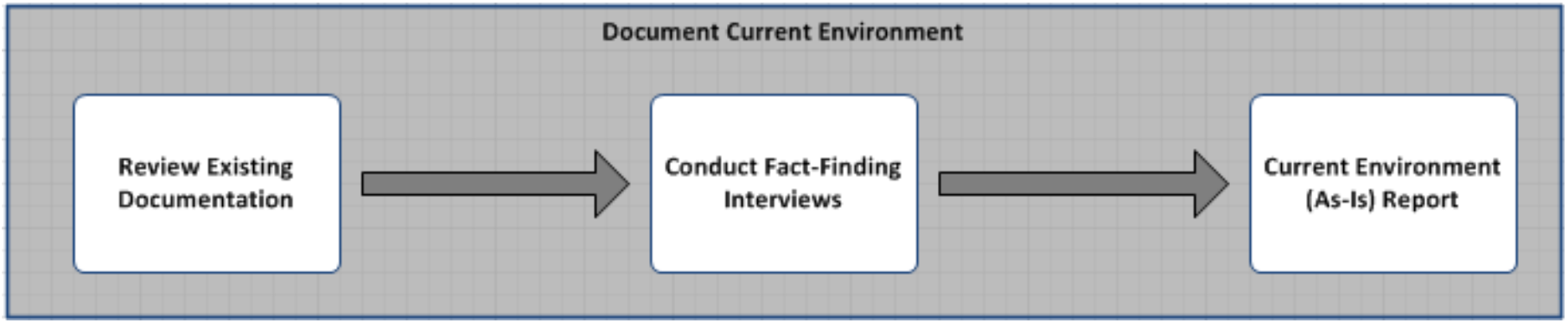
Document Current ("As-Is") Environment

3 Step Process



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Current ("As-Is") Environment Report
Business Process "As-Is" *Narrative*

- Objective
- Verifiable
- Clear
- Business Focused

1.0 Business Processes

This section of the report provides a written description of the business processes utilized by the six (6) business areas at NHSLC: Sales, Marketing, Merchandising; Distribution, Warehousing, Headquarters; Store Operations; Administrative Services; Financial Administration; and Enforcement/Licensing.

1.1 *Sales, Marketing, Merchandising Business Processes*

The retail and wholesale business part of the Commission is responsible for sales, marketing, and merchandising. Brand selection and purchasing are part of this core area of the business, as is management of discounts, promotions and coupons.

List of Sales, Marketing, Merchandising Business Processes	
Process Number	**Process Name**
1.1	Advertising & Marketing
1.2	Brand Selection
1.3	Discounts, Promotions, Coupons, and Gift Certificates/Cards
1.4	Purchasing

Table 1.1: List of Sales, Marketing, Merchandising Business Processes

1.1.1 Advertising & Marketing

The advertising process for the Commission begins with a weekly business meeting to discuss advertising opportunities. The previous month's sales are reviewed and the advertising team proposes new sales promotions to the Commission. If the proposal is not approved, then the process is complete. If the advertising need is approved, the advertising team then determines which advertising agency to utilize for this advertisement.

Once the advertising agency is selected, the advertising team determines if the cost for this particular advertisement will be over $500. If it is over the $500 threshold, a division directors' signature is required to move forward with the advertisement. Once the approval is complete, the advertising team creates a media plan. The team reviews and provides feedback on the marketing plan, which is passed along to the advertising agency for updates as necessary.

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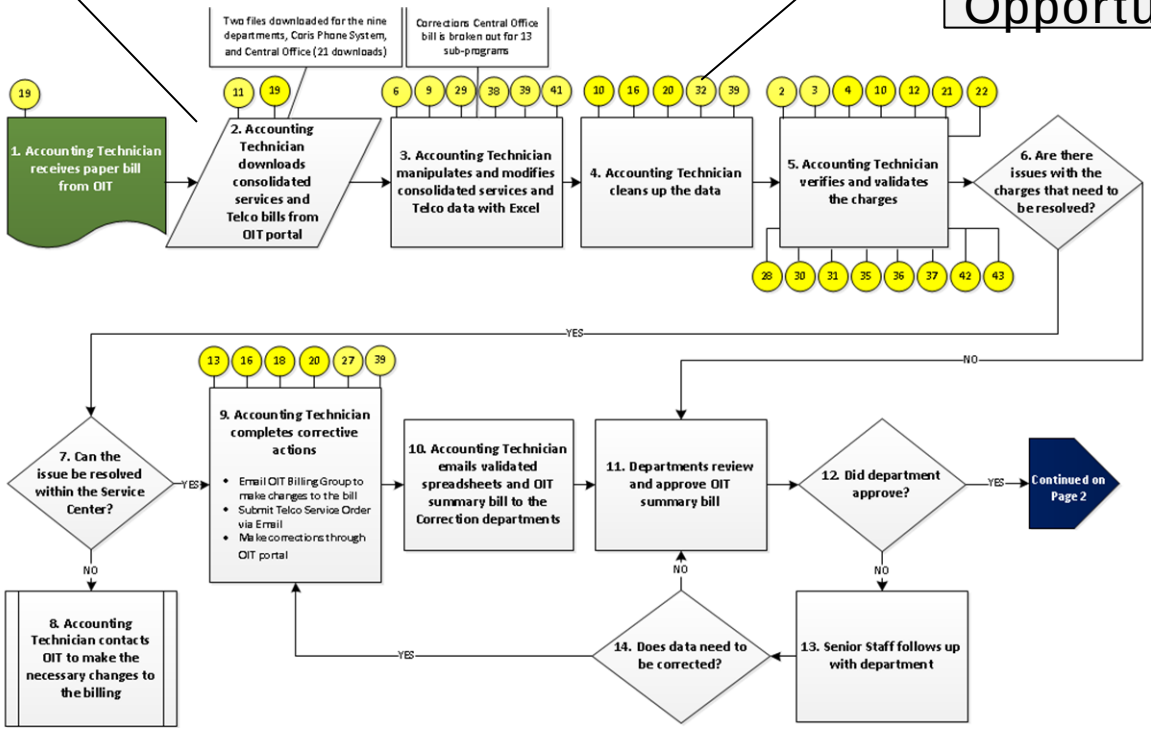
Current ("As-Is") Environment Report

Business Process "As-Is" *Workflow Diagram*

Visual Representation of a Business Process

Represent Roadblocks or Improvement Opportunities



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Document Requirements
5 Step Process

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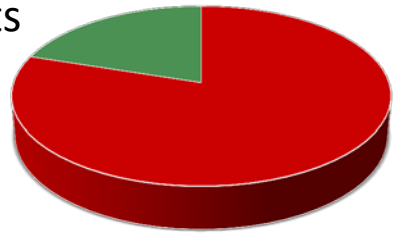
Document Requirements
Develop a Preliminary List of Requirements

- **The "Current Environment Report" drives most preliminary requirements**
- **Consider Industry Standards / Best Practices**
- **Review the Market**
- **Initial list of requirements based on client input and prior experience**

Requirements are 80% complete



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Document Requirements
Business Requirements Definition

Requirements Criteria

- Functionality
- External Interfaces
- Performance
- Attributes
- Design Constraints

Requirements Characteristics

- Accurate
- Complete
- Unambiguous
- Consistent
- Ranked / Weighted
- Verifiable
- Modifiable
- Traceable

IEEE Degrees of Necessity

- Essential
- Conditional
- Optional

Distribution, Warehouse, Headquarters (D)					
State Requirements			Vendor		
Req #	Requirement Description	Criticality	Vendor Response	Delivery Method	Comments
D4 Inventory Management					
D4.1	Warehouse inventory must include location of products, including the isle and bin.	Essential			
D4.a2	The system must have the ability to track case and sub case inventory levels at the warehouse.	Essential			
D4.a	Inventory Counts				
D4.a1	The system must have the ability to perform detailed inventory counts.	Essential			
D4.a3	The system must have ability to perform 2 full inventory counts and notate discrepancies between counts.	Essential			
D4.a4	The system must have a discrepancy report to notate the difference between counted inventory items and inventory in the system.	Essential			
D4.a5	The system must have a "watch dog" report that displays items with a discrepancy of a defined quantity in order to proactively identify miss-keyed counts (100 instead of 10).	Essential			
D4.a6	The system must allow for a reconciliation of 2 inventory counts prior to the final reconciliation between the counts and the current system inventory numbers.	Essential			
D4.a7	The System must have the ability to count warehouse inventory using electronic devices.	Essential			
D4.a8	The system must have the ability to enter count adjustments with quantities from the 2 inventory count process when it is determined that the inventory count in the system is inaccurate.	Essential			
D5. Bailment System Charges					
D5.1	The system needs to calculate bailment charges for vendor inventory at warehouse(s). (e.g. handling, storage, labeling, re-labeling, inventory counting, etc.)	Essential			
D5.2	The system needs to create invoices for bailment charges showing detail of the transactions making up the balance.	Essential			

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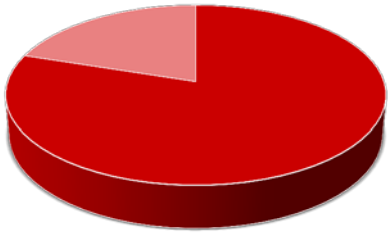
Document Requirements
Conduct Joint Requirements Planning Sessions

- **Facilitated approach to determining the final 20% of requirements**
- **Address Process Bottlenecks / Opportunities for Improvement**
- **Results = 100% of the requirements defined for the RFP**

Requirements are 100% complete!



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A Model for Defining Business Requirements - Summary

- Consider the Business Process Improvement Goals
  - Replacement of technology
  - Leveraging existing technology
- Technology Replacement Goal
  - Document current situation
    - Narrative
    - Graphical
  - Define requirements
    - Refine based on industry, best practices, market and requirements database

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Questions and Discussion

Thank You!

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