Process Management taking account of the End-to-End Process Management approach of Stefan Bergsmann

Nowadays a company's environment is characterized by an increasing dynamic. The progressive globalization forces companies to satisfy international demands. Customer groups become more various and the customer needs develop faster. As a result, the product lifecycles are shorter than ever. As well conditioned by a strong competition, companies are forced to adapt to these conditions in order to remain competitive.[1] Corporate transaction must be sustainable and as a consequence thereof the processes, which build the corporate transaction, must be flexible. Furthermore, this requires an appropriate management of those, but the question arises what an appropriate process management in fact is?

Basically, process management is a regular part of the **management cycle**. The general comprehension of management is, that it is the target-oriented control of resources, employees, business partners and other parameters. Business process management focuses on the control of processes to achieve intended goals[2] and thus builds a link between the strategic level of the corporate management and the workflow management as the operative level.[3] Workflow management in this sense can be understood as the management of processes on the operative level. With specified targets, a developed strategy for the goal attainment, an action plan, the implementation and the subsequently audit of the goal attainment, the management becomes a cycle with lessons learned and hence the process management as well.[4] The same way this happens when managing the single processes. The goals of the processes are generally guided by the goal triangle, consisting of cost, quality and time.[5] By using key figures respectively performance measures the attainment of goals can be reviewed. To overcome a gap between status quo and target state, the process optimization comes into play.[6]

Process optimization can be done by using different methods, such as Kaizen[7], Six Sigma[8], Total Cycle Time[9] or Business Process Reengineering[10]. Nevertheless, in general processes are optimized by optimization teams that build transparency when modeling the status quo

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[1]   Cf. Osterloh, M. / Frost, J. (2006), p. 17.

[2]   Cf. Bergsmann, S. (2012), p. 197 – 203.

[3]   Cf. Gadatsch, A. (2012), p. 1 – 4.

[4]   Cf. Bergsmann, S. (2012), p. 204, 214 – 220.

[5]   Cf. Vahs, D. / Schäfer-Kunz, J. (2007), p. 63 and Bergsmann, S. (2012), p. 226.

[6]   Cf. Bergsmann, S. (2012), p. 225 – 230.

[7]   Cf. Osterloh, M. / Frost. J. (2006), p. 247.

[8]   Cf. Gadatsch, A. (2012), p. 34.

[9]   Cf. Koch, S. (2011), p. 144 – 145.

[10] Cf. Schmelzer, H.J. / Sesselmann, W. (2013), p. 410 – 411 and Koch, S. (2010), p. 115 and Atzert, S. (2010), p. 13 and Gadatsch, A. (2012), p. 17.

process, the target process afterwards and then decide about measures to reach the target process and to attain the fixed goals.[11] Concerning the process transparency, it might be useful to implement an **activity-based costing** that allocates the costs according to the costs-by-cause principle[12] and thus is a basis for specific decisions for the corporate management.

Different **modeling methods** make it possible to figure processes graphically and clear in order to build transparency in status quo and target processes. All the different modeling languages can show a process as a chronological and logical sequence of activities.[13] Each of these languages has an object concept and its notation[14] and answers different purposes depending on the goal, such as the data flow for a programmer or the activity sequences for the organization department. Nowadays, there are a lot of modeling languages, which among others pursue a standardization goal. For example, to these belong the VACD (Value Adding Chain Diagram), EPC (event-driven process chain), BPMN (Business Process Model and Notation) or UML (Unified Modeling Language).[15] The choice of a modeling language should always belong to the pursued objective, because all languages were developed for different intended purposes and different users.[16] Furthermore, the choice should belong to the principles of correctness, relevance, economic efficiency, clarity, comparability and systematic structure.[17]

Reasons for the fact that process management in companies is implemented in many different ways are not found in the partly standardized management comprehension, they are found in a varying apprehension of what business processes exactly are.[18] A real **process management** wants to provide advantages by creating a new view on the company and thus has to differentiate respectively set itself apart from other views like the organizational structure.[19] As a result, the process management can only be sustainably successful and unique if the basis of this management approach, the definition of a business process, is understood and implemented correctly. Stefan Bergmann's approach of end-to-end processes is a valuable contribution to a clear and logical comprehension of business processes and especially a dissociation from organizational units and business functions.

Bergsmann defines a business process as a sequence of all and directly with the business case connected activities to create an output for a customer, which covers his preliminary

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[11] Cf. Bergsmann, S. (2012), p. 235.

[12] Cf. Ibid., p. 239.

[13] Cf. Vom Brocke, J. / Sonnenberg, C. (2011), p. 57.

[14] Cf. Bergsmann, S. (2012), p. 99.

[15] Cf. Schmelzer, J. / Sesselmann, W. (2013), p. 160 and Becker, J. / Probandt, W. / Vering, O. (2012), p. 66.

[16] Cf. Rosemann, M. / Schwegmann, A. / Delfmann, P. (2012), p. 47.

[17] Cf. Becker, J. / Probandt, W. / Vering, O. (2012), p. 31.

[18] Cf. Bergsmann, S. (2012), p. 25.

[19] Cf. Ibid., p. 5.

needs and thus has a value for him. All required resources are assigned to this process.[20] In addition to this, he mentions constitutive[21] elements that belong to an end-to-end process. In the beginning, there is always a customer with a requirement, who triggers the process with an event. In the end, an output covers the customer's requirement. This output has a value for the customer and he is willing to pay for it. The creation of the output for the customer includes all activities or process steps that are in a direct connection to the transaction of the business case and that they are in a sequential relationship.[22] It is important that activities, which are upstream to the starting event or downstream to the ending event, are part of the business process as well. This chronological exclusion can be seen as an already implemented process optimization.[23]

Furthermore, business processes can be classified into different **types of processes**. In current literature, there are often different or partly unclear classifications. Process types such as core and support processes[24], primary and secondary processes[25], goods and information processes classified by different criteria such as repetition rate, structure and synchronization rules[26], or sometimes a derivation from reference models that are all contrary to the typing for the purpose of the end-to-end understanding.[27] Bergsmann hence distinguishes between output creation, provision and control processes. **Output creation processes** are the above-mentioned end-to-end processes including all constitutive elements. An indication for an easier identification of end-to-end processes can be the company's service or product portfolio. **Provision processes** enable the accomplishment of all other processes by providing internal services and thus they are independent from the business case. **Control processes** are responsible for the steering of all processes and are either normative or result-oriented. The normative control process determines rules and standards that need to be followed by the other processes. The result-oriented control process influences other processes by setting goals and reviewing the goal attainment. All processes should be identified using the end-to-end comprehension of processes, with the only difference that provision and control processes are addressing an internal instead of an external customer.[28]

If the customer requirement and the output at the end stay the same but the steps along this process are different, this is called **process variant**. Different activities or unusual process steps are used to create the output. With an end-to-end understanding it is suggestive to figure these process variants in the lower detailing levels of the process, or else because of a

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[20] Cf. Ibid., p. 29.

[21] Cf. Duden (2012): constitutive – Adjective – means that something is an essential condition to enable somethings existence.

[22] Cf. Bergsmann, S. (2012), p. 16 – 30.

[23] Cf. Ibid., p. 67.

[24] Cf. Seidlmeier, H. (2010), p. 3.

[25] Cf. Schmelzer, H.J. / Sesselmann, W. (2013), p. 65 – 68.

[26] Cf. Schmidt, G. (2012), p. 11.

[27] Cf. Bergsmann, S. (2012), p. 49 – 55.

[28] Cf. ibid., p. 61 – 75.

very slight probability of occurrence to omit them, but only if replicable for the customer.[29] The principles of proper modeling also back this course of action.[30]

Furthermore, **naming conventions** are necessary for a steady identification of end-to-end processes and they enable an easier dissociation from corporate functions and limit the room for interpretation. Hence processes should be described and named with a verb and a noun. The noun designates the object, which is worked on. The verb designates the work or activity itself.[31] End-to-end processes can be named with the created process output and sub processes with the verb and object of the particular activities.[32] In order to not lose the logical sequence it is recommended to identify sub processes according to **requirement** and **partial performance**, which also belong to the end-to-end comprehension and thus satisfy an internal customer.[33] The **level of detail** should be connected to the economical effort and only then be realized if it for a purpose respectively to reach a goal. The different **detailing levels** can be named arbitrarily. A suggestion is the following hierarchical levels:

1. End-to-end business processes,
2. Main process
3. Sub process,
4. Detail process,
5. Workflows.[34]

This approach, with a standardized course of action, enables to completely gather end-to-end processes and to dissociate from corporate functions and organizational units. In this way it is possible to closer investigate and optimize the interfaces between the single actors. But still the question arises, if really all processes of a company are gathered with this concept, or if there is still some room for interpretation. If upstream and downstream processes are seen as already implemented optimizations, there is a threat to neglect these sub processes. To which type of process does the marketing belong? Marketing is neither an end-to-end output creation process, nor a provision process, nor a control process. Indeed the marketing provides important information to the product development, but where to classify advertising efforts? These problems occur because end-to-end processes as output creation processes only illustrate one or more business cases, hence end-to-end processes are **business case processes**. The business of a company instead is the complete constitution of the company, where all activities are included that enable, promote and retain the process or are necessary in order to make other processes happen.

It would make more sense to determine a business process by reference to the **product lifecycle** (confer figure 1). The product lifecycle starts with the idea and the development of

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[29] Cf. Bergsmann, S. (2012), p. 82 – 83.

[30] Cf. Becker, J. / Probandt, W. / Wehring, O. (2012), p. 226.

[31] Cf. Becker, J. / Meise, V. (2012), p. 158 and Bergsmann, S. (2012), p. 47.

[32] Cf. Bergsmann, S. (2012), p. 47 – 48.

[33] Cf. Ibid., p. 82 – 83, 86 – 89.

[34] Cf. Ibid., p. 92.

the product or service and ends after the distribution of them with removal from the market. Central element of this cycle is still the external customer, because a product or service can only be developed and distributed if customer requirements can be satisfied with it.[35] If there is no need for the product anymore, it has to be removed from the market and the process or cycle ends.
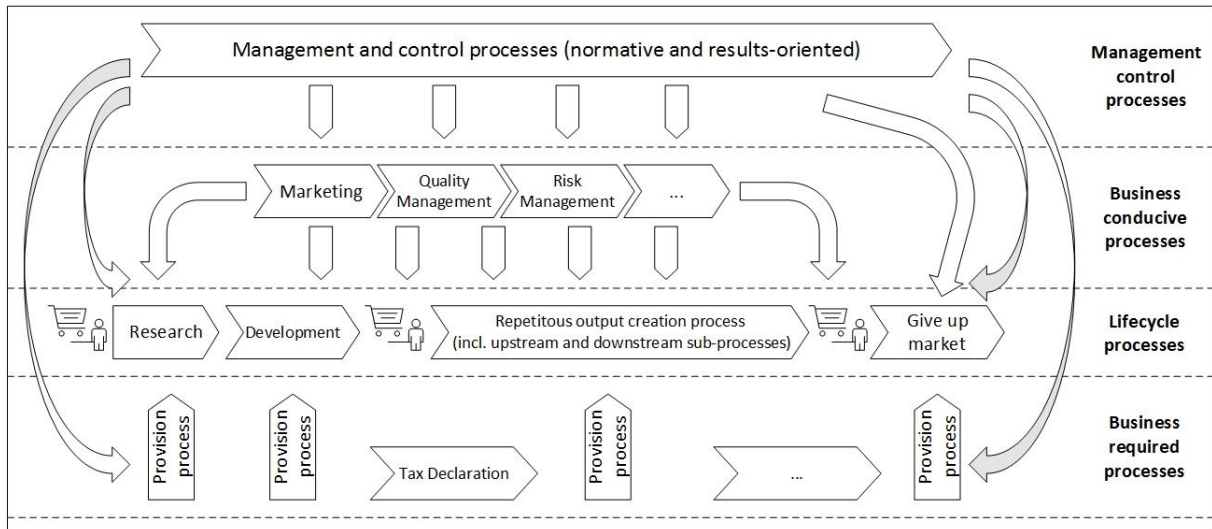

Figure 1: Business process overview[36]

A business process embraces the entire lifecycle and is supported, promoted, retained and controlled by other types of processes. Next to the above-mentioned end-to-end lifecycle process, there are **business-required processes** such as the known provision processes, but also processes that need to happen in order to run the business, e.g. doing the tax declaration.

Moreover, there are process with the goal to retain and promote the lifecycle process, the **business conducive processes**. For example, marketing's market research tries to gather customer needs[37] and has the goal to increase the sales[38] and thus to increase the frequency of accomplishment. In order to have processes that serve the corporate goals, the processes have to be controlled. This can be obtained with the normative and result-oriented **control processes** described by Bergsmann.[39]

The definition of a business process from Stefan Bergsmann must be extended in some points. The defined ends of the process must be extended according to the lifecycle of a product or service and the upstream and downstream processes need to be mentioned as well. A clear definition would be:

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[35] Cf. Granig, P. / Hartlieb, E. (2012), p. 20.
[36] Own figure.
[37] Cf. Velten, C. (2010), p. 136.
[38] Cf. Bundesministerium für Wirtschaft und Energie (2013), Marketing – Website.
[39] Cf. Bergsmann, S. (2012), p. 71 – 74.

An end-to-end process is the sequence of all required and with the business case directly linked activities, starting with the research and development of the service over the deliverable output creation ending with the cessation of activities at the end of the product lifecycle. The creation of the output covers a preliminary requirement of a customer and thus has a value for him, for which he is willing to pay or give an equivalent. All required resources are assigned to this process.

Constitutive elements of this lifecycle process definition are:

1. The lifecycle process is triggered by an identified requirement of the customer.
2. After the disclosure of the willingness to deliver a service, the identified requirement triggers with an event the direct output creation process.
3. The output of the output creation process covers the customer requirement and thus has a value for him.
4. The activities or process steps to reach the willingness to deliver a service and the creation of the output are completely integrated, together with the process steps that are up- and downstream to the direct output creation process.
5. There is a sequential relationship between the process steps.
6. The assignment of all necessary resources to the sub processes and process steps.
7. The overall process stops with the cessation of the willingness to deliver a service at the market.

A clear comprehension of business processes must be implemented when identifying processes in order to have a useful new view on the company and to not couple them with organizational units. Only with a clear comprehension and a meaningful classification of different types of process, the landscape of processes can be molded clearly and completely as well as enable a sustainable management of those.

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