



# Global Process Management

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Autumn 2013



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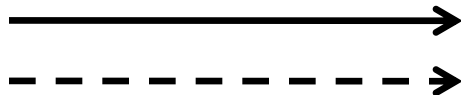
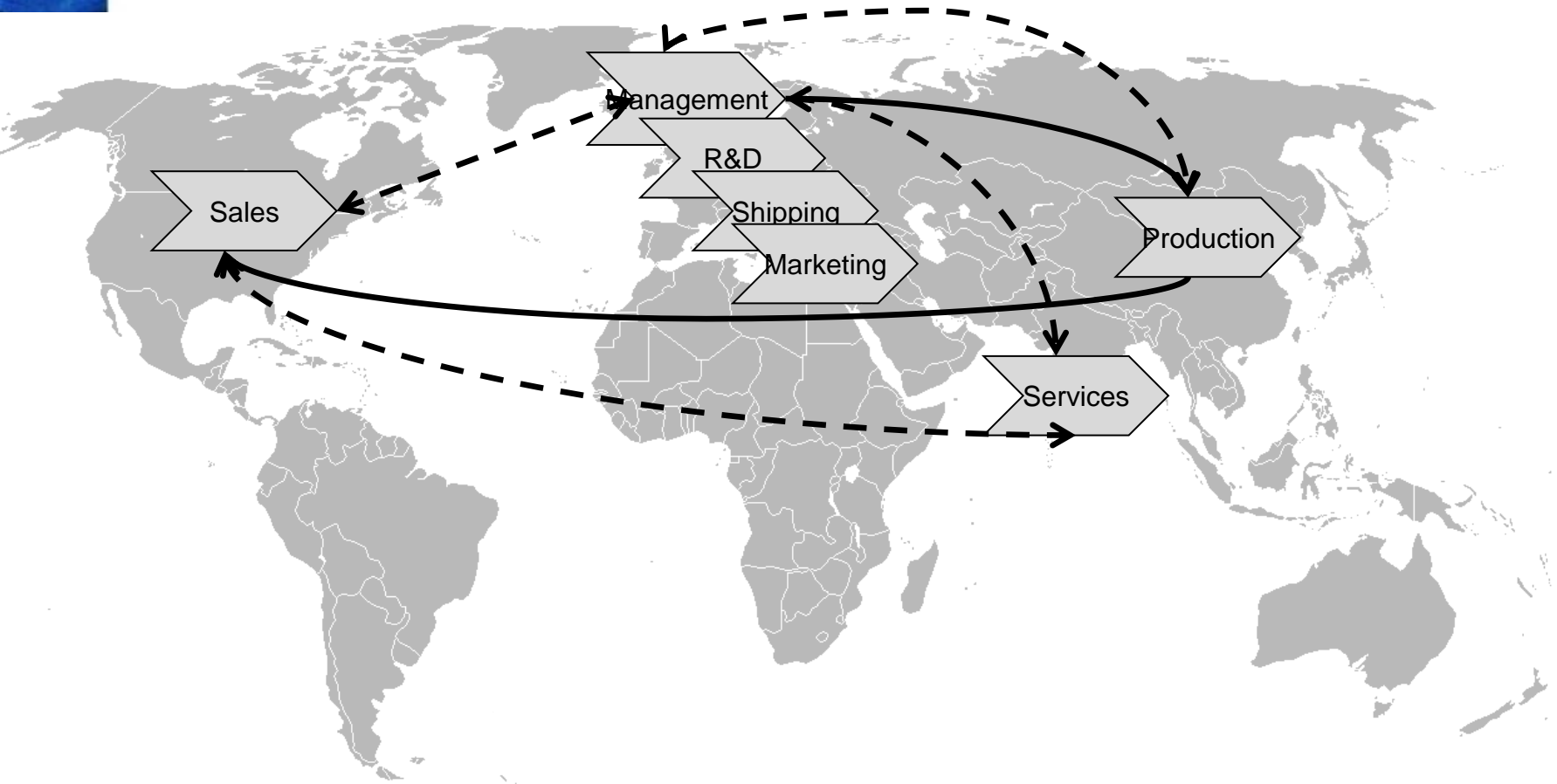
# A simple challenge...Cloudberry going global..



# A simple challenge...?



# Business Process Management in a global context



Material Flow  
Information / Data Flow



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# Some Issues

- ❏ How to analyze, design and optimize distributed processes?
- ❏ How to organize successful distributed teams?
- ❏ How to integrate additional processes?
  - Risk management
  - Coordination
  - Training & recruiting
  - Culture awareness & integration
- ❏ How to integrate cultural aspects? How to include cultural aspects in a location decision?
- ❏ Which ICT systems can support GPM?
- ❏ ...and many more...



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# Selected key tasks for a GP manager

- Location / business model decisions
  - Outsourcing / offshoring / nearshoring
  - In-house / joint venture / cooperation / contracting / ...
- Process Optimization
  - Project management
  - Supply chain: Logistics, transport, ...
  - Value chain: Cost / value / ...
  - Information systems support
- Some parameters
  - Cost
  - Lead times
  - Delays / production down-times
  - Production quality
  - Customer satisfaction
  - Closeness to market
  - Qualified staff
  - Cultural distance
  - ...



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# What should a GP Manager know?

- Understanding, modeling and optimizing processes and tasks in a global environment
- Generating, analyzing and evaluating decision alternatives
- Managing people, processes, systems
- Supporting staff and partners
- Understanding and integrating cultural aspects
- Communicating across borders and languages...
  
- Key tasks
  - Management and planning
  - Process analysis and optimization
  - Team building and support
  - ...and many unforeseen challenges 😊

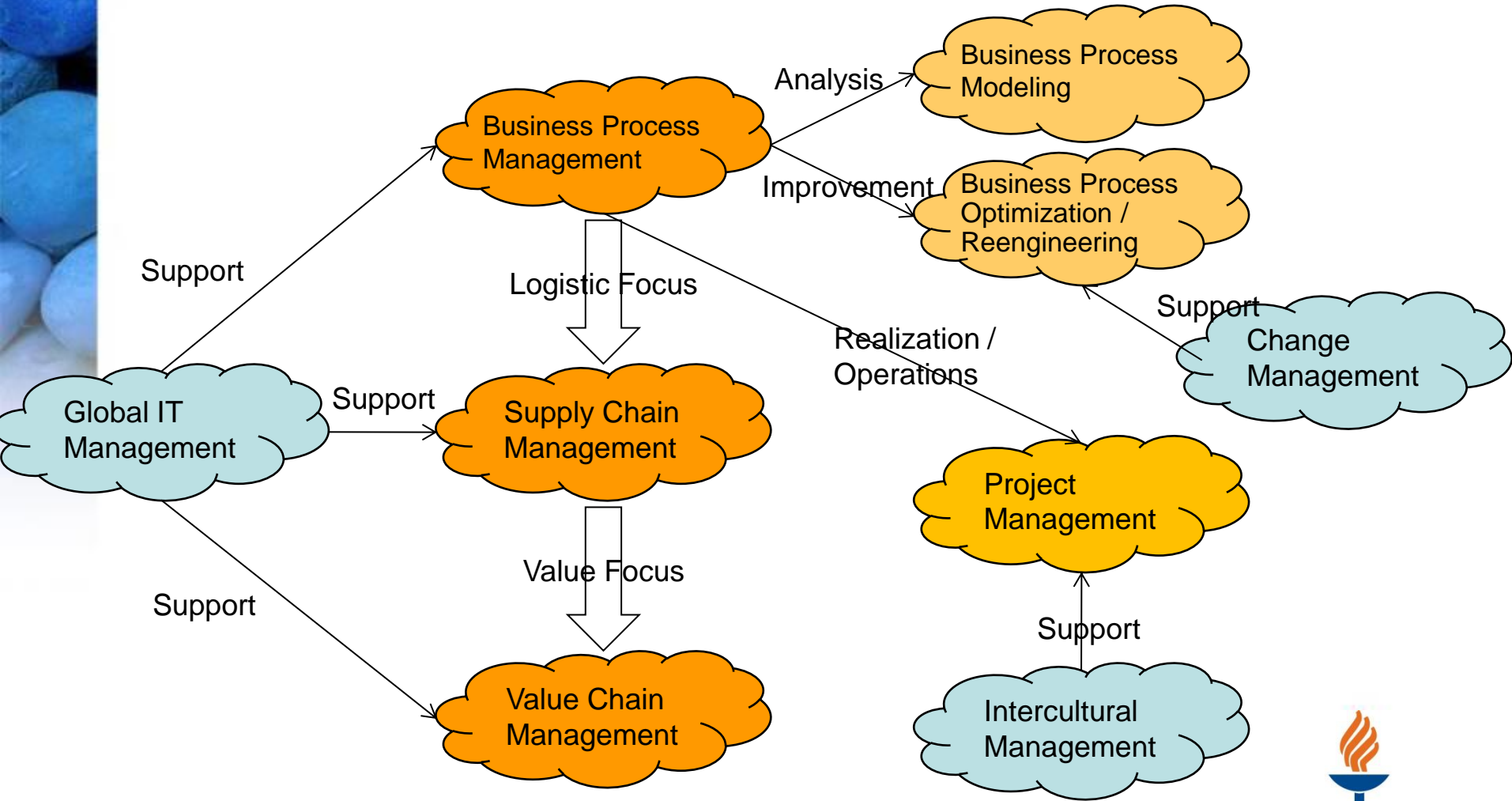


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# The concepts, simplified...

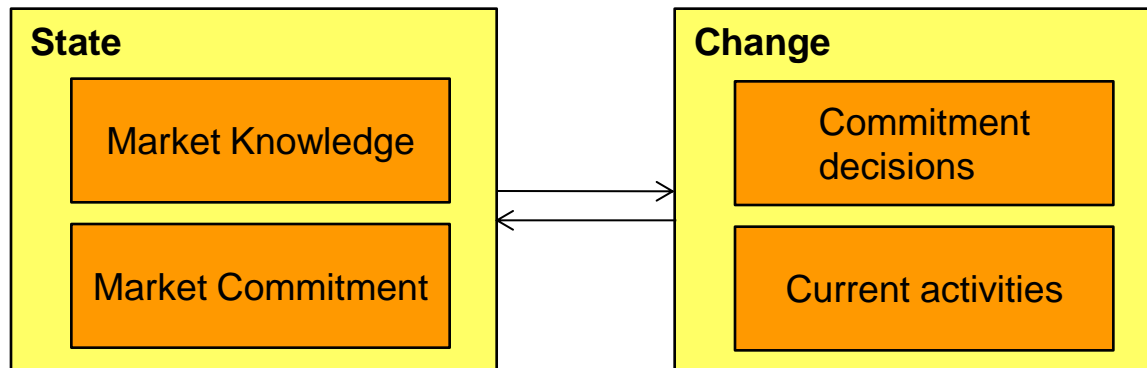
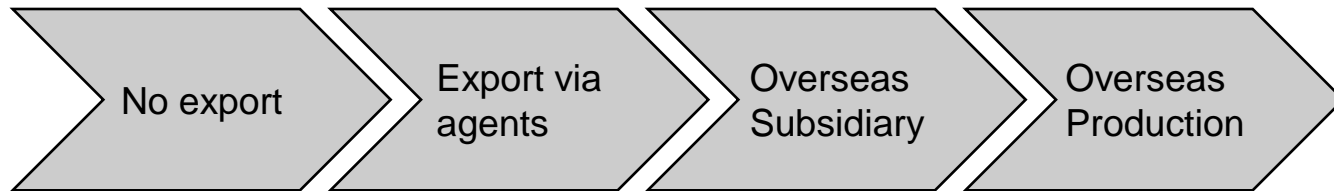


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# Uppsala Model: From 1977...

- Stage model to explain the internationalization process of organizations: Johanson & Vahlne, 1977, 1990, 2009
- Explaining the stages of internationalization



- Market entrance? Psychic distance?
  - “Born Globals”

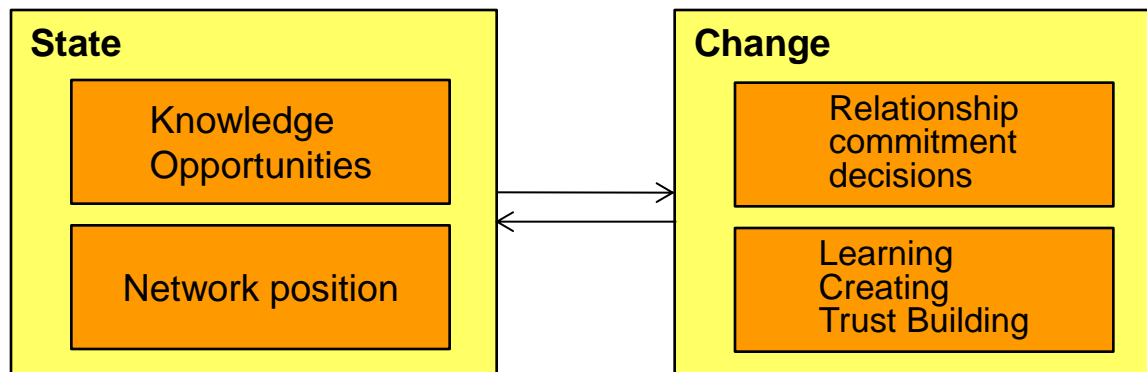


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# Uppsala Model: ...to 2009

- Focus on
  - Opportunities
  - Networks (interaction)
- Knowledge development
- Relationship commitment & trust
- Starting point for business development
- Not specific to IS Development



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# Governance (Gereffi et al., 2005)

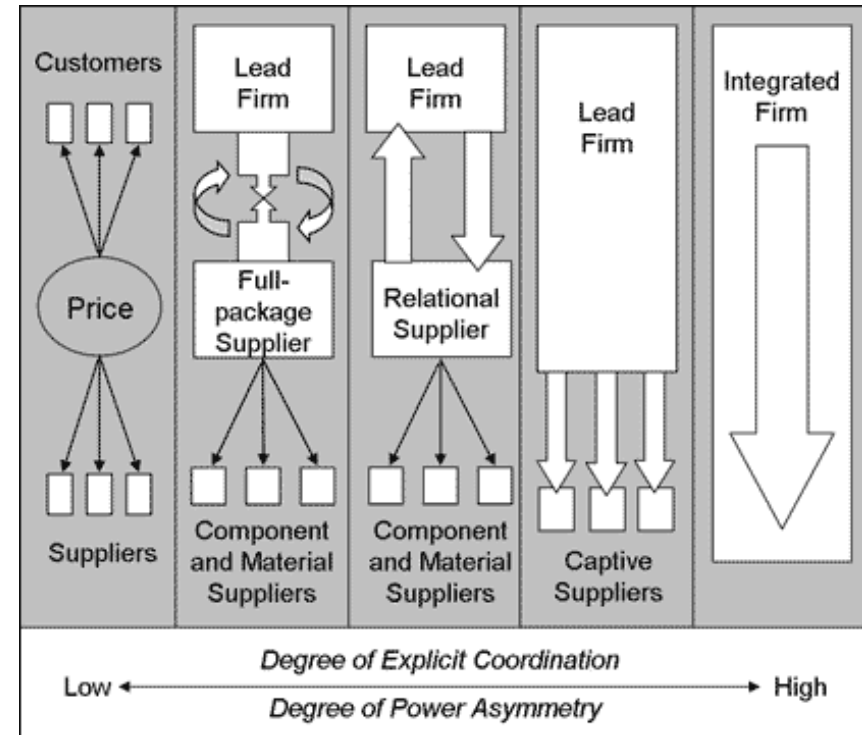
## Types of relationships

- Markets
- Modular
- Relational
- Captive
- Hierarchy

## Aspects

- Complexity
- Codification
- Capabilities

## Strategic base decisions for Value Chain Management



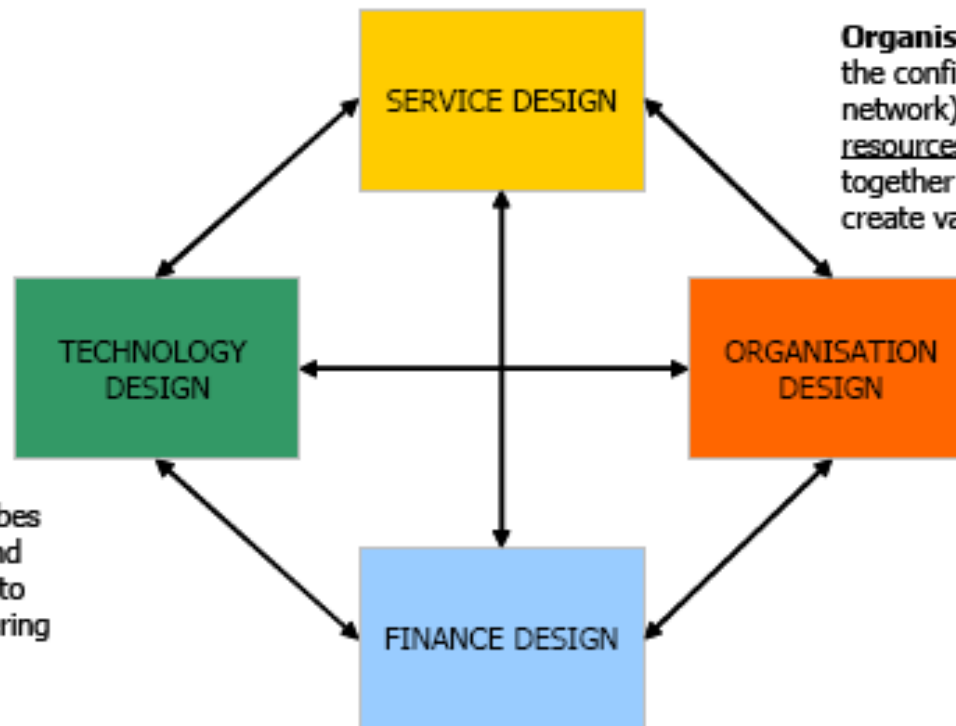
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# Conceptual framework for Design Aspects (Faber et al 2003)

**Service design** describes a firm's service offering to specific customers/ end users in particular market segment. Two important components are: intended value and perceived value.

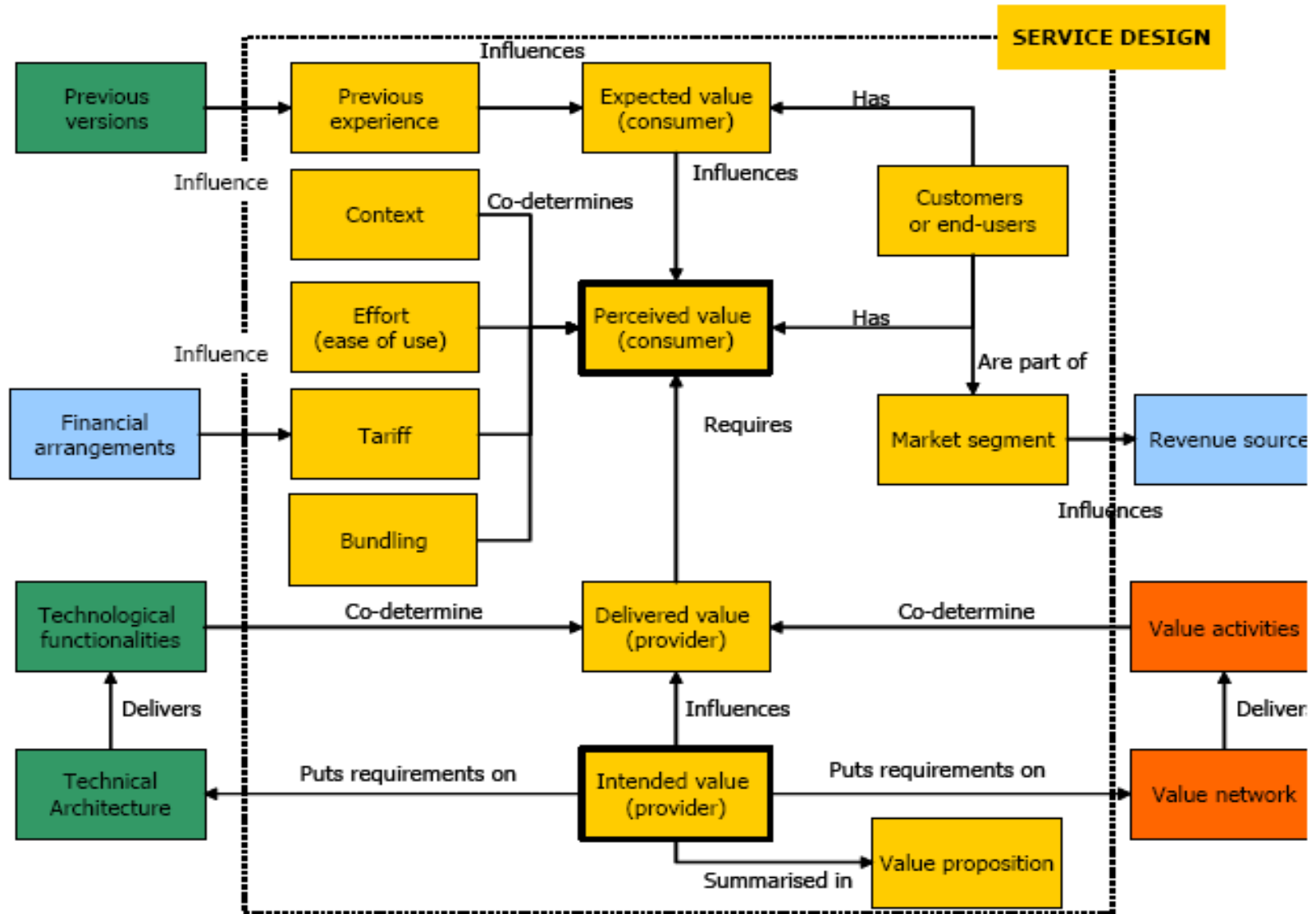
**Organisation design** describes the configuration of actors (value network) possessing certain resources and capabilities, which together perform value activities to create value for specific customer



**Technology design** describes the technical architecture and functionality that is needed to realise a certain service offering

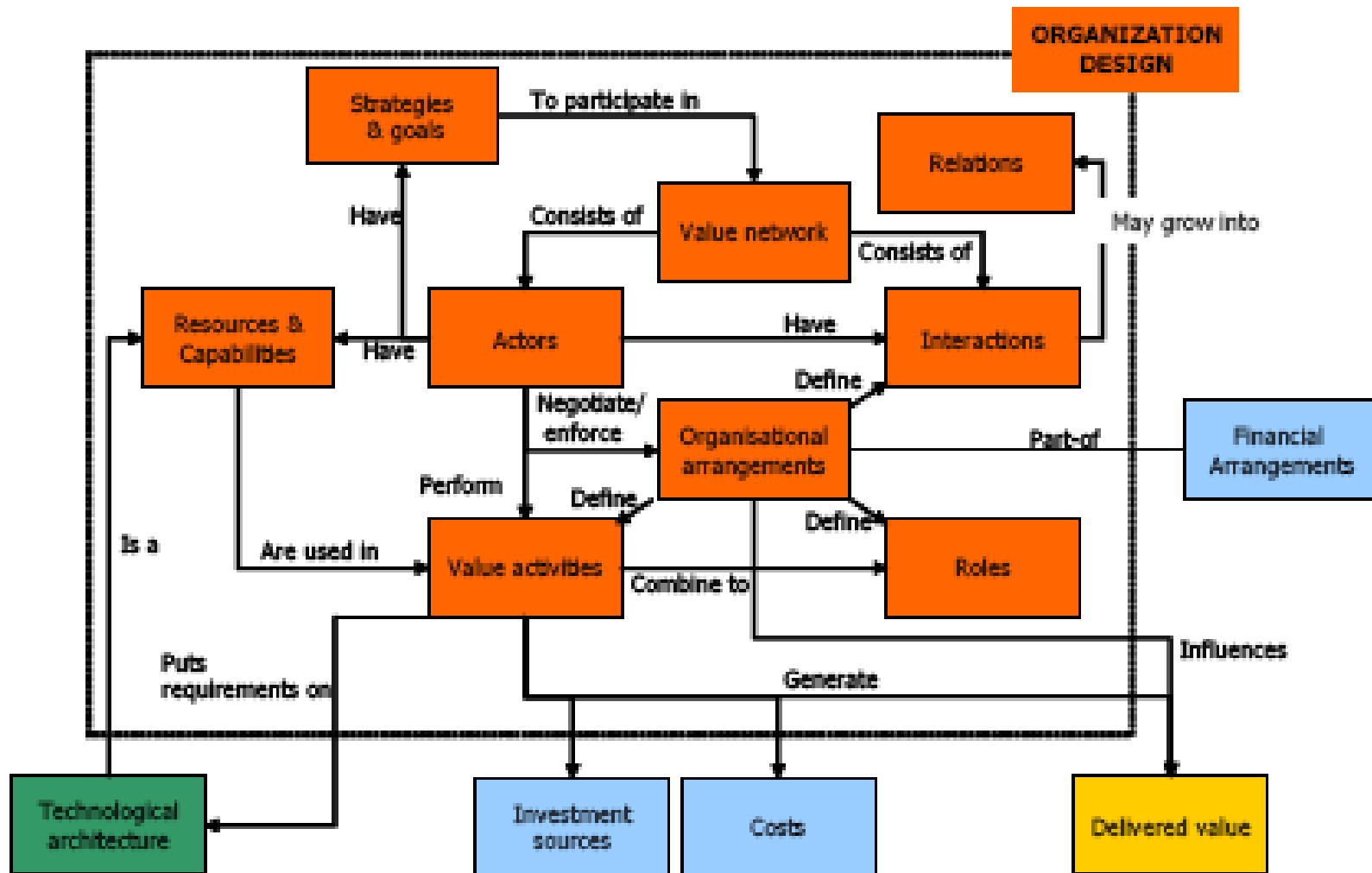
**Finance design** describes how a company intends to generate revenues from a particular service offering. Important elements are: financial arrangements, revenues, costs, risks and investments.

# Service Design (Faber et al 2003)





# Organization Design (Faber et al 2003)



# Business Process Management

## Business Process

- A set of one or more linked procedures or activities which collectively realize a business objective or policy goal, normally within the context of an organizational structure defining functional roles and relationships (WFMC)
- a collection of activities that takes one or more kinds of input and creates an output that is of value to the customer. A business process has a goal and is affected by events occurring in the external world or in other processes (Hammer & Champy, 1993)

## Types

- Core BP: Creating value (e.g. manufacturing, service provision)
- Management BP: planning, organizing, steering, monitoring [...] operations
- Support BP: no direct value creation but essential to achieve business goal

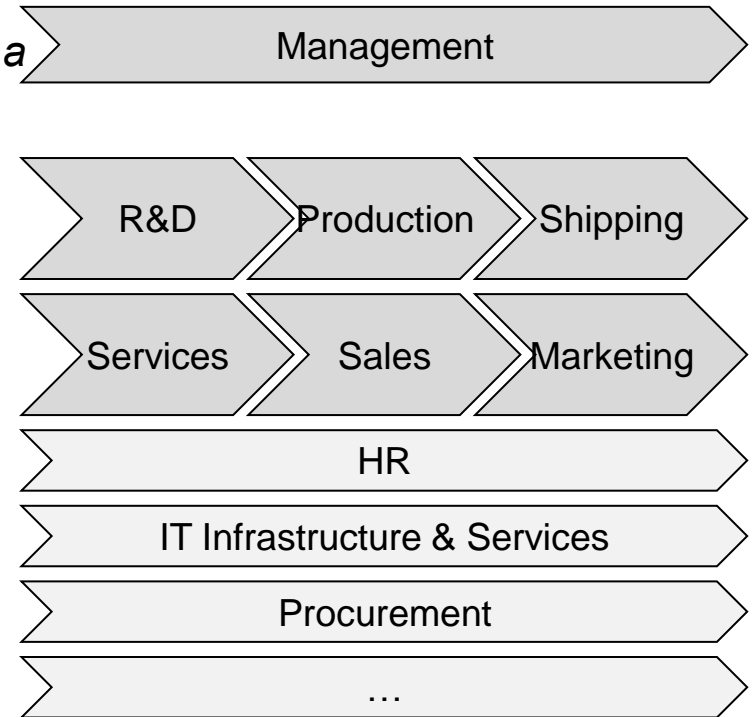
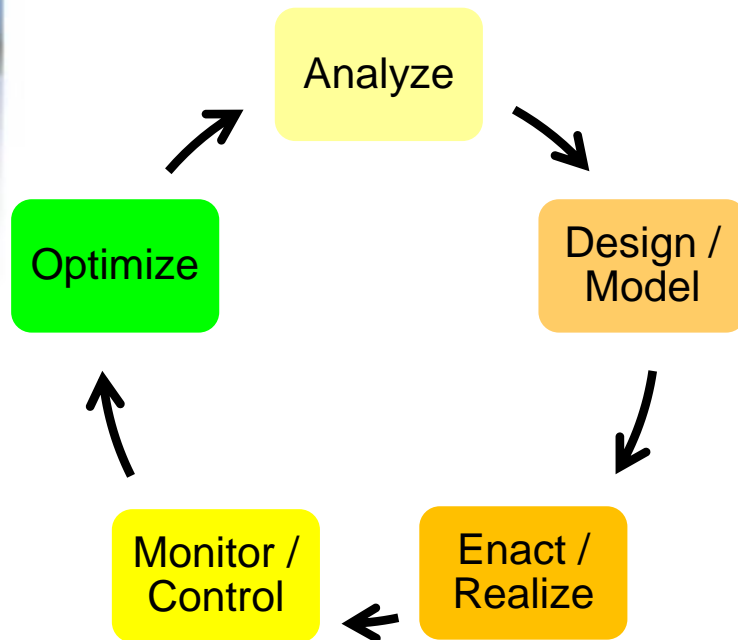


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# (Global) Business Process Management

*Supporting business processes using methods, techniques and software to design, enact, control and analyze operational processes involving humans, organizations, applications, documents and other sources of information (v.d. Aalst et al., 2003)....in a global context / distributed settings*



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# Process description

<b>ID</b>	<b>Category</b>	<b>Process</b>	<b>Description</b>
	HRM / Training	Course Planning	Individual course planning and course acquisition
	<b>Sub-processes / Sub-aspects</b>	<ul style="list-style-type: none"> <li>• Competency assessment</li> <li>• Manager consultation</li> <li>• Content selection</li> <li>• Selection: Inhouse or external training / face-to-face or E-Learning</li> <li>• Provider negotiation</li> </ul>	
	<b>Objective</b>	<ul style="list-style-type: none"> <li>• To find, perform and evaluate adequate courses to develop the competencies of staff members</li> <li>• To select cost-efficient training providers</li> <li>• To continuously monitor staffs' performance</li> <li>• Knowledge: To share knowledge on didactic success scenarios</li> <li>• Barrier: Lack of communication</li> <li>• Barrier: Lack of data integration / willingness to share data</li> <li>• Barrier: Culture related didactic differences</li> </ul>	
	<b>Method</b>	<ul style="list-style-type: none"> <li>• Competency gap analysis</li> <li>• Agreement / negotiation talks with managers and staff</li> <li>• Human oriented instrument: Knowledge fair on didactics</li> </ul>	
	<b>Systems</b>	<ul style="list-style-type: none"> <li>• HR Management System (competency profiles and learner data)</li> <li>• Gap Analysis tool (excel)</li> <li>• Tech-oriented instrument: Course catalogue with discussion and rating options</li> </ul>	
	<b>Actors</b>	<ul style="list-style-type: none"> <li>• Manager, staff member, HRCS team member, training providers, internal trainers</li> </ul>	



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# Guiding Questions

- ❏ Please reflect your expectation: What are competencies you intend to achieve? Which role would you like to achieve after your studies?
- ❏ What is a business process?
- ❏ How do globally distributed business processes differ from local, in-house production?
- ❏ What are the key challenges when going global?
- ❏ Try to assess a sample process from your experience (or the berry process)



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# Organizing the Value Chain across borders and across companies



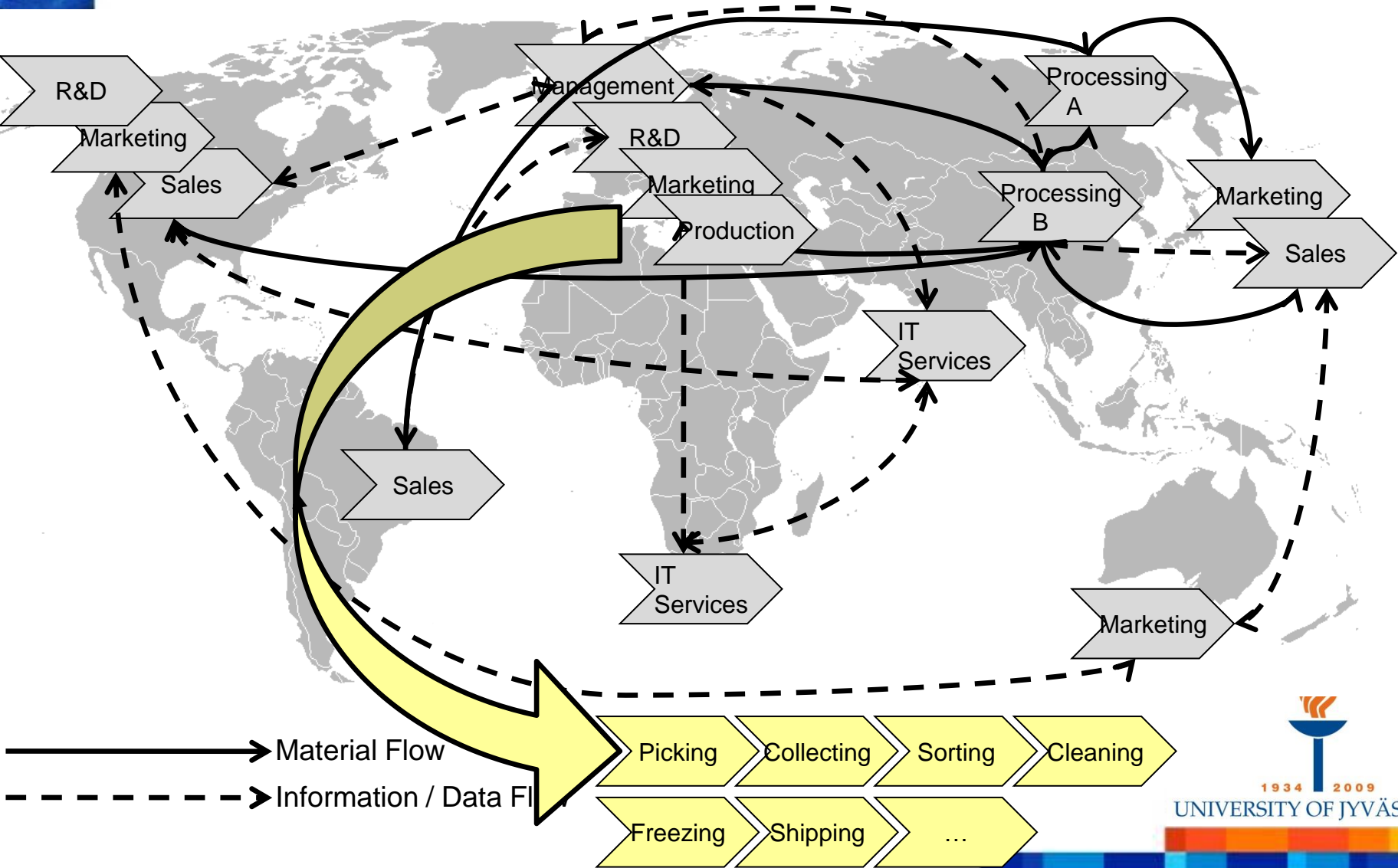
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# Business Process Management in a Networked Business



# Levels of value chain management

- Strategic
  - Location decision
  - Strategic partnerships and alliances
  - Governance
- Tactical
  - **Process design and optimization!**
  - Production decisions and analysis
  - Transportation decisions
  - Process planning and optimization
  - Staffing
  - ...
- Operation
  - Realization: Production
  - Scheduling
  - Logistics realization
  - ...

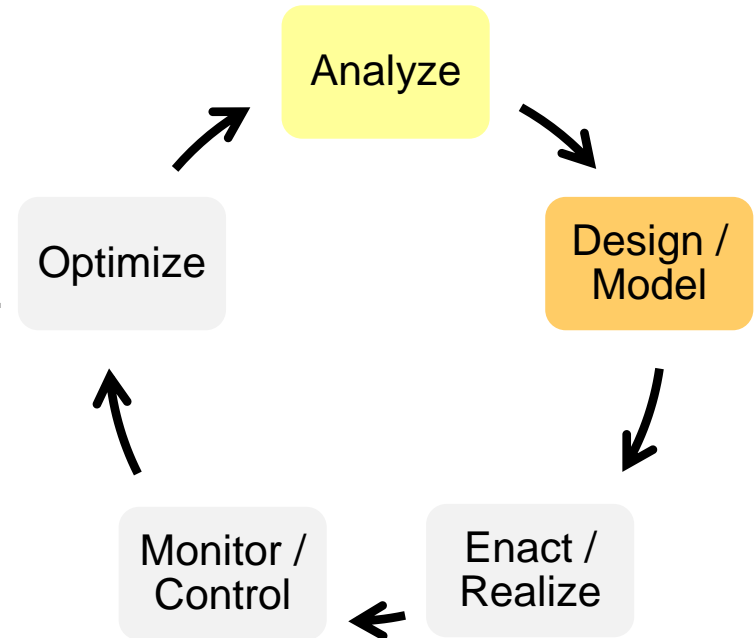


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# Analyze / Model

- Describing the current situation
  - Process modeling
  - Value modeling
- Assessing the current situation
- Managing the supply & value chain, e.g.
  - Governance
  - Markets
  - Providers (inhouse vs. outsourcing)
  - Scheduling / lead times
  - Sequencing
  - ...
- Value generation
  - Cost models (e.g., transaction cost)
  - Quality measures
- Holistic analysis
  - Be aware of additional processes!



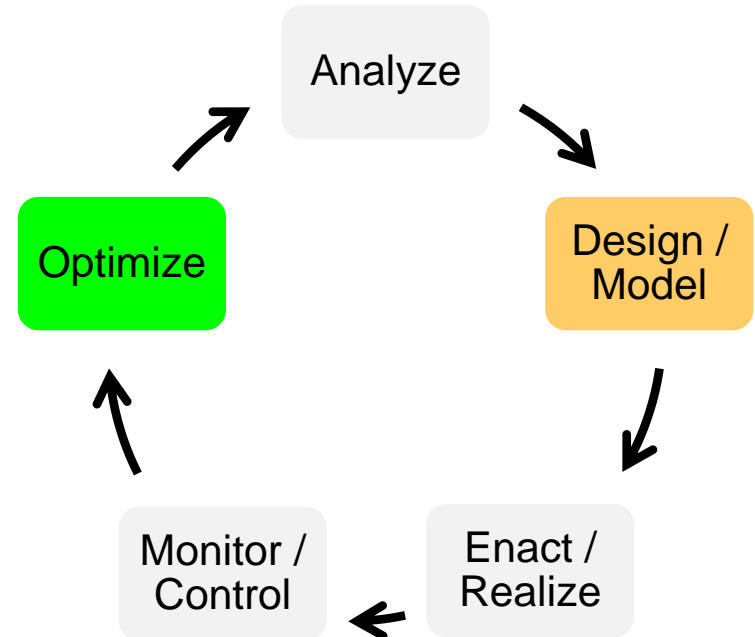
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# Design / Optimize

## Designing alternatives

- ❏ Process outsourcing / offshoring / nearshoring / ...)
- ❏ Process optimization (parallelization, automation, re-sequencing, automation, ...)
- ❏ Process specification: what can and should be shared?
- ❏ Additional core, management, and support processes
- ❏ Assessment / forecasting
  - Cost calculation
  - Production planning
  - Quality metrics
  - Various criteria: Productivity, lead times, customer satisfaction, partnership performance / reliability, communication intensity, ...
  - Simulation
- ❏ Identification of re-design candidates
- ❏ Negotiation and evaluation with all stakeholders



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# Design

- Additional management processes
  - Coordination processes
  - Quality management
  - Risk management
  - (Change management)
- Additional / changed core processes
  - Shipping / logistics / distribution
  - Locally adapted processes (production, sales, marketing, ...)
  - Regulative processes (e.g. different health regulations)
- Additional support processes
  - Knowledge management (e.g. which knowledge can and cannot be shared)
  - Administration
  - Training and career development
  - Culture awareness / integration processes



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# How does culture influence GPM?

- The system of shared beliefs, values, customs, behaviours, and artifacts that the members of society use to cope with their world and with one another (Bates & Plog, 1990)
- Units of analysis
  - Nation / region / ethnic group
  - Profession / sector
  - Organization / team
- Impact on
  - Working style
  - Group behavior
  - Communication
  - Design
  - ...
- How to represent culture?
- Which aspects should be analyzed?
- Which culture models help us to understand challenges?
- How do these aspects influence design and development processes?
- How to incorporate cultural aspects / culture processes?



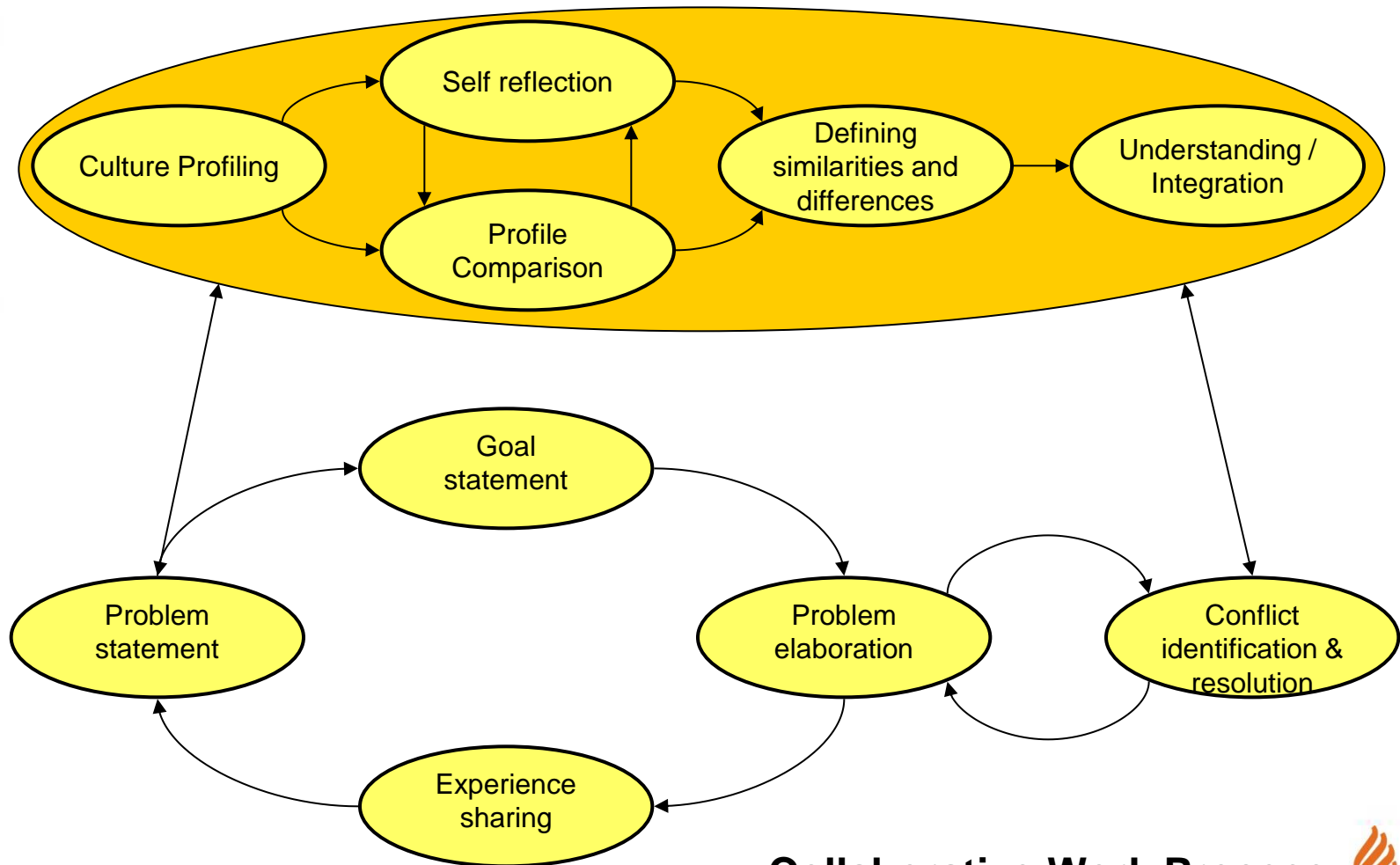
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# Culture Awareness Process

## Culture Awareness Process



## Collaborative Work Process



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# Summary and Outlook

- Networked businesses and globally distributed processes require new analysis instruments
- Decision alternatives are complex and need a clear understanding and holistic validation
- Risk management, change management and culture management play a key role
- Challenges across borders
  - Additional processes (risk, coordination, culture)
  - Assessment and quality
  - Strong focus on cultural aspects
- Key role for GP Manager
  - Managing and optimizing supply and value chain
  - Support of strategic decisions
  - Responsible for tactical decisions and operations planning
- Outlook
  - Frameworks (e.g. Faber et al, 2003)
  - Process Modeling
  - Process Analysis: assessment methods and instruments
  - Process Design (reference models, optimization methods)
  - Change Management
  - Quality Management
  - Culture



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# Guiding Questions

- ❏ Which of the concepts from the concept slide do you know? How do they related to process / supply & value change management?
- ❏ What are the main phases of process / value chain optimization?
- ❏ What are additional processes which need to be considered? How can they be integrated in GPM project?
- ❏ Describe your own cultural background? How does it affect your work and studies?



# References and further readings

- ❖ W. M. P. van der Aalst, A. H. M. ter Hofstede, and M. Weske, *Business Process Management: A Survey*, in Business Process Management: International Conference, BPM 2003, Eindhoven, the Netherlands, 2003.
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