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Fast Track Notes

Chapter – 1 : BPM & IT

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1. **What is a Process?**
   Ans.: A Process is defined as a sequence of events that uses inputs to produce output.
2. **What is a Business Process?**
   Ans.: A Business Process consists of a set of activities that are performed in coordination in an organizational and technical environment. These activities jointly realize a business goal.
3. **Functional Management V/s. Process Management – Differentiation**
   Ans. Points – Work Unit, Key Figure, Benefits, Weakness, Strategic Value
4. **Explain Key Business Processes Flow of the following**
   A. Accounting:
   Source Docs, Journal, Ledger, TB, Adjustment, Adjusted TB, Closing Entries, FS
   B. Sales:
   Customer Order, Recording, Pick Release, Shipping, Invoice, Receipt, Reconciliation
   C. Purchase:
   Purchase Requisition, Request for Quote, Quotation, PO, Receipts, Payments
   D. Finance:
   Financial Planning, Resource Allocation, Operation Monitoring, Evaluation-Analysis & Reporting
5. **What are the categories of Business Processes?**
   Ans.: 1. Organizational, 2. Operational
6. **What are the business levels for BPM ?**
   Ans.: 1. Business Strategy 2. Goals 3. Organizational BP
   4. Operational BP 5. Implemented BP
7. **What is the BPM ? And Explain Key Terms of definition.**
   Ans.: "The achievement of an organization's objectives through the improvement, management and control of essential business processes".
8. **Explain – Business Process Management Principles.**
   Ans.: A. Processes are assets B. Value to Customers C. Continuous Improvement
9. **Explain – BPM's Practices**
   Ans.:

1. Process-oriented organizational structure	2. Appoint Process Owners
3. Top-Down Commitment, Bottom - Up Execution	4. Use Information Technology (IT) to Manage Processes
5. Collaborate with Business Partners	6. Continuous Learning and Process Improvement
7. Align Employee Rewards to Process Performance	8. Utilize BPR, TQM, and Other Process Improvement Tools

10. What are the phases of MPM life cycle?

Ans.: A. Analysis, B. Design, C. Implementation, D. Run & Monitor, E. Optimize

11. What is Six Sigma and explain phases of the Six Sigma?

Ans.: Six Sigma is a set of strategies, techniques, and tools for process improvement.

A. Define B. Measure C. Analyze D. Improve E. Control

12. What is TQM and explain steps of TQM ?

Ans.: Total Quality Management (TQM) is a comprehensive and structured approach to organizational management that seeks to improve the quality of products and services through ongoing refinements in response to continuous feedback.

A. Plan B. Do C. Check D. Act

13. What is Business Process Reengineering (BPR)?

Ans.: "BPR is the fundamental rethinking and radical redesign of processes to achieve dramatic improvement, in critical, contemporary measures of performance such as cost, quality, service and speed".

14. What are the success factors of BPR?

Ans.:

A. Organization wide commitment
B. BPR team composition
C. Business needs analysis:
D. Adequate IT infrastructure
E. Effective change management
F. Ongoing continuous improvement

15. What are the key factors to be considered, while implementing BPM?

Ans.: Scope, Goals, Methods to be used, Skills Required, Tools to be used, Investment to Make, Sponsorship/Buy in Needed

16. Explain – Term 'BPA'

Ans.: Business Process Automation (BPA) is a strategy that is used to optimize and streamline the essential business processes, using the latest technology to automate the functions involved in carrying them out.

Benefits:

Saving on Costs, Staying ahead in competition, Fast service to customers

Risks:

Risk to jobs (of employees because of automation), false sense of security

17. Explain – Technology used in BPM

Ans.: New Process Architecture - 4 Tier Architecuture

A. Presentation Tier, **B**. Process Tier,
C. Application Tier, **D**. Database Tier

18. Explain – Value Chain Automation and Six business functions of Value chain

Ans.: Value chain refers to separate activities which are necessary to strengthen an organization's strategies and are linked together both inside and outside the organization.

Functions:

A. Research and development, B. Design of products, services, or processes,
C. Production, D. Marketing and sales,
E. Distribution, F. Customer service

19. Explain - Accounting Systems Automation / Accounting Information System (AIS)

Basic Function-

A. Collect & Store Data B. Record Transaction C. Safeguard Organizational Assets

Processing Cycles of Accounts in BPM -

A. Financing Cycles B. Revenue Cycle C. Expenditure Cycle E. Human Resource Cycle F. Production Cycle

General ledger & Reporting System

Data processing Cycle

A. Data Input B. Data Storage C. Data Processing E. Information Output

20. Benefits of BPMS

Ans.:

A. Automating repetitive business processes
B. BPMS works by 'loosely coupling' with a company's existing applications
C. Operational Savings
D. Reduction in the administration involved in Compliance and ISO Activities
E. Freeing-up of employee time

21. What are the reasons for failure of BPMS?

A. Inadequate Investment in training for personnel
B. Lack of corporate policy
C. Superficial or deficient executive involvement
D. Deficient project management
E. Breakdown in gap analysis
F. Limited options for customization of the BPM software is required
G. Not flexible enough or too complicated
H. Failure to identify future business needs
I. Inadequate assessment of the need for change management
J. Persistent compatibility problems with the diverse legacy systems of the partners.
K. Resources not available when desirable
L. Software fails to meet business needs
M. System may be over-engineered when compared to the actual requirements.
N. Technological obsolescence

22. Why documentation is important to Information Systems?

A. Depicting 'How the system works'
B. Training users

C. Designing new systems
D. Controlling System Development (SD) and maintenance costs
E. Standardizing communications with others
F. Auditing Information Systems
G. Documenting business processes

23. Entity – Relationship Model

Ans.: An Entity-Relationship (ER) diagram is a data modeling technique that creates a graphical representation of the entities, and the relationships between entities, within an information system. ER diagrams repeatedly bring into play symbols to symbolize three dissimilar types of information.

i.e. Boxes, Diamonds, Ovals

24. Degree of Relationship / Cardinality

A. One to One B. One to Many C. Many to One D. Many to Many

25. Data Flow Diagram

Ans.: Data Flow Diagram (DFD) is a graphical representation of the flow of data through an information system.

Two Types – Logical DFD and Physical DFD

Four Major Symbols for DFD – Entity, Process, Data Store, Data Flow

26. Flowchart

Ans.: A flowchart is a type of diagram that represents an algorithm or process, showing the steps as boxes of various kinds, and their order by connecting them with arrows.

Three Types – Document Flowchart, System Flowchart, Program Flowchart

(Need to do practice for flowchart from PM)

27. Difference between – Flowchart and DFD

Ans.:

Flowchart	Data Flow Diagram
Flow chart presents steps to complete a process. Flow chart does not have any input from or output to an external source.	DFD presents the flow of data. DFD describes the path of data from an external source to internal source or vice versa.
The timing and sequence of the process is aptly shown by a flowchart.	Whether processing of data is taking place in a particular order or several processes are taking place simultaneously is described by a DFD.
Flow chart shows how to make a system function.	DFD define the functionality of a system.

Flow chart is used in designing a process.	DFD is used to describe the path of data that will complete that process.
Types of Flow charts – System, Data, Document and Program.	Types of DFD – Physical Data Flow and Logical Data Flow.

28. Decision Tree

A Decision Tree also termed as an Inference or Logical tree is a collection of a basis (condition) and a conclusion (action).

In its tree-like representation, the premises and conclusions are shown as nodes, and the branches of the tree connect the premises and the conclusions.

The logical operators "AND" and "OR" are used to replicate the structure of the if- then rules.

As such, decision tables (DTs) do not seem to differ much from a decision tree.

29. Decision Table

A decision table (DT) is a table which may accompany a flowchart, defining the possible contingencies that may be considered within the program and the appropriate course of action for each contingency.

30. Parts of Decision Table

A. **Condition Statement (Stub)** - Statement which introduce one or more conditions (*i.e.*, factors to consider in making a decision)
B. **Condition Entries** - Entries that complete condition statements.
C. **Action Statements (Stub)** - Statements which introduce one or more actions (*i.e.*, steps to be taken when a certain combination of conditions exist)
D. **Action Entries** - Entries that complete the action statements.
E. **Rules** - Unique combinations of conditions and actions to be taken under those conditions.
F. **Header** - Title identifying the table.
G. **Rule Identifiers** - Code (R1, R2, R3,) uniquely identifying each rule within a table.
H. **Condition Identifiers** - Codes (C1, C2, C3...) uniquely identifying each condition statements/entry.
I. **Action Identifiers** - Codes (A1, A2, & A3...) uniquely identifying each action statement/ entry

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