

## SAP Solution Brief

SAP Enterprise Modeling Applications  
by IDS Scheer

SAP Process Performance Management  
by IDS Scheer

Measurement of existing processes is often the first and most critical step in creating a streamlined, flexible, and profitable organization. Software from SAP helps you diagnose and understand business processes with analytical tools that can be easily understood by business leaders and IT experts alike.



# MEASURE, MONITOR, AND OPTIMIZE YOUR BUSINESS PROCESSES

## BOOST EFFICIENCY WITH A BETTER VIEW OF PROCESS PERFORMANCE

Most companies are diligent about measuring important attributes and indicators relating to their business. Profit margins, stock levels, cycle times, inventory turns, days sales outstanding – benchmarks like these are regularly scrutinized as barometers of corporate performance and operational skill. Ironically, the underlying business processes that actually drive operational success are seldom dissected with the same zeal. The reason: most key business processes span multiple business units, pull data from many sources, and rely on disparate software applications. This complexity makes it hard to measure the performance of a given process. As a result, many processes resist optimization, since that which cannot be measured can seldom be improved.

The SAP® Process Performance Management application by IDS Scheer solves this problem by helping you analyze, monitor, and improve your business processes. Using runtime data gathered from your SAP solutions, the application displays the current performance of business processes with user-friendly graphics designed for department heads and other business leaders. The application also includes an integrated early-warning system that monitors key processes and flags deviations, enabling you to take countermeasures quickly and effectively. Process-related data generated by the software establishes a foundation for future benchmarking and contributes to the continuous optimization of your internal and external activities.

### Leveraging Web-Based Software

SAP Process Performance Management is a browser-based client-server application. It is built in the Java programming environment, which helps you minimize administration costs. A Java application server extracts relevant key performance indicators (KPIs) from your SAP software, aggregates them, and then allocates them in a central database. Calculations are carried out on the server. To install the front end, you simply download the runtime environment, which executes automatically at the first login. This design means that software does not have to be distributed and installed separately on your front-end computers. Instead, the front end of SAP Process Performance Management contains all the functionality needed for navigation and analysis. Your users can launch the client application from any Internet browser, anywhere in the world.

### Getting a Complete Picture of Business Performance

SAP Process Performance Management helps your business and process owners visualize, understand, and evaluate processes by providing a comprehensive picture of your actual process performance from two important perspectives. Objective measurement of KPIs yields quantitative insight, while the graphic visualization of business activities promotes a qualitative understanding of operational processes. With this pragmatic yet powerful visualization and analysis of business processes,

THE BEST-RUN BUSINESSES RUN SAP™





your users can drill down from an end result back to the contributing factors. As a result, you gain new insight into the influencing factors and patterns that create a given outcome.

For example, your managers can navigate to the level of an actual process cycle and analyze the process instance for a single customer in minute detail. All process evaluations and analyses can be created intuitively using setup wizards supported by the performance management application. Results – covering both individual and cumulative processes – can be presented in a wide range of graphical formats such as diagrams, tables, and business charts.

### **Digging Deeper into Your Processes**

SAP Process Performance Management includes substantial process-mining functionality. This helps you highlight the relationships and correlations between the relevant process features – such as customer group, region, product, or division – that result in long cycle times, high costs, or low quality. Thanks to integrated statistical functions and analysis of planned value deviation, you can identify the root cause of a problem with just a few clicks of the mouse. Process mining enables your organization to improve the transparency of current processes, investigate the causal relationships within and between processes, and create a visualization of any given process so that it can be understood by all stakeholders.

The ultimate goal of process mining is to help your organization optimize existing processes by highlighting connections and benchmarking results. For larger companies, which may oversee hundreds of thousands of processes every day, automated process mining can result in a substantial improvement in efficiency and productivity. Your users are relieved of extensive, time-consuming analysis chores. Instead, the application automatically directs attention to anomalies in process performance.

### **Finding Patterns in Processes and Organizational Structures**

The first step in optimizing key business activities is the evaluation of individual process chains. It is equally important, however, to analyze your organizational structure, particularly in larger and geographically distributed companies. SAP Process Performance Management contains organizational analysis functionality that helps you examine the interrelationships of divisions, departments, and employees while also highlighting the links between organizational entities and process handling. Organizational analysis enables your company to determine where friction and bottlenecks occur between departments. It can also be used to identify comparative throughputs, costs, and quality issues for multiple divisions, business units, and positions.

Which employees and functional positions represent the main communication links to other departments? Who has expert knowledge and special skills? Who needs what training? How is a

The software supports the reengineering of your business process with a continuous flow of process performance data, making a substantial contribution to continuous process improvement.

department's capacity utilized, and how can personnel costs be saved? SAP Process Performance Management helps you answer these and other questions by investigating the connections between departments and activities. First, key performance indicators based on time, costs, and quality are determined for each process instance. Next, each team is assigned an individual cost rate and an employee capacity. The software then enables you to calculate process costs associated with individual functions – plus overall process costs, consumption, and resource utilization for each organizational unit. With results presented in a number of user-friendly formats, the application helps you create a performance profile for each organizational unit in your company.

With its ability to provide multiple perspectives simultaneously, SAP Process Performance Management helps you gain a multifaceted view of end-to-end processes. The application also allows

you to aggregate multiple process instances to gain a better understanding of how something like a sales order is handled within your company. SAP Process Performance Management lays out the variable paths of process execution associated with a single process chain, enabling you to spot inherent weaknesses or deviations from expected behavior.

### SAP Enterprise Modeling Applications by IDS Scheer

SAP Process Performance Management is part of a group of SAP enterprise modeling applications by IDS Scheer. Collectively, this software supports the complete business process life cycle, including process design, analysis, optimization, implementation, and measurement. Designed to be used by business leaders, business analysts, and IT experts, the applications feature an intuitive, integrated modeling environment. These applications can help your company build future-proof business processes based on consistent standards applied uniformly throughout the enterprise.

In addition to SAP Process Performance Management, SAP enterprise modeling applications by IDS Scheer include the following.

#### SAP Business Designer

The SAP Business Designer application by IDS Scheer helps your business leaders and business analysts design processes intuitively and then synchronize them with your SAP software via the SAP Solution Manager application management solution.

#### SAP Business Process Optimization

The SAP Business Process Optimization application by IDS Scheer adds quantitative process analysis to Web-based modeling with the help of extensive simulation functionalities. The software enables you to optimize process-handling times, reduce costs, and increase process quality while also taking organizational structures and resources into account.

#### SAP Business Server and Publisher

The SAP Business Server and Publisher application by IDS Scheer supports transparency and communication of process-related information through Web-based portals. A database server enables central access and management of all Web-based products.

#### SAP Enterprise Modeling

The SAP Enterprise Modeling application by IDS Scheer gives IT leaders a description method that covers all relevant elements in your IT landscape. The software enhances the planning activities needed to design a target architecture geared to business processes.

### Benefiting from Process Performance Management

SAP Process Performance Management helps your company monitor and analyze business performance by tracking performance indicators, mining for significant causal factors, and identifying structural patterns within your organization. With clear visualization of actual process models – based on data from your SAP software – you can significantly improve target versus actual benchmarking.

Using runtime data from SAP solutions, SAP Process Performance Management supports the automated measurement and monitoring of your as-is business processes.

Your benefits include the following:

- **Increase the control and oversight of your business processes** with access to actionable information based on real-time extracts of data and timely reporting.
- **Improve accountability and responsiveness** by putting easy-to-understand process analysis in the hands of your managers and decision makers.
- **Optimize teamwork and collaboration** by determining patterns in processes and organizational structures while reducing unnecessary or duplicated process-related activities.
- **Boost operational efficiency** by eliminating process bottlenecks and streamlining event-driven process chains.
- **Support operational and strategic goals** by linking targeted or budgeted values with current KPIs, giving all stakeholders a clear picture of progress toward corporate or organizational objectives.

### Want to Learn More?

Call +1 800-872-1727, contact your nearest SAP sales office, or visit us on the Web at [www.sap.com](http://www.sap.com).

---

## Summary

Every company wants to increase operational efficiency by improving business processes. The SAP® Process Performance Management application by IDS Scheer automatically documents, visualizes, and analyzes activities at your company. The application monitors runtime data from your SAP solutions, pinpointing the root causes of defects and identifying areas with the potential for improvement. Findings are presented in clear, graphical formats. Analysis extends well beyond linear process chains, incorporating interrelationships between organization units, data sources, and applications.

---

## Business Challenges

- Measure and monitor the quality, time frame, and costs of existing processes so they can be streamlined and improved
- Identify process weaknesses and bottlenecks
- Gain a holistic view of processes that span organizational units, job functions, and IT resources
- Keep a step ahead of developing problems with an efficient early-warning system
- Put process information in a clear but comprehensible format that can be understood and shared by all process stakeholders

---

## Key Features

- **Business process measurement and monitoring** – Use runtime data from your SAP solutions to assess process efficiency
- **Process visualization** – Gain better understanding of processes through graphs and diagrams
- **Process mining and analysis** – Drill into data to discover root causes of specific outcomes
- **Process documentation and benchmarking** – Build a statistical framework to support progress toward efficiency goals

---

## Business Benefits

- **Increase agility** through daily extracts of data and timely reporting
- **Improve responsiveness** by putting actionable process analysis in the hands of the responsible managers
- **Optimize collaboration** by determining patterns in processes and organizational structures
- **Boost operational efficiency** by eliminating process bottlenecks and streamlining process chains
- **Support operational and strategic goals** by linking targeted or budgeted values with current key performance indicators

---

## For More Information

Call your SAP representative, or visit us online at [www.sap.com](http://www.sap.com).



50 093 235 (09/01)

©2009 by SAP AG.

All rights reserved. SAP, R/3, SAP NetWeaver, Duet, PartnerEdge, ByDesign, SAP Business ByDesign, and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP AG in Germany and in other countries.

Business Objects and the Business Objects logo, BusinessObjects, Crystal Reports, Crystal Decisions, Web Intelligence, Xcelsius, and other Business Objects products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of Business Objects S.A. in the United States and in other countries. Business Objects is an SAP company.

All other product and service names mentioned are the trademarks of their respective companies. Data contained in this document serves informational purposes only. National product specifications may vary.

These materials are subject to change without notice. These materials are provided by SAP AG and its affiliated companies ("SAP Group") for informational purposes only, without representation or warranty of any kind, and SAP Group shall not be liable for errors or omissions with respect to the materials. The only warranties for SAP Group products and services are those that are set forth in the express warranty statements accompanying such products and services, if any. Nothing herein should be construed as constituting an additional warranty.