

CAMPBELL UNIVERSITY

NORTH CAROLINA, U. S. A.

ACADEMIC YEAR 2014/2015

MARCH/APRIL EXAMINATION

INFORMATION TECHNOLOGY BAIT2144(B)
BUSINESS PROCESS MANAGEMENT

FRIDAY, 3 APRIL 2015

TIME: 2.30 PM – 4.30 PM (2 HOURS)

BACHELOR OF SCIENCE DEGREE

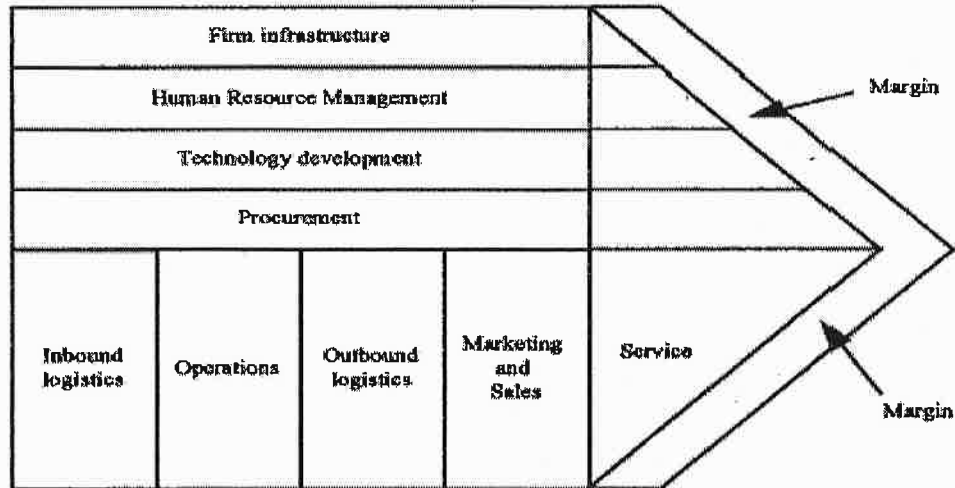
Instructions to Candidates:

Answer **ALL** questions. All questions carry equal marks.

BAIT2144(B) BUSINESS PROCESS MANAGEMENT

- Q1. (a) Analyse the Porter's generic value chain model in Figure 1 and then answer the following questions:

Figure 1: Porter's generic value chain model



- (i) Explain the meaning of *value chain*. (2 marks)
- (ii) Give **two** examples of primary activities and **two** examples of support activities. (4 marks)
- (iii) Describe the usefulness of the *generic value chain* model to an organisation. (4 marks)
- (b) Revenue model describes how a company earns its revenue. List **three** types of revenue models. (3 marks)
- (c) For each of the following organisations, identify **two** of its revenue models. For each revenue model that you have identified give an example to support your answer.
- (i) Nanyang Siang Pau Newspaper (4 marks)
- (ii) MPH Bookstore (4 marks)
- (iii) Maybank (4 marks)
- [Total: 25 marks]

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- Q2. (a) Below is a process that is used by ABC Bank Sdn Bhd to deal with personal loan application. The details of the process are as follows:

For each application, the bank's loan department will perform a thorough check on the form received. This step is taken to ensure that every application received is in order and that all supporting documents are attached. Once checking is done, the application will be classified either as complete or incomplete.

For an incomplete application, the applicant will be contacted. This is to inform him/her that the incomplete application will not be processed until all the necessary documentations are received. For a complete application, the application is recorded and this is followed by performing 2 tasks: (a) risk analysis and (b) financial history check. These 2 tasks are independent of each other.

After risk analysis and financial history check are completed, a decision is made: either to approve or reject the loan application. If the decision is positive, a letter of offer is prepared and send to the applicant on the same day else a rejection letter is sent the following day.

Required:

Model the above personal loan application process by using Business Process Modeling Notation (BPMN) standard.

Marks will be awarded according to the following criteria

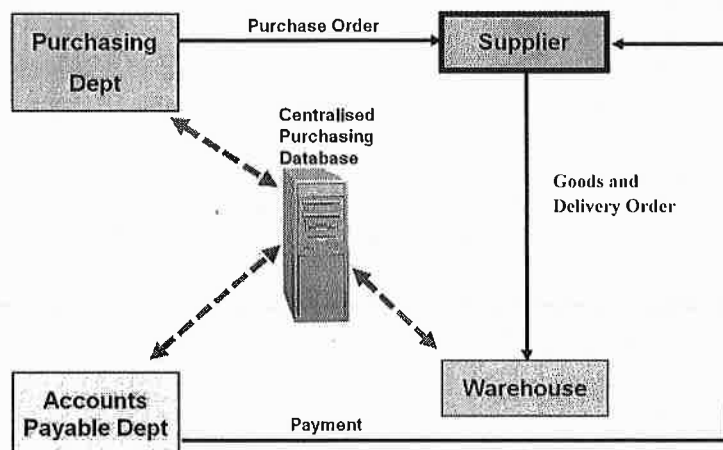
<i>Criteria</i>	<i>Marks</i>
Correct tasks sequence	6
Meaningful tasks name	4
Process diagram is easy to read	2
Total	12

- (b) Give **three** reasons why ABC Bank Sdn Bhd should model its personal loan application process. Elaborate your answer. (9 marks)
- (c) Suggest **two** suitable metrics that can be used to measure the performance of the personal loan application process. Elaborate your answer. (4 marks)
- [Total: 25 marks]

BAIT2144(B) BUSINESS PROCESS MANAGEMENT

- Q3. (a) **Figure 2** illustrates the Ford Motor's Accounts Payable process after reengineering. Previously, Ford Motor's Accounts Payable process was slow and cumbersome. After reengineering, a centralised purchasing database was developed to store all the information on purchase orders. New computer terminals were also installed at the warehouse department to give warehouse staffs direct access to the centralised database. When goods arrived, the warehouse staffs could immediately check whether the delivery actually matched with what was originally ordered. If this was not the case, the goods were simply rejected: this forces the suppliers to ensure that what was delivered was what was requested and nothing else. In cases where the delivery matched with what was originally ordered then the acceptance of the goods was registered. So, the only thing left for the accounts payable department to do was to pay the suppliers. Following this new process, Ford managed to bring down their workforce in the Accounts Payable Department from roughly 500 people down to 120 people (a 76% reduction).

Figure 2: Ford Motor's Accounts Payable process after reengineering.



(Extracted and amended from Fundamentals of Business Process Management, Marlon Dumas, Marcello La Rosa, Jan Mendling and Hajo A. Reijers, Springer, 2013)

Analyse the scenario given above and then answer the following questions:

- (i) Identify all the actors in the process. (5 marks)
 - (ii) Which actor is the customer in the process? (1 mark)
 - (iii) What are the possible outcomes of the process? (4 marks)
- (b) Explain to someone who has no knowledge in Business Process Reengineering (BPR), what BPR is all about. (4 marks)
- (c) Differentiate between Business Process Management (BPM) and BPR in terms of:
- Frequency of change
 - Starting point (4 marks)

BAIT2144(B) BUSINESS PROCESS MANAGEMENT**Q3. (Continued)**

- (d) “Every good process eventually becomes a bad process”. (*Michael Hammer*)
Present your argument with a suitable example why this is the case. (7 marks)
[Total: 25 marks]

Q4. Figure 4: Lewin’s model of change.

Changing business processes is inevitable in most organisations as they strive to figure out how to do things better, faster and cheaper. However, these changes will usually cause discomfort to some workers. **Figure 4** is the change management framework developed by Kurt Lewin.

- (a) Briefly describe the Lewin’s model of change. (3 marks)
- (b) Suggest with justification **two** strategies for the *unfreeze* stage. (6 marks)
- (c) Evaluate **one strength** and **one weakness** of the Lewin’s model of change. (6 marks)
- (d) Identify and discuss **two internal** and **two external** forces of change. (10 marks)
[Total: 25 marks]