Business Processes Modelling
MPB (6 cfu, 295AA)
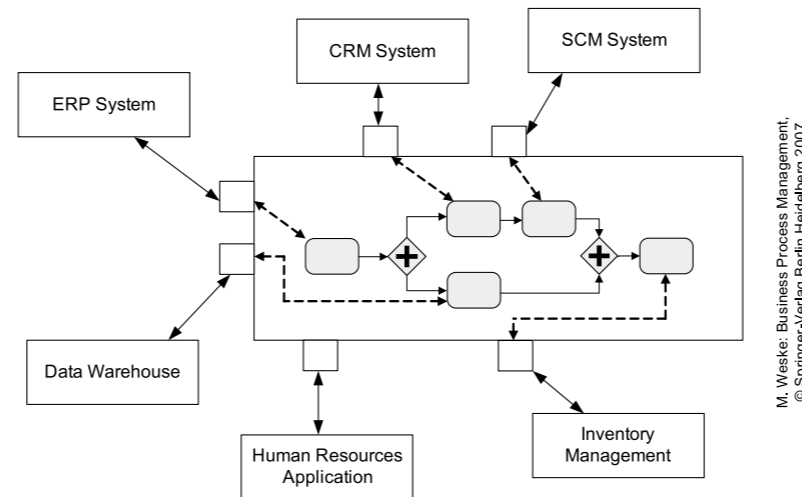
Roberto Bruni
http://www.di.unipi.it/~bruni

06 - Evolution

Object

ERP System

CRM System

SCM System

Data Warehouse

Human Resources
Application

Inventory
Management

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Overview of the evolution of
(Information Systems inside)
Enterprise Systems Architectures

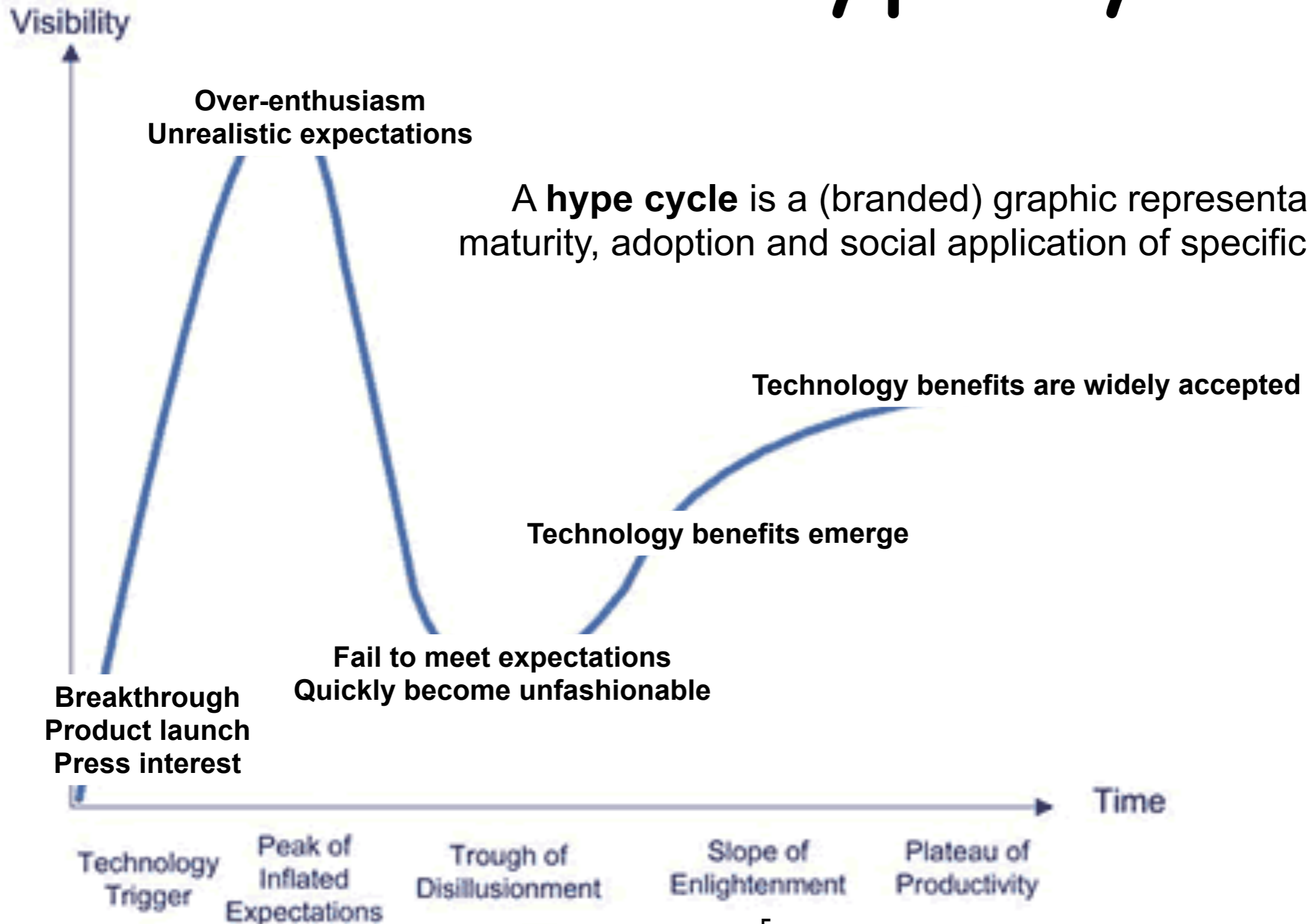Ch.2 of Business Process Management: Concepts, Languages, Architectures

Guiding principles

Modularity and information hiding
(encapsulation, interfaces, reuse, maintainability,
response to change)

Software Architecture

Definition: A **software architecture** defines a structure that organizes the software elements and the resources of a software system.

Gartner's hype cycle

Visibility

Over-enthusiasm
Unrealistic expectations

A **hype cycle** is a (branded) graphic representation of the maturity, adoption and social application of specific technologies

Technology benefits are widely accepted

Technology benefits emerge

Fail to meet expectations
Quickly become unfashionable

Breakthrough
Product launch
Press interest

Time

| Technology Trigger | Peak of Inflated Expectations | Trough of Disillusionment | Slope of Enlightenment | Plateau of Productivity |

Early systems (architectures)

Monolithic applications developed from scratch

Porting required redevelopment

Data dependency and consistency issues
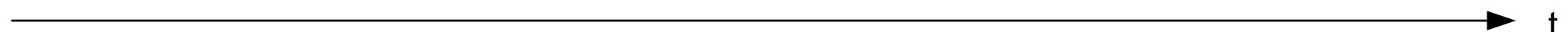
Application
Programming interfaces OS

1970

Application
Physical data independence DBMS
OS
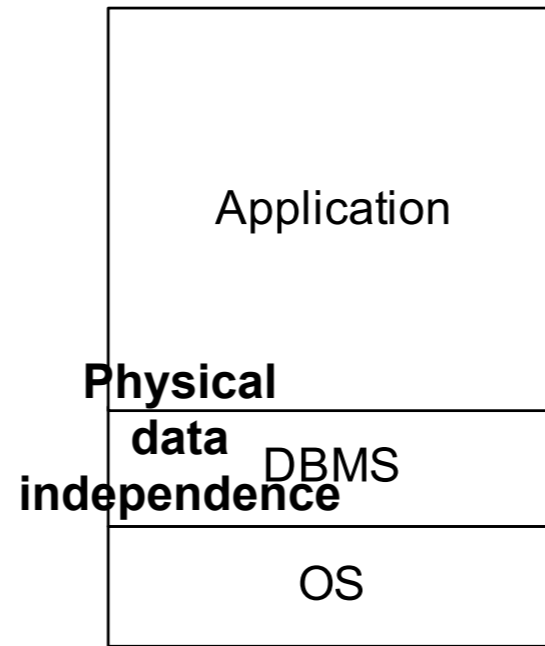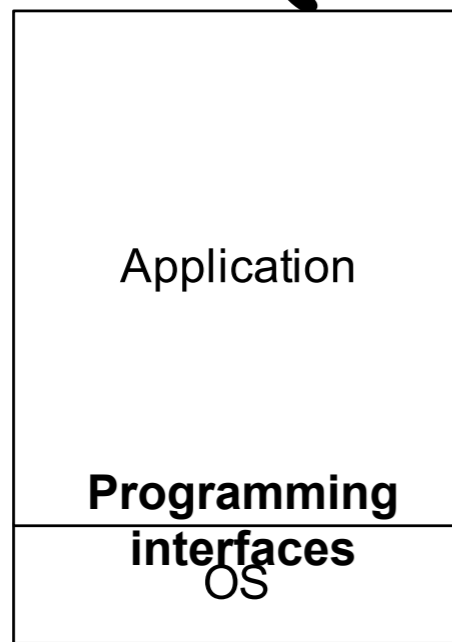
1980

Application code and (textual) user interfaces still entangled

Database

Data management as a primary concern

GUI **Advanced user interfaces** Application
DBMS
OS
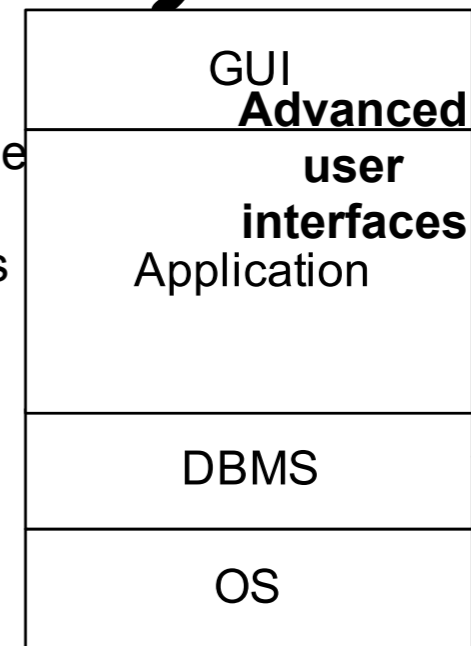
Human interaction made easier

Database

1990

t

Enterprise Applications

OS + DBMS + GUI + Networking capabilities =
more and more elaborate information systems
could be engineered

Typically hosting enterprise applications
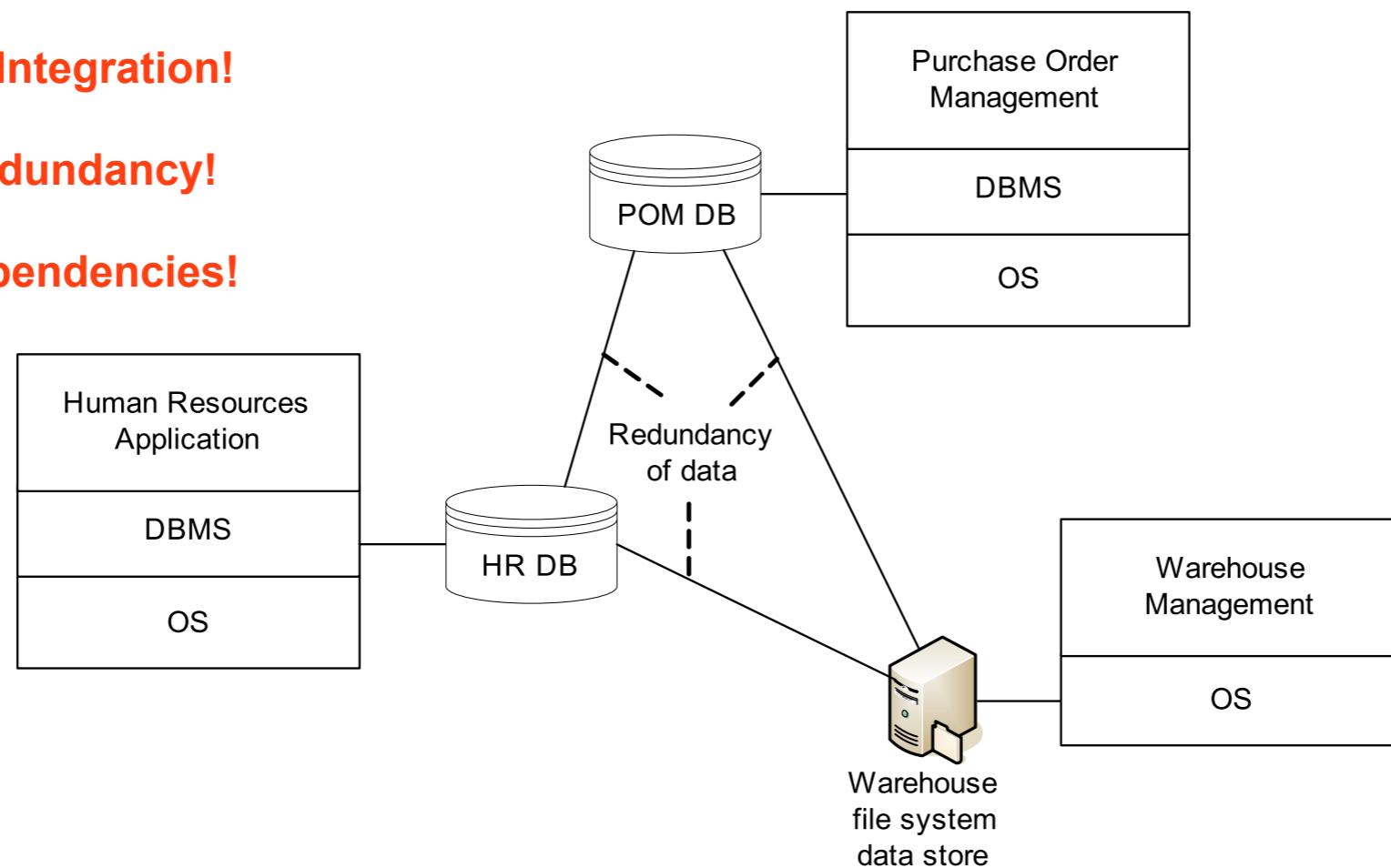(customers, personnel, products, resources)

Next steps:
from individual to multiple information systems
(needs integration)

Individual enterprise application

Lack of Integration!

Data redundancy!

Data dependencies!

Purchase Order Management

DBMS

OS

POM DB

Human Resources Application

DBMS

OS

HR DB

Redundancy of data

Warehouse Management

OS

Warehouse file system data store

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Changes

Changes were hard to implement!

Hard to track data dependency and replication

Any modification of an application was a complex and
error-prone activity, with domino effect
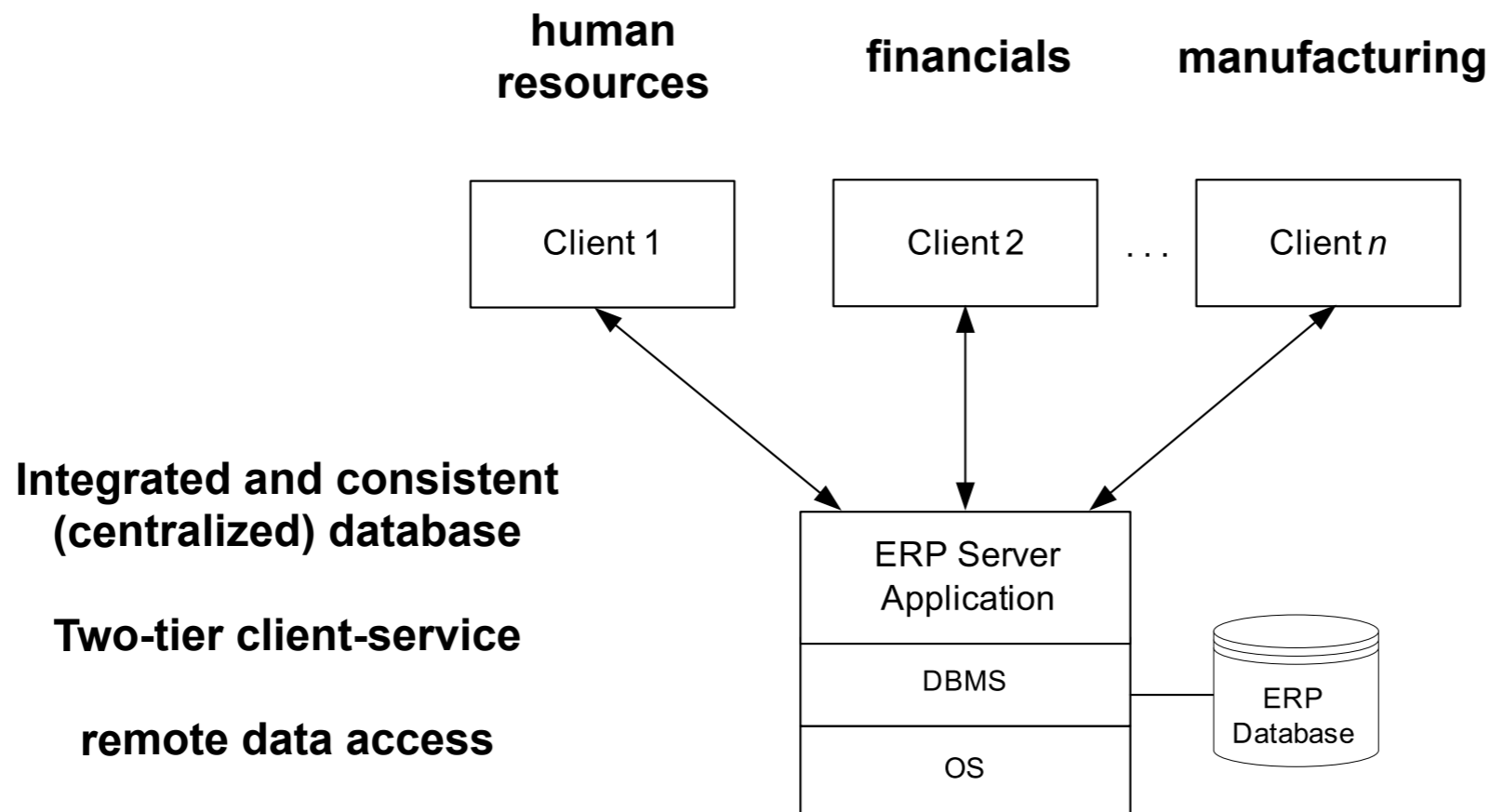(e.g. change of customer address format)

ERP

Enterprise Resource Planning (**ERP**) systems were developed to deal with the increasing complexity of changes

Basic idea
integrated database that spans most applications, separated modules provide desired functionalities, accessed by client applications

Enterprise resource planning systems

human resources

financials

manufacturing

Client 1

Client 2

. . .

Client *n*

Integrated and consistent (centralized) database

Two-tier client-service

remote data access

ERP Server Application

DBMS

OS

ERP Database

ERP

CRM and SCM

New types of sw entered the market around 2000

Customer Relationship Management (**CRM**) systems
Supply Chain Management (**SCM**) systems

Goal
to support the planning, operation, and control of
supply chains, including inventory management,
warehouse management, management of suppliers
and distributors, and demand planning

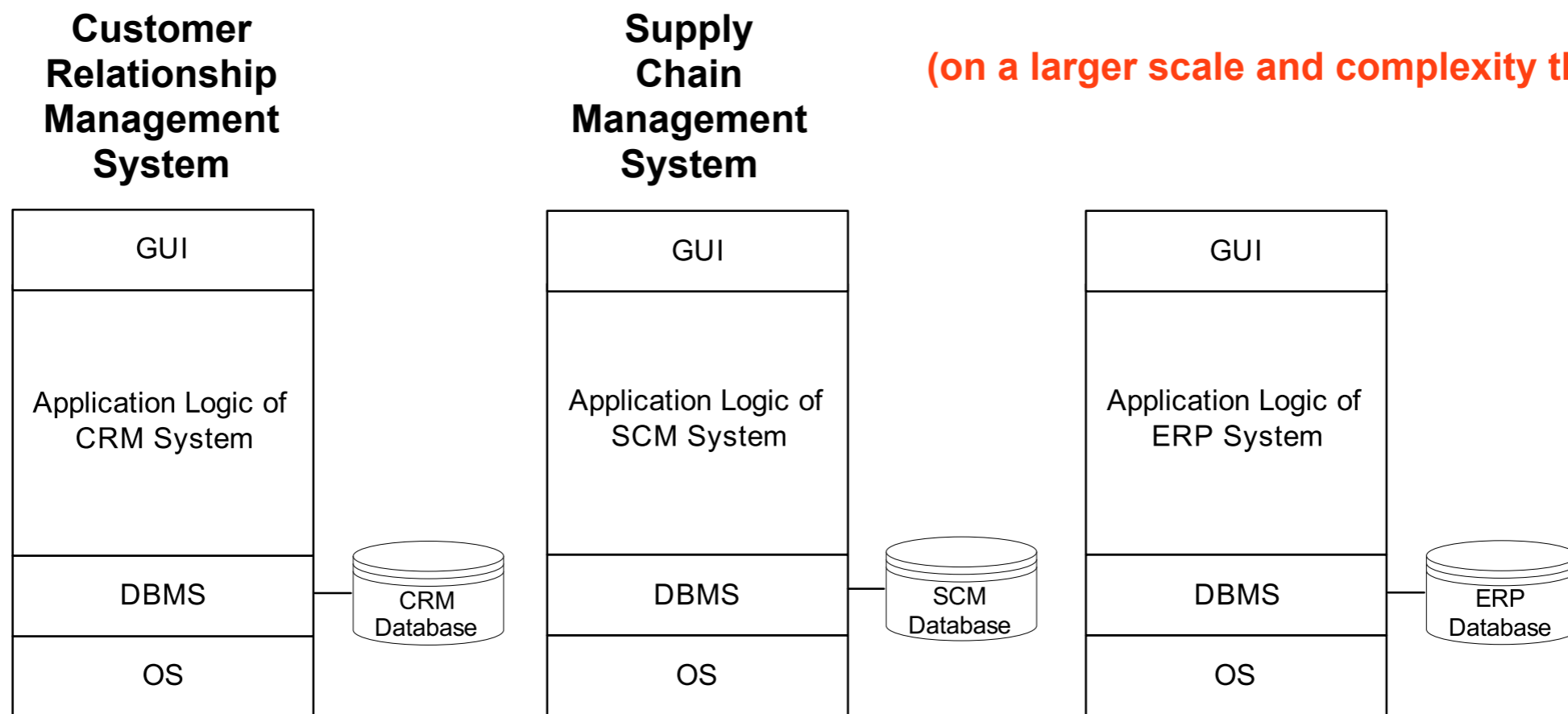**Problem**: different vendors, separately developed

Siloed enterprise applications

Lack of Integration!

Data Integration would provide valuable information

Data redundancy!

Data dependencies!

(on a larger scale and complexity than before)

Customer Relationship Management System

Supply Chain Management System

GUI
Application Logic of CRM System
DBMS
OS

CRM Database

GUI
Application Logic of SCM System
DBMS
OS

SCM Database

GUI
Application Logic of ERP System
DBMS
OS

ERP Database

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Connected on local network, but not logically integrated

A sample scenario

Customer calls

Call centre personnel can only access the information stored in one system

Call centre personnel is not aware of the full status of the customer

Customer (doesn't care about siloed structure)
does not feel well served,
becomes upset,
expects a better service

Heterogeneity

Heterogeneity of data and their attributes
(syntax and semantics difficulties)
calls for Data Integration

Examples
corresponding data fields with different names
(e.g., CustAddr vs CAstreet),

fields with the same name but different meaning
(e.g. Price: with or without taxes? unitary?)

Integration

Manual integration is possible, but:

it consumes considerable resources

it is error-prone

cannot foreseen all applications in advance
(reimplementing functionalities in an integrated way
would just postpone the problem)

Solution
Enterprise Application Integration systems
as a new middleware

Enterprise Application Integration

Definition: **Enterprise Application Integration** (**EAI**) is defined as the use of software and computer systems architectural principles to integrate a set of enterprise computer applications.
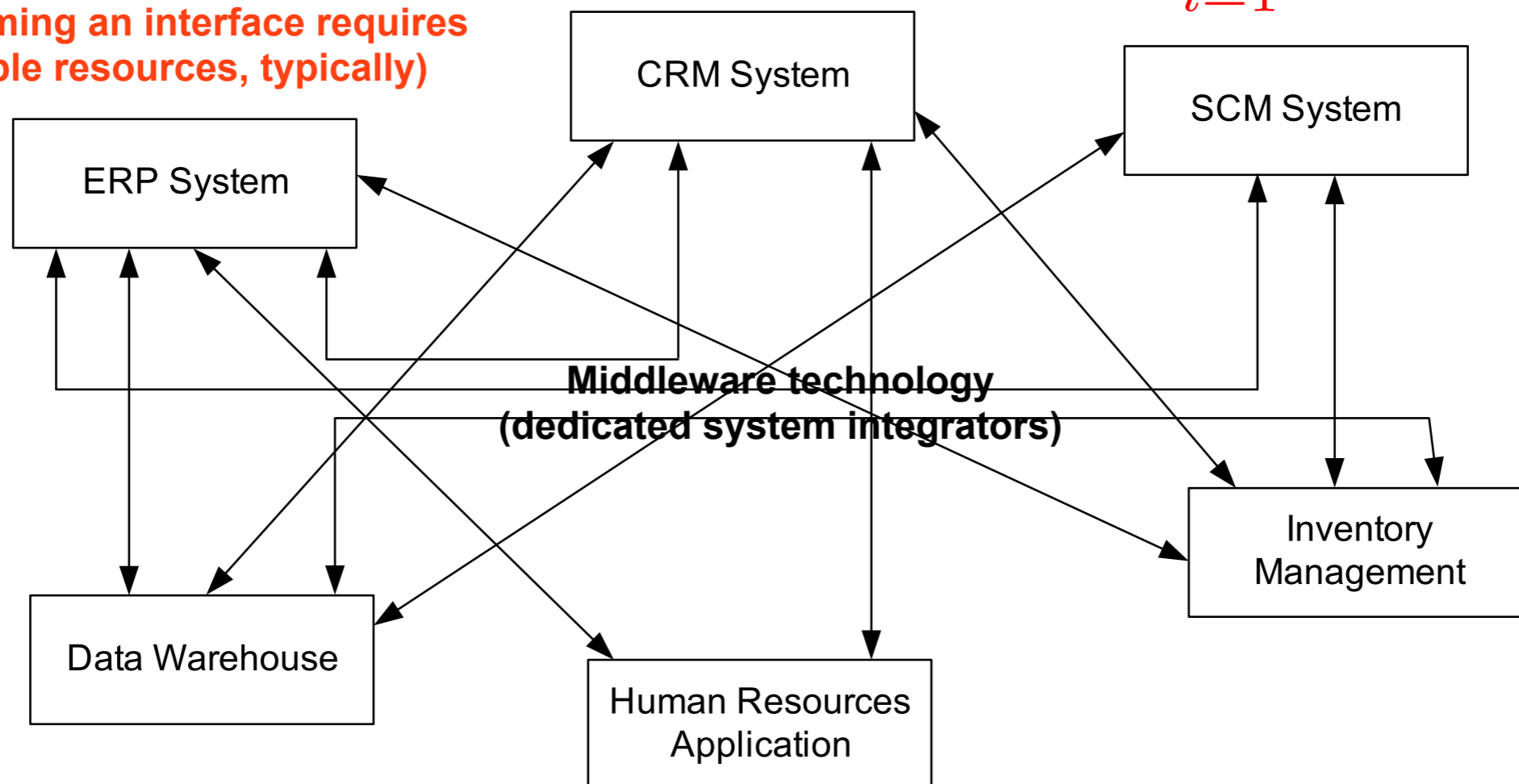
Point-to-point integration (of silos)

N x N hard-wiring problem!

**Too many interfaces to develop!**

Does not respond well to changes!
(Reprogramming an interface requires
considerable resources, typically)

$$\sum_{i=1}^{N-1} i = \frac{N(N-1)}{2}$$

CRM System

SCM System

ERP System

Middleware technology
(dedicated system integrators)

Inventory
Management

Data Warehouse

Human Resources
Application

Message-oriented middleware

Messages must be encoded and decoded

Point-to-point connection problem does not diminish that much

Client

Cooperation realized in the integration application

| SCM | ERP | Integration Application | CRM | Data Warehouse |

Message Queue

Message Oriented Middleware

Offers some guarantees (e.g message delivery)

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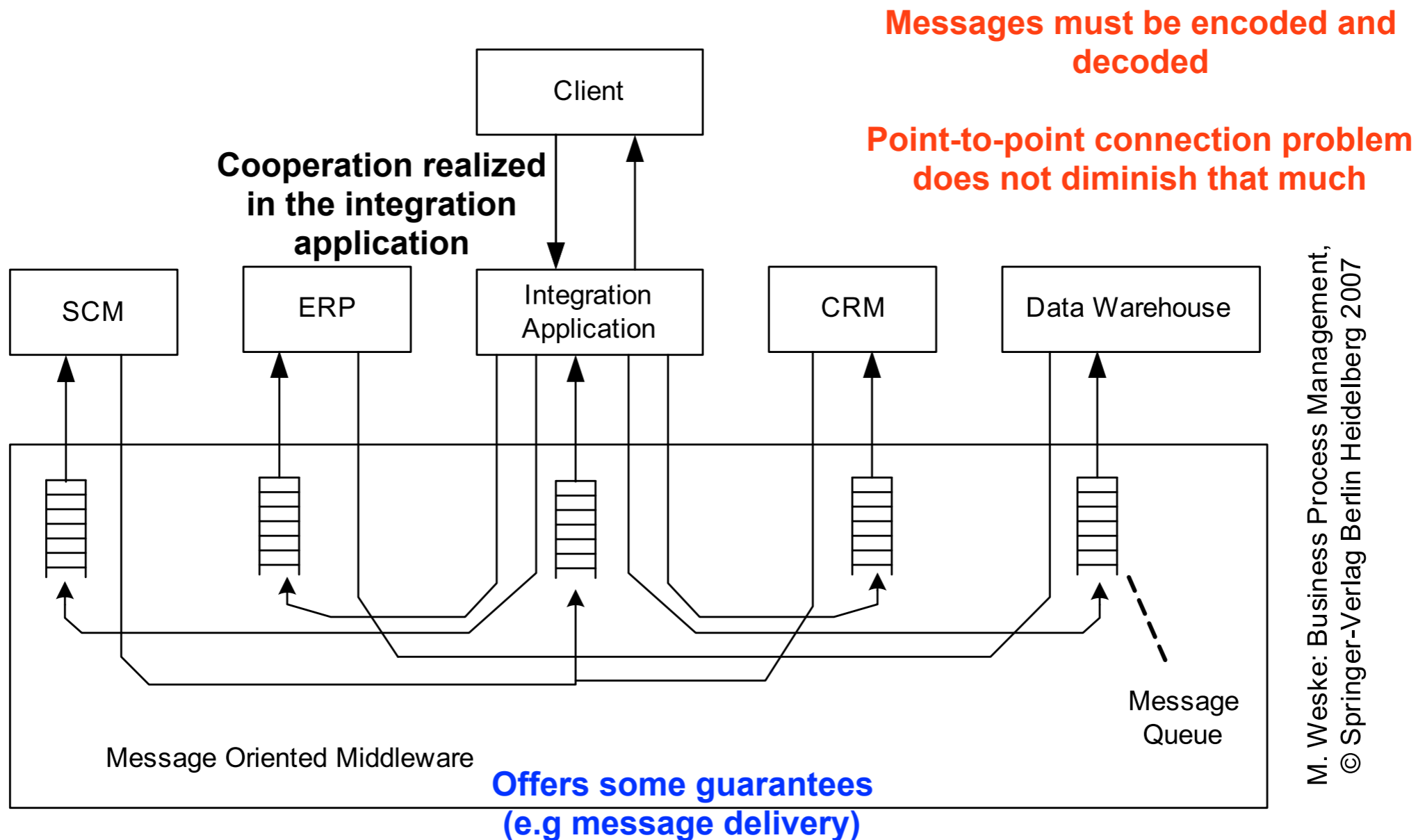
Response to Change

Message-oriented middleware
reduces in part integration efforts and
gives important run-time guarantees

Still cooperation is hardwired in a particular
application (the Integration Application)

No explicit process model that can be
documented, communicated, and changed when
necessary

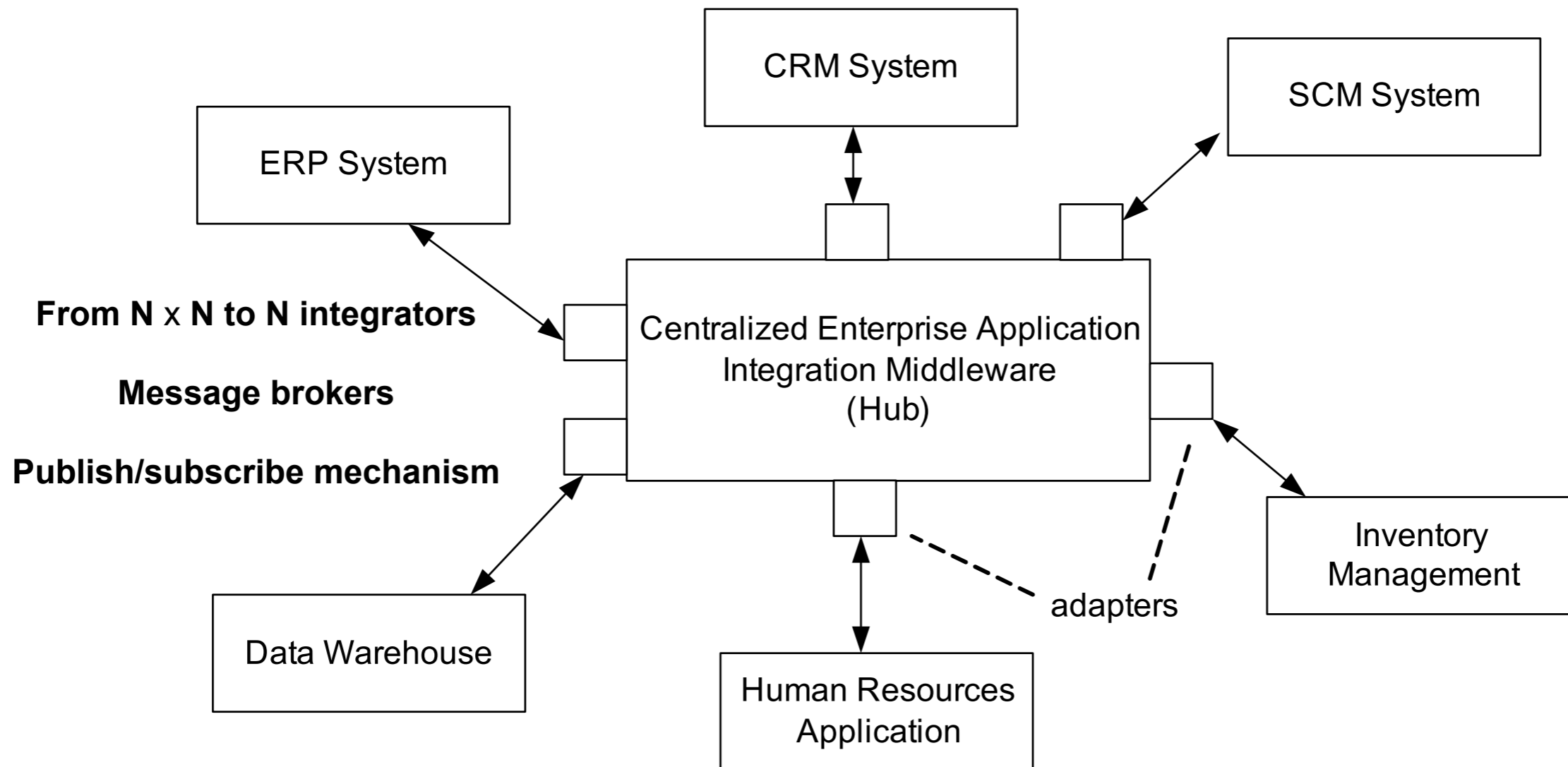In the end, response to change is not improved

Hub-and-Spoke

The **Hub-and-Spoke** paradigm is based on a central hub and a number of spokes attached to it

The Application Integration middleware represents the hub, and the applications to be integrated represents the spokes

Interactions between any two applications must pass through the hub

Hub-and-spoke integration

Configuration and management of adapters and message brokers can become cumbersome

CRM System

SCM System

ERP System

From N x N to N integrators

Message brokers

Publish/subscribe mechanism

Centralized Enterprise Application Integration Middleware (Hub)

Data Warehouse

Human Resources Application

adapters

Inventory Management

EAI implementation pitfalls

70% of all EAI projects fail (2003).
Most of these failures are not due to technical
difficulties, but due to management issues:

Constant change

Shortage of EAI experts

Competing standards

Loss of detail: Information
unimportant at an earlier stage
may become crucial later

Data protectionism

From (data-models and) data-integration

To (process-models and) process-integration

Value Chains and Process Orientation

Two major factors fuelled business process management

Value chains

as a means to functionally break down the activities a company performs

Process orientation

as the way to organize the activities of enterprises

Workflow component

Definition: a **single-application workflow** consists of activities and their causal and temporal ordering that are realized by one common application system.

GUI
Workflow Component
Application
DBMS
OS

Database
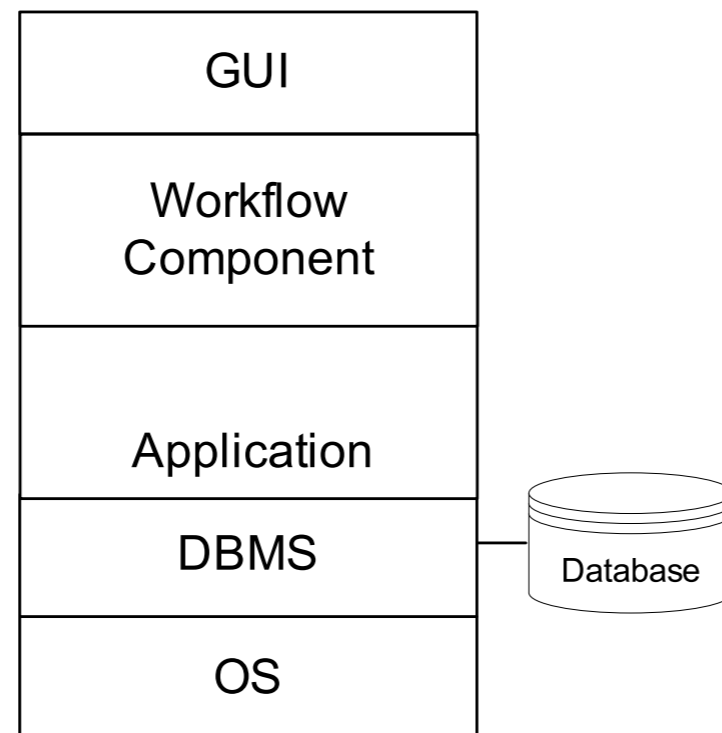
Multiple-application workflow system

Definition: a **multiple-application workflow** contains activities that are realized by multiple application systems, providing an integration of these systems.
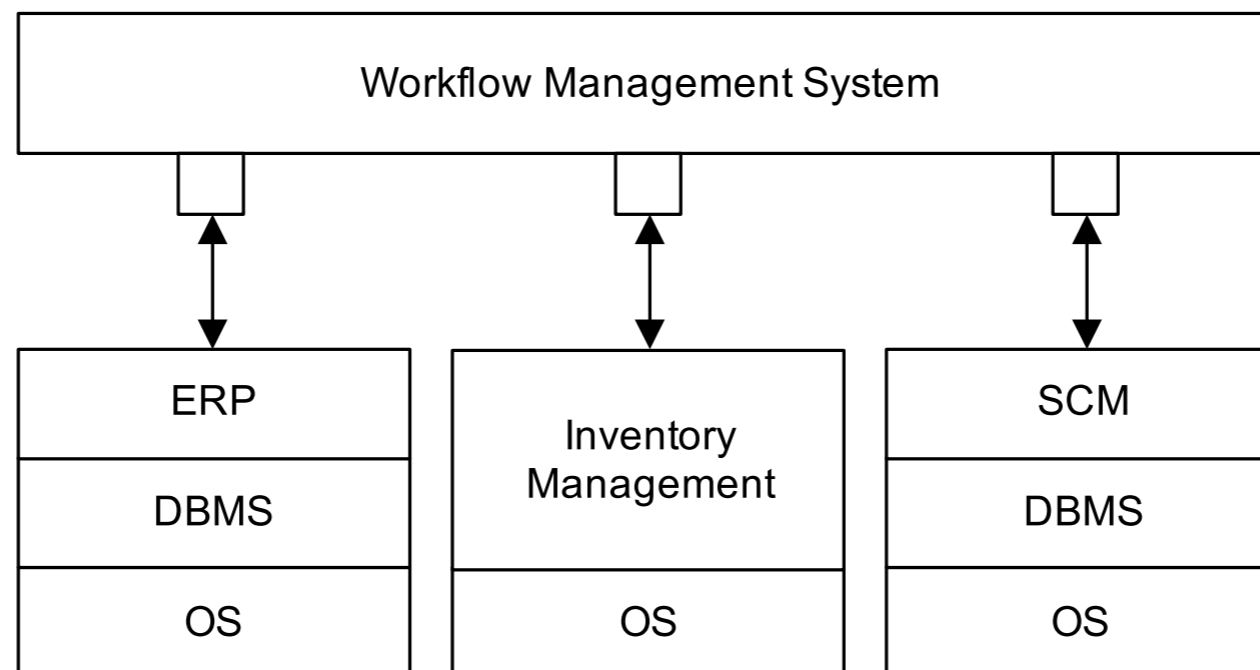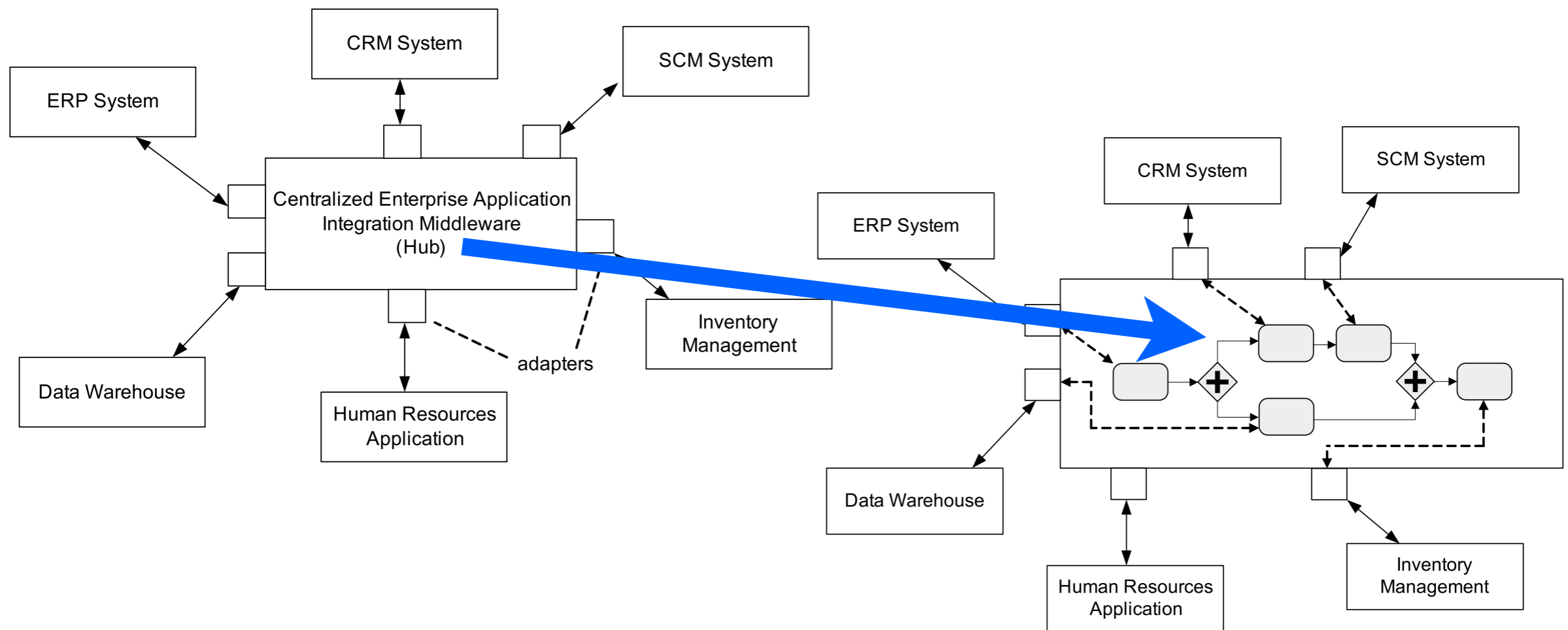
System workflow

Definition: a **system workflow** consists of activities that are implemented by software systems without any user involvement.
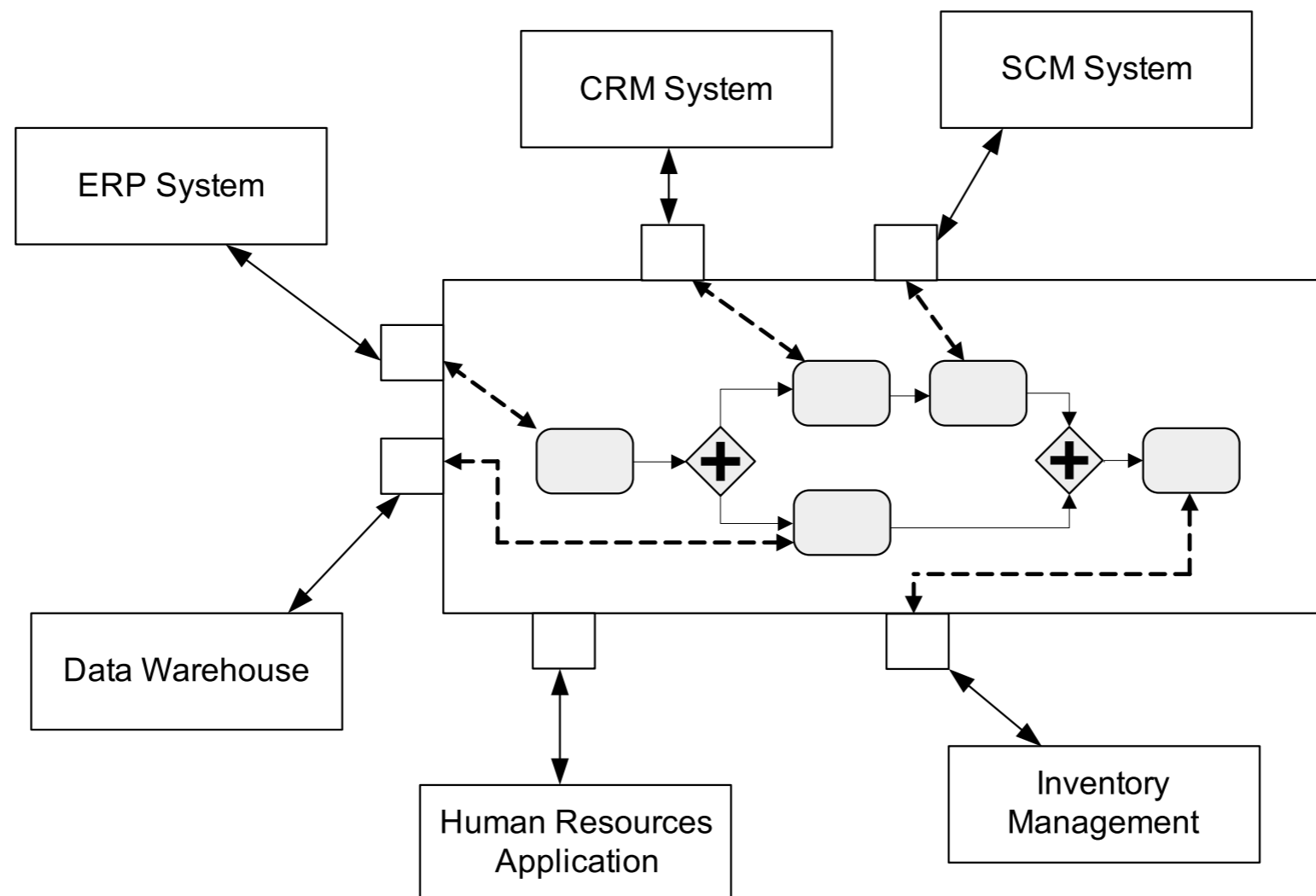
Workflows fit well with hub-and-spokes EAI

Limitations in workflow management

Technical integration problems:

Scarcely documented applications

Different levels of granularity

Tight coupling of applications
(direct invocation)

Enterprise service computing

Main idea:

Business functionalities exposed as services

Services are equipped with usage information

Customers can find services and use them

Services

Definition: **Services** are loosely-coupled computing tasks that can be dynamically **discovered** and **invoked** over the network.

Each service comes with a **service description** that can be published in **service registries** by the **service provider**.

Service registries can be **queried** by **service requestors**.

Service descriptions provide a level of detail that facilitates service requestors to **bind** and **invoke** them.

Service-oriented architectures

Definition: **Service-oriented architectures** (**SOA**) are software architectures that provide an environment for describing and finding software services, and for binding to services.
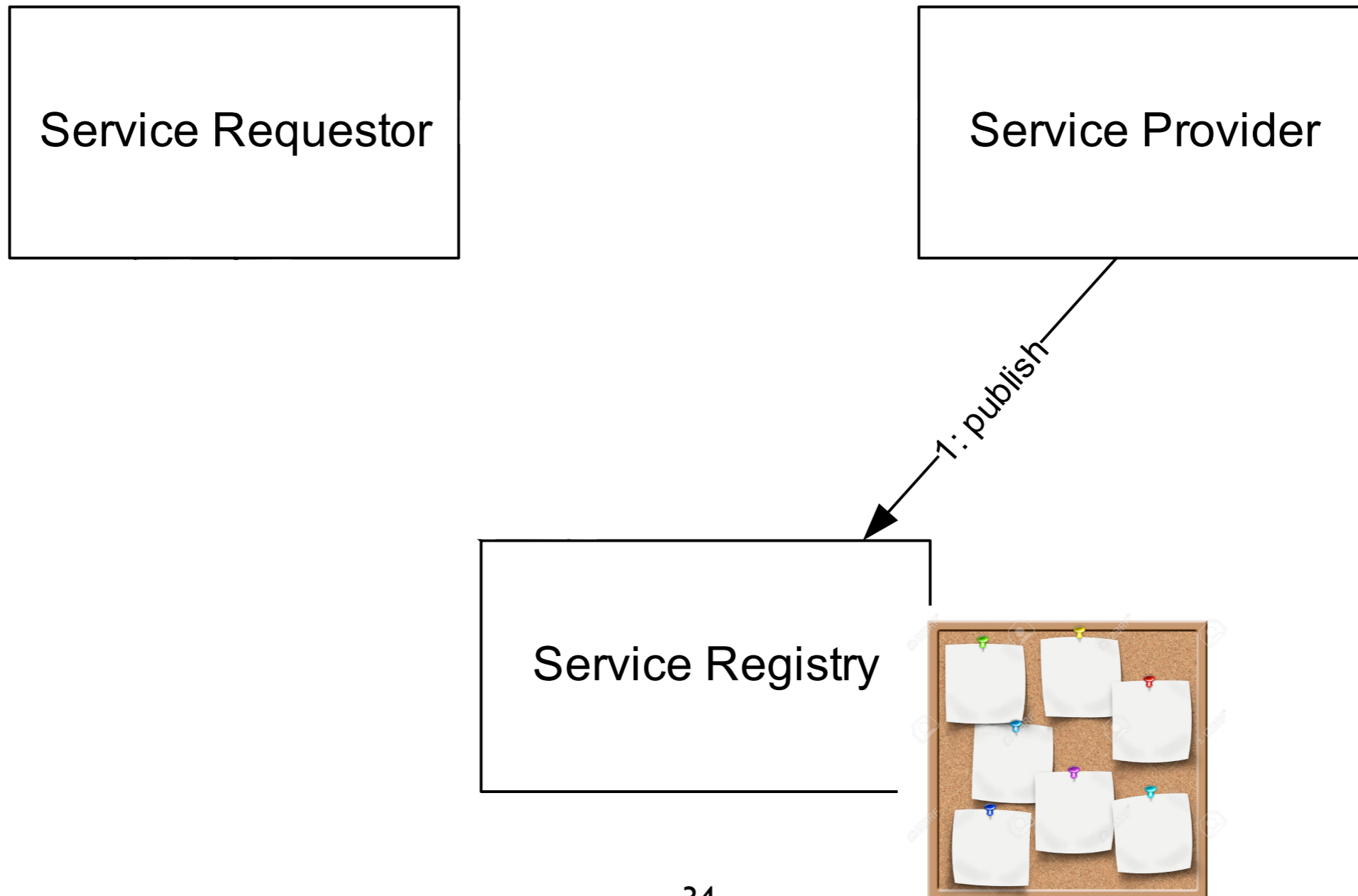
Service-oriented architectures
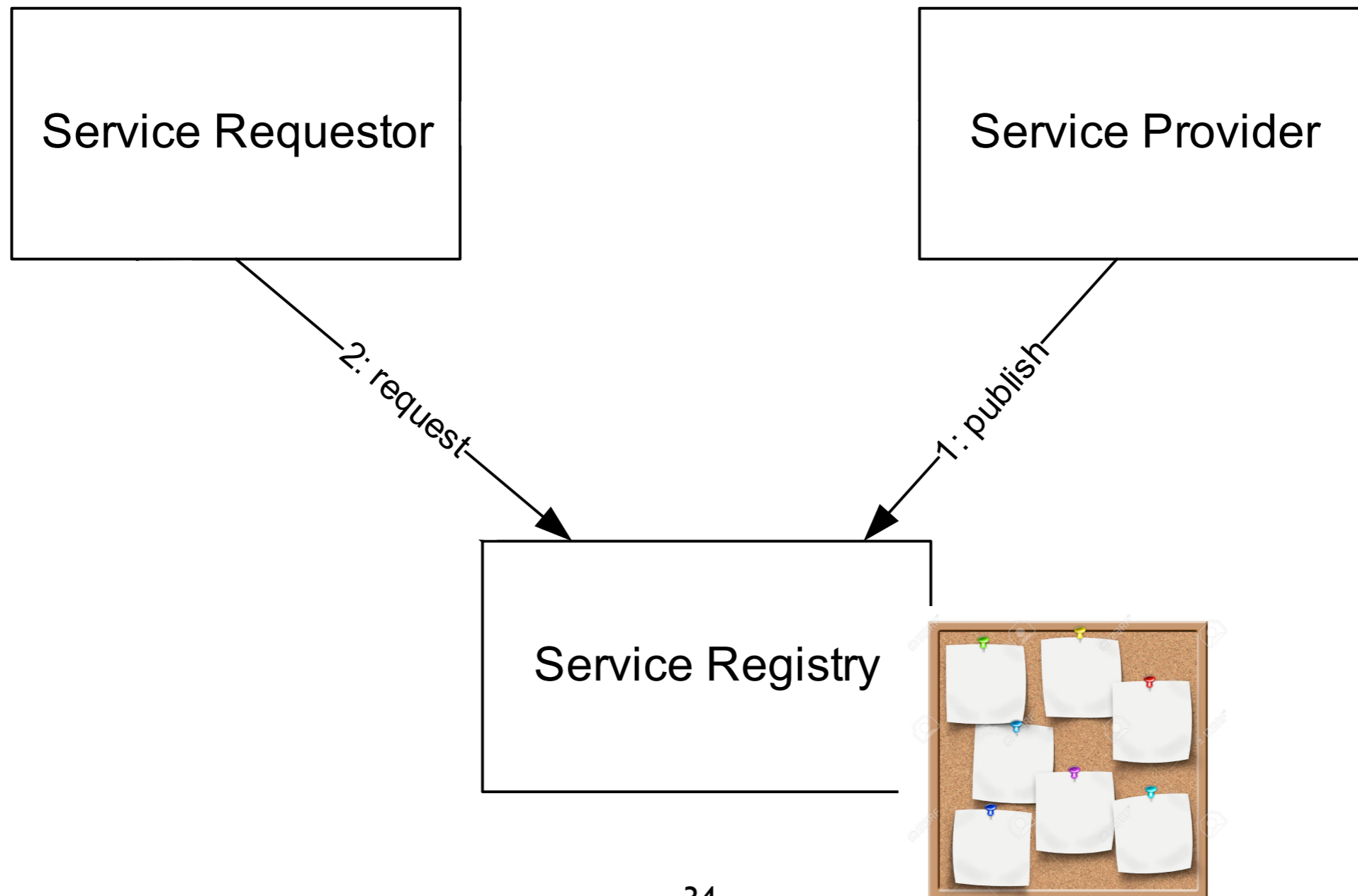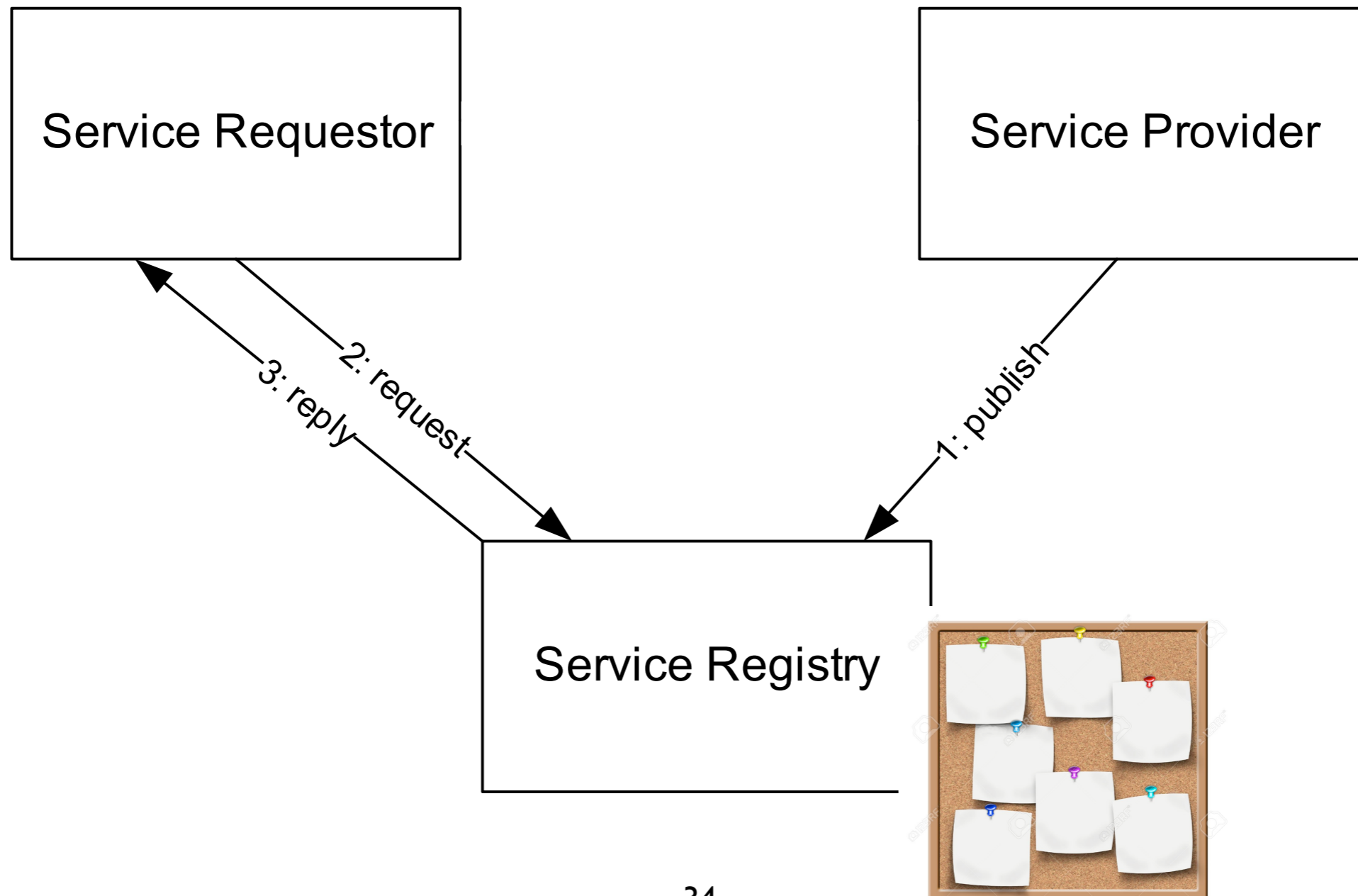
Service Requestor

Service Provider

Service Registry

Service-oriented architectures

Service Requestor

Service Provider

1: publish

Service Registry

Service-oriented architectures

Service Requestor

Service Provider

2: request

1: publish

Service Registry

Service-oriented architectures

Service Requestor

Service Provider

3. reply
2. request
1: publish

Service Registry

Service-oriented architectures

Service Requestor   4: bind / invoke →   Service Provider

2: request

3: reply

1: publish

Service Registry

Service enabled application system
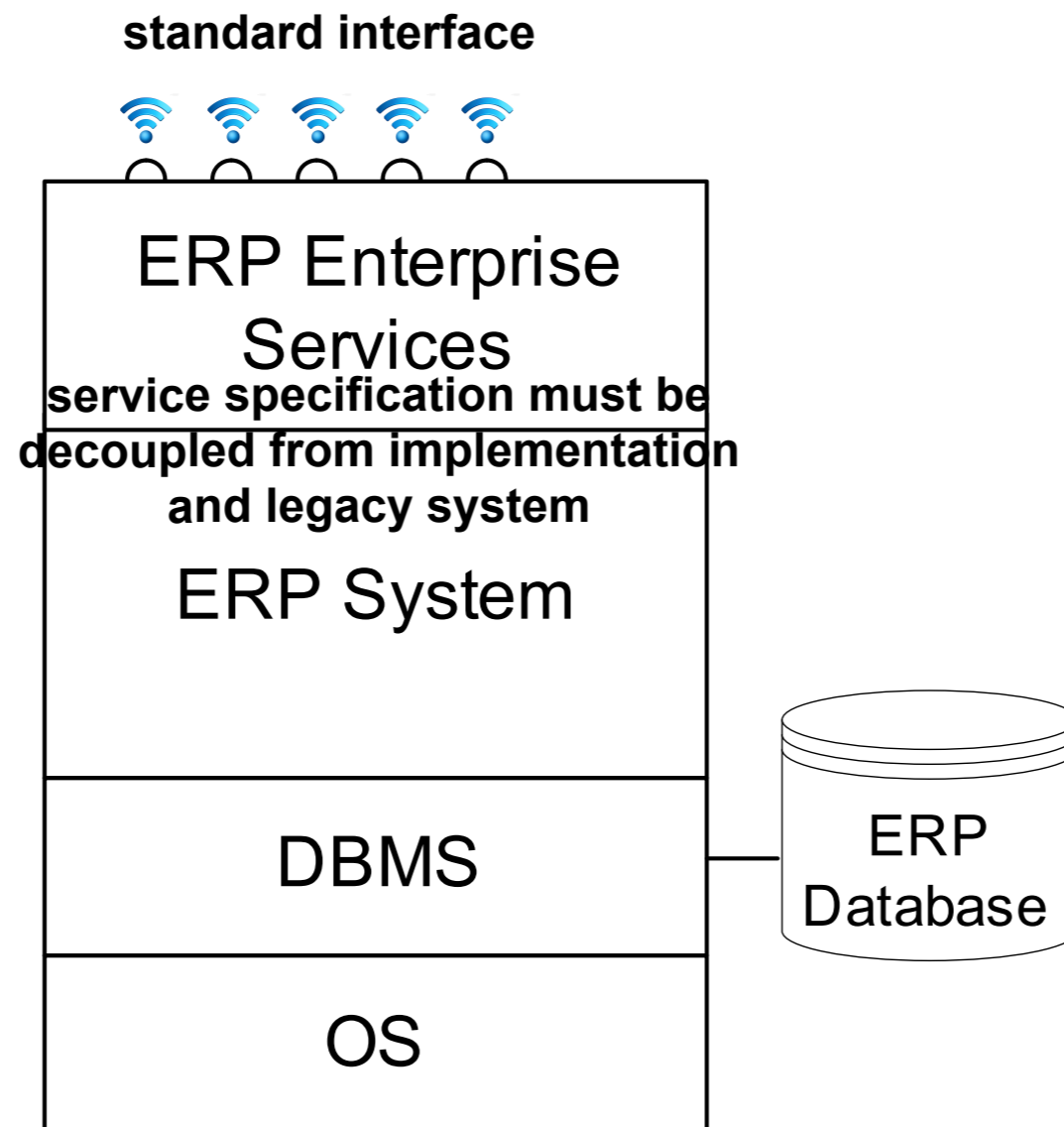
standard interface

ERP Enterprise Services

service specification must be decoupled from implementation and legacy system

ERP System

DBMS

OS

ERP Database

Composite service based application

Intra-company

well-expressed as business processes

Composite Application 1

Composite Application 2

Composite Application 3

CRM Enterprise Services

CRM System

DBMS

OS

SCM Enterprise Services

SCM System

DBMS

OS

ERP Enterprise Services

ERP System

DBMS

OS
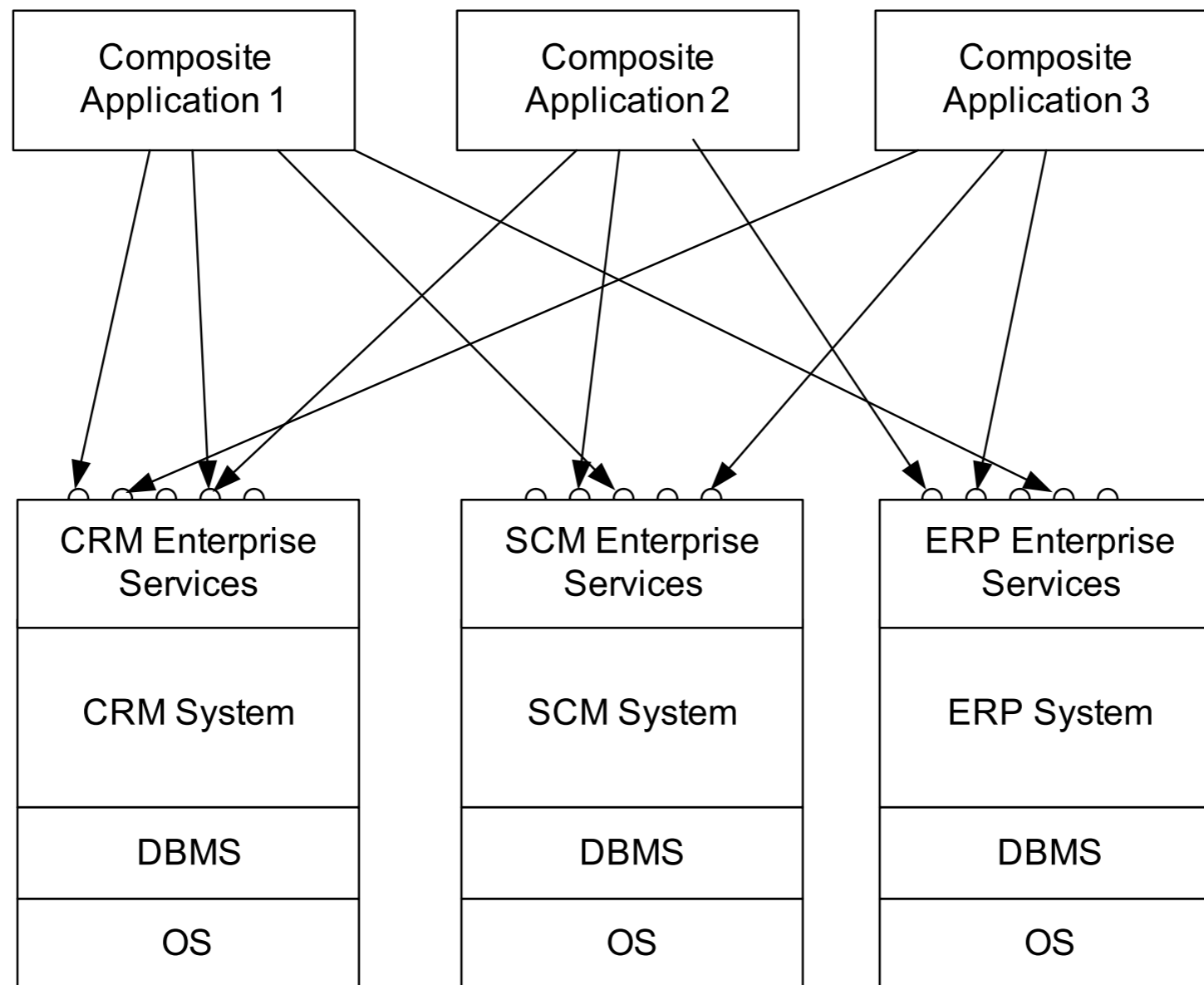
Local registry

Manual search (absence of dynamic matchmaking)

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Advantages of SOA

Reuse of functionality at coarse level of granularity

New applications can be built with less effort

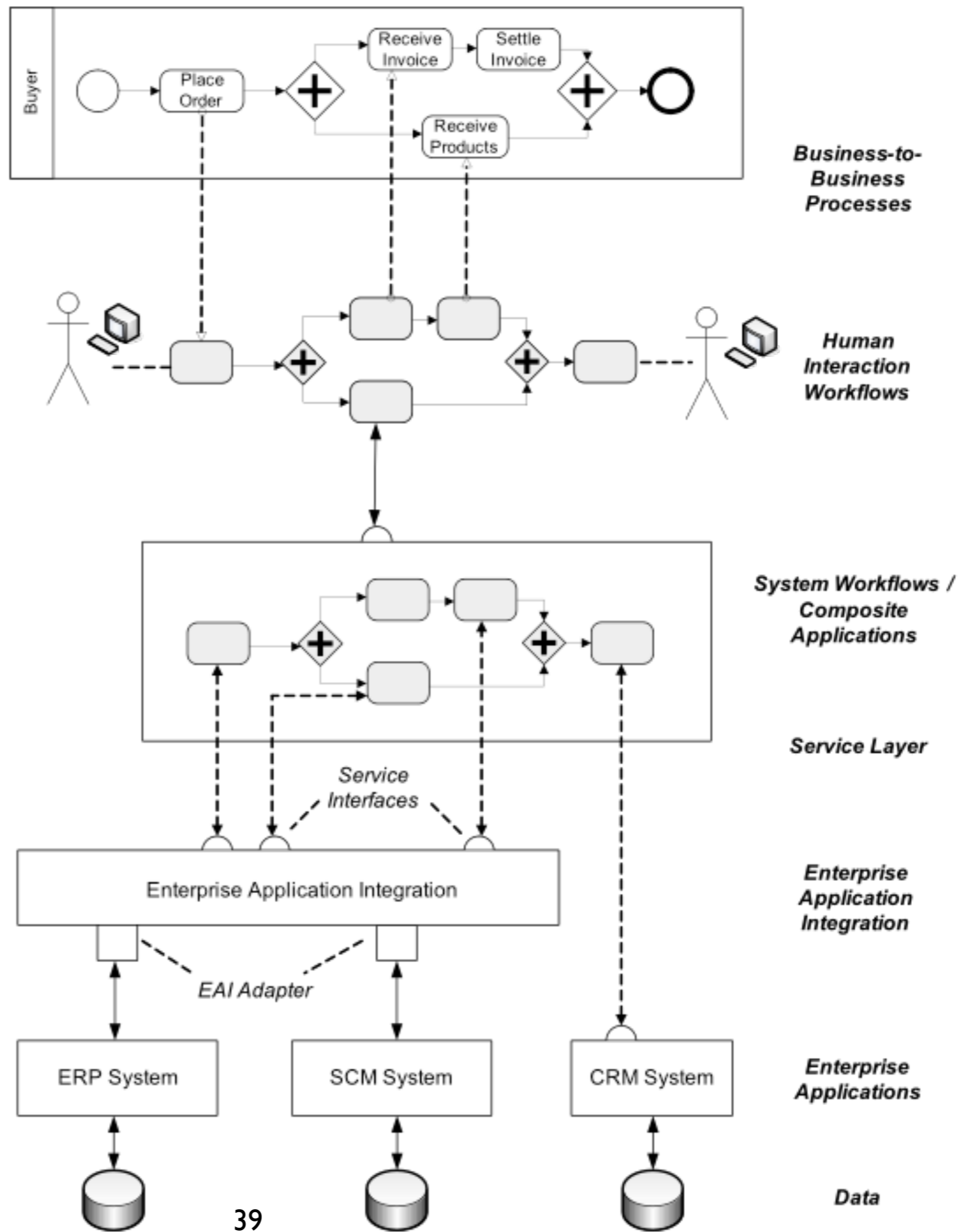Existing applications can be efficiently adapted to changing requirements

Reduced maintenance and development costs
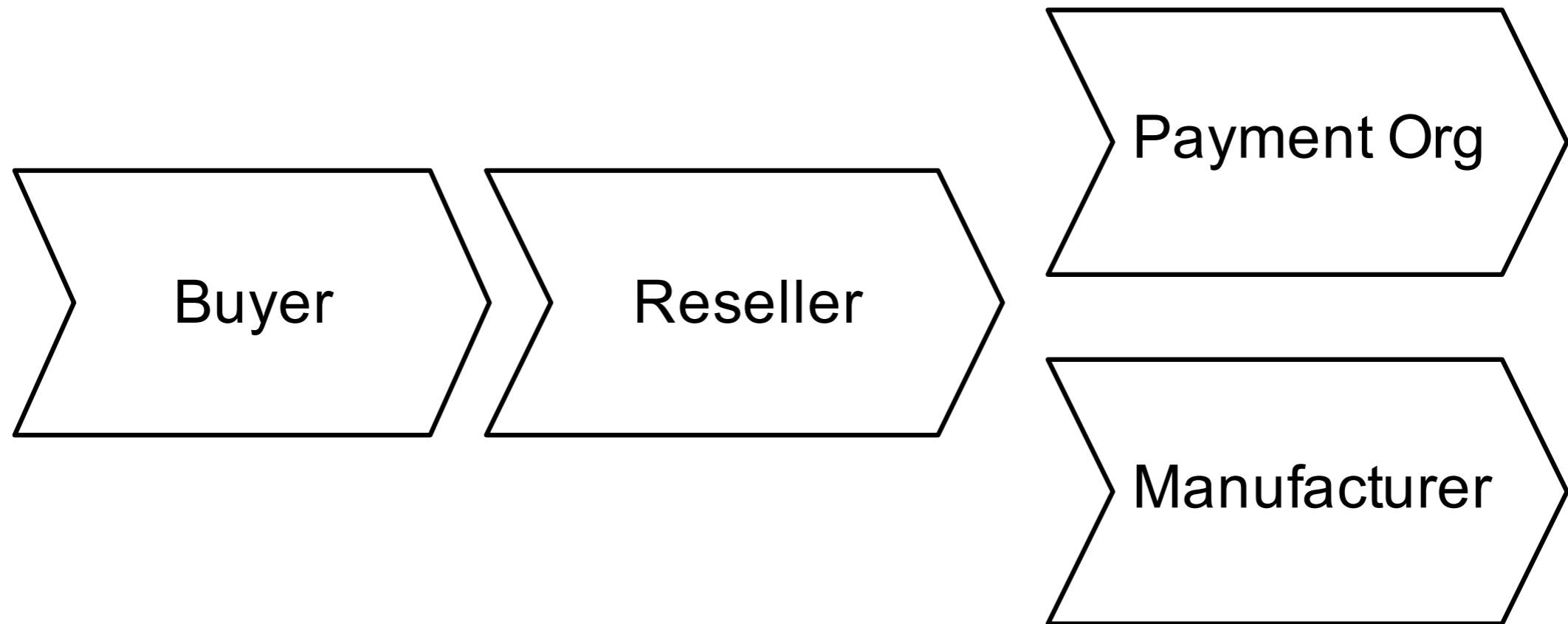
Products as services

Corporations are increasingly perceived by the set of services they provide

These services exposed to the market can be realized by enterprise services
(provided by the back-end application system)

Also services provided by third parties can be integrated so that better end used services can be provided to the customer

Business-to-Business Processes

Human Interaction Workflows

System Workflows / Composite Applications

Service Layer

Service Interfaces

Enterprise Application Integration

Enterprise Application Integration

EAI Adapter

ERP System

SCM System

CRM System

Enterprise Applications

Data

Buyer

Place Order

Receive Invoice

Settle Invoice

Receive Products

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Business-to-business value system

Business-to-business processes