



Economic and Social Council

Distr.
GENERAL

TRADE/CEFACT/1998/24
7 August 1998

ENGLISH ONLY

ECONOMIC COMMISSION FOR EUROPE

COMMITTEE FOR TRADE, INDUSTRY AND ENTERPRISE DEVELOPMENT
Centre for the Facilitation of Procedures and Practices
for Administration, Commerce and Transport (CEFACT)
Item 4 of the provisional agenda
Fourth session, 14-16 September 1998

REPORT FROM THE BUSINESS ANALYSIS WORKING GROUP

* * *

Submitted by the BAWG*

This document contains a report on the activities of the BAWG since the March 1998 CEFACT Plenary. It contains a proposal for a change to the name of the BAWG which is for approval. The remainder of the document is for information and noting.

* This document is reproduced in the form in which it was received by the secretariat.

Business Analysis Working Group (BAWG)

1. Introduction

The BAWG was established by the CEFACT Steering Group (CSG) in August 1997 and approved as a CEFACT permanent working group by the CEFACT Plenary during its September 1997 meeting.

The purpose of the BAWG (as stated in its mandate) is to analyze functional business processes, to identify constraints that adversely impact on the mission and objectives of UN/CEFACT, and to propose appropriate changes to those business processes.

The BAWG will serve as a catalyst to meet UN/CEFACT's mission to "facilitate international transactions through the simplification and harmonisation of procedures and information flows, and so contribute to the growth of global commerce."¹ By:

- analyzing and understanding the key elements of international transactions and working for the elimination of constraints"; and
- promoting best practices through channels such as government, industry and service associations"

However, the Group strongly feels that its role would be more accurately reflected, if the name of the Group were changed. Therefore, it recommends to the CSG and the Plenary that its name be changed to The Business Process Analysis Group and when that recommendation has been approved, its acronym should change from BAWG to BPAWG.

2. The Vision

To simplify, streamline and standardize functional business processes through the use of value chain principles and structured analysis.

3. BAWG Deliverables

BAWG's deliverables in support of the vision are

- functional area models (requirements specifications) and diagrams with textual structured information describing the functional business processes and roles of players involved for submission to working groups for further detailed specification;
- proposals to resolve overlaps, redundancies, and bottlenecks identified during review analysis of completed working groups' models.
- reports containing proposals for guidance and use by working groups in developing solutions to discrepancies.

4. Benefits

Structured analysis provides business people, as well as developers of EDI standards and computer applications, with a consistent and rigorous means of describing business processes and of defining and structuring the information needed to support those processes.

¹ Trade/R.650 11 October 1996 Recommendations for the Establishment of CEFACT (The Centre for Facilitation of Procedures and Practices for Administration, Commerce, and Transport)

5. Plan for Accomplishing the Job:

BAWG will use value chain principles to define functional processes.

BAWG will carry out structured analysis of defined processes using the techniques provided by the Techniques and Methodologies Working Group.

During the first stage of the analysis (requirements specification stage), BAWG will develop functional area models consisting of a text description describing the roles of players involved in a process and a diagram with dynamic information (events within that process). For example, in health care, one process consists of a doctor writing a prescription and the prescription being submitted to the pharmacy. The analysis will identify any adverse conditions, exceptions, and/or administrative requirements in the process.

The models will be provided to the EWG (i.e. its message design groups), the ITPWG, and other UN/CEFACT working groups for their input in the form of detailed information on the process.

The completed models will be submitted to BAWG for comparison with other models to rule out problem areas, redundancy, or bottle necks. If discrepancies are discovered, BAWG will provide recommendations for their resolution.

The diagram in annex shows the areas where the BAWG, with the EWG, ITPWG and TMWG, works on behalf of UN/CEFACT.

6. Prototype Analysis Case

BAWG has selected the Public Procurement Process to prototype its approach. An example case for BAWG process analysis within Public Procurement would address the following type of problem area:

In Public procurement it is clear that the total costs of preparing, submitting and administering tenders can frequently outweigh the benefits from any lower prices. This is important for the Public procurement process as it often does not obtain the most efficient contracts because of:

- The complexity and cost of the procurement process.
- Lack of appreciation of procurement issues at senior management levels. This further includes a too common belief that procurement ends when a contract is signed – more focus is needed on contract and supplier management.
- Inadequate purchasing skills.
- Inadequate data availability.
- Inadequate focus of spending power to agree comprehensive and effective commitment to suppliers to ensure that they offer the best deals.
- Insufficient focus on total cost of supply and ownership, including service and inventory.

7. Level of Expertise Required

- Business process definition (business managers and analysts)
 - Experts in use of structured analysis tools
-

Annex

