

Business Motivation Modelling

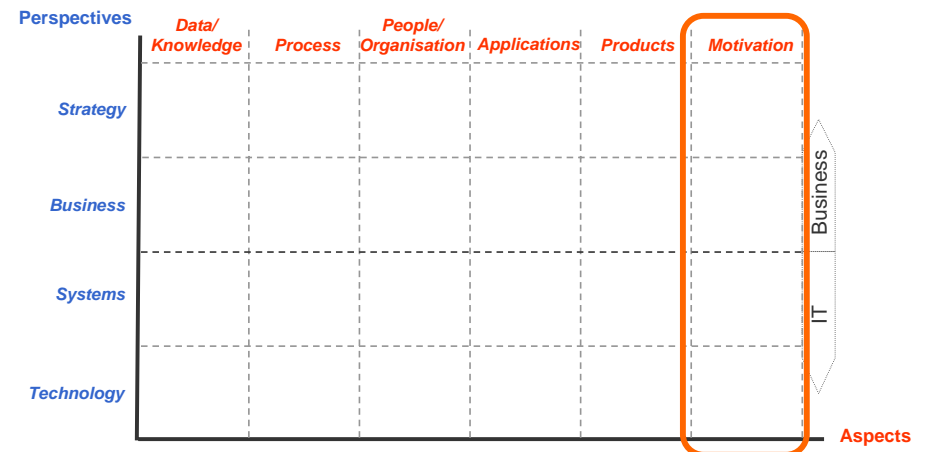
This chapter is based on the OMG Business Motivation Model, Version 1.0

<http://www.omg.org/spec/BMM/1.0>



Motivation

- Fundamental to the Business Motivation Model is the notion of ***motivation***:
 - ◆ If an enterprise prescribes a certain approach for its business activity, it ought to be able to say '***why***,' i.e.
 - ◆ What result(s) is the approach meant to achieve
- Different sources for motivation
 - ◆ Business perspective
 - ◆ IT perspective



OMG Business Motivation Model

- Business Motivation Model (BMM) is an OMG Specification (www.omg.org/spec/BMM/1.0/PDF) for support of business decisions about how to react to a changing world.
- Purposes:
 - ◆ To capture decisions about reaction to change and the rationale for making them
 - making them shareable, increasing clarity and improving decision-making by learning from experience.
 - ◆ To reference the outcomes of the decisions to their effect on the operational business (e.g. changes made to business processes and organization responsibilities),
 - providing traceability from influencer to operational change
- The Business Motivation Model contains a set of built-in concepts that define the elements of business plans

Key Ideas of the Business Motivation Model

- Business Perspective
- Motivation
- Reaction to Change
- Separation of concerns
- Decomposition
- Metrics

Key Ideas of the Business Motivation Model – Business Perspective

- All elements of an enterprise Business Motivation Model are developed from a business perspective
 - ◆ a business model for the elements of the business plans is developed before beginning system design or technical development
 - ◆ business plans then become the foundation for system design, connecting system solutions to their business intent.

Key Ideas of the Business Motivation Model – Motivation

- Enterprises do not - or should not - act randomly. When an enterprise executes a business process or applies a business rule, it should be able to say why.
 - ◆ Business processes realize courses of action. Courses of action are undertaken to ensure that the enterprise makes progress towards one or more of its goals
 - ◆ Some of the logic of business processes may be expressed in business rules. Business rules are derived from business policies.
- The enterprise should be able to say who decided about the motivation, and on what *assessments* of what *influences*.

Key Ideas of the Business Motivation Model – Reaction on Change

- Fundamental assumption: what an enterprise does is driven by how the enterprise decides to react to change.
 - ◆ The recognition of changes and the assessment of their impact on the enterprise is crucial
- Business Motivation Model does not require a specific process for reaction to change but supports traceability:
 - ◆ Forward, from impact of influence to specification of business processes, business rules, and organization responsibilities.
 - ◆ Backward, for an enterprise to demonstrate why it does what it does the way it does it.

Both are important for governance, and especially for regulatory compliance.

Key Ideas of the Business Motivation Model – Separation of Concerns

BMM distinguishes between

Ends and means: what an enterprise wants to be, as opposed to what it has decided to do.

Changes and assessment of their impact. The impact of a given change may be assessed differently by different people in the enterprise.

Assessments, and the decisions based on them as expressed in business policies and ends.

Courses of action (decisions on how to exploit resources and capabilities) and *business policies* (directives that enable and constrain courses of action).

“How” and “How well.” Courses of action define how capabilities will be used; measures of how well they are used are defined within objectives they support..

Key Ideas of the Business Motivation Model – Decomposition

- Different organization units in the same enterprise each have their own Business Motivation Models
- There are three decomposition associations in the Business Motivation Model
 - ◆ Desired Result
 - ◆ Course of Action
 - ◆ Business Policy
- These three concepts can be decomposed into smaller ones (e.g. desired results of the whole enterprises include the results of several organisational units)

Key Ideas of the Business Motivation Model – Metrics

- Measures of performance are defined as objectives.

- They may be based on

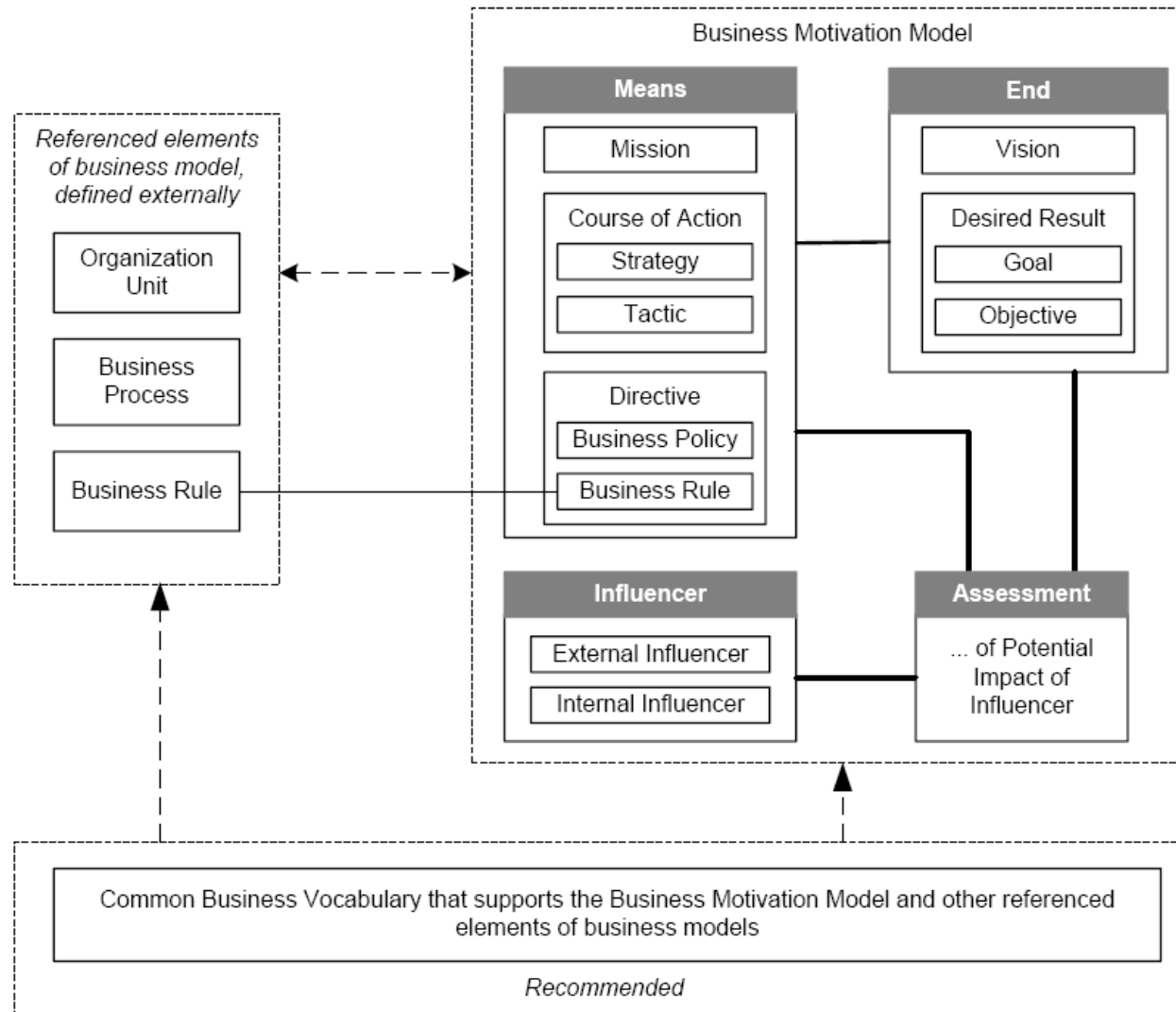
- ◆ risks and
- ◆ potential rewards

identified in assessments.

(Key Performance Indicators (KPI) / Critical Success Factors (CSF) are not especially distinguished in the model)



Overview of the BMM Structure



BMM Concepts

BMM distinguishes between

- Core Concepts – defined within the BMM
 - ◆ Means, End, Influencer, Assessment, ...
 - ◆ Relation between concepts
- Placeholders – referenced by the BMM but defined in other specifications
 - ◆ Business Process, Business Rule, Organisation Unit, Asset, Liability

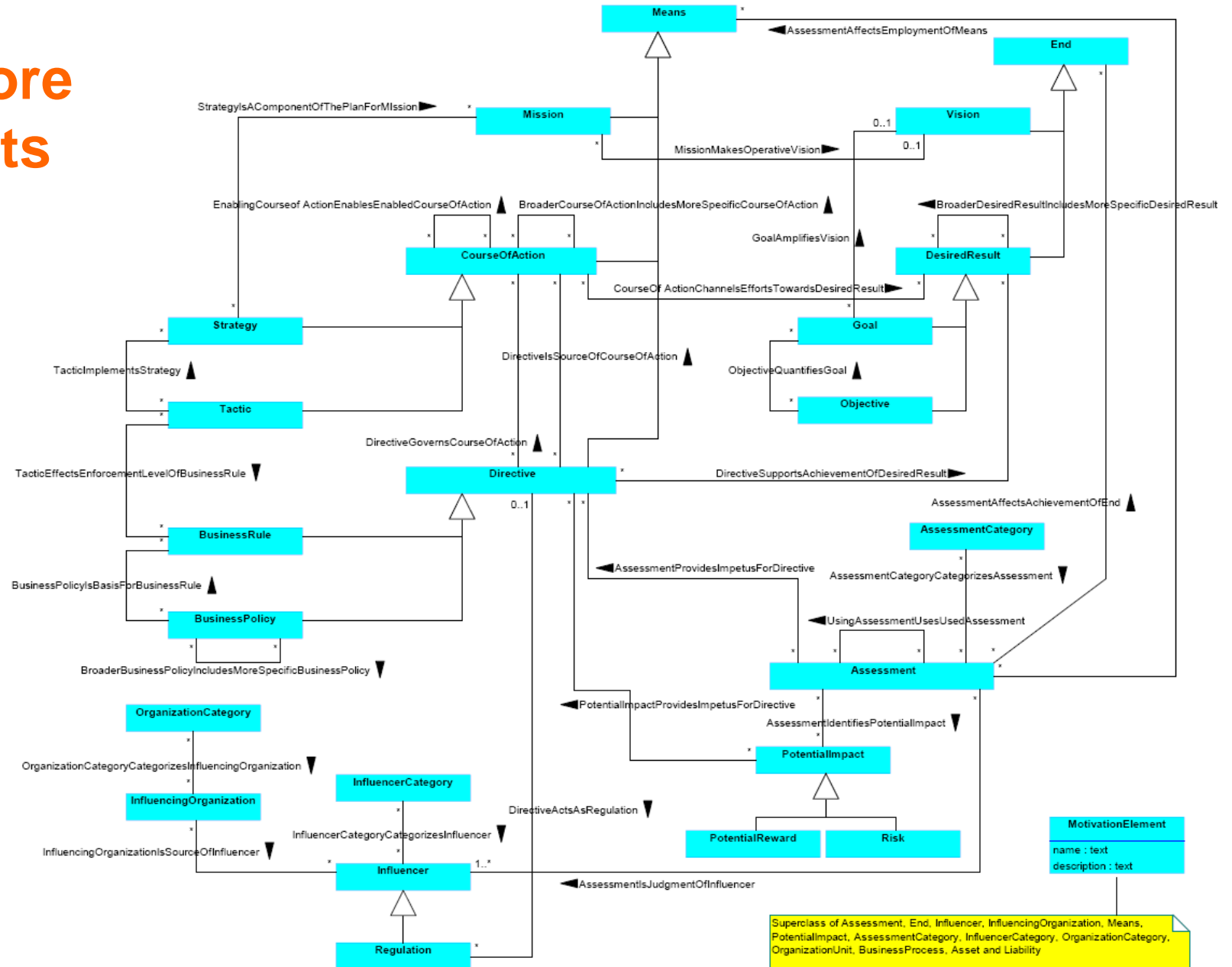
Means - Ends

- A cornerstone of any work addressing motivation has to be
 - ◆ the enterprise's aspirations: its **Vision**
 - ◆ its action plans for how to realize them: its **Mission**
- Refinements were introduced —
 - ◆ Vision is refined into Goals and Objectives
 - ◆ Mission is refined into
 - Strategies for approaching Goals
 - Tactics for achieving Objectives
- The general terms End and Means
 - ◆ **End** refers broadly to any of the 'aspiration' concepts (Vision, Goal, Objective)
 - ◆ **Means** refer generally to any of the 'action plan' concepts (Mission, Strategy, Tactic).

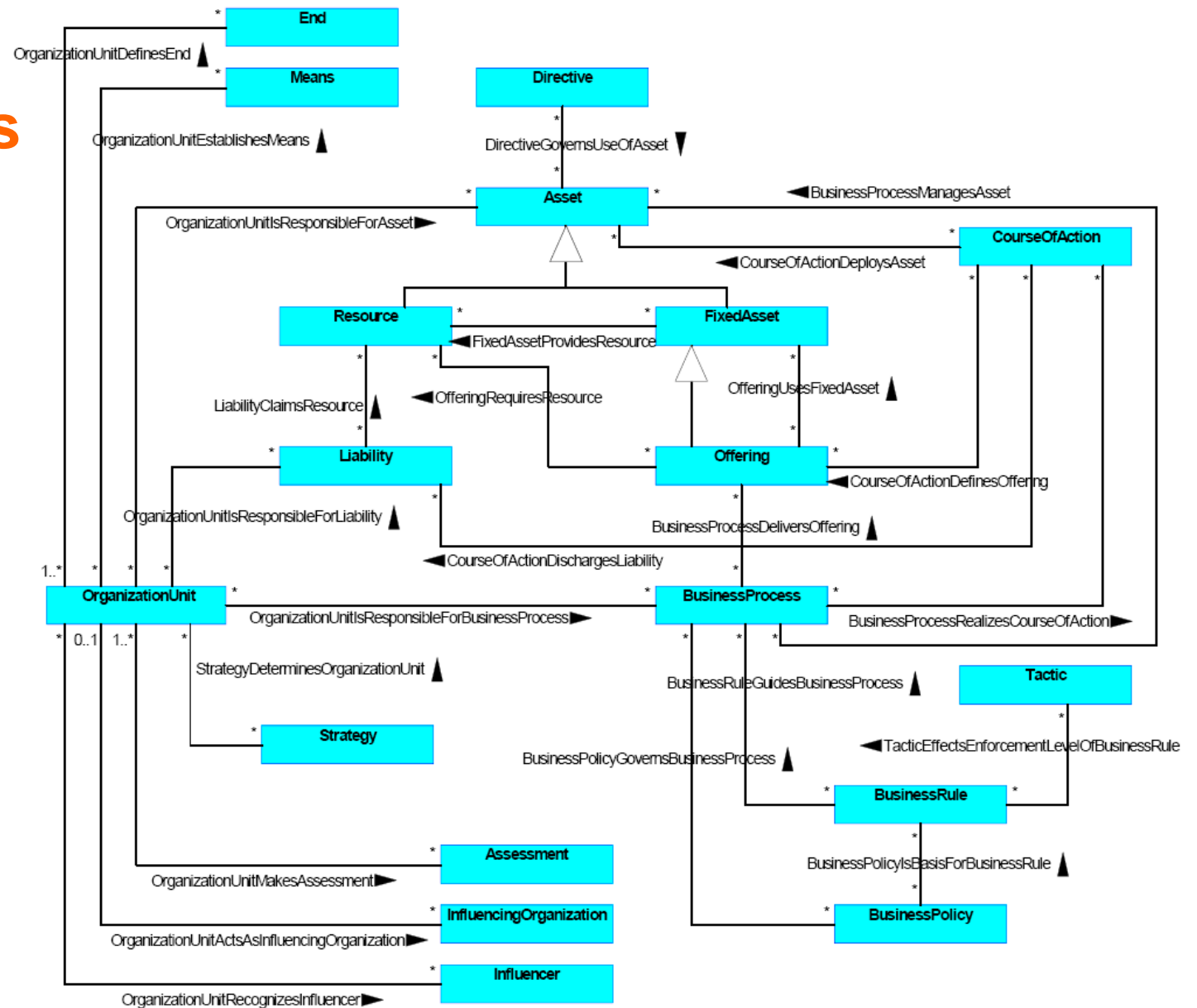
Influencers and Assessment

- Business needs to take into account the numerous Influencers that can hinder or assist its operation
- Influencers provide
 - ◆ Opportunities that would help the enterprise operate
 - ◆ Threats that would thwart it and represent
 - ◆ Strengths that the enterprise could exploit
 - ◆ Weaknesses that it should compensate for
- The determination of Strength, Weaknesses, Opportunities and Threads comes from an **assessment** of the impact of influencers on Ends and Means (e.g. SWOT analysis)
 - ◆ Internal influencers are assessed to be Strengths and Weaknesses
 - ◆ External influencers are assessed to be Opportunities and Threats

BMM Core Concepts

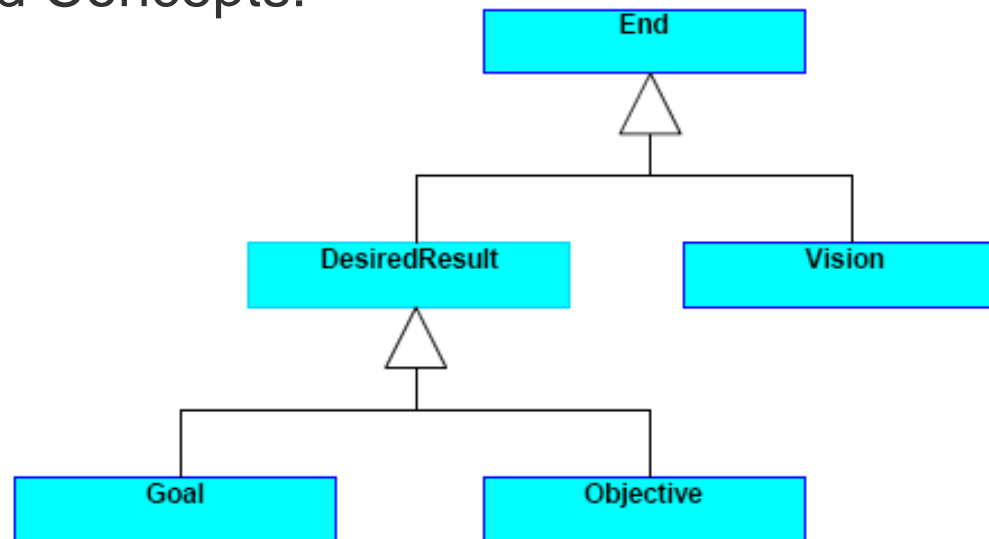


BMM Placeholders



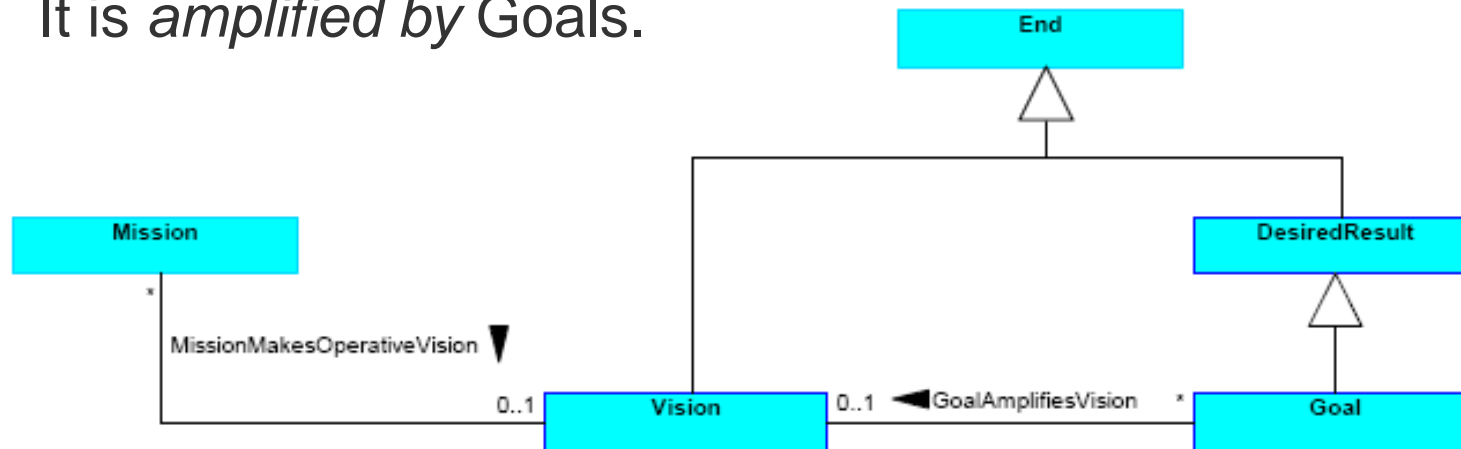
Core Elements of the BMM: End

- An End is something the business seeks to accomplish
 - ◆ It does not include any indication of **how** it will be achieved.
 - ◆ It is useful to document who *defined* the End and at what point in time, so that an audit trail exists for future reference.
 - ◆ Hierarchy of End Concepts:



Core Elements of the BMM: Vision

- Vision describes the future state of the enterprise, without regard to how it is to be achieved.
- A Vision is often compound, rather than focused toward one particular aspect of the business problem.
 - ◆ A Vision is supported or *made operative* by Missions.
 - ◆ It is *amplified by* Goals.

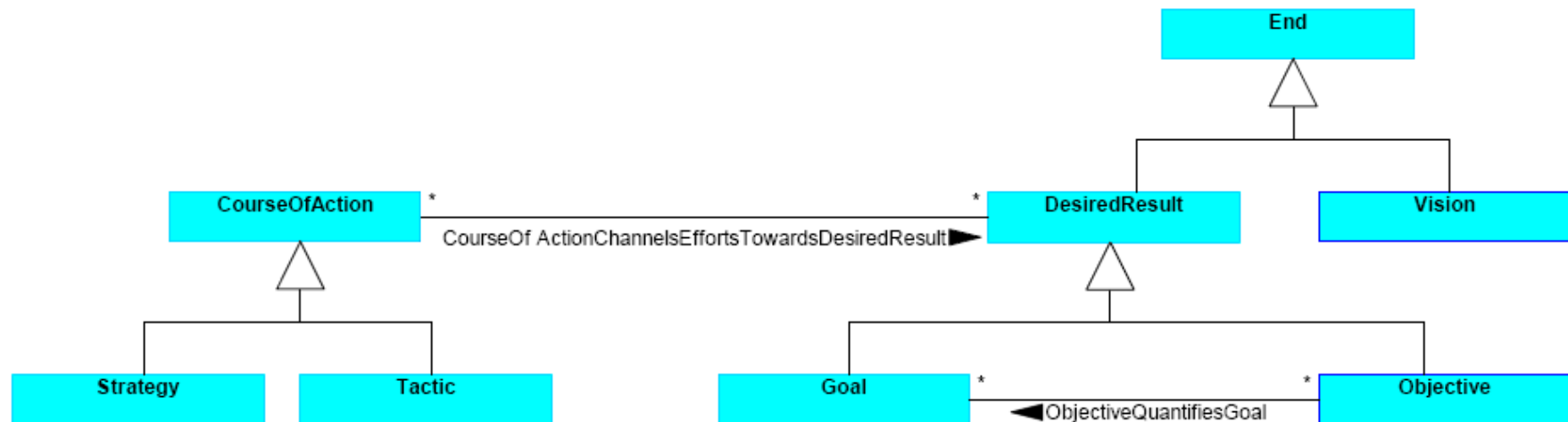


Examples of Visions

Enterprise	Vision
EU-Rent	Be the car rental brand of choice for business users in the countries in which we operate.
Pizza Company	Be the city's favorite pizza place.
Consulting Company	Be the premier consulting company in the industry.
Retail Pharmacy	Be the low-cost health care provider with the best customer service.
Municipal Police Department	Be a professional, trusted provider of police services — a leader in cooperative efforts with the neighborhood and other agencies to make our city safer.

Core Elements of the BMM: Desired Result

- Desired Result is an End that is a state or target that the enterprise intends to maintain or sustain.
- A Desired Result *is supported by* Courses of Action.



Core Elements of the BMM: Goal

- A Goal is a statement about a state or condition of the enterprise.
- A Goal should generally be attainable and be more specifically oriented to a single aspect of the business problem than a vision.
- A Goal should be focused enough that it can be *quantified by Objectives*.

Examples of Goals

Enterprise	Goal
EU-Rent	To be a 'premium brand' car rental company, positioned alongside companies such as Hertz and Avis.
EU-Rent	To provide industry-leading customer service.
EU-Rent	To provide well-maintained cars.
EU-Rent	To have vehicles available for rental when and where customers expect them.
Pizza Company	To deliver pizzas in an expedient amount of time.
Consulting Company	To improve customer satisfaction (over the next five years).
Publishing Company	To improve customer satisfaction (over the next five years).
e-Business Company	To have more customers than any other e-business.

Core Elements of the BMM: Objective

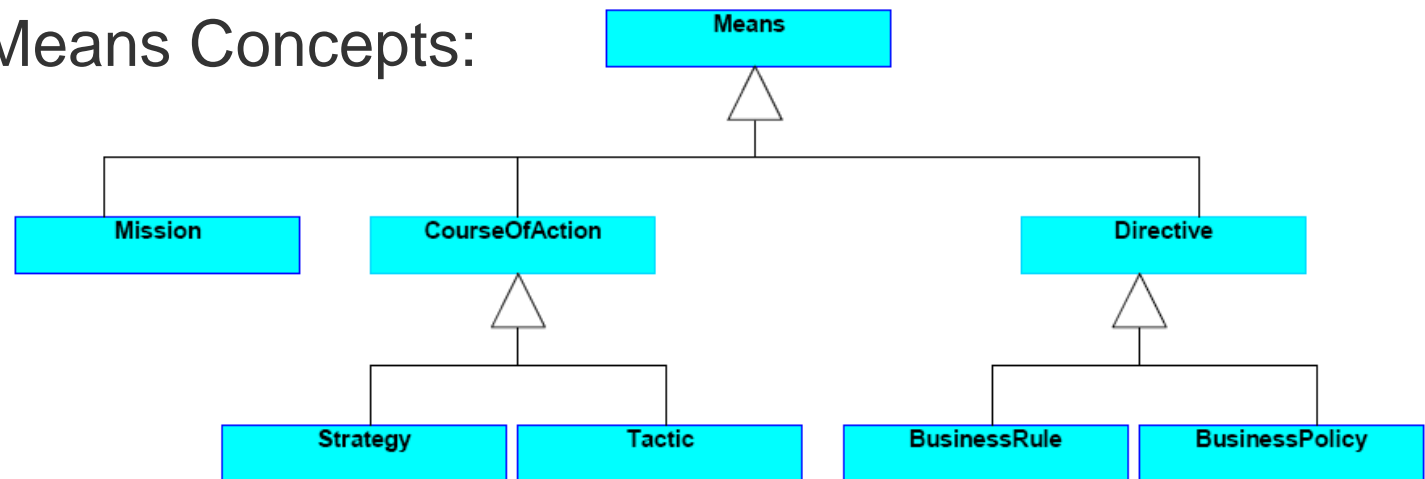
- An Objective is a statement of an attainable, time-targeted, and measurable target that the enterprise seeks to meet in order to achieve its Goals.
- SMART: **S**pecific, **M**easurable, **A**ttainable, **R**elevant, and **T**ime-Based.

Examples of Objectives

Enterprise	Objective
EU-Rent	By end of current year, be rated by A C Nielsen in the top 6 car rental companies in each operating country within the European Community.
EU-Rent	By end of current year, be rated by A C Nielsen in the top 9 car rental companies in all other operating countries.
EU-Rent	By end of current year, to score 85% on EU-Rent's quarterly customer satisfaction survey.
EU-Rent	During 4th quarter of current year, no more than 1% of rentals need the car to be replaced because of mechanical breakdown (excluding accidents).
Pizza Company	By January 1, 2007, 95% on-time pizza delivery.
Consulting Company	By June 30, 2008, an operational customer call center.
e-Business Company	Within six months, 10% increase in product sales.

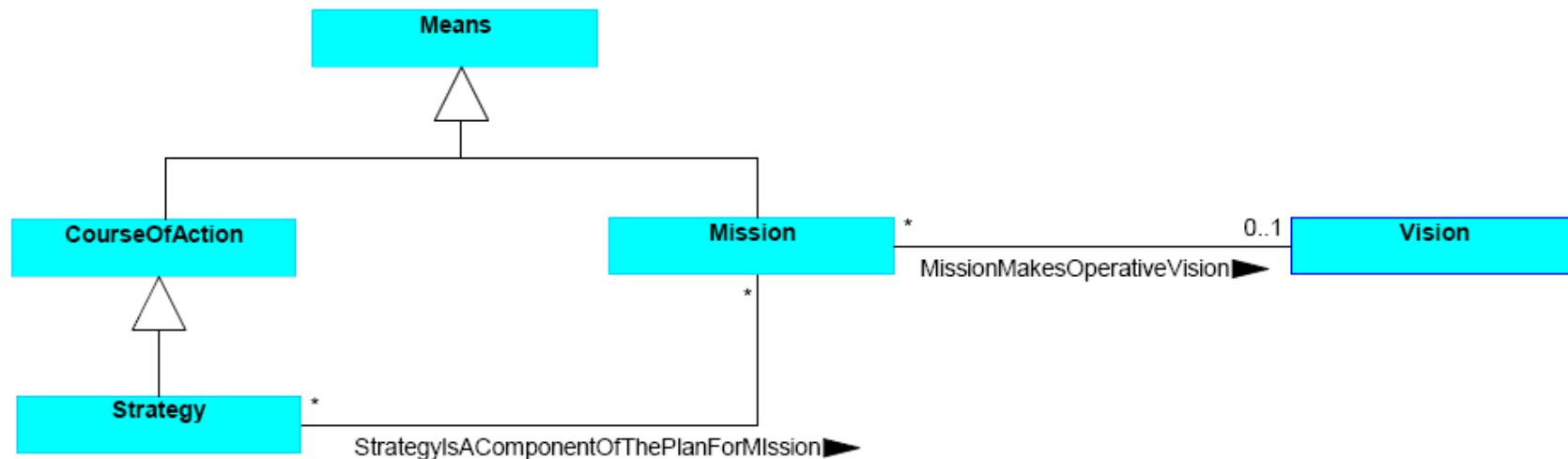
Core Elements of the BMM: Means

- A Means represents any device, capability, regime, technique, restriction, agency, instrument, or method that may be called upon, activated, or enforced to achieve Ends.
- A Means *does not indicate* either the steps (business processes and workflow) necessary to exploit it, nor responsibility for such tasks, but rather *only the capabilities* that can be exploited to achieve the desired Ends.
- Hierarchy of Means Concepts:



Core Elements of the BMM: Mission

- A Mission indicates the ongoing operational activity of the enterprise.
- The Mission describes what the business is or will be doing on a day-to-day basis.
 - ◆ A Mission *makes* a Vision *operative* — that is, it indicates the ongoing activity that makes the Vision a reality.
 - ◆ A Mission is *planned by means* of Strategies.

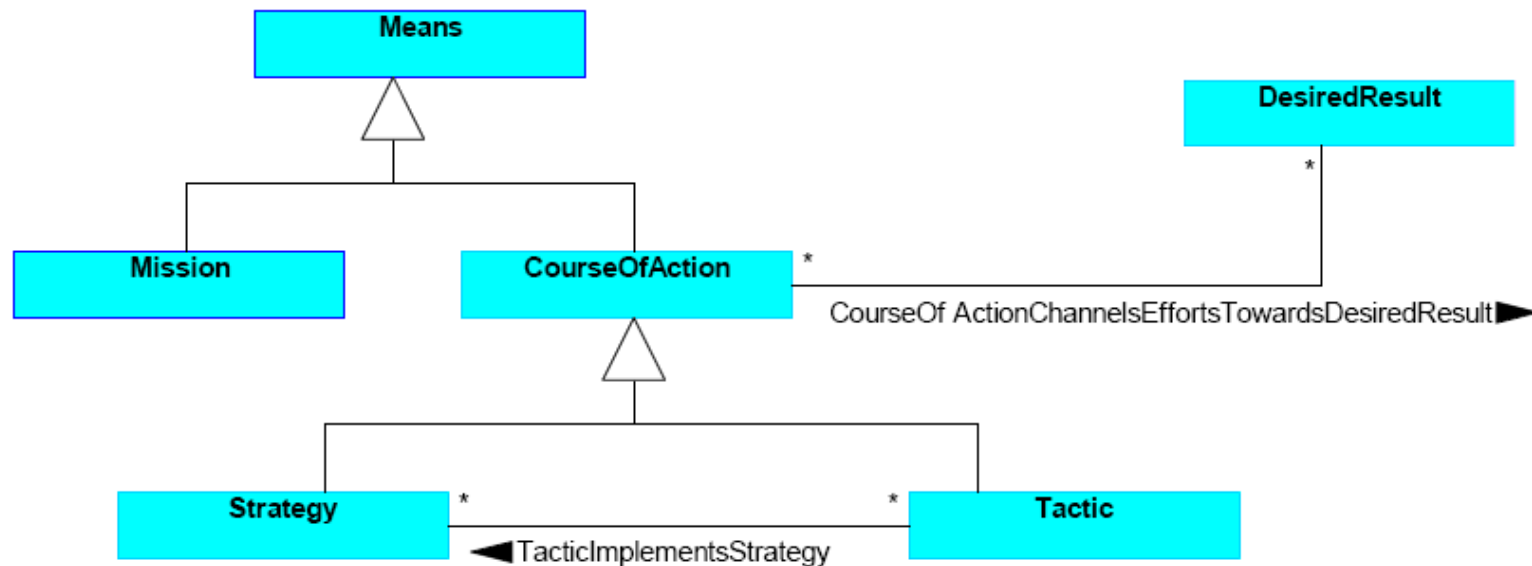


Examples of Mission

Enterprise	Objective
EU-Rent	Provide car rental service across Europe and North America for both business and personal customers.
Pizza Company	Provide pizza to customers city-wide.
Consulting Company	Provide consulting, outsourcing, and staff augmentation services to companies in North America.
Retail Pharmacy	Provide generic and ethical drugs to the retail market.

Core Elements of the BMM: Course of Action

- A Course of Action is an approach or plan for configuring some aspect of the enterprise involving things, processes, locations, people, timing, or motivation undertaken to achieve Desired Results.
- Courses of Action *are governed by* Directives
- Courses of Action are strategy or tactic



Core Elements of the BMM: Strategy and Tactic

- A Strategy represents the essential Course of Action to achieve Ends. A Strategy usually *channels efforts towards* those Goals.
- A Tactic is a Course of Action that represents part of the detailing of Strategies. Tactics generally *channel efforts towards* Objectives.
- A Tactic *implements* Strategies. Compared to Tactics, Strategies tend to be longer term and broader in scope.
- For example, the Tactic “Call first-time customers personally” implements the Strategy “Increase repeat business.”

Examples of Strategy

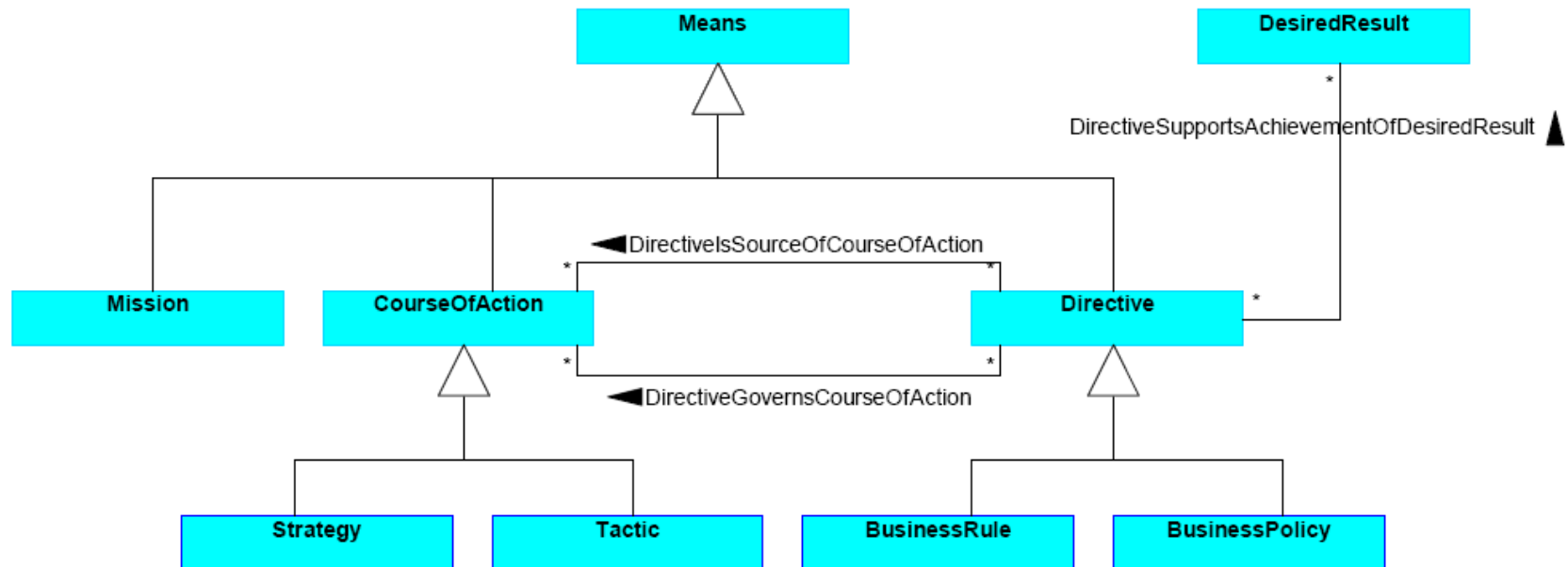
Enterprise	Strategy
EU-Rent	Operate nation-wide in each country of operation, focusing on major airports, competing head-to-head, on-airport, with other premium car rental companies.
EU-Rent	<p>Manage car purchase and disposal at local area level, with national (operating company) guidance covering:</p> <ul style="list-style-type: none"> • What models may be bought from which manufacturers; • Overall numbers and mix of models; • When to dispose of cars, by mileage and age; • Phasing of purchasing and delivery.
EU-Rent	Join an established rewards scheme run by a third party (i.e., outsource rather than building own scheme).
Pizza Company	Deliver pizzas to the location of the customer's choice.
Consulting Company	Implement a Customer Relationship Management System.
Consulting Company	Increase repeat business
e-Business Company	Buy other e-business mailing lists.

Examples of Tactic

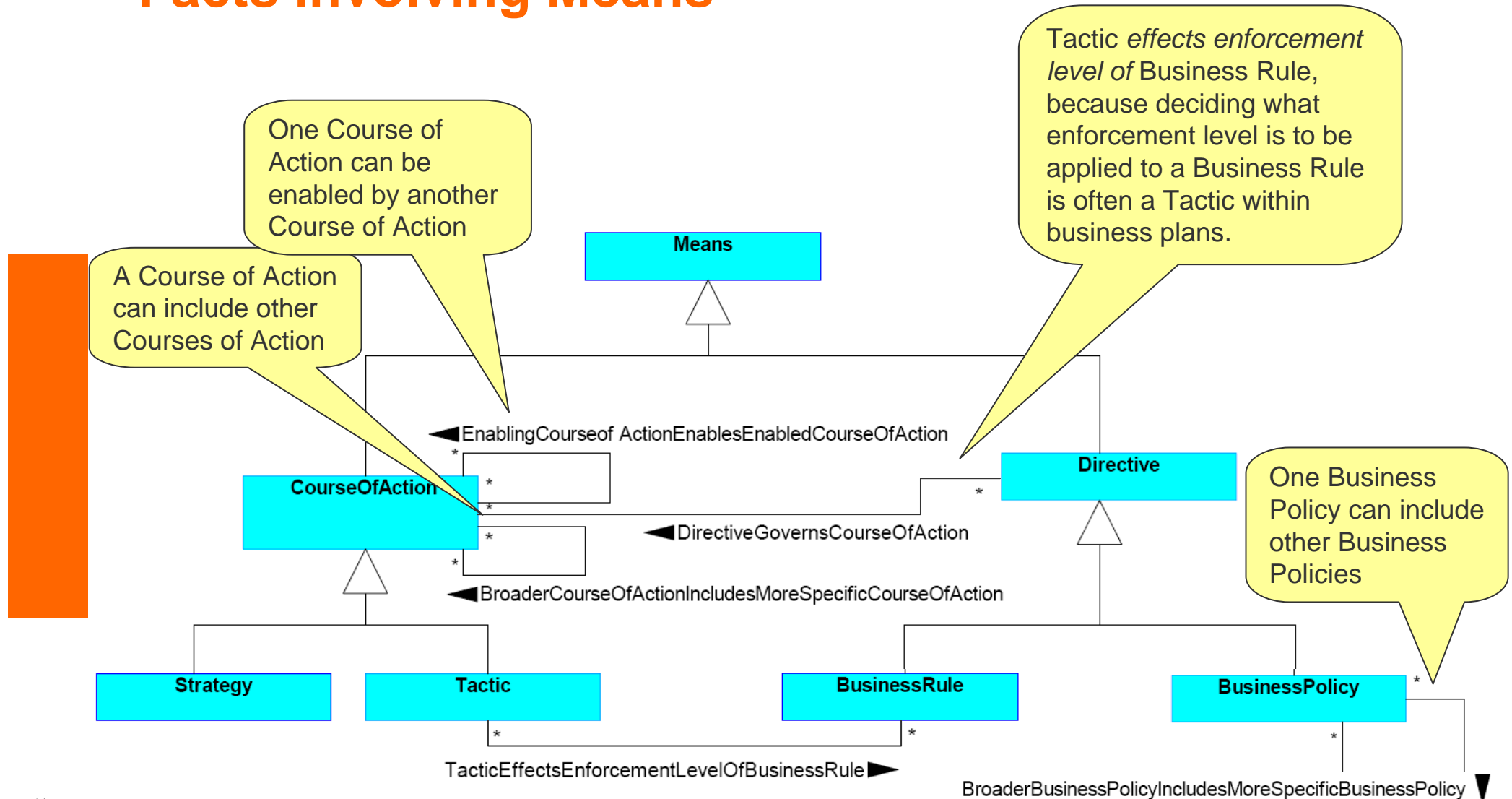
Enterprise	Tactic
EU-Rent	Encourage rental extensions.
EU-Rent	Outsource maintenance for small branches.
EU-Rent	Create standard specifications of car models, selecting from options offered by the manufacturers. Note: these will be trade-offs between 'rentable' and 'high residual value for sales.'
EU-Rent	Equalize use of cars across rentals so that mileage is similar for cars of the same car group and age.
EU-Rent	Comply with car manufacturers' maintenance schedules.
Pizza Company	Hire drivers with their own vehicles to deliver pizzas.
Consulting Company	Provide each member of the sales force with a palmtop.
Consulting Company	Call first-time customers personally.
e-Business Company	Ship products for free.

Core Elements of the BMM: Directive

- Directives indicate how the Courses of Action should, or should not, be carried out—they *govern* Courses of Action.
- Example: the Business Rule “Pizzas may not be delivered beyond a radius of 30 miles” governs the Strategy “Deliver pizzas to the location of the customer's choice.”
- Directive includes two concepts: Business Policy and Business Rule



Facts involving Means



Expressing Core Elements - Qualitative Words

- Qualitative Words should be used only for Ends but not for Means
- The absence of these adjectives suggesting desired end states is one fundamental difference between Courses of Action and Desired Results or Directives

Best	Biggest	Clear
Closest	Convenient	Courteous
Durable	Effective	Efficient
Expedient	Fast(est)	Leading-Edge
Low(est)-cost	Premier	Professional
Reliable	Responsive	Quickest

Business Policies and Business Rules

- A Business Policy is a non-actionable Directive whose purpose is to govern or guide the enterprise.
 - ◆ Business Policy can be formulated in response to an Opportunity, Threat, Strength, or Weakness.
 - ◆ Business Policies provide the *basis for* Business Rules. Business Policies also *govern* Business Processes.
- A Business Rule is a Directive, intended to govern, guide, or influence business behavior, in support of Business Policy.
 - ◆ It is a single Directive that does not require additional interpretation to undertake Strategies or Tactics.
 - ◆ Often, a Business Rule *is derived from* Business Policy. Business Rules *guide* Business Processes.
- Compared to a Business Rule, a Business Policy tends to be
 - ◆ less structured, less discrete, and not focused on a single aspect of governance or guidance.
 - ◆ less compliant with standard business vocabulary, and less formally articulated.

Examples of Business Policy

Source	Business Policy
EU-Rent	<p>Depreciation of rental cars must be minimized.</p> <p>Compare the (non-actionable) Business Policy with related (actionable) Business Rules:</p> <ul style="list-style-type: none"> <i>The Car assigned to a Rental must be: at the time of assignment, of the available Cars in the requested Car Group, the one with the lowest mileage.</i> <i>A Rental cannot be extended by phone if the Car's odometer reading is greater than (next service mileage – 500).</i>
EU-Rent	<p>Rental payments must be guaranteed in advance.</p> <p>Compare with Business Rule based on this policy:</p> <ul style="list-style-type: none"> <i>A provisional charge for the estimated cost of the Rental must be made against a valid credit card held by the Renter before the Car is handed over.</i>
EU-Rent	<p>Rental cars must not be exported.</p> <p>Compare with Business Rule based on this policy:</p> <ul style="list-style-type: none"> <i>An 'out of country' car can be rented only on a one-way rental with drop-off at a branch in its country of registration.</i>
EU-Rent	Rental contracts are made under the law of the country in which the pick-up branch is located.
EU-Rent	Rentals must comply with relevant laws and regulations of all countries to be visited.
Pizza Company	Safety in the kitchen, and in the streets, comes first.
e-Business Company	A business representative will personally contact each customer who makes a complaint.



Examples of Business Rule

Source	Business Rule
EU-Rent	Each Car purchased must match the standard specification of its Car Model.
EU-Rent	The Car assigned to a Rental must be: at the time of assignment, of the available Cars in the requested Car Group, the one with the lowest mileage.
EU-Rent	A customer must present a valid driver's license in order to rent a EU-Rent vehicle.
EU-Rent	A Car whose odometer reading is greater than (next service mileage – 200) must be scheduled for service.
EU-Rent	The rental of a car whose odometer reading is greater than (next service mileage – 500) may be extended only if the car is exchanged at an EU-Rent branch.
EU-Rent	Every driver on a rental must be over 21 years old.
Pizza Company	Pizzas must be delivered within one hour.
Pizza Company	Pizzas may not be delivered beyond a radius of 30 miles.
e-Business Company	The order tax amount must be calculated at the time the order is placed.
e-Business Company	An order must not contain more than 25 order items.

Business Rule Enforcement Level

- A Business Rule has an enforcement level.
- Enforcement levels represent alternatives indicating the severity of action imposed to put or keep a rule in force.
- Example of a range of enforcement levels, from 'strictly enforced' to 'guideline':

Value	Meaning
strictly enforced	If the rule is violated, the penalty is always applied..
deferred enforcement	Strictly enforced, but enforcement may be delayed — e.g., waiting for resource with required skills.
pre-authorized override	Enforced, but exceptions allowed, with prior approval for actors with before-the-fact override authorization.
post-justified override	If not approved after the fact, you may be subject to sanction or other consequences.
override with explanation	Comment must be provided when the violation occurs
guideline	Suggested, but not enforced.



Examples of Business Rules with Enforcement Levels

Enterprise	Directive	Enforcement Level
EU-Rent	A EU-Rent agent who is found, after a managerial review, to have rented a vehicle to a customer without a valid driver's license, is to be fired.	strictly enforced
Pizza Company	A driver who is convicted of one moving traffic violation while driving for the company will be counseled by a manager concerning safe driving.	pre-authorized override
e-Business Company	A customer rated negative by more than ten other customers will be blocked forever from doing business.	override with explanation

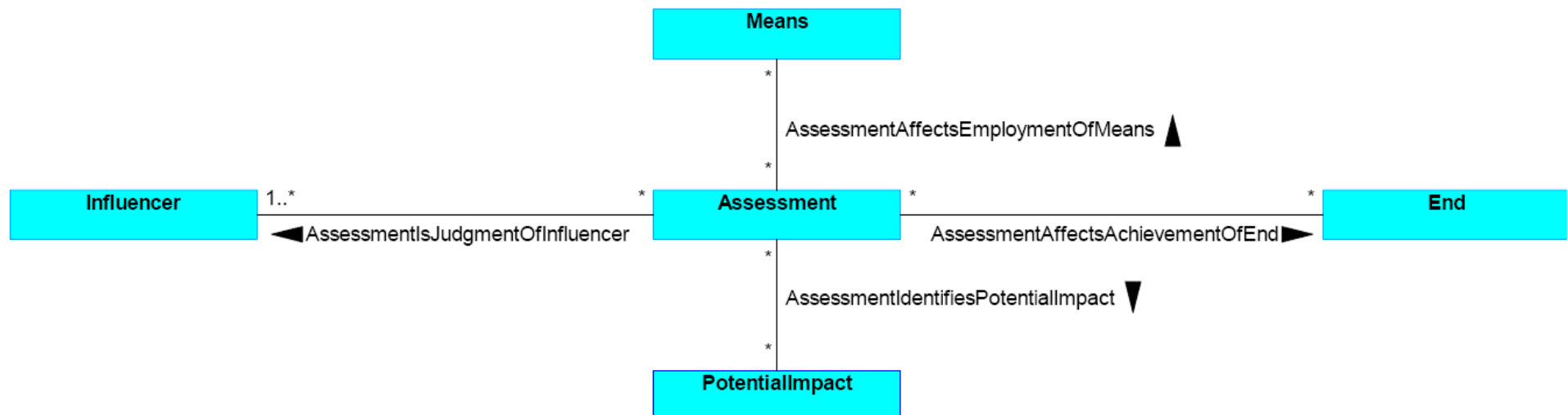
Core Elements of the BMM: Influencers and Assessment

■ Influencers

- ♦ have the capability to "produce an effect without exertion of tangible forces or direct exercise of command and often without deliberate effort or intent."
- ♦ are neutral, i.e. they should be stated in a neutral, factual manner.

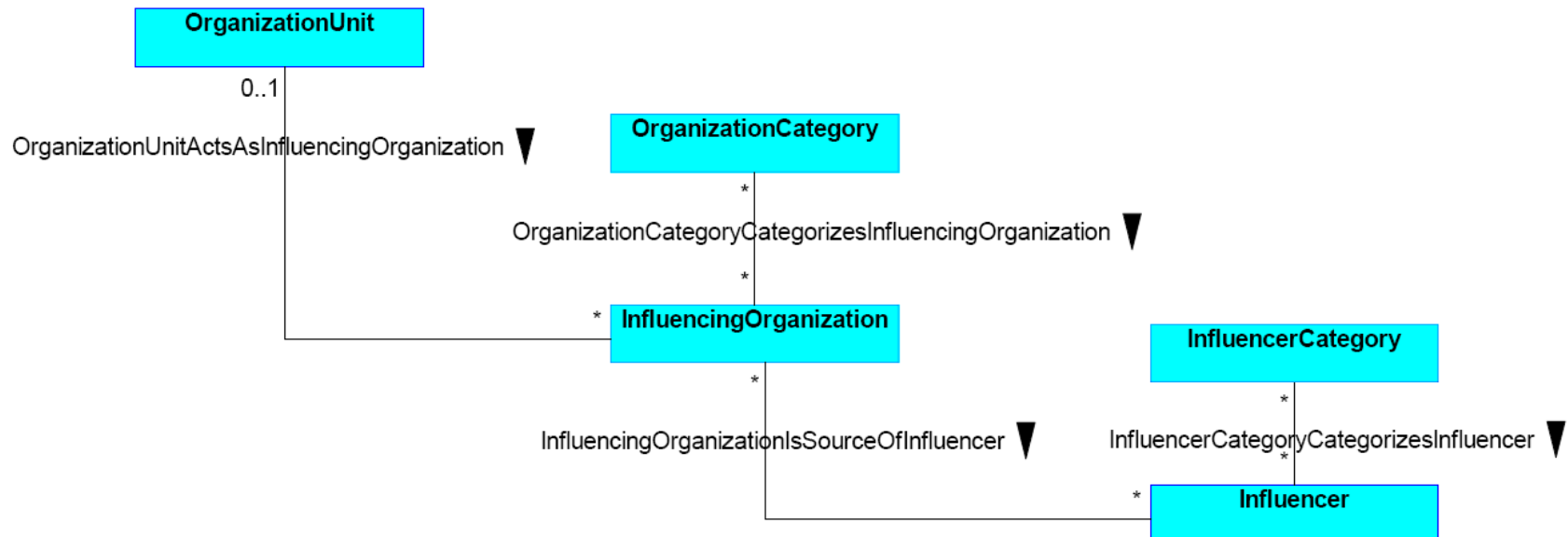
■ Assessments

- ♦ make a judgement of an Influencer with respect to its impact on Ends and/or Means.



Categories of Influencers

- There are different Categories of Influencers, broad ones are
 - ◆ Internal Influencers
 - ◆ External Influencers
- An Influencing Organisation
 - ◆ influences the enterprise
 - ◆ is external to the enterprised modeled in the given BMM



Categories for External Influencers

Influencer Category	Description
Competitor	A rival enterprise in a struggle for advantage over the subject enterprise.
Customer	A role played by an individual or enterprise that has investigated, ordered, received, or paid for products or services from the subject enterprise.
Environment	The aggregate of surrounding conditions or Influencers affecting the existence or development of an enterprise.
Partner	An enterprise that shares risks and profit with the subject enterprise (or is associated with the subject enterprise to share risks and profit) because this is mutually beneficial.
Regulation	An order prescribed by an authority such as a government body or the management of an enterprise.
Supplier	A role played by an individual or enterprise that can furnish or provide products or services to the subject enterprise.
Technology	The role of technology, including its developments and limitations — there may be prerequisites for use of technology; there may be enterprise activity that technology enables or restricts.

Examples of External Influencers

Enterprise	External Influencer	Category
EU-Rent	Two smaller competitors have merged and the joint enterprise is now bigger than EU-Rent in several European countries.	Competitor
EU-Rent	'Premium brand' car rental companies such as Hertz and Avis have a 'high quality, value for money' image – and can charge higher rates.	Competitor
EU-Rent	Budget airlines offering low-cost, short-haul flights, often to secondary airports.	Competitor
EU-Rent	EU-Rent's primary target is business customers, but it recognizes the need to appeal also to personal renters.	Customer
EU-Rent	Market research has determined that customers: <ul style="list-style-type: none"> generally accept that the rates for 'premium brand' car rental companies will be higher than the 'cheap and cheerful' competition. tend to see 'on-airport' companies as premium and 'off-airport' as cheap and cheerful. 	Customer
EU-Rent	Car parking and storage in city centers is limited and expensive.	Environment

Categories for Internal Influencers

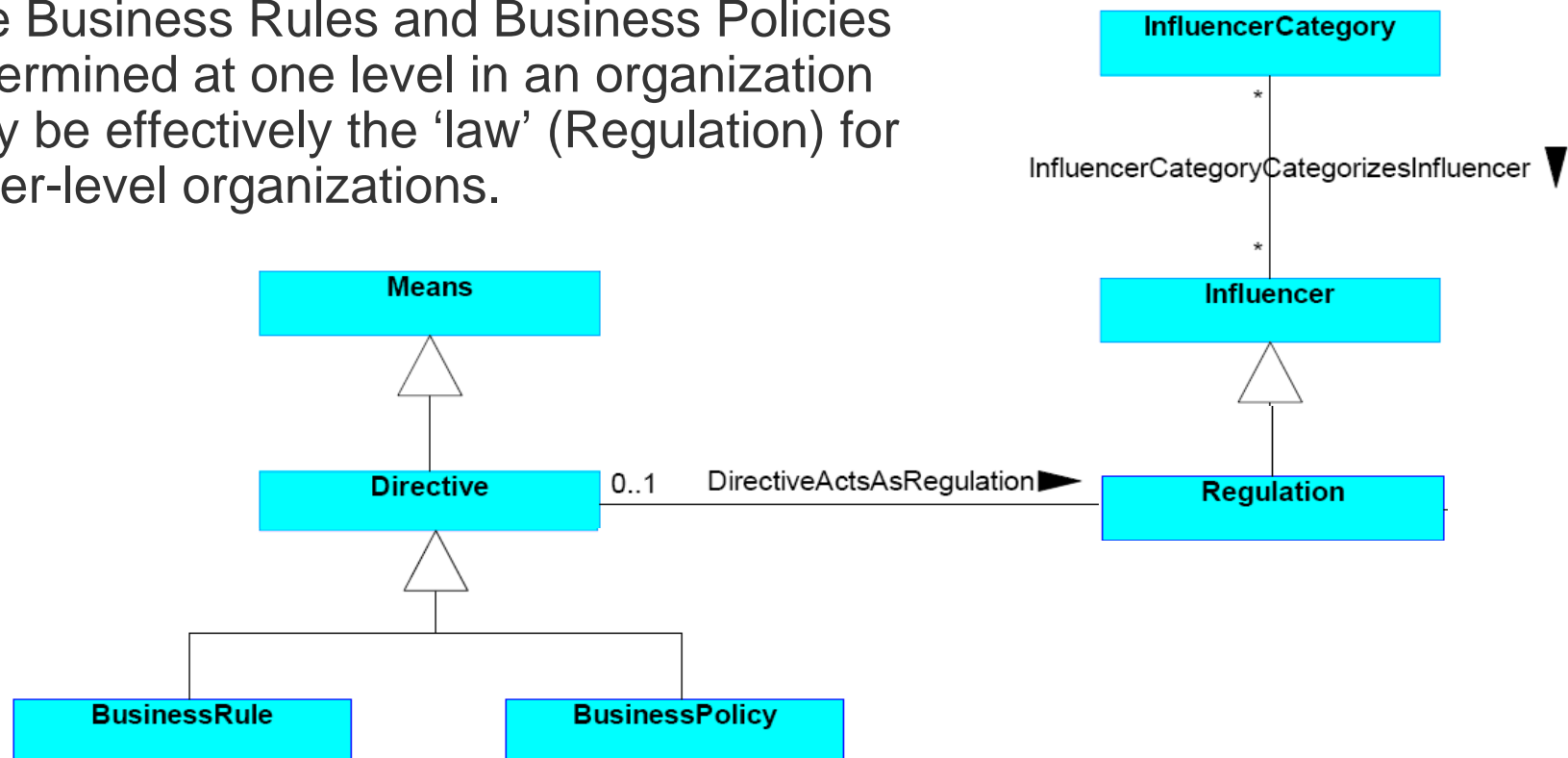
Influencer Categories	Description
Assumption	Something that is taken for granted or without proof.
Corporate Value	An ideal, custom, or institution that an enterprise promotes or agrees with (either positive or negative).
- Explicit Value	A Corporate Value explicitly set forth and declared.
- Implicit Value	A Corporate Value not explicitly declared but nonetheless understood by some or all of the people in an enterprise.
Habit	A customary practice or use.
Infrastructure	The basic underlying framework or features of a system.
Issue	A point in question or a matter that is in dispute as between contending partners.
Management Prerogative	A right or privilege exercised by virtue of ownership or position in an enterprise.
Resource	The resources available for carrying out the business of an enterprise, especially their quality.

Examples of Internal Influencers

Enterprise	Internal Influencer	Category
EU-Rent	EU-Rent needs to expand its business year on year.	Assumption
EU-Rent	A loyalty rewards program is essential for attracting business customers.	Assumption
EU-Rent	Managers are generally promoted from within the company.	Habit
EU-Rent	Successful branch managers are usually allowed to remain at their branches for as long as they want to.	Habit
EU-Rent	Branch counter staff receive two days' introductory training. Further training is informal, on the job.	Habit
EU-Rent	Rental branches are clustered in and around major cities, with large branches at airports and city centers, medium-sized branches in suburbs and nearby towns, and small agencies in hotels and travel agents' premises.	Infrastructure
EU-Rent	Cars are owned by local areas, not by rental branches. The cars owned by a local area are available to all branches in the area.	Infrastructure

Directive as Regulation

- One Influencer Category – Regulation – is explicitly defined by BMM
- A Directive may *act as* some other Organization Unit's Regulation.
- The Business Rules and Business Policies determined at one level in an organization may be effectively the 'law' (Regulation) for lower-level organizations.



Core Elements of the BMM: Assessment

- An Assessment is a judgment of some Influencer that affects the organization's **ability to**
 - ◆ **employ its Means** or
 - ◆ **achieve its Ends.**
- In other words, an Assessment expresses a logical connection (i.e., fact type) between Influencers and the Ends and/or Means of the business plans indicating which Influencers are relevant to which Ends and/or Means.
- Different people or groups of people might make different Assessments of the very same Influencers on the very same Ends and Means — and perhaps even the same person or group of people at different points in time.
- It is very important to indicate which person or group of people makes which Assessment of an Influencer at which point in time, so that an audit trail exists for future reference.

Categories of Assessment

- BMM supports a general categorization of Assessment
- SWOT – Strength, Weakness, Opportunity, Threat – is a frequently used set of categories for Assessment
 - ◆ Strength: advantage or area of excellence within the enterprise ...
... that can impact its employment of Means or achievement of Ends
 - ◆ Weakness: area of inadequacy within the enterprise ...
... that can impact its employment of Means or achievement of Ends
 - ◆ Opportunity: indicates that some Influencer can have a favorable impact ...
... on the organization's employment of Means or achievement of Ends
 - ◆ Threat: indicates that some Influencer can have an unfavorable impact ...
... on the organization's employment of Means or achievement of Ends

Examples of Strength and Weakness Assessments

Enterprise	Strength	Affects
EU-Rent	Infrastructure: geographical distribution of branches	Appeal to business customers.
EU-Rent	Implicit corporate values: environment-friendly, value rather than price – good positioning of EU-Rent, differentiating from competitors.	Promotion to all customers as a ‘premium brand.’
EU-Rent	Resource: rental branch managers – ground-level leaders of the customer-facing business.	Building branch networks around major cities and airports.

Enterprise	Weakness	Affects
EU-Rent	The software for internet rentals has few facilities for self-service of corporate rental agreements – e.g., analyzing car usage by employees, removing people who have left their employment with the corporate customer.	Appeal to businesses for corporate agreements.
EU-Rent	High turnover of branch counter staff frequently causes shortage of experienced staff in branches. This can cause delays in dealing with exceptions and problems.	Provision of high-quality customer service.

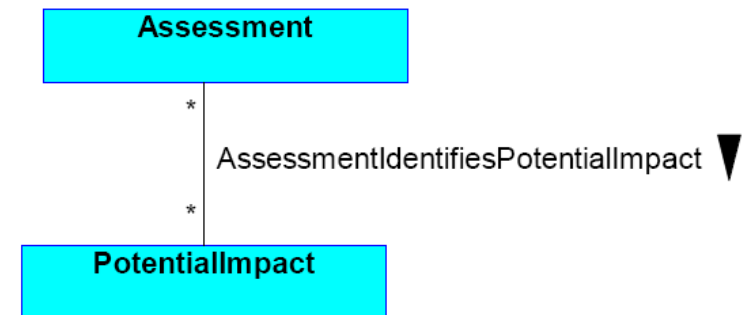
Examples of Opportunity and Threat Assessments

Enterprise	Opportunity	Affects
EU-Rent	EU-Rent thinks there is room for competition in the 'premium brand' car rental market.	Appeal to business users. Increase in rental rates.
EU-Rent	Depreciation on cars between their purchase, new, and their sale at the end of their rental life is a critical factor in financial success. Their employment with the corporate customer.	Improved management of depreciation would reduce costs.

Enterprise	Threat	Affects
EU-Rent	Budget airlines provide low-cost flights to major cities, but using secondary airports where EU-Rent does not have branches.	Appeal to business users. Expansion into Eastern Europe.
EU-Rent	Budget airlines offer a cost effective and faster alternative to car rental for short distances (say, up to 200 miles).	Building 'premium' business from major airports.
EU-Rent	Congestion charges in European city centers: <ul style="list-style-type: none"> Discourage customers from renting cars in city centers. Increase EU-Rent operational costs when moving cars to and from city offices. 	Positioning city offices – moving them outside congestion zones will reduce convenience for business customers.

Core Elements of the BMM: Potential Impact

- An Assessment records judgements about the impact (or potential for impact) of some Influencer on Ends and/or Means.
- In other words, an Assessment *identifies* some Potential Impact(s) that *is/are significant to* that Assessment.
- An Influencer may lead to the creation of a Business Policy *only* through an Assessment having been made that *identifies* some Potential Impact.
- Potential Impacts are categorized as
 - ◆ Risk: indicating the impact and probability of loss
 - ◆ Potential Reward: Indicating the probability of gain
- Risks are typically regarded to be negative impacts, whereas Rewards are considered positive



Examples of Risk and Potential Reward

Enterprise	Assessment	Risk
EU-Rent	Opportunity: room for competition in the 'premium brand' car rental market.	Failure to position EU-Rent as a premium brand risks loss of an estimated 15% of current customers without replacement by new customers.
EU-Rent	Opportunity: targeting business customers & increasing rental rates.	Many unrented cars at weekends, with rates undercut by the 'cheap and cheerful' competition.
EU-Rent	Threat: stringent emission control requirements in Scandinavia – have to be met by any EU-Rent car that might be driven in Scandinavia.	Severe financial penalties for failure to comply.

Enterprise	Assessment	Potential Reward
EU-Rent	Opportunity: room for competition in the 'premium brand' car rental market.	Market acceptance would support an average increase of 12% on rental rates. In moving up-market, EU-Rent expects to replace at least 15% of its current customers.
EU-Rent	Opportunity: improved management of depreciation of cars.	Reduction of depreciation costs by 3%.

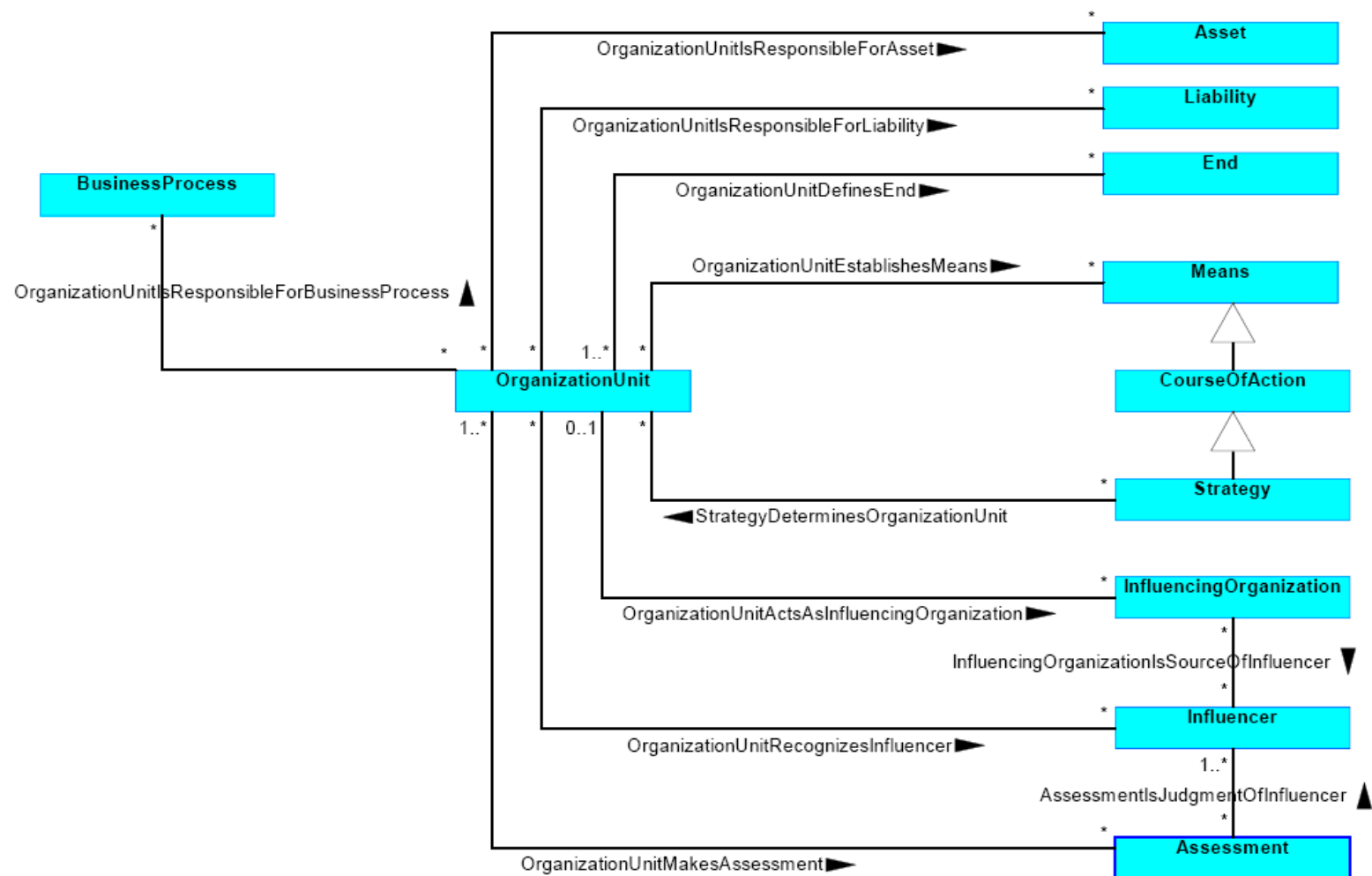
Placeholders

- Four concepts - Asset, Organization Unit, Business Process, and Business Rule - have roles in the structure of the Business Motivation Model but actually belong in other standards, where they are defined.
- The defaults for the required external standards are the OMG's specifications for the
 - ◆ Organization Structure Metamodel (OSM),
 - ◆ Business Process Definition Metamodel (BPDM), and
 - ◆ Semantics of Business Vocabulary and Business Rules (SBVR).
- In practice, enterprises could use alternative external standards.
- Business Rule is a core concept of the BMM (albeit that its definition is adopted from SBVR).
- Organization Unit and Business Process are placeholders for association with concepts in OSM and BPDM respectively.

Organization Unit

- For each Business Rule there should be a responsible party. These parties play key roles with respect to motivation.
- In BMM this is reflected by linking elements of the business plan to Organization Units
- Logical connections: Organization Unit ...
 - ... is responsible for Assets
 - ... is responsible for Liabilities
 - ... defines Ends
 - ... establishes Means
 - ... acts as Influencing Organization
 - ... recognizes Influencers
 - ... makes Assessments
 - ... is defined by Strategies
 - ... is responsible for Business Processes

Connections of Organization Unit



Business Process

- A Business Process is

"A unit of work to accomplish a transformation of information or resources contributing to the business objective of a conventional or orchestrated process." [BPDM 'Activity']

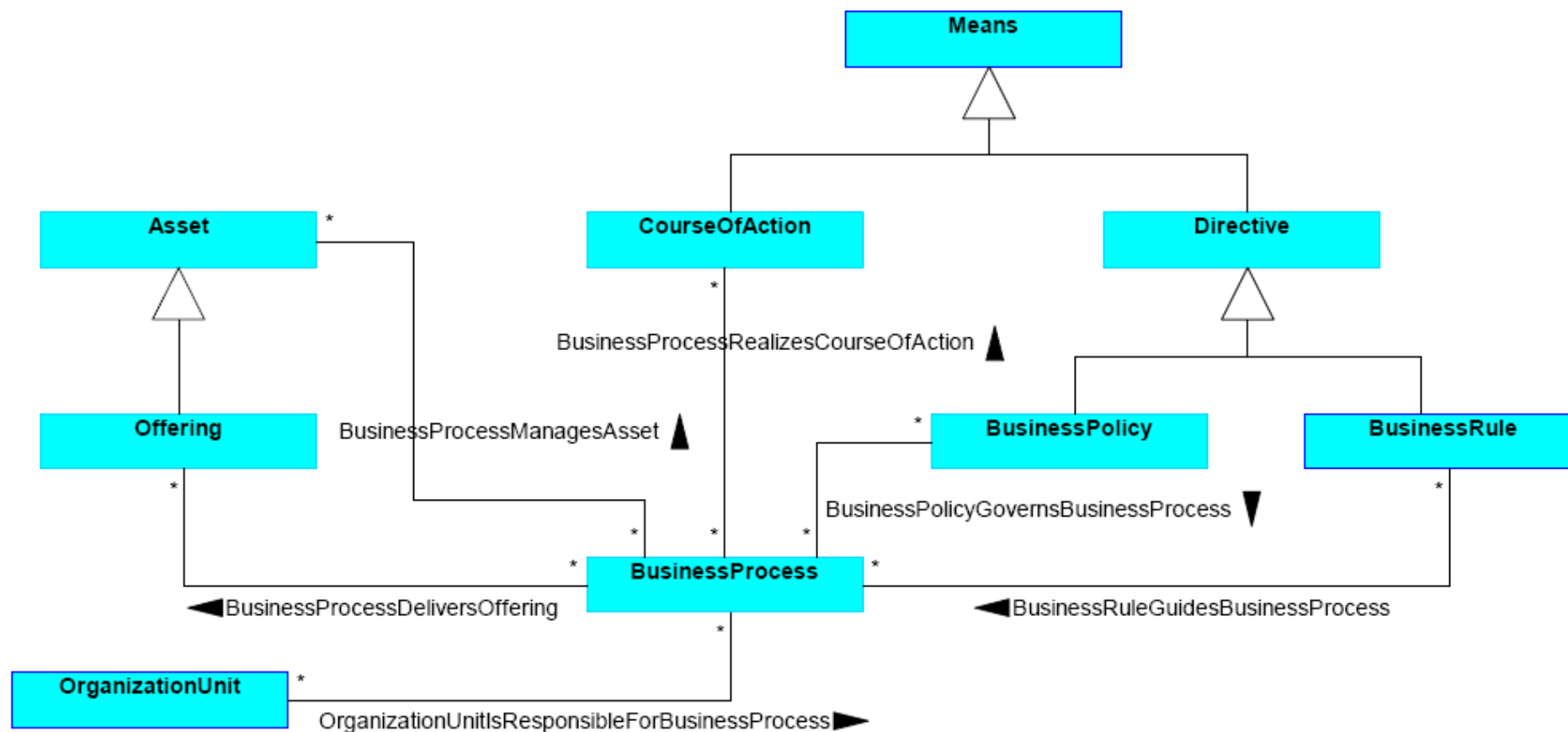
- Business Processes and Business Rules are closely related.

- ◆ Business Processes *realize* Courses of Action – they provide detail of activities, plus sequencing, control, and synchronization.
- ◆ Business Rules *guide* Business Processes – they provide the basis for decisions that need to be made within Business Processes.

- Business Processes *are governed by* Business Policies, which:

- ◆ Provide guidance (both directly and via Courses of Action) on what Business Processes have to do.
- ◆ Set limits on how Business Processes may undertake what they have to do.

Connections of Business Process



Asset and Liability

- 'Things' that are used in operating the enterprise are represented as Assets. There are two kinds:

Fixed Assets: things that are kept long-term, maintained, reused, and perhaps eventually replaced. They can be tangible, such as equipment and buildings, or intangible, such as patents and licenses.

Resources: things that are consumed and replenished, such as raw materials, parts, finished goods, and cash.

- Enterprises also need to consider Liabilities. A Liability is a reservation of Resource(s) to meet commitments, such as materials needed to fulfill a contract, or cash to pay taxes.
- Asset, Resource and Fixed resource are placeholders – referencing to things defined in detail elsewhere in the enterprise – outside BMM.

Meaning of Asset and Liability

- Assets often have to be considered when Courses of Action are being defined.
- The terms “Asset” is not used in an accounting sense in the Model.
 - ◆ It means the real things in the business - the actual equipment, buildings, and stocks of materials.
 - ◆ The accounting perspective would be the monetary values, rather than the things themselves.
- Also the term "Liability" is not used in the accounting sense.

Connection of Asset and Liability to the Rest of the Model

