Business Motivation Modeling:
Tracability of Decision Making

Prof. Dr. Knut Hinkelmann

Rationale for Motivation Modeling

■ Enterprises do not, or should not, act randomly. When an enterprise offers a service, develops a product, executes a business process or uses an information system, it should be able to say why
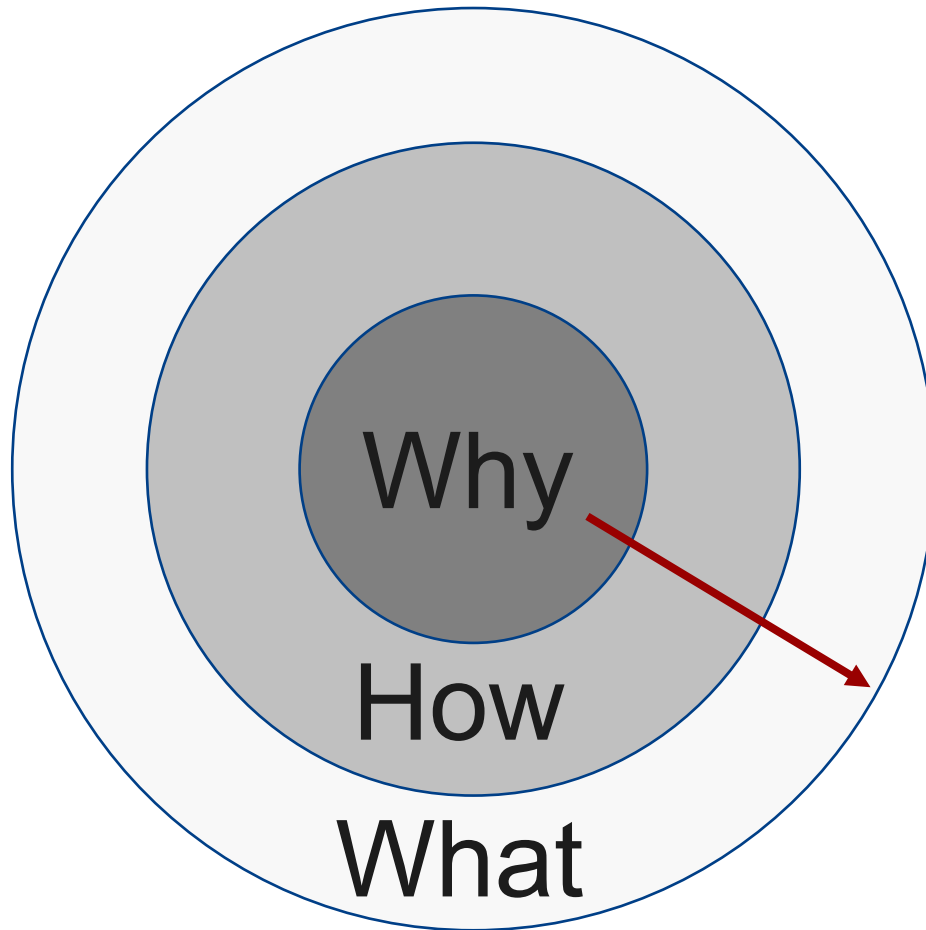
■ Enterprises should **be aware** of the Why

Start with Why

Simon Senek: Start with Why - https://www.youtube.com/watch?v=IPYeCltXpxw&t=38s
Full Talk: https://www.ted.com/talks/simon_sinek_how_great_leaders_inspire_action

Start with Why


Why: Influencers and assessments

How: Desired Results (Goals)

What[*]: Courses of Action

[*] What we do

Rationale for Motivation Modeling

- Enterprises do not, or should not, act randomly. When an enterprise offers a service, develops a product, executes a business process or uses an information system, it should be able to say why

- Enterprises should **be aware** of the Why

- Becoming aware means
  - ♦ Make it explicit
  - ♦ Discuss about it
  - ♦ Understand it
  - ♦ Retain it
  - ♦ …
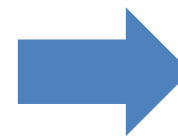
➡ Motivation Modeling
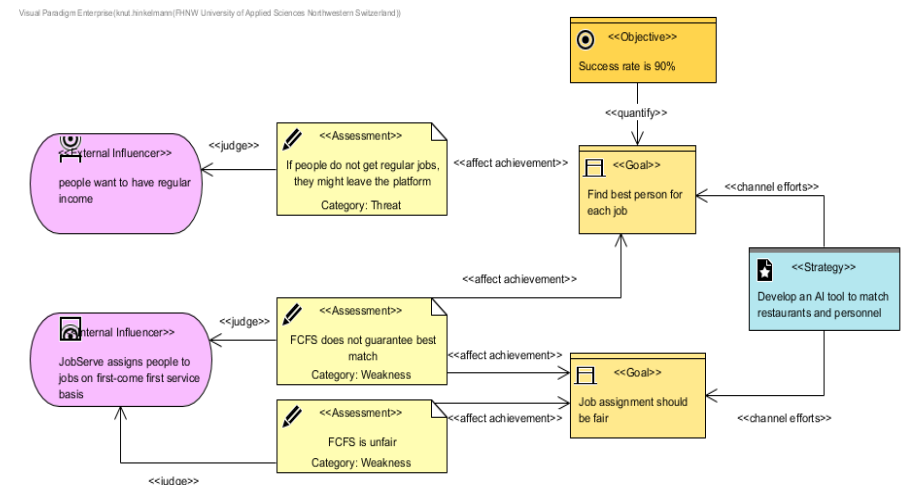
Business Motivation Modeling

■ **Documentation**

    ♦ Project Proposal

    ♦ Strategy

    ♦ Project documentation
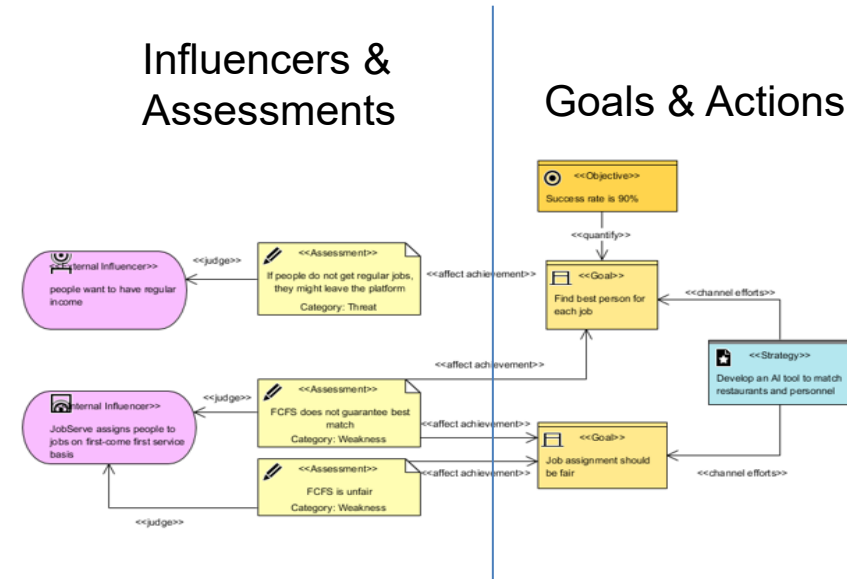
■ **Graphical Motivation Model**

Decision and Motivation

Influencers & Assessments   Goals & Actions

- **Decisions**
  - ♦ ***WHAT*** are the ***Goals***?
  - ♦ ***HOW*** to achieve the Goals
    - → ***Courses of Action / Strategies***

- **Motivation: Reasons *WHY* a decision is made**
  - ♦ Observation of ***drivers*** or ***influences***
  - ♦ ***Assessments*** of their impact

Business Motivation Modeling

Business Motivation Modeling supports …

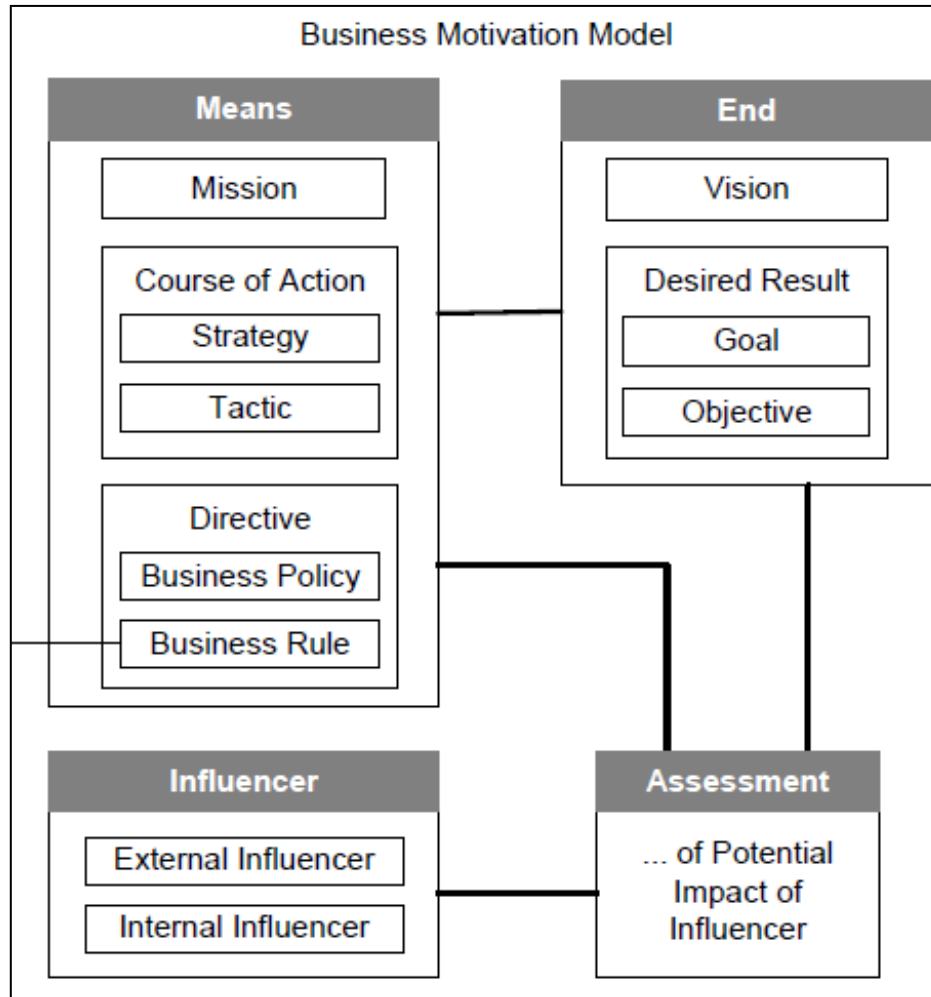… **Traceability** of transformation projects by modeling

- ♦ Reasons for the project: **influencers/driver** and **assessments**
- ♦ **Desired results (goals)** to be achieved by the project
- ♦ **Courses of action (strategies)** how to achieve the goals

… **Consistency** in decision making **between** different projects,

- ♦ not changing elements that are essential for other projects
- ♦ not keeping elements that are not useful anymore

Overview of the OMG Business Motivation Model

Business Motivation Model

Means	End
Mission	Vision
Course of Action Strategy Tactic	Desired Result Goal Objective
Directive Business Policy Business Rule	

| Influencer	Assessment
External Influencer Internal Influencer	... of Potential Impact of Influencer

- Business Motivation Model (BMM) is an OMG Specification (www.omg.org/spec/BMM/1.2/PDF)

- BMM distinguishes four groups of **Core Concepts**

  - ◆ **Influencers**

  - ◆ **Assessments**

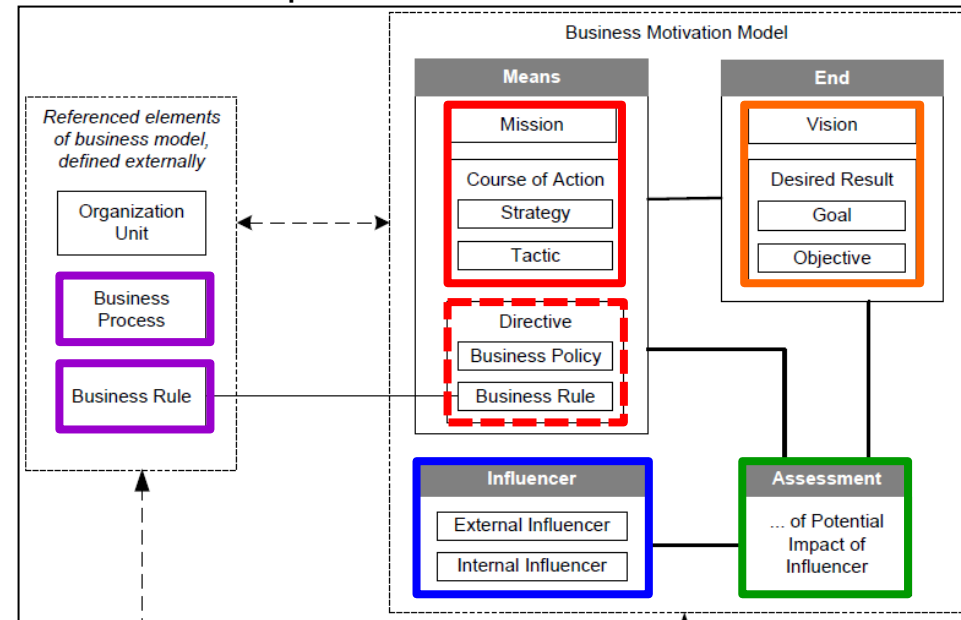 - ◆ **Ends** (What to achieve)

  - ◆ **Means** (How to achieve the ends)

(OMG-BMM 2014, p. 12)

Logical Process of Transformation and Motivation Model Modeling
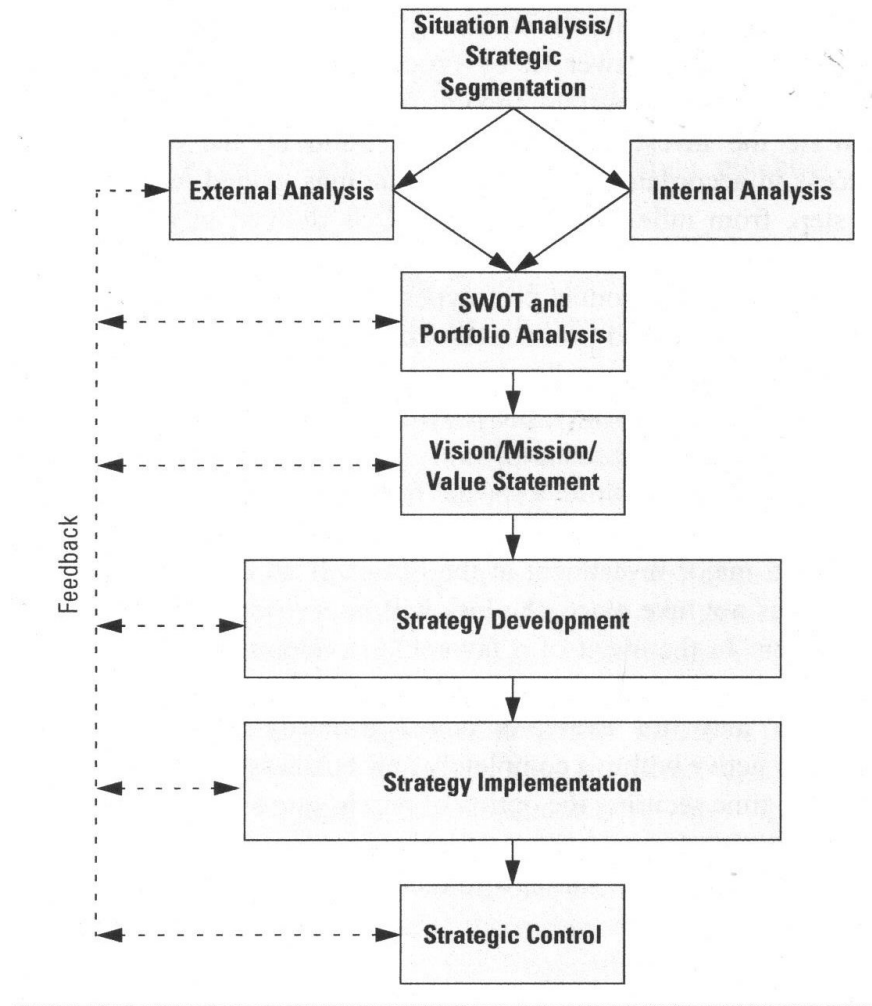
Logical Process of a Transformation Project
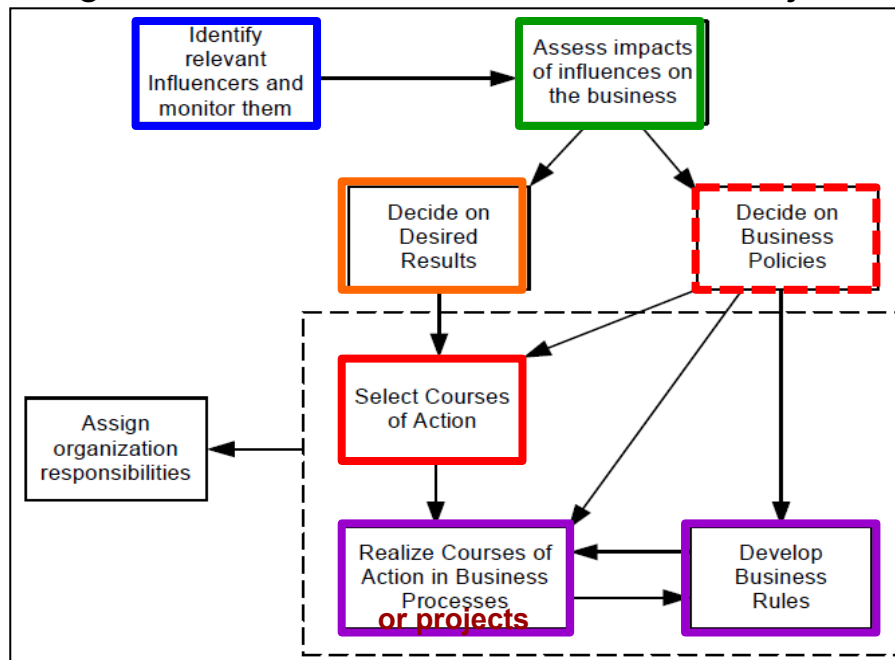
Core Concepts of the OMG Motivation Model

- Business Motivation Models can be applied for
  - **Operative** Transformation Projects
  - **Strategic** Transformation Projects

Corresponding elements have same color

Strategic Management

Abplanalp, P.; Lombriser, R. (2012) Strategic Management, Versus
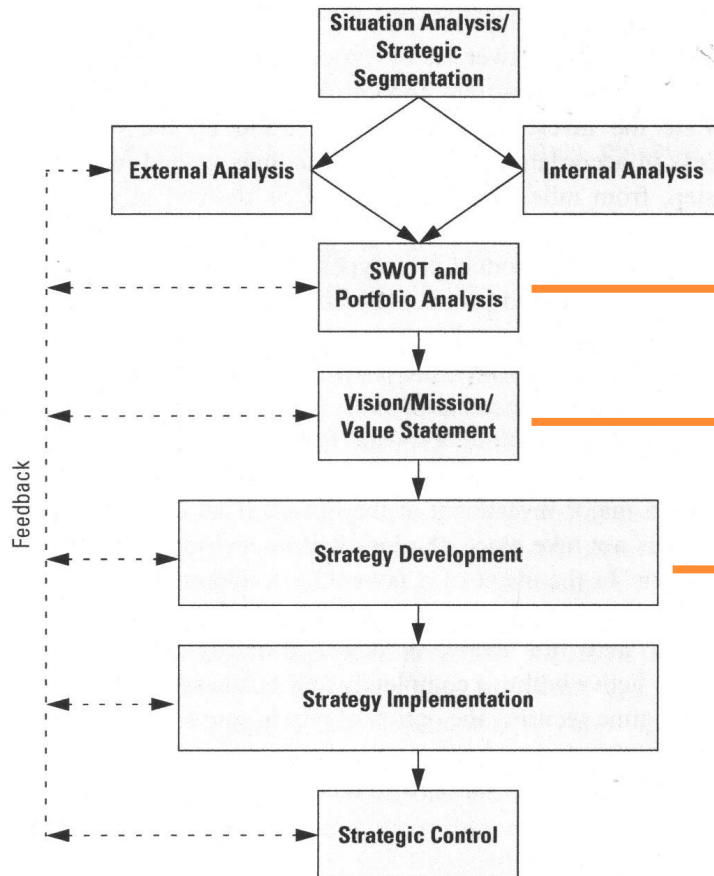
The Logical Progression Through the Business Motivation Model corresponds to the Phases of Strategic Management
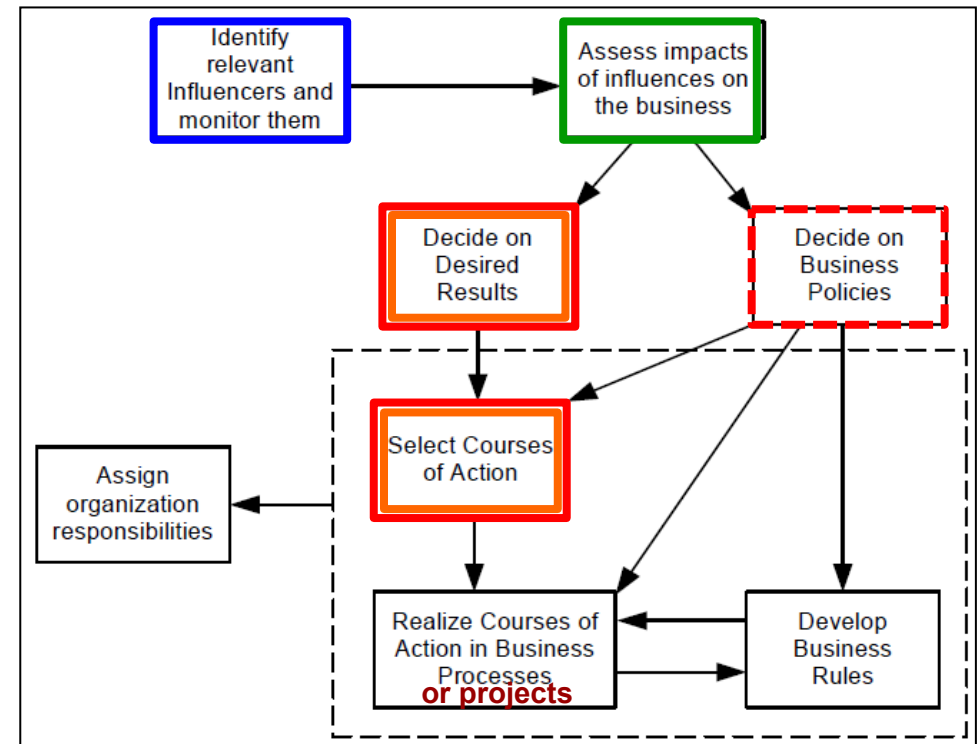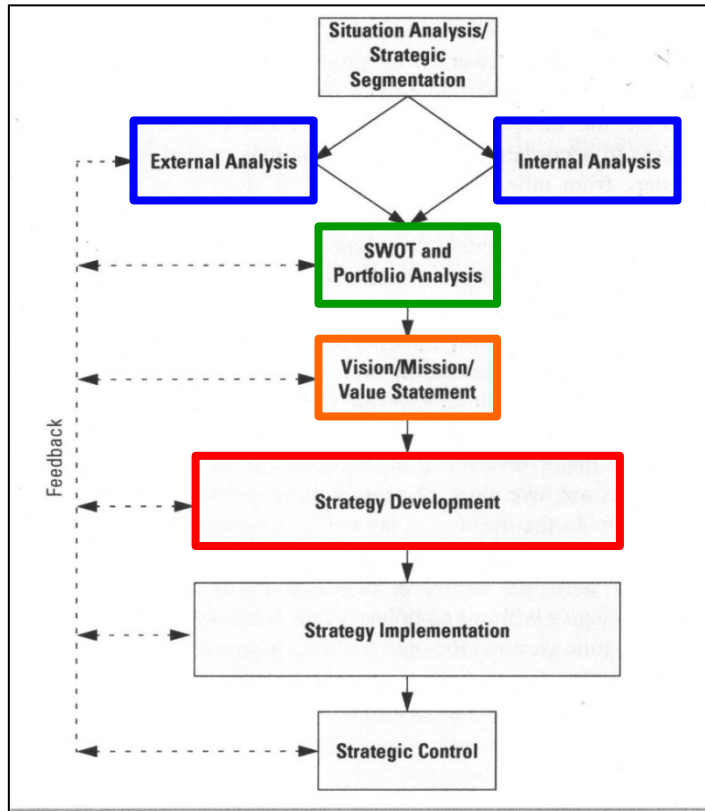
Corresponding elements have the same color

Motivation Modeling for Strategic Management

Integrated Model of Strategic Management

Corresponding Elements of the Business Motivation Model

Influencers
(internal, external)

Assessment

Vision/Mission

Desired Results: Goals, Objectives
Courses of Action: Strategies, Tactics

- The motivation model represents the rational for a strategy in a structured way.
- Possibility to trace back the strategy to goals and their underlying assessments

University of Applied Sciences and Arts Northwestern Switzerland
School of Business

BMM Metamodel – Core Concepts

(OMG-BMM 2014, p. 18)

Influencers and Assessments

OMG Business Motivation Model

Influencers

- An infuencer is anything that can have an effect on an organization, anything that can potentially hinder it or assess it.

- In practice we model only the influencers that affect
  - ♦ our strategies and tactics (i.e. the means)
  - ♦ our goals and objectives (i.e. the ends)

- Influencers are neither good nor bad
  - ♦ They only become good or bad if they are judged as opportunities, threats, strength or weaknesses (see assessments)

- ➢ **Influencers should be stated in a neutral, factual manner.**

(Bridgeland & Zahavi 2009, p. 52f)

Examples of Influencers for Cora Group

Influencers
A Fast-food Restaurant has opened close to Portia Restaurant
Innovative Restaurant Shortage in Western Suburbs
New Anti-smoking Regulation
Cora has to expand its business year on year
Managers are generally promoted from within the company
New waiters receive two days introductory training. Further training is informal, on the job.
Small Space
Closing for Events Disappoints some customers

Influencer Categories

- There are different Categories of Influencers, broad ones are
  - ♦ Internal Influencers
  - ♦ External Influencers

- These Categories can be detailed further

  - ♦ External Influencers:
    - Competitor
    - Customer
    - Environment
    - Partner
    - Regulation
    - Supplier
    - Technology

  Internal Influencers:
  - Assumption
  - Corporate
  - Explicit Value
  - Implicit Value
  - Habit
  - Infrastructure
  - Issue
  - Management
  - Resource

(OMG-BMM 2014)

Examples of External Influencers for Cora Group and their Categories

External Influencer	Category
A Fast-food Restaurant has opened close to Portia Restaurant	Competitor
Increasing Public Interest in Ethnic Fare	Customer
Innovative Restaurant Shortage in Western Suburbs	Environment
Emergence of Diner Restaurant Reviews	Environment
New Anti-smoking Regulation	Regulation

Examples of Internal Influencers for Cora Group and their Categories

Internal Influencer	Category
Cora has to expand ist business year on year	Assumption
Managers are generally promoted from within the company	Habit
New waiters receive two days introductory training. Further training is informal, on the job.	Habit
Cash registers are used with personal key card	Infrastructure
Small Space	Infrastructure
Closing for Events Disappoints some customers	Issue

Assessment

■ An *Assessment* is an evaluation of an influencer's potential effect on business

■ Varieties of Assessments

♦ *Opportunity*: An external influencer that is judged to be favorable

♦ *Threat:* An external influencer that is judged as unfavorable

♦ *Strength:* A positive assessment of an internal influencer

♦ *Weakness:* A negative assessment of an internal influencer

■ Strength, Weaknesses, Opportunities and Threads could be determined by a SWOT analysis

|	Internal	External
Positive	Strength	Opportunity
Negative	Weakness	Threat

(Bridgeland & Zahavi 2009, p. 57f)

Opportunities

■ An opportunity is a favorable situation for a buiness for achieving its goals

■ Someone may judge that an influencer presents an opportunity

♦ the Influencer is a simple statement of the situation

♦ the Opportunity is the claim that the situation can be exploited for buiness advantage

■ Example:

♦ Assume that for a restaurant chain there is an Influencer **Innovative Restaurant Shortage in Western Suburbs**

♦ This influencer could be judged as an opportunity to open a new restaurant: **Western Portia Branch Would Be Successful**

(Bridgeland & Zahavi 2009, p. 53)

# *Example: An Influencer judged as an Opportunity*
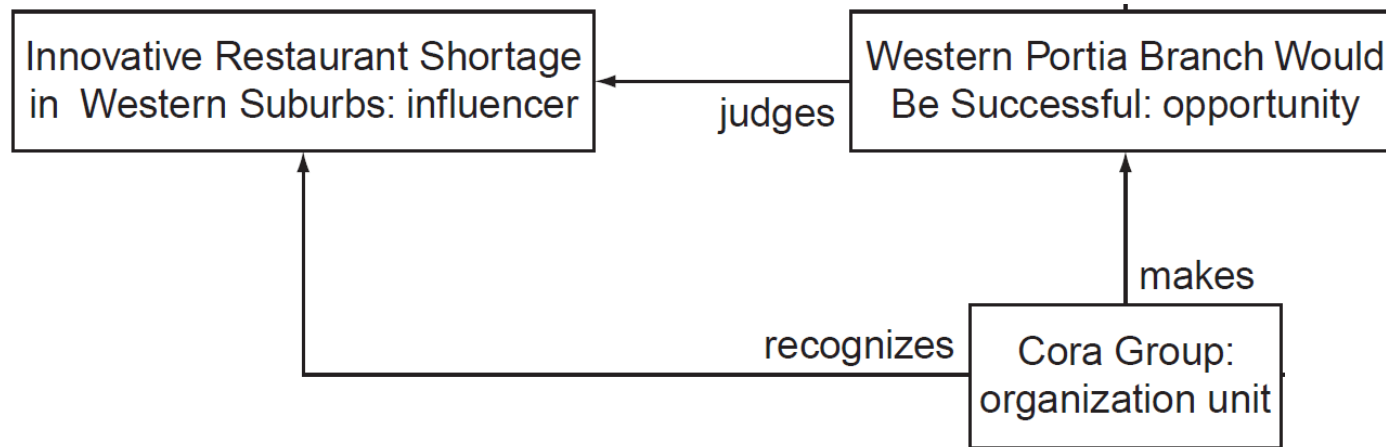
It is possible to indicate which person or group of people makes which Assessment of an Influencer at which point in time, so that an audit trail exists for future reference. In the above example the judgement is made by the Cora Group organisational unit

(Bridgeland & Zahavi 2009, p. 54)

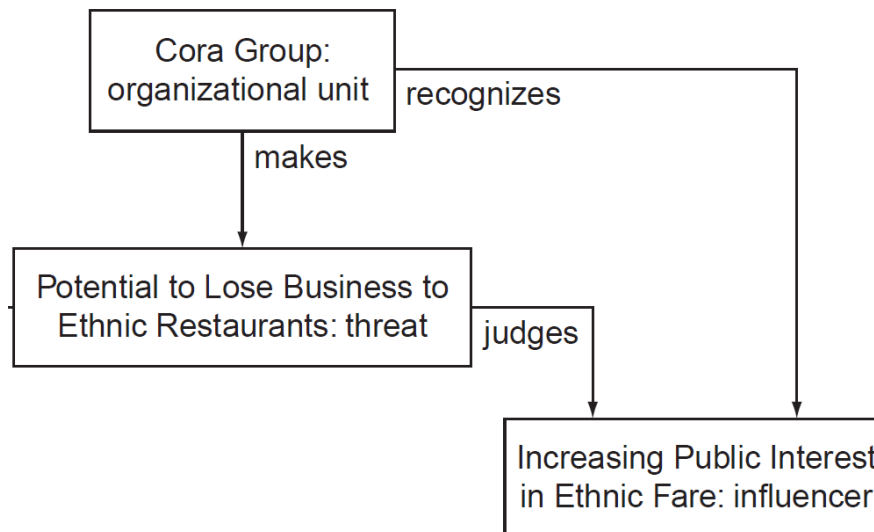# Example: An Influencer and Two Opportunities

Sometimes a single influencer can be judged to be more than one opportunity
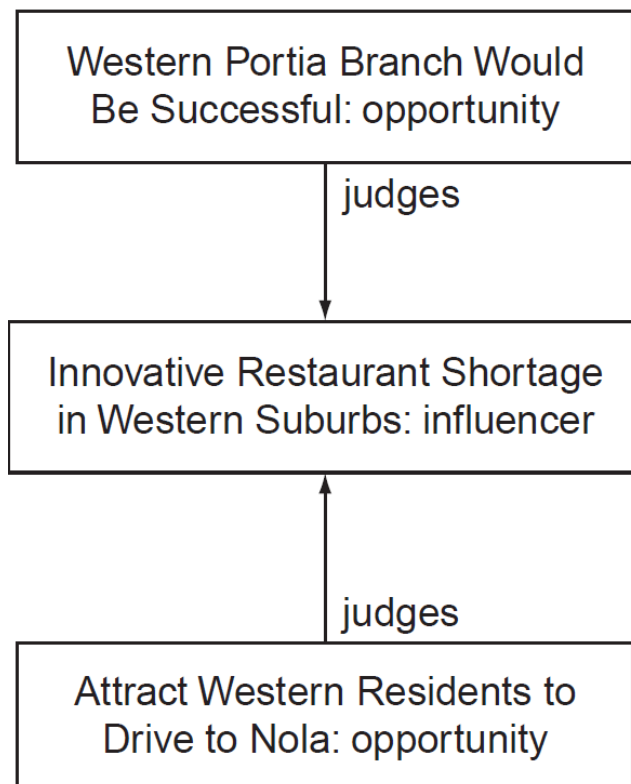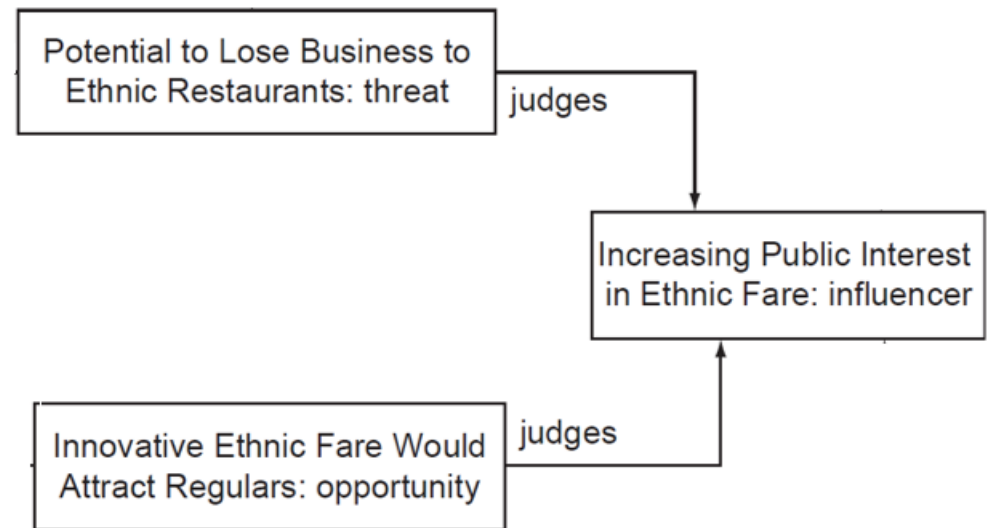

(Bridgeland & Zahavi 2009, p. 55)

Threats

■ Threats are just like Opportunities except they are negative instead of positive

(Bridgeland & Zahavi 2009, p. 56)

Different Assessments of the same Influencer

■ Different people or groups of people might make different Assessments of the very same Influencers— and perhaps even the same person or group of people.

■ A motivation model can make these differences of opinion explicit

■ Example:
an external influencer assessed as both positive(opportunity) and negative (thread)

| Potential to Lose Business to Ethnic Restaurants: threat | judges |
| Increasing Public Interest in Ethnic Fare: influencer |
| Innovative Ethnic Fare Would Attract Regulars: opportunity | judges |

(Bridgeland & Zahavi 2009, p. 57)

Strengths and Weaknesses

- Internal influencers can be judged as
  - ♦ **strength** if it helps the organisation to achieve its goals and strategies
  - ♦ **weakness**, if it inhibits the organisation from such achievement
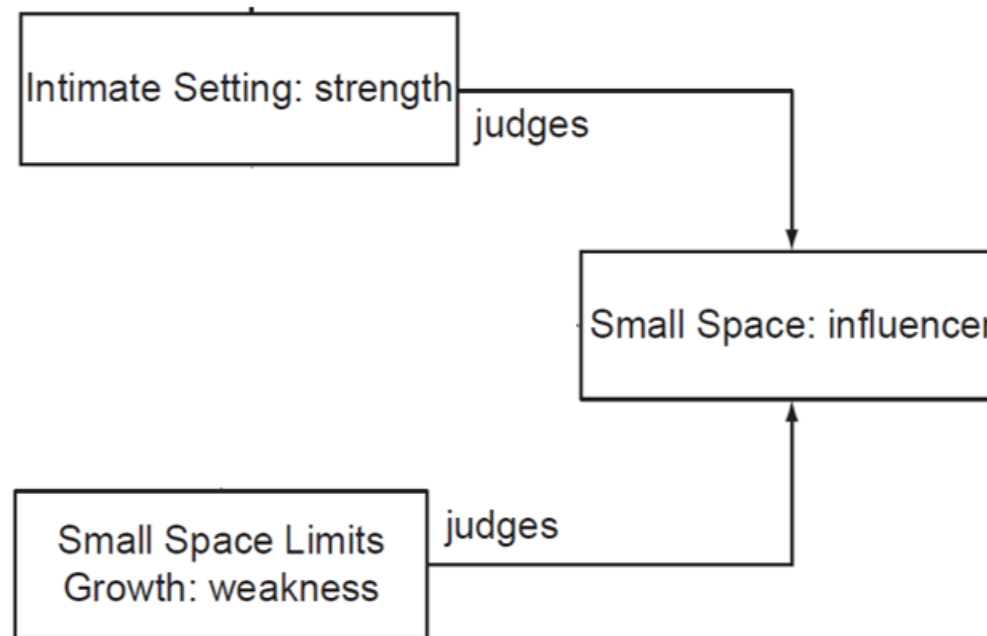

(Bridgeland & Zahavi 2009, p. 59)

Ends and Means

## OMG Business Motivation Model

Means - Ends

- The general term ***End*** was adopted to refer broadly to any of the 'aspiration' concepts (Vision, Goal, Objective)

- The term ***Means*** was adopted to refer generally to any of the 'action plan' concepts (Mission, Strategy, Tactic).

- This conjunction of Ends ('being') and Means ('doing') provides the core concepts of the Model

- Means can be changed without changing the ends; vice versa is, perhaps, not so common.
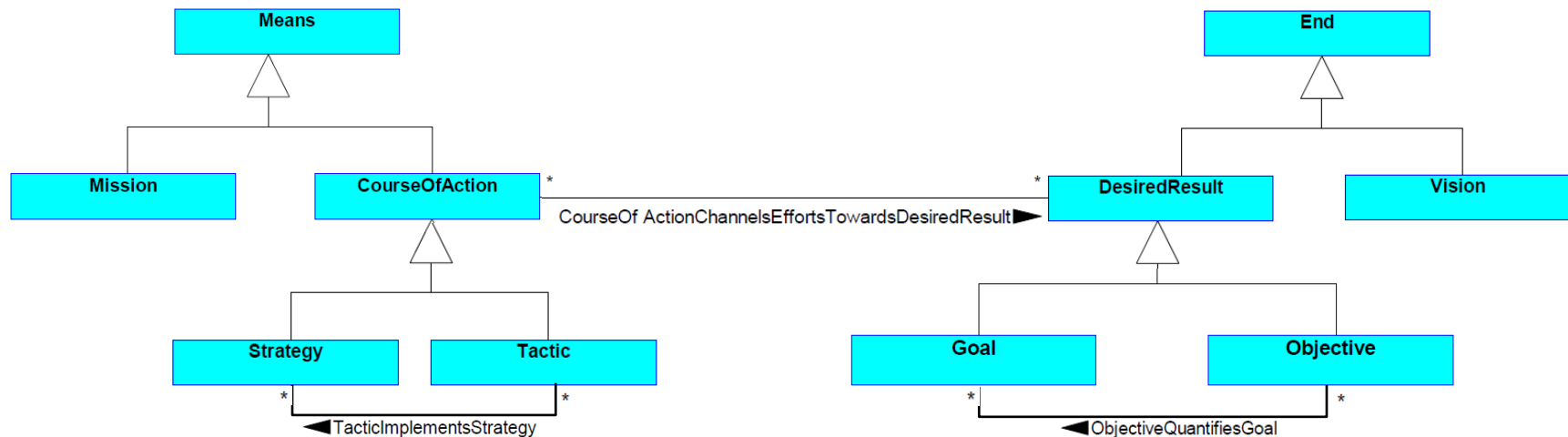
(OMG-BMM 2014)

Vision - 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.

- A **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.

  ♦ A Vision is *amplified by* Goals.
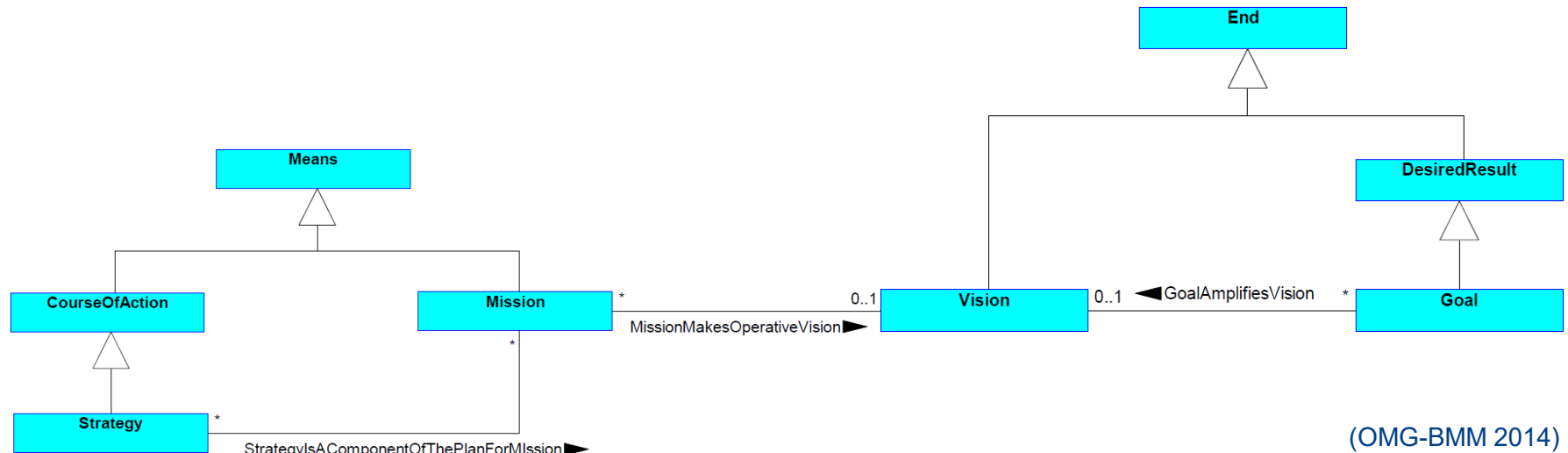
(OMG-BMM 2014)

Examples of Visions and Missions

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.

Missions:

Enterprise	Mission
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.

(OMG-BMM 2014)

# *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.
 - ♦ Hierarchy of End Concepts:
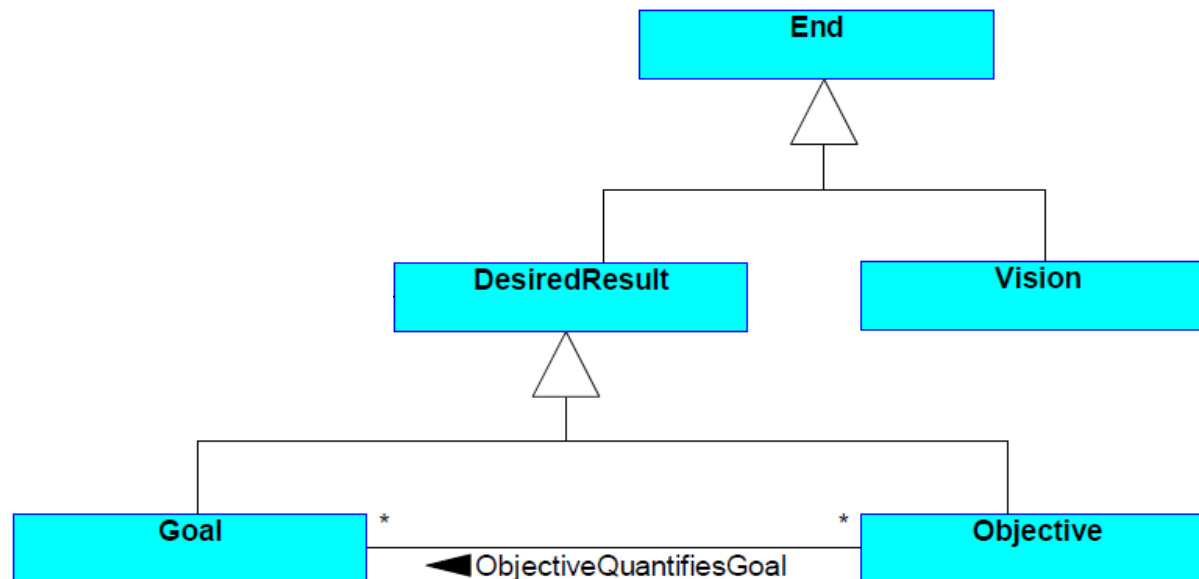
(OMG-BMM 2014)

Desired Results: Goals and Objectives

■ Desired Results come in two varieties

  ♦ Goals

  ♦ Objectives

■ The difference between the two is the measurability

  ♦ Objectives are measurable – in contrast to Goals
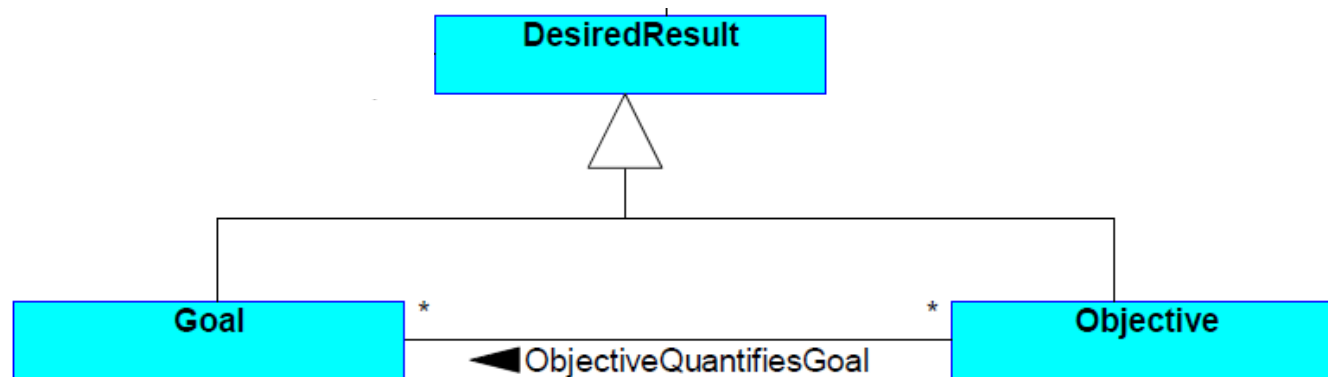
Goals

- A goal is something an organization is trying to achieve *for its own sake* rather than as a means to some other end.

- A goal is defined by an organisation that is trying to achieve the goal
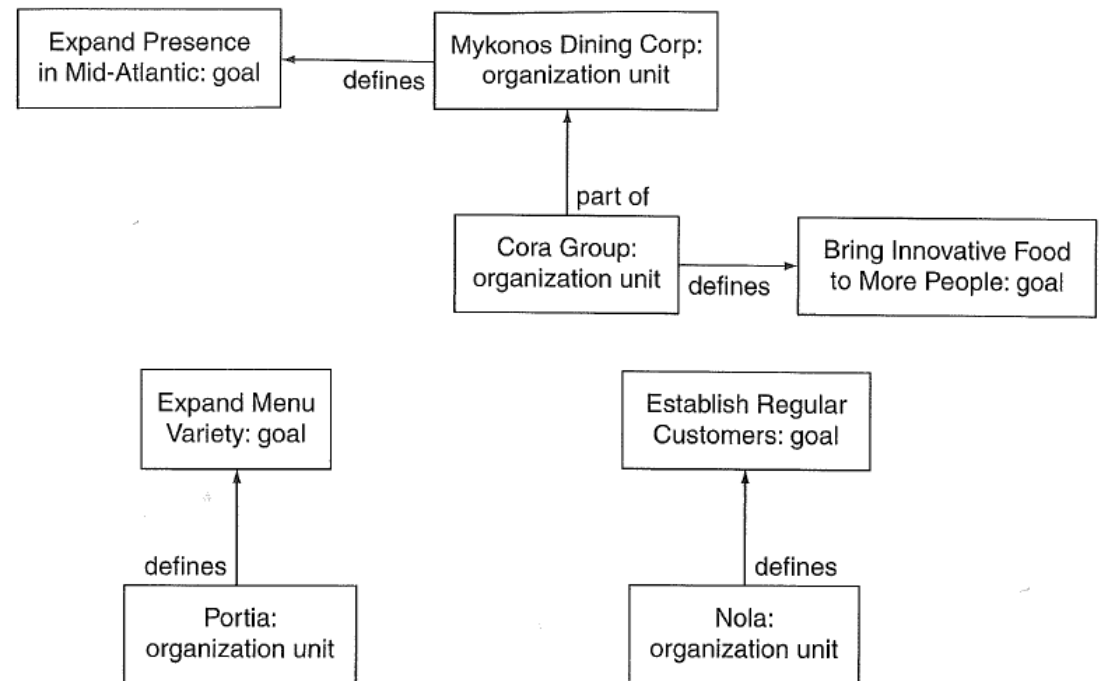

(Bridgeland & Zahavi 2009, p. 45)

Objectives

■ Goals are complemented and quantified by Objectives

■ *Objectives* are *Desired Results* like *Goals*, but they are specific about both timing and measurement

  ♦ SMART: **S**pecific, **M**easurable, **A**ttainable, **R**elevant, and **T**ime-Based

■ Example:

  ♦ The objective **3 City Openings by End of Year** *quantifies* the goal **Expand to Other Cities**

    ● by a measurement – three cities
    ● by a timing – by end of the year

(Bridgeland & Zahavi 2009, p. 46f)

# *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) necessary to exploit it, nor responsibilities, but rather *only the capabilities* that can be exploited to achieve the desired Ends.
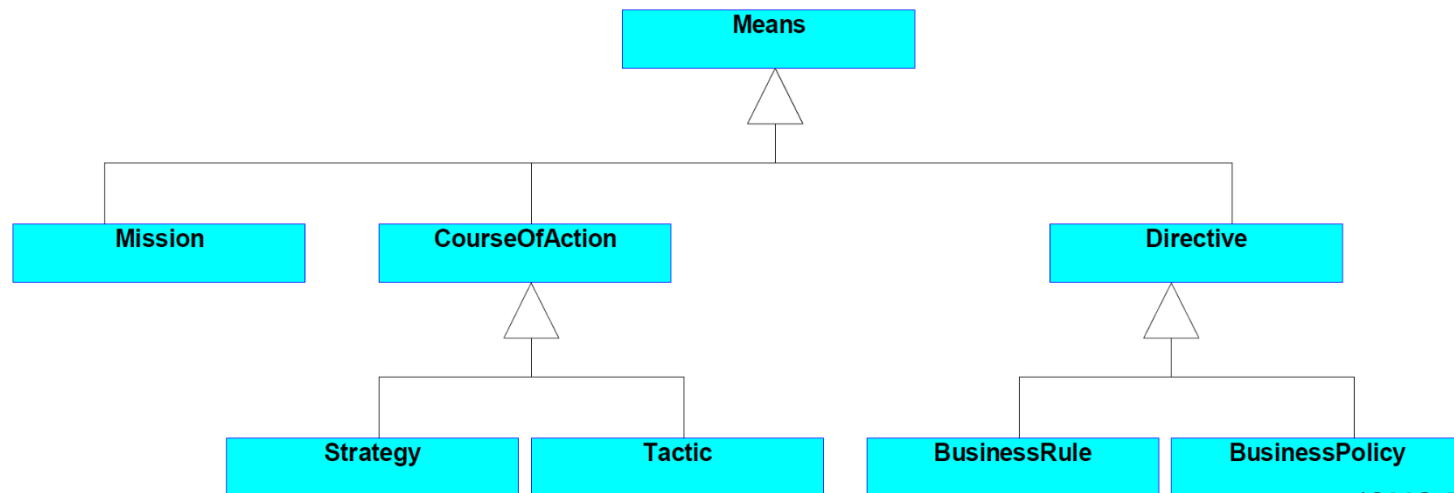
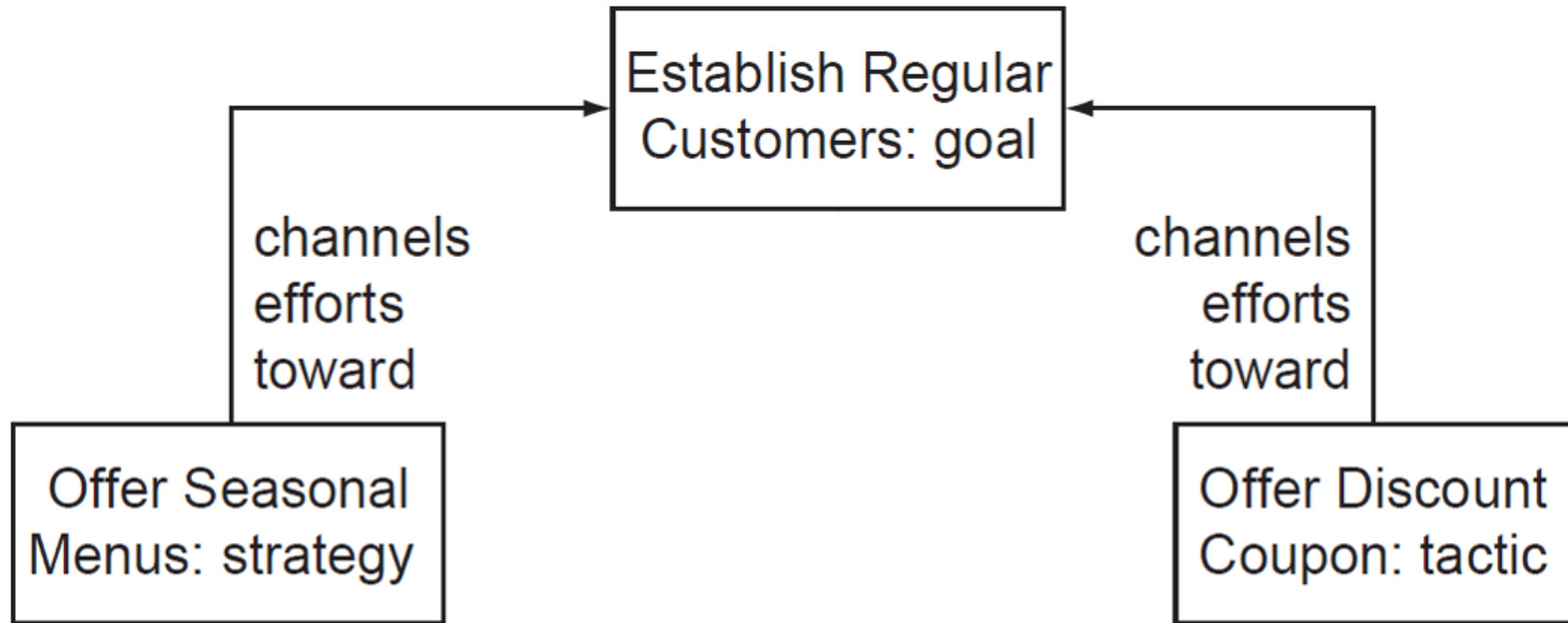(OMG-BMM 2014)

Courses of Action: Strategies and Tactics

■ Courses of action come in two varieties

    ♦ strategies

    ♦ tactics

■ The difference between the two is a matter of size and commitment. Compared to tactics, strategies tend to be

    ♦ longer term

    ♦ broader in scope

    ♦ harder to change
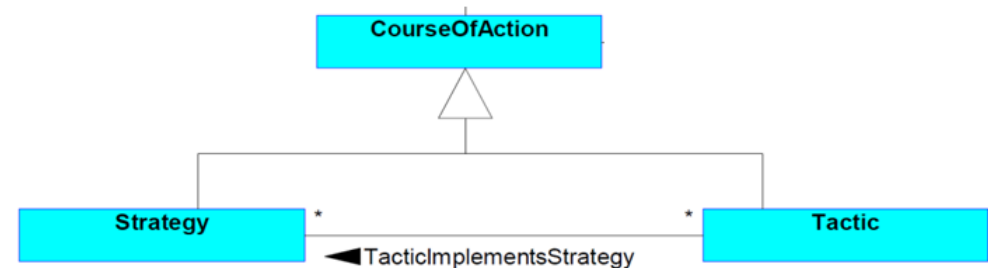
■ Tactics *implement* Strategies

■ For example, the Tactic **Call first-time customers personally** implements the Strategy **Increase repeat business**.
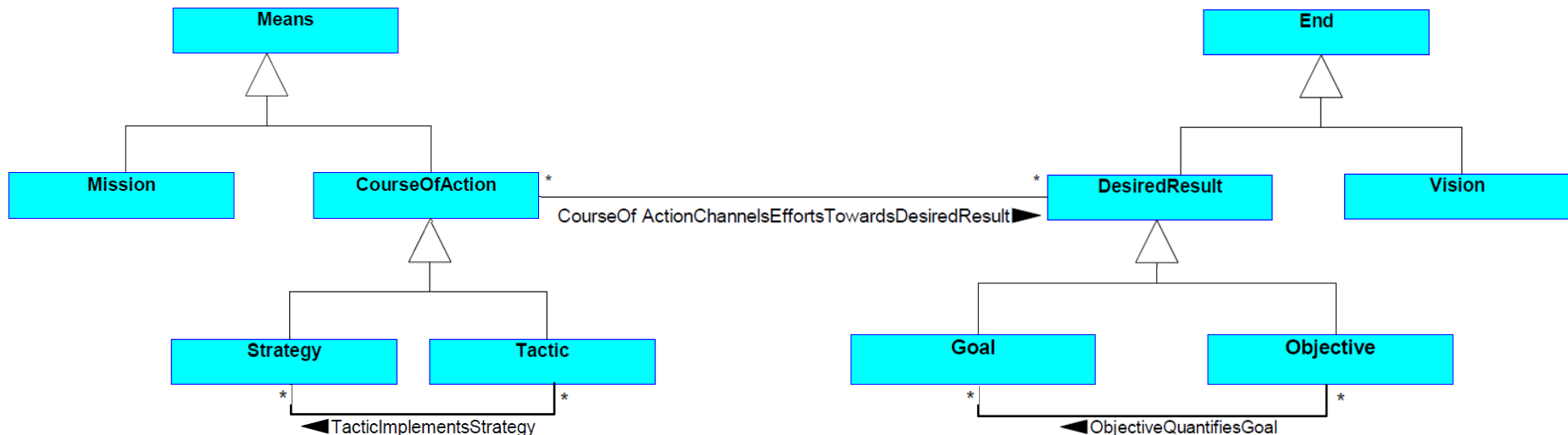
(OMG-BMM 2014)

Example: A strategy and a tactic

Establish Regular Customers: goal

channels efforts toward

channels efforts toward

Offer Seasonal Menus: strategy

Offer Discount Coupon: tactic

(Bridgeland & Zahavi 2009, p. 51)

Relations between Courses of Action and Desired Results

■ Strategies and Tactics are means to achieve ends

♦ A Strategy usually *channels efforts towards* Goals.

♦ Tactics generally *channel efforts towards* Objectives.

(This is not strict: A Tactic can also channel efforts towards goals)

(OMG-BMM 2014)

Desired Results and Courses of Action

■ Both *Courses of Action* and *Desired Results* are things the organization is trying to accomplish. But …

> …a *Desired Result* (*Goal* or *Objective*) is something an organization is trying to do **for its own sake** – often based on some assessment (SWOT)

> …*Courses of Action* (*Strategies* and *Tactics*) are means to achieve some ends, i.e. they are ways to achieve the *Goals* and *Objectives*

■ The difference between courses of action and desired result is the difference between journeys and destinations

♦ A course of action is the journey

♦ A desired result is the destination   (Bridgeland & Zahavi 2009, p. 49f)

Desired Results and Courses of Action - Example

■ Assume that a restaurant adds two goat dishes to the menu

♦ If the head chef does this because he always wanted to serve goat, then **Add Goat Dishes** is a desired result

♦ If he added the goat dishes in an effort to have some new newspaper articles then **Add Goat Dishes** is a course of action achive a goal like **Increase Media Coverage**

■ There is a difference in failing desired results or courses of action

♦ If **Add Goat Dishes** is a desired result then the failure to achieve it is the end of the story

♦ If **Add Goat Dishes** is a means to achieving the goal **Increase Media Coverage**, then the failure to achieve it will lead to a search for other ways of getting media coverage

(Bridgeland & Zahavi 2009, p. 50)

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
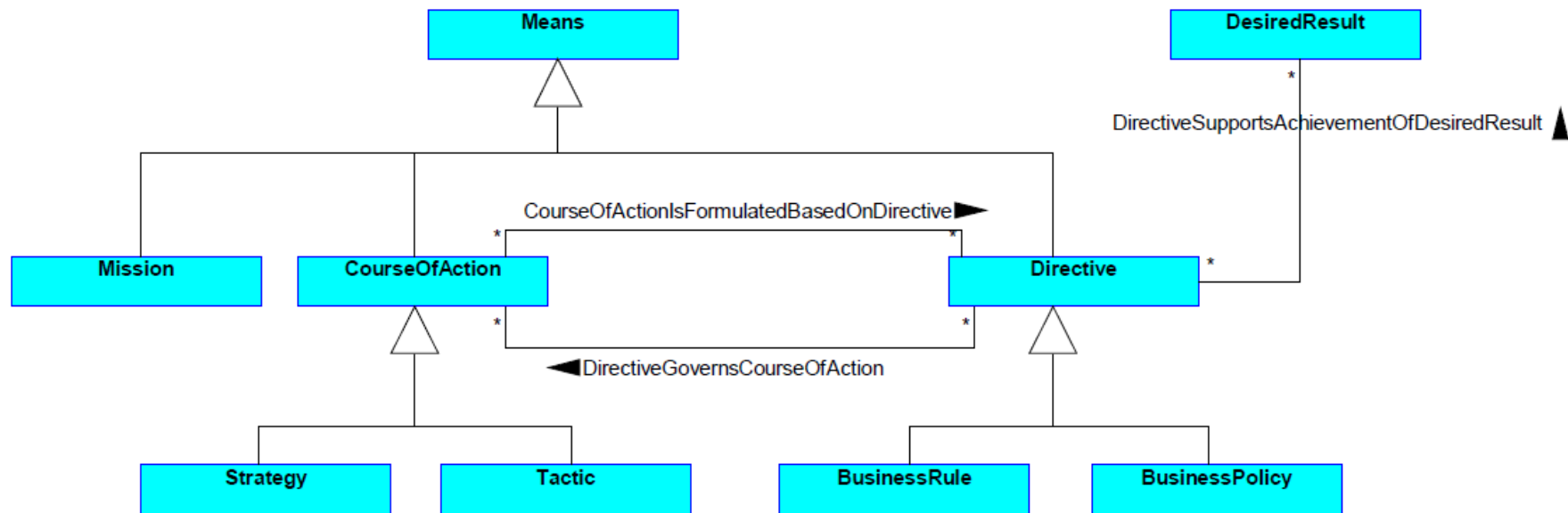
Business Policies and Business Rules

- 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.
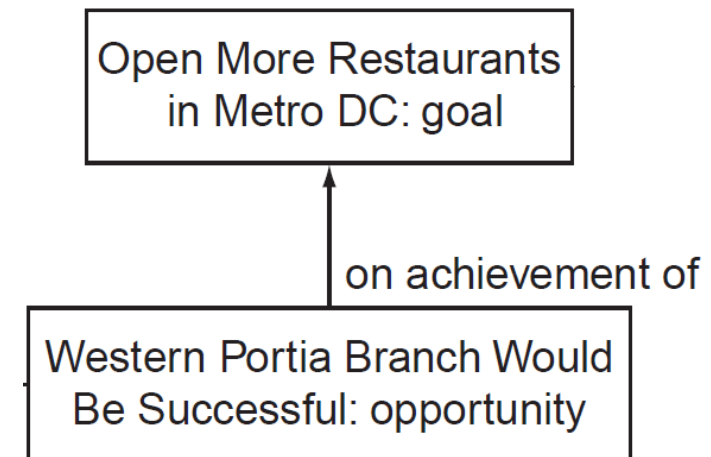
Assessments have an impact on Ends and Means

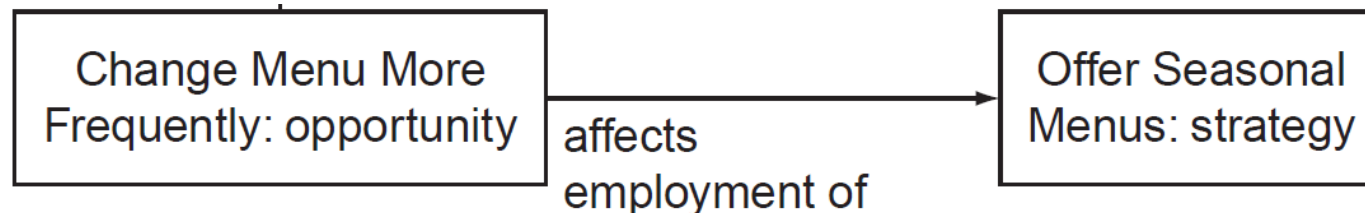## OMG Business Motivation Model

Assessments have an impact on Ends and Means

- An *Assessment* can directly have an effect *on the achievement* of an End (*Goal of Objective)* in order to

  - ♦ benefit from strengths

  - ♦ compensate weaknesses

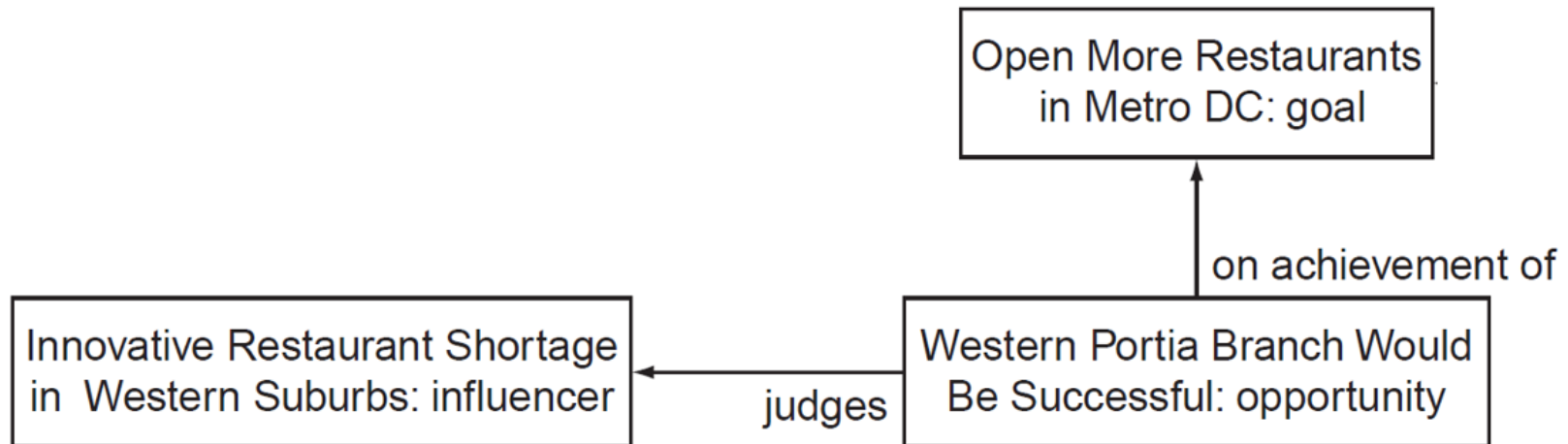 - ♦ seize opportunities

  - ♦ cope with threats

- An Assessment can also *affect the employment* of a *Strategy*

Open More Restaurants in Metro DC: goal

on achievement of

Western Portia Branch Would Be Successful: opportunity

Change Menu More Frequently: opportunity — affects employment of → Offer Seasonal Menus: strategy

(Bridgeland & Zahavi 2009, p. 55)

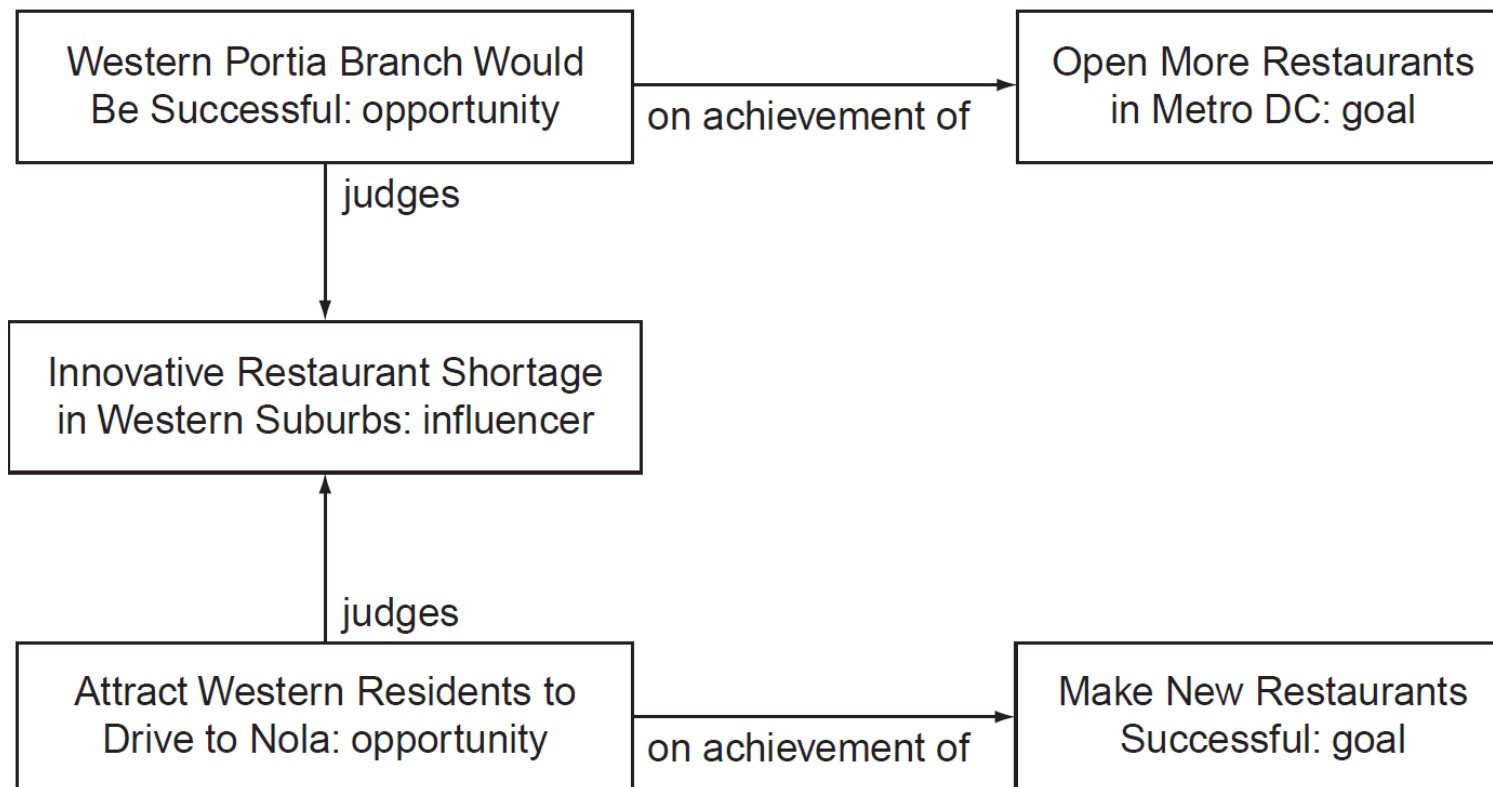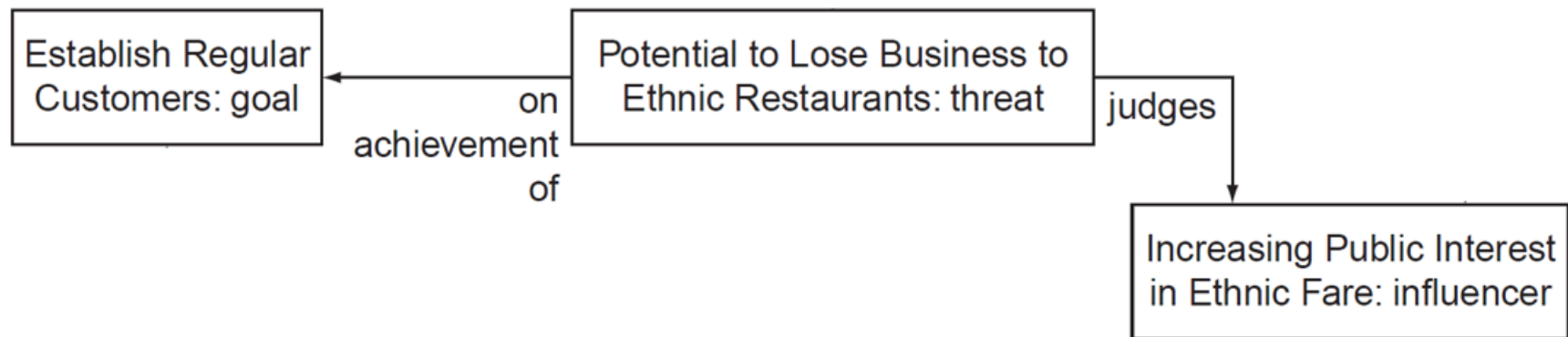# *Example: An Influencer, an Opportunity and a Goal*

Example: An Influencer and Two Opportunities

Sometimes a single Influencer can be judged to be more than one Opportunity and thus help achieve more than one Goal
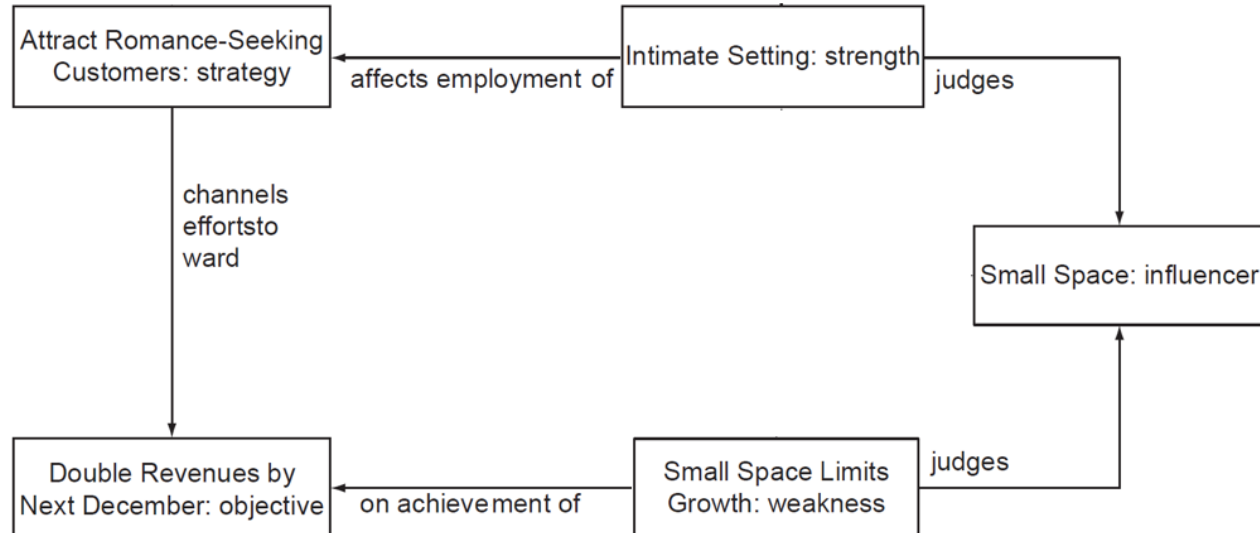
Threats and Goals

■ Threats can have an impact on Goals, Objectives and Strategies.

(Bridgeland & Zahavi 2009, p. 56)

Example: Strengths and Weaknesses and their impact on Strategy and Objective

(Bridgeland & Zahavi 2009, p. 59)

Literature

■ David M. Bridgeland, Ron Zahavi (2009). *Business Modeling – A Practical Guide to Realizing Business Value, Chapter 3.* Morgan Kaufman Publishers/OMG Press.

■ OMG (2014) Business Motivation Model, Version 1.2, http://www.omg.org/spec/BMM/1.2/PDF
(referenced as (OMG-BMM 2014))

Example: Situation

- A car insurance provides financial protection against physical damage and/or theft of a car. During claim processing an incoming claim is investigated and it is determined if the claim is covered by the terms of the insurance contract. If so, the reasonable monetary value of the claim is determined and payment is authorized.

- Clients often complain that the claims processing takes too long. Furthermore there are many complaints against decisions.

- Assume you want to convince our management that they should sponsor your transformation project. What do you need to tell them?

Before a project starts

♦ Reasons for a project: Trigger, Assessment

♦ Goals of a project

♦ Approach of the project