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## Lecture 1 Introduction

Whenever you interact with an organisation, you are a participant in the process eg.

opening bank account, enrolling at uni

An organisation is a collection of processes

### What is a business process?

A collection of related events, activities and decisions that leads to an outcome

A collection of things that are done to achieve something in the end

What companies do whenever they deliver a service or a product to customers

How businesses deliver value/what customers want

## Process categories

### Application to Approval

- Starts with an application of some sort which goes through a set of stages and ends with either a positive or negative outcome (either it's approved or it's not)
- Eg. we are all here because of a positive outcome (enrol at uni and got accepted)
- Common in government agencies, for example when a citizen applies for a building permit or when a businessman applies for a permit to open a business (eg. a restaurant)
- Another example is the process for approval of vacation or special leave requests in a company

### Procure to Pay

- Collection of tasks/decisions that are undertaken by a bunch of people or a single person to make sure an organisation can purchase a product
- Starts when someone in an organization determines that a given product or service needs to be purchased
- Ends when the product or service has been delivered and paid for
- Process includes activities such as obtaining quotes, approving the purchase, selecting a supplier, issuing a purchase order, receiving the goods (or consuming the service), checking and paying the invoice
- Can be seen as the dual of quote-to-cash process in the context of business-to-business interactions
- For every procure-to-pay process there is a corresponding quote-to-cash process on the supplier's side

### Order to Cash

- Performed by vendors
- Starts when a customer submits an order to purchase a product or a service and ends when the product or service in question has been delivered to the customer and the customer has made the corresponding payment
- Process encompasses activities related to purchase order verification, shipment (in the case of physical products), delivery, invoicing, payment receipt and acknowledgment

### Quote to order

- Requests for quotes that might come before order to cash/before someone orders
- They might want the quote first because that's how their organisation works
- Starts from the point when a supplier receives a "Request for Quote" (RFQ) from a customer and ends when the customer in question places a purchase order based on the received quote
- Order-to-cash process takes the relay from that point on
- Combination of a quote-to-order and the corresponding order-to cash process is called a quote-to-cash process

### Issue to Resolution

- Typical in service companies
- Starts with a complaint being made and then there is a process that is followed to resolve that (eg. when a customer raises a problem or issue, such as a complaint related to a defect in a product or an issue encountered when consuming a service)
- Process continues until the customer, the supplier, or preferably both of them, agree that the issue has been resolved

Procure to pay and order to cash go hand in hand

Whenever there is procure to pay, there is order to cash somewhere on the other end