

Computer Guidance Corporation

Functional Business Process Review



Smarter Construction

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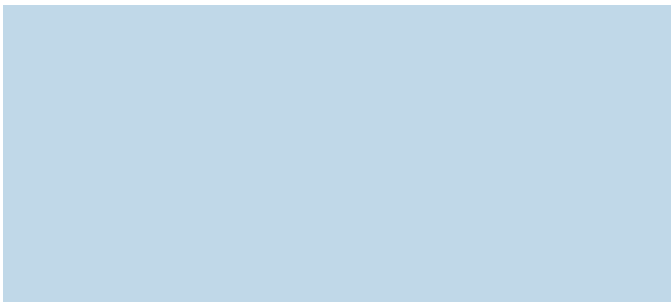
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Purpose of Functional Business Process Review

The purpose of Computer Guidance Corporation's Functional Business Process Review is to identify and evaluate the effectiveness of each operational and financial business process within the customer environment. During the evaluation process, the Computer Guidance team provides best practice and process improvement recommendations and establishes guidelines for the implementation of our eCMS construction management solution, whether upgrading to a new version or starting a new implementation of our eCMS solution. The implementation guidelines include recommendations for setting up eCMS and establishing the appropriate solution preferences and defaults.

The Functional Business Process Review (FBPR) is the first step in our strategic approach in helping our customers to improve their entire business processes. FBPR takes a comprehensive look at all processes of the business, from the fabrication shop floor to operations and from accounting to ownership. FBPR takes a detailed snapshot of where the business is right now, where it is headed and helps it pinpoint what can be done in the current and future environments for improving operational efficiencies. The end result is seeing process improvement move from a project-based idea to a cultural orientation with emphasis on:

- Eliminating errors (manual and electronic)
- Minimizing delays of information workflow
- Minimizing duplicate activities
- Promoting understanding and organization-wide communication
- Easier utilization of technology solutions
- Applying technology solutions and making them adaptable to customer's changing needs
- Providing the organization with a competitive advantage
- Reducing excess headcount where applicable
- Minimizing Duplicate Activities

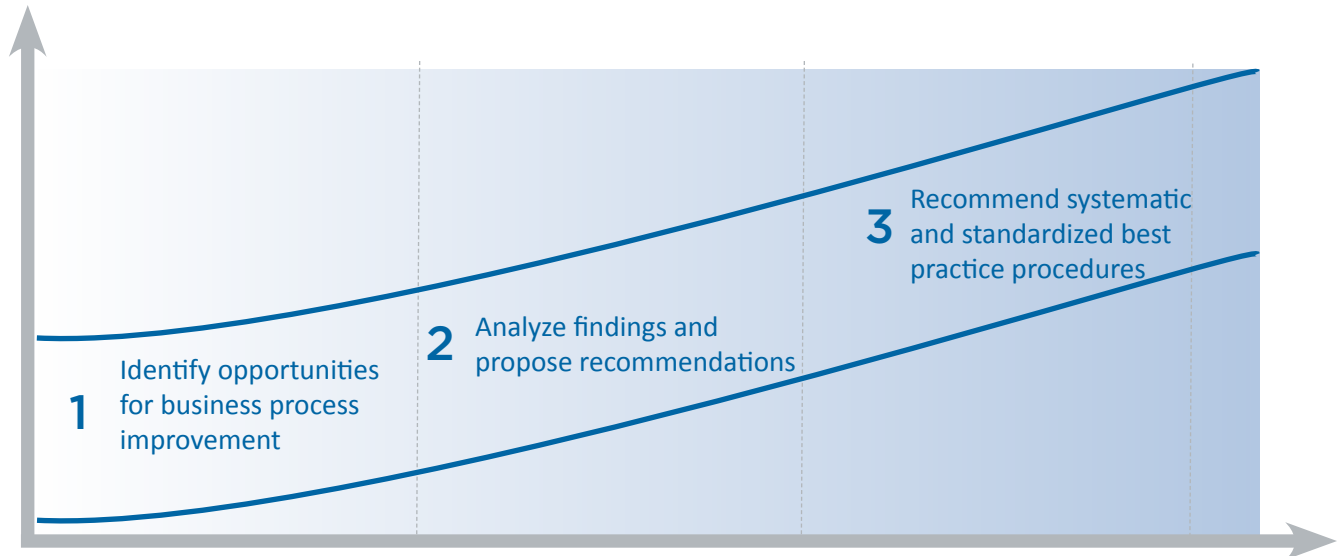
Benefits of Functional Business Process Review

The primary benefits of a Functional Business Process Review are centered on process standardization opportunities, reduction and/or elimination of redundant, manual data collection methods, minimization of the dependency on spreadsheets for analysis and reporting, and planning for operational and financial new solution deployment. The greatest benefits are achieved when the desired business outcomes for the new solution are identified, evaluated and monitored throughout the entire process.

Stages of Functional Business Process Review

Assessing the past, altering the present and affecting the future

The Functional Business Process Review contains an Interview Stage, an Analysis Stage and a Recommendation stage. The culmination of these stages provides for a detailed set of instrumental initiatives used to attain the highest level of improved business process effectiveness.



During **the Identification Stage**, a clear and fundamental understanding of the current business model(s) is being assessed while anticipating for upcoming changes to the business model(s) and reviewing their impact on current business processes by department. In addition, current custom and off-the-shelf software solutions are being reviewed in order to successfully attain the maximum opportunity achievement across all departments. Management's vision and desires for improved efficiencies coupled with detailed staff interviews are taking place within the Information Technology, Financial & Operational departments to create an environment for accelerated process improvement. Departmental staff are being asked specific, objective, procedural and operational questions in regard to data collection, data processing and associated workflow. Each staff will also be asked to engage in subjective discussions centered on procedural improvement, operational efficiencies and new Enterprise Resource Planning (ERP) solution setup.

Data Collection

- Auditing technological, administrative, external and human factors of the process
- Interviews and surveys to collect data from workers, managers and external contributors
- Analyzing workflow charts, performance measures and appropriateness of controls
- Analyzing process inputs: customer requirements, labor, equipment, subcontract work, etc.

Data Processing

- Technical and methodical expertise carried out by appropriate specialists
- Qualifying and investigating existing problems to be able to rank them
- Discussions with focus groups, where applicable, to conclude appropriate resolutions
- Researching possible ways to rectify situation and recommend them to the organization

Stages of Functional Business Process Review

Assessing the past, altering the present and affecting the future

Identification Process Outline

- Visualizing the business process map (creating a chart of successive steps and operations)
- Reviewing the operating environment and characterizing it in clear-cut terms
- Discussing the problems that appear with the current process in the current environment
- Identifying and qualifying problems once sufficient evidence is gathered
- Conducting a series of interviews with process participants to brainstorm why the problems exist and how to resolve them
- Reviewing the business process documentation to making sure that it accurately reflects the manner that the actual business functions
- Analyzing business process products and services to identify decreases of their effectiveness
- Creating extended business process plan to depict how different inputs (customer requirements, materials, labor, etc) are coming into the process at every step
- Applying different process review methodologies:
 - Applying troubleshooting procedures to identify faulty process steps
 - Interviewing workers to gather their input about the process problems
 - Testing out business process technological components and infrastructure
 - Driving the process model through different scenarios to review its effectiveness
- Evaluating internal controls, policies and procedures used to govern the process



automating, eliminating, standardizing and optimizing business processes

Stages of Functional Business Process Review

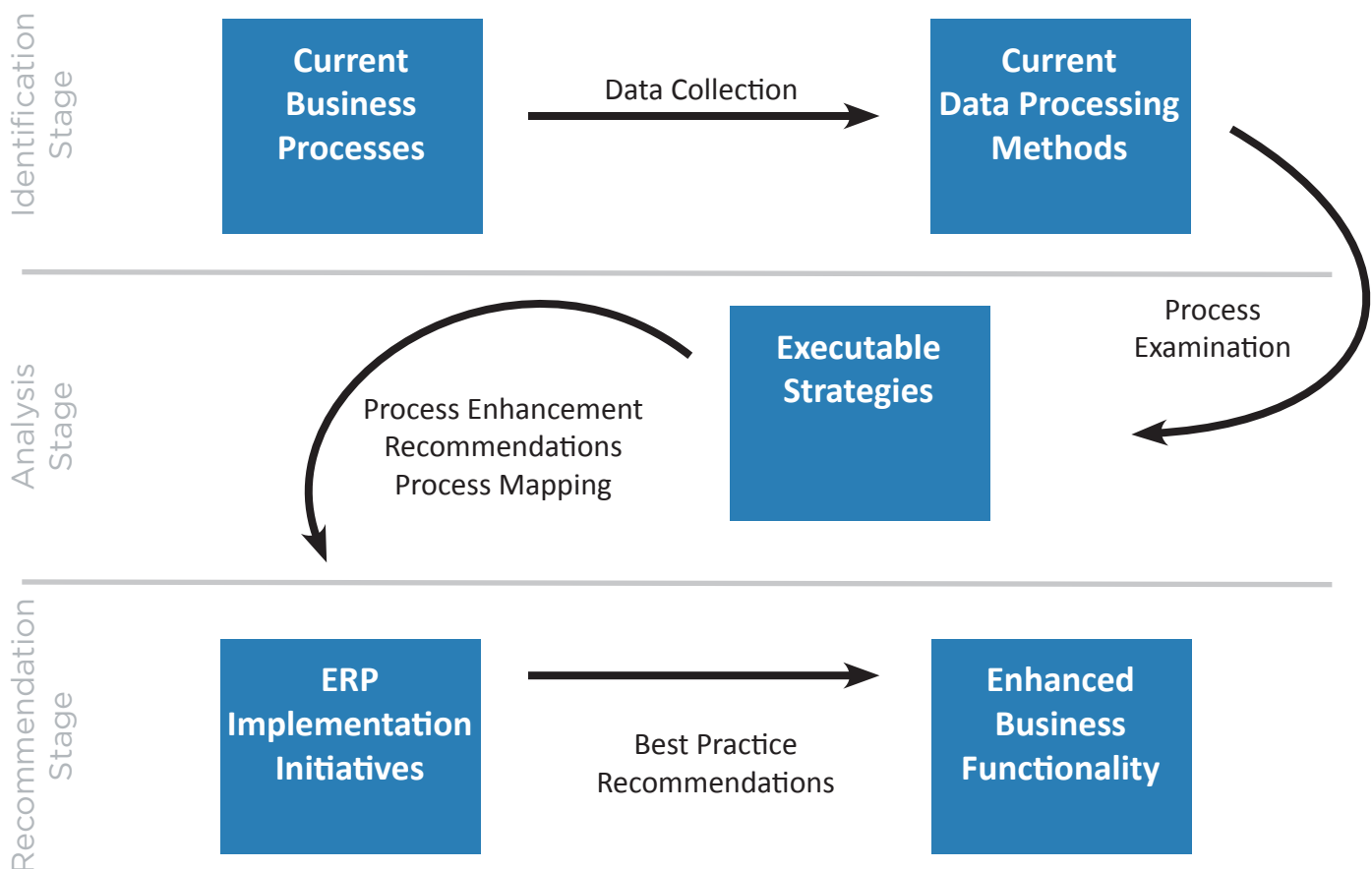
Assessing the past, altering the present and affecting the future

During **the Analysis Stage**, the Computer Guidance team reviews identification details, examines processes, provides recommended process enhancements, formulates best practice initiatives and creates an executable strategy for successful and efficient ERP software implementation.

During **the Recommendation Stage**, the Computer Guidance team clearly identifies a strategic plan for operational efficiency gains, introduces process mapping, reports recommendations for best practice options, and presents specific initiatives for implementation to best align with management's desired business objectives. In addition, our team provides a detailed ERP solution implementation plan with recommended specific professional services engagement activities and supporting project timeline.

Duration of Functional Business Process Review

By conducting the Functional Business Process Review in stages, the onsite interviews can take one or more weeks followed by the Analysis Stage that may run 1-4 weeks in duration and the final Reporting Stage is generally conducted within a week. The overall Functional Business Process Review is estimated to be 45 days.



automating, eliminating, standardizing and optimizing business processes

Guidelines for conducting FBPR Interviews

The following is a general guideline for conducting Functional Business Process Review interviews. Flexibility of these guidelines is necessary, because many action items vary depending on the topic of the FBPR.

The guidelines have been organized into the following categories:

- Selection of Process Review Topics (Management, Financial, Operational and Business Intelligence)
- Selection of Team Members/Identification of Review Team Leaders
- Development of interview schedule
- Development of Purpose and Scope
- Departmental Reviews
- Process Review Observations

Selection of FBPR Topics

Computer Guidance, with the assistance of our customer's departmental staff is responsible for collecting, organizing, and distributing a proposed list of topics (Functional Business Process Review Questionnaire). These submittals should consist of organized and structured topics, identified and detailed questions and are to be distributed in advance of the identification start date. This allows for better preparation and evaluation of topics and eliminates some of the "on-the-spot" decision-making.

Selection of Team Members/Identification of Review Team Leaders

Teams are selected in advance of the Interview meetings in order to get the reviews organized and guidelines developed in a timely manner. All Departments are given the opportunity to participate on the review teams. Generally, two or three operational staff members with two or three Head office staff make up a core process review team.

The customer team leaders need to have substantial knowledge in the review area. It is the responsibility of the review customer team leader to organize the review and keep the review on track and within scope.

The customer team leader is the central point of contact for Computer Guidance and he/she provides guidance on the direction that the Head office wants to take with the review. Communication between the team leader and team members is essential to ensure that all affected departments are informed of the progress and preliminary observations of the review.

The customer team leader is to serve as the focal point for all communication concerning the process review at the Company and Departmental levels and is responsible for arranging a meeting time and place for the review as well as coordinating with all personnel involved in the review.

Guidelines for conducting FBPR Interviews

Development of Purpose and Scope

The development of a purpose and scope is very important in defining the process review. If a team member believes it is necessary to deviate from the intended purpose and scope identified through the topic briefing, the team is to meet with the customer team leader before proceeding.

A review team needs to develop a finalized “Purpose”, which clearly states the objective of the review. If the review includes a specific issue for improvement, the purpose needs to include background information and desired changes.

The Scope of Review generally includes the number of Companies/Departments involved, the number of projects to be reviewed, the specific action items (key steps in the process) to be reviewed in each Department, and the review schedule, all as applicable.

Process reviews sometimes require a client Head Office review in order to assess the procedures and responsibilities of the Departmental staff. Since Client Head Office has the primary responsibility of policy development and project oversight, it is very important that the appropriate Departments be reviewed as a part of the overall process. It is suggested, but not necessary, that the Head Office review is to be conducted prior to any of the Departmental reviews.

Departmental Reviews

Departmental reviews are intended to establish company-wide trends for the particular topics under review. The number of team members participating in a Departmental review are to be kept to one to three key individuals. It is important that there is an appropriate mix of both Management, Financial and Operational team members on the reviews. All process review team members are to attend the first project briefing review in order for the entire team to be familiar with what is expected in conducting subsequent reviews.

Process Review Observations

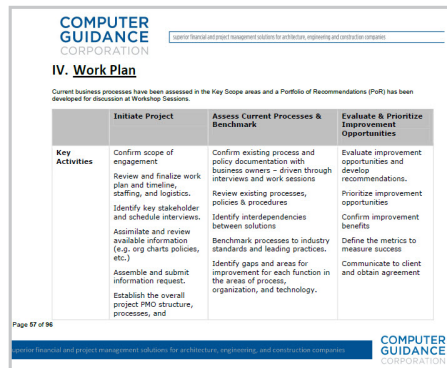
The purpose of the Functional Business Process Review report is to summarize the results of the Company/ Departments interviews and to document the team’s observations and recommendations and the comments from the Departments. A high-quality process review requires follow-up on observations to ensure that all resolutions to recommendations are implemented.

A final step in the follow-up process is the development of an annual summary report of all the process reviews. This summary report is produced by the customer, including customer team leader, program coordinators and Management. It concisely states the purpose and scope of the reviews along with the significant observations, recommendations and the status of implementation of resolutions.

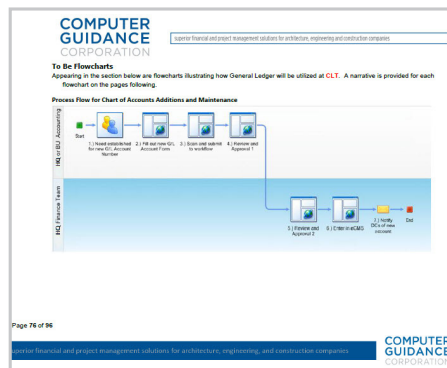
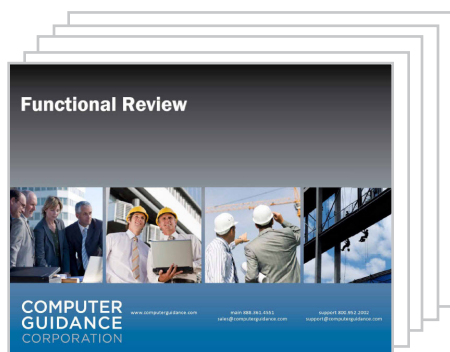
Summary of Functional Business Process Review

The Computer Guidance Functional Business Process Review is an ongoing endeavor, as business changes so do its processes. Ideally, business make a sincere attempt annually, when renewing and reviewing current processes to ensure they are still in place with an eye towards determining optimal performance methodologies and additional efficiency opportunities. Computer Guidance's eCMS ERP solution plays an enormous role, although, not the only role, in enhancing effectiveness. The human factor is the best tool we have to embrace cultural orientation.

Work Plan



Process Flowcharts



Scope Areas

