

Constraining business function

Question: In the business layer, one of the concepts is business function. But how does one distinguish a business function and how is it being constrained?

Solution: Apply the following heuristics to distinguish business functions:

- Make a separate function for the *interactions with each environment actor*. For example a function for suppliers, consumers and government. This heuristic has the following specializations:
 - *Separating relationship management of other functions*: Make a distinct function for activities that deal with customer contacts. The customer meant here is the external customer of the company, but for large companies it might also be applicable for an internal customer (for example another department).
 - *Separation to market*: Make a distinct function for each customer segment/target group of the company. Examples of these groups are business customers and private customers.
- Make distinct functions for processes with different kind of *triggers* (business events). In this way processes can be identified with periodical triggers (monthly receipt of declarations) and with incidental triggers (quotation request). A specialization is:
 - *Case distinction*: Make distinct functions for activities that are related to different 'cases'. A company can make distinction between different damage claim cases: damages less than or greater than € 1000,-. In this example, a function for a small and a function for a large damage claim case could be distinguished.
- Make a distinct function for each *product group*, for example for activities related to damage insurance versus other insurance. A distinction can also be made centered around any business object:
 - *Distinction related to business object*: Make distinct functions for a group of activities, if they all work on a certain business object. This way, functions can be distinguished that have relation to invoices, cash flows, offers, customer history etc.
- Make a distinct function for each phase or state that a product can be in. In case of a damage insurance this could be for example distinct functions for requesting, reward raising and handling of damage claims, closing and management.
- Make a distinct function for a group of activities, in case the activities require special 1) skills, 2) expertise or 3) responsibilities. Examples are juridical knowledge, actuarial expertise, communication skills or authorizations for certain decisions.
- Make distinct functions for activities that *control* the primary process, especially planning and control.
- Make distinct functions for activities that *change* the primary process or its implementation. This leads for example to distinct functions for marketing, product development and system development.

Consequences: Not applicable.

Alternatives: Not applicable.

Relationships with other good practices: Comparable criteria and heuristics can also be used for application functions on the application layer.