



Business Capability Discussion

TCBAF Meeting

November 2010

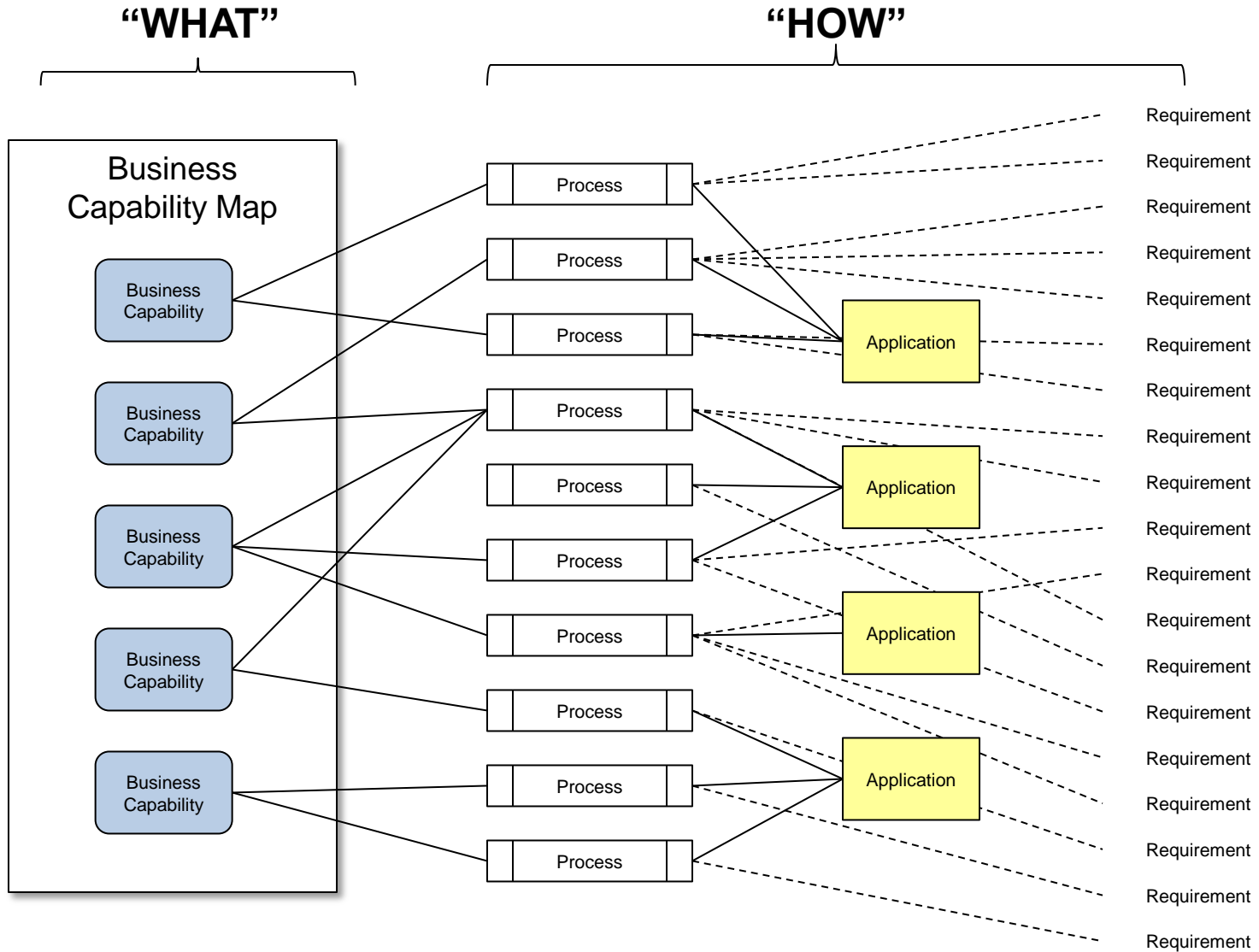
Business Capability Modeling: The View From Cargill

- Emerging as an Enterprise Architecture tool to enable
 - Better alignment of Business and IT
 - Creation of business oriented IT road maps
 - Identification of services and their levels
 - Focusing process improvement efforts
 - Identifying opportunities for outsourcing non-core functions or shared services
- Not same thing as or a replacement for Business Process model
 - Capabilities describe “what” the organization does...business processes describe “how” the organization performs the work
 - Mature capability maps (we are not there yet) include process, application, information, and organization relationships
 - Does NOT include all processes used by an organization
- Cross Multiple EA Domains (seen as an EA asset)

Use of Capability Maps at Tartan

- Project Tartan Implementation Roadmap Planning – Project Tartan is a corporate-wide process transformation initiative that includes the implementation of SAP
- Documenting the Tartan Reference Architecture
- Solution Definition for Tartan Projects
 - Ocean Bulk
 - Wave Two Business Units Pre-Deployment
 - Version Two
 - Future Version Definition [planned]
- Current State Analysis
 - Wave Three BUs
 - Wave Four Candidate BUs

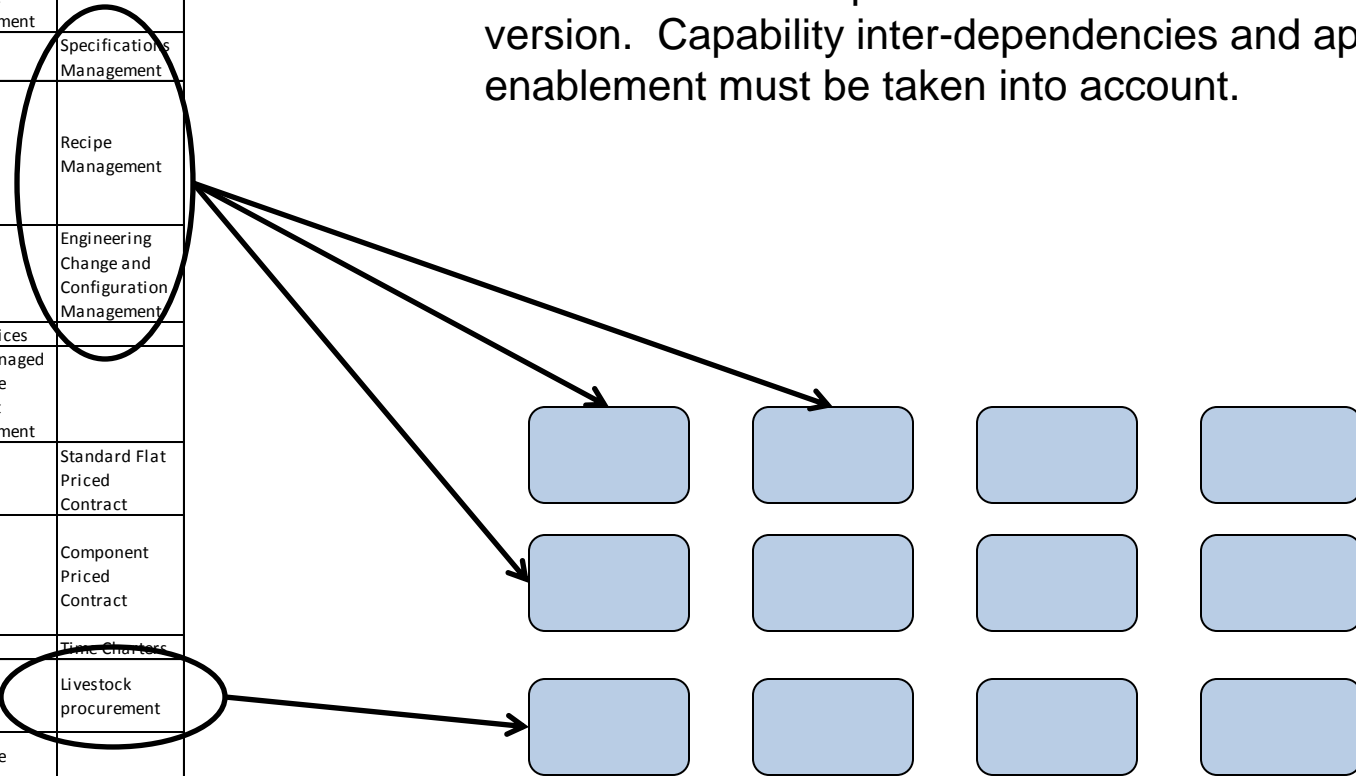
Use of Capability Maps at Cargill



Use of Capability Maps During Tartan Version Scoping

Level 0	Level 1	Level 2
Create Products		
	Product Lifecycle Management	
		Specifications Management
		Recipe Management
		Engineering Change and Configuration Management
Buy Goods & Services		
	Risk-Managed Purchase Contract Management	
		Standard Flat Priced Contract
		Component Priced Contract
		Time Chartered
		Livestock procurement
	Purchase Contract Application and Settlement	
		Standard rule based application
		Data Collection and Adjustments

We use the Tartan Master Capability Catalog to determine which capabilities are included in each version. Capability inter-dependencies and application enablement must be taken into account.



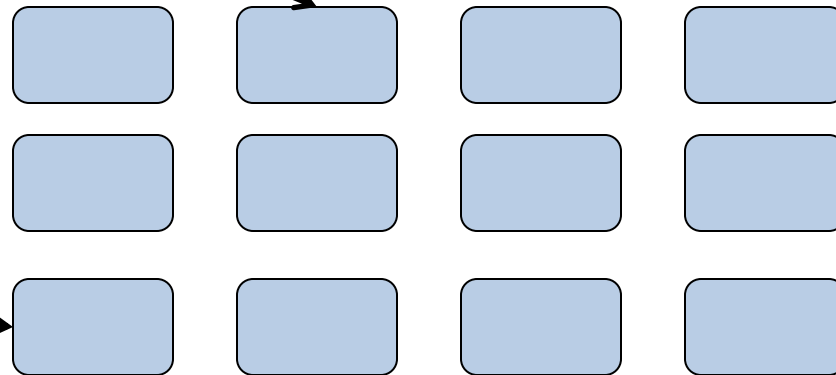
Tartan Version Capability Map Example

Create Products	Buy Goods & Services		Plan It & Make It				
Product Lifecycle Management	Buy-Managed Purchase Contract Management	Purchase Order Processing	Supply Chain Planning	Services Planning	Delivery of Services	Dangerous Goods Management	Manufacturing Shop Floor Integration
Intellectual Property and Patent Management	Purchase Contract Application and Settlement	Vendor Invoice Processing	Supply Network Planning	Process Manufacturing	Maintenance and Reliability	Industrial Hygiene and Safety Management	Warehouse Control Systems (WCS) or Warehouse Management System (WMS) Integration
Alliance Management	Strategic Sourcing	Accounts Payable Management	Demand Planning	Discrete Manufacturing	Quality	Occupational Health	Warehousing & Labeling
	Non-Buy-Managed Purchase Contract Management	Manage Purchase Commission Agreements	Sales and Operations Planning	Repetitive Manufacturing	Product Safety	Waste Management	Least Cost Formulation
Analyze & Target Customers	Purchase Requisitions Processing	Manage Purchase Rebate Agreements	National Requirements Planning	External Subcontracting	Inventory Materials Management	Emissions Management	Commodity Planning and Demand Management
Pricing Strategy		Vendor Self-Service	Production Planning and Detailed Scheduling	Internal Subcontracting	Store It & Ship It		
Pricing	Work With Customers & Sell It		Take the Order & Collect Payment		Non-Buy-Managed Materials Inbound Processing	Outbound Processing - Packaged Materials	Rail Transportation
Trade Promotion Management	Pre-Sales	Sales Planning and Forecasting	Global Available to Promise	Rebates	Buy-Managed Materials Inbound Processing	Outbound Processing - Bulk Materials	Barge Transportation
Lead Management	Buy-Managed Sales Contract Management	Sales Performance Management	Sales Order Processing	Billbacks	Storage - Packaged Material	Shipment Monitoring	Parcel Shipping
Campaign Management	Physical Trading	Territory Management	Sales Contract Application and Settlement	Royalties	Storage - Bulk Materials	Product Traceability	Direct Store Delivery (DSD)
Market Analysis	Non-Buy-Managed Sales Contract Management	Opportunity Management	Customer Invoice Processing	Manage Sales Commission Agreements	Vendor Managed Inventory - For Cargill	Fleet Management	Energy Distribution
Trading Strategy Development	Customer Self-Service	Sales Incentive and Commission Management	Accounts Receivable Management	Payments Processing	Vendor Managed Inventory - By Cargill	Truck Transportation	Ocean Bulk
Trade Contract Optimization			A/R Self-Service	Workflows	Logistics planning & scheduling for commodities	Container Transportation	
Report It, Manage Our People, Run the Company, Support the Business							
Costing	Planning	Fixed Assets	Contributions	Imports/Export and Customs Compliance Documentation	Non-Financial For Cash Management	Credit Limit Management	Foreign Exchange Position Management
Situations & Expense Reporting	Trading P&L [Calculation and Reporting]	Non-Buy-Managed Materials Inventory Valuation	Local Regulatory Financial Reporting	Utility Disburses	To-Stock Cash	Foreign Exchange Limit Management	Working Capital Position Management
Multi-Center Reporting	Trading P&L Reconciliation	Period End Close	IFRS Reporting	Indirect Tax	Financial For Cash Management	Working Capital Limit Management	Commodity and Freight Position Management
Profitability Analysis	Investment Management	Foreign Currency Conversions & Translation	Mark to Market	Direct Tax Compliance	Currency Exchange Rates and Reference Rates	Commodity and Freight Position Limit Management	Financial Trading
	Non-Capital and Non-Capital Project Expenditures	Intercompany Reconciliation		Tax Planning & Governance	Liquidity Planning (Cash Forecasting)	Credit Position Management	Asset Trading
Legend		Built	Buy-Built Additional to Build	Partially Built	Not Built		
							Version 2.0

Use of Capability Maps During Current State Analysis

Level 0	Level 1	Level 2
Create Products		
	Product Lifecycle Management	
		Specifications Management
		Recipe Management
		Engineering Change and Configuration Management
Buy Goods & Services		
	Risk-Managed Purchase Contract Management	
		Standard Flat Priced Contract
		Component Priced Contract
		Time Chartered
		Livestock procurement
	Purchase Contract Application and Settlement	
		Standard rule based application
		Data Collection and Adjustments

We use the Tartan Master Capability Catalog to determine which capabilities are required for each BU. The outputs are BU capability maps that can be used to determine fit to the current Tartan version, focus discussion during solution fit, and estimate localization efforts.



Current State Analysis BU Capability Map Example

Create Products	Buy Goods & Services		Plan It & Make It				
Product Lifecycle Management	Risk-Managed Purchase Contract Management	Purchase Order Processing	Supply Chain Planning	Services Planning	Delivery of Services	Dangerous Goods Management	Manufacturing Shop Floor Integration
Intellectual Property and Patent Management	Purchase Contract Application and Settlement	Vendor Invoice Processing	Supply Network Planning	Process Manufacturing	Maintenance and Reliability	Industrial Hygiene and Safety Management	Warehouse Control Systems (WCS) or Warehouse Management System (WMS) Integration
Alliance Management	Strategic Sourcing	Accounts Payable Management	Demand Planning	Discrete Manufacturing	Quality	Occupational Health	Bar-coding & Labeling
	Non-Risk-Managed Purchase Contract Management	Manage Purchase Commission Agreements	Sales and Operations Planning	Repetitive Manufacturing	Product Safety	Waste Management	Least Cost Formulation
Analyze & Target Customers	Purchase Requisitions Processing	Manage Purchase Rebate Agreements	Material Requirements Planning	External Subcontracting	Hazardous Materials Management	Emissions Management	Commodity Planning and Demand Management
Pricing Strategy		Vendor Self Service	Production Planning and Detailed Scheduling	Internal Subcontracting	Store It & Ship It		
Pricing	Work With Customers & Sell It		Take the Order & Collect Payment		Non-Risk-Managed Materials Inbound Processing	Outbound Processing - Packaged Materials	Rail Transportation
Trade Promotions Management	Pre-Sales	Sales Planning and Forecasting	Global Available to Promise	Rebates	Risk-Managed Materials Inbound Processing	Outbound Processing - Bulk Materials	Barge Transportation
Lead Management	Risk-Managed Sales Contract Management	Sales Performance Management	Sales Order Processing	Billbacks	Storage - Packaged Materials	Shipment Monitoring	Parcel Shipping
Campaign Management	Physical Trading	Territory Management	Sales Contract Application and Settlement	Royalties	Storage - Bulk Materials	Product Traceability	Direct Drive Delivery (DDV)
Market Analysis	Non-Risk-Managed Sales Contract Management	Opportunity Management	Customer Invoice Processing	Manage Sales Commission Agreements	Vendor Managed Inventory - for Cargill	Fleet Management	Energy Distribution
Trading Strategy Development	Customer Self-Service	Sales Inquiries and Commission Management	Accounts Receivable Management	Payment Processing	Vendor Managed Inventory - by Cargill	Truck Transportation	Ocean Bulk
Trade Contract Optimization			A/R Sales	Notifications	Logistics planning & scheduling for commodities	Container Transportation	
Report It, Manage Our People, Run the Company, Support the Business							
Costing	Planning	Fixed Assets	Consolidations	Import/Export and Customs Compliance Documentation	Non-Financial BU Cash Management	Credit Limit Management	Foreign Exchange Position Management
Allocations & Expense Reporting	Trading P&L (Calculation and Reporting)	Non-Risk-Managed Materials Inventory Valuation	Local Statutory Financial Reporting	Duty Drawbacks	In-House Cash	Foreign Exchange Limit Management	Working Capital Position Management
Profit Center Reporting	Trading P&L Reconciliation	Period End Close	IFRS Reporting	Indirect Tax	Financial BU Cash Management	Working Capital Limit Management	Commodity and Freight Position Management
Profitability Analysis	Investment Management	Foreign currency revaluation & translation	Mark to Market	Direct Tax Compliance	Currency Exchange Rates and Reference Rates	Commodity and Freight Position Limit Management	Financial Trading
	Track Capital and Non-Capital Project Expenditures	Intercompany Reconciliation		Tax Planning & Governance	Liquidity Planning (Cash Forecasting)	Credit Position Management	Asset Trading

Solution Fit to BU Capability Example

Create Products	Buy Goods & Services		Plan & Make It				
Product Lifecycle Management	Risk-Managed Purchase Contract Management	Purchase Order Processing	Supply Chain Planning	Services Planning	Delivery of Services	Dangerous Goods Management	Manufacturing Shop Floor Integration
Intellectual Property and Patent Management	Purchase Contract Application and Settlement	Vendor Invoice Processing	Supply Network Planning	Process Manufacturing	Maintenance and Reliability	Industrial Hygiene and Safety Management	Warehouse Control Systems (WCS) or Warehouse Management System (WMS) Integration
Allyance Management	Strategic Sourcing	Inventory Position Management	Demand Planning	Element Manufacturing	Quality	Operational Health	Revolving & Lending
	Non-Risk Managed Purchase Contract Management	Manage Purchase Commission Agreements	Sales and Operations Planning	Repetitive Manufacturing	Product Safety	Waste Management	Lean Cost Promotion
Analyze & Target Customers	Purchase Requirements Processing	Manage Purchase Return Agreements	Subsidiary Requirements Planning	External Subcontracting	Hazardous Materials Management	Process Management	Commodity Planning and Demand Management
Prong Strategy		Vendor Self-Service	Production Planning and Detailed Scheduling	Internal Subcontracting	Work & Mfg It		
Process	Work With Customers & Sell It		Take the Order & Collect Payment		Risk-Managed Material Inbound Processing	Customer Processing - Packaged Materials	Rail Transportation
Trade Promotion Management	Pre-Sales	Sales Planning and Forecasting	Global Accounts to Process	Rebate	Risk-Managed Material Inbound Processing	Industrial Processing - Bulk Materials	Barge Transportation
Lead Management	Risk-Managed Sales Contract Management	Sales Performance Management	Sales Order Processing	Invoice	Storage - Packaged Materials	Inventory Monitoring	Parcel Shipping
Campaign Management	Physical Trading	Territory Management	Sales Contract Application and Settlement	Rebate	Storage - Bulk Materials	Product Traceability	Direct Store Delivery (DSD)
Market Analysis	Non-Risk Managed Sales Contract Management	Opportunity Management	Customer Invoice Processing	Manage Sales Commission Agreements	Vendor-Managed Inventory - On-Cargo	Fleet Management	Energy Distribution
Trading Strategy Development	Customer Self-Service	Sales Incentive and Commission Management	Inventory Reconciliation Management	Payment Processing	Vendor-Managed Inventory - By-Cargo	Road Transportation	Overseas Bulk
Trade Contract Optimization			API Sales	Revolving	Logistics Planning & Scheduling for Commodities	Container Transportation	
Report It, Manage-the People, Run-the-Company, Support the Business							
Costing	Planning	Trade Assets	Commodities	Import/Export and Customs Compliance Documentation	Non-Financial B2B Cash Management	Credit Limit Management	Foreign Exchange Position Management
Relationship & Expense Reporting	Trading P&L Calculation and Reporting	Non-Risk Managed Supplier Inventory Reduction	Lead Shipping Invoicing Reporting	Trade Receivables	On-House Cash	Foreign Exchange Limit Management	Working Capital Position Management
Risk Control Reporting	Trading P&L Reconciliation	Period End Close	MRP Estimating	Interest Pay	Financial B2B Cash Management	Working Capital Limit Management	Commodity and Freight Position Management
Profitability Analysis	Investment Management	Foreign Income Reconciliation & Distribution	Work in Market	Direct Tax Compliance	Currency Exchange Rates and Reference Rates	Commodity and Freight Position Limit Management	Financial Trading
	Bank Capital and Non-Bank Capital Project Coordination	Intercompany Reconciliation		Tax Planning & Governance	Inventory Planning (Cash Forecasting)	Credit Position Management	Swap Trading