



# BUSINESS PROCESS EXCELLENCE MAKES ECO-MANUFACTURING DREAM A REALITY



## Customer Profile

The Longyan Tobacco Factory was founded in 1961 and began operating in 2007 as the Longyan Tobacco Industry Co., Ltd. The company is well known for being the very first state-owned tobacco company in the Republic of China's Fujian Province and is by far the largest. In 1998, it was named one of the top 20 major companies in this sector by China Tobacco. Longyan and Xiamen Tobacco Industry Co., Ltd. are wholly owned subsidiaries of China Tobacco Fujian Industrial Co., Ltd.

## New Challenges

- Pressure to drive continuous process optimization
- Need for innovative manufacturing processes
- Urgently required mapping of end-to-end business processes
- More visibility needed through process analysis
- Insufficient tools to design, simulate and test new processes

## Software AG Solutions

Digital Business Platform:

- Process Transformation & Management powered by ARIS

## Key Benefits

- Increased process efficiency
- Delivered on eco-manufacturing goals
- Reduced manufacturing costs
- Gained process visibility company-wide
- Enabled innovation in the business process management system

## Best practice - better process

Longyan Tobacco Industry Co., Ltd. (Longyan) is committed to providing the people of the coastal Fujian Province with the finest quality tobacco products. As a state-owned company in the consumer staples sector, Longyan is also responsible for improving the profitability, long-term prospects and market value of this public asset.

To succeed in its mandate, Longyan set out to adopt an emerging lean-management best practice: eco-manufacturing. This went to the heart of its efficiency strategy and was going to mean tackling its processes head on.

The company's goal: save resources, optimize more, eliminate unnecessary workflows and drive innovation wherever possible.

This represented a massive undertaking for a company that had never gone in the direction of full interoperability. A business process management initiative on this company-wide scale was going to need the right solution capable of optimizing Longyan's entire manufacturing value chain. To add to this, it had to make good economic sense and be feasible for a company of Longyan's size.

*“Longyan uses Software AG's ARIS Architect and Designer to manage its end-to-end business processes. Now we can identify and eliminate useless, inefficient and low-value work flows concentrating on continuous improvement and excellence in lean management.”*

— **Luo Wangchun** | Deputy General Manager, Longyan Tobacco Industry Co., Ltd.

After scouring the marketplace, Longyan was confident it had found the right partner. Software AG's ARIS Process Transformation & Management Platform would not only be ideal for analyzing and optimizing its business processes to improve productivity, it would also ensure Longyan came out on top where governance was concerned.

And there was another major benefit that the competitors just couldn't beat: ease of use. ARIS would enable Longyan to easily visualize every single process, across multiple hierarchies using its multi-view, multi-layer, multi-link and full lifecycle functionality. To top it all off, the ARIS enterprise-wide business process design tool was exactly what Longyan needed to design and manage new and efficient processes in the future.

## The lean advantage

"In lean management, processes are the foundation upon which a business's entire operation is built," said Luo Wangchun, Deputy General Manager, Longyan. "By understanding and then progressively improving processes, a business can optimize resource allocation, improve management and better achieve desired outcomes. ARIS made all of this possible for us."

Since the implementation of the ARIS process-oriented model architecture in 2013, Longyan has used ARIS to develop its overarching process design. This began by systematically breaking down the operating process into a three-tier process architecture, covering functional, service and end-to-end processes. The resulting business blueprint is now Longyan's central management platform for lean management adoption.

## Improved ops

With more easily managed and continuously optimized processes, daily operation has become smoother and more efficient. Visibility of the business's current state has helped highlight management blind spots.

Longyan has also used ARIS to unify all business process management languages and create a common process framework with all process models connected dynamically.

Longyan's busy departments now update their process documentation using ARIS, which automatically generates new documents taking the text straight from the input process design. Now all corporate documents and process descriptions are highly consistent throughout the company, boosting operational quality.

But who's ensuring the process system itself is continuously improved? No worries! Longyan has also created a mechanism for that using ARIS.

## Where people and processes unite

So with the major phases of this project now long behind it, where does Longyan plan to go from here? "The key to realizing the maximum value from process improvement," Wangchun said, "is to make it continuous." That's why Longyan has regular process reviews and uses process modeling to analyze and optimize, and—most critically—collect feedback from all staff via an ARIS-enabled portal on how to innovate processes even more.

At the heart of this approach is the concept of "accelerated development to achieve continuous innovation." And it makes good use of ARIS to formulate process modeling standards in line with the business reality, while adapting them to changing management needs. The result is that management systems and actual processes at Longyan are now constantly in sync.

With people and processes on the same page, Longyan's eco-manufacturing ambitions are now easily within reach. Already the company is reporting massive efficiency savings and, with ARIS running the show, management can focus on ensuring that this state-run operation is as agile, innovative and lean as any other.

### ABOUT SOFTWARE AG

Software AG (Frankfurt TecDAX: SOW) helps companies with their digital transformation. With Software AG's Digital Business Platform, companies can better interact with their customers and bring them on new 'digital' journeys, promote unique value propositions, and create new business opportunities. In the Internet of Things (IoT) market, Software AG enables enterprises to integrate, connect and manage IoT components as well as analyze data and predict future events based on Artificial Intelligence (AI). The Digital Business Platform is built on decades of uncompromising software development, IT experience and technological leadership. Software AG has more than 4,500 employees, is active in 70 countries and had revenues of €879 million in 2017. To learn more, visit [www.softwareag.com](http://www.softwareag.com).

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