Business process (re)engineering implementation and strategies
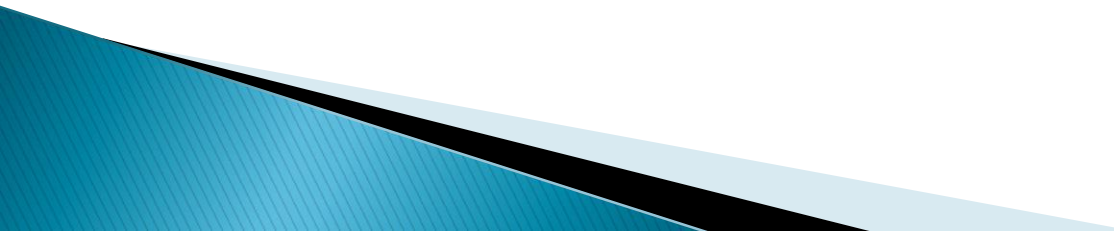
BPE

- Introduction
- Objectives
- Characteristics
- Life Cycle
- Success Factors
- Limitations
- Conclusion

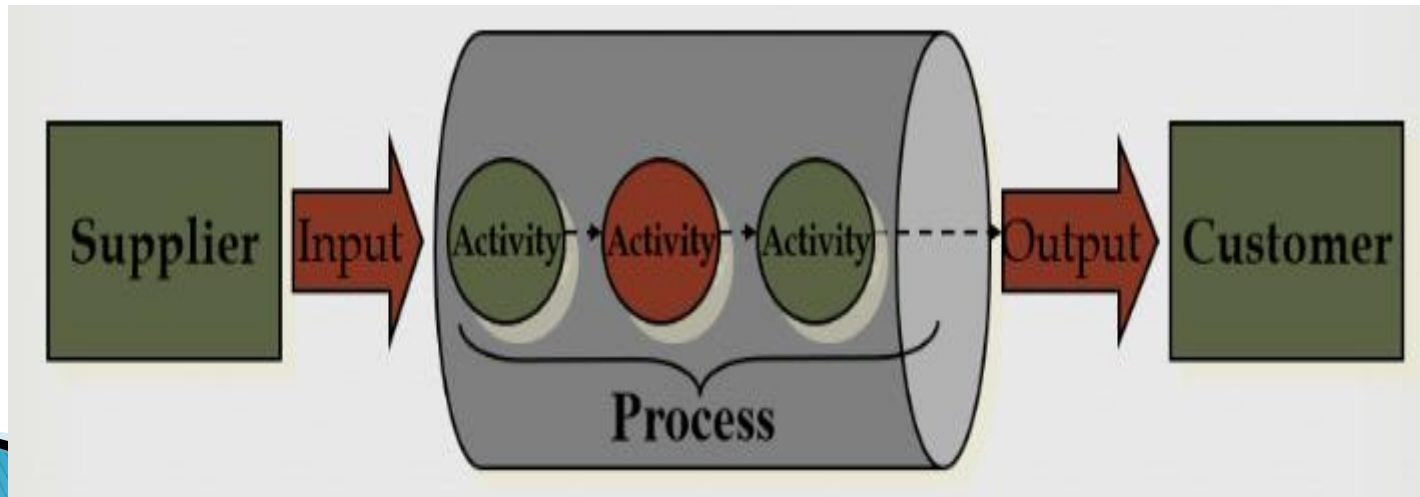# Definition Of BPR

▸ The fundamental rethinking and radical redesign of business process to bring about dramatic improvements in performance such as cost, quality, service and speed.

Fundamental

Radical

Process

Dramatic

What is Process

- A process is a cross-functional interrelated series of activities that convert business inputs into business outputs
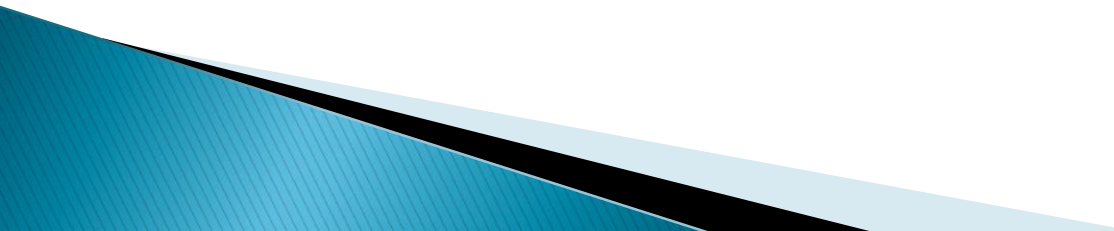
What is a Business Process

- A group of logically related tasks that use the firm's resources to provide customer-oriented results in support of the organization's objectives

Method Study Questions for Process Analysis

- What does the customer need?
- operations are necessary?
- Can some operations be eliminated, combined, or simplified?....
- Who is performing the job?
- Can the operation be redesigned to use less skill or less labor?
- Can operations be combined to enrich jobs? ....
- Where is each operation conducted?
- Can layout be improved?
- When is each operation performed? Is there excessive delay or storage?
- Are some operations creating bottlenecks?
- How is the operation done? Can better methods, procedures, or equipment be used?

Why Re-engineering?

- 3Cs – The Driving Force Behind Reengineering
- Customer
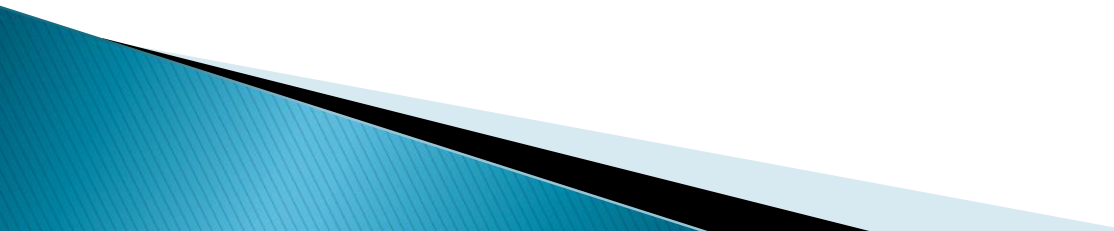- Competition
- Change

Driving Forces

- Customers
    - Demanding
        - Sophistication
        - Changing Needs
- Competition
    - Local
        - Global
- Change
    - Technology
        - Customer Preferences

Objectives of BPR:

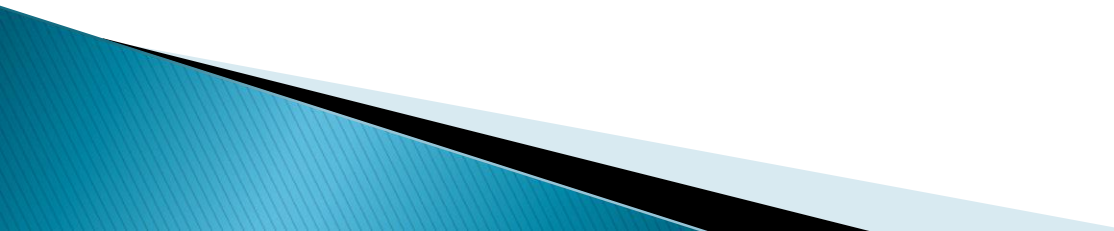- Speed
- Flexibility
- Quality
- Innovation
- Productivity

Characteristics of BPR

- Radical Improvement
- Integrated Change
- People Centered
- Focus on End-Customers
- Process-Based

Radical Improvement

- Sustainable
- Process improvements need to become firmly rooted within the organization
- Stepped Approach

Process improvements will not happen over night they need to be gradually introduced

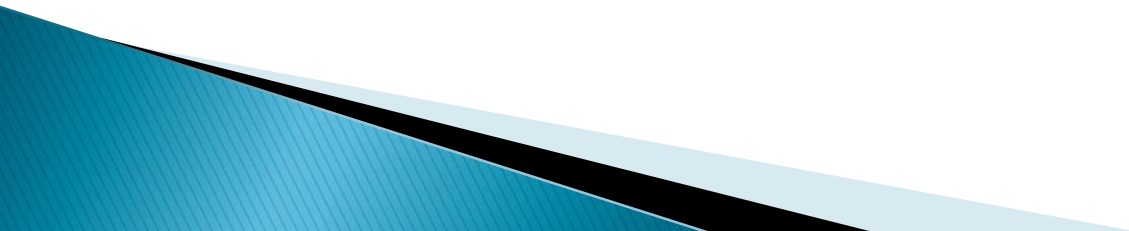Also assists the acceptance by staff of the change

Integrated Change

- Viable Solutions

  Process improvements must be viable and practical

- Balanced Improvements

  Process improvements must be realistic

People-Centered

- Business Understanding
  Empowerment & Participation
  Organizational Culture

Process Based

▸ Added Value

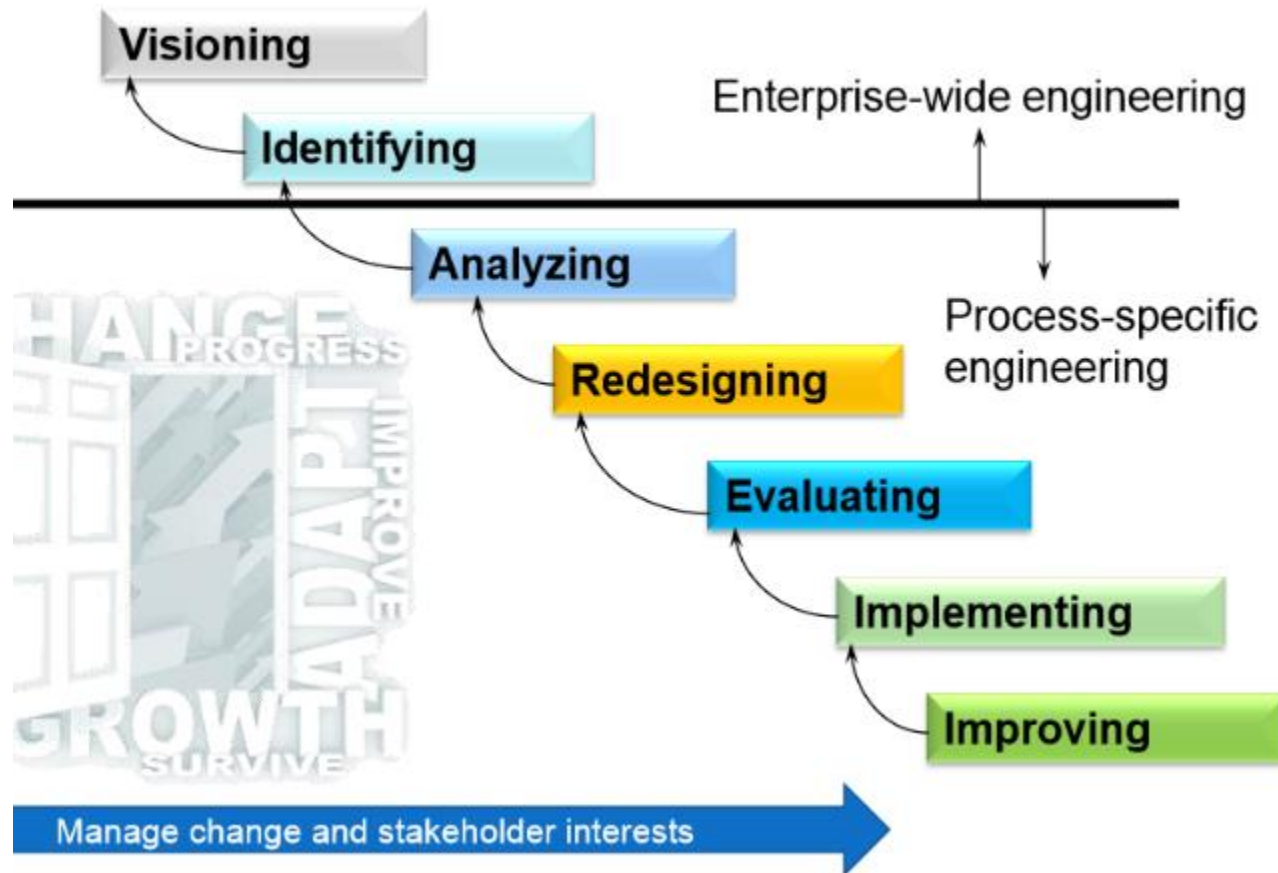   BPR Initiatives must add-value over and above the existing process

▸ Customer-Led
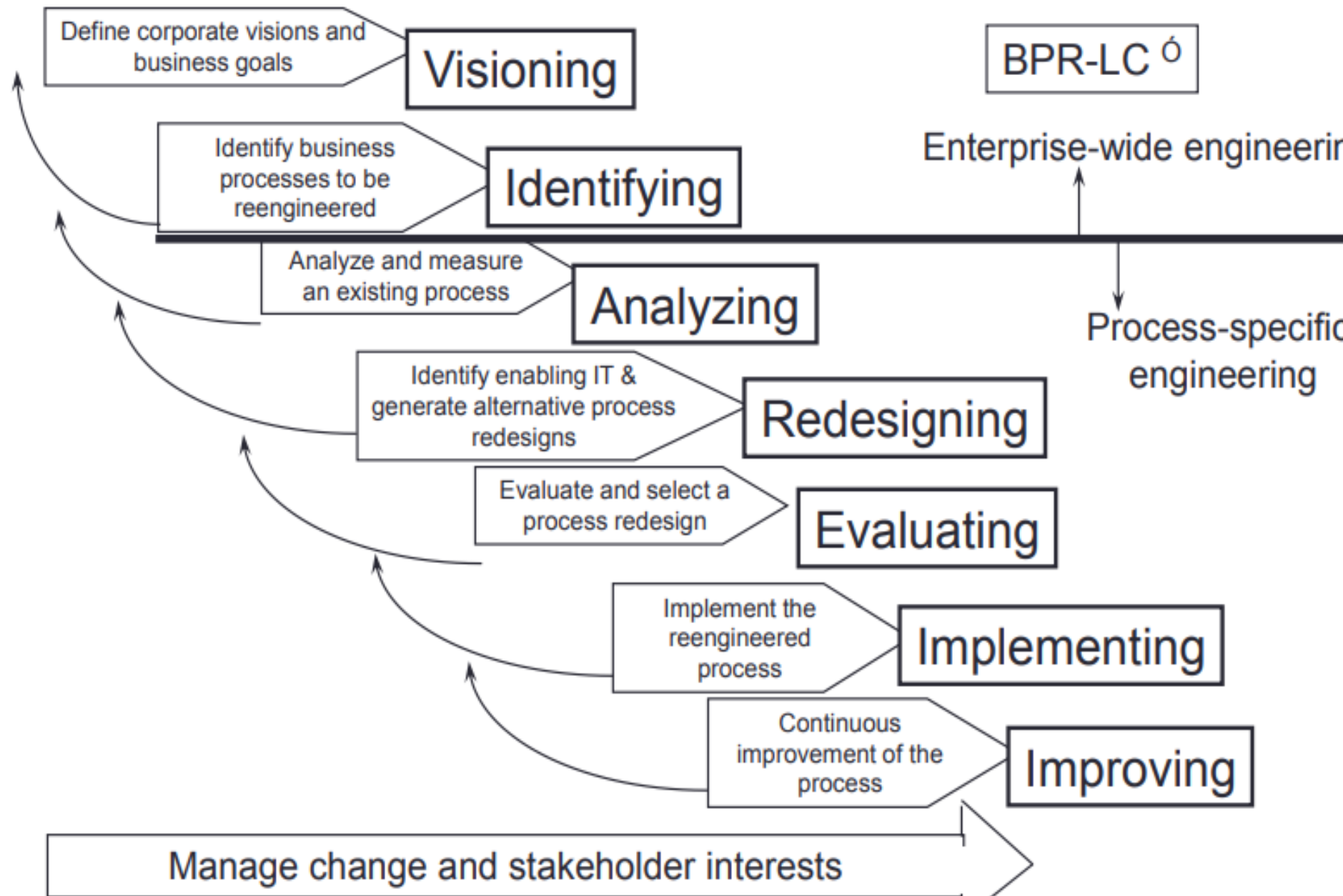
    BPR Initiatives must meet the needs of the customer

Focus on End Customers

- Process improvements must relate to the needs of the organization and be relevant to the end-customers to which they are designed to serve
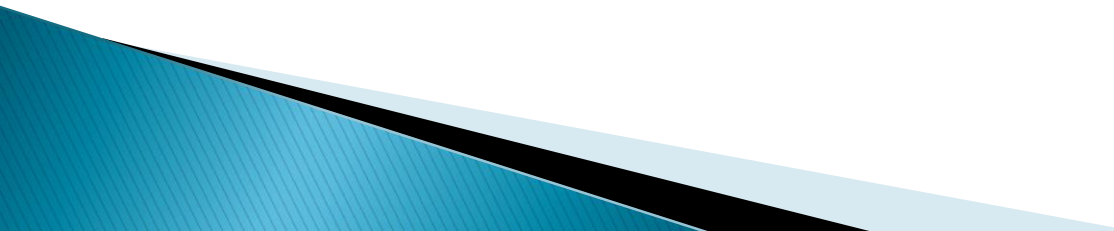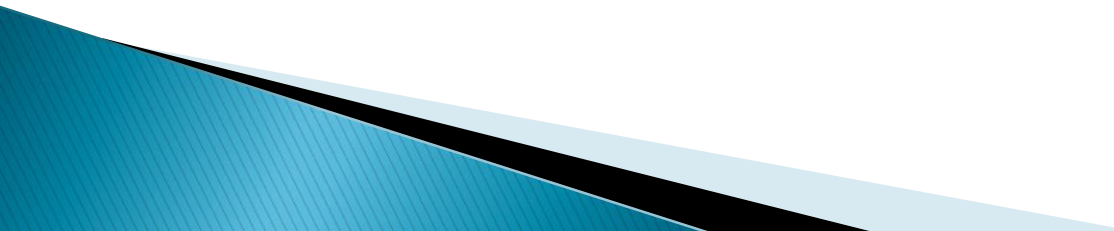
BPR Life Cycle:
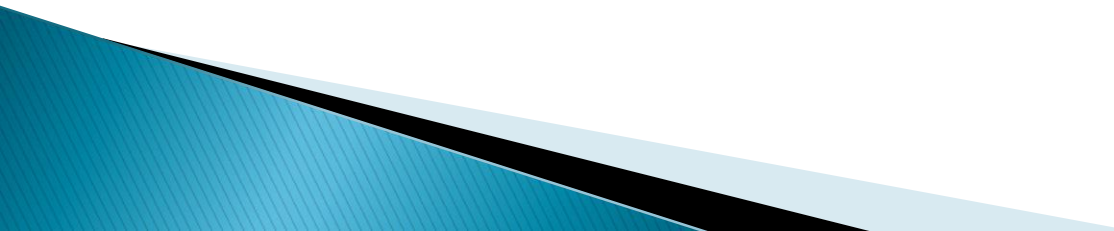
Business Process Reengineering Life Cycle

Define corporate visions and business goals → **Visioning**

Identify business processes to be reengineered → **Identifying**

Analyze and measure an existing process → **Analyzing**

Identify enabling IT & generate alternative process redesigns → **Redesigning**

Evaluate and select a process redesign → **Evaluating**

Implement the reengineered process → **Implementing**

Continuous improvement of the process → **Improving**

BPR-LC Ó

Enterprise-wide engineering

Process-specific engineering

Manage change and stakeholder interests

Success Factors Of BPR

- Clear Vision for Transformation
- Reduction of Cycle time
- Greater Accuracy
- Increased customer satisfaction
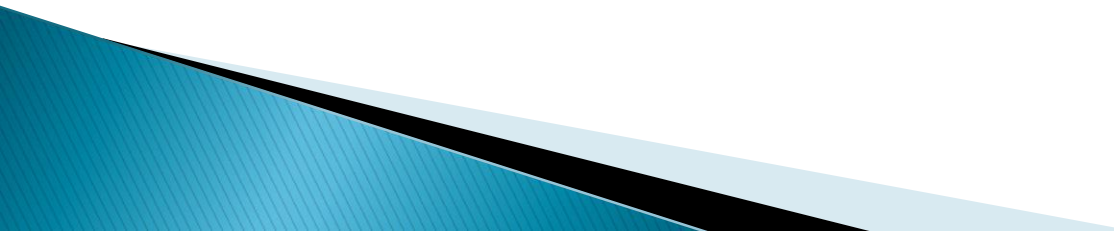- Reduced cost
- Change Management

Principles of re-engineering

- Organize around outcomes, not tasks.
- Identify all the processes in an organization and prioritize them in order of redesign urgency.
- Integrate information processing work into the real work that produces the information.

Principles of re-engineering

- Treat geographically dispersed resources as though they were centralized.
- Link parallel activities in the workflow instead of just integrating their results.
- Put the decision point where the work is performed, and build control into the process.
- Capture information once and at the source.

Implementing a BPR strategy

Key Steps
- ▸ Select The Process & Appoint Process Team
- ▸ Understand The Current Process
- ▸ Develop & Communicate Vision Of Improved Process
- ▸ Identify Action Plan
- ▸ Execute Plan

Select the Process & Appoint Process Team

▸ Two Crucial Tasks

Select The Process to be Reengineered

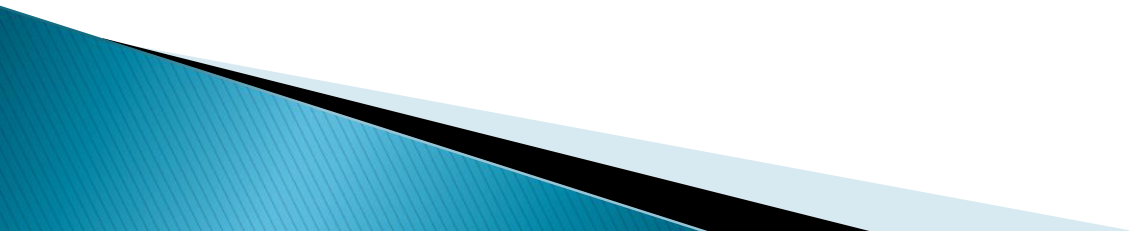Appoint the Process Team to Lead the Reengineering Initiative

Select the Process

- Review Business Strategy and Customer Requirements

Select Core Processes

Understand Customer Needs

Don"t Assume Anything

Select the Process

▸ Select Correct Path for Change

Remember Assumptions can Hide Failures

Competition and Choice to Go Elsewhere

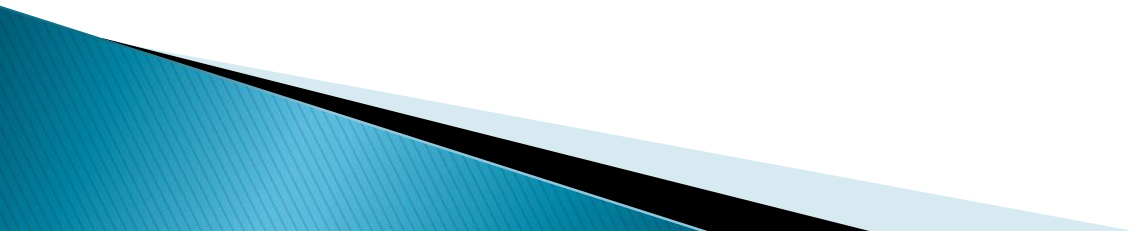Ask – Questionnaires, Meetings, Focus Groups

Appoint the Process Team
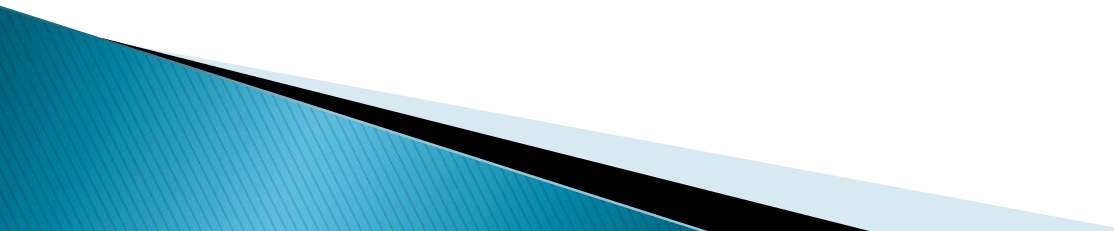
- Appoint BPR Champion

Identify Process Owners

Establish Executive Improvement Team

Provide Training to Executive Team

Core Skills Required

▸ Capacity to view the organization as a whole
Ability to focus on end-customers
Ability to challenge fundamental assumptions
Courage to deliver and venture into unknown areas
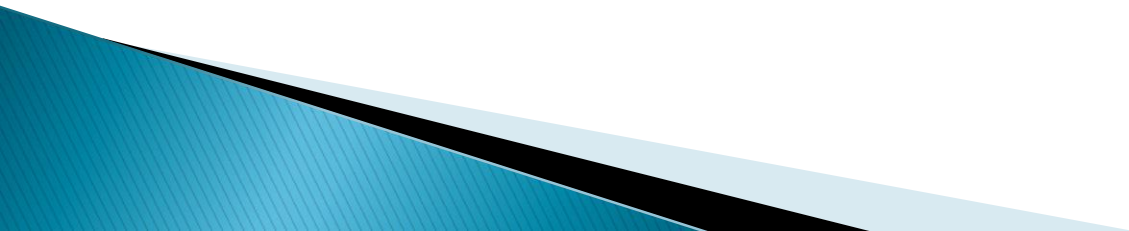Ability to assume individual and collective responsibility
Employ „Bridge Builders"

Use of Consultants

- Used to generate internal capacity

Appropriate when a implementation is needed quickly

Ensure that adequate consultation is sought from staff so that the initiative is organization-led and not consultant-driven

Control should never be handed over to the consultant

Understand the Current Process

▸ Develop a Process Overview
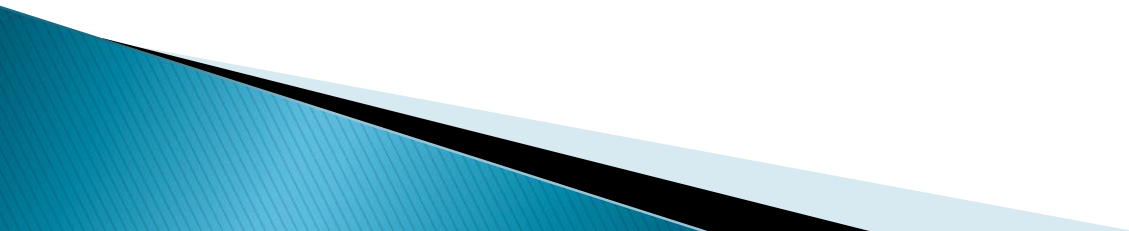
Clearly define the process

Mission
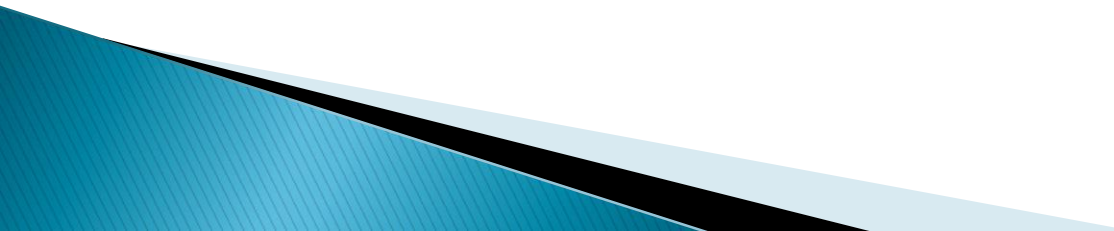
Scope

boundaries

Set business and customer measurements
Understand customers expectations from the process (staff including process team)
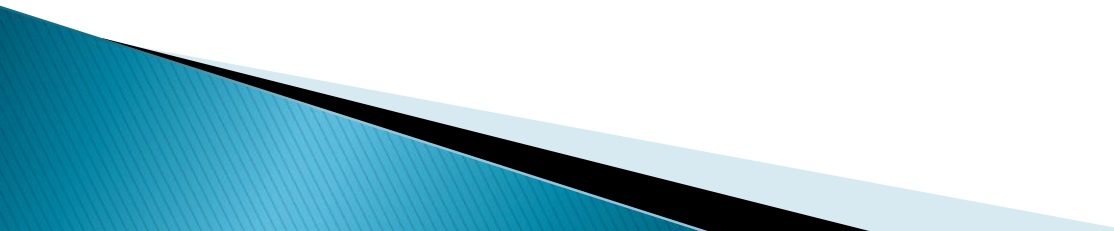
Understand the Current Process

▸ Clearly Identify Improvement Opportunities
 Quality
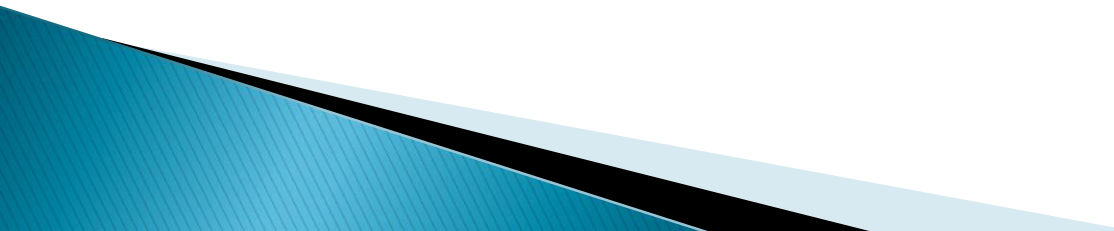 Rework
 Document the Process
  Cost
  Time
 Value Data

Develop & Communicate Vision of Improved Process

- Communicate with all employees so that they are aware of the vision of the future
- Always provide information on the progress of the BPR initiative – good and bad.
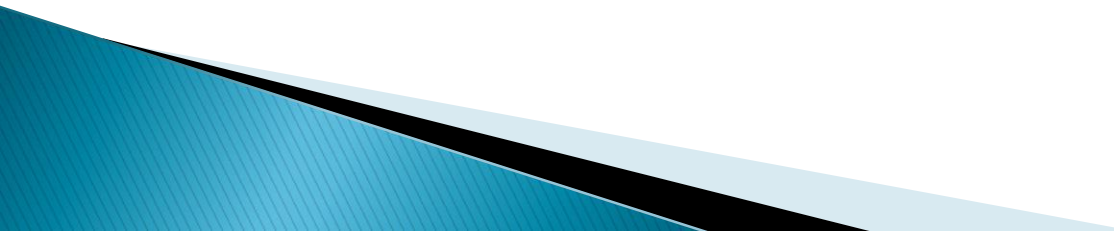- Demonstrate assurance that the BPR initiative is both necessary and properly managed

Develop & Communicate Vision of Improved Process

- Promote individual development by indicating options that are available
- Indicate actions required and those responsible
- Tackle any actions that need resolution
- Direct communication to reinforce new patterns of desired behavior

Identify Action Plan

- Develop an Improvement Plan
 Appoint Process Owners
- amplify the Process to Reduce Process Time
- Remove any Bureaucracy that may hinder implementation

Identify Action Plan

- Remove no-value-added activities
- Standardize Process and Automate Where Possible
- Up-grade Equipment
- Plan/schedule the changes

Execute Plan

- Qualify/certify the process
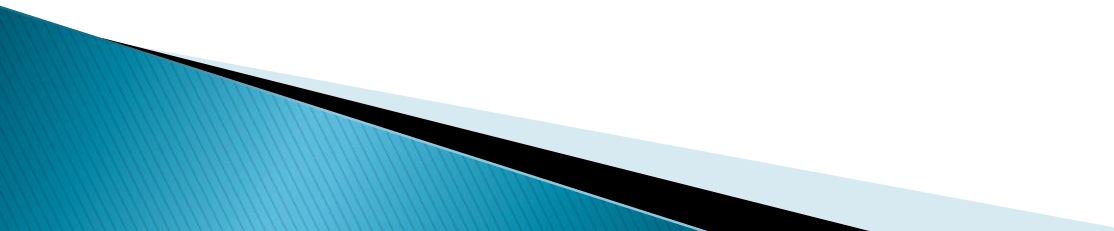Define and eliminate process problems
Evaluate the change impact on the business and on customers
Benchmark the process
Provide advanced team training

Limitations:

- Fear of Unknown and Failure
- Confusion surrounding BPR
- Ineffective BPR teams
- Problems related to organizational structure
- Problems related to BPR resources

References

- Read article 1.1 from book