

Business Process Reengineering & Other Growth concepts

What is BPR?

- Business Process Reengineering involves the radical redesign of core business processes to achieve dramatic improvements in productivity, cycle times and quality.
- In Business Process Reengineering, companies start with a blank sheet of paper and rethink existing processes to deliver more value to the customer.

How Business Process Reengineering works:

Business Process Reengineering is a dramatic change initiative that contains five major steps that managers should take:

1. Map the current state of your business processes - Gather data from all resources—both software tools and stakeholders. Understand how the process is performing currently.
2. Analyze them and find any process gaps or disconnects - Identify all the errors and delays that hold up a free flow of the process. Make sure if all details are available in the respective steps for the stakeholders to make quick decisions.
3. Look for improvement opportunities and validate them - Check if all the steps are absolutely necessary. If a step is there to solely inform the person, remove the step, and add an automated email trigger.
4. Design a cutting-edge future-state process map - Create a new process that solves all the problems you have identified. Don't be afraid to design a totally new process that is sure to work well. Designate KPIs for every step of the process.
5. Implement future state changes and be mindful of dependencies - Inform every stakeholder of the new process. Only proceed after everyone is on board and educated about how the new process works. Constantly monitor the KPIs

Companies use Business Process Reengineering to:

- **Reduce costs and cycle times.** Business Process Reengineering reduces costs and cycle times by eliminating unproductive activities and the employees who perform them.
- **Improve quality.** Business Process Reengineering improves quality by reducing the fragmentation of work and establishing clear ownership of processes.

BPM vs. BPR

BPM

- On-going effort
- Improvement of existing process
- Limited organizational change
- Requires an incremental change in mind-set

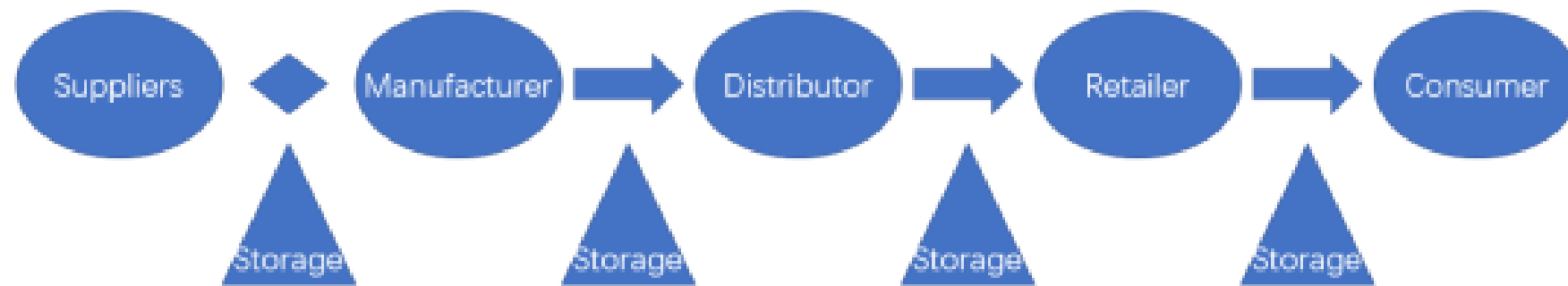
BPR

- Project-based effort
- Build process from scratch (whiteboard)
- Greater organizational change
- Requires a fundamental change in mind-set

Value Chain Analysis



Manufacturing Supply Chain



Service Supply Chain

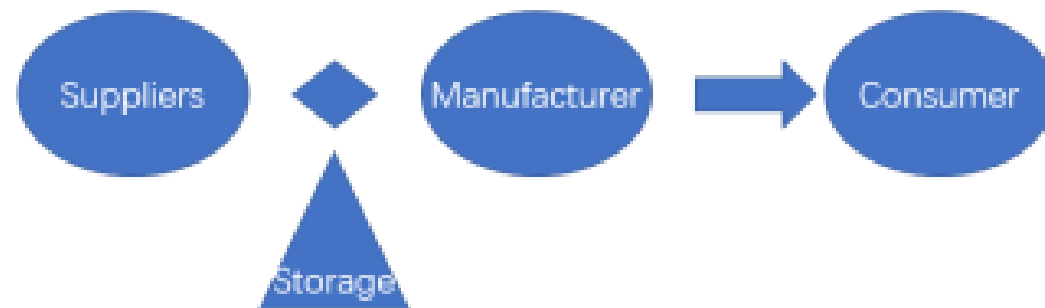
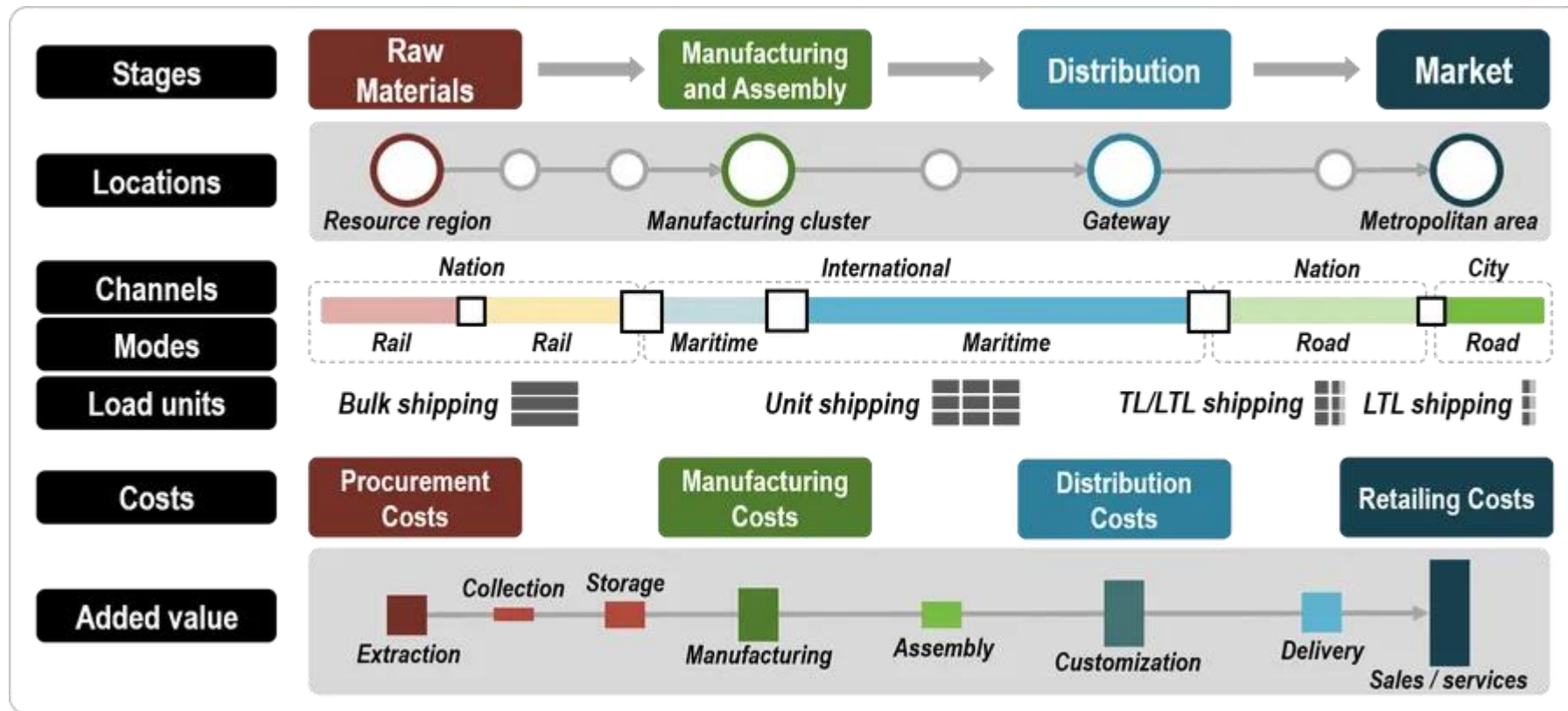


Figure 1 Supply chain

Supply chain

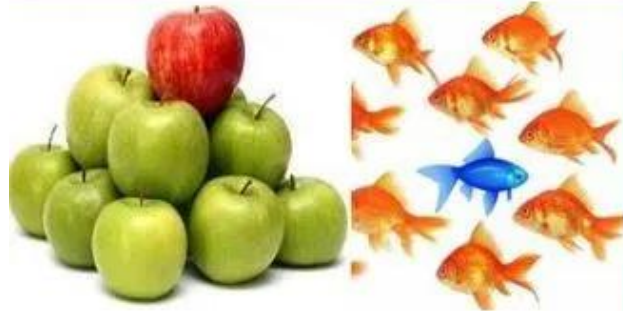


Porters Generic Strategies – Competitive Strategies



Product Differentiation

The process of distinguishing a product or service from others to make it more appealing to a specific target market.

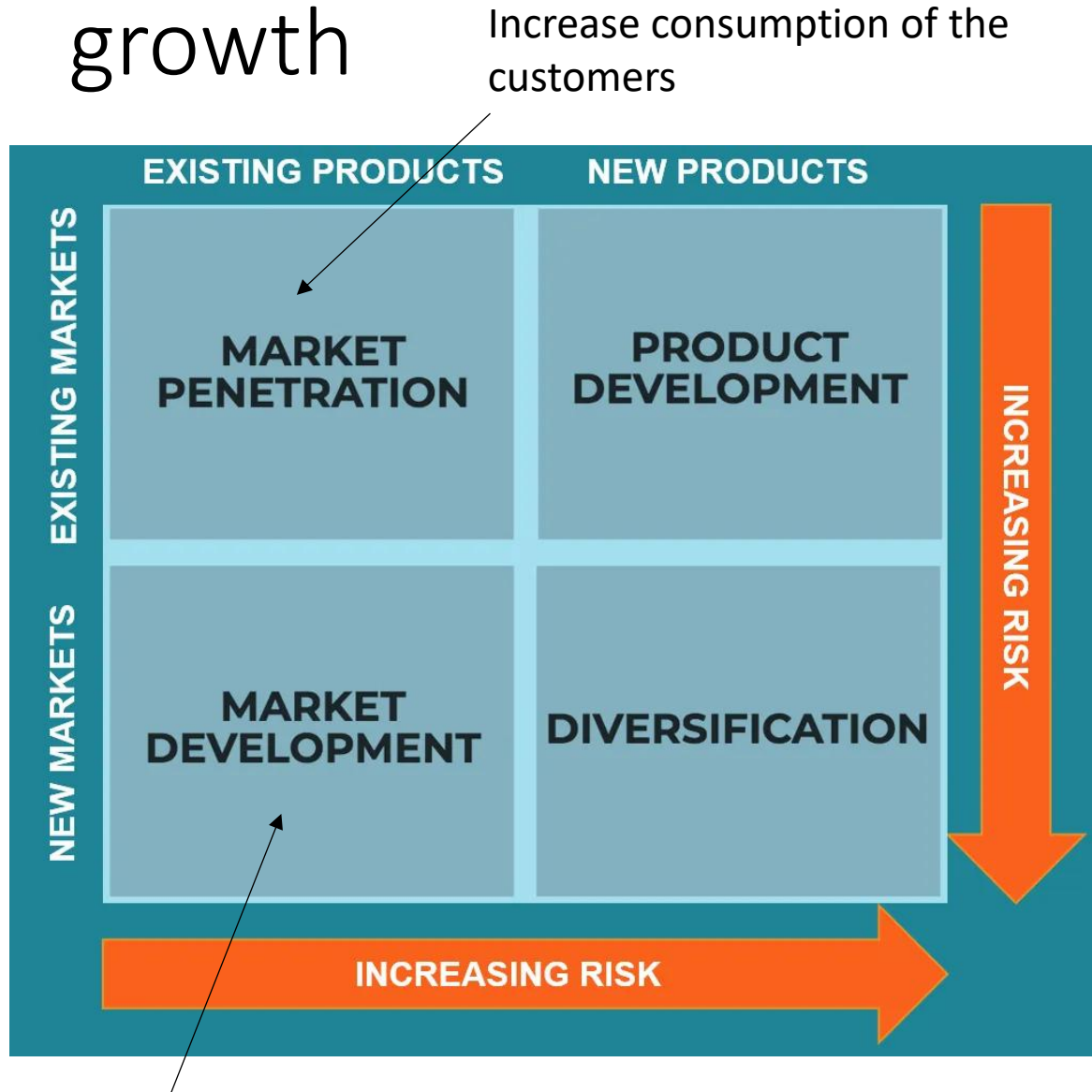


Top Speed



Product Differentiation	Features, warranty, durability, performance
Service Differentiation	Ordering ease, customer training
Channel Differentiation	Coverage, expertise, performance
Relationship Differentiation	Competence, courtesy, credibility
Reputation Differentiation	Perception, advertising, communication
Price Differentiation	By customer, by quantity, by segment

Ansoff Matrix – Strategies for future business growth



Diversification Strategies

❖ Related diversification

↳ value chains possess competitively valuable cross-business strategic fits

❖ Unrelated diversification

↳ value chains are so dissimilar that no competitively valuable cross-business relationships exist

Ansoff Matrix is an important marketing strategy which helps companies decide what action can be taken based on the market scenario and the product scenarios currently present. Based on these marketing parameters, Ansoff matrix helps companies evaluate and formulate a strategy for the future business growth

Reviewing portfolio of products / SBU (Strategic Business Units – SBUs)

THE BCG MATRIX

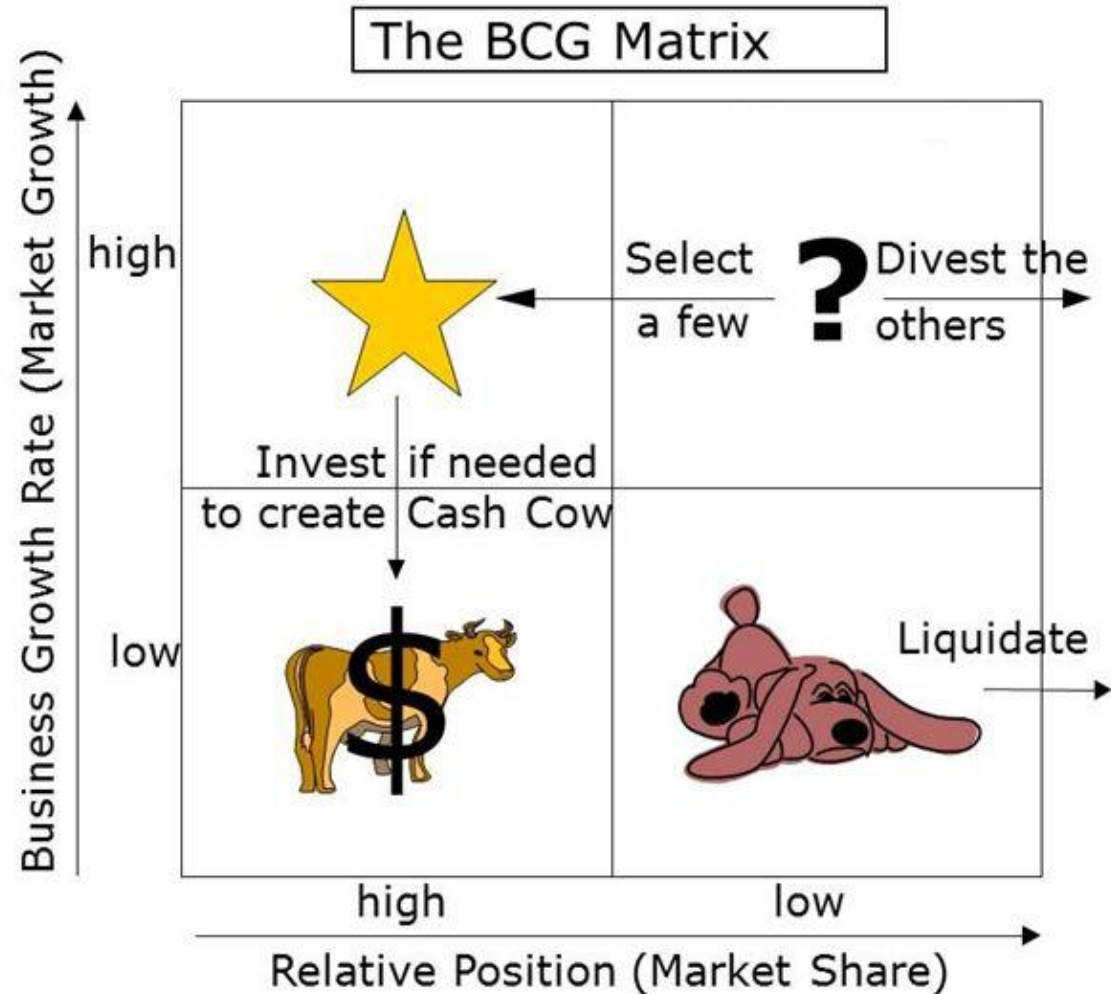


PRODUCT LIFE CYCLE



The Boston Consulting group's product portfolio matrix (BCG matrix) is **designed to help with long-term strategic planning**, to help a business consider growth opportunities by reviewing its portfolio of products to decide where to invest, to discontinue or develop products. It's also known as the Growth/Share Matrix

The BCG Matrix - Strategies



- Build
- Hold
- Harvest
- Divest