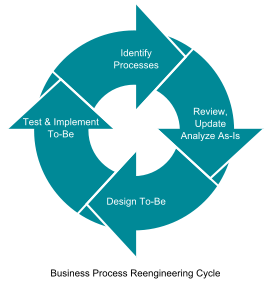
**Practical: 4**

**Aim: Introduction to Business Process Reengineering (BPR).**

**What is BRP?**

* Business process re-engineering is a business management strategy, originally pioneered in the early 1990s, focusing on the analysis and design of workflows and business processes within an organization.
* BPR aimed to help organizations fundamentally rethink how they do their work in order to dramatically improve customer service, cut operational costs, and become world-class competitors
* BPR seeks to help companies radically restructure their organizations by focusing on the ground-up design of their business processes.
* Re-engineering recognizes that an organization's business processes are usually fragmented into sub processes and tasks that are carried out by several specialized functional areas within the organization.



* Business process reengineering (BPR) is the analysis and redesign of workflow within and between enterprises.
* BPR's main objective is to break away from old ways of working, and effect radical (not incremental) redesign of processes to achieve dramatic improvements in critical areas through the in-depth use of Information Technology.

**Connection between ERP and BRP:**

* Enterprise resource planning (ERP) is a software platform that helps business owners determine how to best use their available resources.
* Business process re-engineering (BPR) involves observing and analyzing how the business works to determine changes that may streamline operation at the business.
* ERP and BPR can go hand-in-hand. An organization's management might use BPR as a means of looking at the current operations of a business to determine how to best proceed when designing or choosing a new ERP.
* Just like ERP and BPR can be used together to improve an existing ERP platform, a business executive can benefit from using an existing ERP to enhance the effectiveness of BPR.
* One of the advantages to an ERP is that it stores integrated data from all parts of the program, allowing an executive to access and examine data to plan the most effective business process changes.
* ERP and BPR can also be used together to facilitate change management.
* Once BPR is completed and the course of change has been determined, ERP can be used to facilitate communication and information exchange for staff members affected by the readjustment process.
* BPR can also be used to help establish the most effective way of implementing ERP use for an existing workforce.
* ERP programs help business owners manage their finances, keep employee records and schedule the use of their assets, whether the assets include buildings, machinery, work, or money.
* ERP and BPR are most often used together to improve operations in a business with a fundamental problem in organizing its processes and resources.

**Implementation of BPR in LOT Vacuum Company:**

* Founded in 2002, LOT Vacuum is a company that specializes in vacuum for semi-conductors and displays.
* After 10 years of steady growth in technology and reputation, LOT Vacuum embarked on the significant journey of revising its entire organization. LOT Vacuum underwent major innovation for IT as the company undertook BPR.
* LOT Vacuum’s innovation activities were undertaken in over 30 categories including management, manufacturing, and customer support.
* At the core of these activities lay the need for establishing advanced business processes through Business Process Reengineering (BPR) and re-implementing major systems such as ERP
* Based on the new processes drawn up by the BPR consulting work, AXI4CNS began to develop a new architecture for the backbone systems by pairing the ERP system and the PLMS together.

**Benefits:**

* **Paperless Management Meetings with EIS(**Executive Information System)
  + - * **Full Lifecycle Management from Development to Customer Support**
      * **Increased Customer Satisfaction**

**Advantages and Disadvantages of BPR:**

**Advantages**

BPR brings numerous benefits to organizations and companies in which it is implemented. Some of the common benefits of BPR are:

* **Increase Effectiveness:**

All processes are completely monitored under the strict control of the management. The net result of this is that employees deliver high quality products to their customers. Helps to improve efficiency.

* **Reduces cost:**  
  With the proper management of processes, improved efficiency and quick delivery of products to the buyers, the overall product costs are reduced resulting in cost saving for the organization in the long run.
* **Meaningful job for employees:**   
  As the time lag of product processing between different departments gets reduced due to the application of business process reengineering, there are more meaningful tasks to be performed by employees. This leads to increase their levels of motivation and the desire to perform well.
* **Improvement in organizational approach:**

When most organizations have implemented business process reengineering there is an increase in flexibility and adaptability for change. This has created better environment for people to work, thus leading to employee satisfaction.

* **Growth of business:**   
  Implementation of BPR results in the growth of the present business thus enabling the emergence of new businesses within the same organization.

**Disadvantages**

* **Requires Investment:**

BPR typically requires an investment, particularly in technology. Outdated methods, such as doing a task by hand, face replacement by computer programs. The company must invest in the software and training, a costly option for companies looking to cut expenses immediately.

* **May Lower Worker Morale:**

Management must provide support and guidance during BPR. Failure of the management team to assist workers and set an example during the BPR process may lead to failure, disorganization and staff problems.

* **Higher Demands to the Workers:**

Due to the environment of flexibility and change, it is clearly impossible to hire people who already know everything they're ever going to need to know, so continuing education over lifetime of a job becomes the norm in a reengineered company. This tends to increase in demands for workers.