BUSINESS PROCESS REENGINEERING

BPR is known by many names, such as ‘core process redesign’, ‘new industrial engineering’ or‘working smarter’. All of them imply the same concept which focuses on integrating both business process redesign and deploying IT to support the reengineering work.

- BPR involves discovering how business processes currently operate, how to redesign these processes to eliminate the wasted or redundant effort and improve efficiency, and how toimplement the process changes in order to gain competitiveness.

Definition:

The aim of BPR, according to Sherwood-Smith (1994), is “seeking to devise new ways of organising tasks, organising people and redesigning IT systems so that the processes support the organisation to realise its goals”.

[Reengineering is] the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical, contemporary measures of performance, such as cost, quality, service and speed.by Dr Michael Hammer

>The concept of BPR is widely regarded as having been introduced as a perceived solution to the economic crisis and the recession of the late 1980's and early 1990's. "The '80s were a time for financial reengineering and the '90s are for technological reengineering.

BPR-the different phases: The tasks that experts agree upon to successfully perform BPR, can be grouped in to seven steps, or phases. All successful BPR projects begin with the most critical requirement communication throughout the organization

*1.*Begin organizational change
*2.*Building the reengineering organization3.Identifying BPR opportunities 4.Understanding the existing process
5.Reengineer the process
6.Blueprint the new business system7.Perform the transformation

Phase 1: Begin organizational Change:

A) the first step is to take a long hard look how the organization operates. The purpose of analysis should be to determine whether dramatic changes are possible during BPR or marginal changes by TWM , kaizen etc is needed, which involves lesser risk.

B) Next step is to look for harmful operating procedures, if, any within the organization. The future vision of how the business must operate will serve as a clear and concise guide with measurable goals for employees to focus on.

C) Communication to all levels of personnel must remain active from start to finish to keep every one involved and working towards a common goal. Without a common understanding about what is happening , confusion and uncertainty about the future can result in resistance that is strong enough to stop any re engineering work.

D) In order for change to be embraced , every one must understand where the organization is today , what it needs to change , and where it should be in order to survive, thrive and beat
the competition

Phase 2: Build the Reengineering organization:

A) Major activities of the phase are , establish a BPR organization structure, establish the roles for performing BPR and choose the personnel who will reengineer it.

B) He must be a high level executive who has necessary authority to make people listen and motivational power to make them follow. Without the commitment of substantial time and effort from top management, can overcome the internal forces and will never reach implementation.

C) The executive leader usually appoints process owners. A process owner is responsible for a specific process and the reengineering effort focused on it. The reengineering team must be small, usually five to ten people and as they will be ones who diagnose the existing process, and oversee the redesign and implementation.

D) BPR initiative - helpful to institute a steering committee, which can control the chaos by developing an overall reengineering strategy and monitoring its progress. Lastly a reengineering specialist or consultant can be an invaluable addition.

Phase 3: Identify BPR Opportunities: This phase consists of following activities

- Identify core/ high level processes
- Recognize potential change enabler
- Gather performance metrics within industry
- Gather performance metrics out side industry
- Select processes that should be reengineered
- Prioritise selected processes
- Evaluate pre existing business strategies
- Consult with customers for their desires
- Determine customer's actual needs
- Formulate new process performance objectives
- Establish key process characterstics
- Identify potential barriers to implementation

Picking a process which has high success potential and which can show success fast is very importantto build the necessary momentum and enthusiasm at all level of organization

Phase 4: Understanding the Existing Process- main activities of the phase are

- Understanding why current steps are performed
- Model the current process
- Understand how technology is currently used
- Understand how information is currently used
- Understand current organization structure
- Compare current process with the new objectives

Modeling current process helps to better understand the existing process, but also helps with planningmigration from the old to the new process and executing the physical transformation of personnel, organizational structures, information requirements, and how technology is used. Information that should be included in the models are process inputs (such as task times, data requirements, resources,demand etc) and process outputs (such as data output, cost, throughput , cycle time, bottleneck etc).

Phase 5: Re-engineer the Process- major activities in this phase are

- Ensure the diversity of reengineering team
- Question current operating assumptions
- Brainstorm using change levers

- Brainstorm using BPR principles
- Evaluate the impact of new technologies
- Consider the perspectives of stakeholders
- Use customer value as the focal point

The reengineering team should consist of designers and implementers and include both insiders and outsiders of existing process. Brainstorming sessions are most successful when the following BPR principles are considered

- Several jobs are combined into one
- Workers make decisions
- Processes have multiple versions
- Work is performed where it makes most sense
- Checks and controls are reduced
- A case manager provides a single point contact

- Hybrid centralized / decentralized operations are prevalent

During the brainstorming sessions, the Reengineering team must consider technologies that are--ERP systems,Supply chain integration technologies,Business intelligence technologies,Internet Technologies,Distributed computing platforms,Client/ server architecture,Work flow automation technologies,Groupware.

Phase6:Blueprint the New Business System-activities of this phase are

- Define the new flow of work
- Model the new process steps
- Model the new information requirements
- Document the new organizational structure
- Describe the new technology specifications
- Record the new personnel management systems
- Describe the new values and culture required
- Blueprints are detailed plans required to build something in accordance with the designer's intentions.
- Blueprinting involves modeling the new process flow and the information required to support it.
- Just as we modeled the "as-is" process and information requirements , we need to create "to be" models to illustrate how the work flow be different .
- The information models , or data models, will indicate where the new process will use information that is shared across functional areas of the business.
- The blueprints should also contain models of redesigned organizational structure.
- This chart will show the new process flow along with process team members, the process owners, the case managers, and the process facilitators.
- The chart should also indicate parts of the organization , which interact with the process personnel.
- In addition detailed technology specifications that are required to support th new process should be defined.
- The redesign may require an entirely different culture or atmosphere , than what is prevalent in the organization.

Phase 7: Perform the Transformation- the activities of the phase are

- Develop a migration strategy
- Create a migration action plan
- Develop metrics for measuring performance during implementation
- Involve the impacted staff
- Establish the new organizational structure
- Asses current skills and capabilities of workforce
- Map new tasks and skills requirements to staff
- Re-allocate workforce
- Develop a training curriculum
- Educate the staff about the new process
- Educate the staff about new technology used
- Educate management on facilitation skills
- Decide how new technologies will be introduced
- Transition to new technologies
- Incorporate process improvement mechanism

7.1 Migration strategies include:

- Full changeover to the new process
- Phased approach
- Pilot project
- Creating an entity new business unit
- Successful transformation depends on consciously managing behavioral as well structural change, withboth sensitivity and employee attitudes and perceptions, and a tough minded concern for results.
- Facilitation training for management is critical to develop their abilities to listen , allow mistakes, handle disputes among process experts, and transition to coach / facilitator role.
- Education may be necessary for Total quality management (TQM) , statistical processcontrol(SPC), or continuous process improvement (CPI) if these mechanisms are designed into new processes.

25.8 Challenges faced by Re-engineering efforts

- Resistance
- Tradition
- Time requirements
- Cost
- Skepticism
- Job losses

25.9 Guidelines for maximizing Chances for BPR Success

- Realize that not every company needs to reinvent itself and needs BPR Expect strenuousresistance and manage it properly
- Sell the change by constantly stressing the positive aspects of the change and the benefits to bederived by the employees and the company Surround the project with a sense of urgency.
- since projects tends to die unless the need to change is urgent and is constantly re-emphasized.
- Get the management to fully support the project and have them make it clear that every one is expected to support the

project Keep the lines of communication with employees open to prevent damaging and inaccurate rumors and misunderstandings Create an atmosphere of trust and cooperation

- Allay fears and provide assurances that the company is genuinely concerned about employees.
- Make sure the people who are effected by or are going to use the new system are involved in the change process Staff the project with the best people and provide them with resources they need to be successful.
- Design the system with customer's point of view , not from that of company
- Eliminate processes or steps that add no value to the customer.
- Make sure employees are adequately trained an how to use the new system
- Be prepared to change company's culture and its organizational structure ,and re-organize the information system function Go for small success at first.
- Go for more dramatic projects once you have gained some