

BUSINESS PROCESS RE-ENGINEERING

(BPR)

7.1 BUSINESS PROCESS RE-ENGINEERING (BPR)



MEANING

- Business Process Re-engineering (BPR) refers to the analysis and re-design of workflows and processes both within and between business firms.
- It is a total deconstruction and re-thinking of a business process in its entirety, unconstrained (= at liberty) by its existing structure and pattern.

CONCEPT: The concept of BPR is outlined below

- **Operational excellence:** The operational excellence of a company is very important for its competitiveness.
- **Process orientation:** Processes need to be managed effectively but not functions. The firm should look at "what work is being done" and also "how work is being done".
- **No old ideas:** For considering new ways of re-designing processes, each and every concept, assumption, purpose and principle should be abandoned (= discarded) temporarily. It is necessary to proceed afresh, without being influenced by old ideas.
- **Dramatic improvement:** Dramatic improvement in performance is a pre-requisite for overcoming competition. Continuous improvement is not sufficient when the company is

far below industry standards. In such a case, the company needs to make quantum leaps (= jump) in performance.

- **Competitive advantage:** To survive, grow and tackle competition, "how to compete" is more important than deciding where to compete. Successful implementation of BPR will enable a company to achieve competitive advantage in business.

IMPLEMENTING BPR IN ORGANISATION

<p>Determining objectives and framework</p>	<ul style="list-style-type: none"> • Objectives are the desired end results of the redesign process which the management and organization attempts to achieve. • This will provide the required focus, direction, and motivation for the redesign process.
<p>Identify customers and determine their needs</p>	<ul style="list-style-type: none"> • The designers have to understand their profile, their steps in acquiring, using and Act disposing a product. • The purpose is to redesign business process that clearly provides added value to the customer
<p>Study the existing process</p>	<ul style="list-style-type: none"> • Purpose is to gain an understanding of the 'what', and 'why' of the targeted process. • However, some companies go through the reengineering process with clean perspective without laying emphasis on the past processes.
<p>Formulate a redesign process plan</p>	<ul style="list-style-type: none"> • The information gained through the earlier steps is translated into an ideal redesign process. • Customer focused redesign concepts are identified and formulated. • In this crucial step alternative processes are considered and the optimum is selected.
<p>Implement the redesign</p>	<ul style="list-style-type: none"> • Implementation of the redesigned process and application of other knowledge gained from the previous steps is key to achieve dramatic improvements

ROLE OF IT IN BPR

- A re-engineered business process, characterized by IT-assisted speed, accuracy, adaptability and integration of data and service points is focused on meeting the customer needs and expectations quickly and adequately, thereby enhancing the level of customer satisfaction.
- The impact of IT-systems on BPR can be identified with respect to:
 - Operational Speed, drastic reduction in time,
 - Global Village, i.e. overcoming restrictions of geography and / or distance,
 - Restructuring of relationships or organisational restructuring.
 - Information systems that provide timely, reliable and accurate information, and
 - Business Values - IT initiatives provide business values in the areas of
 - Efficiency - by way of increased productivity,
 - Effectiveness - by way of better management,
 - Innovation - by way of improved products and services.

PROBLEMS IN BPR

- **Outdated Processes:** Most of the processes that firms follow might have been developed by their functional units over a period of time and are outdated.
- **Sub-System view:** Individual departments or divisions of a firm try to optimize their own performance, without considering the effect on other areas of operation.
- **Time and Cost:** Existing business processes may be lengthy, time-consuming, costly, inefficient, obsolete and irrational.
- **Fragmentation:** Fragmentation of work processes makes it difficult to improve the quality of work performance and also develops a narrow vision among the employees.
- **Inefficiency:** Emerging critical issues may remain unattended by traditional management systems, due to the narrow definition of tasks or roles of an individual department.