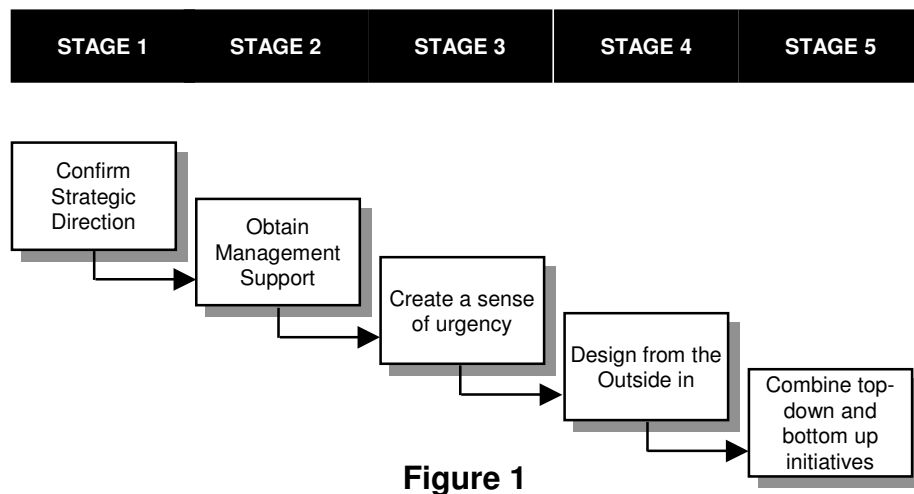


# Business Process Re-engineering

We regard Business Process Re-engineering (BPR) as the radical redesign of processes to achieve major gains in cost, service or time. The key question is, "If we could start from scratch, how would we do this?"

The process of BPR then, is to do it that way and disregard everything else.

The extent of re-engineering of particular processes will vary from organisation to organisation, however a general methodology comprising five stages is illustrated in **figure 1**.



**Figure 1**

The key issues to be addressed in each Stage can be summarised as follows:

## ❑ **Stage 1 - Confirm Strategic Direction**

It is pointless to improve processes that should not be operating in the first place.

Re-engineering is about operations, but only strategy can identify which operations are most important.

Accordingly, the initial stage in the BPR process is to undertake a high-level audit of the strategic directions and priorities of the organisation/business unit.

This involves resolving questions such as:

- What business are we in?
- What are our priorities?
- On what basis should we determine our priorities?
- Who are our customers and how do we add value to them?

## ❑ **Stage 2 - Obtain Management Support**

Re-engineering is cross-functional. This means re-engineering must be led by people with the authority to oversee a process from end to end or top to bottom. Ideally, re-engineering efforts are led by a core team of relevant staff from all relevant departments. The prime aim of this phase is to identify these departments, the key people and create the re-engineering team and the “agenda” for the project.

## ❑ **Stage 3 - Create a Sense of Urgency**

Re-engineering will break apart under political pressure or peter out after a few easy gains unless the case for doing it is compelling, urgent, and constantly refreshed. Fear, resistance and cynicism, are inevitable as the re-engineering team begins to unearth problems and evaluate radical ideas for solutions. If not team members themselves, almost certainly other staff are quick to show why a new idea cannot possibly work. To achieve agreement and acceptance, nothing is more critical than for the core team to constantly demonstrate the value of re-engineering by talking to customers about their needs and learning where other organisations are ahead, function by function, process by process.

The thrust of this third stage of the BPR process therefore, is to identify customer needs and requirements and to benchmark aspects of service functions with other organisations.

## ❑ **Stage 4 - Design from the Outside-In**

The point and power of re-engineering is the “clean sheet” from which it begins. Filling in this “clean sheet” begins with customers. The question to be addressed in this stage of the BPR process is, “How do they want to deal with us?”

Typically, this involves the involvement of customers to:

- participate in focus groups
- critique plans
- participate in “trial runs”
- provide regular feedback.

Having obtained this information, the final task of this phase is to confirm how processes and procedures will result in delivering the particular service.

## □ **Stage 5 - Combine Top-Down and Bottom-Up Initiatives**

Re-engineering, with its emphasis on strong leadership, technology and radical change can appear to be quite the opposite of employee involvement and other participatory initiatives involving staff.

It is true that re-engineering cannot be led from the bottom of an organisation because it will be blocked by organisational boundaries. However, top-down and bottom-up changes need not conflict. Unless staff who have to live with the new work design have a hand in creating it and unless the human systems of the organisation - career planning, training, human resource planning - reinforce the changes, the painfully won gains of BPR will leak away.

The aim of the final stage of the BPR process is therefore to develop initiatives which are “top-down for targets, bottom-up for how to do it”.

In summary, we consider BPR to be a means to an end rather than an end in itself. The objective ultimately is to change the way people work in order to improve service quality, reduce costs or improve productivity.

Our methodology is necessarily broad but sufficiently flexible to provide a process that will re-engineer workplaces to help achieve this end.