Volume No:1, Issue No:1 (January-2016) ISSN No : 2455–7595 (Online)
International Journal of Research in Management Studies
A Peer Reviewed Open Access International Journal
www.ijrms

Business Process Reengineering From Root Level So As To Achieve Dramatic Improvements in Highly Competitive and Dynamic Environments

A.K.V.V.M.Sastry, B.Com (Hons.), Mba, Dip. In Com. Law
Assistant Professor, Vivek Vardhini School of Business Management, Hyderabad.

Abstract:

Of late the modern organizations are concentrating on the application of various techniques of Management control throughout the organization from root level so as to achieve dramatic improvements in highly competitive and dynamic environments which are both internally and externally influencing the business as well as the sustainability of the organizations. In this attempt, many organizations are trying to bring a drastic change in the functioning of organizations by applying the methods of reengineering. Business Process Reengineering is the analysis and design of workflows and processes within an organization. Business Process Reengineering (BPR) is basically the fundamental rethinking and re-designing of an organization with existing resources. It is more than just business process improvising.

Key concepts:

Re-engineering, Business Process, Change Management, Redesign .

Introduction:

Business Process Reengineering is also known as Business Process Redesign, Business Transformation, or Business Process Change Management.

What is Re-engineering?

Re-engineering is "the fundamental rethinking and radical redesign of business processes so as to achieve dramatic improvements in critical and contemporary measures of performance, such as Cost, Quality, Service and Speed'.---- (Hammer & Champy, 1993)

The above measures are again matching with 5 M's of Management – Money, Material, Men, Machine and Method. Method is associated with another measure 'Accuracy'.This matching formula will make the strategic organizations to achieve expected results through the application of reengineering methods. Business process reengineering (BPR) began as an organizational technique to help Business Processes fundamentally to rethink how they do their work in order to achieve improved business outcome through customer orientation, decrease in overall costs, reduction of cycle time thereby sustaining in the local and global markets. A key stimulus for re-engineering has been the continuing development and deployment of sophisticated Information Technology through systems improvement and Integrated Networking. Leading organizations are becoming pioneers in using this technology to support innovative business processes, rather than refining current ways of doing work.

What is Business Process?

A business process is a set of logically related tasks performed to achieve a defined business outcome. Re-engineering of these Business Processes is the basis for many recent developments in management."A business process is a series of steps designed to produce a product or a service. It includes all the activities that deliver particular results for a given customer. " It is defined as "a group of logically related tasks that use the firm's resources to provide customer-oriented results in support of the organization's objectives", where a Process is:"a specific ordering of work activities across time and space, with a beginning, an end, and clearly identified inputs and outputs: a structure for action". (Davenport, 1993)

Volume No:1, Issue No:1 (January-2016) ISSN No : 2455–7595 (Online)
International Journal of Research in Management Studies
A Peer Reviewed Open Access International Journal
www.ijrms

Need for Business Process Re-engineering:

In many of the organizations lack of efficient business process leads to duplication of work, functional gaps and lack of reuse. Apart from these, there are many other business problems for which solutions are required. Companies are in outlook for these solutions. This led to the concept of Business Process Re-engineering. An organization may find that it is operating on questionable assumptions, particularly in terms of the wants and needs of its customers. Only after the organization rethinks what it should be doing, does it go on to decide how best to do it.

Organizations do not go for re-engineering because of

- Their In ability to adapt to latest developments.
- Fear of Failure and Unknown results.
- Process under review too big or too small to handle.
- Strong Dependency on existing process.
- The perceived costs of the Change seem bigger.
- BPR isolated activity not aligned to the business objectives.
- Non-clarity of reengineering process.

It should be noted that BPR is not:

- Automation: Automation of poor processes that are adopted.
- Downsizing: Lesser work, lesser output, reduction of employees etc.
- Reorganization: Restructuring, renaming, repeating the processes etc.
- Outsourcing: Business Process Outsourcing, Knowledge Process Outsourcing, Recruitment Process Outsourcing etc.

Hence basic questions that need to be asked are "Does our mission need to be redefined? Are our strategic goals aligned with our mission? Who are our potential customers? What are their preferences? How re-engineering meets these goals?"When there are existing business processes and functions not mapping to business goals, then there is a requirement for re-engineering. As per business maturity model, continuous re-engineering is required because:

- Customer demands and expectations are high – sophistication in Quality and Service.
- The needs of the potential customers are frequently changing.
- Challenging competition in both local and global markets.
- Innovation in technology is leading to and change in customer preferences.

Organizational Tools:

Enterprise redesign is required to derive effectiveness, efficiency and economy in business operations. This in turn requires a comprehensive change in the root operational methods.

The tools for this change methodology are:

» Process visualization and mapping to business operational methods.
» Operations based costing analysis and business case analysis.
» Benchmarking studies with functional assessment.
» Application of Industrial engineering techniques and ABC analysis.
» Productivity measurement and workflow systems analysis.
» Workforce management.
» Customer Experience analysis.

Methodology:

Get ready to re-engineer the project:-

- Building Cross functional team.
- Identifying Customer driven objective.
- Developing Strategic Purposes.

Mapping and formulating As-Is Process :

- Create Activity Models.
- Create Process Models.

Volume No:1, Issue No:1 (January-2016) ISSN No : 2455–7595 (Online)
International Journal of Research in Management Studies
A Peer Reviewed Open Access International Journal
www.ijrms

- Simulate &Perform ABC.
- Identify disconnects & value adding processes .

Designing the To-Be Processes :

- Benchmark processes.
- Design To-Be processes.
- Validate To-Be processes.
- Perform Trade-off Analysis .

Implementing the Reengineered processes :

- Evolve Implementation plan.
- Prototype & simulate transition plans.
- Initiate training programs.
- Implement transition plan.

Improving the process Continuously (Kaizen):

- Initiate Ongoing measurement.
- Review performance against target.
- Improve process continuously.

Suggestive framework for Transformation:

The framework for the proper implementation of re-engineering Process techniques in Business organizations for an absolute Transformation is given below:

1.Map the current state of the organization and its business processes.
2.Chart out the desired goals and develop high level process specifications.
3.Preparation of a vision statement which defines the future direction of the organization.
4.Composition of re-engineering team with in-depth knowledge of the subject.
5.Usage of ERP software, which must address all the enterprise needs.
6.Selection of team members among formal groups and training is provided to the relevant level of expertise.
7.While developing a Mission statement, the organization should review the relevance of the policy and applicable strategies and develop constraints that are relevant for measuring performances.
8.When the organization has manufacturing facilities at various geographical locations, is it better to select local and nearest suppliers for purchasing (vendor selection).
9.Creating a database on the business network that is accessible to all the units of the organization about the information related to market, vendors, government agencies and potential customers.
10.The top management should ensure to get support of senior managers, stake holders and associates in creating and maintaining proper and full-fledged business inventory.

Analysis and Conclusion:

From the analysis and usage of BPR, the main focus that is advised by users is that BPR mainly focuses on customer experience and not IT management. Hence the process/sub-process, activities and tasks i.e. decomposition of business operations domains should be based on this goal.Recent developments in BPR software technologies enable automatic migration of the Work Breakdown Work Structure activity/relationships into a process modeling environment. Using prototyping and simulation techniques, the transition plan is validated and it's pilot versions are designed and demonstrated. Training programs for the workers are initiated and the plan is executed in full scale.BPR process definition, design and implementation and improvement is not a one-time process but a continuous activity to align itself with the defined business goals. It involves conscious effort from every quarter of the organization. It may sometimes involve refactoring and automation of the existing process though not necessarily deserve.

References:

1)Martin, James., (1995),The Great Transition: Using the Seven Disciplines of Enterprise Engineering to Align People, Technology, and Strategy., American Management Association, New York.

2)Business process reengineering: Wikipedia: http://en.wikipedia.org/wiki/Business_process_reengineering.

Volume No:1, Issue No:1 (January-2016)
ISSN No : 2455–7595 (Online)
International Journal of Research in Management Studies
A Peer Reviewed Open Access International Journal
www.ijrms

3)Hammer, M and J Champy, Reengineering the Corporation: A manifesto for Business Revolution, Harper Business Books, New York, 1993.

4)Jayaraman, G Natarajan and A.V. Rangaramanujan, Business Process Reengineering, Tata McGraw-Hill Publishing Company Limited, New Delhi, 1994.

5)B.R. Dey, Business Process Reenginerring and Change Management, Biztantra, New Delhi, 2010.

6)Davenport, T.H. and J.E. Short, The New Industrial Engineering: Information Technology and Business Process Redesign, Sloan Management Review, Summer, 1990.