

Title:

A Peek into Business Process Re-engineering

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Summary:

Business process re-engineering (BPR) sounds esoteric at best, and maybe a little pretentious. Wouldn't it be simpler to say business process change? Most people understand what a business process is but when one combines it with re-engineering, it suddenly sounds vague.

Keywords:

six sigma, green belt, dmaic, black belt, six sigma training, lean flow

Article Body:

Business process re-engineering (BPR) sounds esoteric at best, and maybe a little pretentious. Wouldn't it be simpler to say business process change?

Most people understand what a business process is but when you combine it with re-engineering, it suddenly sounds vague.

The ProSci-sponsored BPR Online Learning Center calls a business process "a set of activities that transform a set of inputs into a set of outputs (goods or services) for another person or process using people and tools."

It is simple. The way we interpret that is:

- there are many ways of doing business,
- when one of those ways does not work or is considered to be ineffective it has to be improved,
- certain elements are introduced to make it better ("inputs"),
- those elements translate into a better product or service,
- that product or service is supposed to serve another person (a customer, a supplier, a partner)

That's elementary enough, but why do business processes have to be re-engineered?

It's All About the Customer (and Competition)

The philosophy behind business process re-engineering is to please the customer.

By delighting him, we get to keep him, turning him into a loyal disciple.

Rivals have a sneaky way of snatching customers away from us. It's not because this world is full of sly and evil people, it's because we tend to sit on our bottoms and think that we've finally got it made. We've become lax.

Business process improvement, according to ProSci, is not to be confused with business process re-engineering. Instead of improving on current processes, the re-engineering concept says that because the technique is no longer viable, it has to be replaced, abandoned. There's a need to establish a clean slate, as the BPR Online Learning Center teaches us.

Business process re-engineering, just like the DMAIC in Six Sigma, presupposes a series of stages: stage 1 involves a definition of the project - its rationale, objectives and scope. Stage 2 covers the entire learning process wherein we obtain as much information as we can about our employees, customers, suppliers and competitors - including non-competitors and align that new information with technology.

Armed with this knowledge, the next stage - stage 3 - is to set up our mission. Others call it a vision of the future. This requires a new set of business processes. Once we've determined the desired outcome of this transition, we move on to the next stage which calls for a plan of action that allows us to measure the gap between our company's present state and where we want it to go.

When we get to this stage, solutions logically follow.

If you're still wondering what distinguishes business process improvement from business process re-engineering, think of the starting point: are you starting from an existing process and want to improve on it, or do you want to start from scratch?

Thanks to Information Technology

Jump to globalization. We're ushering in new technologies and they're coming faster than we can learn them. There's also this whole new talk about customer relationship management (CRM) strategies. We're huffing and puffing and bursting at the seams. Businesses that have not adapted to global trends or introduced newer technologies into their operations will be clobbered by the competition. Today's companies cannot afford to sit back and watch while others struggle with changes in the industry.

Thanks to information technology and the creation of new business models, the

world of e-commerce has given new meaning to the way we do business. As Hui-Liang Tsai puts it, "e-commerce is no longer a way to gain competitive advantage, it is a competitive imperative." (Information Technology and Business Process Re-engineering: New Perspectives and Strategies, Praeger Publishers, Connecticut, 2003). While companies are trying to keep up with technologies, customers are also changing. They are more demanding and are never satisfied. They fall out of love, and don't necessarily have to explain why.

Picture the speed with which information is transmitted with just a click of the mouse. It used to be that urgent documents had to be couriered by special messenger or faxed immediately; today, documents are electronically portable. Mr. Tsai says that this phenomenon alone is producing a new crop of workers - he calls them knowledge workers. We are looking at the transformation of industrial society into an information society.

Progress in information technology is only one of the many reasons why companies have embraced business process re-engineering. If organizations desperately want to succeed, first they need information - truckloads of it. Second, they need to know how to turn that information to their advantage. The practice of business process re-engineering can refine a lot of that information into digestible parts.