



Business Process Redesign

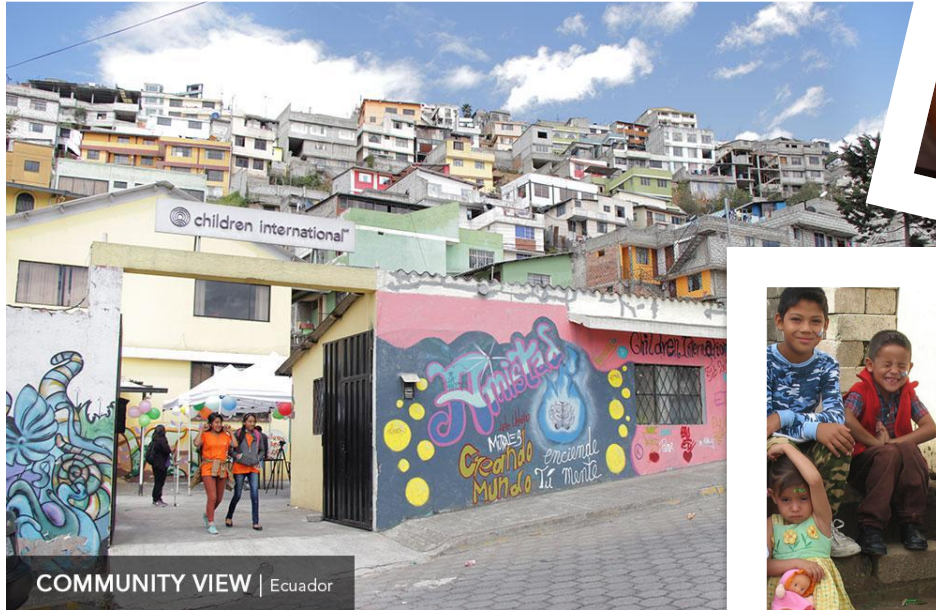
What to Know Before You Commit

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COMMUNITY VIEW | Ecuador





Heart of our operation

Off the shelf

Accumulating technical debt

Customized

Software at end of life

**WE WORK
AROUND IT.**

Vendor changed

Replicate functionality

No more vendor support

Resource shortage

Objectives



Know what it is:

Differentiate between process management and business process redesign (aka process re-engineering)

Why do it?

Understand what your organization may stand to gain from it, and why BPR projects fail

Know what you may be in for:

Have some tools to use to gauge whether it may be appropriate for your organization



1. Business Process _____

All the BP Things



- Business Process
 - Design (BPD)
 - Modeling
 - Modeling Notation (BPMN)
 - Management (BPM)
- Business Process Redesign / Re-engineering (BPR)

In the Beginning

The way is clear...

The objective is straight forward.



Business Maturity Brings Complexity

- Demanding Customers
- More products & services
- Exception Processing
- Market Strategy Shifts



Processes are Bloated, Complex. It's a Monster.



Peter Jackson's *Mortal Engines*

Enter Process Management

- Automate /reuse processes
- Trim redundancies
- Small course corrections
- Low risk
- Economical
- Trim fat from the edges



2. The Bold Approach

When Slow & Steady Just Doesn't Cut It Anymore



Business Process Redesign [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.
(Hammer and Champy 1993)

The Principles of BPR

- Organize around outcomes, not tasks.
- Identify all the things, then prioritize.
- Integrate technology *where appropriate* to achieve the outcome.
- Treat geographically dispersed resources as though they were centralized.

The Principles of BPR

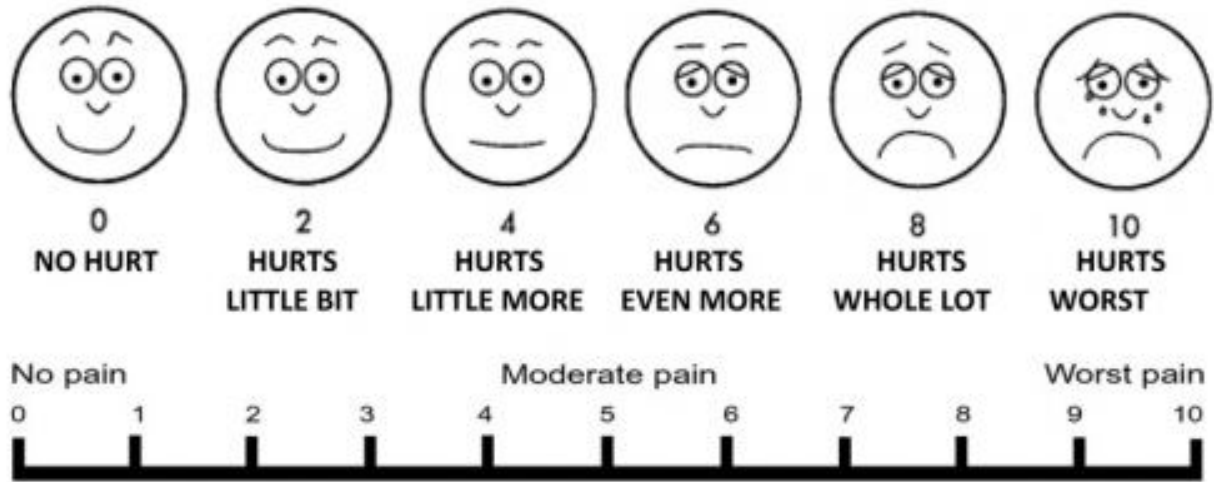
- When multiple activities lead to the same outcome, integrate.
- Put the decision point where the work is performed.
- Capture information once and at the source.



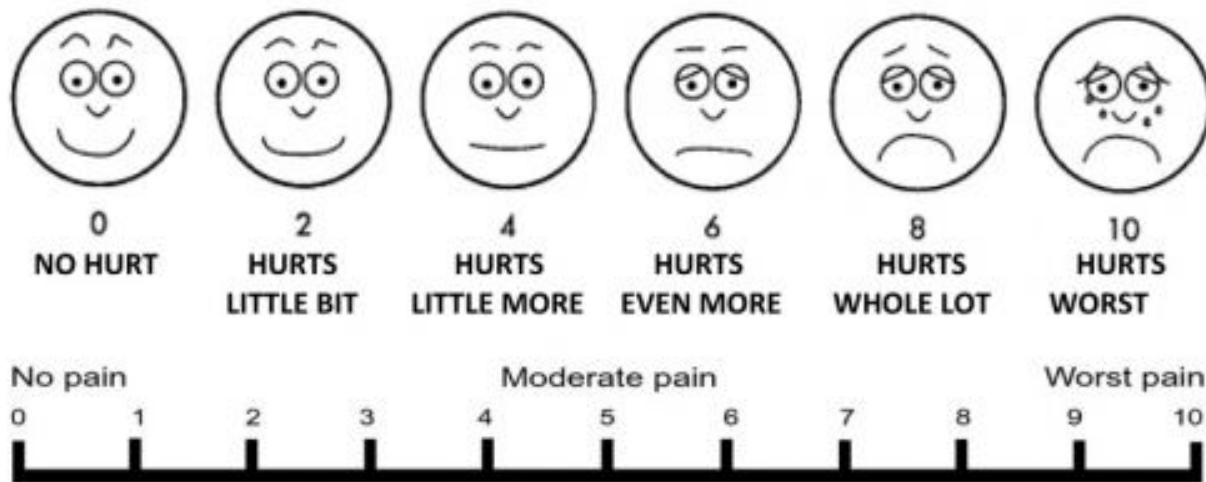
3. BPM vs BPR

How do you know when it's time to go big?

Describe Your Organizational Pain



How much does it hurt?



Symptoms & Warning Signs

- Difficulty in scaling
- Proportion of technical debt - fragility
- Business processes driving up costs, not reducing them
- Decreasing ROI on process management investment
- Syncing across multiple systems



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So You Think You're Ready For BPR.



...But you still have to convince upper management.



70%

The number of BPR efforts that fail.

Why BPR Initiatives Fail

- Allowing current constraints to define the outcome
- Too much tweaking, not enough carving
- Prioritizing the wrong efforts first
- Having a myopic approach
- Settling for “good enough” /Quitting too early
- Dragging it out too long
- Corporate culture hinders the effort
- Leading from the bottom up
- Inter-stakeholder conflict

Describe Your Organizational Pain





4. Are You Ready For It?

Organizational Readiness

Corporate Soul Searching

BPR means fundamentally rethinking your business critical processes independent of how they are done today. It is about reducing complexity as much as possible.

...Can your entire organization make that commitment to itself?

Critical Success Factors - Rule #1



sa·cred cow

/ˈsākrid ˌkou/

noun

noun: **sacred cow**; plural noun: **sacred cows**

An idea, custom, or institution held, especially unreasonably, to be above criticism.

(Credit: Google definitions)

Nothing can be off limits. Every product, process, service, department, and tool has to go under the microscope.

Rules of Successful Engagement

- Top Management Commitment
- Clear Vision for Transformation
- Identification / Prioritization of Core Processes
- Committed Resources
- Skilled use of Re-engineering Techniques & Organizational Change Management



Conclusion

Compare Apples to Apples

Process Management

- Low Risk
- Manage Tactically
- Incremental Change
- Minimal cultural impact
- Potential for reduced ROI over time

Business Process Redesign

- High Risk
- Top Down Strategic Management
- Radical Change
- Major cultural impact
- Potential for major innovation/ROI

A final thought

BPR does not 'tweak', 'increment' or 'evolve' an existing process. It means starting over wherever feasible.

Because it is so disruptive, it has to be done carefully and deliberately.

When successful, it can transform a struggling operation.



Epilogue



THANKS!

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Resources / Further Reading

- "Reengineering Work: Don't Automate, Obliterate," Michael Hammer, Harvard Business Review, 1990
- [Business Process Management vs. Business Process Re-Engineering](#), bpmgeek.com
- [Making Your Business More Competitive with Business Process Reengineering \(BPR\)](#), Cleverism.com
- [6 steps for BPR](#) - Hewlett Packard Blog
- [Business Process Modeling Techniques -](#) Tallyfy.com
- [Business Process Redesign: An Overview," IEEE Engineering Management Review, vol. 26, no. 3, Fall 1998](#)
- [Killing complexity before complexity kills growth](#), Bain.com