



# ***Business Process Reengineering***

## ***Class Session 4 – Fall 1385***

Cultural Effects in BPR

Systems and Technology

Methodology for BPR

X-Engineering



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# فرهنگ

# درون سازمان

تجربه کردن

کار گروهی

همکاری

اعتماد

ارزش ها

پهلو اول مشتری



## درون سازمان

- Most difficult/critical
  - Cause of most failures
- Reinforced by relating to
  - Performance measurement
  - Incentives/Recognition
  - Employee morale/values
- Matches strategy/vision
- Needs education/mentors





# ٲٲٲ مهندسى مجدء

- Leader
- Process Owner
- Reengineering Team
- Steering Committee
- Reengineering Czar





# سیستم و تکنولوژی نقش توانمندسازی

- Simplify before Automate
- Parallel with Visual
- Think Inductively
- Only when value-add
- Use to disrupt old rules
- Use as Competitive Edge



***Automating a Mess = Automated Mess***



# قاعدہ شکنی با تکنولوژی

**Old Rule:** Information can only appear in one place at one time.

**Technology:** Shared databases

**Old Rule:** Business must choose between centralization & decentralization.

**Tech.:** Telecommunication Networks

**Old Rule:** Only experts can perform complex work.

**Technology:** Expert Systems

**Old Rule:** Managers make all complex decisions.

**Technology:** Decision Support Systems



# قاعدہ شکنی با تکنولوژی

ادامہ

**Old Rule:** Field Personnel need offices to transmit and receive information.

**Technology:** Portable PCs & Wireless communication

**Old Rule:** You have to find out where things are.

**Technology:** Automatic tracking and identification technology

**Old Rule:** Best marketing is by personal contact.

**Technology:** Interactive Videodisks

**Old Rule:** Plans get revised periodically.

**Technology:** Cheap High-performance computing.



# Starting Over



## ***Clean Sheet, Rapid, Formal***

- ✓ Unrestricted opportunity for creativity & change
- ✓ Lack of corporate baggage
- ✓ New independent vision
- ✓ If system beyond repair
- ☒ Resistance to change
- ☒ Risk, Disruption





# استقرار مرحله ای

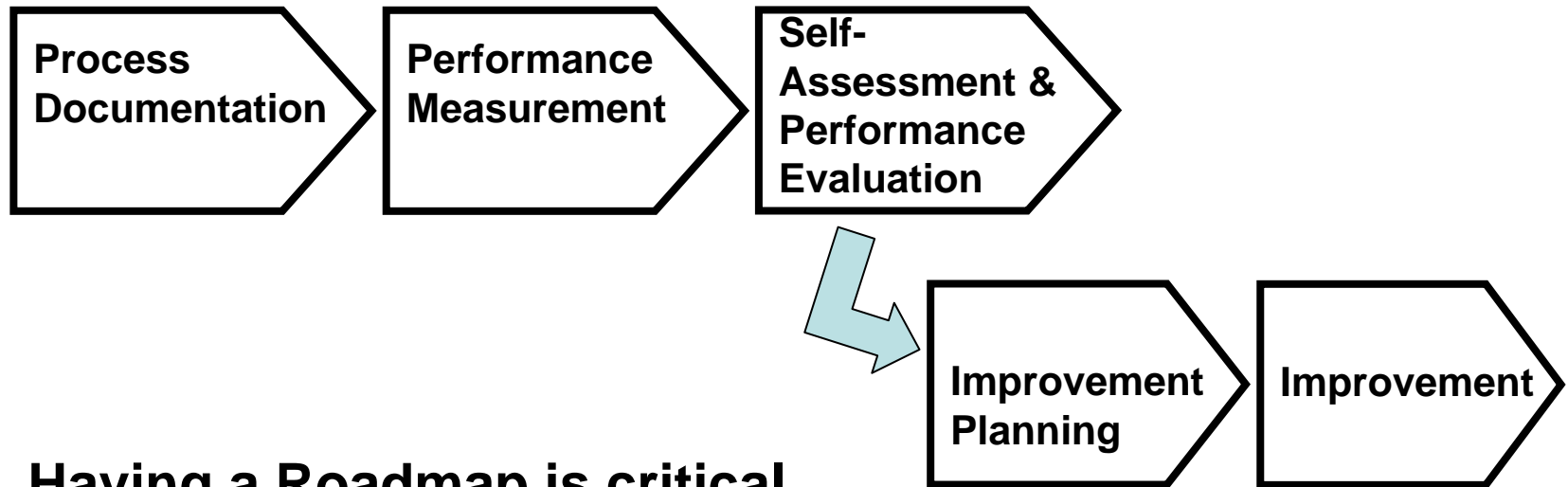
## Plan Global, Act Local

- **Pilot Case:** Proof of concept, early success
- Factory within factory
- Start with Strategic
- Minimum Disruption
- Not spread too thin





# A BPI Roadmap



**Having a Roadmap is critical**

**Roadmap should match case**

**Need complete work, no short-cuts**

# A Roadmap for Project

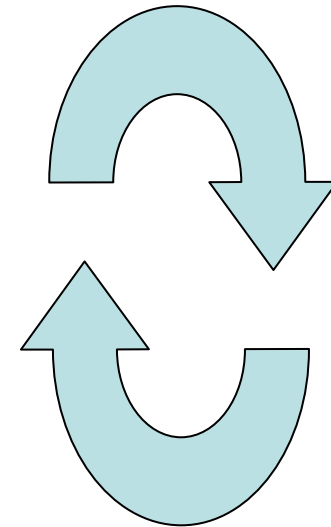
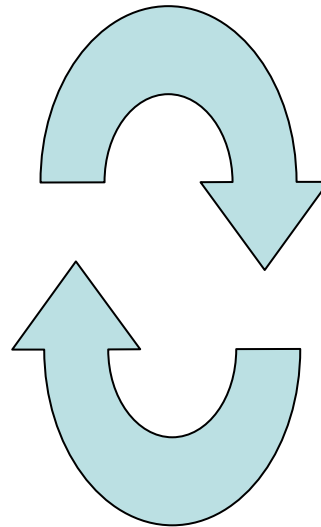
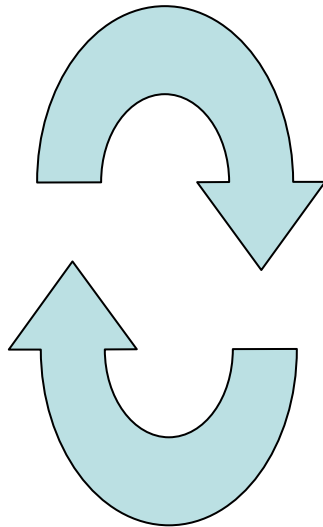
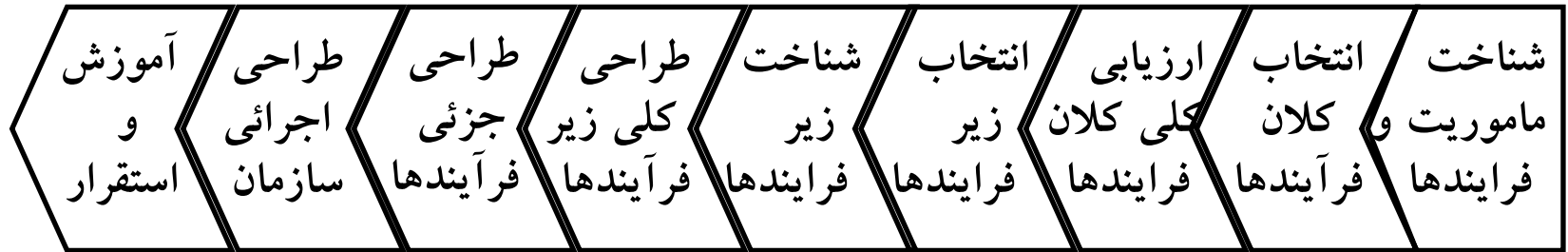


## Sample Methodology 1

- Porter Model of the organization (big picture of entire firm)
- Vision and Mission for the entire organization
- Definition of a chosen process, and why it was chosen
- Vision and goals for the chosen organization/process
- Symptom and problems with the current state of the process
- Measurement indicators for the process (all quantitative)
- Level 1 and Level 2 maps of the current (as-is) process
- Competitive or non-competitive benchmark for the process
- Case for action for process improvement or reengineering
- Identification of the customer and customer needs analysis
- Review/analysis of the current state and its problems/issues
- Initial improvements in the process without reengineering



# Roadmap





# Tasks & Techniques

## *Rapid Reengineering* *Systematic Methodology*

1. Preparation
2. Identification
3. Vision
4. Design
  - Cultural
  - Technical
5. Transformation





# 1- Preparation

<b>Task</b>	<b>Technique</b>
1.1 Recognize Need	<ul style="list-style-type: none"><li>• Needs Assessment</li></ul>
1.2 Feasibility Study	<ul style="list-style-type: none"><li>• Feasibility Analysis</li><li>• Readiness Assessment</li></ul>
1.3 Develop Executive Consensus	<ul style="list-style-type: none"><li>• Facilitation</li><li>• Goal Seeking</li></ul>
1.4 Train Team	<ul style="list-style-type: none"><li>• Team Building</li><li>• Motivation</li></ul>
1.5 Plan Change	<ul style="list-style-type: none"><li>• Change Management</li><li>• Project Management</li></ul>



# 2. Identification

<b>Task</b>	<b>Techniques</b>
2.1 Study Customers	<ul style="list-style-type: none"><li>• Market Research</li><li>• Customer Modeling</li></ul>
2.2 Define & Measure Performance	<ul style="list-style-type: none"><li>• Performance Measures</li><li>• Cycle Time Analysis</li></ul>
2.3 Define Entities	<ul style="list-style-type: none"><li>• Process Modeling</li></ul>
2.4 Model Processes	<ul style="list-style-type: none"><li>• Process Modeling</li><li>• Process Value Analysis</li></ul>
2.5 Identify Relationships	<ul style="list-style-type: none"><li>• Entity-Relationship M.</li></ul>





# 2. Identification

Continued

<b>Task</b>	<b>Techniques</b>
2.6 Extend Process Model	<ul style="list-style-type: none"><li>• Process Modeling</li><li>• Supplier Integration &amp; Partnership Programs</li></ul>
2.7 Map Organization	<ul style="list-style-type: none"><li>• Process Modeling</li><li>• Workflow Analysis</li><li>• Organization Mapping</li></ul>
2.8 Map Resources	<ul style="list-style-type: none"><li>• Activity-based Cost Accounting</li></ul>
2.9 Prioritize Resources	<ul style="list-style-type: none"><li>• Process Value Analysis</li></ul>



# 3. Vision

<b>Task</b>	<b>Techniques</b>
3.1 Understand Process Structure	<ul style="list-style-type: none"><li>• Work Flow Analysis</li></ul>
3.2 Understand Process Flow	<ul style="list-style-type: none"><li>• Work Flow Analysis</li></ul>
3.3 Identify Value-adding Activities	<ul style="list-style-type: none"><li>• Process Value Analysis</li><li>• Cycle Time Analysis</li></ul>
3.4 Benchmark Performance	<ul style="list-style-type: none"><li>• Benchmarking</li></ul>
3.5 Determine Performance Drivers	<ul style="list-style-type: none"><li>• Work Flow Analysis</li></ul>



# 3. Vision

## Continued

<b>Task</b>	<b>Techniques</b>
3.6 Estimate Opportunity	<ul style="list-style-type: none"><li>• Cycle Time Analysis</li></ul>
3.7 Envision the Ideal (internal)	<ul style="list-style-type: none"><li>• Visioning</li></ul>
3.8 Envision the Ideal (external)	<ul style="list-style-type: none"><li>• Visioning</li><li>• Supplier Integration</li></ul>
3.9 Integrate Visions	<ul style="list-style-type: none"><li>• Visioning</li></ul>
3.10 Define Sub-Visions	<ul style="list-style-type: none"><li>• Visioning</li></ul>



# 4a. Cultural Design

<b>Task</b>	<b>Techniques</b>
4a.1 Empower Customer Contact Personnel	<ul style="list-style-type: none"><li>• Employee Empower</li><li>• Skill Matrices</li></ul>
4a.2 Identify Job Characteristic Clusters	<ul style="list-style-type: none"><li>• Skill Matrices</li></ul>
4a.3 Define Jobs/Teams	<ul style="list-style-type: none"><li>• Team Building</li></ul>
4a.4 Define Skills and Staffing Needs	<ul style="list-style-type: none"><li>• Skill Matrices</li></ul>
4a.5 Specify Management Structure	<ul style="list-style-type: none"><li>• Self Managed Work Teams</li></ul>
4a.6 Redraw Organization Boundaries	<ul style="list-style-type: none"><li>o Organization Mapping</li></ul>



# 4a. Cultural Design

## Continued

<b>Task</b>	<b>Techniques</b>
4a.7 Specify Job Changes	<ul style="list-style-type: none"><li>• Skill Matrices</li></ul>
4a.8 Design Career Paths	<ul style="list-style-type: none"><li>• Skill Matrices</li><li>• Career Matrices</li></ul>
4a.9 Define Transitional Organization	<ul style="list-style-type: none"><li>• Organizational Restructuring</li></ul>
4a.10 Design Change Management Organization	<ul style="list-style-type: none"><li>• Change Management</li><li>• Team Building</li></ul>
4a.11 Design Incentives	<ul style="list-style-type: none"><li>• Employee Rewards and Incentives</li></ul>
4a.12 Plan Implementation	<ul style="list-style-type: none"><li>• Project Management</li></ul>



# 4b. & 5. Other Tasks

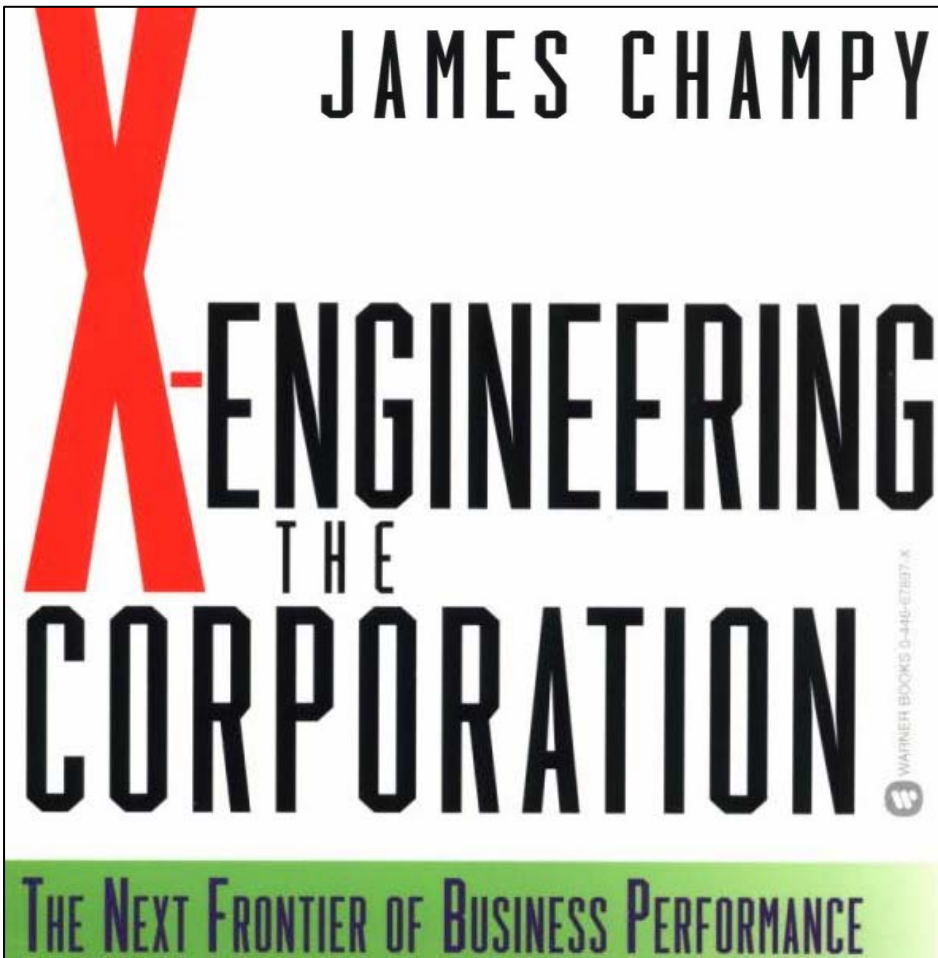
## ***Technical Design***

1. Model Entity Relationships
2. Re-examine Process Linkages
3. Instrument and Informate
4. Consolidate Interfaces
5. Redefine Alternatives
6. Relocate & Re-time Controls
7. Modularize
8. Specify Deployment
9. Apply Technology
10. Plan Implementation

## ***Transformation***

1. Perform Technical Design
2. Develop Functional Design
3. Simulation and Evaluation
4. Develop Test Plans
5. Develop Roll-out Plans
6. Evaluate Personnel
7. Construct Systems
8. Train Staff
9. Pilot New Process
10. Refine and Transition

# X-Engineering



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# X-Engineering

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# Harmony



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openness

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mutuality

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interoperability

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THE

What Every Business Must  
Do to Dominate the Decade

# AGENDA

MICHAEL  
HAMMER

Author of the *New York Times* Bestseller

REENGINEERING THE CORPORATION

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## The Agenda Michael Hammer

- 1 Get Serious About Business Again  
*Welcome to the Customer Economy* 1
- 2 Run Your Business for Your Customers  
*Become ETDBW* 15
- 3 Give Your Customers What They Really Want  
*Deliver MVA* 37
- 4 Put Processes First  
*Make High Performance Possible* 51
- 5 Create Order Where Chaos Reigns  
*Systematize Creativity* 79
- 6 Measure Like You Mean It  
*Make Measuring Part of Managing, Not Accounting* 101
- 7 Manage Without Structure  
*Profit from the Power of Ambiguity* 125
- 8 Focus on the Final Customer  
*Turn Distribution Chains into Distribution Communities* 147



# ***Agenda Item 1: Run your business for your customers, ETDBW***

- Present a single face to your customers.
- Work in different ways for different classes of customers.
- Know what your customers will ask for before they do.
- Make your customers' experience a seamless one.
- Let customers do more for themselves.
- Measure the things that customers really care about.

# ***Agenda Item 2: Add More Value for Your Customers***



- Think of yourself as a provider of solutions, rather than products or services.
- Distinguish between what you are selling and what your customer is buying.
- Take a broad view of your customers' underlying problems that go beyond you and your products.
- See what your customers do with what you give them, & either do it for them or help them with it.
- Price in terms of value rather than cost.

# ***Agenda Item 3: Create a Process Enterprise***



- Obsess about the end-to-end processes that create all value for your customers.
- Ensure that every person understands processes and his/her role in them.
- Appoint senior process owners to measure, manage, and improve the processes.
- Create a process-friendly company by aligning facilities, compensation, and structure around processes.
- Develop a culture of teamwork & shared responsibility.
- Set up a process council so that you don't replace functional silos with process sewers.
- Manage in process terms everything you do to make your company better.
- Make process into a way of life.

# ***Agenda Item 5: Base Managing on Measuring***



- Take measurement out of accounting and make it part of every manager's job.
- Abandon the measures you have inherited from the past.
- Develop a model of your business that links your overall goals to specific things you control.
- Put in place measures & targets for the key items in this model.
- Design measures that are objective, timely, easy to calculate, and easy to understand.
- Make ongoing performance improvement inevitable by incorporating it into a disciplined measurement-based process.
- Let facts & measurement triumph over intuition & opinion.