Successful Re-engineering Projects


The questions

- Are reengineering projects aimed at more radical change resulting in higher implementation success?

- If limited attention and resources must be allocated among the different stages of a reengineering project, which stage (or stages) should receive more emphasis in order to achieve higher implementation success?

Research Model

- Re-engineering Project “Radicalness”
- Re-engineering Project Implementation Success
- Re-engineering Project Stage-Efforts Profile
Comparison of variables:

- Re-engineering project radicalness
  - Measured in seven dimensions
- Re-engineering project stage-efforts profile
  - Eight typical stages in a project
- Re-engineering project implementation success
  - Perceived level of success
  - Goal fulfilment

Project stages and tasks (see Klein)

Stage 1: Identification of BPR opportunities
- Establish a steering committee
- Secure management commitment
- Align with corporate and IT strategies
- Identify major business processes with an “business model”
- Understand customers’ requirements
- Prioritize processes and select one for implementation

Stage 2: Project preparation
- Plan for organizational change
- Organize a BPR team for the selected process
- Train the team members
- Plan the project

Stage 3: Analysis of existing process
- Analyse existing process structure and flows
- Identify value-adding activities
- Identify opportunities for process improvement

Stage 4: Development of a process vision
- Understand customers’ requirements
- Identify process performance measures
- Set process performance goal
- Identify IT that enables process re-design
- Develop a vision for the redesigned process

Stage 5a: Solution: Technical design
- Develop and evaluate alternative process designs
- Detailed process modeling
- Design controls for process integrity
- 1S analysis and design for the new process
- Prototype and refine the process design

Stage 5b: Solution: Social design
- Empower customer contact personnel
- Define job and incentives
- Develop skill requirements and career paths
- Design new organizational structure
- Design employee performance measurement
- Design change management programmes

Stage 6: Process transformation
- Develop and test rollout plans
- Implement the social and technical design
- Train staff and pilot new process

Stage 7: Process evaluation
- Monitor performance
- Continuous improvement

Project Radicalness

Extent of change to:
1. Patterns of process workflow
2. Roles and responsibilities
3. Measurements and incentives
4. Organisational structure
5. Information technology
6. Shared values
7. Skills
Success

- Perceived level of success
- Goal fulfilment
  - Cost reduction
  - Cycle-time reduction
  - Customer satisfaction level increase
- Worker productivity increase
- Defects reduction

Research sample

- Questionnaires sent to members of the Planning Forum, a professional association focusing on strategic management.
- 239 responses out of 853.
- 105 of the 239 had completed at least one BPR project
- 2/3 of respondents were in manufacturing, financial or service industries
- Most were large companies

Research sample

- 3 most popular processes were:
  - Customer service (13.7%)
  - Product development (13.7%)
  - Order management (10.5%)
- Others were:
  - Business planning and analysis (5.7%)
  - Financial systems (4.8%)
  - Accounting processes (3.8%)
**Effort by Stage (averaged from 1 - 5!)**

<table>
<thead>
<tr>
<th>Stage</th>
<th>Description</th>
<th>Effort</th>
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<tbody>
<tr>
<td>Stage 3</td>
<td>Analysis of existing process</td>
<td>3.94</td>
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<tr>
<td>Stage 1</td>
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<tr>
<td>Stage 5b</td>
<td>Solution: Social design</td>
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**Correlation of radicalness with success**

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<th>Project Outputs</th>
<th>Defects reduction</th>
<th>Worker productivity increase</th>
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<th>Cycle time reduction</th>
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CA4 BPR - Successful Re-Engineering Projects
### Correlation of stage efforts with success

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#### Stage efforts vs. impact on perceived project success

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