Abstract

BUSINESS PROCESS REENGINEERING
AN OVERVIEW

Thomas Benesch

Business Process Reengineering (BPR) means not only change – but dramatic change involving obliteration of redundant processes. What constitutes dramatic change is the overhaul of organizational structures, management systems, employee responsibilities and performance measurements, incentive systems, skills development, and the use of information technology. BPR can potentially impact every aspect of how we conduct business today. Change on this scale can cause results ranging from enviable success to complete failure.

Successful BPR can result in enormous reduction in cost or cycle time. It can also potentially create substantial improvement in quality, customer service, or other business objectives. The promise of BPR is not empty – it can actually produce revolutionary improvements for business operations. Reengineering can help an aggressive company to stay on top, or transform an organization on the verge of bankruptcy into an effective competitor. The successes have spawned international interest, and major reengineering efforts are now beeing conducted around the world.

On the other hand, BPR projects can fail to meet the inherently high expectations of reengineering. Recent surveys estimate the percentage of BPR failures to be as high as 70%. Some organizations have put forth extensive BPR efforts only to achieve marginal, or even negligible, benefits. Others have succeeded only in destroying the morale and momentum built up over the lifetime of the organization. These failures indicate that reengineering involves a great deal of risk. Even so, many companies are willing to take that risk because the rewards can be astounding.

Many unsuccessful BPR attempts may have been due to the confusion surrounding BPR, and how it should be performed. Organizations were well aware that changes needed to be made, but did not know which areas to change or how to change them. As a result, process reengineering is a management concept that has been formed by trial and error – or in other words practical experience. As more and more businesses reengineer their processes, knowledge of what caused the successes or failures is becoming apparent.