

# **BUSINESS PROCESS REENGINEERING (BPR) – A POWERFUL MANAGEMENT TOOL FOR IMPROVING THE OVERALL PROFITABILITY**

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## **Abstract**

The process of Business Reengineering (BPR) includes the redesigning of the whole process of doing business in order to achieve satisfactory improvements in production per hour, production time and quality of product. In process of Business Reengineering (BPR), generally most of the company started this process with a blank sheet of paper and start rethinking and restructuring existing processes of production to provide more value to the end customer. They generally adopt a new value of system that provides most increased emphasis on the needs of customers. Companies lower the layers of organizational structure and remove unproductive activities in two important areas. First step is to redesign organizations' functions into cross-function teams. In Second step, they use technology to make decision and improve data dissemination.

*Keywords:* Business process reengineering, management tool, organization, production time

## **1-Introduction**

Business Process Reengineering (BPR) today is the latest, most radical revolutionary and extremely powerful management tool. BPR is not market- based but in turn it is mostly process based approach to strategy. This tool primarily focuses on activities going on in the process of production that turns inputs to outputs according to customer needs. It is possible that the entire process of the production gets changed during the process of business reengineering and it gets better in comparison to old process. BPR is mostly done according to customer needs and the entire process of process of business reengineering rotates around the customer needs and how can those needs be fulfilled at right time and in most efficient manner i.e. cost wise and time wise.

## **2- Necessity for Re-Engineering in the present scenario**

BPR is an effective management tool that gives the highest amount of changes in production costs, productivity profits, production cycle time and efficiency of process. There is a huge demand to reengineer all the processes of production.

In the study it is found that at the broad-level, because of the environmental impacts and globalization of the economies of the countries. Following are some of the factors that play an important and key role in development and improvement of economies.

which are:

1. Energy Crisis
2. Conflict Crisis
3. Confusion Crisis
4. Crisis of stress
5. Crisis of culture

At the organizational level, the factors that favors the reengineering of the process are:

### 3- **Competition**

The present economic scenario is marked by competition in almost all sectors of economy. The competition is becoming tougher and satisfaction of customers' expectations have become key element in competitive strategies for the 1990s and beyond. Companies which delight the customer with quality, variety and fast cycle time at competitive prices will gain a competitive edge and it takes away the major share of the business.

- **Environmental demands**
- **Technological advancement.**
- **Sinking profitability and market share**
- **Decline in share price.**

Thus because of competitive pressure for survival in the global economy the organizations have to reengineer.

### 4- **STEP I. Developing process for forecasting, determination of process objectives.**

The primary objectives of reengineering is providing a complete approach to the organization growth. Firstly, in order to implement BPR in organizations management process is by restructuring the vision of business and in order to fulfill that vision the best process is adopted. This is the most important phase as the top management has to select the best objective by continuous involvement in decision making process. The processes which gets selected for reengineering work are one, which provide value product to the customer. i.e., the organizational vision is to become top most company in their business in coming 10 years.

### **STEP II. Selecting process which needs to be reengineered**

This step starts with critical activities identification within the process in discussions with top management people; process attributes i.e. cost, quality and time and process measures i.e results needs to be fulfilled. Setting up new Standards for production processes and their sub processes which are needed to control and ensue production process outcome. Identifying the processes with clear view and to define the boundary and measuring the difficult processes among all.

### **STEP III. To understand and measure the existing process**

Information about how the old process works and what are the drawbacks of the process that is used and finding the weaknesses of the present process and finding the solutions to the problems that arises.

This phase gives the concerned persons and idea about the different production terms like response, delay, waiting time, non-value addition, etc., this in turn automatically created non satisfaction about the used production process.

### **STEP IV. To identify information technology (IT) Leverage**

The process of reengineering fulfills the necessary improvement by applying the effective and newly developed information technology processes. Applying IT helped if finding more economically and efficient process of production.

### STPE V. to design, build and implement prototype of new process

This is the Most important step in reengineering. In this stage the managerial posts should provide most enough resources in terms of workers skill and technology used, which provides conducive climate for implementation of newly developed processes. The developed prototypes of the processes developed are made and then the persons using them implement and use them and then gives their feedbacks.

The use of this design, its disadvantages, advantages are addressed at this stage of reengineering process.

In implementing, the process reengineered it should be owned by the people which are using them for success. Sometimes, the management does this job of linking people concerned and the process reengineered.

### 5- REENGINEERING FRAME WORK

“Complete process focus” in BPR overtakes the old practice of dividing and sub dividing the process to perform round the structural process.

This helps the employees to focus mainly on how work is done in more efficient way than trying to correct the old process they are working on.

This phase gives a clear idea of how reengineering will take place for all the process with main focus on factors like problem identification, market demands, time context and cost of inaction with a clear vision of future.

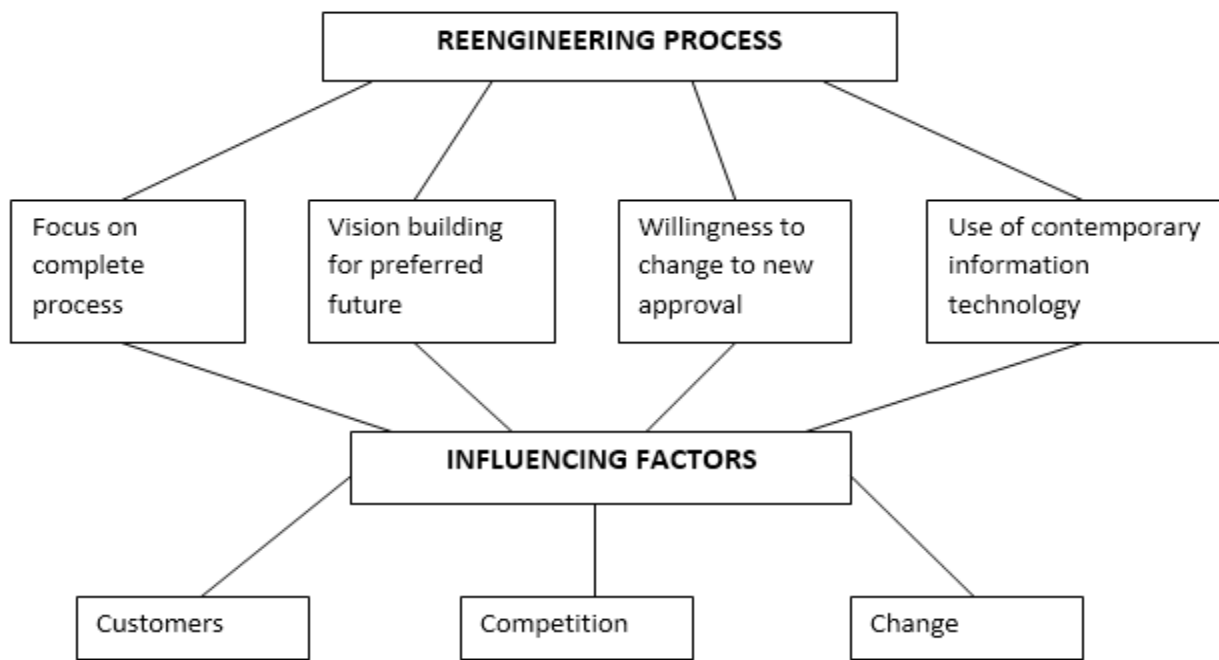


Fig. framework for reengineering

Fig. 1: Framework of Reengineering

## 6- COMPARATIVE STUDY BETWEEN INDUSTRIAL ENGINEERING AND REENGINEERING

### A. Similarities

1. Both are concerned with reducing costs, waste and cycle time.
2. Both aim at reducing non- value adding activities.
3. Both believe in working smarter not harder.
4. Questions what, When, where, why and how and who are common to both.
5. Reducing paper work, evolving, performance standards are common to both
6. Both are useful in repetitive activities.
7. In short and medium term, both may deduce employment.
8. Both stress on multi-skilling and combining of jobs.

### B Differences

1. BPR aims at radical, not marginal improvement; Industrial Engineering aims at whatever improvement is immediately possible.
2. BPR deals with process whereas Industrial Engineering usually takes up activities or procedure for streamlining within each functional area.
3. BPR believes in total redesigning and cross- functional perspective.
4. BPR has benefit of information technology, which- Industrial Engineering did not have during its peak periods.
5. BPR is customer focused whereas Industrial Engineering directly concentrates on benefits to management.
6. BPR emphasizes external bench marking and beating competition. Industrial Engineering usually develops standards by internal work-study.
7. BPR can be applied to select few business processes whereas Industrial Engineering has universal application.

## 7- MOST SUCCESSFUL FACTORS IN REENGINEERING

1. Setting up of an focused reengineering performance target which needs to be fulfilled.
2. Review of customer needs, economic leverages and market trends.
3. Commitment Of top management
4. Precise vision of reengineering process.
5. Selection of right process which needs reengineering.
6. Educating people and training them to take advantage.
7. In generating a feeling of ownership amongst all the persons working.

## 8- REENGINEERING PROCESS ADVANTAGES

1. Improvement among entire organization.
2. Better management improvements in the areas of-
  - a. Products and services.
  - b. Design and operations.
  - c. Improved system operations.
3. Taking advantage of improved technology.
4. Improved application of industrial engineering in the areas of-

## Indirect application

The following applications are included in indirect category.

1. Computer aided design (CAD)
2. Production Planning and Control (PPC)
3. Inventory Control.
4. Marketing's/sales, management
5. Business software's such as.
  - a. Materials requirement planning (MRP)
  - b. Manufacturing Resources planning (MRPII)
  - c. Just in time (JIT) manufacturing technique
  - d. Optimized production Technology (OPT)

## 9- CONCLUSIONS

BPR is the most radical revolutionary, powerful and the latest management tool. It helps in rethinking and redesign. The process to achieve grammatical improvement in various aspect such as cost, quality, service and speed. Reengineering means any important aspect as it increases the competition helps in environmental and technological advancement as well as helps in sinking the profitability and market share. It is easy to adopt, apart from various direct advantages. It has numerous in direct applications such in Computer Aided Design (CAD), Production Planning and Control (PPC) Inventory Control, Factory Managements, Business Software's, Material Requirement Planning (MRP) etc.

Hence, BPR is an important aspect which any appraising company cannot ignore.

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