BPR Implementation Process:
An Analysis of Key Success & Failure Factors

8.1   Introduction: An Analysis of Key Success & Failure Factors
Following the publication of the fundamental concepts of BPR by Hammer (1990) and Davenport and Short (1990), many organisations have reported dramatic benefits gained from the successful implementation of BPR. Companies like Ford Motor Co., CIGNA, and Wal-Mart are all recognised as having successfully implemented BPR.

However, despite the significant growth of the BPR concept, not all organisations embarking on BPR projects achieve their intended result. Hammer and Champy (1993) estimate that as many as 70 percent do not achieve the dramatic results they seek. Having BPR repeatedly at the top of the list of management issues in annual surveys of critical information systems reflects executives' failure to either implement properly or acquire the benefits of BPR (Alter, 1994). *This mixture of results makes the issue of BPR implementation very important. BPR has great potential for increasing productivity through reduced process time and cost, improved quality, and greater customer satisfaction, but it often requires a fundamental organizational change. As a result, the implementation process is complex, and needs to be checked against several success/failure factors to ensure successful implementation, as well as to avoid implementation pitfalls.*

The following analyses the BPR implementation process by reviewing the relevant literature on both soft and hard factors that cause success and failure of BPR efforts. The factors listed below are distilled from various articles and empirical research on BPR implementation. They were then categorised into a number of subgroups representing various dimensions of change related to BPR implementation. These dimensions are:
(1) change management;
(2) management competency and support;
(3) organizational structure;
(4) project planning and management; and
(5) IT infrastructure

8.2   BPR Success Factors
Factors relating to change management systems and culture Change management, which involves all human- and social-related changes and cultural adjustment techniques needed by management to facilitate the

insertion of newly-designed processes and structures into working practice and to deal effectively with resistance (Carr, 1993), is considered by many researchers to be a crucial component of any BPR efforts.

Revision of reward systems, communication, empowerment, people involvement, training and education, creating a culture for change, and stimulating receptivity of the organisation to change are the most important factors related to change management and culture.

Revising reward and motivation systems

Staff motivation through a reward programme has a crucial role in facilitating re-engineering efforts and smoothing the insertion of new processes in the workplace .

As BPR brings about different jobs existing reward systems are no longer appropriate for the new work environment; Therefore, reward systems should be revised as part of the BPR effort (Jackson, 1997) and the new reward and incentive system must be widespread, fair and encourage harmony among employees (Towers, 1994).

Introducing new job titles can be considered as one example of encouraging people to endorse the re-engineering programme without fear (The Trouble with Reengineering, 1995).

8.3   Effective Communication

Effective communication is considered a major key to successful BPR-related change efforts. Communication is needed throughout the change process at all levels and for all audiences (Davenport, 1993a), even with those not involved directly in the re-engineering project (Dixon et al., 1994). Effective communication between stakeholders inside and outside the organisation is necessary to market a BPR programme and to ensure patience and understanding of the structural and cultural changes needed (Berrington et al., 1995) as well as the organisation's competitive situation (Cooper and Markus, 1995).

Communication should take place frequently and in both directions between those in charge of the change initiatives and those affected by the. Communication should be open, honest, and clear, especially when discussing sensitive issues related to change such as personnel reductions.

8.4 <u>Empowerment</u>

As BPR results in decisions being pushed down to lower levels, empowerment of both individuals and teams becomes a critical factor for successful BPR efforts since it establishes a culture in which staff at all levels feel more responsible and accountable (Rohm, 1992/93) and it promotes a self-management and collaborative teamwork culture (Mumford, 1995).

Empowerment entails that staff are given the chance to participate in the redesign process (Bashein et al., 1994). When empowered, employees are able to set their goals and monitor their own performance as well as identify and solve problems that affect their work, thus they are supporting the BPR efforts.

8.5 <u>Human Involvement</u>

In re-engineering, all people must be openly and actively involved and should be consulted at all stages on the process and its leaders. This includes line managers process owners those involved in IS and human resources, and workers. The culture of experimentation is an essential part of a successfully re-engineered organization and, therefore, people involved or affected by BPR must be prepared to endure errors and mistakes while re-engineering is taking place.

Creating an effective culture for organizational change:

Organisational culture is a determining factor in successful BPR Implementation. Organisational culture influences the organisation's ability to adapt to change. The existing culture contains beliefs and values that are often no longer appropriate or useful in the re-engineered environment. Therefore, the organisation must understand and conform to the new values, management processes, and the communication styles that are created by the newly-redesigned processes so that a culture which upholds the change is established effectively. In a newly re-engineered organisation, people usually share common goals and thus become more capable of working co-operatively without competing against each other.

As BPR supports teamwork and integration of labour, co-operation, co-ordination, and empowerment of employees become the standard attitudes in the re-engineered work environment. However, trust and honesty among team members is also needed, and within the organisation as a whole.

Stimulating the organisation's receptiveness to change Preparing the organisation to respond positively to BPR-related change is critical to success. When people are made resilient to change, they remain positive during uncertainty, focused, flexible, organised, and pro-active (Jackson, 1997).
Leveraging organisational change requires effective one-to-one and one-tomany interactions to enrol key influencers of both individuals and groups within and without the organization.

Factors relating to management competence:
Sound management processes ensure that BPR efforts will be implemented in the most effective manner (Bashein et al., 1994). The most noticeable managerial practices that directly influence the success of BPR implementation are top management support and commitment, championship and sponsorship, and effective management of risks.

8.6   Committed and Strong Leadership:
Commitment and leadership in the upper echelons of management are often cited as the most important factors of a successful BPR project. Leadership has to be effective, strong, visible and creative in thinking and understanding in order to provide a clear vision of the future. This vision must be clearly communicated to a wide range of employees who then become involved and motivated rather than directly guided. and support for the change must constantly be secured from senior management throughout a BPR project.

Sufficient authority and knowledge, and proper communication with all parts in the change process, are important in dealing with organizational resistance during BPR implementation.

Championship and sponsorship
Barriers such as political, economic, and organizational risks are all associated with BPR-related change. And champions of the change play a major role in overcoming these barriers and increasing the chance of successful BPR implementation. The champions must be able to persuade top management of the need to change and to continually push the change efforts throughout the organization. Political and material sponsorship by the champions of change to business processes, job definitions, reward systems, and organizational structure needs strong support from senior management.
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Management of risk
BPR implementation involves radical change to several systems in the

organisation. Risks associated with acceptance of changes in the organisational structure, deploying emerging ITs with little familiarity, large investment in new resources needed for the new processes, loss of personnel, and loss of earnings are some examples of the many risks that an organisation may take when implementing BPR. Therefore, continuous risk assessment is needed throughout the implementation process to deal with any risk at its initial state and to ensure the success of the re-engineering efforts. Anticipating and planning for risk handling is important for dealing effectively with any risk when it first occurs.

Factors relating to organisational structure

As BPR creates new processes that define jobs and responsibilities across the existing organisational functions (Davenport and Short, 1990), there is a clear need to create a new organisational structure which determines how BPR teams are going to look, how human resources are integrated, and how the new jobs and responsibilities are going to be formalised.

An adequate job integration approach

Several researchers emphasise that designing and implementing an adequate organisational human resources infrastructure is important to a BPR project's success. Has Re-engineering had its 15 Minutes of Fame?, 1995). Job and labour integration (case worker) is the most appropriate approach of human resources design that supports the process-based organisational structure rather than a function-based one. When individuals within a process perform a series of tasks efficiently, product quality, processing time, and cost are all going to improve. However, the move to integrate human resources architecture necessitates a careful consideration of all related organisational changes.

Effective BPR teams

Cross-functional BPR teams are a critical component of successful BPR implementation. Teams should be adequately composed. Team members should be experienced in variety of techniques. Teams should be made up of people from both inside and outside the organisation.

The determinants of an effective BPR team are as follows:
- competency of team members
- their credibility within the organisation and their creativity
- team empowerment (Carr,
- motivation
- effective team leadership

- and the training of members in process mapping and brainstorming techniques,
- proper organisation of the team
- complementary skills among team members,
- adequate size,
- interchangeable accountability,
- clarity of work approach, and specificity of goals

Appropriate job definitions and allocation of responsibilities
As BPR results in a major structural change in the form of new jobs and responsibilities, it becomes a prerequisite for successful implementation to have formal and clear descriptions of all jobs and responsibilities that the new designed processes bring along with them (Talwar, 1993).

Factors related to BPR project management
Successful BPR implementation is highly dependent on an effective BPR programme management which includes adequate strategic alignment, effective planning and project management techniques, identification of performance measures adequate resources, appropriate use of methodology, external orientation and learning, effective use of consultants, building process vision, effective process redesign, integrating BPR with other improvement techniques and adequate identification of the BPR value.

Appropriate use of methodology
Establishing a disciplined approach for BPR and using a sound methodology are prerequisites for BPR success. A BPR methodology should be designed or selected creatively to satisfy the current needs of the organization. Adequate customization of available BPR methodologies determines the level of comprehensiveness and effectiveness that a new customised BPR methodology can reach. External orientation and learning External orientation based on customer research, competitive analysis, and benchmarking is a critical element of successful BPR efforts.

Benchmarking is an effective technique to learn from customers and competitors; Is Reengineering A Fad?,. Customers' requirements and expectations should be defined and measured for BPR, and processes should be defined broadly in terms of customer value. Benchmarking allows learning from other organisations' experiences in BPR, as well as learning from one re-engineering process to another in the same organisation.

Effective use of consultants

Several authors suggest that an effective use of consultants is useful in ensuring successful implementation of BPR. Consultants can bring to the organisation specialised skills, experience, and know-how that the organisation needs and it is both time-consuming and expensive for it to build internally. They can also provide a firm-wide view, encourage unity between members, and are usually neutral (Davenport, 1993). Success of consultants in BPR is determined by their level of experience in implementing similar projects in other organisations, as well as their ability to direct the re-ngineering efforts to areas of substantial benefits to the organisation (Shabana, 1996).

The effective re-engineering of legacy IS

BPR projects often require revamping of the IS to deliver the full potential of the redesigned processes (Teng et al., 1994; Moad, 1993). Re-engineering legacy IS to new systems that use the latest technologies is a key factor in creating an integrative IT infrastructure that supports BPR efforts effectively (Towers, 1994). Critical to this effort is the need for goal-setting and quantitative benefits measures, the role of planning, and the need for determining organisational readiness for re-engineering (Tilley, 1996). Organisational readiness is determined by capability assessment, training needs, surveys of application usage, identification of application evolution trends, operational deployment considerations, and organisational change issues (Tilley, 1996). Automated reengineering of legacy systems can also add to the effectiveness of this process.

BPR failure factors

Factors related to change of management systems and culture

(1) Problems in communication:

. Inadequate communication of need to change

. Hiding uncertainties in communication (Jackson, 1997);

. Poor communication between BPR teams and other personnel

. Lack of motivation and reward (Hammer and Champy, 1993; Grover

(2) Organisational resistance:

. Resistance to change

. Fear, lack of optimism, and skepticism about BPR results

. Worries about job security (Jackson, 1997);

. Fear of job loss (Talwar, 1993);

. Fear of loss of control and position

. Middle management impermeability (Jackson, 1997);

. Lack of adequate planning for resistance to change

Lack of organisational readiness for change:
. Need for change management is not realised (Grover et al., 1995);
. Lack of determination/courage/skills of management for radical changes
. Demand for change exceeds the capacity to absorb (Jackson, 1997);
. Lack of cross-functional co-operation
. Line managers are not receptive for change