

# Business Process Re-engineering

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Ernie Imperial

Business Transformation Office - MERALCO



IF YOU WANT  
SOMETHING YOU'VE  
NEVER HAD,  
THEN YOU'VE  
GOT TO DO  
SOMETHING YOU'VE  
NEVER DONE.



- Definitions
- The Essentials
- Examples
- Interaction



# What is Business Process Re-engineering?

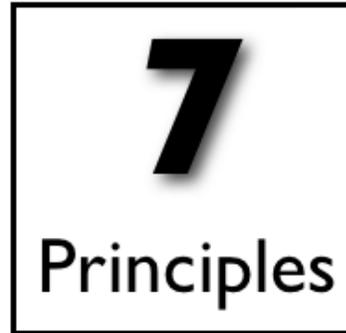
1990 – Michael Hammer published 'Re-engineering Work: Obliterate Don't Automate' in the Harvard Business Review.

Business process re-engineering (BPR) is the analysis and redesign of workflows within and between enterprises in order to optimize end-to-end processes and automate non-value-added tasks.

Introduced idea that sometimes - **radical** redesign and reorganization of an enterprise is necessary to lower costs and increase quality of service and that information technology is the key enabler for that radical change.

1. Organize around outcomes, not tasks.

7. Capture information once and at the source.



2. Identify all the processes in an organization and prioritize them in order of redesign urgency.

6. Put the decision point where the work is performed, and build control into the process.

***RADICAL***  
***Not***  
***Incremental***

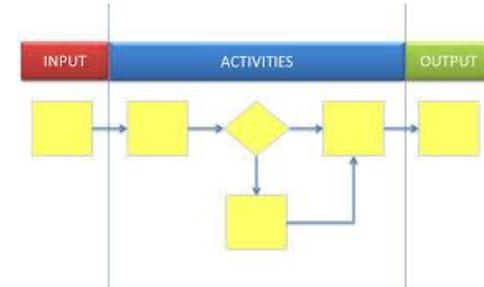
3. Integrate information processing work into the real work that produces the information.

5. Link parallel activities in the workflow instead of just integrating their results.

4. Treat geographically dispersed resources as though they were centralized.

# BPR vs BPM vs Business Transformation

Business Process Re-engineering - PROCESS



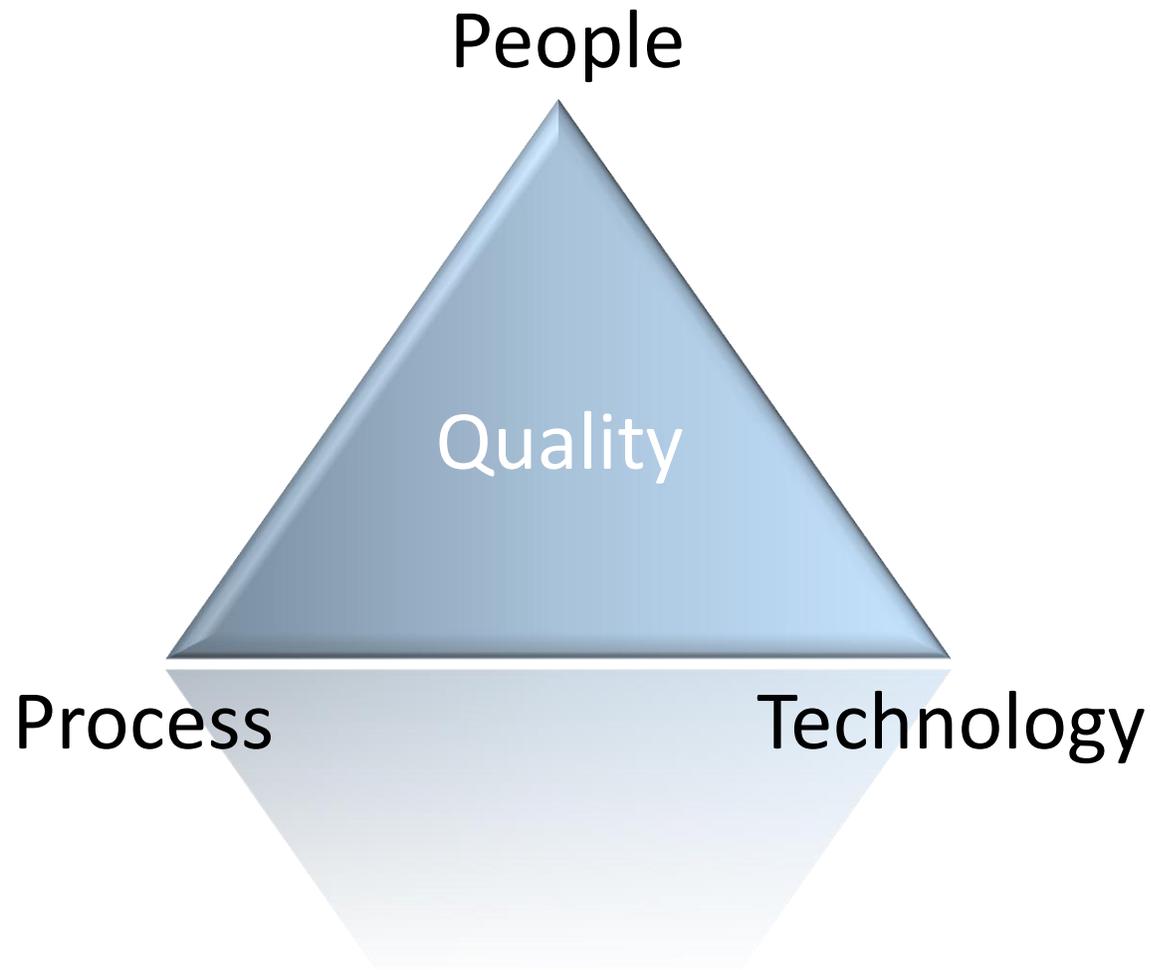
BPM (Business Process Management) - TECHNOLOGY



Business Transformation - PEOPLE



# The Change Triangle



*So okay, now that we know what BPR is and how it relates to The Change Triangle, what do we do next?*



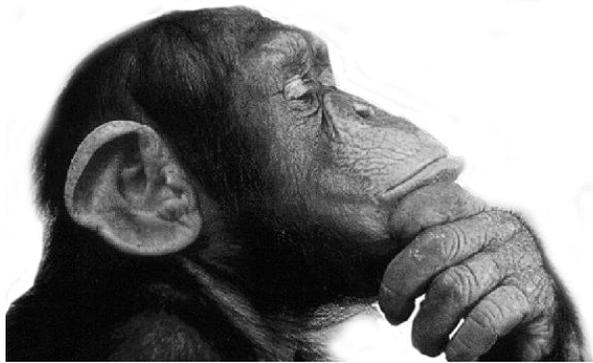
# First Things First - The Essentials

- Strategic Alignment
- Project Management
- Process Architecture
- Process Excellence
- Change Management

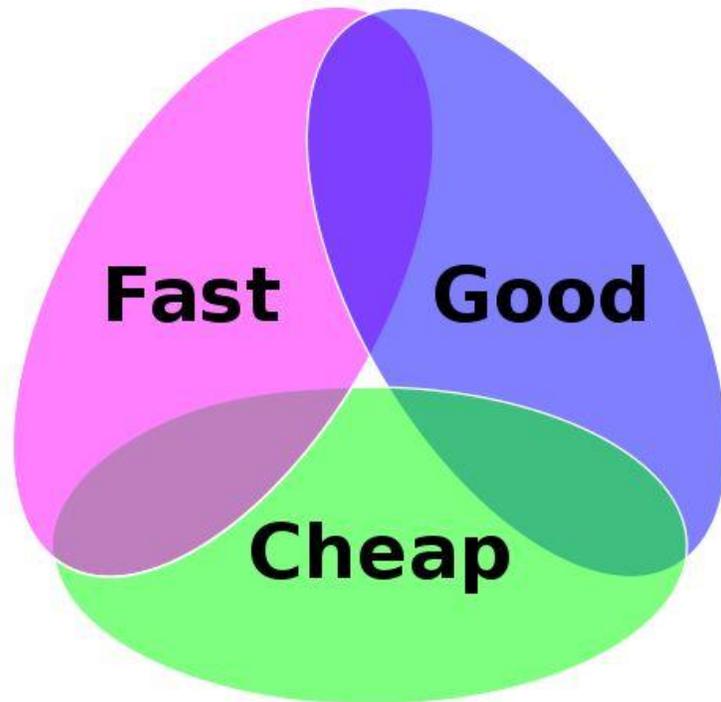


# Strategic Alignment

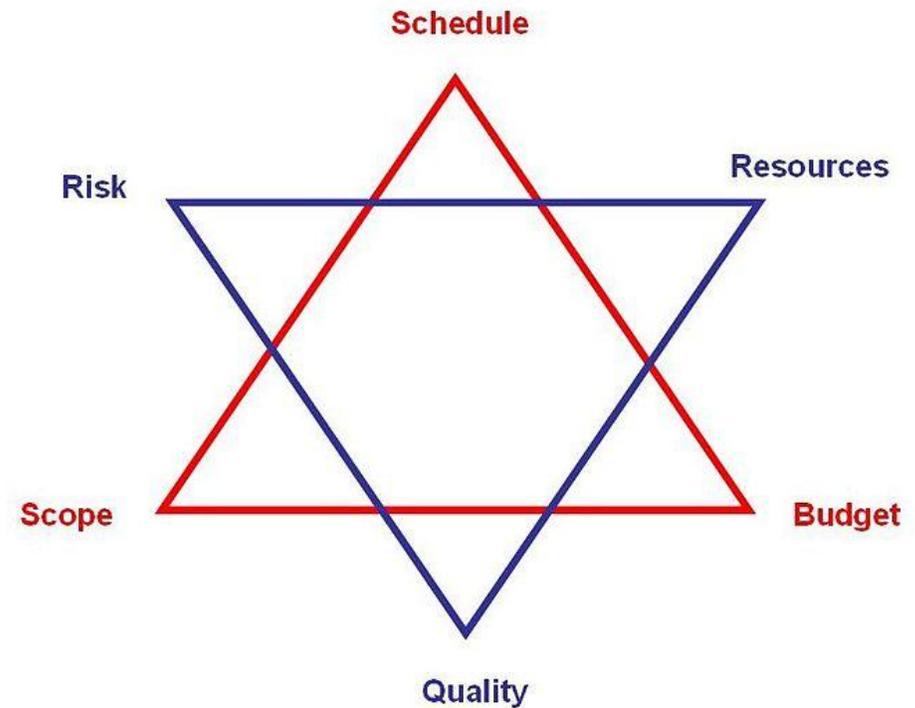
*Why are we doing this again?*



# Portfolio, Program and Project – The ‘Plan’



“Triple Constraint” in Project Management



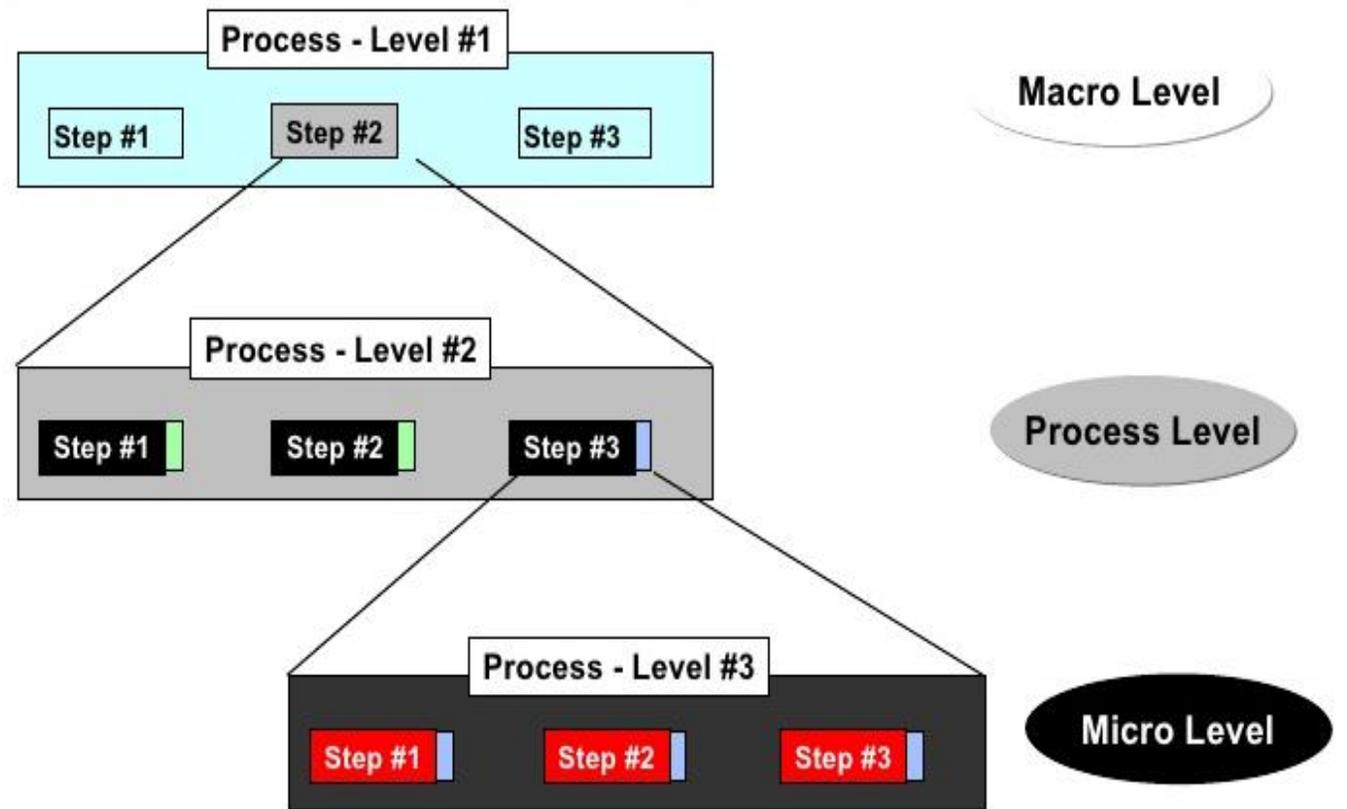
# The Project Manager

- Key skills and traits
  - Clairvoyance
  - Paranoia
  - Multiple personalities
  - Tolerance to cholesterol and alcohol
  - Sleeping while standing up
  - Counselling
  - Multi-lingual
  - Martial Arts
  - Mentos Mindset



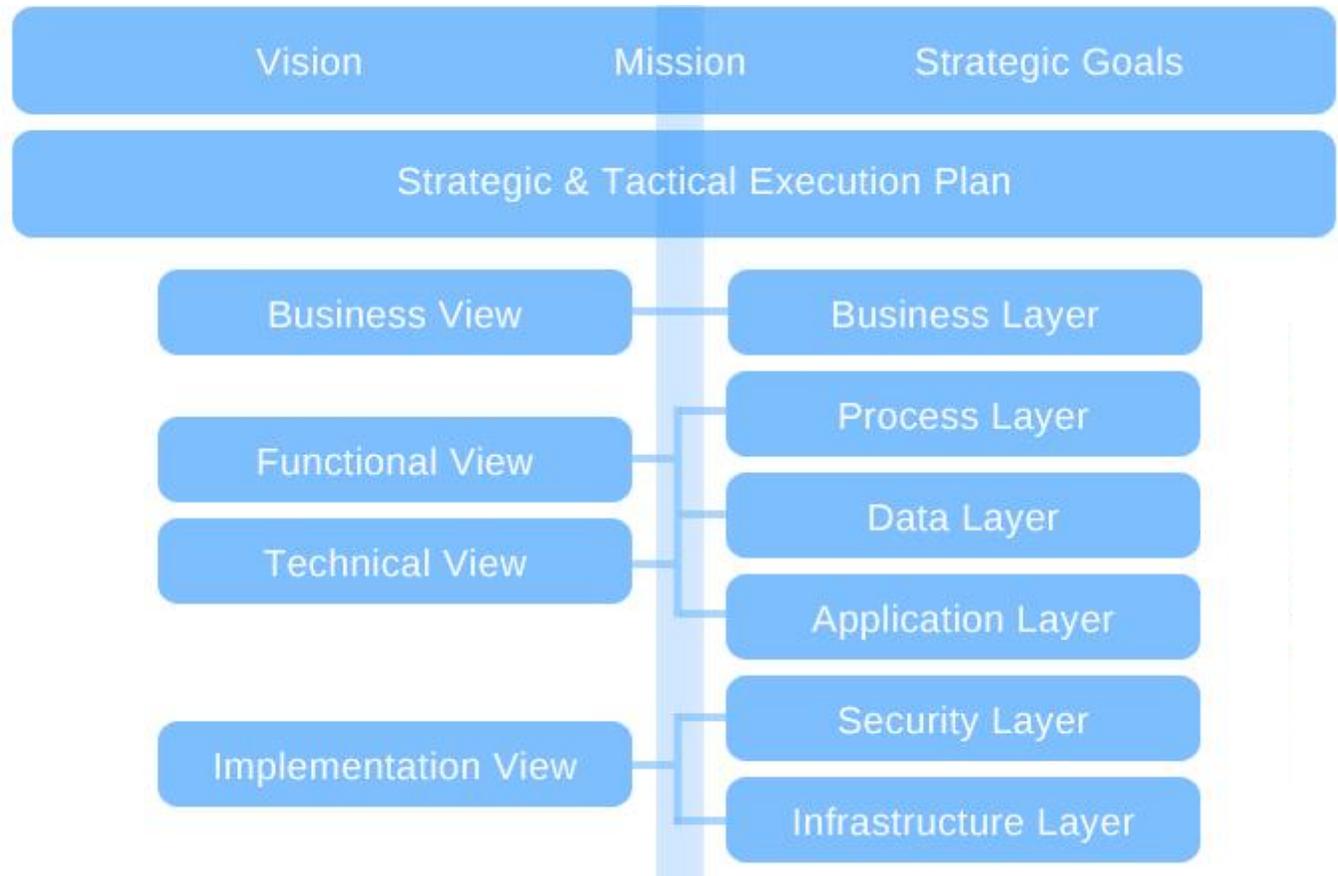
# Process Architecture – The ‘Flow’ and The ‘Stack’

The ‘Flow’ – end-to-end view of processes, e.g. lifecycle view, at all levels of abstraction



# Process Architecture – The ‘Flow’ and The ‘Stack’

The ‘Stack’ – top down view of processes, e.g. enterprise architecture, using levels of domains



# Change Management

1. the management of change and development within a business or similar organization.
2. the controlled identification and implementation of required changes within a computer system.

Common frameworks are ADKAR and Kotter's CM Model. **ADKAR** is a framework for understanding Change at an individual level. Developed by Jeffrey Hiatt for ProSci, a world leader in change management research, in 2006.

- **A- Awareness:** Represents a person's understanding of the nature of the change, why it is being made, and the risk of not changing
- **D- Desire:** Willingness to support and engage in a change
- **K- Knowledge:** Represents the information, training, and education necessary to know HOW to change
- **A- Ability:** Represents the realization or execution of the change
- **R- Reinforcement:** Represents the internal and external factors that sustain a change

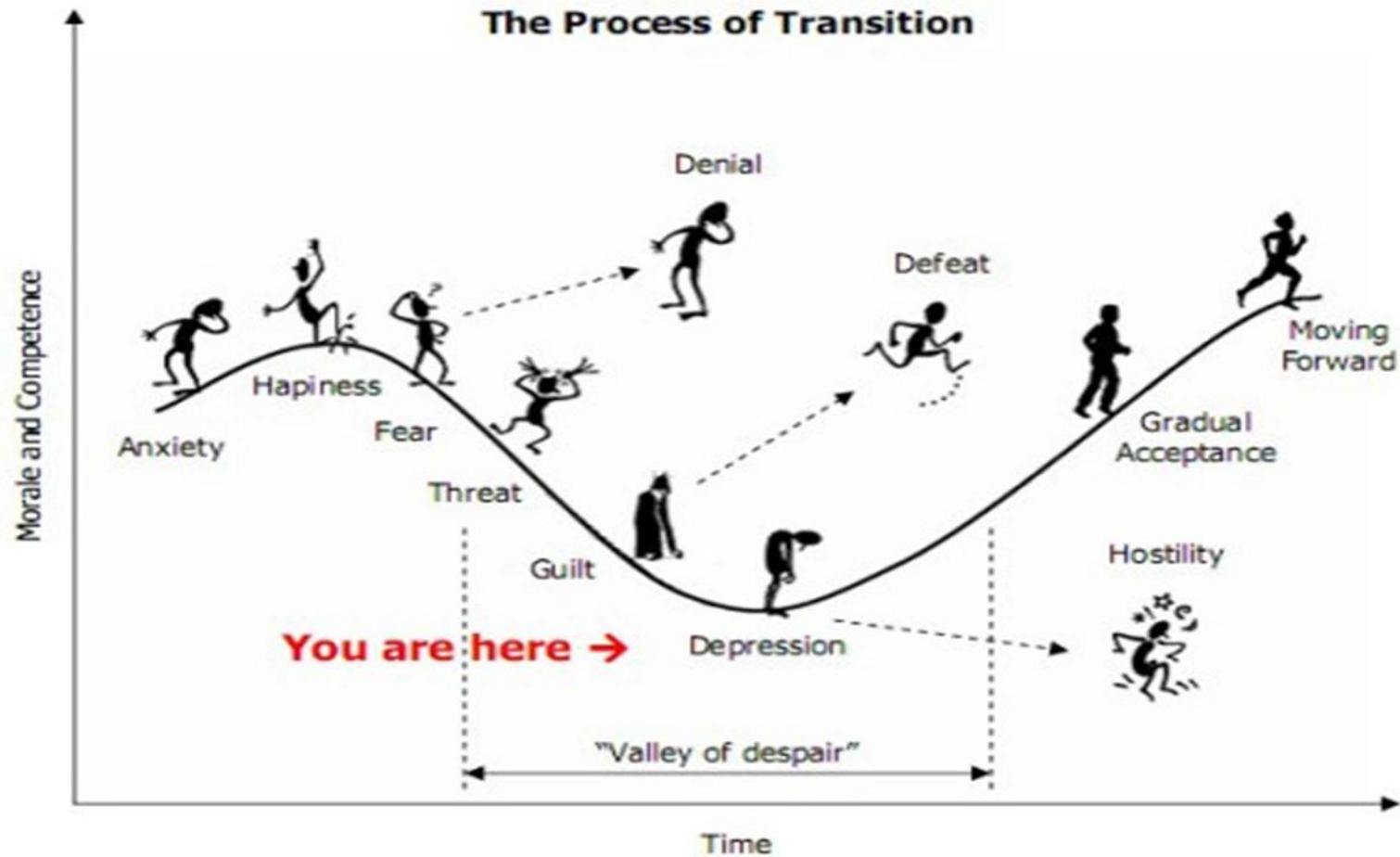
# Change Management

## Kotter 8 Step CM Model



<sup>5</sup> Kotter, John P. and Cohen, Dan S. The Heart of Change. Boston: Harvard Business School Press

# Peaks and Valleys



# Process Excellence – The Marathon



# Case Studies

# Case Study.....Core Systems Transformation

**Background** – Large utilities company conducted major transformation project ~15 years ago and need to transform again to be ready for the future. Industry is changing, disruptive technology emerging, dynamic regulatory environment, customers expecting more amidst turbulent times.

**Problem Statement** – How to implement a massive transformation program and ensure working processes, integrated technology and organization design that will support the future state with minimal disruption to ‘business as usual’. Core systems include Billing and Collections, Finance, Supply Chain, HR, Asset Management, Work Management.

**Solution** – Set up a Business Transformation Office (Orchestration and Governance), implement BPR (Processes), align organizational design, training and communications (People) and solidify ‘best of breed’ technical architecture (Technology)

**Conclusion** – Program must be driven by the business, not IT. There should be One Language across all disciplines. Implementation partners can make or break the program. Ensure teams are dedicated, not part-time. Executive sponsorship and change mindset are the most critical factors for program success.

# Case Study.....Process Off-Shoring

**Background** – Large European bank whose primary strength is the domestic retail market embarks on a global investment banking strategy that results in massive growth and profit. However, the financial crisis circa 2007-2008 has resulted in a shake-up of the global banking and financial elite.

**Problem Statement** – How to implement a sustainable off-shoring program that will reduce costs, standardize processes, centralize shared services across key locations, yet ensure regulatory compliance, protect the bank's brand and reputation amidst a global financial meltdown. Core processes include Finance (Middle Office, Back Office) and IT (systems development and production support).

**Solution** – Set up a network of near-shore and off-shore Shared Services Centers that will be composed of 'Change' specialists and 'Operations' people. Strong segregation of duties, value-added services in the form of business process re-engineering once processes/people are activated off-shore.

**Conclusion** – Program must be well orchestrated and sustainable. Frequent changes in 'players' lead to continuity issues and sub-optimal team dynamics. Strong One Language approach, embed top-notch implementation partners. Full-time team members. People element in the Change Triangle was the Critical Factor for success.

# Case Study.....Setting up Shared Services

**Background** – Up and coming Philippine-based conglomerate with interests in Retail and Industrial Services, has set a lofty revenue goal in 2020. Retail coverage has expanded to Vietnam, Thailand, Malaysia, Hong Kong, Singapore, Indonesia, Taiwan and Australia, while domestic Industrial Services growing at a fast clip.

**Problem Statement** – How to implement a Shared Services strategy and set up a Center of Excellence for business process re-engineering and roll out best practices and tools across the enterprise. Need to ensure efficiency and for shared services to back up growth.

**Solution** – Set up a Shared Services Center and Centers of Excellence for Project Management, Process Architecture and Process Excellence. Pilot best practices and systems and systematically roll-out across the different countries. Start off with Finance, Supply Chain and HR processes. Setup metrics and KPIs that will support the Strategic Goal.

**Conclusion** – From an entrepreneurial mind-set, culture must evolve and embed / hire professionals and consultants. Challenges in the area of people capability and capacity, ‘urgent before important’, and catch up mode for Change team. Strong executive sponsorship and support. Key success factor will be Acceptance of Change, specially across a multi-cultural, geographically dispersed set up.

Only the wisest and stupidest of men never change -  
Confucius

Interaction

Thank You