

**Achievement of Market-Friendly Initiatives and Results Program
(AMIR 2.0 Program)**

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**Jordan e-Government Business Process Reengineering
Methodology**

Final Report

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0 Document Control

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0.1 Document History

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0.3 Acknowledgements

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0.4 Distribution List

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0.5 Referenced Documents

Number	Title	Reference	Note
1.	Jordan e-Government BPR Process Documentation Templates	GOJ-CM-TMPL-020-1.0	N/A
2.	Jordan e-Government Communications Planning Methodology	GOJ-CM-PRCS-027-0.1	N/A
3.			

0.6 Abbreviations

BPR	Business Process Reengineering
CI	Continuous Improvement
CSF	Critical Success Factors
GOJ	Government of Jordan
RFP	Request for Proposal
SME	Subject Matter Expert

0.7 Glossary

N/A

1 Introduction

1.1 Purpose

The purpose of this document is to outline the BPR methodology to be used as a standard for all Business Process Reengineering (BPR) completed under the guise of e-Government PMO and the fast track projects.

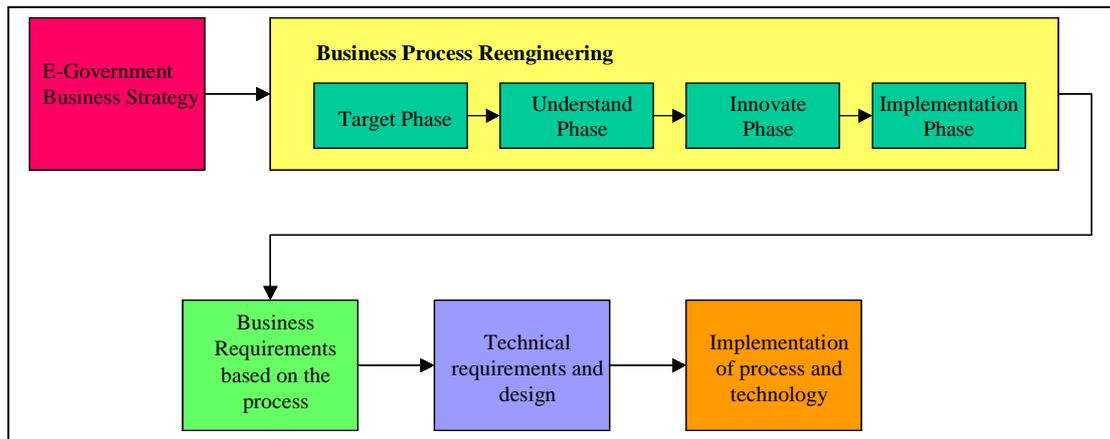
The new objective of the Government of Jordan (GOJ) to move to an e-Government model or strategy will drive many changes within the government organizations and their interactions with business, government and citizens. This change in the delivery of services, has been created by a shift in the strategy of how to supply those services to the citizens of Jordan. The shift in delivery to the application of digital technologies to improve service, productivity and citizen value creates a new environment for the present work being performed by all ministries. For any ministry to be effective in this new environment all dimensions of the government business must be aligned. It is critical that all components of the strategy, people, processes, structure and rewards be developed/aligned based on the design strategy to be effective. An alignment of all these aspects and the policies will communicate a clear, consistent message to those who work for and with ministry undergoing the change and help to make it a model of e-Government.

As a ministry identifies the areas within its strategic vision where it wants to incorporate e-Government initiatives, it will need to begin the shift of all of its components. The e-Government PMO can assist each ministry in moving forward with the strategic vision. With each shift in strategy for delivering citizen centric services, the ministry will need to begin a transformation of current state to the future state, this will include the transformation/reengineering of its processes. The processes of the ministry are the fundamental way that the business of that ministry gets completed. Each ministry currently provides citizen services or governmental services through the use of processes. These processes are what will be required to change to better enable the ministries to employ digital technologies to reach their customers (business, governments or citizens). The alignment of the governmental processes to the new e-Government strategy or vision is critical for the success of any digital technology enabler.

Processes are most easily aligned to the new e-Government strategy through the use of a process reengineering framework. Once a ministry makes the decision to change its strategy, which means the decision has been made to change the assumption of how the GOJ interacts with its citizens, there will be a need for business process reengineering. Current processes present the organisation with a look at its past, not a look towards its future. As the assumptions/strategic changes (e-Government) occur within any ministry the business process used to complete the work will need to be evaluated and changed to increase efficiency and/or match the new direction and objectives of the ministry.

Every time a ministry and/or the e-Government PMO takes on a new e-Government initiative an evaluation needs to be done of the processes surrounding that initiative. Each initiative will create the need for changes to occur. Once the processes have been identified for the initiative, they will need to go through a reengineering to ensure that they match the new strategic direction and objectives. Once a reengineering of the process has been completed the impact of that reengineering exercise will need to be examined for impacts on other areas of the ministry such as the organisation design, rewards systems or technology enablers.

Technology is a significant part of the impact areas for an organisation. Technology is an enabler of the process. The reengineered processes drive the use of technology. Therefore, as depicted below the BPR needs to be completed before the creation of system or application requirements. It is the process that drives the organisation's need for technology, as the To Be model of processes are implemented the BPR team can work with the technology team to transfer complete understanding of the how the business processes work and where they can be easily enabled by technology, thus creating the business and technology requirements needed to begin the system development lifecycle.



Each ministry within the GOJ will be undertaking e-Government initiatives, for each of those initiatives a BPR should be done. The e-Government PMO can provide assistance to those ministries for their BPR's in the form of guidance, methodology or hands on support. This methodology will be applied when a BPR team is formed and in need of a standard methodology to complete BPR activities.

1.2 Benefits

This methodology will provide a standard, from which the Change Manager and the PMO leadership will be able to assess all Request for Proposals (RFP) and all responses to the RFPs released under the e-Government initiatives. This methodology could also be used to complete a BPR initiated by the Change Manager or any member of the e-Government PMO in completing a BPR.

1.3 Scope

The Business Process Framework is a collection of methods, tools, techniques, lessons learned, and hints that help a project team transform an organization from its current state to the future. This framework is best used within organizations with coherent and well thought out strategic direction without that direction it would be quite possible to have an elegant solution to the wrong question. Practitioners should tailor the Framework to specific projects. During a BPR project, steps can be bypassed or can be performed in ways that are different from the Framework's structure. The Framework was designed to be flexible and should be customized based on the needs of the client.

This document will outline the framework and methodology to be used for conducting an end-to-end BPR. The methodology outlined contains four phases, the Target, Understand, Innovate and Implement phases. These phases will be in further detail in the appropriate sections.

Section 2 BPR Methodology: will include a general discussion of some important BPR definitions and provide a general overview of the BPR framework.

Section 3 Target Phase: will outline the general steps to be taken during the Targeting Phase, to include, establishing the business case, creating the BPR team and identifying the processes to be reengineered.

Section 4 Understand Phase: will discuss the analysis and change management activities to be done surrounding the targeted processes in the current state of the organisation, to produce an As Is Model.

Section 5 Innovate Phase: will outline the steps to be taken during the reengineering of the As Is model, resulting in the creation of the To Be model.

Section 6 Implement Phase: will include the steps to be taken in implementing the new To Be model of processes and the change management activities suggested to help in the reduction of resistance to the change.

2 BPR Methodology

The Business Process Reengineering (BPR) is defined as:

The fundamental rethinking and radical redesign of an enterprise's business processes, from the customer's perspective, to achieve dramatic improvements in business performance.

As organisations strive to achieve their mission and provide better service to their customers, they need to adapt to a future or desired state. As that future state is identified and driven to as a strategic objective, the process in which the organisation rely on daily in their current state, need to be adapted to help the organisation become successful to their changed vision and objectives. BPR provides the organisation with the ability to effectively change the internal processes to meet the future needs of that organisation's mission and strategy.

2.1 Overview

There are many widespread misconceptions about the nature of reengineering. Reengineering is about rethinking work from the ground up, in order to eliminate work that is not necessary, and to find better ways of doing work. BPR eliminates work, not jobs or people. It is true that, in many cases, when work is radically rethought that there may need fewer people to perform it. But, that is not the essence or the intent of the undertaking. Reengineering is not "*downsizing*". Downsizing means getting rid of people and jobs to improve short-term financial results. BPR has nothing in common with that kind of superficial and reactive response to problems.

Reengineering is not "*restructuring*" usually a euphemism for moving boxes around an organizational chart, or selling off some business units. BPR is centred on how work is done -- not how an organization is structured. Reengineering is also not to be confused with "*automation*". Even though technology plays an important role in BPR, its role is to enable new process designs, not to provide new mechanisms for performing old ones.

While the Framework includes all phases of reengineering, it must be tailored to each individual BPR project. During any particular project, steps can be bypassed or can be performed in ways that are different from the Framework's structure. The Framework was designed to be flexible, and should be customized based on the requirements of the project. The structured approach provided by a framework is an enabler, not a saviour.

However, the BPR Framework is not any of the following items:

- *Cookbook methodology* - The Framework is not a set of sequential steps that, if followed, guarantee success.
- *Linear process* - It is not a linear process with a clear beginning and end. Instead, it is a very iterative process.
- *Substitute for good judgment* - Don't let the framework override sound judgment, based on your experience.

Critical success factors (CSFs) are elements that must be present for a BPR project to be successful. The absence of any one of the elements listed above could spell disaster for a project.

- Visible active leadership
- Clearly articulated vision to the enterprise
- Sense of urgency
- Process focus
- Customer focus
- Focus on all components of business systems
- Cross functional participation
- Best and brightest as team members
- Leverage technology and human potential
- Some early positive results
- Continual Communication

2.2 Functions and Processes

There is sometimes confusion about these key elements of BPR. Some of it stems from the difficulty of understanding the differences between business functions and processes. The verb "*to reengineer*" takes as its object a business process and nothing else. Reengineering how work is done and how outputs are created from inputs. One cannot reengineer a function or an organizational unit when they are not responsible for a whole process. Typically, a function or an organizational unit performs only a small set of tasks within a process.

Provided below are some commonly used definitions within the process hierarchy:

- *Function*: A high-level grouping of related processes within an organization. Typical functions would be sales, marketing, finance, etc.
- *Process (also called Subprocess)*: A group of activities that takes an input, transforms it, and provides an output to an internal or external customer. Any company is typically comprised of 40 to 60 processes.
- *Core Process*: A group of related processes that together create value (product/service) for a customer. Most organizations have 6 to 8 core processes that drives its mission.
- *Activity*: Every process (subprocess) is made up of activities. As the name implies, activities are the actions required to produce a particular result.
- *Step*: Each activity is made up of tasks. Normally, tasks are performed by an individual. They are the lowest level to which a process can be divided.

A “*functional view*” of the enterprise looks at and manages organizations within an enterprise as a set of separate, isolated areas of work (functions), such as policy and finance. The individuals who perform these functions are often isolated from each other physically—located on different floors, in different buildings, and sometimes in separate geographical locations. The functional view of an enterprise gives rise to silo thinking, where employees make decisions based on the impact to their function only, without considering the consequences outside of their isolated silo.

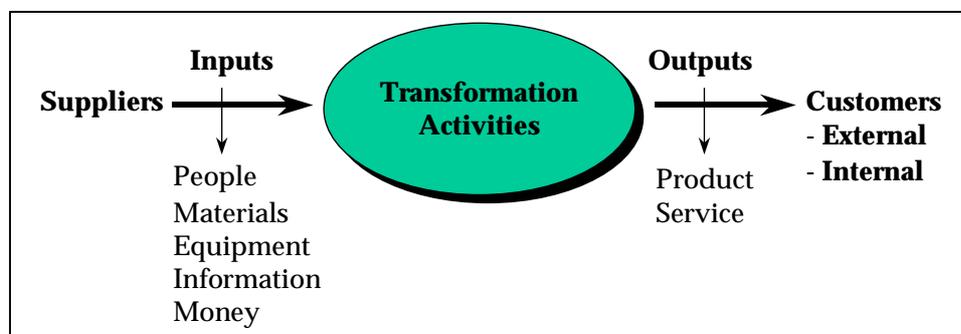
What is missing from this functional view of an enterprise are the customers (who are the reason why the enterprise exists in the first place), the products and services produced, and the process that produces the products and services. A more appropriate and effective view of an enterprise is a “*cross-functional view*”. This view depicts an enterprise as a set of core processes that cross the traditional functional boundaries that make up an organization chart to produce products and services for customers. The cross-functional core processes enable a natural progression of business results that deliver value to the end customer. Without a cross-functional view of the core process, fundamental and radical improvements are difficult to envision or justify.

2.3 Process Flows

The work that transforms inputs into outputs is a “process”. Processes have at least one input and at least one output (although most processes have multiple inputs and multiple outputs). There is no product and/or service without a process. Likewise there is no process without a product or service. Essentially, processes are what a organisation does.

Reengineering processes requires that one think in terms of processes, and that is something with which few business people have any experience. People are accustomed to thinking in terms of their activities, their departments, the managerial hierarchy. People are not given to thinking in terms of end-to-end cross-functional processes. What one must do is stop thinking about the functional organization, and start looking at the process that is trying to be improved.

In an example of a group of activities that takes an input, transforms it and provides output to internal/external customer, see picture below.



2.4 BPR & Continuous Improvement (CI)

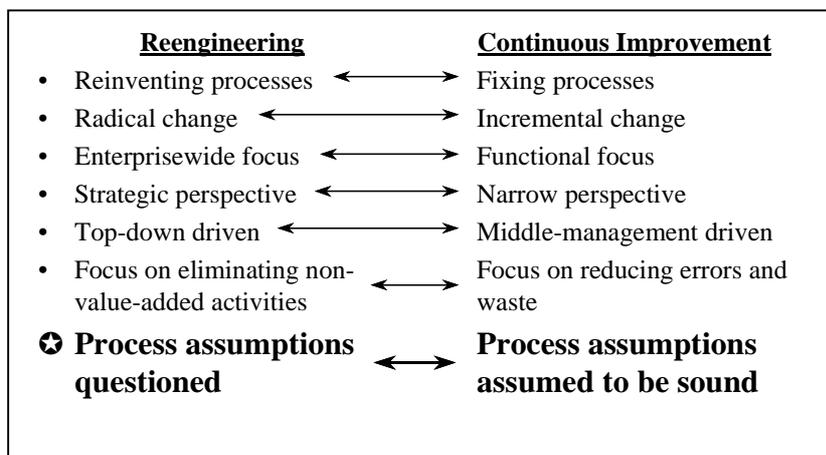
Reengineering is only one option for performance improvement. Other options include:

- Continuous improvement
- Outsourcing

- Elimination

The decision of selecting the appropriate improvement method is a strategic decision. Even though deciding whether to reengineer or choose one of the other options appears simple, it is not. Consideration must be given to the balance between the relative importance of a process to the strategic intent of the enterprise, and the current competitive performance of the process. All else being equal, the former is the deciding factor. When selecting the appropriate option for improvement, people often do not understand the difference between reengineering and continuous improvement (CI). BPR and continuous improvement do share some similarities, they both focus on processes, customers and changes.

The major difference between BPR and continuous improvement is the questioning of process assumptions. These assumptions are often referred to as the rules under which the enterprise operates. When performing continuous improvement, the assumptions of the process are assumed to be sound and are not questioned. However, when performing reengineering, all assumptions are questioned. Questioning assumptions provides the opportunity to uncover the validity of existing rules that govern the process.



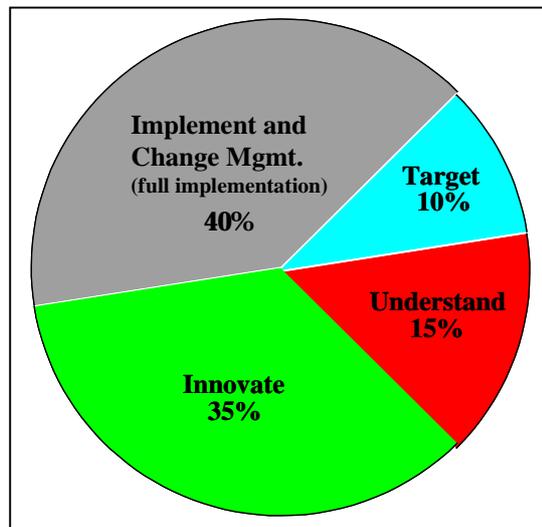
A reengineered process looks vastly different from a traditional process.

Here are some of the recurring characteristics frequently encountered in reengineered processes:

- Several jobs combined into one
- Workers make decisions
- Activities in process performed in natural order
- Processes have multiple versions
- Work performed where it makes most sense
- Checks and controls reduced
- Reconciliation minimized
- Single point of contact for customer
- Hybrid centralized/decentralized operations

2.5 Level of Effort for the BPR Phases

The figure below depicts the level of effort that is generally devoted to each phase of the BPR Framework. The Innovate and Implement phases represent the majority of the work. Limited time is spent on assessing the current state. Reengineering begins with the assumption that the current process is so far removed from what is needed that it can't be fixed, and the only option is to discard it and start over. Knowing this, there is no value in conducting detailed analyses and creating exhaustive documentation regarding the current process.

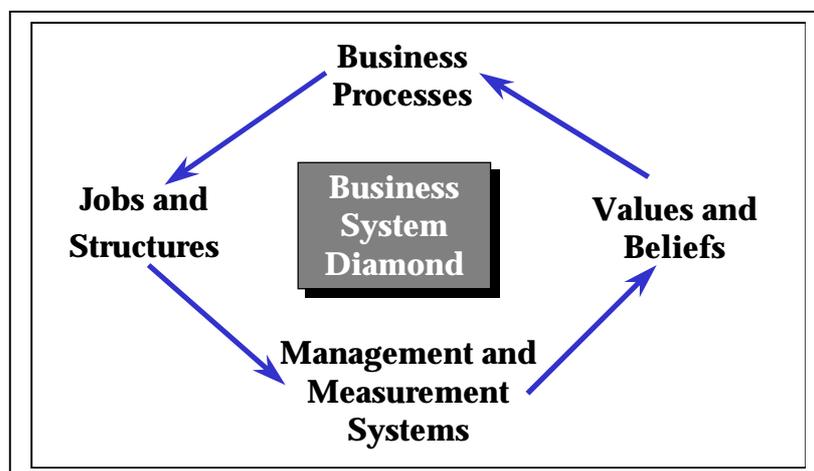


2.6 The Ripple Effect of BPR

The hardest part of any BPR effort is “living through the change” -- getting people to let go of their old ways and embrace new ones. Reengineering changes all aspects of a business. When a process changes, by necessity, so do the jobs of the people who work in that process. In addition, people’s styles, the ways in which they think and behave, and their orientation, what they believe is important about their work must also be realigned to fit the new process.

These changes create a “ripple effect” as career paths, management roles, interpersonal relationships, and value systems all undergo profound transformations in order to support a very different way of working.

When a organisation reengineers its business processes there are impacts/changes that occur beyond the process. While reengineering begins with process redesign, it does not end there. Radically changing processes inevitably has ripple effects on all other components of the business system. Jobs certainly change, as do the people needed to fill them, the relationships those people have with their managers, their career paths, the ways people are measured and compensated, the roles of executives and managers, and even what goes on in workers’ heads. In short, BPR ultimately changes practically everything about the organization’s foundations, because all these aspects are linked together, as diagrammed below.



“If you go into an organization and bring the people who work there the glad tidings that you are going to change what they do, how they do it, who they do it with, how they are measured, how they are paid, how they are organized, and even what goes on inside their heads, their response is likely to be utter panic.”

--Michael Hammer & Steven Stanton; The Reengineering Revolution

It should come as no surprise that, with this magnitude of change on the horizon people regard the transition from the old process to the new with much trepidation and anxiety. The number one source of difficulties with companies struggling to implement BPR is in the area of coping with the reactions of the people in the organization to the enormity of the change. This is referred to as “resistance to change.” Resistance to change need not be overwhelming or intimidating. If you understand the root causes of the phenomenon and follow a simple set of principles and techniques for dealing with it, then it will not derail your BPR effort.

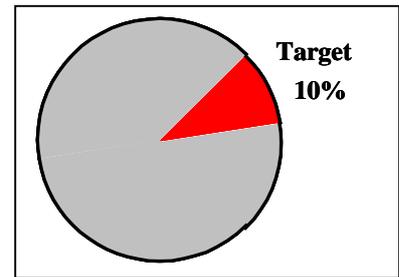
Even though there is no single way for dealing with resistance to change, there is a standard repertoire of techniques that can be used in addressing it. Some examples may be:

- Provide Incentives (positive and negative)
- Supply people with information
- Deal with people one on one
- Make change seem inevitable
- Make people part of the effort

Managing the resistance to change should be incorporated in each phase of the BPR.

3 Target Phase

As with any project, it is essential to get off to a good, strong start by laying a firm foundation for the rest of the project. The Target Phase provides this for the BPR project. The actions taken during this phase have an influence throughout the rest of the project, and you must address these with care, thoroughness, and determination.



The success of the project depends largely on getting everything set up correctly, choosing an appropriate process to reengineer, selecting appropriate team members and doing the groundwork so the enterprise will know what the project is all about. The Target Phase sets the foundation for effective communication and the development of the appropriate posture for the project.

3.1 Establishing the Need for the BPR

Establishing the need for the BPR relies heavily on the strategic direction of the organization. Once a new or modified strategic direction is identified, the business processes need to be brought in line with that strategy. An assessment of the enterprise's strategic direction requires evaluating the mission statement, vision statement, strategic intent and the objectives. Through the analysis and working with the senior management to understand the key business issues, and those things that will present barriers to achievement of the strategic direction such as, cost, quality, responsiveness, or innovation the need for the BPR can be established.

The business case for the BPR should be established during the Target Phase. The business case consists of four key components: a case for action, a reengineering vision, stretch goals and the identified implications of the new vision. The organisation undergoing the BPR can begin to mobilize itself for the change by consistently and constantly communicating these four components of the business case.

3.2 Define Scope and Objectives of the BPR Project

The project definition and scope provide the foundation for the project. Without a solid foundation, costs will soar out of control or the project may collapse halfway through. To create this foundation for the project, the boundaries, scope, and interface points for the reengineering must be determined. At this point the processes to be targeted for the reengineering need to be identified. All process interfaces must also be identified in order to estimate the magnitude of the scope and the potential size of the impact of reengineering. This information should be captured in the *Statement of Work*, guiding the BPR.

Once the scope is defined, the BPR objectives will need to be outlined. The objectives can be designed in collaboration between the BPR Team and the Client Team. The objectives for the BPR are critical, they provide the BPR team with direction and guidance on what the client is expecting to see as a result of the BPR. The objectives also provide the BPR team with the ability to know when to stop or when they have completed the reengineering. The reengineering would be considered complete when the BPR objectives are adequately met through the activities undertaken during the reengineering process.

3.3 Targeting the Processes for BPR

To select the appropriate process to be reengineered, one must first know what the processes are. The process to be reengineered should be one of the core processes of the enterprise. The enterprise will have 6-8 cross-functional core processes that drive its business.

To select the process to be reengineered, the senior management team should evaluate each of the agencies/governments core processes against a standard set of questions. Examples of the type of questions used during an evaluation would be:

- Significant impact on agencies strategic direction?
- High impact on customer satisfaction?
- Process performance below best-in-class standard?
- Government unable to gain more from process without reengineering?
- Antiquated?
- Susceptible to successful redesign?

Once a series of questions are asked, like the questions discussed above, these candidate processes should be readily obvious from this evaluation.

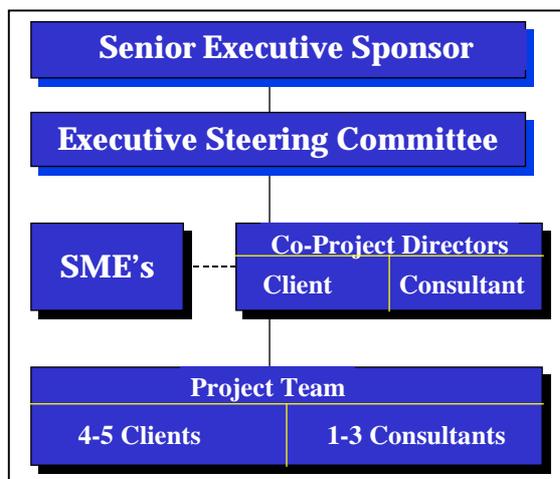
Once candidate processes have been identified it is critical that they be documented and agreed upon by all parties. Approval at this point will allow the BPR team the coverage to move forward. If the targeted processes are not approved or stable the BPR will be headed for disaster. A changing target is impossible to hit and will cause success to be beyond the ability of the BPR team. The Targeted Processes and Identification Agreement Form should be used to complete this phase and get agreement before moving onto the Understand Phase.

3.4 Organize for the BPR

The reengineering of the processes is not by itself able to create change within the organization. No one person can single handedly bring radical change and sophisticated technology to an organisation, no matter how simple the situation may appear. Therefore a team structure should be put into place to carry out the BPR.

- Obtain an executive sponsor:** Obtaining the executive sponsor is one of the most important activities that is done in the entire BPR project. Without the right sponsor, the project will fail. Envision your body without a backbone - that is a BPR project without an effective and appropriate executive sponsor. The executive sponsor usually has senior ranking within the organisation. His/her organisation is affected by and benefit from the reengineering effort. The executive sponsor has the responsibility to demonstrate commitment, create and motivate change, energise the management of the BPR, and communicate upward to ensure organisation-wide approval.
- Executive Steering Committee:** The Executive Steering committee will act as a sounding board and visionary for the BPR. The committee will need to understand the full impact the BPR will have on the organisation and assist in working towards lowering the resistance to the new processes to be created in the To Be Model.
- Establish and build BPR team:** The BPR team will work with the client organisation to determine the targeted processes for the reengineering and analyse the current state to determine the As Is Model. The BPR team will also continue to work the auxiliary participants and the steering committee to most effectively reengineering the processes creating the To Be Model and identifying the impact of the BPR on the organisation.
- Identify auxiliary participants:** The auxiliary participants should include subject matter experts (SME) to provide the BPR team with additional insight into the particular processes that are undergoing reengineering. SMEs can provide historical information about the role of the processes within the organisation or some potential best practices to be used when reengineering the process.

An example of the suggested BPR/team structure is provided below:



In this first phase, the BPR project is initiated. This is the “get organized” phase of the project. It starts with the agreement of the senior management team that BPR is needed in their organization. Once agreement is attained, one of the core processes is selected as the candidate, and the BPR project is initiated. The next activity of this phase is for the BPR team to be assigned.

3.5 Change Management

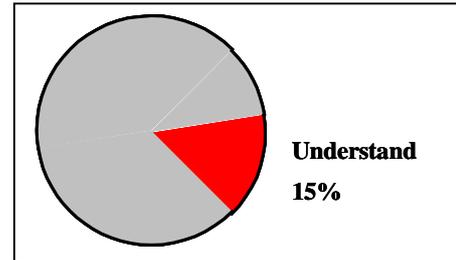
It is critical to begin the Change Management activities early in the project. The key to an effective change process is constant communication. One of the first tasks is to build a compelling business case to communicate the need for the BPR effort. Strategies for this communication begin in the Target Phase, and evolves throughout the project. The business case then becomes the foundation for the change and communications issues.

The Communications Plan becomes the main output for the change management activities during the Target Phase. It is critical to the success of the BPR that all those within the organisation who are directly or indirectly impacted by the reengineering of the processes be communicated to in a concise and controlled manner. Neither the BPR nor the communications plan can be done in a vacuum, both must be integrated in order to facilitate each other. The communications plan is initiated during this phase however it continues to evolve and be implemented throughout the later phases.

The Communications methodology and template can be used here to create a sustained communication plan for the particular information needing to be shared around the BPR.

4 Understand Phase (As Is)

Think of the Understand Phase as taking an aerial view of the process to be reengineered. The team needs to take a high-level view of the process to discover what is going on so that they can spot opportunities for redesign. Too many people confuse *understanding* with conducting a full-scale *analysis*. Analysis involves the detailed documentation of virtually every aspect of the current process, which can be extremely time intensive and can inhibit change. To avoid falling into endless analysis, limit the amount of time that you will spend studying the existing process. Typically four to six weeks is enough time to achieve the level of understanding necessary for reengineering.



Before the team can create a new design for the process, they do need to understand the current process. They must learn what the process does, how it performs, and why it does not perform better. All the data collected and assessments done in the Understand Phase will lead to the development of the primary output of this phase -- namely, the As Is Model. As the As Is Model is being created, targets for redesign are identified, assumptions about the current process are surfaced, and quick hits are identified and implemented.

4.1 Guidelines for capturing the current process

Capturing the current process involves obtaining information that identifies the strengths, weaknesses, and drivers of the current process. During the Understand phases process information should be collected. This information should reflect process flow, resources, the inputs and the outputs of the process. A process flow diagram can be created at this time to reflect the As Is state.

Performance measures should be created and a baseline taken during the collection of the As Is. These measures will show the current performance of the process and create a baseline measure for use after the process have been reengineered and implemented. The As Is, is best captured when observing the process or interacting with the customers (those who receive an output from the process). Capturing the process can be done through interviews, customer surveys or historical research. Performance measures can be taken to measure the current process' effectiveness, efficiency or impact. During the collection of process data, the BPR team can begin to identify assumptions, quick hit issues and targets for redesign.

4.2 Analysis and Synthesis of Current Process

The major opportunities for redesign or improvement come from activities that add time and/or cost to a process without adding any value in the eyes of the customer. The fundamental data needed for the analysis include customer assessment of value, cycle time, process time and cost.

To determine the data needed for analysis:

- Identify the time required to complete each activity
- Add process time or range dimension to process map
- Understand distinction between "in-process time" and "cycle time."

Synthesizing the information about the activities, the technologies and the human resource systems of the current process enables the team to identify why the process is dysfunctional. These dysfunctional processes will be the targets for the redesign. The team will then be able to surface the faulty assumptions underlying the current process, and identify quick solutions to implement. The targets for redesign and assumptions are critical inputs for the new process design. As the synthesis is performed, it is important that the team continue to communicate with the customer to ensure that the focus remains on them.

The most effective route to discovering a new process design is by surfacing and questioning the "*assumptions*" of the current process that is, the underpinnings of the current process, the reasons why it was designed to work the way it does. The current process design is based on some assumptions about the way in which the world works.

Perhaps, some of these assumptions were once valid. But, they become outmoded over time. Others are false from the outset, some examples of those assumptions are:

- Face-to-face contact is necessary to service a customer.
- A request must be made to have a pension estimate calculated.

Each As Is process should have the following characteristics identified for synthesis:

Characteristics for the As Is Process	
Inputs	Organisations involved
Description	Decision points
Outputs	Strengths
Customers	Weaknesses
Suppliers	Targets for redesign
Assumptions	

To complete this phase the BPR team should complete the As Is Tracking Sheet and the Process Flow Document Model.

4.3 Change Management

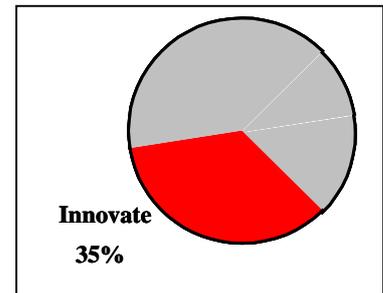
It is important to recognize that Change Management escalates as the project moves from the Target Phase into the Understand Phase. The communication campaign must be in full swing, the team will start to assess the infrastructure surrounding the selected process, needing wide participation and the understanding of the entire organisation.

As part of understanding of the current process, the team must learn about the stakeholders of the process, the capabilities of the associated human resource systems, and the structure and culture of the organization. These change management activities will start during the As-Is Phase, but will continue through to the end of the project.

The creation of the “As Is” is an iterative process between collecting process-related data and mapping the activities involved in the process. Contained in this model are the targets for redesign, the assumptions underlying the process, and quick-hit opportunities. The Change Management activities are accelerated during this phase. They focus on understanding the process stakeholders, and the human resources systems and culture supporting the process.

5 Innovate Phase (To Be)

The purpose of the Innovate Phase is to specify the technical dimension of the new process. The primary activity of this phase is developing the To Be Model, a clear description of the technology, standards, procedures, systems, and controls employed by the reengineered process. To establish the future state of the process, the assumptions of the current process (surfaced during the Understand Phase) will be reviewed, challenged, and changed in the Innovate Phase.



The value of the Innovate Phase is reengineering of the process to better meet the objectives of the organisation and the BPR. The Innovate Phase begins with the understanding from the previous two phases (targeting and understand) and takes the organisation from its current practices into the future.

5.1 Developing the To Be Model

In the Innovate Phase, the team will redesign the process with an understanding of the organization's strategic direction (Target Phase) and the current performance of the process (Understand Phase). Value of the To Be Model is to identify a better way to perform the process to achieve the stretch goals of the organisation and the BPR. The To Be Model will also allow a gap analysis to occur between the As Is Model and the To Be Model to determine the amount of change that needs to occur within the organisation.

Two factors or forces enable BPR: technology and human potential. Therefore, there are two sides to a redesign solution for a business process, the process and the social. The process redesign seeks to leverage technology in order to improve process performance. The social redesign seeks to leverage human potential to the same end. Since the process and social redesigns must be congruent for maximum performance -- that is, they should be mutually supportive of the process goals -- they should be developed concurrently.

To develop the To Be Model, several of the outputs from the Target and Understand Phases are used as inputs. Synergy amongst the BPR team members must be very high at this point in the project, because they will be challenging the current business practices, and developing breakthrough ideas. Both of these require a high degree of trust amongst the team members. The team should be in a position to establish the foundation for the To Be Model, and build scenarios for design purposes and review proposed To Be processes.

Developing the To Be Model consists of starting with the scenario created in the previous step, and then conducting a series of workshops to define its details. The results of each workshop will be added to the scenario. Keep in mind that the model evolves over time, and is not created in one sitting. The workshop can be designed to:

- Test Identified Targets for Redesign
- Search for Best Practices
- Break the current assumptions
- Redesign the process

The pitfalls to avoid while creating the To Be model are as follows:

- Avoid the technology trap – technology is an enabler of the process, not the driver of the process change
- Unwillingness to break assumptions- assumptions existing within the organisation are based on the current state and are not always conducive to meeting the objectives of the future state
- Overwhelmed by possibilities – there are lots of ways to reengineer a process to make it more effective, do not get overwhelmed by the possibilities of reengineering, choose one way and begin working to it
- Perfectionism – perfection can not be reached immediately, as there are lots of ways to reengineer the process the To Be Model will evolve over the time of the reengineering
- Conservative in redesign – BPR is supposed to be a radical redesign of the current processes, if the reengineering is to conservative then it will not be as effective as it could be
- Insufficient detail in To Be Model / Change Plan – the To Be Model and the change plan need to be implementable there for they both need to be at a valuable level of detail appropriate to the implementation of the future state.

To complete the To Be Model use the Process Flow document Model.

5.2 Analysing the To Be Model

It is important that the To Be Model not be created in a vacuum. Therefore the next step in this phase is to validate the To Be Model, by obtaining feedback from the process stakeholders and by simulating the model. This feedback could occur through a workshop, simulating the To Be Model with the real working scenarios of the client.

To document the changes proposed by the client or during review the BPR team should use the To BE Tracking Sheet template.

The team should perform a gap analysis to determine the extent of change from the current to the future state. This will help the team assess organizational change readiness within the context of proposed changes, and establish a foundation for the Transform Plan (the master implementation plan, developed in the Implementation Phase). The gap analysis starts with a comparison of the To Be Model to the As Is Model. For each change initiative identified, the difficulty of the change and the level of support for the change is estimated. An example of a Gap and the plan to overcome the gap:

GAP	INITIATIVE	DIFFICULTY	SUPPORT
Accept all orders up to established credit limit	Exception credit checking	Low	Ops.: High Mktg.: High Fnce: Low

In addition to the gap analysis, the second type of analysis you should conduct is a cost-benefit-risk analysis. This analysis is actually an extension of the gap analysis. For each initiative defined in the gap analysis, the costs and benefits of the change and the risks of making the change must be estimated. The estimates for the costs and the benefits should be quantified, but they will usually be a range, rather than a single point estimate.

INITIATIVE	COSTS	BENEFITS	RISKS
Exception credit checking	Add payment history flag to Order Entry system. \$30,000	Improve process time. 2% annual increase in revenue	Medium Sudden change in credit-worthiness

The primary output of this stage is the To Be Model and a clear description of the reengineered process.

The To Be Model created during this phase of the framework should be used to make future process and/or technology decisions. Technology is an enabler of the process, so it is critical that the technical team charged with enabling these processes understand them and use the approved To Be Model to drive technology requirements and design.

To complete this phase the BPR team should complete the To Be Tracking Sheet and the Process Flow Document Model.

5.3 The Change Plan based on the To Be Model

During this phase a change management plan can be created to accommodate the changes produced by the newly created To Be processes. Then, by comparing the As Is Model to the redesigned process, the magnitude of change can be determined, and appropriate plans to bridge that gap can be developed.

A major part of the Change Plan consists of defining the human resources associated with the new process.

- Identify job requirements
- Define job roles
- Estimate staffing levels

- Specify job changes
- Design career paths

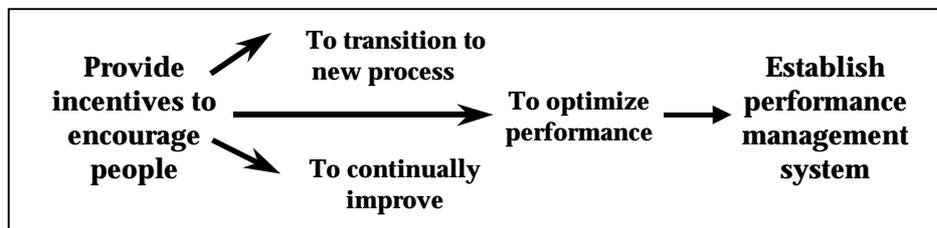
The purpose of the change plan in the context of the BPR, is to align individual, organizational, and process goals, by defining incentives to motivate people to make the transition to the new process, achieve the planned levels of performance, and commit to continuous improvement.

With the exception of the implementation readiness assessment, the other activities used to prepare the Change Plan are completed at the same time as the corresponding activities for the To Be Model.

Guidelines for developing a Change Plan:

- Assess organizations readiness for implementation
- Perform Gap Analysis and Cost, Benefit and Risk Analysis
- Review all aspects of the change Plan
- Package and Present Change Plan for approval

Guidelines for Designing the Incentive Program:



There are three areas in which the organization may wish to provide incentives:

- To encourage people to make the transition to the reengineered process
- To encourage people to optimise the performance of the reengineered process
- To encourage people to continually improve the reengineered process

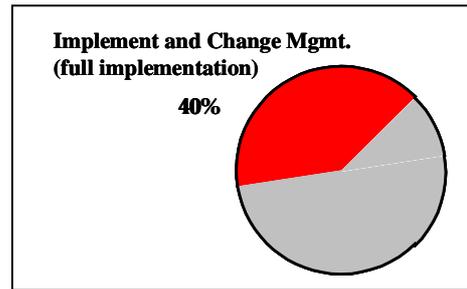
Each incentive needs to be structured to specify what measures of performance will be used what economic and non-economic incentives will be provided and, for the economic incentives, the basis and structure of the award and how it will be paid. The diagram above shows typical incentive structures.

The primary output of this stage is the Change Plan, a clear description of human resources that will staff the reengineered process will be organized and structured. There is also continued implementation of the communication plan designed during the Target Phase.

6 Implement Phase

In the Implement Phase, the focus is on developing and implementing plans to transform the organization from its current state to the future state, defined in the To Be Model. These plans should enable the piloting and refinement of the To Be Model, prior to its implementation company wide.

During the Innovate Phase, the “blueprint” for the reengineered process was created- The To Be Model. When the steering committee approves the To Be Model, the last phase of the BPR methodology, the Implement Phase can begin. This phase’s challenge is to bring everything together and institutionalise the reengineered process throughout the affected areas of the enterprise. The Implement Phase is where the new process faces the ultimate test of managing change. It is also where managing change becomes everyone’s job.

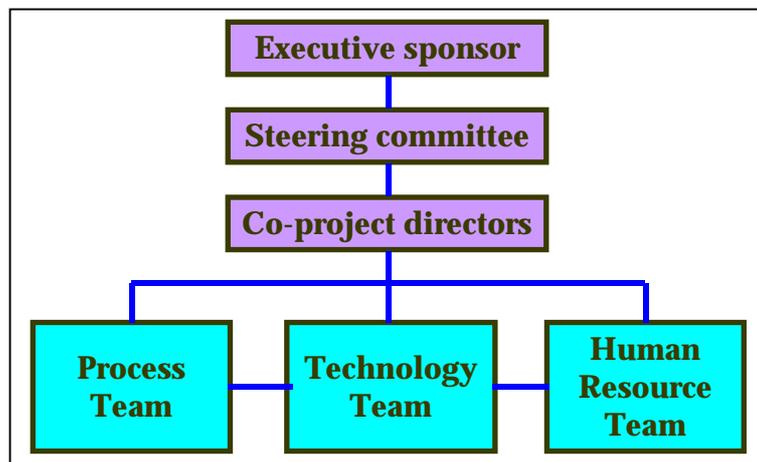


6.1 Pilot the To Be Model

Planning for the transformation forces the team to think through all the details of the changes, and coordinate their timing. By learning and applying the activities of the Implementation phase, the BPR team will increase the chances for successfully implementing the reengineered process for the enterprise.

During the implementation of the To Be Model, the number and type of people involved in the project will probably change. A different skill set is required to implement the To Be Model than was used to create it. The first assignment of the implementation team is to prepare an integrated Transform Plan, composed of Process, Technology, and Human Resource components.

The diagram below illustrates the typical organization structure for a transformation implementation team. In order to maintain continuity from the Innovate Phase to the Implement Phase, the original BPR team should be spread out amongst the implementation sub teams, based on their area of expertise.



Along with the support of the steering committee, the team is responsible to ensure successful implementation. The team should include individuals recognized as being change agents within the organization. They should also possess project management skills and knowledge of the process. The co-project director from the client organization should be the person who ultimately will become the owner of the reengineered process. This person should actively participate with the steering committee to select the rest of the implementation team members.

The first task of the implementation team is to prepare the master plan (the Transform Plan) for the implementation of the To Be Model and the Change Plan. The Transform Plan is an integrated set of manageable “releases” that delivers benefits to the organization in the short term as well as progress to the long-term solution. For example, if the To Be Model vision is an integrated order management process that will take

three years to implement as one large project, the phased Transform Plan describes short-term releases (such as eliminating redundant forms), while moving toward the long-term vision of the integrated order process.

In BPR, “piloting” is a first, full-scale run of the newly redesigned process. It is virtually impossible to invent a new process design that will work effectively and achieve the performance breakthroughs that you need, without some trial and error. Piloting provides the team with a first look at how the process will work in a real environment. Lessons learned from this first look will be applied, and modification will occur to the model before its full implementation.

The pilot should be conducted in only one segment of the organization or at one site, allowing the team to test the solution in a restricted and controlled environment.

6.2 Implementing the Reengineered Process

If this methodology has been followed through the first three phases, then most of change management activities are already in place or well underway. As the implementation is about to take place at a site / segment, it is important to:

- Assess whether the leadership is ready and willing to lead the effort
- Ensure that all process stakeholders are aware of the forthcoming changes
- Resolve all implementation barriers

The strategies to implement the new process and its associated technology and human resource systems must be executed. Training should be conducted for all end users having to now implement the newly reengineered processes into their daily activities. The training on the To Be processes can take place as part of the general implementation phase or as part of the Change Management activities taking place during this phase.

At this point in the Implementation Phase, the BPR and continuous improvement together can provide a final insurance that the processes are optimal for the organisation. Once the reengineered process has been implemented, it is critical to establish a systematic means to continue the improvement effort. An excellent way to do so, is to establish a process improvement team. The team should meet regularly for example, once per week for one to two hours is typical. It is strongly suggested that they receive training before starting the continuous improvement effort. Training should consist of learning about systems thinking and the process improvement method and tools. It should also include some team and interpersonal skills training.

6.3 Conducting Post Implementation Activities

Since people leave their jobs to join the BPR team, and with the work of the team behind them, the team members will now have to be reassigned within the organization. Also, it is recommended that the new process be evaluated immediately following its implementation, and then three to six months later. The purpose of both of these evaluations is to identify and resolve any problem areas. During the follow up of the Implementation Phase, the performance metrics should be taken to help assess the impact of the change. The metrics taken during the Implementation Phase should be the same as the baseline metrics taken during the Understand Phase.

To successfully transform an enterprise from the current state to a redesigned future state, it is critical that a Implement Plan and integrated schedule be developed. This plan should enable the pilot and subsequent refinement of the To Be Model, and ultimately the institutionalisation of the Model company wide.