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Business Process Reengineering: A Tool For Change

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Business process reengineering solves problems by redesigning the processes that an organization uses to accomplish work. Often, processes created in local government were originated on an *ad hoc* basis when the organization expanded or a particular problem needed to be addressed. Business process reengineering (BPR) is an opportunity to rethink and redesign all of the business processes that a local government uses by applying a specific methodology to analyze opportunities for new efficiencies. BPR is also known as process redesign, process innovation, reinvention, or simply working smarter. Michael Hammer, the foremost proponent of BPR, defines it as "the fundamental rethinking and radical redesign of core processes to achieve dramatic improvements in critical, contemporary measures of performance, such as cost, quality, service and speed."

When should BPR be used?

A variety of key symptoms indicate the need for BPR, including when:

- Citizens or customers want services that your organization is not delivering
- Things take too long
- Service costs are high but quality is poor
- People are thrown at the problem and things do not get better
- The process spans several departments and there is continual blame fixing
- There are intensive reviews and re-checks with little value-adding
- There is a high level of procedural complexity, exceptions and special cases
- There is high internal frustration and low morale

These indicators point to the need to use BPR to focus on core processes, as opposed, for instance to applying TQM or organizational development approaches which will yield more incremental results.

What is a core process?

A "process" is a series of activities that produces a result or output. Core processes in local government include the basic activities used to support internal business processes, such as finance, purchasing, and personnel. Core functions also include activities used to deliver services to the public, such as key planning, public works, police, fire, and recreation services. What all of these core functions have in common is that they are procedurally intensive activities

involving a number of employees, often from a variety of departments.

What are the primary advantages of BPR?

By rethinking how core activities currently work, such as how a purchase requisition is processed, the amount of time required to complete the activity can be compressed, while at the same time minimizing the amount of work required to fill the order, decreasing errors, and improving service levels.

The public's demand for services continues to increase even as revenues to support those services are static or even declining. By making core processes more efficient, work backlogs can be reduced or eliminated as the agency focuses on those activities that genuinely add values to the process. Therefore, process reengineering can be summed up in the simple phrase, "The right people doing the right things for the right amount of time and money."

How are employees affected by BPR?

In the private sector, BPR has been used to downsize staff levels in an effort to reduce costs and increase profits. In the public sector, Citygate Associates' experience has been that local communities desire more services—not less. Therefore, staff layoffs do not seem to accompany BPR efforts. In fact, successful BPR efforts involve employees in the identification and improvement of

critical processes. Key points of frustration in processes are therefore eliminated, and valuable employee time is better used, resulting in improved morale and enhanced services.

How are productivity measures incorporated into BPR efforts?

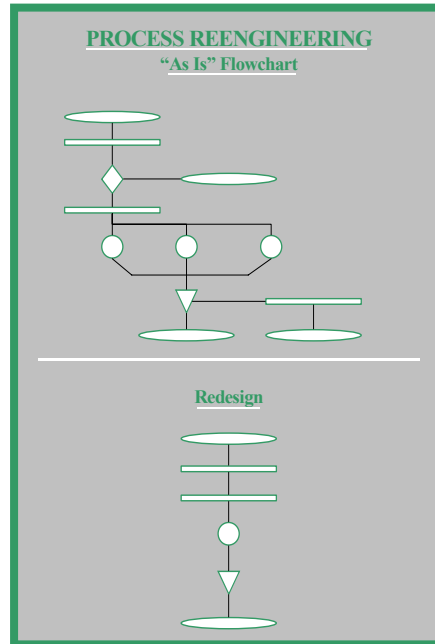
Change can not be evaluated without specific measures. For example, changes in the finance department can be best measured for productivity by assessing the number of transactions processed against the amount of time and money required to make them. Therefore, key measures would include the amount of cost per transaction processed, the amount of elapsed time required to complete a transaction, and the number of payments made on time versus those made late. Other key measures include the amount and frequency of errors or re-work required.

Our experience has been that cycle time on many processes can be reduced by at least 50% through BPR.

What options exist to implement BPR?

Assuming that the technical BPR expertise is not available in-house to implement this methodology, the two primary options are available to the local government. First, the consulting team may be asked to perform the evaluation and redesign core processes with minimal involvement by affected staff. The advantage of this approach is that the analysis can be performed quickly, but the likelihood of employee buy-in during implementation is not particularly high. The other alternative is for the consultant to facilitate a training and analytical approach which uses affected staff throughout the process. A facilitated approach takes more time, but has a

much better chance of generating support from the staff that will ultimately have to make re-designed process work. In addition, a facilitated approach leaves the staff with BPR skills which can be used once the consultant has completed the initial project.



"The right people doing the right things for the right amount of time and money."

Nowadays, many corporations are undergoing "process reengineering — a new term for reducing workload and increasing productivity. At a seminar, a manager explained it to me. "What does the optimist say about the glass and the water?" he asked. "It's half full," I replied. "What does the pessimist say?" "It's half empty." "What does the process reengineer have to say about it?" "It looks like you've got twice as much glass as you need there."

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