

Chapter 5

The Role of Business Process Reengineering in the Modern Business World

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ABSTRACT

This chapter reveals the role of business process reengineering (BPR) in the modern business world, thus illustrating the theoretical and practical concept of BPR, the applications of BPR, the drivers of BPR (in terms of internal drivers and external drivers), the critical success factors of BPR (i.e., egalitarian leadership, collaborative working environment, top management commitment, supportive management, information technology, change management, project management, and cross-functional coordination), the implementation of BPR, and BPR software tools. BPR is a systematic approach to helping an organization analyze and improve its processes in digital age. BPR is a continuum of change initiatives in order to deliver better business performance standards through establishing sustainable process capability in modern organizations. BPR has become a popular tool to dealing with rapid technological and business change in the global competitive environment. Applying BPR will greatly improve business performance and reach business goals in global business.

INTRODUCTION

As the basis of competition in modern business, many organizations consider BPR project, which lead to changes from cost and quality to flexibility and responsiveness (Darmani & Hanafizadeh, 2013). Organizations are different in design compared to some years back (Sungau, Ndunguru, & Kimeme, 2013). Business processes are considered as critical corporate assets (Seethamraju, 2012). BPR is a common practice for a continuous improvement of the organization and the operations of an enterprise (De Nicola, Missikoff, & Smith, 2012).

BPR projects force companies to follow a sequential methodology for changing and implementing new processes in modern organizations (Guimaraes & Paranjape, 2013). BPR targets to achieve quantum improvements by rethinking and redesigning the way that business processes are carried out with the

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help of information technology (IT) as the primary facilitator (Jain, Chandrasekaran, & Gunasekaran, 2010). Pérez-Castillo et al. (2012) stated that business processes have become one of the key assets of organization, since these processes allow them to discover and control what occurs in their environments, with information systems automating most of an organization's processes.

The strength of this chapter is on the thorough literature consolidation of BPR in modern organizations. The extant literature of BPR in modern organizations provides a contribution to practitioners and researchers by describing a comprehensive view of the functional applications of BPR in modern organizations to appeal to different segments of BPR in modern organizations in order to maximize the business impact of BPR in the modern business world.

BACKGROUND

BPR has been studied since the 1990s (Davenport & Short, 1990; Hammer, 1990), and continues to be one of the top five management aspects for IT executives (Luftman & Ben-Zvi, 2009; Luftman & Zadeh, 2011). Hammer (1990) introduced the concept of reengineering as a radical redesign of business processes to achieve dramatic improvements on critical measures of performance. Davenport and Short (1990) defined BPR as analyzing and designing work flows and processes within and between organizations. Davenport (1993) changed the BPR definition to a procedure which interferes with organizational boundaries.

Talwar (1993) defined BPR as a procedure in which organizational value is created and delivered by focusing on reconsideration and concentration of business structures, processes, methods of working, management systems and external relationships. BPR became as popular as in mid-1990s (Rigby & Bilodeau, 2005). BPR involves business process-based thinking and innovation, fundamental rethinking, radical redesign, dramatic improvement, and technology enablement (Hammer & Champy, 1993) have largely been adopted by the private sector and remain to be still valid (Harmon, 2010). Various techniques and tools have been exploited to speed up and enhance the process (Chan & Spedding, 2003; MacIntosh, 2003). Rethinking and redesigning business processes tend to obtain dramatic and sustainable improvements (Revere, 2004).

ROLE OF BUSINESS PROCESS REENGINEERING IN THE MODERN BUSINESS WORLD

This section illustrates the theoretical and practical concept of BPR, the applications of BPR, the drivers of BPR (in terms of internal drivers and external drivers), the critical success factors of BPR (i.e., egalitarian leadership, collaborative working environment, top management commitment, supportive management, IT, change management, project management, and cross-functional coordination), the implementation of BPR, and BPR software tools.

Concept of Business Process Reengineering

In a global economy that competes on knowledge and time, organizations have been embarking on BPR as a way of removing inefficiencies or sharpening their strategic perspectives (Sia & Neo, 2008).

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