

Chapter IV

Business Reengineering at a Large Government Agency

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ABSTRACT

A team of consultants undertook reengineering the delivery of compensation and benefits at a large quasi-governmental agency. Benefits included six programs which accounted for several time intensive processes such as “cafeteria plan” options for individual and family health coverage, a health benefits open enrollment period where information is dispersed to assist employees in plan selection; thrift spending account; and retirement accounts. In addition to the benefits portion, a myriad of compensation programs existed. Many of these hadn't been used in years, although available to all employment levels in the agency. In all, thirteen programs were to be reengineered in a twelve week period. A complicating factor was the structure of the organization. The organization included five senior vice presidencies, ten area vice presidents, eighty-five district managers, and many more levels of functional managers. The many levels and sheer number of vice presidents created overlapping spans of control stretching across the agency's domain with regard to people management, resulting in a negative effect on operations. Notwithstanding some of these factors that were outside the dominion of the reengineering team, the team created its own set of obstacles.

Personalities, management styles, skill levels, expectations, waffling team membership and leadership were shared concerns among the team members. However, these concerns remained largely unspoken and certainly were not resolved. Despite what could have become a disastrous experience, the core team survived to build a telephone call center that will one day grow into a national center, handling all the compensation and benefit needs of this organization.

BACKGROUND

A team of highly trained consultants was hired to direct and facilitate the reengineering process for a compensation and benefits program supporting nearly 800,000 employees across the United States.

Due to the efforts of several managers, the agency had already developed a reengineering methodology of its own that became known as *The Methodology*. A merging of Hammer's *Business Process Reengineering* (BPR) (1993) with Tom Davenport's *Process Innovation* (1993), the company's methodology blossomed into a three phase design consisting of Investigate, Innovate and Implement. Company team members were supplied with a copy of Hammer and Champy's (1993) book and encouraged to read it during the week before the contractors reported to the assignment.

When the three contractors arrived, two of three team members had returned to their offices to finish a few last minute responsibilities prior to participating in the very exciting task of improving the workplace. One of the three team members would be absent for two more weeks. Project duration was scheduled to last three months. The task was to reengineer compensation and benefits delivery for the company's very large workforce.

The team room was a well appointed and outfitted area. Four desks outfitted with personal computers networked via a LAN to a small server. The server housed software that was used throughout the project to record progress and store data. The L-shaped room afforded a place for a conference table, removed from the work area and yet accessible should team members want to continue working and participate in meetings which may be taking place. In the conference area were several white boards and a memory-write white board.

Figure 1. Methodology



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