Study on Business Process Reengineering (BPR) and its importance in ERP Implementation

Dr. Ramdas S. Wanare, Amar R. Mudiraj

1Associate Professor & Head
Department of Account & Applied Stat.
Vivekanand Arts, Sardar Dalipshingh Commerce & Science College, Aurangabad

2Research Student, Dr. Babasaheb Ambedkar Marathwada University, Aurangabad
wanarers@gmail.com, amarmudiraj@gmail.com

ABSTRACT:
In the new era of automation in the industrial growth the ERP plays vital role. Most of the industries struggle to steady their business as much as automatic at the level of functioning environment. The ERP is the one of the automatic solution, who provides lend a hand to the organization to accomplish this need. Although the ERP implementation is the enormous, expensive and time consuming process, the organizations still wish for put the ERP into practice for their betterment. The triumph for the ERP implementation is constantly depends upon the Planning. Most of the ERP Implementations are unsuccessful only for the reason that poor planning. The Business Process Reengineering (BPR) is the early-bird stage procedure for indentifying and investigates the organizational demand for the ERP implementation. This paper will emphasize the BPR process and it implementation. The research also explains the reliance of ERP implementation on the victorious BPR in the organization. Here, the research try to validate the significance of successful BPR process can also construct the successful ERP Implementation in the organization. In the very last part of the paper, list out the key issues which are affecting on the BPR process and its implementation. All the key issues or factors are gets classify in four different characteristics of the organization like Managerial, Operational, Technical and Financial aspects.

Key words:
BPR, Business Process Reengineering, ERP, ERP Implementation.

1. Introduction:
Enterprise Resource planning (ERP) is latest high-end solution, information has lent to business application [01]. The ERP process includes three stages during its implementation Pre-Implementation, In-Implementation and Post-Implementation and BPR is the process appears in the portrait during the very first phase of ERP implementation. Table 1.1 shows that the all ERP can proceed though three phases and BPR is first & initial process for ERP implementation. Business Process Reengineering (BPR) is an organizational method demanding radical redesign of business processes in order to achieve greater efficiency, better quality and more competitive production (Hammer and Champy, 1993). This paper stresses the BPR process and its significance in the ERP implementation in the organization. This paper also tells the different phase of the BPR process to describe the micro level view for the BPR process. With the same research paper I would like to list out factors which are affecting on the BPR process and all the listed issues are get separated into different feature of the organization like Managerial , Operational, Technical and Financial aspects.

2. BPR Process an Overview.
Michael Hammer is the founder of the notion called business process reengineering in the 1990. They define the BPR as “the fundamental rethinking and radical redesigning of business process to achieve dramatic improvement in critical contemporary measures of performance, such as cost, quality, services, and speed”. Homeas H. Davenport defines the BPR terms as “encompasses the envisioning of new work strategies, the actual process design activity, and the implementation of the changes in all its complex technological, human, and organizational diminutions”. BPR present the thought about the existing functioning environment and business process, on the foundation of this information the organization can take the judgment and decide to redecorate the business process according the new plans and objectives to attain the new landmark in their business.
2.1 BPR Implementation Model.

The execution of the BPR is relatively similar to the conventional lifecycle of the software development and we can find following step in the BPR process:

<table>
<thead>
<tr>
<th>Phase</th>
<th>Pre-Implementation Phase</th>
<th>In-Implementation Phase</th>
<th>Post-Implementation Phase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Process</td>
<td>BPR + BE</td>
<td>Development Approach + SDLC</td>
<td>Monitoring + Maintenance</td>
</tr>
<tr>
<td>Activity</td>
<td>• Analysis • Business Engineering • TQM • Business modeling</td>
<td>• Planning • Design • Implementation • Testing • Deployment • Training • Use</td>
<td>• Review • Monitor • Resolve • Control • Maintenance</td>
</tr>
<tr>
<td>Outcome</td>
<td>Ready to implement ERP</td>
<td>ERP is ready to use</td>
<td>ERP Results and Reviews</td>
</tr>
</tbody>
</table>

Table1.1: ERP implementation model [1]

2.1.1 Planning for BPR

Top level management has to create their mission and vision in such level so they going for such huge and long term costly process like BPR. Every organization has to think differently and take the discussion for implementing ERP in their organization. After finalizing the Top level management the organization has to plan for the BPR process to indentifying the current business process and loopholes in the current working style. During the planning phase the organizational top level management has to think about the BPR as positive view. Organization has to consider their vision and mission in-front of their aim to plan for the BPR.

2.1.2 Data Collection and Analysis

After plan the BPR process the organization start to collect the data from the different resources like external and internal resources which require for clarifying current scenario in the business process. Top level vision and mission, protocol of the organization, current technology used by the organization during the business process, problem and treats faced during the current business process, risk management in the business process, cost and time constraint in traditional business process etc. after collecting all the data from the different resources the BPR team will identifying the GAP of existing process and the factors which are affecting on the current business process and their impact level on the business.

2.1.3 Design the BPR Process

Now the organization is ready with the all the detail information about the factors and methodology of traditional business process. In the design the BPR process the BPR team will create step by step approaches for reaching the aim. Team will distribute the task among the all team member of BPR team. While design the BPR process the team will always have a alternative which help to implement into the different scenario and situation. Most suitable alternative will get select by the team member which gives them more potential and positive answer of their question which the team planned to find the BPR process.

2.1.4 Implementing BPR Process.

The implementation stage is where reengineering efforts meet the most resistance and hence it is by far the most difficult one [2]. Here the planned new business process will meet the traditional business process.

When the organization implement the BPR process the constraints of time and cost is consider at very high priority level. While implementing the BPR process the two basic strategies are generally used first is implement complete BPR at same time or implement partially i.e. implement phased approach( Alexis leon, 2008).
Implementation phase require continuous monitoring for identifying the structural and behavioral changes in the existing process and people who are get affected by the new BPR process directly or in-directly.

2.1.5 Assessment BPR Progress

While finalized the BPR process execution the organization has to take the better control over the process by continuous monitoring the test the progress of the new business process. Every testing has some of the benchmarks and we expect that the new business process is reaching the goal of the organization or not.

The testing of the BPR progress is validates in the bases of time and cost factors. While testing the progress of the BPR we have to monitor the outcome of the process and consistency of the outcome. BPR is process not complete in one sitting so it requires continuous monitoring the progress by analyzing the outcomes.

As the process gives the outcomes as per the plan then it acceptable but if it is not upto the mark then organization has to try some other alternatives which they have during the implementation phase.

3. Factors Affecting on BPR Process

Now in this section we are try to analyze the factors which are affecting on the BPR process and the factors also has different aspects of the organization like managerial, operational, financial and technical.

3.1 Managerial Factors:
These factors are associated with the Top level management like the managers, board members etc. as they have the vision and mission, they plays very essential and manifest role in the BPR process.

Change management means the organization is prepared to admit the change in the present working style; they also keep the bright and clear vision and mission to believe the new changes in the organization. While performing the same, the Top level management support need by the development squad.

Every process require sufficient resource to get into the actuality and if the given resources which are restricted has to get consume in such appropriate method, so that the wastage or idealism of the resources will not occur during the BPR implementation.
overall BPR implementation cost. As the BPR process is very time consuming process, it requires more resources and for the resources you require more finance. Other than above planning and execution cost also play the vital role in the financial category, where resources like planning and execution time, people involve in the team require more finance. With the same costing factors the business process reengineering also have to consider infrastructure cost where the organization might be require more and advance infrastructure to establish and implement new BPR process. Finally some financial need on the basis of external bodies like trend union, government financial policy, stock market also affect on the BPR process during its execution and implementation.

3.4 Technical Factors:

One of the most important and critical factor during the BPR process implementation is technical factors in other word IT factors. First and most important factor is organizational acquisition for the new technology and it take long time and if there is time taken activity then the cost of the process get increase. To implement, monitor and control the BPR process we must have well qualified, technically sound and highly experienced team members. After implementation people who are going to work on the new process they must have the knowledge of the new technology and working environment so they have to get trained before going to work on it. In this session lots of efforts has to take by the technical team of the BPR process. Technical infrastructure for BPR process also plays the very crucial and vital role, where the organization has to setup the new hardware and software for the new business process. The installation, backup, controlling and monitoring the equipment, analyzing integrity and consistency in the IT infrastructural components are has to get maintain and monitor to avoid future problem.

4. Conclusion

While conclude the research paper highlight the BPR process as micro-level activity which plays a very important and un-ignorable activity for the organization those want to go for ERP implementation. As the BPR process is time consuming and costly process most of the organization goes for it. This research also summarized the BPR process step by step. By listing and elaborating the factors affecting on the BPR process the study also gives the idea to consider the different areas to the organization those planned to go for the BPR process before ERP implementation in their organization. Dividing the factors in the four different categories gives the idea to the development team of the BPR process to focus on the crucial areas in organizational category during the implementation of BPR process.

References:


