



Process Reengineering

Process reengineering focuses on redesigning core business processes to achieve dramatic improvements in performance. It enables organizations to shift from vertical functions to horizontal value streams.

Key aspects include:

- Having customer-centric view to redesign processes based on customer needs
- Leveraging technology advancements to reinvent processes, not just improve them
- Focusing on end-to-end processes that deliver value to customers rather than functional silos
- Empowering cross-functional teams that have end-to-end responsibility for the process
- Simplifying processes by removing redundant steps that don't add value
- Reducing cycle times and increasing throughput via process automation
- Changing metrics to focus on customer-driven results vs departmental efficiencies

Benefits of process reengineering:

- 50-70% improvement in cost, quality, speed and service
- Enables innovation in products, services and strategies
- Aligns processes with business strategy and customer needs
- Removes legacy constraints and shifts culture
- Leverages technology advancements for transformation
- Improves cross-functional alignment
- Increases responsiveness to changing market conditions

Approach to process reengineering:

- Identify customer needs and set process goals
- Document and analyze current processes to identify issues
- Redesign processes with cross-functional teams
- Use IT to enable new processes and information flows
- Prototype and refine processes rapidly via iterative testing
- Implement redesigned processes and transition organization
- Continuously improve processes incrementally

In summary, process reengineering takes a customer-centric approach to radically redesign core processes leveraging technology. It focuses on end-to-end value streams rather than siloed functions to dramatically improve performance.