

BPR: TEN STEPS TO FAILURE

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Abstract

This paper outlines a method for achieving success at BPR by exploiting the perversity of management. Specifically, the paper recognises that many managers undertake change projects in a manner diametrically opposed to that proposed by academics or consultant practitioners in any particular discipline. Therefore, this paper proposes a method to increase the established failure rate of BPR projects from 70% to a full 100%. It is expected that many managers will read this paper, behave perversely and in consequence succeed at BPR where they would normally fail. They will be able to congratulate themselves on their success despite not following the advice given. The author will smile smugly.

For the protection of the innocent and the naïve:

THIS PAPER SHOULD NOT BE TAKEN TOO SERIOUSLY!

Introduction

It is a matter of established record (Hammer & Champy 1993; Stickland 1998 forthcoming) that many change projects fail. Specifically, Hammer and Champy suggest that in the case of Business Process re-engineering (BPR) the failure rate is 70%. From professional practice, discussion with other consultants and academics and from literature research, it appears that many of the failures arise from the perverse practices of managers. They wilfully ignore recommended approaches, work with inadequate abstractions from the research and methodologies published and frequently do precisely the opposite of what is proposed by experts. (They also, and often quite rightly, doubt the credibility of many who claim expertise!)

This paper is based on the premise that if Managers wish to fail at BPR then we, as academics or practitioners, have a responsibility to provide them with the most effective methodology – that is, one which will ensure that they succeed at failing in the most timely, cost effective and generally expeditious manner that we can devise. This paper sets out the author's initial thinking on this matter; ideas and additions will be welcomed to develop this approach to the highest possible level.

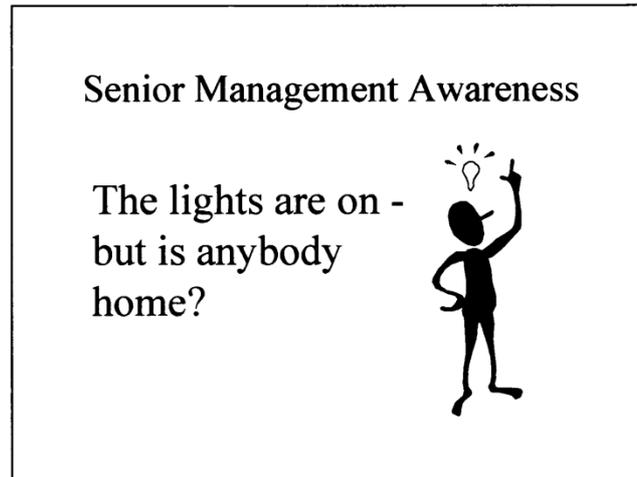
Theoretical Support

“There is no need to waste time on trivial theory – we all understand what is required – and we don't want to get bogged down in academic theory – we need practical action!”

The Failure Process

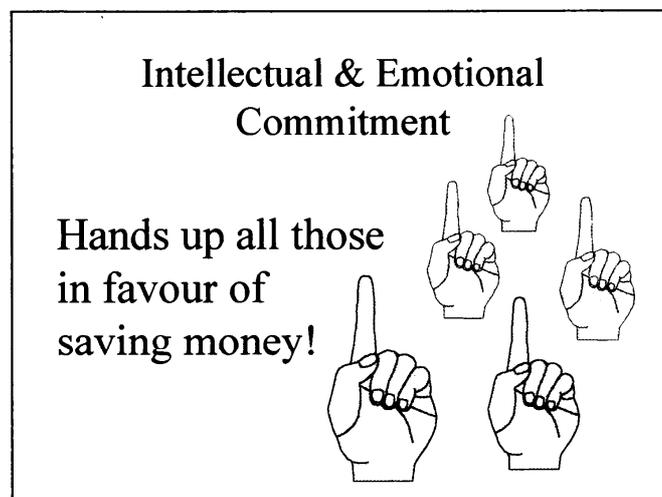
Without further ado let us get down to the practicalities of implementation. Enough talk, we need action.

Step One: Senior Management Awareness



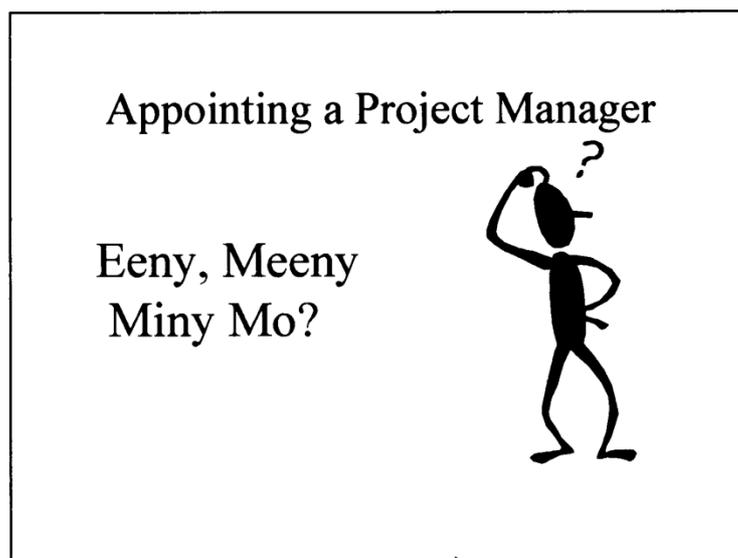
The Chief Executive attends a very expensive seminar (far too expensive for any more junior member of staff to attend). Specifically, the cost of this seminar is unbudgeted and the organisation is under financial pressure or at risk of losing customers (taking action on time by anticipating problems would be in contradiction of established management practice), attendance involves the CEO's personal assistant in reorganising a series of important meetings. Ideally, all of the foregoing apply as these key characteristics help to ensure that the CEO feels under pressure to derive significant value from the event.

Step Two: Intellectual and Emotional Commitment



As the second cognac is poured and the CEO lights his after lunch cigar, applause draws his attention to the speaker on the stand, one key word enters the conscious mind of the CEO –‘re-engineering’. He couples this to a statistic selected randomly from the various numbers discussed – usually the one about Ford saving 75% of this costs – (Hammer & Champy 1993). Armed with these two vital pieces of data, the CEO returns to the office to attend the rescheduled meetings and after a bust afternoon goes home. He has a sleepless night, worried by the huge cost advantages being gained by other organisations and decides to take action. Reassured by his own decisiveness, he sleeps well for the rest of the night and arrives in the office early. As soon as possible he gathers the executive team around the conference table in his suite (disrupting their established plans for the day). He reports the value of the seminar, centring his presentation on the two key ideas, ‘re-engineering’ and ‘75% cost reduction’, since this is all he can remember. He relates this to their own situation demonstrating, with figures scribbled on the back of a used envelope, the potential benefits for the organisation.

Step Three: Appointing a Project Manager



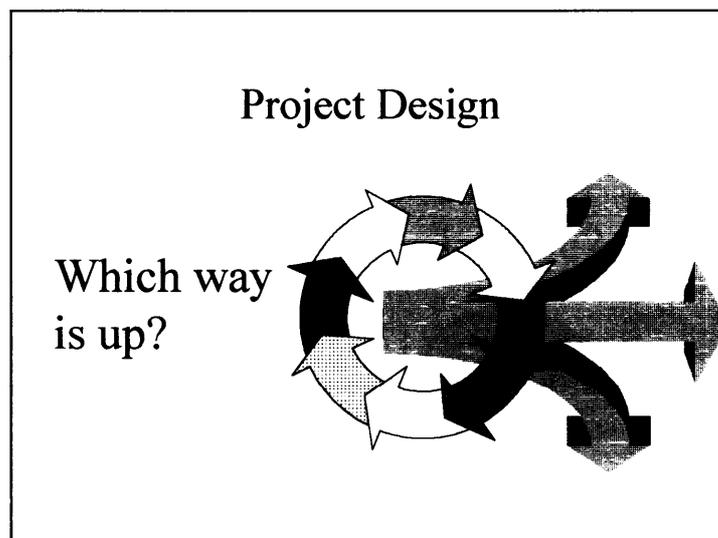
The executive team members become sycophantically enthused with the idea of re-engineering and discussion revolves around how to proceed. The CEO wants fast results, the cynics want to distance themselves, the career minded genuine sycophants want to be close enough to claim the credit, far enough away to avoid the blame. Realisation dawns – they need a patsy!

A mental trawl of the organisation suggests three candidates. The first is highly successful within his professional discipline but is considered to need some additional experience to ‘broaden his perspective’. The second has reached a stable level of performance – he is just not very good at any of the roles he has been given. The third has failed at everything since he was appointed to a management role. All

have been with the organisation a long time; the first might succeed but then would be temporarily unable to apply his professional skills and would probably turn down the role. If he failed he would be lost for ever, he is not further considered – better to leave him where he is and look for a safer opportunity in the future. Either of the second or third might be useful though, the organisation has nothing to lose from their current value generation activities, either individual just might succeed. No consideration is given to appointing somebody either from within the organisation or externally who might have any expertise in the area or who has any credibility within the organisation.

The individuals identified are interviewed and one selected. They are eager to take the role (they certainly have nothing to lose) and, best of all; the way the role is sold to them is on the basis of ‘specially selected by the CEO’ – this nicely massages the ego.

Step Four



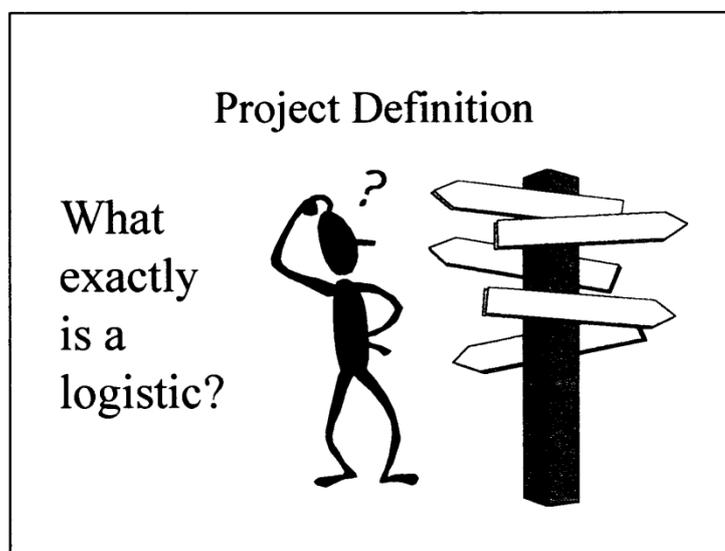
The Project Manager is given a specific brief – re-engineer the organisation and reduce costs by 50%! The Executive team have realised that achievements on the scale of Ford are unlikely to be attainable (without affecting their departments). He or she is also instructed that results are sought within the budgetary period and working within established budgetary constraints. In other words, the CEO wants a quick hit improvement with no money spent.

For the first four to six weeks of the project, the newly appointed manager wanders nomadically around the organisation looking for somewhere to sit (a project office), trying to acquire a secretary from someone else’s typing pool, an old computer (so the secretary has a toy to play with), a couple of desks, some chairs and, if he is really switched on, a member of staff – somebody to do the work. Once established

in a particular location, he or she addresses the principal issues of the project; that is acquiring a coffee machine, new business cards and letterhead paper.

The next four to six weeks are devoted to phoning his friends in the organisation and telling them all about his new project. He also finds that the new freedom from day to day operations releases him to catch up on all those domestic jobs – and to improve his golf swing. Thus he acquires a habit of leaving a little early to beat the traffic. Combined with the extended lunch hours (talking to his friends about the role in the canteen or pub\0 and the late arrivals at the office (coming in slightly late to avoid the traffic), this leaves him little time to supervise his team member.

Step Five: Project Definition



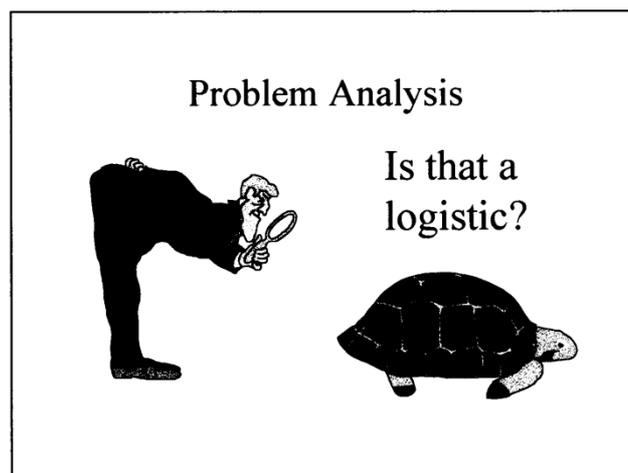
The CEO, in a wave of misguided and uninformed enthusiasm, has reported to the Board that he has launched a Re-engineering initiative within the organisation with the aim of improving the competitive edge and specifically, reducing costs by an ambitious 25% and that he has appointed Mr X on the advice of the executive team to handle the project. (He likes to give himself room for error – if the project fails to achieve 25% he can point out that he stressed that this was an ambitious target and anyway it was all the fault of the executive team who recommended the Project Manager concerned and that at least one member of the Executive team has been sacked or demoted as a result. If more than 25% is achieved, he will emphasise the key role he played in supporting and guiding the Project Manager and his foresight in selecting him – even though others had previously failed to see his potential).

Unfortunately, the Board (who know they know nothing about re-engineering but would like to so that they can talk about it at other Boards to which they belong) insist upon a presentation by the Project Manager at the next Board meeting.

The CEO 'drops in' on Mr X and his team to discuss progress. Mr X (perhaps not as stupid as some might think) thinks on his feet for once. He stresses the difficulties experienced in establishing the office and how this delayed the start of the project but that 'We are firmly on track'. The CEO asks for specifics, pointing out that the Board want a report in one month's time and stressing that he wishes to see it one week in advance. Mr X turns to the only thing he now understands and states how the experience of setting up the office has highlighted major inefficiencies in the logistics chain of the organisation and, while he does not yet have specific figures, he is convinced that the major part of the savings will emerge from that area. He also reassures the CEO that the initial report will be ready in time. He proposes that the focus of the work should be on re-engineering logistics, the CEO concurs (neither of them is quite sure what a logistic is – but equally neither is willing to say so).

The project has been defined – Re-engineer Logistics.

Step Six: Problem Analysis

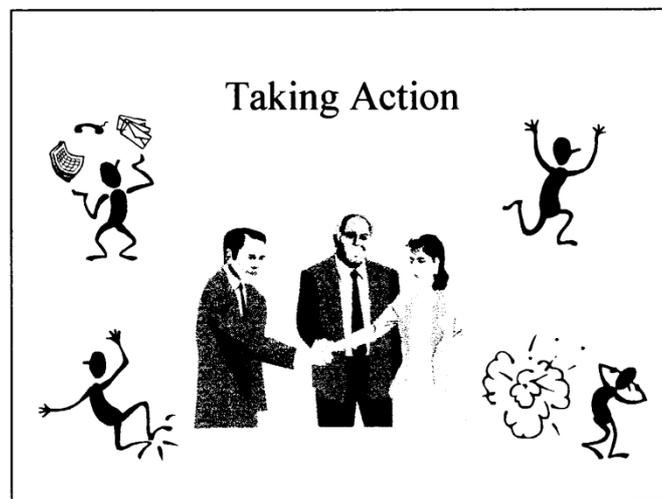


Mr X takes his assistant to lunch to discuss the problem faced. Fortunately, the assistant has done a little digging around over the last six weeks. He has discovered that a number of books have been written about re-engineering (he even bought one with his own money) and that an academic at the nearby university has done 'some work' in that area. (Actually, she was referenced in somebody else's paper about re-engineering and her key expertise in molecular biology is unlikely to prove helpful.

Mr X latches on to this academic foundation and determines that he will get in contact – it would be inappropriate for a junior member of staff to make external contacts of this level of importance. He returns to the office and starts to draft a letter. Meanwhile, the assistant has been instructed to 'investigate the logistics function, try and borrow some people from work study if you think they can help. Oh! And I need your response in ten days, that will give me ten days to draft my report to the CEO, he wants seven days to review the draft before it goes to the board.'

The assistant sets off to discover what is meant by a 'logistic' and to recruit some helpers from the work study department. The Head of Work Study, a wily and experienced man, recognises the potential request. He immediately identifies four people within his team who can be released immediately from their current duties. (None of his Project Leaders feel that these people contribute anything to the team, he has been trying to get rid of them for years.) Making the ultimate sacrifice, he agrees not only to transfer the individuals on a permanent basis, but also to transfer his budget allocation to pay for them for them in the current year. The assistant reports back to Mr X gleefully, Mr X accepts the very kind and supportive offer. The Head of Work Study contacts Personnel to advise them that he wishes to start the recruitment process to replace the four people he has been forced to give up to the re-engineering project – 'but none of them need start until the next budget year.'

Step Seven: Taking Action



Mr X is now being passed from academic to academic, each one introducing him to one other who 'is knowledgeable in the field.' He is travelling the length and breadth of the country (having to turn down the overseas trips on the grounds of cost.) At each visit, he regurgitates the ideas acquired on the previous visit and thus starts to become accepted as a bit of an expert himself, particularly admired because of his practical and commercial experience.

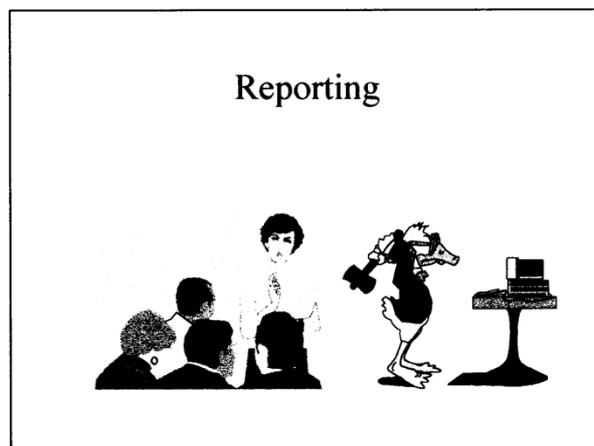
When not visiting academics he is writing up his notes and regaling his friends with stories of his ventures in the academic arena. He is fully occupied and becoming enthused with radical notions.

The assistant meanwhile is attempting to do some real work. Unfamiliar with the process of investigation, he is captivated by the knowledge of his new found work study friends, each of whom is riding the particular hobby horse on logistics which he has maintained for years. Thus recommendations and proposals are piling up on his

desk for changes to current operations – but no investigation of those operations is actually taking place. All evidence is hearsay, but largely reflects accepted wisdom.

With time running out – and regular phone calls from Mr X (made from his car while travelling to various universities – Mr X has acquired a mobile phone, justified as a necessity in view of the frequent absences from the office demanded by his new role) – the assistant is feeling under pressure. He absents himself from the office for a day together with all the ideas generated by his work study colleagues and devotes the day to organising the data. With 48 hours to go to the first deadline the collected, ordered ideas are presented to Mr X.

Step Eight: Reporting



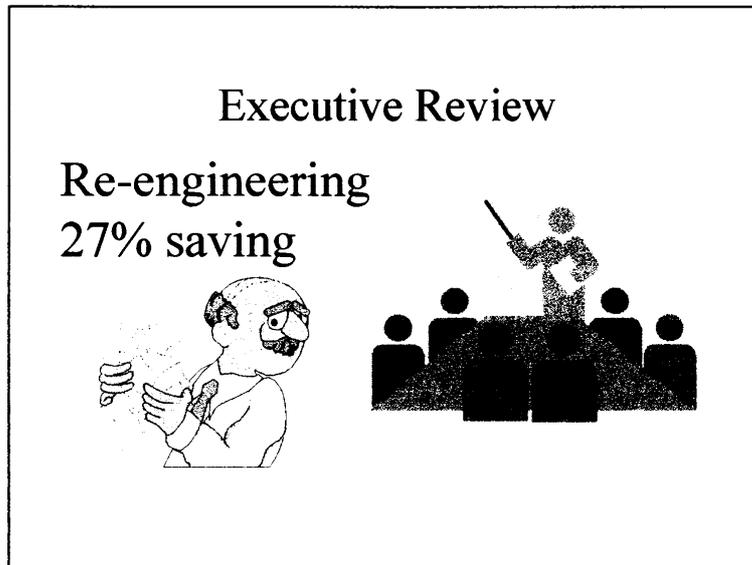
Mr X takes on board the numerous ideas generated by the assistant and his helpers. Armed with his newly acquired academic knowledge, over the next nine days he develops process maps highlighting the areas for improvement (he knows that no meaningful decision can be taken without a process map.) The assistant and work study crew are kept busy checking facts and gathering data, working out costings and savings (to a spurious level of accuracy) and reassuring Mr X of the value and consequence of the findings. The secretary works late the ninth night polishing the presentation charts (in colour) on the PC.

The very impressive results await Mr X when he arrives in the office the following morning – he is of course late, compensating himself for the extremely hard work and late night (several 5.30pm finishes) of the last few days.

Mr X nit-picks his way through the report, focusing especially on issues of grammar and presentation (and ignoring the content.) During the course of the day, the secretary pounds away at the corrections, the assistant practices with the photocopier and ring binding machine. The CEO's personal assistant makes a regular call to check on progress – the matter has emerged from the CEO's diary and she wants the report available before he asks for it, this will demonstrate that

she, at least, is on top of the situation. At last, just before 5pm, one copy of the report is finished; this is hurriedly taken down to the CEO's suite, marked with the date – but not the time – of delivery.

Step Nine: Executive Review



While Mr X and his team enjoy a well-earned rest, the secretary sets about producing the requisite copies of the report. The CEO meanwhile finds time to scan his copy. With limited knowledge of the logistics area, no knowledge of BPR and no comprehension of a process map, the CEO focuses on the savings anticipated. These amount to around 18% of the costs in the relevant area, however, he discovers that by reducing the amount to be invested in training and information technology, the total annualised cost saving can be presented as 27% - marginally better than his original claim to the board.

As the project team finish binding ten copies of the report (and only 24 hours before submission to the Board), the CEO returns the original to Mr X with various requirements for amendment:

- Greater prominence to the cost savings
- Recalculation of the figures (to eradicate the unnecessary expenditure)
- Acknowledgement of the CEO's contribution
- An executive summary (no more than 10 lines) outlining the whole project from inception to recommendations

Mr X, the team and the secretary work frantically to produce the amended report, delivering it to the boardroom minutes before the meeting. The Board (short of time due to the pressing need to discuss the appointment of a new director – a splendid

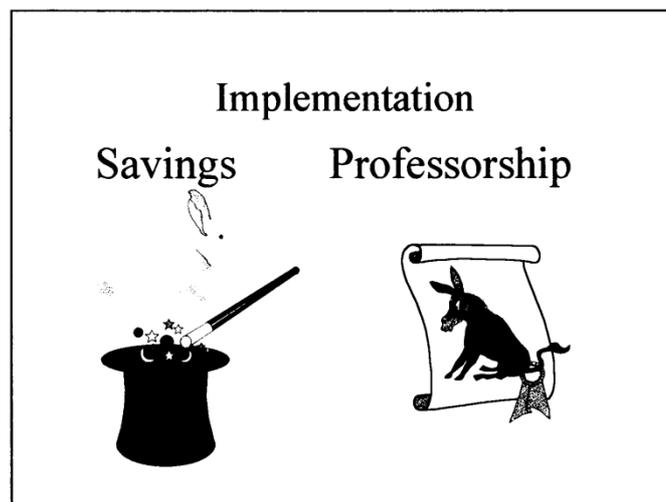
chap who was at school with the chairman) glance through the executive summary, focusing on two elements:

- 'Re-engineering' and
- '27% cost-saving (2% better than the original expectation)'.

Accepting the report in its totality but stressing the requirement to generate the savings before incurring the costs, the Board congratulate the CEO and suggest to the chairman of the remuneration committee that the great success should be reflected in the CEO's bonus package for the year, perhaps based on a percentage of the projected savings. Agreement is reached for immediate implementation of the findings.

Following the Board meeting Mr X is called to the CEO's suite and charged with implementing the recommendations 'as set out in the Board minutes'. Mr X accepts this instruction.

Step Ten: Implementation



Mr X contacts the personnel manager to arrange for the personnel officers to make redundant the identified staff within the logistics area – 'with immediate effect'. This takes place the following day. The remaining demoralised staff are invited to attend a 'team building' day at which they are advised that training and systems/procedures changes are in hand which will substantially improve matters, but in the meanwhile, the CEO is conscious of the great efforts which they are making and asks them personally (although regrettably he cannot be there due to pressure of work) to bear with the problems and 'keep up the good work'.

Mr X commences (together with his assistant, the work study team and the secretary) to develop the revised procedures. However, with no defined timescales, the cost savings achieved, the CEO having lost interest and no real understanding of how to proceed, the process is slow. Meanwhile, Mr X is now being approached by

various academics to present papers at their various conferences on re-engineering. The work is left to the rest of the team.

As time passes, Mr X establishes quite a reputation as an expert in the field and is invited to take a position as Professor of Re-engineering at the new University Sector College of Business School being established at the local technical college. The assistant and work study team are absorbed in to the work study department (the senior manager there having realised that there are 'brownie points' to be acquired through this 're-engineering' activity) and the secretary moves with the team as 'an invaluable and irreplaceable asset'.

The project is complete.

Critical Reflections

Of course, it could never happen in the real world, could it?

How to prevent this:

- Avoid "word of the week" syndrome
- DO not use BPR to resolve a crisis
- DO NOT become part of the problem
- Generate DEEP understanding of BPR
- Don't pursue short term gains only
- Invest for long term results
- Use Professional support

References

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