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BUSINESS PROCESS REENGINEERING: HOW CAN INFORMATION SYSTEMS MANAGERS INCREASE THEIR CHANCES OF SUCCESS?¹

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ABSTRACT

Reengineering continues to gather momentum in the business community. Surveys show that 45% to 88% of large corporations are involved in business process reengineering (BPR) projects and many others plan to begin projects soon. Since the near-simultaneous publication in 1990 of two articles on reengineering in *Harvard Business Review* and *Sloan Management Review*, reengineering has been on the cover of *Fortune* magazine and is the topic of a book that spent weeks on the *New York Times* Best Seller List.

Articles in the trade and business press report results such as reductions of 80% in cost, 80% in time to market, and 60% in defects. But the prevalence and the potential of BPR obscure its darker side, the high risk and high rate of failure. Many organizations that attempt BPR projects either abandon their efforts after making significant investments or fail to achieve anticipated results from their redesigns. Although there have been no systematic studies on this point, consultants publicly estimate that as many as 70% of BPR projects fail. Why is the failure rate so high? What can information systems managers do, if anything, to increase the chances of success and decrease the risks of failure?

We conducted a research project investigating change management practices that can help accelerate the transformation of work processes associated with the introduction of new information technology.² The project included four phases: first, an in-depth survey of successful consultants (65) practicing in the areas of BPR and organizational transformation; second, retrospective case studies (6) of completed BPR projects; third, prospective case studies (4) of BPR projects in process; and fourth, analysis of results from the previous phases and synthesis of recommendations for IS professionals.

Our findings suggest that reengineering is like an iceberg. The part that consultants and the press focus on is the visible part: BPR design. However, the part that is far more important with respect to BPR success is the invisible part: BPR implementation. We adopted the term "concurrent reengineering," based on the established concept of concurrent engineering, to describe our recommended approach to successful BPR implementation. It focuses on both phases of BPR projects (design and implementation) simultaneously.

¹This project was funded by the Advanced Practices Council of the Society for Information Management (SIM) International, M. Lynne Markus, principal investigator.

²Some early results from this project have been published: B. J. Bashein, M. L. Markus, and P. Riley, "Preconditions for BPR Success," *Information Systems Management*, Volume 11, Number 2, Spring 1994, pp. 7-13.