Book Review: Business Process Reengineering: BreakPoint Strategies for Market Dominance

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Let us not mince words: *Business Process Reengineering* is not recommended reading. First of all, the book is poorly written. The authors use jargon excessively. Transitions between paragraphs and different ideas are often startling and it sometimes hard to see any continuity at all. For all the drawn out and nitty-gritty description, the case study examples do not illustrate or explain re-engineering: instead, they seem to be thrown in, almost as a filler. The diagrams, charts and graphs tend to be overly-detailed and unclear. Secondly, the book emphasizes manufacturing to a fault: it lacks description and discussion of the breadth and variety of types of re-engineering initiatives. Finally, and most importantly, the book is deficient in its treatment of its main theme, re-engineering. It spends an undue amount of time discussing other business issues such as just-in-time (JIT), total quality management (TQM) and globalization, to name a few. Most of the discussion and case examples, though claimed by the authors to concern re-engineering, are actually better classified as product innovation, process simplification or incremental improvement. And many of the comments that are made about re-engineering are all too superficial. As a result, after finishing the book the reader is left with little sense of what re-engineering is, what the important issues are or how to go about performing re-engineering. The authors' final words on the subject are of little help: if business leaders 'work hard enough, listen to those ... who have good ideas, have a little luck, and are willing to take a few hits', they may succeed such that the market-place says 'WOW' (p. 206).

There is, however, one contribution the authors make to the re-engineering literature. They remind us that re-engineering cannot be done in a vacuum. Re-engineering must be aligned with overall corporate strategy: strategy must be broadened to think about production processes so that it includes not only the traditional questions of what, where and to whom do you sell, but also, how do you organize and operate in order to produce it? The authors insist that re-engineering should be demand driven – that it should maintain a strong external focus on the marketplace, on the customers the re-engineered processes (or businesses) are supposed to serve. The authors suggest that after assessing market demand, the company can then work backwards to design the processes necessary to deliver the desired product or service and, finally, acquire the assets (people, materials, information systems, etc.) needed to operate them. They advocate that special attention in re-engineering be given to interfaces in the value chain – the upstream and downstream connections to suppliers and buyers – to change the 'rules of the game' in the industry.

Let us now examine some of the other claims made in *Business Process Reengineering* and see how they compare with previous literature on the topic. In the preface, Johansson *et al.* admit that they 'picked up the consequences of thinking through the broad business implications by applying Michael Hammer's notions of Business Process Reengineering'. In fact, most of Johansson *et al.*'s ideas about re-engineering were discussed better and more comprehensively, in Hammer and Champy and in Davenport's (1993) *Process Innovation: Reengineering Work Through Information Technology* (Harvard Business School Press, Boston), both of which are recommended reading. Throughout their book, Johansson *et al.* fail to give credit to other writers – except for the occasional reference to Cooper's & Lybrand authors – thereby casting a cloud over their claim that their book has an academic, not consulting, orientation. The authors cite few references and give scant evidence to substantiate their opinions. For instance, they argue that 'it is impossible for companies to implement successfully [re-engineering] without having first undertaken one of the tactical process-oriented techniques' such as JIT or TQM (p. 14). There is little evidence, nor even rationale, to support such a strong claim. In fact, the re-engineering literature contains many counter-examples of companies that have succeeded at re-engineering without first having done a continuous process improvement programme.

Johansson *et al.* contradict themselves on several occasions. They say that re-engineering 'does not connote a specific set of values' (p. 197), a claim that is questionable in itself, but then later on on the same page they write that 'Perhaps the most important value that [re-engineering] either forces or reinforces is teamwork'. The authors also say that the order of magnitude of change is so great that re-engineering 'cannot by implemented overnight. It must be done incrementally' (p. 52). But is not incremental, radical, order-of-magnitude change a contradiction in terms? Authors such as Davenport explain very carefully that although re-engineering programmes are incremental, continuous improvement programmes each have something to contribute to organizations – and that they can be profitably used in succession so that TQM builds upon the dramatic gains first made by re-engineering – there is a big difference between these two change management programmes.

On several other occasions the authors are simply wrong. For instance, they state that one 'inevitable' outgrowth of re-engineering is 'excess resources' and that many people 'must be moved out of the business'. In fact, however, while many re-engineering initiatives have resulted in a reduction of the work-force, this outcome is not inevitable: one dramatic counter-example (provided by Davenport) refers to a division of Digital (DEC).
Johansson et al. paint an unrealistically rosy, bordering on Utopian, picture of re-engineering. They say that companies 'must go beyond producing merely “empowered” employees to the development of truly “Renaissance” employees' (p. 27). They claim that although changes from re-engineering will seem chaotic, 'for the change agents . . . there will be room to thrive. Their leaders will support them in their efforts and reward and celebrate successes' (p. 51) and that 'In practice, a good process will be self-managing' (p. 181). The authors suggest that core processes will be the easiest ones to re-engineer, because 'everyone knows more about' them, which makes it easier to elide the functions' (p. 51); the opposite, however, is more likely the case. Several other writers have described the existence of deeply ingrained patterns of thinking and acting and resistance to change; these other writers have argued that the bigger the task and more familiar the process, the harder it is to change. The lack of realism in much of Johansson et al.'s thinking can be illustrated by the following, by no means untypical, quote:

[Managers] should measure everything they can. . . . Once managers know what changes have to take place . . . they will start to influence behavior of staff, focus on results, and release their creative talent. They also start changing their roles, becoming less concerned with control and instruction, and more concerned with challenge and discussion. . . . With this change of management style, organizational politics can be cast aside . . . (p. 202).

This supposedly easy transition that leads to the 'casting aside of organizational politics' in times of change is, of course, contradicted by a whole corpus of literature on the subject. As one other writer puts it, 'All change is a struggle. Dramatic, across-the-company change is war'.

For all their emphasis on the importance of processes, Johansson et al. do not describe the process of the re-engineering programme; their examples lack the rich, detailed description of the dynamics and complexity typically found in re-engineering case studies. An important example of this comes when the authors state that the transformation of the business depends 'much more' on the strategy, leadership and culture of the organization, than it does on the systems, policies and practices. This claim indicates a failure on the authors' part to appreciate the complexity and necessarily holistic nature of re-engineering initiatives. Have they considered how you actualize leadership? How you change the organization's culture? How you reinforce the new type of (process-oriented) work? In short, how do you actually get the organization to transform? Johansson et al. are barren in their treatment of change management: they devote only one sentence to what they say is the most difficult part.

Culture is the most difficult to change, since it ultimately involves the behavior of all employees as the company migrates from one that can be described as command and control of functions to a delayered environment that emphasizes process excellence through teamwork (p. 191).

Their descriptions of how structure, performance measurement, incentive systems and management style must be changed are equally short and superficial. They warn that managing change during the re-engineering programme is critical: 'If not handled with extreme care, the entire effort can collapse' (p. 201). So what should managers do about it? The authors escape giving details by adding that 'It is not the purpose of this book to be prescriptive about change management; there is a large body of literature in that regard' (p. 192).

Thus, the authors fail to appreciate the connection between the high-level elements of strategy, leadership and culture and the details of policies and systems as the means of implementing them. Johansson et al. would do well to study Hammer and Champy's Business System Diamond, a model describing how people, jobs, structures, systems and values are all linked together and how they must be aligned to mutually support and reinforce each other as a comprehensive system. Clearly the systems, policies and practices involved in hiring, training and educating, evaluating, rewarding and promoting workers are the means by which leaders build employees' skills and shape their values and beliefs (the organizational culture), in order to reinforce behaviour that supports the firm's strategy and, thereby, to achieve its goals.

Perhaps the best advice to be taken from Johansson et al. appears in the last sentence of Business Process Reengineering: 'Only those who read and lead will be able to make [re-engineering] efforts successful'. On the reading front, this reviewer would not suggest that you start with this volume.

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