

Reengineering Experiments in Three Federal Organizations

Jay Chatzkel, National Academy of Public Administration, and Paul R. Popick, IBM Federal Systems Co.

A combination of strategic planning, process improvement and reengineering-key elements of today's successful quality initiatives - spearhead the efforts to redesign government at three federal agencies.

There are many reasons why business process reengineering (BPR) has become the hot topic in federal agencies and departments. For starters, there is a new administration in Washington, agency budgets are in crisis, the public is increasingly vocal in its dissatisfaction with government's performance, and a number of private sector organizations, shaken by changing global competitiveness-have seen BPR as essential to keeping their ships afloat in stormy seas. At the same time, a number of public managers have an intense desire to turn their agencies into outstanding public service organizations and see BPR as a critical vehicle for accomplishing needed changes. Yet, there is only limited information about the reengineering practices that are taking a place in federal organizations.

The "Assessing Quality Initiatives in the Context of Redesigning Government" project of the National Academy of Public Administration (NAPA) and IBM's Federal Systems Company Management Consulting Group have explored current uses of reengineering in three departments. The cases present a snap shot of reengineering efforts at these federal organizations. The exploration identifies key building blocks of the reengineering projects. A year-long project on business process reengineering, is also beginning at the Academy's Center for Information Management, and will involve rigorous research on government reengineering practices.

Three site-specific explorations of reengineering - at the Internal Revenue Service (IRS), the Department of Defense (DoD), and Department of Veterans Affairs (VA)-indicate the diversity of federal reengineering projects. These projects range from the IRS effort to transform its entire organization, to Defense projects involving specific core business processes and VA projects with a limited process span.

These investigations into reengineering practices in the federal environment are described in the following three case studies. The key building blocks of the reengineering projects are highlighted at the end of each case. The explorations are intended to generate or

suggest key issues needing in-depth systematic examination and research that will be conducted at the Center for Information Management.

How can business process reengineering make a difference ?

According to Michael Hammer (Reengineering the Corporation: A Manifesto For Business Revolution), "Reengineering is about changing, business practices, envisioning new ways of working, selling that vision to the organization, and getting the organization to change." Business process reengineering is considered a radical, dramatic process that discards the practices of the past and uses a blank sheet of paper to create the new process to replace them.

Why business process reengineering now?

Reengineering has appeal because it provides the possibility of great gains in productivity and effectiveness. While agencies and departments have been struggling to get a 5 percent to 10 percent increase in effectiveness, BPR may allow for a leap of 50 percent or more in quality, quantity produced, time saved, and cost reduction. According to Joe Movizzo, vice president of IBM Consulting Group, "organizational and cultural change, when taken in conjunction with business process and information technology change, create a multiplier effect resulting in orders of magnitude improvements."

INTERNAL REVENUE SERVICE

The Internal Revenue Service is an organization of 118,000 people. It is the chief supplier of income for the federal government. At a time when reducing the deficit is a central issue, the IRS is faced with growing pressures to improve tax compliance and general effectiveness of operations while, at the same time, maintaining a customer focus.

The IRS is the only large federal organization attempting to reengineer all of its major operating systems as parts of one overall, structured, and simultaneous process.

Sometimes it can take a near-death experience for a person or an organization to make radical change. The IRS experienced a near crash of its computer systems in 1985 during a failed computer system transition, from which it took several years to recover. The silver lining was that the IRS began to seriously rethink what was necessary for a successful IRS. One element of that rethinking was its joint IRS/National Treasury Employees Union Quality Improvement initiative, started in 1985. Another major element was the 12-year information systems upgrade that started in 1987 and, in turn, fostered the development of a third major element, the Tax Systems Modernization (TSM) program, which began in 1990.

In 1987, Commissioner Fred Goldberg, recognizing, that the IRS needed to deal with its issues systematically, started the IRS effort to develop a business vision and strategy for the organization. Since then, the IRS has striven to transform its processes so that it can "dramatically reduce the burden on taxpayers, generate substantial additional revenue through improved voluntary compliance, and achieve significant quality-driven productivity gains throughout the IRS."

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Although the IRS established an overall business vision in 1987, the different parts of the organization worked diligently, but separately at achieving their individual goals. IRS has a huge complex of information systems, one of the biggest in the world. One fundamental difficulty in transforming those systems was getting the functional managers to participate in determining their own departmental information requirements. By 1990, the information technology and quality efforts were still separate efforts. At this time Tax Systems Modernization began. TSM started as a fully integrated effort to modernize IRS's systems framework and by 1992 developed a series of three studies (at national, district, and service center levels) which provided a growing awareness of how the IRS actually operated. The studies presented the organization with major opportunities for restructuring its business processes and organizational structure so that the IRS can increase effectiveness and responsiveness, reduce the burden to the public, and reduce its costs.

The quality and information technology efforts, which started as separate entities during the 1980s, began to be reworked in 1990. The new overall effort, called Core Business Systems, began to integrate the five IRS business strategies:

- Tax Systems Modernization,
- Total Quality Organization,
- Compliance 2000,
- Ethics, and
- Diversity.

Core Business Systems tries to address all these areas and use them to measure business reengineering need and effectiveness.

The IRS information technology staff identified powerful possibilities for change that provided motivation for the organization to look at itself.

Early in TSM, a key issue emerged in accomplishing the IRS business vision. That problem, according to Hank Philcox, IRS chief information officer, was that while technology and information systems improved plans called for business processes to stay the same. Some change began when IRS Deputy Commissioner Michael Dolan engaged the University of Tennessee to train IRS staff in the "core business process" approach. Core business systems were named, each having a system owner. While this was a great advance, the emphasis in the core systems continued to focus on incremental improvement, and the incremental change approach did not effectively integrate information technology capabilities. At the same time, IRS analysis showed that the technology effort would only accomplish 50-60 percent of the potential for needed change in the organization. The IRS information technology staff had identified powerful possibilities for change that provided motivation for the organization to look at itself. One result was a recognition of the need to mesh the IRS human resource development plan with the information technology and business operations plans. All of these changes were necessary to optimize the potential for improvement.

Currently, a huge amount of tax related information still has not been captured by IRS computers. That information is warehoused in files and then must be retrieved in individual pieces for review of returns. IRS knows that it has to develop the ability to acquire that information so that it can reduce the time and effort required to process and investigate tax returns. The important thing is to develop a common data repository. If that is not done, said Philcox, different IRS business units working with incompatible data base will compute taxes "each in their own way."

Larry Westfall, the TSM executive, is responsible for cutting across all lines to coordinate and oversee the integration of IRS core business systems activity. The IRS is completing a full business plan to prioritize the TSM budget and align it with the IRS business strategy. IRS will then be able to implement the business process redesign.

IRS now has a systems focus and can use business process reengineering to ask how it can restructure the organization. The original quality and core business systems work- and business process reengineering have turned out to be complementary. The massive technological upgrade is proceeding and a revised Tax Systems Modernization process is integrating all the requirements that flow out of the six core business IRS systems. This work has deepened the IRS's capabilities to carry out the strategic plan that began in 1987. IRS is putting together teams now to implement the business process reengineering initiative.

IRS discovered that its issues were similar to those of other organizations, both larger and smaller, and benchmarked to learn how to make quantum leaps in performance. For example, IRS benchmarked the Xerox Corporation and discovered Xerox was engaged in a dual effort of quality and reengineering in order to make quantum leaps in productivity to meet foreign competition. Xerox integrated reengineering with information technology and connected those radical changes with its already existing quality program. Xerox also

aligned line management with its core systems, increasing line managers' responsibility for the overall effectiveness and customer responsiveness of core processes. IRS is working with the lessons learned from Xerox to fit all of its processes together to draw out and recombine the best of both its quality and reengineering initiatives for maximum effect.

One of the most striking things about the IRS effort is that it has developed a human resources (HR) master plan that is closely tied into the overall business process redesign effort. The IRS is redesigning its organization as a triangle in which the success of the business plan, located at the top, is supported by technology and human resources development at the base of the triangle. According to David Mader, HR chief at IRS, not only is the HR component trying to redesign IRS's human resource capability to support the business vision, it is also seeking to reengineer its own processes so that current HR staff time requirements are reduced by 25 percent in the short term.

The relationship with the National Treasury Employees Union has been a key part of the quality and business process reengineering efforts from the beginning.

Effective labor-management relations are important to the IRS redesign. The relationship with the National Treasury Employees Union (NTEU) has been a key part of the quality and business process reengineering efforts from the beginning. NTEU National President Robert Tobias sits in on senior staff meetings and has full knowledge and participation in reshaping IRS processes.

Mader says that the IRS is reorganizing- to become a learning organization. To best accomplish its redesigned approach to tax administration, the Service recognizes that as it redesigns its work. The roles of managers and employees will change and new knowledge, skills, and abilities will be required. Consistent with that view, IRS sees that effective communications are critical and has started an office of internal communications to foster accurate, immediate flow of necessary information throughout the IRS system.

The IRS realizes it must determine the new kinds of equipment and employee education necessary to enable its workforce to meet its organizational. business goals. To determine how well the Service is achieving its goals, IRS is establishing new performance measures.

The IRS will be relating differently to its external customers, the taxpayers, as well. To best accomplish its mission of effective, voluntary compliance it intends to rely on continuing education and assistance.

The scale and scope of the IRS effort is enormous, and the experience of getting it underway is helping IRS staff to increasingly grasp the nature of their task. Mader, HR chief at IRS, says that the planning stages of the business process improvement already

have been wrenching, leading him to wonder what the experience of actually implementing the proposed reengineering will be like.

Key building blocks of IRS reengineering:

- Recognizing core business processes.
 - Aligning BPR with the organizational quality initiative.
 - Building an alliance between the human resources and technology efforts in support of the business plan.
 - Benchmarking best practices.
 - Redesigning for a common data repository.
 - Developing a teaming organization.
 - Enhancing, communications through continuing education and assistance.
 - Using information technology as an enabler of the reengineering process.
 - Using the system integrator to work with the business client in the final formulation of the project.
 - Developing performance measures to determine effectiveness.
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DEPARTMENT OF DEFENSE

Today DoD faces new missions, it needs to maintain technological superiority, and it needs to do more with less. To accomplish these ends requires that DoD change its business practices.

One indicator of the DoD interest in BPR is its Corporate Information Management (CIM) component. A CIM credo is that "Improvement requires a total commitment to reinventing policies, organizations, people, culture, processes, resources and systems. Isolated changes to one or another element of the enterprise inevitably Call to achieve overall goals."

The CIM project is changing from an initial focus of building open information systems to one of integrating CIM goals into leadership, policy, plans, organization, cultures, resource management. and measures of performance. The CIM project is creating the policy, principles, processes, training and infrastructure to achieve these changes.

Mike Yoemans of the DoD's CIM office says the problem is "we are left with business processes that we did not engineer, that are enormously expensive, and that are out of control." Although some changes to agencies and departments may require legislative change. Most requirements coming out of BPR require changes to the internal regulations which have become institutionalized over time," Yoemans adds.

The changes Yoemans envisions involve changing DoD's processes, culture, and technology. Strong upper level management commitment sustains the impetus for change, while retraining and personnel incentives are key to establishing the changes. To date, 150 process improvement projects have been undertaken; many have reached the implementation phase.

A centerpiece for the CIM effort is the methodology, or template, for change. CIM is continuously integrating leading-edge approaches as the building blocks for its overall methodology. Quality management along with the enterprise model, Activity Based Costing, and functional economic analysis are important co-partners in its business process reengineering approach. Yoemans makes a major point that CINI is trying to use off the shelf software and specific consultants where they will be of particular advantage to "Provide the fresh perspectives necessary to rethink the way things are done."

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The following three narratives describe applications of CIM-developed BPR methodology:

US Army Integrated Facilities System

Leo Oswald of the Integrated Facilities System of the US Army is using CIM materials for a series of "proof of concept" tests at Ft. Eustis, VA, Ft. Bragg, NC, and Rock Island, IL, to determine real costs of doing business at these Army bases. Previously, the true costs of activities were buried in various, apparently unrelated, budgets. The bases now are getting to know the actual costs of operation. The bases' differences of size and diversity of mission have demanded a template model that tolerates a diversity of operations. but the basic tenets of the CIM template have held. By examining base activities at the grass roots, with a relatively simple but systematic approach, significant areas of opportunity for improvement have clearly shown themselves. While efforts are geared to discover areas of opportunity for improvement, the project teams have begun to get base personnel to see that their organizations do have "business activities" and those activities form core processes.

The project goal is to let the template to be as universally applicable and simple to use as possible, allowing the department to bring down the costs of application considerably.

Finance Systems at Degree-Granting Institutions

Another CIM initiative involves redesigning the budget and finance systems at the 20 DoD degree-granting institutions. Sandy Rogers, who heads the project for CIM feels, that "the principal problems facing the academies are that their organizational models are academic

institutions dating back to the 17th century, and that is the key stumbling block to change." The project started with the United States Military Academy (USMA), the Naval Academy and the Air Force Academy. Project drivers have been:

- lack of cost data or comparative cost data,
- downsized budgets, and
- the need to comply with the chief financial officer legislation, and Office of Management and Budget planning requirements.

The project's goals are to eliminate duplication and save resources. For the goals to be accomplished, CINI sees that it is necessary for the services to begin to understand that they are operating business processes and that they develop a viewpoint that the data base is owned by the whole organization.

The CIM effort organizes and manages the process. It brings in consultants to facilitate how functional managers analyze "as-is" processes and to work with staff to develop the "to-be" phase of process. Through process mapping, the USMA team found that it took 209 steps to buy a PC. That process was redesigned down to 14 steps. Further, the crosscutting team mapped 31 stove-piped systems at the Military Academy which are now open to review. CINI will stay with the academy teams through the implementation stage to develop a new business process and the systems integration necessary to implement needed change.

Although the initial focus of the project was budget and finance, other relevant areas, including installation management and community services, began to come under the umbrella of exploration since they are naturally affected by the budgeting system. At the Military Academy alone, the teams may be able to save \$1 million of a \$5 million budget annually. Rogers says the teams estimate that 75 percent of the changes proposed could be done without requiring any outside approvals or legislation. Key to success for Rogers, "is that there has been buy-in from senior staff."

While the project has made significant headway, it is still a work- in progress. One team participant mentioned a problem of not knowing enough about existing best practices. CIM has made strenuous efforts to benchmark, but at this early stage it is not always easy to find working alternatives, leaving a danger of spending excessive time on reinventing, wheels that already exist.

Defense Investigative Services

The Defense Investigative Services (DIS) has nearly completed its starter reengineering project to convert paper personnel security questionnaires to electronic records. CIM worked with DIS to develop the business case, conduct the Activity Based Costing workshops, and define new processes. A cross-functional team of functional managers

and information technology (IT) managers drew up the departmental requirements and oversee project implementation.

John Donnelly, the director of the project at DIS, notes that "the functional managers are identifying the process improvements and the IT people love it. Before, IT staff never got specific project requirements but still had to come up with a workable IT system regardless." Now work related to the questionnaire processing is proceeding at an accelerated pace. Begun in March 1992, it is expected to be deployed in the first quarter of 1994. The management team has begun to resolve organizational problems in a new way.

Team building, work process simplification, benchmarking, firm leadership commitment and the development of a working strategic plan were fundamental parts of the success.

Trent Bowen of DIS notes, "Now management takes a different view when they run into a problem. They organize workshops to analyze the process." DIS is getting to the point where it has institutionalized a set of skills, methods and a common language that allows this new orientation to work. This approach counters the tendency for moving toward the quick fix that does not get to fundamental causes. While DIS did not have an existing quality management program, the CIM process proved remarkably similar to many quality programs. Team building, work process simplification, benchmarking, firm leadership commitment, and the development of a working strategic plan were fundamental parts of the success that DIS is having.

Key building blocks of DoD/CIM reengineering

Employing a common skill set, overall methodology, and language.

- Recognizing the functional manager as key to the change process, with information technology as support.
- Making a business case for change.
- Identifying and improving core business processes, using process modeling, data modeling and simulation tools.
- Developing strategic planning to determine priorities for reengineering.

VETERANS ADMINISTRATION

According to Bob Woods, deputy assistant secretary for information resources management (IRM) at the Department of Veterans Affairs, a year from now the VA will be reengineering its organization with a customer service orientation, dealing more with outcomes and performances. Woods thinks a major hurdle for change in VA is that the

federal government is not organized for customer service, but for control and regulation. One limiting factor in the transformation process is that authorization for any major change at VA must come from many constituencies, both governmental and non-governmental. Even with necessary legislative and oversight approvals. The task of carving out significant change in a lame and diverse federal agency is still enormous. While Woods is in charge of the IRM component of this \$35 billion department, he feels the core solution to the problems at the VA is attitude change, moving to a "service to the citizen" orientation, and becoming more competitive. Pursuant to that, Woods is establishing, four or five major priorities and consistent themes of cutting cycle time and improving quality.

Woods' vision is to focus on improving the VA as a customer-oriented organization that is the catalyst in using, information technology to change the way VA does its business. The goal is to enable more effective and efficient delivery of high quality, timely service and for VA to serve as a model for the public and private sectors. Woods has ongoing initiatives directed at improving customer service. One is an Outreach Kiosk Pilot Project which has placed VA information kiosks (booths) in places readily accessible to veterans, such as shopping centers and military bases. Private sector companies provided the kiosks to VA at no cost and the sites donated the space. The kiosk project illustrates how VA is moving to partner with private sector organizations to improve access and make a difference in the lives of veterans.

Woods plans to use an array of strategies to bring about desired changes at the VA. Continuous improvement through the existing quality management effort will be used to upgrade existing processes, with reengineering employed for specific business processes that are determined to be fundamentally flawed.

Woods acknowledges that the VA cannot do business process reengineering, without a strategic plan that encourages the VA to operate as a system of business processes. This means that eventually the VA might reshape its organization into a system of related business units.

Continuous improvement through the existing quality management effort will be used to upgrade existing processes, with reengineering employed for business processes that are determined to be fundamentally flawed.

Some beginning efforts are under way involving acquisition processes and have produced significant changes. Using a business process reengineering principle that different aspects of processes do not necessarily have the same requirements, the VA targeted the time period involved in purchasing computer hardware. Donald Neilson, director of IRM planning, acquisitions and security service, states "Several improvements in the IRM acquisition process have taken place as we continue our efforts to become a value-added, more service-oriented organization." The first step taken was improving business by streamlining the original procurement process from 120 days to 14 days, depending on

the complexity of the project. The second step was to raise the organizational threshold for required approvals from \$50,000 to \$250,000. Under this process, each individual staff office and administration is granted procurement authority to make acquisitions of federal information processing equipment, software and services up to \$250,000. The third step was to bring into effect three separate levels for signature authority which recognized that the requirements for the Various levels were different and divided responsibilities for procurement decisions into three tiers of dollar amounts. Decisions for any purchase up to \$1,000,000 are now the responsibility of Don Neilson; decisions for purchases from that break to the level of \$2,500,000 are in the hands of Michael Herway, deputy assistant secretary for plans and technology; and any decisions involving sums of \$2,500,000 to \$10,000,000 are the responsibility of Woods. This assignment of specific procurement responsibilities has allowed direct action to be taken on procurement and reduced the time required for decisions to 14 days.

Making complicated processes simple and customer focused was not a technological breakthrough Technology is an enabler where and when it makes a difference

A second effort was the reviewing of regulations required for VA's information management resource acquisition process. All of the regulations were examined to determine if and how they added any value to the procurement process. One thousand pages of internally generated regulations were examined for the value they added to VA requirements. The product of that review is a streamlined and reduced version, laid out in a 26-page, user-friendly, step-by-step publication, called the IRM Planning and Acquisitions Handbook.

Making complicated processes simple and customer- focused was not a technological break-through. Rather, the accomplishments came out of a determined effort to cultivate "service to the citizen" as the way of doing business at the VA. The statement of new principles at the IRM office says that "IRM is on the move - in partnership with VA organizations, we have cut the red tape, reduced paperwork, and strengthened the process." As an example, the VA partnered with the Armed Forces Communications Engineering and Electronic Association to sponsor a forum dedicated to providing industry information on the information technology requirements of VA. The information enables industry to make informed decisions about pending contracts and to prepare more qualified and cost-competitive proposals.

Making complicated processes simple and customer-focused was not a technological breakthrough. Technology is an enabler where and when it makes a difference.

The drivers of the VA program are leadership commitment, planning, and a performance orientation. Technology is an enabler where and when it makes a difference. Information technology can enable the process in small and large ways. To simplify and respond to requests for proposals, for instance, a data bank will be made available that vendors can

access by modern. This will allow a broad population of vendors to have full and immediate access to acquisitions proposed by the VA, and eliminates the need to call or write for specifics, as well as unnecessary trips by vendors or extended waits for mailed documents.

The VA is one of the federal departments touching directly on the lives of millions of Americans. The VA is unusual in that it has a walk-in population and a set of services it delivers. The VA must maintain accurate and current information on veterans and their beneficiaries in order to provide entitled benefits as quickly as possible.

One key to meeting that goal is setting up a master veteran record (MVR). The MVR provides client-focused information to better serve veterans and their beneficiaries. The MVR concept is that of a logical database or set of interconnected databases that identifies VA clients, actual or potential, and stores specified data about these veterans. The MVR is being designed to take into account security and privacy concerns. The MVR will lead to data sharing and integration within VA, and will permit improved veteran service. The MVR addresses the current problems associated with the receipt of DoD records, the use of multiple, independent veteran files, and the sharing, of client data within the federal government. Instituting the MVR allows VA to achieve three major aims:

- noticeably more reliable, convenient and responsive services to veterans and their families,
- significant time-savings for VA through reengineering routine handling of veteran data and cross-organizational business transactions, and
- the streamlining of MVR interactions with other agencies such as DoD, IRS, and Social Security.

Key building blocks of the VA reengineering

- Adopting a customer-focused approach.
 - Increasing responsiveness through more timely and higher quality services.
 - Recognizing that many regulations are internally imposed and can be eliminated without legislation or outside approvals.
 - Simplifying processes before automation.
 - Reallocating responsibilities as a key to major changes in process now.
 - Designing variations of core processes to tune into the requirements of different market segments.
 - Crediting the positive effect on the change process by inspired, committed leadership.
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Conclusions

Among the motivations for reengineering in these three federal organizations are a declining budget, increasing demands for quality service by constituents, and a determination on the part of people in the organizations to use the most powerful tools available to bring about needed change. To respond, these federal organizations are struggling to incorporate reengineering into their management tool kits. Strategic planning, business process improvement, and business process reengineering increasingly are seen as key elements of the new set of management principles used to address the needed changes.

Each of these federal organizations is beginning to realize that the processes of its organization are business processes. Each has come to recognize that it needs to change the ways it does its business and that no single element of an organization can be perceived as operating solely to achieve its own ends, but rather as integral parts of the organization that is gearing to achieve its business plan. For example, while the Department of Defense previously had operated from the assumption of "defense at any price," shrinking budgets no longer make this approach acceptable. Similarly, in the information technology arena, information system designers are beginning to recognize that while their work may have been technologically advanced, it was extremely costly and did not necessarily improve the operating business functions of their organizations. This recognition means that increasingly these systems will be evaluated as either value added or not for their organizations.

Simultaneously, functional managers now are using methodologies that allow them to have a rigorous enough knowledge of their business processes that they can give working requirements to the information technology side to produce appropriate support systems. Since process costs can be measured, and since technology can be brought into play through process mapping and simulation, a working knowledge of the real effects of process changes for an organization can become known quickly, if not immediately. This means that it is increasingly possible to choose between how things are done now (the "as-is") and what is possible (the "to-be").

Considering the marshalling of interest and effort in these organizations, a central question is how far and how applicable is BPR to these federal organizations? The answer is "It all depends." The related bottom-line question is: "How much control do you have of your processes?"

In the private sector, a CEO may have complete control of his or her whole organization and all its processes. The CEO may have the resources to seek out, or benchmark, what the competition and trends are, both short and long-term, worldwide. That same CEO holds a position of authority (or an extended period of time). Further, the CEO may have authority to re-deploy organizational resources (financial, human and material) as well as the ability to reshape organizational turf as needed.

In federal agencies a broad array of legislative, adjudicative, and regulatory considerations - in conjunction with limited terms for executives - reduce the span of effective control that may be necessary for effecting fundamental, long-term, costly, and potentially traumatic changes.

A question has been raised about whether organizations actually can carry out business process reengineering, in its most radical sense. Yoemans of DoD's CIM sees as legitimate a gamut of responses ranging, from continuous improvement, process redesign, and streamlining, to new process design.

Yoemans suggests a softer definition of business process reengineering in public sector organizations to allow for the staging that may need to be done before more radical reengineering can take place. This kind of understanding may require these federal organizations to formulate a public sector version of reengineering, to match the life-in-a-fishbowl conditions of public institutions.

Observations

- In public sector organizations, there is a question of how much political appointees with limited tenure are interested in initiating and managing costly, potentially traumatic reengineering efforts that involve fundamental, long term system changes.
- Where some changes may be made more readily, especially those dealing with internally generated regulations, others which require changes in legislation or those which involve adjudication will be far thornier to accomplish.
- All agencies must cease to be risk averse and inflexible, stove-piped islands of functionality, supported by layered organizations and unmanaged overhead, and constrained by outmoded laws and policies. They must become flexible, crosscutting, flattened entrepreneurial learning organizations.
- BPR is different from many total quality management initiatives in that reengineering efforts focus on a compelling case for action, an order of magnitude change, periodic intensive effort with equally intense management involvement, a select - but broad, crosscutting set of business processes targeted. and a probable key role for information technology. Reengineering will target almost immediately, the kinds of core processes that many quality initiatives may take years to build towards. Reengineering, however, is not a magic bullet. To be successful, it must be integrated with a set of organizational. human resources. and technological enablers. This can involve a major allocation of resources and enormous effort.

- Usually BPR should be focused on the most critical processes because of the time, funding, and other resources that are required to plan and implement it. However, in many cases in federal agencies, there is no operational strategic plan, and business process reengineering projects are being considered for a whole set of reasons, such as "Let's deal with the squeakiest wheel" or "This process seems more readily workable than those other ones."
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Summary of Key Characteristics of DoD, VA and IRS Business Process Reengineering Projects

MISSION

- Adopting a customer focus
- Increasing responsiveness through more timely and higher quality services

LEADERSHIP

- Creating the positive effect on the change process by inspired, committed leadership
- Recognizing the functional manager as key to the change process, with information technology as support

CHANGE AGENT

- Benchmarking best practices
- Making a business case for change

ORGANIZATIONAL ALIGNMENT

- Recognizing core business processes
- Aligning BPR with the organizational quality
- Building a necessary alliance between human resources and technology in support of the business plan

PROCESS MANAGEMENT

- Enhancing communications through continuing education and assistance
- Redesigning for a common data repository
- Identifying and improving of core business processes using, process modeling, data modeling and simulation tools
- Grasping the significance of strategic planning for the success of reengineering projects

- Recognizing that many regulations are internally imposed and can be eliminated without any legislation or outside approvals
- Simplifying processes before automation
- Reallocating responsibilities as a key to major changes in process flow
- Designing variations of core processes tuned into the individual requirements of different market segments

TRAINING

- Developing a learning organization
- Employing a common skill set, overall methodology, and language

INFORMATION TECHNOLOGY

- Using information as an enabler of reengineering process
- Recognizing the key role of the systems integrator to work with the business client in the final formulation of the project

PERFORMANCE MEASUREMENT

- Developing a set of performance measures to determine project effectiveness

For more information, contact:

PROGRESSIVE PRACTICES
Building Knowledge-Based Enterprises

Jay Chatzkel, Principal
6004 Trevor Place
Vienna, Virginia 22182
Office: (703) 556-4255
FAX: (703) 79G-0071
(800) 625-7365
Email: jchatzkel@progressivepractices.com