CHAPTER 1.0
INTRODUCTION

For two hundred years people have founded and built companies around Adam Smith’s brilliant discovery that industrial work should be broken into its simplest and most basic tasks. When organizations grow, there is the inevitable increase in task to be performed which calls for the middle management to grow upon it. This might also bring about distance between the senior management and the customers. In the current industrial scenario, nothing is constant or predictable – not market growth, customer demand, product life cycle, the rate of technological change, or the nature of competition. Adam Smith’s world and its way of doing business are yesterday’s paradigm.

Three forces namely customers, competition and technology change are driving the companies into the territory of unfamiliarity. Customers have upper hand over sellers because customers have easy access to enormously more data. Customers know what they want, what they want to pay for it and how to get it on the terms they demand. Technology changes the nature of competition in ways companies don’t expect. By innovating with technology, companies should raise to the customer expectations in a market.

The business processes have to be considered in totality as against fragmented pieces of activities, which are taking place today. Because of this fragmented approach, in most companies, no one is in charge of the entire process. Independent functions do not create a complete process. These fragmented tasks procedures work as dampers and safeguards against risks. By tinkering and fixing the loopholes in the process in piecemeal nothing can be achieved. It is not the products but the process that produce the products, bring long term success to the company. Hence it is essential that the entire processes are to be re-engineered instead of simply tinkering and finding temporary solutions to the problems. Re-engineering offers the promise of dramatic improvements in performance through streamlining the end-to-end processes by which the business creates and delivers quality products to its customers. After studying various SMEs, which have undertaken BPR, mathematical models have been developed to find their rigorousness of BPR.