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In the face of an increasingly competitive world, the most pressing issue confronting any organisation is the challenge of change. At its best, success, and at its worst, the very survival of an organisation, depends on its willingness and ability to synchronise with the changes and new demands of the environment. In this process of adapting to the needs of the present and future, the organisation must be open to new management concepts and technology, which will give us the key to identifying and overcoming current weaknesses or to help us take the quantum leap to breakthrough improvement.

Business Process Reengineering is one such new concept which, according to the August 1993 issue of the Fortune magazine, promises "to deliver extraordinary gains in speed, productivity and profitability". I hereby congratulate the Asian Strategy and Leadership Institute (ASLI) for the speed in bringing state-of-the-art concepts to the doorstep of Malaysian managers. Such new tools are vital to assist us in our bid to benchmark with the world leaders in our respective fields.

2. In this age, where the customer is king, Business Process Reengineering gives us a further insight to improved customer service and customer satisfaction. Robert Janson, the President of Roy Walters & Associates of the United States talks of reengineering as "a radically new process of organisational change that many companies are using to renew their commitment to customer service". The book, "Business Process Reengineering" by Johansson, McHugh, Pendlebury and Wheeler published by John Wiley & Sons - 1993 defines Business Process Reengineering as "the means by which an organization can achieve radical change in performance as measured by cost, cycle time, service and quality by the application of tools and techniques that focus on the business as a set of customer-oriented core business processes rather than a set of organizational functions." The three key words in both these definitions are radical, customer and process. Business Process Reengineering envisages radical change rather than incremental improvement. These changes permeate the structure, process, technological and human aspects of the organisation. Reengineering is also radical because in this process nothing is sacrosanct. It involves not only questioning the way we do things but even to question the very business that we are in. The starting point of reengineering is the customer and his needs and wants. Once customer expectations are established, the organisation needs to design or restructure its work processes towards fulfilling these expectations discarding all other logic or reasons as the basis for process redesign. Business organisations would do well to bear these various key concepts in mind in redesigning their organisations.

3. The Civil Service would also undoubtedly benefit from such zero-base planning. This is particularly so because, the Civil Service, has inherited so many rules, regulations, systems and procedures from the past. These rules, regulations, systems and procedures have been passed from generation to generation of civil servants, often with admonitions to preserve the tradition. They have stood the test of time in the past and inherited a mantle of immortality. However, many have long outlived their original purpose. Such rules and regulations are sometimes the root cause of rigidity and inefficiency in the Civil Service rather than civil servants themselves.

4. To address this problem, the Government has initiated various measures to redesign rules, regulations, systems and procedures with customer satisfaction in mind. One major initiative launched in February this year is a study by the civil service to review current rules and regulations pertaining to business and investment with the view to streamlining and simplifying the systems and procedures for the issuance of permits, licences and other related approvals. This is a follow-up to a similar study carried out in 1990. Based on the earlier study, several major measures have been successfully implemented in Government agencies. These include the abolition of several rules and regulations which were found to be dilatory to development of trade and industry or were out-dated.

5. The study also paved the way for the introduction of composite applications forms and composite

licences. By using composite licence forms, applicants are able to apply simultaneously for various licences. This cuts down on the number of forms that needed to be filled previously.

Composite licences combine various licences issued by an agency into one. Such composite application forms and composite licences have been introduced by agencies such as the Kuala Lumpur City Hall and the Ministry of Information. The validity periods of various licences and permits have also been extended, some up to five years, to reduce the burden of annual renewals.

6. Yet another initiative which was consequently introduced was the increase in the number of one-stop licensing centres. This facility is being further extended through the Public Service Network, whereby post offices throughout the country will act as one-stop bill payment centres and provide other services such as facilities for the renewal of various licences such as driving licences and road tax. In view of the significant success achieved by the earlier study, a follow-up study has been launched to be coordinated by MAMPU. This study is to ensure on-going efforts in this area towards further streamlining rules, regulations, systems and procedures to take into consideration the more recent changes and developments in the environment. To ensure that customer needs are taken more effectively into consideration, the study team will hold dialogues with the various trade and industry associations and Chambers of Commerce. The study is expected to be completed by July this year.

7. On another level, all heads of departments have been asked to review the administrative and legislative powers under the purview of their respective departments, with the view to identifying those which may be out-dated or dilatory. These concerted and on-going efforts will have as their major focus, the customer and his need for speedy and efficient service. A major component of Business Process Reengineering is designing processes from the outside in.

The key question to ask is how does the customer want to deal with you and not the converse of how you want to deal with the customer. This is the key to effective customer satisfaction. On the part of the Civil Service, this concept has been translated into a concrete programme of on-going consultation with one of our key clients, namely the private sector, through the various consultative panels established under the umbrella of the Malaysia Incorporated Policy.

8. With the introduction of Total Quality Management in the Civil Service in 1992, further inroads have been made into laying the foundation for business process reengineering. For instance, one of the basic tenets of TQM is top management support. Such top management support is vital for effective Business Process Reengineering since it involves major decisions such as resource deployment, the establishment of quality standards and features of output and manpower planning. TQM also emphasises customer-focus.

Under TQM all departments are required to identify their major customers and their requirements pertaining to the output of the department. These requirements need to be translated into standards of quality output as well as in terms of the processes involved in producing the output.

TQM, therefore, plays a major role in the implementation of Business Process Reengineering.

9. Information Technology is yet another key component for effective Business Process Reengineering. To be truly effective and world class in our business operations, we need to keep abreast with the latest developments in technology in the international market which can further automate processes and expedite information flow and decision-making. In the public sector, several major IT projects have been launched to assist not only the Civil Service to be more efficient and effective, but more importantly, to assist the business sector and investors in their work.

10. The Civil Service Link is an on-line Database which will be a repository of a variety of data and information related to the Civil Service and administration of use to the business community and investors. Information available will include the profiles of key public sector organisations which have major dealings with the private sector and investors such as the Immigration Department, The Customs and Excise Department, MITI and MIDA. The CSL is expected to be operational by June 1994. The

Public Service Network will provide a variety of services to the public through post offices throughout the country which will go on-line. The post offices will act as one-stop bill payment centres and offer services such as renewal of driving licences and road tax. At present, a pilot project involving four post offices is being conducted.

11. Michael Hammer's ideas on business process reengineering as contained in his book *Reengineering the Corporation*, while not totally new, offers us options to ensure sustained viability and competitiveness of our organizations in an ever-changing environment. Many of the recent management thinkers have provided us with conceptual frameworks applicable to our tasks, with theories and ideas often borrowed from the non-business world. Hammer's ideas are undoubtedly influenced by his computer science background. Nevertheless, he has formulated the notion of reengineering that promise much to leaders and managers of organizations.

12. Reengineering involves an integrated redesigning effort that incorporates the strategy, business processes, people and technology of the organization. It proposes that companies radically redesign their work, with the companies organized around processes and not function, that is, organizing with focus on the outcome, not the tasks. This streamlining of organizational processes from a holistic viewpoint involves:

i) undertaking a fundamental review of the organization's strategies, vision, mission and objectives, and ensuring that it is in line with the evolving market place;

ii) reviewing its processes to realign it to the real goal of the organization, that is, defining core functional objectives and analyzing the processes and activities designed to achieve them;

iii) using Information Technology to facilitate business process efficiency and effectiveness, and enabling it to be responsive to continuing change, and

iv) developing responsive (rather than rigid) internal management structure, and mobilizing a well-trained workforce committed to a culture of excellence and dedicated to customer satisfaction. Undertaking such an in-depth analysis would involve rethinking and realignment of the organization, a review of its mission, jobs, work processes, activities, structures, management systems, personnel, norms and its work culture. A primary influencing factor in the review, is the customer's demand and need, that is, the changing demands of the market place. An integrated change effort that is consistent with the overall strategy will ensure that the organization benefits from continual improvement.

13. I believe we are all aware that our business environment has changed significantly. We have to ensure our national competitiveness, but with international agreements like the ASEAN Free Trade Agreement, we are now further compelled to ensure our regional and global competitiveness. We have to respond to this situation by redesigning the way we get things done, the way we produce.

Business Process Reengineering or BPR provokes action that can result in: better quality products and services delivered with existing resources; reducing cycle-time for delivery of product or services; cost reductions in business operations; ensuring better value to customers; innovating and producing new and better products; improvements in front-line and counter services especially with on-line-processes; reduction of physical record-keeping with better computerized processes; one-stop transactions as opposed to multi-stop transactions; and better utilization of staff with remobilisation of staff or reduction of overall staff requirements.