Chapter 7
Small Firm Process Re-Engineering Success

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ABSTRACT
Small firms are undertaking business process re-engineering (BPR), but the factors contributing to success of these activities are not clearly understood. This research reviews the main contributing factors to BPR success using a framework that considers culture, structure, technology, and resource. Evidence from Taiwanese firms is used to explore issues contributing to, or impeding, successful process re-engineering in small firms. The analysis shows that BPR success is empowered by innovation, employee empowerment, top management commitment, and strategic direction and is dependent upon customer relations, Information Systems involvement, and financial resources.

1 INTRODUCTION
Many forces, including competition and globalization have led enterprises to restructure to focus on managing change. Business process re-engineering (BPR) is an approach to business transformation that emphasizes customer-driven, process-oriented management practice, often enabled by IT. Raymond et al (1998) argue

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that the literature focuses on BPR in large firms. They pose the question as to whether BPR success factors are the same for small and medium-sized enterprises (SMEs) as for large enterprises. While the first phase of activity involving process re-engineering is long over, the moves towards enterprise systems forces firms to refine and align their processes in order to fit with the software (Hicks et al, 2010, Muscatello et al, 2003, Webb and Schlemmer 2006, Ashton and Stacey 2009, Ashima, 2010, Alexandre, 2006, Montoni, 2007, Galinac, 2009, Girish, 2007).

This research investigates BPR to identify the success and failure factors in small firms. The chapter briefly outlines the nature of BPR. It then adapts Chang and Powell’s (1998) framework to explore BPR in SMEs by focusing on culture, technology, structure and resources. The research explores, using a case approach, the BPR response of eight Taiwanese firms. This leads to understanding of the different success and failure factors for BPR in SMEs. A revised model for successful BPR in SMEs is then presented and the implications for theory and practice are discussed.

2 NATURE OF BPR

BPR is ‘radical redesign of business processes to achieve dramatic improvements on critical measures of performance’ (Hammer 1990). BPR emphasizes horizontal integration across organizational boundaries - the analysis and design of workflows and processes within and between organizations (Davenport 1993). The main elements are fundamental work process redesign, adding value to final customers, integration of cross-functional specialization, and exploitation of IT. The challenges of BPR initiatives are both technical and socio-cultural. It is technically problematic to develop radical process improvements. The socio-cultural challenge is in dealing with people’s reactions to the likely serious organizational changes required (Reijers and Mansar 2005).

Past research suggests many factors are inherent in successful BPR. First, top management commitment is important to ensure the initiative is maintained and focused. Second, re-engineering focuses on providing customers with greater value (Cameron and Braiden 2004). Third, re-engineering places a major emphasis on employees and their role in resolving problems (Larsen and Myers 1999). Process improvement involves changes to jobs and the social structure to increase motivation, reduce stress and improve performance by empowerment (Wastell et al. 1994). Fourth, IT is an *enabler* in creating and maintaining flexible business networks (Tinnila 1995). Finally, a BPR strategy is key, incorporating critical inputs from both corporate and IT planning (Teng et al 1994, Talwar 1993). However, as BPR involves changing the firm’s competences, it is more likely to be successful if it is emergent, benefiting from organizational learning (Craig and Yetton 1997).
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