

REENGINEERING THE CORPORATION

A Manifesto For Business Revolution

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MICHAEL HAMMER is the originator of the business reengineering concept. He first proposed the concept in a *Harvard Business Review* article entitled "Reengineering Work: Don't Automate, Obliterate". Dr. Hammer was named by *BusinessWeek* as one of the four pre-eminent management gurus of the 1990s.

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MAIN IDEA

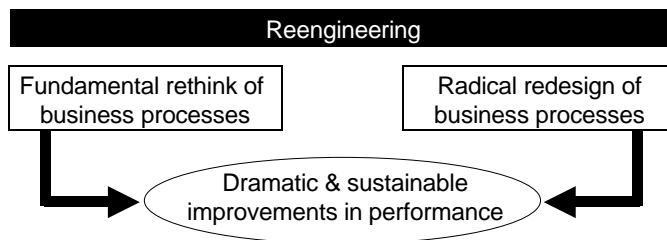
Reengineering means to disregard all the assumptions and traditions of the way business has always been done, and instead develop a new, process-centered business organization that achieves a quantum leap forward in performance.

To achieve reengineering success, a fresh perspective and approach is required. A clean sheet of paper is taken and, given what is currently known about customers and their preferences, a new organization is developed which will optimize the process of creating satisfied customers. Reengineering is the process by which the organization that exists today is retired and the optimal version of the new organization is constructed.

Reengineering is the opportunity to develop the rules by which business in the future will be conducted rather than being forced to operate by the rules imposed by someone else. As such, reengineering underpins every attempt to seize and maintain a true competitive advantage.

Section 1 -- The Reengineering Concept Page 2

Reengineering is defined as the fundamental rethink and radical redesign of business processes to generate dramatic improvements in critical performance measures -- such as cost, quality, service and speed.



In practice, reengineering means to start over with a clean sheet of paper and rebuild the business better.

Section 2 -- The Characteristics of a Reengineered Corporation Page 4

Reengineering initiatives typically lead to a business organization with these characteristics:

1. Business processes are simplified rather than being made more complex.
2. Job descriptions expand and become multi-dimensional -- people perform a broader range of tasks.
3. People within the organization become empowered as opposed to being controlled.
4. The emphasis moves away from the individual and towards the team's achievements.
5. The organizational structure is transformed from a hierarchy to a flatter arrangement.
6. Professionals become the key focus points for the organization, not the managers.
7. The organization becomes aligned with the end-to-end process rather than departments.
8. The basis for measurement of performance moves away from activity towards results.
9. The role and purpose of the manager changes from supervisor to coach.
10. People no longer worry about pleasing the boss -- they focus instead on pleasing the customer.
11. The organization's value system transforms from being protective to being productive.

Reengineering is not solely about creating new business processes -- it focuses on creating a new company.

Section 3 -- Reengineering Case Studies Page 6

Successful reengineering programs undertaken by large and small corporations in the past have these common themes:

1. A focus on processes rather than organizational boundaries.
2. The ambition to create breakthrough performance gains.
3. A willingness to break with old traditions and rules.
4. The creative use of new information technology.

Every company's reengineering program must be unique if it is to achieve anything substantial. There are no guaranteed-to-work or step-by-step prescriptions that can be followed in reengineering.

Section 4 -- The Keys To Reengineering Success Page 8

To succeed at reengineering, follow these guidelines:

1. Always start with the customer and work backwards.
2. Move fast.
3. Tolerate risk.
4. Accept imperfections along the way.
5. Don't stop too soon.

In short, reengineering is the opposite of business as usual.

