

# **BPR Relationship with SI & Outsourcing**

Wilson Haddow

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### **U.S. Business Integration Program**

#### ***BPR Relationship with SI & Outsourcing***

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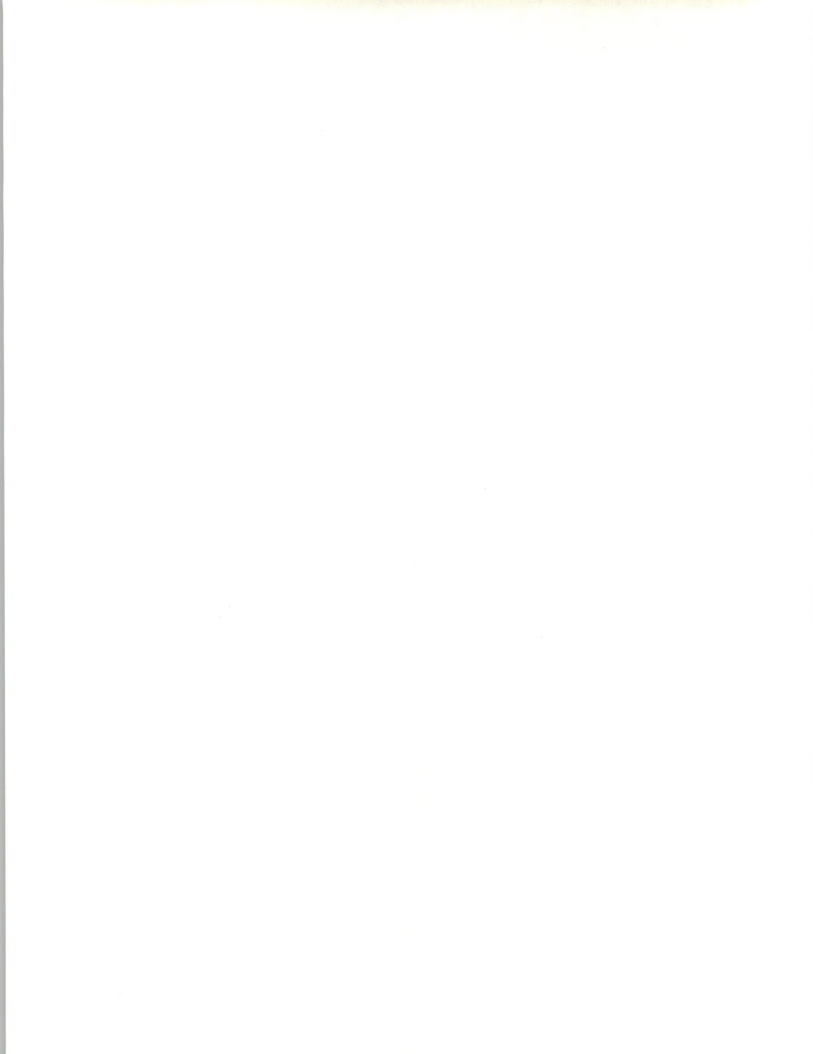


# BPR Relationship with SI & Outsourcing

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BISI-1



# BPR Definition

“Business process reengineering is the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical, contemporary measures of performance, such as cost, quality, service, and speed.”

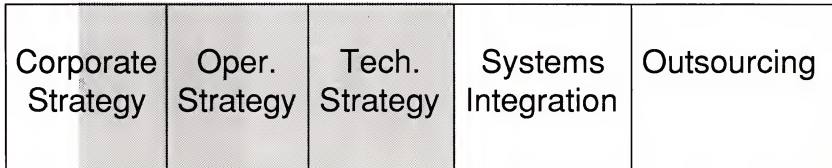
Hammer & Champy

BISI-2



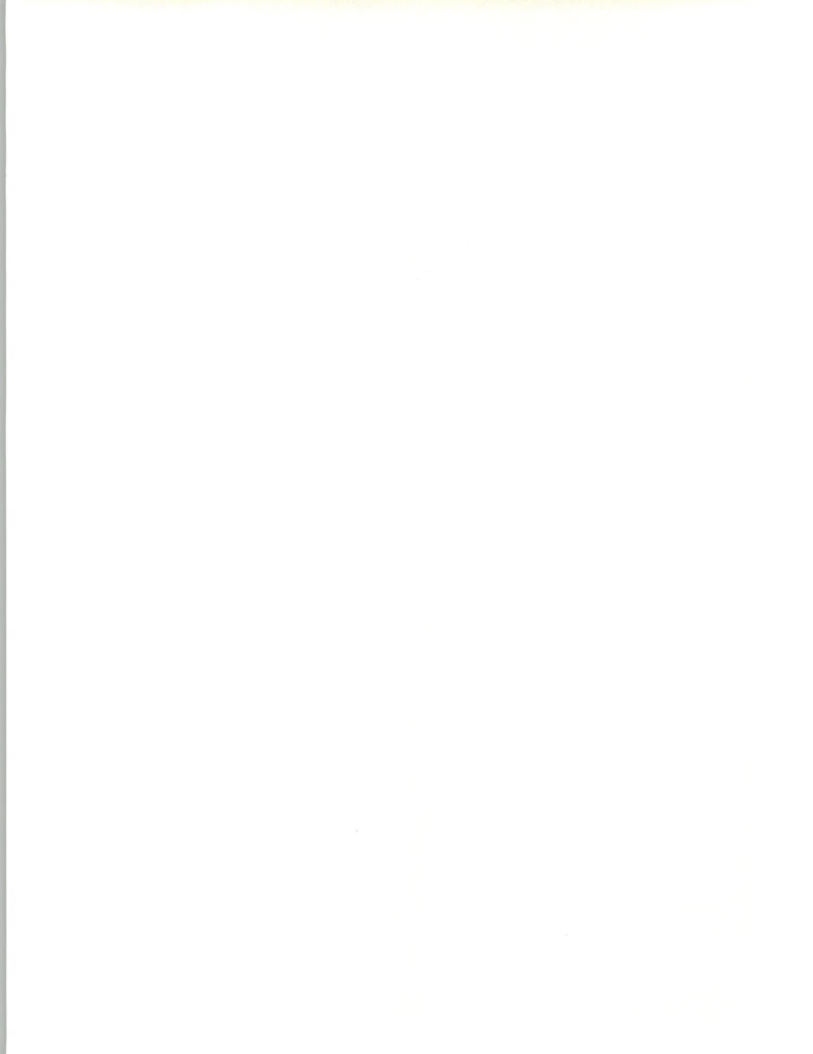


# BPR in the Services Spectrum

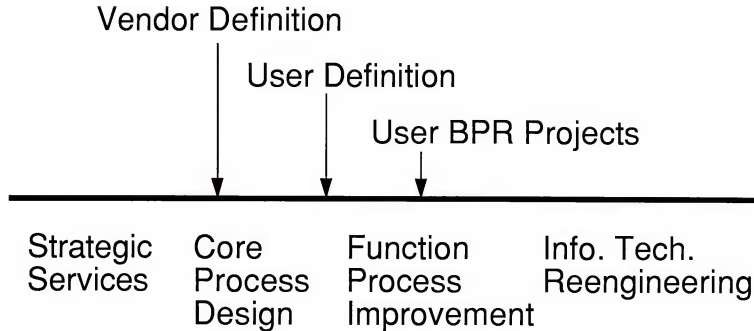


BPR Span

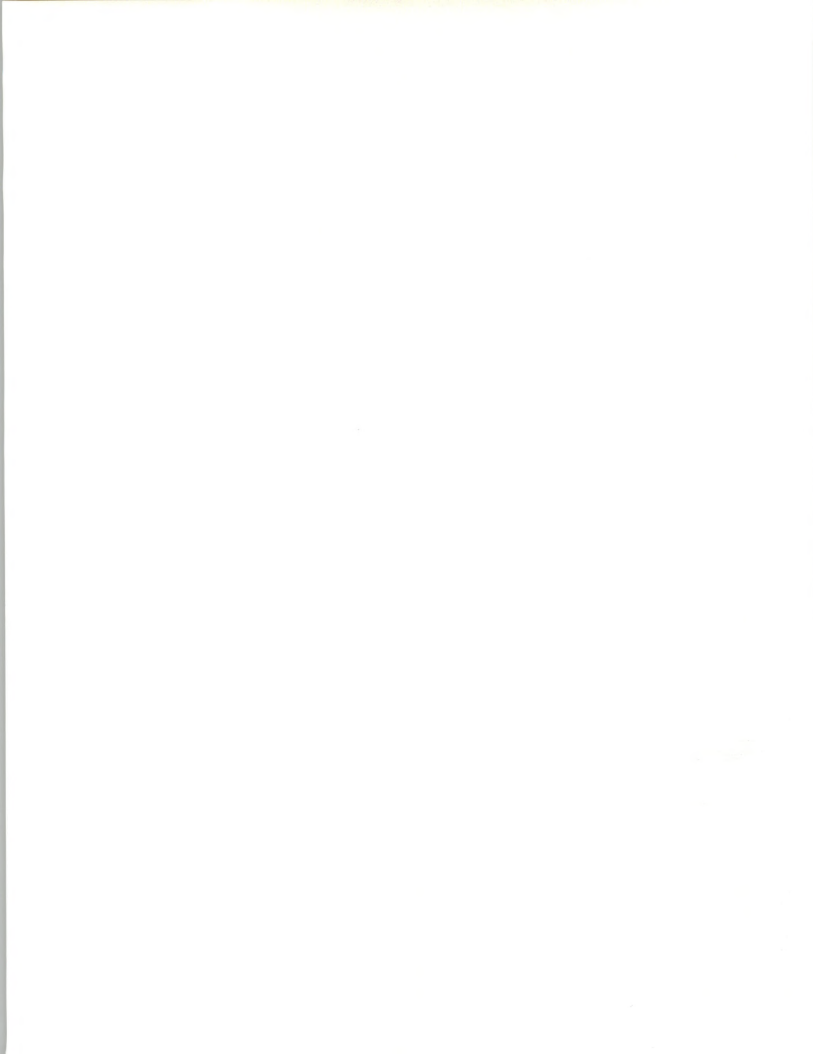
BISI-8



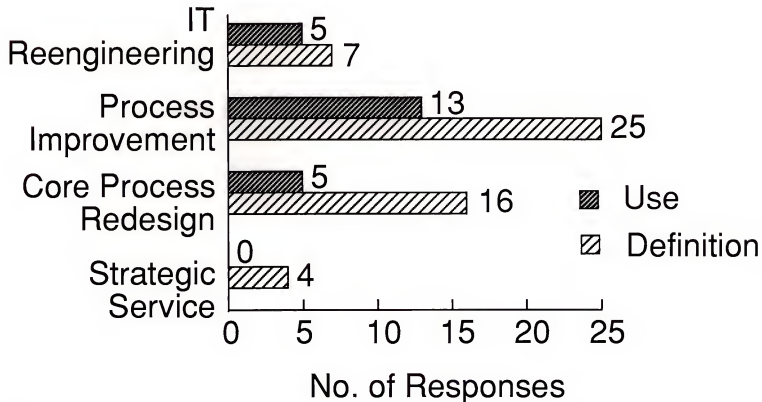
# BPR Definition Gap



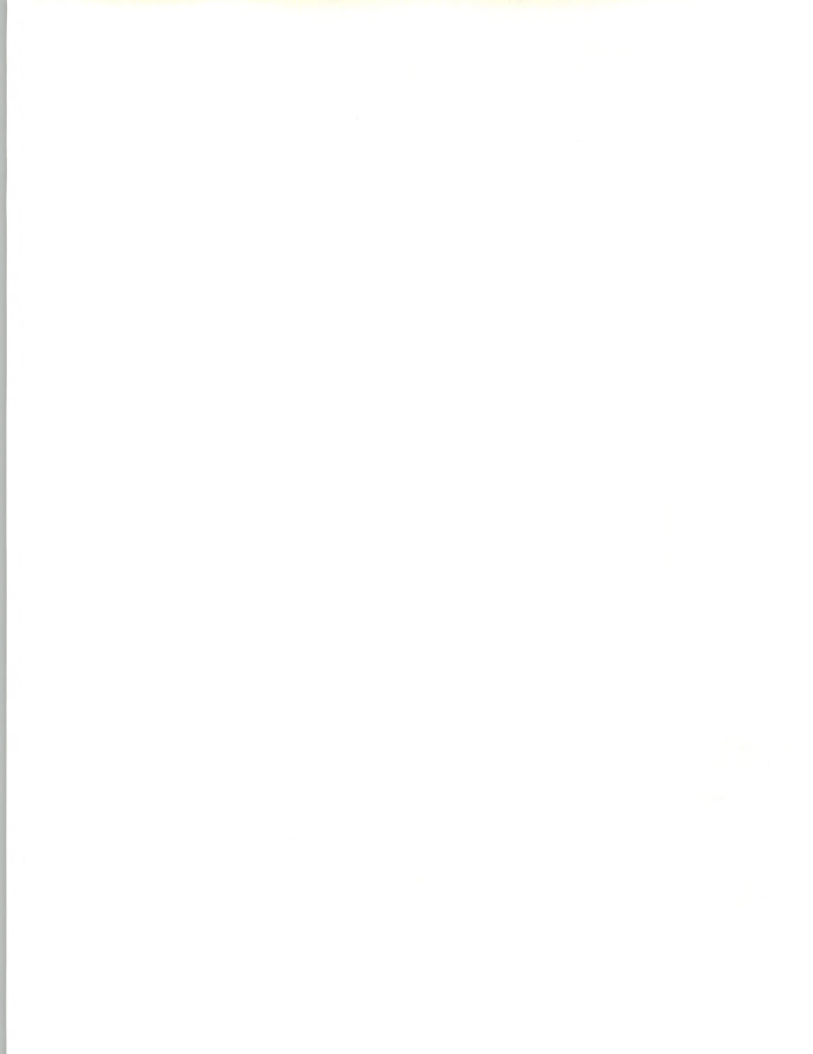
BISI-6



# Users' Definitions of BPR

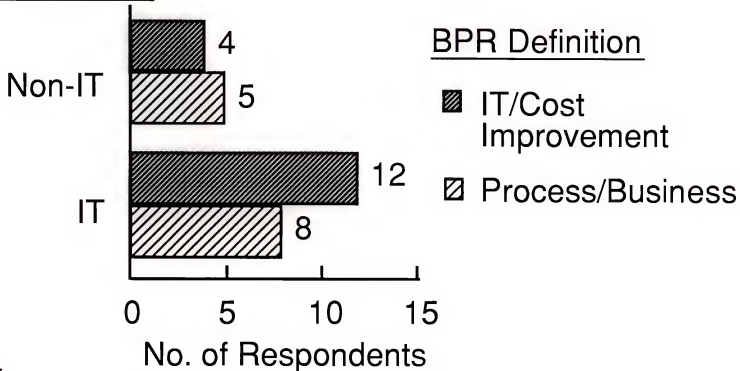


BISI-4



# User Functions Influence BPR Definition

User Function



BISI-7

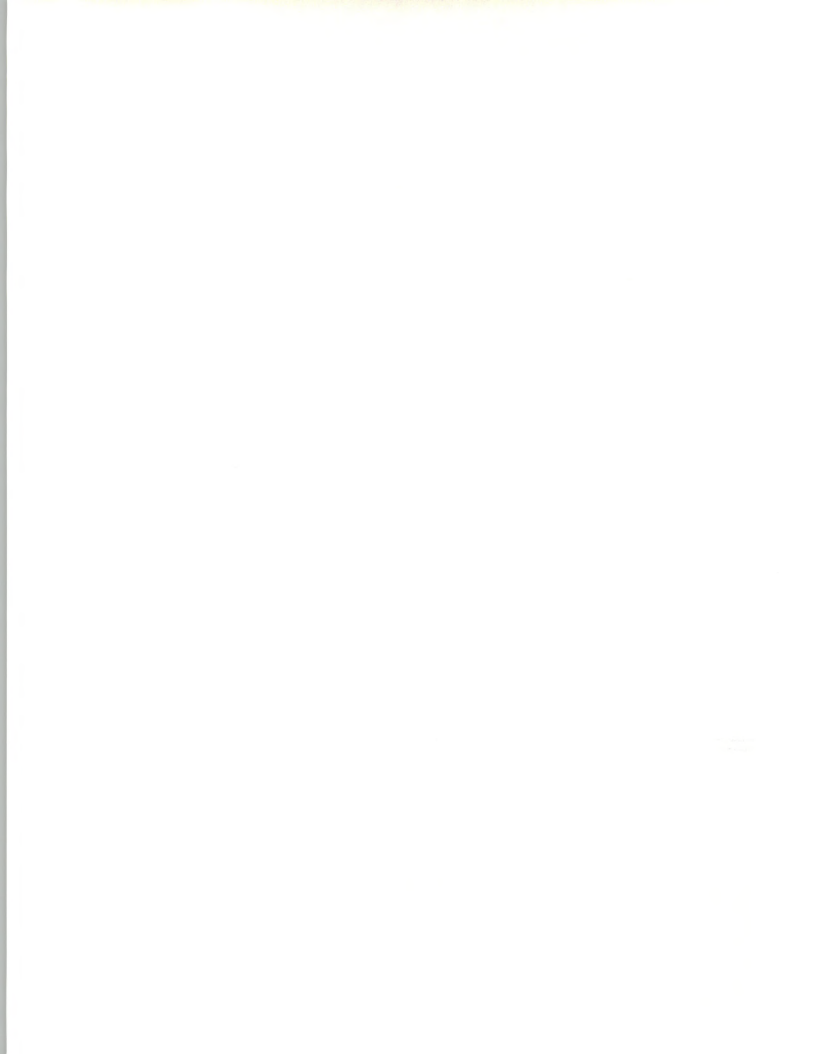




# Comparison of BPR and SI Project Attributes

BPR Project Characteristics	SI Project Characteristics
Major change	Incremental change
Cross function	Single function
Executive-level attention	Departmental project
Core process-related	Funct. process focus

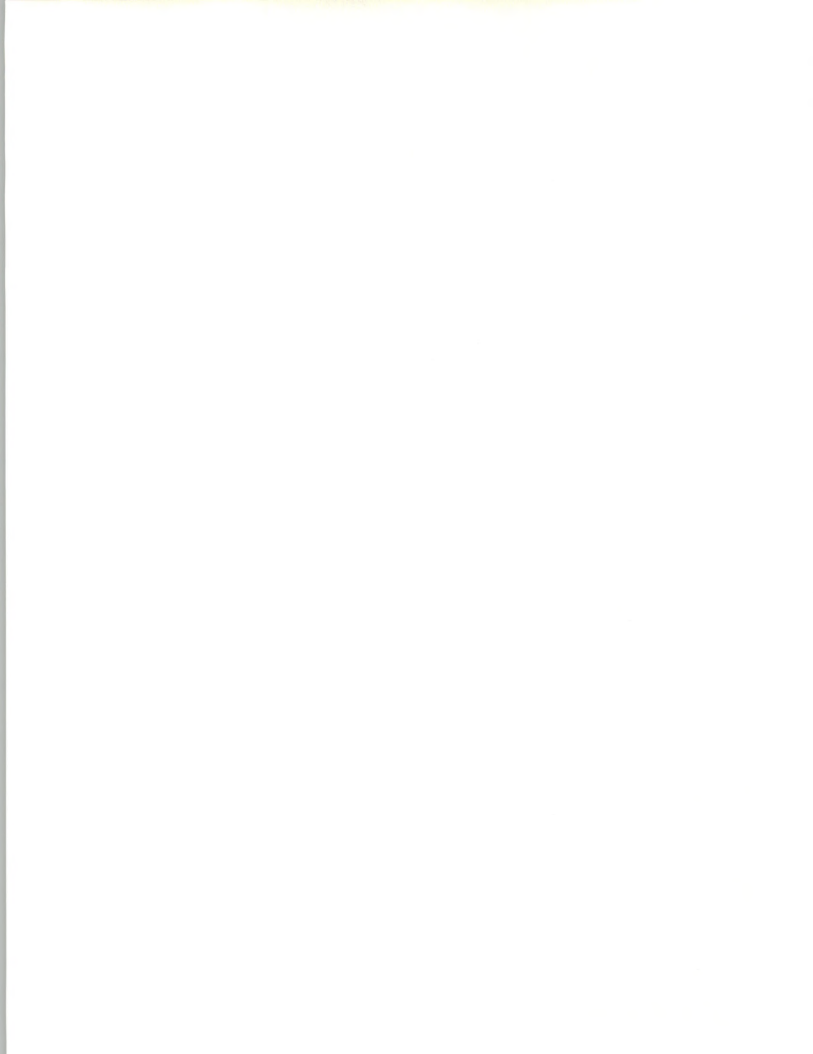
BISI-9



# Impact on Existing SI Projects

- Slowed and/or scrapped
- Put on hold
- Reworked or canceled
- Re-architect
- Redesigned

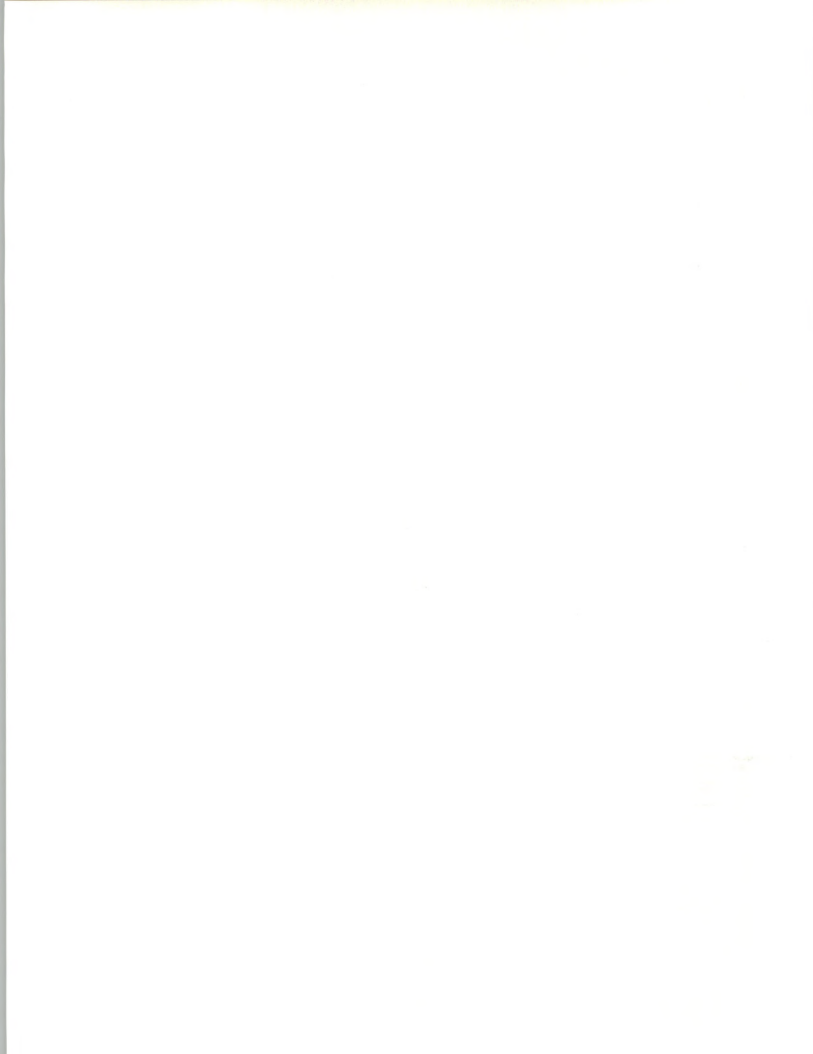
BISI-12



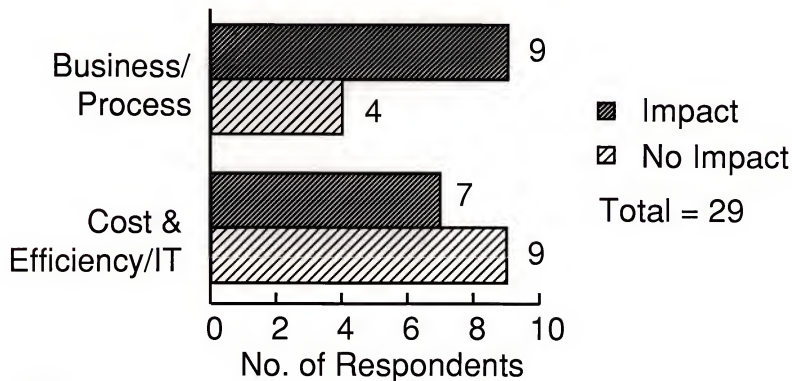
# BPR Changes the Nature of SI Projects

- Project scope
- Ease of implementation
- Increased payback

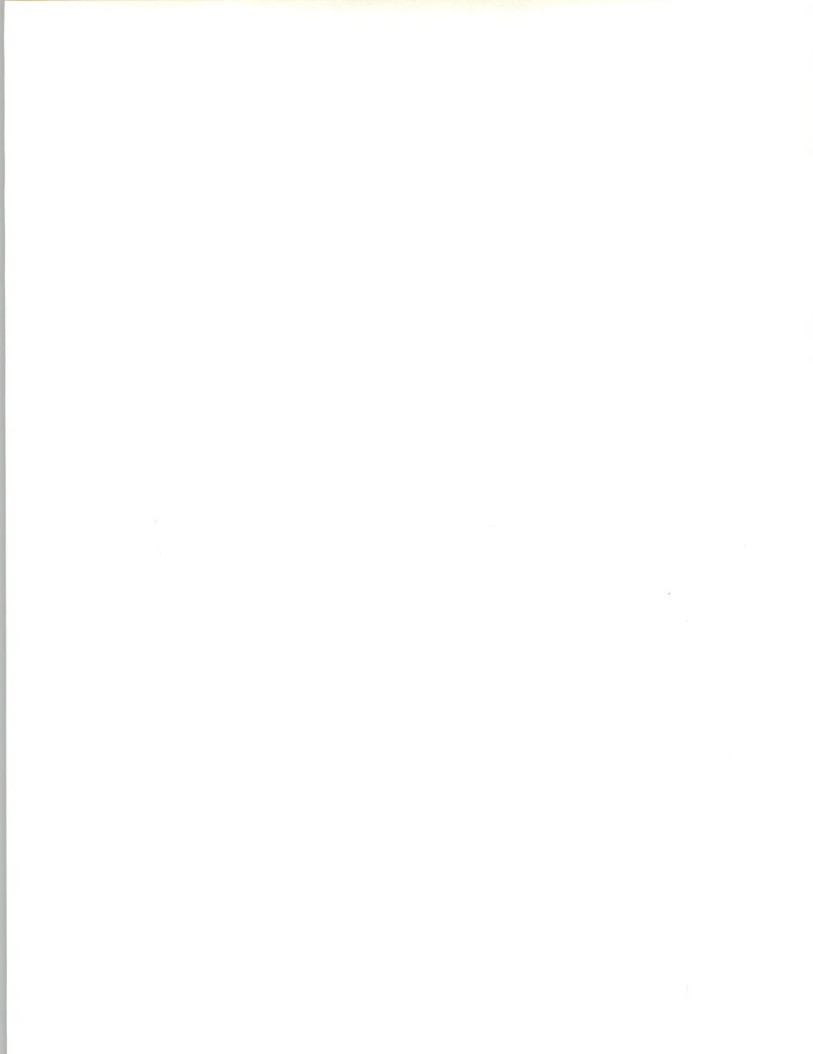
BIS-14



# BPR Definition vs. Impact on SI Projects



BISI-13

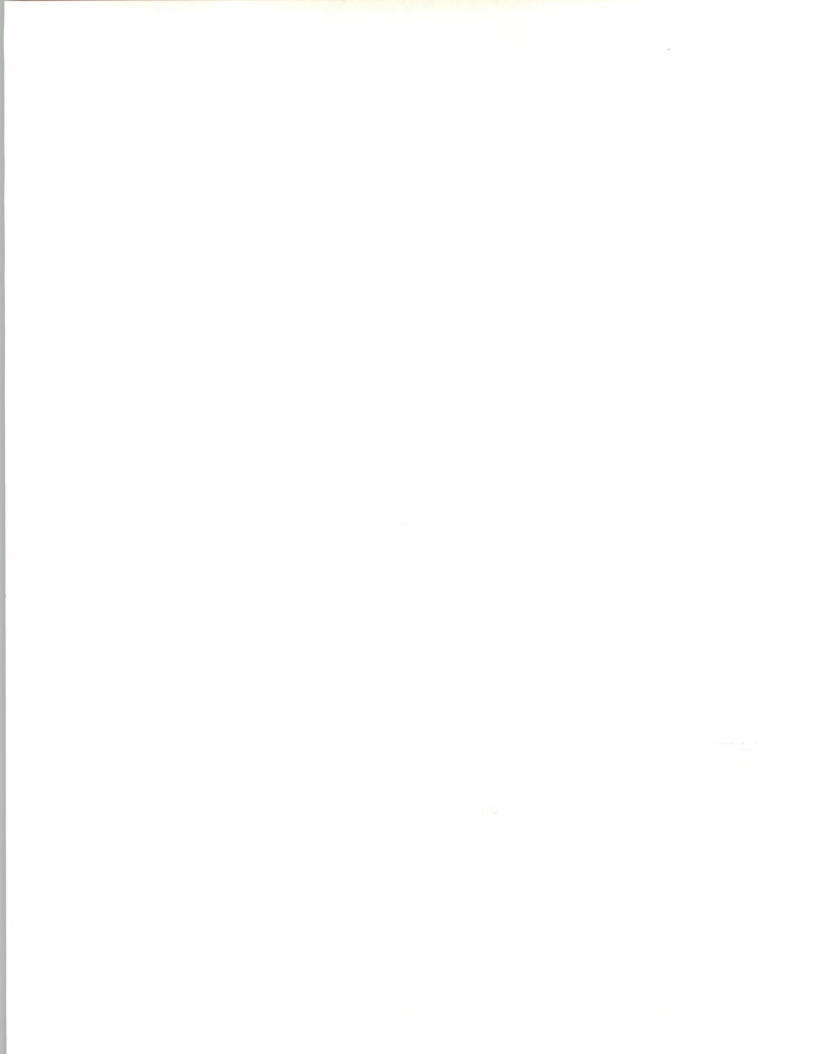




# Impact on Technology Skills

- Wide range of technical knowledge
- Design of complex systems
- Rapid development techniques
- Rapid deployment techniques

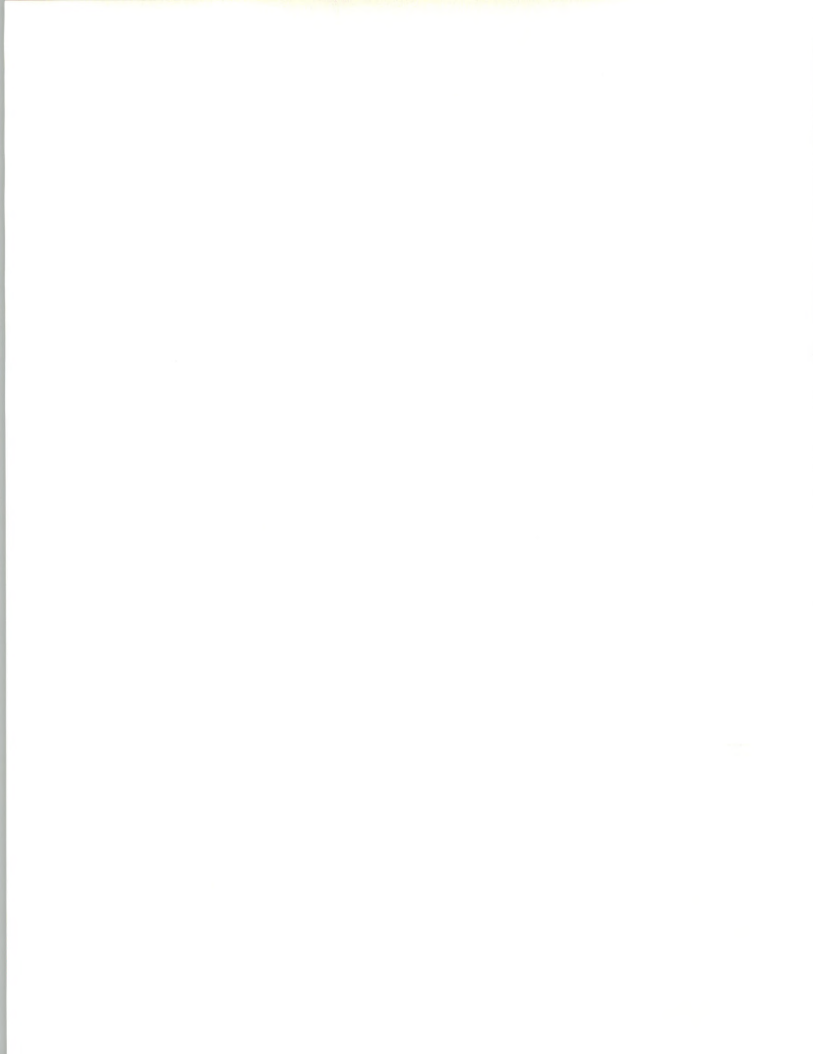
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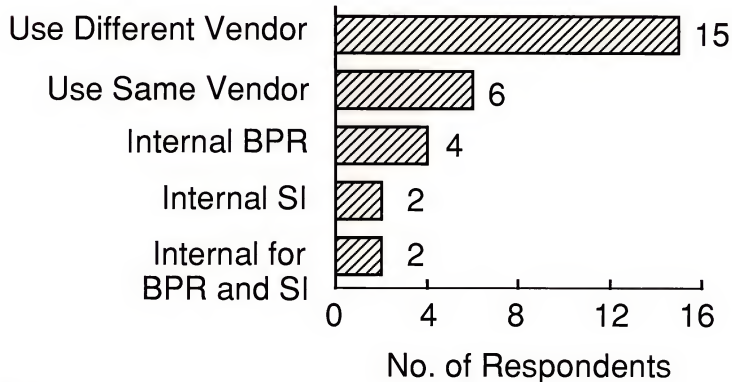
# Impact on People Skills

- Depth of experience
- Executive-level communication ability
- Enhanced project management
- Capable of creative thought

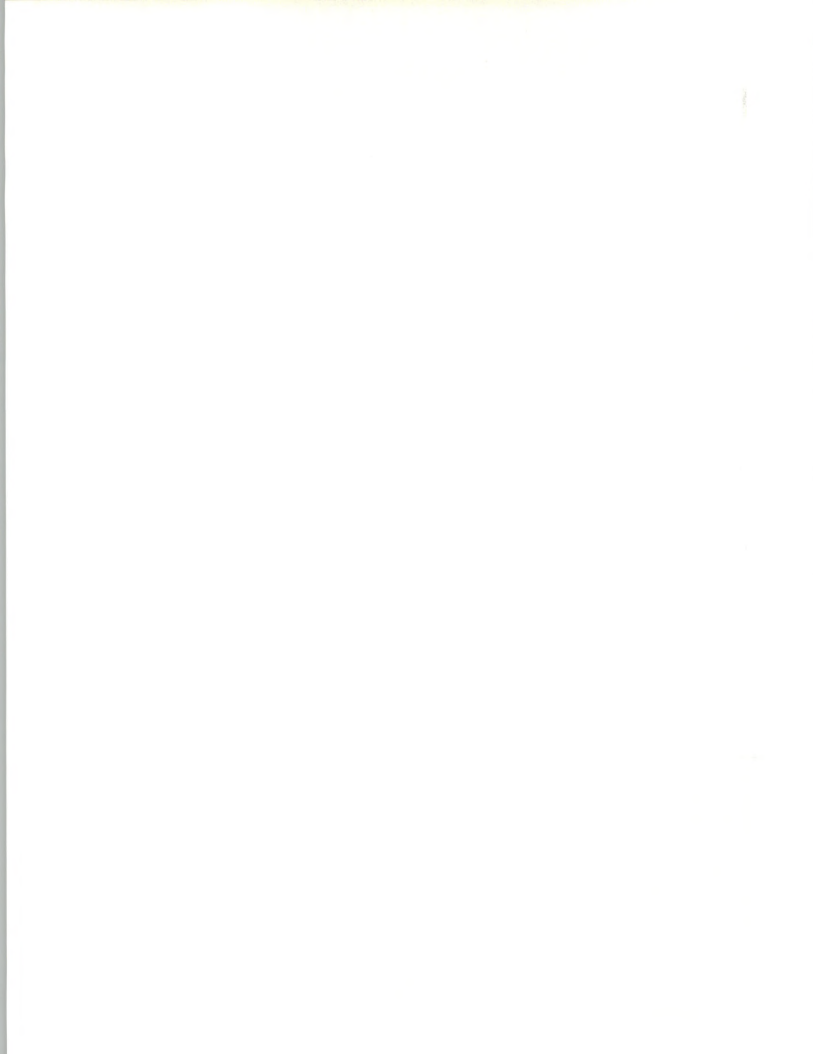
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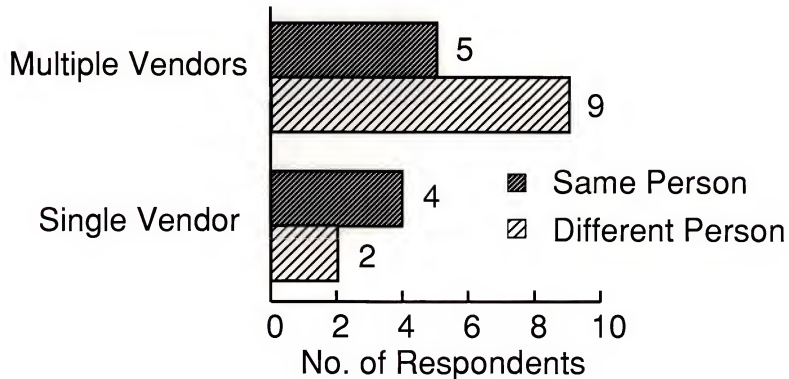
# Vendor Usage for BPR and SI



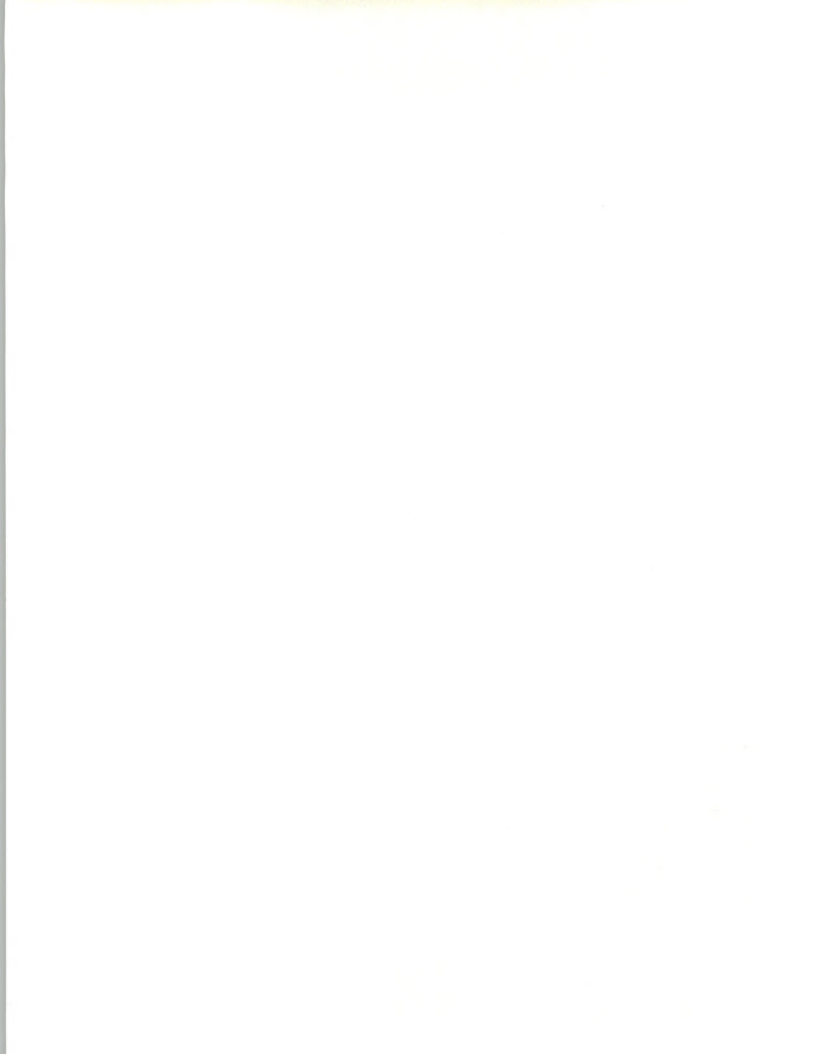
BISI-15



# Responsibility for Selection of BPR and SI Vendors

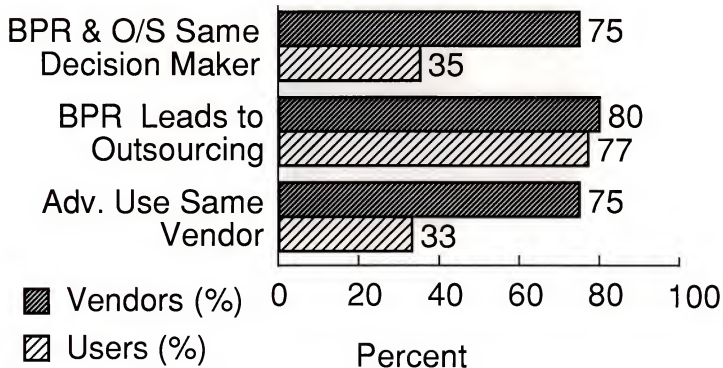


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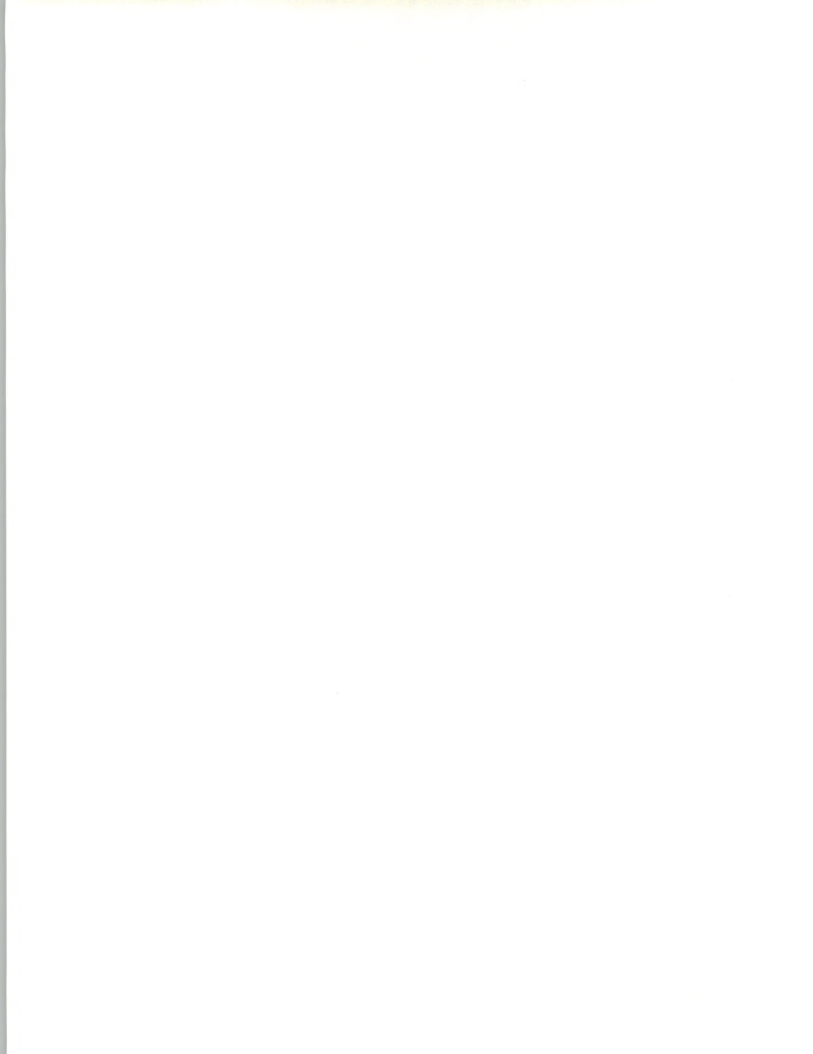




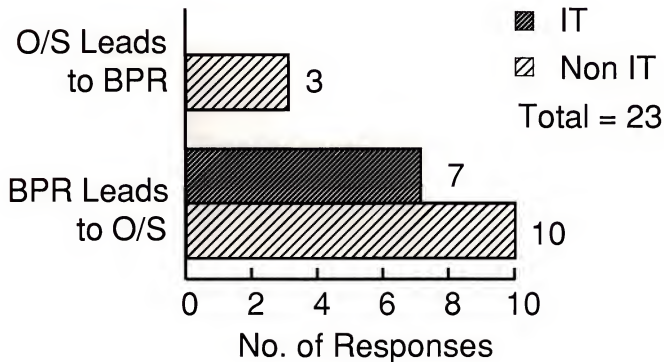
# User & Vendor Views in Outsourcing



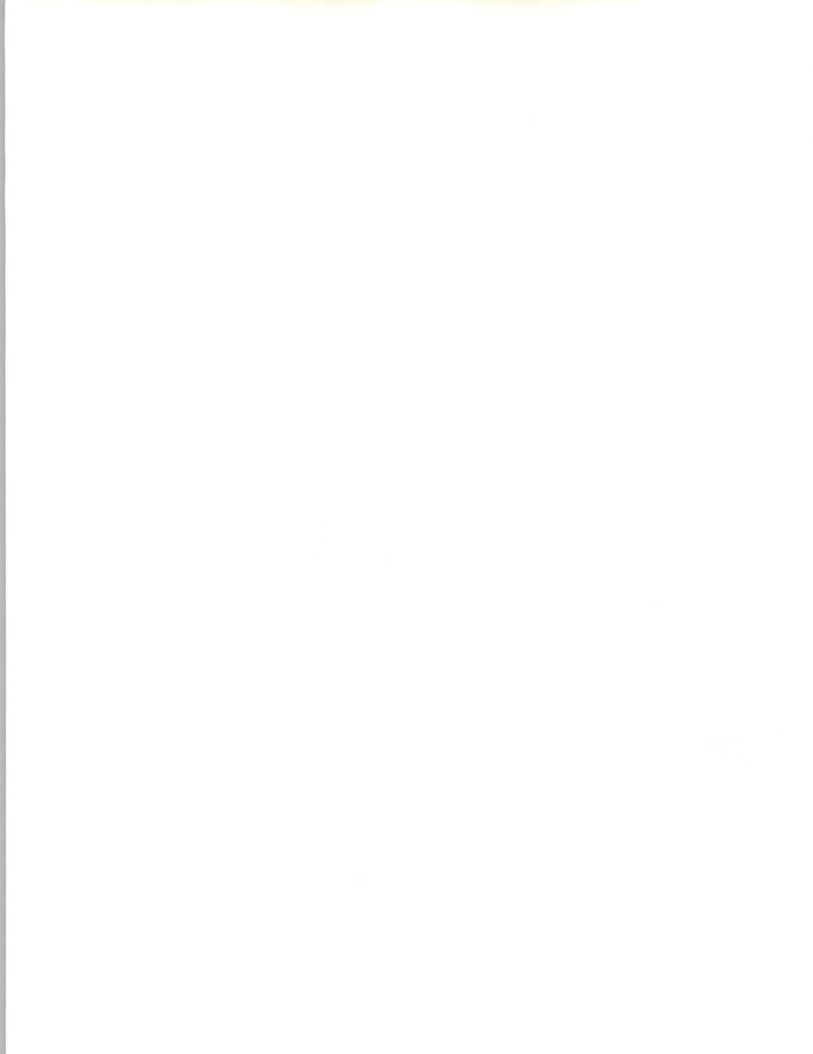
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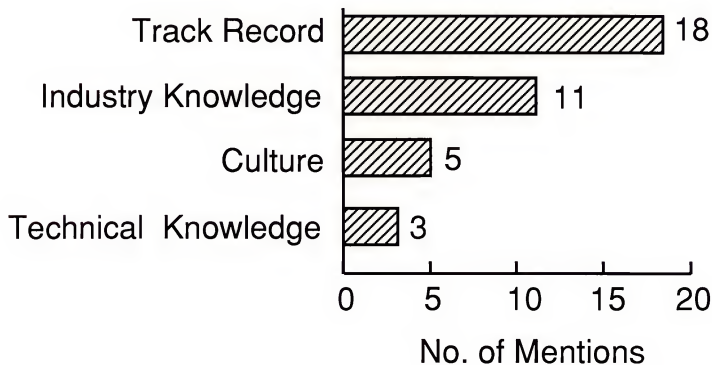
# BPR Leads to Outsourcing



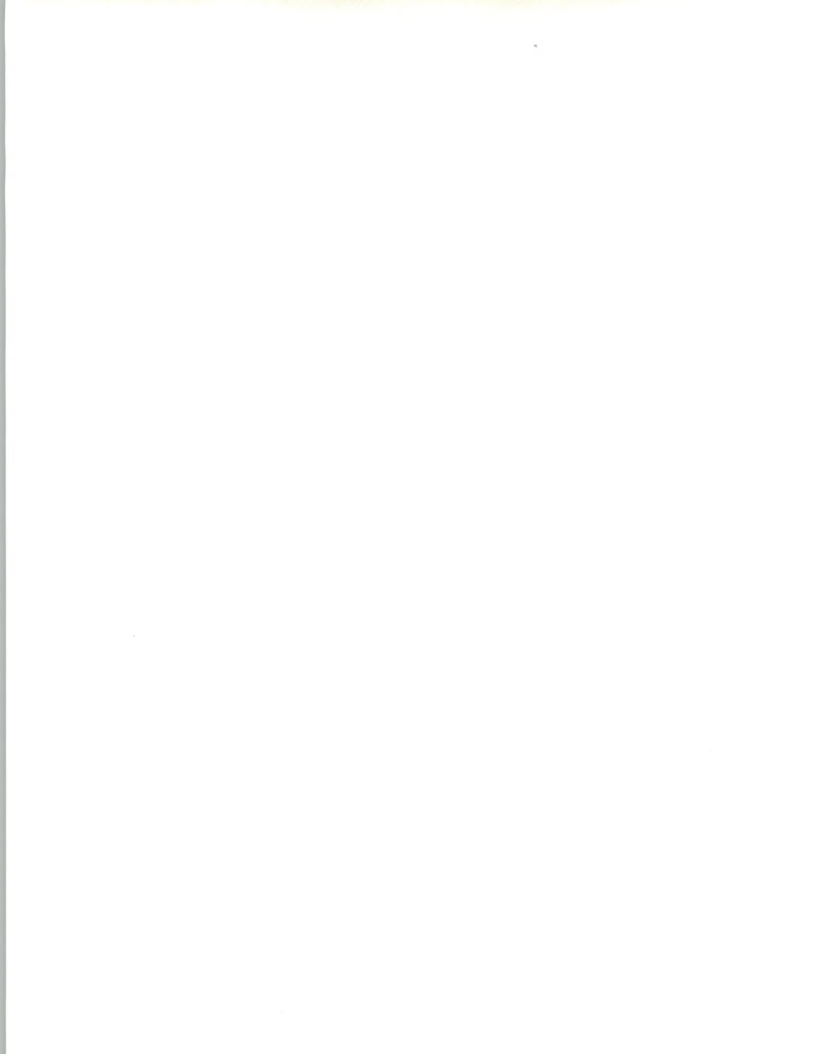
BISI-21



# User Requirements of BPR Vendors



BISI-23



# Top BPR Vendors

## Users

Andersen

CSC

Price Waterhouse

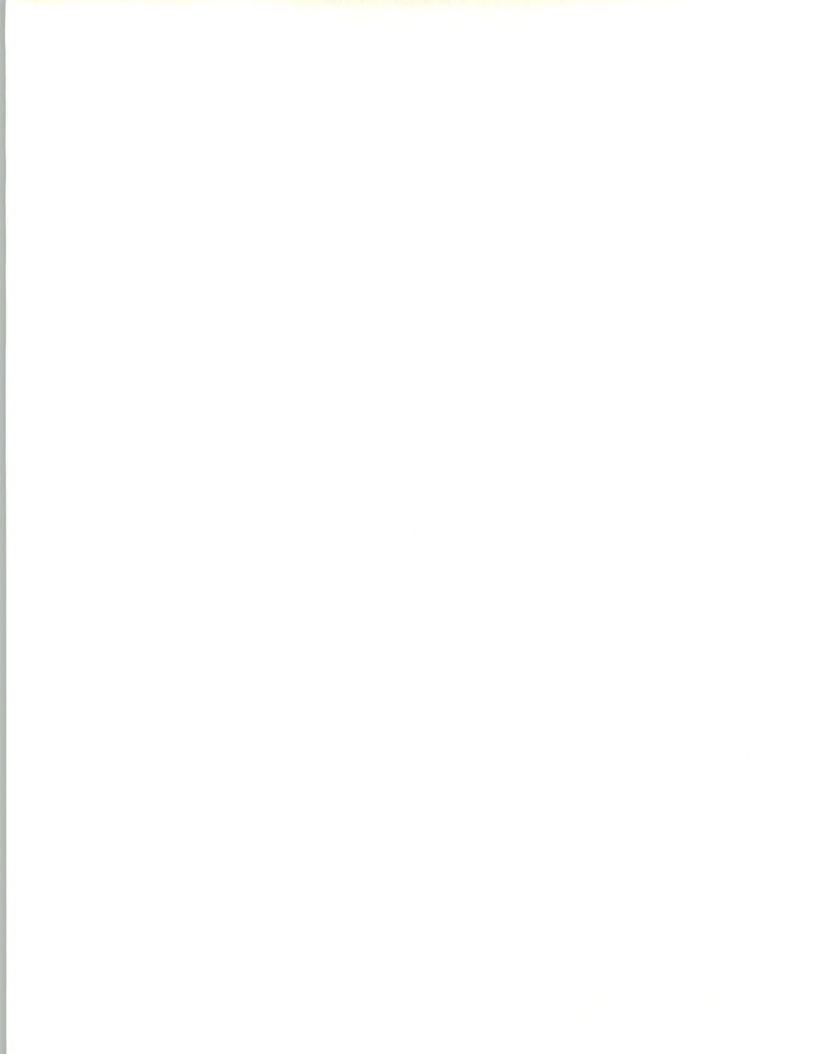
Top = Most mentioned

## Vendors

Andersen

Ernst & Young

CSC Index





# Top SI Vendors

## Users

Andersen

CSC

IBM/ISSC

EDS

Top = Most mentioned

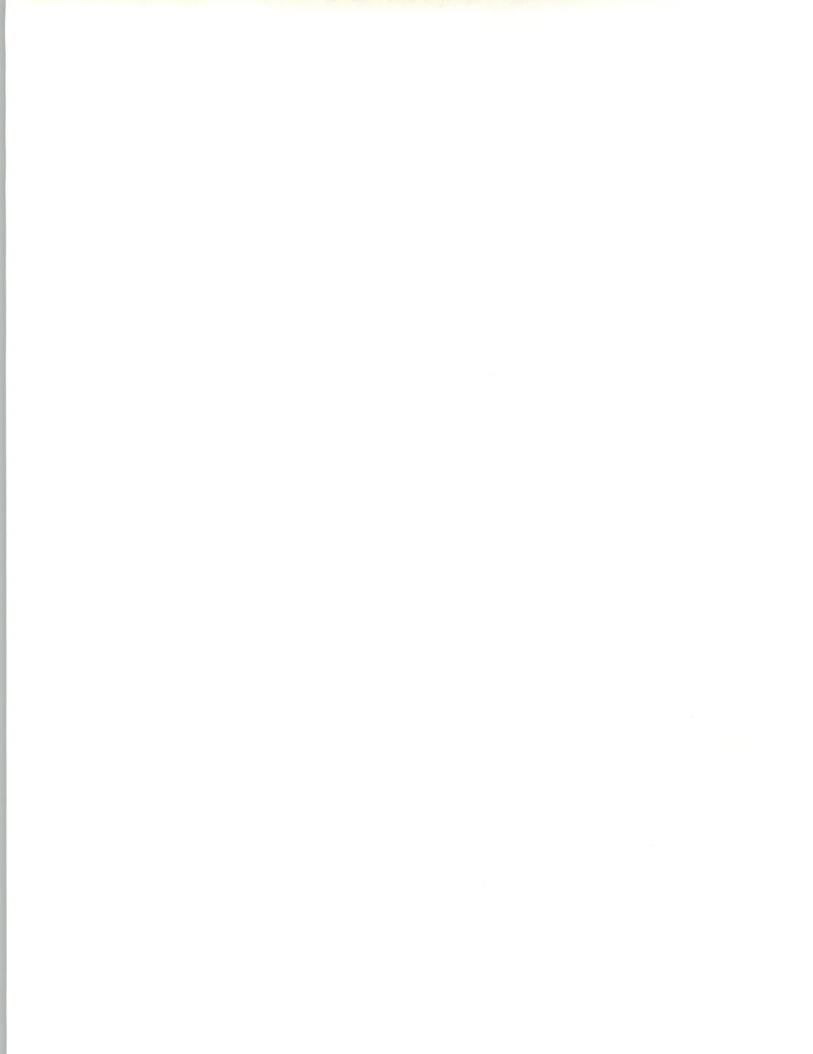
## Vendors

Andersen

EDS

ISSC

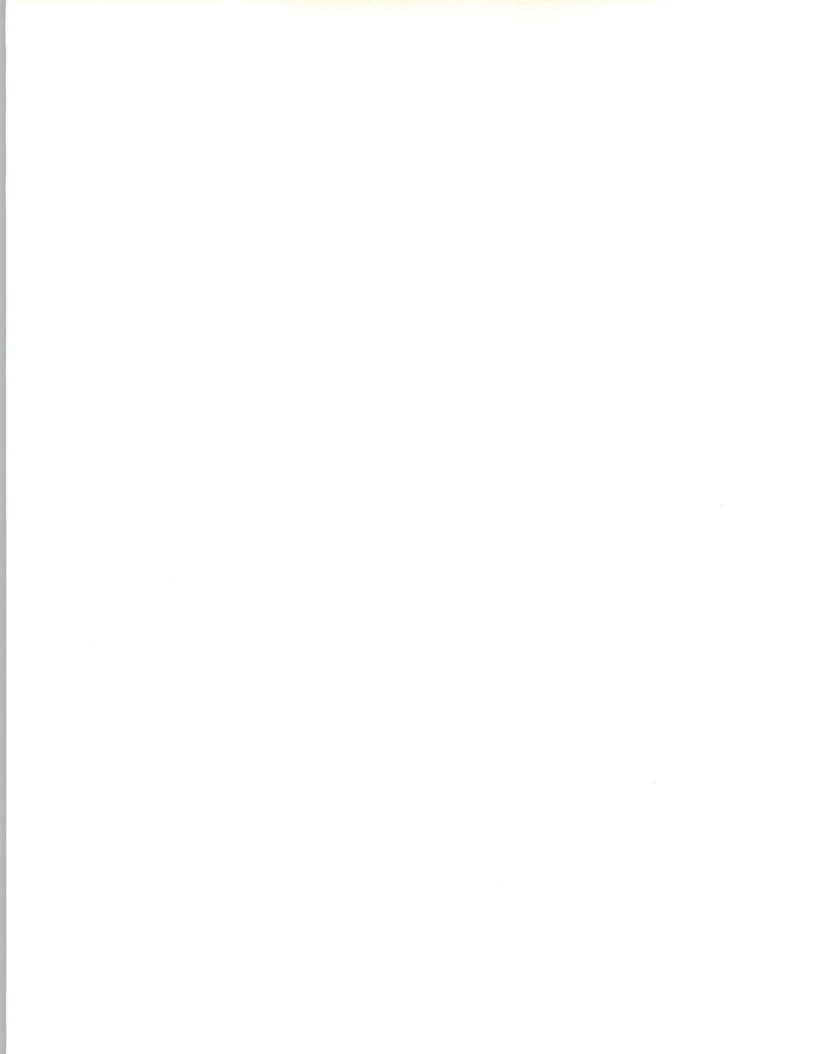
SHL Systemhouse



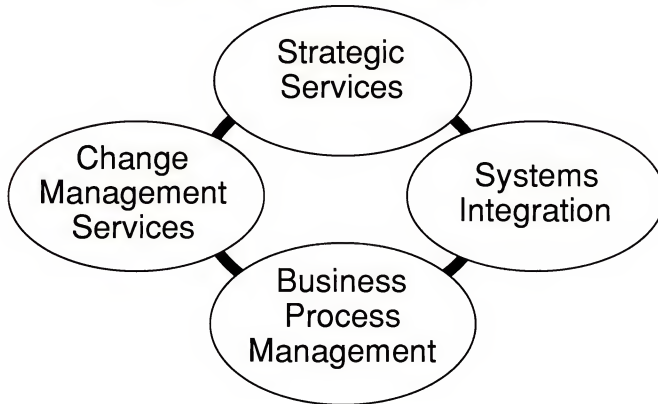
# Services Spectrum

Corporate Strategy	Oper. Strategy	Tech. Strategy	Systems Integration	Outsourcing
	Andersen Consulting			
	Ernst & Young			
	CSC			
	EDS			
	IBM/ISSC			
	SHL Systemhouse			

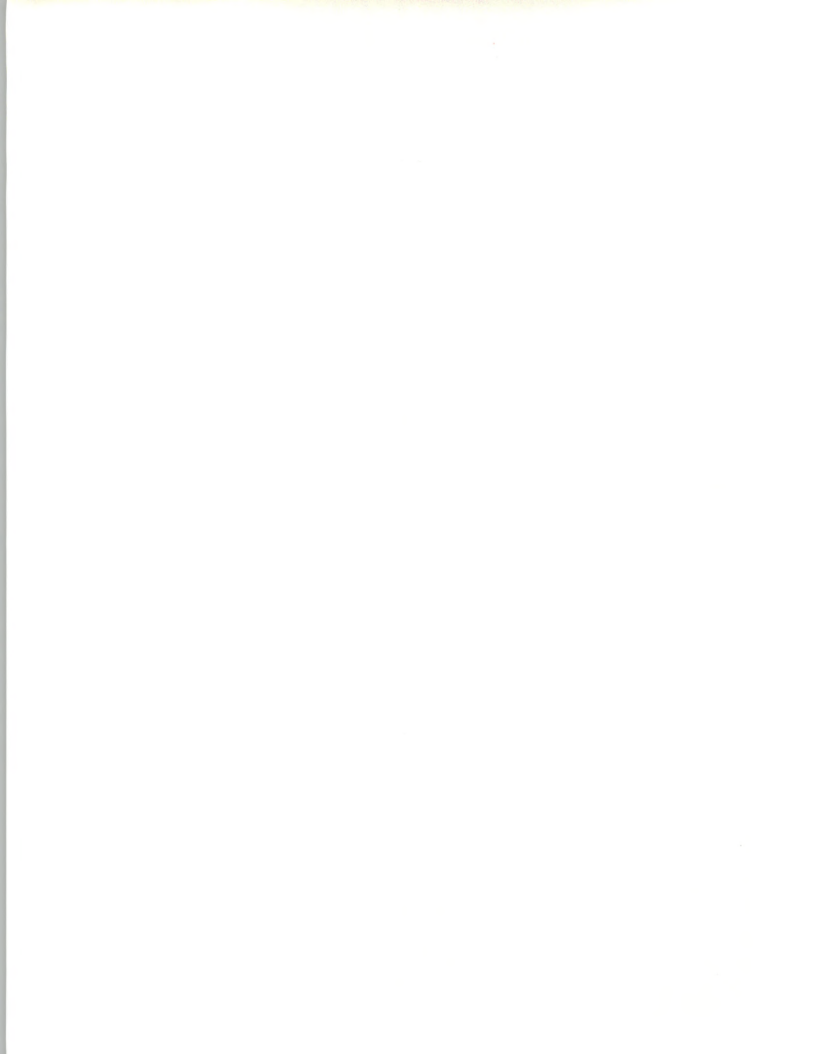
BISI-27



# Andersen Consulting Service Lines



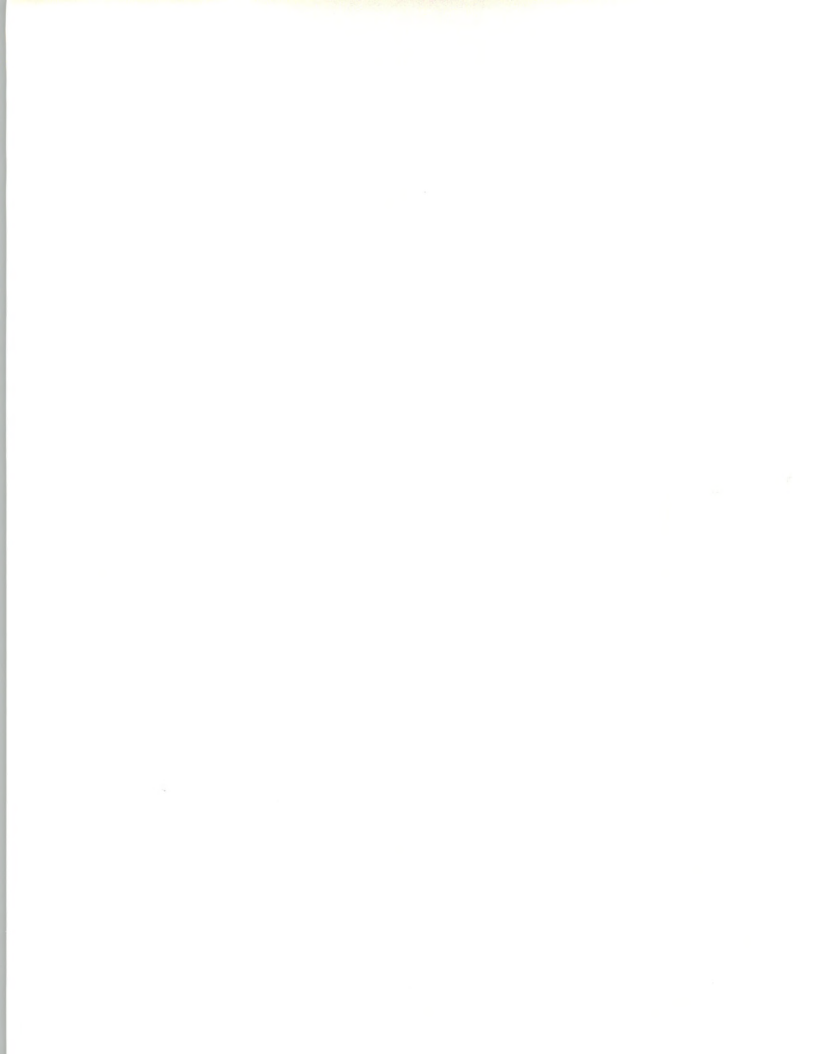
BISI-30



# Implications for SI Vendors

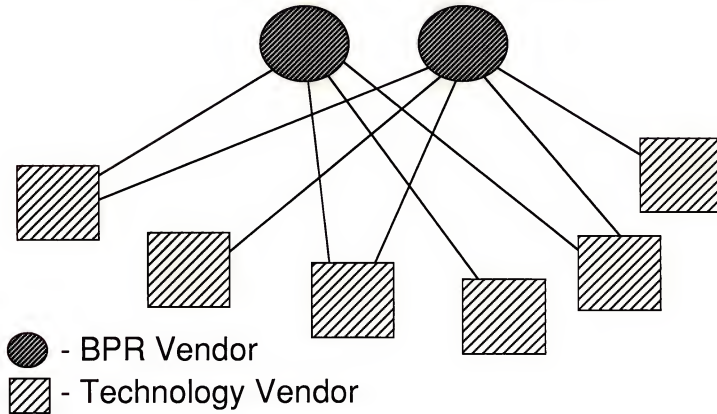
- Leverage existing SI projects
- Use these characteristics in partner selection

BISI-28

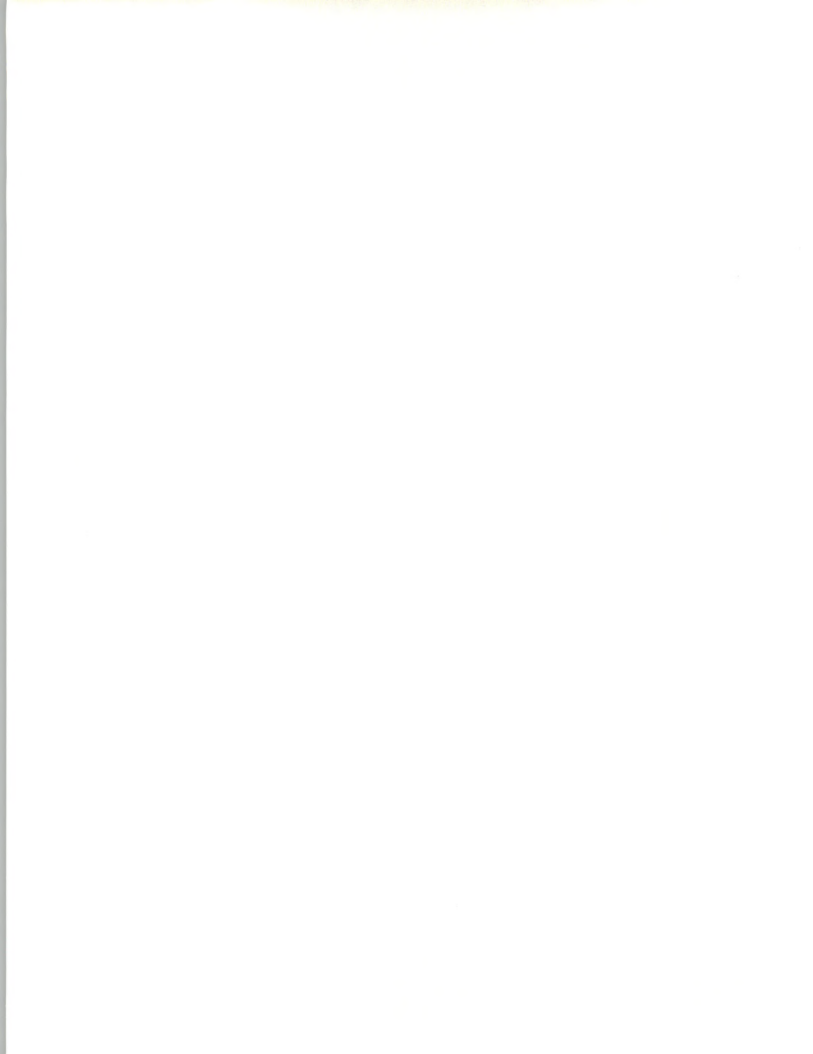




# Vendor Relationships



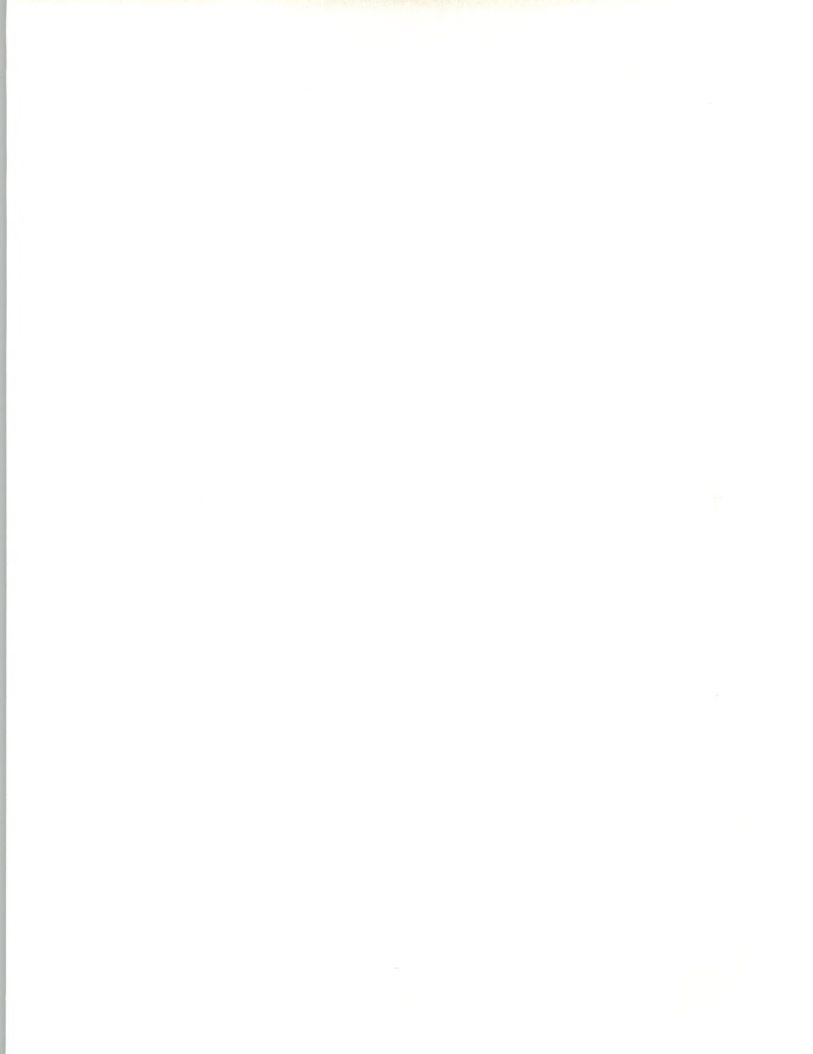
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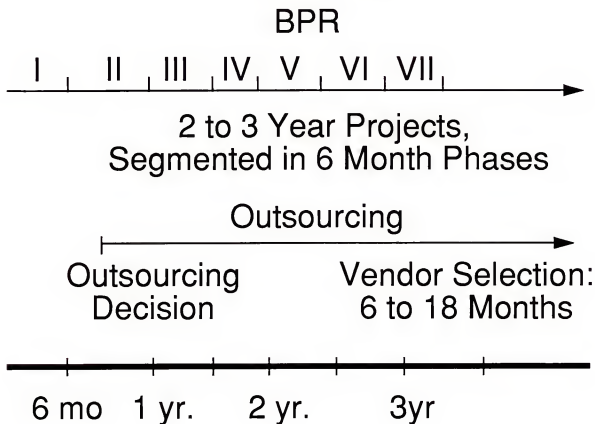
# Service Range Considerations

- Full range of services is differentiator but not selection criteria
- Niche service providers for specialized services
- Partial range of services requires forming alliances
- Market for BPR training and facilitation

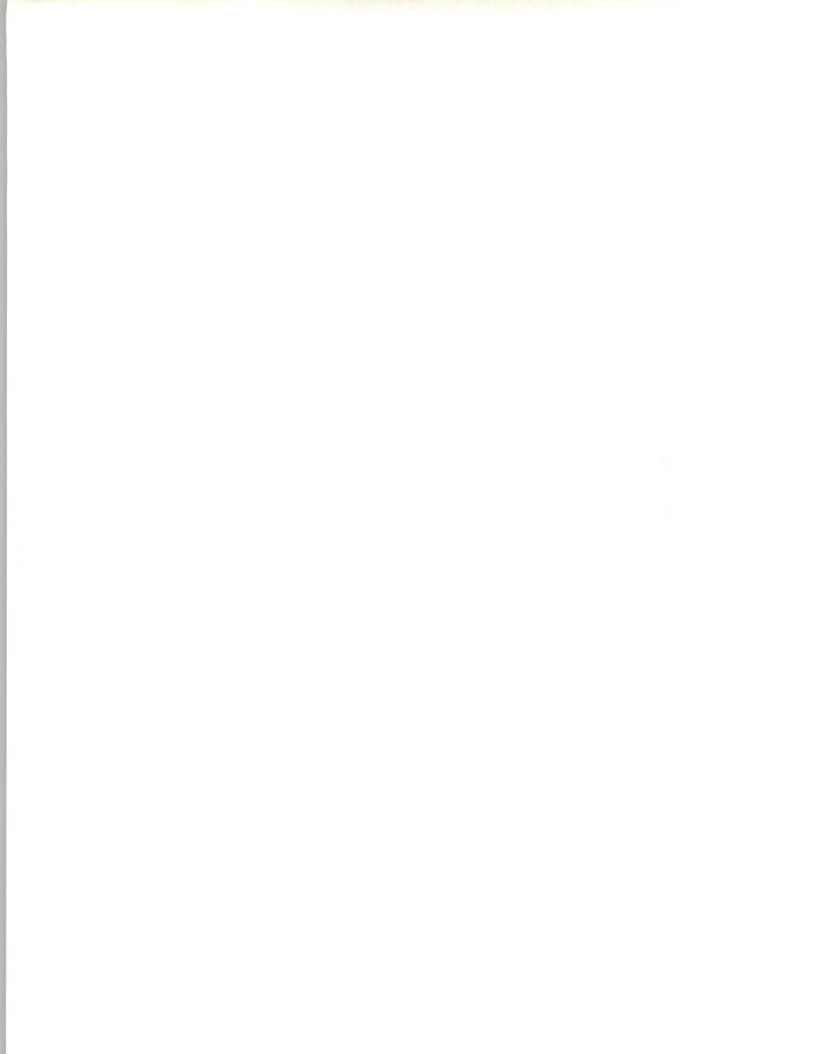
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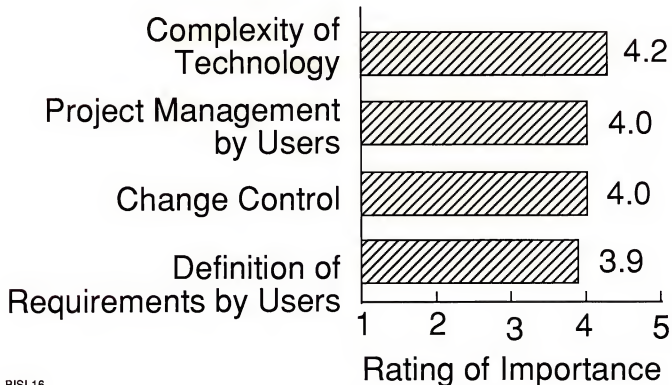
# BPR/Outsourcing Timeline



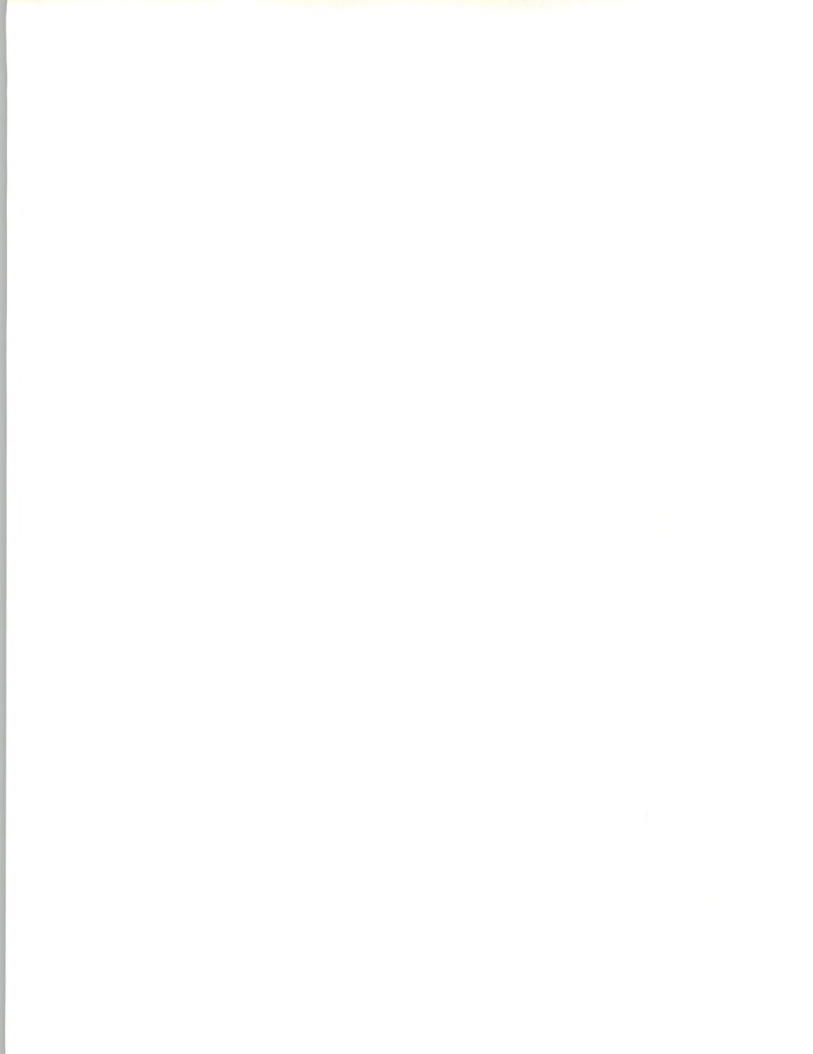
BISI-22



# Vendor Ratings of Key Risk Factors



BISI-16

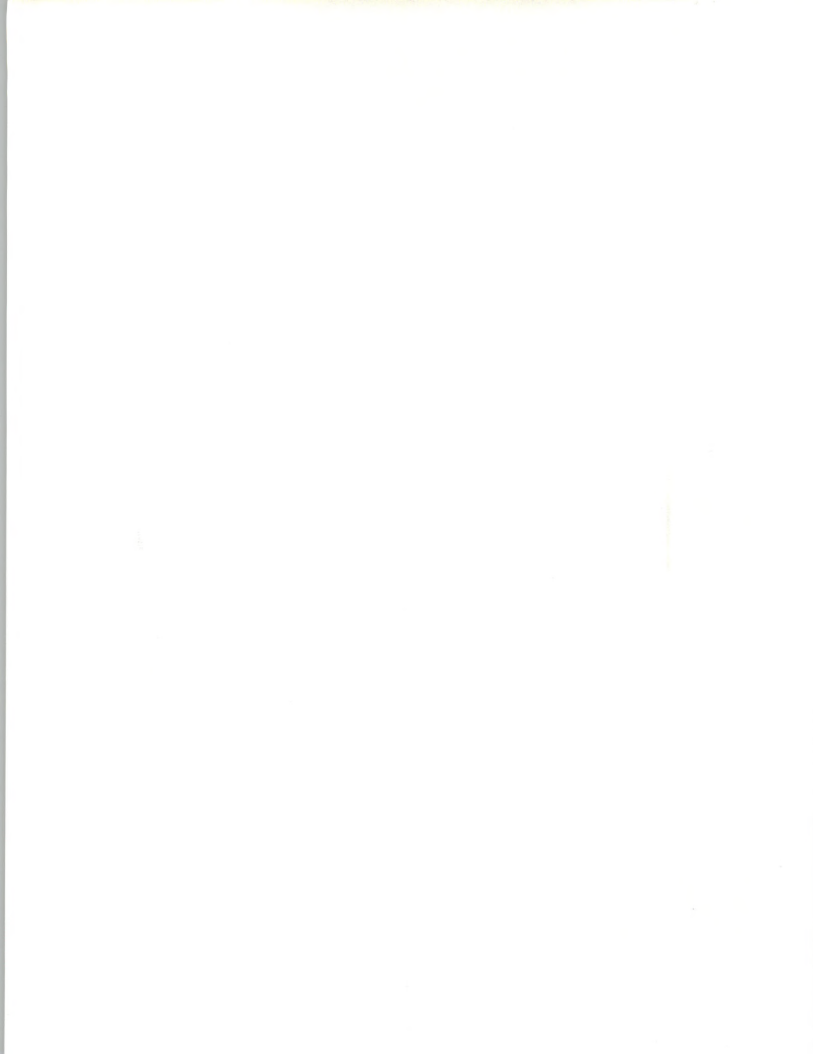




# Vendor Considerations

- Risk
- Skills
- Pricing
- Sales
- Positioning
- Partnerships

BISI-32



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- 5-year market forecasts
- Competitive analysis
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- Immediate answers to questions
- On-site presentations
- Annual conference

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- **Software and Services Market Forecasts**
- **Software and Services Vendors**
- **U.S. Federal Government**
  - Procurement Plans (PAR)
  - Forecasts
  - Awards (FAIT)
- **Commercial Application (LEADS)**

## CUSTOM PROJECTS

For Vendors—analyze:

- **Market strategies and tactics**
- **Product/service opportunities**
- **Customer satisfaction levels**
- **Competitive positioning**
- **Acquisition targets**

For Buyers—evaluate:

- **Specific vendor capabilities**
- **Outsourcing options**
- **Systems plans**
- **Peer position**

## OTHER SERVICES

Acquisition/partnership searches

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