
Study On Suitability And Role Of Business Process Reengineering In Objective Attainment Of Small And Medium Sized Enterprises.

*Hanumant D. Ubale

** Dr. Sandhya D. Dhabe

*SIMSREE – Faculty of Management, Mumbai

**SIMSREE-Research Guide, Mumbai

ABSTRACT

Business process reengineering(BPR) is major element of change in large organization to sustain in present customer oriented market. BPR refers to the radical redesign of a business process to gain dramatic improvements in performance measures such as cost, quality, service, and speed (Hammer and Champy 1993).today's market depend upon customer and competition. Small and medium sized enterprises(SMEs) faces stiff competition of large scale organization from the globe. SMEs played crucial role in development of India. But due to use of traditional methods and many other problems like finance, non availability of skill labor failure rate of SMEs are higher. If SMEs used BPR as tool to achieve radical redesign to achieve dramatic improvement in performance they can survive in today's stiff competition. BPR helps for SMEs to attain their objectives

Keywords; Business process reengineering (BPR), Dramatic improvement, Indian economy, Small and Medium Sized Enterprises (SMEs), objective attainment

INTRODUCTION:

Today every organization competes with each other on the basis of quality and service delivery time. Customer want high quality product with low price and also they required product availability with less time, so there is time based competition exist in market. to survive or grow in market organization needs to be dynamics. They should always ready for technological changes which helps to achieve dramatic improvement in performance. Business process reengineering as the fundamental rethinking and radical design of the process to achieve dramatic improvement in critical, contemporary measures of performance, such as cost, quality, service and speed.(Michael Hammer and Champ, 1993).BPR helps to traditional structures in new creative processes .productivity improvement, more customer satisfaction, shorter cycle time, increased competitive edge, more employee satisfaction and coordination these are certain benefits obtained by large organization through successful implementation of BPR. Role of SMEs in Indian economy is very crucial. Many SMEs use traditional methods for production. Now due to globalization they have to face with global competitor, so by using these traditional methods and processes they can not sustain in global competition. SMEs unable to produce product of same quality as global competitor. Today many large scale organization uses BPR as tool to achieve dramatic improvement. Results which are achieved from BPR implementation may not achieved from BPR implementation in SMEs because BPR having different constraints than large scale organization. This research paper is prepared to study suitability of BPR to SMEs and its role in objective achievement in SMEs. Convenience sampling technique is used to select the sample for the study. Statistical software SPSS the various tests are conducted like t- test, regression analysis. Based on the analysis the researcher has arrived at the major findings and suggestions.

OBJECTIVES OF THE STUDY:

**SIMSREE – Faculty of Management, Mumbai

**SIMSREE-Research Guide, Mumbai

- 1) To study suitability of BPR in SMEs.
- 2) To study role of BPR in objective attainment of SMEs

STUDY HYPOTHESIS:

H11=BPR is suitable for SME's

H21= Objectives attainment of SMEs is dependent on BPR effort

REVIEW OF LITERATURE

Michael Covert (1996) explained that BPR means not only change but it is dramatic change which include change in structure of organization, management systems, responsibility of employees at various level, measurement of performance, incentive system and use of Information system. Uppu Suneeta Chowdari (2013) described that three reasons due to which organization take BPR implementation when organization in deep trouble and they have no choice, when organization foresee trouble in future due to changing economic environment and when organization in peak condition and they want further competitive advantage over competitor. Manjeet Singh Verma and Kanwarpreet Singh ((2017) explained synergistic suitability of integration of TQM-BPR for Indian SMEs. Fabio De Felice, Antonella Peterillo (2013) explained that optimization is possible through BPR. Researcher gives methodology for BPR which consist steps like process selection, process mapping, process improvement, process implementation.

Jeffery Lin-Jen Chang (2000) explained importance of BPR in SMEs. Researcher explained that SMEs played important role in economic development of any country. But that SMEs face many challenges like scarce resources, lack of IT infrastructure, hence failure rate of SMEs are more. Tahereh Maleki, Yokabed Beikhhakhian (2011) explained critical success factors for BPR implementation in SMEs of Iran and also causal relationship between CSFs. BPR is management strategy which is used for improvement of performance of organization in terms of cost reduction, quality improvement, improved productivity etc. BPR removed unnecessary activities from business processes by using innovative business processes. Slobodan Stefanovic, Radoje Cvejic, Ljubica Dikavic (2015) explained reengineering methodology for SMEs and economic effects of BPR on SMEs. According to researcher for reengineering SMEs required systematic approach. Reengineering methodology depend upon complexity and implementation timetable of reengineering.

RESEARCH METHODOLOGY:

Primary data required for this study collected through structured questionnaire from randomly selected samples. Convenience sampling method is used for this study has been selected. The researcher has used both primary and secondary data for this study. Primary data has been collected from senior managers of small and medium sized enterprises. The questionnaire focuses on suitability BPR in SMEs and its role in objective accomplishment. Secondary data has been collected from books, articles and books. To achieve objectives of study 11 variables identified from literature review and guidance of experts. Questionnaire has been designed based on these variables. The questionnaire is pre tested with the help of experts and practitioners in BPR area and their valuable suggestions added in questionnaire. A total 40 No. of questionnaire was distributed to senior managers or owners of SMEs through personal contacts. 26 completed questionnaires have been received from the respondents, which represent 65% response rate. Only 35% respondents have not submitted their responses.

DATA ANALYSIS AND INTERPRETATION:

Hypothesis 1 BPR is suitable for SME's

One-Sample Statistics				
	N	Mean	Std. Deviation	Std. Error Mean
Company already adopted BPR	26	3.08	.891	.175
Frequently does BPR	26	3.42	.902	.177
Very important for faster operation	26	3.81	.634	.124
Planned for customization of BPR	26	3.81	.694	.136
Important but not updated regularly	26	3.38	.637	.125
Its just part of formalities	26	2.88	.711	.140
Never thought of BPR	26	2.85	.967	.190

One-Sample Test						
	Test Value = 3					
	T	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Company already adopted BPR	.440	25	.004	.077	-.28	.44
Frequently does BPR	2.391	25	.025	.423	.06	.79
Very important for faster operation	6.499	25	.000	.808	.55	1.06
Planned for customization of BPR	5.935	25	.000	.808	.53	1.09
Important but not updated regularly	3.077	25	.005	.385	.13	.64
It's just part of formalities	-.827	25	.001	-.115	-.40	.17
Never thought of BPR	-.811	25	.000	-.154	-.54	.24

Interpretation:

From t-statistics table; it can be observed that all variables are statistically significant at the level of significance 5%. So, null hypothesis is rejected in this case. Which shows that BPR is suitable for SMEs.

Hypothesis 2 Objectives attainment of SMEs is dependent on BPR effort

ANOVA ^b						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	4.544	4	1.136	4.341	.010 ^a
	Residual	5.495	21	.262		
	Total	10.038	25			

a. Predictors: (Constant), It's part of our organizational philosophy, It's the job of R&D department only, Sees it as everyone's job , Top management takes active interest
b. Dependent Variable: Helps in objectives attainment

Residuals Statistics ^a						
	Minimum	Maximum	Mean	Std. Deviation	N	
Predicted Value	3.13	4.84	4.19	.426	26	T
Residual	-.795	.947	.000	.469	26	
Std. Predicted Value	-2.483	1.514	.000	1.000	26	
Std. Residual	-1.555	1.851	.000	.917	26	
a. Dependent Variable : Helps in objectives attainment						-3.636
department only						
Sees it as everyone's job						-1.171
Top management takes active interest						2.150
It's part of our organizational philosophy						-1.201
a. Dependent Variable: Helps in objectives attainment						
Model Summary						
Model		R	R Square	Adjusted R Square	Std. Error of the Estimate	
1		.673 ^a	.453	.348	.512	
a. Predictors: (Constant), It's part of our organizational philosophy, It's the job of R&D department only, Sees it as everyone's job , Top management takes active interest						

Interpretation:

Regression analysis has been used to test this hypothesis. From ANOVA table it is clear that ANOVA test carried to check dependency of dependent variable on independent variable is significant since the alpha value is 0.010. It shows that objective attainment is dependent on BPR efforts adopted by SMEs. From R square table we can see that R square value is 0.453. Which shows that objective attainment is 43.5% dependent on BPR efforts adopted by SMEs. So, null hypothesis is rejected in this case. Which shows that objective attainment is dependent on BPR efforts adopted by SMEs.

MAJOR FINDINGS OF THE STUDY:

- 1) BPR is suitable for SME's
- 2) Objective attainment of SMEs is dependent on BPR effort

LIMITATIONS:

- 1) Study considers only owners of SMEs for data collection
- 2) study used convenience sampling which may not actual representative of population.

CONCLUSION:

SMEs are very important in Indian economy. They played crucial role in development of India. They having more problems to survive in stiff competition hence failure rate of SMEs are high. so they can use BPR to sustain in stiff competition and accomplish their objectives. This study helpful for managers, owners, and researchers of SMEs to understand BPR suitability in SMEs and its role in objective attainment. managers and owners understand from this study that objective attainment is dependent on BPR effort so managers can use BPR to attain different objectives of SMEs.

BIBLIOGRAPHY & REFERENCES:

- 1) Fabio De Felice, Antonella Petrillo (2013),) “ Optimization of automotive glass production through business process reengineering approach,” 2nd International Conference on Leadership, Technology and Innovation Management, Procedia - Social and Behavioral Sciences 75 (2013) 272 – 281
 - 2) Slobodan Stefanovic, Radoje Cvejic, Ljubica Dikavic (2015) Reengineering model of business processes in small and medium enterprises - Monitoring the economic performance of business systems VL - 18, BOOK, PY - 2013/01/01
 - 3) Tahereh Maleki, Yokabed Beikkhakhian (2011) “ Business process reengineering implementation: an investigation of critical success factors,” International Conference on Information and Finance IPEDR vol.21
 - 4) M. Al-Mashari, Z. Irani, and M. Zairi. Business process reengineering: a survey of international experience. Business Process Management Journal, 7 (5): 437-55.
 - 5) M.E. Terziovski, P. Fitzpatrick, and P. O'Neill. Successful predictors of business process reengineering (BPR) in financial services. International Journal of Production Economics, 2003, 84 (4): 23-32.
 - 6) T. Guimaraes. Field testing of the proposed predictors of BPR success in manufacturing firms. Journal of Manufacturing Systems, 1999, 18 (1): 53-65.
 - 7) Sarwade, Dr. W.K (2015) “ Industrialization, Vision 2020 and Economic Development of Aurangabad Region of Maharashtra State,” 12th International Conference on Business Management (ICBM)2015 . Available at SSRN: <https://ssrn.com/abstract=2706351> or <http://dx.doi.org/10.2139/ssrn.2706351>
 - 8) Dr.M.A.Raffey (2013) “A study of E-commerce: challenges and opportunities and its application in Indian industries in era of globalization” International journal of Management and Economics Vol.1, No.11, November 2013:150-154 Sarwade, W. K. (2015). “Evolution and Growth of Indian auto Industry,” Journal of Management Research and Analysis, 2(2), 136-141.
 - 9) W.K.Sarwade (2009) Consumer behaviour and marketing trends of consumer durables in Aurangabad district, International Journal of Commerce and Business Management, Vol. 3 Issue 1, pp.129-133 Sarwade W.K (2012), “Conceptual Development Of Green Marketing In India”. Journal Of Engineering Technology And Management Science. Vol.1, No.2.
-

10) Dr. Gaikwad S.B.(2016) “Growth And Development Of SSI In Aurangabad Industrial Area,” International Journal of Management and Economics Vol. I No. 20, August 2016:46-51

11) Jain S.P.: “Research Methodology in Commerce and Management,” Himalaya Publication, Mumbai, 1996.