

Business process redesign essay examples

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**ASSIGN
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Executive summary

With better tools to manage performance, there is bound to have increased time for performance management and also more success in sales. With customers looking for more answers to their problems, there has been a need to have integrated approach towards management and control of sales. Customers are no longer interested in sales alone but in complete advice on the product and how they are getting the value from the product which they are adopting. The process management is an important component in any organization as it helps to increase productivity and increase sales. Business redesign helps to have new insights and better ways of understanding the requirements of the clients and therefore bring superior ways of competing better. In this competitive world, there is a need to understand the requirements of clients and know what they require and want to be solved before using eth services that are provided by the company. The undertaking of business process redesign (BPR) is for the benefit of achieving improvements which are in order-of-magnitude over other outdated form of organization. Companies are therefore looking at ways in which integrated consulting can be achieved so that many areas can be given on consultancy basis. With this, it is possible to have wide consultancy services so that the client can make informed decisions. This paper will analyze the use of Pro3 tool to have a new process management in Allianz Company to increase sales. It will look at how this new tool will better sales and improve performance. It will look at the process of performance management and how it affects process management in this company.

With customers demanding more than just products from policy sellers, there has been a need to have an integrated approach to selling insurance policies. Clients want integrated consulting so that they are able to make informed financial decisions. It is for this reason that there has been a need to have Pro3 project at Allianz Insurance Company in the quest to have better understanding of the customer needs. One problem that is faced with the company is the structure and business model in which the insurance works. The agents are not willing to implement the new system that needs to be implemented. Another problem is that the brokers are not formally employed. This will therefore mean that the agents will have to sell the policies just as contracts. The implementation of the Pro3 data tool will eradicate most of these problems that are faced by the company. In the quest to understand the client, they will be able to sell customized data and information that fits individual clients. With this tool, it will be possible to understand the requirements of the clients and sell according to what they require. It will also increase sales as more clients will be pleased with the products that are being sold. It is also hoped that the new approach will be easier to have personalized sales as data about client's purchases and preferences will be kept intact.

This project describes on the business Process Management: Internal process-design and coordination of the project Pro3. Due to a high demand of better financial needs from the market, organizations have been forced to look better ways of addressing the issue. The key objectives of Allianz were actually aimed at establishing on better ways of administering on the needs of its customers. They were finding out on a process that could addressing

the issues of its customers so that they could retain them from moving away since the market in turning out to be competitive. Due to diminishing returns, Allianz was aimed at increasing its productivity through sales increase, allocating more time to sales, coming up with up to date tools that would be used to check out on sales performance. With the increasing costs, the insurance looked out on some ways that would reduce on the cost of maintenance, cost of hardware and leasing cost, new technology implementation

Objectives

This paper will be guided by the following objectives:

- i. To create a model where all issues of clients are gathered for. In the current system, only products are sold to the clients without considering the other requirements that might be necessary for them.
- ii. To have an efficient track of client requirements that they have been requesting in the past. With Pro3, it will be possible to track what the client has been requesting and therefore understand better what they require.
- iii. To have an individual approach to understanding customer data and information; it will also be possible to understand and provide customized products and consultancy that fit a given customer.
- iv. To have customer-based approach to consulting and insurance policy sales.

Methodology

The section serves to review the research methods and approach, which was considered most appropriate for the research, hence were used towards the achievement of the research objectives. The aim of the section is achieved

through developing the foundation of the collection of the important research data, which served in the design and choice of the project that is being undertaken. In addition, the section describes the approach used in choosing the specific area of improvement that needed to be worked on, hence being vital towards laying out essential foundation for the analysis plan.

This research heavily relied on secondary data. The data was obtained from websites of most management organization. This information was instrumental in this research as most management websites give the requirements that need to be done in order to win more clients and gave the strategies that need to be employed in enhancing business process redesign. Other information was obtained from journals and company review magazines. The analysis includes the success stories of business process redesign strategies that have been adopted by various insurance companies and also those that are recommended.

Literature

The literature I visited was good and insightful. Fagan, H 2005, Business process redesign: Individual and organizational factors, University of Texas at Arlington, Texas is a good literature I found handy. The book talks about the issues that should be considered in the process of business process redesign. The author talks about how the redesign process is important in the first chapters and talks more about the entire process in the end.

Basden, A 2000, 'Some technical and non-technical issues in implementing a knowledge server, software', Journal of Information Technology, vol 30, no. 10, pp. 1127-1164 argues that software design and implementation in

companies should take care of customers. Although it is a technical article, it sheds light on how the new process redesign is geared towards the client. The third literature was Kock, N 2006, Systems analysis and design fundamentals: A business process redesign approach, Sage , New York. The author starts by giving an overview of business redesign. He goes ahead stating that there has been a need to integrated systems and adopt a flattened hierarchy in its operations. Biesecker, A 2004, Defense in depth: Core knowledge, AJBOOKS LLC, New Jersey has many chapters that talk of business redesign. The author talks about how important clients are becoming now. There are good chapters that talk of how the client is becoming important factor to consider.

Although most of the issues that the author talks about are technology-related, it is a good book to give more insights about the redesign process. It has been advocated that BPR also helps to have a shared vision among the various agencies. With the competition in the business environment that is seen in the business environment today, there is need for businesses to be as close to their customers as much as possible. It needs that the feedback from the clients are attended and well taken care of. There is also the need for the business to have a well-integrated policy management so that they are as closer to their clients as much as possible. There is therefore a need to have a system that will coordinate the processes in the business.

Warwick, J 2003, Business process redesign: Design the improved process, Naval Postgraduate School, Naval argues that at the moment, nobody understands the philosophy that is being advocated. At the moment, the company is doing the testing for the integration of business processes. There

are higher varieties of volumes and also there is an increase in client intake. Dodani, M 2009, 'Knowledge based systems architecture', Journal of Object Technology, vol 8, no. 6, pp. 35-44 is an article that is based on knowledge based systems but talks about business process redesign in most parts. Just like the previous reference, Fowler, G & Worthen, B 2009, 'The potential of knowledge based systems', World Street Journal, vol 5, no. 2, p. 65, is more on knowledge management than business process redesign but talks about it nonetheless. There are a lot of pages that talk about the need to understand the client in the entire processes. As many processes are created and managed every day, there is need to have an integrated approach and therefore have a complete business redesign. It is important to have all processes equally managed and reduce the variations. With automation in the business processes in companies, there is the saving of operations costs and the possibilities of attaining collaboration in a creative and innovative way.

Main part

Allianz is an insurance company that deals with the sale of policies. Allianz group is considered a financial community that no other company has ever attained its goals. Statistics reveals that over 70 million customers both from the corporate and private sector depend on the knowledge, capital; energy and stability of Allianz to aid them come up with financial opportunities thus avoiding risks that may hinder them in the long run.

As per the data that was gathered in 2010, it indicated that over 150000 employees from 70 countries attained revenue of \$117 billion with an operating profit of \$13 billion. The benefits that were acquired by the clients

reached a total of \$112 billion. The business in the insurance sector that mainly deals with the management of assets and assisting of depends on the customers.

The project pro3 is a built design process that is integrates an engineering of fire protection to all the available phases of deigns, constructions, and commissioning of systems through general contractor collaboration with the subcontractors so as to assure their life safety from fire and code compliance which will be accorded through the group.

Increase in productivity

Currently, customers are focused on the new technologies that best address their needs. Moreover, insurance companies are aimed at addressing financial issues and other risks that may be faced by its clients. In order to win the trust of customers, it is their mandate to come up with programs that best address their issues.

On the other hand, time is basically a key factor that has to be considered in developing tools that will relate with the customers. Pro3 being a tool that aid in storing data of customers, establish on customer needs, and later design on concepts that are directed to specific customers within a given product. It also enables data to be saved until the next visit of the customer which will be helpful to the company.

From the diagram above, productivity that is achieved through the project Pro3 is impressive. The performance of the company in terms of productivity is determined by two factors. First are the sales time and management and control.

Since the company is aimed at maximizing its revenue and increasing customer satisfaction, project pro3 is relevant as it meets such objectives. The graph illustrates on how time of sales affect the success of sales. For instance, an increase in the time of sale will positively affects the results of sales; an increase in the time of sale will increase the chances of success. This is because performance is affected by how data is managed, the tools that has been employed for that can be used for the data storage and analysis. Project Pro3 is a tool that is admired by customers in that it increases on sales.

First results and laboratories

Laboratories that Allianz started with were 20 and set a target of up to 10,000 insurance companies. Within the laboratories from 201, there were 22.3 items of insurance contract and 7.5 evaluated points. Within the first 27 weeks of 2011, there were 32.8 items of insurance contracts, and within the same period, 10 points were evaluated. This was a clear indication that the total evaluation was positive by 33% and with the items in retail customer business reduced by 7%.

On the other hand, the performance of insurance-agency increased by 47% was better than the reference group which increased by only 1%.

Pro3-Laboratories with high number of customer meetings (sale process)

In this section, it was all about the recording of data that was attained for between week 27 and week 50 and comparing from the set objectives that were to be attained. According to the set target on the number of meetings between the 27th week and 50th week were expected to be 8.8 but only 7.

2 was achieved. On the sale conservation, the targeted that was expected was 8. 8; it was not achieved because only 7. 7 were attained. The next process of conservation with new contracts missed by 0. 9 from its target because what were attained were 2. 8 from the main aim which was 3. 7. Afterwards, the contract extension was expected to be 5. 2 but what were attained within the stated period were 3. 7. Lastly was the evaluation process which gave a result of 1. 262 within the stipulated time.

On the second case, it was a data mining where a comparison between the Insurance-Agency and 11296 customers was made. On some of what was focused was communication data which increased from 7778 to 8770 which was a 13% increase. Profession data it increased from 2484 to 3150 which was an increase of 27%. On ownership, it greatly increased since it realized a percentage of 48%. It had earlier realized 699 but later improved to 1033. Income data recorded an increase of 32%. As it was starting, it recorded a total of 662 but later improved to 872. Finally, customer kids recorded an increment of 37%. Its first data was recorded to be 1270 and in august 2011 1736 was recorded.

Integrated consulted model Pro3

The consulting pro3 model comprise of a number of steps. First is the preparation step. After the preparation is the first step which include value proposition Allianz and also setting of objectives and procedures. Second step is the assessment of demand and demand creation which deals with the life situation of the customer; it also assesses the demand and prioritization of demand. Thirdly, analyzing demand, on this stage, the needs of every

individual is analyzed and solution packages are indicated. Lastly is contract and documentation, within this stage, contracts are made, meetings are followed, feedbacks are given and recommendations are given to the customer and later data management is done.

BPR theoretical aspects

The undertaking of business process redesign (BPR) is for the benefit of achieving improvements which are in order-of-magnitude over other outdated form of organization. There are developments which have been made by the academicians and the practitioners in the business and technology world which are aimed and overhauling the structuring of the forms of the current focus of concern. Many of these developments have not been successful yet. There have been surges in the use of knowledge which are stored in the statistics and the knowledge base systems. It is because of this that organizations are using data mining and other tools to manage the data for optimal use of it. There has been an influx of the use of systems that are computerized to come up with viable solutions for the many industrial processes in existence today. Knowledge based systems, and by extension expert systems, have played a crucial role in the computerization of the industrial processes in existence today (Bakos & Brynjolfsson, 1993).

Steps of business process redesign

This part will look at the most important steps that will have to be followed in the process of redesigning business process.

i. Identification of the core process

In our case, there is need to identify the areas which will be affected and

aligning the processes in this area so that proper alignment is achieved. With Allianz Insurance, there is need to ensure that the new way of integrating business processes are well managed. The core processes in our case is policy sales, customer data capture, and customer tracking. All these boil down to data mining and how this process can be used effectively.

ii. Description of the current process

The current process that is followed in Allianz is that people sell policies and are interested in the products that they sell to the clients. They are not interested in the way the clients take these products. They are not versed with the requirements and the feedback of the clients. They therefore are not in apposition to get the report and get the desires of the customers.

iii. Definition of performance measures together with process costumers

The performance measures that will be undertaken here include the number of policy sales and the satisfaction level of various customers. There is also a need to look into consideration the number of products that are being developed and the uptake of these products compared to before the system was put in place.

iv. Assessment of current process performance (benchmarking)

The current assessment technique that is in pace is benchmarking. This is the act of basing the performance on similar processes and insurance firms. This is not right as the processes that are used to benchmark may not be necessarily the best. The benchmarks used could be failures and therefore not the best. A new process should be assessed basing on the success it receives with the clients and how acceptable it is with the customers.

v. Formulation of performance objectives

When coming up with the objectives of any business process redesign, the main goal and objective should be the need to achieve the requirements of the customers. The customer should be the top priority. In today's competitive world, the customer is found to be very important in the business and the first firm to win them is seen to be the winner. It therefore requires that the needs of the client are important. In Allianz, the products were taken to be important. This is no longer the case as the satisfaction of the client is now taken to be important.

vi. Identification of alternative process designs

There are various options that were taken into considerations when the process redesign was formulated. These included the automation and data tapping of the customer. It was also important to have customer data stored.

vii. Assessment of feasibility, benefits and risks of new process designs

The benefits of the new process design had to be evaluated when BPR was being undertaken. One of the benefits that were foreseen is the fact that customer satisfaction would be achieved and realized. This is an important and valuable competitive advantage. One risk that would be met is that of resistance to change and thus wastage of funds in the long run. The feasibility is that of compatibility of the new process design with industry practices. The feasibility was evaluated and found out that the current practices would be improved and better ones developed.

viii. Implementation of new process design

The implementation of the new process design is the process where the new design is put into place. In Allianz, the new system is found to be compatible

and would be better off with the company processes and there would be better implemented.

ix. Controlling and evaluation of results

The results will have to be controlled and assessed so that the desired results are gauged and analyzed. With this process, the initial objectives will be achieved. There is a need to monitor the new implementation so that the objectives that were set initially will be realized.

Criticism

The new system that will be implemented requires that the data of the clients be analyzed and kept safely. The new system will therefore be rendered useless if this data is corrupted or corrupted. There is therefore another function that will be added to the company which is the issue of data security and taking customer data to be another form of competitive advantage. Another issue is that the new business redesign is that the client is more important than anything else. There are situations that the client is not being genuine and their demands might be found to be far-fetching.

Integral Total Management (ITM)

Complex of topics

The sine qua non of success

Comments / Suggestions

General Economis

Which macroeconomic relevance is inherent in the topics?

Legal, Social

Strategic Management

How is the topic's strategic relevance to be evaluated, especially concerning the aspects of securing existences, competitive advantages, tying up resources, sustainability, and risk?

The topic's strategic relevance can be evaluated by assessing the various processes that have been affected and the change that has been got from these process change. The competitive advantage is achieved if there is recorded increased sales above competitors

Marketing

What advantages and disadvantages arise out of the suggestions for marketing measures, external impact, and the company's general productivity?

Which measures should be taken concerning internal and/or external marketing?

One advantage is that data is always efficient. It is about using technology, empowering people on the importance and the techniques that are required for the data to be managed efficiently.

Reduce time used for sales. This is because automation has been achieved and the time that is used to understand clients is reduced.

One disadvantage is that initial alignment might take time and will affect service delivery when the new process is being implemented.

One measure that should be taken is that company data should not be compromised.

Financial Management

What criteria have to be considered when choosing appropriate terms of financing?

Which risks are there and what kind of coverage do you suggest? How should the influence of external factors be evaluated?

One criteria that should meet the needs of the customers. This way, customer retention is assured.

One risk that we find is that of resistance to change. One way of alleviating this is through proper training.

Human Resources Management

What personnel consequences (quantitative or qualitative) result from the suggestions?

One personnel consequence is that there will be massive layoff of staff.

There is a need to train staff on life after employment.

Business Law

Which legal fields are affected by the suggestions? What has to be arranged in order to create legal security from the company's point of view?

Employment and labor, and Tax fields

Research Methods / Management Decision Making

What sources of information should be practised in order to stay up to date in the fields of topics? Which decision criteria should be practised on the choice of alternatives?

Secondary sources like websites, journals and periodicals. There will also be primary methods like data from clients' feedback reports. The decision

criteria to be followed should be bottom-up.

Soft Skills / Leadership

What demands does the realisation of the suggestions make on responsible managers? What leadership behaviour is expedient?

With these suggestions, there is bound to be performance managers where they will be concerned with customers and how they perform. The leadership behaviour expedient here is autocratic.

Conclusion

It is economical to undertake the paperless working environment. It also eradicates long business processes as the use of this new system will allow users in whatever department to work together. The process management is an important component in any organization as it helps to increase productivity and increase sales. Business redesign helps to have new insights and better ways of understanding the requirements of the clients and therefore bring superior ways of competing better

The future prospects of BPR are that it is bright. Many companies know the importance of having their processes redesigned for optimal performance. It is in order to have BPR as it will make most processes to be global. It is important to have this system as globalization is bound to be achieved. It is highly recommended that the new way of undertaking business processes

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