

**Survey of the State of the Art of Process Management
in Middle-and-Eastern European Countries
(Czech Republic, Slovakia, Hungary)**

- 2008 -

1. Survey

This research is dealing with the status of the Business Process Management and Quality Management. The research has been conducted during April – May 2007. The respondents have been chosen by two different ways. The respondents within the public sector were not chosen, but the questionnaire have been sent to all the available public sector email addresses published on the government portals (portal.gov.cz – Czech Republic government portal; <http://www.magyarorszag.hu/> - Hungarian government portal; www.portal.gov.sk – Slovak republic government portal).

The respondents within the private companies were randomly chosen from the top companies in all the countries.

According to the way the research has been conducted there is low return rate, but still the research gives significant results.

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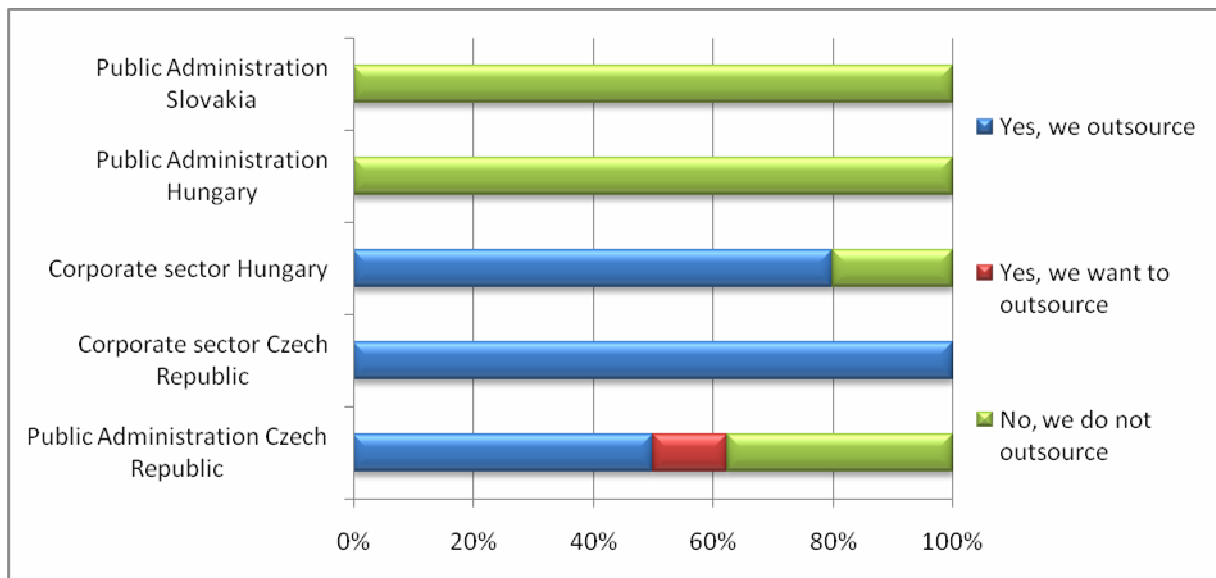
1.1 Results

The results of the survey are commented in following paragraphs. Each paragraph is dealing with particular area of the questionnaire. The results are supported with the responding graph showing the distribution of the results within the particular area.

1.1.1 Outsourcing

The questionnaire gave result that in Czech Republic approximately 50% of respondents are using outsourcing in their day to day operations. These day-to-day operations which are covered with outsourcing are: public areas cleaning services, information technologies, printing and human resources services.

The respondents in public administration in Hungary and Slovakia respond that they did not use outsourcing at all. This is unlike the corporate sector in Hungary, where 4/5 respondents said they did use outsourced services. This is corresponding to the answers in Czech Republic corporate sector – where the answers received said that they do use outsourcing in their business. In the comparison with the last survey (<http://bpr.panrepa.org/>) the numbers are pretty same.



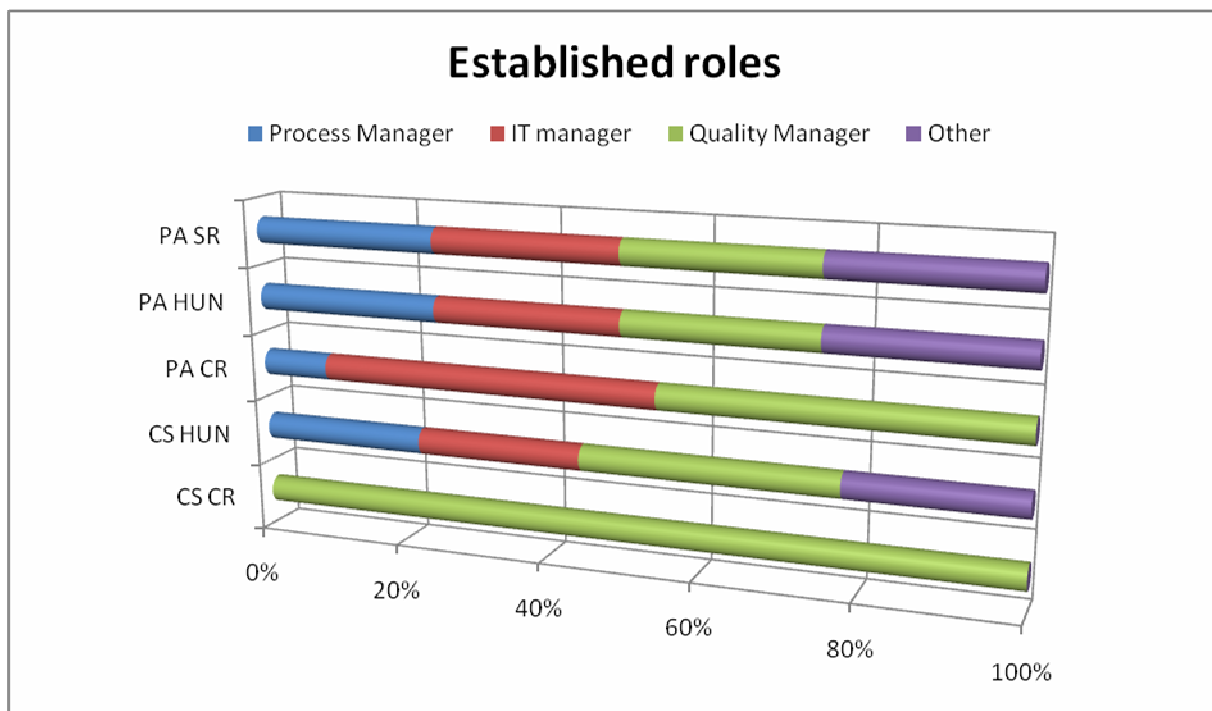
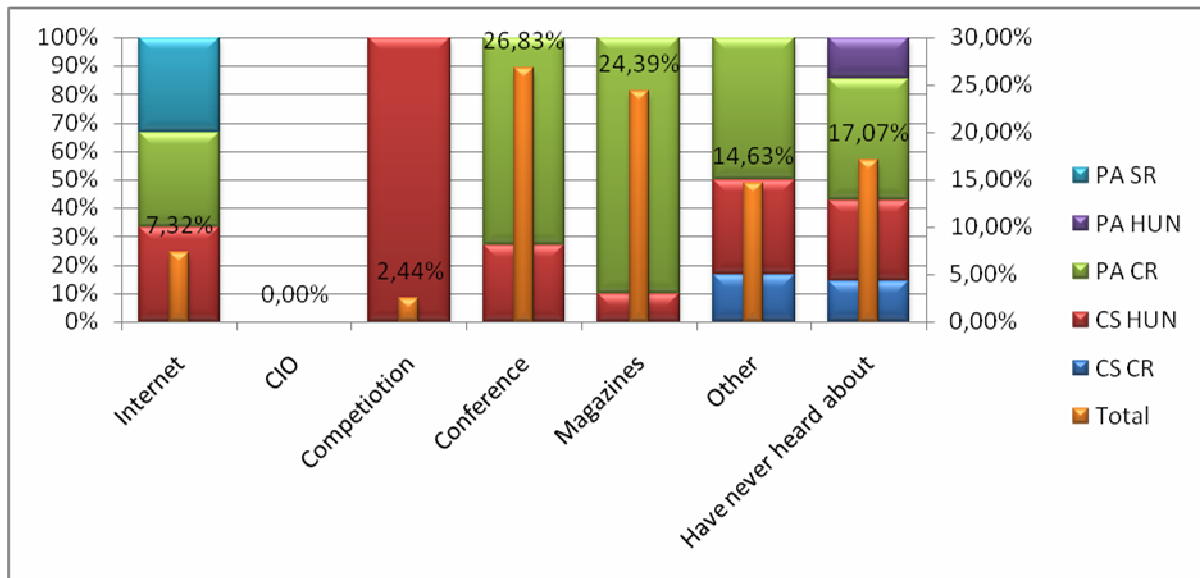
1.1.2 Methodologies

Results from the questionnaire according to methodologies are very interesting. Most of the people, who answered the questionnaire, did not know which methodology are they using or going to use with business process reengineering/management (question 19a). When the respondents answered, they knew which methodology is going to be used, they usually answered ISO 9001. This is interesting, because ISO 9001 is not a business process management/reengineering methodology. The other interesting fact is that, there was significant number of answers on this question stated CAF as used methodology. CAF is not business process methodology, but quality improvement framework. The reason for this could be the effort coming from European Union to create comparable model for assessment model in Czech Republic, Hungary, Slovakia and Austria in years 2005-2006. According to this effort, there is presumable, that there had several training sessions took place and people, who were filling the questionnaire, remember this framework in association with measuring process efficiency.

1.1.3 Reengineering generally

On the question, where did respondents received their information about reengineering. The biggest sources of information are the conferences and the magazines. That is no wonder, because the most respondents came from public administration, therefore, they are usually taking place in the conferences. This could be also the reason for naming CAF as methodology, as mentioned in previous paragraph. About 7% of respondents have never heard about the reengineering. This occurred mainly in the public administration and small companies. Interesting fact is that there is no respondent answering, that they heard about reengineering from the CIO. This leads to the roles established in the companies. This category is almost even. In every category, there is established every position and these positions are split almost in even portions. The only exception is Czech

Republic.

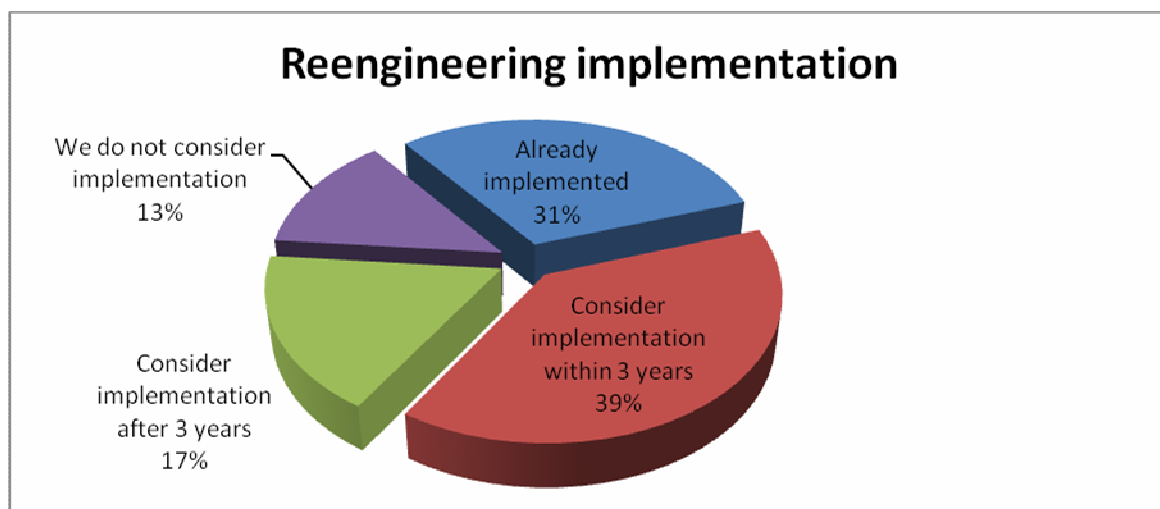


In the most important question, whenever reengineering is implemented in the company. The answers from corporate sector in Czech Republic indicate that BPR is mostly widespread technology. Corporate sector in Hungary gave almost the same answers, as corporate sector in Czech Republic. That means, almost half of the companies said, that they had already implemented process management. One third is considering implementation within three years and one sixth of the companies are considering implementation after three years. The reasons of these answers could be, that the only people who are dealing with the BPR or BPM were eager to fill the questionnaire.

From public sector in Hungary and Slovakia, the only answers, which I have received were, that they have heard about process management, but they do not expect to implement process management.

Interesting point of view is in Hungarian answers – not answering the questionnaire. Their point of view is, that public administration has nothing in common with business therefore they are not concerned with improvement of the business processes. This could be caused by imperfect translation of the term business processes into Hungarian. The other cause for this is cultural differences and the time how long the reengineering efforts in public administration are taking place. Czech public administration officers had already adopted the business process terminology. The last reason that could lead to this is the low willingness of Hungarian language to adopt foreign words in comparison to Czech language.

Czech Republic public administration answers according process management were very interesting. This survey says that more than 20% of public administration offices in Czech Republic have already implemented reengineering and another 50% considers implementation within three years, fifteen percent considers implementation after three years and only 18% does not want to implement reengineering. These data are largely distorted because of the same fact as with the companies. Only a few of organization, which are not going to implement reengineering, are answering the questionnaire.

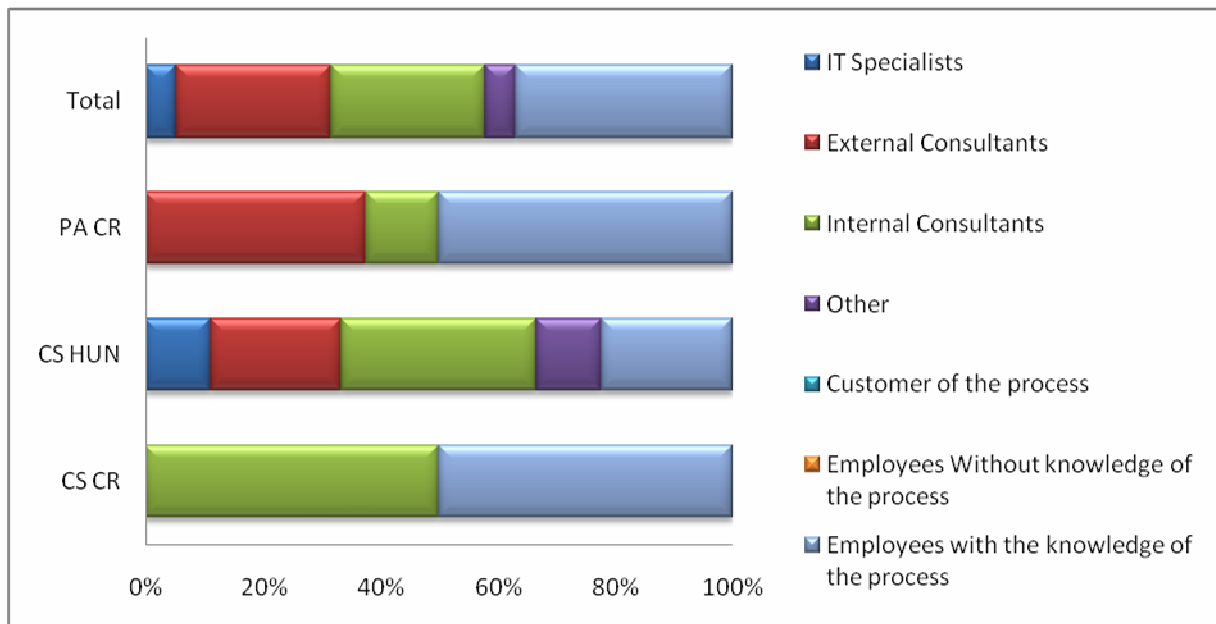


1.1.4 Project team

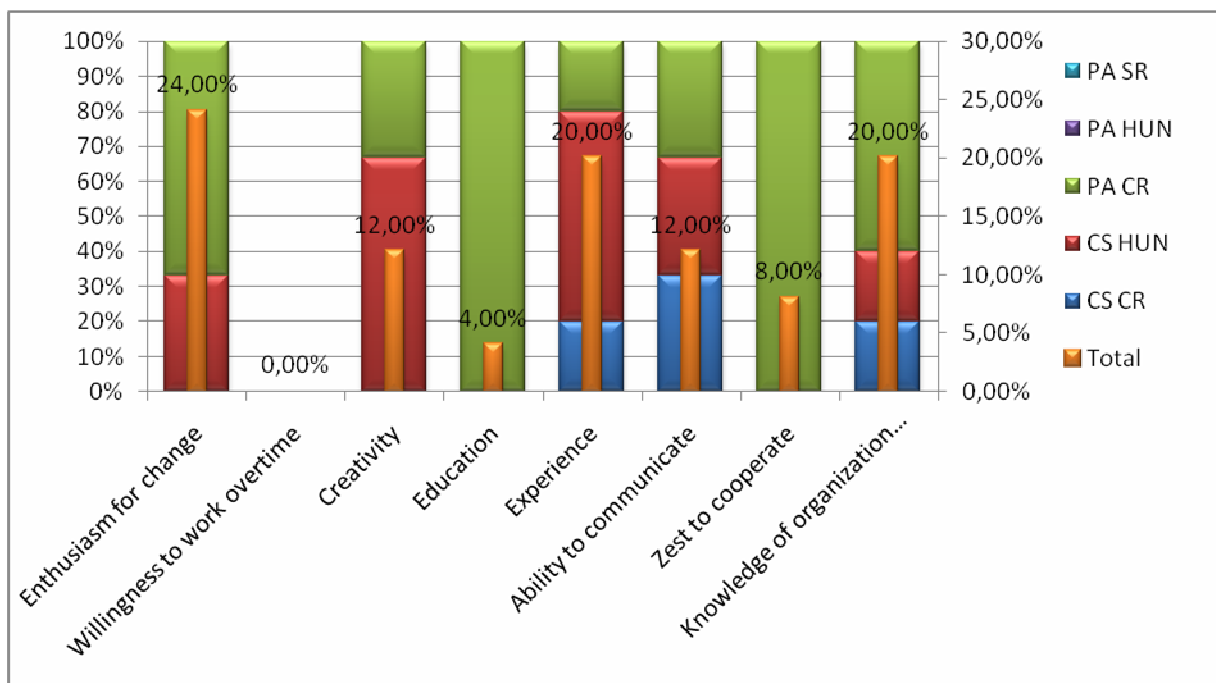
This research said that the average size of reengineering team up 10 members and from 11 to 15 team members oddly separated into the same portions of answers. The last part of saying that reengineering team is larger than 50 people is because of lack of answers from very large companies, therefore the reengineering team grew according to the size of company and the size of the reengineering project.

Every project team must include employees with business like knowledge of the business process. This survey said the same. In total about 40% of the answers said that the team included these employees. When decomposing the results, the result from corporate sector in Czech Republic is logical, that they included only internal consultants, the reason for this is that answers from Czech Republic came just from consulting companies, which are providing reengineering services themselves. Other interesting fact is that reengineering within public administration in Czech

Republic is not including customers of the process. This might be because of the customers of the processes in public administration are changing very fast; therefore there is no possibility to get some particular customer to cooperate with reengineering team.



The most important characteristics of the team member are enthusiasm for change, experience and knowledge of the organization. In contrast to it no one said, that willingness to work overtime is important for the reengineering project and education is valued very low as well.



1.1.5 Phases and CSF

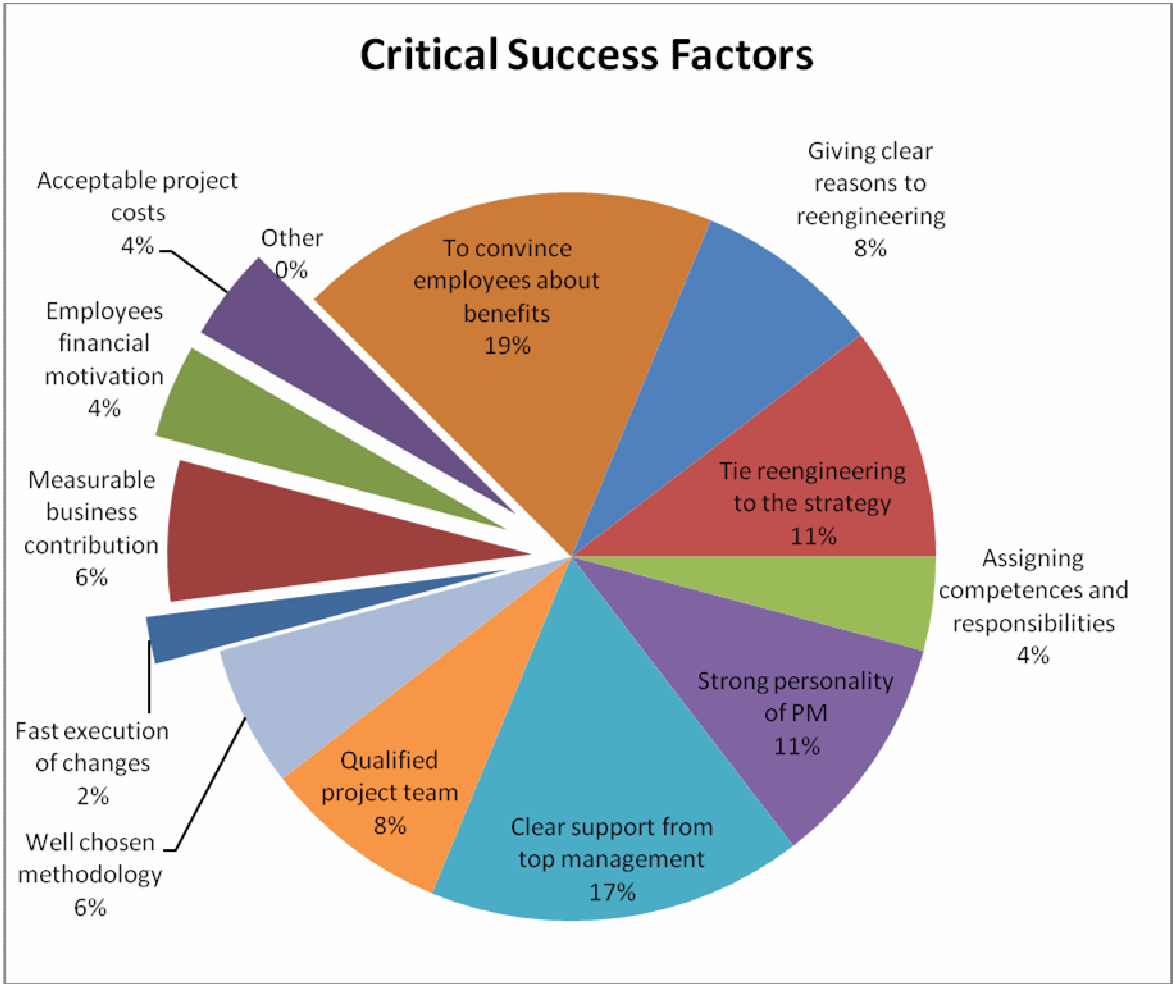
As the most time consuming phase was marked process design phase of the project and the other most time consuming phase was marked implementing changes. This corresponds to the data given by

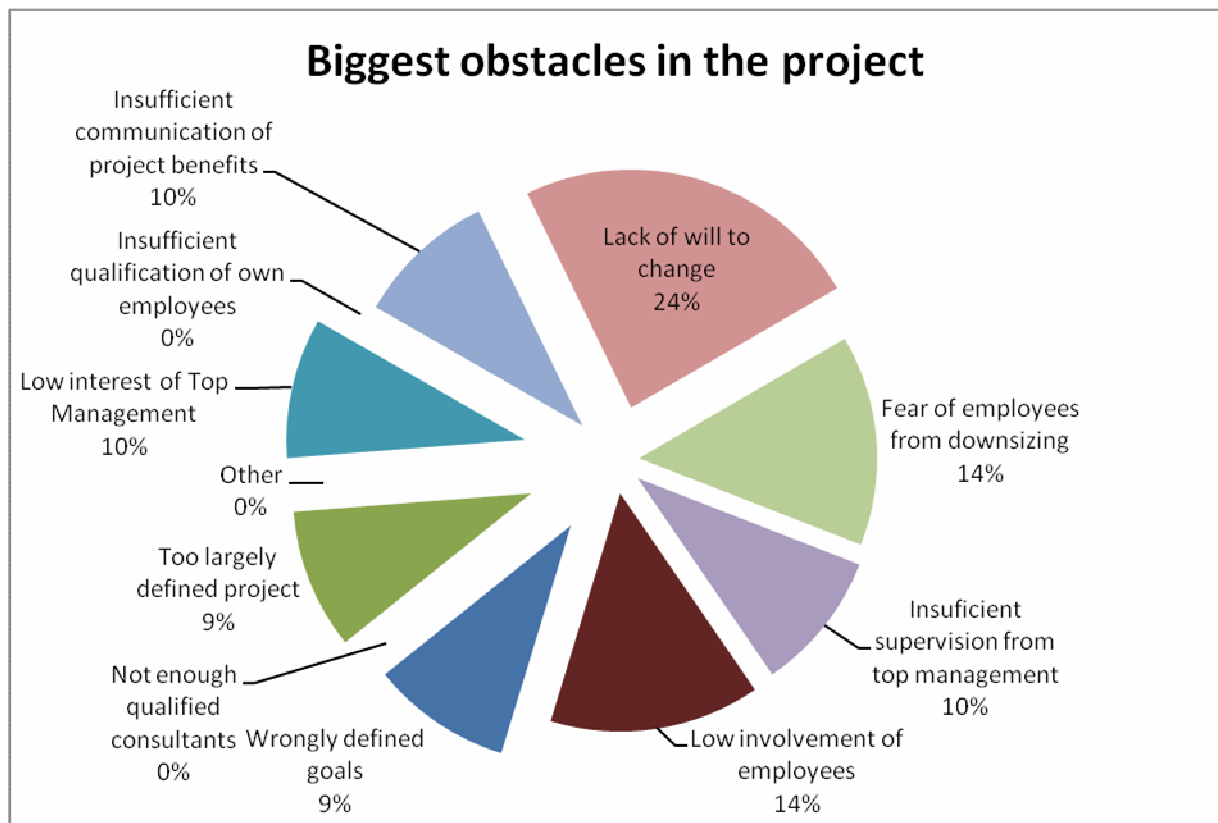
respondents, who said, that reengineering usually last longer, than adaptation of the organization to the process changes. Mostly it is double time to implement changes to the length of adaptation. Obviously, there are differences within those answers. Other phase marked as most time consuming is change or corporation culture.

There were no answers saying that the most time consuming phase is project planning or approving procedures.

The most critical success factor of the reengineering is said to be convincing employees about the benefits of the reengineering. This CSF also led to the crisis of the reengineering as mentioned in chapter **Chyba! Nenalezen zdroj odkazů.** The other CSF is clear support from top management. This is also one of the factors mentioned in most of the methodologies.

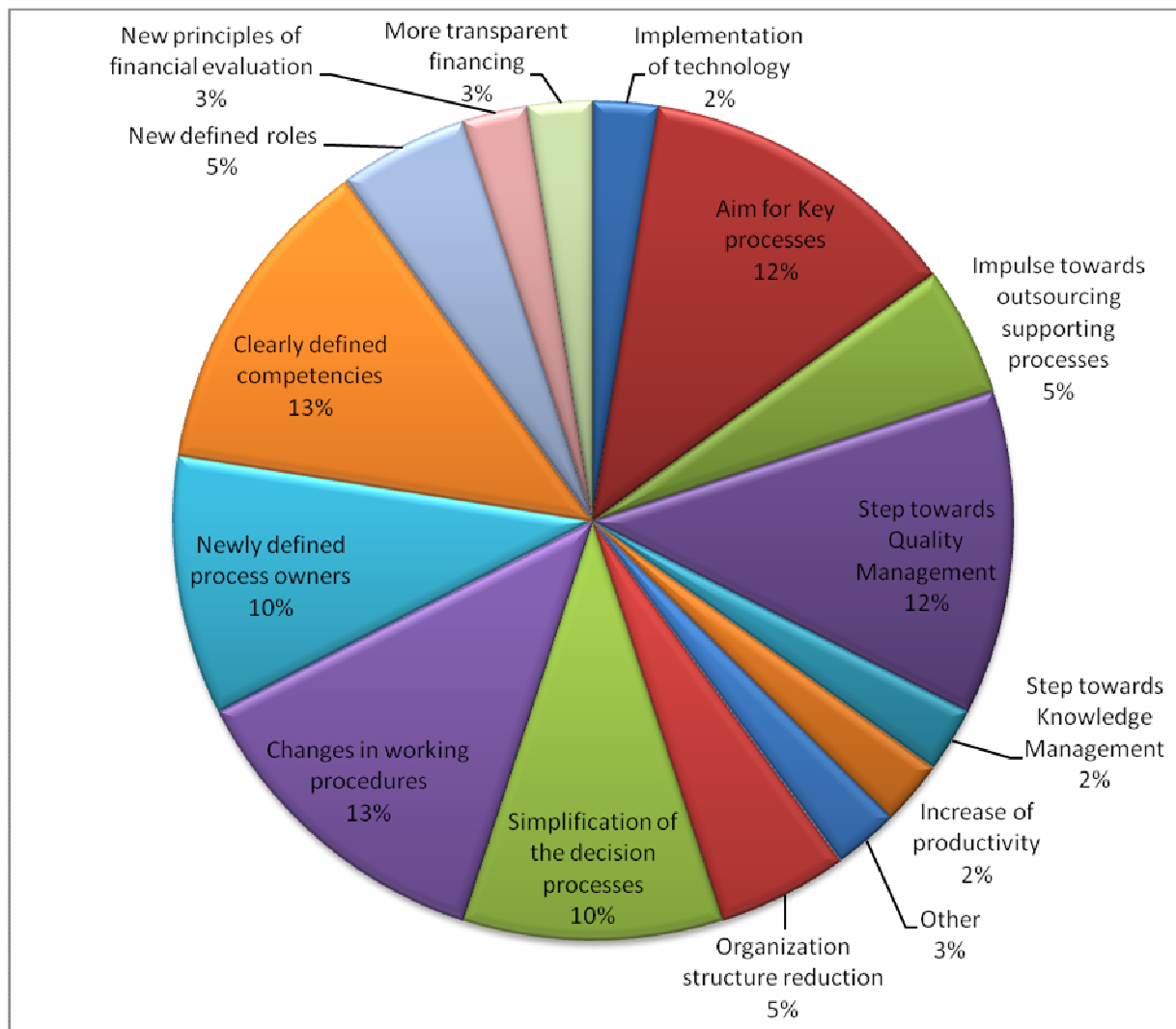
On the other hand, there is low concern with the project costs and the speed of project changes.





1.1.6 Benefits of BPR

According to the expected benefits from the BPR, as the major benefits are mentioned changes in working procedures. This is obvious as the reengineering is supposed to find out new opportunities and savings in the business. Clearly defined competencies is other major benefit from BPR that is mentioned in the research, this gives evidence about the lack of the clear definition of the responsibilities and duties. The other major mentioned benefits of BPR are Aim for key processes and step towards quality management.



1.2 Summary

To sum up the results of the survey – there used to be low return rate, but anyway the survey gave some significant results.

Despite of these limitations, the survey gave interesting results. The most interesting is that companies do not care about the methodology using which BPR/BPM is being applied to the company. Most of the responses show, that almost no-one knows the methodologies to apply to the company. Therefore, in my personal view, the methodology, which is being applied, is usually set of best practices and pieces of methodologies mentioned above or some others. Other reason for this could be that people, who were filling the questionnaire, did not know about the methodology that was/will be used in their company.

The most of the projects is dragged by some kind of quality management concepts like ISO 9001, Six Sigma or CAF. All of these concepts were mentioned above.