

Re-engineer or Engineer?

Choosing Between Business Process Reengineering (BPR) and Business Process Engineering (BPE)

EXECUTIVE SUMMARY

Organizations are under constant pressure to improve efficiency, reduce costs, enhance customer experiences, and accelerate innovation. As emerging technologies such as Artificial Intelligence (AI), automation, and advanced analytics reshape industries, leaders are increasingly faced with a critical question:

Should we redesign our processes from the ground up, or should we improve what already exists?

This question lies at the heart of two well-established process transformation approaches:

Business Process Reengineering (BPR)

A radical redesign of business processes to achieve dramatic improvements.

Business Process Engineering (BPE)

A structured, continuous improvement approach focused on optimizing existing processes.

While both approaches aim to improve organizational performance, they differ significantly in scope, pace, risk, and impact.

The most successful organizations understand that transformation is not about selecting the latest methodology. It is about choosing the right approach based on the nature of the problem, the organization's readiness for change, and the desired outcomes.

UNDERSTANDING THE TWO APPROACHES

At a high level, BPR and BPE represent opposite ends of the process improvement spectrum.

Business Process Reengineering (BPR)

Business Process Reengineering involves fundamentally rethinking and redesigning how work is performed to achieve breakthrough improvements in:



Rather than fixing individual activities, BPR challenges the process architecture itself.



It asks:

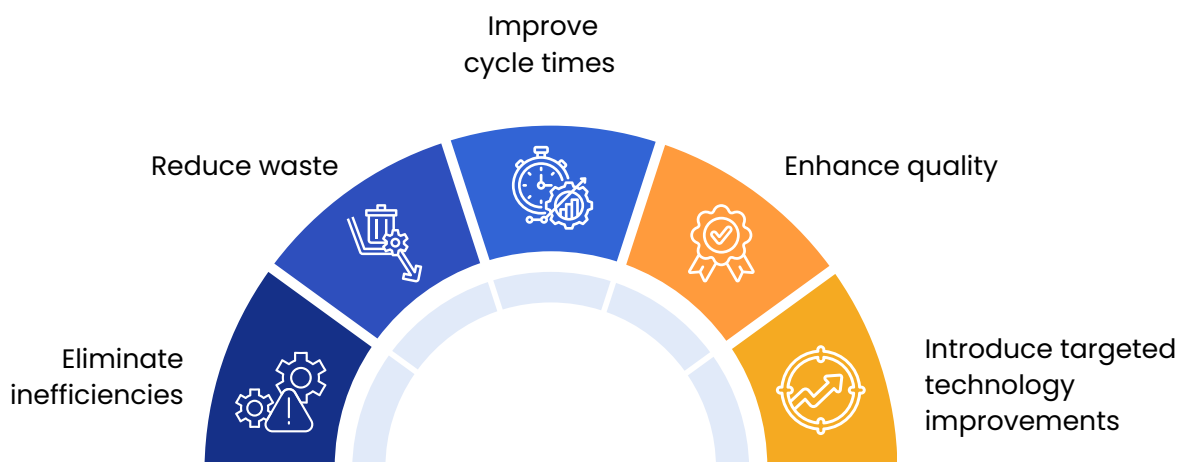
- Why does this process exist?
- If we were designing it today, would we build it the same way?
- Can technology eliminate entire activities?
- Can organizational boundaries be removed?

BPR is transformational by nature.

Business Process Engineering (BPE)

Business Process Engineering focuses on systematic and continuous improvement of existing processes.

Rather than replacing the entire process, BPE seeks to:



It assumes the overall process structure remains valid, but there are opportunities to make execution more efficient.

BPE is evolutionary rather than revolutionary.

THE ORIGINS OF BPR AND BPE

The Rise of Business Process Reengineering

Business Process Reengineering gained prominence during the early 1990s when organizations faced increasing competitive pressure and economic uncertainty.

A major catalyst was Michael Hammer's influential message: "Don't Automate, Obliterate."

The idea challenged organizations to stop automating inefficient processes and instead redesign them completely. Hammer and James Champy later expanded these concepts, positioning BPR as a method for achieving dramatic performance improvements.

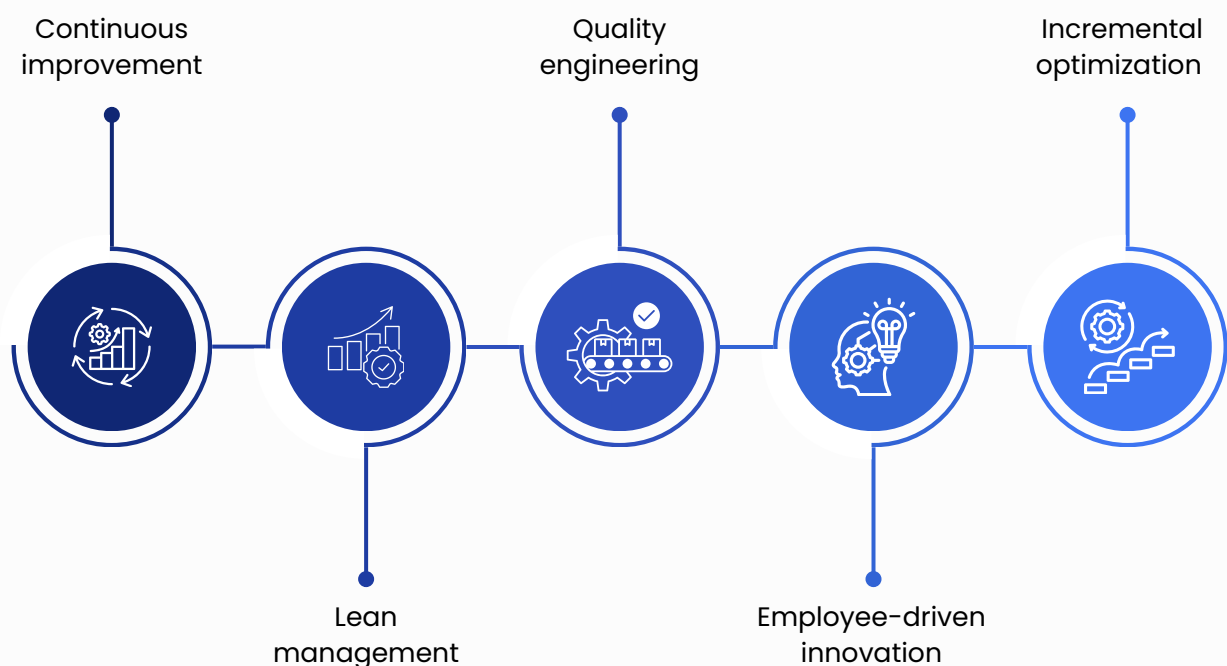
Many organizations embarked on large-scale transformation programs focused on restructuring business operations and leveraging technology as a process enabler rather than simply a process accelerator.

The Foundations of Business Process Engineering

While BPR emerged from management consulting and organizational transformation, BPE has roots in industrial engineering and continuous improvement philosophies.

Organizations such as Toyota demonstrated that sustainable operational excellence could be achieved through ongoing process refinement driven by employees closest to the work.

Principles commonly associated with BPE include:



This philosophy remains highly relevant in today's digital environment.

BPR VS BPE: UNDERSTANDING THE DIFFERENCES

Dimension	Business Process Engineering (BPE)	Business Process Reengineering (BPR)
Approach	Incremental Improvement	Radical Redesign
Direction	Bottom-Up	Top-Down
Scope	Individual workflow or team	End-to-end cross-functional process
Pace	Continuous	Transformation program
Risk Profile	Lower risk	Higher risk
Organizational Impact	Limited disruption	Significant disruption
Workforce Impact	Usually augments roles	May redefine or eliminate roles
Technology Role	Improves existing process	Enables entirely new process design
Investment Level	Moderate	Significant
Time to Realize Value	Gradual	Potentially rapid but complex

HOW THE TWO APPROACHES WORK IN PRACTICE

How BPR Typically Operates

A Business Process Reengineering initiative often follows these stages:



Challenge Existing Assumptions

Organizations question whether current processes remain relevant.



Analyze End-to-End Value Streams

Teams examine how work flows across departments and identify structural barriers.



Design the Future State

Processes are redesigned around customer outcomes rather than organizational silos.



Leverage Technology as an Enabler

Automation, AI, digital platforms, and analytics become foundational design components.

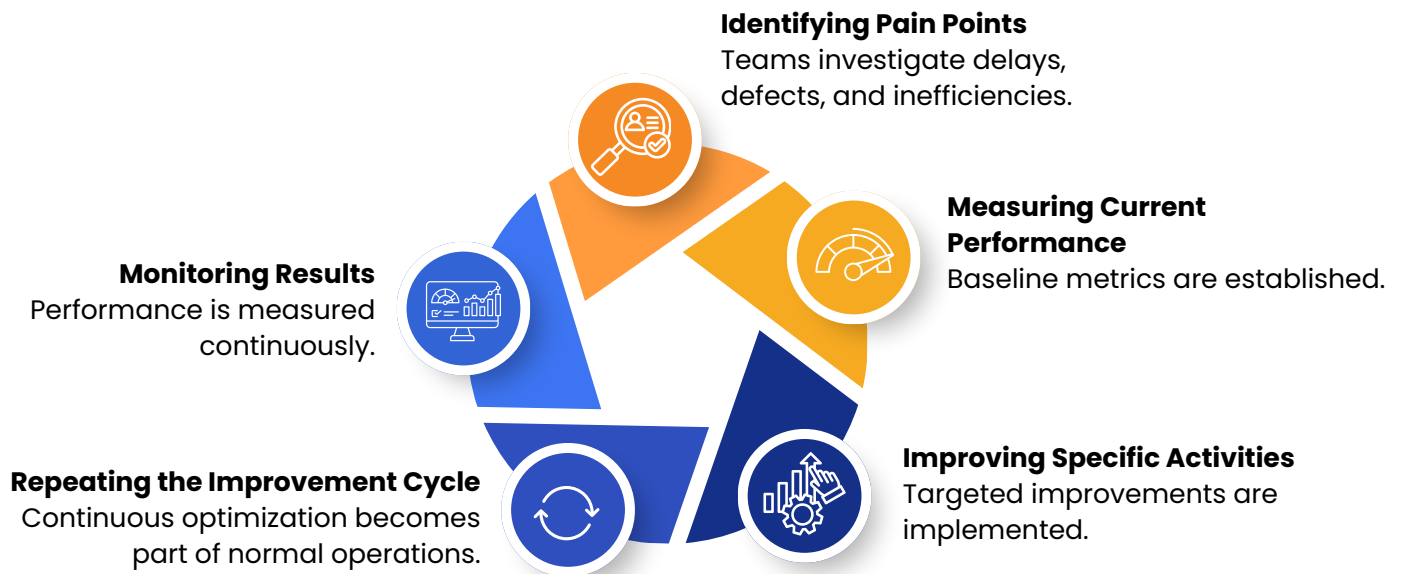


Implement Organization-Wide Change

New operating models, responsibilities, and workflows are introduced.

How BPE Typically Operates

Business Process Engineering initiatives generally focus on:



REAL-WORLD EXAMPLES IN THE AI ERA

The emergence of AI provides an excellent lens through which to compare BPR and BPE approaches.

Example 1: Moderna

A Deliberate BPR Approach

Moderna adopted an enterprise-wide strategy to evaluate how AI could fundamentally reshape its operations.

Key initiatives included:



Deployment of ChatGPT Enterprise across the organization.



Evaluation of processes across research, manufacturing, legal, and commercial functions.



Development of AI-enabled tools such as Dose ID to support vaccine-related decision-making.



Creation of hundreds of custom AI solutions by employees.

What Makes This BPR? The objective was not merely to automate existing activities. The organization sought to redesign how work was performed by embedding AI into core operating processes.

Key Lesson

BPR can unlock transformational opportunities when technology enables fundamentally new ways of working.

Example 2: Klarna

When Transformation Moves Too Fast Klarna aggressively implemented AI-powered customer service capabilities.

Reported outcomes included:

Millions of customer conversations handled by AI.

Significant reduction in workloads previously managed by human agents.

Successful handling of simple and repetitive interactions.

However:

Complex cases required greater judgment.

Certain responses lacked sufficient accuracy.

Customer service quality concerns emerged.

As a result, leadership publicly acknowledged the need to reintroduce human involvement in some areas.

Key Lesson

Technology can redesign processes, but customer expectations, governance, quality controls, and human expertise must remain integral to transformation decisions.

Example 3: Walmart

Continuous Improvement Through BPE

Walmart addressed a practical operational challenge: helping employees navigate extensive benefits information.

Instead of redesigning the entire process, AI was introduced to improve information retrieval and support existing service teams.

Characteristics of the approach included:

Focused process enhancement

Employee enablement

Limited organizational disruption

Incremental value realization

What Makes This BPE?

The core process remained intact. AI simply improved execution.

Key Lesson

Not every challenge requires transformation. Sometimes targeted enhancements deliver sustainable business value.

When Should Organizations Choose BPR?

Business Process Reengineering is generally appropriate when:

- **The Process Is Fundamentally Broken**
The current architecture prevents meaningful improvement.
- **Customer Expectations Have Changed Significantly**
The process no longer aligns with market demands.
- **Legacy Systems Create Major Constraints**
Technology limitations prevent future growth.
- **Major Cost or Speed Improvements Are Required**
Incremental improvements are insufficient.
- **Organizational Silos Prevent Performance**
Structural redesign becomes necessary.

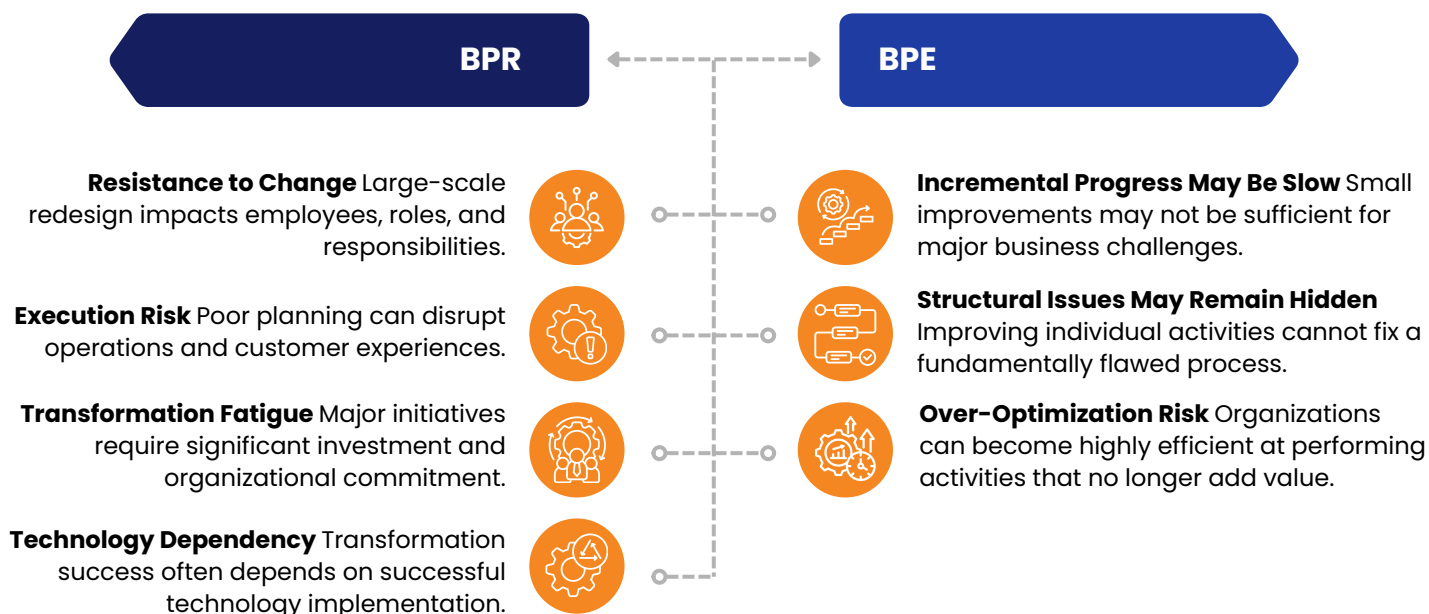
When Should Organizations Choose BPE?

Business Process Engineering is often the better choice when:

- **The Process Structure Is Sound**
Only operational refinements are required.
- **Risks Must Be Minimized**
Organizations prefer controlled improvement initiatives.
- **Quick Wins Are Needed**
Smaller enhancements can generate immediate value.
- **Employee Engagement Is a Priority**
Improvement ideas emerge from operational teams.
- **Continuous Improvement Culture Exists**
The organization already embraces ongoing optimization.

COMMON CHALLENGES

Challenges Associated with BPR and BPE



A PRACTICAL DECISION FRAMEWORK

Before launching any transformation initiative, organizations should ask:

Question 1

Is the process fundamentally broken?

✓ **Yes** → Consider BPR

✗ **No** → Consider BPE

Question 2

Can the desired outcome be achieved through optimization alone?

✓ **Yes** → BPE is likely sufficient

✗ **No** → Evaluate BPR

Question 3

Can the organization absorb significant change?

✓ **Yes** → BPR may be viable

✗ **No** → Start with BPE

Question 4

Is technology enabling an entirely new operating model?

✓ **Yes** → BPR may create greater value

✗ **No** → BPE may be more appropriate

CONCLUSION

Business Process Reengineering and Business Process Engineering should not be viewed as competing methodologies. They are complementary approaches designed to address different business challenges.

Business Process Reengineering is most effective when organizations need to rethink how work is structured and delivered. It is suited to situations where the process architecture itself has become a constraint.

Business Process Engineering is most effective when the process foundation remains sound and opportunities for improvement exist within execution, efficiency, and performance.

As organizations continue to adopt AI, automation, and digital technologies, the most successful transformations will not be driven by technology alone. They will be driven by leaders who accurately diagnose the nature of the problem before selecting the appropriate solution.

Ultimately, the question is not whether to re-engineer or engineer.

The question is:

Are we trying to improve the process we have, or create the process we need?