■ *Case Study*

Reengineering Comes to the Nonprofit Sector: A Case Study of Goodwill Industries of the Laurel Highlands Incorporated

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The purpose of this study was to investigate how a not-for-profit company approaches reengineering and adopts the principles of business process redesign. Goodwill Industries of the Laurel Highlands Incorporated (GILHI) was the company chosen for the case study. Data were gathered via in-depth interviews with five GILHI executives. Observation and company documentation were also sources of data. Analysis of the data helped the authors to enumerate several lessons that other not-for-profit organizations can follow to benefit from GILHI's experiences. Hopefully, this study will also benefit academics, by illustrating the importance of in-depth case study research on a dynamic and complex phenomenon such as reengineering. Copyright © 1999 John Wiley & Sons, Ltd and Cornwallis Emmanuel Ltd.

INTRODUCTION

Traditionally, not-for-profit organizations did not worry about management. 'Twenty years ago, management was a dirty word for those involved in nonprofit organizations. It meant business and nonprofits prided themselves on being free of the taint of commercialism and above such sordid considerations as the bottom line. Now most of them have learned that nonprofits need management even more than business does, precisely because they lack the discipline of the bottom line' (Drucker, 1989). Not-for-profit organizations are in the initial stages of using strategic management (Wortman, 1988; Bryson, 1988; Karagozoglu and Seglund, 1989; Harvey and McCrohan, 1988). Therefore, it is not surprising that reengineering and business process redesign have been given little attention by not-for-profits.

The major key to understanding the management of a not-for-profit organization is to learn who pays for the delivered services. If the recipients of the service pay only a small part of the total cost of the service, it is likely that top managers will be more concerned with satisfying the needs and desires of the funding sponsors and agencies than those of the people receiving the service. Studies indicate that acquisition of resources can become an end in itself (Mott, 1972). The GILHI strategy is aimed at increasing the amount of business done with existing customers and attracting new customers by making the organization less dependent on funding agencies.

GILHI has had to rethink the way it used to do business. It has chosen to reengineer its employment and training function to develop a wider base of customers and make the widest possible range of services available, to promote an appreciation and awareness of GILHI among its internal and external customer, and to develop and expand existing employment opportunities for customers. It has chosen to reengineer its information systems by adopting point-of-sale (POS) technology and a just-in-time (JIT) inventory-system to provide efficiency in operations. Finally, GILHI has created a model work environment that is value driven and provides smooth functioning administrative systems including, human resources, finance, and information systems.

Business Process Redesign (BPR) is the business improvement phenomenon of the 1990s. It has received considerable attention in the literature (Caron *et al.,* 1994; Davenport, 1993; Davenport and Short, 1990; Davenport and Stoddard, 1994; Hammer, 1990). However, dramatic

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improvements touted by BPR advocates have failed to materialize in many organizations (Davenport, 1993; Hammer and Champy, 1993; Kotter, 1995). Current research has provided limited explanatory power concerning the underlying reasons behind BPR failure. Hence, in-depth research is needed to investigate companies experimenting with BPR.

This article addresses this gap in the research by providing a case study of GILHI experiences with BPR since 1995. It describes how GILHI is attempting to redesign its employment and training service to enable its customers to achieve their fullest vocational potential, achieve desirable life outcomes, and function as contributing members of the community by providing a wide range of opportunities. Retail operations go hand in hand with these opportunities. GILHI is attempting to redesign its retail operations by decentralizing all retail processing to its individual stores. Presently, all processing is handled at once centralized plant in Johnstown. GILHI realizes that the radical changes it is attempting in its retail operations must be accompanied by radical changes in the way it manages information; to successfully transform its business. To improve enterprise-wide information and provide convenient, cost-effective retail delivery to its customers, GILHI Is implementing POS technology and a JIT inventory system.

Data for this case were gathered via in-depth interviews with five GILHI executives. Observation and company documentation were also sources of data. It is hoped that the information provided will help other not-for-profit firms effectively implement and manage BPR initiatives.

The article begins with a brief review of current BPR literature. A description of GILHI is then presented. Following a description of GILHI, the data collection methodology is discussed. The remaining sections provide a detailed discussion of GILHI business and information reengineering, as described from the interviews. The paper concludes by highlighting some of the problems GILHI is facing and how those problems are being addressed, as it continues to work toward BPR success.

RESEARCH QUESTION

The purpose of the study is to gain insight into how a not-for-profit company approaches reengineering and implements redesigned business processes; to add value and efficiency to their businesses. Specifically, the study intends to uncover ideological methodologies used to guide the company and its employees toward effective BPR.

BPR RESEARCH

An emerging methodology touted to enhance business competitiveness is BPR (Hammer, 1990; Davenport and Short, 1990; Davenport, 1993). Reengineering adopts a philosophy of redesigning existing business processes and

activities to enhance product quality and customer satisfaction. The key to successful reengineering is to look at business processes from a customer point of view (Scherr, 1993). After all, customer satisfaction drives market share, sales, and potential profitability.

Information technology (IT) goes hand in hand with reengineering in that it allows organizations to eliminate, modify, and/or coordinate business processes with fewer resources. Consequently, IT is the enabler of new business processes (Hammer and Champy, 1993). The value of BPR is becoming apparent as business environments become more turbulent and IT continues its rapid evolution (Scott Morton, 1991; Davenport, 1993). Organizational survival may very well depend on intelligent process redesign. According to Scott Morton (1991) '. . . it will not be possible to survive as a company just by working harder within existing organizational structures and using existing practices and tools. Given what IT now allows an alert organization to do, an organization that merely works faster and harder will become uncompetitive in the global marketplace of the 1990s and beyond.'

According to Davenport (1993), process innovation requires many changes to the way organizations conceptualize their work. Empowered work teams become the workhorses of successful organizations of the future. Managers become coaches and facilitators of projects rather than autocrats. Radical overhaul of traditional organizational structures and environment is required to ensure success. In addition, tight linkages with customers and suppliers by utilizing advanced IT tools such as electronic communication facilities becomes a necessity. Further, Davenport suggests that a process and customer orientation should be adopted as the general focus of the organization.

A common application of IT has been for the automation of existing business processes. Many organizations have simply invested in IT without rethinking the underlying business processes involved. However, automation of a poorly designed process may not result in productivity gains. The process may have to be modified prior to the application of IT. Davenport and Short (1990) define business process reengineering as the 'analysis and design of work flows and processes within and between organizations'. The basic distinction between automation and reengineering is that reengineering adds a step to the process of translating information into action. Before a process can be engineered it must be analyzed and redesigned prior to automation.

The benefits of BPR can be substantial (Davenport and Short, 1990; Talwar, 1993):

- Stronger alignment of core processes to business strategy.
- Creation of customer value becomes a driver for all business activity.
- Efficient/effective cross-functional performance goals optimize business performance.

- Benchmarking is used to accelerate learning and provide a stimulus for change.
- Worker involvement increases employee understanding of the business and its customers.
- Cycle time reduction which leads to increased delivery speed and cost reduction.
- Cross-functional interactions increase teamwork building.

To date, few in-depth case studies of BPR initiatives in the not-for-profit sector have appeared in MIS journals. The popular management literature has relied too much on hype and too little on research, common sense, and the lessons of the past (Davenport and Stoddard, 1994). Scholarly MIS journals have relied too much on drawing insights and conclusions from survey-based research, rather than in-depth case analysis. The few exceptions are reported here. Caron *et al.* (1994) examined BPR initiatives at CIGNA for over five years. In their report, they offer a set of useful general guidelines to assist organizations that struggle to implement successful BPR initiatives. An extremely important insight generated from the CIGNA case study was to start small. CIGNA success was generated slowly. Once a pilot BPR study was shown to be successful, larger projects were undertaken by the company. Davenport and Stoddard (1994) addressed various myths associated with BPR based on detailed case study analysis of many companies. The authors present a no-nonsense synthesis of their experiences in BPR in actual practice. They conclude that successful BPR is not an IT initiative. Rather, it is a business initiative with the goal of rethinking business practices to satisfy the needs of its customers and other constituents. Kotter (1995) synthesized information and knowledge gained from observations of more than 100 companies into a set of eight steps to facilitate organizational transformation.

GILHI

In 1962, a group of citizens in the Johnstown community began meeting to discuss their concern over the lack of facilities to help people with disabilities. These citizens invited Dr Robert Watkins, then Chief Executive Officer of Goodwill Industries of American, to speak to them about this need. Dr Watkins recommended that the group direct their efforts toward the establishment of a Goodwill Industries in Johnstown. This recommendation was accepted, and the group was successful in launching a new Goodwill Industries, Goodwill Industries of the Conemaugh Valley, Inc., under the sponsorship of Goodwill Industries of Pittsburgh.

Goodwill Industries of the Conemaugh Valley, Inc. (GICVI) was incorporated in December 1962. A fundraising drive was conducted during 1963 and part of 1964, to acquire the funds necessary to begin operations. Formal operations began in the summer of 1964 with the hiring of

employees, almost all of whom had disabilities, and the opening of a used goods store.

GICVI originally began its operation in the Cavallo Building, at the corner of Jackson and Locust Streets in downtown Johnstown, and its first store was also at this location. The agency then purchased and moved to a building on Ash Street in 1967, where it remained for eighteen years. In 1985, GICVI sold the Ash Street building because of a need for more space for its rehabilitation programs and moved to its present location, leasing two buildings on Oak Street, still in Hornerstown.

GICVI still centrally operates at the Oak Street location, and serves Cambria Street, Somerset, Indiana, Blair, Huntington, and Bedford counties in Pennsylvania. However, they have been slowly decentralizing operations to their stores in these counties. Currently, stores are located in the following communities; Indiana, Barnesboro, Blairsville, Derry, Meyersdale, and Johnstown.

INCEPTION OF BPR AT GILHI

As a result of this decentralization, and in order to better represent its constituents in the communities served, GICVI changed its name to GILHI in early 1998. This was a direct result of an ongoing BPR effort initiated by the Planning Committee which first addressed these vital issues in August 1997, under the tutelage of CEO Amy Luttrell. This work has been carried on by the new CEO of GILHI, Phyllis Bandstra.

In keeping with its commitment to BPR, GILHI also rewrote their mission statement to reflect their dedication to 'empower people with barriers to employment to become more self-sufficient through work'. For GILHI to empower people, it is essential that they:

- Recognize the basic human rights and dignities of all people.
- Are trusted and supported by the community.
- Improve and expand services by diversification of their funding base

In order to implement these enterprise-wide changes, within the next five years, GILHI intends to open stores in Somerset, Ebensburg, Bedford, and Huntington. Its vision is to be a dominant force in linking people to jobs. However, GILHI realizes that adoption of new technologies will be key to the reengineering effort and the decentralization of services. This void will be filled by the adoption of POS technology and a JIT inventory system which will facilitate the delivery of services and information between the retail outlets.

METHODOLOGY

Case study analysis of GILHI began with the Planning Committee in August 1997. One of the authors serves on

the Board of Directors of GILHI, and is the Chair of the Planning Committee. Data were gathered from interviews, GILHI annual reports, monthly financial statements, and from the GILHI World Wide Web site. Five GILHI executives were interviewed including the Director of Retail Operations, the Director of Employment and Training, the Director of Marketing and Development, the Director of Contracts, and the Director of Administrative Services (Information Technology, Accounting/Finance, and Human Resources). Since August, contact has been maintained via monthly Planning Committee and General Board of Director meetings. Constant contact is maintained with the CEO. This is achieved through two way updates using telephone, e-mail and fax contacts.

The interviews lasted approximately one hour. Members of the Planning Committee, used open-ended questions to guide interview discussions. The researcher directed questions related to process improvement. However, spontaneity was encouraged by allowing respondents to discuss any issues they considered important to the research. Confidentiality was guaranteed by ensuring that any publications related to the information gathered from the GILHI interviews will be subjected to review by GILHI officials. In addition, it was explained to the GILHI management that the research is for academic purposes only; meaning that publications will be directed toward academic outlets only.

The data collection strategy is to gather longitudinal data that is broad in scope and deep in content. This strategy matches the research topic as reengineering tends to cross functional boundaries, involve many different organizational players, and require support and visible commitment from top management. Data richness improved as the researcher began to build a positive relationship with GILHI. As the relationship continues to grow, it is hoped that together we can gain insights into the implications of GILHI strategic data.

INTERVIEW RESULTS

Five executives were interviewed during three sessions. In two sessions, two executives were interviewed. Each executive interview lasted approximately one hour. The results of the interviews are presented below.

Session One

The first reported session was with Susan Mock, the Director of Administrative Services (AS). Ms Mock is in charge of accounting/finance, Human Resources, and Information Technology. She has in excess of 10 years of experience in the not-for-profit business. Her administrative knowledge helps keep technology and human resource projects aligned with the business needs of GILHI and its customers. An important GILHI strategy is to cultivate strong business analysis at the core of the technology

function in Administrative Services. GILHI believes in this strategy because it sees information as the glue that holds the organization together. GILHI enables the strategy by bringing together the best of both business and technology, in order 'to create a model work environment that is value driven and provides smooth functioning administrative systems, including human resources, finance and information systems to assist the organization in achieving its mission'.

The pilot reengineering project at GILHI was to rethink the AS function. GILHI believed that it was an ideal candidate for reengineering because AS is central to this not-for-profit business and its redesign could therefore create tremendous value for both GILHI and its customers. The goal of AS is to ensure quality and efficiency as GILHI decentralizes to its store locations. The AS drivers behind the BPR project include the following:

- To ensure quality accounting policies by developing, implementing and reviewing procedures for handling and depositing cash, for off-site storage of payroll disks, for computer security and year 2000 compliance procedures, and for a written Disaster Recovery Plan.
- To ensure agency personnel policies, procedures, and practices that create a positive atmosphere to attract and retain employees by developing, reviewing, and implementing a Family Medical Leave Act, a general business conduct policy for employees, a conflict of interest policy, a flexible benefits package for employees and updated policy, procedure and practice manuals.
- To ensure continual orientation and training to all personnel on agency policies, procedures, and practices in order to provide useful financial and strategic information to the Board of Directors and top management for legal issues and budget preparation and review.
- To create a separate Human Resource Department.
- To provide Continuous Quality Improvement (CQI) in order to implement a Management by Objectives (MBO) system for yearly evaluations and review, to implement a team orientation in communications, efficiency and training areas, and to implement cross-training between retail operations, employment and training, contracts, and marketing and development.
- To ensure that information technology (IT), is being effectively utilized to keep GILHI on the cutting edge of good business practices by evaluating, planning and budgeting for at least one upgrade in IT yearly, by purchasing and implementing additional software packages to integrate purchasing, inventory, and fixed assets into the accounting system, and by researching, locating, and implementing a new POS register system.

With over 100 employees and thousands of customers, managing the volume of business was becoming inefficient at the six store sites. Management was also more difficult because each of the sites had its own way of doing business. With many ways of doing business, consistency,

information accuracy, and communications was becoming harder to maintain. Top management at GILHI has shown a commitment to change and this is probably the major driver in BPR, because resources and policy always flow from the top. This is also critical because process changes may require changes in organizational structure, labor reductions or redeployment, changes in management style, changes in job roles, strategic planning and capital resources. Another driver is the trend toward automation in the not-for-profit industry. An automated POS register and JIT inventory system is what contemporary Goodwill stores must demand. GILHI is responding by providing the technology at convenient locations for the employees to better serve the customers. However, automation without consideration for existing processes can be very dangerous. Automation of a bad process just means bad output generated more quickly. For legal and regulatory purposes, GILHI must also develop a separate Human Resources Department with a fully functional human resource information system (HRIS) to continuously track its employees. The alternative is to outsource evaluation and control of GILHI's most important resource—its internal and external customers.

Reengineering AS has been an ongoing project at GILHI. Red flags have been appearing over the last five years. Independent processing at the six different stores was causing redundancies, overlap of work, and inaccurate information about volumes, sales and inventory. No IT was available to process and track retail operations. It was impossible to consolidate up-to-date and accurate information because the technologies used at the different stores was either nonexistent or not integrated with the plant. Furthermore, the retail operation is customer-driven not IT-driven. GILHI could not offer 'a full line' of product sizes and styles such as coats, suits, and dresses because the AS function was not organized to accommodate a 'multi-product' paradigm.

GILHI developed two levels of strategy to effectively deal with reengineering—BPR strategy and IT strategy. The objectives of the BPR strategy are to decentralize control of retail processing to its retail stores, streamline existing business processes, and decentralize IT and business processes to provide virtual service (anytime, anywhere, anyway) to customers and internal users. The results expected from the BPR strategy are better management of increasing transaction volume, more accurate information provided to internal users, and reduced cycle time for delivery of retail products and services to customers. The objectives of the IT strategy are to involve the stores in systems development, build a system that streamlines and adds value to existing business processes, rethink systems that automate poor processes, and decentralize GILHI data. The results expected from the IT strategy are systems that better meet user needs, availability of more accurate, real-time data to those that need it to make decisions, and better service for customers.

The second interview, in the first session, was with Elizabeth Sakmar, the Director of Marketing and Development (M&D) at GILHI. Mrs Sakmar is responsible for strategic marketing information flow. She is charged with using information systems to identify marketing opportunities for delivering value propositions to existing GILHI customers and potential ones. M&D is a critical department to GILHI. The not-for-profit industry is beginning to embrace strategic marketing and strategic information marketing is the direction of GILHI. GILHI provides information support for M&D by including its accomplishments and other information on their web site.

Mrs Sakmar uses statistics, business management, and business system analysis to profile customers based on demographics and other customer information. She uses statistical modeling tools to analyze customer information, and translate that information into valuable marketing knowledge for GILHI. She has been very successful at translating customer information into valuable propositions that add value to the GILHI portfolio of businesses. The goal of M&D is to promote appreciation and awareness of GILHI among its internal and external customers. The M&D drivers behind the BPR project include the following:

● To inform and educate all current GILHI employees of goods and services, through monthly meetings about internal improvements, involvement in area events, and coordination of orientation processes for new employees.
● To guarantee the quality of goods and services through external marketing to customers, customer service surveys, quarterly newsletters, and the Business Advisory Council.
● To produce measurable increases in donations and retail through independent and cooperative advertising, through flight marketing to keep all stores within budget, through increased floor traffic, and a broader customer base, through tracking customer counts on the new POS registers, through increased donations via a telemarketing campaign, and through development of drives for outlying regions.
● To promote agency-wide mission marketing by using subsidized billboards, by developing and covering all six county outlying regions, by developing agency literature and brochures, and by instituting an interactive Internet page and video machine.

Session Two

The second session reported was with June Rose, who is in charge of retail operations (RO). June is a critical player in the GILHI information reengineering effort. She is one of the executives charged with development and implementation of the warehousing technologies throughout GILHI. June also has extensive experience with store operations, especially in the Indiana store. Her work with the stores has

helped her to become more sensitive to the business needs of GILHI. Hence, the information support that her work and the work of other store managers provide support the AS and other business processes that are also aligned with the business goals of GILHI.

Information reengineering is very important to BPR at GILHI. The POS registry will reap many benefits for GILHI employees. Information sharing is much easier, more timely, and more accurate. The warehousing technologies will allow decentralization of inventory. The goal of RO is to profitably run the operation to generate a sufficient profit contribution in order to support the employment and training elements of GILHI's mission. The RO drivers behind the BPR project include the following:

● To provide efficiency in retail operations by reviewing and revising the trucking schedules, by researching and purchasing a POS register and JIT inventory system, by decentralizing retail processing to the stores, and to develop and implement a plan for purchasing replacement trucks.
● To provide a faculty adequate for total collection and transportation operations.
● To provide growth in donation collections by opening and maintaining an attended donation center (ADC) in the area of each projected new store to provide donated goods, by increasing donations through the use of marketing techniques, by developing a tracking system for donations, by training ADC attendants to sort on location at the stores, and by piloting new donation collection methods.
● To open five new retail stores in Johnstown, Somerset, Ebensburg, Bedford, and Huntington.
● To research and develop the provision of employment and training services in retail store sites in order to integrate the mission of GILHI with retail.

The second part of the second session was with Bill Tresise, who is in charge of GILHI contracts. The goal of contracts is to generate revenue and provide appropriate employment and training opportunities to support the GILHI mission. The Contract drivers behind this area of the BPR project include the following:

● To fully develop and expand existing employment opportunities for consumers by implementing a janitorial training curriculum, by updating all janitorial equipment, supplies, and training, by expanding janitorial services, by establishing the financial stability of the Goodwill Café, and by expanding data entry through development of basic computer skills training, the purchase of equipment for data entry, and the marketing of entry services.
● To develop and establish new business ventures to serve as both revenue sources and training sites and to acquire in-house contracts specifically for the Work Activity Center.

Session Three

The third session reported on was employment and training (E&T), with Phyllis Bandstra, CEO of GILHI. This session integrated together on the other two sessions, and the mission of GILHI. It reminded the Board that the real driver for BPR in the retail side was to enable customers to achieve their fullest vocational potential, achievable desirable life outcomes, and functions as contributing members of the community through provision of a wide range of opportunities. The E&T drivers behind the BPR project include the following:

● To prepare and manage relevant service growth consistent with the mission by providing E&T service in the counties served by GILHI, by developing a wider base of customers and funding sources, by collaborating with other entities to offer the widest range of services possible, and by exploring innovative ways to deliver services.
● To provide high-quality services that expand opportunities and capabilities driven by customer needs and satisfaction by reorganizing existing programs to develop a full service delivery model, by offering a drop-in center for persons with developmental disabilities, by providing senior services to persons with developmental disabilities, and by developing a Business Advisory Council to assist GILHI in their mission.
● To commit all products and services to excellence as a continuous quality improvement (CQI) process by recruiting and retaining the professionals responsible for directing, operating, and managing E&T services, by implementing a CQI corporate structure which reflects empowerment, participation, and teamwork, by providing physical facilities that reflect our mission and value statements, by continuing to upgrade IT and other facility tangibles necessary to provide quality services, and to implement a computerized tracking system for customer services including outcomes and customer satisfaction.

LESSONS LEARNED

The qualitative study with GILHI provides many insights into how a not-for-profit company actually deals with BPR on an enterprise-wide basis. The study uncovered the ideological methodologies used to guide BPR efforts and the technologies used to help implement them. GILHI is using a dual approach to BPR. It is attempting radical business redesign of its business processes. At the same time, it is using POS warehouse methods to decentralize data management for better information sharing, easier access to business data by those who need it, and more time delivery of data, products and services. Thus, the BPR strategy uses a business approach to process improvement with information technology as a complementary support mechanism.

GILHI executives are familiar with the BPR principles proposed by Davenport (1993) and Hammer and Champy (1993). However, they realize that they must continue to provide excellent service to their customers, entice existing and new customers to buy into their 'one-stop shopping for clothes' strategy, and provide excellent information services to internal users during reengineering. The literature does not help us in this regard. In addition, it provides little insight into the complexities of dealing with business reengineering and information reengineering at the same time. Each industry and business has a different set of problems to deal with. Books and periodicals can only provide basic ideas. Therefore, GILHI believes that it must develop its own methodology for dealing with change and process improvement.

The interviews with GILHI executives revealed the ideological methodologies used to approach and implement BPR projects. They also brought out many insights into how GILHI deals with change. Analysis of the interview results enabled the researchers to synthesize the data into seven lessons that other not-for-profit companies can learn from this qualitative study.

Lesson one

Business managers should interact with the IT department. At GILHI, members of all the functional departments have a hands-on approach to IT. Each department has used IT to redefine its business processes. GILHI found that it is much easier to teach business managers the fundamentals of technology than it is to teach technology people about business. In addition, the IT department of AS also serves the business needs of its internal clients. It therefore has a good understanding of the business.

Lesson two

If business processes are dependent on timely, accurate, and complete information, then business reengineering should be approached with a strategy that includes information reengineering. In the contemporary not-for-profit industry, information is especially important because it is very information intensive. Hence, GILHI chose a dual strategy of business and information reengineering as its ideological approach to BPR.

Lesson three

BPR should be based on a business need. BPR should not be adopted just because 'everyone else is doing it'. GILHI chose to redesign its business processes because it was concerned about its reputation with its customers. Before reengineering, there was no method for tracking inventory at each of the six stores, and prices needed to be placed on the clothing by hand. This leads to a long cycle time from receipt of the inventory until it was available on the store floor. Long cycle-times translate into poor customer satisfaction. Since GILHI is now trying to compete in the retail industry as a 'one-stop full service' clothing store, it feels that it needs an edge. GILHI believes that BPR will give them that edge by decreasing cycle times and improving information sharing.

Lesson four

GILHI must develop an independent IT department in order to lead the reengineering effort. GILHI's clients are the entire company. Since the IT department manages information flow throughout the company, it must be able to work with internal clients to 'show them the way'. In other words, IT people have a data view of the entire organization. They know how the information is distributed to all departments and functional areas. They are in an ideal position to work with information users as changes in business processes occur. This is a full time job which deserves individuals dedicated to carrying out this mission.

Lesson five

BPR projects require support from top management and those involved along the process path to succeed. If top management does not visibly support BPR, politics will destroy the project. Most people are afraid of change. Given the opportunity to resist change, many will do just that. Moreover, changing the way that business is conducted will not be tolerated without top-level approval because top management is in charge of the business. If those involved in the process are not part of the project, they will resist changes and, most likely sabotage the BPR effort. After all, they are the ones who will most likely be affected by the changes.

Lesson six

Very few employees or managers know the overall business. However, the IT department must have a feeling for the overall business if it is to serve all its clients. Therefore, top management should form an IT department and help it to gain knowledge about the business which it serves. The best strategy is to hire business managers into the IT department to add not-for-profit knowledge and experience.

Lesson seven

Choose a project that must work so that its success can be sold to the rest of the company. Success is hard to resist. If a project is very successful, it will be much easier to get other departments and functional areas involved in BPR. The POS registry warehouse project must work if GILHI are to decentralize their stores. Clothing processing is presently taking too long and negatively impacting customer

satisfaction. Therefore, GILHI must take action. It has decided to embark on a major BPR project to rethink its present inventory system and decentralize retail processing to its stores. This is a critical process and a risky venture, but GILHI has no choice. The project must succeed because the risk is not of as much as is the potential for excellent results.

ACKNOWLEDGEMENTS

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