The words “business process reengineering” still leaves a negative impression for many in the business world. Years ago companies rushed to reengineer their processes to improve quality and efficiency. However, the end result was less than desirable – new processes were layered on top of existing processes resulting in more work with fewer people. Costs were temporarily lowered benefiting investors. However, other stakeholders in the process, such as employees, were victimized by reengineering.

Real reengineering is more about including everyone involved, so that there are no losers and winners from reengineering. The words collaboration, connecting all players, more transparency, and more openness are now part of the reengineering vocabulary. The buzzword for this new or real approach to reengineering is X Engineering. The “x” refers to crossing; i.e. reengineering must cut across all organizational boundaries. Author and consultant James Champy pioneered this more human approach to reengineering in his book: X Engineering the Corporation. Author and e-commerce expert Thomas Koulopoulos refers to this as the x-factor, creating communities whereby people can collaborate.

“X engineering is about optimizing relationships so that companies can tap the full sum of the intelligence and experience of all of the people in its network of customers, suppliers, and partners. To accomplish this goal, the processes in which these people participate must be arranged to work smoothly both within an organization and between the organization and its customers, suppliers, and partners.” - X Engineering the Corporation by James Champy

Processes are no longer tightly controlled and restricted from view. Processes are now easily accessed over the internet. If a process is performed in isolation from others, then management must determine if the process is really isolated. How do we open it up to outsiders so that we can improve it and lower its costs? Are we leveraging technology to transform this process?

One obvious obstacle to x-engineering is resistance. Many partners may not want open-up and change; they will refuse to share information. The challenge for management is to break through this deadlock by deploying a single, standard process that allows everyone to work together seamlessly. One reason this is so important is because customers are increasingly sophisticated and demanding. In order to properly serve the customer, everything within the supply chain must be connected and coordinated. Everyone takes ownership, assuming specific responsibilities for making sure their part of the process is managed flawlessly. Supply Chain Management (SCM) now evolves into Supply Chain Relationships (SCR). And we can complement these processes with Customer Relations Management (CRM) and Employee Relations Management (ERM).
The reasons behind reengineering remain the same – increased competition, the need to improve customer service, the need to lower costs, and the need to keep up with technology. However, the significance of these drivers is becoming more demanding. As a consequence, many companies are becoming exhausted, run-down and giving up on these incredible demands to reengineer the business. However, instead of admitting defeat, management should view these challenges as new opportunities. And by connecting all players through technology, real reengineering (or x-engineering) can become a real value-adding proposition. It will require a new mindset whereby management is openly sharing their processes with others in a way that allows reengineering to take place for the benefit of everyone. And with technologies like the internet, there is no excuse for not making it happen.