



The moment is: now! | The Xpragmatic View



The Xpragmatic View #110
December 12, 2008
by [Marc Buyens \(@mbuyens\)](#), Xpragma
marc.buyens@xpragma.com
url: <http://www.xpragma.com/view110.php>

Given the current economic slowdown, most organisations have an increased focus on cost reduction. Layoffs, ending temporary contracts and postponing projects are the traditional remedies. While some of these might be unavoidable, companies must not forget that they have to prepare now for what will come after the recession.

BPM in difficult times

Recently, discussions started in some of the BPM (Business Process Management) forums on [LinkedIn](#) on the impact of the current recession on BPM projects and the vendors and consultants within that space.

In general, the consensus was that indeed, IT capital spending was being curtailed and that major projects were being postponed. Instead, there was a renewed emphasis on BPI (Business Process Improvement)-style initiatives that can allow for some rapid gain (read: cost reduction).

Well, this is expected behaviour. In general, BPM projects are large footprint exercises with little short-term return. In addition, most management teams view them as being "IT projects" and often, IT is not seen as a core component of the "real" business. As a result, during downturn periods like this one, IT-related projects are the likely candidates for being postponed or even dropped.

Still, companies should avoid focusing too much on short-term cost reduction since this does not create any long-term advantage and is, at best, only a viable approach in survival mode, which is not the situation you should be in.

Instead, companies must now focus on a small set of limited scope, but radical, process and organisation change exercises that allow for significant competitive advantage.

Planning for the day after

Two days ago, facing the ongoing financial turmoil, one of our major banks announced a complete hire-freeze. In addition, they stated that there would be no bonuses or raises in 2009, irrespective of rank or position. However, neither would there be any layoffs.

As a member of one of the labour unions commented: This was not a pleasant message. Still, this equal treatment for all employees was seen as a positive sign and created some kind of "we all go for it together" feeling.

Indeed, amid the recent avalanche of layoff messages, this almost became a very positive announcement.

However, this should not be limited to a cost contention exercise. This company should extend its equal treatment of all employees into an in-depth review of its organisational structure.

As in most organisations, we expect that this organisational structure is highly over-dimensioned as the result of the traditionally perceived need for rank and control. Unfortunately, most control layers are only sparsely needed and add very little to the operational effectiveness of the organisation, often obstructing or delaying the flow of information.

Therefore, companies must now review their real need for control and remove the unnecessary "control waste". This will free up resources that can be deployed for tasks that have a far greater operational value. When done well, this will create a competitive advantage that will put them in the best position to capture additional market share, once the downturn ends.


Start now!

About the author



Marc Buyens is analyst, management consultant and owner of Xpragma. Marc started Xpragma in 1999 after a 20+ years career in the IT sector. Today, he provides advice, training and mentoring services focusing on the intersection of technological evolution, organisational change and business strategy: a messy world of unfulfilled promises.


 <http://www.facebook.com/marcb254>

 <http://www.linkedin.com/in/marcbuyens>

 <http://www.twitter.com/mbuyens>

© 1999-2010, Xpragma bvba. All Rights Reserved.

Xpragma bvba - Mechelsesteenweg 254 - 2820 Bonheiden - Belgium
Tel. +32-(0)15-340 845 - info@xpragma.com - www.xpragma.com

 RSS feed: <http://www.xpragma.com/english/rss/xpven.xml>

 RSS feed (full): http://www.xpragma.com/english/rss/xpv_full_en.xml