

ARTIFICIAL INTELLIGENCE IN BUSINESS-PROCESS RE-ENGINEERING & OTHER HR FUNCTIONS

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Abstract

*This paper describes the integration of AI planning and Business-process reengineering (BPR), a generic term covering a variety of perspectives on how to change organizations. For more than a decade, artificial intelligence techniques have served as critical building blocks for cutting edge business applications. The first wave of AI based tools & applications for business process modeling (BPM) is just hitting the shore. Organizations such as IBM, EDS, the US Army, & Swiss Bank are among the first to adopt AI for BPM. Some are using traditional KBS tools such as ART*Enterprise & ProKappa, while others are turning to ReThink, the first AI tool designed specifically for BPM.*

Keywords: *Business-process reengineering, BPR, Artificial Intelligence*

Introduction to AI in BPR

Business-process reengineering (BPR) is a general term encompassing a range of perspectives on how to bring more productive changes in organizations. There are at least two distinct roles for Artificial Intelligence (AI) in BPR. A role of AI in BPR is as an enabling technology for reengineered processes. The second role is less common but potentially important, in the tools to support the change process itself.

Fundamentally, any business can be observed as an assemblage of processes that when taken together, respond to the demands of the customer by inventing, producing, delivering, & billing for goods & services. Although these processes differ from business to business, in a predominant number of cases, these processes & the institutions that implement them have not been engineered in any meaningful sense. These processes seem to have evolved over time in response to their business environments. Changing environments frequently defenestrate such companies from the competition unless they make a cognizant & recurrent, if not a continuous effort to reengineer these processes to bring changes in customer needs, suppliers & innovation in technology. Looking at a business as a compendium of customer-oriented processes is the core of *business process reengineering* (BPR), a generic term comprising a variety of perspectives, none of which are particularly rigorous on how to bring change in organizations. Even though, it is easy to set aside BPR as hype, but the phenomenon is tremendously important.

(Caldwell 1994) In 1993, 60 percent of the management letters appearing with Fortune 500 company annual reports explicitly discussed reengineering efforts that were currently under way. It was recently projected that the annual market for BPR services in companies based in the United States at \$1.8 billion. Another projection predicts a growth of 20% per capita from 1994 to 1996. To assess the long-term impact of this, one ought to consider a multiple of this figure as the cost diminutions & enhancements in revenue brought about by today's reengineering. There is hype, nevertheless, the phenomenon is real.

Roles of AI in BPR

As mentioned above, there are two distinct roles for AI in Business-process Re-engineering. An archetypal success story of this sort places an expert system in the hands of a single employee who then may be able to carry out various steps of a process for a single consumer or order rather than having several workers in different departments handling