

Interview with Michael Rosemann on “The Role of Business Process Management in Modern Organizations”

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BISE: Michael, you are one of the most influential researchers in Business Process Management (BPM) around the globe. Your research has covered a number of topics within BPM from process modeling and redesign all the way to BPM maturity, and now more recently you have embraced the area of process innovation. But there is a key characteristic that all these works share: the tight link with real life, concrete problems.

So, Michael, given all the benefits that BPM has delivered in the last three decades, why hasn't BPM become a structural organizational management discipline, alongside disciplines such as project management, risk management and more recently IT governance? In a way, why is it that BPM keeps delivering benefits, yet it doesn't stick?

Rosemann: That's a very good question, Marcello, and I think it goes to the core of our discipline. I believe there are three reasons why we struggle in certain components with the wider uptake of BPM, and they could be related to: a lack of mandate; a lack in terms of comprehensiveness of the approach; and potentially, but maybe most importantly, a lack in the benefits that we deliver.

Lack of mandate would mean that in comparison with risk management, project management or governance, organizations do not mandate that we model, analyze and manage processes. It's in the nature of this discipline and something we have to face and that puts even more pressure on the benefits we deliver.

The second component was around the lack of comprehensiveness. For many, many years BPM has been a very methodologically driven approach. We have focused on optimizing the way we model, the way we analyze, implement or monitor our processes. However, a successful discipline needs to go beyond methodological rigor and

maturity. So our research around BPM capability has shown that if we're not able to deliver on the strategic alignment of BPM, on well defined and relevant governance, and on very comprehensive methodologies, but also on making sure that the people that are engaged understand BPM and the processes they are working with, and the important role of culture when it comes to improving processes, we won't be successful.

Third and finally, besides the lack of a mandate and a lack of comprehensiveness, we believe we have to address the benefits we achieve with BPM. Not all BPM has increased the rigor around the discipline of processes. We were able to increase the efficiency of organizations but in today's world we have to increase the scope and have to explore benefits that go beyond the reactive addressing and overcoming of problems in business processes.

BISE: Is there a wider role for BPM to play in modern organizations that goes beyond improving quality and efficiency?

Rosemann: Absolutely. I believe that the role of BPM to ensure compliance, rigor and efficiency of processes is essential, important, but no longer the only benefit that BPM can bring to the table. We studied globally with a large consulting company, the value drivers that organizations see behind BPM. We conducted focus groups in Australia, Asia, Europe and the United States and we identified in total six values that drive and motivate organizations when it comes to business process management. Three of them are more internally focused and three are externally focused.

The internal ones are very much centered on the traditional motivation of increasing *operational efficiency* but there are two more that go beyond the pure efficiency. One is around *compliance*. No matter how efficient you are, organizations are motivated to look into BPM to ensure that the processes we shape, design and take into the organization are the processes we also execute. The third component on the internal side is the *employee engagement*. Innovative organizations follow an approach that is very employee centered, and can articulate a task allocation that makes sure that employees get the job that they truly enjoy. The classical BPM approach has been very much to push out tasks. An employee-focused and employee-driven BPM approach allows employees to articulate preferences, and the task allocation is much more employee-centered.

So efficiency, compliance and employee engagement are three internal value drivers. They still make up the priority and the core attention when it comes to BPM, but over the last years we have seen the emergence of a much more external driver towards BPM.

The three external drivers we found were *customer integration*, *quality* and *agility*. Customer orientation means that instead of focusing on my very own business processes, I study customer processes. Instead of mapping what happens

within the boundaries of my corporation, I study what happens in the life of the consumers of the corporations that I'm dealing with, and I have blended my activities and the business processes of the receiving side of my organization. Quality is around identifying the correlation between the process and its outcome, to not just work on the mechanics of what I'm doing but what I try to achieve. To identify the final customer perceived quality of a product and from there, map backwards how does the process look like, that has to deliver that sort of outcome. So unlike the internal cost efficiency, it is very much outcome and externally driven. Third and finally it's about agility. If the world truly is opportunity rich, digital, connected and fast changing, I need to ensure that my processes can change quickly. In the age of automation I established processes that were able to scale to execute hundreds, if not even thousands of process instances. In the new world, I have to be able to design processes that can change quickly with changing demands with new technological requirements or changes in the regulation. So BPM increasingly is driven by the desire to make my processes more agile and overall contribute to the ability of an organization to adapt to a changing environment.

BISE: So BPM has a lot to offer beyond improving quality and efficiency, but what is the type of organization that can really exploit the benefits of BPM, because what we're seeing is that traditionally successful BPM initiatives have been associated with very large organizations. So is there a role for BPM also in small and medium enterprises?

Rosemann: No doubt! I think the history of BPM is a history of an uptake of BPM in very large organizations. Going back to Henry Ford where we had the motivation to scale up processes, and large organizations are, without any doubt, those who benefit a lot from the rigor of the process discipline. But it's great to see, also over the last 5–10 years how organizations, much smaller in scale develop an appetite for processes, and I personally believe there might be three reasons why this is the case.

First of all, small and medium size companies have no buffer. Their appetite, their demand for cost efficiency is brutal. If this is the case, and if those organizations mature in their understanding for business process management, BPM is the obvious choice. Your process doesn't have to be able to execute ten thousands of times, but the scale of benefits in relative terms is of equal importance and relevance for small companies. So we now can see organizations that are small in nature start to design processes following the rigor of BPM, without having the same comprehensiveness and scope when it comes to process ownership or process governance, of course.

Second, small companies have an appetite to grow and if I want to have an informed growth strategy, I need to understand how my processes can scale up. I don't want to have processes that become the bottleneck to future

expansion. So a process-centered approach for small and medium size enterprises allows me to scale up quickly and to make sure that the way I work internally doesn't become a roadblock to future ambitions.

Third, and maybe most interesting for small and medium sized companies, to understand the processes, not just within my corporation, but within my ecosystem. A lot of small and medium sized companies contribute to cross-organizational value chains and if these SMEs can understand how they blend into organizational processes that go across industries, go across sectors and extend the role and prove the relevance of their products and services by a deep understanding of the processes that they take part in, they will have an increased value proposition.

So while the first argument is about cost efficiency, the second one is about facilitating growth, the third one is about a value proposition for your own products and services grounded in a deep understanding of those external processes that you take part of.

BISE: Thank you very much, Michael. The readers of this special issue of BPM Use Cases will for sure value your opinion.

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