



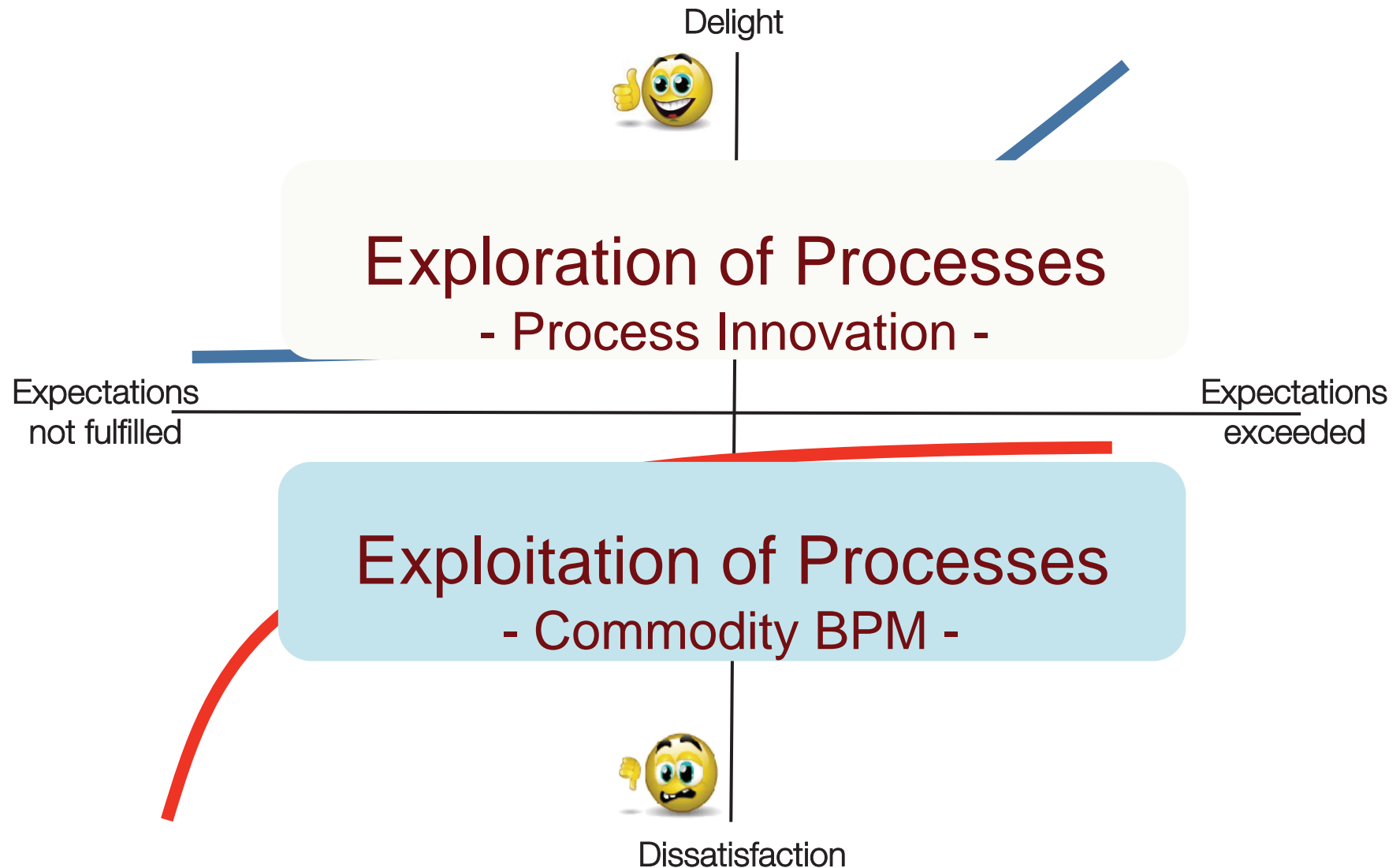
Ambidextrous Business Process Management



Michael Rosemann

Information Systems School
Science and Engineering Faculty
Queensland University of Technology
Brisbane, Australia

Ambidextrous BPM



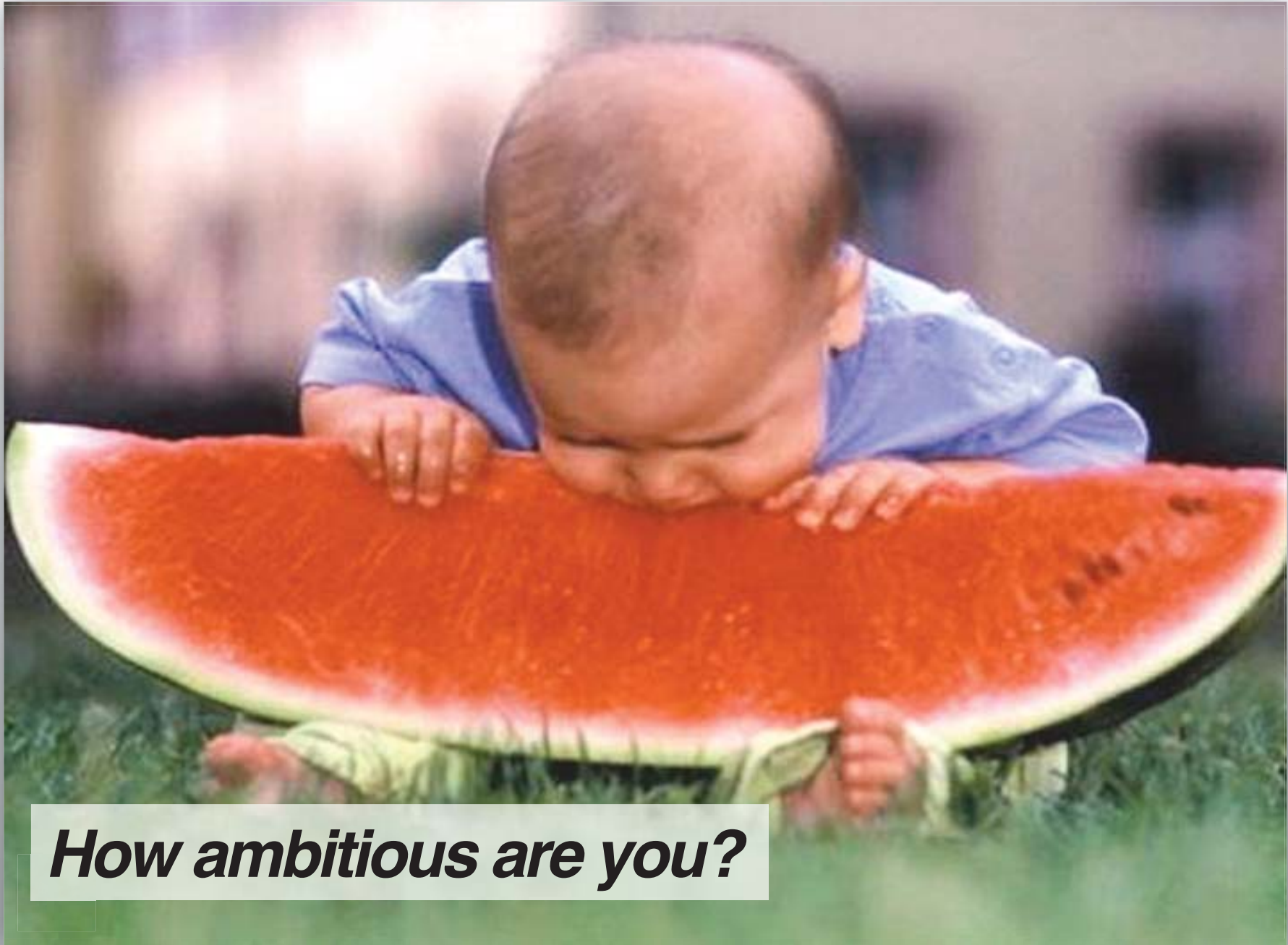
Innovation as a Service



**Chair in
Airport
Innovation**



**Chair in
Retail
Innovation**



How ambitious are you?

Example

- ▶ Process design group with *exploitative* BPM methodology (Six Sigma, lean)
- ▶ Developed three distinct services
 - ▶ Improve (10%)
 - ▶ Change (30%)
 - ▶ Innovate (100%)
- ▶ Needed to create a new *explorative* BPM unit to deliver **innovation as a service**



Agenda

- ▶ Three Drivers of Innovation
- ▶ Four Ways to Innovation
- ▶ Q&A



Commodity BPM

- Problem-driven Innovation

- ▶ Eliminate **waste**
 - ▶ Lean management
- ▶ Eliminate **variation**
 - ▶ Six Sigma
- ▶ Eliminate **bottlenecks**
 - ▶ Theory of constraints
- ▶ Eliminate **manual work**
 - ▶ Process automation
- ▶ Eliminate **non-conformance**
 - ▶ Process compliance



Constraint-driven Innovation

Example – Tesco, South Korea



Opportunity-driven Process Innovation - CBA's Kaching

"The future competition stems from the likes of Facebook."



Ralph Norris, ex-CEO CBA

11 August 2011

Research Challenge – Find Opportunity Points

Supply: Opportunities

Mobile
Technologies

Social Media

Cloud
Computing

Freemium
Model

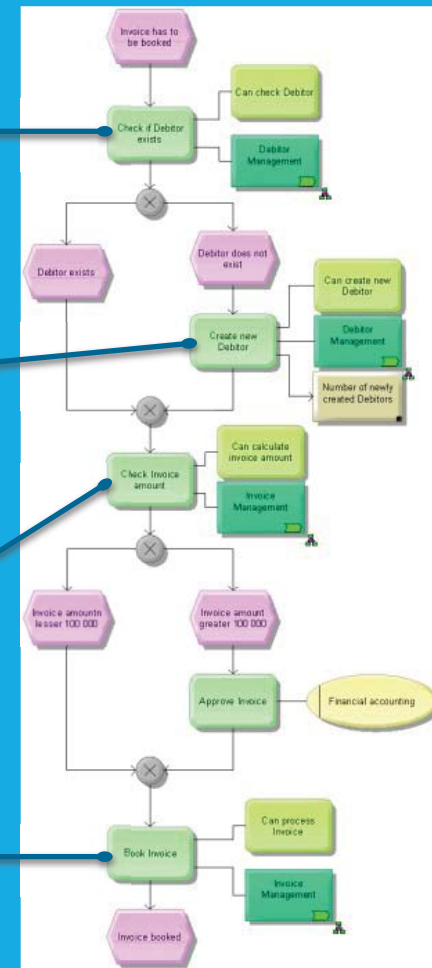
Demand: Opportunity Points in Processes

Need to locate
employees

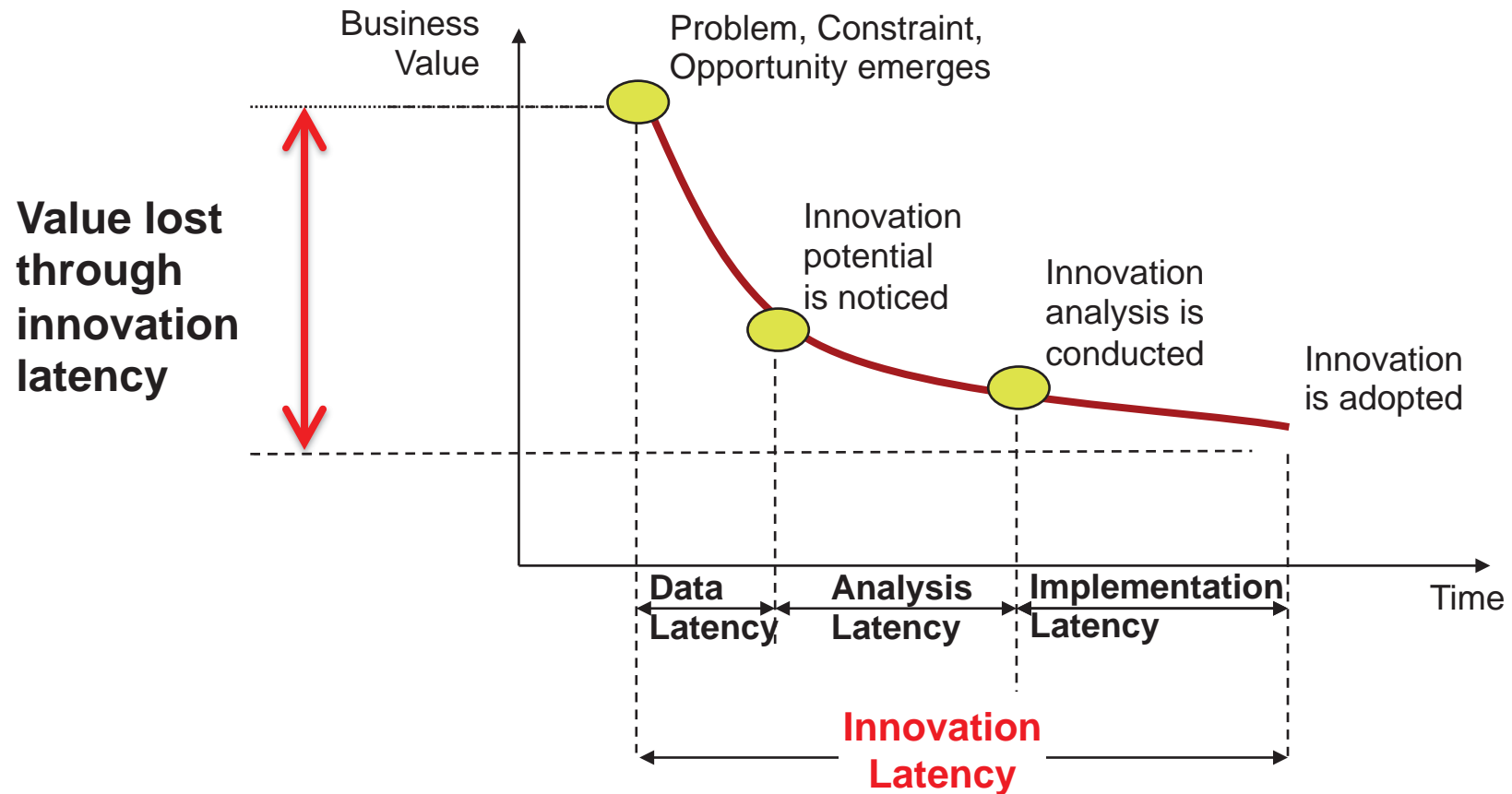
Need to
connect
customers

Need to scale
up

Need to
convince
customers



Innovation Latency



Ambidextrous BPM

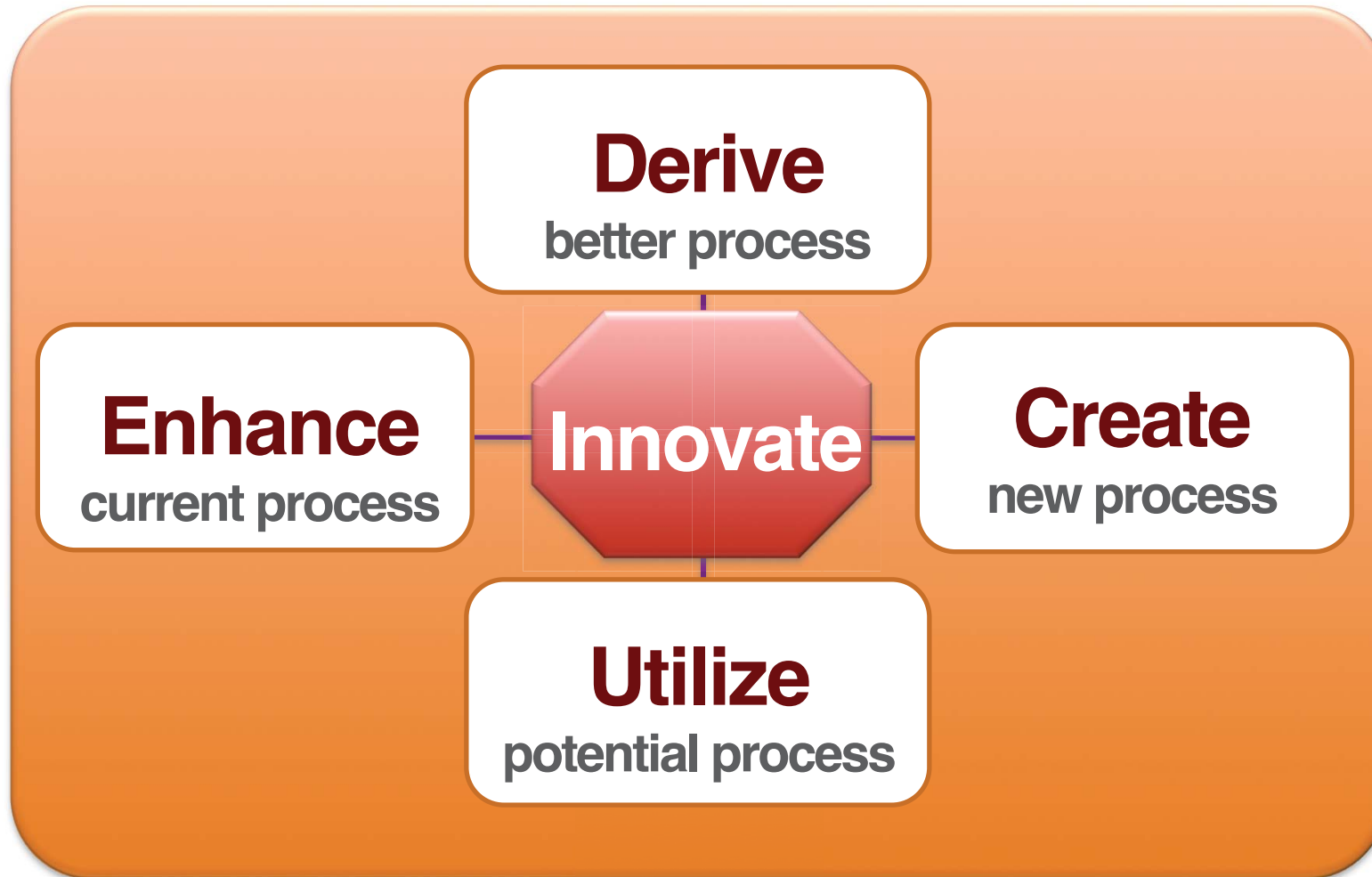
Exploitative BPM	Explorative BPM
Reactive	Proactive
Today's efficiency (process model)	Tomorrow's revenue (process vision)
Problem-focused	Opportunity-focused
Exclusive (process)	Inclusive (business model, products, services)
Transactional Innovation	Transformational Innovation

Agenda

- ▶ Three Drivers of Innovation
- ▶ **Four Ways to Innovation**
- ▶ Q&A



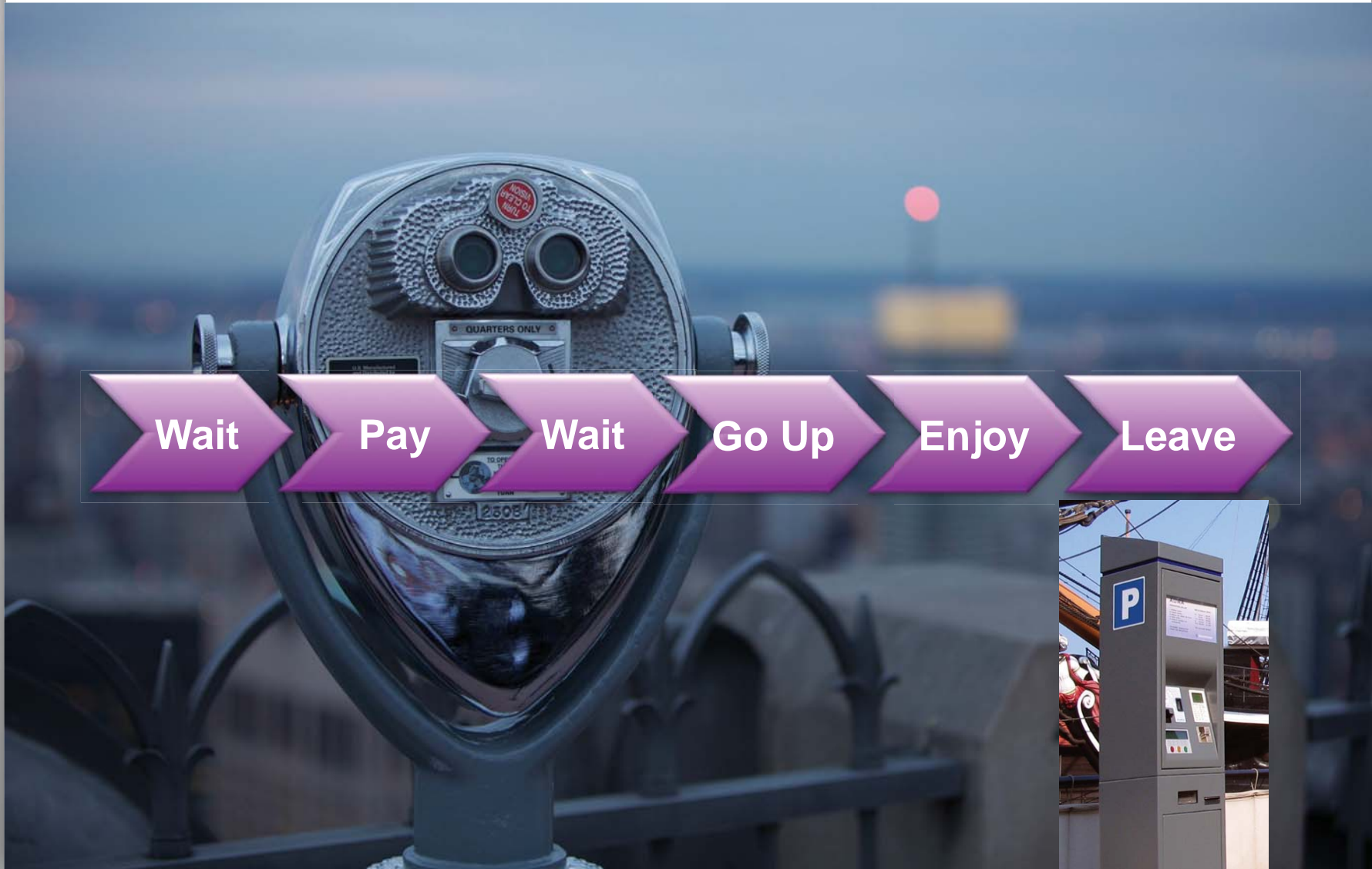
Four Ways to Process Innovation



Innovate via Patterns – ELIMINATE



Innovate via Patterns – RESEQUENCE



Four Ways to Process Innovation



Process Derivation

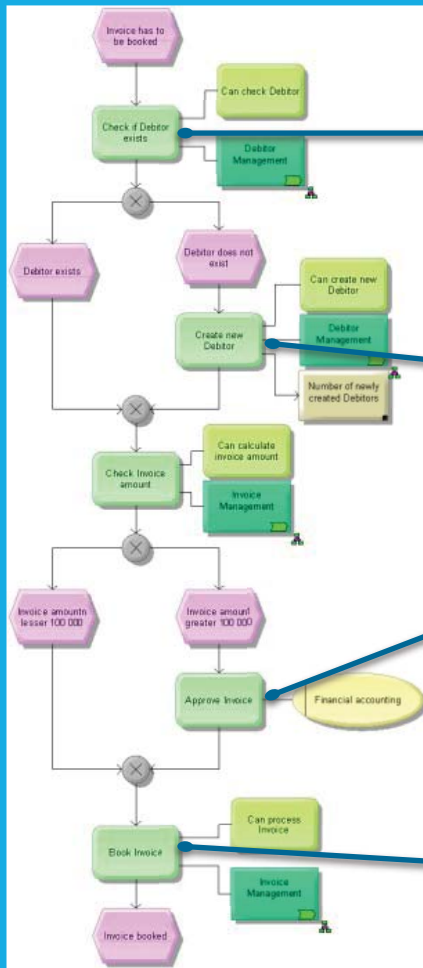
Example

- ▶ An Indian software vendor receives 1.6m job applications pa
- ▶ They intend to hire 22,000 employees
- ▶ What can they learn from a bank's mortgage process?
- ▶or the editorial process of a prestigious scientific journal?



Deploying Derivation to Processes

Demand:
Map underlying issues in process



Need to allocate limited resources

Need to have sanctions

Need to triage customers

Need to convert products into services

Derivation Opportunities

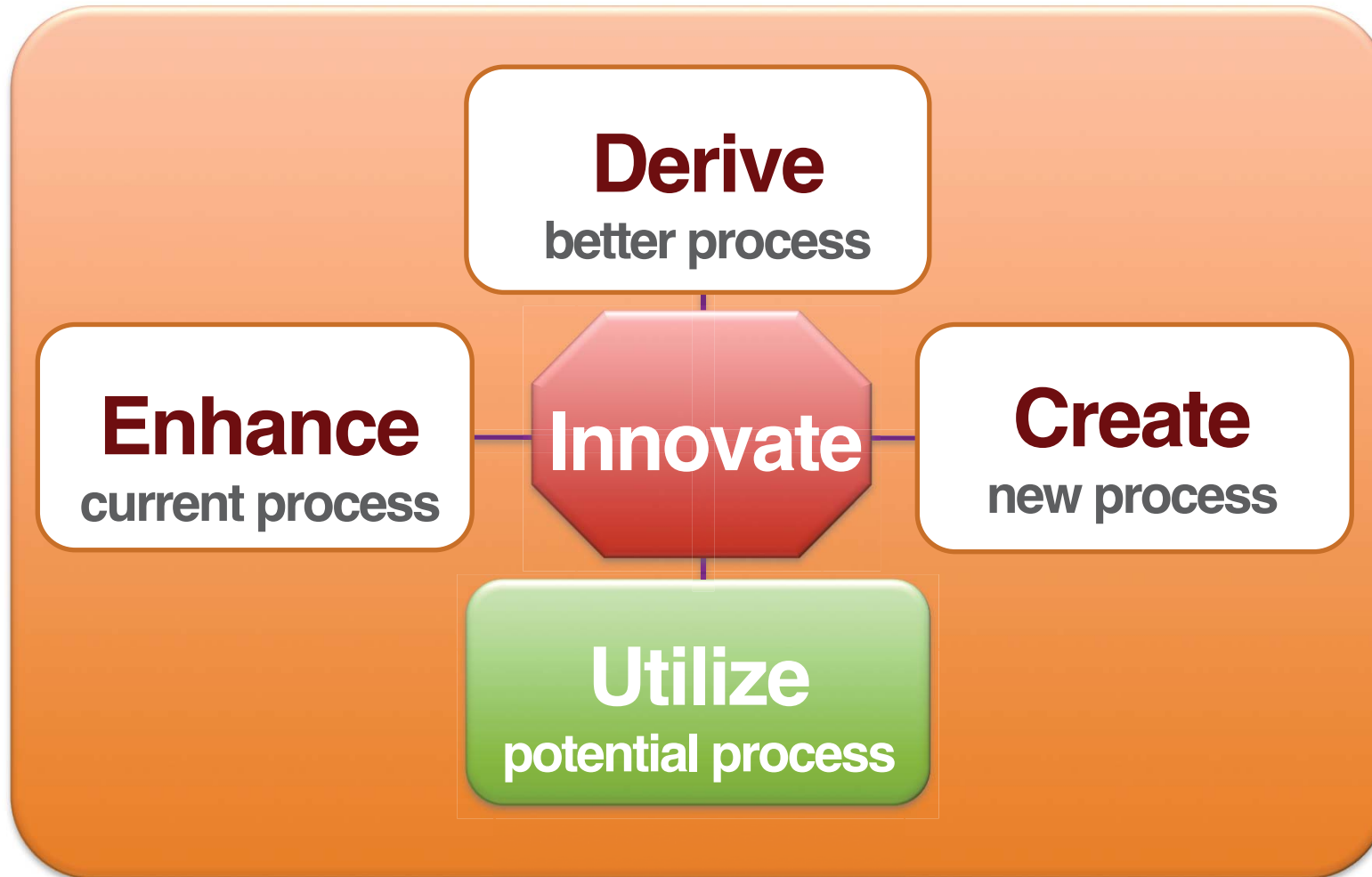
Banks:
Pre-approval

Traffic fines in
Sweden or
Finland

Airline Frequent
Flyer Programs

BMW
DriveNow

Four Ways to Process Innovation

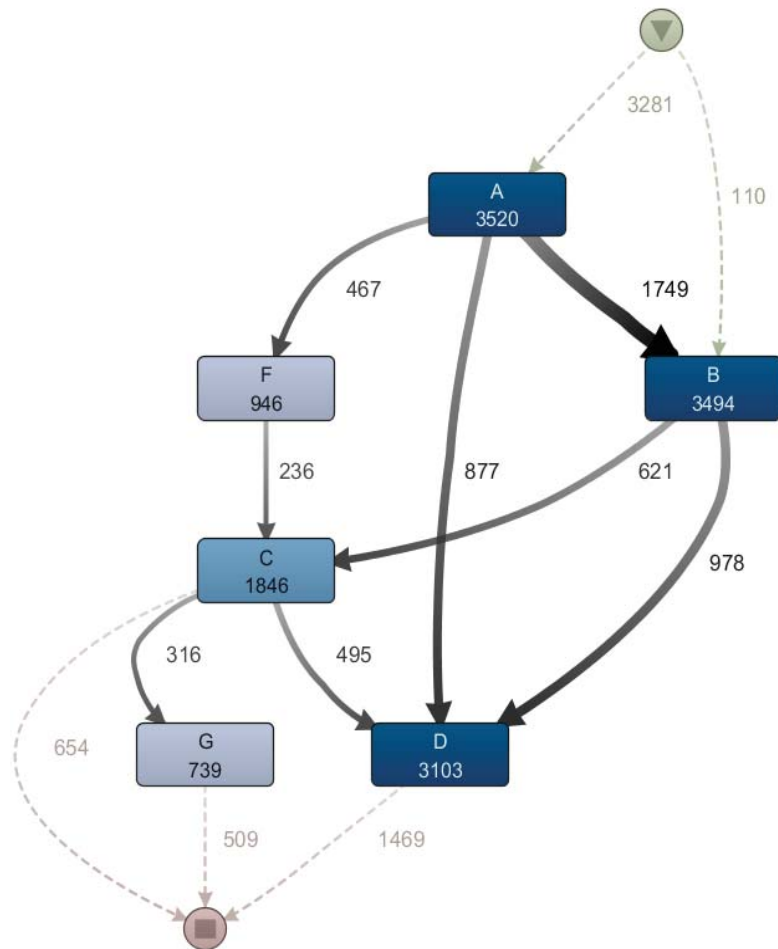


Utilisation of Data

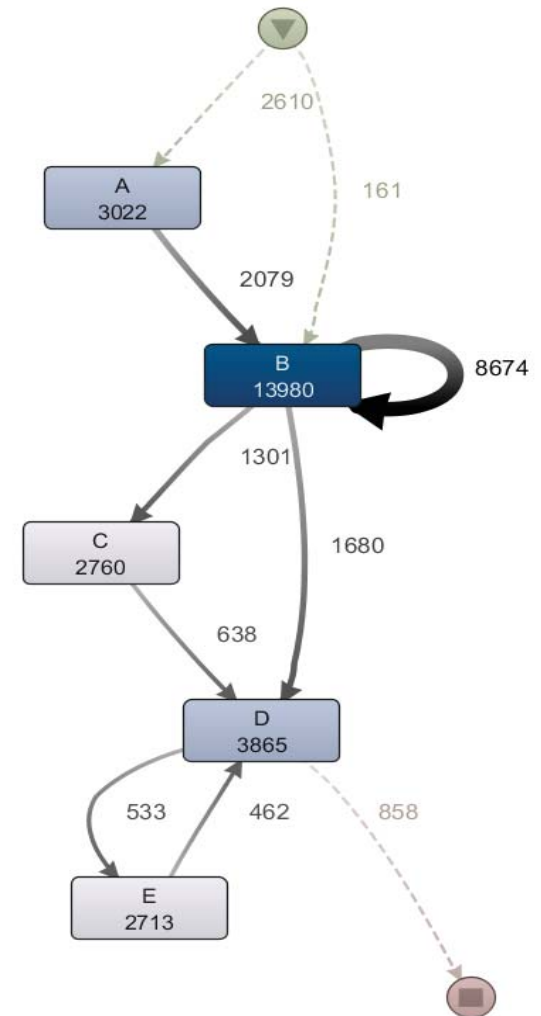
- Example: Process Mining

Claim ID	Start Timestamp	End Timestmap	Claim Decision	Policy Type	Brand	State	Loss Cause	Excess
H001342032	2011-07-06 12:59:00	2012-03-22 17:14:56	partialreject			3040	waterdamage	150
H001686269	2009-04-28 09:16:24	2009-07-13 15:24:55	accept			4503	fire	0
H001850866	2011-10-26 13:15:01	2012-01-19 13:09:37	accept			4035	storm	100
H001963423	2008-11-25 16:36:15	2012-03-12 11:43:07	partialreject			6060	storm	100
H001997101	2010-03-22 16:27:00	2012-04-17 09:34:19	accept			4061	stormflood	100
H002054500	2008-12-09 16:28:17	2012-03-02 16:02:45	accept			4179	waterdamage	100
H002222213	2009-01-21 10:29:06	2009-04-04 09:30:36	accept			3178	maliciousdmg	100
H002463426	2009-03-02 11:19:45	2012-02-10 12:39:20	partialreject			2158	waterdamage	500
H002611347	2012-02-23 09:58:19	2012-02-27 11:42:35	accept			4216	waterdamage	0
H002654862	2009-04-14 09:48:07	2012-04-10 08:55:23	accept			4178	impact	500
H002748450	2009-05-05 10:46:59	2012-01-11 12:13:51	accept			4073	glass	100
H002985988	2009-06-22 16:17:32	2009-09-08 12:23:23	accept			4125	rentloss	200
H003111545	2009-07-22 13:51:46	2012-01-05 14:42:26	accept			4343	maldmgtenants	600
H003119271	2009-07-24 10:53:45	2009-11-24 12:51:02	accept			4701	impact	300
H003200360	2009-08-17 10:42:21	2012-03-14 11:20:43	accept			3032	stormflood	100
H003292234	2009-09-08 11:24:04	2011-08-29 11:26:27	accept			3939	maliciousdmg	100
H003339685	2009-09-21 11:21:19	2009-10-26 08:57:51	accept			5034	impact	100
H003359252	2009-09-25 10:21:45	2010-08-08 21:45:14	accept			4350	waterdamage	300
H003578480	2009-11-16 15:29:42	2012-02-07 10:52:20	accept			7000	storm	100
H003616867	2009-11-23 16:51:18	2010-05-13 14:41:00	accept			6076	fire	100
H003636248	2009-11-27 08:36:40	2012-04-13 15:12:56	accept			3806	stormflood	500

Utilizing Positive and Negative Outliers



Discovered
High-level
Process
Model



 Simple and Quick

Simple and Slow

Four Ways to Process Innovation





**DESIGN
LED
INNOVATION**



COURTESY: UMPQUA BANK

Research Opportunities

- ▶ How can the latency of opportunity-driven innovation be reduced?
- ▶ How can innovation patterns be identified, consolidated and offered as a service?
- ▶ What are successful university-industry engagement models for evidence-based co-innovation?





Michael Rosemann

Information Systems School
Science and Engineering Faculty
Queensland University of Technology

e m.rosemann@qut.edu.au

w www.michaelrosemann.com

t ismiro