

Class Notes: Teaching the Five-Diamond Method for Explorative BPM

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Introduction

BPM has developed strong capabilities to support the management and improvement of business processes. For example, the BPM Cases book (vom Brocke & Mendling, 2018) provides practical evidence across organizations and industries. It has also been stated that BPM has a strong potential to support the innovation of processes (vom Brocke & Schmiedel, 2015), but only a few methods and cases are actually available to support the exploration of new innovation opportunities. The term *ambidextrous BPM* has been coined (Rosemann, 2014), specifically accounting for the need to extend exploitative approaches of BPM by explorative ones (Badakhshan, Conboy, Grisold, & vom Brocke, 2019; Groß et al., in press).

The central question in *explorative BPM* is how BPM can support the exploration of innovation opportunities in order to create new value propositions for organizations (Grisold, Gross, Röglinger, Stelzl, & vom Brocke, 2019). This ambition sets explorative BPM apart from the majority of methods, techniques and tools that are developed in the field. Following recent reviews, most of the existing BPM research gravitates towards *exploitative BPM* – activities aiming to increase operational efficiency by finding improvement opportunities in existing

processes (Groß, Malinova, & Mendling, 2019; vom Brocke et al., in press).

How can we enable explorative BPM in organizations? This is an important, yet complex question. Within our EU-funded Erasmus+ project on explorative BPM, we have formed a consortium between the *University of Liechtenstein*, the *Vienna University of Economics and Business* and the *University of Bayreuth* to jointly investigate this question. We have developed a method to enable explorative BPM in practice as well as a curriculum to teach the foundations of explorative BPM in universities. The curriculum will be freely available soon. In this class note, we provide a brief overview of what we have found.

Teaching BPM

Education ensure that we develop the future experts in BPM. University education is the mean vehicle to convey state-of-the-art research to students who will eventually draw on these insights in their jobs.

Over the past years, BPTrends has continuously monitored the field of BPM education (Recker, 2012; vom Brocke, 2017) and we see that BPM education is spreading across the globe. Regarding the content, it has been found that “most of the contributions are still predominantly focused on exploitative BPM, which should not be surprising since few extant methods and tools support explorative BPM.” (vom Brocke & Badakhshan, 2018).

In this Column, we present a method to realize explorative BPM in organizations. Also, considering the importance of education in BPM, we present a curriculum to teach explorative BPM both in consecutive and executive education.

Enabling Explorative BPM through the Five-Diamond-Method

Explorative BPM challenges challenges two taken-for-granted assumptions in the BPM discourse. First, Rosemann (2014) suggests that traditional BPM methods follow an inside-out-logic. This logic is directed towards improvement opportunities within the process, aiming to make it more efficient and effective. Explorative BPM, in contrast, requires an outside-in-logic. The idea is that innovation

opportunities in the external environment can inform the design of new business processes (Kohlborn, Mueller, Poeppelbuss, & Roeglinger, 2014).

Second, explorative BPM targets at the realization of new value propositions. The goal is that organizations translate innovation opportunities into new business processes. This is a crucial difference to most of the existing BPM methods which are concerned with increasing the performance of existing processes (Groß et al., 2019).

Within our project, we have developed the Five-Diamond-Method. This method connects the hitherto separated disciplines of Innovation Management and BPM. It considers four key aspects (i.e. diamonds) to realize explorative BPM. These diamonds facilitate the identification of business and technology trends and opportunities, which are relevant for the respective organization. The diamond-like shape reflects two types of thinking. Divergent thinking expands the space of opportunities while convergent thinking refers to the evaluation and selection of findings that may be useful for the organization.

- ➔ The *purpose diamond* concerns the underlying purpose of the organization as well as its strategic context. Guiding questions are: *What does the organization want to achieve? What are short-term and long-term goals?*
- ➔ The *business diamond* refers to new business opportunities. Those can result, for example, from platform ecosystems or subscription-based revenue models. Guiding questions are: *What may expect customers from the company in terms of new products and services? How can a company generate new forms of revenue?*
- ➔ The *technology diamond* address technological trends. We focus on digital technologies as they are today's key drivers for innovation. Guiding questions are: *Which digital technologies are used by customers? How can an organization introduce new digital technologies to deliver services and products in new ways?*
- ➔ The *integration diamond* serves to integrate these findings. This step capitalizes on the key strength of BPM. The goal here is to design new processes in order to operationalize the newly found innovation opportunities. Guiding questions are: *How should a process look like to deliver the new value?*

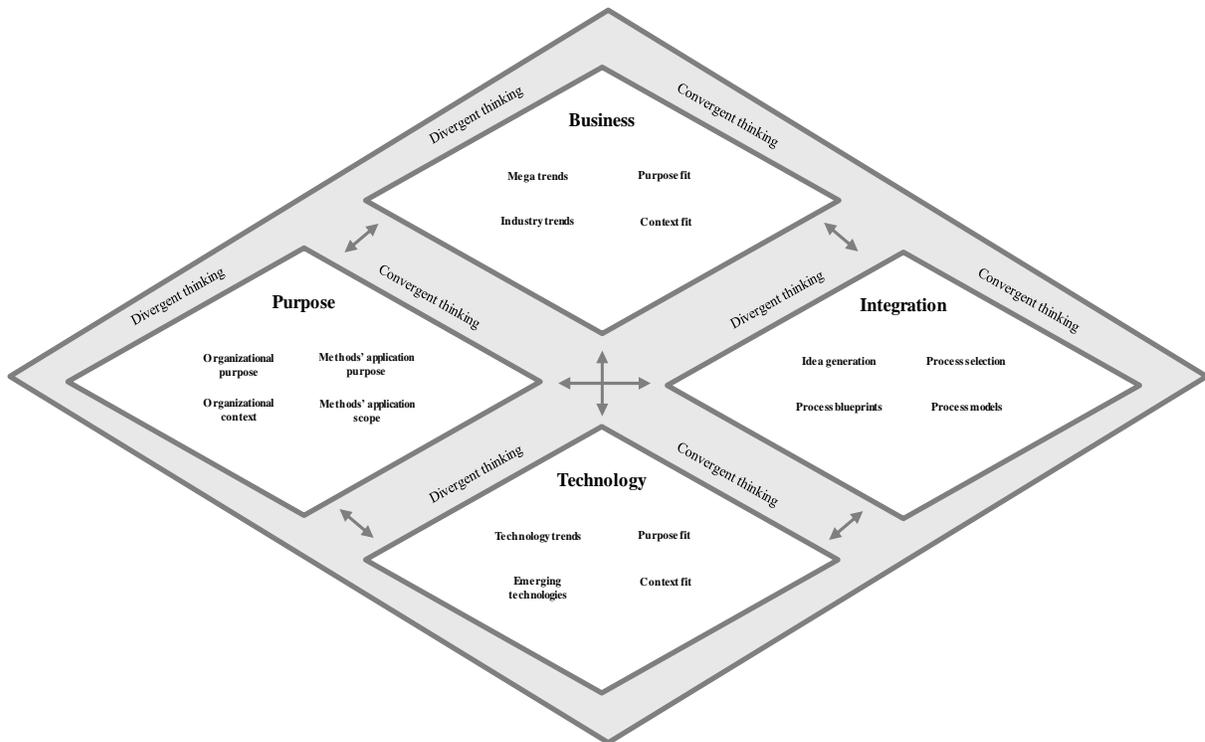


Figure 1: Five Diamond Method

The Five-Diamond-Method serves as a template for a course that can be taught in higher education.

Teaching Explorative BPM

The design of our university course is oriented towards the Five-Diamond-Method. It consists of four modules. Each module consists of two parts: the "lecture"-part (theory) and the "hands-on"-part (practice). Figure 2 provides an overview

Module 1: Introduction to (explorative) BPM and innovation management

Module 1 conveys relevant background knowledge. First, we make students familiar with the basic principles of BPM. Second, we discuss the idea behind explorative BPM. Finally, we present the Five-Diamond-Method which serves as the scaffold for explorative BPM.

Module 2: Purpose & Business

Module 2 covers the purpose and business diamonds of the Five-Diamond-Method. First, the focus is on vision and strategic concepts

for an organization as a basis for understanding the relevance of explorative BPM. Second, we examine megatrends and industry trends more closely. Knowing about emerging trends is important since innovation in one domain is often tied to trends and innovations in other fields.

Module 3: Technology

Module 3 introduces the technology diamond of the Five-Diamond-Method. It discusses digitalization as a global trend that affects businesses on various levels. Digitalization is also approached from a theoretical perspective. Subsequently, we relate digital technologies to organizational practice. We take a closer look on how digital technologies can amplify, constraint or even afford new business processes.

Module 4: Integration

Module 4 focuses on the integration diamond of the Five-Diamond-Method. It offers guidance to integrate opportunities from digital technologies and new business models into business processes. This module introduces the “Business Process Design Space” (Groß et al., in press) that facilitates the systematic exploration of design alternatives along different dimensions. Finally, the proposed modules are summarized and one real-world application of the Five-Diamond-Method is presented.

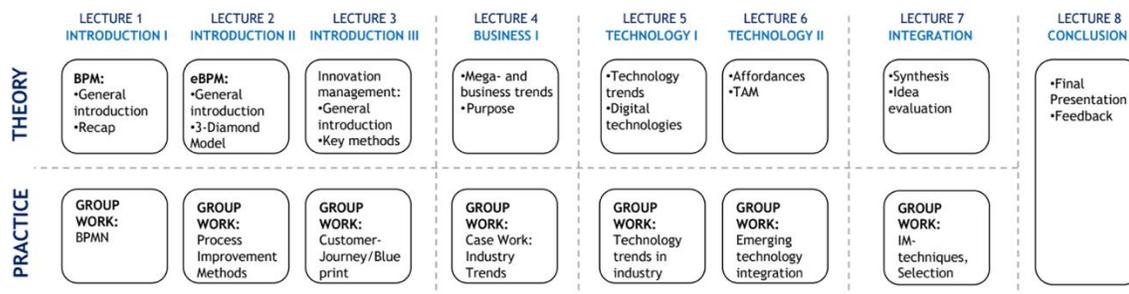


Figure 2: Overview of the explorative BPM-curriculum

We have evaluated our approach in several respects. First, we taught our curriculum in three European universities at the Bachelor’s as well as on the Master’s level (University of Liechtenstein, Vienna University of Economics and Business, University of Bayreuth). Second, we have

applied the Five-Diamond-Method within workshop settings in companies across different industries.

You will be able to download the curriculum for free soon on our website: www.explorative-bpm.com

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