

# Adaptation of Business Process Management to Requirements of Small and Medium-Sized Enterprises in the context of Strategic Flexibility

# BPM 2014 Doctoral Consortium

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PhD Student

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## Vita

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### Education

- B.Sc. Business Information Systems
- M.Sc. Practical Computer Science
- MBA Business Administration
- M.Sc. Business Informatics (expected 2015)

### Profession

- Entrepreneur
- Consultant
- Software-Developer
- Lecturer (Business Informatics and IT-Management)

# Outline

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- **Introduction**
- **Problem Definition**
- **Research Questions**
- **Research Design**
- **Current Status**
- **Feedback and Questions**

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## **Introduction**

## **Introduction**

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**BPM is a necessity for companies in a highly competitive business environment as it is a powerful tool for improving an organization's existing business processes by “capturing, designing, executing, documenting, measuring, monitoring, and controlling both automated and non-automated processes” for delivering value-added products or services to “meet the objectives and business strategies of a company”.**

## **Introduction**

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**The research project examines the possibilities and limits of application of existing models and theories for Business Process Management (BPM) to conditions in Small and Medium-Sized Enterprises (SME).**

**Desired result of this research is the elaboration of an applicable framework for adaptation of BPM within a defined cluster of SMEs.**

## **Introduction**

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**Reason for a submission at the Doctoral Consortium @  
BPM 2014 is to**

- **Discuss aspects of adoption of BPM, especially in SMEs**
- **Get some suggestions for future work (from a different perspective, but same research domain)**
- **Get in touch with other researchers, teams or professionals**



## Problem Definition

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**Problem Definition**

**SME**



**BPM**

## **Problem Definition**

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**Armistead et al. teach us, that “the story of the practical use of business process management in different organizations is one of diversity and of effective outcomes” (Armistead et al. 1999, p. 105)**

## **Problem Definition**

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**Unfortunately, BPM is primary linked to parameters in larger enterprises**

- **Today, no flexible and effective method for a practical application is available (especially not for SMEs)**
- **Experience show a large number of failed or unsuccessful BPM initiatives**

## **Problem Definition**

**The topic of “CSF for BPM” still remains largely atheoretical**

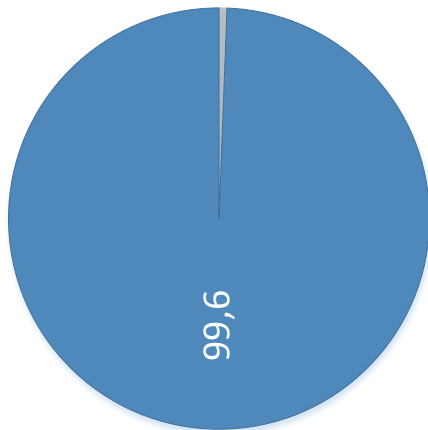
- **Researcher try to identify Critical Success Factors (CSF) of BPM, but**
  - **CSFs are often case-specific, or**
  - **CSFs are of a generic kind**
- **CSFs are often not linked and their interconnection is not clear**
- **Many papers fail to put their research within a theoretical grounded framework**

# Problem Definition

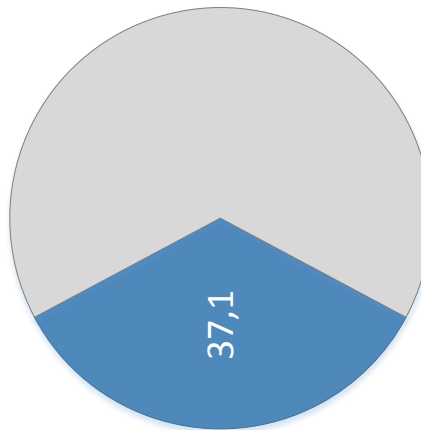
## Why SMEs?

Key figures for SMEs, according to IfM-Bonn SME-Definition

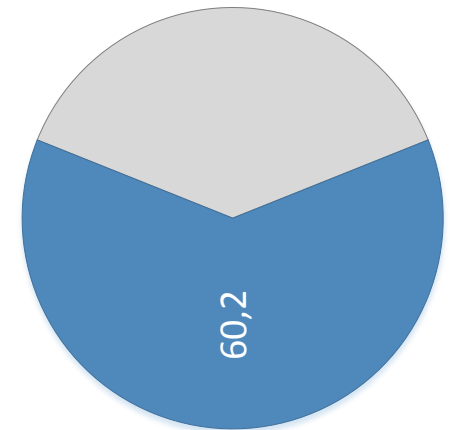
% of Registered Companies



% of total Turnover



% of total Employees



## **Problem Definition**

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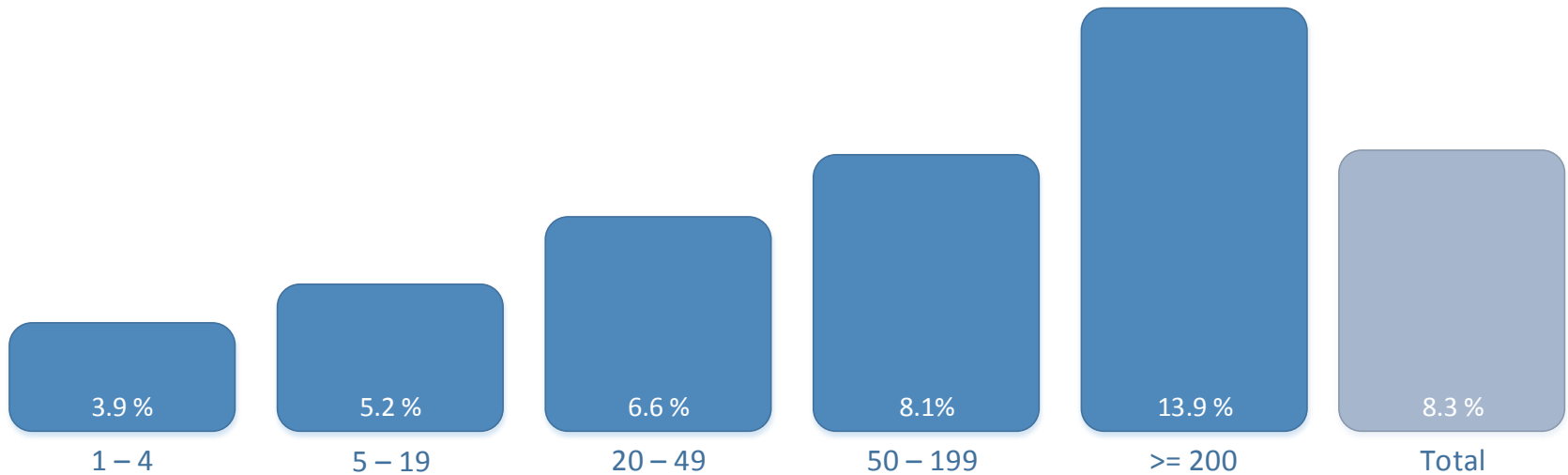
**SMEs have some idiosyncrasies (Rudolph, 2009:64)**

- **Organizational and structural heterogeneity**
- **Dynamism**
- **Complexity of characteristics**

# Problem Definition

## High skilled employees in SMEs (BA 2001)

Percentage of Graduates in SMEs (2001)





## **Problem Definition**

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**It can be stated that the success of a realization and an implementation of changes depends on**

- **Organizational behaviour**
- **Given structures**

## **Problem Definition**

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**A complete and generic methodology for adoption of BPM in SMEs is needed**

**Especially for SMEs, an adoption must**

- **preserve the entrepreneurial flexibility**
- **prevent high risks of a design failure**
- **take care of the organizational culture**
- **be simple but smart**

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## **Research Questions**

## **Research Questions**

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**The research project concerns with a set of Research Questions, linked to SMEs**

- **What are specific requirements for SMEs**
- **What aspects of BPM cause difficulties in SMEs**
- **How can a successful implementation of BPM in SMEs be ensured?**

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## **Research Design**

# **Research Design**

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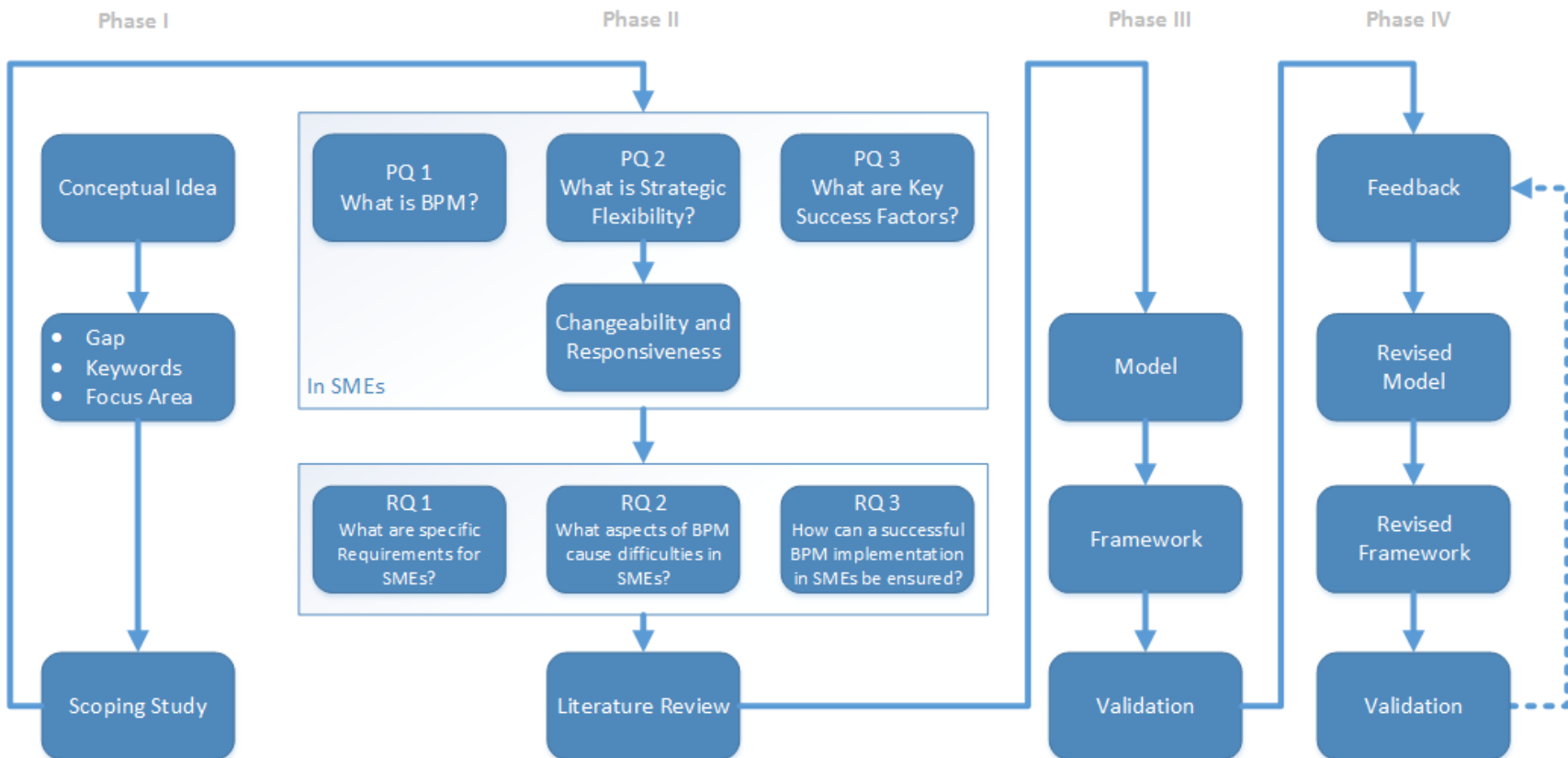
**Work is divided in three primary activities**

- **Concept and Scoping Study**
- **Literature Review**
  - **Analysis of Papers, Case-/Multicase-Studies**
- **Development and Validation of Model and Framework**
  - **Delphi Study (Combination of Practitioners and Researchers)**
  - **Individual Interviews or Focus Groups (Practitioners)**

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## Research Design

### Research Design and Concept



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## **Current Status**



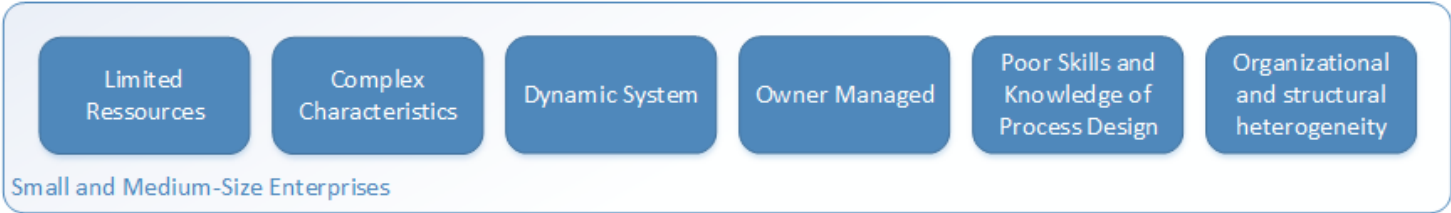
## **Current Status**

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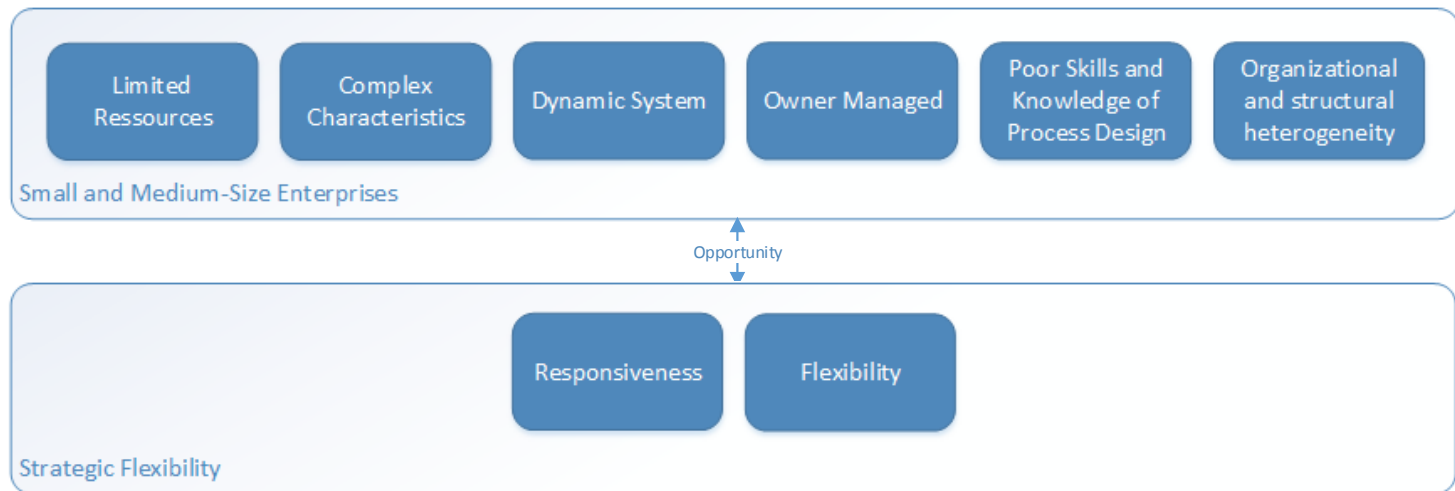
**Almost finished literature review and currently working a first model**

- **Not completed, not addressing all perspectives**
- **Research slightly moving into the direction of Requirement Engineering (RE)**

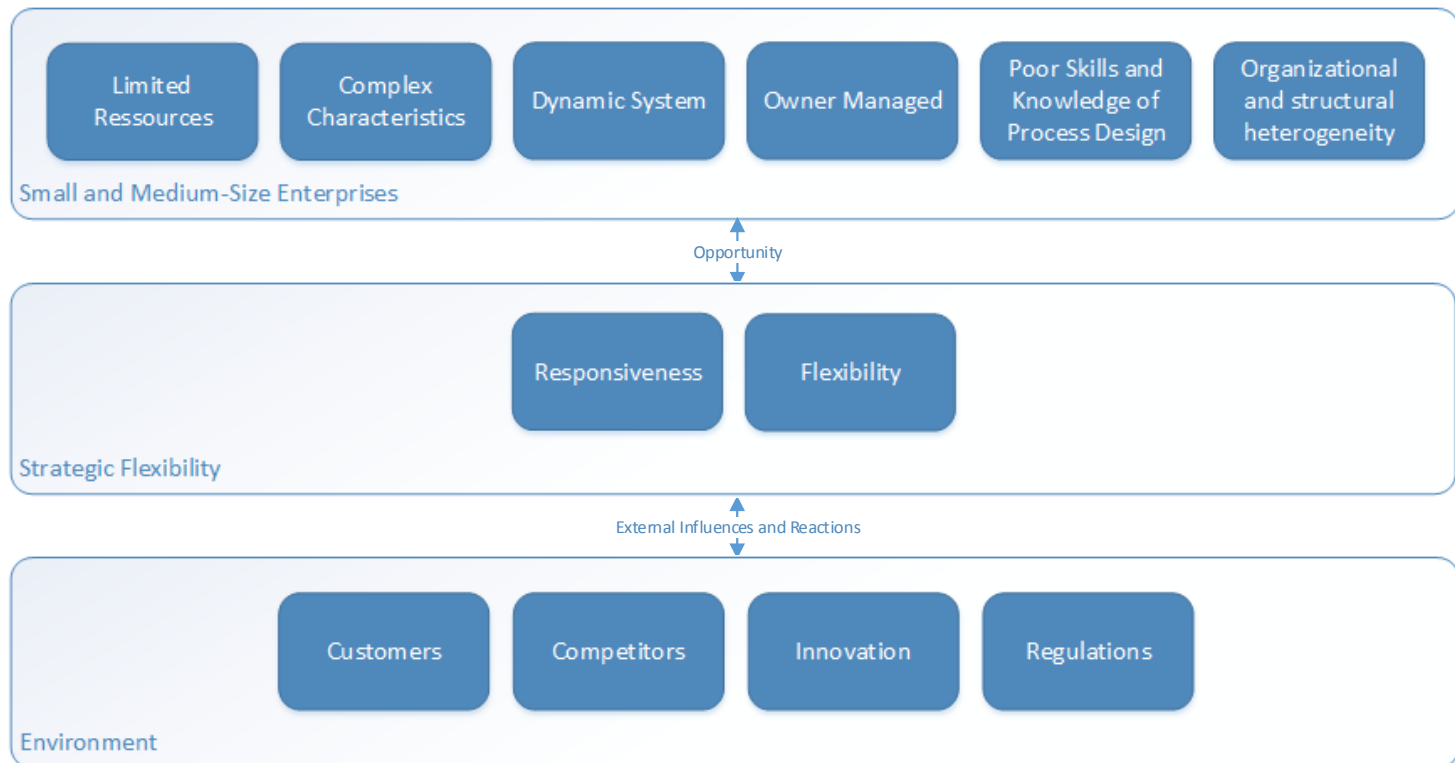
# Current Status



## Current Status



## Current Status



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## BPM Core Elements

IT

Methods

Strategic  
Alignment

Governance

People

Culture

Limited  
Resources

Complex  
Characteristics

Dynamic System

Owner Managed

Poor Skills and  
Knowledge of  
Process Design

Organizational  
and structural  
heterogeneity

## Small and Medium-Size Enterprises

Opportunity

Responsiveness

Flexibility

## Strategic Flexibility

External Influences and Reactions

Customers

Competitors

Innovation

Regulations

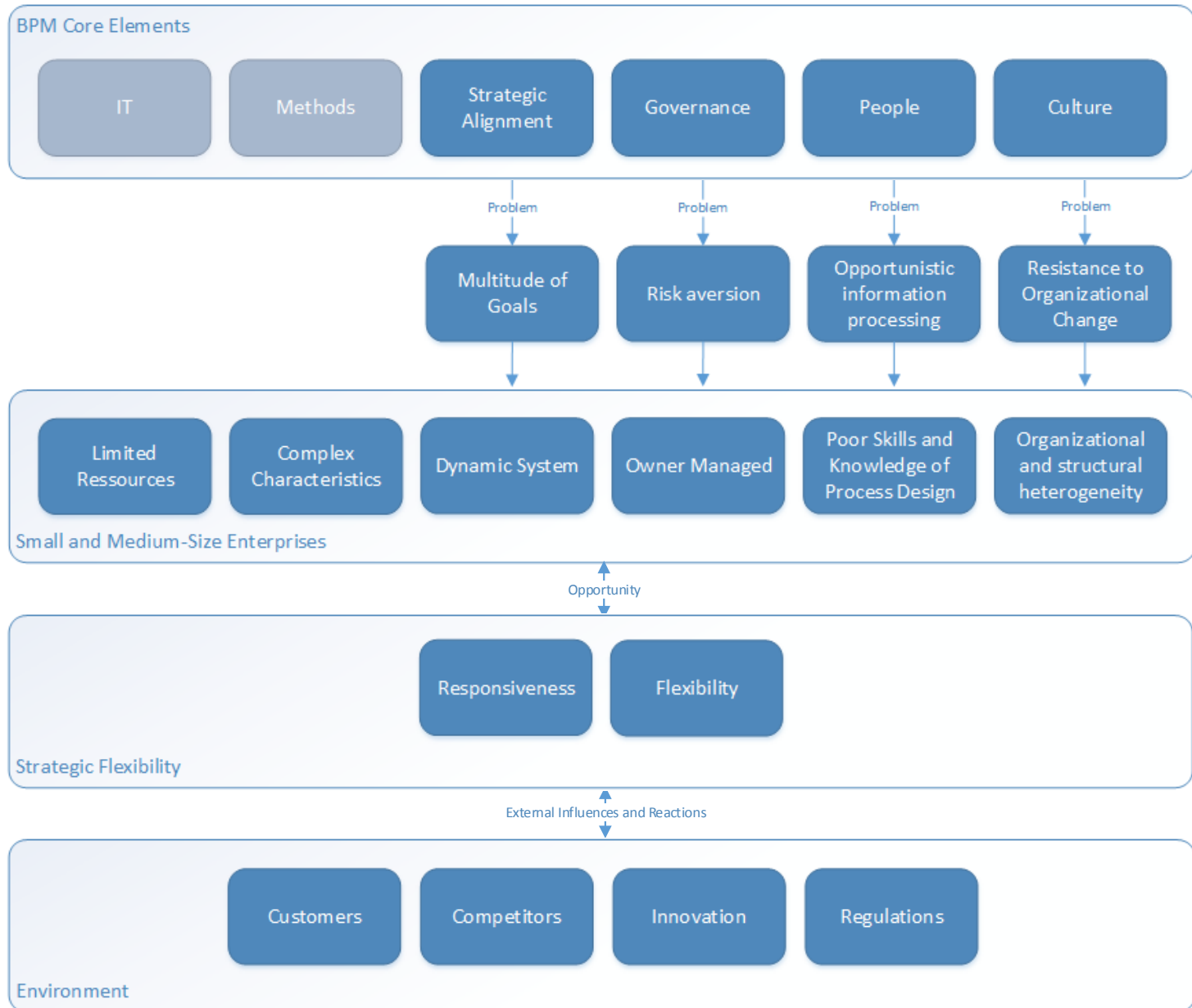
## Environment

## **Current Status**

**Why is it so difficult to adopt BPM to smaller or medium-sized companies?**

- **Closely held and owner-managed (Benedzen and Wolfenzon, 1999; Nutek, 2004)**
- **Multitude of goals in such firms (Wiklund, 1998)**
- **Opportunistic information processing in SMEs (Feldman and March, 1981)**
- **Risk aversion and lack of willingness for Organizational Change (George et al., 2005)**
- **Complex systems are limited (Simon, 1976)**
- **Designs and process models are generally incomplete (Hewitt and De Jong, 1984)**

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## **Feedback and Questions**



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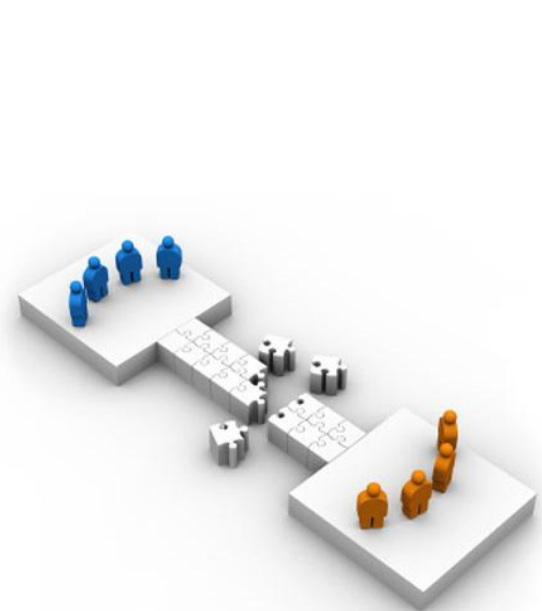
## Feedback and Questions

### Questions

- **General Questions** – whatever you want
- **Specific Questions** – related to the topic

### Feedback

- **Research Topic**
- **Research Design**
- **General Suggestions**



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**Thank you!**