

## Innovation and Business Process Management

### The Fujitsu Innovation Index - 2006

I was fortunate enough to recently have attended a breakfast briefing on the “Fujitsu Innovation Index 2006” and listen to the results of the first ever analysis of innovation in Australasian businesses. Tom Dissing (Principal – Fujitsu Australia) was the project leader and gave succinct and salient insight into how Australian and New Zealand organisations approach innovation as an enabler for business performance.

Rod Vawdrey (CEO of Fujitsu Australia and New Zealand) opened the proceedings which were chaired by Peter Roberts (Managing Editor of BRW magazine). A panel of industry luminaries consisted of Ted Pretty (non executive chairman of Fujitsu), Peter Dalton (CIO of ANZ Bank), and Andrew Leyden (Global Director – Business Processes & IT at Foster’s Group). The breakfast session was well attended by executives from across industry and roles. The panel session generated discussion and questions that reinforced the importance of the work undertaken by Tom and Fujitsu.

In the published report Fujitsu state that “it should help organisations better identify the areas where their organisations should focus if they are to improve the effectiveness of their innovation programs and improve business performance.” The survey covered some 178 companies through telephone interviews with both C-level executives and executives responsible for innovation. Each of those interviewed were asked for their responses to 20 attributes which can be categorised into 3 key areas:

1. **Leadership** – including “... the organisational framework in which innovation can be owned, managed and resourced; ... clear strategy and methodology;...”
2. **Processes** – including “...knowledge management; ... general processes...”
3. **Inputs** – including “environment; ... appropriate IT systems to support innovation...”

While the study showed that effective leadership (48 per cent) has the greatest impact on innovation performance, having the right processes (29 per cent) and adequate inputs (23 per cent) in place to drive innovation is also important.

### Processes enable Business Innovation

The results are clearly presented in a number a graphical charts and distribution curves with succinct interpretations. Of particular interest to “process professionals” is the acknowledgement of processes as being key enablers for business innovation.



In daily business the term “creative process” is often used with little regard to the *apparent* contradiction – after all processes are often (incorrectly) seen as being about standardising things, constraining behaviours, and associated with bureaucracy. The most difficult people to engage in BPM, for example, are often those individuals from the Marketing, Sales, and Research functions in a company. Those who’s actual role it is to be innovative and therefore (it is sometimes implied) do not follow processes – rather are creative by nature.

It was, however, refreshing to see that not only was there representations from these functions in attendance at the inaugural launch of the Fujitsu Innovation Index, but with those with whom I spoke, it was taken as ‘common sense’ that knowing your business processes was a basis from which your business can innovate. This is a significant shift in thinking from where we have been with Quality, TQM, and other process ‘waves’ that have traditionally had difficulty being as relevant for these functions.

## Innovation as a Business Process

The report emphasises the need not only for innovation processes but also for other business processes in general. In describing *the way forward*, the index report refers to processes by stating that “...the most commonly cited factor for successful innovation relates to understanding an organisation’s customer base and its market. Processes that allow organisations to identify market gaps and develop innovative products or services to fill these gaps are extremely important.”

## Discussion with Tom Dissing

In discussion, Tom Dissing (the Fujitsu Principal behind the initiative) explained to me the importance of processes to innovation stating that “Leadership explained the major differentiation between those organisations who were successful innovators to those that were not. Within Leadership, it was found that to have an *innovation framework* (which implies innovation processes) was key to enabling the innovation processes to be leveraged, repeated, and optimised.” Tom went on to say that it was not just *innovation* processes that need to be managed for innovation to be a successful competitive advantage. “You need to understand your own organisations processes – you need to have the most important processes documented. Of these, there is a set of cross-business processes that are the innovation processes.”

The drivers for innovation were found to be based on three business outcomes and *increasing operational efficiency* was number two. “Understanding your business processes will go some way toward providing a basis from which organisations can achieve this.” Tom said.

It will certainly be interesting to see how Australasian organisations respond to the messages of the Index, as it will the Australian Government whose investment in science and innovation is also enjoying some profile currently. So, if as Peter Roberts Managing Editor of Business Review Weekly (BRW) states

that "...innovation is the number 1 issue for all Australasian organisations..." then it must be preceded by the ability of those organisations to have a grasp of their key processes. This surely places Business Process Management centre-stage for any organisation seeking competitive advantage through innovation.

More information on the Innovation Index 2006 can be found at <http://www.fujitsu.com/au/news/pr/archives/2006/20061016-01.html>

### About the Author

Imre Hegedus is an accomplished process and change management executive with 15 years business experience. Imre is passionate about improving business performance. By enabling others to realise their potential through process and quality methods he has developed a reputation for delivering real value through process-based methods, models and designs. Imre offers professional services as a consultant, facilitator, speaker, and coach. Imre is your BPM Professional.

Please visit him at [www.imrehegedus.com](http://www.imrehegedus.com)



This article is a members-only resource available to subscribers of [imrehegedus.com](http://www.imrehegedus.com). If you are not a member and would like access to articles, whitepapers, newsletters and other intellectual property you can subscribe at <http://www.imrehegedus.com/subscribe/index.php>

