

The Third Wave

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In his new book, *Business Process Management: A Rigorous Approach*, Martyn Ould makes an interesting observation, "Do your toes curl when someone uses the phrase 'paradigm shift?' Did they curl just then? Terms like that get debased so quickly, we just as quickly learn to treat them as noise. So, when a real paradigm shift comes along, it needs a lot of volume to say THIS REALLY IS A BIG CHANGE, GUYS."

The BPMS is one such shift. Again, what is a BPMS? The confusion will continue in 2005, much of it generated by the IT industry, which appears to have a unique ability to jump on hot trends. Software vendors co-opt and distort each other's best ideas. Worse, sometimes a real breakthrough happens, as in the case of the BPMS, only to have the breakthrough mollified by veiling something completely different as the breakthrough. In this case, it's the touting of a *BPM server* as a *BPMS*. As we have reported in our books and articles, the BPMS is a breed of its own, centered on managing process as data, using the computer science of mobile processes and the unifying abstract data type, *process*. A BPM server is not a BPMS, full stop, even if the marketing departments of application server vendors have found ways to use the same four letters.

A BPM server federates the preexisting technologies of workflow, EAI and business rules into the existing technology stack. Just as with CAD/CAM systems in manufacturing, the BPMS is both a new stack (a new technology with its own capabilities and characteristics) and orthogonal to the stack—a *user* of the existing IT infrastructure. While a BPM server can be used to *automate* business processes (BPA), the BPMS provides the capability to *manage* business processes (BPM), that is, put them under lifecycle management to drive ongoing improvements. Business tools, such as those for process design and analysis, built on top of the BPMS, provide the ability to create or change business processes without dipping into the technical plumbing for each new or changed business process. This is indeed the breakthrough that can set companies free to execute on ever changing business strategy and innovation.

At the end of 2004 we witnessed the unedifying spectacle of an EAI vendor announcing in white papers and press releases that, "You can't implement BPM with BPM." In another case, a vendor-sponsored IT consultant, writing about the evolution of application servers, asserted that the capabilities of the BPMS are "The Big Lie of BPM." It turned out the consultant had never even seen a BPMS. Of course, the sponsoring vendor of the consultant's work makes a BPM server, ideal for IT developers, not business analysts. In a futile attempt to cast doubt over the ability of a BPMS to pre-integrate existing software applications so that business people don't have to concern themselves with that complication, these, and other marketing tactics will be used to continue to confuse customers of BPM technology in 2005. BPMS vendors must address the confusion head on, lest their proposition be drowned out by the noise incumbent vendors are capable of generating. Google news is now generating ten stories a day on BPM, most of which have nothing to do with the BPMS breakthrough.

Rather than using marketing dollars to communicate the strengths of their own products, IT vendors often resort to pointing out deficiencies in competitive offerings, deficiencies which are, surprise surprise, inherent features of their own



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product. This clever deception achieves two marketing objectives for incumbents. First, it says to potential customers, "What we do is an important part of this new-fangled BPM thing. We are part of this trend." Second, it detracts attention from the fact that what the incumbent actually does do, while valuable, need not be part of BPM or, in some cases, can be implemented in quite a different way using a BPMS.

Take EAI, for example. A function that EAI vendors criticize BPM system vendors for not having is often not needed at all in a BPM project. For example, do customers of Action Technologies concern themselves with EAI? Not if the business knows the value of person-to-person process improvement beyond clerical workflow, something of great value to knowledge workers. Do you suppose customers of Intalio concern themselves with EAI technical approaches? Of course they don't. Its alternative to EAI, *process projection*, offers enhanced views into existing applications, allowing them to be *consolidated*, not only integrated, to create instant new executable processes on demand. Not only is BPM not dependent on EAI in all cases, it's not relevant in many successful BPM case studies.

Does this mean EAI is not needed in the enterprise? Of course not. There is still a considerable market for data integration tools. Even in those firms where EAI has been deployed as a "fix it all" enterprise backbone, analysts report that 50% of day-to-day integration tasks are still performed on a point-to-point basis using ad-hoc development approaches. The market for integration solutions is buoyant, and with customers still not satisfied with existing EAI approaches, innovative new EAI products are still emerging. Take Cast Iron Systems as an example. Aiming at the 50% of day-to-day integration tasks not covered by present-day EAI, Cast Iron offers a hardware device, an Application Router, that does for application integration what network routers did for system connectivity. This one example, and there are many more, proves that integration is still a big market in which EAI vendors can continue to innovate. They have no need to co-opt the BPMS innovation created by others. Yet they still try. Why? What drives incumbent vendors in many categories, not just EAI, to jump into hot areas created by others, and into the BPM arena in particular? What caused the business intelligence (BI) vendors that provide excellent data analysis software to create BPMForum.org and co-opt the acronym BPM redefining it as Business *Performance* Management, two years after BPML.org brought the term BPM and BPMS to prominence? What can we expect in 2005? Is it possible that incumbent vendors have extracted all the marketing value they can from the BPM movement?

As customers learn about the true potential of the BPMS, other vendors may become less keen to co-opt the term. We predict a downturn in use of the term "BPM" by the IT industry. Expect EAI vendors and others to jump somewhere else for monikers as a result. New terms will rise up, with the potential for more confusion. Infrastructure software vendors are already talking about "enterprise service buses" and "service-oriented composite applications." And it looks like the big platform vendors are not yet ready with their BPM technology to embrace the term *BPMS*. So they promote the term, the *BPM server*. These technical terms play to infrastructure vendor's strengths. Where do they come from?



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IT industry analysts pick up on vendors that create new concepts. The analyst then notices a similar idea in another vendor's product. The vendors are using different names for similar ideas. That's just the opportunity the analyst needs to make a connection, coin a term and create a wave. And analysts make sure the terms they coin are different from the way any other analysts are describing the concept. How else would they distinguish themselves from other analyst firms? It's all about being one up on each other, finding the hottest area and associating it with the sexiest term that everyone can relate to, but no one can fully understand.

The vendors watch this dance of the analysts carefully and, when a term achieves critical mass, they readily adopt it, and, in a snap, claim their product meets the majority of the implicit requirements. The new term then becomes the focus of attention in so-called magic quadrants, devices that are very effective at making money for analysts and for those vendors landing in the right quadrants. This is how it works. The analyst collects 20 to 30 vendors that have some connection with the name of the wave they have created, and they sometimes get paid to perform "evaluations." These evaluations are, in reality, paper exercises. Software is rarely, if ever, installed and tested. Practical experience, for example, building complex new processes, is left to the customer's dollar to fund.

Innovative vendors that analysts think highly of are positioned in the "visionary" quadrant. This implies they have some cool features, but may not make for solid investments, as they are not incumbents. Vendors placed in the upper right quadrant, the most desirable position, are proven incumbents with big installed bases, even if the analyst is not impressed with their thought-leadership. Pretty much everyone else is placed in the lower left quadrant and assumed to disappear from the industry in a few months or years, as Oracle's Larry Ellison and other industry captains continue consolidating the IT industry. The quadrants are then published, but with little or no detail explaining why any one vendor ended up in the place it did. So, in the end, all the attention goes to the upper-right quadrant vendors. After all, they must be there for a good reason, right? No one remembers that the quadrant is full of vendors that, once you look under the hoods, have little in common. As Phillip Howard observed about business intelligence (BI) magic quadrants in a recent article in TheRegister¹ "Cognos isn't a BI platform? Actuate isn't? And some of these others are? And how do you justify comparing Applix with SAS? That's nuts. ... The fundamental problem is that it [the magic quadrant] does not compare apples with apples and, worse, it leaves out some of the apples altogether." Similar comments have been observed about so-called "pure play" BPM magic quadrants.

Magic quadrants are the analyst's crude device to define a "convergent market," and everyone sets sail so as to re-define their existing solution as part of that trend. BPM? That's last year's fashion. Quick, the industry needs a new hot term to keep the analysis marketplace bouyant. The analyst says "Service-Oriented Composite Applications" are the thing to be. "I better be that thing, or I'll be left out," says the vendor. The analyst has caught the wave, and now conferences are popping up on the topic, at which, of course, the analyst is invited to sit on an expert panel, sometimes for a fee. Vendors with valuable but non-convergent technologies are usually left out in the cold. Indeed, some analysts



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view their role as defining markets and guiding vendors to customers' dollars, for a fee of course. It's a feverish dance in the IT industry, danced a hundred times across a hundred software sectors. It seems customers are wall flowers, looking for a date with some true substance.

Analysts rarely make outright recommendations. What if they were wrong? Credibility blown. So between the quadrant and the analyst, the customer is left with a feeling of unsatisfied needs. The quadrant is not a practical evaluation, so the customer has to do expensive and time-consuming due diligence across many vendors. Generally they pick a mix of vendors, and conduct a so-called "bake off" from the upper right quadrant. Because the quadrant is not justified with relevant fact-based reasoning, the customer can only use it to shortlist vendors; although, if more information is required, it's available for a fee from the analyst firm—yet another report, yet another set of options to explore. For the analyst, it's a virtuous circle. The analyst will never be responsible for delivering a solution in practice, and so is unaccountable for results. For the vendors, it's a fashion show, modeling wares that are in vogue one month, out of fashion the next. We guess this fashion show gives marketing departments something to do. But as fashions give way to true innovations, the truth always has its day.

Some of you are no doubt thinking "So what! Why do I need a BPMS rather than a BPM server? Why do I even have to think about this? From the marketing literature it looks like BPM servers can do the same as a BPMS in any case." Yet think back to what the BPM-server vendor was calling its same technology base before the BPMS was invented, and before the BPMS terminology came to prominence. Ask yourself "Do I need a J2EE application server? Do I need Enterprise Application Integration (EAI)?" Of course you do, and most likely, you already have them. Have they helped you *manage* your business processes? The combination of IT analysts and the desire of vendors to jump on others' ideas is, in reality, the only thing causing your current confusion about BPMS. Now ask yourself the following question "Do I really know what a BPMS is?" If not, watch for next month's column, or better still, go talk to a BPMS vendor.

¹ "Let's Play The Magic Quadrant Game", www.theregister.co.uk/2004/12/24/magic_quadrant

