

The Future of BPM

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- **A look at BPTrends survey data to help us think about ...**
- The meaning of Business Process Management
- What companies are doing today
- What companies will do in the remainder of 2008



- Survey undertaken first time in February of 2006 (Report issued in June of 2006)
- Survey repeated in November of 2007 (Report issued in Feb of 2008)
- In 2007 we had 274 respondents
- The 2007 Survey was sponsored by



- Survey is available, free, from www.bptrends.com

- Participants from all around the world, but
 - 42% NA and 30% Europe
- From all sized companies, but
 - 46% large and 34% medium sized companies
- From most industries, but
 - 20% Finance/Insurance and 10% Government
- Respondents with a wide variety of job titles, but
 - 55% Business Analyst or Process Practitioner



What's the Difference Between 2006 and 2007

How much would you estimate your organization spent on business process analysis, process management, monitoring, redesign and improvement in 2006? Include BPM management, Lean Six Sigma, process automation and overhead staff. (Exclude outsourcing and ERP implementation costs.)

	2007 Results		2006 Results	
\$0-\$500,000	136	51%	185	57%
\$500,000 to \$999,999	42	16%	50	15%
\$1 million \$5 million	55	21%	63	19%
\$5 million to \$10 million	10	4%	10	3%
Over \$10 million	18	7%	16	5%
Over \$50 million	5	2%		
Total	266	100%	324	99%

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Which of the following best describes your organization's understanding of BPM?
(Choose one)

A top-down methodology designed to organize, manage and measure the organization based on the organization's core processes	110	40%
A systematic approach to analyzing, redesigning, improving and managing a specific process	79	29%
A cost-saving initiative focused on increasing productivity of specific processes	36	13%
A set of new software technologies that make it easier for IT to manage and measure the execution of process workflow and process software applications	26	9%
Other, Please Specify	23	8%
Total	274	100%

How would you characterize your organization's current interest in BPM?
(Choose one)

Major strategic commitment by executive management	70	26%
Significant commitment to multiple high level process projects	64	24%
Initial commitment to limited number of mid or low-level projects	69	25%
Exploring opportunities	63	23%
No interest	6	2%
Total	272	100%



Major Business Drivers

What are the major business drivers causing your organization to focus on business process change? (Choose one or more)

Need to save money by reducing costs and/or improving productivity	152	56%
Need to improve existing products, create new products or enter new lines of business to remain competitive	97	36%
One time event (merger or acquisition)	11	4%
Government or business risk management (Sarbanes-Oxley, ISO 9000)	46	17%
Need to improve customer satisfaction to remain competitive	102	37%
Need to improve management coordination or organizational responsiveness	138	51%
Need to improve management of IT resources (ERP applications)	53	19%
Other, Please Specify	31	11%



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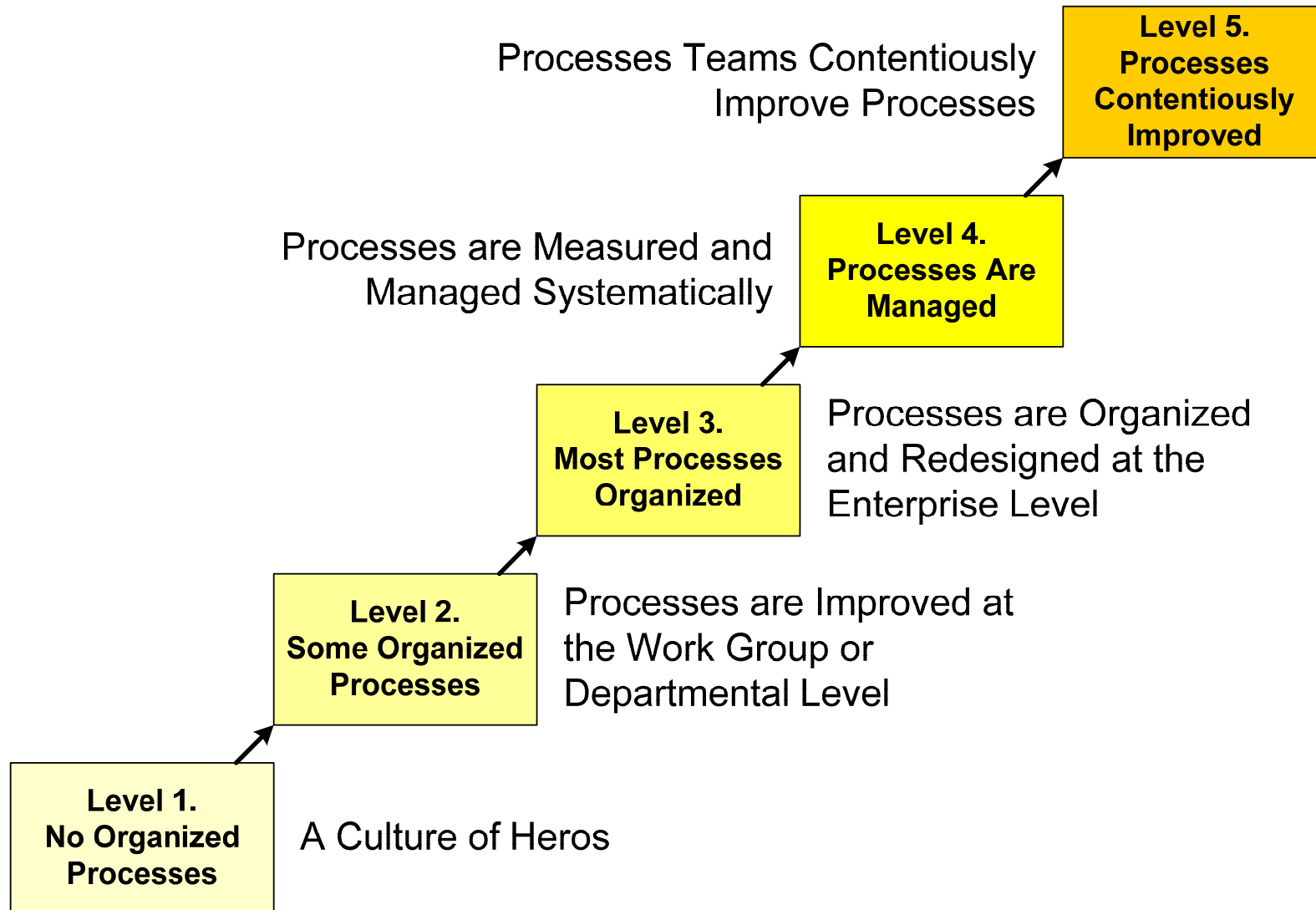


Current BPM activities

What BPM products and services is your organization currently using? (Choose all that apply)

Graphics Modeling tool (Visio, PowerPoint)	199	74%
Repository based Modeling tool (ProVision, MEGA, Casewise)	85	32%
BPM Suite that can manage the runtime execution of a business process	64	24%
Tool for managing a Rule-based process or application	50	19%
Process Monitoring/BI tool that can feed information to an executive dashboard	65	24%
Training in Process Strategy, Architecture or Performance	44	16%
Training in Process Analysis and Design	82	31%
Training in Process Redesign and Improvement methodology	65	24%
Training in BPM Systems	38	14%
Attendance at BPM Conferences	94	35%

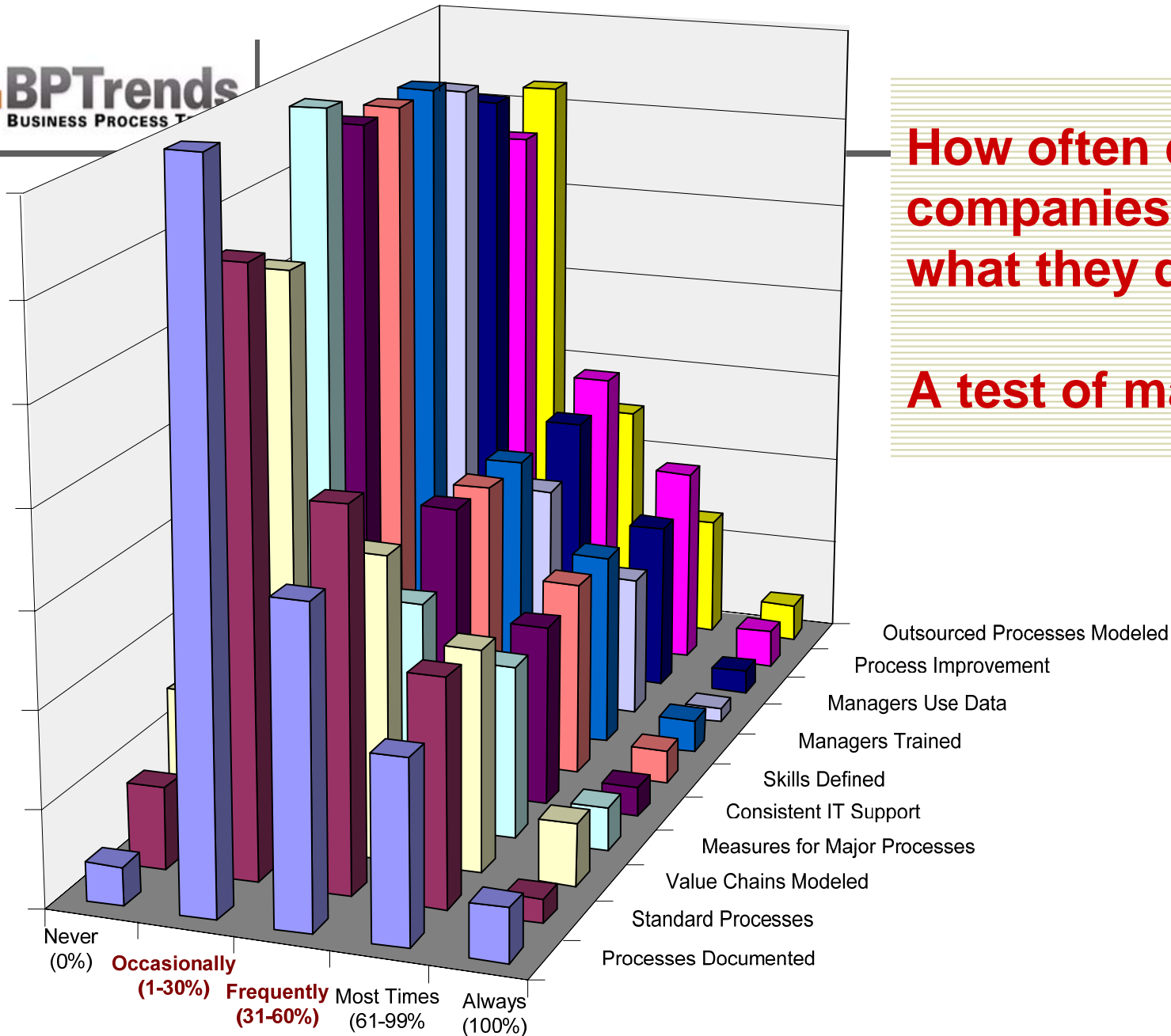
SEI's Capability Maturity Model (CMMI)



**Are business processes documented and kept up to date?
Please indicate your organization's overall level of performance.
(Choose one)**

Never (0%)	8	3%
Occasionally (1-30%)	149	55%
Frequently (31-60%)	66	24%
Most Times (61-99%)	38	14%
Always (100%)	11	4%
Total	272	100%

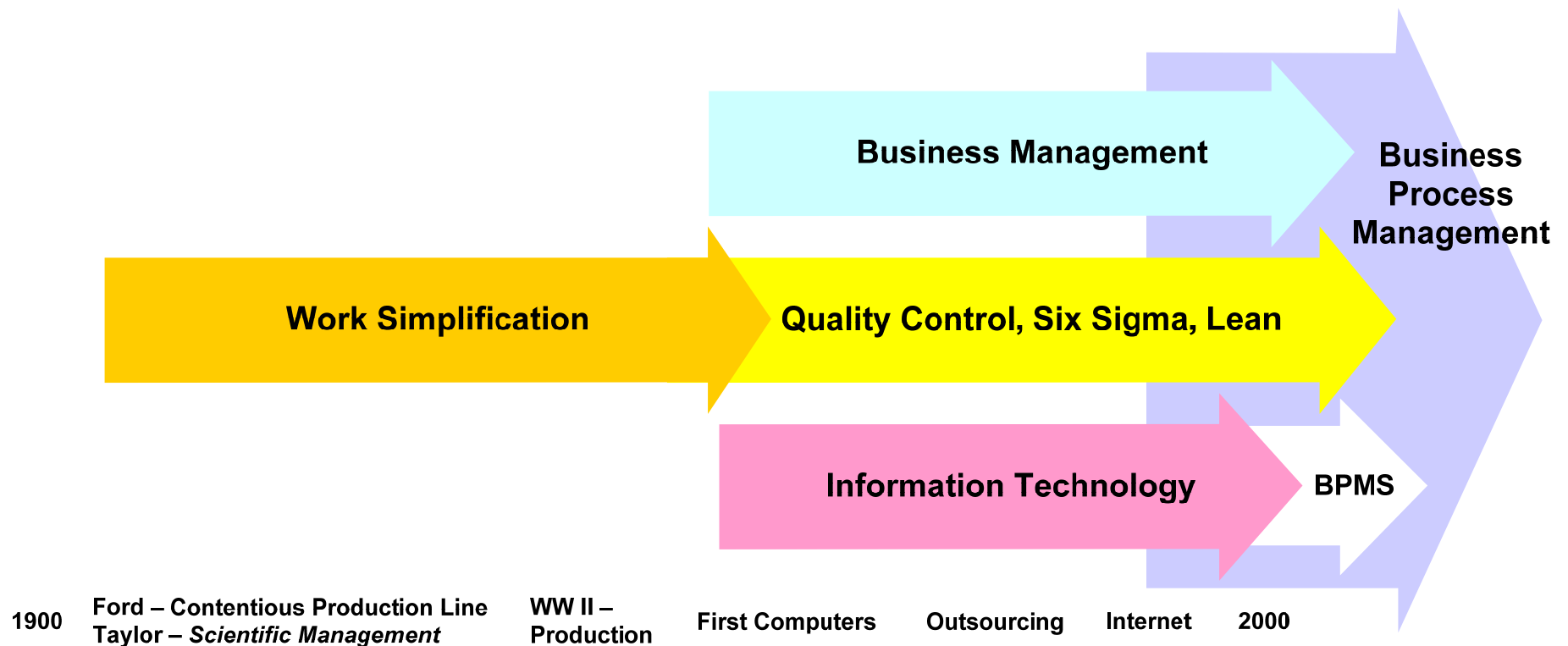


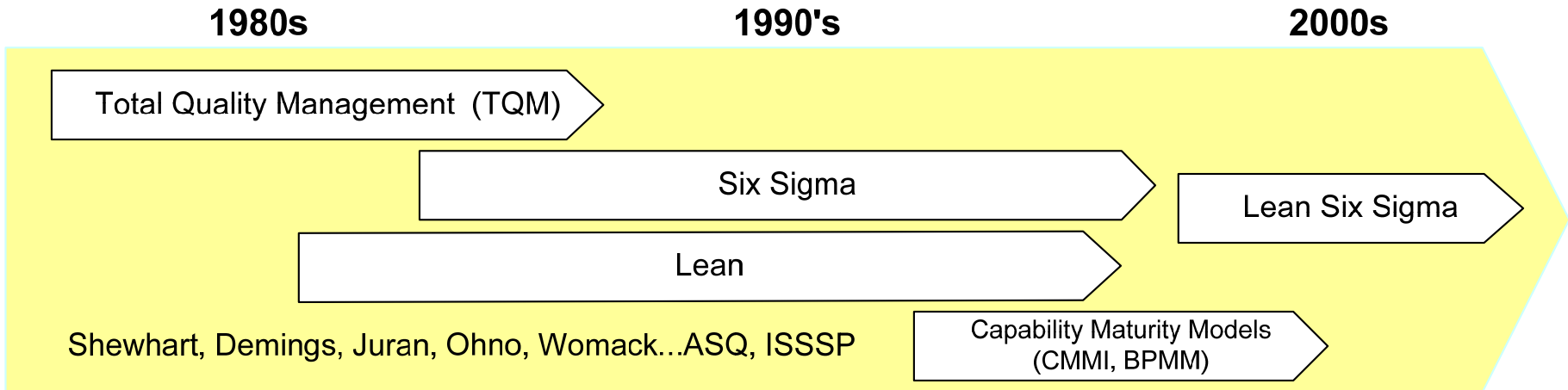


How often do companies do what they do?

A test of maturity?



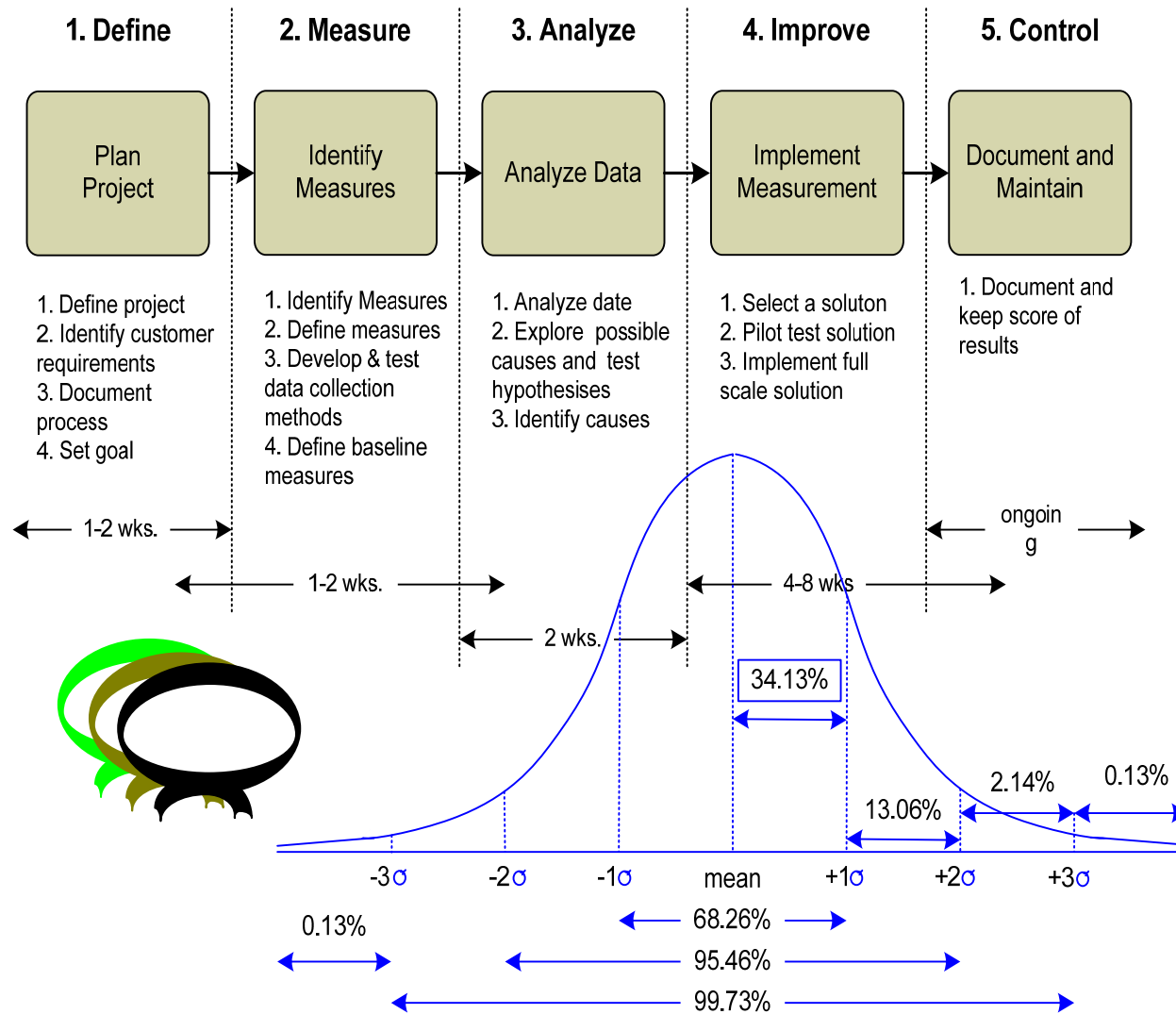


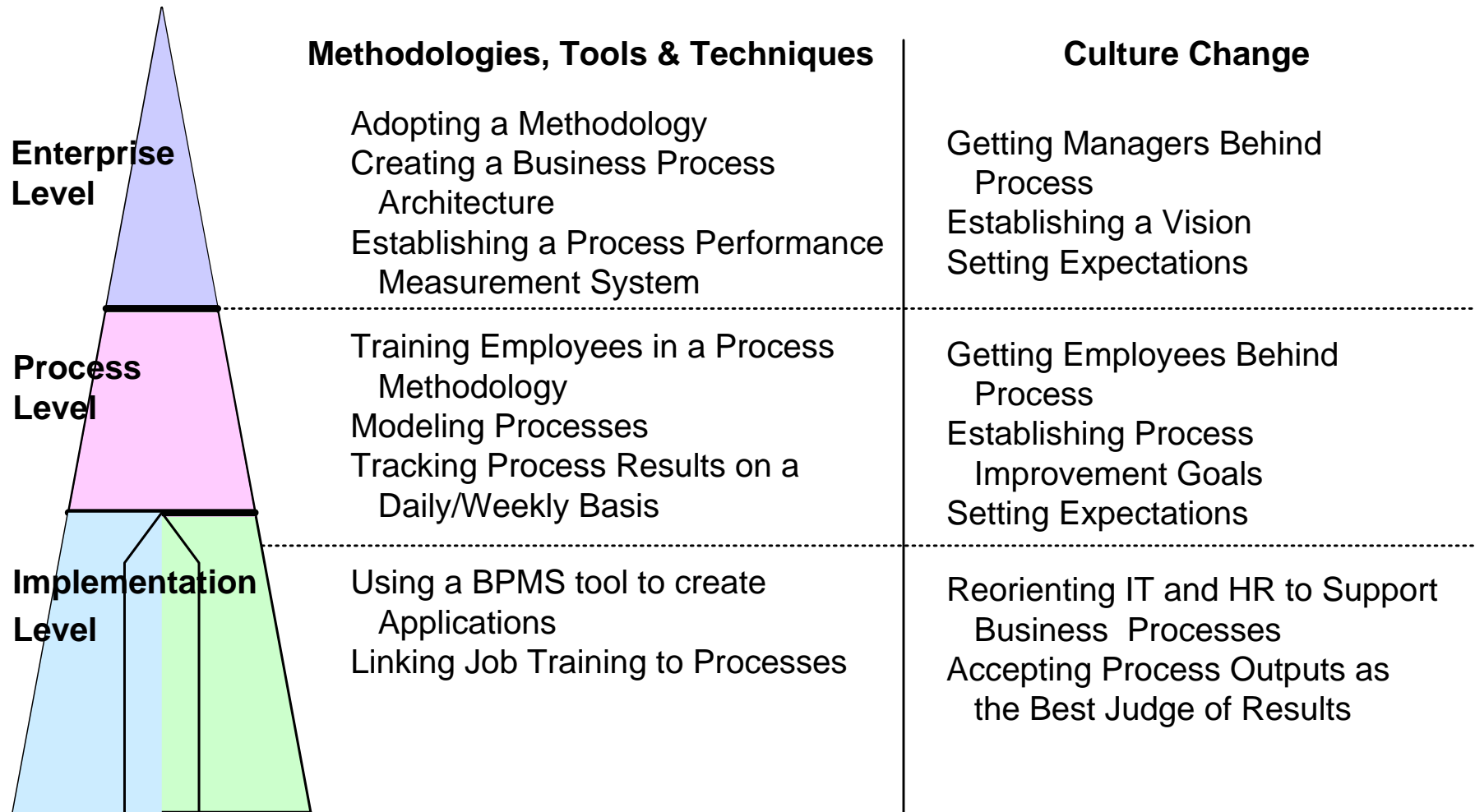


Main Focus: Continuous Process Improvement

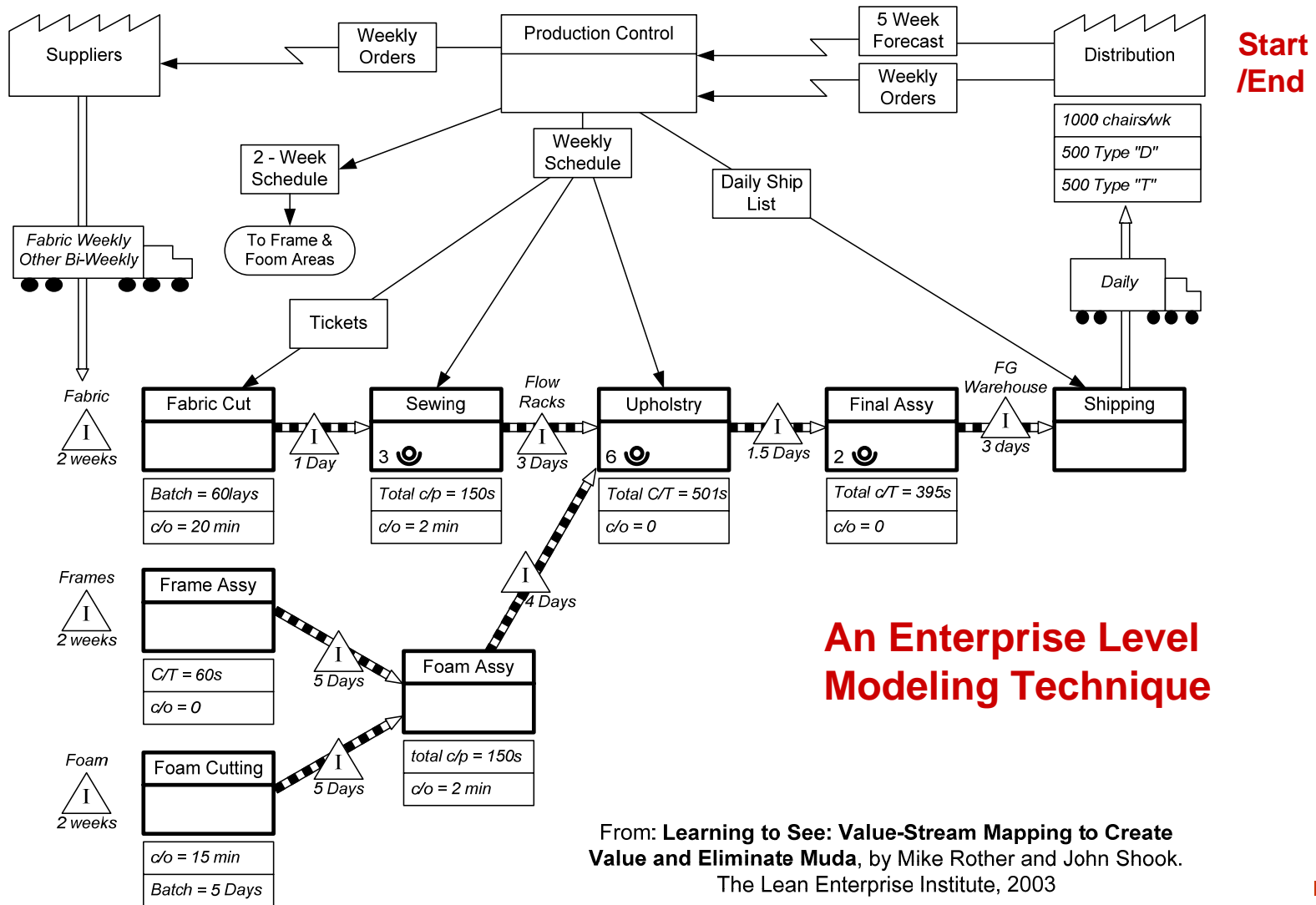


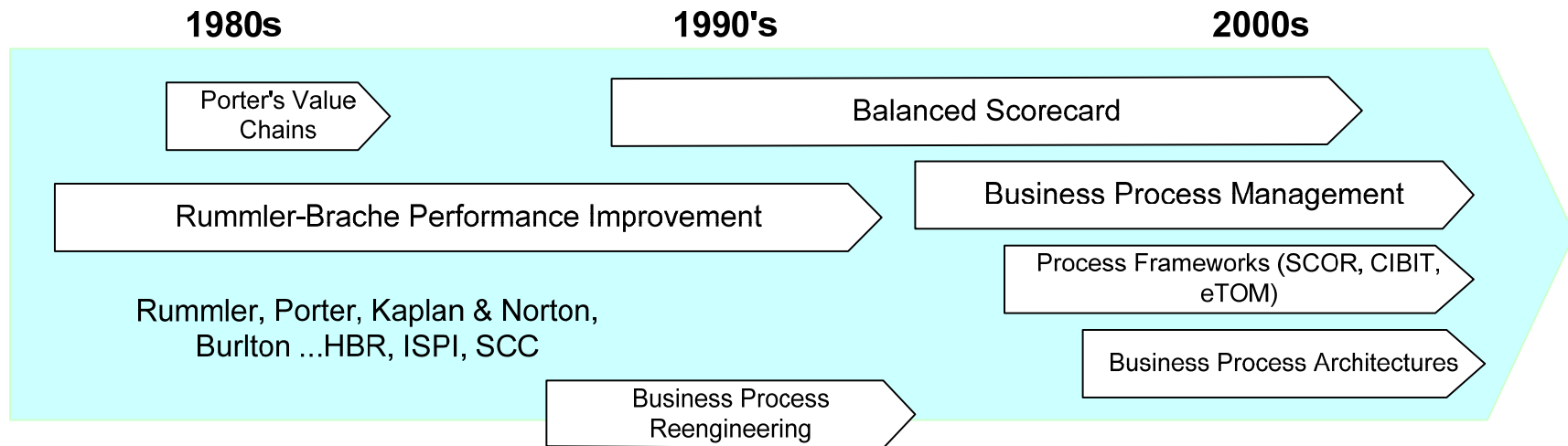
Six Sigma at the Process Level: DMAIC





LEAN Flow Kaizen: Value-Stream Mapping



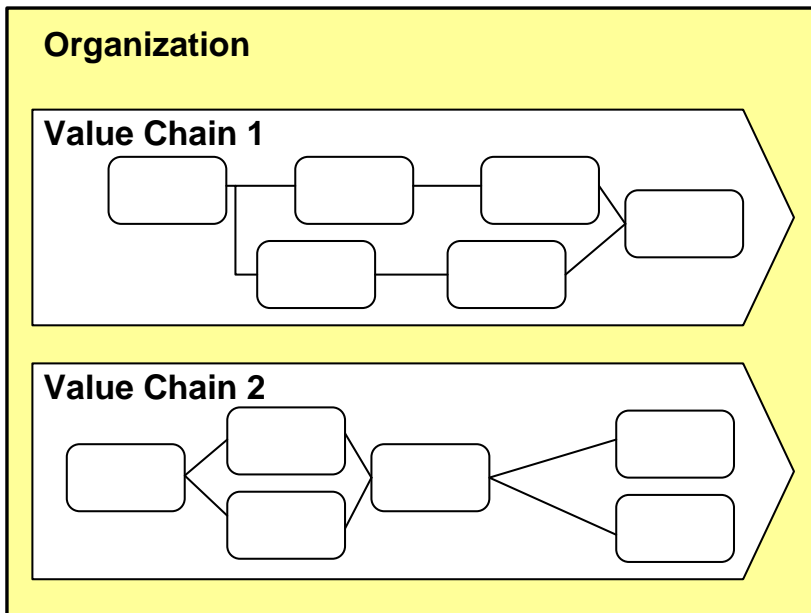


Main Focus: Improvement of Organization Performance

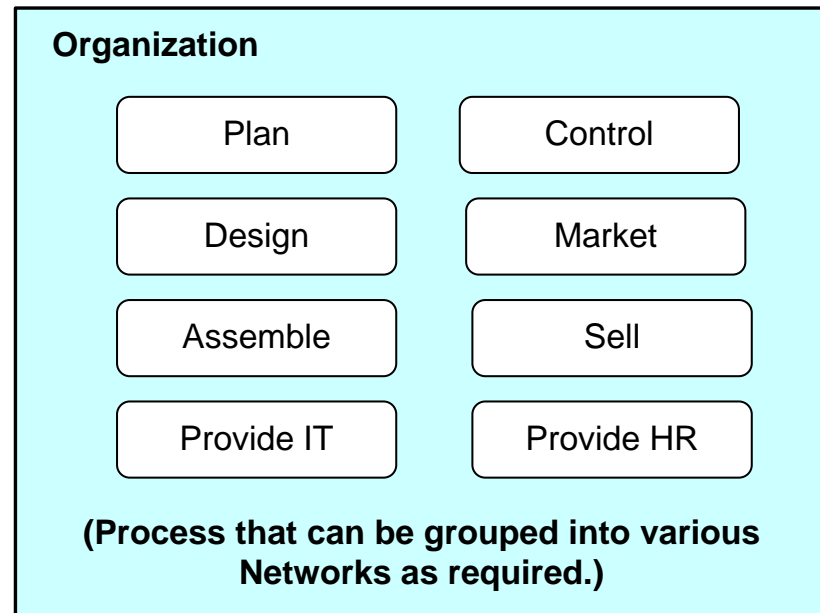


	Goals & Measures	Design & Implementation	Management
Organizational Level	Organizational Goals and Measures of Organizational Success	Organizational Design and Implementation	Organizational Management
Process Level	Process Goals and Measures of Process Success	Process Design and Implementation	Process Management
Activity or Performance Level	Activity Goals and Measures of Activity Success	Activity Design and Implementation	Activity Management





Better for manufacturing organizations that are focused on producing well-defined products at the cheapest price.



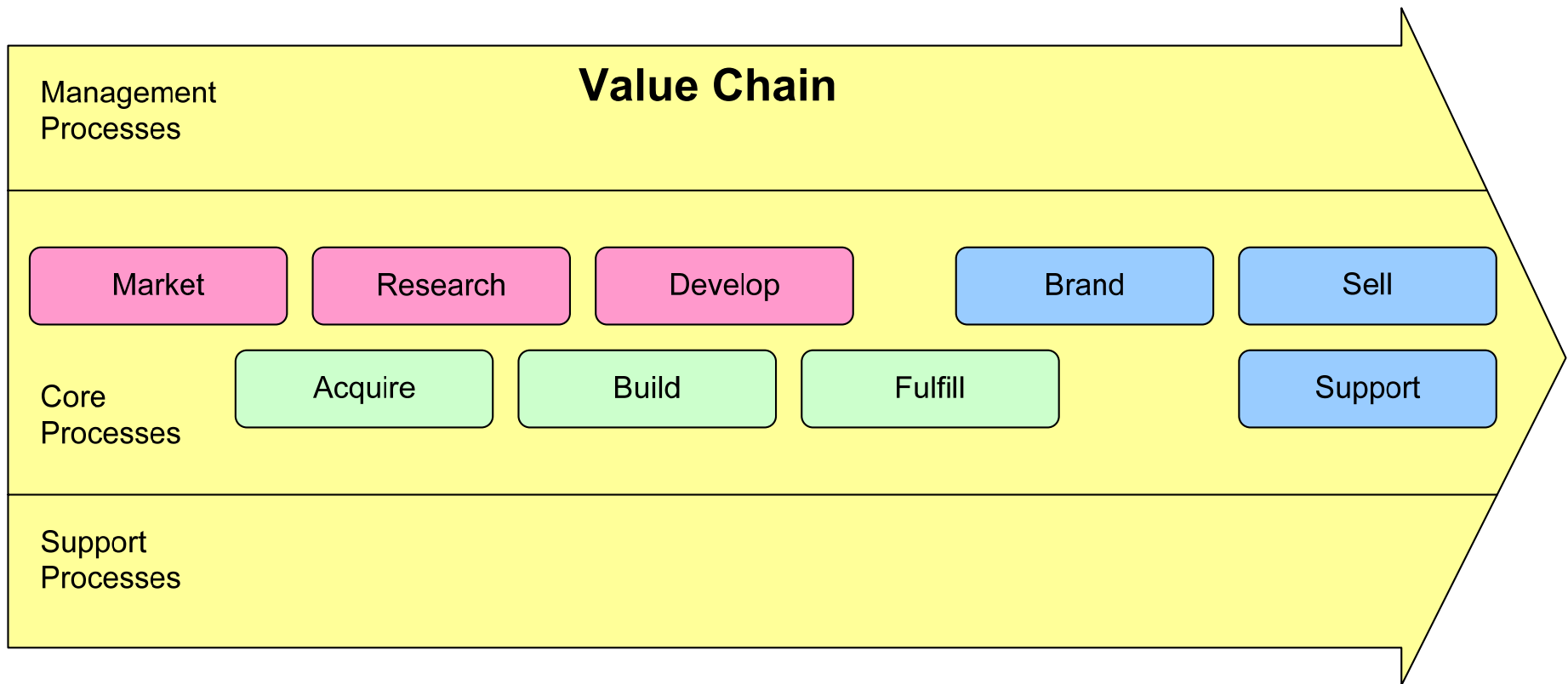
Better for service organizations that are less concerned with efficiency than with flexibility and frequently combine existing processes to generate unique new services



Value Chains vs. Common Processes

CEO	Corporate Process Board	Align Executive Process Owner	Innovate Executive Process Owner	Sell Executive Process Owner	Plan Executive Process Owner	Source Executive Process Owner	Make Executive Process Owner	Fulfill Executive Process Owner	Build Executive Process Owner
	Division or Department Manager	Align Process		Sell Process		Source Process	Make Process	Fulfill Process	
	Division or Department Manager					Source Process	Make Process	Fulfill Process	
	Division or Department Manager	Align Process	Innovate Process		Plan Process				Build Process
	Division or Department Manager		Innovate Process	Sell Process		Source Process	Make Process	Fulfill Process	
	Division or Department Manager		Innovate Process	Sell Process		Source Process	Make Process	Fulfill Process	
	Division or Department Manager	Align Process		Sell Process	Plan Process	Source Process		Fulfill Process	Build Process
	IT Department Manager	SAP Align Instance	SAP Innovate Instance	SAP Sell Instance	SAP Plan Instance	SAP Source Instance	SAP Make Instance	SAP Fulfill Instance	SAP Build Instance

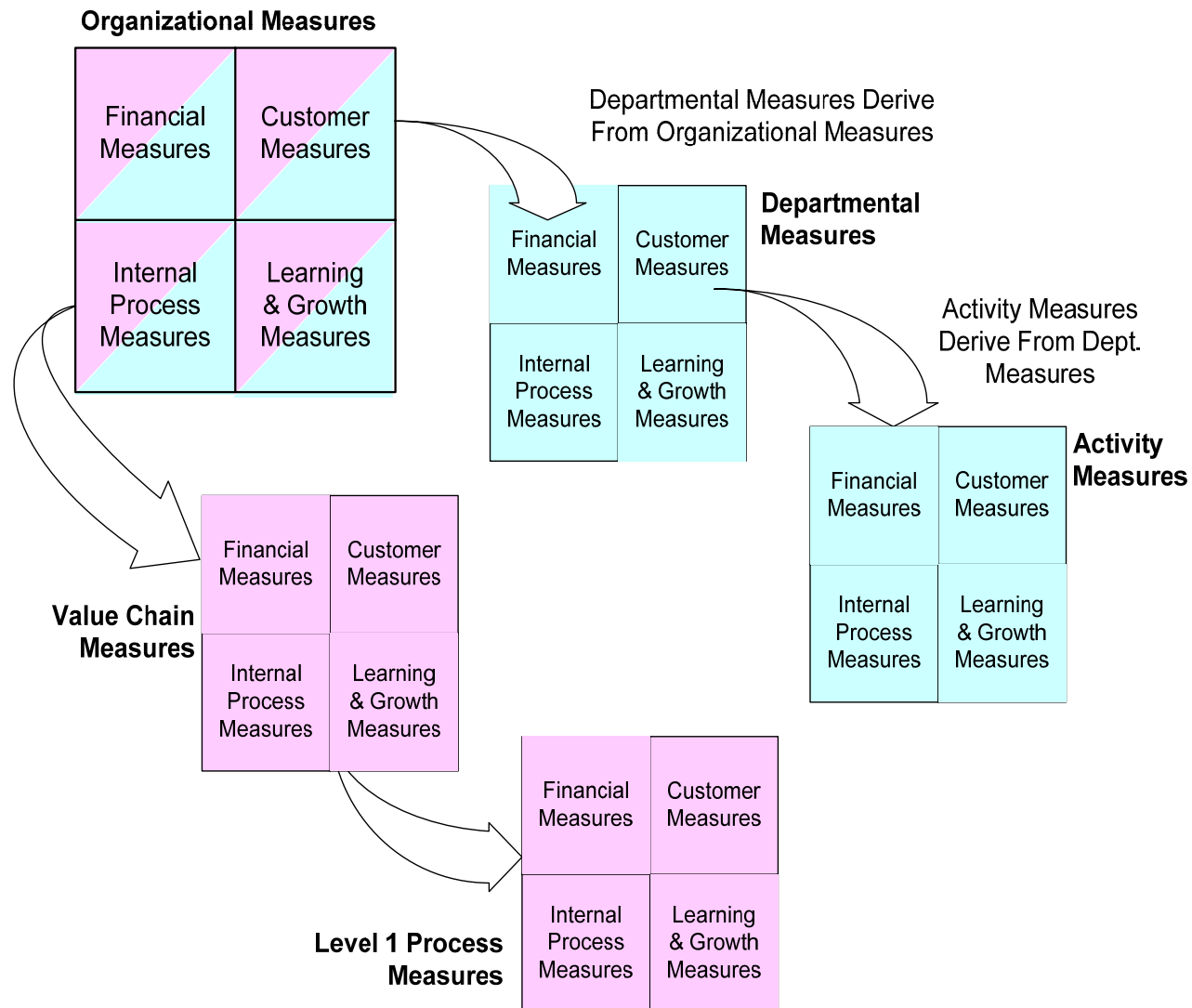




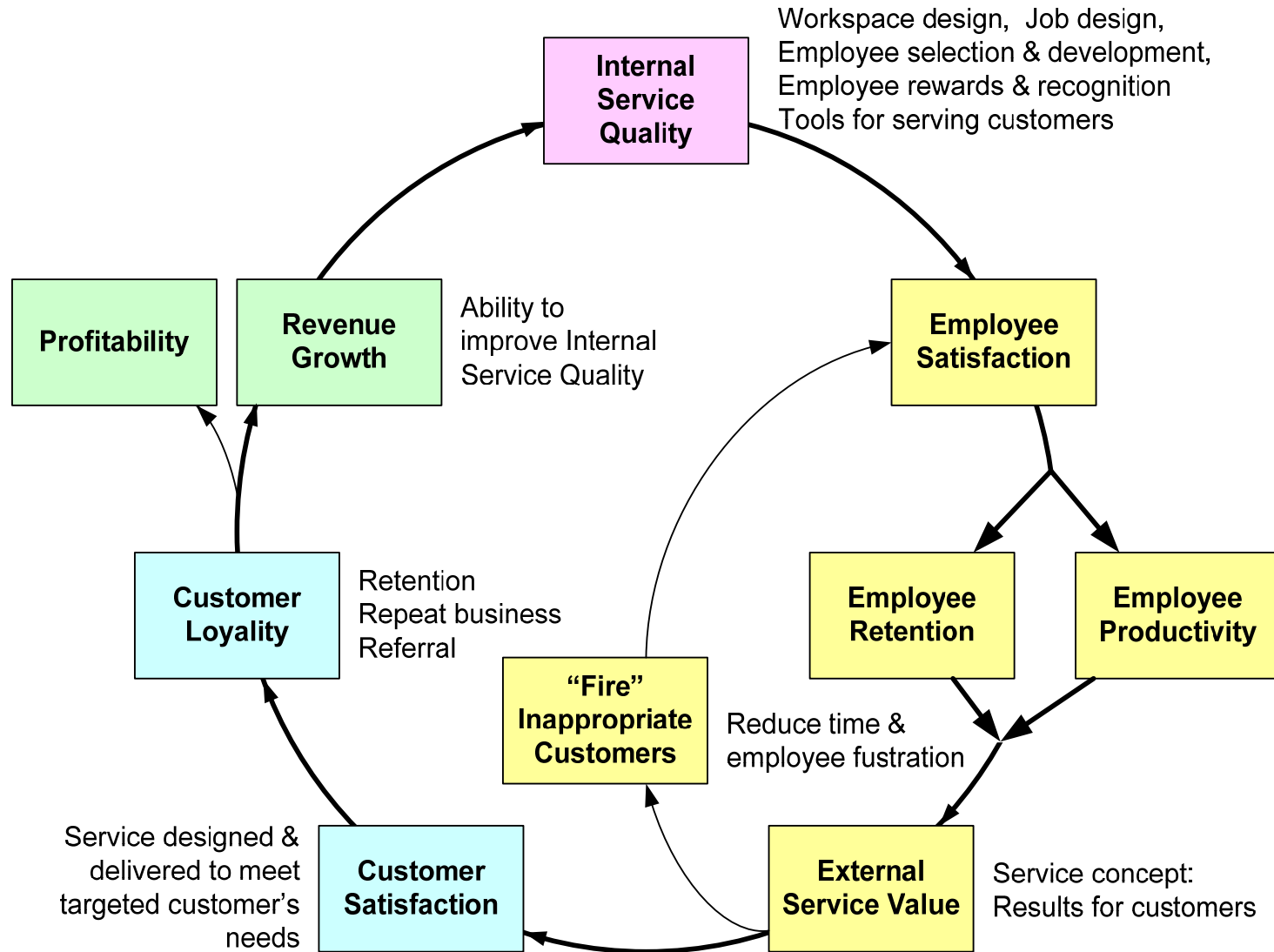
SCOR and eTOM provide variations on this

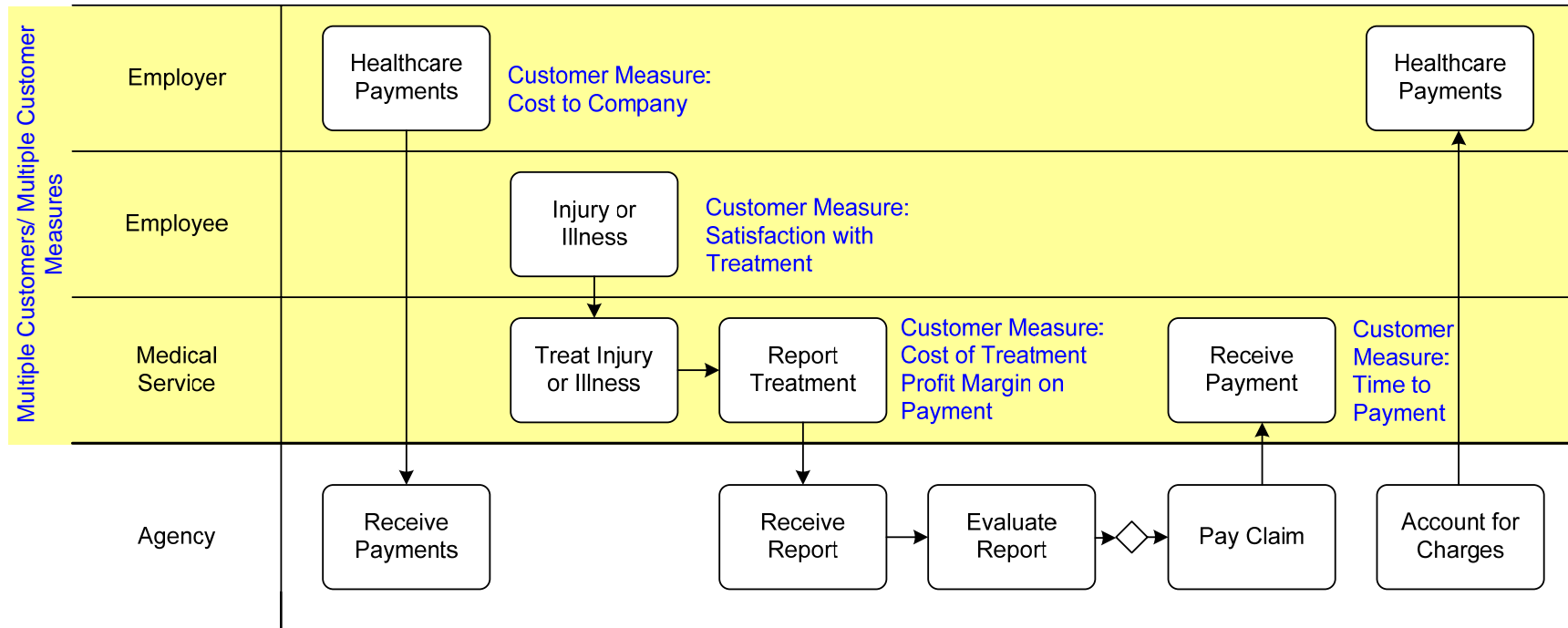


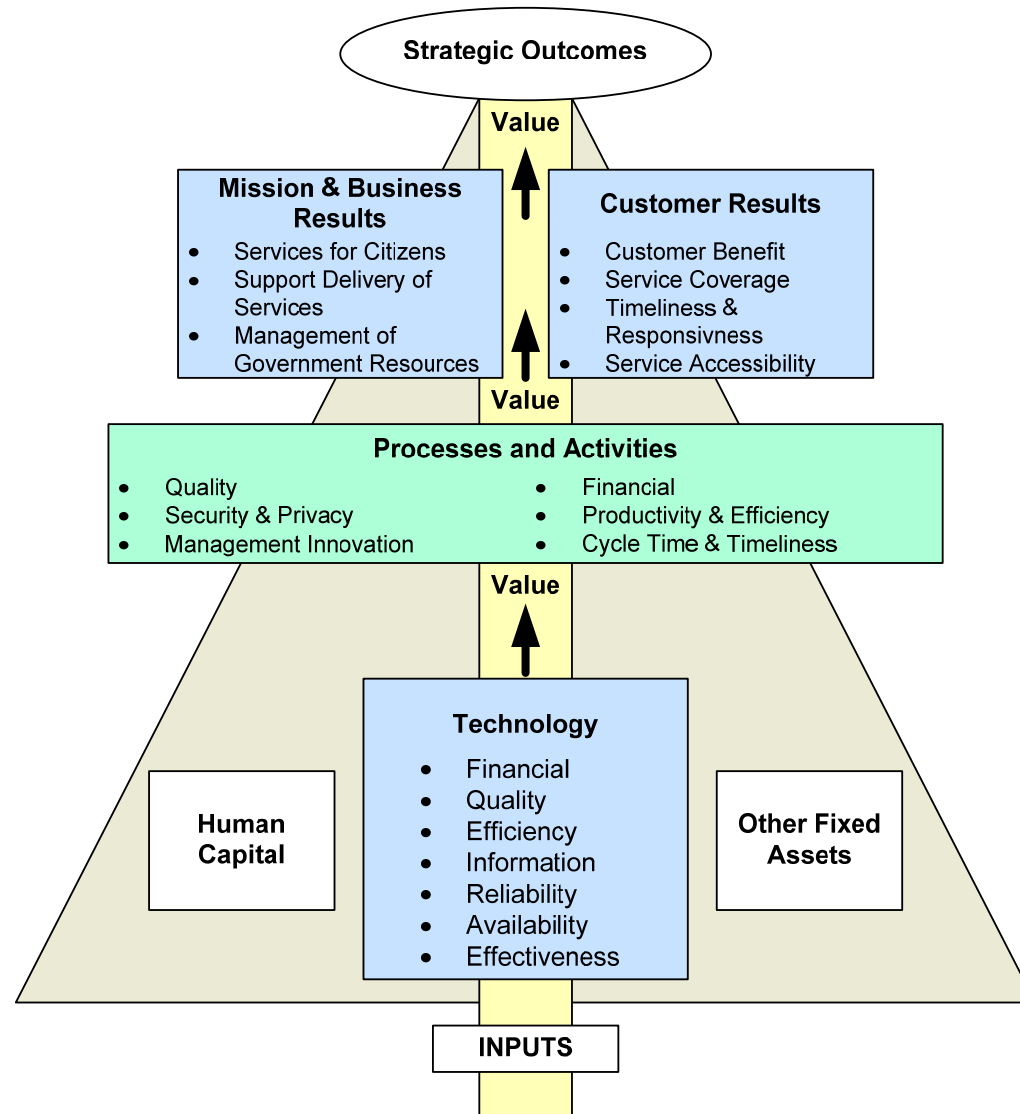
Functional vs. Process Scorecards



Heskett's Service Profit Chain



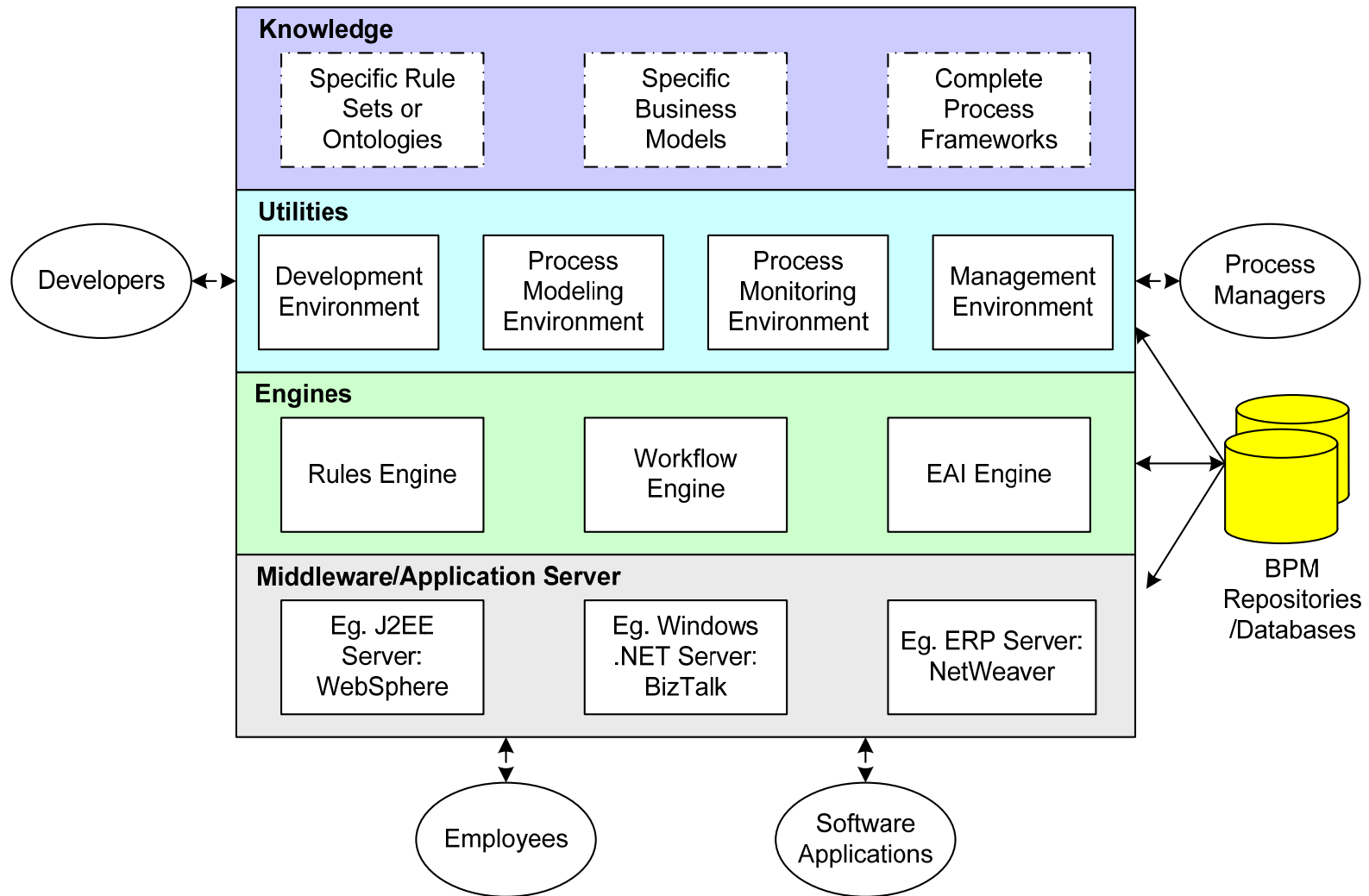




- Organizational Modeling environment 5%
- **Graphics tool (Visio, PowerPoint) 31%**
- **Process Modeling tool (Casewise, IBM Modeler) 24%**
- Business Rules tool 2%
- Repository 4%
- **BPMS Suite (EAI-workflow execution) 13%**
- Simulation tool 3%
- BAM/Real-Time Process Monitoring tool 1%
- Performance Metrics tool 8%
- Other 8%



A Business Process Management Suite



BPMS Suites Used

• Adobe Lifecycle Workflow	2%
• Appian	3%
• BEA/Fuego BPM Suite	4%
• EMC Documentum	5%
• Global 360 Ent. BPM Suite	1%
• IBM WebSphere &Filenet	29%
• Intalio	4%
• Lombardi	3%
• Metastorm BPM	5%
• Oracle BPEL Process Mang	9%
• Pegasystems Smart BPM Suite	1%
• SAP NetWeaver	11%
• Savvion	5%
• TIBCO iProcess Suite	7%
• Workpoint	1%
• Ultimus BPM suite	2%
• Software AG webMethods Fabric	4%



1-08 IBM (Platform) buys Aptsoft (Event Monitoring)

1-08 Oracle (Platform) buys BEA (Platform, BPM Suite)

12-07 Metastorm (Workflow) buys Process Competence (Consultants)

11-07 IBM (Platform) buys Cognos (BI)

9-07 SAP (ERP) buys Business Objects (BI)

8-07 Metastorm (Workflow) buys Proforma (BP Modeling)

6-07 IBM (Platform) buys TeleLogic (BP and UML Modeling Tool)

5-07 TIBCO (EAI-Workflow) buys Spotfire (BI)

4-07 Software AG (Platform) buys webMethods (Documentation)

8-06 IBM (Platform) buys Filenet (Documentation)

3-06 BEA (Platform) buys Fuego (BPM engine)

12-05 Intalio (BPM Engine) buys FiveSight (BPEL)

10-05 Metastorm (Workflow) merges with CommerceQuest (EAI)

9-05 Fair Issac (Rules) buys RulesPower (Rules)

7-05 Seagull Software (Middleware) buys Oak Grove Sys. (BPM engine)

6-05 Sun (Platform) buys SeeBeyond (EAI)

4-05 TeleLogic (Modeling) buys Popkin (BP modeling)



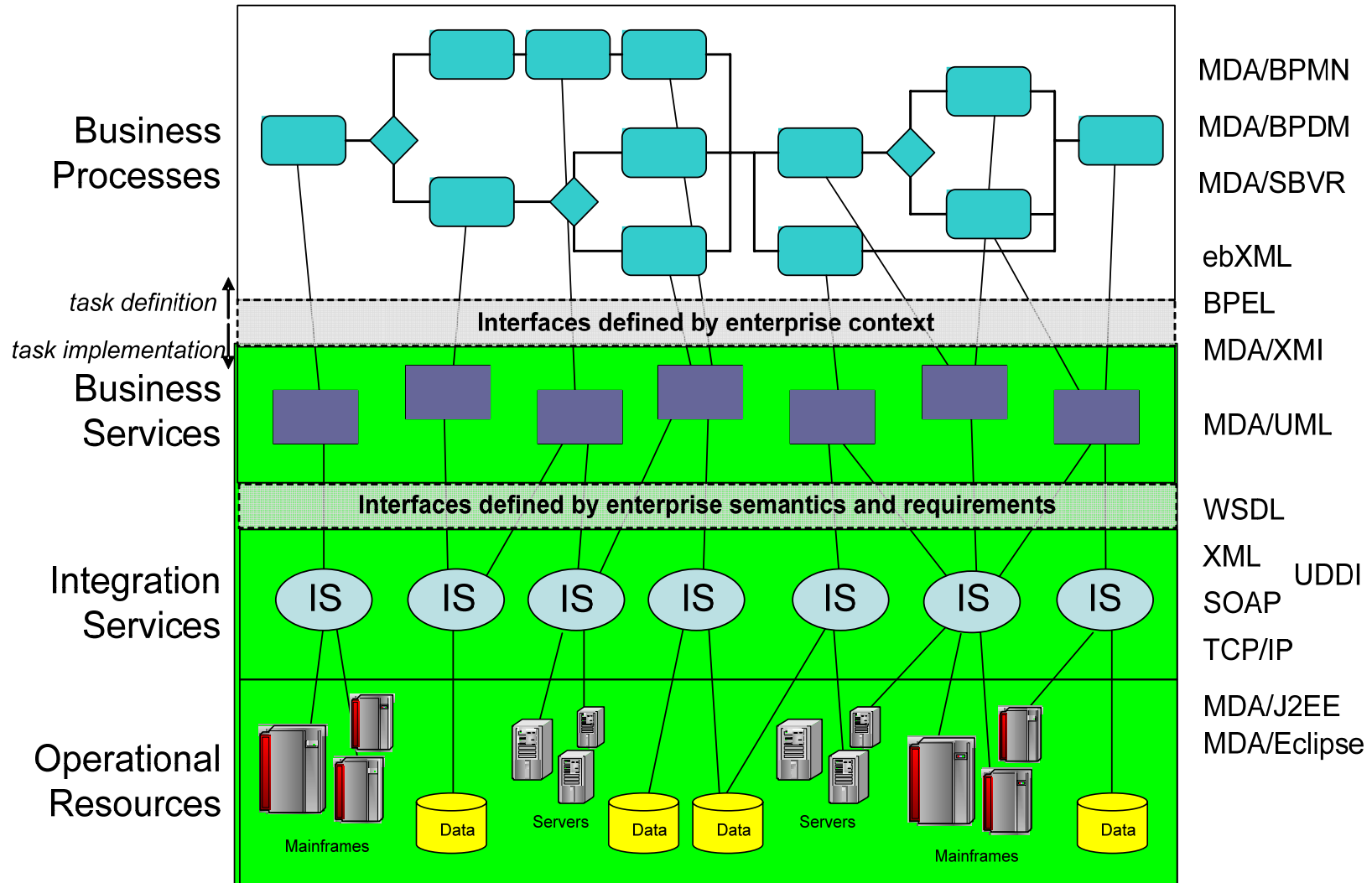
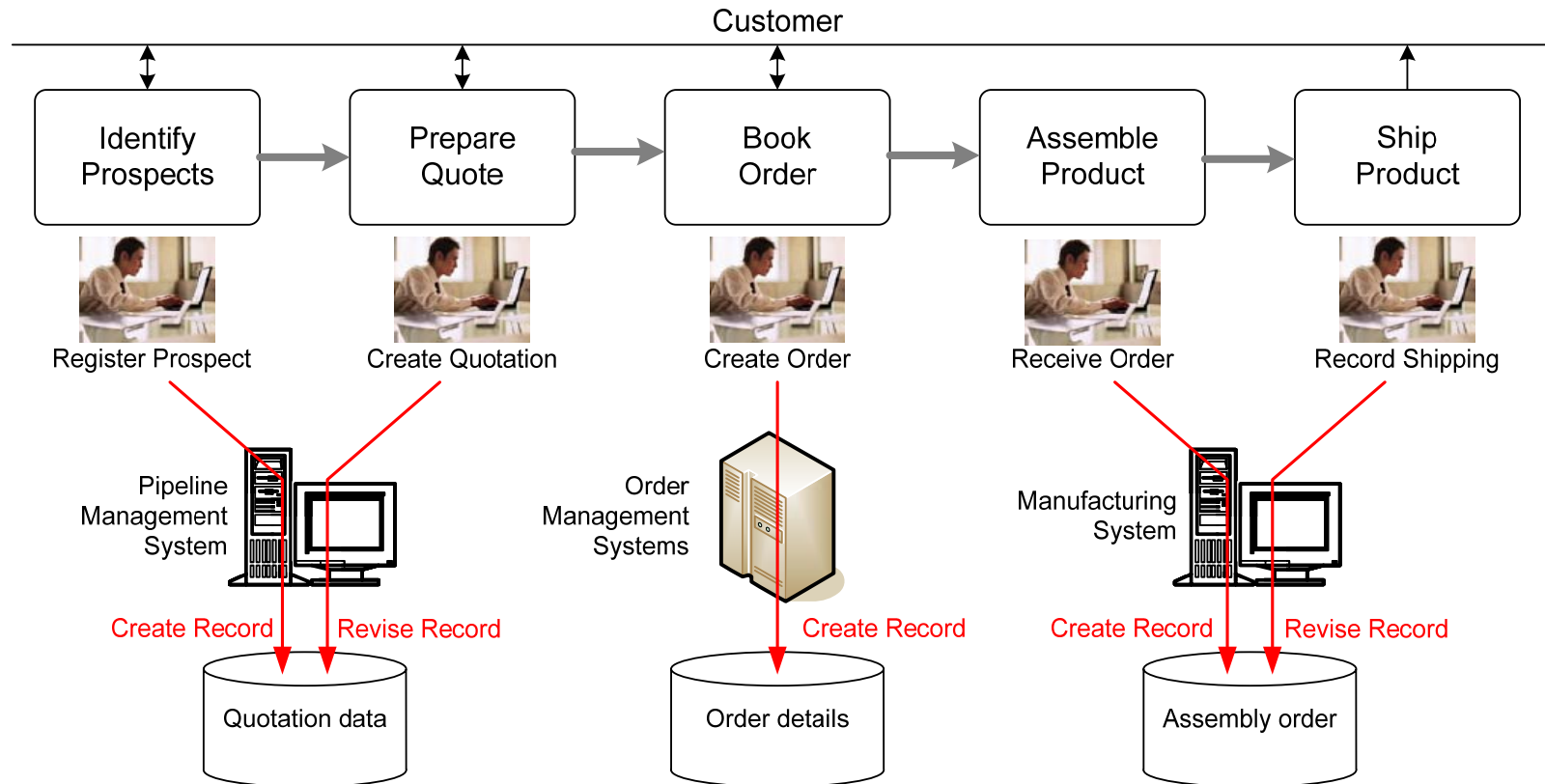
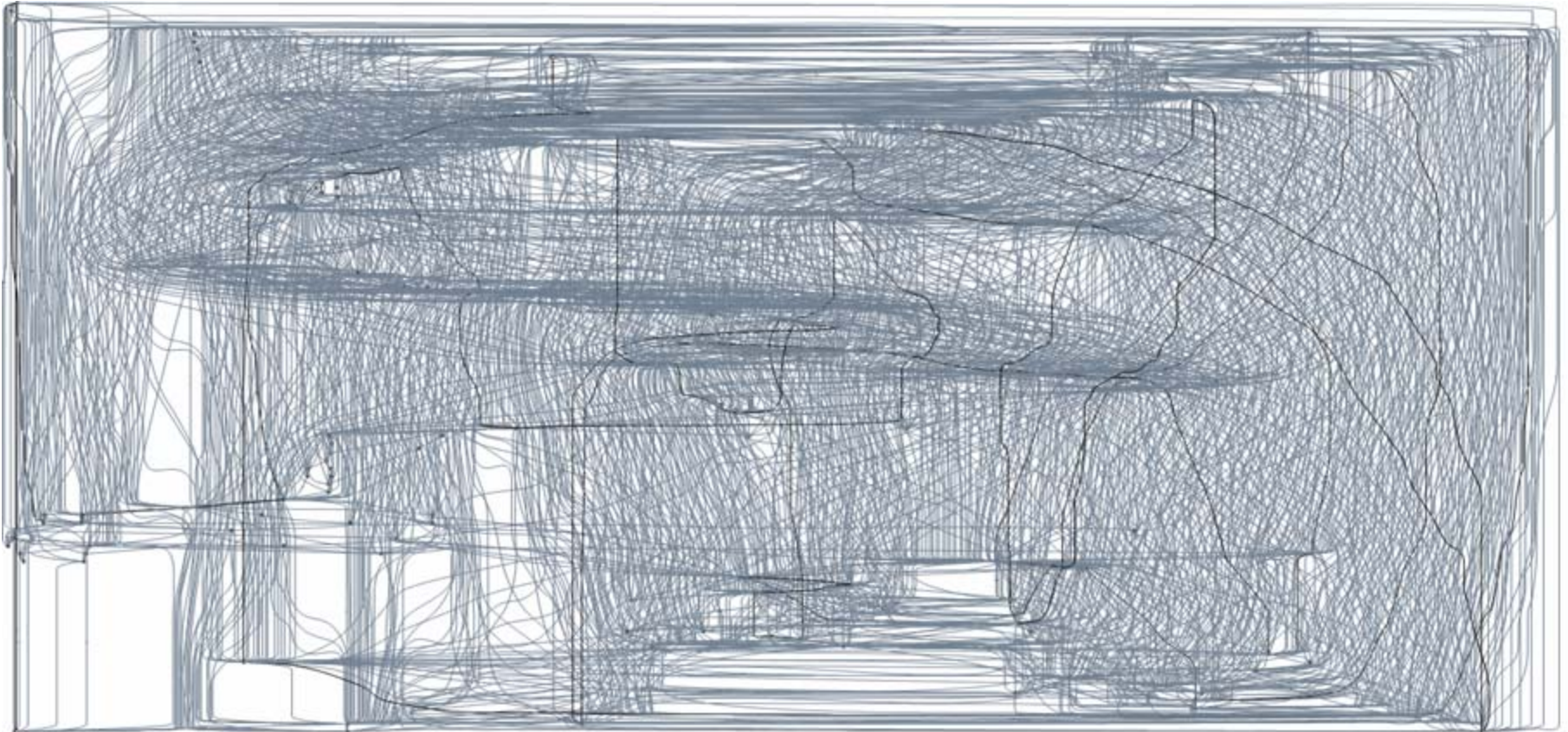


Figure After a BPTrends Column by Mike Rosen, Jan. 2006

- A set of technologies, including CASE modeling, EAI, workflow, rules, BI, etc., packaged together, or
- Is BPMS defined not by the technologies it employs, but by the use that is made of the resulting applications
- Is an EAI tool (renamed a BPMS tool) which is used by IT to create an application that only IT developers can understand, really producing a BPMS application?
- Should the definition of BPMS have anything to do with the fact that business managers and IT work together to create and maintain the application?



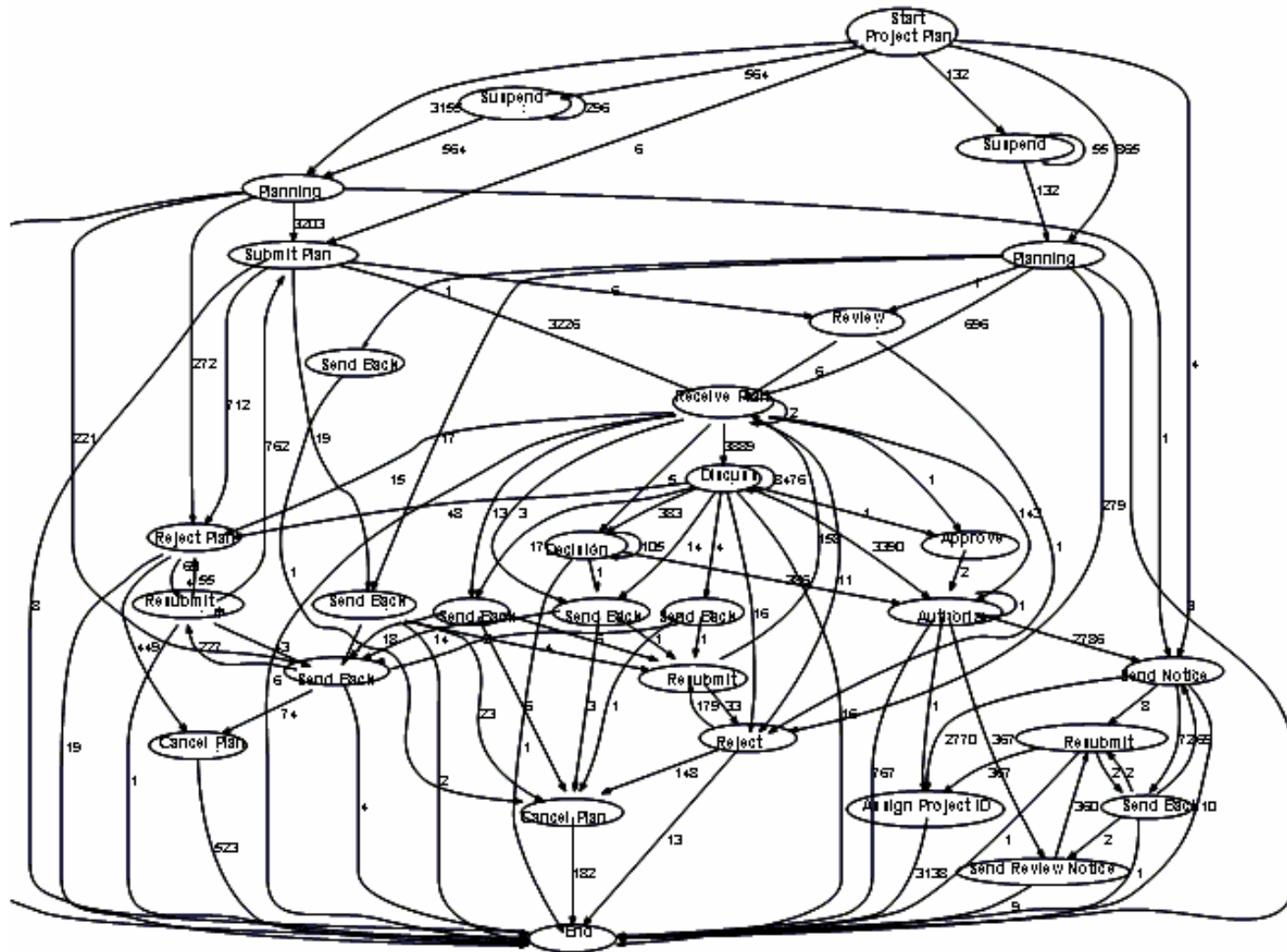


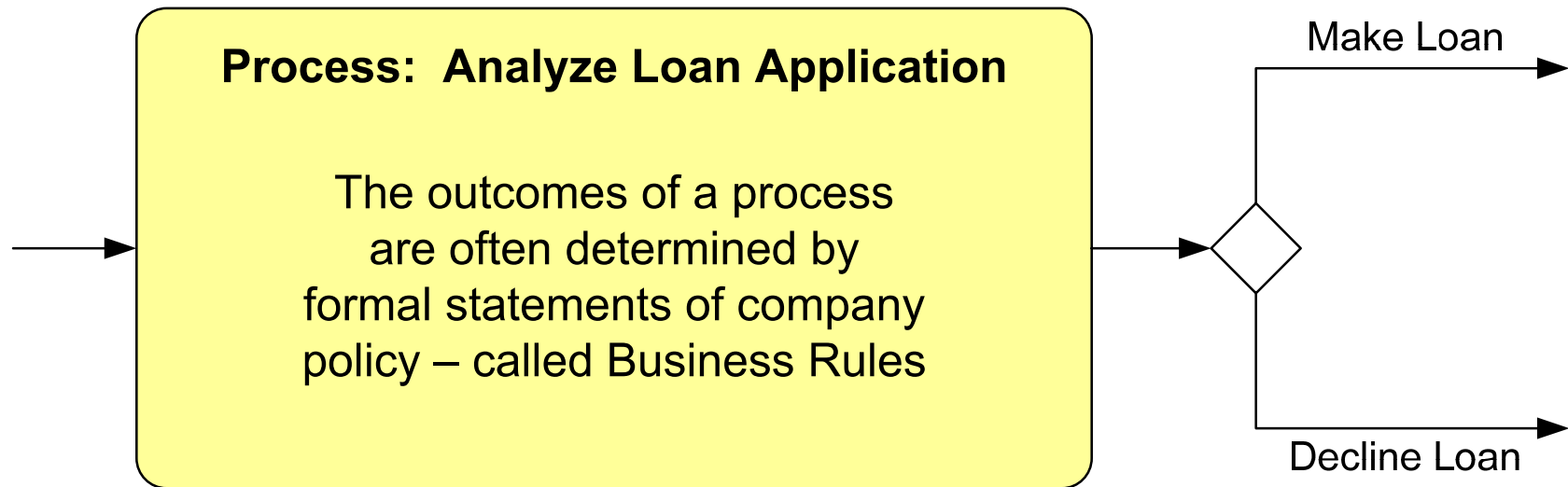


Actual picture of a set of instances of a manufacturing process generated by Fujitsu's new Data Log Process Model Generator



After Resetting Tool So It Only Shows the Main Path





Business Rules:

If the customer has had a previous loan
And the customer made all payments on time
Then be inclined to grant loan

If the customer had had a previous loan
And the customer failed to complete payments and defaulted
Then be inclined to not grant loan



- Success with BPM projects
- A BPM Group or Center of Excellence



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What BPM products and services is your organization planning on purchasing during the remainder of 2007 or in 2008? (Choose all that apply)

Graphics Modeling tool (Visio, PowerPoint)	37	15%
Repository based Modeling tool (MEGA, IBM Modeler, ProVision)	56	23%
BPM Suite that can manage the runtime execution of a business process	61	25%
Tool for managing a Rule-based process or application	37	15%
Process Monitoring/BI tool that can feed information to an executive dashboard	56	23%
Training in Process Strategy, Architecture or Performance	54	22%
Training in Process Analysis and Design	70	29%
Training in Process Redesign and Improvement methodology	55	23%
Training in BPM Systems	52	22%
Attendance at BPM Conferences	97	40%
Other, Please Specify	31	13%

Please indicate whether you expect your organization to be more active, less active, or about as active in 2008 in each of the following areas

	More	Less	Same
1 Development of an Enterprise Process Architecture	151	9	104
	57%	3%	39%
2 Development of an Enterprise Process Performance Measurement system	147	10	104
	56%	4%	40%
3 Coordinating Enterprise Process Change efforts	148	18	97
	56%	7%	37%
4 Coordinating Enterprise Process Management efforts	158	18	84
	61%	7%	32%
5 Process Manager training	117	21	123
	45%	8%	47%
6 Balanced Scorecard	82	35	139
	32%	14%	54%
7 Major Process Redesign projects	125	28	106
	48%	11%	41%

Please indicate whether you expect your organization to be more active, less active, or about as active in 2008 in each of the following areas (TWO)

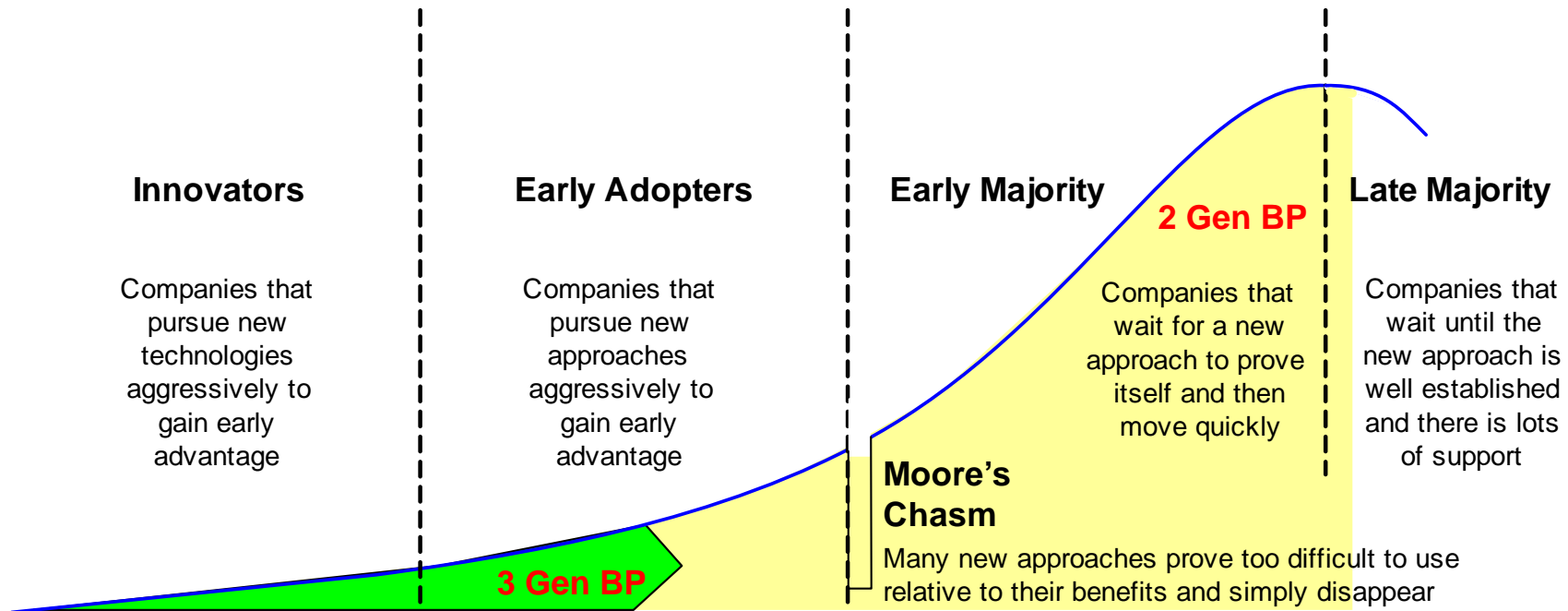
	More	Less	Same
8 Redesign projects using Frameworks (SCOR, ITIL)	52	47	145
	21%	19%	59%
9 Six Sigma Process Improvement projects	56	54	140
	22%	22%	56%
10 Major Process Automation projects	112	30	109
	45%	12%	43%
11 Process Analysis and Redesign training (Non-Six Sigma)	113	33	105
	45%	13%	42%
12 Lean Six Sigma training	53	59	128
	22%	25%	53%
13 Development of Business Rules systems	87	46	111
	36%	19%	45%
14 Development of BAM or Real-Time Monitoring systems	79	52	112
	33%	21%	46%

- The meaning of BPM varies widely
- The market is maturing rapidly
- Almost every company indicated they were doing something in BPM. And the amounts they are spending are rising
- Over 30% of the companies surveyed expect to do more with BPM in 2008 than they did in 2007. Most expect to do at least as much as they did in 2007
- 50% of companies are interested in BPM training



- There's a lot of interest in BPM
 - Companies want to improve processes
 - The interest is worldwide, and about the same in Europe, North America and Australia
- There's a lot of interest in Workflow and EAI
 - The platform vendors are moving towards treating BPMS as a IT solution with an emphasis on SOA and BI
- There's only modest interest in BPMS (narrowly defined) at the moment
 - There's a shakeout going on, but in slow motion. Companies aren't sure what they want yet





After Geoffrey A. Moore. Crossing the Chasm(HarperBusiness 1991)



The complete survey
is available for free at

www.bptrends.com

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