

BPM A Global View

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I was in the Latin America recently, and the CIO of a bank inquired about the availability of process templates with BPM systems. Customers all over the world raise the same question. Now even analysts are talking about process templates and the benefits they can offer to customers.

Process templates appear to make a lot of sense for the BPM industry. Instead of starting process development from scratch, customers can use pre-defined process templates supplied by BPM vendors. This could reduce the cost of services associated with defining and developing the process. Customers would only have to tune or customize the process templates for their specific requirements. Proponents argue that an even more significant benefit is that process templates can encapsulate best practices that the BPM vendor has discovered in the course of automating the process for many different customers. A new customer using the process templates not only shortens the time to value but also benefits from the best practice and experience of the vendor who has automated the same process for other customers. In some cases, customers want process templates simply to see how others are accomplishing a specific task and use the template as the starting point of a discussion when they are unsure of their own processes. All customers are interested in reducing cost, shortening the time to value, and using best practices. Therefore it is not surprising that many customers the world over are interested in process templates and demand this of the BPM vendors.

Many years ago I was also a big proponent of process templates for similar reasons. In fact, my company used to ship 12 process templates out of the box with our BPM solution. We spent a lot of time developing, testing, and documenting these templates. However, I was disappointed that in reality few, if any, customers ever used the process templates. Overtime the cost of developing and supporting the templates became much higher than the benefit customers were getting, and we discontinued the practice. This disconnect between the perception (everyone seems to want process templates) and the reality (no one used the template once they were provided) made me wonder why this was the case. It turns out that the process templates have two faces. There is one face that makes them attractive for the reasons discussed above. The other face is made up of many factors that combine to make the use of process templates unattractive.

A business process is composed of a number of components, each of which has a certain effort and cost associated with it. The major components are:

- The Process Map that depicts the “flow” of the business process.
- Business Rules that dictate the logic of the process.
- Roles and Relationships that specify who will participate in the process and the relationships between the participants.
- User Interfaces that specify how human participants will interact with the process
- Integrations that enable third-party applications to interact with or “participate” in the process.
- Databases that save the information that is consumed or produced by the process.

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To implement an automated process, a customer has to implement these components as a minimum. Let us review each of these components one by one and see if process templates make sense and enable customers to add value or reduce the time to implement these components.

The process map is an area where process templates do make some sense. A process template will include a process map. This process map can represent best practices as determined by the vendor who develops the process templates and encapsulate their experience. By looking at a process map, one can easily determine the “flow” of the process. Many customers would benefit from having a process map and not having to develop it again. However, process maps are very easy to develop using modern BPM systems that offer graphical process mapping tools. It does not take very long to create a process map. Since the task of creating a process map belongs to business users, many users prefer to use simple tools such as Microsoft Visio to create process maps, or they simply rely on pen and paper. Then the question is should one use a process template or design from the scratch? If a process template is used, the customer will debate if the process map that comes with the template truly reflects the business practices of the customer? Is the process map in the templates really a best practice? If the template is not similar to the practice in the company, is it better to incur the cost involved in changing the internal process versus evaluating the weakness of the current process and improving it? Are companies that have developed best practices for critical business processes willing to share these in templates with other customers and possible competitors? If a customer is looking at a template only because they are unsure of their processes or want to use it as a starting point, then why not simply look at the template on paper? The bottom line is that process templates do offer some benefit with regard to process map. However, the easier it is in the BPM system to create or modify process maps, the lesser is this benefit.

Business rules are at the heart of a business process. Rules are often complex, and it is highly unlikely that two companies will have the same rules, perhaps with the exception of rules associated with taxation and external reporting. Every company has unique rules, and the rate of change of rules is high. Developing and maintaining rules requires management involvement and is an expensive undertaking. It is not possible for process templates to incorporate generic rules that will be of benefit to companies across the board. The consequence is that if rules are incorporated into process templates, customers will spend a lot more time trying to understand and modify the rules. It is much more efficient to incorporate rules in the process from scratch. This is especially true for rules that are embedded in other rules, which is often the case. Changing one causes a chain reaction of changing others. Therefore, process templates do not add any value with respect to business rules.

There is no standard definition of Roles and Relationship even within companies in the same industry. The organization chart of every company is unique and so is the definition of roles and their relationships. One cannot go to a bookstore, an industry association, or to a business consulting firm and simply buy the “best practice for organization chart” of a company in one’s industry and then model the company against that! Business processes are highly dependent on Roles and Relationships. The lack of any commonality in this area means that process templates do not add much value



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The User Interface is an expensive component of BPM solutions because it takes time to develop these interfaces even though vendors provide graphical design tools. Electronic forms used with business processes tend to be complex. Moreover, each company has its own standards for user interface, much of them a carryover from the days of the paper forms that companies now want to replace with a BPM solution. Users do not like change, especially when they have been doing the same thing the same way for a long time. When customers deploy a BPM solution, it is their goal to make as little change as possible to the manual forms in order to improve adoption and reduce the learning curve of end users. Thus, companies do not want to use the electronic forms that are provided in process templates, especially if the cost of the BPM system is significant. Customers are attracted to BPM because it enables them to automate their processes their way. Once sold on this vision, customers are unwilling to accept the notion that the electronic forms will be different from what they are used to. Therefore, process templates that incorporate electronic forms will be modified significantly, reducing their value. In the vast majority of cases, it is my opinion that customers will prefer to start from scratch when designing their electronic forms.

Integration of business processes with third-party systems already in use at a company is another major cost of BPM deployments. No two companies use identical third-party systems in the same way. Yes, many companies will use an ERP system such as SAP or a sales force automation system such as Siebel. However, the way they use these systems is very different. Also, the version of these systems is likely to be different. For these reasons, process templates do not include integrations with third-party systems. These integrations will have to be developed, documented, and tested, reducing the value of off-the-shelf process templates.

Finally, there is no standard “template” for database schemas that specify how companies save their vital business information. Database vendors do not publish any industry specific database schemas. Business processes consume or produce business information. As such, business processes must tightly bind to the database schema that is the repository of this business information. This integration of business processes with databases is another major expense in BPM deployments. Since there are no standards for database schema, it is impossible for customers to expect process templates to work with their database schemas, or even to make sure that the schema they have aligns with the requirements of the process templates. Therefore, there is no value in process templates when it comes to using databases for saving or using the business information that is at the core of any business process.

The table below summarizes the above discussion. The bottom line is that, with the possible exception of process maps, which are easy to render anyway, process templates cannot add value to any other component of a BPM application. These other components – such as user interfaces, integration, and business rules – are also high value and contribute the most to the deployment cost of an automated business process. Unfortunately, these limitations only become apparent after one starts using process templates. This explains the disconnect between the desire to have process templates and the lack of actual use of process templates. Customers find a lot of appeal in templates because



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of their benefits; however, when they dig deeper into actually applying the templates to their specific requirements they find the cost of customization is not very different from designing the processes from scratch. And if they were to develop processes from scratch they could add the features and capabilities that are core to their business and a source of competitive advantage.

<u>BPM Component</u>	<u>Cost</u>	<u>Value of Templates</u>
Process Map	Low	Some
Business Rules	Medium	None
Roles & Relationships	Medium	None
User Interface	High	None
Integrations	High	None
Database	High	None

Some ERP, CRM, ECM, and other enterprise applications come with pre-defined processes for some core functions of the application. If these processes fit the needs of a customer then it is a benefit. In most cases, customers want to change them, and cost is very high, especially when the time comes to migrate to newer versions of the application. This is one of the major driving factors behind BPM and SOA. It enables companies to deploy and manage business processes outside their enterprise applications so that they can be adaptive to the changing needs of the company.

Pre-fabricated houses have been around for a long time, and some of these houses are actually very nice. They offer the benefit of a proven design and lower cost. However, one does not find pre-fabricated houses in many neighborhoods. This is because a home is important to a family, and people want to live in houses that are an extension and an expression of their self. Process templates are like pre-fabricated houses. Good companies do not use them because business processes are their core corporate assets and an expression of their corporate values. Just as no one wants to put up a pre-fabricated house on a good piece of real estate, no good company wants to use a process template for processes that are important and worthwhile to automate, especially when the template will require extensive customization.

I browsed on Amazon.com and Barnes & Nobles, looking for books on best practices in Administration, HR, Banking, Product Development, and other areas that are typical targets of BPM efforts. Companies have been doing these activities without BPM systems for decades if not centuries, and surely there are plenty of best practices around. I did not find any books that defined industry-specific or application specific templates for business processes or how to conduct various activities. Neither have I ever heard of consulting companies, industry associations, or academic institutions rendering best practices down to the level of processes for their clients to use. If process best practices cannot first be rendered into processes on paper by organizations with domain expertise, and then effectively adopted and used by their clients, it makes little sense for BPM vendors to render them in to process templates.

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