



A Postcard From Europe
February 2003

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I have to say that when Paul Harmon invited me to write a regular column for BPTrends, I was thrilled. All too often analysts and information services concerned with business processes and software systems tend to focus on the US perspective and mention Europe only as an afterthought. As a Brit you would naturally expect me to feel a little uptight about that. But it is more than that. I have been involved in the business process (BP) and enterprise architecture (EA) space for many years now. I have worked almost as much in the US as I have in Europe and, believe me, there is a significant difference between what goes on in the US and in Europe.

Here in Europe we are far more focussed on solutions. Sure, we want tools that are easy to use, but not if it sacrifices our long term ability to deliver projects. In my experience, US companies tend to focus more on a fast start and a quick win, very often without wanting to step back and prepare a long term plan. The US attitude is often summed up by a quote, albeit slightly out of context, from my good friend John Zachman: "You start writing the code and I'll go and find out what the user wants!"

Don't get me wrong, the "analysis-paralysis" approaches of yesteryear were wrong too! But to simply think that BP and EA are all about quick wins is to miss the point. A combination of planning and quick action will provide a better solution. But perhaps ideas on how to balance the European and US approaches is the topic of another column. For now all I am trying to suggest is that European companies have a different perspective on BP and EA issues.

Europe's significance in the BP segment of the market should not be underestimated. In the latest Gartner Group "Magic Quadrant" for leading Business Process Analysis tool vendors, six vendors are listed as leaders. Three were European – IDS-Scheer, MEGA International, and Casewise, while a fourth Popkin Software is as much a European player as it is an American one.

If we turn to the EA area, Europe is the driving force behind a number of architecture initiatives, most notably RM/ODP (Reference Model for Open Distributed Processing) and TOGAF (The Open Group Architecture Framework).

A trawl of EA conferences will reveal that many of the significant case studies discussed at these conferences are presented by European companies.

Of course at the time I write this the world seems in total turmoil. Are we out of recession? Or will we double-dip? Are we going to war with Iraq?



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When will the stock market pick up? Of course, Europe has its own problems. In the UK, the downturn in the stock market has led to large firms coming under pressure with provisioning for pension requirements (In Europe many large firms run their own pensions for employees based on years of service and final salary at time of retirement). While in the "Eurozone" the dilemma of interest rates vs inflation rates is causing some concern. These problems are having an affect on all companies large or small, either as potential purchasers stalling before buying, or as suppliers, who have seen revenues and margins squeezed.

The BP and EA market, while not immune to such pressures, is certainly unique. It is inevitable that major companies will need to re-focus their efforts, maybe downsize, maybe outsource, maybe re-prioritize spends, maybe increase productivity. But, how?

The fact is that you can't change what you can't see! So if you want to look at the "maybes" and do something about them, you need to look at "value chain analysis," you need to understand the processes that you currently have or use, and you need to understand how the parts of your organization truly work together. Then and only then can you start to perform the "what-if" analysis and start to look at different scenarios.

Thus, in Europe, while many sectors are slowing, the BP and EA markets are actually growing as more and more companies recognize the need to change. Major companies active in the EA arena are Astrazenica and SmithKlineBeecham in the drugs sector, and British Airways and MyTravel in the travel sector. At the same time, large banks and finance companies such as AXA, KBC, Nat West, Abbey National and Royal Sun Alliance, Credit Lyonnais etc. have undertaken major new business process initiatives.

Also worth noting is the fact that an increasing number of companies are looking to use well documented business models as a "unique selling point."

What is certain is that the need for business process improvement has not gone away. In the current "down" cycle it is the best way to help manage cost and resources. In the forthcoming "up" cycle it is the only way to manage expansion and lead companies into new markets.

With leading vendors headquartered in Europe and many high profile case study companies around, my hope is that through this column over the coming months we can report on some of these successes and perhaps look more closely at why European vendors have been so successful in both the BP and EA space.



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If you are a European user or vendor and have any thoughts about this column, please drop me a line.

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