EMAIL ADVISOR

The First Big BPMS Failure

I've been studying new technology markets for over 25 years and I've learned that every new technology goes through certain predictable adoption phases. When a technology is introduced and people don't understand it, for example, a number of different technology watchers provide slightly different explanations of what it is and how it should be used. This generally confuses the market and it takes several years before companies sort out what's valuable and the technology finds its place in the market.

In terms of describing this cycle, the broadest generalization I've encountered and found to be consistently useful is Moore's Technology Adoption Life Cycle Curve.
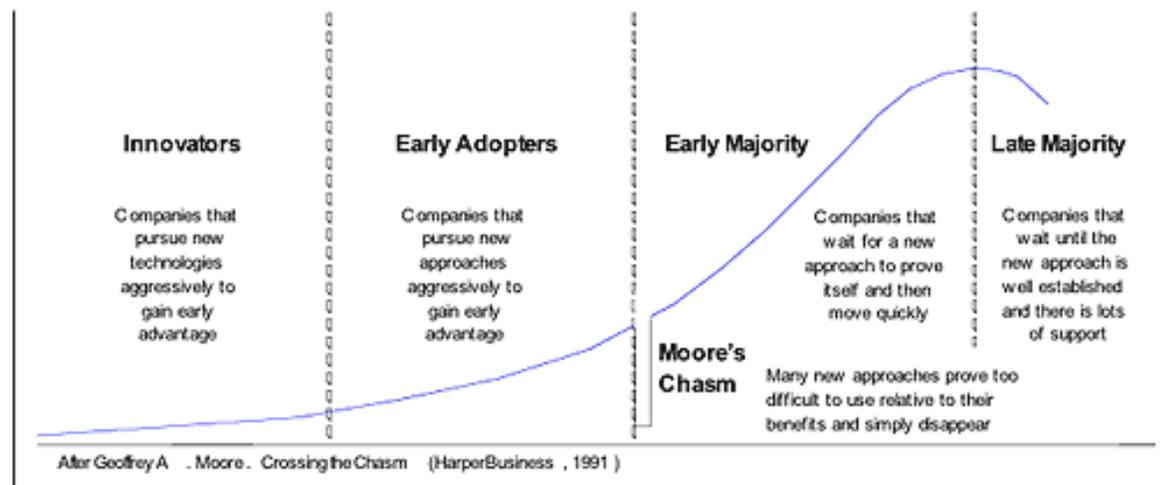

Figure 1. Moore's Technology Adoption Life Cycle Curve.

As a strong generalization, Early Adopters are companies that have a staff of sophisticated R & D technologists and a willingness to take significant risks to gain an early advantage in the marketplace. They know how to test new products, how to work with vendors to integrate new products into their existing software infrastructure, and how to slowly scale up the applications incorporating the new technology.

Early Majority companies, on the other hand, are less sophisticated and don't want to take as many risks. They wait until the tools mature a bit and there are some proven success stories before they begin to experiment. Early Majority companies are more interested in achieving better business performance than they are interested in taking the risks associated with experimenting with new technology.

BPM software is currently being used, primarily, by Early Adopters. Most of the BPMS vendors are being supported by Early Adopter companies that are trying to gain a competitive advantage by using BPMS products to automate and manage business processes. Some are trying to use BPMS to make their ERP applications more flexible and manageable. Others are working to combine BPMS with SOA to

manage geographically distributed business processes. Most are working on modest projects, not seeking to automate the company supply chain or to manage all of the ERP applications used by the company. These sophisticated users know that its early days for BPMS and they are moving with appropriate caution to determine just what the technology can do and what it can't do. With luck, the broader market created when the Early Majority begin to invest in the technology, will start to pick up steam in 2007.

As the Early Majority begins to enter the market, it is almost inevitable that some company will try to use BPMS for a task for which it is unsuited. It will happen for predictable reasons.

Some of the BPMS vendors, excited by the expanding market and eager to increase their market share, will exaggerate the capabilities and ease of use of their products. Some sales people, as the end of the quarter approaches, will promise more than their product can deliver, in an effort to close one more sale.

Then, there are individuals within companies who are more interested in technology than business outcomes. They get excited by new possibilities and join the vendors in hyping the product, internally. They are supported by managers who want to give their career a boost and who talk their superiors into taking an unnecessary risk. Everything can be made worse by a senior manager who commits to installing the new application in a shorter period than anyone can hope to achieve.

Thus, predictably, someone will take one of the BPMS tools that is well designed for software management and try to use it to automate people processes, or vice versa. Or someone will take a product that would be excellent if used to automate a modest business process and try to use it to automate the company's international supply chain. The project will run for several months, millions will be spent, and then the company will be forced to admit it has failed. Then, some unhappy manager will speak with a magazine writer about it, saying, "You know that BPMS technology that everyone's talking about? We tried it and wasted about $20 million dollars. It simply doesn't do what's promised."

I regularly give talks at conferences on BPMS and I know that most managers are approaching BPMS technology with an appropriate amount of caution. Most are asking the right questions. They know that, in the early days, some products are stronger at one type of process automation than another. They know that some tools are good at supporting business rules and others can hardly manage rules. They know that some BPMS products, in conjunction with data warehouses and BI, provide support for executive dashboards, while others don't. At this point in time, successful BPMS efforts require careful tool selection and careful project selection. Similarly, most of the vendors are making a sincere effort to explain what their products can and can't do. Most are working hard to add new features. And, most provide consultants who can help a company identify appropriate projects and scope a reasonable first effort.

Every new technology gets over-hyped and a few companies always attempt things they ought not attempt. There are always a few stories that appear in the magazines describing a multimillion dollar project that resulted in suffering, loss and the eventual decision to abandon the technology. Any new technology can survive a few stories like that, because smart managers know that a few missteps are inevitable.

The trick for you, as a manager or BPM professional, is to assure that the disaster
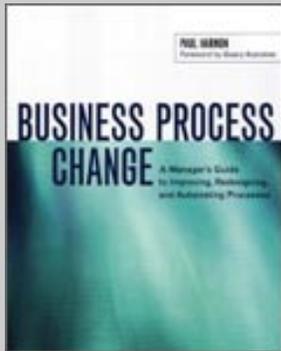
doesn't happen at your company. You begin by knowing your own company. Know what kinds of risks your senior executives are willing to take, and what project management and IT resources you will be able to bring to bear on a new project.

If you work in an Early Majority company, be cautious and wait for the right time. When the time comes, accept that the products will have limitations and that everything will turn out to be a bit more complex than you expect, and choose a project that will give you a margin of safety when things go wrong. Choose a tool vendor who has experience and the consulting resources to support you in your effort. Hire a consultant who has already worked on BPMS and can bring practical experience to your effort.

Don't let your company get hustled by a technology advocate who is more excited by the new technology than by specific business benefits. Don't buy a tool and then begin looking for business opportunities. Analyze and redesign your target process before you consider buying a BPMS tool to automate the management of the process. Don't base a "must succeed" project on new technology.

I'm confident that BPMS technology is going to revolutionize the way companies think about business processes. Before this happens, however, companies will have to change the way they manage their business. BPMS tools are only a small part of the effort. Companies will need enterprise process architectures, process managers, and procedures that support the use of BPMS applications. BPMS products will be one part of an entire process culture that most companies are just beginning to create. Steady, thoughtful, systematic advance is what's called for.

Approach your first BPMS project as an experiment designed to show you what the technology can do. Follow the suggestions I've discussed and you can pretty well assure that the first reported BPMS failure won't take place at your company.

Till next time,
Paul Harmon

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