.BPTrends
BUSINESS PROCESS TRENDS

BPM in 2011

In this Advisor, we will consider BPM in 2010 and then look forward to some of the things we feel will be significant in 2011. The 2010 US and European economies continued to recover from the shock of a recession. At the beginning of 2010, things had slowed down to the extent that there was talk of the demise of BPM. However, as the year progressed, things seemed to gradually improve and people began to talk as if BPM were growing. Still, 2010 wasn't what one would call a "great year" for BPM as most organizations put their BPM programs on hold pending concrete signs of economic recovery.

It would be nice to be able to say that, in 2011, we will experience accelerated economic growth but, in the US and Europe, we anticipate that we will remain in recovery mode with modest growth. Many companies will continue to focus on cutting costs, while others will be cautiously beginning to expand and explore new options. *The Economist* suggested that most of the growth and expansion in 2011 will occur in the developing economies, especially in Asia and South America and, assuming this is the case, the large multi-national companies will be in the best position for growth, while the smaller companies with US or European distribution only, may continue to experience little to no growth.

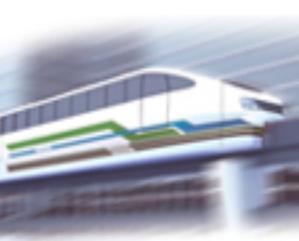Beyond these generalizations, let us summarize what seem to be the major developments, and emerging trends in

some specific areas.

Enterprise Level Process Work

Although most organizations currently lack well-designed business process architectures, there has been a lot of interest focused on defining what constitutes a good business process architecture and developing the tools required to assist companies in creating those architectures. Established organizations like the Supply Chain Council (SCC) and the Telecom Management Forum (eTOM), continue to provide good examples of architecture templates, and similar templates are being developed and distributed by other organizations, all the time. The APQC, for example, has worked with IBM to release a series of new architecture templates for vertical markets (e.g. for petrochemical companies).
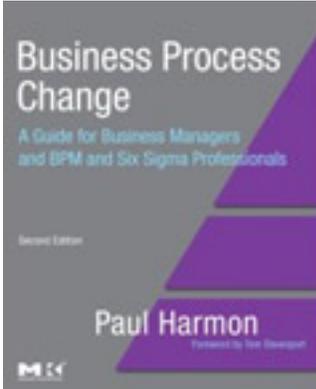
The Object Management Group (OMG) has also launched standards efforts to better define more broad-based concepts including value chains and business architecture.

A few mature organizations made significant efforts to develop and align enterprise level business process architectures and management and measurements systems with process level projects in 2010, and we expect more will make similar efforts in 2011.

Process Redesign and Improvement Projects

Lots of organizations pursued projects to cut process costs in 2010 and many will continue to do so in 2011.

The integration of business rules and business process continues to gain momentum. Most BPMS products now

have a business rules component, and most BPM conferences include tracks and session on rules. At the same time, there has been a slight shift within the rules community, and more emphasis is being placed on decisions and various techniques for decision making.

At the same time, the interest in dynamic or complex processes continues to grow – partially driven by the OMG's efforts to define a case management standard. This focus on complex or dynamic processes won't be of interest to many companies, but it is of vital interest to more mature companies that have standardized their basic processes and are increasingly focused on processes that are high value-add, but difficult to formalize. As the companies continue to move toward a service model and move to outsource routine support processes, the tasks performed by knowledge workers become increasingly important as they become the basis for an organizations real competitive advantage. Hence, interest in more complex processes is bound to grow in 2011, especially as BPMS vendors begin to promote modeling features designed to support the capture and automation of more dynamic processes.

Another interesting discussion within the BPM community is identifying the roles, responsibilities, titles and reporting structure associated with BPM, as well as where to go to recruit process professionals. Some process people lost jobs in 2010 but, overall, the job market for process professionals continues to be strong as companies launch new cost savings initiatives. Some process groups focus on recruiting business managers, some recruit from within IT and many believe that business analysts will provide the next generation of process professionals. This latter idea, was promoted by SAP back in 2008 when they launched their BPx site promoting the idea that business analysts need to evolve

into business process experts, focused on helping business people understand how to improve their processes. This concept is gaining more and more wide-spread support as the International Institute for Business Analysis (IIBA) increases their effort to promote this concept.

Software Support Tools for Process Work

BPMS products first began to appear in 2003 and the market continues to evolve. The original vendors focused on workflow-like tools to manage the execution of business processes, and proceeded to acquire modeling vendors, business rule vendors, and business intelligence vendors. There has been a lot of consolidation as large companies, like IBM and SoftwareAG, bought up smaller vendors, but so far, this consolidation has not resulted in significantly improved products. For example, in 2010 SoftwareAG acquired IDS Scheer. One might have expected to see lots of exciting new results from this merger, but so far it seems the two companies are still engaged in trying to figure out how to integrate their respective products and services. We look for this acquisition to result in some interesting new developments in 2011.

One interesting event in 2010 was IBM's introduction of BlueWorks Live – a centralized repository designed to facilitate collaborative process modeling, mapping and documenting, that is cloud-based and accessible from any browser. (BlueWorks Live is based on a product created by Lombardi, a BPMS vendor acquired by IBM in January, 2010).

It's easy to recall that CASE, in the late Eighties, promised non-programmer programming, and that Smith and Finger, in 2003, promoted BPMS as a technology that would let business managers control

their own processes. Not much of either has been delivered to date. If anything, the BPMS tools have grown ever more technical, incorporating EAI, Business Rules, and Analytic Engines in the past few years. Don't get us wrong – BPMS tools are getting better and better, but most are clearly evolving into powerful platforms for IT developers to use in support of business process initiatives. But most BPMS tools aren't designed for use by a business manager.

BlueWorks Live, however, makes some real progress in allowing business managers and other non-progammer stakeholders to participate in the modeling, mapping and documenting of business processes. The idea behind BlueWorks Live is that the more stakeholders you have participating in the development of a process change initiative, the better the performance outcomes will be. Blue Works Live's ease of use, browser-based delivery and wiki-like structure allow all stakeholders, inside and outside the organization, to actively participate in the development of process based solutions. What's interesting is that IBM's research suggests that a huge percentage of the activities in many large companies now involve just this type of process. With BlueWorks Live, IBM may actually kick off some serious manager/business analyst process development. Moreover, if enough of these small processes are semi-automated in this manner, organizations may actually become a bit more efficient. This, in turn, may stimulate other BPMS vendors to think about how to develop simple BPMS tools that business managers can actually use to solve day-to-day problems. In other words, the BPMS market is far from consolidated. New vendors continue to innovate and even the major vendors are still working to determine what kinds of BPMS products will prove most effective. Expect a lot of interesting BPMS announcements in 2011.

Standards Efforts and Certification

There are currently several efforts underway that focus on formalizing one or another aspect of process practice. Some are focused on business architecture, some on BPM for various technical BPM standards and some on creating a formal Body of Knowledge (BOK). Others are focused on creating certification programs, and still others are focused on doing both at the same time. A variety of professional and standards organizations are involved in these efforts, and they are using different techniques to formalize the knowledge involved. Each group is working within its own community, however, none appear to be involving the broader process community and none, that we are aware of, are open-source.

By far the most interesting effort launched in 2010 was the [Process Knowledge Initiative](), (PKI). The PKI is a collaborative industry and academic endeavor with the sole purpose of creating an open source body of knowledge for process management. This initiative was launched by BPTrends, the International Institute of Business Analysts (IIBA), Kemsley Design (Sandy Kemsley), the Object Management Group (OMG) and Queensland University of Technology (QUT) as a collaborative industry and academic endeavor with the sole purpose of creating an open source body of knowledge for process management.

To realize the vision of a truly open, comprehensive and accessible process knowledge base, the entire business process community – practitioners, methodologists, academics, vendors, analysts and pundits – must be involved.

In 2010, the effort focused on organizational considerations and the

recruitment of technical advisors. Early in 2011, it will publish proposals and invite international comment in an effort to create a broad consensus. It is hoped that this effort will establish some broad-based standards that will provide both the general public and certification bodies with some high level consensus regarding a common understanding of BPM in the years ahead.

BPM and Academia

Whatever may be happening in the commercial BPM arena, BPM in academia is well established. The number of university BPM curricula and programs is growing every year and many of them are thriving. Clearly, the idea that BPM offers a structured approach that helps business and IT to work together to solve organizational problems, is an idea whose time has come. BPM2010, the leading academic BPM conference that was held at Stevens Institute in New Jersey last year, was a well attended and enthusiastic event. Most graduates of university BPM programs will likely end up working in research labs and in teaching positions at universities, but they are doing serious research that will advance our understanding of process technologies that will become the basis of better commercial methodologies.

What Conferences Will Be Important?

Obviously, we are not completely objective about this, as BPTrends co-produces both the *BPM Europe Conference* held annually in London, as well as the *Building Business Capability Conference* held annually in the US. And, what we prefer in a conference reflects our idea of what process is and what we feel is important for attendees to take away from a BPM event. Our strong preference is for a balanced conference that focuses on how businesses use

processes and how various groups, ranging from IT to Lean and Six Sigma, support business process efforts. Similarly, we prefer a balance between a focus on redesign and a focus on techniques to automate processes, and a focus on fixing human performance problems and a focus on enterprise problems and process management.

We believe the most interesting BPM conference in Europe will be the *BPM Europe 2011 Conference*, which will be held in London from June 8-10, 2011. This event will be co-located with the Enterprise Architecture Europe 2011 Conference and those attending can attend sessions from both conferences. For more information, please check www.irmuk.co.uk/bpm2011.

In the US, we think the most interesting BPM conference will be the *Building Business Capability (BBC)* conference that will take place in the October/November, 2011 timeframe. This conference will co-locate three separate events: *Business Rules Forum, Business Process Forum*, and the *IIBA's Business Analysis Forum*. Each conference will present a complete program and attendees can move to sessions across all conference programs. A lot of networking and cross fertilization occurred at this conference last year and the combined attendance was 600+ attendees. For more information, please check www.buildingbusinesscapability.com.

For those with a focus on IT, Gartner's BPM conferences will be important.

For researchers and academics, the 9th International BPM conference to attend will, once again, be BPM 2011, which will meet, this year, in Clermont-Ferrand France in late August.

The major event in North America for those interested in Lean and Six Sigma will be the ASQ's Lean and Six Sigma Conference that will take place Feb. 28-Mar, 2011 in Phoenix Arizona.

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TMForum and the Supply Chain Council will both hold multiple conferences for those interested in BPM in Supply Chain and Telemanagement.

At the same time, as BPM continues to gain recognition, it will be featured in special tracks or presentations at industry specific conferences. Thus, expect BPM talks at vertical market conferences such as banking, insurance, healthcare, pharmaceutical and petrochemical conferences.

Summary

Although the economy was sluggish in 2010, a lot happened. Companies were acquired and a variety of BPM standards initiatives were launched that will drive still other activities in 2011.

We expect 2011 will be a better year than 2010, especially in the emerging markets. But even in Europe and North America, we expect there will be lots of exciting developments as companies adjust to the continuing changes they face and seek to prepare for an even better year in 2012.

Whatever your role or interest in BPM, we wish all our members and readers success in 2011.

Paul Harmon and Celia Wolf