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Greetings,

IBM, Oracle, BEA, Microsoft, and SAP all seem intent on creating BPEL servers. How is this going to affect the BPM market?

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BPEL Application Servers

Many companies are interested in the possibilities of creating Business Process Management (BPM) applications that can coordinate the execution of business processes. The hope is that such BPM applications will not only provide companies with a way to manage the runtime execution of the processes, but will make it easier for business executives to understand the processes and, in some cases, intervene and change the way the processes work. Managers will do this by either changing the business process workflow diagrams that define the processes, or by changing the business rules that are used in the processes. Similarly, companies hope that BPM applications will provide monitoring dashboards so that managers can access real-time data about the execution of various processes and make more timely decisions.

We are still in the early days of the BPM market. Most companies are only beginning to experiment with BPM solutions. There is no broad agreement on how effective BPM solutions will be, or what the best BPM solutions might be, or how to go about creating BPM solutions. For example, many have talked as if BPM applications are to be created, or at least used, on a day to day basis, by business managers. Others have suggested that it will be business analysts who will actually create and change BPM applications. Still others have suggested that BPM applications will be created by a combination of business analysts and IT developers. In fact, we suspect that it will vary from one class of application and one industry to another. Some companies will develop BPM applications that business managers will actually control. Others will create more complex systems that business analysts and IT managers will jointly control.

There is considerable confusion today about both BPM and about the ultimate uses of BPM systems. This almost always occurs in a new market when lots of different vendors and consultants rush to offer their own vision of what's possible. Later, as companies gain more experience, we will realize that there isn't ONE BPM SOLUTION, but several, each with different characteristics.

Figure 1 provides a continuum that we often use. Some prefer to put this on end, with the left side at the bottom and the right side at the top, thinking of each of the points along the continuum as a horizontal layer. The key thing is that products at the right tend to incorporate or be built on products more toward the left. Thus, BPEL is a language that an IT developer uses. A BPEL application server is a package that makes it easier to create BPEL applications, but it is still primarily an IT tool. BPM Suites usually combine a number of BPM utilities. Thus, for example, most BPM Suites include a process modeling utility and a business rule management utility. A BPM Suite vendor has a choice. It can either develop a complete software package, by itself, or it can create a Suite that incorporates utilities from other vendors. Several BPM Suites, for example, incorporate Corticon's Business Rule Management utility.
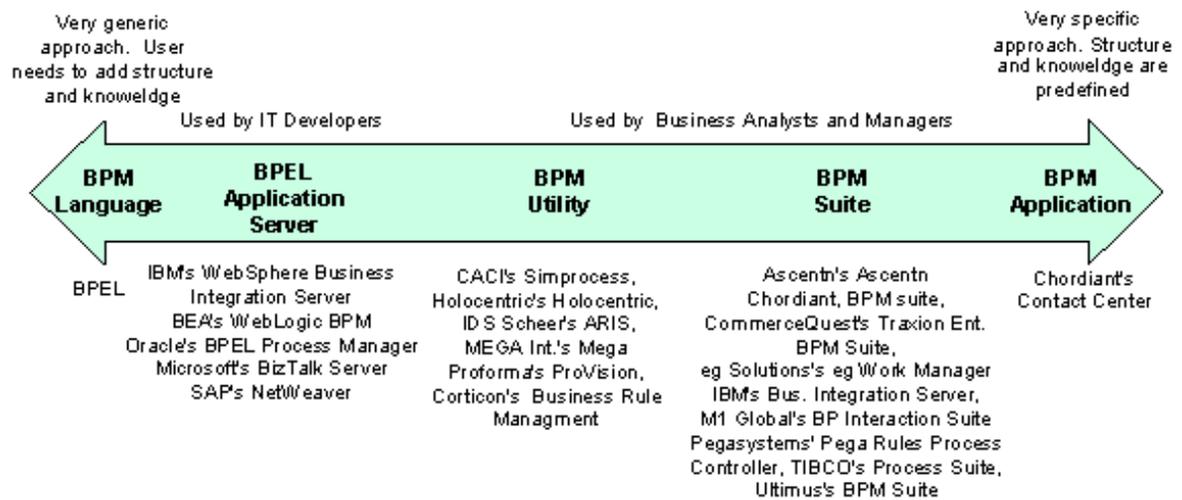
Figure 1. A BPM product continuum.

During the past two years, the BPM market has been dominated by companies offering BPM utilities, like CACI, Holocentric, IDS Scheer, MEGA, and Proforma, who sell popular Business Process Modeling products, and by BPM Suite vendors. Recently we've begun to see some very sophisticated packaged BPM applications from vendors like Chordiant.

The group that is getting ready to enter the market in a big way in 2005 is the systems vendors who will be offering BPEL application servers. The most advanced offerings at the moment are IBM's WebSphere Business Integration offering, Microsoft's BizTalk Server, and SAP's NetWeaver. All of these BPEL server offerings are still evolving and it is unclear how friendly the vendors can make the interface. An early look at these products suggests that they will be primarily used by IT developers and very sophisticated business analysts. If this continues to be the case in 2005, then it is likely that several of the BPM Suite vendors will move their products to sit on top of a BPEL application server, using BPM utilities provided by the server but providing a user interface that is easier for managers to use. Indeed, some of the BPM Suites, like Ascentn, are already using Microsoft's BizTalk Server.

What is clear is that as the systems vendors begin to promote their BPEL solutions in a big way, probably in the latter half of 2005, the market for BPM will start to grow as more companies become confident enough to try new BPM applications. Put another way, 2005 is probably going to be a very good year for BPM.

As the major systems vendors, like IBM, Microsoft, BEA. and Oracle, begin to play a larger role in the BPM market, many of the smaller BPM vendors will find the competition too bracing. Most will begin to focus on offerings tailored to specific industries or they will shift to selling BPM applications, taking advantage of what they have learned in the past two years about the specific processes and rules used in specific applications.

Any way you look at it, the BPM market is about to get a lot more complex, and companies that want to become involved in BPM development are going to face difficult choices.

BPTrends will publish 2 major reports on the BPM market in early 2005 -The BPTrends 2005 BPM Suites Report and The BPTrends 2005 Enterprise Architecture and Business Process Modeling Tools Report. Both reports are designed to help companies sort out the relevant issues and will include an introductory overview of the market and the product category along with detailed reviews of a number of the leading BPM products. And, of course, we'll continue publishing materials to keep business managers aware of the range and capabilities of the growing array of BPM servers, utilities and suites.

'Til next time,

Paul Harmon