

Harmon on BPM Paul Harmon

Who's Selling BPM to Whom?

I attended the IBM BPM Analysts Meeting in October and one of the sessions I found most interesting was a discussion of the job titles of people to whom IBM is selling their BPMS solutions. Our market research, including our BPTrends Market Surveys, provide us with some insights into who is buying and who is selling the broad range of BPM solutions.

Before focusing on who is selling BPM to whom, I would like to take a step back and look at the overall BPM Market..

What is BPM?

There is no agreement a definition of BPM. For some, Business Process Management (BPM) is just the latest term for any and all process work. It was called Six Sigma in the 80s, and then Business Process Reengineering in the 90s, and today it is called BPM.

Some take the emphasis on "management" seriously, and propose that the current round of process work is more concerned with integrating and actually managing process work across the organization. Or, even more ambitiously, some propose that this round of process work puts more emphasis on business managers thinking of process change as a part of the work of managers.

Still others refuse to discriminate between BPM as process redesign, and BPM as a software technology for facilitating process redesign. To these individuals, BPM is a set of software tools that help people redesign and then manage their ongoing processes. In other words, some people think of BPM as a kind of updated approach to the development and use of workflow software. Others discriminate sharply, and think of BPM as the overall process of process improvement and management, while reserving the term BPMS (BPM software) for those process redesign efforts that involve the use of software to manage the ongoing execution of processes.

For awhile, Lean and Six Sigma practitioners seemed to largely ignore BPM, content to do their own thing. However, as interest in BPM has increased over the last few years, that attitude has changed and more and more Lean and Six Sigma practitioners are attending BPM Conferences.

Some process work has always been done by software analysts and developers, many of whom conceive of process work as a kind of automation, but the more flexible ones have come to be genuine process practitioners, willing to deal with

people problems, as well as with automation challenges. Similarly, many Business Analyst groups understand their jobs as including the broad analysis of business problems and the design of effective solutions, with or without automation.

I have consistently tried to define process work as broadly as possible in an effort to embrace everyone trying to analyze and improve an organization's work processes. I encourage others to think the same way, but fully understand that many do not and, instead, rely on much narrower ideas of what is involved in defining or fixing a process.

Who Is Using BPM or BPMS

In a sense, process practitioners simply reflect the various definitions of process we have just discussed.

If we look at the job titles of those who responded to our most recent BPTrends Market Survey, we can identify the following groups. These groups have been relatively consistent over the course of our survey which we began in 2005.

- Business Executive 9%
- Business or Line of Business Manager 15%

- Process Practitioners 12%
- Business Process Architect 18%
- BPM Consultant 13%

- Lean/Six Sigma Practitioner 3%

- Business Analyst 14%
- IT Manager 6%

The first is a group of business managers who have always been very involved in redesigning and improving business processes. The second is a group of people that identify directly with process and define themselves as process practitioners, architects or consultants. The third is a group of people from the Lean and Six Sigma communities who we might also include in the second group. The fourth is a group of people from the Business Analyst community and/or IT.

One would reach almost this same conclusion if one looked at the books published. Some are by and for Business Analysts. Some are by and for IT practitioners. Some are for Lean or Six Sigma practitioners and some are by and for business managers. The business process market is not a single market, it is an overlapping set of related markets. One notices the same thing when one follows discussions of process online. Definitions and perspectives vary greatly, depending on the background and the goals different individuals bring to process work.

It would be nice if these individuals shared a more common understanding of BPM, but everyone marketing BPM products and services has come to understand that this is a complex market that includes many very different perspectives. A message that resonates with a group focused on analyzing how processes interface with customers won't appeal to Lean and Six Sigma groups or to a BPMS group that is focused on installing a new software application, or with a BPM group that is interested in how

one uses business rules to analyze processes with multiple decision points, or with an IT group focused on doing detailed BPMN diagrams to generate software code.

How Mature is the BPM Market?

Readers who have followed my writing over the last few years know that I am obsessed with the process maturity of organizations. One needs to know the perspective of a potential client, but one also needs to know how experienced the client is. To keep things simple, I usually refer to the five levels of maturity defined by the Software Engineering Institute's Capability Maturity Model (SEI CMM). This model defines five levels which I summarize as follows:

Level 1. Initial The process is characterized by an ad hoc set of activities. The process isn't defined and its success depends on individual effort and heroics.

Level 2. Repeatable At this level, some basic processes are defined and some management processes are established to track costs, to schedule and to define functionality. The discipline is available to repeat earlier successes on similar projects.

Level 3. Defined Most processes in the organization are defined. The organization is working toward a business process architecture that shows the relationships between all of the processes in the organization. Processes are documented for both management and support activities.

Level 4. Managed Detailed measures of the software process and product quality are collected. Managers use process measures to control the processes.

Level 5. Optimizing Feedback from the process measures documented and used by employee teams working with managers to continuously improve the processes

An organization at Level 2 on the CMM maturity ladder isn't ready to focus on organizing process management. Instead, they need help simply defining their processes. Similarly, an organization at Level 3 needs help in developing an architecture, but may not be ready to talk about the use of employee teams for continuous improvement. Trying to get organizations to attempt things they aren't ready for is very risky. Architecture work, at Level 3, for example, requires the strong support of senior managers and the broad support of most middle managers. Without proven successes at Level 2 that gain management support, pushing architecture too quickly will result in resistance and failure.

In other words, different teams will push different approaches, but any approach pushed had better be within the capability of the organization to succeed in the implementation of the approach.. I often use the chart in Figure 1 to explain to BPMS vendors why it is difficult to sell lots of BPMS products at this point in time. Recall that most organizations are at Level 2 on the CMM maturity scale. They are focused on documenting and understanding their core processes.

BPMS tools are best used by organizations at Level 4. The tools not only define the process, but depend on tracking measures and providing feedback to process managers. If an organization doesn't understand its basic processes, its not in a position to understand large-scale processes, nor does it have the metrics in place or the process managers trained to use the kinds of feedback that the BPMS tools are designed to provide.

Either BPMS vendors should concentrate on identifying those organizations that are already at CMM Level 4 or above, or they need to put more effort into helping organizations move from Level 2 to Level 4, to prepare them to understand and require the support that the BPMS tools can provide.

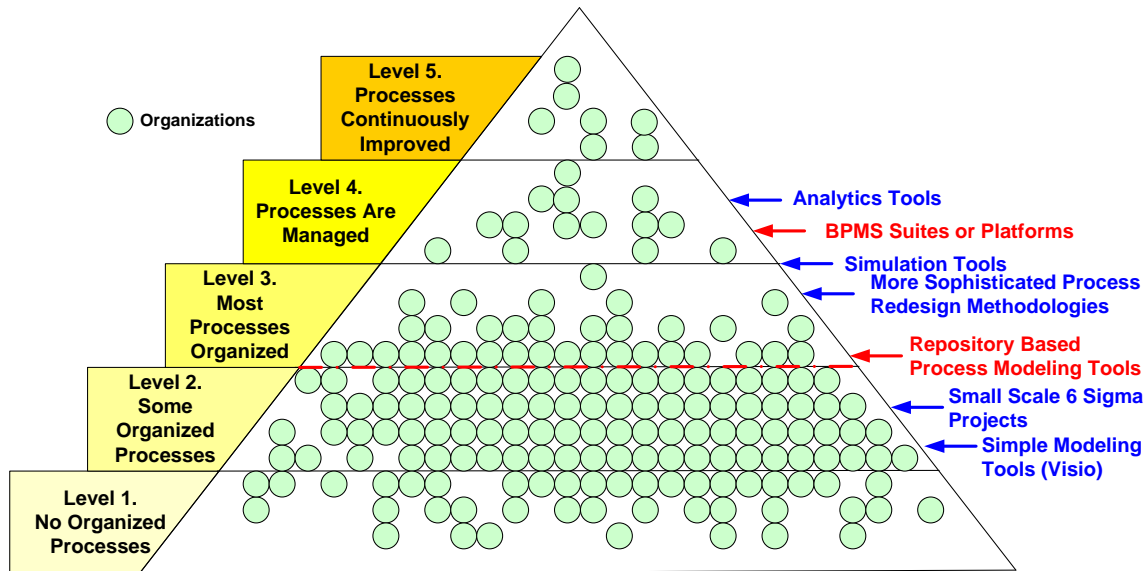


Figure 1. A pyramid showing maturity, where most companies are on the maturity scale, and where process tools are best used.

In reality, many BPMS vendors have concentrated in selling their software products to IT, and IT groups have used the BPMS tools to develop software applications. In many cases, BPMS tools are superior software development environments. In any case, most IT departments are willing to try one just to become familiar with the tool. It isn't IT, however, that drives most process work – its business. IT hears about the process changes that involve automation, but aren't necessarily involved in process changes in human performance, or changes in basic work flows that are not documented by IT.

Who Does IBM Say It Wants to Sell To?

IBM has obviously thought long and hard about the BPM and BPMS markets. They maintain that they want to avoid sales that only focus on IT. Those are the sales that tend to involve testing new software. They want to get much deeper into the organizations that they work with and claim that their goal, and the place they get the best results is when they sell to a group that includes the COO, a Line of Business Manager and the CIO (See Figure 2 which is modified version of an IBM presentation figure.)

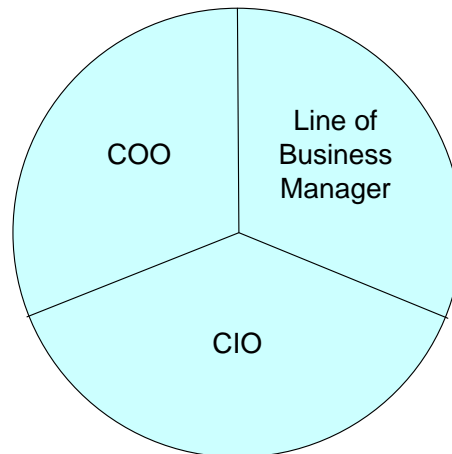


Figure 2. The ideal team for a BPM/BPMS sale.

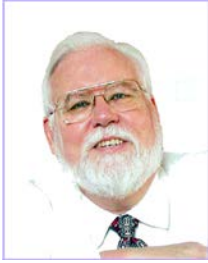
IBM's target audience makes sense to us, and reflects the diverse nature of the product (BPM/BPMS) and the wide variety of people involved in using process tools.

Obviously, you can use the term BPM to refer to a small process redesign effort such as reengineering the credit card approval process used in a retail store. As we've already suggested, some people may think of it as process work, but many others will just think of it as a small software improvement project.

Increasingly, most organizations associate BPM with business transformation or redesign. Indeed, even using a BPMS application to provide a business process manager with information about a major process begins to sound like a major project. If BPM and BPMS are going to have the impact that most process practitioners have been promoting for the last ten years, it is going to involve major changes in how organization operate and that has to involve the business people. It has to involve at least a Line of Business Manager, and if the process is complex at all, it better involve the COO.

This Column has wandered around a bit. Broadly, I have been suggesting just how complex the business process market is – for vendors, or within organizations. There are lots of different groups that believe they should lead process change. At the same time, organizations vary all over the place in terms of their readiness to follow-through on any given process change initiative. Finally, those who must approve significant process change efforts include both business and IT folks. Selling to IT will move a few products and may make a small impact, but major process change requires vendors to sell to teams that include senior business executives and IT. It's a tough, complex environment, whether you are working inside an organization trying to build alliances, or working for a vendor, trying to sell products or consulting advice.

Luckily for everyone, promoting process change of all kind, continues to demand new and different responses, and organizations continue to struggle to try to redesign their processes to survive and prosper. Demand may be confused, but it's growing and will continue to reward those who tailor their efforts effectively.



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