



The State of Business Process Management 2018

Paul Harmon

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Foreword

Business Process Trends was established in 2003. In 2005 www.BPTrends.com undertook its first Survey of what organizations were doing with business process technologies. Since then we have essentially repeated the same Survey every other year, modifying it only to allow us to capture new developments. We publish the data from these surveys at no cost as a service to the business process community.

This year we made some significant changes in the report. We eliminated many of the previous questions and added some new ones in order to both shorten the report and to explore new developments that have emerged.

This report summarizes information provided by over 180 participants who responded to our BPTrends Survey in Q4, 2017 and analyzes and compares the responses from the six previous BPTrends Surveys that were conducted in 2005, 2007, 2009, 2011, 2013 and 2015.

We hope this survey will provide benchmarks that the Business Process Management (BPM) community can use to gauge the evolution of BPM.

The majority of the respondents to this Survey are members and/or readers of BPTrends and reflect the perspectives of a broad base of business managers, consultants, practitioners, and business analysts from a broad cross section of international organizations interested in BPM.

Business Process Management or BPM has been high on most lists of important business topics since 2003. Most people think of BPM as the logical continuation of the interest in business processes that started in the Eighties and reached a crescendo in the mid-Nineties with Six Sigma, Business Process Reengineering, and Workflow and ERP software. Because of its extensive roots, and because there are several new approaches included in today's discussions of BPM, it is difficult to develop a clear definition of BPM. Like any phrase that is comprised of familiar words and embraced by a number of different communities – including executives, business process consultants, business analysts, Six Sigma practitioners, business architects, CIOs, and software developers – the phrase *Business Process Management*, or *BPM*, means different things to different people. There is little we can do to force uniformity on such a diverse and rapidly changing practice but we can at least identify the different ways the term *BPM* is used and report on the goals of each of the different groups using the term. To minimize confusion, we wrote multiple-choice questions and tried to provide precise descriptions in an effort to assure that everyone understood the choices.

We are grateful to the many people who have made this Survey possible, in particular, our sponsors, Red Hat and Signavio. We also want to thank our many friends, associates and partners who have worked with us to promote participation in the Survey, and we want to thank our members and readers who took the time to complete the questionnaire.

For our part, we have reported and summarized the data as accurately and fairly as we could. We want to extend our special thanks to Paul Heidt for producing the tables and for carefully editing the report.

As always, we welcome your comments and suggestions regarding this Survey as well as suggestions for topics and issues you would like to see included in future studies.



We hope this report will provide you with insights that will suggest new ideas for future developments in your own organizations.

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Executive Summary

Unlike surveys that just look at what respondents say at a specific point in time, the BPTrends survey has been asking questions of process practitioners for over a decade. Thus, we are in a good position to generalize about ongoing trends in process work. Broadly speaking, the interest in business process change has evolved slowly. For some organizations the progress has been dramatic, but for most, their process initiatives are best described by the phrase “two steps forward; one step back.” An amazing number of organizations have focused on process work for several years, made significant progress, then, seemingly forgotten all about their process work, regressed, and then, a few years later, started up again.

Some organizations approach business process development in a systematic manner, but most do not. Instead, they seem focused on specific processes, and on accommodating specific new technologies, and lurch from one process improvement effort to the next.

It sometimes seems as if the rate of change has overwhelmed organizations and they find themselves struggling just to keep their core processes up to date. Worse, many organizations have found that their longstanding business models no longer function well, and they are struggling to identify new business models and to transform themselves to deal with radically changing customer demands. Manufacturing has already been rocked by a massive amount of outsourcing, and is now struggling to accommodate radically new approaches to manufacturing or another round of AI-derived automation. Retail Sales has been revolutionized by online sales and support. Established retail chains have been driven to bankruptcy by online stores like Amazon, and storefronts in malls across the US are empty as a result of the ongoing shift to online sales. Financial organizations are faced with a constantly changing regulatory environment. At the same time customers of financial services insist on constant online access to funds and services. Companies like music recording and publishing have been completely transformed as digital modes have become standard.

In spite of this instability, the world economy is in the best shape it’s been in since 2007 and 2018 looks to be a year in which companies invest in new developments.

Shifting to a narrower focus, the interest in business process change seems somewhat abated. Figure 1 pictures the interest in process change and the adoption of process technology over the course of the last several decades. There is a basic interest in process work that has grown steadily and has resulted in process improvement groups and process tools that are available in most large to mid-sized companies. Beyond that, there is an interest in specific process developments that excite senior managers and lead to major process initiatives.

In the Eighties, as the US experienced an invasion of European and Japanese automobiles, there was a major interest in Lean and 6 Sigma, process technologies that were supposed to have helped foreign companies produce better products. In the Early Nineties, Business Process Reengineering (BPR) was all the rage. This surge in interest in process work was driven by Hammer’s book, *Reengineering the Corporation*, and assumed that information technology could be used to radically improve large-scale business processes.

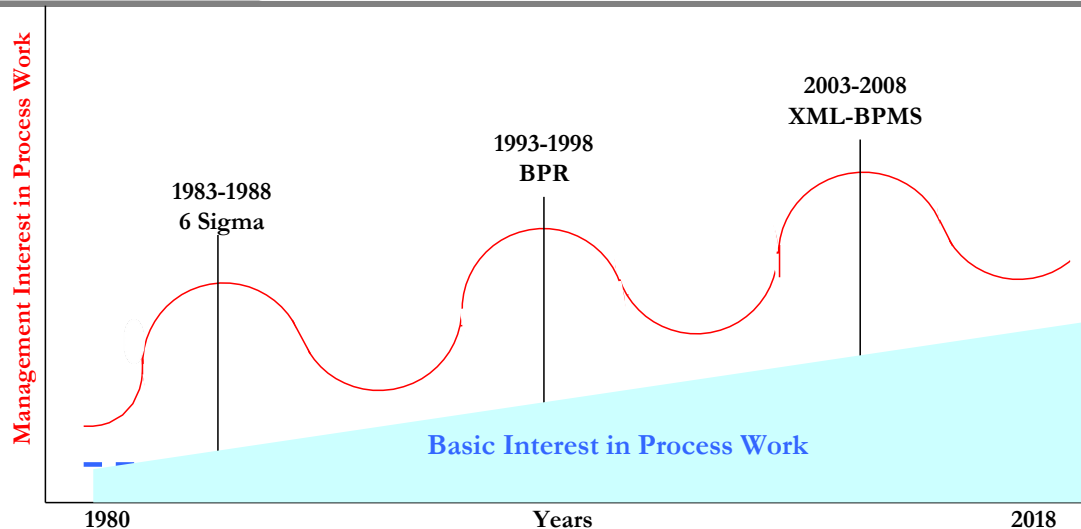


Figure 1. The overall interest in business process work at major organizations

In the early years of the new millennium, Internet technologies, like XML, made it possible to easily integrate data flows from many different sources and new software tools, usually called Business Process Management Software (BPMS) tools, were able to not only model business processes, but monitor and even change process structures in real time.

In each of these periods of enthusiasm, books were written, conferences were held, and articles appeared in business magazines that led companies to launch a variety of major process initiatives. After a while, in each case, enthusiasm declined and process initiatives slowed.

In the case of the latest enthusiasm for Business Process Management, the recession of 2008 led to a shift in company priorities, and a decline in investment in new process tools. At the moment there is still a basic interest in process work, but we are in a period with little management enthusiasm. We assume that another period of excitement will begin again soon, driven by some combination of digital transformation tools and AI technologies that will lead to competitive advantages for companies that enhance their business processes with these new technologies.

Whatever the economy is like, however, and seemingly with or without senior management enthusiasm, technologies continue to evolve rapidly and most large organizations struggle to upgrade their business processes in response to new technologies and changing customer demands.

This year's survey obtained responses from 184 respondents, mostly business or business process analysts, process practitioners, business process architects and process managers. Our respondents came mostly from Europe and North America, but we also had respondents from Australia and New Zealand, the Middle East, Africa, and from Central and South America. This is the first time that more respondents came from Europe than from North America. It's our impression that Europeans retain more enthusiasm for BPM at this point than those in North America. In North America, respondents are more likely to be focused on new IT technologies, or looking for the next big thing in process work. Whatever their geography, our respondents came from a broad cross-section of business and industry, from government agencies, and from large, medium and small organizations.



Key Findings

- Respondents reported that this year, as in all years in the past, the main driver of business process work at their organizations was saving money by reducing costs or improving productivity.
- 37% of the people responding to our survey this year reported that their organizations have multiple, high-level business process projects underway.
- 42% said their organizations want to improve customer satisfaction in order to remain competitive.
- 65% of those surveyed agreed or strongly agreed that BPM processes and technologies have helped their organizations improve efficiency, versatility and customer satisfaction.
- The majority of respondents said their organizations were focused on incrementally improving existing processes and on automating departmental or enterprise-wide processes.
- A majority (52%) of respondents said that they only occasionally model or document their company processes. European organizations were more likely to model or document than their North American counterparts.
- Major activities underway at a least 25% or more of the organizations surveyed include: Developing enterprise process architectures, Coordinating enterprise process change efforts, Coordinating enterprise process management efforts, and Undertaking major process redesign and automation projects.
- The biggest problem process people have selling projects to senior management remains the fact that management is confused by multiple different process change efforts all clamoring for attention.
- Specific process change projects are managed 27% of the time by the actual process manager, 24% of the time by a BPM group, and 20% of the time by senior executives.
- 59% of the organizations in the survey are engaged in 1 or more major transformational projects.
- 93% of the organizations in the survey are engaged in multiple process improvement projects.
- 79% said they were using process software tools to model the processes they were analyzing and planning to change. Most said the process models they developed were only used by the process change team, but 22% said that the models were shared with all employees.
- 50% of those using a BP software tool were satisfied with the tool.
- 48% said they would like to add Decision Management capabilities in 2018.
- 30% said they would also like to add Process Mining, Capability Modeling and some kind of Robotic Process Automation (RPA), or AI capabilities to their process modeling suite.
- 54% said they were spending under \$500,000 on process work.
- 21% said they were spending between \$500,000 and \$999,000 on process work.



- 15% said their organization was spending from \$1-5 million on process work
- 40% said they would be spending about the same next year, while 46% said they would be increasing their spending during 2018.

It would be nice to be able to highlight more dramatic findings. If over a decade of research in process change has taught us anything, however, it's that the use of process improvement technologies has evolved rather slowly. There are, as we have noted, periods of enthusiasm. During those periods senior managers get excited and establish initiatives to promote some recent trend. Over the long haul, however, process grows at a more modest pace, as our data indicates.



How Organizations Understand BPM Today

We began our survey by asking a few questions simply to understand how organizations conceptualize Business Process Management. The term BPM has been used in many ways, and several alternatives – from process improvement to intelligent BPM (iBPM) have been proposed. We simply wanted to determine how the respondents to our survey thought their organizations conceptualized the process changes underway at their organizations.

1. How would you characterize your organization’s current interest in process change?

In 2017, 36% of our respondents said that their organizations had a significant commitment to multiple high-level projects. Twenty-nine percent said their organizations had an initial commitment to a limited number of mid- or low-level projects and 23% said their organization’s executives had made a major strategic commitment.

Table 1. How would you characterize your organization's current interest in business process efforts of all kinds?								
	2005	2007	2009	2011	2013	2015	2017	
Major strategic commitment by executive management	28%	26%	19%	31%	21%	24%	23%	42
Significant commitment to multiple high level process projects	23%	24%	33%	30%	32%	27%	36%	65
Initial commitment to limited number of mid or low-level projects	23%	25%	29%	26%	33%	35%	29%	53
Exploring opportunities	21%	23%	16%	12%	11%	14%	9%	17
No interest	6%	2%	3%	2%	3%	1%	3%	6
Total	100%	100%	100%	100%	100%	100%	100%	183

We have asked this same question to survey participants in each survey we have undertaken since 2005, and Table 1 summarizes the results. This year’s response shows that there has been an increase in the number of organizations that indicate that they have a significant commitment to multiple high-level process projects.

The drop in the number of participants indicating that their organizations has a commitment to mid- or low-level projects may indicate that our respondents are a little more experienced this year. A similar drop in the number of respondents who indicated that their organizations were just exploring opportunities underlines that conclusion.



If we segregate responses to examine just North American responses and just European responses, we find that North American organizations are significantly more likely to say they have a significant commitment to multiple high level projects (41%) while European respondents indicate that their organizations are just as likely to have an initial commitment to mid-or low-level projects (31%) as a significant commitment to multiple high level projects (31%).

2. What drives your organization's interest in process work?

A **business driver** refers to a situation, strategy, or initiative that motivates management to support business process change. Historically, the two leading drivers of business process work have always been the need to:

- save money
- improve an existing process or to create a new business process

Other important traditional drivers are the need to:

- improve customer satisfaction
- improve organizational responsiveness
- improve business coordination and control

More temporary, ad hoc drivers can be the need to:

- introduce a new product or business line
- comply with new regulations like Basel III and IT upgrades
- respond to unique events like a merger or acquisition

We asked respondents to suggest the main business drivers that led their organizations to focus on business process change initiatives. As you can see in Table 2, a majority said their organizations were driven by a need to save money or to improve productivity. The second largest group indicated that their organizations pursued process initiatives to improve customer satisfaction and to remain competitive.



Table 2. What are the major business drivers causing your organization to focus on business process change?								
	2005	2007	2009	2011	2013	2015	2017	
Need to save money by reducing costs and/or improving productivity	33%	56%	56%	57%	54%	53%	53%	98
Need to improve existing products, create new products or enter new lines of business to remain competitive	19%	36%	36%	28%	34%	33%	28%	51
One time event (merger or acquisition)	2%	4%	4%	4%	3%	5%	7%	12
Government or business risk management (Sarbanes-Oxley, ISO 9000)	11%	17%	17%	13%	13%	17%	21%	39
Need to improve customer satisfaction to remain competitive	19%	37%	37%	31%	37%	46%	42%	77
Need to improve management coordination or organizational responsiveness	23%	51%	51%	38%	35%	30%	36%	66
Need to improve management of IT resources (ERP applications)						15%	26%	47
Need to reduce cultural resistance to process change						17%	15%	27
Other, Please Specify						12%	8%	14

A comprehensive review of Table 2 suggests that there has been no significant change in the drivers of process work over the course of the last twelve years. If you consider our earlier remarks about an underlying, continuing interest in process change, and a wave-like pattern of management initiatives, the drivers apparently sustain the continuing interest in process. There is always a need to save money and satisfy customers. Periods when managers become excited about using new tools or technologies provide an additional driver but don't replace the ongoing, underlying drivers of process improvement.

Fourteen respondents entered specific responses. They were specific variations on the options and didn't fall into any particular pattern. A typical example was a respondent that indicated that their organization was driven by a need to unify different variations of historical processes.



When we segregated the responses of those from North America and Europe, we found a somewhat different response.

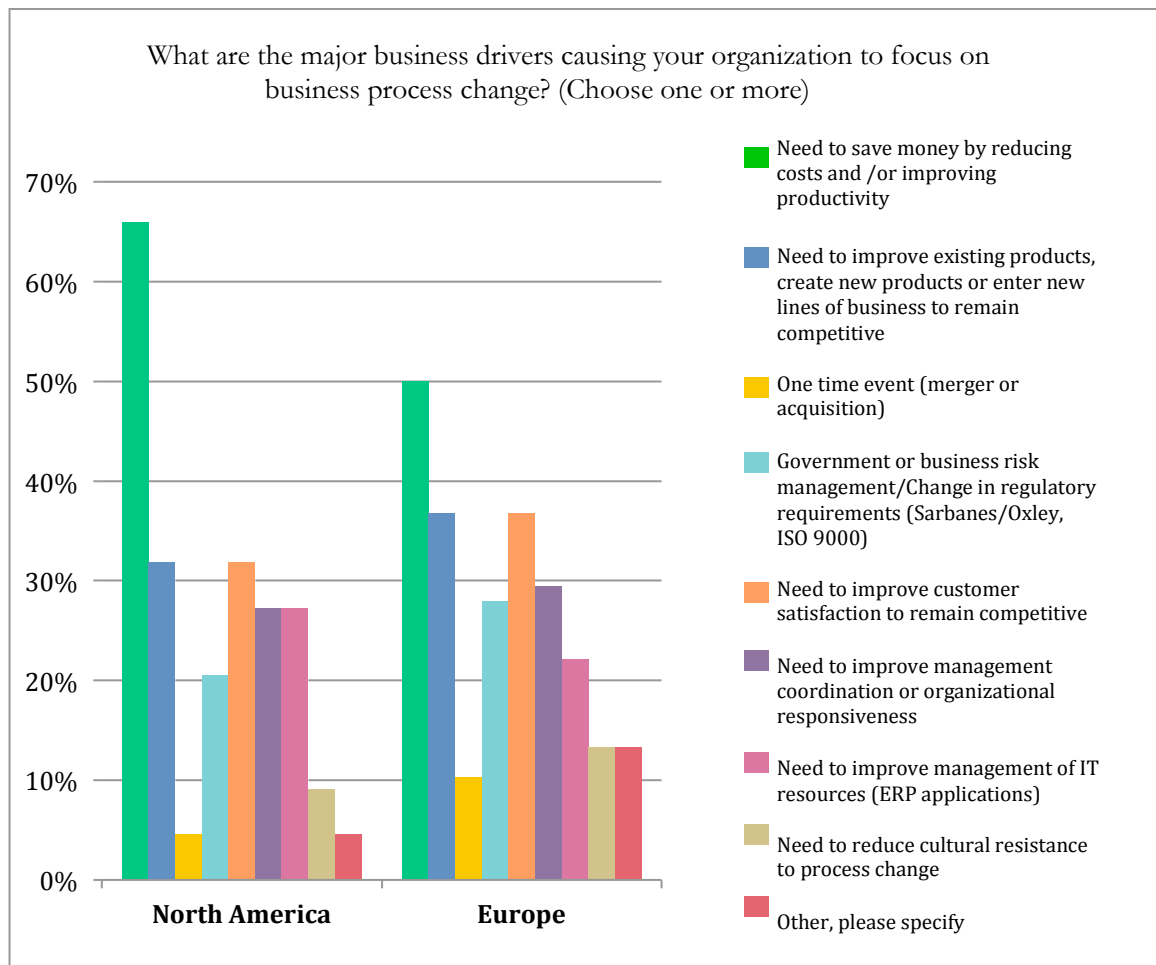


Figure 2. NA and EU responses to the question about drivers of process change.

North Americans followed the overall pattern and indicated that they were primarily driven by the need to save money and improve productivity. Europeans, however, provided a more nuanced response. Fifty percent said they were primarily driven by the need to save money and improve productivity, but 37% percent said they were driven by a need to improve customer satisfaction and to remain competitive. Similarly, 37% said they were driven by a need to improve existing products or to enter new lines of business to remain competitive.

3. How would you characterize how useful BPM is to your organization?

To determine how useful organizations found BPM and its associated technologies, we asked them to describe how useful they found BPM on a five point scale. Most (43%) **Agreed** that BPM had helped their organization's efficiency, versatility and customer satisfaction.



Table 3. In general would you say that BPM practices and technologies have helped improve your organizations efficiency, versatility, and customer satisfaction?

	2017	
Strongly agree	22%	40
Agree	43%	80
Don't know	27%	49
Disagree	7%	13
Strongly disagree	1%	2
Total	100%	184

In addition, later in the survey, we gave readers an open-ended question and simply asked them to tell us what kind of impact BPM was having on their organizations. As far as we could tell the responses didn't differ much between regions or industries. The responses that stood out, included:

- BPM helps to break down silos and get people talking about how to get things done.
- BPM helps us standardize the way we do things. This is especially important to a global company with operations in different locations.
- Our organization needs to keep changing to survive, and we use BPM to accomplish that.
- We needed to monitor activities more carefully and to respond more quickly, and BPMS tools helped us to do that.
- We needed better alignment between our corporate goals and our activities, and BPM helps everyone understand the relationships.
- BPM gets everyone working together.
- BPM provides us a way to step back and see where opportunities lie.
- BPM provides our organization with a common language.
- BPM helps us get new employees up to speed by providing them with a clear idea of how we do things.



BPM Activities Today

We asked a number of questions designed to determine what process work was being done today.

4. How would you describe the overall focus of your organization at this time?

We asked respondents how they would describe the overall focus of their organizations at this time. Of the entire pool of respondents, two groups, about a third each, indicated that their organizations were either focused on automating departmental and/or enterprise-wide processes (34%), or that they were focused on incrementally improving existing processes (35%).

Table 4. How would you describe the overall focus of your organization at this time? (Choose one or two)								
	2005	2007	2009	2011	2013	2015	2017	
Focused on improving specific departmental level processes			32%	28%	40%	39%	28%	52
Focused on automating departmental or enterprise wide processes			23%	31%	20%	25%	34%	63
Focused on incrementally improving existing processes			32%	33%	33%	39%	35%	65
Focused on redesigning enterprise wide processes			25%	18%	18%	19%	18%	34
Focused on defining an enterprise wide process architecture/ measurement system			18%	16%	14%	19%	15%	28
Focused on defining an enterprise wide process management/ governance system			17%	20%	17%	22%	26%	48
Not focused on processes						6%	9%	16

When we segmented for location, we found an interesting difference. Respondents from North America were most interested in automating departmental or enterprise-wide processes (43%), while respondents from Europe were more focused on incrementally improving existing processes (34%) or on defining an enterprise-wide process management and/or governance system (34%).



5. What types of business process initiatives are underway in your organization at this time?

We asked respondents to tell us about some of the specific types of business process initiatives that took place in their organizations in 2017. Three types of projects stood out: the development of an enterprise process architecture, the redesign of major processes, and the automation of major processes. Looking at the historical data, the first two were in line with historic trends, while the automation of major processes represents a significant jump in activity.

Table 5. What business process initiatives are underway in your organization this year (2017)?								
	2005	2007	2009	2011	2013	2015	2017	
Development of an Enterprise Process Architecture	42%	43%	37%	38%	31%	43%	39%	69
Development of an Enterprise Process Performance Measurement System	25%	25%	24%	24%	20%	19%	24%	42
Coordinating Enterprise Process Change efforts	27%	31%	33%	26%	26%	26%	29%	51
Coordinating Enterprise Process Management efforts	25%	29%	28%	26%	22%	23%	29%	51
Process Manager training	19%	22%	24%	24%	20%	19%	20%	35
Balanced Scorecard	25%	22%	14%	22%	14%	13%	12%	22
Major Process Redesign projects	38%	36%	36%	31%	33%	36%	38%	67
Redesign projects with Frameworks (SCOR, ITIL)	13%	12%	13%	8%	9%	8%	9%	16
Six Sigma Process Improvement projects	21%	25%	21%	18%	22%	20%	12%	22
Major Process Automation projects	26%	27%	23%	27%	20%	21%	37%	65
Process Analysis and Redesign training (Non-Six Sigma)	26%	20%	22%	19%	24%	20%	25%	44
Lean Six Sigma Process Modeling and Redesign Training	15%	22%	17%	18%	19%	27%	15%	
Other, please specify	11%	7%	9%	7%	9%	7%	15%	26



If we look at the data, factored by location, we see that only 33% of those from North America say that the development of an enterprise process architecture is important, while 46% of our European respondents say it is. Conversely, only 38% of our European respondents say that they are focused on major process redesign projects, while over 47% of our North American respondents say there are.

We asked respondents to suggest other options. Most of the alternative responses we would have put into the existing categories, but a few stood out. Some people talked about setting up a BPM group and trying to hire a manager. Others spoke of trying to hire someone capable of using a specific type of BPMS tool. Some mentioned undertaking lots of small automation projects, of doing process analysis for an ERP implementation or of working with a process framework, like eTOM (a telecom architecture).

6. Is your organization undertaking any transformation projects?

Given the considerable discussion of **transformation** in the course of the past year or two, we decided to explore this in more depth. We made a point of asking respondents to discriminate between:

- **Process Improvement Projects**, that focus on incremental improvement of existing processes and
- **Transformation Projects**, that introduce major changes in the way the organization does business.

Then we asked respondents to tell us if their organization had any transformation projects underway. As can be seen in Table 6, over 50% of our respondents said their organizations had one or more transformation projects underway. Indeed, 31% said they had more than one transformation project in the works.

Table 6. Is your organization currently undertaking any Transformation Projects?		
	2017	
Yes, more than one	31%	57
Yes, we are engaged in one major transformation project	28%	51
No	33%	60
If yes, please name the transformation project(s)	8%	15
Totals	100%	183



When we compared the responses of Europeans and Americans, on this question, there weren't really any significant differences. Europeans were more likely to say they had multiple transformation projects in the works and less likely to say they had only one, while Americans were equally likely to claim they had one or multiple projects. The bottom line, however, is that the majority of both groups indicated that they were engaged in transformation scale efforts.

We suspect, that in spite of our definition of "transformation" that many respondents interpreted the term to simply mean a large project, rather than a project that would truly change the nature of their organizations. This was born out by the names of transformation projects that respondents listed, which included Customer experience transformation, Management improvement, ERP replacement, and Automation training program for new employees.

Perhaps we should have listed three categories: Transformation projects, Major redesign projects and Process improvement projects.

If you go back to **Table 4 (How would you describe the overall focus of your organization at this time?)** we see that just 18% said they are focused on redesigning enterprise wide processes while 35% are focused on incrementally improving existing processes. While we cannot be sure that all respondents understood our definitions, a Transformation project results in a major change in the way the organization does business. It usually results in new business processes. (*Transformation* is very similar to Hammer's original use of *Business Process Reengineering*.) A major redesign, on the other hand, is simply a significant improvement in an existing business process. The emphasis in Redesign is on changing an existing design, not on creating a totally new design. In any case, we believe that readers should take claims that most organizations are undertaking major transformation projects with quite a bit of skepticism.

7. Is your organization undertaking any process improvement projects?

Having asked about transformation projects, we next asked if respondent's organizations had process improvement projects underway. More than half responded that their organizations had from one to ten projects underway. Twenty-nine percent said they had more than ten projects underway.

Table 7. Is your organization currently undertaking any process improvement projects?		
	2017	
Yes, more than 50	8%	14
Yes, more than 10	29%	52
Yes, one to 10	57%	103
None	7%	13
Totals	100%	182



When we looked at factored results, Americans were more likely to have more than ten projects underway, while Europeans were more likely to say they had from 1-10 project underway.

8. What percent of your organization’s business processes are documented?

We asked respondents to tell us what percent of their organization’s processes were documented at this time. We did not phrase the question exactly as we had in the past and so the responses are not strictly comparable, but we think the responses map roughly as shown in Table 8. (The asterisks indicate where no data applies.) In essence this year's results are very much in line with previous surveys. Most companies have only modeled or defined their major business processes. Only about 25% have more than 60% of their processes modeled or defined.

Table 8. What percent of the business processes at your organization are documented?								
	2005	2007	2009	2011	2013	2015	2017	
Never (0%)			3%	3%	3%	4%	*	*
Occasionally (1-30%)	46%	55%	46%	38%	49%	50%	52%	97
Frequently (31-60%)	24%	24%	30%	31%	29%	29%	27%	50
Most Times (61-99%)	23%	14%	17%	22%	17%	14%	18%	33
Always (100%)	4%	4%	5%	5%	2%	4%	2%	3
Total	100%	100%	100%	100%	100%	100%	*	183

Once again, it’s interesting to compare European with North American responses. If we focus on only those organizations that have over 61% of their processes modeled or defined, only 11% of North American organizations have achieved this goal. On the other hand, 23% of our respondents indicated that European companies have reached this goal.

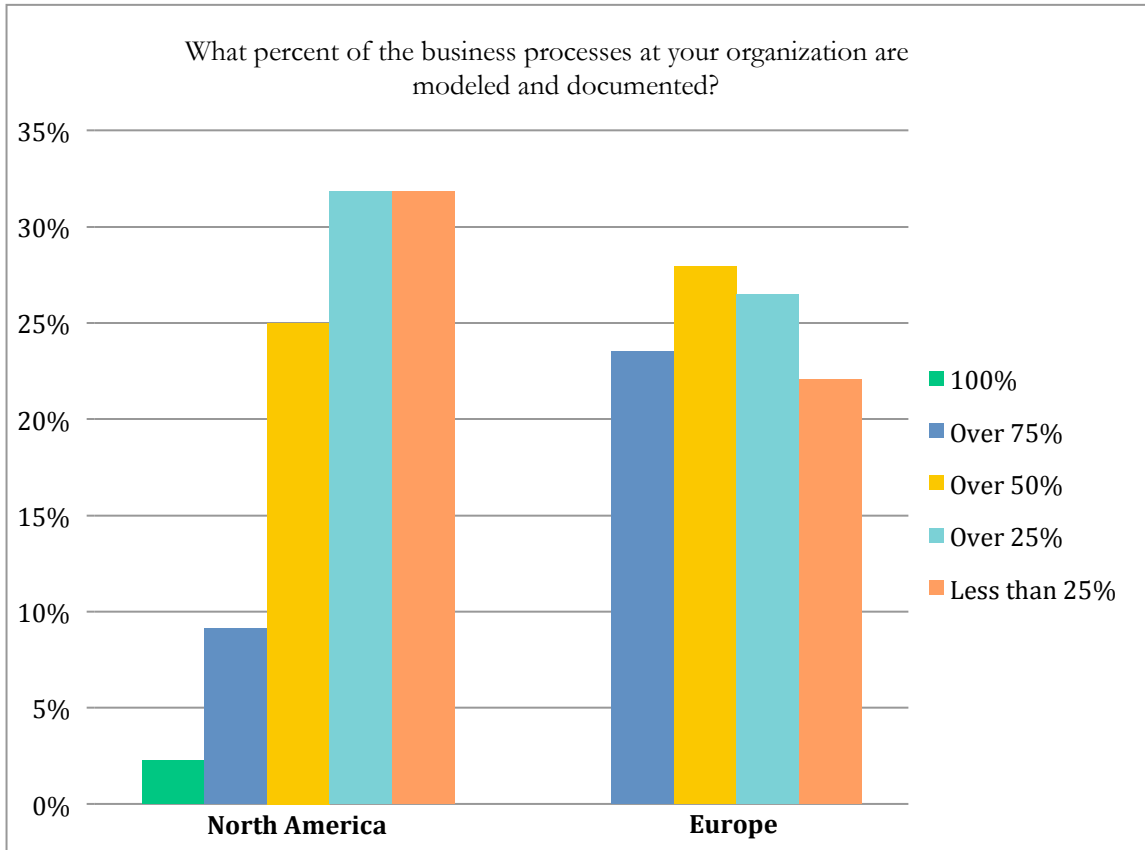


Figure 4. NA and EU responses to question about extent of process modeling.

Not surprisingly, organizations that said they had a tool and were satisfied with it were significantly more likely to say that they had modeled and documented more of their business processes. Clearly if your organization wants to do serious architecture work, it needs to get a process tool that people are comfortable with.

9. What obstacles or challenges do you face when trying to promote process change?

We next asked respondents about the obstacles or challenges they faced when they sought to promote a business process change initiative. A significant majority said that their organization had multiple process change initiatives that compete for attention. A secondary challenge was that senior management's attention was focused elsewhere.

Europeans and respondents from North America are in strong agreement on this one. Europeans were more likely to emphasize that senior management wasn't interested or was focused elsewhere.



Table 9. What obstacles or challenges do you face as you try to gain widespread acceptance of business process efforts at your organization?							
	2005	2007	2011	2013	2015	2017	
Senior management isn't interested or is focused elsewhere			37%	48%	58%	37%	66
Management wants ROI estimates that we cannot produce			23%	29%	30%	24%	43
We have multiple process change efforts competing for attention			42%	49%	44%	55%	98
We have had process projects that failed and management is cautious			12%	16%	25%	22%	40
Management does not want to make the investment at this time			22%	24%	24%	22%	39
Other, please specify			10%	10%	13%	13%	23

Many respondents have been complaining that “multiple process change efforts have been competing for attention” for many years. We think two things underlie this complaint. First, organizations have process change projects supported by different people and they don't coordinate or prioritize their efforts. Thus, IT promotes process automation, business managers support different changes, and a Lean or Six Sigma group advocates still other change initiatives. Second, most organizations lack a BPM group that oversees all process work, prioritizes possible projects, and serves as the one major advocate for process initiatives. We've argued for the importance of BPM groups for years as a direct result of this finding, and as the only reasonable way to deal with it. As long as process groups remain separate and come at process projects from different perspectives, they will confuse senior managers and they will be less effective than they otherwise would be.

10. How is your overall management of process projects organized?

We asked respondents to tell us how their organizations managed process change projects. Forty-three percent left initiation to individual business or division managers while only 24% had a BPM group initiating projects, illustrating our point about a greater need to have dedicated BPM groups championing and coordinating organization wide efforts. Thirteen percent said the initiative and management rested with senior executives.



Table 10. How is your overall approach to the management of process projects organized?		
	2017	
Individual business managers initiate and manage efforts	27%	49
Division managers initiate and manage efforts	16%	30
We have a BPM group that initiates and manages efforts	24%	43
Senior executives initiate and manage efforts	20%	37
Other (please specify)	13%	24
Total	100%	183

Respondents also suggested that their organizations used a project planning office, that their organizations had an executive committee that assigned priorities, or that their IT group managed priorities. All of these options seem reasonable.



BPM Spending

We asked all respondents about their current and future BPM spending plans.

11. How much is your organization spending on process work?

First, we asked each survey participant to estimate how much money his or her organization was spending on business process work. In making estimates, we asked respondents to include BPM management, Lean Six Sigma, process automation and overhead staff. We asked them not to include outsourcing or ERP software and implementation costs.

In 2015, as in all past years, more than half the respondents said they were spending less than \$500,000. While the base-amount being spent remains the same, note that a few companies are spending lots of money on process work. This reinforces our long-standing opinion that leading companies understand and spend on process while most companies don't understand process and only make modest commitments to it. Put a different way, some companies really are process-focused, but most only really focus on process when some special circumstance focuses their attention on a process problem.

Table 11. How much would you estimate your organization will have spent on business process analysis, process management, monitoring, redesign and improvement in 2017?

	2005	2007	2009	2011	2013	2015	2017	
\$0-\$500,000	57%	51%	54%	63%	54%	52%	54%	98
\$500,000 to \$999,999	15%	16%	15%	16%	20%	18%	21%	39
\$1 million \$5 million	19%	21%	21%	12%	15%	18%	15%	27
\$5 million to \$10 million	3%	4%	4%	4%	5%	6%	6%	11
Over \$10 million	5%	7%	4%	3%	4%	6%	3%	6
Over \$50 million		2%	3%	1%	2%	2%	1%	1
Total	100%	100%	100%	100%	100%	100%	100%	182

12. How do you expect your investment in process work will change in the next two years?

We also asked respondents to tell us if their process spending was likely to increase, remain the same or decrease. Forty percent said it would stay the same, and 46% said it was likely to increase by less than 100%. This reflects our own feelings about the business environment. The economy seems to be doing better and many organizations will either



continue current process improvement efforts or launch new process change initiatives in the next twelve months.

Table 12. How do you expect our organization's investment in BPM technology is going to change over the course of the next two years?

	2017	
Increasing by more than 100%	9%	16
Increasing by less than 100%	46%	84
Unchanging	40%	73
Decreasing by less than 50%	4%	7
Decreasing by more than 50%	2%	3
Totals	100%	183

No North American organization indicated that it spent more than \$10 million. Five European companies indicated that they spent from \$10-50 million and one indicated that it had spent over \$50 million. North American companies were more likely, however, to indicate that they would be spending more in 2018. On the other hand, only one North American organization indicated that it would be increasing its spending by more than 100%, whereas six European companies said they would be doing so.



BPM Software

We asked about BPM software tools and their use.

13. Is your organization using any software tools to model processes?

From the early years of the millennium, when interest in BPM really began, the interest has always included a significant interest in the use of XML-based process modeling tools. In effect, new internet protocols made it possible to create a new generation of process modeling tools that were easier to use and that could use the internet to link up with process data so that processes could not only be modeled, but monitored and managed online. For many, BPM and the use of BPM tools are indistinguishable. To monitor how this relationship is evolving, we asked respondents if they were using software tools to model the processes they were working to transform or improve. Apparently the question was confusing, since some answered yes while others indicated they were using a software product. Thus, to get the total number of respondents using software tools, we have combined **yes** and **if yes, please identify the product**. It seems that 79% of our respondents are using some kind of software modeling tool.

Table 13. Are you using software tools to model the processes you are trying to transform or improve?		
	2017	
Yes	21%	38
No	21%	39
If yes, please identify software product	58%	106
Totals	100%	183

The modeling tool market has always been divided between tools that simply let one define diagrams (e.g. Visio) and tools that store the models in a database and let users monitor processes and maintain data about the processes. When we use the term BPM software, we normally refer to the latter. Some respondents cited tools like Visio, but most cited more sophisticated tools. The tools cited ranged across the entire spectrum of BPM software products but did not indicate any solid trends, so it doesn't seem useful to name them.



14. Assuming you create process models, who uses the models?

We followed the question on the use of software process modeling tools by asking who used the models the tools generated. The majority of the respondents said that the team and the business manager used the models. About a fourth (26%) said that only the team involved in the redesign used the models, and a little over 20% indicated that all employees used the models.

Early BPM tools were basically modeling tools that included some monitoring and some management capabilities. As time has passed these tools have become much more complex, adding business rules, data base management capabilities, and more extensive real-time process change capabilities. With all the additional features, some of them only poorly integrated, the tools have often been hard to understand and use. There has also been a lot of consolidation in the market. Today, there is, in effect, a dual market with a few larger vendors offering very powerful tools, and another group of vendors offering simpler tools that are easier for beginners to use. At the same time, the rapidly evolving IT market puts everyone under stress to upgrade their tools to accommodate new technologies, like cloud computing, Robotic Process Automation and other Artificial Intelligence (AI) features. New vendors keep appearing even as older vendors are acquired and new generations of popular tools keep being offered.

	2017	
Only the team involved in the process change effort	26%	47
Team and business managers who own processes	36%	64
Team, business managers and other senior executives	12%	21
All employees	22%	40
Other (please specify)	4%	8
Totals	100%	180

Respondents mentioned other people who also consulted process models, but no new categories were readily obvious.

15. Assuming you create process models, are you satisfied with the tools being used?

We asked respondents who said they were using BPM software tools to tell us if they were satisfied with their existing tools. As you can see, 50% said they were satisfied or very satisfied. Thirty-five said they were neutral, and only 15% indicated they were unsatisfied or very unsatisfied.



Table 15. In general, if you are using software tools to model your process change efforts, are you satisfied with the tools you are using?

	2017	
Very satisfied	15%	26
Satisfied	35%	62
Neutral	35%	61
Unsatisfied	11%	20
Very unsatisfied	4%	7
Totals	100%	176

16. How likely is it you will change your process tools in the coming two years?

We asked respondents how likely it is that their organization would change their process tools in the next two years. Twenty-two percent said it was likely or very likely. Given what we have just said about the dynamic nature of the tool market, this isn't surprising. Even organizations that like their existing tools are likely to decide that they would like to acquire one or another new feature and upgrade or acquire a new tool with the desired capabilities.

Table 16. How likely is it that your organization will change its process tools in the next two years?

	2017	
Very likely	9%	17
Likely	13%	23
Don't know	26%	47
Unlikely	37%	67
Very unlikely	15%	27
Totals	100%	181

17. What new technologies are being considered for the coming year?

Earlier, we asked what products and services respondents were currently using. Later we asked what specific technologies they would like to add to their process improvement toolkit. In essence this suggests some of the features organizations will be looking for in tools in the coming year. Decision Management (just another name for business rules) got the most responses, but each of the items we suggested was of interest to at least a quarter of the respondents.



Table 17. What specific technologies do you hope to add to your process improvement toolkit in the coming year? (You can choose more than one.)		
	2017	
Process Mining	31%	52
Decision Management	48%	80
Capability Modeling	33%	55
iBPM, Case Management or Artificial Intelligence	28%	46
Robotic Process Automation (RPA)	37%	62
Other (please specify)	16%	27

Some respondents mentioned other ideas they were pursuing, but no other process technologies were cited.

Again, the response to this question underlines why people who are happy with their existing BPM tools are still likely to consider acquiring new tools in 2018. From the earliest days, the BPM tools market has remained very dynamic. BPM tool users are constantly expecting new capabilities in their tools. Respondents to Question 17 indicated that they expected to be using Decision Management – the more comprehensive replacement for business rules that everyone wanted a few years ago. At the same time many developers now see a need for capability modeling or for AI features, including Case Management and Robotic Process Automation (RPA). Successful tool vendors will need to add features of this kind, or fall behind others who do add these new features.



Methodology and Respondents

This section provides an overview of the respondents who participated in this survey.

18. Number of respondents in survey

BPTrends conducted this survey during September and October of 2017. We then spent the next two months organizing the data and preparing this report which we now publish in early 2018. Six earlier surveys, with many similar questions, were conducted in the spring of 2005 and in the fall of 2007, 2009, 2011, 2013, and in 2015. In all cases we sent an email to our membership inviting them to participate and posted a pointer on the BPTrends website to encourage participation. We also published invitations on various other business process sites urging others to participate. BPTrends distributors and our sponsors also did mailings to customers encouraging their participation. In earlier years we had more responses because we were the only BPM survey. In recent years many other groups have joined in and undertake their own surveys. Unfortunately this seems to have resulted in people becoming exhausted by requests for participation and in the last two surveys resulted in fewer people taking our survey.

Survey	Respondents
2017	184
2015	116
2013	309
2011	399
2009	264
2007	274
2005	348

This year, we are using tables that show the results. For new questions we only report the 2017 results, giving both percentages and actual responses. For questions that we have used in the past, we give the percentages from past surveys, and only include the actual number of responses as well as the percentages for 2017. This makes it much easier to compare the responses from all six surveys, but keeps the tables from becoming too complex. We hope you find this useful.

We comment on statistical significance of the number of respondents to this report because we are concerned about the number of process surveys that make broad generalizations based on 25 or 35 respondents. It's very hard to believe that a total of 30 respondents accurately reflect the general market for BPM. We believe our sample is about the minimum needed to reach any broad conclusions, although we caution readers to keep in mind that even these conclusions are probably slightly skewed, since they primarily represent the



responses of managers and practitioners who are interested enough in business processes to be readers or visitors to the BPTrends website. We are reasonably happy with the response sets we got from Europe and North America and believe that the conclusions we reached represent valid generalizations about these geographical markets.

We avoid comparing response sets from Australia, the Middle East, Asia, or Africa. Although we received more responses from those regions than in the past, we still received fewer than 50 responses from any one of those areas. Thus, we are not confident that our sample adequately represents the typical position of business process managers or practitioners from those regions. We mention considerations like these in hopes that our readers will increasingly demand a higher standard from other analyst groups that make much out of results derived from small data sets that cannot support the statistical conclusions or the comparisons their authors make.

Since the absolute numbers of responses to questions within the survey differ slightly, we believe it is best to focus on the percentages. Some questions, however, depend on earlier questions. Thus, for example, we asked all respondents who have previously said they were using BPMS software to tell us how they are using the software. Also, for questions where respondents can choose more than one answer, the number of responses will be higher than the number of respondents. The actual numbers can help readers check the sample size for any specific question.

As we look at the questions and answers, we do two different checks.

- First, we ask how the complete 2017 responses compare with the response patterns of previous years. Is the market's overall response to the question different this year from past years, and if so, what trend seems to be present?
- Second, where reasonable, we check to see how the complete 2017 responses compare with responses of selected subsets of the responses. In the past, for example, we check to see if respondents from North America answer differently from the whole, or if respondents in North America answer differently from respondents in Europe. This year we have relied less on these filtered subsets simply because, with only about 200 respondents, most of the subsets are too small to accurately reflect specific populations. Thus, we draw generalizations about what all respondents say, but are slower to draw conclusions about how European BPM practitioners differ from North American or Australian practitioners, simply because we don't always have enough Europeans or Australian's in our sample to make us confident that the response we have is representative.

If we don't comment on a difference, you may assume that there were no significant differences in the response patterns or that we lack sufficient data to be confident that the difference represents an actuality. Whenever we found a significant difference using any of the filters we list above, we noted it.

Also, whenever we ask a question that allows respondents to select "Other", we always check the nature of the "Other" responses. In most cases, even where there are quite a few of them, they don't form a pattern, but simply refer to unique or unusual terms for what is being discussed. Whenever there is a pattern, however, we report it.



19. Job title or function

Each respondent was asked to describe his or her job or function within his or her organization. In the data pictured in Table 19, we show how the respondents answered this question in each of the surveys.

Table 19. Which of the following best describes your job function?							
	2005	2007	2011	2013	2015	2017	
Executive (CEO,COO,CFO)	17%	12%	14%	9%	8%	8%	15
Business or Line of Business Manager	18%	17%	11%	15%	9%	9%	16
Process Practitioner/ Business Analyst	50%	55%					
Process Practitioner			9%	12%	11%	10%	18
Lean/Six Sigma Practitioner			11%	3%	3%	4%	7
Business Analyst			2%	14%	16%	11%	20
Business/Process Architect			14%	18%	26%	26%	48
IT Manager/IT Developer	14%	15%	8%				
IT Manager				6%	5%	6%	11
IT Developer				0%	0%	1%	1
HR Manager or Human Performance Practitioner	1%	1%	1%				
HR Manager				0%	0%	0%	0
Human Performance Practitioner				0%	0%	0%	0
BPM Instructor/Student			1%				
BPM Instructor				0%	3%	2%	4
BPM Student				0%	1%	1%	2
BPM Consultant			20%	13%	10%	16%	29
Vendor Representative			1%	0%	0%	1%	1
Other, please specify			7%	10%	10%	7%	12
Total	100%	100%	100%	100%	100%	100%	184



Over the past five years a growing percentage of our respondents identified themselves as Process Practitioners or Business Analysts. In 2011, to gain a little more information, we subdivided that category and asked respondents to choose among some new, more specific possibilities.

The biggest obvious difference is that in 2011, we had more Lean Six Sigma Practitioners and in 2013 had more business analysts. In 2015 and again in 2017 we had more respondents who identified themselves as Business Architects. We are unsure whether these shifts represent real differences or simply “fads” as respondents prefer one job title over another.

20. The Size of the Organizations Being Described

We asked each respondent to indicate the overall size of the organization he or she would be describing. In the past we have usually had more respondents from large organizations, but this year we saw a significant rise in the number of respondents from medium sized organizations.

Table 20. Which of the following best describes your organization's size?							
	2005	2007	2011	2013	2015	2017	
Large (2000 or more employees)	41%	46%	35%	53%	56%	27%	50
Medium (500 to 1999 employees)	33%	34%	38%	15%	21%	45%	83
Small (under 500 employees)	26%	20%	27%	32%	22%	28%	51
Total	100%	100%	100%	100%	100%	100%	184

We examined the responses to see if respondents from mid-sized organizations would show any marked differences from past respondents or from those on this year’s survey who said they were from large organizations, but didn’t notice any differences worth noting.

21. Industries represented in the survey

We asked respondents to identify the industry in which they worked. In 2017, as in all past surveys, the largest number of respondents came from the financial services sector. This year, however, the number of respondents from Finance dropped, and the number of respondents from government rose significantly. We couldn’t find any particular shifts in answers to other questions that seemed to correspond with that shift. Otherwise, as in the past, the respondents come from such a variety of industries that we thought the industry response reasonably balanced.



Table 21. Which of the following best describes your industry? (Choose one)							
	2005	2007	2011	2013	2015	2017	
Aerospace/Defense	2%	3%	1%	4%	0%	0%	0
Heavy manufacturing	2%	2%	1%	4%	1%	2%	3
Light manufacturing	2%	2%	2%	2%	5%	2%	4
Chemicals/Energy	5%	3%	5%	5%	4%	2%	3
Computers/Consumer Electronics/Software	17%	14%	3%	5%	4%	5%	10
Building/Construction				2%	0%	2%	3
Education	4%	4%	4%	3%	6%	5%	9
Financial Services/Insurance	19%	20%	13%	22%	29%	17%	32
Food/Beverage	2%	1%	4%	2%	1%	2%	3
Government/Military	9%	10%	9%	7%	6%	18%	33
Healthcare/Medical Equipment	2%	2%	3%	4%	3%	5%	9
Leisure/Entertainment/Travel	1%	1%	1%	0%	0%	1%	1
Professional/Business Services/Consulting	16%	14%	19%	18%	11%	11%	21
Retail and Wholesale	4%	3%	4%	4%	4%	3%	6
Telecommunications	8%	3%	5%	6%	6%	7%	12
Utilities	4%	5%	3%	4%	10%	6%	11
Agriculture Business						1%	1
Other, Please Specify	9%	13%	10%	11%	12%	12%	22
Total	100%	100%	100%	100%	100%	100%	183



22. The Geographical Locations of the Respondents' Companies

We also asked respondents to tell us where their organizations were located. In all years except 2011 the largest group of respondents was from North America. This year the largest number of respondents came from Europe. We didn't find any major differences in overall response patterns, but, as in the past, we note that Europeans tend to be willing to invest more in analysis and architecture while North Americans are more likely to invest in new technology.

Table 22 Where is your organization located? (Choose one)

	2005	2007	2011	2013	2015	2017	
North America	45%	42%	27%	40%	41%	24%	44
Europe	29%	30%	38%	35%	29%	37%	68
Central & South America	6%	5%	16%	7%	14%	12%	21
Australia/New Zealand		12%	11%	11%	11%	18%	32
India and SE Asia		3%	2%	1%	1%	1%	2
NE Asia (China, Japan, Korea)		1%	4%	1%	0%	0%	0
Subtotal Asia/Australia	13%	16%	14%	13%	12%		
Africa/Middle East	7%	7%	4%	5%	4%	8%	15
Total	100%	100%	100%	100%	100%	100%	182

23. Comments on Respondents

Although we are not impressed with the total number of respondents in 2017, we are happy with the overall distribution of the sample among market sectors, geographical locations, and size of organizations. These all suggest that the data is representative of the broad scope of BPM today.

We do want to suggest several qualifications readers should consider in reviewing the data.

First, the audience self-selected themselves for this survey. Most found out about the survey because they came to the BPTrends website, or were, at least, reading something about business process and saw information about the survey. Thus, we cannot assume that the responses represent the opinions of the average business executive. They represent the opinions of business people who are concerned with the role or importance of business process and who are members and/or readers of BPTrends.

Second, we did not ask each respondent to identify his or her company. We did this to assure the privacy of the respondents. Thus, we don't know how many respondents come from the same company. We have generally assumed that each respondent represents a different company. Thus, if 20% of the respondents said their companies used Business Process Modeling tools, we have assumed that 20% of the companies used those tools. This assumption is reasonable, even if a few of the respondents do come from the same



company, but readers should be aware that we are ultimately reporting on the responses of individuals, and not responses from different companies.

Third, a number of respondents were from Computers/Consumer/Electronics/ Software and Professional/Business Services/Consulting. Many of these respondents are probably consultants and software vendors who are not actually doing BPM work themselves, but are supporting organizations doing BPM. We cross-referenced these responses and discovered that they are very similar to those of obvious end users, like those from Finance or Manufacturing. Where it does seem to skew the data a bit is in the number of Executives included in the survey. Of the 56 respondents from Computers and Software in 2005, for example, 16 were Executives. Of the 52 respondents from Professional and Consulting, 20 were Executives. Of the 63 respondents from Financial Services and Insurance, only 7 were Executives. Only 2 of the 13 respondents from manufacturing identified themselves as Executives.

Something similar happens when you consider the relationship between company size and job titles. Most of the executives come from small companies. And most of the professional and consulting companies are small companies. Thus, readers shouldn't focus too much on the number of Executives taking part in the survey, as they probably are more likely to represent consulting companies and software vendors and less likely to be executives from major end-user organizations. On the other hand, the Business Line Managers are mostly from larger companies and are more broadly representative of the entire range of industries involved in the survey.

We use filters that allow us to examine how a particular subgroup of respondents answers the questions to determine whether or not there is any bias being introduced by respondents from specific groups. When we think the answers to a given question might be skewed by a typical response by a particular subgroup of respondents, we make note of it.

Note that we have provided the raw data from this and all previous BPTrends surveys to selected BPM groups at universities for research and as a source of material for student exercises and would be happy to do this for additional academic groups upon request.