

TECH WATCH

Business Process Management



Swimming in the Mainstream

Business Process Management vendors are developing solutions for the everyday business user

Kee it simple. Join the mainstream. That's the goal of companies that develop and implement Business Process Management (BPM) solutions for government. And increasingly, that means building BPM suites that take advantage of existing desktop tools and allow workers to use familiar applications.

"Ninety-five percent or more of people in an organization are used to working in a few, very simple applications, such as EXCEL, e-mail, and browsers for the Internet," said Phil Larson, Director of Product Management for Appian Corporation. "So if you ask them to use a brand new tool, they're not going to use it."

Consequently, BPM vendors are creating solutions that encompass a variety of collaborative technologies, including e-mail, chat, virtual team rooms and even wikis. And by incorporating business intelligence within the BPM suites, these solutions enable organizations to monitor the effectiveness of their processes and rapidly adapt those processes – in real time – to changing business conditions.

Microsoft Corp. is also seeking an influential role in pushing BPM into the mainstream. In February, the company announced the formation of the Business Process Alliance with 10 BPM vendors to help customers take advantage of BPM tools on the Microsoft platform. "The whole focus is putting BPM into the hands of the business users," said Laura Mooney, Senior Director of Corporate and Product Marketing for Metastorm Inc, one of the members of the alliance.

Worldwide sales of BPM product suites and software are expected to grow 17 percent annually through 2011, according to research and consulting firm Gartner Inc. Federal agencies are expected to play a strong role in that growth as they adopt BPM to automate processes and

improve government operations in such areas as case management, application processing, correspondence tracking, grants management, and hiring new employees.

"BPM aligns well with many of the government's mission areas," said Colin Teubner, an analyst with Forrester Research Inc., a technology and market research company. "As a result, we're seeing that the public sector has been a stronger adopter of BPM than many commercial industries."

Assessing BPM's Benefits

BPM is a business discipline for doing continuous process improvement. It involves analyzing, designing and modeling a process, and then deploying applications that improve the efficiency of those processes. Increasingly, BPM is automating processes that involve people-to-people communication as well as system-to-system communication.

For example, when an organization hires a new employee, it might require

numerous people to interview different candidates at different times and write up their assessments. At the same time, the Human Resources department might be coordinating a plethora of documents – such as those relating to security clearances, benefits, or access to company networks – that likewise require e-mail exchanges, meetings and sign-offs by authorized stakeholders. BPM can help agency officials coordinate these activities and provide a permanent record of decisions. Equally important, a BPM suite can monitor the process and help organizations adjust and make improvements.

"BPM is the combination of workflow, rules and forms, and content management that come together to model a

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business process within an organization,” said Scott Byrnes, Vice President of Marketing and Product Management for HandySoft Global Corp. “BPM makes the process more efficient, makes its execution more consistent, and provides visibility into its execution at every stage of the process.”

The Department of Health and Human Services, for example, recently implemented HandySoft’s BizFlow tool to streamline the recruiting process at the department. The project reduced inefficiencies and cost by aggregating HR information from the department’s 40 different offices into a single Enterprise Workflow and Information Tracking System (EWITS). Not only has the new EWITS system eliminated unnecessary steps and improved workflow by automating the data exchange process, but it also enables HHS managers to track and analyze HR functions

“Now the department heads have visibility into the HR recruiting process,” said Jim Worley, HandySoft’s Chief Operating Officer. “They can see everything that goes on—from applications and interviews to drug tests and screening—from start to finish.”

HHS officials estimated that they reduced costs 40 percent by deploying BizFlow rather than modifying their legacy systems, Byrnes said.

Similarly, Metastorm helped the Social Security Administration by deploying Metastorm BPM to create an Investigative Case Management system for the 500 employees who investigate fraud, waste and abuse for the agency’s Inspector General’s office. The case management system standardized investigative processes across the IG’s office, increased the productivity of

investigative and legal staff while decreasing processing times, and saved \$1.5 million by reducing the cost to maintain legacy systems.

Among the largest programs using BPM is Army Knowledge Online, or AKO, which has 1.8 million users. Built with the Appian BPM Suite, AKO is an enterprise Web portal that enables users within different communities to share information and collaborate through such channels as discussion boards, Web logs, calendars and news feeds. The secure collaboration channel includes both the Non-classified Internet Protocol Router Network (NIPRNet) and Secret Internet Protocol Router Network (SIPRNet).

“The stakes are higher in the military, because BPM can save lives, not just money,” said Michael Beckley, co-founder and Chief Technology Officer at Appian. “Soldiers use the SIPRNet for collaborating on operations in Iraq, and on more than one occasion have used it to call in real-time support.”

An Expanding Microsoft Presence

As companies such as Appian, Metastorm, and HandySoft move to incorporate desktop applications in their BPM suites, Microsoft also is expanding its offerings in this market. The company in February created the Business Process Alliance to highlight the vendors that are delivering innovative BPM solutions using Microsoft platforms, such as Office and SharePoint, and to provide greater choice and flexibility around BPM, said Steve Yi, Senior Product Manager in the Connected Systems Division.

In addition, Microsoft this fall will launch the next

Trends in Business Process Management

Vendors offer BPM as a service. Vendors are starting to offer BPM as an on-demand, software-as-a-service that can be accessed via a Web browser, Internet connection or subscription. Lombardi Software in April unveiled Lombardi Blueprint, a collaborative process planning tool that enables companies to map processes without having to download or install any software. Appian in February announced that its entire Appian BPM Suite will soon be available through a hosted service that requires relatively little up-front investments or start-up costs.

Microsoft burnishes its BPM credentials. Microsoft in February announced that it is teaming with 10 BPM companies to form the Microsoft Business Process Alliance. The alliance will foster innovation among companies using Microsoft applications and highlight their products and services. Microsoft, which already has more than 7,000 customers using BizTalk, its BPM server product, will launch the next major version of BizTalk in the fall.

BPM and SOA make a happy marriage. Organizations have discovered that they can maximize their investments in

BPM and service-oriented architecture by implementing both together. BPM can identify and prioritize the services that should be placed in an SOA library or strategy.

BPM bulks up with Business Intelligence. Vendors are incorporating business intelligence as a key element of their BPM suites, giving organizations the ability to monitor and change business processes in real time. New Business Activity Monitoring (BAM) capabilities allow organizations to pursue continuous process improvement.

BPM standards: A Work in Progress. The Object Management Group, an international industry consortium that develops standards for a wide range of technologies, is developing standards for business modeling, such as Business Process Modeling Notation and Business Process Definition Metamodel. Although these standards are widely supported by BPM vendors, experts say BPM standards are still evolving. And some vendors say that using the common BPMN standard can limit the functionality of their BPM suites.

Business Process Management Suite (BPMS) and Other BPM-Enabling Technologies Markets: Total Software Revenue, Worldwide, 2005-2011

(Millions of Dollars)

	2005	2006	2007	2008	2009	2010	2011
BPMS	730.7	903.1	1,128.90	1,422.40	1,763.80	2,169.50	2,625.10
Other BPM-Enabling Technologies	695	786.7	867	934.7	986.3	1,027.70	1,065.70
Total	1,425.70	1,689.90	1,995.90	2,357.20	2,750.10	3,197.20	3,690.80

Source: Gartner Dataquest (February 2007)

version of BizTalk Server – BizTalk Server 2006 R2 – which will be the first version to integrate with the .NET Framework 3.0 (which includes Windows Communication Foundation and Windows Workflow Foundation). Microsoft officials say they want to make BPM more accessible by building upon productivity tools that people already understand and use.

“BPM is teetering on great promise, but we want to take it into mainstream adoption,” said Burley Kawasaki, Director of Product Management in the company’s Connected Systems Division.

Lombardi Software Inc. is another company seeking to take advantage of Microsoft’s desktop tools. Last year, the company introduced Lombardi for Microsoft Office, an

Outlook plug-in that attaches to Lombardi’s BPM server and allows users to execute processes within Outlook, rather than having to go through a Web interface.

“There are 400 million Outlook users out there, and that’s what a lot of corporate enterprise customers want to use as their main desktop interface,” said Alan Godfrey, Lombardi Executive Vice President of Marketing and Business Development.

Lombardi, which has several customers among security agencies, opened a federal office late last year to focus more closely on the federal market. “As BPM becomes a more mainstream technology, we see many opportunities for it to solve process problems and achieve efficiencies among federal agencies,” Godfrey said.

Hand in Glove

BPM Makes SOA Strategy More Effective

Agencies striving to implement a service-oriented architecture can get the biggest return on their SOA investment by combining it with business process management, according to BPM analysts and vendors.

“BPM and SOA are better together,” said Janelle Hill, Vice President of Research for Gartner Inc.

Too often, she said, an organization’s information technology staff will launch an SOA initiative to meet its own goals—such as saving money or increasing reuse—without consulting the organization’s business side. “IT should be asking the business people which areas and processes would benefit from greater flexibility, and what specific functionality needs to be more flexible,” Hill said. “This brings a BPM perspective together with SOA.”

SOA is an IT architectural approach for delivering the organization’s business activities as re-useable software assets that can be more easily linked together into composite applications. An effective SOA can improve information sharing within and between organizations, and can make them more agile. In contrast, BPM is a management discipline for redesigning and streamlining an organization’s business processes. As with SOA, its goal is to make an organization more efficient, agile and responsive to changing business conditions.

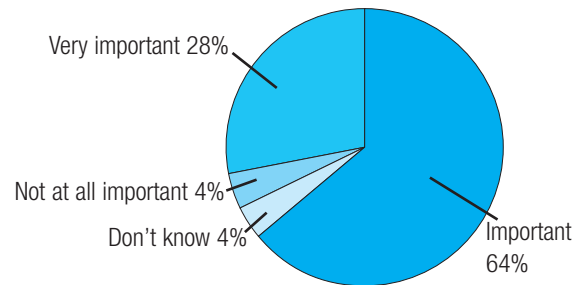
“We see BPM as a way to prioritize which services ought to be put in the SOA library or strategy,” said Alan Godfrey, Executive Vice President of Marketing and Business Development for Lombardi Software Inc. “Some of our more transformative customers are using BPM to drive the underlying IT infrastructure from an SOA perspective.”

Agencies must prioritize services in an SOA because it

without BPM, you won’t have a good picture of which processes can most benefit from being service-enabled rapidly.”

Laura Mooney of Metastorm Inc. agrees. “BPM provides the business side to SOA and helps you identify the core functions of your organization that should be

How Important is BPM for Your Organization’s SOA Strategy?



Base: 25 North American IT and business decision-makers who have a SOA strategy.

Source: Forrester Research Inc.

exposed to business users as services. It takes SOA from being simply an IT initiative to something that offers true business value,” said Mooney, Metastorm’s Senior Director of Corporate and Product Marketing.

Hill and others said that, up to this point, few organizations have actually combined their SOA and BPM strategies. But a recent survey by Forrester Research Inc. suggests that this may change. Of 25 IT and business executives who said their organizations have an SOA strategy, 92 percent said that BPM was an “important” or “very important” element in their organization’s SOA implementation, according to the survey.

The promise of SOA is that an organization can package its business functionality into reusable services that can be reassembled into applications, said Forrester analyst Colin Teubner. SOA’s goal is to make applications more agile and easier to change, he said.

“I think of BPM as the killer application for SOA because it makes it easier to change the processes and the way services are organized,” Teubner said. “The two fit naturally together on the agility side of the promise.”

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would be too time-consuming and expensive to service-enable all possible services within their legacy systems, said Michael Beckley, CTO for Appian Corp. “BPM allows you to figure out which services to enable. But

A Rising IQ

BPM vendors add robust business intelligence capabilities to spur continuous process improvement

Business process management vendors are incorporating new business intelligence capabilities in BPM solutions that make it possible to monitor and adjust business processes on the fly.

Many vendors are building solutions that provide business activity monitoring (BAM), which measures how well a particular process is performing and, in some cases, makes adjustments in response to ongoing business activity. For example, a BAM application might automatically order additional inventory when supplies reach a certain threshold. A BAM application can also readjust the workload of incoming calls at a Help Desk to maximize efficient customer response. A real-time dashboard could show the performance of individual call-center representatives and the transactional data rolling through their queues.

“Users are just beginning to exploit the Business Activity Monitoring of the BPM suites,” said Janelle Hill, Vice President of Research at Gartner Inc. “Every BPM suite provider now provides some basic BAM capabilities. As users become more comfortable with information that is actionable more than just interesting, we expect BAM to be a big growth area for users and vendors.”

One of the companies noted for a strong business-intelligence capability is Appian Corp., whose founders came from MicroStrategy Inc., a data analytics company. Appian recently introduced its Active Optimization technology, which closely fuses business-intelligence analytics with BPM to create self-optimizing business processes that feed real-time business and process metrics back into the process flow. In turn, the relevant business systems can immediately act upon the new process data, with or without human involvement.

“The process is data aware and the data is process aware,” said Michael Beckley, Appian CTO.

Beckley says that combining BPM and business intelligence essentially means giving people the information they need to make the right decisions. Government agencies such as Defense and Homeland Security must respond quickly and effectively in a crisis.

“You need a system that allows you to monitor events in real time and build reports in real time and adapt to change in real time,” Beckley said.

Alan Godfrey of Lombardi Software Inc. agrees, saying the new BAM capabilities provide greater insight and support to users. “Traditional business intelligence was like a rear view mirror that told you how your business was operating, perhaps last week or last month,” said Godfrey, Lombardi Executive Vice President of Marketing and Business Development. “But the focus of BAM is on

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Metastorm Inc. recently deployed its business-intelligence module – called Metastorm Insight – as part of its BPM implementation at the Social Security Administration. The agency is using Metastorm to streamline case management at the Inspector General’s office. “Without the business-intelligence piece, you don’t get the full value out of BPM,” said Laura Mooney, Senior Director of Corporate and Product Marketing. “But once you’ve automated the process, you have the ability to run reports and analytics and figure out areas for improvement. That’s how you get the greatest return on your investment.”