

**Butler Group** ▶  
a **Datamonitor** Company



# Business Process Management

Building End-to-end Process Solutions  
for the Agile Business

**December 2007**

# SECTION 1: Management Summary

## ► 1.1 MANAGEMENT SUMMARY

### CATALYST

*Business systems must be capable of delivering information and service in a form and at a time that supports the everyday needs of the business and its users. Within the average organisation working patterns and associated operational practises change on a regular basis. Modern business systems must be capable of responding to change as and when it occurs. IT service delivery must be agile and adept enough to achieve this without going down the traditional redevelopment route.*

#### KEY FINDINGS

- Business Process Management (BPM), as a product in its own right, has emerged from the competitive influences of the diverse workflow, integration, and re-engineering camps to deliver solutions that allow the intellect of business users to be a key driver of success.
- During the last two years solutions that operate under the BPM banner have become more functionally inclusive.
- When used to its best advantage, high-calibre BPM provides a systematic approach to improving business and operational processes.
- Cost-saving benefits may provide an initial attraction, but it is product quality and persistent usage that will drive the ongoing benefits of BPM.
- There remains a requirement to address the functional divide between what the BPM software vendors are delivering and what business services users really need from core BPM products.
- A Business Rules Management System (BRMS) approach to development will reduce the inefficiencies that exist within current development methodologies.
- The emergence of rules as a subset of BPM is an indication of the growing maturity of the market.
- Possibly the most important aspect of a rules repository, certainly in respect of the stated promise of BPM, Service Oriented Architecture (SOA), and BRMS, is the ability for the developer to re-use rules within multiple process deployments.
- Butler Group positions SOA and its associated integration services as having a crucial role to play in the BPM service delivery picture.
- Business Activity Monitoring (BAM) promises to keep processes running smoothly, but information overload could end up being counter-productive.
- BPM continues to struggle with standards and their agreed usage. Fundamentally if the sector cannot reach a consensus on the use of headline standards such as Business Process Execution Language (BPEL) and Business Process Modelling Notation (BPMN), there is little chance of it progressing further down the scale.

## ANALYSIS

### Introduction

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While most technology systems continue to be viewed by the business community as inhibitors of progress, rather than as innovative solutions capable of delivering agile operations, Business Process Management is being actively positioned as the exception to this rule. Business professionals continue to struggle with business and technology alignment issues, and are actively searching for business-enhancing technology solutions that are fit-for-purpose and come without the need to undertake major time-constraining redevelopments whenever operational changes occur. BPM, in its various forms, has been available since before the millennium, and in Butler Group's opinion today's leading solutions comprise of a mature set of tools, products, and services that are fit for mainstream business use.

*...most technology systems continue to be viewed by the business community as inhibitors of progress...*

However, much as it would be advantageous to ignore some of the baggage that comes with today's mainstream BPM products, there remain serious divisions between what the vendors see as the most important components within their all-inclusive offerings, and the basic function-driven approaches to BPM – application development, modelling, and integration services – that business users say drive their fundamental need for the technology.

Another significant issue that divides the two communities is the 'automation' (the vendor position) versus 'human workflow' (business analyst vision) disparity that continues to exist. To highlight this split further, in responses received from a recent Butler Group event on BPM, attended by an audience composed mainly of business analysts and business managers, the message on BPM requirements was very consistent: they spoke about techniques that could assist them with improving basic processes and services, simplifying complexity, providing business control, gaining efficiency, and capturing process knowledge. For this audience, representing a good cross-section of BPM users, processes are very human-centric: great emphasis was put on the requirement for human workflow and on the tacit knowledge in employees' heads – knowledge on which many processes must rely.

### Business Issues

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For business users the core value of BPM remains as a solution for building links and integration bridges between various application systems. More often than not BPM is brought in to solve a problem or provide facilities in a part of the business where there is currently a technology gap or integration shortfall. Fundamentally, the value-to-business model for BPM is driven by the technology's ability to allow business professionals – process owners and business analysts – to develop and provide operational processes that accurately reflect their operational requirements.

*...most core elements of mainstream BPM platforms are properly targeted at the business professional rather than the IT technician.*

On the positive side, during the last two years, solutions that operate under the BPM banner have become more functionally inclusive. A constructive and helpful part of this fleshing-out process has involved a consistency of approach across all service delivery components, so that most core elements of mainstream BPM platforms are properly targeted at the business professional rather than the IT technician.

*For business users the core value of BPM remains as a solution for building links and integration bridges between various application systems.*

In support of the requirements that business users have of BPM, many of today's solutions can be fairly described as end-to-end offerings; taking in process discovery, modelling, simulation and testing, deployment, lifecycle improvement, and ongoing change management. It is this end-to-end approach to the BPM service delivery model that adds value by putting the business professional in a position where they can be in charge of all the core elements of the process lifecycle.

Many of the BPM solutions that we have reviewed in this Report also include extended functionality such as SOA, BRMS, BAM, and links to Business Intelligence (BI), Customer Relationship Management (CRM), and business process reporting, alerting, and analysis services.

Unfortunately, a negative element has to be registered here, as the divide between the vendor and business user view of the key elements of BPM reappears again. Once you get past the application development, modelling, and integration components of BPM, it is interesting to find that many of the latest features that the vendors genuinely feel add value to their product offerings are seen by the end-user community as little more than lightweight bells-and-whistles.

***...in the real world getting frontline facilities up and running and keeping them there with minimum support overheads is what provides the bottom-line value.***

At the business frontline the core BPM focus remains on the key areas of application development (for both human and IT processes) and integration-driven requirements. Constant review and the re-engineering of processes for continuous improvement and efficiency may seem like a great idea for the software vendor's product marketing team, but in the real world getting frontline facilities up and running and keeping them there with minimum support overheads is what provides the bottom-line value.

In support of the future business model for BPM, Butler Group believes that there are two essential questions that need to be answered. First of all, does the business community have the desire, and indeed the financial commitment, to purchase BPM technology that includes facilities that they may not have the resources to use? In our opinion the resounding response has to be "no". Secondly, will the winners in this particular race be those BPM vendors that continue to get the development, integration, and service-delivery basics right? Without doubt we would say that the correct answer is "yes".

Butler Group's opinion is that the BPM vendor community collectively needs to listen harder to what its customers are saying. It has taken far too many years for the BPM message to be properly understood at a business level, and for the technology and its mainstream value to be suitably recognised. BPM has arrived, it is popular, and everyone wants to know what BPM can do for their business. At last significant progress has been made and the market is there to be won or lost.

***...the BPM vendor community collectively needs to listen harder to what its customers are saying.***

## Technology Issues

At a functional level BPM provides a systematic approach to improving business and operational processes. To achieve this, an extensive range of supporting technology components now sit under the covers of BPM and are used to deliver its far-reaching range of services. Leading BPM solutions incorporate the use of tools that help organisations to discover, build, model, and simulate and test processes. They also tend to contain facilities for deploying, measuring, and improving the performance of processes in the live environment, and in many cases BPM platforms now extend out to include Business Rules Management (BRM) and BAM as standard.

***At a functional level BPM provides a systematic approach to improving business and operational processes.***

BRM, or to position this key component of the process management model more accurately, the Business Rules Management System approach to process development, can reduce many of the inefficiencies that had previously existed within lesser process management methodologies. A good quality BRMS can be expected to execute its rule services in line with the needs and the technical skills of business users. It can also be expected to deliver an ability to modify the execution of processes that will ultimately enhance the viability of each process solution.

***Business Rules Management System approach to process development, can reduce many of the inefficiencies that had previously existed within lesser process management methodologies.***

***The most efficient approaches to BRM and BPM maintain an integrated relationship...***

In a fully featured BPM environment process management and rules management sit side by side. The most efficient approaches to BRM and BPM maintain an integrated relationship at process level while supporting a freestanding ability for change management and component reuse at a systems and operational level.

There does, however, need to be a wider discussion on the industry's ability to work and interact with third-party process and rules systems

and, in this particular area, the need at an enterprise level to work and interoperate with more than one BPM system and BRMS. Many organisations, especially those that have grown through acquisition, will have more than one set of BPM products in use, more than one BRM system, and in addition when working with partners and suppliers, will need to have third-party BPM and BRM integration capabilities.

***...nearly all the BPM vendors that we have reviewed in this Report promote the use of BAM tools to monitor and measure process execution.***

Today nearly all the BPM vendors that we have reviewed in this Report promote the use of BAM tools to monitor and measure process execution. They extol the virtues of real-time information that can be presented to the end user in order to ensure that processes continue to run smoothly. We believe that the ongoing use of BAM-styled facilities is a positive thing, but would argue strongly that service-delivery approaches need to be carefully considered, as counterproductive information overload could end up being a significant problem if this area is not adequately controlled.

Butler Group believes that good Key Performance Indicator (KPI) design is critical to a successful BAM strategy. Furthermore, the resultant output, using classic dials, traffic lights, etc., provides more than just pretty interfaces and needs to be specifically designed to take on forms that accurately mirror the needs of the users. In this context, a KPI should not be thought of as an isolated binary field or piece of data. To bring BAM within the boundaries of a fully integrated BPM offering its use must be connected to underlying data with business rules governing its functional use.

***At present, the BPM industry still appears to have a degree of segregation between the pure-play community and the enterprise integration vendors.***

At present, the BPM industry still appears to have a degree of segregation between the pure-play community and the enterprise integration vendors. Not surprisingly, given the list of leading players that sit on the integration side – BEA, IBM, Oracle, SAP, Software AG, and TIBCO, to name but a few – integration continues to hold sway. There are two major issues that must be taken into account here: from a monetary perspective, the integration-centric use case for BPM still represents the

majority of BPM sales; also, as the importance of the BPM-to-SOA relationship continues to grow, many of these vendors provide solutions that cross over into the SOA space. Indeed some cross over so far that it is difficult, if not near to impossible, to distinguish separate product sets, which is a concern.

## Market Issues

On the pure application modelling, build, and development side of BPM, significant progress is being made. In the main, vendors are building solutions that match the usage needs of the end-user community, and business users are focusing on this. Going forward, the market opportunity for developing BPM to have an enterprise role is huge. However, to date, examples of enterprise-wide deployments where business users have used BPM across their infrastructure platforms are not abundant or plentiful.

For historical reasons, often driven by the vendors, BPM solutions have provided a varying emphasis on what represents the core BPM value-to-business drivers. However, from a positive standpoint these distinctions are becoming less pronounced in the latest generation of tools. Butler Group believes that BPM is emerging as a key business and IT product set due to a number of specific market drivers.

***...the market opportunity for developing BPM to have an enterprise role is huge.***

These include the growing adoption of SOA that requires good quality technology to manage services and composite applications and link these to business processes. Another is the governance requirements that are needed to manage the business infrastructure, and then add in the transparency, analysis, and auditing requirements that are necessary for fulfilling compliance needs. Interface and integration requirements represent an ongoing but still important driver.

The requirement to make use of performance management information brings in the integrated role of BAM, and finally, and perhaps most importantly, the technology's ability to empower business units to achieve independence from the IT department and become self-sufficient in creating process-based composite applications.

Going forward, we expect BPM to continue to combine essential technology elements for managing SOA; positioning it at the centre of most forward-looking technology strategies. However, one worrying issue is that BPM has a history of hooking into the latest and greatest technology wave. BPM is a solution and technology approach in its own right and therefore should not be allowed to be swallowed up in the wave of SOA hype, or be taken down should the SOA model be superseded in the future.

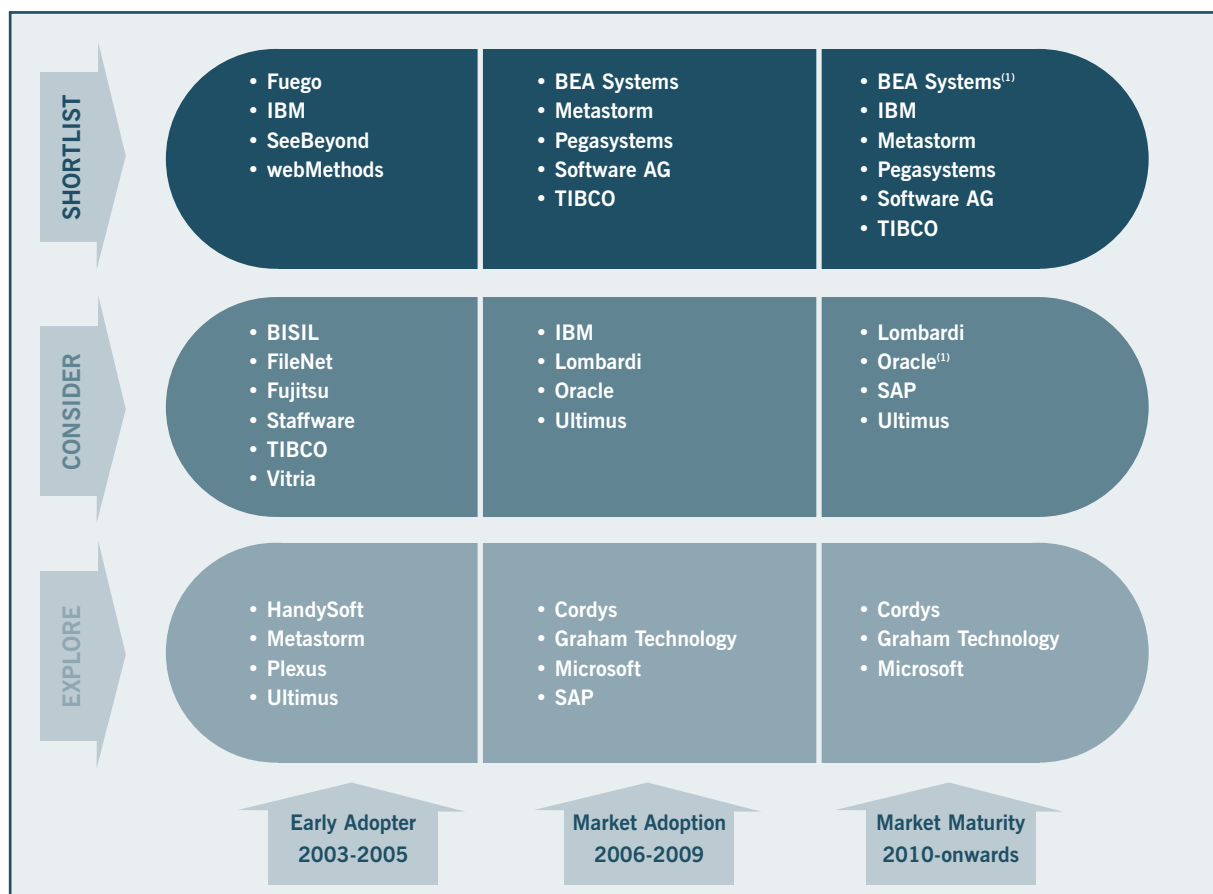
*...BPM has a history of hooking into the latest and greatest technology wave.*

Over the last three years takeover and acquisition activity in the BPM sector has become quite frantic. Butler Group believes that market consolidation for BPM is likely to continue unabated. In fact, we expect to see greater consolidation taking place, with the larger players wishing to become less reliant on partner products and achieving this by either acquiring the relevant tools or building them in-house.

## Butler Group Market Lifecycle Positions

Butler Group's vendor ranking and assessment model groups suppliers into Shortlist, Consider, and Explore categories, and shows the predicted progress through the three major phases of Early Adopter, Market Adoption, and Market Maturity. Within each group vendors are listed alphabetically.

**Note<sup>(1)</sup>:** If the attempted Oracle acquisition of BEA Systems completes successfully then the combined Oracle/BEA offering will be positioned in Shortlist. If this does not go ahead the respective solutions will be positioned as per the table below.



Product Performance Table

Butler Group’s summary of the analysis and market positioning of each vendor’s current solution, taking into account all research and how well each vendor addresses the market.

Rating	Company/Solution	Butler Group Opinion
<b>Shortlist</b>	<b>BEA Systems</b> AquaLogic BPM v6	Aqualogic supports a top-down approach to BPM. Its core strengths include bi-directional modelling interchange capabilities, a strong integration framework, and the ability to leverage existing middleware via pre-built components.
	<b>Metastorm</b> Metastorm BPM v7	Metastorm provides a complete enterprise-scale BPM suite that supports large and complex processes. Key strengths focus on an ability to support high-transaction environments and strong Business Process Analysis and Enterprise Architecture capabilities, and a good range of simulation services.
	<b>Pegasystems</b> PegaRULES Process Commander (PRPC)	PRPC brings together the dual strengths of a fully-integrated enterprise rules engine with process tools for developing and executing business processes. It provides a code-free BPM environment, single-source enterprise repositories for all rules and work objects, and maintains a single and unified object model for both policies and processes.
	<b>Software AG</b> webMethods BPMS v7.1	webMethods provides a complete BPMS offering that is capable of meeting the process support needs of all enterprise users. It features a unified platform approach, single executable model facilities, advanced simulation capabilities, and the advantages of an Eclipse-based design and development environment.
	<b>TIBCO Software</b> TIBCO iProcess Suite (TiPS)	Aimed specifically at business users TiPS is a BPM ‘human-centric’ solution that supports self-service use by business analysts and domain experts. Key features include advanced graphical views of processes, excellent scalability and throughput capabilities, and strong modelling and simulation facilities.
<b>Consider</b>	<b>IBM</b> IBM BPM Portfolio	IBM currently offers two BPM platforms: WebSphere BPM and FileNet P8 BPM. Overall the solutions support advanced human task processes, its platforms span the range of system, people, and content centric BPM, but on the downside integration of the two platforms is still at an early stage.
	<b>Lombardi Software</b> Teamworks Enterprise BPM Suite	Teamworks is an enterprise-class, Web-based BPM platform. Its key strengths are the integrated nature of the solution, and its strong analysis and simulation capabilities, but it currently lacks a .NET implementation, although there is full connectivity to .NET systems.

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Rating	Company/Solution	Butler Group Opinion
<b>Consider</b> (continued)	<b>Oracle</b> Oracle BPM	Working together Oracle BPA Suite and Oracle SOA Suite combine to provide Oracle's BPM offering. This hot-pluggable solution is open standards-based and supports BPMN, BPEL, and BPEL4People. It is a high-performance, highly-scalable solution with a strong SOA focus.
	<b>Ultimus</b> Ultimus Adaptive BPM Suite v8	The Adaptive BPM Suite is a complete, enterprise software application designed to create an operational environment that drives process delivery and improvement. It provides non-technical GUIs for process design and management, uses a complete SOA model for cross-firewall process execution, but can only be deployed on a Microsoft platform.
<b>Explore</b>	<b>Cordys</b> Cordys 4.2	Cordys 4.2 offers an integrated BPMS solution that has been designed to bring business processes under the control of business professionals. It supports the management and improvement of processes and its composite application framework is available to create rich, process-based composite applications.
	<b>Graham Technology</b> ciboodle v2.6	ciboodle provides a Customer Interaction Management (CIM) approach to BPM. It supports a wide range of interactions with customers, and is based on the company's established BPM product, GT-X. Its building-block concept allows processes to be rapidly assembled, includes simulation capabilities for business processes, but is heavily dependent upon a J2EE and Java environment.
	<b>Microsoft</b> Microsoft Business Process Management Platform	The Microsoft platform approach to BPM is based on three main facilities: MSFT BizTalk Server 2006, MSFT Office SharePoint Server 2007, and MSFT .NET Framework 3.0. Its strengths are its enterprise BPM infrastructure, the provision of BPM essentials out-of-the-box, and familiar interfaces that are based on Office tools. On the downside it lacks process model simulation capability out-of-the-box and has some functionality limitations.
	<b>SAP</b> NetWeaver BPM	SAP BPM capability is based on the NetWeaver integration platform. The solution's core strengths are its ability to integrate with SAP master data, its out-of-box reference template material, and integrated process workflow, but it has no straight-through modelling to execution capability and limited reporting.

## This Report reveals:

- How BPM helps organisations to respond to change with process-driven business systems.
- Where BPM solutions are failing to meet some of the fundamental business requirements.
- How BPM has evolved from the convergence of workflow and integration tools.
- Where extended functionality is expanding the role of BPM solutions.
- Where SOA fits within the BPM environment.
- Why the emergence of Business Rules is growing the maturity of the BPM market.
- How BPM can be used as a powerful approach for process improvement.
- Why fragmented standards still impede interoperability of BPM tools.
- Butler Group's rankings of the capabilities of leading BPM vendors.

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Analysis without compromise

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