



BPM Primer: People and Processes

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What is BPM?

Today, many software vendors and consultants sell the benefits of “BPM.” Depending on who you’re asking, BPM stands for a variety of things – business process management, business process monitoring, or business process modeling. It’s also surrounded by an orbit of other confusing acronyms – SOA, BAM, BRMS, BPA – the list goes on (see Table 1 for some help with these). It’s a wonder that anyone has figured out what these vendors are selling and purchased their products.

Acronym	What’s that stand for?	What is it?	How does it relate to BPM?
BPM	Business Process Management	A methodology for improving business processes	N/A
BPMS	Business Process Management Suite	A set of software tools to support BPM methodology	Allows users to model, automate, monitor and analyze processes
BAM	Business Activity Monitoring	Event-driven dashboards and monitoring	Allows business people to view process status and business results in real time; included in some BPM suites
SOA	Service Oriented Architecture	An architectural concept that packages pieces of IT functionality (like updating a customer record) as reusable services	Once services are constructed, something needs to run them; a BPM suite (see above) is an excellent way to tie together different services
BPA	Business Process Analysis	Software for modeling and analyzing processes	Allows business analysts to find ways of improving processes. Limited BPA features are included in BPM suites (see above)
BRMS	Business Rules Management System (also BRE for Business Rules Engine)	Software for centralizing and evaluating complex business logic in a reusable, easily changeable system	Processes can use business rules to make decisions; rules give business people direct control over process behaviour. Limited rules features are often included in BPM suites (see above)

How did we get here?

Some background is needed to fully understand what BPM means in today’s business world. Many people who hear the term are reminded of the business process re-engineering (BPR) fad from the 1990s. They ask whether BPM is all about layoffs or cost reduction. But while BPR is meant to be disruptive and involves completely re-thinking processes, BPM has its roots in gentler methods. It’s intended for continuous improvement of processes and its evolution was driven by specific technologies. The focus today is on improving productivity of the workers you

already have, and making it easier to roll out new business processes or new products while taking advantage of existing IT systems.

The technologies known today as BPM suites came from at least two different original sources: workflow systems and integration tools. With the advent of imaging systems in the 1980s (and the first rumours of a paperless office that has yet to appear), workflow software became necessary to replace physical movement of paper; workflow instead delivered images to the appropriate computer terminal. Imaging systems' workflow features eventually spun off into a standalone market of software products that worked not only with images but other types of documents and data.

Application integration tools developed along a parallel track. These started with tools used to build point-to-point, single integrations between applications. As corporate mergers and evolving enterprise architectures further complicated the application landscape, integration tools developed a process focus. Newer tools allowed data to move across several applications, roughly following a business process as it moved from system to system.

Both types of products pulled in features from other technology categories as they matured. Business process analysis and modeling tools were added; a graphical flowchart or process diagram is a good way to edit the processes embodied in a workflow system, and analysis and simulation features help with process improvement. Business rules features were also added or integrated, and business intelligence capabilities were tacked on to allow managers to understand how work was flowing through the system and address problems.

Workflow and integration style systems both added features from the opposing part of the market to round out their capabilities. And meanwhile, the old imaging systems – since expanded into enterprise content management (ECM) – also added BPM features. The BPM suite concept was born to reflect that the new software packages included far more capability than simply workflow.

What's in it for me?

In the end, BPM suite packages offer several distinct kinds of value to a business that uses this technology to automate processes. The most obvious, and most often pursued, is efficiency (and therefore, cost savings and an improved bottom line). Many companies that have implemented BPM have been able to handle much higher volumes of work (60% or more) with the same level of staff, thanks to simple productivity gains like not having to carry work down the hall, or always knowing where each work item is, or being able to easily take over for someone who is on vacation.

One important factor to consider when going after process efficiency is the current sources of problems in your processes. Odds are they aren't caused by systems themselves – they're caused by "human error" in interactions with those systems, or problems handling the parts of the process not supported by systems. While integrating to back-end systems is an important part of process automation, even more important is properly enabling people to work efficiently with the process system. That means focusing on end users' requirements while designing the process, rather than getting bogged down in system-to-system integration.

Unfortunately, many companies stop at this process-automation-driven efficiency – which typically covers the cost of the software – and don't take advantage of the other benefits BPM can bring them. The biggest area of missed opportunity is in business reporting and monitoring. Yes, most BPM buyers build some kind of reports to track work, but they stop short of comparing process data against business data and gaining real insight.

The problem with “business insight” is that it's extremely hard to quantify because you don't know the value of the findings until they happen. How much is it worth to know that your highest value loans are taking twice as long to process? What's the benefit of finding out that work from your Northeast office contains twice as many errors? Those questions probably have dollar values attached to them, but you never know what insights you'll gain until you implement proper process monitoring and analysis.

Another area of missed opportunity is the ability to improve processes based on production data. Good BPM suites include tools for analyzing process results against the backdrop of the process itself, allowing a business analyst to find bottlenecks and other ways of improving the process. Rather than doing this, however, many companies simply move on to automating the next process and then the next one, overlooking easy opportunities for additional ROI from their existing implementations.

One area of benefit from BPM that is usually taken advantage of, but not often included in ROI calculations, is the benefits of understanding processes at your company. You get this “for free” by virtue of having analyzed and diagrammed all your processes, and the benefits include reduced time to train users and reduced risk when your most skilled employees leave through attrition or retirement.

While BPM practitioners are usually focused on the bottom line benefits of BPM – those brought by productivity improvements and therefore cost savings – there are typically also top-line benefits brought through improved customer satisfaction. Customers notice things like faster responses from your company, or the ability to easily find out the status of their application when they call. It just might lead them to bring business to you instead of your competitors, which is a trend some BPM implementers have observed.

It's so easy to get value from those first efficiency gains in a BPM deployment that many people overlook all the benefits BPM has to offer. But even so, the business case for BPM is usually quite easy to prove.

So how do I choose a BPM Suite?

All of the largest enterprise software vendors now market and sell some form of BPM. Companies have entered the BPM market from enterprise content management, infrastructure, applications, and integration markets. They've created what they call BPM in different ways: by adding functionality, buying smaller vendors, or just repackaging what they already had.

Choosing between these vendors could alone be the subject of a much longer paper, so instead we'll provide some simple, common sense guidelines to guide the decision:

- Choose a vendor with experience. Most of the large vendors in this market will tell you they have hundreds or thousands of customers, but they are counting a great many customers who get the software for free because they have enterprise license agreements. "Real" BPM vendors with 20 or more years of experience are available, so avoid paying a large software company to experiment and train its services staff on its new product through your project.
- Focus on the people in the process. While there are plenty of opportunities to integrate your newly automated process to back-end systems, the expensive part of any process is always the people. By automating workflows and removing paper from processes, you can get a much larger benefit from your budget than by focusing on system-to-system integration. What's more, very few companies – or BPM vendors – adequately focus on the end-user environments. A few slapped-together web pages serve as the user environment for the majority of interactions with the system. Make sure to spend time getting the user environment right.
- Don't get bogged down in architectural discussions. Too many companies stall BPM projects – which could deliver real business value in 6 months – because their service-oriented architecture (SOA) initiatives are not ready or they have architectural concerns. Don't let large infrastructure vendors convince you the two are inextricably linked. Every BPM suite on the market can consume Web services with no issues. BPM should be viewed as an application of SOA, which itself is a completely separate concern to be addressed by enterprise architects.
- Put some thought into what comes next. Many times BPM software is bought for a single project without regard to a larger BPM initiative at a company. In particular, reporting and process monitoring technologies get left by the wayside because their added initial expense may be harder to justify for the first project. However, these BPM add-ons pay huge dividends as processes are improved over time and new processes are automated. Be sure to consider them carefully as part of your initial investment.

Getting started with BPM

First things first – make sure that there is both a mandate, and funding, for the work you are doing. Even when the process is being automated without major changes to the way work flows through the company, the users themselves will experience a disruption. BPM always represents a new way of doing things. Therefore, both business managers and end users need to recognize the problems with the existing process and have a desire to fix them.

With that out of the way and a business sponsor firmly in place, a good cross-functional team should be formed to guide technology selection. This should include business process owners, managers within the line of business, business analysts, and developers. The business people will represent the end users and may want to involve a real live end user or two in the selection process.

Once technology is chosen – covered above – the planning begins. There are several important tenets of BPM planning:

- Be iterative. BPM software is designed to accept a lot of change during the development process. Allow this to happen as requirements change; make sure to show prototypes to users often and gather their feedback.
- Don't forget user testing. When Microsoft rolls out a new version of Office, changing the way millions of people work every day, they do extensive user testing. Rolling out a newly automated process has just as much – or more – impact on your users.
- Gather requirements up front. This may sound like the opposite of being iterative, but the best time to get end users involved is at the very beginning. BPM tools come with process modelers that, when used properly, should speed requirements-gathering and act as an excellent tool for business/IT collaboration on the definition of the process.
- Involve end users. This doesn't mean the managers of end users - managers usually don't know the details of the process definition (though they sometimes think they do). The existing process documentation is almost guaranteed to be out of date, updated by hundreds of memos over the years that are now embedded in the end-users' heads. The best way to catch an incorrect process definition is when a user spots a missing form field or gets work at the wrong step in the process.

Typical mistakes to avoid

BPM has now been around long enough to have seen a few problems – though the ROI of automating processes is so high that even projects with problems along the way often end up being considered successful. Still, there are lessons to be learned from some of the mistakes of the past:

- Avoid spending too much time on process analysis without automating anything. While it's certainly a useful exercise to document and analyze processes, and some companies with retiring workforces need to do it to preserve process knowledge, real BPM ROI only shows up once a process has been automated. "Analysis paralysis" has many times led to huge binders full of flowcharts sitting on shelves collecting dust – and since real world processes change frequently, these process models quickly become out of date.
- Don't think of processes in a system-centric way. Focusing too much on systems in the process instead of people leads to a process that replicates the same nonsensical silos that arise from departmental structures and mergers. These types of projects – that mirror today's mediocre islands of automation – simply lead your company to make the same mistakes faster. While system-to-system integration is usually necessary, it should be in the context of a process that delivers business value to customers.

Therefore, be wary of any vendor that talks about "human components" of a process or uses technology to make human tasks in a process accessible through Web services.

Treating people like automatic process machines has major negative effects: first, it takes away their ability to deal with exceptions, and second, it tends to increase their resistance to the system.

- BPM is not business process re-engineering. The idea of completely tearing down and rebuilding your organization's processes never held much water, and some new technology tools won't fix that. It's important to avoid "big bang" process efforts that involve months of analysis and years of deployment, only to find that users and managers hate the new system. Focus on short implementations that deliver business value (a maxim that sounds familiar to those using Agile development methods.) Break processes into smaller pieces if necessary.

Summary

While we've listed a number of best practices and pitfalls in getting started with BPM, the key is to get started. Many companies bog down in planning or become too risk averse, but the reality is that every month you continue to have inefficient people and processes result in serious opportunity cost. Today's BPM suites have a proven track record of fast results, and the best ROI comes from focusing on processes with heavy demands on people and complex paper trails. Be sure to include end users in the design process and put serious work into the final user interfaces. As long as you make process improvement a business initiative – not an IT-only development project – you'll be on the right track.



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