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TRIP REPORT

Business Process Improvement Community

Nearly every industry has felt the effects of the global economic downturn in 2009, and business process management (BPM) is one of the prime areas for investment, as it helps companies find another layer of cost efficiencies, revenue opportunities and more effective use of human capital. This year's Symposium/ITxpo explored the many opportunities for business process improvement and this report offers an overview of what was on attendees' minds and what they learned from Gartner analysts and each other.

KEY TAKE-AWAYS

From their inception, companies concentrate intently on how to organize their activities, tasks and people into a functional organizational structure to best deliver their products and services. Yet there is another dimension—the process dimension—that too many companies either forget about or just ignore. Process is another way of thinking about how work is accomplished and it deserves special attention, particularly during these high-stress economic times. Attendees took away three strong messages:

- You cannot afford not to focus on process. Process is a key part of how every organization operates. Pay attention to it or you will operate in a suboptimal fashion.
- To gain process expertise and efficiency, you must build process skills. Create a business process competency center and hold workshops to bring process skills to your people—those in both business and IT roles.
- Companies are pursuing BPM to improve operational results and business performance results.

Conference highlights

Making the Case for BPM in a Time of Crisis

Predictions of 2009 – 2010 growth span retail, financial, manufacturing and utilities, and are exceeding our earlier forecasts. It's time to shift from cost cutting to growth thinking. To assist in that, BPI leaders must facilitate changes to the ways that work is best accomplished, including new behavior, different thinking and different success metrics.

Though some still see IT as a growth inhibitor due to siloed applications, outdated architecture and ingrained methodologies, these are tough times, and organizations are looking for ideas on how to change, how to modernize the application portfolio, how to increase process adaptability and how to deliver solutions faster. Resistance to change is lowered by economic pressures. It's time for BPI leaders to review old processes and ask "why" repeatedly until assumptions are forced out in the open where they can be challenged. It's time to redesign the old processes.

What BPI leaders must do:

- Watch and listen for shifts in the tone of conversations at the executive levels; hypothesize and test process changes; re-analyze process performance, restructure the resources, and reprioritize the opportunities for process change.
- Find some quick wins to prove BPM discipline efficacy—for example, in cutting unnecessary work, eliminating the need for shadow processes (work-arounds), finding areas with high exception rates, and freeing up highly skilled workers from routine chores.
- Begin planning for the next set of process changes that further reduce costs or increase revenue, increase productivity, increase capacity without commensurate increases in resources, improve quality or reduce cycle times.

What's New in BPM Technology and Why Business Leaders Should Care

For companies to choose BPM technologies that really fit, they first must understand the problems they want to solve and their root causes, and then look to see what BPM technologies are available and what they can do. BPM technologies help make aspects of process clearly expressed and readily changed, using graphics to represent various aspects of process such as activities, flows, milestones and decision points.

Modern business process management suites unify these technologies into a consistent, integrated architecture that can support the entire business process improvement life cycle. BPM suites also enable business managers and IT professionals to monitor interactions between people, systems and information resources for a level of collaboration never before possible.

BPM technologies vary in areas of strength. Some focus on aiding comprehension, others aid design and still others synchronize changes in the graphical model with its execution. Choices of BPM tools must jibe with an organization's level of experience in the process disciplines. Software tools are not always required. However, the more that process agility is desired, the more likely it is that new BPM technologies will be needed.

Gartner has observed four basic BPM suite usage scenarios, and offers a framework to help firms evaluate and choose the suite that best fits their situation.

Recommendations include:

- Understand the characteristics of your process and work in the process before choosing a tool.
- Choose tools that your subject matter experts find most intuitive.
- Identify key individuals to fulfill the business- and technology-oriented roles on a process improvement project.
- Before adopting BPM technologies, assess the cultural readiness of your organization, especially with regard to how well business and IT roles work together. BPM shifts roles and fosters much greater collaboration between business and IT. Clients will have to determine the right balance of responsibilities. BPM lets business users share in the responsibility for process change more than past, implicit approaches to process management.

Business Process Management: Important to Do, Important to Do Right

The merits of BPM are becoming more recognized because the process perspective is able to lead to significant performance improvements in many areas. However, BPM is not a one-time quick fix; it is a journey that requires developing BPM awareness. This presentation laid out the steps to make it happen. These steps begin with assessing the organization's readiness—that is, its maturity, its culture, its strengths and its weaknesses—to ensure the resulting BPM systems and procedures tie into the business's processes and goals. The next step is to formulate strategy, which involves defining roles and responsibilities, understanding the big picture and developing the first draft of a BPM strategic plan. The third piece of the process is to deliver results, which includes drafting a business process competency center charter and finalizing the BPM strategic plan. In a nutshell, participants were encouraged to:

- Understand their current cultural, political and competitive environment and tailor their approach to the unique needs of the organization. Avoid the temptation to select the tools before the evaluation is complete.
- Understand the roles needed to conduct BPM work and augment skills as needed. Add approximately 20% more time to projects to allow for skill transfer and training.
- Select two quick-win projects and deliver measurable results, then use these results to communicate and educate the organization on the value of BPM.

Gartner Magic Quadrant Business Process Management Suites

Gartner, in its inclusion criteria for its Magic Quadrant for BPM suites, requires that all elements of a suite support the entire process improvement life cycle, be architecturally unified and reflect a common meta model across the entire set of capabilities to enable IT professionals to work collaboratively with business roles on all process design, development, execution and enhancement activities. The BPM suite is one of the fastest-growing software markets and has attracted nearly every major software provider.

Gartner Magic Quadrant Business Process Management Suites (cont.)

Gartner has found four main patterns in BPM suite buying, which it identifies as usage scenarios. These usage scenarios typically lead to the purchase of a suite. The four are: specific process solution, continuous process improvement culture a process-driven service-oriented architecture (SOA) redesign and a need for business transformation. Gartner suggests that attendees:

- Match their situation to the top four BPM suite usage scenarios as represented in the Gartner Magic Quadrant.
- Use the resource interaction patterns—across people, systems and information—within your process to guide your technology choice, involving business stakeholders in the technology selection process.

Workshops

Workshop: Building a BPM Competency Center

This 90-minute workshop, offered twice, attracted some 30 attendees each time. Attendees broke into teams and worked through an exercise meant to arm them with a template for building or advancing a BPM competency center in their own organizations.

Gartner Analyst Elise Olding explained that a competency center can serve as a one-stop shop for BPM. “I don’t mean doing it all, but rather how to scale the process of process improvement so others can be brought in,” she said. “It provides resources and help for other BPM projects,” she explained. BPM helps to find duplicative efforts, keeps coordination going and eliminate application complexity.

“Companies that do this well find they have a better relationship between business and IT,” she continued. “This is a mechanism to help you do that.” While there is no one correct way to develop a BPM competency center, the exercise can help participants design one that will best serve their company.

Teams were then given a task: to begin a plan for their BPM competency center, according to their organization’s level of maturity. Following the Gartner framework, participants worked through a series of questions that asked participants to determine what activities need to get off the ground, who will be accountable, what challenges might arise and how success of the BPM competency center will be measured.

Workgroups were organized by maturity and experience. Most participants were at relatively early stages of building a competency center, though one table included representatives of organizations that have much more advanced BPM. Businesses represented included all sizes and types, from small, privately held companies to federal government agency representatives.

The post-workshop reports revealed many common issues, many revolving around changing the organizational culture via better communication, training, education, standards-setting and executive sponsorship. The consensus was that eventually, much depends on providing incentives at the individual level.

While the process is often difficult, Olding assured the participants that taking the exercise back to their individual organization and establishing a BPM competency center can:

- Enable a standard approach to methodology and modeling of BPM projects.
- Provide resource expertise for BPI projects.
- Reduce project redundancies early in the discovery cycle.
- Align business and IT by bringing in process and people focus.

Keynotes

Welcome address and Gartner analyst opening keynote

Hard times hit organizations of all sizes around the world. Despite early indications that some economies are poised to rebound and rebuild, many of us—or people we know—find ourselves knee-deep in economic uncertainty. Gartner recognizes that while scenarios for a return to growth vary, the time for action is now—enterprises must balance cost, risk and growth.

If the entire enterprise focuses exclusively on cost, everything looks like an unnecessary expense. Instead, model the economic impact of technology on the overall performance of an organization. Among other areas, performance should encompass revenue, market share, agility and innovation. And above all, make informed decisions on new tools and capabilities. [View the webcast here.](#)

Mastermind Keynotes show other organizations' strategies

- Vivek Kundra was appointed to serve as the first federal CIO of the United States by President Obama in March 2009. He discussed the challenge of changing the long-held belief that the public sector cannot be a leader in technology innovation. He said his goal is to sell the idea that the public sector can indeed solve the problems that customers face from a technology perspective, thereby improving customer satisfaction. [View the webcast here.](#)
- Mark Hurd, chairman and CEO at Hewlett-Packard Company, spoke on some of his visions and goals for HP, which include a plan to spend \$17 billion on R&D and \$20 billion on acquisitions to build out a model of converged infrastructure in which server, storage, networking and PC markets are integrated. With the world's data expected to double in the next four years, this converged infrastructure will be critical. He expects these coming innovations at HP to have the power to disrupt all of these infrastructure markets during this time. [View the webcast here.](#)
- Eric Schmidt, chairman and CEO of Google, Inc., stated that the boundary between enterprise and non-enterprise is becoming less and less pronounced when it comes to applications. CIOs are dealing with employees who want a seamless experience at home and at work, while enterprises are still trapped in inflexible 1980s architecture. He takes the position that enterprise is an important business, but the opportunity for a new platform that spans enterprise and consumer behavior is even more important. He sees this as the next billion-dollar business for Google. [View the webcast here.](#)
- Stephen Elop, president of the Microsoft Business Division of Microsoft Corporation, said Microsoft fully embraces “constructive disruption,” and that the corporation recognizes the shift that is happening in its marketplace as the pace of innovation accelerates in the cloud. Continuing to talk to users and apply the lessons learned from past experience is essential to keeping things in balance, he said. “Great companies recognize the disruption and power through them,” Elop said, while at the same time acknowledging the challenges Microsoft faces as it keeps pushing forward. [View the webcast here.](#)

What people asked about

How does BPM relate to my application strategies? The disciplines of BPM can help you understand the value of your applications better by mapping them to your core operational processes. Typically, organizations find that they have huge application portfolios. Many are redundant or have outdated functionality. The key is to figure out what your core operational processes are and map applications against them. Usually, there are between four and 12 core operational processes that span the functional areas (such as human resources, finance, product development and sales), that are essential to delivering the organizational value. Most organizations find that they have multiple redundant applications for some processes and no viable applications for others. Once this assessment is done, we recommend you choose one operational process that has the most application redundancy, model it out, map the applications and then look at the application portfolio in that context. Often, you can rationalize them down to the best two or three (ideally, you would have just one, but this is unlikely.)

Which BPM suite provider is Microsoft going to buy? We think Microsoft is very much married to a partnership strategy, so do not expect them to make any major purchases in this area.

What is the most important consideration when starting a BPM program? It is imperative to deliver measurable business results, by tackling several “quick win” projects within the first few months of launching your BPM effort. Select projects that have high value and low risk, are achievable and can be measured in the before and after states to show the real value. These projects should be short in duration—less than three months. Keep your project focus front and center, focusing 80% to 90% of your time on project work. Spend the remainder of your time on planning, building a BPM competency center and growing the competency in your organization.

What are the best practices for IT to be working with a BPM competency center? Where should it be situated, in IT or in the business unit? How do I staff it? There is no “right” answer for this. It depends on your objectives and current business strategies. The short answer is to report into the area with the strongest sponsorship—whether that is in the business or IT. Expect your reporting structure to change several times as you gain more success. For the end-state, Gartner recommends a blended model, but many companies lack the competencies to implement this model at the beginning.

Things to watch for

Too many organizations are still thinking about standardizing their BPM processes rather than thinking of creating more flexible processes. The central thesis of BPM is about being able to move rapidly to the next best practice. Organizations need to continually scan the horizon, constantly looking for ways they can improve and change. Therefore, in BPM, the mind-set should be on building solutions that can change, not solutions that will last. Ironically, if it is built for change, it will last—it will be relevant to your business for a long time, whereas building a fixed system will inhibit you because your business will not be the same a year from now.

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It's not too early to start planning for next year. We hope to see you again when we celebrate 20 years of Symposium/ITxpo, 18 – 21 October 2010, in Orlando, Florida. Keep up by visiting gartner.com/us/symposium as the latest news, alumni benefits and registration details are unveiled for this exciting event.