



Business Process Improvement
Symposium Community

Trip Report

Business Process Improvement Symposium Community

Members: 650

This year's Gartner Symposium/ITxpo — held from 12 through 16 October in Orlando, Florida — was organized around the theme of IT and the economy. This report offers an overview of what was on attendees' minds and what they learned from Gartner analysts and each other.

Key Takeaways

This year marked a turning point for business process improvement (BPI) as a discipline. Organizations have begun scaling up their business process management (BPM) efforts to establish BPM as an enterprise program — not just apply its methods and technologies to one-off projects. For the last eight years, retail banks have led the BPM charge, implementing multiple projects and often using multiple vendors' products. With the current financial crisis, Gartner expects that in 2009 many of these organizations will consolidate their BPM technologies while at the same time expanding their efforts. Organizations that have been on the cutting edge of BPM are in a good position to capitalize on completed work and apply the lessons learned to even more complex process challenges.

Establishing a system of governance, including BP competency centers, continues to be a major concern for organizations trying to advance process maturity and discipline. For maximum effectiveness, stakeholders from both business and IT should work together to create a process-oriented organization.

Conference Highlights

Workshop: Evaluating Business Process Management Suites

Twenty business process leaders shared their experiences in business process initiatives in their organizations, and received advice from Gartner analysts on how to optimize their use of business process management technologies, including the business process management suite (BPMS) and business process analysis tools. Although many of the participants said they are still in the relatively early stages of BPM and early experience with BPM technologies, they welcomed the chance to get some expert advice from the facilitators and compare notes with peers on their BPM experiences. Some surprises from the workshop included:

- Vendors are still hyping and over-promising on their tools, especially in the area of system-to-system integration.
- Creating models of business processes leads to discovering opportunities for improvement.
- BPMS "dashboarding" is a big plus, since it helps the IT organization give process visibility to the business.

Becoming a Strategy-Driven Organization

What is essential for a BPM program's success is actual business performance improvement — with real results. It's therefore critical to measure the actual improvement in business performance and show how that success enhances critical goals for the organization. Selecting the right projects to produce clear performance changes is vital, and toward that end, organizations must identify what they want to measure and how to compare it to a baseline. Many measurement options exist, but understanding the measures of greatest significance requires adherence to some best practices. Business process leaders must:

- Recognize the relationship between strategic planning and BPM.
- Overcome the obstacles to effective strategy execution by building a process value chain and performance management framework.
- Use performance metrics to establish a clear, traceable connection between strategic intent and actions to be taken in executing your enterprise's strategic plan.

The Management Nexus: Bridging the Gap Between Strategy and Execution

Most organizations today have a formal business strategy process. Yet most businesses — as many as 75% — fail to execute against their strategies. When this happens, there are generally two factors involved: either business goals are not well articulated, or competency centers within the enterprise are disconnected. Gartner advocates an integrated approach to execution planning that ensures all the functional entities impacted by a strategy are pulling in the same direction. Together with representatives from the IT organization, business process planners must:

- Assess their enterprise's articulation of strategy. Is it actionable?
- Analyze the present level of communication, collaboration, sharing and iteration across functions.
- Explicitly state their understanding of enterprise strategic intent and objectives, along with those objectives' implications for the functional organization. Validate and socialize it with business leaders.

Business Processes in the Cloud

Most enterprises think about business process improvement in the context of what's inside the enterprise. With the advent of new technologies such as Web 2.0, however, under-the-radar techniques for business process support have become more common. Today, business processes cannot be confined by firewalls or even stringent governance policies. Consumerization of IT trends and the empowerment of digital natives will lead to informal or stealth usage of cloud computing and social networking capabilities to support business processes. This creates a challenge: if the processes supported by software-as-a-service (SaaS) and business process outsourcing providers are unchangeable, then organizations risk process stagnation.

Recommendations:

- Conduct an informal audit of where “off the radar” cloud services are used in one or more of your key business processes.
- Compare the risks of using cloud services to the risk of not having these capabilities.
- Establish a governance model for process ownership, change and risk.
- Make processes visible to business and IT, as well as to key external partners, suppliers and service providers.

Finding the Business Value in SOA: A Business Case Framework

The lure of SOA principles has led to inflated expectations and a certain amount of disappointment. Few organizations have taken the time to build a SOA business case. Clients now regularly ask Gartner for benchmark SOA return on investment statistics; unfortunately, there aren't any. Results vary tremendously from project to project and from enterprise to enterprise. Some see clear benefits, and others do not. To formulate a general business case for SOA, enterprises must understand the mappings between SOA benefits and specific business value. Specifically, they should:

- Remember that SOA is an approach to building applications and is too general for a one-size-fits-all business case. An accurate and measurable SOA business case is SOA-project-specific.
- Identify application projects with high SOA affinity.
- Assess SOA value and risk elements against application and project portfolios.

The Business Process Management Scenario in 2015

By 2015, business managers will rely on multidimensional models to manage their processes rather than relying on data about completed transactions. Models will provide visualization of work in progress from multiple perspectives and will enable operational managers to access in-progress items and resources with the ability to dynamically change work. The appropriate decision maker will receive alerts in the context of the workflow. Modeling tools for business users will advance beyond simple flow models and become semantically richer to communicate complex processes and relationships between contributing resources and assets. Process managers must:

- Assess organizational maturity for BPM, and cultural readiness for coming changes.
- Do some career planning. Where do you want to be as this scenario unfolds?
- Find a forward-thinking executive sponsor to support the process simulation

Keynotes

Welcome Address and Analyst Keynote

Most IT budgets will take a hit from global economic problems, but the situation is not as dire as IT leaders who lived through the dot-com bust might expect. Gartner's recent surveys of CIOs show that at worst, IT spending worldwide likely will increase 2.3% in 2009, down from Gartner's earlier projection of a 5.8% increase. IT spending at worst will be flat in the U.S. and down in Europe.

IT budgets will be largely spared because IT runs almost all aspects of business, and IT is increasingly viewed as the means to improve and transform the business, but IT leaders still have to deliver. Economic downturns tend to amplify disruptive technologies, so IT leaders should research virtualization and modernization opportunities. IT leaders also should take stock of the whole IT portfolio to see what the business can run for less or live without. For every application and system, ask:

- Why is this needed?
- What does it cost?
- How can it be implemented with fewer resources?

Mastermind Keynotes Show Other Organizations' Strategies

Gartner analysts interviewed three IT leaders to gain insights about their strategies and outlook for 2009:

- John Chambers, CEO of Cisco Systems, said Cisco plans to work on dozens of projects in 2009 that aim to expand the company's scope beyond networking into networked-enabled processes to improve productivity. Cisco will use partnerships to help customers boost scale and speed. Cisco has a unique opportunity in the economic downturn to help its clients enable transformative business strategies, Mr. Chambers said.
- Joseph Eng, Executive Vice President, Systems and Technology at JetBlue Airways, urged IT leaders to show how IT can help transform and differentiate the business, as his group has done to make JetBlue a customer-centric airline. Mr. Eng described how JetBlue customers are empowered to make their own decisions and receive perks to make the trip better. This strategy has greatly helped JetBlue grow and has provided more opportunities for revenue.
- Steve Ballmer, CEO of Microsoft, insisted that what has been an apparently slow uptake of the Vista operating system among enterprises doesn't indicate a problem with Vista. In fact, he said, Vista's uptake is roughly comparable to the uptake of Windows XP at a similar stage. Ballmer also said Windows 7, Vista's follow-up, will be a true release, not a mere update. He acknowledged competition from Google but was critical of Google Apps, saying that it is “just not good enough

today” for enterprise-level adoption. Cloud computing will also be a challenge for Microsoft, he said, since it involves a paradigm shift, but he predicted the company will adapt. Cloud computing will be delivered “piece by piece by piece,” he said. “This is a technology that Microsoft is embracing, but it won’t be ready the day after tomorrow.”

What People Asked About

How do I get my BPM program started?

Gartner has a great deal of research on getting your BPM process started, but one thing to keep in mind is the importance of getting people from the business involved as early as possible. At Symposium, we’re talking more and more to non-IT professionals who have been cast in business process leadership roles. So, it’s not just the nuts and bolts of BPM, the tools side that need attention. Setting up a governance process early on will help you coordinate the business with IT.

How will Oracle’s acquisition of BEA affect the BPMS market?

There’s been a good deal of concern about this acquisition. Now that Oracle has completed its acquisition of BEA Systems, it will move forward with its BPMS strategy, first by rebranding AquaLogic BPMS version 6.1 as Oracle BPMS. Previously, Oracle put forward a combined offering of its BPA and SOA suites, but during the next two years it plans to integrate key Oracle technologies into the rebranded AquaLogic suite. Oracle’s vision is a unified design and runtime experience across all roles involved in the process life cycle. Gartner believes this vision is a strong one, but that it will also cause disruption to BEA and Oracle BPM product users during the next 24 to 36 months. We recommend that enterprises that view Oracle as a strategic partner stage their BPM initiatives to minimize product migrations and postpone implementation decisions as long as possible until the Oracle BPMS stack settles down in 12 to 18 months.

How can we make our enterprise architecture and BPM work together?

Many organizations don’t exploit the natural synergy between enterprise architecture (EA) and BPM. The heart of the problem is often the lack of clarity around the engagement model between the two teams. In many cases, each interprets the business strategy, and then independently develops a plan to support that strategy, when they should be working together to develop one unified view of the strategy and a set of initiatives to support it. Planners need to stress that while EA informs the organization about what needs to be done to close the gap between the enterprise’s strategy and its execution, BPM leaders take this direction and make it work. Worry less about who does the process work, and more about what process work is most needed.

Things to Watch For

One of the most interesting aspects of this conference was the relative absence of questions about the impact of the economic downturn on the outlook for BPM during the coming year. Vendors are obviously concerned about the economy, but in many instances, user organizations that have process initiatives underway don’t expect those initiatives to be heavily impacted by the economy, mostly because the organizations in question have invested sufficient time and money in them to make stopping now unattractive.

In general, economic downturns cause organizations to become more concerned with the efficiencies that can be gained through greater process orientation. In the days of business process engineering, gaining efficiencies often took the form of laying people off. But equating process management with layoffs seems less likely this time around because adoption of BPM is now heavier in service industries than in manufacturing, and therefore much more process work depends on people.

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