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Research

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Business Process Fusion: Enabling the Real-Time Enterprise

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Business process fusion describes a discontinuity how application software is applied to supporting business activities. It affects business applications, technologies, and IT and business management.

ANALYSIS

Most executives see IT as a way to reduce labor and increase speed by automating business processes. However, many large and midsize enterprises have made substantial investments to automate core business processes; they see little value in "more of the same." They may seek additional benefits from systems integration — that is, linking the systems for a set of related processes. They also may look for increased effectiveness in systems use via better access and integration with Web and portal technologies.

This situation leaves IT often having only a marginal impact on the overall capability of the business. The challenge for IT is to offer the means to extend business capabilities. Business process fusion can achieve this. By building on the maturing capabilities of system integration and system access technologies, business process fusion supports the creation of new processes that increase the speed and flow of information to enable planning, optimization, simulation and other performance management activities on a broad scale. The result is IT that offers value by extending business capabilities, not merely by automating what already exists.

Definition: Business process fusion is the transformation of business activities that is achieved by integrating previously autonomous business processes to create a new scope of management capabilities.

The Evolution of Business Applications

The implications of business process fusion can be seen in the evolution of business responsiveness — in speed and scope. It started with the automation of internal business processes, which developed into enterprise resource planning. It has been extended to the value chain, with supply chain management and customer relationship management. In the future, trading grids will create relationships of increasing complexity.

With each step, business response quickens. Additionally, for large increases in scope, scale and complexity, the essential factor is agility — the ability to change over time, and recognizing that these interdependent processes and their supporting systems can't be fixed and static.

A key driver for business process fusion is the competitive pressure to build a real-time enterprise, one that responds to market events and the general business environment as immediately as possible. This is not simply a matter of running faster, but also of sensing the environment more intelligently, and predicting and correcting problems before they surface. It requires a new level of IT-enabled responsiveness, agility and adaptability.

Why Now?

What makes business process fusion *achievable* is a combination of two factors. First, enterprises have invested in operational systems that are pervasively connected and can capture core transactional data. A precondition for fusion is the existence of systems that support its component processes — fusion can't start from nothing. Second, software platforms and architectures that span the traditional application silos and processing styles have emerged. Infrastructure and application vendors are creating comprehensive software platforms with capabilities ranging from transactions to content management, from data analytics to Web conferencing.

What makes business process fusion *necessary* is the risk and, in some cases, the pressing reality of a competitor that has successfully transformed its core processes. Most IS organizations that were forced to contain costs through recent budget cycles would prefer a "comfort zone" of evolutionary change. However, several enterprises are opting for revolutionary change, and their

competitors are being forced to emulate them. Because survival is at stake, cost becomes a secondary consideration.

Business process fusion has transformational potential — early adopters will take the risk and may well reap the rewards. Those that can't or won't take the risk should at least prepare to take action, so they are positioned to follow quickly.

Three Perspectives

Business process fusion clearly affects business application products and vendors because it is an evolution of those applications. Fusion is immature, and the shape of this new framework is only now becoming visible in vendors' strategies. "Business Process Fusion Transforms Applications" covers these product issues and provides examples of processes where fusion is relevant.

The second area of fusion's impact is on software infrastructure and its underlying platforms. "Technologies That Enable Business Process Fusion" discusses the maturing and consolidation of a wide range of software technologies, from integration brokers to collaboration support and content management. These are key enablers of business process fusion.

Business process fusion primarily is concerned with taking the capabilities of new software technology and applications and using them to create radical changes in business performance. Therefore, technology is only half the story. A critical success factor for fusion is to address its management implications, ranging from culture change to sourcing decisions. "Managing Business Process Fusion: Why, How, What's Next" examines fusion's opportunities and challenges from the management perspective.

The Business Value of Business Process Fusion

Costs will decline and profitability will increase through business process fusion because of greater efficiencies, visibility and control. It will combine activities that previously required independent systems. It will provide visibility and control of those combined functions at the operational level and for management purposes (including monitoring, analytics and improved response to unforeseen events). Also, it will allow for business processes to be modified without disrupting the supporting IT systems. *By 2007, business process fusion will be a key driver for IT investment in a majority of Global 2000 enterprises (0.7 probability).*

Business process fusion is the next stage in how business applications are developed, delivered and deployed to achieve business value. It represents a significant discontinuity in IT and the value that it can deliver to the business. Enterprises that recognize this discontinuity will be positioned to achieve a new order of value from their IT investments.

Features

"Business Process Fusion Transforms Applications" — The convergence of technology to support business process fusion has driven fusion application development, although challenges remain regarding deployment and technology maturity. **By Yvonne Genovese and Simon Hayward**

"Technologies That Enable Business Process Fusion" — Business process fusion requires systems integration, focusing on process, application mutability and information unification. **By Gene Phifer, Simon Hayward and David Flint**

"Managing Business Process Fusion: Why, How, What's Next" — Business process fusion requires enterprises to enforce management principles, such as collaborative governance mechanisms, and practices; it also will create new sourcing options. **By David Flint**

This research is part of a set of related research pieces. See "Business Process Fusion" for an overview.

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