

Key Issues for Business Process Management, 2007

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Business process management is a highly productive management discipline that offers competitive advantage to those that follow its precepts. BPM's disruptive effect on the status quo makes for a compelling research opportunity.

ANALYSIS

Perspective and Context of the Business Process Management (BPM) Research Area

The following core BPM definition has implications that help put the BPM Key Issues in perspective:

- BPM is a management practice that provides for governance of a business process environment toward the goal of improving agility and operational performance.
- BPM is a structured approach that employs methods, policies, metrics, management practices and software tools to manage and continuously optimize an organization's activities and processes.

This definition has two parts. The first lays out the scope and intent of BPM, which is about governance of the business process environment, and the intent is to achieve improvement in performance and agility. The second part reviews the approach of BPM, which is structured and employs a variety of practices in an ongoing manner to continuously optimize process-based performance. These practices incorporate several resources: people and the organization, the processes themselves (considered as assets), and BPM-enabling technology, as well as the interrelationships of the processes within the context of the business and its goals. Each of these is applied so as to achieve optimal performance.

Attention to BPM is now growing rapidly as people search for new ways to master their unruly business processes — to close the gap between strategic vision and goals and the operational execution and achievement of the goals. The BPM option offers direct, visible results that are based on going back to some basics and adding the end-to-end perspective to uncover previously missed potential gains. BPM is a set of management practices to meet today's business challenges. The core technological base that supports BPM efforts *is here already*, moving into the mainstream and proven. However, the requisite management approaches, skills and organizational support structures must advance to best exploit technological capabilities. As the Key Issues will make clear, our BPM agenda is a holistic research agenda covering BPM-enabling technology and the management practices to properly harness such technology.

Key Issue: What are the characteristics of organizations that have best addressed perennial BPM challenges, such as justifying BPM adoption and investments, balancing IT and business interests, and achieving strategic alignment and organizational readiness?

Background and Context of the Key Issue

In some ways, BPM is no different from any other management venture. BPM brings out the worst of organizational politics and often loses its way in a swamp of cultural and organizational pitfalls. Many organizations struggle with justifying BPM or get mired in debates over who should drive the effort or who should own the end-to-end process. However, there are some organizations that understand BPM and can sustain continuous process improvement. These organizations may not have resolved the whole of improved process management, but they have mastered enough of it to make a difference. The intent of this Key Issue is to research, compare and analyze alternative approaches and to identify best practices for our clients.

Explanation of Impact

Organizations need best practices to emulate and to learn from others' successes and mistakes. Real-world advice will contribute more to organizational success than textbook theories will.

Summary of the Planned Research

We will be creating a series of case studies, how-to guides and general best practices, describing how best to deliver on BPM's promises, while avoiding the pitfalls.

Relevant Published Research

"Marshaling the Troops for Business Process Management: How to Get Their Attention"

"Business Process Management as a Discipline"

Key Issue: How does an organization establish a comprehensive portfolio of BPM-focused methodologies, techniques and skills, as well as the support structures necessary to enable their proper use?

Background and Context of the Key Issue

In the case of BPM, following a methodology — any methodology — is critical. So, the question arises: "Which methodology?" Further complicating the organization's BPM effort is the challenge of answering "What is the proper skill set for *my* department, group or company?" One specific skill set might not apply across the board (for example, continuous improvement versus radical re-engineering). From process discovery and innovation to continuous improvement and monitoring, specific, nontraditional skills are needed along the way. Our research will focus on uncovering those critical skills and techniques, assessing competing methodologies, and recommending the best way to approach this complex topic.

Explanation of Impact

Organizations must understand and select a core group of process management and/or improvement methodologies, perform a reality check on their training and education expectations, develop core process-related skills, and build sound organizational support structures to enhance cross-training and skill reinforcement.

Summary of the Planned Research

This is a relatively new Key Issue based on the growing maturity (and frustration) that comes from deploying BPM principles and technologies and finding that all is not well. We will examine how others have skilled their workforce, and we will deliver best-practice research and warn of pitfalls. We will also offer timely advice on building a flexible set of methodological approaches — the proverbial "methodology toolbox." We will blend advice on skill development with recommendations on organizational support structures that enhance skill retention.

Relevant Published Research

"Predicts 2007: Internal Skills Are Inadequate for BPM Maturity"

"Case Study: BPM Education and Training at Owens & Minor"

Key Issue: How will BPM respond to the disruption of traditional organizational boundaries, the increased complexity of business and other sources of strategic change?

Background and Context of the Key Issue

BPM provides a sound perspective in a business environment racked with challenges to the status quo. Many parts of the organization are in transition, long-standing business practices are in flux, and once-sacrosanct processes are being outsourced in ever-increasing numbers. Change is afoot, and BPM will further drive and guide that change. However, the management discipline of BPM itself is not static; it too must respond to change. Our research will examine how BPM will enable organizations to respond to the strategic challenges of business, while examining how BPM itself changes in response to external forces.

Explanation of Impact

Organizations must understand how better process management enables agile response to change. At the same time, they must understand what is influencing BPM's evolution and how currently held process beliefs will change over time.

Summary of the Planned Research

We will assess how BPM responds to major influences and critical managerial challenges, such as decreasing cycle times, increasing visibility and compliance, and establishing effective process governance. Our research will focus on new organizational structures (for example, the process center of excellence) that are emerging to support BPM efforts or on new best practices that will make process improvement more relevant to the organization.

Relevant Published Research

"Achieving Agility: BPM Delivers Business Agility Through New Management Practices"

"Using Key Performance Indicators to Facilitate Business Process Improvement"

Key Issue: In which scenarios does the adoption of BPM deliver effective organization improvement?

Background and Context of the Key Issue

The focus on improved process management forces the organization to adopt a greater focus on process discipline. The only motivation for senior leadership to embrace such a disruption to the status quo must lie in the promise of a significant benefit to the organization. As with organizational disruptions of the past, it's not always clear how to address the change at first — for example, where the organization should start, how long it will take, and what all the ramifications will be. Our research of leading organizations pursuing this path shows that BPM delivers substantial productivity increases, greater visibility into the way the organization creates and delivers value, and ultimately a foundation for an agile organization that innovates new products and services to keep pace in a rapidly changing economy. Our research will uncover the organizational opportunities that are primed for process improvement through the prudent use of BPM.

Explanation of Impact

Organizations have many opportunities for process improvement. This research will help them select the best places to apply BPM and offers guidance on what outcomes to expect.

Summary of the Planned Research

Our research on this Key Issue will be combined with the more application-specific research from a related research agenda (see "Key Issues for End-to-End Business Application Processes, 2007"). Between the two areas, we will be able to offer cross-industry BPM examples (for example, using process modeling to communicate with and educate process participants, as well as applying BPM's discipline of the process champion to generate interest and excitement) with specific advice on key processes such as order-to-cash. This Key Issue will give organizations the tools needed to sell BPM's benefits and apply its tenets.

Relevant Published Research

"BPM Maturity Model Identifies Six Phases for Successful BPM Adoption"

"Gartner's Position on Business Process Management, 2006"

Key Issue: How should organizations evaluate core BPM product and service providers, and what are the ideal vendor capabilities to seek?

Background and Context of the Key Issue

The prior Key Issues show how much we believe that BPM is a management discipline and, in many respects, how it is becoming a "way of life" for process-hungry organizations. However, BPM cannot divorce itself from the realm of technology (for example, the emergence of the business process management suite [BPMS]), nor can many BPM efforts be effectively delivered without well-skilled service providers giving help along the way (for example, training, implementation services and change management services). BPM vendor analysis is a core feature of our research agenda.

Explanation of Impact

It is clearly in the organization's best interest to avoid picking vendors with no future or those that fall short in delivering against expectations.

Summary of the Planned Research

We will extend our existing how-to research with updated analysis for assessing BPM products and providers. We will continue to advise on the BPMS's technological evolution and its main vendors. We will research adjacent areas of technological interest, such as business rule management systems (BRMSs), agility, business process analysis (BPA) tools and other vendor hot spots. We will also continue to research BPM market dynamics as part of our Dataquest research (for example, "Dataquest Insight: BPMS Software Market Size and Forecast, Worldwide, 2006-2011"). Finally, because BPM is a broad topic, there are related Gartner research agendas (for example, application integration) that will also deliver arrows to the competitive analysis quiver as organizations prepare to hunt the full range of process-aware vendors.

Relevant Published Research

"Magic Quadrant for Business Process Management Suites, 2006"

"An Update on Microsoft's BPM Strategy and Delivery"

Key Issue: Which technologies and related technical architectures are best suited for building an agile, process-enabled organization or virtual organization?

Background and Context of the Key Issue

BPM-enabling technology has been characterized by rapid innovation. Service-oriented architecture (SOA), complex-event processing (CEP), agility, enterprise architecture, Web 2.0 and other technology hot spots are each influencing BPM's technological evolution. BPM vendors are experimenting with new technological approaches, such as optimization and in-line simulation. The relationship of BPM concepts and technologies to the changing world of the application is another source of constant innovation and confusion.

Explanation of Impact

To deliver software-driven process improvements, organizations must understand the sea of related technologies, the specific machinations of BPM's core technologies, and how they fit into a larger architectural puzzle.

Summary of the Planned Research

Our research will cover new technological concepts (for example, optimization) and shed light on how to more effectively use existing technologies (for example, simulation and business rule engines). In general, we will assess the core technologies and architectures that are needed to bring process power to the organization or to the extended organization. This Key Issue will also benefit from related research agendas (see "Focus on the BPP: Key Issues for Using IT to Support Process Innovation"). Technologies and architectures are exciting topics but must be placed in the proper context of a larger BPM management discipline. Our research will help clients maintain that specific focus.

Relevant Published Research

"Cool Vendors in Business Process Management, 2007"

"The Pedigree of the Integrated Service Environment Market"

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