



The Case for Business Process Management



"Each company's unique way of doing business is captured in its business processes.

For this reason, business processes are rapidly becoming the most valuable corporate asset. BPM provides companies the ability to model, manage, and optimize these processes for significant gain."

Vivek Randivé
Chairman and CEO
TIBCO Software Inc.

Executive Summary

Business process management (BPM) has dramatic business and technology effects. It provides organizations with the ability to save money, save time, and deliver value through real return on investment (ROI). This paper defines the BPM concept and highlights its importance to an enterprise's ability to stay competitive and remain agile in a constantly changing global marketplace. It also summarizes the technology underpinnings of TIBCO iProcess™ Suite and how they enable organizations to achieve real value.

Demand for Improved Business Processes

After several years of heavy investment in technology, many organizations are cynical about the capability of IT functions, and the technology vendors and consultants that support them, to deliver the benefits they promise. They are wary of investing more in IT, yet continue to expect more out of IT departments. Not only are organizations placing greater demands on IT, they are also expecting IT to respond faster and faster.

Many of these requirements are driven by the demand for new or improved business processes. Improving customer service, bringing new products to market, and reducing cost inefficiencies all push business processes and their effective management to the top of the priority list. One aspect of the response to these pressures on IT has been a change in the way that organizations are looking to approach process automation. Increasingly, CIOs are looking for a different way of improving business processes, avoiding investment in large, expensive, and risky new application projects that have so often led to disappointment in the past. Instead, they want to leverage the existing assets and investment and concentrate their efforts on the automation of processes across those assets. This new approach has been labeled business process management (BPM), and is being addressed with a collection of technologies that make up the BPM suite.



What Is BPM?

BPM is about change management and system implementation methodology that enables the continuous comprehension and management of business processes that interact with people and systems, both within and across organizations. It is a methodology based on the following assumptions:

- Business processes are ever-changing and developing.
- Processes cross-cut each other.
- Processes must flow between multiple organizations and interested parties.
- Processes interact with systems and people. Those people can be employees, partners, customers, or suppliers.

Successful deployment of a BPM suite can benefit both lines of business and the IT department.

For the organization as a whole, BPM can ensure business process transparency and visibility, which can lead to higher productivity, reduced errors, and tighter compliance with legal requirements. This directly impacts an organization's ability to adapt to changes in the marketplace (e.g. introduce new products), reduce operational costs, and improve customer service.

In a random survey of TIBCO BPM customers, conducted by independent agency Intercai Mondiale,

- 100% reported increased productivity
- 95% improved quality of service
- 82% reduced operating costs
- 82% saw faster process cycle times

For the IT department, BPM can connect disparate systems, thereby squeezing more value out of current investments. Successful deployment of BPM can also allow IT to future-proof the infrastructure so that additions or changes to the system do not require reinvention or significant changes to the business processes. The service-oriented nature of such an infrastructure allows quick development and deployment of new applications and processes. This allows IT to be more responsive to the changing demands of the organization.



How Is BPM Technology Different from Existing Technologies?

Viewed from a purely technical perspective, BPM is arguably not that new at all. Rather it is a convergence of a number of existing technologies and approaches. Its primary roots are in the process management capabilities of workflow tools but it also includes capabilities that derive from process modeling, application integration, process analytics, rules management, and collaboration portals. However, a BPM suite is not just a sum of these parts. It brings together all these technology elements into a single platform that manages the lifecycle of a process starting from definition, through deployment, execution, measurement, change and re-deployment.

More significantly, it involves a fundamental change in the way that we think about the structure of IT systems, applications and infrastructure. In essence, BPM promotes a process-centric view of IT where the management of end-to-end processes is separated from the underlying applications, their connections and the data. It involves the creation of an independent process layer. This layer contains a complete view of all the activities necessary to execute a particular business process and it can manage the flow of these activities whether they involve different applications, people, or a combination of both. It is an essential aspect of BPM that this independent process layer complements both existing and future investments in applications, content repositories and integration tools.

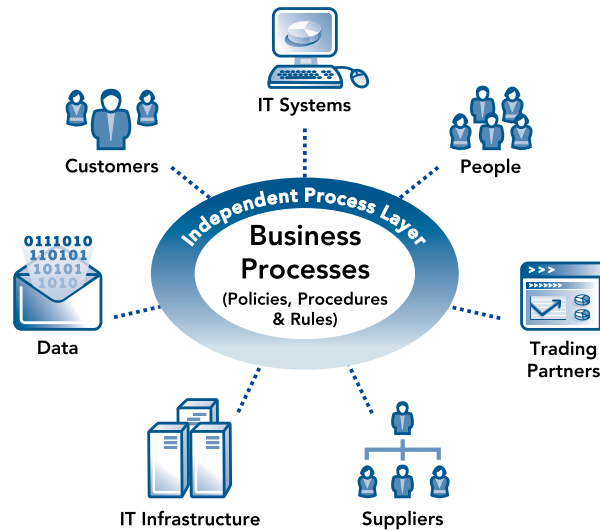
Why Is the Independent Process Layer Important?

This process-centric approach overcomes two key obstacles that have impeded the ability of IT to respond to business demands. First, packaged applications represent a hard-wired set of cookie cutter process elements, whose implementation is generally slow and expensive and while sometimes configurable, are generally difficult to change particularly post implementation. The alternative, which is to develop your own application, has the advantage of being tailored to your initial requirements, but is even more expensive, probably slower, and just as inflexible once created. Second, a complete process for any business function, for example fulfilling a customer's order, is rarely captured within a single application. Typically many applications and groups of people are involved. This has led to the addition of integration connections between these different systems. Unfortunately these tend to further embed processes into the infrastructure, increasing the rigidity of the overall IT environment.



Figure 1.

An independent process layer contains a complete view of all the activities necessary to execute a particular business process.



By separating the management of processes into an independent process layer, BPM provides a number of advantages. First, it allows an organization to quickly improve the degree to which processes are automated by linking existing systems together, and filling the gaps between systems that have previously been difficult to automate and manage. Often this is because certain process elements cannot be easily handled by systems and require human intervention.

Second, it enables a more disciplined approach to process management. Processes can be clearly defined, they can be actively controlled and executed by the independent process layer, and they can be measured at every step. Best practice processes, and the knowledge that underpins them, can be deployed across the whole organization, not just where the more skilled individuals are involved. Finally, and perhaps most importantly, the original process can be easily changed. So BPM is not just about automating existing processes better; it also provides an effective environment for continuously improving the processes.

The independent process layer therefore allows more value to be extracted from existing investments in applications, integration, and people. It also enables the IT organization to be far more responsive to business demands at a lower cost. The bottom line is that a well-deployed BPM suite enables faster, easier, and more cost-effective process improvement for a company. As you can see the problems that BPM solves are not fundamentally new, but BPM provides a new and exciting approach to solving them.



Components of a BPM Suite – The Independent Process Layer Dissected

BPM's primary roots are in the process management capabilities of workflow tools but as mentioned previously, BPM also includes capabilities derived from process modeling, application integration, process analytics, rules management, and collaboration portals. TIBCO's BPM suite, TIBCO iProcess Suite, brings these elements together into a single platform that provides the basis for the independent process layer. To function effectively across the enterprise and all its key processes, the independent process layer must be able to:

- Handle a wide range of different processes
- Manage very complex processes
- Scale to thousands of different processes and millions of different process instances
- Enable the rapid creation and deployment of new processes
- Allow a non-technical business user to rapidly define and deploy a process change
- Allow true 24x7 operation

In addition to these characteristics, a BPM suite needs to have the following six functional elements to provide a comprehensive independent process layer.

- **Defining Your Processes: Modeling and Simulation** – It is important that business users be able to engage in process definition. TIBCO recognizes this and so provides a graphical modeling environment where business users can define and change processes using a drag and drop toolset. TIBCO iProcess Suite also provides a simulation environment so that users can refine a process before deploying it, avoiding the expensive process of identifying process problems in “the real world.”
- **Defining Your Business Rules: Business Rule Engine** – The rules governing business processes tend to change more frequently than the processes themselves. TIBCO iProcess Decisions, TIBCO's business rule engine, extracts business rules from the process, improving process flexibility. iProcess Decisions increases this flexibility further by putting complete control of business rules in the hands of business people, enabling them to make changes to rules or create new rules as their needs dictate, rather than as the availability of IT resources permits.



- **Integrating People, Processes and Applications: an SOA Foundation** – A service-oriented architecture (SOA) ensures long-term BPM flexibility. Using TIBCO's SOA platform, TIBCO BusinessWorks™ users are able to transform monolithic CRM, ERP and legacy applications into discrete reusable services, which then serve as building blocks that can be combined, organized and orchestrated to support complex business processes. Changes to services can be made independently of processes and vice versa.
- **Running Your Processes: Execution Engine** – The heart of a BPM suite is the process engine that executes the business process as you have defined it. TIBCO iProcess Suite is powered by TIBCO iProcess Engine. This engine tracks the state of the process at any given time and ensures that the correct sequences of process steps are followed as defined by the business. It is able to handle high volume, mission critical processes, including support for in-flight process changes, ad hoc routing and more.
- **Managing Your Processes: Real-time Monitoring and Process Optimization** – Monitoring processes as they execute is critical. TIBCO BusinessFactor™ provides real-time monitoring so that problems can be addressed as they arise, or even before. TIBCO Hawk® provides system monitoring, ensuring that the systems involved in executing processes are sound and functioning. The last component required for effective process management is provided by TIBCO iProcess Analytics. Users are able to slice and dice past process performance data providing a complete picture of the process and how to optimize it.
- **Connecting Users to Processes: Presentation and Collaboration** – People play a vital role in most business processes. A BPM suite should provide a rich environment for people to play their part in the process and efficiently complete the work items necessary to progress the process. TIBCO iProcess Suite provides rich, customizable clients that help users effectively manage the work they and their subordinates have.



TIBCO's BPM Expertise

TIBCO is one of the leading BPM specialists with over 800 enterprise customers deploying TIBCO's BPM solution across the banking, insurance, telecommunications, utilities, general commercial, manufacturing, and government sectors.

TIBCO's BPM expertise has evolved over more than 15 years of automating and managing processes, so the interaction of people and processes has remained central to its philosophy. TIBCO has a deep understanding of and unique insight into the complex people-to-people, people-to-application and application-to-application interactions that make up business processes.

TIBCO iProcess Suite provides a complete set of tools to create, transform and streamline the internal and external processes and tasks of an organization. TIBCO enables the creation of an independent process layer that separates process from the underlying IT and data environment, facilitating the rapid development and change to an organization's process. TIBCO iProcess Suite is an open and standards-based solution that ensures seamless integration and full interoperability with existing IT infrastructures and applications.



Customer Case Studies

Allianz Ireland

Allianz Ireland – a company of the Allianz Group, Europe’s leading global insurer and provider of financial services – is one of Ireland’s largest indigenous multi-line general insurance companies.

“With TIBCO, we have experienced an 80 percent increase in efficiency. The time frame has quite literally contracted from weeks to days. This is, needless to say, better for our customers and for ourselves. We are very pleased. After six months, well before the traditional 18-month review, we knew that we had already secured a return on our investment.”

Karen Forte
Head of IT
Allianz Ireland

Requirement: Allianz Ireland wanted to provide truly interactive, multistep e-commerce processes while streamlining internal and external processes.

Solution: Allianz Ireland used TIBCO’s BPM solutions to integrate internal and external processes into a single, streamlined claims processing method, and integrate its BPM and electronic document management systems.

Benefits: Allianz Ireland found the TIBCO system easier and faster to use, and that it provided greater control of the system as well as better access to its database information. Automation of the process, integration with electronic document management system, and workload re-balancing increased productivity and reduced wasted time.

Return: The deployment resulted in an increase in productivity. There was an 80 percent increase in efficiency, with claims processing reduced from weeks to days and information reloads from 30 minutes to 30 seconds. Allianz Ireland achieved a return on its investment in just six months.

For the complete case study, please go to: http://www.tibco.com/resources/customers/successstory_allianz.pdf



“Before, we could handle between 1,800 and 2,000 cases per day, but with the new BPM-driven system in place, we are handling more than 3,000 cases each day – a vast improvement in productivity.”

Anita Evans
Project and Program Support
Assurance Manager
DVLA

DRIVER AND VEHICLE LICENSING AGENCY

The Driver and Vehicle Licensing Agency (DVLA) is an executive agency of the UK Department for Transport that maintains registrations of drivers and vehicles.

Requirement: The DVLA, handling millions of registrations and transactions every year, needed to update its old electronic system, which was unreliable, unscalable to meet demands, and unable to share information between departments.

Solution: The DVLA deployed TIBCO’s BPM system to streamline the process of handling registrations, and TIBCO’s rules management system to flag and track registrations that have exceptions relating to medical conditions.

Benefits: The DVLA found the TIBCO system more sustainable and reliable, and that it enabled a single view of the agency so that information can be shared among departments easily. Customer service has improved, and productivity has increased.

Return: The deployment resulted in an increase in case management productivity by 50 percent. Training time of new staff has been reduced from two weeks to two days. The number of calls to the call center has decreased significantly as customer service improves.

For the complete case study, please go to: http://www.tibco.com/resources/customers/successstory_dvla.pdf



Summary

Business processes are the lifeblood of any organization. It is the visibility, efficiency and effectiveness of these processes that enable organizations to reach and exceed their goals and differentiate them within a fiercely competitive market. TIBCO's process-centric approach to BPM enables TIBCO to deliver value directly to the owners of these business processes. Key to this is the concept of a process layer that is independent of applications and organizational structure. Through this layer, business users can define, manage and measure their processes. It is this fundamental capability that empowers business people to take direct ownership of their processes without having to defer to IT to implement each and every change.

The independent process layer is the point of coordination for islands of automation within a business process. Existing investments in applications and infrastructure can be made to work harder and the anticipated returns on those investments can be realized. What were point solutions can now be made available as services throughout the business, as organizations move to architectures that are more service-oriented.



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