

# **A White Paper**

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### **Business Process Management (“BPM”) Rationale and evolution to The Process Application Platform**

#### **BPM Rationale**

Conceptually powerful, it represents a move to deliver, in software, what creates a business i.e. people being aligned to their processes. This is something IT has been unable to deliver until now. The importance is highlighted by the numerous examples of organisations being involved in “scandals” as controls over people in critical areas fail. At its extreme, in Barings case, it brought down a bank. We have also recently witnessed with amazement the fiasco at Shell.

Anthony Hilton the City Editor of the ‘Evening Standard’ wrote a very insightful article “The human risk for companies” (22 April 04). In this article he rightly points out that it is people that cause the problem; “It often seems as if the controls do not exist”. “... the checks and balances put in place to control their behaviour become merely a box-ticking exercise”. He goes on to say that “until business finds a way to reinvent and reinvigorate its controls on a regular basis corporate disasters will always be with us”. It is this that delivery of the process-centric and rules based application addresses by aligning IT solutions to people and processes and related rules.

The other strong rationale is that compliance places an onerous responsibility on ALL directors, in particular the CEO (who holds the go to jail card!). They must ensure their business and thus people are under control that in sensitive area involving compliance should be real time with full audit trail of activities. This by definition needs a process-centric approach acknowledging that "applications are, deep down, simply implementations or expressions of processes" (Butler Group).

The problem with the evolution of this powerful concept to a deliverable in a mature market is "everyone" jumped on the “BPM” bandwagon. Disappointment resulted, as many only added workflow capability in a technically embedded manner to their existing offering. Whilst improvements were discernable, frankly not a lot changed with the divide between IT professionals writing code out of sync with the business requirement. However, over the past year informed thinkers and analysts have recognised it is about the delivery of process-centric applications.

The challenge to acceptance of this new approach is often the basics of understanding either the business issue or the realisation of the power in “process thinking”. However one of the benefits of a bandwagon is it starts an educational process. Those that have been in business more than 20 years need little education as they see it as sanity coming to software delivery! Nevertheless there is a need to take the business issue and work through defining the problem in process terms. Having identified this the Process Application Platform can create a solution reflecting the exact requirements.

## **The Business issue to definition to the application**

It is a harsh reality that many businesses know they have many “business issues” but lack knowledge, experience or resources to resolve them effectively. Historically consultants were engaged to analyse and put forward recommendations. Whilst such specialist consultants have had good results just focusing on changing ways people work, the final step of implementing in a robust flexible system just often failed to deliver to requirements. Whether it was building a custom solution or modifying pre-built solutions, delays, disappointments and cost over runs ensued. So attitudes of “make do” often prevail.

A Process Application Platform resolves this industry problem by taking the process definition with related rules and in one technology creating the solution thus removing the disjoin between requirement and implementation. Once this becomes a reality so efforts can be directed to ensuring a high level of automation of routine and repetitive tasks. Skills to achieve this are NOT that of an IT professional, but of the business analysts or consultant, ensuring the end-to-end responsibility for the solution. This is a trend that most industry analysts have predicted as the future – but it has arrived now.

## **The Process Application Platform**

This technology has arrived and is proven in action but what exactly can we expect that differentiates the end result from current offerings in the BPM space. Interestingly in the US the P in BPM is often related to “Performance”. That is the logical description to the business of the benefit of implementing process thinking enabling "operational performance management" delivery. Process management is meaningless unless it contributes to improvement in performance in the way business is conducted. A standard has been set in terms of how solutions are delivered (as described above) and so the standards to be achieved in end solutions are:

1. Agility in the software so that as circumstances effecting process and rules change the application can quickly mirror new requirements or is able to react quickly in the case of serious system failure due to external events.
2. Ability to implement changes on the fly i.e. no system shut down.
3. Architecture of the software in both build and for subsequent improvements should permit incremental development. Not only does this aid initial deployment but also minimises complexity in knock on effects of implanting a continuous improvement program.
4. Real time operational information in management reports, without recourse to traditional data warehousing and mining.
5. Change control to manage the continuous improvement program which should include audit stamp with automatic notification of changes on those mission critical processes
6. Full audit trail of activities – who did what, when and for how long – which not only aids compliance but also can identify areas requiring management’s attention.
7. Ability to handle exceptions and escalate automatically as appropriate to catch problems at source that with real time information will contribute to becoming the “predictive business”

These are the 7 key features to look for in determining which platform to select for next generation solutions.

Recently Gartner used the phrase Application Platform Suite (“APS”) to try and score those that have “application” products or application building tools. This highlights the current complex nature of trying to build solutions. It currently requires a range of platforms and tools to be hard coded creating complexity. This is where a Process Application Platform differs in that it is a “complete” and single unified technology, which has designed in to it the required operating platforms of the customers’ choice.

A good Process Application Platform should have its own “Process Engine” with surrounding presentation layers. The elegance of the offering will determine the ability to be capable of adding new features quickly and efficiently. It must also be capable of being re badged. This would allow existing supply market to use their knowledge of customers and their own technology to deliver process-centric solutions with minimal disruption to their customer base.

### **Interoperability with Legacy**

Perhaps the biggest issue is that of integrating with legacy systems. As the Process Application Platform is an independent application the issue becomes more of communication with legacy systems. Most organisations have invested heavily in transactional, primarily data-centric systems, which have a vital role in holding the enterprise together. Such systems were never designed to be “agile”. A Process Application Platform can add real value to not only control the input but also sit-over these silos of information, bringing very efficiently a level of monitoring and reporting in areas that are mission critical.

It is not only applications, but also the efficiency of the infrastructure and communications that create a system. It is here that IT resources and skills are paramount in ensuring reliable and secure delivery of all applications. There are some very good technical tools now available, which are assisting in breaking down the silos of disparate information and data into a much more effective enterprise system. The Process Application Platform sits along side these deployments and indeed can enhance functionality. Any deployment in applications is as strong as the weakest link and thus both deployments should be seen as mutually dependent on each other.

### **The Next Decade**

Ventana Research of California published a paper 1st January 2004 "Welcome to the "Decade of Performance Management, where your company must either successfully deploy strategic and methodical performance management initiatives or fall by the wayside." This puts people and process high up the agenda. In addition Ventana have also recognised the relevance of the process-centric application in their statement "Business Process Management will become flexible as organizations learn how to adapt their systems to support how their business operates which requires a Process Application Platform that can meet the new requirements in driving improved operational performance"

The look forward also suggests the days of the multi million £ projects are gone, beware of those dressed up outsourcing deals with big numbers, they fool no one! I heard an experienced practitioner say that the focus is on the small mission critical areas that need to be fixed quickly, and that means weeks, cost effectively and here the Process Application Platform excels. He went on to suggest that those perceived “big” problems tended to disappear as the smaller focused projects delivered.

The other knock on effect is that by cutting out a layer of technology complexity, building applications is directly linked to the users. This removes the need for application development to be outsourced to cheaper labour markets.

Last year Nick Carr editor of Harvard Business Review wrote a provocative article “IT Doesn’t Matter” His main point was that IT is not capable of providing a competitive advantage. In a way he is right if you are looking back at the way applications have not delivered as previously discussed. However the Process Application Platform will change this. Carr is certainly right in the area of “infrastructure technology” which is now readily accessible to most. However organisations’ processes are an asset and should be under constant review to remain competitive. The Process Application Platform now readily enables continuous monitoring and improvement. This new approach to building applications may well see a new definition for IT recognising people and their processes are a primarily business management issue. This puts IT into a support role utilising their skills in truly technical areas over which the businessperson has little knowledge or understanding

The winners in all this are the customers and enlightened suppliers who recognise the game has changed. The losers? - those with their head in the sand.

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