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BPM Tool Usage Varies By Sector

by Ken Vollmer

for Enterprise Architecture Professionals



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BPM Tool Usage Varies By Sector

Manufacturing And Financial Services Sectors Highlight Key Differences

This is the second document in the “2007 BPM Survey Results” series.

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EXECUTIVE SUMMARY

Forrester’s October 2007 US And UK Enterprise Architecture And Business Process Management Online Survey indicates that the most widely used business process management (BPM) tools fall into the integration-centric business process management suite (IC-BPMS) category and that 71% of all BPM tool usage is in this group. Human-centric business process management suite (HC-BPMS) tools came in second with 20%, and document-centric business process management suite (DC-BPMS) tools brought up the rear with 9%. However, Forrester observed that adoption patterns vary considerably by sector. To effectively guide the tools selection process, enterprise architects should be aware of the strengths of, weaknesses of, and applicable implementation scenarios for each of these product categories.

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NOTES & RESOURCES

Forrester surveyed 164 US and UK enterprise architects in October 2007 to determine the status of their BPM program efforts.

Related Research Documents

[“The EA View: BPM Has Become Mainstream”](#)
February 19, 2008

[“The Forrester Wave™: Human-Centric BPM for Microsoft Platforms, Q4 2007”](#)
December 19, 2007

[“The Forrester Wave™: Human-Centric BPM For Java Platforms, Q3 2007”](#)
August 2, 2007

[“The Forrester Wave™: Business Process Management For Document Processes, Q3 2007”](#)
July 9, 2007

[“The Forrester Wave™: Integration-Centric Business Process Management Suites, Q4 2007”](#)
December 20, 2006

IC-BPMS TOOLS ARE THE MOST PREVALENT ACROSS ALL SECTORS

We surveyed 164 enterprise architects in the US and the UK, probing for BPM usage patterns in enterprises and attempting to determine the degree to which BPM implementations have been successful. We separated BPM vendors into three different categories, basing our determinations on our understanding of the capabilities of the individual tools the vendors provide as well as our understanding of each vendor’s mindshare in each category of BPM tool (see Figure 1). A degree of functional overlap between some of the products as well as increasing convergence in the market complicate this segmentation, but its overall accuracy remains meaningful in a wide range of vendor- and product-selection scenarios.

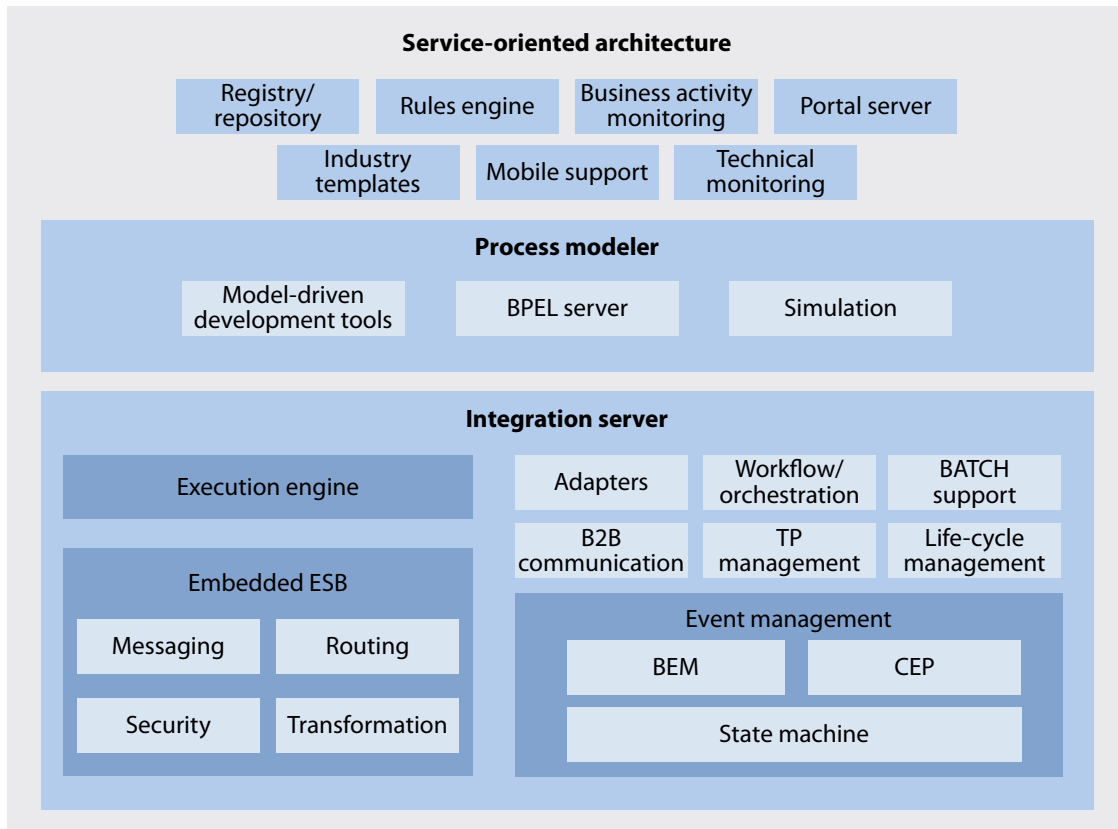
The survey results show that IC-BPMS tools are the most widely used; looking at BPM tool usage in all sectors, we found that 71% of all BPM tool usage fell into the IC-BPMS category. We have created a reference architecture model for this BPM type (see Figure 2). IC-BPMS tools evolved out of the enterprise application integration (EAI) space, and during the past five years, vendors have significantly enhanced them to support both BPM and service-oriented architecture (SOA).¹ This group is particularly well suited to support process-improvement efforts that require interactions between humans and application systems and/or integration with back end systems.²

The human-centric BPM category accounted for 20% of the total tool usage across all sectors. This group is best suited to supporting process improvements that involve complex interactions between individuals, and enterprises frequently use this kind of BPM tool in call center operations and similar scenarios.³ In our survey, the document-centric BPM tools accounted for 9% of the surveyed enterprises’ overall BPM tool usage. This group of BPM tools is best for supporting document workflow and processing (see Figure 3).⁴

Figure 1 BPM Vendors Focus On Different Types Of BPM Tools

BPM type	Description	Vendors (in order of survey hits)
IC-BPMS	Vendors in this category come from enterprise application integration (EAI) or business-to-business (B2B) backgrounds or focus strongly on integration. These vendors provide comprehensive integration suites that incorporate features for EAI, BPM, service-oriented architecture (SOA), B2B, and more.	IBM, Microsoft, Oracle, SAP, Sun Microsystems, BEA Systems, Software AG, TIBCO Software, Cordys Software, Sterling Commerce, and Vitria Technology
HC-BPMS	Vendors in this category have strong workflow backgrounds and provide BPM solutions that focus on complex interactions between people.	Software AG, TIBCO Software, Fujitsu Computer Systems, Global 360, Onyx Software, Lombardi Software, Pegasystems, Graham Technology, HandySoft Global, Metastorm, Ultimus, Savvion, and W4
DC-BPMS	The vendors in this group focus strongly on document-intensive processes.	EMC and IBM/FileNet

Figure 2 The IC-BPMS Reference Architecture Model

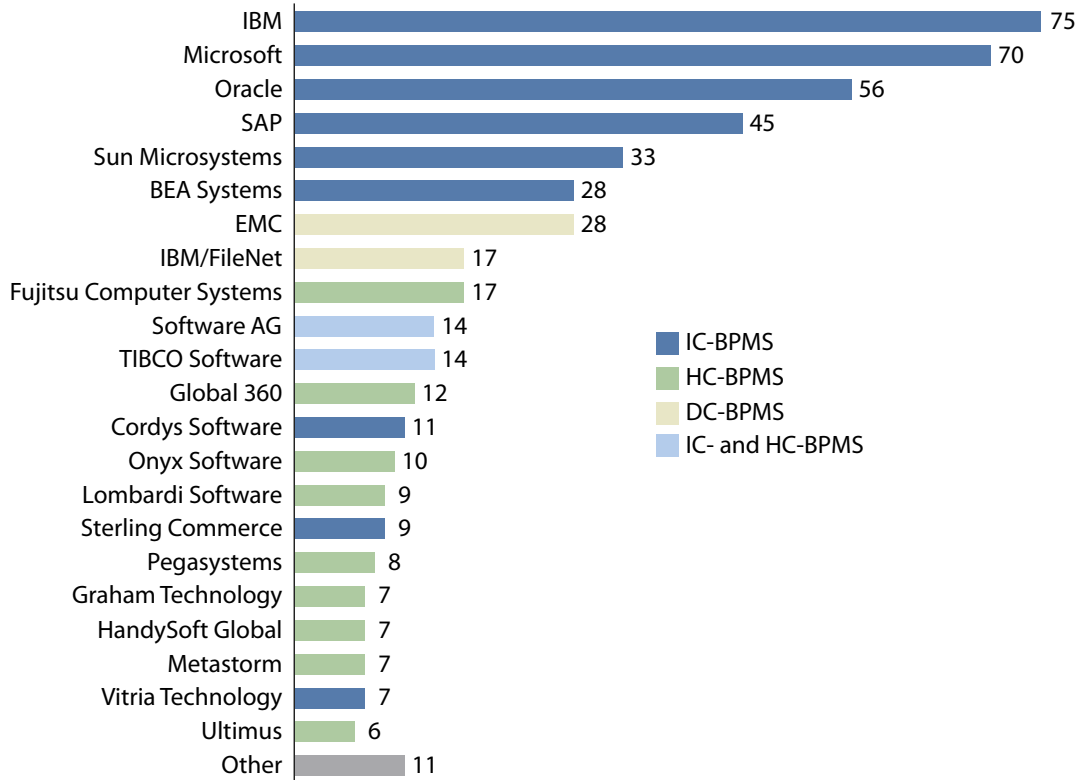


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Source: Forrester Research, Inc.

Figure 3 IC-BPMS Tools Led BPM Tool Usage In All Sectors

“Which of these following vendors does your organization rely on for BPM? (check all that apply)”



Base: 142 IT architects

Source: October 2007 US And UK Enterprise Architecture And Business Process Management Online Survey

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Source: Forrester Research, Inc.

Convergence Continues To Affect The BPM Software Space

Convergence continues to affect the BPM software space, and it is happening in three ways:

- **Acquisition.** Convergence between the IC-BPMS and HC-BPMS camps has been achieved through BEA Systems’ acquisition of Fuego, Metastorm’s acquisition of CommerceQuest, and TIBCO Software’s acquisition of StaffWare.
- **Internal product growth.** Cordys Software, IBM, Software AG, Sterling Commerce, and Vitria Technology have all successfully pursued internal growth strategies.
- **Technology partnerships.** Oracle and SAP have added additional BPM capabilities via internal development and technology partnerships with IDS Scheer.

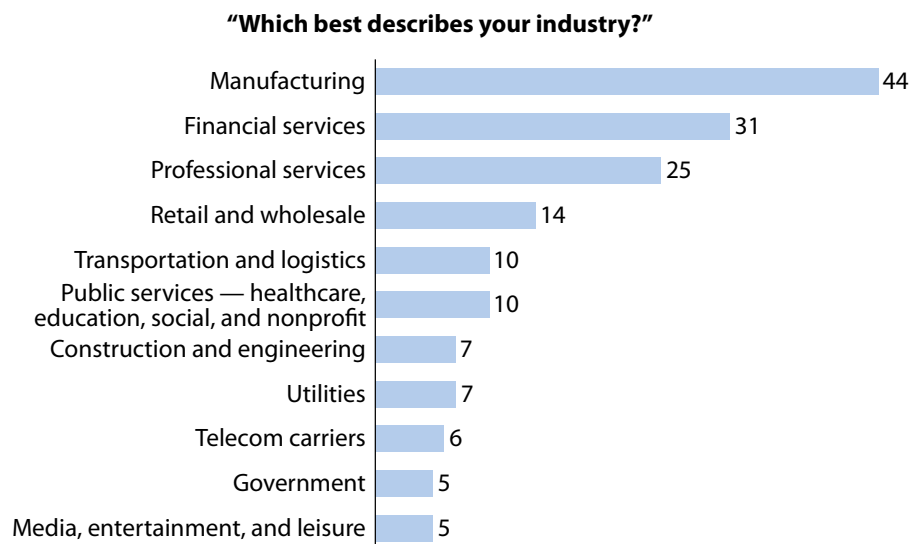
We expect this convergence trend to continue, further reducing the number of standalone BPM vendors. The survival of some of the smaller, human-centric BPM vendors is the most at risk, as these vendors don't have the deep pockets to maintain the status quo against larger, more financially stable vendors.

However, the playing out of convergence dynamics does not mean that enterprises will be able to rely on a single vendor for all of their BPM needs any time in the near future. Most vendors have ongoing efforts to deliver specialized solutions, and this will result in the continued availability of products that offer unique and valuable BPM features. Consequently, the need for enterprises to employ multiple BPM tools will likely continue for the next three to five years at a minimum.

THE MANUFACTURING SECTOR LEADS IN BPM ADOPTION . . .

The largest group of survey respondents (44) came from the manufacturing sector, while the next largest group (31) came from the financial services sector. Third and fourth places went to professional services (25) and retail and wholesale (14) (see Figure 4).

Figure 4 Different Sectors Differ In BPM Adoption



Base: 164 IT architects

Source: October 2007 US And UK Enterprise Architecture And Business Process Management Online Survey

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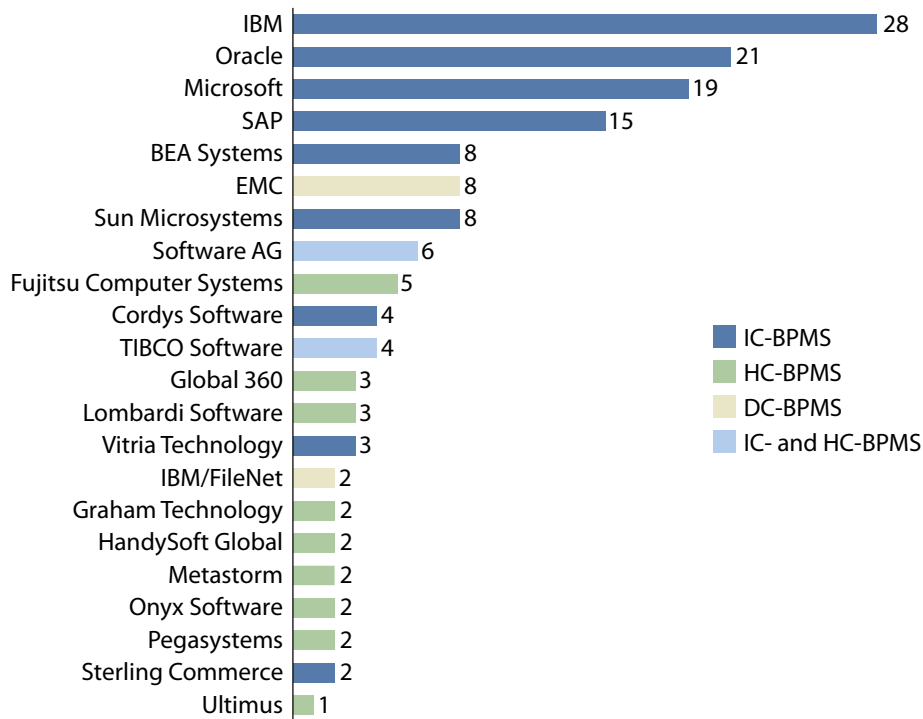
Source: Forrester Research, Inc.

The fact that the highest number of responses came from the manufacturing sector was initially puzzling, as previous (non-Forrester) surveys indicated that BPM usage was heavily focused on the financial services sector. However, the earlier surveys also focused on business users. We believe that the more diverse perspective of enterprise architects paints a truer and more complete picture of the total extent of BPM activity. To continue our examination of BPM usage trends, we have broken down BPM usage in the manufacturing industry by vendor (see Figure 5).

Usage of IC-BPMS tools in the manufacturing industry is higher than the average usage of IC-BPMS tools for all industries (77% for manufacturing versus 71% for all sectors). Process improvement efforts — under the banners of Lean Manufacturing, Six Sigma, and Total Quality Management (TQM) — have been a key focus of manufacturing firms for many years. Consequently, these organizations had been working on process improvement efforts for many years before the current crop of BPM tools became available.

Figure 5 Large Platform Vendors Dominate BPM In The Manufacturing Industry

“Which of these following vendors does your organization rely on for BPM? (check all that apply)”



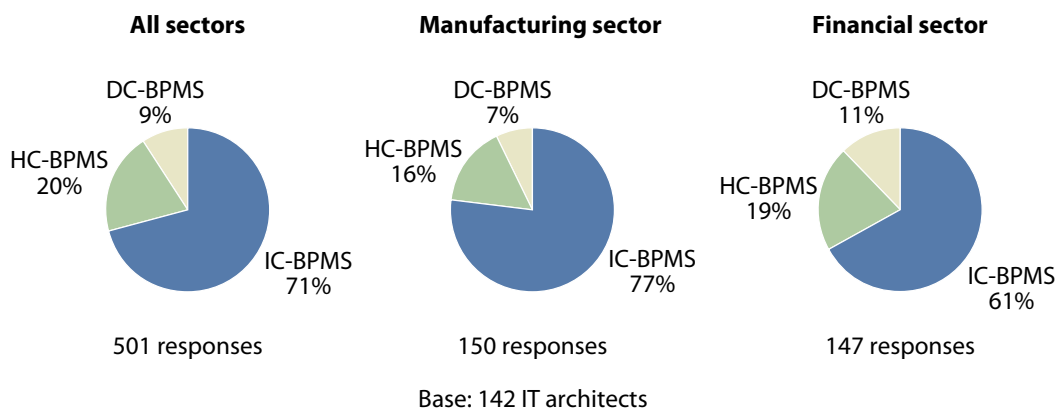
Base: 38 IT architects from manufacturing firms
 (multiple responses accepted)

Source: October 2007 US And UK Enterprise Architecture And Business Process Management Online Survey

The types of processes that the manufacturing industry is focusing on addressing have a lot to do with the dominance of IC-BPMS tools in this sector. Manufacturing operations rely on a high degree of interaction between multiple applications systems, and the earliest releases of IC-BPMS products (in the form of EAI tools) were capable of supporting integration efforts between enterprise resource planning (ERP), supply chain, manufacturing, distribution, and customer management applications. And now that these products have evolved to incorporate process modeling, process execution, and process monitoring capabilities, their value proposition for manufacturing firms has been enhanced even further.

The usage of both human-centric and document-centric tools was lower than the average in the manufacturing sector: HC-BPMS tools usage registered at 16% (versus 20% for all sectors), and DC-BPMS usage came in at 7% (versus 9% for all sectors) (see Figure 6).

Figure 6 The Manufacturing And Financial Sectors' BPM Vendor Usage Differed From The Average



Source: October 2007 US And UK Enterprise Architecture And Business Process Management Online Survey

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Source: Forrester Research, Inc.

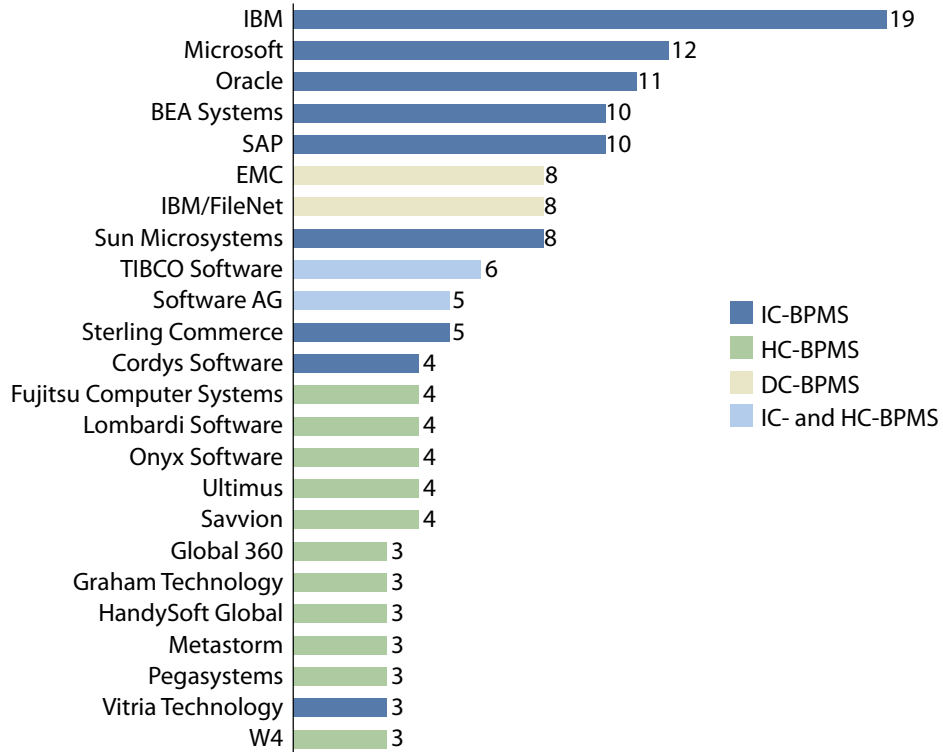
... WHILE THE FINANCIAL SECTOR HAS STRONGER HC-BPMS AND DC-BPMS TOOL USAGE

With 31 respondents, the financial services industry was the second largest group represented in the survey. In this sector, the most commonly used BPM tools also came from the IC-BPMS category, but HC-BPMS tools accounted for 28% of the total BPM tool usage (compared with only 20% for all sectors combined). This increase is likely due to the fact that enterprises in the financial sector commonly have a higher level of interactions between employees than those in manufacturing. Processes such as loan application processing and call center operations can be more easily coordinated using an HC-BPMS tool that is specifically designed to support that type of activity (see Figure 7).

DC-BPMS tool usage was also higher (11% compared with 9% across all sectors) in the financial services industry. This is undoubtedly due to the increased requirements for processing, tracking, and auditing documents in this sector.

Figure 7 Platform Vendors Also Lead In The Financial Services Industry

“Which of these following vendors does your organization rely on for BPM? (check all that apply)”



Base: 31 IT architects from financial services firms
 (multiple responses accepted)

Source: October 2007 US And UK Enterprise Architecture And Business Process Management Online Survey

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Source: Forrester Research, Inc.

RECOMMENDATIONS

ENSURE THAT BPM TOOLS MATCH PROCESS NEEDS

Even in the best of circumstances, it will be difficult for enterprise architects to effectively guide BPM tool selection efforts if they do not have a solid understanding of underlying business needs and strategies. Consequently, EAs need to actively investigate BPM efforts that may be going on inside their enterprises, some of which may currently be taking place beneath the EA radar screen. Specifically, enterprise architects should:

- **Become engaged with the business on BPM.** Enterprise architects need to be actively involved in BPM projects to ensure that the tools selected for process improvement efforts fit into the strategic infrastructure blueprint while providing the features the business needs.
- **Match tools to process types.** The three main categories of BPM tools (IC-BPMS, HC-BPMS, and DC-BPMS) each have unique strong points and weaknesses. Enterprise architects should understand the capabilities of these different BPM types so that they can guide tool selection in an informed manner. Despite ongoing convergence among BPM vendors, Forrester still sees meaningful differentiation between these tool categories; organizations' EA technology road maps will need to reflect need for these tools separately.
- **Support a BPM center of excellence (COE).** If one exists, seek to become a member. If one does not exist, push for its implementation. There is a clearly demonstrated link between BPM success and the existence of a BPM COE, and the participation of enterprise architects is a critical factor in the success of the BPM COE concept.

ENDNOTES

- ¹ Forrester has been tracking the IC-BPMS market for several years. For the most recent evaluation, see the December 20, 2006, "[The Forrester Wave™: Integration-Centric Business Process Management Suites, Q4 2006](#)" report. An update to this report is currently underway and will be published in Q3 2008.
- ² Forrester has previously discussed the projected sales revenue for the different types of BPM products. See the July 30, 2007, "[BPMS Revenue To Reach \\$6.3 Billion By 2011](#)" report.
- ³ Forrester has also published evaluations of products in the HC-BPMS category. See the December 19, 2007, "[The Forrester Wave™: Human-Centric BPM For Microsoft Platforms, Q4 2007](#)" report and see the August 2, 2007, "[The Forrester Wave™: Human-Centric BPM For Java Platforms, Q3 2007](#)" report.
- ⁴ For a report that evaluates the major providers of DC-BPMS products, see the July 9, 2007, "[The Forrester Wave™: Business Process Management For Document Processes, Q3 2007](#)" report.

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