

# THE "OTHER" BPM

Business process management takes hold in the midmarket. BY JAMES M. CONNOLLY

GATHER A LIST of the highly touted success stories for business process management (BPM), and most likely it will read like a roster of multinational giants with the world's biggest banks, oil companies and consumer products manufacturers.

At least, that's how it used to be. "There's plenty of evidence that midrange companies are starting to pick up on it. To be honest, they have to. If they don't, they are just going to be left behind," says Derek Miers, an analyst at BPM Focus, a London-based research and consulting company.

BPM is generally defined as a systematic approach to improving and automating an organization's business processes and workflow. It starts by using what was once called workflow software for automating tasks involving departments for purchasing requests and order processing.

## FROM AUTOMATION TO ANALYSIS

But BPM also includes tools such as analysis, dashboard and simulation features, which extend outside the company to support new forms of collaboration with business partners. BPM vendors that target midsize companies pitch a variety of tools, including template-filled vertical-market frameworks, service-oriented architecture-based platforms, and workflow and document management software.

Smaller midsize companies tend to favor vertical-industry applications, says Peter Fingar, executive partner at Greystone Group Inc. in Tampa, Fla., and author of *Extreme Competition: Innovation and the Great 21st Century Business Reformation*.

Midsize companies are also more likely to stick with familiar tools such as Microsoft Windows for their applications, while larger companies lean toward Java 2 Platform, Enterprise Edition, according to Connie Moore, a BPM analyst at Cambridge, Mass.-based Forrester Research Inc. Smaller companies are likely to focus on the basic workflow components of BPM suites—at least in their initial implementation—Moore says, while larger companies are better candidates for more advanced analysis features.

## AN SMB THREAT?

Miers notes that BPM actually presents a threat to small and midsize businesses (SMBs). "With midrange companies, one of their advantages is that they can be flexible, nimble and adaptive. BPM allows larger companies to gain that same advantage. They have the ability to change and catch up, to overcome any innovation that happens in the marketplace." Miers cites one large

manufacturer that previously needed six to nine months to bring a new product to market. Today, BPM helps that company deliver a product in weeks.

As with other IT projects, return on investment (ROI) is a factor in any BPM implementation, but not necessarily in the sense of labor savings. "ROI stories are generally pretty easy," Fingar says. "It's basically about productivity. It's not something you do to automate people out of the system. You do it for collaboration."

## WHERE TO START

Tetra, an aquarium products manufacturer in Blacksburg, Va., touts several years of success with BPM. The 800-employee subsidiary of Spectrum Brands Inc. in Atlanta has applied BPM to 17 processes using Columbia, Md.-based MetaStorm Inc.'s e-Work software. The company was able to cut purchase-order processing time from 10 days to three, says Charlie Lisanti, information systems consultant at Tetra. Now when Lisanti's application specialists automate a process, it calls for as little as two days of work if the process involves only data collection and routing and about a month for more complex integration work.

"A lot of users come back to us to talk about their ability to focus on things other than where a form is and whether it's getting to the right place. They were babysitting these things before," Lisanti says.

Data quality is another benefit. Data is loaded and validated at the start of a process, eliminating the need to re-key it at other stops in the workflow, which limits errors, he says. Tetra's automated processes, many of which are in the engineering and finance groups, are slated to be rolled out to international facilities in the near future.

BPM success is rooted in starting with the right process and taking an iterative approach to fine-tune the project, perhaps on a weekly basis, Miers says. The initial project needs executive sponsorship, a good business case for automation and the ability to be completed within three months. "Focus on the 20% to 40% of functionality that will give you 80% of the value," he says. The rest of the value will come through ongoing, interactive development. ■

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