A BPTrends Report

The State of Business Process Management 2010

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Introduction

This BPTrends BPM 2010 Market Survey report summarizes information provided by 264 respondents who participated in our BPTrends survey in the fall of 2009. The report analyzes the responses and compares them with the responses from the two previous BPTrends surveys conducted in 2007 and 2005 and published in 2008 and 2006, respectively.

In all cases, the respondents represent a broad cross section of industries from around the world. Given the size and diversity of the respondents, we believe this is the most comprehensive and representative overview of how organizations understand BPM, what BPM activities companies are currently engaged in, and what BPM activities companies are planning for 2010.

Like other BPTrends Reports, the BPTrends Report on the State of BPM is available without charge to all BPTrends registered members. We hope the information provided in this Report will offer readers insight into the kinds of BPM development efforts currently underway and the ways their own company's BPM efforts compare with those of other companies.

Business Process Management (BPM) has been a hot business topic since 2003. Most people think of it as the logical continuation of the interest in business processes that started in the Eighties and reached a crescendo in the mid-Nineties with Six Sigma, Business Process Reengineering, Workflow, and ERP. Because of its extensive roots, and because there are several new approaches included in today's discussions of BPM, it is difficult to develop a clear picture of BPM. Like any phrase that is comprised of familiar words and embraced by a number of rather different communities – including executives, business process consultants, business analysts, Six Sigma practitioners, enterprise architects, CIOs, and software developers – the phrase *Business Process Management*, or *BPM*, means different things to different people. There's nothing we can do to force uniformity on such a diverse and rapidly changing body of practitioners. The best we can hope to do is to define the different ways the term *BPM* is used and report on the goals of each of the different groups using the term.

BPTrends has tried to establish a common BPM vocabulary. In spite of our best efforts, however, authors we publish on the BPTrends website still regularly use a variety of terms in different ways. Thus, for example, *process* and *framework* are used in widely different ways and mean whatever the author of an article wants them to mean. To minimize confusion, we wrote multiple-choice questions and tried to provide very precise descriptions in an effort to assure that everyone understood the choices. Overall, we believe we succeeded.

This Report summarizes data gathered in August, September and October of 2009. Most of the questions are the same questions we asked in the surveys we conducted in 2005 and 2007 enabling us to compare answers from respondents in all three time periods. Hopefully, this survey, and others like it in the future, will provide benchmarks that the BPM community can use to gauge the evolution of BPM.

The respondents to this survey were members and readers of BPTrends. While BPTrends covers the entire range of topics that a business process manager or practitioner needs to know, we tend to draw more managers and practitioners interested in the latest concepts in BPM than we draw from the more specialized communities, like Six Sigma or Business Process Outsourcing. Therefore, our results reflect the perspectives of a broad base of business managers interested in Business Process Management.

This year, we are again including tables that provide the actual responses as well as the percentages. This makes it much easier to compare the responses from the current and two previous surveys. We hope you find it useful.

We have, perhaps, said a bit too much about the statistical significance of this Report. We did this because we have been outraged by some other BPM reports we have read that make broad

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generalizations based on surveys of 25 or 35 respondents. It's very hard to believe that a set of 30 responses accurately reflect anything other than a rather skewed sample. We are confident in our basic sample and in the broad conclusions we have reached, although we caution readers to keep in mind that even those conclusions are probably slightly skewed, representing the responses of managers and practitioners who are interested enough in business processes to be readers of our BPTrends website. We are reasonably happy with the response sets we got from Europe and North America and believe that the conclusions we reached represent valid generalizations about these markets.

We avoid comparing response sets from Asia and Africa. We obtained nearly identical numbers of respondents from Australia and Asia in all three surveys: 45 individuals (14%) in 2005, 42 individuals (16%) in 2007 and 42 (17%) in 2009. The number of respondents from Africa and the Middle East declined across the three surveys from 25 at 8% in 2005 to 19 at 7% in 2007 and 7 at 3 % in 2009. Thus, we are not confident that our sample adequately represents the typical position of business process managers and practitioners from those regions. We mention considerations like these in the Report in hopes that our readers will increasingly demand a higher standard from other analyst groups that make much out of data sets that cannot support the statistical conclusions or the comparisons their authors make.

Throughout this Report, we use a number of terms we assume are familiar to most readers. Specifically, we have assumed readers are familiar with the way BPTrends classifies business process software products, with CMMI process maturity levels, with the concept of Enterprise, Process and Implementation Levels, as represented in the BPTrends pyramid, and with Geoffrey Moore's way of classifying the development of technology markets. For readers who are unfamiliar with any of these terms and concepts, we have included explanations in Appendix I, Concepts Used in this Report.

We are grateful to our many BPTrends members and readers who participated in the Survey. Without the many respondents who took the time to fill out our Questionnaire, we couldn't have produced this Report. For our part, we have reported and summarized the data as accurately and fairly as we could. We also want to thank Paul Heidt for his work producing the tables included in the report and Carolyn Potts for her editorial contributions.

As always, we welcome your comments and suggestions regarding this Survey as well as your suggestions for topics and issues you would like to see included in future reports.

Finally, we hope this Survey Report will provide BPM practitioners with insights that will suggest new ideas for future development in their organizations.

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The Respondents

BPTrends conducted this survey during August, September and October of 2009. Two earlier surveys, with similar questions, were conducted in the spring of 2005 and the fall of 2007. In all cases we sent an email to our membership inviting them to participate and posted a pointer on the BPTrends website to encourage participation from both members and site visitors. We had 264 people complete the survey in 2009. During the fall of 2007, 274 people took the survey, and in the spring of 2005, 348 people completed the survey. In all three cases we had additional responses from people who looked at the survey and answered only a few questions. We have ignored these partially completed responses and report only on the responses of those who completed the questionnaire. Even then, the total responses to each specific question vary because some respondents answered every question while others skipped one or two specific questions.

Job Title or Function

Each respondent was asked to describe his or her job or function within his or her organization. In the table pictured in Figure 1 we show how the respondents answered this question in each of the surveys. In each case the first column indicates the actual number of responses and the second number indicates the percent that chose that option. Since the absolute numbers of respondents differ slightly in the three surveys it is usually best to simply focus on the percentages.

Over the past five years a growing majority of our respondents identified themselves as Business Practitioners or Business Analysts. Similarly, with each survey, a smaller number identified themselves as Executives and for Business or Line of Business Managers the trend is slightly downward. The percentages were the same for IT Manager/IT Developer in 2005 and 2007 with a drop in the latest survey. Those who identified themselves as HR Managers or a Human Performance Practitioners have remained constant at 1% in all three surveys. (See Figure 1.)

Which of the following best describes your job function? (Choose one)						
	2005		2007		2009	
Executive (CEO,COO,CFO)	55	17%	33	12%	29	11%
Business or Line of Business Manager	60	18%	46	17%	38	15%
Process Practitioner/Business Analyst	167	50%	148	55%	162	63%
IT Manager/IT Developer	47	14%	41	15%	26	10%
HR Manager or Human Performance Practitioner	3	1%	2	1%	2	1%
Total	332	100%	270	100%	257	100%

Figure 1. Respondent's job title or function

No matter the geographical location, a little over 60% of the respondents said they were process practitioners and business analysts. European respondents differed from those from North America in that fewer said they were IT managers or developers (7.3%). On the other hand, 26% of those responding from India and SW Asia said they were IT managers or developers.

Respondents who indicated their companies were especially active in using BPMS software were more likely to be executives. Similarly executives were much more likely to come from small and mid-sized companies and they were much more likely to head computer, software or consulting companies. In other words, the executives of smaller computer and software vendors – and we assume they are vendors selling business process software -- were much more likely to participate in the survey. On the other hand, respondents that came from large companies were much more likely to say they were process practitioners or business analysts.

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Respondents who came from Financial Services companies were slightly more likely to indicate that they were Business or Line of Business Managers. When you consider that the financial industry has invested more in process work over the years than any other industry, the fact that process issues are of interest to business and line managers makes sense.

The Scope of the Respondents' Coverage

We asked respondents to tell us if they would be describing their entire organization, or simply a division or business unit within a larger organization. Large and growing majorities over the three years indicated that they would be reporting on their entire organization. These results correspond with the fact that so many respondents were executives or line managers. It may also reflect the fact that a growing number of organizations are interested in enterprise-wide process issues and are more aware of how processes are being managed throughout their entire organization.

This pattern is consistent across all the subgroups we examined. Respondents from large companies are just as likely to indicate they were describing their entire organization as respondents from small companies, for example. (See Figure 2)

Which of the following best characterizes the organization you are describing? (Choose one						
	2005		2007		2009	
Entire Enterprise	207	64%	186	69%	199	77%
Division	73	23%	51	19%	37	14%
Single Business or Functional Unit	43	13%	32	12%	21	8%
Total	323	100%	269	100%	257	100%

Figure 2. The business unit the respondent is describing

This upward trend probably also reflects the growing number of respondents focusing on the enterprise level during the past four years. Partly this simply reflects the fact that as companies undertake more process work they tend to focus more on connections that cut across departmental lines.

The Size of the Organizations Being Described

We asked each respondent to indicate the overall size of the organization he or she would be describing.

In 2009, as in every other year, most respondents came from large organizations. Most companies are undoubtedly doing process work, but the companies with the money to spend on major process projects are usually the larger companies.

We notice a slight increase over the years in the percentages of respondents from large companies with small companies declining and medium companies holding steady. Overall, we thought it was a nice balance. We might have expected the number of large companies to be more extensively represented, as large companies are more likely to be engaged in the exploration of new technology, but this was clearly balanced by companies doing other types of business process work, and by consultants, who generally come from smaller organizations. (See Figure 3.)

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Which of the following best describes your organization's size (Choose one)						
	2005		2007		2009	
Large	132	41%	124	46%	121	47%
Medium	107	33%	93	34%	87	34%
Small	85	26%	55	20%	50	19%
Total	324	100%	272	100%	258	100%

Figure 3. The size of the respondent's organization

Industries Represented in the Survey

We asked respondents to identify the industry in which they worked. In 2009, as in all past surveys, the largest number of respondents came from the finance industry, broadly defined. Only 17% of the total respondents came from Finance, however, assuring that the survey represents a broad cross section of service and manufacturing companies and government agencies. Over two thirds of the respondents came from just four sectors – Financial Services/Insurance, Professional/Business Services/Consulting, Computers/Consumer Electronics/Software, and Government/Military. There was a slight drop in the number of respondents from Computers/Software and Finance/Insurance and a slight increase in Government/Military, but the overall pattern and range of organizations taking part in the survey has remained largely the same over the years. Respondents from Finance and Government Agencies were much more likely to report that they were from large organizations. Those from Computing and Consulting were slightly more likely to be from small and mid-sized companies. (See Figure 4)

Which of the following best describes your industry (Choose one)						
	2005		2007		2009	
Aerospace/Defense	7	2%	7	3%	4	2%
Heavy manufacturing	5	1%	6	2%	7	3%
Light manufacturing	8	2%	5	2%	2	1%
Chemicals/Energy	17	5%	9	3%	4	2%
Computers/Consumer Electronics/Software	56	16%	38	14%	26	10%
Education	12	4%	12	4%	14	5%
Financial Services/Insurance	63	19%	55	20%	43	17%
Food/Beverage	5	1%	3	1%	9	3%
Government/Military	28	8%	27	10%	30	12%
Healthcare/Medical Equipment	8	2%	5	2%	13	5%
Leisure/Entertainment/Travel	4	1%	3	1%	2	1%
Professional/Business Services/Consulting	52	15%	37	14%	40	16%
Retail and Wholesale	12	4%	7	3%	5	2%
Telecommunications	27	8%	7	3%	12	5%
Utilities	12	4%	14	5%	14	5%
Other, Please Specify	28	8%	35	13%	33	13%
Total	344	100%	270	100%	258	100%

Figure 4. The range of industries represented in the survey

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The Geographical Locations of the Respondents Companies

We also asked respondents to tell us where their organizations were located. In all three years the largest group of respondents was from North America though they accounted for a smaller share in the last two years.

The next largest group at around a third each year was from Europe. So, around three fourths of BPM activity is still concentrated in North America and Europe. Australia accounts for half of the rest; And South America represents a slightly increasing percentage over the three surveys at 6% in 2005, 7% in 2007 and 8% in 2009.

All of Asia accounted for 4% in 2007 and 5% in 2009. In 2005 we only offered respondents the option of choosing Asia/Australia and thus the subdivisions are missing in the 2005 data. In 2007, given the growing business interest in that region, we asked respondents to tell us if they were from Australia, India and SW Asia, or China, Japan and NE Asia. As you can see by looking at Figure 5, we got about the same number of responses for the combined areas all three years. We know now that the great majority of the Asia/Australia responses came from Australia and that the smallest number of responses came from the Asia area.

Africa and the Middle East dropped in share from 8% in 2005, 7% in 2007 down to just 3% in 2009. (See Figure 5)

Where is your organization located? (Choose one)						
	2005		**2007**		**2009**	
North America	156	45%	111	42%	109	42%
Europe	101	29%	81	30%	83	32%
South America	21	6%	14	5%	17	7%
Australia			31	12%	31	12%
India and SW Asia			7	3%	7	3%
China/Japan & NE Asia			4	1%	4	2%
Subtotal Asia/Australia	*45*	*13%*	*42*	*16%*	*42*	*17%*
Africa/Middle East	25	7%	19	7%	7	3%
Total	348	100%	267	100%	258	100%

Figure 5. Where respondents' organizations are located

Participation in Previous Surveys

In 2009 we asked a few new questions to highlight things we didn't focus on in past surveys. One question simply asked if participants had taken this survey in the past. As a glance at Figure 6 reveals, most respondents are taking the survey for the first time. Put the other way, 28% or 72 respondents have taken the survey at least once in the past.

We analyzed this information and will comment on it throughout the survey because it gives us a way of identifying participants who have been concerned – and probably working in business process initiatives – for at least two years, and in 9% of the cases, at least four years. Our interest in this sample is confirmed by the higher likelihood, as we will see, that those who have taken surveys in the past are also more advanced in their interests. Thus, for example, respondents who have taken previous surveys are more likely to be engaged in enterprise work and more likely to reside at an organization that they characterize as a Level 4 organization. Obviously, this correlation does not relate to the fact that those respondents have previously taken the survey, but must, instead, relate to the fact that they are more likely to have been engaged in process work for a greater period of time. (See Figure 6)

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Have you participated in previous BPTrends General Surveys? (Choose one)						
	2005		2007		2009	
No					185	72%
Yes, I participated in the 2005 survey					3	1%
Yes, I participated in the 2007 survey					48	19%
Yes, I participated in both the 2005 and the 2007 surveys					21	8%
Total					257	100%

Figure 6. Participants who took survey in the past

We wished that more individuals who had taken the survey in the past, especially in 2005, had retaken it this year. This would have assured that the results could be more easily compared with the results in earlier years and that, in turn, would have allowed us to focus on changes taking place in companies that had been working at process change since 2005. Still, we have enough past participants, as a whole, to enable generalizations. And, we weren't surprised, as we have consistently found that individuals working in process tend to change jobs rather quickly. It's a dynamic field. Today's process professional may well be an IT manager or a supply chain manager tomorrow.

Comments on Respondents

We have already suggested that we are impressed by both the size of the sample – the number of people who responded – and the distribution of the sample among industries, geographical locations, and company size. These elements all suggest that the data is representative of the broad scope of BPM today.

We do want to suggest a couple of qualifications readers should consider in reviewing the data.

First, the audience self-selected themselves for this survey. Most found out about the survey because they came to the BPTrends website, or were, at least, reading something about business process and saw information about the survey. Thus, we cannot assume that the responses represent the opinions of the average business executive. They represent the opinions of business people who are concerned with the role or importance of business process and who are members and/or readers of BPTrends.

Second, we did not ask each respondent to identify his or her company. (We avoided this to assure the privacy of the respondents.) Thus, we don't know how many respondents come from the same company. We have generally assumed that each respondent represents a different company. Thus, if 20% of the respondents said their companies used Business Process Modeling tools, we have assumed that 20% of the companies used those tools. This assumption is reasonable, even if a few of the respondents do come from the same company, but readers should be aware that we are ultimately reporting on the responses of individuals, and not responses from different companies.

Third, a large number of respondents were from Computers/Consumer Electronics/Software and Professional/Business Services/Consulting. Many of these respondents are probably consultants and software vendors who are not actually doing BPM work themselves, but are supporting organizations doing BPM. We cross referenced these responses and discovered that they are very similar to those of obvious end users, like those from Finance or Manufacturing. Where it does seem to skew the data a bit is in the number of Executives included in the survey. Of the 56 respondents from Computers and Software in 2005, for example, 16 were Executives. Of the 52 respondents from Professional and Consulting, 20 were Executives. Of the 63 respondents from Financial

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Services and Insurance, only 7 were Executives. Only 2 of the 13 respondents from manufacturing listed themselves as Executives.

Something similar happens when you consider the relationship between company size and job titles. Most of the executives come from small companies. And most of the professional and consulting companies are small companies. Thus, readers shouldn't focus too much on the number of Executives taking part in the survey, as they probably represent executives from consulting companies and software vendors and not executives from end user companies. On the other hand, the Business Line Managers are mostly from larger companies and are more broadly representative of the entire range of industries involved in the survey.

We use filters which allow us to examine how a particular subgroup of respondents answer the questions to determine whether or not there is any bias being introduced by respondents from specific groups. When we think the answers to a given question might be skewed by a typical response by a particular subgroup of respondents, we make note of it.

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How Corporations Understand BPM Today

The Meaning of BPM

People use the term "BPM" in many different ways. Some use BPM to refer to "Business Process Management." Others use BPM to refer to "Business Performance Management." Some use BPM to refer to a general approach to the **management** of business process change, while others use it more narrowly, to refer to the use of software techniques to control the runtime execution of business processes.

To better understand how our respondents use the term, we asked respondents to choose among four options, or to suggest an alternative to the four options we presented. (See Figure 7).

Which of the following best describes your organization's understanding of BPM? (Choose one)						
	2005		2007		2009	
A top-down methodology designed to organize, manage and measure the organization based on the organization's core processes	141	40%	110	40%	93	36%
A systematic approach to analyzing, redesigning, improving and managing a specific process	93	26%	79	29%	88	34%
A cost-saving initiative focused on increasing productivity of specific processes	41	12%	36	13%	33	13%
A set of new software technologies that make it easier for IT to manage and measure the execution of process workflow and process software applications	56	16%	26	9%	22	8%
Other, Please Specify	22	6%	23	8%	23	9%
Total	353	100%	274	100%	259	100%

Figure 7. How organizations understand BPM

As you can see, a significant percentage of our respondents – 40% in both 2005 and 2007 – indicated that their organizations understand BPM to refer to a "top-down methodology designed to organize, manage, and measure the organization, based on the organization's core processes." While still the most frequent response, that understanding of BPM was selected by only 36% of the 2009 respondents. At the same time those who defined BPM as "a systematic approach to analyzing, redesigning, improving and managing a specific process" gained a bit.

The view of BPM as a cost-saving initiative holds steady over the three surveys at around 13%. The decline from 16% to 9% seen between 2005 and 2007 of the view of BPM as "a set of new software technologies" is upheld in the new survey when 8% of respondents reported that view.

We factored the answers to this question in various ways and created a table that shows how some different groups responded to this question. In this case we are ignoring those who chose "Other" so the numbers do not add to 100%. See Table 1)

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Respondents	A top-down methodology to organize, manage the **organization**	A systematic approach to improving **specific processes**	A **cost –saving initiative** focused on specific processes	A set of new **software techniques**
North Americans	23%	41%	17%	8%
Europeans	44%	34%	9%	6%
Respondents who have taken survey before	43%	35%	6%	6%
From companies with a strategic commitment by executive managers	52%	29%	10%	5%
Business managers & line of business managers	37%	42%	13%	5%
From large companies	34%	29%	14%	11%
From finance industry	29%	38%	21%	7%
From government or military	40%	30%	17%	3%
From computer or consulting companies	47%	29%	9%	9%
From companies with a major commitment to BPMS software	29%	39%	12%	17%
AVERAGE of ALL Respondents	**36%**	**34%**	**13%**	**8%**

Table 1. Analysis of how various subgroups of respondents answered

If we were pressed, we could probably offer explanations for some of the different response patterns. For example, it makes sense that organizations in which senior executives say they have a strategic commitment to business process consider BPM a top-down enterprise-wide approach.

On the other hand, we don't have any ready answer for why North Americans prefer to focus on a definition that stresses improving specific processes while Europeans prefer to focus on a definition that emphasizes a top-down approach. We are actually surprised that individuals from the computing and consulting companies stress a top-down organizational emphasis, and that business and line managers prefer to emphasize individual projects, by a small margin.

We have provided this information factored by some of the populations we examined independently to suggest that there is little value in this approach. Some of the factored results make sense and others make less sense. We suspect that actual respondents are a mixed lot, simultaneously being from large companies, from the finance industry, being European and being line of business managers and that sorting them out into subpopulations doesn't reveal much. We simply lack the large numbers that would allow this type of segmentation to produce valid results. Thus, we will occasionally comment on obvious variations between subpopulations, but suggest readers consider these results with some skepticism.

The real, important conclusion from the question about the meaning of BPM is that people differ and that one large group thinks BPM describes a systematic approach to managing and improving specific processes while another larger group considers BPM to be a top-down, organization-wide

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approach. However, perhaps the most important result is that few think that BPM refers to a software technology.. Beyond that we probably shouldn't try to assert too much.

The Current Interest in BPM

We asked all respondents to describe their organization's current interest in BPM.

In 2005 the largest number of respondents said that their company was interested in BPM because BPM was a major strategic commitment by executives. That response has been dropping since then and larger numbers of respondents in 2007 and again in 2009 indicated that their organization's major concern was with high-level projects, or with a smaller number of mid to low level projects. Notice that over the years the number of respondents who are making an initial commitment has grown: This suggests that this year's respondents are slightly more likely to come from companies new to business process work. On the other hand, fewer respondents said they were just exploring opportunities, so perhaps companies relatively new to process work have explored BPM in the past year or two and are now making a first commitment to a limited number of projects. (See Figure 8)

How would you characterize your organization's current interest in BPM?(Choose one)						
	2005		2007		2009	
Major strategic commitment by executive management	92	28%	70	26%	50	19%
Significant commitment to multiple high level process projects	77	23%	64	24%	86	33%
Initial commitment to limited number of mid or low-level projects	77	23%	69	25%	77	29%
Exploring opportunities	68	20%	63	23%	42	16%
No interest	19	6%	6	2%	7	3%
Total	333	100%	272	100%	262	100%

Figure 8. The current commitment of respondent's organizations to BPM

Table 2 shows how different subgroups of respondents answered the question. In this case, we eliminated no interest as a response. And we omitted the subgroup made up of people who had answered this question saying that their executives had made a major commitment.

Respondents from computing and consulting companies indicated that their executives were more likely to have made a strategic commitment. Similarly companies that had made a major commitment to BPMS software were more likely to have made a strategic commitment.

Large companies and the government and military were the most likely to be working on multiple major projects.

In all cases, about half of our respondents came from companies that had made a strategic commitment or were at least working on multiple major projects. Similarly, about half came from companies that are working on smaller projects or just exploring opportunities.

Surveys in business magazines continue to suggest that business executives think that processes, and improving processes, are among their most pressing strategic goals. In 2005, however, many process practitioners and business executives were still excited by the *idea* of creating BPMS systems that would revolutionize process management. Since 2007, the interest has matured and become more operational in its focus. Companies are not, today, so excited by an idea as they are engaged in the actual details involved in redesigning major business processes or creating a BPMS system, or in simply figuring out how to manage processes.

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Respondents	Major Strategic commitment by Exec Mgt.	Significant commitment to multiple high level projects	Initial commitment to a limited number of mid to low level projects	Exploring opportunities
North Americans	17%	32%	32%	16%
Europeans	22%	33%	31%	12%
Respondents who have taken survey before	28%	38%	19%	11%
Business managers & line of business managers	13%	34%	39%	13%
From large companies	16%	41%	22%	17%
From finance industry	14%	35%	30%	7%
From government or military	13%	40%	30%	17%
From computer or consulting companies	38%	30%	21%	9%
From companies with a major commitment to BPMS software	34%	29%	24%	12%
AVERAGE of ALL Respondents	**19%**	**33%**	**29%**	**16%**

Table 2. Analysis of how various subgroups of respondents answered

Business Drivers of BPM

A **business driver** refers to a situation, strategy or goal that motivates management to support business process change. Historically, the two leading drivers of business process work have always been (1) the need to save money, and (2) the need to improve an existing process or to create a new business process. Other important traditional drivers are (3) improvements in customer satisfaction and (4) organizational responsiveness. More temporary, ad hoc drivers can be (5) compliance with new regulations like Sarbanes-Oxley, IT upgrades, or (6) one-time events like a merger or acquisition.

In 2005 we asked respondents to choose THE major driver, and only let them choose one. In 2007 and 2009 we asked respondents to choose the major drivers and let them choose more than one. This means that for 2005 you can compare the percentages, but only indirectly, noting which drivers got the most response in all three years. We will focus our discussion on comparing 2007 results with 2009 results

In 2007 and 2009 the major driver was the "need to save money by reducing costs and/or improving productivity" followed by the "need to improve management coordination or organizational responsiveness". The next two important drivers were "customer satisfaction" and "the need to improve products". The "need to improve management of IT resources" remained significant as did "government or business risk management". One-time events were drivers chosen only by 4%-5%., Most drivers mentioned in the "Other" category could be included under one of the other choices given. (See Figure 9)

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What are the major business drivers causing your organization to focus on business process change? (Choose one or more)	2005		2007		2009	
Need to save money by reducing costs and/or improving productivity	111	33%	152	56%	153	58%
Need to improve existing products, create new products or enter new lines of business to remain competitive	64	19%	97	36%	65	25%
One time event (merger or acquisition)	7	2%	11	4%	14	5%
Government or business risk management(Sarbanes-Oxley, ISO 9000)	37	11%	46	17%	37	14%
Need to improve customer satisfaction to remain competitive	64	19%	102	37%	85	32%
Need to improve management coordination or organizational responsiveness	77	23%	138	51%	119	45%
Need to improve management of IT resources (ERP applications)	31	9%	53	19%	46	18%
Other, Please Specify	31	9%	31	11%	19	7%

Figure 9. Business drivers causing organizations to focus on business process change

A quick review of the various subgroups of respondents didn't produce any surprises. The percentages for 2009 might go up or down one or two percent, but everyone largely agreed that their first priority was to save money and their secondary objectives were increasing management coordination and improving customer satisfaction.

Organizational Maturity and Process Performance

We asked respondents to tell us how their organizations performed a number of business process activities, ranging from process documentation, through modeling, to process management. In each case we asked respondents to tell us if their organization simply "Never" did it, did it "Occasionally" (1-30% of the time), did it "Frequently"(31-60% of the time), did it "Most Times" (61-99%), or "Always" did it (100% of the time).

We asked this question because we wanted to get an idea of where most organizations were in mastering and performing common business process activities. We set the questions up to suggest a maturity scale, like CMMI. If organizations "Never" performed common BPM activities, we assumed they were immature organizations that weren't focused on processes. If organizations "Frequently" performed most of the common business process activities, we figured that would suggest they were between 2-4 on a CMMI scale. If organizations performed most of the activities "Most Times", we assumed that would suggest that they were between 3-5 on the CMMI scale. (For those unfamiliar with the CMMI maturity scale, it is described in Appendix I.)

We will consider each part of the questions independently and then consider the overall results.

Are Work Processes Documented?

We specifically asked if work processes were documented and kept up to date. Any organization that undertakes a process redesign or an ISO certification effort creates some kind of process documentation. Only companies with a real commitment to processes have a system that consistently maintains process documentation. We weren't surprised that those who bothered to take this survey had some documentation. Beyond that generalization, the results get a bit more difficult to interpret. (See Figure 10)

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Are business processes documented and kept up to date? Please indicate your organization's overall level of performance. (Choose one)						
	2005		2007		2009	
Never (0%)					7	3%
Occasionally (1-30%)	148	47%	149	55%	119	46%
Frequently (31-60%)	80	25%	66	24%	79	30%
Most Times (61-99%)	77	24%	38	14%	44	17%
Always (100%)	14	4%	11	4%	12	5%
Total	319	100%	272	100%	261	100%

Figure 10. Work processes are documented and documentation is kept up to date

Probably the people who have taken this survey more than once have read our remarks, and become more conservative in their estimates. Thus, on the first survey, 23% said that their processes were documented and maintained "Most Times" but on subsequent surveys it has dropped considerably.

The overall response you see here is what we have come to expect. Most companies do process tasks "Occasionally." A growing number say they do them "Frequently." Far fewer do them "Most Times", and only 4-5% do them "Always." Translated, very informally, into CMMI terms, we would say that most companies are Level 2 or between Level 2 and Level 3. They are working on departmental process improvement, but do not have an enterprise-wide program or organization-wide consistency. Some are working on trying to establish an enterprise-wide effort, but they are just beginning these efforts. Only a few organizations are Level 4 and have good management and measurement systems in place, and from 3-5% of the organizations are Level 5 and consistently do everything that a truly mature process-oriented organization does.

As a strong generalization, European companies have better documented processes than their North American counterparts, which makes sense as Europeans have adopted ISO 9000 in a much more systematic way than their North American counterparts.

As you might expect, respondents who say their organizations have made a strategic commitment to BPM say that they have their documentation up to date "Most Times" (52%), but are the same as everyone else when it comes to "Always" (5%). The answers to this question are average for the various industry segments, and those who say they have a major commitment to BPMS reflect the same pattern that we see in Figure 9

Do Units That Perform Similar Activities Use Standard or Similar Processes?

Many large companies perform similar processes throughout a variety of different divisions, business units, or geographical units. For example, all sales units have processes for documenting the existence of a prospect, or keeping track of a customer and pending orders. Obviously, efficiencies can be achieved if all of these similar processes are consistent. Thus, it would be good if every unit or division within the organization gathered the same information on customers and entered it in the same way in the same type of database. It would mean that employees would be more interchangeable, that enterprise information would be more consistent, and that the organization would only need a single instance of an ERP application, worldwide, to support customer information entry.

Unfortunately, as most larger companies were created via mergers and acquisitions, and most processes were defined at the local or departmental level, most large corporations support a variety of different processes that all, ultimately, lead to the performance of the same tasks – each in slightly different ways. Most large process-focused organizations, as they move from CMMI Level 2 to CMMI Level 3, make an effort to standardize common processes throughout the company. For some companies, establishment of standard business processes becomes a major driver for process

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change, especially when pursued in conjunction with an effort to standardize on a single instance of ERP throughout the company. (See Figure 11)

Do units that perform similar activities use standard or similar processes? Please indicate your organization's overall level of performance. (Choose one)						
	2005		2007		2009	
Never (0%)	19	6%	17	6%	6	2%
Occasionally (1-30%)	153	47%	124	46%	120	46%
Frequently (31-60%)	80	24%	79	29%	90	34%
Most Times (61-99%)	63	19%	47	17%	33	13%
Always (100%)	13	4%	5	2%	12	5%
Total	328	100%	272	100%	261	100%

Figure 11. Are similar processes throughout the company performed in a similar way?

Once again we see the standard response pattern, and in a similar way, the various subpopulations hardly vary on this question.

Are Standard Process Models Defined for Each Major Process?

We asked respondents if they had defined the high-level processes that make up their major value chains. Typically, organizations start defining processes at the departmental level (CMMI Level 2). It's only when process becomes an enterprise concern, at CMMI Level 3, that companies began to think in terms of value chains, of the major processes that make up each value chain, and of aligning and streamlining the flow of high-level processes across departmental boundaries. It often occurs as part of an enterprise-wide business process architecture initiative. (See Figure 12)

Are process models defined for the major value chains in the organization? Please indicate your organization's overall level of performance. (Choose one)						
	2005		2007		2009	
Never (0%)	64	20%	30	11%	25	10%
Occasionally (1-30%)	106	32%	118	44%	102	39%
Frequently (31-60%)	72	22%	63	23%	58	22%
Most Times (61-99%)	66	20%	46	17%	62	24%
Always (100%)	19	6%	13	5%	13	5%
Total	327	100%	270	100%	260	100%

Figure 12. Does the organization have standard process models for each of its value chains?

This pattern varies a bit from the standard pattern. A larger number of respondents say their organizations do not model their value chains, but at the same time, a larger number say they do "Most Times". "Occasionally" is still the predominant response, but it's not so pronounced as it is in many other questions.

Table 3 shows how different subgroups of respondents answered the question.

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Respondents	Never (0%)	Occasionally (1-30%)	Frequently (31--60%)	Most Times (61-99%)	Always (100%)
North Americans	12%	45%	18%	17%	8%
Europeans	6%	33%	22%	37%	2%
Respondents who have taken survey before	8%	29%	26%	33%	3%
Respondents whose executives have a strategic commitment to BPM	5%	46%	22%	22%	5%
Business managers & line of business managers	5%	26%	37%	26%	5%
From large companies	8%	36%	25%	24%	7%
From finance industry	12%	45%	21%	17%	5%
From government or military	10%	43%	30%	17%	0%
From computer or consulting companies	5%	33%	18%	34%	8%
From companies with a major commitment to BPMS software	5%	14%	38%	33%	10%
AVERAGE of ALL Respondents	**12%**	**45%**	**21%**	**17%**	**5%**

Table 3. Analysis of how various subgroups of respondents answered

On this question, as on process documentation, Europeans seem much more mature, save for the anomaly that a slightly higher number of North American firms always have their value chains documented. In a similar way, respondents who have taken the survey before, and thus, we imagine, companies that have been focused on process longer, are more mature than the average. Interestingly, companies with a major commitment to BPMS software are much more likely to have defined their value chains.

Are Standard Measures Defined for Each of Major Processes?

We asked participants if their companies had standard measures defined for evaluating the performance of value chains and major processes and subprocesses. Most companies have a set of KPIs (Critical Performance Indicators) that are used to evaluate corporate performance. Too often, however, their performance metrics are not related to specific value chains or business processes but simply assigned to functional units. Thus, a change in a KPI does not automatically suggest which value chain or process should be examined or which needs improvement. The shift to a process perspective depends on developing a set of KPIs that are specifically designed to measure the performance of business processes. (See Figure 13)

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Are performance measures defined for evaluating the success of all major processes and subprocesses? Please indicate your organization's overall level of performance. (Choose one)						
	2005		2007		2009	
Never (0%)	64	20%	30	11%	25	10%
Occasionally (1-30%)	106	32%	118	44%	102	39%
Frequently (31-60%)	72	22%	63	23%	58	22%
Most Times (61-99%)	66	20%	46	17%	62	24%
Always (100%)	19	6%	13	5%	13	5%
Total	327	100%	270	100%	260	100%

Figure 13. Does the organization have standard measures to evaluate the performance of major processes?

Figure 13, like Figure 12 suggests a slight increase in the number of companies that have process measures "Most Times." This is consistent across all the major subpopulations we examined.

Is Support Provided by Automated Applications Consistent With the Processes?

We also asked how well the existing software applications served the company's processes. In an ideal world, business people would define the best possible processes and then IT would create tailored applications to support those processes. In the real world, processes are constantly changing and applications are often purchased from vendors and prove hard to tailor. Thus, in many cases, employees find themselves "fighting" the software applications that are supposed to help them. We run into this all the time as customers, when sales or service people try to enter something, find it isn't accepted, and then wink at us and explain that "the system" doesn't like the entry, but that they know how to get around the problem, and proceed to enter the data in some round-about manner. (See Figure 14)

Is the support provided by automated applications consistent with the defined processes used by the organization? Please indicate your organization's overall level of performance. (Choose one)						
	2005		2007		2009	
Never (0%)	25	8%	26	10%	20	8%
Occasionally (1-30%)	136	42%	139	51%	124	48%
Frequently (31-60%)	106	33%	61	23%	62	24%
Most Times (61-99%)	46	14%	38	14%	47	18%
Always (100%)	13	3%	6	2%	7	3%
Total	326	100%	270	100%	260	100%

Figure 14. How Well Does the Existing Software Support Processes?

Once again, the overall pattern is the same in 2009 as it was in earlier years, although there was a very slight uptick in organizations that said their automated applications support their processes "Most Times."

Are the Skills Needed to Perform the Tasks Defined and Documented?

We asked if respondents' companies had defined the tasks needed for major processes, and then defined the skills needed for specific jobs to assure that people were being hired or trained to perform the requisite tasks. It's one thing to define the activities that need to be performed. It's another thing to define exactly what knowledge and skills are required to perform the activities. The latter requires a system of job definitions or job models that are created by practitioners knowledgeable in human performance technology, or some similar discipline. It requires that the tasks be carefully analyzed and that the human activities be precisely specified.

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This kind of human performance analysis has been well defined in more operational areas and is usually done precisely in manufacturing jobs. It is harder to do in more complex jobs where more knowledge and greater flexibility is required. Some analysts refer to these more complex jobs as "knowledge work" and propose that new technologies are needed to define human performance requirements in these areas. Examples of knowledge work range from sales activities and customer service through jobs like new product development and software systems development. In these cases, it is easy to specify the broad, high-level activities that need to occur, but hard to define exactly what specific steps need to be followed, as they vary greatly, depending on the specific circumstances the employee faces. Some have argued that these tasks are better conceptualized in terms of rules that constrain actions rather than as step-by-step procedures. In any case, we would expect manufacturing companies to have well-defined employee job descriptions, and we would expect service industries and organizations that involve lots of knowledge processing activities to be less likely to have well-defined job descriptions. (See Figure 15)

Are the skills needed to perform the tasks in the major processes defined and documented? Please indicate your organization's overall level of performance. (Choose one)						
	2005		2007		2009	
Never (0%)	27	8%	23	9%	14	5%
Occasionally (1-30%)	103	32%	139	51%	125	48%
Frequently (31-60%)	96	30%	60	22%	61	23%
Most Times (61-99%)	84	26%	41	15%	53	20%
Always (100%)	12	4%	7	3%	9	3%
Total	322	100%	270	100%	262	100%

Figure 15. Do organizations have descriptions of the skills required to perform processes

Once again we see a similar pattern. A slight drop in "Never" and a slight rise in those organizations that say they define and document roles "Most Times".

Are Managers Trained to Do Process Redesign and to Manage Processes?

We changed this question in 2007. In 2005 we asked if the company provided training in redesign and project management. In 2007 we asked if managers were trained to do redesign and to manage projects. Thus, it probably isn't fair to compare the results between the two years too closely. From 2005 to 2009 the broad pattern has remained the same. When one compares 2007 and 2009 it is obvious that a few more companies have moved into the "Frequently" and "Most Times" category. (See Figure 16)

Are managers trained to analyze, design and manage business processes? Please indicate your organization's overall level of performance. (Choose one)						
	2005		2007		2009	
Never (0%)	42	13%	55	20%	36	14%
Occasionally (1-30%)	121	37%	135	50%	127	49%
Frequently (31-60%)	96	29%	48	18%	55	21%
Most Times (61-99%)	54	16%	30	11%	35	13%
Always (100%)	15	5%	3	1%	8	3%
Total	328	100%	271	100%	261	100%

Figure 16. Are Managers Trained to Analyze, Redesign or Manage Processes?

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Do Process Managers Use Performance Data to Manage Processes?

Continuing to focus on managers, we asked if the managers at the respondents' organizations used performance data to manage their processes. Implicitly, this assumes that the processes are monitored and that the data is organized in a manner that can support decisions. In most companies this kind of data is more common at the lower levels of the organization and less likely to be available at higher levels. Thus, for example, supervisors usually monitor the performance of workers and can usually point to specific instances where employees succeeded or failed to perform specific activities. The problem becomes more complex as one looks at higher-level managers, who, in effect, manage other managers. Higher-level managers can only manage their subordinates, using process performance measures, if their subordinates are assigned responsibilities for specific processes and know what measures are to be used to evaluate the success or failure of the process they must manage.

In CMMI terms, this question probes the extent to which the company is moving from CMMI Level 3 to Level 4 and is focusing on measuring and managing processes in a systematic manner. (See Figure 17)

Do process managers use performance data to manage their processes? Please indicate your organization's overall level of performance. (Choose one)						
	2005		2007		2009	
Never (0%)	42	16%	42	16%	36	14%
Occasionally (1-30%)	129	48%	129	48%	127	49%
Frequently (31-60%)	58	21%	58	21%	55	21%
Most Times (61-99%)	36	13%	36	13%	35	13%
Always (100%)	5	2%	5	2%	8	3%
Total	270	100%	270	100%	261	100%

Figure 17. Do managers use performance data to manager their processes?

Responses in 2009 were almost exactly like the responses in 2007. Companies may be working analyzing processes at the enterprises level, but they do not seem to have made a lot of progress in defining measures that managers can use to control the processes they are responsible for managing.

Are Process Improvement Programs In Place to Maintain Processes?

Broadly, there are two aspects of process change – **process redesign**, that reorganizes broken or deficient processes and generates new, more effective processes, and **continuous process improvement** that incrementally improves existing processes. Some would argue that the natural lifecycle of a process involves an initial redesign effort to assure that the process functions as it should in the context of the larger process of which it is a subprocess, followed by continuous process efforts to refine the design and assure that the process is as continues to be as efficient as possible. Many companies rely on Six Sigma initiatives to manage continuous process improvement. (See Figure 18)

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Are process improvement programs in place to identify and improve problems and defects? Please indicate your organization's overall level of performance. (Choose one))	2005		2007		2009	
Never (0%)	43	13%	35	13%	21	8%
Occasionally (1-30%)	107	33%	117	44%	138	53%
Frequently (31-60%)	112	34%	63	24%	64	25%
Most Times (61-99%)	51	16%	43	16%	31	12%
Always (100%)	12	4%	8	3%	6	2%
Total	325	100%	266	100%	260	100%

Figure 18. Are Process Improvement Programs in Place?

We do not assume that everyone who answered this question distinguished between **redesign** efforts, that are more extensive, and **process improvement** efforts, that are more narrowly focused. In any case, the responses in 2009 follow a variation on the pattern we have been observing. Those who "Never" do it dropped. Those who "Occasionally" do it increased significantly, while those who do it "Most Times" dropped as well.

Do Major Process Models Include Activities Performed By Outside Vendors/Partners?

We also asked respondents if their organizations modeled processes that included activities performed by outside vendors or partners. Many of the BPMS vendors, and the currently popular Service Oriented Architecture (SOA), are focused on helping companies create distributed or virtual business processes. Most companies have processes of this nature. Consider, for example, your credit card approval process. A customer presents a credit card. You swipe the card through a credit card reader, which then goes online and accesses the credit card system (e.g. Visa, MasterCard) to determine if the card is good and the charge is within the customer's credit limit. In essence, the credit card system is undertaking steps in your overall purchase process – specifically, to approve the credit card, to approve the charge. In this case, you may not care about the detailed tasks or steps in the Credit Card systems part of the process and are probably content to simply accept that it is being done.

In more complex or more integrated processes you will probably want to know the major steps in the external process so you can track the progress of the external process. At a minimum, you might want to know if the package is still at the warehouse, or is on a truck being delivered. Increasingly, companies are going to model large-scale processes, like supply chains, and want to understand not only their own processes, but the processes of their partners and suppliers. (See Figure 19)

Do major process models include activities performed by outside vendors/partners? Please indicate your organization's overall level of performance. (Choose one)	2005		2007		2009	
Never (0%)	81	25%	60	22%	61	23%
Occasionally (1-30%)	115	35%	125	46%	115	44%
Frequently (31-60%)	72	22%	50	19%	44	17%
Most Times (61-99%)	40	12%	26	10%	28	11%
Always (100%)	18	6%	8	3%	13	5%
Total	326	100%	269	100%	261	100%

Figure 19. Do companies model processes that include partner or supplier activities?

There seems to be no shift from 2007 to 2009. Companies may want to know about how their outsourced activities fit with their own, but those that really want to know presumably already do and the rest aren't making much progress.

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An Overview of Company Maturity

As we commented when we started to consider this set of questions, we respondents to define the overall maturity of the their organizations. We wouldn't want to claim that our series of questions was the equivalent of a comprehensive CMMI audit. On the other hand, we did design this set of questions to test a number of key items that are associated with specific levels in the CMMI model. (See Appendix I for a quick overview of the CMMI levels.)

We expected most companies to be CMMI Level 2 companies, and the data here suggest they are. We assume that all the attention on process in the past 4-5 years has led lots of companies to increase their efforts to become Level 3 companies and we see signs of that.

Most companies are only beginning to create process monitoring systems or to organize their process governance, and the data suggest that progress is slower in that area.

As you might expect, organizations and industries that have a greater commitment to process are more likely to be more mature, but the broad pattern applies to all respondents, no matter how we factor their responses.

Figure 20 shows how we summarized the respondents' answers in 2007 and Figure, 21, shows how we summarized that information in 2009. (See Figures 20 and 21)

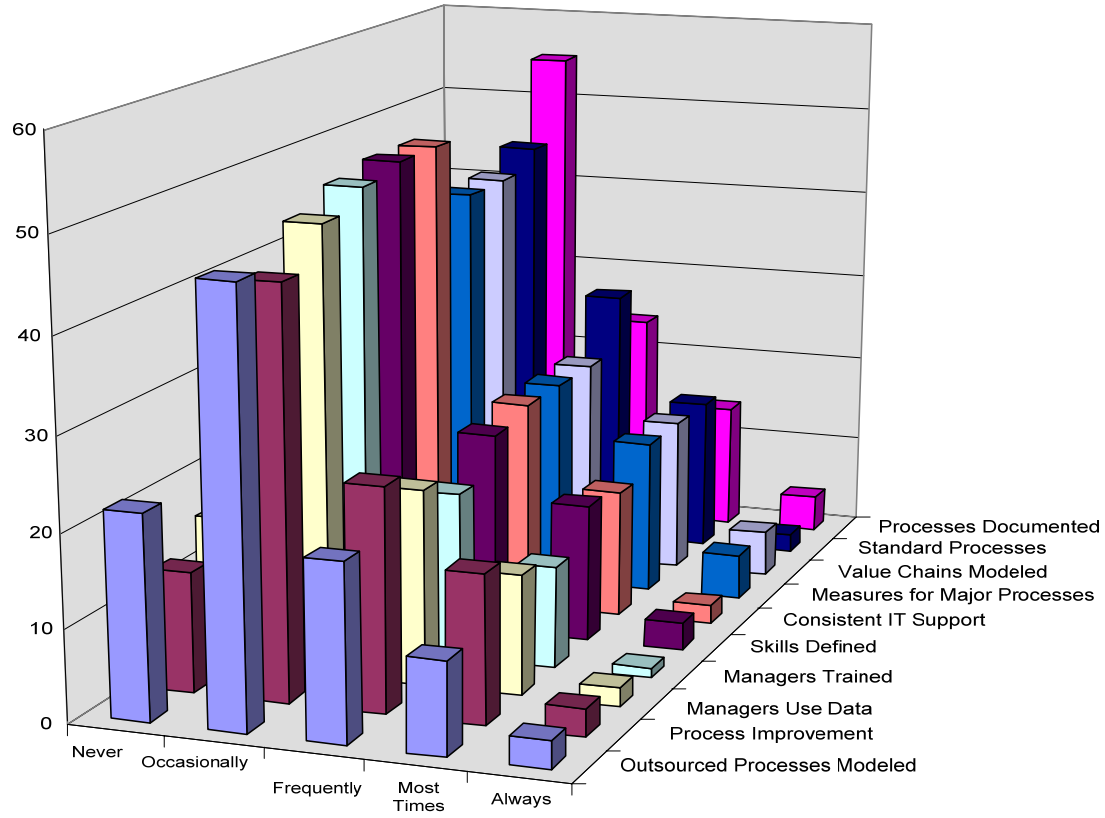

Figure 20. An overview of how often organizations are undertaking various types of process work, circa 2007

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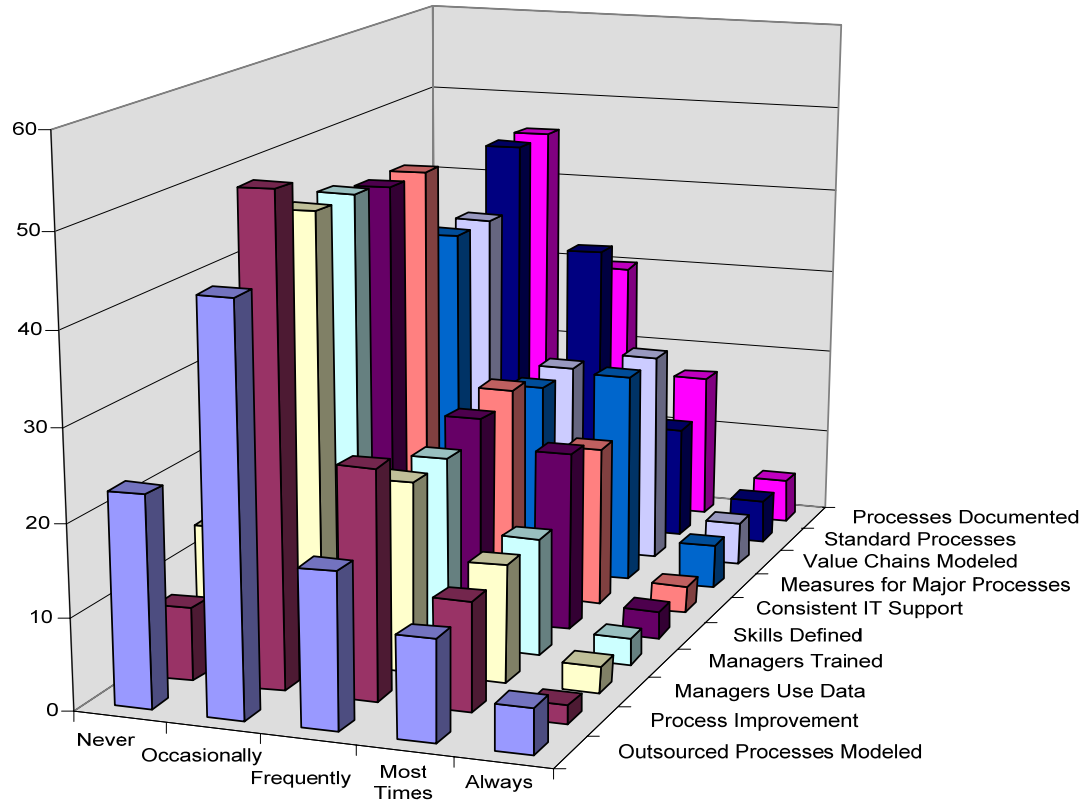

Figure 21. An overview of how often organizations are undertaking various types of process work, circa 2009

The first thing to notice about Figures 20 and 21 is that the right hand set of boxes remain uniformly short. Only 3-5% of the respondents said that their organizations are "Always" doing these things. This matches CMMI data that suggests that only around 5% of the organizations studied could be said to be fully mature Level 5 organizations.

Second, the broadest pattern, which has most organizations only "Occasionally" doing any of the tasks also still holds true.

Beyond that it gets more interesting. The number of respondents that said their organizations "Never" did one thing or another has declined. Almost all organizations are doing more in almost all areas of process work than they were in 2007. Even more interesting, though not quite so consistently, is that fact that there has been a subtle shift from "Occasionally" to either "Frequently" or "Most Times". We have reproduced the same data below, as Table 4.

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Activity	Never	Occasionally	Frequently	Most Times	Always
Outsourced Processes Modeled	23	44	17	11	5
Process Improvement	8	53	25	12	2
Managers Use Data	14	49	21	13	3
Managers Trained	14	49	21	13	3
Skills Defined	5	48	23	20	3
Consistent IT Support	8	48	24	18	3
Measures for Major Processes	10	39	22	24	5
Value Chains Modeled	10	39	22	24	5
Standard Processes	2	46	34	13	5
Processes Documented	3	46	30	17	5

Table 4. Questions about the prevalence of specific organizational activities

When you look at the table, it is clearer that the two areas in which "Frequently" was definitely higher were Standard Processes and Process Documentation. Similarly, the one area where almost a quarter of the respondents said their organizations "Never" did anything is with Outsourced Processes Modeled. And the three areas where many organizations have pushed beyond "Frequently" to "Most Times" are Skills Defined, Value Chains Modeled and Major Processes Measured.

This is consistent with other data that suggest a growing number of organizations have pushed to CMMI Level 3 and are modeling their processes enterprise-wide and beginning to establish enterprise-wide measures for those processes.. On the other hand, fewer organizations have pushed to Level 4 and have a process governance system in place and have managers using quantitative data to manage and control processes.

Process Standards

Anyone who deals with commodity items is helped by standards. Imagine if every hardware vendor created a unique type of screw head and you had to buy a different screwdriver to deal with the screws on each different piece of hardware you acquired. Any company that has invested in a new technology, and has used one of the early products and subsequently decided to switch to another product and found that everything had to be redone (since there was no way to move data from one tool to the other) would prefer it if vendors conformed to common data representation standards. The problem in a new market, however, is that everyone needs to agree on what's important and how best to represent things before anyone is ready to define a standard. It's that way, at the moment, with business processes. Every user would like representation and software standards, but most users are still trying to determine what standards they want or need. Meantime, different vendors are promoting their own standards, hoping that others will rally round and agree to let that vendor define the standard.

Some process areas have remained remarkably free of formal standards. There are no formal standards in the Six Sigma area, for example. A Black Belt means different things to different groups, and everyone seems to get along with this lack of precision.

The software vendors, however, need more precision, and there have been a number of standardization efforts launched to spell out process-related software standards. Most are still in committee. We asked companies what standards they were using, involved with, or interested in, and we suggested a wide range of options. We added some new standards that have gotten more attention in the course of 2007 to make the list more comprehensive.

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Similarly, several European companies have driven standards by adopting process documentation standards like ISO 9000 and then requiring that vendors document their compliance in order to qualify to bid on work at that company. (See Figure 22)

Which of the following process standards is your organization interested in adopting? (Choose as many as apply)						
	2005		2007		2009	
ISO 9000	142	49%	104	40%	89	36%
Sarbanes-Oxley	131	45%	86	33%	74	30%
CMM/CMMI	82	28%	73	28%	75	30%
BPEL	68	23%	67	26%	49	20%
XPDL			15	6%	16	6%
BPMN (Notation)	65	22%	106	41%	126	51%
UML (Notation)	96	33%	78	30%	59	24%
OMG Business Process Metamodel	28	10%	19	7%	18	7%
OMG Business Rules Metamodel	12	4%	10	4%	14	6%
OMG Business Process Maturity Model			28	10%	35	14%
OMG Model Driven Architecture (MDA)			21	8%	18	7%
Other, Please Specify	60	21%	61	23%	48	19%

Figure 22. Standards in which companies are interested

The most impressive pattern shown in Figure 22 is the growing importance of the OMG's Business Process Management Notation (BPMN). Other OMG standards have attracted little interest, but BPMN is not important to more than half our respondents. Interestingly, BPEL, the standard approach for moving from a process description to code has hardly gained any additional support since 2005, while BPMN, which is sometimes considered a way of preparing to use BPEL, has become very popular.

We suggest the lack of more interest in BPEL is a result of the fact that the standard is incomplete and can't handle workflow problems very well, while nearly all process modeling vendors have adopted BPMN, and it works well for analyzing and designing either business process models or software process automation designs.

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BPM Spending

How Much Are Companies Spending on BPM?

We asked each survey participant to estimate how much money his or her organization was spending on business process work. In 2009, as in past years, more than half the respondents said they were spending less than $500,000.

In 2007 we added a new category – Over $50 million – just to check on how much a company might spend. In 2009, while the companies that said they were spending from $10-50 million dropped very slightly, the number that said they were spending over $50 million went up a bit. Broadly, however, respondents said their organizations were spending about as much in 2009 as they suggested they were spending in 2007. This correlates with other comments by respondents that suggested that most companies simply held steady. (See Figure 23.)

How much would you estimate your organization spent on business process analysis, process management, monitoring, redesign and improvement in 2005? Include BPM management, Lean Six Sigma, process automation and overhead staff. DO NOT include outsourcing

	2005		2007		2009	
$0-$500,000	185	57%	136	51%	136	54%
$500,000 to $999,999	50	16%	42	16%	38	15%
$1 million $5 million	63	19%	55	21%	52	21%
$5 million to $10 million	10	3%	10	4%	9	4%
Over $10 million	16	5%	18	7%	11	4%
Over $50 million			5	2%	7	3%
Total	324	100%	266	100%	253	100%

Figure 23. How much organizations are spending on BPM

Forty-nine percent (49%) of the North American respondents and fifty-eight percent (58%) of the European respondents said their organizations were spending under $500,000. All of the respondents reporting spending over $50 million were from North America. Of those reporting spending between $10 and $20 million, 7 were from North America, 1 was from Europe and the remaining 3 were from elsewhere in the world.

Interestingly, none of the respondents from the government and the military indicated that their organization was spending over $50 million and only 1 reported that his or her organization was spending between $10 and $50 million. There was no significant difference with reported commitment to BPM or BPMS and the amount being spent.

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Corporate BPM Activity Today

We asked a number of questions to gain some insight into what companies were doing to improve their business processes. Several questions were asked about process activities that occurred at the Executive, Process or Implementation Levels. These questions rely on a common BPTrends classification. If this classification is unfamiliar, you can review it in Appendix I. In a similar way, in discussing software products being used in support of BPM efforts, we often rely on the categories that we have defined in the BPTrends Software Tools Classification diagram and in our various Reports. The BPTrends Tools Classification is also described in Appendix I for readers who might not be familiar with our approach to dividing up this rather confusing marketplace.

The Overall Focus of Organizations at This Time

We asked this question for the first time in 2009. The choices ranged from department efforts through to enterprise wide process management efforts. As you can see in Figure 24, the largest number of respondents are either working to improve a specific departmental process or focused on incrementally improving existing processes. Both are compatible with companies trying to save money and limiting their efforts. On the other hand, 25% of the respondents say they are working on redesigning enterprise wide processes, while 17% and 18%, respectively, say they are focused on enterprise efforts to establish a process governance system, or a process measurement system. This suggests that at least 17% of our respondents are working at a CMMI level 3.5 or above. It may or may not mean that the companies as a whole are that mature, but it suggests the increased interest process practitioners have in gaining an enterprise wide understanding of processes, process performance and process governance.

How would you describe the overall focus of your organization at this time? (Choose one or two)	2005		2007		2009	
Focused on improving specific departmental level processes					84	32%
Focused on automating departmental or enterprise wide processes					59	23%
Focused on incrementally improving existing processes					84	32%
Focused on redesigning enterprise wide processes					64	25%
Focused on defining an enterprise wide process architecture/measurement system					47	18%
Focused on defining an enterprise wide process management/governance system					44	17%

Figure 24. Overall focus of organization at this time

Table 5 shows how some of the various subgroups of respondents answered this question. Respondents could choose more than one answer, so the numbers don't total to 100%.

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Respondents	Improving Specific Dept. Processes	Focused on Automating Dept. or Ent. Processes	Incremental Improvement	Redesigning Enterprise Processes	Defining an Ent.-wide Process Arch.	Defining Ent. Process Governance
North Americans	31%	22%	34%	19%	18%	14%
Europeans	28%	27%	33%	29%	20%	14%
Respondents who have taken survey before	35%	14%	20%	35%	21%	20%
Respondents whose executives have a strategic commitment to BPM	24%	10%	19%	38%	33%	43%
Business managers & line of business managers	37%	21%	26%	24%	18%	18%
From large companies	31%	22%	36%	29%	18%	17%
From finance industry	40%	19%	35%	19%	12%	16%
From government or military	37%	27%	33%	17%	20%	13%
From computer or consulting companies	28%	23%	34%	25%	22%	25%
From companies with a major commitment to BPMS software	28%	38%	20%	28%	15%	25%
Average	32%	23%	32%	25%	18%	17%

Table 5. Analysis of how various subgroups of respondents answered

First, notice that respondents that said their organizations' executives had a strategic commitment to BPM also said that their organization was more committed to a focus on enterprise processes (38%), on enterprise-wide process measurement (33%), and, especially on defining an enterprise-wide process governance system (43%). Interestingly, respondents from the computer/consulting industries and those who said their organizations had a strong commitment to BPMS also were more likely to indicate a heavy commitment to enterprise work.

Notice, too, that in almost all cases, departmental redesign and continuous improvement were more popular focuses than a focus on automation. It is particularly noteworthy that respondents who said their organizations had a strategic commitment to BPM did not evidence a high focus on automation. We have argued elsewhere that organizations need to understand their processes before they are prepared to invest heavily in BPMS or other forms of process automation and, clearly, these numbers reflect that emphasis.

Response to the Worldwide Financial Downturn

This is another question we asked for the first time in 2009. Obviously, if one was a BPM practitioner who worked for a major financial firm that went bankrupt, one didn't take part in this survey. The great majority of companies stayed in business, however, and their responses underscore the old adage that business process work is recession proof. As you can see below, 29% of our respondents said their companies cut back, but continued their BPM efforts. More to the point, 35% of our respondents said that their organizations did not cut back on their BPM spending. (See Figure 25.)

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Every company has responded to the worldwide downturn of the last two years. How would you describe your company's response – as far as business process initiatives are concerned? (Choose one)	2005		2007		2009	
We cut back sharply, as a result of the economic downturn, and there's no end in sight					25	10%
We cut back sharply, but now are beginning to become active again					30	12%
We cut back, but have continued BPM efforts					75	29%
We cut back, but are now beginning to accelerate again					19	7%
We didn't cut back our BPM spending					90	35%
Other, please specify					21	8%
Total					260	100%

Figure 25. Response to financial downturn

We talked with a number of people at major software integrators and they consistently said that their major projects were still on track. Apparently, most companies did not try to scale back major, ongoing projects. We know that many BPM projects were placed on hold. In other words, companies continued what they were doing, but many held off making new commitments. Similarly, BPM training and conference attendance dropped dramatically in early 2009 due to company wide reductions in travel and training budgets. Overall, however, we believe that most organizations maintained their BPM efforts and will be ready to scale up their efforts in 2010 when budgets begin to increase.

When we looked at the various subgroups of respondents, the same overall pattern was evidenced. Even financial respondents indicated that they didn't cut back on their BPM spending. European respondents were slightly less likely to cut back than North American respondents.

The Existence and Location of BPM Groups

We asked all respondents if their organizations had a Business Process Management Group to coordinate, train, and support business process efforts within the organization. We asked those that had a BPM Group to tell us where it was located. It's been our experience that organizations that are serious about enterprise level work – organizations moving from CMMI Level 3 to CMMI Level 4 – usually have their BPM Group at the enterprise level, reporting to a corporate level executive or to an executive level committee, like planning or strategy. Organizations that have their business process groups located in IT or Quality Control usually have a more limited perspective on BPM and are focused only on a part of the total BPM picture. (See Figure 26.)

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Does your organization have a group (or center of excellence) responsible for Business Process Management and, if so, where is it located within your organization? (Choose one)						
	2005		2007		2009	
We do not have a formal BPM Group	110	33%	96	36%	86	33%
Our BPM Group is at the Executive level	59	18%	36	13%	33	13%
Our BPM Group is at the Divisional or Departmental level	63	19%	48	18%	46	18%
Our BPM Group is located within IT	46	14%	44	16%	42	16%
Our BPM Group is located within HR or Training	1	0%	3	1%	4	2%
Our BPM Group is located within Finance	4	1%	7	3%	4	2%
Our BPM Group is located within Quality Control	21	7%	16	6%	16	6%
Other, Please Specify	26	8%	19	7%	29	11%
Total	330	100%	269	100%	260	100%

Figure 26. Where the BPM Group is located within the organization

As you can see by glancing at Figure 26, there really isn't much difference between the responses over time.. This seems odd to us, as most process people we talk with are more focused on the problems of setting up a new BPM group or Center of Excellence (CoE) than on any other single issue. But the data suggests that the total number of companies with a BPM CoE has not increased significantly.

About a third of the respondents said they do not have a BPM group or CoE.. Of those having a BPM group, most report the group is located at the executive level, at the departmental or divisional level, or in IT. This overall pattern is reflected by all the respondent subgroups, except for companies with a major strategic commitment to BPM, and almost a third of those respondents indicated that their organizations are much more likely to have a BPM CoE at the Executive Level.

Use of BPM Strategy and Planning Consultants

In an effort to gauge the market for BPM consulting we asked a series of questions regarding how respondents would use outside consultants if they could hire them. In the first question we asked about the uses they might make of a consultant at the enterprise level.

Broadly, in 2009, as in years past, respondents divided their needs relatively equally among strategy, enterprise process architecture, enterprise measurement, and coordinating and managing. As noted elsewhere, they were slightly less likely to spend their money on improving process governance than on the other three areas. This year, it's also obvious that a few more would focus on Performance Measurement than would have in past years. (See Figure 27).

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If your organization could hire outside consultants to help with your BPM strategy and planning, where would you focus their efforts? (Choose all that apply)	2005		2007		2009	
Defining the relationship between Strategy and Process	134	43%	125	47%	101	40%
Developing an Enterprise Process Architecture	122	39%	121	45%	91	36%
Developing an Enterprise Performance Measurement system	115	37%	98	37%	103	41%
Coordinating and managing your Business Process Management projects and programs	101	33%	100	37%	88	35%
Other, Please Specify	33	11%	30	11%	33	13%

Figure 27. How respondents would use consultants at the enterprise level

You can see that between 2007 and 2009 there has been a slight shift from using a consultant for help with the process architecture to using the consultant for performance measurement.

There were no significant variations from the general pattern shown in Figure 26 when we examined the various subpopulations.

The Use of Consultants at the Process/Project Level

We also asked respondents to tell us how they would use outside help if they could hire consultants to help them at the process level. (See Figure 28)

If your organization could hire outside consultants to help with BPM projects, where would you focus their efforts?(Choose all that apply)	2005		2007		2009	
Process Manager training	116	37%	121	45%	97	38%
Balanced Scorecard	69	22%	64	24%	56	22%
Process Redesign projects	111	35%	114	43%	105	41%
Using BPM Frameworks (SCOR, ITIL)	87	28%	64	24%	60	23%
Six Sigma Process Improvement projects	55	17%	59	22%	39	15%
Process Automation projects	94	30%	86	32%	72	28%
Process Analysis and Design training	136	43%	115	43%	105	41%
Business Process Outsourcing	23	7%	23	9%	19	7%
ERP support for BPM	40	13%	32	12%	30	12%
Linking Knowledge Management and BPM	89	28%	94	35%	69	27%
Other, Please Specify	21	7%	18	7%	29	11%

Figure 28. The use of consultants at the process level

Once again, our respondents have chosen more or less the same options in 2009 as they chose in 2007.

It is noteworthy that Process Manager training is down, but then most organizations instituted cuts in training and travel budgets in 2009. On the other hand, training in Process Analysis and Design stayed nearly level. Efforts to Link Knowledge Management and BPM also dropped. We expect that most respondents thought that manager training and linking KM and BPM weren't as likely to yield immediate results, while analysis and design training could lead directly to reducing process costs.

Getting help on Six Sigma also dropped. In hindsight, we wish we had added Lean to the list as we heard a lot more about new Lean initiatives in 2009 than about Six Sigma initiatives. Broadly,

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however, companies interested in process have been doing Six Sigma training for over two decades and it's reasonable that they would choose to put their consulting money on something they know less about.

BPM Products and Services Currently Being Used

We asked respondents to tell us what business process products and services were currently being used at their organizations, and we have summarized their responses in Figure 247. In this case we asked companies what they were actually doing, as opposed to what they might like to do if they had some additional money to spend on consultants. (See Figure 29.)

What BPM products and services is your organization currently using? (Choose all that apply)						
	2005		2007		2009	
Graphics Modeling tool (Visio, PowerPoint)	247	77%	199	74%	183	70%
Repository based Modeling tool (ProVision, MEGA, Casewise)	122	38%	85	32%	104	40%
BPM Suite that can manage the runtime execution of a business process	74	23%	64	24%	67	26%
Tool for managing a Rule-based process or application	56	17%	50	19%	46	18%
Process Monitoring/BI tool that can feed information to an executive dashboard	58	18%	65	24%	67	26%
Training in Process Strategy, Architecture or Performance	56	17%	44	16%	47	18%
Training in Process Analysis and Design	107	33%	82	31%	89	34%
Training in Process Redesign and Improvement methodology	78	24%	65	24%	74	28%
Training in BPM Systems	47	15%	38	14%	48	18%
Attendance at BPM Conferences	99	31%	94	35%	91	35%
Other, Please Specify	23	7%	26	10%	19	7%

Figure 29. Process products and services currently used by companies

Slowly but surely, respondents are moving away from graphic modeling tools and shifting to repository-based process modeling tools that enable users to save and accumulate process models. In 2009 the most interesting change is the sharp rise in the number of respondents that said they were using repository-based modeling tools. We expect the renewed interest in analyzing and redesigning processes to save money may have contributed to this. At the same time, the fact that some large vendors are providing high-quality modeling tools at little to no cost in order to introduce companies to their more comprehensive BPMS packages, may also have contributed. Then too, the growing interest in enterprise work is probably also driving the growing focus on process modeling tools. Once again, we notice the emphasis on training. In spite of budget cuts, many organizations continue to train their people in process analysis and design skills and enterprise technologies.

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Respondents	Graphics modeling	Repository Modeling Tool	BPM Suite	Rule-based Mang Tool	Monitoring/BI Tool	Training -- Ent Arch.	Training – Anal & Design	Training –Redesign & Improve. Methodology	Training -- BPMS	Attendance – BPM Conf
North Americans	79%	33%	24%	22%	28%	19%	36%	33%	20%	38%
Europeans	64%	53%	27%	17%	27%	19%	30%	29%	20%	33%
Respondents who have taken survey before	65%	51%	26%	26%	26%	26%	42%	31%	19%	49%
Respondents whose execs have a strategic commitment to BPM	57%	57%	38%	20%	33%	20%	37%	34%	25%	37%
Business managers & line of business managers	71%	39%	29%	26%	26%	21%	26%	29%	13%	53%
From large companies	68%	47%	28%	29%	18%	17%	36%	29%	18%	17%
From finance industry	70%	44%	37%	33%	26%	19%	26%	26%	23%	47%
From government or military	67%	53%	27%	13%	20%	10%	37%	17%	3%	27%
From computer or consulting companies	68%	38%	33%	21%	29%	27%	41%	29%	20%	38%
From companies with a major commitment to BPMS software	71%	34%	73%	39%	44%	22%	27%	27%	39%	44%
Average	**70%**	**40%**	**26%**	**18%**	**26%**	**18%**	**34%**	**28%**	**18%**	**35%**

Table 5. Analysis of how various subgroups of respondents answered

Broadly speaking Europeans have always taken modeling more seriously than those in North America, especially managers. Thus, we see more North Americans using simple graphics tools like Visio, and more Europeans using more sophisticated modeling tools. And government and military organizations and those with a strategic commitment to BPM are more likely to have an interest in Repository modeling tools.

Interestingly, respondents who have taken the survey before are considerably more likely to go to a BPM conference. Respondents who come from organizations with a strategic commitment to BPM say their organizations are most likely to be interested in training in a process redesign or improvement methodology. Large companies are also more interested in methodologies. Respondents from companies that have a major commitment to BPMS are much more likely to want training in BPMS software. Companies from the finance industry also have a heightened interest in BPMS training.

Which Tools Are Most Valuable Today

In 2007 we shifted from simply asking what business process tools were being used, and asked, instead, that each respondent tell us which specific business process tool was most valuable to his or her organization. In 2005, respondents could choose multiple responses, thus the number totaled more than 100%.

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When you compare 2009 to 2007 you notice the slight but continuing decline in respondents who say graphics tools are most important and the slow increase in those that say that repository-based process modeling tools and BPMS software have been most important to their process efforts. (See Figure 30.)

Which of the following software tools have been most important to your business process management efforts in 2009? (Choose one)						
	2005		2007		2009	
Organizational Modeling environment	37	12%	13	5%	9	4%
Graphics tool (Visio, PowerPoint)	133	42%	83	31%	70	27%
Process Modeling tool (Casewise, IBM Modeler, ProVision)	122	39%	63	24%	70	27%
Business Rules tool	30	10%	5	2%	6	2%
Repository	41	13%	11	4%	16	6%
BPMS Suite or execution environment (Workflow, EAI)	64	20%	34	13%	41	16%
Simulation tool	34	11%	8	3%	8	3%
BAM/Real-Time Process Monitoring tool	23	7%	3	1%	4	2%
Performance Metrics tool/system	51	16%	22	8%	18	7%
Other, Please Specify	21	7%	22	8%	13	5%
Total	556	177%	264	100%	255	100%

Figure 30. The BPM software tool that was most important in 2005

The results shown in Figure 30 are interesting, not because they show that process modeling tools were most valuable – that was predictable – but because of the wide variety of other tools that some companies found most valuable. Thus, for example, in 2007 and 2009, 3% of the respondents found a Simulation Tool to be their most valuable business process tool. Similarly, in 2009 7% found some kind of performance metrics tool or system was their most valuable tool. Obviously these responses suggest the range of projects being undertaken by the respondents. It is interesting to see that after a slight decline in 2007, BPMS tools are still in third place and that interest is growing again.

BPMS Tools Used

In 2009 26% of the respondents said that they were using a BPMS tool, up from 24% who said they were using a BPMS tool in 2007 - See Figure 29.

We didn't ask about specific BPMS tools in 2005, but in 2007 and again in 2009 we asked the respondents who were using a BPMS tool to tell us what specific BPMS product they were using. (See Figure 31.).

In 2009, as in 2007, the tools that were most commonly chosen were sold by IBM, Oracle and SAP, which is to be expected. What is more interesting, however, is the degree to which a large number of diverse vendors continue to remain in the market. In spite of considerable consolidation, there are still lots of small to mid-size vendors who are introducing, promoting and selling BPMS products. The numbers per vendor are too small to make a factored analysis of which subgroups are using which tools worth anything. There are no significant differences, for example, between the tools being used by Europeans and those being used in North America.

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If your organization is using a BPMS Suite, what Suite are you using? (Choose one or more) Not asked in 2005.	2005		2007		2009	
Adobe Lifecycle Workflow			3	2%	5	3%
Appian			5	3%	3	2%
Ascentn AgilePoint			0	0%	2	1%
BEA/Fuego BPM Suite			7	4%	5	3%
EMC/Documentum			8	5%	9	5%
Global 360 Ent. BPM Suite			2	1%	2	1%
Handysoft BizFlow			0	0%	1	1%
IBM WebSphere BPM			30	18%	26	15%
IBM/Filenet			19	11%	7	4%
Intalio			6	4%	7	4%
jBPM			1	1%	6	4%
Lombardi			5	3%	9	5%
Metastorm BPM			9	5%	9	5%
Oracle BPEL Process Mang.			15	9%	15	9%
Pegasystems Smart BPM Suite			2	1%	9	5%
SAP NetWeaver			18	11%	13	8%
Savvion			8	5%	4	2%
Singularity			0	0%	1	1%
TIBCO iProcess Suite			11	7%	15	9%
Workpoint			1	1%	0	0%
Ultimus BPM Suite			4	2%	3	2%
webMethods Fabric			7	4%	4	2%
Other, please specify			71	42%	87	51%

Figure 31. BPMS tools being used by respondent's organizations.

What Business Process Initiatives Are Underway Today

To determine what kinds of business process efforts companies were currently engaged in, we asked respondents to choose from a wide variety of BPM initiatives. Notice that in 2009, as in 2007, the largest number of respondents said their organizations were working on the development of an enterprise architecture. That is still the case in 2009, but in fact there is no significant difference between the 37% that said they were focused on an enterprise architecture and the 36% that said they wee focused on major process redesign projects. We interpret this as a shift in emphasis that resulted from a greater emphasis on a project that would show immediate results. It is only a minor shift, reflecting the idea that most companies were treading water but not abandoning enterprise work. (See Figure 32.)

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What business process initiatives are underway in your organization this year (2009)? (Check all that apply)	2005		2007		2009	
Development of an Enterprise Process Architecture	135	42%	111	43%	95	37%
Development of an Enterprise Process Performance Measurement system	79	25%	66	25%	63	24%
Coordinating Enterprise Process Change efforts	86	27%	81	31%	84	33%
Coordinating Enterprise Process Management efforts	79	25%	76	29%	72	28%
Process Manager training	60	19%	58	22%	63	24%
Balanced Scorecard	79	25%	57	22%	36	14%
Major Process Redesign projects	123	38%	93	36%	94	36%
Redesign projects with Frameworks (SCOR, ITIL)	43	13%	31	12%	34	13%
Six Sigma Process Improvement projects	69	21%	66	25%	55	21%
Major Process Automation projects	83	26%	71	27%	60	23%
Process Analysis and Redesign training (Non-Six Sigma)	85	26%	52	20%	56	22%
Lean Six Sigma Process Modeling and Redesign Training	48	15%	56	22%	45	17%
None of the above	35	11%	18	7%	24	9%

Figure 32. Activities in which companies were engaged in 2005

Interestingly, in 2007 as in 2005, the largest number indicated that they were working on the development of an enterprise process architecture. The second largest group is focused on Major Process Redesign projects. Given other indicators that suggest that most companies are between CMMI Level 2 and 3, we see this as an indicator that many companies are at least interested in moving from CMMI Level 2 to Level 3. On the other hand, given the complexities of the BPM market, most companies may be firmly at Level 2, in terms of business process redesign, but be engaged in ERP installations that are leading them to focus on an IT architecture.

SOA and Cloud Computing

This is another new question that we asked for the first time in 2009. We asked respondents to describe how important SOA and Cloud Computing are to their business process efforts. Note that we did not ask about whether companies were using SOA or Cloud Computing, but focused only on whether they were using these technologies in conjunction with their process work.

In spite of all the vendors' promotional efforts, we assumed that most companies weren't ready to use SOA or Cloud Computing in conjunction with their process projects. (These same companies might be using SOA or Cloud Computing for some other purpose, however, but we are only focused on companies that are using these new technologies in conjunction with process efforts.)

As you can see in Figure 33, the largest number of our respondents are not too concerned about SOA or Cloud Computing. 55% are either not interested or just beginning to explore SOA and Cloud Computing.

At the same time, 14% indicated that SOA was very important to their process efforts and 5% said that Cloud Computing was very important. In other words, following Moore (See Appendix I), we would say that Cloud Computing was just coming out of the labs, and has yet to prove that it can cross Moore's chasm. SOA seems to be further along the adoption curve and is probably in the

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process of crossing the chasm and being explored by the early majority. But neither is widely used by BPM practitioners today and vendors will need to continue to promote both technologies if they are to become a key part of BPM. (See Figure 33.)

The vendors are talking quite a bit about BPM and SOA, and even more recently about BPM and Cloud Computing. How important is this to your organization? (Choose one)						
	2005		2007		2009	
We are doing process work and are not too concerned about SOA or Cloud Computing					81	32%
We are beginning to explore SOA or Cloud Computing					58	23%
We are using SOA in conjunction with some of our BPM projects					39	15%
We are using Cloud Computing in conjunction with some of our BPM projects					11	4%
SOA is very important to us					37	15%
Cloud Computing is very important to us					13	5%
Other, please specify					18	7%
Total					257	100%

Figure 33. Process work and SOA or cloud computing

Forty-one percent (41%) of the respondents from North America said that neither SOA or Cloud Computing were very important to their organizations. By contrast, only 24% of the Europeans responded in the same way. Eighteen percent (18%) of Europeans said that SOA was very important to them while only 11% of North American respondents said the same. On the other hand only 5% of the Europeans or the North Americans said that Cloud Computing was very important. Of the various industry groups, the government and military respondents, 27%, said that SOA was very important to their organizations and 7% indicated that Cloud Computing was very important. All respondents from large companies were slightly more interested in SOA and Cloud Computing than the average, but only 16% of the respondents from large companies said SOA was very important and only 6% said that Cloud Computing was very important to them.

We have been impressed with how much BPM practitioners have been asked to absorb in the last decade. Initially, BPMS tools were XML based tools that included modeling, EAI and Workflow. No sooner did most process practitioners begin to master these terms than BPMS was expanded to include Business Rules, and then Data Mining and Business Intelligence. Within the past three years the BPMS tool set has expanded to include SOA, and within the past two years the vendors have begun to promote Cloud Computing. When you consider that most companies are still trying to model their core processes, this onslaught of technologies, one after another, has been a bit overwhelming, and we aren't surprised at all that most companies would be uninterested in trying to master the newest additions to the BPMS mix. In fact, it's surprising that as many companies have embraced SOA, given how new it is.

What is Your Biggest Challenge As You Seek to Gain Widespread Acceptance for Business Process Efforts at Your Organization

We also added a question to the 2009 survey to inquire about obstacles to wider acceptance of business processes within organizations. (See Figure 34.)

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What obstacle or challenge do you face as you try to gain widespread acceptance of business process efforts at your organization? (Choose one or more)						
	2005		2007		2009	
Senior management isn't interested or is focused elsewhere					98	38%
Management wants ROI estimates that we can not produce					69	27%
We have multiple process change efforts competing for attention					126	49%
We have had process projects that failed and management is cautious					30	12%
Management does not want to make the investment at this time					60	23%
Other, please specify					39	15%

Figure 34. Challenges to widespread acceptance of process efforts

We were actually surprised at the responses to this question. Although we have had people remark on the confusion generated by competing process efforts fighting for attention, we did not expect it to emerge as the leading obstacle to gaining process acceptance. We were not surprised that 38% of the respondents said that senior management wasn't interested or was distracted. Given the economic downturn in 2009, senior executives can be excused for being focused on external events and on finances and the economy. Moreover, we suspect that the downturn had something to do with the fact that many management teams were calling for action to reduce costs and that several different groups – from Six Sigma to Process Redesign to IT – were suddenly offering solutions. But that nearly half our respondents highlighted the problem of competing process change initiatives strongly underscores what should be the major Business Process Management message – that processes are an asset and should be managed or at least coordinated by a single entity.

There are only a few organizations who have gone so far as to establish a Chief Process Officer, but many have established Business Process Management Centers of Excellence (BPM CoE) and many more are talking about BPM and putting a major emphasis on the centralized MANAGEMENT of the organization's process initiatives. If the lack of such central coordination is really the major problem that half our respondents' organizations face, then we can expect that centralization is going to become a growing issue in the near future.

Doing ROI on small projects is usually easy, so the fact that 27% say they have trouble with ROI suggests that they are concerned with larger process projects. Process redesign projects that introduce new technology are always hard to cost accurately, since the organization isn't sure exactly what it will cost to get the technology implemented. Harder, however, are process management projects, like an effort to establish a business architecture or a BPM CoE. Clearly, neither of these management initiatives generates any profit in its own right. One doesn't create a process architecture to make money - one creates it to provide tools and data one can use to improve process management. It's very like creating an accounting system. The accounting system doesn't create value, but it's a necessary tool that managers need to handle the finances of the company. Senior management of a startup would never argue about the costs for developing an accounting system, because they know it will be needed. Executives often do argue about the costs of process architecture work because they don't realize that they need an accurate description of all their processes as part of an ongoing effort to gather good data on how processes are performing. Thus, in a real sense, selling the idea of enterprise process work is tightly integrated with how well senior executives understand and value processes.

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Plans for the Future

BPM Products and Services Being Considered for the Coming Year

Earlier, we asked respondents what products and services they were currently using. In this question we asked them what products or services their organizations were likely to purchase in the coming year. In other words, in September of 2009, we asked respondents what tools they were likely to purchase in late 2009 or in 2010.

What BPM products and services is your organization planning on purchasing during the remainder of 2009 or in 2010? (Choose all that apply)						
	2005		2007		2009	
Graphics Modeling tool (Visio, PowerPoint)	50	20%	37	15%	38	16%
Repository based Modeling tool (MEGA, IBM Modeler, ProVision)	58	23%	56	23%	49	21%
BPM Suite that can manage the runtime execution of a business process	28	11%	61	25%	48	21%
Tool for managing a Rule-based process or application	67	26%	37	15%	34	15%
Process Monitoring/BI tool that can feed information to an executive dashboard	38	15%	56	23%	50	22%
Training in Process Strategy, Architecture or Performance	55	22%	54	22%	43	19%
Training in Process Analysis and Design	54	21%	70	29%	52	22%
Training in Process Redesign and Improvement Methodology	70	27%	55	23%	45	19%
Training in BPM Systems	42	16%	52	22%	49	21%
Attendance at BPM Conferences	84	33%	97	40%	84	36%
Other, Please Specify	32	13%	31	13%	41	18%

Figure 35. Products and services companies are considering acquiring in 2010

As in past years, the item most respondents said they would purchase is BPM conference attendance. Otherwise the overall pattern remains largely the same and the wide variety of different products and services that companies are acquiring continues to be impressive.

In 2005, 7% of our respondents said they were using BPMS products and 11% said they hoped to acquire a BPMS product during 2005 or 2006. At the end of 2007, 24% of our respondents said they had a BPMS product and 25% said they were likely to acquire one in 2008. In 2009, 37% said they were using a BPMS product, and 21% said they would be acquiring BPMS products in the coming 13 months. This suggests that the BPMS market is growing and will continue to grow in spite of the economic slowdown.

As a broad generalization, large companies are more likely to acquire nearly everything listed in Figure 35 than Small and Midsized companies.

Areas in Which Companies Will Be Active

We asked all respondents to tell us what they expected their organizations to focus on in 2010. We suggested a number of activities and asked if their organizations would be less active in that area than they had been the year before, more active in that area than the year before, or whether they expected to put the same degree of effort into that area in the coming year that they had in the past year. Note that in this case, since there are three possible responses per item, we have reported the absolute number of responses on the top line and the percent on the second line. (See Figure 36)

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Please indicate whether you expect your organization to be more active, less active, or about as active in 2010 in each of the following areas:										
Top number is count of respondents selecting option. Percent is of the total respondents selecting the option.	**2005**				**2007**				**2009**	
	More	**Less**	**Same**		**More**	**Less**	**Same**		**More**	**Less**	**Same**
Development of an Enterprise Process Architecture	167	30	121		151	9	104		125	21	107
	53%	9%	38%		57%	3%	39%		49%	8%	42%
Development of an Enterprise Process Performance Measurement system	167	30	121		147	10	104		123	21	111
	53%	9%	38%		56%	4%	40%		48%	8%	44%
Coordinating Enterprise Process Change efforts	159	27	126		148	18	97		116	22	113
	51%	9%	40%		56%	7%	37%		46%	9%	45%
Coordinating Enterprise Process Management efforts	165	27	117		158	18	84		115	23	115
	53%	9%	38%		61%	7%	32%		45%	9%	45%
Process Manager training	120	43	148		117	21	123		85	36	129
	39%	14%	48%		45%	8%	47%		34%	14%	52%
Balanced Scorecard	86	50	170		82	35	139		60	28	161
	28%	16%	56%		32%	14%	54%		24%	11%	65%
Major Process Redesign projects	155	50	105		125	28	106		105	31	115
	50%	16%	34%		48%	11%	41%		42%	12%	46%
Redesign projects using Frameworks (SCOR, ITIL)	79	55	159		52	47	145		44	57	141
	27%	19%	54%		21%	19%	59%		18%	24%	58%
Six Sigma Process Improvement projects	76	73	145		56	54	140		52	48	142
	26%	25%	49%		22%	22%	56%		21%	20%	59%
Major Process Automation projects	136	44	117		112	30	109		89	38	119
	46%	15%	39%		45%	12%	43%		36%	15%	48%
Process Analysis and Redesign training (Non-Six Sigma)	109	46	142		113	33	105		84	39	123
	37%	15%	48%		45%	13%	42%		34%	16%	50%
Lean Six Sigma training	52	67	169		53	59	128		54	57	132
	18%	23%	59%		22%	25%	53%		22%	23%	54%
Development of Business Rules systems	110	44	136		87	46	111		81	42	122
	38%	15%	47%		36%	19%	45%		33%	17%	50%
Development of BAM or Real-Time Monitoring systems	85	48	148		79	52	112		75	50	118
	30%	17%	53%		33%	21%	46%		31%	21%	49%
Development of SOA or Cloud infrastructure to support our BPM efforts									93	37	115

Figure 36. Areas in which companies expect to be active in 2010.

We added one new item to the question, in 2009, on SOA and Cloud computing, and therefore have no data from earlier years on that item. We realize that the data in Figure 36 can be a bit

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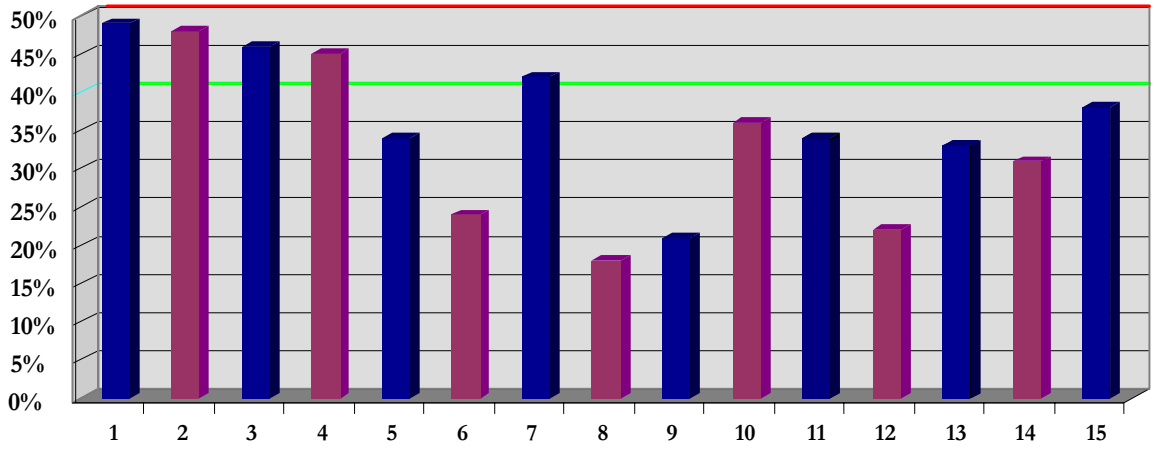
over-whelming and have summarized the results below.

A Summary of Future Plans

First, as a broad generalization, from 30% to 48% of our respondents indicated that their companies are more likely to do more in 2010. More than half consistently indicated they will do at least as much or more than they did in 2009. There is no area in which a majority of respondents indicated that their company will be doing less. Figure 36 compares the various responses to highlight where respondents indicated their companies will be most active. In each case we show how many of the respondents indicated that their organizations will be doing more in 2010.



1. Development of an Enterprise Process Architecture
2. Development of an Enterprise Process Performance Measurement System
3. Coordinating Enterprise Process Change Efforts
4. Coordinating Enterprise Process Management Efforts
5. Process Manager Training
6. Balanced Scorecard
7. Major Process Redesign Projects
8. Redesign Projects using Frameworks (SCOR, ITIL)
9. Six Sigma Process Improvement projects
10. Major Process Automation projects
11. Process Analysis and Redesign training (Non-Six Sigma)
12. Lean Six Sigma Training
13. Development of Business Rules Systems
14. Development of BAM or Real-Time Monitoring Systems
15. Development of SOA or Cloud Infrastructure to Support BPM Efforts

Figure 37. Areas in which respondents expect their organizations will spend more in 2010

In 2007 when we prepared a similar chart, more than 50% of the respondents said their organization would be doing more in the first four areas listed above. In 2009 there was no single area in which more than 50% of the respondents said their organizations would be doing more.

On the other hand, in 2007 there was no area in which more than 50% of the respondents said their organizations would be doing less than they had done the previous year and that is also true in 2009. There's no sense in which companies are abandoning their commitment to BPM, but there is a sense in which many are advancing a little more slowly, especially on the enterprise front.

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Summary

2009 was a difficult year. Everyone was concerned about the financial downturn. Even if one's own organization seemed in good shape, there were customers who were delaying orders and suppliers that were having difficulties. We considered delaying our survey to avoid what we assumed would be a temporary slowdown in the ongoing development of the BPM market, but ultimately decided readers would rather have information on what was happening in the market today.

As a broad generalization, the results show that the business process market is in good shape. Companies certainly cut back in 2009, but the effect was to slow the overall growth of the market, not to halt or reverse it. Moreover, in some key areas, like process redesign and BPMS, the market continued to grow.

It is often held that BPM is resistant to a slow down. In good years, companies do BPM to expand, to enter new markets, and gain competitive advantage by innovating. In bad years, companies do BPM to save costs and to refine processes that were developed in better times. That is exactly what happened in 2009.

Nobody seems to know much about how the world economy will fare in 2010, but most of our respondents seem to be optimistic. Between 30% and 48% of our respondents think their companies will be investing more money in a wide variety of business process initiatives in 2010 than they did in 2009 and more think that they will be spending at least as much in 2010 as they spent in 2009.

BPTrends often uses a pyramid to describe the BPM activities at the Enterprise Level, the Process Level and the Implementation Level. Figure 38 describes the various activities and levels where respondents expect to see more spending in 2010.

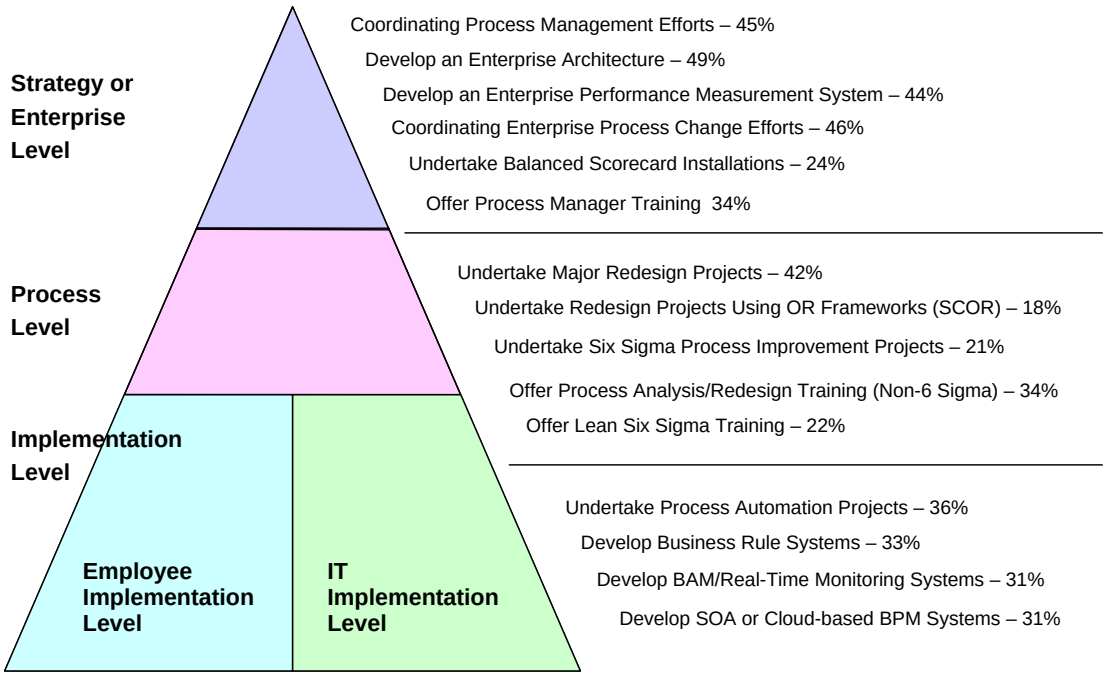

Figure 38. Respondents indicating their companies will be doing more in 2010

Looking at longer term trends, we have been asking questions since 2005 to try to gauge the overall process maturity of organizations and to track the growth in process maturity. The 2009 results suggest that companies are continuing to become more mature. Most companies are probably still primarily focused on documenting, modeling and improving processes at the departmental level.

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Compared to 2007, however, most companies are also working on enterprise modeling and are increasingly interested in developing the tools they need to allow for enterprise-wide measurement and management of their process assets.

Broadly, organizations in North America and Europe seem to be progressing at the same rate. There are some areas where the tendency of European organizations to model and rely on methodologies puts them ahead, and there are other areas where the tendency of North American organizations to jump on new technologies and to innovate gives them an edge. But most companies in both regions are remarkably similar. The pressures that a global economy places on all organizations to become more productive and more efficient is everywhere the same.

The variety of activities that fall under the broad umbrella of "business process management" is still very diverse, but there seems to be a growing consensus that there is a need to integrate approaches to BPM and to cross train practitioners in a variety of process techniques including Lean, Six Sigma, business rules, business process and business analysis. Slowly but surely a process discipline is emerging.

At the same time, software vendors are slowly but surely evolving more comprehensive and highly integrated BPM platforms or suites that will support practitioners in a wide variety of projects. There are still real barriers to the use of BPMS. Until most companies understand their business processes better, they will be ill positioned to take advantage of the capabilities that these new software products offer. In spite of problems, however, the BPMS market continues to grow steadily and respondents expect it to grow again in 2010.

As we noted at the beginning, BPM is a complex subject that contains many specific technologies. Some have been around for decades and some have only begun to be explored in the past few years. Companies of all sizes, in all geographical areas, are exploring BPM options. They are moving more rapidly toward adopting more established techniques – like process modeling and redesign – and more slowly when faced with newer technologies like BPMS and automated process monitoring systems. An even larger group of companies, worldwide, are attending conferences and obtaining training in order to better understand their options. Broadly, however, leading companies increasingly believe that BPM is a top-down methodology designed to organize, manage, and measure the organization based on the organization's core processes, and they are moving ahead to determine how to implement technologies that will help them do that.

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Appendix I
Concepts Used in the Report

We have assumed most readers are familiar with the terms and concepts widely used on the Business Process Trends website. For readers who might not be familiar with these terms or concepts, we briefly describe them below. In this report we have relied on four different sets of related terms or concepts:

- **BPTrends Levels.** The BPTrends Pyramid provides a way of defining the various levels of BPM activity within an organization and the types of activities associated with each level.
- **CMMI or Process Maturity Levels.** CMMI defines five levels of process maturity. Organizations at Level 1 do not support processes in any significant way and are immature. Level 5 organizations are completely mature and have mastered the use of processes.
- **BPTrends Process Software Tools Classification**. This classification describes the terms we use to describe the various types of BPM software products and the relationships among them.
- **Geoffrey Moore's Technology Lifecycle Model**. This popular model describes how new technologies evolve. We refer to this model in order to provide insight into the maturity of the BPM market as a whole and to describe the maturity of some of the more specific niches we discuss in this report.

We consider each in sufficient detail to allow readers to understand how the terms are used in this report.

The BPTrends Pyramid

The BPTrends Pyramid describes three groups of business process activities that occur at different levels within an organization.

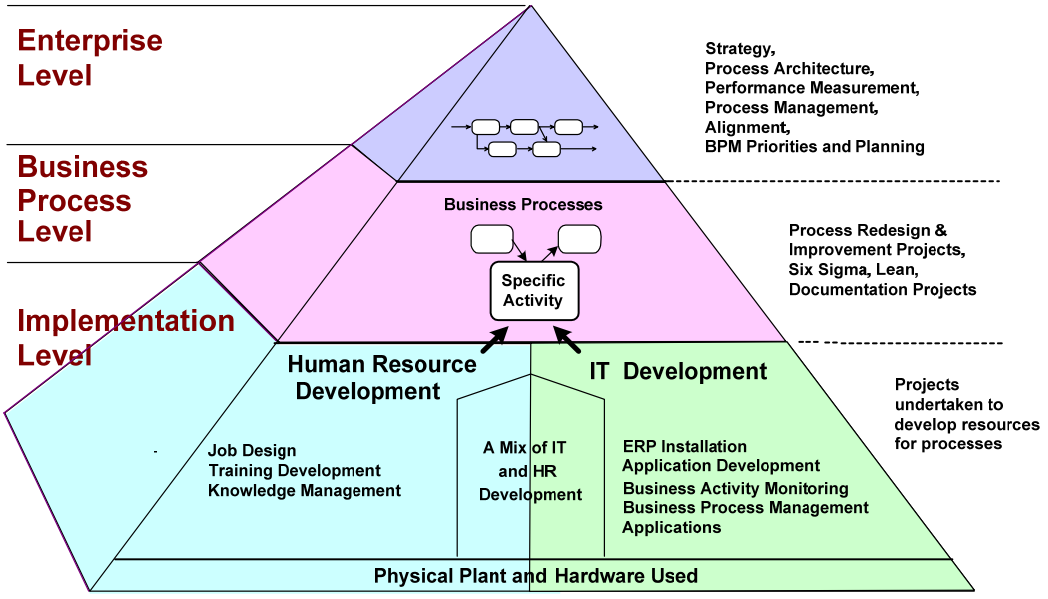

Figure 39. The BPTrends Pyramid and levels of corporate BP activity

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The Enterprise Level

Enterprise Level activities occur at higher levels in the organization and are independent of any specific day-to-day processes. Enterprise Level activities focus on aligning strategy and processes, on defining an enterprise-wide business process architecture, on defining enterprise performance measures, and on aligning them with value chains and high-level processes. Other enterprise level activities involve the establishment of a process management system and on developing ways of surveying all of the organization's process needs and establishing priorities and plans to assure that processes are changed and maintained.

The Process Level

Process Level activities are organized into projects. Typical process level projects include efforts to document processes (ISO 9000), projects to create new processes or to redesign existing processes, or projects to improve existing processes (Lean, Six Sigma). Typical process analysis, design, and modeling activities all occur at this level.

The Implementation Level

The Implementation Level provides the resources needed to implement process change projects. In essence, a redesign team, operating at the Process Level, may specify that a given process should be redesigned to incorporate the use of a new software application. Thus, at least one, and probably several, new projects are initiated to develop or acquire and tailor the new software application, to train employees in the use of the new software application, and so forth. Projects undertaken to provide support resources for process change efforts occur at the Implementation Level. There are specific tools, notations, and methodologies that are, generally speaking, only used at the Implementation Level – for. example, a software development methodology like RUP or a notation like UML.

CMMI Maturity Levels

The concept of Process Maturity Levels was developed at the Software Engineering Institute (SEI) at Carnegie Mellon University in the Nineties, based on quality work originally undertaken by Watts Humphrey. Originally developed to support the analysis of software process maturity (CMM), the latest version, the Capability Maturity Model Integrated (CMMI) has been generalized so that it can be applied to any of a wide variety of processes in diverse organizations. (See Figure 40.)

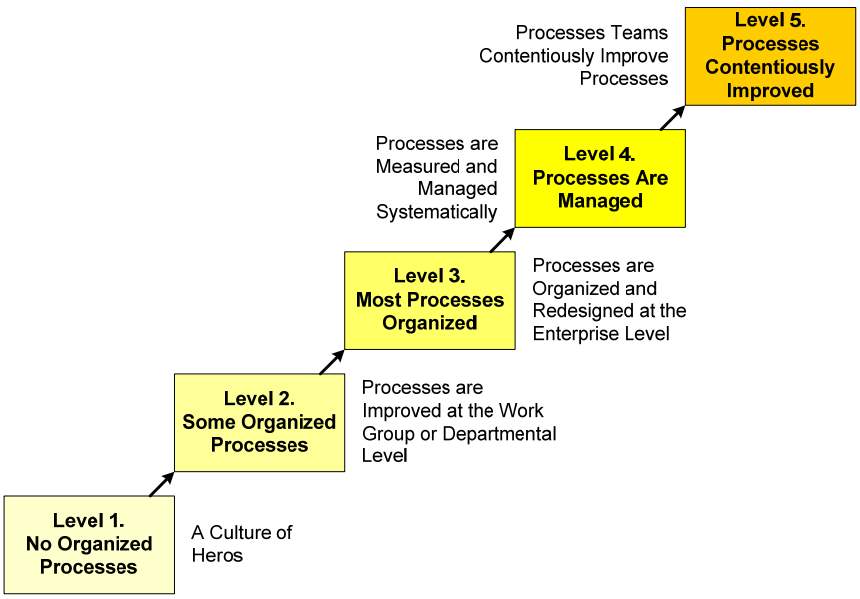

Figure 40. An Overview of the basic CMMI maturity levels

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Software organizations often pay SEI certified evaluators to do a formal evaluation to determine where their organizations are on the CMMI scale. Many other companies do informal evaluations, based on the broad concepts inherent in the CMMI "stair step diagram." What follows is an informal description of the CMMI process maturity model.

Level 1. No Organized Processes

Level 1 organizations don't rely on processes. Things get done according to plans made on the fly. CMMI folks often refer to them as organizations based on heroes. Things get done because someone makes a heroic effort and gets the report out at the last minute. If someone asks how long something will take, or what resources will be needed, those answering the question are just making a guess – they don't have a systematic procedure or the data needed to provide accurate answers to these questions.

Level 2. Some Organized Processes

When organizations first began to embrace processes, they begin by trying to define their core or most commonly used processes. At this stage, they don't conceptualize the entire company as a set of processes, all interrelated, but focus only on a specific process as it functions within some more or less arbitrary set of boundaries. Level 2 Organizations have several of their major processes defined.

Level 3. Most Processes Organized

Level 3 organizations have most of their processes defined. They not only have models of their core business processes, but understand how management and support processes work to support those processes. Most Level 3 organizations have a process architecture that shows how all of the organizations in the company function. Thus, if there is a problem, it's easy to quickly identify the processes that could be causing the problem and the implications for any suggested change.

Level 4. Processes Are Managed

Level 4 organizations have gone well beyond simply defining all their processes. These organizations have process managers who gather data on process performance and customer satisfaction and use this data to make decisions about how to optimize the processes they manage.

Level 5. Processes Are Continuously Improved

Level 5 organizations have built processes right into the essence of the organization. They know their processes and manage their processes. Moreover, they have systems in place to constantly improve their processes whenever possible.

Most organizations are not, of course, right at one level or another. Studies have suggested that most organizations in the US are somewhere between Level 2 and Level 3, trying to expand the processes they have modeled and understand into a complete process architecture. Similarly, a smaller group of companies are between Levels 3 and 4. They are working to establish process management and measurement systems throughout the company.

In large organizations, it is common to find that one division or group will be at a different level of maturity than other groups or divisions within the same organization.

Types of Business Process Software Tools

We have assumed that most of the respondents to our survey have been reading BPTrends and know how we classify business process software tools. We have used our classification, which is described in Figure 41, to identify types of tools and to suggest some of the ways the various tools or techniques overlap with each other. For those who may be unfamiliar, we have described the major types of business process software tools.

Simple Graphics Tools

A significant portion of the companies seeking to describe or document business processes use either Word to create outlines, or graphics tools like Visio or PowerPoint. The advantage these tools offer is simplicity and familiarity. Most business managers already have them and are familiar with their

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use. The disadvantage of these products is that they are not designed to create a database or repository that can save and accumulate information about business processes. Thus, they tend to be used on isolated business process projects. It is nearly impossible to maintain business process documentation in these tools, and, thus, redesigns done using these products tend to be useless for subsequent redesign projects or for the development of an enterprise process architecture.

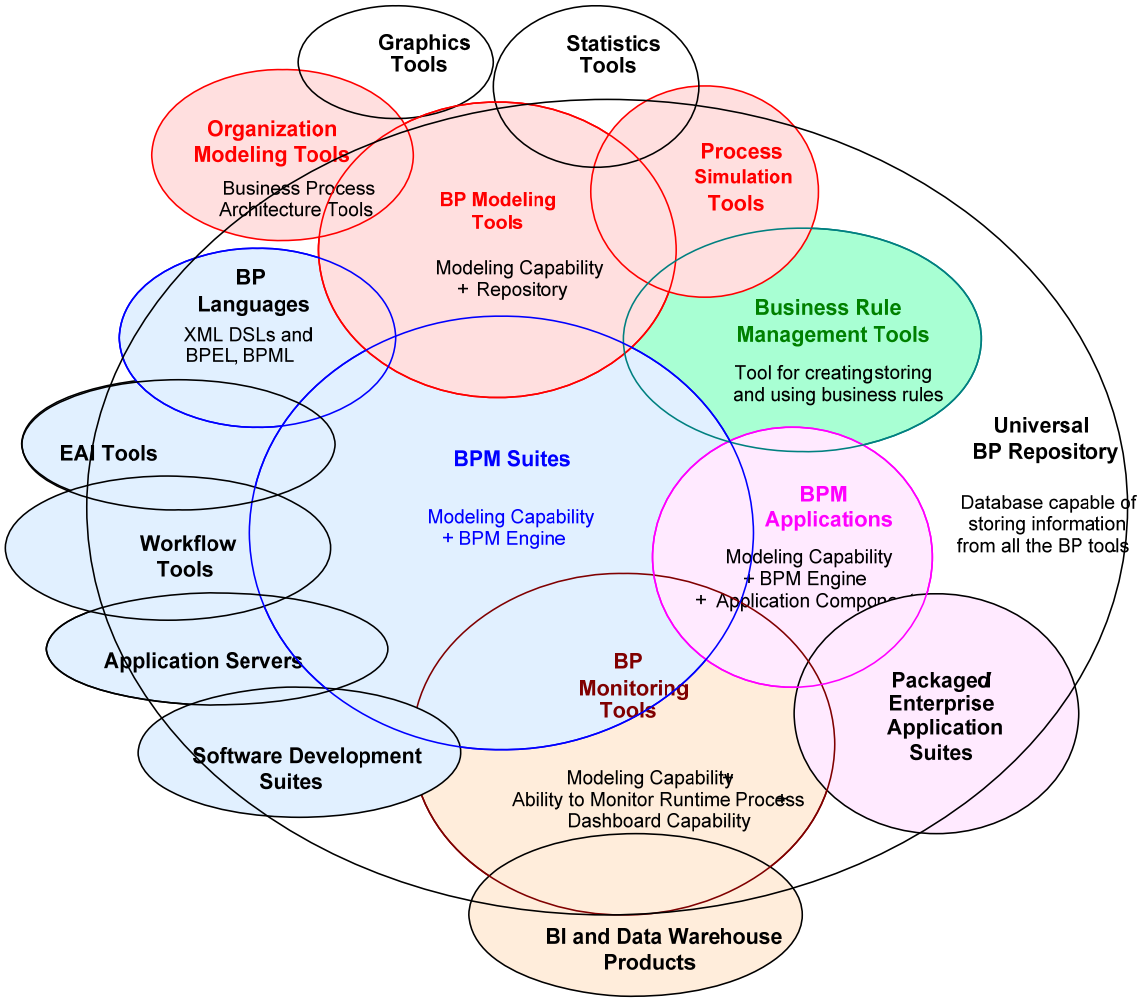

Figure 41. Major types of software tools used by business process practitioners

Business Process Modeling Tools (BP Modeling Tools)

Business Process Modeling tools are designed to not only define and document business processes, but to store information about the processes so that they can be easily updated and maintained. Companies that move beyond isolated process change efforts and decide to define enterprise-wide process architectures, almost always shift to one of these tools. They are more difficult to learn but the benefits they provide far outweigh the effort. required..

Organization Modeling Tools

Many of BP Modeling tools include features that allow users to create modeling of their organization. In essence, these models are very high-level views of how the organization interacts with its environment, what value chains and major business processes it supports, and how high-level processes are aligned with various types of enterprise resources. Many of the BP Modeling tools include these capabilities and some tools specialize in Organization Modeling.

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Business Process Simulation Tools

Most BP Modeling tools include simulation capabilities. In addition, there are some tools that are especially designed for more demanding Simulation work. Most BP Modeling teams turn to specialists to undertake simulation studies, and those specialists often prefer the more sophisticated Simulation Tools.

Business Process Management Suites or Systems (BPMS Tools)

These tools combine process modeling with runtime execution. In essence, they combine features previously found in workflow and EAI (Enterprise Application Integration) products. In some cases the tools also incorporate Rule Management and Process Monitoring capabilities. These tools are newer and are just beginning to gain a foothold in most companies. In the long run, they promise to help companies create a process layer between those who define and manage processes and the software resources used to implement processes.

BPM Applications

In essence, BPM Suites are tools that one uses to create BPM Applications. A BPM application is an application that is used to manage all of the people and software systems used to implement a specific process. Whenever the organization is called upon to execute a specific process, it relies on the BPM application to manage the execution. In a few years, as BPMS become more widely used, we expect to see applications offered with BPMS built-in. Conversely, we expect ERP and CRM vendors to offer BPM Applications especially designed to integrate with their current ERP or CRM modules. A BPMS is only a tool for building a BPM application. A BPM application is an application designed to execute a specific process with BPMS built to enable managers to modify the application as needed.

Business Process Monitoring Tools

Most BPMS tools offer some process monitoring capabilities. They tend, for example, to provide information about process events to the process supervisors. Other BPMS tools, and more sophisticated monitoring tools, combine data from specific processes with information derived from other sources in a Data Warehouse and then use simulation techniques or Business Intelligence (BI or Data Mining) techniques to abstract patterns from the data and to report this "overview" information to executives via Executive Dashboards in something close to real-time. These tools are sometimes called Business Activity Monitoring (BAM) tools.

Rule Management Tools

Most BP Modeling tools allow analysts to identify and save business rules. Most BPMS tools incorporate rule management tools that at least allow for the identification of business rules used in specific business processes. In some cases the Rule Management tools can be used to actually analyze business rules at runtime and generate or suggest decisions using logical inferencing techniques.

BPTrends has published extensive reports on Business Process Modeling and Simulation Tools, on BPM Suites, and on Business Rule Tools. These reports are available free of charge on www.bptrends.com

Geoffrey Moore's Technology Lifecycle Model

Geoffrey Moore is a high tech marketing guru who has been involved in numerous technology launches. He wrote a very popular book, *Crossing the Chasm*, (Harper Business, 1991) which describes the lifecycle of new technologies and the problems they face gaining widespread acceptance.

Innovators

New technologies, according to Moore, are initially adopted by Innovators, companies that are focused on new technologies and are willing to work hard to make a new technology work in order to gain an early advantage. Innovators have their own teams of sophisticated technologists and are willing to work with academics and vendors to create highly tailored solutions.

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Early Adopters

Once the Innovators prove that a new technology can be made to work, Early Adopters follow. Early Adopters are not focused on new technologies, as such, but on new business approaches that can give them a competitive advantage. They are less technologically sophisticated than Innovators, but still willing to work hard to make a new technology perform, if they see a clear business advantage. (See Figure 42)

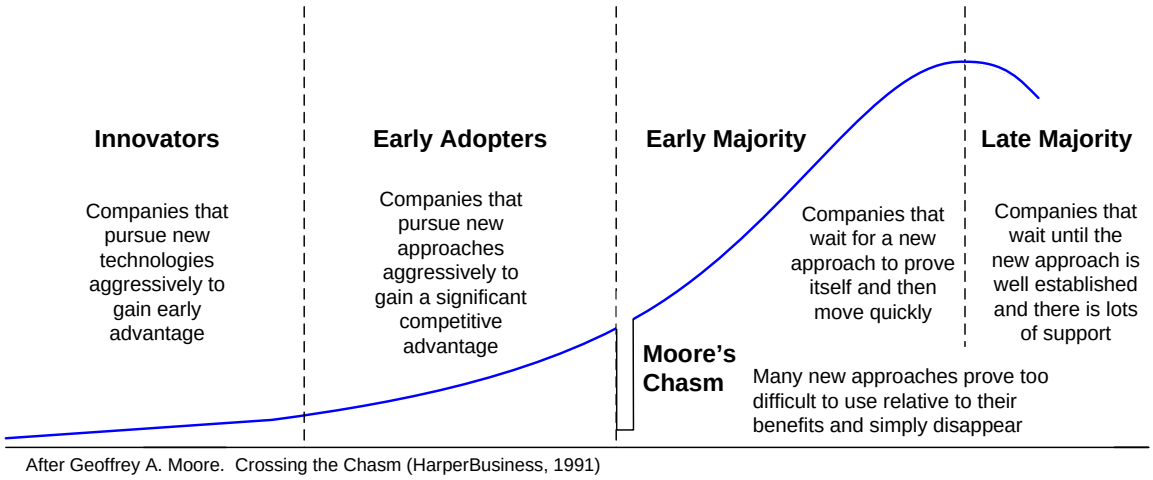

Figure 42. Moore's technology adoption life cycle curve.

The Early Majority

The market for a new technology doesn't really get hot until the Early Majority are convinced to adopt the technology. The Early Majority represent some 35% of the market. They won't adopt new technology until they consider it well-proven. In fact, they aren't interested in technology at all, and don't have a lot of sophisticated technologists who are willing to struggle with the technology. They wait for case studies to show that the technology really provides the benefits that are claimed. And they insist on products that make it easy for less sophisticated developers to deploy the technology quickly, without significant difficulties.

Moore's Chasm

Moore's Chasm looms between Early Adopters and the Early Majority. Lots of technological innovations that are tried by Early Adopters fail to gain sufficient acceptance to pass the criteria of the Early Majority. The new technology gets lots of publicity, for awhile. Conferences are launched to provide information about the technology and it is described in glowing articles in all the high-tech magazines and business publications that are always touting the next new thing. Ultimately, however, the technology fails to produce enough concrete proof of usability and benefits to convince the Early Majority to make an investment, and the technology drops out of sight.

The Late Majority and the Laggards

The Late Majority, like the Laggards who lie even further to the right, are reluctant to spend money or take chances on new approaches. They wait till their competitors among the Early Majority have started gaining benefits from the technology, and then follow suit, reluctantly.

When you go to conferences and hear vendors talking about the technological features of their product and why it's better technology than whatever came before, you are in an Innovator's Market. When the market begins to transition to Early Adopters, you begin to hear more business cases and get information on specific benefits. This is also the time when vendors begin to worry about wider acceptance, and become concerned with standards, user interfaces, and assuring their products can work with legacy applications. If the technology is really successful and crosses the chasm, the technology conferences tend to drop away, and the vendors begin to show up at traditional business

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shows and promote their products as a cost-effective way to solve a class of business problems. The majority don't care about technology. They just want to solve business problems quickly and effectively and to stay ahead or at least even with their competitors.

When a new technology is first introduced, lots of relatively small vendors rush to offer products. As long as the market is small, ironically, the number of vendors is large. No one vendor makes very much money, but they are full of hopes, each believing that their technological approach is superior. As the market grows and customers become a little more sophisticated, they begin to demand more comprehensive products and features like support for evolving standards. It is not uncommon for products to go through 3-4 generations in the course of 2-3 years. The cost of constantly developing new versions of one's product, coupled with the need for more aggressive advertising, forces the smaller vendors to search for capital to continue to remain competitive.

Sometime during the Early Adopter phase of the market, the major vendors begin to incorporate the technology into their more comprehensive offerings, and begin to promote the technology. In effect, the large vendors guarantee that the new technology is safe. As the competition heats up, most of the small vendors disappear. Some are acquired by large vendors. Many decide to specialize in industry or niche specific markets. Others simply fail to earn enough money to survive. The key thing, however, is that Majority companies only buy from established vendors who they are reasonably confident can provide the rather extensive support they will require and who they are sure will still be in business 5 or 10 years from now. Thus, if a new technology succeeds in crossing Moore's chasm, the leading vendors will be companies like IBM, Microsoft, and SAP. One or two of the new startups may have been successful enough to have grown into a 100 million dollar company and still be viable in the Majority market, but most won't make it.

Moore's Model and BPM Market

Unfortunately, it is not easy to apply Moore's model to the BPM market, as a whole, because today's BPM market is really lots of separate markets. The most important distinction is between those engaged in helping companies improve their business processes and those working to provide software tools that will enable some kind of process automation. Even within these segments, however, there are important distinctions, as for example, between the process modeling software tools that have been widely adopted, and the BPMS tools that are still in the Early Adaptor phase.

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