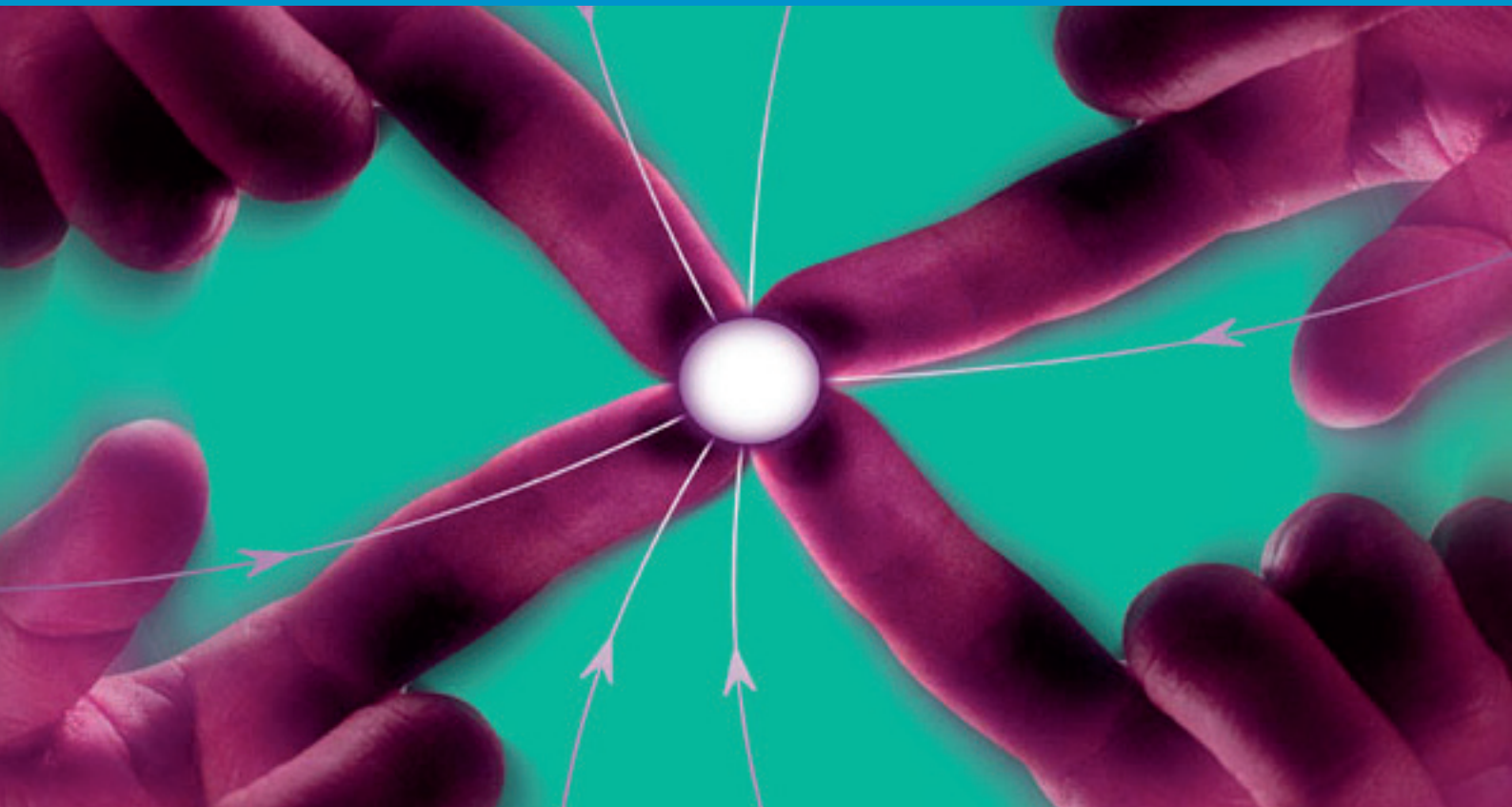


BUSINESS PROCESS MANAGEMENT



The competitive differentiation that BPM supports can easily leave businesses too far behind the competitors who adopt BPM, as these competitors agilely respond to market changes.

Terry Schurter

Management Summary	1
BPM Toolset Sub-types	2
Buying Criteria	4
Market trends and future directions	5
Six key product components of BPM	6
The BPM Landscape	8
Vendors	13
Appendix A—The Landscape	25
Appendix B—Vendor Details	27
Appendix C—Further Information	28
Appendix D—About the Authors	29
Bloor Research overview	30
Copyright & disclaimer	31

BPM has become a leading agenda item in corporate strategy and technology investment for companies of all sizes, markets and geographies. The BPM market is growing rapidly and this growth trend is expected to continue unabated for quite some time. But this market is not at all like the enterprise software markets that precede it. BPM is the first of a new class of software—next generation business enablers—that bear little similarity to software of the past.

This report focuses on the “best of breed” vendors who offer:

- a. A broad range of functionality to support Business Process Management within their product(s).
- b. Product(s) that work seamlessly together to offer a composite BPM toolset at a low development and maintenance requirement level.
- c. Business Process Management domain knowledge as part of their overall offering—ranging from product features to supporting features services.

Because the BPM market is growing so rapidly, and is being embraced in one form or another by so many vendors, this report focuses on the BPM “best of breed” definition that fully enables next generation business. Only vendors meeting this criterion have been included in this report.

It is important to note how BPM software has made it onto the strategy and technology investment shortlist of so many organizations. The most dramatic aspect of this is the fact that BPM is there primarily through the interest of business users in the organization as opposed to technology users. BPM software is the first major investment item on IT budgets that has been driven there by business user demand (and success), although in many cases BPM has since moved over (or now been lead by) people in IT roles.

To place this report, and the vendors it covers, into context, it is necessary to review the value proposition of BPM software, the reasons why business users have lead the early adoption phase, and what broad-scale values can be derived from its application that qualifies it as a next generation business enabler.

In that discussion, it must first be pointed out that BPM is both practice and product, a fact that immediately differentiates it from preceding generation technology. The value to be gained from BPM software is tightly intertwined with new business practices adopted as part of the use of BPM software. In the category of BPM software, technology without practice represents, at best, short-term, minimal return on investment.

The surface value of BPM is cost reduction, performance increases, improved quality, and compliance. The deeper value is:

- Investment and activities are primarily ROI based.
- Business people are key participants in design, configuration, change and management.
- True agility is attained through identification, simplification and automation of real processes.
- Real-time visibility into the real activities of the organization is achieved (as a direct relationship to executing processes, not an inferred or derived view),
- The Business–IT gap is finally bridged.
- Businesses can rapidly and radically change core processes (their products) against changing market conditions and strategy.
- Promotes the application of, and leverages the use of, human insight and innovation.

The focus on simplicity does not limit itself to processes. As early adopters have proven, business processes that overlay the existing technology stack—only touching the existing stack where necessary—have produced radical freedom in leveraging innovative human talent in the organization to achieve business goals. The stories are compelling, but they all have the same theme. It is by keeping BPM at this overlay use that these benefits are actually realized. Dropping BPM down into tight integration with a composite technology stack induces too many dependencies. Those dependencies reduce agility, force constraints and stifle innovation. This is the reason that BPM has been originally brought into the organization by business users. Technology users are taking more time to adjust to the change BPM represents but those initiatives driven by technology leadership are incorporating this same “overlay” approach under the umbrella “services” concept that also sits behind Service Oriented Architecture (SOA).

BPM products are (and have been) in a continual state of flux. The implications behind managing core business activities by process are extremely far reaching, and we have only begun the journey down that path. However, this evolution is based on grounded understanding of the basics of process management by most vendors so the evolution will be one of expanded use and capability as opposed to redefinition of the groundwork already laid. That said, it is certainly possible that new understanding from applying BPM will eventually force changes back to the base foundation, yet that should not deter investment in this key area of business—the value is simply too great.

Businesses are well advised to build a BPM strategy now (if they have not yet started). The competitive differentiation that BPM supports can easily leave businesses too far behind the competitors who adopt BPM, as these competitors agilely respond to market changes. BPM should be on every organization’s list; as a strategic activity that is necessary for business survival.

There are two BPM sub-types—people-centric toolsets and systems-centric toolsets. Both sub-types address the same general domain—that of business processes—yet the process development environment of these sub-types differ substantially, as does the general nature of the processes themselves.

To place these sub-types into perspective, it helps to review the Bloor Research process technology diagram (Figure 1).

From this diagram it can be observed that BPM peaks by “touching” the business interfaces of the organization which includes (internally) people-to-people, people-to-system and system-to-system. However, this is also the same set of interfaces that apply externally to the business (Including customers, partners, suppliers, etc).

Here can be drawn the conclusion that some processes will touch more systems than people, while others will touch more people than systems. The number of business processes that only touch people or only touch systems is statistically insignificant.

This identifies a key point in the analysis of the BPM market—that for a BPM product to be “viable” as a tool for supporting Business Process Management it must support both people and systems as process actors.

Products that do not support both people and system process actors are not included in this report.

Though some analysis of the BPM market would suggest that there are “human-centric” and “systems-centric” BPM products—and that these are different markets—Bloor believes that there are instead 2 sub-types of the BPM market that differ more by the process development paradigm than by function. The implication is that products, regardless of sub-type, can support the full range of features, functions and process actors needed to support Business Process Management initiatives.

Based on this perspective, Bloor has categorised two distinct BPM sub-types as “people-centric” and “systems-centric” based on differences in the business development environment and process development approach. This is further illustrated in Figure 2.

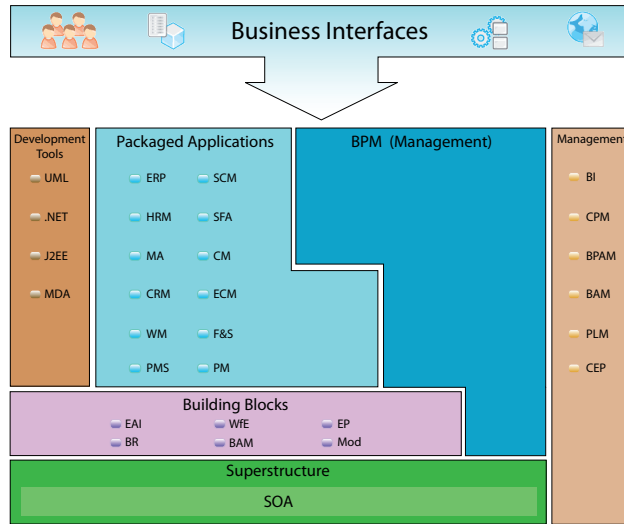


Figure 1: The Bloor Research process technology diagram

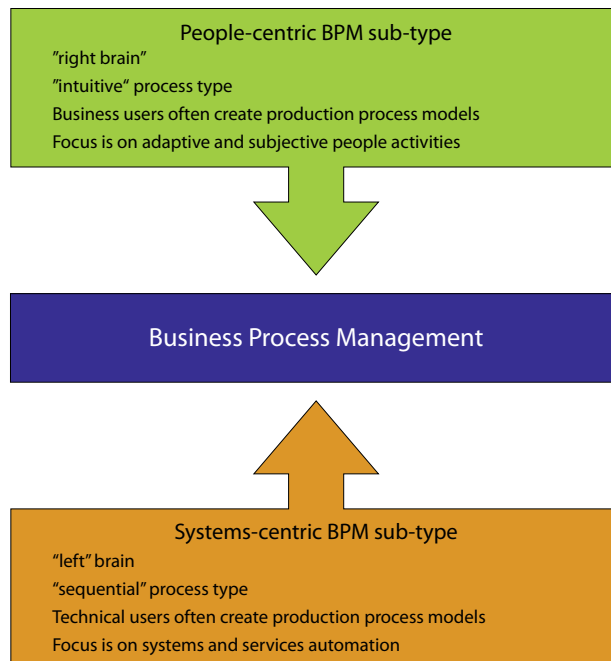


Figure 2: BPM sub-types

The people-centric sub-type

The people-centric BPM toolset sub-type is characterized by a non-technical development environment. It is a “right brain,” “intuitive” style of development and operations environment. Business users can directly develop at least portions of the actual working process models—and most product configuration is done without code.

By nature of the development audience that this sub-type appeals to, targeted applications tend to have an emphasis on processes where people are the predominant process actors in the business processes.

People-centric BPM toolsets align more with “right brain” human characteristics. They often focus on supporting capabilities for addressing the subjective and adaptive behaviors of people in both the development environment and in the operation and management of deployed business processes.

The supported modeling paradigm leans toward intuitive process models as compared to sequential models although the difference is one largely based on the nuances of the development environment rather than a fundamental difference in actual process model structures. This does not imply that people-centric BPM toolsets do not support the sequential order characteristic of workflow, because (of course) they do.

Automation is typically a supporting characteristic of people-centric toolset usage, commonly applied to eliminate manual functions ideally suited to automation, reduction of duplication, and error elimination.

The systems-centric sub-type

The systems-centric BPM toolset sub-type is characterized by a technical development environment that usually requires a core set of technical skills to perform working model configuration. It is a “left brain,” “sequential” style of development environment that lends itself well to people with technical experience.

Due to the nature of the development audience for this sub-type, targeted processes often result in systems as their dominant process actors. System-centric BPM toolsets align more with “left brain” human characteristics, having supporting capabilities for addressing the logical and objective characteristics of systems in both the development environment and in the operation and management of deployed business processes.

The supported modeling paradigm leans toward sequential process models as compared to intuitive models although the difference is one largely based on the nuances of the development environment rather than a fundamental difference in actual process model structures. This does not imply that system-centric BPM toolsets do not support the inclusion of people as process actors in processes as (of course) they certainly do.

Automation is typically a predominant characteristic of systems-centric toolset usage, commonly applied as an extension or extended family member to the concept of Service Oriented Architecture—which is often used in conjunction with systems-centric BPM toolsets.

The following buying criteria have been evaluated for the 18 suppliers in this report:

- Stability & Risk
- Architecture
- Fit for Purpose
- Ease of Use
- Support & Coverage

The awards are in three categories of recognition; Platinum, Gold and One to Watch.

The Platinum award is granted to vendors that have met the minimum requirements of all the baseline analysis and support the goals and characteristics of both the people-centric and systems-centric BPM sub-types. Platinum award winners have excelled in multiple categories, show leadership in forward direction for their product and have demonstrated governance in minimizing end-user risk.

The Gold award is granted to vendors that have met the minimum requirements of all the baseline analysis for either the people-centric or systems-centric BPM sub-type. Gold award winners have excelled in multiple categories, show leadership in forward direction for their product and have demonstrated governance in minimizing end-user risk.

The One to Watch award is granted to vendors that have met the minimum requirements of the baseline analysis for either people-centric or systems-centric BPM sub-type, have excelled in at least one category, show vision in their forward direction and have demonstrated governance in minimizing end-user risk.

Vendor Name	Award	Sub-type	
		People-centric	Systems-centric
TIBCO	Platinum		
Ultimus		Gold	
BEA Systems			Gold
IBM			Gold
Oracle			One to Watch
Lombardi Software		One to Watch	
Adobe Systems		One to Watch	
Fujitsu		One to Watch	
Singularity		One to Watch	
Pegasystems		One to Watch	

Table 1: Bloor Research Awards for BPM offerings (October 2006)

The objective of this report is to provide a "snapshot in time" of where vendors stand in this evolving market. With the rapid increase in market adoption and strategic importance, vendors in the BPM market are prone to making swift changes and acquisitions in an effort to leap-frog competitors. Fundamentally we have explored how generally available product sets and the companies themselves perform against our selection criteria through September 2006. This is no guide to future performance, although it should not be too difficult to draw some reasonable conclusions from this report as to where we believe the marketplace is headed.

From sidelines to mainstream

BPM is moving from quick wins on non-core (support) processes to truly taking on those cross-functional core processes that are the definition of “what the business does.” Organizational skills are steadily evolving in process defining, BPM systems configuration, operation, management and process analysis. This gives rise to numerous opportunities for organizations to increase the productivity and efficiency of their processes. Simulation, optimisation, flow-through analysis and other methods of process refinement are the area of concentration for vendors leading in this marketplace.

Agility and flexibility

Agility and flexibility with the products the business offers have begun to be recognized as newfound opportunities for competitive differentiation. Product change cycle times are suddenly being slashed as cross-functional processes are streamlined into true process flows that drop time to market for new products ever downward. There are numerous cases of improvements at an exponential level in the area of agility, particularly in regards to knowledge products. Flexibility is also a key to navigating the waters of market change, with products and processes being rapidly restructured to meet the new demands of customers.

More roles served

BPM usually involves people from different roles in the organization, such as business analysts, developers, project managers, functional managers, and so on. This trend will continue to grow in multiple directions as those supporting the system, managing the work, and performing the work are further empowered to do what they do without being constrained by the requirements of others. BPM is evolving to give contextually correct accessibility to many different roles within the organization.

Organic spread

There is little doubt that the number of people touched by BPM systems will grow exponentially faster than the adoption (by companies) of BPM will. This is due to the nature of the processes employed within BPM products and the fact that these processes touch far more people than just the direct participants of the processes. Many vendors are already extending BPM products to include participation in existing collaboration technologies and to common desktop applications.

Many of these extensions enable “process participation” as ad hoc or bespoke activities initiated and totally contained within the actions of the individual. In other words, as BPM products extend their accessibility to existing applications, people within the organization are incorporating real-time process information into their work where that incorporation was not part of the original scope of the process. While the case now is more one of information reuse this too will change as BPM systems evolve to enable more and more involvement by undefined observers.

Effects on social taxonomy

Social taxonomy is a natural organization of things created by people as a byproduct of their activity. Social taxonomy is not created; it evolves on its own. BPM has begun its move to support social taxonomy. Many BPM applications allow people to create information views, alerts and measures that can be shared with others. Capabilities are moving into the realm of people defining their “BPM workspace,” which can include customized forms of interaction between various people involved in one or more processes.

There is also the concept of feedback from the “process” by people and systems that enable the process definition to further evolve in its ability to deliver on the goal of the process. As this trend develops, BPM products will facilitate process evolution from those interacting with the system to improve process participant’s workspaces and the process itself (against the process goal).

There are six key product areas where BPM vendors have been evaluated for this report—and in which each vendor in this report has scored at a minimum level in order to be included. The diagram below presents the “BPM Component Stack” depicting the capabilities Bloor considers necessary for vendor inclusion in this report.

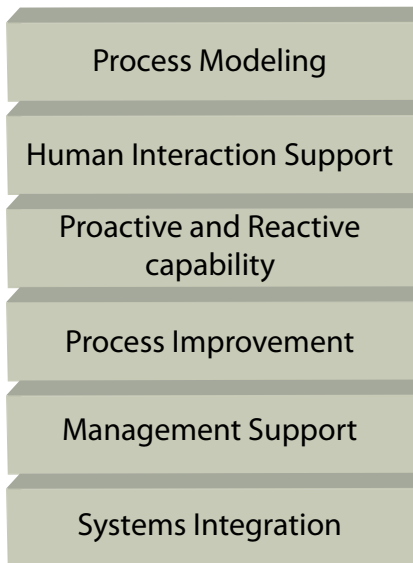


Figure 3: The BPM Component Stack

Process modeling

Process modeling is an essential ingredient in any BPM toolset, however, the design and capability of process modeling environments can vary dramatically in the presentation and even in the fundamental approach to the process modeling paradigm.

What has to be understood is that any modeling environment is not “real,” it is instead a representation of what we believe is real. Therefore, all modeling environments are, by definition, abstract concepts.

This poses both a challenge and an opportunity. The challenge is in the creation of a modeling tool that enables people to express their knowledge and understanding of what is “real” in the software such that little is lost in translation—and the translation is a simple, intuitive task. Of course, the challenge is also the opportunity because modeling environments that achieve higher levels of capability in this regard represent a much higher end value to customers.

However, the widespread adoption of BPM modeling standards (BPMN and BPEL) have not helped this issue. The incorporation of these standards into BPM modeling environments is primarily driven by the end-user community—not by the vendors. Because the benefits of these standards-based modeling environments generally create far less value than the deficits they incur to the end-user organization, standard-based modeling environments are not accorded any value in this analysis.

Human interaction support

One of the big differences between BPM and other technologies is the fact that people are typically part of almost all business processes. In fact, many definitions of “business process” include people as direct participants in the process as a defining characteristic.

In this case, it could be argued that there are also business services that are very similar in general concept to business processes except that they are entirely automated. The service-based approach to BPM relies heavily on the defining of these business services and often even a lower level of support that could be termed simply a service. The service-based approach to BPM is more tuned to complex technology environments where business processes are predominately a series of system-to-system interaction.

However, in almost all cases, people are participants in every business process in one way or another, so the service-based approach to BPM must also include support for human interaction with the process. Systems-centric BPM products that do not have a minimum level of capability in this regard are not included in the report as it is the position of Bloor that BPM products without support for people as participants in business processes cannot qualify as BPM products.

The other requirement in respect to people is the subjective nature of how people perform work. People are not automata. We rely on people to adjust to the needs and requirements of the moment and to make decisions that support organizational goals. BPM products in this report are carefully reviewed against their ability to support this characteristic of people as an enabler rather than a barrier to performing work.

Proactive and reactive capability

As processes are moved into supporting BPM toolsets one of the great benefits is the ability to actually know when something goes wrong immediately, as opposed to learning about the problem at a later date where the situation could have a far greater negative effect on the organization.

From this respect, a minimum set of BAM (Business Activity Monitoring) capability is required in a BPM product. Also, the ability to set alerts that can trigger human or system response is an integral part of a BPM toolset.

The concept of proactive and reactive are still to be sorted out in the BPM market, so the basis that exists today is likely to change in the future. However, the key areas of proactive and reactive management capability are:

1. The ability to set alerts against predetermined conditions that signify the need to take an action, with sensing of the alert condition occurring in real-time. (reactive)
2. The raising of events in the system that can indicate the occurrence of an undesirable condition. (reactive)
3. The ability to set alerts against a condition that indicates a high probability of an undesirable condition. (proactive)
4. The raising of events in the system that can indicate a high probability of an undesirable condition. (proactive)

Process improvement

Process improvement is one of the key goals in Business Process Management. BPM toolsets must provide the ability to review real-time and historical data in a variety of forms for the purpose of uncovering new opportunities for process improvement.

Core requirements of process improvement analysis include:

1. Ways to determine where bottlenecks exist and what effect they have on the throughput of the process.
2. Resource usage, both on a process basis and on system-wide basis leading to a better understanding of resource usage and potential effects from design changes that reduce targeted resource consumption.
3. Failure points, their patterns, frequency and effect.
4. Routing results for variable route processes to determine if real workflow is occurring within the process(s) as expected—or if it changes.
5. Business rules outcomes that provide insight into the “pass-through” on rules, when rules results have changed and the identification of rules that are never triggered (why are they there or why are they not triggering?)
6. Simulation capability to support “what if” analysis on process changes against both test data and historical (collected) data.

Management support

Business Process Management toolsets should provide a variety of easy-to-use management functions that enable managers to view, review and dig down into the details of both real-time and historical work records.

One of the great benefits of BPM toolsets is process transparency—the ability to easily access process details from many perspectives without the creation of custom reporting functions. Whether the concern is on work queues, work volumes, issues, work for a specific customer, specific work for all customers or whatever the criteria may be, the nature of BPM toolsets supports this type of visibility without special effort and without any latency (real-time).

BPM toolsets should have the capability for managers to easily build their own views of process information without programming or more than rudimentary training on the management interface.

Systems integration

Business processes within Business Process Management toolsets must often integrate to data sources and applications. Though there is no requirement for a business process to integrate to other data sources and/or applications, the reality is that most business processes need integration capability to at least a minor degree.

Integration requirements vary widely by what the BPM toolset is applied to and the variety (and complexity) of existing data sources and applications. People-centric BPM is typically applied to scenarios requiring less integration capability while systems-centric BPM typically requires extensive integration capability. Yet even within these BPM sub-types there is no hard and fast rule that applies to all scenarios.

Regardless of sub-type, all BPM toolsets should have basic integration capability including the ability to integrate with services developed under the systems-centric architecture design concept (including web services). As a general market observation it should be noted that integration capability is generally well-supported on an industry-wide basis although there are many variations and extensions to basic integration capability that create unique value in many BPM toolsets.

The BPM landscape diagram is a high-level chart reflecting the overall scores for each product and their relative merit. The higher the score and the nearer the center: the better the solution. The circle is divided into three segments, indicating our perception of the solution. The three segments are Champions, Challengers and Innovators. The position in each segment reflects more granularity than the three segments; for example, an innovative, leading company will be in the Champion segment but closer to the Innovator segment. There is also an implication of movement: an Innovator that is closer to the Champion's sector is, in our view, moving towards becoming a Champion, while one closer to the Challenger's sector is perhaps a more niche product.

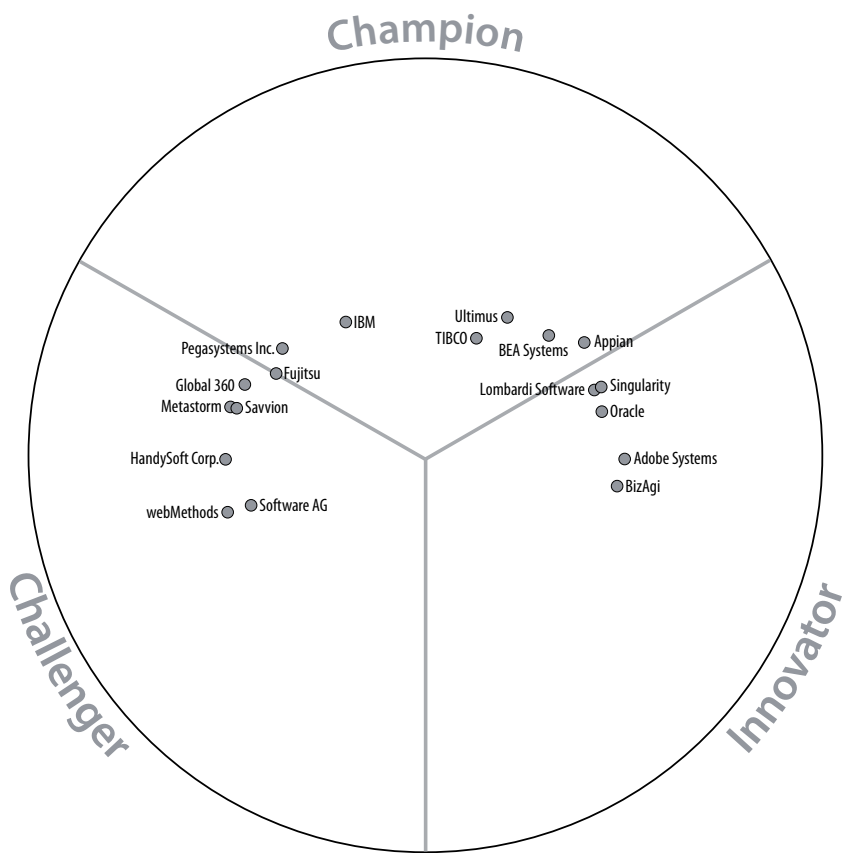


Figure 4: BPM Landscape positions

Stability and Risk – the viability of the company.

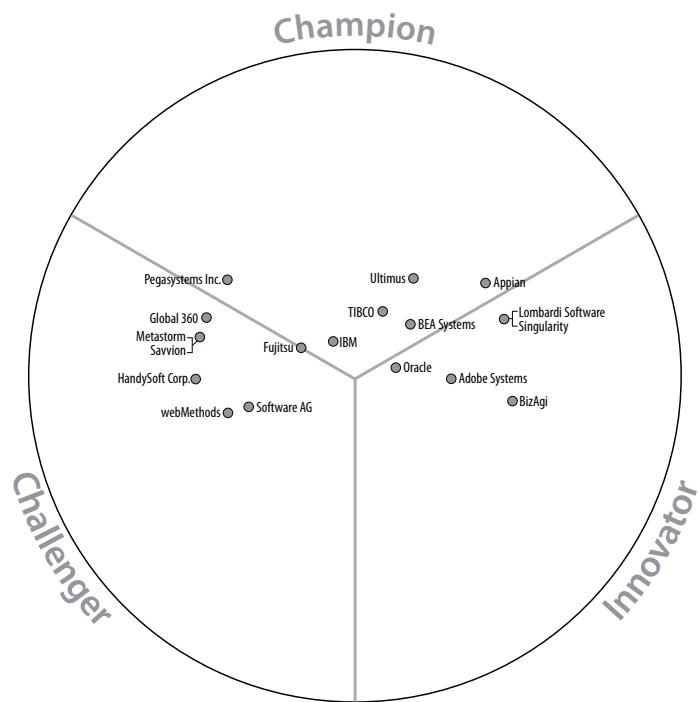


Figure 5: Stability & Risk positions

Architecture – does the architecture support the full range of requirements and does it add any unique value?

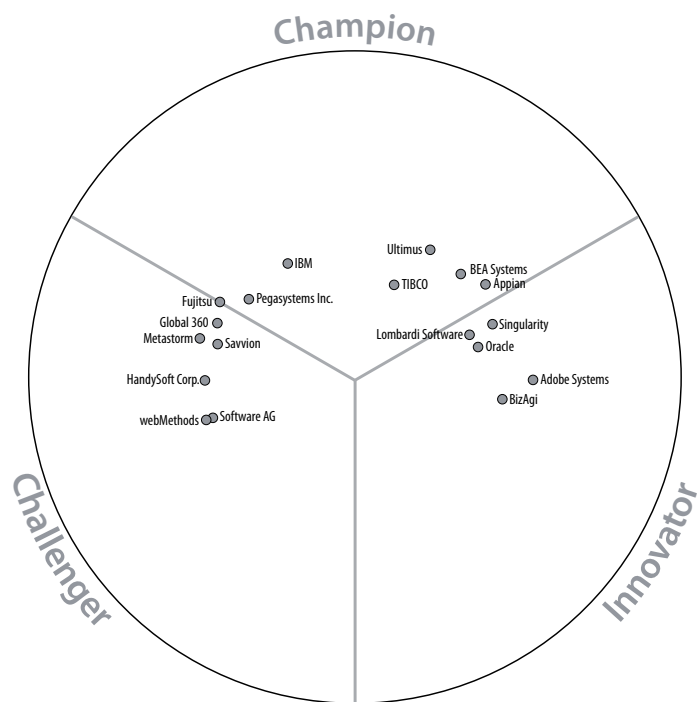


Figure 6: Architecture positions

Fit for Purpose – does it do what it needs to do?

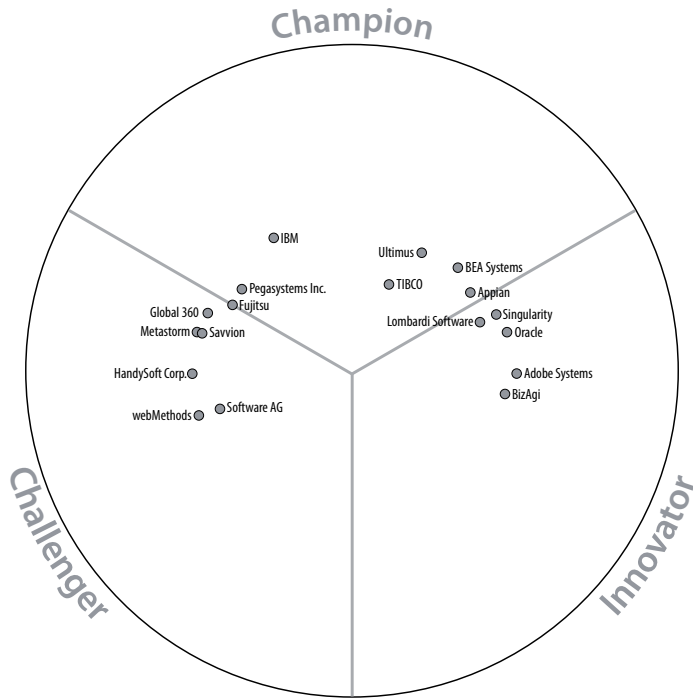


Figure 7: Fit for Purpose positions

Ease of Use – implementation, operation, management, change

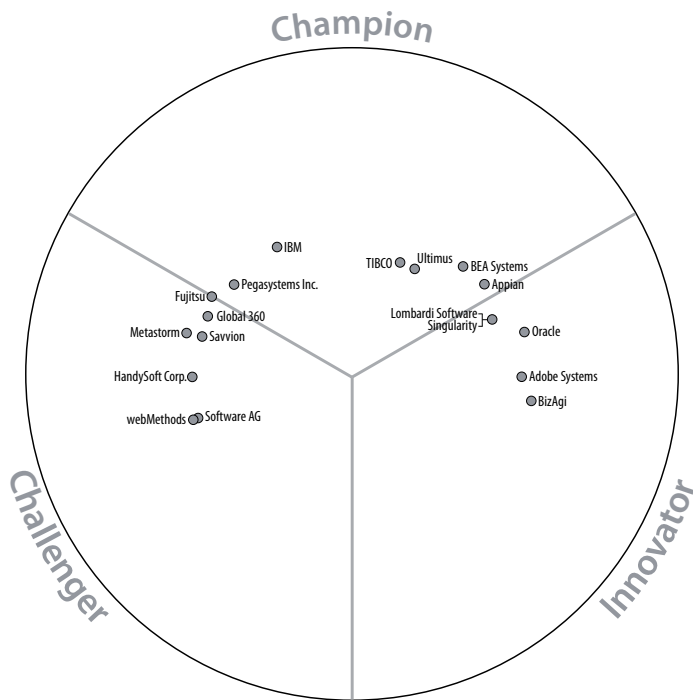


Figure 8: Ease of Use positions

Support and Coverage – geographical coverage, support, training, consulting and specialty services

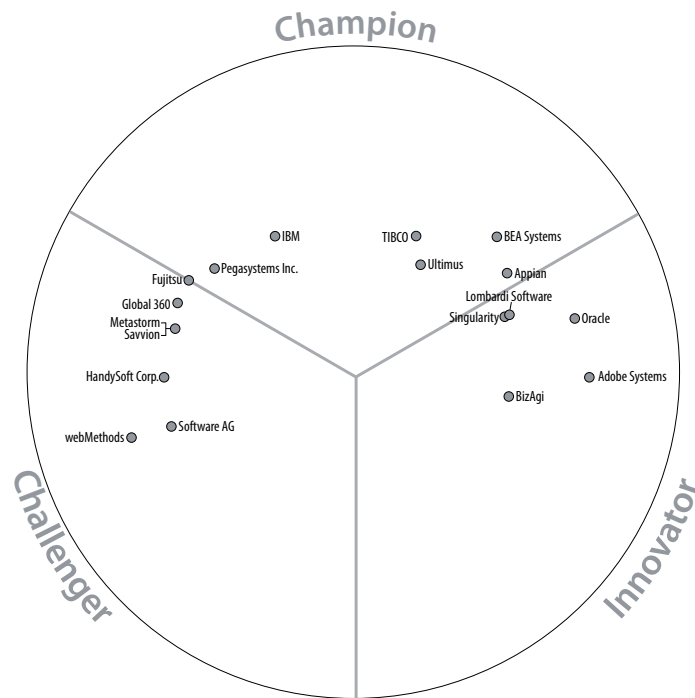


Figure 8: Support & Coverage positions

BPM vendors included in this report were required to meet a minimum level of proven capability based on actual company and product performance in all five of the following areas of analysis, which includes the specific needs required for support of both people and system process actors.

Stability and Risk

Stability and risk take into account the company's current and historical financial history, profitability, investment, growth and product vision to assess the degree of potential risk the company could represent to its customers in respect to company viability and ongoing development/support of their BPM toolset.

Architecture

Architecture assesses each BPM toolset on five characteristics:

- Interaction support (interface development, roles, interaction functions, presentation, analysis)
- Reactive and Proactive management (BAM, user alerts, custom events, custom actions, flexibility in addressing work issues)
- Agile ability to improve processes, identify improvement opportunities and test or simulate changes prior to release
- Management views that support real-time and historical analysis in granular form from system-wide down to inner-process specific
- Capability of system to integrate into systems, applications and databases on a broad scale

Fit for Purpose

Fit for purpose assesses each BPM toolset on five characteristics:

- Interaction support (interface development, roles, interaction functions, presentation, analysis)
- Reactive and Proactive management (BAM, user alerts, custom events, custom actions, flexibility in addressing work issues)
- Agile ability to improve processes, identify improvement opportunities and test or simulate changes prior to release
- Management views that support real-time and historical analysis in granular form from system-wide down to inner-process specific
- Capability of system to integrate into systems, applications and databases on a broad scale

Ease of Use

Ease of use assesses each BPM toolset on five characteristics:

- Interaction support (interface development, roles, interaction functions, presentation, analysis)
- Reactive and Proactive management (BAM, user alerts, custom events, custom actions, flexibility in addressing work issues)
- Agile ability to improve processes, identify improvement opportunities and test or simulate changes prior to release
- Management views that support real-time and historical analysis in granular form from system-wide down to inner-process specific
- Capability of system to integrate into systems, applications and databases on a broad scale

Support and Coverage

Support and coverage assesses each BPM vendor on six characteristics:

- General knowledge and domain expertise in BPM
- Services, functions, resources and methods for streamlined application
- Process development and deployment capability
- Educational services for building comprehensive customer BPM capability
- General use and technical support
- Mentoring capability for supporting, building & guiding strategic and executive BPM capability

TIBCO—Platinum Award

TIBCO has shown consistent leadership in the BPM and BPM + SOA market since its acquisition of Staffware. TIBCO is the BPM vendor that is furthest along the path to both a truly unified product set (TIBCO iProcess Suite) as well as supporting the variety of roles within an organization that are commonly engaged in the full lifecycle of business processes.

TIBCO is the only BPM vendor to receive the Platinum award, which is granted to acknowledge their accomplishment of qualifying at the Gold level in both the people-centric and systems-centric BPM sub-types.

The company has a strong vision for their BPM product and has backed this vision with multiple product enhancements over the last year; aggressiveness uncharacteristic of companies in the EAI industry of which TIBCO is one of the market leaders. These product enhancements include advanced integration between the business process modeling environment and the SOA development environment such that business and technology development can seamlessly progress in parallel with limited constraint.

Enhancements to the modeling set of GUIs provide the appropriate environment for people in multiple roles to interact within the same architecture while retaining integrity that facilitates multi-discipline business process development. Monitoring and analysis capabilities to support management, adaptation and process improvement—including the support for complex event processing—are another area of market leadership for TIBCO.

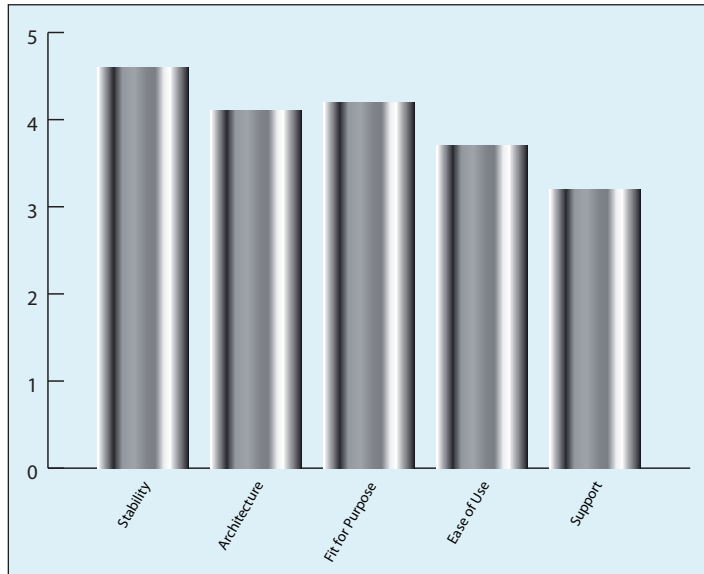


Figure 9: TIBCO scores

Ultimus—Gold Award (people-centric sub-type)

Ultimus is perhaps the un-sung hero of the BPM market. One of the early entrants into the BPM market, Ultimus has had a vision even from those early days that they have followed relentlessly. Led by visionary Rashid Khan, Ultimus does not follow market fads or hot buzzwords. Instead, the company gets close to (and stays close to) users in the field as they design product, develop training and methods, and deliver customer success.

Ultimus is a “no-code” BPM product, meaning that in the majority of applications there really is no code written by any developers. Knowing that the real value of BPM is in the enabling of business users to solve business problems, Ultimus focuses on the specific tools and features needed to quickly and successfully solve process problems. Ultimus also shows market leadership in the support of the adaptive and subjective needs of processes where people are the primary participants of the process with capabilities like Adaptive Discovery that allow “unruly” events to be identified in real-time process operation, resolved and (if desired—which is likely) include the resolution into the process model itself (process evolution).

With a geographical footprint far exceeding any of the other BPM vendors that were not already established in another market, Ultimus is noted for its simplicity and flexibility in both implementation and operation.

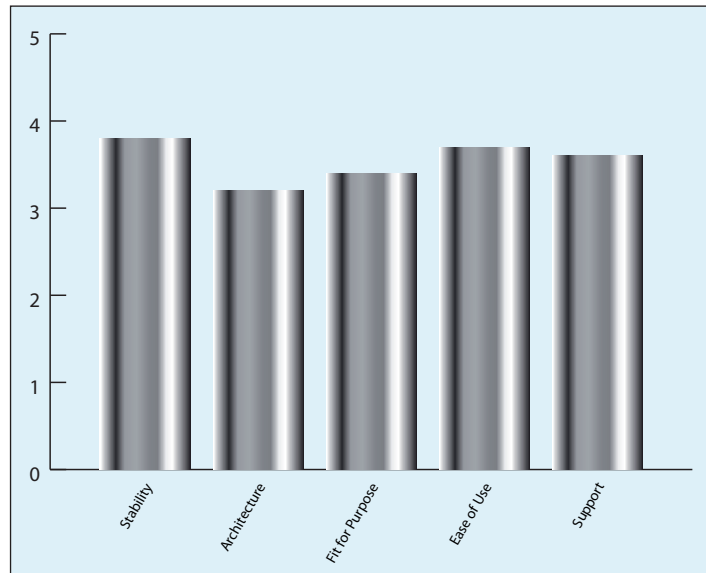


Figure 10: Ultimus scores

BEA Systems—Gold Award (systems-centric sub-type)

Until earlier this year, BEA was primarily noted as a leader in Service Oriented Architecture, not in Business Process Management. However, that all changed with the acquisition of BPM independent Fuego.

Prior to the acquisition by BEA, Fuego was regarded as a solid—or even leading—performer in the BPM market. With the acquisition of Fuego by BEA the question became, does BEA have the direction and vision to be a player in both the BPM and SOA markets?

The answer is yes. BEA has clearly shown the market understanding and vision to be a prominent player in both the BPM and SOA markets. The Fuego product plays well within the rest of the “Liquid” product family already and BEA’s vision is ‘spot on’ in regards to growing a leadership position in the systems-centric BPM market. However, while the acquisition of Fuego earns BEA strong marks in the people-centric BPM category there is still room for improvement before BEA can earn an award in this sub-category.

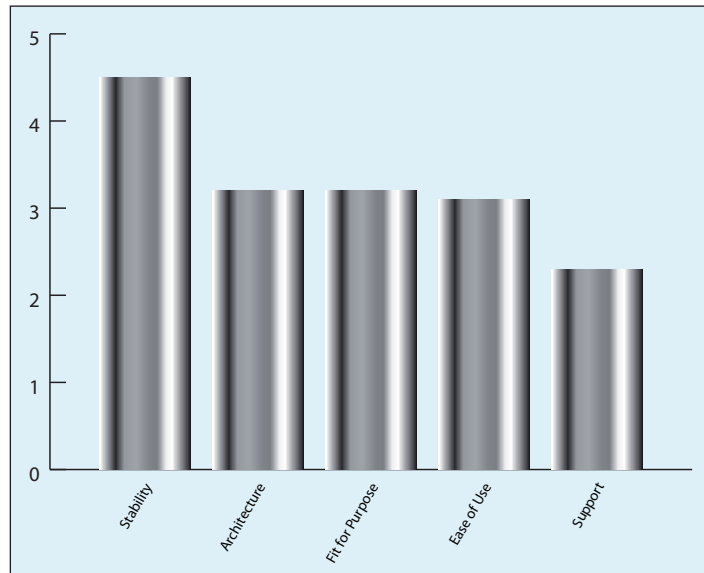


Figure 11: BEA Systems scores

IBM—Gold Award (systems-centric sub-type)

IBM is by far the most difficult BPM vendor to accurately analyze in the BPM market, as the number of products that relate to Business Process Management, in one form or another, owned by IBM makes quite a daunting list.

However, the IBM product that meets the criteria for this report resides with the WebSphere family (WebSphere Business Modeler, WebSphere Process Server, WebSphere Business Modeler Monitor) and that is where the Gold Award in systems-centric BPM has been earned.

IBM has strong product capability across all features and functions but what really makes IBM stand out is its depth of experience in BPM being brought forth in products, services and a variety of customer support resources—many of which are vendor agnostic.

In addition, IBM understands, embraces and is the undisputed leader in the “holy grail” of modularity of processes and services for sharing, reuse and best practice adoption. Processes and services available through IBM, its partners and affiliates is the best representation of delivering on the promise of service-orientation that exists.

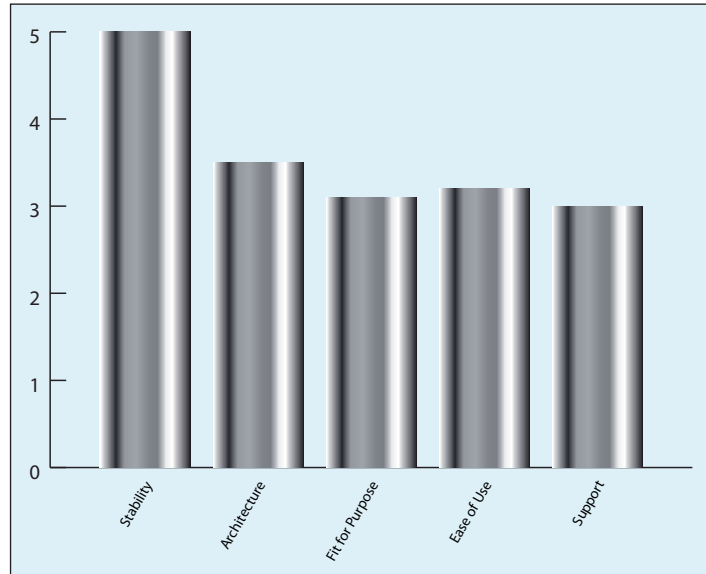


Figure 12: IBM scores

Oracle—One to Watch (systems-centric sub-type)

Hidden inside a product named “SOA Suite” is Oracle’s toolset for supporting BPM. The term “hidden” refers to the fact that unlike other vendors in the BPM market, Oracle’s BPM capability is not branded at the highest level as BPM—but instead, SOA. Oracle is an interesting company to try and assess in the BPM market because naming conventions and marketing collateral do not clearly communicate what the company has to offer. So what does Oracle have to offer?

From a product perspective, the SOA Suite is an extremely well-designed product architecturally—very possibly the best in the industry. Yet Oracle does not have the depth of experience in consulting and supporting services as compared to some of the other vendors in the systems-centric BPM market to earn the Gold Award—just as some of the additional capability that has been added to the suite by customer request is a bit less consolidated from a configuration perspective than it should be.

But Oracle is a solid systems-centric BPM player with more than one strong point coupled with the architectural capability to naturally enhance and expand the BPM product offering in both BPM sub-types—if they choose to do so. For now, Oracle earns a strong position in the systems-centric BPM market with the likelihood of advancing the company’s position in the not to distant future.

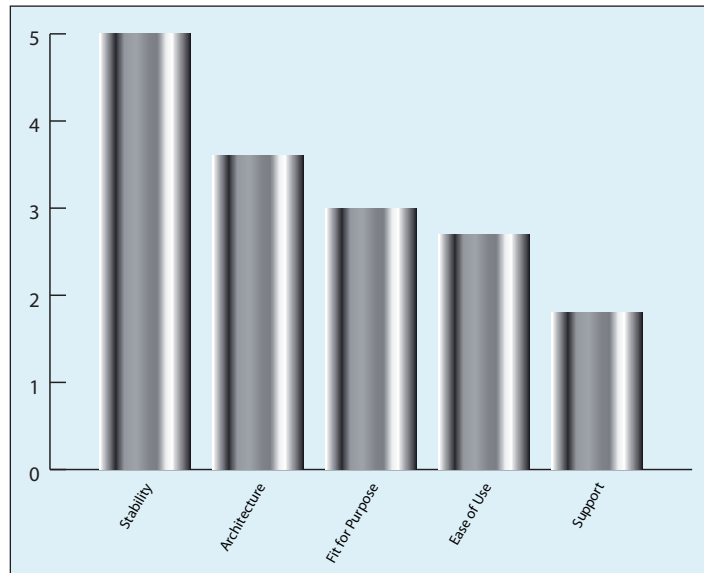


Figure 13: Oracle scores

Lombardi Software—One to Watch (people-centric sub-type)

Lombardi offers a comprehensive set of unique features that make it noteworthy in the people-centric BPM market. Coupled with strong vision, the company has the potential to rise above the crowd as the BPM market continues to grow, expand and solidify the product characteristics that create value.

A unique aspect of Lombardi is its understanding of the effects on people that BPM will often have for a variety of users and purposes currently not recognized by the market at large. Advanced integration with Microsoft Office enables a variety of “societal” interaction to occur with business processes. In the future, this type of touch from BPM toolsets is likely to become pervasive and Lombardi is certainly setting the market pace in this regard. Optimisation is another area where Lombardi has shown market leadership, with strong capabilities designed from an astute understanding of the optimisation opportunities represented by placing business processes under control with a BPM toolset.

Certainly One to Watch, Lombardi comes in strong on both product capabilities and supporting domain knowledge and services. If sufficient revenue and growth history is achieved, the company will be in a strong position to win a Gold award in the future.

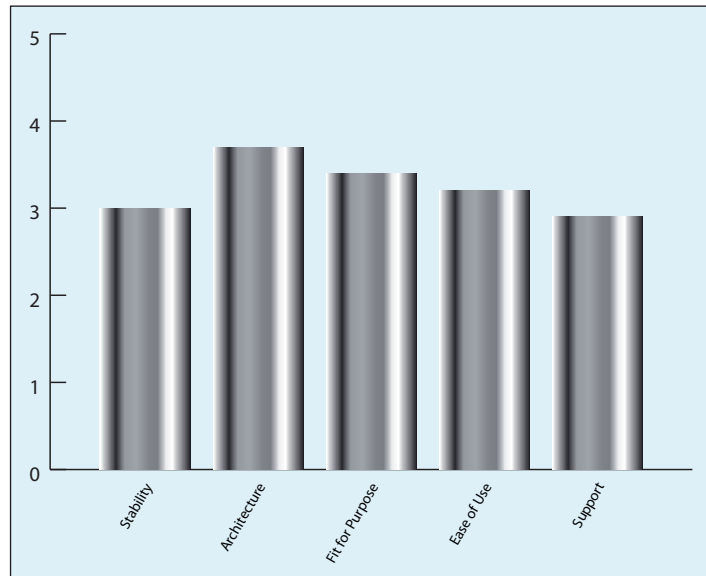


Figure 14: Lombardi Software scores

Adobe—One to Watch (people-centric sub-type)

Adobe is another difficult BPM vendor to properly assess. From a product perspective Adobe is actually quite strong on a relatively broad front but from a marketing and sales perspective Adobe has moved slowly in communicating vision outside of the “document-centric” BPM world—regardless of the forms such documents actually take within the system.

Of course, having the range of document capabilities that Adobe has, it is natural Adobe would leverage that strength—and from an enterprise, document-based BPM perspective, Adobe offers market leading capabilities in all digital form types with special emphasis on leveraging the pdf form type.

However, there is much more BPM capability under the Adobe umbrella—while there are a few glaring sore spots where proper integration has not yet consolidated the process toolset. Yet don't expect that to last much longer because Adobe is investing in its future in BPM (such as the recent moves to leverage Flash technology in support of BPM mobile interfaces).

A bit of a sleeper in many respects due to the breadth of market already available to Adobe from existing relationships, look for Adobe to strengthen its people-centric, document-based BPM offering and keep an eye out for a broader market move if the current Adobe customer-base fails to keep all of Adobe's attention.

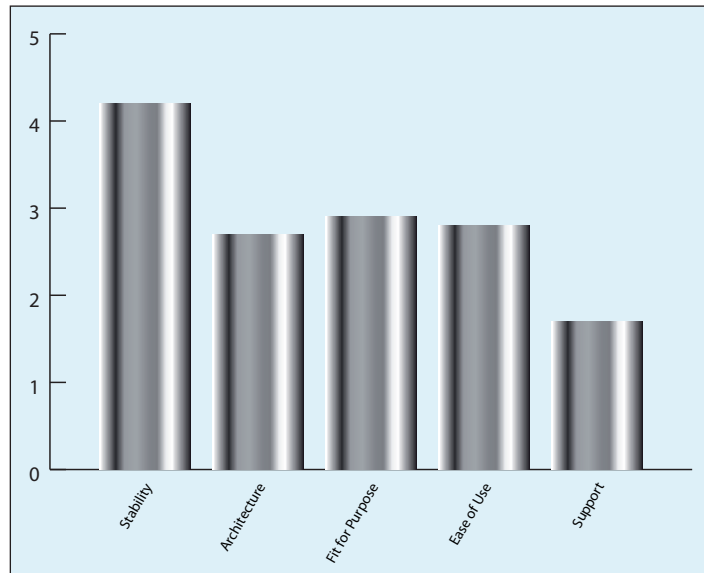


Figure 15: Adobe scores

Fujitsu—One to Watch (people-centric sub-type)

Fujitsu might claim to have the most used but unheard of BPM product (Interstage) in the world, and they would probably be correct. Historically selling through partners, the Fujitsu brand in the BPM market is much smaller than the actual use of its software.

There are indications that may change but regardless of whether it does or not, Fujitsu is a strong BPM vendor. Product depth is impressive and product investment will continue to make it stronger. Balanced strength in both people-centric and systems-centric BPM places Fujitsu in an enviable market position.

However, the current market approach is confusing and until it straightens out—and is clearly communicating in public forums—Fujitsu bears a risk of uncertainty in the business–customer relationship that limits its ability to stand out in the BPM market. Whether through its partners or direct, the vision must be clear and commitment to the vision proven before Fujitsu can earn a Gold award.

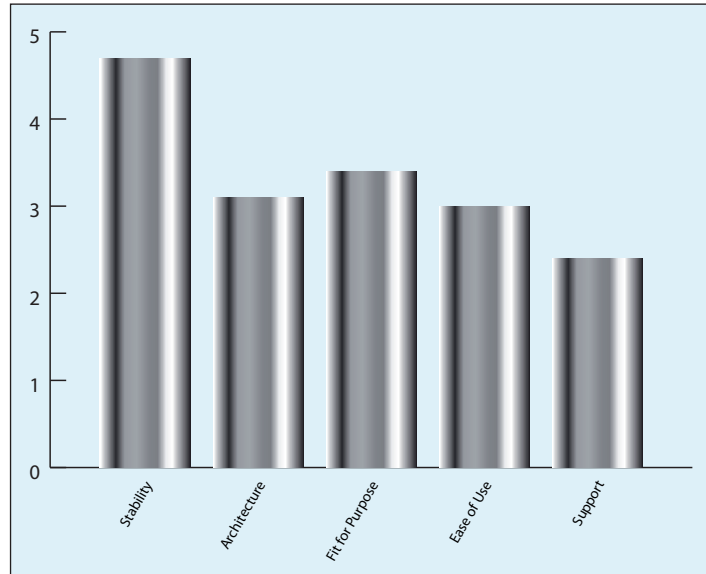


Figure 16: Fujitsu scores

Singularity—One to Watch (people-centric sub-type)

Singularity's greatest weakness is its size, a relatively small fish in a very big pond. That said, on the product and vision side Singularity is the most aggressive vendor in the BPM market, taking on whatever challenges are identified as key attributes to expanding the speed and degree of success its customers experience with its product.

A classic people-centric BPM player, Singularity has strong product functionality in most categories while innovative features continue to set the company apart from the market, including STP (straight through processing) and electronic white-boarding for capabilities in the modeling environment.

One to watch from a product innovation standpoint, the company is financially strong for its size. However, the size of players in the BPM market leaves Singularity with the challenge of maintaining and expanding market share to clearly move them away from classification as a "niche" player in the market— although there is nothing niche about the capabilities Singularity's product has to offer. Singularity has a proven ability to create profitable, organic growth. The challenge they have now is in taking that success to next level.

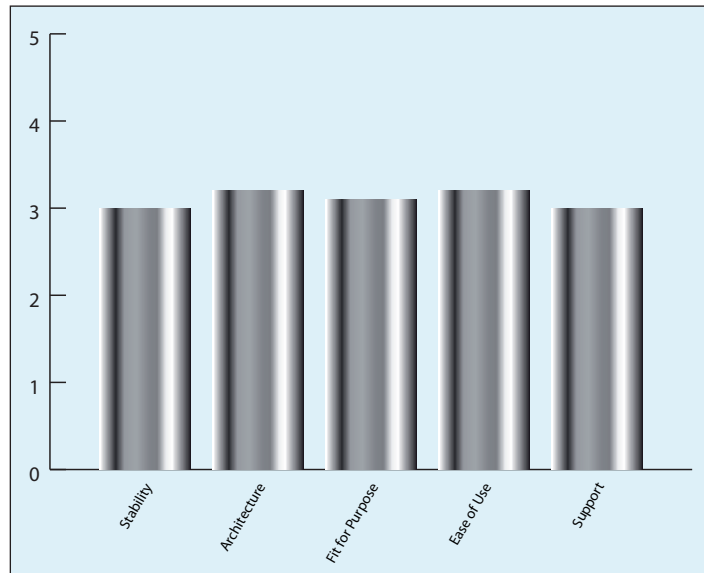


Figure 17: Singularity scores

Pegasystems—One to Watch (people-centric sub-type)

Pegasystems has been rather quiet for a while after establishing itself early-on as a market leader in innovation and embedded business rule capability. Pegasystems has a challenge on its hands though. The product design is architecturally superb and capabilities are extensive yet there is a learning curve with Pegasystems—and the product looks different—which places an education burden on the company that has become a bigger challenge since BPMN and BPEL adoption have taken hold in the industry.

That said, Pegasystems still has one of the most capable products on the market with a relatively solid financial and growth history. If Pegasystems can establish the proper customer value-proposition based on product capability, market demand and reduction in product learning curve the company could easily rise above many vendors in the BPM market.

Of course, in situations where business rules play a key role in the customer value-proposition, Pegasystems already stands out as a market leader.

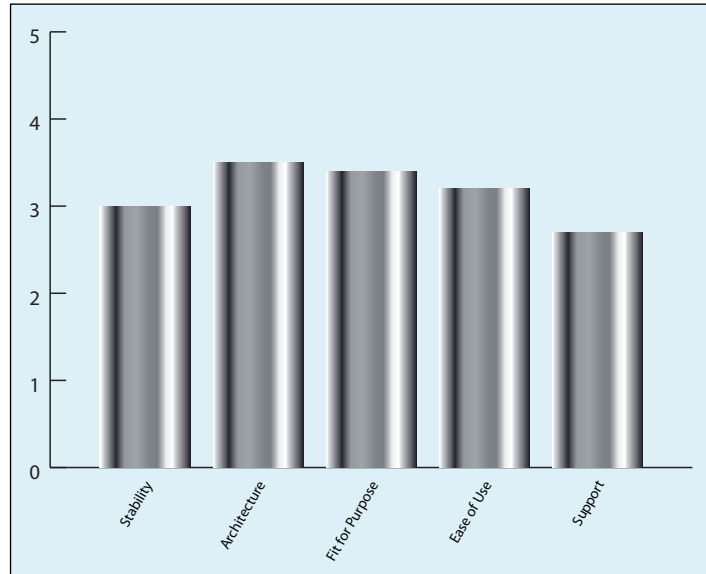


Figure 18: Pegasystems scores

Software AG

Software AG is noted for their SOA enabling products, which they augment through partnership with—who else—Fujitsu. The BPM capabilities of Fujitsu give Software AG the product depth in the BPM market to be a significant player although the domain expertise in BPM is a growth area for Software AG.

Offsetting this is the depth of both product and experience in the SOA market from Software AG's core business, which positions the company strongly in the systems-centric BPM category. There is significant opportunity for Software AG to expand its footprint in both the systems-centric BPM market and SOA market by leveraging the company's existing strengths augmented by the Fujitsu BPM toolset.

BizAgi

BizAgi is perhaps the closest to a niche player in the BPM market as the company's strength in the financial markets is the main driver of its business. But BizAgi's BPM toolset is far from niche, with solid capabilities in every important category.

The company also lays claim to deep industry knowledge in its primary market, often providing expert consultancy to financial organizations that do not have the in-house expertise in BPM. Considering the results customers have experienced in this scenario, it's not surprising the BizAgi does so well in the financial market.

Robust and capable of easily handling the most mission-critical and complex business processes, BizAgi is likely to continue experiencing growth, although expansion into other markets that builds a strong cross-industry customer base will be necessary if BizAgi is to seek to distance itself from the niche perception that currently dominates. Consider BizAgi to continue to be a strong force in the financial markets and to develop new opportunities in South America. The key factor in BizAgi's future market position is the company's expansion strategy (expanded industry and geographical focus) where results in 2007 are likely to have significant impact on BizAgi's standing in the BPM market.

Global360

Global 360 holds a solid place in the BPM market, with strong vision, competitive product and continued investment in its BPM toolset (G360 Enterprise BPM Suite). Global 360 is ahead of the market with its G360 Business Optimization Server (G360 BOS) product both on the competitive landscape and in customer expectations. G360 BOS provides historical, real-time and predictive intelligence through simulation, optimisation and predictive analysis. Although this may not be a growth driver for the company now, as the market builds understanding of BPM and expands BPM activities—and BPM tool expectations—Global 360 will be well positioned to take advantage of these changes.

Modeling capabilities support both business and technical users, giving each the capabilities and environment to be successful. Although scalability is generally not an issue with BPM tools, Global 360 has cut its teeth on numerous high-volume, mission-critical customer processes and proven its ability to support even the most demanding applications.

Support for goal-oriented work and flexible management options makes Global 360 highly adaptable in a variety of scenarios and environments that can challenge some of the competition. A strong product and a strong company that is expected to be a core player in the BPM market for the foreseeable future.

Metastorm

Metastorm is an aggregate of Metastorm and CommerceQuest, both early leaders in the BPM market. The merger of Metastorm and CommerceQuest—consolidated under the Metastorm brand—has expanded both product capability and market. The company now has advanced people-centric and integration capability as a result of the merger.

Other capabilities of note include expanded BAM (Business Activity Monitoring) through inclusion of Hyperion under OEM (augmenting existing BAM capabilities). Process improvement is further supported with the inclusion of iGrafx—also offered in the OEM model.

With a strong history as a central player in the BPM market, Metastorm's greatest challenge lies in building their financial strength and market share to the next level to remain a competitive force in the BPM market. This is a challenge shared by most early entrants in the BPM market, as established vendors have entered the market from their mature foundations that offer numerous competitive advantages.

HandySoft

Established as an early mainstream BPM market player, HandySoft has recently suffered from a lack of focus at a time when the BPM market has experienced strong leadership by both established competitors and bigger software vendors who have begun to play aggressively in the BPM market.

Yet many of the desired features and functions that may not be fully supported by newer entrants to the BPM market are easily found in HandySoft's BizFlow product.

So while HandySoft remains a strong contender on a feature and function basis augmented by multiple industry-focused solutions derived from significant cross-industry domain expertise, the industry generally places HandySoft in a position of lesser status due to the lack of strong vision and the necessary execution behind it. There is every reason to believe that HandySoft will be taking steps to address this issue and the degree of result based on the approach to re-establishing HandySoft as a market leader will be the key factor in determining where the company plays in the BPM market in the future.

Appian

Appian has grown from relative obscurity to being a serious market player in a very short time, a fact that reflects on the company's willingness to invest in product development (Appian Enterprise), growth of BPM expertise and very strong support of the BPM community at large.

Noted for advanced collaboration support, an intuitive process modeling environment and strong capabilities in all core areas of BPM functionality, Appian has firmly established itself as a force to be contended with the BPM market. With strong growth, clear vision and industry recognition building behind the Appian brand, the company is well positioned to further establish itself as a leader in the BPM market if it continues to execute on its business strategy.

Appian also has a number of unique features and capabilities not found in many BPM products—from modeling to collaboration to analytics, for example. The good news is that many of these capabilities create real customer value while the challenge for Appian is to build acceptance of its approach to BPM where current macro market trends are pushing towards commonality of features and functions.

Savvion

Another of the early leaders in the BPM market, Savvion's BusinessManager supports the full range of features and functions that have been identified as core to any competitive BPM product offering.

Like some of the other early market leaders, Savvion failed to communicate vision and execution behind that vision in recent history—and that has affected the company's perception in the marketplace. Steps are being taken by Savvion to re-establish itself as a market leader but it is too early to tell if that strategy will be successful.

Savvion has certainly drawn attention to itself with its move in 2004 to offer the company's process modeler as a free download for anyone interested in trying out the modeler before investing in the supporting software to operate, manage and control business processes (or to simply use the tool as a standalone modeler with the ability to conduct simulation on business processes). That move has now generated over 60,000 downloads yet it is difficult to determine the degree of correlation between this move and increased gross and net revenues.

One of the "tried and true" BPM players in the market, Savvion is faced with the same challenge that most of the other early entrants in the BPM market are—the building of sufficient financial strength and growth to remain in competitive position with the big boys that have moved in with a vengeance.

WebMethods

In a bit of a slump, webMethods is late to the BPM game and it shows in both the market perception of the company and the completeness of the BPM offering. This won't last, as webMethods has already begun taking action to reposition the company in a far stronger position in the BPM and SOA markets.

Functionally, webMethods has all the right pieces with most of the right functions and is certainly a market player in the systems-centric sub-type of BPM—a case the company is aggressively building on in both product, domain-knowledge and leadership. Yet the people side of the BPM story remains below market par for webMethods in product capability, services and expertise. Considering the fact that webMethods is not at all satisfied with its current position in the BPM market coupled with moves already taken to begin closing the gaps, it can be expected that webMethods will move into a more competitive role within the BPM market in 2007.

The Landscape Diagram is a visualisation technique designed for the rapid analysis of comparable products. Apart from its appearance it differs from other visual approaches to comparative analysis in two ways.

1. It is effectively a three dimensional approach, in contrast to other methods that are merely two dimensional. We discuss this further below.
2. The overall score for each vendor is calculated from the various primary criteria (stability, architecture, performance, support, implementation and so on) that have been scored using a consistent methodology. These attributes themselves are made up from lower-level characteristics. Ultimately it is intended that the Landscape Diagram for each sector will be available on-line and interested parties will be able to drill down to lower level detail, as required. Users will also be able to apply their own weightings, where appropriate.

The three dimensions

The Landscape Diagram has three relevant dimensions:

1. Distance from the centre. The Landscape Diagram shows the overall score for each product. As in an archery target, the nearer the score is to the centre (bull), the higher it is. The greater the distance from the centre, the lower the score.
2. Position around the target. Each score is also positioned around the target, in one of three sectors: Champions, Challengers and Innovators. These positions supplement the product assessments and show the analyst's view of the product in relationship to its peers, both in terms of current capability and direction. The distinction between these sectors is discussed further below.
3. Position also signifies movement. Unless a product is placed exactly on the median point within a sector then it is on its way to somewhere else. Vendors moving up the diagram (for example, from Innovator towards Champion) tend to display more dynamism (with respect to the market in question) than companies moving in the opposite direction (from Champion to Challenger, say).

The three sectors

As previously noted there are three sectors. These can be categorised as follows:

Champions

These products are usually:

- from large, financially stable companies for which this is a key technology area. Or, the products concerned may be from a smaller company that has gained sufficient reputation in this market that, even if the company was to suffer problems, you would expect this technology to be acquired by another vendor—in other words there is little risk associated with this offering.
- well-known within the market that the diagram deals with, although not necessarily by end-users.
- well-established and selling well in this market (although not all of their products necessarily do). Aimed at large organisations with varied and (at least) moderately complex requirements. The suppliers can support their products well in all the markets they are sold in.
- held in high regard by users for their technical quality and support.
- the subject of continual innovation. Their makers constantly renew the technical bases for these products.

Innovators

These products are from companies that:

- are often smaller and younger than Champions, possibly with a lower profile in the market. However, this need not be the case: there is nothing to prevent a large company releasing a new and innovative product.
- are creating new and worthwhile tools and techniques for meeting user's needs.
- attract commentators' and investors' attention with their product(s) and approach.
- are possibly supplying products for special requirements or narrow markets (these products would tend to be nearer the Challengers sector).

Challengers

Companies in this category vary depending on the report. For mature product sectors these products are from companies that are typically either:

- former Champions that are not maintaining that rating, possibly becoming less dynamic or innovative than before, or
- former Innovators that have not been able to make the transition to Champions or Champions-in-waiting.

Note that solutions in that Challenger section do not represent bad companies or poor products. Their products, energy levels and corporate ethos could well be a good match to the needs for a user organisation. What they are unlikely to do is to win much business in closely contested bids or where users want "state of the art" technology.

In the case of immature product sectors, however, challengers also tend to come from major vendors that have only recently entered the market, often based on traditional technologies rather than innovative ones.

Interpreting the results

Choosing from among these companies needs one to interpret the results. The assessments and ratings shown in the diagram are based on what we feel will fit the needs of an imaginary large organisation with a wide range of needs that may span multiple countries. This organisation will have the competence and confidence to specify, install, use and manage the product well.

A high rating is important here if the product is to meet a vital need or the installed system is complex and far-reaching. The supplier and the user will be entering a close partnership, where compatibility is important, as is the longevity of the supplier and product.

Some user organisations have specialised needs, are not large or do not need an all-embracing product. They might be better choosing a product from a different domain or with a different score. The same is true if the organisation is making a 'tactical' or departmental purchase. Here, perhaps, the aim might be to provide a limited and rapidly implemented solution to an immediate or local set of needs.

These diagrams give you our assessment against an idealised set of requirements. Although, we hope, useful as guide to which products to consider initially, they do not constitute a recommendation for any particular organisation's requirements. Product selection demands a close and expert examination of a user organisation's specific needs and expectations, followed by a first-hand evaluation of potential solutions.

Domain Diagrams

Domain Diagrams follow the same approach as the Landscape Diagram except that each domain is represented individually or, in the case of some reports, some domains (typically those pertaining to the vendor rather than the product per se) may be concatenated into a single Diagram. Note that both sector positioning and scores may differ from domain Diagram to domain Diagram and between each of these and the Landscape Diagram.

Adobe Systems:

Website—www.adobe.com; HQ—San Jose, CA, USA.

Appian:

Website—www.appian.com; HQ—Vienna, VA, USA.

BEA Systems:

Website—www.bea.com; HQ—San Jose, CA, USA.

BizAgi:

Website—www.bizagi.com; HQ—Hertfordshire, United Kingdom.

Fujitsu:

Website—www.fujitsu.com; HQ—Sunnyvale, CA, USA.

Global 360:

Website—www.global360.com; HQ—Dallas, TX, USA.

HandySoft Corp.:

Website—www.handysoft.com; HQ—Vienna, VA, USA.

IBM:

Website—www.ibm.com; HQ—Armonk, NY, USA.

Lombardi Software:

Website—www.lombardisoftware.com; HQ—Austin, TX, USA.

Metastorm:

Website—www.metastorm.com; HQ—Baltimore, MD, USA.

Oracle:

Website—www.oracle.com; HQ—Redwood Shores, CA, USA.

Pegasystems Inc.:

Website—www.pegasystems.com; HQ—Cambridge, MA, USA.

Savvion:

Website—www.savvion.com; HQ—Santa Clara, CA, USA.

Singularity:

Website—www.singularity.co.uk; HQ—Derry, N Ireland.

Software AG:

Website—www.softwareag.com; HQ—Darmstadt, Germany.

TIBCO:

Website—www.tibco.com; HQ—Palo Alto, CA, USA.

Ultimus:

Website—www.ultimus.com; HQ—Cary, NC, USA.

webMethods:

Website—www.webmethods.com; HQ—Fairfax, VA, USA.

Bloor Research's team has published a number of articles and product evaluations on the subject of Business Intelligence on the IT-Director.com, IT-Analysis.com and Bloor Research websites.

The update page for this report can be reached by clicking on the following link or typing it into the address bar of an Internet browser.

<http://www.bloor-research.com/update/832/>

If you are reading this inside Adobe Acrobat, and you are connected to the Internet, you can simply click on the link to access the latest information and resources relating to the report.

Robin Bloor
Chief Research Officer and founder



Robin Bloor is a leading authority and influencer in the industry. In his role as an industry analyst, Robin has become an influential commentator on many corporate IT issues and is in great demand as a presenter at conferences, user groups

and seminars addressing audiences across the world on a variety of technology topics from eCommerce through to IT Strategy and trends.

For a decade and a half he has been the driving force behind the research effort at Bloor Research, and has authored many of its industry reports and product comparisons. He has expertise across the whole field of IT with particular expertise in database, development tools, system management, IT security and hardware technology.

His best-selling business book “The Electronic Bazaar: From the Silk Road to the eRoad” was featured as book of the week by the Times, referred to as “a classic” by Publisher’s Weekly (in the US), and described by the Library Journal (also in the US) as “One of the Best Business Books of 2000”.

Now living in Austin, Texas, he is still a regular visitor to Europe. He is also a Partner in Hurwitz & Associates, a partner company to Bloor Research, which provides IT analysis services to US companies.

He has been influential in shaping the direction and thinking of a generation of IT strategists and continues to provide insight on the direction of IT as it moves forward.

Terry Schurter
CIO BPM Group



Terry Schurter, CIO of the BPM Group, is the creator and author of Customer Expectation Management. With razor-sharp clarity, Terry exposes the structure and inner-workings of the 21st Century Value Chain and the actions businesses must take to produce ongoing growth and success.

His widely read insights on business practices and the application of technology in support of business goals place him as one of the leading thought leaders on the subject of achieving business success.

Terry is an internationally popular speaker who’s incisive content and entertaining presentation style has been met with widespread approval. An [OUTSIDE-IN] thought leader, Terry’s presentations help organizations align their thinking and practice with the customer focus needed to set market pace and become tomorrow’s market leaders.

He is also noted for his cutting edge research and analysis in the areas of BPM products, The Case for ROI, SOA (Service Oriented Architecture) and Unified Process Architecture (which he pioneered).

Terry has also written research papers for Bloor Research including: “BPM ROI Guide”, “Technical Guidance on Process Technology”, “Process Technology – the foundation of doing business” and “Executive Guidance on Service Oriented Architecture (SOA).”

Bloor Research overview

Bloor Research has spent the last decade developing what is recognised as Europe's leading independent IT research organisation. With its core research activities underpinning a range of services, from research and consulting to events and publishing, Bloor Research is committed to turning knowledge into client value across all of its products and engagements. Our objectives are:

- Save clients' time by providing comparison and analysis that is clear and succinct.
- Update clients' expertise, enabling them to have a clear understanding of IT issues and facts and validate existing technology strategies.
- Bring an independent perspective, minimising the inherent risks of product selection and decision-making.
- Communicate our visionary perspective of the future of IT.

Founded in 1989, Bloor Research is one of the world's leading IT research, analysis and consultancy organisations—distributing research and analysis to IT user and vendor organisations throughout the world via online subscriptions, tailored research services and consultancy projects.

Copyright & disclaimer

This document is subject to copyright. No part of this publication may be reproduced by any method whatsoever without the prior consent of Bloor Research.

Due to the nature of this material, numerous hardware and software products have been mentioned by name. In the majority, if not all, of the cases, these product names are claimed as trademarks by the companies that manufacture the products. It is not Bloor Research's intent to claim these names or trademarks as our own.

Whilst every care has been taken in the preparation of this document to ensure that the information is correct, the publishers cannot accept responsibility for any errors or omissions.



Suite 4, Town Hall,
86 Watling Street East
TOWCESTER,
Northamptonshire,
NN12 6BS, United Kingdom

Tel: +44 (0)870 345 9911
Fax: +44 (0)870 345 9922
Web: www.bloor-research.com
email: info@bloor-research.com