Business Process Management Systems
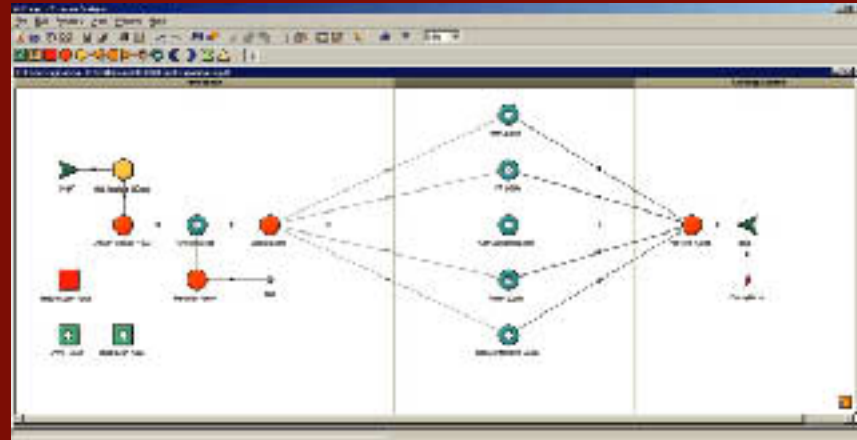
Why they're hot, and why you should care.
by Mark Thellken

"Process owners can easily design, develop, deploy and administer their end-to-end processes"

Not too long ago, the buzz around information technology was centered on the implementation of the "extended enterprise", the "zero latency enterprise", or even the "real-time enterprise". To thrive in an increasingly competitive marketplace, companies apparently needed some version of the "digital enterprise" to assist them in gaining competitive advantage.

Out of necessity, the well funded initiatives of the new millennium have had a complete about face in their focus. Diminishing margins, inefficient order to cash processes, quick wins, fast ROI, and leveraging prior investments are all part of the new mantra. Pain has replaced gain.

The interesting part of this from an information technology perspective is that the software products that businesses should be implementing to alleviate their current pain are also the very products that will make the initiatives to digitize their enterprises plausible. By deploying a Business Process Management System (BPMS), businesses are positioning for future gain, while addressing the current pain.

Mark Theilken is the CEO of Fuego. Before joining Fuego as CEO in 2000, Mark Theilken worked on the senior leadership team at IBM and was an executive at Acxiom Corp., which builds and delivers customer relationship management (CRM) solutions for Fortune 500 companies.

A Business Process Management System, as its name implies, is software that proactively manages how applications, people, and business partners behave in holistic end-to-end processes across one or more enterprises. The BPMS orchestrates processes based on a customer defined process model. This model is published to a process engine as an executable "supervisory application", which serves as the "brain" of the process, orchestrating the services required to fulfill the process, whether they be from an application, person or 3rd party organization. Since the process model is 100% customer defined, the executing process accurately reflects how management wants the business to run. Since the solution is built from the top-down, driven by a process model, both the LOB and IT management can finally close the gap between strategy and execution. This is unlike conventional middleware products such as EAI, Workflow, Application Servers and the like. And, buyer beware, there is a whole spectrum of 'BPM' products that are based on tired technologies with a new veneer. But the effort to sift through the imposters and select a true BPMS is worth the effort.

The payoff for companies comes in terms of control, speed, and agility; as well as lower total cost of ownership associated with the resources required to implement, to deploy, and to improve automated business processes.

Business control requires predictable execution of business processes and knowledge of how well the processes are performing against expectations. The process engine of the BPMS ensures that processes execute according to the process models and captures and catalogs process information at every step. This information is analyzed and displayed in tables and graphs to provide the business process owner a picture of operational performance. The business control realized by fixing broken processes restores margins and keeps customers.

The need for quick wins and fast ROI is counter intuitive to the use of conventional middleware products. They're far too complex. Business Process Management Systems aren't, or at least, shouldn't be. Businesses should expect 2X to 3X improvement in speed of implementation when using a BPMS. If a BPMS requires messaging middleware to integrate applications, those kinds of implementation expectations are impossible.

The only certainty in business is change. The ease to change and redeploy processes to improve margins, meet customer requirements, or satisfy business partners may be the most important capability provided by a Business Process Management System. The measured improvements in business agility realized when using a BPMS are almost beyond belief. The ability to achieve phenomenal 'speed to change' is inherent in the architecture of a true BPMS.

Fuego 4 is the leading Business Process Management System. It offers a top down, process centric approach to solution design, development, and implementation. Fuego 4's superior architecture offers process management, application integration, business to business integration, and workflow in one 'solid state' product.

Businesses that deploy a true BPMS to address their pain will be very well positioned for gain. In today's environment there are many opportunities to address pain. Thankfully, BPMS, is not an all or nothing proposition. In fact, the BPMS mantra should be: "Think big, start small, but act fast." Following that mantra, any enterprise can soon begin to reap the benefits offered by a BPMS at little to no risk in 60 days or less.
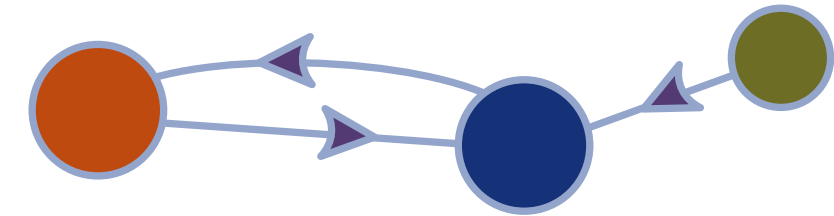
Fuego would welcome the opportunity to prove it to you.

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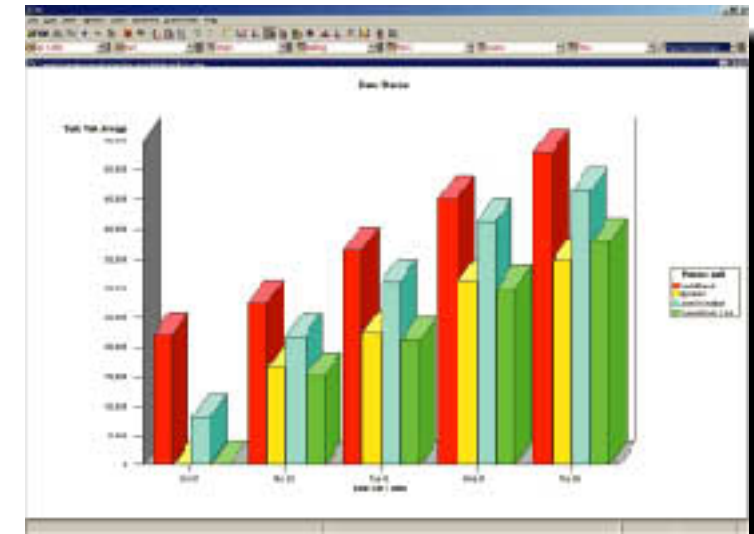
"Managers can analyze processes to identify and correct performance issues on the fly"

CASE STUDIES

OPP

To improve the supply chain efficiencies of its polymer business, Odebrecht launched an ambitions supply chain management implementation – including supplier connections, demand forecasting and planning, transportation and logistics – based on i2 Technologies software. Problems arose when the companies IT staff had difficulties linking i2's SCM applications with its Baan enterprise resource planning systems, and other vendor's systems. Poor visibility into inventory meant that significant costs were being incurred by finished goods inventory while excess labor costs were being incurred for normal product loading and expedited shipping. Inaccurate forecast information resulted in late and short orders and reduced customer satisfaction. Odebrecht deployed Fuego's Business Process Management System to orchestrate the process flows, data flows and workflows between the various enterprise applications and to provide line of business management greater visibility into the executing processes. The company has recognized a 20% increase in on time delivery, a 21% improvement in demand forecasting and a 15% reduction in transportation costs.

PROSA

Prosa is an electronic financial transaction processor that supports over 20 million credit card/ATM cards with an annual volume of some 700 million transactions. They service 23 major banks. Fully 10% of these transactions end up in dispute with each bank having a window of 60 days to resolve these disputed charges. Some 27% of these disputed charges were being written off because the charges remained unresolved at the end of the 60 day period.
By streamlining the complex processes within their 23 banking customers, Prosa was able to orchestrate 28 different applications and 15 disparate processes, achieving a reduction in unresolved disputes that is approaching 0%. Additionally, some 2000 manual activities surrounding the application processing were automated significant cost reductions.

United Surgical Partners INTERNATIONAL

United Surgical Partners International (USPI) owns and manages more than 50 ambulatory surgical centers and a number of group practices throughout the United States in partnership with local physicians, hospitals and health systems. USPI required the capability to consolidate the financial data of its disparate facilities, make the best use of financial and IT personnel resources, implement a financial review process that would be capable of immediate feedback to local healthcare facilities, and facilitate the company's ability to conform to SEC monthly filing requirements. USPI has been able to track the reporting timeliness of facilities, intercept and automatically open the reports of all facilities, automatically check accuracy of reports on 20 criteria, validate consistency of financial data with previous month-end reports and provide immediate notification to facilities of delinquent or inaccurate reports. The Fuego solution makes it possible for USPI to achieve a managerial "triple threat:"
1) streamline operations;
2) reduce costs;
3) meet aggressive growth targets.