

PRODUCT PAPER

Business Process Management

What role does BPM play and how can it help you
improve your business operations



THE CHALLENGE OF IMPROVING BUSINESS OPERATIONS

An organization's processes are fundamentally linked to their business operations and their strategic performance. Process efficiency, flexibility, complexity and governance combined with business priorities are all key factors in an organization's business operations.

Cordys recently commissioned wide ranging research into business operations across 700 business and IT decision makers across key verticals such as financial services, telecommunications and manufacturing. This research looked into the demands and pressures under which business and IT operate and the impact on the relationship between them. Diagram 1 shows the top six business operations priorities in 2012 and how their importance has increased.

Alongside those business priorities you can see the improvements that the business decisions makers wanted to see across their organizations. All five areas of improvement fall under the remit of a good Business Process Management platform.

There were some very interesting finding in the research and you can find an infographic summarising them [here](#) and the full report can be found [here](#).

Within the report there are two further findings that are particularly relevant for this white paper and the role of BPM in improving business operations. 96% of the business decision makers surveyed feel they are under pressure to improve and progress how their business operates. 72% of those same business stakeholders report that IT is not helping them achieve these business priorities. The rest of this paper will discuss how BPM helps improve business operations and aligns business and IT.

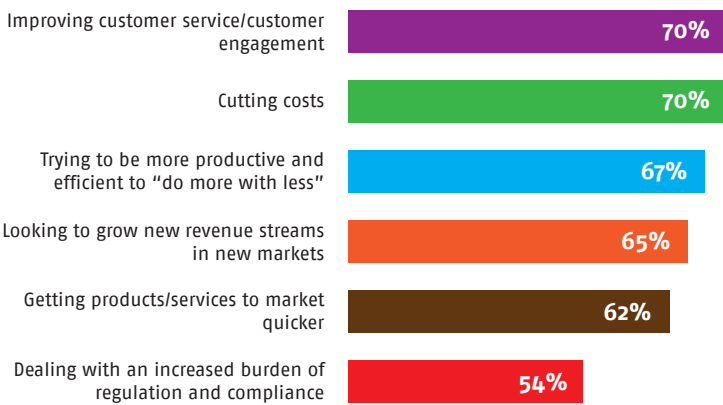
ALIGNING THE CHANGE CYCLES OF BUSINESS AND IT

As previously mentioned – the big challenge in improving business operations is business stakeholders being under increased pressure from their business priorities but at the same time struggling because IT can't help them achieve these priorities. The Cordys Business Operations Platform helps tackle this problem by synchronizing the change cycles of business and IT and their relative different in speed.

Diagram 2 shows how the business changes quickly – in some cases every quarter. The technology change cycle is much slower – on average 6–10 years. This creates the inherent problem described earlier – the business has to change ever more quickly but IT can't keep up. Clearly, ripping out technology ever time the business changes isn't going to work. This is where a Business Process Management platform such as Cordys helps align those different speeds of change.

In the diagram, the Cordys Business Operation Platform and its BPM and Case Management capabilities are key to synchronizing these change cycles. However, to really deliver on this promise of improving business operations – BPM needs to have supporting capabilities. These supporting

Businesses' priorities for 2012 that have increased in importance



The improvements required by business departments

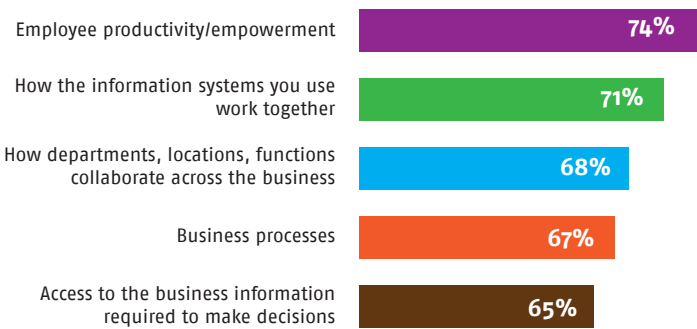


Diagram 1 : Research finding into business operations across leading business and IT decision makers

capabilities give you the ability to extend the reach of your processes to really maximize their impact and to really deliver on the promise of efficiency, flexibility and business agility.

These supporting capabilities fall into two categories – enabling technologies such as cloud computing, enterprise mobility and social collaboration. The second category is supporting BPM capability such as integration, business rules, presentation capability, case management etc.

EXTENDING THE REACH OF YOUR PROCESSES WITH CLOUD COMPUTING, MOBILE TECHNOLOGY AND SOCIAL COLLABORATION

There are three big factors dramatically influencing the way organizations are managing and operating their processes today. These are cloud computing, social collaboration and mobile technology.

Cloud computing

The speed of getting started is a huge benefit of bringing cloud technology to BPM. Typically, BPM-in-the-cloud providers should offer this capability “as a Service”, meaning that customers can start with BPM without having to install and set up the software themselves. The price point to enter BPM through the cloud is usually lower due to the “pay for use” subscription model. Also – customers can try BPM to see what it is all about and if it is right for them. Another advantage is that it is easier to orchestrate applications and data that reside in the cloud, so running BPM in the cloud makes processes more efficient.

That last point is particularly important. Increasingly we’re seeing business stakeholders choose Software as a Service for cost effective, fast delivery of critical IT capability. This really helps the business in the short term. However, this can create two potential issues – first you create a “Shadow IT” department in the cloud. Secondly – you create a process problem. How does an organization deliver truly enterprise wide business processes when they have a mix of applications and data both on-premise and in the cloud. This has been termed the “mess of many” and can be illustrated in the diagram 3. This diagram shows how using SaaS can lead to substantial challenges when trying to deliver the benefits of enterprise wide data, integration, processes, user interfaces and governance.

There are great benefits for cloud computing when it comes to BPM and solving this “mess of many” issue – increasingly there is a need for a “hybrid” approach to business processes where that can interact with people but also on-premise and cloud based information and software.

One note of caution and pragmatism – as with all areas of this industry, there is a lot of hype around cloud technology and getting to the real benefits can often be drowned out by “cloud washing”.

Customer showcase – smarter business operations in the insurance sector

ASR – a leading Dutch insurance organization selected Cordys to tackle their business challenges which were:

- Compliance with the rapidly changing regulations
- Increase market share
- Reduce time to market of new products and services
- Increase efficiency
- Improve process visibility

ASR selected Cordys to provide better information management, decision support tools, improved process and case management.

With Cordys, ASR delivered flexibility and agility across the entire organization.

A summary of their benefits include:

- Claims operated over 80% Straight Through Processing (STP)
- Processing time for pension plan participants decreased from 13 minutes to 2 minutes
- Reduction in FTEs from 80 to 60
- Highly adaptive to changes in legislation
- Improved customer service
- Reduction in storage costs
- Ability to cross-sell leading to an increase in market share

A full set of Cordys case studies can be found [here](#)

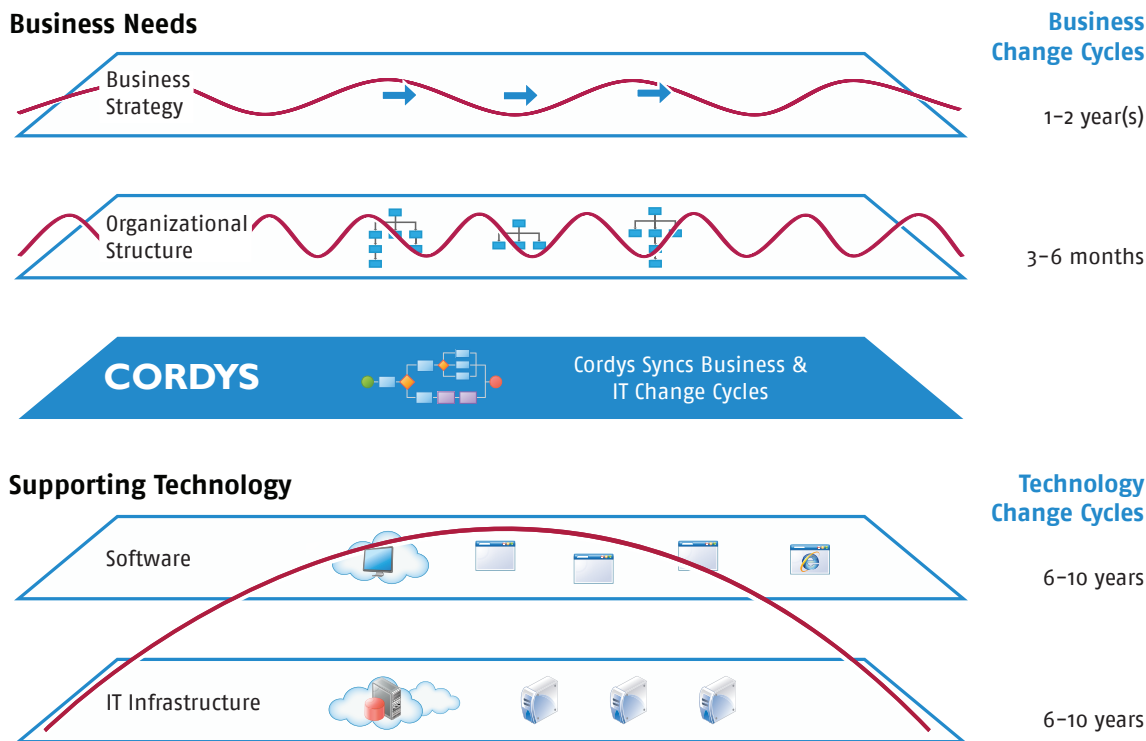


Diagram 2 : Aligning Business and IT

There are three things to really consider when it comes to BPM and the cloud:

- Do you have some data and services in the cloud that your processes need to work with?
- Do you want to actually execute processes in the cloud? If so – how do you include your existing data and systems that aren't in the cloud
- Cut through the hype – is cloud really suitable for what your organization needs to achieve today, tomorrow or somewhere in the future?

You can read more on this subject at a recent Cordys blog posting [here](#)

Enterprise mobility, mobile technology and BPM

There is no great secret that the emergence of mobile technology is changing the way we all do a lot of things. This is especially true when it comes to the impact mobile technology has on business operations and the processes that support them. This huge shift means that the default way of interacting with applications, service and processes will become the mobile device. This has significant impact on business processes and increasingly the approach to business processes will be to design "mobile first"

Not only will mobile devices change the way we interact but mobile adoption will actually lead to an evolution of BPM as a technology and a discipline. BPM already acts as the core to the next generation of applications that are composite and are made up of process, data, user interface,

rules etc. BPM platforms will actually evolve to be the way of delivering enterprise mobility and addressing the "Bring Your Own Device" challenge but still allowing excellence in business operations and corporate governance and compliance.

Social collaboration

The way our enterprise business technology works is a long way behind the technology we use for our personal lives. Outside of work we're more social and collaborative through technology than we are in the office. For the last five years we've accepted this but as the "digital native" has an increasingly important role as both a customer but also an employee – this old fashioned acceptance of hard to use technology is becoming less accepted.

At Cordys we're trying to help fix that by spending a lot of time making sure the way users interact with our technology is easy to use, collaborative and highly productive. In fact Cordys is one of the few platforms recognized as the new generation of "Productivity Platforms". A practical example of this is how we allow social collaboration when it comes to modelling organization, processes and cases. Everything with the Cordys platform is browser based. Collaborative modelling in Cordys allows users anywhere in the world to work together, in real time, in the web browser to model, document and capture their business operations.

Diagram 4 shows Erik and Johan collaboratively modelling together in "whiteboard mode" on an order process in their web browser whilst chatting about the process and their requirements.

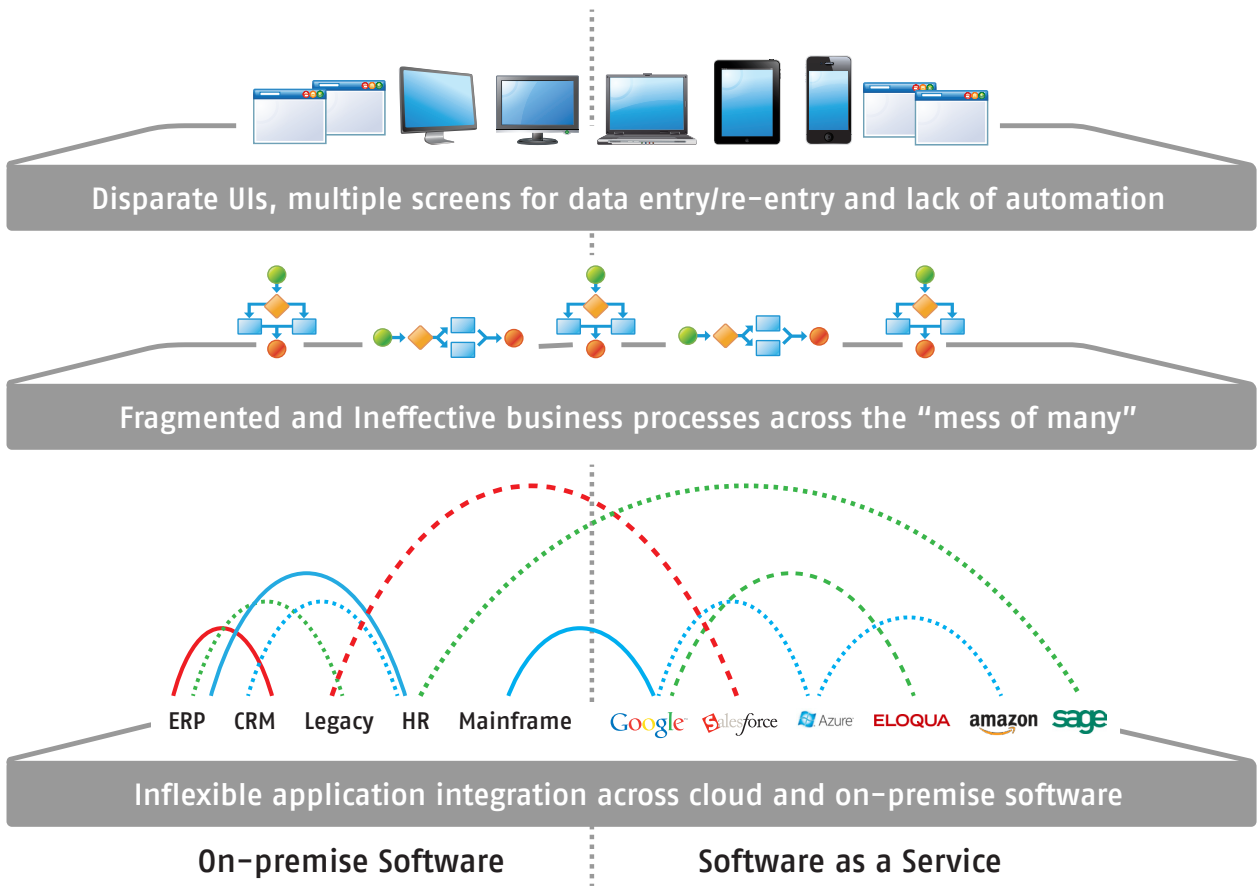


Diagram 3 : SaaS usage leading to substantial challenges

Customer showcase – Extending office collaboration suites with BPM, cloud and mobile in the manufacturing industry

Valeo, a leading French automotive manufacturing organization, has been using Lotus Notes for more than 10 years with 32,000 users, 6000 applications and more than 250 servers running.

Valeo was looking for an innovative way to reduce the office infrastructure costs while simultaneously improving user collaboration and productivity. Their main business challenges were:

- Improve user collaboration and productivity on top of their new cloud office suite
- Replace Lotus Notes applications
- Make applications available anywhere anytime with a focus on mobile
- Make business processes less dependent on organizational changes
- Increase development efficiency

After a thorough evaluation of market place alternatives, Valeo decided to move to the cloud and deploy Google Apps for Business to the company's entire office-based workforce. The Cordys platform was then chosen by Valeo to add cloud based Business Process Management (BPM) and mobile capability to their Google Apps and to integrate Google Apps with their enterprise software.

Valeo achieved a number of business benefits – the key ones being:

- Enterprise BPM for 32,000 Google Apps users
- 250 servers reassigned or decommissioned
- 6000+ applications in Lotus Notes will be reduced to less than 1,000 on new Cloud Platform
- Complete "Office in the Cloud" with governance and control

You can find the Valeo case study [here](#)

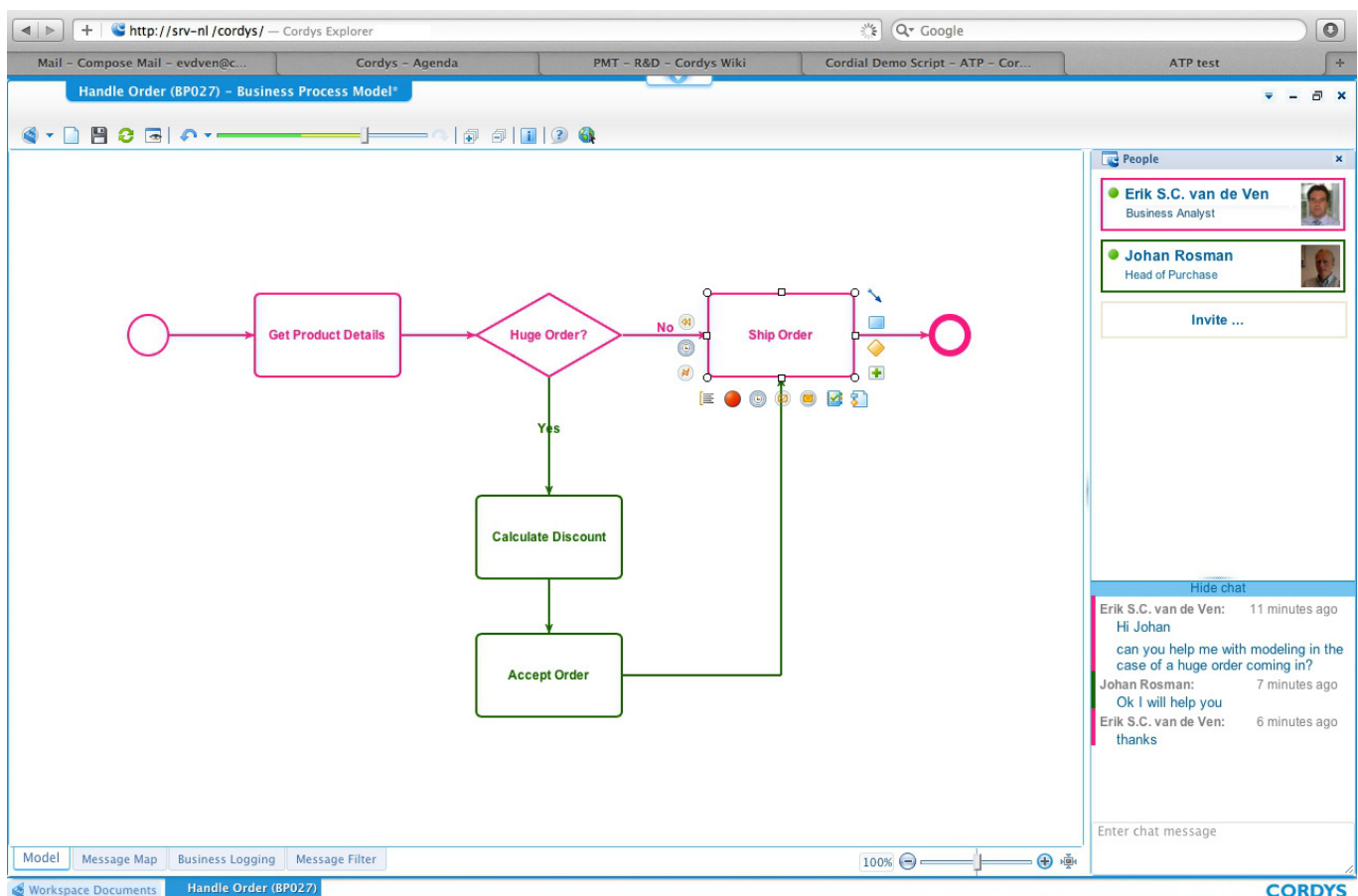


Diagram 4 : Social, collaborative process modelling in the Cordys platform

THE NEXT GENERATION OF ENTERPRISE APPLICATIONS ARE COMPOSITE AND PROCESS CENTRIC

There is a lot of talk and a return of focus on applications and application development right now, at least partly triggered by the popularity of mobile applications, app stores, platform as a service etc. For enterprises, we're going to see BPM and process take an important role in applications. In fact we're seeing the next generation of enterprise applications be composite and process centric. What does this mean? The applications and services that you need to deliver to keep improving your business operations and customer service will be composed rather than developed and they will be made up of many different "fragments" such as data, cloud services, on premise systems (ERP, CRM) and mobile presentation options. The thing that guides or binds these fragments together will often be process or a case. The series of applications that you deliver to your "customer" (be it internal or external) are often very varied. One advantage of a composite application delivered by a feature rich BPM platform is that it is faster and easier to create this variety of complex solutions but not have to re-invent the wheel each time. Take three examples:

- 1. Your first application might be a shipping & fulfillment solution made up of ERP, Supply Chain Management, integration and some processes
- 2. Your second application might be a customer service solution made up of CRM from the cloud, MDM to get a single view of customer, content and document together with a case centric approach

- 3. Your third application might be a mobile application that on-boards a new customer quickly and allows them to start consuming products and services from the first solution above whilst ensuring customer service thanks to the second solution above

All of these applications are composite – as you mix more and more of these things together – you're really talking a composite application made up of all of these parts.

Here is a real world customer example from a manufacturing company using Cordys. This company has delivered a composite application assembled in weeks that combines fully integrated case management driven by MDM combining Salesforce.com, an ERP system, M2M, content management, real time monitoring of devices, mobile device working all composed and delivered through your browser – you suddenly start to realize that this is a completely new kind of composite applications that is process centric and combines mobile, social and cloud.

So what are composite applications?

- A way of building user interfaces to present processes, cases, applications, dashboards etc to users
- The capability for business users to self assemble or compose business mash-ups made up of internal and external information

What do they give you?

- High levels of productivity and speed for subject matter experts to create, share and publish relevant business applications
- Technology in the workplace that is as productive as the consumer IT people use outside work

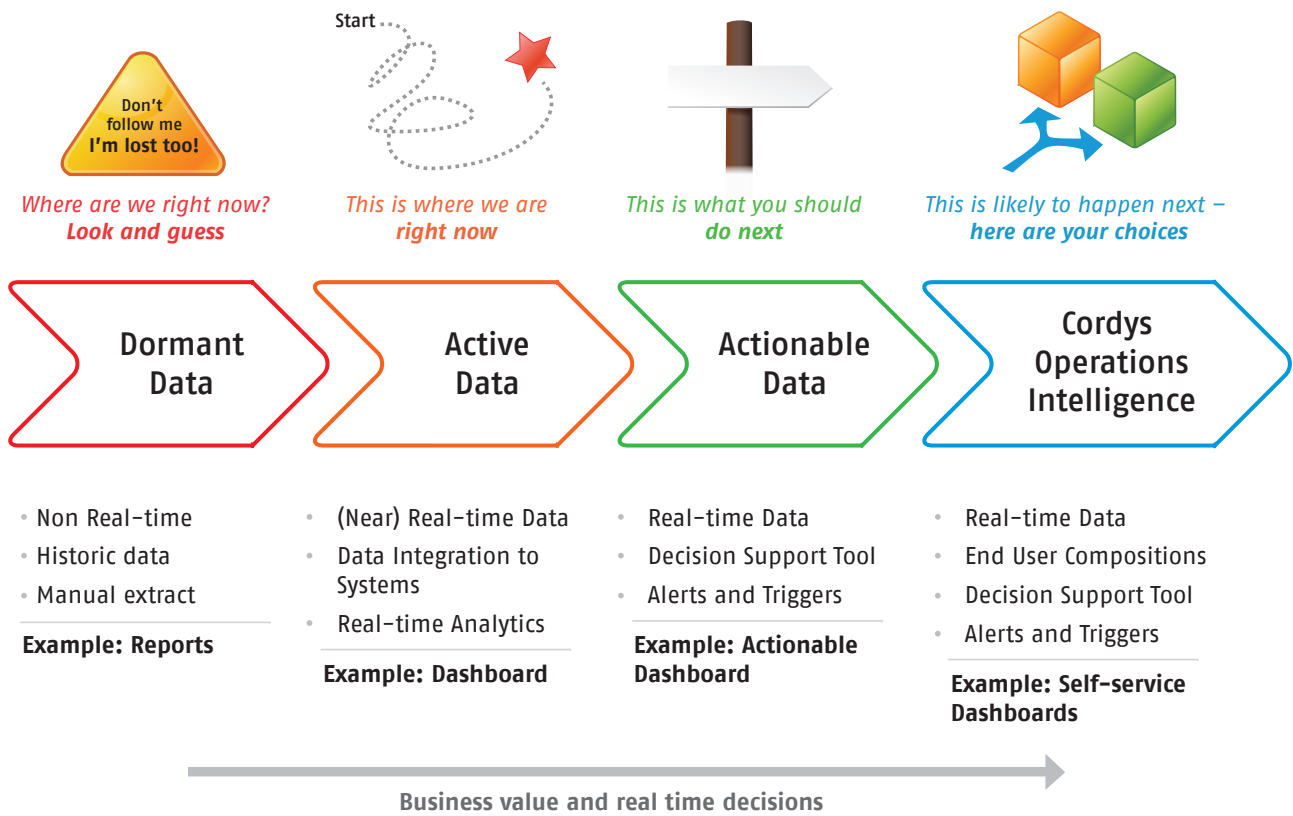


Diagram 5 : Turning dormant data to real-time intelligence

- Disposable application that solves a problem but can be thrown away
- Mix and match structured data from internal systems (e.g. ERP) with external data (e.g. Google Maps)
- A rich way of participating in processes and giving the right information in one place to the right person (customer, employee, business manager)

DATA DRIVEN BPM – TURNING BIG DATA INTO OPERATIONS INTELLIGENCE AND PUTTING IT IN THE HANDS OF THE END USER

Big data is probably the biggest conversation going on right now. The use of data has an important part to play in BPM and business operations. Many of our customers have been using Cordys to approach BPM from a “data first” approach. The Cordys platform is being used to pull together different kinds of data from all kinds of different sources and put it together in different ways. This single view gives someone the information they need, that they can drill down on in order to make a decision.

The Cordys platform typically pulls data together in a few different ways:

- **Data integration** – pulling different systems together and integrating data in the traditional way
- **MDM** – creative a single view of customer, product, risk etc
- **BAM** – intelligence & data about how processes are performing
- **Analytics to drive business decisions** – hooking into data warehouses, reporting etc.

We typically pull this data together into a business user dashboard presented in a browser.

Where the Cordys platform really comes into its own is when you want to make that data “actionable”. When you’ve seen the trend, the risk, the opportunity or the action that you need to do – what next? Do you do what we’ve always done by emailing someone, ringing them up, sending them a fax? Where the sweet spot of data and process comes into play is by making the data actionable. When you’ve seen the information that helps you make a decision on a composite dashboard – I want to be able to fire off the business process to execute the decision I’ve made. Maybe I want to escalate the data I’ve seen and pass it on to another team to investigate using Case Management. Maybe I need to evolve my actionable dashboard to “mash up” internal analytics with data from the cloud (maybe a map, Salesforce, etc).

More and more, we’re seeing customers taking a “data first” approach to BPM. Just a few selected examples include:

1. **Reinsurance Counterparty Management** – a real time data, actionable view of position
2. **Remote Service Platform** – service management across wide range of IP connected assets also known as the “internet of things”
3. **Operations Intelligence** – decision management using “big data” from real-time data sources.

Customer showcase – Data driven BPM delivering Operational Intelligence to a top three global Oil and Gas organization

One of the world's top three Oil and Gas companies faced difficulties with real time operations data. They faced a number of challenges:

- *They needed to find a better way to get the latest relevant oil and gas production and operational data in the hands of the people that need it.*
- *This data was hard to get at, to keep real-time and to visualize.*
- *This impacted not only plant production and operational efficiency but also risk, governance and compliance reporting.*
- *They had to find a way to automate and optimize business visibility and a way of representing huge amounts of complex data.*

They selected Cordys to deliver them a solution to these challenges.

A summary of the business benefits were:

- *The ability to make smarter, faster, better business decisions by relying on operational intelligence with an improved quality of “customizable” data*
- *Increased IT productivity by deploying standards-based service architecture to empower business users to compose their own intelligence applications*
- *Improved business user productivity by optimizing analysis without needing technical support*
- *Decreased development and implementation costs—deliver visibility into business events and operations without tapping limited IT budgets*
- *Improved intelligence from multiple data stores for past and present business trends*

CONCLUSION

The key to a company's business operations are the effectiveness of its processes. These processes need to drive efficiency, add flexibility to operations and bring agility to the business. This has to be done with the backdrop of business and IT complexity and the need to provide governance and compliance.

Clearly, this is not easy or trivial. Business Process Management as both a software solution and a discipline helps with deliver business efficiency, flexibility and agility whilst managing complexity, governance and compliance.

The reach of your processes and hence the impact on operational improvement can be enhanced through the use of enabling and supporting technologies such as cloud computing, social collaboration and mobile technology.

Processes also impact the way we deliver the next generation of applications that will be inherently process centric and composed of many different enterprise "fragments" such as data, SaaS, legacy systems and processes all delivered through multiple business and technology channels

Finally, the role of big data will play a key part in giving better operational intelligence to an organization and BPM allows this data to be turned into operational intelligence and put in the hands of business users to make better business decisions.

The Cordys Business Operations Platform can help you improve your business operations in the ways detailed above with an analyst recognised, industry leading single platform available on premise, in a private cloud or available as a service in the public cloud.

ABOUT CORDYS

Cordys are a company that offers a Business Process Management Platform that has been recognised, by analysts, as the most complete in the market. We're used by over 250 organizations globally to improve their business operations. The founders of Cordys were also the founders of Baan ERP and went on to help create Webex before starting Cordys in 2004.

Since our inception – we've been a company focused on helping organizations improve the way they do business. We've always been focused on Business Process Management (BPM) but we've always taken a wider view on the wider set of business and IT capabilities that companies need. To try and explain what we do for our customers – we've summarised in 6 "pillars" how organizations use the Cordys software.

- Improving customer service
- Being a product leader
- Maximizing existing IT investments
- Driving revenue growth
- Benefiting from cloud computing
- Making business operations smarter

Further reading –

- ["Get started" with the Cordys BPM Healthcheck](#)
- [Cordys and Vanson Bourne BPM research report](#)
- [Case studies](#)
- [Customer testimonial videos](#)
- [The Cordys platform in action videos](#)
- [The Cordys blog](#)
- Find out more at <http://www.cordys.com>

CORDYS

www.cordys.com

Cordys is a global provider of software for business process innovation. Global 2000 companies worldwide have selected Cordys to achieve performance improvements in their business operations such as increased productivity, reduced time to market and faster response to ever-changing market demands. Headquartered in the Netherlands, Cordys is a global company with offices in the Americas, EMEA and Asia-Pacific.