

Business Processes and Cloud Computing

Michele Cantara

Gartner Research VP & Summit Co-Chair

3 Dec 2008

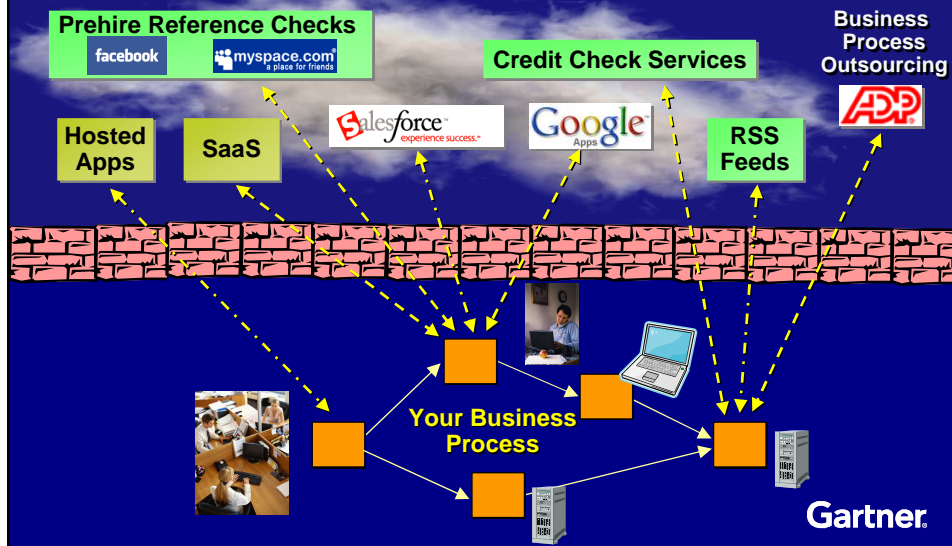
Gartner
Summit Events

Gartner

Notes accompany this presentation. Please select Notes Page view. These materials can be reproduced only with written approval from Gartner. Such approvals must be requested via e-mail: vendor_relations@gartner.com. Gartner is a registered trademark of Gartner, Inc. or its affiliates.

Business Processes in the Cloud Are Inevitable

Many are already off-premises. The cloud is the next step.



Prediction: The share of BPM investments targeting end-to-end business processes that incorporate external services or cloud resources will increase 500% by 2012.

Source: Gartner, Predicts 2009: Use BPM to Confront Business Challenges and Complex Business Relationships, G00162252

Key Issues

1. What is cloud computing and what is driving its usage?
2. What is the relationship between BPM and cloud computing?
3. How are enterprises and BPM technology vendors using cloud computing?

Gartner

What Is Cloud Computing?

Gartner defines cloud computing as "a style of computing where massively scalable IT-related functions and information are provided "as a service" using Internet technologies, potentially to multiple external customers".

On-Demand
Off-premises **Not my asset**

Grid\Utility\Elastic\Real-Time
 Infrastructure

XaaS

Cloud Computing: Four Perspectives, Four Attributes

"All that matters is results. I don't care how it's done."

"I don't want to own assets; I want to pay for elastic use, like a utility."

"I want accessibility from anywhere, from any device."

"It's about economies of scale with effective and dynamic sharing."

Acquisition Model
Service

Business Model
Pay for use

Access Model
Internet

Technical Model
**Scalable, elastic,
 sharable**

Cloud Computing:

A style of computing where massively scalable, IT-based capabilities are provided "as a service" across the Internet to multiple customers.



Debunking Cloud Computing Myths

Cloud computing myths are growing as the phenomenon gains popularity. Don't let the myths derail your BPM efforts.

Myth No. 1:	• Cloud computing is an architecture or an infrastructure.
Myth No. 2:	• Every vendor will have a different cloud.
Myth No. 3:	• SaaS is the same as cloud.
Myth No. 4:	• Cloud computing is a brand new revolution.
Myth No. 5:	• All remote computing is cloud computing.
Myth No. 6:	• There is no such thing as the private cloud.

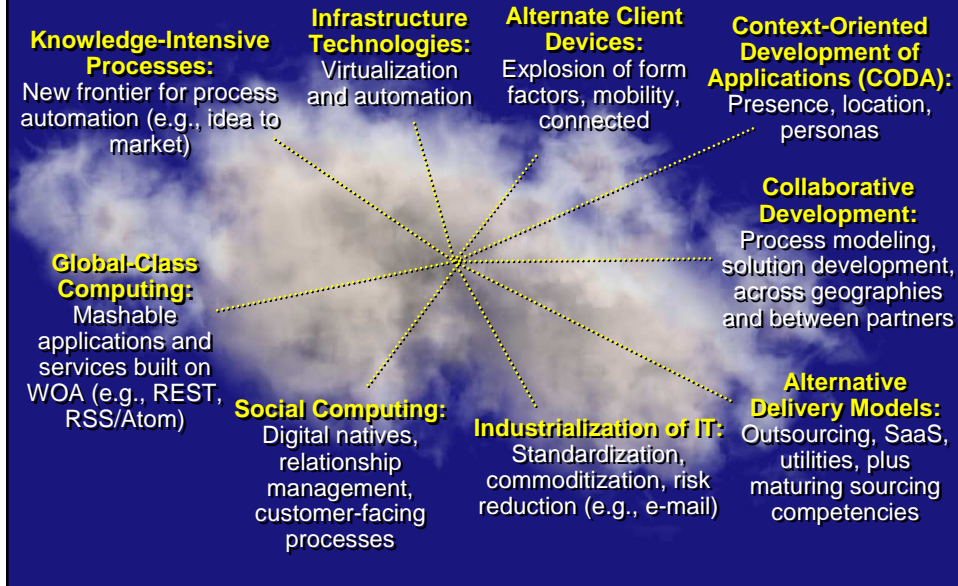
Gartner

Traditional vs. Cloud Computing

	Traditional Computing	Cloud Computing
Acquisition Model	Buy assets and build technical architecture	Buy service
Business Model	Pay for fixed assets and administrative overhead	Pay based on use
Access Model	Internal network or intranet, corporate client	Internet, any device
Technical Model	Single tenant, nonshared, static	Scalable, elastic, dynamic, multitenant

Gartner

What's Driving Business Processes Into the Cloud?



What Is Business Process Management?

- **A Discipline**
 - **Management practices** delivering process transparency, adaptability, cross-functional process performance optimization, process governance and innovation
 - **A structured approach** employing methods, policies, metrics, management practices and software tools to manage and iteratively optimize the organization's operational processes.
 - **A cultural transformation** requiring special attention to communication and engagement activities to minimize resistance and maximize stakeholder involvement.
 - **Key principles:** business user empowerment, process visibility and explicit process management across the entire business process lifecycle.
- **That Can Be** enabled by BPM technologies (BPMTs):
 - Business Process Analysis (BPA) tools, business activity monitoring (BAM), business rules engines (BRE), workflow and process orchestration, Business Process Management Suites (BPMS).



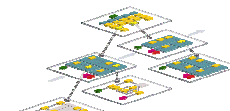
Information



Process



People



Relationships

Gartner

Companies That Use BPM Deal With Frequent Business Process Change

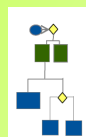
- Need to cope with frequent process change:
 - Minimally, they change business processes several times per year.
 - Monthly and weekly process changes are not unusual.
 - A few companies are changing processes daily!
 - Need agility to rapidly change business process in response to unforeseen events.
- Externally facing processes are the most important target for BPM efforts.

Source: Gartner 2008 BPM Adoption Survey

Gartner

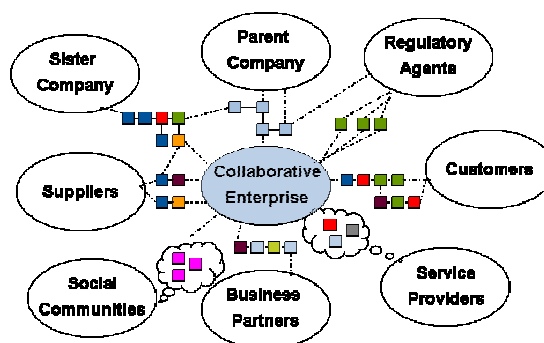
BPM Helps You Manage End-to-End Business Processes that Span Complex Value Chains

BPM Discipline and Technologies



Explicit Business Process models:

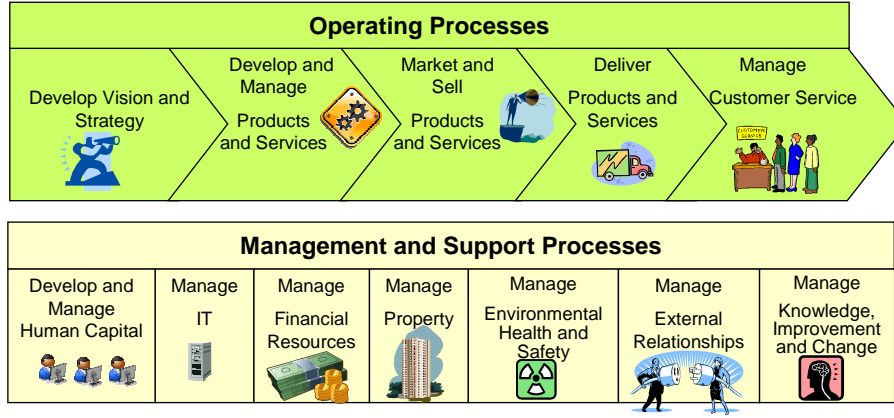
- Abstract and simplify relationships
- Make on-premises and off-premises processes visible
- Make SLAs transparent
- Let business change parts of processes



Gartner

What Types of Processes Are Candidates for Cloud Computing?

- Commoditized support processes (e-mail, storage, HR)
- Unautomated collaborative support processes
- Common industry processes
- Regulatory/compliance processes
- Knowledge-intensive processes
- Analytic processes



Process Patterns Where "Cloud Computing" Is More Likely to Provide Process Support

	Case Management	Form-Driven Workflow	Content Collaboration	Straight-Through Processing	Participant-Driven Workflow	Optimization of Network Relationships
Triggers?	Customer request	Customer request	Idea submitted	Business transaction	Inquiry	Unpredictable, disruptive event
Work Ends When?	Decision made or outcome achieved	Request is satisfied	Content created or published	Change made to recorded business state	Answer provided	Network resources restored
Why Is It Done?	Make decisions, audit actions	Input to decisions and transactions	Gain consensus through collaboration	Record keeping	Customer responsiveness, self-service	Optimize resources
Examples	facebook myspace.com	RIGHT NOW TECHNOLOGIES THOMSON REUTERS	thinkfree Basecamp Google Apps		RIGHT NOW TECHNOLOGIES	The Weather Channel Complex-Event Processing

Business Process Modeling in the Cloud



- High-level diagramming tool
- Broadens participation in process discovery
- Microsoft Visio importer
- 3,000 users

Gartner

BPMS Is Being Used Within a Variety of Service Delivery Models

Emerging Market

Private Cloud

- Internal IT Shared Services Centers
- But a 1-to-many, on-premises delivery model

Examples:

- Satyam
- Pegasystems
- UBS (Fujitsu Interstage)

On Premises

Mature Market

BPO, AO or Hosted "Process-Based Application"

- A 1-to-1 model; not SaaS
- Providers sometimes use the *same BPMS code base and basic artifacts* for multiple clients
- Dedicated environment with client-specific process flows/data

Examples:

- DST Systems
- SunGard
- Target Group (Fujitsu Interstage)

Off Premises

Growth Market

Process Based Solutions via SaaS

Examples:

- Enkata (Lombardi Teamworks)
- L@W (Metastorm)
- Savvion
- DST Systems
- Envision/ISCorp (Fujitsu Interstage)

Emerging Market

BPMS as a Cloud Platform

Examples:

- Appian On Demand
- Fujitsu Interstage Enabled SaaS Platforms

Gartner

Process-Based Solutions

Selected Examples



Gartner.

BPMS in the Cloud

FUJITSU

Appian Anywhere

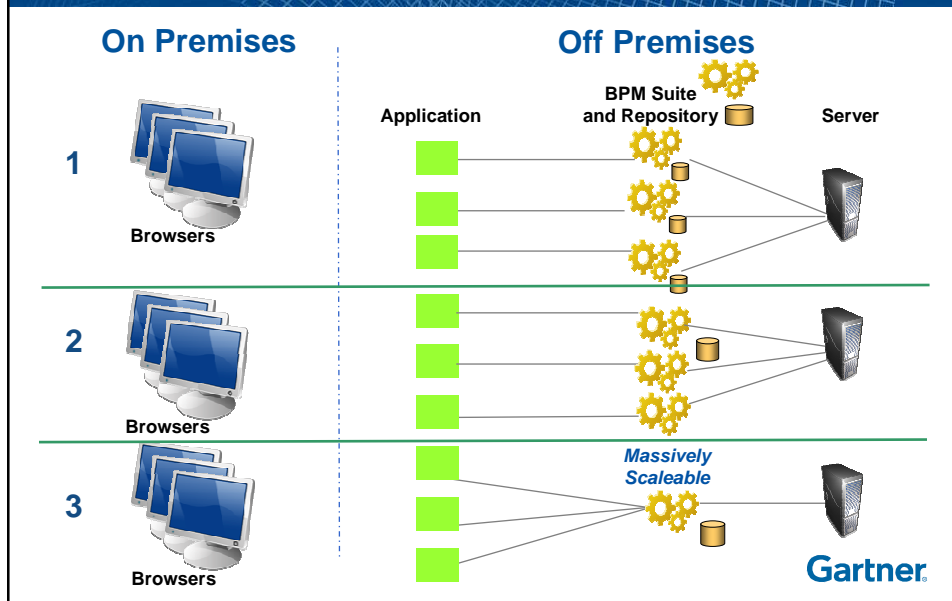
Interstage

SUNGARD®



Gartner.

The BPM Market Does Not Yet Require the Massive Scalability Characteristic of Cloud Computing



Emerging BPMT Cloud Platforms



Gartner

Competencies Needed to Improve Business Processes in the Cloud

Business Process Visibility:

- Shared and relevant process view across business and IT, partners, suppliers, on-premises and off-premises solutions

Business Process Monitoring and Measurement:

- BAM, dashboards, establishing KPIs to monitor business outcome and SLAs

Process-Aware Infrastructure:

- Process-centric integration backbone for instrumenting business processes and for managing change across process artifacts — both for on-premises and off-premises solutions

Sourcing:

- Vendor management, aligning SLAs to desired business outcomes, understanding of sourcing options, contract models, and payment models

Global-Class Computing and Social Networking:

- Mastery of Web 2.0 technologies, governance policies for integrating business user mashups into core business processes, identification of critical knowledge-based and collaborative processes inside and outside of the enterprise

Recommendations

Over the Next Few Days:

- Identify process segments that could be supported by cloud services.
- Conduct an informal audit of where "off the radar" usage of cloud services is implicitly used in one or more of your key business processes already.
- Compare the risks of using cloud services vs. the risk of not having these capabilities add value to your business processes.
- Assess the road maps of your strategic technology vendors **and** your service providers.

Near Future (Over the Next Few Months):

- For the candidate process segments you identified, compare the cost savings of using cloud services vs. on premise solutions
- Craft a midterm road map that outlines the management and change process to go from on-premises to on-demand models.
- Establish a governance model for process ownership, change and risk.
- Make processes visible to business and IT, as well as to key external partners, suppliers and service providers.

Longer Term:

- Mature your sourcing competencies to manage the diversity of options for supporting and improving business processes.

Recommended Reading

- "Tutorial for Understanding the Relationship Between Cloud Computing and SaaS" (G00156152)
- "Cloud Computing: Defining and Describing an Emerging Phenomenon" (G00156220)
- "How to Identify Cloud Computing" (G00158761)
- "Risks and Rewards: Examining Cloud Computing's Effect on Vendors and Users" (G00158759)
- Cloud-Based Application Development Platforms Enable New Modes of Collaboration G00163244
- Predicts 2009: Use BPM to Confront Business Challenges and Complex Business Relationships G00162252
- Two Factors that Help Identify the BPMS "Sweet Spot" G00157424
- Which Evolutionary Path Is Your BPMS Vendor Taking? G00158128
- "Impact of SaaS in Business Process Management, 2008" (G00159159)
- "Boomi's SaaS Integration Services Strategy Gets a Boost" (G00159646)
- "Lombardi Makes BPM More Consumable" (G00157299)
- "Introducing SaaS-Enabled Application Platforms: Features, Roles and Futures," G00150447
- Impact of SaaS in Business Process Management, 2008 G00159159

Gartner

Gartner Business Process Management Summit 2009

- March 23-25
- **Sheraton San Diego Hotel & Marina**
- 1380 Harbor Island Drive
- San Diego, CA
- Phone: (619) 291-2900



Register before Friday, December 12th
and **save \$300**

promotional code **BPMATC1**

Call Now: (866) 405-2511

Book your hotel stay early and save
by being a part of the Gartner
room block.

Gartner

Business Processes and Cloud Computing

QUESTIONS?

To ask a question please press *1 on
your telephone keypad

OR

Type your question in the box at the
lower left corner of your screen and click
on the "Send" button located next to the
box.

Michele Cantara
Gartner Research VP & Summit Co-Chair

Gartner
Summit Events

Gartner

Notes accompany this presentation. Please select Notes Page view. These materials can be reproduced only with written approval from Gartner. Such approvals must be requested via e-mail: vendor_relations@gartner.com. Gartner is a registered trademark of Gartner, Inc. or its affiliates.