



RFG Research Brief: Real-Life Challenges and Recommendations

Examples of Business Process Management (BPM) Solutions and Vendors

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Client Challenge: RFG enterprise clients pursuing and considering BPM initiatives have requested information comparing and contrasting candidate solutions and vendors.

Recommendations:

- The range of BPM solutions and vendors is broad, and differences in their approaches to BPM vary considerably. Also, BPM solution vendors vary widely in terms of longevity and financial size and strength. (Both **IBM Corp.** and **Oracle Corp.**, for example, offer BPM solutions, focused primarily on support of Business Process Execution Language (BPEL).) IT and business decision-makers should take all relevant variables into consideration when seeking BPM vendors and solutions aligned with business needs and goals. Examples and summary descriptions of some leading BPM-focused vendors follow.
- **Appian Corp.**
 - Founded in 1999; privately held; executive experience largely in implementation and professional services, as well as technology development and marketing.
 - In March 2006, Appian introduced Appian Enterprise 5, an entirely Web-based suite that combines analytics and collaboration with process modeling and management features. The suite supports the Business Process Management Notation specification from the [Object Management Group](#) (OMG), and promises tight integration with **Microsoft Corp.**'s Outlook and with Web services.
 - In October 2005, Appian was selected by the U.S. Securities and Exchange Commission (SEC) to provide that agency with a BPM-driven procurement solution. Appian also offers a Government Process Management suite supposedly tailored specifically for government agencies, and claims several federal agencies as clients.
 - Appian claims strengths in financial services, but cites few significant clients in this industry segment. IT decision-makers at financial services companies should contractually ensure that Appian can provide required types and levels of support and service.
- **BEA Systems, Inc./Fuego, Inc.**
 - In March 2006, IT infrastructure and middleware solution provider BEA announced acquisition of Fuego, a BPM company founded in 1999. Fuego's BPM solutions are now being evolved into the foundation of BEA's AquaLogic Business Service Interaction product line, according to BEA. The acquisition should enable BEA to combine Fuego's BPM strengths with BEA's evolving portfolio of service-oriented architecture (SOA) enablement solutions as well.
 - Fuego's executive team averages approximately 20 years of experience, largely in sales and/or software. Fuego's pre-acquisition board of directors also includes several members with extensive IT industry experience.
 - Fuego has a specific focus on BPM and process excellence, and on BPM/SOA integration. Before being acquired by BEA, Fuego claimed more than 170 production deployments, with a 100-percent success rate.



- Fuego also has a long history of forging industry alliances. In December 2005, Fuego forged a partnership with GT software, to expand support for mainframes in heterogeneous BPM/SOA environments. Fuego had also forged relationships with several process modeling vendors, such as **IDS Scheer**, **Microsoft** (for Visio), **ProActivity**, and **Proforma**. How the BEA acquisition will affect Fuego's alliances is unclear. IT executives may have to consider sacrificing some freedom of choice regarding modeling for a single, well-integrated BPM solution that incorporates strong modeling features.
- Fuego claims functionality similar to that promised by BPEL, and to fill in workflow-related gaps in BPEL. This implies potentially strong "bridging" technology from current BPM environments to SOAs.
- **Global 360**
 - Formerly eiStream; founded in 2000.
 - Executive team largely in content management, document capture, and imaging. (Several are from former content management vendor Epicentric.) SVP Robert Shapiro is a long-time developer of analytics, modeling, and simulation software tools. This implies a strong focus on integration of such features into BPM offerings and client architectures.
 - Focus on financial services, as well as health care, manufacturing, public-sector organizations, and telecommunications. This should result in relatively broad and deep experience relevant to industry-specific needs and characteristics.
 - In April 2006, private equity firm TA Associates led a \$200-million buyout of Global 360. RFG expects Global 360 to continue business as usual. However, interested IT decision-makers should obtain detailed information about the company's plans and road maps before making any long-term commitments.
- **Lombardi Software, Inc.**
 - Founded in 2000, Lombardi's executive team draws its experience largely from IT. However, professional services VP Toby Cappello helped advise IT decision-makers at Fortune 500 companies while at **PricewaterhouseCoopers**.
 - Lombardi formed a subsidiary in 2005 to focus on demand for its BPM solutions outside North America. This implies a level of growth and stability that argues for the company being a viable long-term business partner, especially for companies doing business internationally.
 - Lombardi apparently has a stronger focus on collaboration on business process development and management than other candidate vendors. The company offers not only BPM software, but best practices proven effective by customers. Also, Lombardi's TeamWorks software supports a "playback" feature that can help users more fully understand and readily "buy into" BPM decisions and policies.
 - Lombardi has several relatively high-profile financial services clients, and at least one unnamed agency of the U.S. government.
 - Lombardi announced in October 2005 the Lombardi On-Demand Assistance (LODA) program, a subscription-based service that promises on-demand deployment and implementation assistance, reviews, and support from Lombardi's Certified Process Architects. This implies significant abilities to aid and speed BPM initiatives using Lombardi solutions.
 - Integrator partners include **BearingPoint**, **Extensify** (formerly **GEAC**), **Fiserv**, which have extensive experience with large financial institutions, government agencies, or both. Technology partners include IBM, Microsoft, Oracle, and **Sun Microsystems, Inc.**, as well as leading business analytics provider **Fair Isaac**. These relationships imply a broad portfolio of available solutions and services, but integration may not be consistently high.



- **MindBox**

- MindBox was formed in 2000, after the leveraged buyout of the custom software division of electronic customer assistance software provider Brightware.
- MindBox has been primarily focused on the mortgage market for the past five years, and involved in that market for several years before that. MindBox originated the technology behind Desktop Underwriter, a product used extensively by Fannie Mae.
- In January 2006, **MacDonald, Dettweiler and Associates (MD&A)** acquired MindBox, and announced plans to integrate it with MD&A's other U.S. financial services entities, DataQuick and Marshall & Swift/Boeckh (MSB), under a single leadership team. The core of the MindBox executive team remains in place.
- The company's solution had previously been available only as a licensed offering. It is now also being offered selectively as a hosted service, an offering that has not yet been officially announced. The MD&A acquisition is enabling the building of the data centers and other resources needed to deliver hosted services, according to MindBox.
- MindBox reportedly grew 62 percent in 2005 over 2004. The company cites as reference accounts Countrywide, GMAC, UBS, and Wells Fargo. UBS's new underwriting software is based on MindBox technology, as is Countrywide's CLUES automated underwriting system. According to Countrywide, CLUES has reduced online underwriting time at Countrywide to 15 seconds per loan, processes more than 200,000 loans per month, and saves Countrywide more than \$5 million annually in underwriting costs. IT decision-makers, particularly those at financial services firms, should look closely at MindBox and the experiences of relevant customers.
- MindBox solutions should be easily scalable to meet high business volumes. However, IT decision-makers dealing with such workloads should take great care to craft explicit, enforceable service level agreements (SLAs) with any vendor, especially one offering a hosted service. Such SLAs are the only truly effective tools RFG has found for enabling enterprises to turn vendor promises into actual performance and service levels.

- **Pega Systems**

- Founded in 1983, and still led by founder Alan Trefler, who also owns more than 60 percent of the company. While this argues in favor of company stability and longevity, it creates a risk that Trefler may someday take the company in a direction not closely aligned with particular enterprise goals or needs.
- The company has a strong emphasis on business rules as drivers for process management and optimization. This implies an ability to provide extensive assistance in defining and prioritizing enterprise business rules – assistance a particular enterprise may or may not need.
- The company claims financial services and insurance as primary markets, but cites no specific clients.
- In May 2006, Pega Systems announced its Insurance Industry Framework, which is intended to add insurance-specific best practices to the company's SmartBPM platform. The Framework takes advantage of IBM Corp.'s Insurance Industry Application Framework and complies with standards being developed by the industry's **Association for Cooperative Operations Research and Development (ACORD)**, according to Pega Systems. These features may make Pega Systems solutions most suitable for insurance enterprises, especially those with heterogeneous IT environments.

- **Savvion, Inc.**

- Founded in 1994, and privately held, the company's primary focus appears to be on business process automation and Web-enablement. While technologically attractive,



- interested IT decision-makers should ensure this approach dovetails with enterprise-specific needs and goals.
- The company's solutions incorporate extensive process modeling and simulation features. IT executives at enterprises already using other modeling tools should compare those with Savvion's features, and explore interoperability in detail.
 - The company claims presence in 20 of the Fortune 100, and more than 200 enterprise clients. Savvion cites several financial services clients, but seems to have far greater penetration among manufacturing, IT, and telecommunications companies.
 - In June 2006, Savvion announced the Savvion ProcessXchange, an online user community intended to foster discussion of BPM best practices and process improvement.
- **Tibco Software, Inc.**
 - Tibco became a BPM company with its acquisition of Staffware in 2004. However, Tibco began life as a middleware provider. This implies that its integration of the Staffware acquisition may not be complete, and that the company's core business may not align closely enough with enterprise needs or goals.
 - In June 2006, Tibco announced Business Studio version 1.1, software intended to ease and speed creation of BPM models and simulations based on real-world information, according to the company.

Summary: Enterprises considering or pursuing BPM initiatives face a plethora of candidate vendors and solutions. Each offers a unique combination of experiences, strengths, and weaknesses, which IT and business decision-makers must rationalize with one another and with enterprise-specific goals and constraints. In addition, IT executives must ensure that all candidates are rigorously vetted, and that those considered for selection are supplemented with strong, enforceable SLAs.

Commentary:

BPM is increasingly critical to growing numbers and types of enterprises. It is also a required component of other strategic IT-enabled initiatives, ranging from business analytics and intelligence to SOAs. IT executives should work closely with their business counterparts, to identify key enterprise BPM requirements and to identify the strongest candidate solutions and vendors to address them.

Examples of Relevant RFG Research:

- [A Pragmatic Approach to Business Performance Management](#)
- [Business Process and Performance Management: Specific Recommendations for Leveraging "The Two BPMs"](#)
- Educational Asset: [Service Level Agreements](#)
- Educational Asset: [Vendor Management](#)
- Research Brief: [The Continuing Evolution of Business Process Management \(BPM\)](#)

Additional relevant research is available at www.rfgonline.com. Interested readers should contact [RFG Client Services](#) to arrange further discussion or an interview with Mr. Dortch.