

## DECISION MATRIX

# Decision Matrix: Selecting a Business Process Management Vendor

## Selecting a BPM suite provider in a growing and fragmented market

Reference Code: OI00124-010

Publication Date: December 2011

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### SUMMARY

#### Catalyst

Business process management (BPM) technology has long promised a more efficient way of developing process applications and, indeed, a more efficient way of managing business processes. Ovum believes that many of the factors essential for BPM to deliver on its original promise are finally coming together. Some of these factors are technology-related, such as a deeper connection between process model building and execution, easier process model development, enhanced ability to harness process knowledge from across the enterprise, better tool support for processes of varying levels of pathway uncertainty, improved process analytics, the emergence of the cloud, and better integration with related solutions. One factor that is unrelated to technology is the development of organizational structures that promote BPM skill diffusion within the enterprise, helping BPM technology to deliver on its promise. However, the BPM market is fragmented by its very nature. Also, for many enterprises, the platform nature of the technology makes vendor selection a project with long-term ramifications. Ovum has surveyed the market and published this Decision Matrix report to help enterprises select the right BPM suite from those offered by 12 leading vendors.

## Ovum view

- Appian, IBM, Oracle, and Pegasystems are the overall leaders in the BPM market. Appian has moved from a "Consider" rating in the 2010 Decision Matrix to its current "Shortlist" rating, a change that can be attributed to the vendor's high score for the Technology dimension. IBM has also moved from "Consider" to "Shortlist," which reflects the effort made to bring together three disparate products into a single, integrated whole.
- For IT organizations or teams that commonly or exclusively use SAP, the SAP option will be hard to beat.
- Newgen and AuraPortal are the BPM specialists that have performed particularly well in this research cycle.
- BonitaSoft, the only open source vendor covered in this report, is a new entrant in the Decision Matrix. The young company has gained considerable momentum and its inclusion reflects Ovum's belief that open source will remain a very viable niche in the BPM market.
- Cordys has moved from an "Explore" rating to a "Consider" rating, which can be attributed in equal measure to the vendor's impressive performance in the Technology and the User Sentiment dimensions.
- Active Endpoints' position in the Decision Matrix remains unchanged since 2010, and the vendor offers a very competent product in its area of specialization.
- Tibco has made major investments in BPM recently and has moved from an "Explore" rating to a "Consider" rating.
- EMC is a new entrant in the Decision Matrix. The vendor's considerable strengths in content management give it an edge in the area of case management, which is its primary area of focus.

## Key messages

- BPM is a rapidly growing market and high double-digit revenue growth figures are very common among leading vendors profiled in this report.
- Getting started with BPM still requires a large degree of commitment in both financial and human resource terms.
- BPM in the cloud is a viable option. However, the cloud is unlikely to come even close to becoming the dominant delivery model in the BPM market.



- Case management, or the management of unstructured processes, is a major focus area for most vendors.
- Social concepts can be seen in most tools and "social" is on the roadmap of most vendors, but its impact is fairly incremental.
- Simulation is not often used in practice, but this may change.
- Open source BPM remains a strong niche.



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## **MARKET DEVELOPMENTS**

### **BPM is a very rapidly growing market**

A survey of the vendors featured in this Decision Matrix report and other prominent BPM vendors reveal the very positive news that BPM is one of the few rapidly growing enterprise software markets. Every vendor featured here reported double-digit growth figures and more than a few have reported greater than 30% year-on-year revenue growth. Ovum's ongoing research indicates that awareness of the technology and the best practices around it have become well known, and, overall, it is a good time for BPM practitioners. Expansion of existing accounts is also an important source of growth. One of the major BPM specialists cited over 30% license growth within existing accounts. In Ovum's view, this reflects the spread of BPM from departmental implementations to more global positioning.

### **Getting started with BPM still requires a large degree of commitment**

None of the vendors with which Ovum spoke, except the lone open source vendor, enables enterprises to get started on BPM at a price lower than US\$40,000, which is not a trivial amount. Many vendors currently provide a freely downloadable version of the modeling solution, but it is still fairly expensive to get started with a process application. Perhaps more important than this is the commitment in human terms. BPM can bring with it a radical shift in the way that work is allocated and carried out. Getting all levels of staff on board with this paradigm shift can still be a problem, as it has been from the earliest days.

### **BPM in the cloud has had some success, but is very unlikely to emerge as the dominant model**

While BPM in the cloud is certainly not a non-starter, our research did not indicate that cloud-delivered solutions' share of the BPM market would ever be similar to the share seen in the customer relationship management (CRM) or the human capital management markets. Of the 12 vendors featured in this report, only two – Cordys and Appian – have significant installed bases for their cloud-delivered solutions. While a cloud-based BPM business is perfectly viable, for most BPM requirements cloud hosting would offer only modest cost advantages over on-premise hosting, unlike CRM. Many of the total costs associated with deploying a BPM solution have very little to do with hardware and software infrastructure, the areas most directly impacted by the delivery model. The remaining areas, such as process modeling, are completely independent of it. Therefore, the cloud argument is a lot less compelling for BPM. On a related note, most of the cost components of a BPM solution implementation project are related to organizational and technology landscape complexity, and are, therefore, unlikely to change in the foreseeable future. Naturally, the cost argument tilts in the cloud's favor when the processes involved are of a much smaller



scale and likely to require far less work by business and IT to bring under the aegis of a tool. IBM's Blueworks Live is an example of a suitable platform for low-complexity processes that could be relevant to large sections of the enterprise. However, in Ovum's experience, such processes are in no immediate danger of moving en masse from ad hoc tools such as email to process management tools, and, therefore, large-scale cloud adoption is equally unlikely in the next three to five years.

Also, starting a cloud business is a fairly difficult exercise and would easily take over two years of development time and a major part of a research and development budget. Such a transition would also require a new business model, including a very different approach to direct sales and partnerships. Taking these two factors into consideration, Ovum believes that BPM in the cloud will remain a small part of the BPM market.

### **Case management is now a major focus area for most vendors**

The "case management" meme has gone through several iterations, including transactional content management, and the trend has now become all-pervasive. Over half of the vendors featured in this report feature case management capabilities very prominently in their communications. For those with a heritage in content management, case management is the most prominent aspect of their communications (although this is not to say that they are significantly better-placed to deliver case management). For such vendors, much of their self-reported differentiation is in the tight integration between document attributes and elements of managing the process, such as branching. Looking beyond vendor communications into actual capabilities, there are variations in feature depth, the importance of case management to the vendor's business, and, most importantly, the vendor's case management capabilities as directly relevant to the enterprise in question, because case management can mean many different things. Several other parallel trends have helped make case management technology possible. Two such trends are the growing importance of collaboration and an increasing focus on a superior user experience for BPM end users. Overall, there is a fairly new – and very welcome – recognition of the importance of unstructured processes.

### **Social concepts can be seen in most tools and "social" is on the roadmap of most vendors, but its impact is fairly incremental**

"Social," and the broader theme of collaboration, is becoming a very real requirement, and also cuts to the heart of the case management aspect of BPM. There are two key categories of use case: collaboration during the design, and collaboration for end users. Social, as it is commonly understood, has limited use in the former. Social features are mostly about enabling collaborative model development through features such as annotations. On the end-user front, social features

have mostly replicated user experience constructs such as activity feeds, to which users have become accustomed through the consumer Web. Ovum believes that while they are important, neither of the two categories of features merit the volume of mentions that "social" gets in the vendors' marketing communication. Collaborative process modeling has been enabled for a long time through various measures, such as visual lineage depictions, version control, and audit trails of changes made. UI elements borrowed from the consumer world are not likely to add substantially to the ease of collaboration. Likewise, end-user social features such as activity feeds (in addition to the standard inbox) are almost the price of entry when the end user community is from a particular demographic. This represents an attempt to comply with current user experience norms and does not represent a major improvement in BPM tool usability.

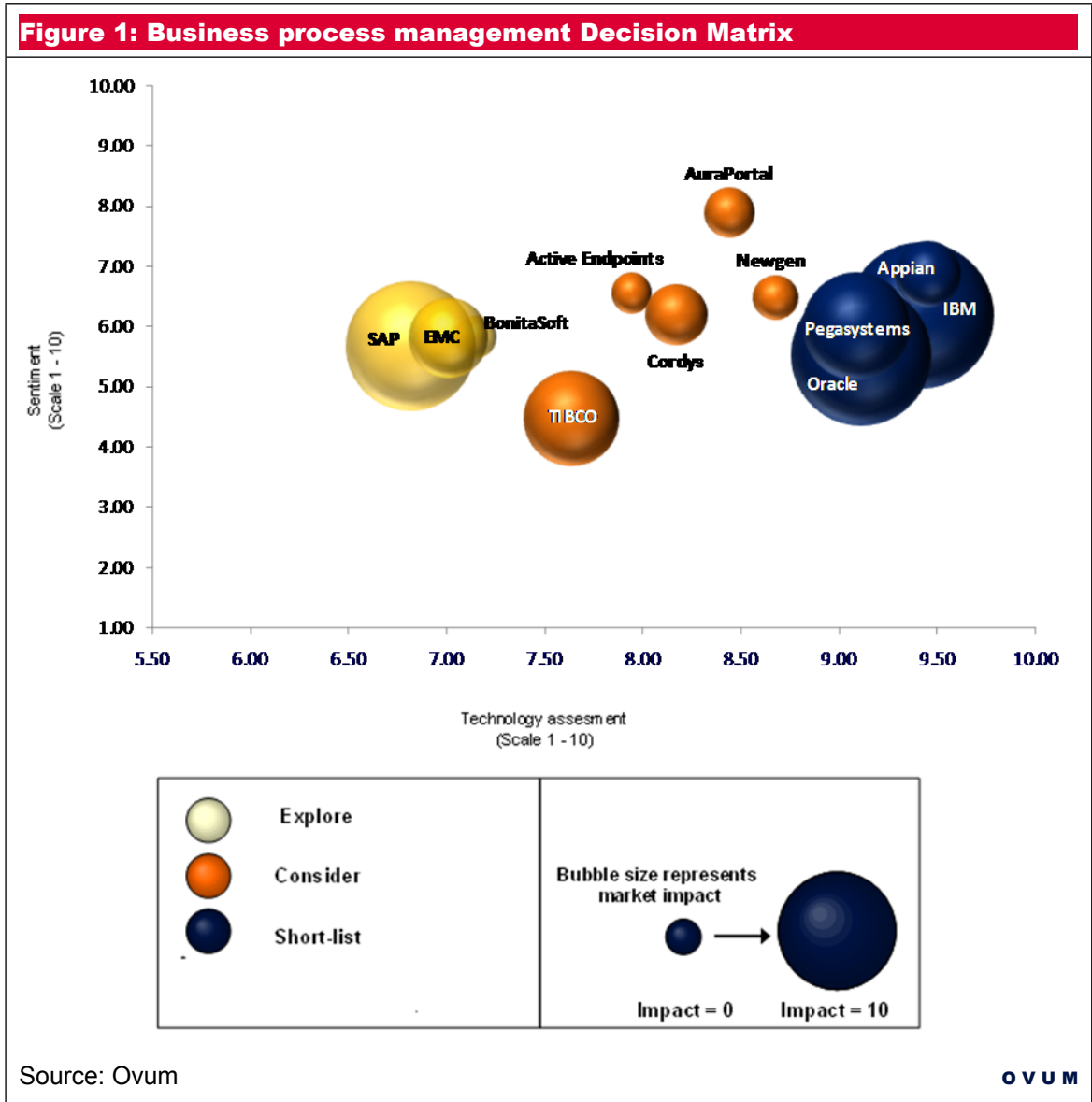
### **Simulation is not often used in practice, but this may change**

Simulation capabilities are in almost every vendor's portfolio. However, the same vendors report that simulation features are very rarely used in practice. The feature set is not widely understood, and most deployment sites do not have, or do not go through the rigors of collecting, enough actual process data to benefit from simulations. The best example that we have heard involves a vendor's professional services team using the simulation module. This is not to say that the situation will not change, but current adoption levels are very low. Therefore, it is fairly unlikely that BPM vendors' simulation models have been extensively tested in the real world. The reasons behind this are complex and the lack of uptake is worrying. As organizations move towards more process-centric applications, there will be a need to replicate testing models used in other application development scenarios. To some extent, the requirement for simulation impacts the speed of development, but this should not be allowed to override the need for simulation.

### **Open source BPM remains a strong niche**

The most well-known commercial open source BPM provider, Intalio, has declined in influence in the BPM space, partly due to a shift in its emphasis. Only one out of the 12 vendors cited in this report cited Intalio as a competitor. However, the open source niche has not declined in importance. BonitaSoft, featured in this report, is a new vendor that has already amassed a clientele comprising over 100 enterprises. While new as a distinct legal entity, BonitaSoft has a long history as a team operating within the Bull Group. Also, SAP cited jBPM, the open source workflow engine released by JBoss, as one of its four most frequently encountered competitors, which says something about open source BPM's continued relevance.

## Business process management Decision Matrix



<b>Table 1: Business process management Decision Matrix</b>		
<b>Shortlist</b>	<b>Consider</b>	<b>Explore</b>
Appian	Active Endpoints	BonitaSoft
IBM	AuraPortal	EMC
Pegasystems	Cordys	SAP
Oracle	Newgen	
	Tibco	
Source: Ovum		<b>OVUM</b>

### **Appian, IBM, Oracle, and Pegasystems are the top overall performers**

Appian, IBM, Oracle, and Pegasystems all have very high technology scores and their scores against the User Sentiment dimension vary from moderate to impressive. Each vendor in the "Shortlist" category warrants closer evaluation for a wide range of BPM niches and each portfolio features at least one benefit that is fairly uncommon and difficult to replicate. For example, Appian differentiates itself by a strong focus on multiple platform delivery, alongside collaboration and the social aspect of process management. IBM and Oracle can provide a range of integrated products that help extend BPM into other areas, and Pegasystems is making its BPM technology underpin a much broader range of applications.

### **Newgen and AuraPortal are the two BPM specialists whose performances merit special mention**

It is important to highlight the high scores that these two vendors have registered for both the Technology and User Sentiment dimensions. Both vendors are in strong geographic and technical niches. AuraPortal's self-reported differentiators are business-user empowerment and relatively easy process automation, and the vendor is very strong in Spanish-speaking markets. Newgen has a strong focus on content management, imaging, and document-intensive process areas, and the vendor has had a significant installed base in India and South East Asia for a long time.

### **Cordys, Tibco, EMC, and Active Endpoints each have strong niches and are competent BPM providers overall**

Cordys, Tibco, EMC, and Active Endpoints have each been rated "Consider" or "Explore." Cordys has a comprehensive portfolio comprising Enterprise Service Bus (ESB), Master Data Management (MDM), and a strong case management solution. The vendor also has a successful cloud business. EMC's content management strengths can transfer well to case management.

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Active Endpoints' User Sentiment and Technology scores attest to the vendor's self reported differentiators – the ability to support large-scale straight-through-processing environments, value for money, and adherence to standards. Tibco has assembled a formidable array of BPM and related tools (including social software), and is well-placed to advanced beyond its traditional integration-heavy stronghold.

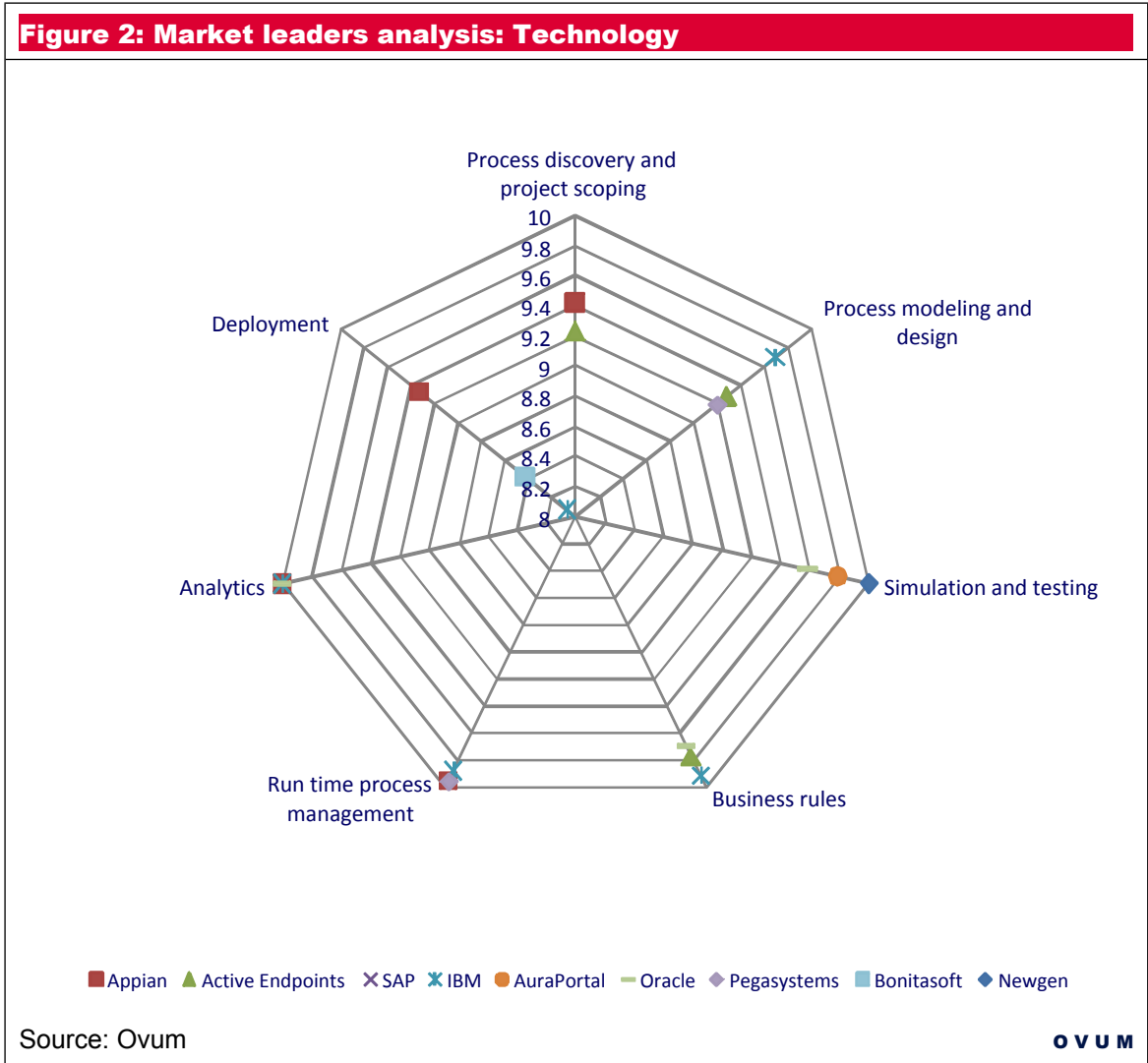
### **SAP is a very strong contender among SAP users**

For most practical purposes, SAP's BPM suite is not available unbundled. Also, SAP has demonstrated little interest in making its BPM tools available as standalone tools. However, Ovum's Market Impact metrics indicate that SAP users are more likely to view SAP as a provider of BPM than any other solution. On account of SAP's enormous installed base and SAP BPM's ability to work well its own enterprise applications, SAP remains a very important player in the market.

## **MARKET LEADERS**

The BPM market is broad and includes many subsets. Vendors vary in their focus and their market strengths. In this section, Ovum attempts to provide a deeper look into the underlying patterns in the market by comparing the top vendors against each category that contributes to the Technology, Market Impact, and User Sentiment dimensions. Ovum has resisted the temptation to create multiple categories of BPM "types," which would lead to most vendors being "top of the tree" in a given category. Instead, Ovum believes that the end user also has to consider the context and comment behind the scores, to see which product might best suit its individual needs.

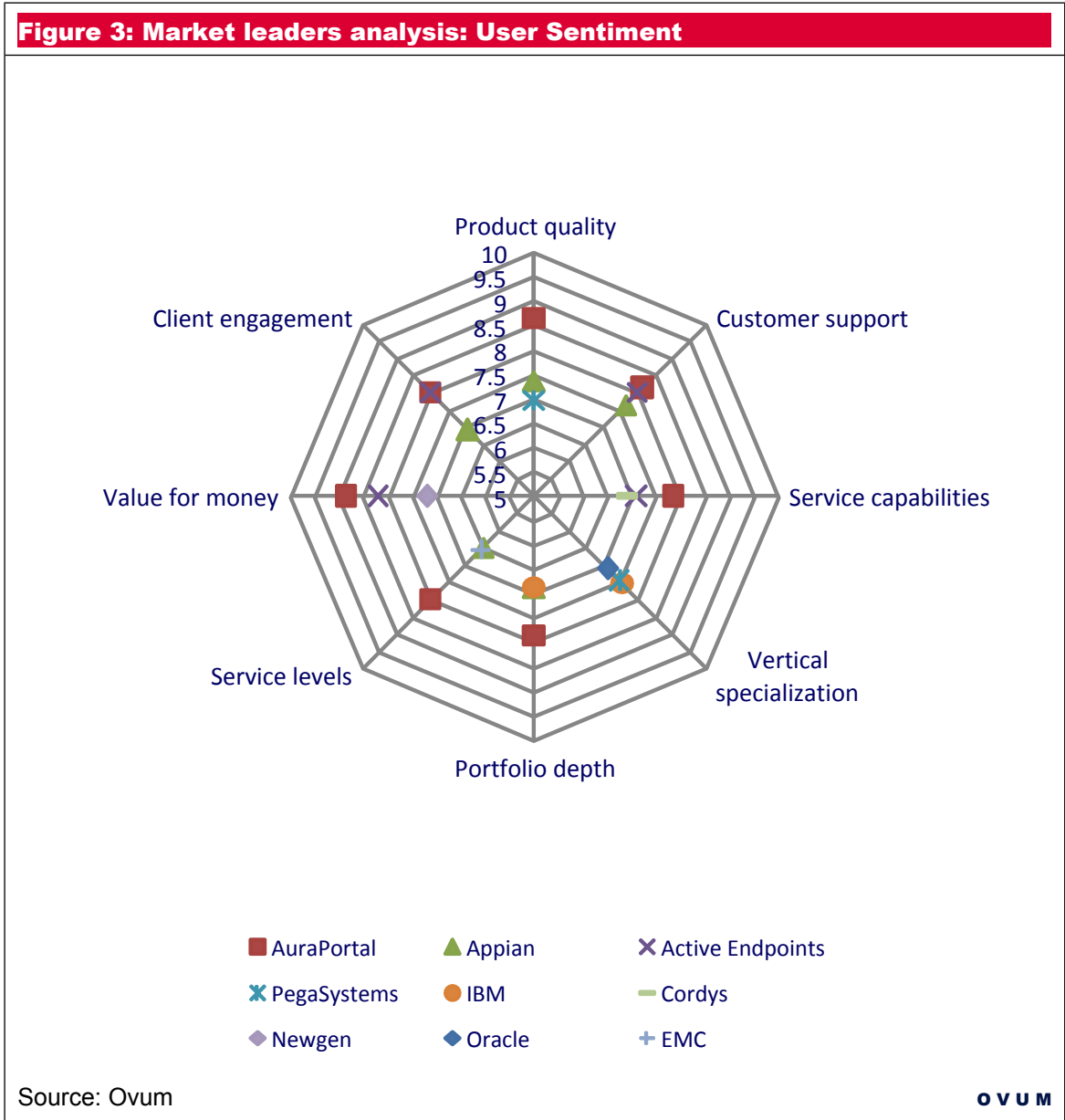
## Market leaders: Technology



### The "Shortlist"-rated vendors are well represented in the list of leaders

Appian, IBM, Oracle, and Pegasystems feature frequently in the list of leaders, with IBM and Appian appearing more often than the others. Active Endpoints is the one vendor outside the "Shortlist" ratings category that features more than once in the top three.

## Market leaders: User Sentiment



### Appian and AuraPortal are the best and most consistent performers

Appian and AuraPortal appear in the list of leaders for numerous categories. The two vendors also lead in aggregate scores. Across evaluation categories related to quality of services, Active Endpoint stands out. In a market not known for inexpensive solutions, it is also important to

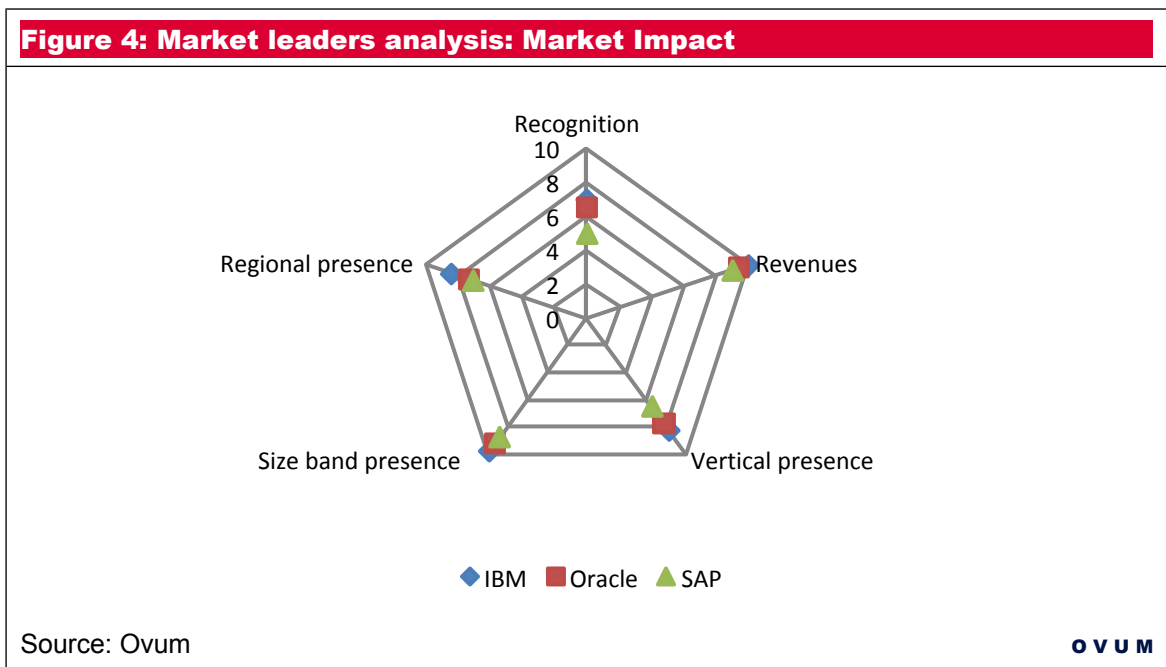


highlight the three leaders in the "value for money" category: Newgen, AuraPortal, and Active Endpoints.

### The majors are typically not the best at managing user perceptions

Although IBM appears twice, Pegasystems twice, and Oracle once, the four majors (IBM, Pegasystems, Oracle, and SAP) are conspicuous by their absence on the list of leaders. The next largest vendor, Tibco, does not feature on the list of leaders either. Surprisingly, the "portfolio depth" category only features IBM, of the majors, indicating that they may not be doing the best job of communicating their strengths.

### Market leaders: Market Impact



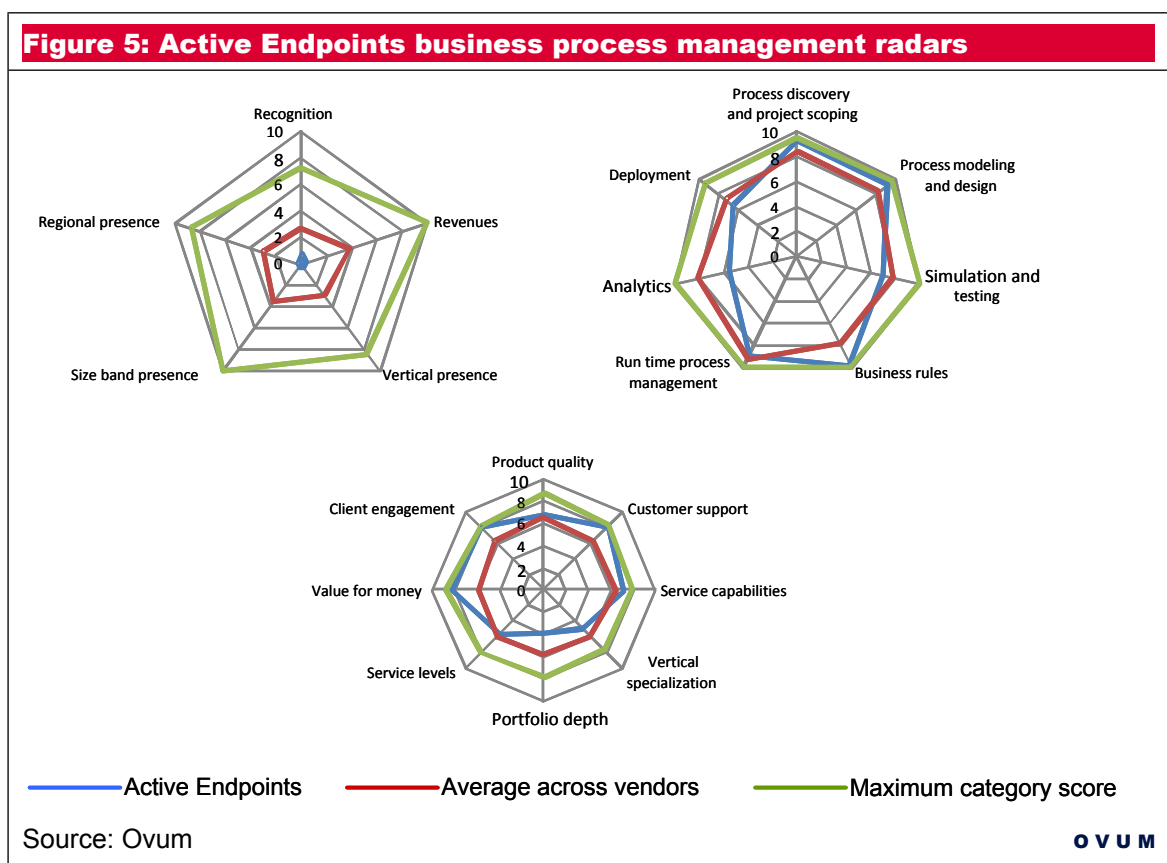
### IBM, Oracle, and SAP are significantly ahead of every other vendor

The list of leaders across the Market Impact dimension is predictable, comprising IBM, Oracle, and SAP. By Ovum's estimates, the BPM revenues of these vendors are the highest in the market. These vendors also come closer to being more universally recognized as providers of BPM technology than anybody else. Pegasystems comes fourth in the "revenue" category in the Market Impact dimension. In terms of "recognition" category scores, IBM, SAP, and Oracle are

significantly ahead of every other vendor, with Tibco coming in fourth and Pegasystems marginally behind Tibco.

## VENDOR ANALYSIS

### Active Endpoints: Business process management radars



Active Endpoints specializes in BPM requirements that are geared towards large-scale integration and the enterprise roles typically required for such projects: architects, developers, and project managers. Active Endpoints' differentiators are its strong focus on standards compliance and its ability to support very large-scale production environments. Active Endpoints' deployment sites (to cite two examples, CERN and Lockheed Martin) attest to the vendor's capabilities in such environments. Also, Active Endpoints' score for the "process modeling" category places it in the top three. Value is one of Active Endpoints' self-reported differentiators, and a top two score for the

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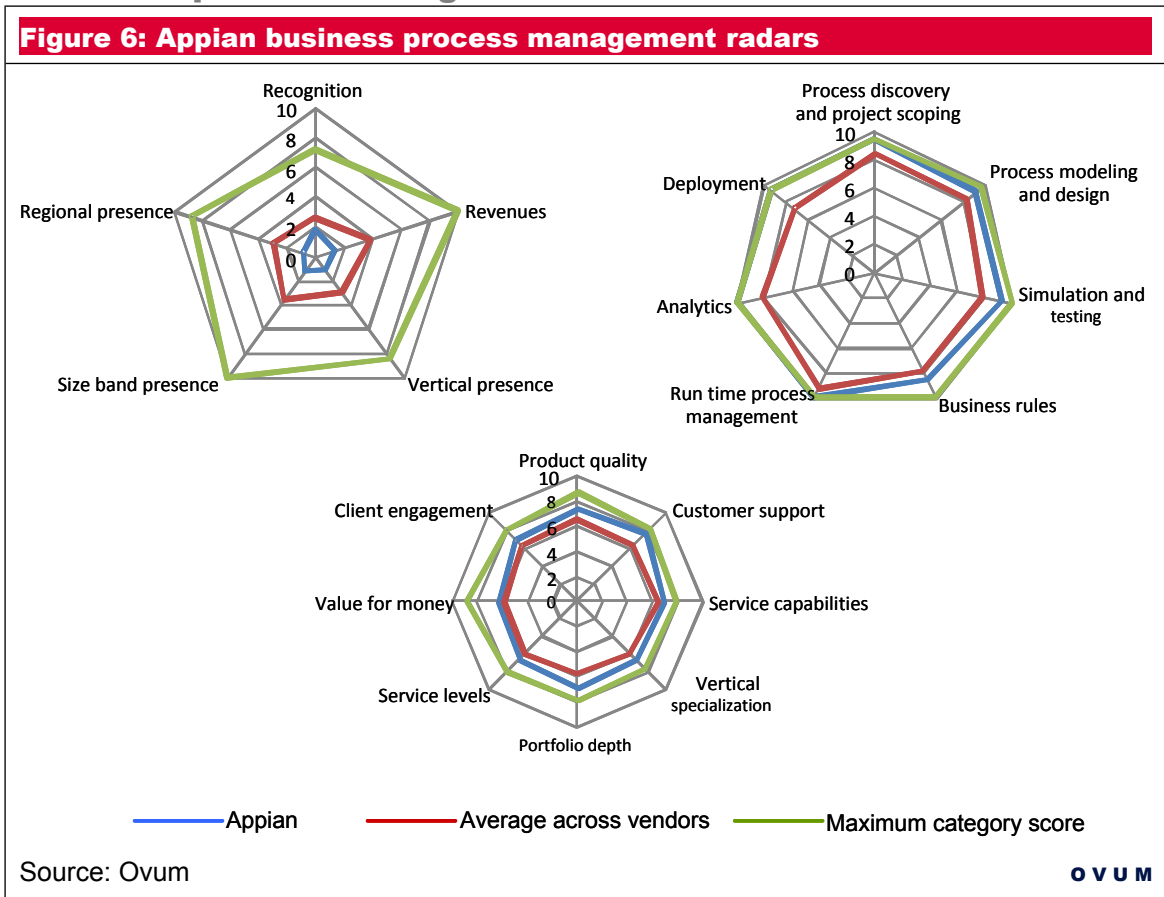
"value for money" category attests to the veracity of the claim. In fact, Active Endpoints scores consistently well for nearly every User Sentiment category related to quality of service. Such scores are rare in Active Endpoints' niche in the BPM market. Also, the perception of the product quality of its ActiveVOS business process management system (BPMS) is comfortably above average.

Four key industry sectors account for a large percentage of Active Endpoints's business: financial services, telecommunications, media, and the public sector (in increasing order of importance). In recent times, Active Endpoints has expanded into screen flow technology, and provides this to Salesforce. Specialized screen flow development tools are still uncommon, and Ovum believes that these will be valuable additions to its portfolio. The BPM market sees the rise and fall – or the eventual leveling off – of such trends, and Ovum is happy to report that Active Endpoints has not sought to claim one that is unsuitable for its focus area and size. The vendor has a tightly defined niche and executes its strategy well. However, it competes with some of the largest enterprise software companies in the world. It needs to expand its market presence quickly, and be on the path to reach the scale of some of the well-known BPM specialists. Its self-reported growth figures in recent years have been impressive, and Ovum hopes that Active Endpoints will successfully exploit its technology strengths and service quality. User perceptions regarding Active Endpoints' client engagement, or the quality of its sales force and channel, are very positive, and its score places it in the top two.

### **Recommendation: Consider**

A top three aggregate User Sentiment score and an above average aggregate technology score lead us to assign a "Consider" rating to Active Endpoints.

## Appian: Business process management radars



Appian is the rare BPM specialist in the list of top scorers on the Technology dimension. In fact, the vendor scores the highest for the Technology dimension, beating behemoths such as IBM. The Technology scores are consistently high for individual categories, with highest or next-to-highest scores for four: process discovery and project scoping, runtime process management, analytics, and deployment. Appian is particularly impressive in two Technology categories: analytics, and process discovery and project scoping. The vendor has long partnered with MEGA, an enterprise architecture tool provider, and three of the company's founders worked for Microstrategy. Scores for individual categories never fall below the top six, a level of consistency that no other vendor featured in this report has matched. Appian's scores for the User Sentiment categories are equally impressive. In aggregate, Appian's User Sentiment score is in the top two, and for individual categories the score slips below the top five only once. This is remarkable, and unmatched by any other vendor with a "Shortlist" rating.



Appian's recent communications have centered on social and mobility. The vendor has made good use of contemporary user interface constructs such as activity feeds and channels such as smartphone applications. These recent initiatives tie very well into Appian's strengths in process modeling, process discovery, enterprise architecture, collaboration, and the overall themes of usability and business user empowerment. Cloud-delivered BPM is the other notable aspect of Appian's portfolio. The cloud service has a number of noteworthy deployment cases and is a significant part of Appian's business (over 40% of new software sales, reported in April 2011).

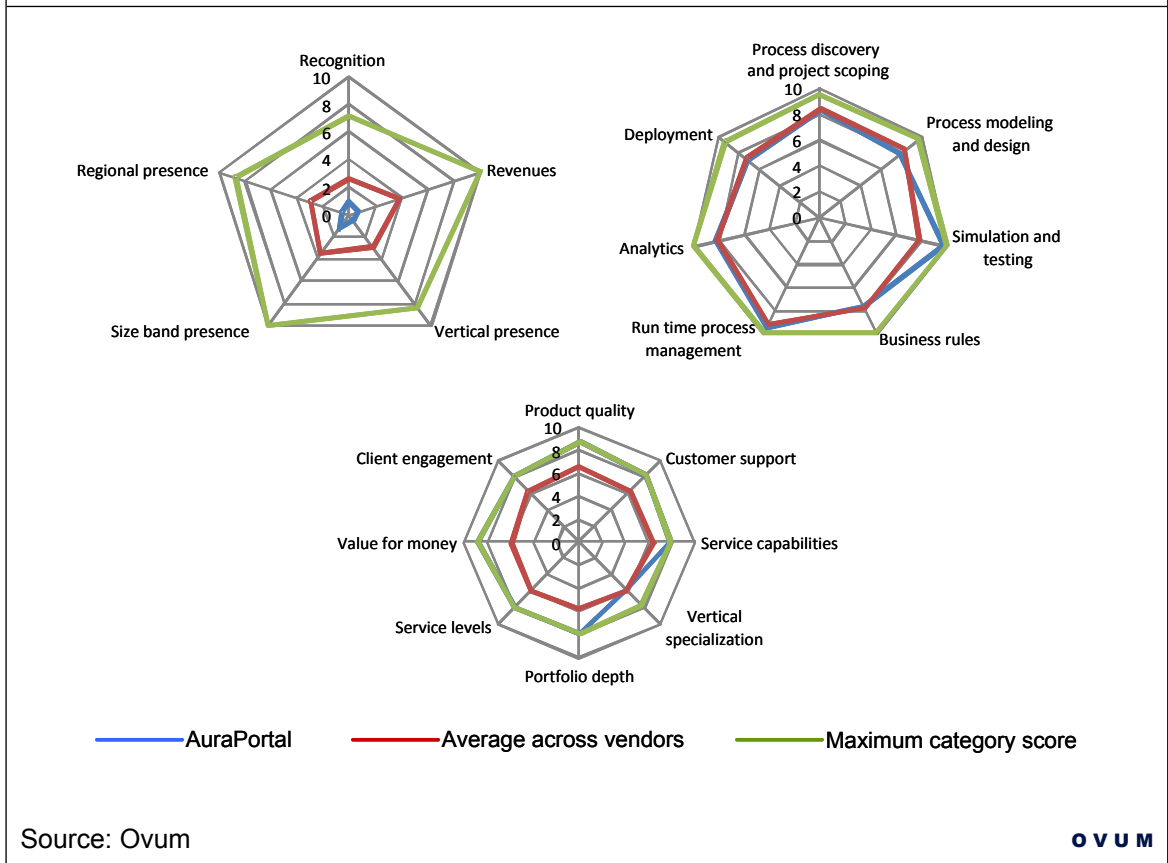
Appian's market presence, while impressive and in the same league as other notable BPM specialists, has the potential to be much bigger given the wide applicability of the vendor's strengths. Appian has major deployment cases, including the US Army, and for BPM requirements relating to the vendor's differentiators, the solution suite merits closer evaluation.

### **Recommendation: Shortlist**

Exceptional Technology and User Sentiment scores lead us to assign a "Shortlist" rating to Appian, the only BPM specialist in the top Decision Matrix category. The company's approach is widely applicable and the cloud option gives it an advantage that is very hard to replicate. Overall, Ovum expects Appian's presence to grow significantly.

## AuraPortal: Business process management radars

**Figure 7: AuraPortal business process management radars**



This is not the first time AuraPortal has featured in Ovum's Decision Matrix, but the vendor has improved significantly since the last time. AuraPortal's performance has been strong: its scores are consistently high for the User Sentiment dimension; it scores around the average in each individual Technology category, demonstrating a well-rounded solution; and it excels in the "simulation and testing" category.

Regarding market presence, AuraPortal is still a small vendor in a software market populated by some of the largest enterprise software companies in the world. In this context, it is important to mention that AuraPortal's considerable presence in the Spanish-speaking world (mostly Latin America) is unusual, and the importance of the Spanish-speaking region to the vendor's business is unique in the BPM market. Even more interesting is AuraPortal's presence among enterprises with fewer than 5000 employees, traditionally a BPM blind spot for the larger vendors. This enterprise segment accounts for over 30% of AuraPortal's business, a higher percentage than that

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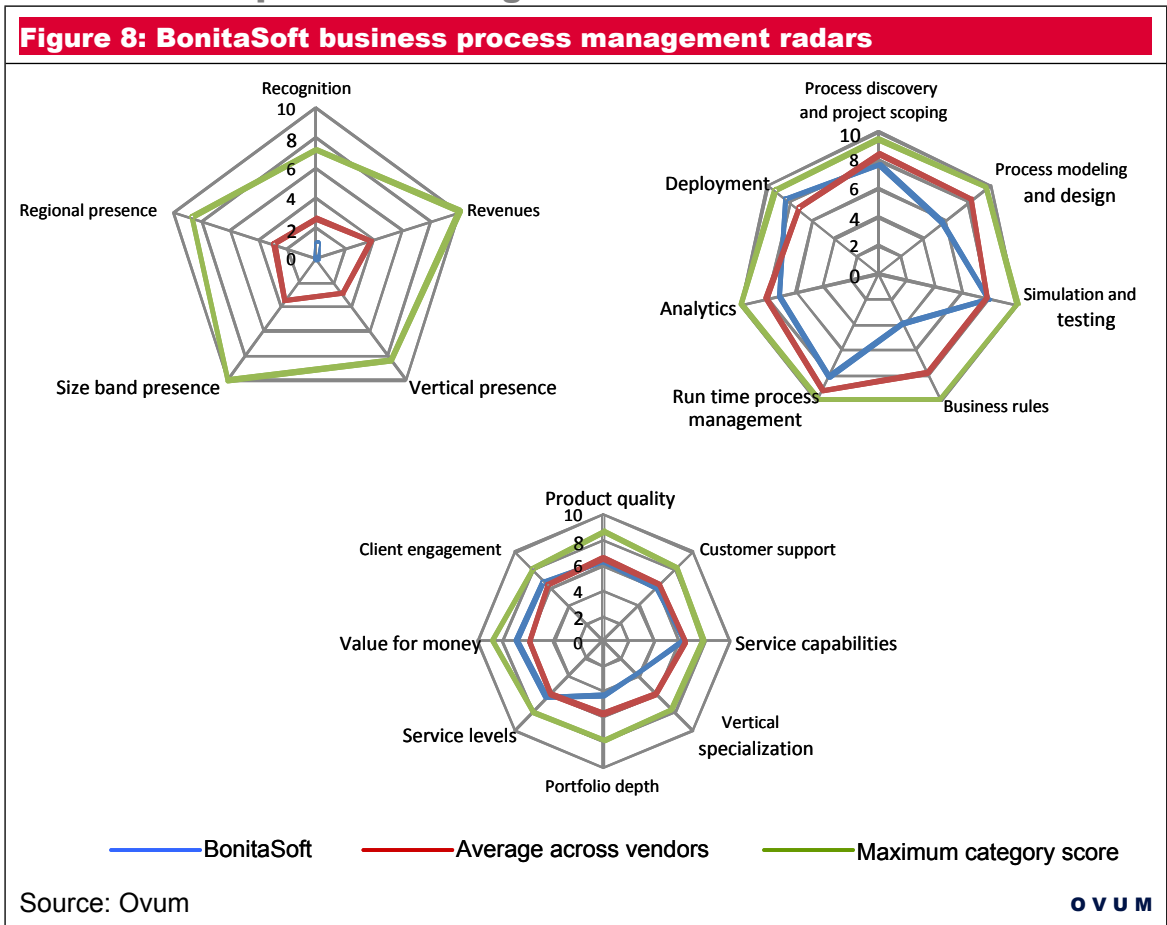
reported by any other vendor featured in this report. The unusual distribution is a welcome change in an industry in which the solutions are often geared towards enterprises with over 10,000 employees, and the price of getting started with BPM is seldom less than \$50,000.

The distribution also explains AuraPortal's focus on bundling together CRM, BPM, document management, and a portal solution, among other tools, and their focus on business user empowerment and reduced dependence on IT. The approach seems to be working for AuraPortal. In the "product quality" category, the vendor scores the highest, a full point ahead of the next best vendor on a scale of ten. In the "value for money" category, AuraPortal's user rating is at least 3.75 points ahead of its three most frequently encountered competitors. The same focus areas are naturally relevant to many parts of large enterprises as well, and enterprises with over 10,000 employees account for over 25% of AuraPortal's revenues. AuraPortal's has a large potential market in the US and Asia Pacific as well, and the vendor has a strong opportunity to expand its presence in these geographies through partnerships.

### **Recommendation: Consider**

Its high aggregate User Sentiment score and a marginally higher than average Technology score lead us to assign a "Consider" rating to AuraPortal. It is significantly ahead of three of its four peers in the "Consider" ratings category. The majority of AuraPortal's revenues are derived from Latin America, in which it continues to operate, and the company is now pursuing market opportunities in North America, Europe, the Middle East, India, and China.

## BonitaSoft: Business process management radars



BonitaSoft is the only open source vendor featured in the 2011 BPM Decision Matrix. The company is less than two years old, but the solution is more mature, having been released in 2001. Ovum's decision to feature BonitaSoft in the list of BPM leaders relates to the continued relevance of open source solutions in the BPM market, the vendor's credible technology, and the momentum that the company has quickly built up. Most enterprise software markets suited to open source have large professional services components, and, typically, end users are IT users. Both of these factors hold for most BPM requirements. However, BPM has to address a large business user constituency as well. Therefore, an open source vendor has to straddle the two different sets of requirements and develop business-friendly competencies, in terms of usability and process knowledge, encapsulated in various forms, such as templates. It is too early to tell if BonitaSoft can do that in a sustainable way, but the vendor is certainly off to a good start. In its first year, the company acquired 100 customers and by late 2010, downloads were averaging 40,000 per month.



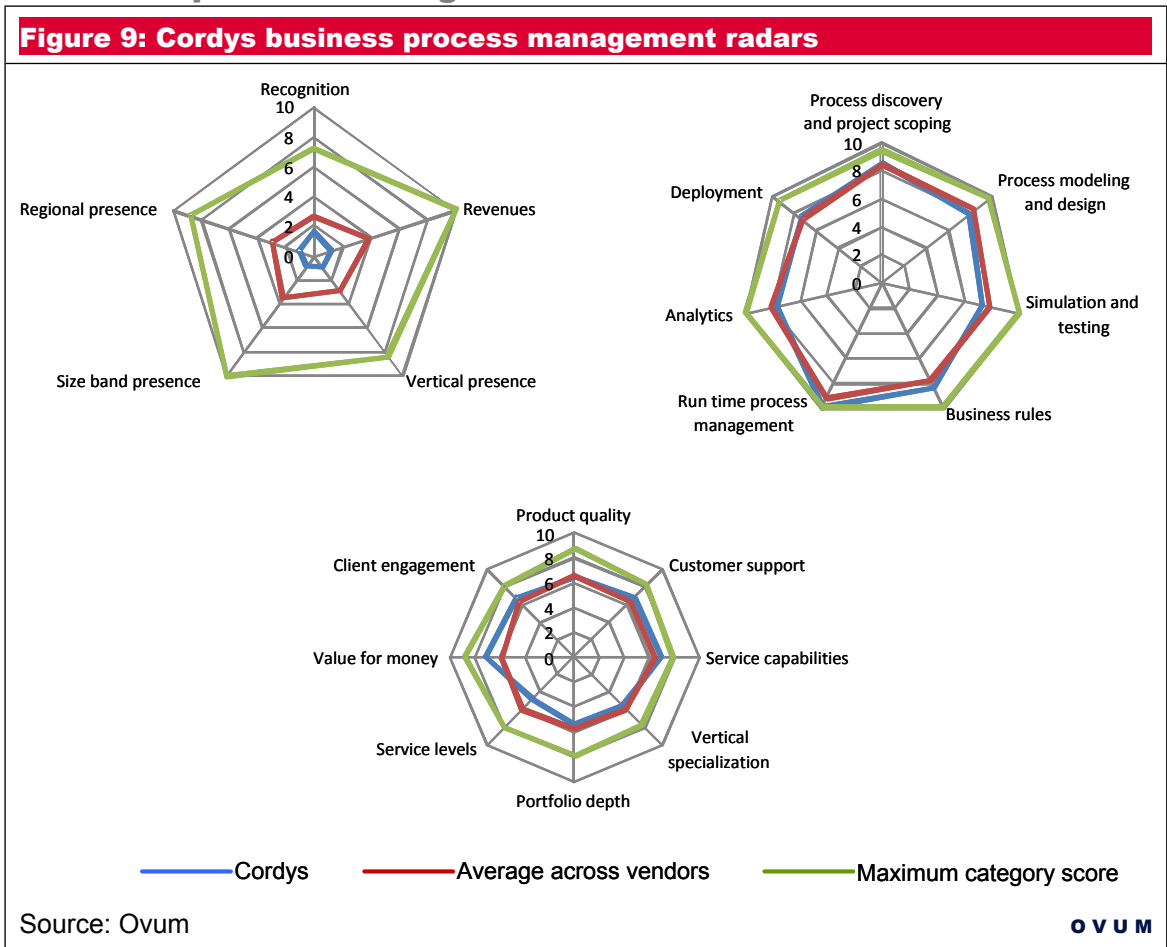


BonitaSoft's Technology scores are average. However, in aggregate, the vendor beats behemoths such as Tibco and EMC. Overall, the suite is full-featured and certainly increases the number of options and reduces the cost of getting started on BPM for technical organizations. BonitaSoft partners with a slew of open source vendors such as JasperSoft for analytics, SugarCRM for CRM, and Talend for data integration. For the User Sentiment dimension, BonitaSoft scores well in service quality-related categories such as "client engagement" and "service levels."

### **Recommendation: Explore**

A modest Technology score and a marginally less than average User Sentiment score lead us to assign an "Explore" rating to BonitaSoft. Judged in the context of its incorporation in 2009, its presence is significant. Also, for a startup, the vendor has a strong distribution network, due to its association with Bull, the French systems integrator (SI). BonitaSoft co-founder and CEO Miguel Valdés Faura founded the Bonita project at the INRIA research center in France. He then released Bonita under an open source license and joined Bull to lead its worldwide BPM practice, before launching BonitaSoft as a start-up. Thanks to that heritage, BonitaSoft continues a strong relationship with Bull and has expanded its partner network to more than 40 SIs. Due to its European legacy, the EMEA region accounts for a significant part of BonitaSoft's business. The company has recently opened offices in the largest BPM market, the US, where Valdés Faura is now based. Ovum expects BonitaSoft to expand its presence at a fairly rapid pace.

## Cordys: Business process management radars



Cordys is somewhat unusual in the BPM market as it has a significant cloud business. Also unusual for a BPM vendor of Cordys's size is its portfolio, which comprises ESB, MDM, a framework for building composite applications, and BPM. BPM providers with such comprehensive integration technology portfolios tend to score lower for the User Sentiment dimension than vendors that focus on business user empowerment. However, Cordys is an exception. The vendor scores consistently high on user perceptions of quality of service. It cannot be coincidental that quality of service is a self-reported differentiator for Cordys. Also interesting is Cordys score for the "value for money" category. In Ovum's experience, vendors with significant integration portfolios do not score high in perception of value, and the pattern holds particularly true for vendors with a large enterprise focus. However, Cordys has strong integration and a large enterprise focus, and is among the top three vendors in the "value for money" category.



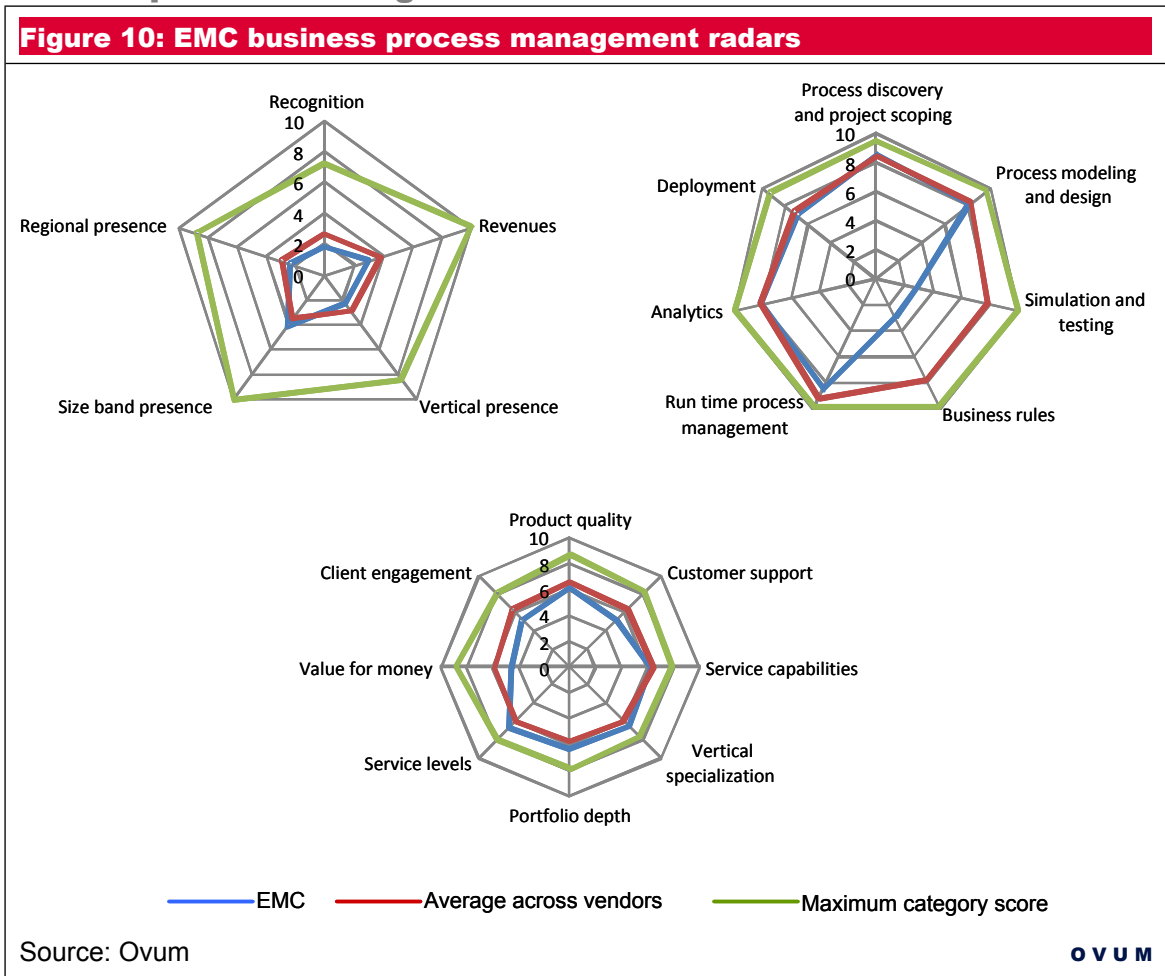
Cordys's cloud-based offerings' contribution to the business is in the double digits. The success of the Cordys Process Factory proves the importance of flexibility and agility, even in the very large enterprise market. Ovum believes that the cloud business is a very important differentiator for Cordys, particularly because it will be very tough to replicate.

Four industry sectors are the most important for Cordys: communications and media; banking, financial services, and insurance; manufacturing and logistics; and independent software vendors (ISVs) and OEMs.

### **Recommendation: Consider**

An above average User Sentiment score and a slightly below average Technology score lead us to assign a "Consider" rating to Cordys. Cordys has also done a great job converting its considerable technology assets into a sizeable market presence, particularly in Europe. The vendor is widely recognized as a provider of BPM solutions, and its score for the "recognition" category is just marginally behind Pegasystems, which is a much larger vendor. Overall, among the BPM specialists, Cordys has one of the strongest and most defensible niches.

## EMC: Business process management radars



EMC has been a little late to the BPM market. However, the company's market presence, taking into account Ovum's estimate of EMC's BPM revenues and EMC's score in the "recognition" category (the percentage of survey respondents who recognize EMC as a provider of BPM technology and services), ranks just behind those of the integration technology majors' rankings. It is apparent that EMC is successfully exploiting its substantial presence in the content management and collaboration markets (with a number of relevant adjacent solutions, such as imaging) to provide the BPM capabilities which document-intensive processes require.

In recent times, EMC's communications have focused on case management, and the vendor's superior ability to understand content and content-related events certainly places its xCP suite at an advantage in case management scenarios in which content plays a significant role. The



vendor's Technology scores, while not the highest in any category, are in line with the average except for "business rules" and "simulation and testing" categories, in which areas EMC has partnerships (with Corticon and MEGA, respectively). The absence of these categories as native features lowers EMC's aggregate Technology score, but its overall coverage of the technology requirements for BPM is complete and indicates that xCP would be relevant in most scenarios. EMC's User Sentiment score is marginally less than average in aggregate; however, the vendor score for the "service levels" category is in the top two.

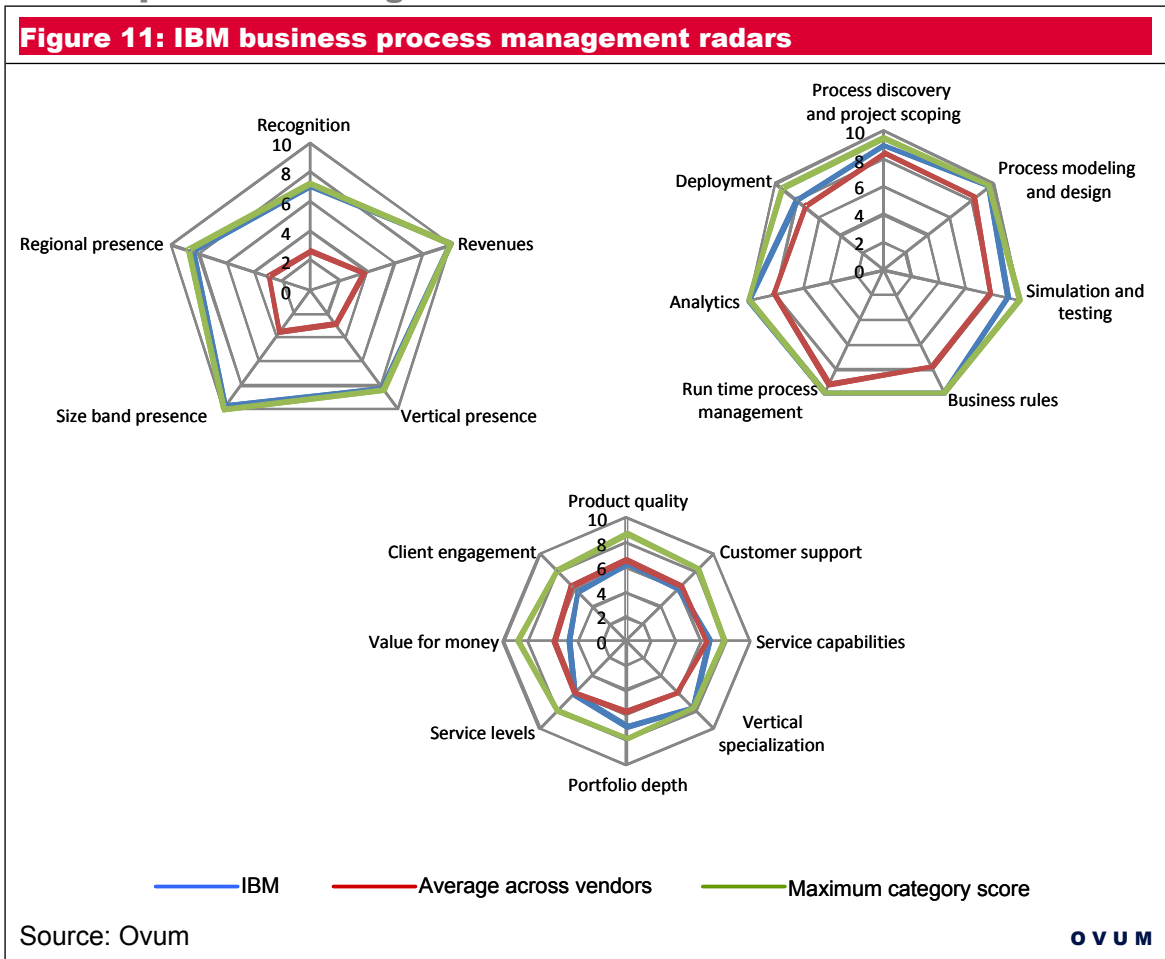
Financial services, energy and utilities, and the public sector collectively form a major share of EMC's BPM business. Healthcare and life sciences are the other two important sectors for the vendor.

### **Recommendation: Explore**

Ovum assigned an "Explore" rating to EMC, in part due to its reliance on partner technologies for rules engines and process simulation. Organizations looking to automate content-intensive processes may be well-served by this vendor's offering.

The company is well-positioned to benefit from the rising interest in case management, although it is being hindered in this endeavor by the lack of both standard definition and a true understanding of the benefits of case management by end users. The vendor's mainstay, content-intensive processes, has wide applicability beyond EMC's current key industry sectors. Overall, EMC's market presence is likely to increase.

## IBM: Business process management radars



IBM's performance has been impressive in every evaluation parameter. Its Technology score is in the top two, and Ovum's estimates indicate that IBM's BPM presence is the largest in this already significant and growing enterprise software market. The vendor scores higher for the User Sentiment dimension than its peers of similar size. The User Sentiment survey also indicates that enterprises are more likely to recognize IBM as a provider of BPM solutions than any other vendor. Almost without exception, vendors featured in this report have cited IBM among their top three competitors. To summarize, the vendor has a broader market presence than any other vendor, the suite is more complete than any other vendor and, in spite of its scale, IBM has managed to keep its BPM customers happy.

The big news about IBM is the integration of Lombardi into the broader BPM suite, the IBM Business Process Manager 7.5, which has a single, unified runtime in addition to a unified

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repository. Integration microflows can be created in Integration Designer and used in BPMN-based process applications created within Process Designer, or vice versa. Any artifacts created within either authoring environment can be used in any application running on BPM 7.5. BPM 7.5 is a single, unified platform that can run highly structured straight-through processing (STP) to less structured processes.

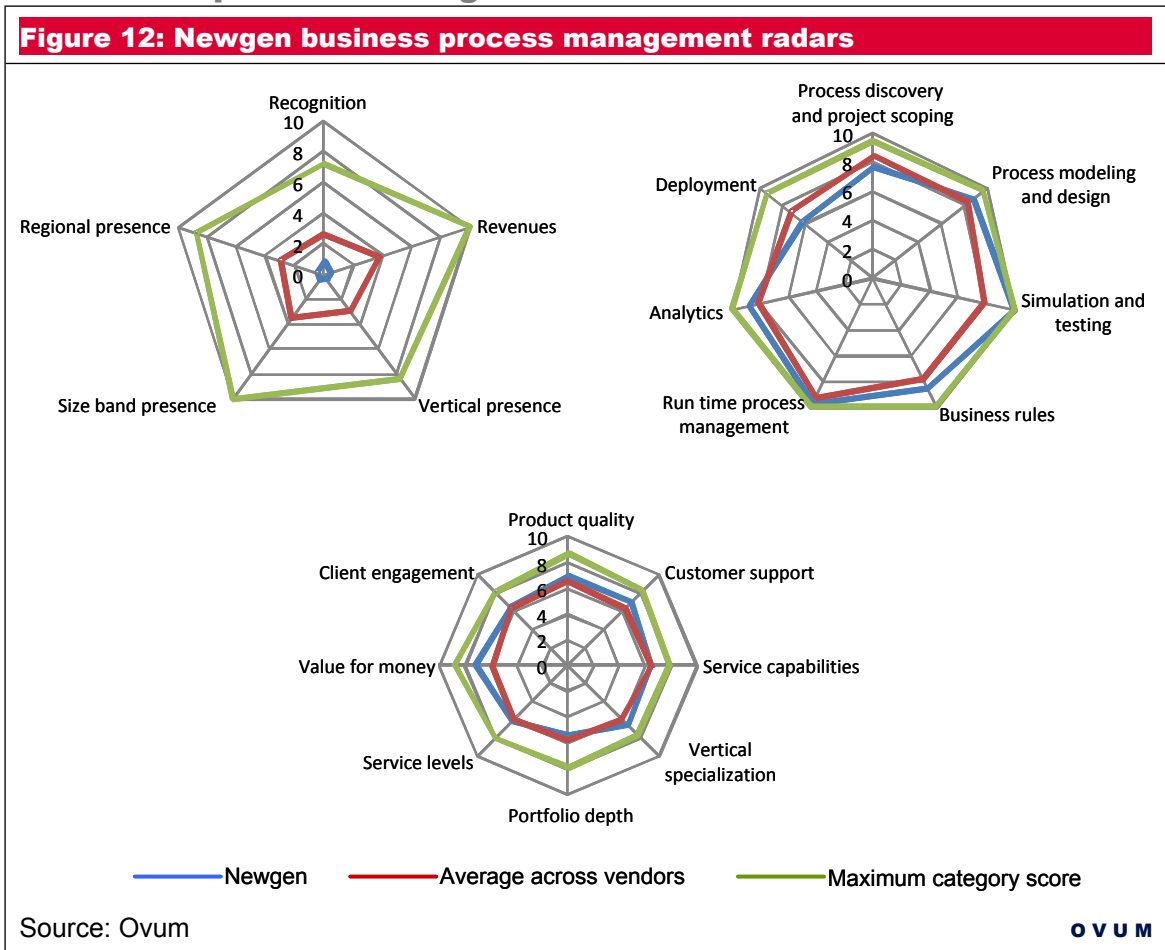
The 7.5 release significantly increases the ease with which the two can be used in conjunction. In our 2010 report, we were concerned about the diverse nature of IBM's product set, with differentiation between process types. We are pleased to see that this has been addressed so effectively in such a short space of time, and fully expect further rationalization – especially in the area of case management – to be carried out reasonably quickly.

The importance of business-user-friendly tools is only likely to grow in importance. Conversations with IBM's competitors indicate that Lombardi has been a very important part of the vendor's go-to-market strategy for a while, with the tool set often being the entry point into a deal. The executive leading IBM's BPM effort is ex-CTO and President of Lombardi, Phil Gilbert. Lastly, FileNet is still separate. Case management is handled through the new IBM Case Manager, released in late 2010, which is FileNet-based and draws from a number of product lines, including ILOG. IBM has all sections of the market covered, and BPM is certainly one of the enterprise software categories in which the benefit of scale, both in terms of having a large portfolio of industry frameworks and templates and a large professional services team, is a differentiator. The downside is the complexity resulting from the many products and versions. However, the BPM 7.5 release is certainly a major step towards simplification and coherence, and IBM's User Sentiment scores indicate that complexity has not hurt service delivery capabilities.

## **Recommendation: Shortlist**

A top two aggregate technology score and a roughly average user sentiment score leads us to assign a "Shortlist" rating to IBM. In Ovum's experience, acquired through numerous vendor comparison exercises, IBM is hard to beat in markets in which the product is a complex tool set, and BPM is no exception.

## Newgen: Business process management radars



Newgen is a new entrant in the Decision Matrix. Headquartered in India and founded in 1992, Newgen has been quietly growing its installed base across India and other emerging markets in South East Asia and the Middle East for over two decades. The company started out as an enterprise content management (ECM) provider and later branched out to BPM. Currently, BPM is the most important part of Newgen’s revenue stream (over 80% of revenues) and the Omniflow suite registered an aggregate Technology score, placing it ahead of names that enjoy far greater familiarity, ranking fifth overall among 12 vendors. As expected, the suite’s greatest strength is its ability to support content-heavy processes. Two other distinct aspects of Newgen and Omniflow deserve special mentions: its long history of working with SAP applications, and its professional services arm, a legacy of doing business in an era and in markets in which SI partners were rare. A third interesting aspect of OmniFlow is its long history of supporting global business process





outsourcing (BPO) companies which use the suite to service multiple customers. Two elements of the OmniFlow roadmap merit particular attention: cloud-hosted BPM and case management. Cloud-hosted BPM is a new offering and comprises off-the-shelf processes which have a high level of deployment-readiness. Two key features of cloud-hosted BPM are templates for processes such as accounts payable, accounts receivable, and loan processing, and a target deployment timeframe of two to three weeks. Case management is a natural adjacent area in which to branch, and is the other important part of the OmniFlow roadmap.

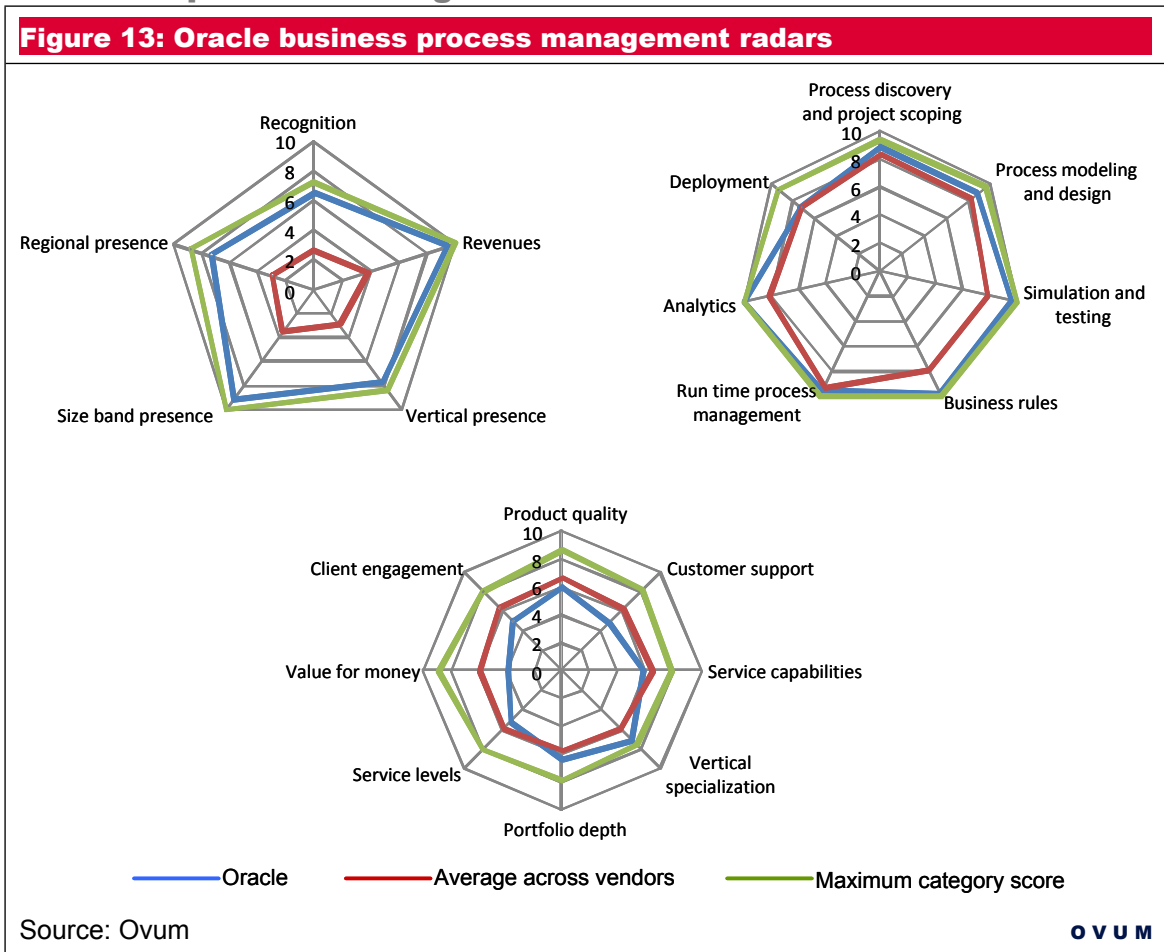
On the User Sentiment dimension, Newgen's scores are impressive, placing it fourth. Interestingly, the company comes in the top three in the "value for money" category. However, with its large professional services team (a rarity for a BPM vendor of Newgen's size), Newgen still comes in seventh place in the "service capabilities" category.

Newgen is slowly expanding into newer markets and channels. The indirect channel has become much more important in recent years. However, the company still has a long way to go before achieving a sizeable presence in the US and Europe. It must be noted, though, that OmniFlow does not lack deployment cases involving tremendous complexity, scale, and global business, and its limited presence in the developed economies is not a deal killer. Overall, Newgen is certainly a vendor to be reckoned with, if BPM requirements involve large-scale document-centric processes. The company is at an important juncture in its history, with significant momentum building as the vendor addresses challenges arising in new markets, and the next few years will determine whether it can reach its ambitious goals.

### **Recommendation: Consider**

The combination of an above average aggregate user sentiment score and an above average aggregate technology score leads us to assign a "Consider" rating to Newgen.

## Oracle: Business process management radars



As would be expected from a vendor of its scale, Oracle's BPM portfolio has tremendous depth, and its score for the Technology dimension is among the highest. Its scores for individual Technology categories are consistently high. Oracle Business Process Management Suite (BPMS) 11g, released in April 2010, was the solution suite assessed for this Decision Matrix, and it is particularly mature, having been adopted by a large number of end users and partners. The 11g release is a major step forward, with integration across Oracle's different BPM products. Better integration with Oracle Fusion Middleware has been the vendor's stated goal, and the Oracle BPMS 11g line has accomplished a level of integration and unification that is rare in the world of BPM suites from the middleware majors. Examples of integration include the unification of the Business Process Modeling Notation (BPMN) 2.0 and the Business Process Execution Language (BPEL) process engines, and monitoring of the BPM and the service-oriented architecture (SOA)

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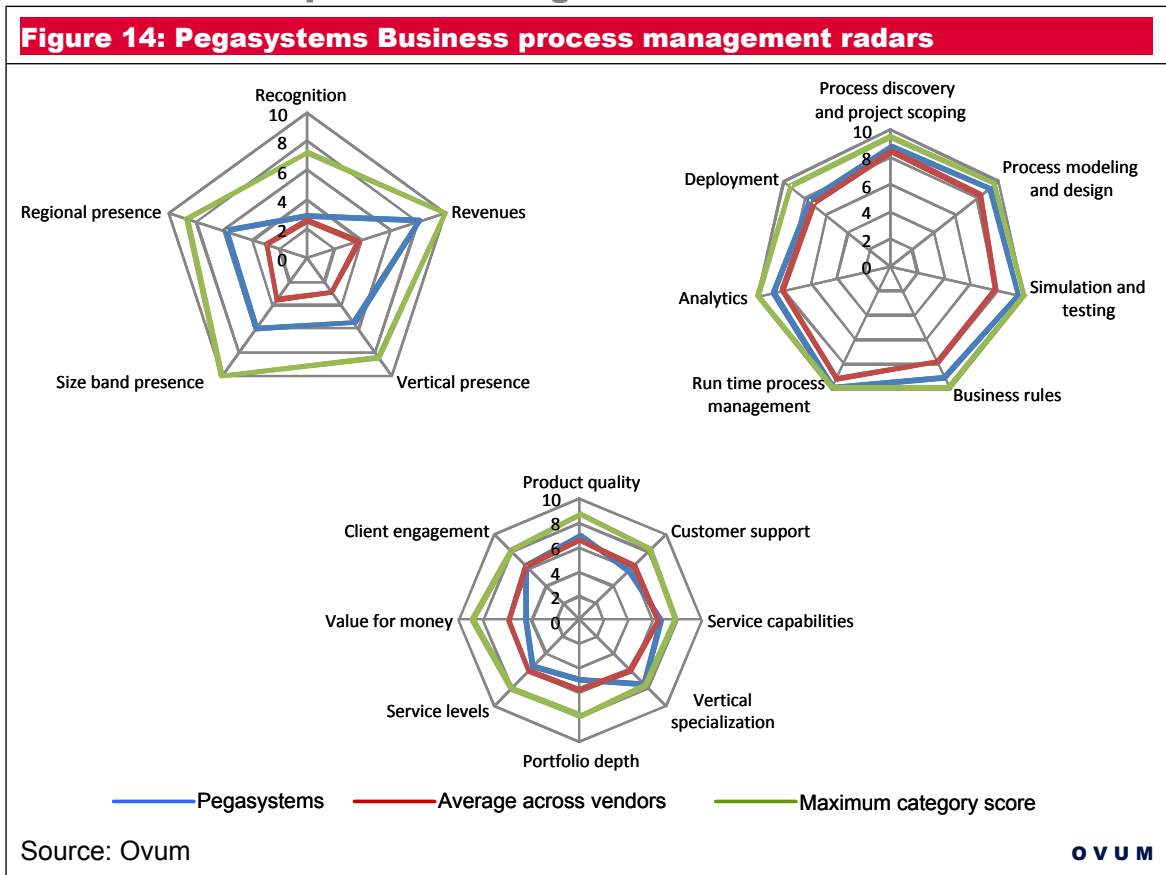
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environments with the same tool and the same interface. In Ovum's opinion, the BPMN 2.0 engine will greatly enhance the level of "round-tripping" possible in practice. However, the extent to which enterprises will use BPMN 2.0's new constructs and BPMN 2.0's execution capabilities remain to be seen. Nevertheless, Oracle BPM Suite 11g is a major step in the right direction.

### Recommendation: Shortlist

A very impressive technology score and a slightly lower than average User Sentiment score lead us to assign a "Shortlist" rating to Oracle. The vendor warrants close evaluation when a long-term commitment is being made to BPM-oriented development and/or when an enterprise-wide decision regarding integration infrastructure needs to be made. The suite covers all aspects of BPM, and recent developments point towards crafting a solution which aligns with contemporary notions of unification (the same suite for multiple types of BPM requirements), collaborative design, and flexibility.

### Pegasystems: Business process management radars



Pegasystems' performance for every dimension has been impressive. The vendor is unique in the BPM market with its focus on robust and flexible rules management and customer service-oriented processes, and its bundling of CRM and BPM capabilities. Recently, case management has been an area of focus.

Pegasystems' Pega BPM scores well for every Technology category, and scores particularly well for the following: simulation and testing, business rules, and runtime process management (for which the vendor registers the highest score). There are three important aspects of the solution and the company. Firstly, Pegasystems is particularly suitable for scenarios in which goal-oriented rules, which offer the benefits of automation and optimization, can have a significant impact. Secondly, over 50% of Pegasystems' customers start their Pega BPM deployment with a customer service process. Thirdly, Pegasystems can happily coexist with middleware technology from other vendors, but aims to replace BPM capabilities from those vendors with what it sees as its most important aspect: the ability to build applications that are designed for change, but change that will still coexist with the underlying technical infrastructures (such as ESBs, messaging middleware, database systems).

The more an enterprise's BPM requirements go from 'adaptive' and 'customer service-centric,' the less utilized Pegasystems' particular areas of strengths will be. This is not to say that Pegasystems is not relevant beyond customer service management or that the Pega BPM solution will not be suitable for a mostly rule-bound loan origination process, but that the solution's core strengths will not be fully utilized.

Another optimum scenario for Pegasystems is in case management. The vendor's considerable strengths in rules management (high volume, business user-friendly, complex), and sector and process-specific frameworks make it a very strong candidate in this area. Ovum believes that Pegasystems' advantage in case management will be greater than content management majors; the latter rely much more on a superior ability to understand document attributes to deliver case management.

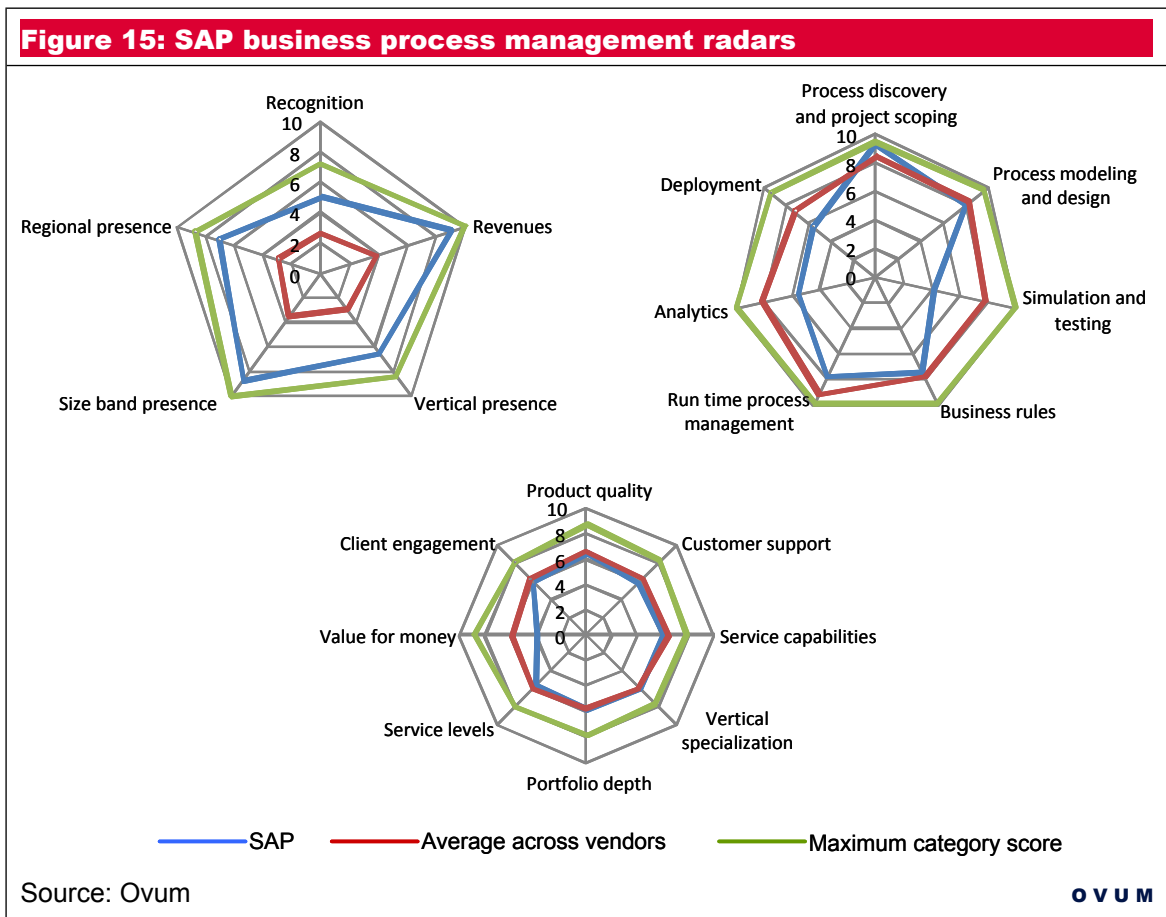
A few aspects of Pegasystems' scores for User Sentiment dimensions merit special mention. The vendor registers very high scores for the "product quality" and "vertical specialization" categories, offering further proof that Pegasystems products are well-appreciated in the target market, and a testament to its focus on a few key sectors (healthcare, financial services, and telecoms) and its many sector-specific solutions.

## **Recommendation: Shortlist**

The vendor's aggregate Technology score places it in the top five, and its aggregate User Sentiment score is marginally lower than average. This combination leads us to assign the highest

"Shortlist" category to Pegasystems. It should be noted that, from a technology viewpoint, the best vendors will have areas in which they are "pushing the boundaries." Pegasystems is no different in this respect, which marks the company out as being highly innovative.

### SAP: Business process management radars



SAP is a unique entry in the BPM Decision Matrix. SAP does not focus on providing its BPM technology as a standalone solution, although it offers it as an option; rather, SAP's BPM capabilities are designed primarily to serve its installed base. However, given the sheer size of SAP's enterprise application footprint, SAP's BPM tools have among the highest impact in the BPM market. By Ovum's estimates, SAP's BPM revenue (which is a theoretical construct, as the solution is not sold as a standalone solution) is beaten only by Oracle's and IBM's. For SAP users, a decision between Netweaver's BPM capabilities and BPM specialists must be informed by SAP's

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technology score, which comes in low. A closer look reveals that SAP scores are impressive in Technology categories, such as process modeling and design, business rules, and runtime process management, but analytics, and simulation and testing are the two feature categories which bring down SAP's aggregate Technology scores.

Naturally, SAP's greatest strength is the ability to work with other SAP components in the environment, so the analytics capability immediately springs to mind. The Technology scores deliver the message that for SAP users, NetWeaver's BPM capabilities suffice for the SAP environment and many other adjacent areas, but for larger and more mixed environments, and for organizations planning to utilize BPM principles to improve a large number of important processes, a more specialized solution is warranted.

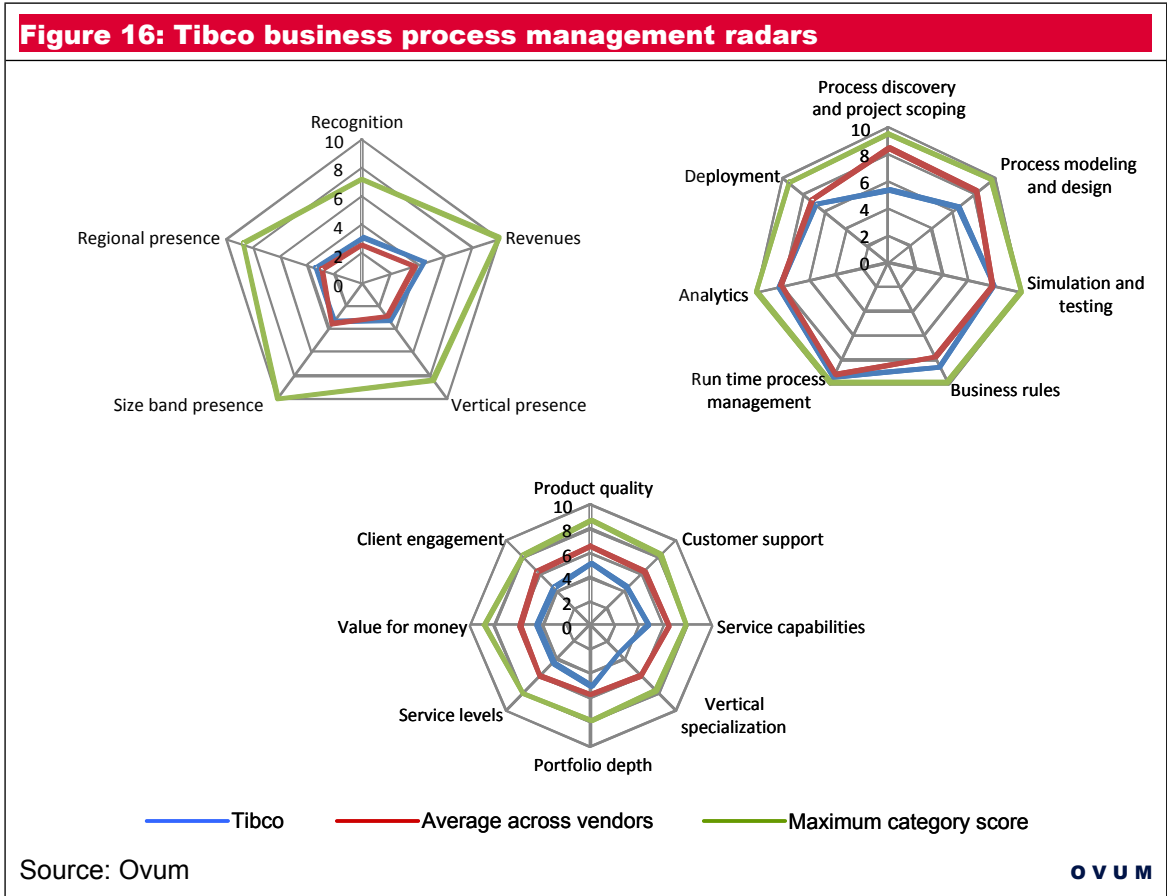
On the User Sentiment front, SAP's score is slightly below average in aggregate, scoring marginally lower than IBM but higher than Oracle. Two results from the user survey stand out for SAP. The first is for the "product quality" category, in which SAP beats a number of BPM behemoths such as IBM, Cordys, and Oracle. SAP's BPM capabilities certainly suffice in many situations. The second is for the "recognition" category: of the 169 IT executives polled as part of this research study, 49.7% recognized SAP as a provider of BPM services, a recognition score beaten only by IBM and Oracle, ahead of what many might consider higher-profile names in the BPM market. Considering SAP does not play, to a large extent, outside its installed base, beating SAP in SAP shop BPM deals would be a very difficult proposition.

SAP does not seem to have any plans to extend its promotion of standalone BPM, and does not seem to want major capability additions. The company did not bid for IDS Scheer, which was acquired by Software AG, a vendor with clear BPM suite ambitions and one that often competes with SAP on BPM deals. There has been little evidence that SAP wants to significantly augment its focus on rules management (the vendor scores less than average for the "rules management" Technology category) or case management (SAP works with Open Text).

### **Recommendation: Explore**

Lower than average Technology and User Sentiment scores lead us to assign an "Explore" rating to SAP. To summarize the case for SAP BPM, an enterprise would need a good reason to look beyond SAP when the environment is primarily SAP, and a very good reason to select SAP when SAP applications are not the focal point of process improvement initiatives.

## Tibco: Business process management radars



Any discussion on Tibco's BPM capabilities must start with the major event since the last Decision Matrix: the release of ActiveMatrix. The new BPM platform is likely to be the seat of all major new development (instead of the iProcess Suite, although this suite will be supported in the foreseeable future). Tibco technology scores are average, although the vendor scores well for a few categories, such as the "analytics" category. With any vendor comparison exercise we try to compare apples with apples, rather than with oranges, selecting those areas of functionality that are available across a range of products. ActiveMatrix BPM, however, brings to the market several innovations that have yet to reach the mainstream BPM space. This, in itself, makes Tibco worth further consideration.

User Sentiment scores are not extraordinary, but User Sentiment scores have not been high for any of the large integration technology providers. Also, Ovum cannot be sure of which BPM suite the survey respondents were using at the time of filling the survey; but it would be logical to



assume a bias towards iProcess suite. Tibco is aware of issues with user perception, and ActiveMatrix BPM has been designed to address some of this negativity.

During the last few years, Tibco has announced numerous new technologies and initiatives, screen flows, social software (Tibbr), process data management, high usability forms, and cloud-delivered BPM (the Silver Suite). Overall, Tibco has investments in every contemporary BPM idea, with the possible exception of case management (unless its interest in this area has not been branded as such). The suite is certainly complete, and the integration technology major can provide capabilities through allied solutions, such as process analytics through Spotfire, and connections to middleware, both of which are advantages that can be matched by only a handful of its peers.

Tibco has always been strong in the area of automating transactions and processes, and has focused on this space. However, the recent acquisition of Nimbus would appear to open up a whole new market, geared towards holistic BPM. Given this acquisition and the greater uptake of ActiveMatrix, we would be surprised if Tibco did not make strong strides in BPM and become a major player outside of its traditional markets and strengths.

### **Recommendation: Consider**

Average Technology and User Sentiment scores lead us to assign a "Consider" rating to Tibco. By Ovum's estimates, Tibco's BPM market presence is right behind that of the three BPM majors in the "Shortlist" category, and SAP. The vendor has demonstrated considerable focus on BPM recently, and we believe that its market presence is likely to grow.

### **Conclusion**

The BPM selection problem has recently become more complex. However, this increase in complexity is driven by more complete portfolios, which is good news. Vendors who could have been previously described as primarily integration-oriented and lacking in business-friendly tools have acquired the necessary tool sets. Vendors who could have been adequately described as focusing on fairly predictable processes have now acquired the means to accommodate more uncertain processes. Ovum believes the selection challenge for enterprises now warrants a longer and more detailed evaluation process. Change in user experience and business user alignment has increased across the board. The cloud option is more viable than ever before. The idea that processes with a limited level of structure are legitimate BPM cases is now widely accepted. Overall, for both BPM greenfields and veterans, BPM is currently a more powerful tool for business process formalization, standardization, and optimization projects.



## APPENDIX

### Ovum ratings

- **Shortlist:** this ratings category represents the leading solutions that we believe are worthy of a place on most technology selection shortlists. The vendor has established a commanding market position with a product that is widely accepted as best-of-breed.
- **Consider:** the vendors in this ratings category have good market positioning and are selling and marketing their products well. The products offer competitive functionality and a good price-performance proposition, and should be considered as part of the technology selection.
- **Explore:** solutions in this ratings category have more narrow applicability, and may have limitations in terms of the product's functionality or the vendor's execution capability. However, they will still be suitable to meet specific requirements, and may be worth exploring as part of the technology selection.

### Methodology

- **Market analysis:** an analysis of vendors' financial performance and impact in the market.
- **Customer survey:** a survey of over 165 IT managers and CIOs.
- **Technology analysis:** Ovum's assessment of vendors' technology.

### Extended methodology

Ovum assesses BPM vendors based on three core dimensions: Technology, Market Impact, and User Sentiment. Each of the three dimensions consists of between five and 12 specific categories, and together present a comprehensive view of various vendor offerings in the BPM space.

#### Technology

Ovum analysts assign vendors a score from one to 10 for each of the eight assessment categories, and the overall technology assessment is determined by taking the average of these eight scores. The technology assessment categories used for the BPM market include:

- **Process discovery and scoping:** provides the opportunity for process owners and business experts to define the flow, rules, and recipients of each piece of work or process activity.

- Process modeling and design: delivers the unified design and development environment in which GUIs allow business professionals to depict all activities that relate to a particular process or linked group of processes: models, key performance indicator (KPI) trees, step transitions, human tasks, and interface requirements.
- Simulation and testing: provides the opportunity for the business process to be worked on, measured, and tested prior to, during, and after implementation. Simulation is used to measure process performance and determine the outcomes that can be achieved from particular approaches.
- Business rules: business rules and rules engines provide a self-contained set of control facilities that manage the way in which process execution takes place.
- Runtime process management: runtime processes collectively involve human, content, and systems tasks/interactions between these core entities, and all elements of human task management, system task management, content management, and decision management fall under the control of this area of BPM.
- Analytics: covers how processes can be analyzed at various levels, from the basic process model to runtime instances of individual processes, to provide information to the different types of users involved in the management of the process lifecycle. This category also looks at how the "discover" metrics can be applied to the process to create an environment of continuous improvement.
- Deployment: considers the specific platforms on which the product can be deployed alongside the additional infrastructure elements that may or may not be required for running and managing the process. It also considers how the BPM deployment can be integrated into existing infrastructure.

### **User Sentiment**

Ovum has surveyed over 165 users of BPM solutions across the Americas, EMEA, and Asia Pacific to understand their views on the leading BPM vendors. The surveyed enterprises were asked to rate the technology vendors with which they work or have worked in the past, and Ovum provides an average rating in each of the following categories. It is worth noting that the respondent pool for a particular vendor could be on different versions of the product line. The survey is aimed at understanding long-term user perception of the vendor, and not perceptions of a particular version of the vendor's product.

- Product quality: perception of the quality of the vendor's products.
- Customer support: the quality of the vendor's business/technical support offerings.

- Service capabilities: the quality of a vendor's particular services offerings (consulting, integration, maintenance, management).
- Vertical specialization: the extent to which the vendor offers industry-specific solutions and expertise.
- Portfolio depth: the CIO/IT manager's perception of the depth of the vendor's product portfolio.
- Service levels: the quality of a vendor's service-level agreements (SLAs) and its ability to meet them.
- Value for money: whether the solution offers a good return on investment (ROI).
- Client engagement: the effectiveness of the vendor's salesforce and the CIO/IT manager's perception of its channel to market.

### Market Impact

Ovum analysts use data collected through primary and secondary research to determine a vendor's global market impact. Market Impact is measured across six categories, each of which has a maximum score of 10:

- Revenue: each vendor's global BPM revenues are calculated as a percentage of the market leader's revenues. This percentage is then multiplied by a market maturity value and rounded up to the nearest integer.
- Geographical penetration: Ovum determines each vendor's revenue in three regions: the Americas; Europe, Middle East and Africa (EMEA); and Asia Pacific. These revenues are calculated as a percentage of the market leader's revenues in each region, multiplied by 10, and then rounded to the nearest integer. The vendor's overall geographical reach score is the average of these three values.
- Recognition: survey respondents are asked to select BPM vendors of which they are aware. The percentage of the vendor recognition is then divided by the highest percentage of the vendor recognition, multiplied by 10, and rounded up to the nearest integer.
- Vertical penetration: Ovum determines each vendor's revenue in 11 verticals: energy and utilities; financial services; healthcare; life sciences; manufacturing; media and entertainment; professional services; public sector; retail, wholesale and distribution; telecommunications; and travel, transportation, logistics and hospitality. These revenues are calculated as a percentage of the market leader's revenues in each



vertical, multiplied by 10, and then rounded to the nearest integer. The vendor's overall vertical penetration score is the average of these three values.

- **Size-band coverage:** Ovum determines each vendor's revenue in three company size bands: large enterprises (over 5,000 employees), medium-sized enterprises (1,000 – 4,999 employees) and small enterprises (fewer than 1,000 employees). These revenues are calculated as a percentage of the market leader in each region, multiplied by 10, and then rounded up to the nearest integer. The vendor's overall company size band score is the average of these three values.

## Further reading

Decision Matrix: Selecting a Business Process Management Vendor, March 2010 (DMTC2329)

## Definitions

**Business activity monitoring (BAM):** a process that identifies the ways in which the provision of instant access to disparate data sources and applications can optimize the speed and efficiency with which business decisions are made.

**Business process execution language (BPEL):** a short version of WS-BPEL OASIS standard for specifying business process behavior, based on web services.

**Business process management (BPM):** the set of activities for creating a managed environment for understanding, automating, monitoring, and improving repeatable business processes to achieve the goals of the organization more effectively.

**Business process modeling notation (BPMN):** a standard for graphical representation of business processes in a workflow developed by industry consortium OMG.

**Complex event processing (CEP):** an event processing framework that tracks events in an event cloud, identifying meaningful events and acting upon them.

**Enterprise services bus (ESB):** a decentralized infrastructure that enables services to be deployed and accessed without knowing their exact location or implementation details.

**Software as a Service (SaaS):** a model of software licensing and delivery where the vendor provides access to applications, as well as associated support and maintenance, on demand, over the Internet.

**Service-oriented architecture (SOA):** an architectural concept for enterprise IT that uses loosely-coupled services to support the requirements of business processes and users. Resources on a

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network in a SOA environment are made available as independent services that can be accessed without knowledge of their underlying platform implementation.

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## Ovum Consulting

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