

AN UNMISSABLE FORTHCOMING TITLE
FROM THE THOUGHT-LEADERS
OF BPM



BUSINESS PROCESS MANAGEMENT: **The Third Wave**

By Howard Smith, Peter Fingar
and Ismaël Ghalimi

The process-managed enterprise will reign in the decade ahead for it is the end-to-end "business process" that delivers the value today's markets demand. While the vision of process management is not new, technology has not been able to cope with the reality of business processes –until now. This book heralds a break-through in process methodology, systems and standards that can obliterate the business-IT divide, utterly transform today's information systems and reduce the lag between management intent and efficient, predictable execution. By placing business processes –their representation and surrounding software architecture– center stage in the world of information technology, businesses can gain the capabilities they need to innovate, improve performance and profit from process.

A process-managed company makes agile course corrections, embeds six sigma quality initiatives into its core processes and reduces cumulative costs across the value chain. It pursues strategic initiatives with great confidence, including mergers, consolidations, alliances, acquisitions, outsourcing and global expansion. Process management is the only way to achieve these objectives with the required end-to-end visibility, management control and accountability to regulators, stockholders, advisors and government.

During the reengineering wave of the 1990s, companies had little more than management prophets' books full of stories about other companies that, mystically, would allow you to transform your company. Companies learned the hard way that the prophets' stories were just that. Although their underlying theories were based on age-old common sense and general systems theory proposed fifty years earlier by the biologist Ludwig von Bertalanffy, they offered no path to execution. By contrast, the process-managed enterprise communicates with a universal process language that enables partners to execute on process vision –to jointly design processes, understand each other's operations in detail and manage the entire lifecycle of their business process initiatives.

Thanks in no small part to the mathematics of Pi-calculus, the third wave of BPM is for business people, not technologists. Designed top down in accordance with a company's strategy, third wave business processes are unhindered by the constraints of existing IT systems. Whether you wish to adopt industry best practices for efficiency or pursue competitive differentiation, you'll need process management. Written by the thought leaders and developers of the BPM breakthrough, this book is short on stories and long on insight and practical information that will help you write your own story of success.

There is something wrong with IT, something dreadfully wrong. For the past fifty years computers have been “data machines” recording the after-the-fact results of business activity. Companies are stuck in this data-centric world of IT where there's an ever growing disconnect between the business and the technology it deploys. Because the data-centric paradigm of IT won't take us past where we are today, we must break it!

Companies currently spend over 30% of their IT budgets integrating their data-centric applications under the banner of Enterprise Application Integration (EAI), trying to get their internal act together for yet another step, B2B Integration (B2Bi). Imagine a world where people speak a language that brilliantly describes the molecular structure of a large object but can't tell you what the object is – or that it's about to fall on you. You've just glimpsed today's arcane world of application integration. Why are companies going to all this effort and expense? They are tying together fragments of their stovepipe applications to create end-to-end, multi-company business processes – those activities that bring ultimate value to customers.

But if end-to-end business processes are the focus of internal and cross-company integration, why not deal directly with the “business process” instead of “applications”? Business processes can no longer be second-class citizens cast in concrete the way they are in today's applications and systems integration practices. The “business process” must supersede the application as the primary unit for packaging software. In addition, we must enable IT to leverage existing application investments and allow them to build new process aware applications that understand the enterprise process design right across the value chain. But such a lofty objective cannot be reached without a breakthrough that shifts the locus of automation from applications to business processes. That breakthrough is Business Process Management (BPM), its technology engine, the Business Process Management System (BPMS), and its language of process, the Business Process Modeling Language (BPML) standard (published by the BPMI.org).

BPML is utilitarian enough to describe the process of hosting a dinner party yet powerful enough to handle describing how computer system “A” talks to computer system “B” while computer system “C” may drop in or out of the conversation in the same way they do in real business processes in the real world. By shifting the focus from applications to the business process, IT will move closer to the way business really is – constantly changing, messy, unordered and chaotic. The shift will also reflect another important reality, that every business person, department, company, customer and supplier works in parallel, yet is trying to achieve a commongal – delivering compelling value for customers..

The BPMS is not fantasy, for it, like other true breakthroughs, is based in the mathematics, specifically, π calculus, the mathematics of computation that underpins distributed, mobile processes, as opposed to static relational data. Without this foundation, businesses would be correct in thinking that the BPMS is

just another buzzword, acronym or marketing ploy –more hype. Here is the truly breakthrough part. The BPMS can execute BPML directly and immediately –no software development needed!

It was not the development of the personal computer that led to the personal computing revolution; it was the world's first spreadsheet, Visicalc. In the early 1970s, personal computers were the toys of hobbyists and the nerds that loved to tinker with programs written in Basic. Corporations went to great lengths to keep these toys out of their offices since if they were to be put to any business use, business people would require great effort from IT to program them for each and every user. Enter Visicalc. Visicalc gave business people direct manipulation of familiar rows and columns of data and the ability to conduct what-if analyses to optimize results. No programming needed –simply design and, presto, execute. Visicalc took IT off the critical path of personal computing and launched a revolution. Enter the BPMS. The BPMS gives business people direct manipulation of familiar business processes and the ability to conduct what-if analyses to optimize results. No programming needed –simply design, and, presto, execute. The BPMS takes application development off the critical path of business process management –and off the critical path of business change and innovation.

You will find this brave new world inside the pages of **Business Process Management: The Third Wave**, the groundbreaking book written by the computing scientists and IT practitioners who developed the BPM breakthrough. The book provides the first and only authoritative analysis of how BPM changes everything in business -- and what it portends. Welcome to the company of the future, the fully digitized corporation, the process-managed enterprise. Welcome to the next fifty years of IT.

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