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Analyze the Future

COMPETITIVE ANALYSIS

IDC MarketScape: Worldwide Business Process Platforms 2011 Vendor Analysis

Maureen Fleming Jeff Silverstein

IDC OPINION

Enterprises adopting business process management (BPM) software have wide-ranging needs, from highly dynamic task management to complex, high-volume processing with a focus on straight-through automation and the ability to rapidly detect exceptions. This IDC MarketScape focuses on what we call business process (BP) platforms, which are optimized to support midrange to more complex use cases. Key findings include the following:

- IDC's MarketScape model balances the strategy of vendors with their current capabilities. Because marketing and sales, operational issues, and products are all critical in this evaluation, the IDC MarketScape model weighs these factors on both the strategy side as well as current capabilities.
- Strategy scores ranged from 457 to 256 out of a possible 500 points. Progress Software (457.3) had the highest strategy score followed by Oracle (440.3) and Fujitsu (430). The median score was 360.
- Capabilities scoring ranged from 436 to 203 out of a possible 500 points. Cordys (436) had the highest capabilities score, followed by Oracle (416) and TIBCO (404). The median score was 365.
- Product and portfolio differentiation is a key strategy for gaining and maintaining position in the market. Given that, the innovation score is important. There were five vendors that received top scores for innovation: Appian, HandySoft, Intalio, Nintex, and Progress Software.
- The ability to differentiate through value-added capabilities in a vendor's core BPM offering continues to be an important factor for buyers, and the top overall score reflects both the comprehensive capabilities and the differentiating functionality. Cordys, IBM, Oracle, Pegasystems, Progress Software, and TIBCO each received a top overall score.
- With any technology purchase, the ability to deliver results on time, on budget, and in scope is the marker of a good decision. To achieve those results using a BP platform means that enterprises need to take into account how well the software will support the business process, rules that govern the process, the ability to interoperate with third-party applications and systems to consume and deliver data in support of the process, and the strength of the overall architecture to maximize agility and reusability.

Global Headquarters: 5 Speen Street Framingham, MA 01701 USA P.508.872.8200 F.508.935.4015 www.idc.com

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IN THIS STUDY

This IDC study assesses the capabilities of vendors to support midrange to complex process improvement scenarios using business process management software. BP platforms provide development and runtime environments to improve and automate a wide range of processes and support advanced use cases around orchestration, process interoperability, end-to-end process monitoring, and event-driven process management. That means BP platforms are capable of combining people- and system-centric use cases.

Methodology

We invited 35 vendors to participate in this IDC MarketScape, including vendors with standalone BPM suite capabilities as well as vendors using internally developed business process software as the basis for packaged applications. The resulting business process platform IDC MarketScape assesses 18 vendors representing nearly 80% of total worldwide-named vendor software spending on BPM suites.

This evaluation process involved several steps, including the following:

- Business briefings were conducted with 27 vendors.
- Customer reference calls covered requirements and complexity of the projects, responsiveness of the vendor to challenges and support, and strengths of the vendor and offering. In addition, the reference calls identified reasons why a vendor was selected and other vendors removed from consideration. The calls were conducted from summer 2010 through May 2011. In total, we built a customer model involving roughly 75 interviews from across North America, Latin America, EMEA, and Asia/Pacific regions. That model includes instances of vendors being invited to compete as well as advances to the shortlist. The customer discussions factored heavily into many aspects of the IDC MarketScape model, including a customer reference score covering implementation, an assessment of the degree of complexity involved with the BPM projects, and feedback about ease of use as well as scores for marketing and sales effectiveness.
- A demo scenario was sent to vendors in summer 2010 with a request to use the scenario to demonstrate product and portfolio capabilities. The approach provided us with a standardized way to compare product functionality and also provided vendors with an opportunity to demonstrate differentiating capabilities. The demos were conducted primarily from September through November 2010 and, in addition, we conducted follow-up demos from March through May 2011. These demos resulted in a product capabilities model that listed more than 200 features across 10 core functionality areas of a business process platform capable of supporting basic and advanced use cases.

  In our customer reference discussions, we've found that enterprises with highly complex process improvement projects that also have rigor in their selection process tend to have 200 capabilities that they assess. Our results are in line with those efforts.

- We also sized the 2010 BPM suite market by vendor. This provided us with an objective understanding of gains or losses of market share in 2010 and resulted in a momentum score as well as the size of the bubble in the IDC MarketScape graphic.

The first sequence of demos resulted in a superset of functionality across vendors. We sent out a review to vendors in March 2011 to provide them with an opportunity to address any functionality gaps we may have missed from the demo. That resulted in a second round of demos or documentation of support of functionality.

We also provided vendors with an opportunity to provide feedback on the customer-related scores in the IDC MarketScape model and to fact-check our assessment.

The customer feedback was also used to provide us with purchasing segments that allowed us to align customer requirements with product functionality. This IDC MarketScape evaluates the products and vendors that align with mid- to high levels of process improvement complexity.

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of a review board of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

SITUATION OVERVIEW

Enterprises adopting BPM suites have wide-ranging needs, from highly dynamic task management to complex, high-volume processing with a focus on straight-through automation and the ability to rapidly detect exceptions. To meet the increasingly complex requirements, vendors have responded with offerings that effectively provide a business process platform to support an enterprise's wide-ranging needs for process automation. These needs and reasons for adoption include:

- **Task management.** Enterprises often have a difficult time managing processes that are not highly repeatable and not very automated. BPM suites are used to keep track of tasks and escalations and often do not use a process model but instead keep track of tasks, how they are forwarded, task escalations, and task completions. An example is the support of a budgeting cycle radiating from the finance group through lines of business and down through the organization.

- **BPM suites to supplement packaged applications.** There are enterprises that take a disciplined approach to BPM by identifying areas of inefficiency, and then adopting packaged applications. They use a BPM suite to fill in automation gaps among applications. An example would be using a BPM suite for approval-centric workflow for travel expenses before sending the expense report to the

appropriate financial application. Another example is the use of a BPM suite to support employee onboarding.

- **Process applications.** Many enterprises also use process automation software as a new style of platform to build custom process applications. In this case, there is a desire to adopt a BP platform to reduce cost and improve time to value. They do this by selecting a product that minimizes custom coding and optimizes the use of a development team by assigning fewer developers and more configuration specialists and business analysts to projects to improve business acceptance and decrease development costs. Examples include a law practice application to manage pending litigation and a store maintenance application that coordinates supplies and maintenance requests across multiple locations. In both examples, there may be a need to interoperate with applications, but the bulk of the work is handled within the process application.

- **Composite process applications.** Enterprises are using BP platforms to coordinate data and Web services between process workers and multiple systems of record. The cornerstone of a composite process application is a standardized, role-based user interface that provides full functionality to handle a task or make a decision without requiring the process worker to move between different applications. Examples of composite process applications include the use of a BP platform to standardize the user interface in a customer call center or customer self-service Web sites.

- **Processing backbone.** To increase the efficiency and adaptability of supporting complex, heterogeneous application environments, enterprises are building backbones that receive work, process it, and deliver the processed work to applications. This becomes a standardized processing utility for the family of applications and workers associated with the backbone. An example is a backbone to process all customer interactions, whether they originate from a branch location, the mailroom, a self-service Web site, or a call center. The backbone is typically built in layers, including the business process layer and technical services layer, with each layer loosely coupled but interoperable with each other. Backbones support both people- and system-to-system workloads.

- **Business navigation system.** Rather than supplement packaged applications, enterprises use BPM software to control an end-to-end process that involves monitoring and orchestrating work across multiple packaged and custom applications. An example is monitoring the health of the end-to-end process around a customer enrollment across multiple applications, ensuring that each handoff point is performed according to the defined service-level agreement (SLA) and immediately identifying a processing exception. Once an exception is identified, the business layer of the platform provides the necessary capabilities to support the required decision making to resolve the exception.

- **BPM as a discipline.** There are enterprises that view BPM as a discipline that involves automation as only one important aspect of process improvement. In these scenarios, the adoption of BPM creates a triple play of cultural change, process transformation, and a new style of development methodology. BPM

software is used for both the automation platform and the collaborative environment used to reach agreement about the new process.

This IDC MarketScape looks at vendor capabilities that support all of these use cases but, in particular, effectively handle midrange to complex process applications, composite process applications, processing backbones, and end-to-end process management. We also assessed vendor capabilities around supporting BPM as a discipline, including evaluation of vendor tools around collaborative and fact-based process discovery and design.

Process complexity is found in many different elements of process improvement. Table 1 organizes and illustrates the range of complexity we encountered in the customer reference calls tied to our IDC MarketScape research process. Most projects draw from each of the columns but cluster around one of the columns.

When making selection decisions about a business process platform, it is important to align capabilities around the types of complexity that are anticipated over the next three to five years. Purchasing a product that is too lightweight for needs becomes problematic, and enterprises often find they need to purchase additional third-party software to complete a project. Or, enterprises find the software doesn't scale as required or to reach scale is more expensive than anticipated.

On the reverse, selecting a platform that is overly feature rich for need often cause a costlier implementation than necessary.

TABLE 1

Alignment of Requirements with Complexity

Capability	Simple	More Complex	Highly Complex
Design coordination	Relatively few people involved with design of new process and impacted by improved process	Multiple lines of business requiring negotiations, and more people involved with decision making	Transformation that impacts multiple lines of business or multiple regions; extensive coordination across hierarchy, cultures, and time zones
Implementation methodology	Rapid methodology driven by IT with business involved at milestones	Rapid methodology with strong involvement from business	Full support of Scrum
Process roles	Workers involved with highly repetitive tasks	Workers involved with knowledge tasks, with ability to dynamically create and route tasks and cases	Shift from people centric to system centric, with ability to dynamically create and route tasks and cases to other systems and to people with the appropriate skills
Geographic reach	Location	Multiple locations	Spans geography

TABLE 1

Alignment of Requirements with Complexity

Capability	Simple	More Complex	Highly Complex
Process variability	Conversion of manual to managed processes through automation	Many existing managed processes that need to be standardized	Many existing managed processes that need to be standardized but also must support variance
Degree of orchestration	Standalone process	Process connected to a few other processes	Process controls multiple processes, including custom and packaged applications
Rules orientation	Simple embedded rules	Decision services for such things as compliance and routing	Complex, wired rules for analytics, scoring, and condition detection
Integration requirements	Limited interaction with custom and packaged applications; single content repository	Accesses multiple custom and packaged heterogeneous applications and/or repositories	Accesses multiple custom or packaged heterogeneous applications and/or repositories with near-real-time response rates required
User interface	Forms available in email or embedded in portals	Able to render case view	User interface composed — or mashed up — with data from third-party applications with near-synchronous rendering for worker interaction
Scale	Low concurrency, low number of processes, low number of users, and low volume of active process instances	Medium concurrency, a few processes, medium number of users, and medium volume of active process instances	High concurrency, backbone-supporting multiple processes, high work volumes, high number of users, and high volume of active process instances
Examples	Expense approval	Customer onboarding, mortgage loan approval, and single-line customer self-service	Call center standardization, multiline customer self-service, multiline fraud detection and investigation, and customer correspondence processing backbone

Source: IDC, 2011

Business Process Platform Evaluation Criteria

There are a wide range of efforts — both elaborate and not so elaborate — among enterprises to identify and select the best BP platform and vendor partner. The selection process involves both product and vendor-related issues.

At the beginning of a selection process, the perception of pricing is frequently a significant factor in sending out invitations to compete. Once the decision process

moves to the shortlist or proof of concept (POC) phase, an analysis of out-of-the-box capabilities, total cost of effort, stability of the vendor, and access to third-party professional services are all factors in the selection.

The enterprise's requirement for a tool compatible with a specific IT environment is common but by no means universal. Compatibility with Microsoft products, with SAP, and with the preferred .NET or Java framework is factored into decisions but, in conversations with buyers, environmental fit does not consistently automatically disqualify one vendor over another.

Many enterprises develop sophisticated product-focused rating systems to assist with selection. The importance of the underlying requirements is valuable in determining the shortlist and for crafting the POC. At that point, the ability of vendors to quickly and clearly demonstrate how to build processes and develop applications — often onsite — is a significant decision factor. At this stage, the alignment of product capabilities able to support the POC requirements and the technical skills of the onsite team are critical.

Business-related issues are also significant decision factors. Availability of professional services and support was a critical issue for many of the customer references we spoke with for this IDC MarketScape, particularly when they were making a strategic investment.

The ability of the vendor to negotiate a price that aligns with the buyer's budget is also a factor. Some enterprises are more comfortable with larger vendors and their perceived stability and support structures. Others favor financially viable smaller vendors, where the enterprise would have more influence in the support and evolution of the product.

Some enterprises — worried about support issues and product stability — eliminate both large and small vendors that are perceived to be in the midst of acquisitions, either as buyers or targets.

Product and Portfolio Requirements

One of the common goals among buyers was that of identifying the product that would deliver results the fastest with the least amount of coding. In our interviews, more than half of the buyers viewed ease of development and implementation as key criteria. Nearly one-third of the buyers wanted an environment that could be implemented without the need to do any custom coding.

Most decision teams were looking for:

- Fast time to value
- Ability to lower the cost of improving a process through custom development
- Ways to reduce the cost of an existing process
- Opportunity to improve process performance, including supporting a more agile process automation life cycle

This is true regardless of whether IT was driving the decision or whether business was. However, business-led decisions often resulted in a different evaluation focus than IT-led decisions. Both sides focused on looking for functionality within the areas with which they were most comfortable.

Selection teams with heavy involvement from business were focused on out-of-the-box capabilities, industry alignment, domain expertise, collaborative design, and simulation. And they also focused on the features that would be used by the workers involved with the process on a day-to-day basis.

In the case of IT, there was an interest in the ability to customize as well as the strength of the development environment. Where business process was viewed strategically, there was a focus on identifying products that would support both people-centric activities as well as greater levels of automation. The technical layer supporting the automation as well as interoperability was equal or more important than business layer functionality.

With any technology purchase, the ability to deliver results on time, on budget, and in scope is the marker of a good decision. Looking across BPM software, we've found that good decisions accurately assess the appropriate balance of ease of use, business process layer functionality, and technology platform capabilities to achieve results as planned.

For BP platform selection, the decision balance needs to take into account how well the software will support the business process, rules that govern the process, the ability to interoperate with third-party applications to consume and deliver data in support of the process, and the strength of the overall architecture to maximize agility and reusability.

Definition of Business Process Platform Products

Business process platforms are product suites or product portfolios that support the design and automation for business process improvement initiatives. They contain functionality across all or some of the capabilities that follow:

- **Discovery and design:** Discovery and design are collaborative and fact-based tools to define an as-is process and a to-be process. This may include business planning tools to determine optional choices to determine the best area of a process to begin improvement. Also included in this are simulation and documentation capabilities.

- **Process modeling:** Process modeling is the graphical design environment that renders the process model supporting the BPMN standard. This may also support state-based models to support case management as well as case-based workflows. The process modeling environment supports the process life cycle, including development, testing, production, and change management.

- **User interface development and presentation:** User interface development and presentation environment creates and renders a user interface for process

workers, supporting forms as well as a process application user interface. It often includes the ability to render a user interface by mashing up or composing the presentation layer from components. This may include the ability to display the user interface in a portal or a mobile device as well as render in a social style, such as tasks presented as RSS feeds. Capabilities also include the ability to render charts and graphs as well as dynamically display data.

- **Data access and integration:** Data access and integration capabilities enable access to external data and also receive from and send data to packaged and custom applications. At a basic level, this includes the support of Web services, and at a more comprehensive level, the ability to mediate and transform data as well as support complex system-to-system processing patterns.

- **Rules:** Rules capability is either embedded or separate decision services that are used in a process to analyze, score, and route work. This capability uses combinations of configurable, expression-based rules, scripts, as well as user configurable decision tables. In some of the environments, rules can be wired together to support complex, automated decisions.

- **Condition detection:** Condition detection is the advanced capabilities to determine whether a pattern of events creates a condition that should be acted upon.

- **Work management:** Work management capabilities manage process assets such as user profiles, skills catalog, calendar, and organizational model, and determine how to schedule, route, and escalate work in progress. This includes the ability to synchronize with enterprise directory services to support access controls and authorizations. And it includes the ability to establish SLAs for both automated and manual tasks.

- **Task management:** Task management is the capabilities available to process workers that allow them to perform tasks. This may include ad hoc tasks that can be defined and routed by process workers as well as social tools available for collaborative decision making.

- **Case management:** Case management capabilities coordinate complex and frequently nonlinear work streams to achieve a goal, particularly involving a decision. Software capabilities allow process workers to create, maintain, manage, share, and archive a collection of tasks, data, records, documents, and decisions involved with short-running or long-running cases.

- **Monitoring and reporting:** Monitoring and reporting environment allows developers or process workers to create and render reports or monitors. These may be displayed in the process user interface, queries on an ad hoc basis, or distributed separately from the process execution environment. This includes the ability to establish thresholds for alerts and notifications. This provides the ability to audit work as it advances through a process.

Most of these offerings have embedded portal and some content management features. They support common database management offerings to manage process

instances and for monitoring and reporting. They also tend to interoperate with third-party content repositories and portals.

Market Strategies

This section includes market-specific weightings and definitions and includes a weightings table. IDC's MarketScape model balances the strategy of vendors with their current capabilities. Because marketing and sales, business issues, and products are all critical in this evaluation, the IDC MarketScape model weighs these factors on both the strategy side as well as current capabilities.

In assessing BP platforms, we focused comparatively across the vendors involved on the strategy side and scored areas that were differentiating in a way that aligned with customer needs. On the strategy side, particular weight was given to vendors' product and portfolio focus, innovation, cloud road map, solutions orientation, and efforts to broaden their access to a trained and committed indirect channel.

The capabilities model features are as follows:

- Compares products with each other using a standard demo, with weighting based in part on the importance of features in buyer decisions, implementation problems that were caused by gaps in functionality, as well as pure competitive assessment of differences in product offerings
- Relies on feedback from reference customers to factor in ability to compete and then support during implementation
- Uses 2010 market performance as an input for our assessment of likely future performance; specifically, did a vendor gain, maintain, or lose BPM suite market share in 2010

Tables 2 and 3 outline the scoring model and weight for strategy and capabilities, respectively. Table 4 shows the weighting of each criteria category to arrive at the strategy score and the capability score. These scores are used to generate the placement of each vendor on the IDC MarketScape (see Figure 1).

TABLE 2

Key Strategy Measures for Success for Business Process Platforms

Strategy Criteria	Criteria for Success	Subcriteria Weighting
Offering strategy	Offering strategies reflect the current development of offerings that will be relevant and attractive to customers over the next three to five years.	
Functionality or offering road map	This criteria assesses vendor's orientation toward innovation. Innovation is measured by early adoption into platform of key trends impacting technology overall and early adoption of a capability that pushes business process automation functionality to a new level.	4.0
Delivery model	Delivery model indicates the status of a vendor's BPM-as-a-service offering. For this year's analysis, we looked at public cloud only.	1.0
Cost-management strategy	Decisions that enterprises make about where and how they should focus their process improvement efforts often have a substantial impact on return on investment. This category assesses a vendor's ability to help customers with business value planning and to manage their costs. This includes return on investment tools, fact-based discovery tools, and the likelihood of needing to invest in third-party software to implement a full solution.	1.0
Portfolio strategy	As BP platforms grow in sophistication, vendors are broadening their offerings to include integration and/or content management. This category assesses a vendor's strategy to extend functionality to more comprehensively support complex process improvement requirements.	4.0
Offering strategy total		10.0
Go-to-market strategy	Go-to-market strategies include those that maximize the connection between the offering and customers, including choosing the target customer segments that offer the greatest opportunity over the next three to five years.	
Sales/distribution strategy	BP platforms are sold through direct sales as well as through channels. This category assesses vendors' ability to attract, train, and retain adequate sales and channel partnerships to meet revenue objectives.	3.0
Customer service strategy	Customer service includes a vendor's ability to support an implementation as well as a deep-enough bench of third-party professional services organizations able to support a customer. Customer support includes a vendor's ability to provide broad, global support services.	4.0
Other go-to-market strategy	As customers look for expertise and time to value advantages, they are looking to BP platform vendors to provide prepackaged process logic. This category assesses vendors' existing and planned solutions orientation.	3.0
Go-to-market strategy total		10.0
Business strategy	To be successful, vendors need to have strategies to grow the business that is aligned with market trends and future opportunities over the next three to five years.	
Growth strategy	Growth is achieved through the ability to successfully sell more BP platforms to existing customers, more related products to an existing customer, and to acquire new customers. This category assesses each vendor's strategy around scaling revenue and accelerating growth.	4.0

TABLE 2

Key Strategy Measures for Success for Business Process Platforms

Strategy Criteria	Criteria for Success	Subcriteria Weighting
Innovation/R&D pace and productivity	This strategy evaluates the importance of the vendor's business process management portfolio to the overall strategy of the company.	3.0
Financial/funding model	This model assesses vendors' ability to fund product development, sales execution, and customer service to meet business objectives and to gain share in the market.	3.0
Business strategy total		10.0

Source: IDC, 2011

TABLE 3

Key Capability Measures for Success for Business Process Platforms

Capabilities Criteria	Criteria for Success	Subcriteria Weighting
Offering capabilities	Solution capabilities align well with current market needs and user demand	
Functionality/offering delivered	Overall BP platform capabilities score	2.0
Delivery model appropriateness and execution	Assesses out-of-the-box process manager and worker productivity features across work management, task management, case management, and monitoring and alerting	2.0
Cost competitiveness	Assesses the vendor's BP platform value proposition, measured by features in proportion to price	2.0
Portfolio benefits delivered	Assesses breadth of BP platform and adjacent portfolio to handle the most complex process projections	2.0
Other offering capabilities	Assesses the range of capabilities used to improve processes from a design and development perspective	2.0
Offering capabilities total		10.0
Go-to-market capabilities	Capabilities include those that maximize the connection between the offerings and customers, such as delivery, partnerships, pricing, marketing, sales, and service.	
Sales/distribution structure, capabilities	From our pool of customer references, this category measures sales execution by comparing the frequency of the vendor's advances with the shortlist, compared with other vendors' advance percentage. Also assesses noncompetitive deals where the win came from a partner. This is a measure of the skills of sales and partnership teams.	2.0

TABLE 3

Key Capability Measures for Success for Business Process Platforms

Capabilities Criteria	Criteria for Success	Subcriteria Weighting
Marketing	From our pool of customer references, this category measures the frequency of a vendor's invitations to compete as compared with other vendors. This is a measure of marketing effectiveness. We also assess whether partners are actively involved in the sales process.	1.0
Customer service	This category assesses feedback from customer references as well as other conversations with the vendor's customers and implementation partners about strengths and challenges of the vendor's products and services.	5.0
Other go-to-market capabilities	It compares the relative complexity of projects implemented using the vendor's BP platform compared with other vendors' projects	2.0
Go-to-market capabilities total		10.0
Business capabilities	Financial, employee, partner, and R&D management are in agreement with current market opportunities.	
Growth strategy execution	It looks at changes in 2011 market share to assess gains or losses in momentum. Market share traction is an evidence-based rating of growth strategy execution	5.0
Innovation/R&D pace and productivity	Because BP platforms are growing more sophisticated through acquisition and the bundling of adjacent product functionality, this category assesses the degree to which the offering is fully integrated and unified.	5.0
Business capabilities total		10.0

Source: IDC, 2011

TABLE 4

Aggregate Criteria Weighting for Business Process Platform Market (% of Model)

	Strategy Criteria	Capabilities Criteria
Offering	70	50
Go-to-market	20	30
Business	10	20
Total	100	100

Source: IDC, 2011

FUTURE OUTLOOK

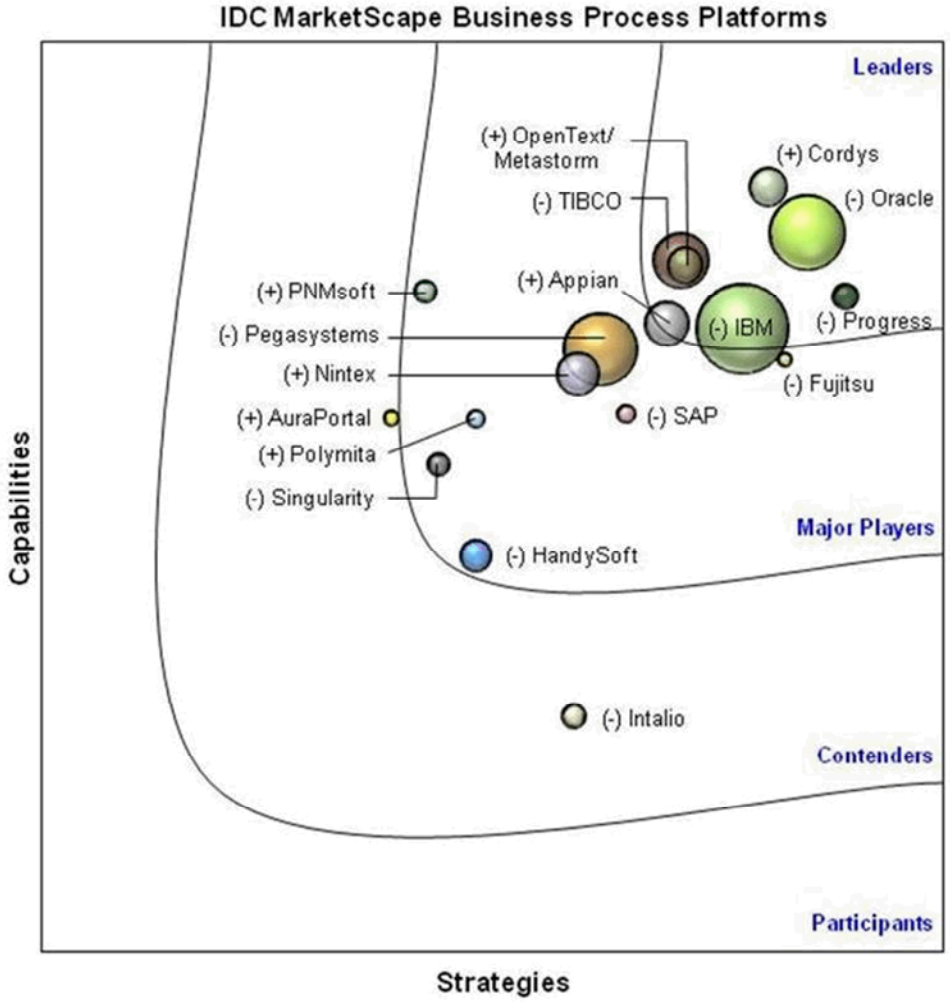
IDC MarketScape Business Process Platform Market Assessment

Figure 1 presents the competitive assessment of BP platform providers. All vendors in this assessment are highly capable of supporting people-centric process applications to at least the midrange of complexity (refer back to Table 1). The higher each vendor's bubble, the greater capabilities the vendor has. And the further right the bubble, the higher the vendor was scored for strategy.

The size of the bubble indicates 2010 spending on BPM suite software. Many vendors opted to use a broader portfolio of products to execute the demo. However, there was too much variation in the choice of products to evaluate total spending by vendor on the accumulation of products used in the demo.

FIGURE 1

IDC MarketScape Business Process Platform Vendor Assessment



Source: IDC, 2011

Tables 5 and 6 provide scoring details by vendor for the strategy assessment. The highest possible score for strategy is 500. Scoring ranged from 457 to 256. Progress Software (457.3) had the highest strategy score, followed by Oracle (440.3) and Fujitsu (430). The median score was 360.

TABLE 5

Business Process Platform Vendor Strategy Weighted Scores: Appian Through OpenText-Metastorm

Strategy Subcriteria Scores	Appian	AuraPortal	Cordys	Fujitsu	HandySoft	IBM	Intalio	Nintex	OpenText-Metastorm
Offering strategy									
Functionality or offering road map (Innovation)	20.0	4.0	16.0	16.0	20.0	12.0	20.0	20.0	16.0
Delivery model (cloud strategy)	5.0	2.0	3.0	5.0	1.0	3.0	5.0	1.0	1.0
Cost management strategy	1.0	1.0	3.0	4.3	1.0	2.3	1.0	1.7	3.0
Portfolio strategy	12.0	16.0	20.0	20.0	8.0	20.0	12.0	12.0	20.0
Subtotal	38.0	23.0	42.0	45.3	30.0	37.3	38.0	34.7	40.0
Go-to-market strategy									
Sales/distribution strategy	9.0	5.0	9.0	13.0	5.0	15.0	7.0	13.0	10.0
Customer service strategy	17.3	14.7	17.3	17.3	12.0	20.0	6.7	12.0	12.0
Other go-to-market strategy (solutions strategy)	11.0	9.0	15.0	9.0	6.0	15.0	6.0	6.0	9.0
Subtotal	37.3	28.7	41.3	39.3	23.0	50.0	19.7	31.0	31.0
Business strategy									
Growth strategy	13.3	13.3	16.0	16.0	13.3	20.0	13.3	16.0	20.0
Innovation/R&D pace and productivity	15.0	15.0	15.0	9.0	15.0	15.0	15.0	9.0	15.0
Financial/funding model	9.0	9.0	15.0	9.0	9.0	15.0	3.0	9.0	9.0
Subtotal	37.3	37.3	46.0	34.0	37.3	50.0	31.3	34.0	44.0
Strategy criteria scores									
Offering strategy	266.0	161.0	294.0	317.3	210.0	261.3	266.0	242.7	280.0
Go-to-market strategy	74.7	57.3	82.7	78.7	46.0	100.0	39.3	62.0	62.0
Business strategy	37.3	37.3	46.0	34.0	37.3	50.0	31.3	34.0	44.0
Strategy total	378.0	255.7	422.7	430.0	293.3	411.3	336.7	338.7	386.0

Source: IDC, 2011

TABLE 6

Business Process Platform Vendor Strategy Weighted Scores: Oracle Through TIBCO

Strategy Subcriteria Scores	Oracle	Pegasystems	PNMsoft	Polymita	Progress	SAP	Singularity	TIBCO
Offering strategy								
Functionality or offering road map (innovation)	16.0	16.0	12.0	4.0	20.0	12.0	12.0	16.0
Delivery model (cloud strategy)	2.0	3.0	5.0	3.0	3.0	1.0	5.0	2.0
Cost management strategy	4.3	2.3	1.0	1.0	4.3	2.3	1.0	3.7
Portfolio strategy	20.0	8.0	8.0	20.0	20.0	20.0	8.0	20.0
Subtotal	42.3	29.3	26.0	28.0	47.3	35.3	26.0	41.7
Go-to-market strategy								
Sales/distribution strategy	15.0	15.0	9.0	9.0	11.0	15.0	9.0	7.0
Customer service strategy	20.0	17.3	12.0	12.0	12.0	20.0	12.0	12.0
Other go-to-market strategy (solutions strategy)	12.0	15.0	9.0	9.0	15.0	6.0	9.0	6.0
Subtotal	47.0	47.3	30.0	30.0	38.0	41.0	30.0	25.0
Business strategy								
Growth strategy	20.0	18.7	10.7	13.3	20.0	18.7	10.7	18.7
Innovation/R&D pace and productivity	15.0	15.0	9.0	15.0	15.0	3.0	15.0	15.0
Financial/funding model	15.0	15.0	9.0	9.0	15.0	9.0	9.0	9.0
Subtotal	50.0	48.7	28.7	37.3	50.0	30.7	34.7	42.7
Strategy criteria scores								
Offering strategy	296.3	205.3	182.0	196.0	331.3	247.3	182.0	291.7
Go-to-market strategy	94.0	94.7	60.0	60.0	76.0	82.0	60.0	50.0
Business strategy	50.0	48.7	28.7	37.3	50.0	30.7	34.7	42.7
Strategy total	440.3	348.7	270.7	293.3	457.3	360.0	276.7	384.3

Source: IDC, 2011

There are a large number of vendors competing in the BPM software markets, and growth is rapid. Product and portfolio differentiation is a key strategy for gaining and maintaining position in the market. Given that, the innovation score is important. There were five vendors that received top scores for innovation: Appian, HandySoft, Intalio, Nintex, and Progress Software. Each of the vendors is approaching innovation in different ways, but all serve as directional examples of key trends that will drive growth over the next several years. More details are in the Vendor Summary Analysis section that follows in this document.

Another major factor in strategy is revenue scalability. One key differentiating strategy for growing revenue is the development of horizontal and vertical solutions that can be added on top of the core BP platform. Cordys, IBM, Pegasystems, and Progress Software received top scores in this category. Often, buyers view specific industry knowledge and assets as differentiating in their competitive assessments.

Tables 7 and 8 provide scoring details by vendor for the capabilities assessment. The highest possible score for capabilities is 500. Scoring ranged from 436 to 203. Cordys (436) had the highest capabilities score, followed by Oracle (416) and TIBCO (404). The median score was 365.

The ability to differentiate through value-added capabilities in a vendor's core BPM offering continues to be an important factor for buyers, and the top overall score reflects both the most comprehensive capabilities and differentiating functionality. Cordys, IBM, Oracle, Pegasystems, Progress Software, and TIBCO each received a top overall score.

In our model, we balanced the technical platform with business layer functionality — the runtime features used by the people involved day-to-day with the process. The reason for the balance is the increasing need to support more complex process improvement areas. Where an enterprise already has a strong, existing SOA orientation and supporting middleware, a buyer may want to weigh the business functionality more heavily.

Top scores for out-of-the-box business runtime capabilities went to Appian, Cordys, OpenText-Metastorm, Oracle, Pegasystems, PNMsoft, and Singularity.

TABLE 7

Business Process Platform Vendor Capabilities Weighted Scores: Appian Through OpenText-Metastorm

Capabilities Subcriteria Scores	Appian	AuraPortal	Cordys	Fujitsu	HandySoft	IBM	Intalio	Nintex	OpenText-Metastorm
Offering capabilities									
Functionality/offering delivered (overall product score)	6.0	4.0	10.0	6.0	4.0	10.0	2.0	4.0	6.0
Delivery model appropriateness and execution (business layer functionality)	10.0	6.0	10.0	6.0	4.0	6.0	4.0	6.0	10.0
Cost competitiveness	8.0	10.0	8.0	8.0	10.0	4.0	6.0	10.0	10.0
Portfolio benefits delivered (technology platform)	6.0	2.0	10.0	6.0	4.0	10.0	2.0	6.0	6.0
Other offering capabilities (development environment)	6.0	2.0	10.0	6.0	4.0	10.0	2.0	2.0	6.0
Subtotal	36.0	24.0	48.0	32.0	26.0	40.0	16.0	28.0	38.0
Go-to-market capabilities									
Sales/distribution structure, capabilities (advances to shortlist)	10.0	6.0	6.0	6.0	6.0	10.0	6.0	6.0	10.0
Marketing (invitations to compete)	1.0	1.0	1.0	3.0	1.0	5.0	1.0	3.0	3.0
Customer service (customer references)	15.0	25.0	15.0	25.0	15.0	15.0	10.0	25.0	25.0
Other go-to-market capabilities (project complexity)	6.0	6.0	10.0	6.0	6.0	8.0	4.0	4.0	6.0
Subtotal	32.0	38.0	32.0	40.0	28.0	38.0	21.0	38.0	44.0
Business capabilities									
Growth strategy execution (momentum)	25.0	25.0	25.0	25.0	5.0	15.0	5.0	25.0	25.0
Innovation/R&D pace and productivity (unified offering)	25.0	25.0	25.0	15.0	25.0	15.0	25.0	25.0	15.0
Subtotal	50.0	50.0	50.0	40.0	30.0	30.0	30.0	50.0	40.0

TABLE 7

Business Process Platform Vendor Capabilities Weighted Scores: Appian Through OpenText-Metastorm

Capabilities Subcriteria Scores	Appian	AuraPortal	Cordys	Fujitsu	HandySoft	IBM	Intalio	Nintex	OpenText-Metastorm
Capabilities criteria scores									
Offering capabilities	180.0	120.0	240.0	160.0	130.0	200.0	80.0	140.0	190.0
Go-to-market capabilities	96.0	114.0	96.0	120.0	84.0	114.0	63.0	114.0	132.0
Business capabilities	100.0	100.0	100.0	80.0	60.0	60.0	60.0	100.0	80.0
Capabilities total	376.0	334.0	436.0	360.0	274.0	374.0	203.0	354.0	402.0

Source: IDC, 2011

TABLE 8

Business Process Platform Vendor Capabilities Weighted Scores: Oracle Through TIBCO

Capabilities Subcriteria Scores	Oracle	Pegasystems	PNMsoft	Polymita	Progress	SAP	Singularity	TIBCO
Offering capabilities								
Functionality/offering delivered (overall product score)	10.0	10.0	6.0	4.0	10.0	6.0	6.0	10.0
Delivery model appropriateness and execution (business layer functionality)	10.0	10.0	10.0	4.0	6.0	6.0	10.0	6.0
Cost competitiveness	8.0	4.0	8.0	8.0	8.0	8.0	8.0	8.0
Portfolio benefits delivered (technology platform)	10.0	6.0	4.0	4.0	10.0	10.0	4.0	10.0
Other offering capabilities (development environment)	10.0	6.0	6.0	4.0	10.0	6.0	6.0	10.0
Subtotal	48.0	36.0	34.0	24.0	44.0	36.0	34.0	44.0

TABLE 8

Business Process Platform Vendor Capabilities Weighted Scores: Oracle Through TIBCO

Capabilities Subcriteria Scores	Oracle	Pegasystems	PNMsoft	Polymita	Progress	SAP	Singularity	TIBCO
Go-to-market capabilities								
Sales/distribution structure, capabilities (advances to shortlist)	10.0	10.0	6.0	6.0	10.0	6.0	6.0	10.0
Marketing (invitations to compete)	5.0	5.0	1.0	1.0	5.0	1.0	1.0	5.0
Customer service (customer references)	15.0	10.0	25.0	25.0	25.0	15.0	15.0	25.0
Other go-to-market capabilities (project complexity)	8.7	10.0	8.0	6.0	6.0	10.0	6.0	8.0
Subtotal	38.7	35.0	40.0	38.0	46.0	32.0	28.0	48.0
Business capabilities								
Growth strategy execution (momentum)	5.0	15.0	25.0	25.0	5.0	15.0	5.0	5.0
Innovation/R&D pace and productivity (unified offering)	25.0	25.0	25.0	25.0	10.0	15.0	25.0	15.0
Subtotal	30.0	40.0	50.0	50.0	15.0	30.0	30.0	20.0
Capabilities criteria scores								
Offering capabilities	240.0	180.0	170.0	120.0	220.0	180.0	170.0	220.0
Go-to-market capabilities	116.0	105.0	120.0	114.0	138.0	96.0	84.0	144.0
Business capabilities	60.0	80.0	100.0	100.0	30.0	60.0	60.0	40.0
Capabilities total	416.0	365.0	390.0	334.0	388.0	336.0	314.0	404.0

Source: IDC, 2011

Vendor Summary Analysis

Appian

Appian is a leader in our IDC MarketScape for business process platforms. Appian is a privately held BPM pure-play vendor founded in 1999. Today, it is led by a team of executives who have a background in BPM and business intelligence experience. The company had 170 employees at the end of 2010 and is headquartered in Reston, Virginia. Appian's revenue grew roughly 30% in 2010 to more than $60 million.

Appian's sales are concentrated in North America and to a lesser extent in EMEA. Appian's sales model is dominated by direct sales, although resellers contribute a significant minority component of its total sales. The company has four types of partners — service providers, technology providers, VARs, and OEMs.

Appian offers horizontal solutions in case management, sales and marketing, operational efficiency, customer service, and risk/compliance. Vertical solutions are focused on federal government and financial services. Most of these solutions are classified as solution accelerators, in that they are not standalone product lines managed by Appian, but some are sold as licensed templates, such as the federal acquisition and human resource management solutions.

Product Assessment

We view Appian as a BPM innovator. It was the original BPM suite provider with full cloud functionality. And with the 1Q10 launch of its latest version of Appian BPM Suite, the company unveiled Tempo, which provides customers with an event-driven Facebook-like user interface, which is an important paradigm shift for user interfaces. It also has strength in the variety of native mobile options supported for the major mobile platforms.

Appian received an above-average overall score for its product capabilities, and it received a top score for out-of-the-box productivity tools used by process managers and workers. This category assesses out-of-the-box functionality around identification of the appropriate worker for a task, prioritization, and task assignment. The category also assesses task management and case management capabilities. Appian supports both the task and case paradigms.

Appian also received above-average scores for its development environment and technology platform.

Strengths of the offering include the following:

- Appian provides a strong balance of ease of use and technical capabilities.
- Appian has a high score in value, which measures capabilities as a function of price.
- Appian's cloud offering is highly functional and serves as a platform for new process adoption in addition to prototyping and developing before moving a new process application into the datacenter.

- Appian's Tempo interface offers a new way to build user interfaces and prioritize work, representing a new and innovative way of standardizing tasks across heterogeneous applications.

- Appian has a good balance of dynamic, ad hoc capabilities and structured, linear workflow.

- Appian has native support of mobile devices.

Challenges to the offering include the following:

- To fully support all of the use cases for process improvement, the need to support more complex types of integration such as support for high-volume system-to-system process

- Broadening its user interface to better support composite user interfaces

Customer Reference Summary

Appian customers we interviewed automated financial services, healthcare (patient) administration, IT service desk, and real estate–related processes using Appian BPM Suite or Appian Cloud. Customers cited Appian's ease of implementation and ease of process development as core strengths. In addition, because of Appian's success selling to the military branch of the U.S. government, Prospects purchased Appian in part because of confidence in the product's security capabilities.

In some cases, customers appreciated the flexibility Appian provided to forward work through a process by selecting the next person or step, without heavy dependence on full knowledge of the process model before achieving benefits from automation and accountability.

Customers also made their selection of Appian, in part because they believed Appian would provide superior customer services and would work with them through any problems or glitches — caused by them or by Appian. Once deployed, customers cited customer services as a strong benefit.

Customers we interviewed used Appian in projects that were of medium to high complexity, measured by transaction volume, process volume, or a suitable level of application interoperability. Customers tended to take a conservative path, starting small and tactical and building out complexity as they became familiar with the tooling and development approach.

Issues and concerns expressed by customers during the reference calls included some earlier problems with memory management that were subsequently resolved and moderate issues with forms, documentation, archiving, and reporting.

Customers name Global 360, IBM Lombardi, Progress Software Savvion, OpenText-Metastorm, and Pegasystems most commonly as Appian's top competition.

Business Assessment

Appian appeared in only a small percentage of the competitive BPM deals we examined for this IDC MarketScape, which meant it had a low score for enterprise invitations to compete. However, once invited, it advanced to the shortlist 50% of the time. This is an above-average score.

Appian is building out its professional services relationships. At year-end 2010, 20% of Appian's initial projects involved a customer using third-party professional services. This may be associated with the late entry into the market of professional services firms. But it is also a testament to the ease of use of the Appian offering when customers we've spoken to chose to implement themselves and didn't feel the need to use third-party professional services. Appian also offers its own professional services, which accounted for an estimated 23% of revenue in 2010.

Appian was a leader in gaining market share in 2010. To achieve revenue scale as a process platform, Appian will need to focus on marketing to improve its brand in the market to increase the number of opportunities in which it is invited to compete. Part of that also involves focusing on influencers, which include VARs and professional services firms. Appian is aware of this, and efforts to improve its brand in the market are bearing fruit, with Appian showing very strong fourth quarter and first quarter 2011 bookings momentum.

To move into more complex projects — particularly driven from its cloud offering — Appian will need to partner or invest in more sophisticated integration capabilities. It may also need to adapt its analytics capabilities to focus more on business performance, rather than process performance. It may need to partner or invest in more advanced content management.

Appian has a strong opportunity to leverage its Tempo user interface, and that may also push it toward a stronger focus on high-performance integration to effectively create high-value data feeds from enterprise applications.

Appian's broad participation in a rapidly growing market, its history of rapid and consistent growth, and its continuing product innovation make continuing market share growth likely. Given all of these factors and Appian's status as a leader in this IDC MarketScape, enterprises should consider Appian as a BP platform provider for most process needs.

AuraPortal

AuraPortal is a contender in our IDC MarketScape for business process platforms. AuraPortal is a privately held BPM suite provider, founded in 2001. The company grew 20% in 2010 to more than $10 million in revenue. Headquartered in Woburn, Massachusetts, and Houten, the Netherlands, AuraPortal had 90 employees at the end of 2010. Sales are concentrated in Western Europe and Latin America. AuraPortal's sales model is dominated by indirect sales, with direct sales contributing about 30% of total sales. The company has 400 customers and more than 100 resellers and 350 certified consultants.

AuraPortal's flagship product, AuraPortal BPMS, is Microsoft centric with six modules — BPM, CRM, content management, a collaboration platform, ecommerce, and a portal. It offers its BPM in both on-premise and cloud versions and derived about 14% of its 2010 revenue from subscription payments as opposed to the traditional license and maintenance fees. AuraPortal also offers horizontal solution accelerator templates.

Product Assessment

AuraPortal received one of the highest cost competitiveness ratings, delivering good value for its price. It has broad content-related capabilities and handles both task and case management and scored above average, competitively.

Looking at all of the attributes of its development environment, including modeling, user interface development, and rules, AuraPortal also scored above average.

For enterprises that require integration at the beginning and end of a process and where case management is self-contained within the process application — which means there is only limited access of data and content from third-party applications — AuraPortal is a suitable product. The actual need for integration is one area that needs to be carefully evaluated by enterprises, particularly because AuraPortal scored so well in value for price.

Customer Reference Summary

AuraPortal's customers cited POC performance, availability of support, simplicity, user-friendliness, the level of Microsoft integration, and the collaborative relationship with the vendor as reasons for selecting AuraPortal.

In customer references, AuraPortal received positive feedback for the following:

- Strong ease of implementation and ease of use (from both IT and business user perspectives) because of its effective integration with Microsoft SharePoint, Visio, and Microsoft Office
- Ease of integration with SAP via Web services and ease of integration with SAP via a SAP portal
- Support of standards, especially BPMN, and the portability of standards-based processes
- Ability to develop and deploy ad hoc tasks within a running task

AuraPortal's largest deployment is at Pemex, Mexico's largest oil company. Pemex runs tens of thousands of processes per month involving 10,000 internal users and millions of customers.

One customer shied away from AuraPortal during the vendor selection process because of concerns with AuraPortal's ability to provide support in a particular region. But after abandoning its original selection, the customer went back to AuraPortal and hired a third-party implementation consultant. The customer was very satisfied with both the implementation partner and AuraPortal's training and direct support.

One customer found the speed of application development in a BPM environment to be challenging to the IT department, which was accustomed to the much longer change cycles of a traditional application development environment.

This doesn't speak to AuraPortal's weaknesses, but rather to the ongoing cultural challenges occurring within enterprises as they implement process applications using model-driven development environment.

Customers name IBM Lombardi, Metastorm, and Polymita most commonly as AuraPortal's top competition.

Business Assessment

AuraPortal is a small vendor. Because of its size and regional orientation, it was not invited to compete in most of the deals tracked through our research. When it was invited to compete, it had a medium score in advancing to the purchasers' shortlists.

AuraPortal says that a significant percentage of its initial projects use its own or third-party professional services. The company's professional services group accounted for an estimated 30% of revenue in 2010.

As AuraPortal grows larger and as the regions in which it focuses more broadly adopt BPM software, the percentage of deals into which AuraPortal is invited will grow. However, it will need to also focus on marketing to improve its brand in the market to increase the number of invitations to compete. Part of that also involves focusing on influencers, which include VARs and professional services firms.

While AuraPortal has already invested in a broader, content-centric platform, it will also need to partner for integration capabilities when it competes in projects that involve significant levels of integration, particularly around case management. It also needs to improve out-of-the-box capabilities around its user interface.

Cordys

Cordys is a leader in our IDC MarketScape for business process platforms. Cordys is a privately held, venture capital–backed BPM software provider founded in 2001 by Jan Baan, founder of Baan Company, an enterprise resource planning (ERP) software vendor. Cordys had 500 employees in 2010 and is headquartered in Putten, the Netherlands. Cordys' revenue grew 56% in 2010 to nearly $59 million.

The company's sales are concentrated in Western Europe but with a substantial component in North American and a small but rapidly growing Asian contribution. Cordys' sales model is dominated by direct sales, with indirect sales contributing slightly more than 20% of the total. The company has three types of partners — system integrators and consultants, OEMs and ISVs, and resellers.

Cordys' business operations platform (BOP) is Java based, with a built-in ESB, RIA framework, master data management, and business activity monitoring (BAM). Cordys offers horizontal solutions in Lean Six Sigma, governance, cloud provisioning, and human-centric workflow. Vertical solutions are focused on financial services (online banking, online brokerage, estatements, and an esafe online document

repository), collaborative engineering, energy and utilities, communications and media, manufacturing and logistics, and the public sector.

Product Assessment

Cordys was one of, if not the, earliest BPM pure-play to recognize the importance of building BPM on a SOA-based platform. That benefits Cordys today as process applications become far more complex and need to pull data from enterprise applications as well as mediate functionality performed by a third-party application on behalf of the business process.

Cordys received top-tier scores in several categories, including top overall product capabilities, technology platform and development environment, and out-of-the-box productivity. Enterprises are able to support both task and case management paradigms, and BOP also made the shift from forms to a user interface built through composition, which delivers very strong reuse and design benefits to customers.

The price of BOP is in line with functionality delivered. Because the platform was built to handle both process and ESB functionality in an integrated fashion, an enterprise will not need to purchase a separate ESB or pay for the integration between the BPM and SOA environments.

From a road map perspective, Cordys is shifting into public and private cloud offerings, although it does not have a full functionality public cloud offering at this date.

Because of its technical functionality as a platform, modern development environment, and business functionality in its process layer, we believe Cordys is an appropriate purchase for enterprises investing strategically in BPM automation technology.

Customer Reference Summary

Cordys customers we interviewed developed financial services and customer-focused IT provisioning and services applications with Cordys. They selected Cordys because of pricing, business-friendly interface, BPM+SOA orientation, and its performance in proofs of concept.

In customer references, Cordys received positive feedback about the following:

- Range of integration capabilities, including ability to bridge Java, .NET, and SAP environments
- Ease of implementation
- Quick process development
- Ease of translating Visio diagrams into Cordys processes

Some users cited professional services availability and lack of non-IE browser support as challenges. The browser issue was resolved in a subsequent release and BOP now has runtime support of IE, Chrome, Firefox, and Safari.

Customers name Appian, EMC xCP, IBM Lombardi Edition, Newgen, and Pegasystems most commonly as Cordys' top competition.

Business Assessment

Cordys appeared in only a small percentage of the competitive BPM deals we examined for this IDC MarketScape, which meant it had a low score for enterprise invitations to compete. It had an average advancement to shortlists for the customers interviewed for this IDC MarketScape. Its average deal size is higher than most other BPM pure-plays, although it is in line with, or lower than, the pricing of other vendors with competitive functionality.

To move into more business-driven projects, Cordys needs to aggressively market its newer Process Boardroom cloud-based collaborative environment. BOP functionality scored below many of its competitors in collaborative discovery and design, and business ease of use around this area of functionality was cited by many enterprises as a key reason for their selection of a Cordys competitor.

At year-end 2010, 80% of its customers used Cordys or third-party professional services to assist with their implementations. For Cordys, professional services accounted for an estimated 32% of the total revenue. This shift to greater involvement with professional services firms is important for broadening enterprise adoption.

Cordys has grown rapidly for the past few years, with strong gains in market share. Cordys has a good opportunity to further accelerate through building out its channel of value-added resellers and professional services partners. It also needs to make greater investments in marketing to generate more awareness from enterprises to be invited into more opportunities.

That said, as a leader in this IDC MarketScape, Cordys BOP is suitable for process projects ranging from the simple to the most sophisticated.

Fujitsu

Fujitsu is a major player in our IDC MarketScape for business process platforms. Fujitsu is a large, Japanese information technology product and services conglomerate founded in 1935. Its Interstage BPM suite is part of a broad portfolio of software products. The company, headquartered in Tokyo, Japan, has about 100 employees focused on the Interstage BPM. Revenue grew 15% in 2010 to $6.5 million.

Fujitsu's sales model is primarily direct, but with a larger OEM component than other BPM vendors. Fujitsu OEMs Interstage BPM and its BPM Analytics products to CA Technologies, General Dynamics, Infor, Interwoven, ISCorp, OpenPages (acquired by IBM in 2010), and Wipro. The company has three types of partners — system integrators, OEMs, and resellers.

Fujitsu Interstage BPM V11 is a Java-based BPM platform supporting BPMN and BPEL, with automated process discovery and real-time business activity monitoring. Fujitsu does not offer specific horizontal or vertical solutions.

Product Assessment

Fujitsu Interstage BPM received above-average scores overall and for runtime productivity, platform capabilities, and development capabilities. It provides both case and task management within the same runtime environment. It has a composition-based user interface development environment, and the components are rendered using Ajax.

Fujitsu offers a broader middleware platform, including an ESB and services repository. Because of its integration and mediation readiness along with embedded capabilities, Fujitsu was rated above average as a platform.

In addition, Fujitsu Interstage received a high innovation score, in large part on the strength of its fact-based discovery capabilities. Customers using Fujitsu's discovery services receive a rich combination of factual data about their existing processes in addition to planning tools used to determine return on assessment for different processes under consideration for transformation.

Enterprises continue to struggle with their business process maturity and spend a significant amount of time in the weeds of collaborative discovery, without too much statistical work on identifying the best area to focus and the best steps to improve. However, organizations with some initial successes are trying to implement better tooling to drive process change more strategically. Competitively, Fujitsu offers the greatest functionality in the broader fact-based and collaborative discovery and design category.

All professional services for Interstage are handled by Fujitsu's large professional services organization.

Customer Reference Summary

Fujitsu customers we interviewed used Interstage BPM to provide on-premise and multi-tenant, cloud-based workflow solutions for government contractors, typically supporting sophisticated and complex applications with thousands of users; to help a global bank rationalize and decommission applications across its IT infrastructure; and to develop human workflow to supplement a governance, risk, and compliance (GRC) platform to leverage common data processes, workflows, and compliance-related processes.

Customers selected Fujitsu and retained it through multiple review cycles because of ease of process development, ease of integration with legacy systems, an extensive Java standards–based API, and timely and reliable support and professional services. Its focus on the OEM business also was a winning factor.

In customer references, Fujitsu received positive feedback about the following:

- Range of integration capabilities, including the ability to bridge Java, .NET, and other legacy environments
- API and SDK more flexible, open, and powerful than competitors
- Reliability of support

- Rapid process development
- Ease of translating Visio diagrams into Fujitsu processes

One user felt the company was too aggressive in its upgrade process, pushing a more expensive and disruptive upgrade to a feature set that the company didn't need. One customer found system configuration to be delicate in some cases, noting that configuration should be done by an IT person with a technical background rather than a business analyst.

Customers name Microsoft BizTalk and SharePoint, IBM WebSphere Process Server, IBM Tivoli, Maximo, Oracle, and Pegasystems most commonly as Fujitsu's top competition.

Business Assessment

Fujitsu appeared in only a small percentage of the competitive BPM deals we examined for this IDC MarketScape, which meant it had a low score for enterprise invitations to compete. It also had a low rate of advancement to shortlists for the customers interviewed for this IDC MarketScape.

Fujitsu has done a better job than its competitors moving into an OEM-centered business model. It has significant opportunity to grow by leveraging these relationships to become more broadly embedded in the business of its partners' customers. Between its relatively small size and high percentage of partner-driven business, we believe it is involved in a number of deals that do not involve competition with other BP platform providers.

Fujitsu has a significant opportunity to use its strengths in fact-based discovery to handle discovery and process improvement planning in large and complex legacy-based processes. In these environments, there is a conservative appetite to replace an end-to-end process, while also a need for better control over costs and performance. Fact-based discovery provides a means to identify the least efficient process activities and provides valuable data to build a process improvement road map.

This all requires a greater investment in marketing so that enterprises are more aware of Fujitsu's BPM capabilities.

Because of its technical functionality as a platform, modern development environment, business functionality in its process layer, and discovery and design capabilities, we believe Fujitsu is an appropriate purchase for enterprises investing strategically in BPM automation technology.

HandySoft

HandySoft is a major player in our IDC MarketScape for business process platforms. Founding in 1991, HandySoft has dual headquarters in Falls Church, Virginia, and Seoul, South Korea. The company launched its BizFlow BPM product suite in 1999 and has had all BizFlow-related product management and R&D located in its Falls Church offices for the past decade. HandySoft's BPM software and services revenue

grew an estimated 8% in 2010 to $28 million and has approximately 200 employees worldwide.

HandySoft's sales are divided evenly between North America and Asia/Pacific, with another 10% coming from EMEA and Latin America. HandySoft generates about 60% of business through direct sales with the other 40% coming from resellers and system integration partners. The company's core on-premise product is BizFlow BPM, a Java-based suite. The BizFlow Plus Package includes the following:

- BizFlow Process Studio for process modeling and execution
- BizFlow Server for process execution and user experience
- BizFlow OfficeEngine, which is an advanced forms development and process management capability supporting dynamic, unstructured processes
- BizFlow WebMaker, which is a rich Internet application development environment
- BizFlow Advanced Reporting for ad hoc reporting and dashboarding
- SOA management, which is a host of APIs and SDKs for advanced integration

HandySoft targets a variety of vertical markets including government, energy, health services, manufacturing, and financial services. It offers horizontal solutions for accounts payable, compliance, action tracking, acquisition management, grants management, human resources, procurement, and Six Sigma quality control.

Product Assessment

HandySoft received a top score for innovation because of its focus on dynamic task management and its overall orientation toward dynamic automation and management of dynamic processes.

Product capability scores were in the midrange across the portfolio. HandySoft strengths are the development tools for building a user interface, around task management, rules, and integration. Its challenges are in a lack of case management, work management, and discovery and design capabilities.

HandySoft's portfolio is well suited for work that is both structured and fluid, including support of knowledge workers, where dynamic task management works better than prescriptive linear workflow and for more event-driven processes.

Customer Reference Summary

Customers we interviewed use HandySoft to move from application-centric to process-centric development, as a tool to develop simple workflows, to handle software update requests from field workers with mobile devices, for document review and approvals, for administrative checklist and document management, and for onboarding and offboarding employees.

Customers selected HandySoft because of its low pricing, platform extensibility, range of features, and performance in proof-of-concept evaluations.

In customer references, HandySoft received positive feedback about the following:

- Fast, easy deployment with a greater emphasis on enabling business analysts rather than more expensive developers
- Ease of data and application integration
- Quick ROI
- Good leverage of the Microsoft environment

HandySoft customers also cited poor documentation of an older version, weak reporting, weak UI capabilities, and a poor level of professional services provided by one partner (that partner is no longer a HandySoft partner and the customer contracted directly with HandySoft to get the professional services support it needed) and receiving direct support from the company during European business hours. Most of HandySoft's support is located in the United States.

Since the reference customers encountered these issues, HandySoft improved in all of these areas, with additional investment in its user interface and reporting capabilities. In addition, HandySoft now certifies all partners in BizFlow development and keeps direct contact with customers to ensure success through talent development, knowledge transfer, and application development.

Customers name IBM Lombardi Edition, OpenText-Metastorm, Pegasystems, and Software AG as HandySoft's top competition.

Business Assessment

HandySoft is an affordable solution, with one of the highest scores for value for capabilities delivered. The company appeared in only a small percentage of the competitive BPM deals we examined for this IDC MarketScape, which meant it had a low score for enterprise invitations to compete. We didn't have enough data to calculate its success in advancing to shortlists.

While HandySoft has a great opportunity to take advantage of the increasing need for less structured BPM solutions, it will need to increase its investments in professional services, channel partners, and marketing to broaden out the recognition of its capabilities. It may also want to consider partnering to build out solutions around its particular brand of BPM.

IBM

IBM is a leader in our IDC MarketScape for business process platforms. IBM is an Armonk, New York–headquartered, global information technology product and services company. It was formed in 1911 through the merger of four companies. IBM's BPM offerings are part of a broad portfolio of hardware and software products and services. IBM's BPM suite revenue grew an estimated 12.5% in 2010 to $475 million, making IBM the largest business process platform provider.

The company's BPM portfolio evolved both organically and through acquisitions over the past five years. Over the past several months, IBM completed an initial rationalization of products, as follows:

- IBM Business Process Manager 7.5 combines WebSphere Lombardi Edition (January 2010 acquisition of Lombardi Software), WebSphere Process Server, and limited version of JRules and Business Action Language from the ILOG acquisition. IBM sells WebSphere Process Manager in three configurations that range in sophistication.
- IBM Case Manager combines FileNet BPM (October 2006 acquisition of FileNet) and WebSphere Process Server.
- IBM Business Monitor 7.5 was renamed from WebSphere Business Monitor. Capabilities include full integration with Cognos Business Intelligence Server 10.1.
- IBM Decision Server 7.1 combines the products of the January 2009 ILOG rules software acquisition with WebSphere Business Events, a complex event processing technology acquired in the January 2008 purchase of AptSoft.
- IBM Blueworks Live combines the discovery and design software as a service (SaaS) offering Lombardi Blueprint with IBM BPM Blueworks. Organically developed dynamic task management functionality was added to Blueworks Live in the fourth quarter of 2010.

IBM operates globally, and its sales model is oriented to direct sales. However, the company has a broad indirect channel, with many types of partners.

In April 2011, IBM moved a group of industry packs in banking, healthcare, and telecommunications to the BPM portfolio. These were formerly sold as part of the WebSphere Business Services Fabric offering.

Product Assessment

For this year's IDC MarketScape cycle, IBM used several products to execute our demo scenario. These include the following:

- The process blueprinting capabilities of Blueworks Live for discovery and design
- IBM WebSphere Lombardi Edition originally, then IBM Business Process Manager with the introduction of the combined product
- IBM Decision Server for problem detection and for scoring (Problem detection was built using functionality from the product formerly called WebSphere Business Events, and scoring was executed using the ILOG-originated capabilities of Decision Server.)
- IBM Business Monitor for monitoring and reporting

IBM received a top score for overall product capabilities. It received a top score in the technology platform category, which assesses features associated with integration

and interoperability, support of events, and ability to identify problems using complex logic. IBM received a top score for its development environment. This category assesses out-of-the-box discovery and design, process, case and state-based modeling, and user interface development and rules.

IBM also scored above average for out-of-the-box productivity on the strength of its work and task management capabilities. The lack of embedded case management prevented IBM from achieving a top score.

IBM has a low entry price for Business Process Manager. However, the combination of functionality required to implement the more complex process functionality is expensive and, therefore, IBM received a low score for pricing.

Strengths of the offering include the following:

- Architecturally, IBM embedded Lombardi Edition functionality as a container in Process Server. Logically, this allowed IBM to provide the ease of use, ease of development, and productivity tooling from Lombardi with the processing performance, scalability, and integration capabilities of Process Server.
- Process Server includes an embedded Enterprise Service Bus, which aligns with customer requirements for better integration capabilities in the core process offering.
- Similar to other integration-savvy BP offerings, IBM offers a separate design environment for integration, with the ability for process developers to consume the output of the integration effort and send requirements to the integration team. This helps align efforts to skills required for process projects, driving down the labor cost of the development effort required for implementation.
- Decision Server has strong rules and advanced condition-detection capabilities.
- Business Monitor provides cross-application monitoring, supporting more advanced use cases around end-to-end process management.
- Moving control of industry solutions into the BPM group will provide greater alignment of product functionality and provide the opportunity to improve time to value.

Challenge areas include the following:

- There is a lack of fact-based discovery without first implementing Business Monitor, which makes it expensive to identify and plan a road map for process improvement for highly complex process improvement efforts
- IBM will continue to be challenged around case management versus process management until it unifies these two styles on the same platform. We believe IBM will gradually incorporate Case Manager into the overall offering over the next 24 months but, until then, enterprises will need to determine which paradigm is most important in their individual projects or use professional services to unify the two styles.

Customer Experience Summary

IBM (including WebSphere Lombardi Edition and WebSphere Process Server) customers we interviewed used IBM BPM products to improve product development and purchasing processes, develop prototype processes, automate paper-based processes and shift them from a document-centric paradigm to a datacentric paradigm, supply chain event management, help nonprofit organizations cope with contribution campaigns, and reduce errors related to manual entry of employee data during onboarding.

Customers selected IBM because the user interface was business friendly. They also like the product's open architecture, process playback capabilities, process visibility, process optimization, and event management capabilities. In addition, customers were pleased with the technical knowledge of the selling team.

In customer references covering implementation, IBM received positive feedback about the following:

- Process playback capability
- Business friendly user interface and process development
- Process simulation and optimization capabilities
- Fast development to production cycle and support of an agile methodology

A customer of one of the larger Lombardi production environments cited scalability issues as a challenge. This customer used IBM (Lombardi) to develop process prototypes but used Java programming to do integration with various databases because of concerns that the throughput would be too much for the process software to handle.

For other customers, a shortage of skilled service and support staff was also an issue.

We did not speak to any customers that used WebSphere Lombardi Edition in tandem with WebSphere Process Server. In discussions with Process Server customers, scalability was not a challenge or concern. We believe many of the issues cited during the reference calls will no longer be a factor with the combination of business capabilities from Lombardi and technical capabilities from Process Server.

Customers name Oracle, Pegasystems, and Progress Savvion most commonly as IBM's top competition.

Business Assessment

Both Lombardi prior to the acquisition and IBM appeared in a high percentage of the competitive BPM deals we examined for this IDC MarketScape. As a matter of fact, they often were invited by enterprises to compete. IBM also had strong performance in advancing to enterprise shortlists.

We scored invitations to compete as our assessment criteria for marketing capabilities and scored advances to shortlist as our assessment criteria for sales and distribution capabilities. IBM received top scores in both.

IBM received above-average scores in the customer reference calls compared with other vendors in this IDC MarketScape. In customer calls, we found that IBM supported both common and advanced use cases and received a high score for project sophistication.

In business capabilities, IBM had average scores in the growth strategy execution category and average scores in the innovation pace and productivity category. The former was scored by looking at 2010 changes to market share, while the latter looked at the degree of integration required to deliver a fully unified BP platform.

Culture Clash or Cultural Realignment?

We recently attended IBM's Impact 2011 event and were struck by the cultural differences between IBM's traditional approach of presenting technology issues as highly complex and difficult and Lombardi's culture of focusing on business design and simplification, which serves up complex capabilities in a business context.

Both position IBM as a trusted partner. The latter speaks to IT, while the former speaks to business. The fact that the two cultures both had center stage at the event was important because it illustrates an important shift of focus toward business systems.

Business Process Manager is a product representing this effort to blend cultures, combining the simple and complex in the same offering. The BPM portfolio used in IBM's demo for this IDC MarketScape is suitable for each of the more complex scenarios outlined in this document.

Intalio

Intalio is a contender in our IDC MarketScape for business process platforms. Intalio is a venture capital–financed, privately held BPM suite provider, founded in 1999. 2010 was a technology reset year for Intalio, and we estimate that revenue declined by at least 10% to $18 million. Headquartered in Palo Alto, California, Intalio had 100 employees at the end of 2010.

Sales are nearly evenly distributed among the Americas, Europe, and Asia/Pacific. Intalio's sales model is dominated by direct sales, with indirect sales contributing about 33% of total sales. The company has implementation, technology, and hosting partners.

Intalio's flagship product is Intalio in both cloud and on-premise versions. The company positions itself as a broad process-based platform with SaaS, PaaS, and IaaS offerings that also include BPM, CRM, document management, portal, and Office-compatible applications, application development, and cloud management.

With the launch of Intalio's cloud offering, the company is focused on offering a business process cloud platform to partners, effectively offering services components that can be blended to support the creation of third-party SaaS offerings.

The company has no specific vertical strategy or targeting but has customers in business services, construction, defense, education, energy, financial services, government, healthcare, logistics, manufacturing, media, retail/distribution, software, and transportation.

Product Assessment

Intalio received top scores as an innovator. It reengineered its core platform to cloud enable it for both private and public offerings. And it created components that provide the basis for the creation of fully featured SaaS offerings, developed either by an enterprise or by a third-party SaaS provider. In particular, Intalio's reporting, monitoring, and analytics capabilities are best in class.

That said, Intalio received low scores across the different product categories. This was because either Intalio did not have the capabilities or because they were not shown during the demo, and Intalio made no effort to follow-up to provide more information about feature gaps.

Customer Assessment

Customers are attracted to Intalio's value proposition, which provides good functionality for an even better price.

Challenges included complaints of minor bugs in an older version, product immaturity for the newer versions, and lack of partner support for implementation and process development.

Business Assessment

Intalio's business model relies on word of mouth and patterns itself after the open source style of adoption, where the cost of the technology is free to developers and is monetized through adoption. Given this low cost, we would have expected Intalio to be mentioned by a broader array of competitive deals we evaluated for this IDC MarketScape. In fact, Intalio received low scores for invitations to compete and for advances to shortlists.

From a product strategy and road map perspective, Intalio received top scores. But from a business strategy and execution point of view, Intalio received low scores. It needs to bring its business to the same level of fitness of its technology to excel in this market.

OpenText-Metastorm

OpenText-Metastorm is a leader in our IDC MarketScape for business process platforms. Metastorm, formerly a privately held, venture capital–backed BPM suite provider, was acquired by publicly held OpenText in February 2011. OpenText is an enterprise content management software company, with annual sales of more than $900 million.

Founded in 1996, Metastorm's BPM suite revenue grew 20% in 2010 to $34.6 million. Headquartered in Baltimore, Maryland, the company had 385 employees at the end of 2010.

Metastorm operates globally. Its revenue is concentrated in North America, with nearly 25% in EMEA and an estimated 7% in the Asia/Pacific region. The company's sales model is dominated by direct sales, but indirect sales contribute about 25% of the total. The company has four types of partners — VARs, consulting partners, OEM and application vendors, and technology partners.

One of its key partnerships is with Microsoft, where Metastorm is a member of Microsoft's Business Process Alliance.

Metastorm offers a federal government solution of its ProVision modeling environment and reference models for the finance and telecom verticals based on published standards and industry-based content. Horizontal reference models are offered for ITIL, supply chain, design chain, customer chain, and value chains.

The company also offers a portfolio of accelerators, called Process Pods, which provide out-of-the-box automation of a variety of common horizontal processes.

Since it began, Metastorm has evolved its BPM portfolio both organically and through acquisitions. Its key products include the following:

- ProVision and ProVision BPA are on-premise enterprise architecture and process discovery and design tools. Metastorm acquired Proforma in August 2007 for the ProVision tools
- Metastorm M3 is a cloud-based collaborative modeling tool introduced by Metastorm in July 2010.
- The company's core business process execution products are Metastorm BPM and Metastorm Enterprise. These are built on .NET and are closely integrated with core Microsoft products, such as SharePoint, Exchange, and BizTalk.
- Smart Business Workspace is Metastorm's composition (or mashup) environment that also combines work management, including user profile, skills inventories, and social capabilities that allow workers to communicate and collaborate via social mechanisms.
- Metastorm Integration Manager is an integration platform. It handles both the transport and integration of files, Web services, and message-based data. This portfolio came into Metastorm through the October 2005 acquisition of CommerceQuest.

Product Assessment

Metastorm received high scores for innovation, primarily based on its vision around Smart Business Workspace. It also received above-average scores for its cost management strategy. In this category, we examined a vendor's ROI planning capabilities, and Metastorm received a top score. We also looked at fact-based discovery, which statistically captures as-is data and analyzes it. Metastorm does not

have an offering that supports this. And it received an above-average score for out-of-the-box integration associated with implementing Metastorm's combined offerings.

On the strength of Metastorm's existing integration capabilities and in conjunction with the OpenText acquisition, Metastorm received top scores for its portfolio strategy, which looks at the technical platform and the vision around incorporating integration as well as broader content management capabilities.

Moving from strategy and vision to current product capabilities, Metastorm performed above average overall. It received top scores for out-of-the-box productivity tools used by process managers and workers. This category assesses out-of-the-box functionality around identification of the appropriate worker for a task, prioritization, and task assignment. The category also assesses task management and case management capabilities. Metastorm's view of how work management is evolving is sophisticated and is incorporated in its product.

Metastorm received above-average scores for both its technology platform and development environment. In particular, Metastorm's mashup capabilities provide customers with next-generation user interface functionality.

Metastorm also received top scores for value, which measures price for functionality delivered.

Because the assessment of Metastorm took place during the acquisition by OpenText, we have not assessed product capabilities and challenges around a converged road map.

Customer Assessment

Metastorm customers we interviewed used its software for a broad variety of use cases, including to automate manual, paper-based tasks for document management, reduce the amount and cost of documentation for IT projects, manage contracts and chargebacks, automate expense reporting, reduce process engineering time (time from discovery and recording to deploying an automated process or changing an existing automated process), financial reconciliation, improve visibility, achieve SOX compliance, automate employee injury reporting, improve store management visibility and new store opening processes, and consolidate data from disparate systems.

Customers selected Metastorm because of superior POC performance, faster install time, quick process development time, graphical design environment, low pricing compared with competitors, more flexible pricing, better relationship with sales team, strength of governance tools, better handling of long-running processes, and the associated ProVision enterprise architecture tool.

In customer references covering implementation, Metastorm received positive feedback about the following:

- Quick, easy deployment with a greater emphasis on enabling business analysts, which enabled the customer to drive the cost of development
- Ease of data and application integration

- Rapid time to value and ROI
- Leverage of the Microsoft environment
- Responsiveness to improvement suggestions

Metastorm has several large deployments supporting more than 10,000 users including AmeriSourceBergen, the U.S. Department of State, the U.S. Department of Agriculture, and the U.S. Department of Defense.

On the challenge side, we spoke with customers using older versions of Metastorm BPM that felt its rules capabilities were weak. They resolved this with ProVision's rules.

Customers name Appian, HandySoft, IBM Lombardi, K2, Oracle, and Pegasystems most commonly as Metastorm's top competition.

Business Assessment

Metastorm appeared in an average percentage of the competitive BPM deals we examined for this IDC MarketScape. Because Metastorm is a well-known Microsoft partner, we assume Metastorm is eliminated when the enterprise is making a technology-led decision and the IT orientation is Java. On the business side, we have spoken to companies that have selected Metastorm, even though the IT organization is standardized on Java.

When Metastorm is invited to compete, its movement to the shortlist is well above average.

We scored invitations to compete as our assessment criteria for marketing capabilities and scored advances to shortlist as our assessment criteria for sales and distribution capabilities.

Customer references, particularly around implementation challenges, speak to a vendor's ability to deliver on product commitments and provide service excellence. In this case, Metastorm received top scores for customer references.

In many cases, customer service issues crop up when an enterprise is embarking on a highly ambitious road map using unfamiliar technology and a new development methodology. In Metastorm's case, customers tend to use the software initially for projects of average sophistication. That has proved beneficial to both Metastorm and its customers because they tend to focus on and achieve quick implementation wins. At the same time, it doesn't involve Metastorm in the higher-priced, more complex transformation initiatives.

Cloud Challenge

Vendors dependent on Microsoft technology have not performed as well on delivering cloud functionality. We believe this is in part because of the challenge of supporting Azure and the lack of ability to deploy as partners in Microsoft's Business Productivity Online offerings. Metastorm released M3 on Azure, and we hope to see more

functionality delivered by Metastorm as it either adapts to Azure or figures out how to participate in non-Microsoft cloud offerings.

As an IDC MarketScape leader, we expect Metastorm to continue performing well across a wide variety of on-premise process automation activities, particularly in the structured and ad hoc processes executed by workers. And we hope to see more cloud functionality delivered over the next 18 months.

Nintex

Nintex is a major player in our IDC MarketScape for business process platforms. Nintex, a privately held, venture capital–backed BPM software provider, was founded in 1998. Nintex's BPM revenue grew 35% in 2010 to an estimated $50.0 million. Headquartered in Bellevue, Washington, the company had more than 200 employees at the end of 2010. The company was founded in Australia and maintains an operation there for product development and support.

Nintex's sales are concentrated in North America, with roughly 50% from the Americas, 35% from EMEA, and 15% from the Asia/Pacific region. Indirect sellers (more than 500 doing business in 90 countries) account for about 75% of Nintex sales. The company has six types of partners — VARs, system integrators, developers, OEMs, ISVs, and hosting providers.

Nintex has a portfolio of process-centric products that interoperate with Microsoft products. In detail:

- Nintex Workflow 2010 is a process suite built on SharePoint that is an implementation of Windows Workflow Foundation.
- Nintex Workflow 2010 for Project Server 2010 is used to add task workflow and reporting to project management.
- Nintex Analytics 2010 analyzes and reports on SharePoint content-related activities.
- The recently announced Nintex Live is a series of cloud-based utilities that allows its on-premise offering to interoperate with cloud services.

Nintex resellers target a variety of horizontal applications and vertical markets.

Product Assessment

Nintex received a top score as an innovator. Its implementation of Workflow Foundation built on top of SharePoint make it a logical choice for evolving SharePoint to a greater level of process centricity. Given the continuing strong growth of SharePoint, Nintex's product strategy is innovative and well timed.

Workflow 2010 has many characteristics that are similar to SharePoint, with an ease of use that allows workgroups to implement their own processes with relatively modest involvement with professional services. Workflow 2010 supports both task- and case-based structures, which makes it suitable for both linear workflow and indeterminate processes.

Competitively, Workflow 2010 had lower development environment and platform scores, but the out-of-the-box productivity tools used by process managers and workers were on par with the market. This category assesses out-of-the-box functionality around identification of the appropriate worker for a task, prioritization, and task assignment. The category also assesses task management and case management capabilities.

Workflow 2010 received a top score for value, which measures price for functionality delivered. As a matter of fact, Workflow 2010 had the highest value score of any product assessed in this IDC MarketScape.

Customer Assessment

Nintex customers we interviewed used its software to convert paper documents to an electronic form and manage their distribution; reduce the coding needed to develop document management workflows, allowing business analysts to take a larger role in the development of an application; manage IT purchase and change requests; manage employee recruitment, onboarding, vacation, and absence requests; and offboarding processes.

Customers selected Nintex because of its low cost, easy installation, intuitive user interface, performance in proof of concept, ease of use, lack of need for professional services to implement or develop processes, and tight integration with SharePoint.

In customer references covering implementation, Nintex received positive feedback about the following:

- Quick, easy deployment
- Simple user interface
- Ability to easily leverage the Microsoft environment
- No need for professional services
- Direct importing of Visio 2010 workflows into Visual Studio

On implementation challenges, Nintex customers cited performance problems related to metadata that aren't purged automatically from the underlying database, results in large files that slow down the system, and getting live support during business hours in the United States because top support people are based in Australia. Nintex has recently implemented a rapid response system to address this issue.

Customers name Adobe, Blackstone Technology Group, K2, and SharePoint as Nintex's top competition.

Business Assessment

Nintex appeared in a low number of competitive BPM deals we examined for this IDC MarketScape. We assume Nintex is eliminated when the enterprise is making a technology-led decision and the IT orientation is Java. We also assume that Nintex's go-to-market strategy is heavily partner centric and tied to SharePoint. Because of

that, there are more wins that are tied to partner solutions rather than horizontal BPM competitions.

We did not have enough scoring instances to provide a valid advance to the shortlist score and gave Nintex a neutral score as a result.

We scored invitations to compete as our assessment criteria for marketing capabilities and scored advances to shortlist as our assessment criteria for sales and distribution capabilities.

Customer references, particularly around implementation challenges, speak to a vendor's ability to deliver on product commitments and provide service excellence. In this case, Nintex's references were generally strong with a normal number of complaints or challenges.

We expect Nintex to continue gaining market share during 2011. Over the next 18 months, we expect to see greater functionality built around Nintex Live, evolving to provide full cloud-based business process functionality. Similar to other vendors dependent on Microsoft technology, Nintex is hampered from executing a process platform-as-a-service strategy until they can adapt to Azure. And the logical alternative of embedding in Microsoft's Business Productivity Online is not something open to Microsoft partners.

Nintex Workflow 2010 is a logical product to assess for enterprises with current or immediate plans to invest in SharePoint and for teams using Project Server 2010. We expect to see SharePoint workgroups embracing Workflow 2010's ease of use and functionality to allow them to automate their process-centric work.

Oracle

Oracle is a leader in our IDC MarketScape for business process platforms. Headquartered in Redwood Shores, California, Oracle had more than 105,000 employees at the end of 2010 on more than $27 billion in revenue. Oracle's BPM revenue accounts for an insignificant portion of total sales. However, the product is a core component of Oracle Fusion Middleware 11g, which is the platform for the company's next-generation application portfolio. Oracle's BPM suite revenue grew an estimated 8% in 2010 to $150 million.

Oracle's BPM suite product line was launched with the April 2008 acquisition of BEA. BEA entered the market in 2006 with the $87.5 million 2006 acquisition of Fuego, a BPM pure-play.

Oracle's sales are concentrated in North America and Europe, with Asia/Pacific accounting for about 15% of the total. While Oracle sells primarily through a direct channel, it has a comprehensive range of channel and professional services partners.

Oracle targets a variety of vertical markets including utilities, financial services, government, healthcare and life sciences, insurance, telecommunications, retail, manufacturing, and logistics. It goes to market horizontally through its application portfolio.

Oracle has a group of products that work in tandem to provide broad business process functionality. Those products include the following:

- **Oracle BPM Suite.** With version 11g introduced in June 2010, BPM Suite supplanted BEA's AquaLogic BPM as its primary enterprise BPM offering. With the new version, Oracle offers a wide variety of components that can be mixed and matched to design, develop, and automate a process. Core components to the suite include the following:
  - BPM Studio, a JDeveloper-based development environment
  - BPM Process Composer, a Web-based modeling tool for business analysts
  - Oracle Business Rules
  - Oracle WebCenter for the portal and social environment for process workers
  - A single runtime engine that supports both BPMN and BPEL
  - Oracle SOA Suite to handle integration and mediation
  - Oracle Business Activity Monitoring for monitoring, alerting, and reporting
- **Oracle Business Process Analysis Suite.** This is used for more advanced process discovery and design.
- **Oracle Complex Event Processing.** For the demo, Oracle also used Oracle Complex Event Processing for problem detection.

Product Assessment

In assessing Oracle BPM Suite, it is clear that one of the product's most important customers is the Oracle Fusion Applications team and, over time, Fusion Applications customers. The suite has a high degree of interoperability and reusability built into it, which is logical when there is a need to support applications that are architected to be composed rather than traditionally built through coding and connection to a data model and relational database.

The benefit of this design translates to Oracle BPM Suite customers that gain a great deal of the sophisticated out-of-the-box features that were required to support the Oracle Fusion Applications development effort.

This effort took several years to execute and was driven from a vision of fundamental change in how developers build and implement applications. For that vision and execution, Oracle received a top score in this IDC MarketScape for innovation.

The core components of Oracle BPM Suite and the extended products used in the demo received top overall product scores, top scores for out-of-the-box productivity, top scores tor the development environment, and top scores for platform capabilities.

That isn't to say the process platform is perfect because there are some gaps in functionality, but measured against all of the other products assessed in this analysis, Oracle BPM Suite was a top performer across each product category.

Strengths of the offering include the following:

- Strong out-of-the-box functionality around work management, which manages users and user skills, prioritizes and determines how work is routed, and evaluates whether in-process work is meeting deadlines — or service-level agreements
- Comprehensive functionality around task management, including both structured and ad hoc tasks
- Sophisticated user interface and user interface development environment (Components render using Ajax, and the developer is able to build the user interface from a repository of components. These components are built from services that render data, graphs, and charts as needed. The presentation layer is stored with each component, which allows a UI designer to design the component presentation layer once and reuse wherever needed.)
- Comprehensive reporting, monitoring, and alerting
- High scores for the technology platform, which includes back-end processing, particularly for mediation and system-to-system communications and integration
- Good combination of fact-based discovery with financially based assessment tools (Used together, an organization should be able to identify problems with a process and perform an analysis to determine which area will deliver the best benefit for improvement.)

Challenge areas include the following:

- There is a lack of user-initiated case management. Currently, Oracle requires a case to be custom developed and is not as flexible as the best from competitors.
- A cloud offering is also not yet available.
- New versioning and rollback capabilities are not as flexible as some of Oracle's competitors.
- There is greater adoption of social mechanisms into the user interface and as part of knowledge worker functionality.

These are the types of capabilities that are on Oracle's road map, and we expect to see gradual adoption over the next 18–24 months.

Customer Assessment

Oracle customers and partners we interviewed used its software to add approval-centric workflow to improve an accounts payable process that included integration with a packaged application and adoption of an imaging solution for paper-to-digital

conversion; for a complex process improvement effort around procurement; and for improved onboarding and automated exchange of transactional data with customers.

Customers selected Oracle because of its business process features on top of a unified stack that included integration capabilities and because Oracle applications were already in place in the organization and interoperability with those applications was a requirement.

On implementation challenges, Oracle customers and partners cited the need for a stronger bridge between BPA and BPM; a lack of granularity around version control when there are long-running tasks; and that the initial version of Business Studio was "raw."

Customers name IBM, salesforce.com, and SAP as Oracle's top competition.

Business Assessment

Oracle appeared in a high number of competitive BPM deals we examined for this IDC MarketScape. This is largely because of Oracle's brand equity as well as the popularity of BEA AquaLogic BPM. When Oracle was invited to compete, it advanced to the shortlist an average number of times.

We scored invitations to compete as our assessment criteria for marketing capabilities and scored advances to shortlist as our assessment criteria for sales and distribution capabilities. Because Oracle has a large sales organization, focuses on strong customer relationships, and has global reach, we also assume there are a number of deals that were either part of a large project or were won without competition.

Customer references, particularly around implementation challenges, speak to a vendor's ability to delivery on product commitments and provide service excellence. In this case, Oracle received an average score, mostly positive but balanced by some challenge areas.

Over the next 18 months, we expect to see Oracle broaden BPM training across its sales organization, broaden the number of partners trained in BPM 11g, and support at least some cloud functionality. We also expect Oracle to launch case management and evolve its social capabilities.

From a revenue perspective, Oracle significantly increased its market share since 2008 as it began selling through its large sales force and channel. It also transformed its BPM capabilities into a sophisticated platform. We expect to see growth accelerate over the next few years on the strength of a solid product and broad execution capabilities.

Oracle was named a leader in this IDC MarketScape because of its technical functionality as a platform, sophisticated user interface, business functionality in its process layer, and business execution capabilities. We believe Oracle is a very strong option for enterprises investing strategically in BPM automation technology.

Pegasystems

Pegasystems is a major player in our IDC MarketScape for business process platforms. Pegasystems, a publicly-traded BPM software provider, was founded in 1983. Formerly a BPM suite and rules management software company, Pegasystems acquired Chordiant Software in April 2010, broadening its software portfolio by adding predictive analytics. Headquartered in Cambridge, Massachusetts, the company had more than 1,500 employees at the end of 2010.

Pegasystems revenue grew 27% in 2010 to $336.6 million. Growth was assisted by the Chordiant acquisition. BPM suite revenue grew an estimated 12.5% to $151 million.

Pegasystems sales are concentrated in North America, with the Americas accounting for 59% of its revenue. EMEA, primarily Western Europe, accounted for 30% of its revenue. The company sells primarily through a direct channel and already has and is investing in two types of partners — global strategic alliances and teaming partnerships for more specific purposes.

The company offers an on-premise BPM suite, called SmartBPM, an early version of a cloud offering, as well as a variety of solution frameworks oriented toward key customer relationship management processes, offered both horizontally and vertically.

Vertical industries include financial services, healthcare, communications and media, government, business process outsourcing, automotive and transportation, electronics, energy, travel, manufacturing, and retail.

Product Assessment

Pegasystems is heavily focused on competing on the strength of the business process layer of its BP platform. It is fast to enhance functionality and adopt new technology. In addition, it is also highly focused on improving the productivity of process managers, workers, developers, and business analysts. And for those reasons, Pegasystems received high scores for innovation.

On the strategy side, top scores also went to Pegasystems for its solutions-oriented approach to offering BPM to enterprises.

Pegasystems received lower scores for helping customers manage their costs through the use of BPM software. Those include capabilities that help customers make the most effective decisions about where to focus their efforts, financial tools for analyzing return on investment across scenarios, and because additional investment is required to handle related functionality, such as high-performance integration. Pega does have an ROI calculator that captures costs, showing before-and-after comparisons and tools to visualize business impact.

On product capabilities, Pegasystems received a top overall score and top score in out-of-the-box productivity. Looking at Pega's business layer capabilities, it was the highest-scoring vendor.

Key strengths include its work management, task management, and case management capabilities. In addition, Pega is making an effort to help its customers gain access to data by pre-joining relatable fields to help business users configure such things as reporting and rules without needing SQL skills.

Pega also demonstrates some interesting social capabilities, such as the ability for a user to annotate a portion of the user interface and send the annotation as a task to the development team, where it is automatically placed into a queue.

Pegasystems received an above-average score for its development environment. The rating was downgraded from a top score in large part because of the complexity of the software once developers move past out-of-the-box configuration capabilities.

Pega received an above-average score for its technology platform, which enables interoperability with other applications, systems, and devices. Pega did not receive a top score because several competitors have embedded enterprise service buses and other advanced data access and condition detection technology into their BP platforms to create a better link between the business and technical layers of process improvement.

Customer Assessment

Pega customers interviewed used SmartBPM to consolidate data from legacy systems for customer service reps, to improve a customer-facing account opening process, and to provide a commercial insurance quoting system.

Customers selected Pegasystems because of its compatibility with industry frameworks and industry-specific messaging standards, its performance in published assessments of BPM software capabilities, and its expertise in specific industries.

While customers are extremely positive about Pega, its rules, and SmartBPM, there were many hurdles customers went through to bring SmartBPM projects into production. Those hurdles involved combinations of technology issues, skills gaps, and volatility in business management. The latter is not Pega's fault but is exacerbated when technology hurdles cause delays.

Two of the reference customers we spoke with adopted Pega to support BPM as a business discipline. They were using Pega to support a change in culture, a change in development methodology, and a change in the product used to build an application. This created a perfect storm of challenges, only some of which were actually caused by performance issues with SmartBPM.

One customer cited lower-than-expected scalability for a partial kickoff of one relatively low volume but integration-intensive process. The customer had to purchase additional hardware to solve the problem.

In one data access–intensive production environment, one customer cited problems with data access performance that caused delays in presenting information on users' screens. While the end-to-end process was significantly improved through the adoption, user complaints about the slow rendering speeds significantly dampened

the end-user experience of this improvement. Since then, Pegasystems has changed its software to improve data access performance.

In interviews, customers are convinced that the overall development approach using SmartBPM is valid, but the learning curves around the use of the tool and adoption of the optional Scrum methodology stretched the implementation and development cycles of at least one customer that we spoke with. One customer expected an implementation to take a month, and it ended it up taking more than three months and involved more than a dozen full-time employees from the IT side and three additional subject matter experts from the business side.

The intensive education and training connected with the technology and methodology have both direct and significant costs in terms of human resources and may also contribute to delays in complex business environments where shifting technologies and internal political landscapes can magnify the impact of any hitch in the implementation process.

However, customers told us they believe that, once the learning hurdles are cleared, they will be able to deliver process improvement at a faster pace than any alternative.

Customers name IBM, Progress Savvion, and Siebel as Pegasystems' top competition.

Business Assessment

Pega appeared in a high number of competitive BPM deals we examined for this IDC MarketScape. When Pega was invited to compete, it advanced to the shortlist a high percentage of times.

We scored invitations to compete as our assessment criteria for marketing capabilities — as a proxy for demand generation — and scored advances to shortlist as our assessment criteria for sales and distribution capabilities. Pega received top scores in both categories.

Customer references, particularly around implementation challenges, speak to a vendor's ability to deliver on product commitments and provide service excellence. In this case, Pega customers were positive, but the challenges and problems cited were far higher than the discussions we had with the customers of other vendors. Pega received below-average scores in this category.

We also assessed the degree of complexity of Pega's projects compared with other vendors. After all, if customers ran into problems, it may be because they are attempting something of greater-than-normal complexity. Pega received a top score for project complexity. That indicates confidence and belief in Pega as a trusted vendor.

We looked at two additional areas to measure business execution capabilities. The first assessed the degree to which a vendor offers a unified set of capabilities. Pega received top scores for its unified offering. The second measure was whether the vendor was gaining, maintaining, or losing traction, measured by changes in 2010 market share. Pega maintained share in this fast-growing market during 2010,

receiving a neutral momentum score. We expect above-market growth in 2011 based on strong fourth quarter 2010 and first quarter 2011 bookings growth.

Pega's strong overall and out-of-the-box productivity scores make it a good choice for many process improvement projects. Its steep learning curve and expense may cause some enterprises to select a simpler and less-expensive alternative.

Pega is also building systems performance monitoring capabilities into its platform to continuously assess technical bottlenecks and areas where code or application design can be strengthened to improve process application performance.

The degree to which integration is required is a consideration. In discussions with customers, we found that many are using Pega's strong case management capabilities to standardize to a single user interface and connect to multiple legacy applications, effectively building composite process applications. Organizations are successfully using SmartBPM to develop and move these applications into production.

However, the implementation may involve point-to-point connectivity to third-party applications. Point-to-point connectivity classically is considered problematic architecture because change management eventually becomes too chaotic to manage effectively. That erodes Pega's build for change value proposition. Some Pega customers avoid this and maintain architectural integrity through to the data access and interoperability layer by adding some type of canonical structure to SmartBPM. Pega will need to invest more in out-of-the-box functionality to support well-architected data access and interoperability.

Enterprises that already have good integration developer skills and products in place may find that adding Pega as the business process layer produces a best-in-class process platform.

PNMsoft

PNMsoft is a major player in our IDC MarketScape for business process platforms. PNMsoft, a privately held, venture capital–backed BPM suite provider, was founded in 1996. PNMsoft's BPM suite revenue grew 25% in 2010 to more than $21 million. Headquartered in Waterford, United Kingdom, the company had 120 employees at year-end 2010.

PNMsoft's sales are concentrated in North America and EMEA, with roughly 60% from EMEA, 30% from the Americas, and 10% from Asia/Pacific. PNMsoft license revenue is split 60% from indirect channels and 40% from direct channels. The company has three types of partners: OEMs, vertical partners, and VARs/system integrators.

The company's core product is SEQUENCE BPM, a .NET-based suite offered in both on-premise and cloud versions.

PNMsoft targets a variety of vertical markets including business process outsourcing, travel, telecommunications, government, and financial services. It offers horizontal

solutions for purchasing, human resources, sales and marketing, finance, customer service, and compliance.

PNMsoft's portfolio of features and products include strong integration with the Microsoft portfolio. SharePoint is the default portal for SEQUENCE through which processes are started, managed, and monitored. The software also supports interoperability with Outlook.

Product Assessment

SEQUENCE received a top score for its out-of-the-box productivity capabilities, which are used by process managers and workers. This category assesses out-of-the-box functionality around identification of the appropriate worker for a task, prioritization, and task assignment. SEQUENCE uses an organizational model for work routing and supports many types of routing options.

Out-of-the-box productivity also includes task management and case management capabilities. SEQUENCE is highly capable in these categories as well.

SEQUENCE received above-average scores for its development environment. Strengths include the extension of its modeling capabilities to include the ability to model workflow around a case. Its user interface development environment and presentation layer were also above average.

PNMsoft received below-average scores for its technology platform. Comparatively, several competitors have embedded enterprise service buses and other advanced related technology into their BP platforms to create a better link between the business and technical layers of process improvement. PNMsoft supports integration via Web services but has no embedded ESB or advanced integration capabilities.

In the demo and in follow-up checks, we found SEQUENCE to be weak around automated, event-driven aspects of process improvement, such as handling of events that cause work to be automatically withdrawn or rerouted upon receipt of the event.

SEQUENCE's strengths ultimately rest in its ability to elegantly automate people-centered work in support of process applications. This is a large, important, and growing segment of the market.

PNMsoft also received a strong score for alignment of pricing with its capabilities.

Customer Assessment

Customers used PNMsoft as the key component of a global insurance company's cloud-based central "nervous system" for managing client service; meeting service-level agreements related to wealth management on behalf of clients; managing compliance and automating government form filings; improving work quality through peer review; automating manual, approval-centric processes such as requests for equipment, office supplies, phone service, and network service; IT change management requests; customer onboarding to produce management reports about how processes are working; and document-image retrieval.

Customers selected PNMsoft because it was a small company and a customer would have more leverage in guiding development of the platform than larger competitors; it had more experience in Europe and the United Kingdom than a competitor; SEQUENCE offered richer configuration and functionality, a better service model, and lower cost and support than some larger vendors.

In customer references covering implementation, PNMsoft received positive feedback about the following:

- Ease of data and application integration with a variety of systems, including Outlook, Clarify (ERP), IBM, and Documentum
- Strong support from high-level PNMsoft resources when a partner's support was inadequate
- Fast ROI
- Good leveraging of the Microsoft environment
- Skill- and location-based task routing
- Business-friendly process development environment
- Lean hardware footprint
- Willingness to add functionality for clients

PNMsoft has several large deployments, including insurance companies with more than 100,000 users, systems serving 500 simultaneous users, customers generating more than one million process instances per month, and PNMsoft's own multitenanted cloud service based in a datacenter with more than 20 servers.

PNMsoft customers we spoke with cited weak process reporting (information is difficult to extract and format) and weak partner support as challenges.

Customers list IBM, Documentum, and Ultimus as PNMsoft's top competition.

Business Assessment

We scored invitations to compete as our assessment criteria for marketing capabilities — as a proxy for demand generation — and scored advances to shortlist as our assessment criteria for sales and distribution capabilities. PNMsoft appeared in a low percentage of competitive BPM deals we examined for this IDC MarketScape. When PNMsoft was invited to compete, it advanced to the shortlist an average percentage of times.

Customer references, particularly around implementation challenges, speak to a vendor's ability to delivery on product commitments and provide service excellence. In this case, PNMsoft has a top score, indicating a low number of complaints and a high number of positive comments.

In many cases, customer service issues crop up when an enterprise embarks on a highly ambitious road map using unfamiliar technology and a new development methodology. In this case, PNMsoft had strong references using SEQUENCE for mid- to highly complex applications.

We looked at two additional areas to measure business execution capabilities. The first assessed the degree to which a vendor offers a unified set of capabilities. PNMsoft received top scores for its unified offering. The second measure was whether the vendor was gaining, maintaining, or losing traction, measured by changes in 2010 market share. PNMsoft received a top score in momentum.

PNMsoft in the Cloud

Although the vast majority of its deployments are on-premises, PNMsoft offers managed services and SaaS deployment models and has a significant revenue stream from subscription-based deployment models indicating good progress in evolving its range of deployment models.

Overall, we expect PNMsoft to continue performing well across a variety of both on-premise and cloud-based process automation activities, particularly where the case management paradigm is important. We expect a continuing period of strong growth that has exceeded 20% annually over each of the past three years.

Polymita

Polymita is a major player in our IDC MarketScape for business process platforms. Polymita is a Barcelona, Spain-based privately held BPM suite provider founded in 2002. The company's BPM software grew 40% in 2010 to $10.5 million. Polymita had 100 employees at the end of 2010.

More than 70% of Polymita's sales are in the EMEA region, 25% from the Americas, and less than 5% from the Asia/Pacific region. Polymita has a strong indirect channel, accounting for 60% of its license revenue. The rest is sold through a direct channel. The company has five types of partners — software distributors, VARs, system integrators, application and solutions developers, and value-added consultants.

Polymita targets a variety of vertical markets including government, education, insurance, and healthcare.

Polymita's core product is Polymita BPM 6.0, a Java-based suite with modules for process management, content management, portal development, business rules, business activity monitoring, and enterprise application integration. An additional component called FreeFlow is for developing unstructured or ad hoc processes.

Polymita BPM contains an SOA enablement environment that allows Java and .NET environments to use Web services to integrate with external applications and data systems. Also included are adapters for document and content management systems, including Documentum, OpenText, and SharePoint, and ERP and BPA tools such as SAP and Aris.

Product Assessment

Polymita received a top score in its portfolio strategy, demonstrating a broad view of both business and technical platforms.

In the capabilities evaluation, Polymita was generally average, providing adequate basic core functionality. Polymita received an above-average score in the pricing category because its pricing is well aligned with both its capabilities and those of its competitors.

Key strengths include a well-featured set of capabilities able to handle both case and task management. While it can be an advantage to receive top scores across all capability areas, some customers may find the highest functionality of other products to be too hard to implement or too expensive for their requirements. Polymita falls into an interesting area in the market, where it is able to grow well by offering solid basic features.

Customer Assessment

Customers used Polymita BPM to manage article retrieval and subscription requests to scientific publications at a multinational pharma firm, for project management at a marketing services firm, and case management and fraud detection at a government agency that certifies a variety of financial and real estate transactions.

Customers selected Polymita BPM because it had been in use elsewhere in the company, for its low cost, quick implementation cycle, and its Java-based architecture.

In customer references covering implementation, Polymita received positive feedback about:

- Flexibility in dealing with many changes during implementation
- Good communications with vendor
- Being open to suggestions by the customer

Polymita has several large deployments including a 10,000-user system involving case management and extensive use of rules to detect fraud.

On the challenge side, Polymita customers we spoke with cited the complexity of taking projects with heavy integration phases from development to the production environment and optimizing memory management to enhance system performance in very high–volume environments.

Customers list Oracle and Ultimus as Polymita's top competition.

Business Assessment

We scored invitations to compete as our assessment criteria for marketing capabilities and scored advances to shortlist as our assessment criteria for sales and distribution capabilities.

Polymita appeared in few of the competitive BPM deals that we examined for this IDC MarketScape. But when Polymita was invited to compete in a competitive deal, it was among the leaders in its percentage of advances to the shortlist.

Customer references, particularly around implementation challenges, speak to a vendor's ability to deliver on product commitments and provide service excellence. In this case, Polymita customers were strongly positive about Polymita's service and support, and it received a top score in the customer reference category.

In many cases, customer service issues crop up when an enterprise is embarking on a highly ambitious road map using unfamiliar technology and a new development methodology. In Polymita's case, customers use the software for a range of projects ranging from relatively simple to above-average sophistication. The average of the projects we examined was mid- to high-level sophistication.

Polymita has strong market momentum and gained market share in both 2009 and 2010, with BPMS revenue growth reaching nearly 40% in 2010.

Polymita is operating in a sweet spot of the market, with a focus on supporting Spanish-speaking countries, and solid overall capabilities that can be used to reach small- and medium-sized enterprises. Its product is optimized for people-centered process automation, and it has achieved success across all enterprise size classes. Its opportunity is to deepen its penetration in its current segments as well as reach out to non-Spanish-speaking markets based on its success.

Progress Software

Progress Software is a leader in our IDC MarketScape for business process platforms. Progress is a publicly held enterprise software provider that was founded in 1981. Total revenue grew 7% to $529 million for the year ended November 30, 2010. The company is headquartered in Bedford, Massachusetts, and had more than 1,900 employees at the end of 2010.

Progress added BPM to its product portfolio in January 2010 with the $49.2 million acquisition of Savvion. Savvion was formed in 1994, but its first BPM software was released in 1999. Standalone BPM suite revenue grew an estimated 2% in 2010 to $18.9 million.

Progress' sales are concentrated in the Americas, with about 54% from the Americas, 38% from EMEA, and nearly 8% from the Asia/Pacific region. In 2010, roughly half of the company's license revenue was generated from relationships with its indirect channel partners. The company has six types of partners — application/ISV, OEMs, system integrators, technology, VARs, and software as a service.

In late 2009, Progress embarked on a major reorganization from a group of independently managed product portfolios to focus on building and managing a platform to support what it views as the next paradigm for managing business processes.

In this view, businesses build systems that predict and identify problems or opportunities and orchestrate the response. New application functionality is created

only when there is a functionality gap between existing applications or when there is a need to modernize or make changes to existing functionality. The benefits of this approach are threefold:

- Managing a process with a heads-up orientation around problem or opportunity detection offers a way to provide better customer service because the identification of problems early in a process provides a chance to solve the issue before it also becomes the customer's problem.
- These systems allow businesses to exploit and monetize early identification of opportunities.
- By identifying problems early, the cost of the problem is substantially mitigated. This decreases the end-to-end cost of a process and improves profitability.

IDC terms this style of application a business navigation system and covers this research as a subset of decision management software (see *Worldwide Decision Management Software 2010–2014 Forecast: A Fast-Growing Opportunity to Drive the Intelligent Economy,* IDC #226244, December 2010).

To build a platform to provide this capability, Progress assembled different pieces of technology, added net-new functionality, and announced the Responsive Process Management (RPM) Suite. Key products that were used to build RPM Suite include the following:

- Apama is high-speed, high-performance software used to analyze streams of disparate data and correlate them into patterns that essentially describe a problem or opportunity in machine readable form. These business events are then used by applications to take some sort of responsive action.
- Actional is used to provide a real-time, as-is view of a process that spans multiple applications. This is a layered view that looks at both technical and business process performance.
- Savvion BusinessManager is a BPM suite that includes a modeling- and rules-based development environment and process execution environment. It also provides real-time visibility, process reporting, and analytics.
- DataXtend is software that implements a canonical data model to manage the interoperability of data across disparate applications.

RPM Suite decomposes the above products into components focused on the following capabilities:

- Control Tower is the management environment, responsible for security, collaborative discovery and design, search, navigation, alerting, and work management.
- Business transaction management plugs into Control Tower and is used to monitor the health of the individual and combined transactions that make up an end-to-end business transaction.

- Business event processing processes streams of data and correlates them into patterns that are then used to alert Control Tower that a response is required.

- Business process management is the response layer of the RPM suite, using rules for automated actions and task and case management for worker-centric responses. This layer also handles the automation of net-new functionality required to fully manage an end-to-end process.

We evaluated RPM Suite 1.0 for this analysis. The new version has increased functionality around analytics, collaborative process discovery and design, and improved collaboration and methods to drill down to the root cause of a problem from the Control Tower.

Product Assessment

Progress earned a top score for innovation on the strength of its vision for RPM suite. While a handful of vendors have worked on bringing BPM and business events together into a combined offering, Progress was the first to move around the broader vision of a control system spanning an end-to-end, heterogeneous process. Progress also is in the process of creating and delivering RPM-based solutions across key verticals, including travel and leisure and telecommunications.

Progress also received high scores for its ability to help customers manage their costs through the use of BPM software. Cost management attributes include capabilities that help customers make the most effective decisions about where to focus their efforts through fact-based discovery and analysis about the performance of a process; financial tools for analyzing return on investment across scenarios; and the investment required to purchase additional software to implement the full solution.

Looking at product capabilities, Progress received a top overall score. It also received top scores for its technology platform and development environment. RPM Suite offers above-average capabilities for out-of-the-box productivity, offering good work management, case management and task management capabilities, and strong monitoring, reporting, and analytics functionality.

Strengths of RPM Suite include the following:

- RPM Suite has strong fact-based discovery and design tools, including the ability to trace a business transaction through all of the touch points of an end-to-end process for fact-based process discovery.

- The user interface development environment allows developers to compose a user interface and model how users navigate through the UI. Components are stored in a repository. The UI itself renders in Ajax and supports a real-time updating of components, including monitoring and the presentation of new data.

- Data and integration capabilities were among the most sophisticated.

- It has strong condition-detection capabilities.

- It has strong monitoring and analytics.

Challenges include:

- The need for more functionality in case management
- Work management capabilities that are above average but not best of breed
- Greater adoption of social into the user interface and as part of knowledge worker functionality

RPM Suite received a high score for pricing that is in line with capabilities offered and is in line with competition.

Customer Assessment

Customers used Progress RPM Suite or Progress Savvion to rebuild commercial real estate price processing and pricing calculation engine to shift from batch- to event-driven processing and calculations; rationalize development tools that had proliferated through acquisition and subsequent fast growth in the IT shop of a major retailer and to help standardize IT processes and performance measurement; improve the external customer experience, including a merchant vetting process; and move from custom application development to a development model with greater leverage of internally developed intellectual property for a healthcare administration outsourcer.

Customers selected Progress Software because of lower cost and ease of process development and Progress' willingness to unbundle and sell modeling and business process intelligence capabilities. They also selected Progress Software because of the company's focus on understanding customer requirements during the sales process.

In customer references covering implementation, Progress received positive feedback about:

- Process simulation and dashboard capabilities
- Strong support from professional services

Configuring the software during implementation was one area of complaint as well as challenge following the acquisition as the support staff transitioned to new ownership.

Customers name IBM (Lombardi,) Pegasystems, and Software AG most commonly as Progress Savvion's top competition.

Business Assessment

Progress appeared in a high number of competitive BPM deals we examined for this IDC MarketScape. When Progress Savvion was invited to compete, it advanced to the shortlist a high percentage of times.

We scored invitations to compete as our assessment criteria for marketing capabilities — as a proxy for demand generation — and scored advances to shortlist as our assessment criteria for sales and distribution capabilities. Progress received top scores in both categories.

Customer references, particularly around implementation challenges, speak to a vendor's ability to deliver on product commitments and provide service excellence. In this case, Progress customers were positive, and the references reported below-normal complaints. Progress received top scores in this category.

We looked at two areas to measure business execution capabilities. The first assessed the degree to which a vendor offers a unified set of capabilities. Progress received low scores for its unified offering. While significant improvement has been made in unification, there is still effort required to produce a fully unified offering. The second measure was whether the vendor was gaining, maintaining, or losing traction, measured by changes in 2010 market share. Progress growth was slower than the market, primarily because of the change in control in addition to the work involved in integrating Savvion into the RPM Suite.

We also assessed the degree of sophistication of Progress Savvion's projects compared with other vendors. In this category, Progress received an average score, in that projects were of an average level of sophistication.

The sophistication of these projects goes up considerably when customers adopt the RPM suite or one of the components, such as business event processing, in conjunction with the BPM capabilities.

As an IDC MarketScape leader, we believe Progress RPM Suite is suitable for a wide variety of process requirements. Core BPM suite capabilities are suitable for process applications, and as enterprises evolve to take an end-to-end view of a process, the full suite supports cross-process monitoring, problem detection, and orchestration across multiple heterogeneous applications.

SAP

SAP is a major player in our IDC MarketScape for business process platforms. Headquartered in Walldorf, Germany, SAP is one of the world's largest enterprise packaged applications vendor, with 2010 revenue of $17.3 billion and 53,500 employees. SAP NetWeaver BPM was launched in 2009, growing an estimated 150% in 2010 to $10 million.

SAP's sales are concentrated in Europe and the Americas, with Asia/Pacific accounting for about 14% of 2010 total revenue. Along with a group of global system integrators, the company has a significant partner ecosystem across a wide variety of partner types.

SAP targets a variety of markets including manufacturing, consumer and business services companies, public sector, and financial services.

SAP takes a big-picture view of BPM, associating it more closely with the process rather than the technology platform and supporting large process areas, such as financial, marketing, and customer service. Its customers tend to go into a process improvement effort looking for a packaged application from SAP's broad portfolio of horizontal and vertical offerings, and competition tends to involve purchase of off-the-shelf application functionality.

The company also has a large portfolio of business intelligence and analytics applications from its acquisition of Business Objects. Its middleware and application platform offerings are designed to interoperate with SAP applications and include:

- Enterprise modeling using ARIS through an OEM relationship with Software AG
- SAP NetWeaver Composition Environment for the design and development of composite applications
- SAP NetWeaver Business Rules Management
- NetWeaver Process Integration, which includes an ESB, services repository, application adapters for SAP's product family in addition to Microsoft Office and Lotus Notes, and business-to-business messaging connectivity
- Sybase CEP
- SAP NetWeaver Portal
- SAP NetWeaver Master Data Management

Product Assessment

NetWeaver BPM Suite and related offerings are designed to interoperate with SAP packaged applications and effectively provide an environment to plug in process gaps between SAP's application portfolio. These gaps can require significant manual and automated processing.

The software is also designed to manage across applications, providing both cross-process modeling and monitoring. For example, SAP was the only vendor with a demo that supported Message Flow, which assumes cross-application process interoperability.

Monitoring is also built with the assumption that process performance is tracked across applications and is built into the core NetWeaver Application Server used as the platform for SAP's packaged applications.

NetWeaver BPM is the newest of all of the BPM suites we included in this IDC MarketScape. It received above-average scores overall and an above-average score for out-of-the-box productivity tools, which include work management, task, and case management.

It also received an above-average score for its development environment, particularly on the strength of its rules capabilities and modeling capabilities. And it received a top score for its technology platform, in particular its ability to interoperate with NetWeaver PI, access to Sybase CEP, and access to broad monitoring capabilities.

Strengths of NetWeaver BPM include:

- Domain expertise around modeling of both the SAP packaged application environment via ARIS as well as modeling a custom process with packaged application interoperability using NetWeaver BPM's native modeling environment

- Domain expertise in connecting to SAP packaged applications and SAP's MDM software
- End-to-end process monitoring across SAP packaged applications and NetWeaver BPM-built custom process applications

Challenges include:

- Need for case management and better support of document-centric processes
- More flexible task management
- More unification of the different development and runtime environments used to automate a process

Customer Assessment

Customers we interviewed for this IDC MarketScape used NetWeaver BPM to manage and localize master data management processes — taking data from multiple sources, validating with rules, sending out supplemental information requests if required information is missing, and passing validated data on to the MDM system. One project involved a customer database involving more than 400,000 customers and 400 data fields. Materials data had more than 600 fields. NetWeaver BPM was also used to manage internal IT requests.

For one customer, SAP NetWeaver BPM replaced a custom-built application built originally on the Lotus Domino platform and managed by IBM. The customer is in the process of moving to a SAP-dominated, SOA-enabled IT environment. For another customer, a SAP/Microsoft landscape was already in place, and compatibility and connectivity with both ecosystems were critical.

Customers selected NetWeaver BPM because of its compatibility with SAP applications, its ability to easily integrate with the Microsoft ecosystem (Microsoft Office, SharePoint, Active Directory, and SQL Server), and because of its SOA orientation.

SAP received positive feedback from customers about the following:

- Composite application designer allowing the architect/modeler to see how artifacts are constructed and how components are connected
- Good communications with vendor
- Being open to suggestions from customers
- Good partner support for professional services

On the challenge side, the SAP customers we spoke with cited a scalability issue related to clustered server environments, which has since been solved. Challenges also included lack of direct or indirect document management capabilities and weak support for case management and ad hoc processes. One customer cited weak logging to determine root-cause problems.

SAP's customers said IBM and TIBCO were SAP's top competition in their selection processes.

Business Assessment

We scored invitations to compete as our assessment criteria for marketing capabilities — as a proxy for demand generation — and scored advances to shortlist as our assessment criteria for sales and distribution capabilities. SAP received a low score in invitations to compete and a neutral score in sales. SAP's relatively recent entry into the BP platform market means that it has not been listed in deals we captured where the decision to purchase was made before the launch of NetWeaver BPM. Meanwhile, SAP's substantial and SAP-committed installed base provides it with an entrée to opportunities that are almost unparalleled in this market.

Customer references, particularly around implementation challenges, speak to a vendor's ability to deliver on product commitments and provide service excellence. In this case, SAP received an above-average score. The customers we spoke with were mostly positive and satisfied with the company's professional services and support.

In many cases, customer service issues crop up when an enterprise embarks on a highly ambitious road map using unfamiliar technology and a new development methodology. The SAP customers we spoke with were above average in complexity.

Overall, we expect SAP NetWeaver BPM to perform well in accounts where SAP is strategic, and the enterprise views BP platforms as a processing front end to one of the SAP applications. This is particularly true when a broader portfolio of rules, integration, system-to-system orchestration, and task management is a key requirement. However, NetWeaver BPM does not have a free pass in these accounts. SAP will need to invest more heavily in case management and user interface to compete when these are critical requirements.

Singularity

Singularity is a major player in our IDC MarketScape for business process platforms. Singularity is a privately held BPM suite provider, founded in 1996 as a software engineering company. It has specialized in BPM products since 2000. The company grew 10% in 2010 to $25.0 million in revenue. Headquartered in Derry, Northern Ireland, Singularity had 230 employees at the end of 2010.

Sales are concentrated in Europe, with less than 20% from the Americas and a smaller component from Asia/Pacific. Singularity sells primarily through its direct sales, but its indirect channel accounts for 30% of its revenue via VARs, OEMs, and system integration partners.

Singularity's flagship product is Microsoft-centric TotalAgility. It also offers a SaaS version, LiveAgility, launched in January 2010. Since the launch, subscription revenue has grown rapidly to account for 5% of its revenue.

Singularity has process templates that are horizontal solution accelerators in accounts payable, human resources, and complaints management. The company also offers vertical process models including business rules, resource definitions,

integration points (including third-party document management and CRM systems), interfaces, reports, and alerting in financial services, government, telecom, and other industries. It also has reseller partners producing vertical solutions.

Product Assessment

Singularity received an above-average score for overall capabilities and a top score for the productivity-related features used by process managers and workers. This category assesses out-of-the-box functionality around identification of the appropriate worker for a task, prioritization, and task assignment. The category also assesses task management and case management capabilities.

TotalAgility also received an above-average score for its development environment and a slightly below-average score for its technology platform. While TotalAgility has good support of Web services, this lower score was due to the lack of advanced integration and interoperability features, such as an embedded ESB, and condition-detection features that were present in the highest-scoring technology platform vendors.

Key strengths of the product are its relative ease of use and its strong support of case management in both the development and execution environments.

Customer Assessment

Singularity customers we interviewed used its software to onboard high-wealth banking customers; migrate applications from a legacy 4GL environment to a Java-based, Oracle-centric SOA environment; register horse racing–related information for the national racing authority; and process formal complaints and administer compliance-related cases for a government occupational health monitoring agency.

Customers selected Singularity because its functionality was more advanced than that of its competitors, a recommendation from a consultant, Singularity's onboarding solution, and the pricing it offered.

In customer references covering implementation, Singularity received positive feedback about the following:

- Professional services meeting development deadlines
- Singularity's responsiveness

Among the challenges for Singularity were that reporting was originally available in daily increments but not hourly (which has since been remedied by Singularity); time-consuming change management (one change required changes to and re-deployment of many processes); a weak development front end; inflexible pricing for related organizational entities; and poor professional services support from a partner.

Customers named Fujitsu and a local university as Singularity's competition.

Business Assessment

We scored invitations to compete as our assessment criteria for marketing capabilities and scored advances to shortlist as our assessment criteria for sales and distribution capabilities.

As a small vendor, Singularity appeared in few of the competitive BPM deals that we examined for this IDC MarketScape. The number of instances where Singularity advanced to a shortlist was too small to provide a reliable score, and we gave Singularity a neutral score as a result. Singularity received top scores for offering a unified platform. But its growth was below market and, therefore, it had low scores for momentum.

Singularity offers LiveAgility as its cloud edition of TotalAgility. LiveAgility is a full-featured BPM product that is designed for SaaS implementation and for OEMs. Pricing starts at $35 per person per month. Singularity is ahead of most BPM vendors in the evolution of its cloud offering.

Singularity is particularly well suited for enterprises that need a platform to build case management–centric process applications. Enterprises requiring significant integration with packaged and custom applications in support of case management should test Singularity with a third-party ESB. For enterprises that already have good integration development skills and a product in place, Singularity offers strong business process layer capabilities.

TIBCO

TIBCO is a leader in our IDC MarketScape for business process platforms. TIBCO is a publicly held enterprise software vendor that was founded in 1997. Total revenue grew 21% to $754 million for the fiscal year ended November 30, 2010. The company is headquartered in Palo Alta, California, and had more than 2,500 employees at the end of its last fiscal year.

TIBCO entered the BPM suite business in May 2004 with the purchase of Staffware. Last year, TIBCO reengineered its BPM capabilities and introduced ActiveMatrix BPM. This newest offering is built on the ActiveMatrix platform, which handles services integration and orchestration. Combining the two into a single platform provides full BPM suite capabilities built on top of a sophisticated services platform.

In 2010, BPM revenue grew an estimated 9.9% to $70 million.

Product Assessment

For this year's IDC MarketScape cycle, TIBCO used the following products to execute our demo scenario:

- Business Studio Community Edition for collaborative discovery and design
- ActiveMatrix BPM for the bulk of the demo
- BusinessEvents for problem detection and some of the rules functionality

- Spotfire for fact-based discovery and process analytics

TIBCO received a high score for innovation, based on its strategy of building its business process layer on top of its services platform, with seamless access to technical services within the business layer of its offering. Given the significantly growing sophistication of process projects, enterprises will find it increasingly difficult to focus on process improvement solely through an investment in a BPM suite. As such, integration capabilities are core to the improvement effort.

TIBCO also received above-average scores for its ability to help customers manage their costs through the use of BPM software. Cost management attributes include capabilities that help customers make the most effective decisions about where to focus their efforts through fact-based discovery and analysis about the performance of a process; financial tools for analyzing return on investment across scenarios; and the investment required to purchase additional software to implement the full solution.

The ROI analysis capabilities of TIBCO's Business Studio Community Edition provide a way to assess the financial benefit of process improvement. The use of Spotfire to assist in process analytics also provides a way to focus on planning about where to improve a complex process.

TIBCO also received a top score for its business process platform strategy.

On the product capabilities scores, TIBCO received a top score for overall product capabilities, a top score for its technology platform, and a top score for its development environment. TIBCO also received an above-average score for its out-of-the-box productivity capabilities.

Strengths of TIBCO's platform include the following:

- TIBCO's architectural approach is a key strength. Close to 100% of its capabilities are implemented through models. Its process execution is driven from a process model, work is routed through an organizational model, UML is used to model data, and BusinessEvents uses a model-driven approach to wire rules together. This focus significantly improves the configurability of processes built in ActiveMatrix BPM and makes it much easier to change a process.

- Highly functional work management capabilities

- Strong data and integration capabilities, including a highly functional services platform

- Sophisticated problem detection

- Comprehensive monitoring, reporting, and analytics

Challenges include the following:

- Lack of case management. While customers are able to custom build a user interface that has enough capability to offer case-like functionality, case management is not supported.

- As with most of the highly rated technology platforms, there is a continuing need to improve the unification across the different platform components. TIBCO's road map does involve furthering unification to support the ActiveMatrix platform.

Customer Assessment

TIBCO customers we interviewed used TIBCO's BPM products to onboard new customers, process transactions and requests from a customer self-service Web site, orchestrate work across multiple legacy applications, provide consolidated proposals and quotes from multiple lines of business, and standardize and automate store maintenance across retail locations.

Customers selected TIBCO because of the combination of its business process and SOA capabilities, the combination of CEP with BPM, the combination of Spotfire's approach to analytics with BPM, and in a POC, the ability to automate a complex process without writing a single line of code.

In customer references covering implementation, TIBCO received positive feedback about:

- The broad, almost viral adoption and use of Spotfire by executives and managers as part of process discovery and process monitoring
- Ability to change processes quickly without coding
- Good support directly from TIBCO
- BPM and SOA having performed well together

On the challenges side, customers mentioned weakness in regional professional services support, difficult installation, and no repository behind process modeling environment.

Business Assessment

TIBCO appeared in a high number of competitive BPM deals we examined for this IDC MarketScape. When TIBCO was invited to compete, it advanced to the shortlist an average percentage of times.

We scored invitations to compete as our assessment criteria for marketing capabilities — as a proxy for demand generation — and scored advances to shortlist as our assessment criteria for sales and distribution capabilities. TIBCO received top scores for invitations to compete and average scores for advances. This is common for products that are positioned in the premium segment of the market.

Customer references, particularly around implementation challenges, speak to a vendor's ability to deliver on product commitments and provide service excellence. In this case, TIBCO customers were positive, with TIBCO receiving top scores in this category.

We also assessed the degree of sophistication of TIBCO's reference customers' projects compared with other vendors. In this category, TIBCO's projects tended to

involve sophisticated architecture-led approaches to business processes that involve interoperability with existing applications. TIBCO was given a high score for project complexity. Typically, when customers take on complex projects, there is a tendency toward lower customer references scores. The fact that TIBCO has strong customer satisfaction, while also supporting complex process projects, is a testament to TIBCO technology and professional services in addition to the level of technical sophistication of its customers.

We looked at two areas to measure business execution capabilities. The first assessed the degree to which a vendor offers a unified set of capabilities. TIBCO received an average score for its unified offering. There is still a need for better integration of BusinessEvents and Spotfire into the ActiveMatrix platform.

The second measure was whether the vendor was gaining, maintaining, or losing traction, measured by changes in the 2010 market share. TIBCO growth was slower than the market. That could be in part because ActiveMatrix BPM was announced in the second quarter, which was roughly halfway through TIBCO's fiscal year. Customers typically hold off purchasing an old version of software when they know a significantly newer version is imminent. And given that ActiveMatrix BPM is an entirely new BPM offering, many customers would be cautious about adoption until they had an opportunity to assess capabilities.

Not assessed in this IDC MarketScape are efforts TIBCO is making in cloud offerings. A community forms offering, called FormVine, is available as a service that allows workgroups to create relatively simple forms, forward the forms, and compile results.

BPM Silver allows an enterprise to use ActiveMatrix BPM to build a process and deploy it to a cloud environment, such as Amazon EC2.

We expect TIBCO to be a strong offering for enterprises purchasing comprehensive strategic BPM capabilities as well as for integration-intensive BPM projects. It is also a strong offering for companies building processes around business events, which detect problems or opportunities and then use process automation to respond to them.

ESSENTIAL GUIDANCE

For Buyers

- Unless the BP platform is being selected purely for technical reasons, it is important to balance the selection team to include both business and technical representation.

- The POC phase is an important step in selection that should not be skipped. In this phase, you should determine a few of the more technically difficult aspects of implementation and test how well the BP platforms respond out of the box, how much coding may be needed, and what is the level of skills needed for both configuration and custom efforts.

- Even if your initial vision of the use of BP platform involves improving people-centric processes, identify at least one area in the POC where you can remove manual steps and insert an automated one. That will help you test and compare the different approaches to data access and integration.

- If you are planning to build a composite process application — which often includes a new, standardized user interface that connects in some way to multiple systems of record — make sure this is part of a POC. In other words, don't test linear workflow or self-contained case management when the production process application requires composition and interoperability.

- The cost of implementation services is typically several times higher than the cost of the software for projects involving mid- to high levels of complexity. Access to skilled third-party professional services continues to be an issue. It is fair to ask software vendors competing for your business to introduce you to a couple of third-party professional services partners. Checking their references and determining skill levels is almost as important as the software selection.

- BP platforms are built around BPM suites, which traditionally have had a value proposition aimed at faster, cheaper custom development. This runs counter to what professional services firms look for, which are longer, expensive, and highly repeatable projects. If you identify a high-value BP platform, particularly for fast time to value and ease of use, you may find that professional services firms you typically work with do not support the platform. Rather than looking negatively at the BP platform vendor, you should look at the business model of your professional services firms. You have an opportunity to force your professional services contractors to align with your needs around the issue of speeding up time to value.

- If you do find the need to work closely with one of your own implementation firms to gain the necessary skills to support your business process efforts, you should expect your BP platform vendor to provide training and support for both your internal team and your third-party firm.

- We've found that the most expensive process improvement efforts involve the adoption of new technology and new methodology for a project that also involves significant internal cultural change in an area that is critically important to the enterprise. Often, the high cost will involve lengthier implementation cycles than anticipated, producing budget overruns and missed deadlines. This type of perfect storm should be avoided for an initial project.

- Common advice from project teams that have achieved success in BPM almost always includes the importance of keeping the learning curve as simple as possible and focusing carefully on identifying initial projects that are simple enough, can be accomplished quickly, and show measurable benefits. This is especially true if adoption of a BP platform is a new initiative inside your organization and particularly true if you are also contracting out professional services to a firm that is relatively new to BPM.

- The discipline of BPM is heavily invested in the idea that you can't improve what you can't measure. We continue to be amazed at how few enterprises build a business case around concrete measurements before an implementation and fail to use measurement on an ongoing basis as part of the deployment. If you are investing in a BP platform to adopt a stronger business process culture inside your organization in support of continuous improvement, monitoring and measurement is a cornerstone that should be baked into all project plans.

- When a highly complicated process needs to be transformed, virtually all BPM software firms will recommend some type of agile methodology. Yet enterprises continue to struggle with the best place to start. It is most common at this point to begin modeling and using collaborative discovery tools to identify the current process and determine how to improve it. We believe it is more important to begin using fact-based discovery tools to identify the most significant areas of inefficiency and use these facts as the basis for the project improvement road map and collaborative discovery. These facts will contribute to a business case that maximizes performance improvement gains and will also help shield the project from upheaval caused by the politics of process change.

- Fact-based discovery is provided by several of the BP platform vendors with their monitoring tooling. It commonly involves capturing log files at endpoints and performing statistical analysis to generate a fact-based, as-is view of a process. Fujitsu has the best functionality in this area of all vendors in this MarketScape. There are also third-party, fact-based discovery products as well, including OpenConnect Comprehend and Software AG Process Performance Manager. Fact-based discovery is gaining momentum in industries with complex and expensive processes such as claims processing and consumer customer call centers.

For Vendors

- At this point, most BP platform vendors are working to increase the bench of trained third-party professional services partners. However, the demand for process improvement through the use of BPM software continues to outpace the availability of BPM talent. Therefore, the availability of trained third-party benches is a significant competitive advantage. Vendors will need to continue pushing efforts to line up professional services and solve the services talent gap as innovatively as possible.

- Given the practice of offshoring professional services, BP platform vendors need to support this model with their own professional services in addition to partnering. While there is benefit in local presence for design and business analysis, there is also demand for moving implementation offshore that we expect will grow over the next several years.

- Over the past year, competition in BPM software has tilted toward a broader platform for technologically enabling process improvement, particularly around data access and integration. This shift has largely happened because of customer demand as process improvement often requires orchestration, application interoperability, and system-to-system processing. That means

vendors focused on improving business functionality will need to shift their attention to better support interoperability beyond simply supporting Web services.

- By the same token, process improvement has moved way past linear workflow, and vendors that are late in offering case management and more dynamic forms of process management need to step up their game in the business capabilities layer of their offering.

- If a vendor hasn't already or isn't urgently working on mobile, cloud, or social capabilities as extensions to its BP platforms, it will increasingly be at a disadvantage in the market. We've seen major progression over the past year across all of these fronts. In addition, we are seeing strong adoption of more advanced analytics capabilities supporting decisioning. BPM vendors of all sizes will continue to need to compete on rapid advances in technology supporting these disruptive areas.

LEARN MORE

Related Research

- *TXU Energy Implements Vitria M3O to Improve New Customer Responsiveness* (IDC #227650, April 2011)

- *Market Analysis Perspective: Worldwide BPM and Middleware, 2010 — Growing Importance of Business Navigation Systems* (IDC #227739, March 2011)

- *YES Bank Uses Cordys to Integrate and Automate Critical Customer-Centric Processes* (IDC #227356, March 2011)

- *Worldwide Application Development and Deployment 2011 Top 10 Predictions* (IDC #227110, March 2011)

- *Life Insurer Uses Pegasystems for Call Center Transformation* (IDC #226363, January 2011)

- *Worldwide Decision Management Software 2010–2014 Forecast: A Fast-Growing Opportunity to Drive the Intelligent Economy* (IDC #226244, December 2010)

- *Worldwide Business Process Management Software 2010–2014 Forecast and 2009 Vendor Shares* (IDC #226327, December 2010)

- *Fast-Growing eCommerce Company Picks Progress Savvion for Visibility, Process Standardization* (IDC #225831, December 2010)

- *Localiza Selects TIBCO BPM and SOA Platforms for Legacy Upgrade* (IDC #225762, November 2010)

- *psHEALTH Selects Appian for Quick Health Apps Development Using BPM-Centric PaaS* (IDC #225244, October 2010)
- *IDC's Software Taxonomy, 2010* (IDC #222023, February 2010)

Synopsis

This IDC study uses the IDC MarketScape model to assess the capabilities of vendors to support midrange to complex process improvement scenarios using business process management software. Business process platforms provide development and runtime environments to improve and automate a wide range of processes and support advanced use cases around orchestration, process interoperability, end-to-end process monitoring, and event-driven process management. That means BP platforms are capable of combining people- and system-centric use cases.

"With any technology purchase, the ability to deliver results on time, on budget, and in scope is the marker of a good decision. To achieve those results using a BP platform means that enterprises need to take into account how well the software will support the business process, rules that govern the process, the ability to interoperate with third-party applications and systems to consume and deliver data in support of the process, and the strength of the overall architecture to maximize agility and reusability," according to Maureen Fleming, program vice president, Business Process Management and Middleware Research programs.

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