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# The ROI Of BPM Suites

by Clay Richardson  
for Business Process Professionals



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A Total Economic Impact™ Analysis Uncovers Real Transformational Benefits

by Clay Richardson

with Connie Moore, Derek Miers, and Allison Caine

### EXECUTIVE SUMMARY

Companies waste millions of dollars each year on ineffective and inefficient business processes. Many companies attack this waste with process improvement exercises using approaches such as Six Sigma, Lean, Lean Six Sigma, and total quality management (TQM). However, when automating, controlling, and reporting on mission-critical business processes, many of these same firms remain stuck using rigid packaged applications or expensive custom-developed solutions. Process analysis, automation, and transformation through business process management (BPM) suites increase collaboration across business and technical teams while providing the flexibility and adaptability needed to quickly change processes based on new competitive and economic threats and opportunities. Firms can realize a return on their investment in BPM suites within three years through impressive gains in business efficiency and worker productivity. This makes BPM suites a good investment in the face of challenging economic conditions and an increasingly competitive business environment.

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### NOTES & RESOURCES

Forrester interviewed 16 vendor and user companies, including AmerisourceBergen, Appian, Cox Communications, HandySoft, IBM, Liberty Mutual Group, Lincoln Trust Company, Nokia Siemens Networks, OpenText (Metastorm), Pegasystems, PNC Financial Services Group, Software AG, Tibco, and Wells Fargo. We used this information to create an ROI model based on our Total Economic Impact framework.

#### Related Research Documents

- ["A Hitchhiker's Guide To Process-Driven Business Transformation And Application Delivery"](#)  
May 13, 2011
- ["Forrester's 2011 FastForward BPM Suite Capabilities Best Practices Self-Assessment"](#)  
March 17, 2011
- ["The Forrester Wave™: Business Process Management Suites, Q3 2010"](#)  
August 24, 2010

## FIRMS EXPLORE BPM SUITES TO ACCELERATE THE PACE OF TRANSFORMATION

Even the most traditional firms now realize that the pace of business change has accelerated to the point where they must build dynamic, fluid business models that can adapt to new competitive threats and business opportunities. For example, the fates of Borders and Blockbuster — companies unable to quickly adapt to new business models and competitive threats — show what can happen when firms ignore the trend toward continuous change and disruption and the reality of fickle customer preferences. At the dawn of the 21st century, a growing number of firms now view business processes as the primary driver of real transformation — looking beyond simple IT-driven transformation approaches that yield only incremental improvement.

Instead of deploying slow-to-change packaged applications or building difficult-to-change custom solutions, leading organizations embrace BPM methodologies — supported by BPM suites — that drive rapid process change, increased business engagement, and dramatic improvements in worker productivity (see Figure 1). Many of today's largest and most successful BPM deployments have tens of thousands of users and cover numerous divisions and lines of business around the globe. Additionally, firms are extending BPM beyond its traditional focus on cost-cutting to also focus on delivering top-line benefits — including driving greater process orientation, improving the customer experience, and accelerating the integration of merged and acquired companies.

## FOUR FACTORS DETERMINE THE ROI OF BPM SUITES

Enterprises must objectively evaluate the financial impact on the business when considering adopting — or avoiding — BPM suites. How? Use a simplified version of Forrester's Total Economic Impact™ (TEI) model to systematically consider:

1. **Benefits.** How will your company benefit from adopting and implementing a BPM suite?
2. **Costs.** How will your company pay, both in hard costs and resources, for a BPM suite?
3. **Risks.** How do uncertainties change the total impact of a BPM suite on your business?
4. **Flexibility.** How does this investment create future options for your organization?

## Key Benefits: BPM Suites Provide Efficiency, Faster Change, And Increased Engagement

Organizations implementing BPM programs can expect several benefits from the automation and collaboration functionality that BPM suites offer. The scale, timing, and duration of these benefits can be estimated by considering one or more key metrics and the value to the organization of improving those metrics over time (see Figure 2). Benefits include:

- **Increased operational efficiencies.** The major benefits of BPM suites start with low-hanging fruit like eliminating duplicate data entry across multiple legacy systems and packaged applications and reducing the cycle time to complete long-running business processes. For example, one global financial services firm reduced duplicate data entry across six legacy systems and packaged apps, which also reduced the volume of data entry errors and rework needed to complete processes. Many other firms starting out with BPM suites report quick wins for eliminating manual paper-based routing and tracking of critical business processes.
- **Rapid deployment of compliance and process changes.** Industries experiencing significant disruption and change, such as financial services and healthcare, especially benefit from BPM suites' ability to quickly incorporate and deploy process changes.<sup>1</sup> Many leading firms in these industries can barely remain compliant with the huge tidal wave of regulations coming from government and watchdog agencies. Firms also benefit from BPM suites' ability to quickly support new improvements to core business processes. Many firms are replacing custom development approaches with BPM's model-driven approach, which provides visual configuration of processes instead of tightly coupled integration and low-level orchestration. Using this approach, teams can quickly pinpoint required changes and improvements with business stakeholders and deliver changes in weeks rather than months (see Figure 3).

“We’re currently dealing with hundreds of regulatory changes each year that require us to evaluate the impact of these changes to critical business processes. Business stakeholders can no longer wait for months to have these changes in place — we’re now being pushed to implement new compliance changes within weeks or even days.” (Paul Tazbaz, senior enterprise architect, Wells Fargo)

- **Improved worker productivity.** Firms that we interviewed reported significant gains in worker productivity, citing specific benefits for faster decision-making, reduced time spent rerouting work tasks, improved exception handling, consistency of process execution, and increased process automation. A good rule of thumb based on hundreds of case studies is to anticipate productivity savings of 30% to 50% for clerical and other back-office processes and 20% to 25% for knowledge worker processes.

“Since we started with BPM suites three years ago, we’ve been able to go from three floors that house our operations down to a single floor. We directly attribute this reduction in headcount to our BPM suite’s ability to dramatically increase worker productivity and improve the overall utilization of resources.” (Joan Manning, executive vice president of business operations, Lincoln Trust Company)

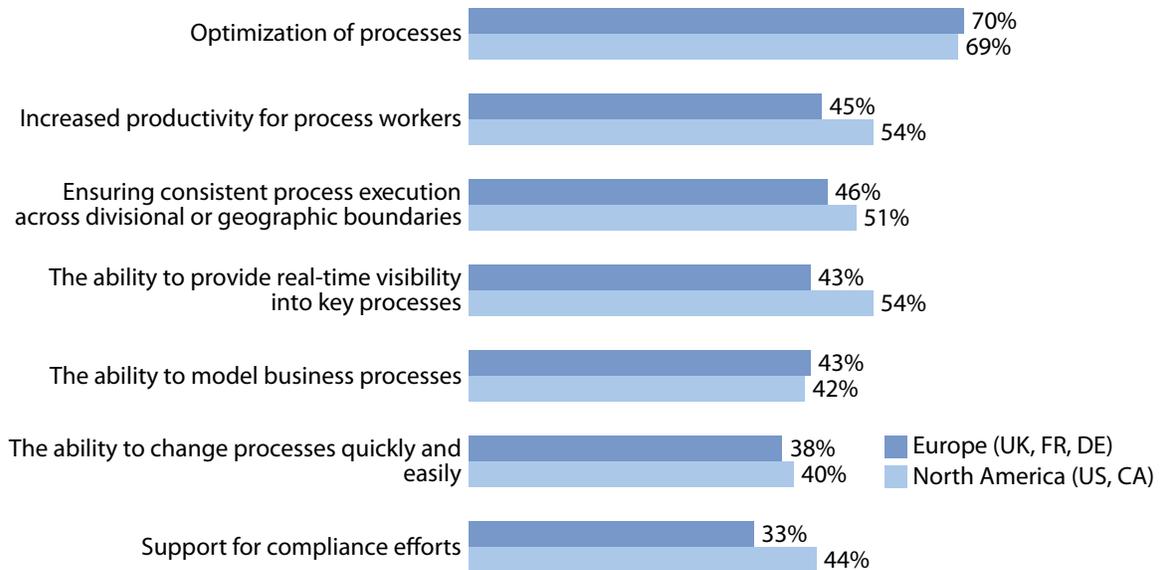
- **Increased engagement with business stakeholders.** Many of the organizations we interviewed cited the ongoing shift to business technology — increased use of technology by the business — as a critical driver and benefit of implementing BPM suites.<sup>2</sup> Specifically, teams highlighted

significant reductions in the time spent scoping and delivering new process solutions and training for new business processes; also, increased business stakeholder involvement led to fewer enhancement requests.<sup>3</sup>

“One of our business teams received a quote from a systems integrator (SI) for nine months of development at a cost of \$1.2 million to extend a particular process within one of our packaged applications. Our BPM team also reviewed the requirements and was able to deliver the same functionality over a three-month period at one-quarter of the cost quoted by the SI. We believe that much of the savings came from BPM suites’ model-driven approach, which allowed us to quickly engage business stakeholders.” (Nick Deacon, global head of business process management, Nokia Siemens Networks)

**Figure 1** Major Drivers For BPM Software Adoption

“Which of the following have been major drivers for business process management software adoption?”



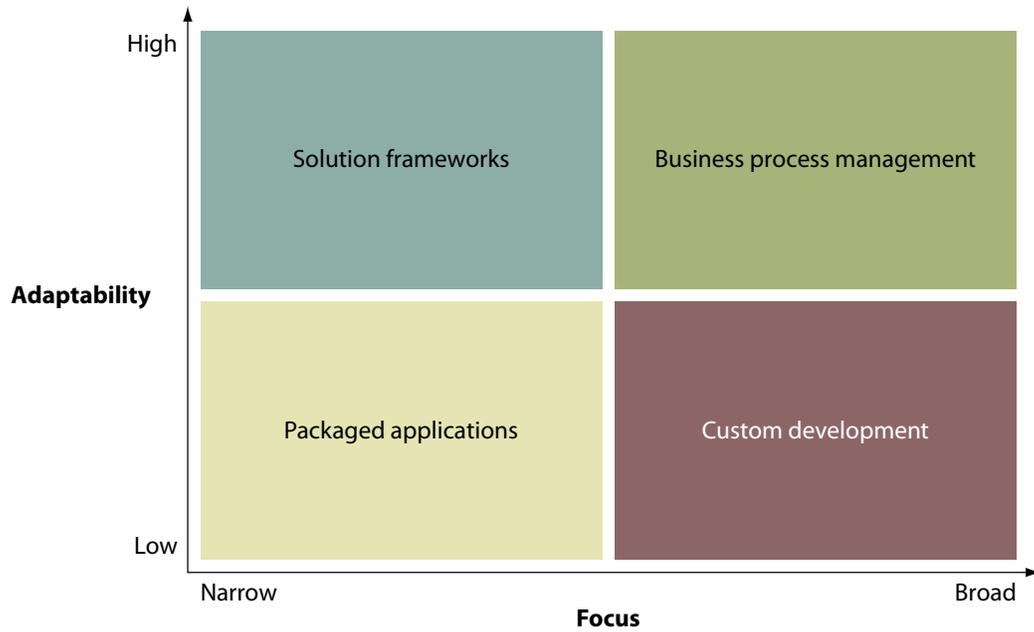
Base: 348 software decision-makers  
(multiple responses accepted)

Source: Forrsights Software Survey, Q4 2010

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Source: Forrester Research, Inc.

**Figure 2** BPM Suites Deliver Greater Adaptability And Flexibility Than The Alternatives



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Source: Forrester Research, Inc.

**Figure 3** The Key Benefits Of BPM Suites

Dimension	BPM suites help by . . .
Increased business efficiency	<ul style="list-style-type: none"> <li>• Reducing manual and duplicate data entry into systems</li> <li>• Reducing the cycle time to execute business processes</li> <li>• Reducing the time spent manually routing requests</li> </ul>
Rapid deployment of compliance and process changes	<ul style="list-style-type: none"> <li>• Improving the responsiveness to regulatory compliance mandates</li> <li>• Improving the efficiency of compliance and internal audits</li> <li>• Improving the responsiveness to changing business requirements</li> </ul>
Improved worker productivity	<ul style="list-style-type: none"> <li>• Increasing the efficiency of decision-making</li> <li>• Reducing the amount of rework and reassignment (rerouting)</li> <li>• Improving exception handling and the consistency of process execution</li> <li>• Decreasing the amount of human involvement through process automation (i.e., straight-through processing)</li> </ul>
Increased business engagement	<ul style="list-style-type: none"> <li>• Increasing the efficiency of scoping process improvement projects</li> <li>• Improving developer productivity and delivery</li> <li>• Reducing enhancement requests</li> <li>• Reducing the time spent on training</li> </ul>

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Source: Forrester Research, Inc.

### Key Costs: Software And Reliance On The Vendor's Professional Services Top The List

Organizations implementing BPM suites can expect several sets of upfront costs to purchase, implement, and deploy the software, but they should also remember to factor in the ongoing costs to keep it operational (see Figure 4):

- **Software license costs.** When companies purchase BPM suite software, one of the largest upfront costs is the price of the software license itself. Depending on an organization's pre-existing relationships with preferred vendors or other related concerns, it might be able to negotiate discounts with its provider for the initial license cost. Larger enterprises should expect to pay \$250,000 to \$800,000 — or more — for on-premises BPM suite software.<sup>4</sup> However, some vendors, such as Appian and Pegasystems, also offer complete software-as-a-service (SaaS) options for their BPM suites, allowing customers to build and deploy business processes in the cloud on a monthly subscription basis. Typical costs for BPM SaaS are based on a per-user model and average around \$50 per user per month.
- **Software maintenance fees.** To get the latest patches and technology support, enterprises must enter into long-term maintenance agreements. This means paying the software vendor some fraction of the initial license price each year — often 18% to 25% of the license cost, depending on the vendor and the required service levels. Over the lifetime of the software, maintenance costs may equal or even surpass the cost of the initial license. Typically, BPM SaaS does not require an annual maintenance fee.
- **Hardware purchases.** All on-premises software needs some infrastructure to run on — a server and a network at a minimum. Most enterprises can leverage their data center as the infrastructure on which to install and configure the BPM suite environment. However, high volumes of process transactions — tens of millions of processes annually — may require significant memory and processing power. Hardware costs on any given project are often small compared to what enterprises pay for the software and services, but organizations cannot ignore these costs.
- **External professional services.** Most BPM suite implementations require significant upfront professional services support during the initial planning and implementation phases. This often means heavy reliance on the BPM suite vendor's professional services organization, which typically includes process architects, process analysts, business analysts, technical architects, and process developers. The most common scenario described by firms we interviewed involved a codeployment model that combined highly skilled resources, such as a process architect, from the BPM suite vendor with process developers sourced from one of the BPM suite vendor's SI partners. These highly skilled vendor resources invariably have much deeper knowledge of the BPMS product than SIs, who may have limited BPM knowledge.

- **Full-time employees.** Even a relatively modest BPM suite implementation will require at least one full-time person to spearhead the effort, talk with the business units, and make technology decisions. However, for customers we spoke with, the most common resource configuration on larger-scale BPM suite implementations included a full-time process architect, two process analysts, two process developers, and a dedicated project manager. In addition to these critical roles, many teams required direct involvement and time commitments from process owners and subject-matter experts on a part-time basis.
- **Training.** Enterprises must plan for initial training costs for BPM suites. As BPM suites comprise many moving parts — ranging from process modeling to business analytics to an integrated development environment — formal training on the vendor’s BPM suite is crucial to unlocking the full potential of the software. Most vendors offer classroom, online, and on-site training options. Vendors typically gear their training programs toward individual process roles, like analyst, architect, and developer.

**Figure 4** Cost Assumptions Of BPM Suite Implementation

<b>Cost assumptions</b>	<b>Implementing BPM often requires that firms bear the costs of . . .</b>
Internal staffing costs	<ul style="list-style-type: none"> <li>• Process architects and analysts</li> <li>• Process developers</li> <li>• Project manager</li> <li>• Subject-matter experts (SMEs)</li> <li>• Program manager — VP of BPM</li> <li>• Process owner</li> <li>• Infrastructure and operations support</li> </ul>
External staffing costs	<ul style="list-style-type: none"> <li>• BPM suite vendor professional services</li> <li>• BPM system integrator services</li> </ul>
Upfront costs	<ul style="list-style-type: none"> <li>• Hardware</li> <li>• Initial software licensing</li> <li>• Training</li> </ul>
Recurring/annual costs	Yearly maintenance fees

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Source: Forrester Research, Inc.

### Risk Analysis: Managing Change And Developing BPM Skills Are The Greatest Risk Factors

No change — or avoidance of change — is without risk. Factoring this uncertainty into the analysis converts an optimistic and potentially unachievable plan into one with higher accuracy. We refined initial estimates by factoring in three important risks:

- **Inability to establish the proper business context for BPM.** Right out of the gate, many teams overlook — or are unable to meet — the need to appropriately define the scope and strategic objectives of the BPM initiative. This often occurs when IT adopts a BPM suite in a vacuum, with very little involvement or sponsorship from business stakeholders.<sup>5</sup> One large government agency realized this error after floundering with its BPM suite implementation for several years. The program manager for this BPM project lamented that “Our goal was to convert legacy applications to BPM workflows, but we gained little support from the business because they saw it as a technology initiative with little business value.” Absent strategic business drivers, most BPM initiatives are doomed to failure. To minimize this risk, teams must establish and agree on an initial charter for the BPM initiative that clearly defines the context, scope, and strategic business objectives.<sup>6</sup>
- **Shortage of BPM skills.** Staff with the right balance of business and technical skills, a mix often required to drive and deliver effective BPM suite implementations, comes at a premium — if you can find such people at all. This means that most teams rely heavily on external professional services and SIs to fill the gap.<sup>7</sup> And with BPM suites, these external resources command 20% to 30% higher rates than traditional business and technical consulting resources. To maximize your ROI, you must proactively develop internal BPM suite skills and work with your HR department to actively recruit candidates that have base skills — such as Six Sigma for process analysts and J2EE and Agile development for process developers.<sup>8</sup>
- **Lack of planning for business change management.** Many teams erroneously believe that adopting a BPM suite minimizes or eliminates the need to focus on business change management. Instead of engaging employees throughout the BPM suite initiative, some organizations inform employees of massive process changes only a few weeks before the changes take place, assuming that training on the new system will suffice. This approach often slows down the overall adoption of and momentum for BPM suites, because frontline managers and workers come to see the initiative as something that IT is pushing on them.<sup>9</sup> While BPM suites provide many features that support effective process change management — such as documentation, collaborative modeling, and social BPM features — teams must establish or continue to execute effective business change management strategies that communicate to all stakeholders within the organization throughout the process improvement and implementation life cycle.

## FLEXIBILITY OPTIONS: INCREASED COMPETITIVENESS AND PROCESS ORIENTATION

In addition to the tactical benefits described previously, organizations can leverage the infrastructure created by the BPM suite environment in future process improvement or process transformation projects. The options, or flexibility, created by the BPM suite provide business value to the organization. In our evaluation of BPM suites, the project created flexibility in the following areas:

- **Improved customer experience.** Most organizations that Forrester interviewed had only qualitative feedback on the benefits of BPM suites for driving increased customer satisfaction and an improved customer experience. However, in a few cases organizations could provide tangible metrics for measuring the benefit of improved customer experience associated with BPM suites. For example, Lincoln Trust Company saw customer complaints about lost or delayed requests decrease by 90% after deploying several automated business processes across the enterprise. While it's often difficult to correlate the entire benefit directly to the BPM suite — in some cases it can be attributed to other factors — teams should look to baseline customer satisfaction and customer service metrics as part of their BPM suite investment justification.<sup>10</sup>
- **Improved competitiveness.** Several firms we interviewed detailed projects where they leveraged BPM suites to help define, scope, and deploy new products and services. For example, one B2B medical insurance provider said, “In the past, it took us at least a year to define and deploy new offerings to our members. Now we engage lines of business using our BPM environment to document and create new packages for our member companies. Using this approach, we're able to respond to new opportunities within a few months — instead of nine to 12 months.”
- **Accelerated integration of acquisitions.** When firms acquire new entities through M&A activity, it's often difficult to evaluate and assess where synergies exist — and where problem areas await resolution. Given the level of consolidation in the financial services industry, those organizations in particular turn to BPM suites as a tool for documenting and merging critical business processes across parent and sister organizations. For example, during the merger of two of the world's largest stock market regulators, executives turned to BPM suites as the glue to quickly merge the two organizations' systems and critical processes together.
- **Increased process orientation and a process-driven culture.** Many of the firms we interviewed highlighted the rise of a process culture as a side benefit of adopting BPM suites. In this scenario, companies provided qualitative feedback on shifting the organization — and stakeholders — to focus more on the end-to-end process and developing an increased awareness of how each line of business delivers its piece of an extended business process.

“Business transformation focuses on how to free innovators by giving them a much more flexible set of tools and information so they can respond more quickly to clients and business opportunities. Additionally, our agile enterprise strategy provides a dramatic reduction in operating expenses by providing the tools to rapidly optimize and redesign our core enterprise business processes.” (Kenneth Klepper, president and COO, Medco Health Solutions)<sup>11</sup>

## USE TOTAL ECONOMIC IMPACT TO CALCULATE THE ROI OF BPM SUITES

To arrive at a quantitative assessment of the economic implications of BPM suites, Forrester evaluated the key drivers of benefits, costs, risks, and flexibility for a hypothetical organization evaluating an investment in BPM suite software. Based on numerous conversations with BPM suite vendors and user organizations, we chose the following parameters:

- **A three-year window for analysis.** Our sample company will evaluate the costs and benefits of the tool over a three-year period. During this analysis period, the first four to six months will be spent planning and implementing the solution, with the solution in use for the remaining months.
- **Operations and lines of business providing business sponsorship.** Project champions from business operations and specific lines of business will drive the need to increase business efficiency, improve worker productivity, and increase cross-departmental collaboration. Many of these stakeholders will have a strong desire to accelerate process changes and gain greater visibility into operations.
- **A steep learning curve over the first phase of operation.** We assume that only 30% of the tool's benefits will be realized in the first year, rising to 60% in year two, and that 100% of the benefits will be realized in year three. This further assumes that not all users will have adopted the tool, not all functionality will have been rolled out, and that best practices will emerge incrementally over the first three years.

The analysis assumes that the project will begin on January 1 of year one and continue until December 31 of year three. Based on reports from organizations initiating BPM suite implementations, the following phases will likely occur (see Figure 5):

- **Investment phase.** This phase, lasting six months, sees the bulk of the spending required to deliver the project. This phase includes internal planning, product selection, and implementation.
- **Initial benefits phase.** During the next six months, the organization will slowly begin to realize benefits from the initial rollout of the first BPM project to a small target group of business users and stakeholders. Typically, these benefits will revolve around the introduction of automation, process monitoring, and increased collaboration and engagement.
- **Full benefits phase.** During the remaining 24 months of the analysis period, the organization will likely see the benefits of the project outweighing the defined risk factors. By the end of the full benefits phase, organizations typically realize 100% of the benefits — on a risk-adjusted basis — of the project. Operations costs will be ongoing in this phase, although at a reduced run rate.

**Figure 5** Assumed Stages Of BPM Suite Implementation

Phase	Description	Time requirement
Investment	<ul style="list-style-type: none"> <li>• Internal planning</li> <li>• Product selection</li> <li>• Initial project implementation</li> </ul>	Six months
Initial benefits	Small target group realizes initial benefits related to automation, collaboration, and monitoring	Six months
Ongoing benefits	Rollout extends to the entire enterprise, with benefits increasing as the team deploys more process projects	24 months

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Source: Forrester Research, Inc.

### GO ALL IN WITH BPM SUITES TO GAIN THE GREATEST BENEFITS

In our sample company, implementing a BPM suite produced an expected return on investment (ROI) of 58% and a net present value (NPV) of \$1,585,457 over three years via an on-premises deployment (see Figure 6). Much of this success is due to:

- **The scope of the BPM suite implementation.** Our sample company focused the BPM suite implementation across the entire enterprise, typically engaging at least three departments or lines of business on each individual BPM suite project. Thus, they expanded the reach of the BPM suite's benefits to all possible process improvement projects, not just a select few within a given department or functional area.
- **Strong adoption and involvement of business stakeholders.** If all levels of the affected organization do not adopt the BPM suite, then the software will provide limited value to the enterprise — sometimes resulting in fragmented and disconnected business processes. Due to the large size of the deployment, our sample company put significant time and effort into communicating the value of the BPM suite and involving stakeholders and subject-matter experts in joint modeling sessions — often leveraging collaborative and social features of their BPM software.<sup>12</sup> Additionally, our sample company gained the strong commitment and involvement of executives throughout all stages of implementing the BPM suite.
- **A centralized BPM COE.** Our sample company invested heavily to establish a centralized BPM center of excellence (COE) responsible for process governance, project scoping and selection, training, and best practice development. Critical process roles in the sample company staff the centralized BPM COE, including process architects, process analysts, a project manager, and the VP of business process management (i.e., the BPM program manager). The centralized BPM COE also has responsibility for BPM suite deployment, development, and maintenance.

**Figure 6** Model: Total Economic Impact Analysis Summary — BPM Suites (Most Likely Estimates)

	Year 1	Year 2	Year 3	Total	Present value
Total benefit	\$473,725	\$1,894,900	\$3,158,167	\$5,526,792	\$4,323,841
Total cost	\$1,366,952	\$1,359,198	\$1,079,198	\$3,136,019	\$2,738,384
Net cash flow	-\$893,227	\$535,703	\$2,078,969	\$2,390,773	\$1,585,457
Cumulative cash flow	-\$893,227	-\$357,524	\$1,721,445		
NPV	\$1,585,457				
ROI	58%				
Payback	More than two years				

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Source: Forrester Research, Inc.

## RECOMMENDATIONS

**ASSESS YOUR COMPANY'S READINESS TO REAP THE REWARDS OF BPM SUITES**

BPM has emerged as a critical business capability and technology space that offers many compelling business drivers but also introduces a great deal of risk. In our three-year window, BPM suite solutions deliver a significant ROI, but have a heavy upfront cost of licensing and skills development — not to mention a high reliance on external resources. Before betting the farm on BPM suites, business process professionals and company executives must consider several factors in their investment decision:

- **Evaluate the business' appetite for process improvement and transformation.** Cast a wide net to inventory strategic business drivers and initiatives where BPM suites can provide significant benefits. Identify critical business pain points and challenges that matter to executives and high-profile business stakeholders. Take time to interview business leaders to understand and prioritize the best opportunities for accelerating process transformation, improving cross-departmental collaboration, and improving overall competitiveness.<sup>13</sup>
- **Plan to wean yourself off of vendor professional services.** Initial reliance on the vendor's professional services is a great strategy, because few companies have sufficient BPM skills in house, few integrators have deep knowledge of BPM products, and hiring external BPM

resources is a nonstarter. But relying on vendor professional services too heavily for too long will rob you of the hard-earned benefits and savings you gained by implementing BPM suites. From the outset, establish a plan to stand up internal resources as you reduce the need for external professional services. At a minimum, make plans to minimize professional services costs by bringing in lower-cost — but qualified — SI resources that can deliver using an onshore/offshore model.

- **Look beyond traditional financial justification.** BPM's potential for transforming business processes is huge. However, it's often difficult to quantify benefits like improved customer service, increased competitiveness, or a greater process orientation in concrete terms. When building the business case and justification for BPM suites, teams should not shy away from these qualitative metrics, which often deliver greater value than the cost savings metrics preferred by chief financial officers.
- **Embrace BPM and BPM suites as a long-term investment.** Although BPM suites provide impressive returns over the first three years, companies realize the real benefits of BPM as more process improvement and process transformation projects get deployed. Teams looking to sprint to an immediate return will often overlook key investments in skills, training, and change management needed to sustain an initiative for the long term.

## SUPPLEMENTAL MATERIAL

### Methodology

Forrester Research uses a defined methodology for analyzing and evaluating the costs, benefits, and risks of a proposed solution. This methodology, termed Total Economic Impact (TEI), provides a holistic view of the decision by including an analysis of costs, benefits, flexibility, and risk. By including an assessment of risk, TEI provides a realistic view of expected outcomes, rather than one shaded by early optimism and enthusiasm.<sup>14</sup>

Unlike a cost- or technology-based analysis, TEI does not rely on industry averages or factors that are applied to all organizations, but is a methodology for evaluating projects. The TEI methodology forces the determination and quantification of relevant metrics in light of an organization's current state and future goals. Firms can use the TEI model as a proactive and predictive tool.

### Companies Interviewed For This Document

AmerisourceBergen

Liberty Mutual Group

Appian

Lincoln Trust Company

Cox Communications

Nokia Siemens Networks

HandySoft

OpenText (Metastorm)

IBM

Pegasystems

PNC Financial Services Group

Tibco

Software AG

Wells Fargo

## ENDNOTES

- <sup>1</sup> Finding the right balance of process discipline, business insight, and technology know-how remains a continual challenge, especially as healthcare reform puts more pressure than ever before on an industry that's already been undergoing wrenching changes as the population ages and costs skyrocket. We asked health insurers important questions concerning their level of business process expertise, their rapidly changing business domain, and their top-of-mind technology initiatives. See the June 24, 2011, "[Health Payers Search High And Low For Their Business Transformation Edge](#)" report.
- <sup>2</sup> Over the next 10 years, three sets of forces will change the relationship of business, technology, and the IT organization. Technologies that are increasingly easy to acquire and use will empower business self-sufficiency. Tech-savvy business managers and staff will provision their own technology solutions. Huge changes in the business landscape will up the ante for speed and agility. The IT status quo will collapse under these forces, and a new model — empowered BT — will take its place. See the January 7, 2011, "[BT 2020: IT's Future In The Empowered Era](#)" report.
- <sup>3</sup> High turnover is an accepted fact in Archstone's line of business, creating a steady stream of new associates to train on the dizzying array of forms and processes required to do the job. Archstone now uses BPM to minimize the knowledge gap created when one employee leaves and a new employee has to be trained up. Instead of new employees spending hours and days hunting around for the appropriate paper-based form and procedure, they simply go to the portal, select the appropriate process, and complete the related form. See the March 17, 2009, "[Case Study: Archstone. Drowning In Paper, Surfaces With A High-Impact BPM Solution](#)" report.
- <sup>4</sup> Forrester evaluated 11 leading business process management (BPM) suite vendors against 148 criteria reflecting the requirements of business process professionals running large-scale BPM programs. We found that Pegasystems and Appian lead the pack with the best overall combination of modeling, design, and development features for business and technical roles driving process improvement. See the August 24, 2010, "[The Forrester Wave™: Business Process Management Suites, Q3 2010](#)" report.
- <sup>5</sup> In today's cutthroat business world, enterprises struggle to respond to the changing needs of their customers while running efficient and effective operations and, at the same time, complying with an ever-growing mountain of regulation. As a result, business leaders expect and demand better ways to provide constant innovation and continuous improvement. Business process management (BPM) initiatives provide a way to constantly reduce operating costs while increasing the value delivered to customers and making the organization more responsive to customers' evolving needs. See the January 6, 2011, "[The Context Driving Business Process Management](#)" report.

- <sup>6</sup> BPM projects are fundamentally different from IT projects. Rather than a fixed set of software deliverables that have a predetermined end-state, the BPM project outcome is just one step of many on a transformational journey. Additionally, BPM projects are less about technology, and more about how the organization does its business; and that means challenging cultural norms and current approaches. From a project risk perspective, these differences create a far more challenging scenario than other types of technology projects. See the July 11, 2011, [“The Secret To Managing BPM Risk, Part 1”](#) report and see the July 11, 2011, [“The Secret To Managing BPM Risk, Part 2”](#) report.
- <sup>7</sup> This set of data charts presents findings from Forrester’s May 2010 Global BPM And Process Improvement Online Survey. See the June 16, 2010, [“Mentors And Consultants Fill The Gap In Business Process Skills Development”](#) report.
- <sup>8</sup> Business transformation efforts often fall flat because business process professionals and application delivery professionals are working at cross purposes. To succeed, you must share a common approach: Express business requirements and customer value as business processes and use Agile methods to rapidly deliver both business process and application change. The result? Replacing incongruous flailing with harmonious, purposeful collaboration between business process pros and application delivery pros. Your business and customers will benefit greatly. See the May 13, 2011, [“A Hitchhiker’s Guide To Process-Driven Business Transformation And Application Delivery”](#) report.
- <sup>9</sup> Business change management is a top corporate challenge. Changing people’s beliefs and behaviors is demanding and difficult work; succeeding in the face of resistance, decreased productivity, anxiety, and confusion requires a carefully crafted and executed plan. Keys to such a plan include identifying the affected stakeholders, choosing a change management methodology, communicating throughout the project, continuously measuring progress, recognizing and rewarding results, and reinforcing change so it becomes embedded in the company culture. See the April 29, 2011, [“Effective Business Change Management Requires More Than A Wait-And-See Attitude”](#) report.
- <sup>10</sup> To help customer experience professionals prove the business value of a better enterprise customer experience, we built simple models that show how revenue increases when a company’s Customer Experience Index (CxPi) score goes up. Our models show that the benefits are significant across all 13 industries we looked at. See the November 19, 2010, [“The Business Impact Of Customer Experience, 2010”](#) report.
- <sup>11</sup> Over the past seven years, transformational changes have swept through Medco — propelled by the visionary duo of David B. Snow, Jr., Medco chairman and CEO, and Kenneth Klepper, Medco president and COO. The result? Medco, a leading pharmacy benefits manager serving more than 65 million people, has moved from a siloed, functional organization back in 2003 to a customer-centric and process-driven company. See the March 14, 2011, [“Driving Business Transformation At Medco: An Interview With Kenneth Klepper, President And COO”](#) report.
- <sup>12</sup> During process design, teams leverage social tools to more easily engage stakeholders in process discovery and definition, including frontline workers, customers, and partners. For process development, some process pros turn to social and Web 2.0 tools by using BPM software-as-a-service (SaaS) offerings. And

during process execution, teams leverage social to support dynamic business processes. Process pros must evaluate the potential impact of social to their BPM program and develop a game plan to incorporate social techniques that accelerate time-to-value and improve business and customer engagement. See the February 24, 2011, “[Social Breaks The Logjam On Business Process Improvement Initiatives](#)” report.

<sup>13</sup> Forrester’s best practices framework for BPM suites defines the critical capabilities necessary for maximizing the value and impact of your BPM suite investment. The framework distills findings from our interviews with 48 user companies, analysis of 27 BPM suite vendor solutions, and insights from discussions with 11 BPM professional services organizations. The framework includes seven sets of capabilities across four categories, comprising 89 best practices. See the March 17, 2011, “[Forrester’s 2011 FastForward BPM Suite Capabilities Best Practices Self-Assessment](#)” report.

<sup>14</sup> For an in-depth discussion of TEI and the individual elements within the methodology, see the August 4, 2008, “[The Total Economic Impact™ Methodology: A Foundation For Sound Technology Investments](#)” report.

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