



DECISION MATRIX

Decision Matrix: Selecting an Business Process Management Vendor

Selecting a BPM suite provider in a growing and fragmented market

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SUMMARY

CATALYST

OVUM VIEW

KEY MESSAGES



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MARKET DEVELOPMENTS

THE BUSINESS PROCESS MANAGEMENT DECISION MATRIX

Figure 1: Business Process Management Decision Matrix

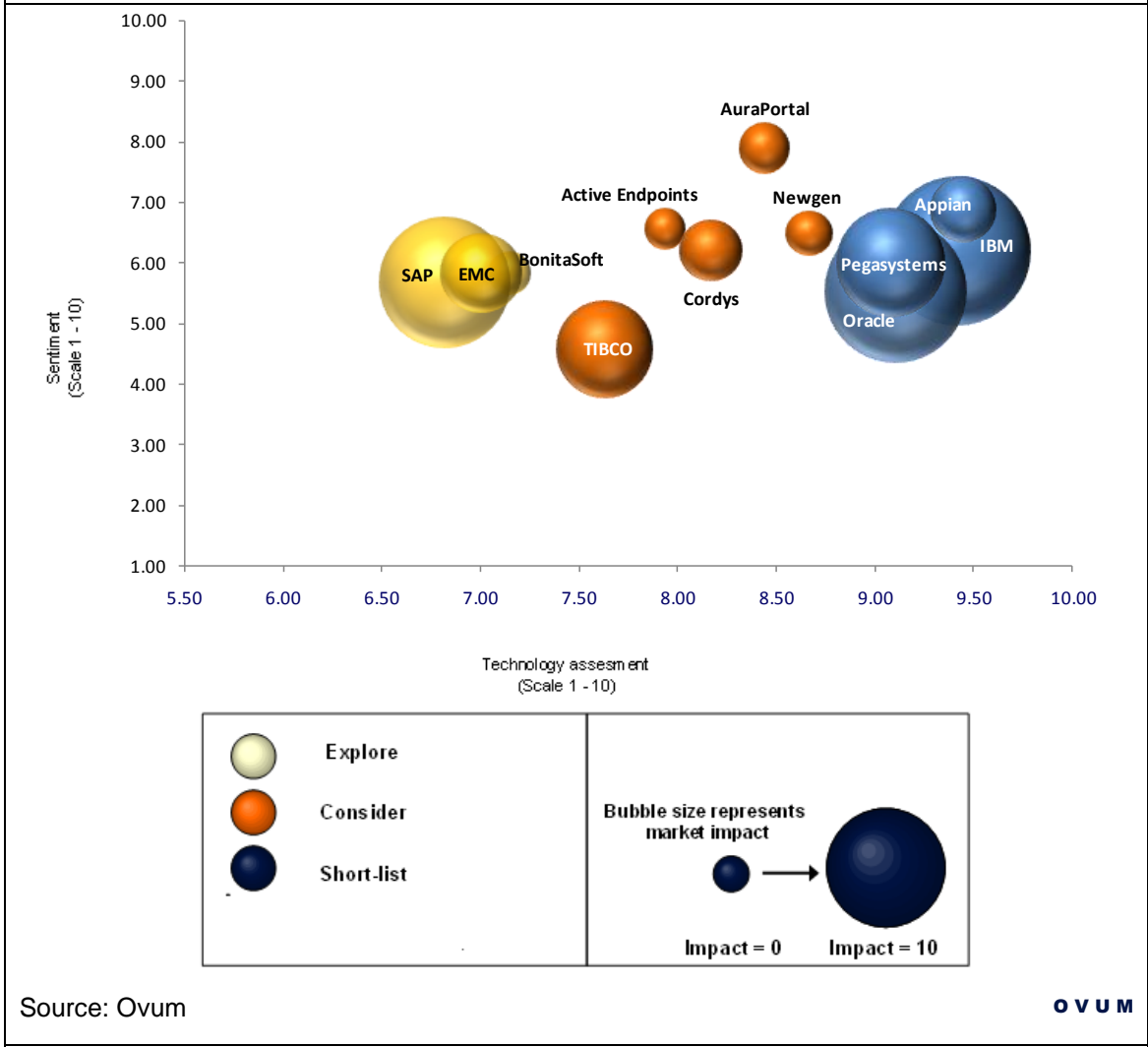


Table 1: Business Process Management Decision Matrix

Shortlist	Consider	Explore
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Appian	Active Endpoints	BonitaSoft
IBM	AuraPortal	EMC
Pegasystems	Cordys	SAP
Oracle	Newgen	
	TIBCO	
Source: Ovum		OVUM

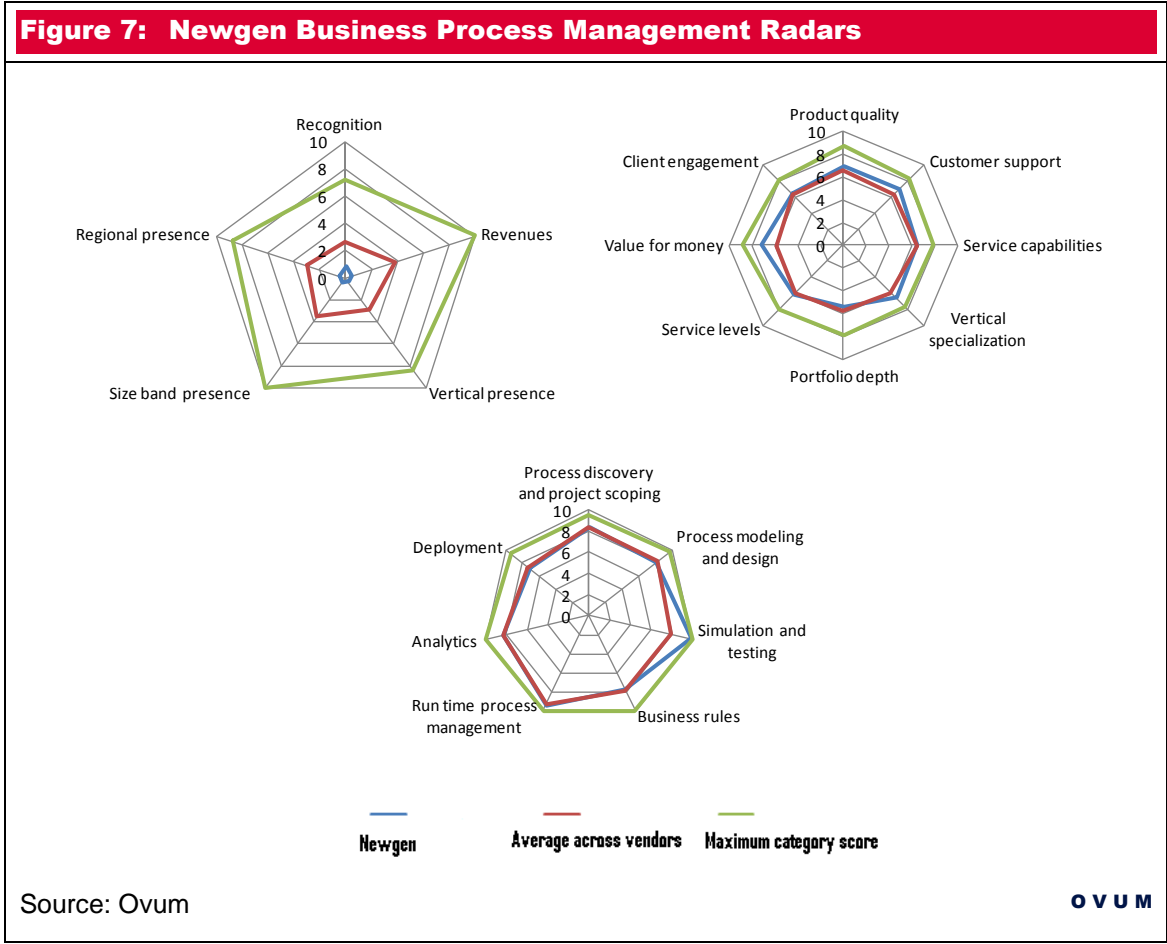
VENDOR ANALYSIS

NEWGEN: BUSINESS PROCESS MANAGEMENT RADARS

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Newgen is a new entrant in the Decision Matrix. Headquartered in India and founded in 1992, Newgen has been quietly growing its installed base across India and other emerging markets in South East Asia and the Middle East for over two decades. The company started out as an Enterprise Content Management (ECM) provider and later branched out to BPM. Currently BPM is the most important part of Newgen’s revenue stream (over 80% of revenues) and the Omniflow suite registered an aggregate technology score ahead of names that enjoy far greater familiarity, (ranking fifth overall among 12 vendors). As would be expected, the suite’s greatest strength is the ability to support content-heavy processes. There are two other distinct aspects of Newgen and Omniflow that deserve special mention – its long history of working with SAP applications and its professional services arm, a legacy of doing business in a time and in markets where systems integrator partners were rare. A third interesting aspect of OmniFlow is its long history of supporting global Business Process Outsourcing (BPO) companies who leverage the suite to service multiple customers. Two elements of the OmniFlow roadmap merit special attention, cloud-hosted BPM and case management. Cloud-hosted BPM is a new offering and comprises high deployment readiness off-the-shelf processes. Templates for processes such as Accounts Payable, Accounts Receivable, and Loan processing and a target deployment time frame of two-three weeks are two key features of cloud-hosted BPM. Case management is a natural adjacency for Newgen to branch into and is the other important part of the OmniFlow roadmap.



On the user sentiment dimension Newgen's scores are impressive, coming in fourth. Interestingly the company comes in the top three in the 'value for money' user rating dimension. However, with its large professional services team (a rarity for a BPM vendor of Newgen's size), Newgen still comes in seventh on the 'service capabilities' user rating dimension.

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

RECOMMENDATION: CONSIDER

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

APPENDIX

OVUM RATINGS

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



still be suitable to meet specific requirements, and may be worth exploring as part of the technology selection.

METHODOLOGY

- Market Analysis: An analysis of vendors' financial performance and impact in the market
- Customer Survey: A survey of over 165 IT managers and CIOs.
- Technology Analysis: Ovum's assessment of vendors' technology.

EXTENDED METHODOLOGY

Ovum assesses BPM vendors on three core dimensions: technology strength, market impact and user perception. Each of the three dimensions consists of between five and twelve specific criteria and together presents a comprehensive view of various vendor offerings in the IAM space.

TECHNOLOGY

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

Process Discovery and Scoping – provides the opportunity for process owners and business experts to define the flow, rules, and recipients of each piece of work or process activity.

Process Modeling and Design – delivers the unified design and development environment where GUIs allow business professionals to depict all activities that relate to a particular process or linked group of processes: models, key performance indicator (KPI) trees, step transitions, human tasks and interface requirements.

Simulation and Testing – provides the opportunity for the business process to be worked on, measured and tested prior to, during and after implementation. Simulation is used to measure process performance and determine the outcomes that can be achieved from particular approaches.

Business Rules – business rules and rules engines provide a self-contained set of control facilities that manage the way that process execution takes place.

Runtime Process Management – runtime processes collectively involve human, content and systems tasks/interactions between these core entities, and it is all elements of human task management, system task management, content management and decision management that fall under the control of this area of BPM.

Analytics – covers how processes can be analyzed at various levels; from the basic process model to runtime instances of individual processes to provide information to the different types of users involved in the management of the process lifecycle. This category also looks at how the discover metrics can be applied to the process to create an environment of continuous improvement.

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Deployment - considers at the specific platforms on which the product can be deployed alongside the additional infrastructure elements that may or may not be required for running and managing the process. It also considers how the BPM deployment can be integrated into existing infrastructure.

USER SENTIMENT

Ovum has surveyed over 165 users of Business Process Management solutions across the Americas, EMEA, and Asia Pacific to understand their views on the leading Business Process management vendors. The surveyed enterprises were asked to rate the technology vendors that they work with or have worked with in the past, and Ovum provides an average rating in each of the following categories:

- Product quality – perception of the quality of the vendor’s products.
- Customer support – the quality of the vendor’s business/technical support offerings.
- Service capabilities – the quality of a vendor’s particular services offerings (consulting, integration, maintenance, management)
- Vertical specialization – the extent to which the vendor offers industry-specific solutions and expertise.
- Portfolio depth – the CIO/IT manager’s perception of the depth of the vendor’s product portfolio.
- Service levels – the quality of a vendor’s service level agreements (SLAs) and its ability to meet them.
- Value for money – whether the solution offers a good Return on Investment (RoI).
- Client engagement – the effectiveness of the vendor’s sales-force and the CIO/IT manager’s perception of its channel to market.

MARKET IMPACT

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

- Revenue – each vendor’s global Business Process Management revenues are calculated as a percentage of the market leader’s. This percentage is then multiplied by a market maturity value and rounded up to the nearest integer.
- Geographical penetration – Ovum determines each vendor’s revenue in three regions: the Americas; Europe, Middle East and Africa (EMEA); and Asia Pacific (APAC). These revenues are calculated as a percentage of the market leader’s revenues in each region, multiplied by 10 and then rounded to the nearest integer. The vendor’s overall geographical reach score is the average of these three values.
- Recognition – Survey respondents are asked to select Business Process Management vendors they are aware of. The percentage of the vendor recognition is then divided by the highest

percentage of the vendor recognition, multiplied by 10 and rounded up to the nearest integer.

- Vertical penetration – Ovum determines each vendor’s revenue in 11 verticals: Energy and Utilities; Financial Services; Healthcare; Life Sciences; Manufacturing; Media and Entertainment; Professional Services; Public Sector; Retail; Wholesale and Distribution; Telecommunications; and Travel, Transportation, Logistics and Hospitality. These revenues are calculated as a percentage of the market leader’s revenues in each vertical, multiplied by 10 and then rounded to the nearest integer. The vendor’s overall vertical penetration score is the average of these three values.
- Size-band coverage – Ovum determines each vendor’s revenue in three company size bands: large enterprises (over 5,000 employees), medium-sized enterprises (1,000 – 4,999 employees) and small enterprises (fewer than 1,000 employees). These revenues are calculated as a percentage of the market leader in each region, multiplied by 10 and then rounded up to the nearest integer. The vendor’s overall company size band score is the average of these three values.

FURTHER READING

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

DEFINITIONS

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

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

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

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

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

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



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

Service-oriented architecture (SOA) – an architectural concept for enterprise IT that uses loosely-coupled services to support the requirements of business processes and users. Resources on a network in an SOA environment are made available as independent services that can be accessed without knowledge of their underlying platform implementation.

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OVUM CONSULTING

We hope that the analysis in this brief will help you make informed and imaginative business decisions. If you have further requirements, Ovum's consulting team may be able to help you. For more information about Ovum's consulting capabilities, please contact us directly at consulting@ovum.com.

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