BPM Goes Mainstream

As organizations demand greater performance functionality, BPM software applications are increasingly part of a suite of offerings that continues to rapidly evolve to meet underserved areas of the enterprise.

BY CRAIG SCHIFF

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DURING THIS PAST YEAR, business performance management (BPM) became a core offering of the world's largest software vendors. IBM, Oracle, and SAP all now have market-leading products in this area. These solutions are not primarily homegrown but instead are the result of prior acquisitions. This group of companies, along with Infor, SAS, and several others, essentially forms the top tier of BPM vendors. Their offerings tend to be comprehensive, combining BPM with business intelligence (BI) and in some cases ERP.

The next group of solution providers is focused on what we define as financial performance management suites. This consists of budgeting, planning, forecasting, consolidation, and reporting, as well as scorecards and dashboards. While this group has been shrinking over the years due to acquisitions by BI or ERP vendors, it is now rebounding and is more robust than ever. Some vendors that had been overshadowed in the past, such as Longview and Clarity, are now coming into their own. In addition, some products developed outside of the U.S.

have recently been added to the mix as companies such as Tagetik and Carpio have entered the U.S. market. This group is also the home of some of the most successful vendors targeting the midmarket. Adaptive Planning, with its SaaS offerings, and Prophix are two leading choices in this segment.

In spite of all the consolidation, the vendor landscape continues to expand. This year, as in the past, several vendors appear in this guide for the first time. Newer vendors tend to be relatively small and innovative. To enter this established market, they focus on areas that are new and evolving or simply underserved. This is why most of these vendors fall into our "Specialized" category. Two examples this year are Whitebirch Software, focused on BPM from a portfolio management perspective, and MyDials, which delivers preconfigured operational dashboards.

ABOUT THIS GUIDE

Inclusion in this buyer's guide is based solely on research conducted by BPM Partners, a vendor-neutral consulting firm. This research includes reviews of published information and in-depth interviews with management at the major vendors, client organizations, and consulting firms. Unlike most buyer's guides, this listing is not vendor-sponsored, nor is it compiled from surveys completed by vendors. An online, searchable database version of this guide is available at *www.bpmpartners.com/vendor_search.shtml*.

What does all of this change and expansion mean to prospective purchasers? It means, "Proceed with caution."

The largest vendors have tremendous marketing budgets, but in spite of what they claim, they are not the best answer for every type of BPM adopter. Their robust, comprehensive, and proven solutions are also complex and costly. Watch out for solutions that are still not integrated. As vendors move forward with their product road maps, some older/redundant products are being discontinued. Make sure that you do not purchase one of these, and, if you already own one, minimize any further investment. Some of the newer vendors are hard to track down but worth the effort. They may be the best and most cost-effective fit for your requirements. The financial performance management suite vendors are a good place to look if you already have BI and ERP in place or are simply not interested in those areas right now. These solutions tend to work well with a wide variety of third-party systems.

As always, don't forget the fundamentals. Do your homework. Learn from those that have gone before and leverage their expertise. Put together a BPM road map. Develop detailed requirements. Use this guide to develop your short list of vendors that meet these requirements. Thoroughly evaluate these vendors to ultimately select the best solution for you.

This year, we have redesigned the guide to better help differentiate vendors. We have added columns to track the growing list of vendors offering SaaS solutions. Enhancing financial reporting has become an important starting point for many BPM projects (along with budgeting and dashboards), so we have added a column to track this capability. Strategic planning has been moving up the list of priorities for several years, so this year we have added a column for this as well. Our "Advanced" columns focus on profitability; governance, risk, and compliance; mobile delivery; XBRL; and hardware appliances.

A column that we have always offered takes on new importance this year. As companies in the U.S. and Canada start their transition to IFRS (International Financial Reporting Standards), a company-wide financial consolidation system becomes more critical. Our column in this area identifies vendors that truly deliver this functionality, as opposed to those that claim to but

only perform a simple add-up. We hope that you find this guide useful. If you have any comments or questions, please contact us at **services@bpmpartners.com**.

KEY TO BUYER'S GUIDE

Categories
Comprehensive: Vendors in this category offer a complete BPM suite coupled with business intelligence offerings and in several instances transactional systems as well.

Financial Performance Management: This category contains the vendors that are applications-focused and offer a BPM suite including budgeting, planning, reporting, and some consolidation and scorecard capabilities.

Specialized: These vendors provide the building blocks of a full BPM suite. They can be tools or applications vendors that focus almost exclusively on some aspects of performance management.

Financial Performance Management Capabilities
Budgeting: The product offers top-down and bottom-up budgeting, as well as planning and forecasting.

Modeling/Strategic Planning: The product has built-in functionality to develop and maintain models as well as create the strategic plan.

Dashboards: The vendor provides a graphical interface that can display a collection of key performance indicators (a scorecard) with gauges, stoplights, and charts. Dashboards may be graphical display tools or pre-built applications.

Reporting & Analytics: The product offers a robust report development tool for ad hoc queries as well as production reporting in addition to any prebuilt reports.

Financial Consolidation: The software sums data from multiple ledgers, incorporating currency conversion and intercompany eliminations as needed.

Advanced Performance Management Functionality
Operational Performance Management: The vendor offers a platform for operational analytics and/or delivers packaged applications focused on selected operational areas.

Advanced Financial Applications: The vendor provides any of the following — profitability analysis; governance, risk, and compliance management; tax provisioning; sustainability solutions.

Advanced Technology Adoption: The product supports any of the following technologies: 64-bit, mobile access, hardware appliance, and XBRL.

Market Profile
Vertical Market Solutions: The vendor offers industry-specific capabilities or content integrated in a software application. This functionality can be the vendor's sole focus, or it can be an addition to more generic offerings.

On-Demand Offering: The vendor offers a hosted/SaaS version of their product either as their primary solution or in addition to an on-premise version.

Large Reference Base: More than 100 clients are successfully using this vendor's BPM products.