



Introduction

Process  
Perspectives

BPM Projects  
& Methods

Rules &  
Processes  
Compared

Technology  
Approaches

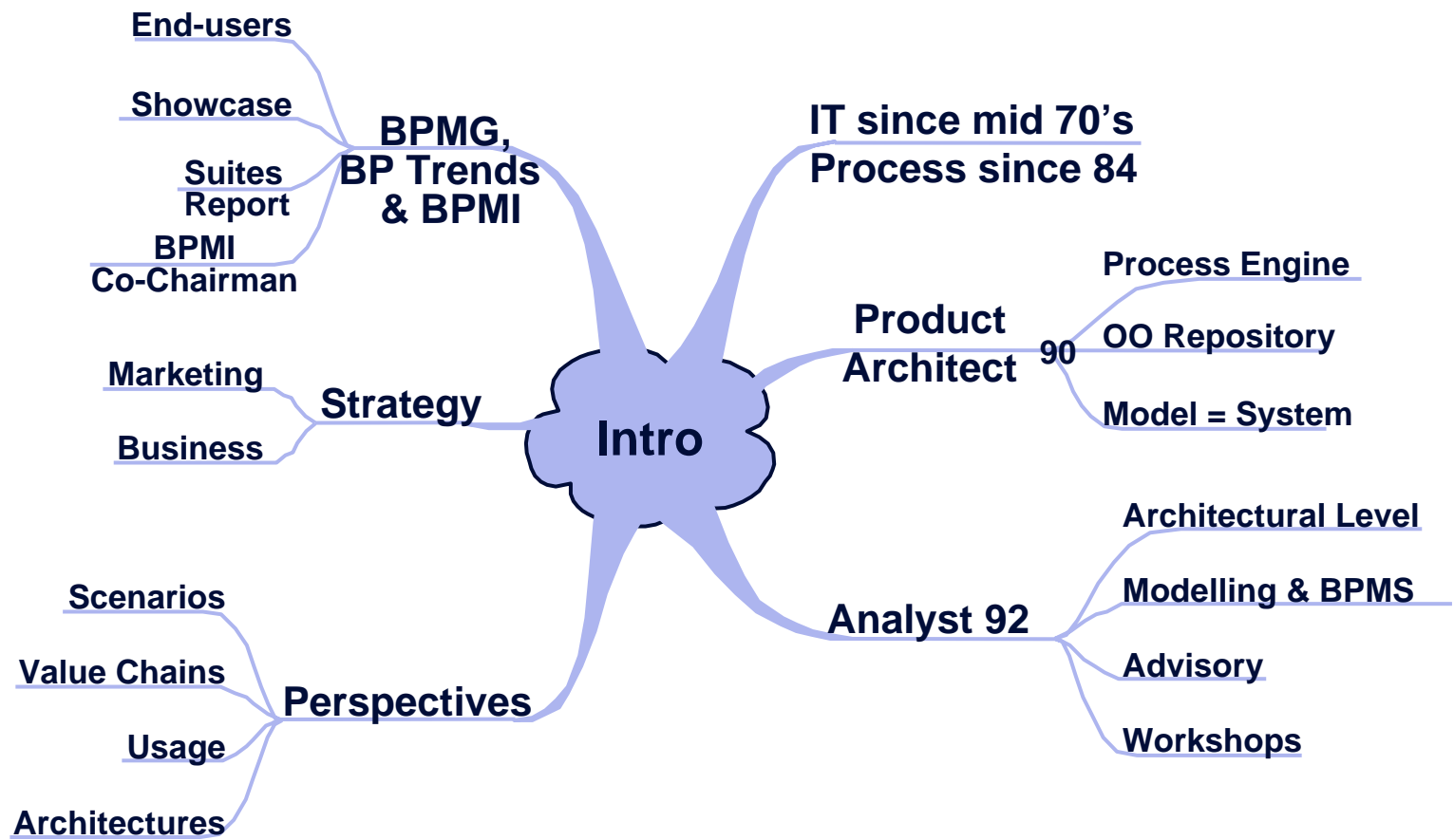
Summary

# *Business Rules Are From Mars Business Processes From Venus*

**Derek Miers**  
**Enix Consulting Limited**  
Tel: +44-20-8742 8500  
miers@enix.co.uk  
<http://www.enix.co.uk>

# Background

- Introduction
- Process Perspectives
- BPM Projects & Methods
- Rules & Processes Compared
- Technology Approaches
- Summary





# *BP Trends Suites Report*

- Introduction
- Process Perspectives
- BPM Projects & Methods
- Rules & Processes Compared
- Technology Approaches
- Summary

- Author of extensive evaluation of leading BPM environments
- Products Reviewed:
  - **Appian**
  - **Ascentn**
  - **B2BInternet**
  - **Chordiant**
  - **Clear Technology**
  - **CommerceQuest**
  - **eg Solutions**
  - **FileNet**
  - **Fuego**
  - **Graham Technology**
  - **HandySoft**
  - **IBM**
  - **Insession**
  - **M1 Global**
  - **Oracle**
  - **Pega**
  - **Singularity**
  - **TIBCO/Staffware**
  - **Ultimus**
- Categories Explored
  - Product Overview
  - BPM Engine
    - Platforms, Scalability, UI
  - Processing Modelling
    - Sub-Processes, Forms, Time, Shared Data Space
  - Business Rules
  - Integration
  - Organizational Structure
  - Adaptability
  - Process Lifecycle Mgt
  - Monitoring, Measurement & Management Info
  - Templates & Frameworks
  - Vendor
  - Cost
- Extensive Introduction
- Available at [www.bptrends.com](http://www.bptrends.com)



# *Declare Your Preconceptions!*

- Introduction
- Process Perspectives
- BPM Projects & Methods
- Rules & Processes Compared
- Technology Approaches
- Summary

- Business IT vs Split;
  - Vendors/End-Users
- Who has seen a process?
- Developing a new 'product or service'
  - What % of supporting systems are developed from scratch?
  - So why do we re-invent the wheel continuously?
- Who is preparing a BRMS/BPMS implementation now?



# BPM Objectives

Introduction

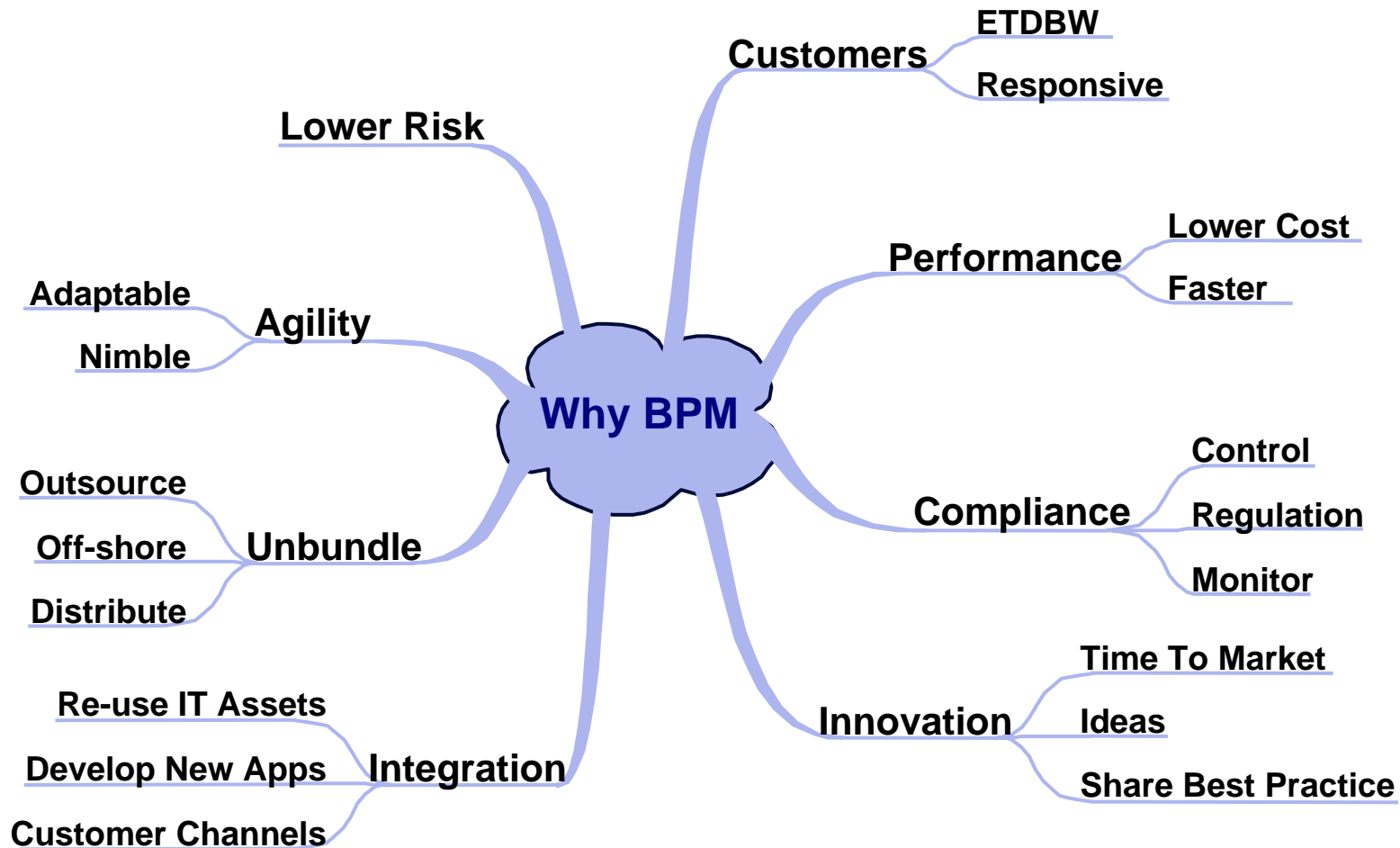
Process Perspectives

BPM Projects & Methods

Rules & Processes Compared

Technology Approaches

Summary



# *Simplistic View Of Processes*

Introduction

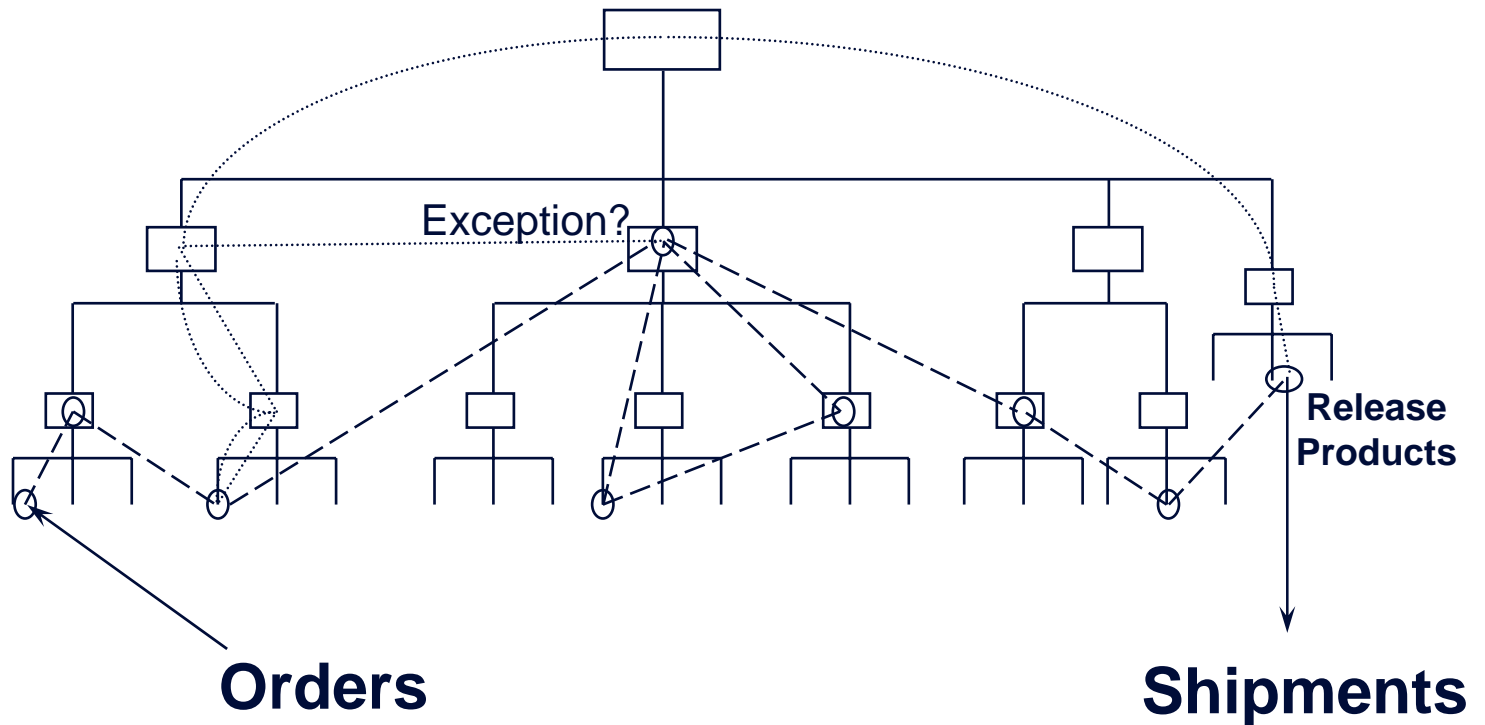
Process Perspectives

BPM Projects & Methods

Rules & Processes Compared

Technology Approaches

Summary



# *Processes Are Complex*

Introduction

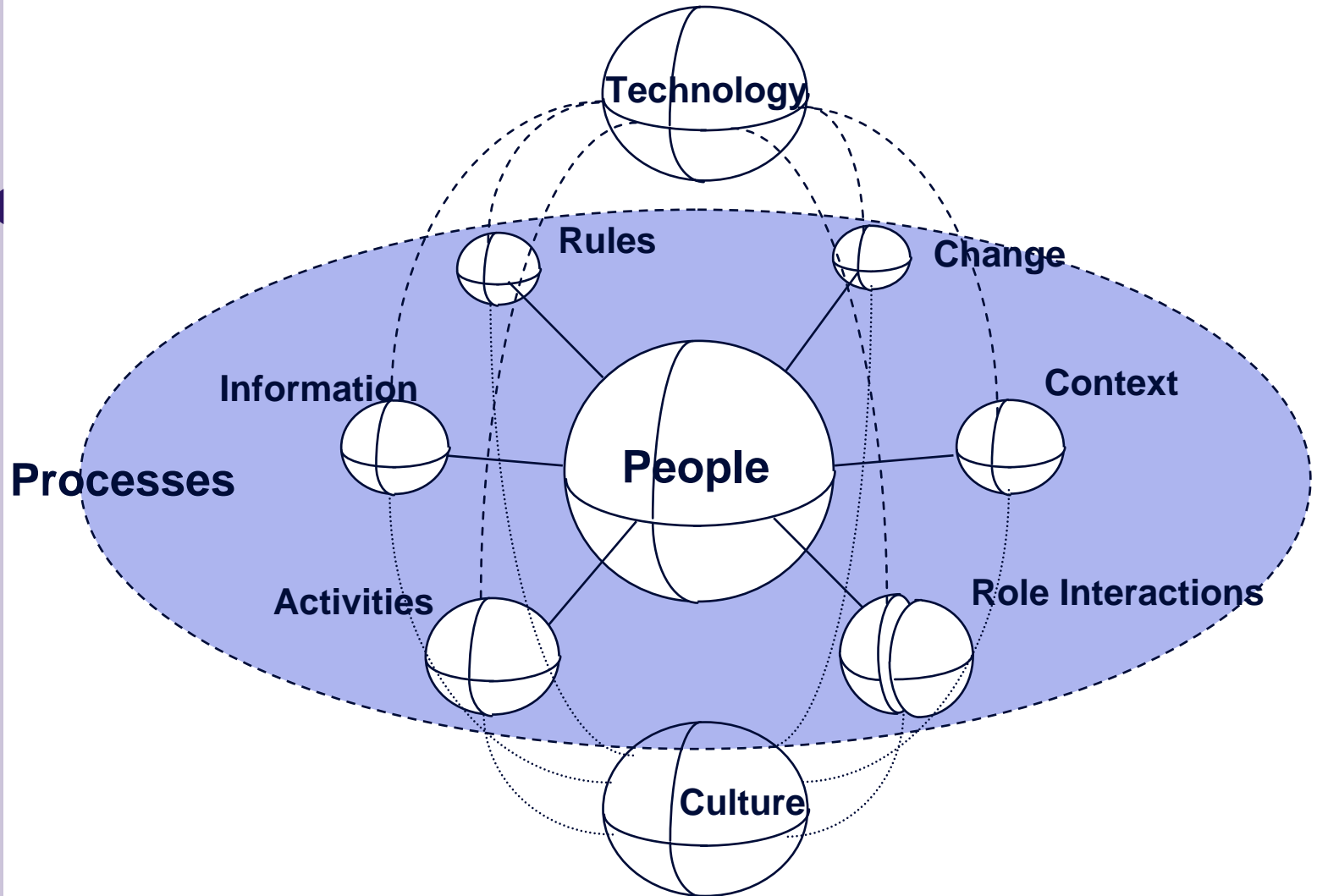
Process Perspectives

BPM Projects & Methods

Rules & Processes Compared

Technology Approaches

Summary



# Differing Interpretations

Introduction

Process Perspectives

BPM Projects & Methods

Rules & Processes Compared

Technology Approaches

Summary

Vision

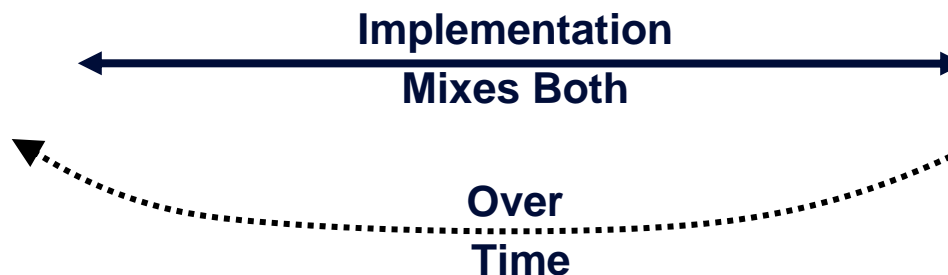


Look For A Path  
 Satisfying The Boss  
 Politics  
 The Status Quo

Derived From  
 Support  
 Satisfying Customers  
 The Value Proposition  
 Customer Relationships

Procedures  
 Speed  
 Quantity  
 Control

Practices  
 Goal Quality  
 Knowledge  
 Agility





# *Two Ends Of The Spectrum*

Introduction

Process Perspectives

BPM Projects & Methods

Rules & Processes Compared

Technology Approaches

Summary

## ➤ **Procedures**

- Predictability
- Process automation
- Standardisation
- Quantity
- Speed
- Controlling
- Imposed
- Inside-Out
  - Denominator focus

## ➤ **Practices**

- Knowledge
- Process awareness
- Flexibility, Creativity
- Quality
- Goal
- Guiding
- Evolving
- Outside-In
  - Numerator focus

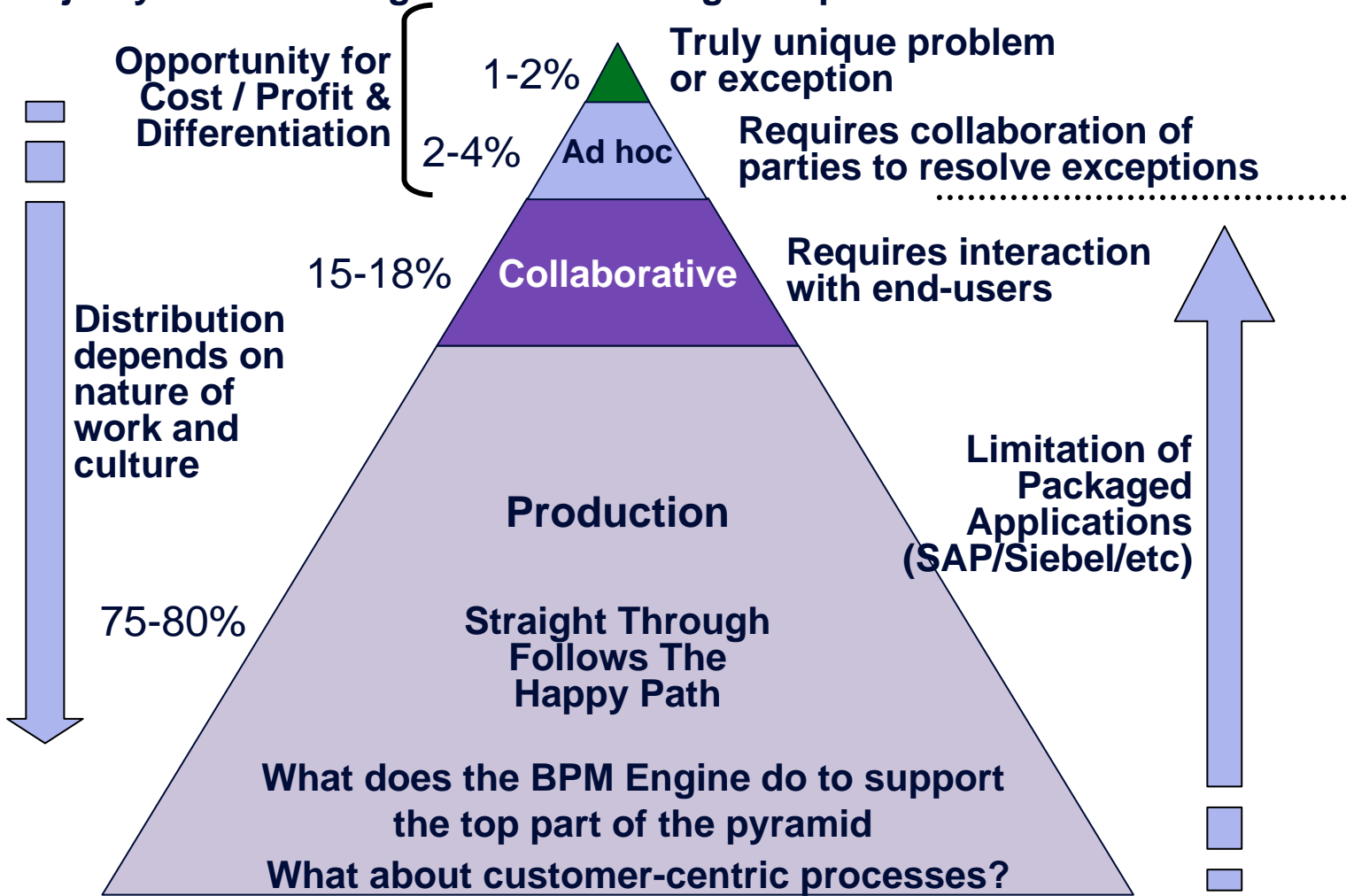
$$\text{Productivity} = \text{Value} / \text{Resources}$$



# Business Cases

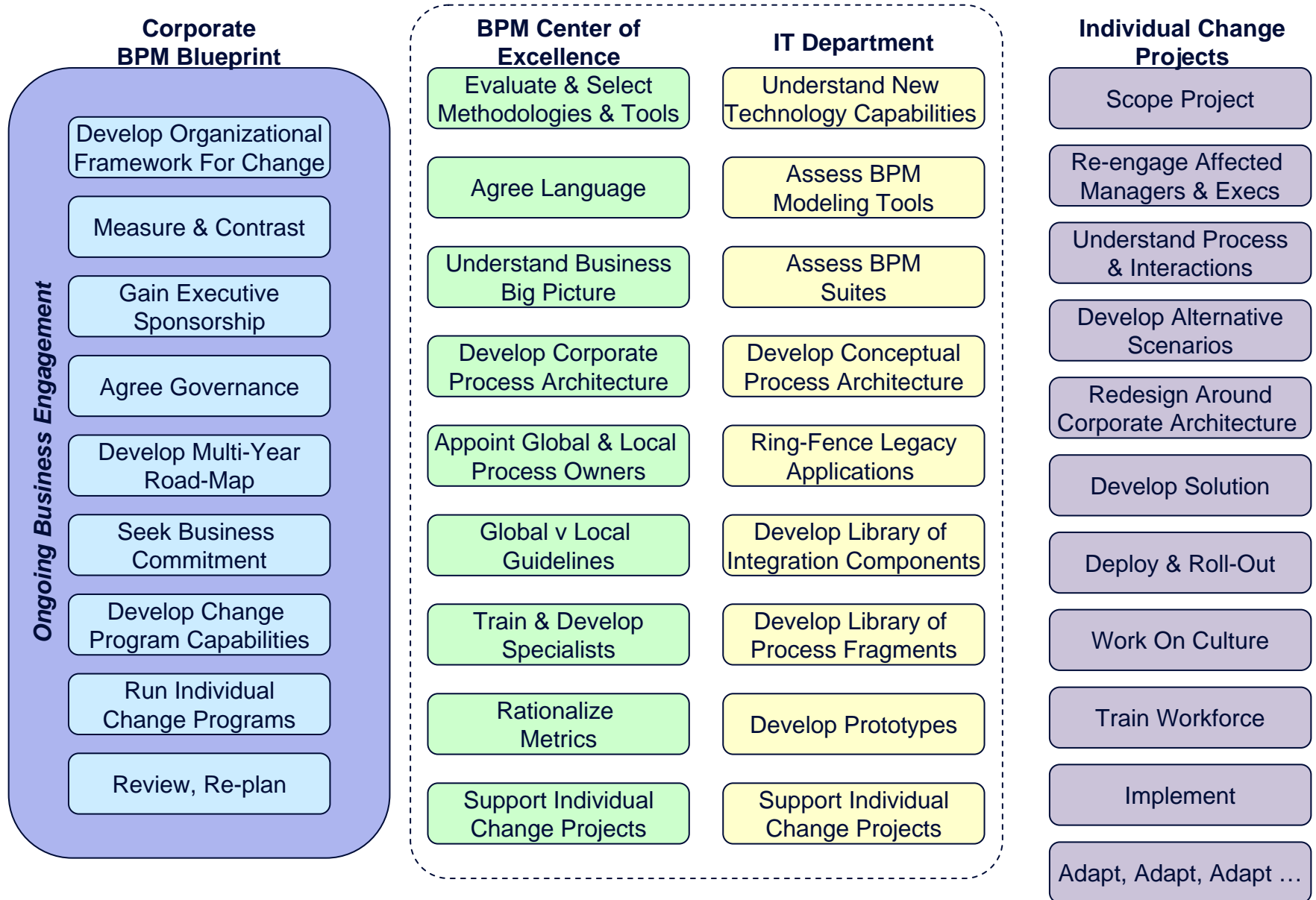
In a process driven production environment, large majority of real work goes into handling exceptions

- Introduction
- Process Perspectives
- BPM Projects & Methods
- Rules & Processes Compared
- Technology Approaches
- Summary



What are the implications for continuous process improvement and change?

# A Broad Range Of Tasks





# BPM Project Methodology

Introduction

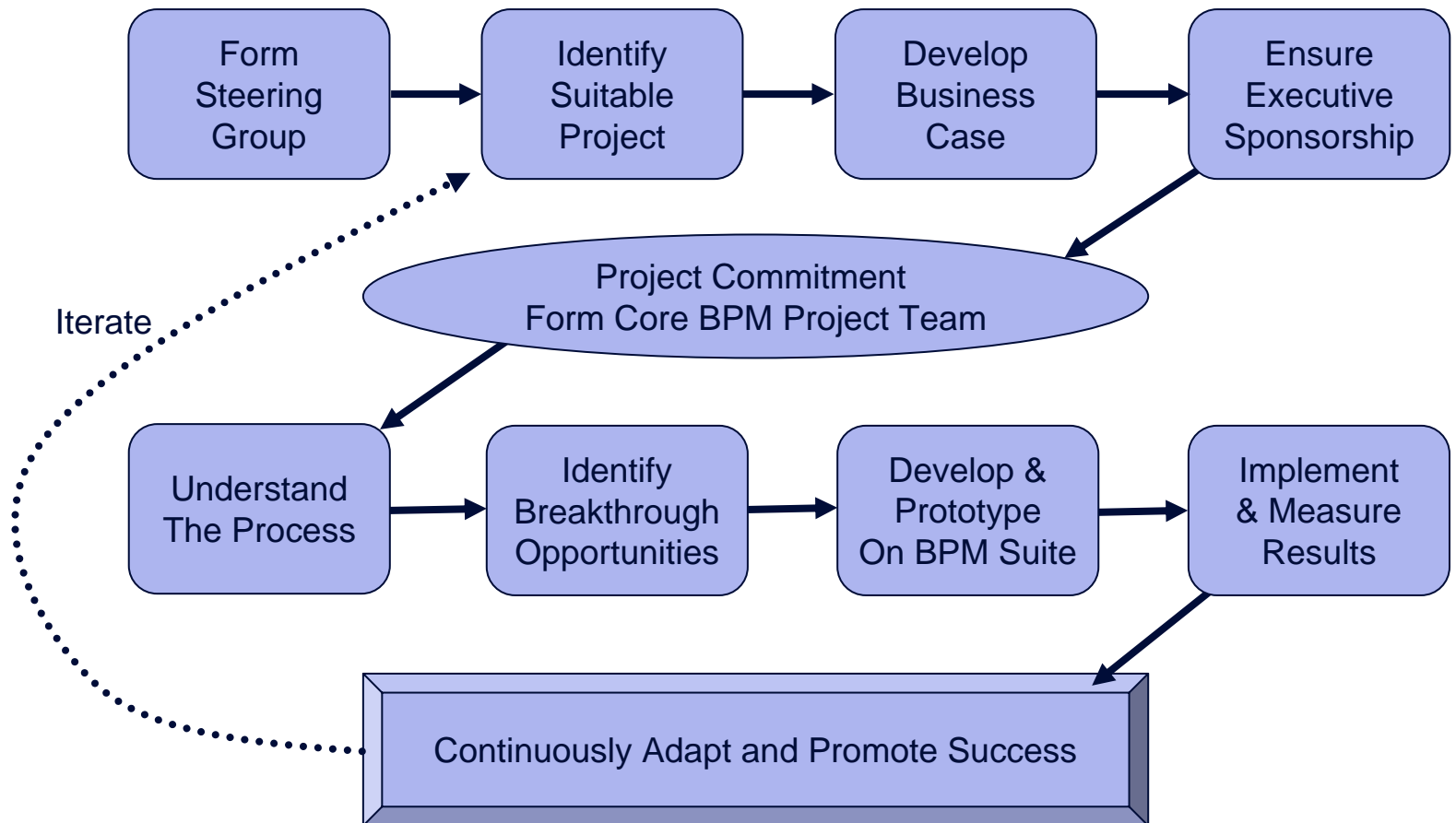
Process Perspectives

BPM Projects & Methods

Rules & Processes Compared

Technology Approaches

Summary





# Development Methodology

Introduction

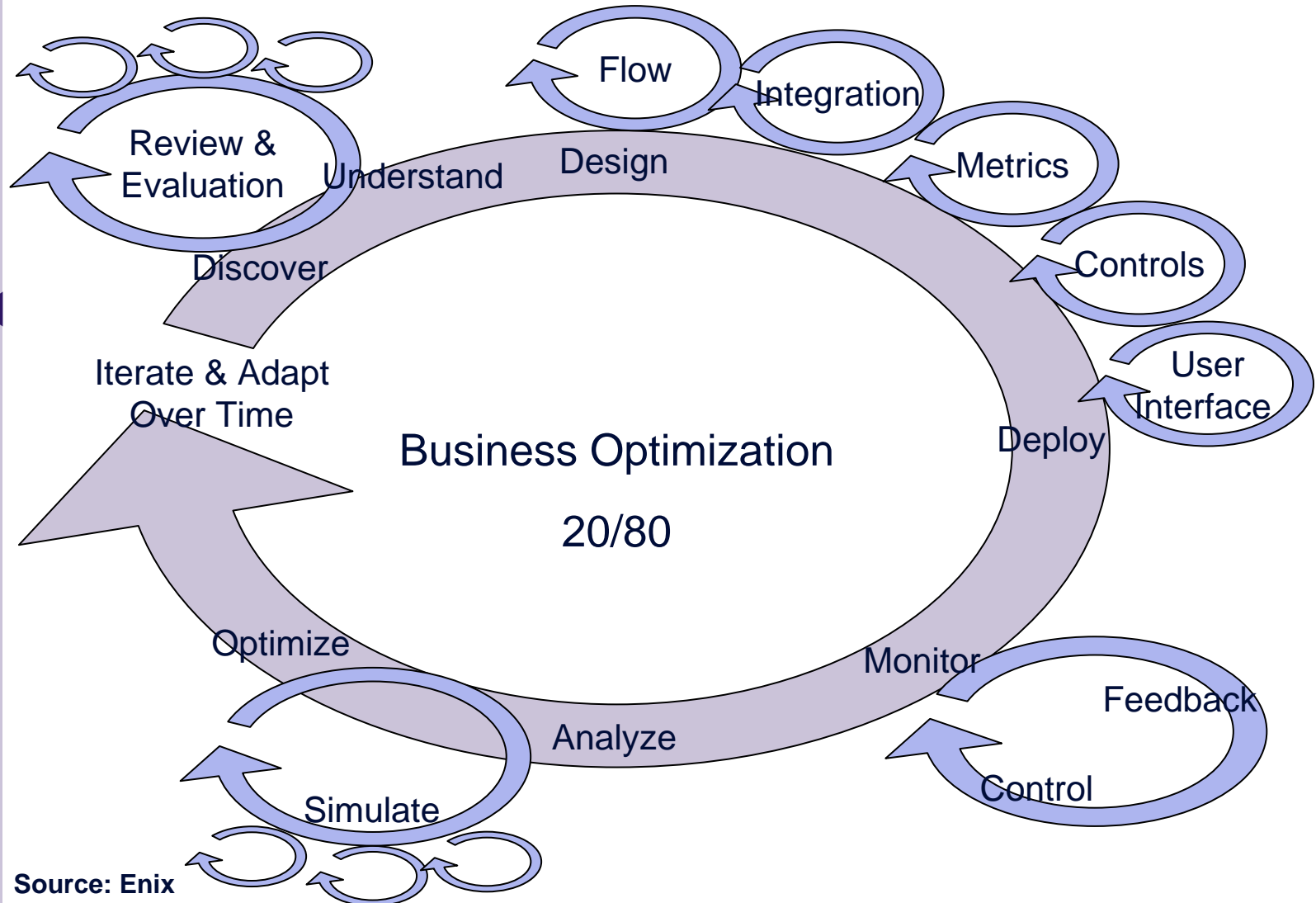
Process Perspectives

BPM Projects & Methods

Rules & Processes Compared

Technology Approaches

Summary





# *Think Big - Start Small, Iterate*

Introduction

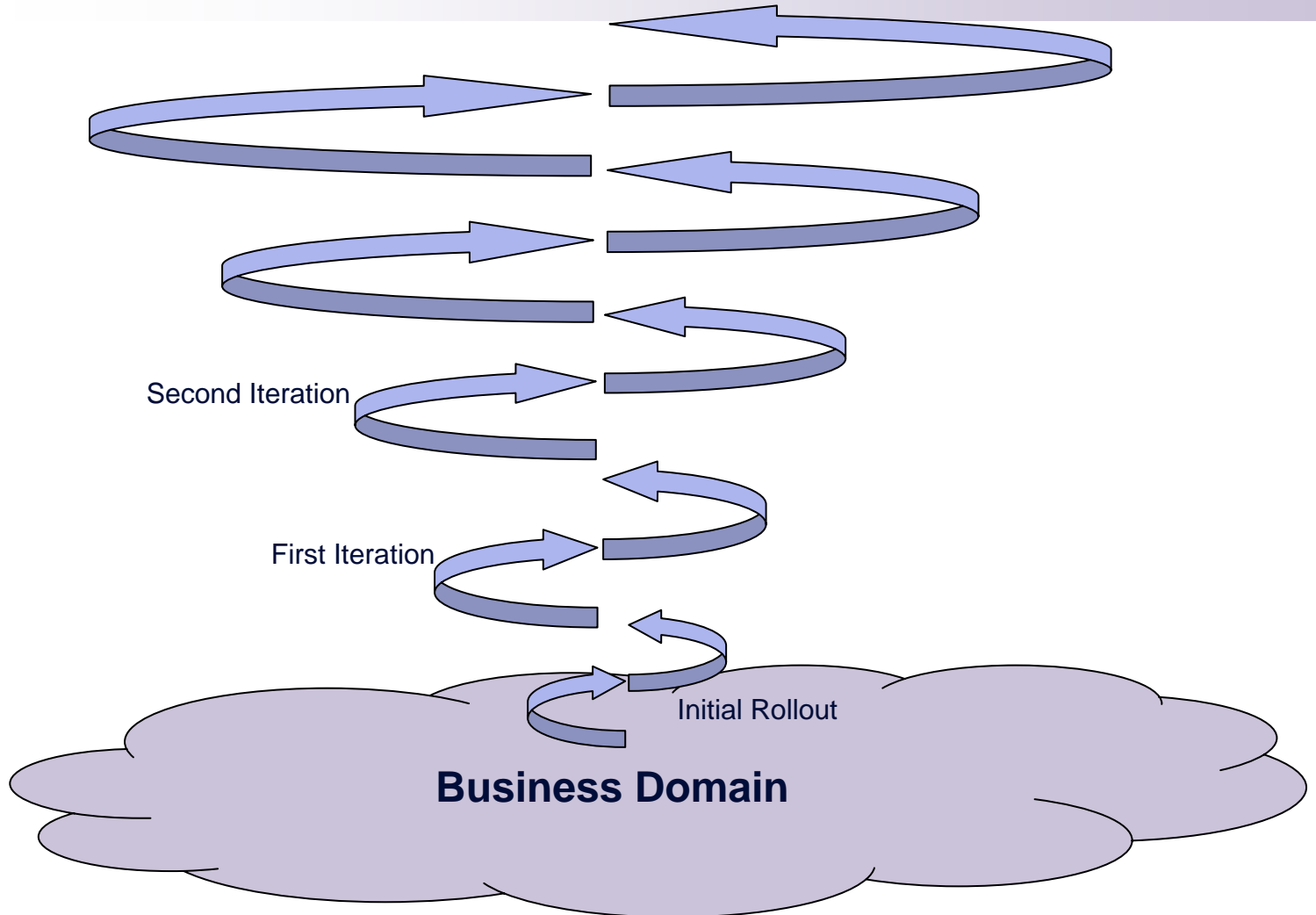
Process Perspectives

BPM Projects & Methods

Rules & Processes Compared

Technology Approaches

Summary





# *Application Solution Frameworks*

**Introduction**

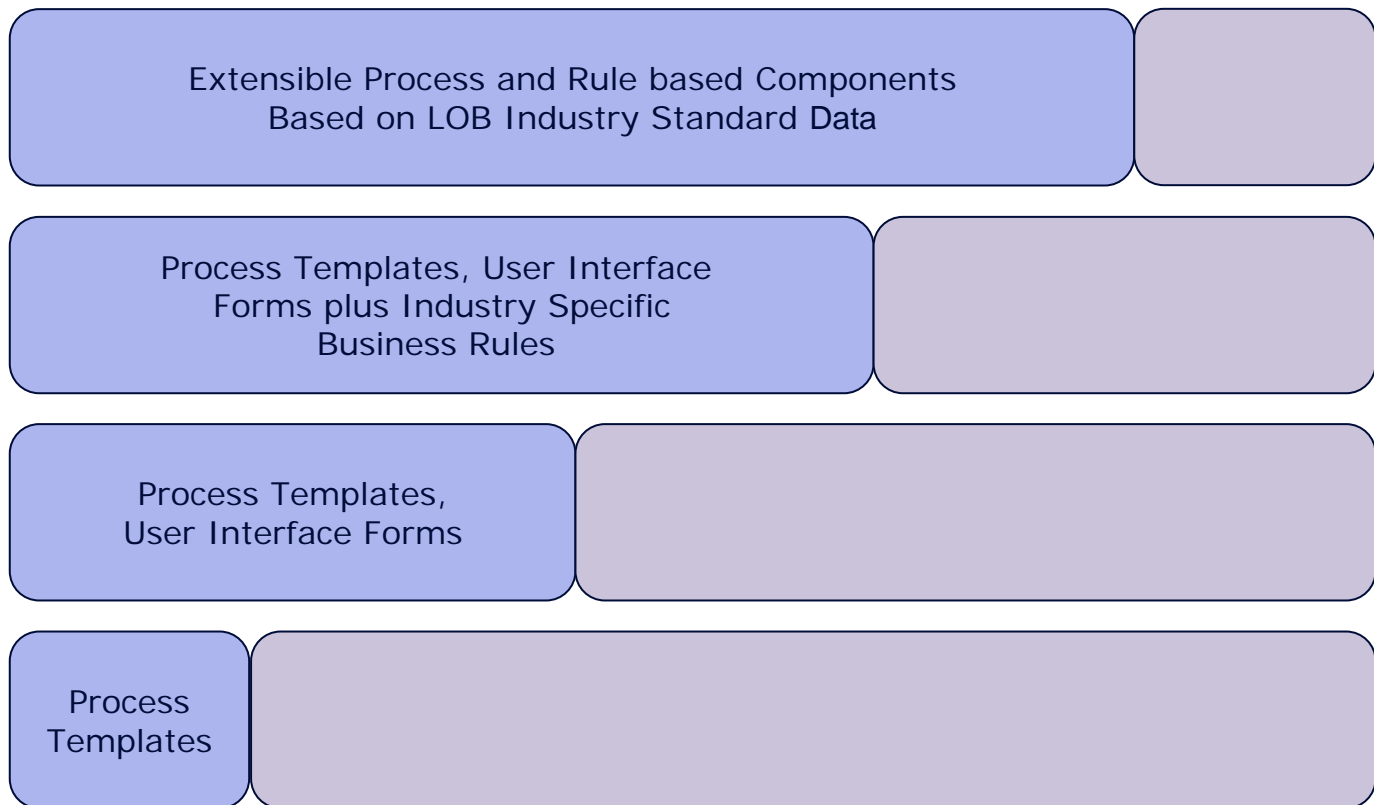
**Process Perspectives**

**BPM Projects & Methods**

**Rules & Processes Compared**

**Technology Approaches**

**Summary**



Out-of-the-box functionality delivered



Additional effort required to create a robust usable application



# *Business Rules Are From Mars Business Processes From Venus*

Introduction

Process  
Perspectives

BPM Projects  
& Methods

Rules &  
Processes  
Compared

Technology  
Approaches

Summary

- Business rules and business processes are tightly intertwined
  - Is one a superset of the other?
- Business Rules
  - Assumption: BRs used in software development, giving greater flexibility, adaptability and lower costs, etc.
  - Initiatives seem to be bifurcated
    - Ontological – Enterprise wide initiatives to tie down the language
    - Inferencing – supporting specific decisions
  - Both approaches struggle with graphical representation
    - Decision Trees/Tables are most common
  - Lower degree of business buy-in, yet to “Cross the Chasm”
- Business Processes
  - Better business understanding of the role and value of processes
    - The “how work gets done around here” aspect
  - Assumption: process models are developed then executed by an engine, driving work around the business, process models re-used
    - See business rules as related to how decisions are made
  - Vocabulary equates to “process relevant data” (Shared Data Space)
  - Crossing the chasm right now

# *Two Sides Of The Same Coin*

Introduction

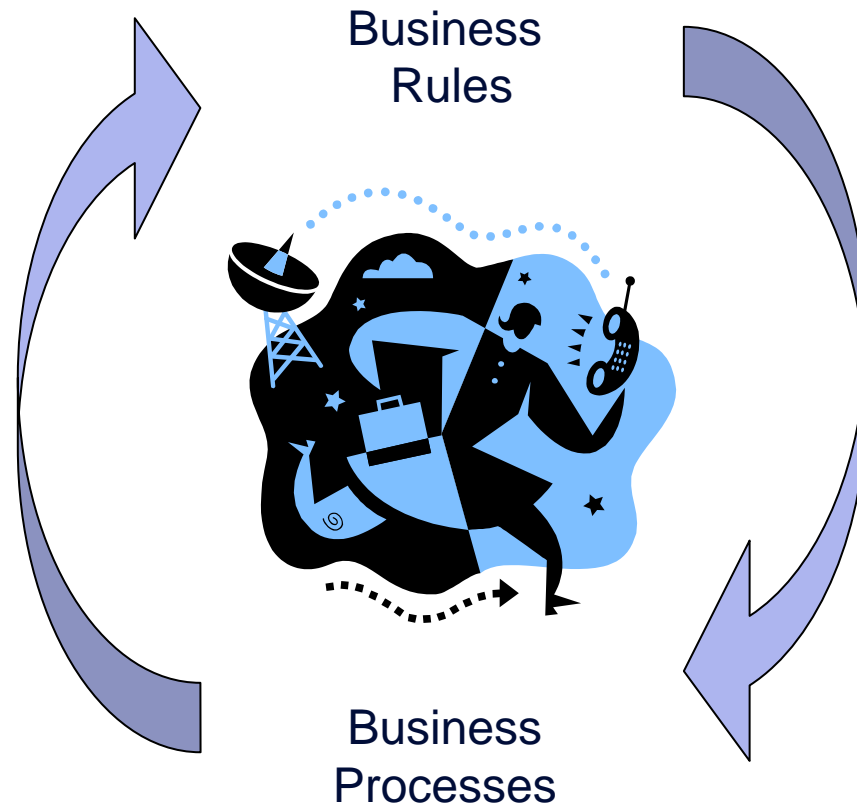
Process Perspectives

BPM Projects & Methods

Rules & Processes Compared

Technology Approaches

Summary



Process implement Rules. But a Rule only makes sense if it is interpreted in the context of the decision making within a Process.



# *Business Rules & Processes*

Introduction

Process  
Perspectives

BPM Projects  
& Methods

Rules &  
Processes  
Compared

Technology  
Approaches

Summary

- Both approaches aim to enable effective management and business change without having to recode systems
  - Separate from application code and accessible to change
  - Shared by multiple applications
- In the context of
  - Policies, Standards, Responsibilities & Authorities
  - Procedures & Practices
- Abstract notions, problems of semantics and dialect
  - Processes tend to have a wider “business level” usage
- At all levels of the organisation
  - Continually changing
- Reflecting the goals and constraints
  - Of the organisation, or action
- Modelling the essentials of the domain
  - Handles abstraction
  - Allowing people to communicate

# *Contrasting Definitions*

Introduction

Process  
Perspectives

BPM Projects  
& Methods

Rules &  
Processes  
Compared

Technology  
Approaches

Summary

- Processes
  - A sequence of activities performed on one or more inputs to deliver an output
  - A collection of business activities that create value for a customer
  - A number of roles collaborating and interacting to achieve a goal
  - An organised collection of business behaviours that satisfies a defined business purpose, performing according to specified targets
  - Systematic set of activities which take a 'business event' to a successful outcome
  - The way things get done around here
- Rules
  - ... a compact statement about an aspect of a business expressed in terms that can be directly related to the business, using simple, unambiguous language that's accessible to all interested parties: business owner, business analyst, technical architect, and so on
  - A set of conditions that control a business event
  - Components that implement decision-making logic



# Melding Rules & Processes

## Introduction

## Process Perspectives

## BPM Projects & Methods

## Rules & Processes Compared

## Technology Approaches

## Summary

- Simplification
  - Single sales process handles 60 different products across 30 different operating companies
- Rapid System Development
  - 38% less time to build, deploy and test - 58% less time to change the completed application
  - Support the development process
- Controlled Evolution
  - Deploy specialized versions (or updates) of process and rule enabled applications
  - Champion-Challenger & Toyota Production System
- Granularity
  - Resolving the correct process and rule set based on the context of the case in hand
  - Micro-market segmentation (even down to individual customers).
- Proactive Customer Engagement
  - Guide CSRs with context-specific advice
- Exception Handling
  - Building blocks for better customer service
- Multi-Channel Relationships
  - Consistent customer experience
- Compliance
  - Capture the context of decisions (rule version with process & case specific data)
- Speed of Response
  - Build scenarios up front and deploy instantly
- Analytics
  - Invoking appropriate Action, SLAs, Monitoring & Escalation

# *Fundamentally Different Technological Approaches*

Introduction

Process  
Perspectives

BPM Projects  
& Methods

Rules &  
Processes  
Compared

Technology  
Approaches

Summary

- Standalone BPMS (No Rules)
  - Extremely complex process models to handle decisions
- Standalone BRE (No BPMS)
  - Applications handle all of the process
- Loose Coupling (BPMS & BRE)
  - Issues with synchronization of two contextual object models
  - Breaks encapsulation of services
  - As decisions get more complex
- Extended BPMS to incorporate BRE
  - Shared object model
  - Usually limited to decision making (some advanced routing)
- BPMS, BRE & Extensible Object Model
  - Entire environment is specialized and integrated



# *Rules, Processes & Sophisticated Object Model*

Introduction

Process Perspectives

BPM Projects & Methods

Rules & Processes Compared

Technology Approaches

Summary

- Context-Specific Components
- Delegated Development
- Dynamic User Interface
- Integrated Event Management
- Automatic Backward Chaining
- Integration (especially SOA with SLAs etc)
- Extensibility

# Rules & Processes Summary

**Introduction**



















































**Process Perspectives**

**BPM Projects & Methods**

**Rules & Processes Compared**

**Technology Approaches**

**Summary**

Aspect	BPMS	BRE	Loosely Coupled BPMS+BRE	BRE Extended BPMS	Rules Driven BPMS
Process Simplification					
Speed of Response					
Analytics					
Rapid Development					
Controlled Evolution					
Granularity					
Proactive Customer Engagement					
Exception Handling					
Multi-Channel Relationships					
Compliance					



# Rules & Processes Summary

Introduction

Process Perspectives

BPM Projects & Methods

Rules & Processes Compared

Technology Approaches

Summary

Aspect	BPMS	BRE	Loosely Coupled BPMS+BRE	BRE Extended BPMS	Rules Driven BPMS
Context Specific Components					
Delegated Development					
Dynamic UI					
Integrated Event Mgt					
Backward Chaining					
Dynamic Integration					
Extensibility					

# BPM Roadmap

Introduction

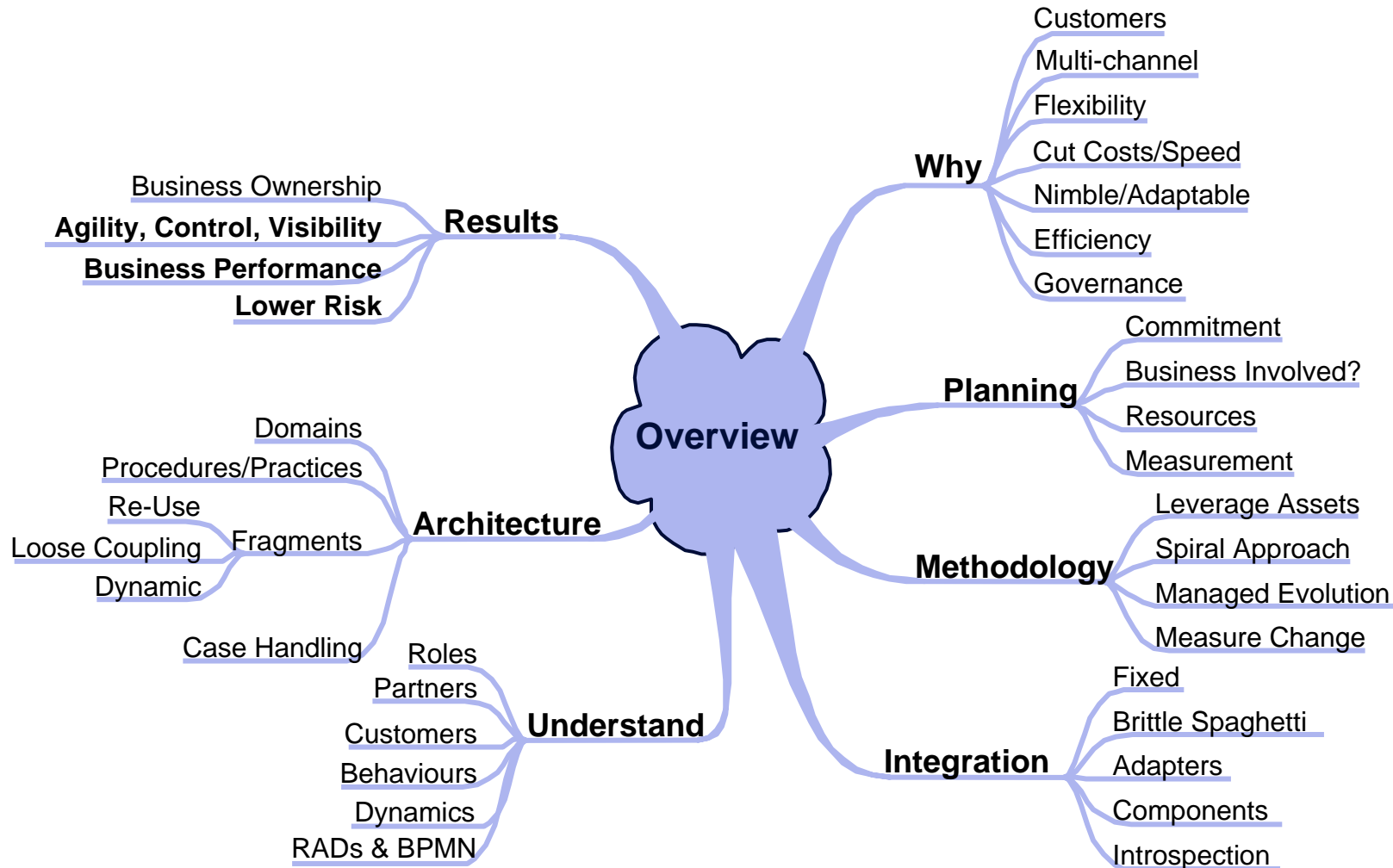
Process Perspectives

BPM Projects & Methods

Rules & Processes Compared

Technology Approaches

Summary



# References

Introduction

Process Perspectives

BPM Projects & Methods

Rules & Processes Compared

Technology Approaches

Summary

- **Role Activity Diagrams**
  - I made several references to Role Activity Diagrams and developing effective Process Architectures. The key reference is Martyn Ould's latest book - [Business Process Management: A Rigorous Approach](#)
- **Recent Enix Papers (in reverse chronological order)**
  - [Getting Past The First BPM Project \(Developing A Repeatable BPM Capability\)](#)
    - Research and best practices on iterating around the BPM improvement
  - [The Keys To BPM Success](#)
    - Detailed BPM Project Guidelines, best practices for success, pitfalls to avoid
  - [Business Rules are from Mars & Processes from Venus](#)
    - Assessment of alternative approaches to rules and processes, contrasting what is possible with each
  - [BPM Driving Business Performance](#)
    - Discusses how BPM is primarily a management philosophy, with supporting capability from the technology side, how together these aspects can be used to drive business performance
  - [BPM Suites Report](#)
    - Extensive review of major BPM Suites, includes exhaustive introduction on issues related to product selection
  - [BPM – Too Much BP not Enough M](#)
    - Explores the issues associated with the management of business processes in major businesses
  - [BPM Primer](#)
    - A shorter summary of some of the issues covered in The Split Personality of BPM
  - [The Split Personality of BPM](#)
    - Explores the link between Business Strategy , BPM Technology and Process Architectures, highlighting the need for, and difficulty in achieving both procedural 'control' and business 'agility'. Exhaustive discussion on Procedures & Practices
- **Other Recent Transformation Oriented Papers**
  - [Deep Change – How Operational Innovation Can Transform Your Company](#) Michael Hammer - HBR April 2004
  - [Fixing Health Care from the Inside, Today](#) Steven J. Spear – HBR Sept 05
  - [Leading a Supply Chain Turnaround](#) Reuben E Sloan – HBR October 2004 (good example of major change projects affecting the whole company although more oriented toward supply chain initiatives).
  - [Designing IT for Business](#) Laartz, Monnoyer & Schergin - McKinsey Quarterly #3, 2003 (on SOA)
- **Other Books**
  - Although not strictly BPM related, this set cover innovation and strategy which have a fundamental impact on processes and the way they are implemented. All come with a 5 star recommendation.
  - [The Innovator's Solution: Creating and Sustaining Successful Growth](#), Clayton Christensen, (2004)
  - [Customer Intimacy](#), Wiersema, 0-00-638839-6
  - [New Organizational Wealth: Managing and Measuring Intangible Assets](#), Sveiby, 1-57674-014-0
  - [Competing on the Edge: Strategy as Structured Chaos](#), Brown & Eisenhard, 0-97584-754-4