Podcast Transcript:
The Power of Use Cases: How the BPM Resources on SCN are Helping SAP Users
A BPX Community Podcast with Ruks Omar of the BPM Go To Market for SAP
Hosted by Jon Reed of JonERP.com
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Jon Reed: Welcome to this BPX Community podcast. I'm your host, Jon Reed of JonERP.com. Joining me today is Ruks Omar, who supports the Go To Market strategies for BPM for SAP. We're here to talk about the developments in the SAP/BPM world and also how BPM is moving from theory to practice in actual SAP/BPM projects that are documented on the BPM use case wiki. Ruks is also going to tell us more about what we might expect to see at SAPPHIRE with BPM, and a new book on BPM is coming out as well.

First of all, we all hear a lot about BPM, but opinion seems really divided as to whether BPM is relevant in a downturn or maybe it's a luxury that you wait to invest in when the economy is better. Ruks, what's your take on the relevance or BPM to SAP users right now?

Ruks Omar: Firstly, we haven't seen BPM suffer from the downturn; in fact, we've seen it gain momentum with almost 100 customers signing up. The reason why BPM is especially attractive to customers is because it gives them a more cost effective way of creating flexible processes with SAP back end applications. I'll give you some numbers: the product became available in SAPPHIRE last year, and with more than 100 customers who have licensed the product, over 25 partners are actively working and selling BPM projects. One-third of those are involving service partners, so it's not just licensed users, but also servers.

Our pipeline is really looking very good, and more and more customers' RFP's are stating BPM as a requirement. The most exciting thing for me was participating in the community on the BPM topic around the Process Design Slam. I don't know if you are aware that when Marilyn Pratt first thought of this opportunity, it was more a sustainability topic, but very soon the community itself voted by spending more and more time on BPM, BPM tools, and BPM methods. So it became a BPM Process Design Slam rather than a sustainability Process Design Slam.

When I look at what analysts are saying, I am also seeing that BPM is becoming an opportunity for businesses to redefine their models for survival. Instead of trying to hang onto their existing market shares, they are really thinking innovatively; BPM principals help them do that.

Reed: Ruks, when we talk about BPM in an SAP context, what exactly are we referring to? Is it a methodology, a governance structure, a focus on the NetWeaver BPM tool, or all of the above?

Omar: From a technology perspective, as people know, it enables the creation of differentiating all high value processes. But I would just like to highlight that SAP applications should be viewed as "prepackaged BPM," delivering support for your standard processes. Is it only a technology? No, of course not. It is also a methodology, it is a governance; it's not process just from a design or an execution perspective but a full lifecycle. It's a technology, but the technology is just one part of it. How and when I use the technology becomes very relevant, and we will get to that later on when we talk about the use case wiki.

We are also doing a certification program because BPM is a new mindset and a new way of doing things. Gearing up is so important, hence the BPM certification program. We are also driving a lot of innovation with the University Alliance, and the certification programs have also been launched into the SAP University Alliance program.

Last, but most importantly, is the BPM community. More and more of our customers want to know what their peers are doing. They don't just want to listen to marketing messages. They want to know from real customers how and when they are using BPM. To answer your question, it's all of the above.

Reed: Looking ahead to SAPPHIRE 2010, I want to know what you expect to hear about BPM there. Are we going to hear BPM as a key theme or more of a subtext, and why or why not?

Omar: BPM is definitely a key theme at SAPPHIRE, and you will hear the term "process orchestration" a lot. We have gotten great references this year regarding BPM, and if somebody's really interested in coming to SAPPHIRE and learning BPM, what can they expect is a high-impact newscast-type presentation and discussion. It's not about the features and functions. Of course that's important, but it's more important that we get attendees at SAPPHIRE to experience the projects, the results, and the impact to their business.

We will also be launching a BPM starter kit for consultants. At SAPPHIRE there's also the ASUG part of it, so we are also going to see great presentations on methodology, technology and governance. BPM will definitely be a hot topic at SAPPHIRE.

Reed: Right on the heels of the BPM roadmap book, SAP's Adam Rosenberger coming out with a new book in June called, "Applying Real-World BPM in an SAP Environment." What's the purpose behind this new book?

Omar: As the title suggests, it's about how to apply BPM within the context of an SAP environment. This is becoming a recurring theme: giving guidance of when and how to implement BPM in all aspects of an SAP-centric environment is important. Explaining how BPM and standard software work together, how to prepare for the BPM project, how to put technology, methodology, governance and the philosophy behind it in action. Most importantly - and this is the work that I'm doing as part of the book - is providing a comprehensive compilation of use cases from earlier data. Taking that journey with

customers, such as Siemens, Coca-Cola and Unilever, just to name a few, and showing the lessons learned. How did they start with their projects? What did they do in terms of their "as is" process? What did they design in terms of their "to be" process? How did they implement the BPM solution and what results did they achieve?

I'm very excited about that because I think this will give customers who are still asking, "Should I or shouldn't I?" a lot more comfort that this is not something too new, but this is proven and our customers are already doing it.

Reed: Let's say I'm an SAP Community Network member and I want to learn more about BPM in an SAP context. What kinds of BPM resources are going to be available to me on SCN?

Omar: I just did a search on BPM this morning and found over 11,000 forums, 600 blogs, 500 articles, 200 wikis, 90 e-learnings and 16 partner solutions. My first reaction was that this was really overwhelming, and they cover all the different perspectives, not just the technology. But I would recommend to somebody who doesn't understand what BPM is and is struggling with the term "process management," since it's such an overloaded term, that the first step is to read the "BPM Taxonomy Whitepaper." This was not just an SAP paper, but it was done in combination with our partner Accenture.

Then, look at the SAP/BPM technology topic, which is giving you the features and functions of NetWeaver BPM. There are also some samples. We have a repository, the Enterprise Service Workplace available, and then we have a deployment of BPM, simple samples on top of that. So without a lot of investment and installing our software, you can experience and call real SAP back-end applications and see it running.

And what I'm most excited about is the BPM use case wiki that we have been working on together and interviewing all of our early adopters and partners. Its actually quite impressive: we have more than 20 use cases in over 10 industries, so I'm sure whatever industry and whatever business problem there is, there might be some clues for customers and community members to see where and how to use BPM.

Also, the ASUG methodology has been adapted by Ann Rosenberg on the BPM and SOA and value methodology. There's a whole BPX certification wiki. There's also BPM and BPMN, which is a hot topic right now; there's a whole e-learning series. There is BPM and Google Wave if you want to get exciting insight into what SAP research is doing not just about the product, but where the products are going. I don't know if you've seen that, but Marilyn Pratt did research on this and saw that the blogs talking about Google Wave are really receiving a lot of hits, almost 39,000.

Last but not least, if you're an SAP Partner, there is a whole program to help you in terms of how to get started, what custom processes and business process templates you can have, and we plan to bring out process template certification for partners. So whether you're someone who is looking to understand BPM and get started or are someone who

knows BPM and wants to learn how to apply it or you are a partner in this business area, then this is the place to be.

Reed: Let's talk a little more about the BPM use case wiki. I had a chance to spend some time on it this week, and I was really impressed. In fact, I put it out on my Twitter feed this morning with some links. Not only did I see some cross industry examples, but I saw a range of industries from the public sector to retail to aerospace and defense to professional services, and these are actual use cases that folks have posted. I wanted to ask if you could share with our listeners an example of a BPM use case from the wiki.

Omar: The one that is really becoming quite relevant is reviewing decisions and tracking approvals on new product launches. This is relevant not only to consumer products, but also automotive and high tech, just to name a few industries. The reason why this is so applicable and where BPM can really add value is that within the new product launch process - or as some people might call it, the continuous product and service innovation process - there is a best practice called "phase gate management."

Every time a product gets launched, key decisions regarding moving the project from one stage gate or phase gate to another phase gate requires budget and certain activities that need to take place. Typically, these activities depend on whether the product is just new packaging for Valentine's Day, Christmas or Easter, for example, or if it is really a fundamental change in terms of the product: we're bringing out a brand new green tea shampoo and we need to test the market for that. That would require a lot more investment and market focus research, etc.

The activities that need to be performed between the phase gates are very varied and very fuzzy. Typically there are lots of emails that go between to make these happen, and lots of calls, lots of meetings, etc. This is where BPM can really add value; this is what we highlight. We have had this with customers, both in the US and in the UK and in Europe, really investing in this using BPM technology. And even though we have a solution on this for the back-end applications, we are still finding that BPM can add real value. Why we talk about BPM within the context of SAP applications is that it's not that BPM replaces the applications, but BPM is really extending the processes within the applications, making them more efficient, more productive and increasing the visibility. Does that help a little bit?

Reed: Definitely. Are other users able to potentially contribute, submit their own use cases and build on what you have? What kind of feedback are you getting so far?

Omar: The feedback we're getting so far is that, first, people weren't aware that these are the different varieties of use cases we're seeing. We're also seeing a lot of patents, for example, and master data management is also becoming another recurring theme. The process for master data governance has been on creating new customers or a new product that I need to seek approval for, and ensure the cleanness of the data as the single source of truth. This is really starting to resonate that it's not just necessarily just the master data governance problem, but it's also that BPM can be applied to the solution.

Really, this use case wiki is just a start, and I really encourage the community to look at it and give us feedback and help us improve the quality and, most importantly, drive the cases. The more cases we have, the better it is. I would like to see this be the go-to place where people can see if someone has done it before so they don't have to start from scratch, leveraging learning and going to market faster.

Reed: That's quite a lot of resources for folks to explore as we look ahead to the next quarter, are there more plans in BPM content that we should be looking out for?

Omar: We're going to be making a concerted effort focusing five key industries we've picked: utilities, retail, government, high tech and consumer products. So you can expect to see a lot more use cases around that; I just had a conversation with retail and found six more that I can add. We expect to see a lot more customer videos and business transformation studies, really showing the value, the quantifiable benefits.
We are also going to be launching a process template certification. As you see a lot of the time, if I have a process template, I would like to be able to leverage it and reuse it, and the ability to have something that's certified is certainly valuable.
Gravity is another thing that came out of research, the idea to bring that to the community. Also on the methodology side, there are plans to bring business add-ons for things such as process scanning. So we have BPM strategy, BPM governance - there is going to be a lot of material coming out on SDN in the next quarter.

Reed: As we wrap up our podcast today, are there any misconceptions or lingering confusion around BPM that you'd like to clear up now or perhaps a couple of key points you want to emphasize to our listeners?

Omar: The two misconceptions: SOA is still misunderstood in terms of being a requirement for BPM or not. I would say SOA is not a requirement for BPM; however, if I do SOA, then my BPM projects scale so much better as I decouple the underlying technical infrastructure from my process.

The second misconception is that people think they can do everything with BPM. BPM is certainly not there to replace traditional application tools and packages; however, I like to position BPM to enable organizations to focus on the process layer. It's about orchestrating the business logic within the existing applications and packages.
What I'd like to emphasize is the importance of the business process notation standard. This certainly will improve business in IT alignment and also reduce the chance of confusion in terms of nothing lost in translation because the process that business uses is the process that IT runs.

Another important thing around Business Process Management is the concept of rules: rules can create simpler, action-oriented and more flexible processes. If I don't have rules, what tends to happen is that within the BPM process you'll see a lot of decision points that really typically belong in a rule, and you start to get a lot more complicated processes. So if customers are seeing complicated processes, chances are that's an application for rules.

Another thing I'd like to highlight for those that are new to BPM is that BPM is based on a management discipline, and it's an IT-enabled management discipline, which is very important to understand.

Last but not least, I've talked a lot about technology, but it's not just about technology. It's also knowing when and how to use BPM. That's important, and that's exactly what a communities like SAP's are designed for: to support SAP customers, to share with their peers exactly what lessons are learned, how they are applying BPM and when to use it.

Reed: Ruks, thank you for giving us this inside look at BPM resources on SCN and how BPM is evolving at SAP, but also for all the contributions you're making to that community. I'm hearing some really good things, and being able to share customer stories and get customers involved in actual use cases are really exciting developments, so congratulations and thanks for your work on that.

Omar: Thank you, and don't forget to tell the community to participate because without them, we wouldn't be here.

Reed: Absolutely. Before we sign off, I do want to make sure that our listeners know how to access the BPM area on SCN. If you're logged into the BPX Community, you'll see the BPM section of the site in the left-hand navigation menu. If you're not yet registered with SAP's online communities, you can register with the SAP Developer Network, the Business Objects Community and the SAP/BPX Community all at the same time.
On that note, I'd like to thank our listeners for joining us today for this BPX Community podcast. This is Jon Reed of JonERP.com signing off. We'll see you online soon at bpx.sap.com.