Unlock the Value of Your Enterprise Apps with Smart Process Apps

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Smart Process Apps Provide New Tools For Taming Untamed Collaborative Business Processes

Andrew Bartels, VP and Principal Analyst

April 10, 2013
Business runs on processes

» *Business process*: a collection of related, structured activities or tasks that produce a specific service or product (serve a particular goal) for a particular customer or customers

» Wikipedia
Every business consists of a mix of transactional and collaborative processes

- Order to cash
- Source to pay
- Hire to compensate
- Product input to output
- Prospect to sale
- Account set up
- Vendor contracting
- New product development
- Research and development
- Talent development
- Strategic planning
- Client case resolution
- Marketing campaigns
The last generation of application software focused on automating transactional processes.

- Order to cash
- Source to pay
- Hire to compensate
- Product input to output
- Prospect to sale

**Strategic planning**
- Vendor contracting
- Research and development

**Talent development**
- New product development
- Talent development

**Client case resolution**
- Account set up
- Client case resolution

**Marketing campaigns**
- Strategic planning
- Marketing campaigns

**FM**

**SRM**

**HRM**

**MRM**

**CRM**
And did so with costs for a large company that ran into the millions of dollars per application.
With these transactional processes tamed, it is time to turn to untamed collaborative processes.
Collaborative processes come in many flavors, depending on number of people involved and how structured and predictable the work is.

<table>
<thead>
<tr>
<th></th>
<th>Many people</th>
<th>Few people</th>
</tr>
</thead>
</table>
| **More structured**    | **Projects:**
|                        | • Consulting projects  
|                        | • IT projects  
|                        | • Sales proposals  
|                        | • Strategic plans  
| **Less structured**    | **Operations or campaigns:**
|                        | • Hospital operating rooms  
|                        | • Fire departments  
|                        | • Marketing campaigns  
| **Cases:**             | • Social work  
|                        | • Legal work  
|                        | • Doctors/dentists  
|                        | • Credit collections  
| **Service delivery:**  | • Utility service calls  
|                        | • Equipment installations  
|                        | • Classroom education  |
Smart process apps are designed for processes with moderate to high human involvement and collaboration.

### Transactional process apps vs. Smart process apps

<table>
<thead>
<tr>
<th>None</th>
<th>Level of human involvement</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Straight-through process</td>
<td>Case activity</td>
<td>Project activity</td>
</tr>
<tr>
<td>Exception-handling process</td>
<td>Service activity</td>
<td>Operations activity</td>
</tr>
<tr>
<td>Input or output process</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hand-off process</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Level of human involvement

- None
- High

#### Smart process apps

<table>
<thead>
<tr>
<th>Activity</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Case activity</td>
<td>Talent management</td>
</tr>
<tr>
<td>Service activity</td>
<td>Customer service</td>
</tr>
<tr>
<td>Project activity</td>
<td>Project portfolio management</td>
</tr>
<tr>
<td>Operations activity</td>
<td>Fire services operations</td>
</tr>
</tbody>
</table>

#### Transactional process apps

<table>
<thead>
<tr>
<th>Process</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchasing</td>
<td>E-mail response management</td>
</tr>
<tr>
<td>Order management</td>
<td>Core financial management</td>
</tr>
<tr>
<td>Invoice automation</td>
<td>Sales force automation</td>
</tr>
<tr>
<td>Payroll</td>
<td>Benefits</td>
</tr>
<tr>
<td>Vendor-managed inventory</td>
<td>eProcurement</td>
</tr>
</tbody>
</table>

#### Field service management

- Client onboarding
- Claims processing
- Contract lifecycle management
- Supplier risk and performance management
- Field service management
- Contract lifecycle management

#### Customer service

- Field service management
- Claims processing
- Supplier risk and performance management
- Field service management
- Claims processing
- Supplier risk and performance management

#### Project portfolio management

- Field service management
- Claims processing
- Supplier risk and performance management
- Field service management
- Claims processing
- Supplier risk and performance management

#### Fire services operations

- Field service management
- Claims processing
- Supplier risk and performance management
- Field service management
- Claims processing
- Supplier risk and performance management

#### Police operations

- Field service management
- Claims processing
- Supplier risk and performance management
- Field service management
- Claims processing
- Supplier risk and performance management
Smart process apps are systems of collaboration

Systems of engagement

Systems of collaboration

Systems of record
Smart process apps improve collaborative processes with awareness, analysis, business process management, content, and collaboration.

August 2012 “Smart Process Applications Fill A Big Business Gap”
Why sales force automation differs from talent management

› Sales force automation lets salespeople record their sales contacts and update client information, and let managers and others see client information and sales activity

› SFA mostly provides input and output of data, with limited collaboration

› Talent management lets employees record their job performance, and managers review that performance

› But, talent management also provides a platform with workflow and analytics for employee and manager to collaborate on performance assessment, and managers to collaborate on identifying high performers
Some twenty Smart process apps already exist

- Contract lifecycle management
- Services procurement
- Spend analysis
- Supplier risk and performance management
- Revenue and pricing management
- Field service management
- Enterprise marketing management
- Customer service and support management
- Social media platforms
- Governance, risk & compliance
- Recruitment management
- Employee performance management
- Learning management systems
- Advanced inventory optimization
- Advanced supply chain planning & scheduling
- Demand forecasting and planning
- Sales and operations planning
- Supply chain event management
- Supply chain intelligence
- Closed loop lifecycle management
- Budgeting and planning
- Project portfolio management
Smart process apps are growing rapidly

Existing process apps revenue forecast by product, 2010 to 2015
(US$ billions)

- Budgeting and planning
- Project portfolio management
- Closed loop lifecycle management
- Supply chain intelligence
- Supply chain event management
- Sales and operations planning
- Demand forecasting and planning
- Advanced supply chain planning & scheduling
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- Governance, risk & compliance
- Social media platforms
- Customer service and support management
- Enterprise marketing management
- Field service management
- Revenue and pricing management
- Supplier risk and performance management
- Spend analysis
- Services procurement
- Contract life-cycle management

* Forrester forecast

August 2012 “Smart Process Applications Fill A Big Business Gap”
Polling Question 1

Could your organization benefit from Smart Apps?

A. Yes
B. Maybe – need more information
C. Already using
D. Planning to use
E. No
BPM suites underpin as well as bridge the gap between transactional apps and smart process apps.

**BPM Suites support and connect both kinds of apps, becoming the bridge between these software markets.**
BPM suites provide platforms for firms to build their own Smart process apps

Source: Forrester Research, Inc.

August 2012 “Smart Process Applications Fill A Big Business Gap”
Dynamic case management (DCM) is a more advanced version of BPM for case-based processes.
New vertically-oriented smart process apps are emerging based on these BPM/DCM platforms.

- **Government**
  - Freedom of information
  - Permitting and client proposals
  - Patent examination
  - Forensics management
  - Recovery audit contractor

- **Financial services**
  - Onboarding
  - Loan origination
  - Customer inquiry response
  - Pitch book and proposals
  - Trade settlement

- **Government**
  - Permitting
  - Benefits administration
  - Social welfare benefits applications
  - Disability claims
  - Aging and disability services
  - Immigration applications

- **Healthcare**
  - Payer care management
  - Health payer claims
  - Patient medical records
  - Provider care management

- **Government**
  - Homeland security
  - Disaster relief
  - Police and fire
  - Vocational rehabilitation
  - Complaint management

- **Manufacturing**
  - Product change requests
  - Quality management
  - Adverse-event reports
  - Order-exception management
  - Product recalls
  - Asset management documentation

Source: Forrester Research, Inc.

August 2012 “Smart Process Applications Fill A Big Business Gap”
Firms have three options with the custom smart process apps that they build on BPM/DCM

1. Keep them for themselves
   - Makes sense if what they build is unique to them and provides competitive advantage

2. Give or sell them back to the BPM/DCM vendor
   - Right course if the apps are not differentiating and useful but not highly valuable

3. Sell them commercially
   - Do this if the app addresses a common industry need
   - Structure a royalty-sharing arrangement with a BPM or app vendor
   - Create your own software development and sales unit
Where to go next

› Cast a wider net to address other collaborative activities

› Figure out what to do with the smart process apps you create

› Understand that tools for addressing project or campaign-based collaborative activities are still emerging
Thank you

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April 10, 2013
We are a software company with a mission…

We help our customers to **improve** their **business operations** with world-class, **process-oriented** software which allows them to **change** and **innovate** the way they do business with **greater speed** and **flexibility**.
Add Agility to IT and Accelerate Time-to-Value

Business Change Cycle:
- Business Strategy: 1-2 years
- Organizational Structure: 3-6 months

Interstage BOP Synchronizes Business & IT Change Cycles

Supporting Technology
- Software: 6-10 years
- IT Infrastructure: 6-10 years

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Interstage BOP Components

Interstage Business Operations Platform (BOP)

Composite Application Framework (CAF)
- Composite Application
- User Interfaces
- Task Management

Business Process Management Suite (BPMS)
- Business Process Management
- Case Management
- Rules Management
- Business Activity Monitoring

Service Oriented Architecture (SOA)
- Enterprise Service Bus
- Business Services
- Master Data Management

Smart Services Grid

Collaborative Workspace
A single platform, combining the world of Integration, Business Process Management, and Composite Application Development

Enables true business and IT collaboration via a single Collaborative Workspace

Support for any type of workflow including human-to-human workflows, system-to-system integration-type interactions and hybrid processes

Modern and open platform, built on a secure, highly available and scalable architecture

Designed to support multi-tenancy and cloud deployment – deploy an application development environment in a matter of hours
Interstage BOP’s ERP Agility Solution
– A Smart Process Apps Example

Rigid ERP

- ERP does what it does very well
- It is powerful, reliable, and gets the core business functions done
- But it isn’t the place to innovate to differentiate your business
- As you grow and evolve, you need to make changes happen quickly
- Your business has processes that span many business units, systems, countries and data
- ERP systems lack the agility to quickly change and innovate

ERP Agility Solution

- ERP Agility is a Fujitsu Interstage solution offering built on Interstage Business Operations Platform (BOP), which enables agile business innovation and collaboration for Enterprise Resource Planning systems.
- ERP Agility leverages the BOP’s pre-built connectors to enable process-driven integration, flexible customization involving ERP and multiple systems, and improved visibility across those data silos.
What Interstage BOP adds to ERP

- Out-of-the-box connectivity of your ERP to other systems, people and business processes
- Build multi-channel composite business applications above ERP
- Unlock business value by combining the ‘best of the cloud’ with your ERP system
- A single, integrated view of information including ERP
- Improved enterprise processes and business operations beyond the boundaries of ERP
- Collaboration beyond ERP across the supply chain
Polling Question 2

Are you leveraging ERP or other Enterprise Apps with Smart Apps in your organization:

A. Yes, doing it already
B. Planning to do it in next 6 months
C. Planning to do it in the next 12 months
D. Evaluating for the future
E. No plans
Key BOP Features Enabling Smart Process Apps

- Composite Applications
- Dynamic Case Management
- Enterprise Scale SOA-based Integration
- Master Data Management
- On-Premise and the Cloud
Key Features: Composite Applications

What is it?
- A way of building user interfaces to present processes, cases, applications, dashboards etc to users
- The capability for business users to self assemble or compose business mash-ups made up of internal and external information

What does it give you?
- High levels of productivity and speed for subject matter experts to create, share and publish relevant business applications
- Technology in the workplace that is as productive as the consumer IT people use outside work
- Disposable application that solves a problem but can be thrown away
- Mix and match structured data from internal systems (e.g. ERP) with external data (e.g. Google Maps)
- A rich way of participating in processes and giving the right information in one place to the right person (customer, employee, business manager)
Key Features: Dynamic Case Management

What is it?

- A typical process centric approach is suitable for task driven, structured and standardized functions of an organization.
- A case centric approach is suitable for case and knowledge driven, unstructured and collaborative functions that need to capture the experience and expertise of subject matter experts.

What does it give you?

- Collaboration and high speed change for dynamic, ad-hoc, unstructured operations but with high productivity, efficiency and governance.
- Better decision support without constraints whilst retaining flexibility and control.
- Fully integrated cases with the data, systems & documents for an actionable single view of case across the enterprise.
- Automation of what makes sense to reduce the workload for “commodity” processes.

Dynamic Case Management is particularly suitable for:

- Investigative case applications
  - Fraud, Legal, Regulatory compliance
- Service request case applications
  - Customer service, Underwriting, Claims
- Incident management case applications
  - Exception management, Healthcare, Complaint management

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Key Features: Enterprise Scale SOA-based Integration

What is it?

- A full integration capability built around an Enterprise Service Bus delivering Service Orientated Architecture
- The Interstage BOP has a SOA grid at its foundation to deliver connectivity, advanced integration and business services to support organization wide, mission critical BPM

What does it give you?

- A single URL for anything (a process, rule, UI, case, MDM etc)
- A way of ensuring enterprise wide business processes work seamlessly with the existing IT estate
- A robust, highly available, highly scalable framework allows non-stop execution of business processes
- Enables enterprises to adapt rapidly to changing business needs and substantially lowering the total cost of ownership
Key Features: Master Data Management

What is it?

- A real-time, single, uniform view of data regardless of source from across an organization giving a consistent context for the use of data everywhere within the organization
- Data stays where it is – this is not “rip and replace” but “leave and layer”. Integration to data is read & write, data is loosely coupled

What does it give you?

- A standards based, reusable single view of data available as a service
- Better, more complete information for your business processes for customer service, compliance, up-sell/cross-sell etc
- More intelligent decision making for key stakeholders
- Reduced complexity of data access, transformation, aggregation and integration behind a standard data service layer

Master Data Management is particularly suitable for:
- A single view of risk
- A single view of customer or employee
- A single view of product

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Key Features: On-Premise and the Cloud

- **What is it?**
  - Enterprise wide BPM in the cloud, on-premise or a hybrid mix of both
  - The Interstage platform can run in the public cloud, the private cloud, on-premise or hosted by a delivery partner. It is exactly the same platform.

- **What does it give you?**
  - Business processes spanning the people, applications and services regardless of where they are. A business process could orchestrate SAP, Siebel, Salesforce, Google, Azure etc
  - Choice of using the cloud, not using the cloud, moving to the cloud when it makes business sense
  - The best of both worlds – make use of innovative SaaS applications together with traditional applications and existing legacy
  - The option of being able to run your business processes as a service (BPaaS) but retain control of your differentiation and innovation

BPM in the cloud is particularly suitable for:
- Outsourcing, BPO and systems integrators
- Combining the best of SaaS with existing legacy
- Flexible charging models – e.g. subscriptions
Case Study 1: Extending The Enterprise

- Business processes typically span many systems, business units and the extended enterprise.

- ERP’s are usually not accessible outside the corporate network.

- BOP supports the extended enterprise by connecting suppliers, agents, customers and external experts to the SAP system with tailored fit-for-purpose business solutions.

- Customers have taken this approach to quickly build applications and portals, both on the supply, as well as the demand-side, focusing on ‘ease of use’ and speed of collaboration.
Case Study 2: Quickly Build New Applications / Functionality

- Build flexible, mobile, process-driven applications on top of SAP and other packaged applications such as CRM and HR solutions

- Involve internal stakeholders who do not use SAP for their day-to-day jobs in approval processes and collaboration
  - Cross organizational boundaries

- Create more mission critical applications
  - Eg CRM applications that are tailor made and tie multiple systems and data sources together
Case Study 3: Connect ERP To Business Critical Applications

- Unlock application and information silos
- Gain visibility, control, speed of change, innovation and flexibility
- Reduce costs, time-to-market, inefficiency and expensive ERP customizations
- Integrate, orchestrate and leverage a diversified SAP and IT landscape by bridging the gap between different systems
- Maximize business potential of the current and future IT infrastructure
- Develop robust and flexible integrations, leveraging the speed of development and re-use capabilities of the BOP
For more information visit us at http://www.fujitsu.com/interstage or email at interstage@us.fujitsu.com
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shaping tomorrow with you
Q&A Session

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