



# IPAS White Paper

## Executive Summary

It's taken some time, but business process management (BPM) technologies have made the transition to the cloud. In the same way the cloud has transformed the business case for general business applications, BPM in the cloud represents an opportunity for small and medium size organizations to de-risk their process improvement activities and access powerful process solutions that would have previously been denied to them.

This white paper discusses the business benefits of choosing a cloud enabled BPM platform and where BPM fits into the overall cloud architecture. In addition, it looks forward showing the deployment of BPM in the cloud as the first step of a journey that will eventually transform where and how business processes are delivered.

## **BPM in the Cloud – Creating the Business Case for Process Transformation**

### Introduction

Within an organization the cloud means different things to different people. For the CFO it's a means of removing one-time upfront costs, and for the COO it's an outsourcing opportunity. For the CIO, it's transforming IT resources into services and for the CTO it's an opportunity to enable new business models. For the CEO however it presents all of this as well as a strategic business opportunity to leapfrog competitors through the creation of a more agile and responsive organization.

Today we use the term "Cloud" and "SaaS" almost interchangeably. While incorrect, it's understandable how this has occurred. SaaS applications like Salesforce.com, Office 365 and Google Apps have been at the forefront of the march towards the cloud and have captured market attention making the term SaaS synonymous with the cloud.

SaaS is however only one of four primary cloud-based software delivery models; Infrastructure as a Service (IaaS), Platform as a Service (PaaS), Software as a Service (SaaS), and Business Process as a Service (BPaaS). This white paper focuses on BPM in the cloud and discusses where it sits in the overall cloud service architecture.

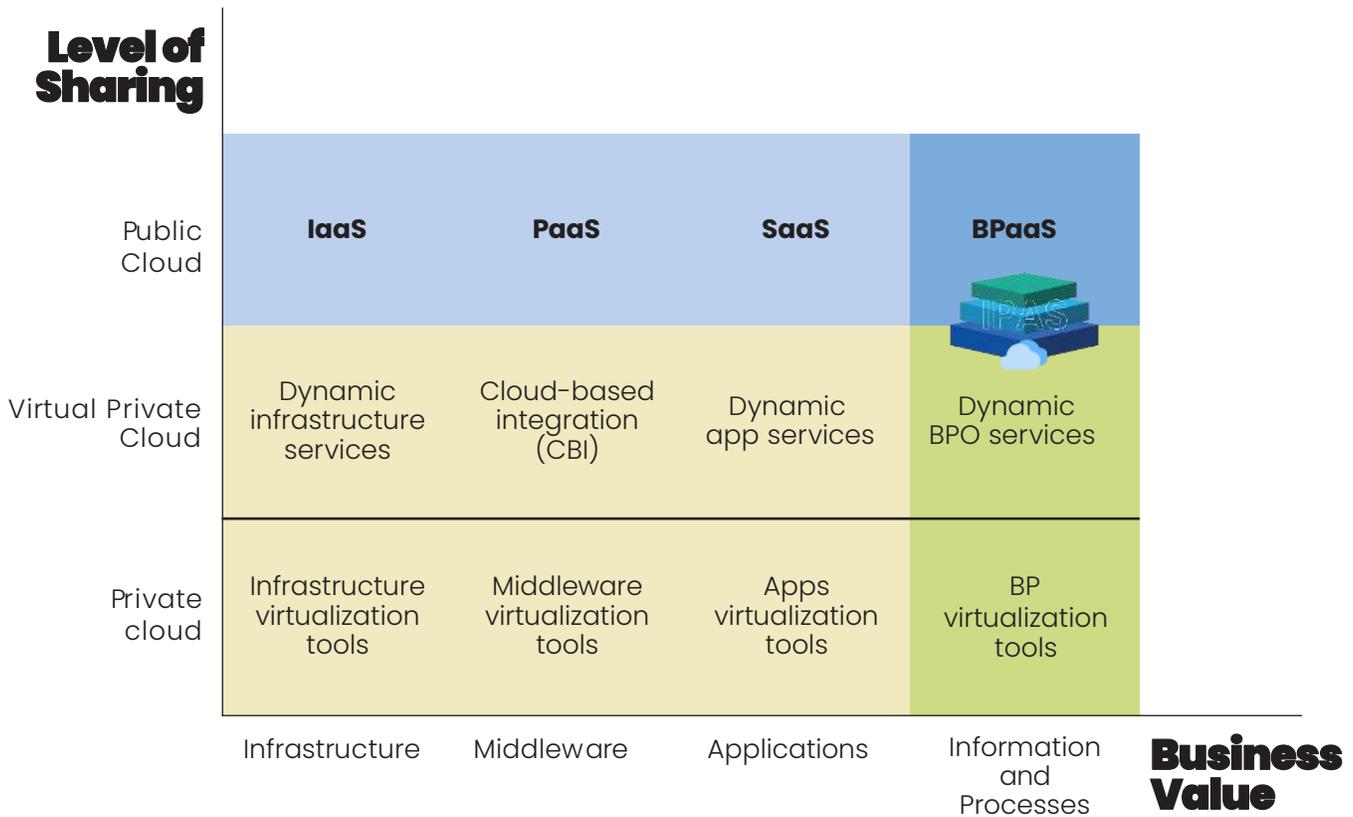
## BPM in the Cloud

BPM software in the cloud is often regarded to as a SaaS application: it is software delivered remotely, on demand, and via a ‘pay as you go model.’ More recently BPM is being regarded as a PaaS as it facilitates the creation and deployment of applications, in this case business process solutions.

BPM PaaS is the delivery of BPM technology as a service via a cloud service provider. When we refer to BPM in the cloud what we are really referring to is a combination of BPM PaaS and BPaaS (Business Process as a Service).

BPM PaaS is a complete pre-integrated BPM platform hosted in the cloud and delivered as a service, for the development and execution of general-purpose business processes and applications.

Figure 1 Forrester’s Cloud Computing Taxonomy



Source: Forrester Research, Inc.

**BPaaS** is similar to what we understand as SaaS but is focused on business processes rather than business applications. BPaaS is the distribution of highly standardized end-to-end business processes delivered like SaaS via a pay-per-use, self-service consumption model.



## The Business Benefits of the Cloud

The goal of cloud computing is to reduce upfront cost, on-going costs, and take complexity out of an application's lifecycle. The business benefits of moving IT applications to the cloud have been articulated at length elsewhere. In summary these benefits include:

- **Lowens Start-up Costs**  
Cloud services reduce the upfront costs for both IT infrastructure as well as software.
- **Capex to Opex**  
Cloud deployment replaces the risks associated with large capital investment with smoother predictable operational expenditure. Large one-off software upgrade costs are also eliminated.
- **Enables you to Stay Current**  
Cloud customers benefit from using the latest product version and can rapidly leverage new feature capabilities.
- **You Only Pay for What You Need**  
Rather than over or under engineering an on-premise business application, 'elastic scalability' ensures that customers only pay for the capacity they need when they need it.
- **Provides High Performance and Continuous Availability**  
Automatic load balancing and failover provide continuous availability.

Together these benefits combine to deliver a dynamic, responsive IT infrastructure that can be rapidly adjusted to meet the business objectives of the organization.

## The Business Benefits of Cloud BPM

As well as the general cloud benefits outlined previously, the deployment of BPM platforms and business processes in the cloud deliver the following additional business benefits:

- **Business Case Transformation**  
Low start off costs and the ability to only pay for what you need, with the reassurance of elasticity and scalability on demand, has the potential to transform the business case for BPM for many organizations. BPaaS takes this a step further giving SMEs the opportunity to access business process solutions and industry best practices that they would have been unable to develop in house.
- **Business Process Outsourcing (BPO)**  
BPM in the cloud also creates a BPO opportunity for organizations with, or needing, a specific area of process expertise. Organizations with specific domain expertise in for example financial services or healthcare can now not only deploy cloud-based process solutions within their own enterprises but rapidly enter the BPO market.
- **Rapid Prototyping and Try Before You Buy**  
The deployment of business process solutions is de-risked through the opportunity for clients to carry out rapid prototyping and testing of BPM solutions in the cloud. For organizations still developing their cloud strategy business process solutions can be incubated in the cloud before bringing on premise.



## Business Process Management Platform as a Service – BPM PaaS

BPM suites combine the disciplines for managing processes (ex: business rules, SLAs, data, resources) with the enabling technology to facilitate their design and delivery (ex: process modeling, process execution engine, connectivity and web forms). BPM platforms are today deployed globally to address the following common business challenges:

- Achieve continuous process improvement
- Deliver organizational transformation to achieve competitive advantage and differentiation
- Reduce the delivery cost associated with standardized and repetitive business processes
- Support the efficient delivery of non-standardized or unpredictable business processes
- Ensure compliance to industry regulations ex: SOX and HIPAA
- Reduce errors and improve exception handling
- Deliver improved visibility of operational performance down to an individual process and task level
- Deliver increased business agility through increased ability to respond to changing organizational and market conditions.

BPM PaaS is the delivery of BPM technology as a service via a cloud service provider. BPM PaaS will be used by many organizations to develop and execute their own in-house business processes. For multinationals it offers the ability to develop, for example, a customer service process or a sales process and roll it out rapidly and consistently across multiple jurisdictions.

## Business Process as a Service – BPaaS

Business Process Outsourcing organizations like Capita, Cognizant and Accenture have been delivering tailored and more standardized processes to clients for years. BPaaS represents an evolution of this trend of process outsourcing, with the market moving towards the industrialization of business processes and the delivery of high volume, automatically scalable, highly standardized on-demand processes.

The business benefits drawing organizations to BPO organizations apply equally to BPaaS. BPaaS allows organizations to outsource non-strategic back-office functionality like triage, and data-entry, and focus on their core competencies and areas of differentiation. Organizations can benefit from reduced upfront costs and obtain increased organizational agility through the availability of process or task on demand.

Companies undergoing new regulations can quickly achieve compliance by reaching into the cloud for a standardized BPaaS solution. For more complex business processes such as case management processes, organizations can use BPaaS to outsource process fragments during the execution of a case. For example, KYC activities or credit checks during a loan approval process.

In effect BPaaS and the distribution of on demand business process solutions in the cloud represent the pinnacle of the move of BPM suites to the cloud; Providing forward thinking organizations with the greatest business value.

