Business Rules Are From Mars Business Processes From Venus

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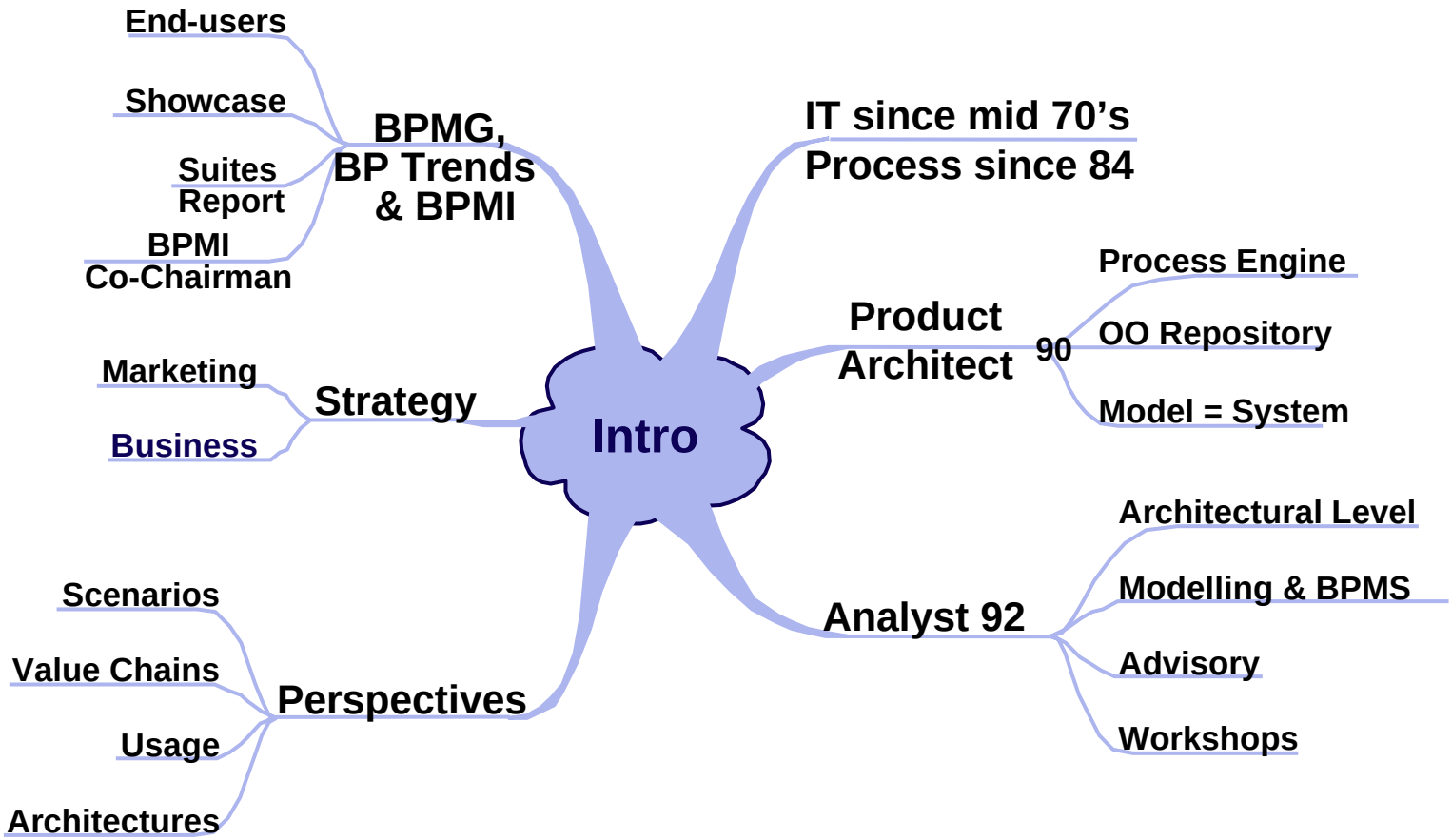
Background

- Intro
- Perspectives
- Definitions
- Challenges
- Technology Approaches
- Summary



About BPM Focus

- **Intro**
- **Perspectives**
- **Definitions**
- **Challenges**
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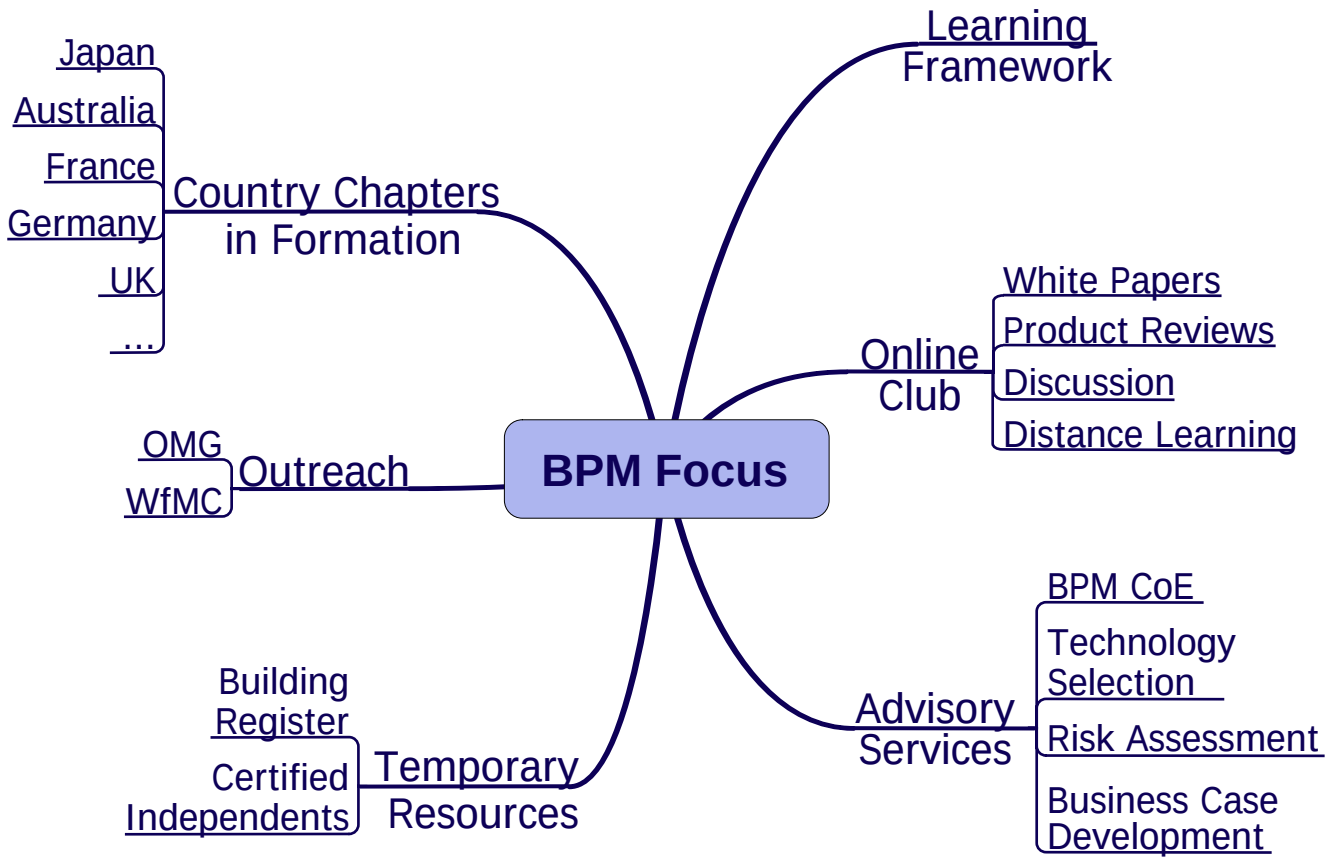
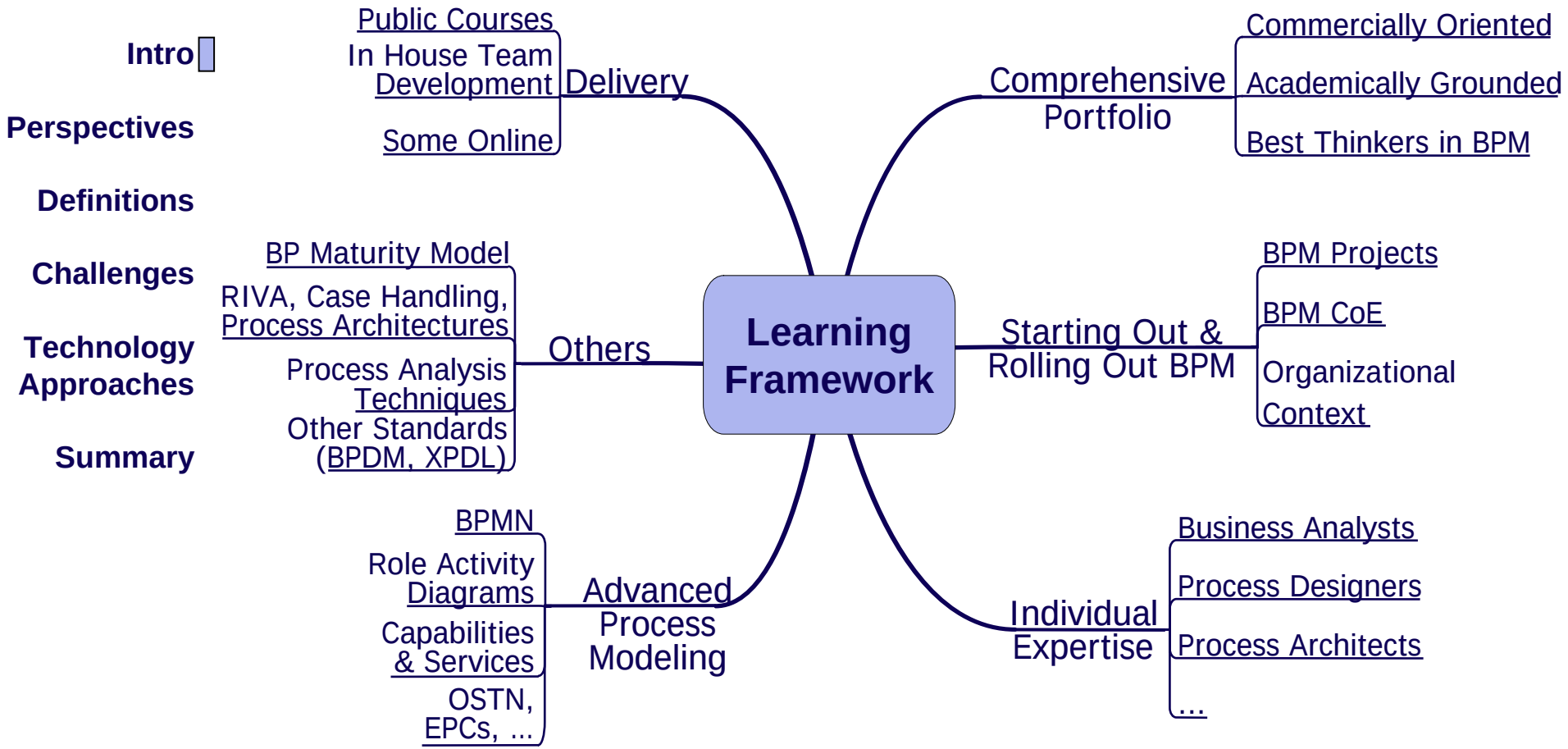
- **Summary**



BPMF Learning Framework



Declare Your Preconceptions!

Intro

Perspectives

Definitions

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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?
- How do businesses (and people) adapt, develop, grow or learn?
- Who is preparing a BRMS/BPMS implementation now?

Two Sides Of The Same Coin

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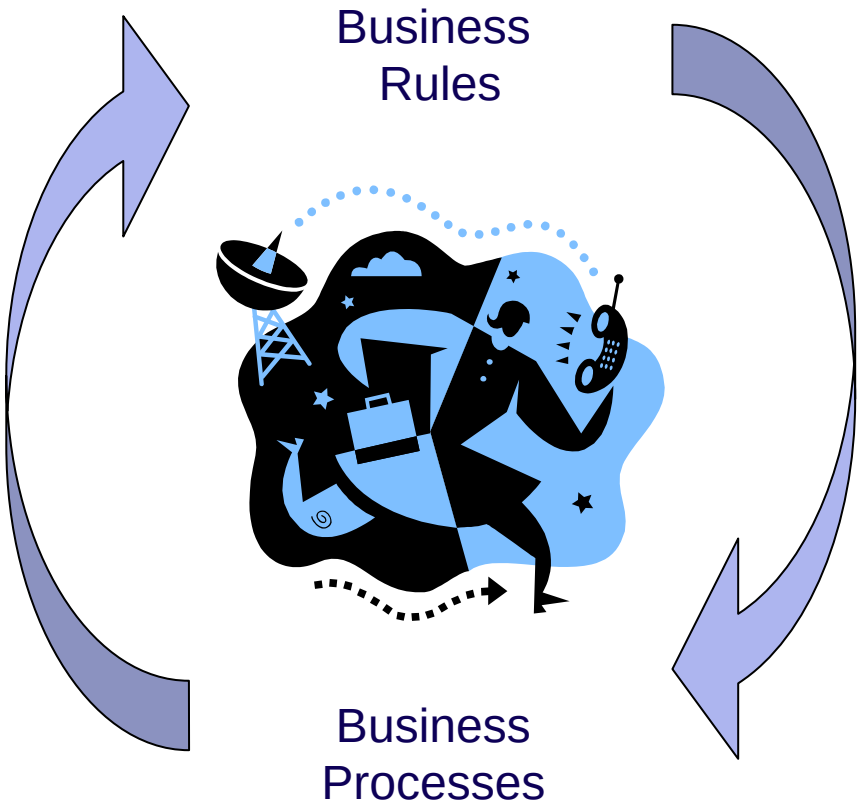

Process implement Rules. But a Rule only makes sense if it is interpreted in the context of the decision making within a Process.

A BPM Definition

- Business Process Management is primarily a business philosophy
  - About ***people***
  - The way they work ***together*** (their business **processes** and **rules**)
  - The ***business performance*** objectives that these processes and rules underpin
- At the same time, it is about the ***technology*** used to make this vision a reality
  - Systems implementation is highly iterative (not waterfall)
- It is a way of running the business (a mind set) that continually drives performance improvement
  - A Journey, not a Destination

Why Firms Are Doing It

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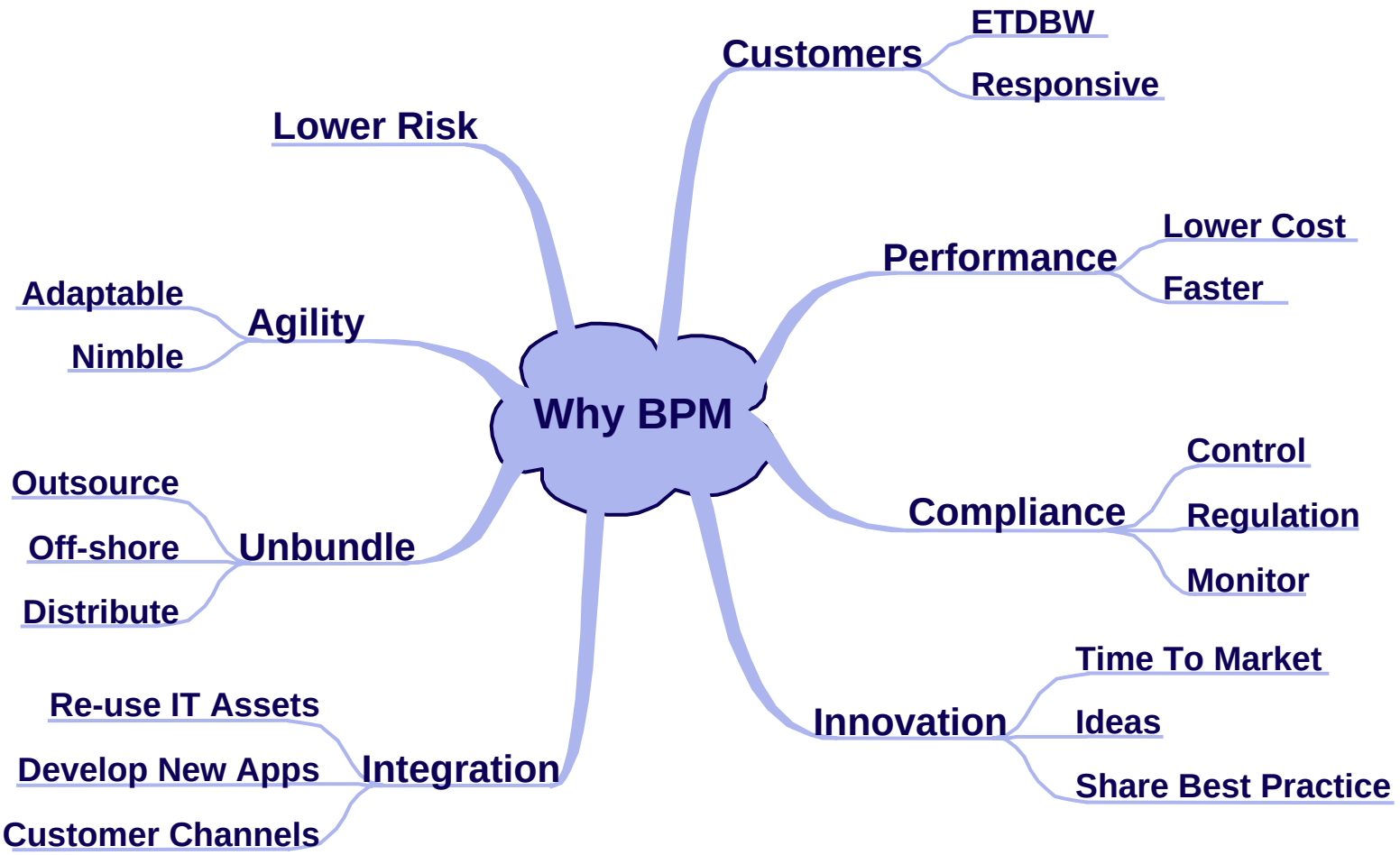
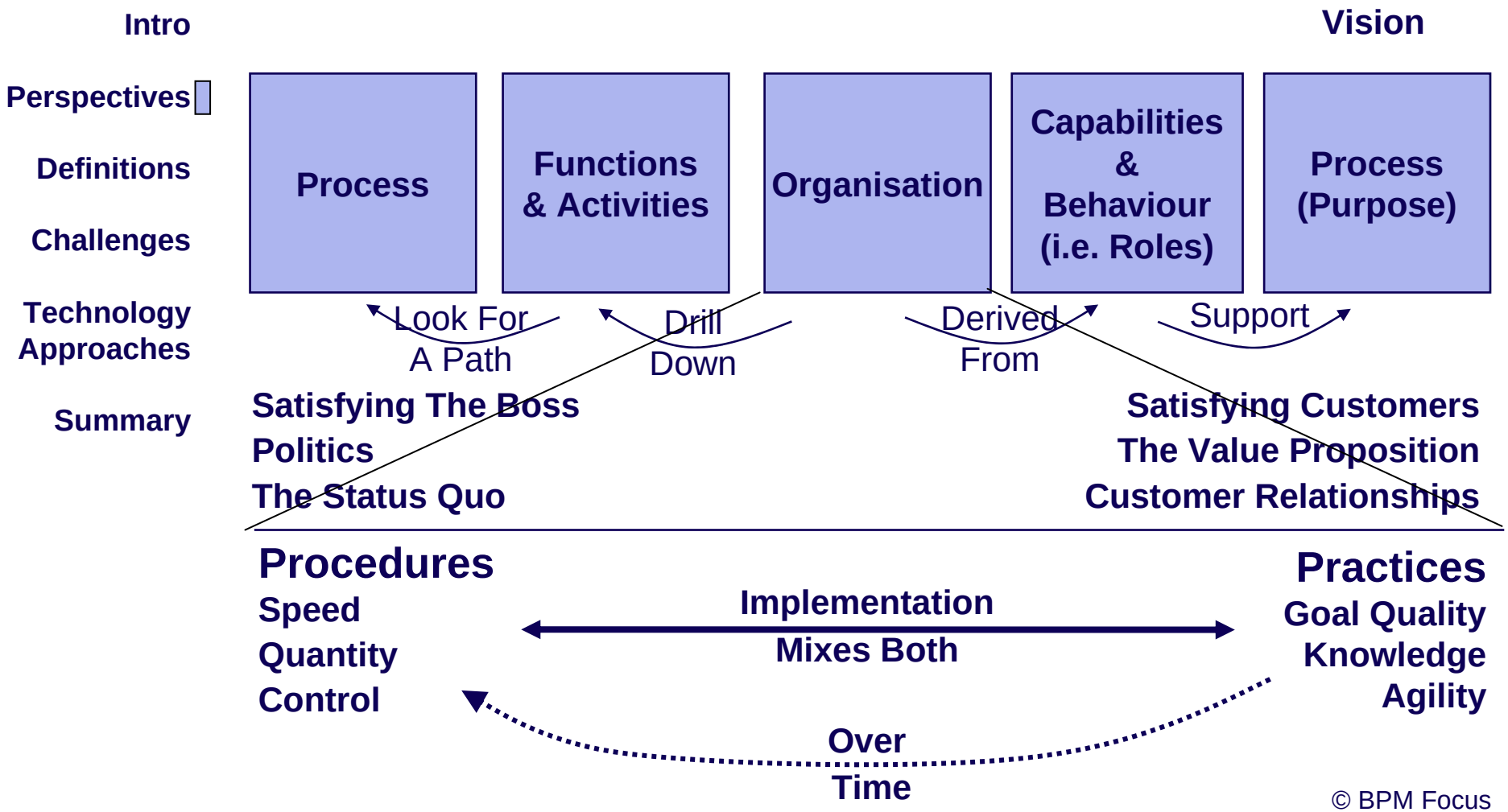


Source: BPMF Analysis of over 100 BPM Projects

Differing Interpretations



Two Ends Of The Spectrum

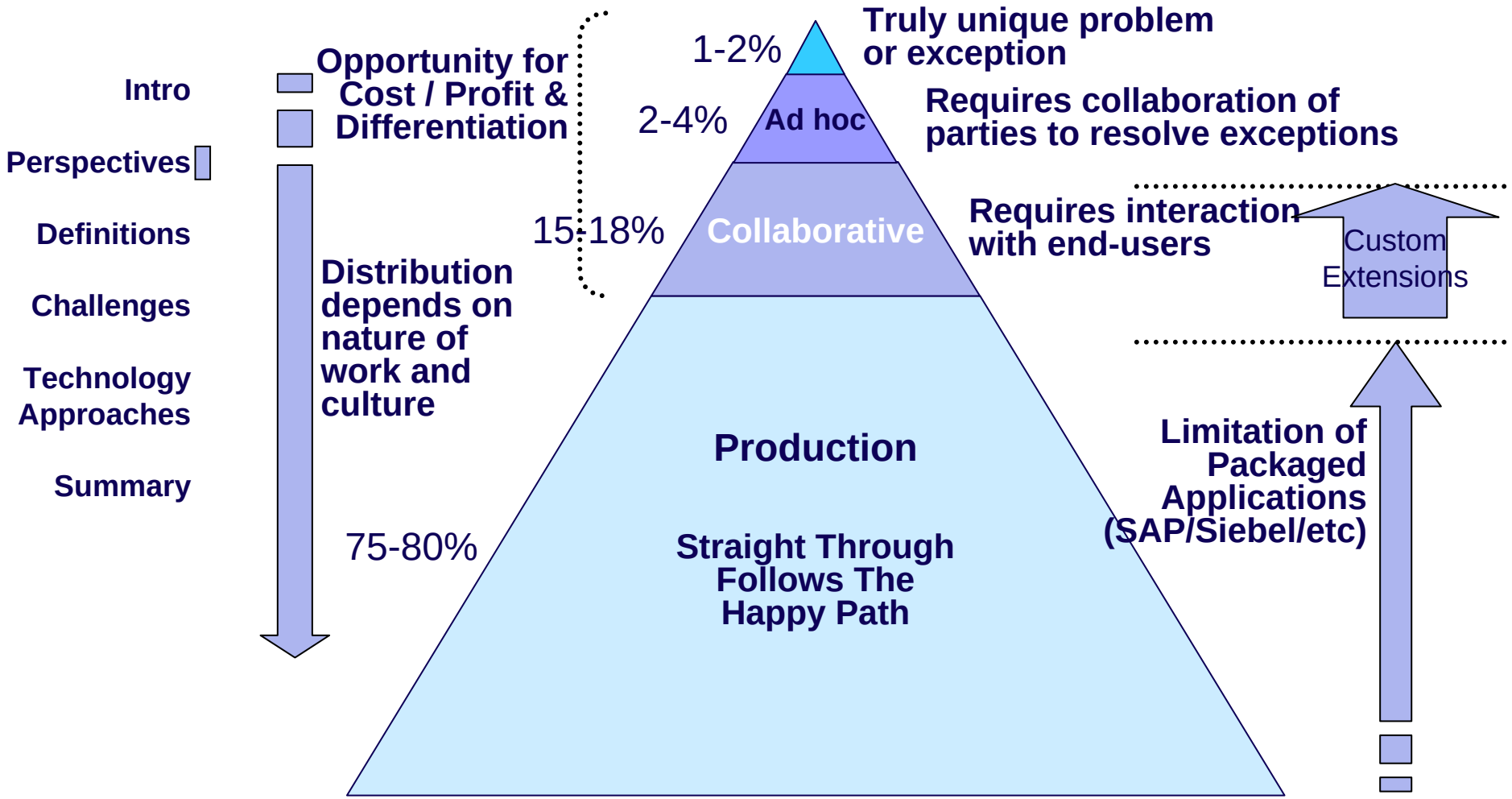
- **Procedures**
  - Predictability
  - Process automation
  - Standardization
  - Quantity
  - Speed
  - Controlling
  - Imposed
- Inside-Out
  - Denominator focus

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

Productivity = Value / Resources

The Core of BPM

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



Think Big, Start Small - Iterate

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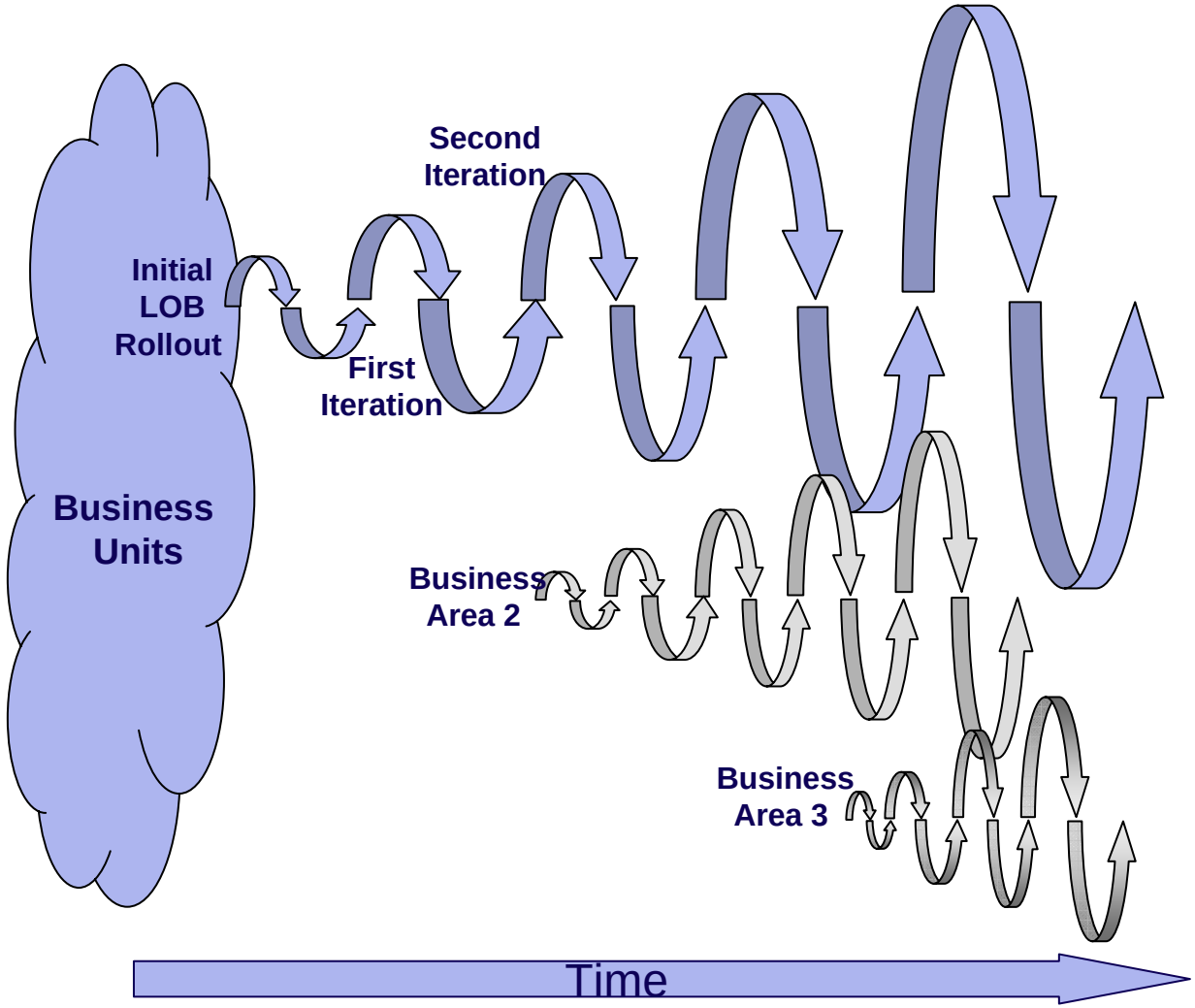

Development Methodology

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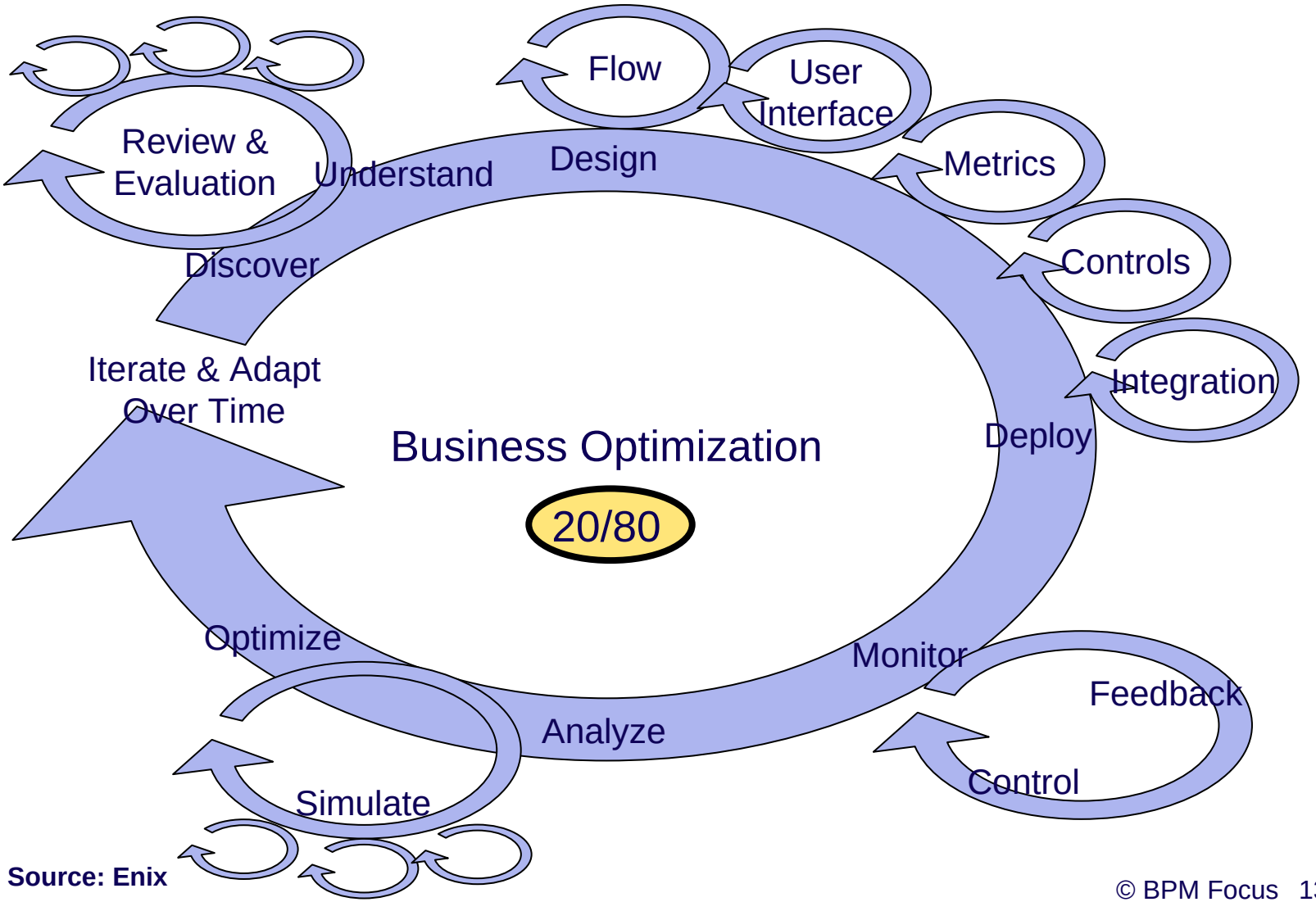

Source: Enix

BP Maturity Model

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Perspectives

Definitions

Challenges

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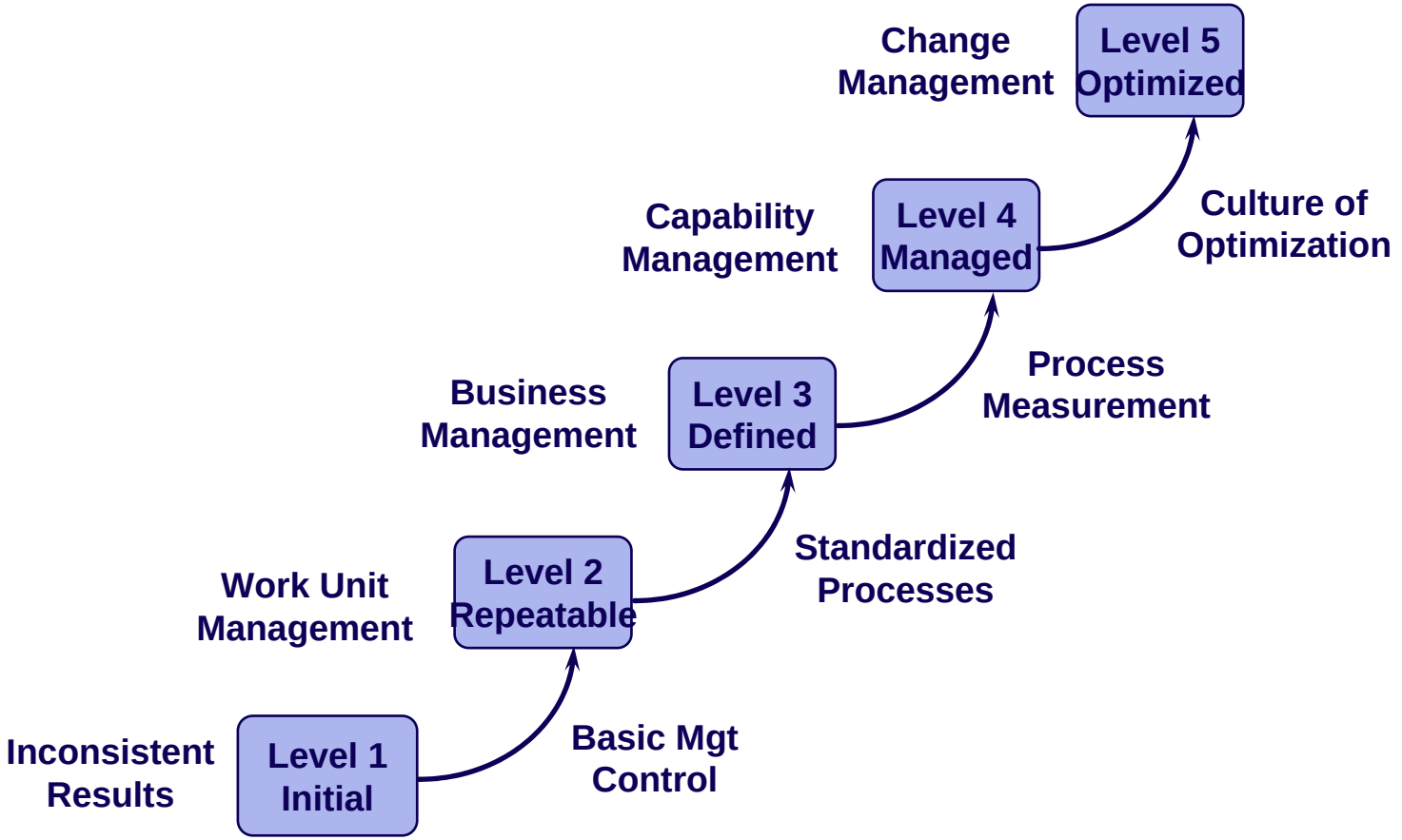

Visibility Of Process Maturity

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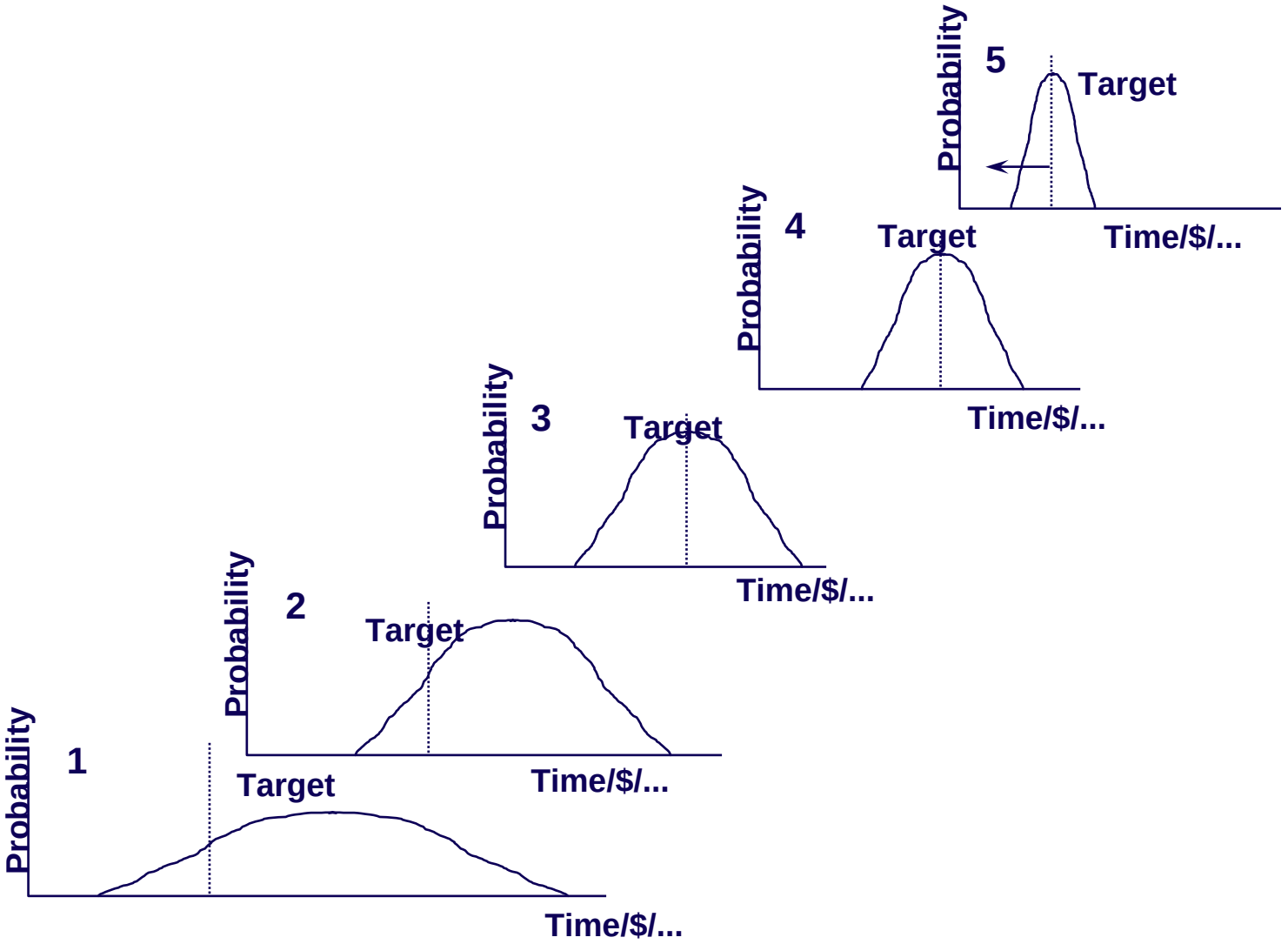

Different Upbringings

- 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

Contrasting Definitions

- 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

Business Rules & Processes

- 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 changing
  - Policies, Standards, Responsibilities & Authorities
  - Regulations, Procedures & Practices
- Both notions are relatively abstract
  - Problems of semantics and dialect
  - Processes tend to have a wider “business level” usage
- Reflecting the goals and constraints
  - Of the organisation, or action

Rules & Processes Together

- Simplification
  - Single sales process handles 60 different products across 30 different operating companies (Fortune 10 Company)
- 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)
- Rapid System Development
  - Less time to build, deploy and test, quicker change
  - Supporting the development process itself
- Controlled Evolution
  - Deploy specialized versions (or updates) of process and rule enabled applications
  - Champion-Challenger & Toyota Production System
- Exception Handling
  - Building blocks for better customer service

Rules & Processes Together

- Compliance
  - Capture the context of decisions (rule version with process & case specific data)
- Proactive Customer Engagement
  - Guide CSRs with context-specific advice
- Multi-Channel Relationships
  - Consistent customer experience
- Speed of Response
  - Build scenarios up front and deploy instantly
- Analytics
  - Invoking appropriate Action, SLAs, Monitoring & Escalation

Rules, Processes & Sophisticated Object Model

- Context-Specific Components
- Delegated Development
  - Rules and process responsibility delivered in context
- Dynamic User Interface
  - Based on roles, contextual data
- Integrated Event Management
  - Independent of processes
- Automatic Backward Chaining
  - If the necessary data is missing go and find it
- Integration (especially SOA with SLAs etc)
  - Treating business services as components
- Extensibility
  - Develop your own rule types

Fundamentally Different Technological Approaches

- 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
- BRE Extended BPMS
  - Shared object model
  - Usually limited to decision making (some advanced routing)
- BPMS, BRE & Extensible Object Model
  - Entire environment is specialized and integrated

A Common Object Model

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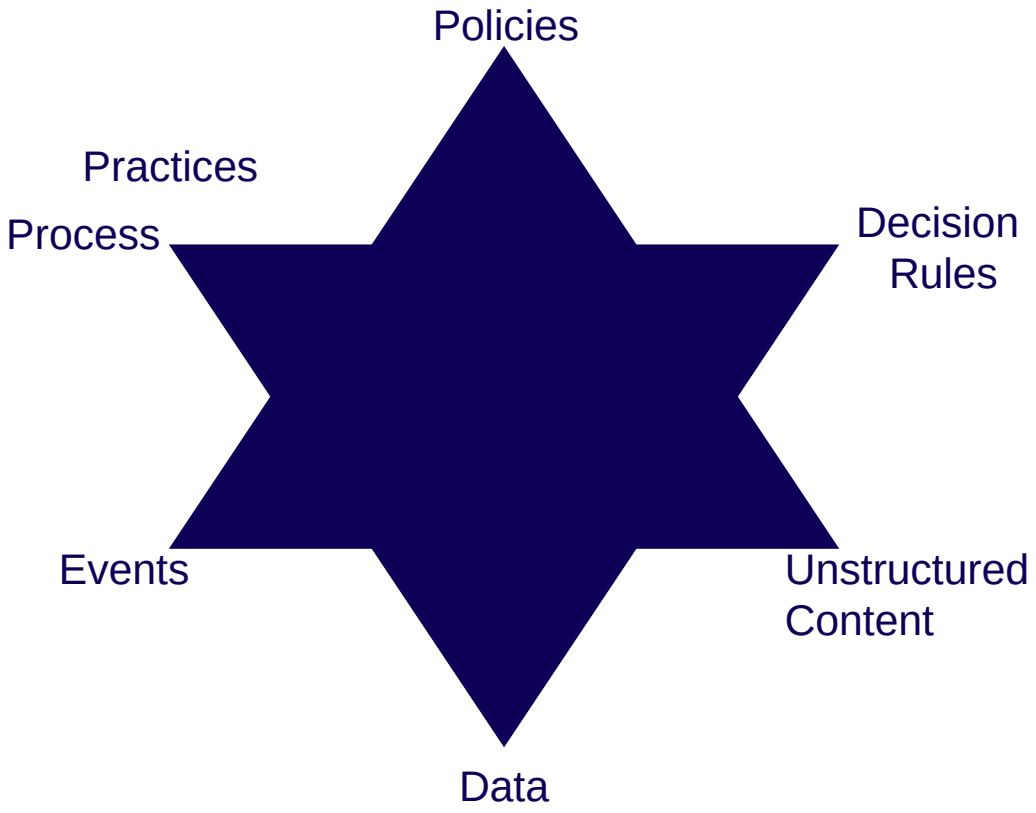

Rules & Processes Summary

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

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					

Summary

- Process and Business Rules are two sides of the same coin
  - A unified approach is required
- BPM (incorporates both Process and Rules)
  - It is about people, their processes and performance objectives
  - Technology is an enabler
- Process Spectrum – from Procedure to Practice
  - Efficiency and standardization v Evolution and Innovation
- Think Big, Start Small – Iterate
  - Learning fed back into the mix
  - Conceptual architecture in mind
- Fundamentally different technological approaches
  - BPM, BRE, Loosely Coupled BRE-BPM, BRE-Extended BPM
  - Unified model of Rules & Processes in the BPMS