



Session 13121

**Cloud and BPM
Opportunity or Insanity?**

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Abstract



How do you run all or part of your business on systems you don't control? As compelling arguments for Cloud Computing woo the Business, how does IT plan for the transformation? And how do you bring System z's best features to the table? Both Service-Oriented Architecture (SOA) and Business Process Management (BPM) are integral parts, and this session will cover this migration and how you can be prepared.

Agenda

- Cloud, BPM, and SOA
 - How we got here
 - Industry perspective and user perspective
 - Should we or shouldn't we?
-
- *Not a discussion of SOA concepts nor BPM technology nor value propositions nor products nor ...*

IT Modernization

My job - Make the project successful...



- 5 years on IBM SOA innovation team
 - Mostly on BPM customer projects

Worn many, many hats over the years

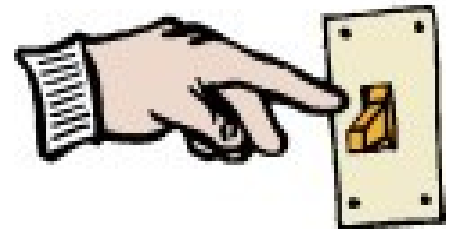
- Developer, System programmer, architect, product manager, professional services, marketing, etc.
- Innovative projects have special challenges
 - Budget allocations/process, territories, job roles, departmental boundaries, NIH mentality, DIY hazards
 - Corporate attention span is short

Big Surprise!

IT'S NOT ABOUT TECHNOLOGY

Risk and Reward are important to the executives

- Define *Success* early in their terms
- Know who will win, who will lose and how are they motivated
- Prestige and paychecks



Gartner's Hype Cycle

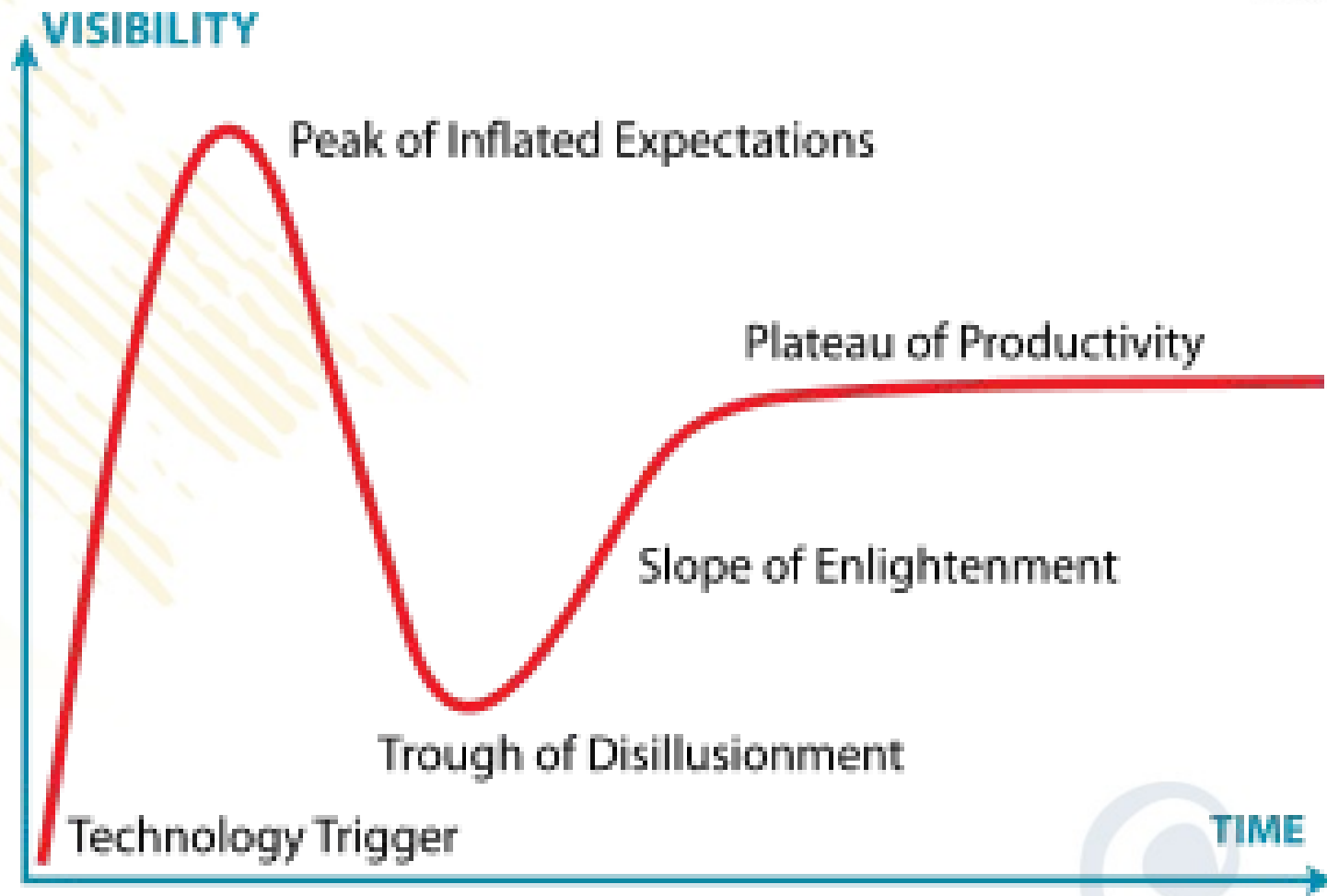


Describes a potential acceptance of new technologies

- Idea to ubiquitousness
 - Focuses on early implementation
 - Not a cycle, since it never repeats
- *forbes.com/sites/louiscolombus/2012/08/04/hype-cycle-for-cloud-computing-shows-enterprises-finding-value-in-big-data-virtualization/*
 - *softwarestrategiesblog.com/2011/07/27/gartner-releases-their-hype-cycle-for-cloud-computing-2011/*

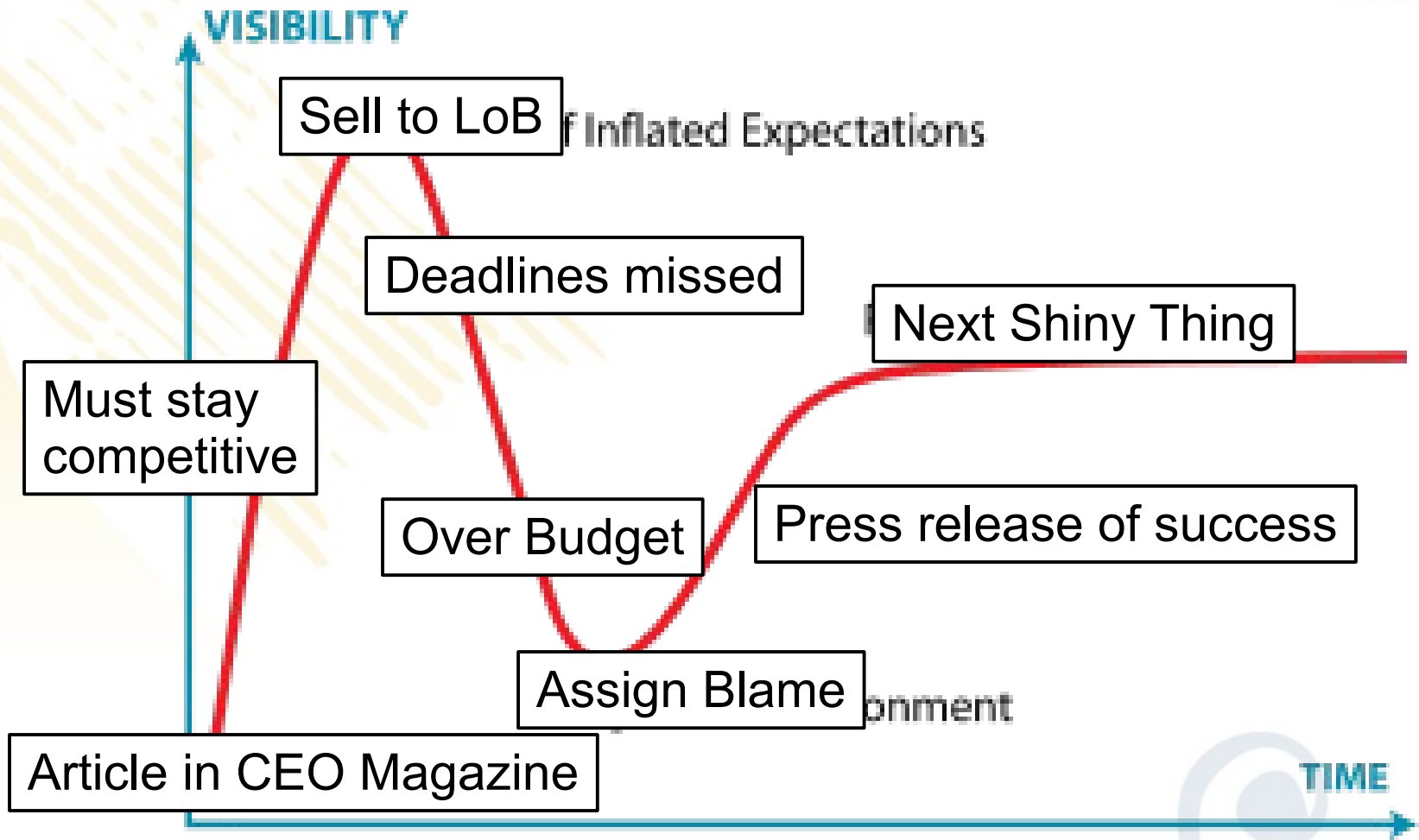
But I'm a technology person, why should I care?

Gartner Hype Cycle

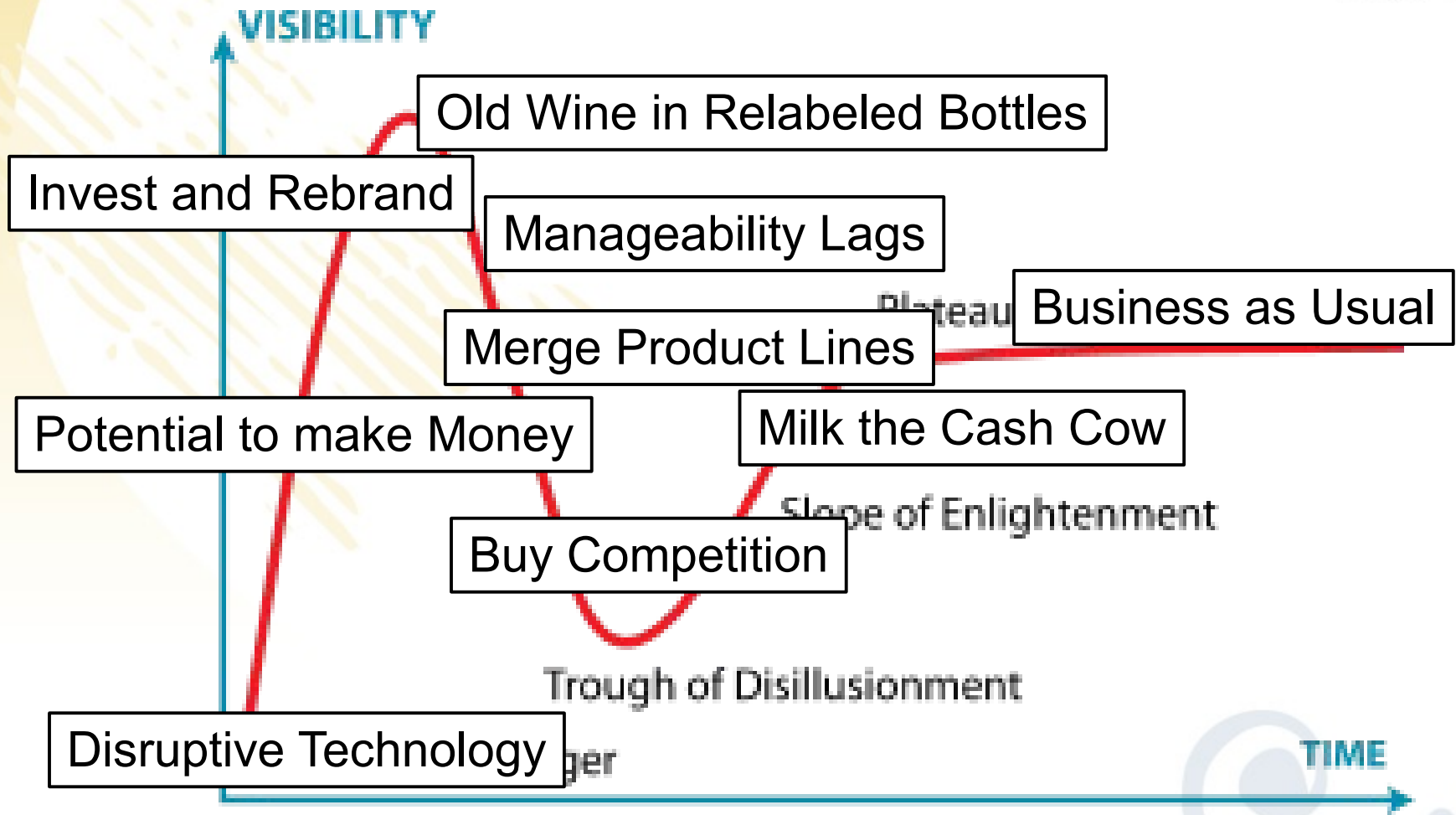


http://en.wikipedia.org/wiki/Hype_cycle

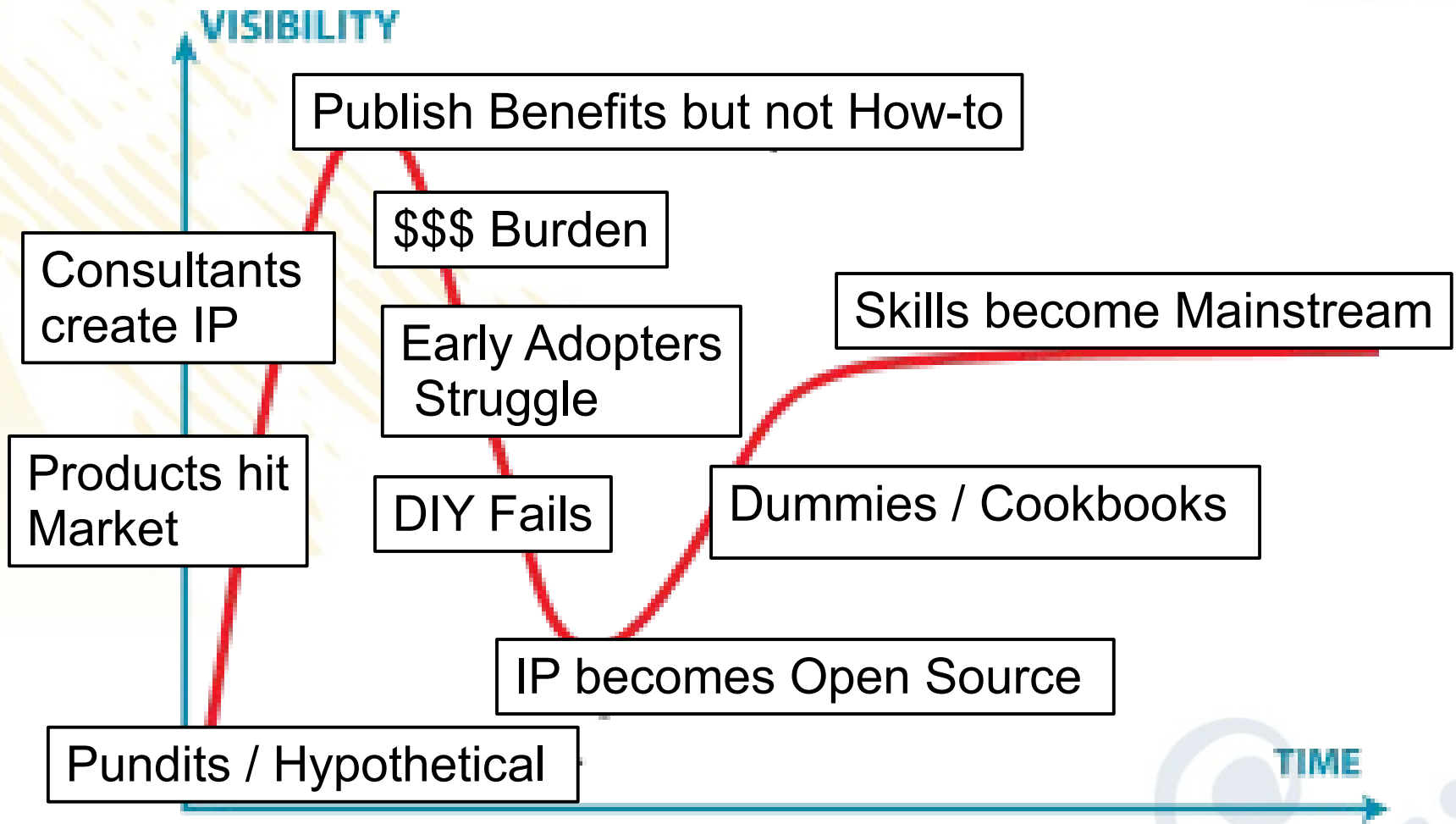
CEO View of Hype Cycle



Vendor's View Hype Cycle



Knowledge Hype Cycle



SOA Benefits (non-Vendor Version)



Stop reinventing the wheel and reuse key components

- Best if done on a broad scale
- Needs strong, high-level leadership
- ROI is huge and measurable
- Give LOB the agility they so desire

BPM

- Natural synergy between BPM and Web Services
- Reuse Services as steps in multiple Processes

SOA Challenges



Building Web Services doesn't mean you have an Architecture

- Need Registry, Repository, Management, etc.
- Governance is key
- Lots of new middleware in addition to development tooling

Caveat: Easy to implement a new technology to add to all the rest of the technologies you already manage

- Is that what will happen with Cloud?

SOA Challenges

Terminology

- Good: produced by standards committees
 - Bad: the word 'Service'
- Creates incomprehensible conversations
- No language to bridge the gap with untrained technical teams, executives or business

Vendors look for Demand



Off the shelf Web service marketplace

- Purchase a Web service that slides right into your processes

Inhibitors

- Not Invented Here mentality
- Stateless nature of services
 - Value is in the BPM engine's state and rules
- Vendors sought product lock-in

Along comes Cloud

Nebulous

- Good: It can be everything you want
 - Bad: definition is broad, muddled
- BPM now moves to the cloud
- What is the message?
 - How do you position zSeries
-
- *zaphink.com/2012/03/03/bpm-in-the-cloud-disruptive-technology/*
 - *softwarestrategiesblog.com/2011/07/27/gartner-releases-their-hype-cycle-for-cloud-computing-2011/*

Disassemble the Cloud Messaging

Non-Vendor Example for Illustration Only



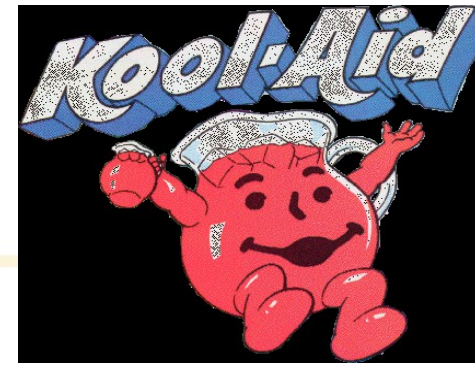
Value Proposition

- Economic (no capital investments, pay by use, expand/shrink resources as needed)
- Architectural (commonly accessible environment and resources for development and self-service provisioning)
- Strategic (outsourced ownership of infrastructure and operations enabling focus on core activities)

BUT about half of all BPM initiatives fail...

- *techrepublic.com/blog/10things/10-things-you-should-know-about-successful-cloud-based-bpm/1700*

BPM in the Cloud - Critique Benefits



Minimal technology constraints

- No single BPM tool can meet all the requirements for an enterprise. Because BPM technology decisions may vary from problem to problem, technology choices can hinder overall BPM success.
- The economics of the cloud and easy provisioning enable enterprises to test multiple technologies with minimal upfront investments. The cloud effectively eliminates technology lock-in, so that businesses can reap the benefits of BPM across the enterprise.
- *techrepublic.com/blog/10things/10-things-you-should-know-about-successful-cloud-based-bpm/1700*

BPM in the Cloud - Critique Benefits



Time to market

- BPM is all about creating agility, so lengthy technology implementations run counter to the BPM mission. Slow deployments are not only expensive but also reduce the benefit of BPM and can result in a loss of stakeholder buy-in for future projects.
- BPM in the cloud can reduce the time it takes to ready a BPM system from months to minutes or even days.
- *techrepublic.com/blog/10things/10-things-you-should-know-about-successful-cloud-based-bpm/1700*

BPM in the Cloud - Critique Benefits



Collaboration across and within enterprises

- BPM enables an enterprise to collaborate in terms of intra- and inter-organizational processes.
- Putting BPM in the cloud creates a borderless environment for supporting geographically dispersed teams and complex processes.
- Cloud-based BPM facilitates collaboration with partners across supply chains and improves management of processes that cut across environments.
- *techrepublic.com/blog/10things/10-things-you-should-know-about-successful-cloud-based-bpm/1700*

BPM in the Cloud - Critique Benefits



Enterprise rollout

- Most organizations are structured as silos, and their BPM investments are departmental. In a traditional organization, there is no motivation for anyone to have a shared infrastructure and set of assets that can be leveraged across teams.
- A cloud environment provides a centralized and commonly accessible BPM medium for achieving enterprise-level process excellence. Standards, open architecture, reusable components with interoperability, and knowledge management emerge as strategic needs
- *techrepublic.com/blog/10things/10-things-you-should-know-about-successful-cloud-based-bpm/1700*.

BPM in the Cloud – Critique Benefits



Centralized control and governance

- As organizations start rolling out BPM at the enterprise level, the focus shifts to governance, standardization, optimization, and scalability for successful adoption and realization of BPM benefits.
- A business process competency center (BPCC) can provide a central repository of information for addressing these needs — and hosting it in the cloud makes it easily accessible. The ability to collaborate and share will be facilitated due to the very nature of shared infrastructure and common environment.
- techrepublic.com/blog/10things/10-things-you-should-know-about-successful-cloud-based-bpm/1700

So, Why does BPM Fail?

Does Cloud solve any of these?

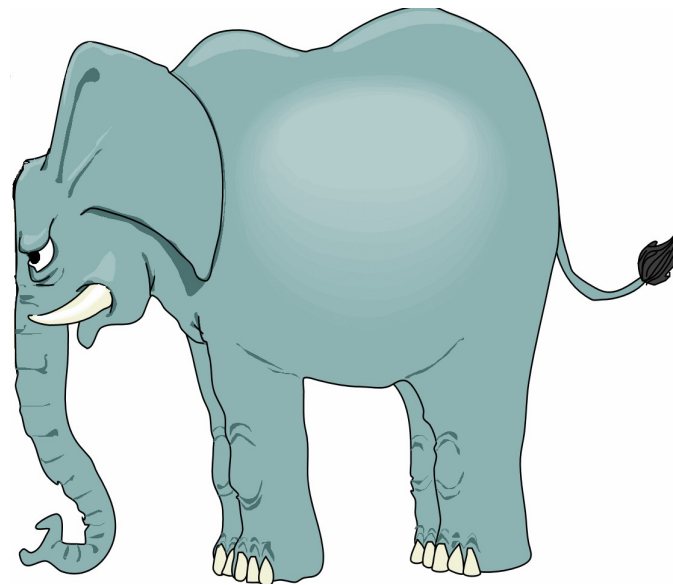


Same Zillion reasons any IT initiative fails

- Lack of stakeholder buy-in; No executive sponsorship
- Ineffective governance
- Treated like an IT tool instead of Business transformation
- All implementation, no maintenance, no performance testing
- Insufficient architecture, if it exists at all
- DIY shop determined to reinvent the wheel to save \$\$
- ebizq.net/blogs/cloudsoa/2010/11/updated-3-reasons-clouds-fail.php
- process-cafe.blogspot.com/2010/03/why-saas-pricing-will-kill-bpm-in-cloud.html
- ebizq.net/blogs/ebizq_forum/2010/09/why-do-so-many-bpm-projects-fail.php

What's Wrong with this Picture?

- Presenting Cloud as just another hardware platform
- Elephants in the room
 - Security
 - Licensing
 - Design
 - Skills
 - Commercial Models
 - Ownership
- *nischalamurthy.wordpress.com/2012/02/24/bpm-and-cloud-the-many-perspectives/*



Consumer Mentality



- What drives the Cloud hype?
 - New ways to exploit technology with strong ROI
 - We all remember Service Bureaus and Time Sharing
 - Fundamental shift from 'Build it' to 'Buy it'
 - Business capabilities are like a Utility
 - LOB wants to be a Consumer

Beyond the Marketing and Benefits



Early projects bear a huge burden

- Design and architecture
- Tooling of life cycle
- Training and roles
- Policies and governance

Subsequent projects benefit from this foundation, reuse of services and flexible architecture, Cloud, and so on

Benefits such as Agility, time to market, blah blah blah

- *but... it'll take 5 years, and the budget is what ???*

IT vs. Consumer

- Built or Bought, IT still has to maintain it
 - The end result
 - The maintenance and licenses
 - The management software
 - The next release
 - The security
 - *Just like the Client Server days*

Where is Cloud now?

Peaked and heading down into the Trough

- Lots of Cloud-washing by vendors
- Confusion due to too broad a category
- Outages such as Amazon are very revealing
- Off-the-charts complexity
- Gartner's report was 75 pages on 34 technologies

- *businesscloud9.com/content/axway-and-what-analysts-think/10859*

What if Cloud is just another platform?



Do you have a backout strategy if Cloud fails?

- Can you move processes in-house?

Vendor lock-in

- Conversion of industry tools to consumable services was never done
- cio.com/article/712849/Lock_in_Migration_Costs_Can_Put_a_Damper_on_Cloud_Projects_Says_ISACA?taxonomyId=3024
- cio.co.uk/debate/3208158/top-benefits-and-concerns-of-putting-bpm-in-the-cloud/

Is BPM in the Cloud worth doing?



- Cloud Strategy or just Blowing Smoke
- Where does Cloud really add value?
 - Process close to the data, particularly Big Data
 - Integrate with outside processes
 - Stop moving and transforming data
 - Improve processing time

Solve a LOB problem instead of an IT capacity problem

Opportunity or Insanity?



- Lots of Cloud Strategy is not Cloud Centric
- BPM is more than a sum of the parts
- Business rules and customization are the value
- Look for convergence with partner Business processes
- Look for Cloud Innovation to merge with BPM
- Leverage your SOA architecture





Thank You !

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