



Research

ID Number: M-22-0651

# Magic Quadrant for Business Process Analysis, 2004

4 March 2004

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In 2004, the business process analysis market will emphasize modeling and dynamic analysis in business process adaptation and improvement. Despite new entrants to the market, consolidation of BPA vendors is imminent.

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## What You Need to Know

The business process analysis market is experiencing significant growth, while experiencing fundamental changes. It is no longer relegated just to documentation and static modeling. BPA methods, tools and techniques are now taking on vibrant roles in modeling business process alternatives on the front end of the process development cycle, as well as optimization of live processes through near-real-time feeds.

## Analysis

In June 2002, we predicted a healthy growth rate for the business process analysis (BPA) market. This happened in more ways than we expected (see ["The BPA Market Catches Another Major Updraft"](#)), following a resurgence in business modeling in 2001 (see ["Business Modeling Will Be the Next Big Phenomenon"](#)).

At the same time, we did not anticipate that the strength of the market, driven by the desire for cost savings, would drive new market entrants. The number of vendors is back up to almost 35 again, but we think this is temporary, because the market will morph and shed some of these players. Now that IBM, Microsoft, SAP and Hewlett-Packard are showing an interest in business modeling and BPA, we expect consolidation to accelerate. The emerging drivers for business are documented in ["Drivers for BPM: 11 Money- Relevant Reasons to Start,"](#) and we expect more growth. The interest has risen from 15 percent to 35 percent in our client base, and the reasons vary across all of the drivers documented in the referenced research.

### Market Behavior

Renewal and retirement are happening simultaneously in the BPA market. We've seen new entrants from the business process management (BPM) space, as well as new vendors that focus on the optimization of business processes. Business simulation is no longer relegated to upfront modeling —

## Acronym Key

<b>BPA</b>	business process analysis
<b>BPM</b>	business process management
<b>CA</b>	Computer Associates
<b>WBI</b>	WebSphere Business Integrator

it's now included in what is termed "round-trip engineering":

model -> simulate -> adjust -> implement -> measure -> simulate.

There is a focus on business processes and keeping these processes agile and optimized. New vendors from the BPM sector include CommerceQuest/KMG Solutions, FileNet, RulesPower and Ultimus. New or renewed vendors with an optimization focus include Computas, IBM (via the Holosofx acquisition), Lanner, MEGA International, Nimbus Partners, ProActivity, SigmaFlow, SIMUL8, Sybase, Triaster and Troux Technologies.

At the same time, we have retired modeling subsectors from the BPA Magic Quadrant that almost exclusively focus in application portfolio modeling or system inventory for architecture efforts. Vendors that have been retired from the BPA sector because their focus is not on the business process include Business Rule Solutions, Epiance, ProSight, Think Tools and UMT. These are portfolio management or decision optimization technologies that have a tangential relationship to BPA and modeling. The enterprise architecture vendors that can link systems inventories to processes were left on the BPA Magic Quadrant this time, because users want to link business processes to enterprise architecture frameworks and even system portfolios and inventories.

### Vendor Behavior

Few vendors' ratings remained the same: some skyrocketed, while others sank precipitously. We believe that this is because the vendors which focused on becoming strong partners with other business-process-focused vendors or invested significantly in their technology and marketing efforts began to separate from the pack. Vendors that took off like rockets included Corel/iGrafx, Gensym, IDS Scheer, Lanner Group, MEGA, ProActivity, SIMUL8 and Sybase. Vendors that sank included Computer Associates (CA), IntelliCorp, Meta Software, Powersim, ProModel, Ptech and QPR Software. Several vendors are in real danger of being dropped in our next rating cycle, including Gryphon Systems, High Performance Systems, Hyperion Solutions and Ventanna.

### The BPA Magic Quadrant

Gartner always rates vendors in two areas for inclusion in a Magic Quadrant. The first vector evaluates vision, which includes the following factors:

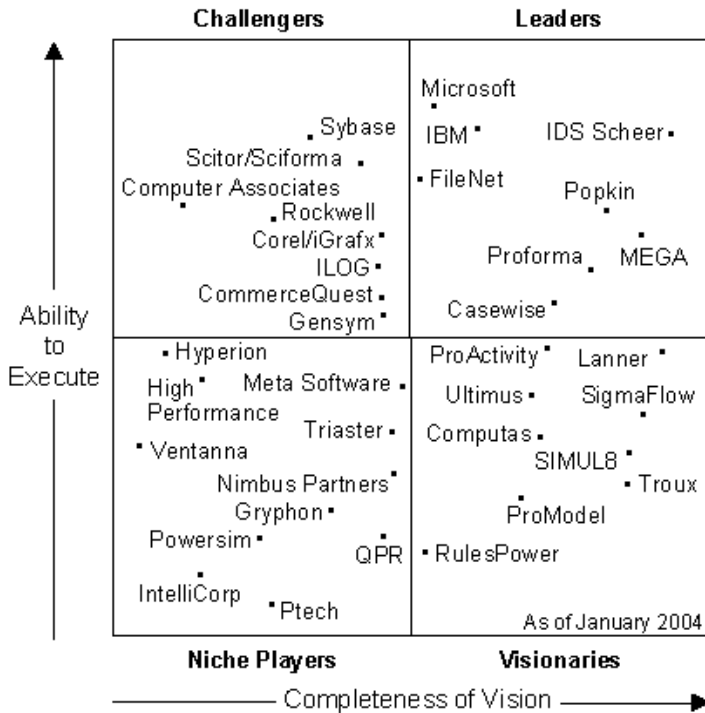
- **Technology** — Strength of the product's underlying technology infrastructure
- **Market Leadership** — Market recognition by prospects and competitors based on a compelling and consistent marketing
- **Communication** — Consistency of communication to the marketplace through advertising, trade shows or Web activity
- **Outside Investment** — Robustness and number of external investment participants

A detailed list of technical requirements is included in "[How to Develop a BPA Tool Selection Requirements List](#)." The second vector involves the vendor's ability to execute on its vision, which includes the following criteria:

- **Product** — Packaging, pricing, ease of installation and ease of use of application
- **Service and Support** — Strength of the vendor's service and support capabilities
- **Management** — Experience and strength of the management team

Figure 1

The Magic Quadrant for BPA, 2004



Source: Gartner Research (January 2004)

**The Leaders Quadrant**

Casewise Systems, with Corporate Modeler, has been a traditional leader in the BPA space and is well-known for its inventory of brilliant reports that help clients understand their current process flows. We expect Casewise to move upward as it delivers new releases and partnerships. The other leaders have moved a little more quickly, but Casewise is a quality-minded vendor.

FileNet is new to this sector and starts high because of its co-development of a code base with CapeVision and the addition of some key personnel. The simulation engine was built natively into a strong BPM suite to support upfront design modeling and in-flight optimization, based on near-real-time data. FileNet is one of the first BPM suites to practice round-trip engineering through its own code base.

IBM has bought Holosofx, which was a visionary in our last BPA Magic Quadrant. This puts IBM squarely in position to evolve WebSphere Business Integrator (WBI) into a round-trip engineering BPM suite, but this offering is under construction. Although IBM's Rational Rose XDE and WBI modeler offerings are lightly integrated, enterprises can expect deeper integration in the future. IBM will need to reconcile the use of ROSE (Rational) Activity Diagrams and the Rational Unified Process, which is used by some enterprises for business process modeling. We expect slow and steady progress.

IDS Scheer has been a "thought leader" in this sector for years, and it continues its march toward a better round-trip engineering process offering by partnering with SAP for the business process execution platform. In the midterm, IDS Scheer is working with Intalio and Web V2 to offer a solution. IDS Scheer has templates for Six Sigma, the U.S. Public Company Accounting Reform and Investor Protection (Sarbanes-Oxley) Act of 2002 and others.

Microsoft has edged into leadership with its new Microsoft Office Visio Professional 2003 linked to a more-powerful Biztalk, which is equipped with a strong rule engine. Although Microsoft owns the premier business process drawing tool, business users often leave the Microsoft suite for other process analysis and execution tools. This is now changing because of partnerships with ProActivity and the new version of Microsoft Office Visio Professional 2003, which can take system-to-system processes forward.

MEGA is probably the hidden secret in the Leaders quadrant. Its MEGASuite has the most powerful and extensible repository in the BPA sector, and it is surrounded by helpful tools and reports for process analysis. Recently, MEGA acquired a code base that supports simulation, and it is aggressively seeking solution partners to move its market activity forward.

Popkin Software is also a thought leader, and it supports more standards than any other vendor. Its Systems Architect product, exemplified by its new information-publishing features, has been constantly expanded to support government initiatives, and it has added a stronger simulation capability with its new relationship with Lanner for simulation. Traditionally, Popkin has offered the most function for the money.

Proforma's BPA tool is probably the easiest to use on the market. The ProVision workbench is constantly offering more functionality that appeals to the business users. Proforma offers one of the strongest methodologies in the business, and it has extremely pragmatic consultancy support.

#### **The Visionaries Quadrant**

Lanner has had one of the more-powerful simulation engines for years, but the market has only recently focused on data/information-driven simulation. Now that simulation is used on the front end for business process design, as well as for near-real-time data, powerful simulation vendors, such as Lanner, are getting more attention. Lanner has been aggressive in forming partnerships, and users should expect more deals like the one with Popkin.

ProActivity has one of the more-effective process-understanding methodologies and has positively revealed the truth of practices and processes to the executive suite. With the addition of a simulation engine (powered by SIMUL8), ProActivity is poised to design and analyze new processes. It has a favored partner status with Microsoft and BEA Systems, which should lead to more market exposure.

SigmaFlow is a new player that is receiving significant attention as it focuses on applying the Lean and Six Sigma methodologies to business processes. Because a single-user courtesy copy is integrated into many of the approved Six Sigma training sessions, SigmaFlow has seen quick acceptance and has achieved a position in the BPA Magic Quadrant. A partnership with Metastorm, a leading BPM tool, will further enhance its market position.

#### **The Challengers Quadrant**

Corel/iGrafx has had a renewed focus in the BPA space after years of being the "poor relative" in the Corel portfolio. Corel/iGrafx's able BPA tool has only recently begun receiving proper marketing funds.

Gensym is a well-kept secret because of its focus on real-time physical solutions found in the petrochemical and manufacturing industries. Gensym not only models processes, it executes, measures and optimizes them in real time. It will need to invest in garnering "mind share."

Sybase has been quietly investing in its modeling tools, while it absorbs and consolidates its acquisitions, without disrupting its current revenue streams. We expect more activity from this "sleeping giant."

### Vendors With Unique Offerings

Computas combines a strong visual metaphor on top of processes that are tied to an enterprise architecture and a systems inventory. This is a unique offering, although Troux has some similar functions.

ILOG offers 15 different optimization components that can be applied to established processes. As the market moves toward more optimization, ILOG is positioned to move forward as it has in the business rules sector.

Powersim Software has one of the few tools that practices systems dynamics — best-fit simulation-driven by goals.

RulesPower has the ability to model flows and rules together. We believe this approach will gain in popularity as processes become more agile.

### Key Issues

What methods can be used to manage business rules, business flow and Web services to enable more-agile businesses?

What application development techniques will allow enterprises to implement flexible rules and business flows for efficiency and effectiveness?

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Resource Id: 426831