

EXCERPT

Flexibility, Ease of Use Lead BPM Customers to Appian (Excerpt from IDC #217891)

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IN THIS EXCERPT

This IDC excerpt is taken from the IDC customer needs and strategies study, *Flexibility, Ease of Use Lead BPM Customers to Appian* (IDC #217891, April 2009), by Maureen Fleming and Jeff Silverstein. All or part of the following sections are included in this excerpt: IDC Opinion, In This Study, Situation Overview, Future Outlook, Essential Guidance, and Learn More.

IDC OPINION

Appian continues to build a growing list of large and small customers that use its business process management suite (BPMS) software for human-centric processes involving content management, personalization, and portal access requirements. Customers we interviewed used Appian in a variety of horizontal and vertical categories, including loan processing, real estate management, and IT servicing of a global chain of retail branches. Key findings in this report include:

- ☒ Enterprises with IT resource constraints and business-focused, rapid change requirements, will find Appian an attractive option. In our interviews with Appian customers, they all discussed the ease with which they could modify their processes without programming.
- ☒ Customers also selected Appian for projects requiring sophisticated forms development capabilities.
- ☒ Appian launched a full cloud version of its BPMS in March 2009, built on Amazon Elastic Cloud (EC2), joining a small group of BPM vendors offering a software-as-a-service (SaaS) delivery option.

IN THIS STUDY

This is one of a series of IDC Customer Needs and Strategies studies that examine how customers are using various business process management software products. In this case, we discuss Appian, which offers on-premise and on-demand versions of BPM suite software.

The goal of this study is to provide insight to help enterprises as they are thinking through and actively evaluating BPM software. In addition, given the degree of competition among smaller workflow vendors, pure-play business process management suite (BPMS) vendors and the larger middleware platform vendors, we wanted to learn more about why Appian was selected by enterprises.

SITUATION OVERVIEW

Appian is a distinctive process-centric software vendor on several counts. It offers on-premise as well as software-as-a-service (SaaS) deployment options. Appian has been offering a SaaS delivery model since early 2008 and introduced a more comprehensive multitenant version in March, 2009.

Appian has a growing domestic and international customer base of large and small customers spanning multiple verticals. Growing rapidly, it recently offered a direct bridge for its Java-based BPM suite to the .NET world.

Customers interviewed by IDC said they selected Appian because of its:

- Ability to deploy with less involvement from developers, which lowers the cost of implementing applications built on a BPMS
- Ease with which processes can be automated without forced adherence to the process model
- Sophisticated forms development capability
- Image and document management features

Appian Background

Appian is a privately held, venture capital-backed software company founded in 1999. It raised its first round of outside financing in July 2008, with \$10 million from Novak Biddle Venture Partners. The company, with 160 employees, has customers across a variety of verticals inside and outside North America.

International sales grew more than 300% in 2008 to account for nearly 25% of Appian's revenue. Customers span a variety of markets, including government and defense, financial services, and healthcare and professional services. Commercial customers from financial services, manufacturing, telecom, energy, healthcare, and service providers account for 70% of Appian's revenue, with government customers accounting for the remainder.

Customers include AGF, Crawford & Company, Enterprise Rent-A-Car, Gateway Health Plan, General Dynamics, France Telecom, NOAA, Nokia, Northrop Grumman, Potomac Electric Power, Raytheon, the State of Missouri, Swiss Re, UPS, the U.S. Army, and the U.S. Department of Homeland Security.

Products

Appian's solutions cover a variety of horizontal functions, including case management, incident tracking, onboarding, and regulatory compliance. Appian Enterprise BPM Suite is a service-oriented BPMS built on Java EE. Not surprisingly because of management's MicroStrategy roots, a key strength of the software is the integration of intelligence into all appropriate process activities as well as a strong BAM solution. Appian Enterprise runs on several editions of Linux and Unix as well as Windows 2002, 2003, and XP.

Appian began offering a multitenant SaaS version of Appian Anywhere in March 2009. Appian Anywhere Standard Edition, starting at \$35 per month per user, includes same-day verification and enablement, monitoring, management, maintenance and backups, single sign-on, and SSL encryption. It is delivered via the Amazon Elastic Cloud (EC2). Integrations with customer information systems are handled via Web services and other secure methods.

Appian Anywhere Premium Edition is designed for users preferring a managed services model. The associated hardware environment is SAS 70 Type II-compliant with 99.5% service-level agreements.

While Appian Enterprise is built on a Java framework, it introduced Appian SharePoint in June 2008 to make Appian Enterprise more compatible with Microsoft's .NET environment, SharePoint, and Office applications.

Appian for SharePoint enables users of the SharePoint Server 2007 platform to take advantage of the process orchestration, task handling, and process reporting capabilities of Appian Enterprise. Appian SharePoint WebPart interfaces can be used to handle tasks and display any process performance reports in a native SharePoint dashboard. Appian for SharePoint provides services interfaces for controlling SharePoint sites, documents, folders, and permissions through Appian processes and rules.

Any BPMS development environment typically consists of modeling and simulation, decision services or rules design, assignment of roles to tasks, forms development, and some level of testing. The runtime environment typically includes process execution, monitoring, search capabilities, and the ability to display tasks and activities in some type of existing application, such as portals and email systems. BPMS also increasingly includes different types of collaboration capabilities.

Process Modeling

Process modeling is a graphical environment to describe a process. Users describe and document both existing processes and new processes. Traditionally, process modeling tools were designed to be used by business analysts and then handed off to

developers. Increasingly, modeling is a core component of a process development environment and is used to wire all of the activities within a process together.

Appian provides a Web-based modeler to document and automate processes that support the BPMN standard.

The process modeler allows process designers to document key business processes quickly, expose available services, and build process-based composite applications.

Rules

Rules or decision services are used to determine where to route a transaction through the process. Rules include the ability to describe many types of policies that impact the routing, including regulations, internal governance, logistical considerations, and expertise-based considerations.

Appian Enterprise provides a rules repository, allowing authorized users to define and store business rules for use by (but separate from) the process engine. Rules are organized in a folder-based tree structure, with security controls applied to ensure only authorized users can create or modify business rules. Business rules are also version controlled, ensuring that all rule changes are recorded for potential reuse or adaptation.

Appian rules may be applied to any form element, process attribute, report, or group membership. A rule can control how content is rendered in a report as well as determining the path of a process.

Rules are designed using Excel-like expressions that leverage the interfaces of Microsoft Office tools. The rule expression editor allows users to browse process data and apply predefined functions. Once defined, the logic of the rules can be tested.

Forms Design

Forms are a user interface component that can be deployed in many ways to advance users through a task or sets of tasks. Forms can include a single view or a rules-based wizard that advances users through a complex form based on how they answer sets of questions.

Appian uses an AJAX-based forms engine within its development environment. Form designers control the structure and look and feel of the electronic form. Full nesting of structural types (sections within sections/tabs within sections) is supported as is control over what fields are required, hidden, and so forth. Process data may be utilized to pre-populate fields and validation may be used to ensure proper data input by users. As with the Process Modeler, Appian provides a validation mechanism to ensure that the created form is accurate and complete before publication and execution is allowed. For forms that may be used across several steps or processes, the Form Designer provides import and export capabilities.

Process Repository

A process repository stores all of the metadata used to develop the process automation. Some repositories are used in design time, while others are used in both design and runtime environments.

Processes and process instances are stored in system memory. But all in-memory data is further persisted to transactions logs. The repository is a central component of the process engine, allowing the engine to retrieve models, interpret them, and execute the process logic. The process instances are also captured in the repository, which serves as the foundation of the process analysis and task detail reports in the Appian management environment along with real-time process status tracking.

Process Execution Server

A BPMS has runtime server software that executes the process described in the model. There are differences in how BPMS products move from a model to the execution of a process as well as differences in standards supported.

Appian's process server retrieves process models from its internal memory, interprets the files and executes the business logic contained in the models. Assuming a business user has sufficient permission, the user can modify and deploy processes immediately as well as modify them in-flight.

From the Process Modeler the process developer saves and publishes the proprietary XML model directly to the process execution engine. The published process is immediately executable and is stored internally in memory as metadata, which is then interpreted by the execution engine at runtime. This approach offers a greater degree of agility in moving through a process but requires an understanding of how to deploy Appian to optimally switch between memory and storage.

This somewhat unique approach to process execution and storage could theoretically be much faster in execution and analytics than systems that continuously swap process data to a repository typically stored in a database on a server or hard disk.

Process Monitoring

Process monitoring, also called BAM, maintains and displays performance statistics about how the process is running. The key performance indicators (KPIs) are automatically generated within the system.

Appian Enterprise captures detailed performance data across all activities completed in the Appian process environment. In addition to showing performance data on tasks and processes in graphical reports, Appian allows activity statistics to be displayed inside the Appian Process Modeler. This view allows process owners to view real-time and historical performance information while monitoring or editing a process. Bottlenecks and process inefficiencies can be quickly identified and corrective action taken immediately inside the Web-based process modeling environment. Appian's interpreted architecture allows in-flight process modifications.

Appian adheres to the exception management capabilities defined in the BPMN standard. Exceptions may be modeled on any activity step to listen for an exception

condition and take appropriate action. Possible exceptions include a time event (if an activity is not addressed within a period of time), a message event (if a notification is received from another process), or a conditional event (if the state of the task changes or a certain value is modified). These exceptions may also be joined into a complex exception type that listens for multiple actions and states in the process.

Task Management

Task management capabilities include assigning work to a queue and to roles as well as adjusting work assignments as transactions flow through a process. Task management allows a process owner or designated process administrator to make changes in both the development environment and in runtime to assign and reassign tasks and to reroute work.

In Appian Enterprise, task management is configured in process design and managed in runtime by the process server.

End-users who receive tasks are presented with a configurable task inbox. Tasks may be routed to individual users, groups, roles, or dynamically determined based on a rule. Individual users may configure personal inbox views to include key business data, filters, process performance metrics, or access to a subordinate's tasks.

Appian allows task inboxes to be viewed as graphical reports, highlighting high-priority tasks.

Appian stores copies of all completed tasks, allowing all users to view past activities. Appian can capture a snapshot of a task form, showing the information that was entered when the task was completed.

Support of Portals and Collaboration

Portal support and collaboration features allow process designers to customize Appian and the portal is the presentation layer for process participants.

Appian integrates rich dashboard design and portal capabilities. Its portal is not designed to replace an existing portal, but primarily to provide business users with visibility into the Appian BPM implementation. Appian's portal environment can personalize and target content based on rules, displaying content from a variety of sources, and enabling business users to modify layout with point-and-click techniques.

Appian's portal can identify a specific user attribute or role and highlight content channel areas for viewing inside a dashboard. It can restrict access to content at a variety of levels. Dashboards, individual content channels, and specific rows in a report can be secured.

Administrators can set up a variety of group types in Appian that include extended group attributes, public and private groups, rule-based group membership, and dynamic rule-based group hierarchies. Rule-based membership and hierarchies allow groups to self-administer as user and group attributes change.

FUTURE OUTLOOK

Given its positioning with a SaaS deployment model, the rapid growth of SaaS applications, and strong growth in BPM, Appian is well positioned for continued growth.

Its selection by .NET customers as a Java application is a significant endorsement and validation of the strong appeal of its business-focused, configuration-versus-coding approach to process modeling.

While Appian Enterprise is built on a Java framework, it introduced Appian SharePoint in June 2008 to make Appian Enterprise more compatible with Microsoft's .NET, SharePoint, and Office applications. This product will make Appian's appeal to the .NET market stronger.

ESSENTIAL GUIDANCE

Competition and Vendor Selection

Among the short list of competitors Appian typically faces are: Adobe, Citigroup, Global 360, IBM FileNet, K2, Lombardi, and Savvion. The tipping (decision) factors favoring Appian in these competitive situations were multiple and varied but are important for vendors and buyers to note:

- Ease of development (Customers want BPM products to be easy to configure, change, and maintain so that developers and business analysts can quickly develop and adapt processes and interfaces.)
- Business oriented versus IT oriented (IT-oriented solutions are seen as offering slower adaptability and less control for the business stakeholders and as being more expensive to maintain and modify because IT-oriented products are development intensive.)
- Better complex forms development capabilities than competitors
- Strong image and document management capabilities that are important in case management scenarios
- Server-based pricing versus user-based pricing (This can be a key stumbling block for rapidly growing organizations that want to lock in fixed pricing rather than see expenses escalate with their employee counts.)
- High pricing versus low pricing (This does not just relate to license and maintenance pricing — it may also include the customer's perception of potential downstream costs, especially professional services. Customers do not want to lock themselves into long-term professional services engagements.)

LEARN MORE

Related Research

- ☒ Worldwide BPM and Middleware 1H08 Vendor Analysis: Review of Customer and Partner Win Announcements (IDC #216744, February 2009)
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Synopsis

This IDC study is one of a series of IDC Customer Needs and Strategies studies that examine how customers are using various business process management (BPM) software products. The goal of this study is to provide insight to help enterprises as they are thinking through and actively evaluating BPM software by discussing Appian with customers that went through a competitive process to select a BPM vendor.

"Given the degree of competition among smaller workflow vendors, pure-play business process management suite (BPMS) vendors, and the larger middleware platform vendors, we wanted to learn more about why Appian was selected by enterprises," according to Maureen Fleming, program director, Business Process Management and Middleware.

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