

Media Room Article

“BPM (Business Process Management) beats cost reduction in CIO priorities”

Siobhan Chapman, Computerworld UK, 27/02/2009

Improving business processes is the number one priority of CIOs, according to analyst firm Gartner. Although chief information officers are in the "worst recession of their working lives", cost reductions come second, according to Gartner research vice president Michele Cantara.

Speaking at Gartner's annual Business Process Management Summit in London, Cantara said cost reduction has moved from fifth to second place on the list of CIO priorities, but improving business process management (BPM) has retained its spot as number one priority for four years running. "When we surveyed CIOs last year, improving business processes was number one in terms of their priorities. It's been number one since 2006 and it's still number one in 2009," said Cantara. But the business environment has changed, and executives need to learn to adapt or risk losing their jobs, said Gartner vice president and research fellow Mark Raskino.

"When CEOs are at the most risk of losing their jobs is when they don't adapt fast enough," said Raskino. CEOs will look to restructure in the current economic climate, and that in turn will make BPM even more important.

Gartner analysts said 'restructuring' will be the CEO keyword in 2009. "Make sure you are attentive to this single word whenever it is used. Your CEO is likely talking about business model restructuring, not just process redesign. But changes in the business model will drive massive changes to business processes," said Cantara.

"We're in year one of the recovery. Recovery will take a few years. Thus you must do BPM -- apply BPM practices -- more than just gain the necessary competencies. It is 'all hands on deck' now. Do make changes. Later, you'll have to invest time and energy into increasing your competencies. But 2009 must be a year of action," Cantara told business and IT leaders gathered in London. Despite cost cutting measures within firms, executives will cushion IT budgets from the worst effects of the downturn, and IT will be one of the most resilient investment areas. The analyst group polled 150 US and UK CEOs and senior executives in December 2008, and found that IT was one of the categories in which most business executives wished to invest substantially, following product enhancement. This means, that while IT budgets will be flat, there will be more money in IT compared to the rest of the business. However, CIOs will still need to exercise caution when pitching for BPM projects.

Gartner warned CIOs to avoid hunting "cool and sexy" projects, but instead "go back to basics". "Tactical, boring projects won't kill you. It's like going on a diet after Christmas, you will look good for it," said Raskino.
