

## **PERFORMANCE MANAGEMENT INDUSTRY LEADERS FORM BPM STANDARDS GROUP**

-- Working Group to Establish Common Definition for BPM and Deliver Business Performance Management Framework --

**STAMFORD, CT - March 25, 2004** -Applix (Nasdaq: APLX), BPM Partners, Hyperion Solutions (Nasdaq: HYSL), IBM (NYSE:IBM), IDC, META Group (Nasdaq: METG), SAP AG (NYSE: SAP) and The Data Warehousing Institute (TDWI), today unveiled a unique industry organization called The BPM Standards Group.

The BPM Standards Group's goals are to:

- Accelerate adoption of successful Business Performance Management (BPM) practices across the enterprise.
- Provide consistent thought leadership and establish standards for vendors, service providers and consultants in the industry as well as users of BPM.

The BPM Standards Group represents all the major categories in the BPM industry - application vendors, tools vendors, implementation consultants, IT/data warehousing experts, industry analysts, management consultants and system integrators. The customer/user perspective is represented through an affiliation with the members of the BPM Forum, a business oriented thought leadership group of senior level practitioners in operations, finance and information technology. BPM Forum members will be invited to test and validate the BPM Standards Group concepts.

Customers/users of BPM solutions who wish to contribute may register to become a member of the BPM Forum at [www.bpmforum.org](http://www.bpmforum.org) . Other members of the BPM industry who wish to participate should contact [info@bpmstandardsgroup.org](mailto:info@bpmstandardsgroup.org) or one of the founding members.

With all participants representing elements of the performance management solutions industry, the organization has formed with the expressed intention of delivering:

- Common definitions for Business Performance Management
- Agreement on the scope of BPM projects - what is inside the parameters and what is outside or complementary
- Clarity on what BPM can and cannot deliver in terms of results
- Examples of best practices in BPM implementation across the enterprise and suggested roadmaps for BPM success

The BPM Standards Group will deliver this information as part of a BPM framework document. The framework creates a pyramid of core processes and defines supporting technologies and methodologies. The framework will be a useful tool for companies considering BPM solutions. Currently under development, the framework will be made available upon completion via a special website ([www.bpmstandardsgroup.org](http://www.bpmstandardsgroup.org) ) and published in BPM-focused magazines.

### **Defining BPM**

As a first deliverable, the BPM Standards Group has developed a common definition of BPM that provides appropriate context for performance management, including the following principles:

- BPM is a set of integrated, closed-loop management and analytic processes, supported by technology, that address financial as well as operational activities.
- BPM is an enabler for businesses in defining strategic goals, and then measuring and managing performance against those goals.
- Core BPM processes include financial and operational planning, consolidation and reporting, modeling, analysis, and monitoring of key performance indicators (KPIs) linked to organizational strategy.

According to figures recently released by the META Group, the BPM industry grew to approximately \$1.1 billion in 2003 and is expected to grow 15 to 20 percent in 2004. A recent META Group study also shows that, within the next 18 months, 85% of firms surveyed will work on a BPM project.

According to IDC, the market for BPM and financial analytic application passed the \$1B mark in 2003 and should grow to \$1.6B by 2007, a compound annual growth rate of better than 10%. The major applications in this category are budgeting, planning, consolidation, activity-based management and cross-functional scorecarding.

In a survey conducted by BPM Partners, BPM initiatives are being driven by an internal demand for greater accuracy and accountability and transparency of financial reporting, including a focus on having "one version of the truth." Almost 40 percent of respondents questioned the accuracy and integrity of the financial data available to them from their existing systems.

The importance of BPM was a key finding in a September 2003 survey of 450 CFOs from 35 countries completed by IBM Business Consulting Services. Sixty-five percent of the survey respondents rated business performance management as a top objective, supporting the trend of the CFO's role shifting from a transactional activities focus toward more decision support and shareholder value creation activities.

### **Support from Industry Thought Leaders**

An important part of accelerating the rate of adoption is the support of industry thought leaders, consultants and analysts.

"Performance management is such an important part of individual, corporate and global business success, that we felt compelled to do what we can to support the industry's growth," said Craig Schiff, president and CEO of BPM Partners. "Agreement on such basics as a definition and various standards are only the first step."

"The definition of BPM points out several critical success factors for BPM projects," said Henry Morris, group vice president for Applications and Information Access at IDC. "Though BPM begins with measurement and analysis, a successful BPM initiative must result in changed actions. And though BPM initiatives often begin with finance, BPM must go beyond finance to impact operations across business functions."

"As a group, we've agreed upon the term 'BPM' for Business Performance Management," said John Van Decker, vice president, Technology Research Services at Meta Group. "Others may use CPM and EPM as equivalents. The 'other' BPM (Business Process Management), BAM (Business Activity Monitoring), BI (Business Intelligence), EIS (Executive Information System) and analytic applications are not equivalent to this definition of BPM but may represent a portion of what BPM provides."

Wayne Eckerson, director of research, TDWI, said, "In order to drive a successful BPM initiative, companies should identify strategic business drivers up front, select metrics and measures derived from their drivers, and assess the ability of their current systems to support BPM. These are all important parts of the process companies should follow for BPM success."

By presenting standard, agreed-upon definitions, guidelines and scope for BPM, the BPM Standards Group will bring clarity to decision makers who are interested in minimizing the expense of BPM and maximize the return on investment - ensuring success for the industry and the companies who are relying on BPM to help achieve their business goals.

### **About the BPM Standards Group**

The BPM Standards Group is an industry working group dedicated to the success of organizations adopting Business Performance Management solutions. The founding participants include Applix (Nasdaq: APLX), BPM Partners, Hyperion (Nasdaq:HYSL), IBM (NYSE:IBM), IDC, META Group (Nasdaq:METG), SAP AG (NYSE: SAP) and The Data Warehousing Institute (TDWI). The Group is committed to establishing BPM definitions, guidelines and recommended business practices. For more information or to participate in the BPM Standards Group, please visit <http://www.bpmstandardsgroup.org> or email [info@bpmstandardsgroup.org](mailto:info@bpmstandardsgroup.org) .

### **About the BPM Forum**

The BPM Forum is an organization advancing the understanding of business performance management techniques, technologies, and processes in global enterprises. The not-for-profit organization brings together over 350 influential business line managers and senior executives overseeing enterprise finance, operations, and technology for companies with over \$400 billion in combined revenues. Forum members are joining in the pursuit of innovations in business performance management, a term that describes the methodologies, metrics, processes and systems used to monitor and manage a company's business performance. Driven by demands for improved operational accountability and corporate governance, the BPM Forum is researching and promoting cutting-edge methods to strengthen financial management disciplines and drive performance improvements across large organizations. For more information or to register for membership, please visit <http://www.bpmforum.org> .

###