

What Does a BPM Initiative Really Entail?

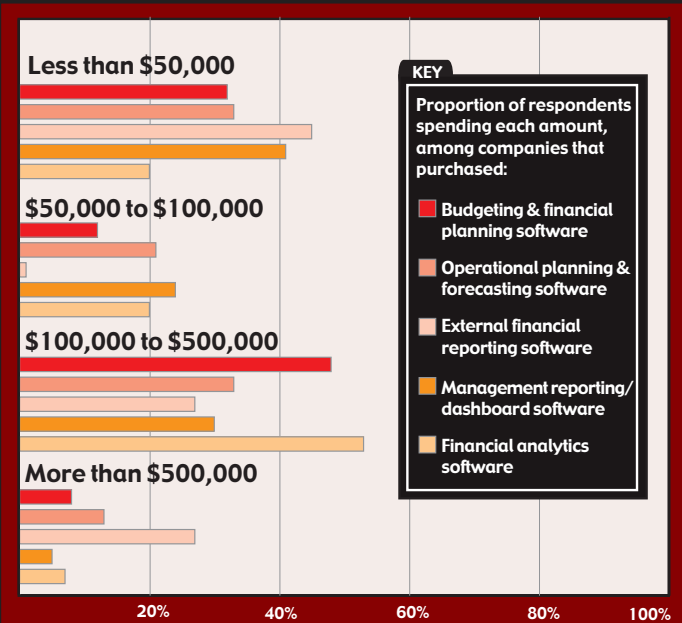
Cost and Length of Project Aren't Affected Much by Software Type

The term “business performance management” encompasses several categories of software, but our recent survey found that companies’ spending on the software — and the length of time the implementation takes — is similar, regardless of which category they’re buying into.

Overall, 50 percent of respondents spent less than \$100,000 on their software and 50 percent spent more. The median length of their BPM projects was five months.

Here’s how these stats break down by software type.

HOW MUCH DID YOU SPEND ON THE SOFTWARE PRODUCT ITSELF?



HOW LONG DID IMPLEMENTATION TAKE? (median number of months, by type of software)

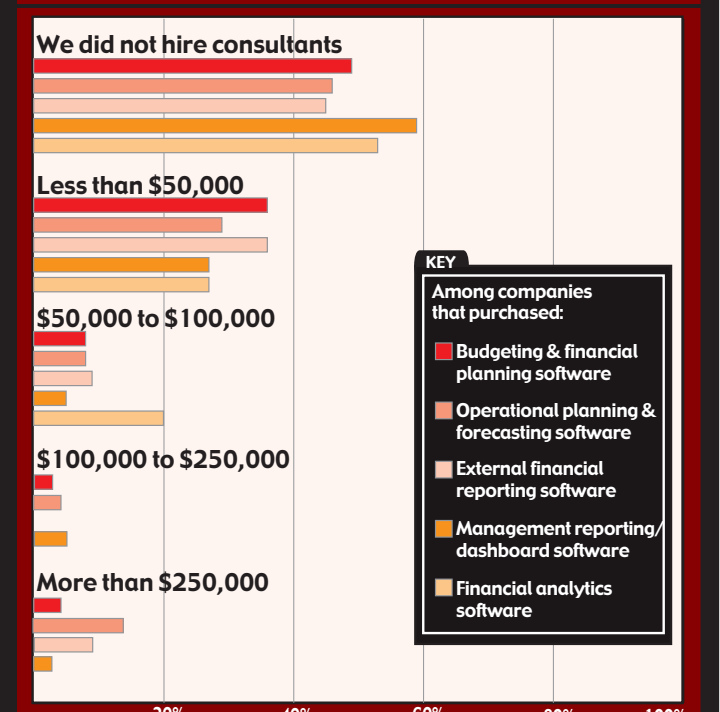
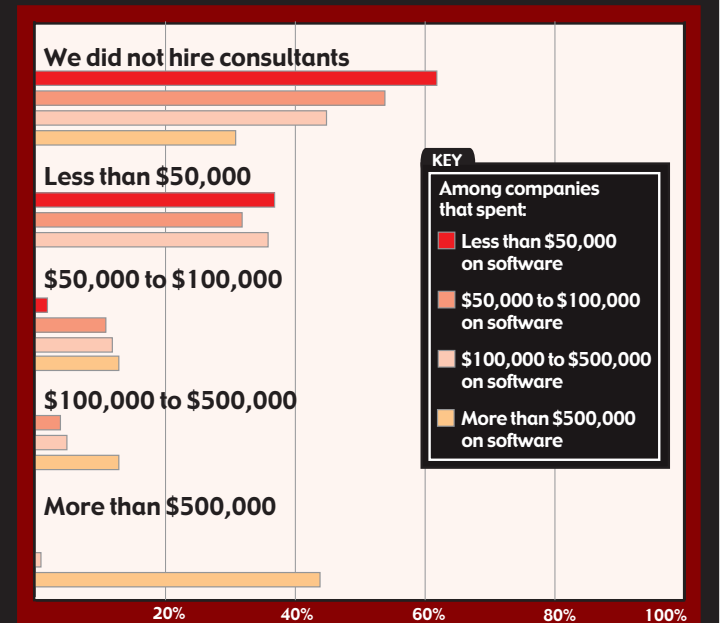
	Budgeting & financial planning	Operational planning & forecasting	External financial reporting	Management reporting/dashboard	Financial analytics
Among companies that spent less than \$50,000 on software	4	2	1	3	6
Companies that spent \$50,000 to \$100,000 on software	4	4	N/A	4	6
Companies that spent \$100,000 to \$500,000 on software	6	6	12	9	9
Companies that spent more than \$500,000 on software	9	11	15	13	20

Planning Consultants Unnecessary For Many Buyers

Regardless of the type of software they buy, only about half of all BPM purchasers hire consulting help during the project planning and software selection phase of their performance management initiative.

Among those companies that do hire consultants, few spend more on planning/purchase consultants than they spend on the BPM software itself, but more than 40 percent of survey respondents that paid over \$500,000 for software also paid over \$500,000 on planning/purchase assistance.

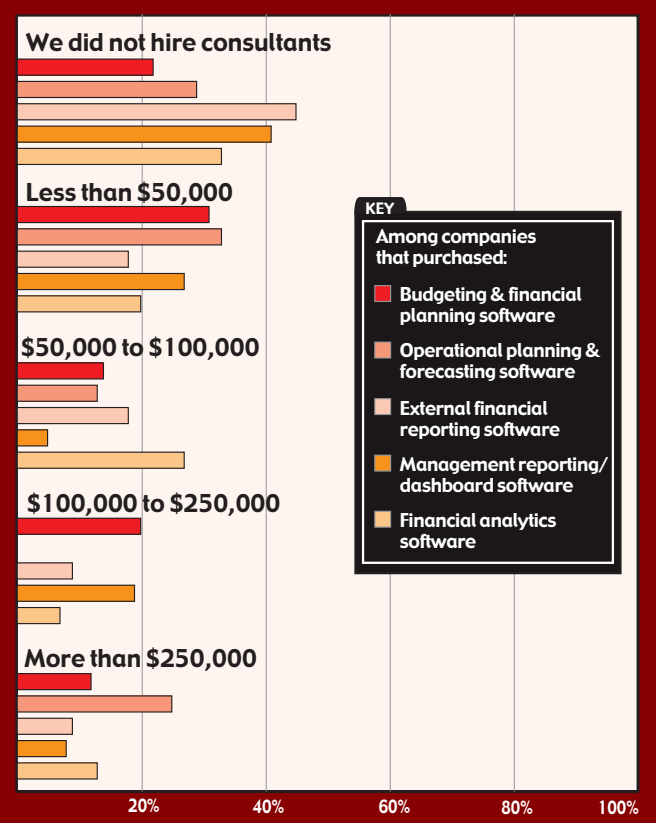
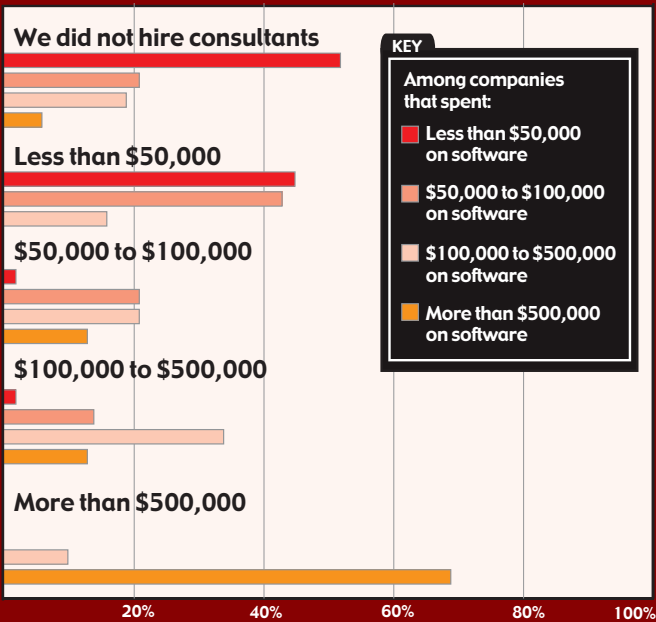
HOW MUCH DID YOU SPEND ON CONSULTANTS IN THE PLANNING & SOFTWARE PURCHASE PROCESS?



Implementation Consultants More Important, Especially for Large Projects

Our survey results show that BPM buyers are far more likely to hire consultants to assist with the software implementation than with the up-front planning and the selection of the software. Seventy-one percent of all survey respondents hired implementation consultants, and only 6 percent of respondents that spent more than \$500,000 on the software were able to install that software without help.

HOW MUCH DID YOU SPEND ON EXTERNAL CONSULTANTS DURING IMPLEMENTATION?



Demands on Staff Time Can Be Brutal

BPM software implementations consume a substantial amount of staff time within both finance and IT. That's not surprising, but it should be taken into consideration in projections of the project's costs.

HOW MUCH STAFF TIME DID IMPLEMENTATION TAKE? (median number of person-days for the length of the project)

	Finance department staff time	IT department staff time	Business-unit staff time
Companies that spent less than \$50,000 on software	44 days	44 days	2 days
Companies that spent \$50,000 to \$100,000 on software	150 days	30 days	10 days
Companies that spent \$100,000 to \$500,000 on software	250 days	165 days	10 days
Companies that spent more than \$500,000 on software	924 days	1,980 days	20 days

The Good News

They are major investments, but the vast majority of BPM software implementation projects consume approximately as many resources as companies expect them to. According to our survey, only 11 percent of rollouts cost substantially more than expected, and only 12 percent use substantially more staff resources than planned.

HOW DID THE IMPLEMENTATION'S CONSUMPTION OF RESOURCES COMPARE WITH YOUR EXPECTATIONS?

