



**HFS**



**HFS Highlight: Get ready for IBM  
Intelligent Workflows powered by  
Celonis EMS**

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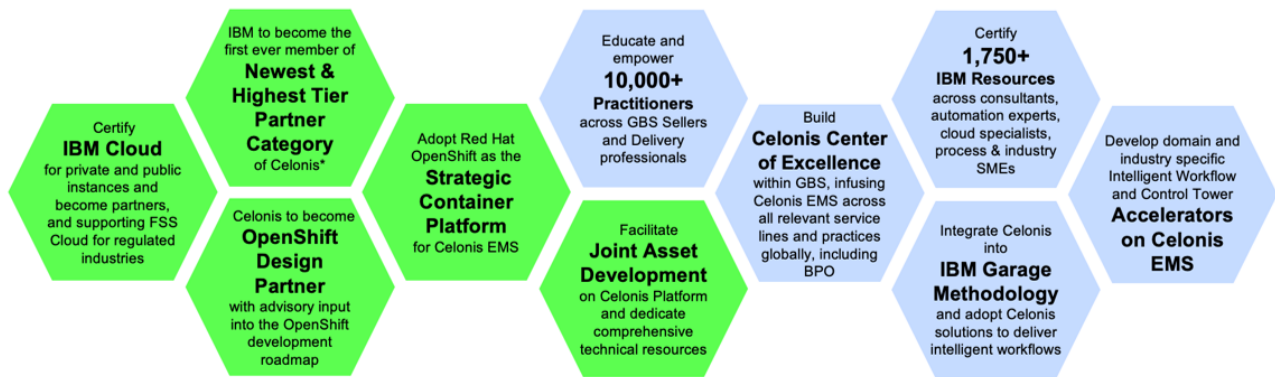
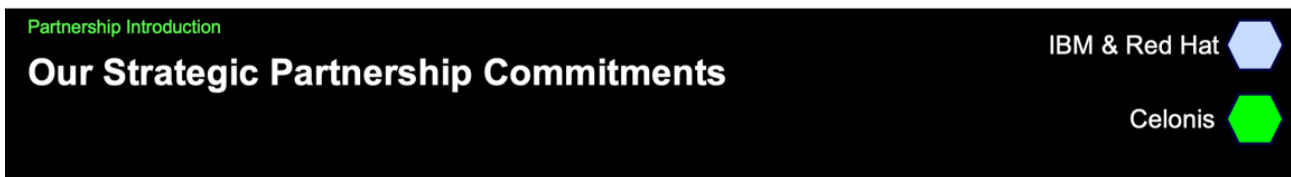
Defining Future Business Operations

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Today, Celonis, IBM and Red Hat announced a visionary partnership that benefits all three companies, but most importantly, enterprise clients that are seeking digital transformation.

As a part of the agreement, each party is making commitments including IBM training thousands of employees on Celonis, and infusing Celonis' EMS technology across its service lines, most notably to improve business process operations, platform modernization services, and powering IBM's Garage model for accelerating client digital transformation at scale. Celonis on its part will be replatforming and adopting Red Hat OpenShift for Celonis EMS, creating a new strategic partner tier and making IBM the first ever member, and committing to jointly developing assets and accelerators along with IBM in chosen areas, including embedding Celonis EMS into IBM's proprietary digital operations solution, Intelligent Workflows.

**Exhibit 1: IBM and Celonis' partnership commitments include significant investments from both sides**



\*More details to be unveiled at Celosphere event Apr 13-15, 2021

**Source: Celonis & IBM, 2021**

Celonis and IBM share many client logos in their portfolios, giving them an opportunity to jointly address the digital transformation agendas of these firms. Beyond that, let's explore what's in it for everyone:

## For Celonis, it's about getting closer to the business needs of its customers and enabling growth

- Celonis' technology ultimately needs to be deployed to solve real business challenges, and the more it can get deeper into specific business functions and vertical processes, the deeper its value to business clients. IBM will be a fantastic collaboration partner to jointly develop assets that can go across the breadth of IT services, consulting, and business process services – all of which are areas where Celonis' process intelligence technology has direct applicability.
- We observed the process intelligence market being more mature in Europe, where Celonis is headquartered. While the vendor is continuing to grow exponentially, it needs partners to help it successfully expand its enterprise footprint globally. Needless to say, IBM has an enviable presence across key client markets and will be a great go-to-market partner for Celonis.
- Further, to continue its expansion, Celonis needs more professional services resources and talent that can fully bridge the gaps between technology, business context, and enterprise change management. IBM's talent commitment to Celonis is impressive when you think about just how many technologies the service provider juggles in client engagements

## For IBM, Celonis elevates the role of process data and provides an avenue for innovation with its clients

- We all know how competitive the global IT and business services industry, and every service provider needs to continuously be innovating and creating points of differentiation for its services. With the IBM GBS team leading the Celonis partnership, there's an opportunity for IBM to proactively infuse data-driven process insights into all its services to help it stand out, in conjunction with its own investments in Watson, automation, and analytics. Whether its Celonis' data migration support for platform modernization services in IT, or improving remote transitions for BPO clients, IBM can really build a differentiated narrative around process intelligence-infused services.
- Intelligent Workflows gets a boost with Celonis EMS functionalities baked in. Born in IBM's BPO practice, Intelligent Workflows is the service provider's approach to bringing AI, data, analytics, automation, and other emerging technologies together as an orchestration platform on hybrid cloud that drives smarter business processes. Celonis EMS will now be the execution engine that can bring even more intelligence and automation to the platform. This, in our view, is perhaps the most promising aspect of the partnership as it tangibly creates a technology solution where clients can experience IBM and Celonis coming together.

- IBM uses its Garage methodology to accelerate digital transformation with clients through an iterative framework that guides clients from ideation to re-imagine their business and operating models through co-creation to build and then scale solutions across the enterprise. While IBM already used a host of technologies to facilitate these discussions, Celonis brings some exciting new possibilities, most notably the ability to do rapid process analysis and show clients a more data-driven, factual understanding of their current business processes, and continuous monitoring of value over time following transformation efforts.

## Why do enterprise customers benefit?

- **Bring your cloud of choice or on-prem data into the mix:** Celonis' replatforming on Red Hat OpenShift will give its clients a flexible, future-proof technology stack that is cloud-native and readily available as a cloud service on major public clouds and supported on even more public and private cloud environments, while being able to include data from on-prem systems. This has been a challenge in the last few years as Celonis has pushed a cloud-only solution that has left out some enterprises that still struggle with on-prem exceptions or specific public cloud preferences with their cloud-native strategy.
- **Starting points for business use cases:** Enterprises will get a head-start on implementing business-specific applications on IBM's Intelligent Workflows solution with Celonis EMS accelerators (expect apps for finance, supply chain, and similar backoffice functions at the outset).
- **Skilled Celonis experts to make the magic happen:** Technology implementation and expansion is hard, especially so for emerging technologies such as process intelligence. IBM's Celonis COE, up-skilled consultants, and cloud specialists will be a relief for clients that want to get moving with Celonis as their enterprise-wide intelligence and execution platform.

## The Bottom-line: IBM and Celonis are paving the way ahead with a progressive ecosystem approach to delivering on their enterprise clients' cloud-native and data dreams

Successfully effecting digital transformation for enterprise clients will require global SIs and technology vendors to get much closer, and more creative on developing meaningful solutions. This partnership could prove to be just that, with significant commitments from both IBM/Red Hat and Celonis over the next few years. As always, the results of IBM and Celonis' collaboration will come down to how well clients are able to consume the collective capabilities of the two firms, and IBM and Celonis must stay on top of what assets and accelerators are most needed in the market to make this a success.

## HFS Research author

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Reetika Fleming leads coverage for smart analytics, insurance, and finance & accounting at HFS Research. She studies the broad use of data and analytics within enterprises, with a research focus on emerging strategies to institutionalize machine learning and other AI techniques. Her research extends into the impact of digital business models, IoT, Smart Analytics, and AI on business process services for insurance specifically, and finance and accounting broadly.

Prior to HFS, Reetika worked in the sourcing research wing of business research and consulting firm ValueNotes. Her responsibilities as Project Manager included research product design and development, managing custom research engagements, developing thought leadership through targeted content and community interaction. She also managed the unit's web and social media strategy and presence. Reetika has led numerous research projects spanning global technology and business operations, and has led plenary sessions at HFS FORA, SSON, and various other industry events.

Reetika has completed her Masters in Marketing Management with distinction from Aston University, UK, receiving Beta Gamma Sigma honors. Prior to this, she received her Bachelor's in Business Administration with distinction from Symbiosis International University, India. She lives in the Somerville-Cambridge area with her husband and two cats. You'll find her crafting, gaming, or reading fantasy series at home, or traveling to world heritage sites to feed her love for old things and global cuisine with friends and family.



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HFS is a unique analyst organization that combines deep visionary expertise with rapid demand side analysis of the Global 2000. Its outlook for the future is admired across the global technology and business operations industries. Its analysts are respected for their no-nonsense insights based on demand side data and engagements with industry practitioners.

HFS Research introduced the world to terms such as "RPA" (Robotic Process Automation) in 2012 and more recently, the HFS OneOffice™. The HFS mission is to provide visionary insight into the major innovations impacting business operations such as Automation, Artificial Intelligence, Blockchain, Internet of Things, Digital Business Models and Smart Analytics.



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