

InterConnect2015

A New Way



#ibminterconnect

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Performance is based on measurements and projections using standard IBM benchmarks in a controlled environment. The actual throughput or performance that any user will experience will vary depending upon many factors, including considerations such as the amount of multiprogramming in the user's job stream, the I/O configuration, the storage configuration, and the workload processed. Therefore, no assurance can be given that an individual user will achieve results similar to those stated here.

Business Process & Decision Management

Smarter Process: Reinventing Business Operations
for Greater Customer-Centricity & Topline Growth
in the Digital Era



Smarter Process

Marie Wieck,
General Manager, Middleware

We Live in a Moment of Enormous Possibility and Digital Transformation



90%

Of the world's data created in the last two years.



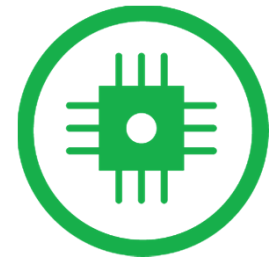
4x

Increase in key business investments in cloud over 2013.



100%

Of LOB apps will be built for mobile-first by 2017.



75B

Devices connected to the internet by 2020.

Alone, each of these has immense potential. Together, they can **change everything**.

Customers Hold More Power Than Ever and No One Is Immune to These Changes

2/3

Of credit card **fraud alerts** resulting in denials that are **actually legitimate** purchases

84%

Of companies believe **service is important** to their financial performance

59%

Of companies say a **customer service failure** has had a clear, **significant financial impact** on their company

Key Process Imperatives



**Act in context
with data**

**Adapt to dynamic
market changes
3x faster**



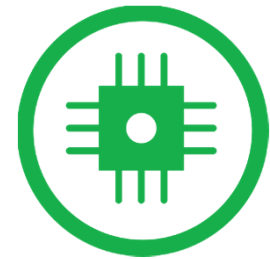
**Drive simplicity
and speed with
cloud**

Speed innovation
up to 80%



**Accelerate customer
engagement with
mobile and social**

Reduce onboarding times
by 70%



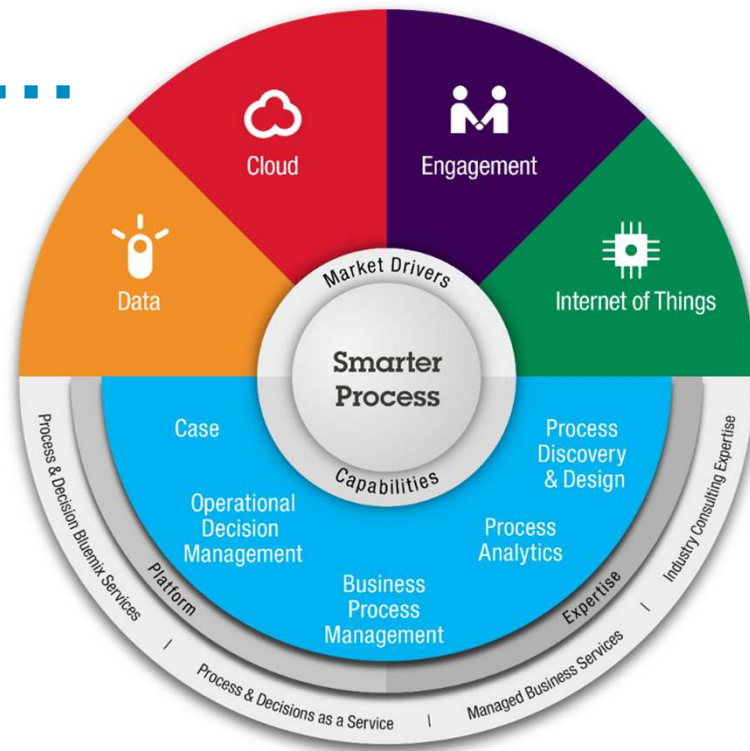
**Digitize the
physical world
with IoT**

*Improve efficiency
by 25%*

To further customer-centricity and drive top-line growth

Smarter Process is...

*IBM's solution for **reinventing business operations** infusing every process with intelligence and expertise to deliver greater customer-centricity.*



Smarter Processes in the Cloud

Shepherd Color succeeds in its digital transformation, realizing **50% increase in productivity gains**

with **IBM BPM on Cloud**



Smarter Healthcare



Blue Shield of California achieves customer-centricity, with a **5x increase** in customer adoption and satisfaction

with
IBM ODM
IBM Portal
IBM Integration Bus, and more...

Jerry Cuomo

IBM Fellow, Vice President,
Middleware Chief Technology Officer

Jim King

Senior Vice President, Business Ops and Technology
Broadcast Music Incorporated



“It all begins with a song.”

Frances Preston, past CEO of BMI



**“Business process automation and IT innovation,
driving forces for the music industry.”**

Mike O'Neill, CEO of BMI

BMI Members:

Songwriters

Lyricists

Composers

Publishers



Lady Gaga



Customer Centricity:

Artists and Relationships



“EVERYBODY SAID **BMI** WAS MORE PERSONABLE, WARM AND INVITING, LIKE A FAMILY THAT REALLY CARES ABOUT MAKING CONNECTIONS AND WHAT YOU DO”

AMERICAN AUTHORS

Indie Bands make up a huge component of BMI's members.



Nicki Minaj

Bringing **Music** and **Business** Together



Creators Write Music



Businesses Use Music




BMI Values Music



Creators Are Paid




A full-length photograph of the singer Pink. She is wearing a black, strapless, corset-style gown with a full skirt and a sheer panel on the left leg showing floral-patterned leggings. She has short, light-colored hair and is looking down.

Pink. BMI Writer Since 2003.

WRITE ON.

Our commitment to songwriters and composers – from living legends to rising stars – endures. We value you, your music, your rights.

P!nk



BMI
valuing music since 1909.



**Music is
Technology**



Change

**Technology
is Music**

Music

Data-based
Analytics

Social
Streamed
Mobile
Cloud-based

Transformation is key!

People, processes, data, technology.



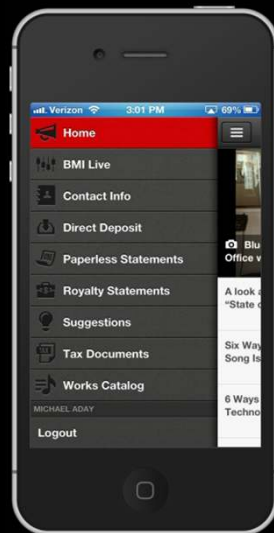
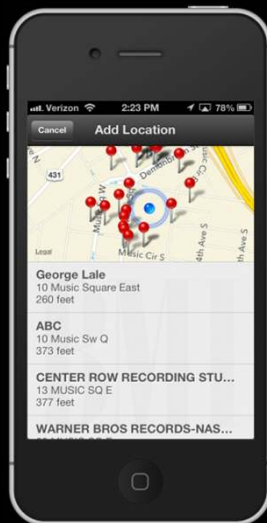
BMI Processing Responds ...




Eminem

Amazing Growth:

10 Million Songs
675 Thousand Members
Trillions of Transactions per year
500 Billion+ Performances per year



Mobile Needs



BMI

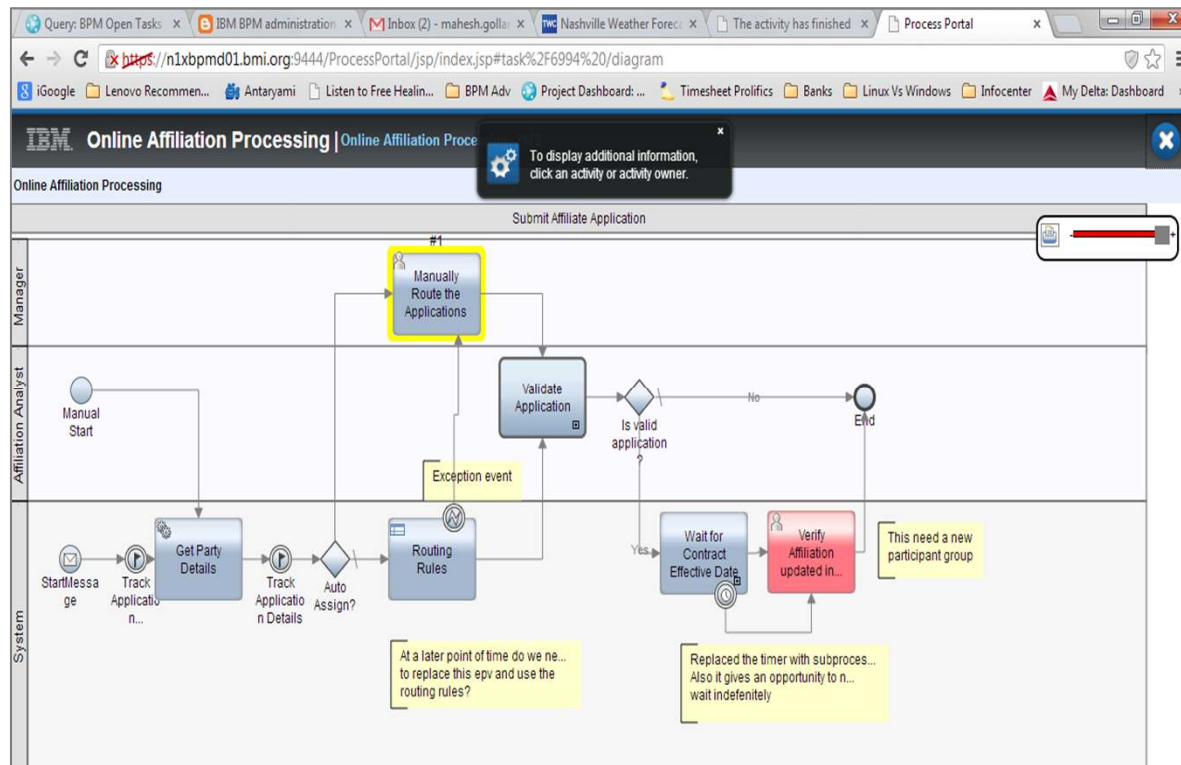
Paul Simon. BMI Writer Since 1957.

WRITE ON.

Our commitment to songwriters and composers – from living legends to rising stars – endures. We value you, your music, your rights.

Paul Simon

BMI and Smarter Processes



BMI's BPM-Driven Supply Chain



NETFLIX

Receive NetFlix
performance data

Large file
processing

IBM Sterling
Connect:Direct

Automatch and
identify titles

Performance
Warehouse

IBM Pure Data
System

Distribute funds
by performances

Generate
member reports

IBM Cognos

1

2

3

Mind the Gap



Supporting Indie Music:

Music: Valuing Performances

Streaming: Digital penetration

Gigs: Analyzing Market Demand

X Ambassadors

BMI Administration Services



Annual Business Processes:

Register over 1 Million musical works

Add 50,000 new members

Royalty Payments over \$800 Million

License 100's of thousands music users

John Williams

VALUING MUSIC SINCE 1939.

Photo by Danny Clinch



Prolifics
Global Technology Solutions Provider



It all boils down to our...



... new Indie Band: Mind the Gap

Curtis Miles

Mobile First Solution Architect

Jeff Goodhue

Client Technical Specialist

Smarter Process Reinvents Your Business Operations to



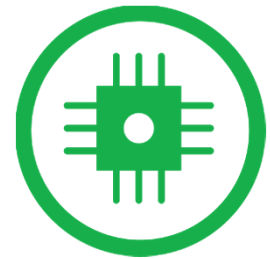
**Act in context
with data**



**Drive simplicity and
speed through the
cloud**



**Accelerate customer
engagement with
mobile and social**

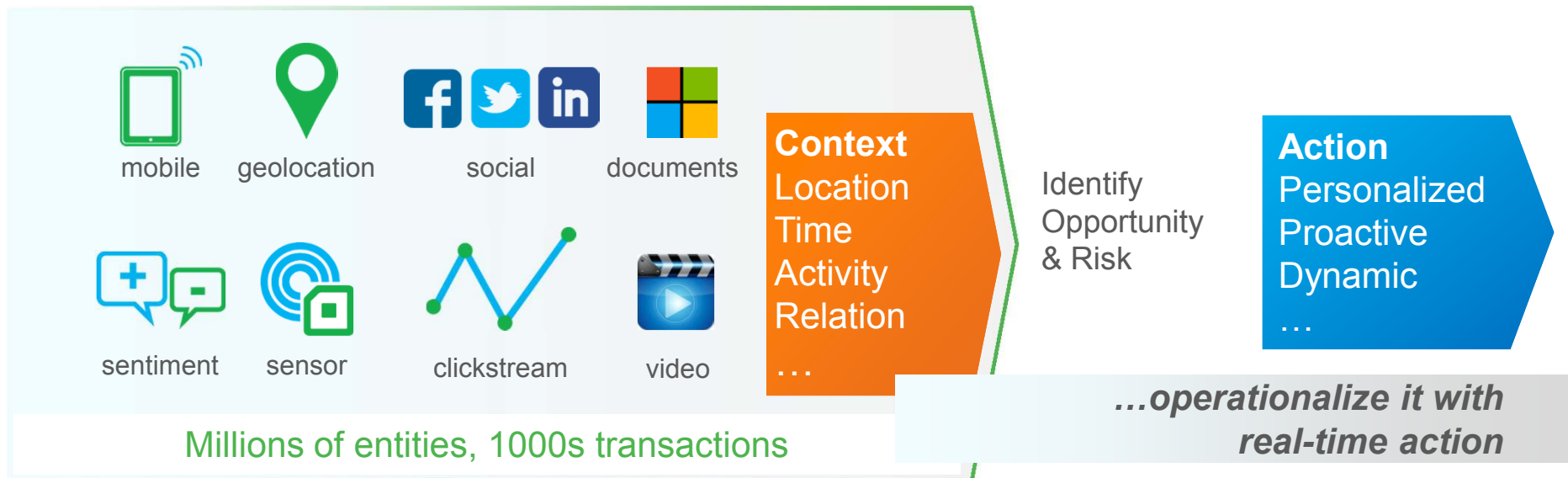


**Digitize the physical
world with IoT**

Drive greater customer centricity and top-line growth

Smarter Process Acts in Context with Data

Contextual data has a half-life...



The average half-life of data for tactical decision making is less than 30 minutes, with some as low as 6 seconds. After that, only 30% of data has any value.

~Measuring the half life of data, Nucleus Research, 2012

IBM Operational Decision Manager Advanced | IBM Business Process Manager | IBM Case Manager

Smarter Process drives simplicity and speed through the cloud



Lower the bar
of entry for
all skill levels



Broaden adoption
for companies of
all sizes



Faster time to value
and business
transformation

71% of industry pacesetters shorten their time to market, 68% improve their customer experience and 66% increase their ability to innovate – all using Software-as-a-Service.

~How SaaS is fueling a competitive advantage, IBM IBV, 2014

IBM Blueworks Live | IBM BPM on Cloud | Bluemix Services: Workflow and Rules as a Service

Smarter Process accelerates customer engagement

Customers touch your business in many ways, with a wide set of expectations



	Customer expectation	Work Style
"I need a quick insurance quote for the new car"	Expect a full online quote on the website in real-time	Straight-through automation
"I need a custom policy that covers the boat-house and the 1910 vintage car"	Expect a quick approval on a custom policy	Guided workflow
"I need to reassess my financial situation and protect my wealth"	Expect thorough and personalized research	Knowledge and judgment work

Customer engagement comes from **consistently delighting a customer** across multiple interactions and channels including mobile

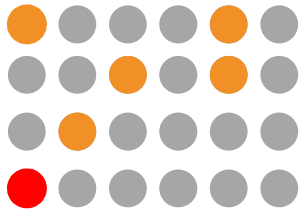
Thrive across a wide spectrum of work

A customer who is fully engaged represents an average 23% premium in terms of share of wallet, profitability, revenue and relationship growth compared with the average customer.

~Why Customer Engagement Matters So Much Now, Gallup Business Journal, July 2014

IBM Business Process Manager | IBM Operational Decision Manager

Smarter Process digitizes the physical world with IoT



Package checked in to ship



Ship is leaving the port



Package missing customs documents required for this destination



Ship is less than 100km away from destination



Prepare for offload at destination



The ship carrying the package is within 100km of the destination and customs forms for this package are not complete.



Ship crew contacts customer to complete customs forms electronically prior to arrival

The Internet of Things is projected to save \$36 trillion in operating costs in key industries by 2025

~Disruptive technologies: Advances that will transform life, business and the global economy, McKinsey, May 2013

IBM Operational Decision Manager Advanced | IBM Business Process Manager

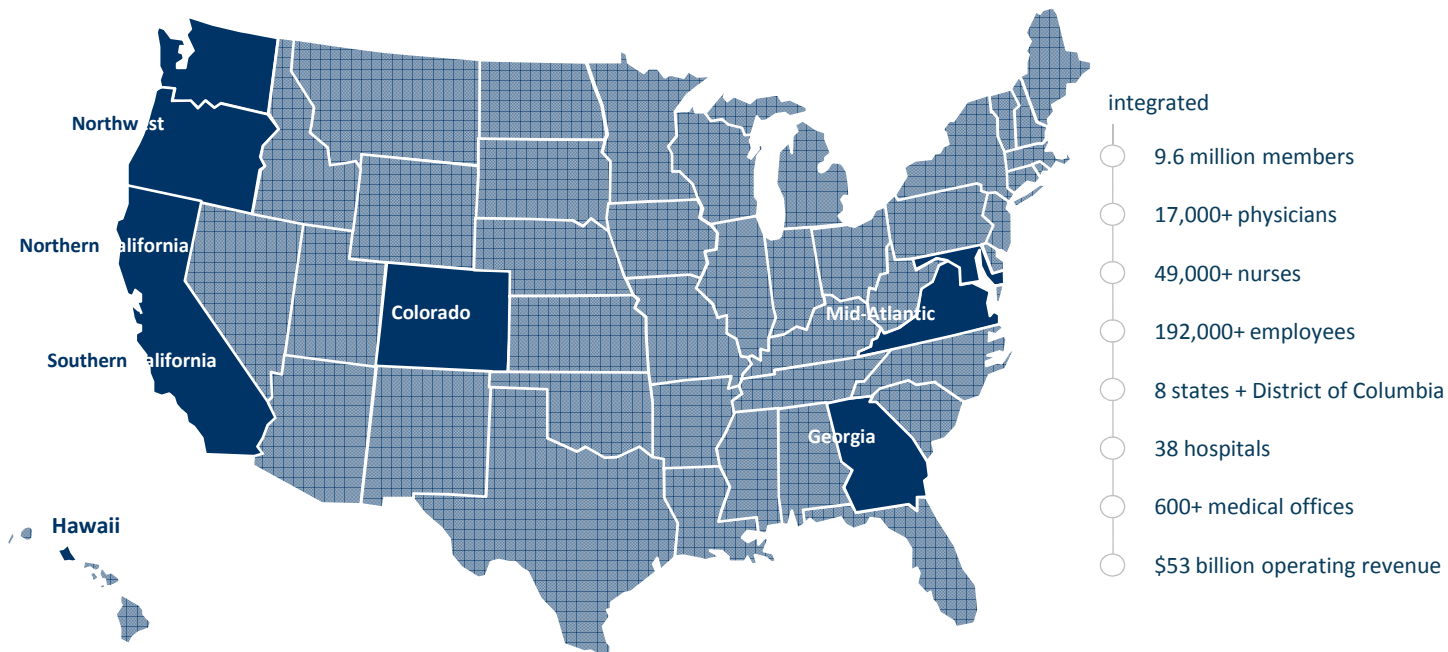


Acting in Context with Smarter Processes at Kaiser Permanente

Terry Cameron & David Herring

EIS – SAS – Office of the CTO

Kaiser Permanente



**Nation's largest
not-for-profit
health plan**

Scope includes
ambulatory,
inpatient, ACS,
behavioral health,
SNF, home health,
hospice, pharmacy,
imaging, laboratory,
optical, dental, and
insurance

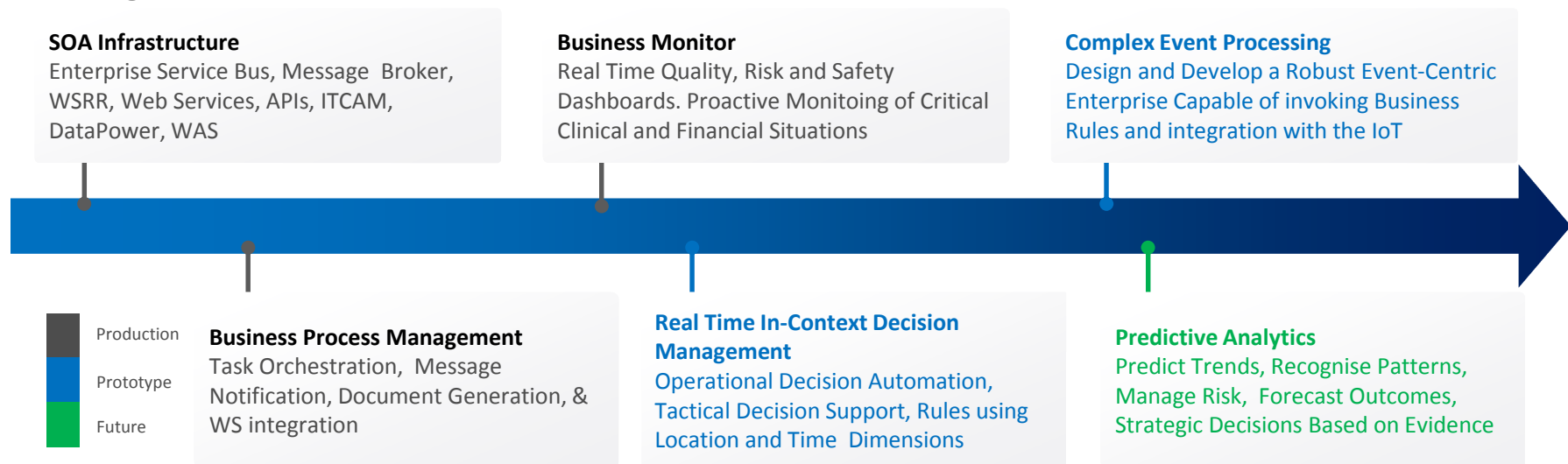


Business Challenges @KP

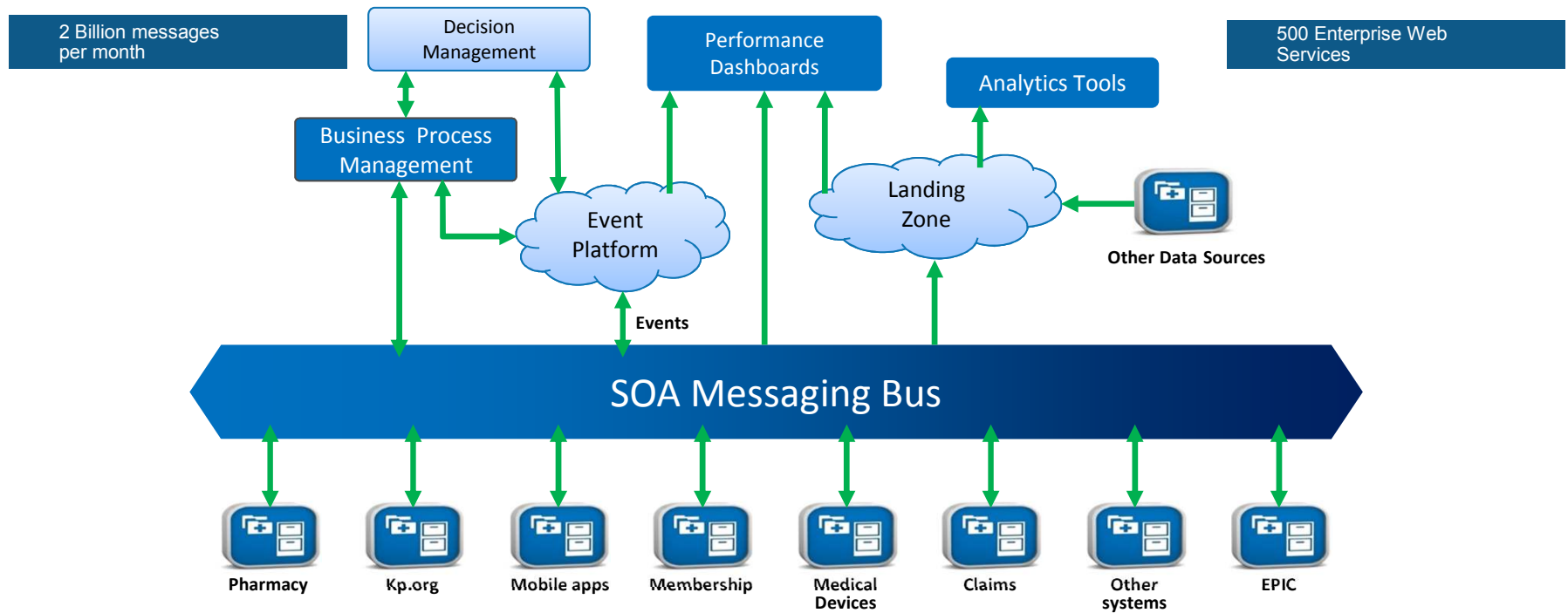
- Improve Patient Care
- Manage Operations in Real Time
- Rapidly Develop Robust Enterprise Solutions!

Our Smarter Process Journey

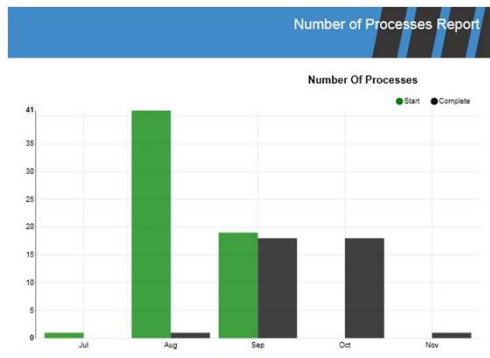
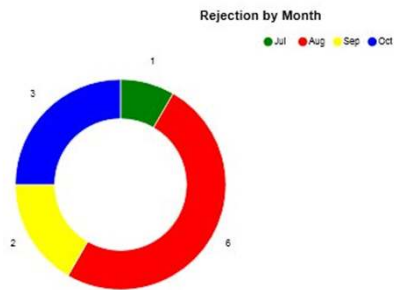
Kaiser Permanente is committed to building intelligent and innovative systems that integrate with and leverage our mature SOA



How Kaiser Permanente Brought Smarter Process Solutions Together



IBM BPM @ Kaiser Permanente



Process Duration Report

Process Summary

10 records per page Search:

Employer	Product	Eligibles	Owner	Start Date	Complete Date	Duration (days)	Days Over Due	Last Activity	Id	Detail
			Thac Du Tran	11/07/2014		1		00-Start	10809	Detail
Arizona Cardinals		120	Thac Du Tran	11/07/2014		1		01-EmployerSetup	10808	Detail
			Thac Du Tran	11/07/2014						
Coffee Country		20000	David Roy Henting	11/06/2014						
Last Coffee In A4111	HSA	1000	David Roy Henting	11/06/2014						
Oakland A's	HSA	350	Thac Du Tran	11/06/2014						
Oakland Raiders	HSA	203	Thac Du Tran	11/04/2014						
San Jose Earth Quake	HRA	200	Thac Du Tran	11/04/2014						
			Thac Du Tran	11/04/2014						
San Francisco 49ers	HSA	300	Thac Du Tran	11/04/2014		3		08-OnboardingDocsSent	10712	Detail

Showing 1 to 10 of 167 entries

Process Detail

Employer	Product	Account Estimate
Oakland A's	HSA	122

Tracking Point	Start
00-Start	11/06/2014
01-EmployerSetup	11/06/2014
02-SalesConfirmed	11/06/2014
03-NPOAAccepted	11/06/2014
04-LegalDocSent	11/06/2014
05-ReviewConfirmed	11/06/2014
06-OnboardingDocsSent	11/06/2014

Showing 1 to 7 of 7 entries

Back

CDHC Employer Onboarding Production Deployed Application

Consumer Directed Health Care (CDHC)
Employer Onboarding Health Savings Account (HSA)

Plan Dates

Health Plan Start Date	Health Plan End Date	Open Enrollment Start Date	Open Enrollment End Date
09/05/2014	09/26/2014	09/05/2014	09/26/2014

Health Savings Account (HSA) Configuration

Requested HSA Start Date	Who will pay the Monthly Administrative Fee?
09/17/2014	Employee

Who will be contributing to the account?

☐ Fully funded by Employee(s) via payroll deductions

☒ Employer Sponsored Only

☐ Employee Payroll Deduction & Employer Sponsored Combination

Employer Sponsored Only

Will a Wellness Contribution be offered?	Who is supplying the contribution file ?	Contribution file Submission Method
<input checked="" type="radio"/> Yes <input type="radio"/> No	The Employer	CSV file via Employer Portal

Will an Employer Contribution be offered?	Who is supplying the contribution file ?	Contribution file Submission Method
<input checked="" type="radio"/> Yes <input type="radio"/> No	KP Healthworks	CSV file via Employer Portal

Transfers, Roll Overs and Cobra Coverage

Is the Employer moving from a current HSA administrator to the HSA administered through KP?	Do the Employees want to roll their funds over to the new HSA?
<input checked="" type="radio"/> Yes <input type="radio"/> No	<input checked="" type="radio"/> Yes <input type="radio"/> No

4.5 months
Duration of 1st BPM Project at KP from Discovery Workshop to Full Production.

Success Story : Kaiser Permanente Innovation Award 12/14



“After just five months in production, the tool has been used to onboard 38 new employer groups. And we are just getting started. The metrics are still coming in, but we already know that turnaround times are better, employer documents and design guides are being completed quicker, and communication internally and externally has improved.”

*Dave McFarlane Director, National Product Operations
Kaiser Permanente 12/17/14*

Continuous Room Availability & ODM Advanced Decision Server Insights : KP Trystorm 12/14

Proactive Business Rules
Developed during Trystorm

Readiness of Patient Rooms

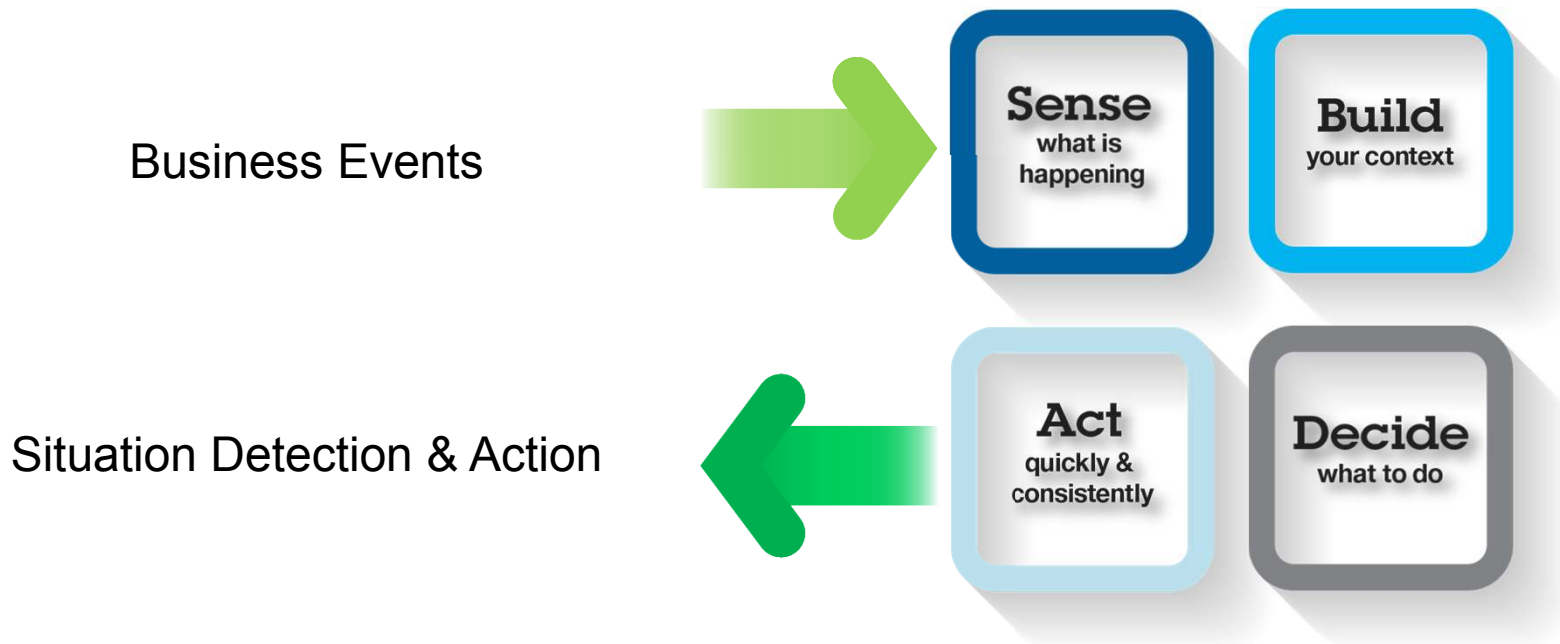
Spikes in Patient Admissions

Room Availability Prediction

Nurse to Patient Ratio



ODM Advanced Decision Server Insights





Summary and Future Steps

- Integrate and Leverage our Mature **IBM SOA**
- Develop Smarter Processes with **IBM BPM**
- Report, Aggregate and Display billions of messages with **IBM Business Monitor**
- Introduce Contextual & Real Time Decision Management to KP with **IBM ODM**

The Road to Smarter Processes

Select strategic investments in 2015 and beyond



Advanced Process Analytics

Cognitive computing applied to case and process management for enhanced process analytics



ODM on Cloud

SaaS offering with rapid rollout and low barrier to entry for operational decision management



Blueworks Live App Builder: Early Program

Empowering business users to create and run collaborative cloud apps in Blueworks Live

Product highlights and learn more

Announcing IBM BPM v8.5.6

Select list of new capabilities:

- Enhanced case management with ability to link related cases; Broader external FileNet Content Stores support
- Unified task list and responsive portal across multiple BPM servers
- BPM on Cloud with new tiered pricing plans and Federal Cloud service

Highlighting IBM ODM v8.7

- Act in Context at scale using an in-memory data grid with ODM Decision Server Insights
- Business-led testing and simulation through the Business Console
- Enhanced governance framework

Attend these sessions to learn more:

BTA-5053: What's New in IBM Business Process Manager and IBM Business Monitor

Wed, Feb 25: 12:30 – 1:30pm, MB, Palm B

BDM-3438: Proactive Decisions in the Business Moment: Introducing IBM Operational Decision Manager Advanced

Tue, Feb 24: 8 – 9am, MB, Jasmine Ballroom A

BEK-4148: Empowering Knowledge Workers with IBM Business Process Manager Case Management

Wed, Feb 25: 5:30 – 6:30pm, MB, Jasmine Ballroom A

BEK-6669: The Contact Center of the future is Everywhere

Wed, Feb 25: 2 – 3 pm, MB, Lagoon K

Coming up right after the keynote...

BEK-4438: Blueworks Live Unleashed, Featuring Brown Brothers Harriman

Mon, Feb 23: 5 – 6pm, MB, Palm B

Visit the Smarter Process zone on the Expo floor: Zone 7, Space 324

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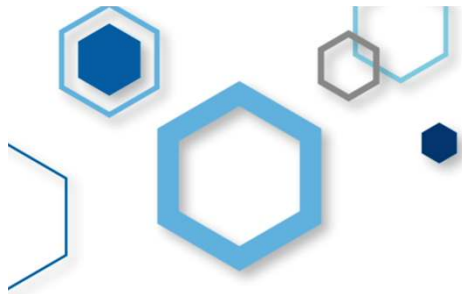
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