

Delivering information you can trust
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Information Management

Making smarter use of your information assets in tough times

InfoSphere.
software

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Executive summary

Reduce, reuse, recycle: that's the mantra we've all been hearing. Not only are the three Rs a good idea when applied to paper, plastic and aluminum, they can also generate results within IT organizations. By reducing system complexity, reusing information to make smarter decisions and recycling key applications or processes, companies are finding new ways to use information to generate actionable business insight and optimize their businesses—helping to deliver an immediate return on investment (ROI) and ultimately create a smarter planet.

For some companies, improved operations based on the three Rs represent an opportunity to recession-proof their business. Reducing complexity and reusing information across applications can help companies achieve a more timely, accurate view of their customers and products—enabling them to differentiate and maintain customer loyalty in challenging times. Shared metadata also lets organizations recycle a single view of information across a variety of projects, departments and use cases.

Mergers and acquisitions present another opportunity to apply the three Rs in the enterprise. Separate systems, software and processes must be integrated for business operations and efficiencies. However, information typically resides in multiple silos across the organization—and with new channels to collect data being created every day, data volumes are exploding.

IBM® has a broad portfolio of tools that covers the full spectrum of requirements for integrated and high-quality information. Plus, IBM has the end-to-end capabilities to deliver trusted information in a single portfolio offering—giving enterprises the tools they need to implement the three Rs for maximum business advantage in tough times (see Figure 1).



Figure 1: Apply the three Rs to your IT organization to optimize efficiency and help boost your bottom line.

Reduce complexity through application consolidation

One of the most effective ways to start implementing the three Rs is by looking for ways to be smarter about applications. For example, by consolidating multiple enterprise application installations into a single instance, organizations can dramatically reduce data center and storage costs, simplify their reporting processes and create a unified model of the business.

***The three Rs in action:
Integrating data sources to
achieve a fast ROI***

Executives at a major global manufacturer needed a way to align the company's data quality and data integration processes with its business processes. They also wanted to reduce the time and cost of integrating and managing disparate data sources, as well as gain access to relevant customer and supplier data.

The manufacturer addressed these challenges by implementing IBM InfoSphere Information Server in conjunction with its SAP Enterprise Resource Planning (ERP) platform. It then created key performance indicators (KPIs) to track and measure the progress of data quality and integration within SAP.

But consolidating those multiple application instances raises several challenges. The applications often store redundant, inaccurate and repetitive information under different structures, naming conventions and business rules. Enterprise systems may not recognize data structures and rules from other systems, adding further complexity to the situation.

Developing trusted information is the key to effective enterprise application consolidation. Trusted information is up-to-date, consistent across the enterprise and is easily traced through all changes back to the original source.

It helps to ensure:

- *Accurate assessment and design of business processes*
- *Accelerated data migration*
- *On-time application deployments*
- *Repeatable and reusable infrastructure for ongoing legacy system interfaces*
- *Enforced data quality and governance*
- *Establishment of enterprise master data integration*

Beyond consolidation, trusted information also helps IT accelerate the implementation of enterprise applications. For example, if a company has purchased one SAP module and then purchases another, the integrated data processes can be used to load these applications. What's more, a consistent approach to accessing, cleansing and structuring enterprise data means that an organization can create a "gold copy" of key information about customers,

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The combination of SAP and IBM InfoSphere software gave the company a 38 percent ROI with a break-even point (payback period) of 1.69 years after deployment. New process efficiencies emerged within their order-to-cash and purchase-to-pay operations, and the manufacturer reduced development costs by integrating multiple sources of siloed data. Company executives gained deeper visibility into their operational data. The company also expects to improve the accuracy and quality of key data, improve management of vendor purchase order information and reduce the number of vendors across global contracts.

suppliers and products. This gold copy can be managed centrally as master data and reused for new applications. Each time a company reuses its master data, accuracy goes up and the overall cost of managing the information comes down.

IBM has assembled a core set of products designed specifically for creating, managing, delivering and analyzing trusted information for business optimization. The IBM InfoSphere™ portfolio helps organizations transform, reconcile and maintain information, and then deliver it in real time to the people, processes and applications that need it.

For organizations developing smarter application strategies, IBM InfoSphere Information Server provides a comprehensive range of capabilities for integrating information from across heterogeneous systems—including understanding source data, helping to improve data quality, performing complex transformations and delivering information in a variety of methods. Its unique, metadata-driven design helps to align business goals and IT activities, providing a consistent understanding of what things mean, capturing business specifications and using them to automate development tasks and providing deeper insight into data by tracking its lineage. InfoSphere Information Server helps improve overall project productivity by promoting collaboration during development, aligning the needs of business and IT and creating a set of reusable assets to drive ongoing value across multiple information projects.

The three Rs in action: Using master data to knock down customer information silos

Following the merger of a bank and an insurance company, a major European financial services company found it had duplicate customer information stored across many different systems. It was difficult for the staff to understand each client's relationship with the company; as a result, sales staff often did not know when clients were having a problem and service staff could not accurately identify cross-sell opportunities. Additionally, because of these information silos, the company could not provide customers with online access to all of their holdings using a single PIN number.

Create trusted information following mergers and acquisitions

Mergers and acquisitions typically create a strong need to reduce, reuse and recycle data that is scattered across a mix of legacy systems, where the data has been created using different procedures and is frequently redundant. The InfoSphere portfolio can help to integrate this information, enabling a unified view of the customer, product or account.

IBM InfoSphere Master Data Management (MDM) Server maintains a consistent “master” record of key entities. It provides a single version of customer “truth” to all customer-facing channels and front- and back-office systems, serving as a business process hub for customer-centric transactions. By managing these entities outside of any individual application and ensuring they are always synchronized across all systems, InfoSphere MDM Server provides an operational data hub for all types of master data.

IBM InfoSphere MDM Server is designed to be implemented within a Service Oriented Architecture (SOA) and contains more than 800 out-of-the-box business services to manage both complex and simple master data inquiries and updates. It generates value across an organization by helping to significantly reduce operational costs, including those associated with mergers and acquisitions.

The three Rs in action: Using master data to knock down customer information silos

The company launched an MDM initiative using IBM InfoSphere MDM Server and IBM InfoSphere Information Server to integrate information in real time and create a single, complete and accurate record of customers across the company. Leveraging SOA principles, this central customer hub can be accessed by any business process or service.

The resulting benefits included improved customer satisfaction, reduced costs and an enhanced ability to cross-sell services and deliver new services.

MDM and customer data integration (CDI) can create a unified view of the truth about customers and products across disparate systems. With that single view, businesses can transform marketing decisions, enable seamless customer interaction across channels and develop relevant, highly targeted promotions (see Figure 2). Furthermore, real-time information analysis can speed delivery of appropriate products and incentives to the right locations or customers at the moment they will make the most positive impact.

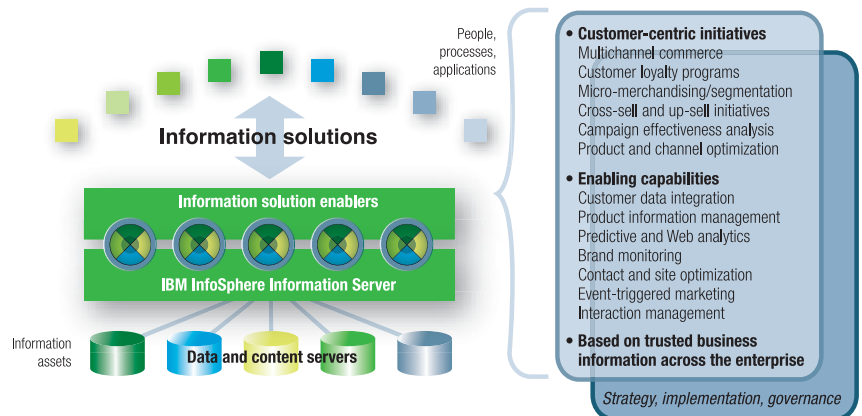


Figure 2: Customer-centric operations can help companies seamlessly deliver what customers want at the right time.

***The three Rs in action:
Harnessing the power of
information analysis for
enhanced performance***

A major U.S. department store chain needed to improve revenue growth, cost savings, customer relationships and operational efficiency. However, the company was having difficulty with data retrieval and consolidation, which limited visibility into customer preferences and store and vendor performance.

The department store chain implemented a customer and merchandising warehouse using IBM InfoSphere Warehouse, and used IBM DB2® Intelligent Miner to analyze data patterns.

With the data warehouse, the company quickly realized 5 to 20 percent margin improvements in several large departments due to better buying decisions and improved inventory management. At the same time, it reduced the number of newspaper inserts without affecting response rate, resulting in a 10 to 15 percent reduction of promotion costs.

Improve agility through right-time, actionable business insights

In today's financial climate, reducing costs is top-of-mind for executives. They require not just incremental improvements in savings or cost reductions, but dramatic improvements. Reducing operational costs is essential to this effort—and by applying the three Rs to the data center, companies can achieve both cost reductions and competitive advantage.

The IBM InfoSphere portfolio includes a variety of offerings that can help organizations achieve faster return on their IT investments. Organizations can use it to make fact-based decisions to help drive the business more economically, such as matching product offering to local needs, offering the right additional product at the time of sale or identifying fraud while there is time to intercede.

Building on the strength of InfoSphere Information Server, IBM InfoSphere Warehouse provides the core database infrastructure to support business intelligence (BI) and warehousing workloads. Through data mining, text analytics, data archiving, compression and performance and workload management capabilities, InfoSphere Warehouse helps companies simplify the discovery and analysis of key business information. Cubing Services provides online analytical processing (OLAP) capabilities, enabling users to analyze data from multiple dimensions such as date, location, item and category without requiring a separate physical datamart server. InfoSphere Warehouse also provides seamless support for IBM Cognos® and other BI and reporting tools.

***The three Rs in action:
Harnessing the power of
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Data mining helped the company discover a segment of shoppers who were not classified as VIPs but shopped as if they were. This newly discovered segment made large purchases, responded to discounts more than other VIP segments and became a targeted segment that increased sales and profit. Data mining also helped the company accurately identify its most profitable customer segments, enabling it to revise merchandising and purchasing decisions based on up-to-date information instead of general assumptions.

Gain operational efficiencies

To help accelerate your information system implementation, IBM offers prebuilt data models that provide industry-specific context. The IBM Industry Models provide a complete, integrated, fully attributed enterprise data model along with Business Solution Templates (OLAP models categorized by business issue) that outline the KPIs, metrics and compliance concerns for six major vertical industries.

The IBM Industry Models contain industry expertise and regulatory best practices from hundreds of implementations at major corporations, and include interrelated business glossaries and enterprise data warehouse and reporting requirements models that are usable by both business and IT communities. IBM Industry Models also enable operational efficiencies by streamlining processes with process models, enabling business and IT to scope projects based on best practices and apply methods to speed delivery.

Enhance the value of information reuse through shared metadata

Reusing data across a variety of projects, departments and use cases requires organizations to gather information spread across multiple processes, consolidate it into a single storage area and then reconnect the information with multiple user viewpoints to deliver additional value to downstream processes.

The three Rs in action: Using process models to save time and keep customers happy

For the last two years, a large financial institution has applied IBM process models to establish project scope, document requirements and drive application reuse. It has reduced the number of steps in the account opening process from more than 30 to less than 10, cutting the cycle time from over a week to only a few days. The shorter cycle time is greatly improving customer satisfaction and saving time and money for the company.

Unlike many other data integration applications, the IBM InfoSphere portfolio features a unified set of product modules designed to streamline this effort and reduce complexity (see Figure 3). The InfoSphere Information Server platform offers a comprehensive, integrated architecture built upon a single shared metadata repository—allowing information to be recycled seamlessly across multiple project data integration tasks. Information validation, access and processing rules can also be reused across projects, leading to a high degree of consistency, stronger control over data and improved efficiency in IT projects.

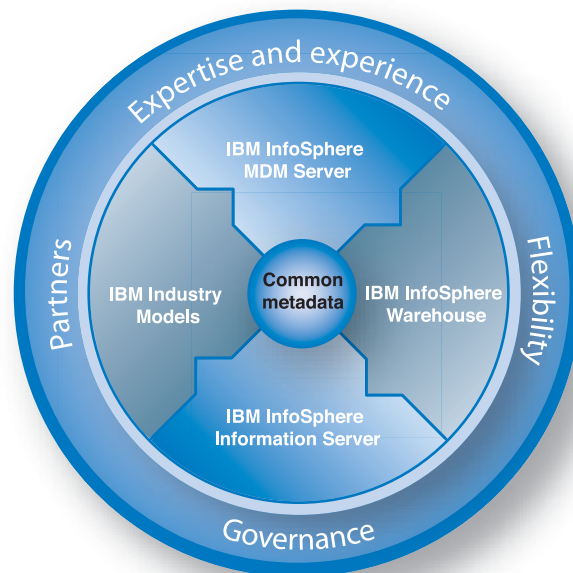


Figure 3: Each part of the InfoSphere portfolio stands alone in its value, but IBM is also investing in making the pieces work better together.

In addition, the InfoSphere portfolio includes a single, consolidated reporting layer that operates across modules and creates reports in a centralized console. Reports can be scheduled to run automatically, generating additional efficiencies through reuse.

IBM helps businesses make smarter use of information assets in tough times

As the challenges of today's global business environment push companies to sell more effectively, reach out to customers in new ways and cut costs at every turn, it is critical that organizations in every industry make smarter use of all the resources at their disposal to gain a competitive edge. One of these resources—vast stores of information about every aspect of the business—already exists within each enterprise's IT systems. The key is to unlock the power of this strategic asset through smarter information management, transforming it into actionable insight on demand.

The three Rs—reduce, reuse and recycle—can guide enterprises as they navigate the challenges ahead. The IBM InfoSphere portfolio gives enterprises the tools they need to implement the three Rs for maximum business advantage in tough times.

For more information

To learn more about the IBM InfoSphere portfolio, please contact your IBM representative or visit: ibm.com/software/data/infosphere



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