

# Getting Started with SOA – Key Concepts and Next Steps

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# Today's economic turmoil has shifted priorities



**Reduce operating costs**

**Integrate merger / acquisitions**

**Reduce capital investments**



**Increase productivity**

**New offerings to gain market share**

Source: McKinsey Global Survey Results: Economic conditions snapshot, November 2008 / N= 1424

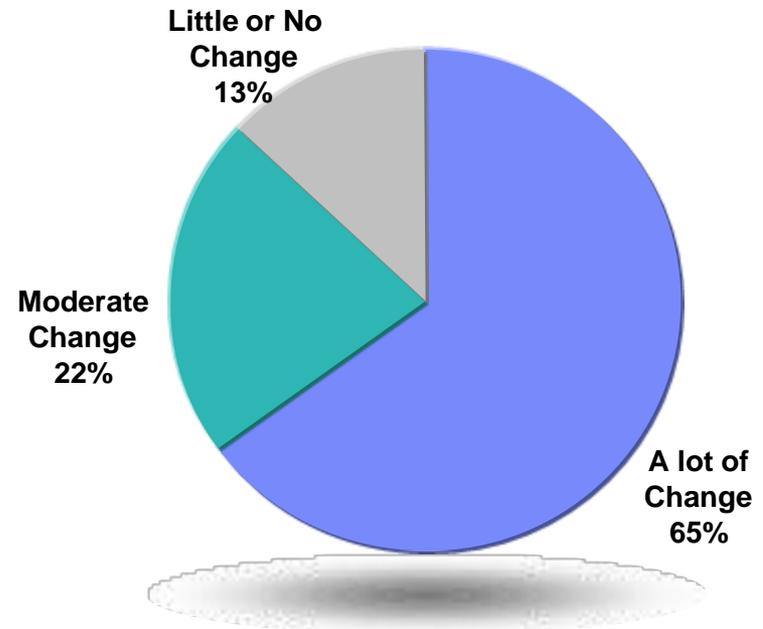


# Only those businesses who can adapt with speed will survive



- CEOs have recognised that survival in today's climate requires change
- Business and technology integration is fundamental for supporting the innovation types that enable change
- IT needs to increase flexibility and responsiveness to enable innovation, while at the same time containing costs

## Extent of Fundamental Change Needed Over the Next Two Years



*Significant change is inevitable...  
Innovation is key to survival*

Source: "IBM Global Business Services The Global CEO Study"



# Innovation and change can't be realised unless business and technology are integrated



## Innovation Types

### (1) Business and Enterprise Models

*Innovation applied to restructure and extend the enterprise*

- Focus on core competencies, partner for rest
- Streamline and integrate processes across the extended value chain

### (2) Operations

*Innovation to improve effectiveness and efficiency of core functional areas*

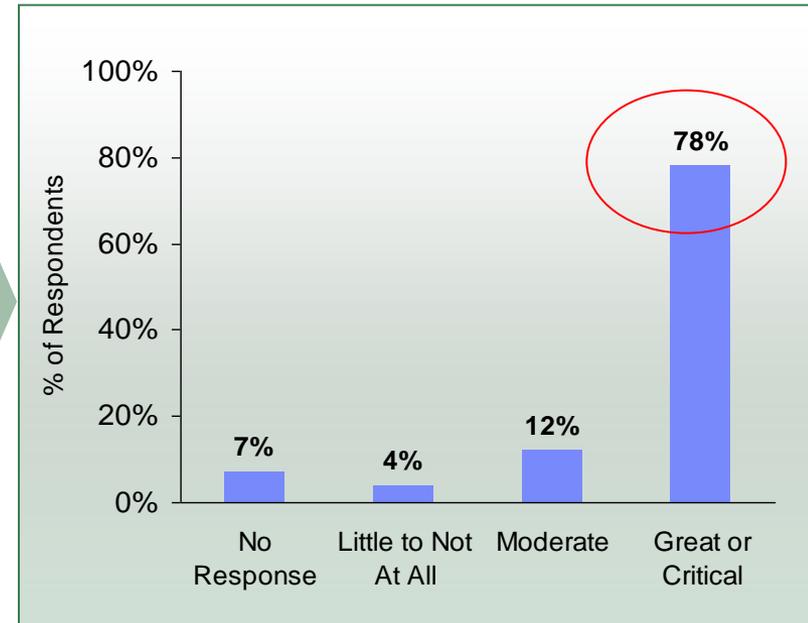
- Enhancing communication & collaboration
- Eliminating redundancy
- Increasing organisational effectiveness
- Improve process and information integration

### (3) Products, Services and Markets

*Innovation applied to customer-focused, go-to-market areas*

- Developing and launching innovative products or services
- Entering new markets
- Reaching out to new audiences
- Launching new channels and delivery paths

## Importance of Integrating Business and Technology



***Business & IT integration is a critical enabler of innovation***

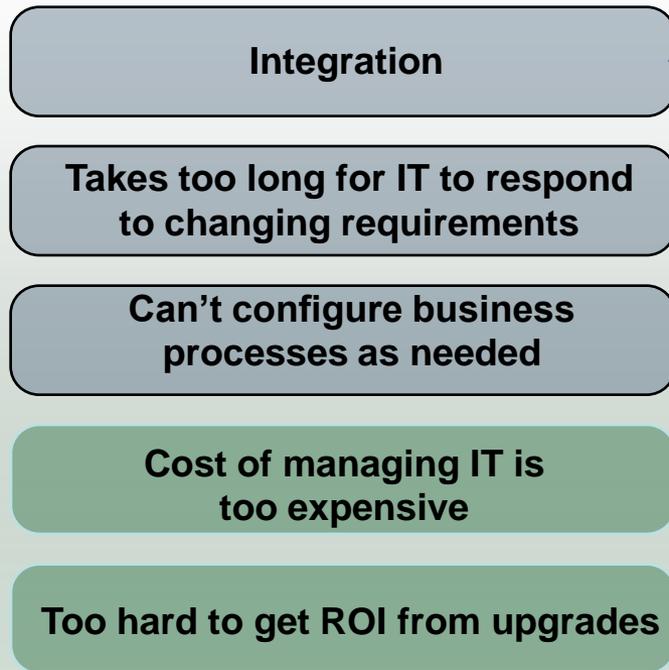
Source: "IBM Global Business Services The Global CEO Study"



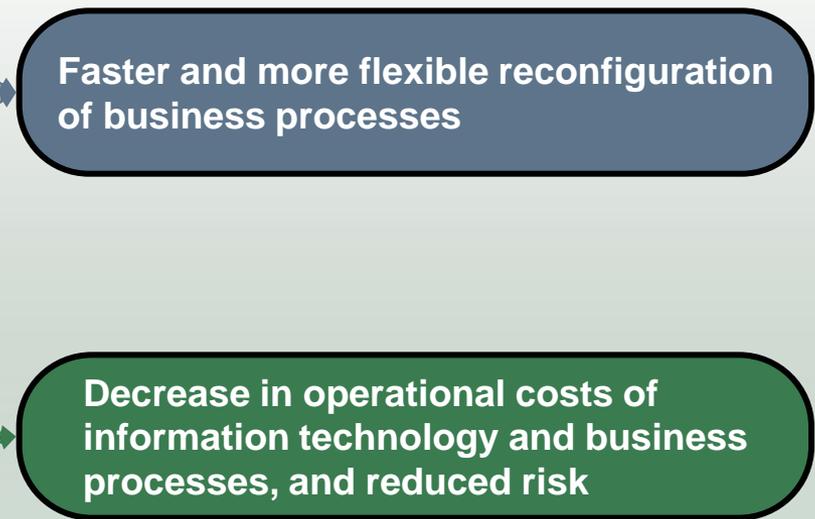
# Services Oriented Architecture is a key tool for enabling change and alignment between business and IT



## Top Challenges in Managing IT



## Top Expected Benefits of Services Oriented Architecture



*SOA is key a key enabler of business & IT integration and flexibility*

Source: AMR Research

Source: *The Business Value of SOA, Institute for Business Value Study*

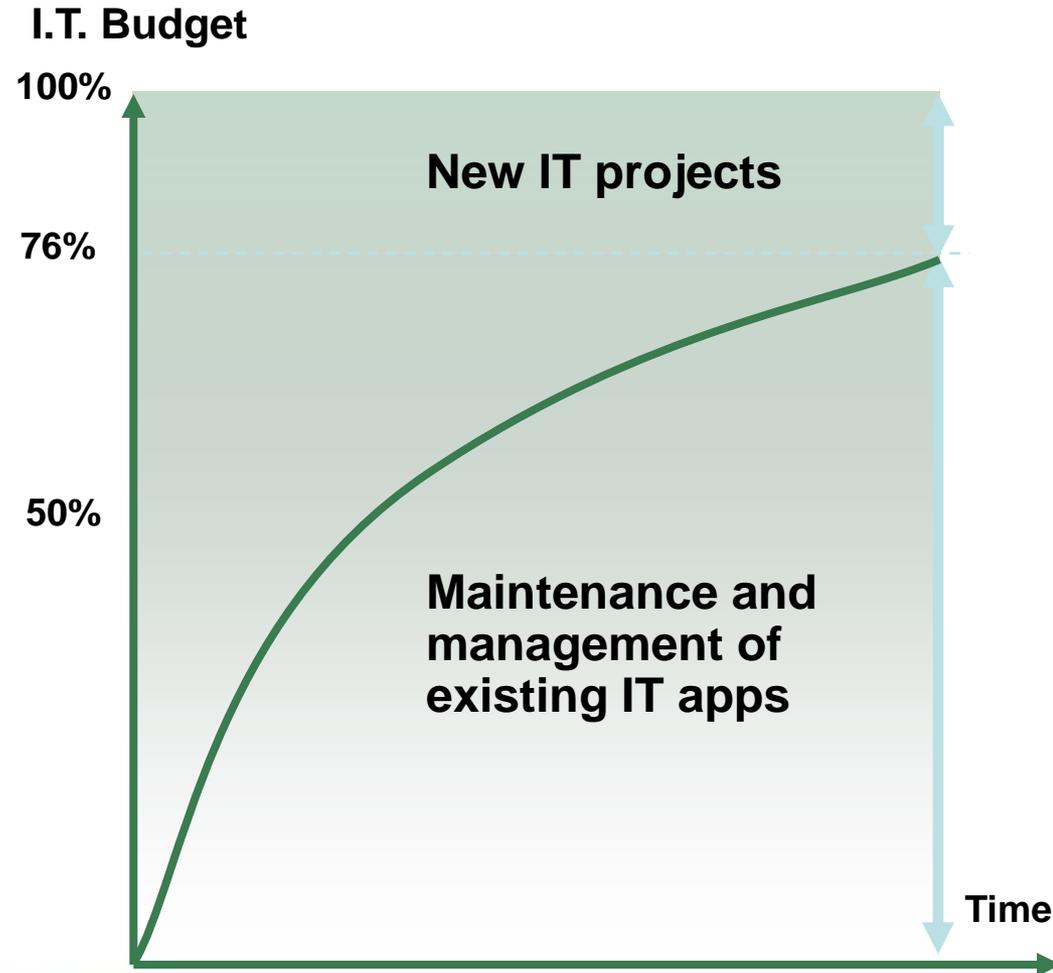


# CIOs are expected to work smarter with their IT Budgets



***Traditionally... “76% of I.T budgets are spent on MAINTENANCE, leaving only 24% for NEW INVESTMENTS.”***

--- “2005 Enterprise IT Outlook,”  
Forrester Research

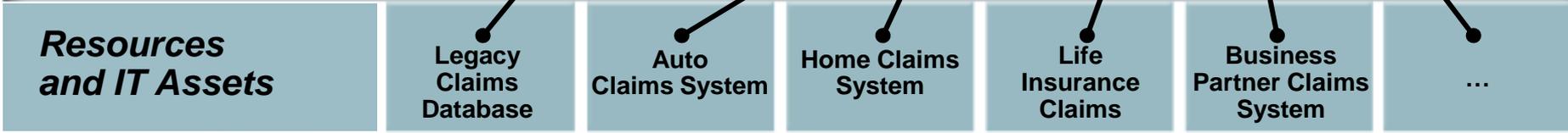
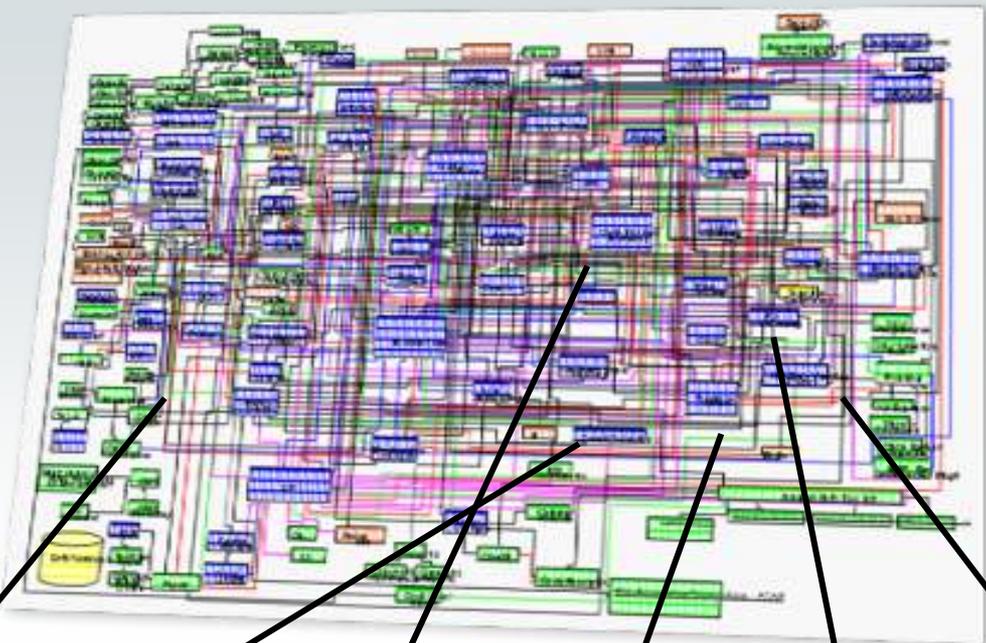




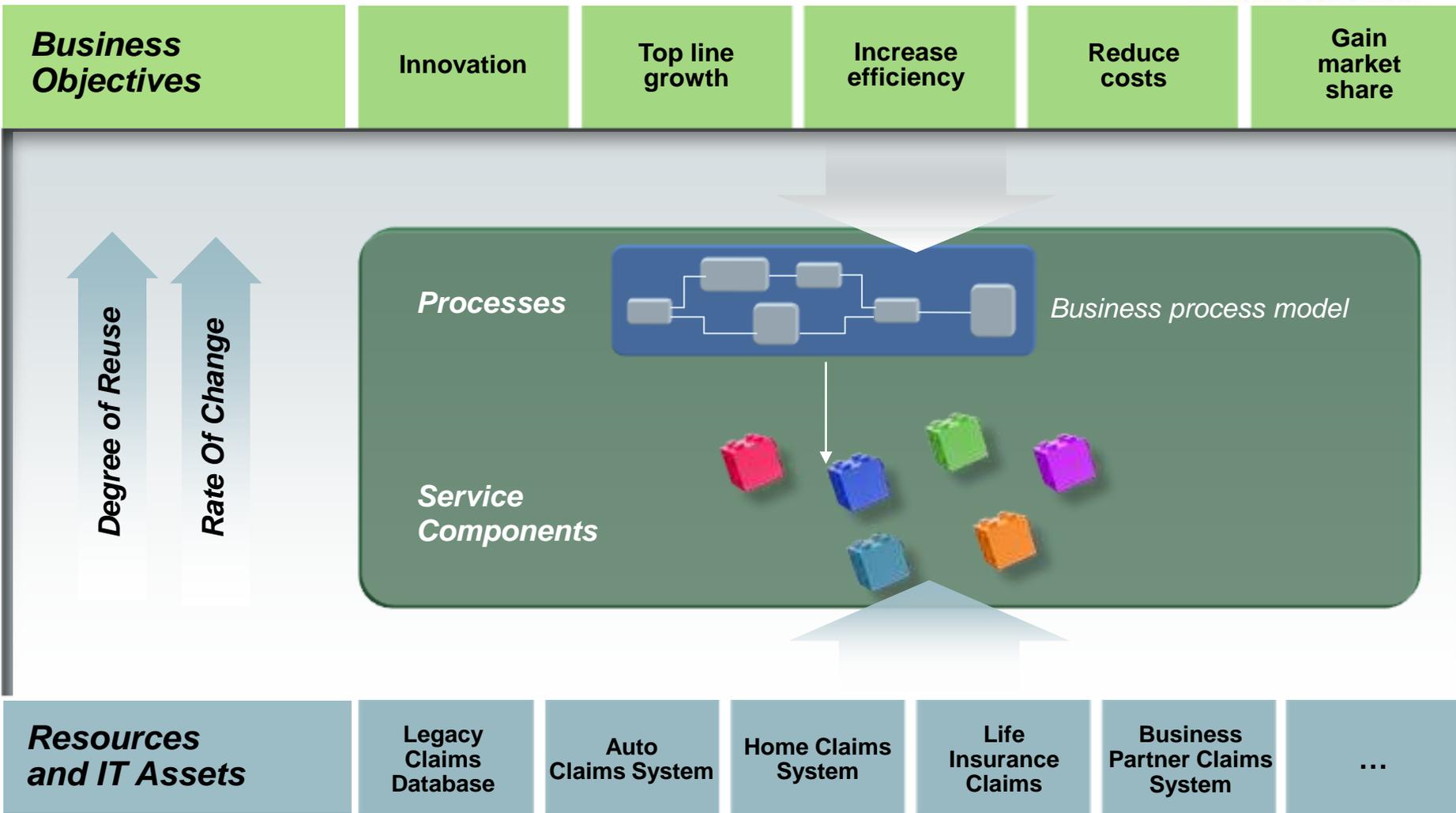
# So what's the challenge?



- *Complex processes & systems*
- *Complex applications & interfaces*
- *Difficult to adapt quickly*
- *Large portion of IT budget spent on maintenance, not on new value add investments*



# Service Oriented Architecture Addresses this Challenge





# So what is SOA?

A **service-oriented architecture (SOA)** is an architectural framework that takes business applications...

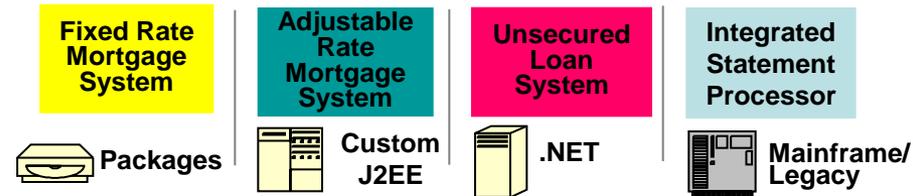
...and breaks them down into **services**...

...that can be made available for use **independent of the applications** and the computing platforms on which they run.

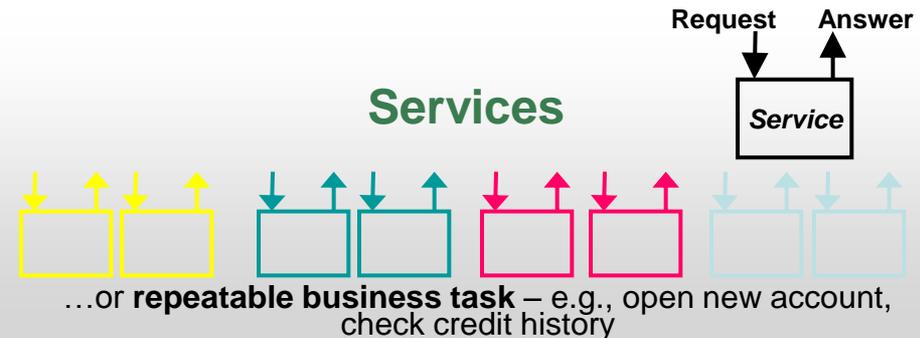
These services can be integrated and used to build **new capabilities**...

...supporting **new functionality** from within your current portfolio or from your extended value chain.

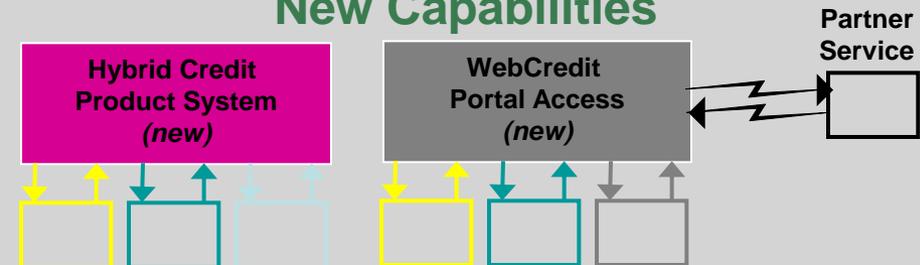
## Business Applications



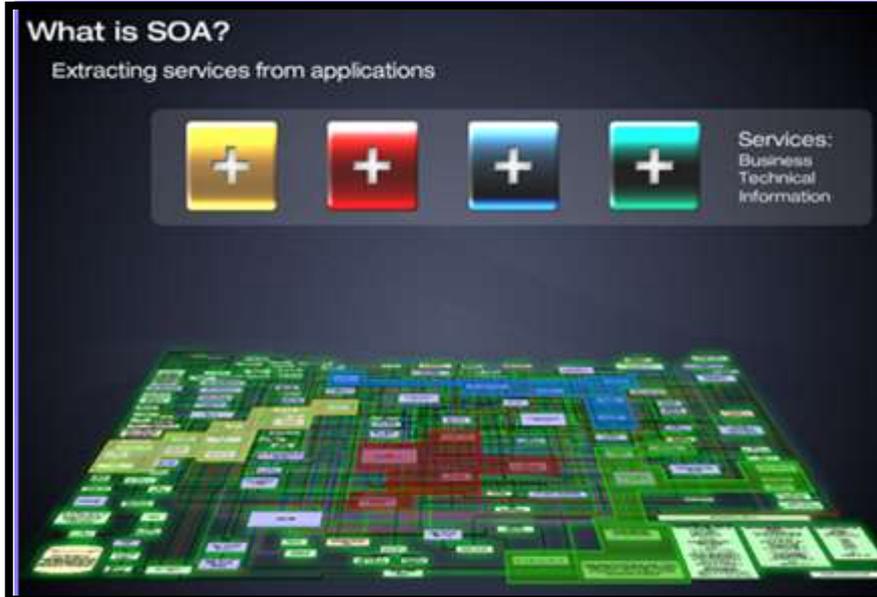
## Services



## New Capabilities



# Why go down this path?



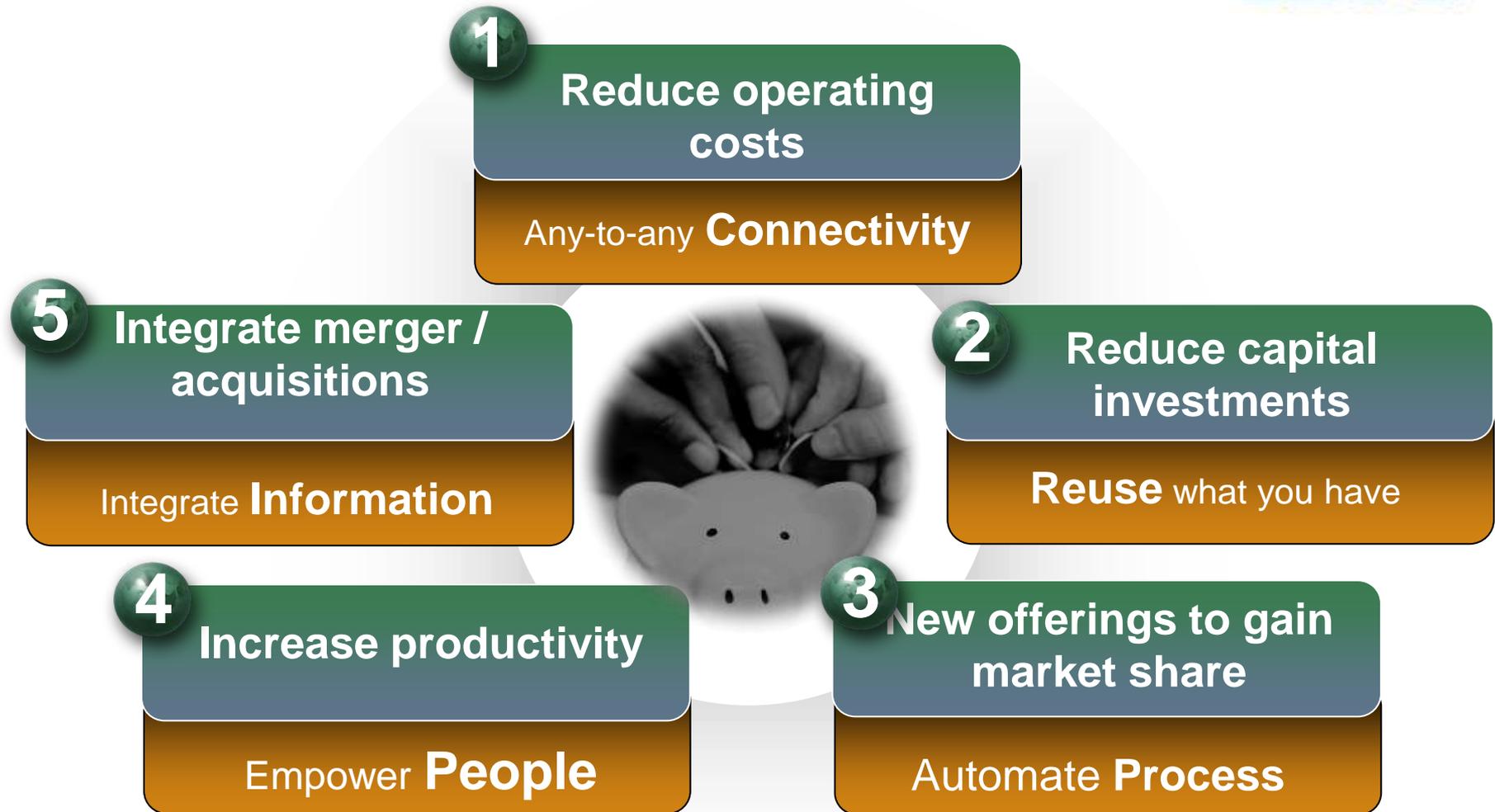
- **Optimise reuse of existing assets**
- **Quickly shift direction to reflect economic realities**
- **Flexibly connect information and application**

*Unlock the value of your own...*

*Business Resources  
Application Resources  
Infrastructure Resources*



# SOA meets today's top challenges



Source: McKinsey Global Survey Results: Economic conditions snapshot, November 2008 / N= 1424



# Use your maintenance savings to fund agility



How many **MORE** projects would you be able to deliver?

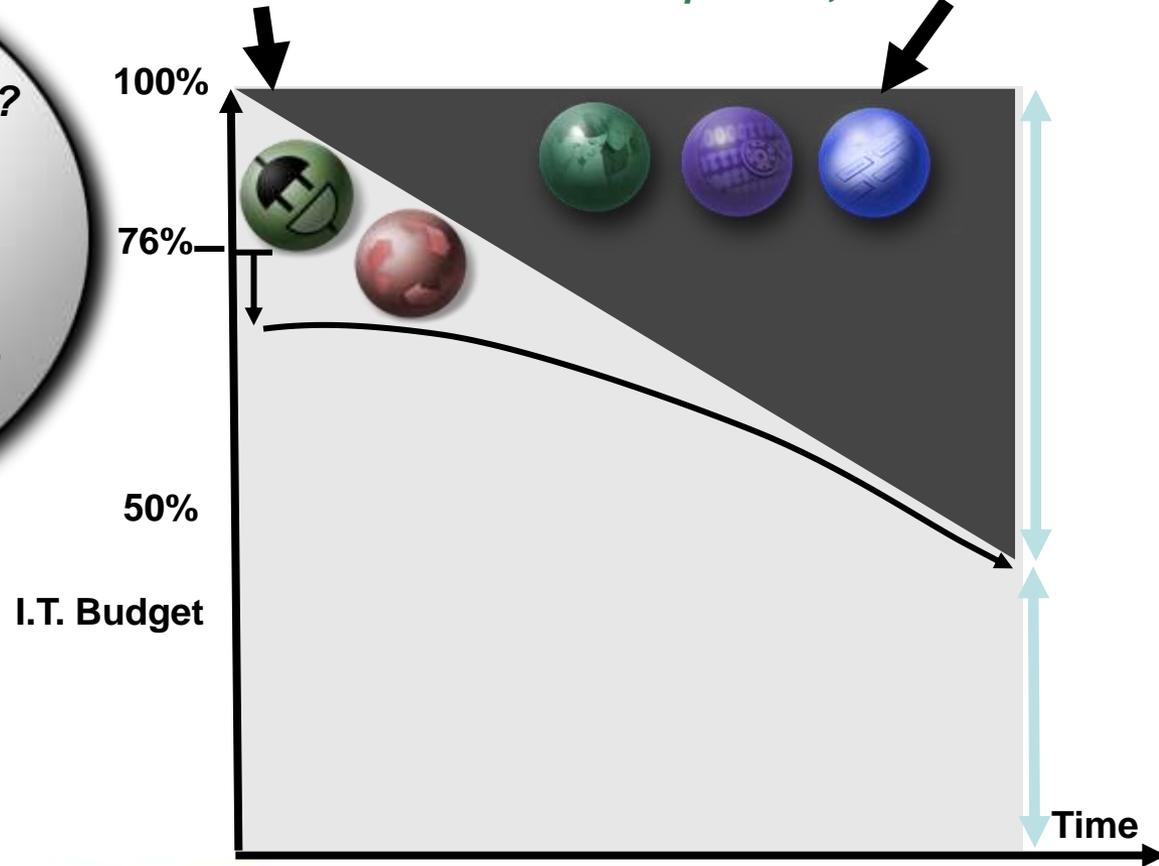
How much **FASTER** would you deliver them?

What **IMPACT** would it have on your organisation's business results?



*Drive down maintenance cost with reuse and connectivity*

*Boost agility-driven revenue with people, process, and information*



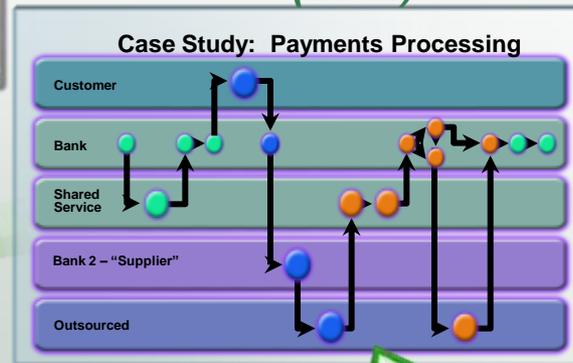
# 2 key SOA approaches are being adopted by IBM's clients



## End-to-end Business view



## Process to optimise (BPM)

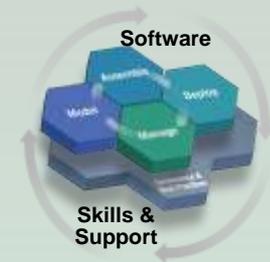


### TOP DOWN STRATEGY

1. Focus on Business
2. CEO is the stakeholder
3. Big dev. projects expected to commence

## Creating IT flexibility

IBM SOA Foundation



SOA Software is a key "building-block" for delivering IT flexibility mandated by today's businesses

### BOTTOM UP STRATEGY

1. Focus on IT
2. CIO is the stakeholder
3. Savings are key concern



# Getting started with SOA ....5 Entry Points for SOA + underpinning SOA Governance



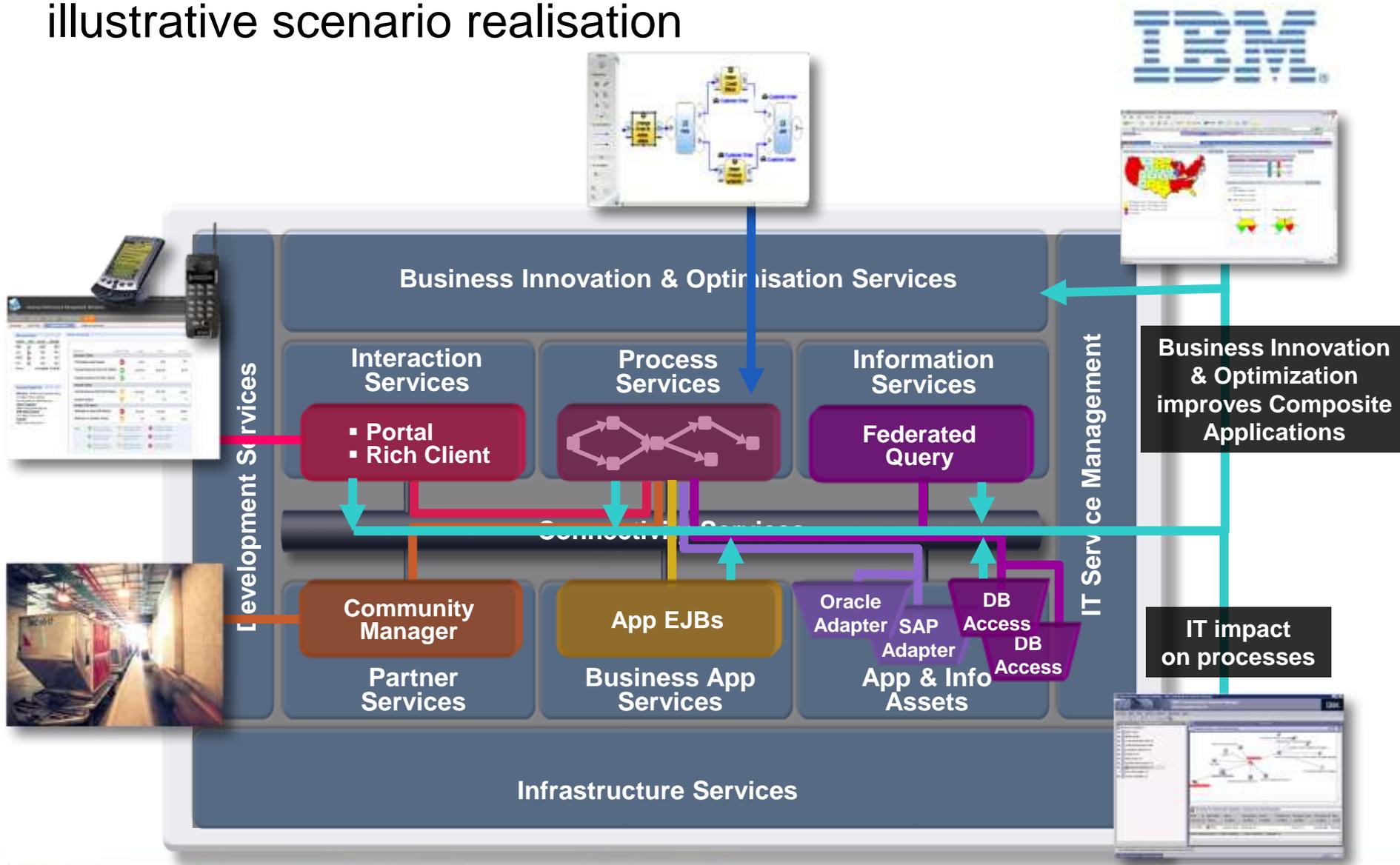
|              |  | What is it?   | Value   |
|--------------|--|---|---|
| People       |   | Deliver role-based interaction and collaboration through services                 | Improved productivity and flexibility by enabling targeted user interactions for improved business operations and collaboration |
| Process      |   | Achieve business process innovation through treating tasks as modular services    | Greater innovation and flexibility through faster deployment and modification of business processes                             |
| Information  |   | Provide trusted information in business context by treating it as a service       | Better business operations, more informed decisions and reduced risk with information delivered in-line and in-context          |
| Reuse        |   | Service-enable existing assets and fill portfolio gaps with new reusable services | Lower risk and faster time to market by leveraging proven, time-tested functionality  |
| Connectivity |  | Connect systems, users, and business channels based on open standards             | Reduced maintenance costs and greater reliability and consistency through flexible, any-to-any linkages                         |



*There are 5 "Sweet-Spots" for SOA, each can enable a broader, enterprise-wide transformation program at our clients...all underpinned by proactive governance*



# SOA Reference Architecture – An illustrative scenario realisation



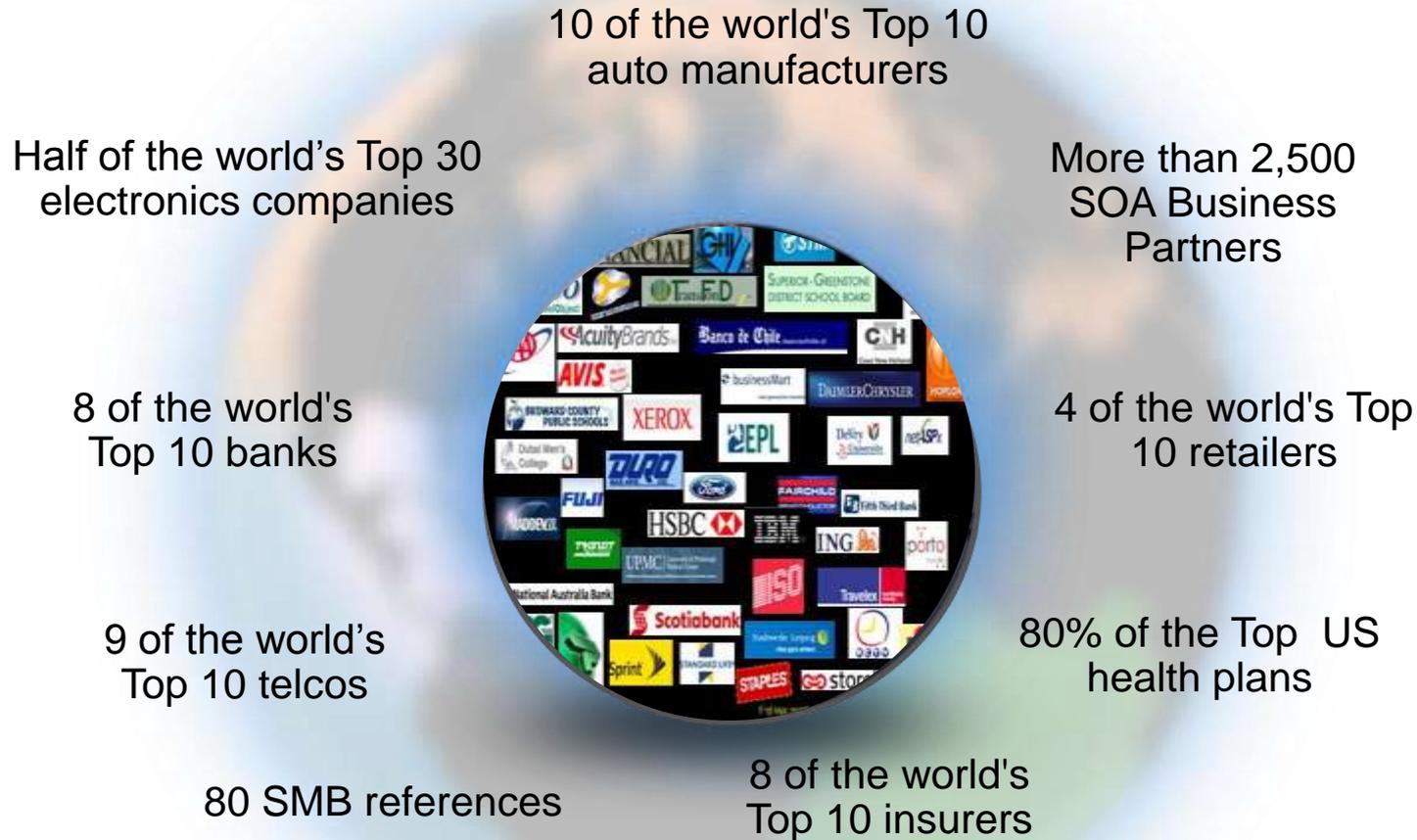
# IBM's SOA services offerings to get started



| Offering Name  | What are the SOA Offerings?  |
|--|--|
| <i>SOA Strategy</i>  | How do I define, and plan to realize, the full business benefits of SOA across my enterprise?  |
| <i>SOA Diagnostic</i>                                      | I've started with SOA, how am I doing? What can I do better?   |
| <i>SOA Implementation Planning</i>                         | There is a specific Business Area I want to improve using SOA – how should I approach it?  |
| <i>Business Process Management (BPM) Enabled by SOA</i>    | How can I leverage SOA to implement and improve business processes that meet performance objectives, make better use of IT resources and provide a competitive edge? |
| <i>SOA Design, Development, &amp; Integration Services</i> | I've done the preliminary planning work, now I'm ready to implement SOA solutions  |
| <i>SOA Management Services</i>                             | I've implemented SOA based solutions – how can I manage them effectively to ensure on-going benefits realization?  |



# SOA is realising value across industries



➔ *Significant SOA-enabled business transformation projects underway all over the world including government, telecommunications, financial services, retail and SMB clients in this region*



Questions?



**Thank You**

