



## Synchronize the Value Chain with B2B Integration and MFT

Use case based on a project experience

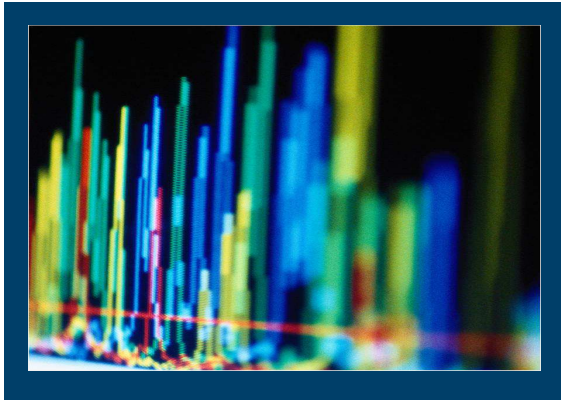
Bert Waltniel – Client Solution Professional  
Johan Alaerts – B2B and MFT Sales Leader for Europe



## Agenda

- How B2B Integration and MFT are part of Smarter Commerce
- Research shows us a shift is underway
- IBM is re-Thinking MFT
- How you can re-Think MFT
- Implementation use case





Market Insight

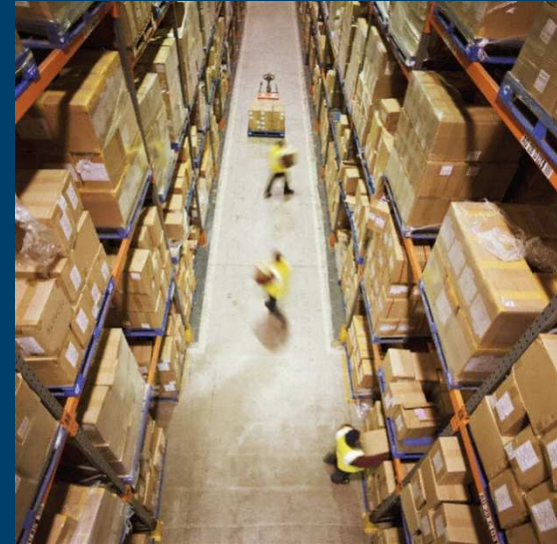


Customer experience

**Smarter Commerce  
helps you create a  
brand promise...**

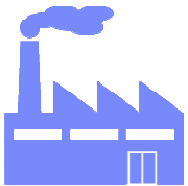


**...and  
The Business  
needs a  
synchronized  
value chain  
to execute that  
promise**

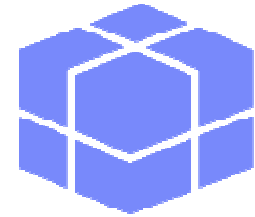




the value chain is...

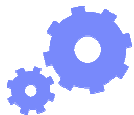
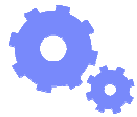
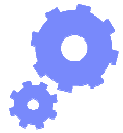


**a chain of activities  
that add material,  
information or value  
to create an end  
product or service**

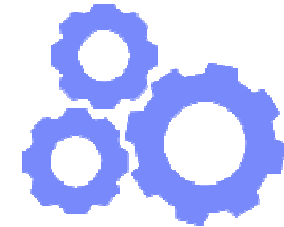




and synchronization is...



**the activity of  
coordinating the  
events, to operate  
a system, or group  
in unison**





## Smarter Commerce execution depends on synchronization of your value chain

### Systems/technology

The commerce systems that drive buy-market-sell-service must better integrate with partners



**68%** of executives report that integration challenges impede collaborative relationships with partners

### Processes

Demand and Supply need better interlocks to deliver the right product/service



**\$93 billion** in sales missed due to out of stock inventory per year

### People

Actionable visibility is needed to better respond to the customer

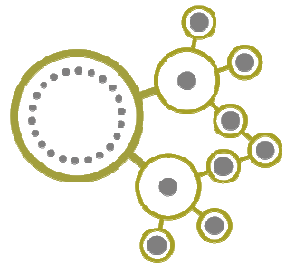


**70%** of supply chain officers say that lack of visibility has a significant impact on supply chains



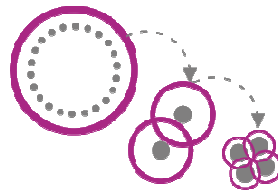


However synchronization is hindered by increasing complexity



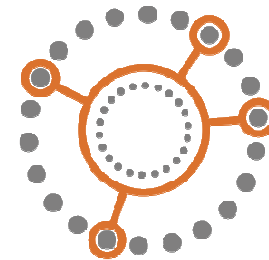
### Partners

Average number of trading partners has grown 400%



### Connections

Average number of protocols supported from < 10 to > 40



### Platforms

Average number of integration platforms from 3 to 12

And it is only going to get **more** complex





# Files still synchronize the majority of key process inside and outside the business ...

Fulfillment application

Web store application



VansonBourne



**55%**  
of system integrations  
(both internal & external)  
are accomplished by files

In over **17%** of organizations  
world wide, that number is more  
than **75%**

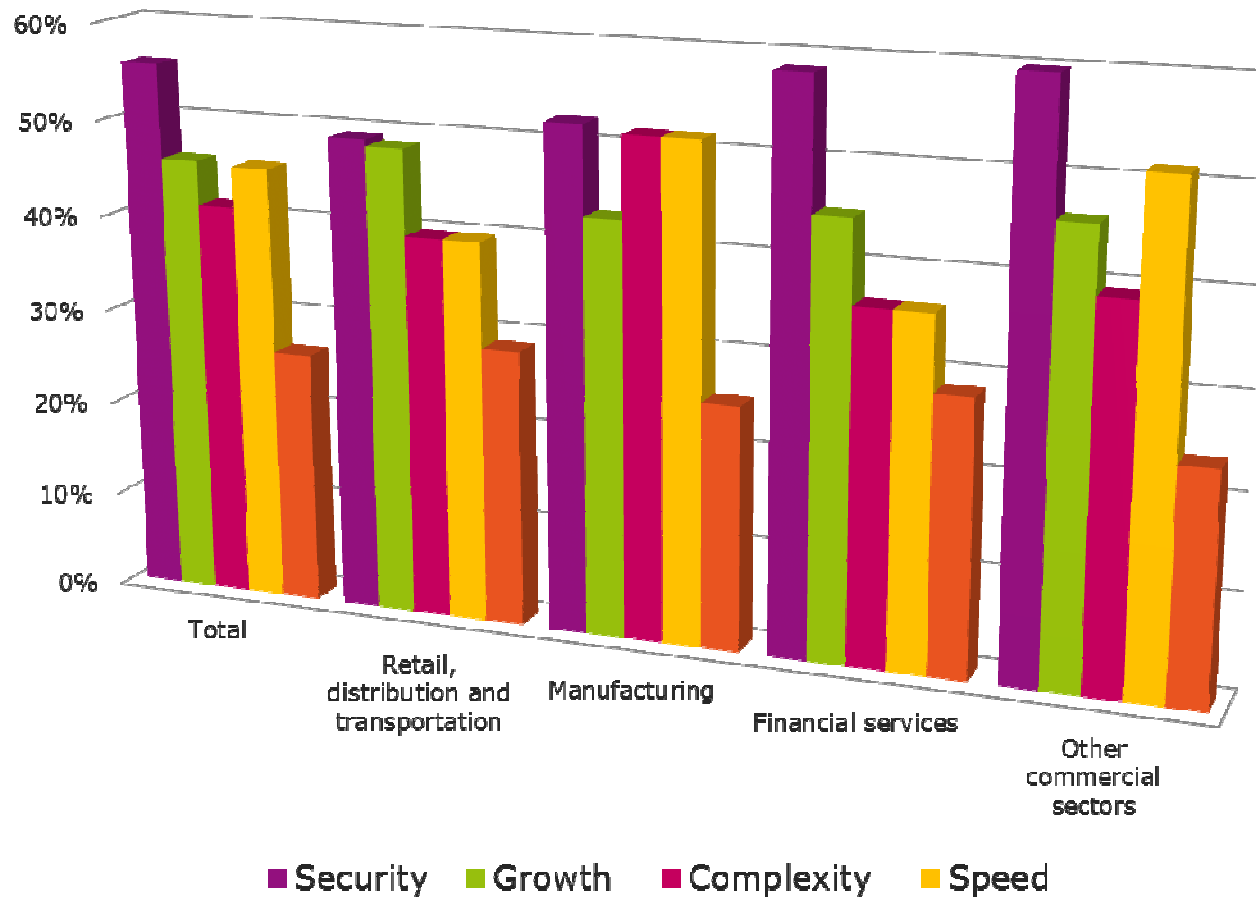
Source: Synchronize the Value Chain Research Study, Vanson Bourne, February 2012

If the transfer of that file **fails**, the process that depends on it **fails**



# Organizations have concerns about file transfer

Which of the following issues limits the effectiveness of your file transfer systems?



## Risk remains a key driver



### Process Risk

- Delays in transferring files impacts collaboration with customers/partners
- Integration files that are delayed impact SLAs
- Failure of file delivery, impact the processes themselves

### Security Risk

- Data encryption and governance of sensitive information transmitted in files
- Inability to apply corporate security policies to person-initiated file transfers
- No visibility over the type and sensitivity of the data being transferred
- No ability to support audit requirements





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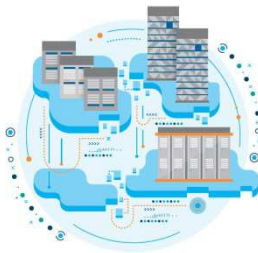


## The world is changing for IT ...



- **Big data and advanced analytics**

Hundreds of billions of connected sensors and devices have created a massive, invisible flow of digital “1s” and “0s”. Enterprises and institutions are analyzing this flow of streaming, unstructured data and acting upon those insights in real time.



- **Cloud computing**

The model of computing known as “the cloud” delivers on-demand computing over the Internet. It brings new scale and efficiency to service delivery and enables more agile ways of doing business.



- **Social and mobile**

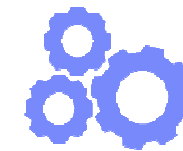
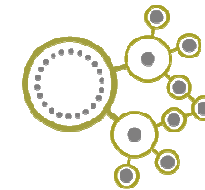
With devices in hand, individuals now expect to interact with the world around them—as consumers, as students, as citizens. For many, mobile devices have supplanted the PC, consumer electronics and even the wallet





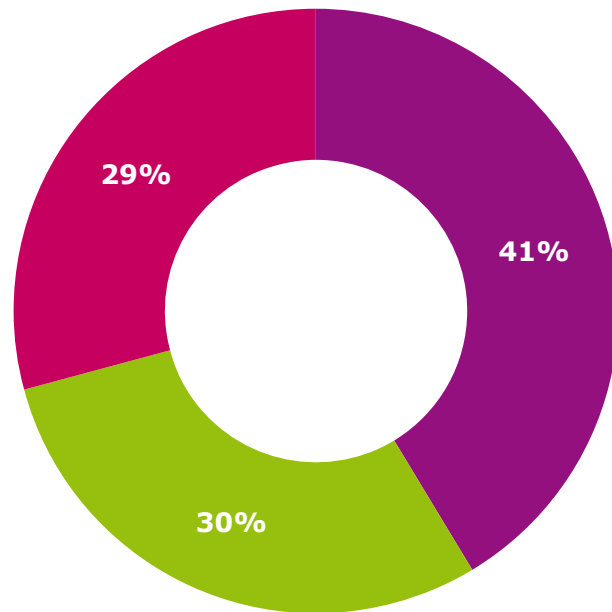
## ... as well as for Line of Business

- **Extended value chains**  
Connect employees, partners and customers to radically innovate new products, services and experiences, by focusing on the complete solution not just a product.
- **Customer centricity**  
Understand each customer as an individual – and create a system of engagement to offer value in all interactions.
- **Synchronized value chain**  
Integrating the enterprise with the entire value chain to deliver profits from each transaction by consistently improving results in a volatile operating environment





## Which is driving change in file transfer workloads ...



■ **System centric transfers:**

automated, secure transfers for system-to-system integration

■ **Community centric transfers:**

transfers that link your business community to your organization

■ **Person centric transfers:**

transfers between people inside and outside your company

*Please give an estimation of the volume (number) of transfers in the following categories by allocating 100% between the following options:*







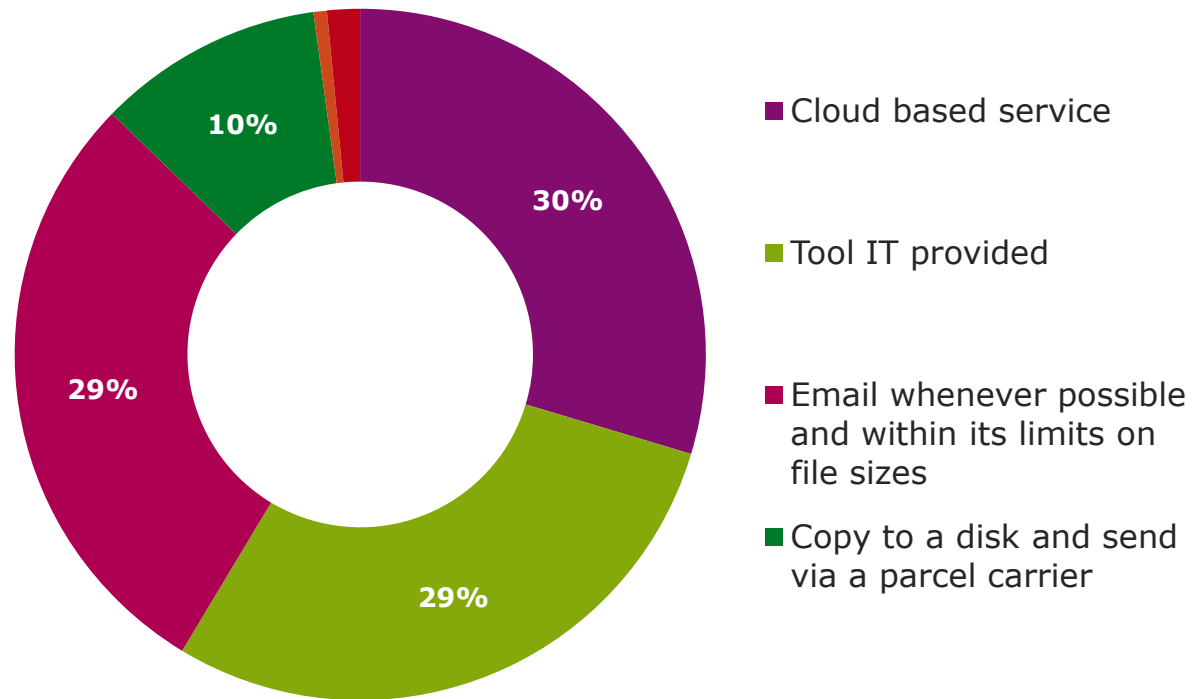
As a result there are fundamental “shifts” happening in MFT

**SHIFT**

From	To	Driver
Governance	Intelligence	Need for actionable information, out of the mass of notification type events
Server	Mobile	Consumerization of IT
System	Person	Person to person transfer in addition to application integration
IT	LOB	Need for first responders to answer the “where is my file” question
File delivery	Process success	File delivery importance in key processes



## Survey shows business users are turning to non-secure methods for person to person file transfer



***What approach do your business users take when transferring large files?***



NOW is the time to re-THINK  
Managed File Transfer





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# IBM is focusing on solution capabilities



**Governance** Actionable visibility for business, operations and compliance

## System-centric



Automated, reliable secure transfers for system integration

## Community-centric



Multi-protocol edge gateway for universal connectivity to the business community

## Person-centric



Simplified transfers built for non-IT users reduce the email attachment risk

## Emerging use cases

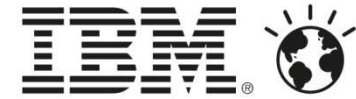


- Extreme
- Intelligent
- Cloud



**Security** Common perimeter services, proxy, authentication





# System-centric, point-to-point transfers

Boost performance and manage growth of file transfers without adding IT resources



**Preventing unauthorized access**  
*Secure +*

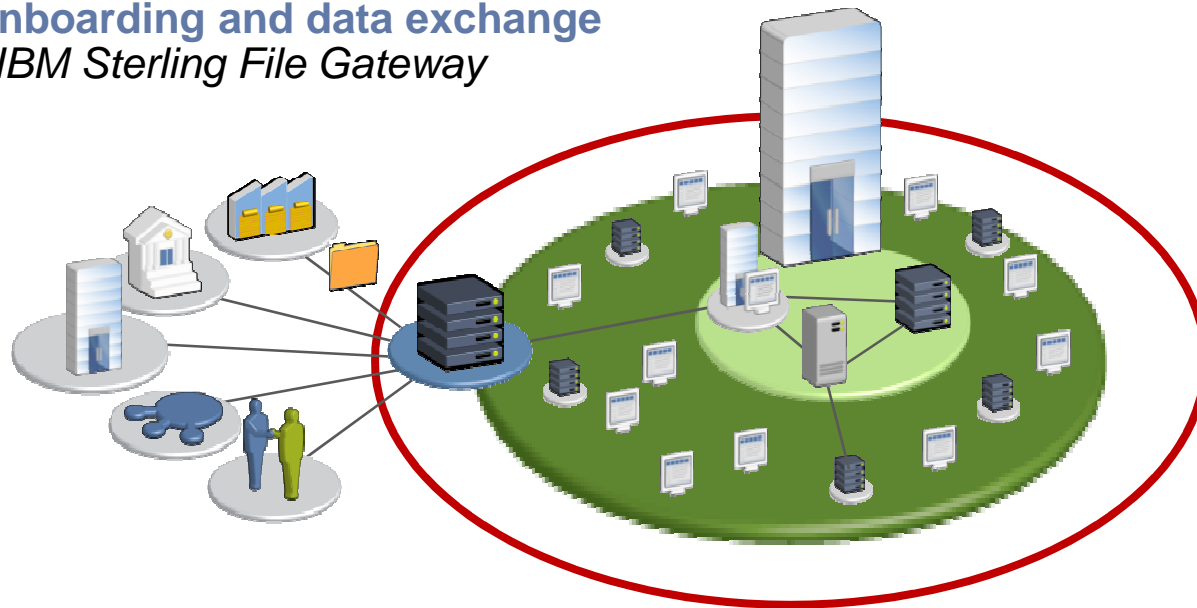
**Point-to-point file transfers**  
*IBM Sterling Connect:Direct*



# Community-centric

Manage “edge” based data exchange with an intelligent centralized gateway

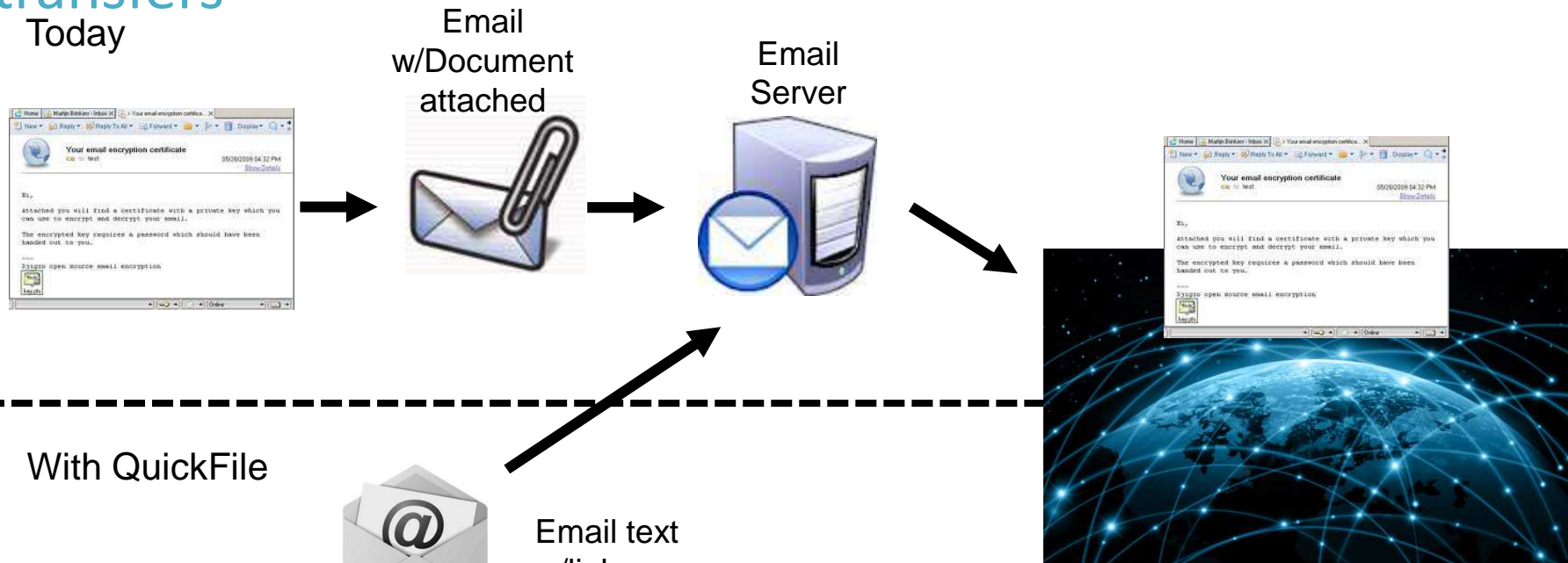
**B2B onboarding and data exchange**  
*IBM Sterling File Gateway*



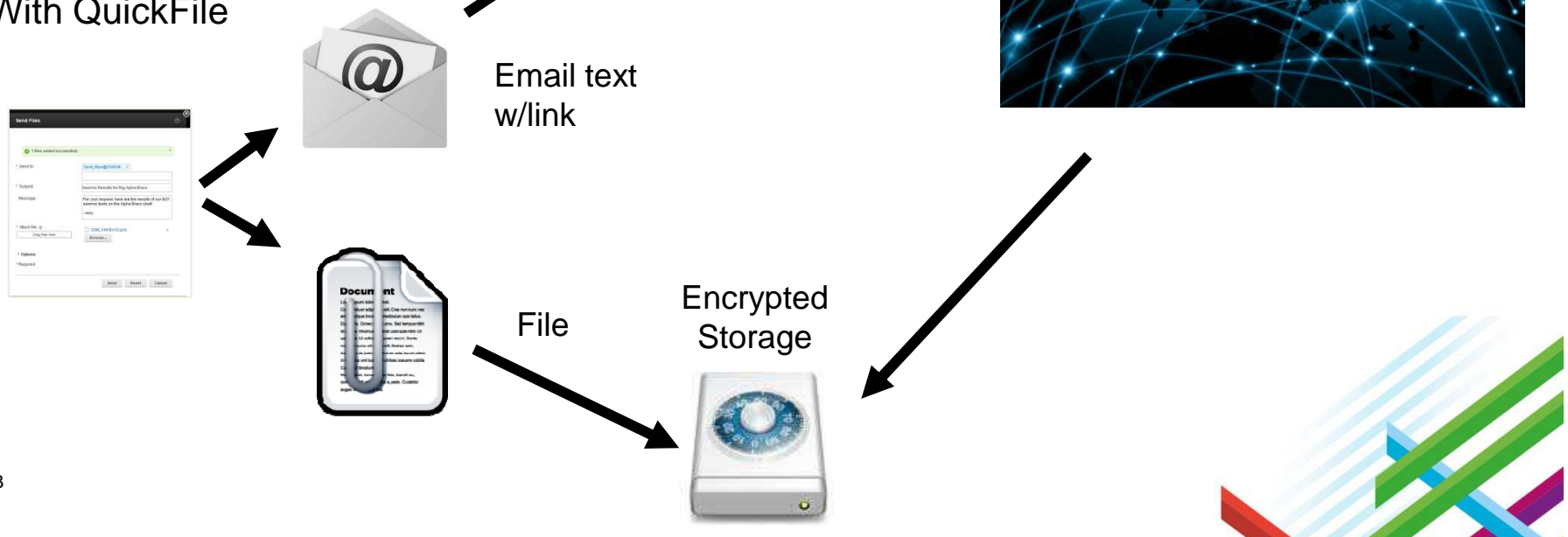


# IBM has introduced QuickFile for person centric transfers

Today



With QuickFile



# IBM has grown our visibility solution



## Business visibility

- KPIs, dashboarding, and summary data across solutions that lets those in key business roles understand what is happening and how it impacts them.
- Offers advanced correlation of multistep transfers that support important business processes.

## Operational visibility

- Consolidation of MFT events, a rules engine that can evaluate events, and ability to take action like sending notifications or signaling alerts on a display.
- This gives centralized operations teams the ability to quickly identify and deal with problems before they impact key SLAs and also to easily respond to audit requests

## Track and trace

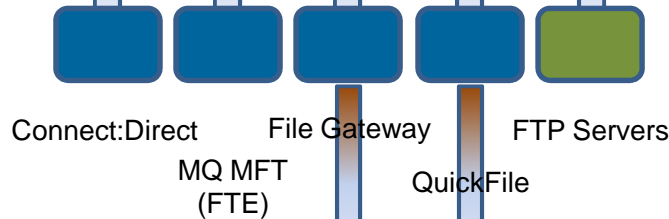
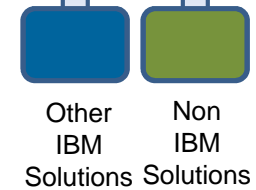
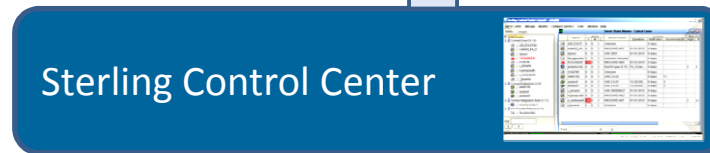
Log file based event records that can be sorted through to see what has happened.

Inside

Outside

## Browser interfaces

Self Service customer visibility






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## What can you do to re-THINK MFT?



### Start an MFT COE

- Address the process as well technical aspects of a Center of Excellence
- Offer your services to more groups, for different use cases
- Standardize on levels of service and publish metrics
- Simplify the process to deploy and charge for the service



### Grow your MFT capability

- Use IBM's MFT maturity model to rate your capability against best in class companies
- See where your gaps are and set a plan to close them
- Experiment with new capability before you have to deliver



### Engage the Business User

- Find out where the pain points are and how you can help address
- Demonstrate capabilities you can provide to start the partnership
- Help own the business outcome

# IBM can help

- Download the Aberdeen look at IBM customer ING's best practices
- Ask for an overview of our MFT maturity model to see how your company ranks on its path to MFT excellence
- [Download](#) the white paper "Deliver data and value for lower costs with a managed file transfer center of excellence"

	No Solution	Basic	Integrated	Optimized	Innovative
<b>Integration and Automation</b>	• Closed systems that require manual input of file-based data	• FTP with hard-coded scripts to launch and manage transfers	• Schedulers used to automate and manage transfers	• Reusable templates for basic integration patterns	• Process modeling for complex automation
<b>Onboarding</b>	• Significant manual effort	• IT support for technical onboarding	• Centralized services	• Support for external partners	• Partner self-service onboarding tools for forums, wikis, etc.
<b>Communications</b>	• Fax, email, physical media (CD, DVD, etc.)	• Reliance on back-FTP	• Web-based integration	• Industry standard formats (e.g., XML, JSON, etc.)	• Comprehensive transfer capabilities to handle managed delivery and content types across any geographic regions, via partner "middleware"
<b>Security</b>	• Vulnerable custom code	• External audit required	• Role-based authorization	• Policy-driven authentication of data, without opening ports	• Data loss prevention (DLP) and wide security services (access management, identity management, etc.)
<b>Visibility and Governance</b>	• Log files	• Operations visibility	• File visibility - flow and status (business)	• Process visibility - flow and status (business)	• Process or operation visibility - business with correlation
<b>Scope and Deployment</b>	• Connection at a time	• Project or application	• Dedicated team for environments	• Multiple use case support (SaaS, SaaS, Person-centric)	• Shared center of excellence

# MFT COE – customer references



## Value/Benefits

- Increased the number of processing times from 4 to 11, enabling customers to engage in real-time transactions
- By significantly reducing file transfer time from 7 hours to 40 minutes to 3.1 minutes – regardless of the file type – the new solution enabled the bank to offer customers a unique product that discounted receivables in a few minutes.
- Increased bank's productivity by supporting high data volumes
- Quickly deliver information to customers leading to improved overall efficiency



## Value/Benefits

- Provides accurate and reliable data delivery
- Securely moved data ensuring regulatory compliance
- Leverages existing infrastructure
- Boost performance and improves productivity



BNP PARIBAS

## Value/Benefits

- Ensures standardized clearing system connectivity
- Bridges diverse data processing technologies
- Automates process management
- Introduces consolidated control, visibility and reporting
- Facilitates new revenue streams
- Reduces operational risk and protects brand reputation





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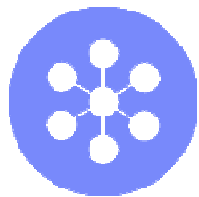


# Enterprise File Gateway Requirements



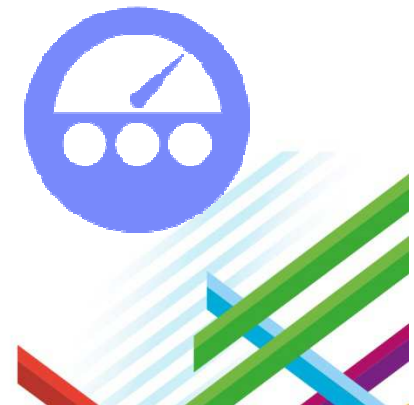
Modern approach to data exchange  
Replace home grown solution

Confidentiality  
Integrity  
Encryption



Support for 8 protocols  
Different data formats  
Transformation any to any format

Role based access  
Visibility (Dashboard & Reports)



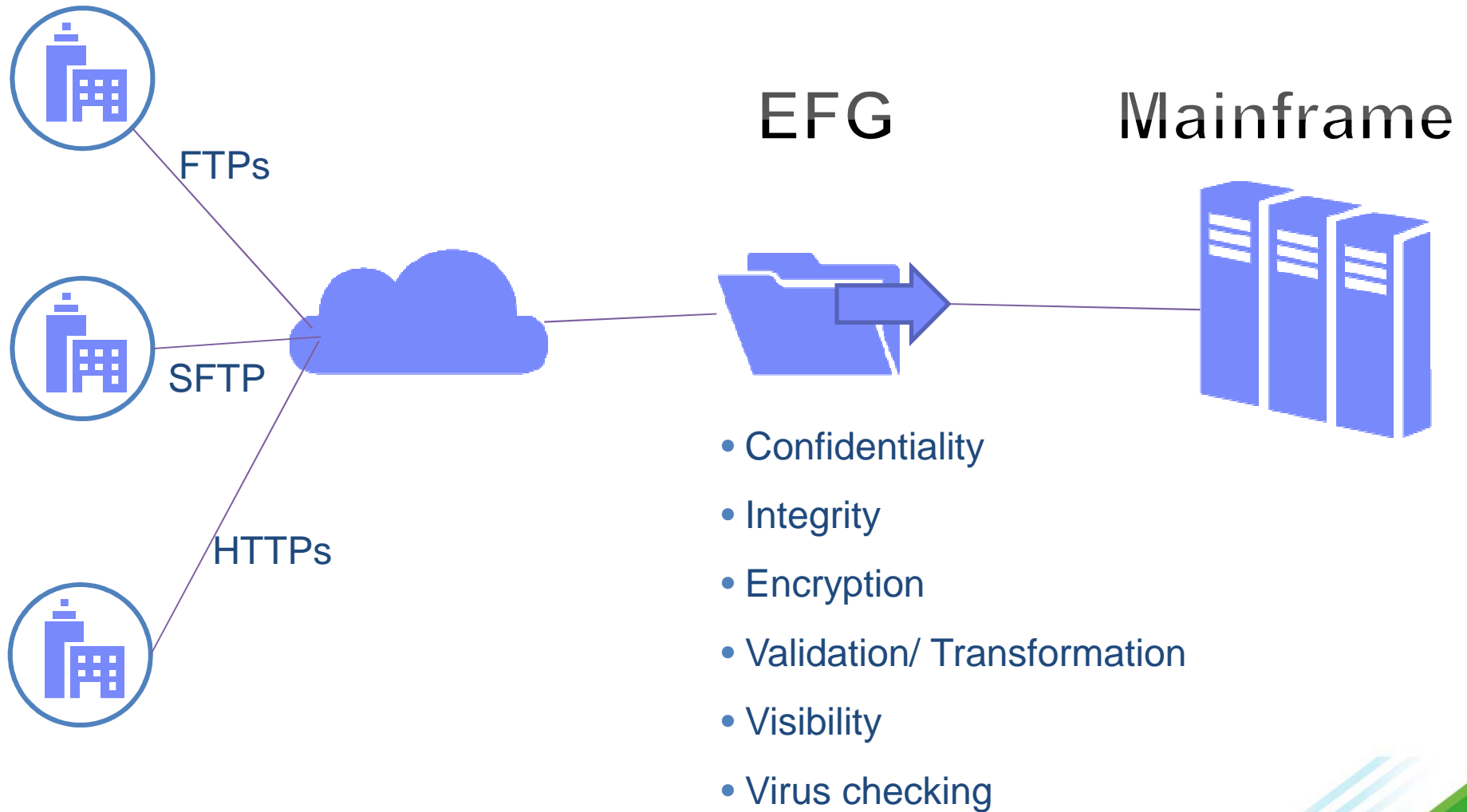


## Solution – Data flows

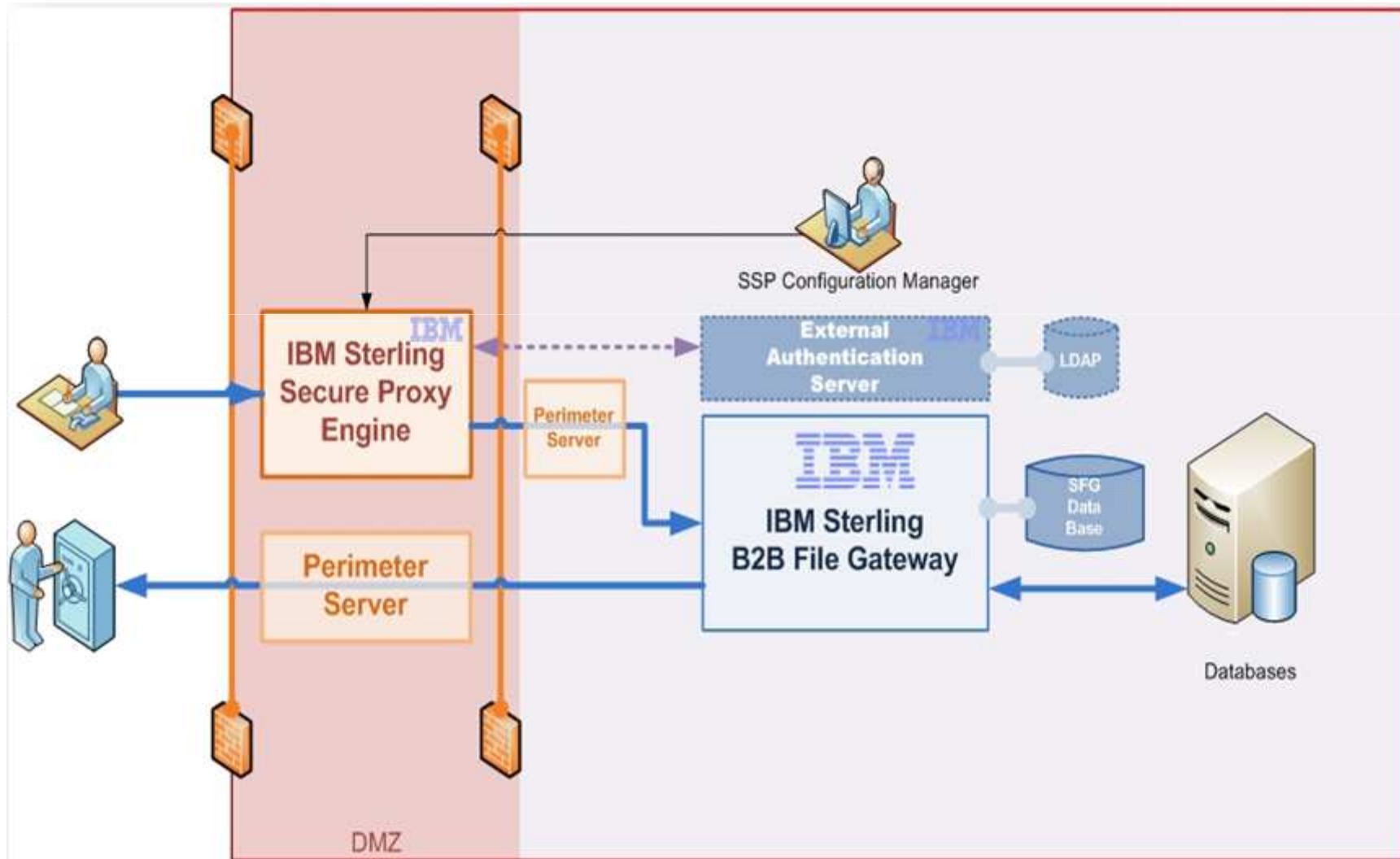
- Transmission of Account Statements
- Reception and acknowledgement of Payment instructions
- Notification Files



# Solution - Functional Overview



# Solution – High level Architecture





## Project approach

- Phase 1: Solution Definition
  - 1 week
- Phase 2: Design and Configuration
  - 4 weeks of development
- Phase 3: Validation
  - 1 week
- Phase 4: Deployment and Go-Live
  - 2 weeks
- Up and running in 8 weeks!





## The IBM competitive differentiation

### **Proven to Meet the Most Demanding Business Requirements**

- Over 30 years of experience working with the world's largest businesses
- All the top 10 banking and financial services firms
- File transfer backbone of the U.S. Federal Reserve and banking sector
- Processing billions of transactions each year
- Unmatched MFT R&D investment and commitment to innovation
- Time to market

### **Built on the Most Modern Technologies**

- Application of J2EE, ESB, SOA, SOAP, Web Services, REST, AJAX, etc.
- Lower total cost of ownership and leveraging existing skills and investments

### **Superior Consulting and Professional Services Expertise**

- Experienced in building MFT centers of excellence
- Provides guidance in MFT best practices from assessment to implementation
- Global deployment experience across industries



**IBM BusinessConnect**  
Realize the art of the possible.



Thank you.

