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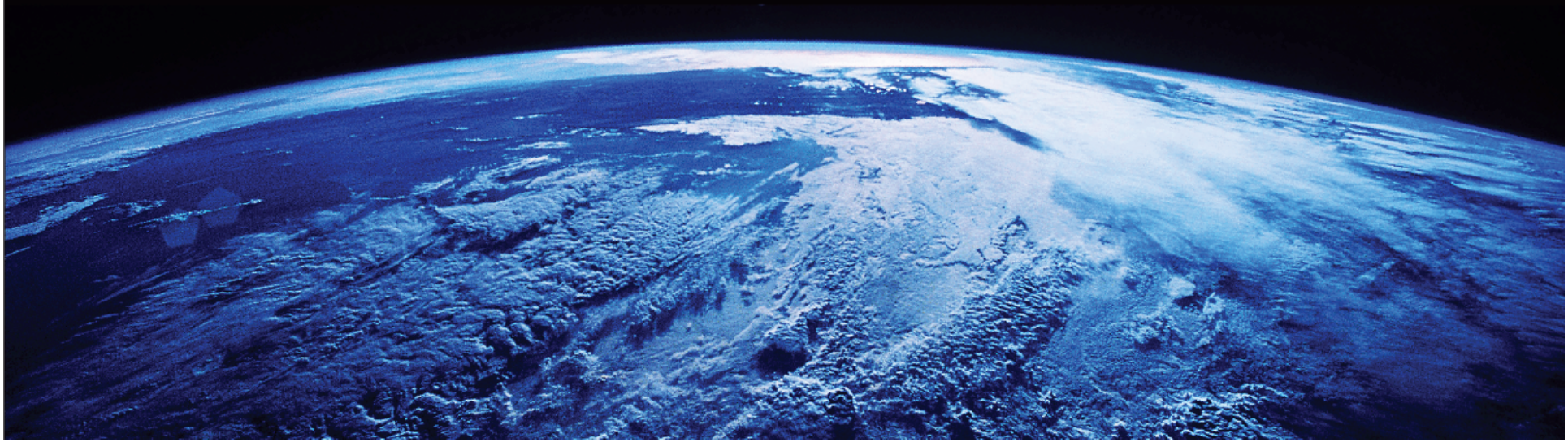
Smart Work for Smarter Planet

智慧运作 · 赢未来



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Developing Better BPM with BRMS - Business Agility Becomes Real

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10 June 2009

Why IBM Acquired ILOG

Addressing the Market Needs

ILOG enables agile, flexible applications for real-time response and confident decision-making

12-year partnership with IBM (ValueNet partner since 2003)

Strong technology, including leading business rule management

Robust ISV/OEM channel with 500+ partners

Complementary business vision and strategy

Support for heterogeneous application environments

Shared cultures & core values

Reaches into new markets and extends the IBM portfolio for BPM

ILOG Company Overview
Industry Leading, Award Winning, Cutting Edge

- 850 employees
- Presence in APAC with 4 Offices
- Over 3,000 direct clients in over 30 countries
- 500+ OEM partners
- Ranked 166 in Software 500 listing
- 23rd of 482 software companies with seven consecutive years of profitable growth
- Listed on NASDAQ & Euronext
- IBM Business Partner since 1996

ILOG An IBM Company

intelligent enterprise EDITORS' CHOICE AWARD 2008

EUROPE'S 500

RED HERRING 100 WINNER SMALL CAP

SOFTWARE 500

Ready for IBM SOA Specialty

Smart SOA Simple to Advanced. From IBM

ZD Net Asia TOP TECH COMPANY 2006/07 Special Award Top average Year-on-year Net Income growth

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IBM WebSphere.

ILOG Lines of Business

Expanded Value for IBM clients

Powerful Business Rule Management System

Adapt and respond dynamically, automating process-based decisions with business rule management

Advanced Suite of Optimization Tools

Produce the best possible action plans & schedules, enhancing abilities to explore alternatives, understand trade-offs, and respond to changes in business operations

Efficient Supply Chain Management

Optimize supply chains, design & planning tools for improved efficiency and productivity

Innovative Visualization Tools

Transform insight into action, enhancing collaboration for smarter role-based business decisions

ILOG Enhances BPM, SOA, and Industry Solutions

Taking BPM Leadership to the Next Level

Powered by Smart SOA

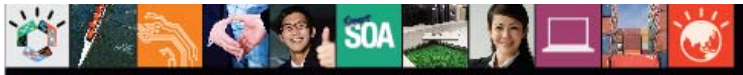
BPM Adoption Patterns

- End-to-End Process Automation
- Transform Insight Into Action
- Adapt and Respond Dynamically

Industry Frameworks

ILOG An IBM Company

Enabling agile, flexible applications for real time response and confident decision-making



Why is ILOG Important for IBM BPM

Expanded Value for IBM BPM clients

Powerful Business Rule Management System

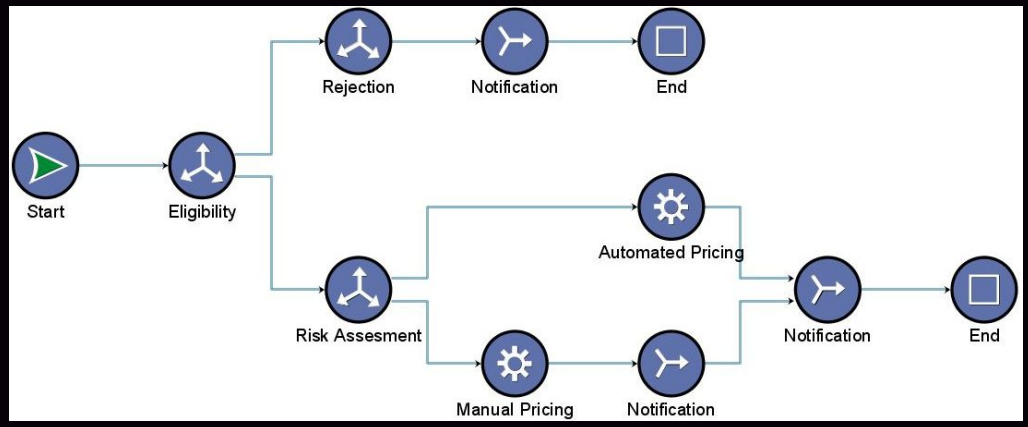
Enhances Agile BPM with support for:

- *Complex Decisioning:*
  - *Decision trees, scorecards, branching*
  - *Multiple applications*
  - *Multiple users/roles – contextual UIs*
- *Business User Enablement:*
  - *LoB user v IT*
  - *Responsiveness*
  - *Extensible*
- *Rapidly Changing Environments:*
  - *Dynamic Environment*
  - *Late-Stage Service Binding*
- *Audit Traceability:*
  - *Tracking by rule, time, user, role*
  - *Versioning support*

The decision intensive process

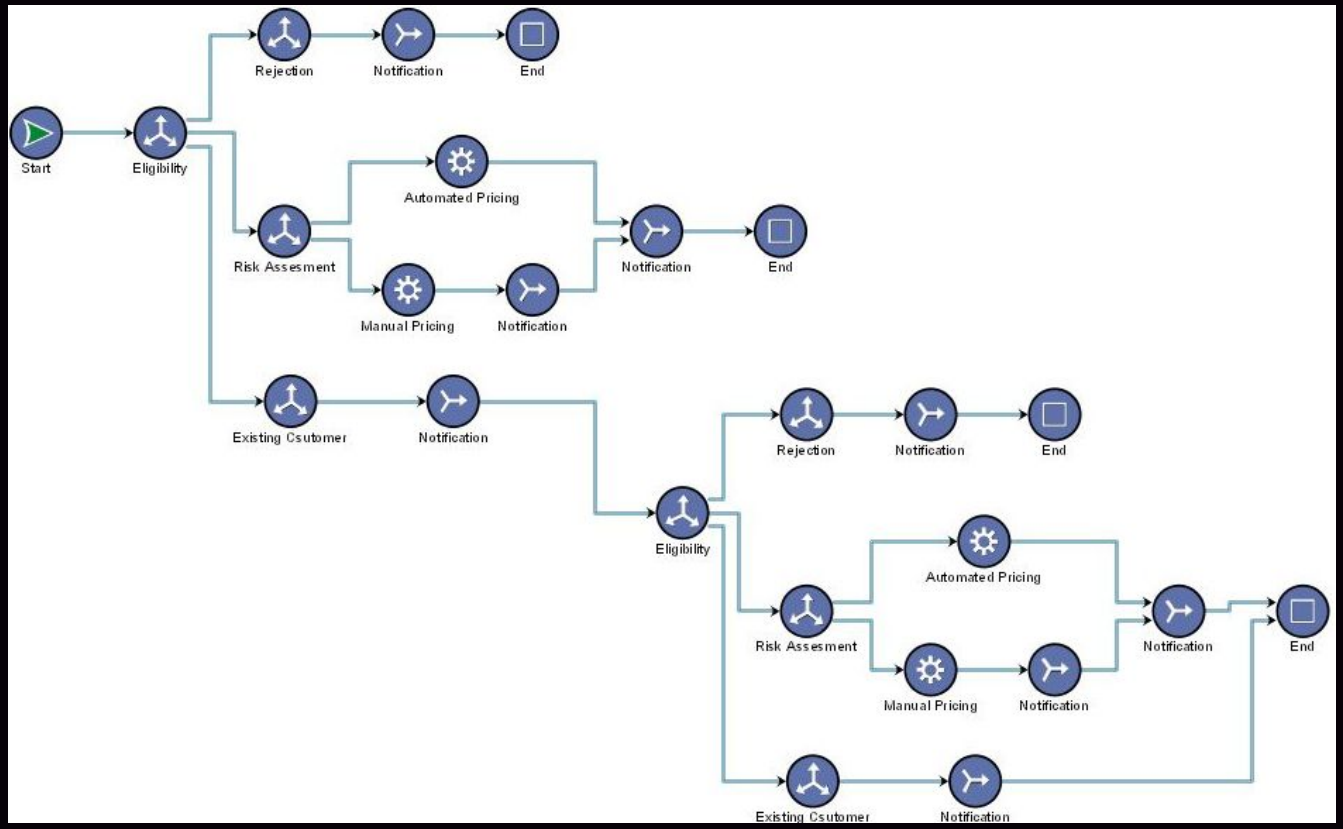
Streamlined process

works fine <u>today</u>…



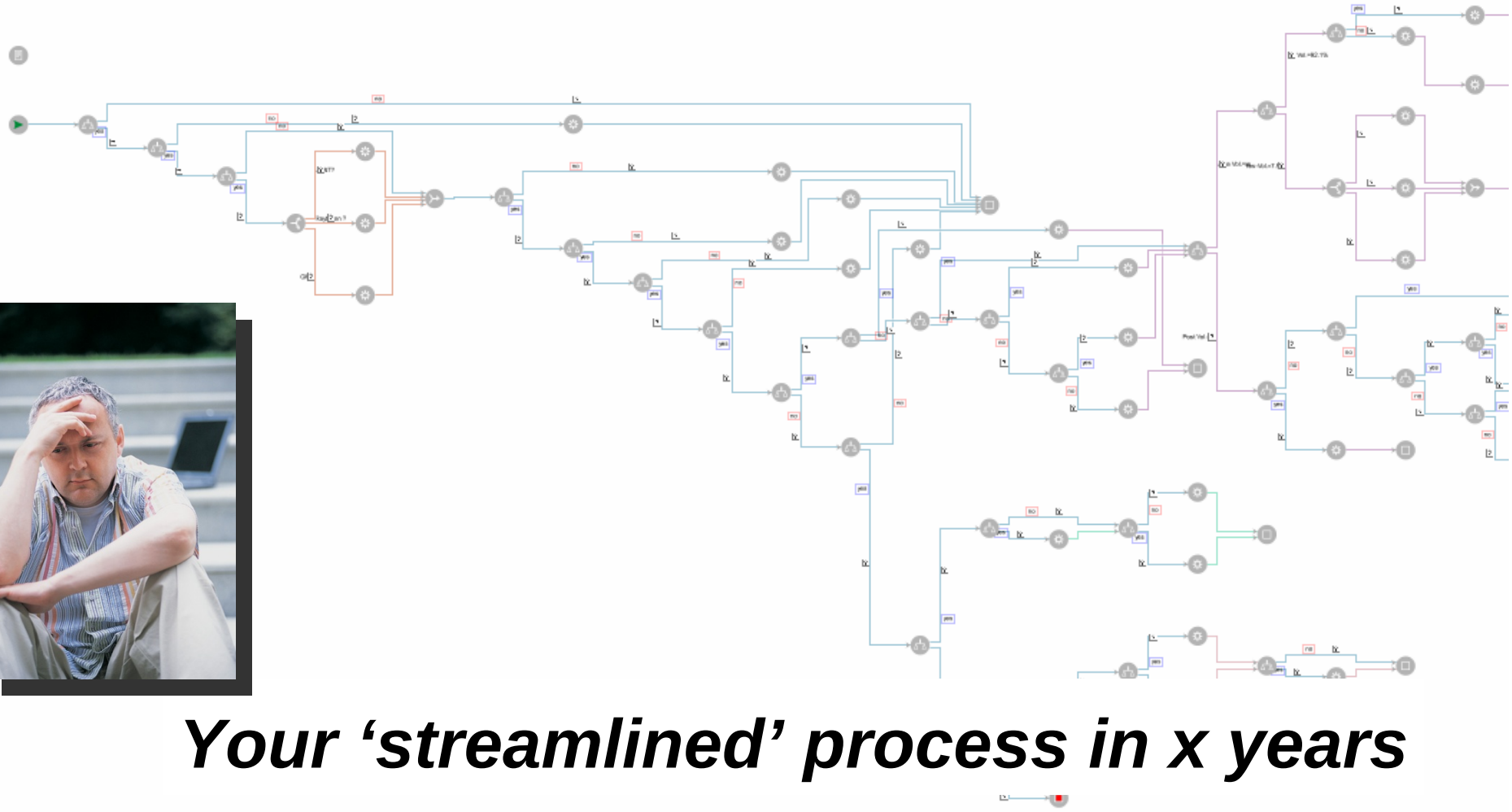
- ***Until***
  - ***New Product***
  - ***New Policy***
  - ***New Regulation***
  - ***New Pricing Rules / Model***
  - ***New Scoring Rules / Model***
  - ***…***

The decision intensive process



Your 'streamlined' process in x months

The nightmare intensive process



Your 'streamlined' process in x years

Business change drives IT agility

Decisions used in operations = “business rules”

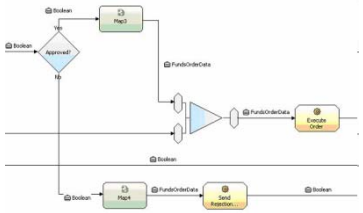
Where Business Rules Exist

```
#ifdef __WIN__
  /*
    Before performing any socket operation (like retrieving hostname
    in init_common_variables we have to call WSAStartup
  */
  {
    WSADATA WsaData;
    if (SOCKET_ERROR == WSAStartup (0x0101, &WsaData))
    {
      /* errors are not read yet, so we use english text here */
      my_message(ER_WSAS_FAILED, "WSAStartup Failed", MYF(0));
      unireg_abort(1);
    }
  }
#endif /* __WIN__ */

  if (init_common_variables(MYSQL_CONFIG_NAME,
                            argc, argv, load_default_groups))
    unireg_abort(1);                        // Will do exit

  init_signals();
  if (!(opt_specialflag & SPECIAL_NO_PRIOR))
    my_pthread_setprio(pthread_self(),CONNECT_PRIOR);
```

Applications

Documents

People



Processes

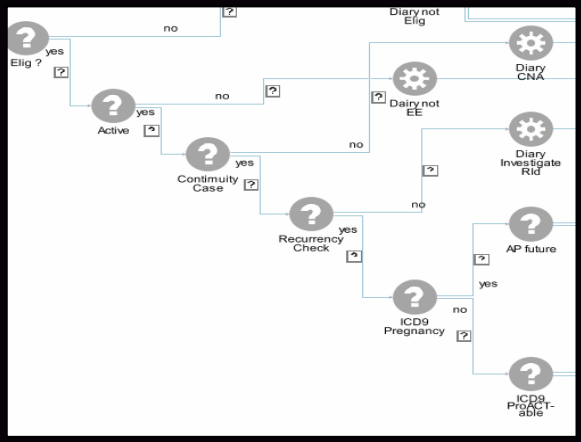
Issues

- ***Rules are hidden in code or isolated within the organization***
- ***Changes are hard to track and maintain over time***
- ***Rules used by systems have to be programmed and require IT resources***
- ***Duplication and multiple versions of the same rules***
- ***Lack of auditability, traceability***
- ***Decision changes cannot be easily tested or simulated***

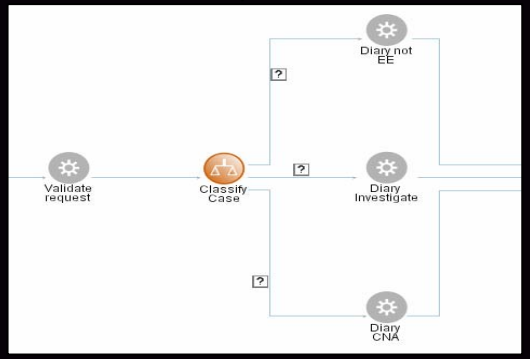
How does a **BRMS** help?

A Solution for:

- Processes are too complex to maintain
  - ✓ Streamline processes by externalizing decision logic
- Cost per transactions is too high
  - ✓ Increase decision automation
- Update times are too long
  - ✓ Business users can manage decision lifecycle
  - ✓ Business and IT can easily collaborate for deployment of new rules
- Business policies are not shared across processes or applications
  - ✓ Manage business policies as an enterprise asset



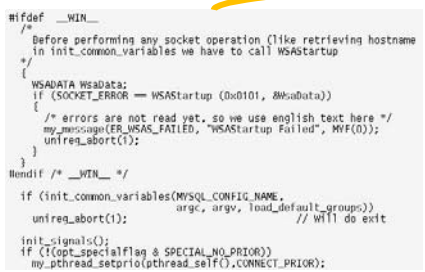
Without BRMS

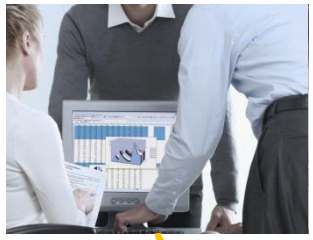


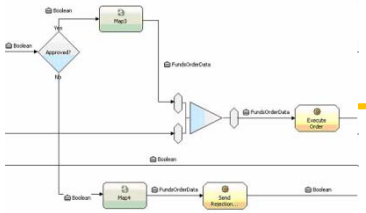
With BRMS

The Smarter Approach: Facilitating Change with BRMS

Where Business Rules Exist

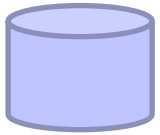




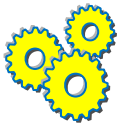


Business Rule Management System

Rules are Defined, Analyzed and Maintained



Rules are Managed and Stored

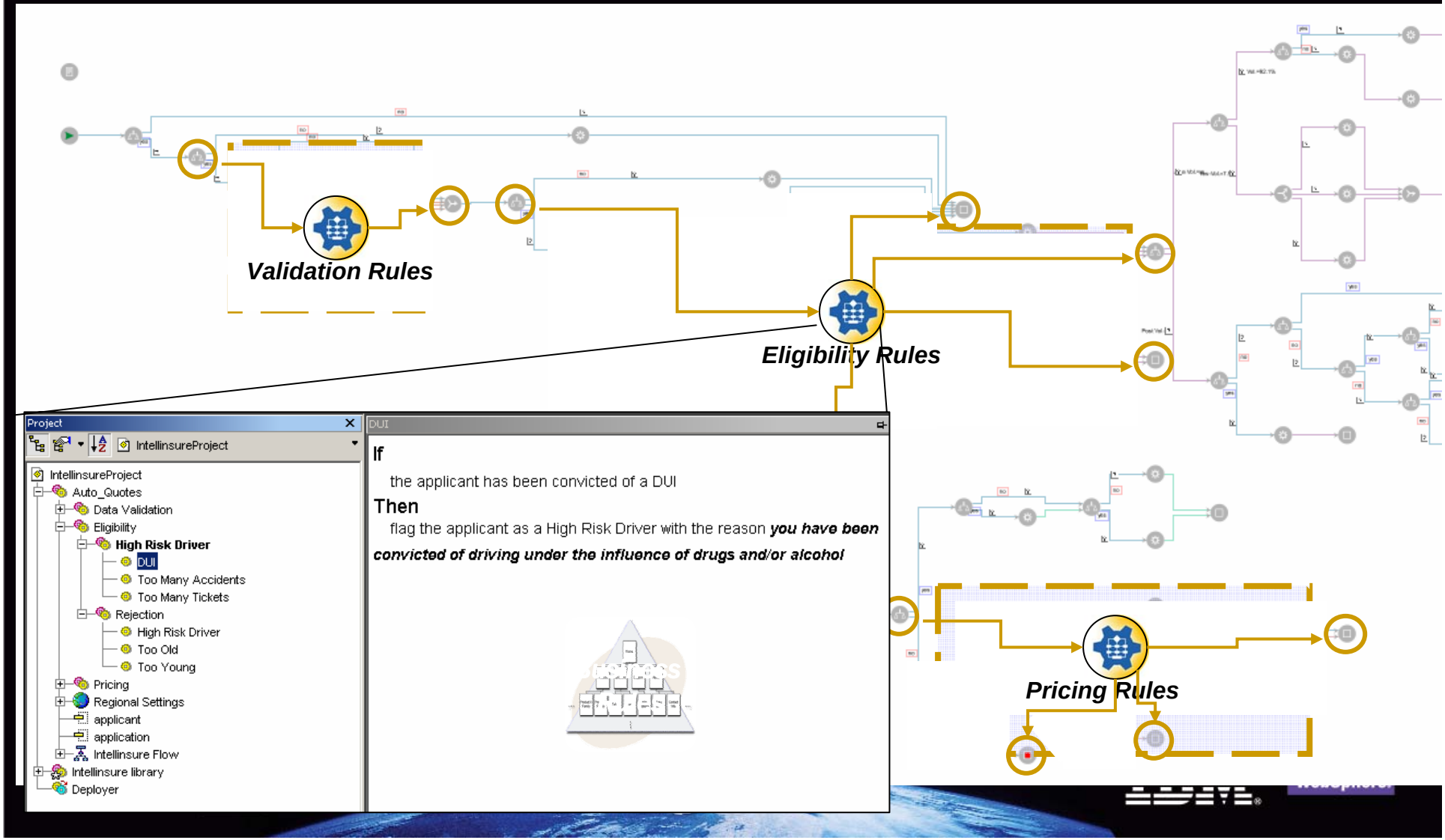


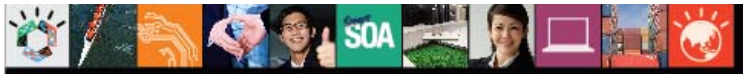
Rules are Deployed, Executed and Monitored

```
if
    all of the following conditions are true :
            - the age of the driver is between 18 and 21
            - the number of accidents the driver has been involved is at least 1
            - the number of traffic tickets the driver has received is at least 1

then
    add a $ 8 surcharge to 'Auto Quote Response' , reason: "Young driver surcharge" ;
```

Simplifying Business Processes

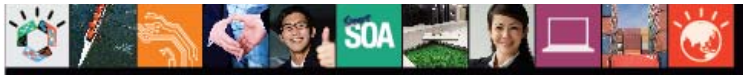
Business Policy Externalization → Agile BPM





When does a BRMS make sense?

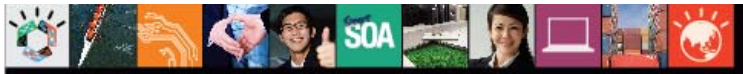
Variables	*BPMS*	*BRMS*
Adaptability	Business rules are hard coded in, using BPM notation, and lack flexibility for updates and modification. The standard design implementation is to implement business rules into the BPM map.	Excellent, rule can change quickly and be deployed quickly too.
Transparency	Excellent: with the integration of BPMS and BRMS, the business and IT team have a clearer understanding of the process execution and the decision done by a task; by studying the rules attached to the task.	Excellent: by adding meta data to implemented rule we can clearly link rule to business strategies and policies.
Auditability	Excellent: both tools have version control, and it is possible to link process map versions to rule set versions.	Excellent: the rule engine has a log mechanism to trace what were the rules executed on a given transaction. Rule reports can be important to the business as part of documentation for audit purposes.
Reusability	Rules defined attached to a task can be made available to other applications. So reusability can be achieved. Rules in a BPM map are not really reusable.	Very good if the BRMS uses a rule repository and the rules are designed with a rule sharing approach.
Manageability	Process logic will have a more stable life cycle, and it is managed in the BPMS, as it no longer has to incorporate business rules.	Excellent as rules are externalized and managed as a standalone artifact. Rule configuration management is complex, and integrity between rule life cycle and rule set versioning is not a simple practice.



What Applications need a BRMS?

Types	Activities	Challenges
Service standards	Create	Maintain compliance
Processing rules	Implement	Prove compliance
Records mgt rules	Update	Automate application
Internal policies	Apply	Hit service standards
Internal procedures	Validate	Enforce policies
Contract terms	Review	Protect privacy
Regulations	Track	Reduce / avoid costs
Standards		

Policies, Standards, Regulations

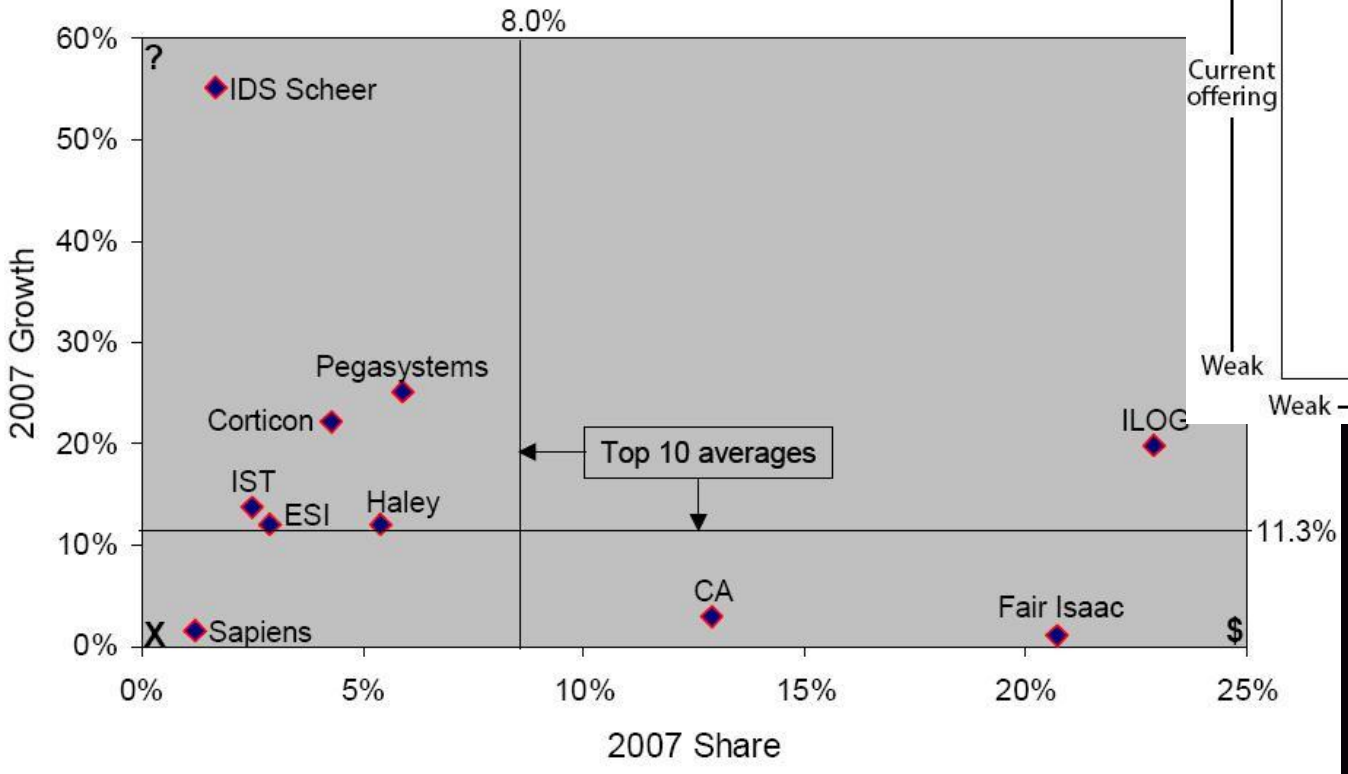


Who's using ILOG BRMS?

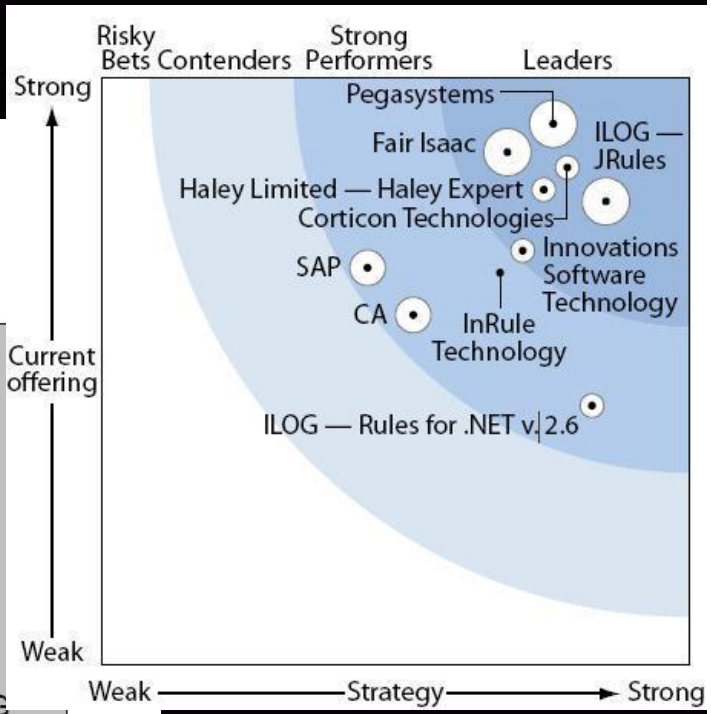
- 21st Century Insurance
- ABN Amro
- Airbus
- Alcatel
- Allianz
- American Express
- **Anbang Insurance**
- AT&T Corp.
- Babcock & Brown
- **Bank ot Nngbo**
- Bank of America
- BankWest
- BASF
- Bayer
- BLS
- BlueScopeSteel
- BMW
- Capital One
- **China CITIC Bank**
- **China Mobile**
- **China Development Bank**
- **Continental P&C Insurance**
- **China Construction Bank**
- **China Pacific Insurance**
- **China Netcom**
- **Cinda Asset Management**
- Citigroup
- CitiMortgage
- Citistreet
- City of Chicago
- Commerzbank
- Credit Suisse
- Crown Prosecution Service
- Danone
- Delta Airlines
- Delta Dental
- Department of Homeland Security (US)
- Department of the Interior
- Department of Veterans Affairs
- Department of Work and Pensions (DWP)
- Deutsche Bank
- Deutsche Telekom
- Digital Insight
- District of Columbia
- EIG (Economical Insurance Group)
- Ericsson
- **Everbright Bank**
- Fannie Mae
- Federated Software Group
- Financial Engines
- First American Credco
- Flextronics
- France Telecom
- Freddie Mac
- **Gangsu Mobile**
- **Guangdong Development Bank**
- General Motors Corp.
- GMAC
- **Huatai Insurance**
- **Huawei**
- HCF
- Home Office
- Humana
- IAG
- Immigrations & Customs Singapore
- J.B. Hunt
- Korea Telecom (KT)
- Lufthansa
- MCI
- MetLife
- Metro de Madrid
- Michelin
- Ministry of Education Singapore
- Ministry of Defense Singapore
- Mitsubishi Chemical
- New Century Mortgage
- **New China Life**
- Nippon Steel Corporation
- Nissan Motor Company
- Nokia Corporation
- NTT
- Ohio Savings Bank
- Orange PLC
- **PingAng Insurance**
- Pfizer Inc.
- Procter and Gamble
- Porsche
- Posco
- Prime Minister 's office Singapore
- Prudential Financial
- Radian Group
- Raffles Medical Group
- Royal Bank of Scotland
- Sabre Holdings Corporation
- Saint Gobain
- Samsung electronics
- Santander Bank
- SBC
- **Shanghai Mobile**
- **Shangdong National Tax Bureau**
- **Shangdong Local Tax Bureau**
- **SinoLife**
- Societe Generale
- Sony Bank
- Standard Chartered Bank
- **Shanghai Rural Commercial Bank**
- **Shenzhen Mobile**
- **Taiping Life**
- **Taiping Insurance**
- **TSMC**
- Telecom Italia
- Telefonica
- Telenor
- Telstra
- The Scotts Company
- **Tibet Mobile**
- Travelocity
- **Union Life**
- United Overseas Bank
- Verizon communications, Inc.
- Visa International
- Vision Service Plan (VSP)
- Vodafone Spain
- Wachovia
- Wells Fargo
- Welsh Assembly Government (UK)
- Westpac
- **Yunan Mobile**
- Zurich
- **Zhejiang Mobiile**

ILOG is the BRMS Leader

Worldwide Business Rules Management Systems 2007 Revenue Growth/Share Matrix for the Top 10 Vendors



Source: IDC, 2008



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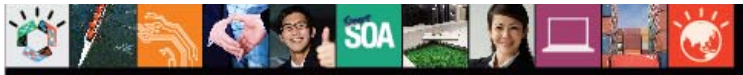

Thank You