



¿Por qué Agilidad de Negocio y por qué ahora? Tendencias de Mercado y Medida de Resultados

El Arte y la Ciencia de Agilidad de Negocios

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to Working Smarter.**

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Agenda

December 2, 2009

- Internal and External Agility
- BTM Research: Business Agility & Convergence
- Agility and Organizational Constructs
- Corporate financial performance and business technology convergence
- Summary

To Optimize Business Performance We Must Redefine:

How Businesses
Evolve...



...To Adapt and
Respond
Dynamically

How People
Collaborate...



...To Maximize
Effectiveness

How Technology
Enables Agility...



...To Meet Business Needs
Quickly

Combining People, Process, and Information Capabilities

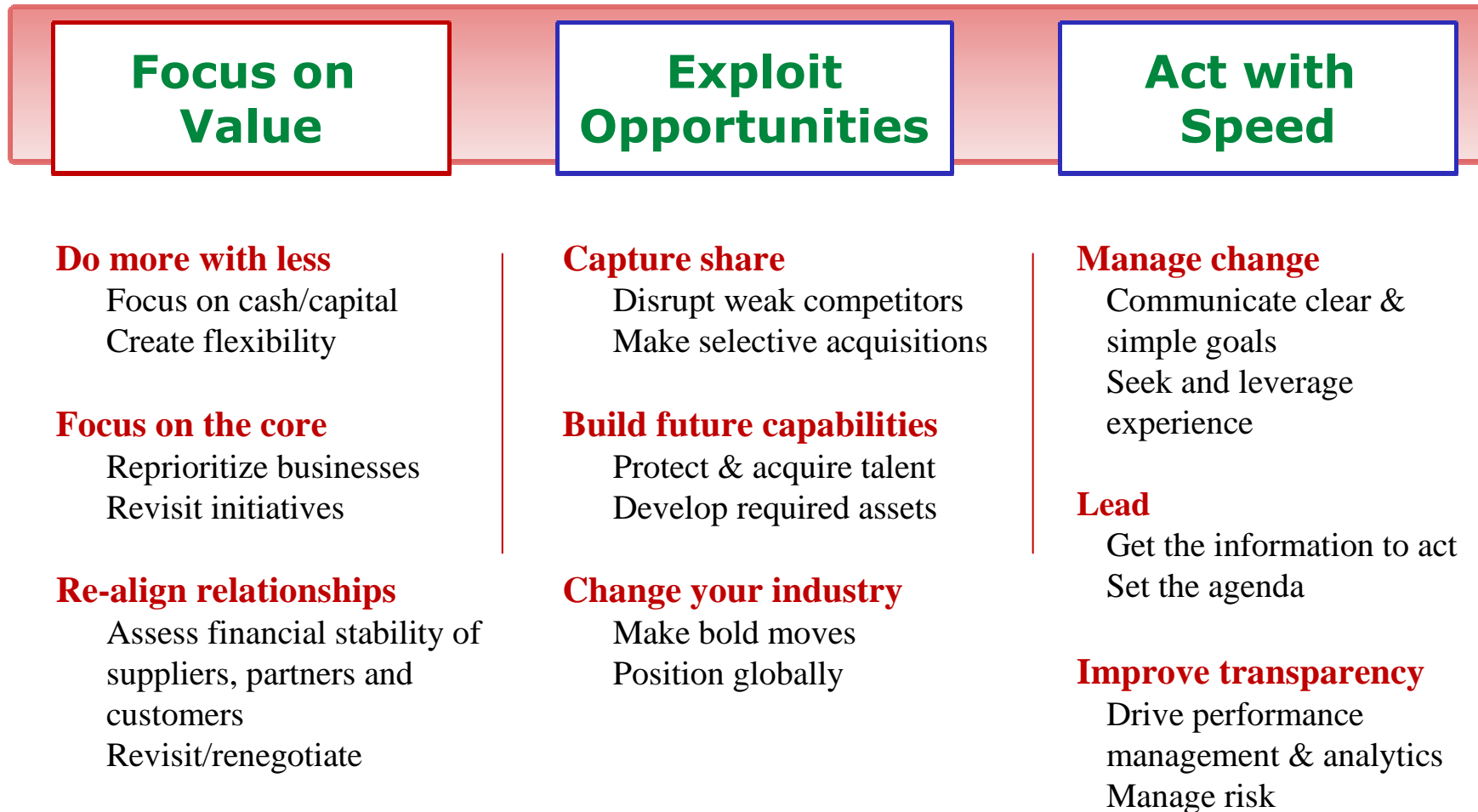
Are Agility and Innovation Necessary?

- Only 74 of the original 500 companies in the S&P Index remained on the list 40 years later.
 - UPenn, InnovationLabs
- The number of CEOs who left their posts in 2008 was the highest in a decade.
 - LA Times
- Two-thirds of the 765 CEOs, business executives and public sector leaders in a survey said they expect their organizations to be inundated with change over the next two years.
 - IBM CEO Study



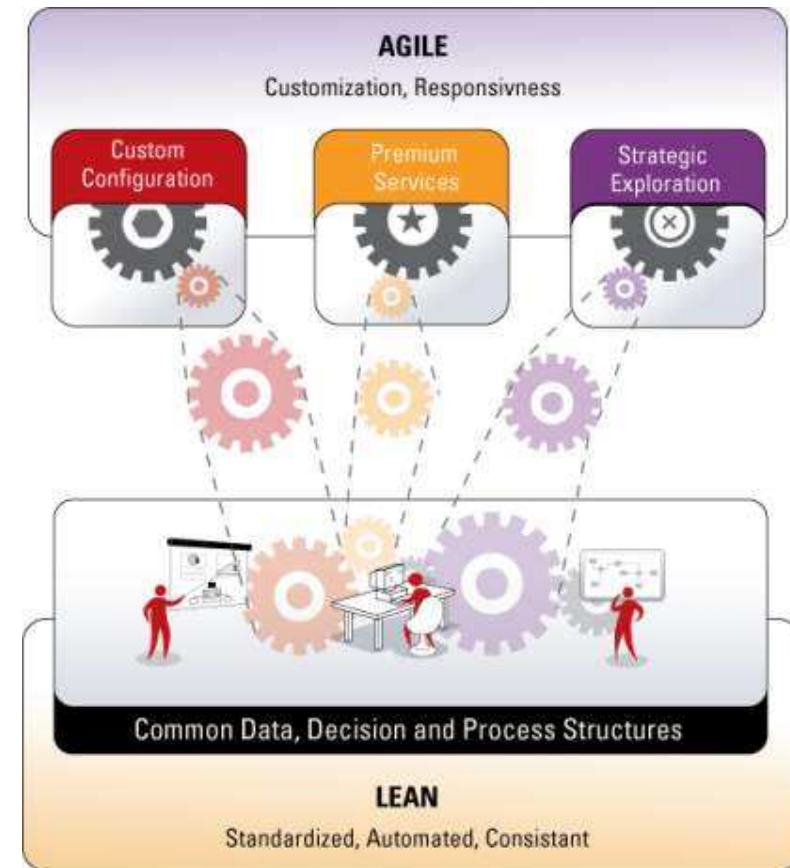
Source: *Winning The 3-Legged Race*, BTM Institute/Financial Times

Customers Have Three Basic Needs for Evaluating Agility & Service-Orientation



The Agile Enterprise

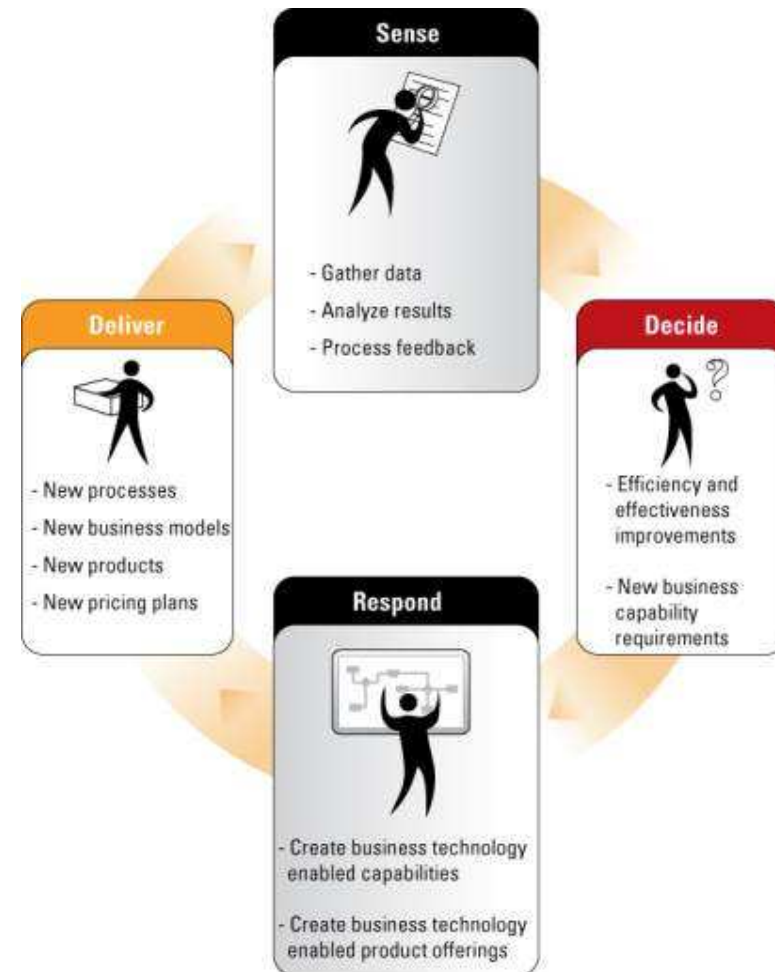
- The frenetic pace of business today has reduced the life expectancy of corporations.
- The response has been a call for **agility**: the ability to move quickly to take advantage of change.
- Agile companies create **processes and structures** that allow them to know what is going on internally and externally.
- Agility is achieved through **repeatable management processes**, the imagination to see the organization in a different light, and a willingness to change.



Source: *Winning The 3-Legged Race*, BTM Institute/Financial Times

The Art & Science of Agility

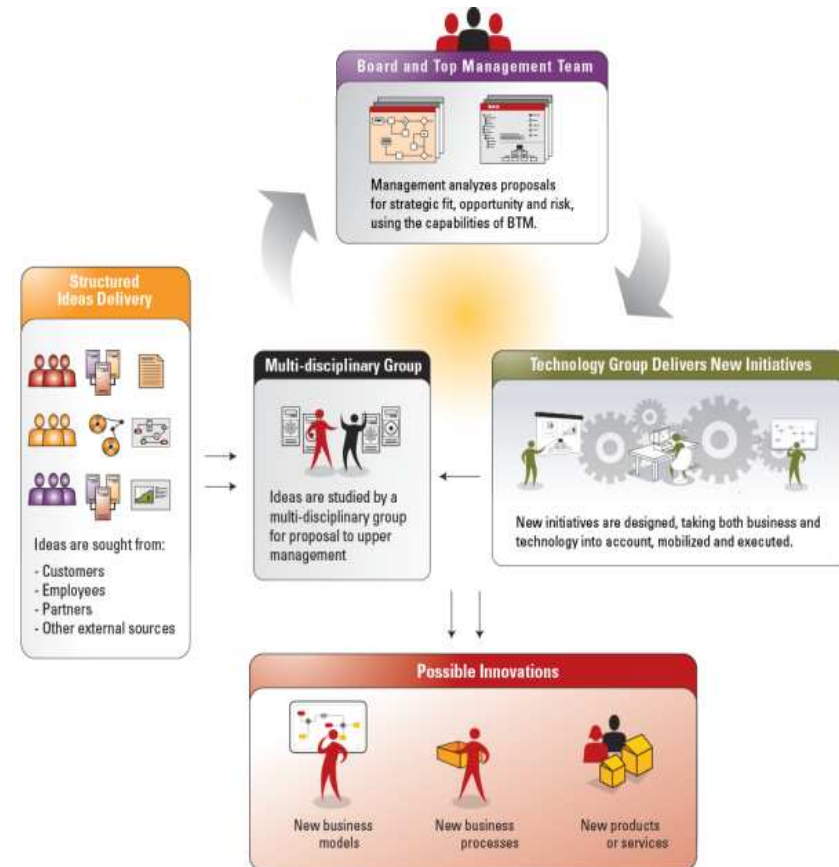
- Agile enterprises *know what they need to know*, (the *sense* in sense and respond) by establishing relationships with customers, suppliers, partners and the public.
- Agile enterprises *do what they have to do*, (the *respond* in sense and respond) by creating structures and processes to understand the information they receive and to act upon it.



Source: *Winning The 3-Legged Race*, BTM Institute/Financial Times

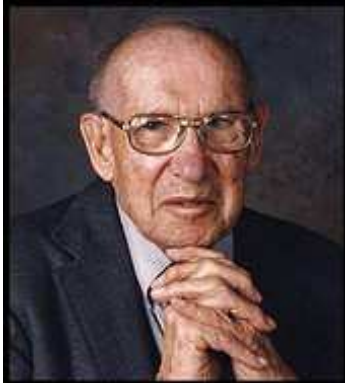
Constructs of Agility

- Building an agile organization requires substantial investment and carries strategic risks
- Also required are:
 - Flexible organizational constructs and behaviors
 - Inclusive standards for strategic enterprise architecture
 - A technology portfolio structured to balance between stability and agility
 - A governance model that facilitates horizontal and collaborative decision making processes



Source: *Sustained Innovation, BTM Institute*

Peter Drucker on Knowledge-based Innovation

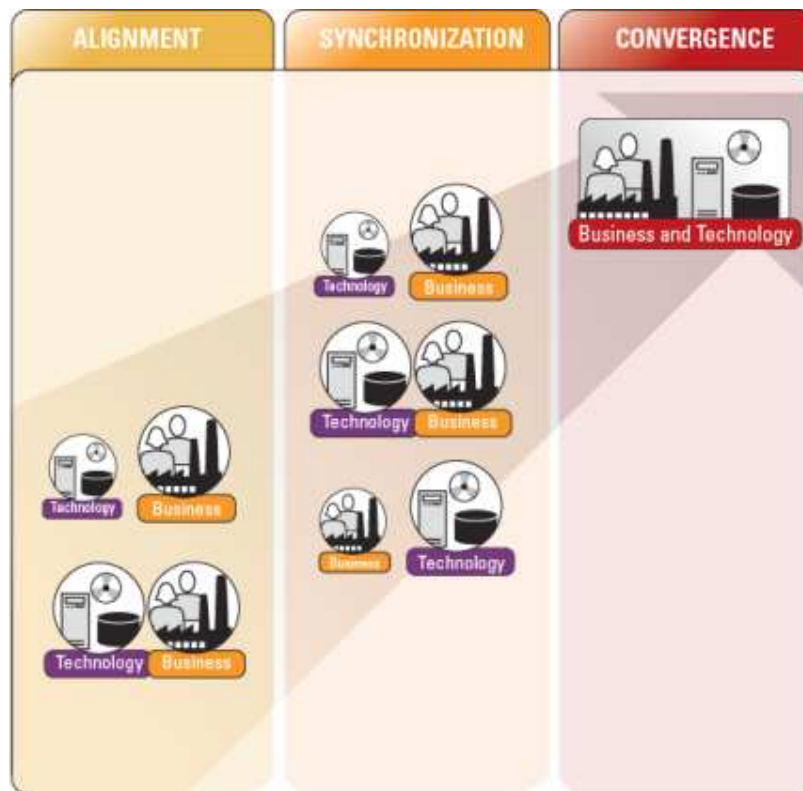


“**Knowledge-based innovation** is the super-star of entrepreneurship. And like most super-stars, knowledge-based innovation is temperamental, capricious, and hard to manage.

One other key characteristic of knowledge-based innovations -- and a truly unique one -- is that they are almost never based on one factor but on the **convergence of different kinds of knowledge**, not all of them scientific and technological.”

- Peter Drucker,
Innovation and Entrepreneurship, 1993

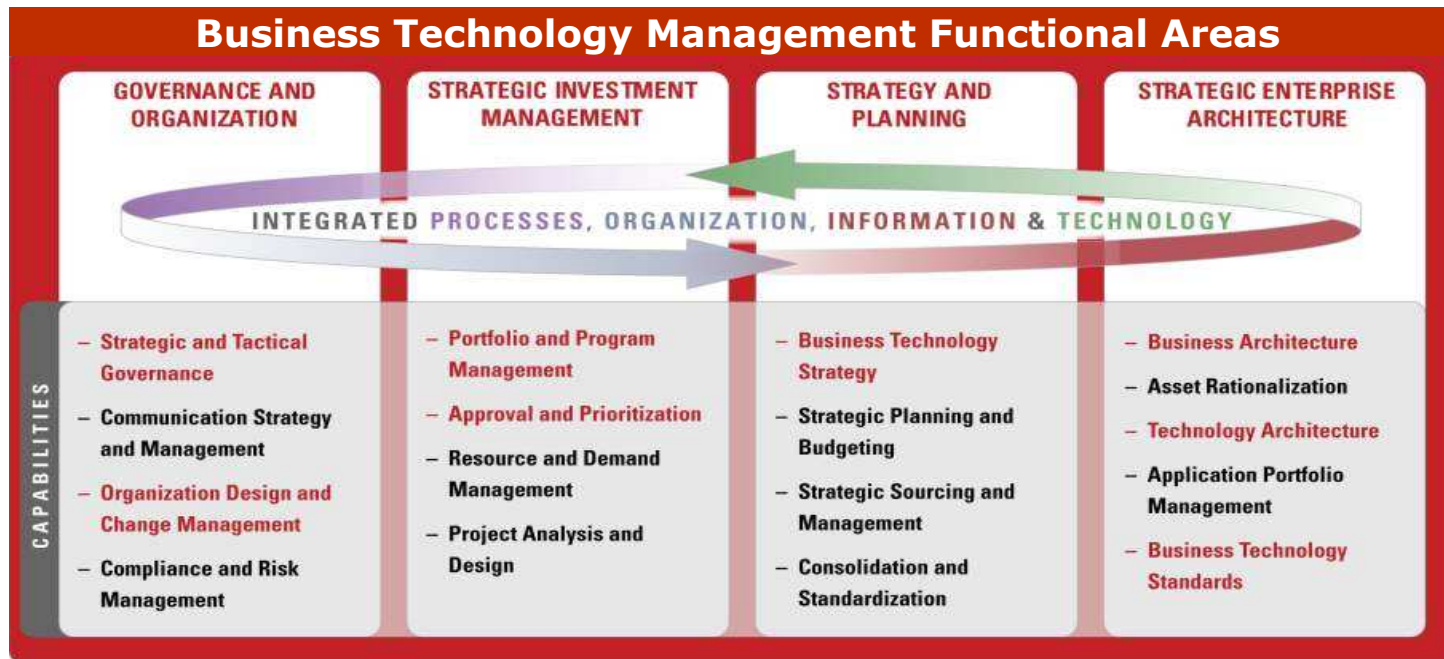
From Alignment To Convergence



Source: *Hoque, et al, Winning The 3-Legged Race, BTM Institute/Financial Times*

- Enterprises need to drive company-wide innovation and accelerate business initiatives that deliver rapid competitive advantage
- In a “Converged Enterprise”, business and technology activities are intertwined and leadership teams operate almost interchangeably is necessary to drive superior financial performance
- Achieving ultimate convergence requires a step-by-step management maturity improvement with a multi-disciplinary management approach

Management Foundation for Convergence



- Essential management capabilities in the areas of: Governance & Organization, Strategy & Planning, Investment Management, and Strategic Enterprise Architecture drive business technology Convergence
- Management maturity advancement in the above functional areas specify the journey and destinations needed for business agility and innovation and is the basis for financial performance

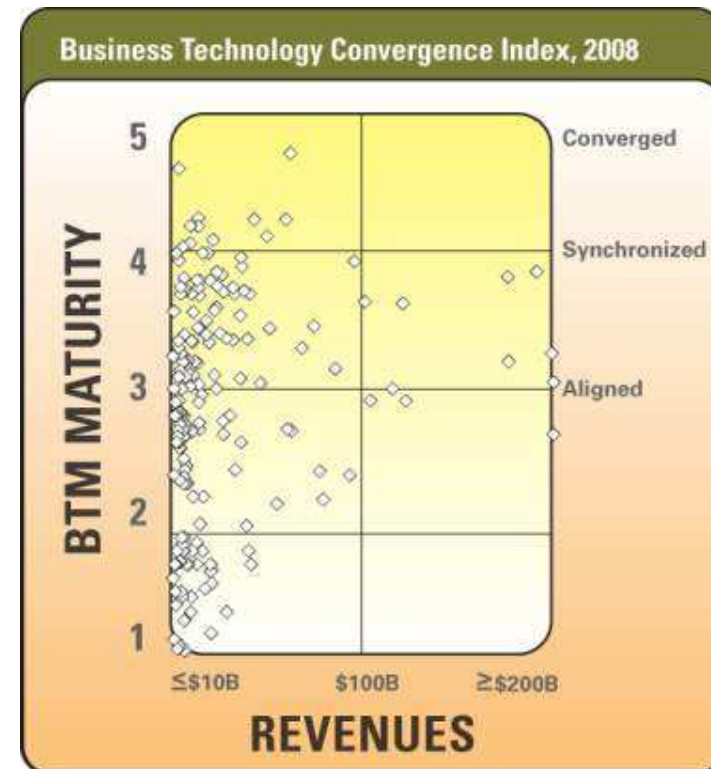
Source: *Winning The 3-Legged Race*, BTM Institute/Financial Times

2009 Business Technology Convergence Index

Following years of collaborative research, the BTM Institute released a groundbreaking report illustrating companies that converge the business and technology sides of the house reap greater financial benefit.

The *Business Technology Convergence Index* study of 2009 reflects the level of **management maturity of over 50 industry** categories:

- Observations made over the past 7 years – 2001 to 2008
- Global enterprises based in the US and Canada
- The chart shows the plotting of the composite index database

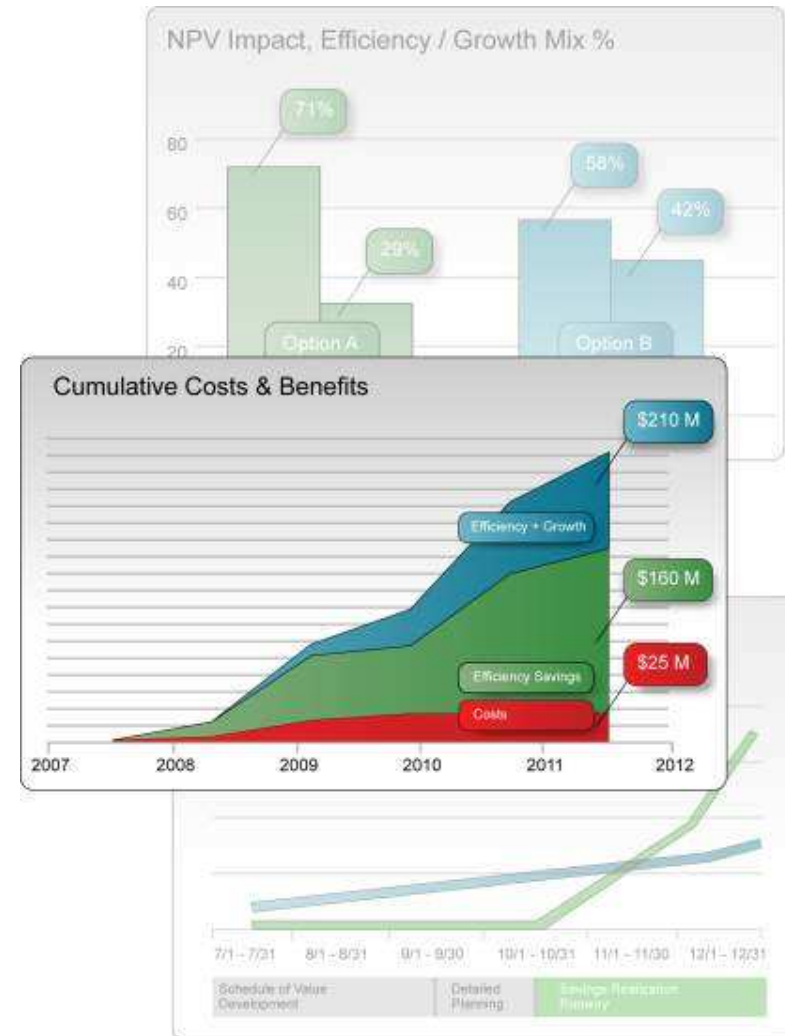


Source: 2009 Convergence Index, BTM Institute

Dimensions of Value

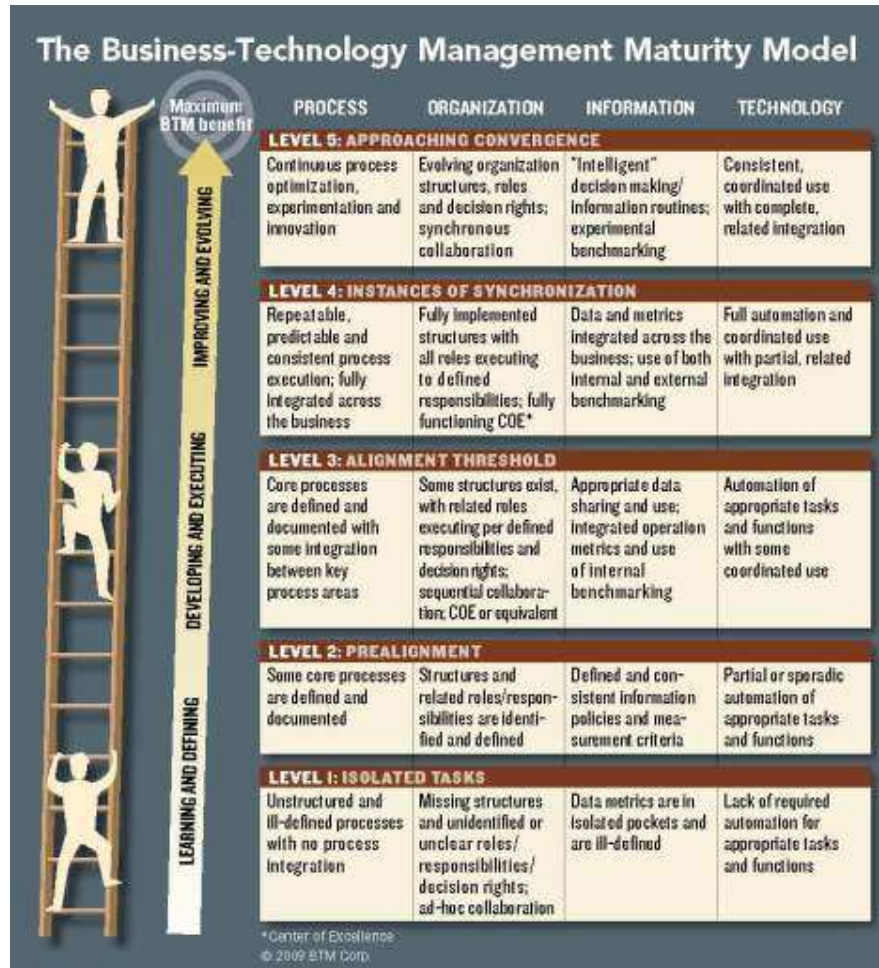
As a result of Convergence, there are a variety of associated benefits an organization can realize.

- **Hard Savings**
 - Driving efficiency & effectiveness
 - Reduction in materials spending
 - Savings from higher productivity
- **Soft Savings**
 - Optimized investment portfolio
 - Cash flow improvement
 - Cost avoidance in future periods
- **Growth and Innovation**
 - Stronger, more differentiated customer propositions
 - Increased speed to market and share of market
 - Profitable revenue growth



Source: **BTM Institute Research**

2009 Baseline/BTM 500 Study - Participants



In the 2009 Baseline/BTM 500 report, **the convergence maturity of U.S. public companies with 2008 revenues of \$500 million or more** was rated on five levels (from low to high):

- Level 1:** Initial
- Level 2:** Repeatable
- Level 3:** Defined (discernible alignment first occurs)
- Level 4:** Managed (the threshold of synchronization)
- Level 5:** Optimizing (convergence).

Source: 2009 Baseline/BTM 500 Research Report

2009 Baseline/BTM 500: Top 100 Companies

COMPANY NAME	INDUSTRY	2008 REVENUE (MILLIONS)
Abbott Labs	Pharmaceuticals	\$29,527
ACS Healthcare Solutions	Information Technology Services	6,160
Aetna	Health Care: Insurance and Managed Care	30,950
AIG	Insurance: Property and Casualty	11,104
Alcatel-Lucent	Communications Equipment	25,982

COMPANY NAME	INDUSTRY	2008 REVENUE (MILLIONS)
Alcoa	Metals	
Amdocs	Industrial Services	
American Electric Power	Energy	
AON	Diversified Financial Services	
Applied Materials	Semiconductors and Other Electronic Components	
AT&T	Telecommunications	
Bank of America	Commercial Banking	
Boeing	Aerospace and Defense	
BP America	Energy	
Brinker	Food Services	
Campbell Soup	Consumer Food Products	
Cardinal Health	Health Care	
Caterpillar	Construction and Farm Machinery	
Chevron	Petroleum Refining	
Cisco	Network and Telecommunications Equipment	
CIT	Commercial Banking	
Citigroup	Commercial Banking	
Comcast	Telecommunications	
Consolidated Edison	Utilities: Gas and Electric	
Conoco Phillips	Petroleum Refining	
Cooper Tire	Motor Vehicles and Parts	
Costco Wholesale	Specialty Retailers	
Cummins	Construction and Farm Machinery	
Darden Restaurants	Food Services	
Dell	Computers and Office Equipment	
Delphi	Motor Vehicles and Parts	

COMPANY NAME	INDUSTRY	2008 REVENUE (MILLIONS)
Dollar General	General Merchandisers	\$10,457
Dow Chemical	Chemicals	57,514
DTE Energy	Utilities: Gas and Electric	8,861
Eastman Kodak	Scientific, Photographic and Control Equipment	9,416
eBay	Internet Services and Retailing	8,541
EG&G	Aerospace and Defense	9,400
Eli Lilly	Pharmaceuticals	
EMC	Computer Peripherals	
Emerson	Electrical, Electronic and Telecommunications Equipment	
FedEx	Mail, Package and Freight Delivery	
Ford Motor	Motor Vehicles and Parts	
General Electric	Diversified Industrial	
General Mills	Food Products	
General Motors	Motor Vehicles and Parts	
GMAC	Commercial Banking	
Hewitt	Diversified Financial Services	
Hewlett-Packard	Computer Peripherals	

COMPANY NAME	INDUSTRY	2008 REVENUE (MILLIONS)
SAC	Information Technology Services	\$10,078
Samsung-SCI	Semiconductors and Other Electronic Components	9,004
Schering-Plough	Pharmaceuticals	18,500
Seagate Technology	Computer Peripherals	11,360
ServiceMaster	Diversified Outsourcing Services	3,362
State Farm Insurance	Insurance: Property and Casualty	61,343
Symantec	Computer Software	5,874
TIAA-CREF	Insurance: Life and Health	29,362
The Washington Post Co.	Publishing and Printing	4,461
Travelers	Insurance: Property and Casualty	24,477
Unilever USA	Food Processing	58,066
Unisys	Information Technology Services	5,233
UnitedHealth Group	Health Care: Insurance and Managed Care	81,186
United Parcel Services	Mail, Package and Freight Delivery	51,486
USAA	Insurance: Property, Life and Auto	12,912
USEC	Metals and Mining	1,928
Verizon	Telecommunications	97,354
Wal-Mart	General Merchandisers	406,607
Wells Fargo	Commercial Banking	51,652
WWE	Entertainment	485
Wyeth	Pharmaceuticals	22,833
Xerox	Computers and Office Equipment	17,608

Source: 2009 Baseline/BTM 500 Research Report

2009 Baseline/BTM 500: Best Practices



AT A GLANCE
COMPANY: AT&T
HEADQUARTERS: Dallas
2008 REVENUE: \$124.6Bn
TOTAL EMPLOYEES: 244,400
IT EMPLOYEES: nearly 30,000
BUSINESS: telecommunications, both wireless and wire line
BUSINESS CHALLENGE: To develop new applications that can be brought to market in under a year
KEY IT PROJECTS: support for traditional phone-line service, high-speed internet, digital TV and mobile phone services for the future
IT INFRASTRUCTURE: hardware from HP, IBM and Sun. The core of the applications is Java based, with all servers.

Telco: A Philosophy of Partnership

Philosophy of information technology governance can be summed up simply: Make technology part of the business process, not an afterthought.



AT A GLANCE
COMPANY: The Boeing Co.
HEADQUARTERS: Chicago
2008 SALES: \$67.7Bn
TOTAL EMPLOYEES: 142,000
IT EMPLOYEES: about 16,000
BUSINESS: Commercial airplanes, integrated defense systems, space services
BUSINESS CHALLENGE: To simplify complex multi-vendor software applications, improve business and information technology integration, and improve IT operations
KEY IT PROJECTS: Consolidating software with company divisions such as manufacturing, engineering, design and aviation services, reducing costs through standardization, and improving productivity
IT INFRASTRUCTURE: Microsoft, Unix and Windows servers; Linux systems; global network with WAN connections; Web 2.0; security; disaster recovery; data archiving; and enterprise applications from major providers.

Manufacturing: Supporting a Global Enterprise

Information technology organization has three primary goals: simplify the complex technology infrastructure, create the right alliance with business leaders and build a strong operation.

Insurance: Insuring Business Success

Success is based, in large part, on the information technology team's ability to understand and deliver solutions that support business needs in the most efficient and cost-effective way possible.



AT A GLANCE
COMPANY: First Interstate Insurance Co.
HEADQUARTERS: New York
2008 INSURANCE SALES: \$1.1Bn
2008 INVESTMENT SALES: \$56.4Bn
TOTAL EMPLOYEES: 2,972 (employed 160,000 since 11,000 agents in the United States)
IT EMPLOYEES: 1,200
BUSINESS: Life insurance and financial products
BUSINESS CHALLENGE: To build an IT framework that addresses governance, sharing and strategic requirements, as well as providing real-time data and information to partners, employees, agents and others
KEY IT PROJECTS: Web-based contact system launched in January 2008 that runs what is called Web-based workflow automating system and a workflow storage that is used
IT INFRASTRUCTURE: Microsoft, Unix and Windows servers; IT security applications; and enterprise systems from IBM, HP, Oracle and others.

Source: 2009 Baseline/BTM 500 Research Report

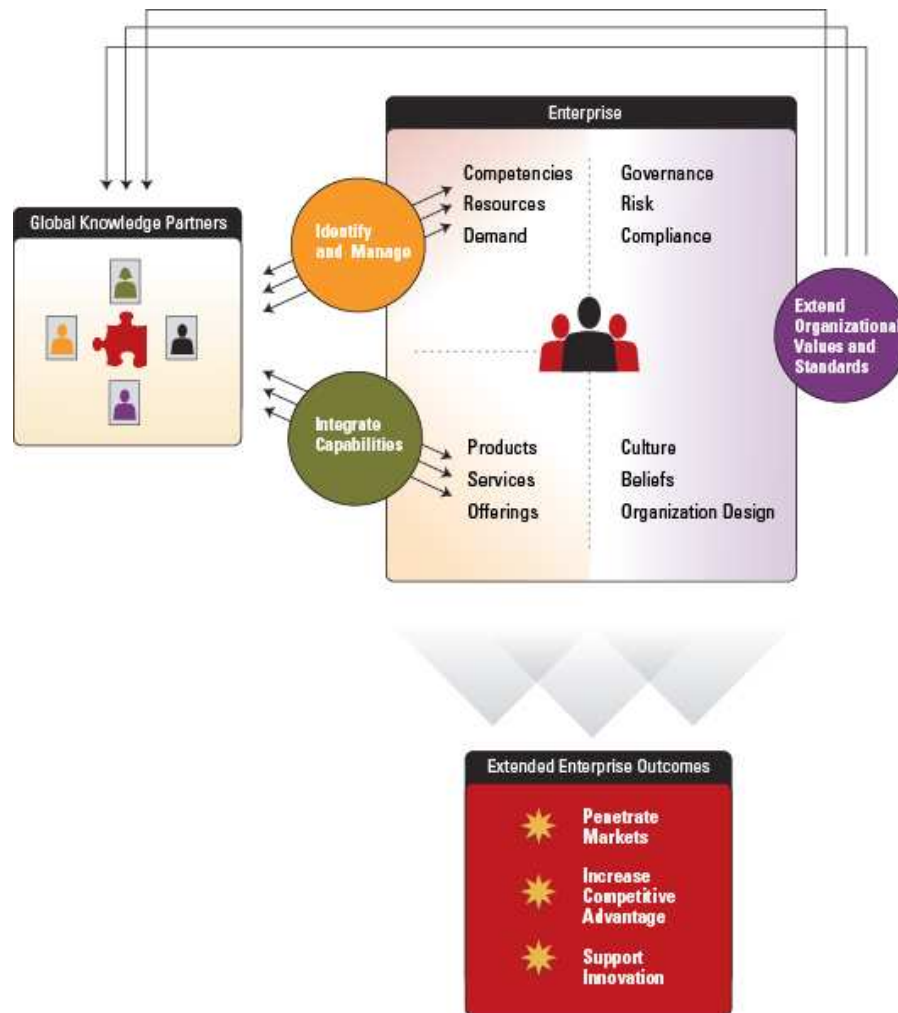
Business Process Enablers for Agility

Process Enablers	Real-Time Business Network Capability
Customer Requirements	<ul style="list-style-type: none"> - Determine specifications for products and services - Identify production and distribution activities
Business Network Intelligence	<ul style="list-style-type: none"> - Integrate information across partners - Filter and distribute information to partners for leverage
Partnering Agility	<ul style="list-style-type: none"> - Safeguard intellectual property based on the relationship - Tailor collaboration processes based on the relationship
Activity Management	<ul style="list-style-type: none"> - Re-allocate activities to contracts and spot markets - Use business rules to coordinate distributed activities
Relationship Governance	<ul style="list-style-type: none"> - Negotiate expectations and roles through business and process modeling - Monitor performance and investigate initiatives for improvement and innovation

To enable agility, process improvement and innovation initiatives must span a firm's business network, which includes its customers, suppliers, and the regulatory environment.

Source: *Winning The 3-Legged Race*, BTM Institute/Financial Times

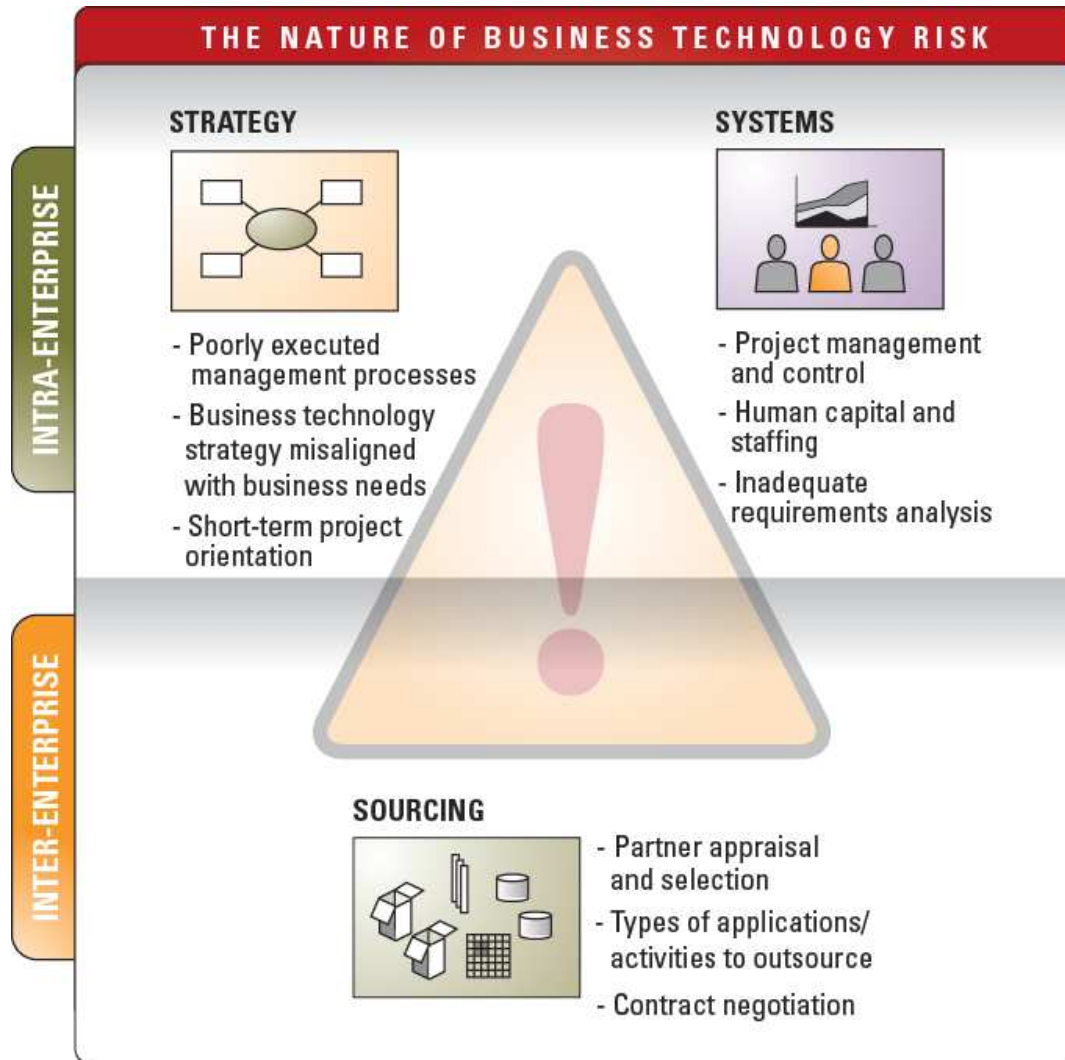
'Extended Enterprise' – Driver for Agility & Innovation



- Create an innovative environment by tapping into **global knowledge workers**
- Improve ability to impart cultural values and **drive organizational diversity**
- Increase **global effectiveness** through new resource potential and reduced attrition rates
- Focus resources and **attention on core business initiatives**

Source: *Winning The 3-Legged Race*, BTM Institute/Financial Times

Risk of Failure



- Risk may arise from choosing the wrong:
 - Strategy
 - Partners
 - Systems
- Major categories of risk: target market, usage, requirements, complexity, planning & control, and organization

Source: *Winning The 3-Legged Race*, BTM Institute/Financial Times

What Does an Agile Organization Look Like?

Characteristics	Behaviors
Deep, continuous alignment between business and IT	Active LOB participation in IT strategy formation
Interdisciplinary skills	IT is part of business strategy, not an afterthought
Efficiently deliver and reuse business applications	Efficiencies are realized; applications fully meet user needs
A non-complex, robust and resilient connectivity infrastructure	Broader and faster collaboration and decision-making across ecosystem
Governance that makes it easy to make the right decision	Reuse is incentivized; clear decision rights management; consistent, enforced policies
IT's strategic importance reflected in org chart	CIO is part of executive council

Service-Oriented Design provides the Agility

Business & IT Alignment Produces Agility:



Business Outcome

- Better visibility and accountability
- Faster responsiveness to market events
- Automated aggregation
- Strategic use of staff
- Confidence in numbers and decisions

Business Outcome

- Consistency between sales, product distribution, and prescription fulfillment
- Channel visibility to increase predictability in demand production and provide more accurate sales information

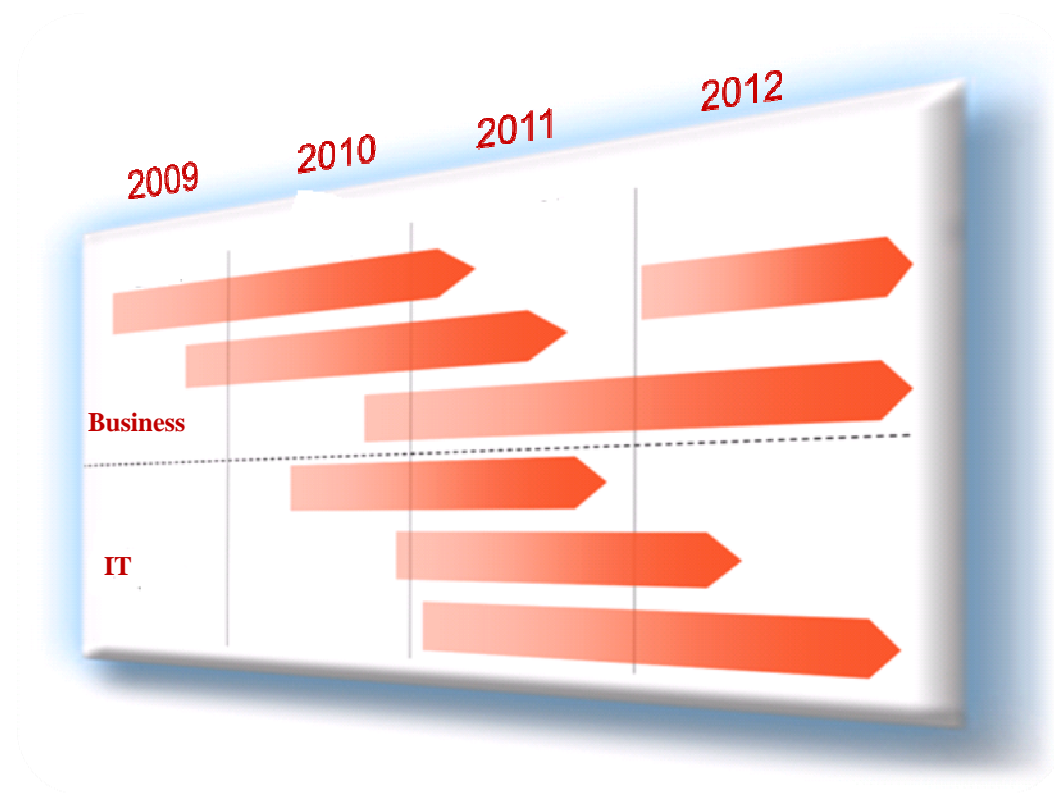
Summary: What Makes The Difference

Roadmap for Business Agility: Past, Present, & Future

Think Strategically

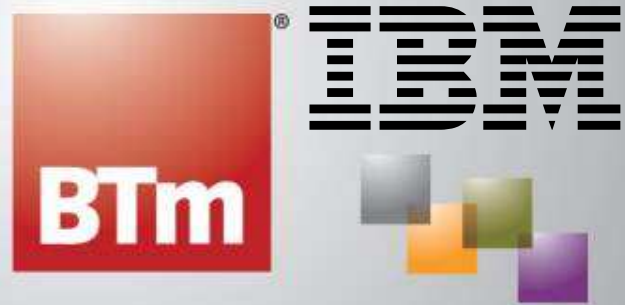
Act Tactically

**Architect with Agility
& Business Value
at every step**



It's all about bringing people together!

Gracias



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