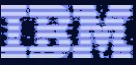




IBM and SAP

Accelerating the Value of SAP for our Joint Customers





What is?

... a service?

A **repeatable business task** – e.g.,
check customer credit;
open new account

... service orientation?

A way of integrating your
business as linked services
and the outcomes that
they bring

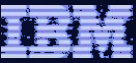
... service oriented architecture (SOA)?

An IT **architectural style** that supports
service orientation

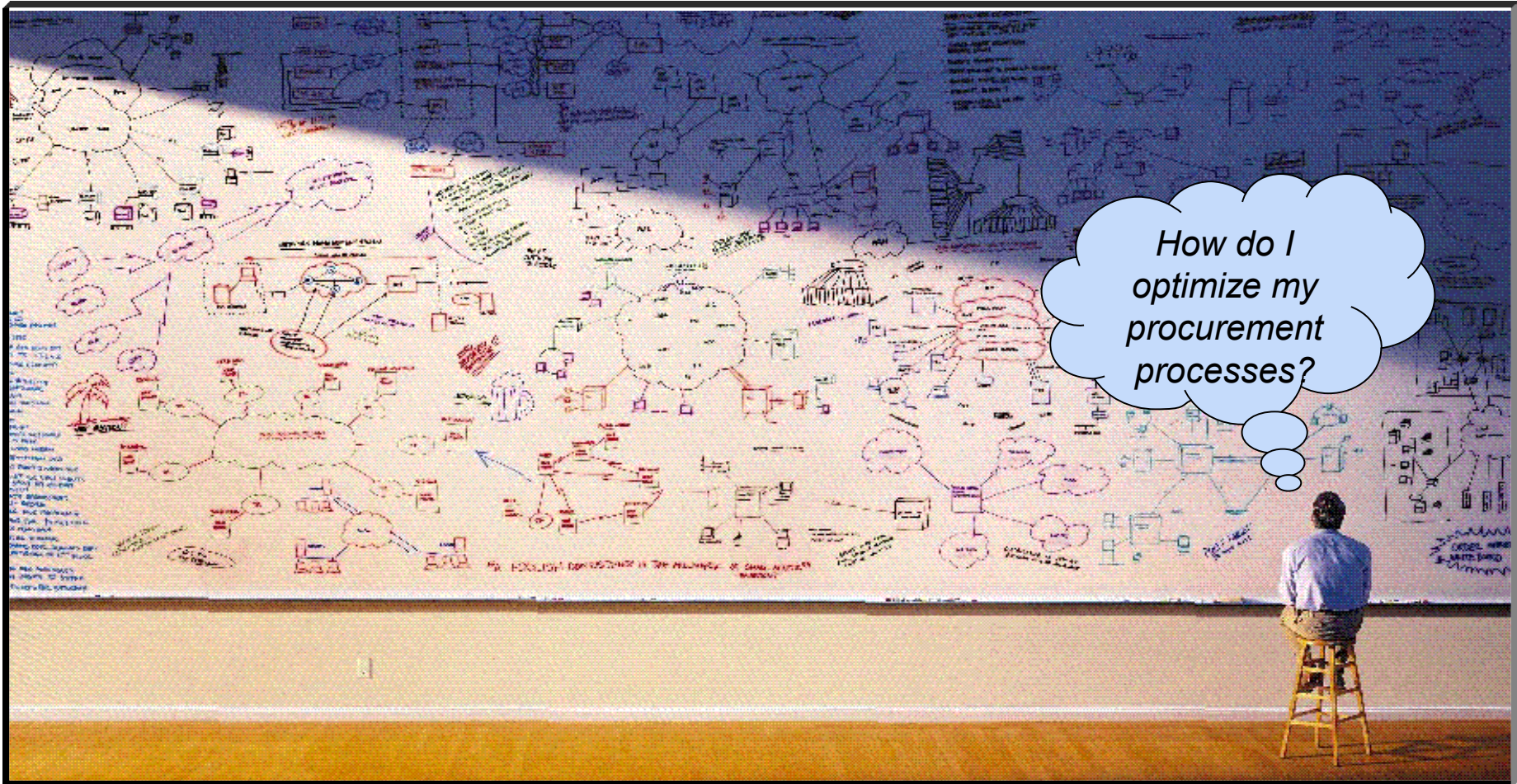
... a composite application?

A set of **related & integrated** services that
support a business
process built on an SOA

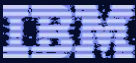




Change And Improvement Have Been Daunting

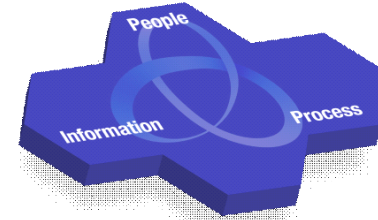


Traditional Process Implementations Are Expensive And Slow To Change



Xerox: Connectivity Entry Point to SOA

Business Challenge: Increase Application Flexibility



Actions & Benefits:

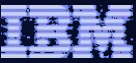
Enhance flexibility with standardized application **integration** through *WebSphere Message Broker*

*Simplify development by reusing **web services based** coding assets*



*Protect investment with **service enablement** of core mainframe assets using WebSphere Application Server*

*Standardize application integration estimate **saving \$720,000 annually and 25% less application development time***

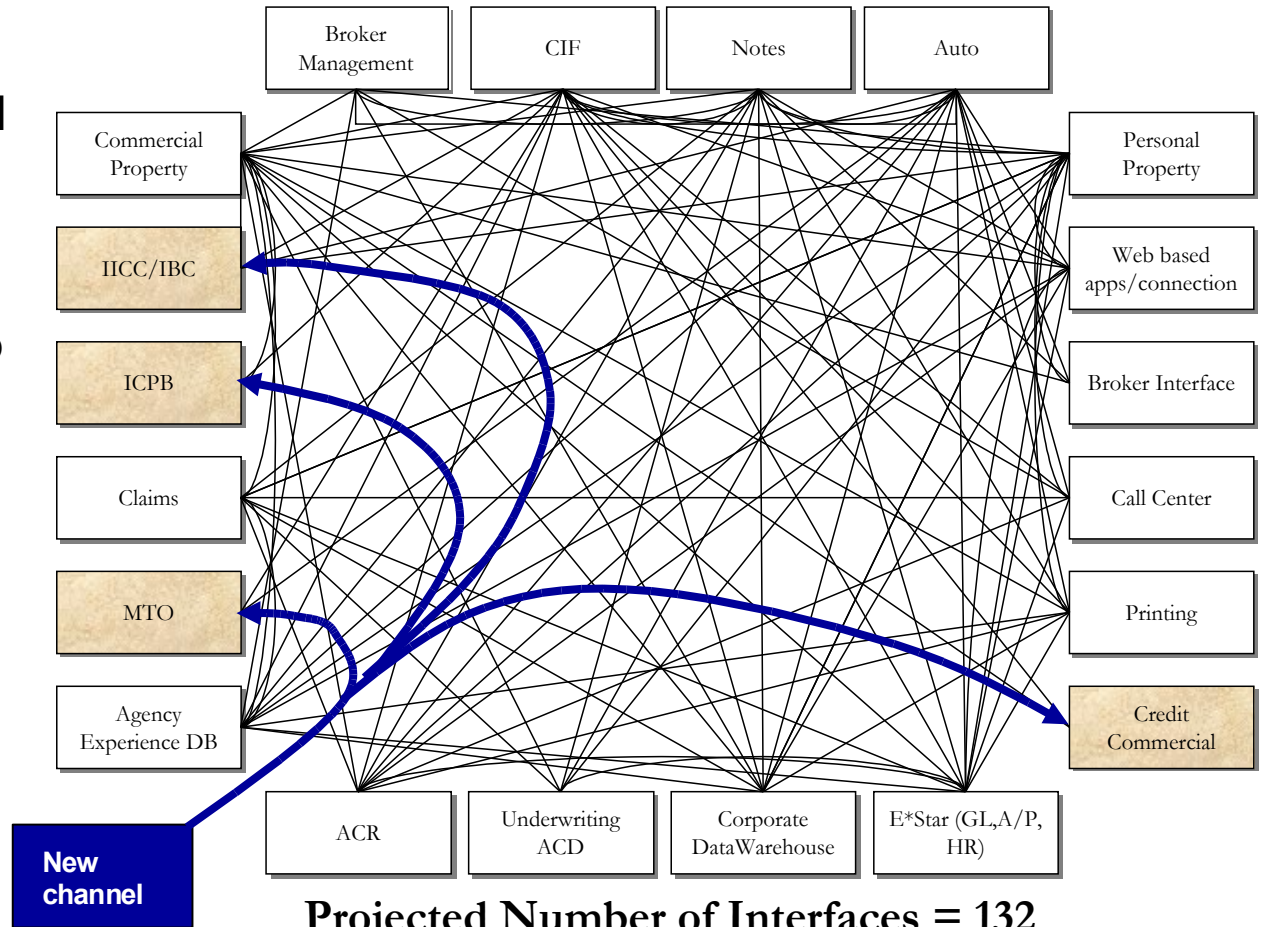


SOA – Multi Channel Customer Service Project

BEFORE Deployment
Economical Insurance

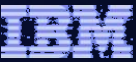
Adding a new channel for Insurance Brokers to access internal systems was too costly and complex to introduce.

“Ripple” changes and unknown impact of changes had stalled project.



Projected Number of Interfaces = 132

Potential Number of Interfaces = $n(n-1) = 380$



SOA – Multi Channel Customer Service Project

AFTER Deployment

Economical Insurance

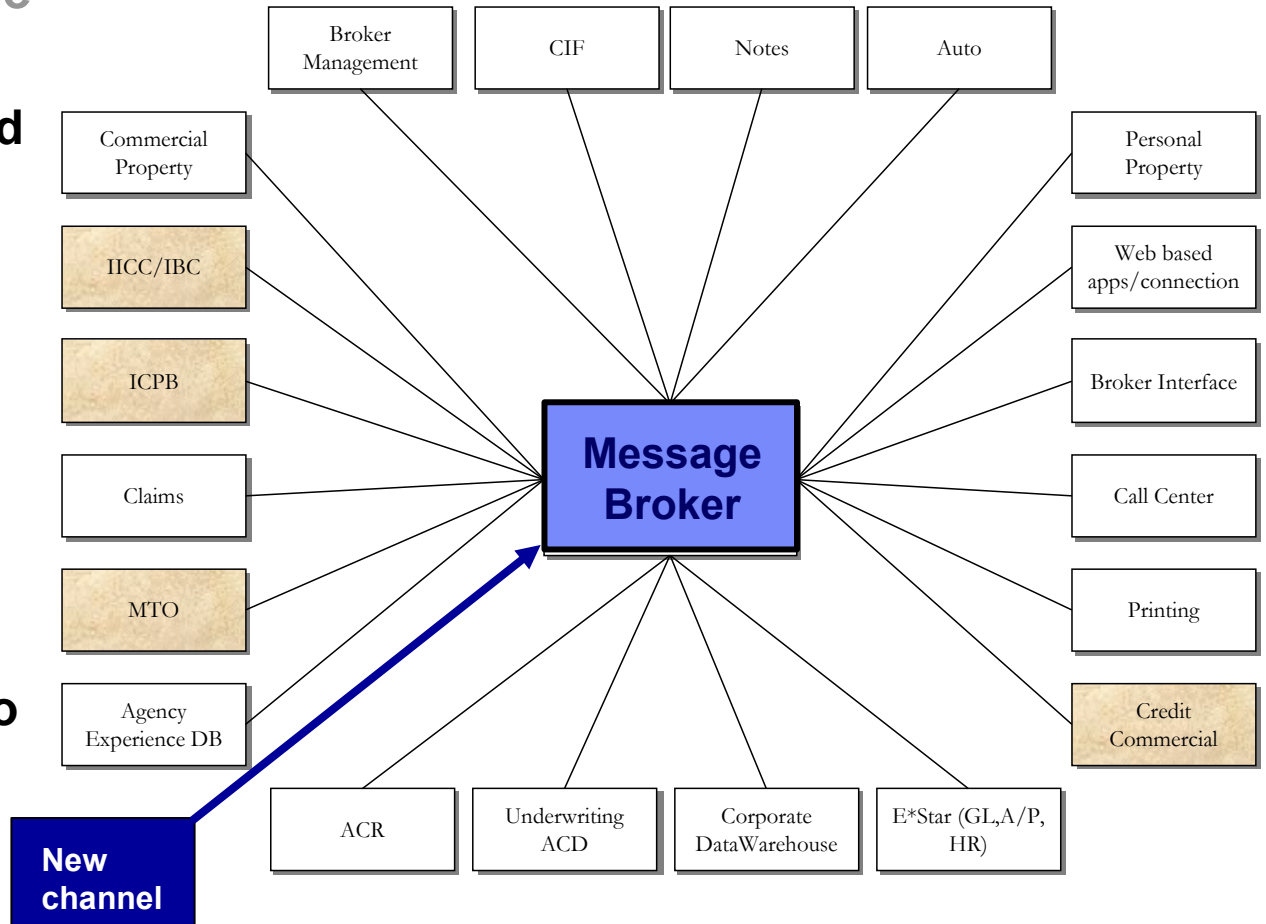
Benefit due to reduced labor: \$1.7M USD

Capital costs: \$350K USD

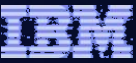
ROI after 24 months: 500%

Months to realize 100% ROI: 6

Deploying workflow to integrate processes



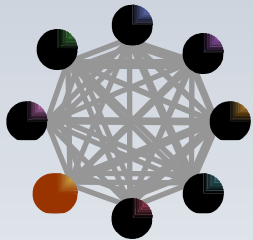
Projected Number of Interfaces = 40



SOA builds flexibility on your current investments

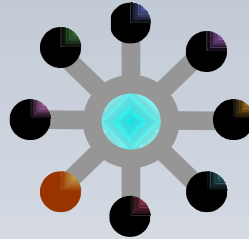
The next stage of integration

Messaging Backbone



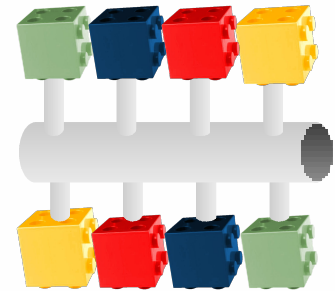
- Point-to-Point connection between applications
- Simple, basic connectivity

Enterprise Application Integration (EAI)



- EAI connects applications via a centralized hub
- Easier to manage larger number of connections

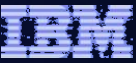
Service Orientated Integration



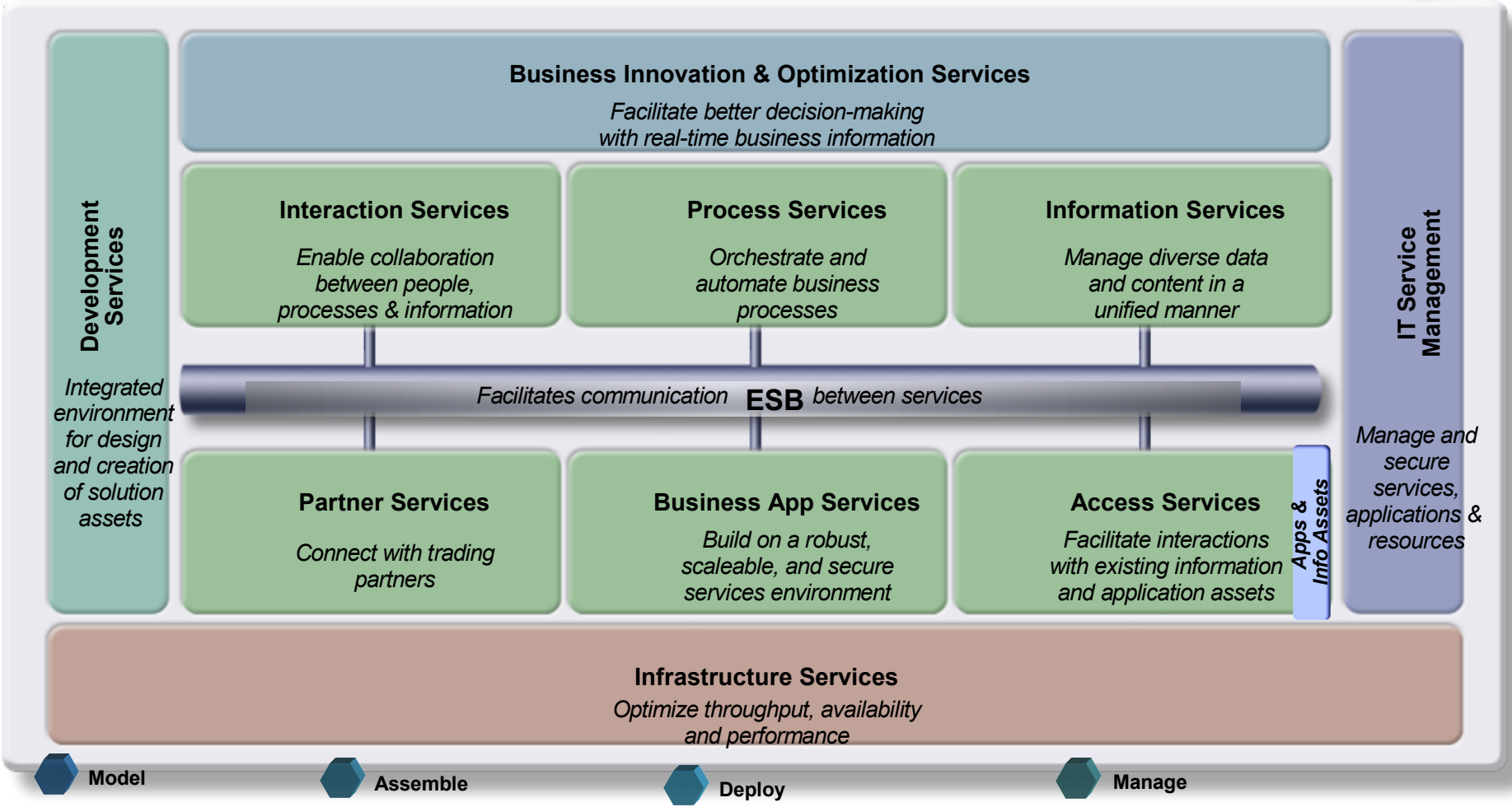
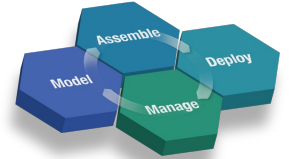
- Integration and choreography of services through an Enterprise Service Bus
- Flexible connections with well defined, standards-based interfaces

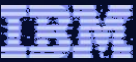
Flexibility

As Patterns Have Evolved, So Has IBM



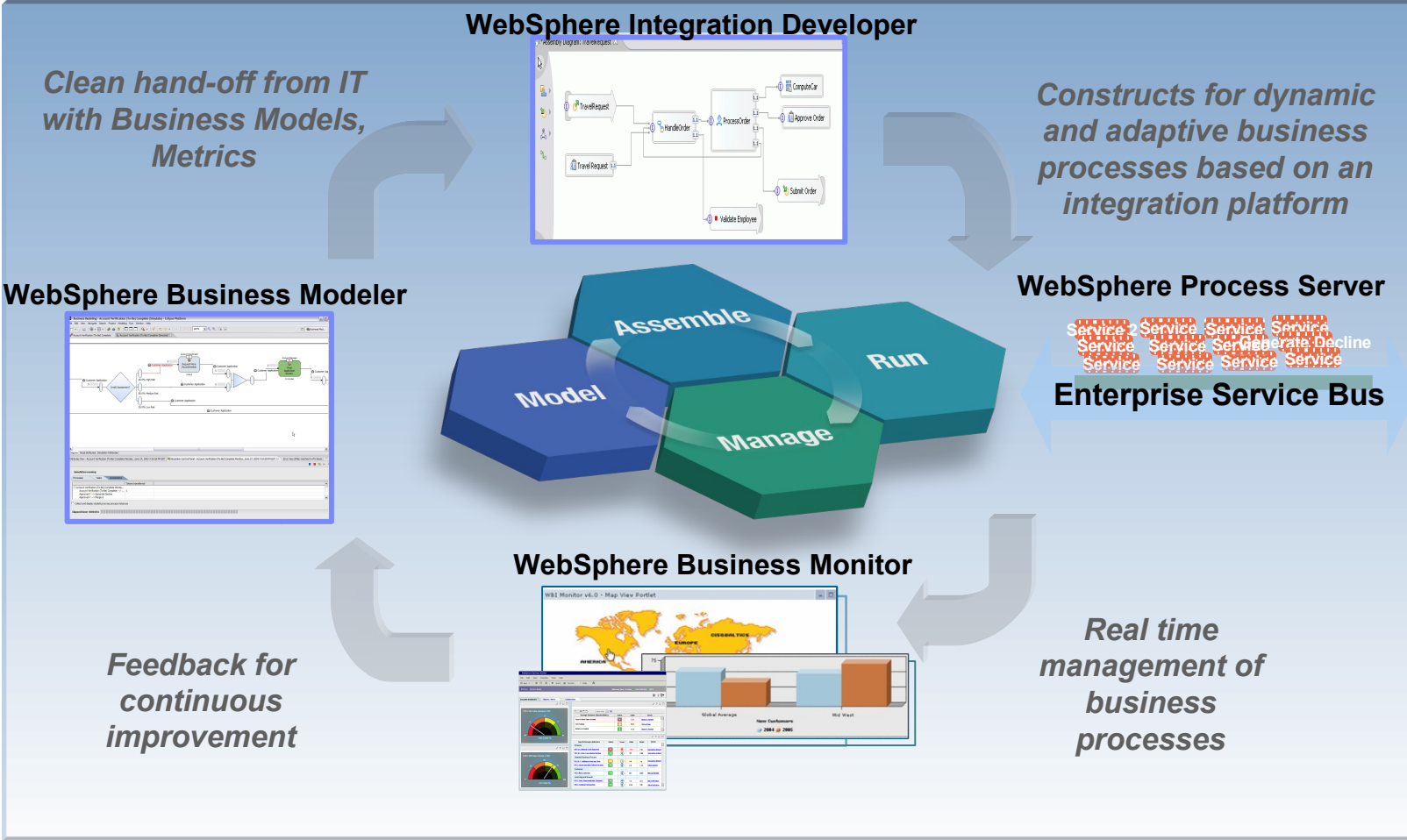
SOA Reference Architecture

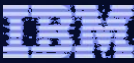




Service Oriented Architecture & Managing Your Business Processes

Enabling complete life cycle of business process





Long Standing IBM & SAP - 30 Year Relationship

Marketing:

- Joint market planning
- Joint business development
- Joint marketing campaigns

Platforms:

- xSeries
- iSeries
- pSeries
- zSeries
- Storage
- Linux

Industries

- Joint multi-industry solution maps/templates including: Retail, CPG, Utilities, Automotive, Public
- Joint reference customers
- Joint worldwide marketing

Middleware:

- Complementary software partner:
 - DB2 UDB
 - MQSeries
 - WebSphere
 - Lotus
 - Tivoli

Demo Capabilities:

mySAP, R/3, BI (SEM, BW), SCM (APO), CRM, SRM, PLM, Portals, e-HR and Industry Solutions.

Consulting:

- 10,000 SAP consultants
- Skilled in all SAP products
- Industry focus
- Winner year-over-year for Quality Award

Technology:

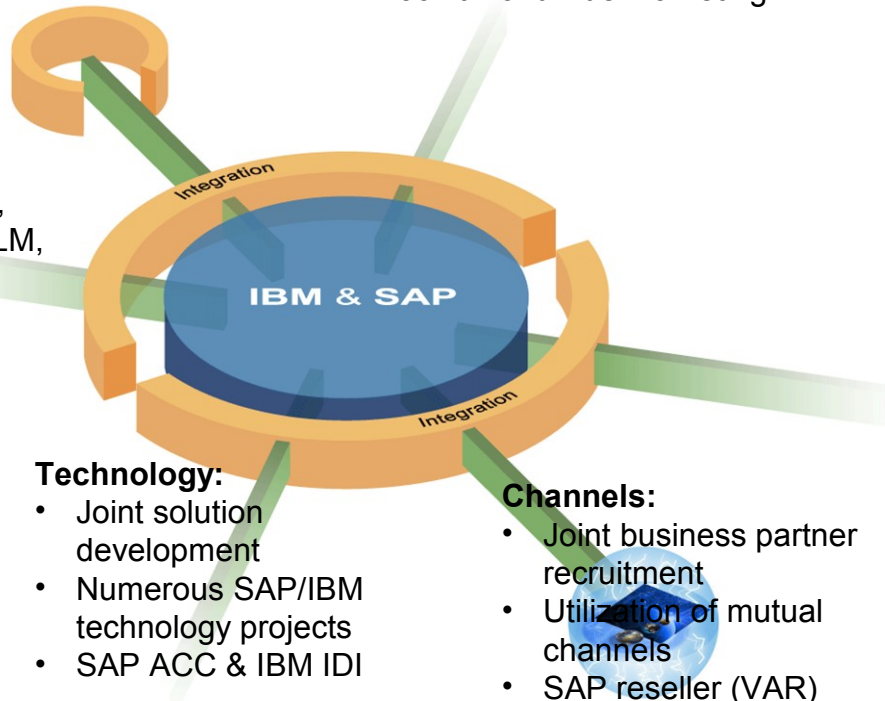
- Joint solution development
- Numerous SAP/IBM technology projects
- SAP ACC & IBM IDI

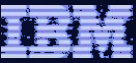
Channels:

- Joint business partner recruitment
- Utilization of mutual channels
- SAP reseller (VAR)

Customer Support:

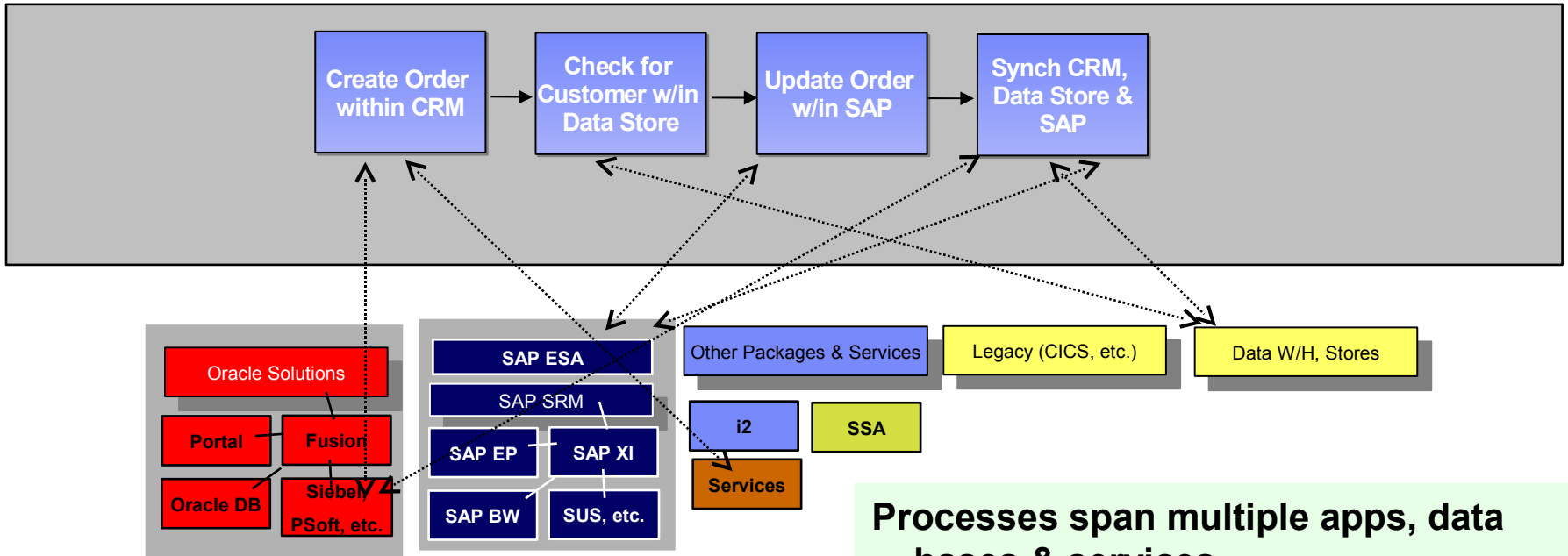
- Joint Competence Centers
- Seamless problem handling
- Global Hosting Partner
- SAP Leasing





Business Needs Drive Business Process Requirements

Example process: *Sales order management*

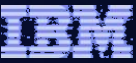


Processes span multiple apps, data bases & services

Making architectural design important

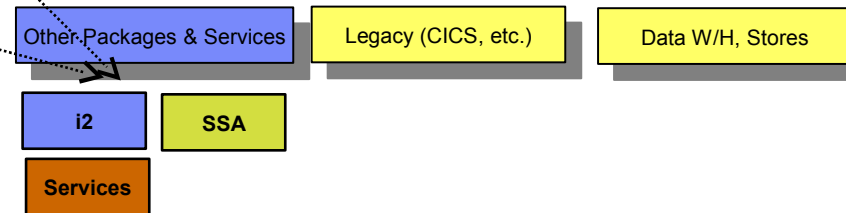
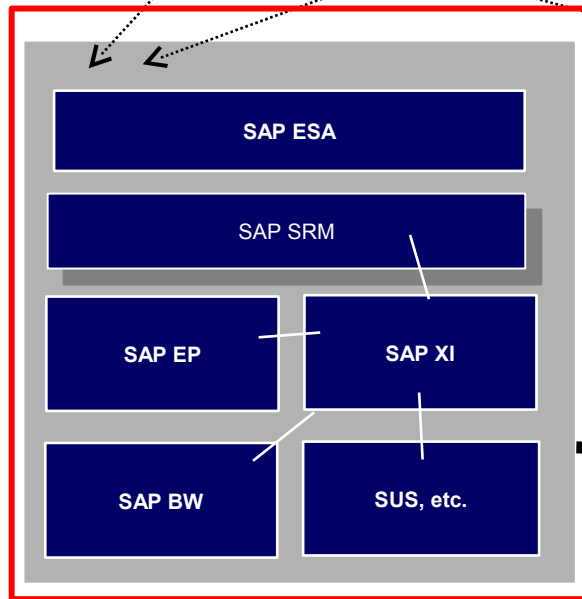
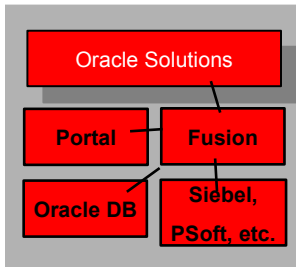
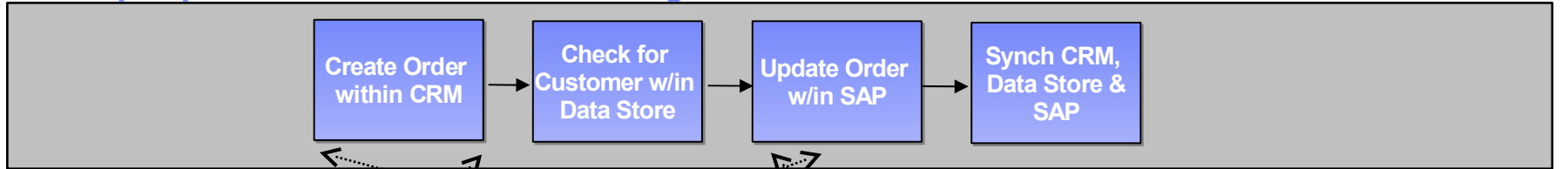
How do you architect the solution?....

- To serve the business? To scale?
- To enable flexibility & re-use?



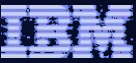
NetWeaver Fit: *Leverage NetWeaver for SAP steps in a business process*

Example process: *Sales order management*



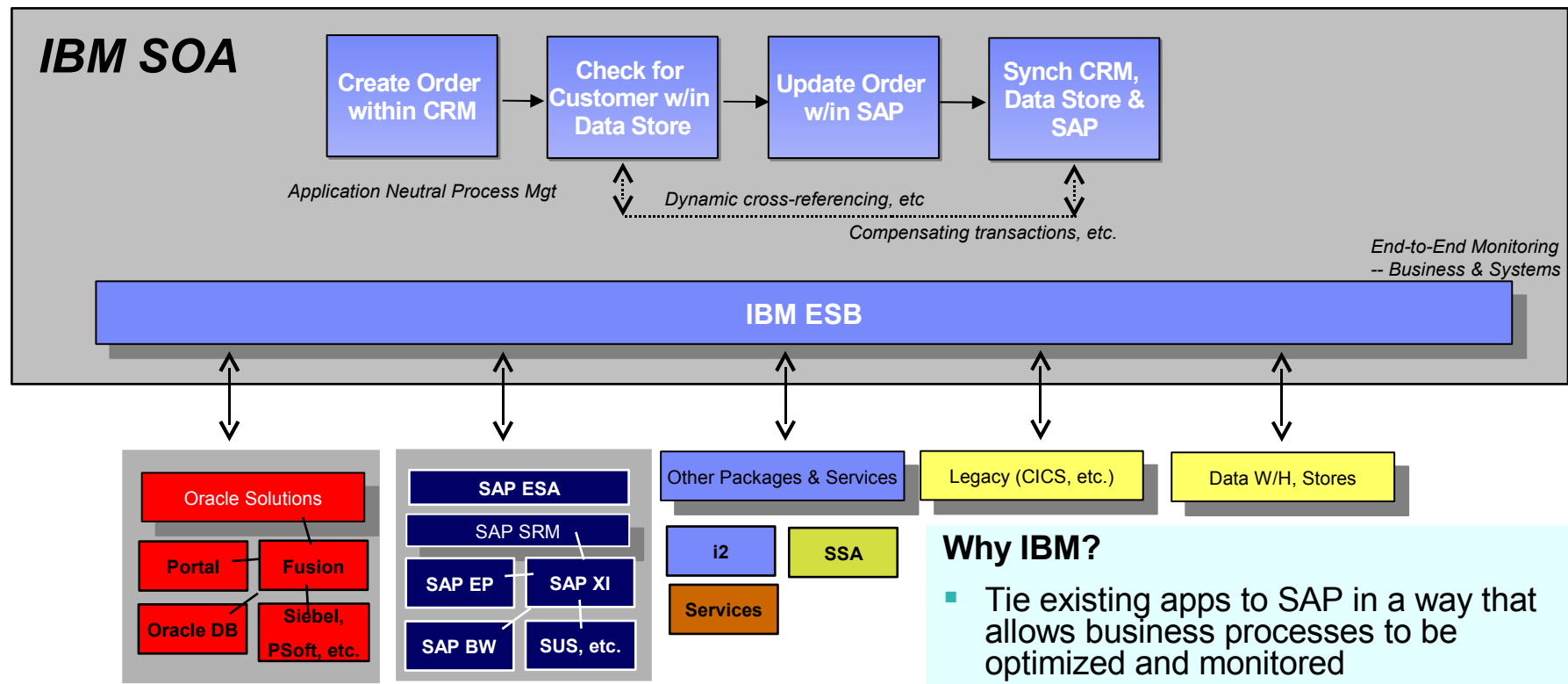
Leverage NetWeaver.....

- For SAP-to-SAP “Intra-module” Integration
- Where there is pre-built content within the SAP domain

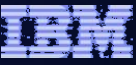


WebSphere Fit: *WebSphere for enterprise-wide business processes, leveraging NetWeaver for SAP domain*

Example process: *Sales order management*



- ### Why IBM?
- Tie existing apps to SAP in a way that allows business processes to be optimized and monitored
 - Proven in the market
 - Lower cost to implement and maintain package applications
 - WebSphere = Middleware market leader



Bombardier deploys WebSphere to integrate SAP, their heterogenous environment, and the extended enterprise

■ Business Challenge

- Bombardier partnerships with other vendors and customers require integration between our systems and their systems
- The need for lower TCO & audit tracking (Sarbanes Oxley)

■ Technical Challenge

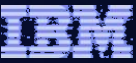
- SAP implementation required real-time and reliable integration between SAP and other legacy systems
- SAP implementation roadmap extends beyond 2006

■ Decision and Benefits

- WebSphere for the enterprise, NetWeaver for SAP-SAP
- More flexible to component/system change and lower TCO:
 - Integration of strategic apps & processes to legacy
 - New or replacement of applications is simpler
 - Standardized connection techniques, and simple tools



VIDEO



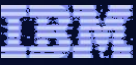
2005-6 Trend: SAP Customers are buying WebSphere and using it with NetWeaver

A global leader in aerospace, defense and related services

- **How they got started:**
 - Decided to use NW exclusively in Q4 2004. Recognized in 2005 that they needed a proven way to pull together business processes that span SAP and non-SAP apps.
- **WebSphere used for:** BPM and business integration
- **Why WebSphere and NetWeaver?**
 - TCO estimate showed that WBI is significantly cheaper
 - NetWeaver XI was not enough

A European auto manufacturer

- **How they got started:**
 - SAP NetWeaver lighthouse customer (early adopter). WebSphere proved to be stronger outside the SAP domain.
- **WebSphere used for:** Portal, BPM, & business integration
- **Why WebSphere and NetWeaver?**
 - Realized they needed optimization across business processes, not just SAP automation
 - IBM used for cross-enterprise integration, NetWeaver used for SAP-SAP integration.



VOLVO



IBM ESB integrating mySAP for Automotive at *Volvo Construction Equipment*

Background

Volvo Construction Equipment (VCE) is one of the world's leading manufacturers of construction equipment with 8,000 employees operating in more than 100 countries.

Challenge

Integrate the heterogeneous systems and applications landscape grown from mergers and acquisitions with a full range of mySAP for Automotive functions.

Solution

IBM Enterprise Service Bus, including:

- WBI Message Broker
- WebSphere MQ
- WebSphere mySAP Adapter

Implementation supported by IBM SW Services

Results

- 100 percent consistency between orders and factory manufacturing
- increased the company's bill-of-material (BOM) consistency
- reduced component development lead times from 26 days to 17 days
- improved month-end closing times from 13 days to 2 days
- shortened shipping lead times from 7 weeks to 4 weeks