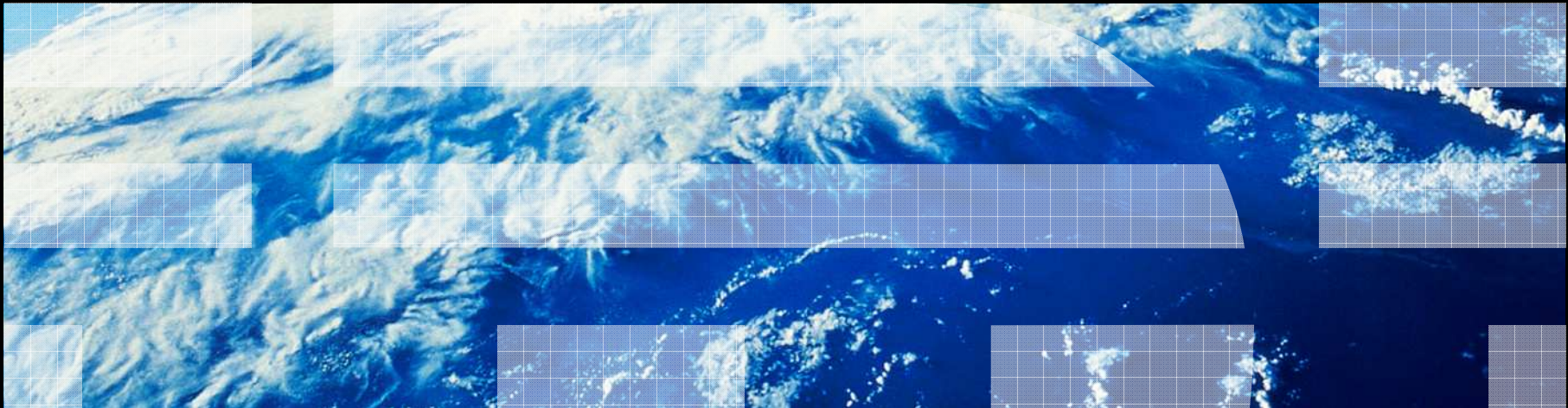




# Welcome to the Business Agility Now! Seminar

*Discovering Insights that Enable Innovation*





## Our Goals for Today

- Have a dialogue, not a one way conversation
- Illustrate how organizations, across all industries, can benefit from the concepts discussed
- Help each of you to have the tools necessary to build critical ROI / Business Cases for your projects
- Communicate a definitive set of next steps designed to help you succeed



## Discover insights that enable innovation

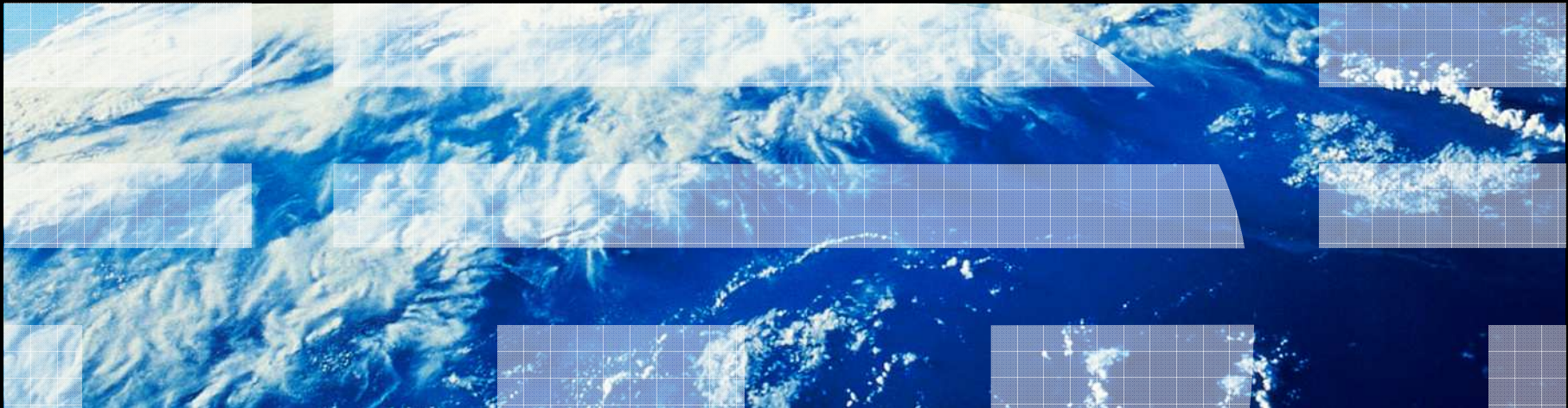


- Understand and continuously improve business processes to drive innovation
- Extend network visibility inside and outside the organization
- Empower people with a consolidated, actionable view of business activities

**64%** of high growth CIOs actively integrate business and technology to drive innovation



# Scenario 1 - Telecommunications

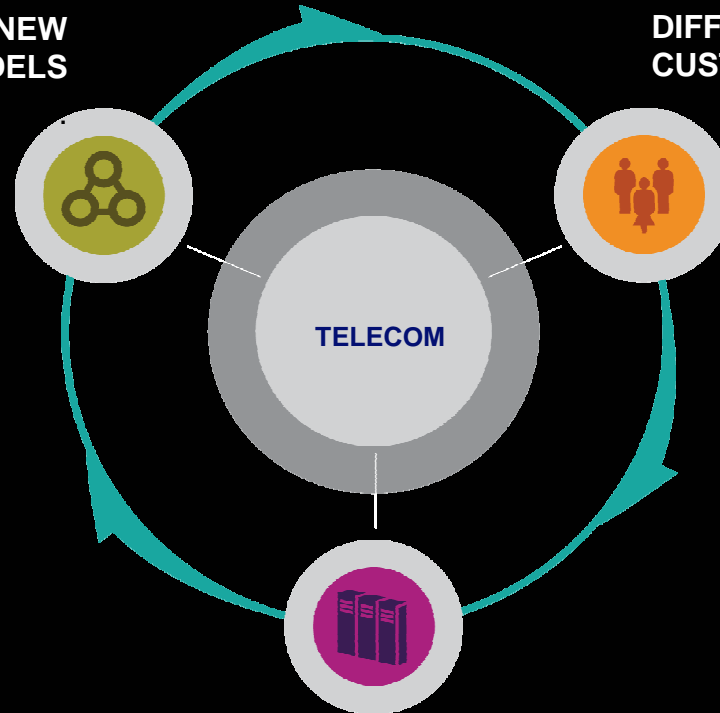




# Telecom Business Imperatives

**ENABLE NEW  
BUSINESS MODELS**

**DIFFERENTIATE THE  
CUSTOMER EXPERIENCE**



**IMPROVE OPERATIONAL EFFICIENCIES**

## Drivers....

- **OPERATIONAL PERFORMANCE**
- **GROWTH OPPORTUNITIES**
- **COMPETITION**
- **CUSTOMER RETENTION**

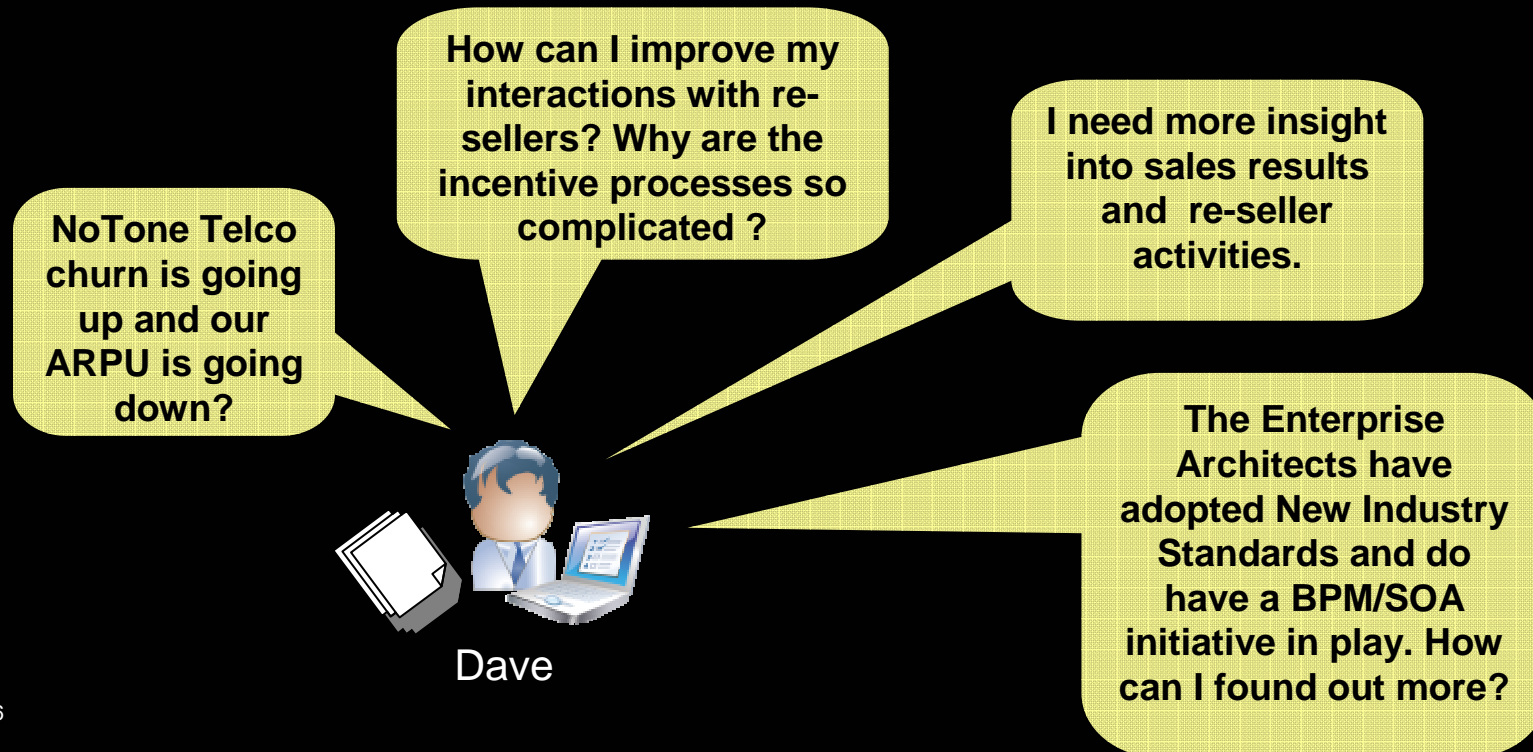
## Inhibitors...

- **LEGACY INFRASTRUCTURE**
- **EXPLOSION IN DATA**
- **REGULATION**
- **COMPLEX PROCESSES**



## NoTone Telco – As-Is Business Problem Statement

- **Dave's Problem:**
  - Dave owns sales campaign and re-seller responsibility for NoTone Telco. The economy is driving away market share, his re-sellers are abandoning him for easier to work with competitors. Dave has great ideas for new sales campaigns and promotions, but he does not have visibility into the larger business processes that he needs to understand in order to execute his ideas.





## Resulting Business Benefits

### Sales Visibility

- Provided much needed Sales Campaign business instrumentation
- Improved insights into Sales activities, providing much needed feedback on effectiveness and uptake of current sales campaigns.
- Insights that enable reduced customer churn and improved ARPU

### Partner Relationship

- Reduced cycle times on re-seller incentive payments.
- Improved re-seller satisfaction, leading to stronger and better partner relationships.
- Re-sellers are the front-line for sales growth. Stronger relationships built on better business processes will enable and drive top line performance.

### Business Innovations

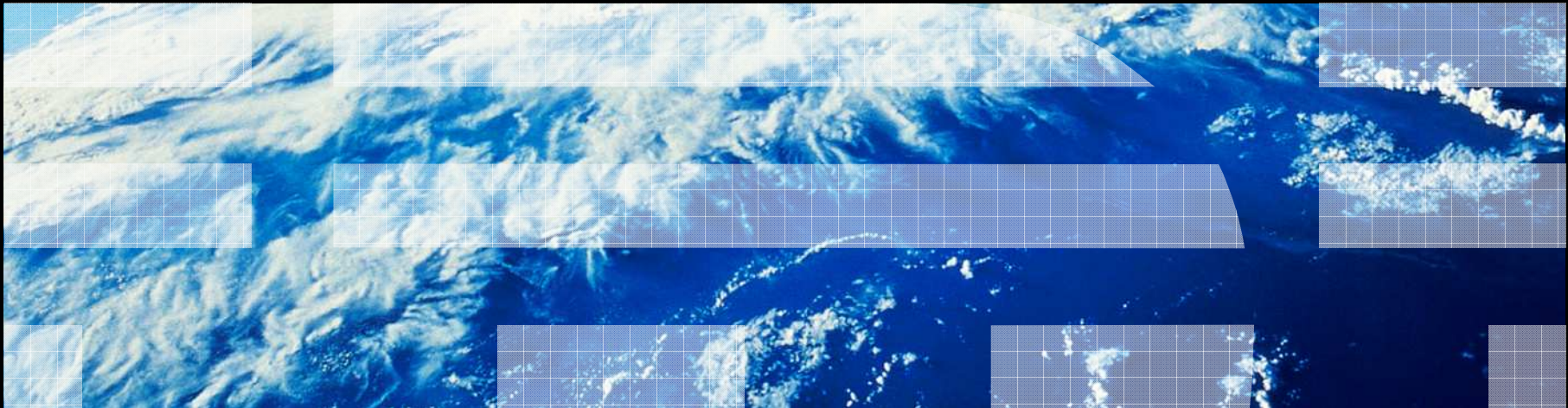
- Ability to explore new sales campaign innovations are possible.
- Improved alignment of sales promotions to customer needs.
- Sales campaign innovation may be explored quickly and easily creating the opportunity to establish market innovation and gain competitive advantages.

### Process Agility

- Incremental adjustments to sales processes now offer opportunities to meet market demands at market speed.
- Meeting market, customer and partner process requirements can now be accomplished within opportunity windows.



## Scenario 2 - Healthcare







## Market Forces Driving Healthcare

- Unsustainable growth
- Consumerism
- Changing nature of disease
- Aging and overweight populations
- Globalization
- Increased Business Focus on:
  - Quality care & patient safety
  - Disease Management
  - Operational efficiency
  - New business partners
  - New business models





# Resulting Business Benefits

## Increased Capacity

- Improved the capacity of the Practice staff to support more patients and clinicians
- Improved the negotiating position of the Practice with its business network

## Reduced Expense

- Reduced the overall referral process execution costs via improved Out-of-System options
- Reduced the quantity of more costly out-of-system referrals

## Improved the Quality of Care

- Ensured a repeatable and reliable business process executed in alignment with strategic business goals for revenue enhancement with quality patient care
- Improved the likelihood that patients would make and keep referrals which drives more accurate and timely diagnoses

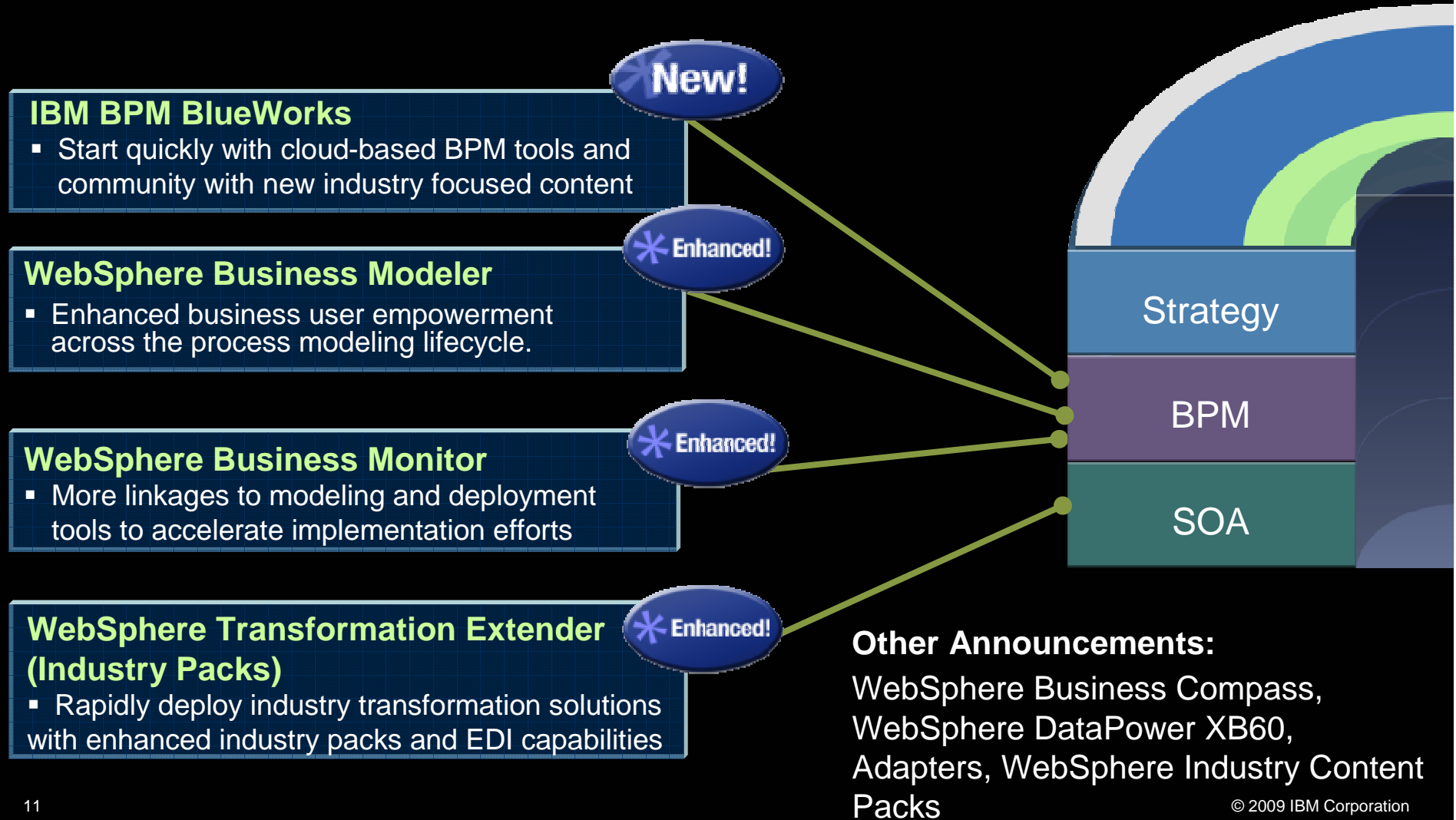
## Increased Agility

- Provided reusable and extensible abilities that enable future options for innovation to the Practice's operating model
- Introduced an process-focused culture to the Practice while still retaining a patient-centric feeling



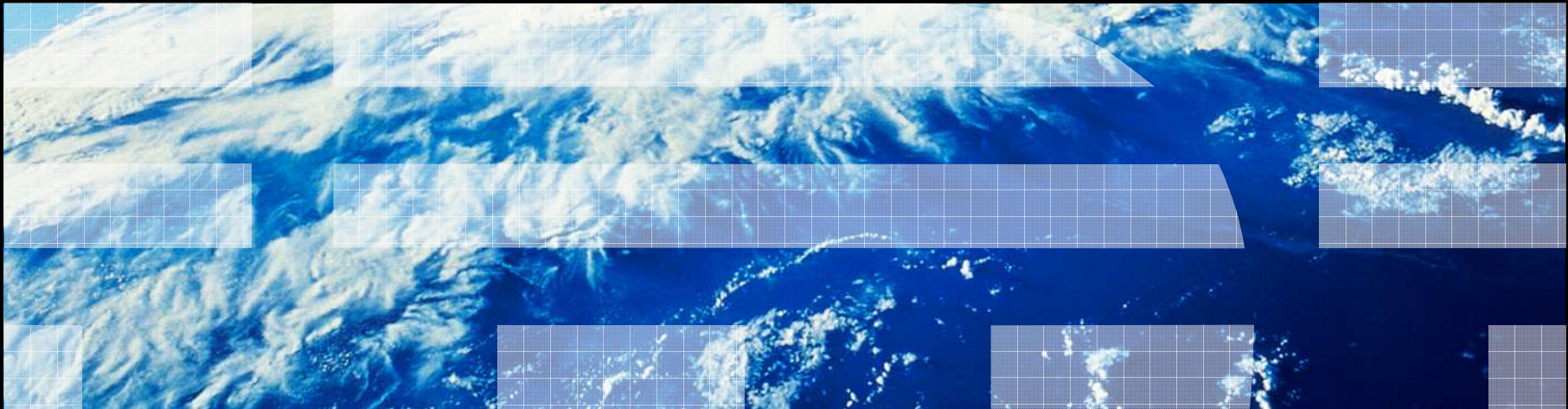
# Discover insights that enable innovation

## *What's New*





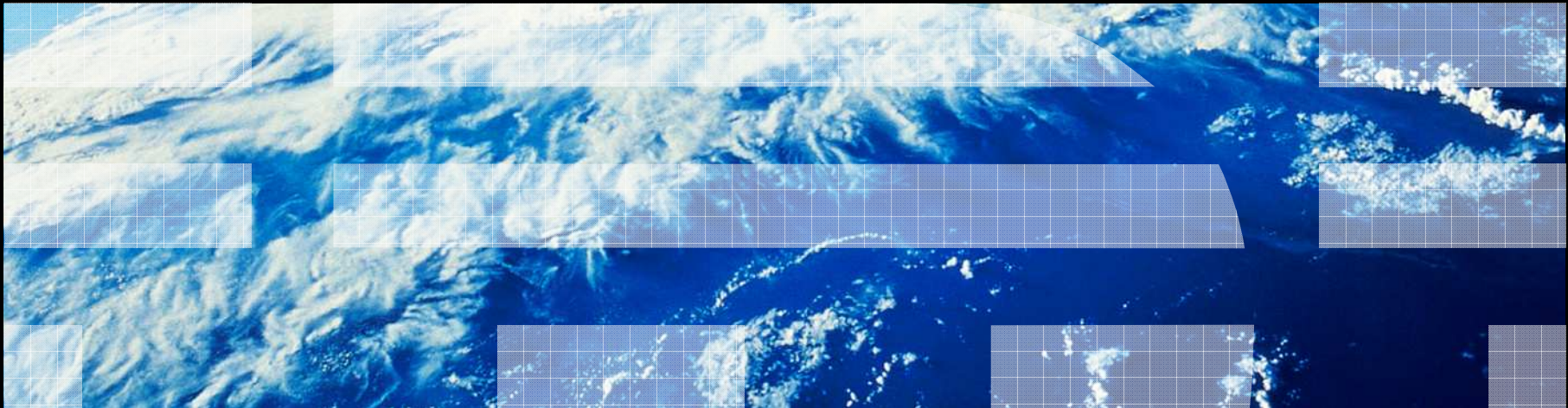
Thank you!





# Welcome to the Business Agility Now! Seminar

## *Maximizing the Value of Business Interactions*





## Maximize the value of business interactions

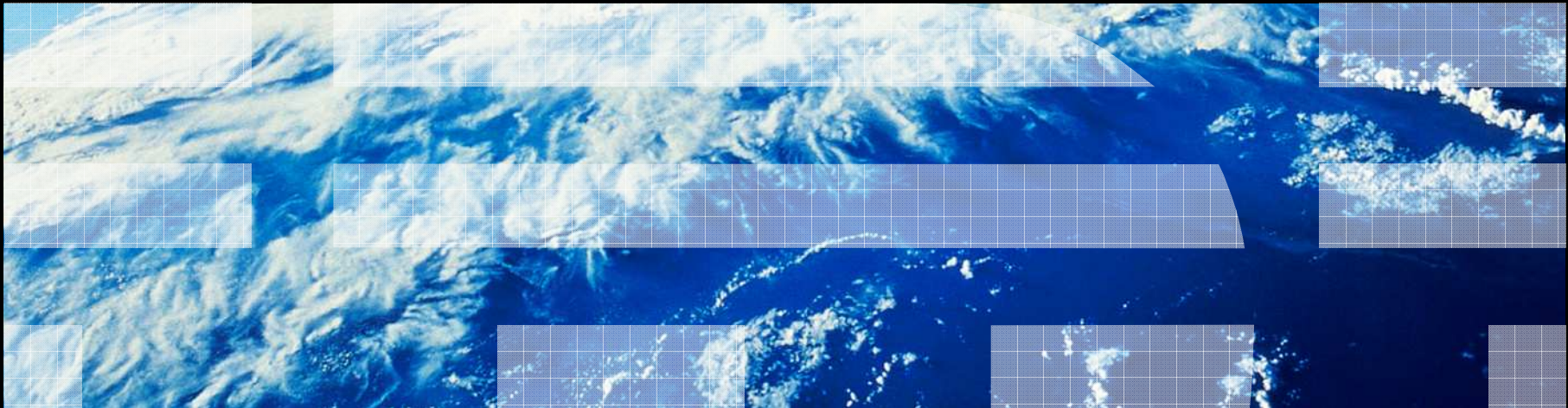


- Engage customers across all channels
- Service-enable applications to integrate information and deliver in the right context
- Leverage services and information from events for dynamic process change

**87%** of CIOs expect their organizations to seek active input from customers



# Scenario 1 - Banking





## Market Forces Driving Banks in 2009

- Global Economic Downturn
- New Customer Demographics
- M & A Consolidation
- Governmental Regulations
- Traditional and Non-bank Competition
- Increased Business Focus on:
  - Customer-centricity and Personalization
  - Retention of increasingly discriminating customers
  - Cost reductions and revenue maximization
  - Risk management and loss controls
  - Security, Privacy and Fraud Detection
  - Accessing high growth markets
  - Access to multi-channel information and service



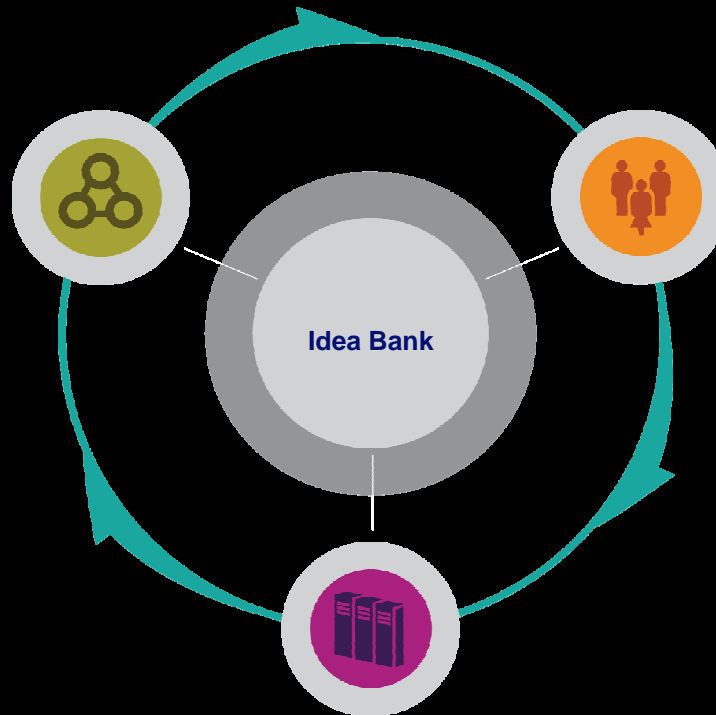




# Idea Bank top Business Imperatives

## Customer Defections are Rising

**CAPTURE CUSTOMER  
INFORMATION IN  
REAL TIME**



**DETERMINE THE  
CONDITIONS THAT  
INDICATE POTENTIAL  
CUSTOMER DEFECTION**

**IMPROVE CUSTOMER RETENTION**



## Resulting Business Benefits

### Customer Retention

- Timely access to events indicating a valuable customer in a distressed financial situation allowed the bank act to improve the leading to improved customer retention.

### Reduced Expense

- Targeted marketing to known customers prospects have lower costs compared the current mass marketing plan

### Reduced Cycle Time

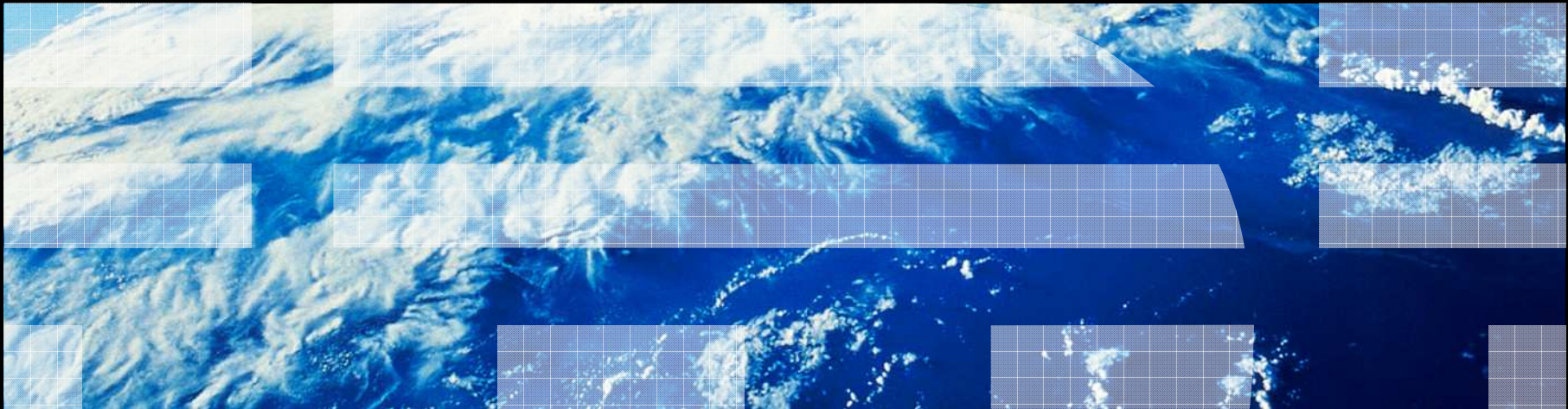
- BEP allowed Evan to quickly detect customer situations and develop a customized plan to help them their current financial difficulties and stay with the bank for the long term.

### Increased Agility

- The Business Event Processing solution provides an easy to use Business interface to both quickly define or modify those business conditions that require action..



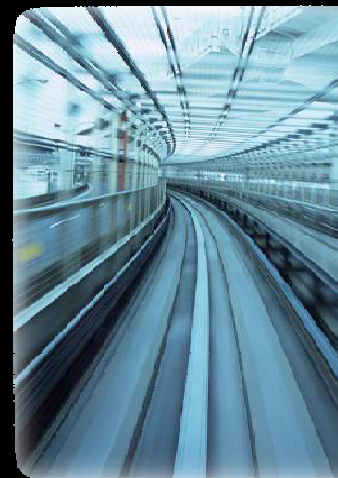
## Scenario 2 - Travel & Transportation





## Market Forces Driving Travel & Transportation

- Credit cost and availability of funds
- Decrease in Business Travel and Consumer Spending
- Lowered Profit Margins
- Industry Consolidation
- Global Economic Stimulus
- Growth Market Investment
- Increased Business Focus on:
  - Customer-centricity and technology
  - Loyalty, Affinity and Customer Retention
  - Cost reductions and cost of capital
  - Capacity and utilization
  - Accessing emerging markets
  - De-regulation





# High Flying Airlines top Business Imperatives

Irregular Operations manual process is too slow

**CAPTURE IRREGULAR  
EVENTS IN REAL TIME**



**DETERMINE THE NEW  
FILGHTS FOR THE  
FREQUENT FLIER  
CUSTOMER AND SEND  
THEM THE INFORMATION**

**IMPROVE CUSTOMER RETENTION  
AND REDUCE THE IRREGULAR TIME AND COSTS**



## Resulting Business Benefits

### Reduced Cycle Time

- BEP allowed Amy's to quickly determine the irregular operations conditions and take automated actions to get a higher percentage of their frequent flyers to the destination.

### Reduced Expense

- The ESB reduced application integration costs for IT.
- The BEP automation lowered irregular operation costs, allowing the airline to save expenses during this critical time.

### Customer Service

- The Automation provided by BEP allowed Amy to quickly service frequent flyers and get a higher percentage to their destinations on time improving customer loyalty.

### Increased Agility

- The easy to use BEP Business tool allowed Amy to both quickly define and deploy a business conditions that requires action. The solution can be modified and quickly deployed into production to meet changing business condition.



# Maximize the value of business interactions

## What's New

### WebSphere Business Events

- Supports events from an expanded wide variety of sources



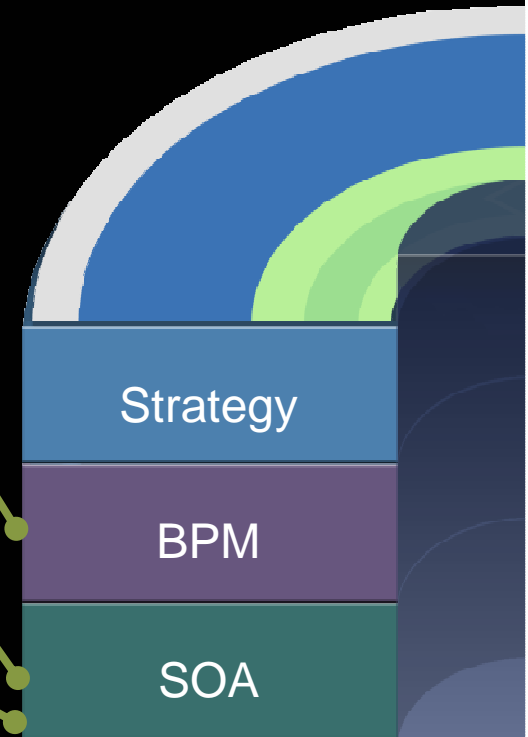
### WebSphere Message Broker

- Fast and flexible application integration by exploiting WMQ features & new Service Federation Mgmt.



### WebSphere Enterprise Service Bus

- Easily connect SOA applications with advanced ESB scenarios, exploiting WAS v7.0 & more open standards

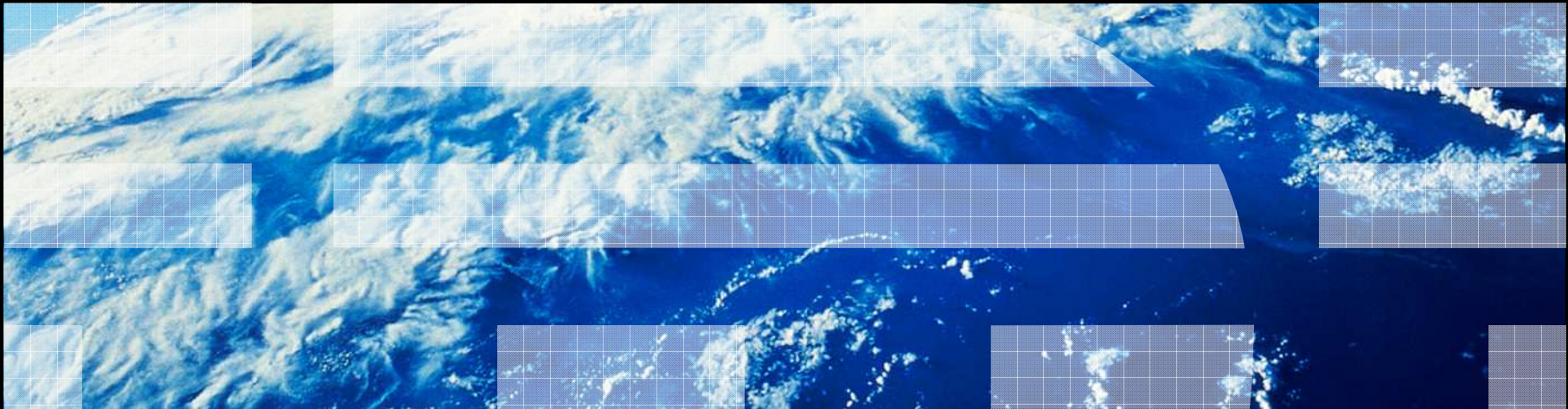


### Other Announcements:

WebSphere Sensor Events, WebSphere MQ , Low Latency Messaging , LLM / Front Office, WebSphere Sensor Events , WebSphere Commerce



Thank you

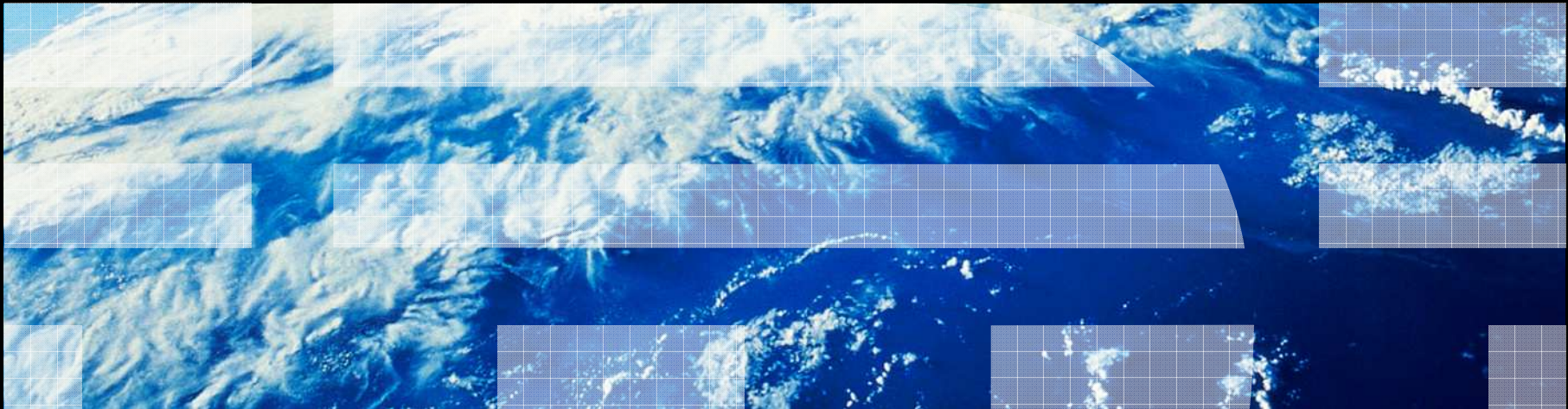






# Welcome to the Business Agility Now! Seminar


## *Optimizing Productivity and Resources*





## Optimize productivity and resources

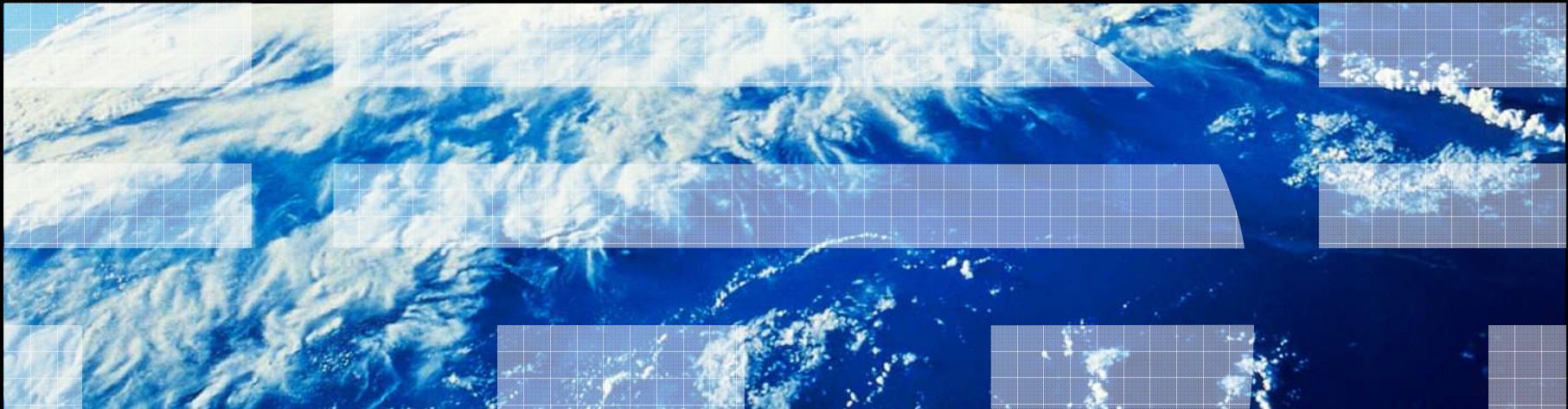


- 
- Flexibly automate and manage processes with business rules
  - Effectively manage workflow to increase productivity
  - Reuse and govern services to drive efficiency and compliance

**70%** of CIOs say that business process management is a top priority



# Scenario 1 - Insurance





## Market Forces Driving Insurance in 2009

- Conservative Business Climate
- Regulatory Convergence
- Unpredictable Risk Climate
- Increasing Labor Costs
- Emerging Technology & Architectures
- Increased Business Focus on:
  - Product and Service flexibility
  - Retention of increasingly discriminating customers
  - Channel and Producer Management
  - Risk management and subrogation
  - Security, Privacy and Fraud Detection
  - Accessing high growth markets
  - Access to multi-channel information and service





## Resulting Business Benefits

### Increased Capacity

- Improved the throughput of FNOLs by the claims processing staff
- Improved the ability for Mary to make business rule changes as part of a regular day and to deploy them rapidly

### Reduced Expense

- Reduced the cost of business changes and IT maintenance by introducing standards based technologies that can interoperate more efficiently
- Reduced the cost of errors by using callable forms to make the process repeatable and accurate to Better Insurance's compliance standards

### Improved Risk Management

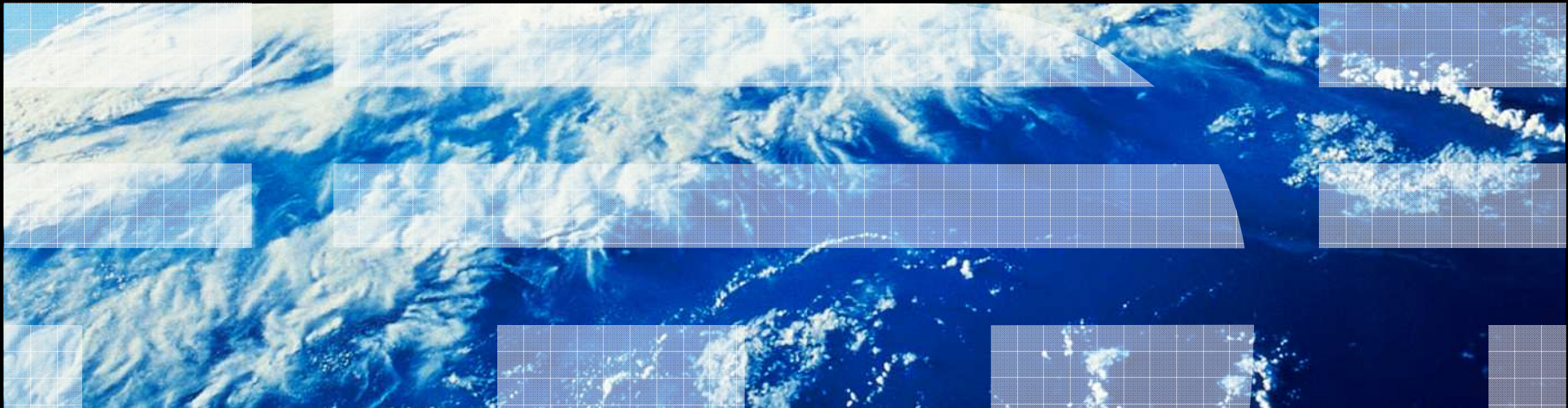
- Ensured a repeatable and reliable business process execution by claims processors in alignment with strategic business goals for risk and fraud control
- Improved the likelihood that fraud would be caught in the front of the business process which lowers the amount of subrogation required to recover risk and liability-based costs

### Increased Agility

- Upgraded the Business Process Automation engine to a more standards-based engine that is resilient, flexible and able to accommodate the dynamic processes and tasks associated with FNOL processing
- Introduced more collaborative technologies to ensure that Mary's processing intentions are easily captured and readily consumed by IT systems and realized as flawless process execution



# Scenario 1 - Government





# Market Forces Impacting Government

*Flexible, integrated solutions to meet the challenges of today's Governments*



**Driving Productivity & Optimization for Government**



## Mai-Tai Dry Cleaners – As-Is Business Problem Statement

Gladys and Mario are in the process of opening a small business, a Dry Cleaner. They find out that doing business with the government is a manual, slow and siloed process. Their first step is to obtain a business license. As they are directed from agency to agency they quickly learn that they have to hand carry all documents from agency to agency; the process involves four separate (siloed) agencies for their:

1. Business License
2. Dry Cleaners Permit
3. Environmental License
4. Air Quality Permit

Since we have employees who have been with the agencies for years we are able to do the best we can with the manual processes we use.

Our processes, systems and applications are old, siloed and slow.

We ask our citizens who are trying to open a small business to be part of our manual process. Since opening a dry cleaners requires four separate steps our workflow lacks business rules, automation, integration and self service. The information is duplicated causing small business applicants to almost never open on time

How can I implement a workflow process that automates tasks, improves the approval process, reduces time and integrates all four agencies.



Government





## Resulting Citizen & Agency Benefits

### Citizen Satisfaction

- Citizen satisfaction has increased considerably. The small business approval process is 80% self-service allowing the small business applicant to receive online status and communicate directly with the agencies. No need to carry papers from agency to agency. Once connection is made with the first agency for application approval, all documentation is electronically included in the automated processes.

### Reduce Taxpayer Cost & Generate Revenues

- Because the processes are now automated and efficiencies have been realized, the cost of doing business has been reduced. This allows the government to increase revenues and reduce taxpayer costs. By using common services across agencies, the government realizes savings that otherwise would be difficult to attain.

### Increased Flexibility

- Since there is now a single view of the citizens application, changes can occur in one place rather than having to be implemented in a siloed approach for each agency.
- The approval process has increased efficiency of 50% by use of business rules and a common process workflow. All agencies can now view the progress and status of each applicant in the system. Agencies can collaborate and provide the proper approvals on time with minimal errors.

### Optimized Resources

- Improved employee productivity and eliminated manual processes. The use of common business services allows departments to have a single system view of a small business applicant information, improving access and optimizing resources end-to-end.



## Products used in these solutions

### *What's New*

#### **WebSphere Process Server**

- Faster business solution deployments and increased performance

\* Enhanced!

#### **WebSphere ILOG BRMS**

- Align decision automation across the enterprise with enhanced integration and rules governance capabilities

\* Enhanced!

#### **WebSphere Service Registry & Repository V7 & Advanced Lifecycle Edition**

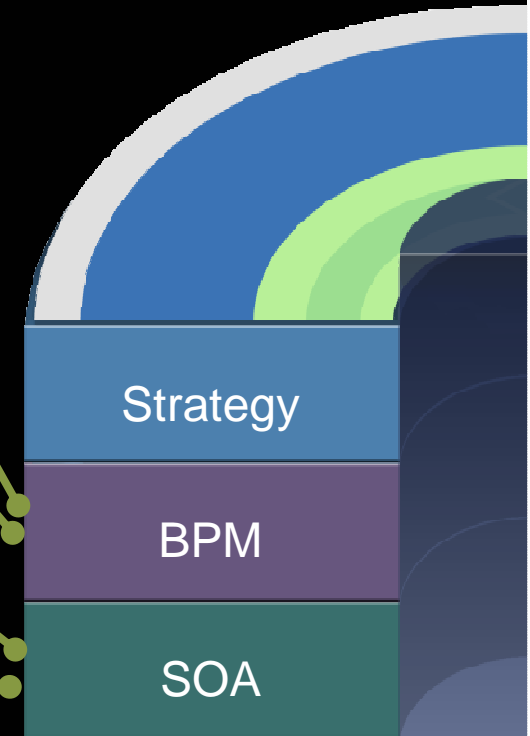
- Integrated governance and policy management capabilities for multiple business environments

\* Enhanced!

#### **WebSphere MQ File Transfer Edition**

- New bridging agents for FTP / S-FTP and enhanced ease of deployment

\* Enhanced!

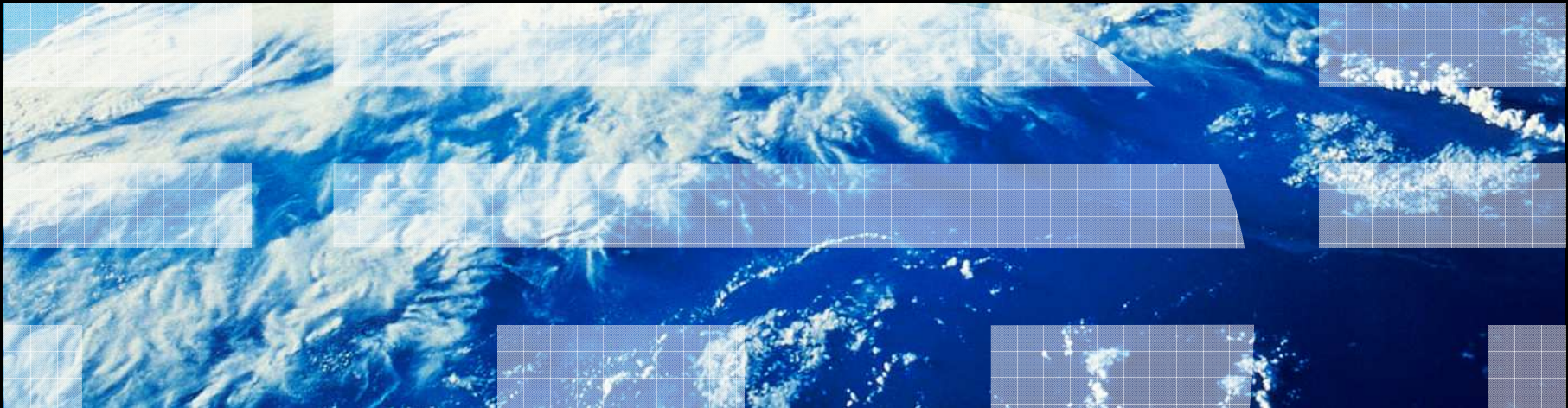


#### **Other Announcements:**

WebSphere Integration Developer, ILOG Optimization, ILOG Supply Chain Management, WebSphere DataPower SOA Appliances

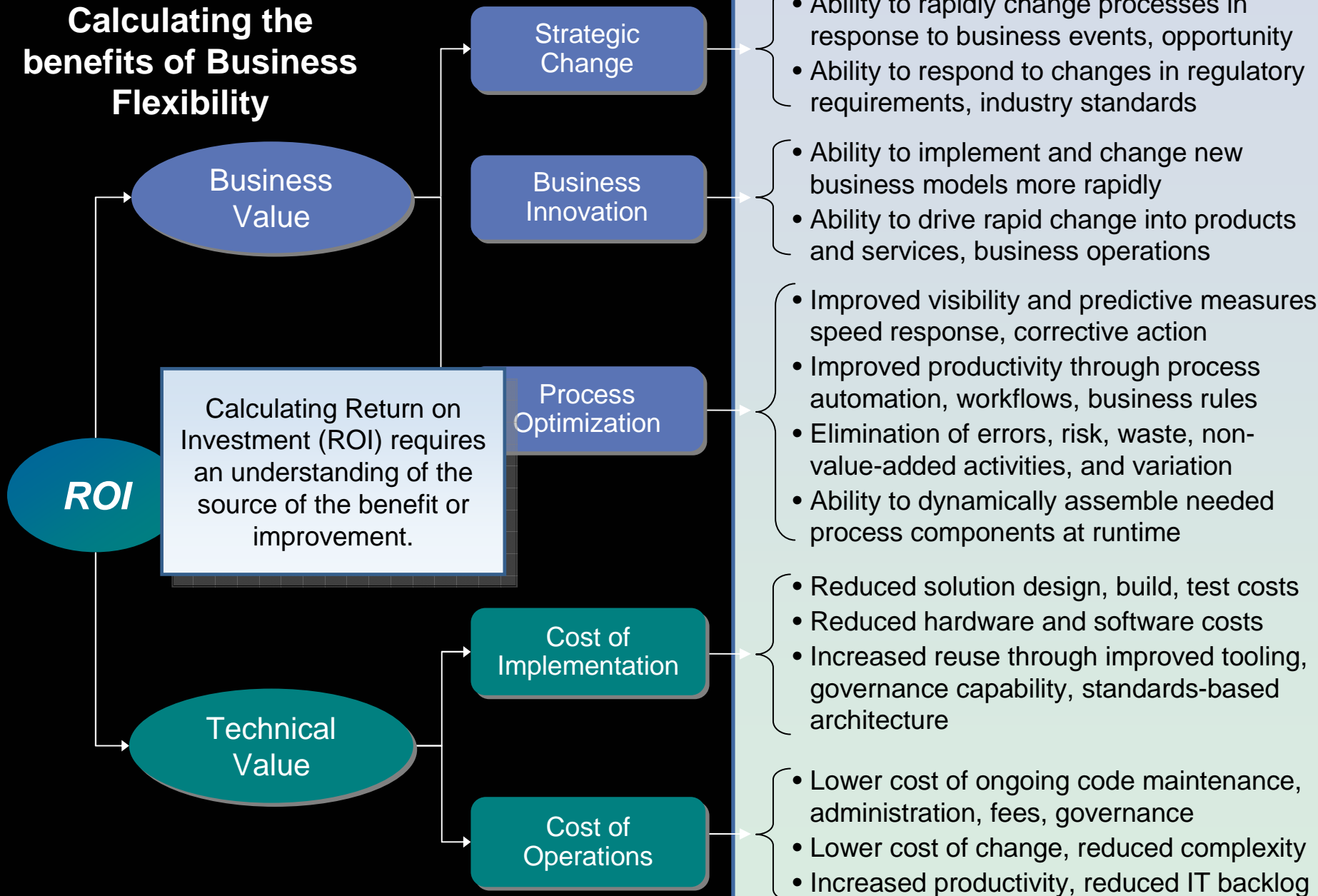


# *ROI analysis for Business Agility*



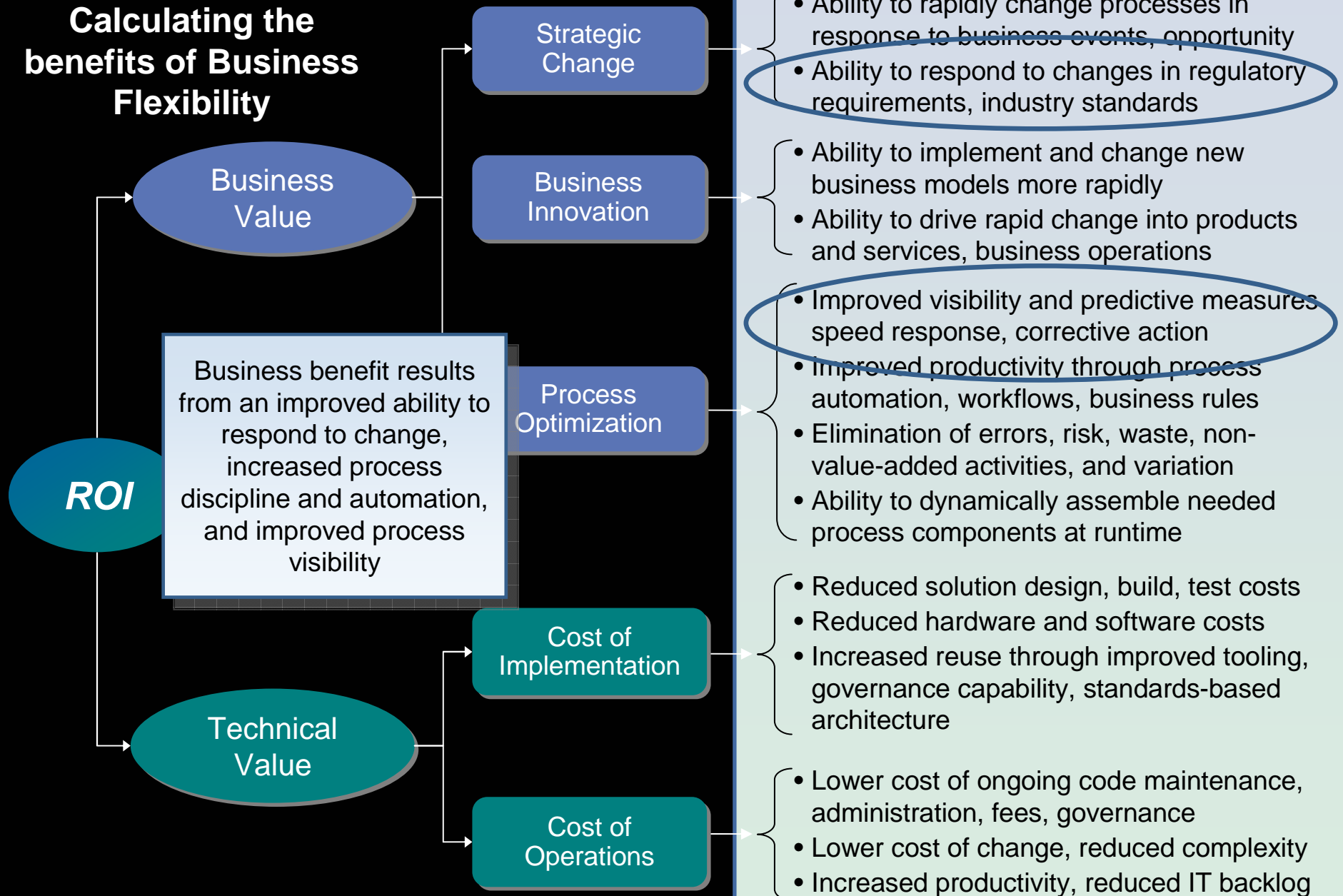


# Calculating the benefits of Business Flexibility



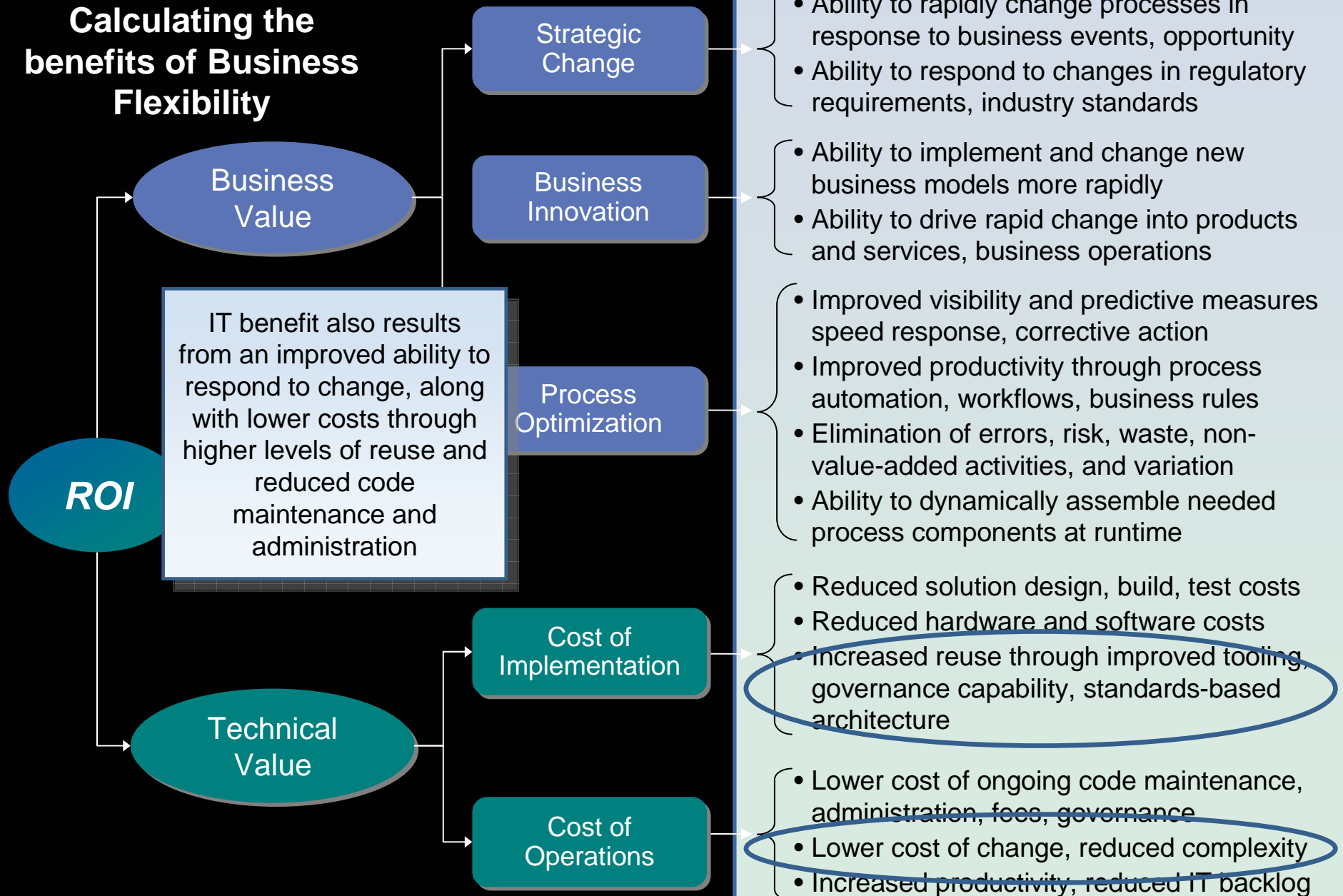


# Calculating the benefits of Business Flexibility



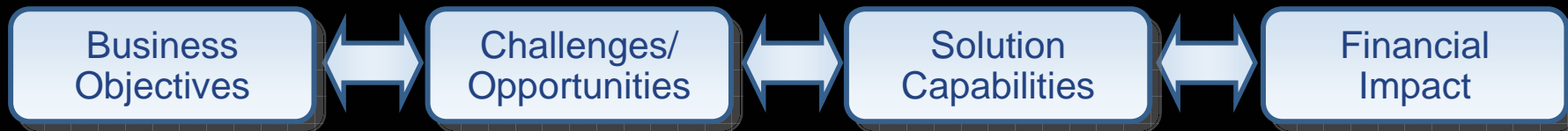


# Calculating the benefits of Business Flexibility





# Value Map is used to link business objectives, solution capabilities, and financial benefit



Business / IT Objectives	Challenges / Opportunities	Solution Capabilities	Financial Impact
Increase Process Automation by _%	<ul style="list-style-type: none"> <li>▪ Defining key processes</li> <li>▪ Update processes faster</li> </ul>	<ul style="list-style-type: none"> <li>▪ Create reusable process steps</li> </ul>	<ul style="list-style-type: none"> <li>▪ Decrease overall time to execute standard processes by __%</li> </ul>
Lower cost of ongoing code maintenance and governance by __%	<ul style="list-style-type: none"> <li>▪ Difficulty responding to business change</li> <li>▪ Cost of making changes continues to grow with complexity of the environment</li> </ul>	<ul style="list-style-type: none"> <li>▪ Advanced test and debug tools to minimize compile/test/fix cycle</li> </ul>	<ul style="list-style-type: none"> <li>▪ Decrease design/build/unit test costs by __%</li> <li>▪ Changes implemented __% faster (* revenue)</li> </ul>
Increase the number of “perfect orders” by __%	<ul style="list-style-type: none"> <li>▪ Data inconsistency results in incorrect product orders</li> </ul>	<ul style="list-style-type: none"> <li>▪ System integration eliminates the manual rekeying of data</li> </ul>	<ul style="list-style-type: none"> <li>▪ Reduces the number of product returns by __%</li> <li>▪ Decreases cost of errors, increases order profitability by __%</li> </ul>
Increase the number of “perfect orders” by __%	<ul style="list-style-type: none"> <li>▪ Errors aren’t discovered prior to shipment</li> </ul>	<ul style="list-style-type: none"> <li>▪ Process Monitoring gives visibility to break points (e.g. as processes cross dept. boundaries)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Cost of corrective action is reduced by __%</li> </ul>



# Value Map facilitates the creation of a Quantification Table (example illustrating cost avoidance/savings)

Line	Calculation Components Reduce the cost of integration	As-Is (P2P)	Estimated Savings	To-Be (WESB)
A	Number of simple integrations per project	30		30
B	Hours per simple integration	120	20 %	72
C	Number of medium integrations per project	50		50
D	Hours per medium integration	250	40 %	150
E	Number of complex integrations per project	20		20
F	Hours per complex integration	400	60 %	160
G	Number of projects per year	2		2
H	Hourly rate	\$100		\$100
	<b>Total annual savings</b>	<b>\$ 4,820,000</b>	<b>\$ 2,248,000</b>	<b>\$ 2,572,000</b>

Formula:  $((A*B)+(C*D )+(E*F))*G*H$

Calculation (As-Is) : \$ 4,820,000 = (30\*120 simple)+(50\*250 medium)+(20\*400 complex)\*2 projects\* \$100/hr

Calculation (To-Be): \$ 2,572,000 = (30\*72 simple)+(50\*150 medium)+(20\*160 complex)\*2 projects\* \$100/hr

Proposed Savings : \$ 2,248,000= \$ 4,820,000 - \$ 2,572,000





# Value Map then facilitates the creation of a Quantification Table (example illustrating revenue in a BPM scenario)

Line	Calculation Components Increase transaction revenue	As-Is	Proposed Solution Benefits	To-Be
A	Number of transactions per month	50	200 %	100
B	Revenue per transaction	\$500		\$500
C	Months per year	12		12
D	Cost per transaction	\$300	-30 %	\$210
	<b>Total annual benefit</b>	<b>\$ 120,000</b>	<b>\$ 228,000</b>	<b>\$ 348,000</b>

Formula:  $A * (B - D) * C$

Calculation (As-Is): \$ 120,000 = 50 trans/month \* (\$500 per transaction) \* 12 months

Calculation (To-Be): \$ 348,000 = 100 trans/month \* (\$500 per transaction) \* 12 months

Proposed Savings : \$ 228,000 = \$348,000 - \$120,000

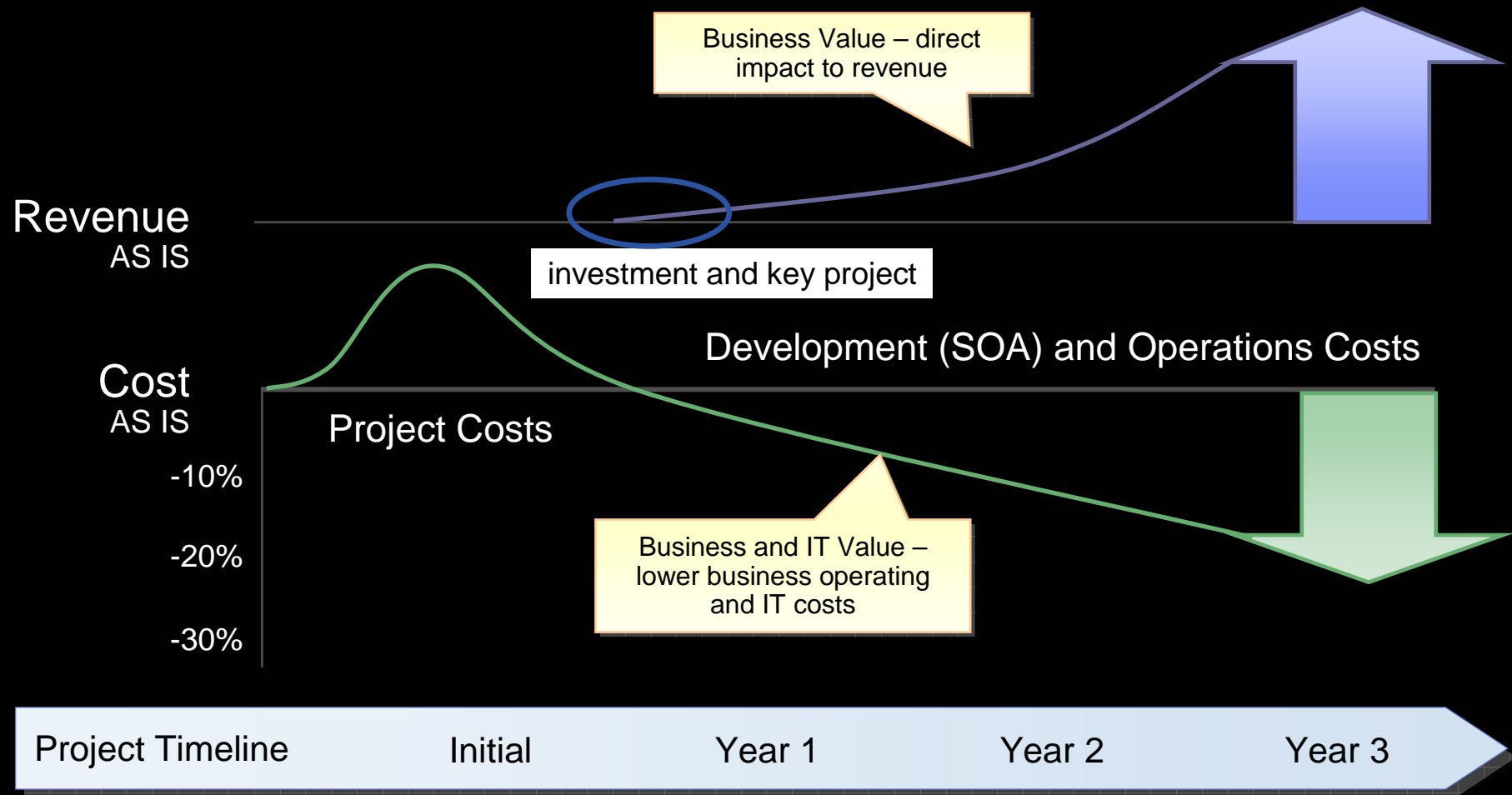
(Modeler simulation could be used to calculate)

Revenue Benefit

Benefit: SOA-based BPM solution was designed to be scalable, increasing the number of transactions to meet demand while reducing costs through the elimination of manual activities

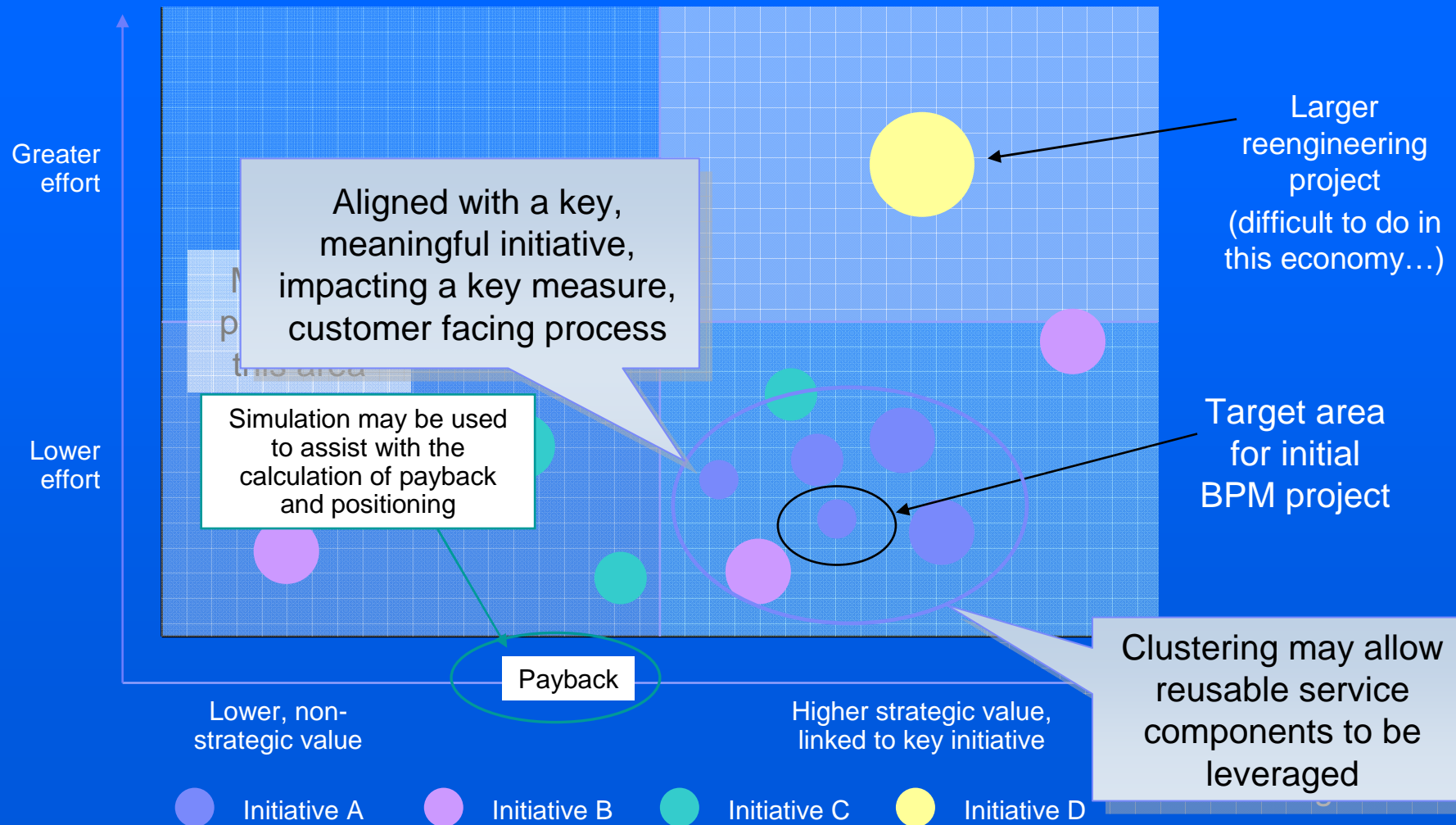


# Value Map benefits can then be graphed (single project example)





# Prioritization and Evaluation Matrix may then look at all the projects to target improvement cycles





## WebSphere Business Value Assessment

A business case and cash flow model is developed for an IBM Connectivity and services-oriented architecture (SOA) solution

**Contact your IBM Sales Representative \***

### Activities

- Review your business and IT goals and vision, key initiatives, and high level architectures.
- Determine current costs for integration development, code and software maintenance, and administration.
- Identify target and source applications and/or services to be integrated, along with existing integration standards, patterns and use cases.
- List and rank existing and future integration scenarios by complexity to estimate design, build and unit test costs; identify reusable components.
- Estimate fixed and variable costs, key cost drivers by project.
- Determine the frequency and impact of business-driven change on the environment including planned system upgrades.
- Outline and sketch a high-level solution architecture

### Deliverables

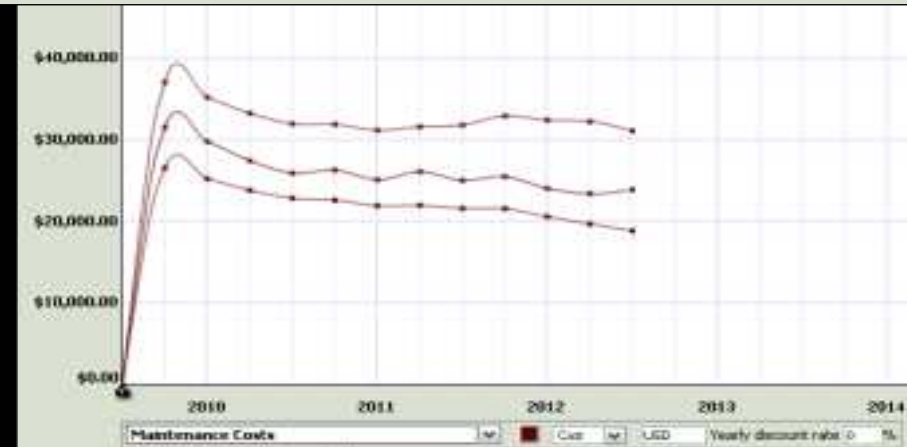
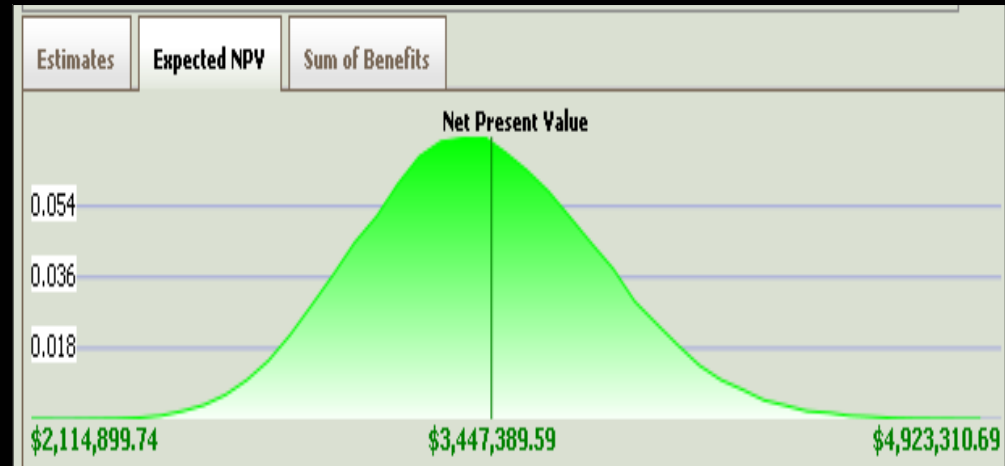
- Three-year cash flow model and business case to support project funding and investment requirements

\*Offered to customers actively considering a BPM software investment



# Financier more effectively manages your IT portfolio by helping the user to quantify the value of IT investments

- Provides user means to define calculator templates for typical project types (i.e. calculating the value for an SOA service)
- Delivers a user-friendly interface to quantify the return and risk of IT investments
- Aggregates the value of investments to the portfolio level for easy comparison and identification of most attractive investments



**New!** 4Q Technical Preview

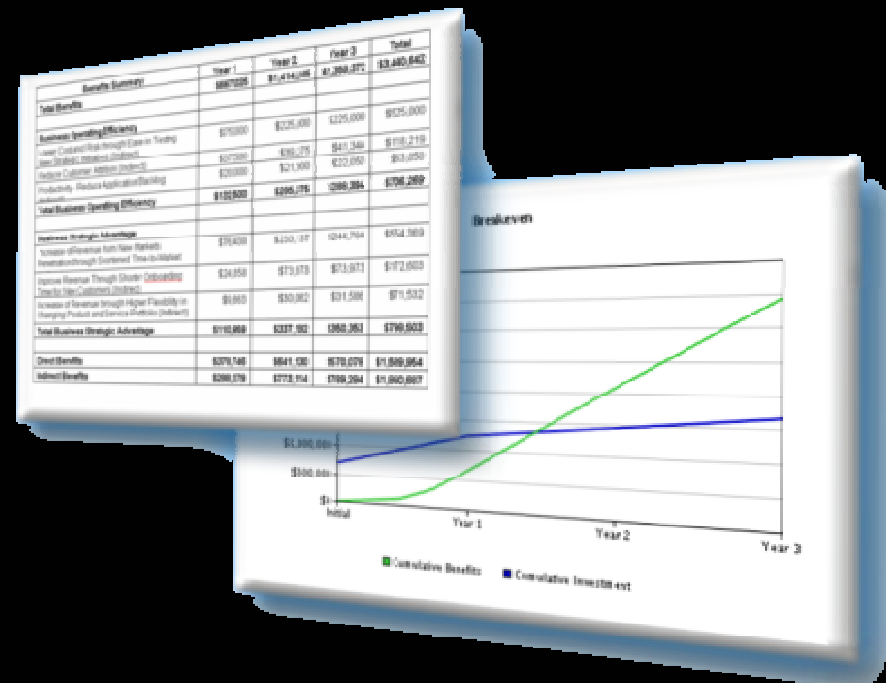


# Take advantage of an IBM Next Step Offering

## *Build business case based on results*

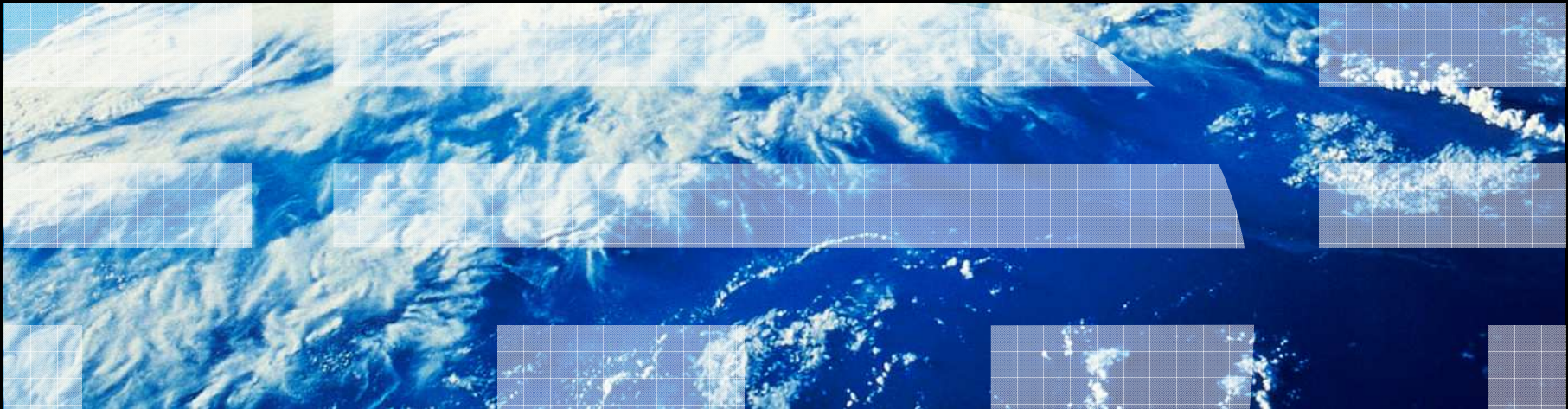
### *Business Value Assessment Offering \**

- Proven financial models
  - Based on customer data (1,000s of engagements worldwide)
- Designed to help quantify the benefits of your project
  - *Projected costs*
  - *Expected savings*
  - *Financial analysis*
  - *Risk-based ROI*
  - *Breakeven*





*Take your next step to Working Smarter today*





# Business Agility Now!

*Take your next step to Working Smarter today.*

## ***Learn more***

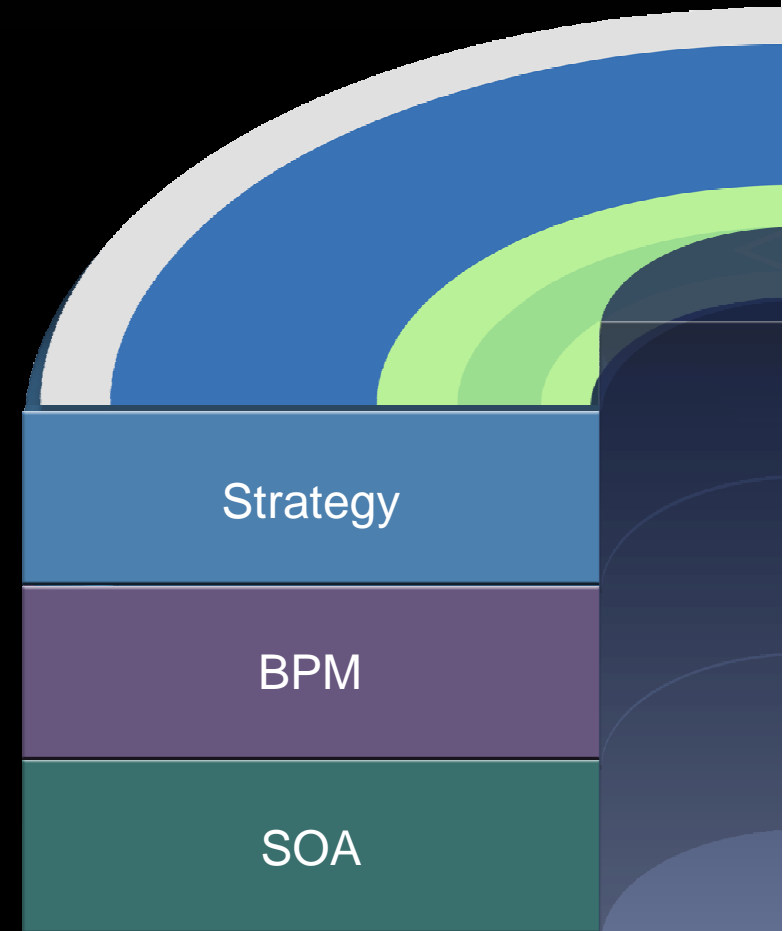
- Assess where you are
- Leverage best practices
- Gain hands-on experience

## ***Let's Work Together***

- Define your approach
- Build roadmap and explore value
- Implement and maintain

## ***Align business and IT objectives***

- Prioritize business initiatives
- Accelerate process and architecture design
- Build business case

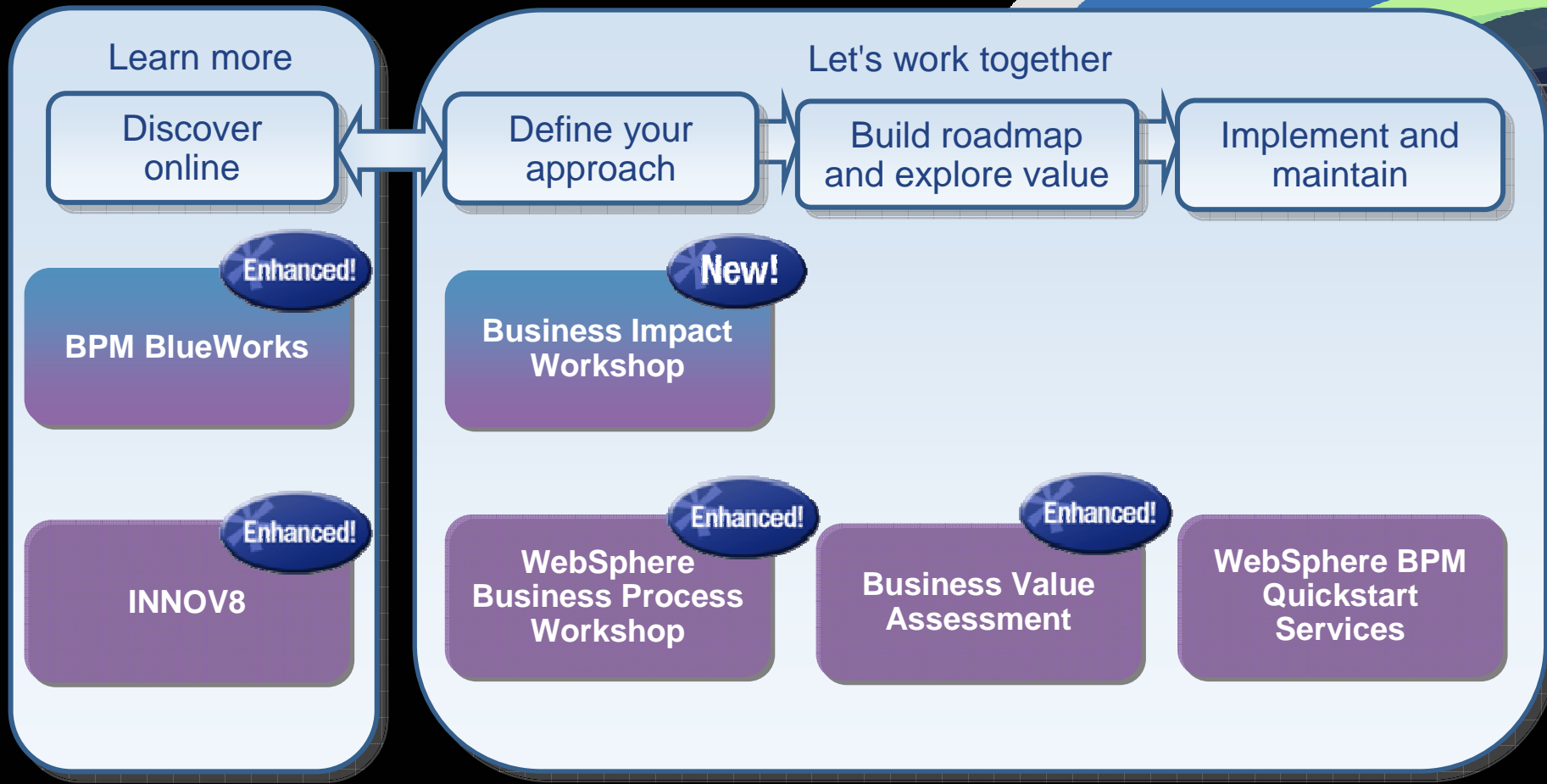






# Business Agility Now!

Next steps for *Business Leaders and Evaluators*

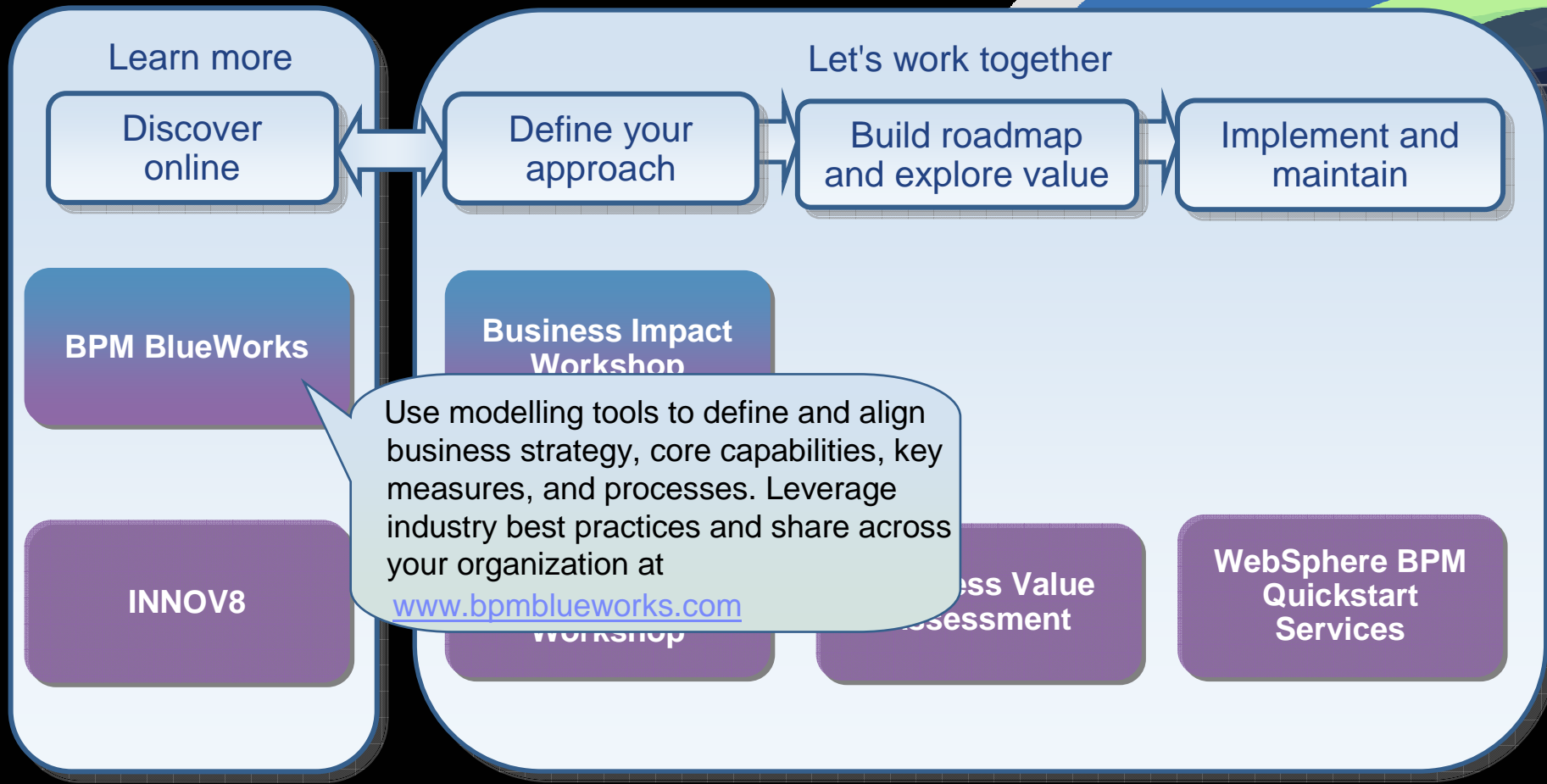


- Strategy
  - BPM



# Business Agility Now!

## Next steps for *Business Leaders and Evaluators*



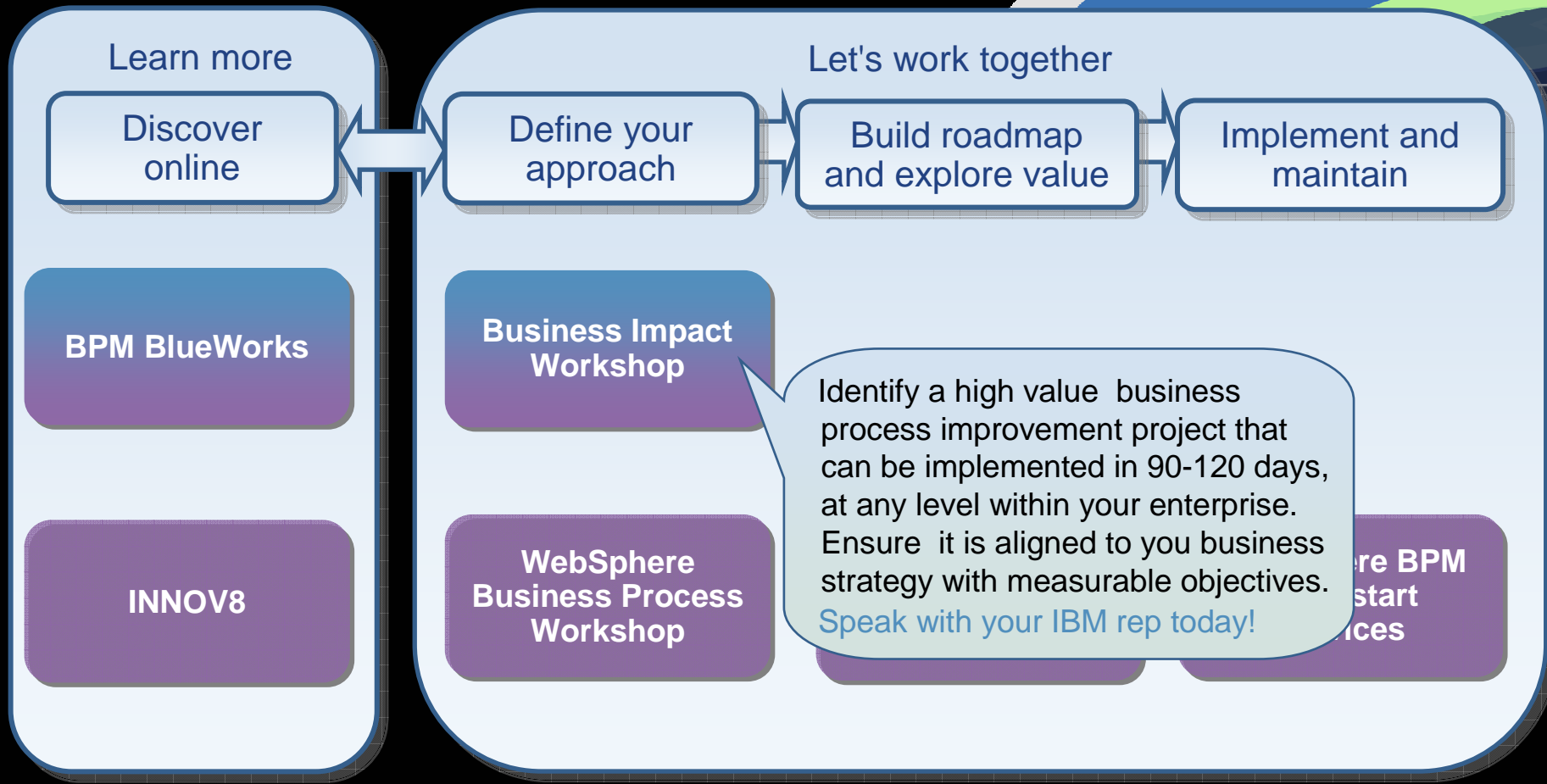
 - Strategy

 - BPM



# Business Agility Now!

## Next steps for *Business Leaders and Evaluators*



- Strategy

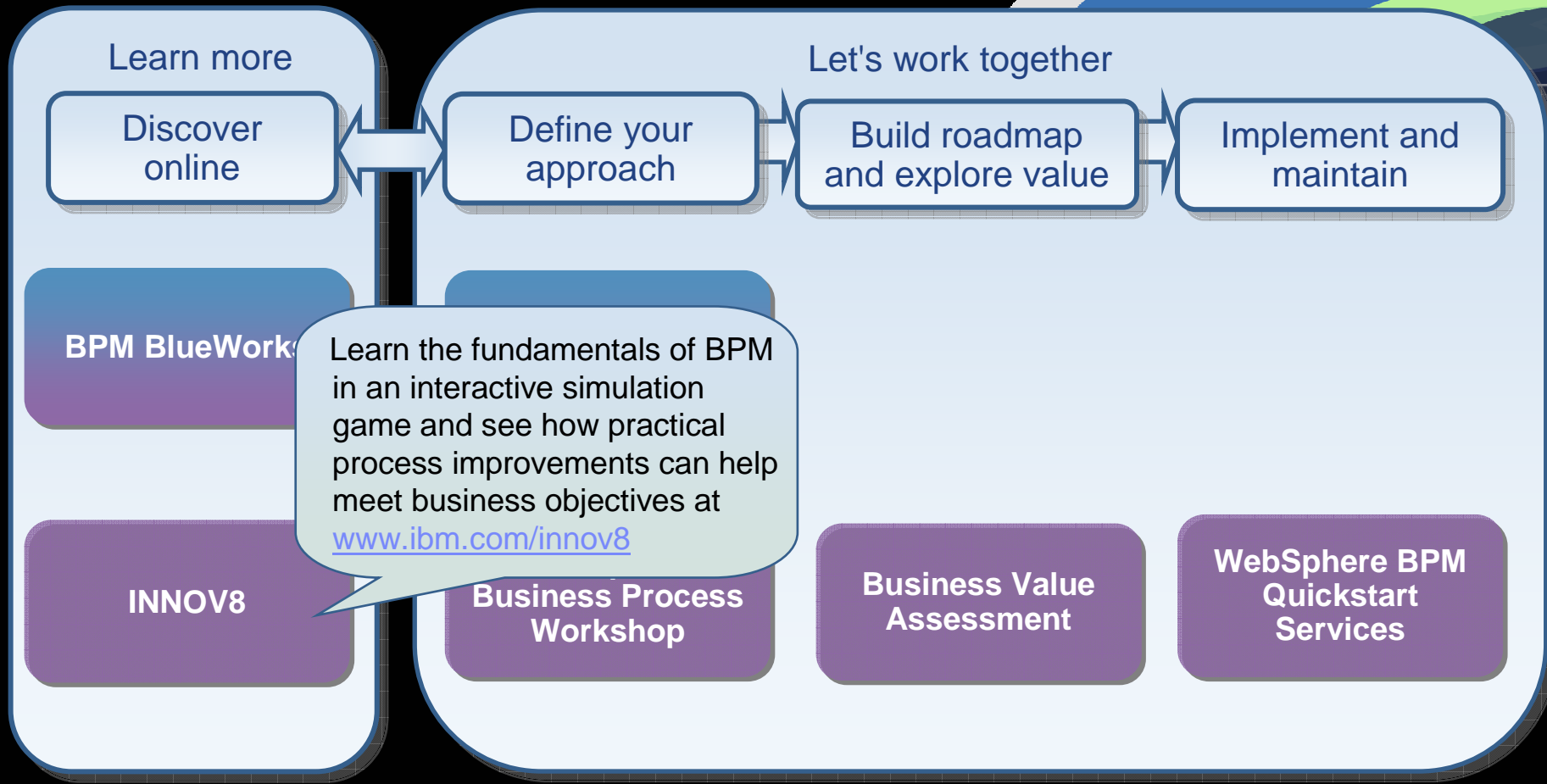



- BPM



# Business Agility Now!

## Next steps for *Business Leaders and Evaluators*



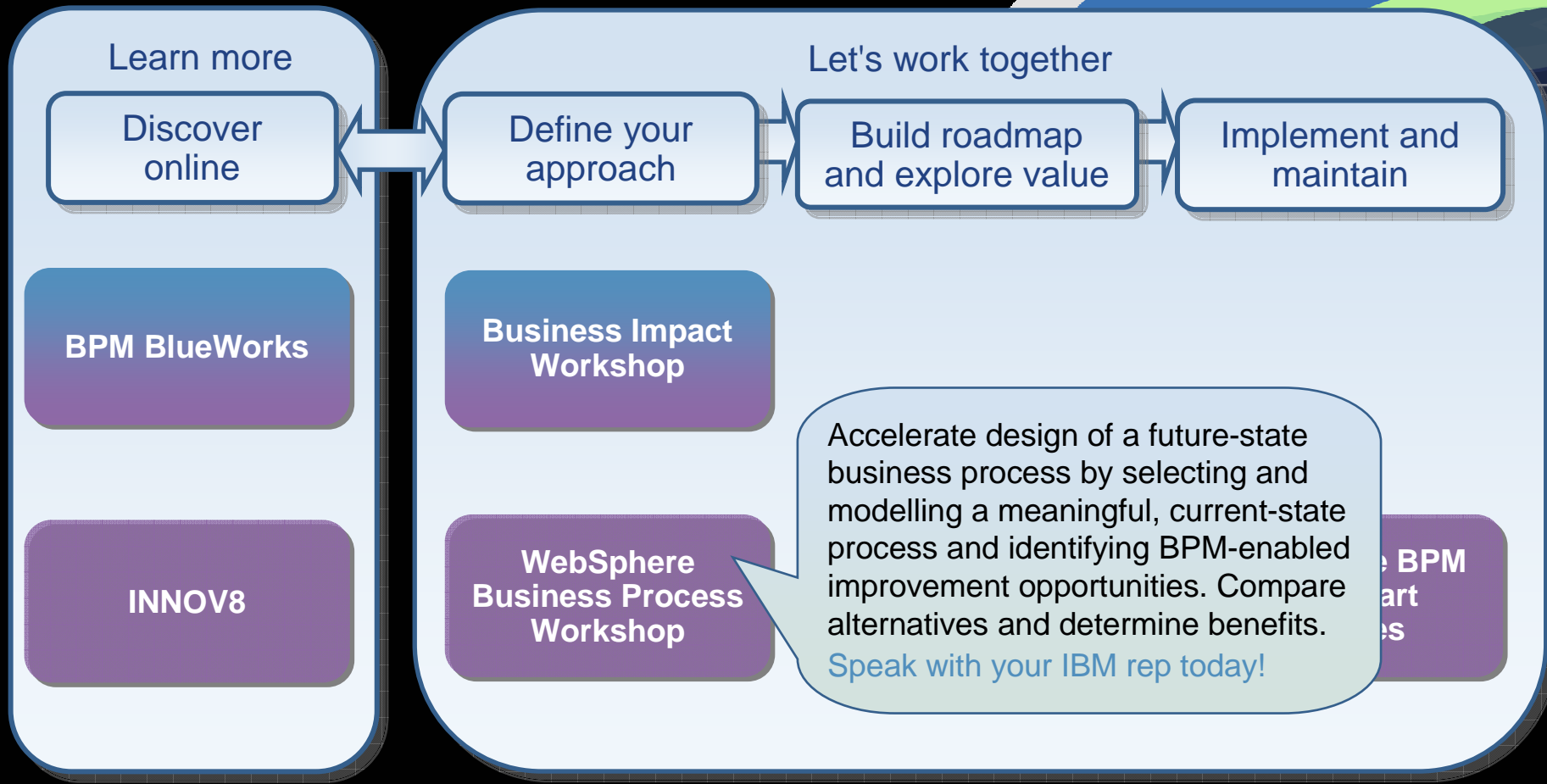
 - Strategy


 - BPM



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## Next steps for *Business Leaders and Evaluators*



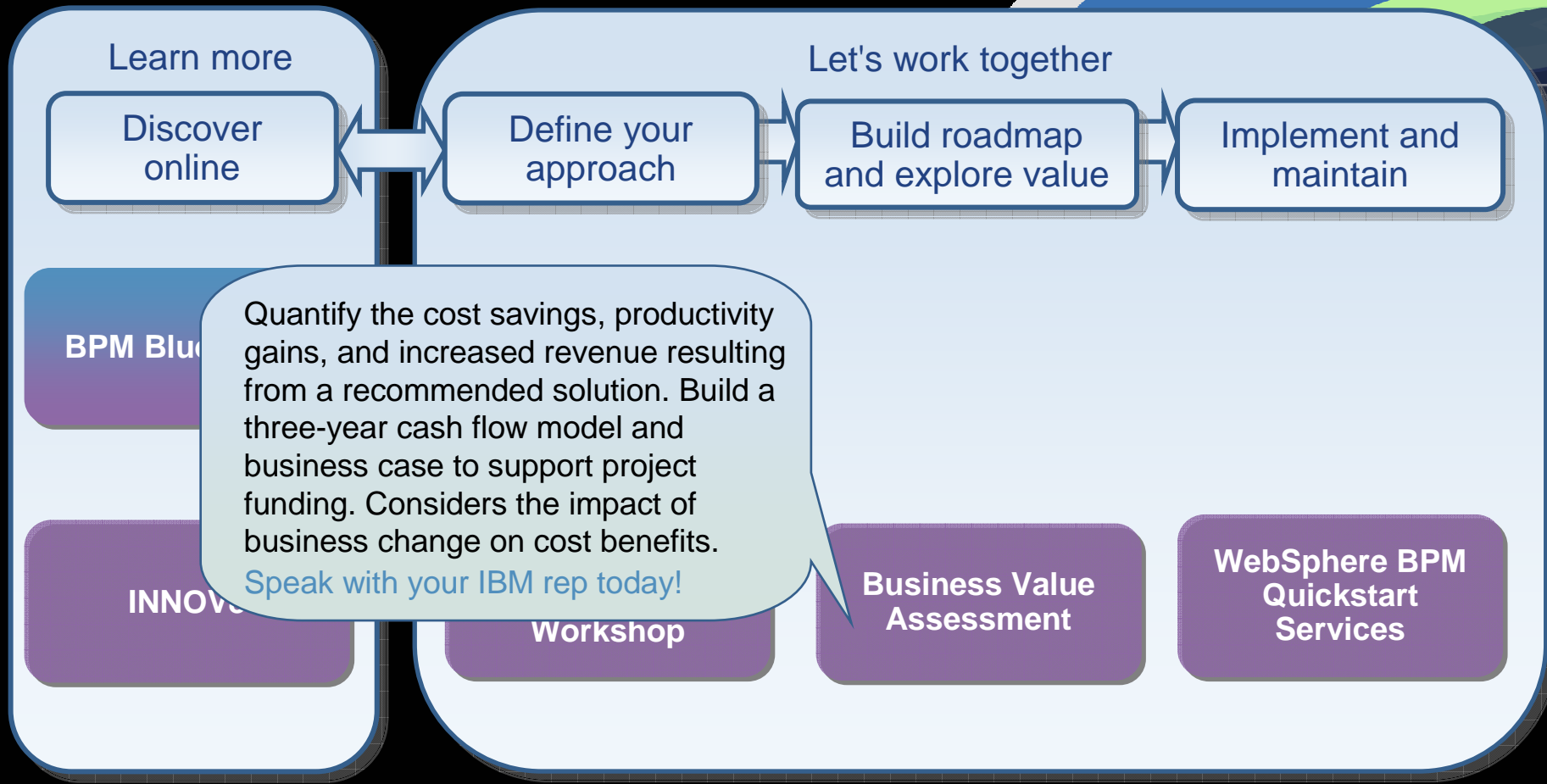
 - Strategy

 - BPM



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## Next steps for *Business Leaders and Evaluators*



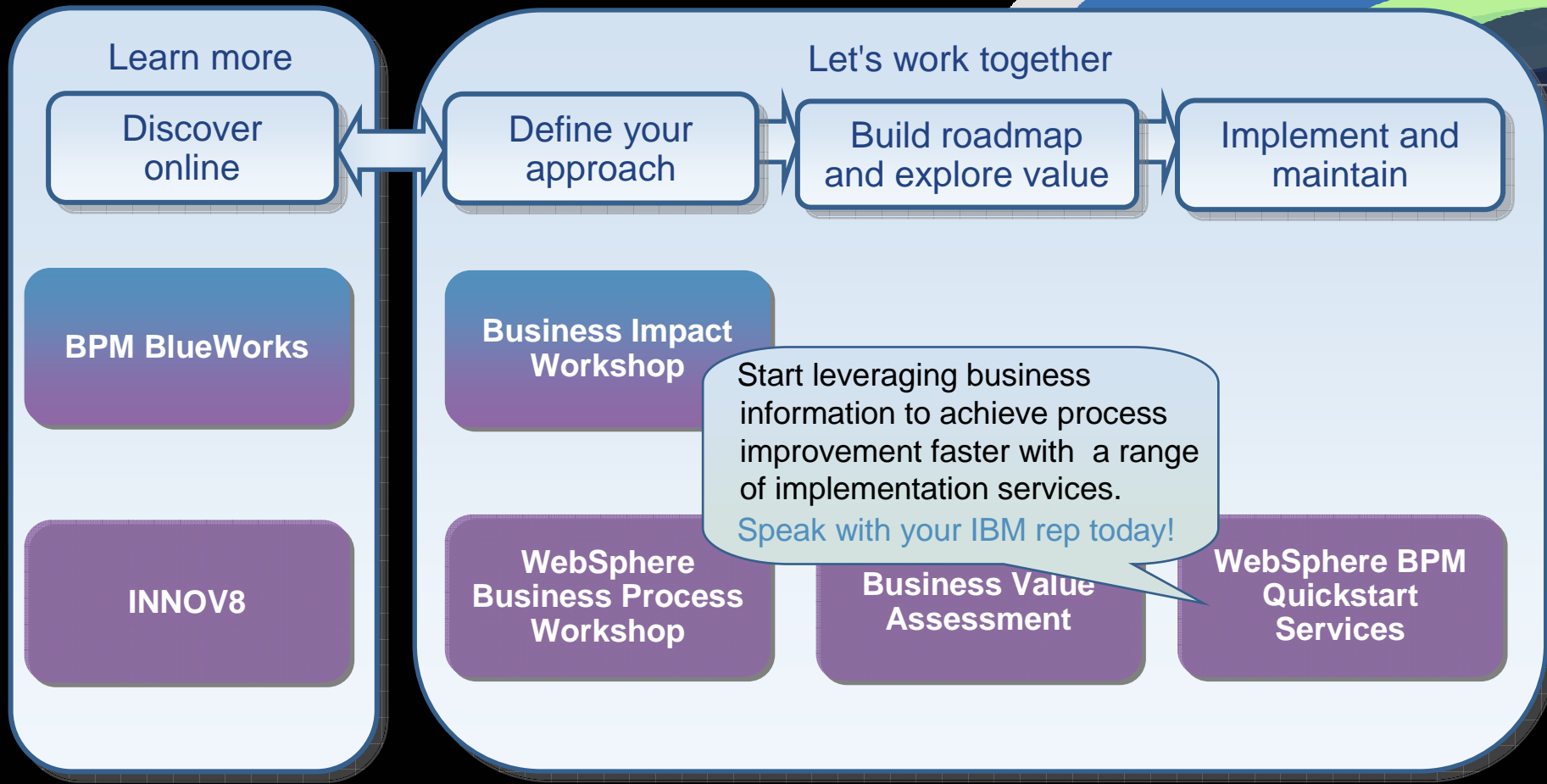
 - Strategy

 - BPM



# Business Agility Now!

## Next steps for *Business Leaders and Evaluators*



 - Strategy       - BPM



# Business Agility Now!

Next steps for *Technical Leaders and Evaluators*



- BPM



- SOA





# Business Agility Now!

Next steps for *Technical Leaders and Evaluators*



■ - BPM    ■ - SOA



# Business Agility Now!

## Next steps for *Technical Leaders and Evaluators*



- BPM



- SOA



# Business Agility Now!

## Next steps for *Technical Leaders and Evaluators*



- BPM

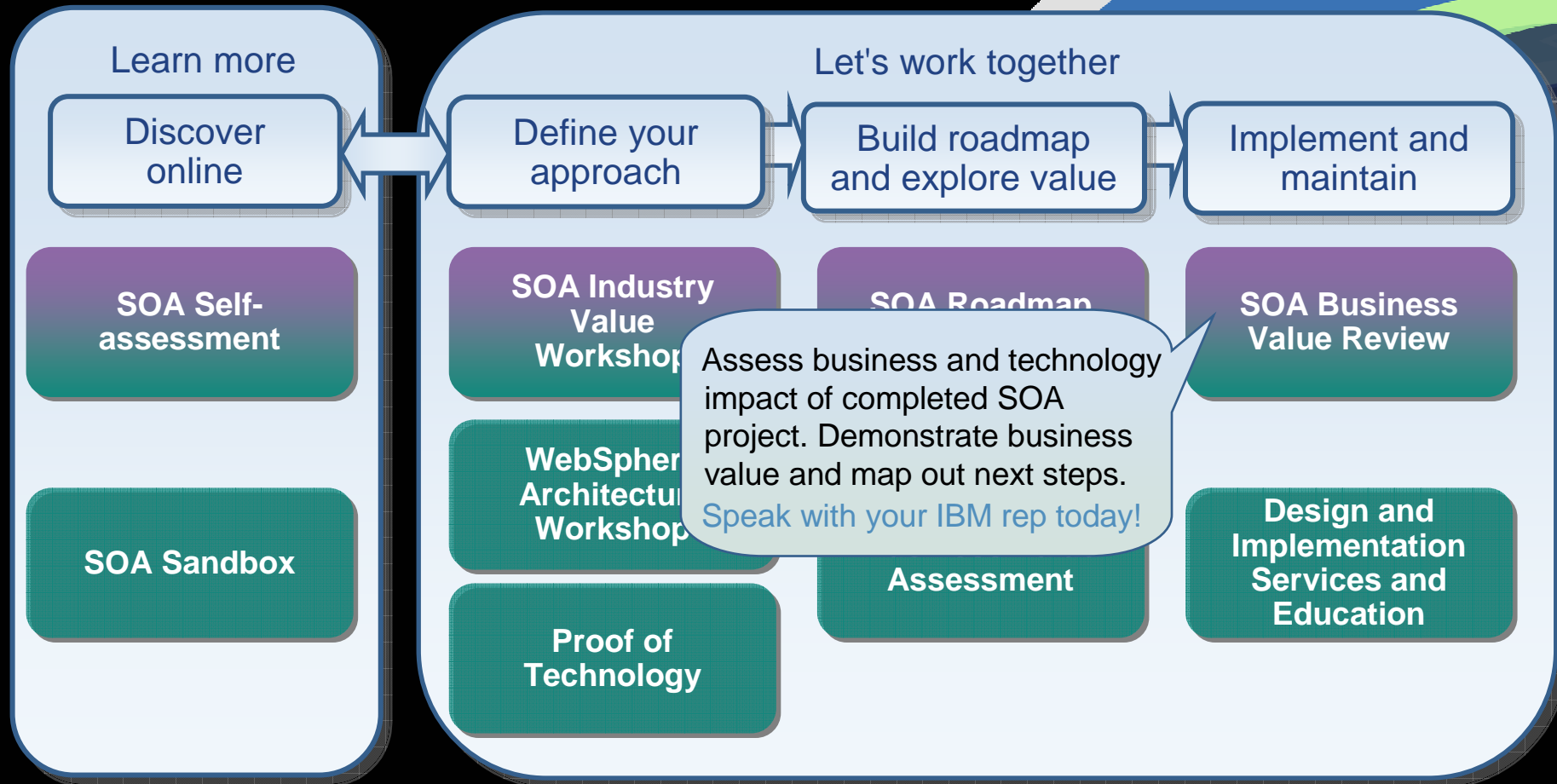


- SOA



# Business Agility Now!

## Next steps for *Technical Leaders and Evaluators*



- BPM



- SOA



# Business Agility Now!

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- BPM

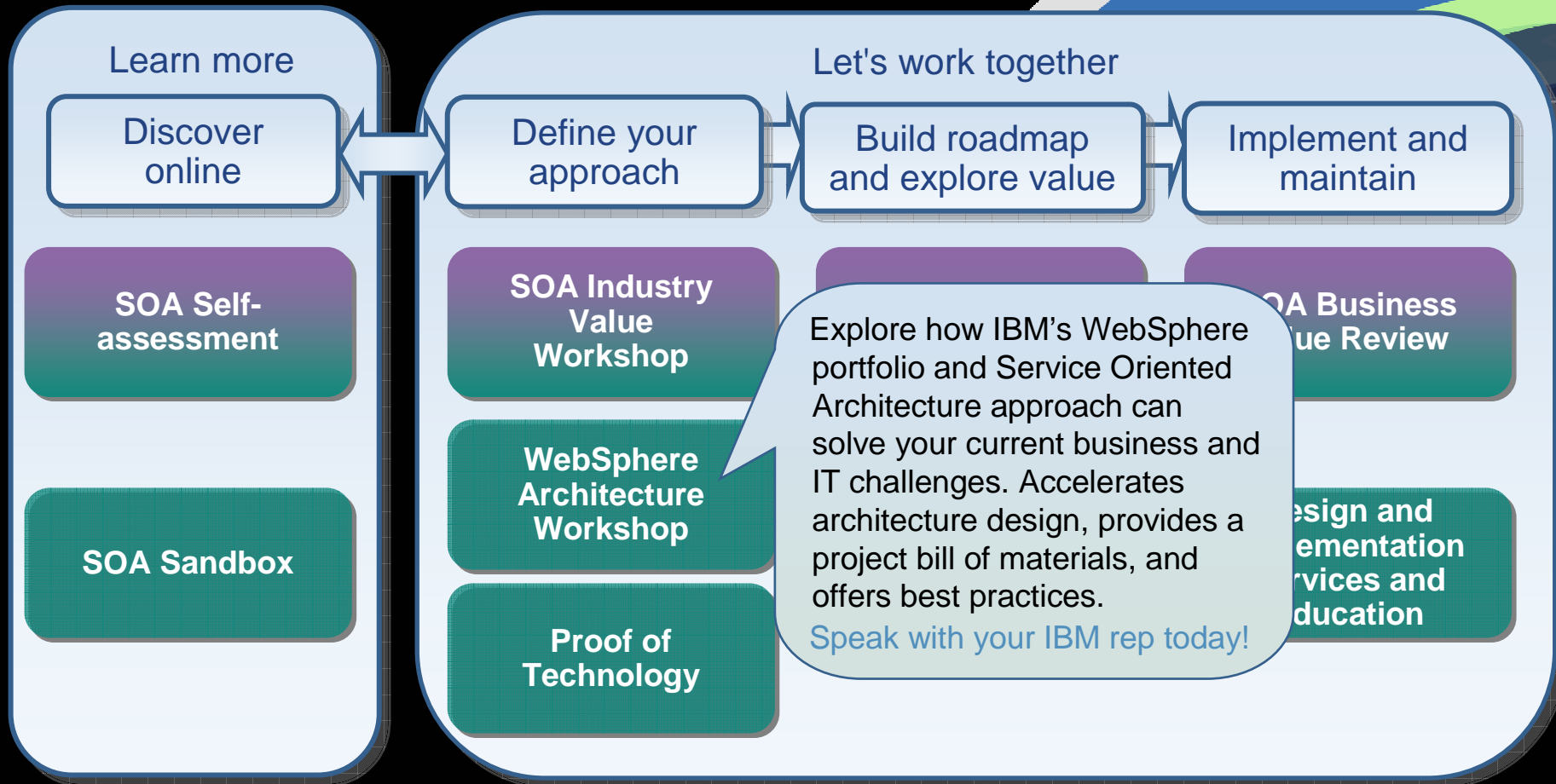


- SOA



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## Next steps for *Technical Leaders and Evaluators*



- BPM

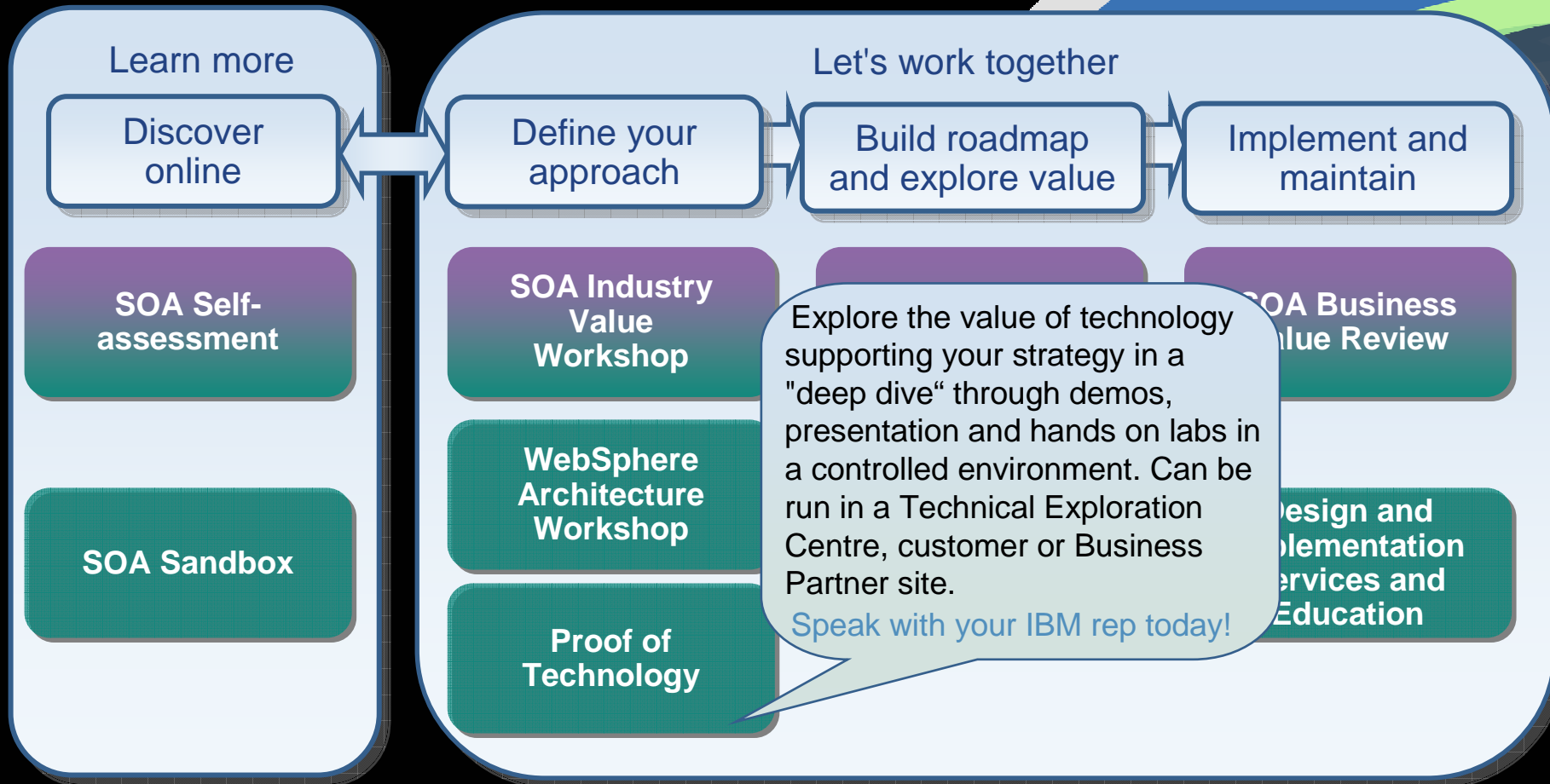


- SOA



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- BPM



- SOA



# Business Agility Now!

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- BPM



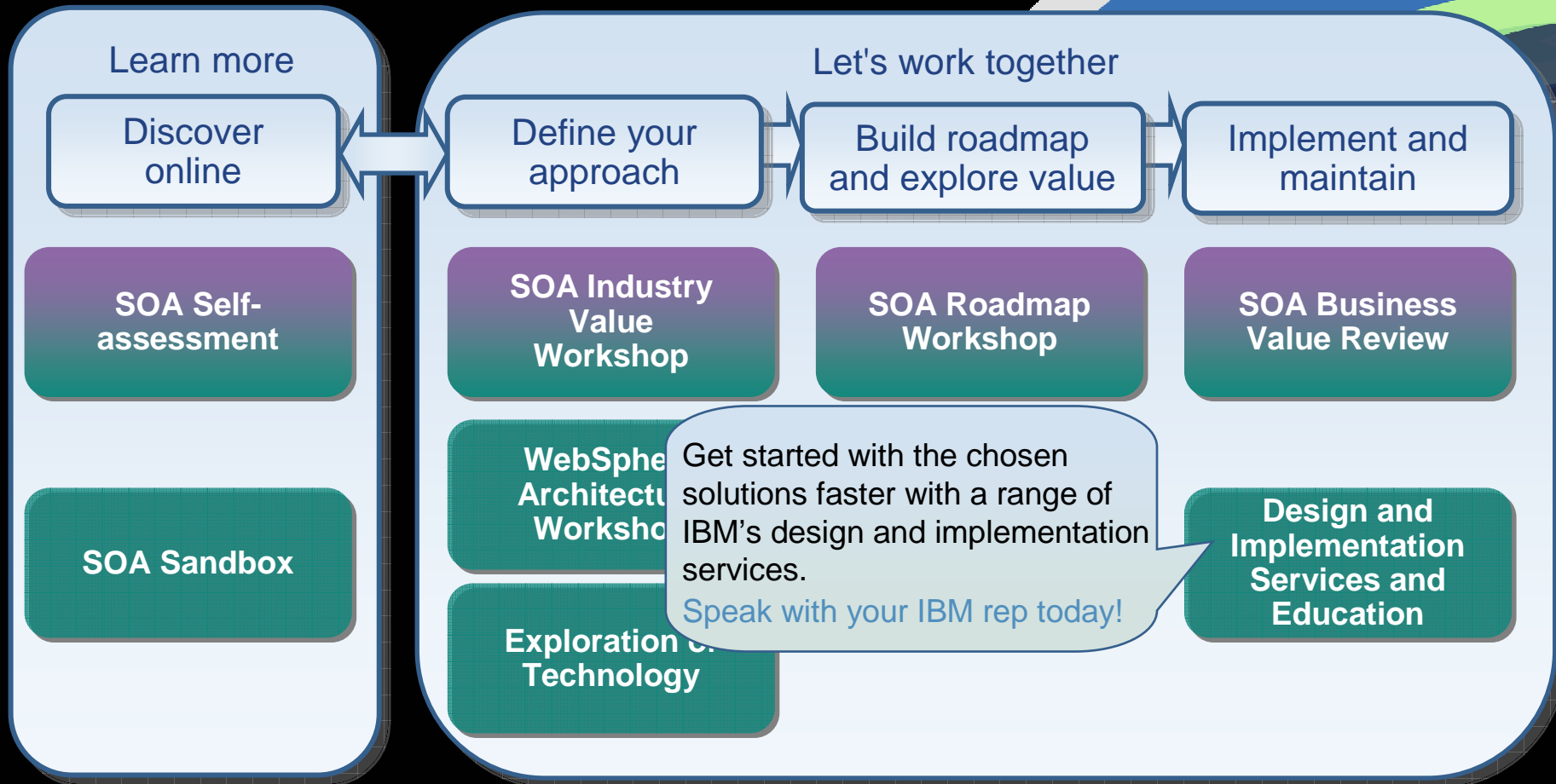
- SOA





# Business Agility Now!

## Next steps for *Technical Leaders and Evaluators*



- BPM



- SOA



Thank you

