



The future runs on System z

Maximizing the Value of Your Applications and Data

Business Results Powered by SOA on System z

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Vice President
WW WebSphere Foundation Sales



The Planet is Getting Smarter...

4 billion
mobile phone
subscribers

1 billion transistors
for each person on
the planet

1 billion people
on the Internet

Smarter
Planet

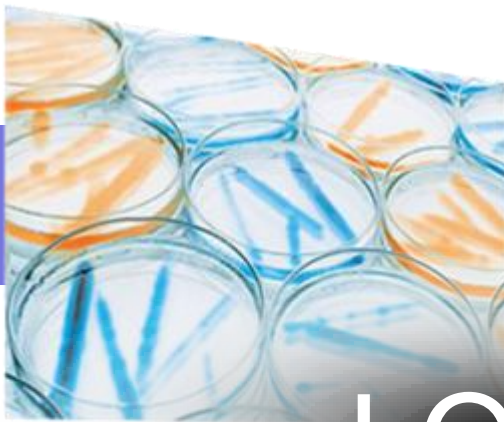
30 billion RFID tags
by 2010

15 petabytes of
new information per day

Over 200 billion emails
sent per day

The Need for Progress is Clear

*US Healthcare
Fraud
\$100 billion*



*Poor European
retail document
output control
EUR2 billion*



LOST

*Congested US
roadways.
4.2 billion hours
2.9 billion gallons*



*\$11.5B of
produce*

*outdated India
post-harvest
infrastructure*



Especially in a Tough Economic Climate!

Position for Success, Not Just Survival

The Cheetah

Fastest Animal - 113 kph

Low genetic variability



Cheetah population has decreased to 76% of their historic range in Africa

- **Agility**
- **Cost Optimization**

Is Your Company Agile Enough?

98%

Of CEOs plan business model changes

3X

Increase in gap between expected change and ability to handle change



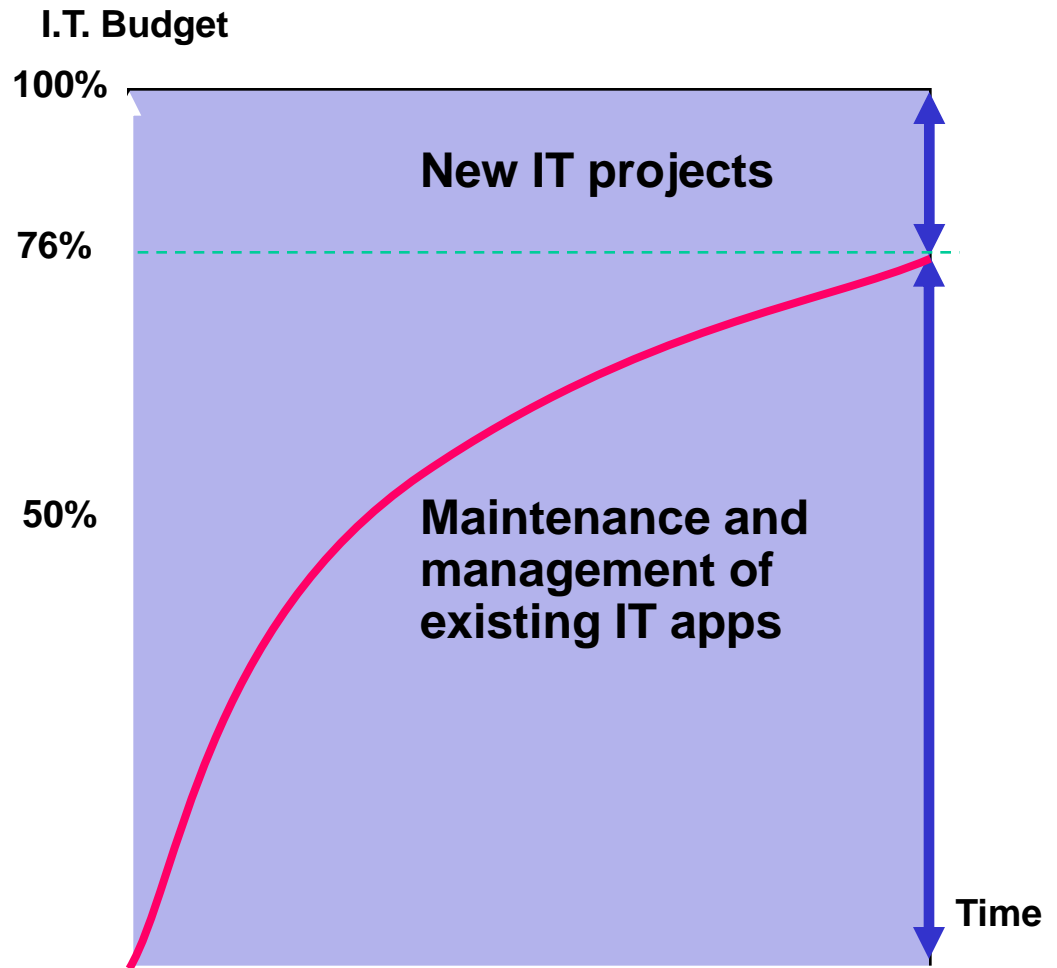
In a Time of Turbulent Change

Source: CIO Study conducted in 2008: http://w3.ibm.com/articles/workingknowledge/2008/12/gbs_ceostudy.html

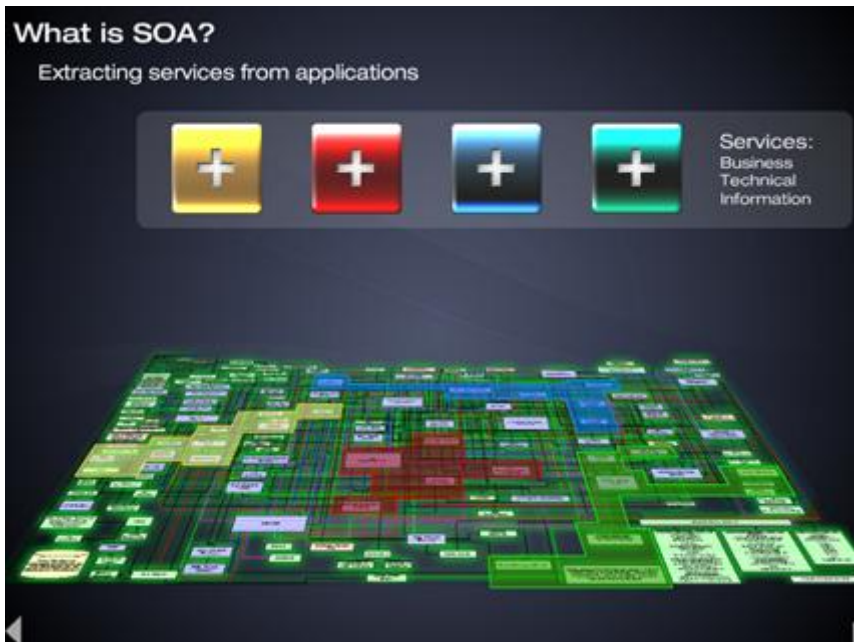
Where are IT Budgets Being Spent?

“76% of I.T budgets are spent on MAINTENANCE, leaving only 24% for NEW INVESTMENTS.”

--- Forrester Research



Service-Orientation, key to Agility and Cost Optimization



- Quickly shift direction to reflect economic realities
- Flexibly connect information and application
- Optimize reuse of existing assets

*Unlock the value of your own...
...Business Resources
...Application Resources
...Infrastructure Resources*

Three Ways SOA Projects Deliver Value

Business Needs

“Ensure applications consistently deliver on business needs in all situations”



Common Buying Scenarios

Application
Infrastructure

“Adapt & respond to dynamic business situations”



Connectivity &
Integration

“Quickly respond to changing customer expectations and business demands”



Dynamic Processes

The Power of a Smart SOA Application Infrastructure



Modernize Applications



Expand revenue opportunities and improve customer satisfaction with Web 2.0

Execute High Volume Transactions



Reduce costly business risks with high availability, secure business applications

Worldwide e-commerce Rollout



Increase utilization, lowering energy and maintenance costs

New Billing System



Quickly roll out new services and lower operational costs to increase revenue and market share

Smart SOA Application Infrastructure

Delivers on Business Objectives and Reduces Cost



Healthcare

- Reduced \$30 million in capital & operating costs
- 150% increase in processing capacity
- 40% reduction in IT infrastructure floor space requirements
- 67% reduction in number of physical servers



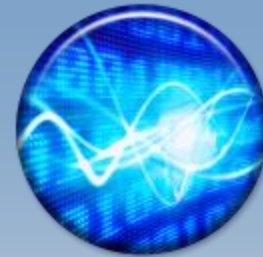
Government

- 80% reduction in time to build new systems
- Improved ability to coordinate operations amongst multiple organizations



Manufacturing

- New level of collaboration via Web 2.0
- Reduced Total Cost of Ownership by 40%



“Three years ago, we set out to build a shared enterprise IT infrastructure that would allow MetLife to grow with agility...we now have a solid framework for integrating the systems of the companies we acquire.”

Bob Fratangelo, Vice President of Distributed Systems at Metlife

HUK-COBURG



Industry Pains

- Need to access more functionality and spread out its data processing load
- Reduce CPU usage to cut operating costs

Smarter Business Outcomes:

- Reduces CPU usage for CICS technology by 400 million instructions per second (MIPS), for savings of \$320,000
- Cuts CPU usage in the internal coupling facility by 40%
- Achieve CPU savings through threadsafe functionality



Why Smart SOA Infrastructure?

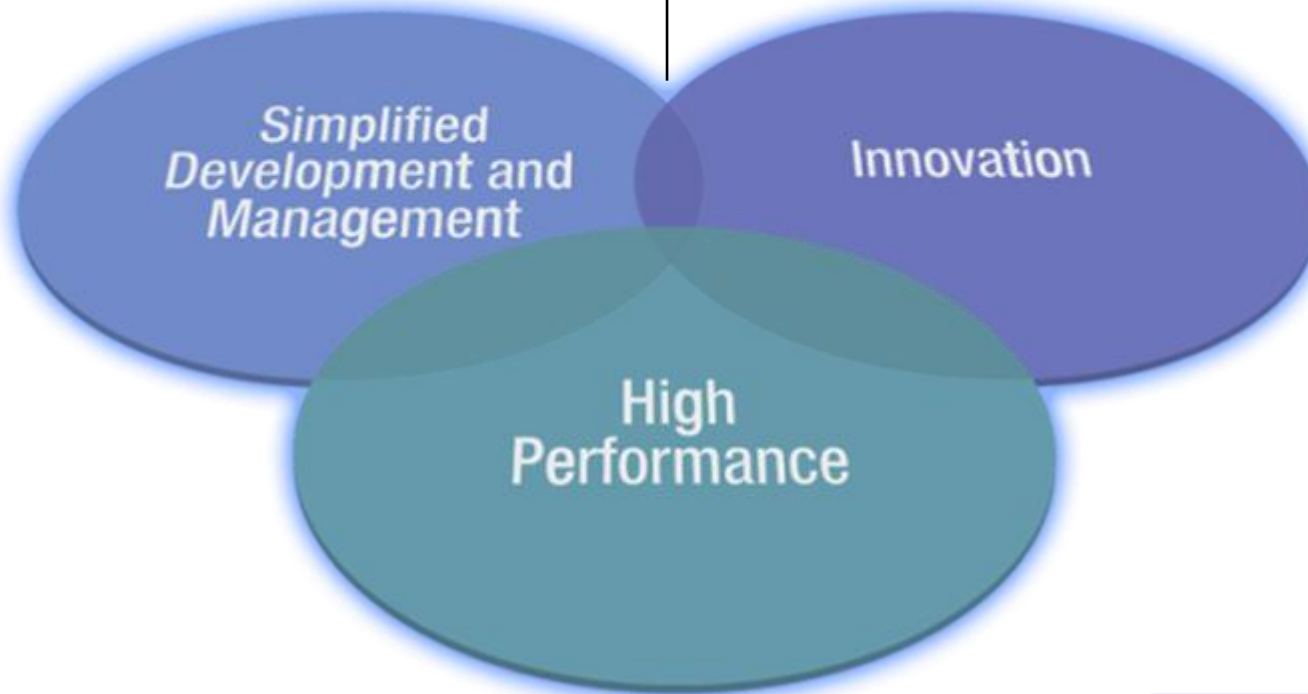
Deliver on business objectives and reduce operating costs

Getting Started:

Building a Robust and Agile Application Foundation



Business
Applications



**IBM CICS Transaction
Server**

IBM CICS Explorer

**IBM WebSphere
Application Server
for z/OS**

Thriving in a Dynamic Marketplace

Intelligent Management of Applications



- Proactively Manage Application Health
- Virtualize Applications & Computing Environments
- Lower Operational & Energy Costs
- Increase Agility



**IBM WebSphere
Extended Deployment
Compute Grid for z/OS**

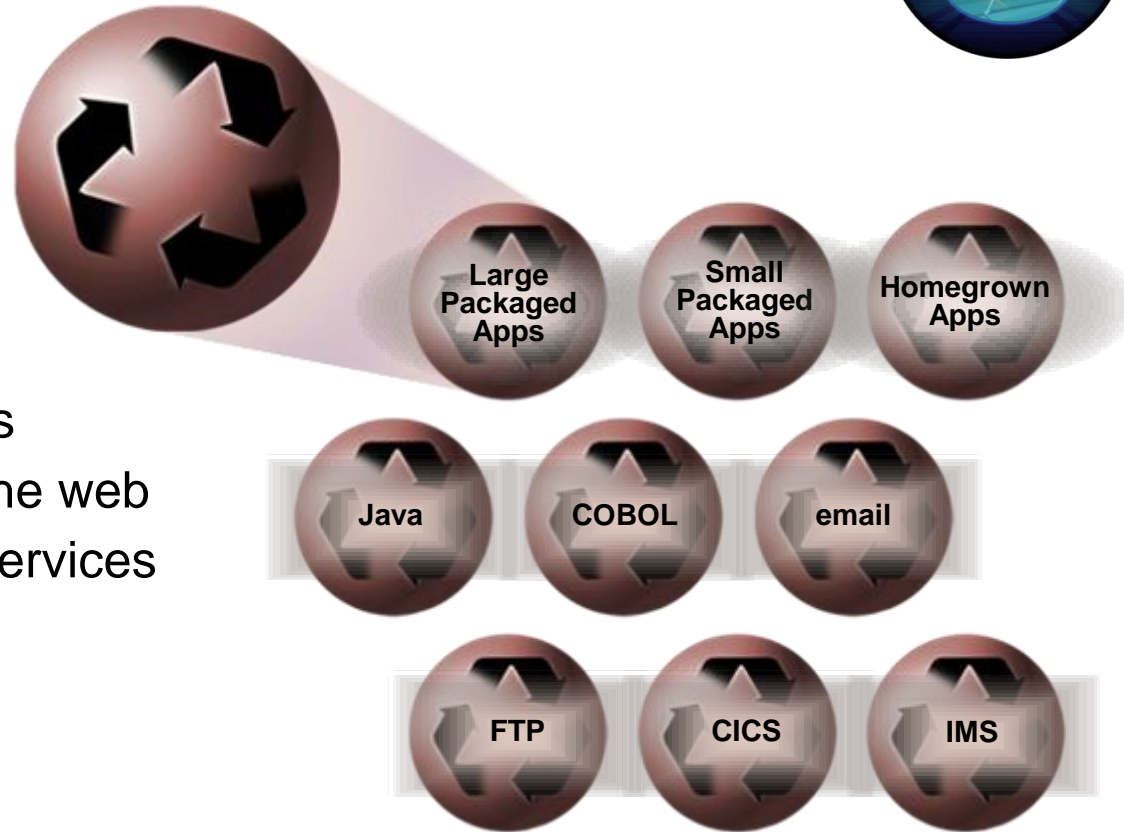
Reuse Business Applications

Enable Agility Required for Smart Business Outcomes



Get More Value from Applications & Expand Business Opportunities

- Service-enable existing packaged and existing apps
- Create new, reusable services
- Extend reusable services to the web
- Consume external reusable services



Benefits

- Extend ROI by reusing prior investments
- Reduce risk and costs by leveraging robust applications
- Speed time to market with faster development cycles



Benefits of Running Applications on System z

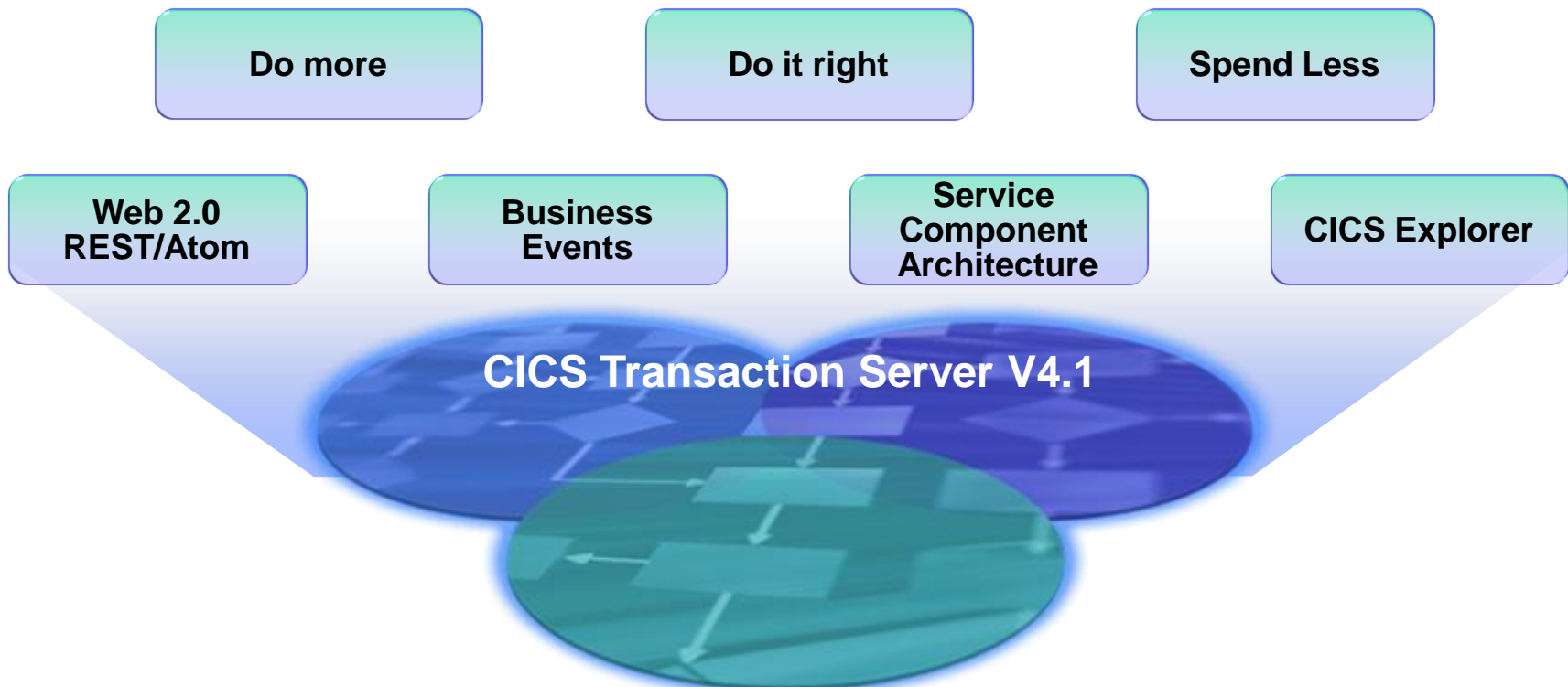
- ✓ Integration with Existing Assets
- ✓ High performance
- ✓ Server consolidation
- ✓ Dynamic scalability
- ✓ 99.999% Availability
- ✓ Exploitation of Java/J2EE
- ✓ Uninterrupted support
- ✓ Low TCO of applications



Spotlight: CICS Transaction Server V4.1



- **Compete** with insight into business processes and modify business applications quickly
- **Comply** with corporate, industry, and government policies to manage business risk
- **Control** costs by simplifying IT infrastructure and productivity through easier-to-use interfaces & functions





An Edge in the Market - Smart Connectivity & Integration

Confirmed Flight Booking



Lower process disruptions with reliable data movement

Central Airport Checkpoint



Create new revenue-generating services from current core business applications

Routing Bank Transactions



Adapt business faster by easily connecting services & apps

Centralized Information Source



Reduce cost & duplication by leveraging existing assets

Proven and Trusted Messaging and Enrichment



Financial Markets

- Delivering \$1 trillion transactions per day
- Exchanging £400B+ in messages



Government

- Agency sends 675m messages per day
- ~ 7,500 agency users & 50,000 citizen transactions daily



Banking

- \$7-\$35 trillion messaging traffic per day
- 213+ million messages daily



Insurance

- 95% of the top global insurances firms use ESB enrichment
- Single firm improved transactional elapsed time by over 39%



“ We needed a single integration platform that would allow all our applications to access and share information and enable them to collaboratively process transactions based on common business rules.”

Chief Architect,
Health Insurance

Ball State University



Industry Pains

- The need to streamline administrative systems and ensure integrity

Smarter Business Outcomes:

- SOA with Enterprise Service Bus to connect siloed applications without hand-coding individual API calls
- Resolve name and address discrepancies in 10 months, as opposed to several years

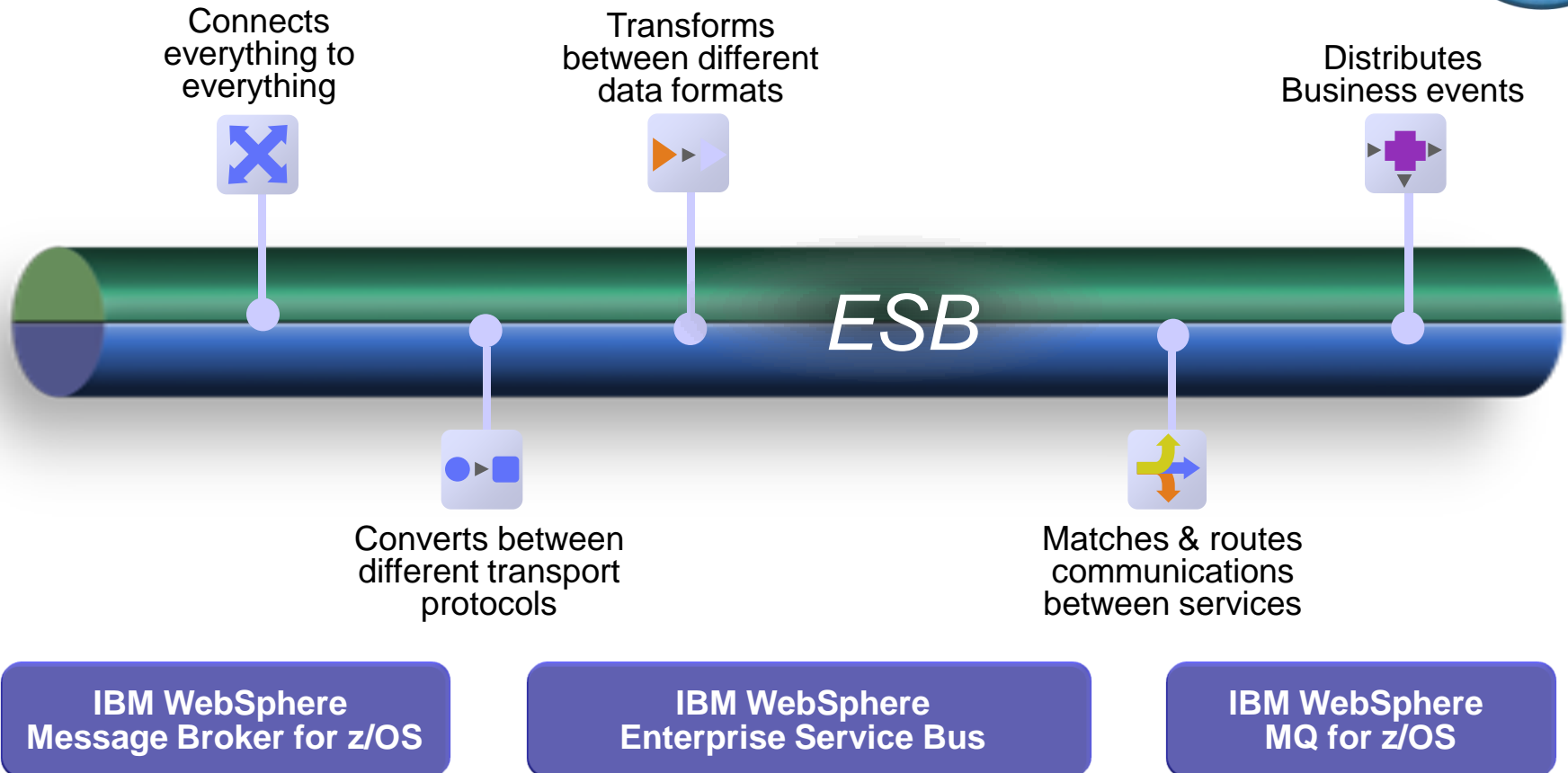


Why Smart SOA Connectivity & Integration?

Communication between decoupled back and front ends, choosing the destination for a message, and transforming it into the correct format

Agile Connectivity Begins with Integration

The Enterprise Service Bus (ESB)



An ESB enables flexible SOA connectivity for integrating business applications, services and processes

Service Visibility & Governance



- Publish & find Your Services to extend business applications
- Manage & govern your ESB messaging & services
- Ensure consistent policy enforcement

IBM WebSphere MQ File Transfer Edition for z/OS

IBM WebSphere Service Registry & Repository for z/OS

When to use System z for Connectivity & Integration

▪Virtualization

- High resource utilization
- Massive consolidation and simplification

▪Performance

- Improvements when co-locating with z/OS data



▪Efficient growth

- Pay for what you use

▪Business critical workloads

- Automated recovery from failures
- Dynamic workload balancing

The Latest Evolution of SOA Messaging



WebSphere MQ for z/OS V7

- Highly consumable & easy to use for faster time to market
- Turbo-charged performance to do more with less
- More dynamic & scalable Pub/Sub features

Enhanced
Tooling

Enhanced
Performance

Enhanced
Resilience

Enhanced
Pub/Sub

Enhanced JMS
Support

New MQI
Commands

HTTP Bridge
for Web 2.0

New Pub/Sub
for z/OS

WebSphere MQ for z/OS V7

Messaging

The Power of Dynamic Business Processes



Supply Chain Management



Automatically adjust forecasts and shipments to increase accuracy and reduce costs

Retail Inventory



Detect and respond to inventory changes in real-time to meet customer demands

Telecom Services



Quickly deliver more compelling and profitable service bundles to increase customer retention

Insurance Claims Processing



Improve productivity and customer satisfaction by automatically routing claims to the right knowledge worker

Dynamic Business Processes Deliver Real Results



Supply Chain

- Reduced costs by 63%
- Reduced staffing requirements for manual tasks by 85%
- Reduced compliance penalties by 75%



Government

- 80% reduction in tax return exception backlogs
- 80% reduction in average age of work queue, avoiding extra interest costs



Insurance

- Decreased costs by 30%
- Increased revenues by 15%



"...in this era, flexibility and the optimal operation is really needed. We are in the recession time, so optimization is something which is a must for all of us...this is something which is not found in other vendors...Fabric (and the Telco Pack)...gives us a possibility to dynamically select the service based on the policy. ...one of the strong points of IBM BPM SOA solution is that it covers the complete lifecycle of the process, so starting from modeling and ending at monitoring and operating."

Mitja Stular. CTO for Mobitel

“European Bank”



European Bank

Industry Pains

- The market for home loans has been transformed by a new breed of independent mortgage brokers who now account for 40 percent of the market.
- To respond to this marketplace change they needed a channel to reach these brokers.

Smarter Business Outcomes:

- Mortgage application processed in just hours compared with 2-3 days taken by competitors; independent mortgage broker channel now accounts for substantial portion of their business after only 6 months, far exceeding expectations; new channel added without significantly increasing staff levels



Why Smart SOA Business Process Management?

WebSphere Process Server improved the reuse and efficiency of service components to reach the independent mortgage broker market

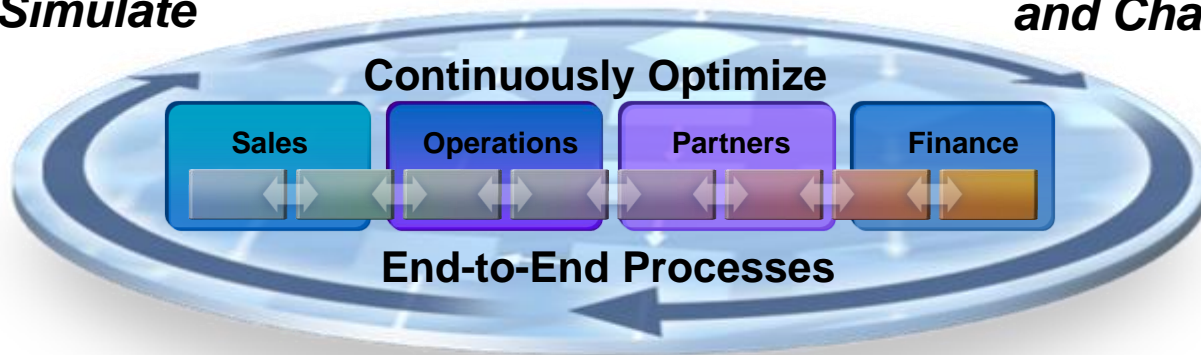
Process Automation

Improves Operating Efficiency and Reduce Costs



Model and Simulate

Rapidly Deploy and Change



Monitor, Predict and Act



Streamline business activities

Complement and extend existing applications

Leverages reusable process components

Lower Costs

Reduce cycle time

Easier to Manage

IBM WebSphere Process Server for z/OS

IBM WebSphere Business Monitor

IBM WebSphere Business Modeler

Insight contained in business events all around us



What is a Business Event?

An action that has occurred, or the absence of it occurring, which has relevance to the business

Nearly **4 Trillion** RFID events are emitted each day



Large companies can experience up to **800 Billion** business events (shipments, weather, customer contacts, delays) daily

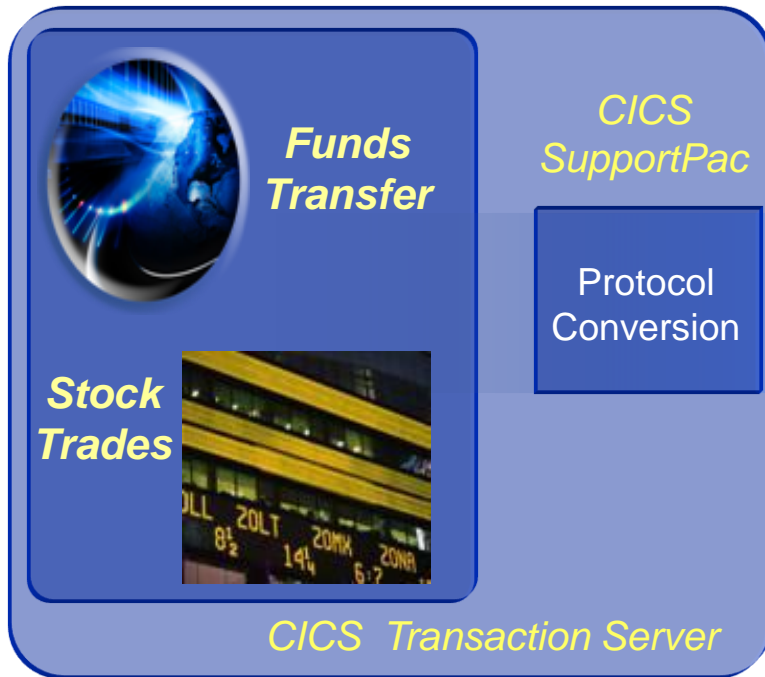


Over **190 Billion** emails are sent daily



Capture mainframe events for smarter business outcomes

CICS Event Sources



Detect fraud and take action

Event Streams



WebSphere Business Events



WebSphere Business Monitor



WebSphere Process Server



WebSphere Business Events integration with WebSphere Business Monitor, Tivoli NetCool and CICS Transaction Server

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

Efficient Supply Chain Management

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



Advanced Suite of Optimization Tools

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

Innovative Visualization Tools

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

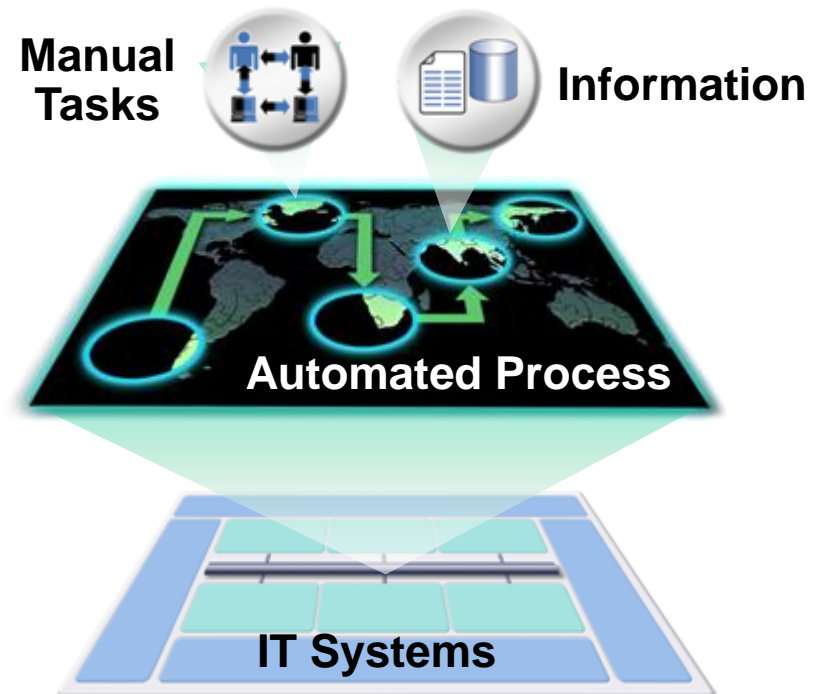
Success Story

Hotwire expands revenue opportunities and improves business response times, with greater scalability and flexibility through rules management



When to Use System z for Process Management

- ✓ Process Efficiency
- ✓ Improve Integration
- ✓ Reduce Human Processes
- ✓ Workload Management



WebSphere Process Server for z/OS®

Application Robust platform that is easy to deploy

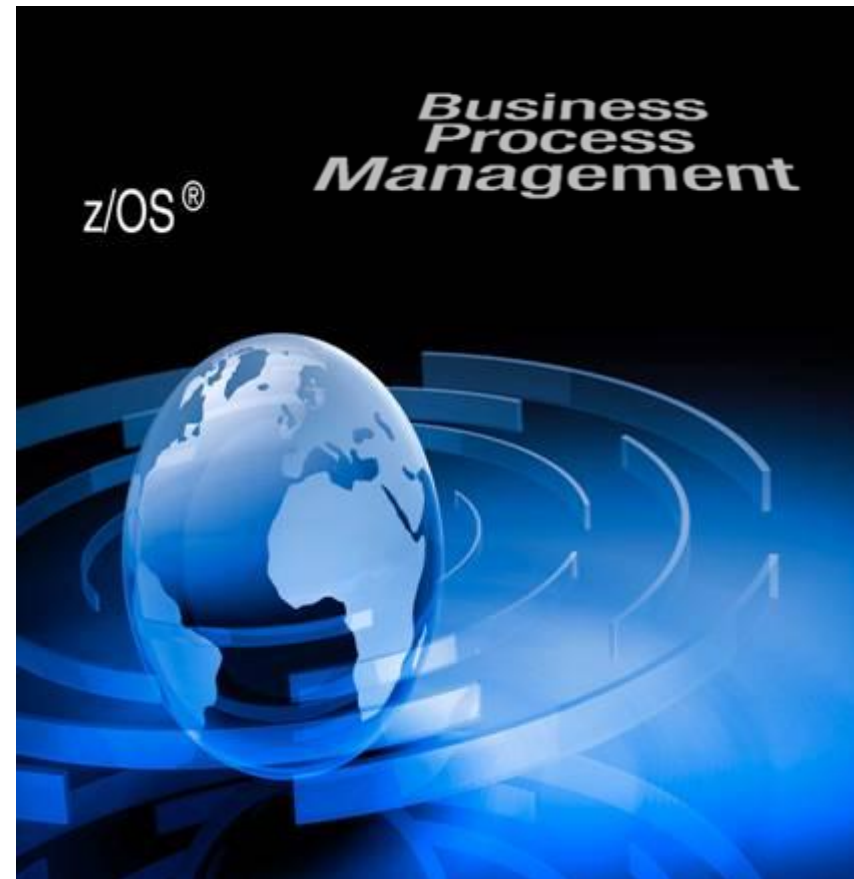
Leveraging a strong SOA foundation on z/OS for process flexibility, responsiveness and access to information assets

New with Version 6.2

- Web 2.0 business user interface to manage human tasks, timetables & orchestrated processes
- Lotus Forms integration for human tasks
- Greater flexibility and control for business rules, ad-hoc tasks & process execution

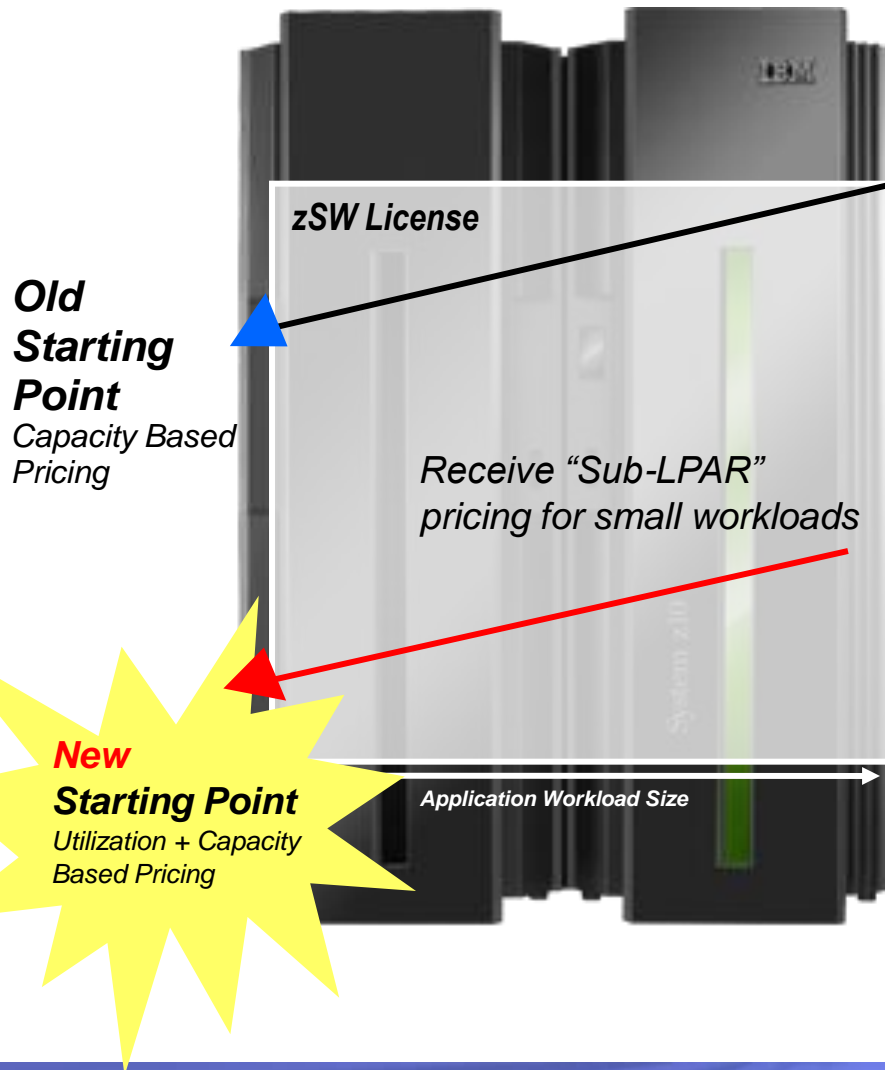
Integration with CICS

- CICS applications can be part of business processes
- CICS events feeding WebSphere Business Events to identify patterns of interest



Getting Started Sub-capacity Pricing for z/OS IPLA Software

Helping to Make It Easier To Deploy New Projects on z/OS Software



- ✓ Help customers start their projects
- ✓ Improve alignment between software use and software charges
- ✓ Enable greater flexibility with software licensing
- ✓ Change LPAR capacity without changing software charges
- ✓ Improve price / performance

Let's Build a Smarter Planet on System z



2009 IMPACT
SMART SOA CONFERENCE
MAY 3 - 8 LAS VEGAS

Register NOW
ibm.com/soa/impact2009
\$200 savings;
early bird ends on Jan 31st