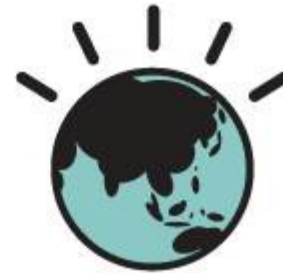**IBM ASEAN
Leadership Exchange**

5 Smart Work Projects to Optimize Your Business

Manoj Saxena
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5 Smart Work Projects to Optimize Your Business

Manoj Saxena

Vice President

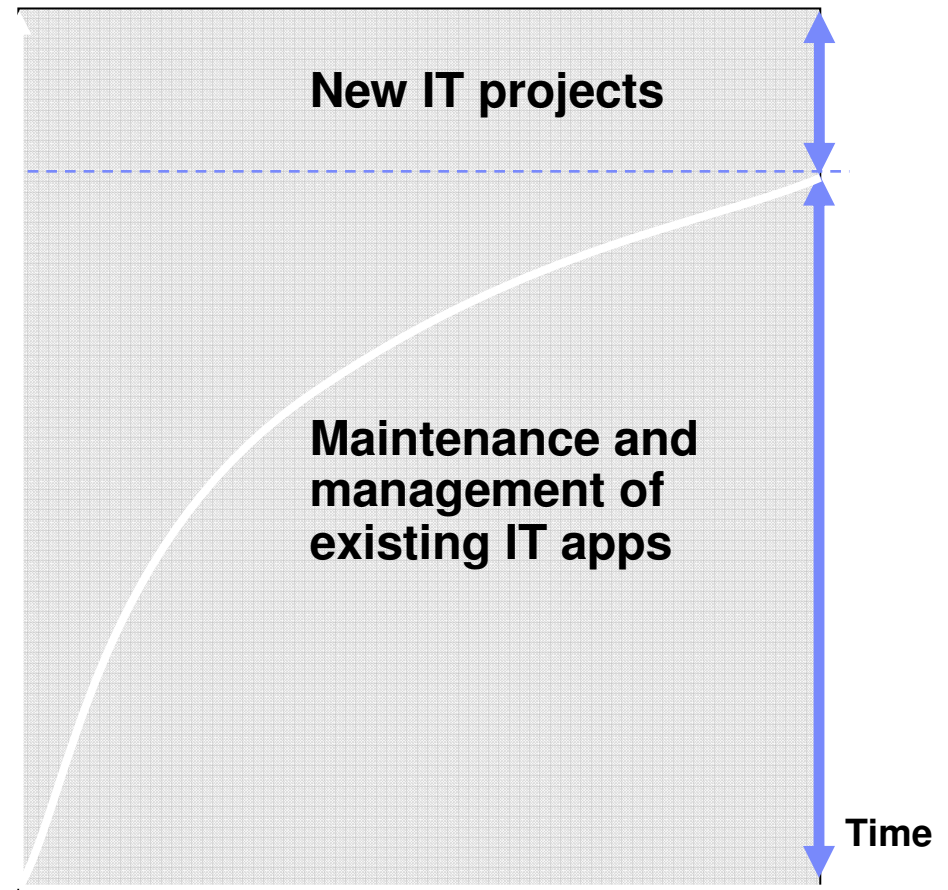Global Solutions & Asset Management

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Work Smarter with Your IT Budgets

Traditionally…
"76% of I.T budgets are spent on MAINTENANCE, leaving only 24% for NEW INVESTMENTS."

– Forrester Research

Budget

New IT projects

Maintenance and management of existing IT apps

Time

The Challenge: Business and IT Alignment

Business Pressures

Increase Revenues
Reduce Costs

Integrate
Across the
Enterprise

Provide Business
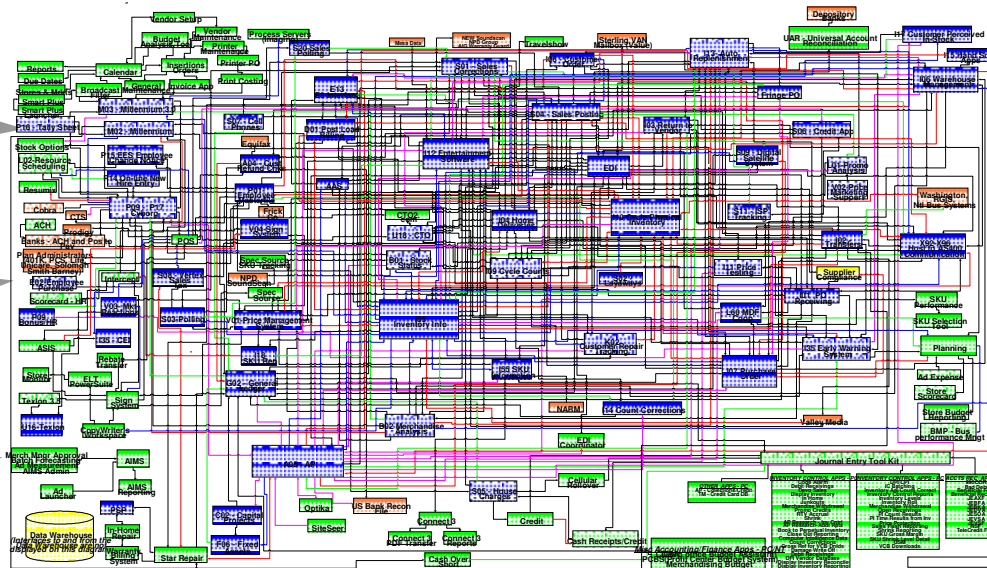Model and
Process Flexibility

Agents

Employees

Customers

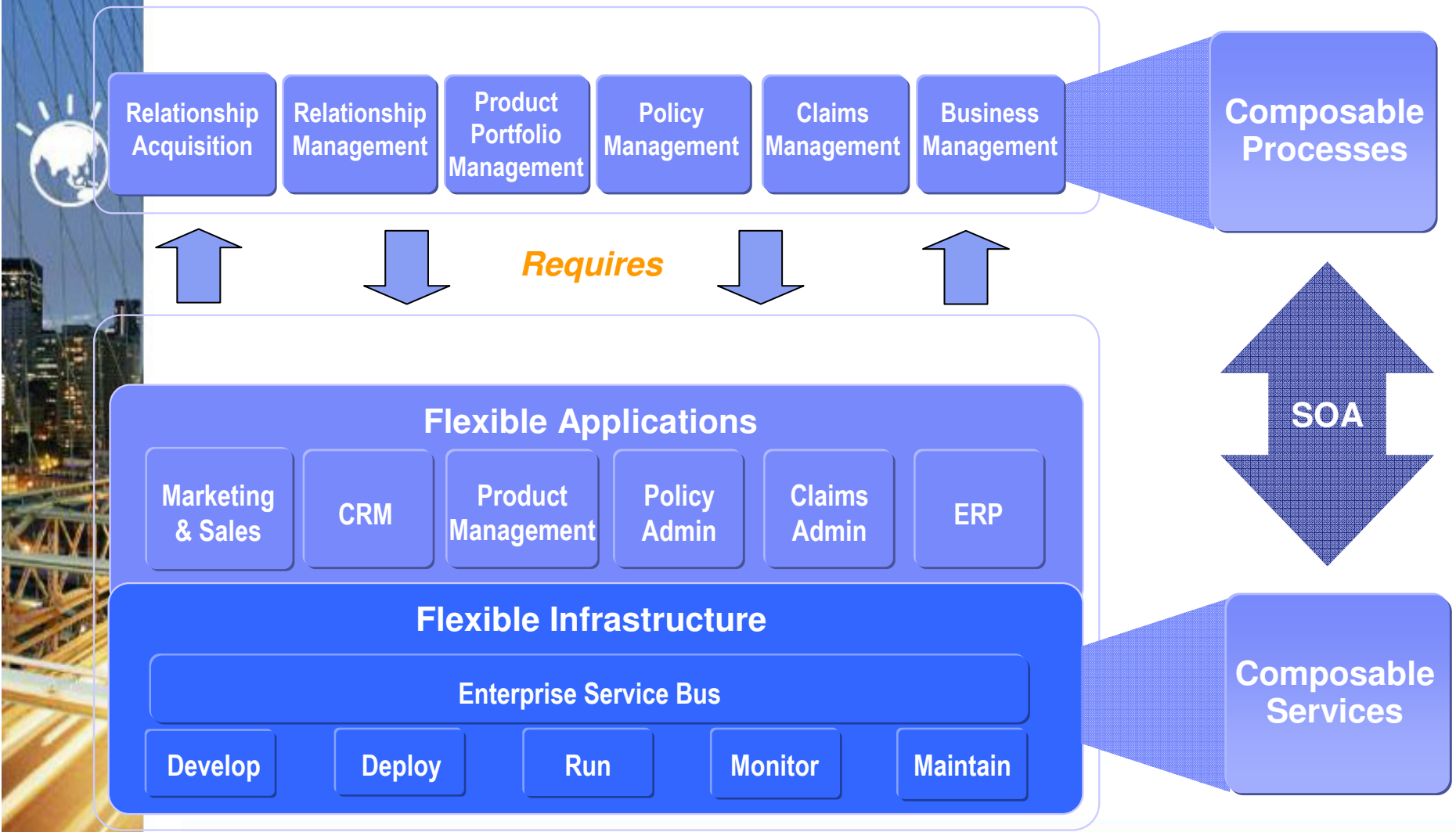Suppliers

Resellers

3rd Party
Providers

IT Constraints

Complex
processes
and systems

Complex
applications
and interfaces

IT budget spent on
maintenance, not new
investments

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Flexible Business Requires Flexible IT

Relationship Acquisition	Relationship Management	Product Portfolio Management	Policy Management	Claims Management	Business Management

Composable Processes

Requires

SOA

Flexible Applications

Marketing & Sales	CRM	Product Management	Policy Admin	Claims Admin	ERP

Flexible Infrastructure

Enterprise Service Bus

Develop	Deploy	Run	Monitor	Maintain

Composable Services

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Service-Orientation is Key to Cost Optimization and Agility

What is SOA?
Extracting services from applications
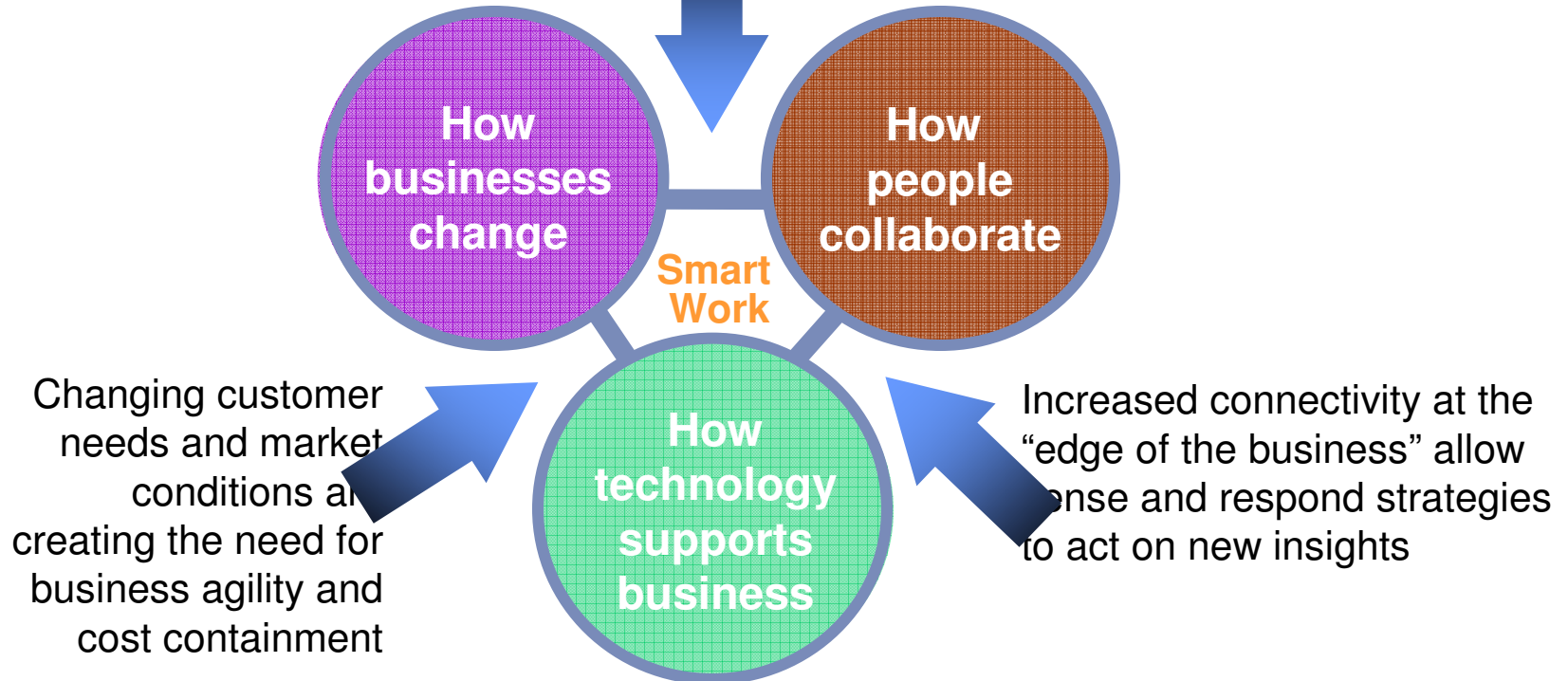
Services:
Business
Technical
Information

- **Optimize reuse of existing assets**

- **Quickly shift direction to reflect economic realities**

- **Flexibly connect information and applications**

Unlock the value of your own…
- *Business Resources*
- *Application Resources*
- *Infrastructure Resources*

Shifts in how work will be accomplished will create new challenges & opportunities

Product design, creation, test, marketing, and self-service can now extend to connected customers, trading partners, and service providers

How businesses change

How people collaborate

Smart Work

How technology supports business

Changing customer needs and market conditions are creating the need for business agility and cost containment

Increased connectivity at the "edge of the business" allow sense and respond strategies to act on new insights

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Five Projects to Work Smarter In Any Economy

1 Automate Manual Processes for Business Agility

2 Connect Disparate Systems for Integration Cost Efficiency

3 Unlock Existing Information for Visibility and Insight

4 Leverage Legacy Systems for Increased Reuse

5 Empower People for Enhanced Productivity

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① Process Automation Accelerates Business Agility

The Problem

- Process changes require IT intervention
- Employees wasting time on redundant tasks
- Manual intervention in processes hinder throughput

Gartner has cited process improvements as the #1 business concern for 4 straight years*

The Possibilities

- Reduce order lead time by up to 8x or more
- Speed time to market of new products dramatically
- Optimize services with faster claims cycle times

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Working Smarter with Invoicing Process Automation

PETCO
Where the pets go.

- Invoices processed in *seconds instead of hours*

- ROI in *2 months*

- *30% reduction* in development time

The Problem

- 70% of IT budget spent maintaining point-to-point application interfaces

- Custom point-to-point connections are brittle, expensive, and risky

The Possibilities

- Reduce integration cost and maintenance 2-4 times*

- Improve performance more than 10x, with lower costs

- Achieve full ROI within as little as 6 months

ESB

Source: "Application Integration Challenges", Software Strategies

New York Power Authority

- ***70% reduction*** in maintenance of interfaces

- ***60% time to market improvement*** for adding interfaces and partners

- ***Redeployment of 15 billing staff*** to more meaningful tasks
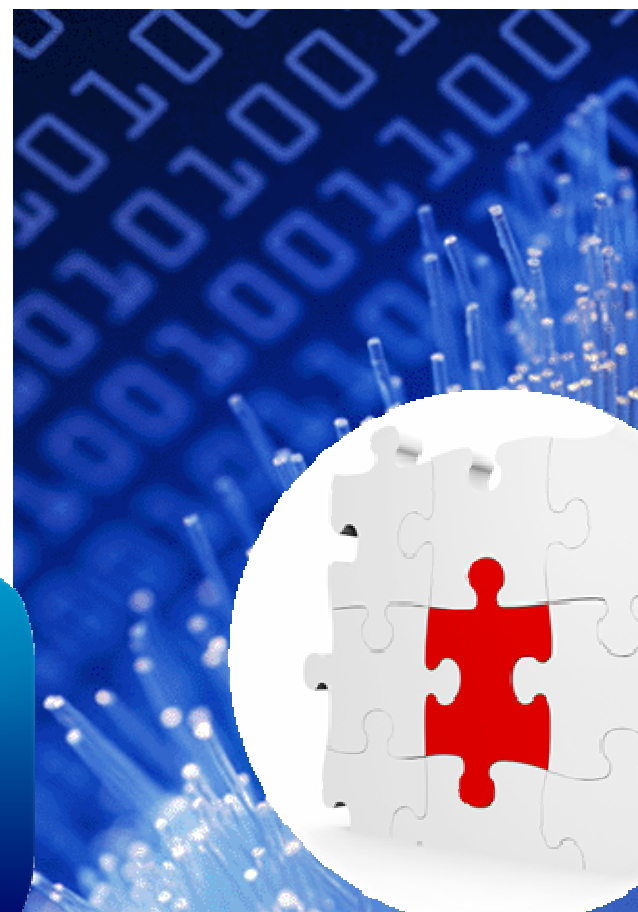
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③ Unlock Information for Visibility and Insight

The Problem

- 33% of business leaders frequently make critical business decisions without the information they need*

- Information is not integrated to enable efficient decision-making

The Possibilities

- Cost optimize linkage of business unit systems and information

- Provide single view of information to optimize decision making

Source: IBM Business Value, Business Analytics and Optimization Study, March 2009

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StatoilHydro

- ***Real-time*** data access

- ***2X*** industry production average

- ***30% reduction*** in maintenance costs

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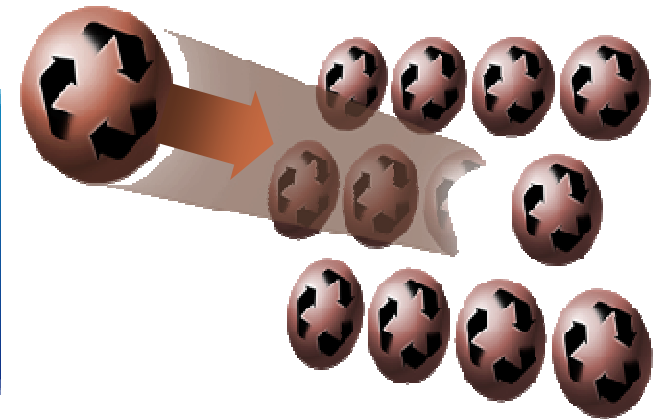# Reuse What You Have to Reduce Capital Investment

The Problem

"Industry has already invested trillions in IT. If faster results can be achieved reusing rather than rewriting, only a fool would choose [sic] to rewrite"

– John Balderson, The Spencer Group

Not already reusing your applications?
*at **WHAT COST?***

The Possibilities

- Reduce time-to-market for new services by anywhere from 90-200%

- Share application infrastructure to reduce total cost of ownership

- Delay capital expenditures by leveraging existing infrastructure

- Cut expenses by up to 5x times or more*

Source: Software Productivity Research

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4 Working smarter to extend existing investments

SEARS
Canada

- **5-15% increase** in code reuse for cost savings

- **Integrates 3,000+ suppliers** with legacy systems in a fraction of the time

- **Faster deployment** of products and services

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⑤ Empower People to Enhance Productivity
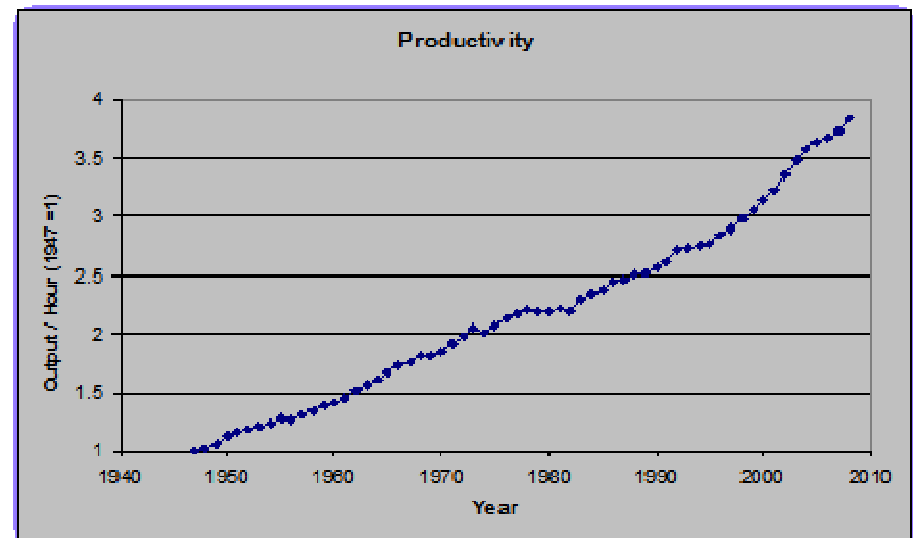
The Problem

- Inefficiencies of outdated systems hamper improvements
- Struggle accessing globally dispersed knowledge-base
- Logistics of capturing and leveraging customer insight

Productivity is increasing all around you

You need to do more with less… Just to stand still

The Possibilities

- Decrease product development time by up to 20% or more
- Reduce time to assign access rights by 10 times
- Unlock innovation and hidden knowledge through broad participation

Productivity

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5 Working Smarter with Citizen Self-Service

MIAMI-DADE COUNTY

- Improved portal with *50% increase* in visitors

- Expect *25% reduction* in systems management costs

- Over 428,000 electronic payments processed *$468 million in revenue*

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Thank You

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