**Decision Automation Pilot:  Improve the timing and quality of your most important operational decisions within key business processes.**

**Event ID:  289929**


Stephanie Stahl:  Good morning, good afternoon or good evening depending on where you are in the world and welcome to today's webinar, "Decision Automation Pilot:  Improving the timing and quality of your most important operational decisions within key business processes."  It's brought to you by Information Week, IBM and UBM TechWeb.  I'm Stephanie Stahl; I will be your moderator today.


To ensure that this event is as interactive as possible, I'd like to make a few announcements before we begin.  At this time we recommend you disable your popup blockers.  This webcast makes use of pop-ups or widgets to help you interact with the presenter.  You can launch these widgets from any docking tray at the bottom of your console. Some of them will open in a separate browser window.  You can resize the widgets by dragging the lower right corner.  You can move them by dragging the top bar, or minimize them by clicking on the blue button in the upper right corner.


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Now onto today's presentation, "Decision Automation Pilot:  Improving the timing and quality of your most important operational decisions within key business processes."  Our speaker today will be Alex You, a client partner at IBM Software Services Group.  Alex, I will turn it over to you.

Alex You:  Thank you, Stephanie.  I'm excited to be here and glad to talk about the opportunity to discuss decision automation and the IBM Quick Win Pilot approach to delivering measurable business results in ten weeks.

How many of you out there routinely run into these types of issues on your project, whether they are project budget overruns, schedule delays, whether requirement in the solution is just not meeting at the end of the project?  Unfortunately these types of project issues are all too commonplace and pervasive in our business setting.  A lot of the clients that I work with struggle with these on a daily basis and what we have found is that the larger and the more complex a project gets, the less likely it is to ever really be able to be successful and to deliver something of tangible business results at the end.

Project teams that I work with are often very skeptical about the ability of, about their own ability to really execute on a project when you spend so much time upfront planning and thinking about the scope and really just having sometimes theoretical discussions around what is the end goal that we are trying to get to.  They have a very difficult time wrapping their head around it and really being able to embrace and feel confident about the ability of the team to actually go off and execute that.

The Quick Win Pilot is not a magical recipe.  It is a focused and disciplined approach and methodology for how you go out and execute on a project and deliver a business win.  The critical aspect of the Quick Win Pilot is to deliver that initial proof point.  And it is really identifying an area of the business where there is a significant challenge or significant pain point and really figuring out how do I go and fix that area of the business so that I can get higher revenue, lower cost, better efficiency, more effectiveness.

The other aspect of the Quick Win Pilot that we found to be very important is the concept of Momentum Generation.  So when we go off and we start talking to our client base about Quick Win Pilots and the fact that we are striving to achieve a tangible business and measurable one within 10 weeks, one of the questions we always get is how do you do that.  In my environment today, change requests can't even get done in 10 weeks and the concept here is that you are going to deliver a new application or a subset of a new application within that time period.  So we are sometimes met with that skepticism, but after executing that Quick Win Pilot and being able to have that proof point to go internally with an organization and have something tangible to say, we deliver something within 10 weeks and it is out there and it is delivering business results.

That generates a significant amount of positive momentum within organizations and when people hear about that they want to be part of that winning formula.  They will start to make requests to join that project team and be involved with something that is going to be able to have that kind of positive effect.

So we have been talking a little bit about the Quick Win Pilot but I want to step back a little bit and take it up a level.  The Quick Win Pilot is a very important, tactical piece of what we refer to as the Journey.  And if you look at the slide here, one of the things that we often get asked is how do we get started.  We have identified some areas of the business where improvement needs to be made.  There are challenges and issues that are preventing us from being competitive and being a market leader.  And we understand where we want to get to, but we don't know how.  We don't know how to get from here, from point A to point B.  And more specifically, how do we actually get started.  What are the tangible 1, 2, 3 type of items that we actually need to go off and start doing in order to start ourselves down that path.  And that is what we refer to as the Journey.

So it is both a strategic as well as a tactical play here.  Strategically you need to be able to build your roadmap, your journey, and be able to really figure out what the foundational pillars in support of that strategic effort is.  And then the most important tactical piece of it is delivering that initial project, getting that quick win, and that's what the Quick Win Pilot is all about.

So going back to the point about how to get started, if you look on the left we have a term that we use called a Discovery Workshop.  And this is really nothing more than just a medium to get the right stakeholders together in a room to talk about the business challenges and to have a discussion around what part of the business do we really want to go off and tackle.  And this is very critical because this is the starting point of those discussions that will lead you to identify where in the business you are going to go and find an initial project to do as part of your quick win.

And as you move left to right on the slide, you do the discovery workshop, you execute the Quick Win Pilot and then you basically elaborate on that solution and that pilot to become a full-fledged project.  And then from there once you have an initial successful project, maybe you do another one, you get two or three stood up, before you know it you have a program and a portfolio of those successful applications out there and running.  And that presents a different challenge because you really now need to be able to effectively manage at the enterprise level all of those multiple projects in more of a program fashion.

Let's take this time to drill down a little bit into the actual Quick Win Pilot and talk about what happens in that 10 week period. The first two week period is what we call Definition. And this is a very, very critical part of the Quick Win Pilot approach. It's during this initial two weeks where all of the stakeholders are going to sit down and really figure out what is the scope of what we are trying to do.

One of the big questions we always get from clients is we have never really done anything in our organization in 10 weeks. Routine change requests take two, three times that much. So they are very skeptical about the ability to deliver something new within that time period. And our response is always that it is not easy, but it can be done. And the key thing is that getting the stakeholders together to really be able to prioritize and say where in my business am I going to place my focus. And once we can get through that exercise, the execution of it can be successful with that manageable, meaningful, well-defined scope and the organizational support.

After that initial two week definition period, we go into small, typically two week iterations. And at the end of each of those two week iterations we conduct something called a Playback which is extremely important and a fundamental aspect of the Quick Win Pilot approach. The Playback is the opportunity and the medium by which we get all of the stakeholders back together and review the progress done to date. And it's really the opportunity to be able to bring everybody back together and say, here are the requirements that we heard, here is the design we put in place, and here is what we actually went off and built according to those design and requirements. Does it match what you were looking for?

And this is so critical because as we talked about earlier, it is very hard to get people to really be able to clearly define and articulate at the very beginning exactly what they want. One of the analogies I like to use with my clients is that one of the things I do for myself is I build a lot of Excel spreadsheets. And I need to run my own reports and things like that. So I actually, about once a month I go through an exercise where I sit down and I try and detail out what the requirement for a given Excel report that I want to build myself are. And I'm never able to do it. I'm never able to t clearly define all of the requirements and then actually go build a relatively simple Excel report based on that.

So if you multiply that complexity times 100, times 1,000, whatever that factor is because there are so many more people involved, the solutions are obviously more complex and the business issue is more complex than my simple spreadsheet, but you start to really get an appreciation for the difficulty and the challenge of really defining requirements clearly up front.

So this approach really addresses that head on because you don't have to get it perfect up front. Let's get as much of it defined, in two weeks we are going to build and play it back and refine as necessary. And we do that about three times within the course of the Quick Win Pilot. And after that third time there is a lot of refinement happens and a lot of good learning happens. And by the end of that 8 weeks you are going to have something that is very, very closely aligned with what the actual needs of the business are. It is not 8 weeks of just pure development time where it is based on requirements being happened up front. The business team, the IT team, they are going to have multiple sessions where they sit down and go through these playbacks and everybody is making sure that what is being built is what is really needed.

So at this time I would like to highlight a few client success stories. The first one is with a transportation company based here in North America. The business challenge that they had was that they had a very error-prone and highly manual billing process. And when we started with them their automation rate was about 40%, so well under where they wanted to be and where they needed to be to really be competitive in this space and be efficient.

The solution that we implemented for them was leveraging the IBM ILOG JRules Business Rule Management System. And we approached it using our Quick Win Pilot structure. And the solution was really focused on three areas – automation, agility and consistency. The client had a really strong need to be able to increase that automation rate because anything that wasn't fully automated required their team to take valuable time to go and process manually. Agility was a second one. This is an area where the pace of change was quite rapid. The business team would really – they had a strong desire to be able to make changes more quickly, but because of some system limitations they weren't able to do so. And of course, consistency. If you give a particular billing problem or process to different people, depending on their experience and their perspective, it may not get processed the same way.

So at the end of that we were able to get measurable business results. At the end of the Quick Win Pilot they were able to increase their automation rate from 40% to 96% which was just a great result. And the error rate was also significantly reduced.

The second Quick Win client story is a financial services company. This particular firm had a very paper-driven, manual, slow and error-prone process for how they did account servicing for their retirement base. And that resulted in a lot of customer satisfaction challenges. This client in particular had an interesting story because they were so paper-driven that their floors were literally sinking in their building. They had stacked up boxes and boxes of paper because that's how they were operating, the floors in their office space actually started to sink a bit and it was a structural problem for the building in

addition to just the inefficiencies from an operational perspective.  And in this particular case, the solution leveraged the IBM WebSphere Lombardi Edition Process Management technology as well as the Quick Win Pilot approach.  And the solution was focused on increasing productivity and reducing the processing time and error rate.  And similar to the other one I am happy to report that his client was able to deliver a 120% return on their investment based on the technology and the methodology approach in year one.  And they were able to greatly reduce their customer complaints by 90%.

The third and final client Quick Win that I would like to talk about is with an insurance company.  This particular client had a manual, time consuming and inconsistent process to determine product placement for clients.  So when they brought a new client in, one of the key steps in that on-boarding process was to figure out what products do they qualify for and what products do we really want to recommend to them based on their profile and based on what would make the most sense for them as well as what would make sense for the client from a financial perspective.

It was completely manual so oftentimes what you would see happening is that if you gave the application form to five different reviewers, they could potentially and often did get placed into five different product groups.  And oftentimes they were not even eligible for those particular product groups.  But because it was completely manual and there were no oversights checks and balances, that kind of event was all too commonplace.

So the solution there, again, leveraged the ILOG JRules Business Rule Management System, and we approached it with our Quick Win Pilot structure and focused around consistency and automation.  And the end result there was that what used to take anywhere between 20 and 60 minutes of manual time for a reviewer to process now take less than 1 second.  And the consistency is absolutely there because it is fully automated.  There are still exception processes, of course, but the number of exceptions is very small.  And, again, the key thing here is from a business perspective, it took on average about 20 minutes for  a simple application to get reviewed and the product to be determined.  And complex ones took up to an hour.

In the new system, in the new process, it takes less than one second.  So, again, tremendous business results were achieved there.

When we partner with our clients, one of the key items that we really need to get an understanding and appreciation of is the delivery strategy that our clients like to approach projects with.  On the left you see the customer owning the delivery where IBM really plays a guidance and expert consultant role.  On

the right it is more of a turnkey solution where IBM delivers the entire project.  The Quick Win Pilot sits in the middle because our approach is really two-pronged.  It is focused on getting a delivery and getting that Quick Win out there, but at the same time we understand and appreciate the importance of client teams really understanding and adopting and being comfortable and confident with the given technology as well as the methodology and approach to how to deliver solutions.

And that is what the Quick Win Pilot is all about.  Taking both of those into consideration and really being focused on delivering as well as jumpstarting the enablement of client teams so that they can be successful on their own.

So I would like to leave everyone with the following five key takeaways.  The first one is that the most important thing is that you want to focus on measurable business results.  Where in my business within this given project, within this given line of business can I get my greatest return?  And again, it is a challenging effort, it's a challenging exercise to really be able to sit down and say, "I've got a lot of issues and a lot of challenges, I've got to get it all done."  But at the end of the day, what we have found is that you will always be able to find a certain slice within a business that you can focus on as your first Quick Win.

The second is to define a meaningful but manageable scope, and be extremely rigorous and disciplined in controlling that.  This is, again, another very challenging aspect.  The ability of the project and its stakeholders to really be able to define that scope and manage it and keep it contained is a challenge, but with the right focus and with the right discipline we have found and been able to help a lot of clients be successful in this effort.

The third is strong sponsorship.  No matter how great of a project team you may have on the ground, if it doesn't have the right sponsorship from all the key stakeholders within an organization, the likelihood of it being successful is not very high.  So you've got to make sure that you have buy-in and support from all levels of the organization.

Number four is active participation from business and IT. Business Rule Management Solutions as well as Business Process Management ones are – it's very important that there is strong alignment between business and IT.  One of the lines we like to say is build the solution with the business, I'm sorry, build the solution with the business, not for the business.  One of the things that we have seen in a lot of our client bases, the client's traditional approach, they define their requirements, they turn it over to IT, and they expect a system three or six months later.

That approach we have seen a lot of challenges with and which is why we really focus on that close alignment of business and IT stakeholders.

And the fifth is continuous improvement. In 10 weeks you may not be able to get everything you want done, but that's okay. You don't need to be perfect because the likelihood of you being able to do something perfectly the first time is quite low. So it is all about continuous improvement. Let me find that meaningful area of the business where I am going to deliver an initial solution and I'm going to refine it over time and get better and better each step of the way.

Stephanie?

Stephanie Stahl: Thank you very much, Alex. As we begin with today's Q and A, please fill out the feedback form that has opened on your computer. To complete the form, just press the submit answer button at the bottom of the page. Thank you in advance for filling out the feedback form. Your participation in this survey allows us to better serve you. And now we will go on to our question-and-answer portion of the event. As a reminder, to participate, just type your question into the question text box and click the "Submit" button.

All right, so Alex, before I get to some of the questions that are already coming in from our audience, I've got one for you. You just mentioned in your key takeaways about defining the scope. How do you define and manage the scope? I mean that's a pretty good task in itself, right?

Alex You: Absolutely. It's a very challenging task and it is one that I probably spend about 80% of my time talking to clients about. The key thing is, you just have to have the right discussion with the right person. We recently started one of these Quick Win Pilots with a client in the DC area, and they had the same challenge. When they looked at a certain area of their business they said, "10 weeks is not going to really buy us anything and we don't really see a logical way to be able to break up that piece of the business into something that can fit within 10 weeks."

And we heard them. We said, give us an opportunity. Let's sit down and have a discussion and really look at your process end to end. Let's look at all of the events and the policies that apply there and see if something bubbles to the top. And low and behold after about a half a day of working session with

them, they saw an area of that business where it floated naturally to the top and said, "Hey, you know what, that's an area of the business that is the most painful and is reasonable to get done within 10 weeks." So that is what we defined the scope as and that is what we are working towards right now.

Stephanie Stahl: Excellent. You mentioned a few examples, transportation, financial services, something in DC, I'm guessing it could be government oriented, but are there certain industries that this is really designed for or can anybody take advantage of this?

Alex You: No, so the Quick Win Pilot approach is not catered or geared towards any specific industry. We have done these across multiple industries, financial services, government, retail, transportation. So, we haven't seen anything out in the field that would say works better in this industry or that industry. Nothing like that at all.

Stephanie Stahl: Okay, great. All right, let me go to a question from the audience. It says, if I am understanding correctly QWP is an approach to feasibility study which uses an agile approach to feasibility, involves the business more. However, at the end of the QWP session, the decision could be made not to pursue the solution. Do you ever see that happen?

Alex You: Yes, absolutely. So, one of the things we strive for in the Quick Win Pilot approach is to have something ready that you can put into a production environment at the end of that 10 weeks. But to this question's point, you may determine that at the end of it, you know what, it wasn't the right solution. It wasn't the right technology or there is something missing in the business. And this is actually another great risk mitigator because one of the things that I am hearing from a lot of the executives that I work with is that they are very tired and very challenged with writing, $5, $10, $20 million checks up front for a multi-year transformational project that they already know is probably going to cost them two, three times that much. It is probably going to take two, three times that long.

So by going in with this Quick Win Pilot approach, they look at it as seed money. I'm going to give you a small amount of money, you are going to go out and do something tangible, and if you are actually successful you are going to, number one, validate that the technology is all right, that the team can work effectively, and that long-term we have a much higher success rate than saying that we are going to try and define everything and [boil the ocean] up front.

Stephanie Stahl:  All right.  I mean 10 weeks is better than years, right, to find out something is not going to work.

Alex You: Absolutely.

Stephanie Stahl: Okay, great.  Another question here.  My application or project is very large and complex.  And there is no way that 10 weeks is close enough time to get anything meaningful done.  How would QWP fit into this scenario?

Alex You:  Right.  So we talked about this again.  But, again, it's really the discipline around being able to have the right people in the room to sit down and have the conversation.  I have yet to encounter a situation where we weren't able to find something within that complex behemoth that we can carve out and do in a Quick Win Pilot.

Now I will say that there are certain cases where within 10 weeks it may not be production ready because of the complexities of integration and dependencies with other systems, but even in those situation, you are still going to be able to get great value out of that 10 weeks and one aspect of it is the project team dynamics. So when you put a team together, it takes them awhile to really gel and understand how to work together.  And you throw a new technology into that mix and it makes it even more challenging.

So the other great aspect of the Quick Win Pilot is that you are going to give the project team members an ability to go end to end across a full lifecycle and really start to understand how they are going to work together so that if you can validate that is the right approach, it's the right technology, then at the end of it the team, that storming phase, a lot of it will have settled out and they are going to be able to be much more productive moving forward.

Stephanie Stahl:  You've talked about the stakeholders and getting everyone involved.  Who do you find might need the most convincing?  Is it the CIO, is it the CFO?  Is it someone else in the line of business or where do you have to do the most convincing?

Alex You:  It varies.  But if I had to pinpoint it I would say it is usually the person writing the check.  The big question from whether it is the CFO or the CEO or whoever is writing the check.  The big question is

always, okay, I'm going to invest 10 weeks and whatever the dollar amount is, but you are not really able to clearly articulate to me today how much of the overall project is that. And that is the big question that we typically get and it is a very valid one. But, again, it always goes back to, well, can you tell me today if you don't take this approach what it is going to cost you.

And the response is sometimes, yes, we have done some estimation, but that estimation is typically done based off of spreadsheets and just some guessing. And if you ask the people who put that estimate together, their confidence level, I rarely hear anything above 40%. So, yes, you may have a complete estimate to say it is going to cost me $1.5 million over nine months to get this project done. But the data that went into that is not that reliable. If you make a small investment up front, at the end of the 10 weeks you are going to have a tangible result. And you will also have a lot of very credible data that you can use to plan the subsequent phases of the project off of.

Stephanie Stahl: Excellent. Here's a question from Mervin. How can you cater to different requirements of clients but make sure you don't spread out your technology and come up with one de facto, standard supported technology?

Alex You: Can you read that to me one more time, Stephanie?

Stephanie Stahl: Sure. It says how do you cater to different requirements of clients but make sure you don't spread out your technology and come up with one de facto supported technology? So I think he is sort of getting to how to…you've got some examples here with transportation, financial services, how do you make sure you can cater to all different kinds of projects?

Alex You: Right. So our focus is always, number one, on understanding the business challenge. The practice that I sit within is focused on business process and business rule management. So those are the technologies that we really focus on. But oftentimes once we understand the business challenge and understand the requirements, it may become clear that BPM is not the right fit or other technologies may need to be encompassed into the solution outside of just BPM and Business Rule Management.

So, we don't walk into a particular situation with a technology necessarily in our mind. We, to the best of our ability, try to go in as a clean slate and really understand what the requirements are, understand the business challenges, and then formulate the solution and map different technologies to meet those.

Stephanie Stahl: Great. Okay. Let's see, here's another question. How does QWP align with an existing SDLC? Do we take the pilot product created during six weeks of QWP and build on that? Or, can we restart? Would rapid prototyping tools be used during the six weeks of QWP?

Alex You: That's a great question. STLC and corporate governance and IT governance is always a big topic. So the Quick Win Pilot approach definitely takes an iterative approach to development. Whether a client is waterfall, agile, whatever their methodology is, this can fit in nicely, some environments more seamlessly than others.

But the key thing here is that what we develop in the Quick Win Pilot we try and make production-ready. And that term "production-ready" has a lot of meanings because even though we can get a process application or a Business Rule Management application built within 10 weeks, there are subsequent steps to that to be able to get it into production. And a lot of that has to do with corporate governance. How much testing has to be done, what documentation needs to be fulfilled out, what kind of deployment strategies need to be put in place. And all of those are very important factors.

So, when we start to size and scope a Quick Win Pilot and really start to determine what are the dependencies, that is one of the key things we look at is what is a company's governance policy? What is their SDLC, and how are we going to weave the structure to Quick Win Pilot into that so that it is seamless.

Stephanie Stahl: Gotcha. Okay. Here's a good question. All right, so you have done the Quick Win Pilot, you have reached your 10 weeks, what's your deliverable after that? What does IBM do next?

Alex You: So it can differ. But if you look at our standard journey, and again, I use that term standard a little bit loosely because every situation can be different. But typically at the end of a Quick Win Pilot one of the key things we do is we assess the readiness of the client team. The Quick Win Pilot is delivery-focused, and by delivery-focused I mean that IBM is going to be responsible for a lot of the work in terms of trying to get that Quick Win done as effectively and as quickly as possible. But we definitely have a strong element of mentoring and really having the client team work closely with us so that they can learn and start to come up to speed. So at the end of the Quick Win Pilot outside of the deliverable of the process application or business rule management application, we take a pulse check to see where the client team members are. How comfortable are they with the technology? How much

hands-on work and experience did they really get within that 10 weeks? And from there we determine okay, they are going to need maybe some solution mentoring where one of our folks really sits with them in a capacity where the client does, they are primarily responsible for the work, but they have got an expert to go to for questions and answers and really lower the threshold of any challenges they may come to.

Some clients, they pick things up extremely quickly. And at the end of that 10 weeks they are ready to kind of take over everything themselves.

Stephanie Stahl: Okay, great. A question from Jeff. You mentioned controlling scope and deterring scope spread. What tools are available to lock the scope? Or is that up to management?

Alex You: Yeah, that is. So there are different tools and applications for requirements management, scope management, but that is not really what we found to be the success, the key item to success is really getting that stakeholder's buy-in, whether you use a technology or you put it on a napkin and you have the executive sign off and show them the napkin once a week, it is just making sure that the mind share and that everybody is on the same page and that everybody is involved in the playbacks and constantly hearing, okay, here's where we started, here is what we said we are going to do, here's what we did, is it still right? And just going through that time and time again over that 10 weeks so that at the end of the 10 weeks nobody can stand up and say, "Well, that is not what the requirement met, or that is not what I intended to happen."

Stephanie Stahl: Can IBM help assemble the right people for a large project?

Alex You: Yes, absolutely. So, the Quick Win Pilot, by nature if you think about it, we try and keep the team smaller because we need to be nimble and agile. But one of the things that we often see happen is that after the Quick Win is complete, we've got something out there, we have validated the approach, the technology, the methodology, the team structure. A lot of times we will then sit down with the client and say, okay, that was 10% of the overall program; now that we have credible data to base estimations and schedules off of, we need now to kind of stand up a larger team to go off and tackle the rest of the project. And that is definitely something that we help clients do.

Stephanie Stahl: Can you just give us some idea. You say you like to keep it small to start off with. What do you consider small?

Alex You:  All right, so our team on the IBM side is usually about four people, four to five people.  On the client side it should be about that size, no more than 2x.  And so total we are looking for project teams of no more than about 15 people.

And one of the things we do is we basically try and map roles.  So for every consultant that we bring to the table we want to have at least one if not two people on the client side to work closely with them, kind of watch over their shoulder, see what they are doing and start that learning and mentoring process.

Stephanie Stahl:  Great.  You talked a little bit about this in your presentation, but what's the most challenging and highest risk aspect of executing a QWP?

Alex You: Scope control by far.  Determining the scope upfront is a challenge, but maintaining it going forward, that is the difficult part. And on large projects that I have worked on, both with clients as well as in previous lives was in long projects everybody is excited and really enthused up front, but three, four, five months into it, after a lot of delays, that motivation starts to fade.  And people are not really, their head is not really in the game as much as it used to.

So when change requests come up and things start to kind of go off the rails, my experience has shown that people start to care a little bit less – oh, well, that is change request #55 out of 100 that we already have.  Adding ten more is not going to be that big of a deal.  But in 10 weeks, what's really nice is that it is a pretty short amount of time.  It's long enough to get something meaningful done, but it is short enough that is not going to mentally drain everybody.  And every little change has to be scrutinized.

Stephanie Stahl:  Excellent.  Okay, let's see, here's another good question from the audience.  What are the common attributes of a successful QWP project, or a client, or even, you know, what kind of client is most successful?

Alex You:  So I would say the two or three most – the attributes of a successful project is number one, is where business and IT are closely aligned.  Where the business sponsors as well as the IT sponsors and executive team as well as the project team members are all at the table.  We fully understand and appreciate the challenges of getting time from senior executives, but that is critical.  We need them to

be able to sit down and provide that thought leadership and that guidance and tell the team that they have the support of senior leadership.

The second one is scope control. It's really being able to have the discipline and the ability to really be able to control that scope and have difficult conversations at times. My wife likes to tell me I am one of those people that it is hard for me to say no. So when I get on a project or when we get on projects and you've got a good working relationship with the team and somebody says, "You know, we just really need that one last requirement. It's really critical and it shouldn't really impact the project," a lot of times people just say, okay, let's throw it in and see what happens.

But we can't do that. You have to really be structured and disciplined and evaluate everything.

Stephanie Stahl: Great. Sometimes you see commercials and it says in the tiny print at the bottom, "results not typical" or whatever.

Alex You: Right.

Stephanie Stahl: You mentioned in your presentation I think the transportation company had a 40% to 96% automation improvement and financial services 120% ROI in the first year. Are those results typical?

Alex You: Typical? So we obviously want to highlight some of our best ones, but they are not atypical by any stretch of the imagination. Every Quick Win Pilot is going to be a little bit different and, again, the results, one thing I want to make clear is that the results, you may not see them right after the tenth week. Actually, you probably won't see them after the tenth week. Those results take a little bit of time because once you get the solution out there it has to operate and it has to be able to make that impact. And then over the coming months you will see the impact that it makes.

But what I have found is that the result is directly correlated to how much time and effort you spend up front to really identify the area of the business where you can get that kind of value and to make sure that the sponsors are supportive of that.

Going into the Quick Win without a clear understanding of what you are trying to achieve on the backend of it is not a good thing.  If you go into it and say, well, let's just see what we can get done and hope for the best, no.  We want to be able to have something tangible to say, at the end of the Quick Win within three months of it being out there, we want to see a 10% cost in errors or a 15% reduction in cost because of manual touch points.  Got to have a target to hit.

Stephanie Stahl:  Great.  Let's see, a question from Cheryl.  Can you talk to some other QWP using Business Rule to improve process management?  So any other examples that might be using business rules to improve process management.

Alex You:  Absolutely.  So another example of it is in the mortgage industry.  As I am sure everybody is aware, the mortgage industry has been quite volatile over the last several years.  And one of the key focus areas is really being able to look at loans more closely to be able to determine the worthiness of it and, number one, whether it should be eligible, whether a person should be eligible for a loan or not.  And then if it is, determine what type of loan it should be best placed into.

So a lot of, a couple of our clients in that space wanted to become a lot more agile and really wanted to be able to introduce agility and business rules into that space to be able to give their business team the ability to react much more quickly to market demands to be able to say, hey, based on factors X, Y and Z in the market, I'm now going to make these policy changes on eligibility or pricing of loans.  And a couple of them have leveraged the partnership with IBM and our approach to be able to do that.

Stephanie Stahl:  Great.  Let me give you a second just to take a little break and I will remind the audience that you can submit a question at any time here.  Just type it into the text box and hit the "Submit" button and we will try to get to as many as we can in the time that we have.

Here's sort of a follow on to the scope creep that we were talking about a minute ago.  That, according to Hal, is the biggest challenge, but what do you say when a client suggests yet another set of UI changes that will take time?

Alex You:  So, it is all about the discussion.  It happens all the time.  We may be in week six of the project and we are right on track to get done.  And they come back and say, "We really need to have these five requirements."  And the question we ask is, okay, are you willing to tack on another two or three weeks

to the project to be able to get it in.  Is it that critical that you are willing to delay it?  And if the answer is yes, the answer is yes.  But there is obviously schedule and cost impacts associated to it.

Because, again, we try and follow the structure as much as we can, but it's not fixed in stone.  And we understand the challenges and the need to be able to react quickly to business and changes.  But, at some point, and it's only happened a couple of times, but at some point we do push back on clients and say, okay, well this is the fifth change request that you said is absolutely critical.  And our Quick Win Pilot is now trailing towards double the size it was.  And, again, as long as it produces a business result, the concept is still in place.  But we really try and help clients get it done as quickly as possible because as we have seen, you do one, and you kind of get used to it, and you do another.  And it just builds on itself.

So we try and help our clients as much as possible limit that.

Stephanie Stahl:  Great, great.  Let's see, a question from Drew.  What is an effective way, especially through personal experience, of finding a client's networking needs?  Methods, points of interest, et cetera?

Alex You:  Networking needs?

Stephanie Stahl:  Yes.  It says what is an effective way of finding a client's networking needs?  Methods, points of interest, et cetera? Maybe Drew could clarify his question a little bit.

Alex You:  I'm not 100% clear on that.

Stephanie Stahl: Okay, so Drew, if you could maybe send in another question and clarify that just a little bit, we would appreciate it.  Okay, here's a question from Theresa.  How can QWP work when your department is a solo area that relies on other areas in the organization such as AP which supports the entire organization, but are using antiquated software solutions and processes that you must follow?

Alex You:  Right.  So that is not an unusual situation for us to encounter.  We work with a lot of big companies, small companies where departments are very focused on what they do.  And one of the things that I think we do a good job in is bringing them all together.  It is the organizational aspect that is sometimes the most challenging on any project, not just a Quick Win Pilot. But when we come in, one of the things that we are very vocal about is the fact that if a client is used to working in that siloed approach, it is not going to work. And we really try and make sure that everybody understands that and bring those relevant people to the table to say, okay, we understand this group does this and that group is responsible for something else, but we need to have a clear understanding of what we are trying to do, and roles and responsibilities so that everybody understands the dependencies between all of that.

So, we sometimes have to help organizations break down those barriers that they have within their companies that prevent them from working effectively with each other.

Stephanie Stahl:  Great.  Here's a question from Burton that is similar, not necessarily a siloed part of the organization, but the size of the organization.  What is the smallest organization size for which you would recommend this kind of project?

Alex You: I don't think I have a number.  So if I look at the Quick Win Pilots that I have personally been involved in, the company that was the smallest that I worked with was probably no more than 400 people.  And the biggest was well over 40,000 people.  So, I haven't really found the size of an organization to be really a limiting factor on whether or not a Quick Win Pilot is the right approach or not.

Stephanie Stahl:  Can it go any faster if it is a small organization?  I mean a lot of times small organizations don't necessarily have a core IT department, but does that present any challenges?

Alex You:  No, actually, so that is a really good question, Stephanie.  Smaller companies, like you said, they typically can get things done faster.  They don't have as much red tape and set procedures and policies.  So we have found that smaller companies with less rigid rules around how things get done, we typically can operate a little bit faster.

Stephanie Stahl:  Good, okay.  Let's see.  Question here, are you doing a lot of these Quick Win Pilots these days?  Can you kind of quantify how busy you are with this?

Alex You:  Absolutely.  So, the Quick Win Pilot was formalized as an offering, I want to say probably a couple of years ago.  And we have been placing a lot of emphasis on it in the marketplace because we have seen the value and the effectiveness of it.  And we have all worked with a lot of clients who have done or are in the process of doing those two, three year transformational projects that don't unfortunately, deliver a whole lot.

So my marketing team, prior to me coming here, if I remember correctly they said that this year to date we have sold about 24 or 26 of these Quick Win Pilot engagements across the world. Not just here in North America but globally.

Stephanie Stahl:  We did talk about this a little bit before but it bears repeating.  What kind of ROI do you typically see these projects have?  Can you just maybe reiterate a little bit of the ROI numbers?

Alex You:  Yes, so I can't give a number because I don't have that kind of data.  But what I will say is that, so in the last year and a half I have personally been involved in about five Quick Win Pilots.  And of those five, only one of them did not have a tangible business result.  And it was by design, up front, because they really wanted to approach it from more of a technical proof point.  And while it was successful and they delivered a project that delivered business result at the end, it was a little bit of a challenge because their culture just – the culture and the way they did things, it was very difficult to convince them that we could get something of business value within 10 weeks.  And initially they thought they didn't want to try it.  But when we were able to re-scope it and say, what if it is more of a kind of internal technical Win, and then can go from there, now they are big supporters of the approach.

Stephanie Stahl:  Great.  There are two here related to money.  What does a typical deployment cost and what are the cost of your services?  Can you give any guidance there?

Alex You:  So, I can't, because it varies.  But in terms of deployment costs, the Quick Win Pilot is a very structured offering that we have.  And myself or my colleagues are happy to sit down with any clients who would really like to get more details.  But what I will say is that at the end of Quick Win Pilots, one of the key messages that I get from clients is that whatever costs went into it was worth 10x more than – the value was significantly more than whatever it cost them because, again, even in the worst case, and I haven't personally experienced it yet, but even in the worst case if at the end of the 10 weeks the result is that, you know what, this wasn't the right approach, it wasn't the right technology, the

organization is not ready for it.  10 weeks, everybody can do the math, but 10 weeks as opposed to finding out in six months is a drop in the bucket.

Stephanie Stahl:  All right, this one gets at a little bit of the internal politics, from Dennis.  Any suggestions or recommendations when the business wants to drive the Quick Win Pilot but it is one that IT might consider objectionable?  What do you say?

Alex You:  Yes, those are challenging.  And we have done those kinds of projects.  We are doing those kinds of projects.  Our job as a partner in that mix is to try and offer the best guidance that we can and to broker the relationship and try and help out as much as we can.  But we are not organizational experts necessarily.  But we try and do as best of a job on that as possible.  And this goes back to stakeholders.  If we don't have strong support and buy-in from the executive sponsor and the IT sponsor, then that would become a huge challenge.  So we work very hard and very diligently up front to make sure that we have the right support from both business and IT.  Because technology solutions that deliver business results will not be effective unless both parties come to the table in a collaborative fashion.

Stephanie Stahl:  Meaning you have to lock them in a room for a little while, right?

Alex You:  We do do that.  And one of the things that I like to try and do is simple things.  Entice everybody with coffee and cookies and just whatever it takes to get the people into the room and have a good open discussion – we try and facilitate that as best we can.

Stephanie Stahl:  Excellent.  Okay, from Burton.  Are there hot points that you have found that help spark interest in taking on a Quick Win Pilot?

Alex You:  Absolutely.  The biggest spark is just the notion that something meaningful can be done in 10 weeks.  A lot of clients that I work with, they have very antiquated systems, and old methodologies and approaches and the running joke is that there are change requests from 2009, 2010 that are still pending with IT.  And unfortunately it is not a joke in a lot of organizations because there are a lot of organizations out there that have this big backlog of change requests that need to happen in the systems, but they can't get to them because broken processes, broken systems, not enough bandwidth, a lot of different factors.

So just that kind of anecdotal information about the fact that something meaningful can be done in 10 weeks really starts to get people interested.  And a lot of times it is skepticism, which is okay, because as long as they get interested and ask the right questions, that is a good conversation to have.

Stephanie Stahl:  Okay, from Vincent, since there are so many different businesses out there, such as insurance and transportation, you mentioned some of those, how do you understand their business challenges in a Quick Win Pilot?

Alex You:  So, we have a number of folks within our practice that are very focused in certain domains.  So, insurance, healthcare, finance, whatever it may be.  But, the more important thing is that the team that we bring to the table, they bring a certain skill set, both technology as well as general consulting.  And they really have the ability to be a clean slate and really just go in and be able to absorb the information about a given domain and a given business problem.

I don't want to set any false expectations in terms of in two weeks folks from our team are not going to go in and become trading experts or healthcare experts necessarily, but they are very analytical.  They are very focused.  And they will be able to quickly grasp the business domain and the business challenges at hand to really be able to understand what the solution needs to look like.

Stephanie Stahl: Great okay.  Let's see.  How scalable are such projects and if it is already implemented how flexible are we in this?

Alex You:  So, very flexibly and very scalable.  So, the Quick Win Pilot is really, is an idea approach for a small application or even bigger applications where we take a functional end-to-end slice of it.  So in that case it serves as the foundation and the reference for the rest of the solution.

So from a scalability perspective, going  back to the concept of continuous improvement, even if you get the whole application done in 10 weeks, you want to refine it over time.  In the process world you want to constantly look and make measurements to see where can I tune my process to make it more efficient.  The same thing with business rules.  Is that business rule really having the effect that I want it to in my business?  If not, let me tune and tweak it and make it better over time.

Stephanie Stahl:  Okay, how does agile development affect the mechanism of decision automation pilots?

Alex You:  Can you repeat that question?

Stephanie Stahl:  So the question is about agile development and how that affects decision automation or these Quick Win Pilots?

Alex You:  Right, so I don't want any of the methodology experts out in the environment to yell at me, so I don't like to use the term agile just because some people I work with are very…they are very focused on agile.

So, what we like to say is that we take an iterative approach.  So rather than going into two weeks of requirements, nailing those down, and building for eight weeks, it is defining the scope in the first two weeks, and then doing small two week iterations where we build, play it back, make sure that we are understanding the requirements properly and that more importantly that the requirements were actually what the business team had in their head.   And that's the approach that we take.  It is really that, every two weeks having those playbacks and following an iterative approach.

Stephanie Stahl:  You just mentioned scope and actually Jim is asking if you could just please define scope once again.  Just kind of put that on the – what you need to do at the beginning, your scope.

Alex You:  Right.  So, scope definition is critical and it is all just about…we start at the very high level. Understand the business problem, whether it be a mortgage company looking at new loans coming in and being able to more quickly weed out the ones that absolutely will not get underwritten, but it is understanding the business challenge at hand.  And once we understand that business challenge, then we go a layer deeper to be able to say, okay, in order to address that business challenge and issue effectively, what needs to happen?  What kind of solution really needs to be put in place to address that?

And then from there, if that solution, in the process of scoping if we find that that solution can fit within 10 weeks, great.  If we find out that it is too big, then we look for an end-to-end slice of that initial solution that we can focus on within the Quick Win Pilot.

Stephanie Stahl:  Great.  I think we have time for maybe one more question here.  From Matthew, how does IBM integrate data from disparate information system islands?

Alex You:  So data is always a fun topic.  Regardless of whether we are doing a BPM project or Business Rule Management project, the ability of that end application to consume data and pass the results back is obviously key.  So, that is an area where we really look for the client's expertise because the client, they know their systems, they know their data the best.  What we focus on is really understanding what data the application needs and what it needs to send back.

And usually that is an area where the client will place a lot of their energies and focus on, but again, it is a close collaboration.

Stephanie Stahl:  Great.  You have been doing  a lot of talking, but do you have any closing thoughts before we wrap up?

Alex You:  The one thing that I kind of just want to wrap up with is the fact that I think one of the most positive aspects of the Quick Win Pilot that I found, and I mentioned it earlier, is the fact that it just generates good conversation.  To go out there and say, hey, you know what, we are going to take a different approach.  We are not going to try the boil the ocean and one and a half, two-year type of projects.  We are going to go out there and say, we are time-bossing this effort to 10 weeks.  And we are going to be focused, rigorous and disciplined in our approach to controlling the scope and finding an area of the business where we know we can get tangible results.  That, from an organizational perspective I think has had a big impact on a lot of our clients to generate that kind of positive conversation and ultimately lead to doing Quick Win Pilots and building solutions that go out and address real business problems in a rapid fashion.

Stephanie Stahl: Great, thank you.  Thank you for attending today's webcast, "Decision Automation Pilot:  Improving the timing and quality of your most important operational decisions within key business processes."  It was brought to you by Information Week, IBM and UBM TechWeb.  For more information about today's webcast, please visit any of the resource links on the screen before you.

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