

# **BPM for Flexibility: Optimizing the Business Like No One Else Can**

**David Gallardo**

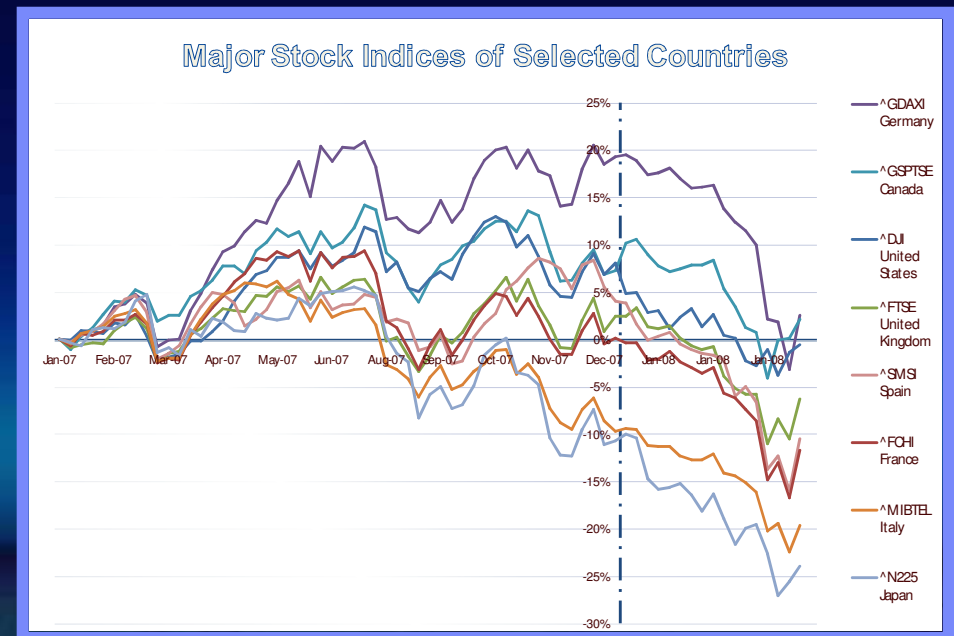
WW Sales, WebSphere BPM  
dgallard@mx1.ibm.com

# Today's dynamic times bring more rapid and transformative change

- Oil at \$116 a barrel



- More volatile and interconnected Global exchanges

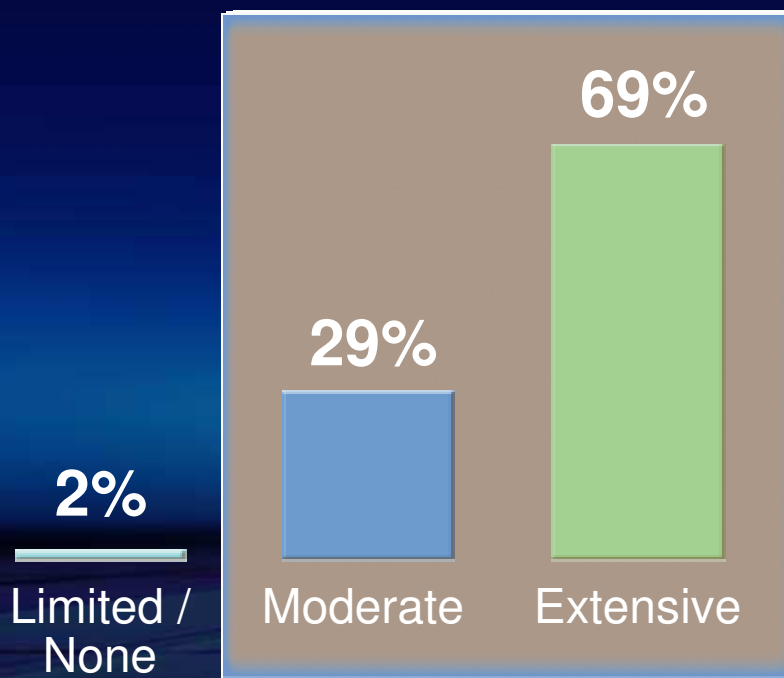


CEOs, aren't waiting for the statistics to match a dictionary definition of recession”

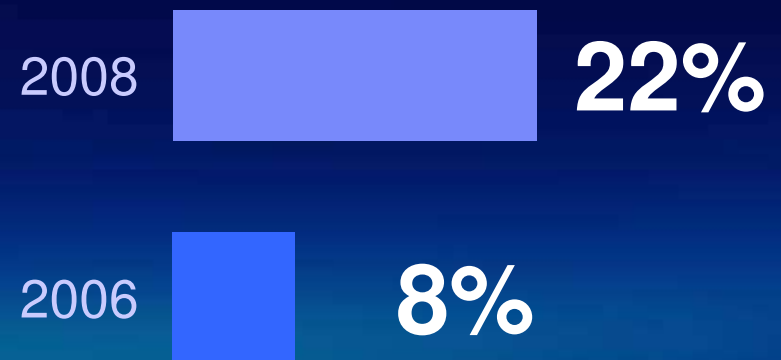
Jan 25, 2008

# CEOs Worry About Their Business Agility

98% of CEOs expect their business models will need to change



The gap between expected change and ability to handle it triples



Gap between expected change and ability to handle change

Source: IBM Global CEO Study 2008

# Business Success Depends Upon Your Ability to Adapt to Change... Regardless of the Scenario



## *Recession Scenario*

- Repackage for no-frills and greater value
- Focus priorities and conserve resources
- Customers are spending less

## *Same Business Needs:*

- Meet changing customer needs
- Monitor business health and correct
- Improve efficiency and reduce costs



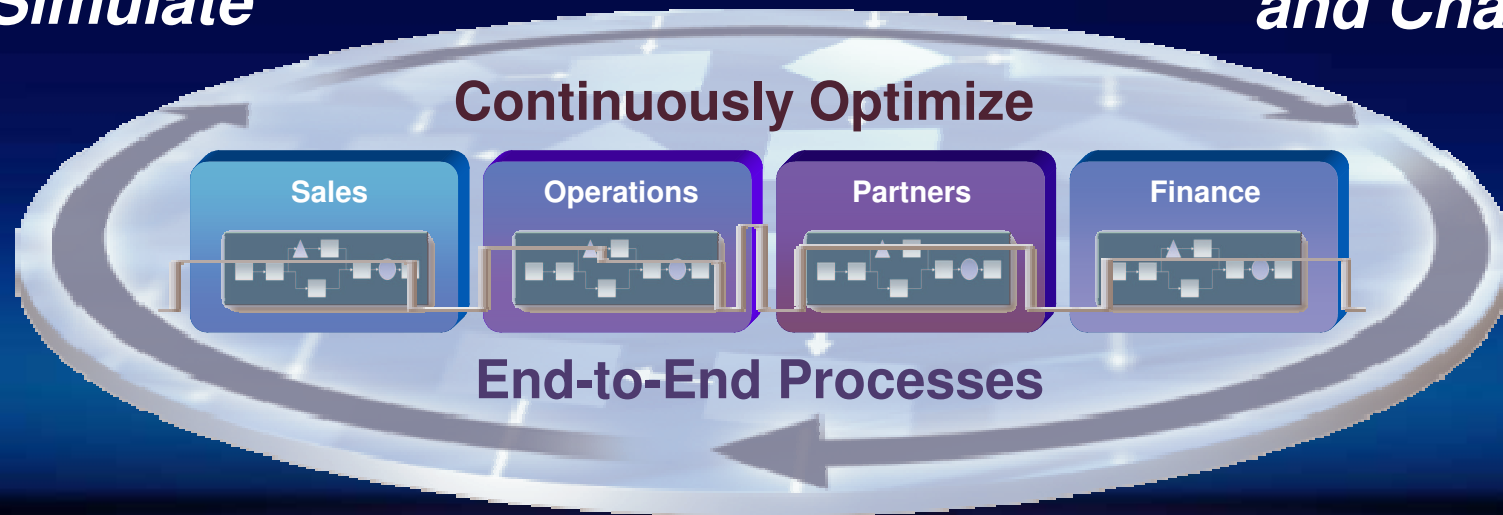
## *Growth Scenario*

- Expand into new markets and gain share
- Outmaneuver competition
- Match lower cost global competitors

# BPM from IBM Empowers You To Embrace Change and Continuously Optimize Your Business

*Model and Simulate*

*Rapidly Deploy and Change*

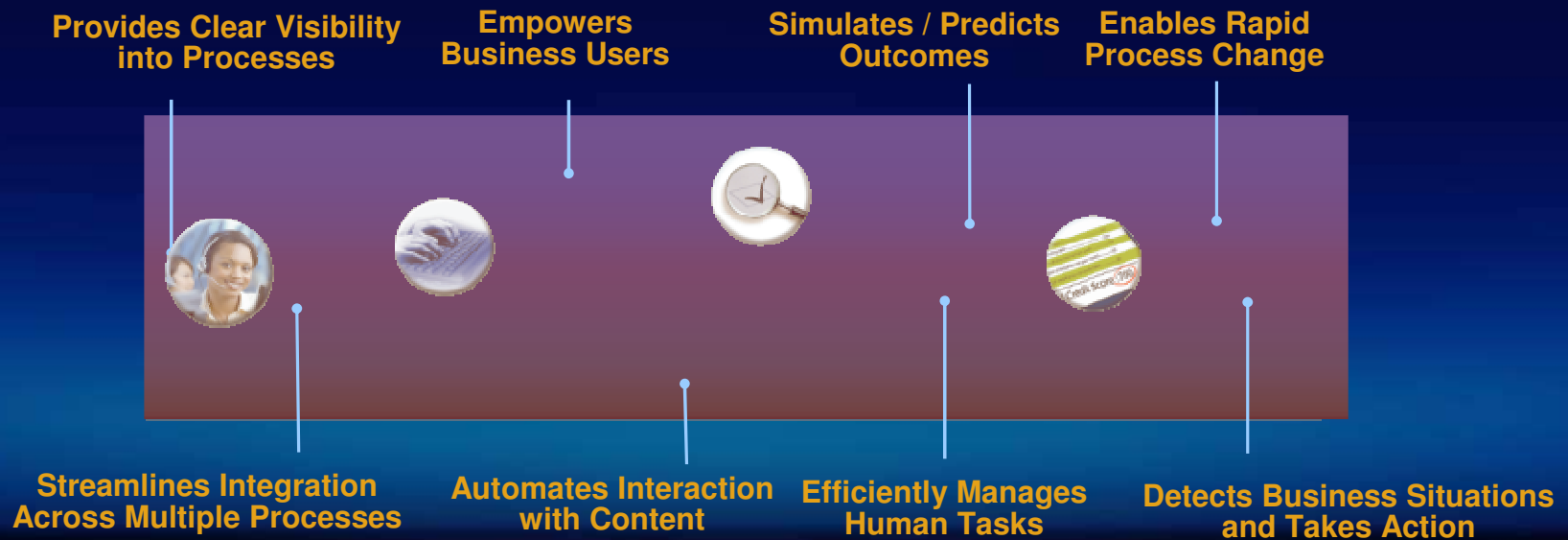


*Monitor, Predict and Act*



# BPM from IBM Allows Businesses to Change and Innovate Through their Business Processes

BPM solves common business challenges . . .



BPM includes

Software and SOA

Expertise and Accelerators

# Organizations leverage BPM in many ways

Common BPM adoption patterns address customer's pressing business process needs

- 1 Process Automation**
- 2 Process Visibility**
- 3 Process Modeling and Optimization**
- 4 Adapt and Respond Dynamically**

1

Process Automation improves business efficiency and reduces costs

Streamline key business functions

Manage human workflow efficiently

*Improve Business Performance*

Simplify or eliminate exceptions and manual tasks

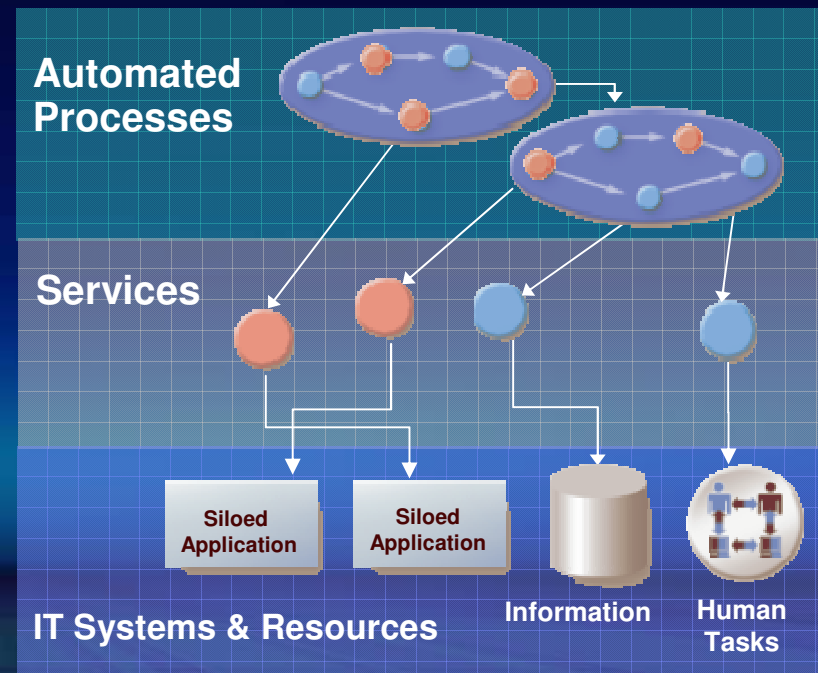
Ensure process compliance



# Process Automation orchestrates your business into an optimized process flow

- More **versatile** and **powerful** than siloed applications
- Rapidly convert ad-hoc, disjointed activities into consistent results
- Operate as designed for compliance and improved performance

**Seamlessly orchestrate IT systems, information, and human tasks**

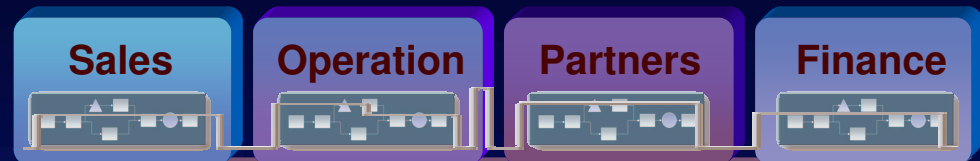


*WebSphere Process Server Web 2.0 interface to easily manage human tasks and orchestrated processes*

# Extending Process Automation end-to-end increases business value by spanning silos

## "Order-to-Cash" End-to-End Process

- Extend departmental processes with Straight Through Processing
- Rapidly integrate diverse partners and suppliers



U.S. telecom's order-to-cash **process time reduced by 30%**

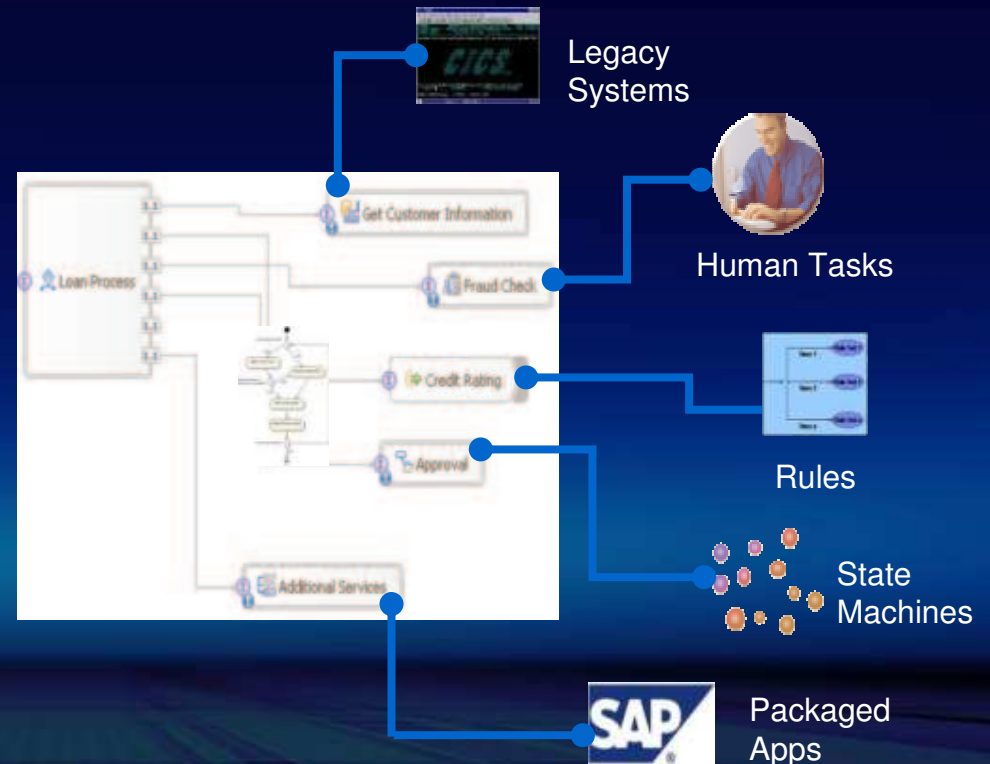


*WebSphere Process Server in-flight process modifications for greater flexibility and control*

# Process Integrity enables processes to readily scale for future business needs

- Businesses live by their Service Level Agreements
- Accommodate demanding, transaction intensive processes with confidence

U.S. financial service firm processes **1.2 million orders per second**



2

Process Visibility and insight allows you to capitalize on opportunities and mitigate risks



2008

Mar 3

Mar 10

Mar 17

Mar 24

Mar 31



# Process Visibility provides customizable, role-based views for faster and smarter response

**Real-time** information aggregated onto customizable dashboards



**Business leaders** monitor process KPIs and receive alerts



*Predictive Key Performance Indicators (KPIs) now available in WebSphere Business Monitor*



Untapped knowledge and insights are contained in business events all around us

Large companies can experience up to 800 Billion business events daily

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



Over **190 Billion** emails are sent daily

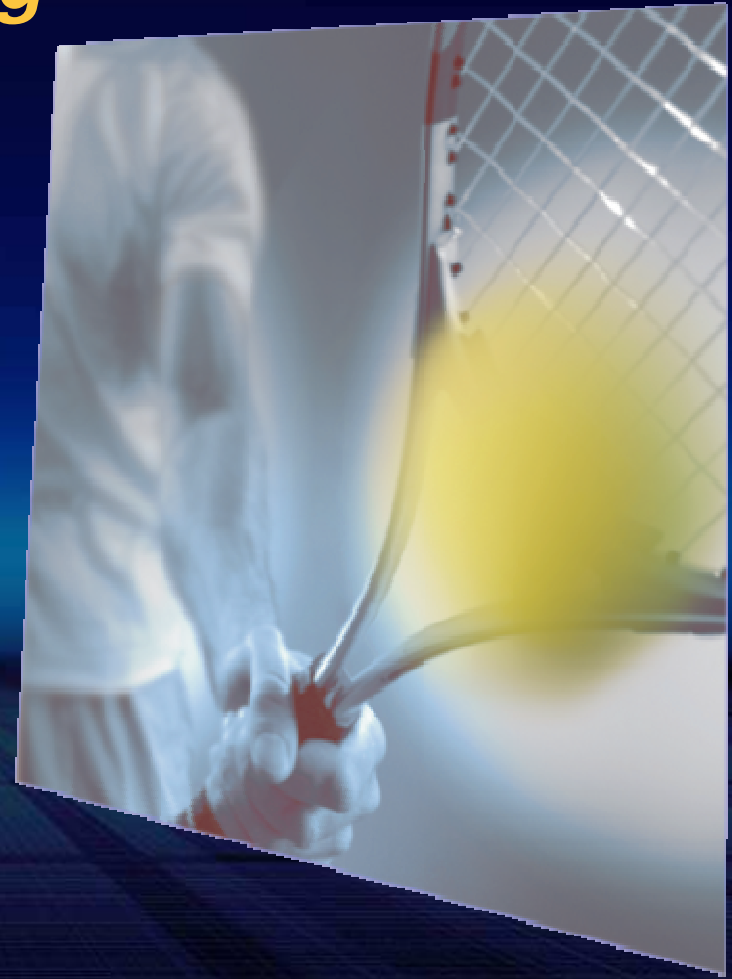


# Monitor, predict and **ACT** based on Events

## *Business Event Processing*

enables business users to:

- Monitor event streams in real-time
- Identify event patterns
- View in an **actionable** business context



# Putting the Power of Business Events in the Hands of the Business User

- Business user interface to detect, view and act upon events
- Capture the broadest range of event sources
- Massive scalability and speed
- The **Power of BPM** to respond



Business Users



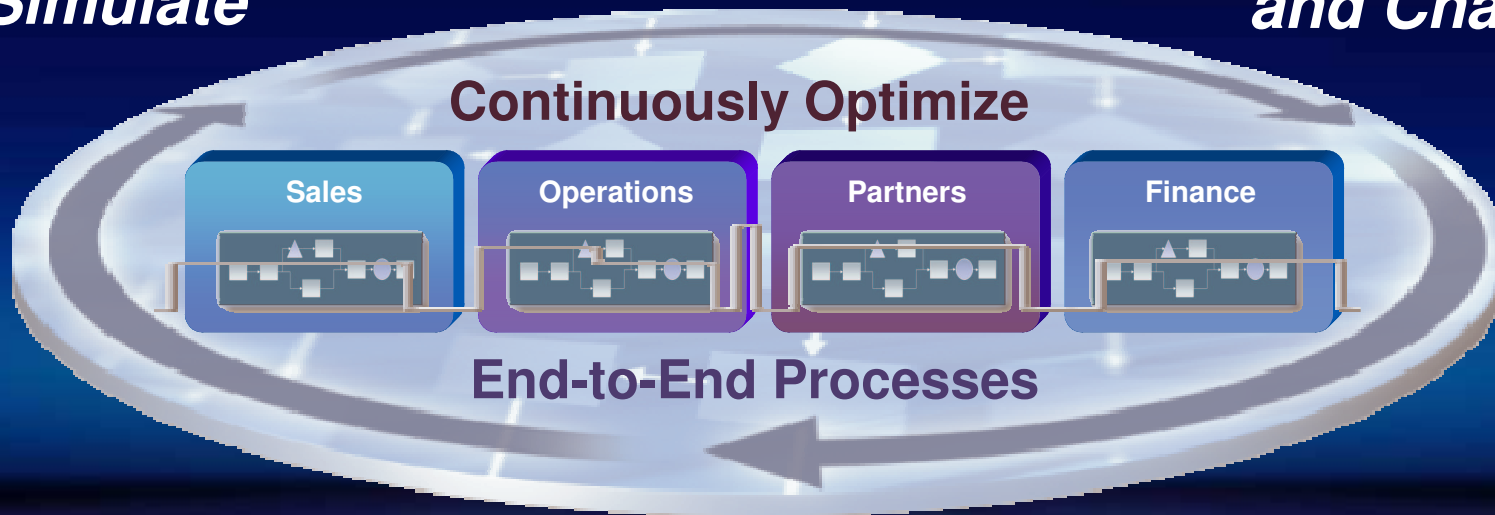
*WebSphere Business Events 6.2 eXtreme Scale Edition  
Integration with WebSphere Business Monitor, Tivoli NetCool  
and CICS Transaction Server*

3

Processes Modeling and Optimization drives sustainable performance with processes designed for change

*Model and Simulate*

*Rapidly Deploy and Change*



*Monitor, Predict and Act*



# Process Optimization success depends upon collaboration between business and IT

***Business***



**BPM "bridge"**



***IT***



Aligned Business  
and IT result in  
**double the  
productivity gains**

Source: London School of Economics

**Over 40%** of CEOs  
are changing business  
models to be more  
collaborative

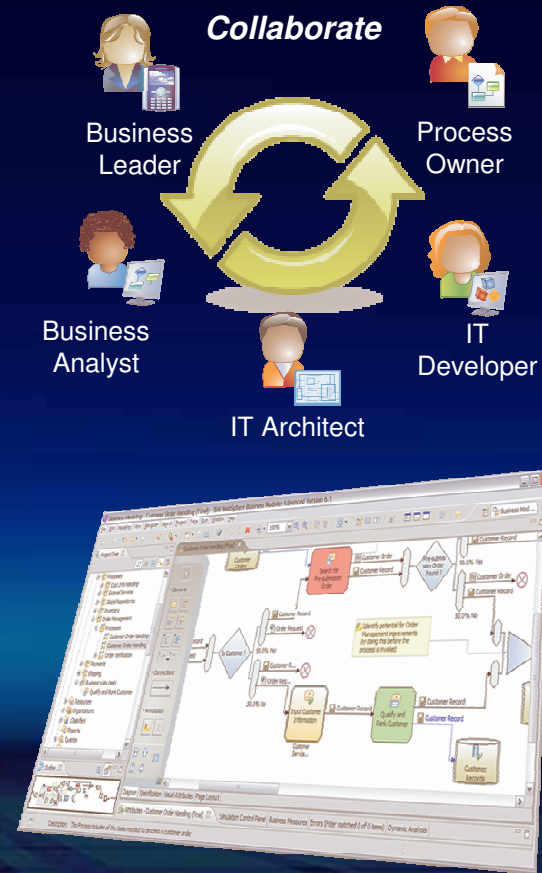
Source: IBM Global CEO Study 2008



# Business-Level Modeling and Simulation

*You can't optimize what you can't see*

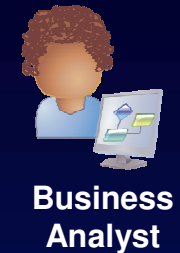
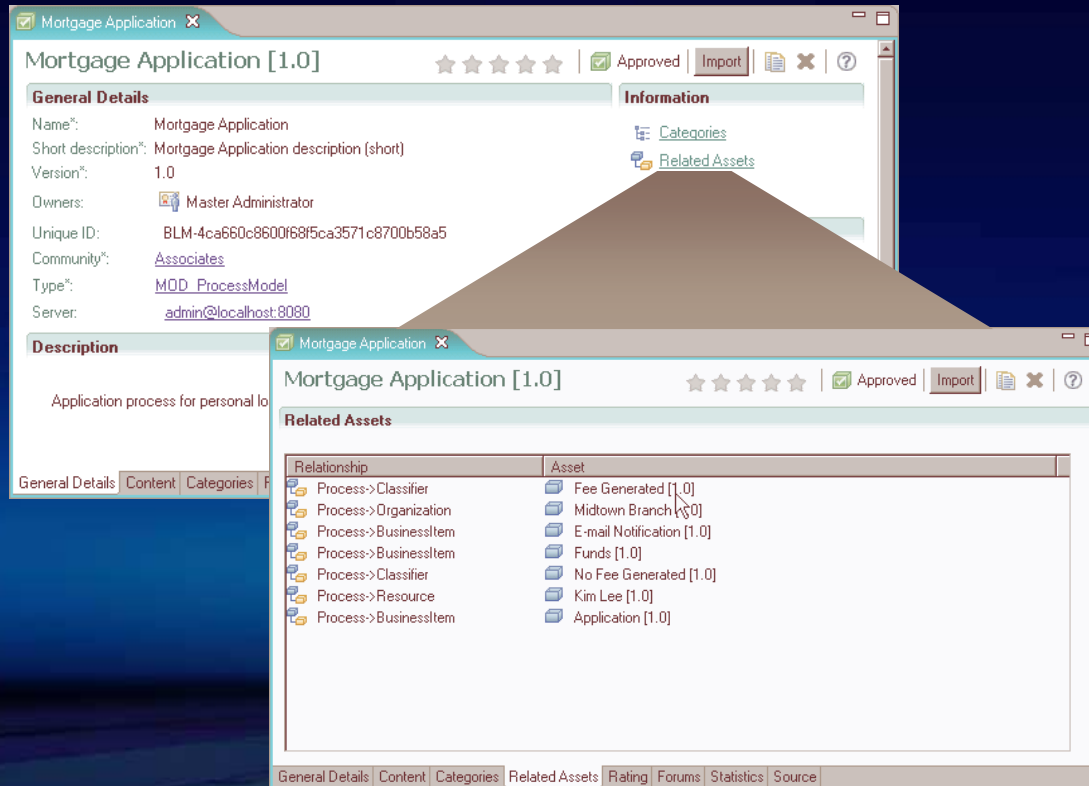
- Collaborate with the right players
- Support multiple design tools
- Rapidly model human interaction with storyboarding and UI forms
- Use KPIs and metrics to optimize your business
- Simulate process scenarios to quantify benefits and prioritize investments



**WebSphere Business Modeler support for ARIS XML and Microsoft Excel XML imports**

# Reuse Process Models and Model Components

*Accelerate time to value across the BPM lifecycle*



- Manage BPM assets across their lifecycle
- Fast search and discovery
- Improve governance and traceability

*Discover and reuse BPM Assets*



**WebSphere Business Modeler integrated reuse and traceability of models and components**

# Monitor, Predict and Act

*Real-time visibility and actionable insight into processes*

- Monitor KPIs, business situations, process information, events and activities in real-time
- Aggregate and correlate information from disparate sources



Business Leader



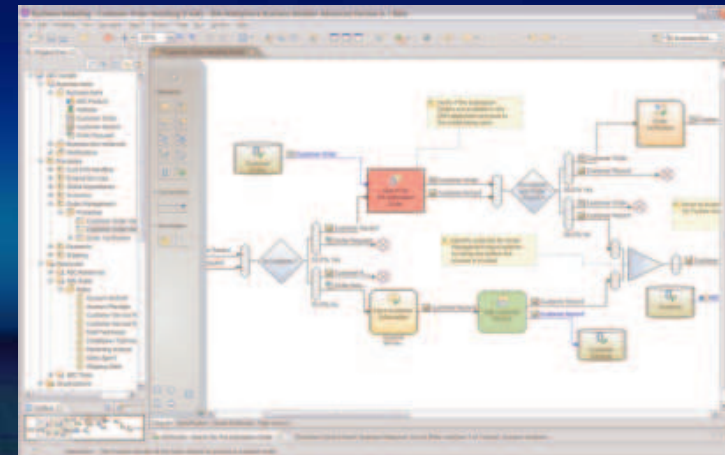
Business User



WebSphere Business Monitor dashboards for mobile devices

# Feed Process Performance Data Back Into Models

*Simulate the processes you monitor with actual, real-time data*



WebSphere Business Modeler human task storyboarding during simulation



# 4

## Businesses leaders need new tools to Adapt and Respond Dynamically



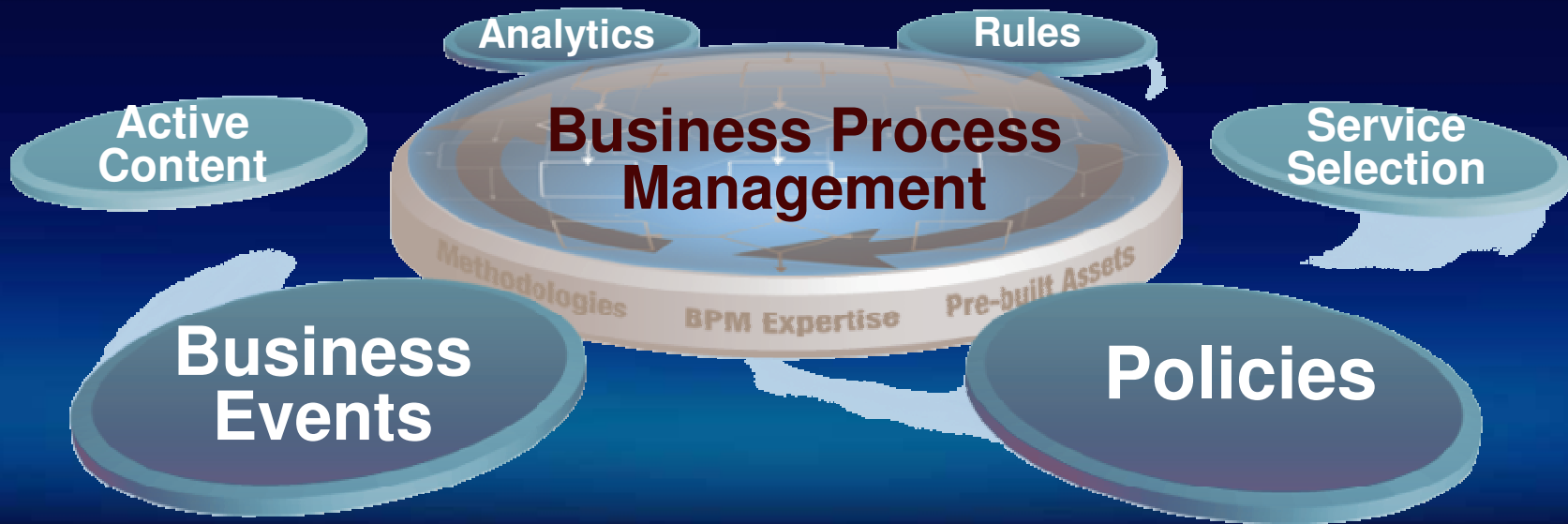
*Expected delays in executing commands*



*Business leaders today need a direct response*



Processes respond faster to changing needs when supported by Agility Enablers

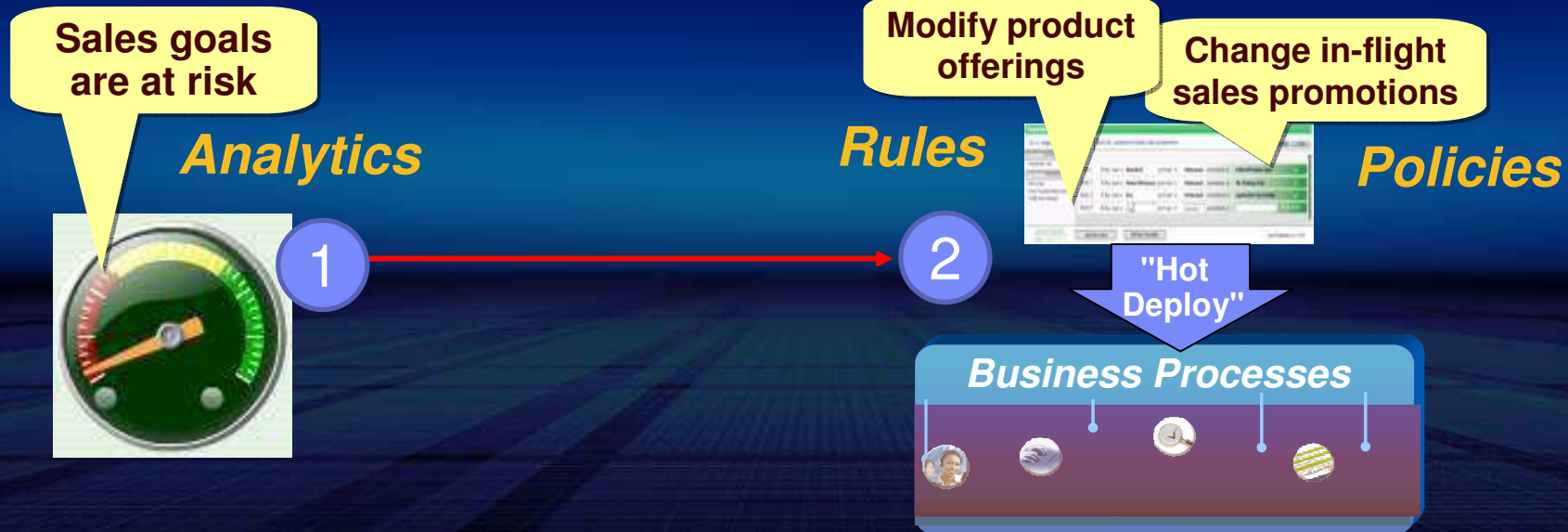


IBM's BPM Suite is unique in enabling all ***Six Agility Enablers***

# Agility Enablers provide faster and more powerful business response

→ **"Close the gap"** between changes and the ability to implement them ←

CEO's difficulty in implementing change **increased 3X** since 2006



# Empower business users to steer processes in new directions without IT intervention

Transactions via these channels: B2B, Web or phone



Platinum customers get discount offer

Transaction values >\$5,500 get real-time response



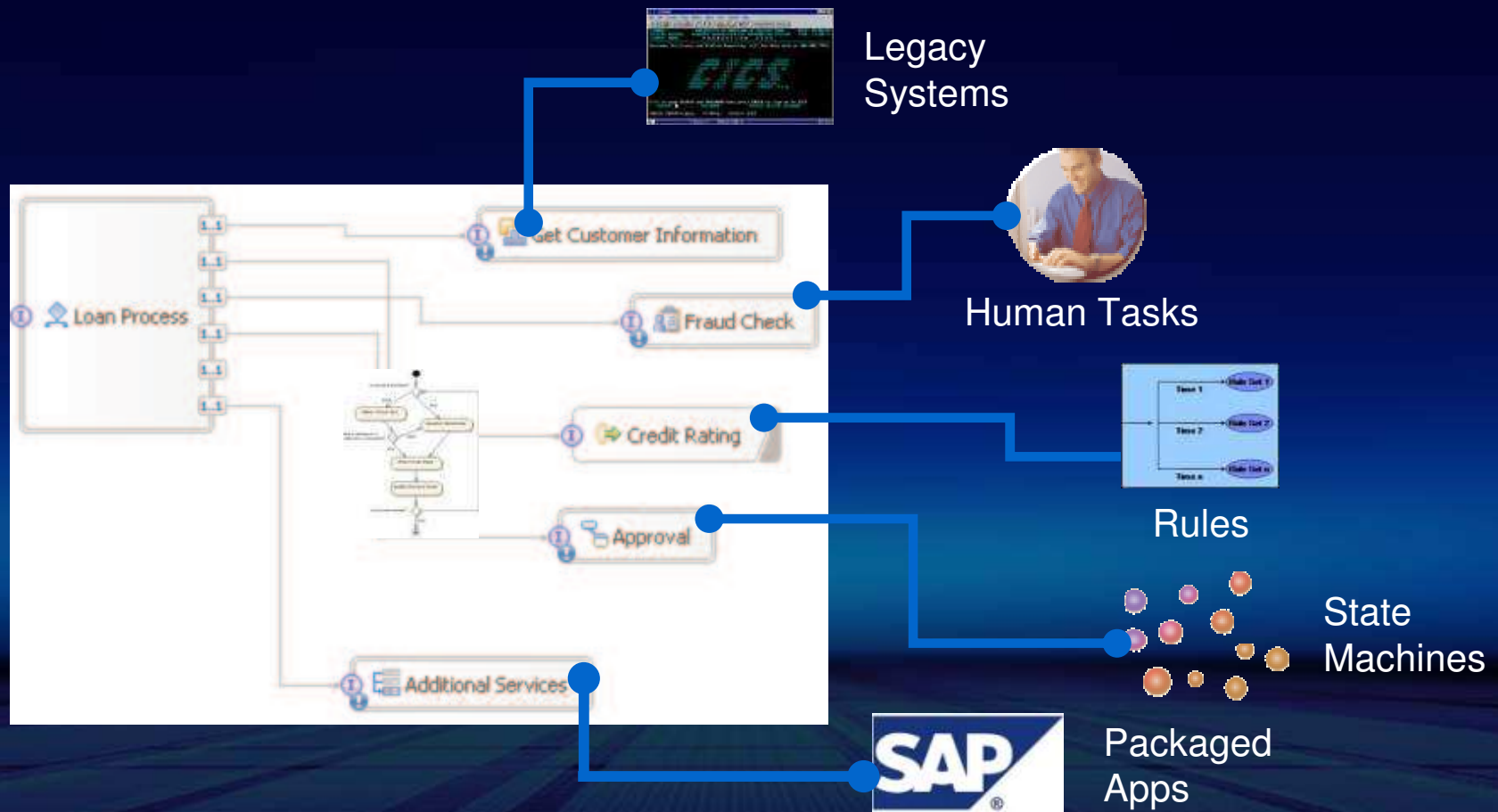
**Policies** enable business user to take the wheel

No longer need to overhaul process models and involve IT simply to change the “route”



*WebSphere Business Services Fabric with additional tools and guidance designed for business users*

# Dynamic *Service Selection* for Flexible Processes *The Power of BPM and SOA in One Engine*



WebSphere Process Server In-flight  
Process Changes



# Ensure Process Integrity with BPM Enabled by SOA

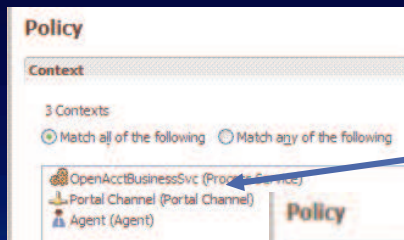


- Deliver seamless long-running processes that span disparate systems in an SOA
- Enable loosely coupled “open” systems to deliver the consistency, scalability, and reliability of tightly coupled systems
- Meet SLA, audit, and regulatory objectives with confidence

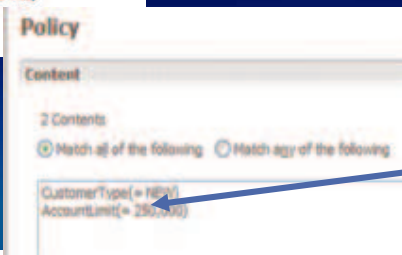


# Empower The Business Through *Policies*

**Business-Level Policies...**



**Implement Powerful Changes...**



**...made Easy for Business**

Add a new "Call Center" channel

Expand to multiple product lines

Change "New" Customers to "All" Customers

- **View**
- **Change**
- **Simulate**

**"Hot Deploy" and done**



**WebSphere Business Services Fabric**

# BPM from IBM Delivers Unrivaled Customer Value

**#1** in **BPMS** market share

Over **2850** **BPM**  
**customers** in over  
30 countries and  
growing

- ✓ Market leading products
- ✓ Deep industry knowledge and pre-built assets
- ✓ Largest partner ecosystem
- ✓ Global reach and scale



# How You Can Get Started with BPM

## *Steps to Help You Prepare for Success*

### Explore

- Work with your local WebSphere sales representative to arrange a **Business Process Management Workshop** at your facility
- Conduct a detailed **BPM Business Value Assessment** to identify and score specific BPM opportunities within your organization

### Learn

- Attend a **local industry or technology event** with IBM's BPM team (contact your WebSphere sales representative for the latest event calendar)
- Download additional information from the **IBM BPM web site** including demos and whitepapers



[ibm.com/software/innovate](http://ibm.com/software/innovate)



Thank  
YOU



# Increase Response Times With Process Model Insights

## Challenge

- Account Opening process was complex, costly and slow
- Customers were becoming increasingly dissatisfied with lengthy waits
- Wachovia employees had no insight into the process

## Solution

- Established a Process Modeling Center of Excellence
- Modeled and analyzed business processes to fully understand strengths and weakness, prior to implementation
- Implemented BPM solution bringing people and various systems together



## Business Benefits

- \$6 Million Initial Savings
- Account Open process reduced from over 6 months to 6 weeks
- Process activities reduced from 300 to 120 -- 31 of which were automated
- Fee Income collection increased 10 times

# New York State Department of Taxation and Finance

## *BAM Helps Reduce Backlogs and Exceptions Processing*

### Challenge

- Processing of tax returns was too slow and needed to reduce risk of losing paper files
- Needed systems and tools that were flexible, permitting faster change and reducing overall costs

### Solution

- Automated manual processes
- Used real-time BAM to replace printed reports, manage exception handling
- Monitored overall and individual's productivity to improve staffing



### Business Benefits

- Reduced backlogs by more than 85% using BAM
- Reduced age of refund inventory 70%, helping to avoid paying interest to citizens
- Improved staff utilization and HR planning



# Retailer Yansha Department Stores Streamlines Processes and Embraces Supplier Collaboration

## Challenge

- Faced with the prospect of having to compete with highly efficient foreign competitors, Yansha had to streamline and automate its business processes
- Yansha needed to find a way to get all 1,800 of its national and international suppliers to buy into a new, more efficient way of doing business

## Solution

- Automates supply chain management processes among people, across multiple applications and between Yansha and its suppliers.
- Using a graphical process view Yansha provided suppliers transparency into customer buying behavior, sales trend and process information enabling them to adjust and optimize their operations to satisfy market demand.



## Business Benefits

- Reduced order lead time from 2.5 days to 4.5 hours
- Improved order acknowledgement rate from 80 to 99%
- Reduced order error rate from nine to one percent
- Achieved ROI in nine months

# Business Event Processing Enables New Game Changing Business Models

## Challenge

- Patient national access to important biologic and vaccine therapies
- Patients scheduling and drug availability
- Leverage existing health infrastructure to maximize productive and keep costs low
- Verified quality - monitoring and reporting of every clinical event

## Solution

- Detect and respond to disparate events such as tampering, adverse reactions, pandemics
- Ability to optimize resources on-the-fly to adapt and respond to events
- Clinical Configurator
- Inventory Management



## Business Benefits

- Clinical consistency, building patient confidence
- Lower absenteeism, greater accountability, and higher employee productivity
- Lower costs for all constituents
- Site operation excellence
- Unmatched convenience and affordable care

# IBM is Recognized in the Leader's Quadrant Of These Gartner Magic Quadrant Reports

- ***Gartner, Inc., “Magic Quadrant for Business Process Management Suites, 2007”***, by Janelle B. Hill, Michele Cantara, Eric Deitert, Marc Kerremans, 14 December 2007.
  - ***Gartner, Inc., “Magic Quadrant for Business Process Analysis Tools, 2H07-1H08”***, by Michael J. Blechar, 8 June 2007.
- 
- ***Gartner, Inc., “Magic Quadrant for Application Infrastructure for New Service-Oriented Business Application Projects, 2Q07”***, by Yefim V. Natis, Massimo Pezzini, Jess Thompson, Kimihiko Iijima, Michael Barnes, Daryl C. Plummer, Simon Hayward, 31 May 2007.
  - ***Gartner, Inc., “Magic Quadrant for Application Infrastructure for Composite-Application Projects, 2Q07”***, by Massimo Pezzini, Michael Barnes, Kimihiko Iijima, David Gootzit, Yefim V. Natis, Daryl C. Plummer, Jess Thompson, Dale Vecchio, Janelle B. Hill, Simon Hayward, 7 June 2007.

The Magic Quadrants are copyrighted 2007 by Gartner, Inc. and are reused with permission, which permission should not be deemed to be an endorsement of any company or product depicted in the quadrant. The Magic Quadrant is Gartner, Inc.'s opinion and is an analytical representation of a marketplace at and for a specific time period. It measures vendors against Gartner defined criteria for a marketplace. The positioning of vendors within a Magic Quadrant is based on the complex interplay of many factors. Gartner does not advise enterprises to select only those firms in the “Leaders” quadrant. In some situations, firms in the Visionary, Challenger, or Niche Player quadrants may be the right matches for an enterprise's requirements. Well-informed vendor selection decisions should rely on more than a Magic Quadrant. Gartner Research is intended to be one of many information sources, including other published information and direct analyst interaction. Gartner, Inc. expressly disclaims all warranties, express or implied, of fitness of this research for a particular purpose.



## Process Integrity for the Stresses of Volume and Time

Transactionality

Compensation

Scalability

Security

Remediation

Rollback



# Notice Regarding Key Feature Highlights

THE INFORMATION CONTAINED IN THIS PRESENTATION IS PROVIDED FOR INFORMATIONAL PURPOSES ONLY. WHILE EFFORTS WERE MADE TO VERIFY THE COMPLETENESS AND ACCURACY OF THE INFORMATION CONTAINED IN THIS PRESENTATION, IT IS PROVIDED "AS IS" WITHOUT WARRANTY OF ANY KIND, EXPRESS OR IMPLIED. IN ADDITION, THIS INFORMATION IS BASED ON IBM'S CURRENT PRODUCT PLANS AND STRATEGY, WHICH ARE SUBJECT TO CHANGE BY IBM WITHOUT NOTICE. IBM SHALL NOT BE RESPONSIBLE FOR ANY DAMAGES ARISING OUT OF THE USE OF, OR OTHERWISE RELATED TO, THIS PRESENTATION OR ANY OTHER DOCUMENTATION. NOTHING CONTAINED IN THIS PRESENTATION IS INTENDED TO, NOR SHALL HAVE THE EFFECT OF, CREATING ANY WARRANTIES OR REPRESENTATIONS FROM IBM (OR ITS SUPPLIERS OR LICENSORS), OR ALTERING THE TERMS AND CONDITIONS OF ANY AGREEMENT OR LICENSE GOVERNING THE USE OF IBM PRODUCTS AND/OR SOFTWARE.

REFERENCES IN THIS PRESENTATION TO IBM PRODUCTS, PROGRAMS, OR SERVICES DO NOT IMPLY THAT THEY WILL BE AVAILABLE IN ALL COUNTRIES IN WHICH IBM OPERATES. PRODUCT RELEASE DATES AND/OR CAPABILITIES REFERENCED IN THIS PRESENTATION MAY CHANGE AT ANY TIME AT IBM'S SOLE DISCRETION BASED ON MARKET OPPORTUNITIES OR OTHER FACTORS, AND ARE NOT INTENDED TO BE A COMMITMENT TO FUTURE PRODUCT OR FEATURE AVAILABILITY IN ANY WAY. NOTHING CONTAINED IN THESE MATERIALS IS INTENDED TO, NOR SHALL HAVE THE EFFECT OF, STATING OR IMPLYING THAT ANY ACTIVITIES UNDERTAKEN BY YOU WILL RESULT IN ANY SPECIFIC SALES, REVENUE GROWTH OR OTHER RESULTS. PERFORMANCE IS BASED ON MEASUREMENTS AND PROJECTIONS USING STANDARD IBM BENCHMARKS IN A CONTROLLED ENVIRONMENT. THE ACTUAL THROUGHPUT OR PERFORMANCE THAT ANY USER WILL EXPERIENCE WILL VARY DEPENDING UPON MANY FACTORS, INCLUDING CONSIDERATIONS SUCH AS THE AMOUNT OF MULTIPROGRAMMING IN THE USER'S JOB STREAM, THE I/O CONFIGURATION, THE STORAGE CONFIGURATION, AND THE WORKLOAD PROCESSED. THEREFORE, NO ASSURANCE CAN BE GIVEN THAT AN INDIVIDUAL USER WILL ACHIEVE RESULTS SIMILAR TO THOSE STATED HERE.

© IBM Corporation 2007. All Rights Reserved.

The workshops, sessions and materials have been prepared by IBM or the session speakers and reflect their own views. They are provided for informational purposes only, and are neither intended to, nor shall have the effect of being, legal or other guidance or advice to any participant. While efforts were made to verify the completeness and accuracy of the information contained in this presentation, it is provided AS IS without warranty of any kind, express or implied. IBM shall not be responsible for any damages arising out of the use of, or otherwise related to, this presentation or any other materials. Nothing contained in this presentation is intended to, nor shall have the effect of, creating any warranties or representations from IBM or its suppliers or licensors, or altering the terms and conditions of the applicable license agreement governing the use of IBM software.

References in this presentation to IBM products, programs, or services do not imply that they will be available in all countries in which IBM operates. Product release dates and/or capabilities referenced in this presentation may change at any time at IBM's sole discretion based on market opportunities or other factors, and are not intended to be a commitment to future product or feature availability in any way. Nothing contained in these materials is intended to, nor shall have the effect of, stating or implying that any activities undertaken by you will result in any specific sales, revenue growth or other results.

Performance is based on measurements and projections using standard IBM benchmarks in a controlled environment. The actual throughput or performance that any user will experience will vary depending upon many factors, including considerations such as the amount of multiprogramming in the user's job stream, the I/O configuration, the storage configuration, and the workload processed. Therefore, no assurance can be given that an individual user will achieve results similar to those stated here.

All customer examples described are presented as illustrations of how those customers have used IBM products and the results they may have achieved. Actual environmental costs and performance characteristics may vary by customer.

The following are trademarks of the International Business Machines Corporation in the United States and/or other countries. For a complete list of IBM trademarks, see [www.ibm.com/legal/copytrade.shtml](http://www.ibm.com/legal/copytrade.shtml)

AIX, CICS, CICSplex, DB2, DB2 Universal Database, i5/OS, IBM, the IBM logo, IMS, iSeries, Lotus, OMEGAMON, OS/390, Parallel Sysplex, pureXML, Rational, RCAF, Redbooks, Sametime, Smart SOA, System i, System i5, System z, Tivoli, WebSphere, and z/OS.

Java and all Java-based trademarks are trademarks of Sun Microsystems, Inc. in the United States, other countries, or both.

Microsoft and Windows are trademarks of Microsoft Corporation in the United States, other countries, or both.

Intel and Pentium are trademarks or registered trademarks of Intel Corporation or its subsidiaries in the United States and other countries.

UNIX is a registered trademark of The Open Group in the United States and other countries.

Linux is a registered trademark of Linus Torvalds in the United States, other countries, or both.

Other company, product, or service names may be trademarks or service marks of others.