Business Agility

Embrace complexity, adapt quickly
and exceed expectations

Realise Business Agility:
Transform To Grow

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9 August 2011

Agenda

- **Transform for Growth – The Business drivers**

- How technology enables Transform for Growth

  – Business Agility and Flexibility

  – Business Automation

- Why IBM for your Growth Initiatives

The New Normal: Change, Complexity, Uncertainty

$488 billion
Lost in process inefficiencies
in Fortune 500 companies

$534 billion
In mobile
transactions by 2015

85%
Of enterprises use
external cloud services

50%
Of businesses plan to adopt more
collaborative sourcing models

70%
Of businesses outsource one
or more strategic activities

50 billion
Devices connected to
the Internet by 2020

Presents Both Challenges and Opportunities

NETFLIX

Stock Grows 250% in 2010

amazon.com.

2010 Net sales increased 40%

BORDERS.

Filed for bankruptcy protection

BLOCKBUSTER

Files bankruptcy on September 2010

Business leaders must drive growth amidst complexity

Capitalize on complexity and
Outmaneuver competitors

Innovation
- **81%** believe innovation is key to getting closer to their customers
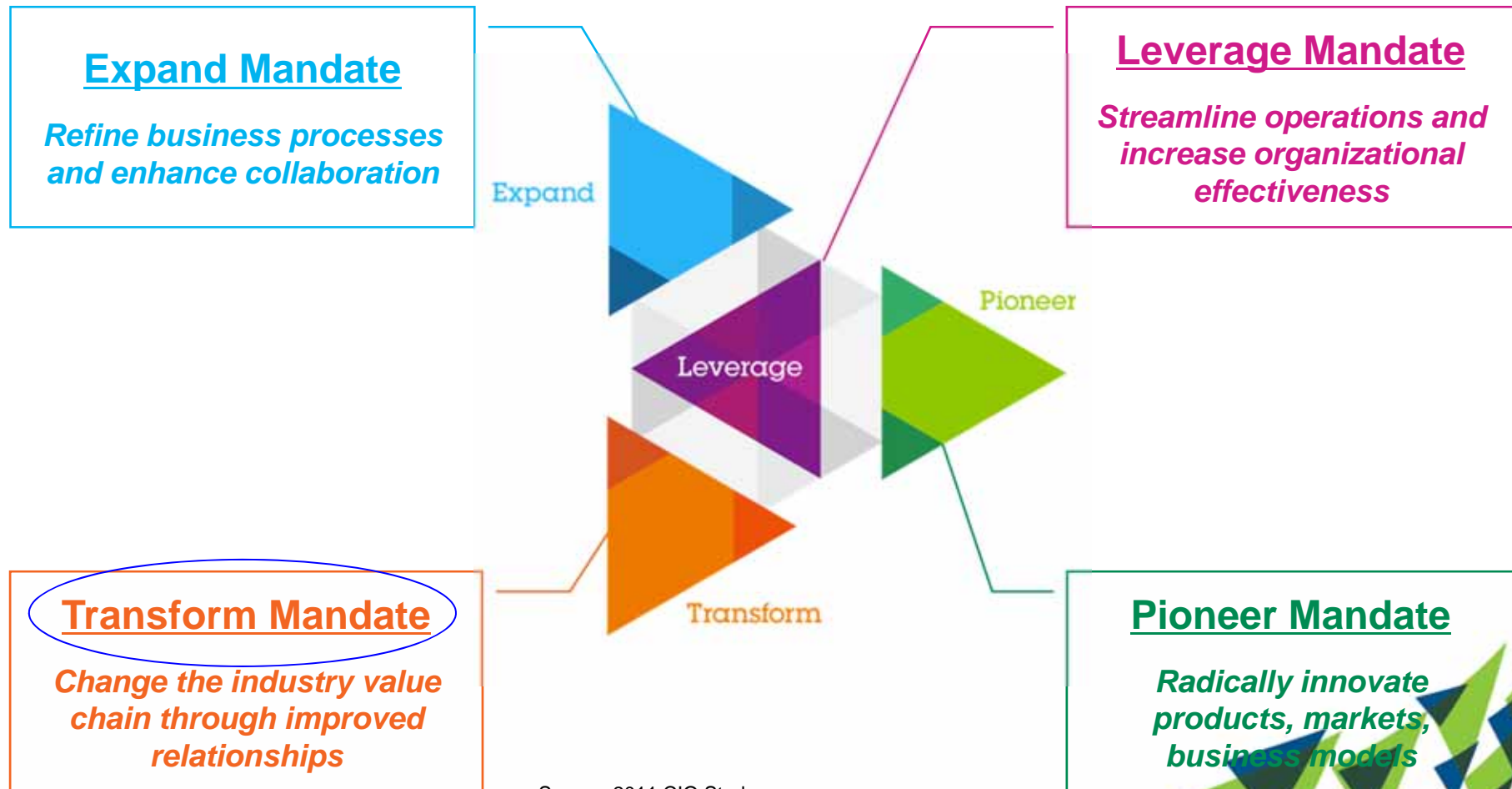
New Channels
- **70%** are focusing on new channels to deliver services to their customers

Collaboration
- **69%** are collaborating with customers to deliver better products and services

Source: IBM CEO Study, 2010

CIO mandates come with distinct characteristics that line up with the organization's goals & strategy

Expand Mandate

Refine business processes and enhance collaboration

Leverage Mandate

Streamline operations and increase organizational effectiveness

Expand

Leverage

Pioneer

Transform

Transform Mandate

Change the industry value chain through improved relationships

Pioneer Mandate

Radically innovate products, markets, business models

Source: 2011 CIO Study

Yesterday's best in class is not good enough

- To fuel new growth while optimizing costs organizations must leverage:

  - Greater business understanding and measurement
  - Rich, integrated information, transactions, and decisions
  - Flexibility-enabling technologies
  - New social and collaboration capabilities
  - Efficiency in IT and capital expenditures

- To increase awareness and control over their business processes for *Greater Business Agility*

Key Capabilities for Transformation are:

- Agile processes and decisions

- Rapid, adaptable integration

- Unbounded applications

- Flexible and intelligent infrastructure

SOA

Business Outcomes

Business Strategy

Business Process Management

Connectivity and Integration

Application Infrastructure

Appliances

Mobile

Cloud

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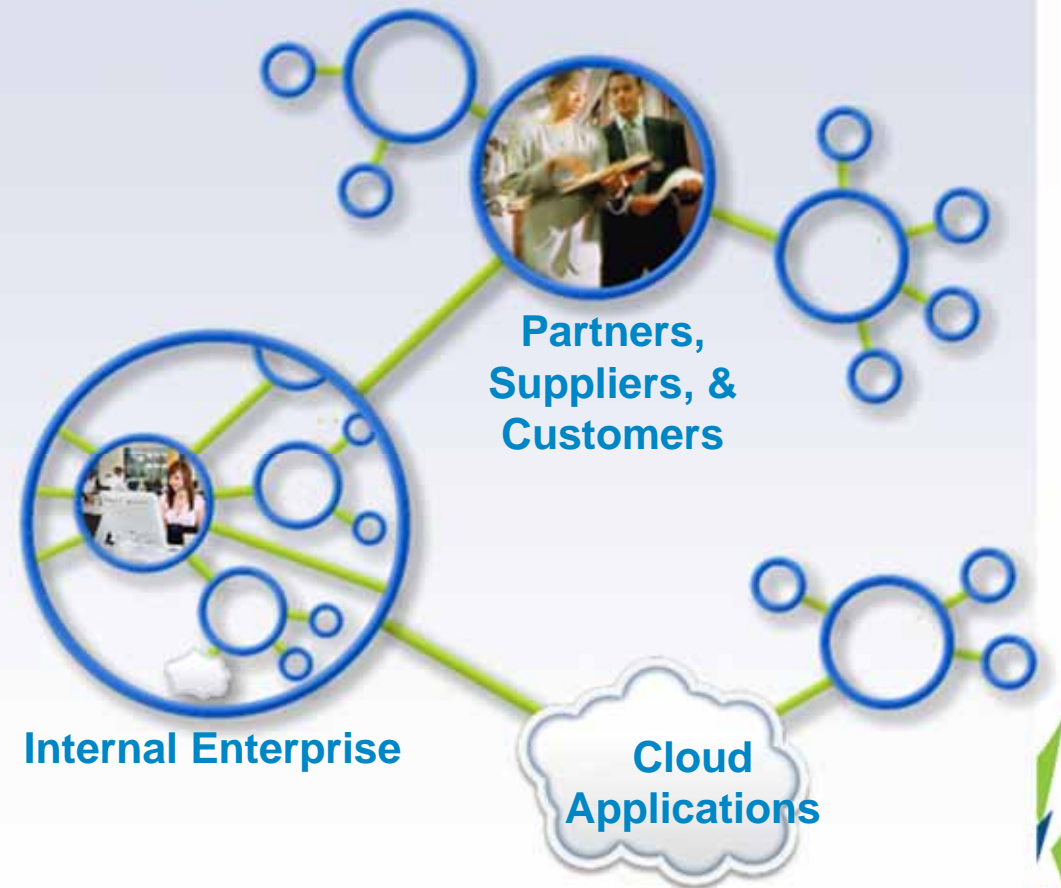- Why IBM for your Growth Initiatives

Complexity exists internally and externally
Capitalize on complexity and thrive in an interconnected world
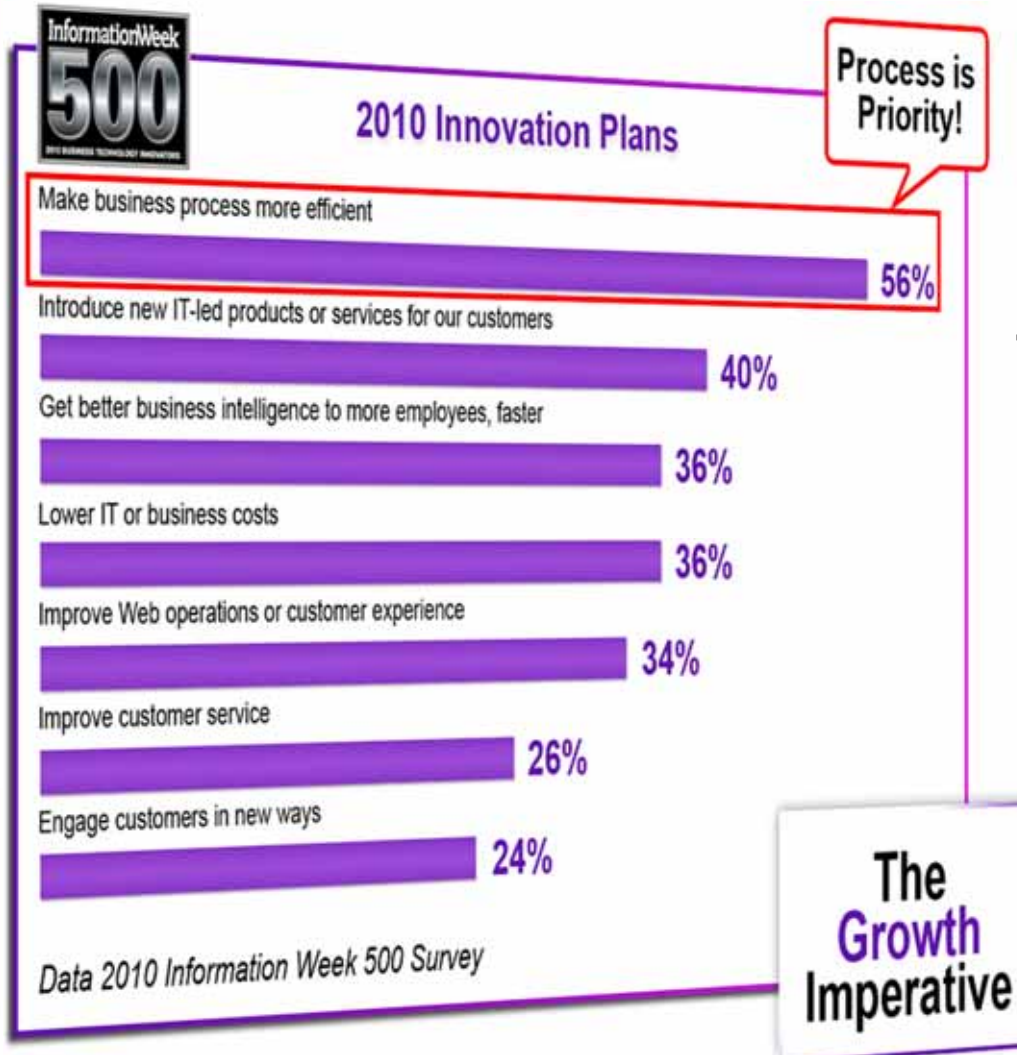
Organisations are challenged to deliver fast, flexible and reliable access to information across applications, enterprises, and the cloud to:

- Inform decisions with new information

- Embrace new channels

- Leverage rich partnerships

Partners, Suppliers, & Customers

Internal Enterprise

Cloud Applications

Companies need end-to-end process management

Business Process is Still a Priority

2010 Innovation Plans

Make business process more efficient — 56%

Introduce new IT-led products or services for our customers — 40%

Get better business intelligence to more employees, faster — 36%

Lower IT or business costs — 36%

Improve Web operations or customer experience — 34%

Improve customer service — 26%

Engage customers in new ways — 24%

Data 2010 Information Week 500 Survey

Process is Priority!

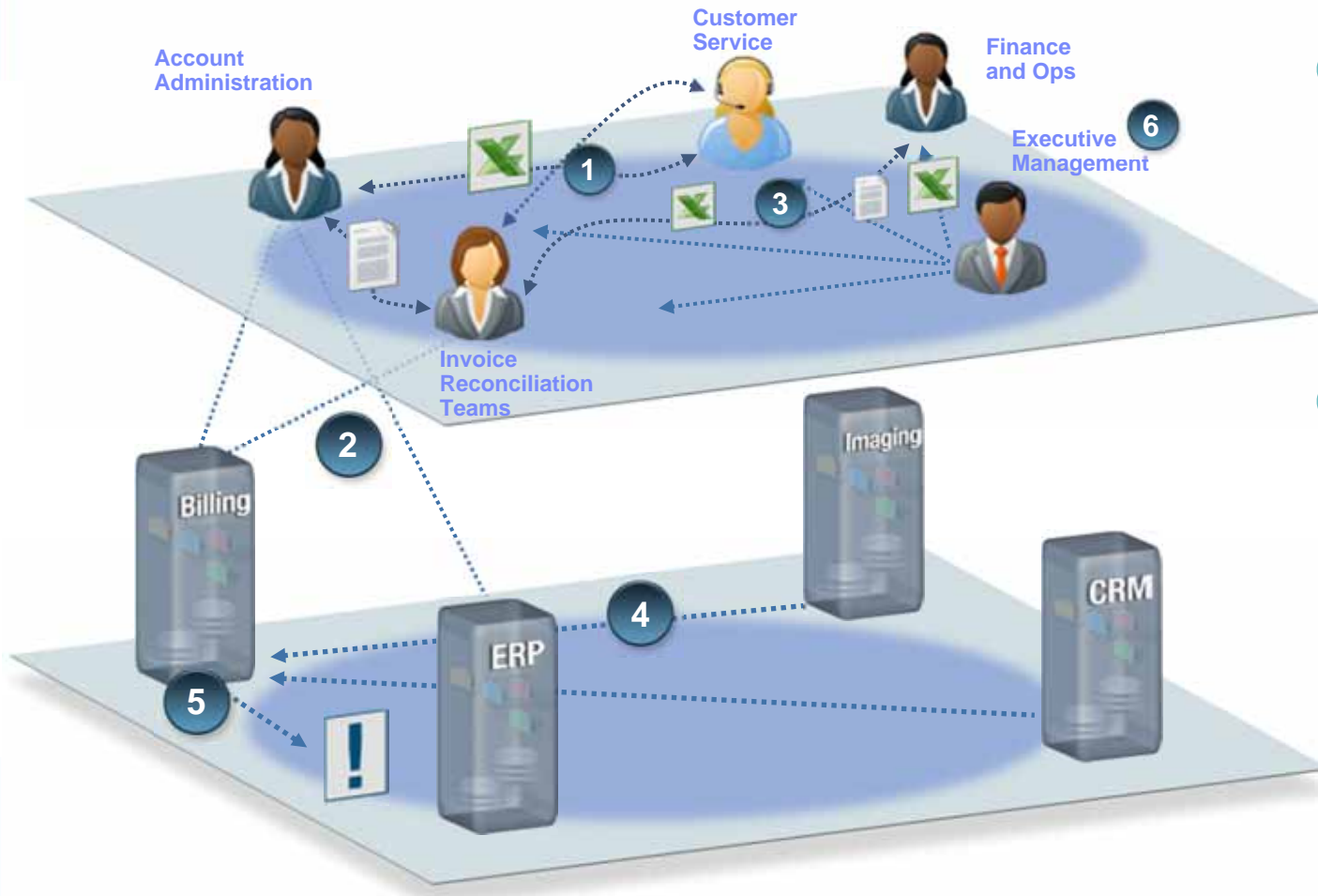The Growth Imperative

Information Week: September 2010

The Market is Clearly Telling Us …

- Process improvement is critical

- BPM delivers value to clients

- Companies continue to invest
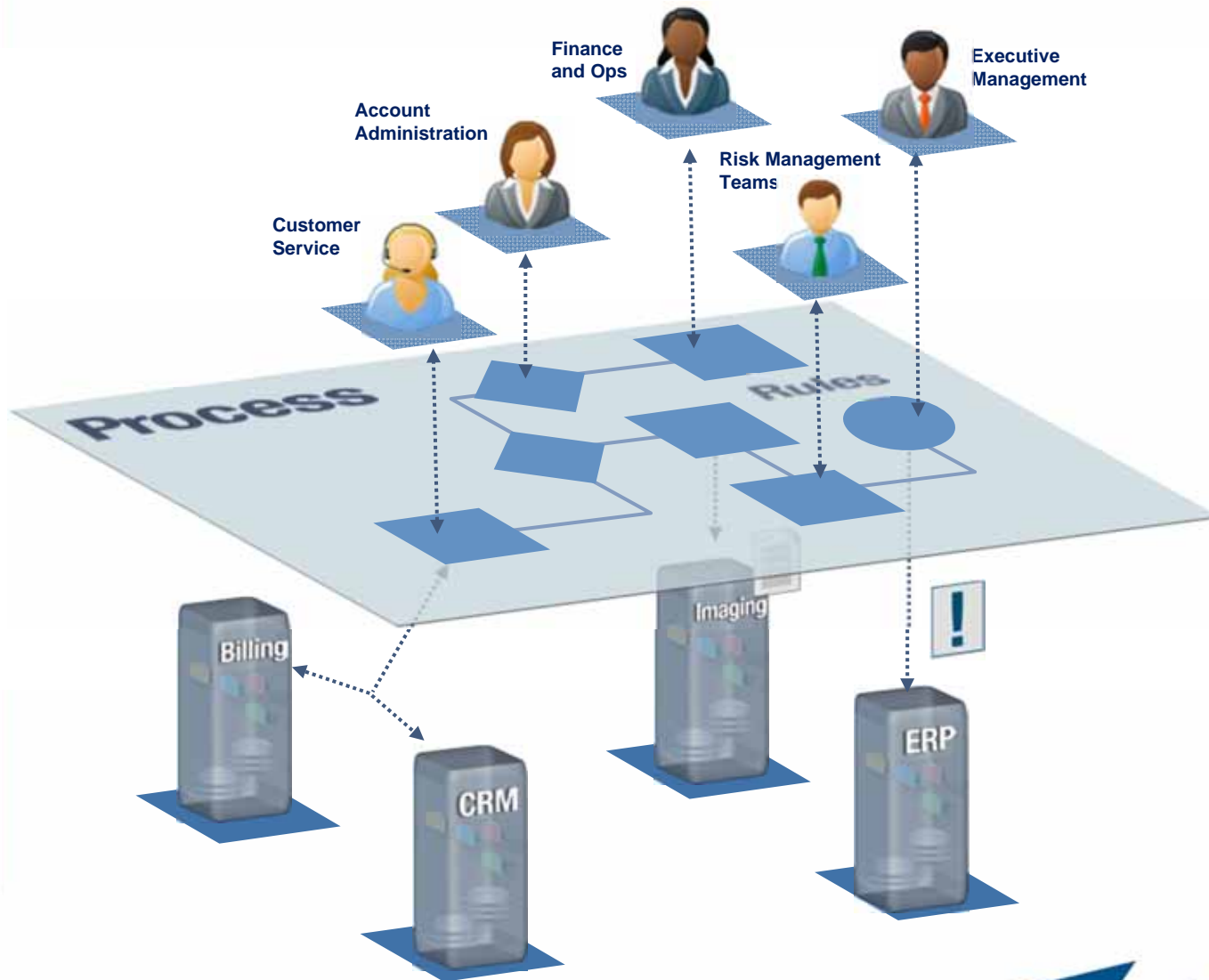
Typical process problems

Account Administration

Customer Service

Finance and Ops

Executive Management

Invoice Reconciliation Teams

Billing

Imaging

ERP

CRM

1. Unstructured Tasks and Communication (ex Paper or email)

2. Inefficient Working Environment Spans Systems

3. Inconsistent Prioritization

4. Incomplete or Inaccurate Data Flow Between Systems

5. Lack of Control Over System and Business Events (Exceptions)

6. Poor Visibility Into Process Performance
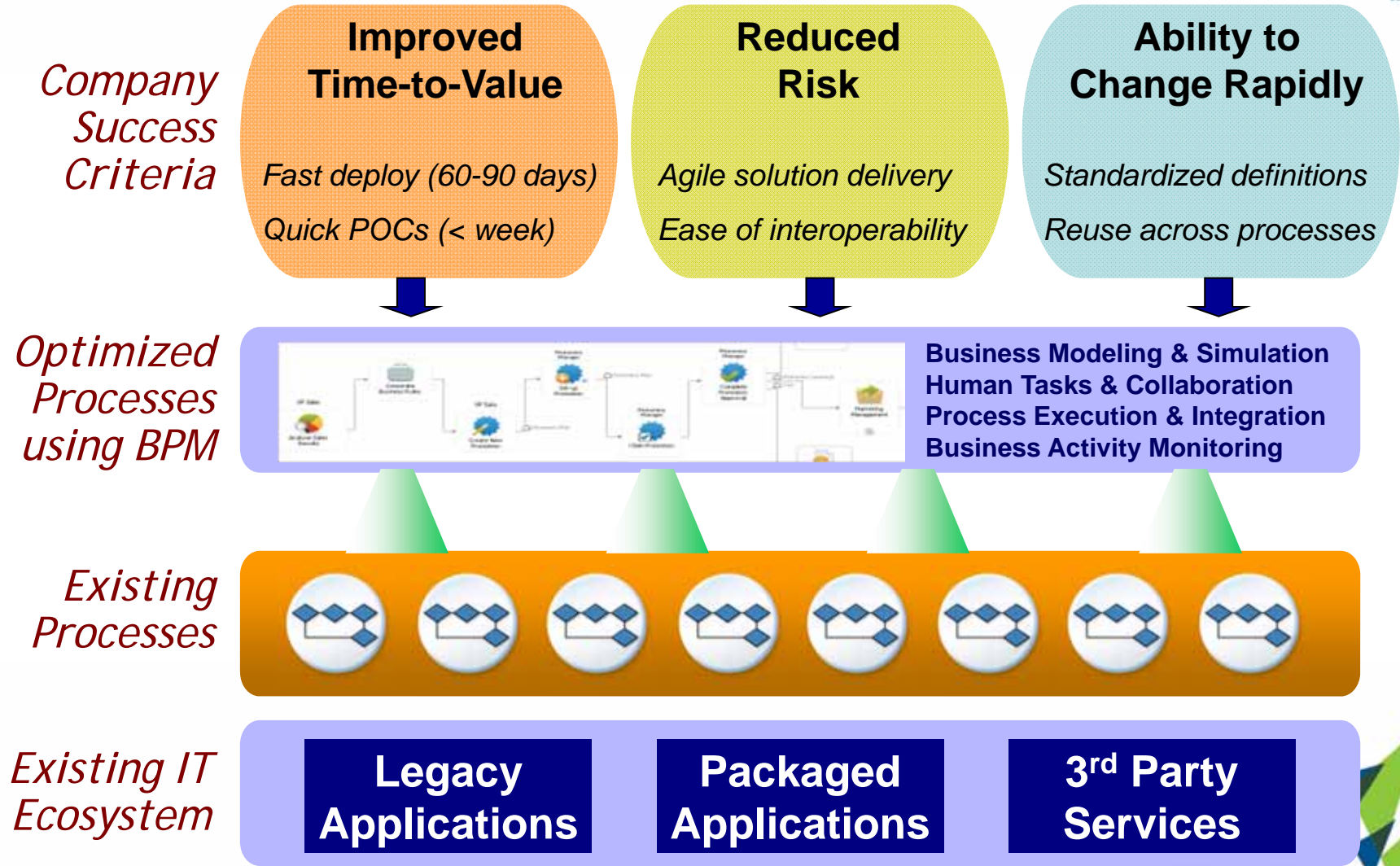
BPM brings order to the chaos

Finance and Ops

Executive Management

Account Administration

Risk Management Teams

Customer Service

Process

Rules

Billing

CRM

Imaging

ERP

1 Automate workflow & decision making

2 Reduce errors and improve consistency

3 Standardize resolution across geographies

4 Leverage existing systems and data

5 Monitor for business events and initiate actions

6 Real-time visibility and process control

Customer Benefits:

- **Huge Reduction in Manual Work, Errors**

- **Faster, More Consistent Issue Resolution**

- **Easier to Manage the Business**

- **Consistent Case Handling**

What do organisations expect from BPM?

Company Success Criteria

Improved Time-to-Value	Reduced Risk	Ability to Change Rapidly
Fast deploy (60-90 days)	*Agile solution delivery*	*Standardized definitions*
Quick POCs (< week)	*Ease of interoperability*	*Reuse across processes*

Optimized Processes using BPM

Business Modeling & Simulation
Human Tasks & Collaboration
Process Execution & Integration
Business Activity Monitoring

Existing Processes

Existing IT Ecosystem

Legacy Applications	Packaged Applications	3rd Party Services

Accelerate process improvement and business agility with decision automation
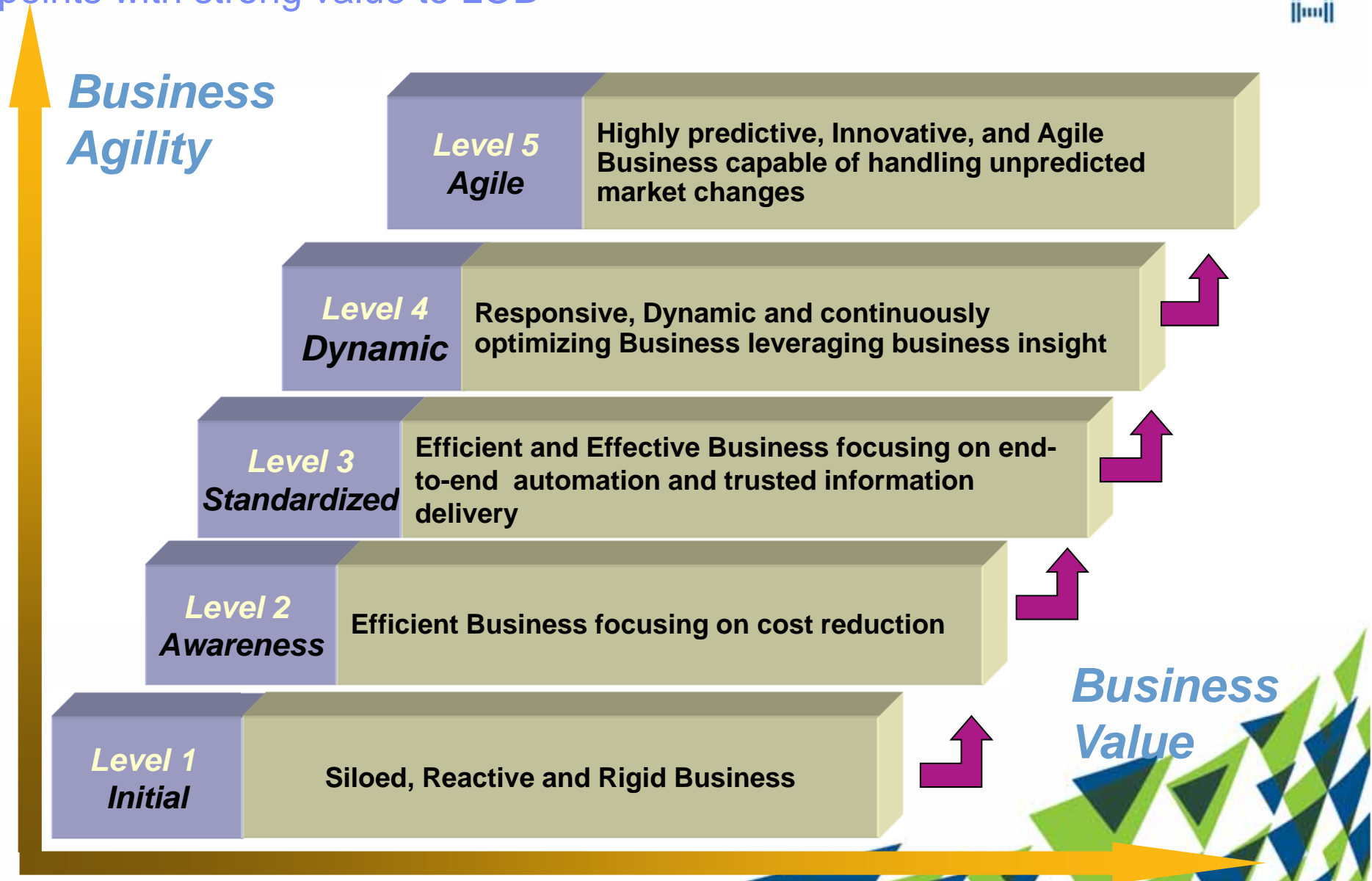
Make operational decisions an enterprise asset with Business Rules Management and Business Event Processing

- Rapidly implement changes to meet market needs and competitive threats

- Increase straight-through processing

- Reuse decision logic across processes and systems

- Ensure compliance with business policies and external regulations

Enhance business agility with a stepped approach mapped to key starting points with strong value to LOB

Business Agility

Business Value

Level 5
Agile
Highly predictive, Innovative, and Agile Business capable of handling unpredicted market changes

Level 4
Dynamic
Responsive, Dynamic and continuously optimizing Business leveraging business insight

Level 3
Standardized
Efficient and Effective Business focusing on end-to-end automation and trusted information delivery

Level 2
Awareness
Efficient Business focusing on cost reduction

Level 1
Initial
Siloed, Reactive and Rigid Business

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Set A Roadmap To Business Agility

Execute a Strategy For Better Business Outcomes:

- Fuel New Growth
- Speed Time to Value
- Reduce Total Cost of Ownership

Think **big**

Start **small**

Scale **fast**

Speed deployment with pre-built industry assets, and new Industry Solution Scenarios

Supply chain

Healthcare

Retail

Industrial PLM

IBM Software for Business Process Management
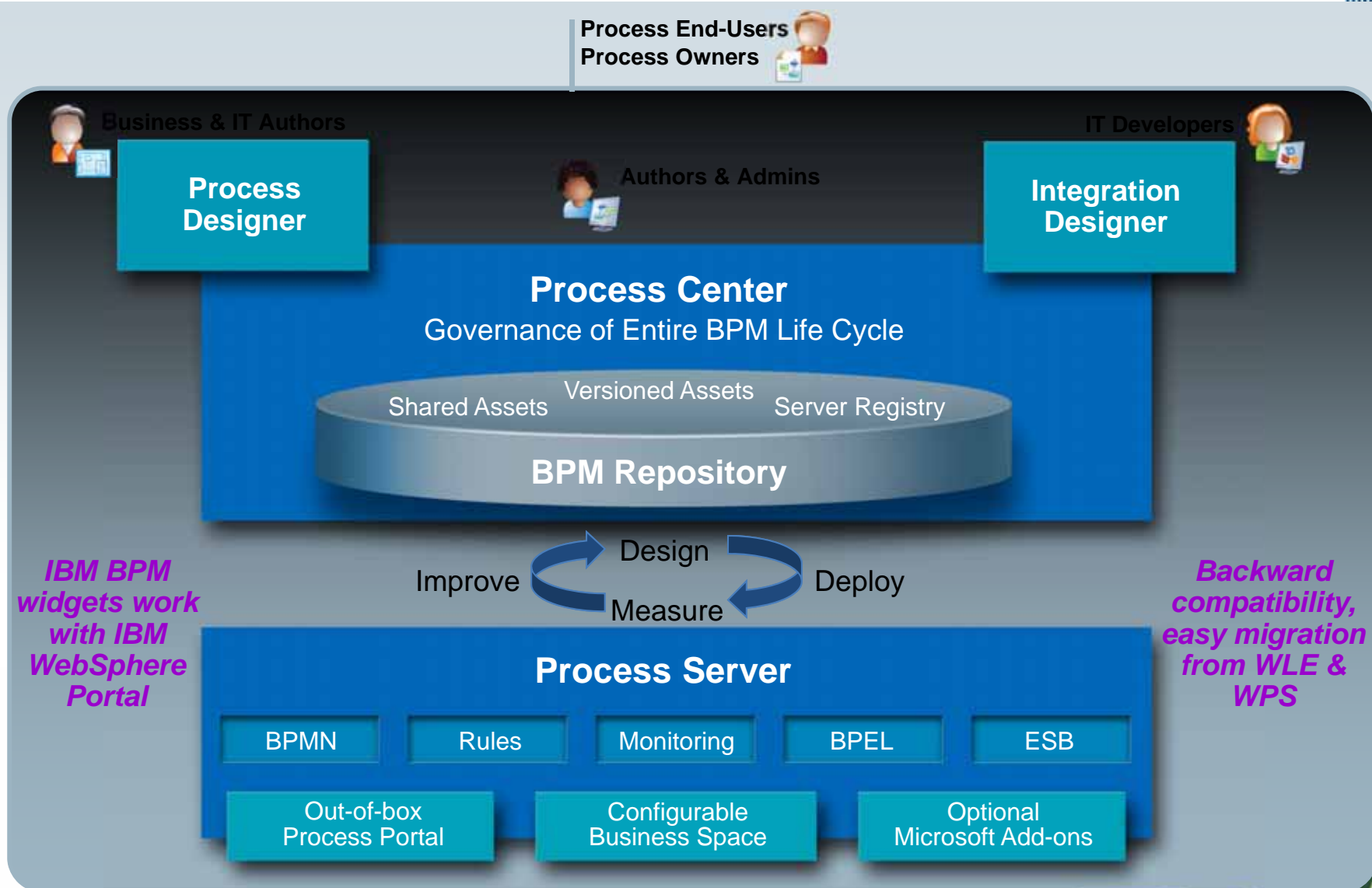
Business Process Management

Government

Telecom

Banking

Insurance

Reduce risk, increase consistency and reuse across departments with industry-standards based assets

19

IBM Business Process Manager V7.5

Process End-Users
Process Owners

Business & IT Authors

IT Developers

Process Designer

Authors & Admins

Integration Designer

Process Center
Governance of Entire BPM Life Cycle

Shared Assets   Versioned Assets   Server Registry

BPM Repository

Design

Improve   →   ←   Deploy

Measure

IBM BPM widgets work with IBM WebSphere Portal

Backward compatibility, easy migration from WLE & WPS

Process Server

BPMN	Rules	Monitoring	BPEL	ESB

Out-of-box Process Portal	Configurable Business Space	Optional Microsoft Add-ons

IBM BPM benefits every major industry

Insurance: End-to-end claims processing visibility to reduce fraud and payouts to ineligible claims

Banking: Rapidly deploy new online, mobile, and ATM banking features to increase customer satisfaction and reduce development costs

Telecom: Integrate voice, data, and content from multiple systems to speed the delivery of new high-value services

Transportation: Real-time visibility into resources and location information to improve forecasts and meet 95% on-time delivery goals

Utilities: Integrate billing applications with smart meters for flexible pricing, and improved billing accuracy

Healthcare: Track patients through from enrollment through discharge using event processing to optimize care and reduce waiting times

Financial Services: Rapidly process orders and reduce risk of non-compliance with corporate and regulatory policies

Retail: Automate order and supply chain processes to reduce lead time and increase order accuracy

Government: Increase effectiveness by automating and coordinating emergency services across departments

Industry specific business use cases

- Across Industries

Banking
Cross-sell / Up sell
Mortgage Origination
Payments - Least Cost Routing
Payments - Pricing / Charge Calculation
Accounting
Trade Order Management

Insurance
Quoting & Underwriting
Claims Processing
Solvency II

Telecom
Promotion Management

Healthcare
Fraud Detection & Management
Claims Processing

Retail
Promotion Management
Promotion Execution
Trade Fund Management

Travel & Transportation
Notifications & Irregular Operations

Government
Screening & Targeting
Integrated Fare Management

…

Industry Solution Scenarios

*Solution Scenarios

- **Banking**
  - ✅ **New Account Opening**
  - • Corporate Payments
  - • Mortgage Refinancing
- **Healthcare**
  - ✅ **Benefits Eligibility**
  - • Claims Adjudication
- **Telecom**
  - ✅ **Order Handling**
  - ✅ **Incidence & Problem Management**
- **Insurance**
  - • Variable Annuities New Business
  - • Claims Status
- **Manufacturing - PLM**
  - • Engineering Change Request
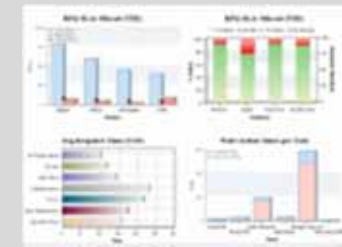 - • Product Data Exchange

* Existing WICP Solution Scenarios

Representative Industry User Experiences
Included in WebSphere Industry Content Packs

Coach Flows	KPIs, Reports

Process Flows	Integration Services

Single version configurable for Full, Standard, and Starter offerings.

✅ Available now

IBM Industry Content Packs
Industry Solution Assets for IBM BPM

Configurable & extensible BPM solution assets for **Banking, Insurance, Telecom, Healthcare, Manufacturing**. Based on prevalent industry standards in each of the selected industries

Capability Models
Capability Maps & Process Maps align business strategy with process execution

Based on APQC & IBM's Best Practices

Process Models
Process Flows & Business Measures simulate human workflows & automate processes

Based on APQC & IBM's Best Practices

Service Models
Service Interface & Schemas facilitate creation & assembly of process implementations

Based on Industry Standards

Common Components
Common Services & Utilities enable interoperability with the application ecosystem

Based on Industry Standards

Business Vocabulary
Repository of Business Concepts, Terms & Relationships to ensure consistency

Based on Industry Standards

Business Object Models
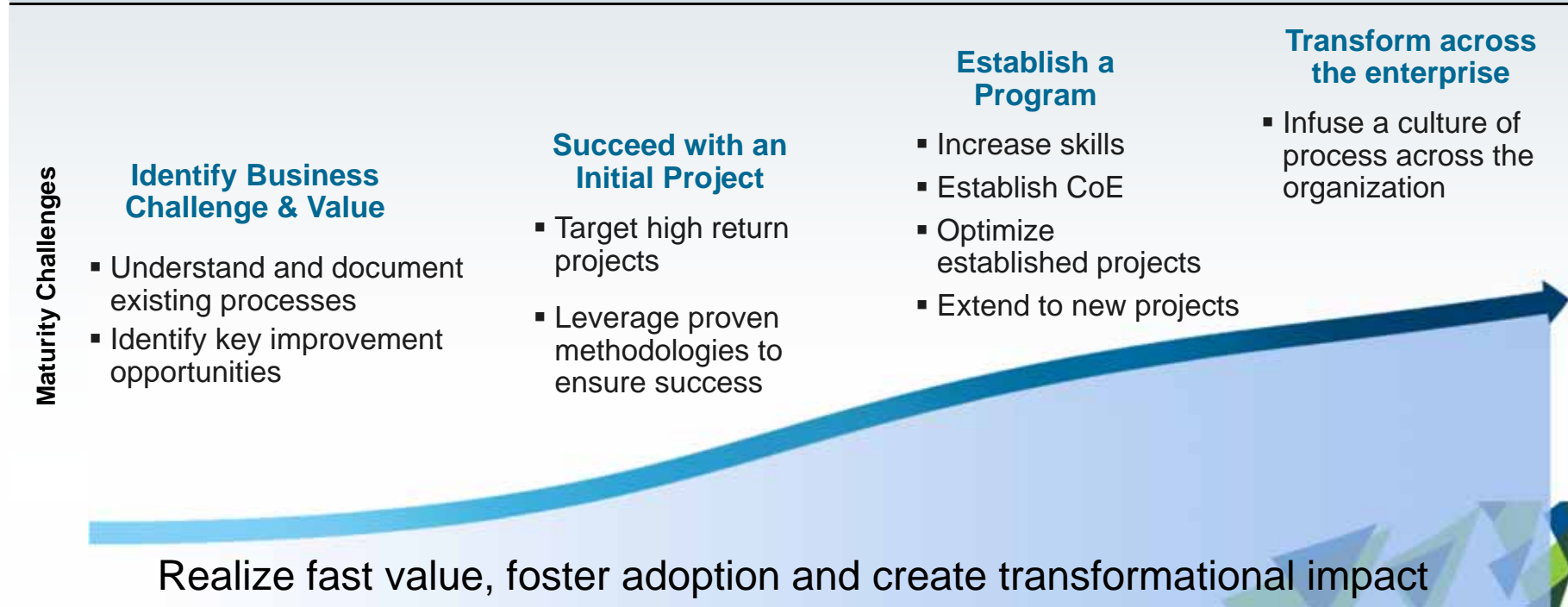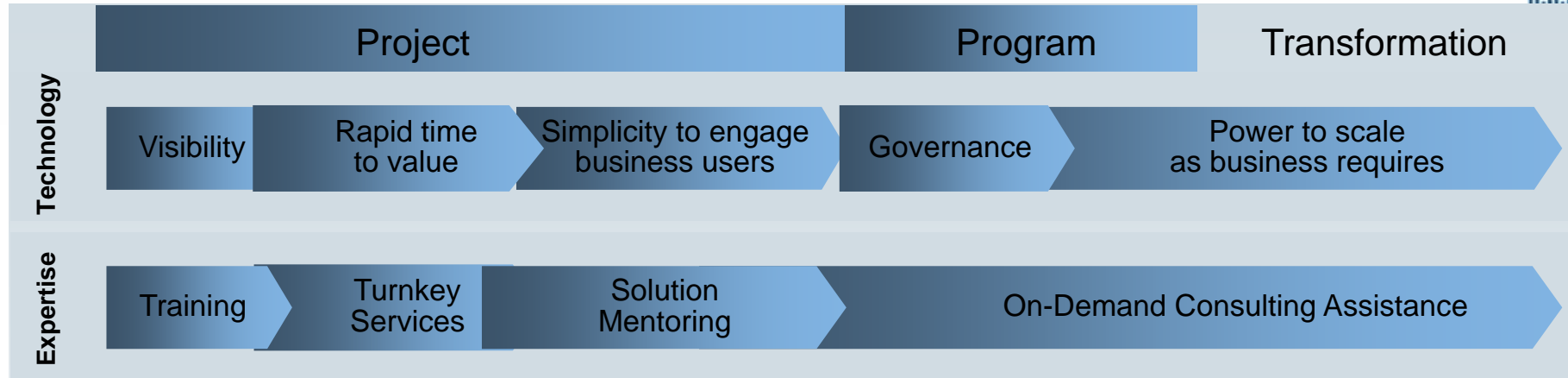*Conceptual Data Models to provide a foundation for information management*

Based Industry Standards

BPM Solution Scenarios
Pre-built solution that combine the above assets into an end-to-end working solution

Ensure success with a proven approach for business agility

Technology

Project		Program	Transformation

Visibility	Rapid time to value	Simplicity to engage business users	Governance	Power to scale as business requires

Expertise

Training	Turnkey Services	Solution Mentoring	On-Demand Consulting Assistance

Maturity Challenges

Identify Business Challenge & Value

- Understand and document existing processes
- Identify key improvement opportunities

Succeed with an Initial Project

- Target high return projects
- Leverage proven methodologies to ensure success

Establish a Program

- Increase skills
- Establish CoE
- Optimize established projects
- Extend to new projects

Transform across the enterprise

- Infuse a culture of process across the organization

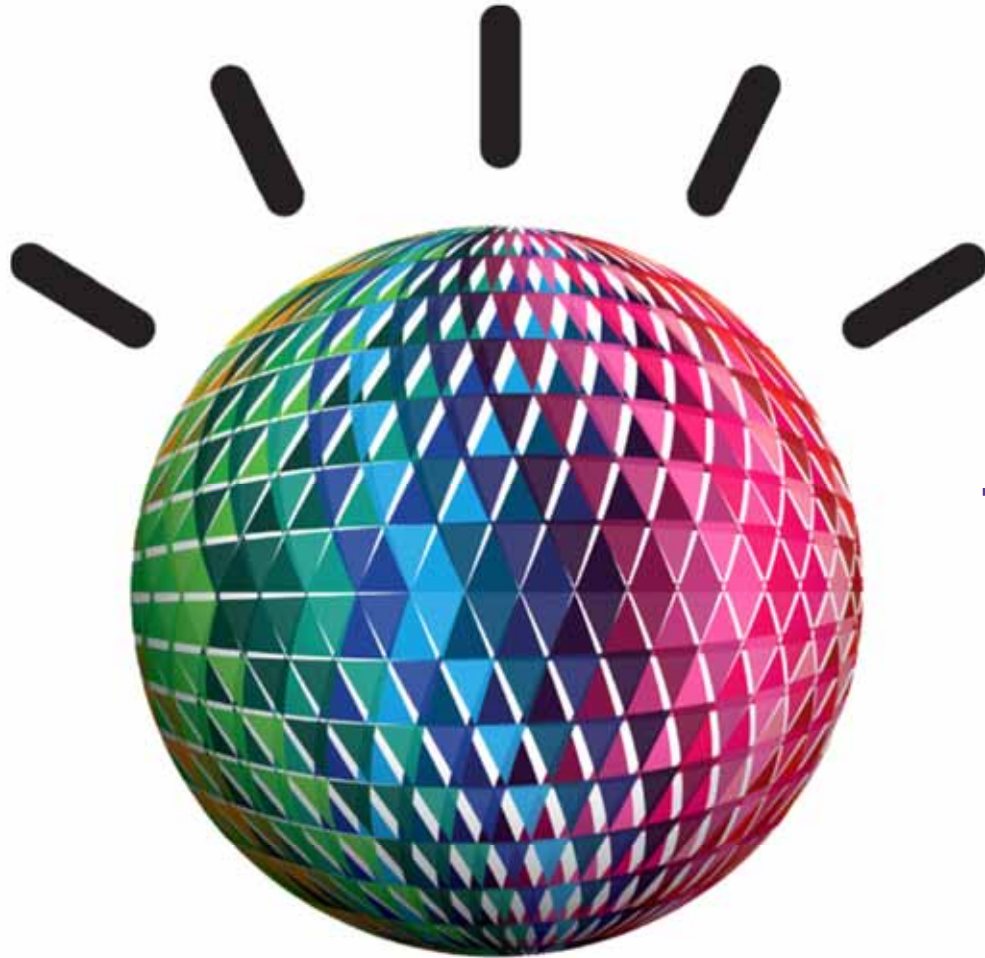Realize fast value, foster adoption and create transformational impact

City of Madrid

Reduced Emergency Response Times by 25% Using BPM and SOA

City of Madrid

Integrating Applications, Data and Processes Across Different Agencies

Transform to Grow with
Business Agility