



IBM Business Process Management Solution Seminar

Standard template for event presentation

WebSphere software

A decorative horizontal bar spans the width of the slide, featuring a series of colorful squares (cyan, green, yellow, red) followed by a collage of images including a globe, a person's face, a cross, and a grid of dots.

Take back control of your business with smarter Business Process Management

The Need for BPM



The New Normal: Change, Complexity, Uncertainty

50%

Of businesses plan to adopt more collaborative sourcing models

\$534 billion

In mobile transactions by 2015

85%

Of enterprises use external cloud services

\$488 billion

Lost in process inefficiencies in Fortune 500 companies

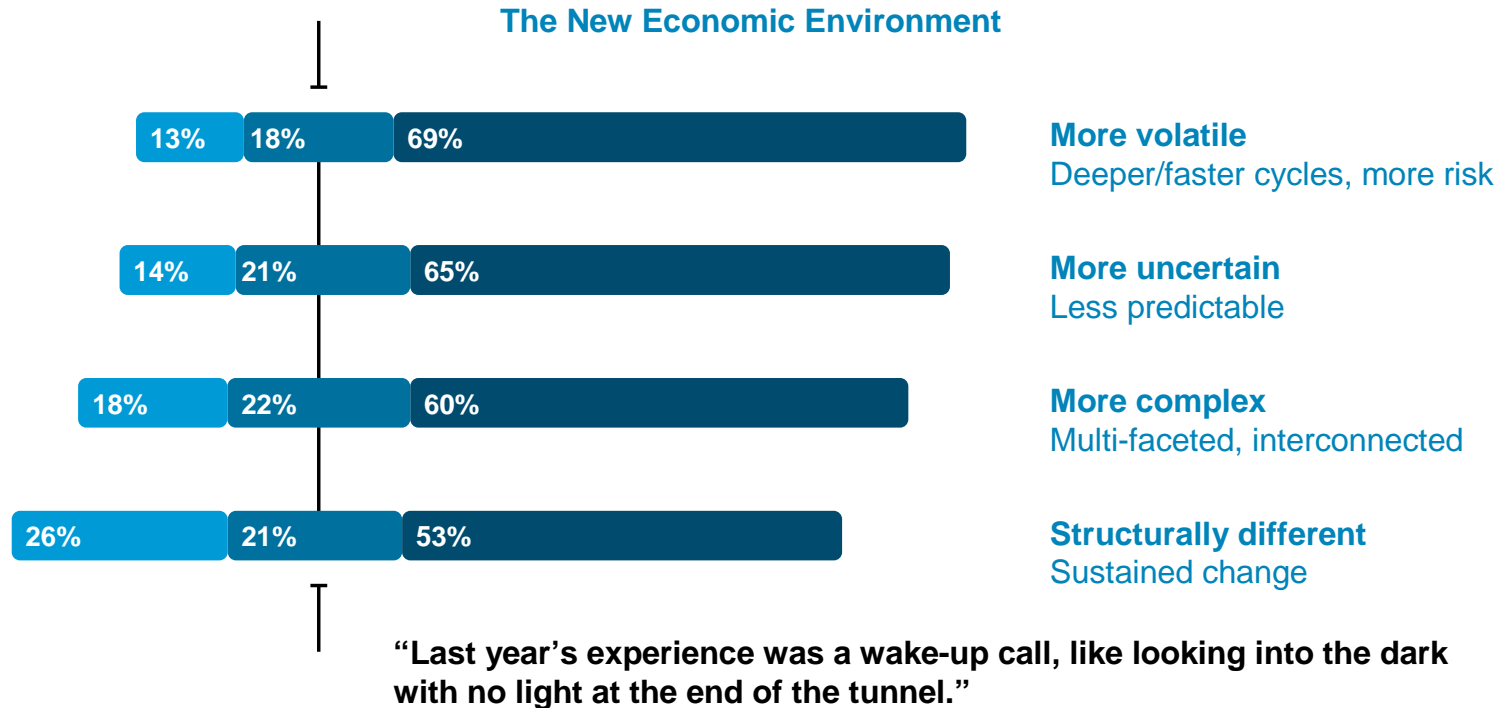
70%

Of businesses outsource one or more strategic activities

50 billion

Devices connected to the Internet by 2020

The Economic Environment is Changing



President and CEO,
Industrial Products, The Netherlands

■ Not at all/to a limited extent
 ■ To some extent
 ■ To a large/very large extent

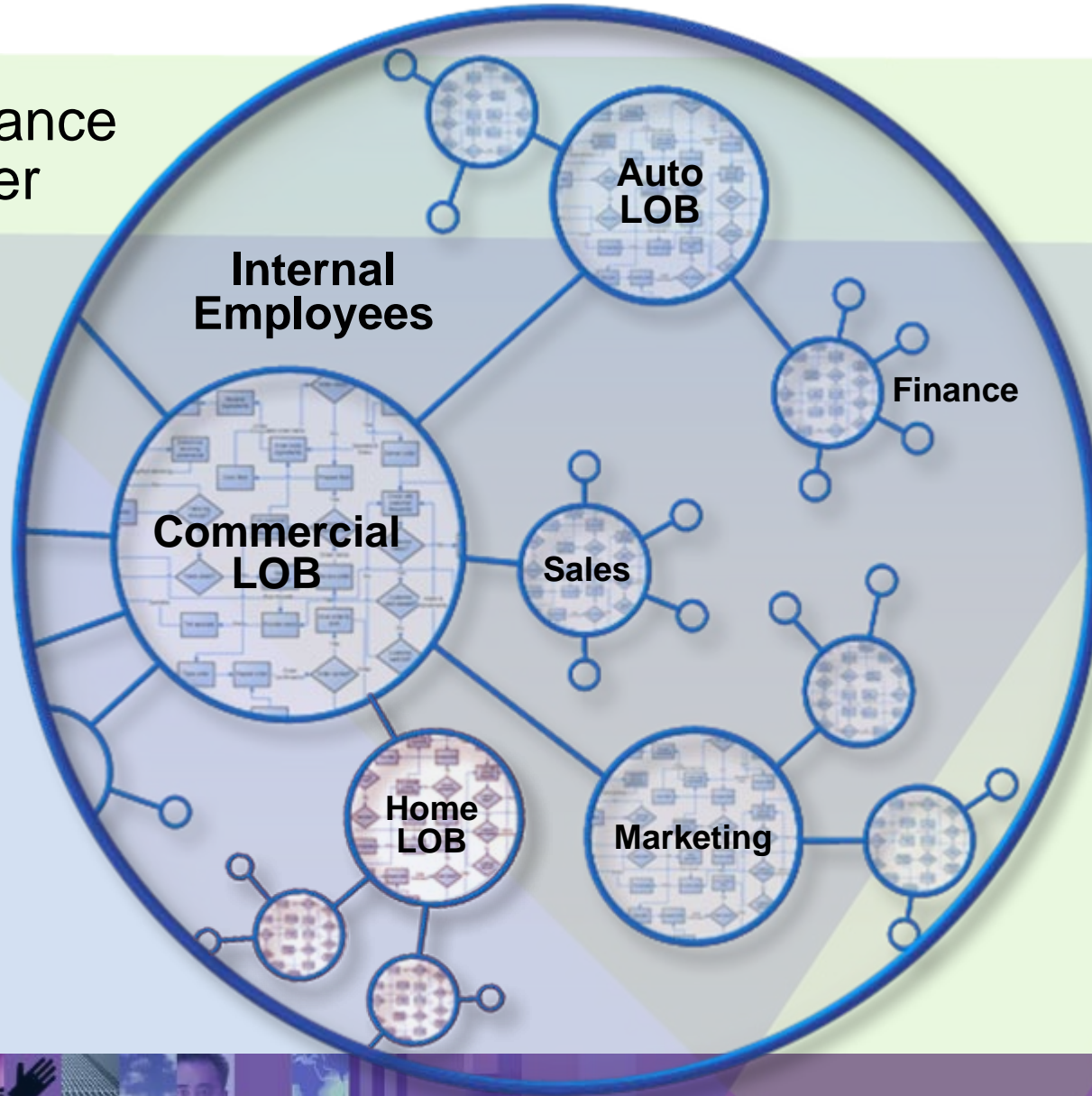
Source: 2010 IBM Global CEO Study, <http://www-935.ibm.com/services/us/ceo/ceostudy2010/index.html>

The majority of CEOs see the new economic environment as vastly different and challenging.



Complexity exists internally within organizations.....

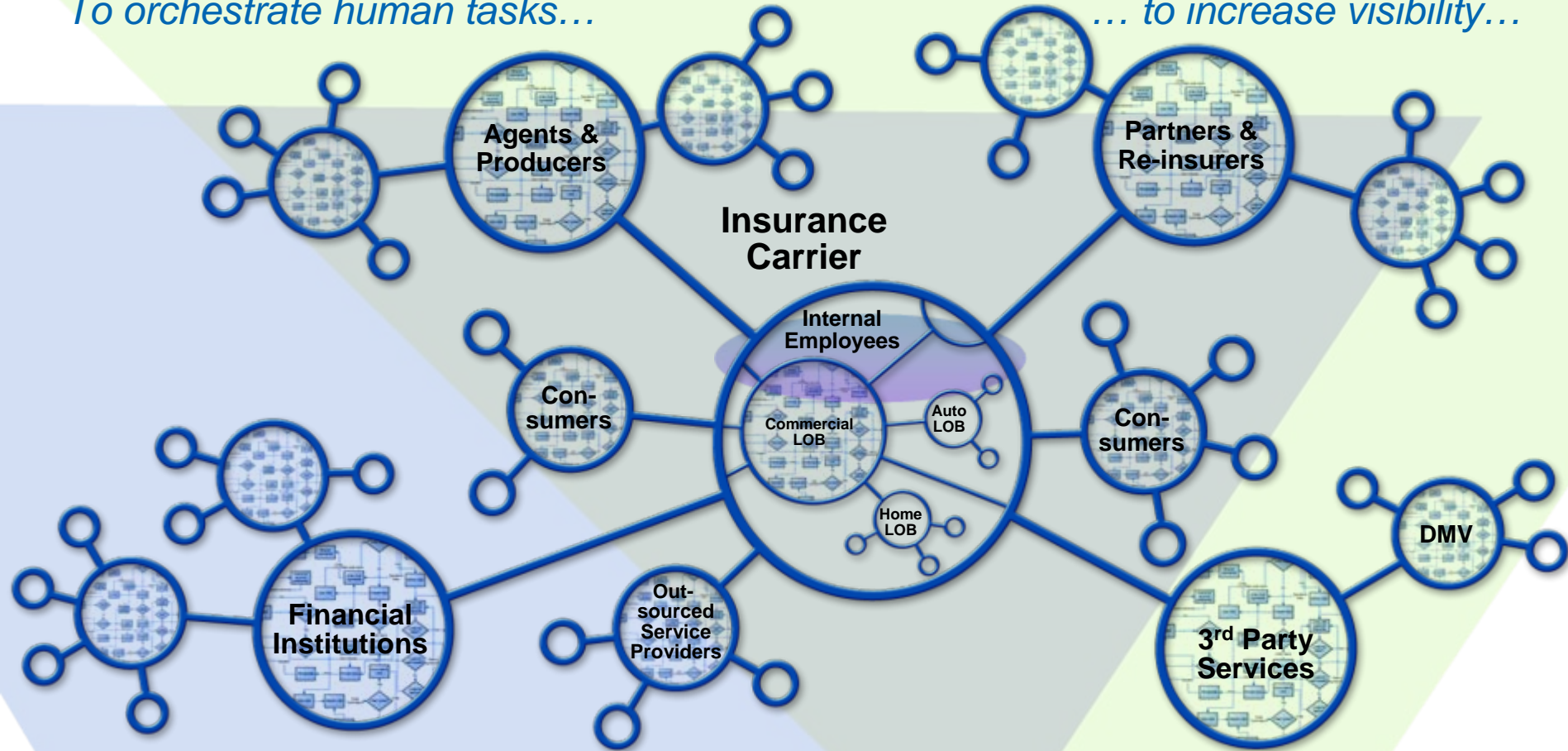
Insurance
Carrier



....and externally within the broader business network Companies need end-to-end process management

To orchestrate human tasks...

... to increase visibility...



... to manage exceptions and cases...

... and for scalable transactions...

... everything you need to manage end-to-end business networks



Process is a top imperative for CIOs ... 5 year in a row

2010

2006 - 2009

Business expectations for IT focus on improving current operations and performance

Business expectations

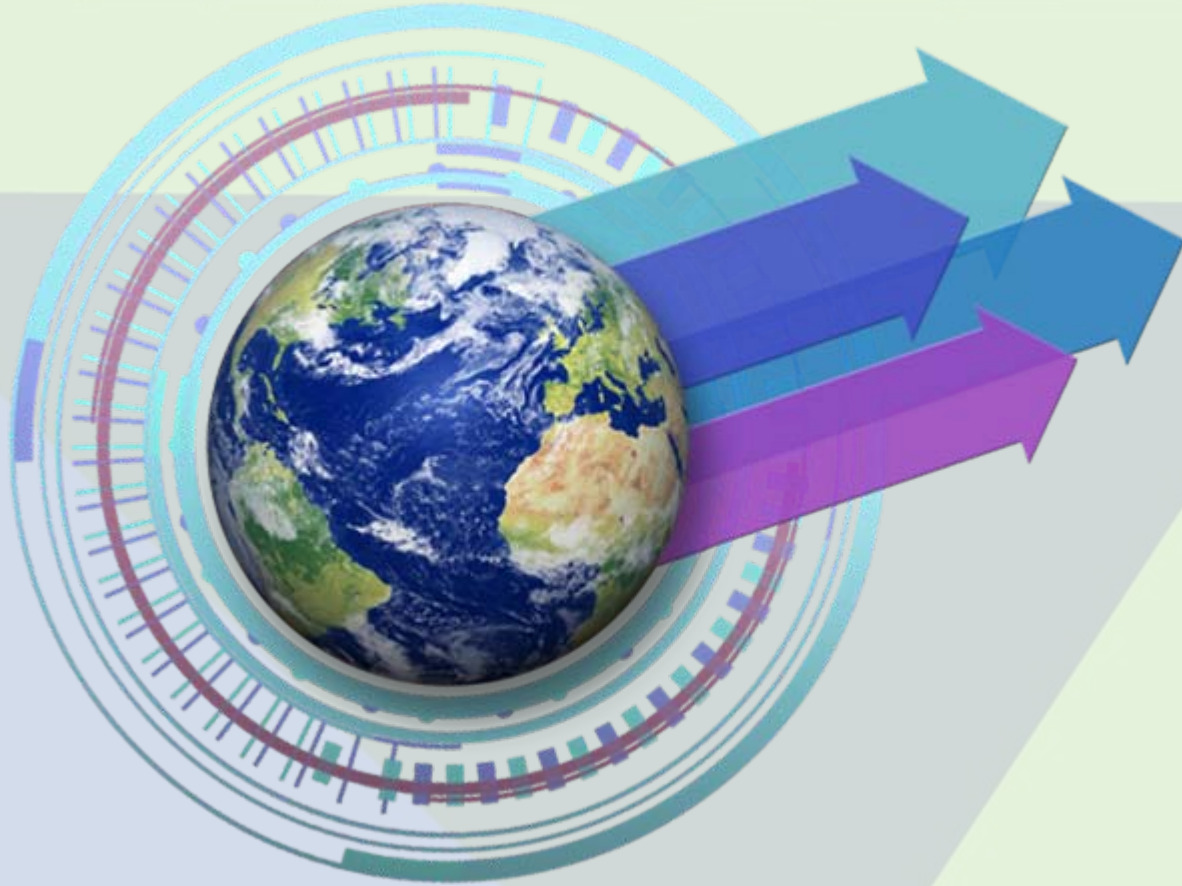
Ranking of business priorities CIOs selected as one of their top 5 priorities

Ranking	2009		2008	2007	2006	2012
Improving business processes	1	↔	1	1	1	2
Reducing enterprise costs	2	↑	5	2	2	7
Improving enterprise workforce effectiveness	3	↑	6	4	*	6
Attracting and retaining new customers	4	↓	2	3	3	3
Increasing the use of information/analytics	5	↑	8	7	6	8
Creating new products or services (innovation)	6	↓	3	10	9	1
Targeting customers and markets more effectively	7	↑	9	*	*	9
Managing change initiatives	8	↑	12	*	*	12
Expanding current customer relationships	9	↓	7	*	*	11
Expanding into new markets or geographies	10	↓	4	9	*	4
Consolidating business operations	11	↑	13	14	*	15
Supporting regulation, reporting and compliance	12	↑	14	13	*	16
Creating new sources of competitive advantage	13	↓	11	6	*	5

Top 10 Business Priorities	Ranking
Business process improvement	1
Reducing enterprise costs	2
Increasing the use of information/analytics	3
Improving enterprise workforce effectiveness	4
Attracting and retaining new customers	5
Managing change initiatives	6
Creating new products or services (innovation)	7
Targeting customers and markets more effectively	8
Consolidating business operations	9
Expanding current customer	10



Transformation is Not Optional



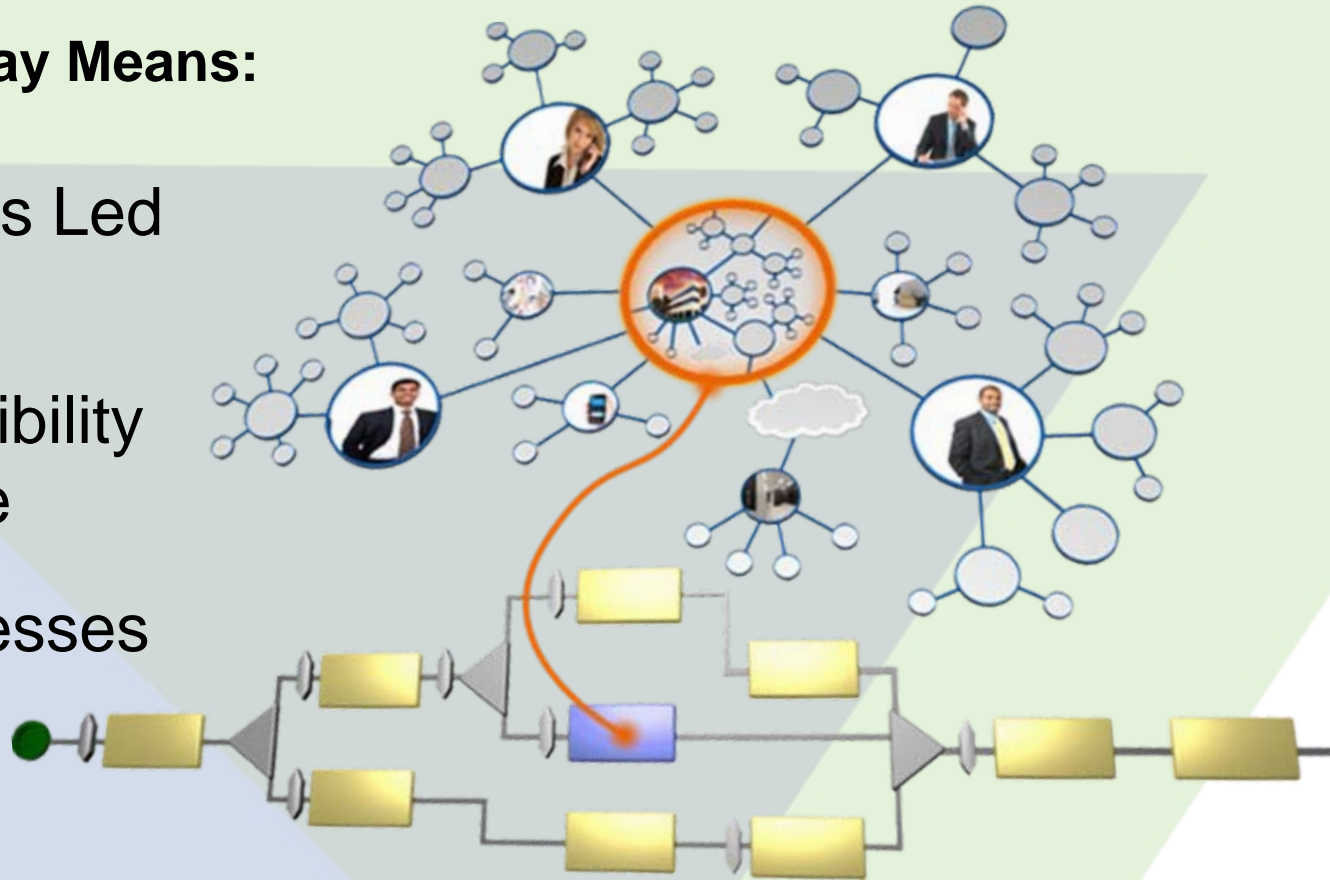
Excellence is a Moving Target



Can Your Processes Handle Change, Uncertainty and Complexity?

Transformation Today Means:

- Simpler Business Led Change
- Full Process Visibility and Governance
- Optimized Processes and Decisions



*Agile Processes and Decisions with
Business Process Management*



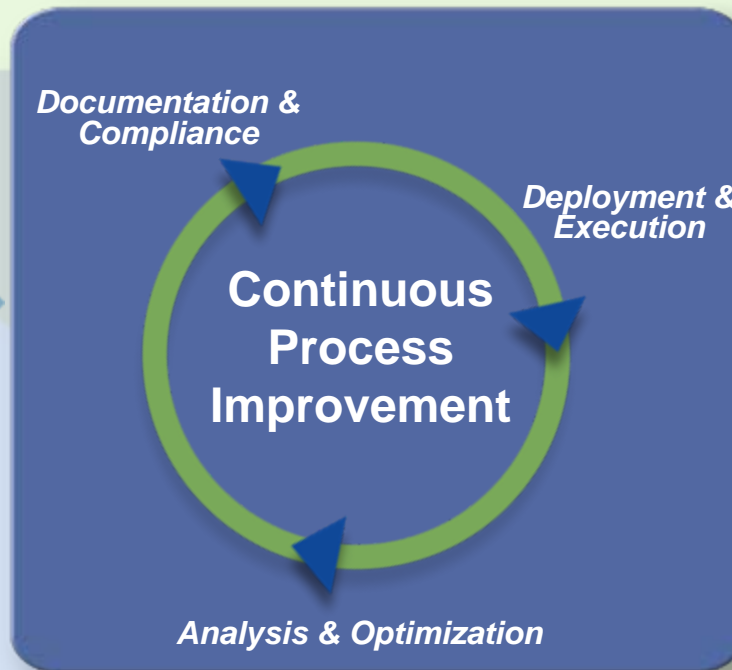
Defining BPM



What is Business Process Management ?

*Through robust and flexible software capabilities and industry expertise, BPM enables customers to **discover**, model, execute, **rapidly change**, govern, and gain end-to-end **visibility** on their business processes*

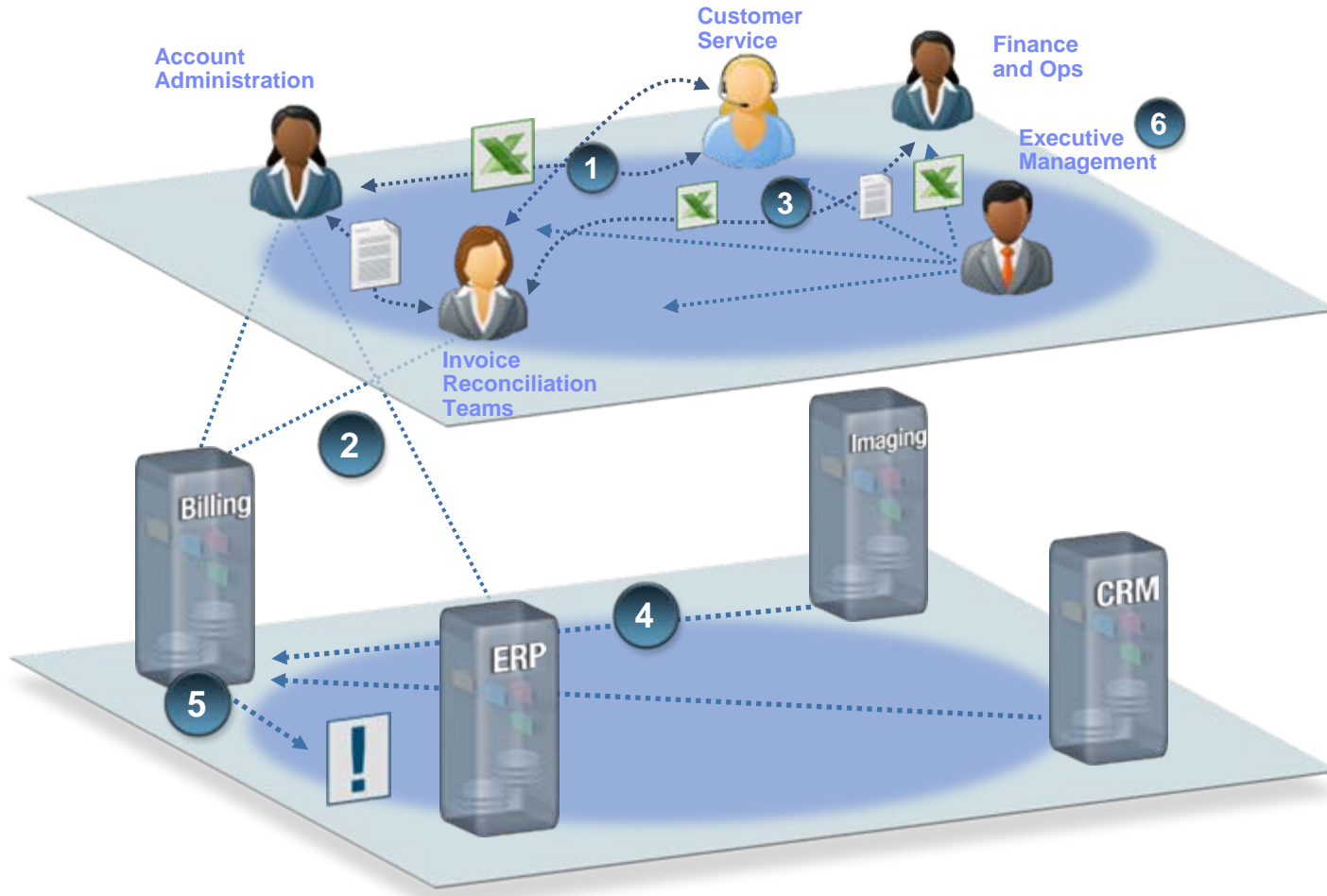
Software
Expertise



Visibility & Collaboration
Business User Engagement
Efficiency & Productivity



Typical process problems



Barriers to Process Improvement

No consistency
 No auditability
 No optimization
 No automation
 Over-reliance on a few “gurus”

Tribal Knowledge

Documentation does not = process improvement
 No enforcement of how process actually runs
 Typically leads to “tribal knowledge” scenario

Documents and Spreadsheets

Focus only on point problems
 Applications predetermine business processes
 Inflexible – they do what they do
 High cost of customization
 Long deployments

```

Before performing any socket operation (like retrieving hostname
in init_common_variables we have to call WSASStartup
WSASocket(WSA_FLAG_OVERLAPPED, 0, 0, WSASocketData, 0);
WSASocketData->WSASocket = WSASocket(WSA_FLAG_OVERLAPPED, 0, 0, WSASocketData, 0);
/* errors are not read yet, so we use english text here */
my_printf(E_WARNING, "WSASocket Failed", MYF(0));
return 0;
#endif /* _WIN_ */
if (!init_common_variables(OSQL_CONFIG_NAME,
                          argc, argv, load_default_groups))
    unreg_abort(1);
// Will do exit
if (!lost_specialflag & SPECIAL_NO_PRIOR)
    my_thread_setprio(pthread_self(), CONNECT_PRIOR);
    
```

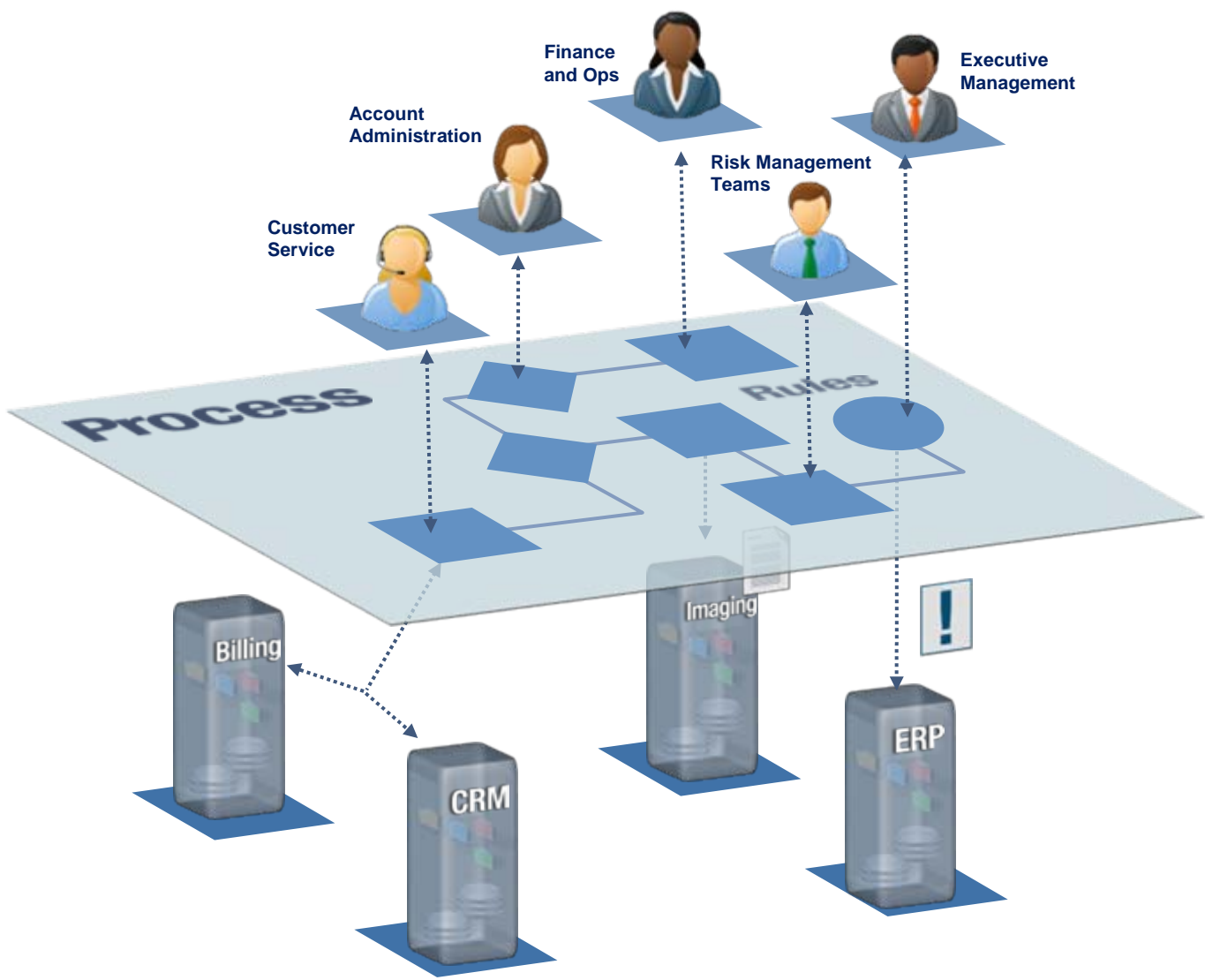
Monolithic Applications

Many of the same challenges as applications
 Tooling too hard to use for all process stakeholders
 Result in brittle, expensive applications
 Often used for “stand alone” projects

Technical Implementation Tools



BPM brings order to the chaos



- 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



BPM Capabilities



Make productivity everybody's business

Optimize processes for better business outcomes

Documentation & Compliance

Model and Simulate

- Align business strategy and IT execution
- Assess, capture, and analyze core value processes



Deployment & Execution

Deploy, Execute, and Change

- Automate business processes to improve efficiency and profitability
- Adapt and collaboratively respond to change

Analysis & Optimization

Monitor, Analyze, Predict and Act

- Business users monitor business performance and define new alerts based on KPIs



Eliminate steps. Eliminate mistakes

Modeling increases collaboration between business and IT



Business

IT

Erase inefficiency from your enterprise

Streamline processes with automation for increased business value



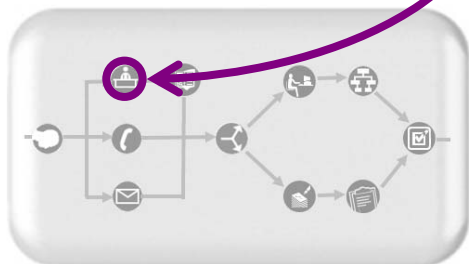
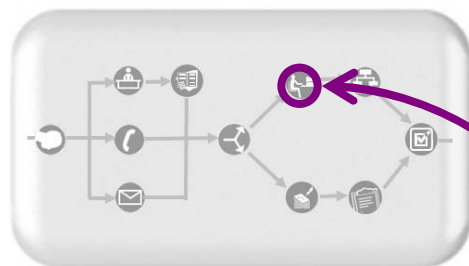
Reduce cycle time: Automatically route tasks to the right person

Gain efficiencies: Empower users with comprehensive task management tools

Lower costs and greater consistency: Streamline workflow and automate escalations & exception handling

Make changes at the speed of business

Quickly react to changing conditions with rules



Business Processes

BRMS

```
if
  all of the following conditions are true :
    - the age of the driver is between 18 and 21
    - the number of accidents the driver has been involved is at least 1
    - the number of traffic tickets the driver has received is at least 1
then
  add a $ 8 surcharge to 'Auto Quote Response' , reason: 'Young driver surcharge' ;
```

Automated Business Decisions



Unlock the value of information

Rapid, informed and confident actions optimized across the organization

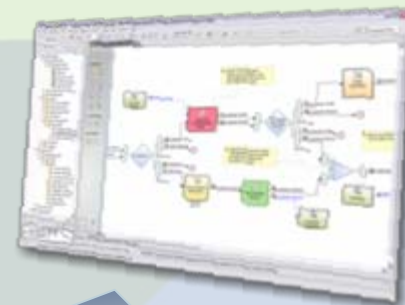
Extend process execution and insight to users



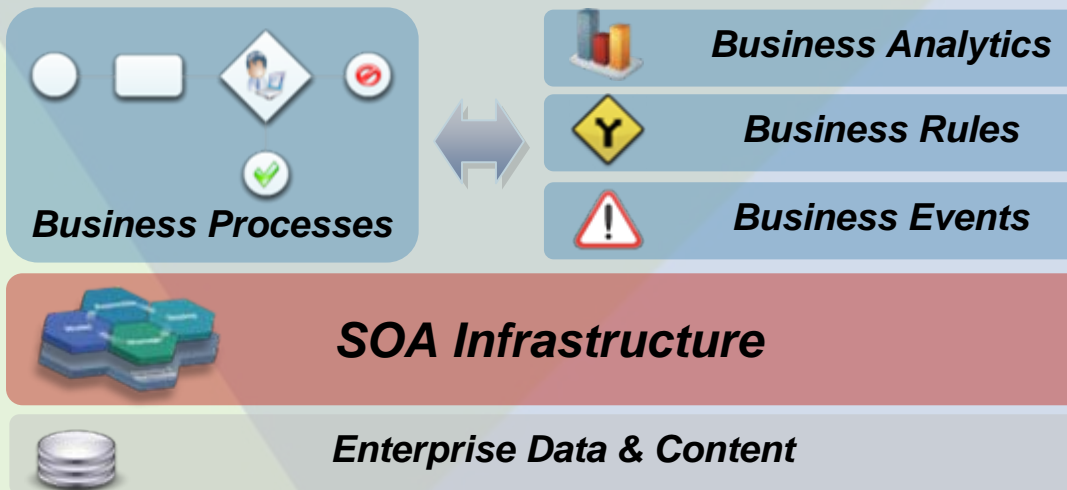
Enhance business activity monitoring with analytics



Leverage analytics for process design and improvement



Improve decision points with info & analytics in-process



Accelerate *BPM* success

Start quickly, deploy faster, and reduce costs and risk

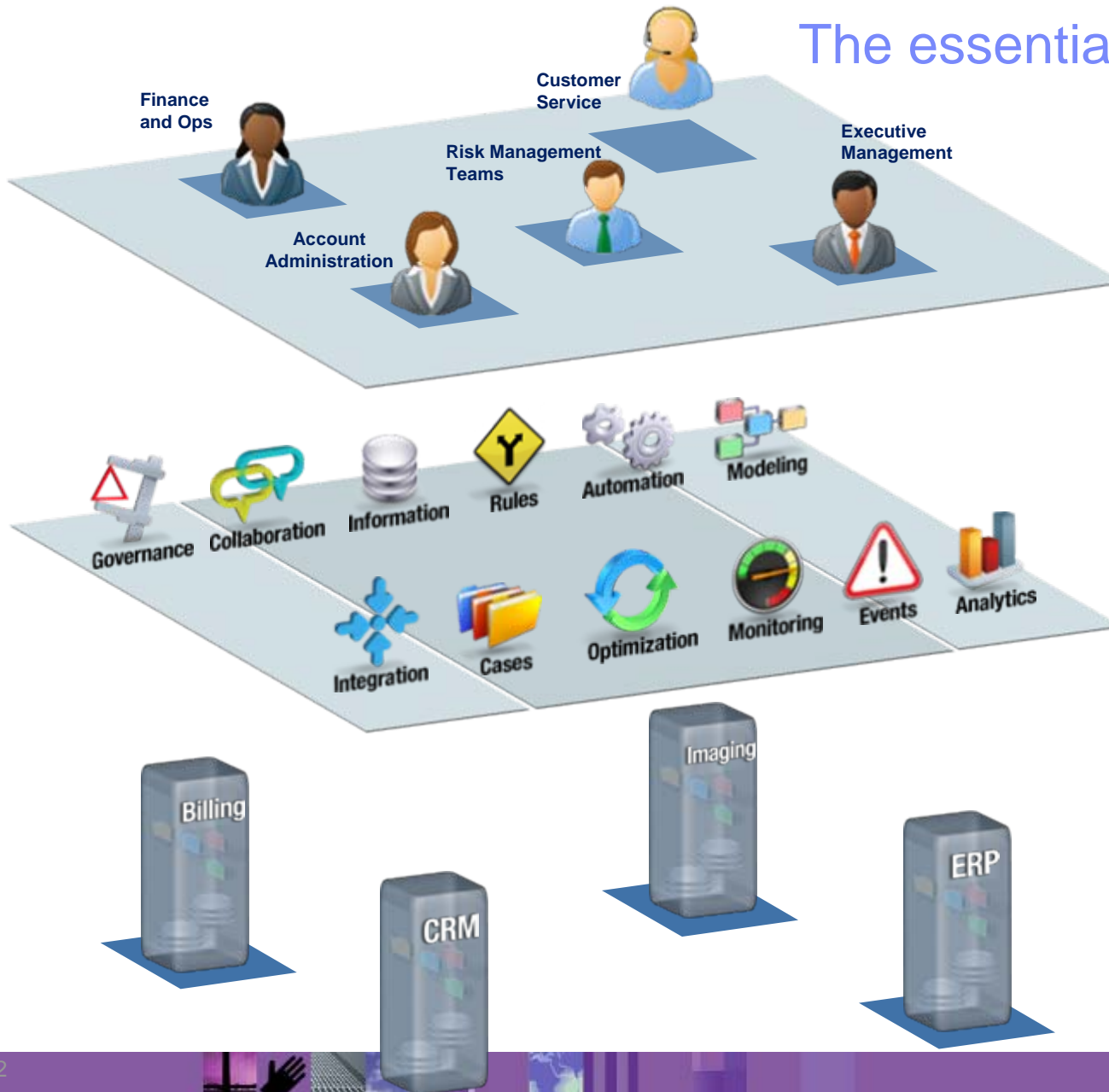
Speed deployment with pre-built industry assets,
and new Industry Solution Scenarios



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



The essential BPM capabilities



-  • **Modeling**
-  • **Monitoring**
-  • **Automation**
-  • **Optimization**
-  • **Governance**
-  • **Rules**
-  • **Information**
-  • **Cases**
-  • **Events**
-  • **Integration**
-  • **Collaboration**
-  • **Analytics**

IBM is your Partner



IBM is the proven leader in all aspects of BPM

Largest Customer Base

- **#1** in Market Share
- **5,000 +** customers

Strongest Ecosystem

- **1000+** business partners
- Global Users group



Unparalleled expertise, and level of investment

- **Over 15 years** of industry leadership
 - **100's** of assets
- **Broadest, Deepest** solution portfolio & services



Market Share

- IBM is the largest vendor in this market,
- ~200% of 2nd vendor Oracle
- ~600% of 3rd vendor Microsoft

- From IDC latest *Worldwide Business Process Management and Middleware 2010 Vendor Shares*

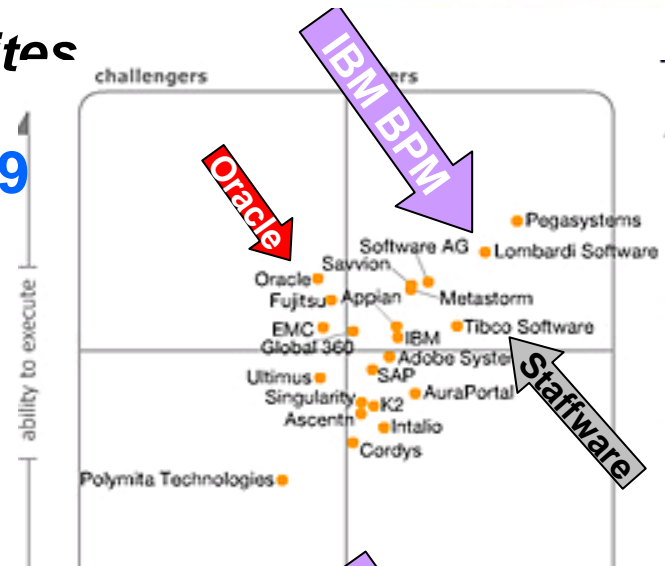
- *This IDC study, Worldwide Business Process Management and Middleware 2010 Vendor Shares (IDC #228317), examines the BPM and middleware market and submarkets for 2006–2010. Revenue for 2008–2010 and 2010 market share of the leading vendors are provided.*



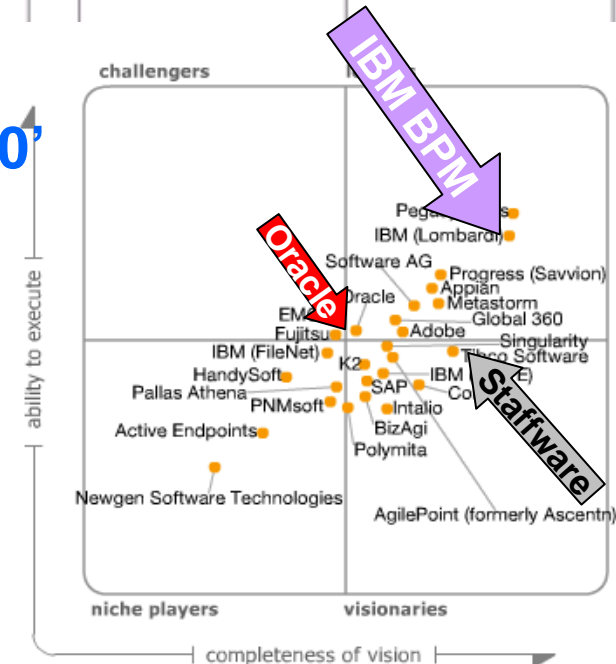
Magic Quadrant for Business Process Management (BPM) Suites

- Intuitive, easy-to-use platform
- Constant real-time feedback
- Addresses business planning activities very early in process life cycle
- Rapidly embraced by both business users and IT professionals
- Customer references spanning nearly every industry across the globe

2009



2010



Lombardi → IBM BPM 7.5 (2011 June)



Introducing a New Solution to a Complex Problem

Embrace complexity, adapt quickly and exceed expectations



Simplicity

Simplifies operations and **improves** entire experience

Easy enough to engage all process participants



Power

Powerful, dependable enough for mission critical processes

Scales smoothly and easily from initial project to enterprise-wide program

IBM
Business
Process
Manager



Visibility

Centralizes **visibility and control**

Empowers knowledge workers with built-in **real time** analytics to optimize business processes



Governance

Achieve **consistency and repeatability** to ensure processes execute as designed

Simplify life-cycle management of process applications **across 1000s of projects**



Success Stories Sharing



Establishing A Repeatable BPM Program at Allianz

Efficiency

- Automated Agent 'Quick Quotes'
- Increased agent and customer service satisfaction, decreased manual handoffs and eliminated need to buy a new system
- Eliminated 87% of "human touches" required to apply Premium Monies
- Implemented automated New Business 'Sort and Search'
- Enabled team to complete new annuity setup in less than 48 hours, increasing broker satisfaction and avoiding penalty cost for missed SLAs

Effectiveness

- Automated Relationship Management to effectively manage customer complaints
- Totally automated market research and survey management, providing management visibility and reporting for top 3 customer service issues

Agility

- Reduced lead time required for new product code setup from 57 down to 4 days
- Automated new securities application process, enabling the business to support growth without additional head count



10 Business Processes Implemented in First Year

Securities Application Processing	Workflow and BAM
“Money In” – Premium Processing	Exception handling
Life Informal Underwriting	Workflow
Customer Satisfaction Survey Tracking	Bulk automation
New Product Setup	Single point of entry
New Policy Application Documents - Sort / Route / Search	Workflow and Exception handling
Complaint Management / Service Recovery	Workflow and BAM



Hasbro (孩之寶)



Hasbro Improves Supply Chain Efficiency with Better Order Management

challenges

- develop new processes to support outsourced manufacturing
- leverage previous investments in core enterprise applications

solution

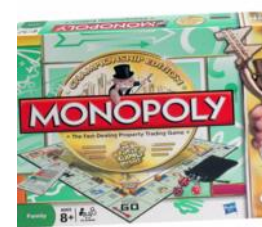
- automated task management for over 1,000 users
- real-time process visibility for employees and vendors

benefits

- 250% productivity increase with no additional resources
- 80% reduction in cycle time from 12 to 1-2 days total



Dave Adams, Hasbro



Hasbro & Lombardi Software



Project History

- Implementation

- No formal process improvement teams prior to Lombardi
- Projects are business driven, funded and staffed
- We conducted a pilot “proof of concept” with Lombardi in late 2001

- Develop a fully operational business process that could be deployed in a production environment.
- We picked a process that was very inefficient but of reasonable scope for a pilot
- “Show Me”:
 - Rapid deployment
 - Ease of integration with SAP
 - Knowledge transfer in order to be independent as quick as possible
- The pilot proved to be a success

- Signed on with Lombardi early in 2002

– **By the third process developed we were developing**

Project History

- Processes Launched - HFE
 - Request for Quotation (RFQ) – (Pilot)
 - Purchase Order Presentment – (60% LSW)
 - Shipping Instructions / Ship Marks (10% LSW)
 - Carrier Container Bookings
 - Advanced Shipment Advice
 - Carton Dimensions – Data Integrity
 - Quality Inspection Appointments (Q2 2007)
 - Material Authorizations (Q2 2007)
- Europe & North America
 - Computer Access Control Process (SOX)
 - Purchase Order Presentment
 - Advanced Shipment Advice

Top Supplier of PCs Minimizes Distressed Shipments

Challenges

- **Increased Production Costs and High Inventory Levels.** Shipments deemed undeliverable were returned.
- **Unmanaged Process.** Real-time shipment status was unavailable or out-of-date, limiting control of the situation.
- **Lack of Monitoring.** No up-to-date reports that show how the processes were being executed.

Results

- **Enabled collaboration between the customer, call center (16,000 CSR) and shipper.**
- **Percentage of shipments rescued improved from below 5% to nearly 70%**
- **Savings of \$2M per quarter**

This US based company became Lombardi's first customer in 2001.

This Fortune 500 Company is one of the world's top suppliers of PCs. They ship about 140,000 systems per day on average and have nearly 2 billion interactions with customers every year.



धन्यवाद
Hindi

多謝
Traditional
Chinese

ขอบคุณ
Thai

Спасибо
Russian

Gracias
Spanish

Thank You
English

شكراً
Arabic

Merci
French

Obrigado
Brazilian
Portuguese

Grazie
Italian

多谢
Simplified
Chinese

Danke
German

நன்றி
Tamil

ありがとうございました
Japanese

감사합니다
Korean



Simplify your business

Boost productivity with efficient and effective tools for doing business

Transform your organization
through simpler business-led change

Simple tools enable full business participation & IT collaboration

Boost productivity through integrated and efficient applications

Accelerate time-to-value with rapid playback and deployment

Simplicity

Simple tooling for deep business user engagement



Match transactional quantity with process quality ***Deploy robust processes quickly across your enterprise***

Easily scale from first projects to enterprise-wide solutions

Execute ***processes***
consistently, reliably, securely,
and with ***transactional integrity***

Harness the power of reusable SOA services, orchestrate services, and access backend systems

Power



**Built in SOA components
for integrating applications
and services**



Change has met its match

Governance ***provides consistency, repeatability, reliability and security***

Easily and ***securely*** manage versions & dependencies in complex, ever-changing process applications

Reliably develop ***robust, repeatable*** processes ***quickly***

Adapt your business and manage change confidently

BPM asset repository and control center for easy sharing and versioning of processes and service assets

Governance



Take back your business with **complete visibility** and management of your business processes

Rapidly meet market demands

through centralized visibility and control of your business processes

Optimize process outcomes with real-time understanding & control

Improve process outcomes **while in-flight**

Federated visibility across all process participants



Visibility



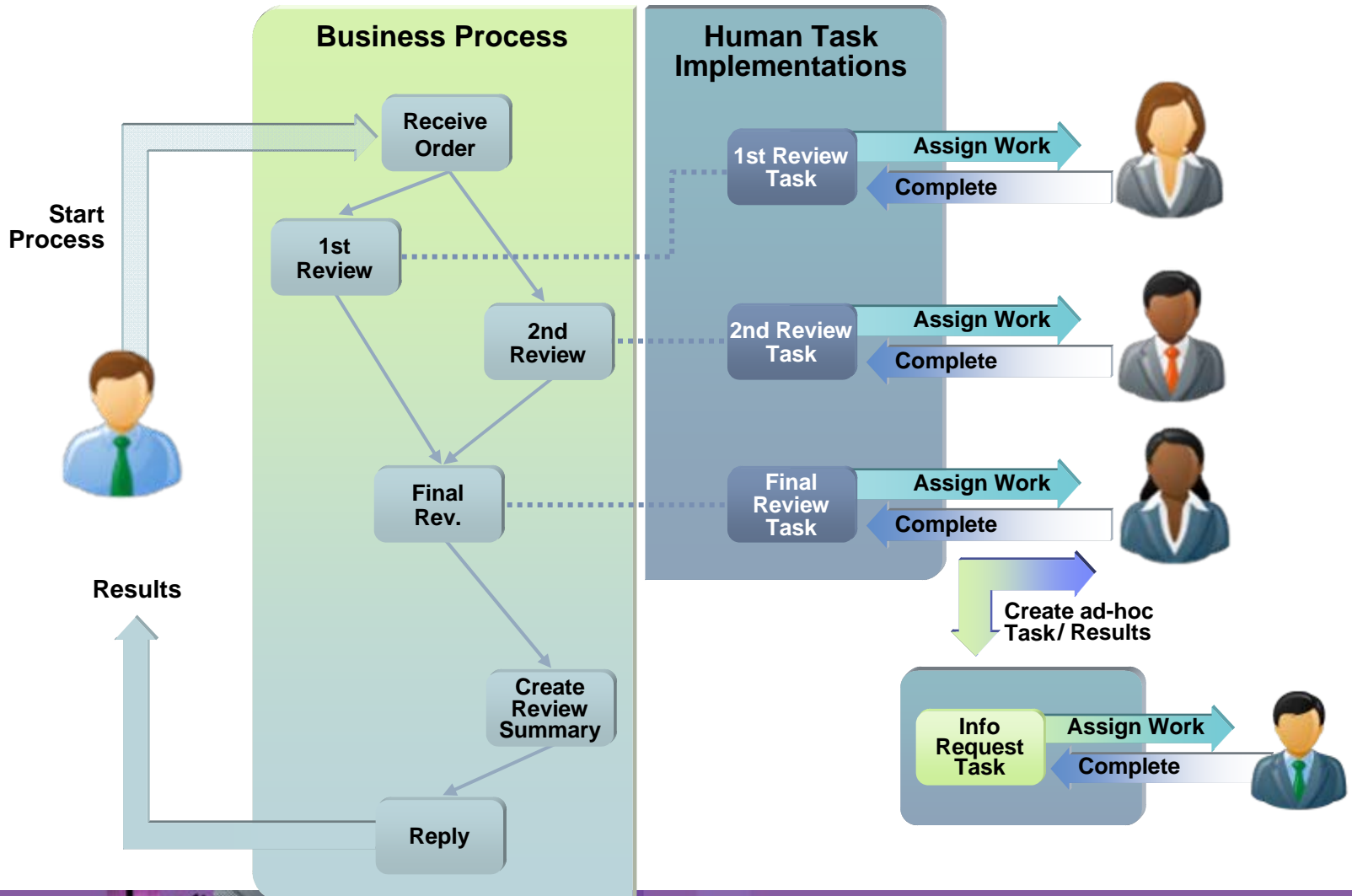
Real-time scoreboards provide visibility into work-in-progress



Backup



BPM streamlines human tasks



BPM in Action



Lincoln Trust achieves rich teaming between business and IT **By leveraging IBM BPM**

Challenge

Paper overload

- 100,000+ client requests per month each generating a paper-based process instance

Poor IT-business relationship

- Knew paper problem was a process problem but limited IT/Business collaboration prevented improvement

Results

- **\$2.2 million** in savings to date
- **120% ROI** in one year
- **25% increase** in employee productivity
- **50% - 75%** reduction in cycle times



Lincoln Trust developed an aligned process focus across the company, removing physical paper from 145 company processes

IT teams implemented automated workflows for 15 processes including service requests, plan establishment, and distributions

WorkSafe Victoria used IBM's SOA and BPM **To operate more efficiently and save more than \$100M**

Client Pains

- Australian state social service agency dedicated to employee worker safety and compensation
- Ensure timely workplace claims processing for citizens
- Identified a specific project that would benefit from automated workflows and decision points

Business Outcomes

- Improved efficiencies, higher levels of customer service and worker safety
- Significant improvement in fraud detection
- Estimated payback of 6 months
- Save more than \$100 million dollars



Delivering outstanding workplace safety together with quality insurance protection to workers and employers

Process automation and business rules software to increase efficiencies and cut costs while helping Victorian workers return home safe every day



Verizon Wireless increased customer service **And achieved business agility with BPM and BRMS**

Client Pains

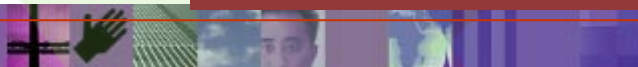
- The nation's most reliable and largest wireless voice and 3G data network, serving more than 93 million customers
- Needed to increase self service, improve customer experience and be quickly adapt to meet pressures of the market

Business Outcomes

- Keep invalid orders off the system
- Shorten fulfillment cycle
- Human resource savings
- Reduced operational costs to comply with regulatory changes



Verizon Wireless used the WebSphere ILOG JRules business rule management system (BRMS) to automate its order validation process. The JRules BRMS automates the verification of incoming orders and diagnoses errors. Verizon has been able to reduce invalid orders out of its systems, reduce operational costs and shorten fulfillment cycle time



HealthNow reduces enrollment time and cost **By Leveraging BPM and BRMS**

Challenge

- Hard-coded legacy systems
- Paper-intensive
- Manual and disjointed processes

Results

- Speed to market gains of over 50%
- Reduction in enrollment time and administrative costs
- End-to-end process visibility resulting in greater clarity, accuracy and consistency
- Increased collaboration between business and IT



“...enabled us to automate, optimize and monitor critical business decisions within core processes”

John Walsh, Chief Enterprise Architect, HealthNow New York Inc

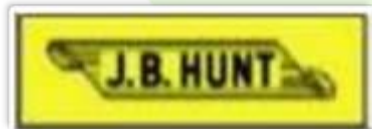
J.B. Hunt streamlines billing and payments **By Leveraging BPM**

Challenge

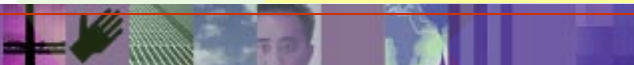
- Bill the correct amount the first time for all services provided
- Receive full payment in accordance with the customer's terms

Results

- Added \$1.03 million in annual return to the bottom line
- Internal rate of return of 124%
- Payback period of less than 12 months
- Streamline highly manual, labor-intensive processes

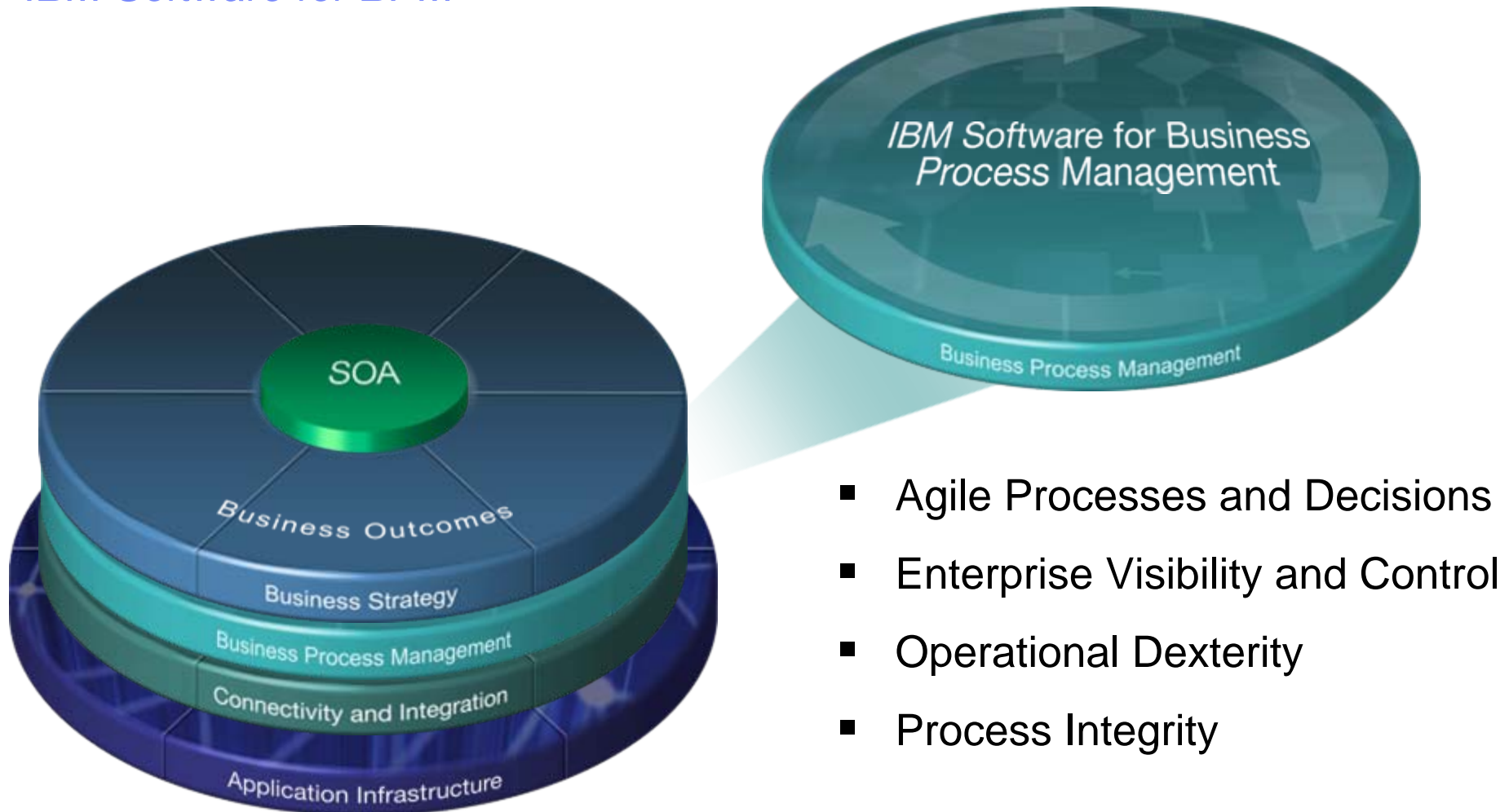


- J.B. Hunt implemented a proprietary IT system designed to streamline the electronic capture of charges associated with driver delays.
- The system enables the company to capture missed revenue, eliminate non-value added work and encourage faster throughput at shipping facilities.



Develop efficient, effective tools for business agility

IBM Software for BPM



- Agile Processes and Decisions
- Enterprise Visibility and Control
- Operational Dexterity
- Process Integrity

Simplify operations and improve customer experience.



Time-to-market Improvement

Typical BPM Project Phases	% of Project	Productivity Improvement
Functional Requirements and Functional Design	25%	50%
Development	50%	20-25%
QA/Testing	25%	30%
Business Rollout	N/A	N/A

Table 1 - Productivity Improvements across Project Phases (Source: Lombardi)



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



BPM delivers increasing business value as adoption progresses

Project

Program

Transformation →

Business Value Realized

Efficiency

Take time and cost out of the process



Reduced development time by **40%**



Saved more than **\$100M** with improved efficiencies and higher levels of customer service

Effectiveness

Work smarter to deliver higher revenue and profit



Drives **\$3.6M** in additional revenue and saves **\$2.7M** by integrated sourcing processes with real-time inventory visibility



Cut "engineering" time of designers on car systems by **20% in one year.**

Agility

Outmaneuver competitors with rapid response to change



Line of Business Personnel Launch Campaigns in **Two Days Instead of Months**



Speed to market gains of **over 50%**

