IBM SOA Executive Summit

Closing Remarks

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SOA on your terms and our expertise

ON DEMAND BUSINESS

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SOA Business Value Assessment Tool

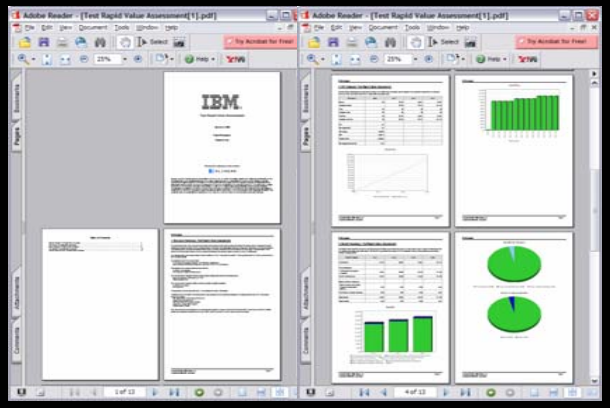
Why is ROI Important?

With an ROI a project is 60% more likely to be approved (Gartner)
ROI can reduce sales cycle by 30-40% (IDC)
More than 82% of IT decisions require an ROI (Information Week)

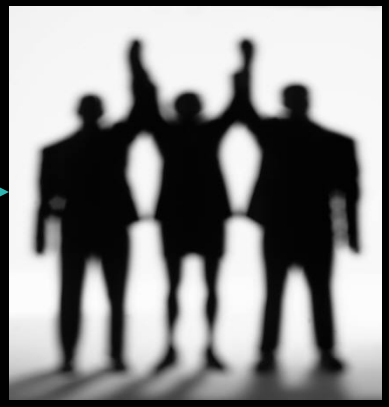
SOA Business Value Analyst Tool

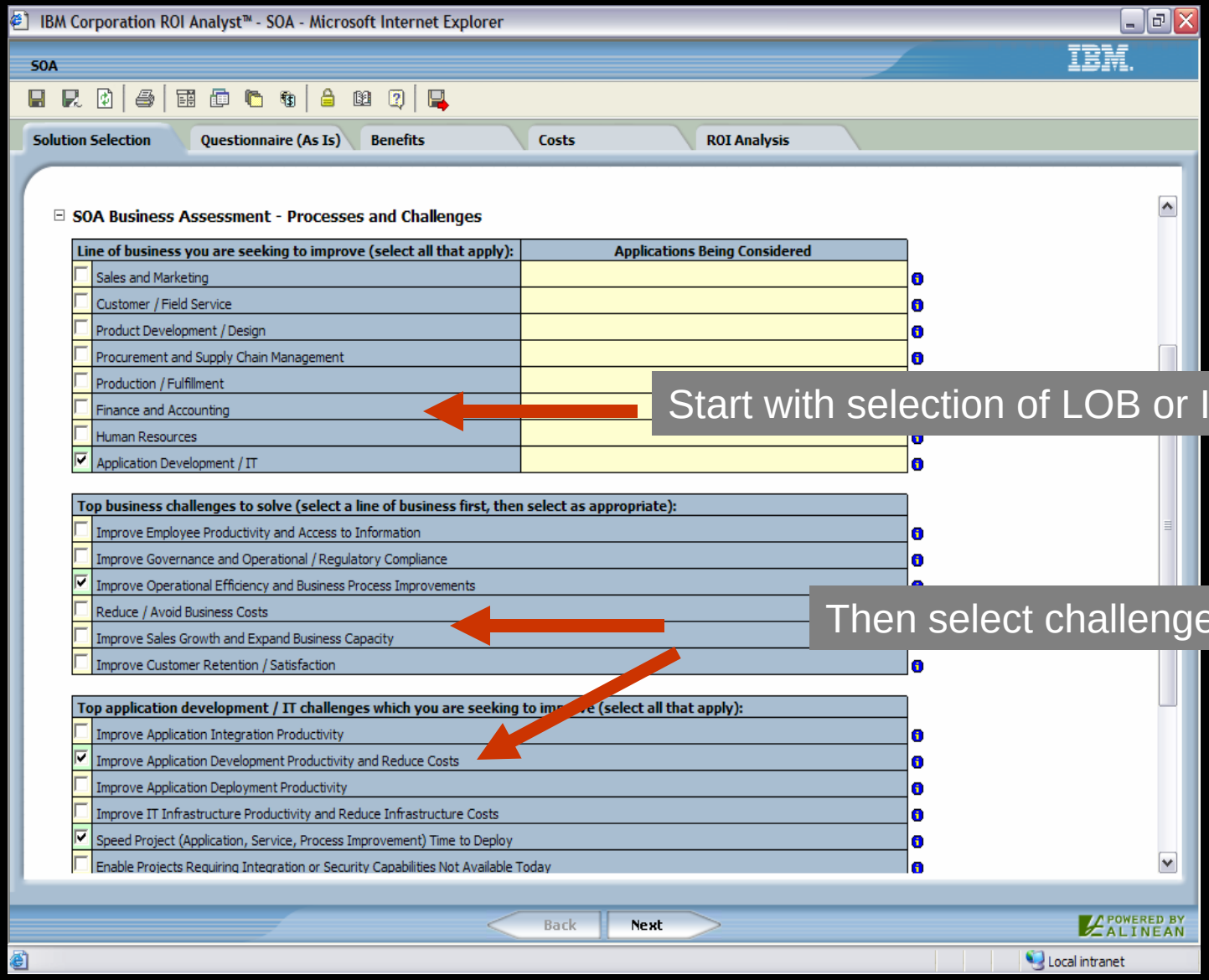
Questions

Generate



ROI

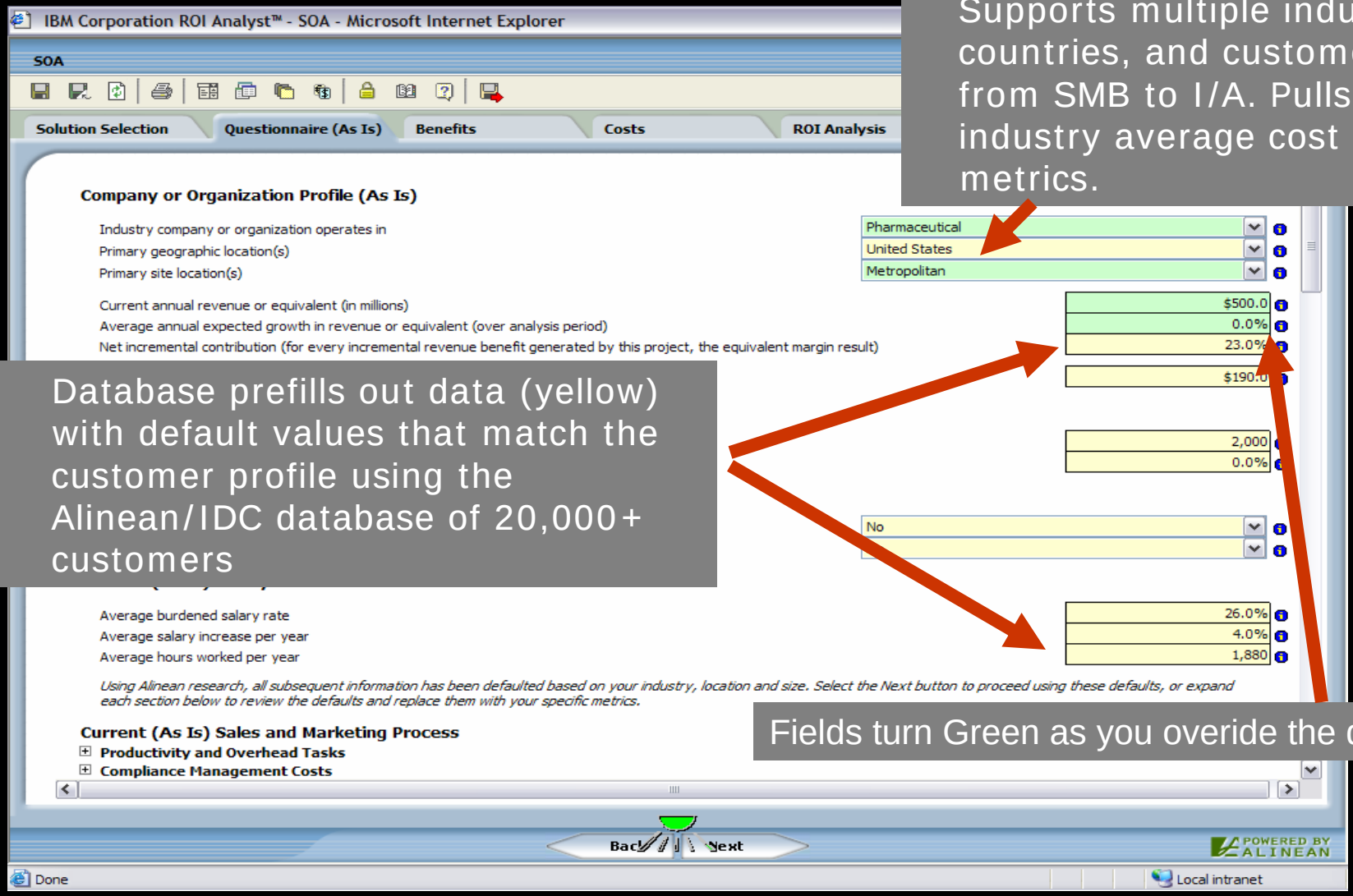




Start with selection of LOB or IT organization

Then select challenges/issues

SOA Business Value Assessment Tool

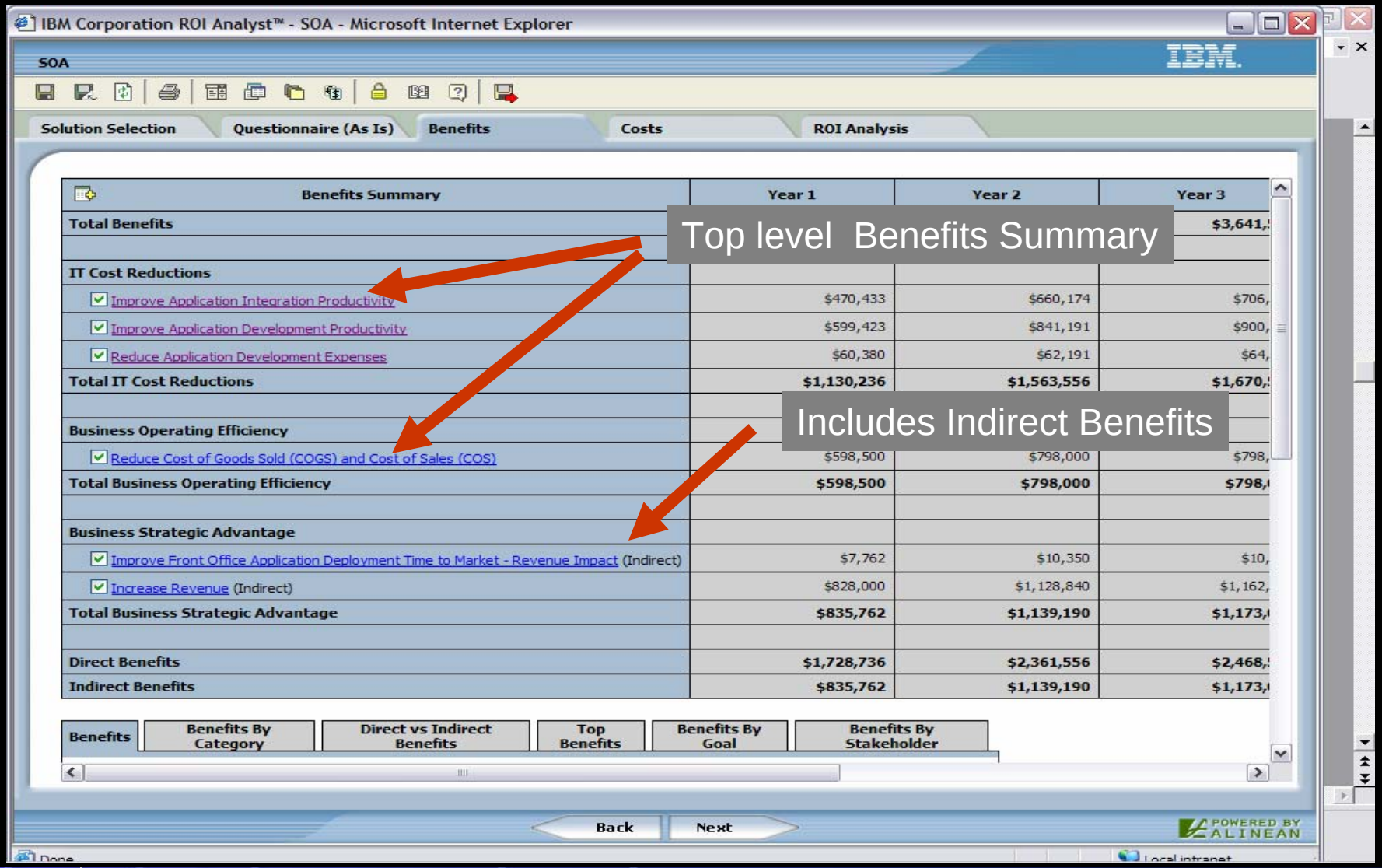


Supports multiple industries, countries, and customers from SMB to I/A. Pulls in industry average cost metrics.

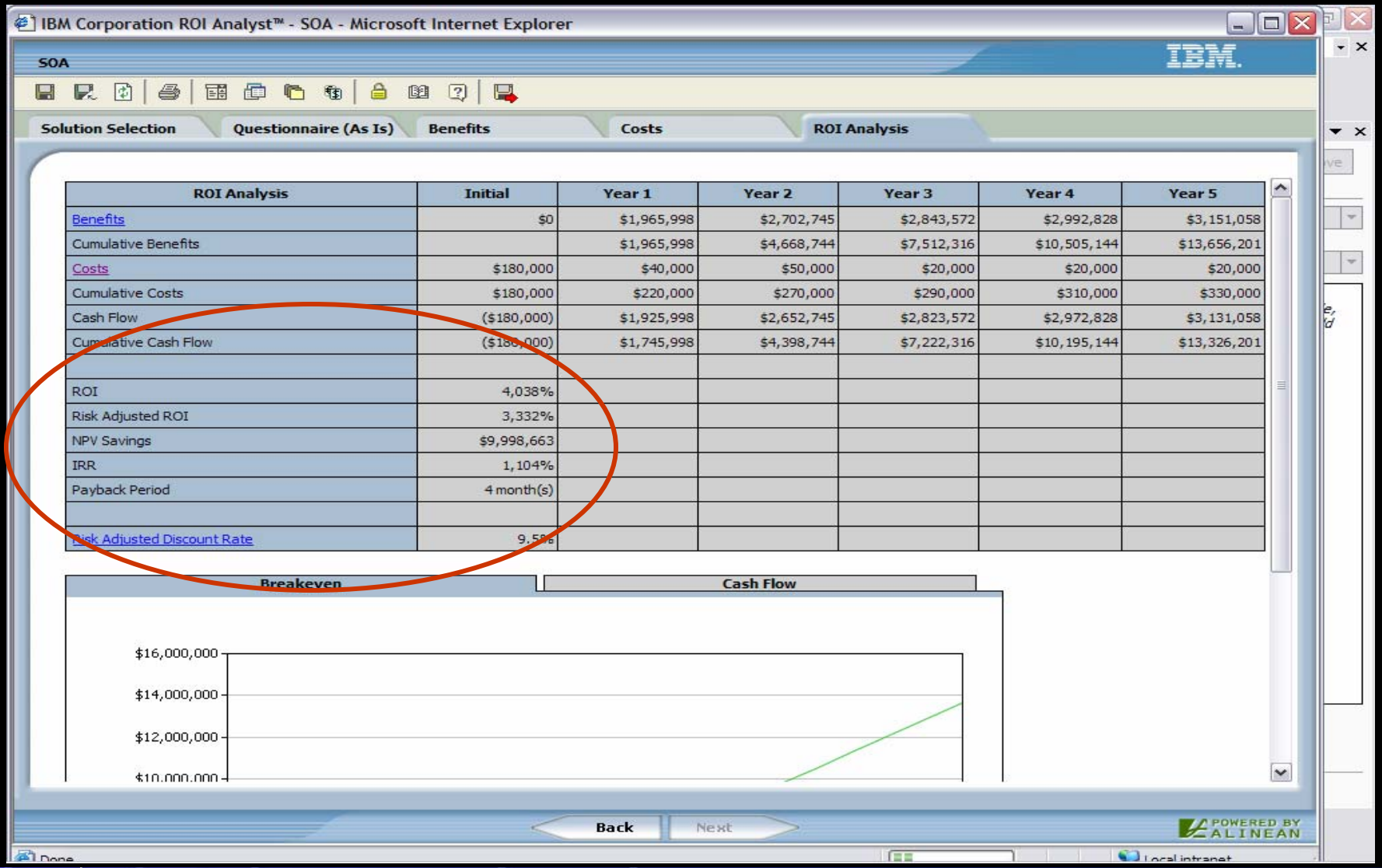
Database prefills out data (yellow) with default values that match the customer profile using the Alinean/IDC database of 20,000+ customers

Fields turn Green as you overide the default data

Benefits

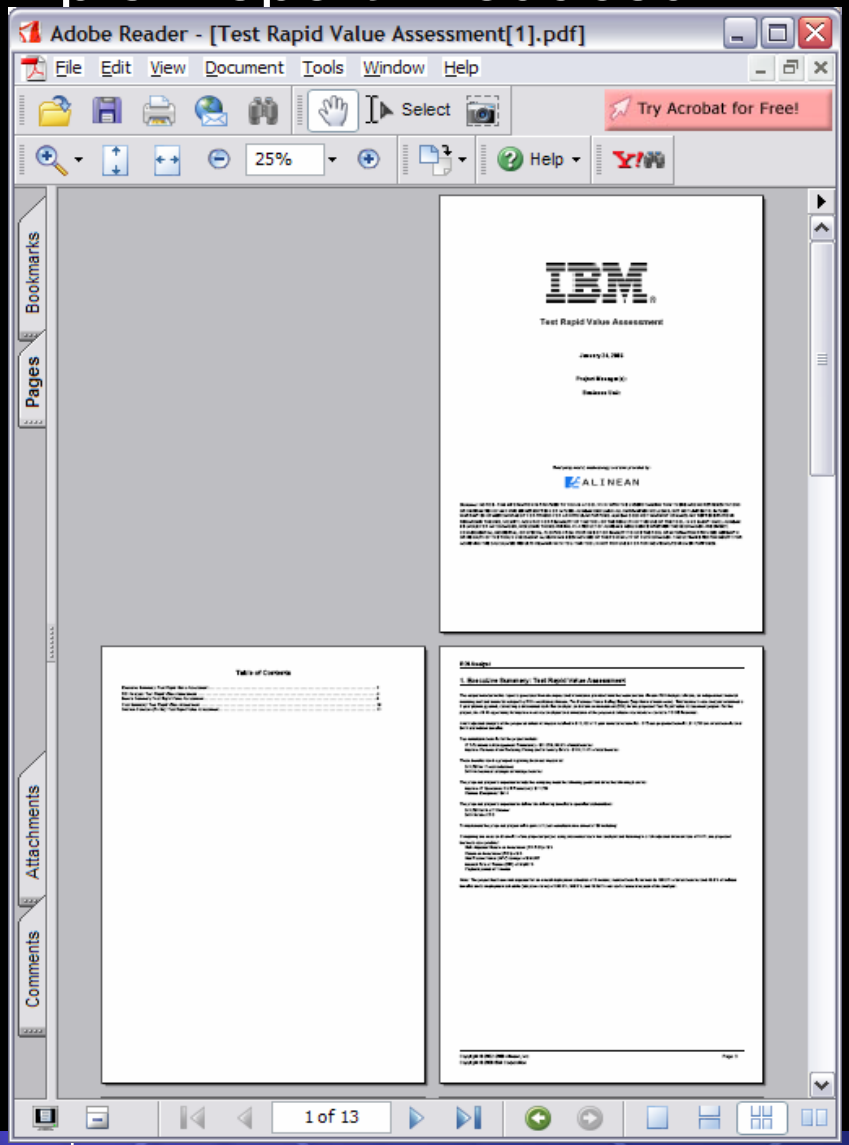

IBM Corporation ROI Analyst™ - SOA - Microsoft Internet Explorer
SOA
IBM
Solution Selection
Questionnaire (As Is)
Benefits
Costs
ROI Analysis
Top level Benefits Summary
Includes Indirect Benefits
Benefits Summary
Year 1
Year 2
Year 3
Total Benefits
$3,641,
IT Cost Reductions
Improve Application Integration Productivity
$470,433
$660,174
$706,
Improve Application Development Productivity
$599,423
$841,191
$900,
Reduce Application Development Expenses
$60,380
$62,191
$64,
Total IT Cost Reductions
$1,130,236
$1,563,556
$1,670,
Business Operating Efficiency
Reduce Cost of Goods Sold (COGS) and Cost of Sales (COS)
$598,500
$798,000
$798,
Total Business Operating Efficiency
$598,500
$798,000
$798,
Business Strategic Advantage
Improve Front Office Application Deployment Time to Market - Revenue Impact (Indirect)
$7,762
$10,350
$10,
Increase Revenue (Indirect)
$828,000
$1,128,840
$1,162,
Total Business Strategic Advantage
$835,762
$1,139,190
$1,173,
Direct Benefits
$1,728,736
$2,361,556
$2,468,
Indirect Benefits
$835,762
$1,139,190
$1,173,
Benefits
Benefits By Category
Direct vs Indirect Benefits
Top Benefits
Benefits By Goal
Benefits By Stakeholder
Back
Next
POWERED BY ALINEAN

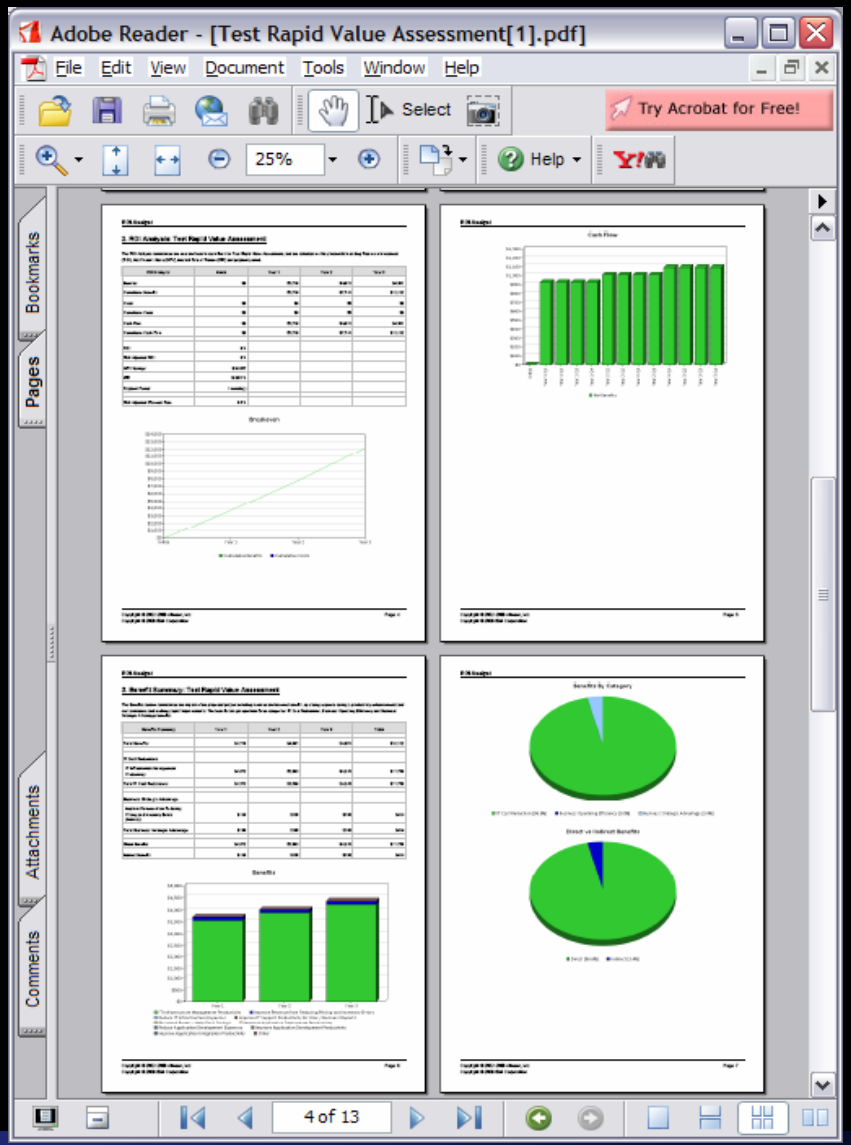
ROI Analysis



ROI Analysis	Initial	Year 1	Year 2	Year 3	Year 4	Year 5
Benefits	$0	$1,965,998	$2,702,745	$2,843,572	$2,992,828	$3,151,058
Cumulative Benefits		$1,965,998	$4,668,744	$7,512,316	$10,505,144	$13,656,201
Costs	$180,000	$40,000	$50,000	$20,000	$20,000	$20,000
Cumulative Costs	$180,000	$220,000	$270,000	$290,000	$310,000	$330,000
Cash Flow	($180,000)	$1,925,998	$2,652,745	$2,823,572	$2,972,828	$3,131,058
Cumulative Cash Flow	($180,000)	$1,745,998	$4,398,744	$7,222,316	$10,195,144	$13,326,201
ROI	4,038%					
Risk Adjusted ROI	3,332%					
NPV Savings	$9,998,663					
IRR	1,104%					
Payback Period	4 month(s)					
Risk Adjusted Discount Rate	9.5%					

Sample Report Produced





Let's Go!
Encourage Innovation with a Focused SOA Project

1. Understand the value of SOA
   - Not just doing the same thing a different way
   - SOA is not just about technology, but technology's integration with business insight and thought leadership
2. Select your entry point (People, Process, Information, Reuse, Connectivity)
3. Get Assessed! SOA Self Assessment
4. Conduct an SOA workshop to develop your plan with ROI tied to it
5. Apply governance to your project

" While deploying technology is certainly key to a successful SOA integration, it is the maximizing of the people, process and information elements that are truly core to the SOA process."

Judith Hurwitz
President, Hurwitz & Assoc.

Contact your IBM representatives or Business Partner to help prove your ROI !

IBM SOA Executive Summit

Event Recap

Where do I go to get …

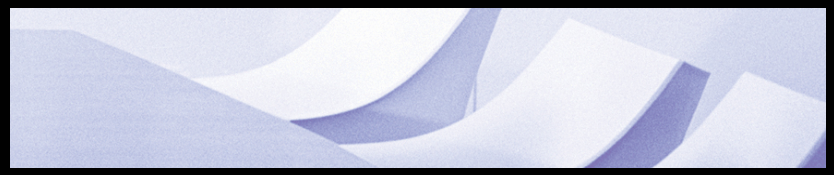
Presentations
http://www.ibm.com/soa/ny_executive_summit

Case sudies
http://www.ibm.com/soa

SOA Business Central
http://www.ibm.com/soa

SOA Assessment
http://www.ibm.com/soa
or
Email soa@us.ibm.com

My Email: scarter@us.ibm.com



Thank you for joining us @ the IBM SOA Executive Summit