



IBM SOA

Top Lessons Learned about BPM Enabled by SOA

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CEO's Cite Innovation as Top Priority for Business

Business Model Innovation delivers the greatest returns

Results of 765 CEO interviews worldwide:

Out Performers place 2X emphasis on **Business Model innovation** than under performers

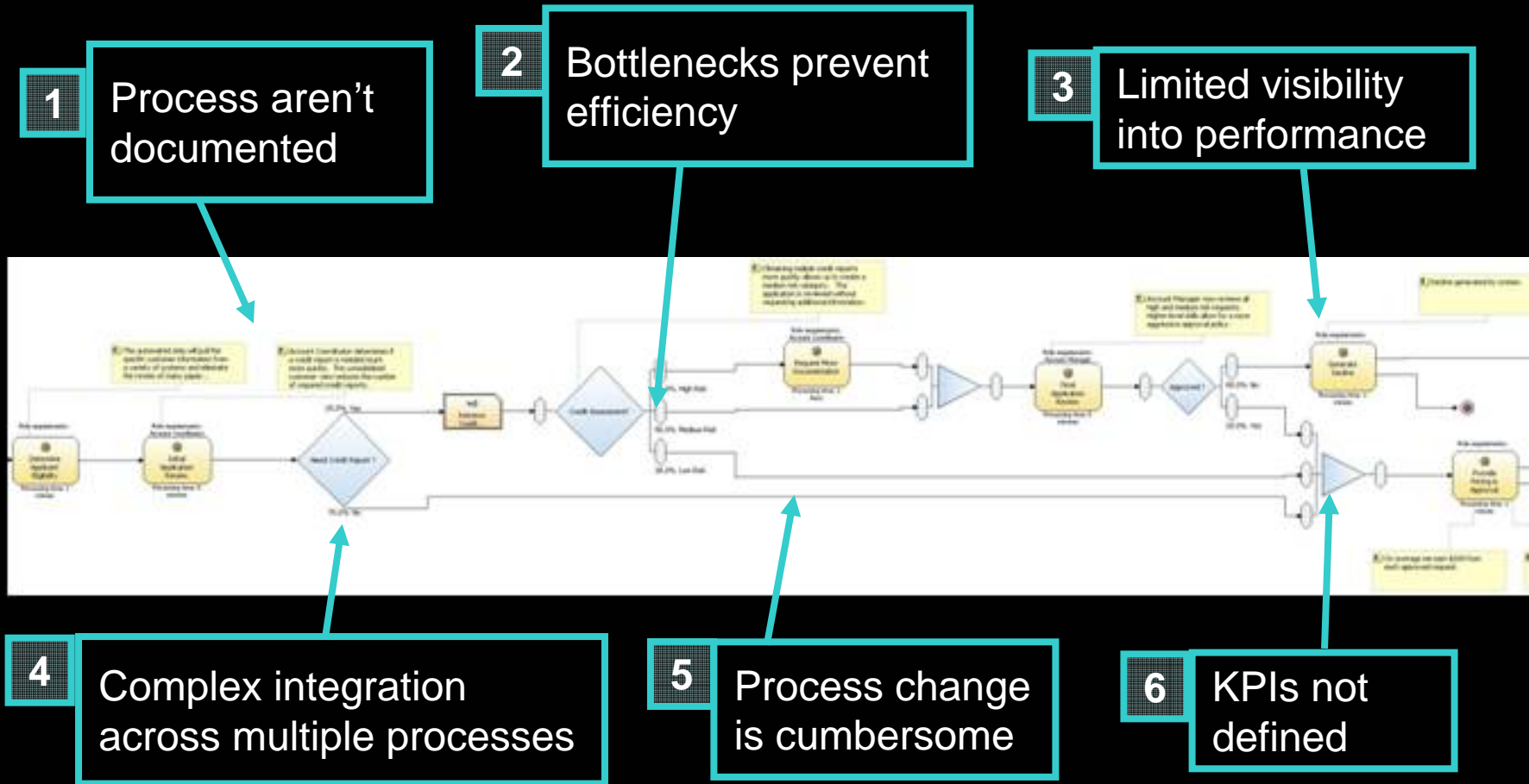
- CEOs are under intense pressure to innovate
- Corporate culture is critical to sustained innovation
- Business model innovation is the new strategic differentiator



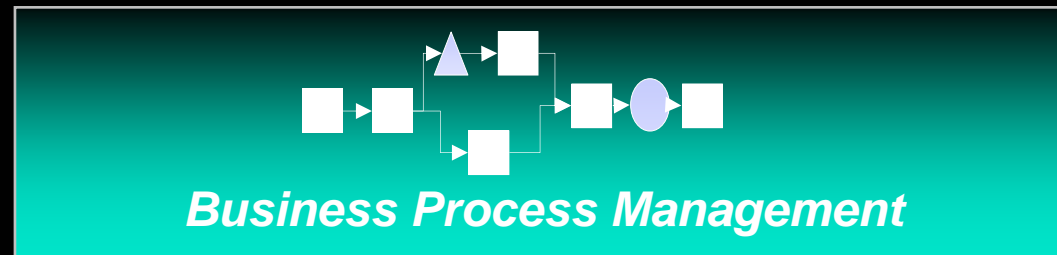
Source: IBM 2006 Global CEO Study

Innovation can Encounter a Myriad of Process Challenges

Ex: Account Opening Process




Depending on the business purpose, customers may leverage one or more of the following BPM capabilities




Modeling & Simulation

Design and simulate business processes




Monitoring (BAM)

Track performance, processes and operational activity using key performance indicators




Process Execution

Choreograph processes across applications, systems, and people



Rules and Pre-built Frameworks

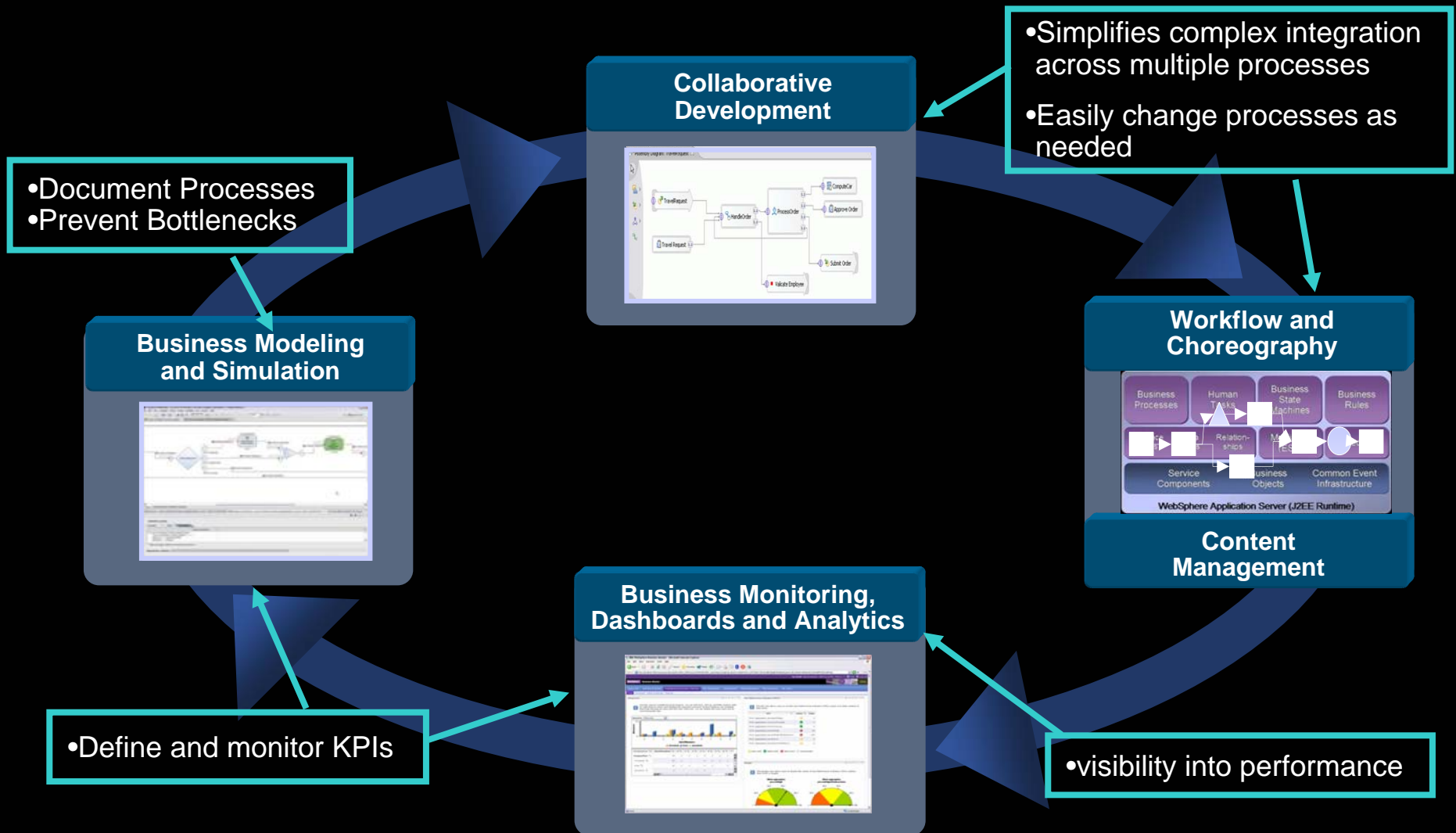
Manage process rules and accelerate design and implementation time



Content & Collaboration

Manage group tasks, documents, forms as part of process

IBM Delivers BPM Capabilities to Meet These Challenges



BPM Delivers Real Customer Value Today

Manage Change

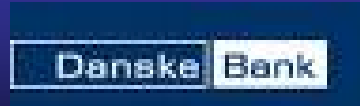
by modeling and analyzing existing or new processes.



Reduced time and cost of new process releases by 25%

Respond Quickly

with processes based on a flexible infrastructure.



Realized \$2M savings in the first year and increase in productivity

Enhance Efficiency

by analyzing activity to ensure processes meet objectives.



*Reduced mortgage process time by 53%
Achieved 34% gains in efficiency
Estimated annual savings of \$4M*

The Top Lessons Learned

- 1 **Right Process, Right Team**
- 2 **Flexible Infrastructure Enables Process Change**
- 3 **Manage for Continuous Improvement**



Lessons derived from:

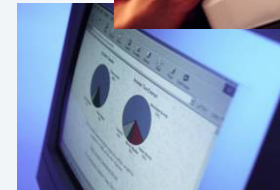
- Over 8 years of customer engagement experience with early BPM technologies
- Last two years with hundreds of customers designing and implementing BPM Enabled by SOA solutions
- Customer Advisory Council

1 Right Process, Right Team

Lessons Learned

Observation: **90% of projects failed** when business and IT were not equal partners

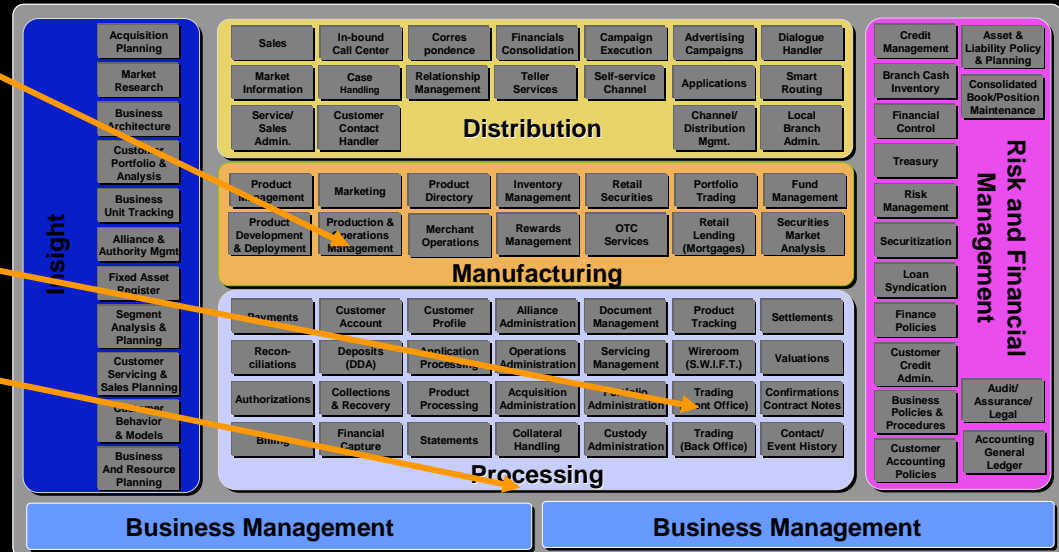
- Gain Sr. Management sponsorship
- Find the process that will differentiate the business
 - Match scope and visibility with your level of maturity
 - Balance ROI with Risk
- Through simulation, identify the tasks that impact your process performance the most



1 Find the Process that will Differentiate the Business

Component Business Modeling (CBM) Professional Services engagement will determine the critical business process to focus and then provide the justification from a strategic and financial perspective

- What part of the business is the differentiator?
- How are resources consumed?
- How are business and IT strategies aligned?

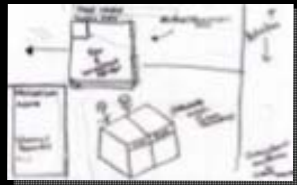


Enhanced!

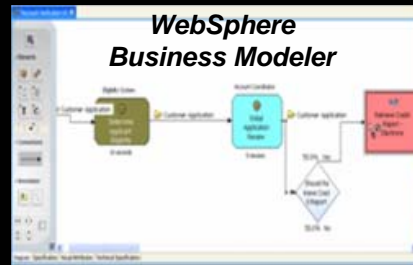
CBM Professional Services-- now with 69 focused industry maps

Bank of America Identified \$40 M of potential simplification and cost savings projects

1 Use Simulation to Identify High Impact Process Changes



Existing Processes



Run simulation to estimate savings and support the business case for the process change

- Define and optimize processes thru simulation
- Justify process changes through ROI calculations
- Understand impact of process changes to the business
- Example: Simulation results showing areas of greatest opportunity

Current State - Times & Costs

Case Analysis with Unlimited Resources

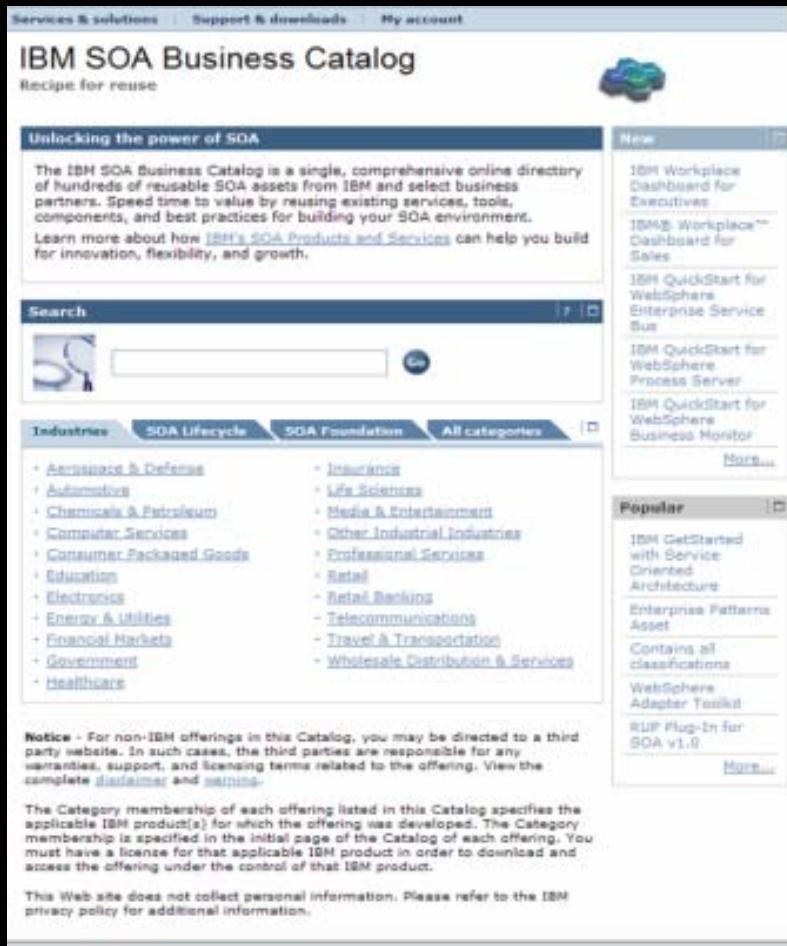
Probability	Average Process Time (min:sec)	Average Cost
32.91%	10:11	\$5.40
32.10%	3:11	\$1.67
15.01%	14:11	\$7.56
15.20%	3:21	\$1.77
4.78%	11:11	\$5.93

Future State - Times & Costs

Case Analysis with Unlimited Resources

Probability	Average Process Time (min:sec)	Average Cost
35.57%	8:16	\$4.38
33.03%	1:51	\$0.96
13.51%	7:51	\$4.16
14.50%	1:54	\$0.96
2.39%	8:16	\$4.38

1 Faster ROI, Use Ready Made Models and Assets



ibm.com/soa/soabusinesscatalog

3665+ IBM & Partner Assets

Banking

- 300+ Business Processes
- 1600 Activities

Enhanced!



Insurance

- 200+ Business Processes
- 700 Activities

Enhanced!



Financial Markets

- 200+ Business Processes
- 300 Activities

New!



Cross Industry

- Over 100 WebSphere Adapters and Pack
- Over 50 IBM Portlets
- Rational Patterns and Plug-ins
- SWG, GTS, and GBS SOA Services

Enhanced!

1 Physician's Mutual Targeted Six Top Processes for Improvement



- ▶ *Need new products and new ways of distributing these products*
- ▶ *Increase agility and flexibility to respond to changes in the market*
- ▶ *Reduction in operating costs*

Lessons Learned

- Architected and simulated their business processes using IAA Industry Model and WebSphere Business Modeler to improve customer services

Value

- Increased agility and flexibility
- Quickly building best practices process models
- Rapid deployment
- Reduce in operating cost

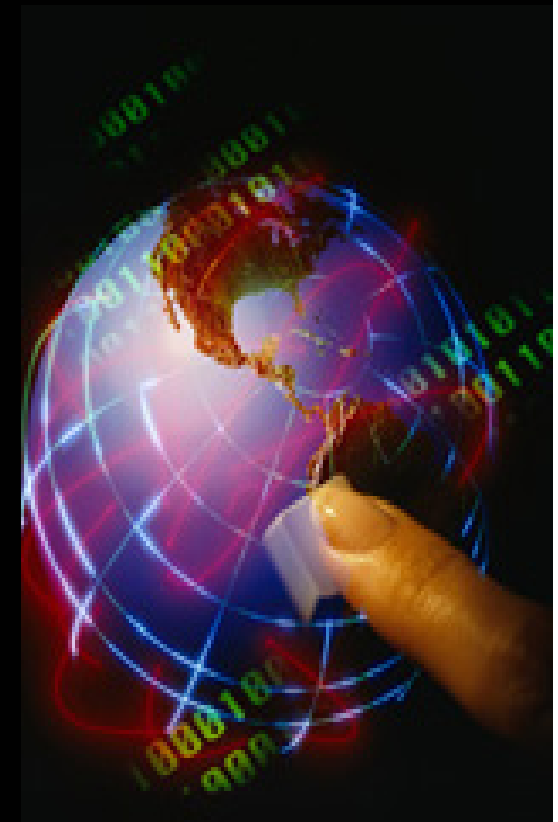


2 Flexible Infrastructure Enables Process Change

Lessons Learned

SOA can **reduce** integration project development and maintenance **costs by 30%** or more

- **BPM can be achieved without SOA but....**
 - Change is difficult and achieving higher value BPM is hindered
- **SOA dramatically reduces process time, maintenance, and deployment costs**
- **Deploy processes on a dynamic, flexible BPM process engine**

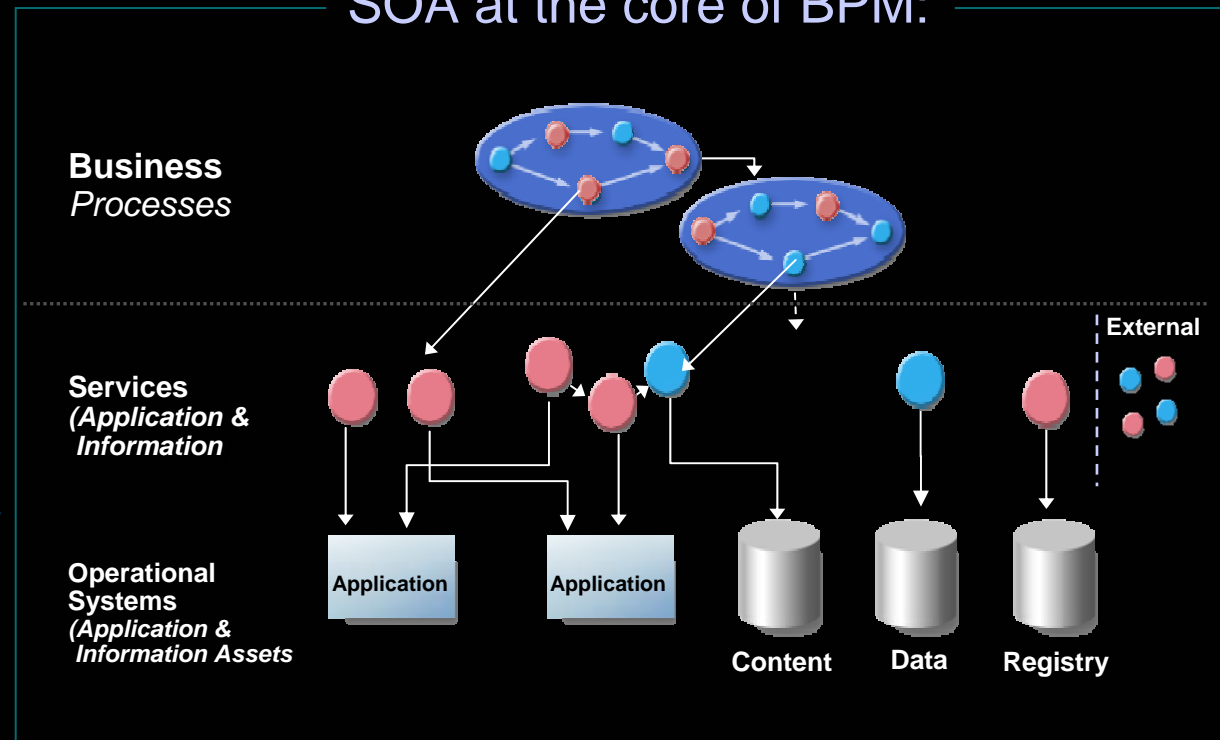


2 Business Process Management is Better with SOA

SOA improves how you design, manage, and optimize your business processes by enabling:

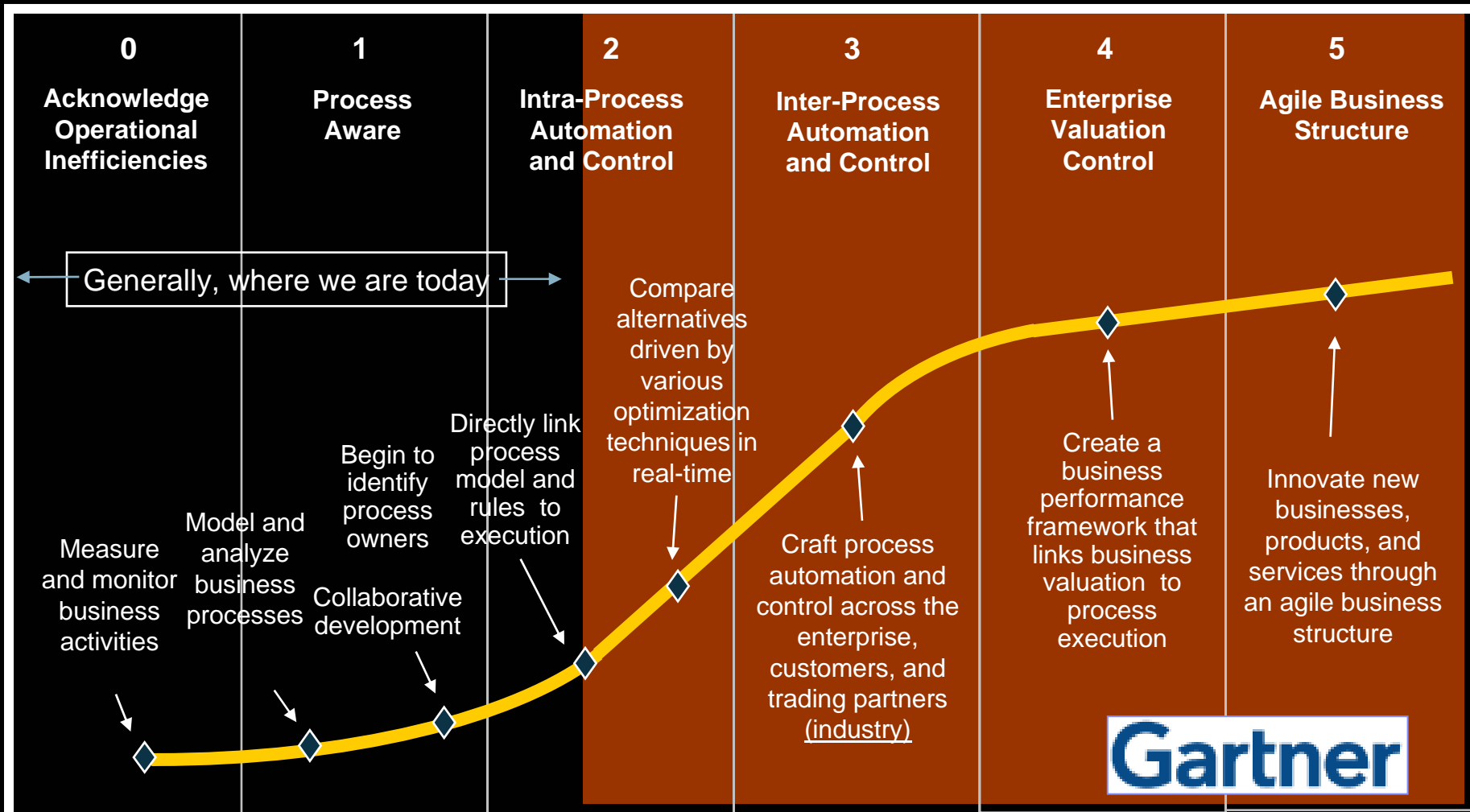
- Solution Building Efficiency
- Reuse of existing assets
- Flexibility in change

SOA at the core of BPM:



2

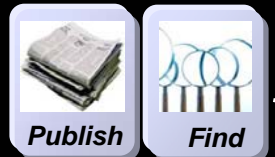
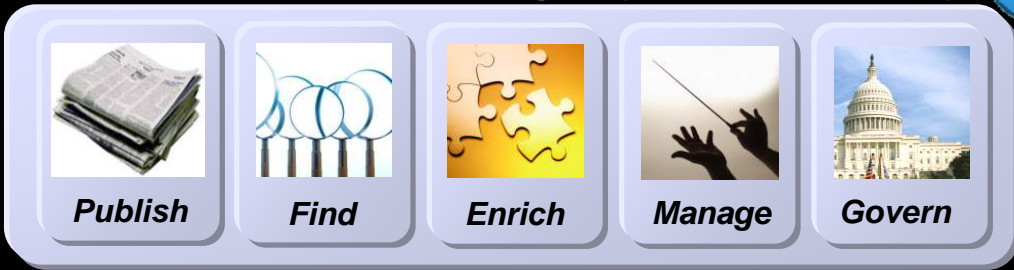
BPM can be implemented without SOA, but... ...forward progress will be hindered



2 Process Change Requires Management of Assets

WebSphere Service Registry and Repository

New!



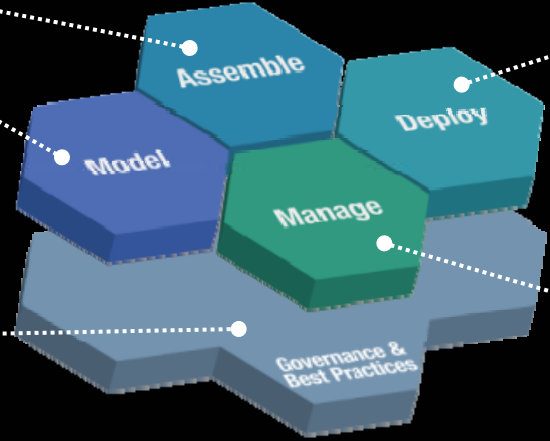
Encourage Reuse

Find and reuse services for building blocks for new composite applications.



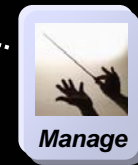
Enhance Connectivity

Enable dynamic and efficient interactions between services at runtime.



Enable Governance

Govern services throughout the service lifecycle



Help optimize service performance

Enable enforcement of policies. Impact analysis.

2 Deploy on a Dynamic, Flexible BPM with SOA Process Engine

Execute mission critical processes

- Securely, consistently, with transactional integrity

SOA infrastructure orchestrates assets into:

- Highly optimized and effective processes
- Service changes do not impact process
- Process changes re-use services as needed



WebSphere Process Server V6.02 -- *Easy to use and comprehensive*

- Process Automation and Choreography
- Human-centric support

Enhanced!

2 W&W AG Improved Efficiencies with IBM's BPM



Wüstenrot & Württembergische
W&W INFORMATIK GMBH



Delayed and inconsistent loan processing inhibits growth and impacts customer service



Route of problem: Critical loan information delivery took too long

Actions and lesson learned

- Architect and simulate process to automate mail distribution
- Involve all stake-holders upfront

Result

- 70% faster document delivery
- Improved workloads
- Simplified employee management processes
- Stakeholders working together better



3

Manage for Continuous Improvement

Lessons Learned

69% of CFOs say that measuring and monitoring business process and performance is their top priority

IBM Business Consulting Service. IBM Global CFO Study Dec. 2005

- View performance of processes based on Key Performance Indicators
 - Track cost, time and resources
- Achieve real-time visibility into processes
 - An ongoing, iterative loop of improvement and optimization
- Learn from your data
 - Feedback into model



3

Use Industry Best Practices to assign KPI's *IBM Competency Center, BPM and SOA Experts*

New!

- **Determine what metrics are important (i.e. time, resources, cost)**
- **Use best practices and process experts for KPI Definition**
- **IBM's BPM Competency Center will help**

IBM BPM Competency Center

- Created from across IBM leveraging field and lab process expertise
- Skilled in BPM consulting, process design, and implementation
- Serve as experts in overall Business Process Management concepts

**Over 1000
engagements!**

3 Achieve Real-time Visibility Into Processes

Monitor the applications that are critical to your business

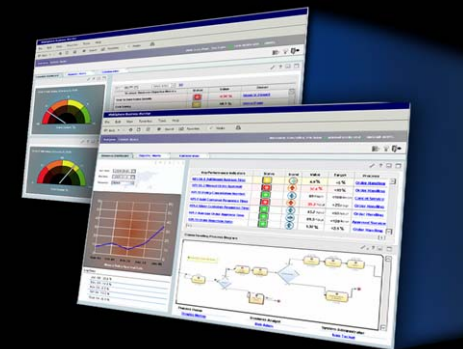


WebSphere Business Monitor

- Business Activity Monitoring capability
- Monitor models that have input from various sources
- Guided administration and testing environment

Workplace Dashboard Framework

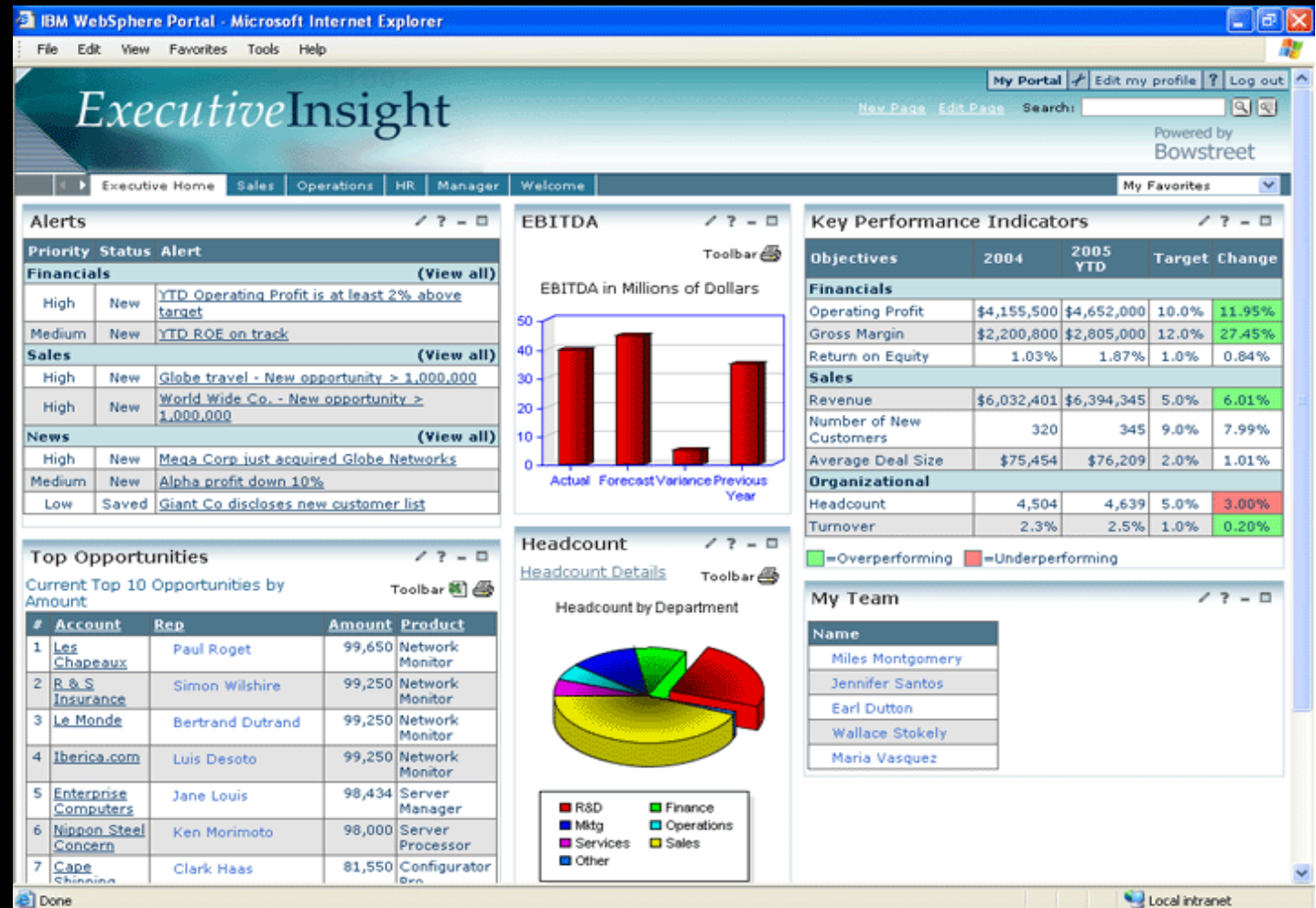
- SOA support to leverage data from diverse business systems in real time
- Tailored based on user roles
- Take action through integrated collaboration



3 Learn From Your Data

Modeler and Monitor Together:

- Feed your real data back into your modeling tool for real life simulations
- Using real business facts as the basis for analysis



IBM Leads in Business Process Management with SOA

Analyst Magic Quadrants and Waves deliver the proof

- **Gartner BPMS Magic Quadrant (June 2006)**
 - Identified as **'visionary'** within this evolving market
 - Best positioned of all "major" vendors



- **Forrester Human-Centric BPM Wave (Insurance, Sept. 2006)**
 - Preliminary results were positive → "...IBM **leads** the pack"
 - Establishes IBM as the vendor with leading capabilities across the full spectrum of BPM engagements (human, system, document)
- **Forrester Integration-Centric Wave (3Q05)**
 - IBM a **leader**
 - Next rev targeted for Dec. 2006 (renamed to "BPM")



Getting Started with BPM Enabled by SOA

- **Read the Whitepaper:**

- *“BPM with SOA: Better Together”*



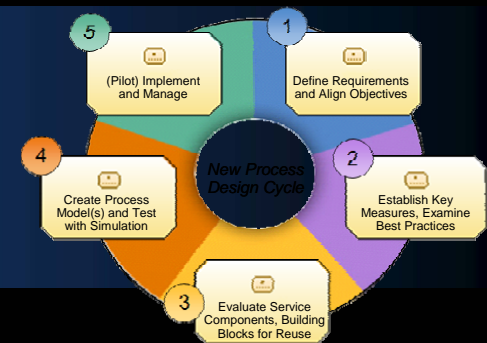
- **Take the Assessment:**

- *BPM enabled by SOA Readiness Assessment*



- **Attend a Workshop:**

- *Get started in your BPM project with a customized Process Improvement Workshop*



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Thank
You

