

Lotus knows.

Smarter software for a Smarter Planet.

5 Cost Take-out Plays You Can't Afford to Miss!

John Mullins – Lotus Business Unit Executive.

IBM Software Group ASEAN



lotusknows.com



Agenda

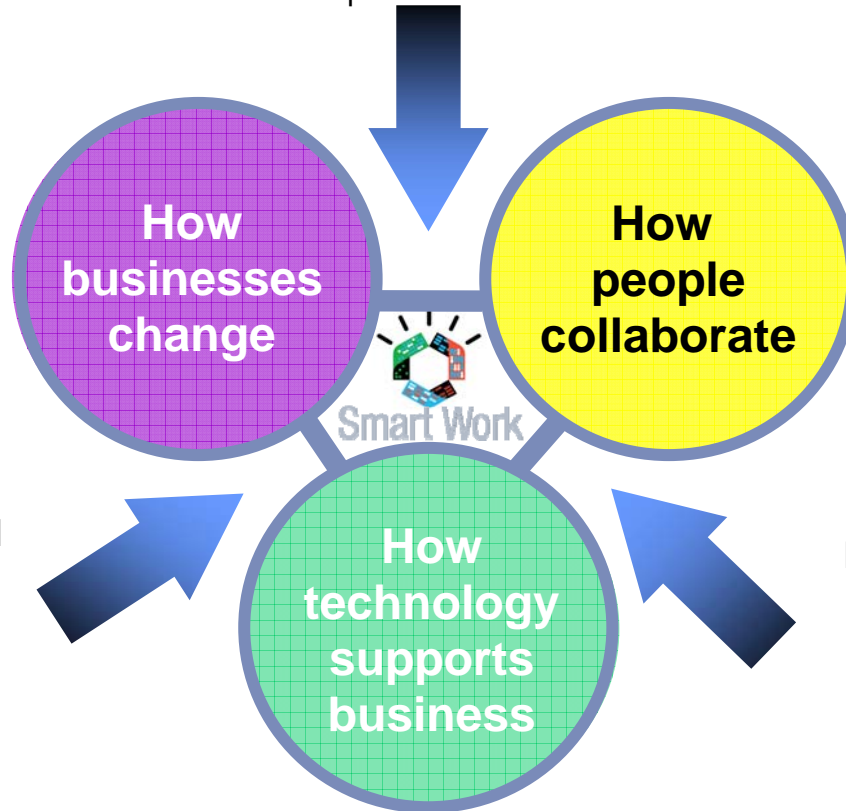
- Why we all need to Work Smarter
- Five Projects to Work Smarter in ANY Economy
- Collaboration Agenda

Some compelling reasons to Work Smarter....



Working Smarter will create new challenges and opportunities...

Product design, creation, test, marketing, and self-service can now extend to connected customers, trading partners, and service providers



Changing customer needs and market conditions are creating the need for business agility and cost containment

Increased connectivity at the "edge of the business" allow sense and respond strategies to act on new insights

But there are some realities...

100%

Customers are demanding 100% web site availability during peak times for improved response times, processing time and storage throughput.

\$40 billion

Consumer product and retail industries lose about \$40 billion annually (or 3.5% of their sales) due to supply chain inefficiencies.

1.5x

Explosion of information driving 54% growth in storage shipments every year.

53%

of employees don't have access to the information across the organization needed to do their jobs

13%

Each week businesses waste 5.3 hours per employee due to inefficient processes.

76c per \$1

70% of IT budgets are spent on maintaining current IT infrastructures vs adding new capability.

1 in 3

business leaders frequently make critical decisions without the information they need

29%

Agile business have 29% higher earnings per share.

91%

CEOs are planning to or are restructuring the way their organizations work.

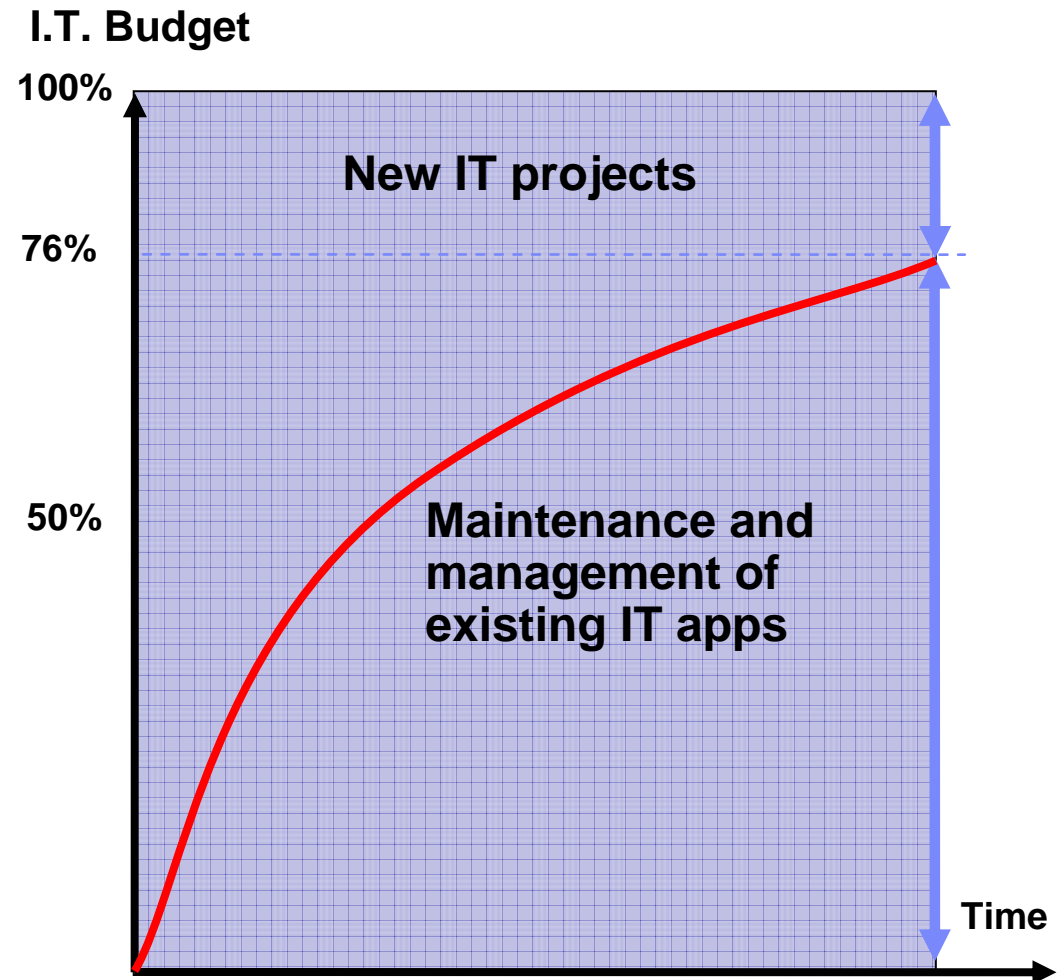
85% idle

In distributed computing environments, up to 85% of computing capacity sits idle.

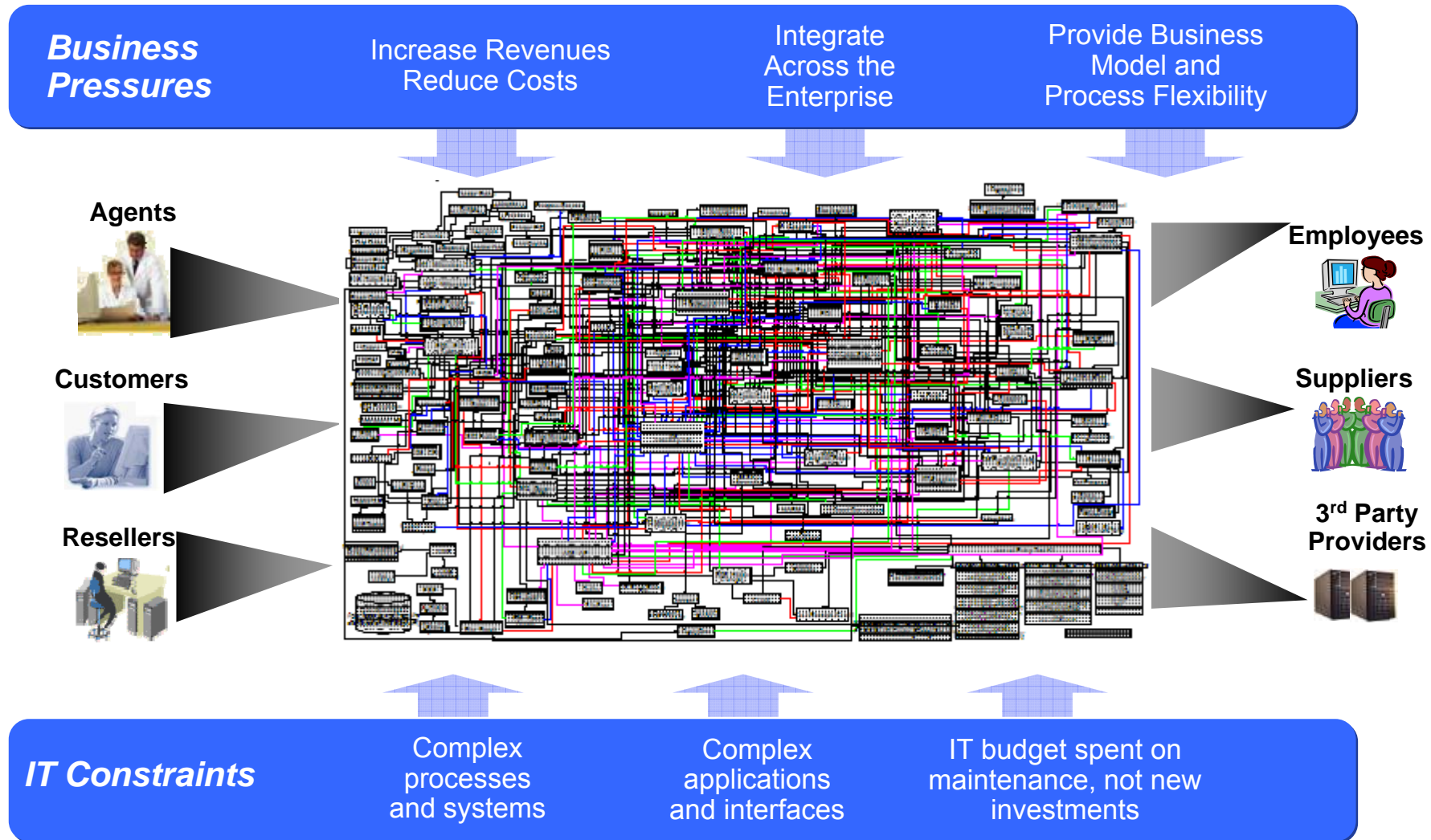
We need to work smarter with our IT budgets...

Traditionally...
“76% of I.T budgets are spent on MAINTENANCE, leaving only 24% for NEW INVESTMENTS.”

– Forrester Research



The only way to break this paradigm is to align Business and IT...



Service Orientation is the Key to unlocking our IT budgets and Working Smarter...

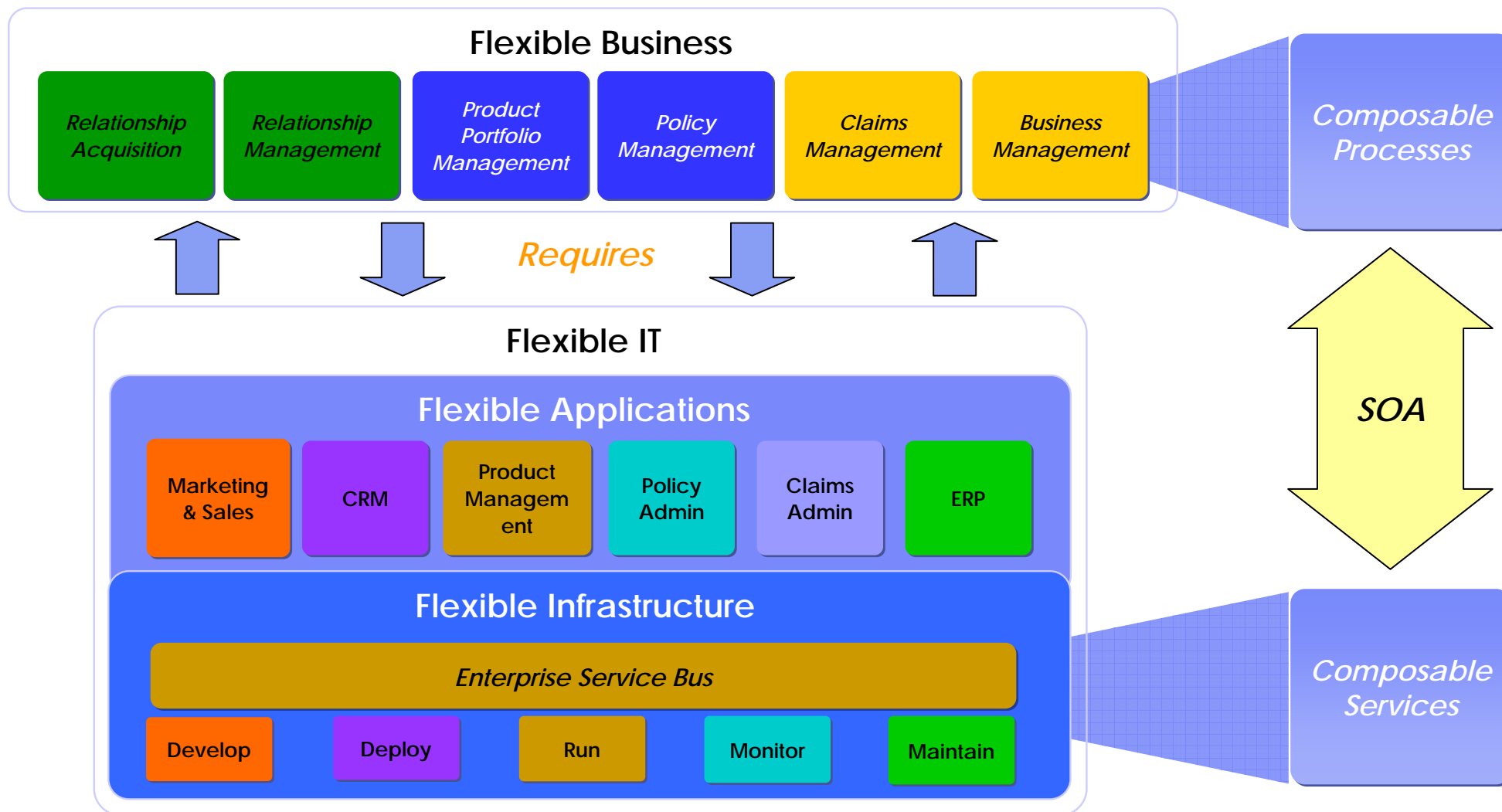


- Optimise reuse of existing assets
- Quickly shift direction to reflect economic realities
- Flexibly connect information and applications

Use SOA to Unlock the value of your own...

- *Business Resources*
- *Application Resources*
- *Infrastructure Resources*

Smart Businesses are Flexible...



What's Important to ASEAN Business Leaders TODAY...

Top 10 Business Priorities

Improving business processes

Cutting enterprise costs 2

Increasing the use of analytics in decisions

Improving enterprise workforce effectiveness

Managing enterprise change initiatives 5

Creating new products or services (innovation) 6

Consolidating business operations 7

Creating new sources of competitive advantage (new capabilities) 8

Expanding current customer relationships (expanding 'wallet share') 9

Targeting customers and markets more effectively (service delivery) 10

Top 10 CIO Strategies

Linking business and IT strategies and plans

Building business skills in the IT organization 2

Reducing the cost of IT 3

Attracting, developing and retaining IT personnel 4

Delivering projects that drive business growth

Improving the quality of IT Services 6

Expanding the use of Intelligence

Implementing IT process improvements 8

Applying business performance metrics to IT 9

Consolidating IT operations 10

Top 10 CIO Technology Priorities

Business Intelligence (BI)

Collaboration technologies

Networking, Voice and Data Comms (including VOIP) 3

Enterprise Applications (ERP, SCM, CRM, etc) 4

Servers and Storage Technologies (including virtualization) 5

Document and Content Management

Customer sales and service technologies 7

Legacy application modernization, upgrade or replacement 8

Security technologies (access control, authentication, etc) 9

Service Oriented applications and architecture (SOA, SOBA) 10

Andy Roswell-Jones, VP and Research Director, Gartner
From Presentation and IBM ASEAN Leadership Exchange July 2009

Agenda

- Why we all need to Work Smarter
- Five Projects to Work Smarter in ANY Economy
- Collaboration Agenda

- 1 Empower People **for Enhanced Productivity**
- 2 Unlock Existing Information **for Visibility and Insight**
- 3 Automate Manual Processes **for Business Agility**
- 4 Connect Disparate Systems **for Integration Cost Efficiency**
- 5 Leverage Legacy Systems **for Increased Reuse**

1 Empower People for Enhanced Productivity

The Problem

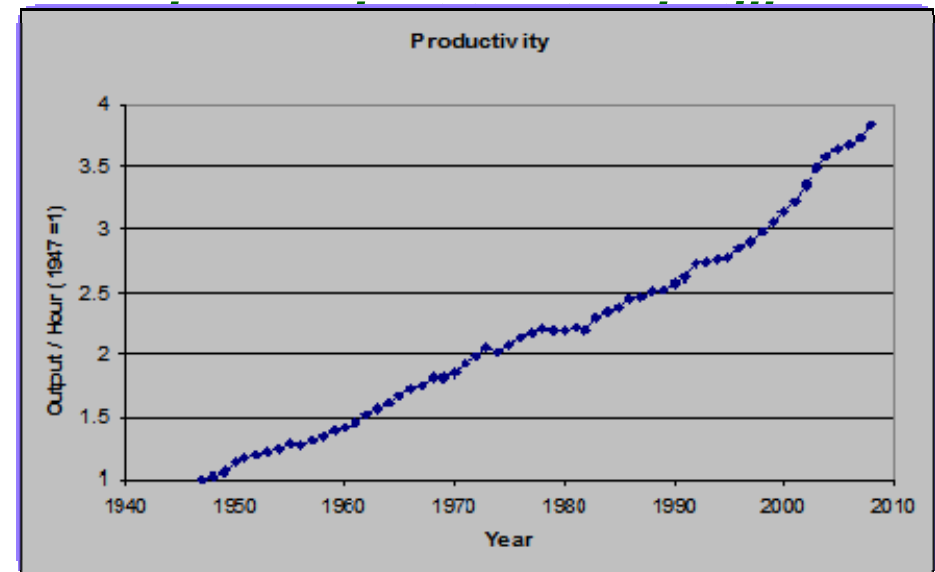
- Inefficiencies of outdated systems hamper improvements
- Struggle accessing globally dispersed knowledge-base
- Logistics of capturing and leveraging customer insight

The Possibilities

- Decrease product development time by up to 20% or more
- Reduce time to assign access rights by 10 times
- Unlock innovation and hidden knowledge through broad participation

Productivity is increasing all around you

You need to do more with



US Bureau of Labor Statistics

1 Working Smarter with Citizen Self-Service...



- Improved portal with **50% increase** in visitors
- Expect **25% reduction** in systems management costs
- Over 428,000 electronic payments processed
\$468 million in revenue

2 *Unlock Existing Information for Visibility and Insight*

The Problem

- 33% of business leaders frequently make critical business decisions without the information they need*
- Information is not integrated to enable efficient decision-making

The Possibilities

- Cost optimize linkage of business unit systems and information
- Provide single view of information to optimize decision making



**Source: IBM Business Value, Business Analytics and Optimization Study, March 2009*

2 Working Smarter through Information Sharing...

StatoilHydro



- **Real-time** data access
- **2X** industry production average
- **30% reduction** in maintenance costs

3 Automate Manual Processes for Business Agility

The Problem

- Process changes require IT intervention
- Employees wasting time on redundant tasks
- Manual intervention in processes hinder throughput

The Possibilities

- Reduce order lead time by up to 8x or more
- Speed time to market of new products dramatically
- Optimize services with faster claims cycle times

Gartner has cited process improvements as the #1 business concern for 4 straight years*



*Source: The 2009 CIO Agenda, Gartner, January 2009

3

Working Smarter with Invoice Processing Automation...

PETCO
Where the pets go. 



- Invoices processed in **seconds instead of hours**
- ROI in **2 months**
- **30% reduction** in development time

4 *Connect Disparate Systems for Integration Cost Efficiency*

The Problem

- 76% of IT budget spent maintaining point-to-point application interfaces
- Custom point-to-point connections are brittle, expensive, and risky

The Possibilities

- Reduce integration cost and maintenance 2-4 times*
- Improve performance more than 10x, with lower costs
- Achieve full ROI within as little as
- 6 months



*Source: "Application Integration Challenges", Software Strategies

4 *Working Smarter with Application Integration...*



- **70% reduction** in maintenance of interfaces
- **60% time to market improvement** for adding interfaces and partners
- **Redeployment of 15 billing staff** to more meaningful tasks

5 *Leverage Legacy Systems for Increased Reuse*

The Problem

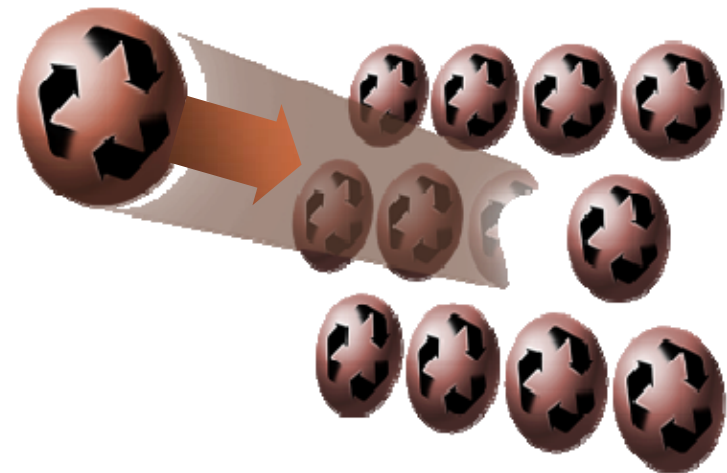
“Industry has already invested trillions in IT. If faster results can be achieved reusing rather than rewriting, only a fool would choose [sic] to rewrite”

John Balderson, The Spencer Group

*Not already reusing your applications?
at **WHAT COST?***

The Possibilities

- Reduce time-to-market for new services by anywhere from few weeks to months
- Share application infrastructure to reduce total cost of ownership
- Delay capital expenditures by leveraging existing infrastructure
- Cut expenses by up to 5x times or more*



*Source: Software Productivity Research

5 *Working Smarter to Extend Existing Investments...*



- **5-15% increase** in code reuse for cost savings
- **Integrates 3,000+ suppliers** with legacy systems in a fraction of the time
- **Faster deployment** of products and services

Agenda

- Why we all need to Work Smarter
- Five Projects to Work Smarter in ANY Economy
- How does this fit into the Collaboration Agenda

Collaboration Framework enhances SOA and drives competitive differentiation...

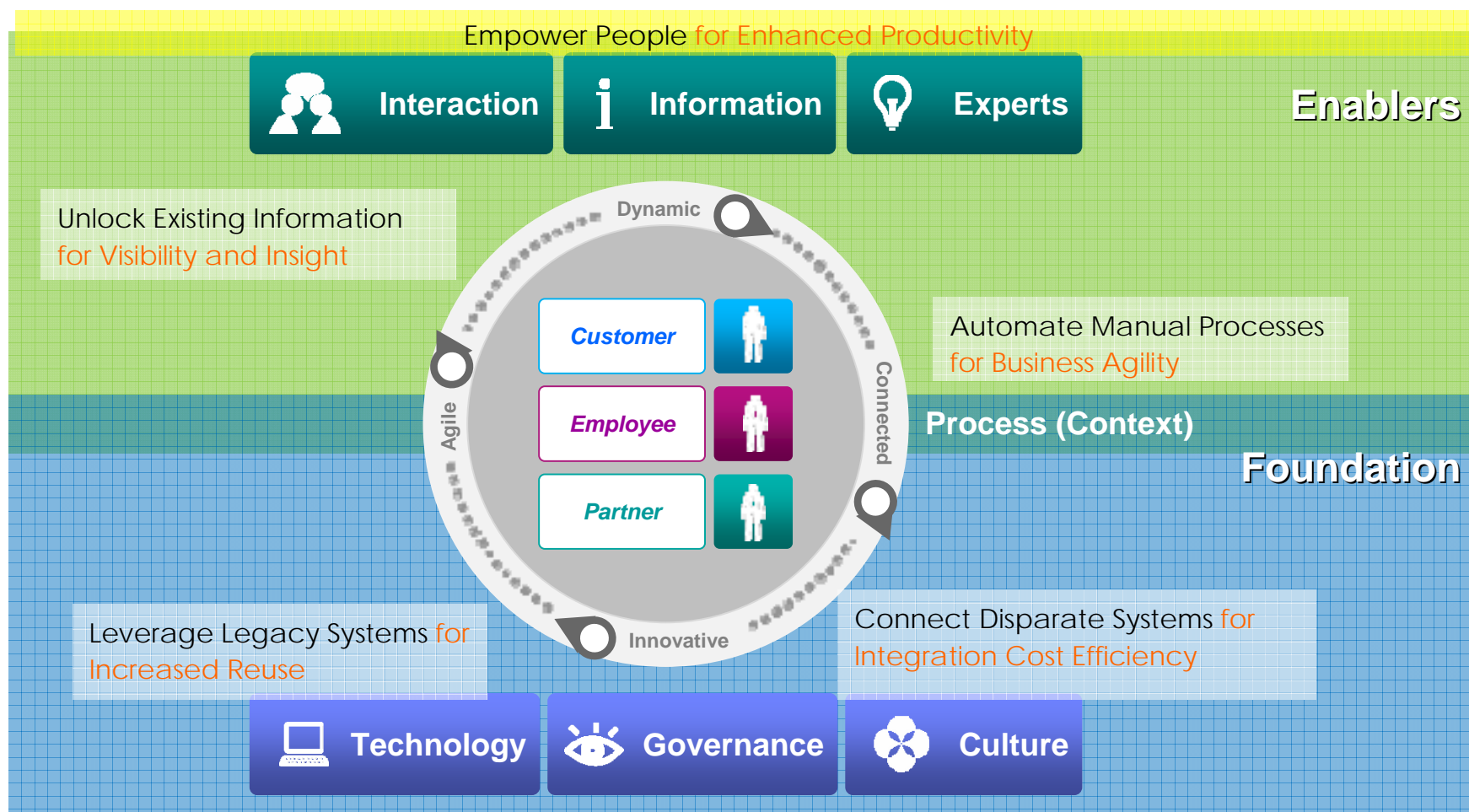
Builds Productive Relationships

Fosters Innovation that Matters

Improves Productivity

Expertise-based organisations

Cost-effective best fit collaboration



Lotus knows.

Smarter software for a Smarter Planet.

Thank You...



CREATED WITH LOTUS® SYMPHONY™

lotusknows.com



Legal Disclaimer

© IBM Corporation 2010. All Rights Reserved.

The information contained in this publication is provided for informational purposes only. While efforts were made to verify the completeness and accuracy of the information contained in this publication, 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 publication or any other materials. Nothing contained in this publication 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.

If the text contains performance statistics or references to benchmarks, insert the following language; otherwise delete:

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.

If the text includes any customer examples, please confirm we have prior written approval from such customer and insert the following language; otherwise delete:

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.

Please review text for proper trademark attribution of IBM products. At first use, each product name must be the full name and include appropriate trademark symbols (e.g., IBM Lotus® Sametime® Unyte™). Subsequent references can drop "IBM" but should include the proper branding (e.g., Lotus Sametime Gateway, or WebSphere Application Server). Please refer to <http://www.ibm.com/legal/copytrade.shtml> for guidance on which trademarks require the ® or ™ symbol. Do not use abbreviations for IBM product names in your presentation. All product names must be used as adjectives rather than nouns. Please list all of the trademarks that you use in your presentation as follows; delete any not included in your presentation.

IBM, the IBM logo, Lotus, Lotus Notes, Notes, Domino, Quickr, Sametime, WebSphere, UC2, PartnerWorld and Lotusphere are trademarks of International Business Machines Corporation in the United States, other countries, or both. Unyte is a trademark of WebDialogs, Inc., in the United States, other countries, or both.

If you reference Adobe® in the text, please mark the first use and include the following; otherwise delete:

Adobe, the Adobe logo, PostScript, and the PostScript logo are either registered trademarks or trademarks of Adobe Systems Incorporated in the United States, and/or other countries.

If you reference Java™ in the text, please mark the first use and include the following; otherwise delete:

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

If you reference Microsoft® and/or Windows® in the text, please mark the first use and include the following, as applicable; otherwise delete:

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

If you reference Intel® and/or any of the following Intel products in the text, please mark the first use and include those that you use as follows; otherwise delete:

Intel, Intel Centrino, Celeron, Intel Xeon, Intel SpeedStep, Itanium, and Pentium are trademarks or registered trademarks of Intel Corporation or its subsidiaries in the United States and other countries.

If you reference UNIX® in the text, please mark the first use and include the following; otherwise delete:

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

If you reference Linux® in your presentation, please mark the first use and include the following; otherwise delete:

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