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**IBM Software:
delivering the business
value of information**

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A commitment from IBM

In the global economy, information is key for competitive success. But companies struggle to free this information from departmental silos and deliver it to the right person, at the right time, in the appropriate context. For most organisations, limited access to poor-quality information is no longer merely a chronic irritation - it has grown into an acute problem.

Today, however, most organisations still struggle with fragile, inflexible information architectures that do not inherently support the adaptability required to meet current competitive challenges. IBM Software enables organisations to have the solutions and expertise they need to transform the ways they manage their information. In fact, IBM is committing \$1 billion and growing its base of practitioners with relevant skills by 65% over three years to support its software solutions strategy.

This investment will fund new research, product development, strategic acquisitions, client support, sales staff, and new partner programs. In addition, a new IBM Centre of Excellence, a framework for success, and six solution offerings will help IBM customers quickly put their information to work for their businesses.

Information as a strategic asset

More than 60% of CEOs and line of business executives say quality information is their top priority for improving business processes, employee productivity, and customer satisfaction.

Yet most companies struggle to use information effectively. Although companies have automated many of their individual business processes — to improve their supply chains, reduce product cycle times, better understand their customers, or lower transaction costs, for example — this has often left information fragmented and duplicated across their enterprises. Typical enterprises have their various business processes running on multiple applications, middleware, databases, servers, and operating systems, and although they communicate with one another, it is often impossible to get a comprehensive and unified view of information across these sources.

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Nearly 80% of organisations have two or more data repositories, and one in four firms have more than 15 data repositories. The average \$1 billion company operates no fewer than 48 disparate financial systems and 2.7 enterprise resource planning (ERP) systems.

So many different versions of the truth slow decision-making, responsiveness, and the ability to pursue new business opportunities or react to market forces. In such an environment, trusted information simply is not available, squelching opportunities to optimise processes, improve customer care, and increase employee productivity.

It doesn't have to be this way. Organisations that are highly effective at information integration across the enterprise are five times more likely to drive value creation than those who are poor at it.

IBM Software helps companies derive new business value from information by making it freely available to any customer, employee, partner, or process authorized to use it. IBM Software can help companies reduce risk, drive innovation, and improve business operations, worker productivity and client care.

Measuring information maturity

To help organisations assess where they are on the road to using information as a strategic business asset, IBM has established a maturity model. Organisations can determine where they are now — and where they must go to remain competitive. The model describes five stages of maturity of information use:

- **Stage 1: Data to run the business**

Here the focus is on data and reporting. Mainly static, structured data is used operationally or in lightweight reporting. No cross-system version of the truth exists, and when information is integrated, it is done largely in spreadsheets or local databases.

- **Stage 2: Information to manage the business**

As they achieve basic information interaction, organisations shift to a tactical content management system and point-to-point integration of structured data for basic reporting and analytics. Although information integration techniques like data warehousing are likely employed to help manage the business, information is not yet considered a strategic asset to the business and these Organisations have not developed a plan for their information infrastructure.

- **Stage 3: Information as a strategic asset**

These organisations no longer see information as merely a by-product of operations — it is, rather, a business asset that can lead to greater innovation and differentiation. Organisations at this stage seek to free their information from silos, typically beginning with master data management techniques. Organisations in this stage begin to recognise the need for a strategic information infrastructure, often implemented via the virtualisation principles of service oriented architecture and integration of unstructured information, such as email, with their structured sources. Organisations will also begin to look at more robust governance models so that their information retains its value and is managed throughout its lifecycle.

- **Stage 4: Information to enable innovation**

Here organisations seek ways to use information to enable innovation. They have already leveraged standards and virtualisation techniques so that trusted information is seamless and available as a service that can be used by any business process. Structured and unstructured information sources are fully integrated, and business context of information is well understood. These companies focus on using information to innovate processes, providing predictive and proactive management of all business processes.

• **Stage 5: Information as a competitive differentiator**

Here organisations are using information to streamline business processes and leverage their internal and external value networks to provide enhanced products and services to customers and add value to partner and supplier relationships and interactions. Organisations at this stage of information maturity realise the value of their information as a source of competitive differentiation and use it to quickly sense and respond to changes in the market and their businesses.

To help organisations cost-effectively progress through these information maturity stages, IBM supports six new solution portfolios that provide organisations with an understanding and assessment of their current information architecture maturity as well as a quantitative summary of information health and prescriptive guidance on how and where to begin focusing their efforts.

IBM is staffed with experts including solution architects, information architects, and researchers from across IBM Global Business Services, IBM Global Technology Services, IBM Software Group, and IBM Research. These experts assist customers with thought leadership, solution development, client support and competency development.

Introducing IBM Software Solutions & Product Offerings

Part of a framework that provides an information strategy and governance, underlying business enablement practices, information management practices, and integrated technology, IBM's six new software solution portfolios include:

- **IBM Business Process Innovation solutions** enable the design and deployment of high-value business processes based on improved insight. The solutions focus on search, analytics, data placement and synchronisation to enable the right-time delivery of information in-line and in-context for analysis
- **IBM Business Analysis and Discovery solutions** go beyond static reporting and information access to integrate structured and unstructured information, place critical information into context and provide the insight that can power innovation and competitive advantage
- **IBM Master Data Management solutions** are a set of services, technologies, solutions, best practices and governance processes for creating and maintaining a single version of the truth for enterprise information domains such as customers, products, suppliers, and constituents
- **IBM Risk and Compliance solutions** enable companies to meet regulatory requirements, respond to business continuity threats and help reduce exposure to fraud by collecting and analysing appropriate information and identifying risks before they cause problems
- **IBM Knowledge Worker Productivity solutions** help companies attack information overload in work environments so workers spend less time searching for and managing information, and more time using it to make better business decisions
- **IBM Business Performance & Process Management solutions** are built on IBM's deep industry expertise and industry-specific Information Framework Process and Data models. These solutions provide business executives with critical information and insight, drawn and analysed from across the enterprise, to respond quickly to problems and exploit opportunities

Software Product Offerings

Underlying the solution portfolios are technologies that enable and automate the critical competencies. The infrastructure must be flexible enough to meet varying demands. IBM is continuing to invest in these technologies to automate and optimise the innovative use of information.

IBM delivers product offerings that can help you optimise your IT infrastructure through:

- **Automation capabilities and advanced tools that** streamline database administration and development and provide easy publishing of data as a service
- **Content management and access services that** allow for universal content control and easy publishing of content as a service
- **Information integration services that** allow information to be understood, cleansed, transformed and moved, easily publishing trusted information from heterogeneous sources as a service
- **Master data management services that** integrate, manage and publish master information on products, customers and other core business entities, and provide industry-specific accelerators to jump-start projects
- **Analysis and discovery services that** provide detailed insight into information, allowing people, processes and applications to access this insight as a service. By providing the necessary building blocks for an information infrastructure, IBM Software solutions can help you capture, organise, integrate, transform, analyse and use information to create business value

Why IBM Software?

IBM Software leadership

IBM Software delivers a complete information management solution set on the market, enabling organisations to move from a project-based architecture to a flexible, service oriented architecture. IBM can deliver the complete combination of technology, skills, methodologies, and best practices needed to build this flexibility within organisations.

IBM has the technologies

IBM has developed an extensive set of technology capabilities in the market having built, acquired, and integrated a broad set of information management technologies.

IBM's solutions for Master Data Management help enterprises manage key information around people, products, items, and entities. IBM's Entity Analytics solutions help corporations determine who is who and who knows whom within the context of a particular business problem (e.g., fraud, relationship management, intelligence).

IBM also provides an industry-leading platform that integrates structured information regardless of where it resides in the enterprise, while IBM's new DB2 9 database provides native XML support. And IBM's commitment to a service oriented architecture — making information available as a service — is a cornerstone to building a flexible architecture that can respond quickly to market and business changes.

IBM has the consulting, middleware, infrastructure and systems integration expertise. No other company can offer a set of solutions as comprehensive, cohesive, or proven. The combination of expertise, experience, methodology and best practices – aligned to specific industry verticals means organisations can:

- Innovate and drive key initiatives such as information integration, business intelligence, business performance management, business transformation, multi-channel commerce, RFID, merger and acquisition consolidation, master data management and regulatory compliance

- Help achieve numerous business goals such as better understanding of customer expectations, improving the efficiency of business processes, increasing employee productivity and improving customer satisfaction
- Quickly find, integrate and enhance the quality of large amounts of data stored within their enterprise and centrally manage information stored across a variety of structured and unstructured sources, from IBM and non-IBM vendors, in real time
- Extract new value — such as customer information, supply chain patterns, customer service and public opinion about product quality — from their business information and take advantage of hidden gems underneath today's exploding volumes of data

A new era of information management

Forward-thinking business leaders have already understood the importance of managing information as a strategic asset, and are on the move.

Citizens Bank

Following 26 acquisitions between 1999 and 2004, Citizens Bank needed an integrated view of master customer information and wanted to create a consolidated Enterprise Risk Data Management environment to enable Basel II and Sarbanes-Oxley compliance and reporting accuracy.

Key to this effort was the alignment of multiple strategic corporate initiatives with the product and service capabilities of a single vendor — IBM. Result:

- A single reconciled version of risk exposure across the bank lessened loss reserve requirements
- Hardware costs were reduced
- Enterprise data was shared while and data storage requirements were contained

City of New York Police Department

Multiple police databases held billions of records that needed to be accessible from the street so arrests, complaints, summonses, homicides, shootings, locations, 911 calls etc, could be correlated.

The key to success was the timely delivery of both structured and unstructured information. Result:

- Timely access to information can save lives, since information reaches officers within minutes instead of days or weeks
- Resource deployment has improved thanks to rapid trend analysis
- Repeat offenders are quickly identified, so they can be appropriately handled

Wachovia

Like many large corporations, Wachovia has multiple lines of business, each making significant IT investments. When Wachovia merged with First Union, things became even more complex and several business units realised a critical need for unified access to scanned documents housed in different repositories managed by different software technologies.

The IBM solution: separate information and process, leaving the documents in place, migrate indexes, and leverage IBM® WebSphere® Information Integrator Content Edition as a common access layer to bring the necessary legacy documents together. This saved 25% of the cost of a conversion and inspired similar solutions in other operations. Bottom line:

- Fifty-fold increase in requests for content, indicating customers are being better-served
- \$2.3 million savings in two years, representing a 64% ROI
- \$1 million savings for each new business unit needing a common view of the customer

Where to begin?

The decisions companies make today around how they manage information will determine their future.

Begin by evaluating your own information architectures against IBM's maturity model to compare the costs and risks of remaining where you are versus the benefits of moving forward in maturity.

IBM offers multiple tools for this effort that give prescriptive guidance on starting points and actions to take. The first is a web self-assessment, which provides a high-level, self-guided assessment of where you are in the maturity model. The second is a set of three fast-start service offerings that provide deeper insights into your current maturity level as well as feedback about the health of your information architecture.

These three fast-start offerings, each two to four weeks long, are available from the IBM to help organisations understand IBM's Software strategies, assess their own capabilities, and begin the journey of realising improved value from their business information.

- **Business Value Assessment** delivers a solution-specific value read-out and business case support that addresses architecture, key performance indicators, total cost of ownership and return on investment associated with the deployment of specific initiatives. Included: assistance in defining pain points, software solutions, economic value realisation scenarios, an implementation roadmap and resource requirements
- **Information Maturity Model Assessment** measures enterprise capabilities to deliver Information On Demand based on the best practices of other organisations. Included: prescriptive actions to better support information requirements, a gap analysis of technology, process, and organisational resources and a remediation and capabilities improvement roadmap and recommendations
- **Architecture Health Check** provides technology-focused architecture planning and a transformation roadmap, assessing current-state architecture, then mapping initiatives and technologies to a future-state architecture. Included: an enterprise software initiatives review, mapping of these initiatives to the IBM Reference Architecture and Patterns and recommendations on roadmap and transition.

Using these Assessments, organisations can get an understanding of their current information architecture maturity and use both the quantitative summary of information health and the prescriptive guidance to explore how and where to begin focusing their efforts on managing information as a strategic asset.

And thanks to IBM's ongoing commitment to its software solutions strategy, organisations will have the expertise and technology resources they need to quickly put their information to work.



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² IBM Global CFO Survey, January 2006.

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