

Transform your application portfolio to handle dynamic cycles, new projects and unforeseen events



Leveraging your application assets to drive high business value

Highlights

- ***Transforms your application environment into a self-funding, self-perpetuating ecosystem that delivers a measurable Return on Investment***
- ***Reduces costs and Total Cost of Ownership of applications with a highly integrated, flexible and streamlined infrastructure***
- ***Provides highly qualified resources to meet new business demands and deliver new services and functions faster***
- ***Offers a variety of IBM Application Management Services offerings that fit your unique requirements***

As the global economy continues to experience ups and downs, long-term corporate goals – increasing revenue and containing costs – remain constant. However, as the economic pendulum swings slowly back into expansion mode, industry executives are again contemplating growth and ways of gaining leadership advantage. In doing so, many have carefully re-examined their business, giving serious consideration to its present value structure and primary focus. Today's C-level leaders see revenue growth, realised through the delivery of new, differentiated products and services, as their primary business objective, with cost control running a close second in corporate priorities. C-level executives are looking for ways to lower expenses and reinvest savings into revenue growth strategies to transform their business and boost financial performance.

Increasingly, companies are turning to experts like IBM Application Management Services (AMS) to help manage business applications and support functions. By optimising and outsourcing non-core functions, corporate leaders can better focus on, and further develop, core business competencies, while lowering Total Cost of Ownership (TCO).

Managing an application portfolio is a balancing act between costs, risk and business value

Even best-in-class organisations face pressure to manage continuous change, deliver high quality and attain peak performance – without interrupting service.

Organisations must somehow strike a balance between driving revenue, improving operating margins, effectively executing fundamental business procedures, and, in parallel, making certain that non-core business areas run efficiently. In addition, in the drive to extend value and

benefits, operation optimisation must now extend beyond the business as companies engage directly with customers, consumers, partners and suppliers.

In today's business climate, an organisation's ability to achieve this balance is directly correlated with the effectiveness, efficiency, depth and breadth of its application portfolio. Too often, organisational resources become consumed with application enhancement and support, especially as the portfolio grows. Consequently, the application portfolio is misaligned with business strategies and

objectives, which in turn can breed further waste and potentially disastrous long-term results.

The logical solution to all these issues lies in the introduction of a simple and cost-effective means for application portfolio management. Additionally, it is important to integrate application management procedures that will both differentiate your company from the competition and lower TCO.

IBM AMS can help your organisation align IT investments with business objectives, respond to marketplace



forces with agility and unleash business value – through the optimisation of your application portfolio.

IT begins to deliver new value

IT has always been viewed as a critical business enabler.

Over the past 20 years, tremendous change has occurred in technology, software, and business process and organisation support models. Companies no longer use IT just to facilitate basic business functions. Today, more organisations count on IT to help ensure seamless integration over the extended value network and to make information available for informed, proactive business decisions.

Companies rely on IT to reduce operating and support costs – without sacrificing quality – and to enable new business processes and functions, such as Customer Relationship Management (CRM) and Product Lifecycle Management (PLM). Increasingly, organisations are moving many back-office support functions, including customer, financial and Human Resource (HR) tasks, to either a shared services or third-party outsourcing provider. The role of IT to drive process, organisational and technical change has never been more

challenging and important. Heightened technological capabilities have arrived just in time, as increased business complexity makes more demands on companies – demands that require increasingly precise business process implementation and follow-through.

Additionally, in the wake of stricter international regulatory requirements, such as those stipulated under the USA PATRIOT and Sarbanes-Oxley Acts, IT capabilities have become critical to integrating and performing repetitive and time-consuming processes like data gathering, processing and presentation. Companies rely on IT to establish, maintain and meet basic regulatory rules.

Application Management Services are at the heart of reducing costs, risk and delivering value

Application development and maintenance is an enormous investment. Changing the business model for this investment can help you realise significant savings. These savings can be turned into real value for your business. By reinvesting this money in new capabilities to address the needs of the business and the demands of the market, your business can be more responsive and the value of your IT can rise significantly.

What's more, an experienced, skilled AMS provider can help assure the ongoing performance and flexibility of your applications by relentlessly focusing on quality excellence and continuous improvement in the management and optimisation of your portfolio of applications. The methodologies IBM employs for its AMS clients is the same framework successful organisations use to become best-in-class:

Work smarter and not just harder

- Drive towards consistency and continuous improvement
- Establish consistent metrics

- Become productivity focused
- Create a high reusability environment

Be sure they are working on the right things

- Align work and budget with business priorities
- Leverage business/IT/supplier governance
- Adhere to architectural guidelines and standards
- Initiate a cost-based chargeback mechanism for application services

Balanced use of external suppliers

- Enlist focused supplemental support to get more work done
- Provide expanded support for wider coverage

Focus on innovation

- Optimise portfolio
- Transform the portfolio leveraging new technologies such as Service-Oriented Architecture (SOA) and Web Services

IBM AMS – services for improved organisational performance

IBM offers the most integrated approach to Application Management Services in the industry – backed by extensive global resources, technical innovation from IBM Research, and the deep industry knowledge of IBM Global Business Services and a global network of partners.

**Case Study:
IBM Full Outsourcing Services**

With IBM Full Outsourcing Services, we focused on increasing performance and efficiency alongside innovation, allowing a major North American telecom service provider to concentrate on creating new service solutions.

What we provided:

- Full application portfolio management
- Global delivery from three geographies
- Transformation to CMMI Level 3
- An innovative gain-sharing mechanism

Benefits of the AMS engagement included:

- Improved system availability by 15x
- Enhanced productivity by more than 100% over three years
- More than \$400M in overall productivity savings over the life of the contract
- Exceeded customer satisfaction target

Our experience addresses virtually every type of application – from legacy mainframe systems to Web-based and custom applications, plus off-the-shelf solutions from leading vendors like SAP and Oracle. IBM AMS encompass a set of complementary offerings that can be deployed separately or together. These offerings extend from management of an organisation's entire application portfolio to preliminary services relevant across a particular set of applications.

In addition, the IBM global testing organisation provides access to cutting-edge test centres that offer a

IBM Application Management Services offering	Our service
IBM Staff Augmentation Services	IBM provides skilled personnel, who work under your direction to develop, maintain, manage and support your applications.
IBM Application Out-tasking Services	IBM provides ongoing management of, and support for, your packaged applications (such as SAP and Oracle), custom applications and traditional applications.
IBM Design-Build-Manage Services	IBM designs, builds and provides ongoing management for a targeted set of applications.
IBM Portfolio Outsourcing Services	IBM assumes full responsibility for the support, maintenance, enhancement and evolution of your company or Business Unit application portfolio.
IBM Co-management Services	IBM collaborates with you to transform your IT organisation to a high-performance unit through targeted transformation strategies and hands-on staff mentoring.
IBM Business Application Modernisation Services	IBM collaborates with you to transform your existing application portfolio and processes so that your applications better meet your business needs.
IBM Full Outsourcing Services	IBM assumes full responsibility for the support, maintenance, enhancement and evolution of your entire application portfolio, in addition to the delivery of some, or all, infrastructure functions.

full range of software testing solutions and services to help maintain stability, reduce cost, improve productivity and reduce the risk of production failures.

From multi-channel integration to CRM, we can provide assistance with a single application, a subset of non-core applications, or the entire application portfolio.

IBM optimises the management of your application environment

IBM gives you a full spectrum of Application Management Services. Our approach is flexible, enabling you to select the scope of services that are right for your business. It's important to choose the level of service and the degree of productivity, flexibility, risk and value that makes sense for your business. We have an Application Management Service that can help you get the most value

from your application portfolio. These services cover everything from providing resources while you continue to manage your applications to collaborating with you in your application management and taking over the support, maintenance, enhancement and evolution of your entire application portfolio.

Not sure which option is best in your unique situation? We can help you determine in what capacity IBM should

help and which value should be the focus, whether it's business value, delivery and operations, cost, or all of the above. Our goal is to help ensure your business success by providing IBM collective best practices.

In meeting your organisation's needs, we empower the right people with proven processes and technology to support the entire delivery lifecycle. It's all about integrating technical process and resource capabilities to accelerate the pace of change – from the business end to operations and development.

The overarching objective of any IBM AMS offering is service quality excellence and continuous improvement through consistent



processes. We strive to execute processes that build quality into each deliverable. To that end, IBM services are driven through mature processes and an integrated tool suite.

The ability to scale projects easily and support resources dynamically, in line with fluctuating demands, is within reach only when you adjust your resources to handle dynamic cycles, new projects and unforeseen events. The IBM global resource model provides the skills you need, when and where you need them. This model can position your capabilities to provide the around-the-clock and 'follow-the-sun' support your customers depend on for critical applications.

In a global economy, our clients require around-the-clock support. IBM global support processes and tools enable that continuous support aligned with your application priorities. For IBM, global support means providing support coverage not only within our clients' normal business hours, but also in emergency instances with help desk support and multilingual support skills.

Our clients' businesses depend on a secure environment to ensure continuity and mitigate risk. That's

Case Study:

IBM Co-management Services

Our co-management partnership with a major North American healthcare provider has delivered business improvements while transforming the client's own delivery team.

What we provided:

- Industry and organisation transformation Consultants
- Project and programme management
- SEI CMMI, organisational change and business analysis

Benefits of the AMS engagement included:

- Increased productivity, quality and business satisfaction
- Reduced application support and development costs
- Improved links between business and IT
- Faster response to business needs
- Organisational transformation
- Enhanced staff skills through mentoring

why IBM manages all aspects of the global relationships and assumes the risks associated with using worldwide resources. As a key benefit, IBM provides a choice of locations and rates, giving companies the

confidence that application-related work can be readily transferred between locations should any type of disruption occur in a particular geography.

Another critical piece of the puzzle is to ensure access to the right skills in order to build industry-aligned solutions. You require the right people with the right skills, in the right location, at the right time. IBM's global, highly skilled resource base provides industry and technical certified knowledge to build and support your solutions.

Your application portfolio should establish the continuous improvement framework to drive high value to the business. IBM can help you identify what is critical to the business, then align the application portfolio to business priorities, measure progress to technical and business goals, and outline priority actions and a savings roadmap.

IBM AMS offerings

IBM offers a range of services that allow you to leverage your existing systems and staff to transform your applications and deliver increasing levels of productivity and business value. Multiple entry points and development paths are possible.



Driving value goes hand-in-hand with driving down TCO

IBM AMS encompass a variety of IT services and capability and entry points that can be employed to achieve your company's value transformation. While corporate needs vary, your company's unique situation dictates a different mix, depending on whether your goal is to:

- Reduce operating costs for ongoing management and support
- Reduce the TCO of vital applications
- Improve the productivity and efficiency of your application portfolio
- Enable your organisation to focus

on core business competencies, while IBM focuses on operational efficiency

- Enhance IT effectiveness and performance and drive new innovation
- Transform your application portfolio
- Deliver flexible staffing and shared support resources when, and only when, you need them

Selecting the right capability level and entry point is critical to determining the value that can be unlocked in your organisation. Specific AMS offerings can be used to target opportunities within your organisation. IBM helps by



projecting benefit and cost savings for each combination of offering choices. You can choose to implement as few as one, or as many as all, of the capabilities to achieve benefits ranging from the tactical to enterprise-wide transformation.

Because each IBM AMS offering builds on the others, when you implement all of the strategies you can realise the full economy of scale and achieve the greatest possible value proposition and cost savings over time.

IBM AMS allow your management team to fund core initiatives by improving non-core business efficiencies so you can reduce costs and potentially increase revenues. By unlocking multiple transformational goals in parallel and helping to revamp operations, IBM AMS can help you drive competitive advantage and best-in-class innovation.

Why IBM?

By combining our broad understanding of how technology can be used to facilitate your company's business process with our leadership position in application support and consulting services, IBM is in a prime position to create solutions that can unlock the value of your enterprise's application investments. We can enable your business to become more efficient and effective and can help you on your drive towards business growth.

With our extensive industry expertise and in-depth understanding of business processes and IT, we are uniquely qualified to work with companies that want to get out of the IT management business and return their focus to core business competencies. IBM AMS help tailor the infrastructure and applications that are required to provide the flexibility necessary to meet new challenges and customer needs successfully, support future growth, and enable your company to become more responsive to market demand and more resilient to market change.

IBM can help clients realise currently untapped cost savings potential. Our experience and expertise in Application Management Services mean we can deliver cost-effective solutions capable of enhancing your company's competitive advantage – so you can get back to business.

It's simple to get started

Let us earn your trust.

Enter into an IBM AMS partnership at any level you wish.

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