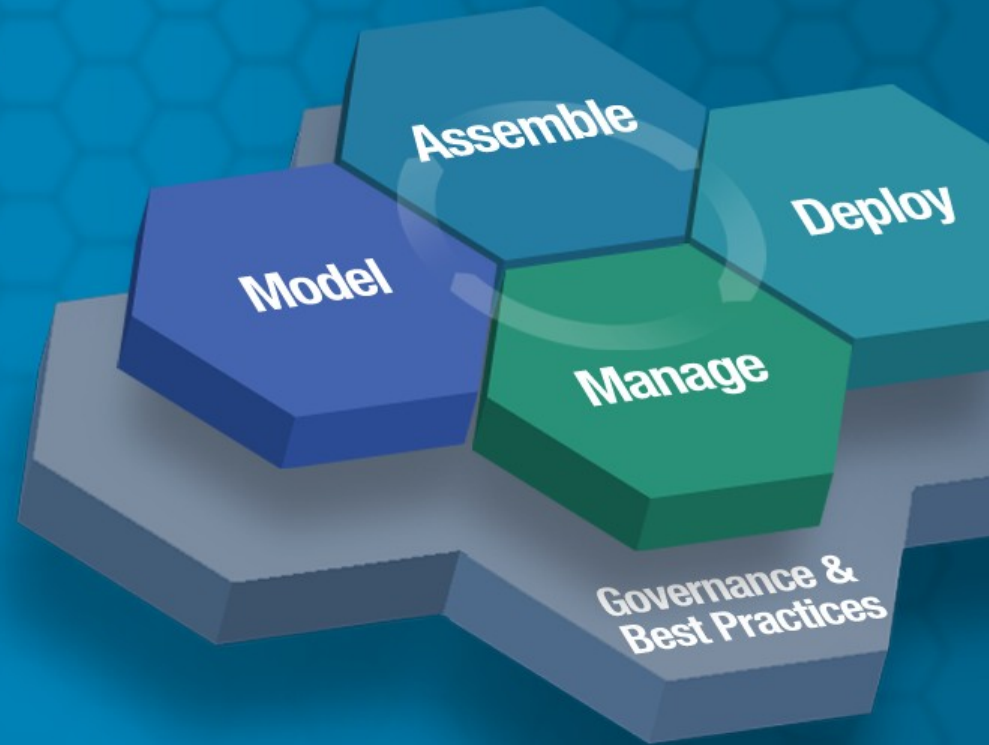
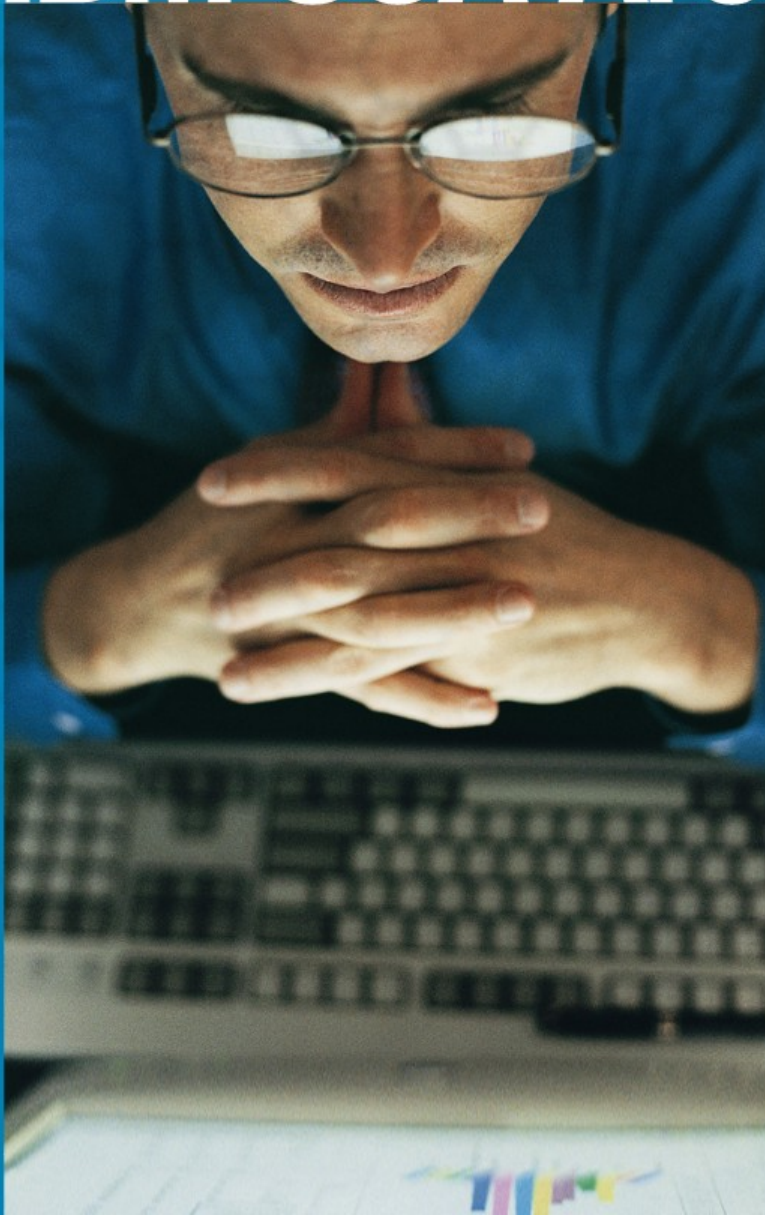


IBM SOA Architect Summit

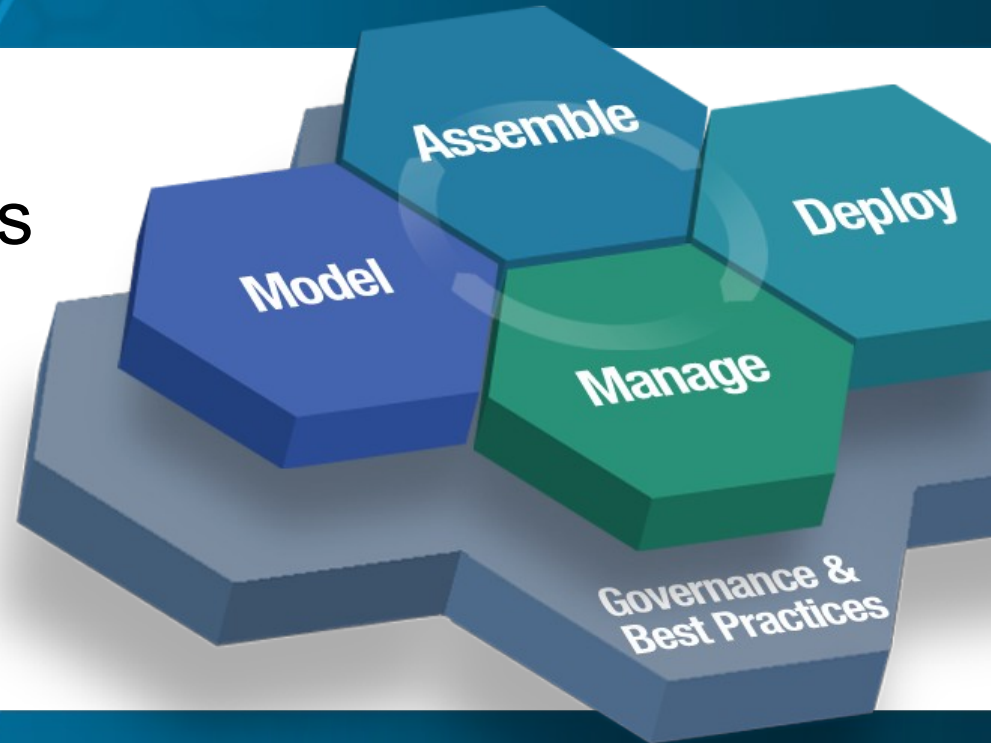


SOA on your terms and our expertise



IBM SOA Architect Summit

Keynote Presentation:
**Aligning IT with Business
Goals Through SOA**



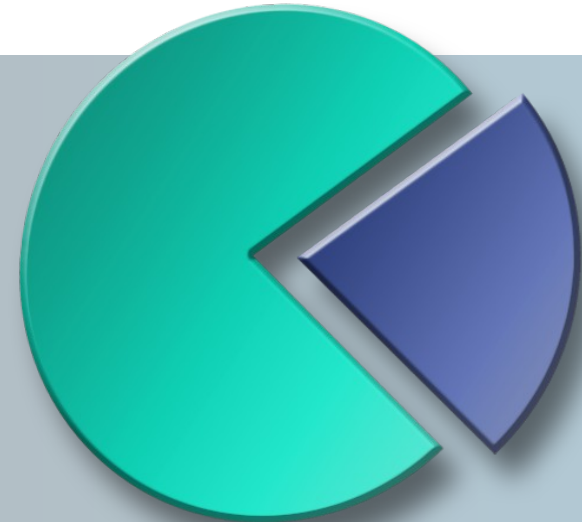
Name
Title

ON DEMAND BUSINESS™

Innovation that Matters To CEOs

Top Innovation Priorities:

- Improve customer-focused, go-to-market areas
- Restructure and extend the enterprise
- Increase effectiveness and efficiency of core functional areas



78% of CEOs believe integrating business and technology is fundamental for innovation

The Goal: Strategic Flexibility Through Innovation

Source: IBM Global CEO Survey, March 2006

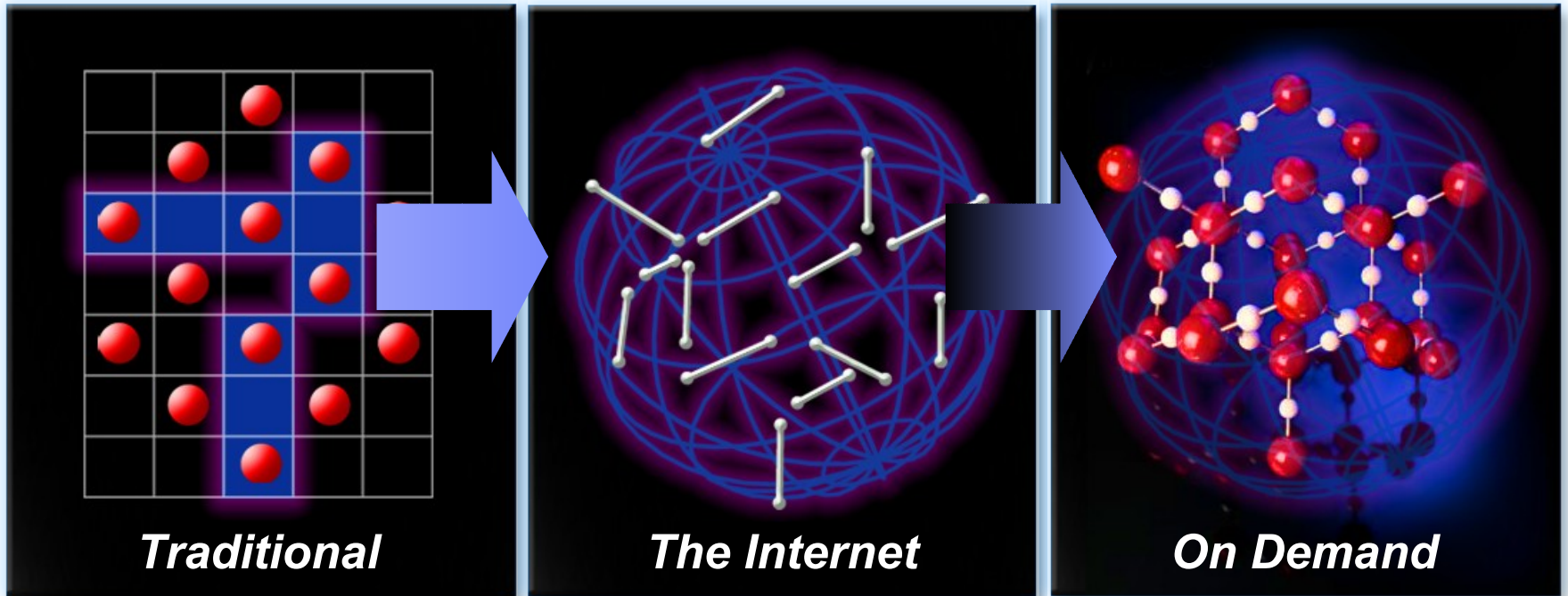
CIOs and CTOs Recognize Innovation as the Most Important Capability for Growth



Yet: Only 1 in 10 CEOs believe their organization has the ability to be very responsive to changing market conditions

Deepening Integration of IT with Business

On Demand Computing Model

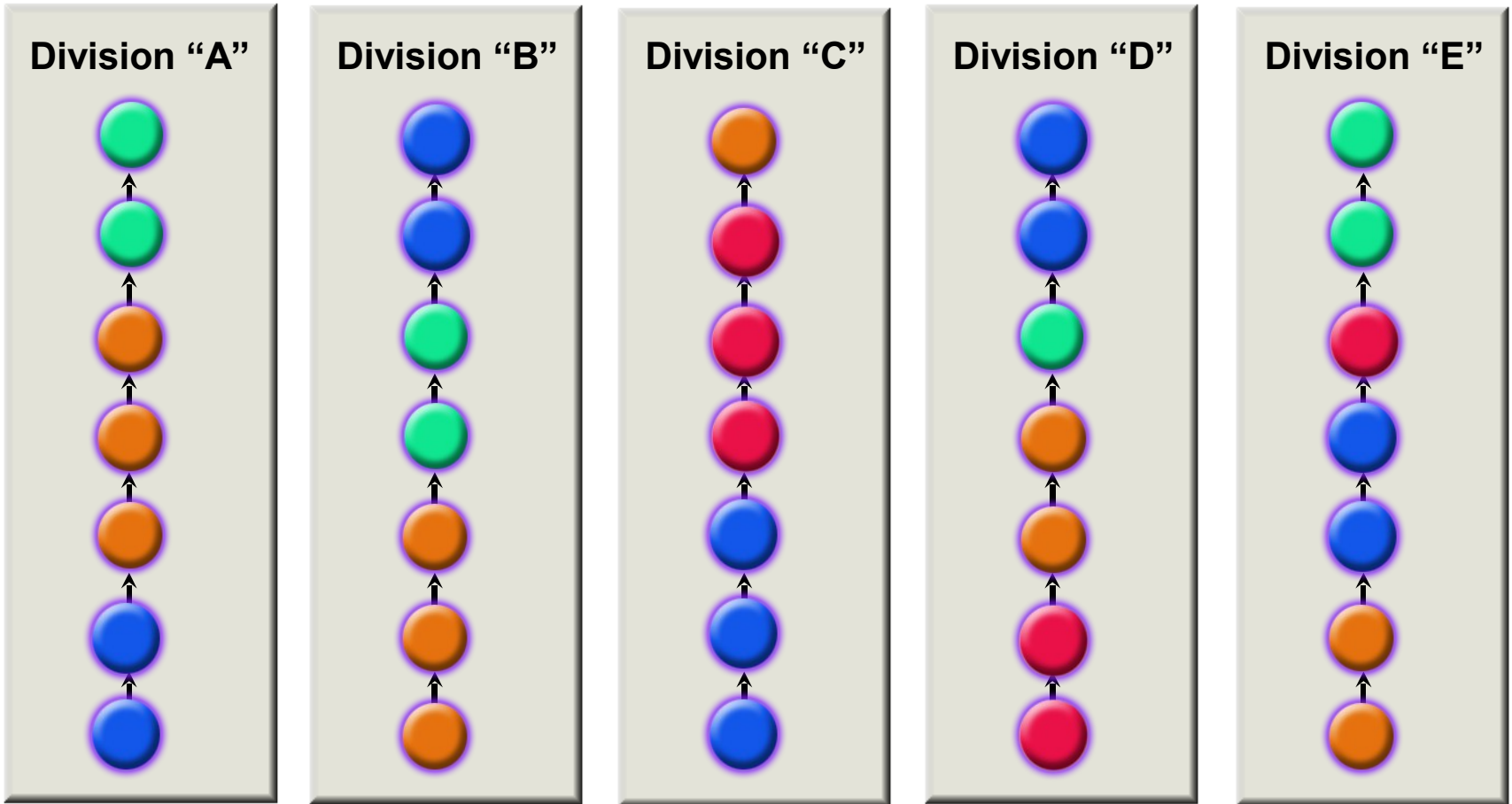


**Structured
Calculations
Data Processing
Transactions**

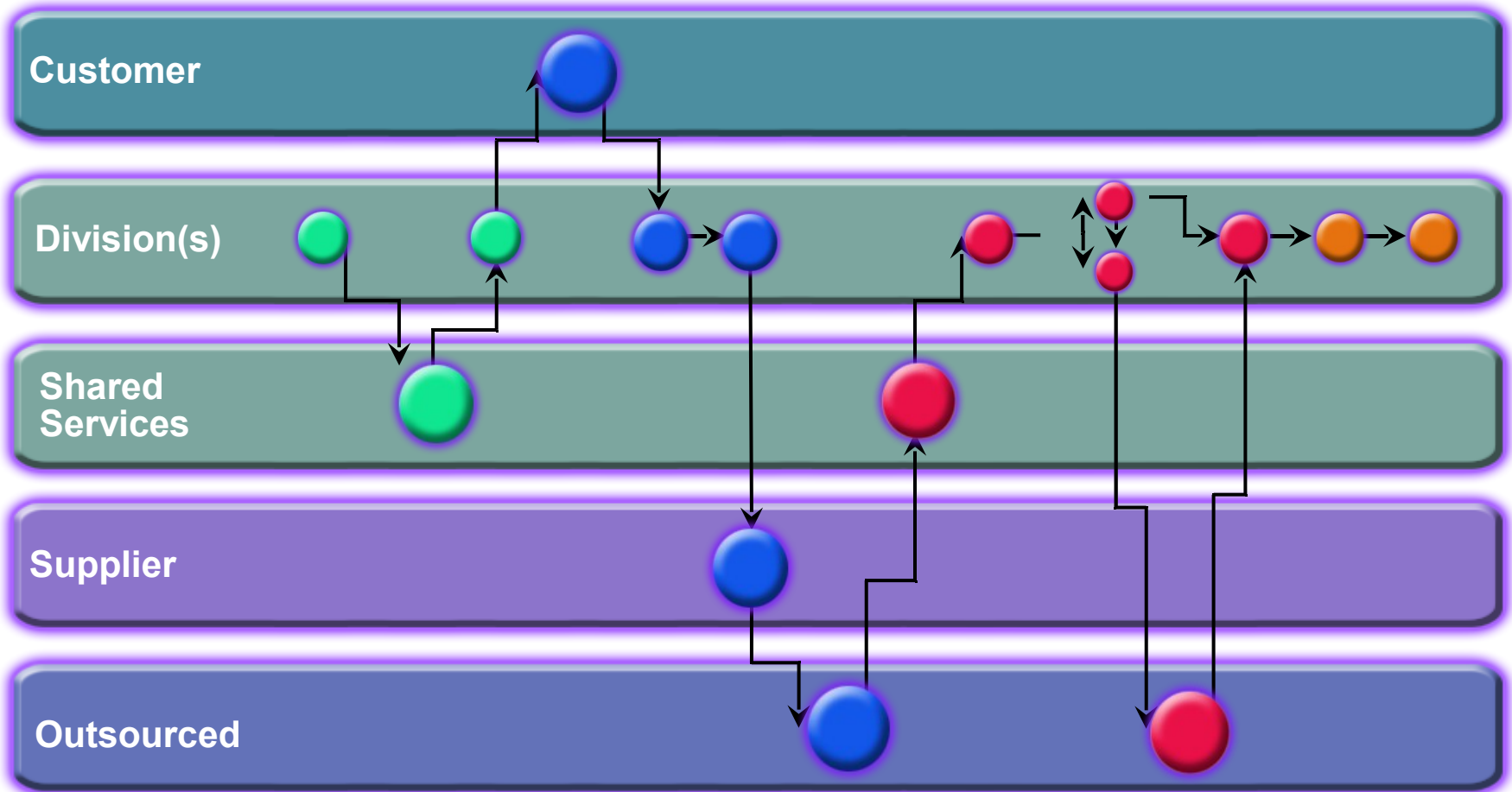
**Open Standards
Connectivity
Flexibility
Simplicity
Scalability**

**Rich, Modular Components
Composition/Orchestration
Dynamic Applications
Flexible Business Solutions**

The Vertical Silo Problem



Where Are We Heading – Service Oriented Architecture



How Do We Define Business/IT Alignment?

Collaborative business and IT decision making that ensures:

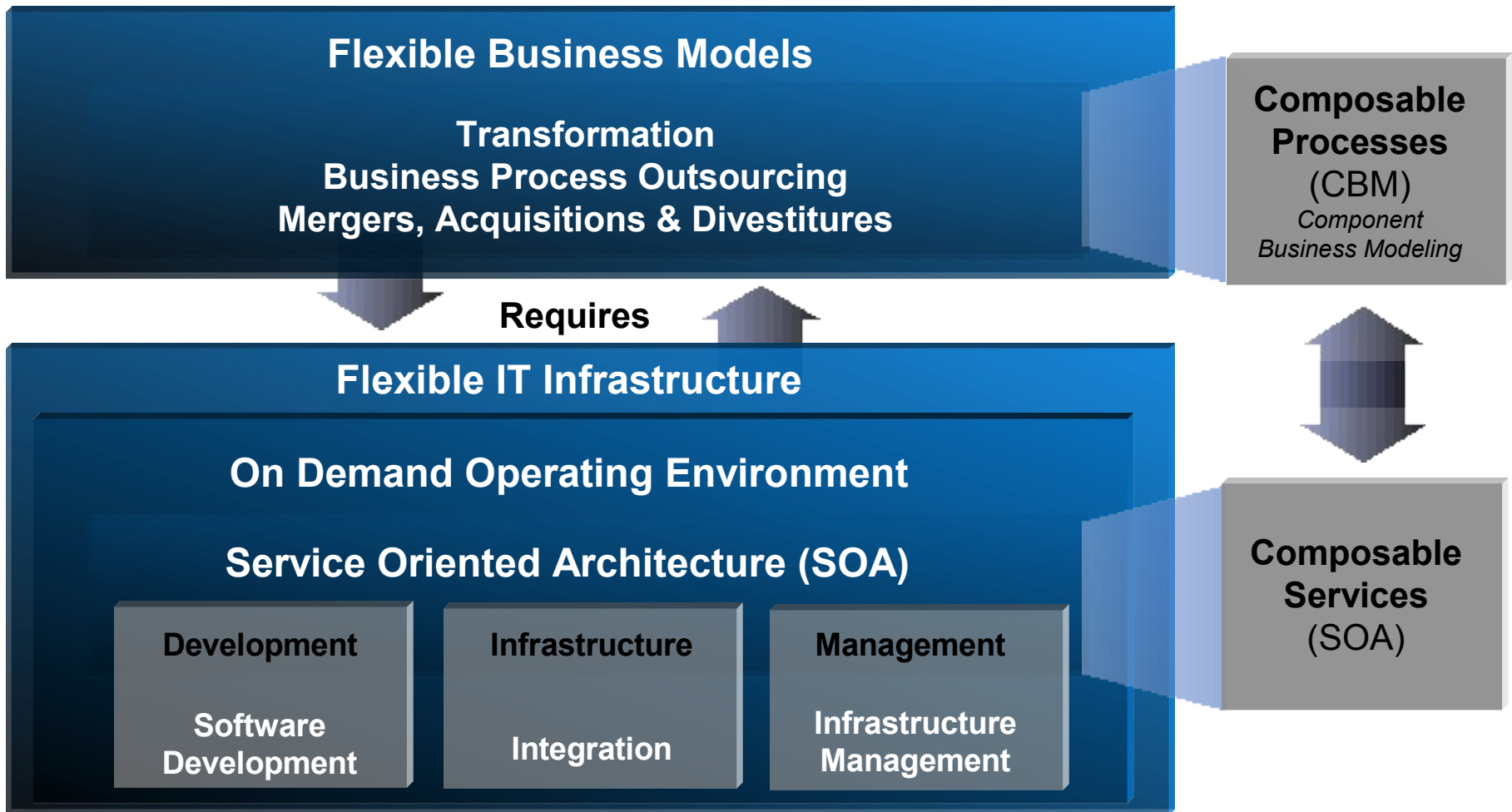
- *IT investments are made based on business priorities*
- *IT service delivery provides a business result*
- *Business priorities are assessed with IT capabilities and limitations in mind*

*“The process through which business people and IT delivery organisations collaborate to create **an environment in which investment in IT and delivery of IT services reflect business priorities** ... in which business priorities are influenced by understanding of IT capabilities and limitations.”*

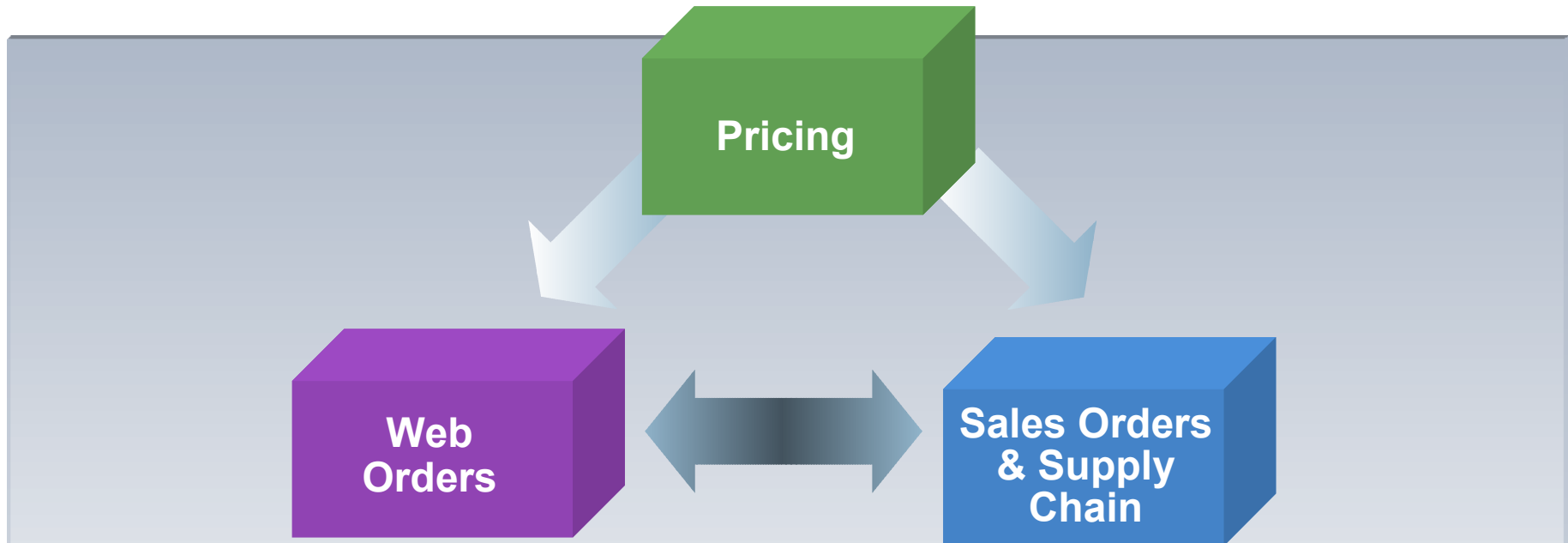
“On IT-business Alignment”
Macehiter Ward-Dutton, Feb 2005

Greater Flexibility Is Required

From Business Models and the Supporting IT Architecture



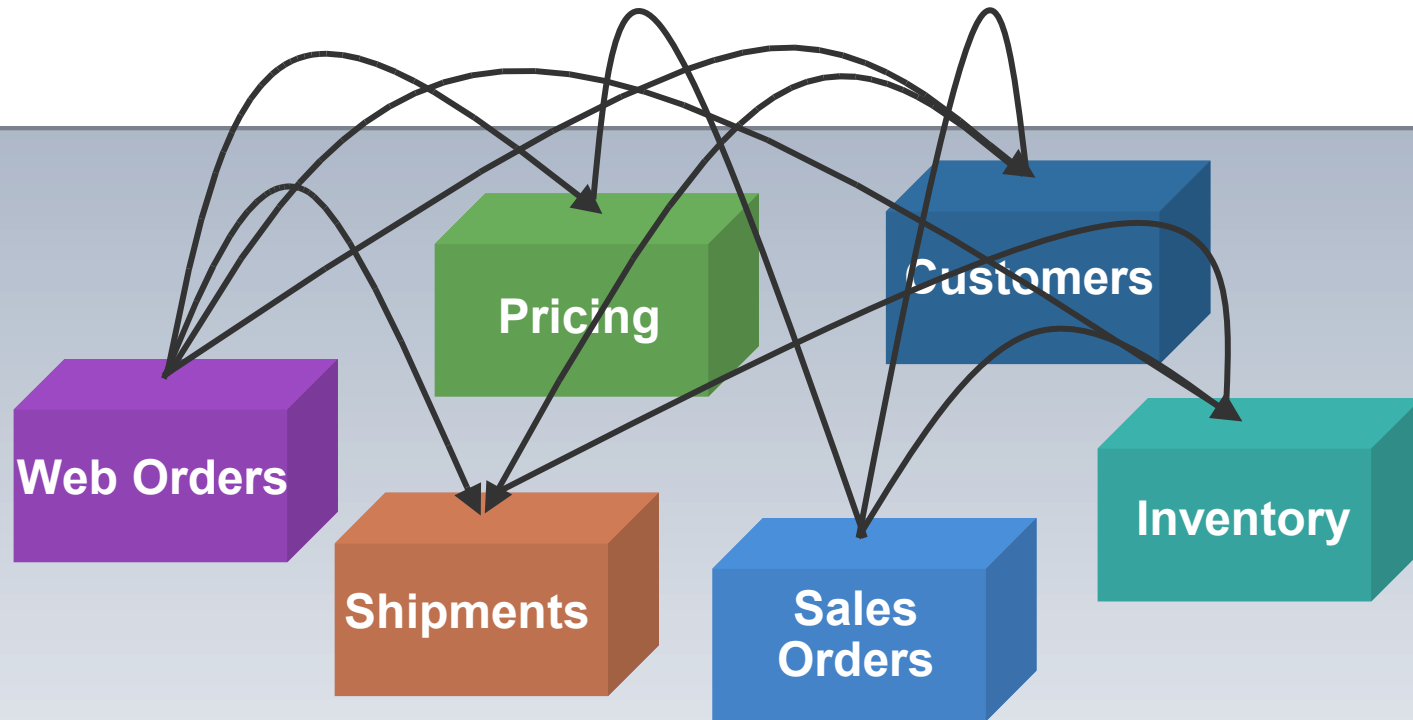
Older Architectures Do Not Support Flexibility *Required by Current Business Environments*



Monolithic Business Applications – built historically

- Must periodically synchronize on inventory information
- Pricing information into each inserted differently based on application structure
- No common customer database, inventory or flexibility in business processes

Component-based Architecture is Not Enough



Services defined as units of business logic, but...

- Flow of control – bound into service logic
- Transformation of data formats bound into service logic
- Tight coupling between services makes them fragile

Service Oriented Architecture

Moves IT Logic Out of Services



Services defined as units of business logic separated from...

- Flow of control and routing
- Data transformation and protocol transformation

Business Flexibility Depends on IT Flexibility

But Today's IT Architectures are the Roadblocks

- Complexity
- Monolithic and siloed applications
- Inconsistent information sources
- Custom coded connections
- Not designed for change



“Today’s IT architectures, arcane as they may be, are the biggest roadblocks most companies face when making strategic moves.”

McKinsey “Flexible IT, Better Strategy”

How Does SOA Change the Game?

“In the past, IT would say to business, ‘Here’s what the software can do; now, design your business process to match those capabilities -- or wait two years until we can build you something from scratch.’ Now, business can say, ‘Here’s what we need,’ and the technology can respond.”

*InfoWorld, “SOA: Watch Your Steps”
November 7, 2005*

Analysts Position IBM in the Lead

“According to the IT pros surveyed [by Yankee Group], **IBM ranked at the top of the list for SOA capabilities.**”

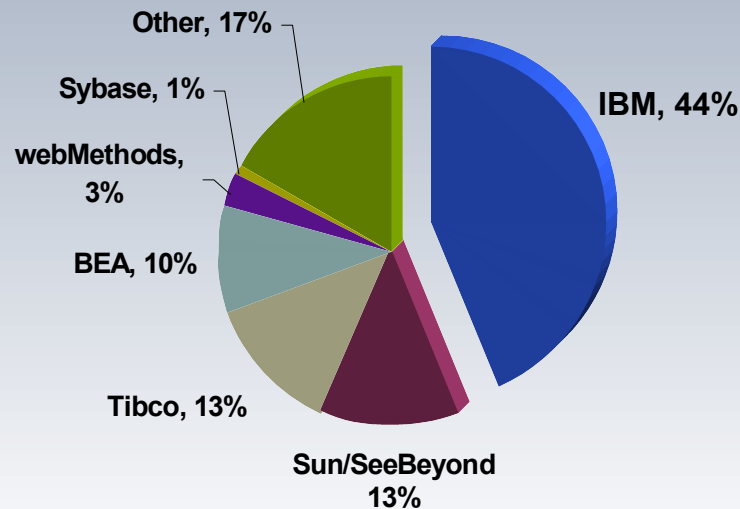
*SearchDataCenter.com,
Yankee Group: SOA Everywhere by 2006, Sept 22, 2005*



“**This technology is the heart of the next wave of innovation**”, said Eric Austvold, research director at AMR Research in Boston. “The leaders that do this well are able to rapidly change the way their current businesses work to meet the ever-changing demands of their customers.”

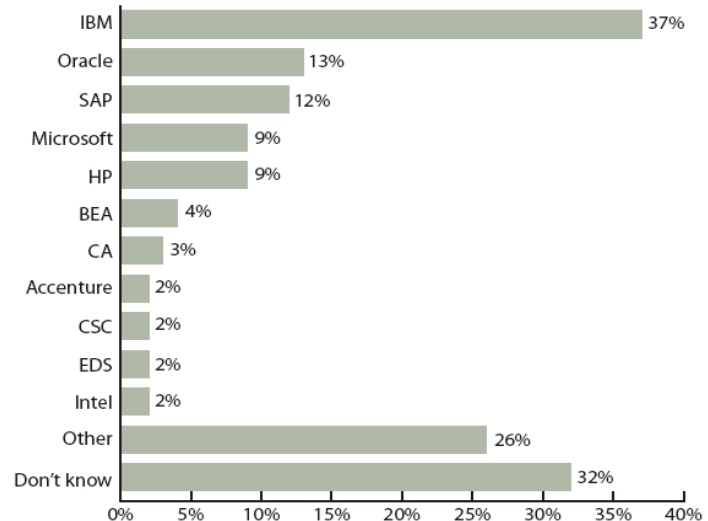
Reuters - IBM launches software for mid-sized businesses, Sept 12, 2005

Worldwide Service Oriented Architecture (SOA) Market Shares, 2004



Source: WinterGreen Research, 2005

Figure 18: Vendors most often mentioned as leaders in SOA



Base: Companies that are either using or planning to use SOA, n=99

Source: AMR Research, 2005

Why SOA Now?

“SOA is the next-wave architecture to drive the evolution of IT.”

Alex Cullen

Principal Analyst for IT Management, Forrester Research

- Standards have been widely adopted
- Software is mature and available
- Governance is well-defined
- Best practices are in place



Business Needs Are Driving a Shift in IT

From:

To:

Function-oriented



Service-oriented

Build for permanence



Build to change

One long development cycle



Incremental development cycles

Application silos



Orchestrated solutions that work together

Tightly coupled



Loosely coupled

Structuring applications using components and objects



Structure applications using services

Known implementation

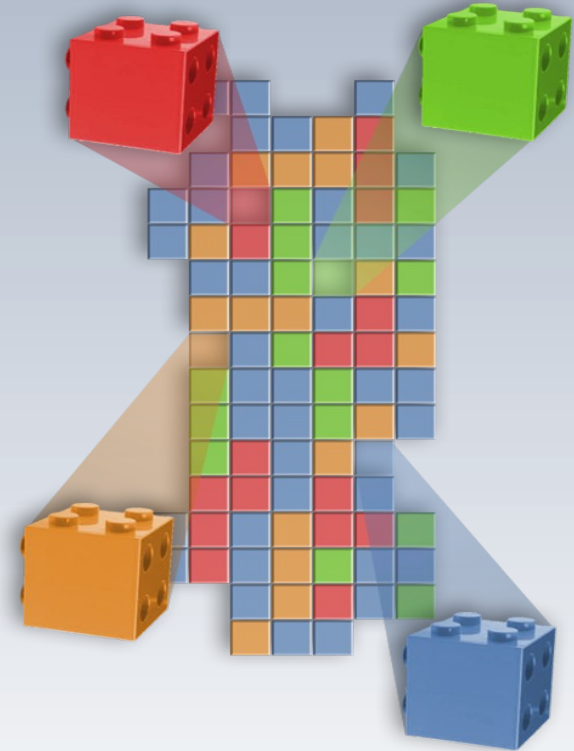


Implementation abstraction

SOA Enables Flexibility of Both IT and Business

Through Flexible Connectivity of Business Services

- Representing every application or data resource as a service with a standardized interface
- Enabling them to exchange structured information (messages, documents, 'business objects')
- Mediating the message exchange through an Enterprise Service Bus
- Providing on-ramps to the bus for legacy application environments



SOA Connects People, Process, and Information

Information

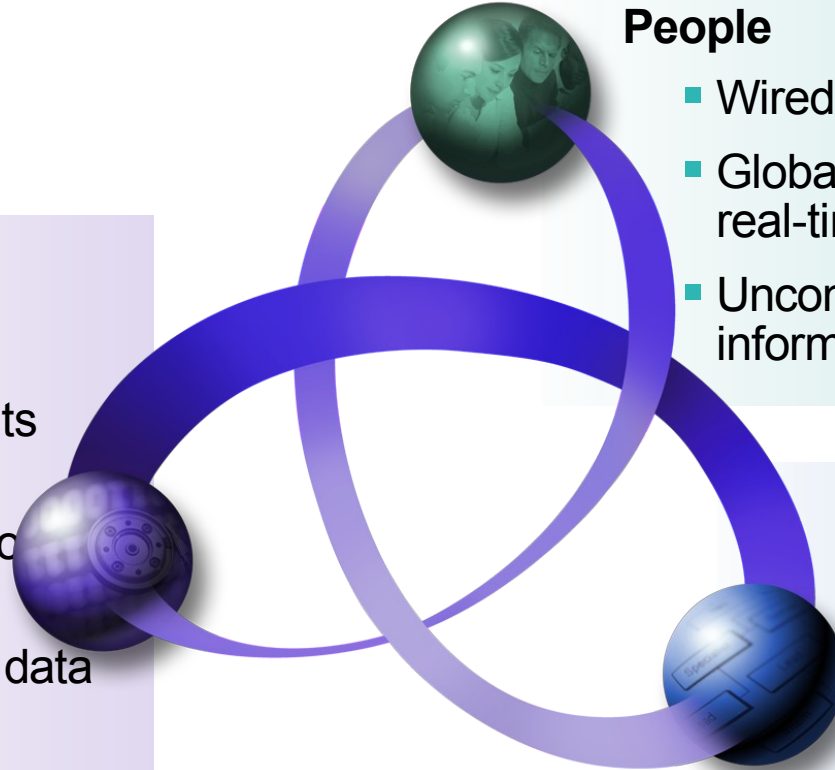
- Distributed data environments
- Heterogeneous data types and sources
- Untransformed and inconsistent data

People

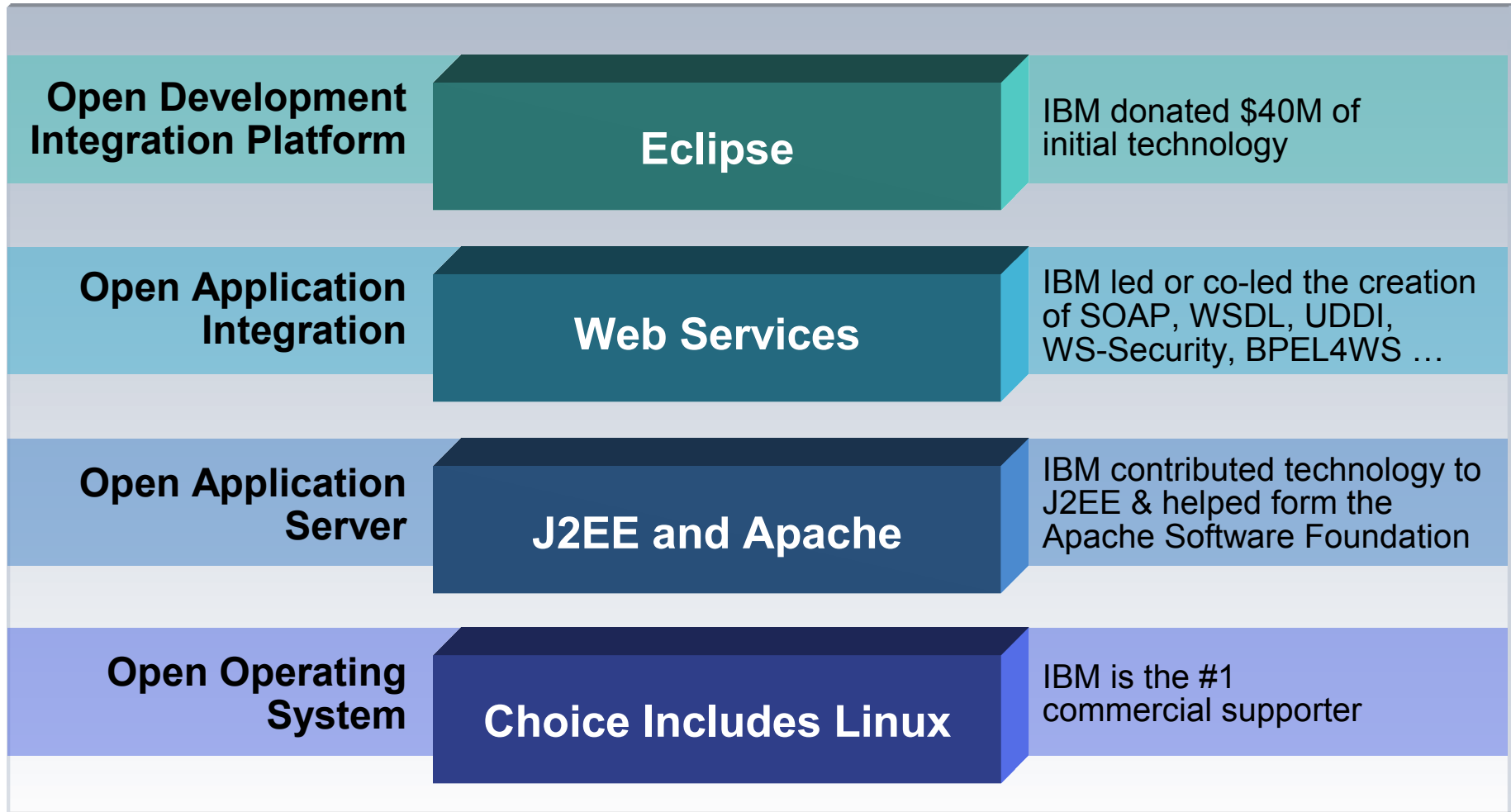
- Wired and wireless devices
- Global 24x7 access and real-time collaboration needs
- Unconsolidated and untailored information

Process

- Development and integration of application assets
- Application silos (legacy and packaged applications)
- Heterogeneous internal and external systems



SOA is Based on an Open Platform and Open Standards



IBM Continues to Lead the Way in SOA Standards

December 1, 2005: IBM introduces broadly supported specifications to simplify the SOA programming model

- *Service Component Architecture (SCA)*
- *Service Data Objects (SDO)*

SCA and SDO:

- Provide a single programming model to simplify development
- Enable composite application development

“Service Component Architecture has the potential to significantly aid mainstream organizations in the development, deployment and management of services using a service-oriented architecture.”

Gartner, “Service Component Architecture Is a Winner in the Quest to Establish a Common Notation for SOA”, Jess Thompson, March 6, 2006

Lessons Learned

Based on Customers' Experiences

- SOA is a team sport
 - Business Team and IT Team work hand-in-hand
- SOA Foundation is critical
 - Establish an enterprise architecture & infrastructure, based upon SOA principles
- Project entry points are important
 - Avoid the “Big Bang” approach
- Governance is a must for success



धन्यवाद

Hindi

多謝

Traditional Chinese

ขอบพระคุณ

Thai

Спасибо

Russian

Gracias

Spanish

شكراً

Arabic

Thank You

Obrigado

Brazilian Portuguese

Grazie

Italian

Danke

German

Merci

French

நன்றி

Tamil

多谢

Simplified Chinese

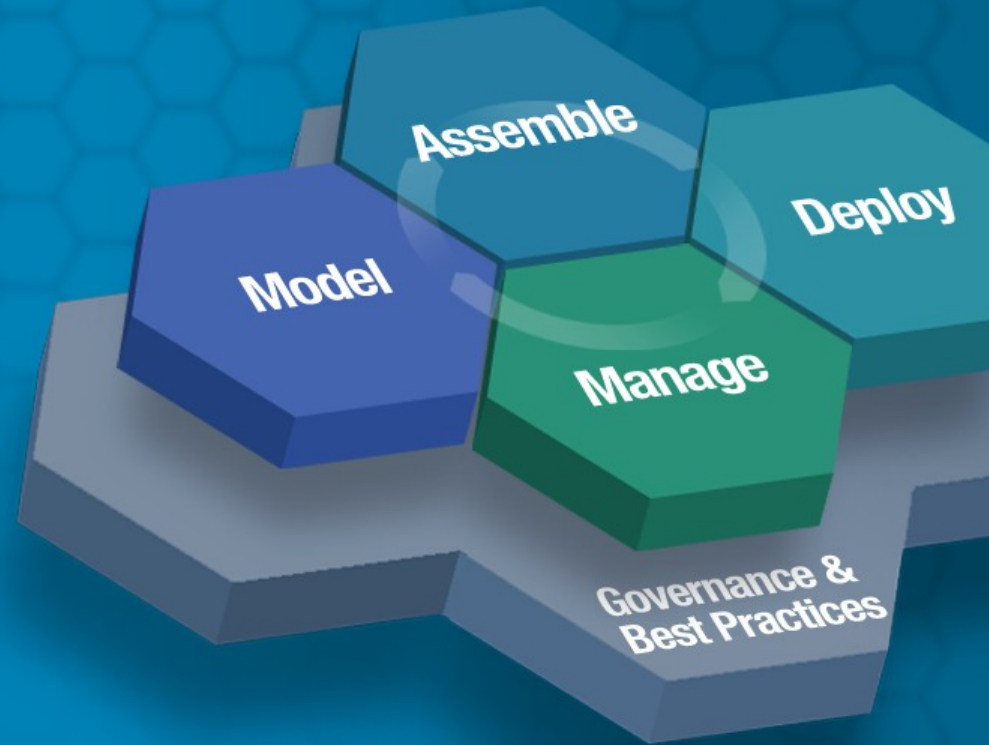
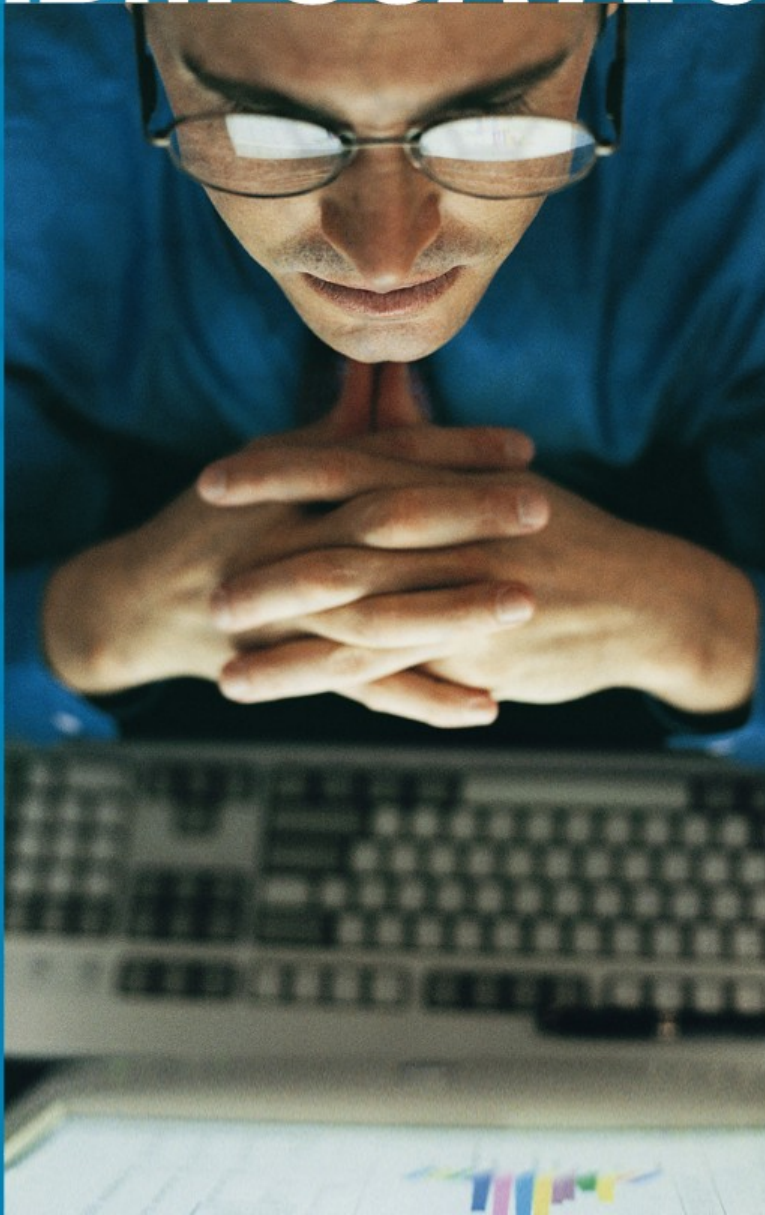
감사합니다

Korean

ありがとうございました

Japanese

IBM SOA Architect Summit



SOA on your terms and our expertise