IBM SOA

Business Process Management 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

Which key business priorities will your IT organization implement or support in 2007?

CMP
United Business Media

Note: Multiple responses allowed.
Data: InformationWeek Research Outlook 2007 study of 300 business technology professionals

Inflexible and Outdated Processes

Are the Root Cause of Many Corporate Disasters

Major Airline strands passengers on runway for 10 hours – no food, overflowing toilets

Market-leading cell-phone provider exits market after small fire

Why? Inability to modify processes on the fly.

BPM Projects are *Disguised* in Various Ways

Financial Management
(SOX Compliance)

Marketing, sales, and services
(Contact Center Optimization)

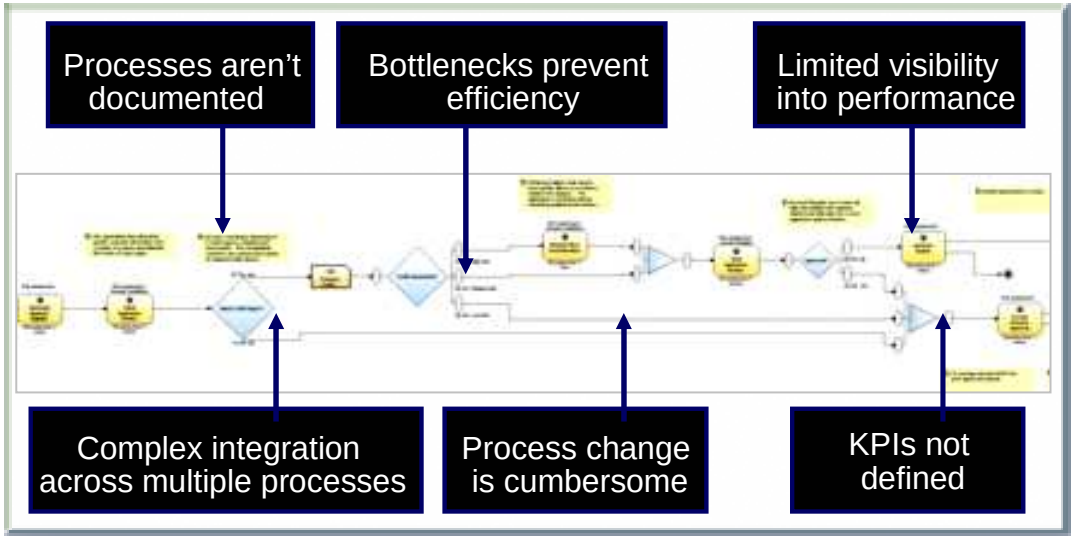
Supply Chain
(Inventory Management)

Product Lifecycle Management
(Category Line Extension)

Human Capital Management
(Employee Self-Service)

Business Process Management is a Discipline…

BPM Solves:



Software that Enables BPM

Integration · Modeling · Monitoring

Forms · Rules Engine · Workflow

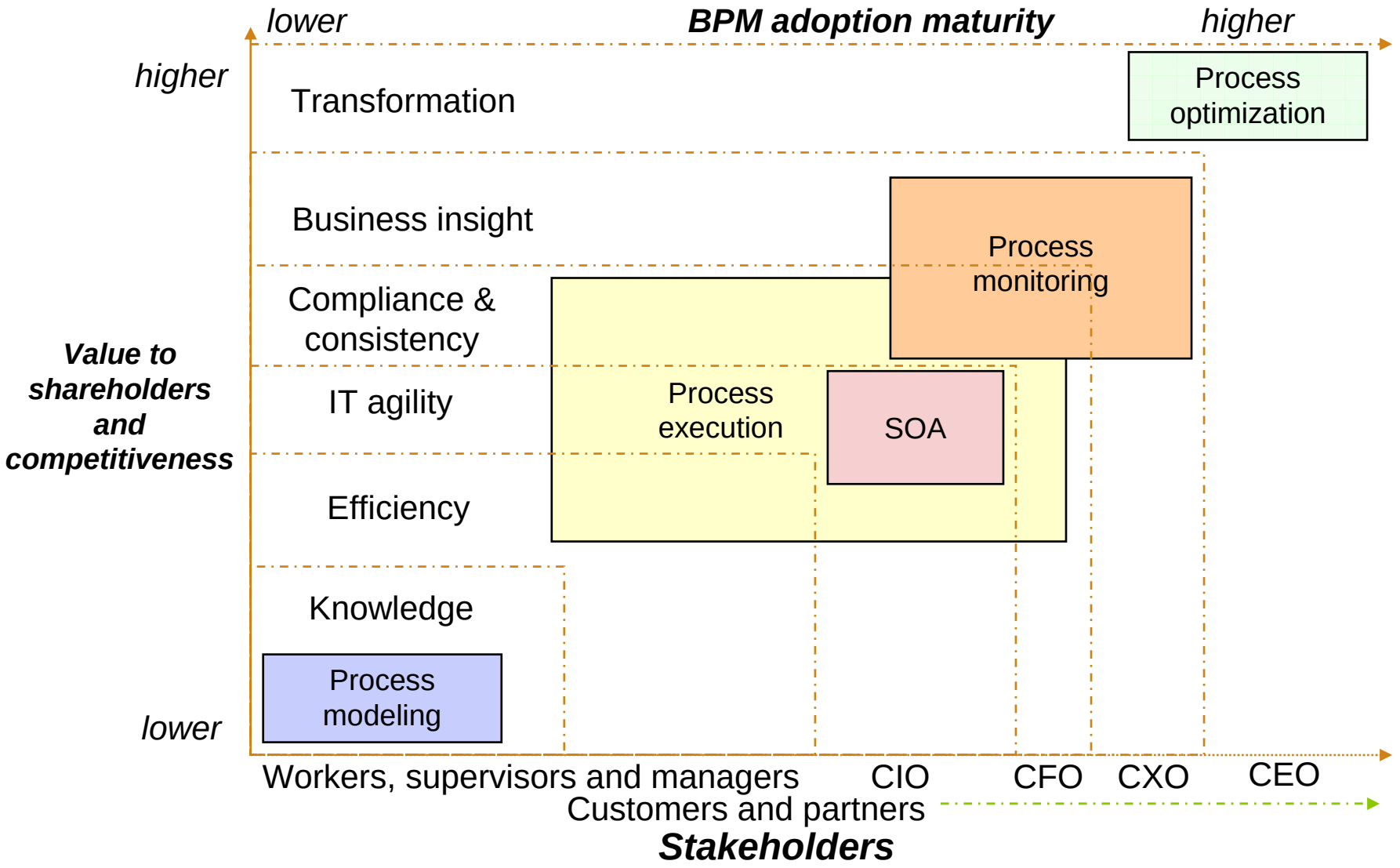
Expertise that Delivers BPM

Models · Process Knowledge · Metrics

Policies · Business Logic · Methodology

BPM governs organizational and operational activities

Optimizing the business is the ultimate goal



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BPM and SOA – Better Together

Gartner Research

Publication Date: 9 February 2007 ID Number: G00145586

SOA and BPM Are Better Together

"…SOA and BPM initiatives…are more successful and the benefits are compounded when they are united"

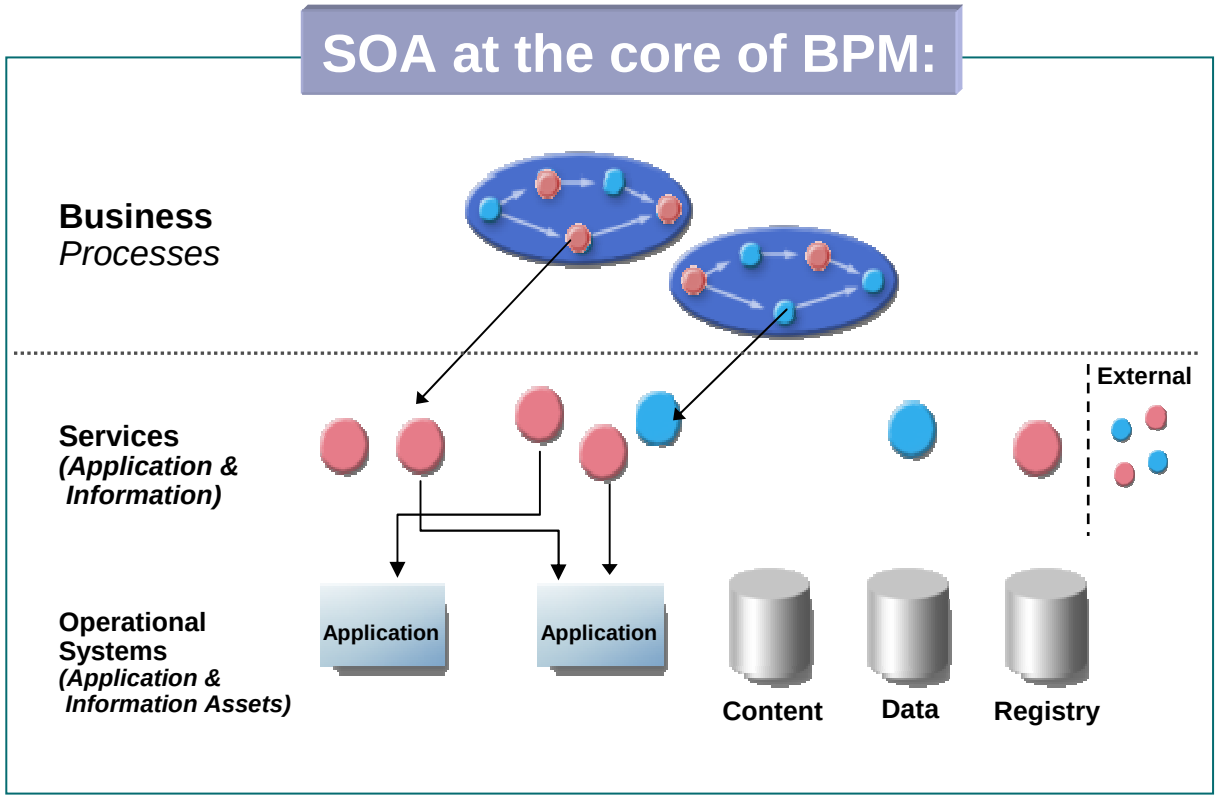
"Organizations that align their BPM and SOA initiatives in 2007 will double their likelihood of becoming an industry leader by 2011"

Source: BPM and SOA, Better Together, Paolo Malinverno, Janelle B. Hill, Gartner, Feb 2007.

….and here's why

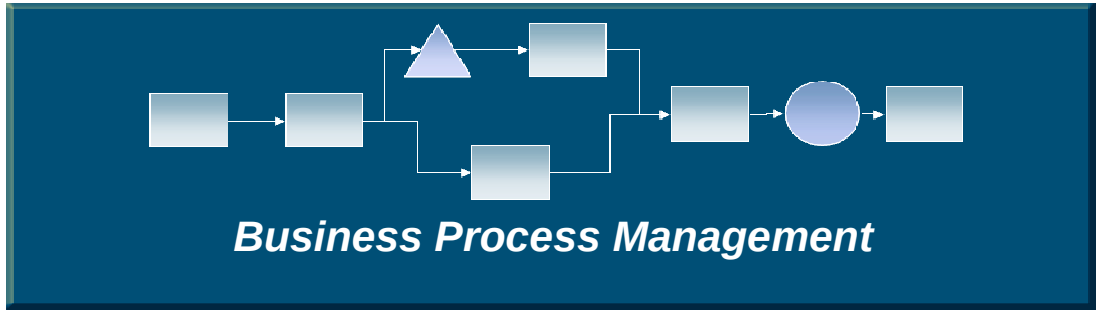
SOA improves how you design, manage, and optimize your business processes by enabling:

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



Five Flexible Starting Points for BPM

Customers can start BPM in different ways



Modeling & Simulation

Design and simulate business processes

Business Activity Monitoring

Track performance, gain insight, and take action

Process Automation

Choreograph processes across applications and systems

Rules and Pre-built Frameworks

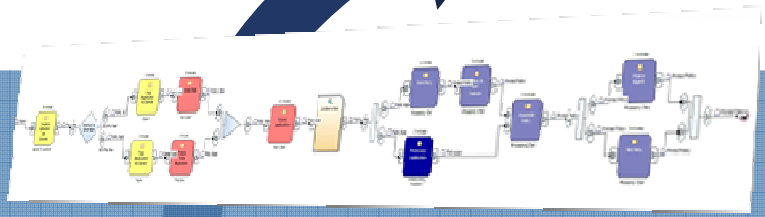
Manage process rules and accelerate design and implementation time

Content Centric Processing

Manage processes where content is used as input for a decision or produced as the output

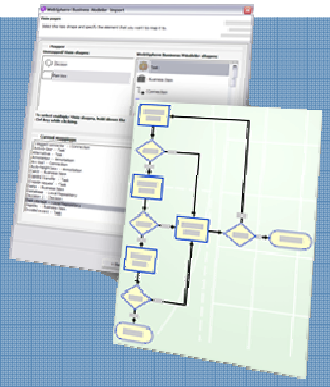
Business Level Modeling and Simulation

Modeling & Simulation



- Use **ROI** reports to compare and analyze Results

- Model “what if” scenarios
- Use simulation capabilities to:
  - Assess risk mitigation
  - Make investment decisions
  - Calculate value of improvements



- **Import Visio Models**

WebSphere Business Modeler

Iterative and continuous improvement

Unigroup Inc.

Business Challenge:
Leverage emerging wireless communications technology to maximize the effectiveness of their Transportation Processes, leading to continuous cost and time optimization of their shipping resources.

- **Solution:** Use business process modeling to document and analyze their critical business processes, yielding more effective communications, cost savings, and improved tracking of both their equipment and customer assets.
- **Results:** 70% reduction in communications cost for van operators. Realtime visibility into shipping resources and location information, and increased customer satisfaction given the ability of letting them know the exact status of their shipments in route.
- **Implementation Details:** WebSphere Business Modeler

Business Activity Monitoring

Business Activity Monitoring

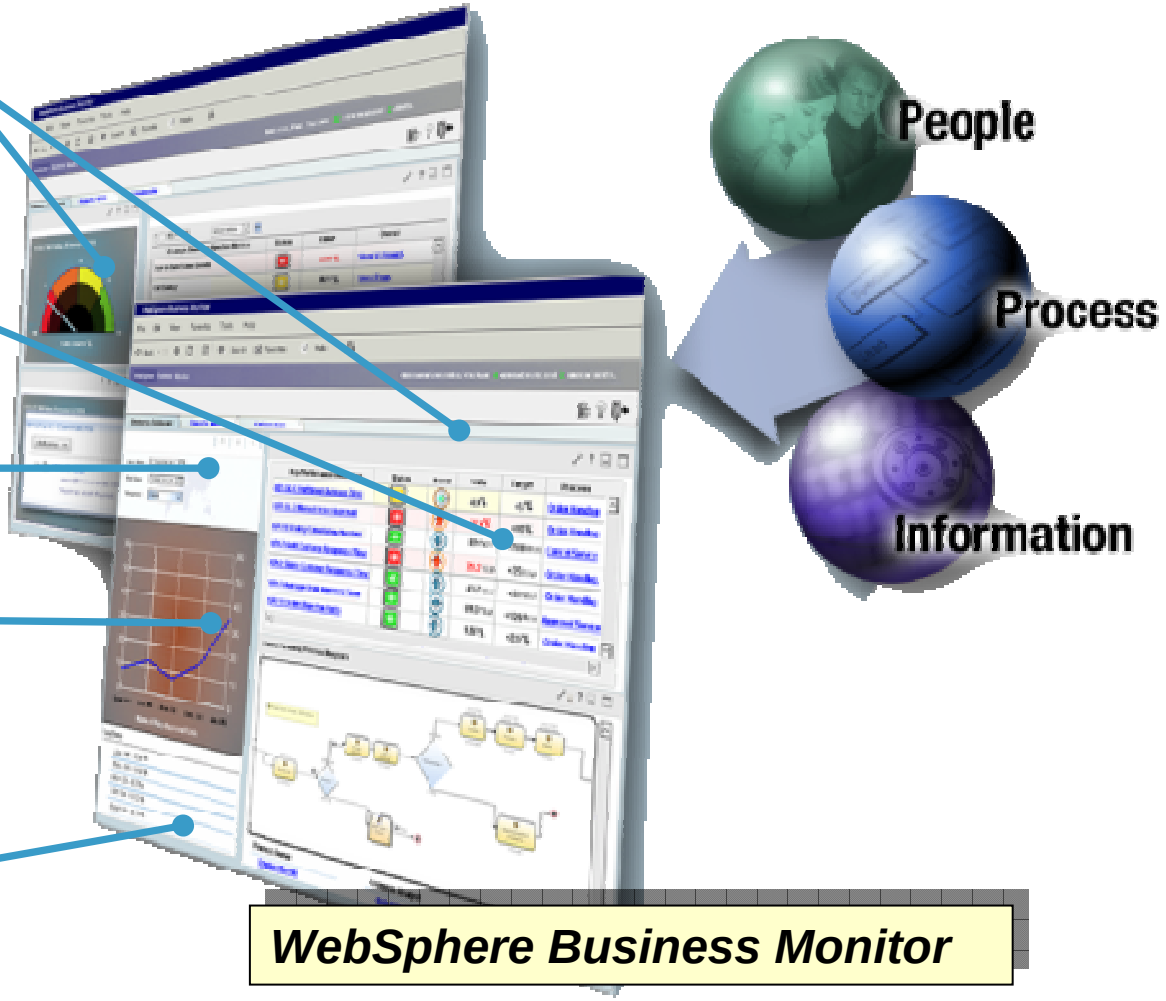
Scorecards
Key Performance Indicators for business units

Collaboration
Work with teams to resolve situations

Business Alerts
Notification of situations that require response

Reports & Analyses
Understanding trends by combining real-time performance and historical information

External Information
Information affecting performance



NYS Dept of Taxation and Finance

Business Challenge: NY State Dept of Taxation and Finance (NYS DTF) processes 11 million personal and 2 million corporate returns annually using aging technology that can't keep up with the demands of citizens and users. NYS DTF needs systems and tools that are flexible, permit faster change and reduce overall costs.

Solution: Leveraging SOA and BPM, NYS DTF is rapidly transforming their systems, data, people, and business processes to be more functional, flexible and responsive to citizens, users and legislation. Traditional mainframe batch processing is shifting to transactional. Manual processes are transforming to automated business processes. Real-time business activity monitoring is replacing daily printed run reports.

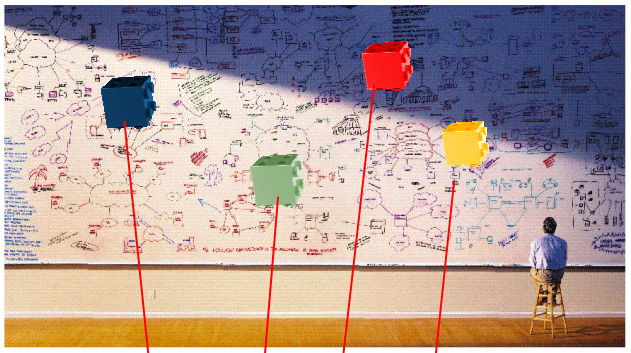
Results: Rapid modernization of legacy batch systems to transactional. More channels to enhance voluntary compliance. Web services and XML linkage to IRS for corporate taxes. High component reuse, lowered costs. Reduced errors and business exceptions. Higher value business metrics.

Implementation Details: WebSphere Business Modeler, Business Monitor, Process Server, Integration Developer, Application Server, Flat File Adapter, Commerce, DB2 V9 pureXML, DataStage, Workplace Forms, CICS Transaction Gateway, Rational Suite, Tivoli Composite Application Monitor.

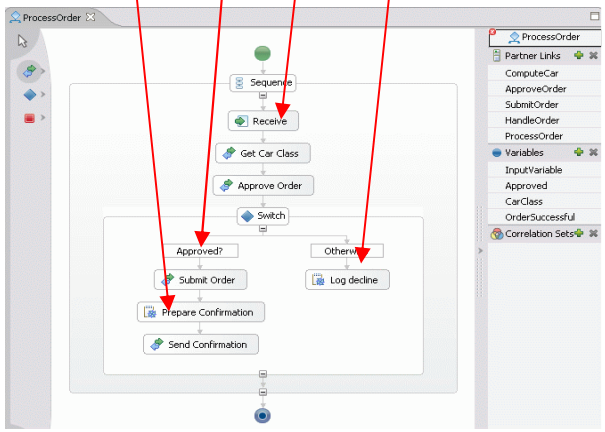
Process Choreography and Automation

- Runtime for end-to-end **SOA-based** process automation
  - *Flexible, reliable, scaleable, secure*
- Integrated **ESB** for Range and Reach
  - *Seamless access to all available services*
- Robust **Human and System-centric** BPM Capabilities:
  - *Human to Human; Human to System; System to System*

Transform your business from this…



…to this



BPM for the Mainframe

WebSphere Process Server 6.0.2

Component Architecture

Service Components

- Business Processes
- Human Tasks
- Business State Machines
- Business Rules

Supporting Services

- Mediation Flows (ESB)
- Interface Maps
- Business Object Maps
- Relation-ships
- Dynamic Service Selection

SOA Core

- Service Component Architecture
- Business Objects
- Common Event Infrastructure

WebSphere Application Server ND (J2EE Runtime)

*1Q 2007

IBM Industry Frameworks accelerate your ability to leverage SOA

Rules and Pre-built Frameworks

The Blueprint
IBM Industry Studies

IBM and Partner Assets

Domain Models

Architecture | **Methods** | **Tooling and Runtime**

SOA Industry Roadmap

Business Challenges:

- **Make it easy for Independent Agents to do business with FFIC in a highly competitive landscape**
- **Improve Agent experience with ease of use and effective business processes to enhance brand loyalty**

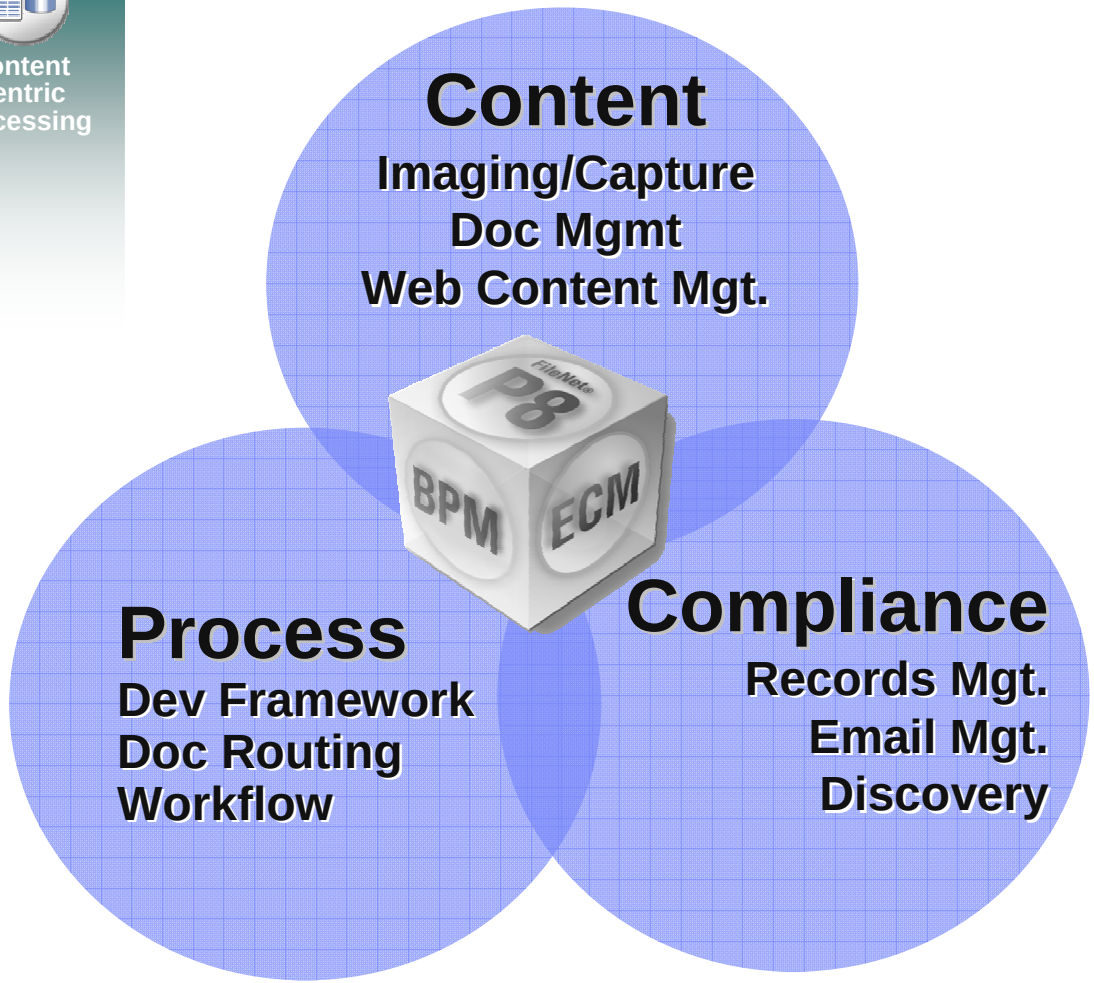
Solution: Service-oriented Business Solution enabled Straight-through-processing of personal property quotes and billing inquiries via web and Agency Management systems with self-service tools for Agents to deliver real-time quote functionality.

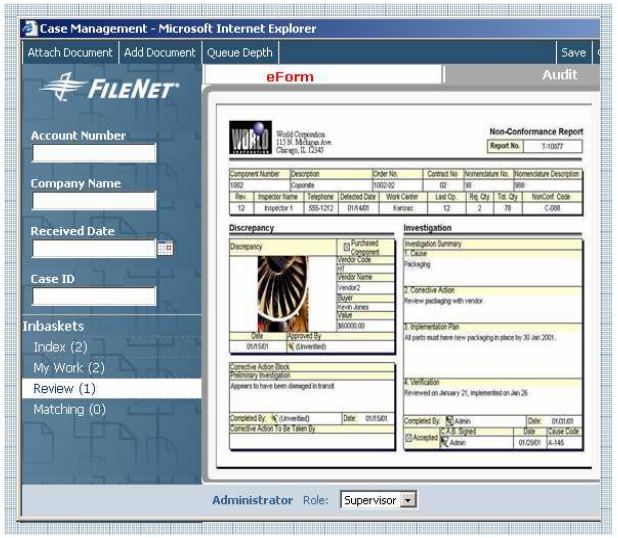
Results: Personal Property Quote (PPQ) achieved a multi-fold increase in quote volumes. PPQ rolled out to 32 states in 7 months with a 52% reuse of business services between inquiry and quote.

Implementation Details: WebSphere Business Services Fabric was implemented as the SOA solution platform during the initial Billing Inquiry project.

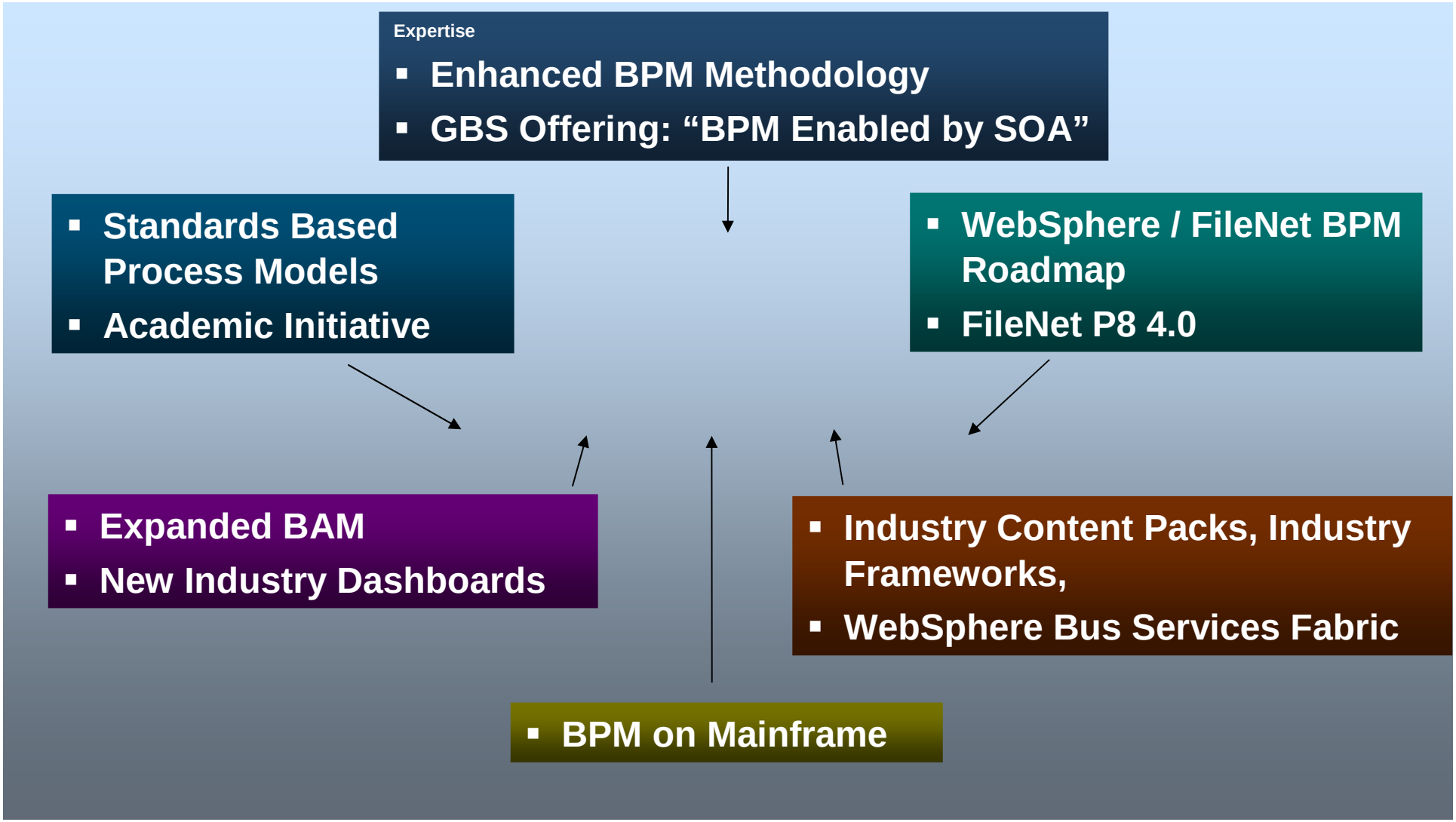
Content Centric Processing

Content Centric Processing





Summary of BPM Announcements



IBM has a complete BPMS

*"IBM is the first and so far the only infrastructure software supplier to offer a **complete BPMS** supporting the end-to-end lifecycle from analytical modeling to performance management and optimization – **based entirely on service oriented architecture.**"*

Bruce Silver, Bruce Silver Associates – The 2006 BPMS Report

IBM Leads in BPM Enabled by SOA

- **Business Expertise:**
  - *BPM Enabled by SOA Readiness Assessment*
  - *1000+ consultants trained in BPM Methodology and BPM Enabled by SOA Engagement*
  - *20 BPM Training and Education classes available*

- **Technical Leadership**
  - *Breadth of Offerings from Tooling to Runtime; From Dashboards to BAM; Modeling, Simulation, Choreography, Frameworks, and ECM*
  - *All supported by SOA*
- **Market Recognition:**
  - *Leader in Gartner BPA MQ*
  - *Leader in Forrester Integration, Human, and Content centric BPM WAVES*
- **Vibrant Ecosystem**
  - *300+ BPM Business Partners*
  - *4000+ pre-builts assets in the SOA Business Catalog*

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