

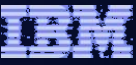


WebSphere Live for SOA

# SOA with IBM...Lower Total Cost of Ownership

*SOA on your terms and our expertise*

**ON** DEMAND BUSINESS™



# IBM Advantage: Lower TCO, Mitigate Risk, and Improve Business Flexibility and Innovation

## 1. TCO Reduction

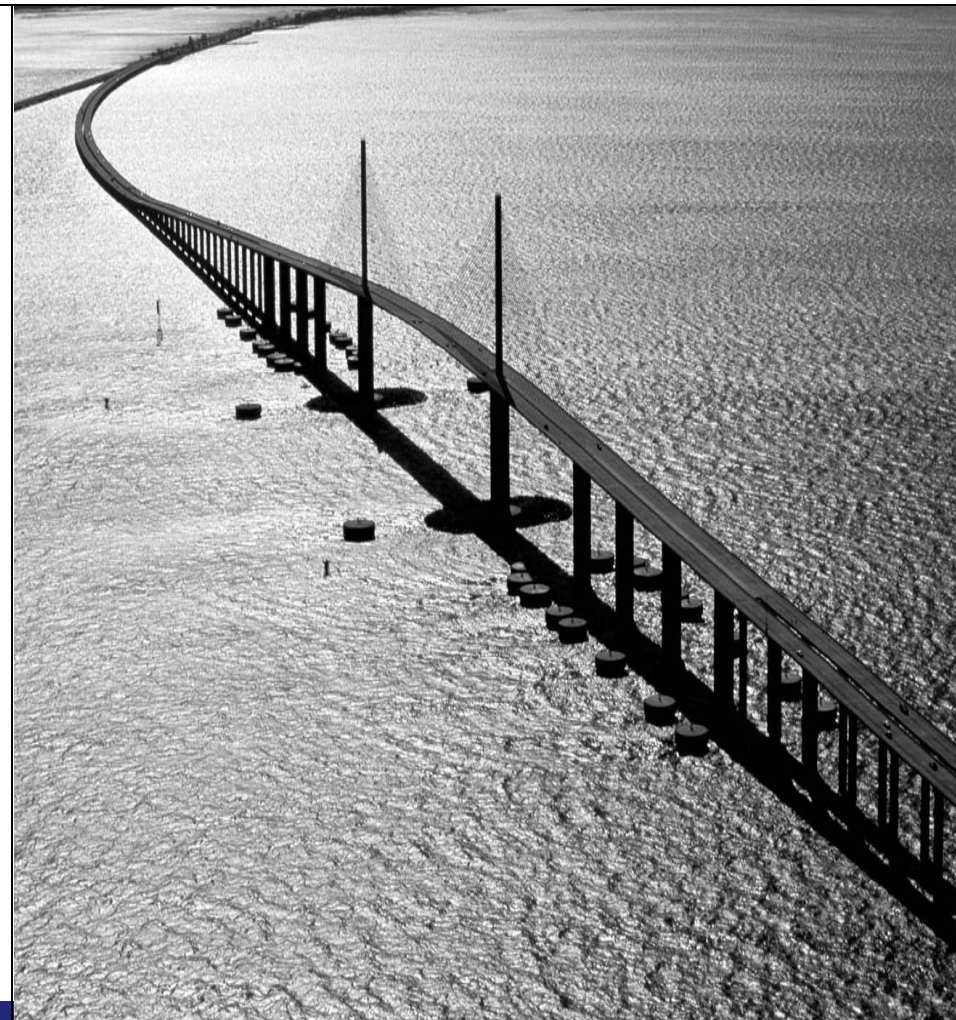
- Pricing advantage
- Time to Deploy
- Cost to manage and maintain

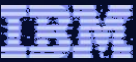
## 2. Risk Mitigation

- Interoperability with SAP and other applications
- Market-proven platform

## 3. Improve Business Flexibility and Innovation

- Application independent
- Process-driven (model, execute, monitor, adapt)

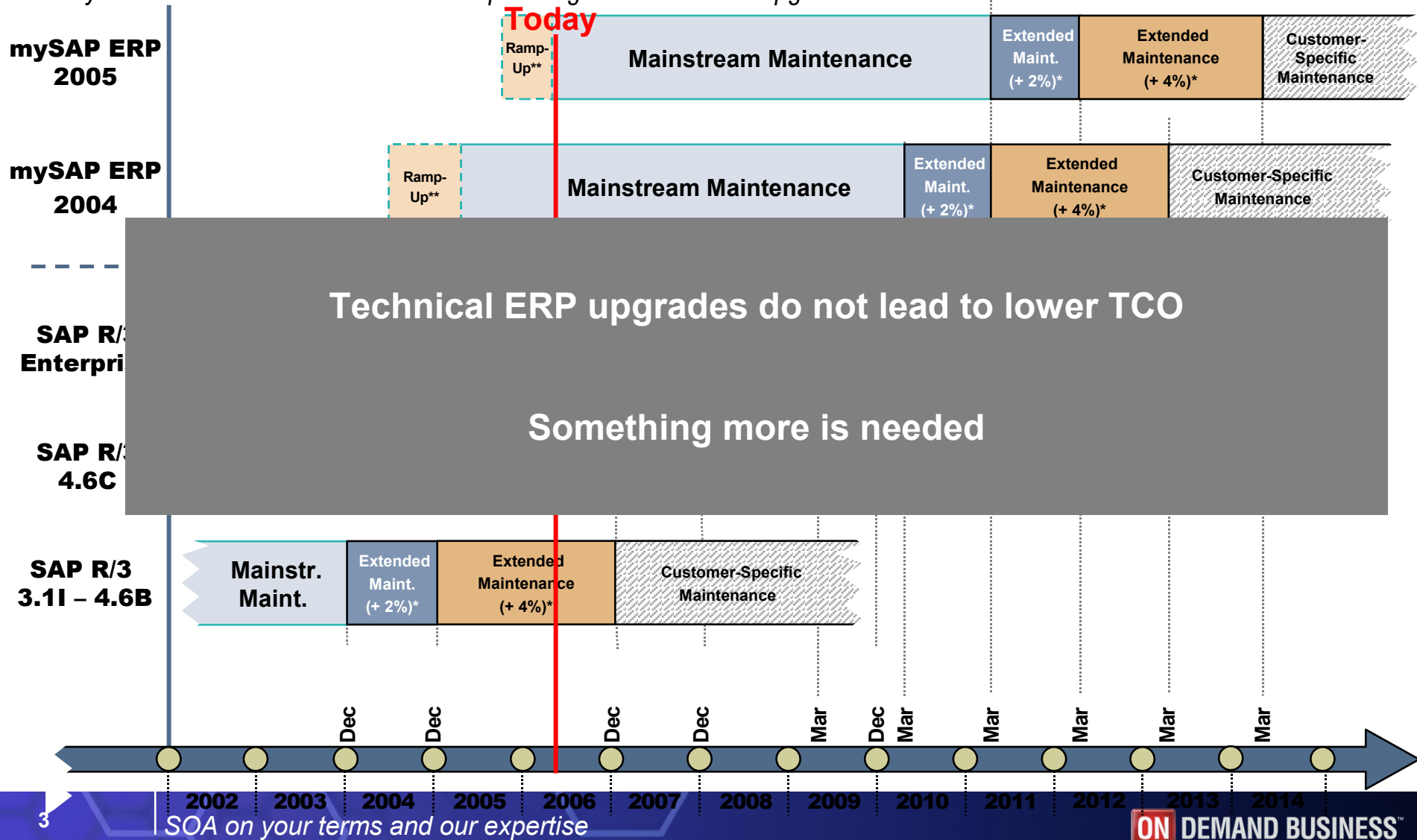


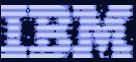


# 1. TCO Reduction

## Reality is Dawning for Clients – Waiting for the Wave of Upgrades

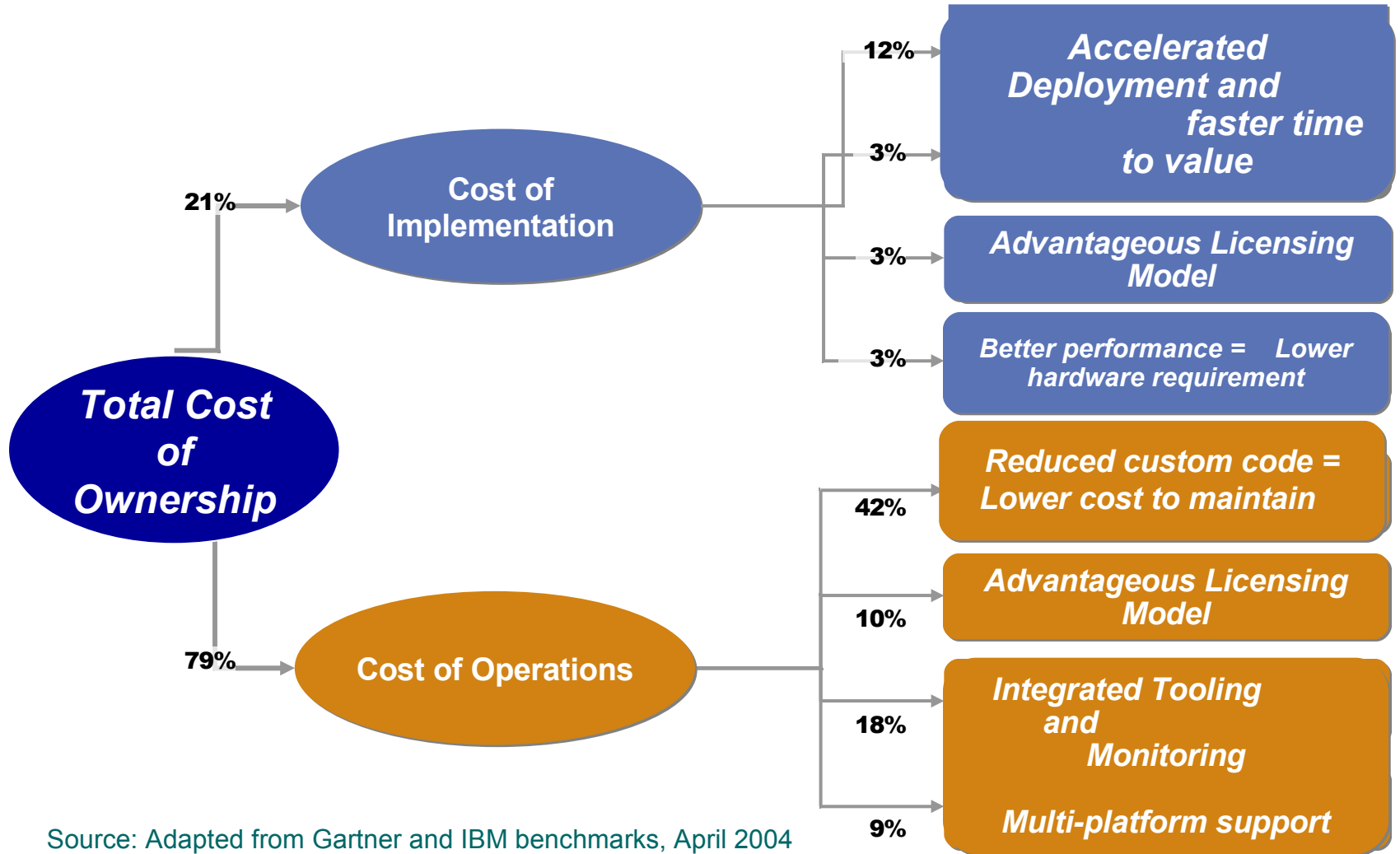
Many R/3 license contract customers are planning for a technical upgrade with R/3 3.1I – 4.6B: > 30 % and R/3 4.6C: > 45 %



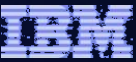


# 1. TCO Reduction

## How WebSphere Helps Lower Total Cost of Ownership



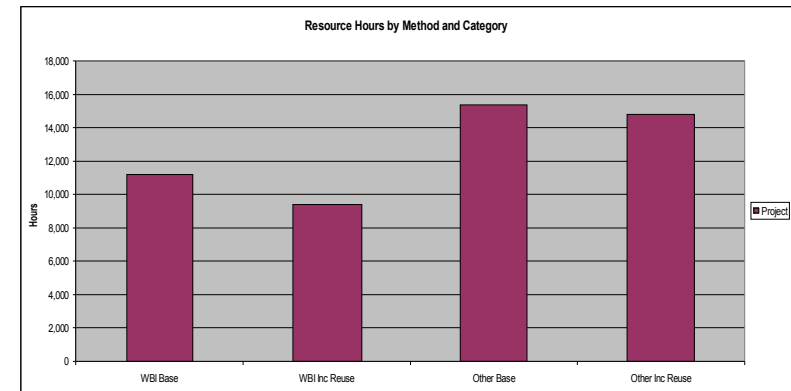
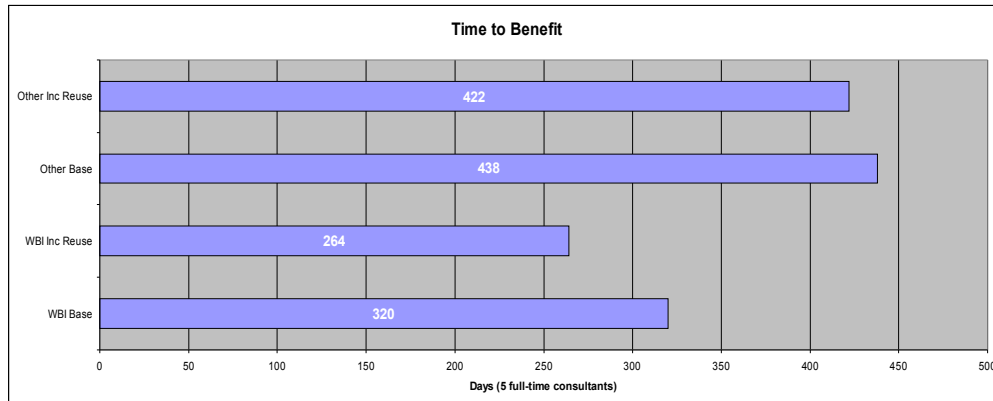
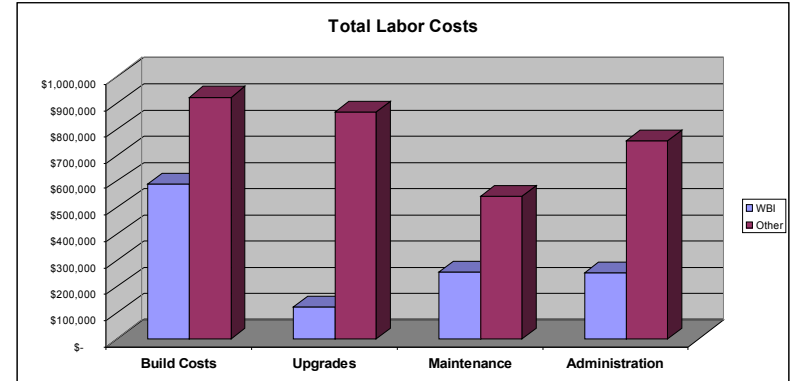
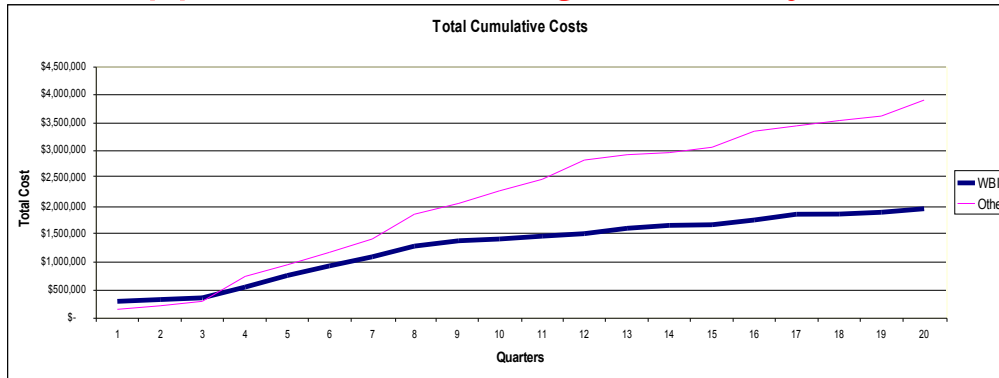
Source: Adapted from Gartner and IBM benchmarks, April 2004



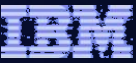
# 1. TCO Reduction

## Recent TCO Analysis for an Aerospace Manufacturer

- Approximate SAP implementation project cost = \$17M
- Integration with 12 other existing/remaining enterprise systems
- **Approximate savings over 5 years = \$1.6M**







## 2. Risk Mitigation

### Risk Mitigation: Why IBM's SOA Lowers Your Risk

- Thousands of deployments in mission critical high volume multi-application environments
- True simulation capability of As-Is to To-Be business processes that identify inefficiencies before you deploy
- Allows your company to leverage existing and unique applications

**WebSphere is a leader in Gartner magic quadrants for:**

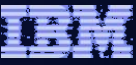
Web Services Platform

Integration Backbone

Enterprise App Server

Portal

**\$1 billion annual investment in WebSphere R&D**



## 2. Risk Mitigation

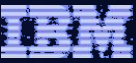
### Risk Mitigation: IBM WebSphere and SAP NetWeaver Interoperability

IBM and SAP have established a jointly staffed Collaboration Technology Support Center (CTSC) providing interoperability for SAP and IBM technologies.....

- Define and test interoperability
- Drive open Standards
- Support direct and indirect sales channels of both companies
- Joint Positionings and Value Propositions
- Proof of concepts and Solution Assurance
- Whitepapers, Redbooks
- Train & Educate Consultants & Service Providers
- Customer Guidance



[CTSC@sap.com](mailto:CTSC@sap.com) or [CTSC@de.ibm.com](mailto:CTSC@de.ibm.com)



# 1. Improve Business Flexibility and Innovation

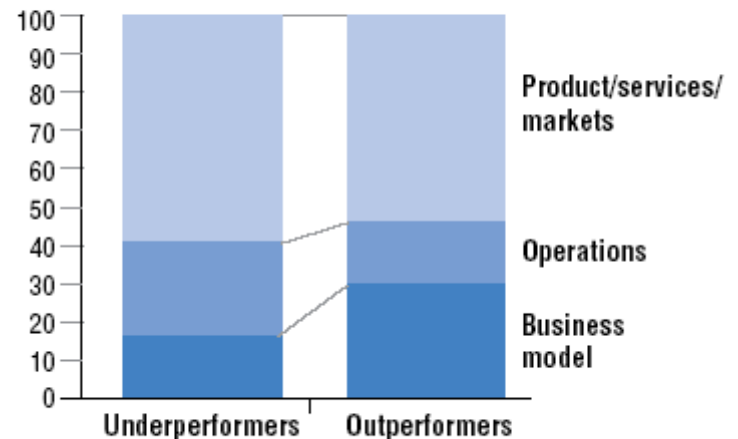
## Business Innovation = Profits

Companies that have grown their operating margins faster than their competitors put twice as much emphasis on **business model innovation** as underperformers

*“Constant reinvention is the central necessity at GE... We’re all just a moment away from commodity hell.”*  
 – Jeffrey Immelt, Chairman and CEO, GE

**Figure 3. Innovation priorities of underperformers versus outperformers.**

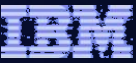
(Percent of emphasis)



Note: Based on operating margin growth over five years as compared to competitive peers.

Source: IBM Global CEO Study, 2006  
 Survey of over 750 CEOs worldwide





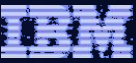
### 3. Improve Business Flexibility and Innovation

- ERP offers standardization and enhanced cost control
- However, leading IT organizations need to deliver additional **innovation** to the business
  - So, additional applications and services will remain in the Future Architecture
  - IBM SOA enables a cost effective, scalable means to harness the innovation offered by other apps and services

“Distinctiveness is what, in the end, determines a company’s profitability and assures its survival.”

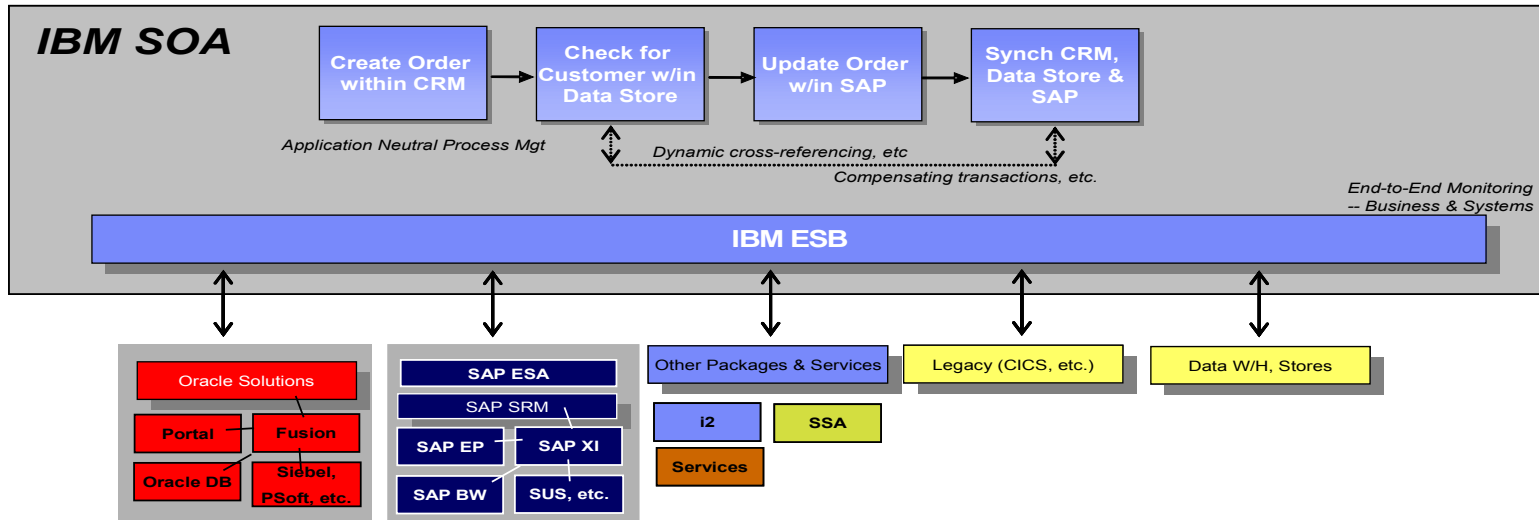
Source: Does IT Matter?, Carr, 2004





# What does IBM SOA do for you?

## Example process: Sales order management



- IBM SOA gives customers the opportunity to take control back
- Regain competitive advantage from technology
- Significantly lower costs of future application upgrades
- Maximize your investment in SAP Applications
- Proven, reliable, scalable integration platform to reduce risk of deploying SAP applications
- Reduce dependency risk of using a single software vendor for application and integration

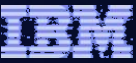


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# SOA with IBM...What's Next?

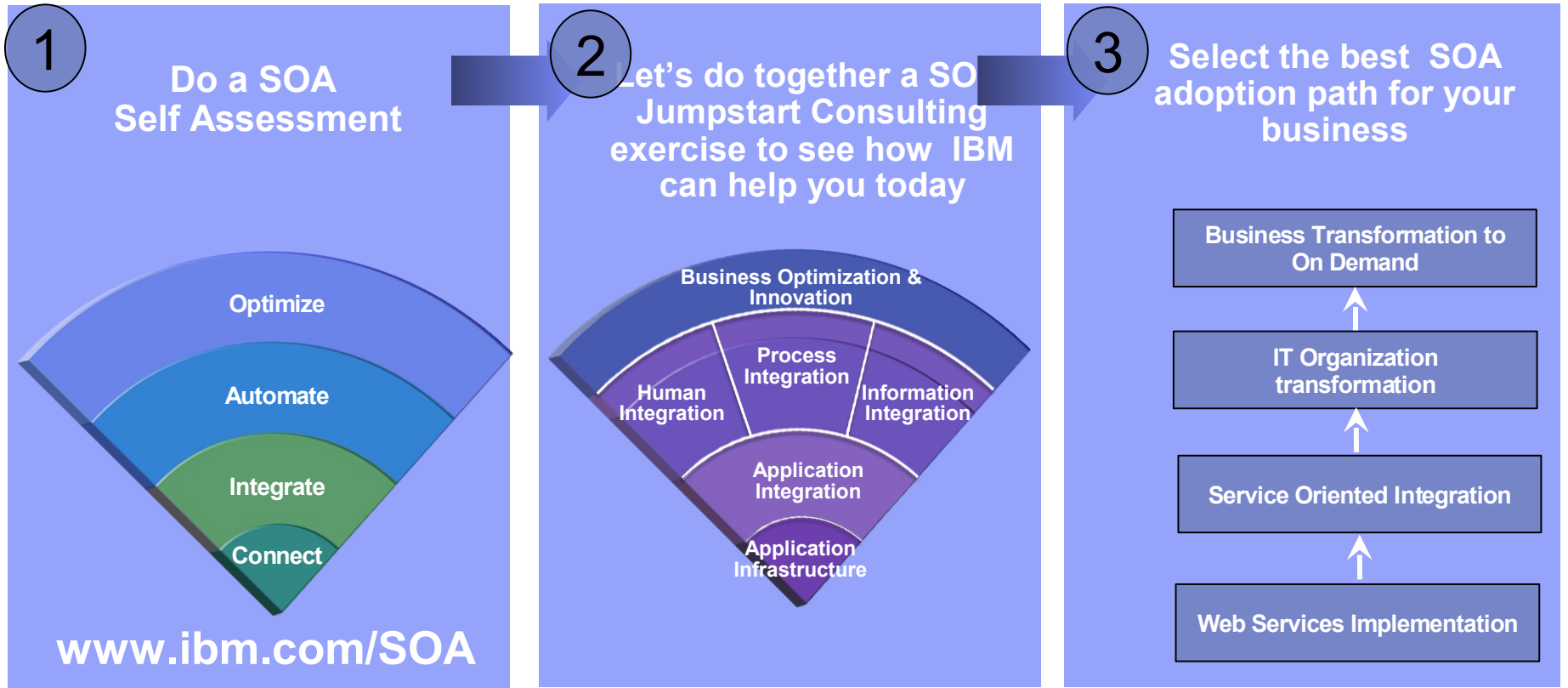
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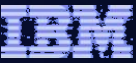


# Can we Start Now?

*Receive actionable recommendations customized to your level of SOA maturity*



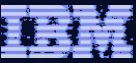




# SOA Jumpstart

- Consulting Assessment from IBM SW
- Project Priority Identification & Probable Solution Outlook
- Needs Line of Business Involvement





# Summary

## *Based on Customer Experience*

- **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 to enable your journey
- **Project Entry points are important**
  - Avoid The “Big Bang” Approach
- **Governance is a must for success**

***The first step is the most important... so plan ahead***

