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Five Ways to Fast ROI With Business Rule Management Systems (BRMS)



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Business becomes increasingly complex with each passing day: regulatory reform and compliance requirements, market and customer demands, shorter product lifecycles and pressure to integrate disparate systems. As a result, organizations are looking to technology-enabled capabilities to increase their ability to adapt and respond dynamically, to complex, changing environments. That's why many are investing in business rule management systems (BRMS). BRMS is a non-disruptive technology, enabling process agility and flexibility for increased operational efficiency and competitive edge. Faster ROI is possible because organizations don't have to start from scratch, or replace existing systems, in order to capture and reuse their business logic for direct business results.

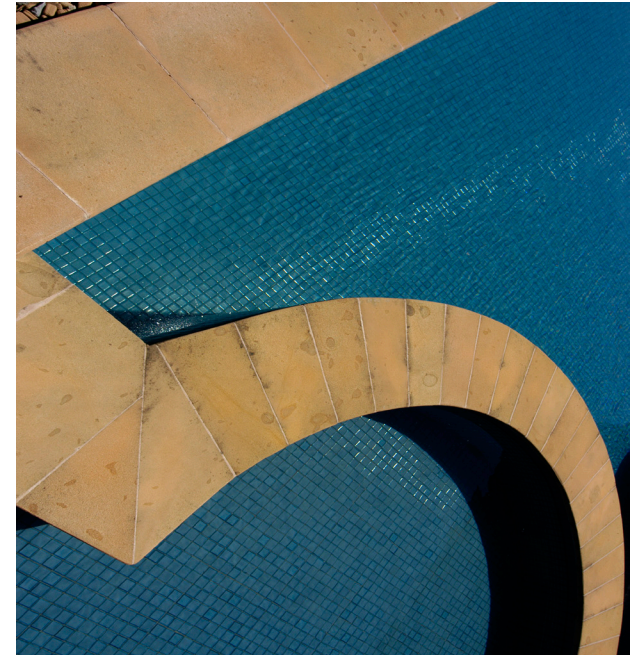
Implementing BRMS software from IBM organizations can begin to see **business results in five key areas in 6 to 9 months.**

Cost reduction

1. Reduced application development and maintenance
2. Increased straight-through processing
3. Improved regulatory compliance

Revenue generation

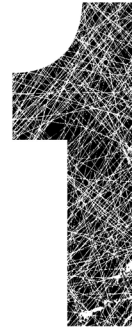
4. More personalized customer interactions
5. Faster time-to-market



1. Reduced application development and maintenance

IBM Business Rule Management System (BRMS) software externalizes business rules from core application code so that systems become more flexible and easier to update. For example, IBM WebSphere® ILOG Business Rule Management Systems (BRMS) are designed specifically to define, deploy, monitor and maintain decision logic that is used by operational systems. Using ILOG BRMS makes business rules easy to create and maintain, reducing the time, effort and cost required to develop rule-based applications and to maintain them as rules change.

In addition, ILOG BRMS allows business user to manage rules, including tools for testing changes, enabling IT and business teams to easily communicate changes and rule maintenance work to be more evenly distributed across the enterprise.



Case Study: Leading US Financial Services Company

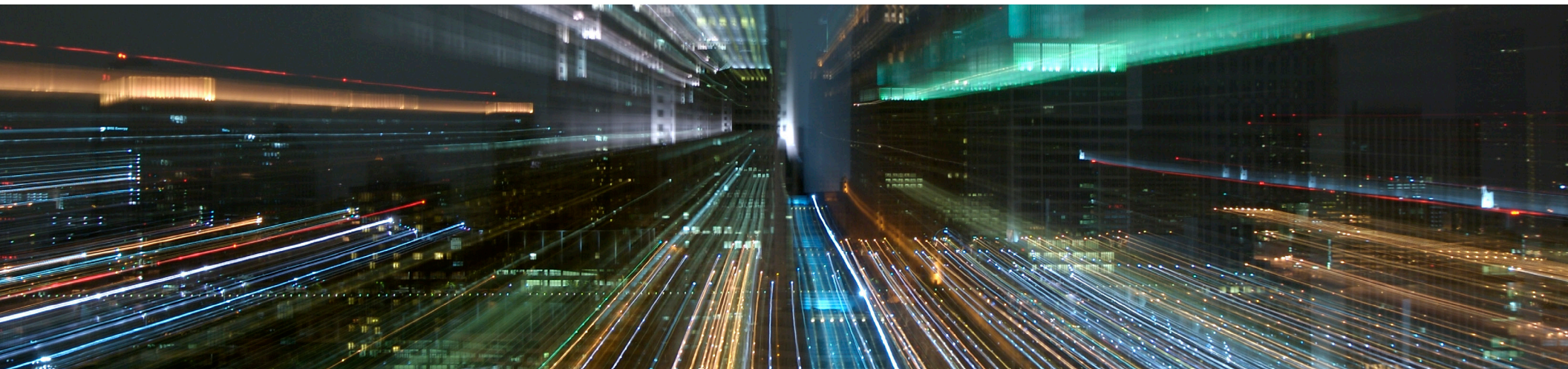
Decreased deployment costs and cycle time by 50%+.

For years, a top U.S. bank developed its calculation systems using 3GL languages (C and C++). As each pension calculation had to apply thousands of rules for government and industry regulations, new client implementations and client-directed changes were not cost effective and took more than a year to deliver.

The bank selected ILOG BRMS to simplify the pension administration process by centrally storing rules and making them available to business analysts. As a result, the bank has become less dependent on its IT staff to maintain the system, and decreased deployment costs and cycle time by more than 50 percent.

Additional Benefits:

- Pension calculation rules are now expressed using a non-technical language and vocabulary.
- Business users and developers have specific, integrated environments for managing rules and rule-based applications, allowing pension experts and IT to collaborate and focus on their respective areas of expertise.



2. Increased straight-through processing

BRMS software is used in operational environments in order to automate business decisions. Many organizations find that using BRMS software enables them to automate complex, highly variable decisions that have previously been handled manually, improving the efficiency of processes and focusing human resources on activities where there is true added value. Customer eligibility, data validation, transaction pricing and request approvals are just several ways that the rule engine component of BRMS software is used to facilitate and increase straight-through processing.



Case Study: Vision Service Plan

Achieved pass-through rate of 80%. Vision Service Plan (VSP) serves more than 36 million vision care patients throughout the United States and receives approximately 1 million claims each month, most submitted via the Internet.

Embedded in VSP's custom system, ILOG BRMS validates each claim using hundreds of constantly changing decision factors, including the nature of the claim, the type of policy, and regulations that vary from state to state. VSP also selected ILOG BRMS for its scalability and ease of integration with the company's existing IT architecture, which includes IBM WebSphere and proven legacy systems.

Additional Benefits:

- Business rules for processing claims are centrally stored and managed, allowing new policies to be implemented in one location and used across the enterprise.
- Uniform application of the rules results in consistent, error-free clearing of claims.
- Achieved a pass-through rate of 80%



3. Improved regulatory compliance

For organizations that operate in regulated markets or industries, the cost of ensuring compliance can be substantial. BRMS software can reduce this cost by enforcing standardized decisions based directly on external regulations or internal policies. ILOG BRMS provides real benefit for regulatory compliance when an organization operates in multiple geographic regions.

For example, insurance companies in the U.S. have to follow the specific rules of each state's insurance regulatory agency in the markets in which they sell policies. For an insurer operating in 50 states, this means the actions of setting prices, making decisions on policy submissions and settling claims by policyholders must follow a strict set of geographically-specific rules. BRMS software allows easy, safe and reliable enforcement of rules that can vary by geography, customer type, product or service.

ILOG BRMS also provides the ability to easily document how rules are defined, how they have changed over time and how rules are used in operational systems. This can significantly reduce the time and cost of auditing compliance.



Case Study: Top 10 Logistics Company

Improved operations and compliance in 9 months.

One of North America's largest logistics companies, this firm supplements or fully supports the transportation needs of customers in a wide variety of industries. With operations spanning the United States, Canada and Mexico, billing and payroll systems were becoming increasingly complex fast. The firm sought to centralize systems that were spread over 300 sites, to ensure consistency and compliance. Using ILOG BRMS, it created a flexible management environment that greatly improved operations and compliance with industry regulations in just nine months.

Additional Benefits:

- Increased revenue through billing of contractual activities that were being missed with manual systems
- More accurate payroll management through automation
- Faster billing cycles from more comprehensive invoices derived from rules for rate management
- Externalized reporting of key performance indicators



4. More personalized customer interactions

Making the right offer is often the difference between winning and losing a sales opportunity. What makes one offer better than another is being able to provide the best price, product or service based on the individual characteristics of the customer and the context of the sales situation. Using ILOG BRMS allows for automation of targeted, precise decisions within business systems, taking into account any number of inputs needed to determine the right offer for the each customer based on the unique circumstances of a transaction, process or request. This also allows systems to be able to deal with highly variable decisions that are based on factors such as geography, contractual agreements, customer priority level and time.



Case Study: Top 20 Global Bank

Tripled cross-sell offers. Serving more than 18 million personal, business, public sector and institutional clients, this customer-focused bank was losing wallet-share opportunities due to inefficient coordination of cross-sell and up-sell opportunities. Their existing sales system was manual, cumbersome, not integrated with legacy applications and spread information among many different screens.

Implementing ILOG BRMS allowed for more granular identification and qualification of selling opportunities in one simple Web-based interface.

Additional Benefits:

- 360-degree view of the customer allows access to multiple sources of client information at once, in real-time
- The system applies policy and risk guidelines automatically
- Selling opportunities are ranked based on customer needs, profit motive and risk objectives
- Achieved seven-fold increase in acceptance rate
- Increased revenue in just 2½ months

5. Faster time-to-market

The ability to respond to changes in the external environment, including economic conditions, customer demand and regulatory issues is critical in terms of enhancing a company's competitive advantage. In many cases, systems that are used to interact with customers as well as back office systems are the gating factor in terms of an enterprise's agility in adapting to change.

ILOG BRMS makes business systems more flexible by externalizing decision logic from applications and processes, allowing changes to be made more easily and with less disruption than via the traditional approach of embedding rules individually within each system. IBM's BRMS product family provides environments and tools specifically designed for the various business and technical stakeholders involved in defining, testing and deploying new/revised rules into production, which can dramatically decrease the time needed to implement changes that are required to meet the needs of both customers and markets..



Case Study: Swiss Medical

Increased claims processing speed. Swiss Medical has grown to over 60,000 practitioners and 730,000 patients in the past 18 years by providing extra services using a personalized plan. With over 2 million claims per month, a laborious and vulnerable paper-based system for claims processing became inefficient.

ILOG BRMS was incorporated into Swiss Medical's automated system to unify business rules throughout Swiss Medical's entities and to streamline its claims processing. With ILOG BRMS, Swiss Medical is automating such functions as fraud detection, claim assignment and adjudication, and payment and settlement.

Additional Benefits:

- Automated administrative auditing and increased efficiency in claims processing
- Increased recuperation rate by nearly 6 percent, which translates into several million dollars annually
- Prevents collusion between claims administrators and medical practitioners
- Ensures compliance with laws and regulations governing healthcare in Argentina and other South American countries



Is your organization a candidate for Fast ROI?

If your organization is experiencing any of the following situations, you have an opportunity for Fast ROI with ILOG BRMS.

1. Frequent changes that require immediate attention and response. Such changes might include:

- Evolving business conditions, such as changes by competitors or changes in the economic environment.
- New regulations, procedures and/or policies.
- New organizational priorities and market opportunities.

2. Highly variable decisions that need to be defined, managed and automated which exist in the organization's business model and product/service offerings. Such variability might include:

- Locality-specific decisions, such as eligibility verification or pricing modifications.
- Customer-specific decisions, such as sales authorization, priority assignment or contract-related provisions.
- Product-specific decisions, such as configuration and availability.
- Process-specific decisions, such as workflow routing, approvals and straight-through processing.



Next Steps

Request a custom demo

Our interactive demonstrations are performed either online or on site and are scheduled at your convenience (depending on the availability of our product experts). We will be happy to travel to your site for groups of five or more.

Request a Discovery Workshop

Two day, complimentary workshop designed to help business and IT teams work through their project questions together, ensuring that BRMS is the right solution to the right problems before making a BRMS investment.

Start small with a quick win pilot

Imagine if you could deploy working business rules in 9 weeks. With a quick win pilot, you start small, applying business rule management to a particular application. This pragmatic and incremental approach is designed to deliver faster ROI.

Talk to a live person

These specialists are available to assist you in your IBM ILOG BRMS solution identification and research. You can e-mail or phone them directly.

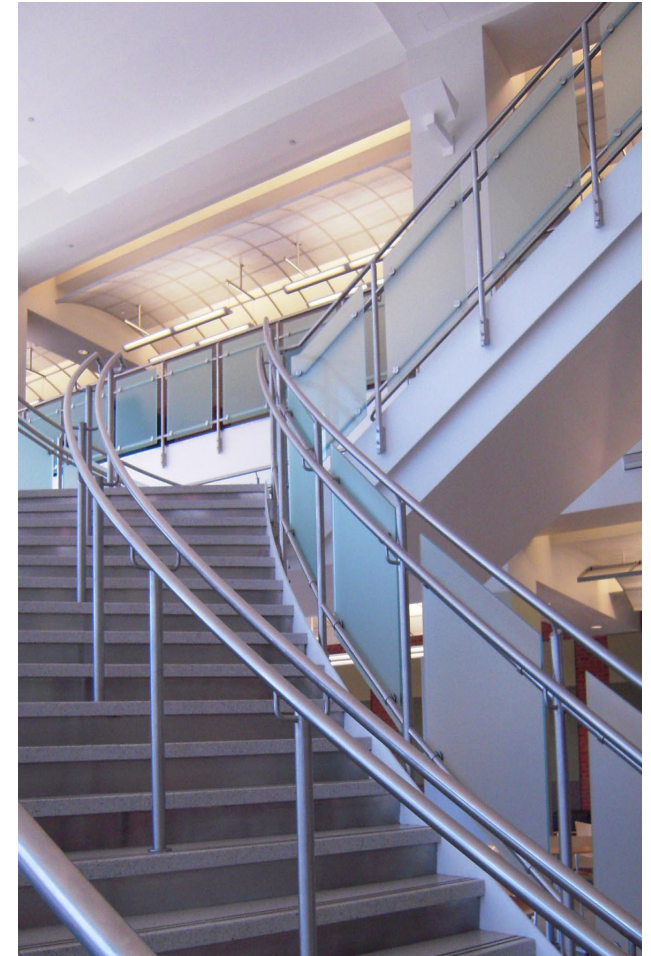
Contact us

We will respond within 48 hours.

For general questions:

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For more information

For more information on ILOG BRMS Solutions, please contact an ILOG Sales Representative near you or visit ilog.com/products/businessrules.

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