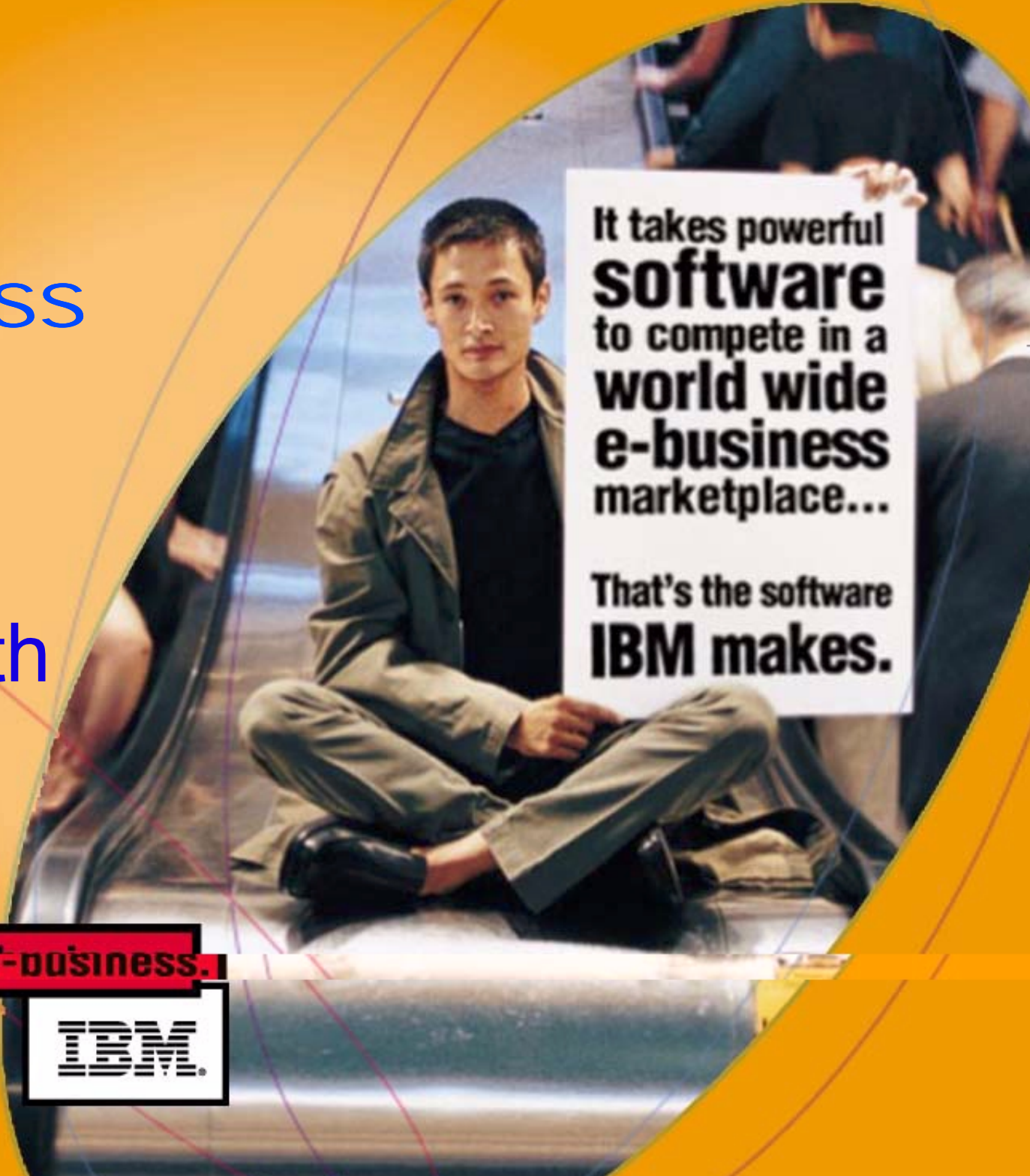




The Business
Integration
Imperative
Aligning IT with
business
strategy



It takes powerful
software
to compete in a
world wide
e-business
marketplace...

That's the software
IBM makes.

Software is the soul of e-business.



Agenda

- **New rules of the networked economy**
- **The business integration imperative**
- **The technology**
- **The role of S/390**

Software is the soul of e-business.

New economy, new rules

Network Economy

(Net-Generation businesses)

The e-line

Traditional Economy

(Traditional businesses)

■ Networks

- Communities
- Interoperability
- Winner takes all

■ Digital

- Low-cost repro, distribution
- Few/No physical assets
- Volatile

■ Knowledge

- Leveraged Information
- Knowledge workers

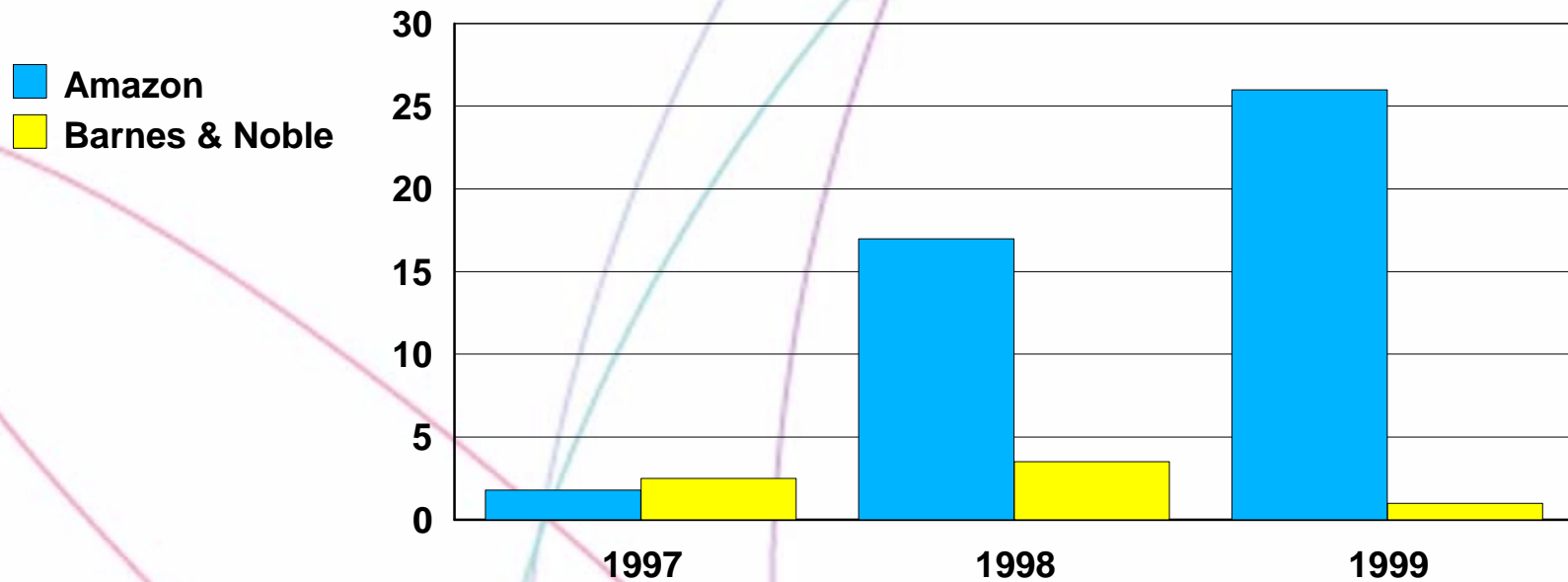
■ Boundariless

- Global
- Value Nets
- Flexible Workforce

Software is the soul of e-business.

Company value is now directly related to e-business strategy

Market capitalization, end year 1999, \$B



Source: Primark Datastream

What's your e-business strategy?

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New business

models

models

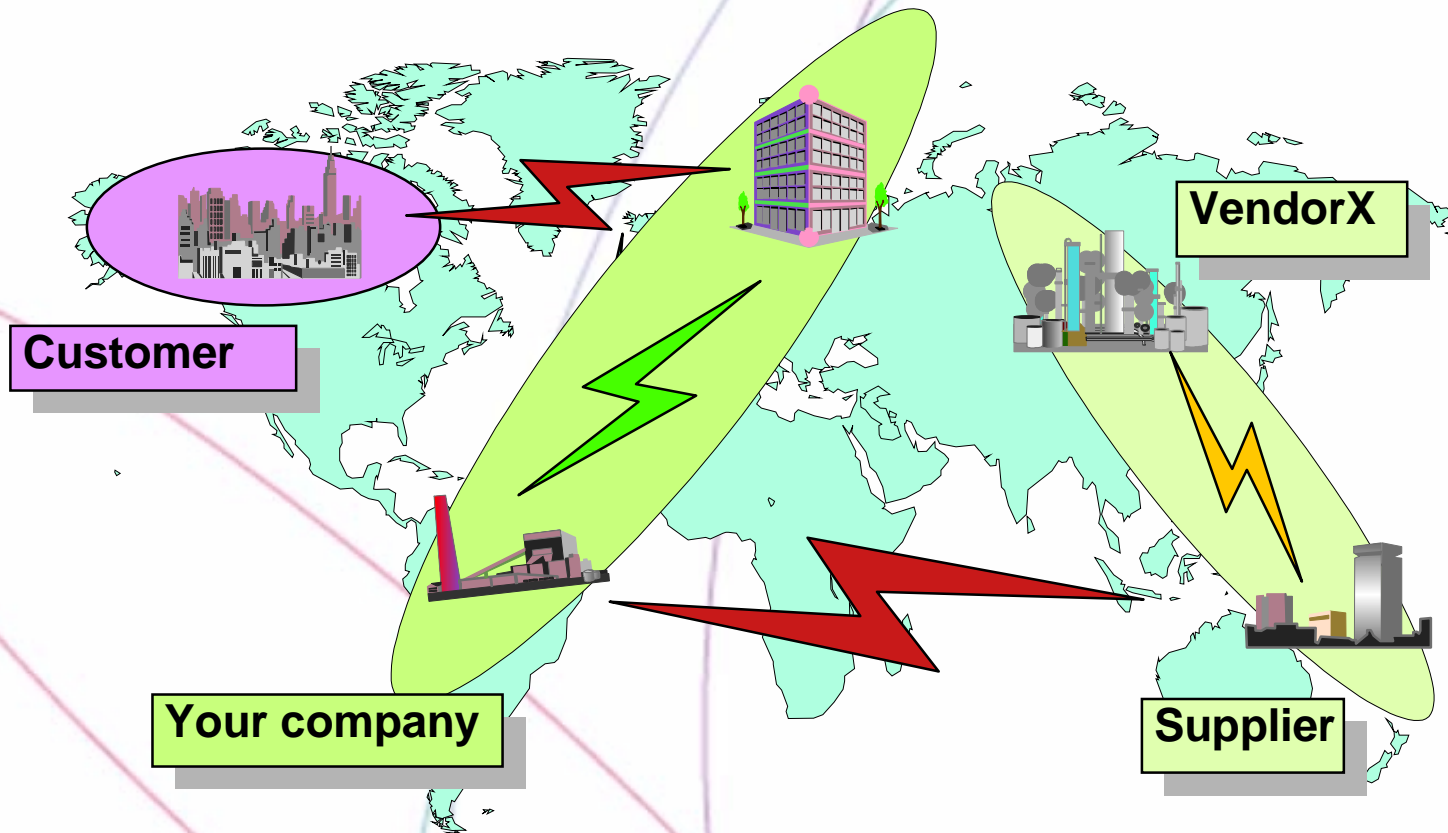
- B2C e-commerce
- e-marketplaces
- Portals
- Internet service providing
- Application service providing

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IBM.

A new concept of the organization

The integrated extended enterprise

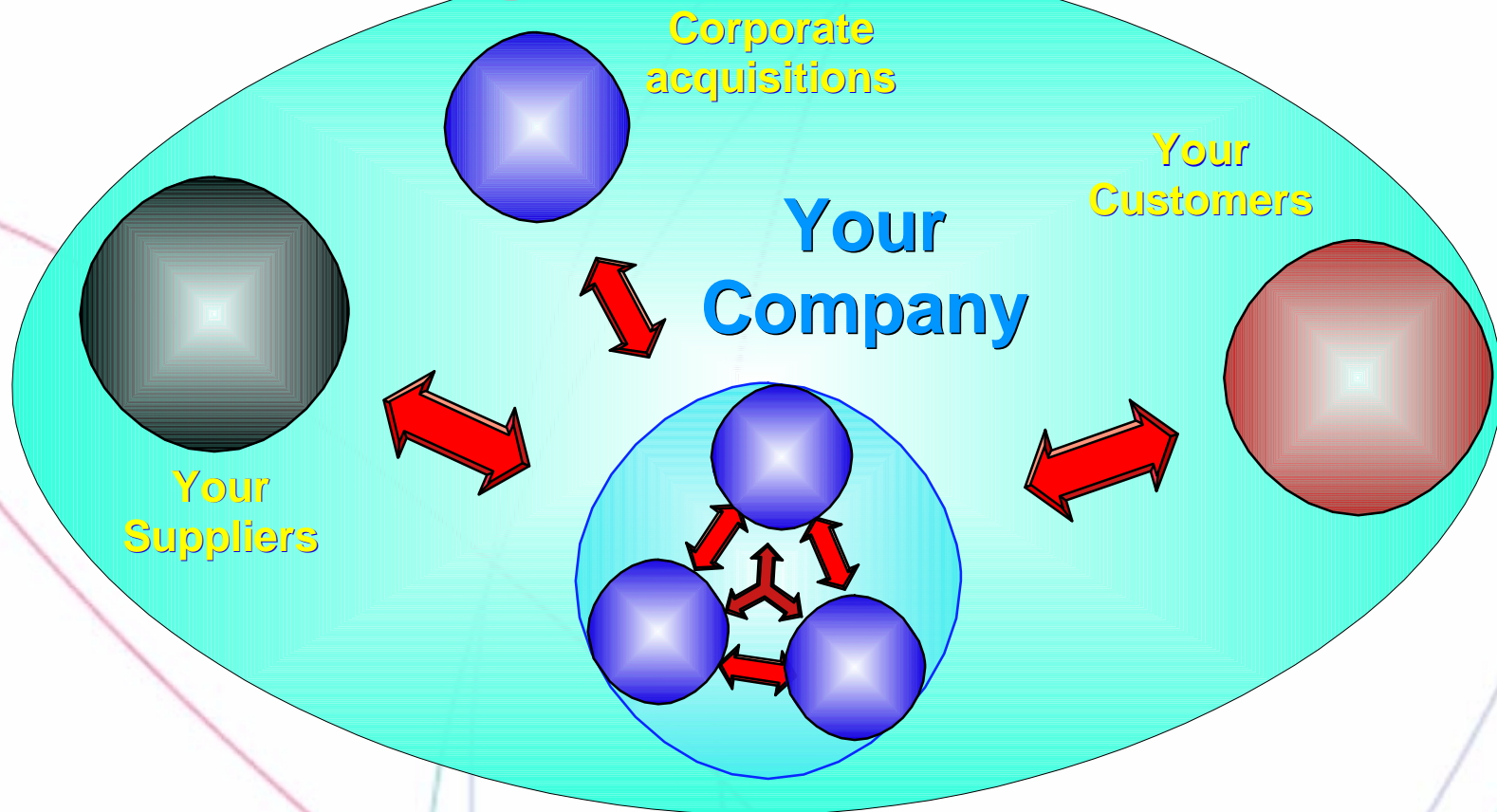


"The battle is no longer between companies but between integrated value nets"

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The business integration imperative

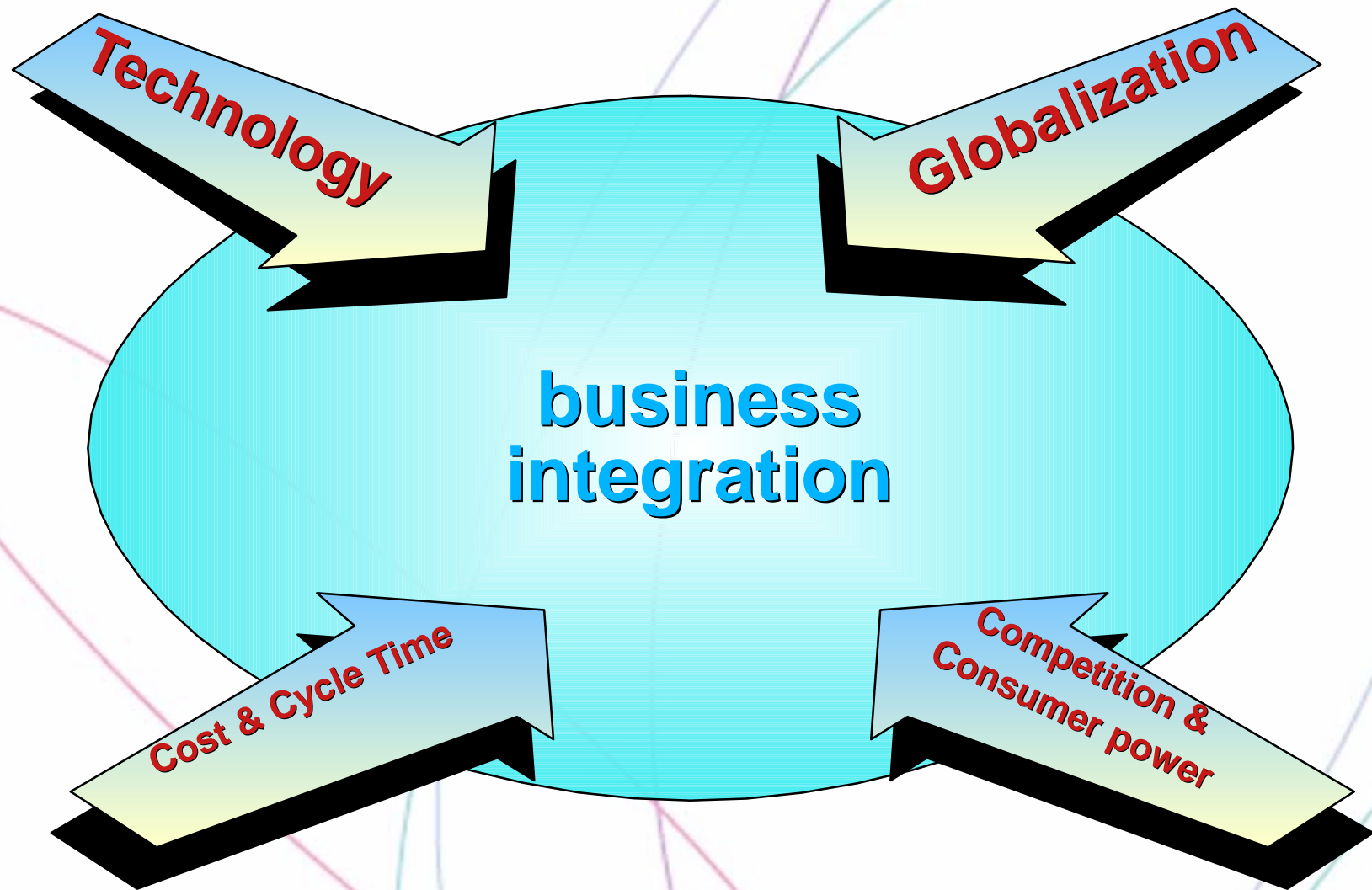
What's being integrated?



The entire value chain

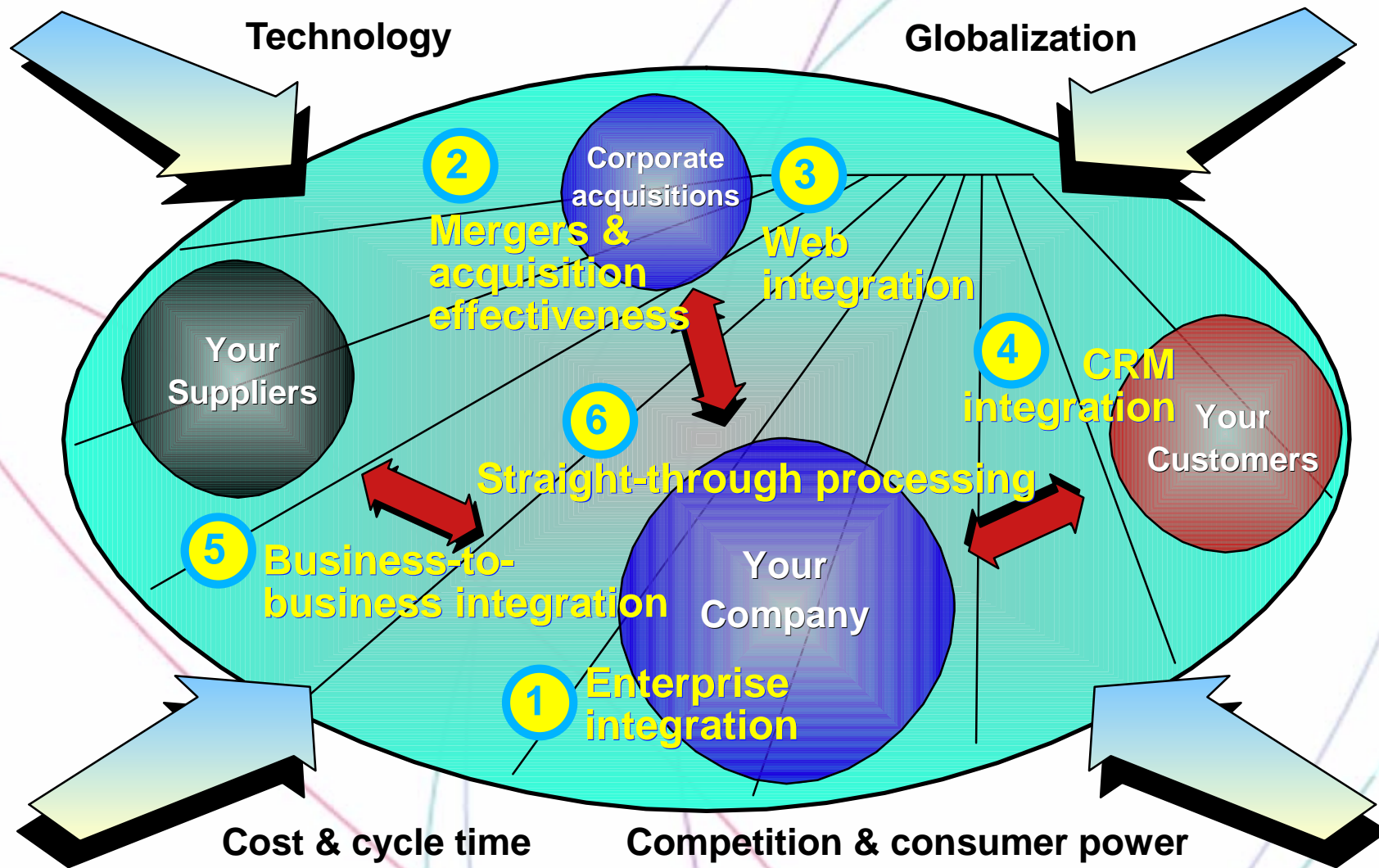
Software is the soul of e-business.

Forces driving business integration



Software is the soul of e-business.

Six key business integration issues



Software is the soul of e-business.

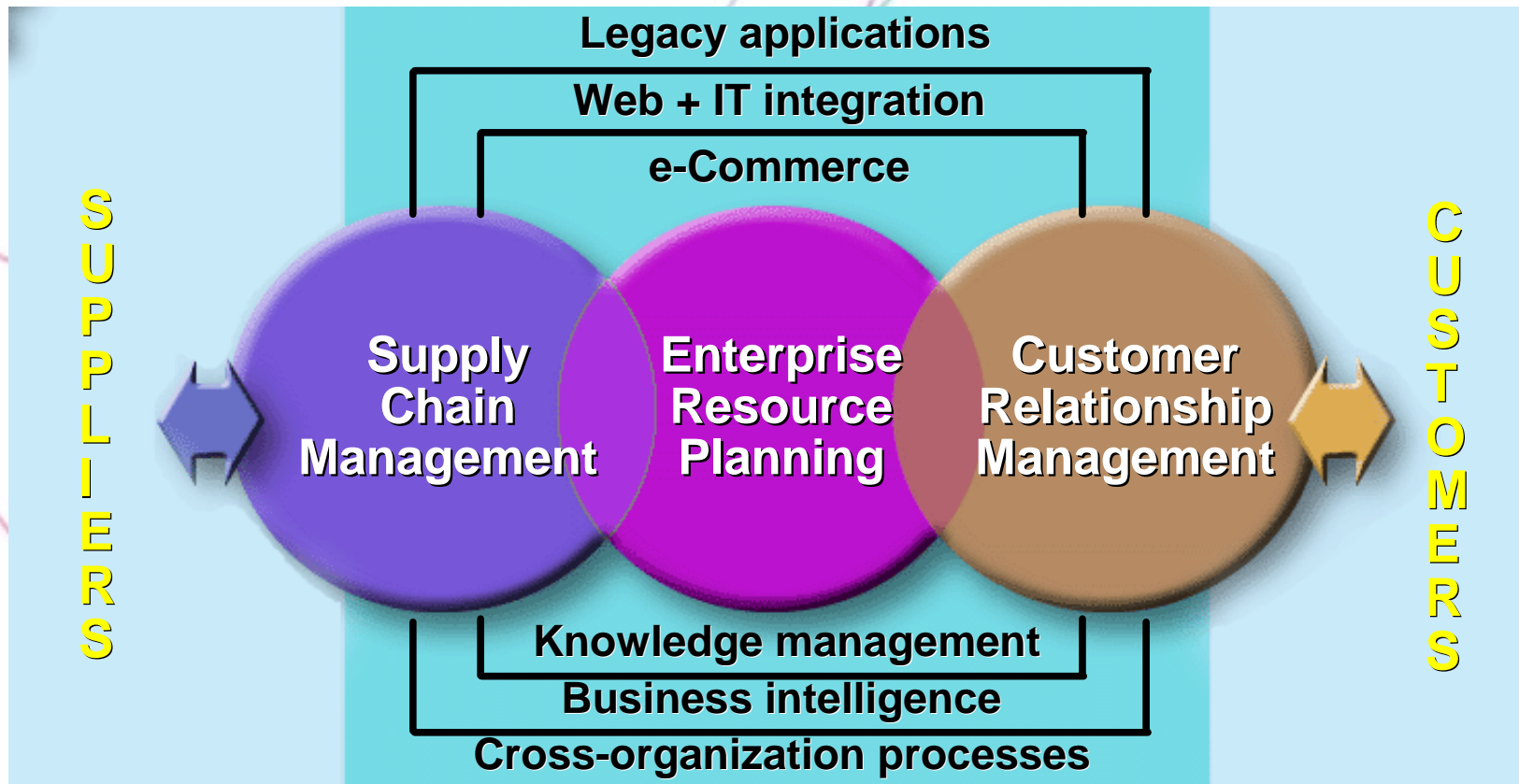


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1

...or only part of the answer?

"At best, ERP covers only 30% of a typical company's business processes" -- Source: Gartner Group



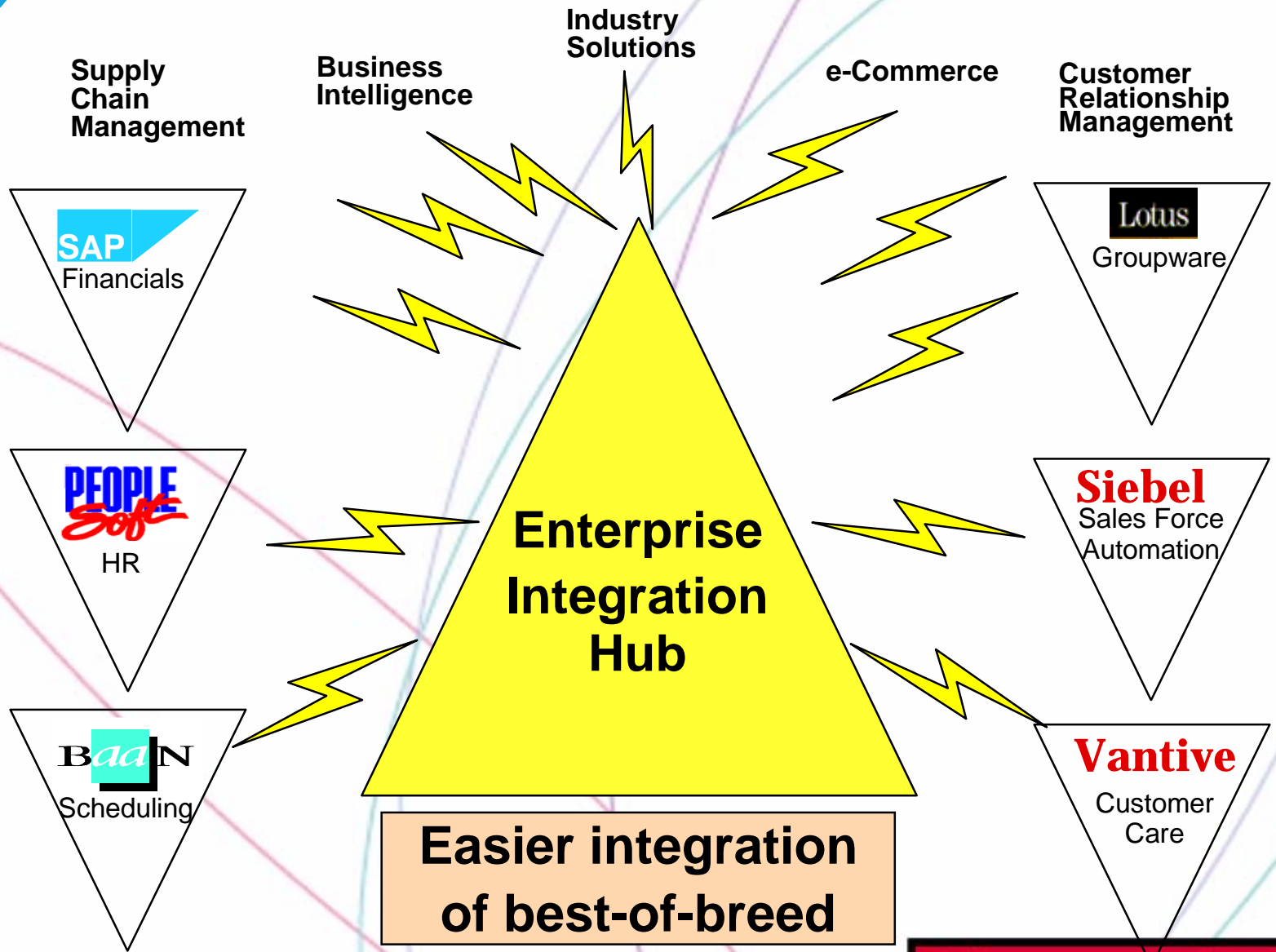
"The idea that a single ERP system can solve all your needs is decaying under the weight of the Internet"

-- Benchmarking Partners

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1

What's needed?

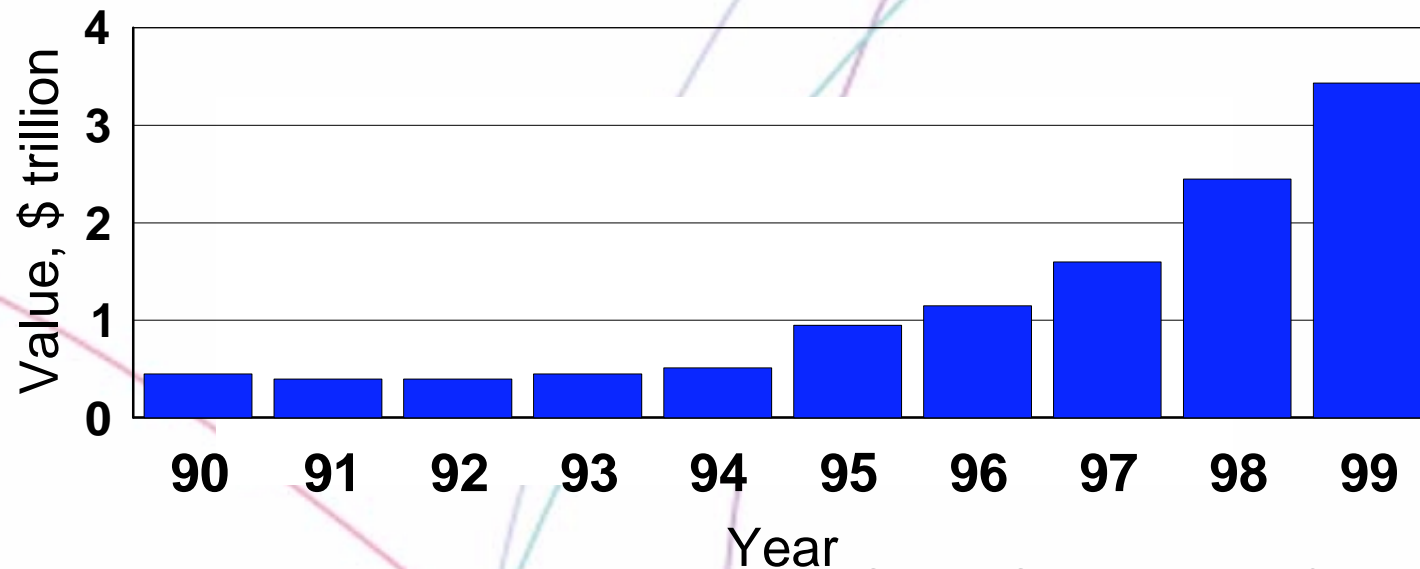


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2

Merger & acquisition effectiveness

Worldwide mergers and acquisitions



Source: Securities Data Company

"Study after study of past merger waves has shown that two of every three deals have not worked... ..In particular, many recent mergers have been undone by the presumption that I.T. is easy to mesh together."

- The Economist, 'After the deal', Jan. 9th, 1999

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What's needed?

A platform for rapid organizational re-configuration

"This constantly changing and often unpredictable environment creates a major challenge for those seeking to justify long-term investment, particularly in I.T..."

*...A more realistic approach is to **build flexibility into I.T.** systems to ensure that they can be configured, augmented or replaced when change inevitably occurs."*

Source: 'Information Integration',
by Spike Cavell & Co.

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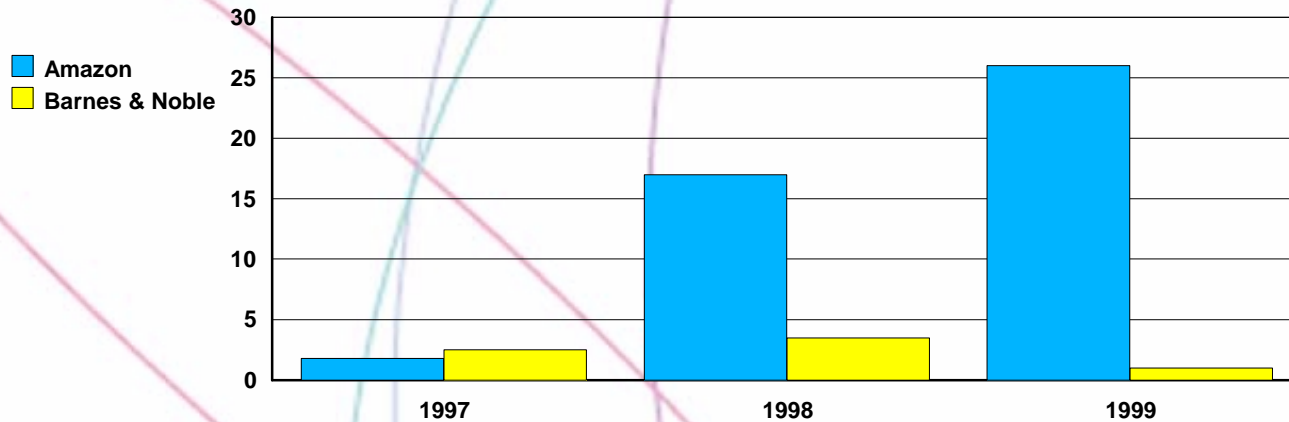
3

Web integration

Dot.coms are threatening traditional business

- Bank Branch = \$ 1.08
- Telephone = \$ 0.54
- ATM = \$ 0.48
- Internet = \$ 0.04

Market capitalization, end year, \$B



Source: Primark Datastream

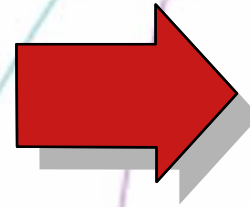
Software is the soul of e-business.

3

What's needed?

**Integration of the Web
to the rest of the business**

**Bricks'n
mortar**



**Clicks'n
mortar**

Multi-channel
capability

Leverages:

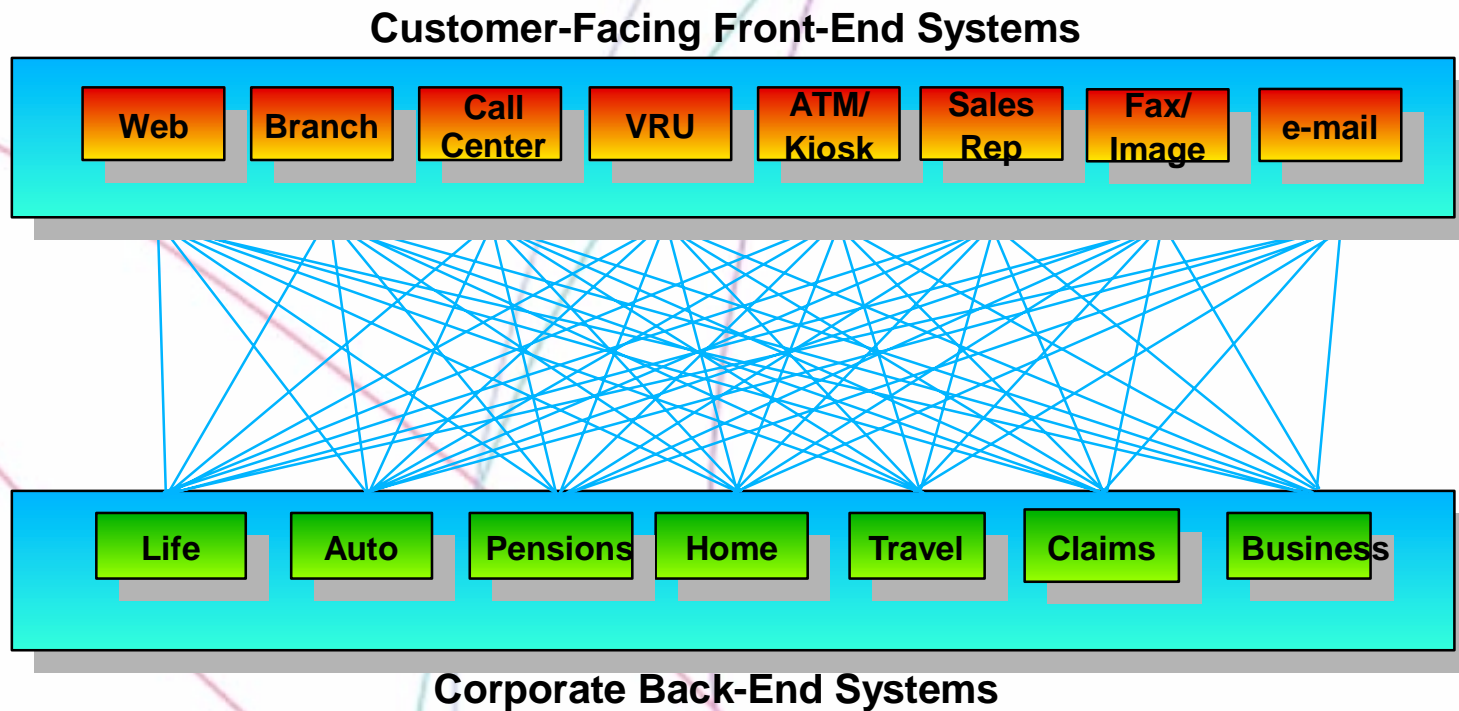
- Market knowledge
- Customer base
- Core IT systems

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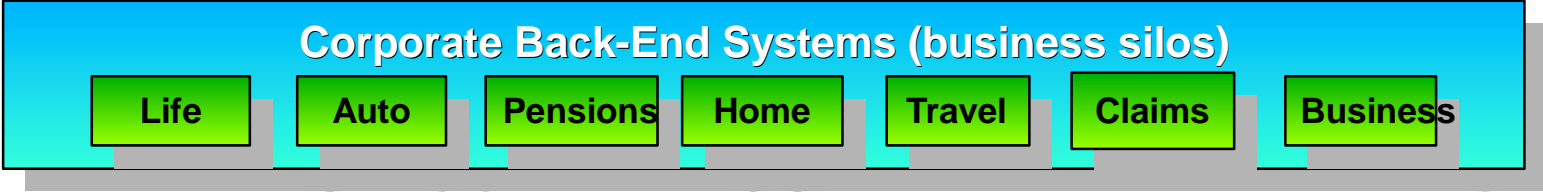
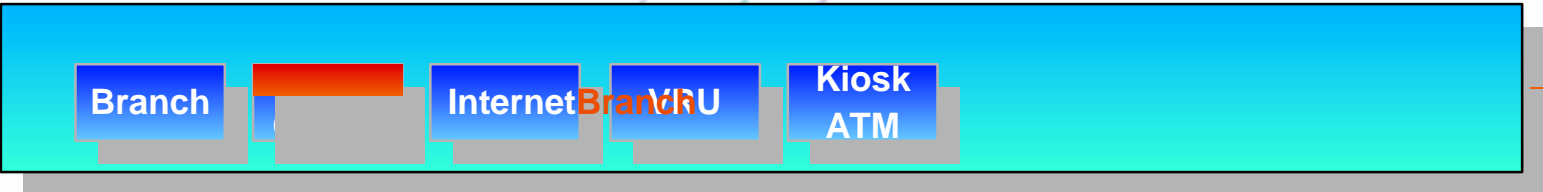
4

Integrated customer management

Each new customer front-end and corporate back-end becomes more difficult to integrate



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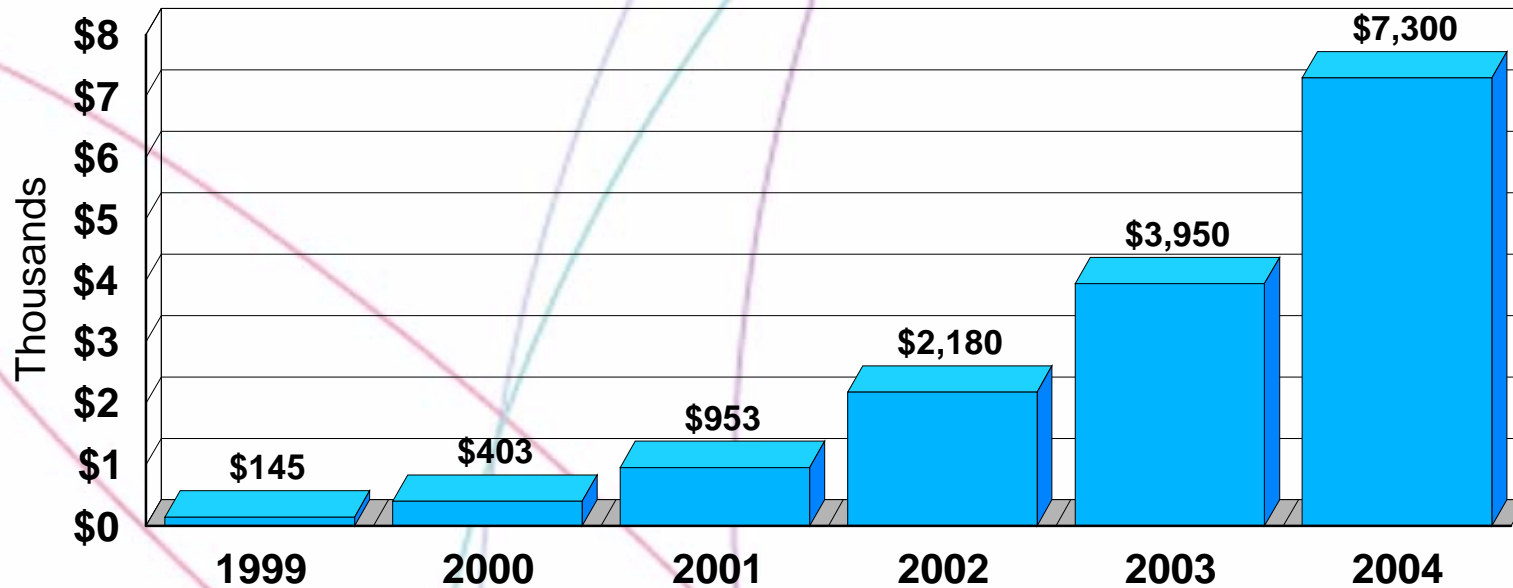


Software is the soul of e-business.

5

Business to business integration

Growth of Business-to-Business e-commerce 1999-2004 (in Billions of Dollars)

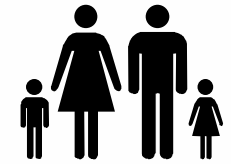


Source: Gartner Group, January 2000

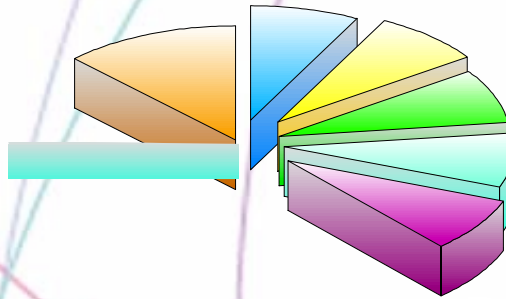
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Suppliers



Consumer



Distributor/Logistics/Nodes

Software is the soul of e-business.



Customer Your company

Software is the soul of e-business.

6

What's needed?

Process automation across the extended enterprise



Customer

1. Customer orders over the Web

Your company



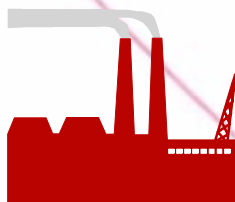
5. Payment is handled by financial company



Financial institution

4. Order is picked up by shipper and sent to customer

Manufacturer



2. Order is sent to manufacturer

3. Shipping request sent to shipping company



Shipper

Straight-through processing

Software is the soul of e-business.

The business integration imperative

- **Enterprise integration**
- **M&A effectiveness**
- **Web integration**
- **CRM integration**
- **Business-to-business integration**
- **Straight-through processing**

Software is the soul of e-business.

The technology

Messaging

Objects

Brokering

XML

Workflow

Software is the soul of e-business.

Two extremes

Heterogeneous applications

New generation applications



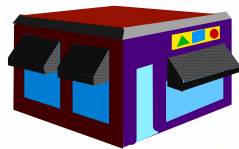
Messaging

Objects

Software is the soul of e-business.

Objects for new buildings / Messaging for the roads

IMS/PL/1



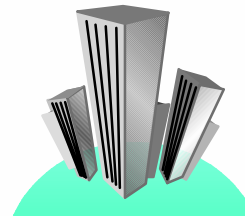
Messaging



CICS/COBOL

Messaging

Objects



Messaging



Objects

Software is the soul of e-business.

Additional technologies

Heterogeneous Applications

New generation applications



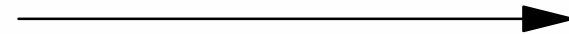
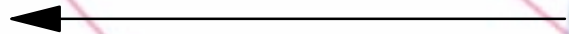
Messaging

Objects

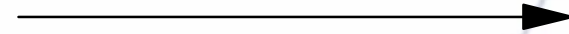
**Enterprise
Java Beans**

**Java
Beans**

**Brokers
(message & object)**



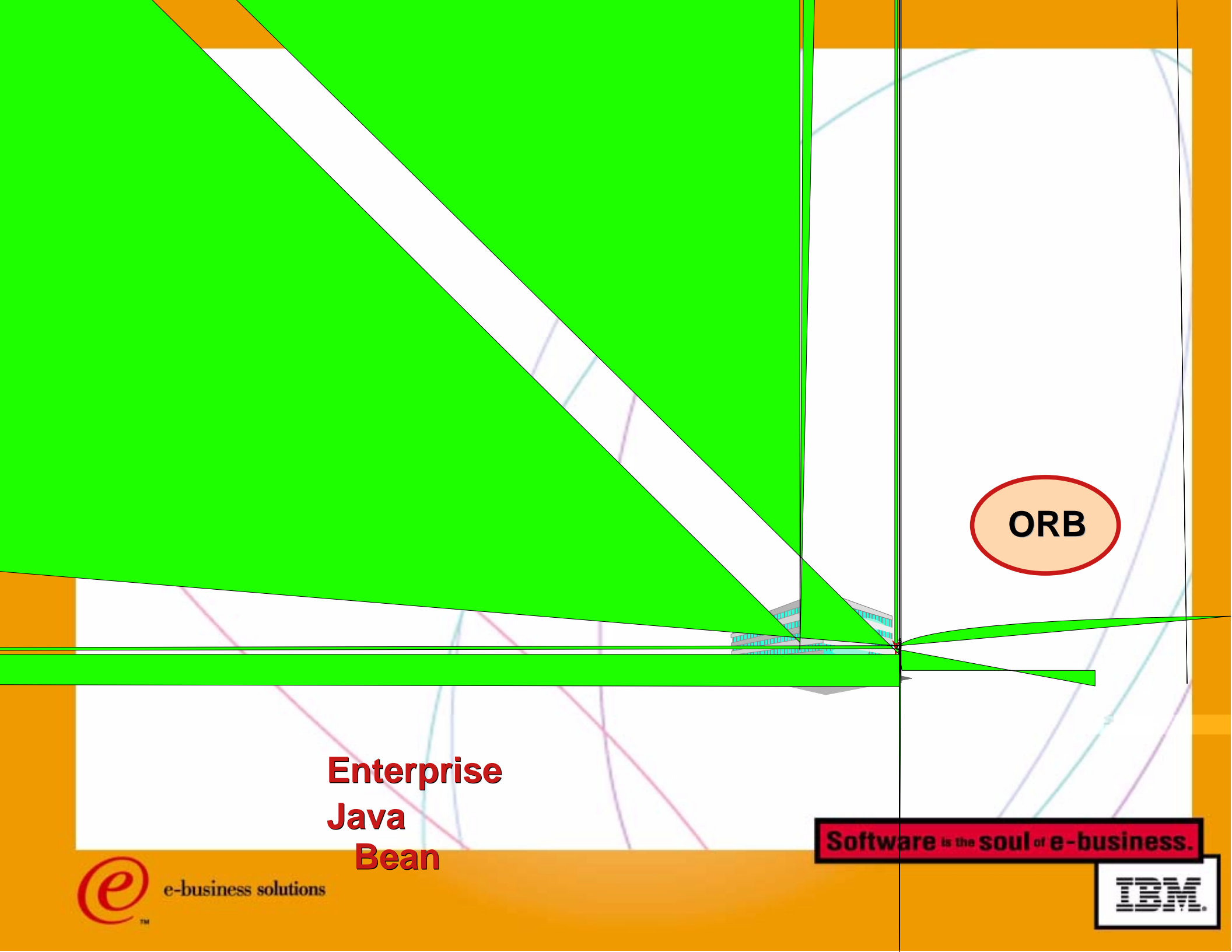
Workflow



XML



Software is the soul of e-business.

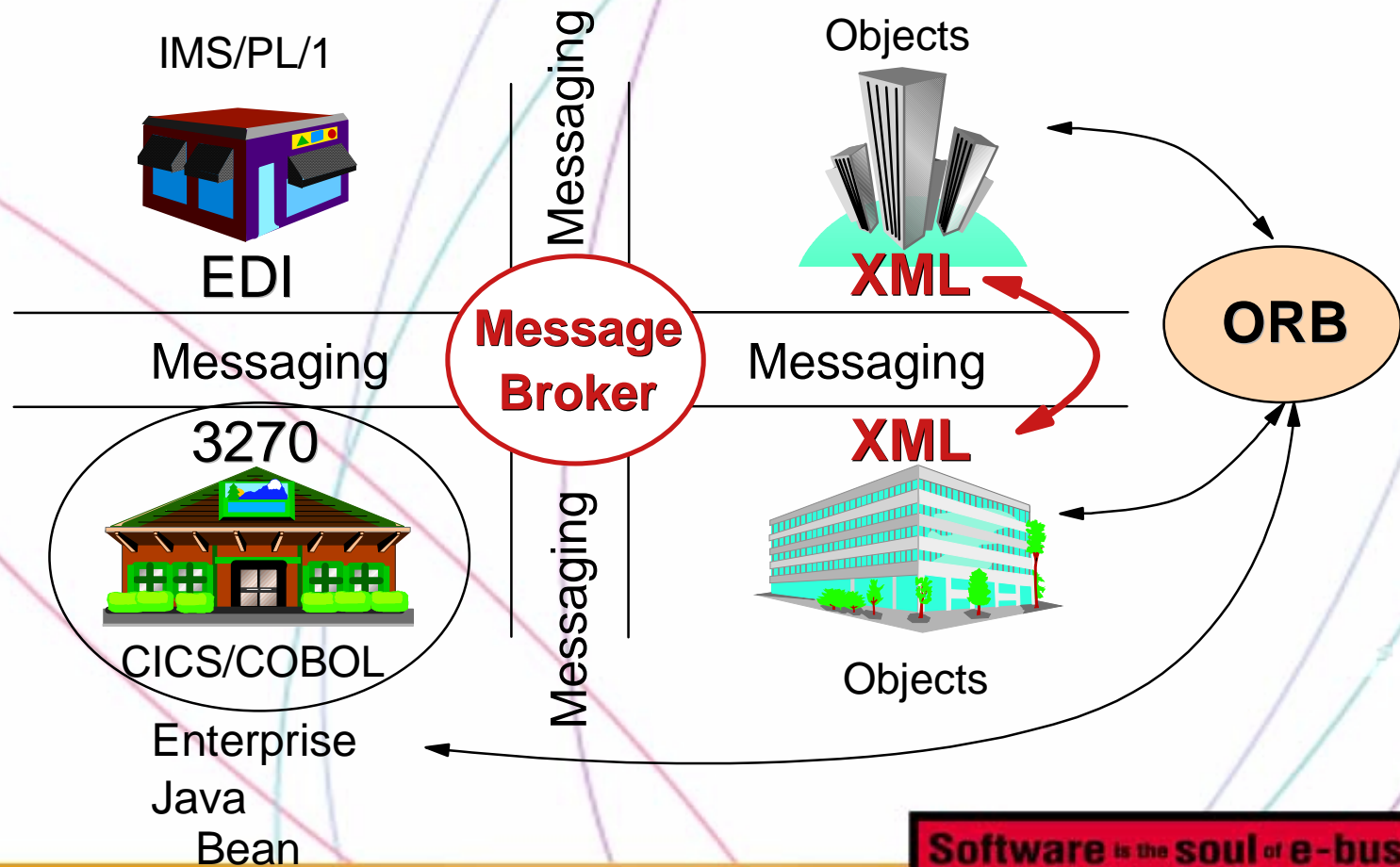


ORB

**Enterprise
Java
Bean**

Software is the soul of e-business.

Message Brokers, XML



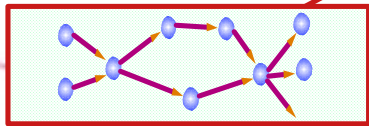
Software is the soul of e-business.

XML, Message Brokers, Workflow



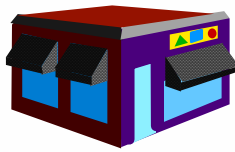
Applications &
Enterprise data

Workflow



Staff &
Organisation

IMS/PL/1



EDI

Messaging

3270



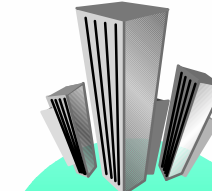
CICS/COBOL

Messaging

Message
Broker

Messaging

Objects



XML

Messaging

XML



Objects

ORB

Software is the soul of e-business.

But messaging plays best for the extended enterprise integration

Characteristics

- Multi-platform →
- Both legacy and new →
- Business critical →
- Unavailable systems →
- Continuous change →
- Resources outside your control →

Technology requirement

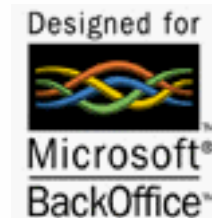
- Works with every platform
- Works with every technology
- Reliability
- Asynchronous capability
- Flexibility
- You don't need to change it

Software is the soul of e-business.

Three out of four customers choose MQSeries for messaging

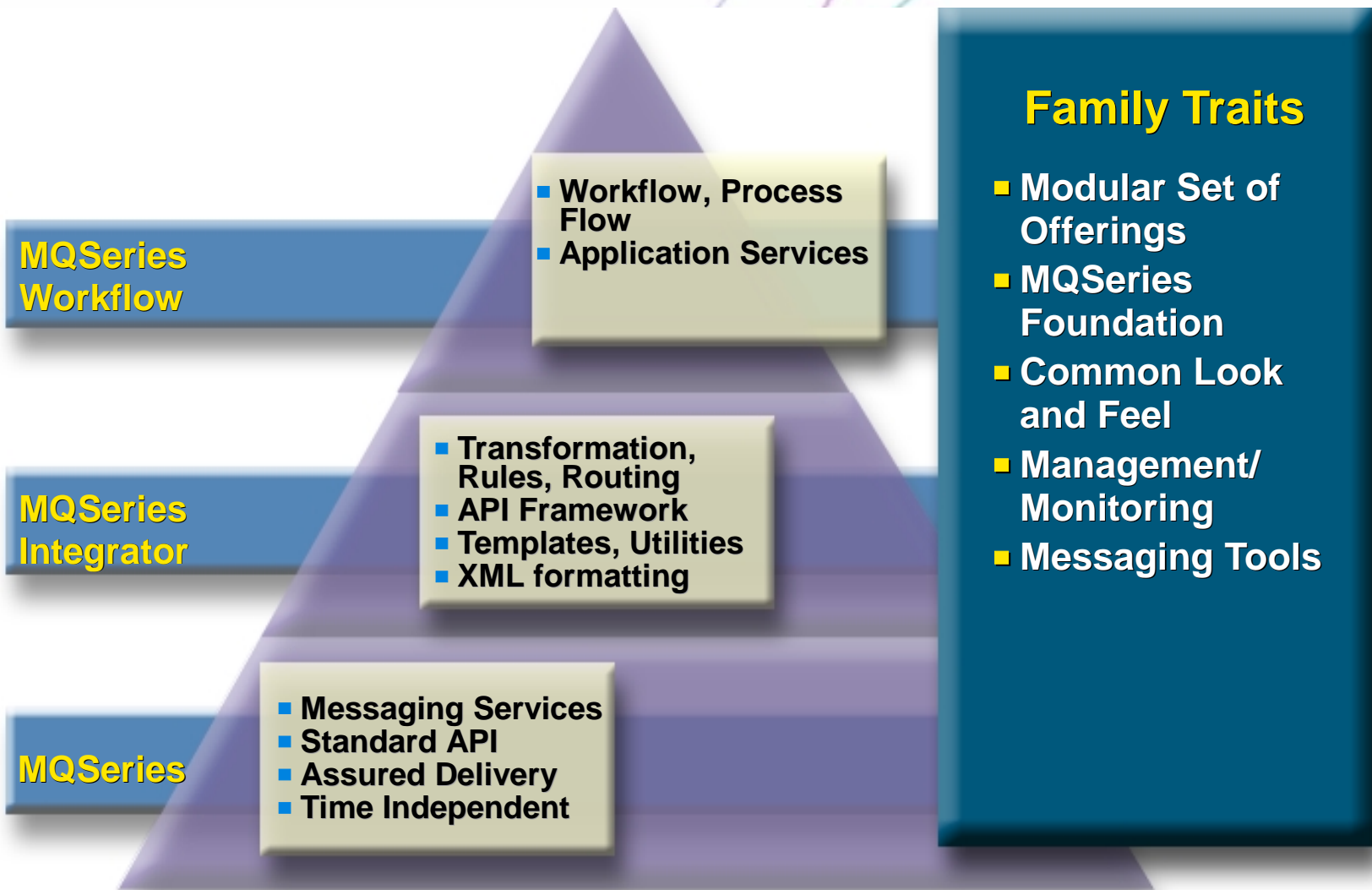


Application
Excellence
Award



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The IBM messaging family: MQSeries



Software is the soul of e-business.

The role of S/390 for business integration

- **Enterprise customer file**
- **Enterprise integration hub**
- **Enterprise workflow manager**
- **Supply net manager**

Scalability

Throughput

Reliability

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Chase Manhattan Bank



Challenge

- Improve efficiency after several mergers and acquisitions
- Provide unique solutions customized to individual client needs
- Transform Chase into an e-business

Solution

- Define a flexible cross-platform environment that integrates the enterprise, today and in the future

Business Value

- More timely information to clients
- Easy integration of new technologies
- Faster business response because of reduced development time
- Mission-critical customer service

Products

- IBM MQSeries family



Software is the soul of e-business.



Texas Instruments

**Texas
Instruments**

Challenge

- Maintain market leadership by increasing operational efficiency and responsiveness

Solution

- Intranet-based order creation and production planning process
- Connects organization to SAP R/3 and legacy applications

Business Value

- Sales teams better equipped to support complex customer requirements
- More efficient factory planning and semiconductor manufacturing operations

Key Products

- MQSeries, IMS

The screenshot displays the Texas Instruments website interface. At the top, the TI logo and company name are visible. A navigation menu includes links for 'Investor Relations Company Info', 'Products/Services', 'Employment', 'The Digital Future', and 'Asia, Europe, Japan'. A search bar is located in the top right corner. Below the navigation, there are several product and service links: 'Design Engineers', 'DSP Solutions', 'Semiconductors', 'Calculators', 'Personal Organizers', 'Digital Light Processing (DLP)', 'Materials and Controls', 'TIRIS', and 'More Products & Services'. A 'Quick Search' section features a search input field and a 'Go' button. Below the search field, there is a note: 'Separate keywords by AND or OR. Use * (wildcards) for partial device names. See Search Tips for More Help'. To the right of the search section, there is a 'ur@ti.com headlines' section with several news items: 'New Power Distribution Switches Extend Battery Life', 'TI Expands Broadband Capabilities to Include YDSL', 'New York City Schools to Be Model for Math and Science', and 'More Stories — Current Stock Price'. At the bottom of the page, there are links for 'Search/Site Map | Feedback', 'Investor Relations/Company Info | Products/Services | Employment | Digital Future | Asia, Europe, Japan', 'TI&ME: Your Customized Page | ur@ti.com — Online News Magazine', and a copyright notice: '© Copyright 1998 Texas Instruments Incorporated. All rights reserved. Trademarks | Privacy Policy'.

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Take a Test Drive

What is it?

- A predesigned environment to show you how integration can be done (with your own company's data!!!)

What's scenarios are available?

- Application Integration
- Single Customer View
- Business Process Integration
- Integrating SAP with e-commerce
- Java to SAP through MQSI
- Retail Supply Chain Integration (e-Replenishment)
- Financial Straight-Through Processing

How to get it?

- Indicate your interest on your evaluation form

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www.ibm.com/software/info/ti

Papers

**Case
studies**

Ideas

Software is the soul of e-business.

Use the right partner

The right partner is everything

IBM Global Services

- e-business
- Business consulting
- IT consulting
- Business transformation
- Systems management
- Strategic outsourcing

***People who think.
People who do.
People who get it.***

Certified IBM Business Partners

- Consulting
- Product installation
- Application development
- Proof-of-concepts
- Education
- Support
- Industry solutions
- Customized service offerings

***Professionals with
the skills you need.***

IBM software partner directory:

www.software.ibm.com/sw-sell

***Global software solutions
guide:***

www.software.ibm.com/solutions/isv

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