IBM SOA

Business Process Management for Greater Flexibility

Simon Street

Craig Summers

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Simon the CEO wants to transform efficiency and business agility…but he sees IT as much a cost as an enabler

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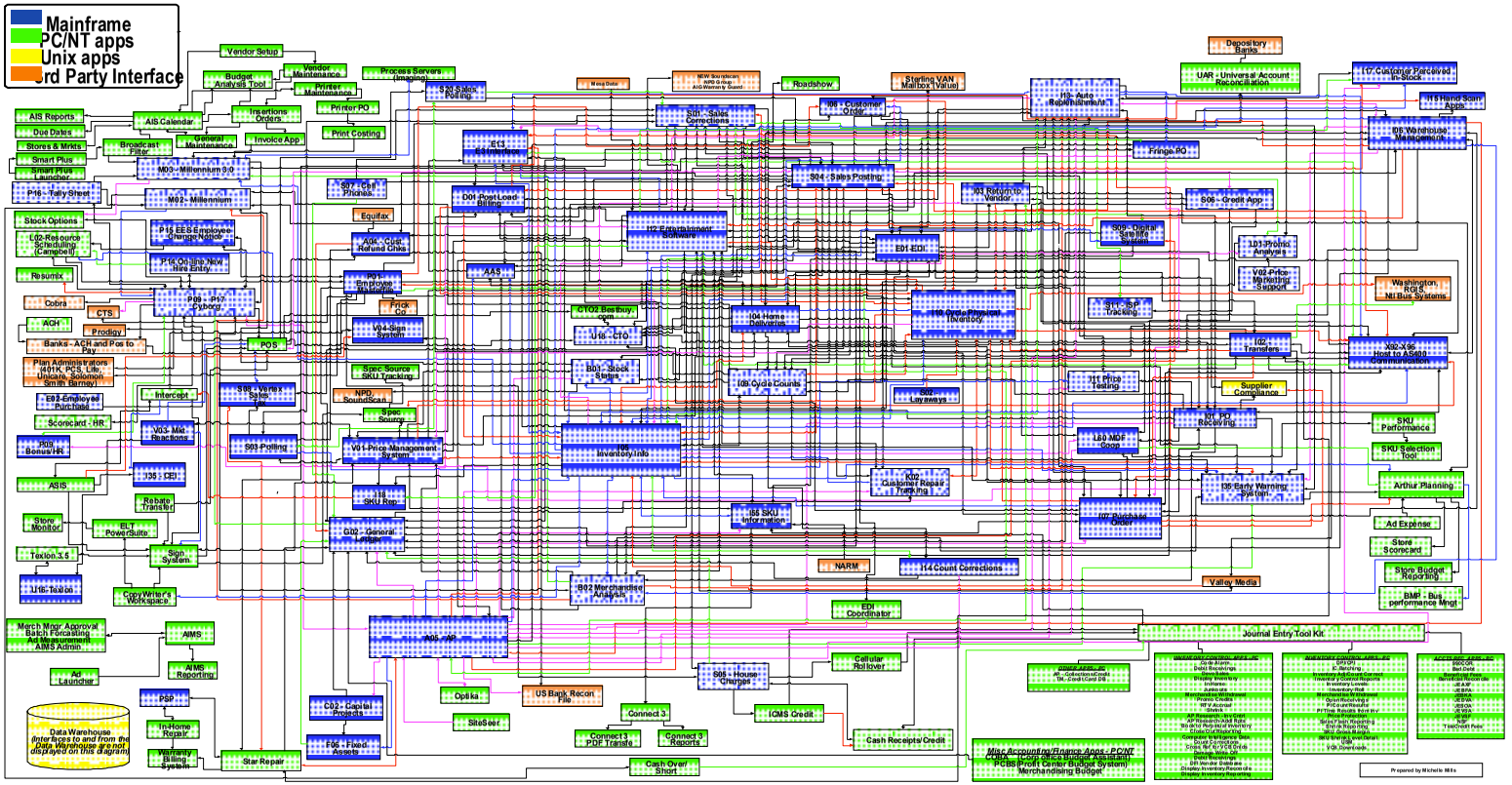
Craig the CIO wants to support and enable Simon's ambitions but is mindful of their mature and complex IT



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"I need a more streamlined and flexible 'order to cash' process"

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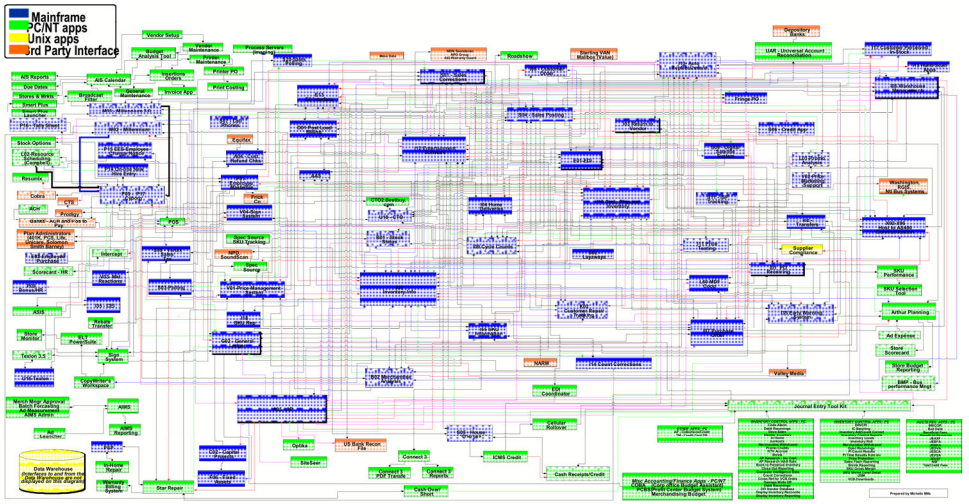
"I delivered you an ERP system that manages the complete 'order to cash' process"



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"Yes but it does not deliver the 'end-to-end' process and we need to improve parts of it"

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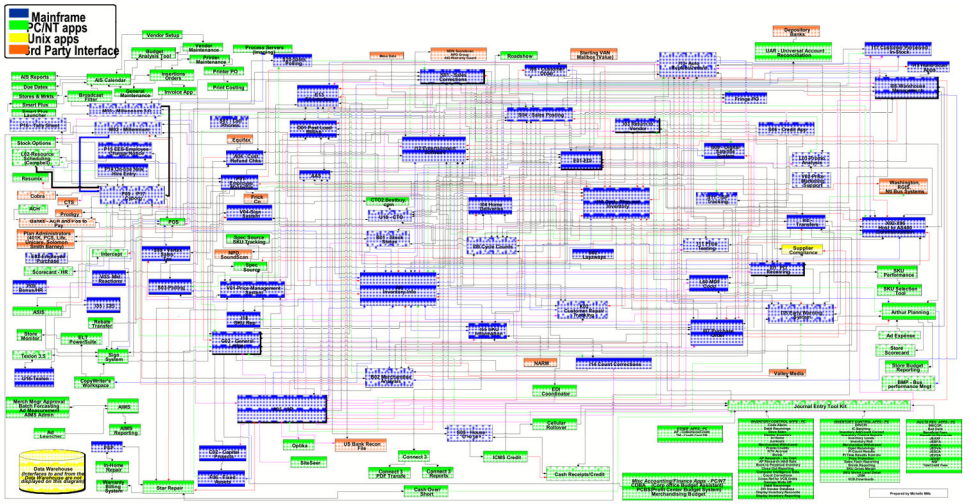
"How long are you prepared to wait? – now the ERP is delivered we will have to wait for our next upgrade"



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"We come up with great process improvements but the answer is always 18 months"

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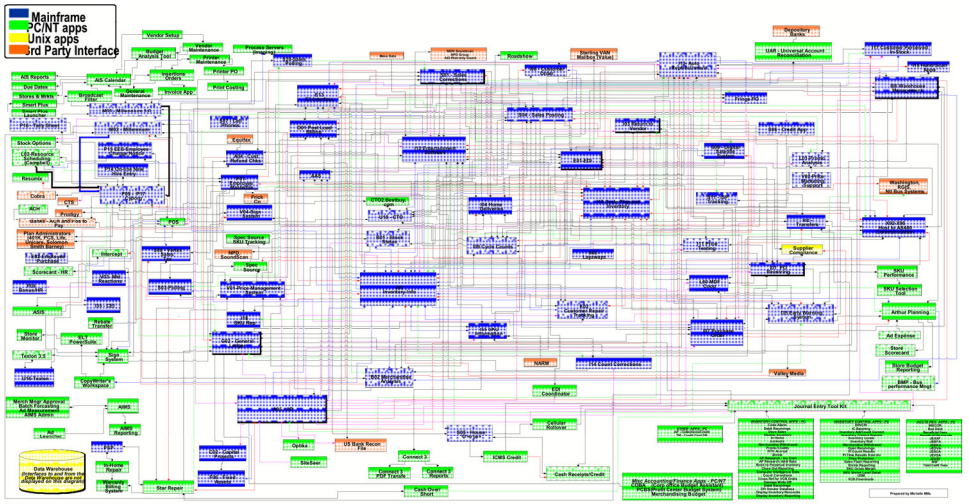
"Yes because you never consult with us or consider IT capabilities and constraints"



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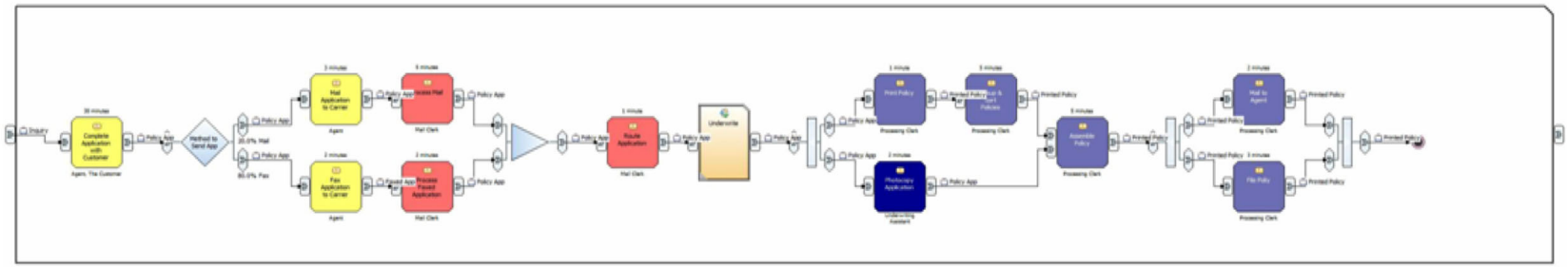
What do we mean by BPM?

Business Process Management combines business process and software capabilities to accelerate process performance and facilitate business innovation



Expertise that Delivers BPM

- Process Knowledge
- Industry Methods and Models
- Business consulting expertise

Software that Enables BPM

- Business Services
- Tools, Rules, Servers, Repositories
- Business Dashboards, Forms

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Who thinks BPM is a key priority in 2007?

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

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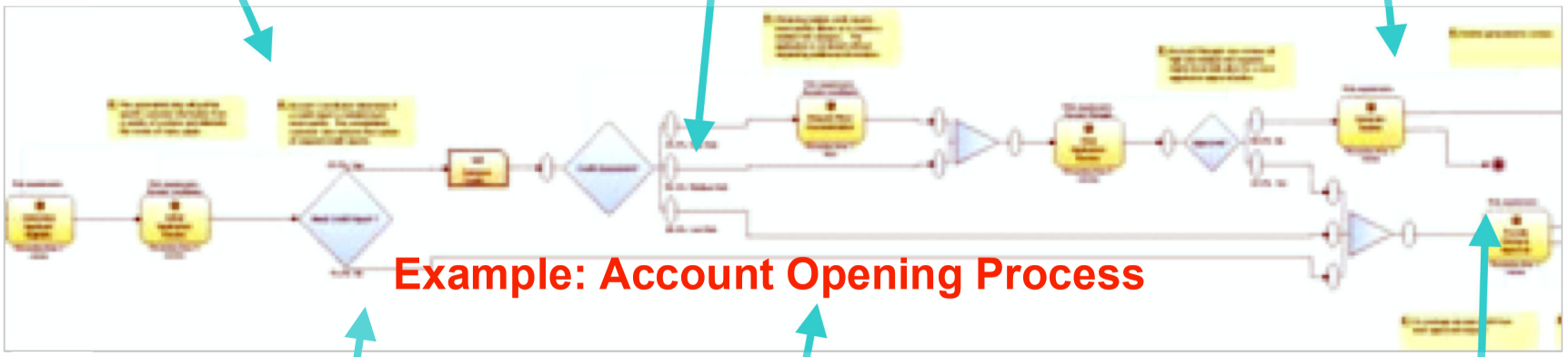
Why is normal process improvement **NOT** sufficient?

1 Processes are not documented

2 Bottlenecks prevent efficiency

3 KPIs not defined



Example: Account Opening Process

4 Complex integration across multiple processes

5 Process change is cumbersome

6 Limited / no visibility into performance

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What are the consequences of an inability to modify processes on the fly?

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

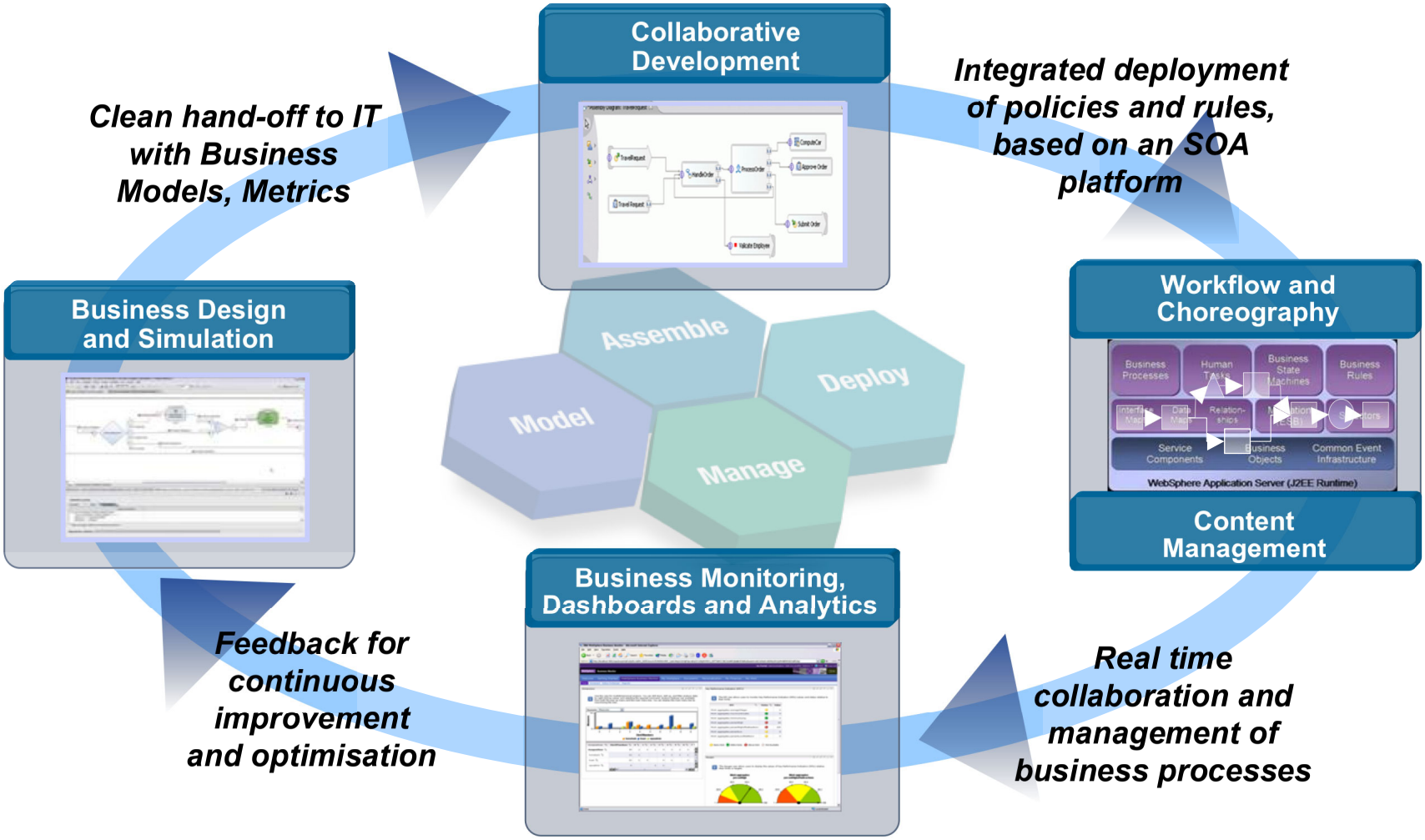
CMP InformationWeek
BUSINESS INNOVATION POWERED BY TECHNOLOGY

compromised (Stop &
possession of that
data for only a specified period of time -- something that's currently mandated for credit card information, but apparently was ignored by some of the parties involved. Finally, there should be a Customer Bill of Rights regarding what happens if your data goes astray. The JetBlue debacle of last week in which airline passengers were stranded on the tarmac for hours -- and the resultant Passenger Bill of Rights -- could act as
pay

"So when the ice storms hit they had no flexibility in their operations; they had no way to respond effectively; they couldn't be agile. They had no Plan B (and winners always have Plan B)."

"In our high-change, real time world, responsive-ness trumps efficiency. Companies ignore this at their own risk."

What does the BPM solution look like?



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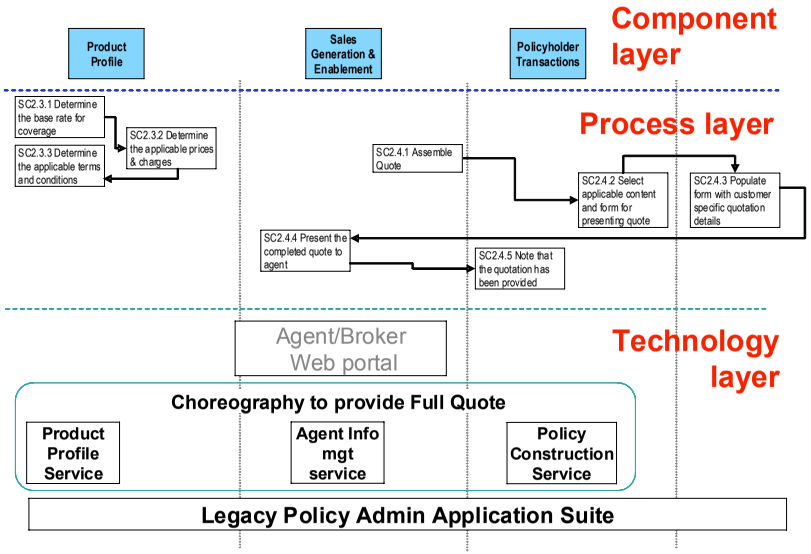
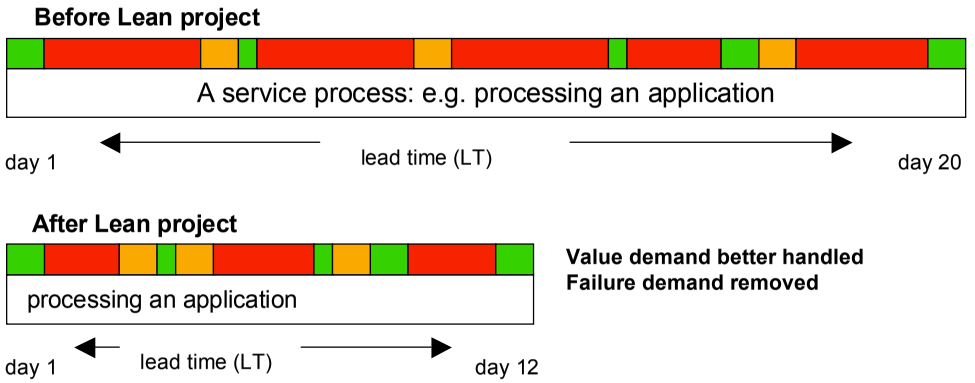
Model – Business Level design and simulation



Can draw down on any process improvement….we use LEAN Sigma



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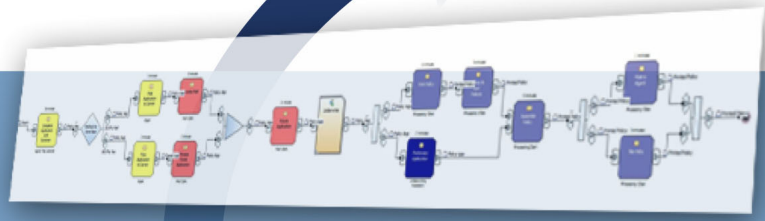
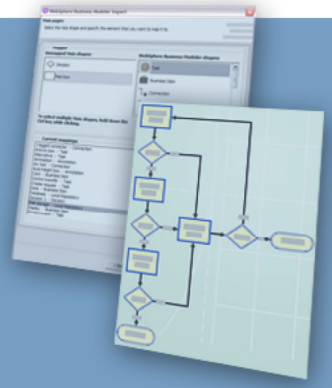
Model – Business Level Modeling and Simulation



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

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



- **Import Visio Models**

Iterative and continuous improvement

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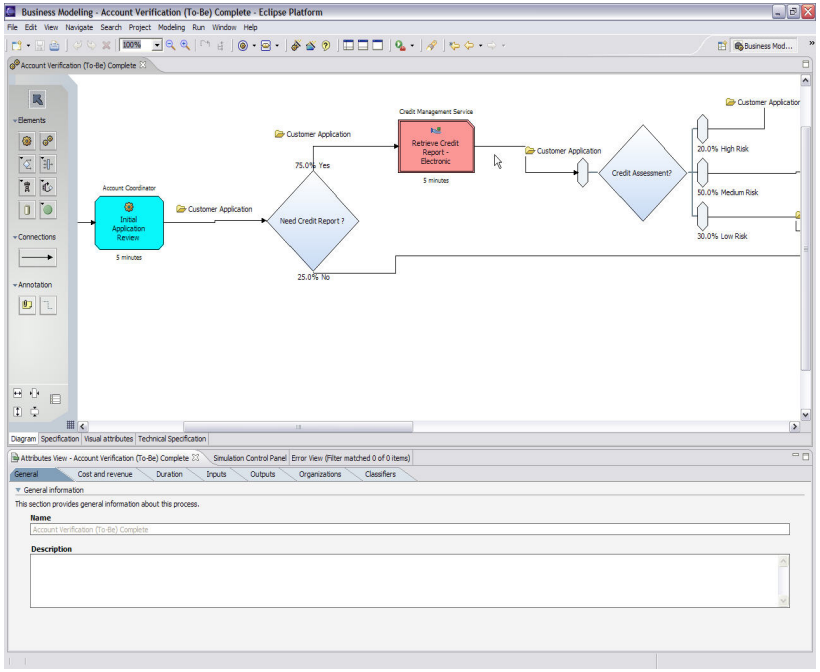
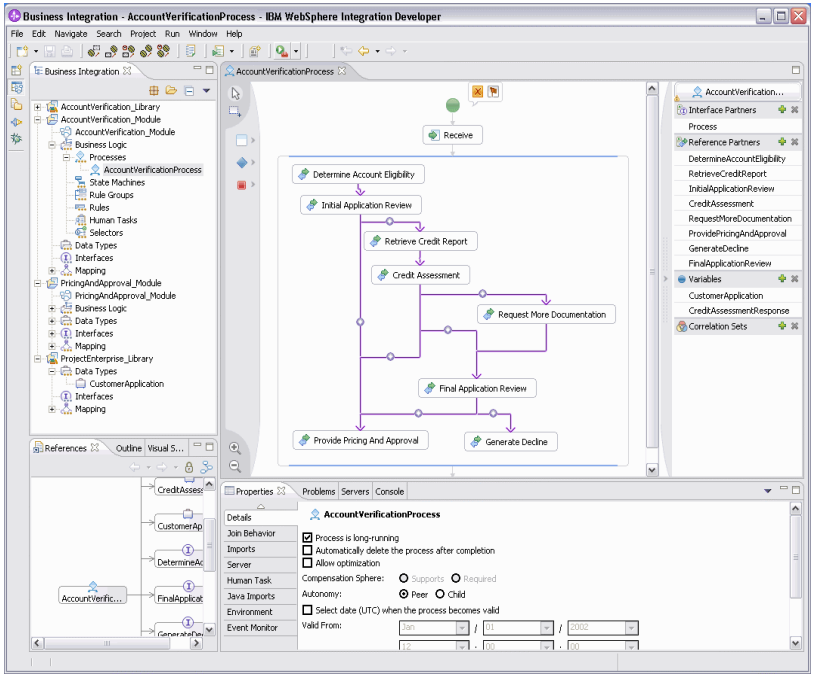
Assemble – Collaborative ‘hand off’ to IT

The Business Process Model is ‘converted’ into the IT Assembly Diagram





BPMN TO BPEL

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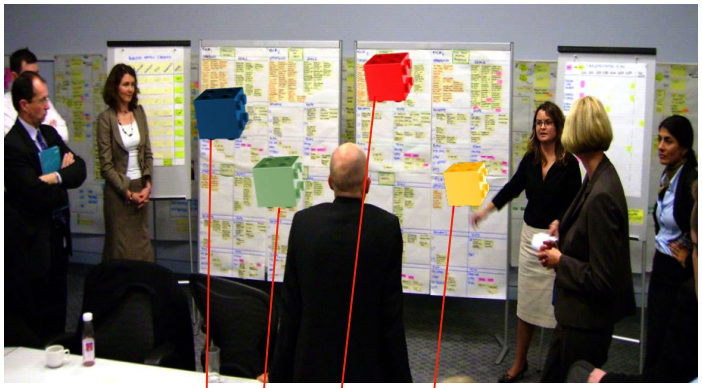
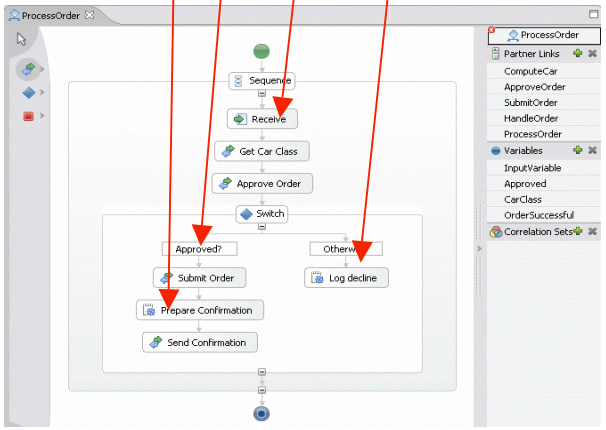
Deploy – Process Choreography and Automation

- Process 'Server' 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, Content and System-centric** BPM Capabilities:
  - *Human to Human; Human to System; System to System; Content and Document Support*

Transform your business from this…



…to this



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Manage – Business Activity Monitoring

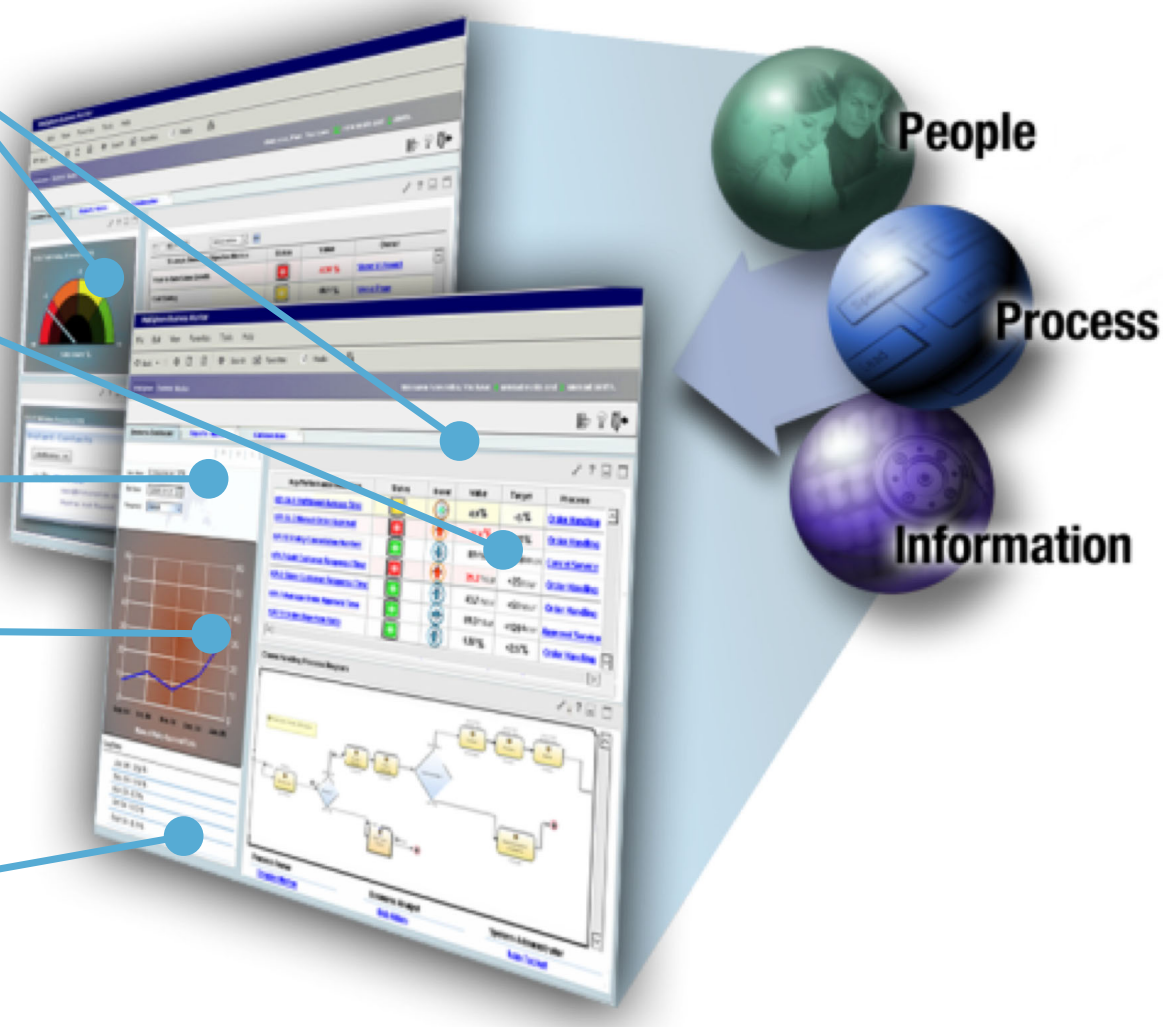
Scorecards
Key Performance Indicators for business units

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



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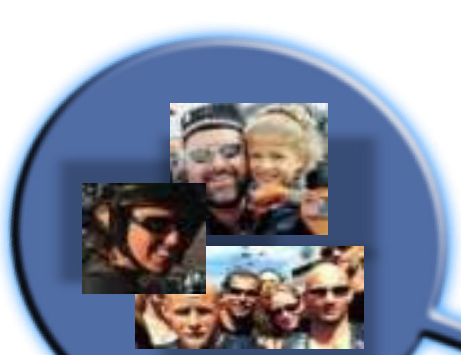
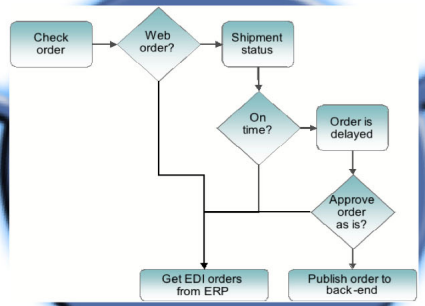
Case - Harley Davidson: Process Entry Point to SOA

Business Challenge: Creating Financial Programmes quickly in support of Marketing directions

Actions & Benefits:



Improve loan processing and flexibility by **uncoupling hard-wired integrations as services** using WebSphere Process Server



Enable existing systems to integrate and exchange data to increase financing options to dealers and customer

Financial Programs that map to Marketing Promotions can be done **faster and lower cost**

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What hard benefit is BPM delivering today?

Case 1: Leverage For Efficiency
by intelligently adapting for optimal performance

Call centre volume down 40% in 3mths
IT asset reuse at 52% after 6 mths
SOA to deliver £110M savings over 5yrs

Case 2: Respond Quickly
with processes based on a flexible infrastructure.

Realised £1.2M savings in the first year and increase in productivity

Case 3: Manage Change
by modeling and analysing existing or new processes.

Reduced mortgage process time by 53%
Achieved 34% gains in efficiency
Estimated annual savings of £2.4M

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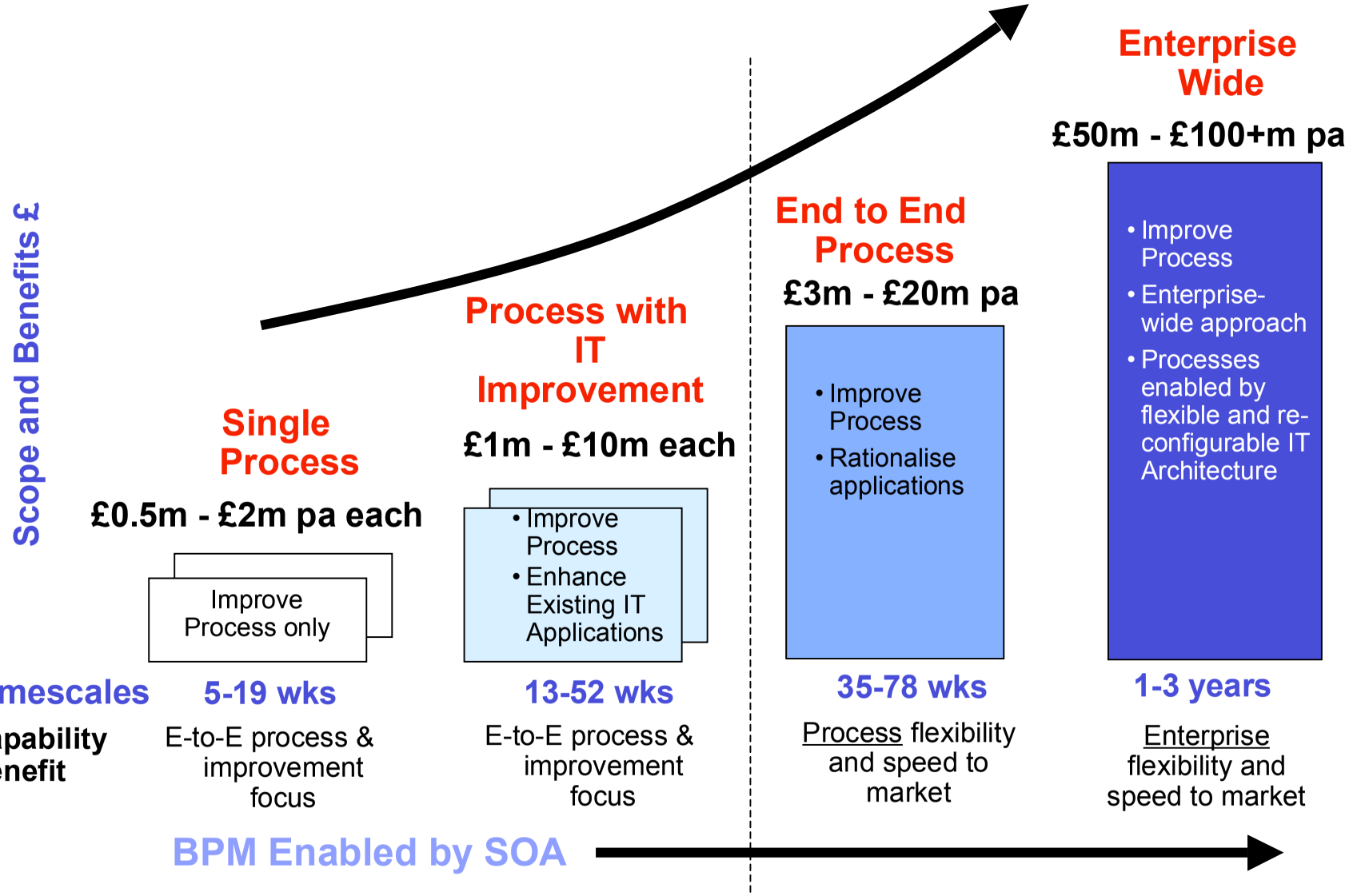
How do the benefits multiply with BPM coverage?



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IBM Leads in BPM Enabled by SOA

- **Business Process Expertise:**
  - **BPM Enabled by SOA Readiness Assessment**
  - **1000+ Lean consultants trained in BPM Methodology and BPM Enabled by SOA Engagement**

- **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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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.

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Business Process Management for Greater Flexibility

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Craig Summers

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