



IBM SOA

Making a Business Impact with SOA and Selling the Value to Your CEO

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General Manager
Application and Integration Middleware



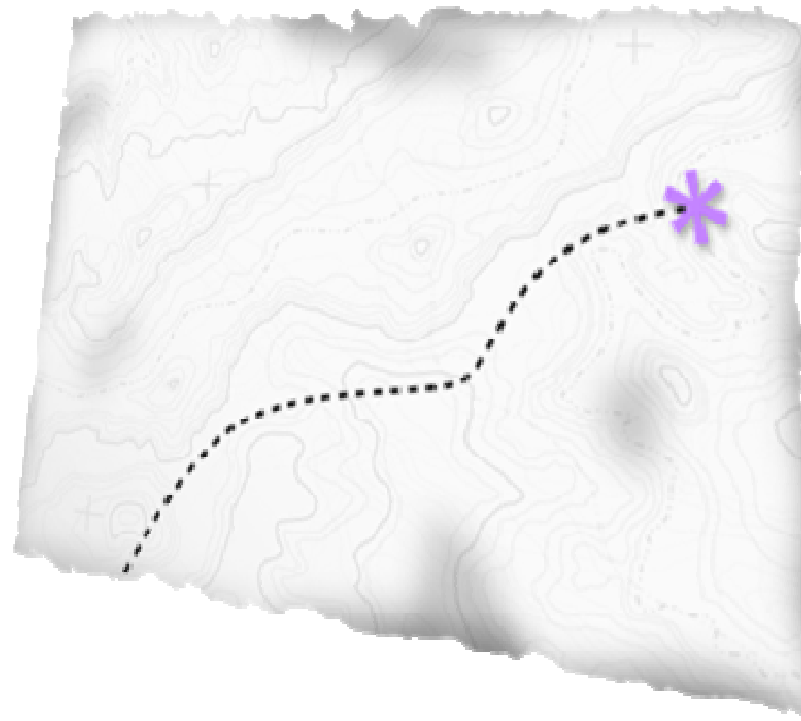
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What is SOA?

... a service?

A **repeatable business task** –
e.g., check
customer credit;
open new
account

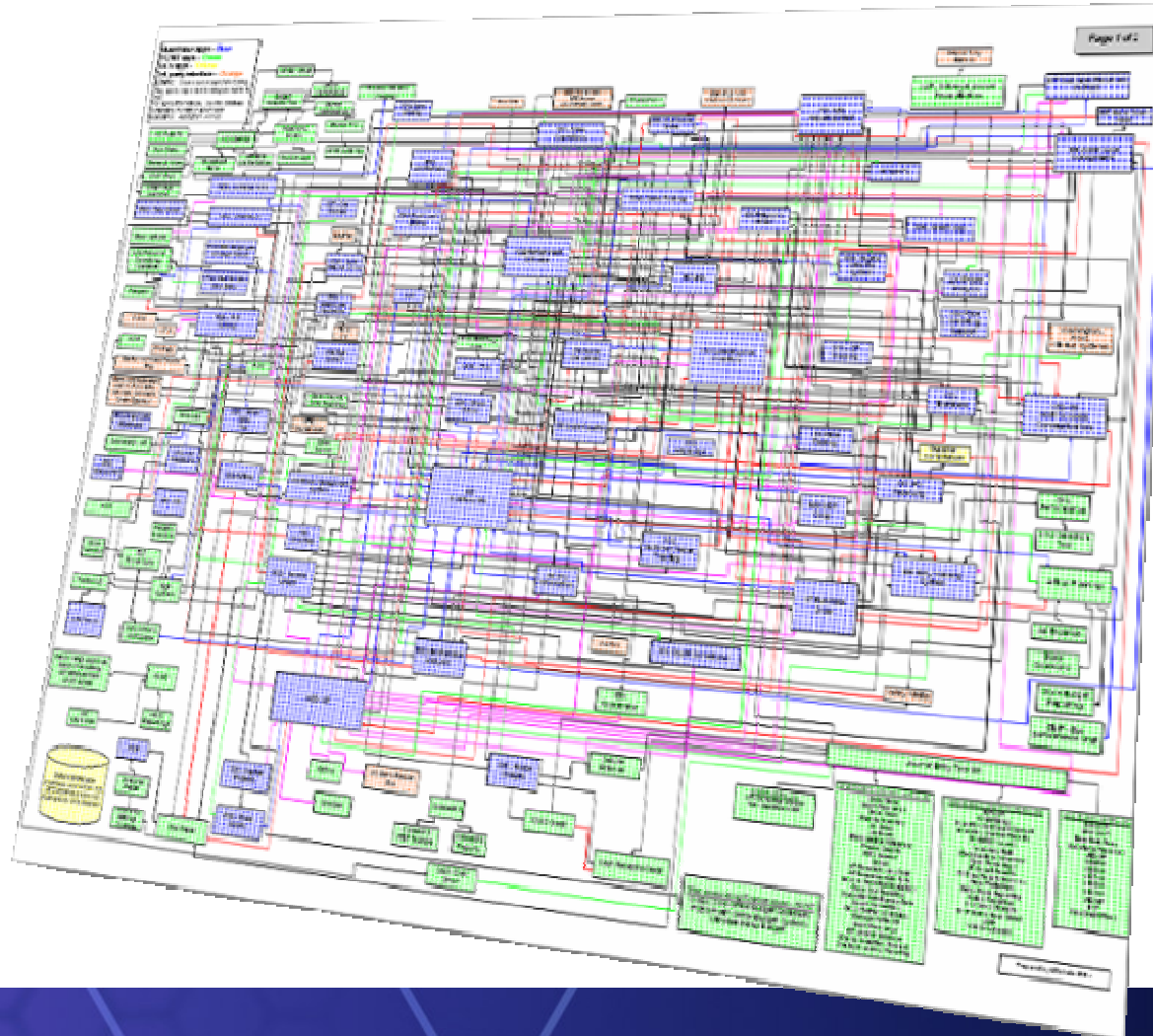


... **service oriented architecture (SOA)?**

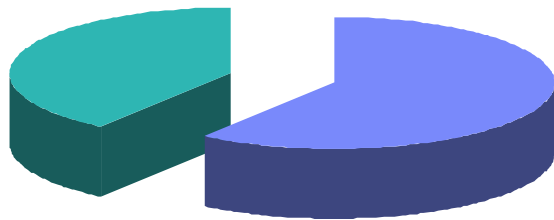
An IT **architectural style** that supports
integrating your
business as
linked
services

SOA can be your treasure map to innovation

...But Does Your Treasure Map
Look More Like This Today?



CEOs are Not Completely Satisfied *With IT's Roles in Providing Business Value Today Yet*



60% satisfied with the overall performance of IT



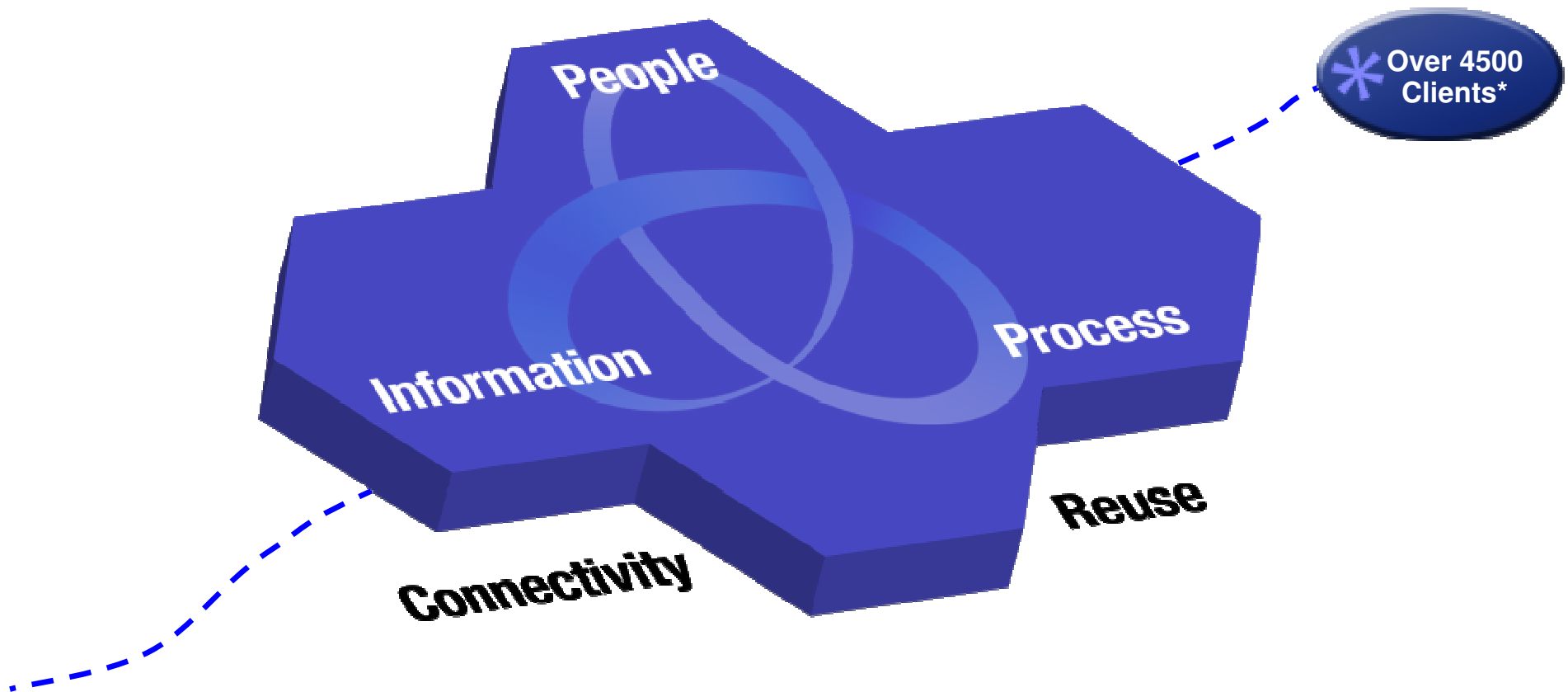
Only 28% see IT as a proactive leader in innovation



Only 30% see IT as a proactive leader in process improvement

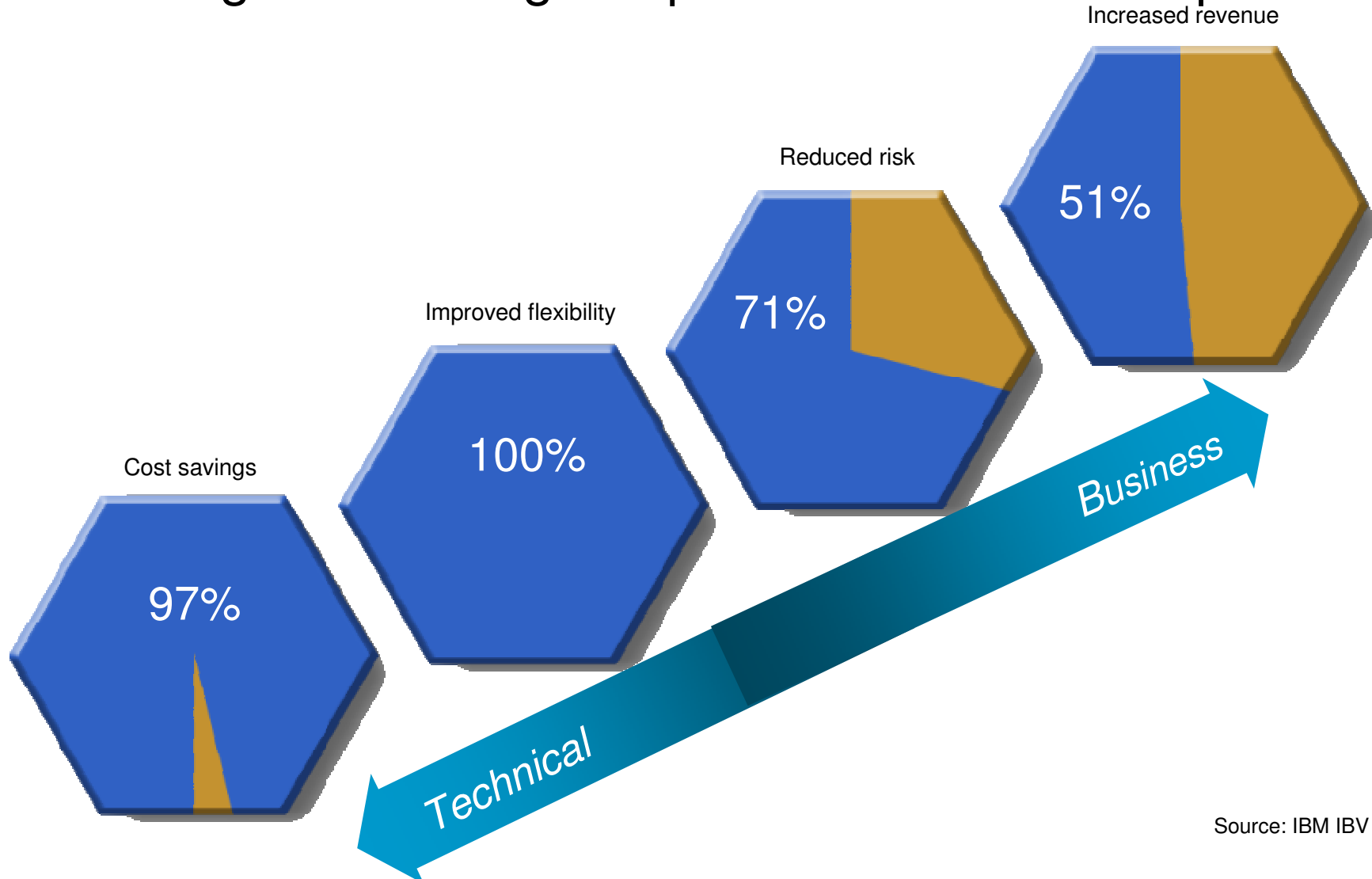
Source: "My View: The CIO And The CEO", by George F. Colony, Forrester, Feb. 7th, 2007

SOA Entry Points



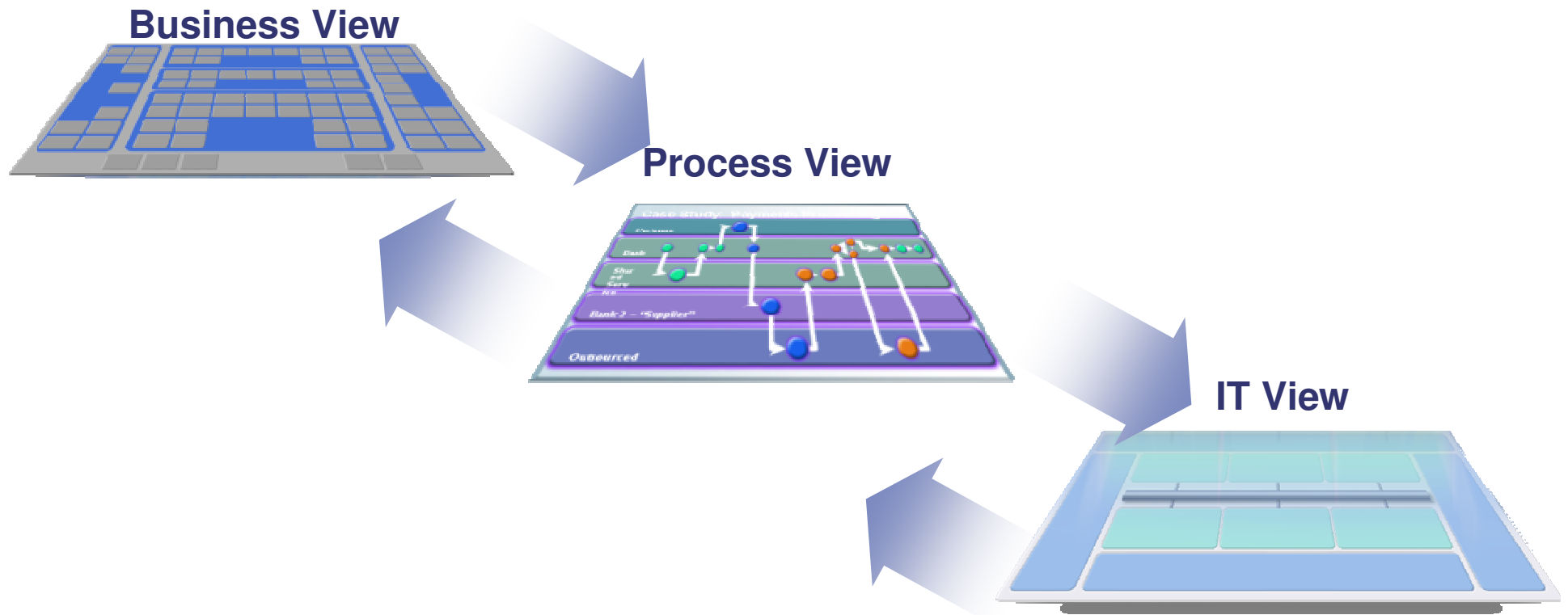
Your Compass to Guide Your Innovation

Percentage of Leading Adopters of SOA Who Report:



Source: IBM IBV Study

SOA Drives Greater Alignment Between Business and IT

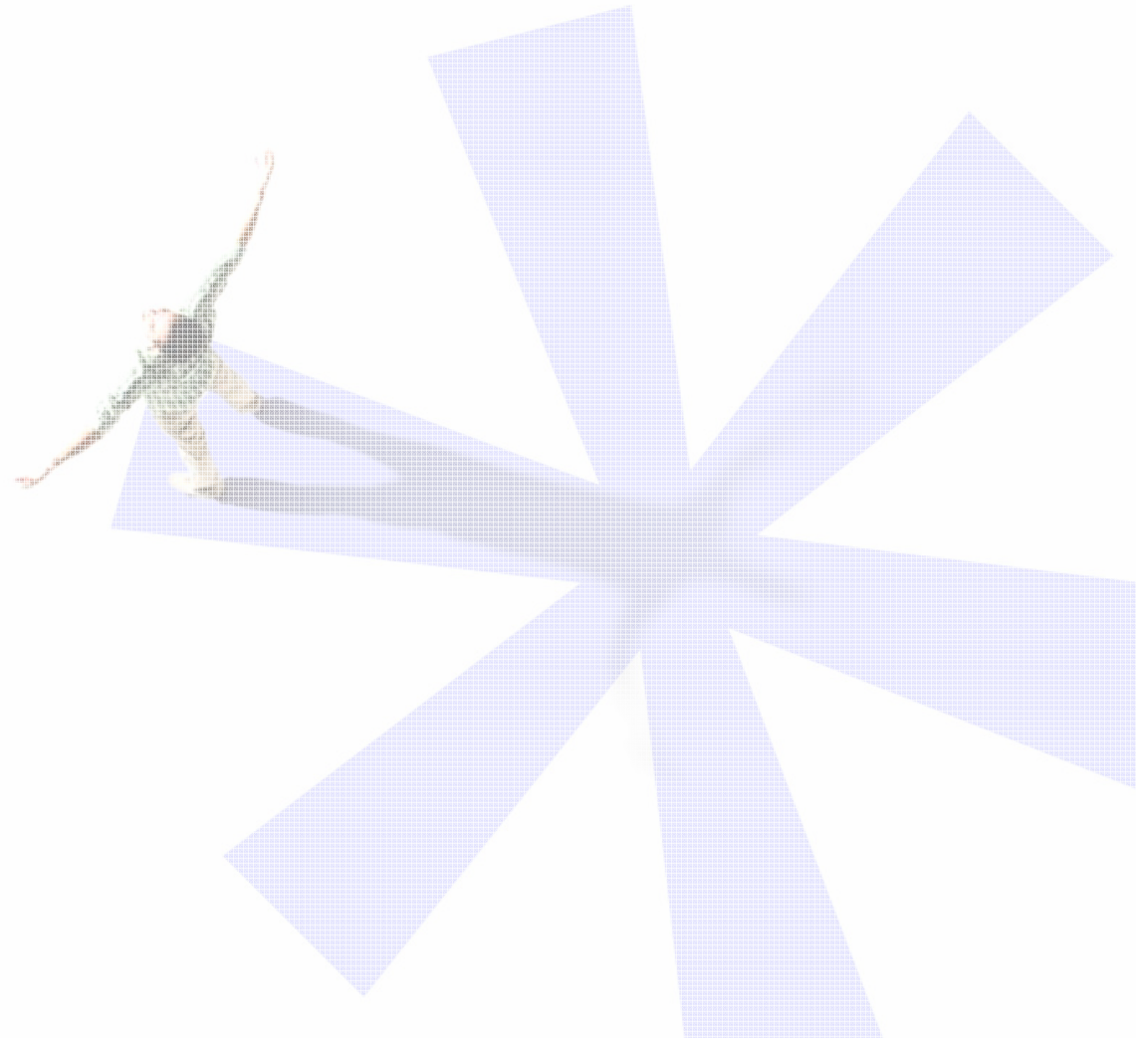


SOA Drives Enduring Impact through:

 Business Impact

 Technical Impact

 Personal Impact

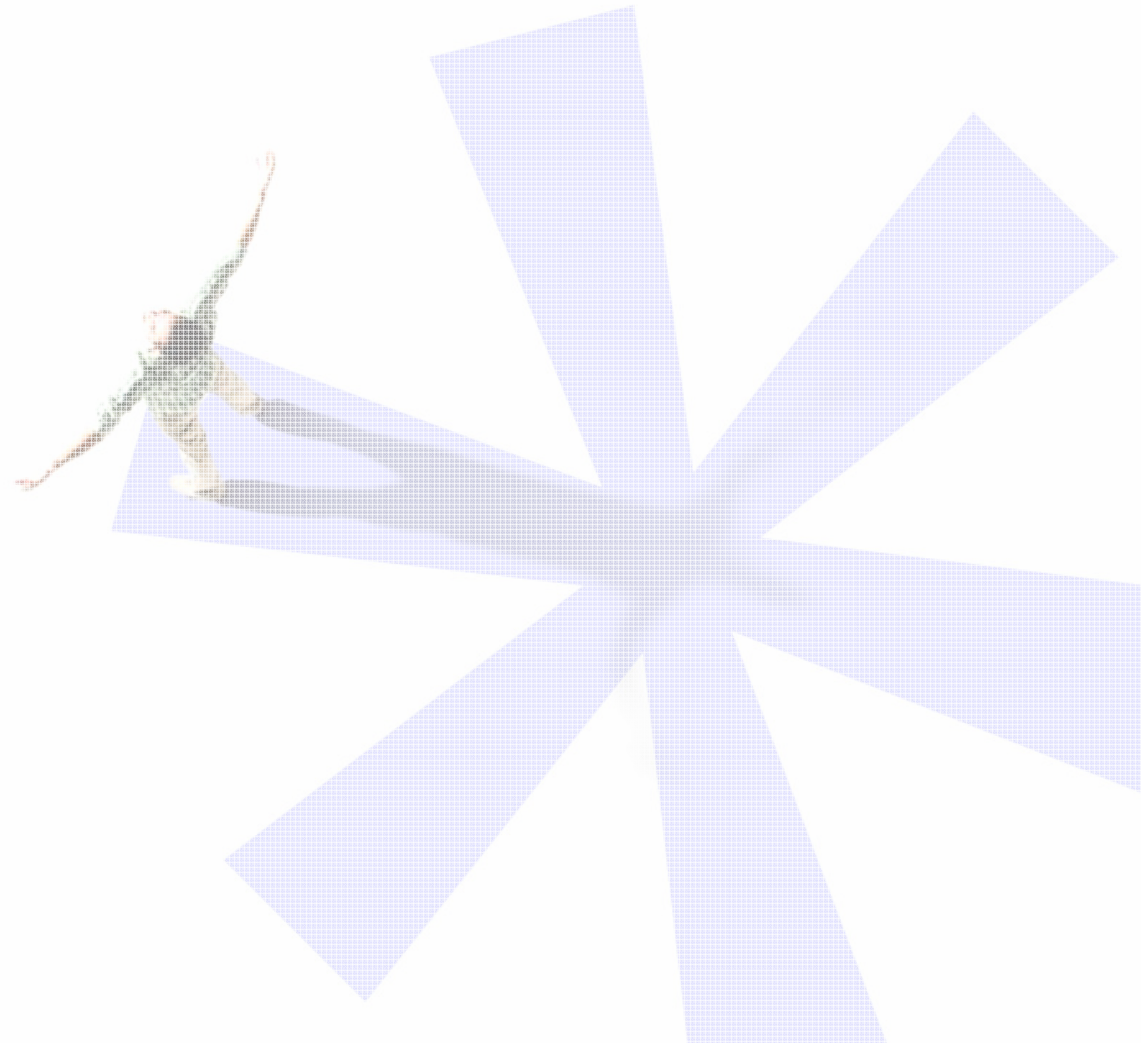


SOA Drives Enduring Impact through:

*** Business Impact**

Technical Impact

Personal Impact



Innovation that Matters To CEOs

Top Innovation Priorities:

- Extend the ability to collaborate inside & outside
- Innovate business models & processes
- Leverage information for business optimization



87% Expect fundamental change in next 2 years

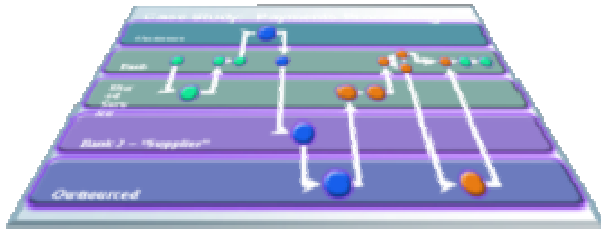
78% Believe innovation requires business and technology

Our SOA Industry Roadmaps can help you get there



Define your Journey

- Assess business areas to improve
- Build SOA transformation plan using blueprint and industry expertise



Embark on your Journey

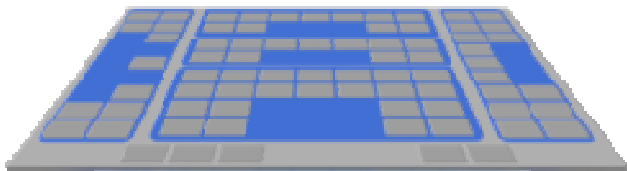
- Leverage industry roadmap and reuse composite business services with BPM
- Deploy with industry-specific capabilities



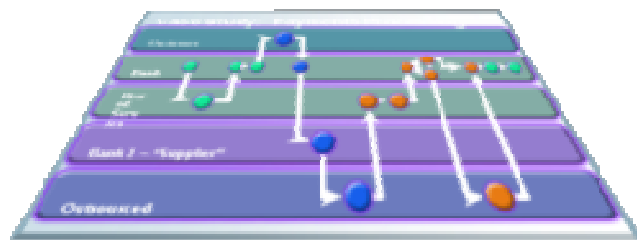
Deliver Benefits

- Reduce operational costs and/or increase revenue
- Adjust using BPM during your journey

SOA Industry Roadmaps are the bridge between the IT View and the Business View

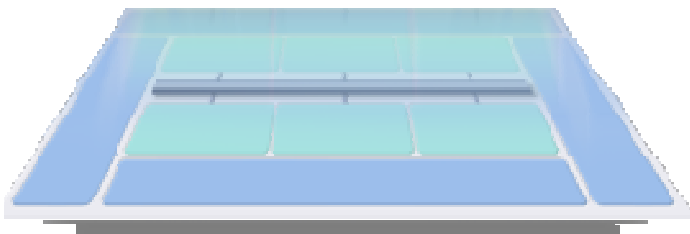


- **Business Blueprint**



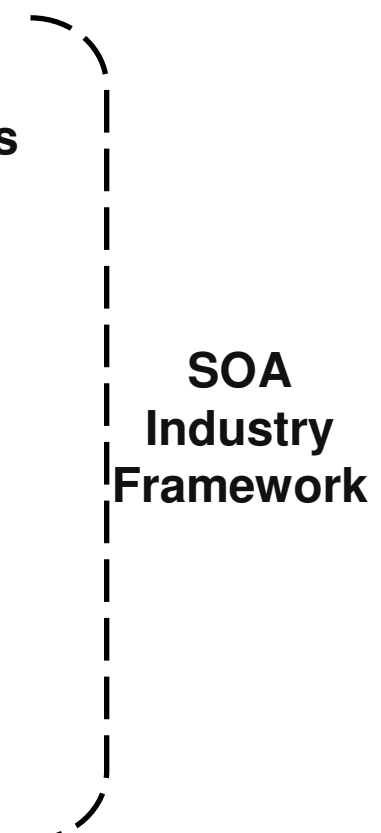
Business Process Management

- **Composite Business Services**
- **Business Partner Content**



SOA Reference Architecture

- **SOA Foundation**

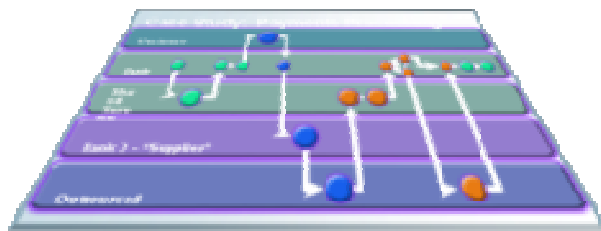


SOA Industry Framework

Example: Insurance Agent Collaboration Roadmap



- Component Business Models for Insurance
- SOA Agent Collaboration Scenario
- SOA Business Case Models



- Auto Quote Composite Business Service
- Home Quote Composite Business Service
- Business Partner Content



SOA Foundation enhanced with capabilities like Insurance Models

**SOA
Industry
Framework**

Storebrand improves agility by integrating business processes with IBM solution.

Business need:

Improve business agility, ability to make timely and informed business decisions and provide better customer service

Solution:

Implement SOA based on IBM software

Benefits:

Ability to handle five times as many customers

Improved customer service through 24x7 online access and ability to view all orders

Enhance access customer and product data for business insight



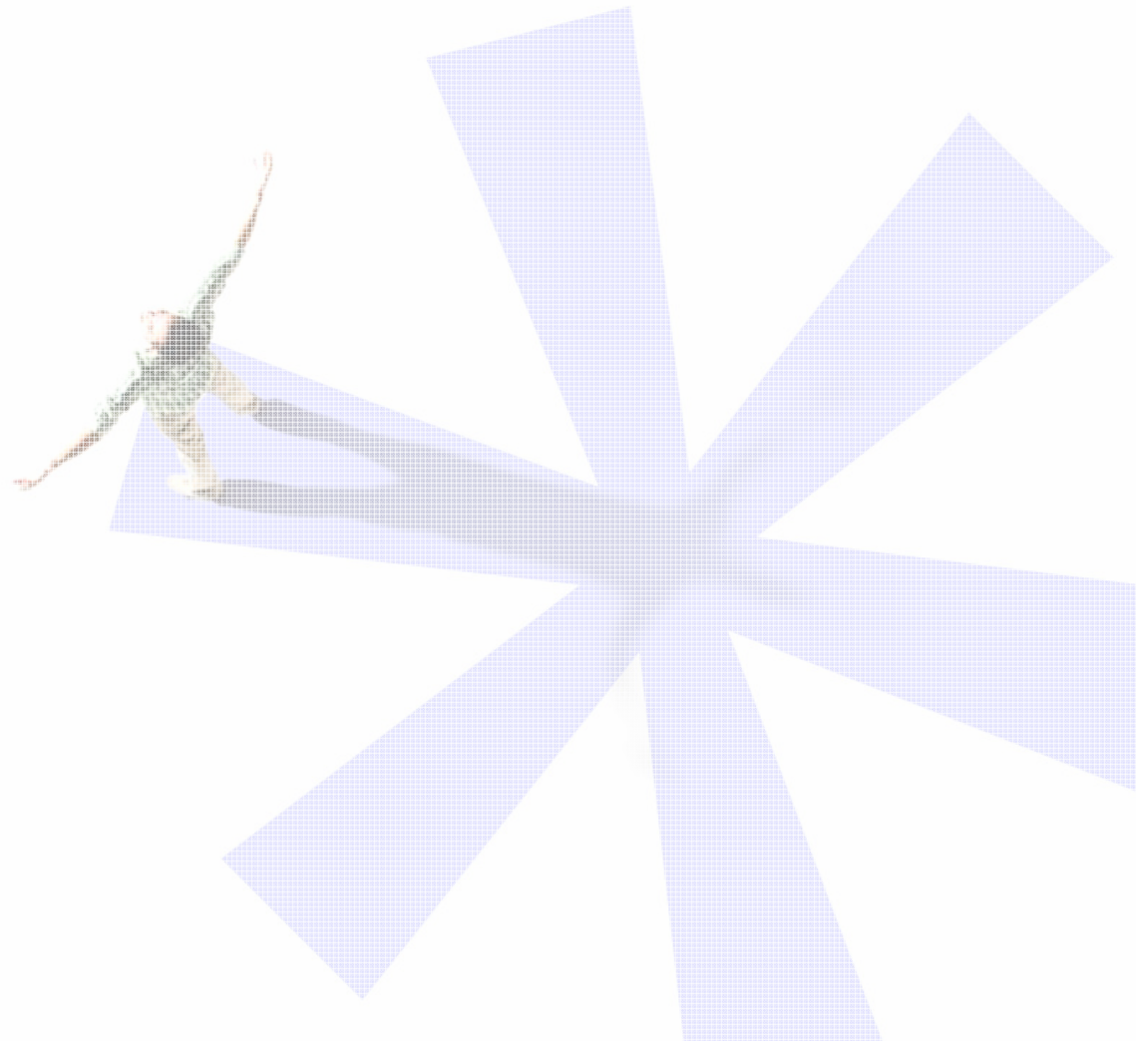
 storebrand

SOA Drives Enduring Impact through:

Business Impact

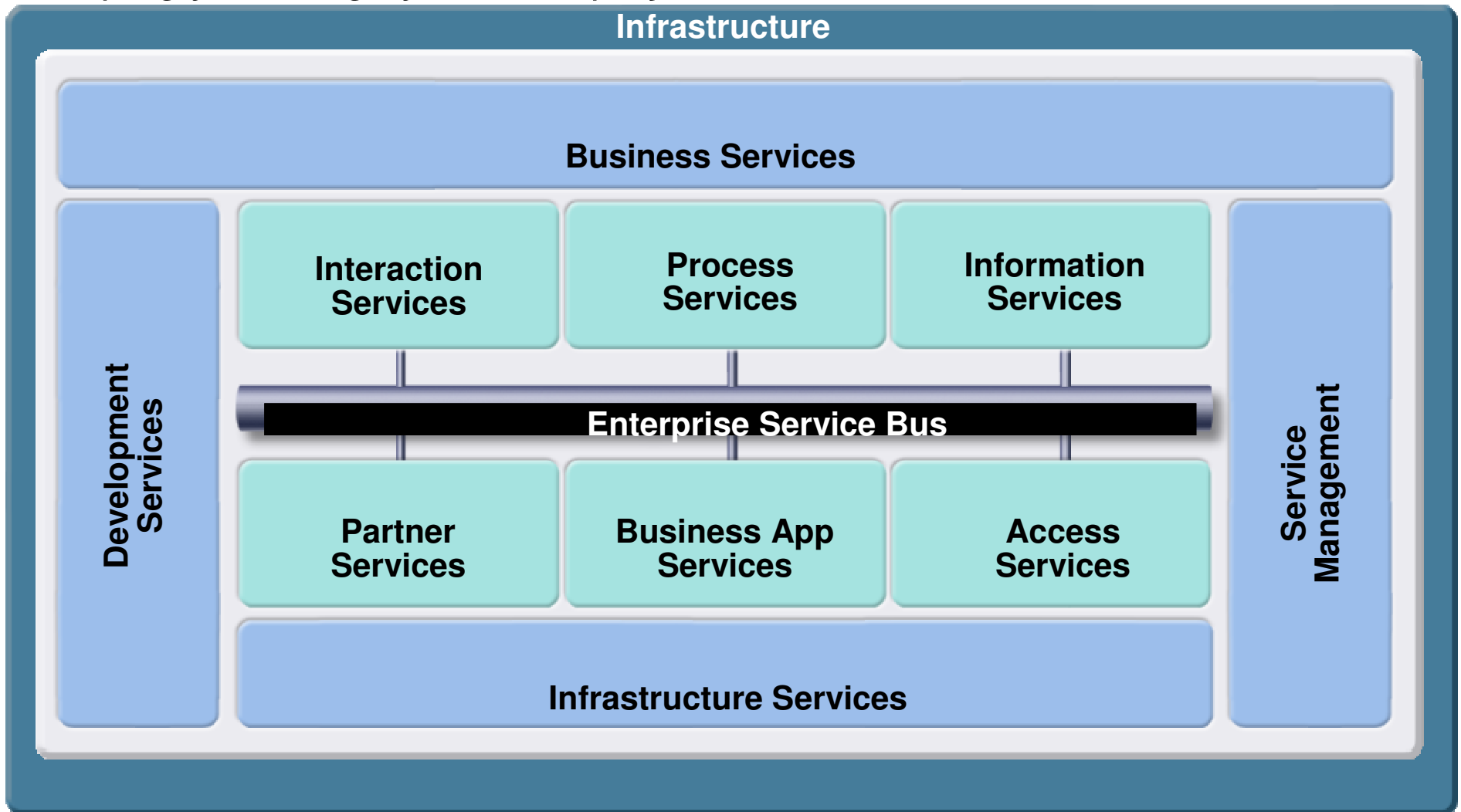
 **Technical Impact**

Personal Impact

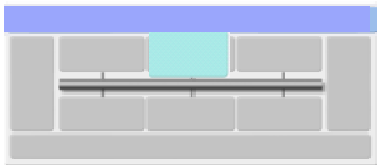


SOA Reference Architecture

Helping you design your SOA projects

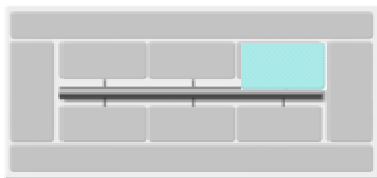


SOA Entry Points



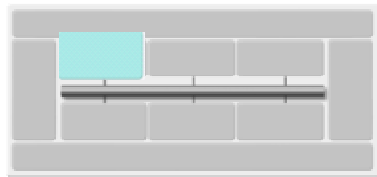
Process

- *WebSphere Process Server on System z*



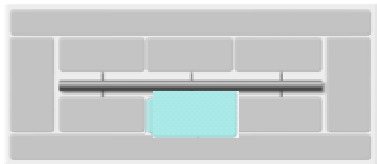
Information

- *Dynamic Warehousing*



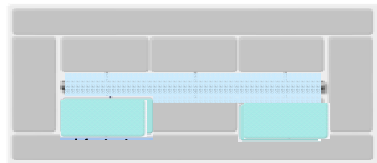
People

- *WebSphere Portal*



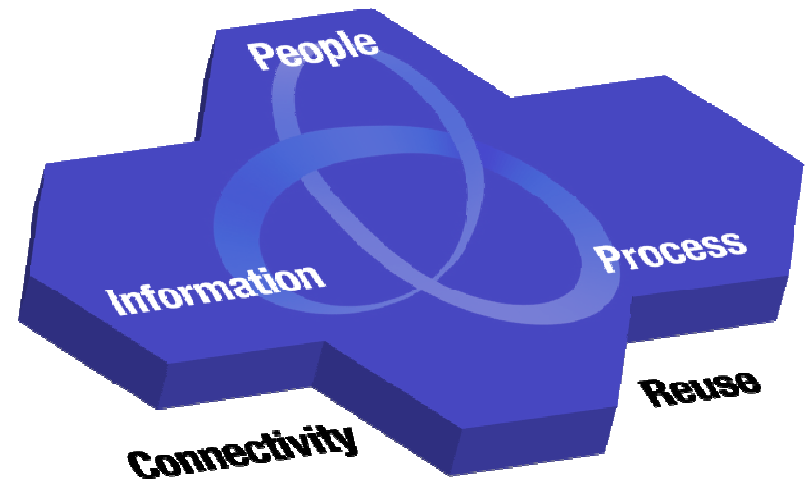
Reuse

- *Web Services Feature Pack for WebSphere Application Server*



Connectivity

- *WebSphere DataPower SOA Appliance*



Cross-SOA Entry Points

- *System p configurations for SOA Entry Points*
- *Business Process Management*

Technical Impact: IT Value With SOA

Reuse: Service Enable What Have

*24% Faster ROI
Through SOA!*

*Source: The ROI of SOA. Poulin & Himler –
LogicLibrary Inc White Paper 2006*



Over \$15M Saved

Connectivity: Mission Critical SOA

- Robust Scalability
- High Security
- Recoverability
- Manageable



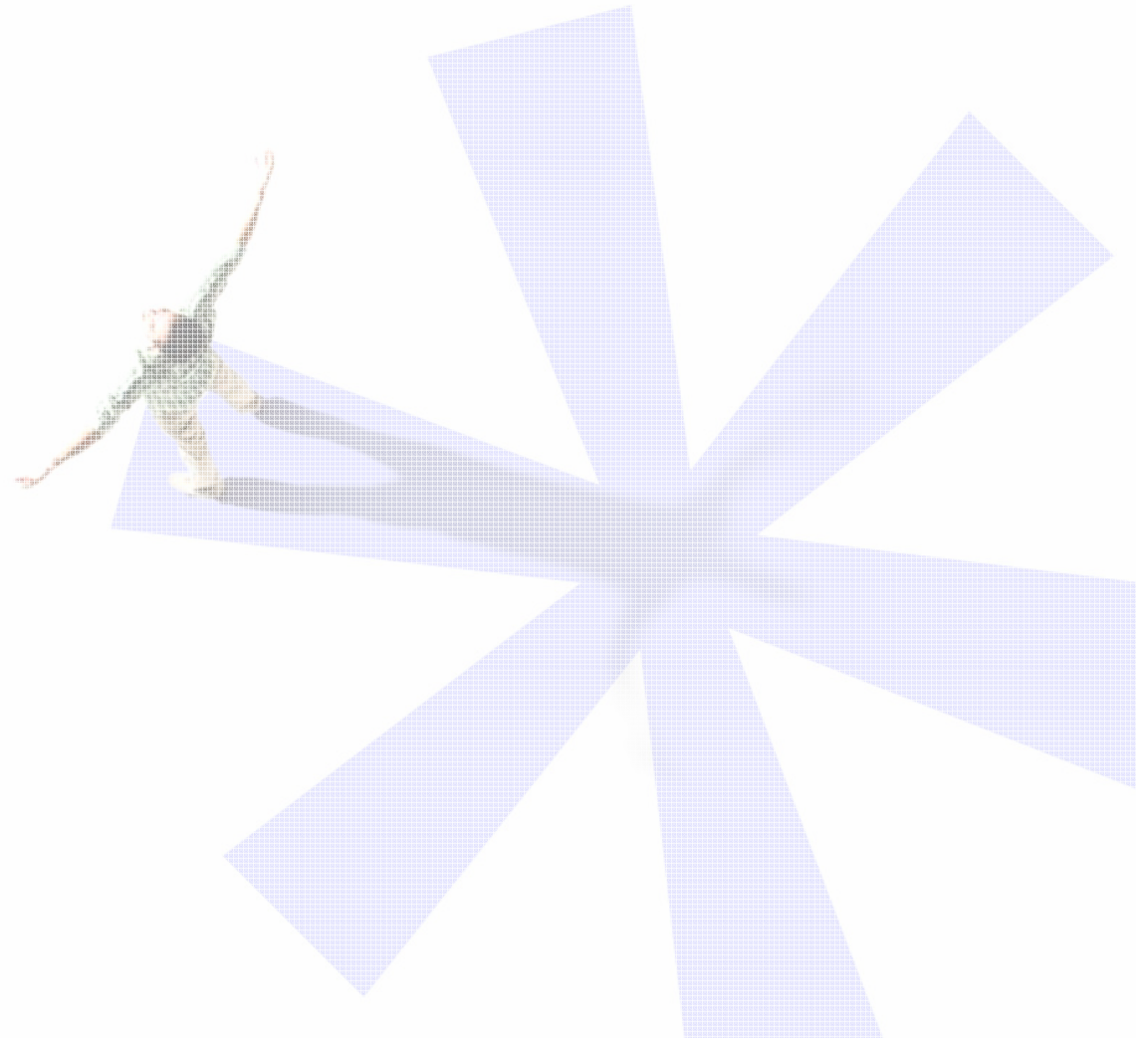
16 month project;
Cut development time by 35%

SOA Drives Enduring Impact through:

Business Impact

Technical Impact

 **Personal Impact**

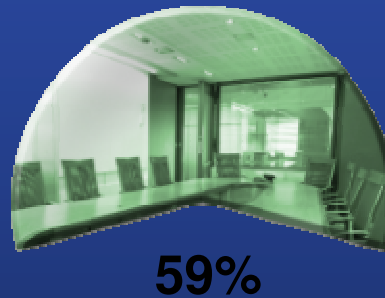


Personal Impact: SOA Drives IT and Business Alignment through CIOs

CIO is Part of the Executive Committee:

WITH SOA

WITHOUT SOA



CIOs who pursue SOA have a seat at the business leadership table

Average Compensation of CIOs

WITH SOA

WITHOUT SOA

\$250,000

\$159,000

Budgets as a % of revenue

WITH SOA

WITHOUT SOA

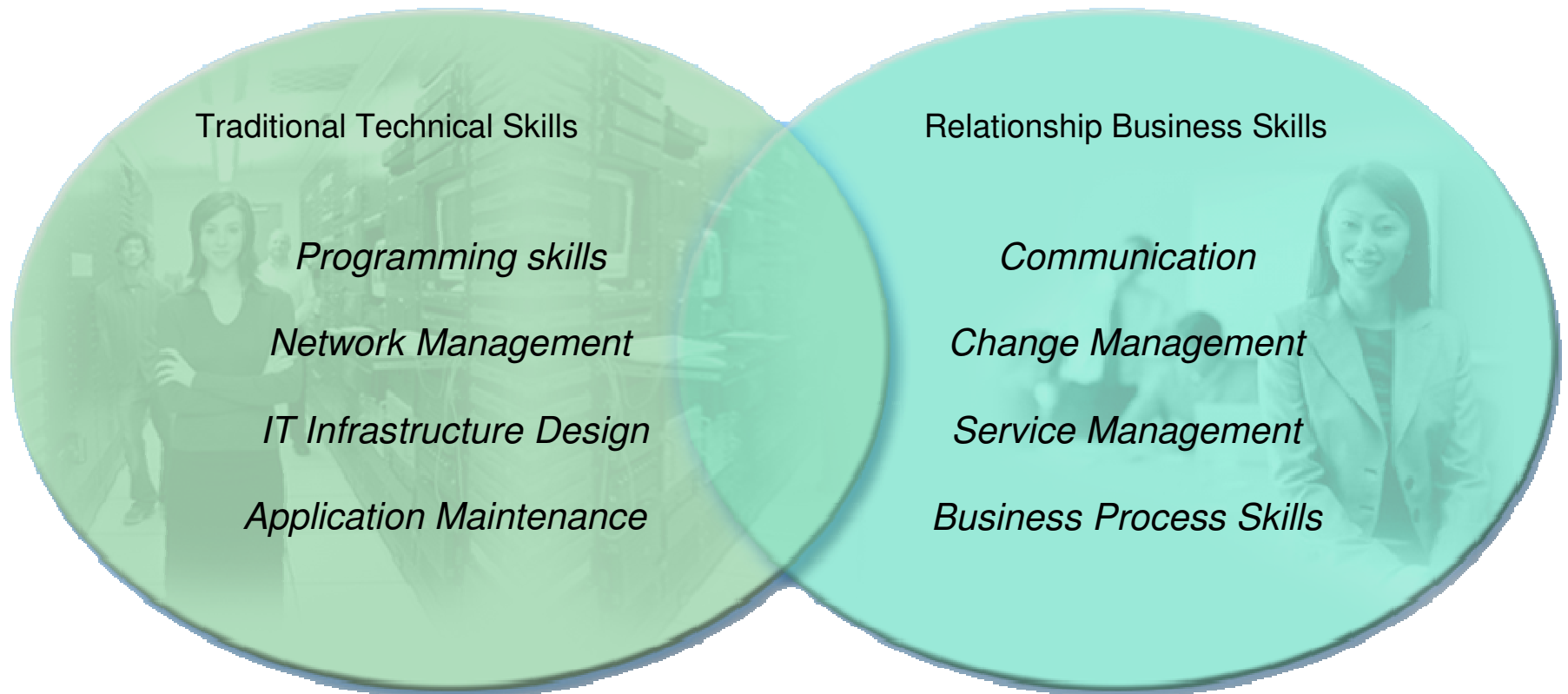
8.9%

5.8%

How Does SOA Affect You?

SOA requires interdisciplinary thinking...

Businesses need more IT professionals to be able the APPLY technology to solve business problems!



Improve your SOA skills today

- Get “T- shape”
 - Blend business and technology skills
- www.ibm.com/soa
 - Videos, Whitepaper, Case studies
- Learn by playing
 - Gaming options BPM simulator
 - Second life education
- Get Certified
 - At your pace





IBM SOA

Selling SOA to Your CEO

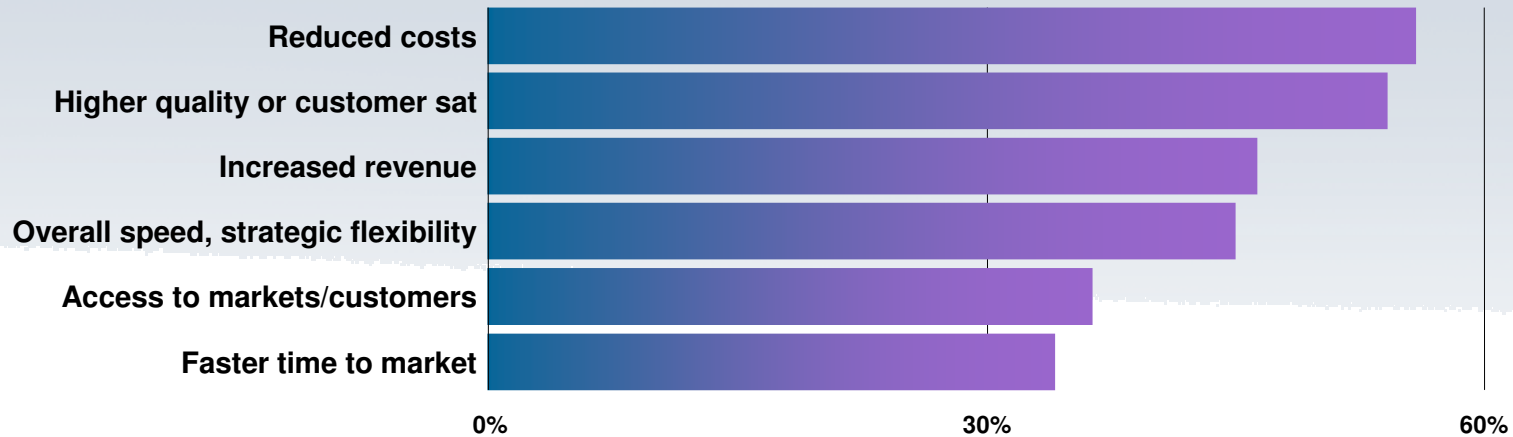


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CEO Sees Benefits with Alignment of Business and IT

CEO Sees Benefits:



“Helps integration and collaboration with external parties”

“Good way to reduce costs”

“Results in increased productivity”

“Enables daring ideas”

“Technology... its about excellence and keeping pace”

Source: 2006 IBM Global CEO Survey

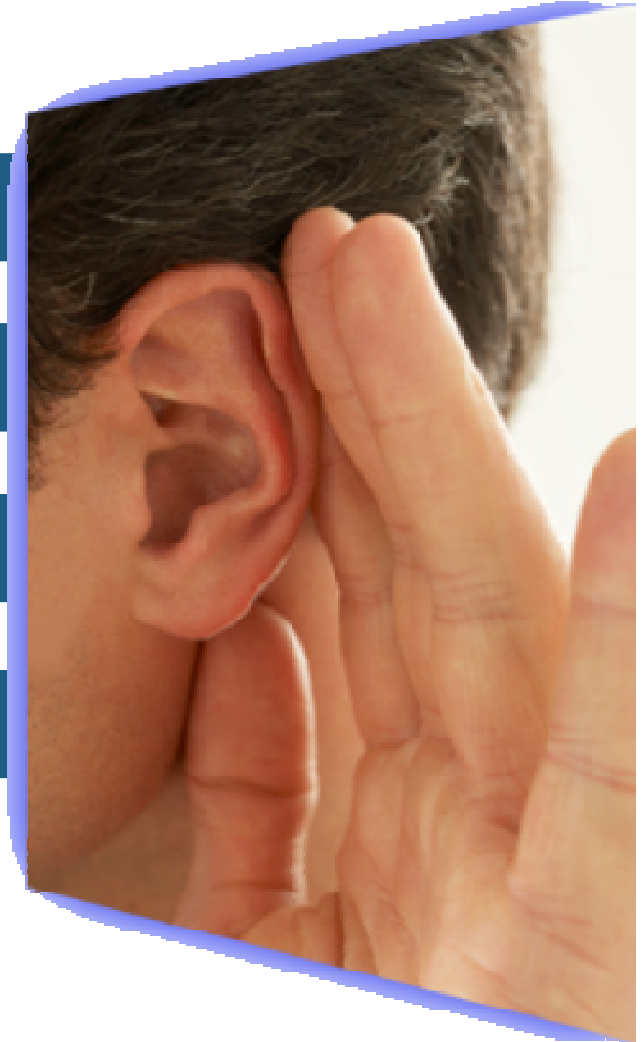
Things to Remember When Talking SOA to Your CEO

Don't Call It SOA

Pick Projects with Tangible Benefits

Build a Value Focused Business Case

Reference Third Party Validation



Don't Call It SOA

Explain the value and benefits in business terms that reflect the organization's goals – such as cost reduction, productivity, competitive advantage, etc. – before diving into a technical conversation



SOA Projects Have Many Faces

Financial Management
(SOX Compliance)



Marketing, Sales and Services
(Contact Center Optimization)



Supply Chain
(Inventory Management)

Product Lifecycle Management
(Value Chain Integration)



Human Capital Management
(Employee Self-Service)

Cardinal Health Sees Real Business Value through SOA



Traditional Approach

- 1200 hours of development
- Several components
- Multiple technologies
- Custom built
- TCO increases over time
- Reuse is harder
- Hinders future COTs

SOA Approach

- 30 hours of development
- 1 component
- Minimal custom work
- TCO reduced by more than half
- No impact on future COTs
- Reuse is simple

40X improvement

ROI and Time to Value

Pick Projects with Tangible Benefits



When selecting those small test projects, choose to integrate and automate those business processes that can have the most widespread, positive impact across the organization



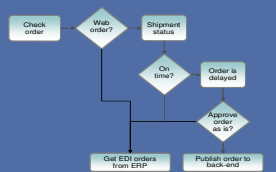
Pep Boys: Value of People, Process, and Information

Business Challenge: Improve Customer Loyalty

Actions & Benefits:



Created **SOA based** store integration framework to improve business flexibility



Created **information services** to provide information real time to enhance customer services



Deployed to > 590 stores in less than 12 months to achieve **rapid ROI**

Services based Integration of retail & auto service front ends



Reused function in existing POS system to protect investment

Capabilities used: WebSphere Business Integration, WebSphere MQ, DB2 Express, SurePOS 300 systems and IBM Services.

Online SOA Business Value Analyzer

Leverage Tools to Help you Identify Which Entry Point to Start

Provides a thorough evaluation of your goals and how to address these goals through IBM Entry Point projects



**Link to Online SOA Business Value Analyzer:
www.ibm.com/soa/value**

Build a Value Focused Business Case



Outline the immediate and long-term results from this strategy while avoiding discussions about specific version numbers and technical jargon



Start by Modeling and Simulating

Modeling For

- Documentation & Compliance
- Redesign & Optimization
- Execution

Simulation To

- Identify High Impact Process Changes
- Justify Process Changes
- Understand impact

KPIs and Aggregate Metrics

The KPIs section provides information about key performance indicators (KPIs) calculated across multiple runs of the process.

Name	Type	Aggregation Function	Aggregation Source	Use Target	Target
Average Claim Am.	Float	Average	Claim Amount	<input checked="" type="checkbox"/>	10000.0
Average Claim Dur.	Duration	Average	Process Expected Dur.	<input checked="" type="checkbox"/>	2.0hrs
Percent Express PA.	Float	User Defined	(1 - Total Express PA.)	<input checked="" type="checkbox"/>	30.0

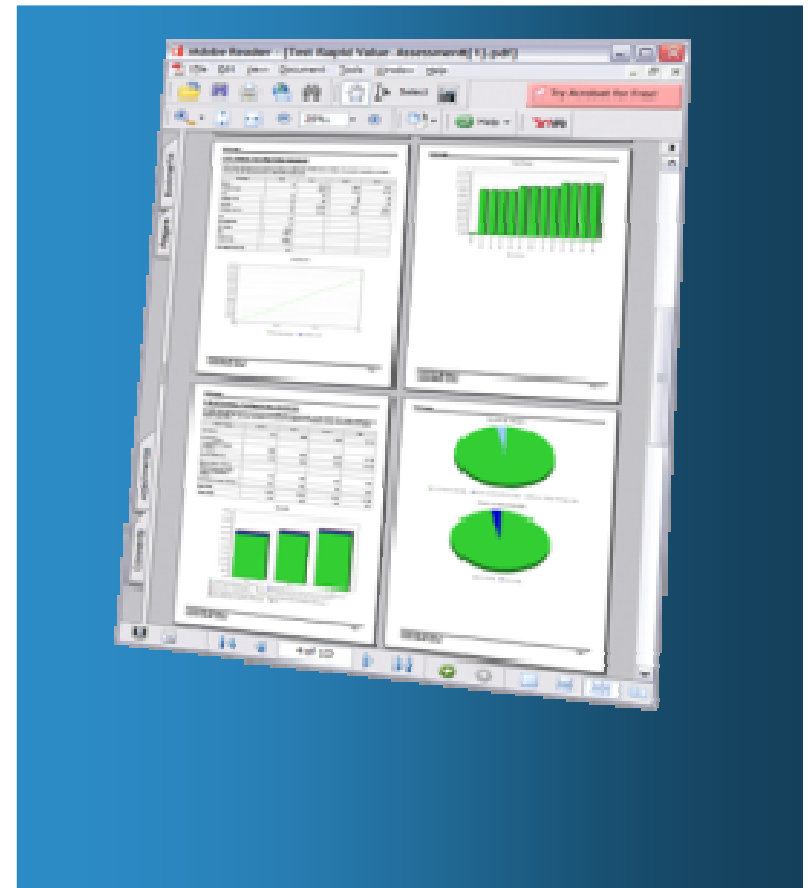
Process Cost Comparison

Simulation Detail Name	Process Name	Straight Average Revenue	Straight Average Processing Cost	Straight Average Life Cost	Straight Average Allocated
Original Claims Process	ExpressClaim	\$0.00	\$490.00	\$0.00	\$0.00
Express Claims Process	ExpressClaim	\$0.00	\$395.75	\$0.00	\$0.00
Difference		\$0.00	\$94.25	\$0.00	\$0.00
Percentage Change		0%	19.23%	0%	0%

Define the Value

SOA Rapid Value Assessment Tool

- ROI Tool leverages IDC/Alinean Data as a foundation
- Designed to help create value realization for your project
 - *Projected costs*
 - *Expected savings*
 - *Financial analysis*
 - *Calculated ROI*



Contact WSAC@US.IBM.COM

Reference Third Party Validation



Cite analyst data on the growth and adoption of service oriented architectures and point to relevant SOA success stories within your industry (and by your competitors)



Leverage Analyst Reports

Gartner Reports

"IBM Invests in Skills and Industry Solutions for the SOA Market"

By David Cearley, Michele Cantara, Charles Abrams,
June 1, 2007

"IBM Continues to Flesh Out Its SOA Strategy"

By David W. Cearley, Paolo Malinverno, Massimo Pezzini,
November 2006

www.Gartner.com

Forrester Reports

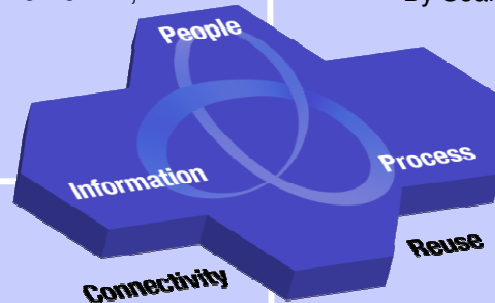
"Planned SOA Usage Grows Faster Than Actual SOA Usage: Business Data Services North America, Europe and Asia Pacific"

By Randy Heffner, February 28, 2007

"The Forrester Wave™: EMEA SOA Integration 4Q06"

By Sean Sweeney, December 2006

www.Forrester.com



Ovum Summit Reports

"Integrating IBM – Can the Sum Exceed the Value of the Parts?"

By Tom Kucharvy, January 2007

"IBM Orchestrates a Comprehensive SOA Strategy"

By Dwight Davis, July 2006

www.Ovum.com

AMR Reports

"SOA and BPM for Enterprise Applications: A Dose of Reality"

By Bill Swanton, Ian Finley, May 2007

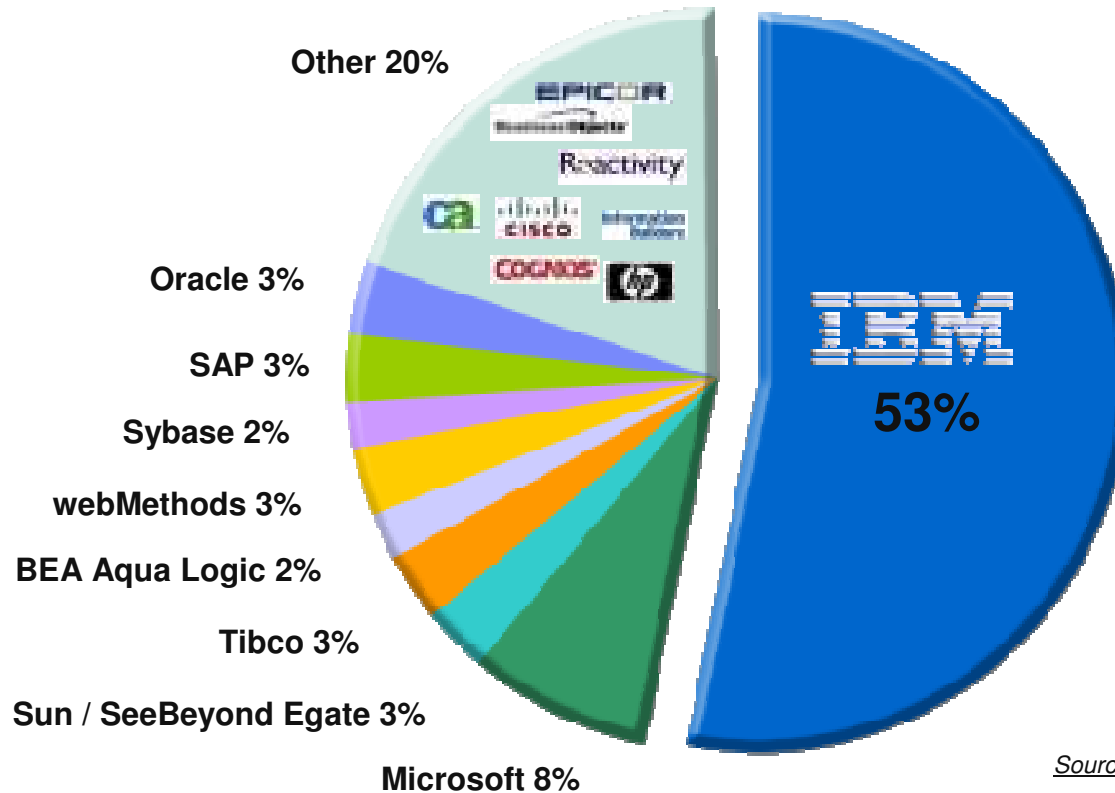
"Global SOA Survey: Patterns in Adoption"

By Ian Finley, February 2007

www.AMR.com

According to WinterGreen Research: SOA Market Leadership

Worldwide Services Oriented Architecture (SOA) Engine and Collaboration License, Services and Maintenance Market Shares, 2006
2006 Market Share



*Source: WinterGreen Research, April 2007
SOA Engines and Components only*

Customers Continue Success via SOA Entry Points

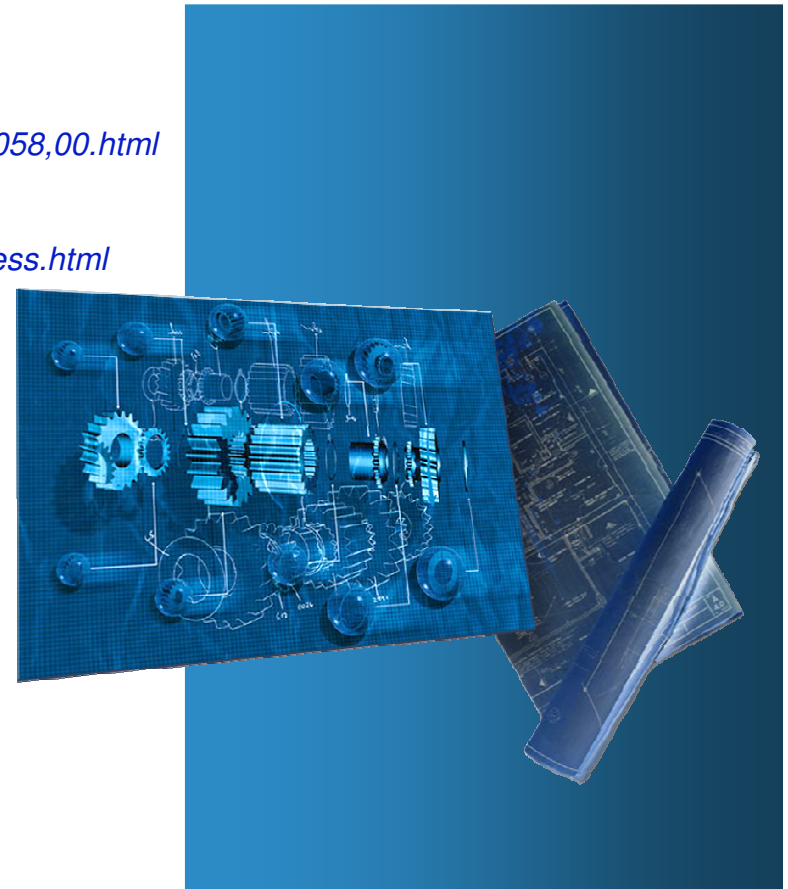
What is it?

	People	Greater productivity and flexibility through targeted user interactions for improved operations and collaboration
	Process	Achieve business process innovation through treating tasks as modular services
	Information	Provide trusted information in business context by treating it as a service
	Reuse	Service-enable existing assets and fill portfolio gaps with new reusable services
	Connectivity	Connect systems, users, and business channels based on open standards

Significantly reduced time/cost required to integrate older applications with new SAP modules

Act Now: Sell Your SOA Project to Your CEO!

- **Learn the new language of business**
 - Read article “*Selling SOA to the CEO*”
http://searchwebservices.techtarget.com/tip/0,289483,sid26_gci1240058,00.html
 - New book “*The New Language of Business: SOA and Web 2.0*” at:
<http://www-306.ibm.com/software/solutions/soa/newlanguageofbusiness.html>
- **Take the SOA Readiness Assessment:**
 - Discover your level of maturity for SOA adoption at:
www.ibm.com/soa/assessment
- **Leverage Rapid Value Assessment Tool**
 - Contact WSAC@US.IBM.COM
- **Subscribe to the IBM SOA Newsletter**
 - See SOA Newsletter at: www.ibm.com/soa
- **Go to solution demos**



Contact your IBM representatives or Business Partner for Business Value with SOA

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