



IBM SOA

Leveraging SOA for Business Model Innovation

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Service Oriented Architecture

One of IBM's Central Long Term Strategy Commitments

Information
On Demand

IT Services Management

Service Oriented Architecture

Information
Technology
Optimization

New
Business
Model
Creation



Key Components of the SWG Strategy

Delivering Business Value through a Next Generation Open Software Platform

**Business Process
Flexibility**

People Productivity

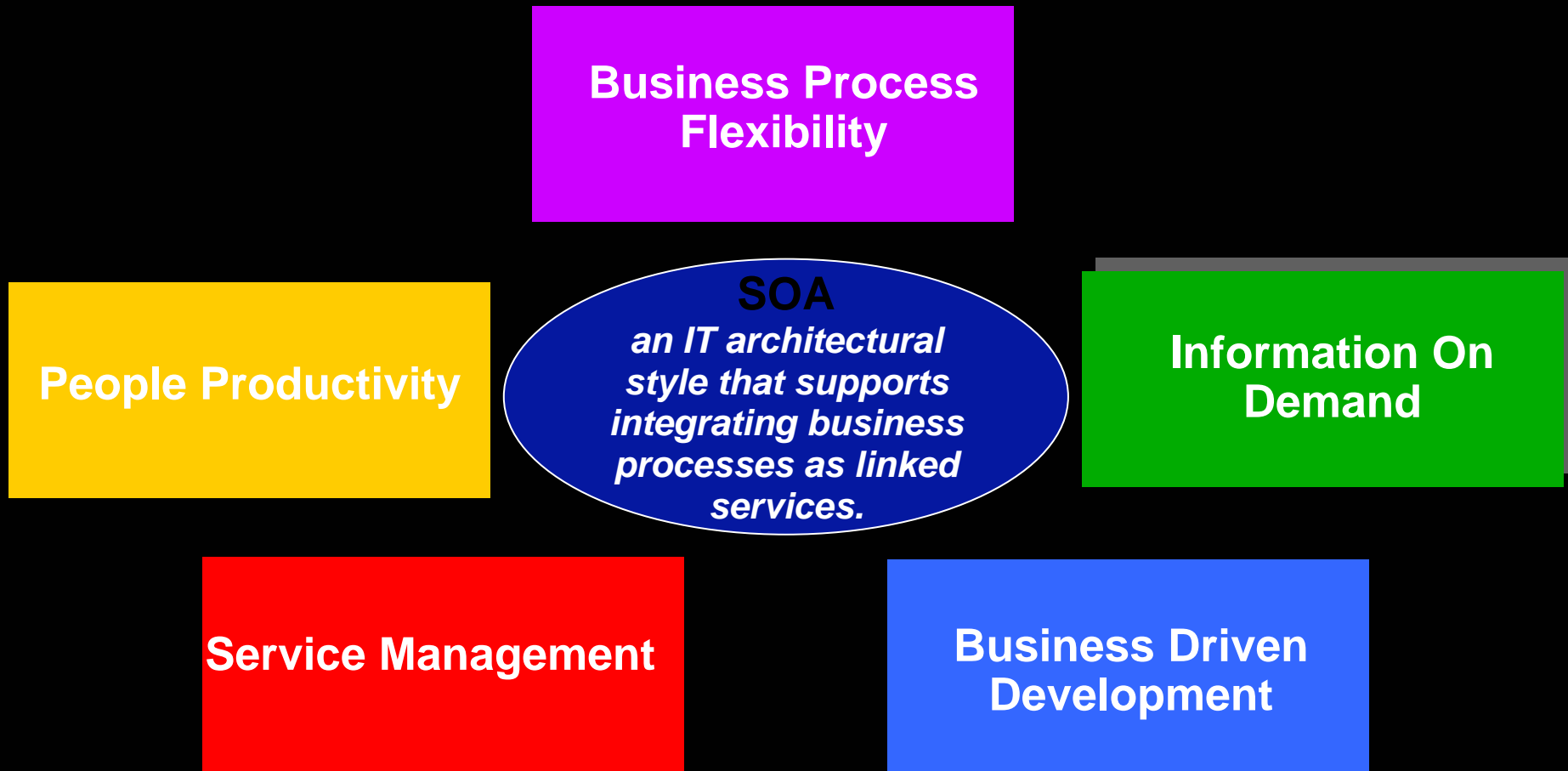
**Information On
Demand**

Service Management

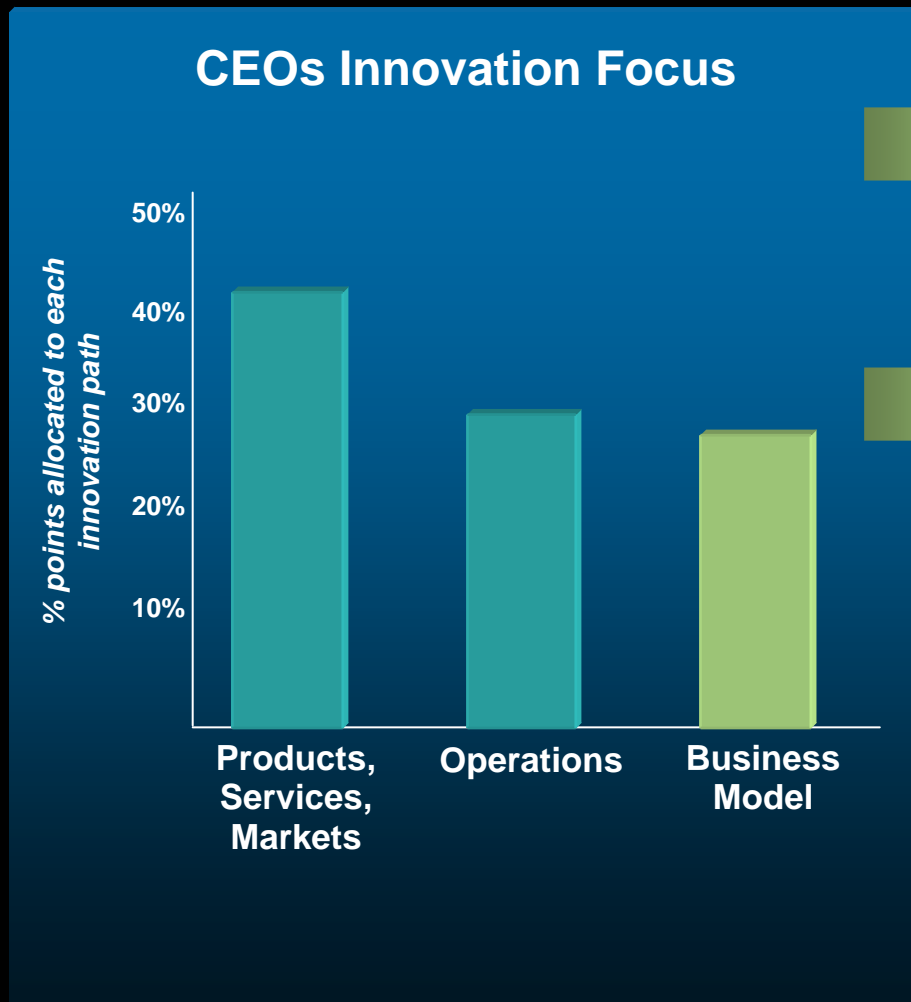
**Business Driven
Development**

Key Components of the SWG Strategy

Delivering Business Value through a Next Generation Open Software Platform



Business Model Innovation is a Top Priority for CEOs



“The business model we choose will determine the success or failure of our strategy.”

“Products and services can be copied, the business model is the differentiator.”

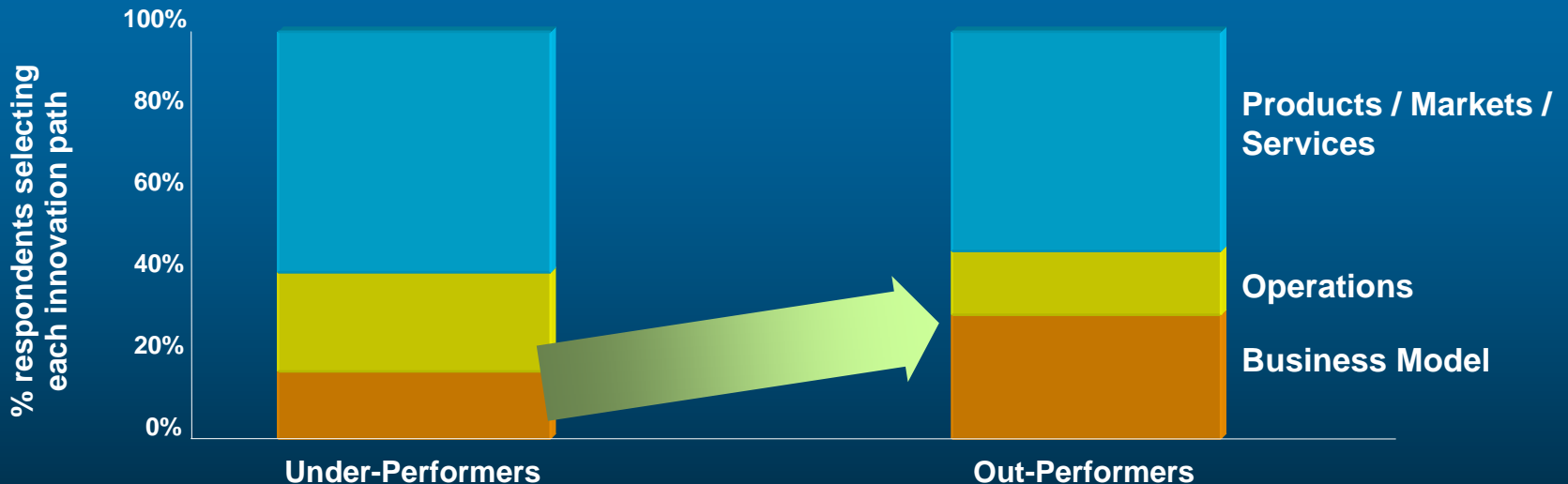
“Our greatest focus is on business model innovation, which is where the greatest benefits lie.”

Source: IBM Global CEO Study 2006 (765 CEOs, Business Executives and Public Sector Leaders)

Profit Outperformers

Focus on Business Model Innovation More Frequently than Underperformers

Innovation Type Selections for Out and Under Performers
(Operating Margin CAGR)



Business Model Innovation is defined as...

Innovation in the structure and/or financial model of the business

Source: IBM Global CEO Study 2006 (765 CEOs, Business Executives and Public Sector Leaders)

Shifting & Optimizing Business Models

Has Been Considered a Slow and Arduous Process

*But a combination of industry-specific expertise & technology innovation is reducing the **time** barriers to change*

- Companies are optimizing business models by combining industry expertise with the enabling technology of Service Oriented Architecture
- This combination is creating a new set of solutions for quickly adapting to ever changing market environments
- Examples of business model optimization:
 - Innovative partner alliances to enter new markets
 - Diversified channel networks to provide new services
 - Expanded supplier ecosystems to mitigate risks
 - Cross-industry services to attract new customers

Business Goals and Challenges are Industry-specific *... and SOA is responding with vertically-focused answers*

Question: How do I.....

- Harness the expertise and best practices of an ecosystem rather than a single vendor?
- Overcome the rigid, static nature of traditional business support?
- Support my unique business processes that change as I evolve?



Answer: With Business Services Built on SOA

Business Services Platform

Technology on which to model, assemble, deploy and manage industry-specific business services

Business Services

Pre-built services based on industry best practices and policies, delivered by an ecosystem of providers (Business Partners or IBM)



Industry specific **Business Services** leverage:

- Interaction Services
- Process Services
- Information Services
- Access Services
- Partner Services
- Business Application Services

IBM Industry Models

Corporate Standards for Services and Information

... includes IBM Insurance Application Architecture (IAA), IBM Information Framework (IFW) and IBM Financial Markets Industry Models

- **Proven** – Used by 7 of the top 10 banks and insurance companies worldwide
- **Business-ready** – Fosters improved collaboration between business and IT
- **Compliant** – Subject matter experts have distilled compliance regulations into statutory reporting and business process requirements
- **Comprehensive** – Content from multiple client engagements is turned into a suite of interrelated service, data, and process models



“ IBM Insurance Application Architecture seems to be a great fit for us due to the significant amount of engineering placed in the development of truly integrated blueprints.”

USAA Worldwide Insurance



“ What IBM has in the Information Framework is the conceptual underpinnings to the financial industry – almost like a financial industry operating system.”

National Australia Bank Group

SOA-Enabled Business Model Innovation

Entry points to business model innovation occur in different areas, depending upon specific industry market pressures and individual organizational needs

- **Front Office Innovation**

- New collaborative solutions across partners, customers and suppliers

- **Core Business Process Innovation and Transformation**

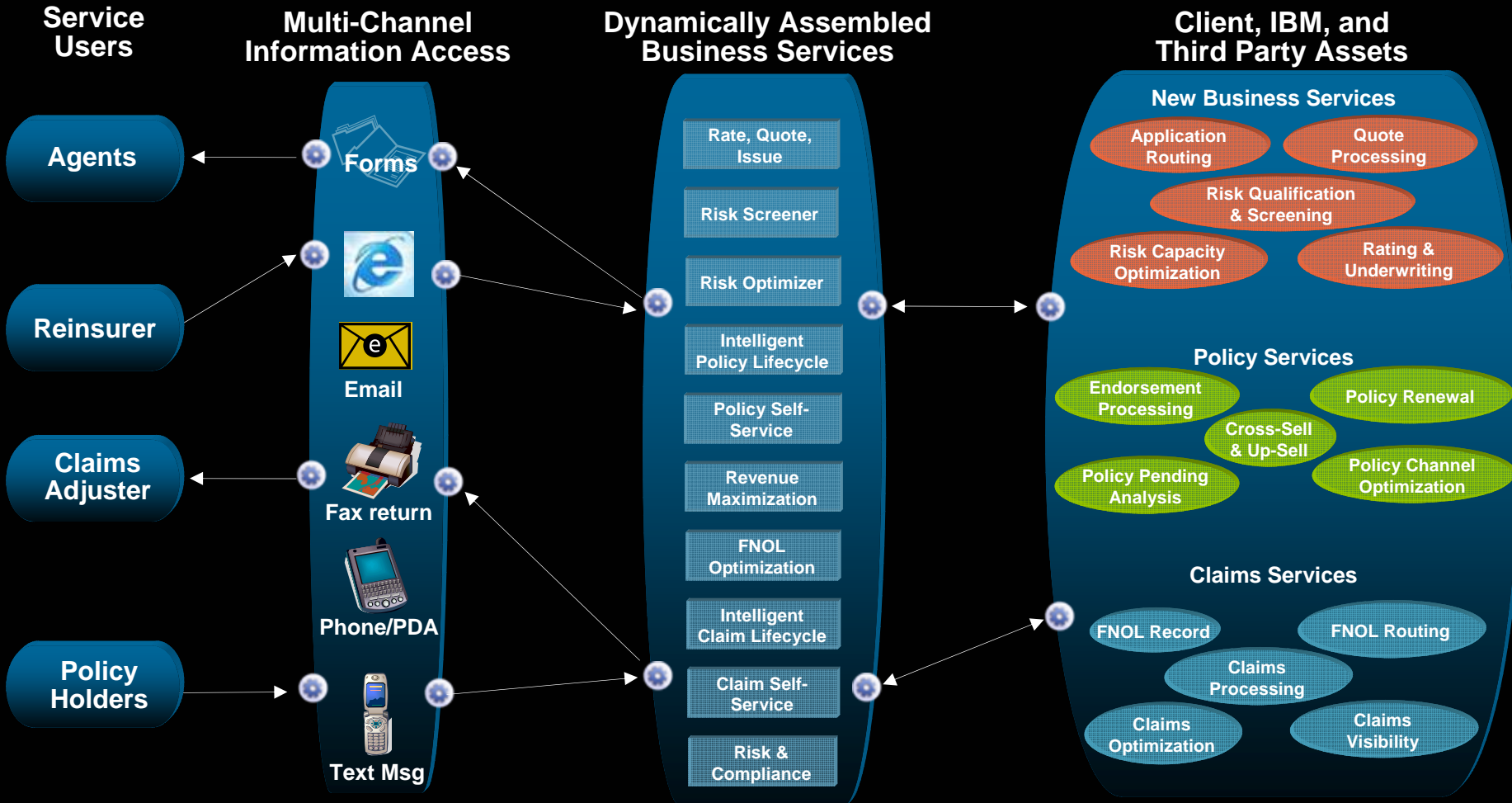
- Better customer service and more efficient use of resources through new and innovative approaches to internal business processes

- **Back Office Innovation**

- New levels of cost efficiency and best-of-breed solution delivery through global services assembly lines

Personalized and Adaptable Service Delivery

Dynamically Assembled Services Based on Business Context



In Summary: Accelerating Business Model Innovation Through Industry-Focused SOA Solutions

Business-focused

Supports industry and semantic standards to increase the business value of SOA

Fast and flexible

Provides the ability to more quickly deploy SOA-based applications using pre-built, customizable assets

Promotes reuse

Makes it easier to reuse existing assets in new SOA solutions

Innovative

Enables creation of new and innovative applications and business models from existing IT investments

***Industry-focused SOA solutions for better
and faster business results***

Thank You