Welcome to the Smarter Government Briefing Series

5th Session - Tuesday, November 30

Smarter Business Rule and Process Management

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TAC and WorkSafe
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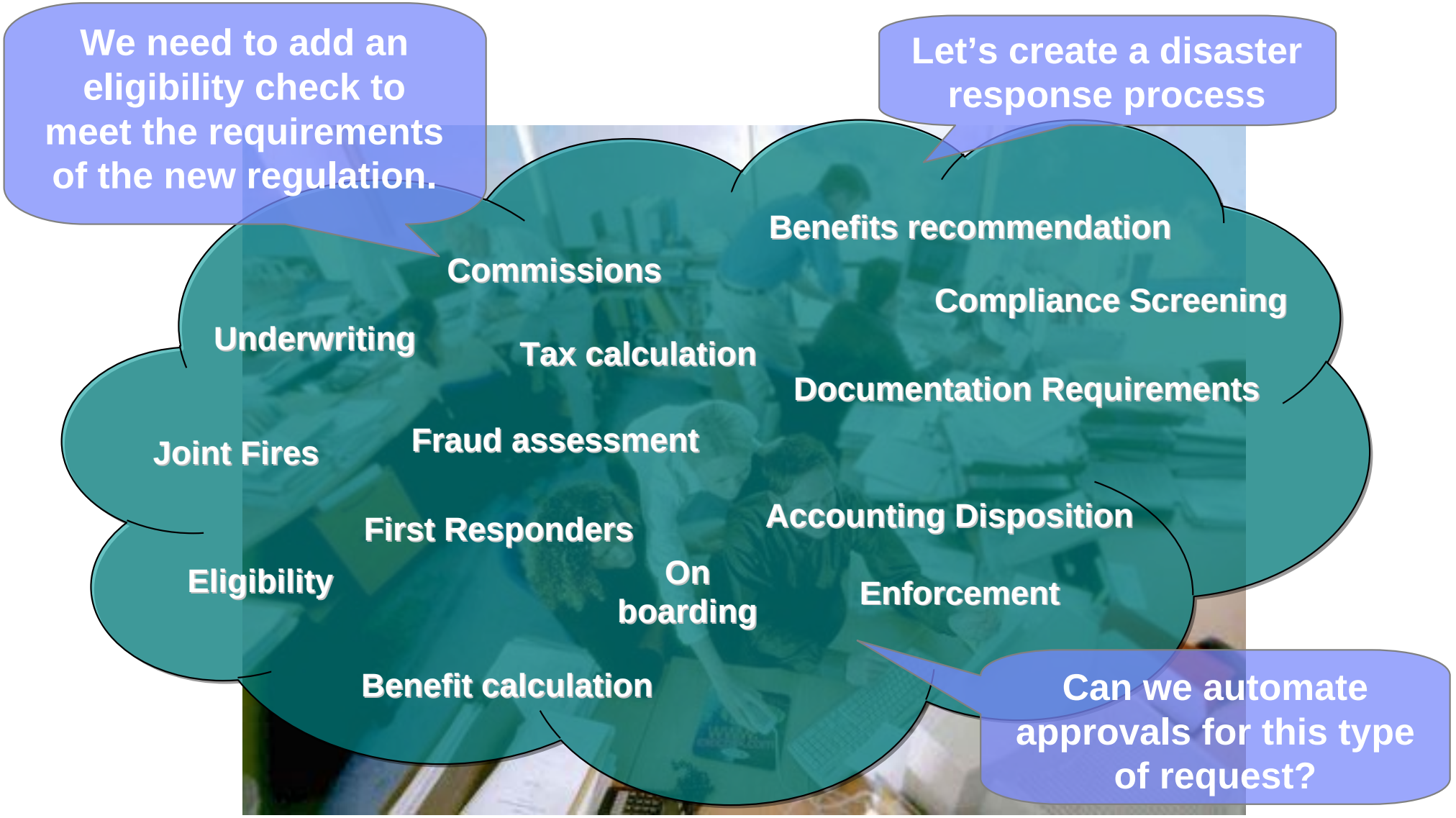
Business Processes & Decisions are Everywhere…



And Changing Frequently

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The Effects of Ongoing Change

- Reduces organisational agility
  - Difficulties in responding to evolving business conditions and comply with new regulations
- Reduces employee productivity
  - Manual intervention required to deal with complexities of operations
- Increases load on IT
  - Keeping applications/systems updated & current across the enterprise consumes time and resources

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Scenarios – Process Automation

- Processes are Inefficient and Poorly Aligned
- Missed Requirements Are Not Obvious, but Are Costly
- Business and IT Struggle to Communicate Effectively
- Paper-Based Processes lack consistency and traceability
- Business is Too Reliant on IT for Simple Solutions
- Many Disparate Existing Systems to Integrate
- Difficult to Enable and Enforce Change
- Problems are Not Immediately Apparent
- Business and IT Errors Cannot Be Easily Resolved
- Testing Requires Many Tools and Environments
- Deployments are Complex

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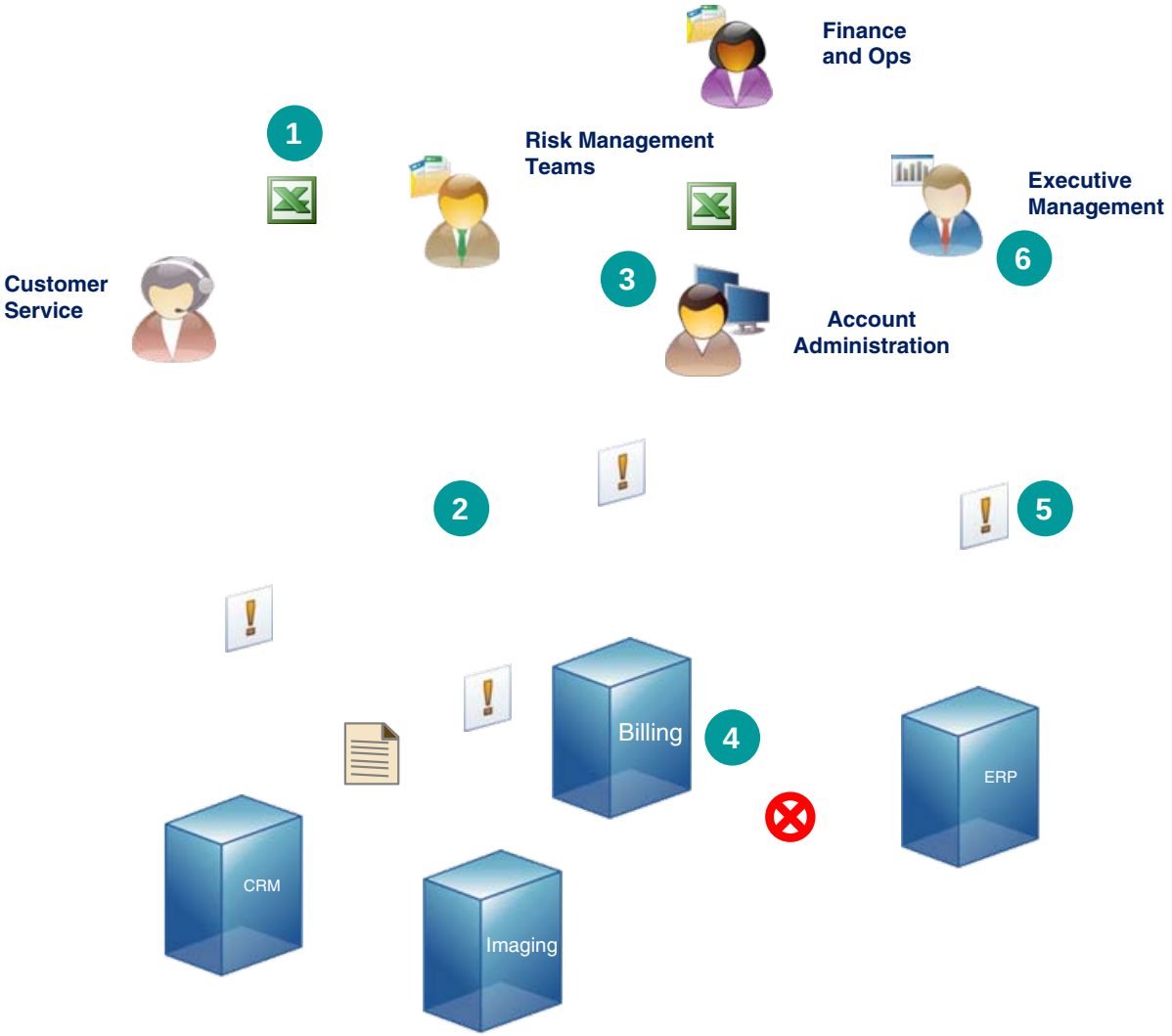
Business As Usual Begs for Process Improvement



1. Informal Tasks and Communication (ex Paper or email)
2. Inefficient Working Environment Spans Systems
3. Inconsistent Prioritisation and Decision Making
4. Incomplete or Inaccurate Data Flow Between Systems
5. Lack of Control Over System and Business Events (Exceptions)
6. Poor Visibility Into Process Performance

Customer Problems:

- Cannot Grow Efficiently
- Poor Customer Satisfaction
- Limited Visibility

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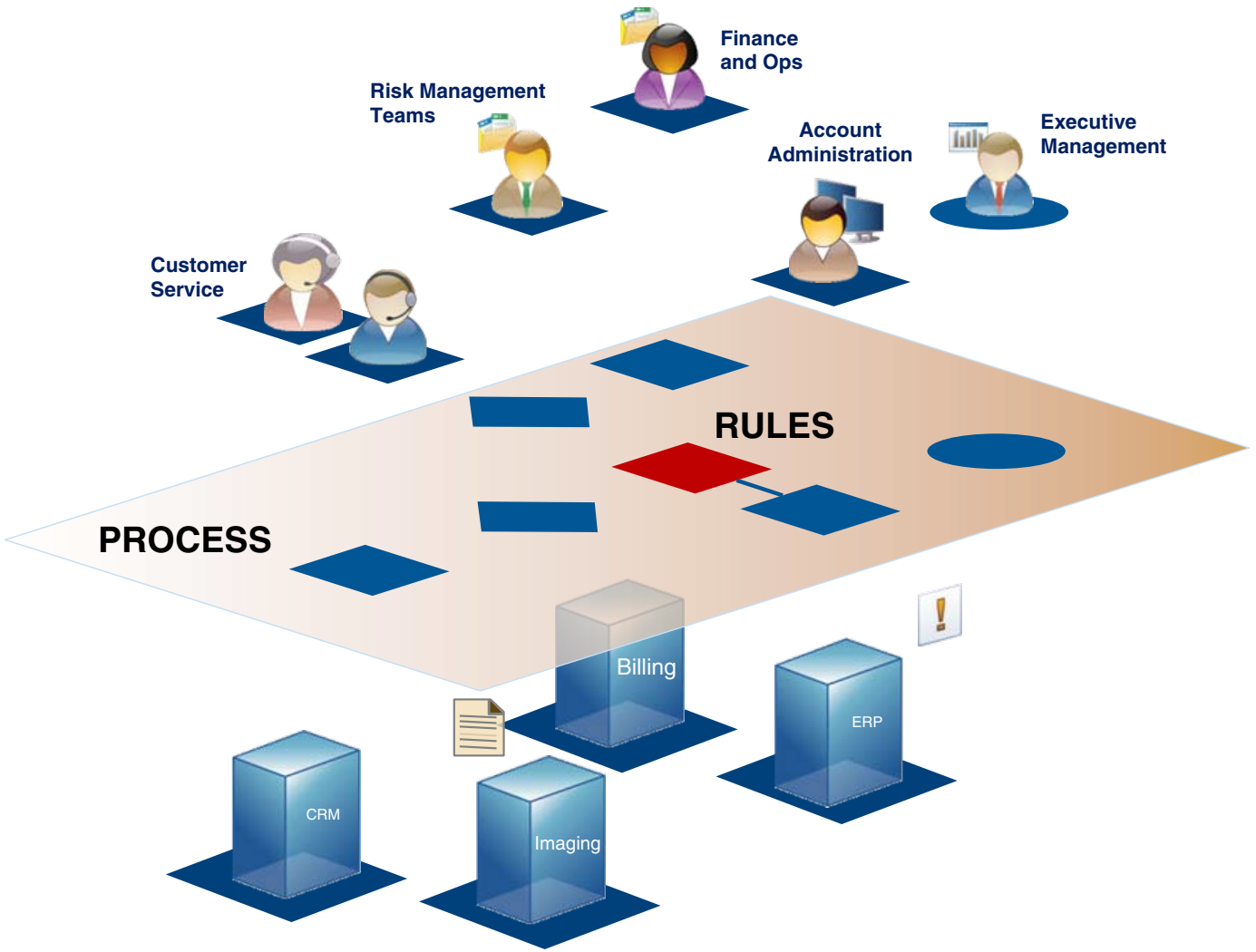
Process & Rules Management Bring Order



1. Automate workflow & decision making
2. Reduce errors and improve consistency
3. Standardize resolution across geographies
4. Leverage existing systems and data
5. Monitor for business events and initiate actions
6. Real-time visibility and process control

Customer Benefits:

Reduction in Manual Work, Errors

Faster, More Consistent Issue Resolution

Easier to Manage the Business

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Automated critical emergency response process

City of Madrid, Spain

Government Pains

- Poor coordination between safety and security personnel

Smarter Business Outcomes:

- Real-time, coordinated deployment of police, fire and ambulatory emergency response teams and assets
- Automated deliver of crucial information to the right teams

Why smarter Processes?

Automate processes across disparate IT systems and mobile devices in a secure environment with extremely high availability and reliability

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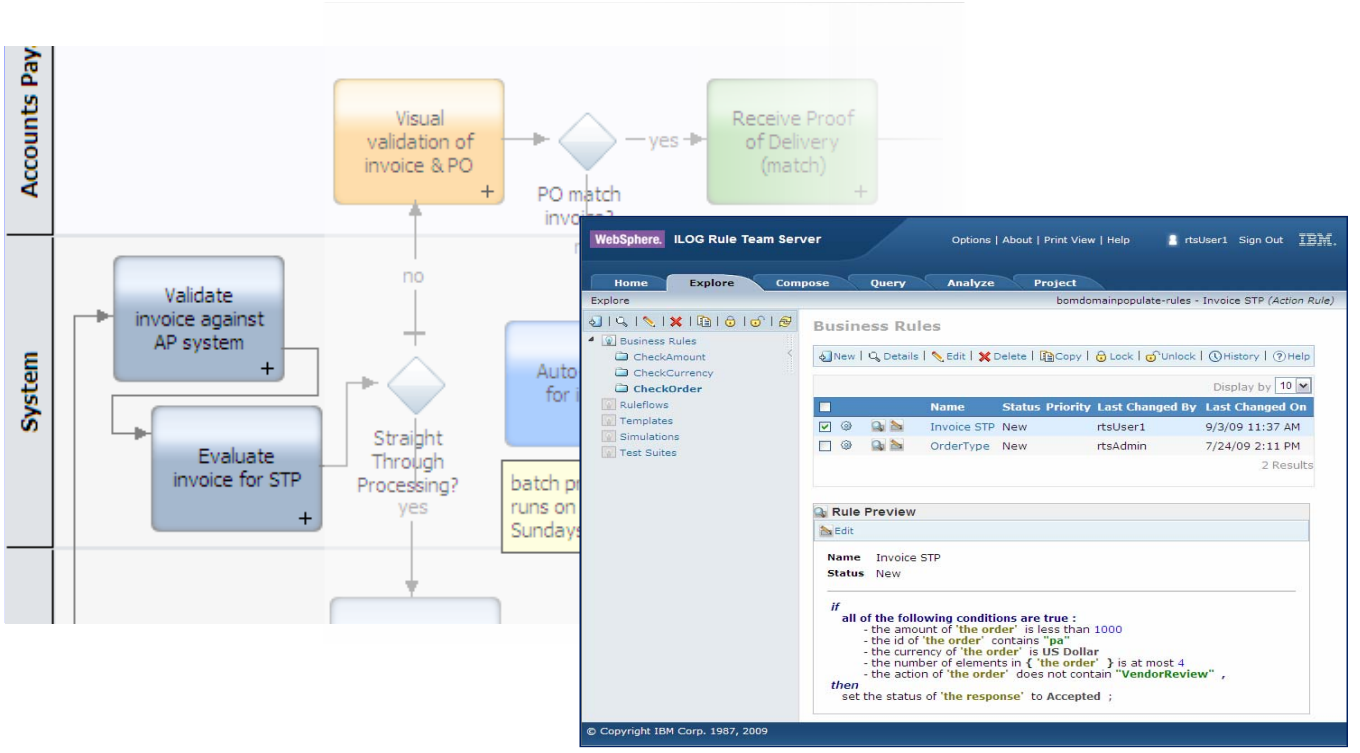
Two-Pronged Approach to Process Improvement

Process Management

- Defines and orchestrates the end-to-end process
- Combines automation with user interaction
- Is fundamentally concerned with **operational efficiency** of the organisation

Rules Management

- Defines and executes specific decision points in processes and applications
- Is focused on automating and improving decisions
- Is fundamentally concerned with the **operational intelligence** of the organisation



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Integrated Process & Rules Management from IBM

WebSphere BPM

Comprehensive platform for rapid development and management of business process applications

- **Simplicity & sophistication** – user experience allows business users to engage more fully in process design and improvement
- **Lower implementation cost, effort, and risk** – than other BPM alternatives
- Built-in **Performance Data Warehouse, Optimizer** – for automatic tracking, analysis, and optimization of process applications
- Designed to scale easily to multi-project, multi-version **enterprise BPM programs**

WebSphere BRM

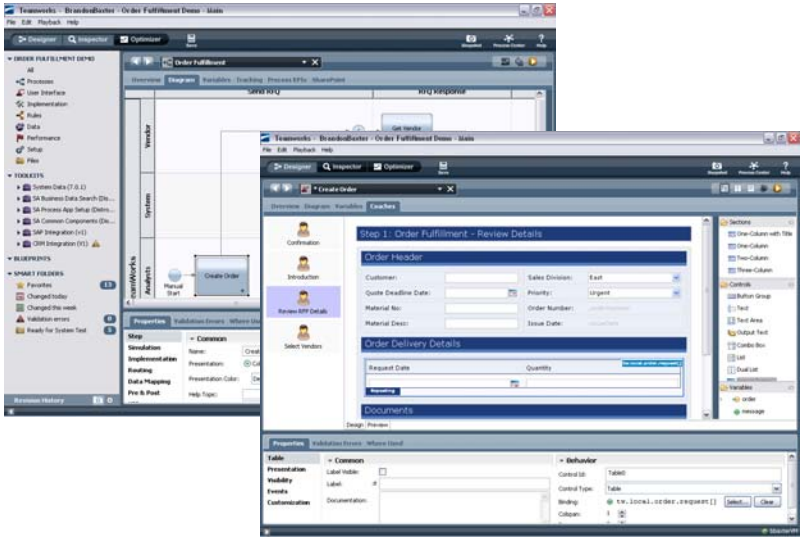
Enterprise BRMS that supports management and sharing of strategic rules and business policies across applications

- **Powerful decision automation** – designed to scale, supporting evaluation of very large rule sets
- **Simplified rule maintenance** – can be done simply using web or Microsoft Office, independently of client applications
- Built-in **usage tracking and reporting** enables better management of complex rule sets

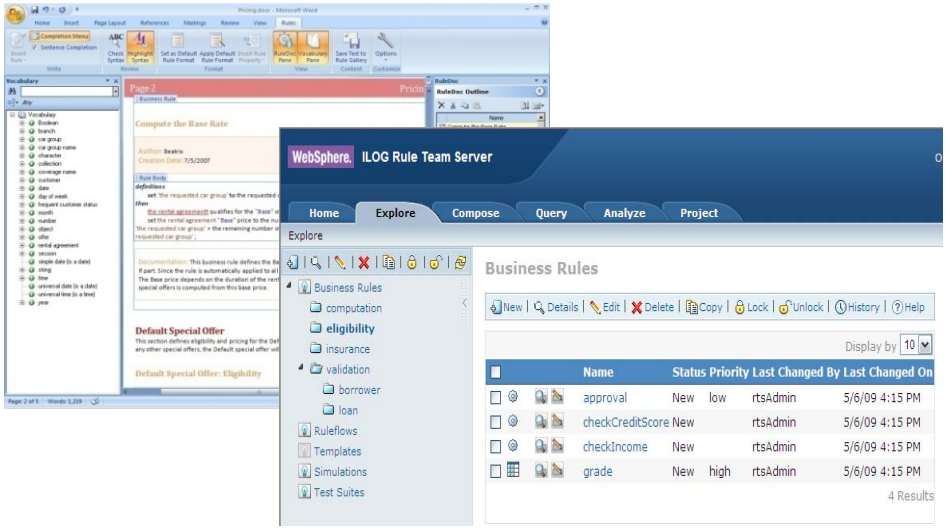
IBMBPM + BRM together provide a
scalable enterprise platform for smarter, simpler, faster process improvement.

Business Users Directly Collaborate on Process & Rules

Process Owners & Analysts



Policy Managers & Analysts



Processes using IBM BPM

- 100% graphical design
- “Picture is the process”
- Designed for business engagement / collaboration

Rules using IBM BRM

- Business-friendly Office based rule editing
- Team Server for sharing & collaboration

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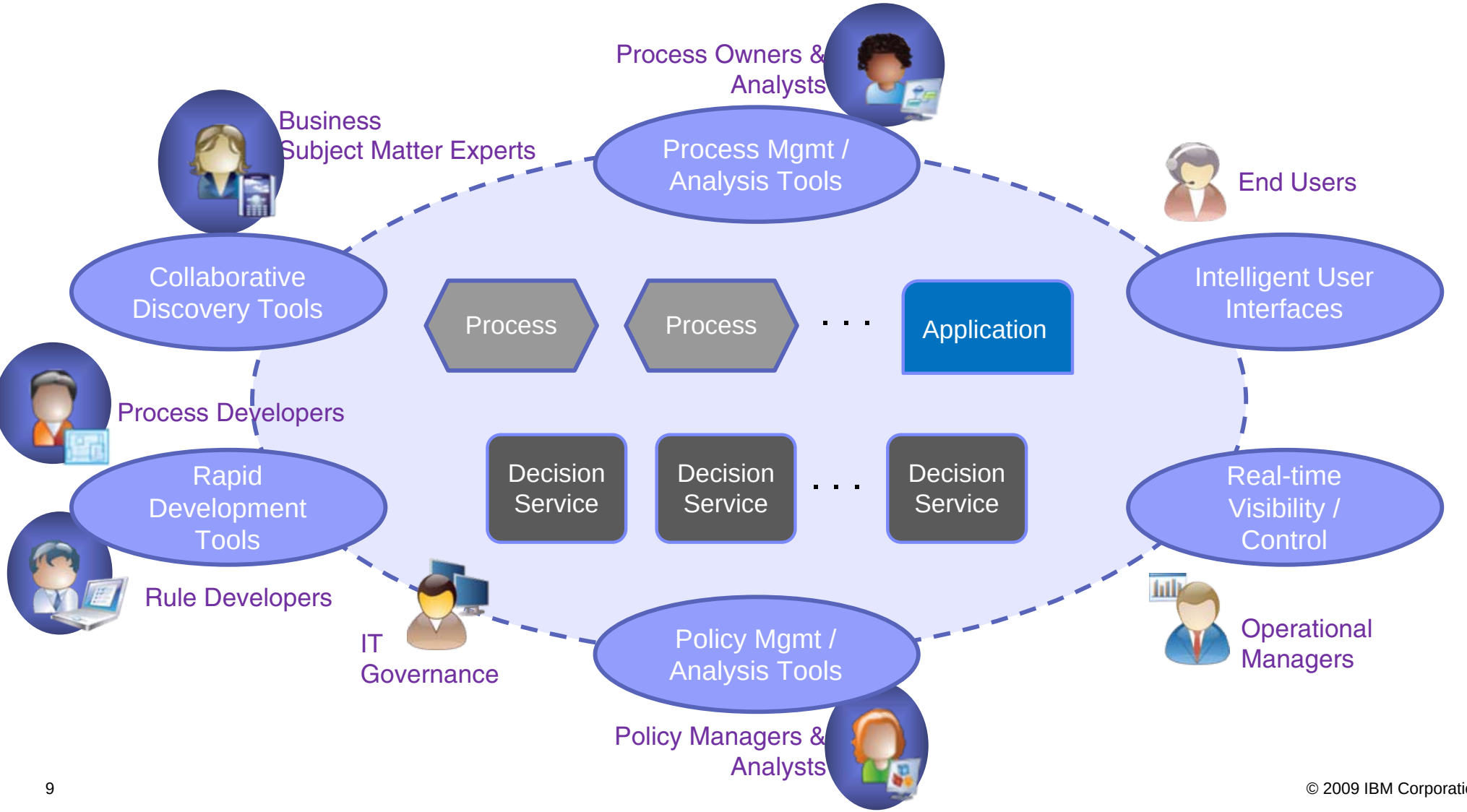
How to Make Process Improvement Smarter, Simpler, Faster

Smarter.
Intelligent user interfaces and rules-driven decision automation.

Simpler.
Graphical, business-friendly tools allow everyone to participate easily.

Faster.
Rapid build, reuse, analysis, and change - with strong governance.



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Critical for a long-term process improvement program

Different roles can drive process and rules management

- Process improvement team: process owners, analysts, developers
- Policy managers & analysts (e.g., pricing, eligibility, risk/compliance specialists)

Processes and decision services can be deployed independently

- Implementation can be done in parallel or staged according to priorities

Process and decision changes can have separate lifecycles and governance requirements

- Decision changes tend to be more frequent
- Externalizing rules allows processes to remain more stable and streamlined

Decision services can be shared and reused across processes and other applications

- Change once, apply everywhere
- Ensure decision consistency when required by policies or regulations

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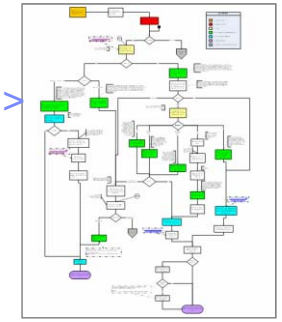
Example: Complex Customer Care Automation

Situation

- High turn-over & high volume call center
  - 15M calls/month handled by 35,000 CSRs
  - Average CSR employment is 6 months
  - Average training time per CSR is 1 week
  - CSR must work across 15 different systems
- High error rate, high level of frustration
  - 3M of those calls take up 80% of the total time due to their complexity
  - 115 complex inquiry guides

Bill Reprint Inquiry Guide >



…and we have not even talked about stores! (another 30,000 reps)

Process Management

- Improve operational efficiency & accuracy
- Simplify complex human-centric processes
  - High error rate
  - Many different touch points / user interfaces
  - Low amount of self-service available
  - Large manuals
- Allow business to take control of process definition & maintenance

Rules Management

- Centralize & share operational intelligence
- Automate decisions, simple and complex
- Allow business users to author, manage & test their business rules
- Enforce strict rule governance, while allowing business & IT collaboration
- Allow for rule reuse across inquiry guides

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Example: Complex Customer Care Automation

Projected Benefits– Greater than $210M cost reduction over 3 years!

Customer Satisfaction

- Improve first call resolution
- Improve Agent effectiveness
- Reduce number of transfers
- Reduce call escalations

Operational

- Future flexibility – rules and processes changed in hours!
- Ability to deploy for self-service (web, mobile and IVR)

Cost Savings

- Call center cost reduction - **Yearly call reduction benefits of over $70M**
- Ongoing cost reduction – reduced Business & IT maintenance

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Worldwide Customers Snapshot

- VWA (Victoria)
  - Claims
- NSW Police
  - Case Correlation
- Junta de Castilla y León (Spain)
  - Social Benefits Eligibility
- Department of Work and Pensions (UK)
  - Pension Eligibility & Calculation
- Welsh Assembly Government (UK)
  - Subsidy Eligibility and Calculations
- Caisse Nationale des Industries Electriques et Gazières (France)
  - Pension Calculation & Payments
  - Pension Calculation
- Caisse Nationale de l'Assurance Maladie (France)
  - Social Benefits and Tax Calculations
- Statens Pensjonskasse (Norway)
  - Pension Calculation
- Korea Ministry of Finance (Korea)
  - Fraud & Compliance Management
- SAT Tax Mexico (Mexico)
  - Tax Management
- Companies House (UK)
  - Data Validation

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US - State/Local Customers Snapshot

- City of Chicago
  - Health Event Surveillance System (CHESS)
- District of Columbia *
  - Human Services Modernization Program
    - Interview for Benefits: Online benefits determination
- New York City Housing Authority *
  - Property / Tenant Management
- State of California
  - Statewide Automated Welfare System Consortium (C-IV)
  - Public Employees Retirement System (CalPERS)
- State of Colorado
  - State Children Healthcare Insurance Program
- State of Kentucky *
  - Public Employee Retirement Benefits Administration
- State of Montana
  - Medicaid eligibility modernization
- State of Nevada *
  - Welfare Eligibility, Claims Management
- State of Pennsylvania *
  - Department of Motor Vehicles: Registration Compliance
- State of Virginia
  - State Children Health Insurance Program (SCHIP)

* Joint deal with IBM GBS

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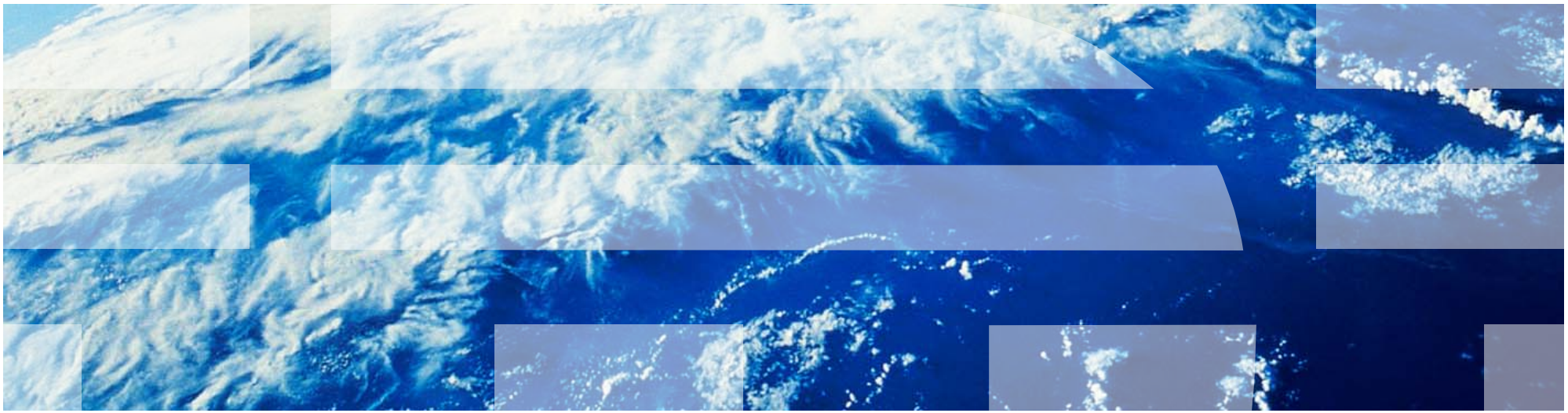
Usage of IBM BPM and BRM

Shaun Ryan– *IT Program Director TAC WorkSafe Victoria*



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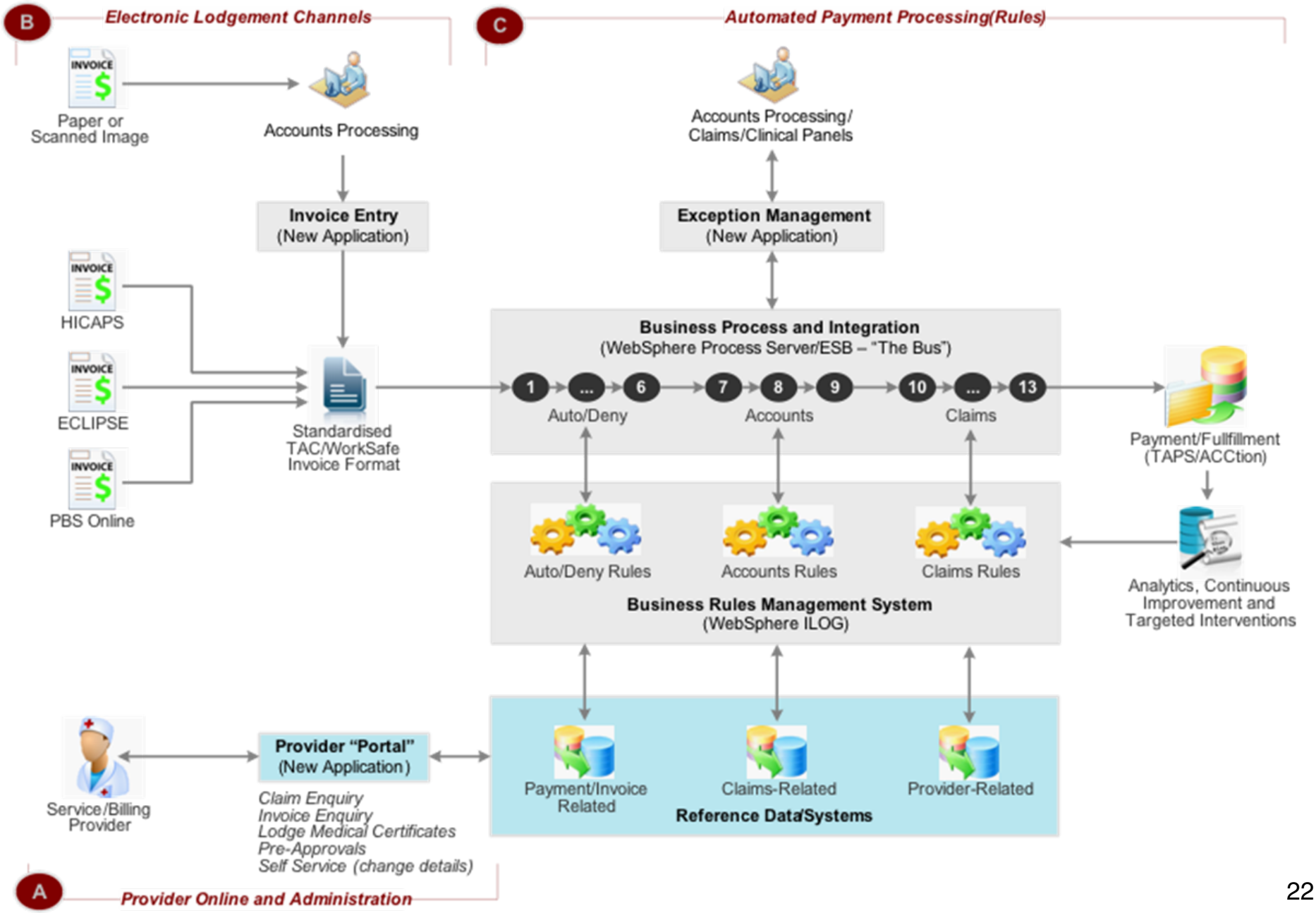
Agenda

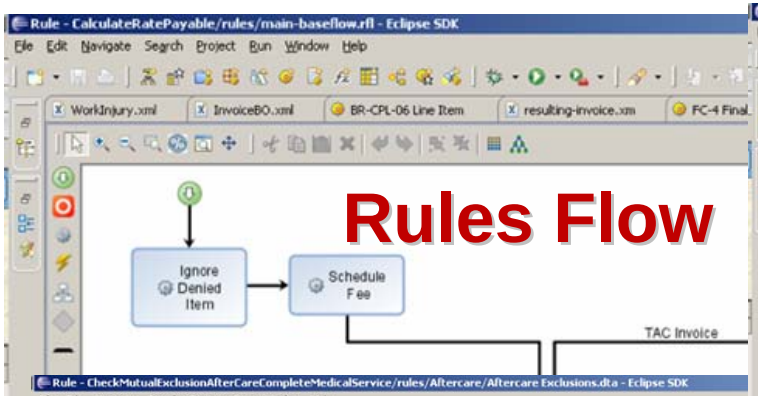
- **Introduction to the TAC and WorkSafe**
- **TAC and WorkSafe IT Strategy**
- **The Treatment Payments and Connectivity (TPC) program – "Tempus"**
  - Strategic and IT drivers
    - Business efficiency, flexibility, agility, re-use, speed of change, automation, transformation
  - External factors (catalyst for action)
    - Reducing fraud, auditability
  - Architecture approach to leverage BPM and BRMS
  - Proof of technology and business-led engagement
  - Change management – restoring the balance between the business and IT
    - Managing expectations
  - Building organisation capability and governance (not just rules), increasing maturity
  - Key benefits: rules flow, rules authoring, rules decision tables

- **Future use of ILOG BRMS within TAC and WorkSafe**
  - Online services
  - Premium underwriting
  - Claims risk assessment and triage

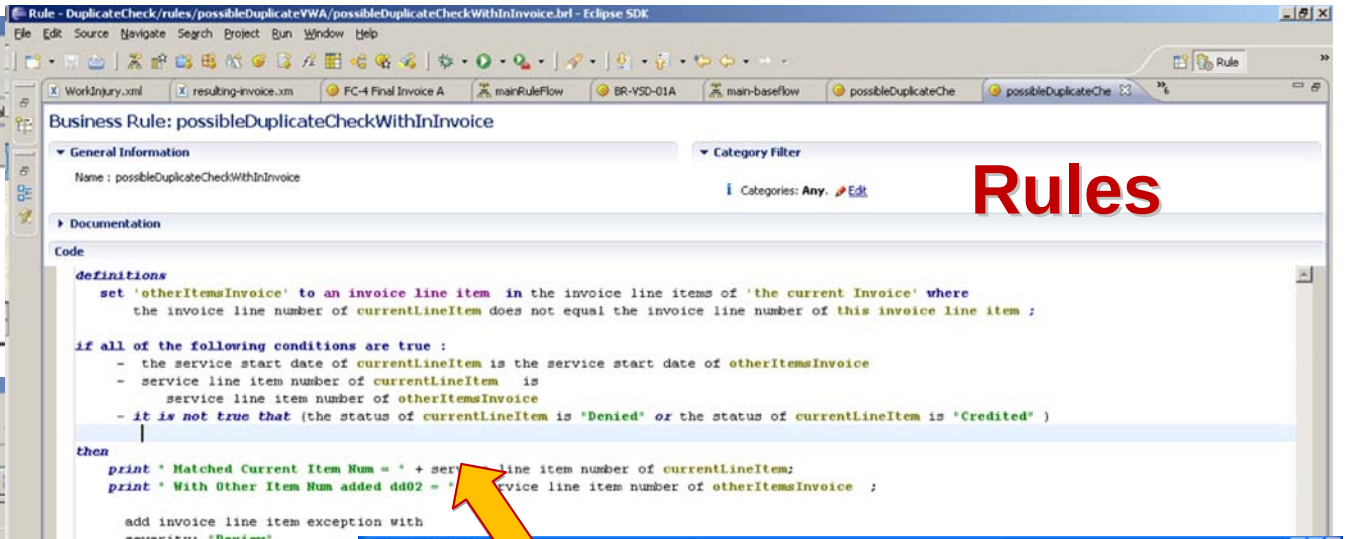
Tempus Conceptual Solution



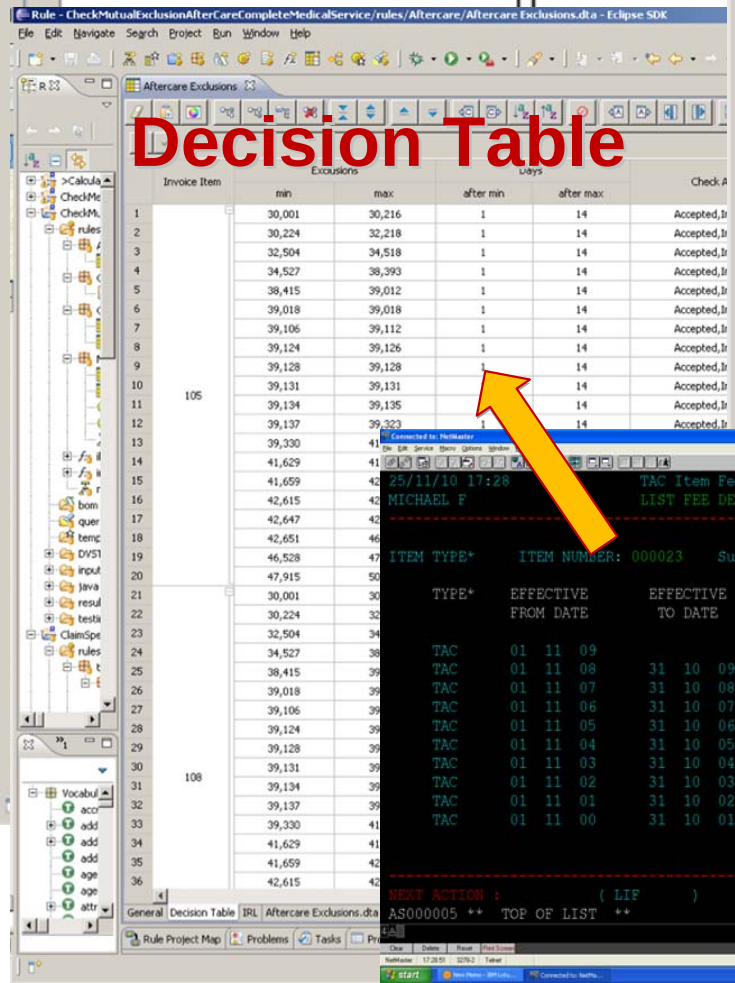
ILOG Rules Flow, Rules, Decision Tables



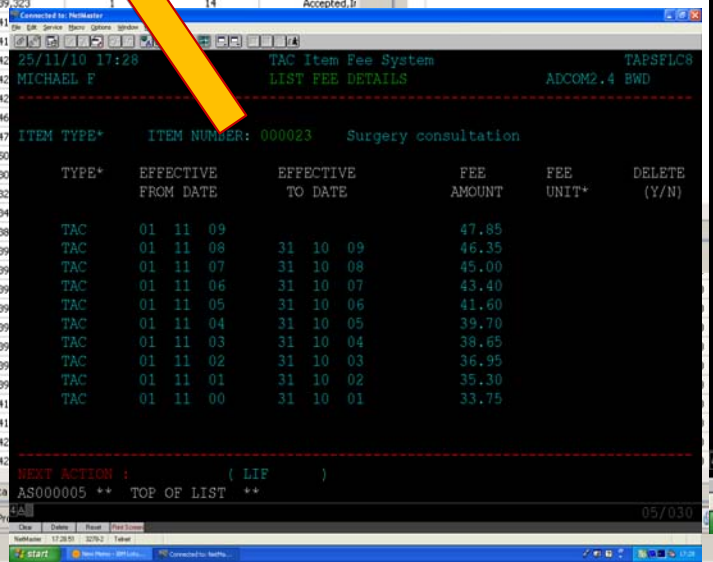
Rules Flow

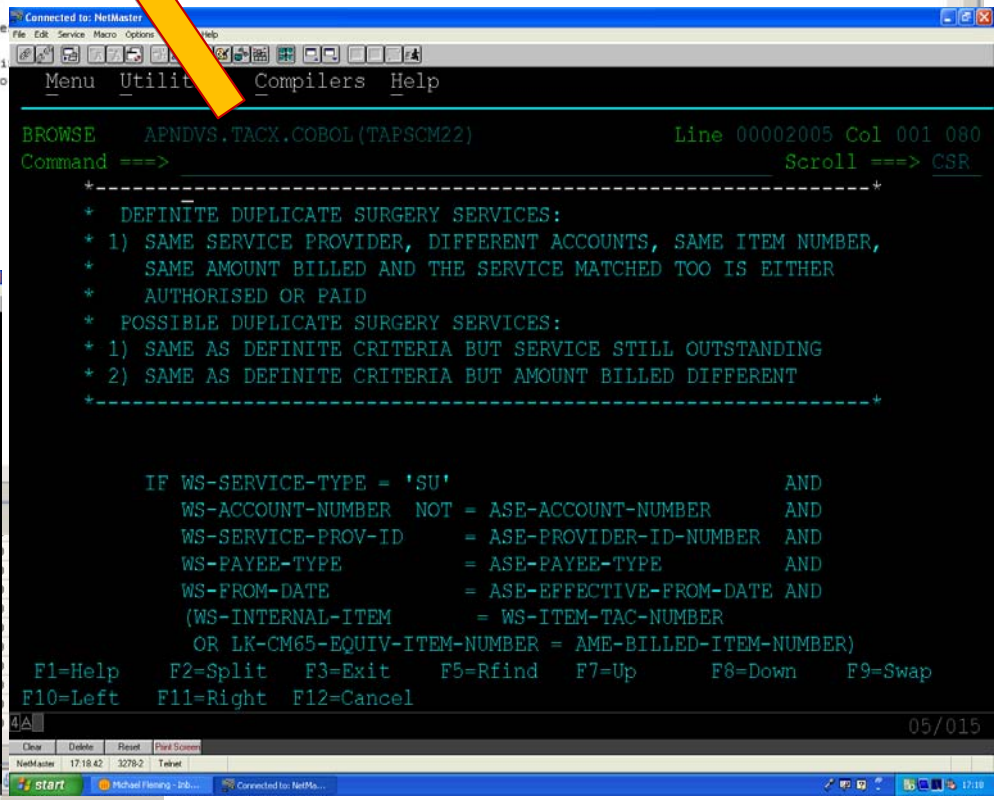


Rules

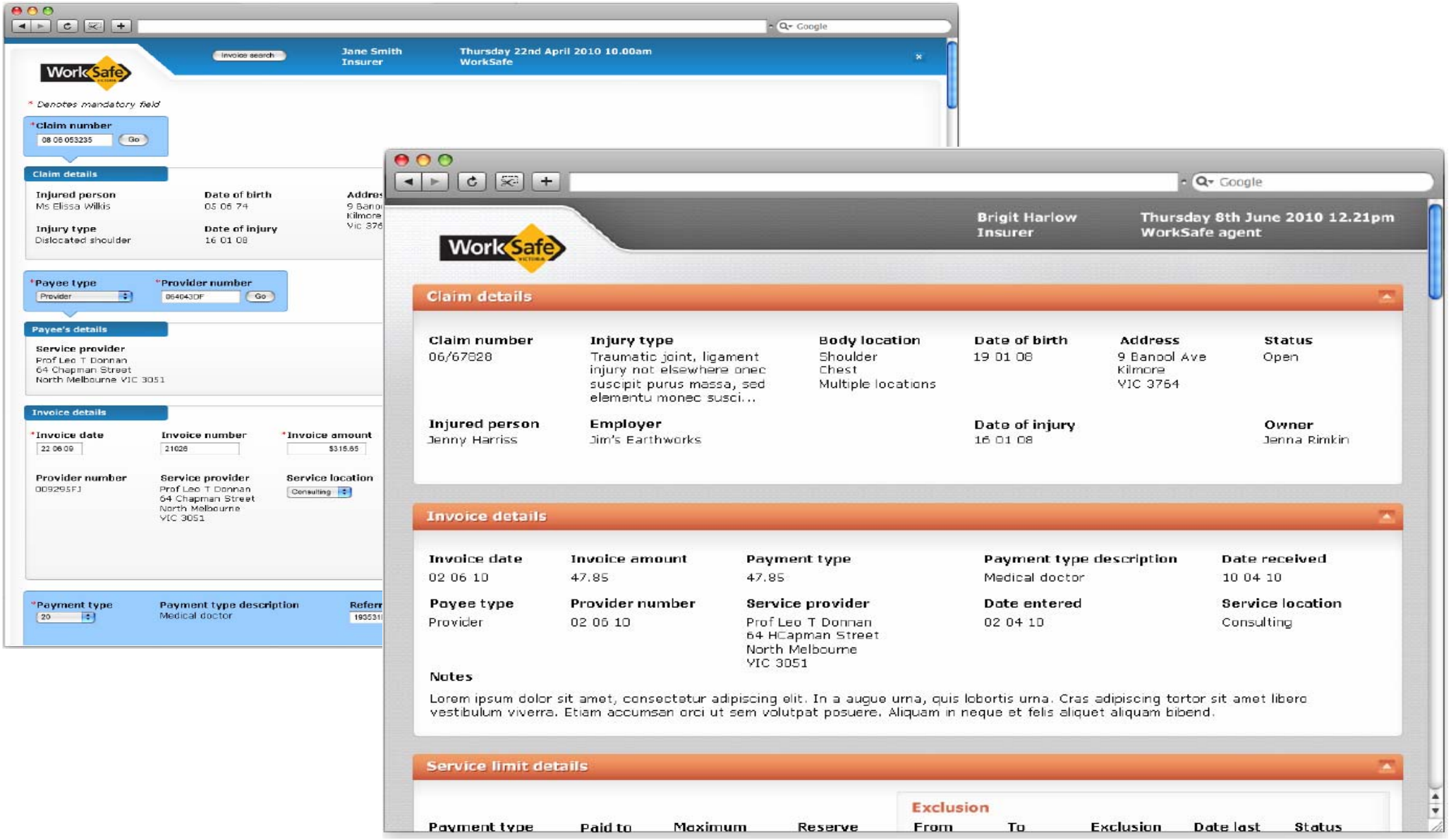


Decision Table

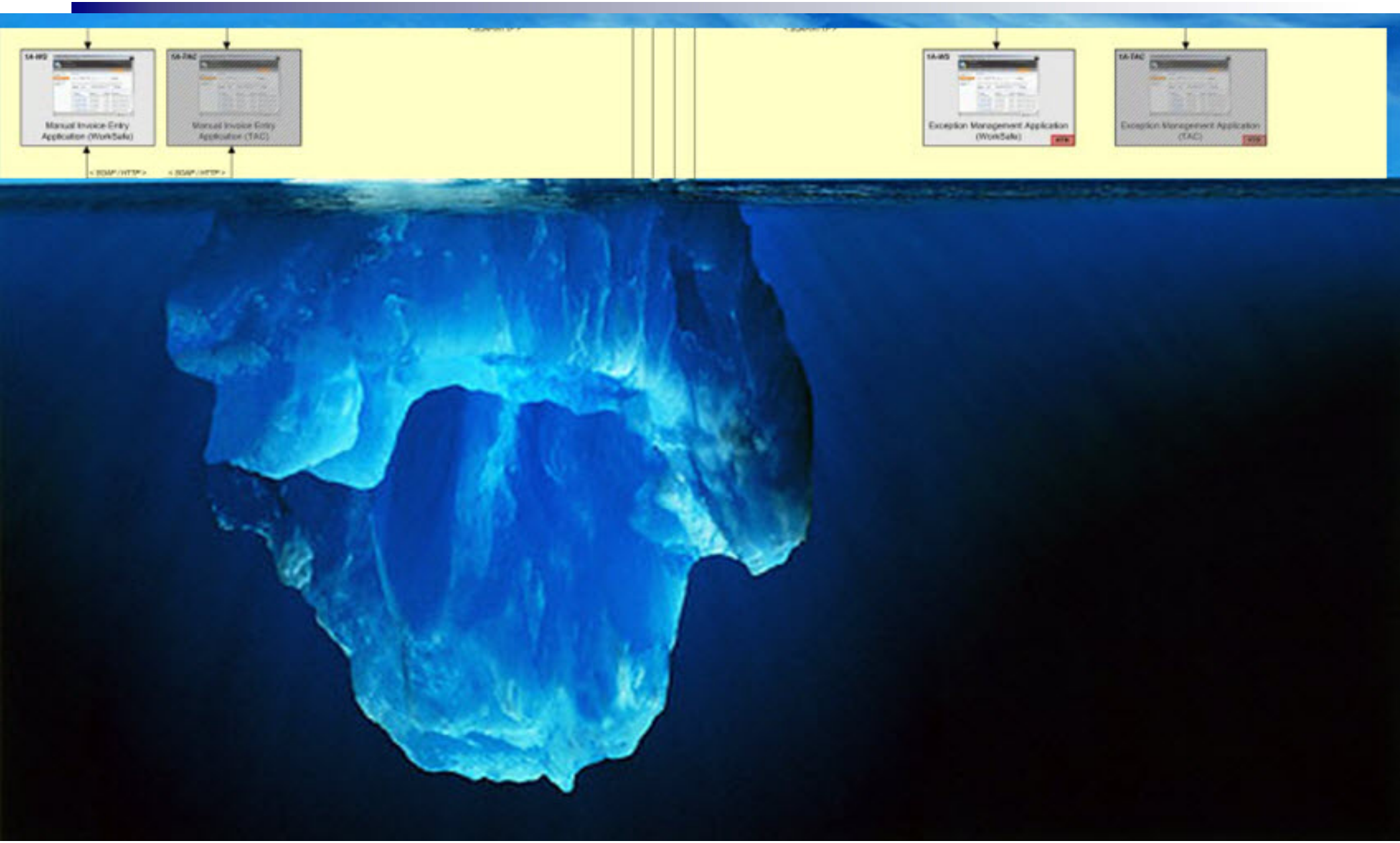




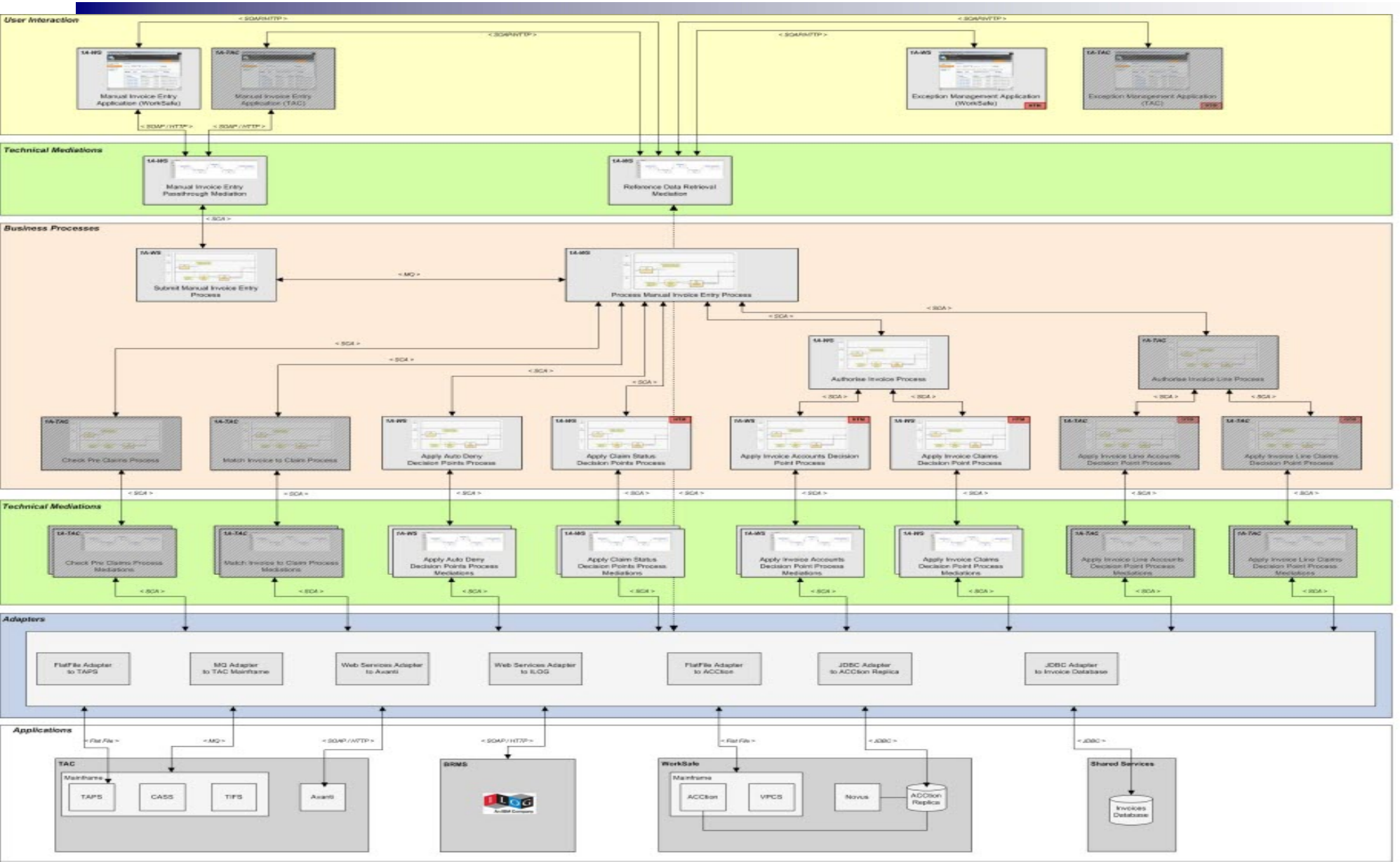
Invoice Entry/Exception Management



Integration Services – Supporting Rules



Integration Services – Supporting Rules



Government should leverage BPM to address critical business needs

"Greater efficiency and reduced costs"

End-to-End Process Automation

"Real-time visibility for smarter decisions and actions"

Transform Insight Into Action

"Faster and easier response to change"

Adapt and Respond Dynamically

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धन्यवाद
Hindi

多謝
Traditional Chinese

Grazie
Italian

ขอบคุณ
Thai

Gracia
Spanish

Merci
French

Спасибо
Russian

شكرا
Arabic

Obrigado
Brazilian Portuguese

Danke
German

多谢
Simplified Chinese

நன்றி
Tamil

ありがとうございました
Japanese

감사합니다

Q and A

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Myth #1:

Every process improvement problem needs a combined BPMS + BRMS solution.

False.

Sometimes you need a BPMS. Sometimes a BRMS. Sometimes both. Most likely, both over time.

BPM?

Travel request
Leave application

BRMS?

Claim processing
Product pricing

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Myth #2:

"All-in-one" / Unified process & rules management is naturally less costly.

False.

If tooling is difficult to use, cost of delivery is still high. And deploying incremental changes may be expensive.

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Myth #3:

Independent process & rules management is naturally more complex.

False.

Ease-of-use, functionality, flexibility, and scalability are keys to simplicity.

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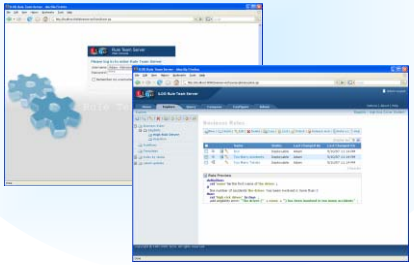
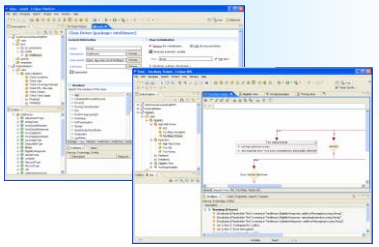
WebSphere Lombardi Edition + WebSphere ILOG JRules

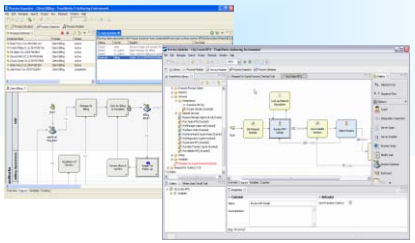
WebSphere ILOG Rule Team Server



WebSphere ILOG Rule Studio



WebSphere Lombardi Edition Authoring

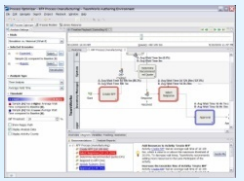


Portal / ScoreBoards

Coaches

Lombardi for Office

WLE Process Optimizer



WebSphere ILOG Rule Team Server

WebSphere ILOG Rule Studio

WebSphere ILOG Rule Execution Server

Transparent Decision Services

WebSphere Lombardi Edition Process Portal

WLE Authoring Environment

WLE Process

WLE Performance Data Warehouse

Integration components / services

Enterprise Rule Repository

Process Repository

Performance Repository

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