Reinventing Business Operations with Smarter Process

David MacDonald

IBM – Director, Global Sales

Business Process Management

What Is Driving Process Reinvention Today?

Mobile

$3.6B
spend by 2014

Mobile requires process reinvention

Social

25%
productivity improvement

Socially-enabled processes drive increased productivity

Cloud

47%
growth in cloud processes

Cloud deployments force companies to rethink their processes

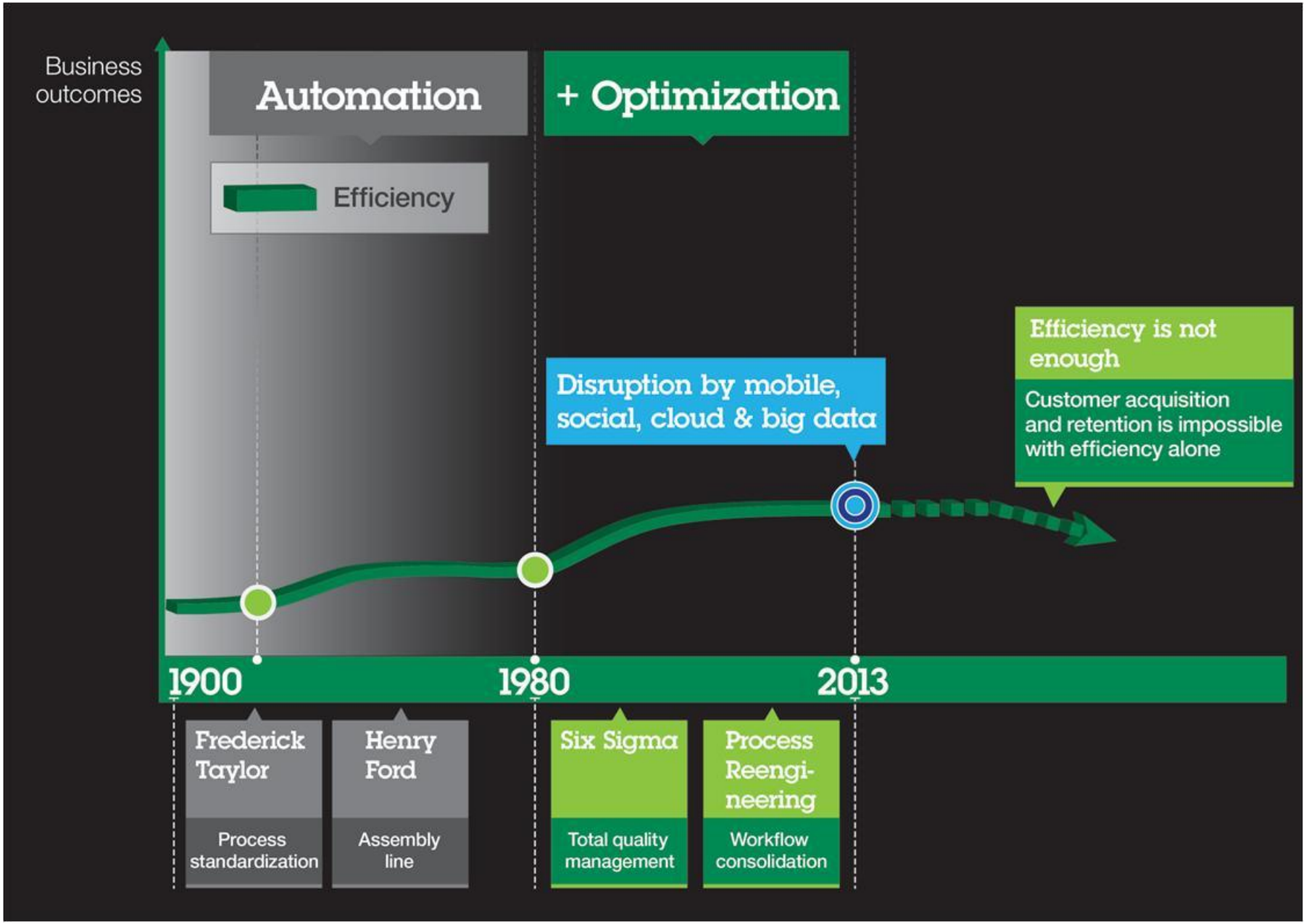
Big Data

€100B
government savings

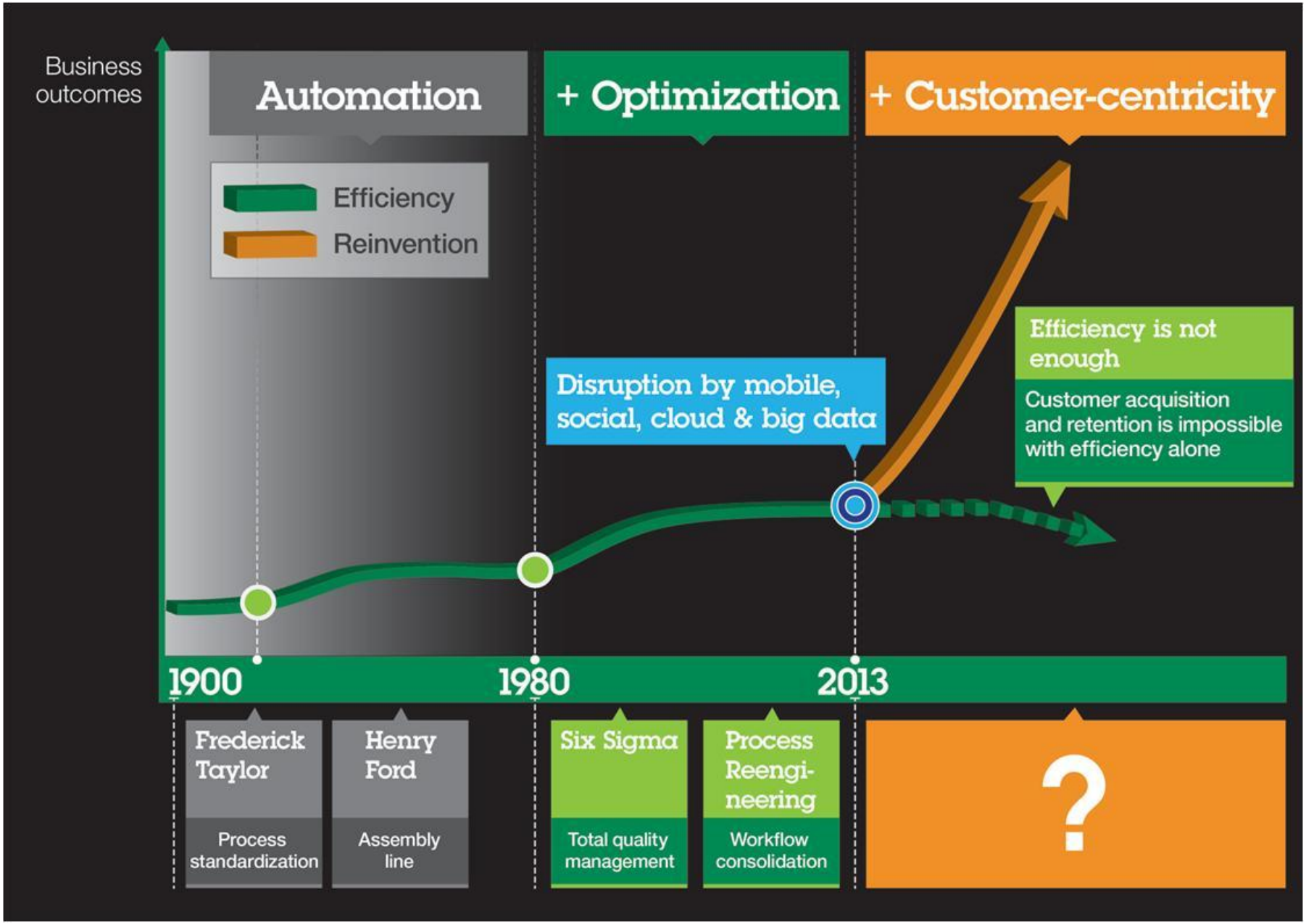
Big data and analytics drive insight into processes

Source: Forrester Research, Embrace Mobile Engagement As A Catalyst To Drive Process Change, February 2013
Source: McKinsey Global Institute, Unlocking value and productivity through social technologies, 2012
Source: Gartner Press Release, Gartner Says Service-Led Solutions Will Displace Traditional Sourcing Approaches Through 2015, March 2013
Source: McKinsey Global Institute, The next frontier for innovation, competition, and productivity, June 2011

Process efficiency alone is no longer sufficient to ensure success

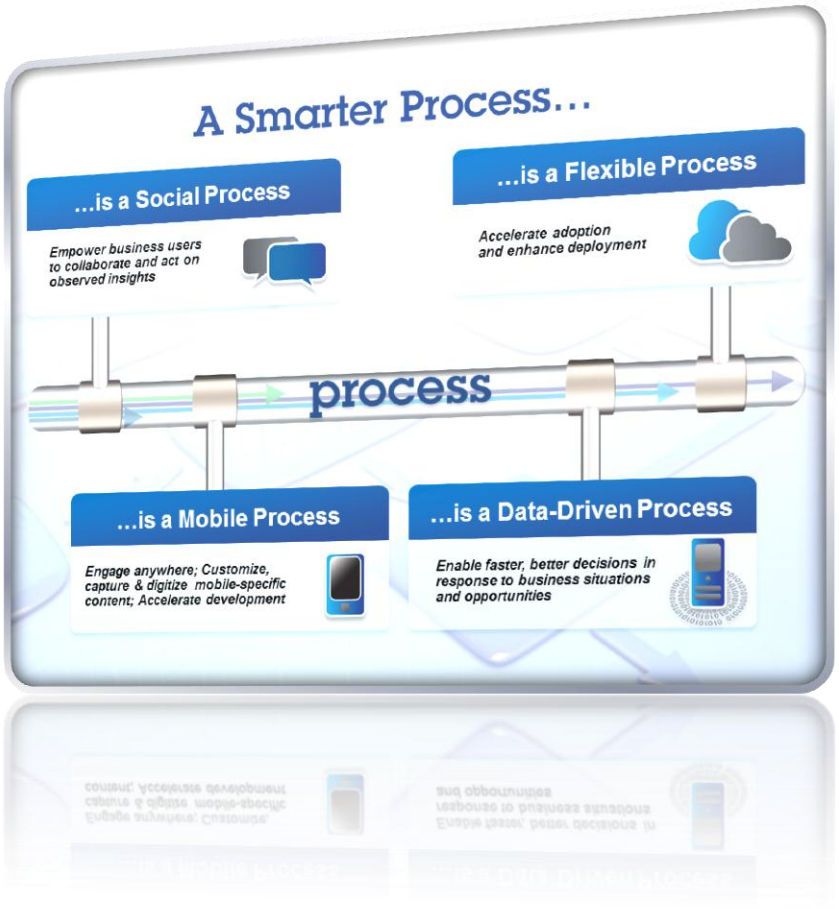


Customer-centric business operations drive top line growth



Smarter Process

IBM’s approach for reinventing business operations



Reinvention can happen in many areas of the business

Banking

- Loan Origination
- Fraud Management & Compliance
- Customer Care & Insight

Insurance

- Claims Processing
- Policy & Benefits Management
- Customer Self Service

Healthcare

- Claims Management
- Care Process Management
- Regulation & Compliance Management

Government

- Citizen Eligibility
- Safety & Security
- Countering Waste, Fraud & Abuse

Energy & Utilities

- Power Grid Management
- Energy Consumption Management

Travel & Transportation

- Online Ticketing & Reservations
- Travel & Hotel Pricing Management

Telecom

- Pricing and Bundling
- Product and Feature Management

Retail

- Retail Distribution Supply Chain Automation
- Customer Loyalty Programs

Process Matters Like Never Before

Time to open a new account in retail banking

5 minutes – best

76 minutes – worst

Availability of loan funds

2 days – best

37 days – worst

Time for conditional mortgage approval

15 minutes – best in class

4 hours - median

… your customer satisfaction depends on it.

Healthcare:
Care Process Management

Instant

Mobile and location awareness to provide instant access to records within specific clinical context

Seamless

Better, faster care by improving patient flow through the hospital

Insightful

Analytics to speed up diagnosis of complex symptoms

A Smarter Process at Banco Espirito Santo

“If you seek to be customer-centric, it requires you to be a very efficient provider on the back end, in terms of your processes.”

Miguel Rio Tinto,
CIO

BANCO ESPIRITO SANTO

Bank account opening: 88% reduction in time to open a new account

Hospitals Contribution Fund achieves same day claims payments

Reduces claims processing times by 93%

"At HCF we have found that delivering a superior customer experience requires tight partnership between operations, IT and the various lines of business."

~ Stephen Nugent, General Manager - Operations, Hospitals Contribution Fund

Challenges

- Settle medical and hospital claims on the same day
- Pay ancillary claims in real-time
- Move to a paperless claims management system

Solution

- Business Process Management and Business Rules streamline claims processing
- Analytics enabled rapid identification of risk patterns and trends

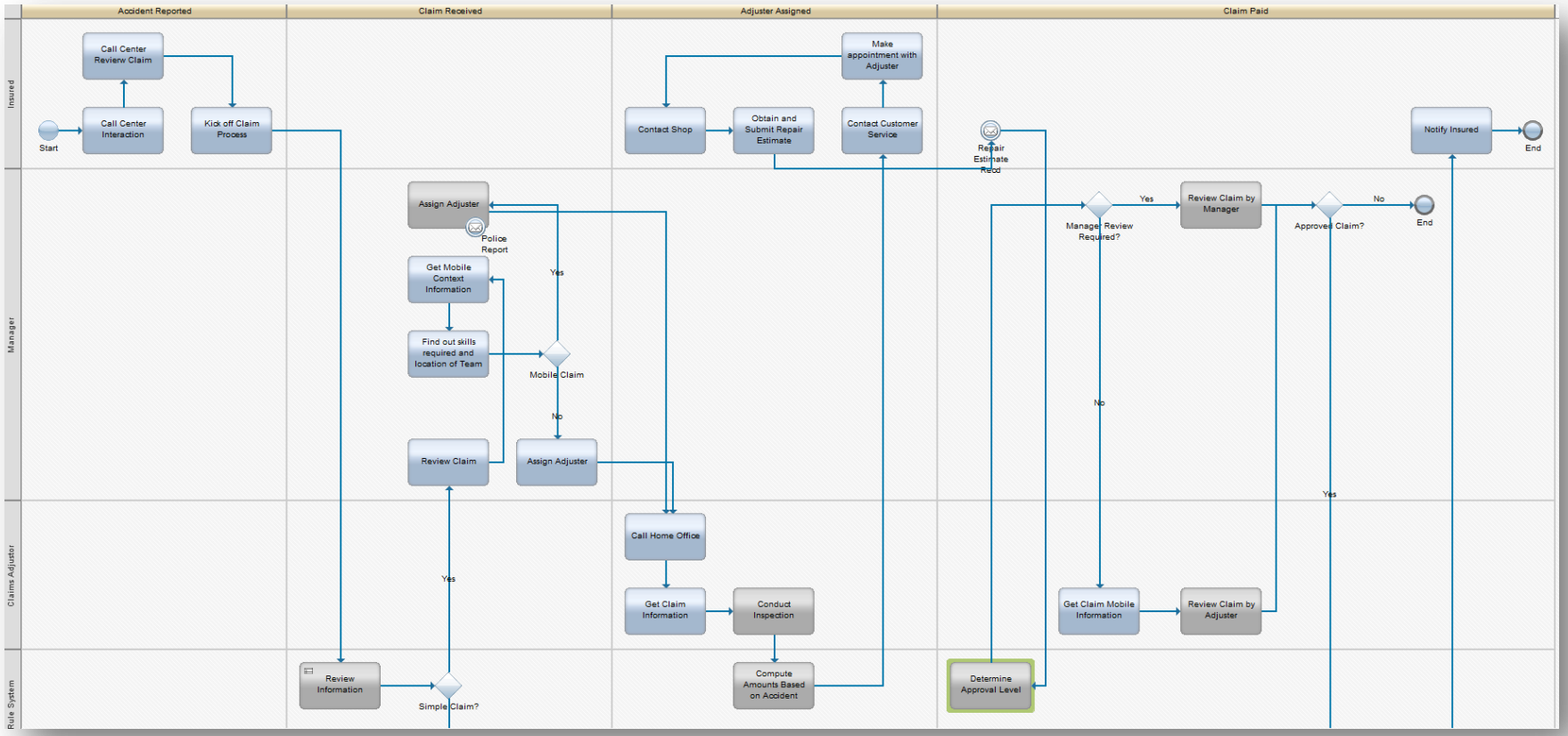
Benefits

- **Instant:** Reduced hospital and medical claims processing times by 93%, from 3 weeks to 1 day
- **Seamless:** Interconnected claims payment systems that brings together providers and payers
- **Insightful:** Early identification of high claiming members allows for preventative healthcare while reducing costs

Video Case Study - Ottawa Hospital :

http://youtu.be/NJnJAmbAD0Y

A Smarter Insurance Claims Process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Claim Received
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Call Center Review Claim
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Police Report
Get Mobile Context Information
Find out skills required and location of Team
Mobile Claim
Yes
No
Review Claim
Assign Adjuster
Review Information
Simple Claim?
Yes
Make appointment with Adjuster
Contact Shop
Obtain and Submit Repair Estimate
Contact Customer Service
Call Home Office
Get Claim Information
Conduct Inspection
Compute Amounts Based on Accident
Repair Estimate Recd
Manager Review Required?
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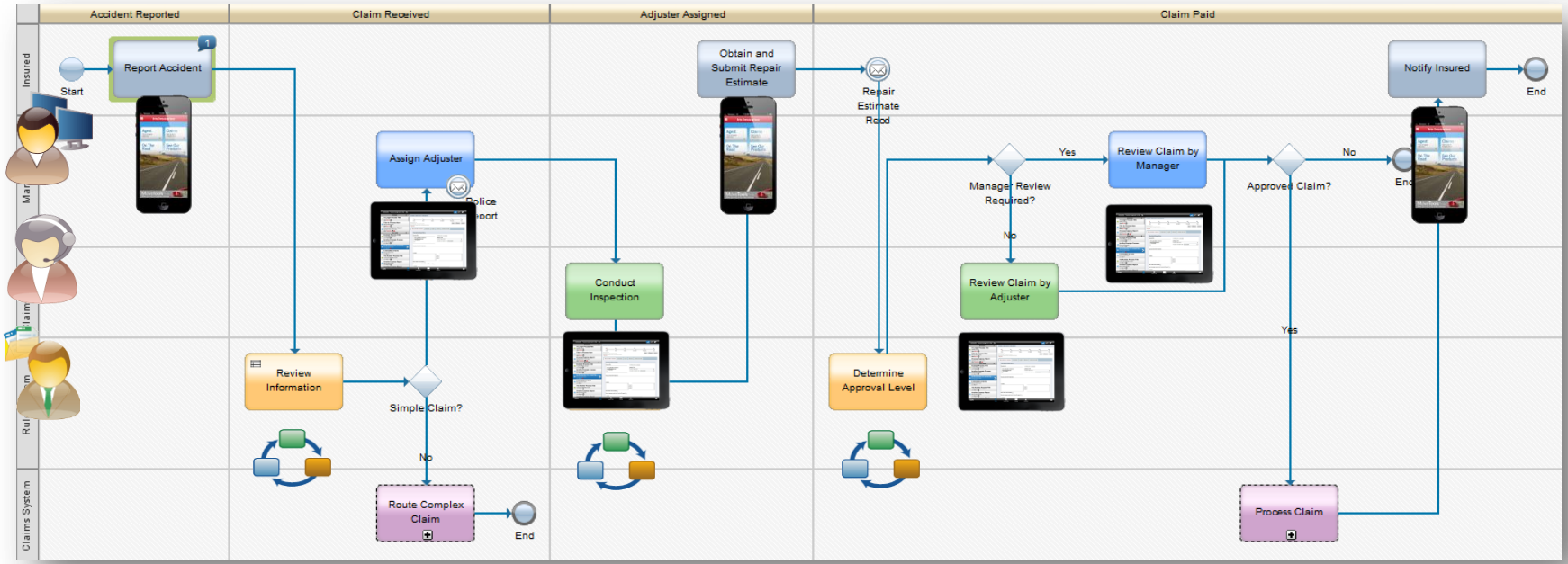
No
Review Claim by Manager
Approved Claim?
No
End
Yes
Get Claim Mobile Information
Review Claim by Adjuster
Determine Approval Level
Notify Insured
End


Accident Reported
Claim Received
Adjuster Assigned
Claim Paid
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Claims System
Start
Report Accident
Assign Adjuster
Police Report
Review Information
Simple Claim?
No
Route Complex Claim
End
Conduct Inspection
Obtain and Submit Repair Estimate
Repair Estimate Recd
Determine Approval Level
Manager Review Required?
Yes
No
Review Claim by Manager
Review Claim by Adjuster
Approved Claim?
Yes
No
Process Claim
Notify Insured
End

VIPER

Click here for BPM Mobile Demo:

http://youtu.be/NvA72N0yYsE

Insurance Claims Processing

Instant

- Mobile integration for real-time responsiveness
- Built-in collaboration features

Seamless

- Process flow incorporates inputs across disparate sources and formats

Insightful

- Brings in new big data capabilities like geolocation and weather
- Gives ability for applying additional analytics

Customer-centricity requires a cross-functional approach

Strategic Leadership:
Chief Executive Officer
Chief Financial Officer

Chief Operating Officer

and cross- functional business leaders

President
SVP/GM of Operations
Chief Transformation Officer
Chief Innovation Officer
Chief Customer Officer
Chief Risk Officer
…

Chief Information Officer

and technology leaders

Chief Technology Officer
VP of Software Development
Enterprise Architect
IT Architect

Line of Business Executive

and business unit leaders

VP of Claims Processing
VP of Retail Lending
VP of Commercial Loans
VP of Outpatient Services
VP of Power Delivery Services

The new triumvirate:
Operations, IT and Line of Business

> "Successfully attracting and retaining customers requires companies to think and act cross functionally."
>
> ***~ Adam Klaber, Managing Partner Emerging Markets, IBM GBS***

> "At HCF we have found that delivering a superior customer experience requires tight partnership between operations, IT and the various lines of business."
>
> ***~ Stephen Nugent, General Manager - Operations, Hospitals Contribution Fund***

IBM Blueworks Live

Improve understanding of business operations

Designed for line of business employees to do collaborative discovery and documentation of processes, decisions, rules, and policies that comprise their business operations

What's New?

Decision Discovery

- Top-down, business-led discovery of business decisions based on new DMN (Decision Modeling Notation) standard
- Visualize decision inputs, output, and sub-decisions on graphical decision diagrams
- Capture decision logic using decision tables
- Relate decisions to processes through decision tasks for a deeper, more accurate understanding of business processes

Translation Support

English, German, Spanish, French, Italian, Chinese (Simplified and Traditional), Portuguese, Japanese, and Korean

IBM Business Process Manager v8.5

Visibility and control of business processes

A powerfully simple platform that provides visibility and control to optimize business processes and empower business users to be agents of change

What's New?

Mobile

Infuse mobile insights into business processes using Worklight and IBM BPM mobile tookit to extend process applications to mobile

Cloud

Designed to accelerate BPM adoption, IBM Business Process Manager v8.5 now available as a public or private cloud offering

Performance Dashboard

Empower business users to collaborate and act on observed insights with next-generation process performance dashboards

New and enhanced versions

IBM Business Process Manager v8.5

Cloud: IBM Business Process Manager on Cloud

IBM PureApplication System: IBM Business Process Manager Application Pattern v8.5

IBM Operational Decision Manager v8.5

Next generation business rules

An elegant operational decision management system that delivers an insightful and seamless way to automate and govern frequently occurring, repeatable business decisions

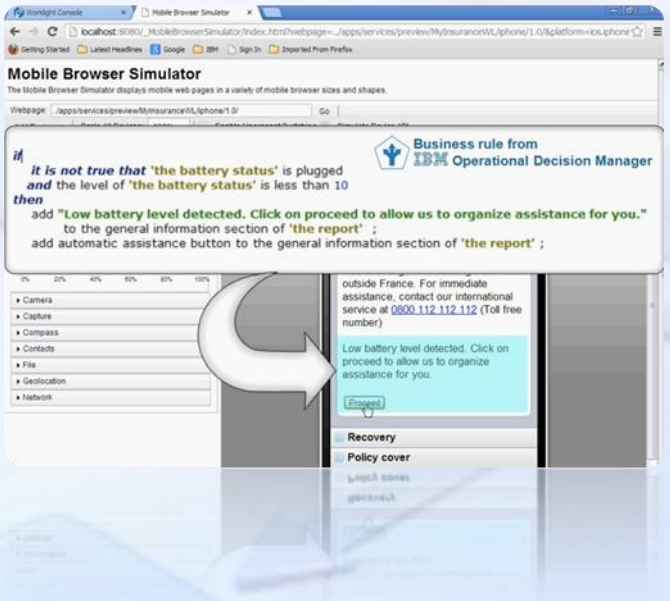
What's New?

Mobile support

Detect opportunities and risks in real-time via mobile applications, leveraging a RESTful API that allows IBM Worklight developers to embed and invoke business rules

Decision Governance Framework

Enact comprehensive change management and governance through a ready-to-use, prescriptive and collaborative approach



New and enhanced versions

IBM Operational Decision Manager v8.5

IBM Operational Decision Manager Express v8.5

IBM PureApplication System: IBM Operational Decision Manager Application Pattern v8.5

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Loan Origination
Claims Processing
Safety & Security
Claims Management
Policy & Benefits Management
Countering Waste, Fraud & Abuse
Care Process Management
Fraud Management & Compliance
Regulation & Compliance Management
Customer Care & Insight
Citizen Eligibility
Process is everywhere
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Customer Loyalty Programs
Product & Feature Management
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