

Future Forward:

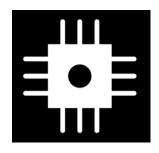
2010 and Beyond for IBM Rational

Jason Leonard
IBM Rational Business Unit Executive,
Australia & New Zealand
jleonard@au1.ibm.com





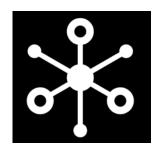
The reality of living in a globally integrated world is upon us



INSTRUMENTED

We now have the ability to measure, sense and see the exact condition of everything.

- Today, there are 1 billion transistors for each person on the planet.
- By 2010, 30 billion RFID tags will be embedded into our world and across entire ecosystems.



INTERCONNECTED

People, systems and objects can communicate and interact with each other in entirely new ways.

- The internet of people is 1 billion strong. Almost one third of the world's population will be on the web by 2011.
- There will be nearly 4 billion mobile phone subscribers worldwide by 2009.



INTELLIGENT

We can respond to changes quickly and accurately, and get better results by predicting and optimizing for future events.

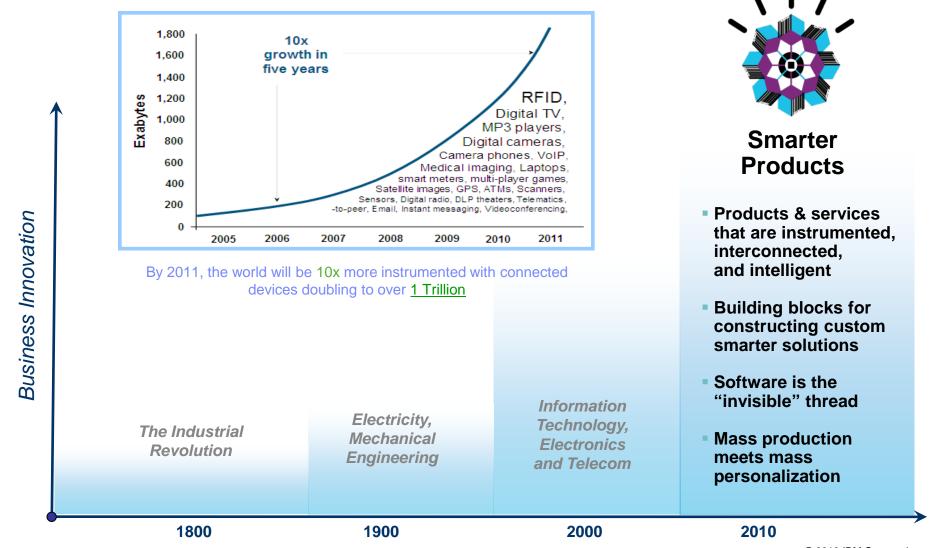
- Every day, 15 petabytes of new information are being generated.
 This is 8x more than the information in all U.S. libraries.
- An average company with 1,000 employees spends year to find informa on its servers.

Organisations that design and create software solutions face a world of growing complexity!

Let's build a smarter planet

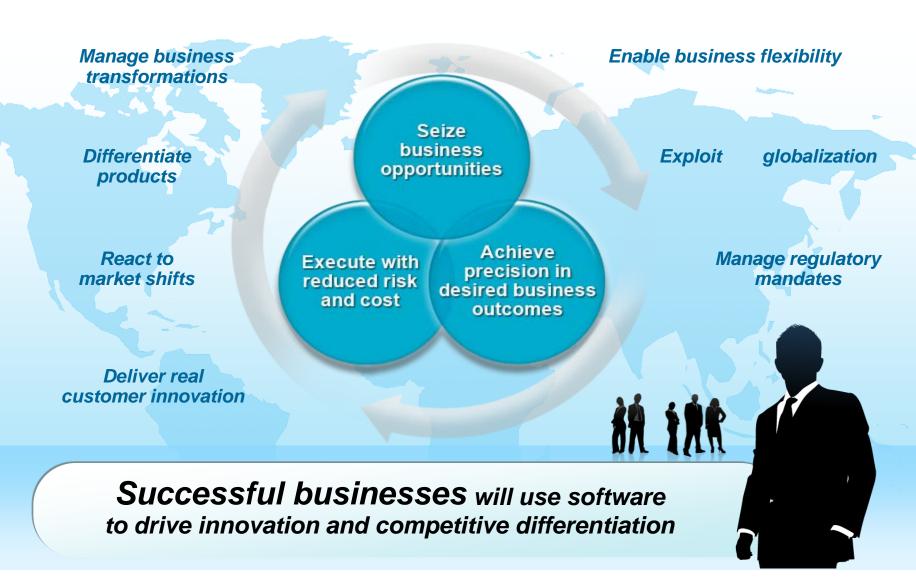


We've entered a new wave of business innovation made possible by smarter products and systems





Businesses are facing an unparalleled rate of change





Economic pressures are driving the need to achieve greater value from investments in software

Changing the Cost Structure of IT Will Become a Business Imperative

"The message for IT is clear; business needs and expects greater agility from IT. The current approaches are clearly not satisfying customer needs. A new approach to IT delivery models and sourcing options is required that allows IT organizations to be more responsive to the needs of the business."

- Gartner, October, 2008 "Changing the Cost Structure of IT Will Become a Business Imperative for Most CIOs"



Across an ever evolving "software supply chain"



Composed of purchased, outsourced and in-house built software assets which are ever-evolving and increasingly interdependent



Delivering innovative software and systems is not easy



"34% of software projects are deemed unsuccessful costing \$300B annually"



"Only **22%** of executives felt their IT and business strategy were tightly integrated"



"49% of projects suffer overruns and 62% fail to meet their schedules"

Product Ideation → Product Concept → Product Launch → Profitable Operations takes too long, costs too much and lacks sufficient quality



Building a competency in software is challenging

Overcoming a history of cost overruns, schedule slips and quality issues



"Only 34% of software projects are deemed successful costing over \$300B annually"



"49% of budgets suffer overruns and 62% fail to meet their schedules"



"30% of project costs are due to rework and poor execution of requirements"



"50% of outsourced projects are expected to underperform"

Silos of people, process, and projects

Geographic Barriers

- Poor communication
- Language, culture, time
- Process gaps resulting in rework

Organizational Barriers

- Weak collaboration
- Poor project governance and LOB oversight
- Security of IP

Infrastructure Barriers

- Incompatible tools
- Unreliable access
- Lengthy on-boarding
- Inflexible integration





Software archeology

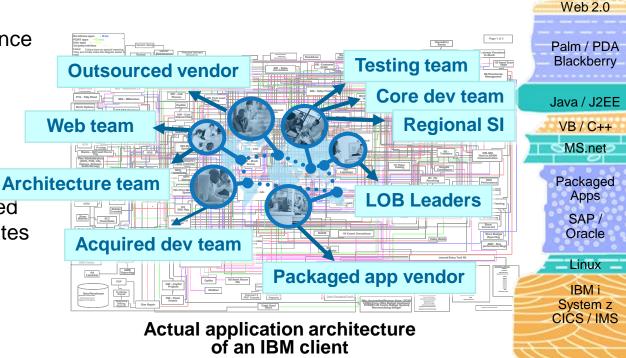
Performance of people and assets in software supply chains



"Whether designing an airplane, assembling a motorcycle [or delivering software]... the ability to integrate the talents of dispersed individuals and organizations is becoming the defining competency for managers and firms."

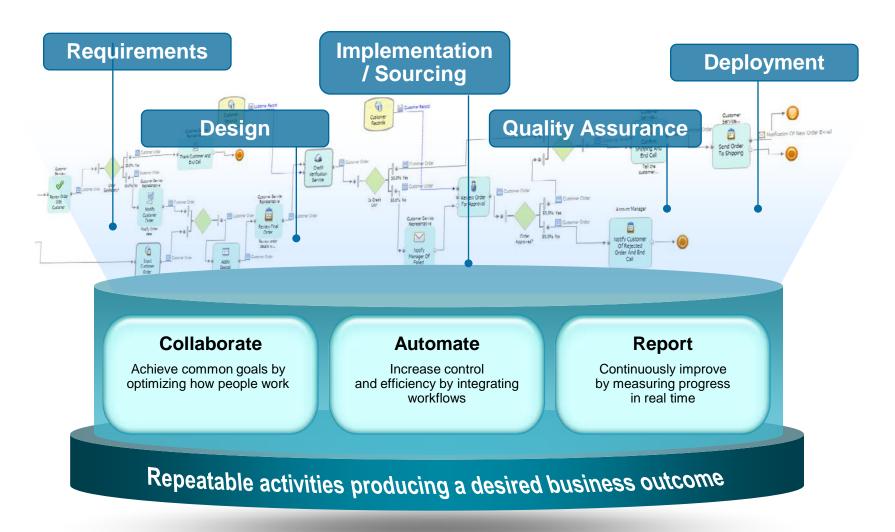
— Tapscott & Williams, Wikinomics, Copyright 2006

- Lack of architectural governance
- Layers of disjointed, poorly managed software assets
- Contributors are everywhere with diverse skills, roles
- Growing complexity associated with IP and regulatory mandates
- More formal IT and business service level agreements





Successful organisations are managing software and systems delivery as a robust business process





What is required to bring about fundamental transformation?





Jazz is a platform for transforming software delivery

Rational Offerings

Third party Offerings

Business Partner Offerings

Jazz is...

- Our vision of the future of systems and software delivery
- A scalable, extensible team collaboration platform
- An integration architecture enabling mashups and non-Jazz products to participate
- A community at Jazz.net where Jazz products are built
- An evolution of our portfolio over time

Jazz is a platform for *transforming how people* work together to deliver greater value and performance from their software investments.



Based on a foundation that can transform software delivery

A open technology initiative to transform how people work together to deliver greater value and performance from their software investments



- Robust, extensible and scalable
- Globally distributed, fluid and dynamic
- Community-based and open at Jazz.net

Collaborate in Context

- Enable team transparency of "who, what, when, why"
- Build team cohesion and presence
- Automate hand-offs so nothing falls through the cracks

Automate Governance

- Automate team workflow, improving productivity
- Automate data collection, eliminating administrative overhead
- Real-time iteration planning and workload balancing

Gain Real Insight and Adaptability

- Real-time reporting and alerts reduce project risk
- Dynamic provisioning of projects and teams
- Adapt early to project issues and course corrections

Real-time integration of people, process and projects across the lifecycle

Collaborate

Automate

Report

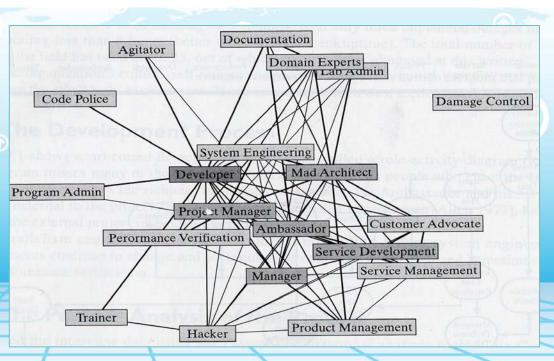
Repeatable activities producing a desired business outcome



Patterns of success: Enable team collaboration

How do we effectively develop with teams across 3 continents?





Two-thirds of development organizations have teams that work in multiple locations.¹ Studies show that teams with more than twelve members rapidly lose effectiveness.²

Graphic: Coplien, Organizational Patterns of Agile Development

14

¹Evans Data Corporation North American Development Survey, Vol II, 2007

²Knowledge@Wharton. "Is Your Team Too Big? Too Small? What's the Right Number?" June 14, 2006.



To leverage global resources more effectively, Jazz enables collaboration across teams and geographies

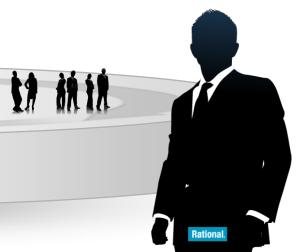


Achieve common goals by optimizing how people work

- Leverage social networking capabilities to enable broader and richer participation in software projects
- Virtualize "team memory" to overcome geographic and temporal gaps in the software lifecycle
- Enable flexible, global resourcing and saving workplace models

energy-

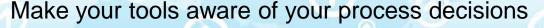






Patterns of success: Focus on process and workflow automation

How can we accelerate our adoption of practices?



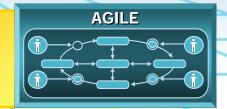
Waterfall development
 When stability is the primary driver
 Example: Rational ClearCase kernel



Iterative development
 When stability and change are equal players
 Example: Rational Software Architect,
 Rational Business Developer



Agile development
 When change is the primary driver
 Example: Rational Team Concert, Rational Quality
 Manager, Rational Requirements Composer



³Ambler, Scott, "Agile Adoption Rate Survey: February 2008," Ambysoft.



To deliver better outcomes, Jazz automates the implementation of any process



Improve agility by automating team process and workflows

- Flexible process enactment makes it easy and natural for team members to "do the right thing"
- Built-in support for Scrum and other Agile processes deliver proven approaches to planning and managing Agile projects
- Standard processes automate repetitive tasks and improve team efficiency







Patterns of success: Deliver real time, fact-based reporting

How can we track progress against goals?

 "Organizations exercising world-class performance management practices enjoy a 2.4 times market returns of typical companies"

(1)

BusinessWeek Study:
 The Payoff of Pervasive Performance Management



- Studies show that:
 - 52% of users don't have confidence in their information¹

(1)

- 59% of managers miss information they should have used²
- 42% of managers use wrong information at least once a week²

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To ensure progress towards business outcomes, Jazz supports correlated, multi-level *reporting*

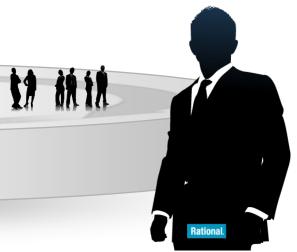


Report

Continuously improve by measuring progress in real time

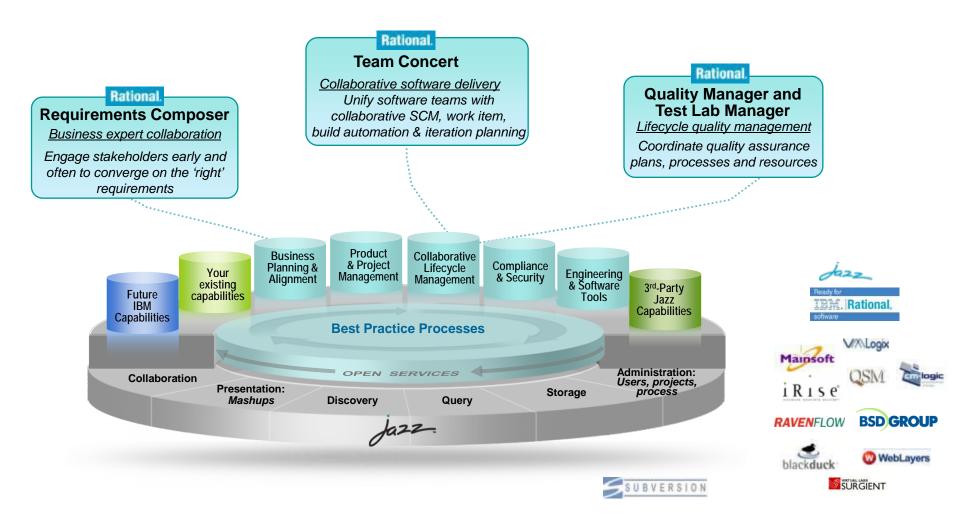
- Deliver more accurate information through real-time instrumentation of the software delivery lifecycle
- Leverage metrics for continuous individual and organizational capability improvement
- Gain insight into a projects spanning geographic & organizational boundaries







2008: First wave of Jazz products





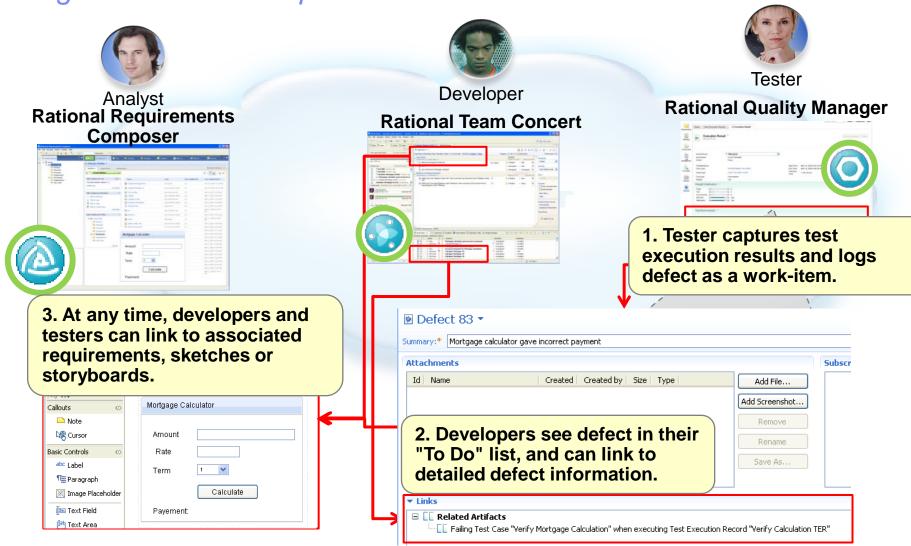
Align technical teams with business drivers Integrated workflows foster clarity of requirements





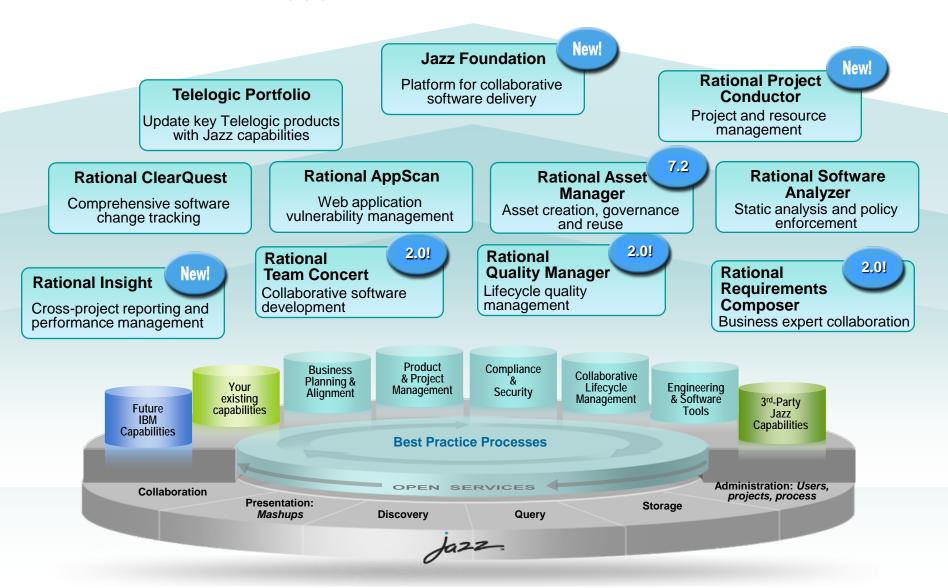
Accelerate the build-test-debug cycle

Integrated workflows speed defect time-to-resolution



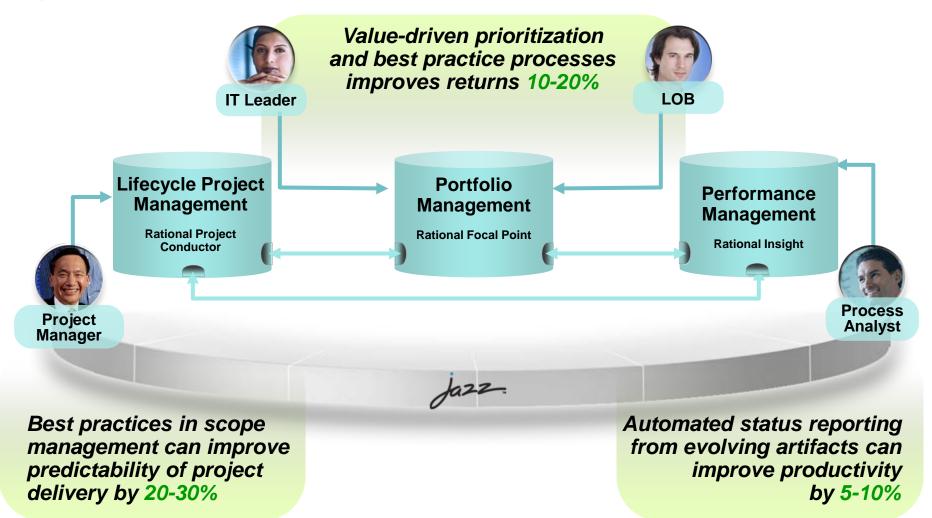


The second wave: 2009





Optimize business outcomes through improved business planning & alignment

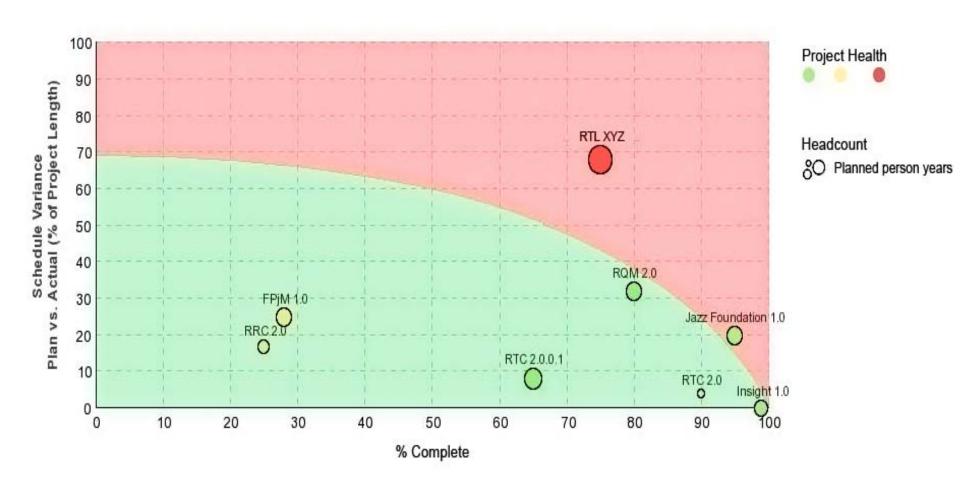


Source: Based on hundreds of client interactions of the IBM Rational Services Organization, as observed by VP Services, IBM Rational



Example: Providing a single view of project health

Quickly identify delivery issues that need immediate attention



Sample of actual IBM project health report

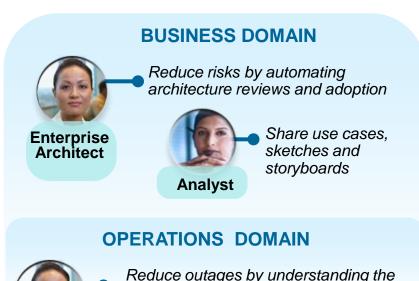
Rational Insight

Operations Manager

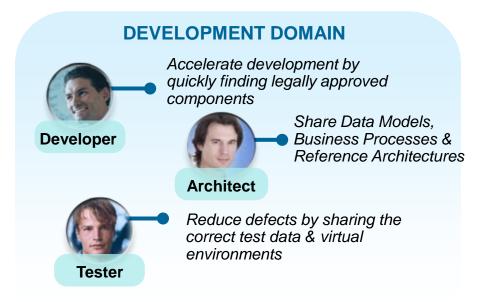


Deliver greater value from Jazz-based assets

End-to-end asset management



impact of operational change on business and technical assets



Reduce costs and improve quality with end-toend asset management and reuse automated by Jazz workflows

Jazz.

Rational Asset Manager



2010: Jazz "on the cloud"

Delivering an "instant on" collaborative ALM solution



IBM Rational Software Delivery Services for Cloud

- Gain immediate access to a fully integrated collaborative application lifecycle management (ALM) environment.
- Dramatically reduce up front costs by reducing acquisition costs.
- Cost effectively test solutions in the cloud to optimize your software delivery life cycle



900 business partners "jazzed" about IBM Rational software



















































































Rational partner solutions extend the value of Jazz



Collaborate with Microsoft® SharePoint® and Lotus® Quickr® libraries



Analyze project data and automate tasklevel work breakdown structures



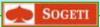
Reserve, deploy and manage an inventory of virtual test resources



Synchronize defect and change workflows with HP Quality Center



Execute tests for SAP



Enable TMAP process support



Simulate requirements to reduce project risk



Enable bidirectional JIRA change management integration



Deliver automated governance to insure compliance and minimize business risk



Find and manage open source approvals



Execute mobile handset tests.



Accelerates test cycles with virtual machine management and execution



Visually validate business requirements



Integration between Rational Quality Manager and Borland CaliberRM to enable traceability between requirements and test artifacts



Execute data tests.

Taskt (**) p

Integrate with Mylyn task focused interface



Tools for validation of SAP business objects



Execute LISA tests from RQM

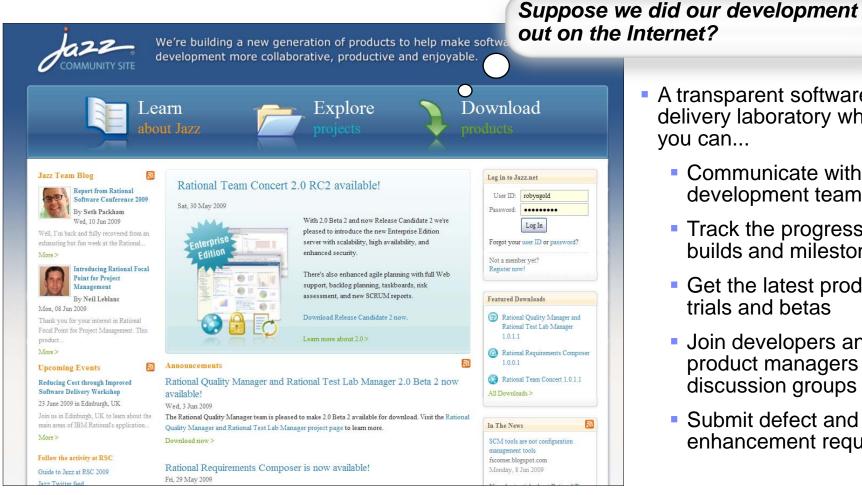


Allows users to define RQM test cases according to product line features





Jazz.net: Creating a higher-fidelity connection to our customers



- A transparent software delivery laboratory where you can...
 - Communicate with the development team
 - Track the progress of builds and milestones
 - Get the latest product trials and betas
 - Join developers and product managers in discussion groups
 - Submit defect and enhancement requests

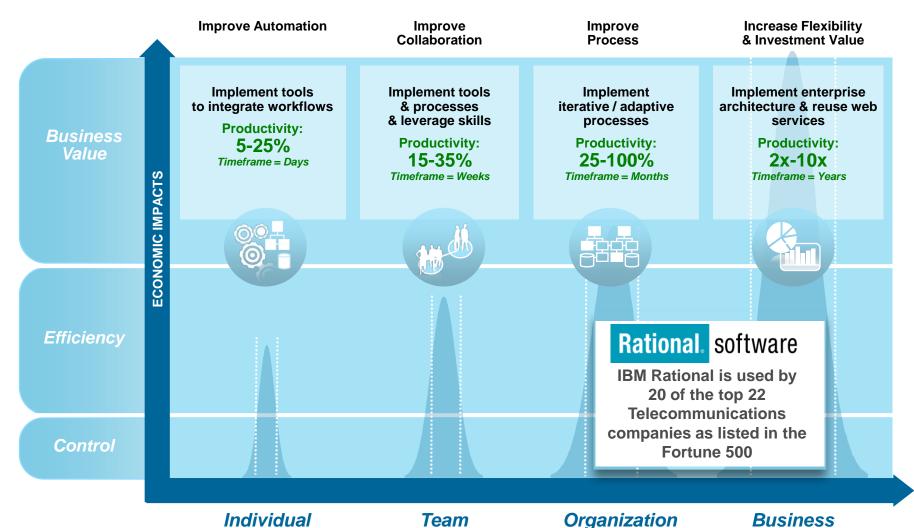


What analysts are saying...

- Liz Barnett, Ez-Insight: "With the Jazz project, Rational has developed breakthrough technology and is poised to set the standard for collaborative ALM... Given the current business climate of "deliver more with less much sooner," organizations have no choice but to rethink the ways that they deliver software solutions. The Jazz project will help teams achieve that goal."
- Paul Herzlich, Ovum: "IBM has taken the opportunity to exploit the Jazz platform's power inventively. Its 'living' test plan is a masterpiece of applying new technology to a familiar problem... What is being delivered will demonstrate convincingly that IBM is raising the standard for a test management product."
- Julie Craig, EMA: "Rational's differentiators are difficult for competitors to equal, and the new Jazz platform foundation may well turn out to be one of the best investments the Rational team has made."
- Simon Jacobson, AMR: "Frankly I wish folks who sold quality management solutions took this approach. Most of the folks I speak to talk about the lifecycle, but they are selling you a mass transit system, but only really provide the train station."



The Result? Continuous improvement against business outcomes



Note: Implementation costs are per person per year.

Product Delivery Performance Improvement



This is also true for businesses developing complex and embedded systems software to drive Product Innovation



Automotive

Enhanced **collaboration** enables you to manage relationships between OEM and multiple suppliers





Electronics
Includes Telecom

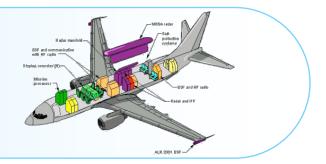
Increased **automation** enables you to develop products at a lower cost and with fewer resources than ever before, while coping with rapidly changing market demands and technological advances





Aerospace and defense

Advanced **reporting** enables you to demonstrate compliance to requirements and regulations with complete accountability





Gartner

Application Development Software IBM Rational clear leader for the eighth consecutive year

Gartner, July 2009



Software Development Platform User Satisfaction

"IBM has spent a lot of time and effort to evolve their set of tools into a complete software delivery system, and they have succeeded ... and their users absolutely love their tools"

Evans Data Corp, July 2009

Analyse the Future

Application Vulnerability Assessment Software

Rational AppScan

IDC, Sept 2008



"The challenge in any company is to do more with less. System Architect continues to enable us to achieve our goals at relatively low cost ... "

Wayne Pales, Head of Strategy & Architecture, AGL



"With a site the size and complexity of the Australian Open, automated tools like IBM Rational Performance Tester and IBM Rational Policy Tester can save days, if not weeks, of repetitive manual work."

John Kent, IT Project Manager, IBM Sponsorships, IBM

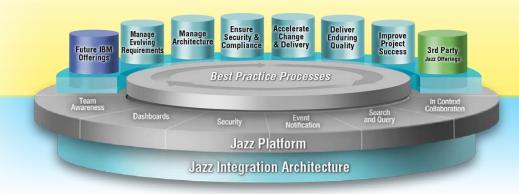


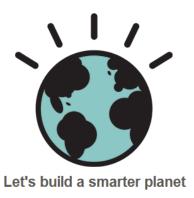
"With Rational's products, we almost doubled productivity." Julian Robins, Technical Director, Westinghouse Rail Systems



In Summary

- A <u>unified platform</u> that includes a common foundation for collaboration, automation and reporting can dramatically improve the business process of software delivery
- Through <u>insight</u> into real, honest, in-flight data, teams can better measure and understand the improvements they are making using this platform
- Achieving <u>business</u>
 <u>differentiation</u> with
 agility and confidence
 is a reality today





Jazz





Learn more at:

- IBM Rational software
- IBM Rational Software Delivery Platform
- Process and portfolio management
- Change and release management
- Quality management
- Architecture management

- Rational trial downloads
- Leading Innovation Web site
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