

NEW IBM INDUSTRY MODELS VERSION 8.0

Enhanced Industry Content!!



New Content Updates for Version 8.0!!

Version 8.0 of the Industry Models contains enhanced industry content captured in order to accelerate both data and SOA projects for multiple industries:

Financial Services (Banking, Insurance, Financial Markets): Enhanced support for risk & compliance (SEPA, Payments, Basel II, Solvency II, MISMO, KYC, and more). Formalization of reusable activities and data flows.

Retail:

Significantly increased coverage including retail pharmacy support, mail order support and click stream analysis. Enhanced view of business performance consistent with regulatory reporting and operational analytics.

Telecommunications:

Major new content including services bundling and improved accounting and financial reporting.

IBM Industry Models Background

The IBM Industry Models provide structured and deployable business content for a growing number of industries including banking, insurance, financial markets, health plans, telecommunications, and retail. They consist of integrated data (operational and informational), process, and service models consistently defined across business requirements, analysis and design. This validated structure fosters business and IT collaboration and enterprise-wide approaches and ensures that projects are delivered faster and with less risk.

Business Value of Industry Models

The IBM Industry Models can be used by both business and IT to implement key strategic business initiatives faster and more reliably. Based upon industry experience of more than 400 clients, and more than ten years of development, the IBM Industry Models are unique. They are used specifically for:

Integration through SOA

Customers are using the IBM Service Models as part of their SOA strategy to integrate legacy applications and new functionality through a layer of consistent service definitions that can be deployed on IBM middleware or on other infrastructures.

Core System Renewal

The IBM Service Models are also being used as component blueprints for the development of new core applications such as policy administration systems or payment solutions.

Process Transformation

Customers are using the IBM Process Models to streamline their core processes across organizational boundaries. The models provide a strong basis for defining to-be processes and can be used to choreograph services through their strong connection to the service models. Some of the most frequent processes being refactored by customers are account opening, claim management and customer service.

Data Governance and Standardization

Customers are using the IBM Data Models to help define a corporate set of standard definitions and best practices around their data. The models provide business descriptive classifications (terminology and functions) and attribute-level definitions for any given data element. On behalf of the business, a data stewardship program can outline data quality guidelines. In turn, IT can then use data integration, business integration and master data management infrastructure to enforce standards and use data profiling techniques for compliance monitoring or exception alerting

Operational Insight

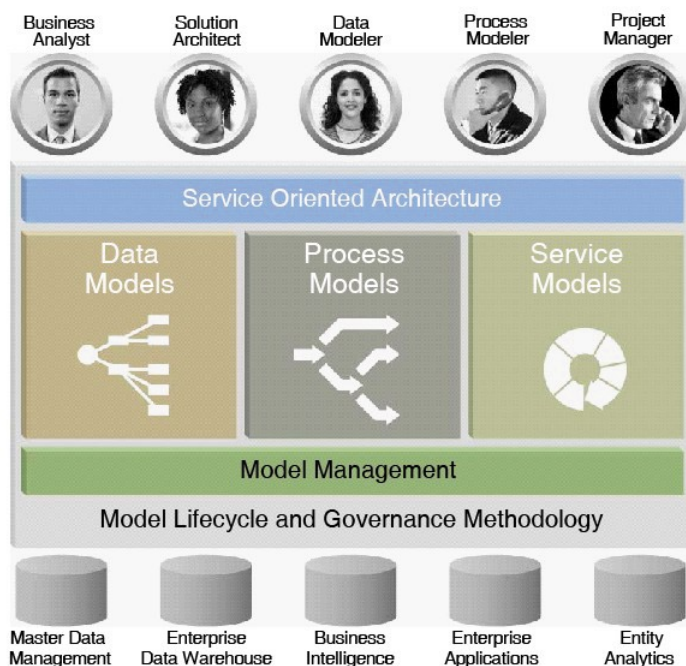
Customers are using the IBM Data Warehouse Models to provide a comprehensive analytical reporting framework encompassing key performance in areas such as relationship marketing, supply chain, profitability, risk and compliance, and asset and liability management.

Risk and Compliance

The IBM Data Warehouse Models support the reporting needs of a series of regulatory requirements such as Basel II, Sarbanes Oxley or the European Union Solvency regulation.

Enterprise Architecture

For any given industry, the models are interconnected and cross-referenced (this is usually referred to as traceability). In this respect, the Industry Models provide the structure and content for supporting the business and application layers of an enterprise architecture.



Financial Markets

Financial Markets Data Models

Now includes **detailed definitions of major cash instruments and vanilla derivatives**. This includes equities (common and preferred), derivatives (options, forwards, futures, swaps), bills and bonds, indexes (and exchange traded funds) and spot currency exchanges. All these new extensions have been defined in line with the draft ISO standards for financial instruments (ISO C/68/SC4).

New templates defined that can be used to expose the warehouse data to services. These templates support FPML (**Financial Products Markup Language**), the industry-standard meta-language for describing financial instrument data shared between applications.

Financial Markets Process & Service Models

New process definitions for **corporate actions**. These are actions which cause a material change to a corporation with an impact on its shareholders. Some examples are rights offerings, elective dividends, tender offers, bankruptcies, conversions, mergers, acquisitions, redemptions, spin-offs and periodic dividend. The process models address the typical issues such as the decisions process, the identification of the impacted instruments and the allocation of proceeds.

The **identification of reusable activities** has been improved with each process step having clearly defined data inputs and outputs. This is an important improvement for using the process models in SOA engagements. In addition, processes now have fully defined logic, ensuring a valid flow of logic and data from end to end.

Creation of definitions of services for the post trade straight-through processing which can be used in **Middle to Back Office integration**. These service definitions will typically be implemented by commercial or in-house applications.

The **MiFID Best Execution** directive establishes the principle that the financial institution must take all reasonable steps to obtain the best possible result, taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order. The models now have service definitions covering the establishment of the best execution policy, its monitoring, the identification and monitoring of the best execution venues (or intermediaries), order handling (including all validations and risk and limits analysis).

Banking

Banking Data Warehouse

Basel II is an international standard that regulators can use to create regulations about how much capital banks need to put aside to guard against the types of financial and operational risks banks face. The Banking Data Warehouse Models already have comprehensive support but now have updates to include support for **US Notice of Proposed Rulemaking**. A notice of proposed rulemaking or NPRM is issued by law when a regulatory agency of the U.S. wishes to add, remove, or change a rule as part of the rulemaking process process.

There is now additional support for mappings to the **Single European Payments Area (SEPA)**. SEPA enables customers to make non-cash euro payments to anywhere in the euro area using a single bank account and a single set of payment instruments.

Banking Process & Service Models

The **identification of reusable activities** has been improved with each process step having clearly defined data inputs and outputs. This is an important improvement for using the process models in SOA engagements. In addition, processes now have fully defined logic, ensuring a valid flow of logic and data from end to end.

Enhancements are also provided for primary (early quotation, pre-qualification, proposal, application, activation, early re-buys and maturity) and secondary (negotiation and securitization of mortgages) mortgage markets/securitization. The processes and services are defined in line with **MISMO**.

There are ongoing **payments enhancements** which take into account the regulatory requirements from the Single Euro Payments Area (SEPA) in the area of credit transfer, direct debit and card payments, anti-money laundering (AML) and Know Your Customer (KYC).

Finally, the identification and detailed specification of the **services that support the deployment of the enhanced process models** in a service-oriented architectures environment.

Insurance

Insurance Information Warehouse

Solvency II is a fundamental and wide-ranging review of the current insurance Directives and includes a review of the overall financial position of an insurance undertaking. The latest enhancement to the insurance models includes Minimum Capital Requirement, Cost of Capital Margin and Eligible Capital Classification.

Updates to **regulatory compliance** support for International Accounting Standards (IAS/IFRS) 36 (Impairment of Asset) and 37 (Provisions, Contingent Liabilities and Assets).

Insurance Application Architecture

Updates to **risk management support** with definitions of process flows to support Solvency II (3 pillars: risk measurement, supervisory control and public disclosures), Sarbanes-Oxley (in particular section 404 – on internal control over financial reporting – but also sections 302, 409 and 802), anti-money laundering and Know Your Customer requirements, premium audits and internal audits.

Improvements on the ability to focus on areas of interest and to filter out content of secondary interest. This capability, combined with the specialized process content, provides the necessary support for rationalizing processes across lines of business and to **categorize by line of business**.

Retail

Retail Data Warehouse

New coverage for the main informational concerns of running a **retail pharmacy** including information on staff qualification, stock records (including their strict dispensing requirements), ethical / OTC product overlap (including pricing aspects), patient records, prescription handling, payments (including partial third party payments for prescriptions), legislation (in particular for retailers operating in multiple jurisdictions), product recall and batch traceability, drug interactions, and veterinary support.

Support for **click-stream analysis** / web customer behavior (page selection, sales triggers, exit pages and so on) in context (marketing activities, server problems, website costs). This extends the existing multi-channel focus area to better understand the web customer in the areas of site performance analysis, web activity analysis and access type conversion analysis.

While mail order enables the retailer to sell to areas not covered by their “bricks and mortar” outlets, there is little human intervention to smoothen the sales process. Thus, it is even more important to analyze customer experience to promote loyalty and repeat business. This **mail order support** extension to the multi-channel focus area examines Customer Order Service Level, Customer Delivery Efficiency, and Sales Order Source.

Enhancements for **corporate finance management** enables an overall view of business performance with appropriate granularity; it is distinct from, but consistent with, both Regulatory Reporting and Operational Analytics.

GCI is a body comprising leading retailers, suppliers and service providers. New model extensions include mappings between each of the 15 published **CGI Key Performance Indicators** and the appropriate measure or measures in the model.

Telecommunications

Telecommunications Data Warehouse

New reporting areas covering both general purpose **accounting and finance** (analysis of balance sheet, income statements, cash-flows, shareholders equity and financial summaries) as well as **financial management** of telecommunication’s retail outlets (analysis of market baskets, outlet location profitability and stock availability).

Analytical support for usage and revenue terms as well as analysis of B2B implications of **Mobile Virtual Network Operators**.

Extension to the model to support the **bundling of services** including quad, triple, multi-play and third party support.

In order to support this **pre-paid** area of the business, in particular for emerging markets where it represents the biggest share of the business, the models have been extended to cover both specific measures (such as bonuses, recharges...) and a payment dimension to existing analysis.

Synergy with other IBM products

IBM Industry Models and Information Server

The Industry Models help clients define and describe a unified view of their analytical data that persists in a data warehouse. In order for the analytical solution to work, Information Server enables organizations to understand their existing data sources; to cleanse, correct and standardize information; and to load the information into the data warehouse. For example, for financial and Basel II Risk and Compliance reporting.

IBM Industry Models and Master Data Management

The Industry Models help clients with their Master Data Management strategy. First, existing Industry Model clients can leverage Master Data Management to support a single view of operational master data, such as individuals, organizations, citizens, employees and products. This ensures consistent operational information across front and back office systems, and strategic data warehouses. Second, MDM clients can use the process and service models to define a corporate process and services strategy, which will highlight the opportunities for enterprise-wide MDM deployment.

IBM Industry Models and the Software Delivery Platform

The process Models are built in WebSphere Business Modeler and shipped as WBM XML import files. It is possible to create Business Process Execution Language (BPEL) from process definitions in WBM and to import them in WebSphere Integration Developer for performing the choreography. The service models are designed in Rational Software Architect and can be further refined in WebSphere Integration Developer for the service choreography and in Rational Application Developer for the component designs.

IBM Industry Models and DB2 Data Warehouse Edition

The Industry Models, accompanied by IBM Information Server, DB2 Data Warehouse Edition, and a business intelligence tool, provide the portfolio of capabilities necessary to build a successful data warehouse solution.

IBM Industry Models and WebSphere Business Service

Fabric

The industry models can be used as sub-industry packs within the fabric. They provide specific industry content compatible with the fabric structures that can facilitate more rapid SOA solution assembly and also the interoperability and semantic mediation between disparate IT assets in an SOA. This compatibility is based on the fact that the fabric is well integrated within the Software Development Platform on top of which the Industry Models are built. The process and service models can be used to generate Business Process Execution Language (BPEL) and Web Service Definition Language (WSDL) that can be consumed by WBSF. In addition, together they are the foundation for and CBS (Composite Business Services) that provide additional industry-specific accelerators, such as rate, quote, issue or policy servicing in insurance.

Industry Models Architectural Elements

Data Models

These define database structures necessary to provide management with analytical reports that contain the business's key performance indicators, and deliver necessary pre-built statutory and regulatory reporting templates, such as Sarbanes Oxley, Basel II and IAS. They also provide a glossary of terms and concepts that can be clearly understood and communicated by business and IT, thereby helping to accelerate project scoping, appropriate reports, data quality and data requirements, as well as sources of data.

Process Models

These describe the most important step-by-step processes within an organization, ranging from front to back office functions, such as sales and marketing management, payments, lending, and HR administration. These templates can be used to re-engineer existing approaches or to deploy new capabilities. In addition, they provide a consistent, enterprise-wide lexicon for identifying and naming organizational activities and the triggers within key business processes.

Service Models

These enable business and IT to agree upon the scope of services to be developed and deployed within a services-oriented architecture. Specifically, they enable analysts and developers to capture business requirements through the use of cases, thereby identifying appropriate service definitions that form the entry point into an underlying integration infrastructure.

Key Benefits

Proven

More than 400 clients are using the models in various facets of their business-driven IT strategies, such as risk and compliance reporting and process transformation

Business Ready

Proven to foster collaboration and approval between business and IT, as necessary, to turn business requirements into actionable solutions

Compliant

Subject matter experts have distilled compliance regulations into statutory reporting and business process requirements without the need for external development

Comprehensive

Content garnered from multiple client engagements is turned into a suite of interrelated data, process and service models, with a proven methodology and models that require minimal customization.

For More Information

Please visit our website at www.ibm.com/software/data/ips/products/industrymodels for industry specific brochures.

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