



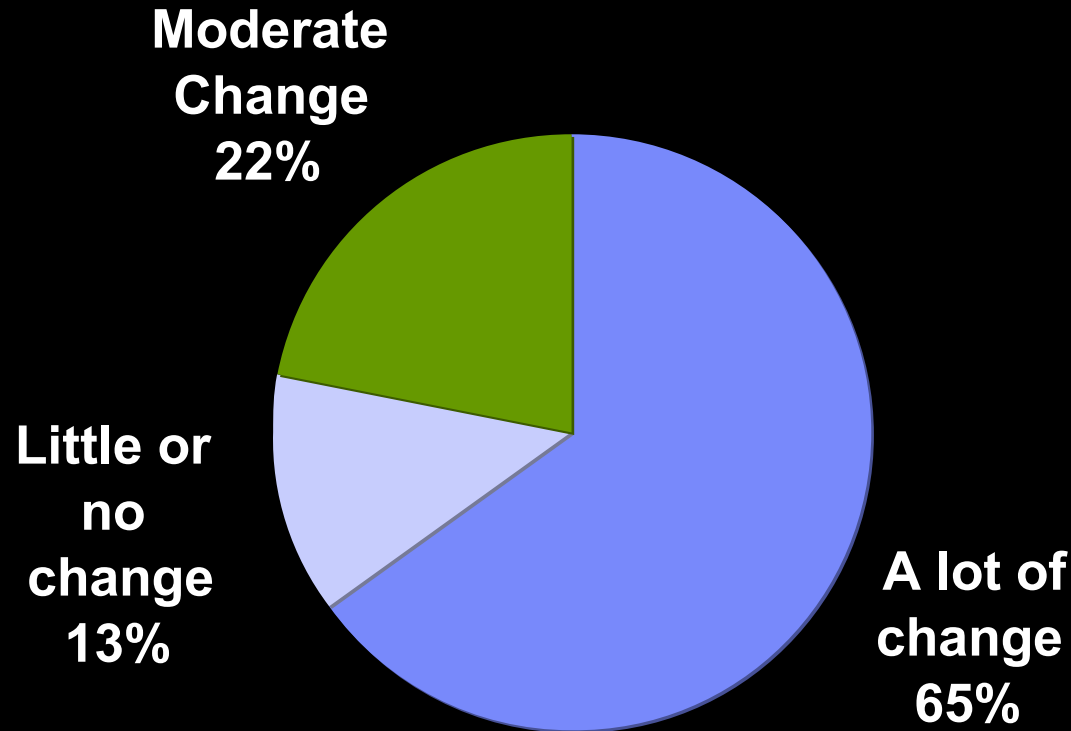
IBM SOA Executive Summit

SOA Business Value Proposition

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IBM Global Business Services

ON DEMAND BUSINESS™

CEOs expect fundamental change in next 2 years



Source: "IBM Global Business Services
The Global CEO Study" 2006



*Fewer than half have managed this magnitude
of change successfully in the past*

Innovation sets a new course

Where:

- ↳ **Business model innovation matters**
 - Competitive pressures have made it a priority
 - Outperformers double their focus on business model

How:

- ↳ **Collaborative innovation earns returns**
 - Partners & customers edge out employees for new ideas
 - Outperformers source 30% more ideas from outside

SOA shifts focus to business value

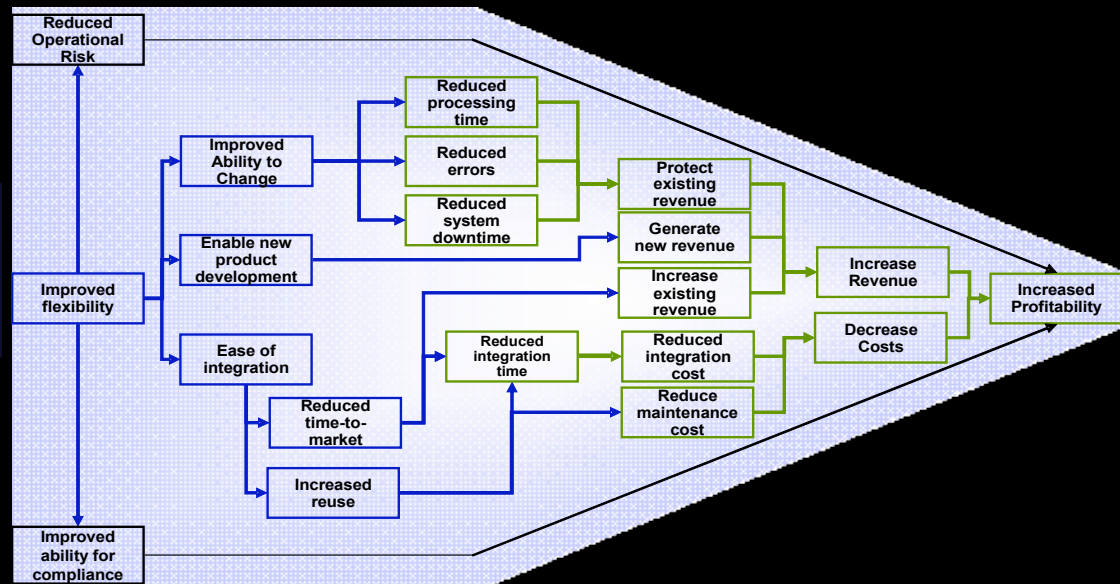
Cost cutting

Profitable growth

Enabling Innovation

- 97% expect to cut costs
- 51% cited revenue gains
- 100% anticipated increased flexibility

Business Value Framework



SOA is driven by market imperatives

Cost Cutting

- Decreased maintenance and increased reuse
- Automating processes, increasing productivity

Profitable Growth

- Enhancing existing revenue streams
- Creating new revenue streams
- Creating shared services

Enabling Innovation

- Improving collaboration between firms
- Improving time to market

Guiding the client journey

- **Start small**
 - **Identify a focused & measurable business opportunity**

- **Start now to build skills**
 - **Technical, process, & cultural capabilities carry a steep learning curve**

- **Don't just integrate business and IT – infuse it**
 - **Collaborative planning & communications determines success**

- **Take the long view**
 - **How will your competitor's use SOA to unleash profitable innovation?**