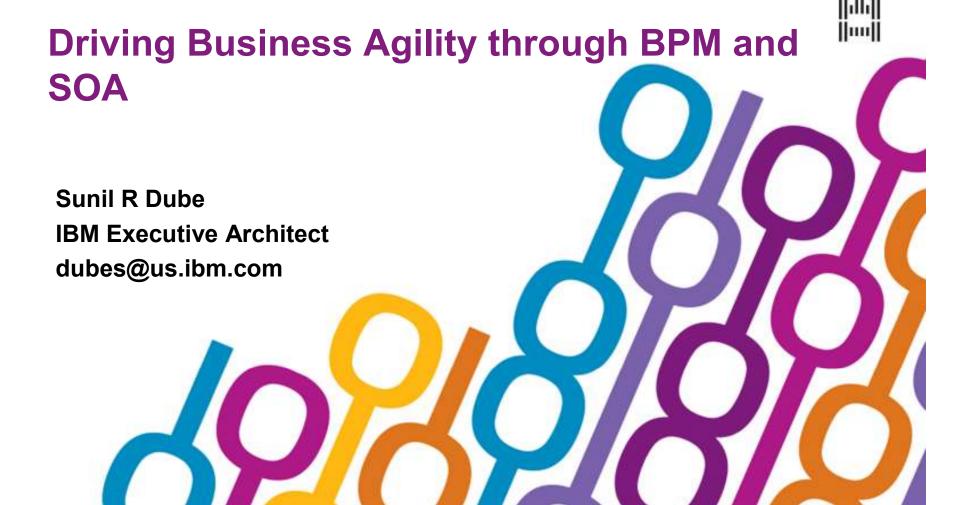
Impact2010
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# **IBM Business Process Management**

1 SOA Foundation

2 Business Process Management





# Driving Better Business Outcomes By aligning the engines of agility



Agile businesses that actively converge business and technology have

- 7% higher EPS growth
- 49% higher ROI than their industry peers





# What do we mean by an SOA Foundation?

- A software and hardware platform for building, deploying and managing solutions that subscribe to the SOA style of enterprise architecture.
  - Along with:
    - Community
    - Eco-System
    - Governance
    - Content
    - Standards





### The Justification for SOA

- Business and IT Alignment
  - Driving IT design decisions from a fundamental understanding of the business model to which IT is being applied
- Business Flexibility
  - Ability to accelerate change
  - Ability to deliver innovative new business functions/capabilities
  - Ability to shift IT spend toward new function => reduce costs
- Agility, Velocity, Efficiency, Control
  - Increase the value of IT to the businesses that we serve





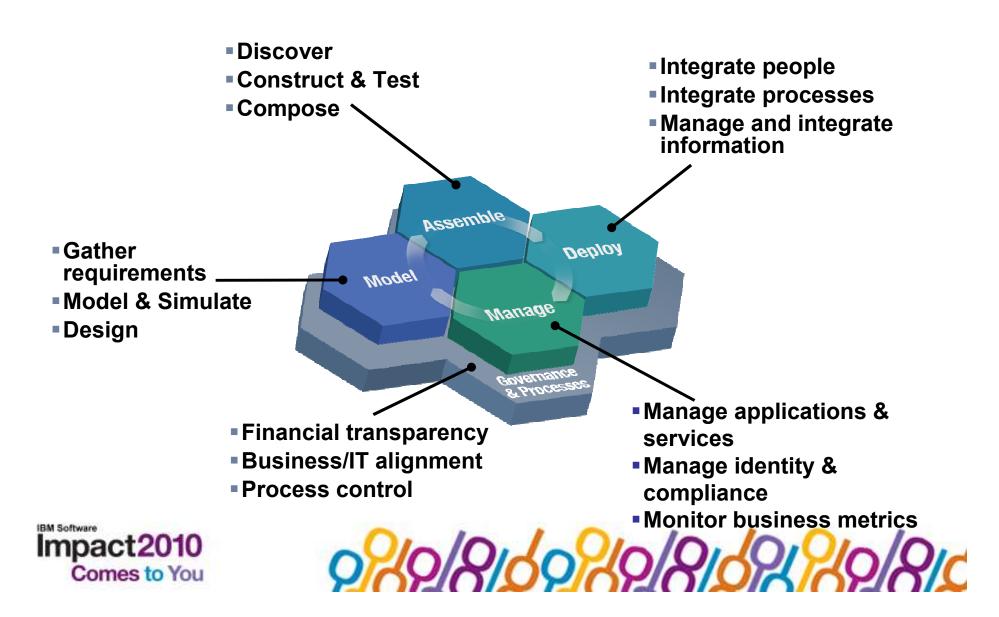
# **Core Principles of an SOA Foundation**

- SOA style of Enterprise Architecture
- Loosely-coupled
- Heterogeneous
- Legacy enablement
- Holistic
- Evolutionary
- Flexible
- Governed

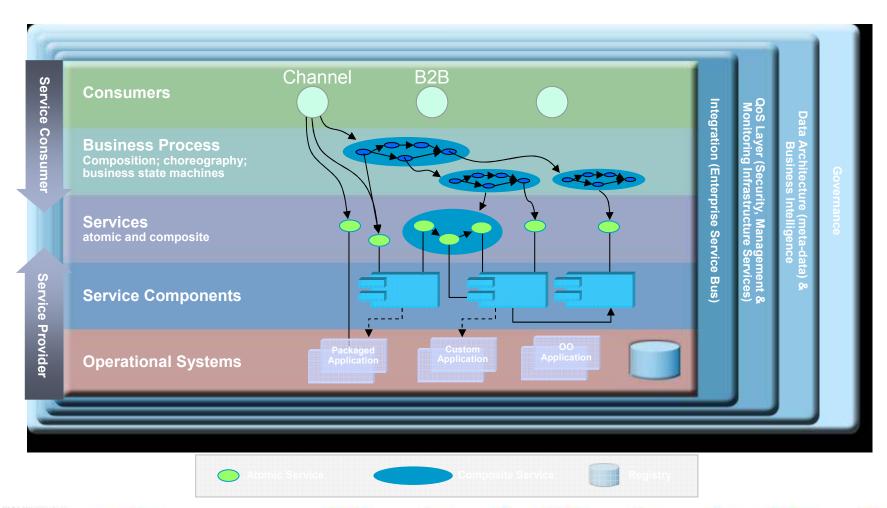




# **SOA Lifecycle**



## **SOA Solution Stack**

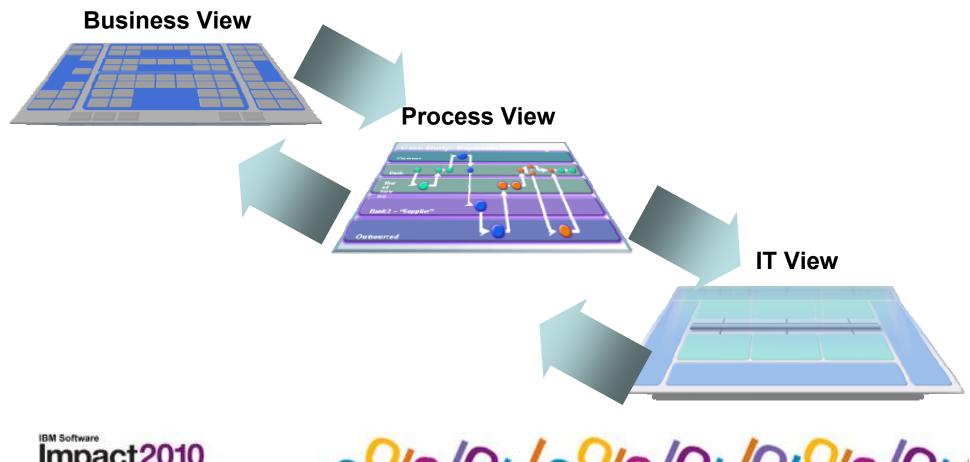






## **Business and IT Alignment**

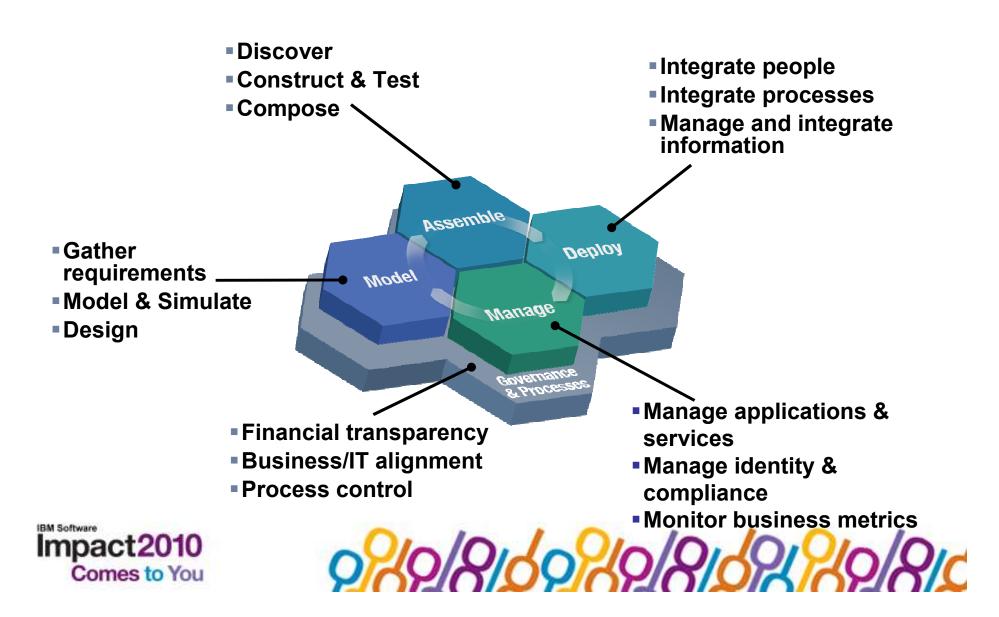
A transformation across domain views



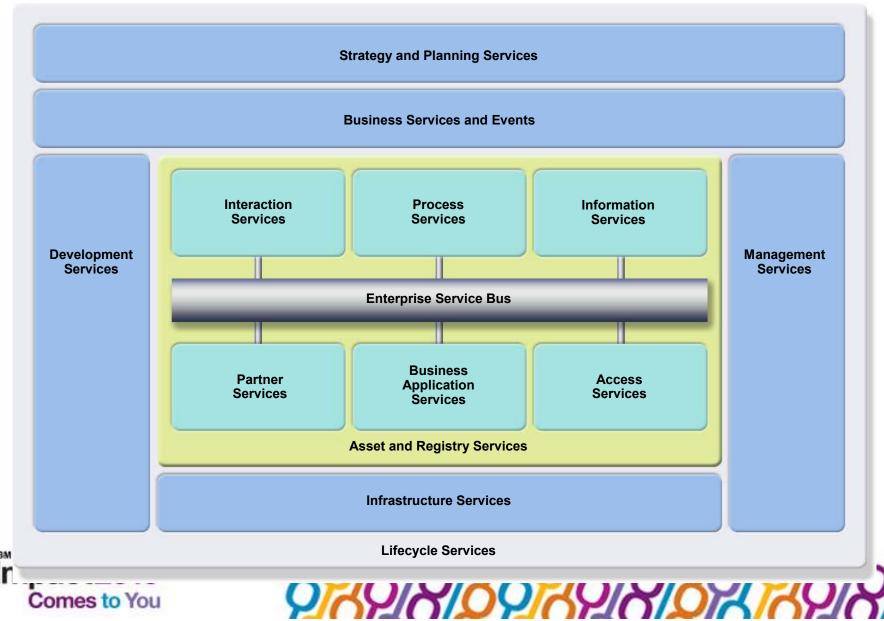




# **SOA Lifecycle**



## **SOA Foundation Reference Model**



# **IBM Business Process Management**

- 1 Demands of Business Agility
- 2 Business-led *Discovery*
- 3 Interaction and Collaboration
- 4 Continuous Process Optimization
- 5 Components and Methodology





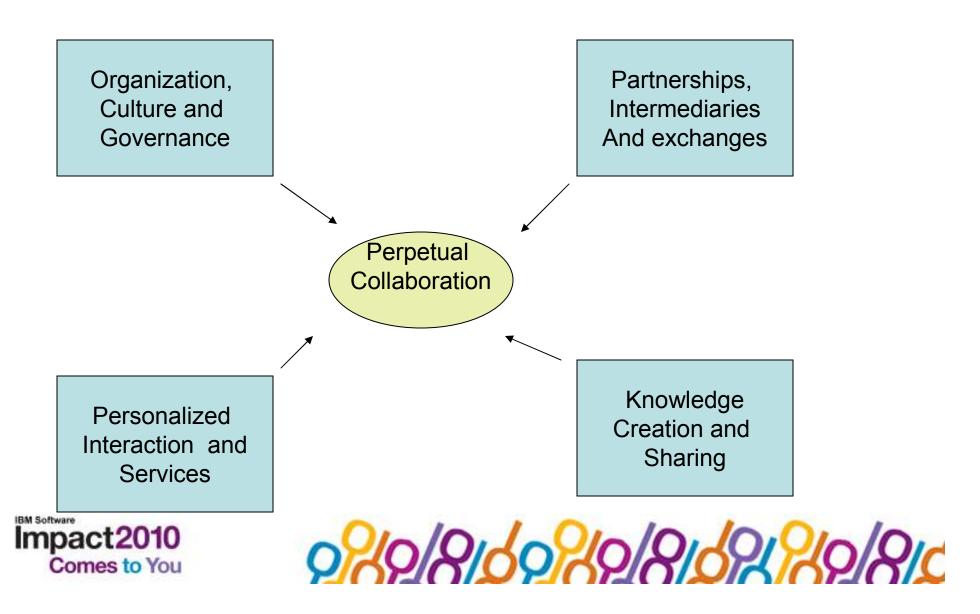
# The governmental challenge: Perpetual collaboration in today's economy

- According to the IBV study, virtually every nation, region, or locality in the world can expect to be affected by:
  - Changing demographics.
  - Accelerating globalization.
  - Rising environmental concerns.
  - Evolving societal relationships.
  - Growing threats to social stability and order.
  - The expanding impact of technology





# Perpetual Collaboration – the core capability governments will need



# Government success depends on an ability to chart a path toward economic prosperity

That enables fundamental innovation and the transformation of every system and industry vital to the survival of the planet, using the four essential strategies:

- Citizen-centered experiences,
- Government accountability,
- Green government,
- and sense and respond capabilities.





## Building the business case for BPM powered by Smart SOA

Governments globally and at all levels must achieve a variety of objectives to attain the goal of virtualization for perpetual collaboration—objectives that are enabled by BPM powered by Smart SOA:

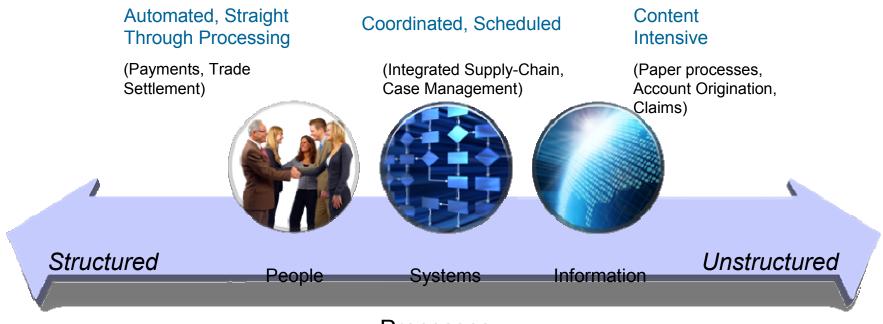
- Improve administrative and citizen/constituent service processes, whether through optimization of existing processes or intelligent process (re)design
- Automate manual processes, which can be resource-intensive and prone to error
- Accelerate the design, development and deployment of process changes
- Improve process visibility, providing users and administrators with actionable information
- Improve process documentation and support for legislative/regulatory compliance efforts
- Foster innovation through process optimization using dynamic modeling and simulation





## **Types of Business Processes**

A **business process** is a collection of interrelated <u>tasks</u>, which accomplish a particular goal, usually decomposed into several sub-processes.



#### **Processes**

Compliance

(Automated Records & Process Management)

Non-Deterministic, Event-Driven

(Fraud Detection, Merchandising)

Collaborative, Artful, Ad-hoc

(Contract Negotiation, Collateral Creation)





# **Challenges of Traditional Process Management**

## Processes inside applications

- Processes are rigid and costly to change
- IT changes needed lag far behind
- With passage of time, changes may no longer be relevant.

## Processes that span applications

- Any changes have implications across all applications
- Inefficient and ineffective processes remain long after the need for change has been recognized

## Managed manual processes

- No automation exists to enable on-the-fly process changes
- No automation exists to trigger processes based on events or patterns

## Ad-hoc processes

- Most systems are not equipped to capture ad-hoc work
- Most ad-hoc processes often not tracked or monitored
- Costs remain hidden and ad-hoc processes remain ad-hoc

Opportunities for business optimization and business innovation are lost





# **Process Improvement is a Top Priority for CIOs**

5 Years in a Row!

2010

2006 - 2009

performance Business expectations		Par	drive of h	uelocee	prioritio	CIO	
DUSHIESS CAPOLISTANIS		Ranking of business priorities CIOs selected as one of their top 5 prioritie					
Ranking	2009		2008	2007	2006	2012	
Improving business processes	1	<b></b>	1	1	1	2	
Reducing enterprise costs	2	Ť	5	2	2	7	
Improving enterprise workforce effectiveness	3	1	6	4		6	
Attracting and retaining new customers	4	T.	2	3	3	3	
Increasing the use of information/analytics	5	1	8	7	6	8	
Creating new products or services (innovation)	6	Ð	3	10	9	1	
Targeting customers and markets more effectively	7	+	9			9	
Managing change initiatives	8	+	12		-	12	
Expanding current customer relationships	9	Ð	7			- 11	
Expanding into new markets or geographies	10	Ď	4	9		- 4	
Consolidating business operations	11	Ť	13	14		15	
Supporting regulation, reporting and compliance	12	1	14	13		16	
Creating new sources of competitive advantage	13	Ū,	11	8		- 5	

Top 10 Business Priorities	Ranki
Business process improvement	1
Reducing enterprise costs	2
Increasing the use of	3
Improving enterprise workforce	4
Attracting and retaining new	5
Managing change initiatives	6
Creating new products or services	7
Targeting customers and markets	8
Consolidating business operations	9
Expanding current customer	10

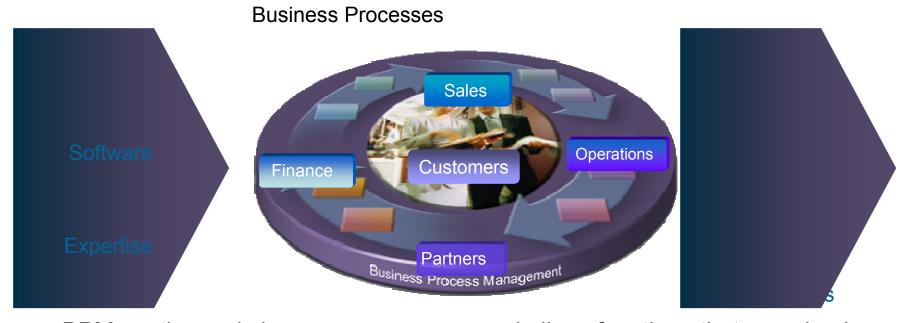
relationships Source: Gartner, 2010 CIO Survey





## What is Business Process Management?

BPM is a discipline consisting of software and expertise to improve the performance, visibility, and agility of business processes and facilitate business innovation



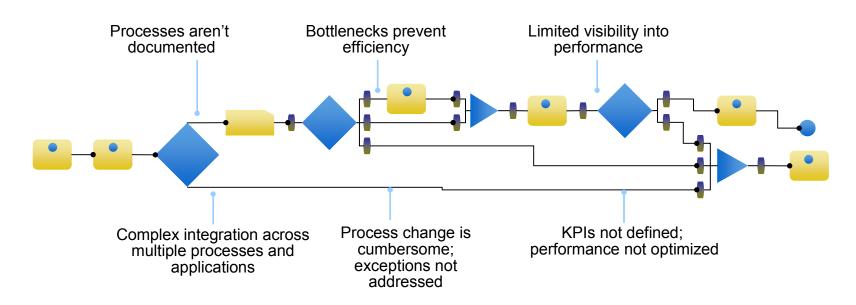
BPM continuously improves processes and aligns functions that span business, IT systems, manual tasks, and information

At its core, BPM takes **rigid**, **siloed processes a**nd transforms them into **flexible**, **choreographed business services t**hat work together to create **substantial business value t**hrough **internal and marketplace innovation i**n order to adapt to faster and more transformative change and global economic challenges





# **BPM Solves Common Business Challenges**



#### Your BPM journey...

- ...can start with simply documenting current processes
- ...proceeds into simulation, new process design and substantial process automation and human-centric workflow management support
- ...or it can start with monitoring current processes to find opportunities for business optimization

In short, your journey into BPM can start anywhere and grow anywhere





## The Future for BPM is NOW

"82% are planning to invest in real-time technology by the middle of 2010"



Source: Latest Vanson-Bourne Survey on Operational Responsiveness

"....seeing large budgets being set aside for BPM projects in 2010...; 66% say BPM experiencing the highest interest and adoption rates within the enterprise..."



Source: Clay Richardson, Senior Analyst, Feb 10, 2010

"By 2014, business process networks (BPNs) will underpin 35% of new multi-enterprise integration projects"



Source: Predicts 2010: BPM Will Expand Beyond Traditional Boundaries, Janelle B. Hill, Benoit J. Lheureux, Elise Olding, Daryl C. Plummer, Bill Rosser, Jim Sinur, Gartner, ID Number G00172856, 19 November 2009





**BPM Market Opportunity** 



**Business Process** Management is a significant, growing, and compelling market!

- **11%** growth 2009-2010
- **10.6%** CAGR 2008-2013

2008

Subsegment Business Process Management Suite





#### BPM from IBM delivers unrivaled customer value

"IBM understands, embraces and is the undisputed leader in the 'holy grail' of modularity of processes and services for sharing, reuse and best practice adoption. Processes and services available through IBM, its partners and affiliates is the best representation of delivering on the promise of service-orientation that exists."

"IBM has upped its game in BPM and is becoming a stronger human-centric BPM contender. Business space and BPM BlueWorks paint a new face on IBM that will attract more business-oriented customers that were frightened by the previous generation of tech-heavy IBM BPM offerings."

- http://blogs.forrester.com/business process/2009/05/not-your-daddysibm.html

FORRESTER\*

"IBM retained a leadership position ... based on the comprehensive nature of its BPM product portfolio."

- Forrester Integration-Centric BPMS Wave, 2008/9

"From a functional perspective, the combined IBM BPM technology offering, spanning WebSphere and FileNet technologies and the new BPM BlueWorks environment, enables customers to get their hands on a lot of strong capabilities ... the combination of these tools and technologies provides a very solid functional foundation for most of the process scenarios vou're likely to come across in your BPM initiative."

- MWD BPM Vendor Capability Comparison, Dec 2008

"IBM is taking the dynamic process idea to another level"

"'Cool' is not a word I would normally apply to IBM's BPM software, but for the new BPM BlueWorks offering ... the term is appropriate. IBM bills BPM BlueWorks as a BPM community in the cloud, and it is that, plus a lot more."

http://www.brsilver.com/wordpress/2009/05/06/ibm-takes-bpa-to-the-cloud/ http://www.brsilver.com/wordpress/2009/01/22/ibms-dynamic-bpm-edition/



"IBM WebSphere Business Modeler and Business Monitor are intuitive for business users and analysts, facilitating their involvement in the design, monitoring, and analysis phases of process improvement life cycles."

-Gartner, Inc., "Magic Quadrant for Business Process Management Suites", Feb 2009



"IBM takes BPM to a higher level. The BlueWorks initiative offers templates for specific industries via cloud. IBM tomorrow will extend its ambitious effort to play a central role in managing the business processes of its customers by significantly extending its business process management capabilities both on premise and in the cloud."

http://www.ctoedge.com/content/ibm-takes-bpm-higher-level

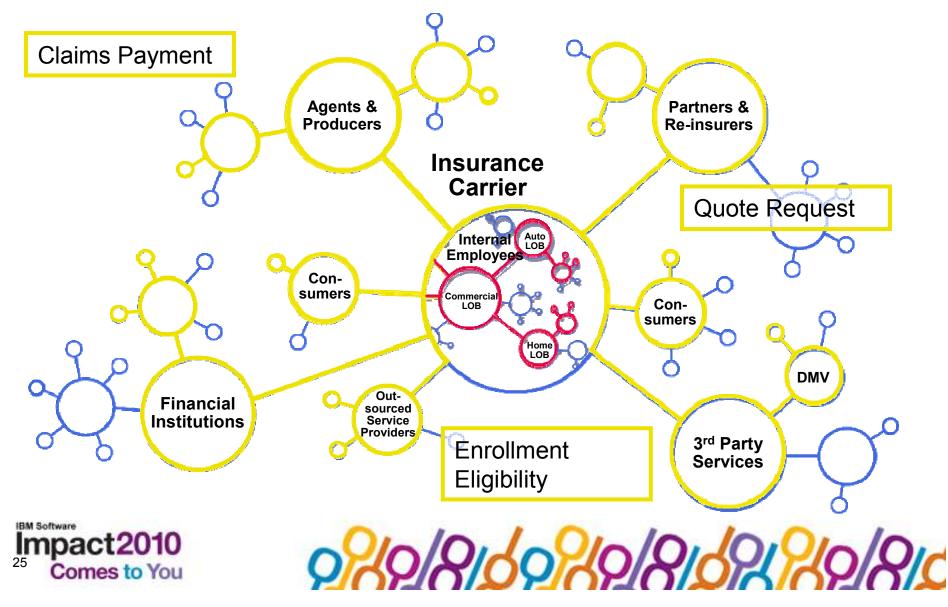
CTOEDGE





# **Organizations Strive to Optimize Processes**

## Across Broad Business Networks



# Dynamic business processes are...

**Explicit:** Processes are documented, understood, and agreed upon

**Visible:** Process performance is available in real-time, measurable, and actionable

**Interconnected:** Processes are network-aware and well-connected to the right services at the right time

**Easily Changed:** Process tasks, activities, and end-points are flexible and quickly adjusted

**Driven by the Business:** Process management is contextual, governed, and extended to all stakeholders







# **Driving Business Agility with BPM**

Common BPM Implementation Scenarios

How Implementing BPM Creates Value

- Leveraging industry-specific assets and scenarios
- Creating configurable processes
- Documenting and analyzing processes, leveraging cloud
- Enabling business leaders to invoke process changes
- Managing human tasks and workflow
- Collaborating in the cloud and integrating social media
- Case handling

Business-led discovery,
innovation, and change across
the application development
lifecycle for a truly business-driven
design



making people more effective with a role-based user experience that delivers the right tools in the right place

- Monitoring current processes for process automation
- Enabling better decision services
- Correlating event patterns
- Leveraging SOA and service governance

Continuous process optimization that easily leverages performance insight for rapid simulation and

change



Comes to You



# **IBM Business Process Management**

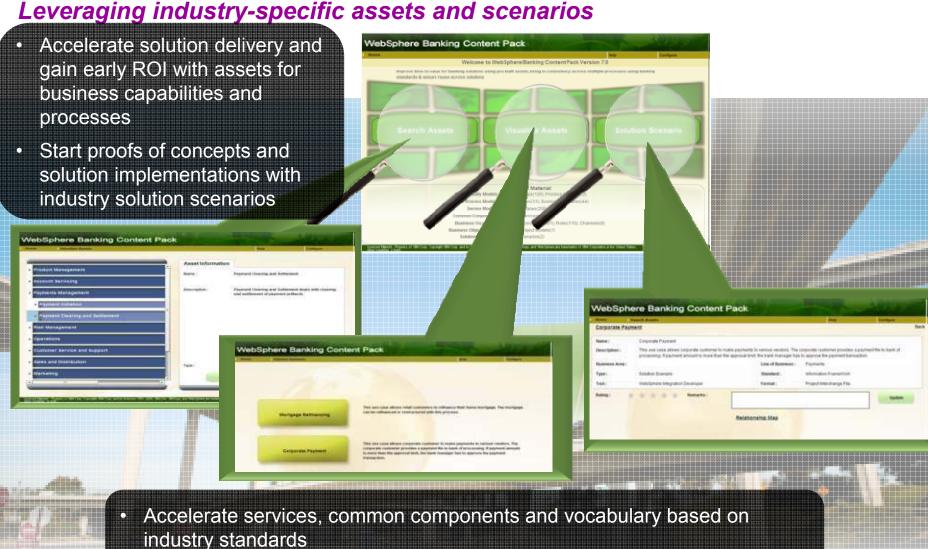








Comes to You



Configure and extend the assets based on your unique business needs

## **BPM in An Industry Context**



#### **Financial**

Loan Processing
Lending Management
Online Self-Service
Brokerage / Payments
Mortgage Processing
Customer Care
New Account Opening
Customer Service Center
Multi-channel Transformation
Credit Check...



#### Insurance

Claims Mgmt.
Customer Service Center
Customer Care
Workforce Effectiveness
Underwriting
Claim to Cash
Rate Quote...



#### Government

Web Self-service
Pension & Social Services
Trusted Identity
Intelligent Transportation
Network Centric Operations
Deterministic Messaging Systems



### Manufacturing

Accts Payable
Order to Cash
Integrated Supply Chain
RFID Tracking
Lead Management
Product Lifecycle Mgmt
Enterprise Collaboration
Dealer Integration
Distribution Channels
Mgmt...



#### Retail

Accts Payable
Order to Cash
Customer Service
Inventory Tracking
Customer self-service
Order Management
B2B Trading
Store Integration
Online Commerce....

#### **Healthcare**

Customer Service
Customer On-Boarding
Drug submissions
Hospital Administration
Clinical Management
ER Resource Deployments...



### **Telecommunications**

Customer Care
Customer Billing
Accts Payable
OSS/BSS
Service Activation...

### **Energy & Utilities**

Emergency Preparedness Customer On-boarding Accts Payable...

### **Transportation**

Logistics & Scheduling
Customer Service Center
Accts Payable
Lead Management
Reservations...



# Fast On-Ramp to Value and Innovation Why Should You Model Your Processes?

#### Modeling for Compliance & Documentation

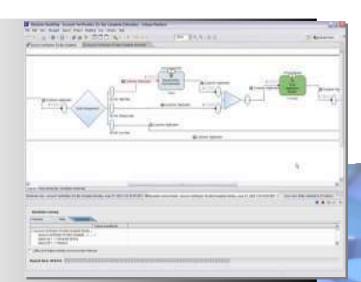
- Document processes for use by a business to understand the business process
- Customers use output for training, collaboration, documentation requirements for compliance regulations (Sarbanes-Oxley and Basel II)
- Linkage to real time monitoring provides a feedback mechanism for reporting requirements needed for compliance

#### Modeling for Simulation and Re-design

- Document both the current state and future state business process and the comparison to determine Return On Investment (ROI) analysis
- Six Sigma and process improvement are common methodologies

#### Modeling for Execution

 Create artifacts from the business model and make them available in technology development tools, or deploy some processes directly to a test environment to reduce the overall implementation time of new business processes

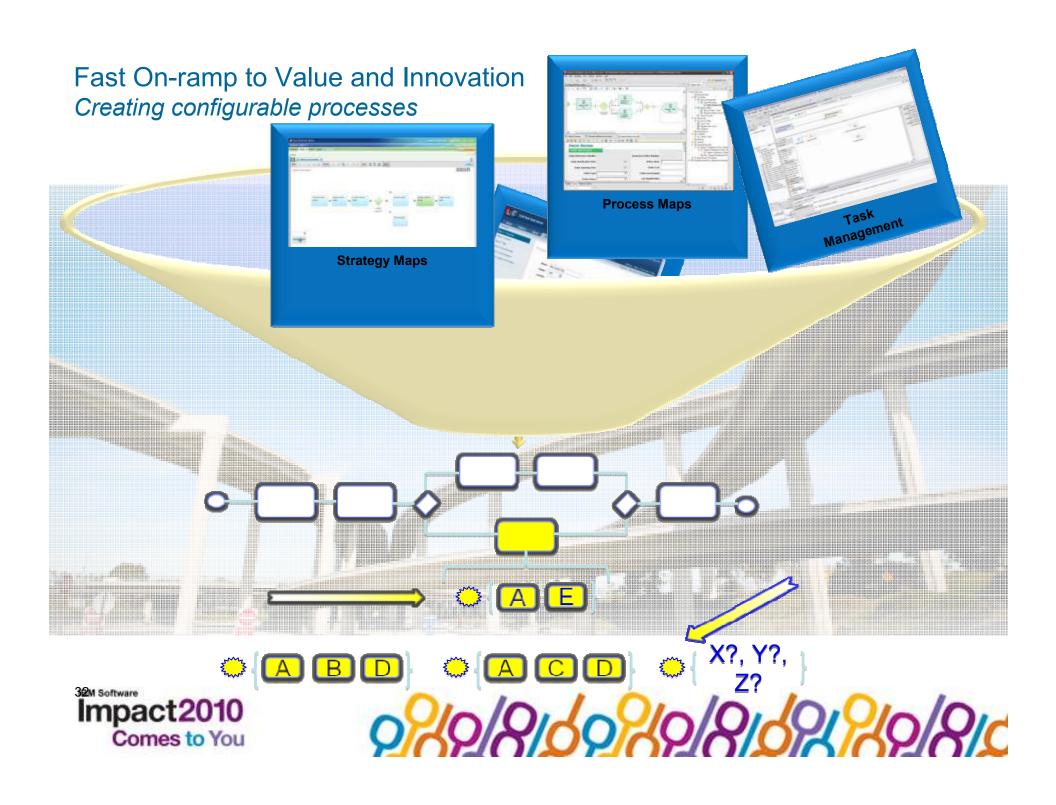




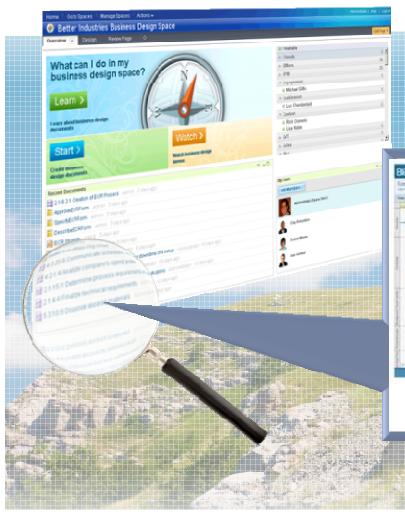


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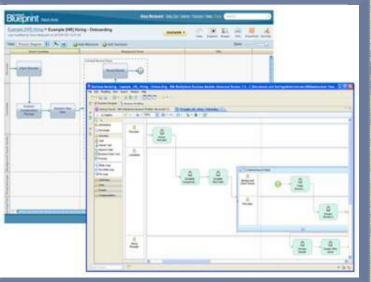




## Business Led Discovery, Innovation and Change Documenting and analyzing processes, leveraging cloud



- Capture key business factors, actionable strategies, and align your process initiatives
- Leverage community-based best practices and industry content



- Visualize the relationships between your business documents
- Collaborate & communicate with other stakeholders
   & leaders across the business



## Business led discovery, innovation & change Integrating goals, processes, and capabilities

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# Extend model-driven design across the process lifecycle



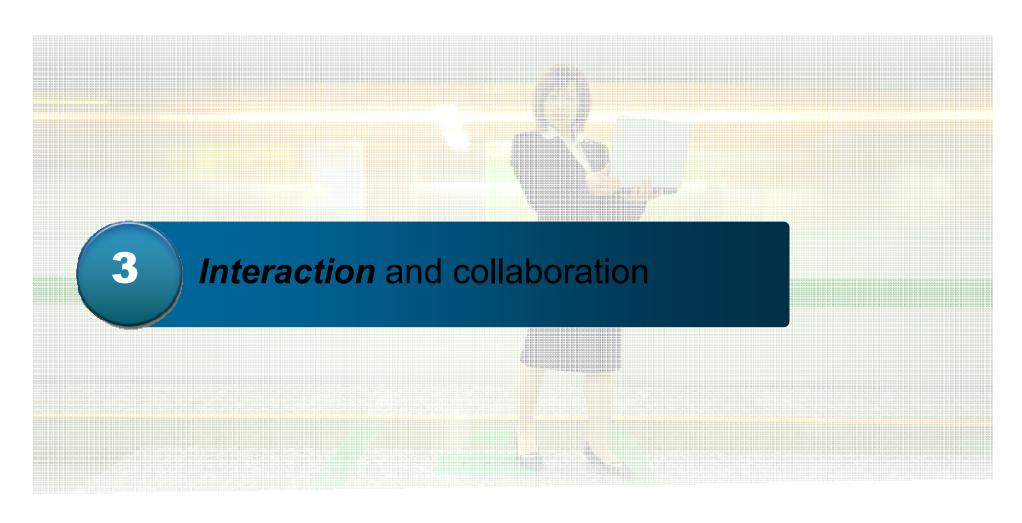
Reports / Analytics

Interaction / Forms





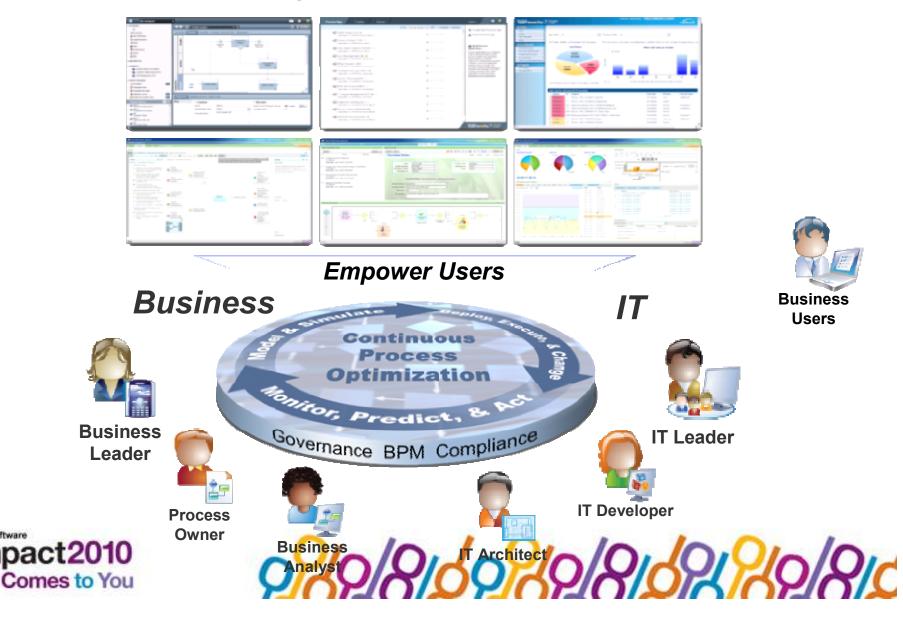
# **IBM Business Process Management**







# Empower business users throughout the process lifecycle Role-based tools increase alignment with IT



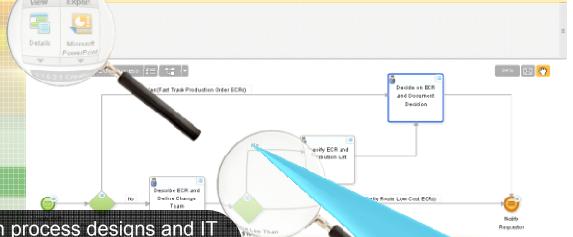
# Making People More Effective

Enabling business users to invoke process change

 Scheme with colleagues in real-time as you discuss ways to improve processes

Publish results of process iterations to stakeholders for review & feedback





- Reuse & govern process designs and IT building blocks using a single, searchable repository for business & IT collaboration
- Boost productivity by combining business-led change with the way you already work: integrating directly with office suites

#### **Making People More Effective** Monitoring and invoking process changes through multiple channels

- The world is getting more connected - needing access to information from anywhere to manage their business
- IBM BPM currently provides this multi-channel support, including lightweight Web interfaces, desktop gadgets, and mobile support
- View KPIs, metrics, task assignment, and more through the mobile interfaces
- Manage processes on the go







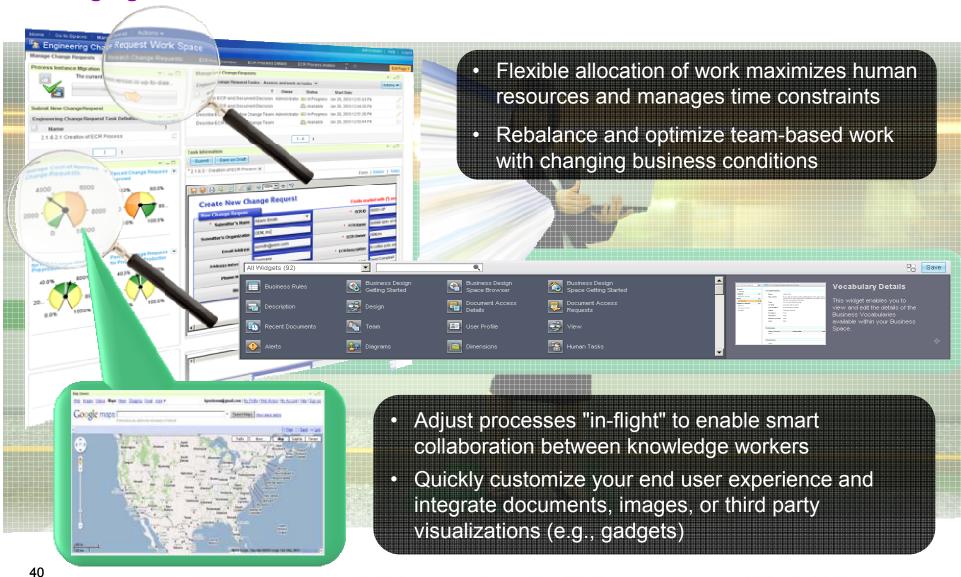


Desktop through Google Gadgets





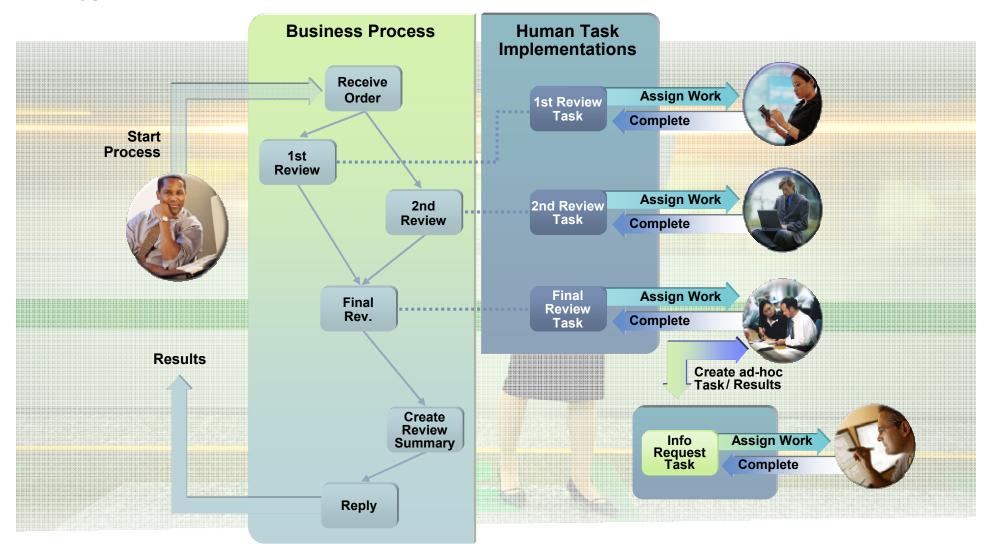
# Making People More Effective Managing human tasks and workflow







# **BPM and Human Task Management** *A Typical Document Review Process*







#### **Enhanced collaboration**

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Collaborating in the cloud and integrating social media



Advanced Case Management Solutions Encompass BPM Capabilities

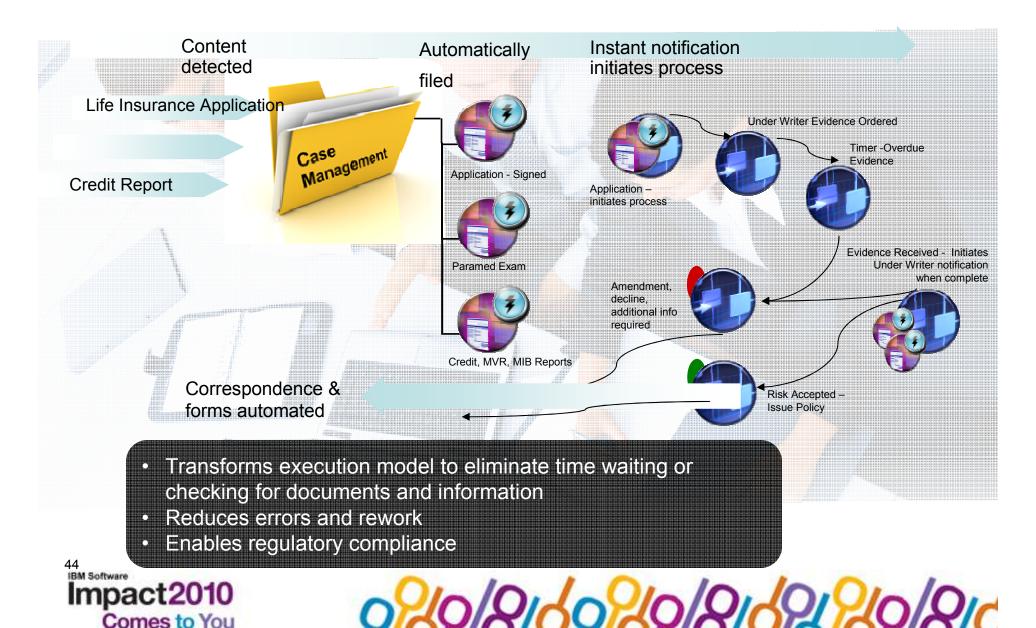




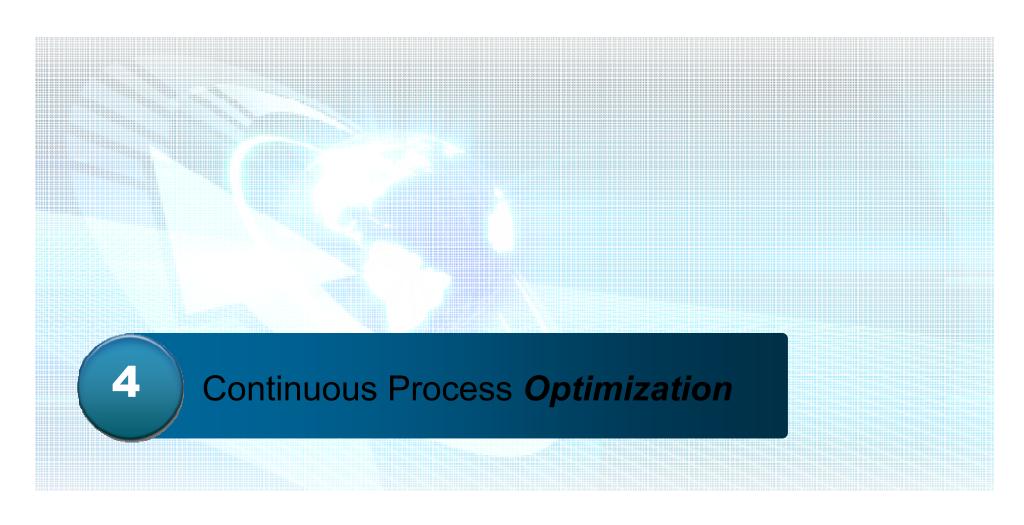




# Leverage Active Content in Your Automated Processes Case Handling



## **IBM Business Process Management**

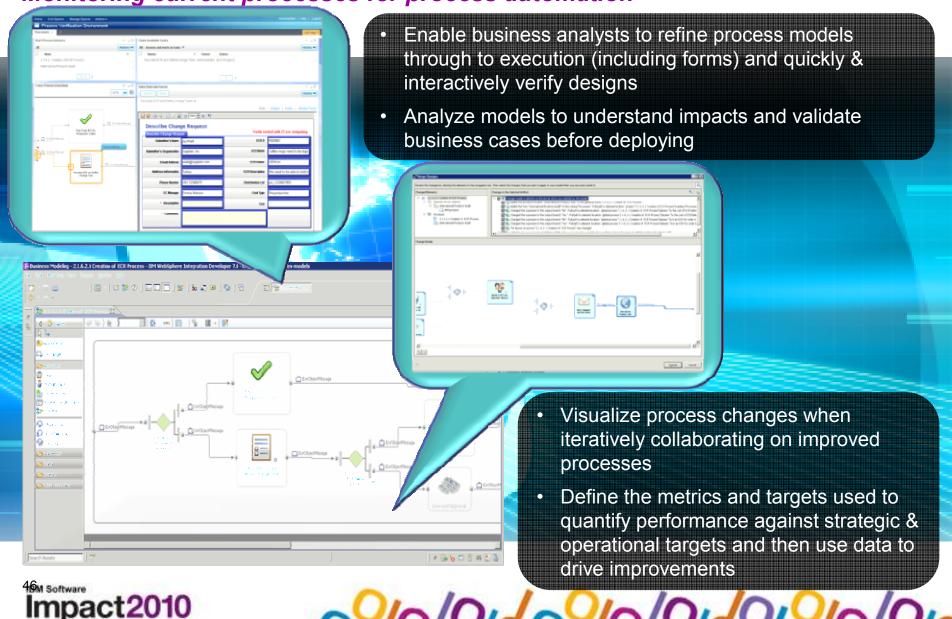




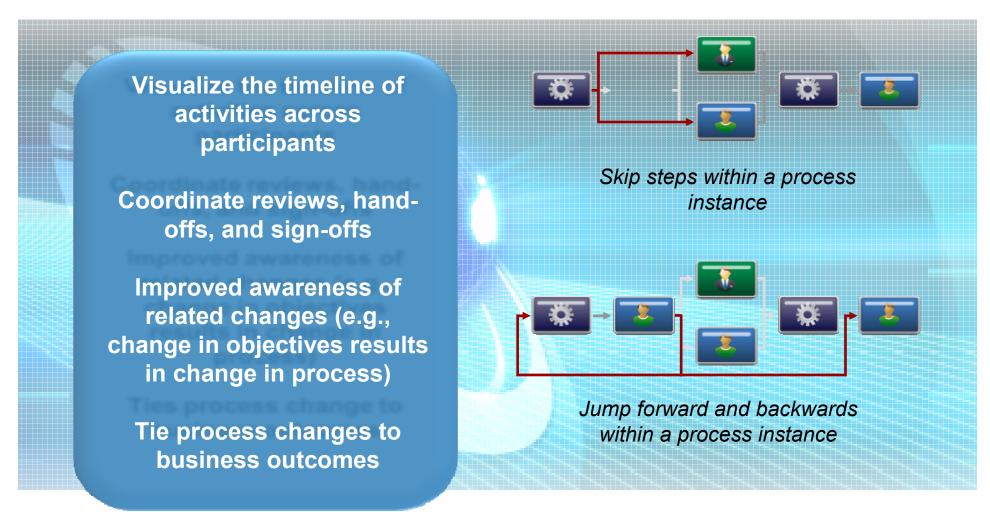


# Continuous Process Improvement Monitoring current processes for process automation

Comes to You



### Example of BPM Value – Rapid Response to Change Dynamic BPM with in-flight process changes

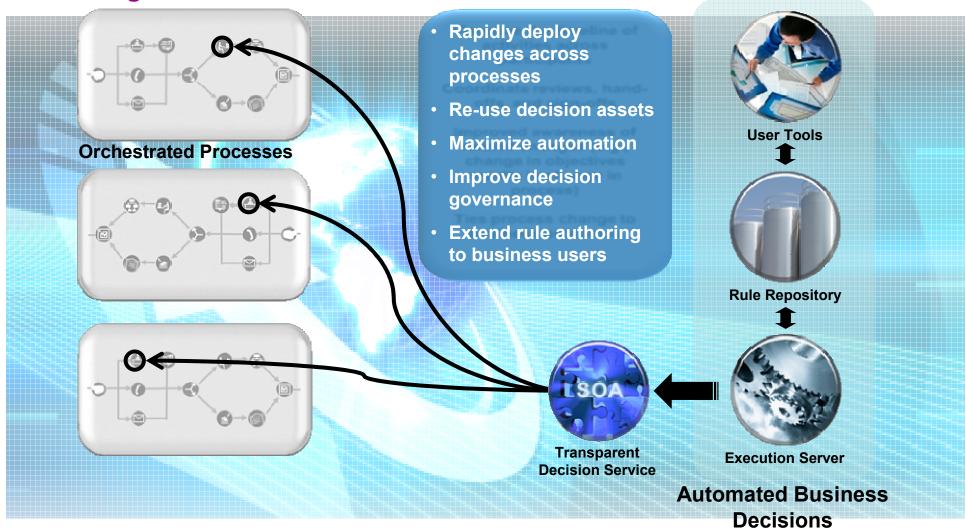






## **Continuous Process Improvement via Business Rules**

Enabling better decision services

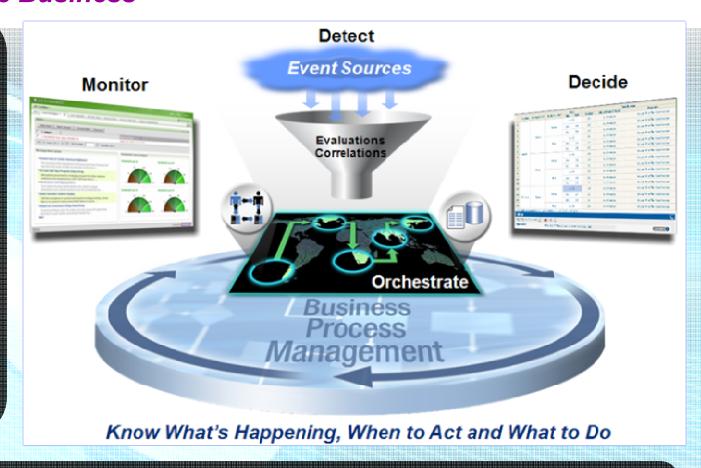






# **Continuous Process Improvement** *Tools for the Agile Business*

- Visualize process changes when iteratively collaborating on improved processes
- Define the metrics and targets used to quantify performance against strategic & operational targets and then use data to drive improvements

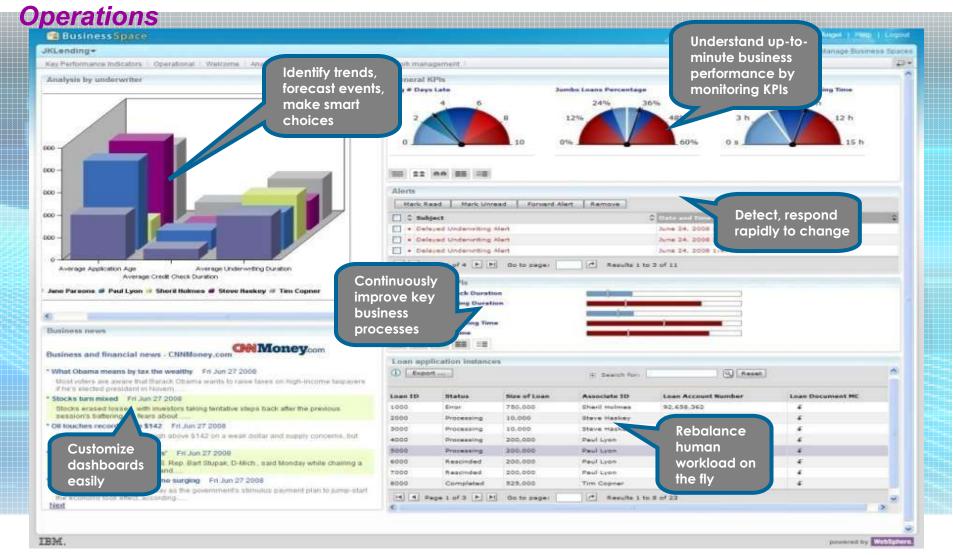


- Enable business analysts to refine process models through to execution (including forms) and quickly & interactively verify designs
- · Analyze models to understand impacts and validate business cases before deploying





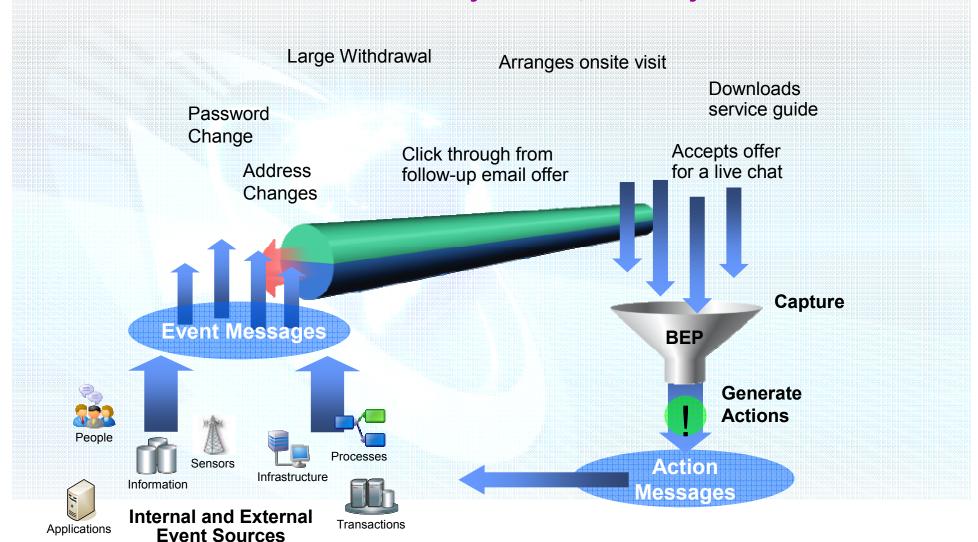
## Continuous Process Improvement via Activity Monitoring Process Visibility Helps Business Leaders Manage & Improve







Continuous Process Improvement via Business Events Correlate business events over any source, over any time frame







## Delivering a world class foundation requires three essentials Leveraging SOA and service governance

#### **Transactional strength**

Robust applications must demonstrate integrity, resilience, and scalability in the face of workload challenges and failures

#### **Dynamic infrastructure**

IT must adapt to changing infrastructure cost pressures, contention for limited resources, and changing business priorities.

#### Holistic platform view

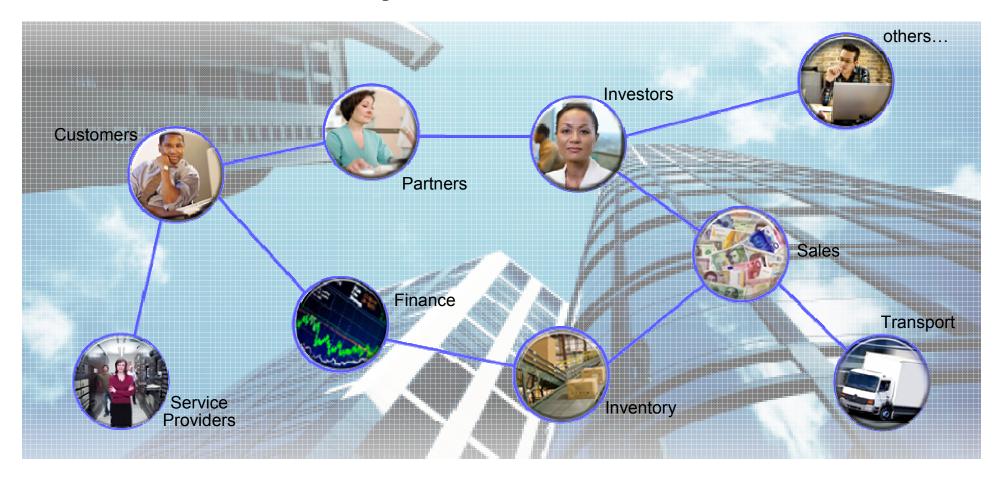
Loosely coupled infrastructures must still meet the expectations of IT performance (SLAs) regardless of whether partner networks or cloud services are leveraged







# Seamlessly connect people, processes, and information across your business network



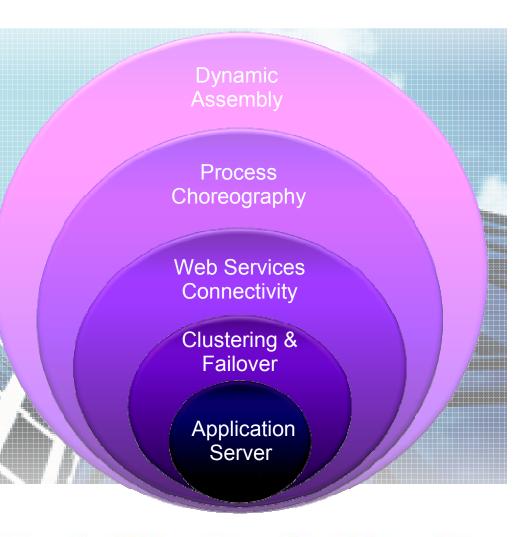
Easily adhere and adapt to changing industry standards





# **Key Components of an Integrated BPM Foundation**

- All areas with common administration, reusing existing skills
- Covering a wide-range of operating systems and databases to protect existing investments
  - z/OS, I5/OS, Linux, Solaris, HP-UX, AIX, Windows
  - DB2, Cloudscape, Oracle, MS SQL Server, Informix
- Providing integrated modeling and design tools
- Providing integrated business event processing
- Providing integrated activity monitoring
- Providing integrated business rule management







# **IBM Business Process Management**

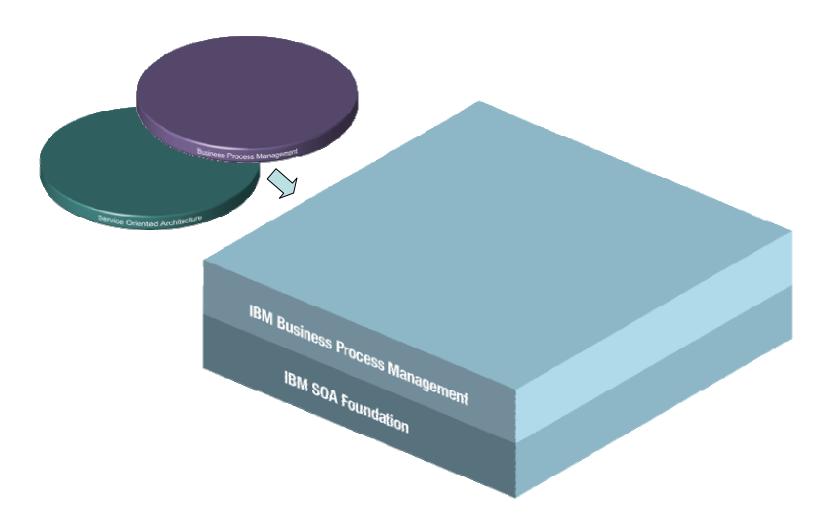








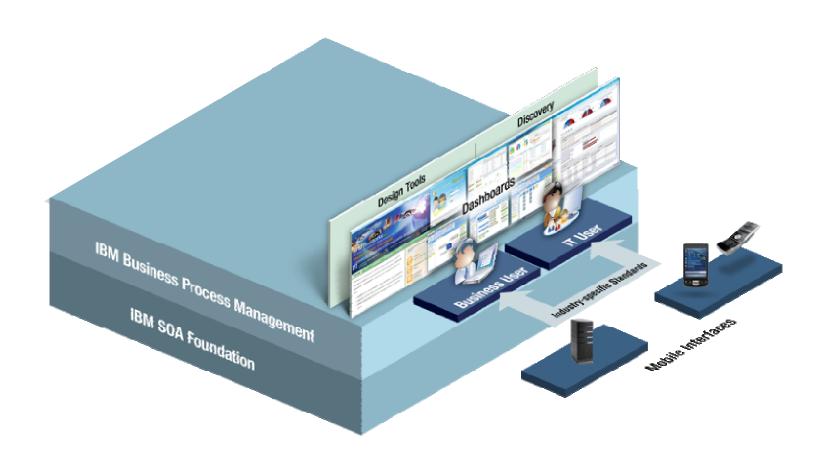
# Constructing the BPM Reference Architecture for Business Agility Step 1 – Aligning SOA and BPM







## Constructing the BPM Reference Architecture for Business Agility Step 2 – Provide consistent user interfaces to processes



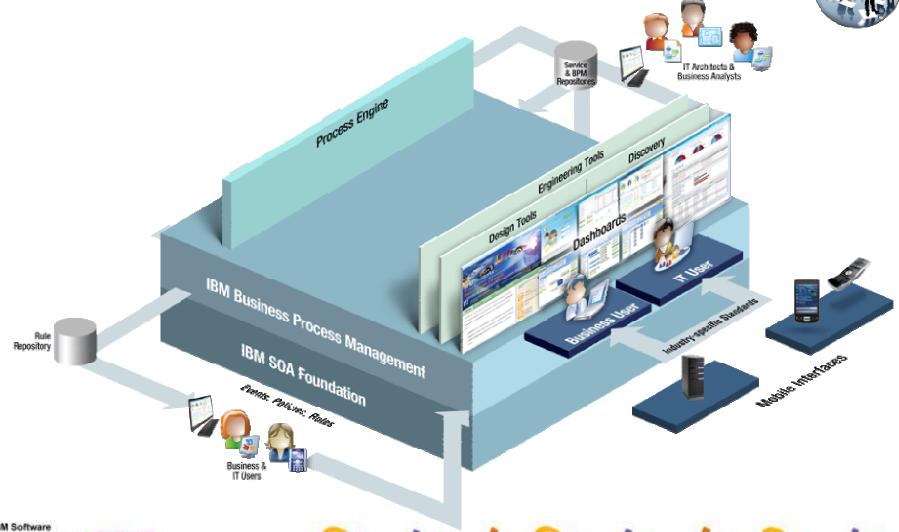




## Constructing the BPM Reference Architecture for Business Agility Step 3 – Define and refine basic elements



Constructing the BPM Reference Architecture for Business Agility Step 4 – Manage services and choreograph process execution



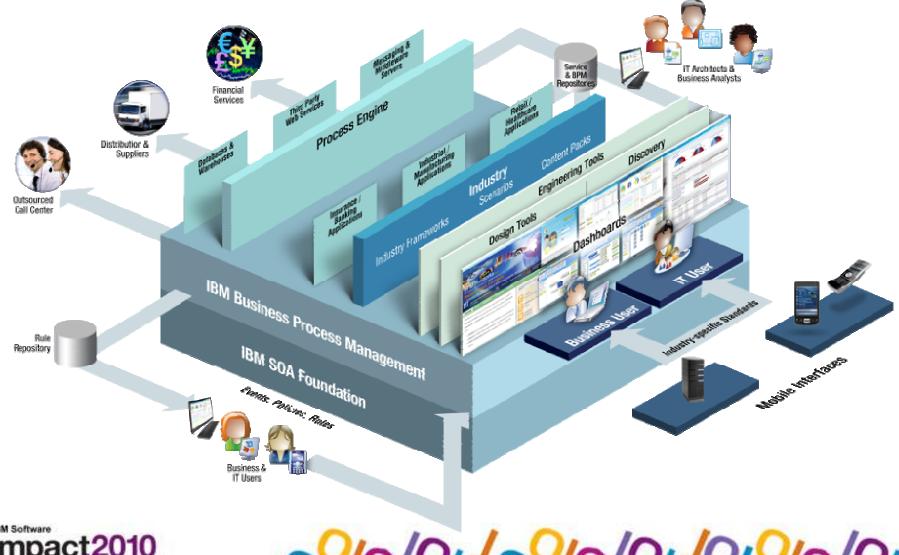




Constructing the BPM Reference Architecture for Business Agility Step 5 – Leverage industry accelerators with process solutions



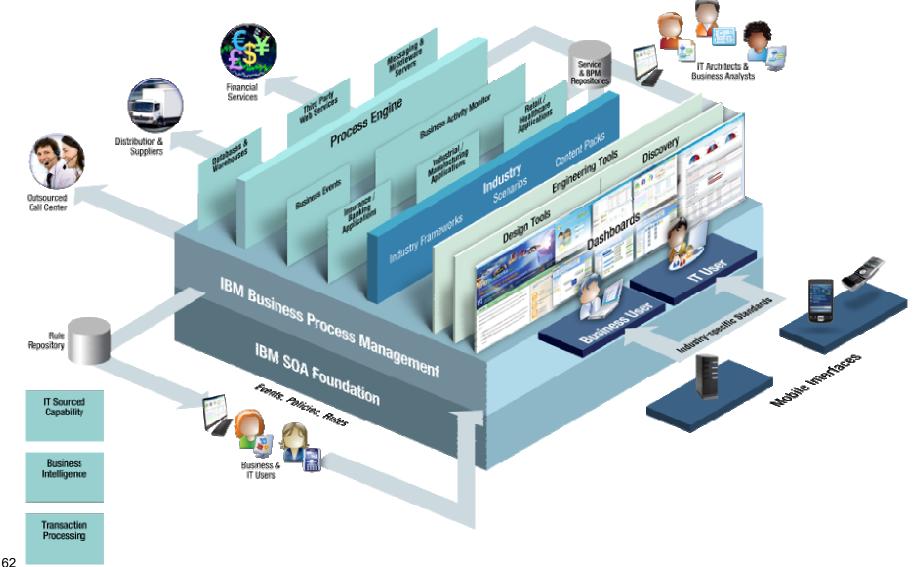
Constructing the BPM Reference Architecture for Business Agility Step 6 – Provide adapters and connectivity to 3<sup>rd</sup> party applications







# Constructing the BPM Reference Architecture for Business Agility Step 7 – Provide Business Event Processing and Activity Monitoring

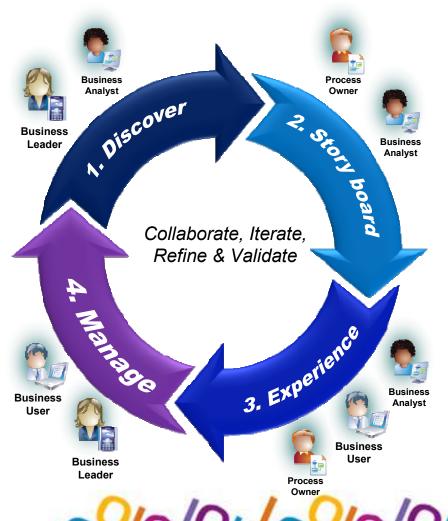






### Iterative solution design & process improvement Business driven design

<u>Discover</u> your business intent; Map intent to business capabilities and processes; Identify and prioritize options



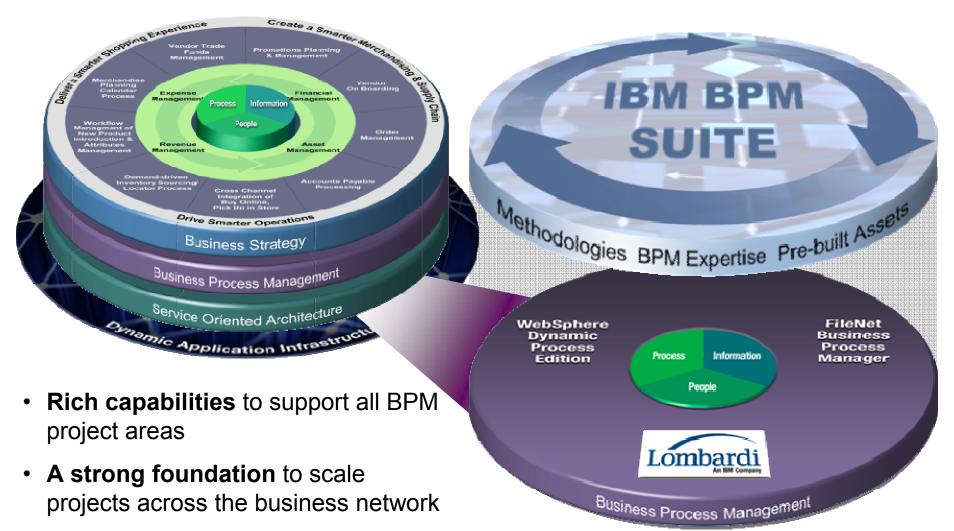
Story board the user interaction by capturing and defining as-is process and to-be processes; Specify business measures & KPI's; Mock up forms to validate and visualize human interactions

Manage real-time performance by empowering business users to customize their experience, managing KPI's and alerts based on changing business conditions



Experience/visualize the solution via elaboration and refinement of business measures and KPI's; Add operational characteristics to future state processes; Interactively validate elaborated processes in IT sandbox

# IBM and Lombardi extend business-driven change Increasing agility through continuous process optimization







## BPM from IBM delivers unrivaled customer value

# 1 in BPMS market share\*

# Report: IBM Named Marketshare Leader in Middleware Software for Sixth Consecutive Year

"The Business Process Management Suite (BPMS) segment grew at 15.2 percent in 2009, Gartner said. IBM was named the number one vendor in BPM software with a 23.9 percent share – more than double its closest competitor. BPM software enables companies to develop and implement processes that help their businesses be more agile and grow."

April 20, 2010



Over 5000 BPM customers worldwide and growing

"IBM understands, embraces and is the undisputed leader in the 'holy grail' of modularity of processes and services for sharing, reuse and best practice adoption. Processes and services available through IBM, its partners and affiliates is the best representation of delivering on the promise of service-orientation that exists."

\*Source: Gartner, Inc., "Market Share: Application Infrastructure and Middleware Software, Worldwide, 2009", released April 2010





# Get started building dynamic business processes today

- Visit <u>BPM BlueWorks</u> to learn more about BPM and capture business designs
- Begin documenting your BPM projects in <u>Blueprint</u>
- Identify and prioritize projects with the <u>IBM BPM Business Value</u> <u>Analyzer</u>
- Contact IBM for a <u>Business Process</u> <u>Improvement Workshop</u>



ibm.com/bpm





## Summary: Driving Better Business Outcomes By aligning the engines of agility



Agile businesses that actively converge business and technology have

- 7% higher EPS growth
- 49% higher ROI than their industry peers



