

IBM Software Group

Enterprise Modernization

The Transformation of Application Development for All Platforms





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IT as a Core Business Process

"IT investments made 10 to 20 years ago are ... constraining the speed with which these businesses can change and respond to industry threats." – Gartner's Top Predictions for Industry Leaders, 2007 and Beyond

- ▶ IT flexibility is a key enabler for today's businesses
- To be successful, you <u>must</u> mature and modernize your IT tools and processes
- Companies face significant challenges getting from "here" to "there".

"Aligning IT with the business relates directly with an IT group attaining real flexibility." – Butler Group





Customers are asking, can we....?

Leverage existing assets?

- Discover and gain control over our existing enterprise application portfolio?
- Identify assets for reuse in a Service Oriented Architecture?

Leverage modern architectures?

- Create services easily from existing code, including 3270 and 5250 terminal applications?
- Define new services for all deployment platforms from initial design to implementation?

Leverage existing skills and attract new skills?

- Exploit new technologies and innovation without retraining existing staff that knows the business?
- Utilize new employees on any project independent of target platform?

Leverage a common development environment for all development teams?

- Lower costs due to elimination of duplicate tools and processes?
- Realize improved end-to-end communication and traceability across the entire lifecycle?

Leverage my development spending better?

- Reduce maintenance costs, freeing resources to work on new projects?
- Improve application performance without expensive code changes?

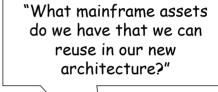




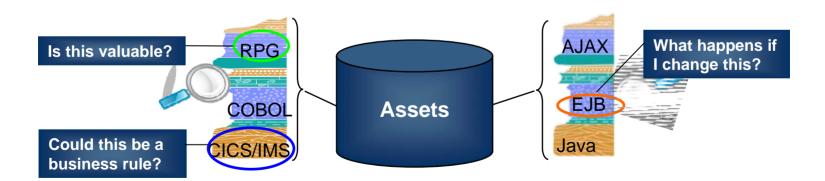
Challenge #1: No Electronic Inventory of Assets

How do we leverage our existing assets to

- Discover and gain control over application relationships and structures?
- Maintain control over code provided by outsourcers, business partners, or acquired through a merger?
- Discover, manage, and understand dependencies so a code change does not break production?
- Identify assets for reuse in a Service Oriented Architecture?







"Legacy modernization is morphing into a strategic function. IT can't afford to toss away reliable application transactions indiscriminately." - Phil Murphy, Forrester Research, April 2007





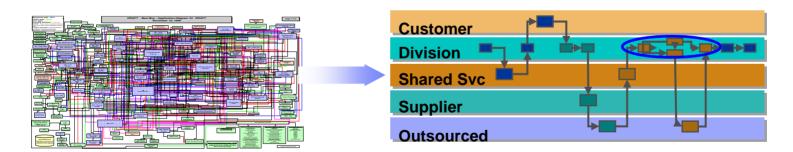
Challenge #2: Complex Application Architectures

How can we leverage modern architectures to

- Create web services easily from existing code, including CICS, IMS, i5/OS and green screen applications?
- Define new services for all deployment platforms from initial design to implementation?

"Our architecture has evolved to be too complex and convoluted- we need to be flexible and agile."





"Today's IT architectures, arcane as they may be, are the biggest roadblocks most companies face when making strategic moves."

The McKinsey Quarterly Special to CNET News.com, "Flexible IT, Better Strategy", January 24, 2004





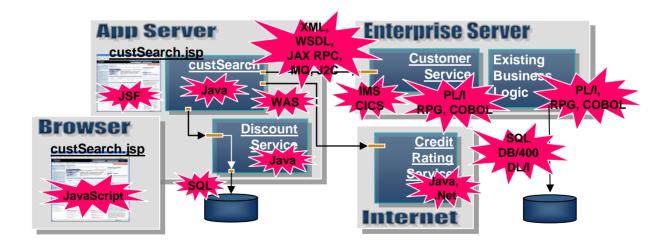
Challenge #3: Skills Lock-in

How can we leverage IT skills to

- Exploit new technologies and innovation without retraining our existing staff that knows the business?
- Use new employees on any project, independent of the target platform?
- Provide modern web UIs leveraging existing skills and systems?

"How can I use my COBOL and RPG developers to build new applications with more modern architectures?"





"Software developers will come from less technical business-oriented backgrounds. And move between various business and IT organizations throughout their careers."



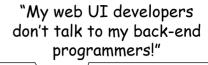




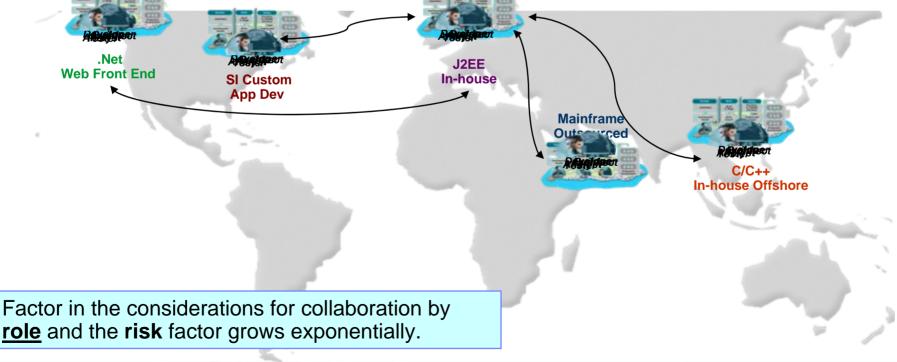
Challenge #4: Islands of Development

How can we leverage a common development environment across siloed development teams to

- Lower costs due by eliminating duplicate tools and processes?
- Establish end-to-end communication and traceability across the entire lifecycle, no matter where the work is done?
- Embrace a single infrastructure for enterprise and distributed development?









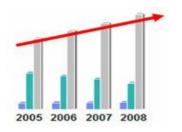
Challenge #5: No Flexibility for New Investments

How can we leverage my investments to

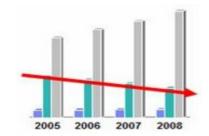
- Devote more resources to new development, rather than maintenance?
- Make incremental improvements within the context of a long-term strategic modernization plan?
- Efficiently move to supported development platforms, languages, and tools?
- Exploit new hardware capabilities with our existing applications?
- Improve the performance of mission critical applications without the need for special code changes?

"I spend most of my IT budget on maintenance each year."





Rising Cost of Operations



Declining Application Development Budget

"There are many benefits to legacy modernization tools and they significantly reduce the risk of failure when maintaining or transforming aging legacy systems." - Dale Vecchio, Gartner







Can we talk?

- Do you see these same challenges?
- Are there other challenges you face?
- Which challenge are you addressing first? Is this your most pressing pain point?
- Do you have a strategy to free up development MIPS so they can be used for production?
- Do you still have developers using green screen editors? Why have they not moved to a modern IDE?
- How do you manage your software inventory today? Do you know what assets you could reuse?
- What is your strategy around sourcing your development lifecycle software?
- ▶ How do you govern globally distributed development, including outsourced work?
- Could you track a requirement from creation to production?
- Are your COBOL or RPG programmers retiring? How will you replace them?
- What are your thoughts on using Rational Team Concert for your System z/i needs?





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