



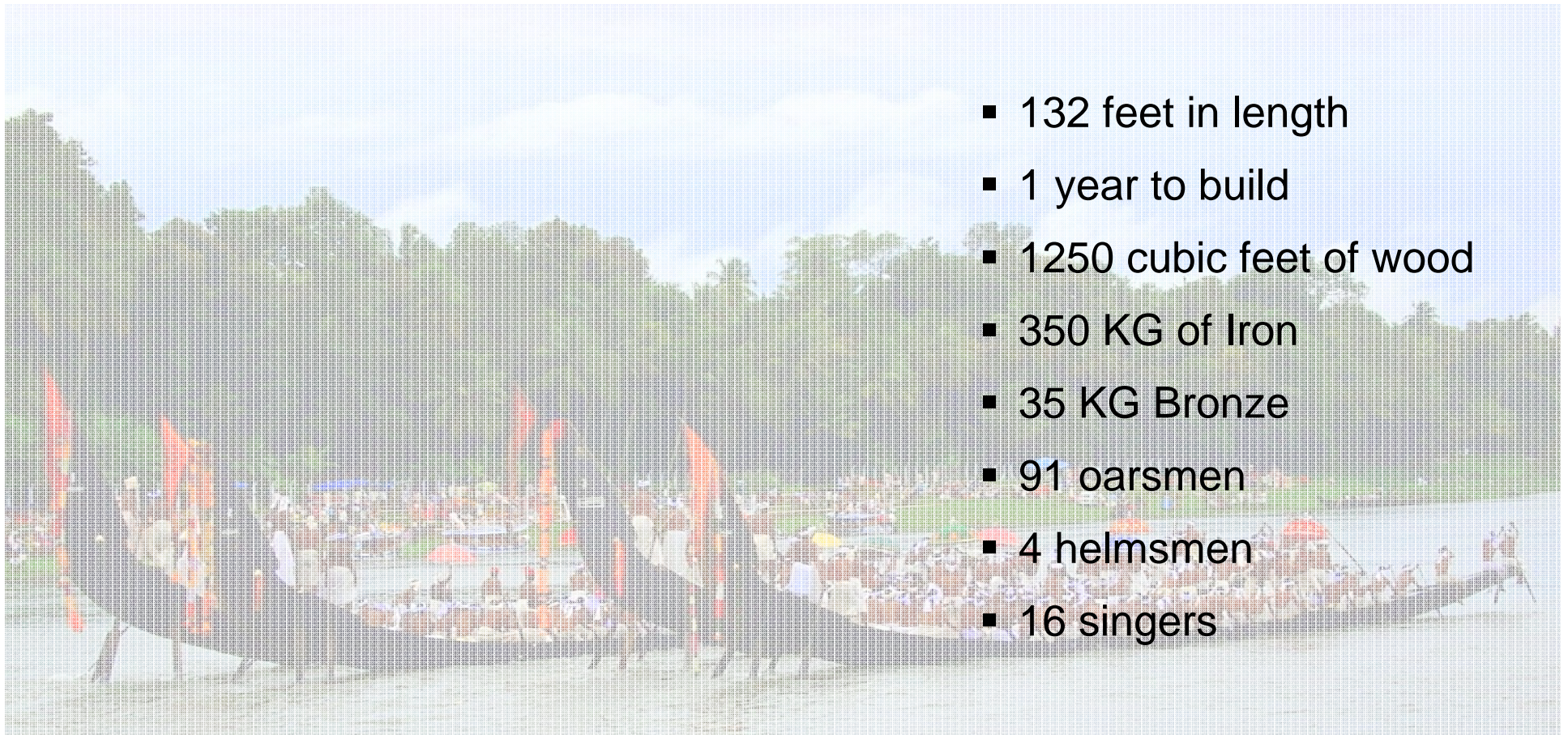
# Real Insights. Real Results.

Software Development and Delivery in Competitive Times

**Steve Robinson**  
Vice President  
IBM Rational Software

**Rational. software**

# Nehru Trophy Boat Races



- 132 feet in length
- 1 year to build
- 1250 cubic feet of wood
- 350 KG of Iron
- 35 KG Bronze
- 91 oarsmen
- 4 helmsmen
- 16 singers

## Today's Discussion: Real Results

- Rational Strategy Review
- Our Approach to Real Results
- Time to Get Real



## The evolution of Rational strategy



***Accelerating  
software  
development evolution***

- Empowerment
- Modularity
- Communities



***Deliver value efficiently  
and effectively in  
distributed organizations***

- Enabling governance
- Adopting flexible architectures
- Leveraging communities

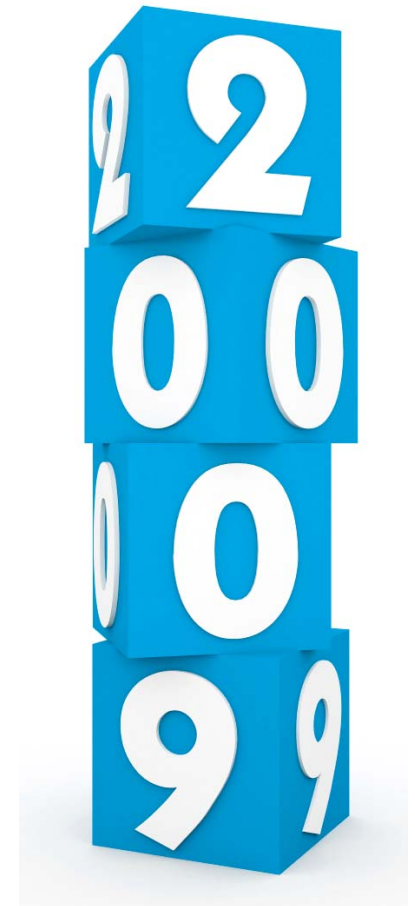


***Helping guide you  
from the cathedral  
to the bazaar***

- Ship early
- Ship often
- Listen to your customers

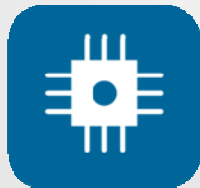
## Rational *strategy in action* over the past year

- **CONTINUED DELIVERING** on the promise and vision of a flexible Jazz architecture
  - ▶ Shipping early, shipping often with a transparent product development on Jazz.net
  - ▶ Delivering 8 Jazz-built products and 18 Jazz-enabled products
- **CONTINUED EXPANDING** Rational communities to listen to our customers and partners
  - ▶ Launched Open Services for Lifecycle Collaboration initiative
- **CONTINUED INVESTING** to evolve current portfolio
  - ▶ 73 product releases in 2008
  - ▶ Acquisition of Ounce Labs for Static Security testing.
- **EXTENDED REACH** into systems engineering by integrating Telelogic



## Rational strategy in a broader context:

*The world needs to get a whole lot smarter*



*INSTRUMENTED*

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



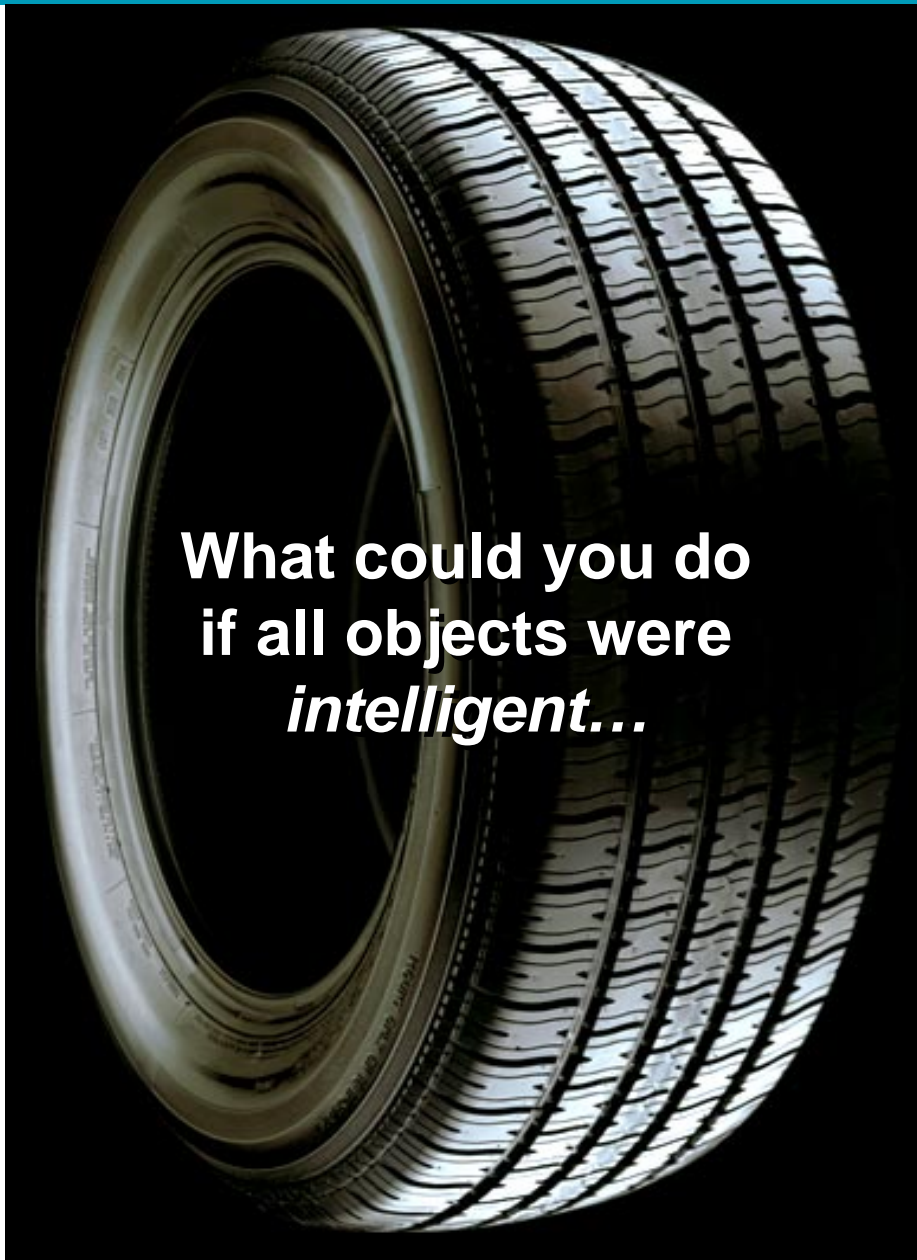
*INTERCONNECTED*

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

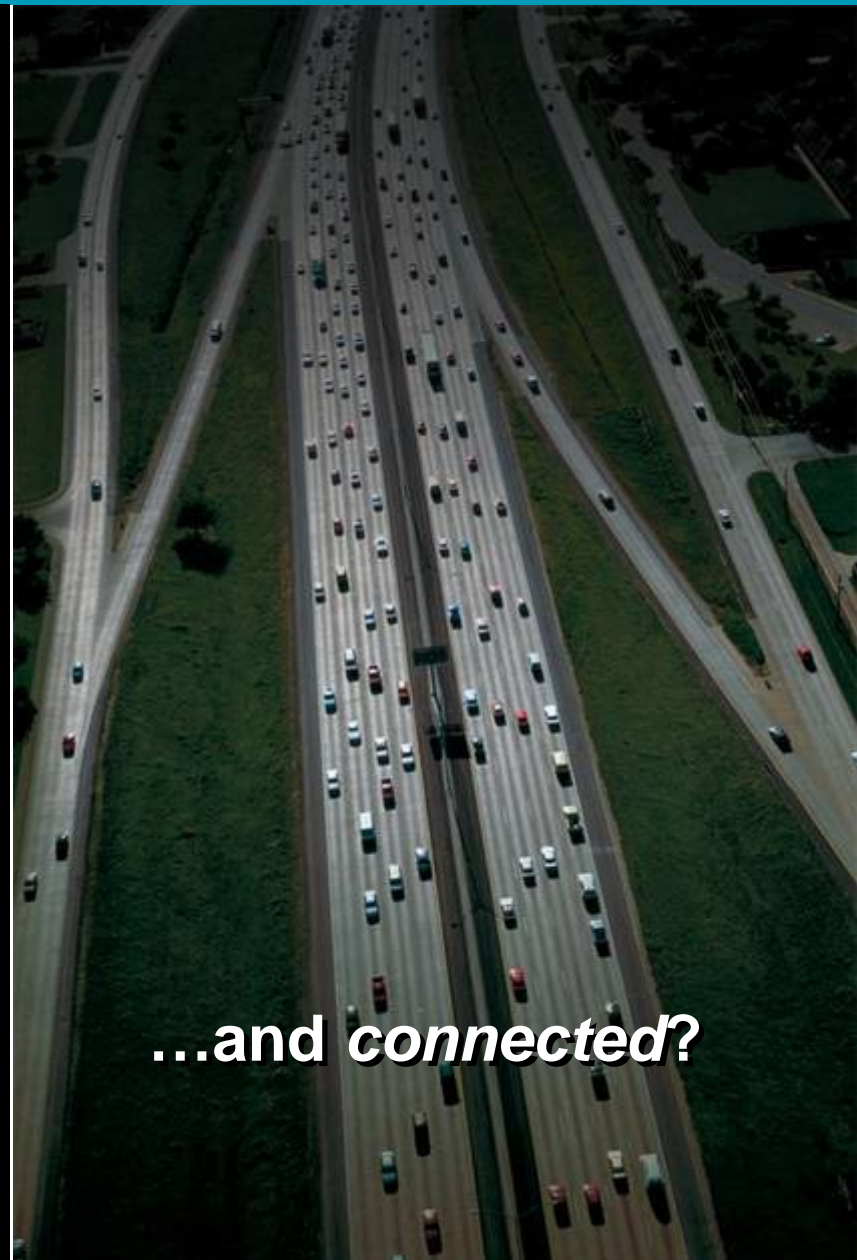


*INTELLIGENT*

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

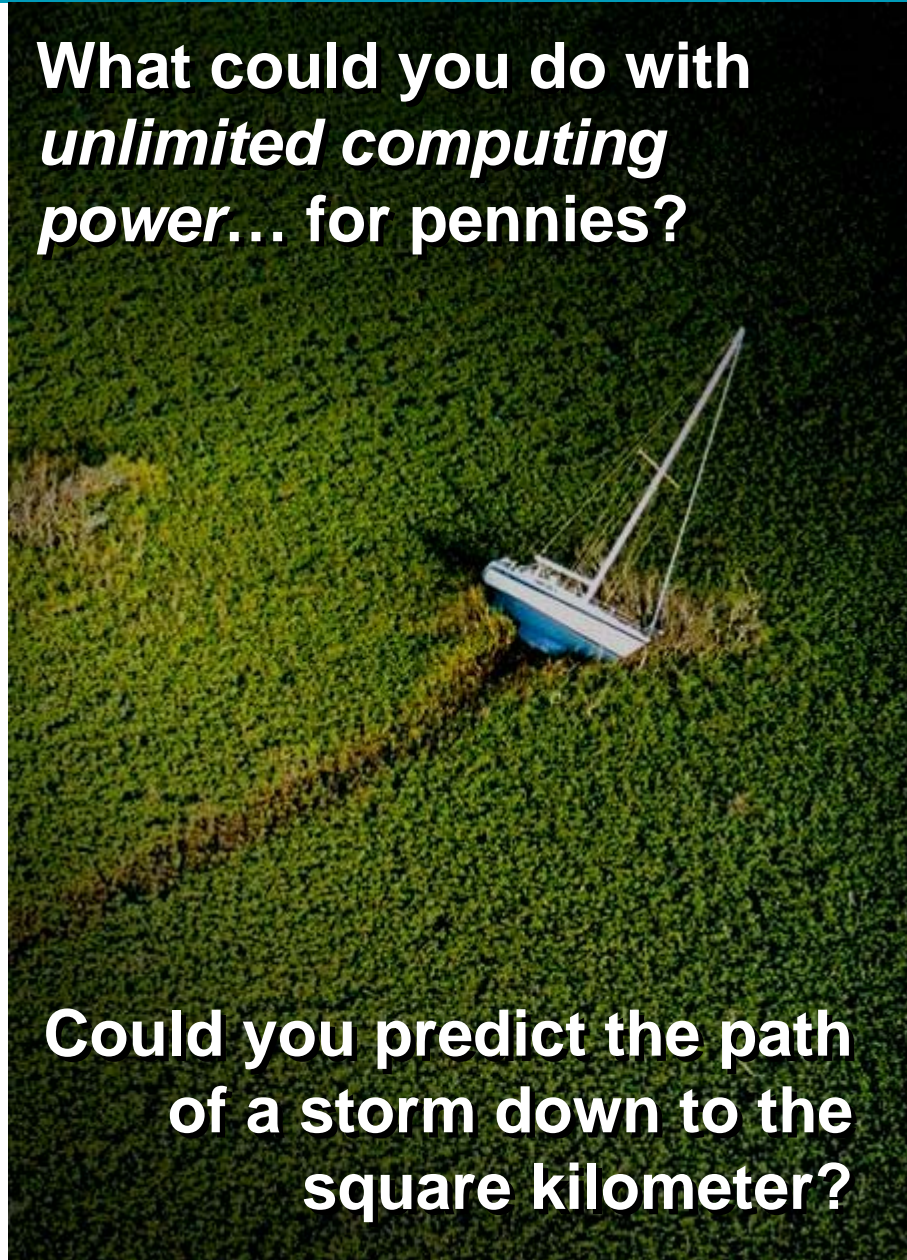


**What could you do  
if all objects were  
*intelligent...***

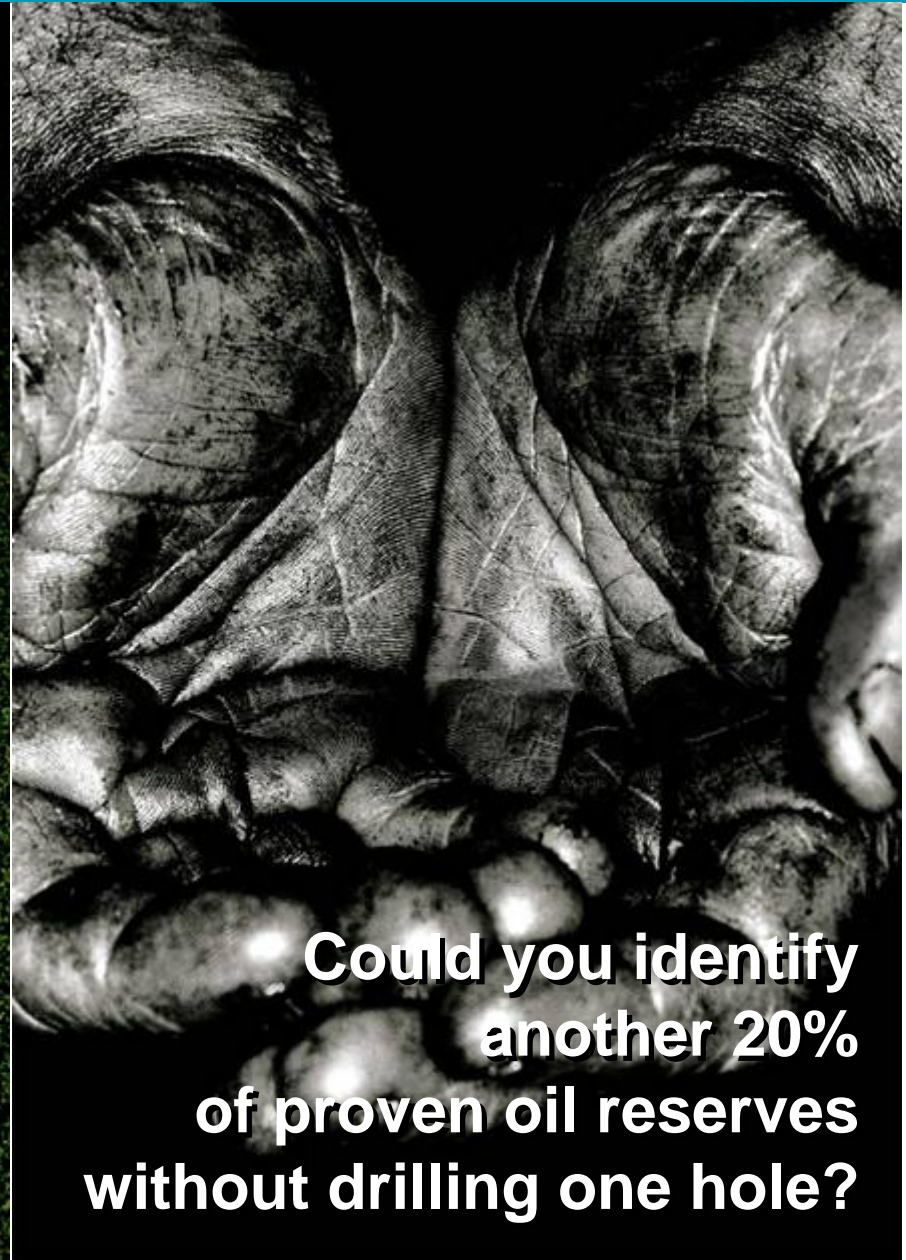


**...and *connected?***

**What could you do with  
*unlimited computing  
power... for pennies?***



**Could you predict the path  
of a storm down to the  
square kilometer?**



**Could you identify  
another 20%  
of proven oil reserves  
without drilling one hole?**



Success in building a smarter planet is highly dependent on our ability to *manage effective software and systems delivery*

...or with a billion-person workforce?

What could you do with a million-person product development



Let's build a smarter planet

## Challenges to effective software delivery remain and expand

### Individual Challenges

- **Lack of standards** impacts ability to collaborate, automate and report
- Frequent asset updates and **complex dependencies**

### Team Challenges

- **Geographically dispersed teams**
- Effective **cross-organizational visibility** and synchronization

### Organizational Challenges

- Greater need for **market experimentation**
- **Blind adherence** to process insensitive to potential business trade-offs
- Need for **agility@scale**

### Business Challenges

- More granular service functionality and **composite applications**
- **Growing number of assets** including custom, outsourced and packaged

## Economic conditions add significant pressure to the reality of software and systems delivery

***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.***

Barbara Gomolski, Gartner  
October, 2008

***Companies successfully addressing the challenges [of delivering product innovation from software] are driving higher profitability.***

Michelle Boucher, Aberdeen Group  
March, 2009

***Transformation and innovation will lead recovery. When we come out the other side of this crisis, companies will look different – technology will have been a catalyst in those changes.***

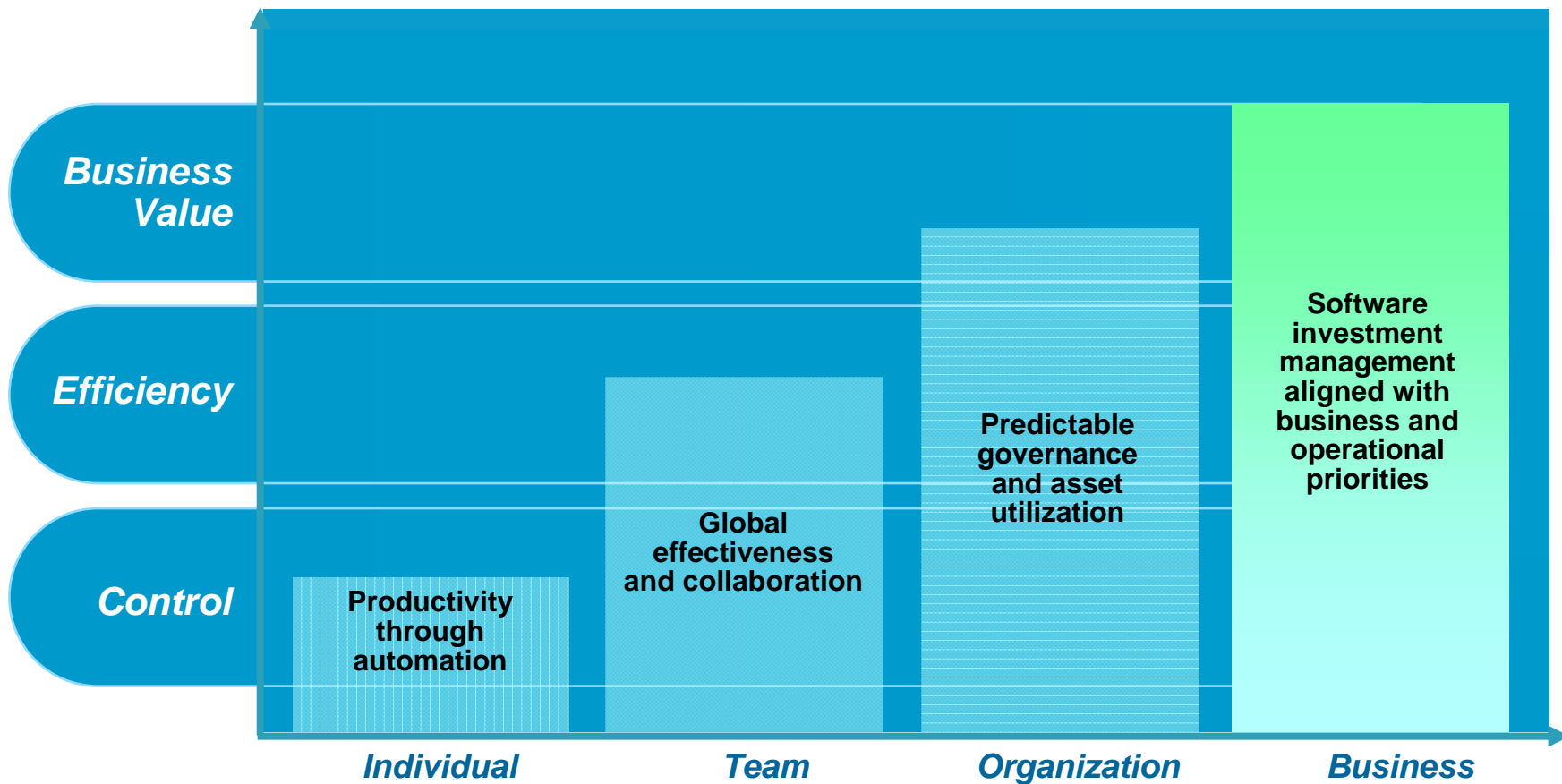
George Colony, Forrester Research,  
October, 2008

## Rational strategy can bring focus in uncertain times

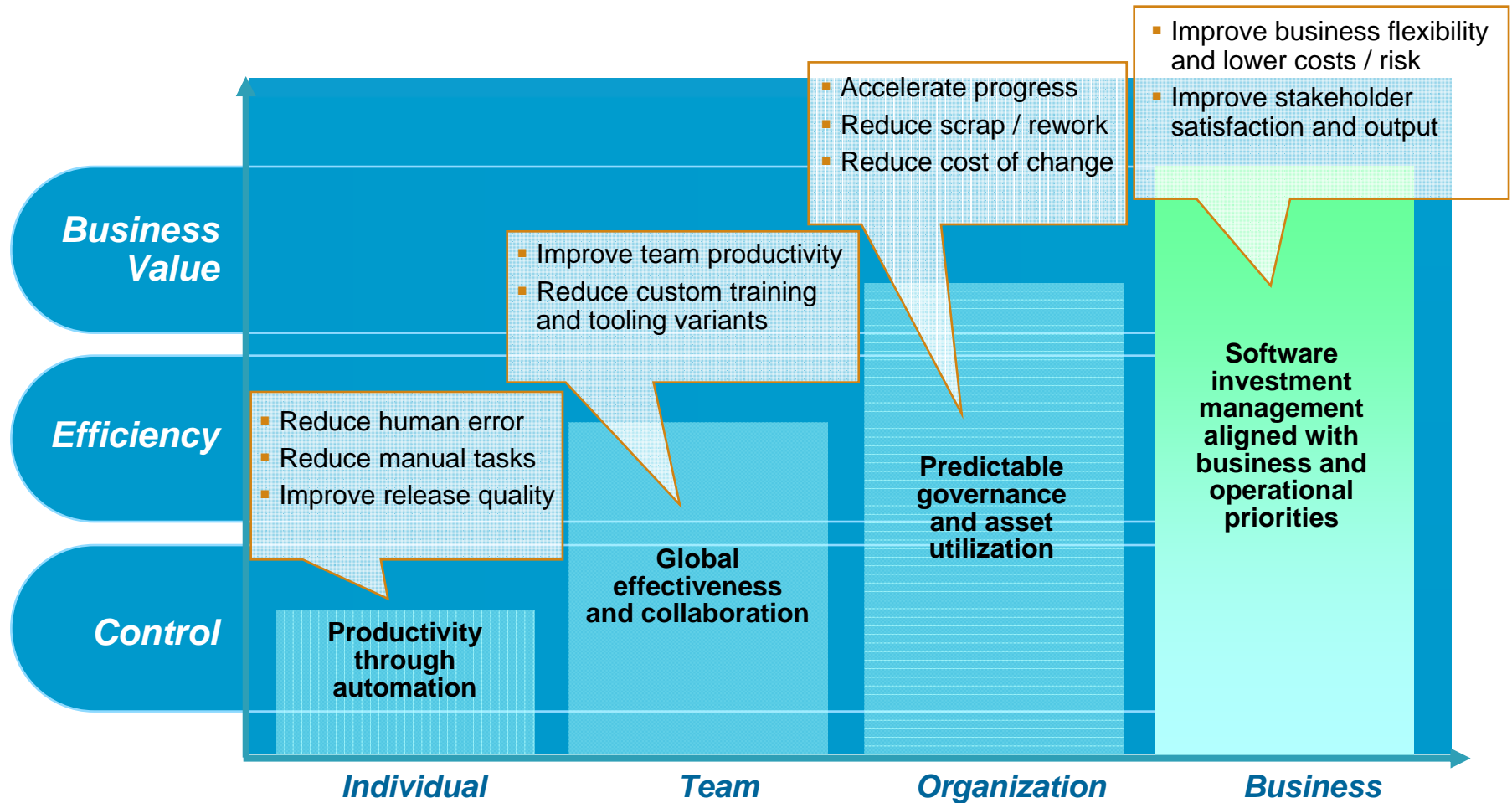
- Provides measured, short-term *Return on Investment*
- Enables longer-term management of *Return on Assets*
- Delivers a platform and processes to make those returns come to life
- Encourages and informs, rather than dictates
- Supports incremental improvement, leading to faster decision making



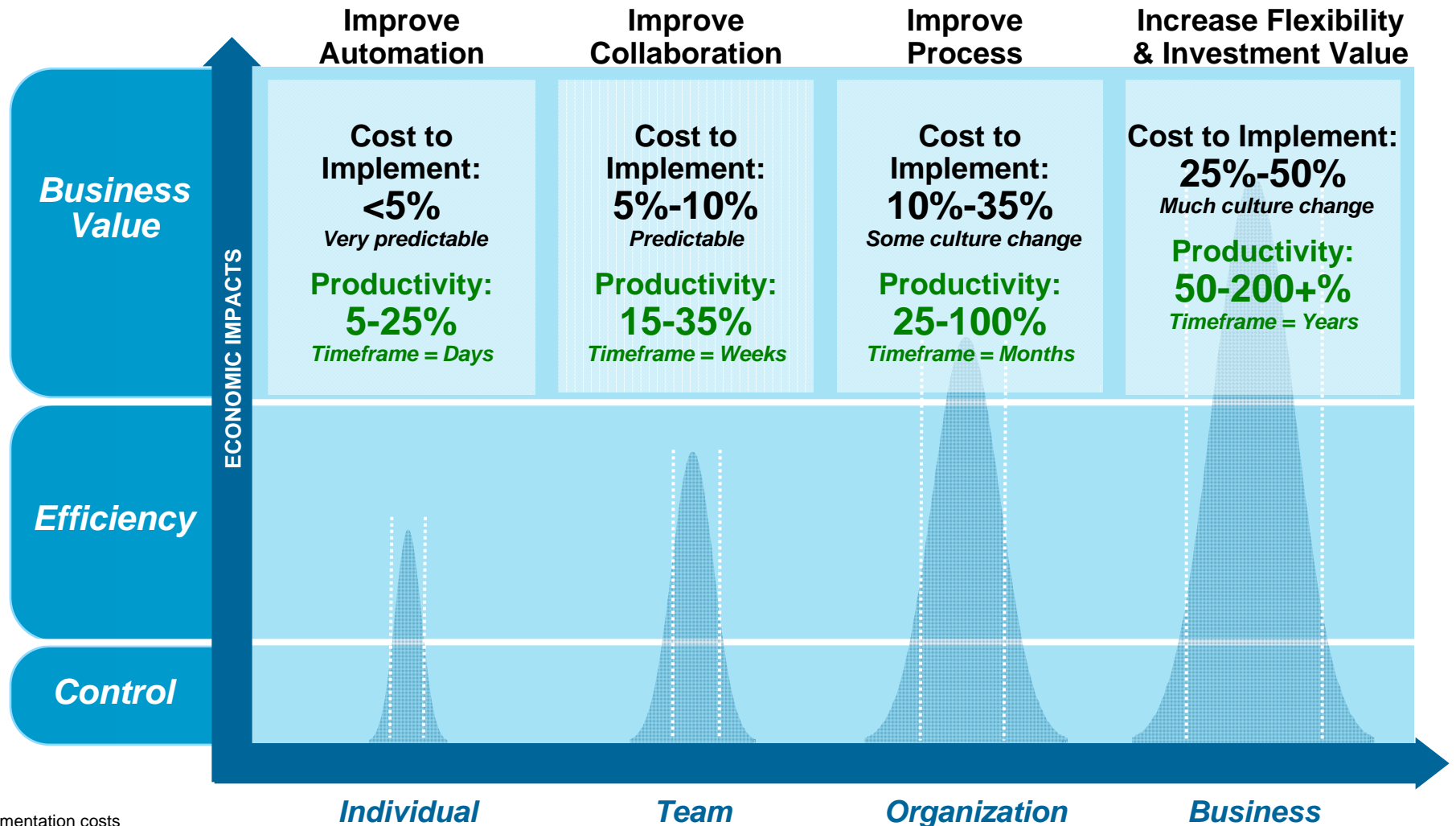
# A maturing approach to software and systems delivery based on *measurement*



# Realized by continuous improvement on *business* objectives







# Invest to manage risks and optimize measured *outcomes*



Implementation costs are per person per year



## Pragmatic steps we took to mature our own software delivery

-  Established business and operational objectives
-  Prioritized practices and defined implementation roadmap
-  Accelerated practice adoption with Rational products and programs – “Tools, Not Rules”
-  Reported, analyzed, and regularly acted on our results



# 1 Established business and operational objectives

## ***Business Objectives***

- Improve market share
- Achieve profit margin
- Reduce time-to-value



## ***Operational Objectives***

- Heighten responsiveness and increase linkage to customers
- Innovate to differentiate and capture new value
- Increase quality
- Shorten project development cycle times
- Improve schedule predictability

# 2 Prioritized practices and defined implementation roadmap

**Initial Rational Focus Area**

## **Change and Release Management**

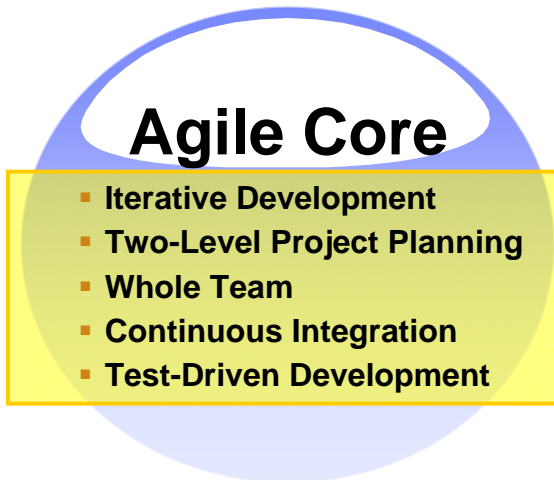
- **Team Change Management**
- Formal Change Management

## **Requirements Management**

- **Shared Vision**
- **Use-Case-Driven Development**
- Requirements Management
- Business Process Sketching

## **Governance and Compliance**

- Risk-Value Lifecycle
- Practice Authoring and Tailoring
- **Performance Measurement**



## **Quality Management**

- **Concurrent Testing**
- **Test Management**
- Independent Testing
- Performance Testing
- Application Vulnerability Assessment

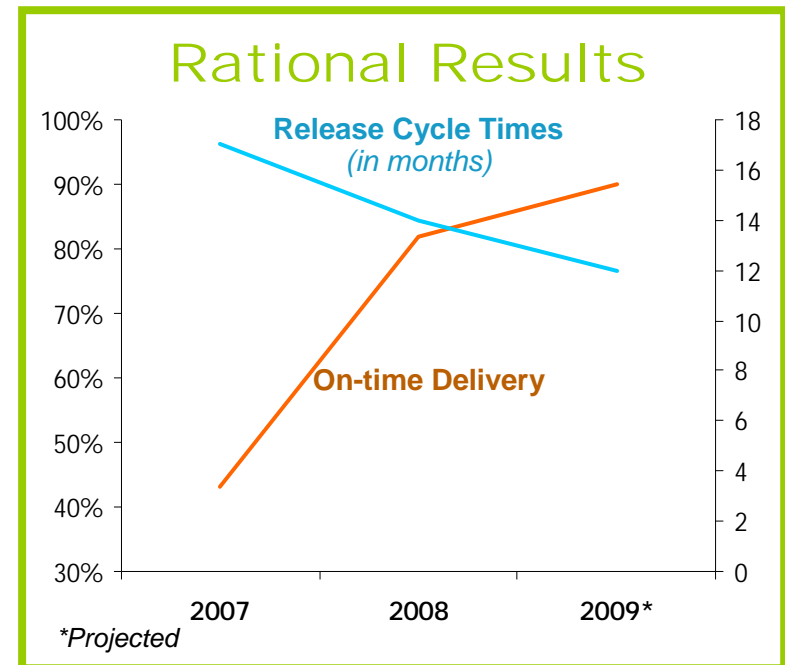
## **Architecture Management**

- **Evolutionary Architecture**
- Evolutionary Design
- Component Based Software Architecture
- Design Driven Implementation

## 3 Accelerated practice adoption with Rational products

*Leveraged Agile Core practices to improve cycle times and predictability*

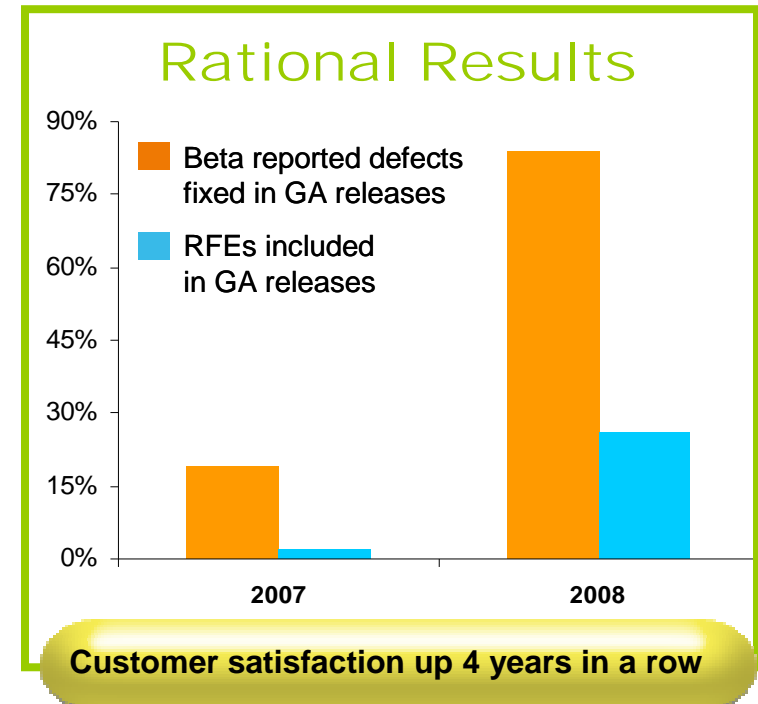
- **Required** adoption of agility@scale
  - ▶ 2,000+ developers, testers, managers
  - ▶ Varying team sizes
  - ▶ Geographically distributed locales
  - ▶ Diverse development contexts
    - from mature products to Web 2.0 apps
- **Embraced** Rational Team Concert
  - ▶ In past year, RTC:
    - Projects grew by 291%
    - Number of users grew by 321%



## 3 Accelerated practice adoption with Rational programs *Leveraged Requirements and Change & Release Management practices*

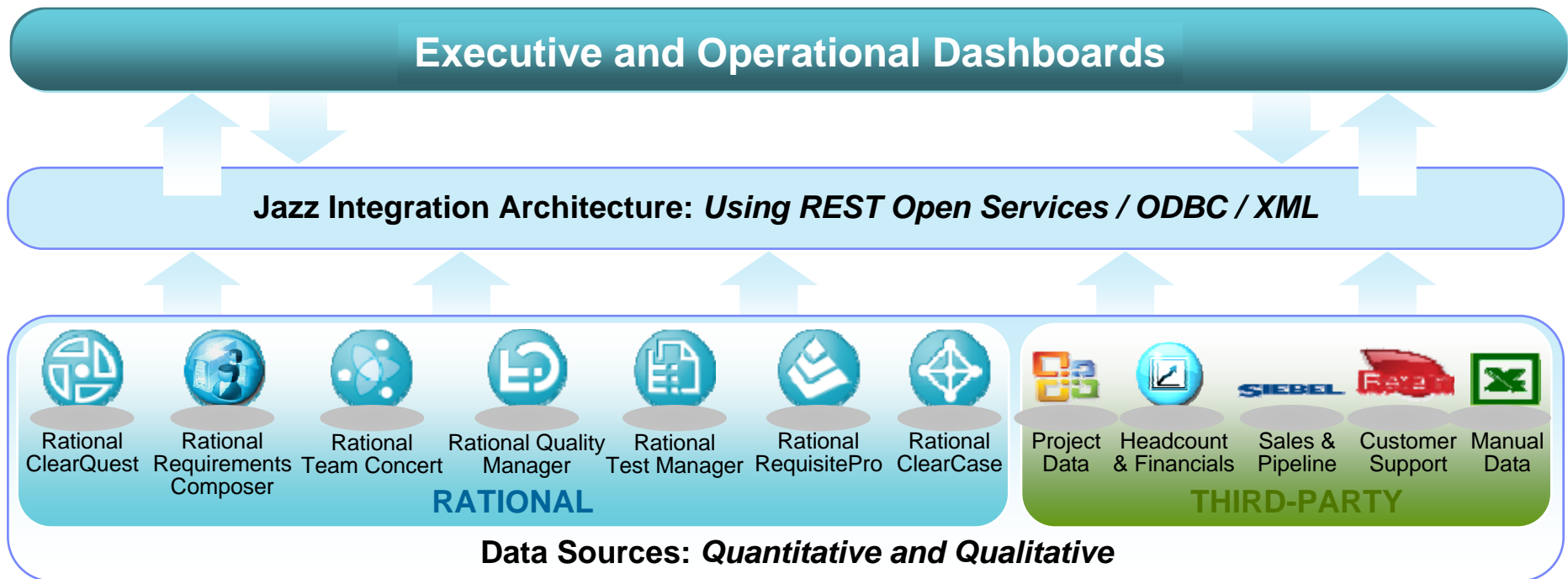
Increased customer involvement,  
building on “Whole Team” agile practice

- ▶ Design Partner Program growth of 352% since 2006
- ▶ Transparent, iterative development on Jazz.net
  - 5 products available today
  - Over 17,000 participants in Jazz forums
- ▶ VoiCE sessions expanded to India and China
- ▶ Lab Advocacy program has grown 567% since 2005
- ▶ Beta programs doubled in 2008 to 35
  - 12x growth in open beta downloads



# 4 Reported, analyzed, and regularly acted on our results

*Aggregated data from multiple sources to provide new insight*



# Align business and operational measures

*Drill down into real-time data from disparate source repositories*

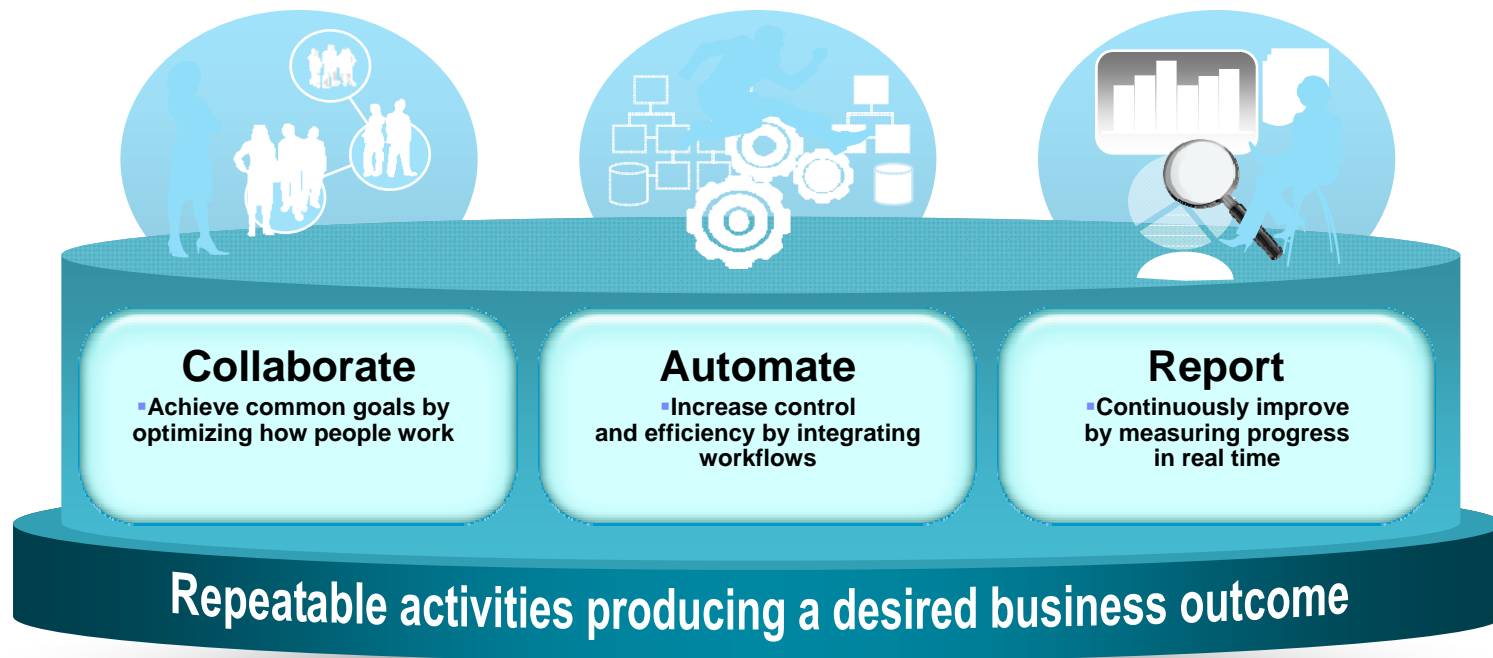
Segment	Product	Revenue Year-To-Date (M)	Revenue % of Plan	Pipeline (M)	Release	eGA Plan	eGA Outlook	eGA Plan-Outlook	Headcount (PY)	Project Health	Overall Profit Margin	Overall Market Share
Application Lifecycle Management (ALM)	Jazz Foundation	75.7 ▼	96% ▼	87.9 ▼	Jazz Foundation 1.0	May 28, 2009	Jun 12, 2009	15 days	52 ◆	71% ◆	◆	▲
					RTL XYZ	Mar 31, 2009	Jul 7, 2009	98 days	118 ▼	50% ▼	▼	▼
	RTC	115.2 ▲	99% ◆	109.6 ◆	RTC 2.0	Jun 15, 2009	Jun 19, 2009	4 days	12 ◆	90% ◆	◆	▲
					RTC 2.0.0.1	Sep 22, 2009	Sep 30, 2009	8 days	72 ▼	86% ◆	◆	◆
Governance Solution	Focal Point for Project Management	29.1 ◆	93% ◆	84.2 ▲	FPJM 1.0	Oct 15, 2009	Nov 17, 2009	33 days	60 ◆	74% ▲	◆	◆
	Rational Insight	108.7 ▼	98% ▼	162.7 ▼	Insight 1.0	May 26, 2009	May 26, 2009	0 days	40 ◆	83% ▼	▼	◆
Quality Management (QM) Solution	RQM	35.2 ▲	112% ▲	79.6 ▲	RQM 2.0	Jun 15, 2009	Jul 31, 2009	46 days	56 ◆	89% ▲	◆	▲
	RRC	28.1 ◆	83% ▲	45.1 ▼	RRC 2.0	Nov 4, 2009	Nov 24, 2009	20 days	32 ▲	85% ◆	◆	▼



# Leveraging our experiences to help you...



# Rational experience demonstrates incremental improvement in software delivery





## Time to Get Real – Starting Today

**GET REAL  
TEAMS**

Align teams to business and operational objectives

**GET REAL  
INSIGHTS**

Gain insights to incrementally improve software and systems delivery

**GET REAL  
RESULTS**

Measure, monitor and steer to desired results



### Learn more at:

- [IBM Rational software](#)
- [Rational launch announcements](#)
- [Rational Software Delivery Platform](#)
- [Accelerate change & delivery](#)
- [Deliver enduring quality](#)
- [Enable enterprise modernization](#)
- [Ensure Web security & compliance](#)
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