

IBM Software Group

Infrastructure solutions for SMB market



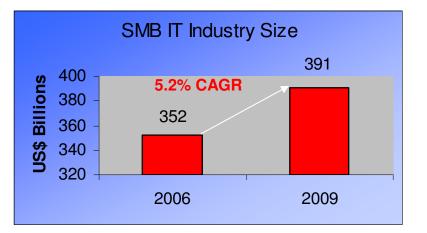


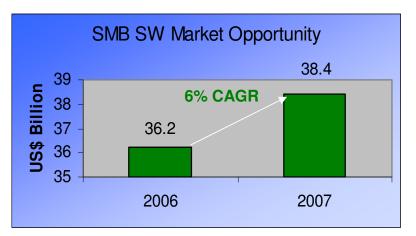
Confidential | Date | Other information, if necessary

=	-		
		Ξ.	
<u> </u>	-		 =
		- 19 A	

Why SMB is Important?

- SMB: Largest and fastest growing IT market opportunity. Growth engine for IBM.
- SMB = 38% of IBM's total market opportunity.
- Strategic focus: medium business (100 – 999 employees) where the SW opportunity is \$15.9B

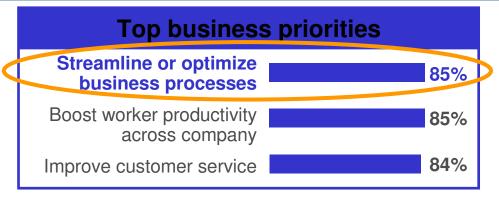


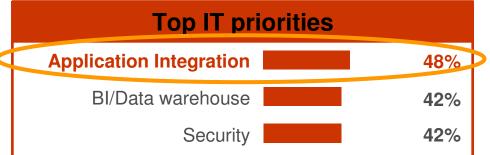




Responding more effectively to changing market conditions is a CEO imperative

"Four out of five CEOs are focusing on revenue growth for the next three years while maintaining a tight control over costs."



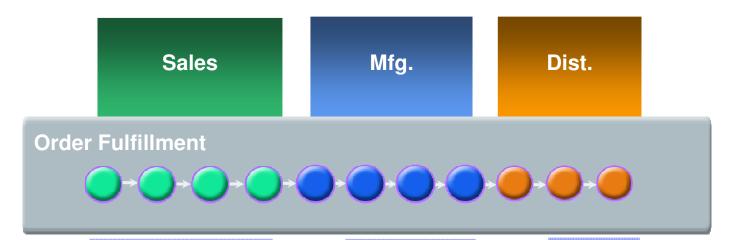


Sources: Outlook 2004: Priorities 1Q InformationWeek Research, January 2004;

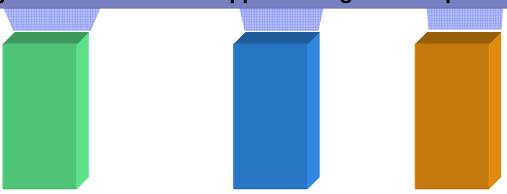
r CIO Sur



The Business / IT Gap



No formal linkage between business process and application system
No capability to manage and measure the business process
An inflexible IT system that does not support changes in the process



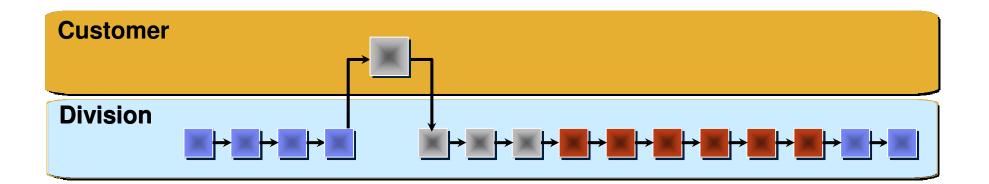


Case Study in Transformation: Procure to Pay Process



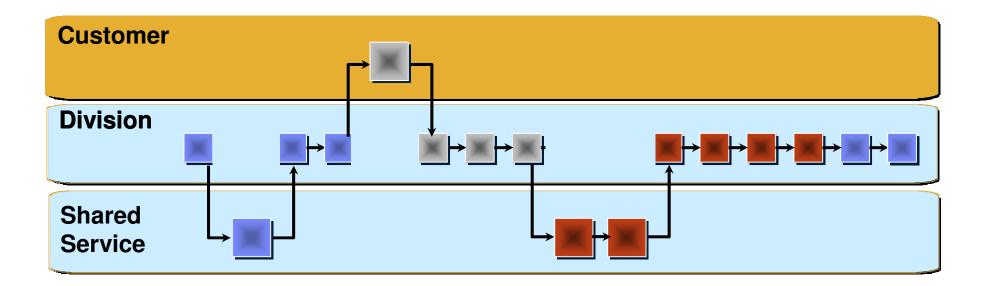






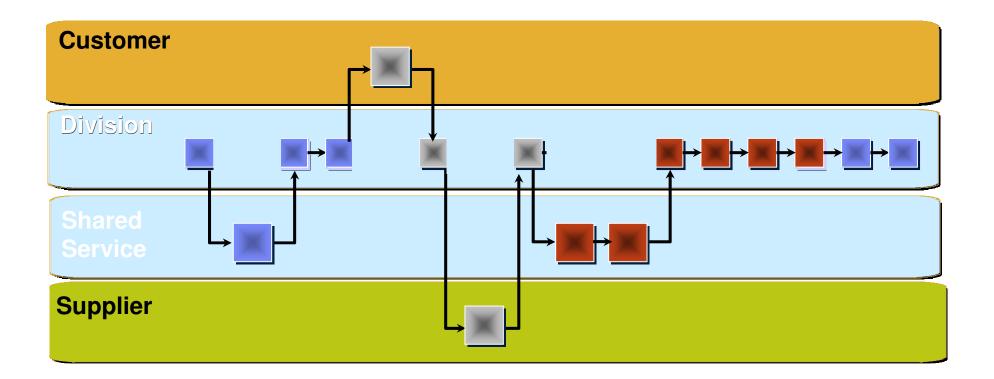






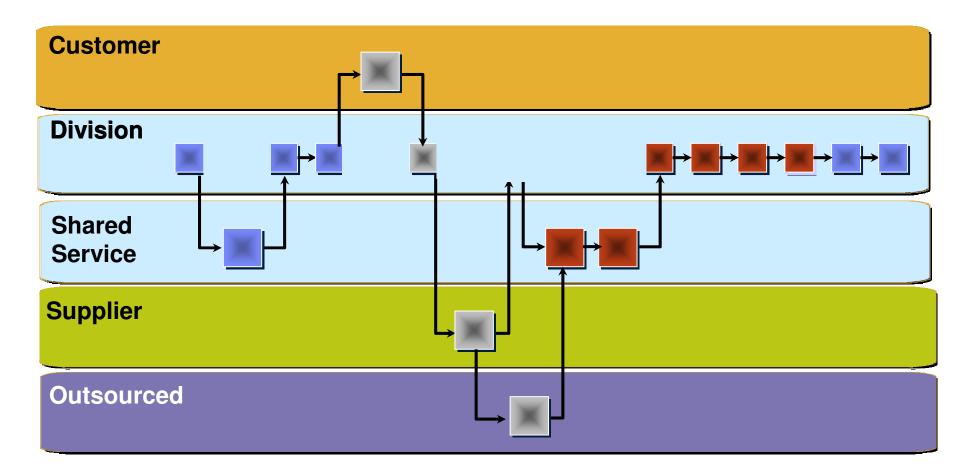






Change: Supplier Handles Inventory (VMI)

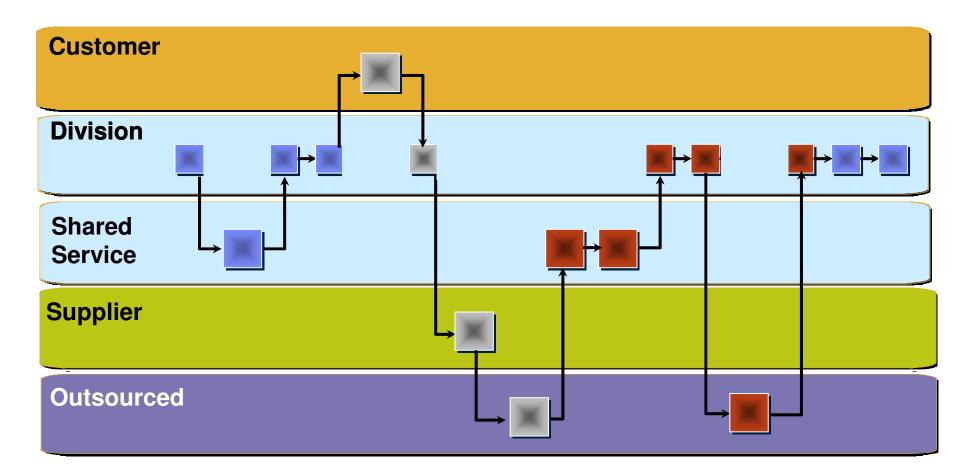




Change: Shipping by FedEx, DHL or UPS

Infrastructure Solutions | Confidential

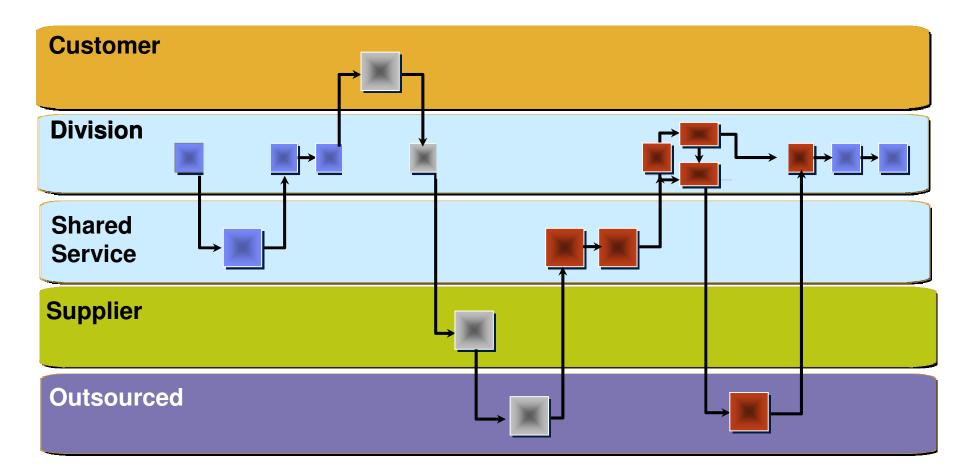




Change: Collections Outsourced

Infrastructure Solutions | Confidential





Change: Process Optimization

Infrastructure Solutions | Confidential

	-	_	_
	_		
-	_		
_			
		-	

The Open Platform Approach

Open Grid / On Demand Computing

Open Development Integration Platform

> Open Application Integration

Open Application Server

Open Operating System On Demand Computing Environment

Eclipse

Web Services

J2EE and Apache

Choice Includes Linux

IBM defined "On Demand" computing and leads in grid technology

IBM donated \$40M of initial technology

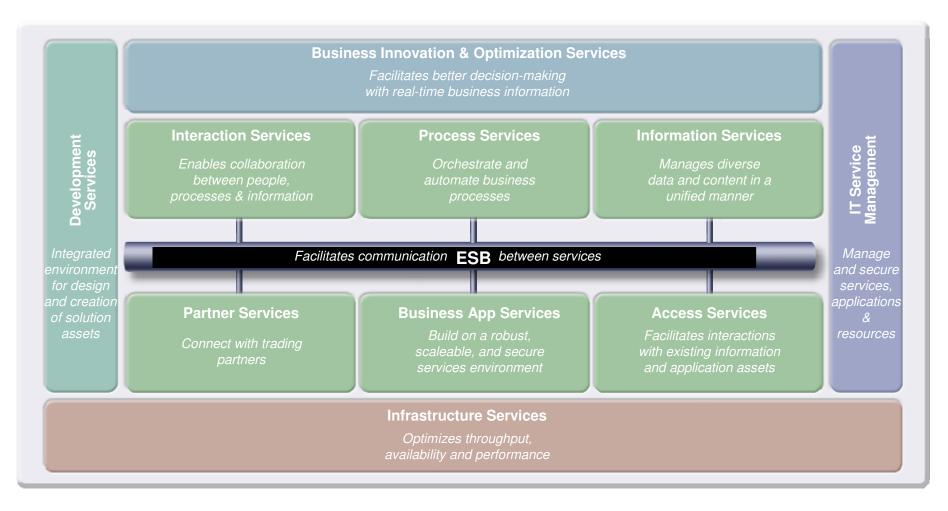
IBM led or co-led the creation of SOAP. WSDL, UDDI, WS-Security, BPEL4WS

IBM contributed significant technology to J2EE & helped form the Apache Software Foundation

IBM is the #1 commercial supporter



SOA Reference Architecture

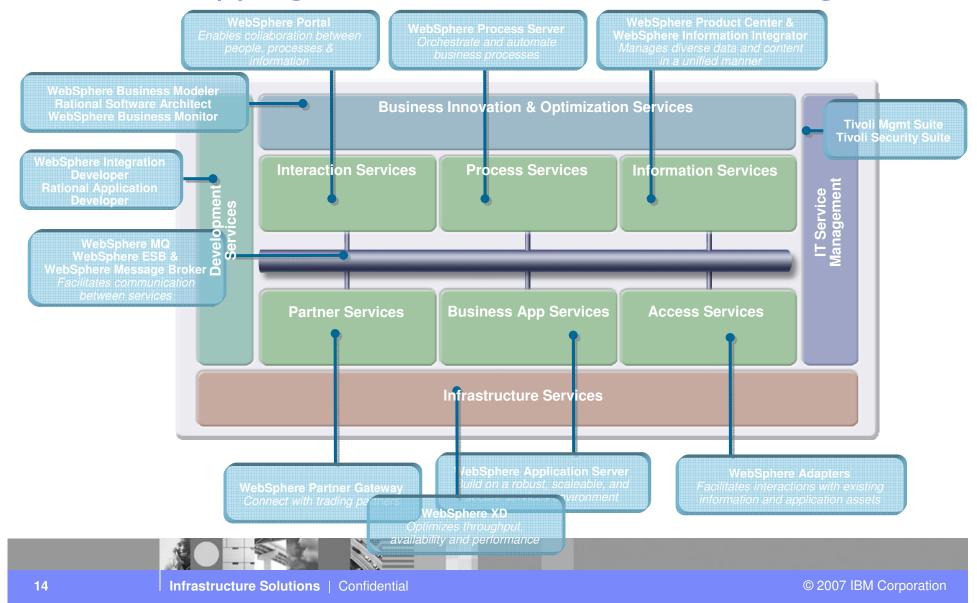




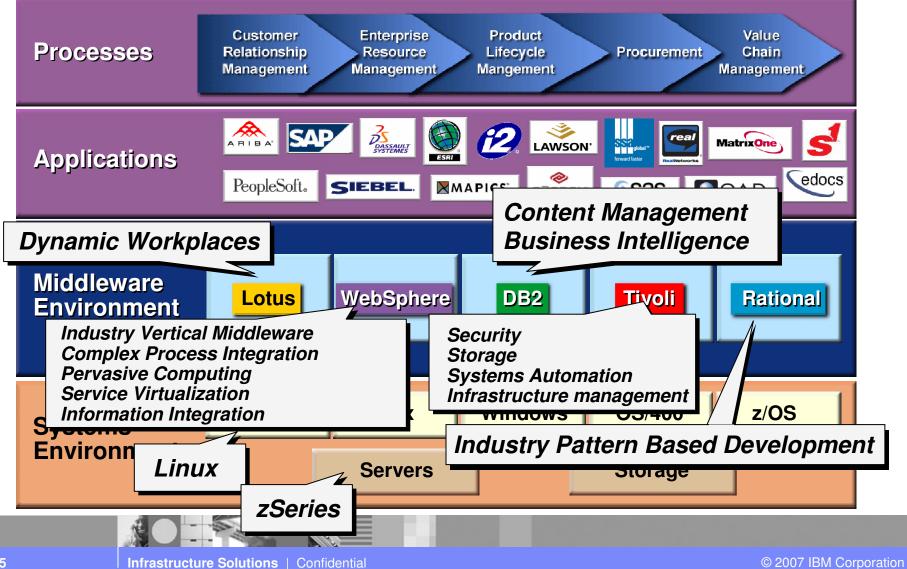
	\frown
Sottware	(-roup
Software	



Mapping the architecture to IBM Offerings







IBM Software Group



