# Lotus knows.

Smarter software for a Smarter Planet.

### 5 Cost Take-out Plays You Can't Afford to Miss!

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## Agenda

- Why we all need to Work Smarter
- Five Projects to Work Smarter in ANY Economy
- Collaboration Agenda





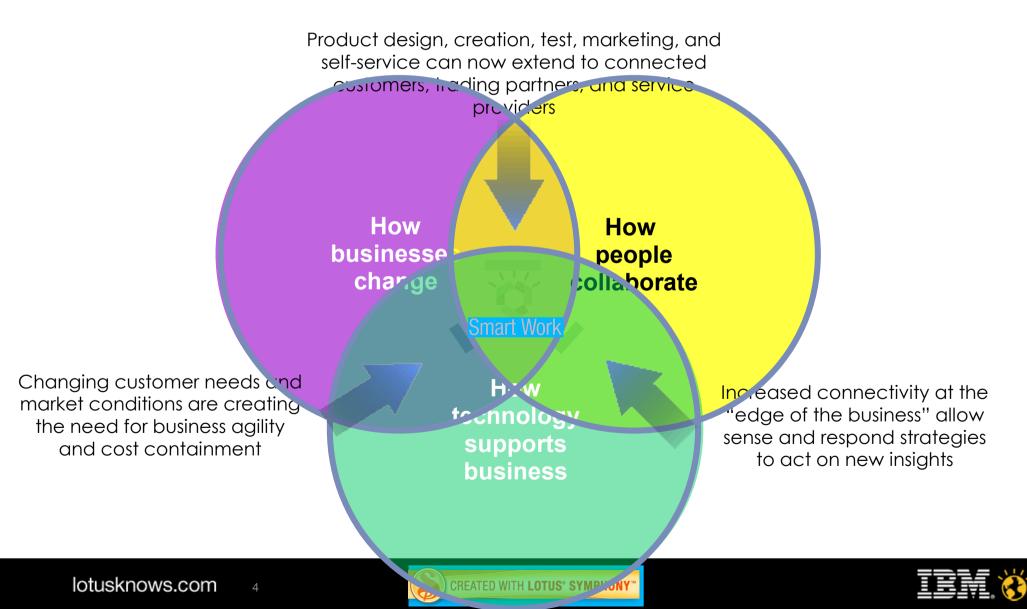
### Some compelling reasons to Work Smarter....







# Working Smarter will create new challenges and opportunities...



# But there are some realities...

### \$40 billion

100%

Consumer product and retail industries lose about \$40billion annually (or 3.5% of their sales) 1.5x

Explosion of information driving 54% growth in storage shipments every year.

#### 53%

Customers are demanding 100% to supply chain web site availability during peakinefficiencies. times for improved response times, processing time and storage throughput.

### 13%

of employees don't have access to the information across the Each week businesses waste 5 organization needed to do their 76c per Shoers per employee due to Shoefficient processes. iobs

### 1 in 3

business leaders frequently make critical decisions without the information they need

70% of IT budgets are spent on maintaining current IT infrastructures vs adding new

85% capability.

In distributed computing environments, up to 85% of computing capacity sits idle.

### 29%

Agile business have 29% higher earnings per share.

#### CEOs are planning to or are restructuring the way their

organizations work.

**91%** 

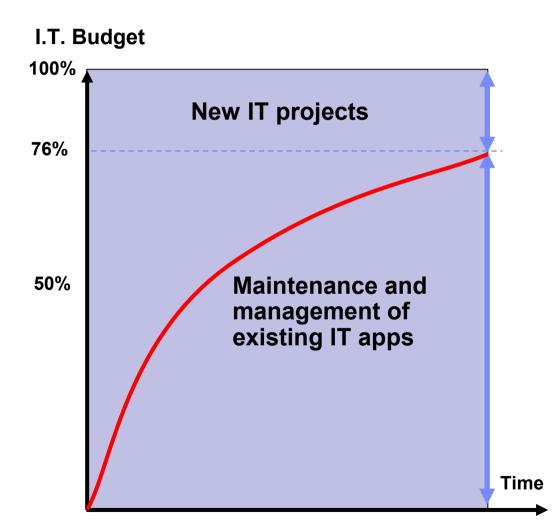




### We need to work smarter with our IT budgets...

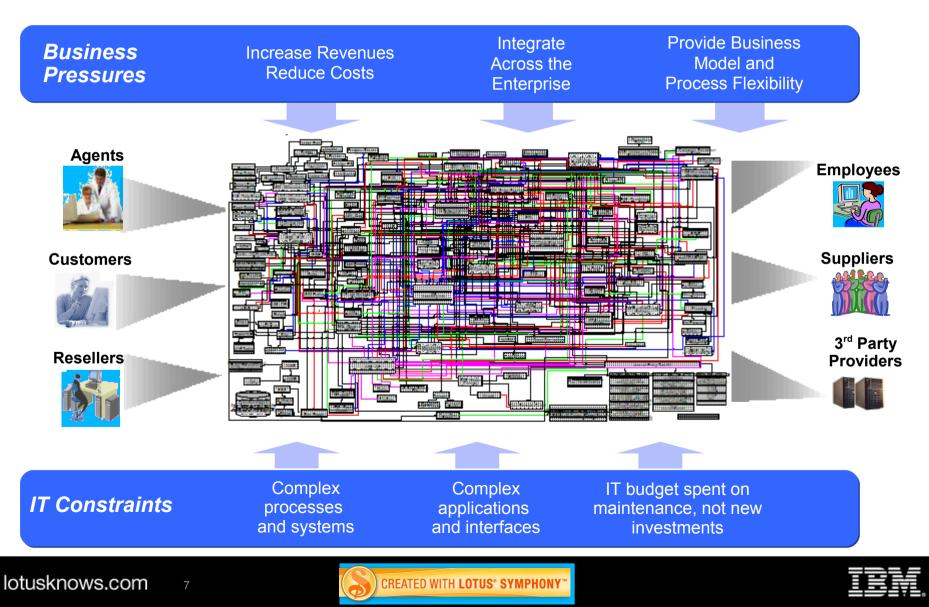
Traditionally... "76% of I.T budgets are spent on MAINTENANCE , leaving only 24% for NEW INVESTMENTS.

- Forrester Research





# The only way to break this paradigm is to align Business and IT...





# Service Orientation is the Key to unlocking our IT budgets and Working Smarter...



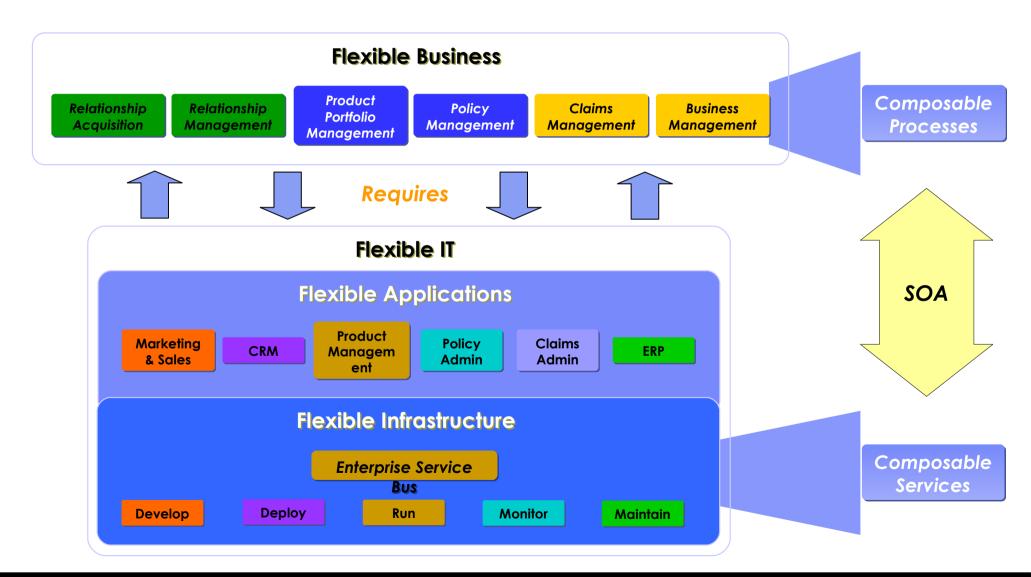
- Optimise reuse of existing assets
- Quickly shift direction to reflect economic realities
- Flexibly connect information and applications

- Use SOA to Unlock the value of your own...
- Business Resources
- Application Resources
- Infrastructure Resources





### Smart Businesses are Flexible...





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### What's Important to ASEAN Business Leaders TODAY....

Improving business processes		Linking business and	Linking business and IT strategies and plans	
Increasing the use of analytics in decisions Improving enterprise workforce effectiveness		Building business skills in the IT o Reducing the cost of IT	rganization	2 3
Managing enterprise change initiatives	5	Delivering projects th	at drive business growth	Ĵ
Creating new products or services (innovation)	6	Francisco di second		
Consolidating business operations	7	Expanding the use of	Expanding the use of Intelligence	
Creating new sources of competitive advantage (new capabilities)	8	Implementing IT process improv Applying business performance		8 9
Expanding current customer relationships (expanding 'wallet share')	9	Consolidating IT operations		10
Targeting customers and markets more effectively (service delivery)	10	Business Intelligence (BI) Collaboration technologies		
		Networking, Voice and Data Comms (including VOIP)	3	
		Enterprise Applications (ERP, SCM, CRM, etc)	4	
		Document and Content Management		
		Customer sales and service technologies	7	
		Legacy application modernization, upgrade or replacement	8	
Andy Reswall James V/R and Research Divestor Cartery		Security technologies (access control, authentication, etc)	9	
Andy Roswell-Jones, VP and Research Director, Gartner From Presentation and IBM ASEAN Leadership Exchange July 2009		Service Oriented applications and architecture (SOA, SOBA)	10	





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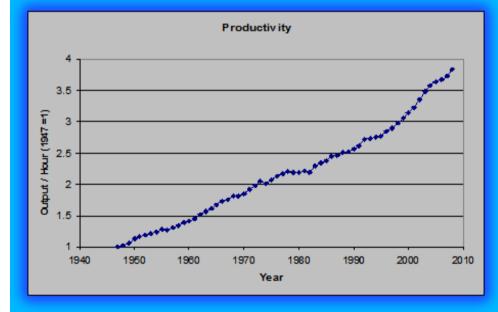
## **Empower People for Enhanced Productivity**

#### The Problem

- Inefficiencies of outdated systems hamper improvements
- Struggle accessing globally dispersed knowledge-base
- Logistics of capturing and leveraging customer insight

### Productivity is increasing all around you

### You need to do more with



#### **US Bureau of Labor Statistics**

#### The Possibilities

- Decrease product development time by up to 20% or more
- Reduce time to assign access rights by 10 times
- Unlock innovation and hidden knowledge through broad participation







### Working Smarter with Citizen Self-Service...



Improved portal with
50% increase in
visitors

 Expect 25% reduction in systems management costs

 Over 428,000 electronic payments processed
\$468 million in

avani





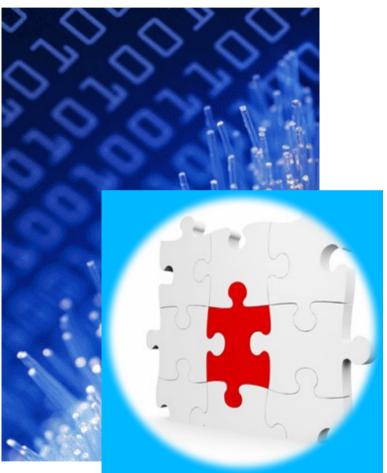
# 2 Unlock Existing Information for Visibility and Insight

#### The Problem

- 33% of business leaders frequently make critical business decisions without the information they need\*
- Information is not integrated to enable efficient decision-making

#### **The Possibilities**

- Cost optimize linkage of business unit systems and information
- Provide single view of information to optimize decision making



\*Source: IBM Business Value, Business Analytics and Optimization Study, March 2009





# Working Smarter through Information Sharing...

### StatoilHydro

2



### Real-time data access

 2X industry production average

### 30% reduction in maintenance costs



## Automate Manual Processes for Business Agility

#### **The Problem**

- Process changes require IT intervention
- Employees wasting time on redundant tasks
- Manual intervention in processes hinder throughput

#### **The Possibilities**

- Reduce order lead time by up to 8x or more
- Speed time to market of new products dramatically
- Optimize services with faster claims cycle times

Gartner has cited process improvements as the #1 business concern for 4 straight years\*



\*Source: The 2009 CIO Agenda, Gartner, January 2009





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# Working Smarter with Invoice Processing





 Invoices processed in seconds instead of hours

- ROI in 2 months
- 30% reduction in development time





# 4 Connect Disparate Systems for Integration Cost Efficiency

#### The Problem

- 76% of IT budget spent maintaining point-to-point application interfaces
- Custom point-to-point connections are brittle, expensive, and risky

#### **The Possibilities**

- Reduce integration cost and maintenance 2-4 times\*
- Improve performance more than 10x, with lower costs
- Achieve full ROI within as little as
- 6 months



\*Source: "Application Integration Challenges", Software Strategies







# Working Smarter with Application Integration...



4



 Redeployment of 15
billing staff to more meaningful

**T**asks







5

### Leverage Legacy Systems for Increased Reuse

#### The Problem

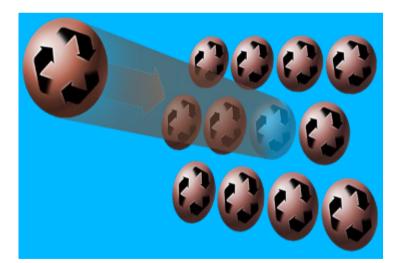
"Industry has already invested trillions in IT. If faster results can be achieved reusing rather than rewriting, only a fool would choose [sic] to rewrite"

John Balderson, The Spencer Group

### Not already reusing your applications? at **WHAT COST?**

#### **The Possibilities**

- Reduce time-to-market for new services by anywhere from few weeks to months
- Share application infrastructure to reduce
- total cost of ownership
- Delay capital expenditures by leveraging
- existing infrastructure
- Cut expenses by up to 5x times or more\*



#### Source: Software Productivity Research



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# Working Smarter to Extend Existing Investments...









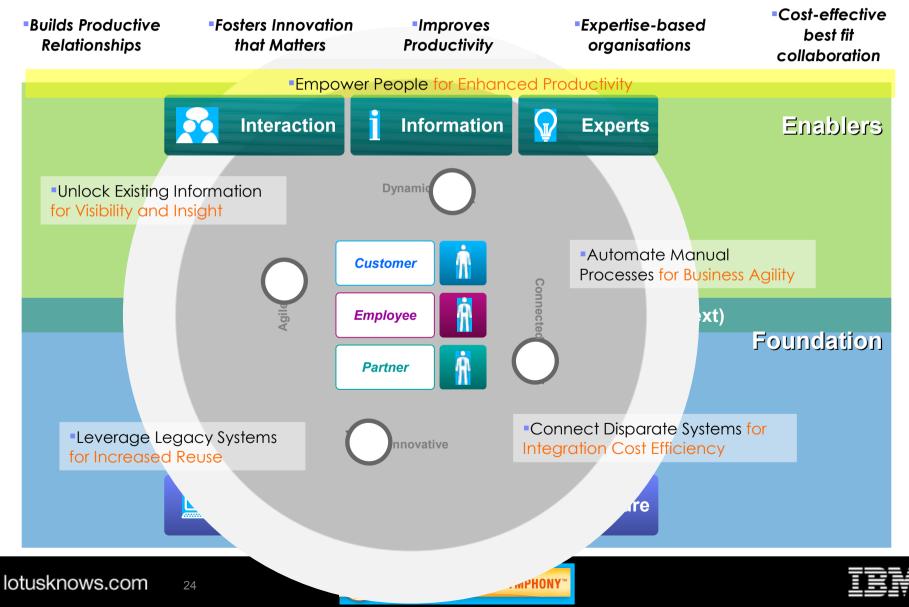
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- How does this fit into the Collaboration Agenda





# Collaboration Framework enhances SOA and drives competitive differentiation...



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Thank You...



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