

## IBM Software Demos IBM SOA Business Process Management

### IBM\_SOA\_Business\_Process\_Management\_D\_Oct08

Hello, thanks for joining us.

I'm going to show you a Business Process Management solution from IBM – that is based on Service Oriented Architecture.

It can provide the flexibility you need to innovate and win in your marketplace.

For the sake of example, I'll play the role of Claims Manager for an insurance company.

Now I realize not everyone here is in the insurance industry. That's ok. This approach to BPM adapts easily to any industry . . .

And there's only two things you need to know about my business:

- 1) Some claims can be expedited through a low-cost, express-claims process. The rest require more personal attention and go through a traditional 'high-touch' process.
- 2) our service partner, *Acme Inc*, adjusts some claims for us. All the rest we handle completely in-house.

And that's it.

If you have any additional questions there'll be an opportunity to learn more at the end of this demo.

Ok, so each day I log into my claims workplace.

The flexible, customizable portal interface brings together the applications, information, and people I need to do my job.

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Here's my main dashboard page.

Up-to-date bar-charts track claims throughput for our own adjusters and for *Acme*.

When my cursor passes over an element, I see the underlying data values. With a few clicks I can inspect other time periods, or drill down into the underlying numbers.

Gauges at the bottom are updated near real-time. With a quick glance I can tell when measurements are outside targeted ranges.

I also receive process alerts. These aren't just e-mails from colleagues. These are near real-time, system-generated alerts that help me handle the small problems before they become big problems.

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Ok, I know portals and dashboards are not a new idea, but with this solution I get more complete and timely measurements on process effectiveness. And as you probably know, it's hard to improve a process if you can't measure it.

And I have greater flexibility to react to changing preferences and business conditions.

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We chose from a variety of process-related portlets that came "out of the box", and reconfigured and rearranged them – without coding – to create customized views for me, my colleagues . . . even partners and customers.

Now here's my personal scorecard.

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On top are my key performance indicators or KPI's. They show how I'm doing against my performance plan and figure into the bonus I get each month.

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The beauty of it is -- I don't have to wait till the end of the month to see how I'm doing.

The KPI on top has a red indicator because our average claim amount is well above goal. This is hurting my paycheck, and I'll show you one of the contributing factors.

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The bottom graphs show that average claim payments are higher for claims adjusted internally – in blue – than for claims adjusted by Acme.

Maybe our internal adjusters are paying out too much in claims.

But you can't always judge a book by its cover..."

Drilling down, I'm reminded that none of the more complex and costly bodily injury claims are handled by Acme. For every other claim type, we are paying out more for the claims that are adjusted by Acme.

Contrary to the summary charts, it is actually Acme who is over-adjusting claims and contributing to my KPI missing its mark.

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Now, you may wonder how I'm able to measure and delve into a business process like this in real-time . . .

Well let's "open up the hood" and I'll show you.

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First, we modeled our claims process using this BPM modeling tool. We imported an existing Microsoft Visio diagram and quickly transformed it into the model you see here.

We established business rules that control which adjusters are assigned to new claims, and whether or not a claim can be expedited.

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Express claims flow along the uppermost path.

High-touch claims flow along the bottom.

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The tooling gives us the flexibility to innovate at reasonable cost. Model segments can be modified and reused in other processes -- and can be nested at multiple levels to form more complex and sophisticated models.

We associate costs and resources with activities, run simulations to see the comparative impact of flow options, and can see process bottlenecks prior to implementation.

So what about the measurements and alerts?

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We used the same tooling to create a claims measurement model. We easily defined our measurements and alerts, tying them to the design points of the process model.

We had great flexibility in what we chose to measure. In fact, we added one KPI after the process was already running in production -- without having to redeploy the system.

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And when we were done designing, we exported the process model to IT as a Business Process Execution Language -- or BPEL -- model.

IT then used more BPM tooling to wire together services from several sources, and convert the business rule elements into flexible decision tables -- transforming the entire model into a running, composite application.

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Now I can redirect the flow of claims to our Innovative Insurance adjusters, and between high-touch and express routes on the fly without having to re-engage IT.

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We exported the measurement model to the monitoring environment.

From that point, the system collected the correct information to display on our portal pages.

Which reminds me, I need to get back to my workspace and do something about Acme.

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With a few clicks I can e-mail these charts to the Acme executives, as "food for thought".

But I can do even better than that....

Along the top I have records for all active claims in the system. The 3rd claim down is one being handled by Acme. Below I see a visualization of the process flow.

When I click the Acme claim, red highlights indicate the route the claim has taken. I can drill down and see that the claim is in the high-touch settlement phase.

With two more clicks I can suspend, or even terminate the claim in flight, without having to get anyone else involved. And through my browser, I can quickly change the relevant business rule -- to reduce -- or even cut off the flow of claims to Acme entirely.

Now that's what I call real flexibility!

Periodically, I can export our metrics data back to the modeling environment and....  
Voila!

I can recalibrate my process model with real data on percentages and durations. So our modeling assumptions get replaced with measured results.

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Not only are we managing claims more effectively, but we're well on our way down the path of continuous improvement. And that's a direction we'd all like to be going.

But before I go -- I appreciate your time today, and ask that you remember one final thought . . .

Business is more competitive than ever -- and it takes flexibility to stay in the game.

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A BPM solution from IBM, based on a Service Oriented Architecture, can not only keep you in the game – but offers the flexibility you need to compete, win, and outlast your competition!

You've taken the first step by watching this demo – now complete your training by following your desired path to SOA.