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# A Smarter Outcome with BPM – A Powerful and Simple Approach to achieve Process Improvement

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# But can you change your tires here ...



# The New Normal: Change, Complexity, Uncertainty

**\$488 billion**

Lost in process inefficiencies  
in Fortune 500 companies

**\$534 billion**

In mobile  
transactions by 2015

**85%**

Of enterprises use external  
cloud services

**50%**

Of businesses plan to adopt more  
collaborative sourcing models

**70%**

Of businesses outsource one  
or more strategic activities

**50 billion**

Devices connected to  
the Internet by 2020

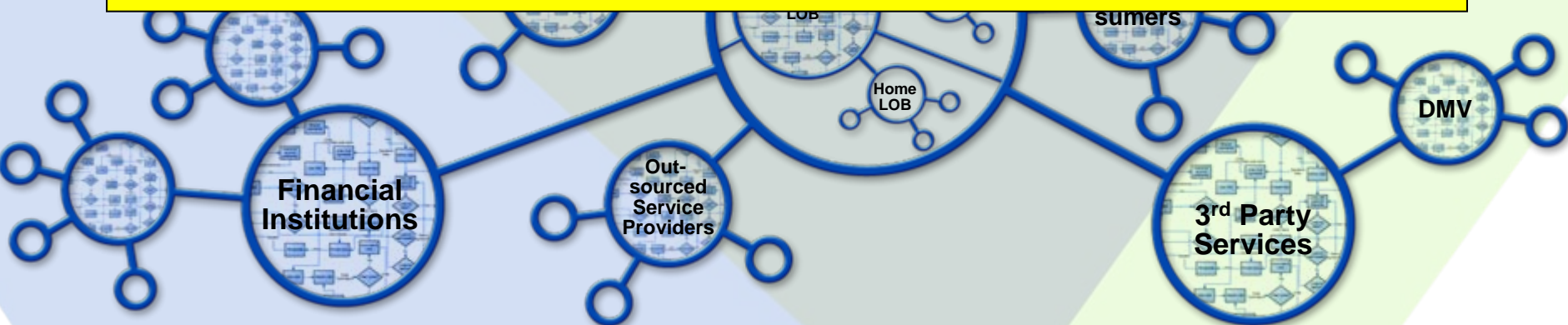
# Complexity exists within organizations and the broader business network

*To orchestrate human tasks...*

*... to increase visibility.*



*Companies need end-to-end process management*



*... to manage exceptions and cases...*

*... and for scalable transactions...*

*... everything you need to manage end-to-end business networks*

## Business leaders must drive growth amidst complexity

*Capitalize on complexity and  
Outmaneuver competitors*

### **Innovation**

- **81%** believe innovation is key to getting closer to their customers

### **New Channels**

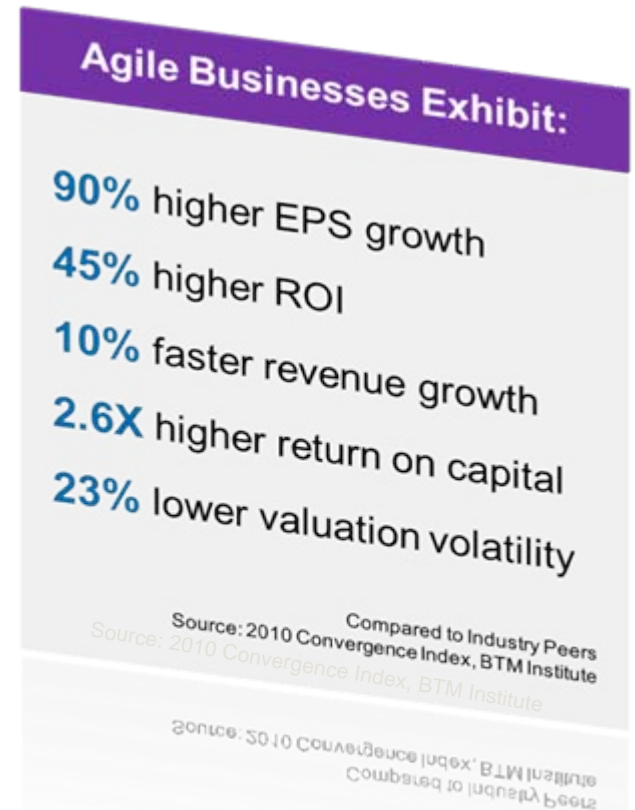
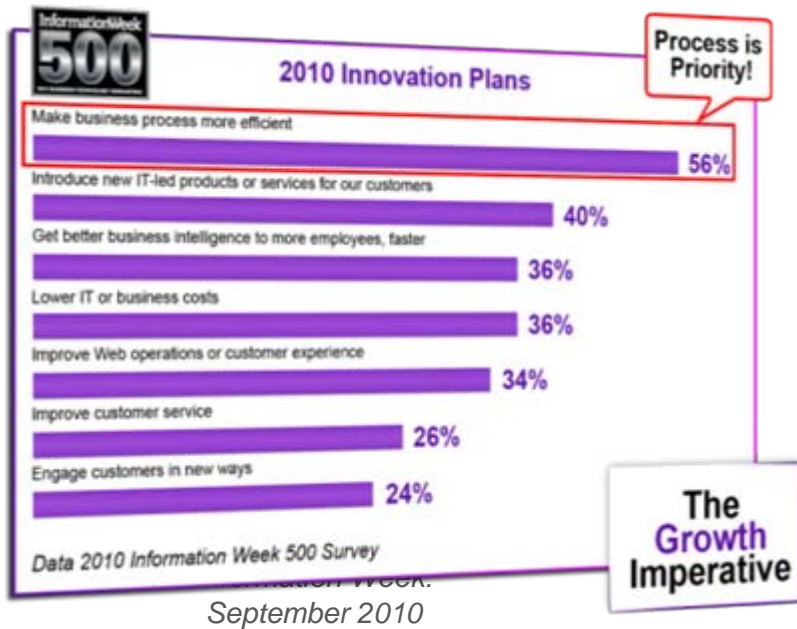
- **70%** are focusing on new channels to deliver services to their customers

### **Collaboration**

- **69%** are collaborating with customers to deliver better products and services



## 2011 - Process improvement is still a priority



### Companies are improving business outcomes with BPM

- Increasing productivity of workers
- Streamlining operations through automation
- Improving key business outcomes



Globe Telecom increases promotion effectiveness by **600%**



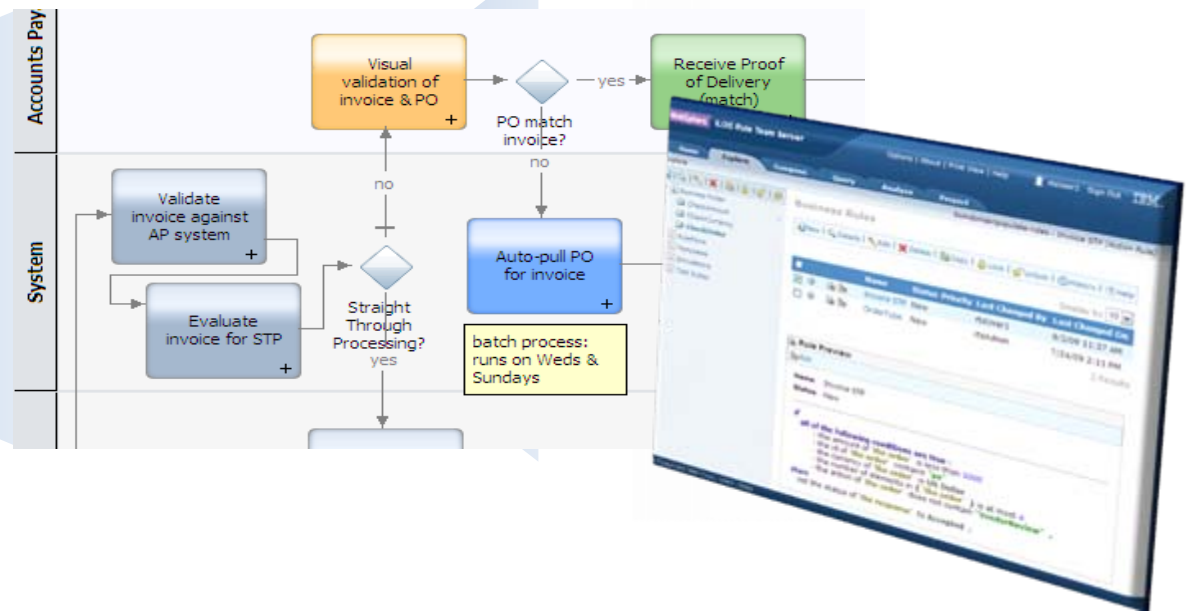
# Two-Pronged Approach to Process Improvement

## Process Management

- Defines and orchestrates the end-to-end process
- Combines automation with user interaction
- Is fundamentally concerned with **operational efficiency** of the organization

## Decision Management

- Defines and executes specific decision points in processes and applications
- Is focused on automating and improving decisions
- Is fundamentally concerned with the **operational intelligence** of the organization





# Business Process Mgmt in 2011: Challenges



**LOB and IT efforts are separate**

*Can we find an easier way to collaborate?*

**Improvements come one project at a time**

*How can we scale up from a project to a program?*

**Lack leverage between projects**

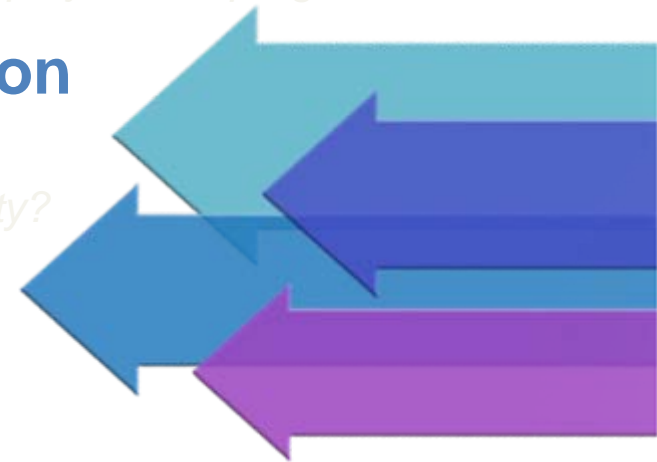
*How can we maximize reuse?*

**Process Optimization is difficult**

*How can we get better visibility?*

**Rapid change is difficult to manage**

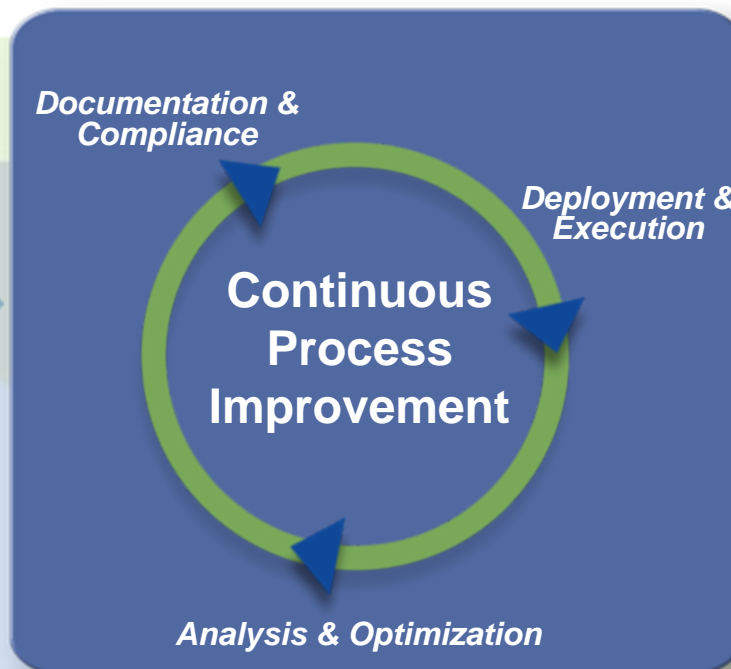
*How can we make changes quickly, while maintaining control?*



## What is *Business Process Management* ?

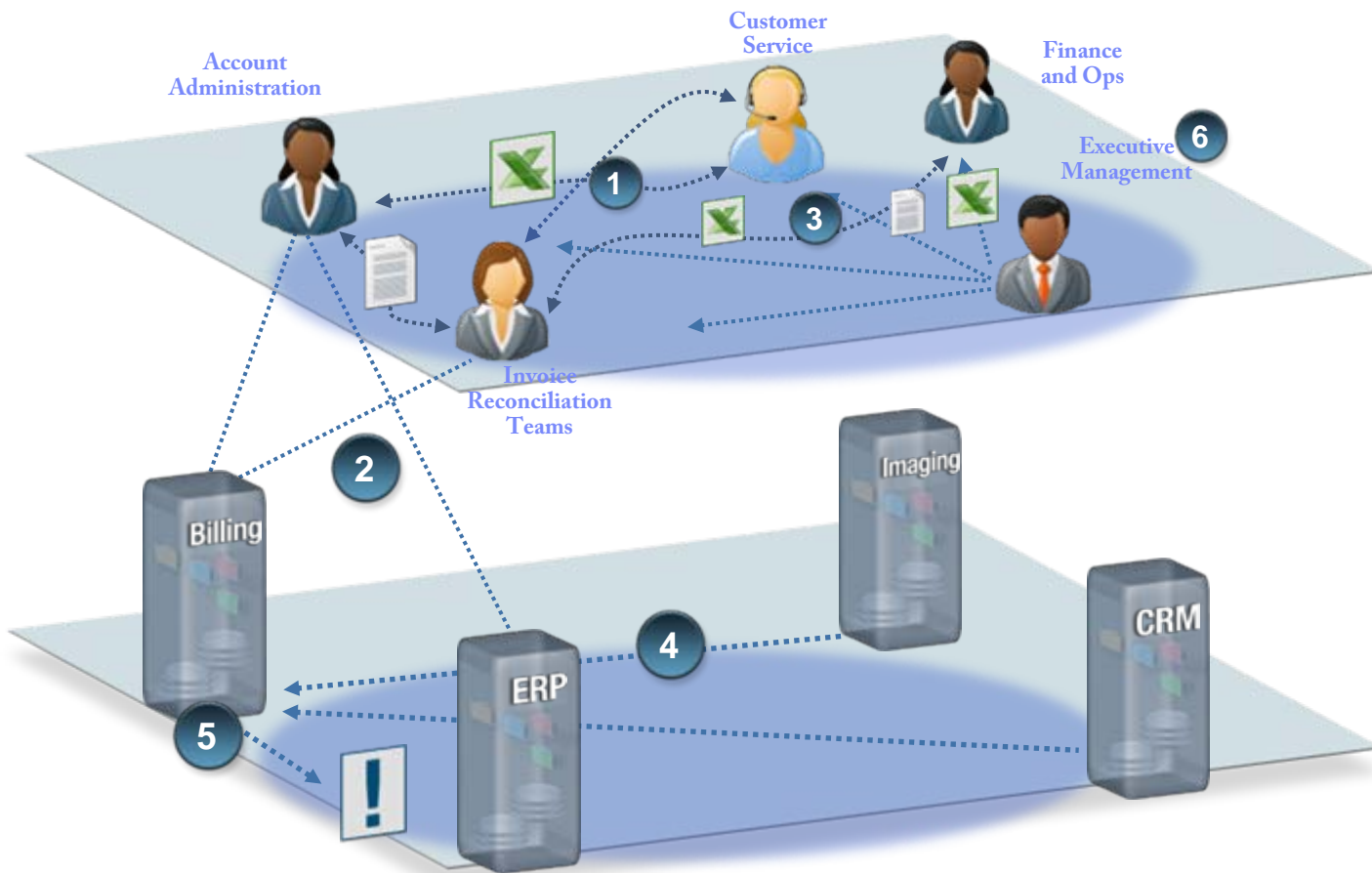
*Through robust and flexible software capabilities and industry expertise, BPM enables customers to discover, model, execute, rapidly change, govern, and gain end-to-end visibility on their business processes*

Software  
Expertise



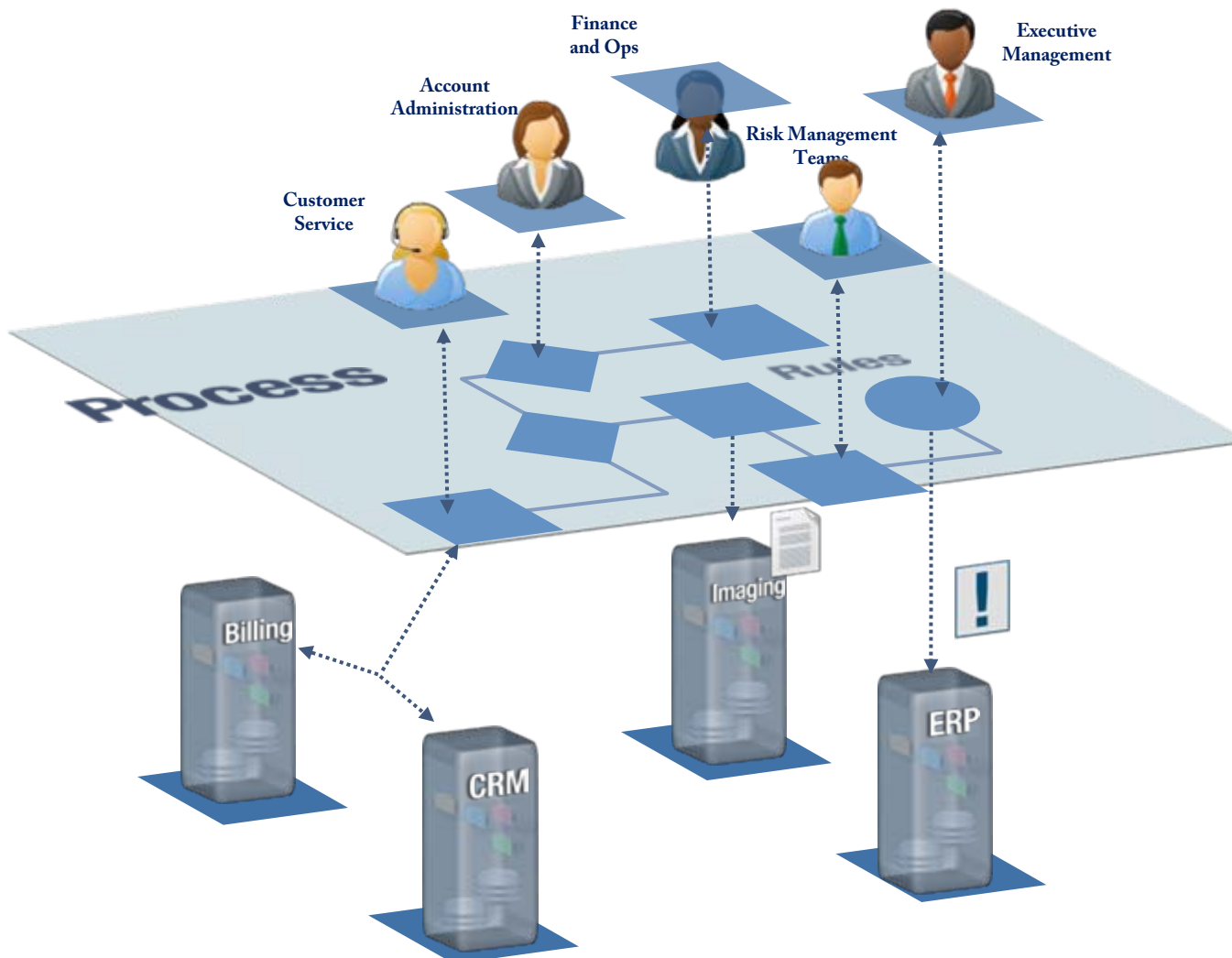
Visibility & Collaboration  
Business User Engagement  
Efficiency & Productivity

# Typical process problems



- 1 Unstructured Tasks and Communication (ex Paper or email)
- 2 Inefficient Working Environment Spans Systems
- 3 Inconsistent Prioritization
- 4 Incomplete or Inaccurate Data Flow Between Systems
- 5 Lack of Control Over System and Business Events (Exceptions)
- 6 Poor Visibility Into Process Performance

# BPM brings order to the chaos



- 1 Automate workflow & decision making
- 2 Reduce errors and improve consistency
- 3 Standardize resolution across geographies
- 4 Leverage existing systems and data
- 5 Monitor for business events and initiate actions
- 6 Real-time visibility and process control

### Customer Benefits:

- Huge Reduction in Manual Work, Errors
- Faster, More Consistent Issue Resolution
- Easier to Manage the Business
- Consistent Case Handling

# Examples of Typical Use Cases for Process Improvement

- Banking
  - New Account Opening
  - Multichannel Upsell/Cross Sell (Web, Branch, ATM)
  - Legal Order Processing
  - Mortgage Loan Approval
  - Trade Finance Reengineering (Documentary Credit applications)
- Business Process Outsourcing
  - Document Handling (verification/storage/retrieval/destruction)
- General
  - New Employee On-Boarding
  - Contractor On-Boarding
  - Business Case Approval
  - Sales Commissions or Incentives Reporting
  - ERP/Legacy Application Extension
- Government
  - Benefits Eligibility
  - Grants
  - Revenue processes (such as Tax collection)
- Insurance
  - Policy Quotation (Underwriting)
  - Claims
  - Producer Back Office Integration
- Manufacturing
  - Supply Chain
  - Distressed Shipments
  - New Product Introduction
- Media and Entertainment
  - Digital Media Distribution
- Pharmaceutical and Life Sciences
  - Incident Management
  - Promotional Spend Compliance
  - Import Sample Process
  - Clinical Trial Payments
  - Research Grants
- Retail
  - Vendor On-Boarding and renewals
- Telecom
  - Customer Service Center automation
  - New Account Provisioning

Latest Gartner Report – Published on March 30, 2011  
**IBM is undisputed market leader with #1 BPM market share in 2010, growing at twice the market growth rate (18.1% for IBM vs 9.2% for market)**

“IBM was named the **number one vendor in BPM software** with a 24.7 percent share, well **over twice that of its closest competitor\***”

\*Source: Gartner, Inc., Market Share: All Software Markets, Worldwide, 2010, March 30, 2011



**Gartner. Report: A Decade of Leadership. IBM Named Marketshare Leader in Middleware Software for 10<sup>th</sup> Consecutive Year**

# IBM Business Process Manager: *Unifying Two Market-Leading BPM Platforms*



*The Forrester Wave:  
"Comprehensive Integration Solutions" Wave*

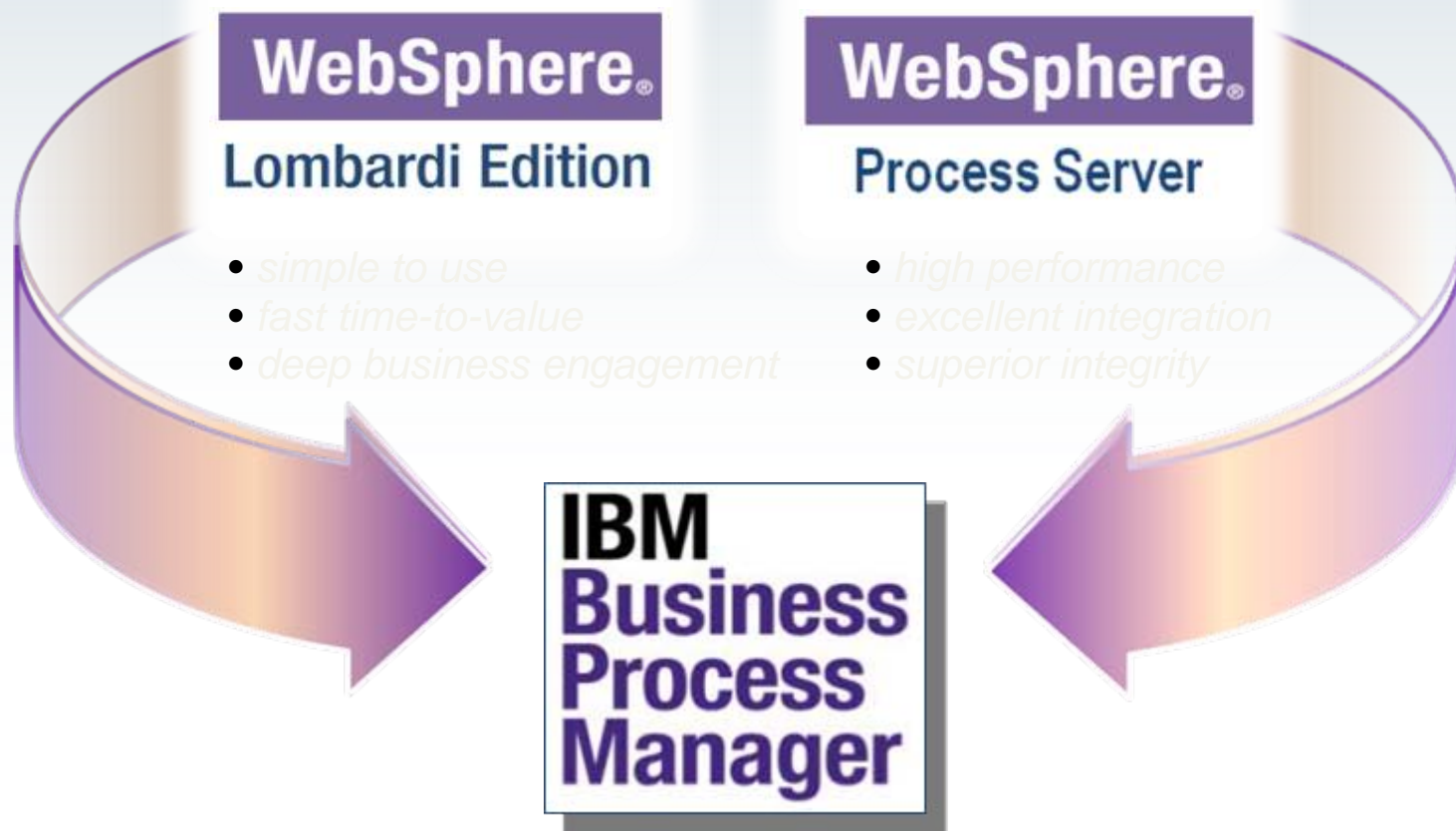
*The Gartner Magic Quadrant:  
"2010 Business Process Management Suites" MQ*

WebSphere Process Server drives IBM leadership in Forrester Wave

IBM Software for BPM

WebSphere Lombardi Edition drives IBM leadership in Gartner MQ

## IBM Business Process Management in 2011: *Unifying Two Market-Leading Platforms*





# Introducing a new solution to a complex problem

*Embrace complexity, adapt quickly and exceed expectations*

## **Simplicity**

**Simplifies** operations and **improves** entire experience

**Easy** enough to engage all process participants

## **Power**

**Powerful, dependable** enough for mission critical processes

**Scales smoothly and easily** from initial project to enterprise-wide program



## **Visibility**

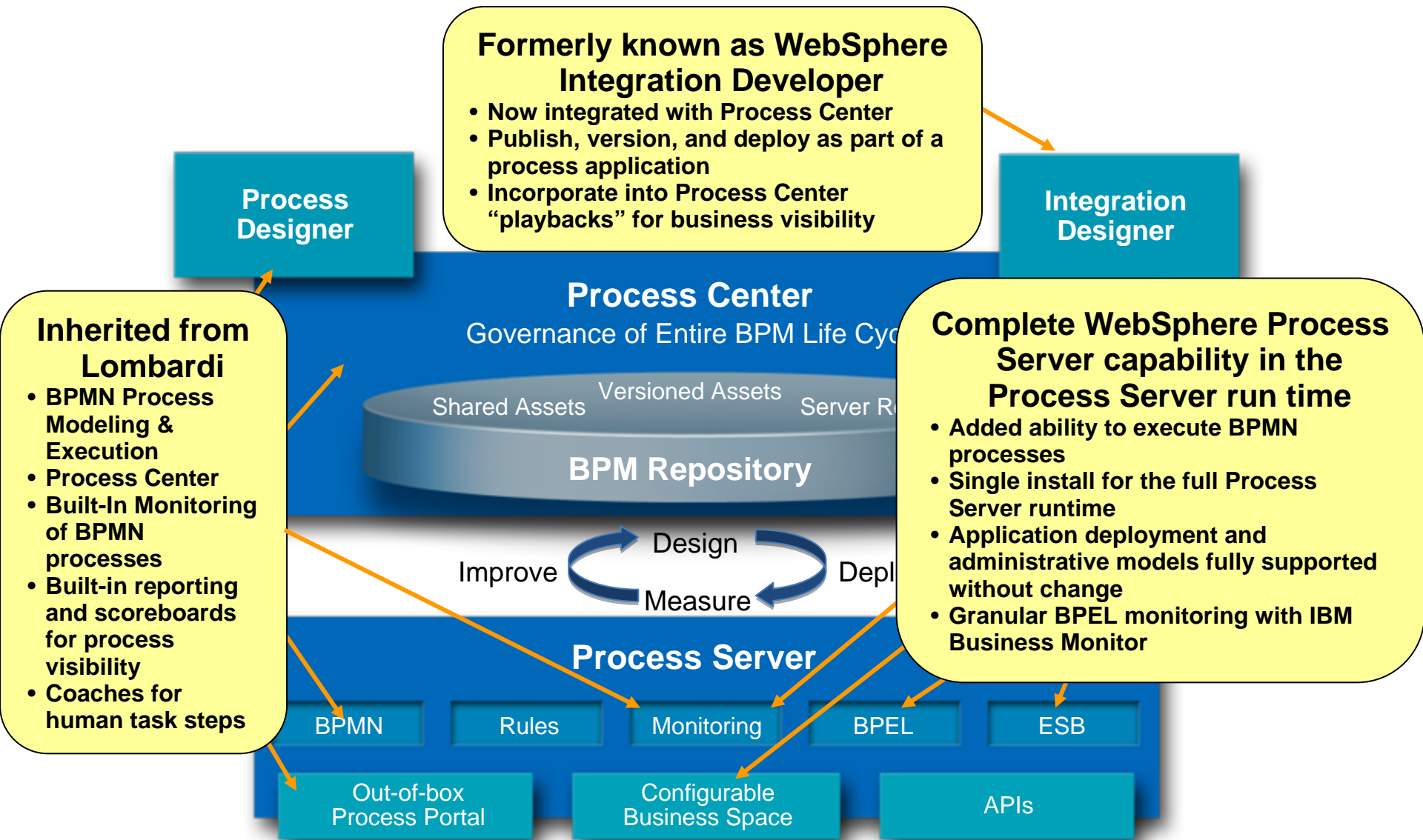
Centralizes **visibility and control**

Empowers knowledge workers with built-in **real time** analytics to optimize business processes

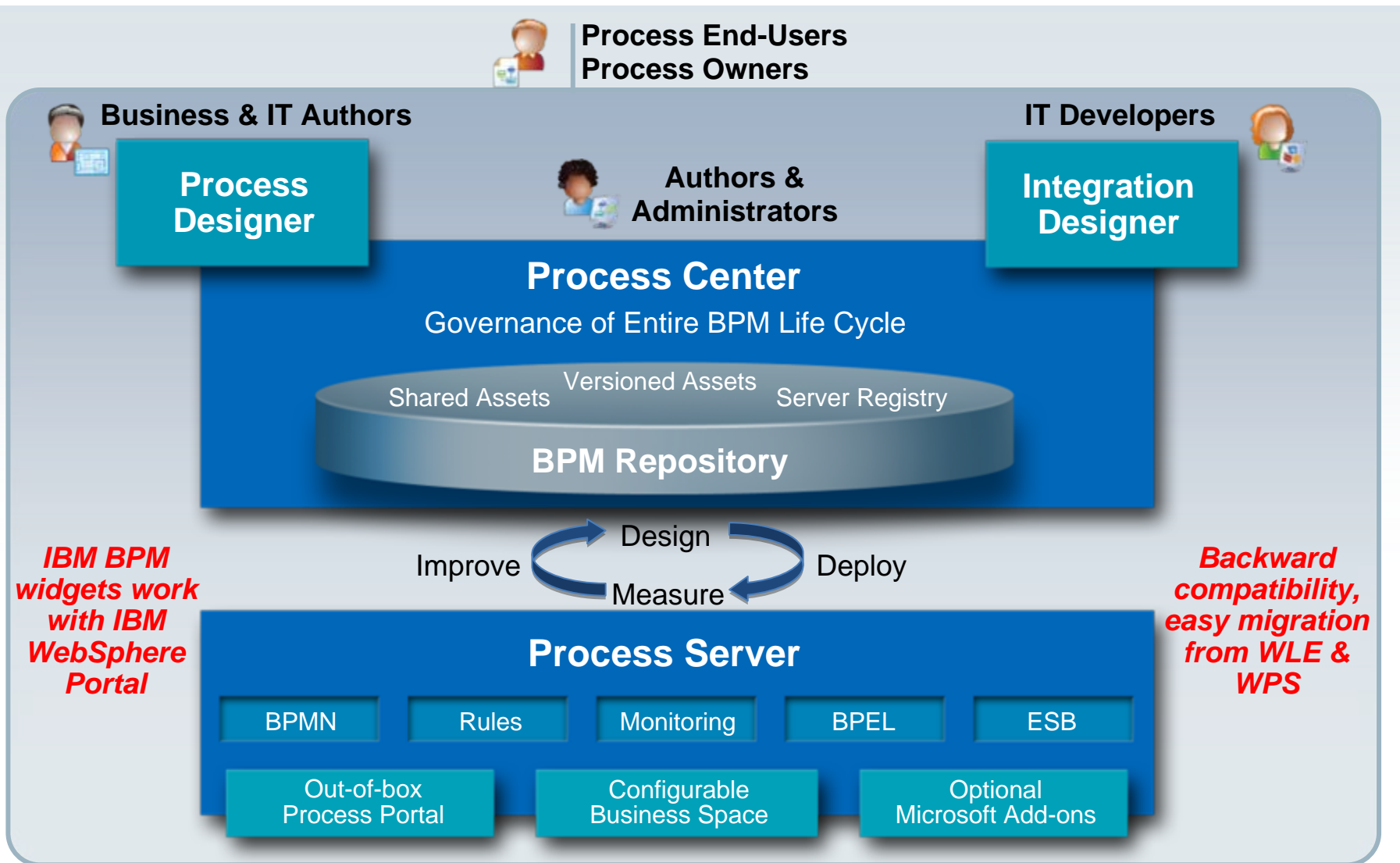
## **Governance**

Achieve **consistency and repeatability** to ensure processes execute as designed

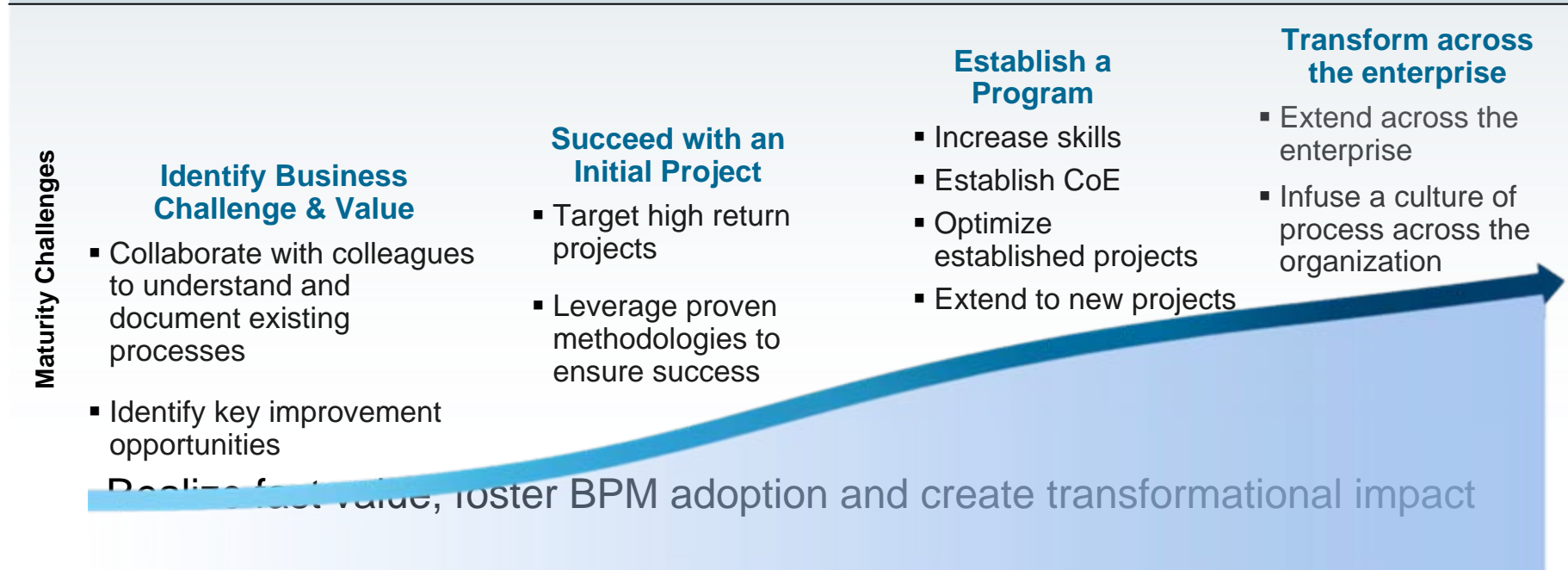
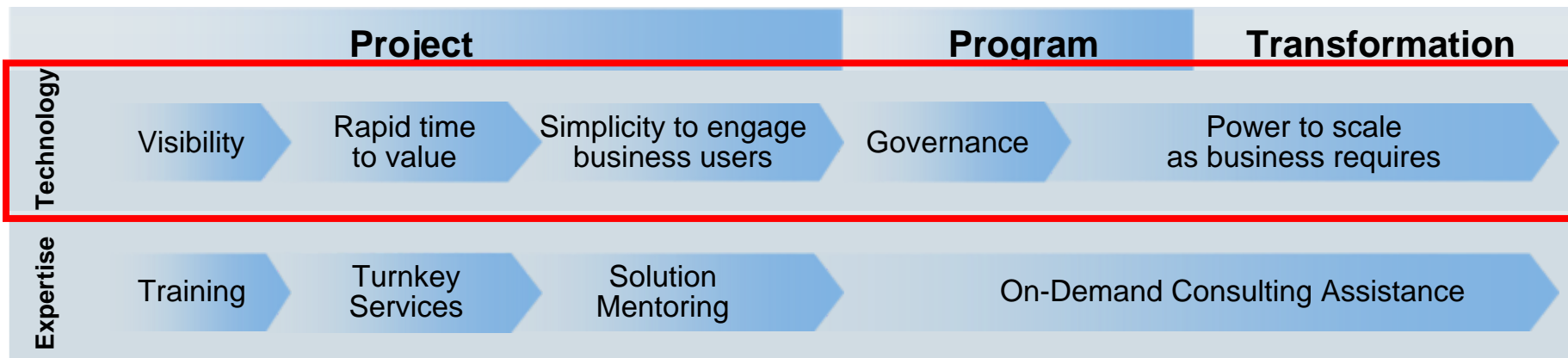
Simplify life-cycle management of process applications **across 1000s of projects**



# IBM Business Process Manager V7.5



# IBM BPM Enables Proven Path to Success



# IBM Business Process Manager V7.5

## Key Features and Innovations

### Simplicity

- **Process Designer**
- Simple, easy-to-use modeling using standard BPMN
- Immediate “playback” for rapid collaboration
- Concurrent editing with merge-less development
- Process rule editor uses ILOG language
- Asset sharing with Integration Designer

### Power

- **Process Server, Integration Designer**
- Industry standard BPEL orchestration
- Built-in ESB and integration adapters
- Transaction support
- Embedded WebSphere Application Server

### Governance

- **Process Center**
- Single repository of all process assets
- “Toolkits” for sharing assets across process apps
- Simple snapshot versioning (1-click)
- Back-in-time snapshot views (1-click)
- Centralized deployment control center (1-click)

### Visibility

- **Performance Data Warehouse**
- Real-time process scoreboards
- Drill-in graphical control of process status
- “Heat maps” show bottlenecks in process model
- Real-time reports delivered within process “coaches”
- Deployment dashboard shows versions in-flight

**IBM  
Business  
Process  
Manager**

# Seamless Collaboration Across Roles



**Business Process Owner**

- Authors a Process Application
- Defines Service Interfaces for Implementation by Integration Developer



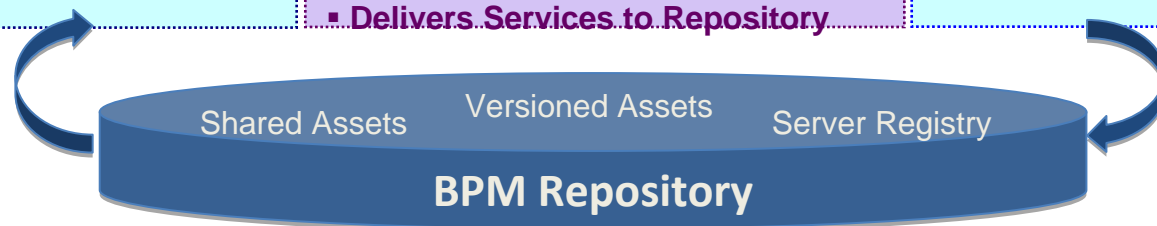
**Integration Developer**

- Views the Process Application
- Generates Service Implementations
- Unit Tests Services
- Delivers Services to Repository



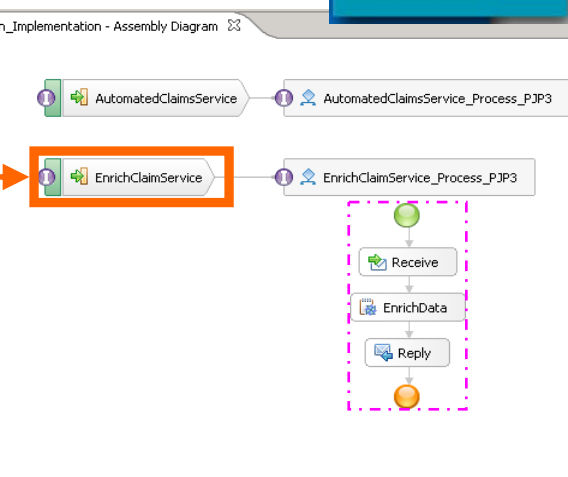
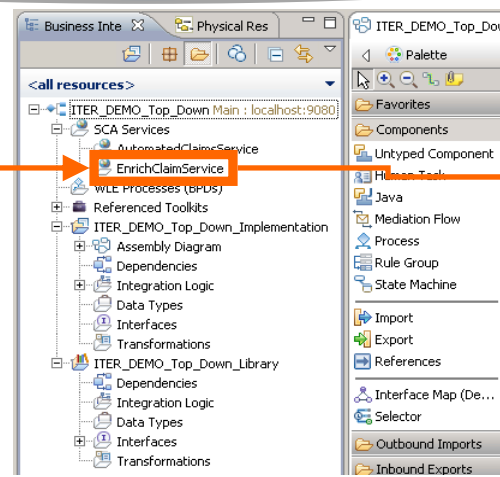
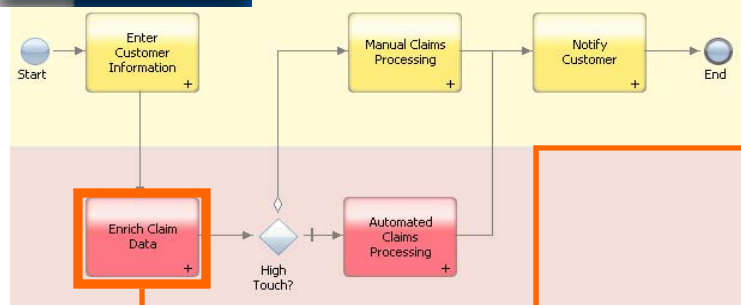
**Business Process Owner**

- Wires the Implemented Services to the Process
- Unit Test the Process



**Process Designer**

**Integration Designer**



Type	Implementation	Count
<b>General System Service</b>		
Automated Processing		2
Enrich Claim Data		
<b>SCA Service</b>		
AutomatedClaimsService		2
EnrichClaimService		

# Process Center: Enables Scaling from Projects to Programs

## Managing Assets & Dependencies

- 10,000s of application assets
- Scalable repository
- Flexible organization
- Easy sharing

## Developer Productivity

- Many developers & teams
- Parallel workspaces
- Concurrent editing
- One-click snapshots



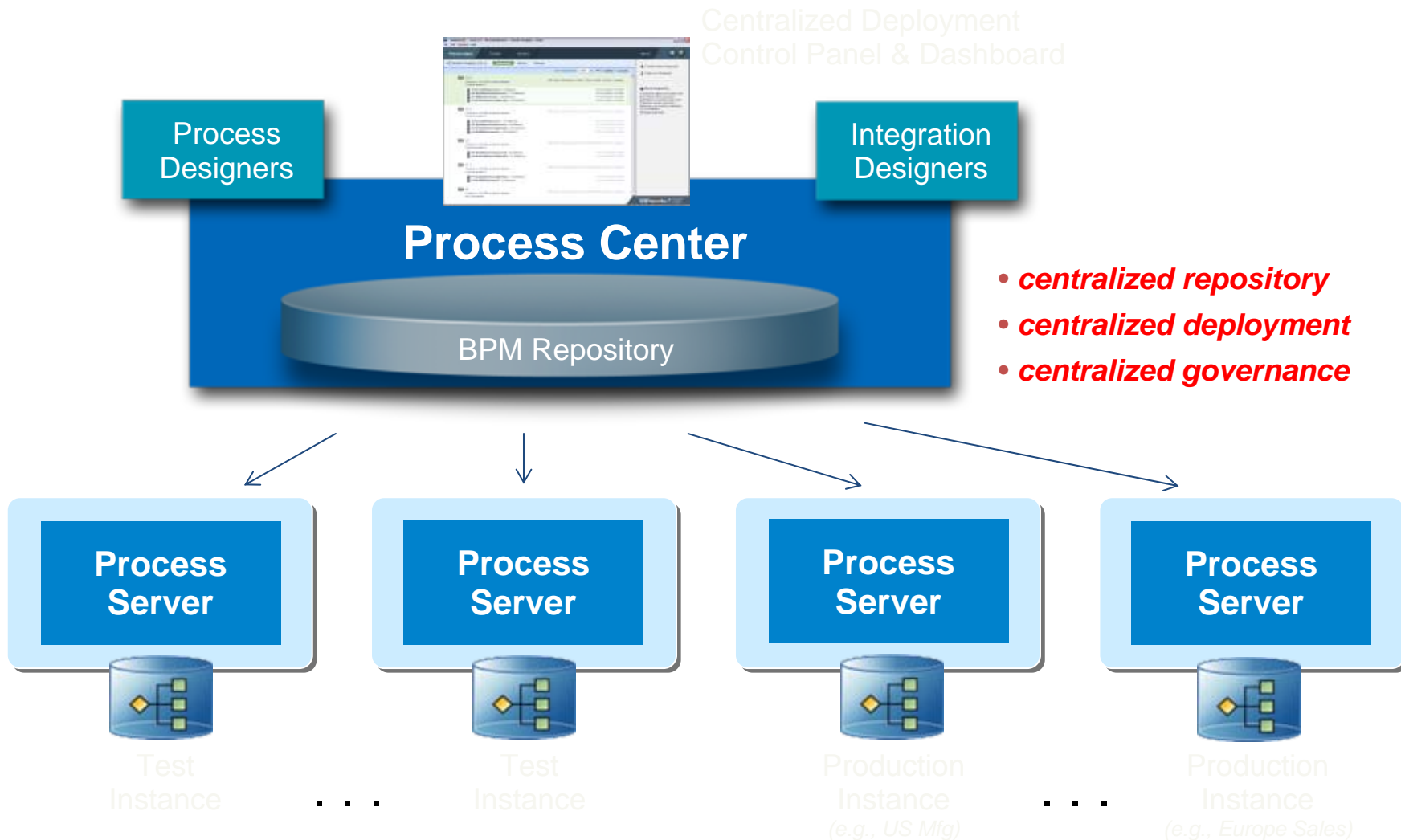
## Simplifying Process Lifecycle

- 100s -1000s of projects
- “Back-in-time” versioning
- Single server registry & dashboard
- One-click deployment & upgrade

***A high-availability production system ... not just a traditional “development box”***

# IBM Business Process Manager V7.5

## Centralized Process Governance





# Built-in Performance Data Warehouse



1



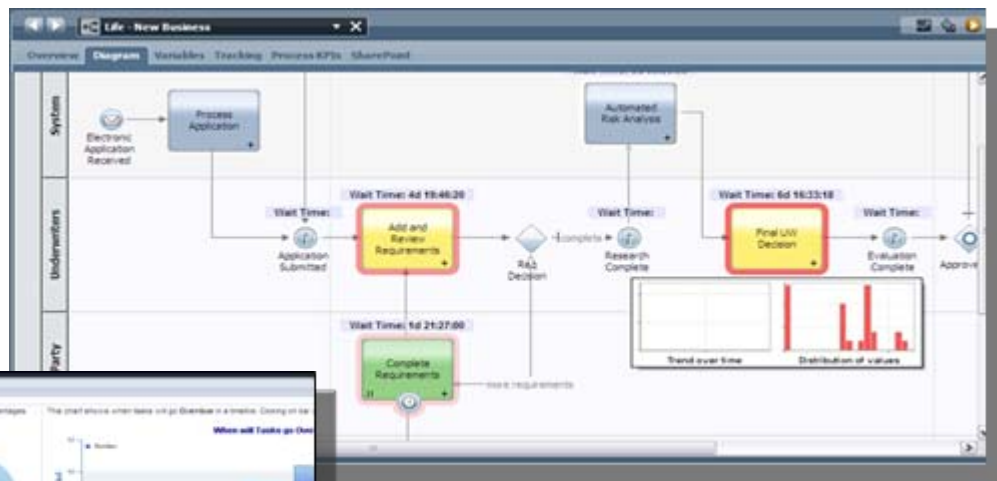
2



3



4



1. Single BPMN model drives monitoring as well as execution
2. Data analysis performed continuously on-the-fly
3. Real-time visibility to tasks, SLAs in jeopardy
4. Visualize "hot spots" on diagram and drill down for insights

## Process Server

BPMN

Rules

Monitoring

BPEL

ESB

Out-of-box Process Portal

Configurable Business Space

Optional Microsoft Add-ons

# Blueworks Live will forever change the way you do business

## *Getting started with BPM has never been easier*

Build your team & collaborate  
with the expert community

**Collaborate**

**Run**

Automate and  
monitor simple  
processes you'd  
normally execute  
over email

Keep all your  
processes up  
to date and in  
one place

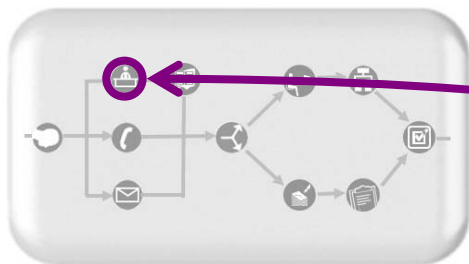
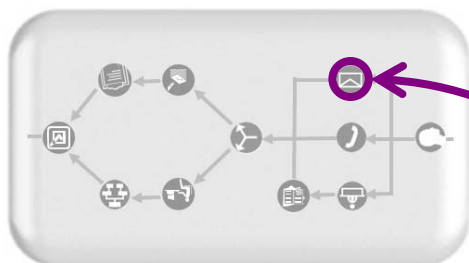
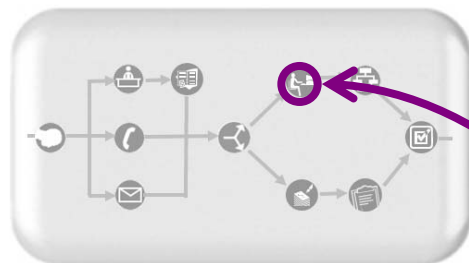
**Document**

***Ready for business  
in the cloud***

- No training required
- Nothing to install
- No specialized IT skills needed

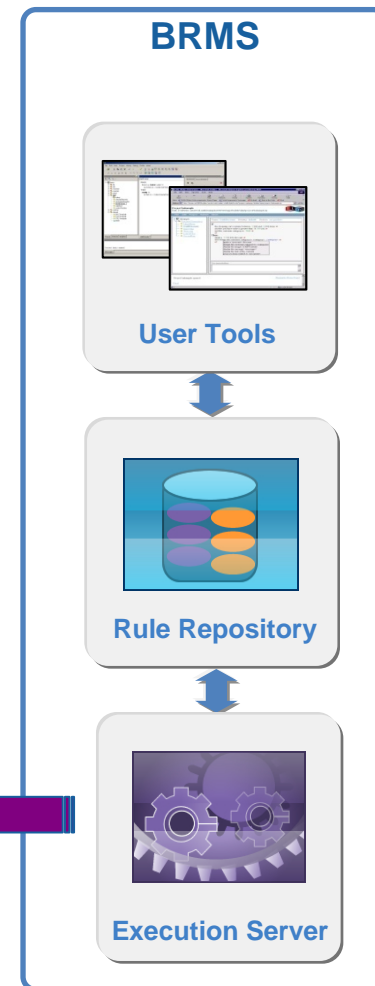
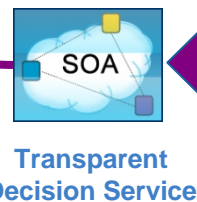
# Make changes at the speed of business

## Business Decision Management to quickly react to changing conditions



**Orchestrated Processes**

- ✓ Streamline processes
- ✓ Facilitate change
- ✓ Re-use decision assets
- ✓ Maximize automation
- ✓ Improve governance



**Automated Business Decisions**

# Flexibility, Scalability of a Two-Pronged Approach

## *BPM + BRMS Critical for long-term process improvement*

### *Different roles can drive process and decision management*

- Process improvement team: process owners, analysts, developers
- Policy managers & analysts (e.g., pricing, eligibility, risk/compliance specialists)

### *Processes and decision services can be deployed independently*

- Implementation can be done in parallel or staged according to priorities

### *Process and decision changes can have separate lifecycles and governance requirements*

- Decision changes tend to be more frequent
- Externalizing rules allows processes to remain more stable and streamlined

### *Decision services can be shared and reused across processes and other applications*

- Change once, apply everywhere
- Ensure decision consistency when required by policies or regulations

# Automate and Improve High-Volume Operational Decisions

## IBM WebSphere Decision Server

**WebSphere Decision Server** combines WebSphere Business Events and WebSphere ILOG JRules

- Detect critical events across the business network and automate precise, context-specific decisions

- **Major American Utility Company** delivers electricity to 2 million customers in a 5,000-square-mile area

- Smart Grid is a top priority:
  - **Business Events Processing** is used for detecting events and event patterns from Smart Meters as they occur
  - **Business Rules Management** increases automation of follow-up decisions on Smart Meter alerts, based on the collective knowledge of operational subject matter experts

**New!**

### WebSphere Decision Server

*Combined rules and events capabilities to power flexible decision management solutions*



Can be used for fully automated interactions, or...

...for decision support in the back-office, or...

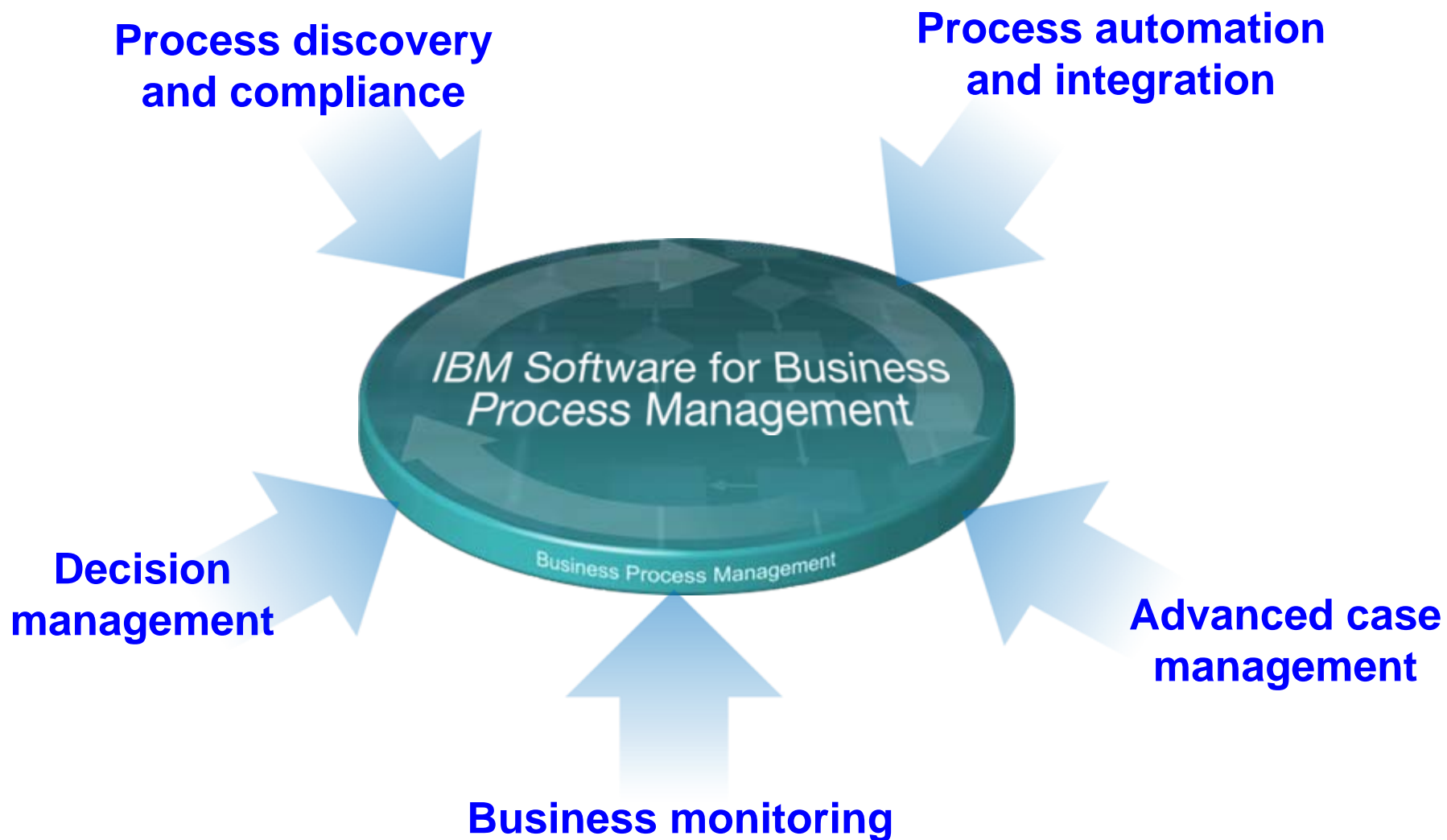


... to provide decision guidance for personal interactions with customers

# IBM Offers a Broad Portfolio of Capabilities to Support BPM Adoption



## BPM Adoption Varies by Clients Needs



## Key Elements of IBM's Vision for BPM

Dramatically improve operations

Give direct control of processes to line of business

Enable repeatable success for clients

Increase customers' ability to change and innovate

Improve organizational decision making



**\$2.2M in savings** to date; 120% ROI in 1 year



Achieves speed to market gains of **over 50%**



**22 agencies** have critical departmental business apps & share citizen information



Added **\$870K in revenues** annually by automating its billing processes.



Business Rules helped reduced the **risk assessment and rate changes 95%** from 5 months to 1 week



# IBM BPM Is Proven Across Multiple Industries



Banking/FSS



Energy



Healthcare



Insurance



Retail



Ind/SCM



Telco



Governmental agencies





Business Agility –  
How quickly can  
you adapt your  
processes to  
changing market  
conditions?

**Thank You**