## Innovate2011

The Premier Software and Product Delivery Event





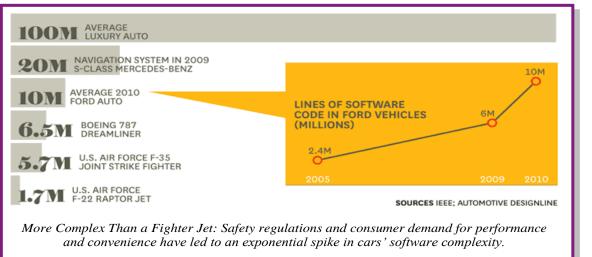
Director, Systems Engineering IBM Software, Rational



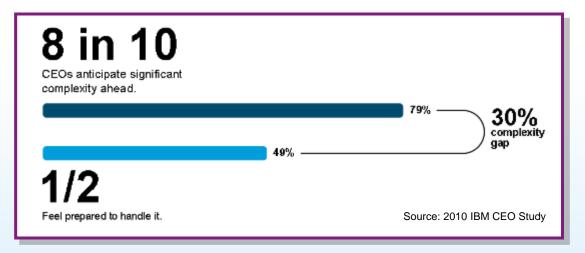




## Introduction of software brings complexity Yet few are prepared to handle it



Source, HBR, June 2010

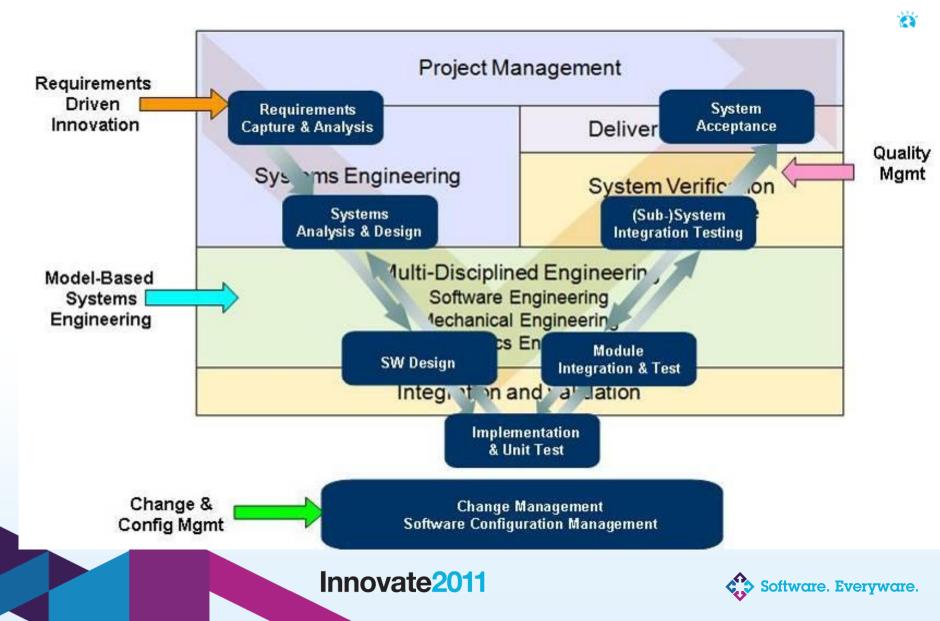


Innovate2011



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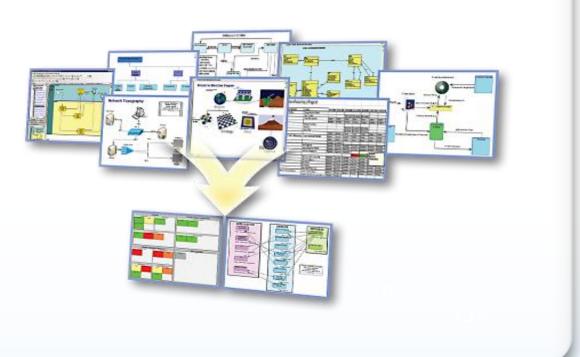
## Using Systems and Software Engineering to meet the Challenges of Smarter Product Development



# Best-in-class product & service companies are those that build a strong competency in systems engineering

#### Best-in-class produce results:

- 19% more likely to meet revenue targets than the industry average
- 4.4x more embedded software than competitors
- 50% fewer defects in embedded software
- 25% decrease in product development time



Source: "Embedded Systems Development", Aberdeen Group, March 2009



#### What Hinders Innovation? In our customer's words



**Evolving Business Models** 

*"I need to transform product development to be more collaborative while removing redundant activities."* 

#### **Increasing Product Complexity**

*"I need for mechanical, electrical, and software engineering to all be on the same page."* 

#### **Extension of the Enterprise**

*"I need a way for all my design and supply partners to participate in a unified process for product development."* 

#### **Disconnect with Operations**

"I need to ensure that the products I build can be profitably supported and maintained over their lifetime."



## How IBM is Leading the Innovation Agenda



Software and systems delivery

#### Integrate across the development lifecycle

#### Collaborate

among stakeholders

#### **Optimize**

outcomes through better measurements and organizational steering

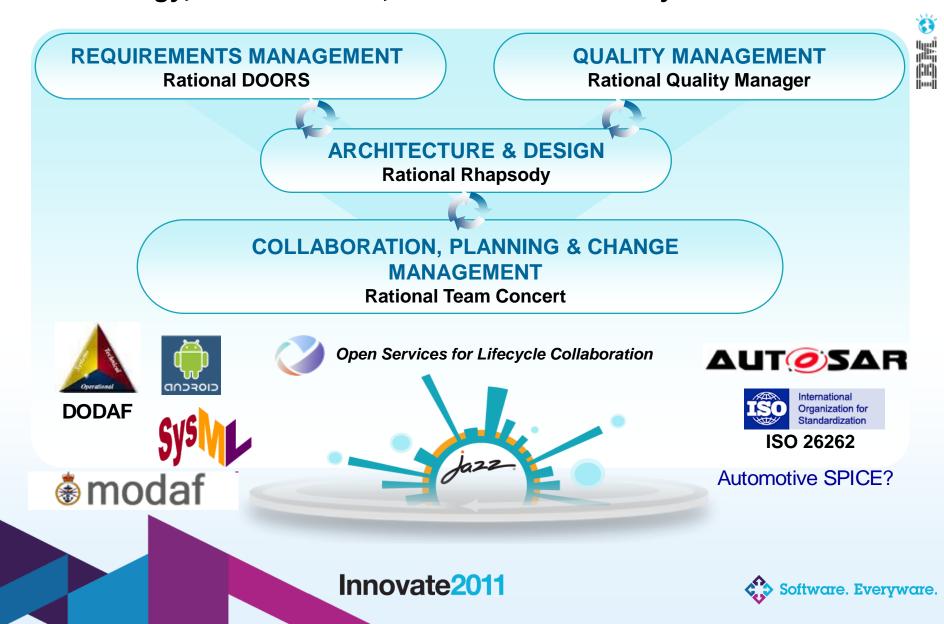
OSLC and the Jazz Platform Collaborative Design Management

#### Systems and Software Engineering Solution

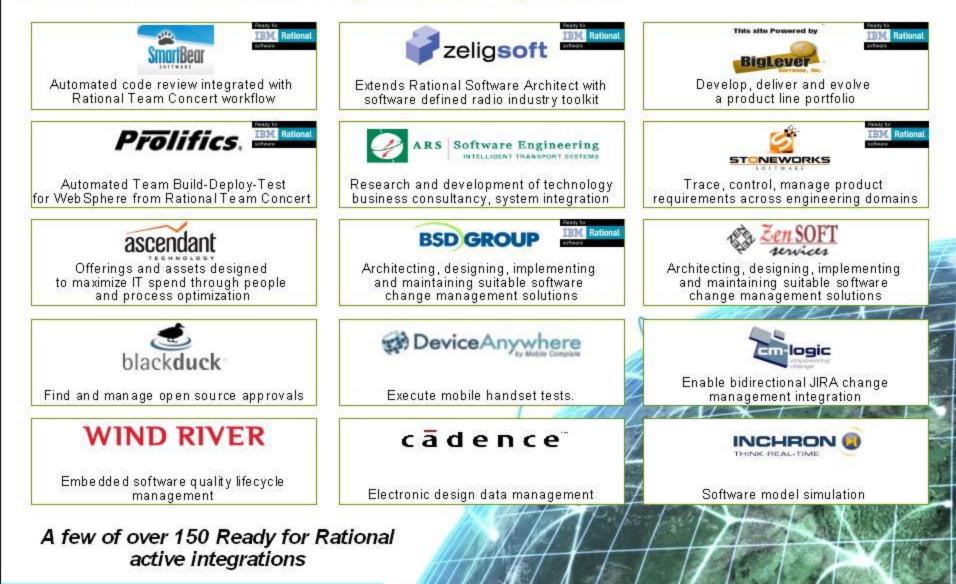




#### **Systems and Software Engineering Solution** *Technology, Best Practices, Services and Industry Solutions*



#### **Business Partners ecosystem for Systems**





## **Customer Success Stories**









## **General Motors Video**





## General Motors leverages Rational tools to develop innovative products

IBM helps GM develop smarter products like the Chevrolet Volt

#### What's smart?

- Innovative electric drive system uses software and electronics to control interaction of electric motors and gasoline engine
  - "System of systems" seamlessly integrates electric drive system with powertrain and body controllers
  - ->10 million lines of code in car; nearly 100 microprocessors

#### **Smarter business outcomes**

- Smarter products delivered in less time
  - Volt was delivered in <5 years, compared to typical 10+ year development cycle for new vehicle technology

#### How IBM helps GM develop smarter products

- Rational DOORS for requirements management
- Rational Rhapsody for model-driven development
- Rational Team Concert for team collaboration
- Rational Asset Manager for engineering asset management
- Rational Professional Services for technical services
- IBM Global Services for business transformation services

#### Innovate2011



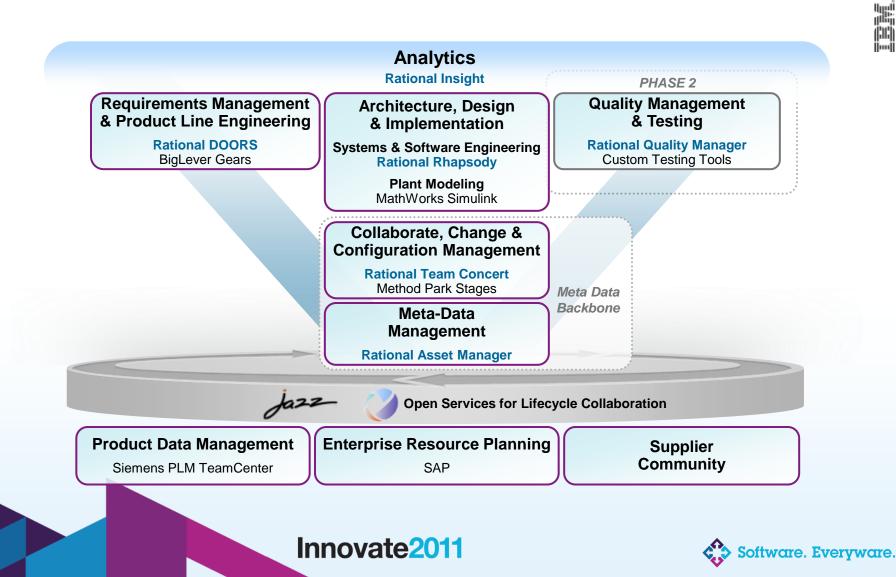
"The IBM Rational platform enables our globally distributed teams to collaborate in real-time to develop innovative software and electronics for our vehicles. GM's use of the Rational platform will deliver business results in efficiency, time-to-market, quality, and overall customer satisfaction."

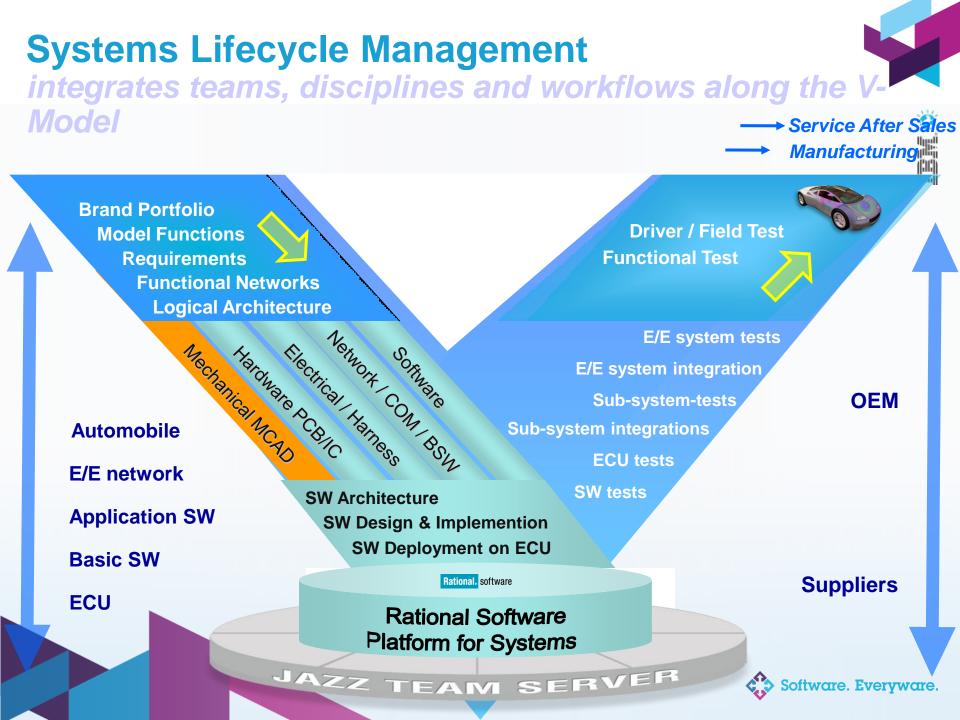
**General Motors** 



## **Customer Success: GM**

Chevy Volt designed and engineered in 29 months versus typical 5-10 year cycle for new technology





## **St. Jude Medical**

#### Interconnected life sustaining technology

## The Challenge

- Reduce cost, time to market in highly regulated industry
- Plan growth & sustainability of complex System of Systems

## The Solution

- Systems of Systems approach both inward and external focused
- Common and/or reusable components
- Technical governance, Integration of work streams
- IBM Rational DOORS, Rational Team Concert, ClearQuest, ClearCase, BuildForge

## The Result

- Streamlined regulatory reporting
- Improved margins, lower product costs
- 30% increase in product deliveries to market
- Development costs reduced by up to 25%





"Creating a Systems of Systems approach that strategically fits together both internally and externally has enabled us to reduce our costs and increase our output"

Cyndi McHenry, Director, Product Development Strategic Planning, Tools & Logistics, Cardiac Rhythm Management Division

St. Jude Medical



## **Global Presence**

A Corporate Headquarters St. Paul, MN

#### Technology Platforms

Cardiovascular St. Paul, MN

> Atrial Fibrillation St. Paul, MN

Cardiac Rhythm Management Sylmar, CA

Neuromodulation Plano, TX

#### United States Manufacturing

- Arizona
- California
- Minnesota
- New Jersey
- Oregon
- Puerto Rico
- South Carolina
- Texas

#### Innovate2011

#### **International Manufacturing**

- Brazil
- Israel
- Maylasia
- Sweden
- Thailand
- Costa Rica

Geographic Divisions Regional Headquarters

Asia Pacific Hong Kong

Europe, Middle East, Africa, Canada Brussels, Belgium

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**Japan** Tokyo, Japan

Latin America

United States Austin, Texas



## St. Jude Medical - Challenges & Outcomes in Medical Device Development

#### **Challenge:**

 Reducing cost and time to market in a highly regulated industry and interconnected life sustaining technology in today's economic environment

#### Outcome:

 Created high level Systems of Systems approach both inward and external focused

ware. Everyware.

- Show strong high quality foundation
- Streamlined regulatory reporting
- Improved margins (Lower product costs)
- 30% increase in product deliveries to market





# Thank You

#### www.ibm.com/software/rational

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