

OPERATOR: Thank you again for joining us. Welcome to the BPO Insider Secrets Successful Cloud Integration Strategies Webinar. I would now like to introduce the speakers.

Robert McNeill is Vice President with Saugatuck Technology. His areas of focus include cloud-based service management, outsourcing, technology sourcing strategies and cloud business solutions. Previously Robert was VP strategy and marketing for servicenow.com and a strategy consultant with Deloitte Consultants on sourcing strategies.

Prior to these experiences, Robert was a principal analyst at Forrester Research and Giga Information Group. He is a contributing author of the book produced by the Institute of Directors in the United Kingdom on software asset management.

Robert holds a Master's degree in European business and a Bachelor's degree in business studies from Cass Business School, City University, London, in the United Kingdom.

Ron Wastal is the Vice President of Alliances and Channels at IBM Cast Iron Systems. He has over 20 years of direct and channel sales, business development and product management expertise, driving significant revenue growth with CRM, ERP, master data management, analytics, database

and data integration companies.

Prior to IBM Cast Iron, Ron held the IBM information integration solutions -- formerly, Ascential Software -- organization, growing sales by 30 percent. Before that, as vice president of sales and business development, he helped build two successful CRM companies in the customer data integration and customer analytics application markets and held various senior positions in sales, product marketing and management at leading software companies.

Ron holds a Bachelor's of Science degree in science from California State University at Long Beach and an MBA in corporate strategy and total quality management from Pepperdine University.

Vidya Chadaga is the Senior Product Manager at IBM Cast Iron Systems, where she drives product and partner strategy in marketing activities, ranging from corporate messaging, channel enablement and product positioning to leading product launches and pricing.

With over 12 years of experience, Vidya has held roles in product marketing, product management and engineering for various ERP, CRM and Internet applications at IBM, Oracle and SAP Labs.

She received a bachelor of science and computer science in engineering from MIT India, and an MBA from the Haas School of Business at U.C. Berkeley.

I would now like to introduce today's event moderator, Ron Wastal, Vice President of Alliance Business Channels at IBM Cast Iron systems. Ron.

WASTAL: Thanks, Judy. Can you hear me okay? Good morning, good afternoon, good evening to everybody that's listening today on our Webinar. Today's agenda we're going to go over is basically first we're going to talk about the cloud effects on the BPO business. And Robert McNeill is going to go through his vast experience that Judy mentioned earlier about, what's happening in the BPO space? How is the cloud market starting to change that space? And, what issues are starting to pop up and evolve as cloud architectures start to affect BPO markets?

Secondly, I'm going to talk about the integration challenges that are related to that and what's driving to new solution requirements for BPOs as cloud technologies and markets start to take effect in their environments.

Then Vidya is going to talk about Cast Iron overview, quickly about the company and the product, why did IBM acquire Cast Iron? And specifically focus on a case study

around a business process outsourcer and how they leverage the Cast Iron technology to help them start to change how they approach integrating their clients together.

Finally, we're going to summarize kind of what you heard today and recommend some next steps that you might want to take after this Webinar, and we'll finish up with a Q&A if we have time in the hour. So with that, why don't I turn it over to Robert to talk about cloud effects on the BPO business.

McNEILL: Thank you so much, Ron, and I'm very excited to be presenting today with you. Some of the research we've been performing for over six years, we, Saugatuck Technology, have been doing a vast amount of research into the cloud, from early days where cloud computing was known as pay as you go IT, through on demand, through to software as a service and now to what's been commonly called cloud computing. So I'm going to cover the effects to the business process outsourcing market.

And with much of our research, we also have some practical experience, too. I have spent some time at Deloitte Consulting putting together outsourcing deals on behalf of clients, and also actually I've worked in a SaaS company and building that up from basically scratch. So with today's research we're also going to be providing some practical

experience.

To level set, let's just introduce business process outsourcing, commonly defined as the delegation of one or more IT and labor-intensive business processes to an external provider that manages the selected processes on behalf of a customer. These are normally associated with a service level agreement and associated price for the set of services and can be from three years to longer term even 5-, 10-year types of relationships.

The core benefits of BPO can be business specific. Outsourcers may...excuse me, clients may leverage outsourcers during periods of M&A to quickly scale and absorb companies. They may use outsourcers if they're divesting subsidiaries and retaining the IT department and using an outsourcer to support the divestiture.

Also, outsourcing may reflect the market cycle during a period of downturn, cost reduction becomes an extremely important strategy and outsourcing is an enabler of cost reduction. It can also be a financial tool to really transform fixed capital costs and to operational expenses and more predictable expenses over time and have some real financial improvement so that you can increase your return on capital.

Lastly, we see organizations really deciding where they want to focus, focus on core competencies. A retail provider may decide that its distribution and inventory is very core to their business model and may decide that perhaps HR and F&A maybe are not core competencies.

So they may decide to outsource that to a specialist provider that really invests in the people, the process, the knowledge management and the technology to deliver what is for a customer a back-end process but do it so professionally and hopefully make money from it.

BPO market is not new by any means; it's been around for 40, 50 years. And providers have accomplished expertise through numerous channels and numerous ways, but the majority have been around achieving economies of scale through operations.

If I can win a sufficient business in a vertical or in a horizontal application, I can build economies of learning.

I can get better procurement from the suppliers to the operations, and really come to market with a very cost-effective and lean benchmark of which to approach clients and offer an alternative that is essentially cheaper.

Others lead with infusing technology process and business knowledge to BPO operations. Much of that may be masked

around perhaps key consulting work that organizations, providers do with a number of players within a common market or through enhancing and strengthening relationships through the technology side of the business with key partners and really building up domain knowledge around specific and unique technologies.

Lastly, in the last 10 years we've seen an enormous build-out of labor capacity that enhances the global delivery model. So work has been able to be virtualized, and as such we've seen the build-out of labor alternatives and shared centers in the likes of India as well as other near-shore and off-shore countries.

But what's happening is that over the last four or five years, the traditional providers are coming under extreme pressure from a number of different sources. Firstly, many of the traditional pillars of cost-effective outsourcing, namely labor arbitrage and process management knowledge are becoming commoditized.

If we look at the RFPs that we're reviewing and helping our clients with in terms of bundling outsourcing, creating outsourcing arrangements, labor arbitrage is almost a given in terms of a capability for many of the leading outsourcers.

Also, IT and business processes are moving from art to more science. We're seeing processes and standardized processes being implemented within IT and operations. And as a result, it is becoming easier to share information about processes within groups, within teams across geographies and even between service providers, all commoditizing these traditional pillars of service delivery.

Most importantly, many of the longer-term 5- to 10-year types of deals are starting to become smaller, they're becoming shorter as organizations want to remain agile to changes in the business to innovations that may come from the technology world. And we believe technology automation is an increasing and more important selection criteria for new offerings into tomorrow's sourcing world.

That's really where our research in cloud is helping shape a new alternative for tomorrow's IT and business operations. This is the cloud eco stack that Saugatuck really created about two years ago to effectively communicate really how cloud computing is affecting traditional IT.

On the left we'll be able to see that there's five levels of capabilities that make up what is cloud computing. It really starts in level zero, the basic hardware, software and networking that enable services that are delivered as cloud computing services.

Level one is the infrastructure offering, which is commonly known as infrastructure as a service. Think of Amazon, Microsoft, Rackspace, but really the provision of computing and storage assets delivered as a pay as you go subscription offering.

Above that, sitting above the infrastructure, we have the middleware, which is the platform and hubs associated with both developing applications and also delivering applications to clients on a subscription pay as you go basis.

Above that, cloud business solutions. This is commonly known as software as a service. It's probably the most, I would guess, robust and mature of the cloud area within the cloud eco stack -- ISVs like salesforce.com, Successfactors, Taleo are good examples of software as a service.

And software as a service is really becoming the fabric of what we're seeing as new offerings that enable cloud business services and operations. So the final level four is how all these underpinning assets around IaaS, PaaS and SaaS are really building out and affecting how cloud business services and operations will be changing through the implementation of cloud IT.

So who's in this space and who is leading innovation and who is being affected by innovation in cloud IT, ADP, Accenture, WellPoint, Fidelity, Wipro, are all companies that are being impacted and are investing ahead of the curve for tomorrow's sourcing world.

To make this happen, organizations, service providers, will have to find expert service providers or build internal capabilities to really aggregate, integrate these assets -- not just with and between SaaS, PaaS and IaaS, but also with traditional IT. And we're seeing a whole bunch of service providers with consulting expertise, integration expertise coming to market to help organizations on their transformational journey to the cloud and hybrid IT.

So let's really look at a level deeper on how cloud-enabled BPO is different from the traditional service delivery pillars of the previous decade. On the left I've highlighted a number of what I see as service delivery pillars that are important for success. And next to them, traditional BPO characteristics...excuse me, to the right, cloud-enabled BPO to really highlight differences.

I'm just going to focus on a few. The deal focus for tomorrow's outsourcing deals is one of asset-light types of service offerings. What I mean by that is organizations are increasingly not wanting to transfer...they absolutely will

continue to do that. But the trend is to move away from heavy, billion dollar asset-intensive deals where there's a transfer of capital and labor to a third-party service provider.

And in the first few years of the deal, systems management and operational processes are put in place with the hope that over the outer years of the deal -- years four, five, six, seven -- there will be enough efficiencies made and economies of scale would have been able to benefit and maybe profit is made in these outer years.

Organizations are increasingly wanting outsourcers to leverage asset-light services such as IaaS, SaaS, PaaS that really allow organizations to scale up, to subscribe, to consume IT and operations in a pay as you go basis.

The next is the deal partners. Increasingly, we're finding that the cloud is enabling new providers to come to market in a far more rapid fashion. Gone are the days where classical ISVs that are on premise introduce updates to a system every 18 months; new cloud service providers and SaaS solutions are providing innovations to their client base on a quarterly basis.

And what is happening is cloud aggregators are coming in and really helping and understanding and investing in knowledge

associated with what are these new feature/functions and integrating it to established assets, perhaps systems of record and really leading and innovating on top of these new cloud assets.

So what I'm saying is there's a need to really invest in new partners and to go out and do market research, and then find out who these new partners are, and what offerings they bring, and how you can build and productize your unique IT on top of some of these platforms.

Scalability is a major area of difference. In traditional outsourcing, there's a one-to-one relationship, I'll take over your people, perhaps your broken processes, your legacy technology that is in need of upgrade, and I will perhaps invest in some process expertise and maybe upgrade some of the technologies. But I'll essentially take your mess and do it for less.

With new outsourcing offerings that are coming to market, we're seeing the development of technology automation platforms where we have clients that are subscribing to a multi-tenant platform that the opportunity for the outsourcer is that they can take the learnings from clients, working with clients and really upgrade all their clients at the same time. And organizations can essentially subscribe to these assets on a pay as you go and subscription basis.

And lastly, innovation and flexibility. I think that the traditional model has been one of frustration for clients. There's often a lack of innovation and flexibility, businesses change but the contracts don't. And often that time is because of the financial nature of the deal, but also to some extent some of the architectural inflexibilities of the legacy technologies that are being used as the assets to deliver services.

With the increased cycles of innovation, ease of development and improved integrations, we're seeing a lot of faster-paced innovation and flexibility in new outsourcing models.

But the cloud computing is not without risk. It's not a panacea for the outsourcing industry; and indeed, it does introduce concerns for clients. And if we assume here that Software as a Service is going to be an enabling fabric for business process outsourcing, there are serious concerns. This is a piece of data that we conducted last year.

We interviewed 800 individuals that were looking at cloud business solutions or SaaS, and we really asked them what are your biggest concerns. Not surprisingly, data security and privacy was number one. But integration is a key concern. And you can see here by the red, I've highlighted,

integrating cloud with legacy applications is the number one concern.

And so really what you, as a service provider, have to really I believe look at is how these new technologies will be integrated with your client's customized technologies, and to some extent think of with all the new innovations and versions that are coming up and becoming more rapid, really do you want to be an expert in the integration space?

Some larger outsourcers do have the people, the budgets and the economies of scale to effectively do that and a price sensitive manner; other mid-sized outsourcers may not have that luxury. So to really effectively build these new technology automation platforms, better integration really is required across technologies -- cloud technologies, on-premises technologies in a hybrid manner.

Here we look at just some of the complexity here, vertical applications that may need to be integrated, whether it's unique and vertical domain knowledge. There are the horizontal domain applications that go across the organization. And then, the cloud SaaS providers that do need integration to these on premises technologies.

And really when I'm looking at the types of integration that go on today, outsourcers and clients have many methods to do

integration, custom code in-house, through third party, through APIs and others. And there's just a lot of complexity associated with it.

And what we believe is that there are new aggregators and integrators that are coming to market that really are investing in integration as a service to reduce costs, improve time to market. And not that it will be used as the only source of integration, but it's certainly another sliver in the arrow in terms of an asset.

So findings and conclusions is integration is a critical barrier to the timeliness of cloud-enabled BPO. You're going to have to be able to develop these skills and rapidly innovate on top of technologies. It's certainly in an unmanaged form an impediment to new forms of innovation and potential revenue in this new market.

But if up get it right, it's also a potential enabler. As new function is brought out by service providers and solution providers being able to quickly have an opinion and integrate for or on behalf of your clients in a one-to-many manner can lead to market differentiation.

It's a potential source of substantial support cost for operations. Increase in integration and technology automation drives costs, both client costs and operational

outsourcing costs. But we believe it's key to client satisfaction and retention, being able to agilely respond to new opportunities in the marketplace. And it's a fundamental requirement to BPO future requirements and offerings.

So we believe that cloud-enabled BPO requires integration brokers for the following reasons. These are strategic planning positions that we've developed based on our research. But by 2013, non-traditional service providers, with specific vertical and business IP will aggressively enter the cloud-enabled BPO market. And they're going to do that through leveraging the cloud as a way of bringing to market new services often in white spaces that aren't addressed today.

We believe that by 2015, 50 percent of new BPO deals will be significantly cloud enabled. I'm not just talking about virtualization technology being used in the data center, but really what we're seeing is service providers investing ahead of the curve in productizing their unique IP on top of cloud computing alternatives.

And by 2015, cloud-enabled technology platforms will emerge as the preferred means of consuming horizontal commoditized BPO offerings that are heavy transaction-oriented like F&A or procurement or HR. And, in select vertical

opportunities, like airline reservations -- and [Novateer] might be an example of a company that leverages cloud to effectively deliver services.

So key messages. Integration and aggregation of cloud and on-premises applications are critical skills for effective service delivery, and now is the time to start investing. Technology integration with business processes is going to be key to successfully leveraging value from both existing and future investments, especially with relation to the core systems of record, there probably in many cases will stay within a client's premise.

And outsourcing success will be measured increasingly on an outsourcer's ability to respond to changing requirements and requests. Agility and flexibility are core, and we believe that integration is going to be a core enabler of cloud-enabled BPO innovation. So with that, what I'd like to do is pass the next part of the presentation to Ron Wastal.

WASTAL: Thank you, Robert. I really appreciate that. Hopefully the listeners today can see, I think Robert took a lot of complex issues -- the BPO market, the cloud market, the different layers in the stack, the different application markets that are out there today both vertical and horizontal and cloud...

And kind of pulled that into a framework to help all of us understand kind of what's going on and how do these pieces fit together, and how are we all going to move our businesses forward given the fact that we really have three different dimensions to the problem of running a business today and the different application markets.

So with that, I'd like to drill down a little bit now and really talk about what we've learned over the past year talking to BPOs in one-on-one sessions. We have a program designed specifically to work with BPOs around helping them with integration, and we've spent the last year kind of gathering information about what we've learned and what the BPOs are telling us out there through these one-on-one meetings that we've had and these whiteboard sessions that we've conducted.

And so what we've done is we've actually kind of put our learnings over the last 12 months into a whiteboard kind of framework, to give you an idea what these look like and kind of the conversations we're having out there and what we're hearing back to help the listeners kind of hear what's going on in the BPO market especially around integration and the challenges.

So basically what we've been hearing is first the business

needs. They come and they say, we need more competitive offerings. Our offerings, the prices are getting pushed down. We need to offer a better price point to deliver to our clients, to win that business over our competition.

We need to get into new markets. The second thing we keep hearing is that we've picked off the top part of the market but we need to get into mid-market and we need to kind of go after a different type of client base that actually may require an asset-light approach, as Robert said, that it is able to deliver quicker and faster because of the price points of that mid-market, let's say.

We need to drive incremental revenue. There's a lot of pressure on the clients that we have actually brought in; we need to drive more revenue out of them to make sure that we're generating profit. You know, we bought the business to get in and now we've really got to drive incremental value to rationalize the price that it costs us to pull those clients in and the cost involved in them, so we need to drive more services to those existing clients.

The other thing we keep hearing is we need to on board faster. It's taking us six to nine months in some cases to on board a new client into our new business process outsourcing service. And we can't build them until we get them all on board and start to provide that service. So the

ability to get them on board and start to provide that application service is critical to our revenue stream. And the longer that takes, the less we can bill.

The other thing we keep hearing is increased margins. So once we have them in, we've got to try to keep decreasing our costs down on supporting them and maintaining them so we can make margin on those clients. And then finally, once we do maintain them, how do we up sell and cross sell them on new services to drive those incremental revenues that we talked about. So that's what we have heard through our meetings out with the business process outsourcers.

Now, what they've told us is when you look at that problem basically you've got a lot of new client requirements that start to come at the business. And the question is, okay, we've got these new client requirements out here where these clients have different ERP systems than we're used to -- CRM, capital management, collaboration -- and they might even start to have cloud applications that these clients have.

So the requirements are changing on the business process outsourcers and how to deal with those new offerings. And so that drives to, we need to find new offerings around how do we attack these different kind of clients and these additional clients where we're trying to get into new

markets.

And once we define those offerings, we have to develop and test those new offerings with clients to make sure that if we're going to offer them through our sales organization, that that sales organization can feel confident that that solution has been tested and it's working to on board those clients quickly.

Once we develop those requirements, define those offerings and do a test, we then need to deliver that to our client in a rapid manner and ideally in a much more shorter timeframe than we currently are onboarding these clients.

Finally, once we get them on board we've got to figure out how to support and upgrade these clients. If we don't provide any innovation once the client is brought on board and drive to new capabilities, the client will start to look elsewhere because they feel like they're being stagnant in their ability to evolve their service that we've outsourced for them.

So that's kind of the lifecycle that we've seen talking to business process outsourcers there about their challenges and their needs. And what they're telling us is that the biggest challenges with doing that process -- or, one of the biggest challenges -- is the number of different client apps

that they're running into.

It is a 50-plus different types of applications and databases and flat files and endpoints that they're running into, and the challenge is, how do they really scale up and build out solutions that work to all those different systems? And how do they reuse those so it's not a one-off project every time that's very costly?

And the other thing they've been telling us is that they need to get access to all these applications to do testing on. And they need expertise around all these different applications and databases and systems so they know how to troubleshoot and work through the issues as they're developing and testing these solutions for the client.

The other thing they're telling us is that the time it takes to get access, get expertise and hire those resources in-house is becoming an extreme burden for them. And actually it's prevented them from going after new markets, because it's so costly for them to try to develop that expertise to all the different client systems that are out there today.

And then, finally, the change management required is not only do they need it for onboarding, but they need that to actually evolve their current client base to the next

releases as the client systems keep changing out there as well as the BPO offerings keep changing. So that's what we keep hearing in the market today, is these are the key challenges that the business process outsourcers are facing around integrating to these client environments.

Now, if you look at that, what they're really talking about there is we need to create a center of expertise and we need to have people and expertise around these on-premise systems and these cloud systems and all the resources needed to run into all these different client environments that we have. And that center of expertise is very costly to put in place and to maintain for each new system that we run into with our clients.

The other thing they're telling us is that as we change and go after new markets -- let's say we go after the mid-market -- we're seeing the integration skill sets actually be different with the client. And the integration skill sets with those clients may not be as sophisticated as the enterprise clients that we deal with...

And therefore, the IT organizations aren't as sophisticated in dealing with these kind of projects and they lean more on the business process outsourcer to deliver this capability and to integrate it to their systems. And so there's an integration skill set challenge on the client side as well

that they have to deal with.

And the client's looking to them to certify before they put it in production before they'll turn on the BPO service and start to pay. And the client is also looking for them to support and upgrade it as changes are occurring both on the client side and on the BPO side. So those are the key challenges that we've heard during this lifecycle of onboarding and retaining customers.

Now, what Cast Iron's integration platform has been all about is helping the SaaS and cloud market start to handle these very similar problems and we believe is very relevant to the BPO market. And that is because the same challenges, as Robert explained earlier, SaaS applications is just one part of the problem. The SaaS application market needs to deal with the BPO, the vertical and the horizontal markets that are out there that are on-premise. So all three of these groups have similar problems where they need to integrate these solutions both in the client and as outsourcers.

And so the other thing we've learned out of all these discussions is that what the BPOs really want is a business process outsource capability maybe for them, that they can outsource integration and make it as a service that they can offer.

And they could lean on somebody to kind of build out their integration factory for them, be able to develop connectors and Template Integration Processes quickly for their clients and be able to share these best practices with these clients quickly and easily, even maybe hand hold these clients for them so they can get them on board faster and they can integrate bidirectionally with the clients' systems in-house.

What we've learned over time is that there are some key things that if we can accomplish that for the business process outsourcer, we drive some key outcomes that they're looking for in the business things that we talked about earlier, which is we can drive down the total cost of ownership for them as they on board new markets and new clients.

We can drive down the delivery time associated with onboarding these clients and managing the change. We can increase the satisfaction, because these clients were onboarded faster and so their experience on moving to an outsourced process is one that they don't regret and one that actually they may consider to actually outsource additional processes because that experience was good rather than difficult.

And then finally, we've learned that we can really affect the margin associated with each one of these clients and what we're making on them, because we're not only driving the revenue faster but we're reducing the cost to on board and integrate these clients and change them as they go forward.

So that's kind of our experience that we've learned over the last 12 months that we wanted to share today. What this kind of equals as you see this kind of whiteboard build out is that as you consider doing integration in business process outsourcing, it is not just about flat file integration anymore.

It's really around getting tighter and tighter with that customer so you can provide a value where that service has not considered an independent outsourced service but an interdependent outsource service with that data and process being shared back and forth both batch and real time with that client's application environment.

So with that, what I'd like to do is turn it over to Vidya.

And Vidya is going to drill down a little bit more into, how does Cast Iron fit into that, and a case study we have specifically around a business process outsourcer and how we helped them with this particular problem. Vidya.

CHADAGA: Thank you, Ron. That was very insightful. And what we hear back from our BPO clients who have gone to a whiteboarding session with us is that they really appreciate the detail and the emphasis and the challenges and the desired outcomes that we have a discussion with them with.

Anyway, for the next couple of minutes or so, let me talk about the Cast Iron as a company, and then also present the Cast Iron integration solution before moving on to talk about the success story of a very large BPO who's our client.

So the Cast Iron company itself, we were founded in 2001 by leading industry experts in integration. And we were acquired by IBM WebSphere in May of last year. Since then, we've been a growing, a discrete business unit within IBM WebSphere.

And for the past year, we've pioneered the SaaS and cloud integration space with our unique focus and speed and simplicity, our mantra has always been to do things at a really fast pace, with integration in days.

We have a templated solution, which is "configuration, the no coding" approach to integration. And this has given thousands of customer integrations for us right from

household names like eBay and Siemens to smaller and mid-market companies, customers as well.

The last few years our strategy has been to build out partnerships, strategic partnerships with leading cloud and enterprise partners. As you can see on the righthand corner, we just named, put out the logos of a few of these partners. There's salesforce.com and Oracle and Google and ADP and Taleo. And these partnerships show the market and the marketplace that Cast Iron has a solution that completely resonates with the pain points that they see in their marketplace.

We have a customer retention of about 96 percent. And it's growing in the cloud business to have customer stickiness is key, and we understand that and our product and our strategy is in line with this.

Cast Iron is, the product is patented. It's best of breed.

We've won many awards in this area; and as you can see on the right, the buzz in the marketplace is in our favor.

Gartner has a few quotes there, ZDNet says, IBM and Cast Iron is a match made in enterprise heaven. We bring the cloud connectivity to IBM's brand and we are a successfully growing brand within IBM.

So, now, about the integration solution itself. We heard

how Robert spoke about a technology integration being key to successfully leveraging value from existing and future investments. And then Ron went on to present the complexity of today's application integration as seen by a BPO.

The Cast Iron application platform was designed specifically to meet the needs of you connecting the cloud applications with the on-premise applications. It could be a private cloud applications, it could be public cloud. We connect the cloud applications in just days with your on-premise applications.

And on premise as well, it could be your homegrown application, it could be packaged standard applications such as SAP or Oracle. It's all about providing a platform to effectively and rapidly consolidate and manage the application functionality within your client's organization regardless of how it's deployed in the cloud or as an appliance.

What makes Cast Iron Cloud Integration stand out is that it's complete. It's proven and trusted by many customers. And I want to talk about the platform itself. On the righthand corner, you see how I put the little picture going back to what Ron mentioned as the epicenter of the whiteboarding session, which is the solution to all the challenges that he mentioned.

So this is part one, which is a platform itself. And the platform is complete, because it brings about four distinct pillars of completeness to the solution. First off, there's complete flexibility. We, Cast Iron, provides the same solution, the same code base, the same feature functionality across various deployment options for both you as a BPO and your clients.

So you could decide to deploy it as a physical appliance, or if you have some extra hardware sitting in your data center it could be a virtual appliance, or you could use it as Integration as a Service. So there's complete flexibility there.

And then, total connectivity. The advantage is that Cast Iron is not just connecting industry-leading SaaS and enterprise applications but every different type of database and customer applications and Web services and other connectivity protocol as well. And this is a big value that the BPOs see in our cloud connectivity portfolio.

Next is complete reusability. This is a very important feature wherein we are providing a user-friendly template-based approach, the Template Integration Process -- or, TIP -- as we call it. These templates are common integration scenarios which can be used as the starting

point to jumpstart your integrations.

As Ron mentioned, you're not alone in your integration needs, so as a BPO you don't have to reinvent the wheel, but Cast Iron integration gives you the benefit of both previous success and the best practices available through our community of customers and partners.

And finally. this is the one platform for all types of integration projects. You can use Cast Iron for data migration, process integration, where you would put some business logic on top of the integration that's happened.

And then we even take it up to your UI level. I mean, it could be the service within the BPO or at your client side.

We can mash up the data from the client on to the BPO; or if you want to have client information from one application on the client side to another application on the client side, that as well.

A simple commercial example would be innovating Google Maps within a banking software, for example. Or having who-is information available within salesforce.com would be an enterprise example.

So with Cast Iron, just to quickly recap, the value of this complete total solution translates to lower risk. There's

cost and time savings, as was said, over building and deploying connectors for each and every new project. And also, having one solution for all types of innovation projects means there's increased ROI and lower TCO, and that is very critical to most of our BPO clients.

Part two of the solution is, we just don't end with giving you an integration platform. We take it from there and provide the entire offerings, which is the IBM Cast Iron managed integration service offering, along with the solution development team, the client delivery team, the client support team.

As you know, you would need more than a platform, more than a product to be able to effectively deliver solutions to your clients. So this trusted and proven offering caters to the entire integration lifecycle needs, not just stopping at the product level.

And we have BPO clients who have used three different kinds of offerings. Sometimes it's low touch, sometimes it's medium touch, and sometimes they say, we need an extremely custom built high-touch offering. When it's canned, when they're looking for just some basic mapping and simple workflows, there's not much training involved. It's just self-servicing the application administrator, anything just done in hours. And other times it's slightly more advanced

with advanced mapping and workflow, then maybe it's support engineer needs some basic training. So we put together what are called Quick Start Integration Packages --QSIPs -- and that could take about days.

And then of course, there are these other BPOs as well who say, we want to outsource everything to you, and you do the custom workflow for us. You do detailed analysis of the requirements. And then maybe an IT developer needs advanced training, and then that could take about weeks to go ahead and set up the client.

So we believe that it's not a one size fits all kind of situation and not all integrations are created equal and hence, Cast Iron offers all these options to our BPO clients.

I want to spend the next few minutes talking about the showcase. I'm aware of the time, so I might have to expedite this section. But the BPO I'm talking about today has got billions in revenue. It's a huge BPO with 100,000-plus clients, and is an outsourcer of the world's largest providers of HR solutions. And they became a business partner of Cast Iron in 2009.

Their integration needs were pretty consistent with most of our other BPO clients as well, which is they wanted a fixed

consistent price for licensing, development, testing and support. They wanted to have access to newer markets via mid-market BP integrations. This particular BPO was so much outside the mid-market, they wanted to enter the mid-market space.

And then they wanted to, they were looking for consistent client experience. Obviously, they did not want to surprise the clients based on new endpoints or new integrations that were coming their way.

They were looking for prepackaged integrations. They did not want to redo integrations for the same endpoints for newer times. And then obviously, they were looking for periodic, regular updates from the ERP system to their internal BPO system.

So with this challenge, what was happening was they were faced with offering about eight to 16 weeks for new client integrations, which was a big challenge for them. They were looking to get bidirectional data real time across the ERP and their own systems. They obviously wanted to have bundled integration service offerings.

And more importantly...or rather, the most important thing was they wanted be agile to changes and additions to business requirements. I mean, that is inevitable, change

is inevitable and they wanted to be prepared for it and not surprise the client with a huge bill at the end of it.

So the solution they went with was the Cast Iron Integration solution. And with this they were able to bring down their implementation times from weeks to days; now they do it in about three to five days for new client integrations. They're able to make changes much faster without disruption.

And now they have an integration platform, as we spoke about earlier, they use this Cast Iron integration platform for all kinds of projects. It could be a very basic data migration thing or advance at the UI level. But they're able to very easily add additional business services for the client using the platform.

And then it's a scalable solution with the reusable templates. And what happens is the scalable solution across various business units within the client company is very key, because it helps them put the foot in the door on the client side and then expand to other business units at the client side. So they're able to leverage existing assets just to add new services for these other business units.

And then at the end of this, they're able to provide consistent customer experience and support. And this was very important for them given their brand size and the

customer base.

So with that, I'd like to summarize and talk about the next steps. In summary, I'd like to say that increased revenue is key. It accelerates client adoption by simplifying the client onboarding process.

There's faster implementation, which means there's faster revenue recognition. You're able to sell into newer markets. You're able to increase the applications that are being supported. Not just in your space, but in your markets such as mid-market, maybe.

And you're able to improve margins by reducing costs. There's predictable delivery, and finally there's greater client satisfaction which brings about improved customer retention and stickiness. There's minimized client effort for implementation, and there's a consistent integration approach with one partner.

And IBM Cast Iron is this one partner that can bring about the dramatic business outcomes that Ron mentioned in the whiteboarding session, including reducing the integration TCO, decreasing your time to delivery, increasing customer satisfaction and obviously improving the bottom line: the revenues and the margins.

And with that I'd like to summarize. And hopefully you can take this back with you, which is to be able to rapidly on-ramp and integrate your client in days is a value that Cast Iron brings. It's flexible with delivery options and reusable templates. It can be in the cloud in the form of a physical appliance or a virtual appliance.

And lastly but not the least, it's simple, it's with rapid "configuration, no coding" approach. So it's custom coding...and at that point, there is no custom coding. It's absolutely a "no coding" approach to integration.

So Cast Iron cloud integration is a complete and simple solution with a full feature set. It allows you to purchase just one platform for your immediate integration needs as well as provide the reusability and scalability for all your future integration projects.

So with that, I'd like to thank you for your time, but before that I want to cover the next steps, which is, I encourage you to engage us in a custom whiteboard discovery session. It's very, very valuable, and our BPO clients have appreciated that a lot.

Sign up for a live demonstration on castiron.com where you can see how an on-premise application is connected to a cloud application. And I think it's just a 10-minute

demonstration, but it drives home the point pretty well.

And visit Cast Iron at castiron.com for all of these three things, which is, you can browse through hundreds of customer examples, you could look at the solution overview, hear a recorded demonstration, and that would give you more information on Cast Iron. And finally, I thank you for your time and with that let's open this up for any questions you may have.

WASTAL: Thank you Vidya, I appreciate that. So, it looks like we're pretty tight on time; we have about three minutes or so left. I see a couple of questions here, and what I would like to do is I'll work through one or two questions and then we'll probably have to wrap up because of the timeframe.

The first question, from Carlos Lopez, is, on the slide for customers, we can see big brands, big companies. My question is, how accessible regarding price is the solution for SMBs?

Great question, one of the things, if you saw, Carlos, during the presentation that Vidya gave, it's very important when we do these whiteboard sessions and figure out how to develop joint offerings together for your market that we kind of define the use cases that we talk about and kind of

prioritizing which systems you want to connect to first and which use cases do you want to tackle first.

And that helps guide us on the price points and the value we can provide by hitting those price points for your market. If that market is SMB, then do we have canned type of integrations that are fairly easy to do, or do we have very complex integrations that require more technology and resources to accomplish it.

And that's what's critical during these whiteboard sessions, is kind of balancing the volume opportunity with simplicity versus the high end maybe opportunity that has more complexity and what the market will bear for that. So that's part of why these whiteboard sessions are so critical. And with that..

CHADAGA: There's one more question around the Cast Iron integration suite. Someone wants to know what exactly is the suite comprised of?

WASTAL: Okay, you want to tackle that one?

CHADAGA: Sure. When we call it a suite, we give access to the Cast Iron community. There's access to all the TIPS, what we call templates, that's free of cost. And the integration suite itself is a studio, it's an IDE which you

work on to be able to do your orchestrations and integrations. It talks about the target and the source.

There's a mapping that's done, it's a graphical user interface driven mapping. And then there's the transformation, you build business logic on top of it and then you deploy it. You publish the integration either to the cloud or to an appliance. Robert.

McNEILL: Great. Thank you, Vidya. So, we're basically at the hour, so I apologize for any questions that we did not get to today. But hopefully what you've learned today is why cloud integration brokers are the next generation solutions for BPO. And I think Vidya gave you some good next steps if you'd like to learn more about how to get started with working with us. Have a good morning, good afternoon or good evening, depending on where you are in the world. Thank you.

[END OF SEGMENT]