Enabling a Globally Integrated Enterprise With BPM

Susan E. Watson, Vice President
IBM Enterprise Process
Simplification

March 2012
Topics

- IBM Enterprise Process Transformation History
- BPO Methods and Governance Overview
- BPO Application Examples
- A Look Ahead...
Topics

- IBM Enterprise Process Transformation History
- BPO Methods and Governance Overview
- BPO Application Examples
- A Look Ahead...
IBM’s ongoing transformation journey

The “Smarter” phase of our transformation is beginning

2003

Sharing & partnering

- Consistent set of processes worldwide
- Leverage best practices
- Standardize and reduce waste
- Governance and performance discipline

2006

Globally integrating

- Right skills, right place, right cost
- Rationalize support functions for greater efficiency
- Radically simplify processes

2010

Making things smarter

- Instrumented, interconnected, intelligent
- Enable growth and productivity
- Optimize the whole system
Simpler, more responsive internal processes will allow IBM to better capitalize on emerging opportunities and quickly respond to business threats

**By 2015.......**

- **Our 4 growth plays** will contribute 1-2% increase in revenue and these solutions will account for **25% of revenue**
- We will spend $20B in future **acquisitions**
- **Growth markets** will contribute over 25% of IBM’s revenue
- The percentage of employees with **less than 5 years** continues to grow
- We must achieve $8B of **enterprise productivity savings**

**The Institute for Business Value's 2010 CEO Study revealed “standout” companies are very focused on managing complexity.......**

**Simplify operations and products** to better manage complexity

Use iterative strategies, **make quick decisions** and execute with speed

**Integrate globally**, increase cost variability and exploit partnering to increase agility
Topics

- IBM Enterprise Process Transformation History
- **BPO Methods and Governance Overview**
- BPO Application Examples
- A Look Ahead...
We have established four foundational methods and tools for IBM's internal business process transformation.

Transformation Continuum

Strategize
- Develop business vision and mission
  - Define strategic process capabilities, roadmap plans and objectives

Govern
- Establish process management system
  - Process ownership
  - Measurement system, KPIs
  - Track performance
  - Recognize opportunities

Improve
- Select projects, apply methods and tools
  - Select and perform projects
  - Deliver business capabilities
  - Harvest assets for standard reuse

Sustain
- Monitor and manage process performance
  - Adopt changes
  - Optimize execution
  - Achieve objectives

Foundational Methods and Tools

Business Architecture

Business Process Management

Better Change

Lean Six Sigma

Additional Methods and Tools

Methods and tools are primarily associated by phase as above, but can add value across the continuum.
Business Architecture linkages provide a framework for managing our portfolio of IBM processes.

--- Transformation Continuum ---

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- Develop business vision and mission

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**Sustain**
- Monitor and manage process performance

--- Business Architecture ---

**Foundational Business Architecture methods and tools**

- Business Architecture
  - Enterprise Process Framework

**Additional Business Architecture methods and tools**

- Business Capability and Enabler Modeling
- Business Structure Modeling
- Business Value Driver Tree
Business Process Management techniques and tools add value across the transformation continuum

--- Transformation Continuum ---

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---

**Business Process Management**

**Foundational BPM methods and tools**
- Modeling
  - WebSphere Lombardi Edition
- Monitoring
  - WebSphere Monitor

**Additional BPM methods and tools**
- Analytics
- Value Assessment
- Modeling and Simulation
  - Blue Works Live
  - WebSphere Business Modeler
- Content and Collaboration
  - Roles and Responsibilities
- Process Maturity Framework
- Work Prioritization Diagnostic
- Execution & Optimization
  - WebSphere Lombardi Edition
- Rules and Frameworks
  - ILOG JRules
  - ILOG Supply Chain Module
We apply our “Better Change” techniques to maximize success potential for each process transformation initiative.

**Transformation Continuum**

**Strategize**
- Develop business vision and mission

**Govern**
- Establish process management system

**Improve**
- Select projects, apply methods and tools
- Monitor and manage process performance

**Sustain**

---

**Foundational Business Change methods and tools**

- Better Change
  - Change Description
  - Organization Change Management Plan
  - Change Impact Assessment
  - Stakeholder Analysis
  - Communication Approach and Planning

- Adoption Metrics Scorecard
Lean Six Sigma techniques and tools are especially useful for process simplification and improvement

--- Transformation Continuum ---

Strategize
- Develop business vision and mission

Govern
- Establish process management system

Improve
- Select projects, apply methods and tools

Sustain
- Monitor and manage process performance

Lean Six Sigma

Foundational Lean Sigma methods and tools
- Lean Six Sigma
  - Voice of the Customer
  - Value Stream Mapping and Kaizen
  - Measurements, Baseline Benchmark & Entitlement
  - Value Add Analysis
  - Failure Modes Effect Analysis

Additional Lean Six Sigma methods and tools
- Mistake Proofing
- 5 S
You are asked to improve the end-to-end productivity (cycle-time, cost, quality) of a major business process by at least 50% to meet committed goals

### Toolkit for Process Transformation: Business Scenario 1 Guidance

<table>
<thead>
<tr>
<th>Recommended Project Steps</th>
<th>Example link to a Business Architecture technique</th>
<th>Example link to the Better Change method</th>
<th>Example link to a Lean Six Sigma technique</th>
<th>Example link to a Software tool</th>
<th>Example link to a Business Architecture technique</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1.1</strong> What are the key process performance measures? Are reliable measurement systems in place?</td>
<td>• Lean Six Sigma: Foundational&lt;br&gt;• Enterprise Process Framework&lt;br&gt;• Business Process Manager</td>
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<tr>
<td>1.2 How do these measures relate to the customer, end-user, and business critical requirements?</td>
<td>• Voice of the Customer&lt;br&gt;• Better Change</td>
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<tr>
<td>1.3 What are the current performance results (including for any different process versions by organization or location)? What gaps exist between current and expected process performance?</td>
<td>• Lean Six Sigma: Measurements&lt;br&gt;• Business Structure Modeling</td>
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<tr>
<td>1.4 Have process activities been documented as they are actually performed? Which of these activities add customer value? Are there work elimination plans for those that don’t?</td>
<td>• SIPOC&lt;br&gt;• Blueworks Live&lt;br&gt;• Value Stream Mapping&lt;br&gt;• Business Process Manager</td>
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</table>
Toolkit: Business Architecture ~ Business Capability Modeling

**Description**
Align strategic propositions with needed capabilities, and enabling resource capabilities, to achieve goals, objectives.

**Business Need**
- **Enterprise:** Communicate strategic intent in actionable terms. Define what must be achieved, with traceability: people, process, and technology changes, strategic value.
- **Business Processes:** Understand existing and strategic process capabilities to establish management system performance indicators, and prioritize project investments.

**Key Inputs, Outputs and Benefits**
- **Inputs:** Enterprise strategy: market selection, value propositions, resources, goals, and objectives.
- **Outputs:** Identification, dependency awareness and structural alignment of the resources needed to achieve strategic enterprise and business process goals, objectives.
- **Benefits:** Optimal organizational integration and simplification based on how it will align and apply resources to achieve strategic goals, with value traceability for decision-making.

**Sample Applications**
- **Enterprise:** Simplify by rationalizing similar or duplicative business processes or organizational unit capabilities which are key to strategic capabilities, goals, objectives.
- **Business Process:** Prioritize improvement projects based on their value to strategic capabilities, goals, objectives.
- **Initiative:** Make scope decisions based on which solution capabilities drive the most strategic business value.

**Key Contacts**
Jim Massie, Business Architect, Executive Consultant, Enterprise Process Transformation

Download a self-study module here…
http://w3.tap.ibm.com/medialibrary/media_set_view?od=16261
Process Framework - Defined

A business process framework is a high-level, industry-neutral, enterprise process model that allows organizations to see their business processes from a cross-company viewpoint.

- A taxonomy of process elements used to describe more complete business processes
- Hierarchically Organized
- Mutually exclusive, collectively exhaustive
- Consistently leveled
- Peer Reviewed

It's WHAT we do in IBM, not the how...or the who

Industry Neutral - a high level model of processes that apply to almost any business, regardless of industry, size, or location
Our Enterprise Process Framework (EPF) provides a common taxonomy and reference for all IBM business processes

The EPF includes 3 categories of Level 1 processes cutting across business units and geographies

EPF Overview

- Process taxonomy designed to help categorize information on business processes to support transformation, operational and deployment activities
- Common processes are logically grouped and displayed once with a single process owner, but can be used by many business areas
- Enable organization to understand inner workings from a horizontal process viewpoint, rather than a vertical functional organization point of view.

<table>
<thead>
<tr>
<th>Operating (Client Facing)</th>
<th>Enabling (Enables Client Facing)</th>
<th>Supporting (Foundational Processes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0 Idea to Market</td>
<td>6.0 Develop Strategy to Execute</td>
<td>10.0 Manage Human Resources</td>
</tr>
<tr>
<td>2.0 Market to Opportunity</td>
<td>7.0 Plan and Manage Client Relationships</td>
<td>11.0 Manage Finances</td>
</tr>
<tr>
<td>3.0 Opportunity to Order</td>
<td>8.0 Manage Sales and Channels</td>
<td>12.0 Manage Business Transformation &amp; Information Technology</td>
</tr>
<tr>
<td>4.0 Order to Cash</td>
<td>9.0 Procure to Pay</td>
<td>13.0 Manage Web &amp; Business Support</td>
</tr>
<tr>
<td>5.0 Support</td>
<td></td>
<td>14.0 Manage Financing Services</td>
</tr>
</tbody>
</table>
The EPF provides structured process decomposition with linkage to IBM's enterprise architecture

**Level 1 - Business Process Category**

*DEFINE*
Enterprise processes – clearly represents IBM business model and covers scope of all IBM activities

**EXAMPLES**
3.0 Opportunity to Order
8.0 Manage Sales and Channels
10.0 Manage Human Resources

**Level 2 - Process Group**

*DEFINE*
Major process groupings within enterprise processes – may break out major focus relationships

**EXAMPLES**
3.2 Design solutions
8.1 Manage Sales
10.3 Recruit, Source & Select

**Level 3 - Process**

*DEFINE*
Processes within the process area

**EXAMPLES**
3.2.1 Start solution design
8.1.3 Manage Promotions
10.3.1 Design Recruiting Programs

**Level 4 - Activity**

*DEFINE*
Activities performed within the process

**EXAMPLES**
3.2.1.1 Receive qualified solution design requirements
8.1.3.1 Review IBM strategy and desired results from promotions
10.3.1.1 Identify Recruiting program requirements based on HR Programs
IBM’s Enterprise Process Framework (EPF): A foundation for business process management and transformation

Business Process Management: We will reenergize the enterprise business process owner role and establish a management cadence across business process owners to improve operational process performance. The examination of critical processes is mandatory for ongoing enterprise transformation and improved business processes.

Linda Sanford, Senior Vice President, Enterprise Transformation

Key Objectives

- Improve process design, performance measurements and integration across the enterprise
- Enable Enterprise Process Ownership to be responsible and accountable for the overall management, integration and performance of their respective processes
- Establish a process centric organizing construct to drive, lead and effectively manage transformation and operational activities
Process maturity is assessed using a consistent framework and approach across the Shared Services Maturity Assessment Framework.

- **Process Principles**
  - Design and Continuous Improvement
  - Simplification
  - Skills Alignment

- **Analytics and Technology Enablement**
  - Analytics
  - Automation
  - Data

- **Process Governance**
  - Ownership and Accountability
  - Value
  - Organizational Change Management

- **Operating Model**
  - Operating Model Strategy and Execution

- **Measurements**
  - Performance
  - Workforce Metrics

- **Outsourcing**
  - Transparency and Integration
  - Measurement

- **P5 - Transformational**
- **P4 - Leading**
- **P3 - Optimizing**
- **P2 - Practicing**
- **P1 - Developing**

* for outsourced processes only
Maturity scores are determined based on assessments at the L1 (Shared Service) and L2 (level-2 or sub-process) levels.

**GIE Shared Service Level 2 Processes**

<table>
<thead>
<tr>
<th>Finance</th>
<th>HR / Admin</th>
<th>BT/IT</th>
<th>ISC</th>
<th>M&amp;C</th>
<th>RESO</th>
<th>Legal</th>
<th>SMS</th>
<th>STH</th>
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<tbody>
<tr>
<td>L1:</td>
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<td></td>
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<tr>
<td>Perform General Accounting</td>
<td>Perform Planning</td>
<td></td>
<td>Manage Enterprise Architecture</td>
<td>Manage IT Operations</td>
<td>Customer Fulfillment</td>
<td>Manage System</td>
<td>Manage Request</td>
<td>Manage Request</td>
</tr>
<tr>
<td>Manage Fixed Assets</td>
<td>Manage Business Controls</td>
<td>Recruit, Source and Select</td>
<td>Manage Employee Separations</td>
<td>Manage Solution Dev</td>
<td>Manage Transform. Programs</td>
<td>Manage and Support Litigation</td>
<td>Manage Stockholder Relations</td>
<td>Manage Proposal Content and ICAP</td>
</tr>
<tr>
<td>Manage Internal Audit</td>
<td>Manage Business Dev</td>
<td>Manage Workforce &amp; Employee Performance</td>
<td>Provide HR Integrated Services</td>
<td>Manage IT Solution Transition</td>
<td>Manage Business Process Performance</td>
<td>Manage Security</td>
<td>Support M&amp;A</td>
<td>Manage Resource Alignment Process</td>
</tr>
<tr>
<td>Manage Treasury Operations</td>
<td>Manage Incentives Process</td>
<td>Identify and Develop Resources</td>
<td>Administer HR Information</td>
<td>Manage Enterprise Planning</td>
<td>Manage BT/IT Governance</td>
<td>Corporate Governance</td>
<td>Support RESO</td>
<td>Client Satisfaction Process</td>
</tr>
<tr>
<td>Manage Taxes</td>
<td>Manage Financial Risk</td>
<td>Reward and Retain</td>
<td>Manage Enterprise Planning</td>
<td>Manage BT/IT Governance</td>
<td>Global Operations (other)</td>
<td>Government Programs &amp; Trade Regulations</td>
<td>Sales Resource Alignment Process</td>
<td>Operational Controls Process</td>
</tr>
</tbody>
</table>

**Note:** Based on the Enterprise Process Framework
The overall Maturity Assessment follows a structured and collaborative approach

**Approach and Outputs**

### Project Management

#### 1. Gather Data and Mobilize

- **1.1 Kick-off project**
  - Level-2 processes to be assessed, outsourced processes, spend data, scores to be ported
  - Assessment approach by process (i.e. individual, working session, self-assessment)
  - L1 assessment focal and SMEs
  - L2 Process Owners, assessment focal, and SMEs
  - Kick-off meeting with L1 and L2 stakeholders
  - Shared Service document repository

- **1.2 Gather L1 and L2 Process Data**

#### 2. Assess Maturity

- **2.1 Assess L1 and L2 Process Maturity**
  - Completed L1 and L2 process self-assessments or interviews
  - Score evidence and rationale
  - Preliminary L1 and L2 scores
  - Normalized L1 and L2 scores
  - L1 process stakeholder preliminary maturity result review materials
  - Challenged scores and supplemental evidence
  - Final L1 and L2 process maturity results, signed off by assessment team and L2 process stakeholders

- **2.2 Review / Finalize Maturity Scores**

#### 3. Identify Opportunities

- **3.1 Identify Improvement Opportunities**
  - L1 and L2 findings, opportunities and recommendations
  - Opportunity deep-dives (scope TBD)
  - Cross Shared Service process opportunities and insights and attribute level analysis
  - Best practices
  - Final GIE Board and GIE Council reviews
  - Feedback from Maturity Assessment participants and stakeholders

- **3.2 Best Practices and Assessment Feedback**
We also identify opportunities for improvement by understanding maturity at the attribute level

**Shared Service Maturity**

*Distribution of 2010 L2 Process Scores by Attribute*
EPOs, GISP execs and brand leaders collaborate on cross IBM objectives in the Enterprise Process Transformation (EPT) board

**Enterprise Process Owner (EPO) and EPT Board Responsibilities**

- Delivers simplified and integrated processes to support the 2015 roadmap and associated organizational change *(Board)*
  - Sets the process strategy and priorities
  - Defines the process transformation priorities
  - Commits to and deploys efficiencies and savings
  - Commits to and deploys growth initiatives *(Board and EPO)*
  - Manages risk associated with their process
- Identifies upstream and downstream opportunities to improve end to end process results
- Creates integrated plan and metrics ensuring all processes deliver coordinated initiatives to achieve the 2015 Roadmap *(Board)*

**GISP Executives**

- Globally Integrated Support Process (GISP) leaders partner with EPOs and work cross-process enabling targeted transformation solutions end-to-end
IBM's enterprise transformation management system provides cross-IBM executive forums for governance and key decisions

**GIE SVP Forum**
Chair: Linda Sanford

**Enterprise Process Transformation (EPT) Board**
Chair: Ross Mauri
Run by: Bill Creighton
Members: EPOs and GISPs

**GIE Board**
Chair: Linda Sanford

**GIE Shared Service Council**
Chair: Linda Sanford
Members: GIES Owners

**CIO Operating Team**
Members: CIO, Transform & Run Execs, All CIO Staff & Indirect

**Brands & Geographies**
Brands: STG, SWG, GBS, GTS, IGF / Geo: NA, NE, SW, Japan, GMU

**GIE SVP Forum**: Establishes strategic guidance and is accountable for transformation to a GIE.

**GIE Board**: Sets the Shared Service strategic vision and drives the IBM GIE strategy; sets direction for Shared Service initiatives and savings targets.

**EPT Board**: Optimizes end to end process performance horizontally and vertically through integrated priorities; provides priorities for BT/IT investment, and serves as alignment and coordination point for global enterprise process transformation.

**GIE Council**: Responsible for the direction and attainment of becoming a GIESS. Defines direction and oversee progress toward IBM Shared Service Strategy. Responsible for driving transformation, integration and efficiency and effectiveness across our Shared Service processes (eliminate, simplify, standardize, automate).

**CIO**: Prioritizes total IT budget to build BT/IT capabilities that support the IBM priorities and maximize return aligned with given risk to the enterprise. Active, integrated oversight of initiatives.
Topics

- IBM Enterprise Process Transformation History
- BPO Methods and Governance Overview
- **BPO Application Examples**
- A Look Ahead...
What is Business Process Management?

BPM is a discipline consisting of software and expertise to improve the performance, visibility, and agility of business processes and facilitate business innovation.

BPM continuously improves processes and aligns functions that span business, IT systems, manual tasks, and information.

At its core, BPM takes rigid, siloed processes and transforms them into flexible, choreographed business services that work together to create substantial business value through internal and marketplace innovation in order to adapt to faster and more transformative change and global economic challenges.
2011 Examples of Business Agility Results

**Mid-Market Deal Registration** – Deliver incremental PTI improvement by reducing deal registration cycle time with rules-based work-flow automation.

**Supply Chain Alerts** – Over $2M annual savings for timely notifications when supply chain disruptions occur.

**Cross-brand Pricing Estimator** – Reduce pricing proposal implementation from 14 to 1-4 days and deployment to new countries in days versus weeks.

**GTS Cloud Sales Enablement** – Integrated work-flow, rules and monitoring to reduce partner “register to welcome kit” cycle-time from days to hours.

**GMU Geography Location Code Assignment** - Enabled GMU reps to update rules (direct) for geography location code assignments, reducing cycle time from several weeks to just a week for more than 50 countries.

**Maintenance Technical Services** – Increased IBM Client satisfaction through proactive notification of exposures in clients’ IT inventory by applying rules derived via analytics. Delivered for IBM Client, Kaiser.

**Infrastructure Optimization** – Reduced cycle time by 75% to complete the analysis required to migrate from Physical servers to Virtual servers. Proof-of-value delivered.

**Business Agility Enablement Cloud** - Application teams rapidly acquire shared instances of BPM and Decision Management software in minutes to implement solutions that achieve business agility.
In this example, we applied business rules in lieu of formal IT changes and dramatically reduced pricing quote cycle time

**Business Problem**

- No standard or easy way to rapidly price cross-brand solutions. Spreadsheet-based approach solves part of the problem but is not scalable or easily repeatable and pricing can take > 2 weeks
- Challenge is for both direct and channel sales
- No easy way to link/integrate current solution into other business processes
- Distribution of spreadsheet solution to 23 countries via email
- Significant time to update prices and business rules
- Deployment to new country takes several weeks
- Quotation errors
- Lack of ability to track the status of proposal requests

**The Solution**

- Scalable web based solution using IBM BPM products (ILOG JRules) to significantly reduce cycle time for end-to-end price quotation process for IBM cross-brand systems

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<thead>
<tr>
<th><strong>Efficiency Benefit</strong></th>
<th><strong>Example</strong></th>
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<tbody>
<tr>
<td>Eliminate manual data entry</td>
<td>Automated price updates in minutes versus several days</td>
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<tr>
<td>Reduce process cycle time</td>
<td>Reduce deployment time to new countries from 30+ days to 7 days</td>
</tr>
<tr>
<td>Audit compliance</td>
<td>Leverage native capabilities for version control and audit in hours versus days</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th><strong>Effectiveness Benefit</strong></th>
<th><strong>Example</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Faster business rules changes</td>
<td>Reduced dependency on IT resources to make business rule changes – reduce turn around time by more than 50%</td>
</tr>
<tr>
<td>Consistent execution</td>
<td>Centralized business rules allows for consistency across web and mobile channels</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Business Agility Benefit</strong></th>
<th><strong>Example</strong></th>
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</thead>
<tbody>
<tr>
<td>Support new business models</td>
<td>Discounts at the country level and product level can be managed by the business process team</td>
</tr>
<tr>
<td></td>
<td>Multiple product pricing configurations in hours versus several days</td>
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</table>
At solution level 5, we will have applied several BPM elements and evolved an innovative, agile, web-based pricing solution.

**Current State**
- End-to-end process cycle time too long
- Inefficient manual data entry for prices
- Business rules are hidden
- Dependence on IT resources to change business rules
- Ad hoc audit compliance
- Deployment to new countries takes weeks

**Phase 1 Target State**
- Reduce process cycle time by more than 50%
- Automated price updates
- Externalized business rules
- Reduced dependency on IT resources for business rules changes
- Deployment to new countries in days
- Dynamic business processes modification with KPIs monitored via dashboard

**Level 5: Agile**
- Highly Innovative, and Agile Business capable of handling unpredicted market changes. Predicts and prepares for the future and doesn’t only react or correct actions, but also steers and evaluates trade-offs

**Level 4: Dynamic**
- Responsive, Dynamic and continuously optimizing Business leveraging business insight

**Level 3: Standardized**
- Efficient and Effective Business focusing on end-to-end automation and trusted information delivery

**Level 2: Awareness**
- Efficient Business focusing on cost reduction

**Level 1: Initial**
- Functionally oriented, Reactive, and Rigid Business

At level 5, we will have applied these BPM components:
- WebSphere Lombardi Edition
- WebSphere Application Server
- WebSphere ILOG JRules
- Db2 9
In this Global Technology Services (GTS) compliance process example, we cut test costs using a variety of BPM techniques

**Business Problem**

- Compliance testing cost and cycle time is too high
- Many variations of compliance testing processes and tools across the globe
- Labor arbitrage no longer provides a significant savings
- Work-flow management improvements are constrained today by the existing ad hoc tool sets, manual efforts, and re-keying

**The Solution**

- Scalable work-flow application to configure compliance process by country / control point; update without hard code changes
- Fully integrated document repository
- Workload management by skill/resource availability
- Automated dashboard for assignments and tracking

<table>
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<tr>
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</thead>
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<tr>
<td>Productivity</td>
<td>Headcount reductions through workload balancing and reduction in cycle time</td>
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</table>

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<th>Example</th>
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<tr>
<td>Quality Improvement</td>
<td>Improved testing reliance through greater consistency</td>
</tr>
<tr>
<td>Process Integrity</td>
<td>Integrity of end-to-end testing process and artifacts / evidence stored</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Business Agility Benefit</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scalability</td>
<td>Global tool configurable (by country / control point) without hard code changes</td>
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</table>
In our GTS example, we leveraged the IBM BPM tool suite, including recently added Lombardi, FileNet, ILOG technologies.

- Scalable work-flow application
- Workload Management
- Enhanced Reporting Capabilities
- Tester Support

- Work-flow automation integrated with content management and Business Rules
  - WebSphere Lombardi Edition
  - FileNet Content Engine
  - WebSphere ILOG JRules

- Process monitoring
  - WebSphere Process Monitoring

- Content management
  - FileNet Content Engine
Topics

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Going forward, we are moving beyond solving individual pain-points to improving business agility at the enterprise level

We are building a business agility platform for rapid and dynamic response to changes in the business environment

Business Agility levers, focused on Simplify, Integrate, and Innovate pillars of enterprise transformation, will enable us to respond quickly to competitive threats as they evolve

Business agility metrics will be established to measure our ability to rapidly adjust processes in response to competitors
Business Agility Model used internally to evaluate IBM’s Business Agility

What is it? How does it add value? How can it be applied?

1. **What is it?**
   - Diagnostic tool providing a **holistic** view of the business agility of an organization in terms of its business performance and what **improvements** should be undertaken for better **business outcomes and results**
   - Generates a business agility **roadmap** for achieving **business outcomes** in a timely fashion thus accelerating **time to value**

2. **How does it add value?**
   - Provides the roadmap to achieve a proactive and **predictive** business performance management
   - Helps in bridging the gap between **business strategy** and **execution**
   - **Defines tangible outcomes** that will have greater business impact as maturity level increases
   - Provides a cohesive **framework** and common language for defining the key **capabilities and constructs** of Business Agility

3. **How can it be applied?**
   - **Assess** your current Business Agility capabilities, **plan** where you want be, and **measure** success
   - Create an actionable, prescriptive, targeted and staged business agility **roadmap** that will provide the path and means to achieve value-add business **outcomes**
   - Create a baseline of the current business agility and communicate a common future **business agility**
Back-up Slides
Enterprise Process Owners (EPOs) function as central “integrators” for all types of transformation activities

<table>
<thead>
<tr>
<th>GIE Shared Services</th>
<th>Globally Integrated Support Processes</th>
<th>Integrated Operating Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Globally integrated organizational units providing support services to all of IBM</td>
<td>Horizontal, end to end process transformation initiatives</td>
<td>Programs that draw on synergies in our worldwide enterprise processes, skills and assets to drive integration</td>
</tr>
</tbody>
</table>

- Business Transformation/Information Technology
- Real Estate Operations
- Integrated Supply Chain
- Marketing and Communications
- Finance
- Human Resources
- Legal
- Sales Management Support
- Sales Transaction Hub
- Opportunity to Order
- Order to Cash
- Hardware Product Management Transformation
- Incentives
- Service Labor Management Transformation
- Service Product Management Transformation
- Business Partner Enablement
- Business Operations
- Center-based Operations
- Client Centers
- Development
- Sales Management and Support

The Enterprise Process Owners (EPOs) are responsible for planning, prioritizing, and delivering the radically simplified and integrated processes necessary to support our 2015 roadmap.

Processes are represented by the Enterprise Process Framework (EPF), which is the single trusted taxonomy that describes IBM's business processes.
These Enterprise Process Transformation board principles support IBM's globally integrated enterprise strategy and plans

- Process priorities must be integrated and collectively align with corporate business strategy
- Processes must enable achieving financial objectives
- Processes should enable IBMers to operate and behave consistent with the IBM values.
- Process owners must consider enterprise risk in setting priorities
- We must radically simplify the linkages between processes to maximize enterprise value
  - Set, simplify, and resolve policies
  - Identify upstream opportunities to simplify downstream
- Collectively, we must make trade-offs based on an end-to-end view of value across the business
- Collectively, we must deliver measurable end-to-end IBM value
- Processes will be aligned with the strategic goals of the Blue Harmony initiative
- Approach to process work includes a plan for business process management and continuous improvement