Setting the stage for a new era in Business

Sugandh Mehta
Distinguished Engineer
IBM Global Business Services

What is Driving Business Today?
The Changing Business Landscape in the Globally Integrated Economy

Forges a strategy for
Componentization

Delivers Unique Value

Taps into the power of Globalization

Early findings from the IBM Global CEO Study to be published Spring 2008
The globally integrated enterprise represents the new business design for the 21st century.

**Globally Integrated Enterprise**

A globally integrated enterprise (GIE) has operations and strategy that is integrated across geographies, functions and organizations. It has globally shared services and assets that can be deployed worldwide allowing it to respond to market demand quickly and efficiently – with global synergy and local effectiveness.

Sustainable Agility Needs the Power of…

... **service orientation**
A way of integrating your business as linked services and the outcomes that they bring

... **a service**
A repeatable business task – e.g., check customer credit; open new account

... **service oriented architecture (SOA)**
An IT **architectural style** that supports service orientation
Smart SOA Delivers Value to Both Business and IT

**Business**

- Simplicity
- Foundational
- Extend End-to-End
- Transform
- Adapt Dynamically

**IT**

- Robustness

Source: Gartner

SOA Represents the Next Evolutionary Step to Improve Business Agility and Flexibility

- Service-Oriented Business Apps (Loosely coupled)
- Component-Oriented Business Apps (Tightly coupled)
- Mainframe Based Apps (Monolithic)
- Services-Oriented Architecture (SOA)
- Component-Oriented Architecture (COA)

Source: Gartner

Time
SOA enables IT capabilities to be utilized effectively in offering business solutions

What are our Customers doing with SOA?

Adaptable/Flexible Business Apps
- Based on reusable, business-level building blocks called Business Services
- Dynamic personalization and delivery
- Most flexibility, responsiveness and reuse

Process Choreography
- Process automation with Basic Services
- Business logic encapsulated within the process
- Some redeployment flexibility and responsiveness

Simplify Integration
- Easier integration and connectivity
- Standardized components and Web services
- Based on well accepted technical standards
What is a Business Service?

Business Services are business level "building blocks" whose execution can be adapted at runtime based on business policy and user context.

Example: "Credit Check" Business Service

Understand Where You Are and Where You Are Going

Knowing Where Your Industry Will be Helps Set Priorities

IBM Industry Thought Leadership
Insights into where your customers, competitors and industry are headed with over 35 industry-specific research papers per year
Operationalize Your Business Strategy
Building Capabilities for Global Integration

Forges a strategy for Componentization
✓ Enable Modular Business Processes
✓ Foster Global Collaboration

Delivers Unique Value
✓ Manage Value Through a Specialized Ecosystem
✓ Effectively Manage Risk and Control

Taps into the power of Globalization
✓ Leverage Global Assets
✓ Serve Distinct Markets

Globally Integrated Enterprise (GIE) Assessment
Component Business Model

Distinct Business Value with Every Path
Regardless of Where You Choose to Engage

Value to business
Greater agility in specific, departmental business areas
Optimization and innovation across end-to-end business processes
Business model innovation to support the Globally Integrated Enterprise
Predictive business automatically responding to market forces

Scope
Collaboration within a line of business
Coordination across lines of business
Enterprise-wide organizational cooperation
Enact significant shifts without direct IT involvement

Based on 5700 customers using our SOA offerings
Business Architecture Provides a Foundation for the Future
Aligning Business and IT for Agility and Growth

Business Strategy

IT Strategy

IT Architecture

Selecting the Right Key Agility Indicators
How Well Am I Positioned for the Future?

IBM is pioneering agility performance metrics!
Example: Supply Chain Agility – efficiency & quality measures
- Perfect Order Performance
- Average cycle time in hours between order generation and order delivery.
- Finished product, first pass quality yield.

Measuring agility is critical in setting strategic direction and making informed decisions

IBM
Accelerate Deployment of Composite Applications
Pre-built Assets and Best Practices for Rapid Value

Composite Business Services
Adaptable packaged industry services & processes

WebSphere Business Services Fabric

Industry Content Packs
Accelerate deployment with new partners through industry standards

IBM is positioned in the leaders quadrant: Gartner, Inc., "Magic Quadrant for Application Infrastructure for New Service-Oriented Business Application Projects, 2007", and Gartner, Inc., "Magic Quadrant for Application Infrastructure for Composite-Application Projects, 2007." The Magic Quadrants are copyrighted 2007 by Gartner, Inc. and are reused with permission, which permission should not be deemed to be an endorsement of any content or products depicted in the quadrants. The Magic Quadrants are the intellectual property of Gartner, Inc.

Grace Lewis (glewis@sei.cmu.edu)
Senior Member of the Technical Staff, SEI

Sugandh Mehta (smehta@us.ibm.com)
Distinguished Engineer, IBM GBS
Service Oriented Enterprises will be successful when

- **Business and IT are aligned**
  - Responsive to business change
  - Business ROI
  - Governance in place
  - Follow Industry Standards

- **Information as a service**
  - Information on Demand
  - How information is stored & used within and outside the enterprise

- **Security**
  - Who has access to the information, for what purpose and how are they using that information

Some Research Challenges Related to SOA Strategy

- **Strategy Selection**
  - How are SOA strategies matched to business goals?
  - Are there patterns?

- **ROI on SOA Adoption**
  - How are SOA projects justified, given the intangible benefits of SOA adoption?
  - What is the best way to create a business case?

- **Metrics**
  - What are good metrics to measure benefits of SOA adoption?