Business/IT Alignment for Smarter Business Outcomes

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Why is Improved Business/IT Alignment Important?

“Aligned IT and Business result in DOUBLE the productivity gains of isolated business and IT efforts”

Source: London School of Economics – McKinsey survey and analysis of 100 companies in France, Germany, UK and US
Nearly a third of customers indicate their company achieved a better alignment between IT and the business as result of their most recent SOA project.
Achieve Business Value with Smart SOA™ Approach and Business/IT Alignment

% of SOA Customers by Approach

- Foundational: 61%
- Extend End-to-End: 29%
- Transform: 11%

System flexibility to support converged telecom business services
Governance is success factor in achieving projected $50M savings
Replaced all of its legacy systems with a completely new, modular application infrastructure
Leveraged SOA and BPM to enhance visibility
How to Create Excellent Business/IT Alignment

*Using Smart SOA™ approach*

Based on over 200 SOA best practices engagements

- Develop shared language
- Create shared priorities
- Establish joint decision making team
- Reference external validation

*IBM Academy Study: Best SOA Practices*
Develop Shared Language

*Don’t Call It SOA – Use language business is using*

- Explain the value and benefits in business terminology
  - Focused Business Results
    - based on Key Agility Indicators
  - Optimization and Innovation
    - based on Business Processes

Take advantage of business modeling to develop shared language between business and IT
Focus on Understanding Business Terminology

- Financial Management (SOX Compliance)
- Green Initiatives (Carbon Management Dashboards)
- Product Lifecycle Management (Category Line Extension)
- Marketing, Sales and Services (Contact Center Optimization)
- Supply Chain (Inventory Management)
- Human Capital Management (Employee Self-Service)

Example:
- Business is using Visio/PowerPoint to talk about processes
- IT imports that information into Business Modeler
Innov8 Demo Video

Experiential Learning … Joint Business/IT effort
Create Shared Priorities

*Jointly deciding on right business project*

- Outline immediate and long-term priorities
- Avoid technical jargon

On-line Web Tool
**IBM Business Value Analyzer (BVA)**

- Select and prioritize Business goals
  - and IT Goals
- Receive recommended projects to meet shared priorities and define their value

**Link:** to www.ibm.com/soa/value
Establish Joint Decision Making Team

**Executive Steering Committee**

**SOA Center of Excellence**
- Combined Business/IT team
- Establish decision rights
- Define high value business services

**Business**
- Processes
- Priorities
- Policies

**IT**
- Implementation
- Enforcement
- Service Creation/Update

Take advantage of IBM SOA Governance & Management Method

How to:
- Define roles and responsibilities
- Create policies and processes
- Develop Center of Excellence
Decision Making Team Roles
Each business/IT member contributes key perspectives

Center of Excellence

CFO
“We need improved business agility to address increased competition. What is IT doing to help?”

CIO
How do I support the expansion and provide clear investment value?

LOB Owner
“What’s the revenue opportunity and how much will it cost to get into Asia?”

Program Manager
“What is the as-is and to-be business process? Who needs to agree on the service model?”

Development Executive
“What are the business services needed? What services already exist? Who owns them?”
Reference External Validation

*Choose a path based on BVA and document value*

*Build business case based on results*

**Business Value Assessment Offering**

- Uses ROI Tool that leverages IDC/Alinean data as a foundation
  - Based on customer data (20,000+ WW)
- Designed to help create value realization for your project
  - Projected costs
  - Expected savings
  - Financial analysis
  - Calculated ROI

Consulting engagement to produce a customized business case
Reference your Industry Peers

Show how SOA success improves business value

The new biopharmaceutical blueprint:
Aligning business and IT with SOA

R&D - SOA integration techniques applied to manage clinical trials
Manufacturing - SOA supports enhanced information-sharing

Insurance | Healthcare | SCM | Electronics
---|---|---|---
Retail | Banking | Government | Cross Industry

SmartBusiness INsight Brochures

Successful business implementations using SOA

Link: ibm.com/soa
Reference Successful Customers

SOA Customer Success Stories
- Over 130 customer references
- Under ‘success stories’ on ibm.com/soa

IBM TV Customer Reference Videos
Aetna
ibm.com/software/info/television/index.jsp?item=xml/X694406H13191L23.xml

IBM SOA Customer Whitepapers
Reaping the rewards of your service-oriented architecture infrastructure
How real-life organizations are adding up the cost savings and benefits
Achieve Business/IT Alignment for SOA Success

- Develop Shared Language
- Create Shared Priorities
- Establish Joint Decision Making Team
- Reference External Validation

Take advantage of available resources:
- Techniques
- Tools
- Documentation

The Smart SOA Widget
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