

IBM Podcast.

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MATHENY: Welcome to this IBM podcast. I'm Angelique Matheny. The title of this podcast is SOA in a Down Economy: Delivering Improved Return on IT Investments.

In an uncertain economy, IT needs to do more with less. Given tightening budgets and increased competition to innovate and adapt to change in a difficult marketplace, businesses need to align their business and IT goals, while at the same time reusing and repurposing existing applications and technologies to take advantage of modern architectural framework such as SOA -- Service-Oriented Architecture, or SOA for short.

IBM can help businesses reduce the total cost of ownership of their IT investments: investments which they have either just acquired or investments which already exist in mainframe systems across lines of business.

In many cases, there's no clear knowledge of the importance of these applications to the business, and IBM can help customers understand this massive portfolio of applications through consolidation and modernization to help eliminate duplication, reduce maintenance burden and improve IT

effectiveness.

And joining me to discuss how IBM Rational can help is Steve Weaver, IBM Rational SOA Go to Market Manager. Hi, Steve. Welcome to the podcast. Thanks for joining us.

WEAVER: Hey, Angelique. No problem.

MATHENY: Steve, let's start with this. There's no doubt that business today is undergoing challenging economic conditions. Given that, I have a couple of questions. First, how can SOA address the needs of customers in today's climate? And specifically, how can Rational help?

WEAVER: Well, Angelique, there's certainly no doubt with the economy in recession around the world, business leaders are facing difficult IT decisions. In a downturn, companies frequently return to cost cutting to ensure ongoing operations.

But equally potent ways to get the most out of diminishing IT investments include driving custom risk out of the software delivery environment. These improvements, which are essential in a soft economy, will also continue to reap benefits when economic pressures subside.

So the time is right to recession-proof organizations by

adopting architectural approaches such as SOA, along with leading edge software delivery practices from Rational.

Now, obviously businesses today are bombarded by change and many are struggling to keep up. The gap between change and the ability to adapt has tripled in two years. In fact, according to our 2008 Global CEO Study, nearly all CEOs are adapting their business models and two-thirds are implementing extensive innovations.

An SOA approach can help by helping businesses become more agile, improve performance, and grow. What we call Smart SOA, powers smarter outcomes. The result of business approaches that include things like the way the business is designed in order to ensure agility, optimizing processes based on business insight and action, that the technology that is easy to implement, is more consumable and by reaching and retaining today's more connected customer.

Now, given the current economic outlook and recession, many of our customers today are looking for ways to leverage SOA in their IT organizations to create efficiencies and drive greater business value while controlling costs. Rational is focused on helping to address these growing demands and drive measurable outcomes to business.

More and more, organizations are being driven to align

business goals while enabling greater business flexibility, manage value and mitigate risks by improving project management, ensure regulatory compliance in a changing global environment, and most importantly, controlling costs and improving global operational efficiencies in distributed organizations.

In the year ahead, we expect to see a growing trend towards cost control. The ability to adapt an enterprise to modern applications and services is crucial to controlling costs, improving outcomes and maintaining a competitive edge.

And Rational is providing new tools to help businesses quickly adopt modern technologies and architectures like SOA without the need to retrain employees. This will allow companies to get more value out of their existing IT investments.

MATHENY: Steve, explain some of the ways that Rational can help organizations deliver an effective SOA that addresses the issues you've just talked about.

WEAVER: Certainly. There's several things I want to discuss focused around driving the smarter business outcomes I just talked about. First, organizations need to look at leveraging existing assets and skill sets to do more with less.

Second, by providing good SOA governance, enterprises can make sure that their business vision and IT operations are aligned, which is critical when resources are scarce. And then, finally, I'd like to touch on making faster, better informed strategic and tactical decisions with enterprise architecture in the SOA context.

MATHENY:       Okay. Let's take each of these opportunities in turn. Can you talk a little about leveraging existing assets?

WEAVER:        Yes, so what we call enterprise modernization can certainly play a big part in helping organizations become leaner and do more with less. When it comes to IT, and especially the turmoil in the financial services industry where SOA is well established, Rational can help companies reduce the total cost of ownership of their IT investments.

Very often, these IT assets have either just been acquired through a shotgun marriage of companies that we've seen recently, or there are hundreds or thousands of existing applications spread across lines of business with no clear knowledge to the importance of these applications.

So Rational can help rationalize -- if you excuse the pun --

this massive portfolio of applications through consolidated efforts to eliminate duplication, reduce maintenance burdens and improve IT effectiveness.

So some of our customers are dealing with short-term tactical needs such as modernizing the look and feel of green screen applications to increase the productivity of the users of these systems, and better integrating them into portals that they might be using to aggregate and display information, for example.

Other customers have already started to look at modernizing their systems in order to be more responsive to the needs of the business. But first they have to be able to understand their application processing as it relates to business processes, which is essentially the process of finding what they have and then figuring out how it can be reused.

Also, many customers are struggling with high costs to maintain their systems due in part to having to maintain multiple tool sets to build and maintain software systems deployed on their distributed and host-based platforms.

We've also heard from customers who have already made the decision to move to more modern architectures like SOA, but they're really struggling with the costs to retrain their COBOL and RPG programmers, for example, to add value in

their transition to more modern architectures. And finally, customers often express concerns around the architectural complexity that reduces their ability to decouple and reuse services for new business initiatives.

So how can we help? I'd like to point out a couple of areas. Firstly, businesses in today's economy need to act quickly to seize business opportunities. Rational's enterprise modernization story begins with legacy application understanding.

In other words, gaining insight into what applications are out there, being smart about how you reuse and manage your assets, building flexible architectures and building superior quality applications that can help lower the overall total cost of ownership with application development and deployment across heterogeneous platforms like System z and i.

All these aspects of application modernization can help businesses act because they now have an intelligent or improved understanding of what they have, how complex it is, which components or assets would require changes to make them more reusable in the modern SOA platform; and finally, how they can optimize these legacy applications to deliver high quality solutions to achieve greater business and IT alignment.

Secondly, businesses need to execute with reduced risk and cost. Enterprise modernization can help businesses consolidate their disparate team infrastructures by unifying the islands of IT development that exist today by eliminating redundancy, streamlining and automating software delivery which will help lower cost and reduce risks across the entire software delivery lifecycle.

Enterprise modernization offerings such as Rational Team Concert on z and i and ClearCase, System z, and Build Forge agents running on System z and i, all help to deliver the promise of unifying software delivery across disparate platforms.

Finally, organizations need to achieve precision and desired business outcomes, too. One way to achieve such precision is by leveraging the modern tooling that can enable people with existing or new skills to deliver solutions which can achieve the outcomes they're looking for.

Modern Eclipse-based tooling built around the enterprise generation language can drive innovation and simplify development across platform applications. Key offerings here are Rational Business Developer, Rational Developer for z and i with Java or EGL, and HATS for turning green screen applications into modern Web-based applications.

Each of these solutions help teams do more with less. As businesses are cutting back on investments in IT, not only solutions which will help them get higher productivity from skills they have as well as the new talent they like to bring on.

So, ultimately, Rational's enterprise modernization approach allows our customers to leverage value in their existing assets, drive innovation with technology advancements, leverage existing and new skills on multi-platform projects, improve the responsiveness of the systems and people, and reduce their maintenance costs.

MATHENY: Steve, let's shift gears a bit and move on to SOA governance. How can SOA governance help in addressing issues you've just raised?

WEAVER: Well, SOA governance is all about establishing a strategic vision for SOA, aligning that business and IT vision, sponsoring and funding the vision, and providing responsible oversight and controls, as well as ensuring governance mechanisms are in place to support the vision.

These mechanisms include the SOA government structures, skills, processes and the SOA infrastructure itself. So SOA governance is really an extension of IT governance that

focuses on the lifecycle of services and composite applications in an organization's SOA.

The function of SOA governance is really to establish decision rights, development, deployment and management of services and monitor decision for governance results.

So I want to concentrate here on a couple of aspects of governance -- one around reducing unforeseen business risk and cost and another around asset management, both of which are really going to help businesses in the economic climate we find ourselves in.

So let's start with reducing risk. The goal here is to optimize quality by delivering against desired business outcomes, and we can address that in a couple of ways. First, by ensuring the delivered solutions meet business requirements and policies through the use of Rational Requisite Pro with their integration with Rational Software Architect.

Secondly, by maintaining traceability across the service lifecycles with business needs all the way through solution delivery. Thirdly, by mitigating costly audit by seamlessly driving compliance mandates through the use of Rational Apscan, Rational Requisite Pro and Rational Software Architect and Rational Asset Manager.

With traceability between various levels of requirements and code you can ensure all compliance mandates have been implemented against and ensure test cases are created and passed. Rational Asset Manager will help with ensuring that assets and components that have been created and tested to meet compliance mandates are being used effectively.

Finally, you can facilitate security enhancements with minimal disruption to existing objectives using the Rational Apscan family of tools to automate the recovery of exploitable security vulnerabilities.

Together with Rational Policy Tester, Apscan can help businesses avoid costs associated with managing security breaches, reduce the cost of security and compliance skills and automate, streamline and manage business processes.

Next, let's talk about the management of assets.

Organizations typically are looking to improve the return from investments in software development. They need to know how their software assets are being used and what cost savings are available.

In addition, IT managers need to make sure that developers have the right high-quality assets easily available and ensure that the teams can collaborate and reuse assets

across the systems and software engineering lifecycle.

In addition, SOA governments are all about prescribing and enforcing the uses of certain architectural standards and linking project portfolios to software assets and architectures.

So Rational Solutions, specifically Rational Asset Manager, when it's used with WebSphere Service Registry and Repository, allow users to manage and facilitate reuse of software assets including services used in SOA development, leading to accelerated delivery of applications with increased quality and reliability.

Secondly, these solutions promote reusable asset communications sharing across disparate multi-platform projects by implementing a work flow to manage the usage, updates and delivery of assets, avoiding duplications, unifying disparate development teams to enable reuse and eliminate unnecessary rework.

And finally, Rational Asset Manager can enforce and monitor the integrity of development assets with a definable, enforceable and auditable process that lasts with the enforcement of governance architectural standards, access and utilization of the software assets. Each of these capabilities leads to reduction in costs and risk for the

deployed applications while facilitating reuse.

MATHENY: Finally, let's move on to enterprise architecture. How can that help drive down costs in today's economic environment?

WEAVER: Well, there are several ways that enterprise architecture can be used synergistically with SOA to help drive down costs. One of the key aspects of enterprise architecture is its ability to help organization align business with IT.

Firstly, let's consider enterprise blueprinting: understanding the whole scope of your business and IT portfolio, including things like strategies, goals and organizations, business architecture and process analysis, applications, services and data, systems, network and components.

Getting a cohesive view of this disparate yet related information before changes are made allows you to make faster, better informed strategic and tactical decisions.

Telelogic System Architect provides interactive visualization and analysis to help with the blueprinting process by creating common and consistent information resource to guide enterprise planning including multiple

modeling standards in a single tool and by propagating changes throughout the data blueprint, ensuring that the information is accurate and current.

Secondly, organizations can maximize budgets and resource utilization with business and IT collaboration by prioritizing IT investments to support business goals. System Architect allows for integrated team planning to build business case and project justification with business stakeholders.

It allows for shared collaborative modeling with multiple interfaces to facilitate the business to IT dialogue with Web modeling and publishing as well as being able to capture business processes using the BPMN standard notation.

Finally, in conjunction with our enterprise modernization tools, users can assess the business impact of change through the harvesting and maintenance of current information, automatic application discovery and analysis of legacy and distributed systems, which I was talking about earlier.

Thirdly, businesses can plan and execute change faster with better insight towards improved risk management of organizational transformation. Enterprise architecture supports impact analysis and transformation through

executive dashboards and visual reports for impact analysis, which are based on dependency information across the organization through visualization and time-based analysis for effective migration from current state to a desired future state.

System architect allows organizations to optimize future investments by quickly identifying how potential changes will affect applications or subsystems through the identification and reuse of IT and engineering assets and applications that support the design environment by using Rational Asset Manager as well.

Finally, teams can efficiently deliver solutions to keep pace with the business plan by effectively turning strategy into execution and then measuring the results. Rational Solutions allow customers to drive the continuous workflow from enterprise architecture to SOA solutions delivery, ensuring business stakeholder involvement in the creation of solutions and design through the traceability which ensures alignment between the business strategy and the project outcomes.

So using Rational solutions, companies can validate the results of their IT investments and solution delivery through the use of heat maps, for example, to confirm that the results meet business objectives and by providing

consistent methods that enable continuous improvement in change and by Web-based executive dashboards and reporting.

MATHENY: Steve, our last question, in wrapping up, talk a little bit about customers who have benefited from these solutions.

WEAVER: Certainly, we've seen customers have tremendous success with our solutions. I'd like to give you three quick examples. A major credit and financing corporation in Europe using Telelogic System Architect was able to use enterprise architecture to facilitate a joint board level IT and business architecture committee to identify areas where spend is not aligned to the IT roadmap. Because of this approach, they were able to save over \$3 million in the first year in decommissioning redundant systems and infrastructure.

And another example, Dubai Customs has been able to manage enterprise information, run impact analysis and make decisions more effectively, increasing their productivity and reducing the time to value of their applications.

Finally, a global bank has been able to reduce their audit cycle time from 500 to 20 hours by using Rational security and compliance software.

So in each case, these companies have leveraged IBM and

Rational solutions to reduce costs, increase productivity, and do more with less using an SOA approach that leverages Rational solutions. So, in short, there's never been a better time to begin or extend an SOA implementation to deliver smarter business outcomes given today's economic reality.

MATHENY: Steve, this was very informative. Thank you so much for taking time out to discuss SOA in a Down Economy: Delivering Improved Return on IT Investments. We really appreciate it.

WEAVER: Thanks, Angelique.

MATHENY: That was Rational's Steve Weaver, SOA Go to Market Manager. If you're interested in more podcasts like this one, check out the Rational Talks to You podcast page at [www.ibm.com/rational/podcast](http://www.ibm.com/rational/podcast). This has been an IBM Rational podcast. I'm Angelique Matheny. Thanks for listening. Keep tuning in as Rational Talks to You.

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