

Business planning and transformation

IBM Podcast

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MATHENY: Welcome to this IBM podcast, Business planning and transformation. I'm Angelique Matheny with IBM. How does a company align business and technology investment strategies, with so many moving parts and shifting priorities?

A company may be asking, is there a better way to bridge business, development and operation processes and improve collaboration amongst the teams involved at the same time? Or, how does one define a deployment strategy that they can stand behind while their resources are constantly shifting?

If your company struggles with all of these challenges, then you want to listen to this Webcast. And today we have David Spade, Partner, Strategy & Transformation, PLM Americas, with IBM Global Business Services, to talk to us about how IBM is helping companies like yours address these challenges.

And also joining us is Steve Shoaf, Market Manager, Systems Engineering. And, Nicole Katrana, Market Manager, Product and Service Innovation. David, Steve and Nicole, welcome to the podcast. Thanks for joining us.

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SPADE: Thank you for having us.

SHOAF: Glad to be here.

KATRANA: Thank you.

MATHENY: David, I'm going to address this to you first.

Let's start off with a very basic yet complex question: how is IBM helping companies address these challenges?

SPADE: Well, I tried to simplify it into three things.

Basically, we've taken our service offerings and aligned them within both the integrated product management framework as well as the Smarter Planet initiatives, and it really comes down to three things.

First is a product and services framework which includes all our product development related activities relative to ISVs, our systems engineering capability, our software engineering capability and our analytics, and really helps them with the process improvements and performance improvement of their development function.

And I think the products and services -- with the emphasis on services -- is a unique differentiator because it's not just about developing airplanes and automobiles anymore; it's about life sciences, it's about digital projects. And we'll get into more of that in a little bit.

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The second area is engineering services accelerators. So, once you have those in place, how do you really get to the best practice? And that can involve things from engineering design accelerators where we've got through our 20 and 30 years of product development experience with IBM, we've got different electronic design accelerators, and we have cloud services for design, and we actually have design services and testing for people in the software development field.

And then finally, it's kind of interesting because you have to take a step back in the bigger picture, which is, okay, how do I make sure that the products that I'm developing or the services that I'm offering are really what is required by the business, has a market for it, and how do I make sure that those products are coming to market at the right time and frankly being retired at the right time?

And so, we get back to the very basics with clients in terms of integrated product development offerings which is our own based on our own product development methodology and support, but we've got this and taken this to a number of clients worldwide and it really helps them govern the product development process all the way from the cap-ex and op-ex expenditures that they're making in product development all the way through the steps and phased gate process of a detailed design.

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So, it's a very exciting time for us in these areas, and it's really kind of core to developing smarter products and Smarter Planet.

MATHENY: So, David, this sounds like this is a combination of tools and best practices, so I'm going to ask Steve. Steve, is that correct? Is that what I'm hearing?

SHOAF: Absolutely. David elaborated upon some of the best practices that are involved in helping a company understand where it needs to go in terms of the strategy, but IBM also has some tools in the area of product and portfolio management that help companies understand the data that exists in the marketplace that specifies customer needs and desires and can then help a company manage that data to help them make decisions about where they need to go in terms of their product development.

So, they can understand where the marketplace opportunities are, and then develop their processes for making products to take advantage of market windows, to prioritize resources appropriately on the products that are expected to be most profitable. And overall, just to help them streamline their business processes in terms of understanding where they need to go and in terms of product development.

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SPADE: And Steve, thank you. That's the foundation for some of the services offerings that we have including the product and services framework and our analytics. You mentioned the dashboards and the metrics. You know, the audience for that information can vary widely, but you have a number of dashboards, reports, analytical tools that can help you with a range of things from design reuse and [cards] consumption and quality performance through process measurements both internally and externally with the market.

Then frankly, for product defectivity and maintenance. And that can use a variety of data which I think is intriguing in the marketplace and this timeframe. You've got just an explosion of wealth of data that exists both internally with your own product and supply chain data as well as with your product performance in the field.

And helping clients make use of both the structured and unstructured or anecdotal data that can exist in everything from structured product design databases through social networks, frankly, you can make better product and make better inferences about what you need to do in the future.

In addition, there's a couple other offerings that I think are important here. One is, the wealth of tools around systems engineering. And for those of you that may not be familiar with it, this is how do you make a product robust

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both from a mechanical design, software design, as well as how does it survive and interact with other products in this space.

So think about if it's an iPad application and how that interrelates with your cable service provider or the network provider that you have and how you make the interoperability effective.

And so we have a systems engineering workbenches and tools that help with that design both the discipline as well as the linkages to, okay, if there is a change, what parts of the design will be affected? That again is probably a unique differentiator that IBM tools have.

And then finally, we've mentioned about the service accelerators in terms of being able to provide the collaboration environments and infrastructure for information flow to get at that structured and unstructured data and to be able to make decisions off of it.

Right now, we're offering that not only as a tool that can be installed at a client's location, but as I mentioned before, the emerging cloud offerings that we have regarding design engineering will allow people to tap into these capabilities much quicker than they can today.

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MATHENY: So, David, can you provide any examples of clients whom IBM has helped to solve these challenges?

SPADE: Sure. There's a range of clients, and rather than say individual names, because many of these, remember that we're doing work with people developing their next products and developing their future, frankly. And so some of them have different confidentiality requirements, but I'll give you by industry a couple of examples.

One in aerospace. There's an emerging number of new business jets, small regional jets, emerging markets building in China and so forth. And we've won a number of engagements, including a very sizable five-year extension of the services and offerings with one specific client, which is really helping them build their next generation of jets.

And that provides a collaborative environment and it involves linking up suppliers and designers across the globe including places that are sensitive such as China.

And then, helping with the end-to-end process. And that can't be overlooked, because we have a number of examples where we've been able to tie the engineering change process which has to go through a number of different processes, a number of different systems in order to get to its end result. And in doing so, we've been able to accelerate the aircraft certification times dramatically because of some of

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the offerings we have in the framework.

The second area that's emerging that's really of interest is the life science clients. We have a lot of clients that are global now. They've grown up through a series of mergers and acquisitions, and they frankly have just a patchwork quilt of toolsets involved.

And what they're realizing is that they're now in global markets that have got global regulations, new emphasis on recipe mix and compliance, and so what we're working with a couple of clients right now is how do you provide that global infrastructure so you can see that data, so you can have access to all the test data and performance and be able to make better decisions about your recipes mix and production decisions going forward with the wealth of information you've got in the enterprise.

The third example is we're working with a couple of clients in the electronics industry that have decided that they no longer want to design their products themselves but actually outsource that product design to a third party, contract manufacture.

And setting up how you do that both from a systems capability perspective as well as what the processes are themselves and how you manage them from a metrics

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perspective is what we're really helping them with. Again, we can rely greatly, one of the best citations in the world is what we do internally with IBM and some of the things that we've done. Remember, we are still a top 10 supply chain, and that credential helps dramatically in some of these markets.

And then finally, to give you kind of an interesting example out of the box, is we've worked with one of the major U.S. cable companies providing television signals and so forth. And that's grown up as a utility. And this is an example of complete industry transformation through the digital transformation story that we have out on the IBV.

So here's a company now that has competitors that it didn't have before, and it frankly doesn't even know what its service and product offerings are, which ones are in the market, how they're affected and so forth. And so we've implemented IPD for this client so that they have a better handle on what products and what priorities they're putting on in the design process.

And they've recently made some advances to be able to make decisions about when they outsource design capabilities and they've looked at us for some of those as well. And it just provides that executable framework from which you can manage your business. So, exciting examples. Obviously there's a

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wealth of others that we could talk about and we've just touched the surface here. But we've seen just a noticeable uptick over the last two years in terms of the interest that clients have in these areas.

MATHENY: Excellent examples, thank you very much for that, David. So, Nicole, as we wind down this podcast, any parting comments?

KATRANA: I think what you heard today is that business planning and transformation is key. It's really the front end that really helps a client to determine how they're going to build their products, what to build, and then what processes they need in place in order to drive that new innovation with these smarter products.

It's really not easy. It's part of the larger integrated product management strategy that IBM is rolling out. It's really a combination of key products, best practices, services, and it really takes a company all the way from the business planning and transformation step all the way through the product and systems development process lifecycle.

It really allows for that real-time collaboration within the four walls within the product development process as well as through your value chain and all the way through end of life

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as far as how you're going to support that product or services, and then how you're going to feed that information back into the front end tools that are going to help you for that next generation.

So, I think what you heard today is that this is an excellent first step for a company that really needs to figure out how they're going to go to market and what they need to put in place. And it is part of a larger offering that IBM has. So we really hope that those listening to the podcast take the time to research what IBM has and reach out to us, because we'd love to have that conversation with you.

MATHENY: Well, Nicole, David and Steve, thank you so much for sharing your time today. A great discussion. Great conversation, and we really appreciate it.

KATRANA: Thank you.

MATHENY: That was IBM's David Spade, Nicole Katrana and Steve Shoaf discussing business planning and transformation, product management and global optimization of process and organization.

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www.ibm.com/rational/podcasts. We'll post a link to the integrated product management page to help you get started to design, deliver and manage smart products.

This has been an IBM podcast. I'm Angelique Matheny.
Thanks for listening. Keep tuning in as Rational Talks To You.

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