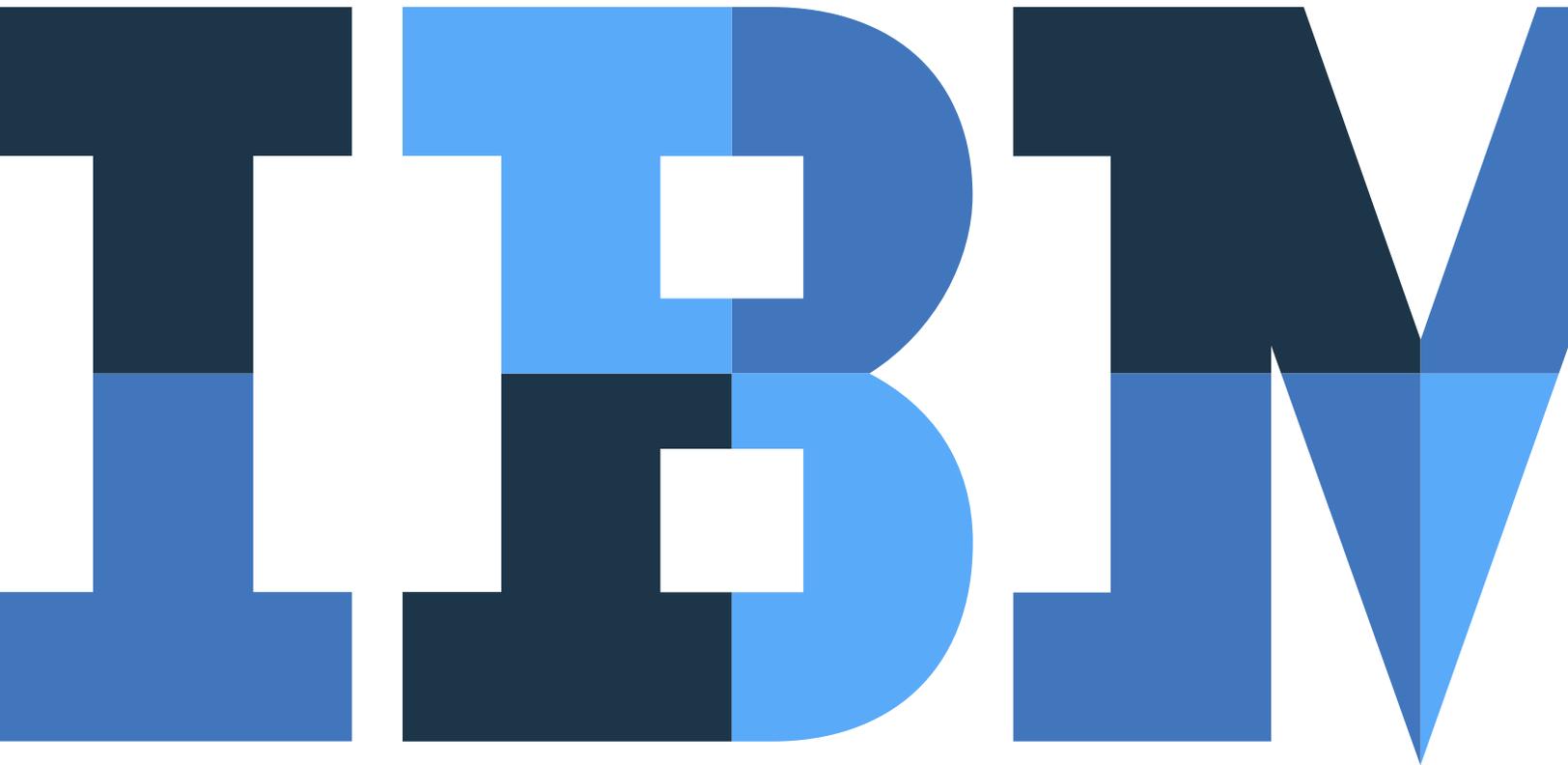


# Decision management provides critical link to operational agility



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## Introduction

More so than ever before, agility matters.

A shifting competitive landscape along with heightened customer demands, technological transformations, digital disruptions and a host of other trends, combine to create distinct challenges for business operations executives. Achieving and maintaining a competitive edge in this climate requires an advanced framework for pivoting whenever needed—with minimal cost, maximum efficiency and optimal outcomes. The question for every enterprise in the current environment: Do we have the required agility to drive decision-making capabilities that will continuously sharpen our competitive edge?

The need for sophisticated systems that support innovative business models and drive competitive advantage is not anything new for forward-thinking operations executives.

Significant steps have been taken to optimize efficiency through the implementation of business process management (BPM) systems that provide control and visibility over business processes, reduce human handoffs and cut costs. Too often though, adoption of operational decision management (ODM) has lagged behind. The automation of operational decisions tends to be sporadic. Many companies are still relying upon the limited decision logic capabilities within BPM systems. Others are relying on open source code or hard coded Java script to manage business rules and logic.

Automating business processes without implementing operational decision management on the same scale and scope leaves a vital missing link.

## Optimized for agility

Operational decision management—capturing, automating and governing frequent, repeatable business decisions—is an increasingly critical operational imperative. While there is a limited business rules and logic capability within most BPM systems, operational agility improves dramatically when rules and decision logic are managed separately from process management and maintenance.

Changing business rules and logic within BPM is costly, complicated and requires IT intervention. Conversely, when business rules are externalized from business processes, changes can easily be implemented as needed, within the lines of business and independent of IT's BPM governance procedures and scheduled maintenance process.

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*The optimal solution for ensuring operational agility and creating a framework for strategic advantage in the midst of market upheaval and shifting competitive dynamics: operational decision management capabilities that allow decision logic to be easily changed as needed by the line of business.*

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Business decisions such as pricing, special offers and product bundling change far more frequently than the business processes such as purchasing, sales and shipping that incorporate them. Decoupling the management and maintenance of the two functions ensures that business decisions can be changed as needed at the pace of business.

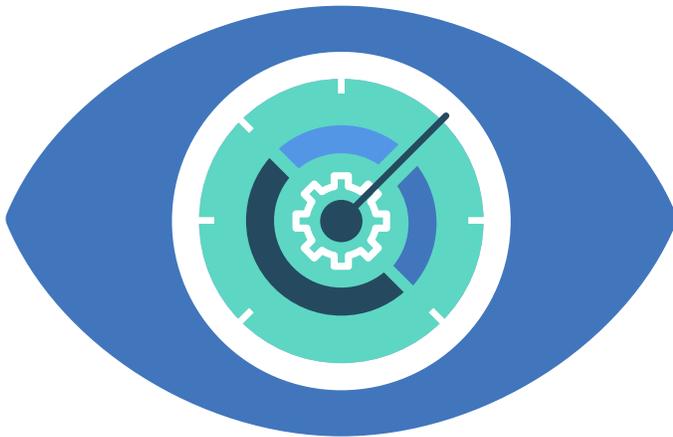
## Digital business decision imperatives

A solution that aligns operational decision management and business process management lays the groundwork for essential, agility-fueling advantages. Key among them:

- Repeatable business rules and decisions are identified, codified and automated.
- Rules reflecting new business policies and regulatory updates are implemented and maintained independently of hard-coded business processes.
- Business experts are able to manage and maintain their own business rules—writing rules in natural language, not code.
- Rules that reflect new opportunities and risks can be implemented in the business moment.
- Governance, management and maintenance of hundreds of business rules are facilitated within an accessible framework.
- Operational decision logic is visible, manageable, measureable and easily shared across processes.

### Critical first step

Operations executives have discovered that the implementation of BPM lays the groundwork to more quickly leverage all that ODM has to offer. This is largely due to the fact that the continuous process improvement that follows the implementation of BPM results in the automation of an increasing number of processes along with more structured exception handling. As such, BPM fuels an engine that supports decision automation—but without ODM, a host of benefits remain unrealized. Key among them is the fact that by using natural language, ODM enables the codification, governance and maintenance of business rules by business owners, without requiring the costly and time-consuming involvement of IT in the BPM cycle.



### From insight to action

Automation and governance of repeatable business decisions are central to the level of business model transformation required to meet the challenges and opportunities of the digital economy. The implementation of ODM fuels a full spectrum of strategic advantages that impact every aspect of the enterprise. Key among them:

- Alignment between business strategy and operational response
- A shortened path between detecting opportunities and acting upon them
- Complete consistency, accuracy and precision in decision-making
- The optimization of business decision logic
- The ability of business owners to define and maintain their own business rules
- Flexibility in revising or adding to business rules whenever necessary
- Speed in moving from intent to implementation of rules that reflect new strategies

While the ability to derive deep insights from data is often cited as central to digital transformation, the speed and effectiveness in which insights can be translated into action is an essential—and all too often, missing—link to competitive advantage. The time it takes to change operational systems determines how fast business operations can adapt to new opportunities and challenges, which is the ultimate determinant of business agility. Without the required agility, organizations can't count on putting new business strategies into effect fast enough, and risk never achieving alignment if changes to strategy consistently outpace organizational response.

## Decisions, decisions

Enabling business owners to manage their decision logic is an essential benefit of ODM. Also key is the fact that the full spectrum of disparate decisions that emerge from on-the-spot judgments, legacy code, processes, policy briefs, regulations, best practices, corporate documents and personal work aids is centralized in a governed and transparent business-rules repository that ensures visibility into the decisions driving critical business decisions and logic.

Collectively, the wide range of strategic, tactical and day-to-day decisions constitute the lifeblood of operational effectiveness. Decisions such as to how to price a product across channels, how to offer dynamic pricing to suppliers and how to ensure that customer relationship management practices are aligned with customer retention initiatives, are among the thousands of rules-based determinations can be codified by business owners in natural language using BPM.

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**The business rules governing enterprise decisions essentially fall into five categories:**

### *Eligibility*

**Eligibility rules** serve as a link within a process-decision pathway, creating new information that determines the next step. Examples include: Is this customer eligible for this level of service? Is this a late payment? What is the loan risk level?



### *Validation*

**Validation rules** occur across every business application. For security, validation logic is required to access confidential data or provide the necessary authentications.



### *Computation*

**Computation rules** perform business calculations such as pricing, discounts, metrics and product configurations that are not based on straightforward formulas and may depend upon a complex set of factors.



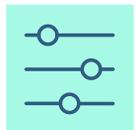
### *Process*

**Process rules** tend to be event specific and determine the next steps based upon case data and pre-conditions that guard against ad-hoc actions.



### *Authority*

**Authority rules** govern a range of functions such as who has access to what information, who is authorized to perform specific functions, the team or individual in the process to route to next or approval levels for functions such as monetary signing authority.




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*Eligibility rules, validation rules, computation rules, process rules and authority rules; all have a tendency to change frequently.*

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## Evolution of operational decision management

ODM began as a way to automate decisions through business rules management systems technology. What's different now is the ability to leverage new and more immediate sources of information that bring more dimension and precision to decision-making. Making the best possible business decision requires more than knowing that a customer is taking a particular action. Knowing the circumstances under which an action is occurring—in other words, the context for the behavior—can be just as important, if not more so. Today, the world is full of sources of contextual information, from mobile devices to social media to IoT devices.

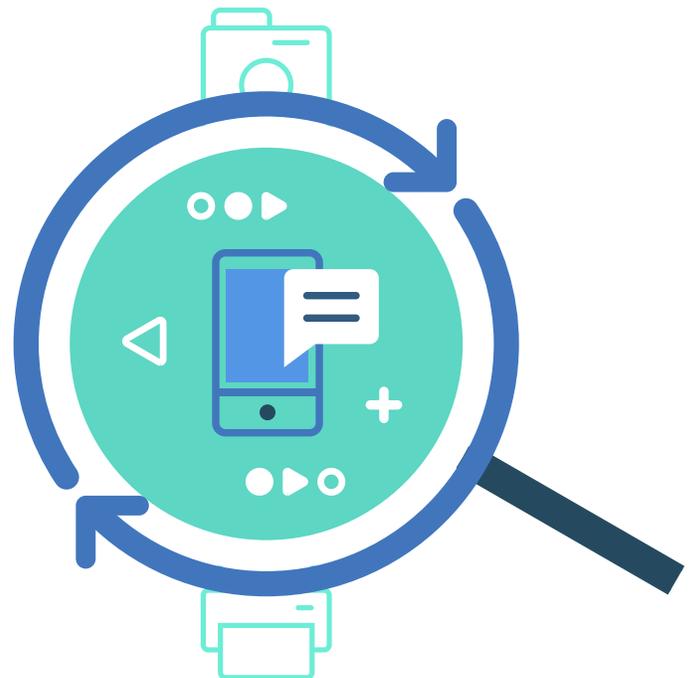
ODM today is able to use analytics to find patterns in that information, uncovering insights that will identify opportunities and risks, and improving the decision-making process. For the first time, there's the possibility to be proactive and make operational business decisions in context.

Business intelligence had previously been viewed as the driver of decisions, but as the number and complexity of business decisions has risen on a sharp upward trajectory, operations executives have realized that business intelligence has not been applied to a wide enough segment of the enterprise. ODM goes both deep and wide, incorporating analytical as well as operational data, and affecting decisions at every level—from the big picture to the fine-grained. To sharpen the competitive edge in this rapid-paced, inherently uncertain business climate in which lines separating both geographies and sectors have blurred and customers are demanding always-on connectivity, “business as usual” is a relic of the past. Enterprises must act differently, and that means deciding differently.

The ability to automate decisions based on contextual insights from data drives revenue, profits and a lot more. Company reputations, morale, growth and productivity are also enhanced when decision logic and rules are applied on a consistent and transparent basis. With ODM, the process of governing, managing and maintaining hundreds of rules is automated and drives value enterprise wide by enabling business owners to oversee governance and maintenance of rules.

In today's digital business environment, a willingness to change along with the ability to do so quickly, is an essential business survival skill. While many factors are at play among enterprises that are best fit to compete and thrive, the ultimate determinant is a swift progression from insights to actions to the applications of new rules and logic that determine actions.

Evidence of the potential of ODM technology today is the ability to seamlessly move through the decision journey—first garnering insights from data in context, then establishing decisions based on those insights and finally, triggering the right business processes to carry out actions.



## Eight indicators that an enterprise needs ODM

1. Undue resources are devoted to process updates as a result of business rule changes.
2. The same decisions are being implemented repeatedly across multiple processes.
3. Processes are being frequently revised simply to accommodate changes to decision logic.
4. Business experts are not able to maintain their own business rules.
5. Too much time is required to adapt processes to new business policy, market and regulatory requirements.
6. Operational response to new opportunities and risks is not as fast as it needs to be.
7. Decision-making is too time consuming and manual of a process.
8. Process analysts are constantly being called upon to make changes to decision logic.

## The IBM advantage

IBM Operational Decision Manager enhances agility, responsiveness and customer engagement in the midst of business transformation to drive market leadership and competitiveness. Providing decision management solutions to proactively make the right decision at the right time, IBM ODM determines the appropriate course of action for customers, partners and internal interactions. The result is improved business insight and outcomes—shedding a light on both opportunities and risks.

The IBM ODM platform enhances the effectiveness of existing BPM capabilities—ensuring that decision logic is visible, manageable and measurable. The interface is designed to enable business experts to write rules in natural language—not code—and easily implement, test and rapidly deploy decision changes to meet new market demands and policy requirements. Additionally, IBM ODM provides a decision governance framework, including role-based security, built-in release management cycle, historical reporting and testing and simulation capabilities.

With a deep base of satisfied clients across a wide-range of industries and geographies, IBM ODM provides the best platform on the market for automating and managing business rules and logic. The impact is new possibilities for operational agility that captures insights and codifies repeatable business rules across all applications and processes.

Enterprises that implement IBM ODM fuel digital transformations along with the tools to continuously sharpen their competitive advantage.

[See first-hand](#) how business users can access rules and modify them prior to implementing changes to evaluate their business impact.

Experience IBM ODM in action for free for 30 days through [IBM's cloud-based ODM trial](#).

Learn what's possible! Sign up for an IBM ODM [Discovery Workshop](#).



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