The cloud as the great equalizer for business operations

How business process and decision management on cloud can have a transformative impact on your business

IBM

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Introduction

In the digital economy, big IT budgets, lots of brick sand mortar and an established market presence are no longer at the foundation of a competitive advantage. What matters now is the agility and speed to ensure that customer centricity is supported as an overriding priority of business operations and decision making.

Game-changing ideas are developing and competitive threats are emerging at a rapid and unpredictable pace. The resulting digital disruption is not just occurring at the margins or within isolated pockets of industry and commerce. It's the new normal and its consequences are far reaching. The essential question for every organization in every sector is simply: Will we be the disruptor or will we allow ourselves to be the disrupted?

Staying ahead requires adopting a combination of technology solutions. Key among them is a smart process and decision management system that infuses every process with intelligence in order to continuously raise the bar for customer centricity, while sharpening the competitive and operational edge through enhancements, such as accelerated loan approvals, personalized offers and the ability to proactively respond to customer needs and preferences.

Until recently, the level of business process management (BPM) and operational decision management (ODM) capabilities that supported digital transformation was only available to large organizations that were positioned to commit significant capital expenditures. That's no longer the case. The cloud has proven to be a great equalizer, opening a new venue for speeding innovation and creating value from the data surrounding relationships and transactions.

Cloud-driven digital transformation

The introduction of cloud-based BPM and ODM capabilities has vastly expanded access to advanced process and decision management. With the flexibility and rapid return on investment that's inherent to the cloud, smaller companies or individual business units within larger companies have a greater potential than ever before to speed innovation and create more efficient business models. This cloud-enabled, scalable optimization of business models—that was previously only accessible to companies that had hefty IT resources and could absorb the delays associated with traditional, onsite implementation processes—represents a highly significant development in decision and process management technology. The resulting impact on the competitive landscape is proving to be profound.

Cloud-based decision and process management capabilities eliminate the traditional barriers to entry, such as high up-front capital costs, hardware availability and, perhaps most important, the skills required to install and operate the platform. This means that the time to value is greatly accelerated—within a matter of hours or days versus weeks or even months, the latter of which is typically associated with investments in onsite infrastructures.

Cloud expenditures ebb and flow as new initiatives emerge and priorities change. This reflects the realities of business operations in which seasonal demand patterns and market shifts require that companies be able to reshuffle processes and operations.

With complexity hidden—because the technology infrastructure is managed behind the scenes—processes and operations are significantly simplified. The resulting simplicity emerges as the signature benefit of cloud-based capabilities. In clearing the complexity, new possibilities emerge for speed and agility.

Simplicity, speed and scale—three prerequisites for staying ahead in the digital world—characterize the cloud-based processes and operations designed to get products to market rapidly, while extracting maximum intelligence and business

An overview of business process and decision management

Business process management (BPM) is a solution for discovering, documenting, automating, governing and continuously improving business processes to create a superior customer experience. Optimization using BPM applies to both system-initiated processes and humandriven workflows. For example, a bank could use BPM to automate loan origination processes and reduce the time needed to approve loans. A healthcare company could implement BPM to ensure compliance with regulations.

BPM enables organizations to reduce manual work and human error, increase standardization and consistency and improve real-time visibility and process control.

Operational decision management (ODM) solutions enable business professionals to manage and automate repeatable business rules, events and operational decisions that impact business performance. For example: Should a discount be applied to a purchase? Does this customer qualify for the next step in a loan application? ODM solutions enable management of business logic outside of applications—reducing the reliance business professionals have on IT departments and empowering business people to create and manage business rules.

ODM makes it possible to go from what used to be hard-coded business logic, embedded in code within applications, to flexible business rules that are managed independently from the application and can be easily modified. This is accomplished by creating business rules in natural language that can be read, understood and changed by a business expert.

Current business dilemma: Aggressive goals, limited resources

Consider the case of On Demand Facilities, SL, headquartered in Seville, Spain. In the midst of rapid business growth, this company, which markets electricity and natural gas and provides consulting and energy management services, was struggling with disparate IT systems that caused inconsistencies, errors, manual fixes, wasted rework and dissatisfied customers. A small company with aggressive growth objectives but limited IT budgets, ODF required modern solutions to carry out its strategic objectives.

The company needed a scalable solution that could support its growth, along with a wish list that included:

- The agility to capitalize on a changing business climate
- Consistent business processes that facilitatedcollaboration among departments
- Clear visibility into business processes
- The ability to align technology costs with usage versus committing to a major capital investment
- Business management software that would fuel expansion

All of the above were achieved following the adoption of IBM® Business Process Manager on Cloud for process automation and systems integration

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The top five benefits of IBM Business Process Manager on Cloud and IBM Operational Decision Manager on Cloud

1

Faster Time to Value

Get started within 24 hours of purchase and experiment rapidly to get to market quickly and at scale.

2

Lowers the Bar of Entry

Eliminate typical inhibitors to starting process and decision management products—CapEx, IT resources and hardware availability.

3

Simplicity of Use

Work in an easy-to-use interface and always have access to the latest product features.

4

Enable Continuous Change

Dedicated development, test and production environments, all in the cloud, allow for seamless application changes and updates.

5

Security and Dependability

Managed and hosted in IBM's cloud with high availability and resilience.

The end-to-end, cloud-based integration of systems and processes has resulted in an enterprise-wide understanding of process flows, improved operational efficiency and additional revenue streams. Scalable, streamlined systems have shifted the focus away from filling the holes in a patchwork of disparate systems and processes toward new opportunities and additional revenue streams.

Facing similar challenges, the UK's Cambridgeshire Fire and Rescue Service sought to redesign its entire approach to business process management among its 28 fire stations, which employ 750 people. Among the goals was the creation of an open and collaborative model that would facilitate the exchange of previously siloed data in order to promote the sharing of best practices and achieve greater customer centricity. The automatic flow of data throughout business processes would mean less duplication of IT resources and the assurance that all customers would have the benefit of optimal efficiency.

The solution proved to be IBM Business Process Manager on Cloud.

Working in partnership with two other fire services and with support from IBM, the Cambridgeshire team built a platform that not only provides a sound basis for process automation, but also lays the foundation for a sustainable redesign of the fire and rescue services community.

Serving as more than an integration and automation platform for Cambridgeshire's disparate, siloed IT systems, IBM Business Process Manager also guided the design and deployment of the processes themselves, as well as added a 95% boost in cost efficiency.

The new approach is built upon open standards that are now available to fire and rescue services throughout the region. Moving forward with the integration landscape, nearly all of the back-office processing is being converted to automated workflows that will run themselves, practically without any human intervention—allowing for greater cost effectiveness and significant budget reductions.

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Harnessing collective expertise

The ability to capture collective business expertise in every transaction and every interaction, and then to leverage that knowledge for the automated management of repeatable business rules, events and operational decisions, is a critical step toward achieving the level of speed and scalability that digital transformation requires. ODM can take many forms. For example: Should a particular discount be applied to a purchase? Does a particular customer qualify for the next step in a loan application of a particular size? It is through ODM that companies achieve a framework for consistent, in-the-moment decisions.

ODM was originally viewed as a means to automate decisions through business rules management systems (BRMS) technology. It enabled, for example, an insurance company to generate quotes by applying business rules that govern eligibility, underwriting and ratings, the capabilities have evolved in ways that can have a significant impact on costs, efficiency and competitive effectiveness. In addition to relying on ODM to manage rules, insurance companies are now relying on ODM to instantly identify which customers are eligible for new products.

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ODM in the cloud can also enable even a small company to develop dynamic pricing models for products sold through its website. Factoring customer data into established rules, companies can target specific customers with promotional offers or focused campaigns that optimize marketing resources.

The range of possibilities for tapping the potential of BPM and ODM in the cloud run both deep and wide. The surface has hardly been scratched.

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Take the next step

Rapid change in the business climate, along with the certainty that continuous, unpredictable market upheaval is the new normal, raises the stakes for the kinds of partnerships and capabilities that are needed to fuel customer centricity and sharpen your competitive edge.

The leading provider of process and decision management technology, IBM has ushered in a pivotal turning point for companies of all sizes with the introduction of IBM Business Process Manager on Cloud and IBM Operational Decision Manager on Cloud. These new cloud-based capabilities are within reach—today. They are as accessible as they are transformative.

Consider the impact of deeper, more frequent and more effective engagements with your customers within a framework for rapid experimentation. Review the current opportunities. Make a wish list of what might be possible and then sign up for a free trial. Once you begin to see for yourself the potential of IBM Business Process Manager on Cloud and IBM Operational Decision Manager on Cloud, your business will never be the same again.

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