Drive Growth and Value with proven BPM solutions from IBM
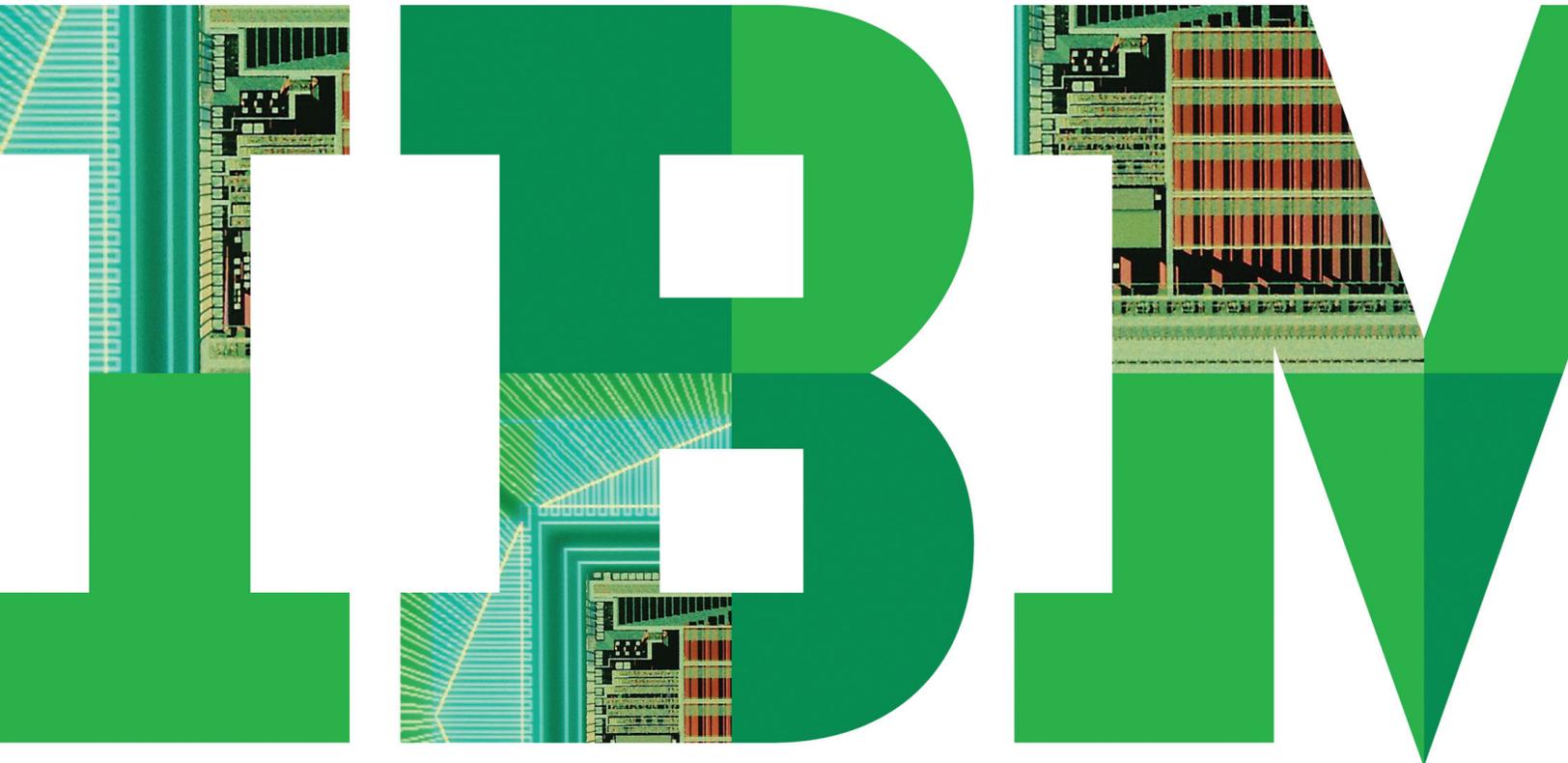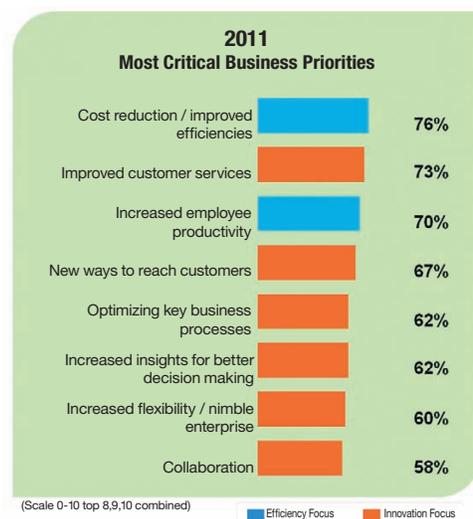
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Contents

Executive summary

As economies around the world continue their steady recovery, midsize firms face a new set of challenges and opportunities to position themselves for success. What are the critical business priorities for midsize firms for 2011? According to the Inside the Midmarket Global Report, commissioned by IBM and conducted independently by KS&R, Inc., globally managing costs, improving efficiencies, increasing productivity and superior customer service are key focus areas to help businesses make better use of the information and resources available to them.

1. **Cost reduction and operational efficiencies.** The demands of today's "new normal" financial environment require that midsize firms remain focused on efficiency and cost control. Therefore, it is no surprise that 76 percent of midsize businesses cite improving efficiency as a key priority, while 70 percent cite increasing employee productivity. Many midsize businesses are optimizing key business processes to deliver greater efficiency and competitiveness.

2. **Customer focus.** Enhancing customer service (73 percent) and prospecting for new customers (67 percent) are top priorities among midsize businesses around the world. In Canada, the United Kingdom, Germany, Mexico, Singapore and Poland, improving service and better managing customer relationships are the top priorities. In China, 92 percent indicate that finding new ways to reach customers, such as through social media, are top priorities.

3. **Increased insights and intelligence.** According to the report, improving insights for better decision making is another top priority. This capability results in the ability to use information more effectively in order to make informed and competitive business decisions regarding customers, competitors and their own companies.

Recent economic disruptions have spawned new ways of thinking about information technology and smart systems. In many ways, technology has moved from being a back office function and enabler of cost reduction, to a driver of growth and value. For some, this transition is a steady journey. For others, the right alignment of IT and business strategy can deliver immediate breakthrough change and transformation.

**2011
Most Critical Business Priorities**

Priority	Value
Cost reduction / improved efficiencies	76%
Improved customer services	73%
Increased employee productivity	70%
New ways to reach customers	67%
Optimizing key business processes	62%
Increased insights for better decision making	62%
Increased flexibility / nimble enterprise	60%
Collaboration	58%

(Scale 0-10 top 8,9,10 combined)

■ Efficiency Focus   ■ Innovation Focus

Business Process Management

Organizations like yours are seeking ways to drive measured growth, while meeting rising customer expectations. At the same time, IT departments require the ability to deliver greater flexibility to the business while managing costs. Business Process Management (BPM) is a discipline that helps you achieve agility in order to meet the expectations of an increasingly complex ecosystem in which you operate while keeping costs down. BPM is not about new technology. BPM is about aligning your strategic imperatives with your internal capabilities by utilizing technology in ways that maximize the productivity of all your assets—people, processes and systems. Becoming process aware, however, requires a new way of thinking about what it is that your company is doing today in order to get to where it wants to tomorrow.

Midsized organizations have seen success with BPM by starting small, thinking big and scaling fast. Whether you want to penetrate a new market or identify and exploit a weakness in one of your competitors, you face business challenges on a daily basis. These challenges are ripe with opportunity for transforming the processes with which you address them into sources of sustainable competitive advantage. It is because of their potential for high returns that you want to start your BPM journey with a single pain point before attempting to roll out a BPM approach across the organization. Achieving success in one of these initial BPM projects can help you identify what worked and what did not, both in terms of approach and team structure, and build these into a business case for adopting a BPM program at the organizational level.

As a midsized organization, you are perfectly positioned to leverage BPM as a transformative endeavor. You are less exposed to the type of day-to-day external pressures that generally impact a small organization, while at the same time you do not exhibit the rigidity that often makes large organizations resistant to change. Set in place the type of organizational culture that will ensure change is not something you fear, but something you embrace.

In setting up a BPM program, you will quickly realize that scalability will emerge as a key requirement:

- **Highly scalable execution platform.** In order to achieve economies of scale from sharing and reusing process components throughout a long-term BPM program, the underlying BPMS must make it easy to manage multiple BPM projects, authors, developers and users.
- **Highly scalable communication platform.** You will need a communications tool that has the potential to reach every single knowledge worker in the enterprise. The time, money and effort associated with installing and using traditional technical BPMS modeling tools are too high to reach large numbers of nontechnical users. A completely different communication platform is required to meet the scale.
- **Making BPM work.** Tools and technology are only part of any BPM solution. What is often more important for success is understanding how to make BPM programs work: how to share, govern, scale and achieve success with the business empowered and firmly in control.

Scalability pressures make BPM programs more strategic in nature while they support end-to-end cross functional solutions to the business. A BPM program has the potential to significantly impact strategic imperatives such as tracking workflows and service level agreements, improving customer satisfaction ratings and putting the company on a growth and efficiency trajectory.

IBM Blueworks Live

Every day, more and more companies are kicking off process improvement projects. When a process improvement project is successful, the business value delivered can be very significant, resulting in less effort, lower costs, lower risks, increased productivity, higher agility, and a more competitive position in your industry. For a process improvement project to be successful, and more important, scalable to the program level, it is imperative that all users involved are aligned on the fundamentals, and able to collaborate in a tool that accurately reflects the company process.

As the first product to engage all users in a process-focused col-laborative environment, IBM Blueworks Live provides an easy-to-use environment for the rapid discovery, definition and documentation of business processes. Its graphical design and visualization tools are specifically designed to make it easy for all process stakeholders to engage directly in the analysis and improvement of business processes. As a cloud-based offering, it means new contributors to the team can be added on demand and immediately, with no extensive training. In lowering the barriers of entry to BPM, Blueworks Live represents technology that grows around you, in time becoming the single, shared repository where anyone can find the "single version of truth" about any process.

How can this impact your organization? It can provide much needed control over process improvement initiatives, which makes executing BPM strategic imperatives a reality. Blueworks Live facilitates a cultural transformation in organizations of all sizes, supporting all phases of the BPM life cycle, from modeling through development (the assemble phase), deployment (the run phase) and monitoring.

Blueworks Live capabilities

An important role in any collaborative environment is to stream-line communication. IBM Blueworks Live is a safe and secure private community accessible from any Internet browser—with no software to install or maintain. With Blueworks Live, anyone in your organization can work on the same process in real time from anywhere in the world. Document processes, as well as build, run and participate in Process Apps quickly and easily using simple templates for checklists or approvals.

Blueworks Live offers the following capabilities to help provide tangible business results:

- **One place to manage all your work.** Are you tired of run-ning your processes over email? Email chains get confusing, replies overlap one another and work gets lost.
  IBM Blueworks Live can help you easily manage and automate your work. Set up your process in Blueworks Live and you are done—in as little as 90 seconds.
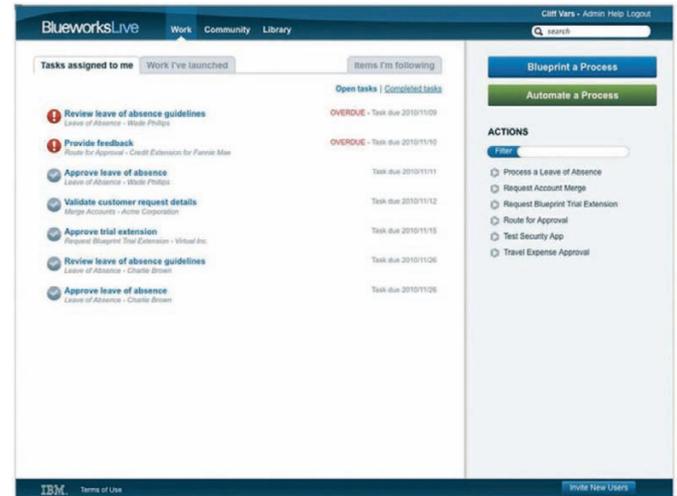
Blueworks Live assigned task list

- **Gain visibility into your processes.** Blueworks Live provides real-time visibility. As a manager, you will be able to see who is working each task and where they are in the process, and be able to reassign work to make sure that deadlines are met. As a process participant, you can see projects being assigned to you, search for completed work, and choose to follow your projects. Blueworks Live delivers the insight everyone needs to focus on the most "value add" activities.
- **Social networking meets BPM.** Built-in communication features, such as instant messaging, live news feeds and the ability to comment on each other's work, help you to react immediately to process changes that impact your projects.
- **Gain understanding of your complex processes.** Blueworks Live makes it easy to develop complete applications for your simple processes—but it can also help you make sense of even the most complex ones. The advanced analysis capabilities give you insight into how your process is performing and which systems are impacted. Because you are now collaborating with your whole organization in a secure private community, you will be able to break down the silos to achieve alignment and consensus throughout your organization.

Obtain valuable insight into your operations by discovering, mapping and documenting using process blueprints. Then scale your improvement initiatives and tap into expert communities of practice by collaborating across teams and locations with your entire organization. Midsized organizations worldwide are leveraging Blueworks Live to unleash their full potential without sacrificing budget, or the roles that can participate in process improvement initiatives.

IBM Business Process Manager Express

While traditionally, BPM systems have been both cost and complexity prohibitive to midsize firms, process improvement has never been far away from the top strategic priorities of midsize organizations. This was further confirmed in a recent IBM survey of more than 2,000 midsize firms in which roughly 70 percent said they had a BPM project underway or one in the works for the coming 12 to 18 months, according to Shaun Jones, IBM's VP of worldwide business partner and midmarket marketing.

"There's definitely a need that our clients are telling us that is emerging in the world of smaller companies," Jones said in an interview. "Every company, regardless of size, needs to understand the way things work in their organization because if you don't, you don't spot opportunities to drive more efficiency, eliminate costs, better use your resources, or spot where you can do better to help your overall growth."

This is where BPM Express comes in. While it is functionally equivalent to its enterprise counterpart, it has been scaled down in terms of licenses—two authors and 200 users—in order to facilitate the adoption of a comprehensive BPM solution that is simple and affordable enough to provide quick returns to any midmarket enterprise. This can help midsize businesses keep up with large enterprises when it comes to delivering on the promise of business process management.

BPM Express capabilities

When you account for the cost of inefficiency, declining customer satisfaction and lost business, not understanding your enterprise from a process perspective is not an option. BPM Express provides the level of visibility into end-to-end processes that allows organizations to detect and respond to business in real time while maintaining compliance with regulations and internal controls.

Comprising a complete set of advanced BPM capabilities that can provide any business with an integrated, scalable platform for every aspect of business process automation and improvement, IBM Business Process Manager features market leading capabilities to:

- Gain executive buy-in for your BPM initiatives with an affordable and successful initial process improvement project.
- Optimize business processes by providing visibility to participants for continuous process improvement.
- Increase efficiency with a federated view for performing tasks, managing work items, tracking performance and responding to events—all in real time.
- Enhance time to value through user focused design capabilities, including process coaching to guide users easily through the steps of a process.
- Manage change with a unified model-driven environment that provides everybody with visibility of the same process version.

The benefits of deploying IBM Business Process Manager Express are numerous. IBM Business Process Manager Express scales smoothly and easily from an initial project to an enterprise-wide program, and is easy to deploy and use straight out of the box.
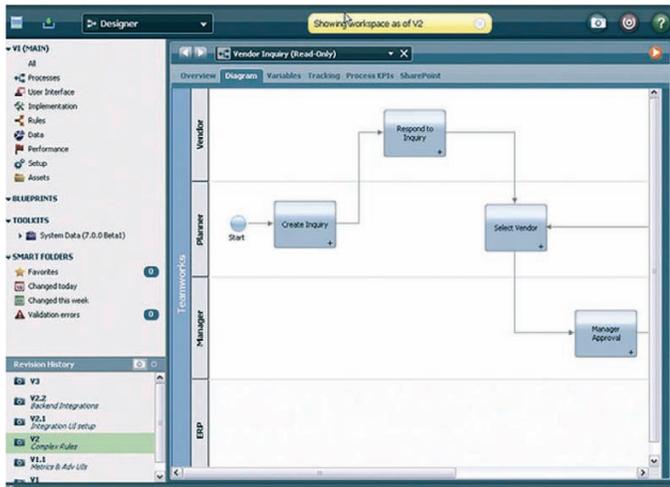
BPM Express workspace

Blueworks Live and BPM Express – the one-two punch to process excellence

Uncertainty in the economic environment persists, so midsized organizations must keep a careful eye on expenses while they increase investment in growth initiatives. Balancing growth and fiscal conservatism is challenging, and requires greater agility and flexibility. In addition, businesses face the challenge of rising customer expectations, as they demand ever increasing levels of personalization in an environment in which technology such as the cloud has dramatically lowered the cost of taking their business elsewhere. IBM Blueworks Live and BPM Express are the ideal combination for managing business processes and increasing efficiency and collaboration within your organization, in effect establishing a platform for innovation.

IBM Blueworks Live is the ideal environment in which the organization's process know-how can be collected, analyzed and improved upon in a safe, easy-to-use and collaborative fashion. Simple checklist or approval type processes can then be automated and executed in Blueworks Live in order to gain visibility

over performance metrics of processes that might have only been executed over email. BPM Express represents the natural follow on platform in which, through a simple subscription mechanism, the process intelligence gathered and nurtured in Blueworks Live can come to life in the way of automating, optimizing and gaining complete visibility into the complex processes that make your organization hum.

Midsized organizations have never been in a better position to apply the BPM discipline to their own organization. Tools that up until today could only be justified from a cost perspective by large enterprises are now empowering organizations of all sizes coming from a variety of industries and with a very diverse set of process improvement needs to take control over their businesses.

Case study – Lincoln Trust

Lincoln Trust Company is among the country's leading independent providers of self-directed IRAs and provides record-keeping, administrative and custodial services to 401(k) plans and other defined contribution plans.

Business need

As a result of a divestiture, Lincoln Trust was forced to reduce its workforce by 75 percent; however, the incoming document volume was only expected to decrease by 25 - 30 percent. The alternative assets segment of the IRA business has struggled to effectively change their business model due to the complexity and manually intensive nature of alternative assets. Lincoln Trust received over 100,000 documents per month resulting in wasted time, lost documents and client complaints. As a smaller private company, it was imperative that LTC initiate a BPM program to provide an appropriate return on investment.

Solution

After a careful selection process involving representatives from across the company, Lincoln Trust Company selected IBM Software for BPM in August 2008. Since then, they have not only migrated the "common shared model" (with several significant improvements to the model overall) but also several

"first order" business process solutions, all served with a shared set of web services that provide the required integrations, including services for document management activities.

With its user friendly features and low barriers to usability, the business units of Lincoln Trust Company quickly adopted Blueprint as a key tool in their BPM project for detailed current and future state business process documentation and analysis. The BPM program's executive sponsors challenged their management teams to conduct BPM projects for at least five strategic business processes.

Lincoln Trust Company has implemented numerous business process technology solutions used by all business units in the company. Some of those processes include a document manager, which serves as a virtual mail station for all teams using processes integrated with the document management system, plan establishment, eDelivery and a service request process.

Benefits

The results of this BPM implementation were a 90 percent reduction in customer complaints due to lost or mishandled documents, an expected ROI of 120 percent in less than one year, reduced process cycle times by up to 75 percent in some areas, and an overall cost savings to date of USD2.2 million.

"We now have tools to map out, study and improve all of our processes. They are user friendly and logical. I'm excited that we've embraced the BPM technology and culture that supports the way we want to manage our business"—*LaTeca Fields, Business Analyst, Specialized Support Services*

Getting started with Blueworks Live and BPM

Document, collaborate and escape your inbox with IBM Blueworks Live. Invite everyone on your team to join in, easily collaborate on your processes, and become notified instantly when changes are being made to processes that involve you.

In addition to Blueworks Live, you can provide visibility and management of your business processes with BPM Express. Business Process Manager especially excels in integrating role-based design time experience, while enabling asset sharing and versioning, by way of its unified repository—allowing you to manage changes to your business with confidence. Come talk to us about the "quick win pilot" services approach that can help you achieve success in your first project and quickly realize business value. Use a proven, affordable approach to build confidence and jump start the enablement of your team.

Blueworks Live and BPM Express work together to help you optimize business processes, drive profitable growth and increase agility needed to respond rapidly to changing customer expectations and business demands.

For more information

To learn more about Blueworks Live, please contact your IBM client representative or IBM Business Partner, or visit http://www.blueworkslive.com/ to sign up for a 30-day trial at no charge, attend a live demo, or to download the brochure. Or download the BPM brochure to discover how to turn your operations into opportunity and take back your business.

Additionally, financing solutions from IBM Global Financing can enable effective cash management, protection from technology obsolescence, improved total cost of ownership and return on investment. Also, our Global Asset Recovery Services help address environmental concerns with new, more energy-efficient solutions. For more information on IBM Global Financing, visit: **ibm.com**/financing.

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