IBM Client Success Stories

Real world SOA

Customer Success Stories

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Real world SOA customer success stories

Real-world SOA Customer Success Stories

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When this company began delivering versions on DVD on monthly, quarterly or annual schedules, customers had trouble keeping up with all the releases and installing them properly. In addition, it was difficult for the company to support the software when customers were several releases behind. The company undertook a strategic transformation initiative using a service-oriented architecture to expose its capabilities as services through the cloud. Benefits include more efficient processes for maintaining software and the ability to offer higher value vertical solutions. Products used in this case study include IBM® WebSphere® DataPower® Integration Appliance XI52 and IBM Integration Bus (formerly known as IBM WebSphere Message Broker.)

TBC Corporation wanted to shift its focus from tire sales to automotive services and provide more Internet benefits for its customers. To do so, it needed a new technology platform. The company worked with IBM Software Services for IBM WebSphere to create a service-oriented architecture to support solutions for data, the cloud and mobility and gained valuable insight into its customers and inventory, helping provide a 10 percent to 15 percent increase in retail sales. Solution components include IBM WebSphere Application Server, IBM WebSphere DataPower XI50 and XI52, IBM WebSphere eXtreme Scale, IBM Integration Bus (formerly known as IBM WebSphere Message Broker), IBM Operational Decision Manager (formerly known as IBM WebSphere Operational Decision Manager) and IBM Software Services for WebSphere.

MVV Energie AG sought to create an intelligent grid services platform that would serve as the foundation for a "marketplace" of smart grid services. The company engaged IBM to design a framework for integrating devices and energy sources across the grid. The solution "virtualizes" power generation sources, enabling customers to select more cost-effective decentralized power sources. The solution enables customers to extract real-time information from the grid and automatically apply rules that optimize consumption patterns to minimize their power costs. The client chose the following software products for the solution: IBM Lotus® Expeditor Integrator, IBM Tivoli® Access Manager, IBM Tivoli Directory Server, IBM WebSphere Enterprise Service Bus, IBM Operational Decision Manager (formerly known as IBM WebSphere ILOG® JRules), IBM Integration Bus (formerly known as IBM WebSphere Message Broker), IBM WebSphere MQ, IBM WebSphere Portal Server and IBM Business Process Manager (formerly known as IBM WebSphere Process Server). Services included IBM Global Business Services® and IBM Global Technology Services.

TATA Group wanted to become a pioneer in the country's newly opened direct-to-home (DTH) satellite television market. To reach its ambitious growth and market penetration goals, the company needed to gain the first-mover advantage by launching its offering faster than its competitors. It chose IBM to build a robust, flexible business model and service-oriented architecture-based IT infrastructure to launch its Tata Sky satellite broadcasting service in a short time—about six months after work began. The company then crossed the one million connections mark in its first year of operations. Software used in this solution includes IBM WebSphere Application Server, IBM Business Process Manager (formerly known as IBM WebSphere Process Server) and IBM Integration Bus (formerly known as IBM WebSphere Message Broker) and was implemented by IBM Software Group Services.

Real-world SOA Customer Success Stories

In Japan, competition in the Internet banking business has been intensifying. In this environment, SBI Sumishin Net Bank, Ltd. aimed to bring to market a broad product lineup in a shorter period than other financial institutions. The bank developed a totally new Internet banking platform characterized by the use of an accounting system application package and a service-oriented architecture framework. A total of approximately 600 billion yen in funds was deposited and 400,000 new accounts were opened after only 18 months since the start of operations. The time required to launch the service was shorter than that required for the development of conventional financial products. The solution was comprised of IBM WebSphere Application Server , IBM WebSphere Enterprise Service Bus , IBM WebSphere MQ, IBM Integration Bus (formerly known as IBM WebSphere Message Broker), IBM DB2® Universal Database™ on pSeries®, IBM Tivoli® Monitoring, IBM Tivoli Storage Manager, Corebank (Fidelity Information Services), SAP R/3 FI/CO on IBM Power® 570 and IBM Power 595 servers.

A large Eastern European bank had to transform its customer service and sales processes in order to understand which individual sales representatives were performing well and which were not. The bank developed a new sales and service platform using business process management (BPM) and a service-oriented architecture enabling a clear, clean and readily managed interface between the core sales process provided in the sales system and all of the bank's existing applications. Software used includes IBM Business Process Manager (formerly known as IBM WebSphere Process Server) and IBM Integration Bus (formerly known as IBM WebSphere Message Broker).

Globe Telecom needed to reach a new level of agility in the creation and management of promotional service offerings. In a joint engagement, IBM and Nokia Siemens Networks designed and built a SOA-based service creation and delivery platform that enables Globe to rapidly and cost-effectively create service offerings from reusable service components. There is an expected one-year payback period, a 600 percent increase in promotion effectiveness and more than 95 percent reduction in the time and cost of developing new promotions. IBM products used in the solution are IBM BladeCenter JS12 Express and BladeCenter JS22 Express servers along with the following software: IBM Integration Designer (formerly known as IBM WebSphere Integration Developer), IBM Business Process Manager (formerly known as IBM WebSphere Process Server), IBM WebSphere Enterprise Service Bus, IBM WebSphere Service Registry and Repository, IBM WebSphere Telecom Web Services Server, IBM Tivoli Access Manager for e-business, IBM Rational Functional Tester, IBM Rational Performance Tester, IBM Rational Service Tester for SOA Quality, IBM Rational Application Developer for WebSphere Software and IBM Rational Software Architect for WebSphere Software.

In a highly competitive market that is poised for growth, this Latin American insurance company is gearing up to capture market share and better serve its business partners, agents and policyholders by building smarter and more agile processes. The company streamlined its processes and built a web-based service-oriented architecture platform, which enables 70 percent improvement in speed to market with rule changes occurring in days or real-time versus months and the ability to implement new portals in four weeks versus more than three months. This insurance company chose IBM DB2, IBM WebSphere Application Server, IBM WebSphere DataPower, IBM Operational Decision Manager (formerly known as IBM WebSphere ILOG JRules), IBM Integration Bus (formerly known as IBM WebSphere Message Broker) and IBM WebSphere MQ for its solution.

Leading provider of communications technologies

IBM WebSphere DataPower SOA Appliances secure and integrate cloud-based services and help lower TCO

Solution components

- IBM® WebSphere® DataPower® Integration Appliance XI52
- IBM WebSphere Message Broker

A leading provider of communications technologies began doing business in 1920 as a hardware manufacturer and today has added software and services to its portfolio of offerings. Its software enables customers to improve bottom line results with data quality and enrichment, insight and analysis, and multi-channel management solutions.

The need

As the company's software offerings became more complex and information about the external environment changed more rapidly, the company began delivering versions on DVD on monthly, quarterly or annual schedules. Customers had trouble keeping up with all the releases and installing them properly. In addition, it was difficult for the company to support the software when customers were several releases behind.

The cloud simplified the company's software delivery processes.

"The cloud presented us with an opportunity to deliver the most up-to-date capabilities and value to customers under a Software-as-a-Service (SaaS) business model," says a solution architect. A large global organization with many siloed business units providing different products, the company realized that it had to unify these separate pockets in order to be able to offer a continuum of products and build higher value vertical solutions pulled from separate areas of the business. The company undertook a strategic transformation initiative using a service oriented architecture (SOA) to expose its capabilities as services through the cloud.

In addition to enabling customers to interact with applications it hosted, the company made it possible for customers to integrate their own data from the cloud into their other business processes or their partners' applications.

"DataPower allows us to execute any request from any customer at any time. It is playing a key part in helping us bring all of our capabilities together and look like we are one company."

—Solution Architect, Provider of communications technologies

However, getting customers to accept a cloud-based solution was sometimes a challenge. There would always be some customers who had misgivings about the security of their data in the cloud. "We dispelled those fears by explaining that our cloud is secured by IBM® WebSphere® DataPower® Appliance," says the solution architect.

The solution

The company uses IBM WebSphere DataPower Appliance as a security gateway and as an enterprise service bus for its SaaS in the cloud, taking advantage of its ability to implement security policies and route messages to the proper back ends. "All messages from the customer go through DataPower, which is where we do our security verification, our SSL encryption and decryption. And we also route messages to proxies that we've implemented inside DataPower before they get to the backend services," says the solution architect.

The first time the company deployed a SaaS offering, it was based on a virtual machine (VM) architecture that required the IT team to stand up VMs for different customers and different pieces of the solution. "Our first try at SaaS turned out to be time consuming and expensive," says the solution architect. "DataPower enables us to be highly secure and highly available, and at the same time it lowers our total cost of ownership and makes maintaining software much more efficient. DataPower allows us to execute any request from any customer at any time. It is playing a key part in helping us bring all of our capabilities together and look like we are one company."

The benefit
- Lower total cost of ownership with IBM WebSphere DataPower Appliance
- More efficient processes for maintaining software
- Helps company offer higher value vertical solutions

For more information

To learn more about IBM WebSphere DataPower SOA Appliances, please contact your IBM sales representative or IBM Business Partner, or visit the following website: **ibm.com**/software/integration/datapower/

WSC14417-USEN-00

TBC Corporation transforms the customer experience

A technology platform from IBM helps boost retail sales by 10 percent to 15 percent

Overview

The need

TBC Corporation wanted to shift its focus from tire sales to automotive services and provide more Internet benefits for its customers. To do so, it needed a new technology platform.

The solution

TBC worked with IBM® Software Services for WebSphere® to create a service-oriented architecture (SOA) to support solutions for data, the cloud and mobility.

The benefit

The company gained valuable insight into its customers and inventory, helping provide a 10 percent to 15 percent increase in retail sales.

Founded in 1956, TBC Corporation is one of the largest vertically integrated sellers of tires for the automotive replacement market. A wholly owned subsidiary of Sumitomo Corporation in Japan, TBC is better known by the brands it owns, including Midas, National Tire & Battery (NTB), Tire Kingdom, Merchants Tire and Big O Tires. TBC markets on a wholesale basis to regional tire chains and distributors serving independent tire dealers throughout the United States, Canada and Mexico.

Launching a major transformation initiative

TBC was undergoing a major transformation. About five years ago, the company shifted its focus from tire sales to a broader range of automotive services for its customers. According to Stephen R. Smith, senior vice president and chief information officer at TBC, "We wanted to go ahead and move from tires to service; we wanted to develop new revenue streams and new business opportunities on the Internet; we wanted to optimize our supply chain and consolidate all of our legacy systems; and then finally, we wanted to leverage technology for innovation, growth and productivity."

But to make these changes, TBC also needed to update its supporting technology. After analyzing its infrastructure, the organization found it had five ERP systems that it wanted to consolidate into one enterprise-wide system. TBC also wanted to deploy a new point-of-sale (POS) system into all of its retail locations. Ultimately, the company sought to bring excellent customer service to the automotive industry. "We wanted to create this air of transparency, trust and confidence in our automotive services and our products," says Smith. "And so to do that, we had to create technology platforms that allowed for that transparency and that trust building."

We are already seeing anywhere between a 10 to 15 percent jump in our retail sales through this transparent relationship with our consumers. That's extremely exciting for us, and it's really the foundation of what we were driving for when we deployed the technology.

—Stephen R. Smith, senior vice president and chief information officer, TBC Corporation

To support this transformation, TBC needed to establish a strategic technology roadmap. The organization examined solutions from several vendors, choosing a best-of-breed model rather than a single provider. "Not only did we want to bring new technology to bear that would allow us to deploy new consumer-facing applications and services and technology but also to rapidly integrate acquisitions or partner with other companies," says Smith.

Working with IBM on epic data, cloud and mobile solutions

TBC worked with IBM Software Services for WebSphere to create a service-oriented architecture (SOA) to support solutions for data collection and analytics, the cloud, and mobility.

The SOA is composed of IBM WebSphere Message Broker software and IBM WebSphere DataPower® XI50 and XI52 appliances. The SOA can enable TBC to make new applications and services available to its stores through several channels. For example, the company's POS system, business-to-consumer (B2C) platform and business-to-business (B2B) platform will ultimately be available as Software as a Service (SaaS) applications based on the company's private cloud. TBC plans to build on the solution and expand use of its cloud in the future. TBC also runs IBM WebSphere eXtreme Scale software to improve the availability and scalability of the services exposed through the SOA. "So that's where that technology allows us to be extremely broad, extensible and highly connected," says Smith.

TBC ultimately plans to expand the POS solution to include IBM WebSphere Operational Decision Management software, which will provide business rules to create a guided selling process for employees, helping them ask appropriate questions based on the customer's sales and service history to help identify up-sell and cross-sell opportunities. For example, if the history shows that the customer's tires are high-performance, which tend to wear out quickly, and are more than three years old, the system will prompt the employee to suggest tire replacement.

Software Services for WebSphere worked side by side with TBC to innovatively construct and deliver the solution. Not only did TBC achieve a quick time to market, but the company also received critical knowledge transfer and began a long-term relationship with IBM lab experts for continued success. "These individuals brought talent and skill sets that there is no way we could have acquired independently," says Smith.

Solution components

Software
- IBM® WebSphere® Application Server
- IBM WebSphere DataPower® XI50 and XI52
- IBM WebSphere eXtreme Scale
- IBM WebSphere Message Broker
- IBM WebSphere Operational Decision Management

Services
- IBM Software Services for WebSphere

Boosting retail sales and improving inventory management

TBC achieved immediate returns from the IBM solution. The company realized a 70 percent savings in technology costs by creating the platform using IBM software. With the SOA in place, TBC can reuse services, enabling it to respond to business changes quickly and in a controlled manner. Service reuse also helps eliminate redundant development efforts. Plus, a centralized enterprise service bus (ESB) for the entire enterprise enabled the company to consolidate its IT infrastructure, resulting in reduced IT management costs.

To improve the buyer experience, TBC now maintains a complete history for each customer by using information about the products purchased and how long they lasted. This type of information is a major asset for the company because it provides greater insight into consumer and product behavior as well as demographics and geographical peculiarities within the marketplace.

Finally, TBC has already seen a boost in retail sales thanks to the new solution. "We are already seeing anywhere between a 10 to 15 percent jump in our retail sales through this transparent relationship with our consumers," says Smith. "That's extremely exciting for us, and it's really the foundation of what we were driving for when we deployed the technology. Cost savings and speed of deployment were great, but really what we wanted was a lift in retail store sales. And that new kind of transparent interaction with the consumer gave it to us." More important, the solution gave the company the ability to develop new business channels and improve relationships with its customers. "We wanted to create this air of transparency, trust and confidence in our automotive services and our products. And so to do that, we had to create technology platforms that allowed for that transparency and that trust building," says Smith.

The IBM team played a key role in creating the overall solution, providing technicians, engineers and lab services staff members who helped TBC construct and deliver the solution. In fact, Smith anticipates that IBM will play a key part in the solution's future development. "We have developed a long-term relationship with IBM that allows us to continue the success story that we have built on during the initial deployment."

For more information

To learn more about IBM WebSphere software, please contact your IBM marketing representative or IBM Business Partner, or visit the following website: **ibm.com**/websphere

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MVV Energie creates the foundation for a smarter energy market

Overview

The Need
MVV Energie AG sought to create an intelligent grid services platform that would serve as the foundation for a "marketplace" of smart grid services.

The Solution
MVV Energie engaged IBM to design a framework for integrating devices and energy sources across the grid. The solution "virtualizes" power generation sources, enabling customers to select more cost-effective decentralized power sources.

What Makes it Smarter
The solution enables customers to extract real-time information from the grid and automatically apply rules that optimize consumption patterns to minimize their power costs.

The Result
"With IBM's experience and technology, we've made a major stride toward realizing our vision of a smarter grid."

– Dr. Britta Buchholz, head of grid and plant planning, MVV Energie AG

As with any complex forecast, no one knows for sure what the world's energy consumption will be in the next decades. But it's certain that the way the world will consume energy—in terms of technologies, lifestyles, business practices and the like—will be radically different than it is today. The path to tomorrow's energy landscape is equally hard to predict. Given the scope, complexity and cost of addressing the energy challenge, it's no surprise that the vast majority of countries have adopted an incremental approach to changing their energy practices. While such countries support future energy programs like alternative sources, demand-side management and smart grid operations, these initiatives are largely independent of one another—not part of a coordinated framework for delivering tomorrow's needs.

Ultimately, however, such a framework will need to be in place for the future energy landscape to take shape. One defining quality of this landscape will be a vast increase in the flexibility of consumers to make key energy choices, such as when they consume power and from whom they source it. Another will be a reshaping of the energy value chain, with consumers not only having more sources of power to choose from, but also becoming producers of power—or "pro-sumers"—that sell their power back into the grid. The trouble is the energy market isn't set up to work this way, so an equally profound transformation in the underlying infrastructure, process flows and information exchange is needed to make it happen. It was toward this end that MVV Energie AG—a diversified and progressive utility based in Mannheim—decided to work with IBM.

Enabling "active" power distribution
No country takes future energy policy more seriously than Germany. When the German Federal Ministry of Economics and Technology put forth a challenge to energy providers to propose an "Energy System of the Future," MVV Energie worked with IBM Global Business Services to design a technology and process infrastructure to support new, more flexible relationships among generators, distributors and consumers of power. Known as Model City Mannheim, the solution proposal was selected from the 28 the competition generated on the basis of its projected benefits, technical sophistication and economic viability.

Business Benefits

- More sources of energy for customers to choose from—including renewable and local sources
- Reduction in transmission loss through the use of more local distributed sources
- Lower cost and more efficient power generation through reductions in peak energy consumption
- Estimated average reduction in customer energy costs of five percent
- Stronger competitive differentiation through wrap-around energy services

MVV Energie's Model City Mannheim solution stands out because it facilitates an "active" distribution network, in which customers can leverage real-time information from the grid to change key parameters of their power consumption. Under passive distribution, customers have no say over where their power comes from and lack the information needed to coordinate their energy consumption with underlying changes in power prices (e.g., putting off consumption during peak hours). The foundation of active distribution is the ability for customers to extract real-time information from the grid and automatically apply rules that optimize consumption patterns to minimize the cost and/or amount of power they consume.

Under the most basic use case for MVV Energie's solution, customers can view the real-time cost of power at each time of the day through a connected device in their home. Empowered with this knowledge, customers have the discretion to put off high-consumption activities like clothes washing until non-peak times of the day when network utilization—and energy prices—fall. With the addition of more advanced reporting, analytics and algorithms, the MVV Energie solution enables customers to achieve an even higher level of optimization. For instance, in cases where electricity load is used for refrigeration or cooling, buildings, refrigeration units and the like can be programmed to automatically "store up" excess cold when power is less expensive (i.e., evenings), enabling less power draw when prices go up. This practice—known as distributed cooling storage—has the effect of reducing the customer's power costs and shaving peak power demand on the grid.

Freedom to choose

In addition to facilitating efficient demand practices among customers, the MVV Energie solution also enables them to make smarter choices about where their energy comes from. In the traditional energy delivery model, "the grid"—from the customer's perspective—is a monolithic source, a single option. The MVV Energie solution redefines the

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Smarter Grid: **Customers gain choice through "virtualized" power generation**
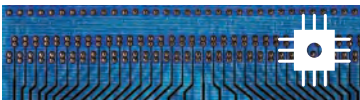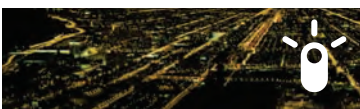

Instrumented

Real-time power costs from various generation sources are fed into MVV Energie algorithms and displayed on customer premises devices.

Interconnected

An SOA-based integration framework weaves all grid elements together to enable services across the entire value chain.

Intelligent

Access to customer preferences and real-time market pricing data enables the formulation of customized supply plans for customers.

Solution Components

Software
- IBM ILOG JRules
- IBM Lotus® Expeditor Integrator
- IBM Tivoli® Access Manager
- IBM Tivoli Directory Server
- IBM WebSphere® Enterprise Service Bus
- IBM WebSphere Message Broker
- IBM WebSphere MQ
- IBM WebSphere Portal Server
- IBM WebSphere Process Server

Services
- IBM Global Business Services
- IBM Global Technology Services

"We see the solution as an enabler of smart grid services, a virtual marketplace where all the key elements needed to build a smart grid can be traded."

– Dr. Britta Buchholz

grid by expanding it to include a wider range of alternative energy sources (e.g., photovoltaic, wind and biomass) and the means for customers to choose from among them. In essence, the MVV Energie solution virtualizes the grid by unbundling the various sources of power generation and giving customers the information they need to set up their own sourcing plans. One key benefit of this approach is that it gives customers the option to buy their power from distributed local sources, which—because they experience less transmission loss—are more cost effective.

In designing the solution's architecture, IBM and MVV Energie placed a high priority on flexibility and modularity, since the market's constant change would place the solution under constant pressure to adapt. Another key requirement was the need for tools and intelligence to help customers make smart energy choices. Leveraging its experience with other energy projects, IBM Global Business Services followed an SOA approach that was heavy on reusability. To connect all the devices in the grid, the solution is going to leverage the city of Mannheim's widely deployed broadband over power-line backbone. The core of the solution is an integration framework that gathers real-time information from across the grid, from generation to consumption and all points in between. IBM WebSphere® Process Server and IBM WebSphere Enterprise Service Bus will be used to integrate business applications like billing and metering, while IBM WebSphere Message Broker and IBM WebSphere MQ were used to integrate grid devices. IBM ILOG manages business rules within the solution.

Seeing the big picture

In describing the solution, it's important not to lose sight of the larger strategic picture for MVV Energie. While the government's call for innovative energy ideas was a trigger for the project, it also reflected a clear-eyed recognition of the opportunities presented by an increasingly deregulated German energy market, one in which the importance of choice and quality service will be paramount. Against that backdrop, MVV Energie and IBM have in effect conceptualized an open energy marketplace that directly addresses the needs of tomorrow's energy market, says Dr. Britta Buchholz, MVV Energie's head of grid and plant planning. "We see the solution as an enabler of smart grid services," says Buchholz, "a virtual marketplace where all the key elements needed to build a smart grid can be traded."

Participants access this marketplace through the solution's portal interface, built on IBM WebSphere Portal Server and secured by IBM Tivoli® Access Manager and Directory Server. For customers, the portal provides consumption history, hourly energy prices and other data that can be used to formulate a household energy demand strategy. Customers can also use the portal to specify their preferences

as to specific power sources, including traditional utilities, alternative energy sources and pro-sumers who generate their own electricity and wish to sell their excess on the market. Based on these preferences, the solution feeds real-time pricing into algorithms to generate a personalized energy-sourcing plan, which customers can either accept or modify. IBM and MVV Energie are now working toward deploying a pilot solution among 3,000 households in Mannheim, followed by an additional field test in Dresden. When fully deployed, MVV Energie's Buchholz expects the solution to become an important part of Germany's future energy roadmap. "Tomorrow's grid will be more distributed, flexible and intelligent," says Buchholz. "With IBM's experience and technology, we've made a major stride toward realizing our vision of a smarter grid."

For more information

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Tata Sky: Launching a satellite TV business

Overview

The need

Major Indian conglomerate TATA Group wanted to become a pioneer in the country's newly opened direct-to-home (DTH) satellite television market.

The solution

TATA chose IBM to build a robust, business model and SOA-based IT infrastructure to launch its Tata Sky satellite broadcasting service.

The benefit

- Launched its business in a short time— about six months after work began
- Achieved goal of in-home installation within a specified time limit with immediate service access

In the enormous consumer market that is India, occasionally an opportunity arises that can create incredible growth and profit—provided those who seek to capture it can move quickly enough. That was the situation facing TATA Group, one of India's oldest and most respected business conglomerates, when the government decided in 2004 to grant a precious few licenses for direct-to-home satellite TV broadcasting. "The key business challenge in a country like India is meeting customer demands— which are very dynamic—under the regulatory purview of the country," says Chakrapani Perangur, CIO of Tata Sky.

Tata Sky recognized the significance of the opportunity in the broadcasting business. To become a major player in the new market, the company had to launch an entirely new business beginning with no infrastructure or existing processes at all—and do it very quickly, in order to beat out the competition in what was sure to become a hotly contested drive for new subscribers. This "green field" project would be an unprecedented effort in India, and would significantly test TATA's ability to innovate and rapidly create a flexible, scalable and viable business model.

Offering viewers a choice

What attracted TATA to the DTH business was the technology's customer value proposition. Pay television in India has long been dominated by cable companies, but the available services left much to be desired from the customer point of view. Viewers had to pre-pay for packages that contained many channels they were not interested in.

TATA saw an opportunity to give viewers a better choice by changing the pay-television business model, and also realized it could leverage new technology to vastly improve the customer experience, both in terms of broadcast quality and customer service. The digital DTH service enables over 160 channels of customizable content, interactivity and DVD-quality picture with CD-quality sound.

"Tata Sky is leaping ahead to garner eight million connections by 2012. We are the first DTH company across the globe to achieve the significant milestone of crossing one million connections in the first year of our operations and are confident of achieving the eight million mark as well."

— Chakrapani Perangur, CIO, Tata Sky

The ability to better accommodate regional needs was also a key differentiator. India is a polyglot country: there are 17 official languages and some 22 state languages. With the ability to easily customize content for local markets, Tata Sky would be able to give viewers more relevant content.

Speed and integration are essential

TATA Group teamed with broadcast partner STAR to create Tata Sky, and incorporated it soon after the government's opening of the market. IBM was enlisted to help launch the broadcaster at the end of 2005. In early 2006, work began on creating the actual infrastructure for the company and the service was launched a mere six months later.

Tata Sky knew that launching the business fast was only part of the path to success. The new company would also have to do business better than its competition. That meant not only more broadcast choices, but also a better customer service experience.

The vision was to make the experience seamless, enabling quick and easy sign-up and customer service no matter how the customer chose to interact with the company, be it over the telephone, via the Web or over the counter at a retail outlet. And once signed up, installation should be fast, efficient and painless, with immediate activation.

Solution Components

Software

- IBM WebSphere® Application Server
- IBM WebSphere Process Server
- IBM WebSphere Message Broker

Services

- IBM Software Group Services

IBM Business Partner

- Tata Consultancy Services

"IBM's product maturity and expertise was the right fit for Tata Sky in helping us communicate our vision to our subscribers."

— Chakrapani Perangur

Smarter IT for Media & Entertainment

Seeking to enter the newly opened direct-to-home Indian satellite television market, TATA chose IBM to launch a new business starting from scratch. Tata Sky, the service-oriented architecture-based business resulting from this first-of-its-kind "green field" project, was launched in only six months. Within a year of its operations, the company had signed up its one-millionth connection—a world-record growth rate for direct-to-home broadcasting.

In order to accomplish this, all of Tata Sky's applications and business processes would have to be highly integrated. The company opted for best-of-breed applications from SAP (for Enterprise Resource Planning), Siebel (for Customer Resource Management) and others.

Tata Sky turned to IBM Business Partner Tata Consultancy Services to help integrate these applications and create the underpinnings of the new business. Tata Consultancy Services and Tata Sky teamed to define business processes and build a service-oriented architecture for the new company's IT needs. The green-field nature of the business was an advantage here, says Chakrapani Perangur. "We could work seamlessly with the IBM Business Partner team in putting the right architecture in place and fine tuning it without getting bogged down by legacy systems."

IBM Software Group Services deployed a full suite of WebSphere® products to create the SOA platform, including WebSphere Application Server, WebSphere Process Server and WebSphere Message Broker, which together form the architecture's integration layer—the means by which different applications are made visible to one another and are able to pass data back and forth. By linking all of the company's applications in this way via the SOA's Enterprise Service Bus, information could be shared and processed across the entire company seamlessly.

While Tata Sky's SOA infrastructure serves its business processes alone at present, it provides a flexible platform for potential future uses such as management of the media itself. The decision to adopt SOA positions Tata Sky to leverage IBM Media Hub, which enables the Enterprise Service Bus to handle rich media content.

History-making results

Perangur points to the flexible service capabilities and outstanding growth of the company as evidence of the wisdom of the company's decision to create an integrated SOA-based infrastructure. "The flexibility that SOA has enabled us to bring into the customer relationship management software is amazing," he says. "Tata Sky is leaping ahead to garner eight million connections by 2012. We are the first DTH company, across the globe to achieve the significant milestone of crossing one million connections in the first year of our operations and are confident of achieving the eight million mark as well."

The company is young and wants to excel in customer service continuously. Already able to meet its core promises of rapid installation and immediate activation, better viewing choices, better broadcast quality and superior customer service, Tata Sky is leveraging its SOA infrastructure and relationship with IBM and IBM Business Partner Tata Consultancy Services to make the company more efficient by building in real-time business monitoring capabilities and an improved customer self-service portal. Perangur concludes that the choice was a good one. "IBM's product maturity and expertise was the right fit for Tata Sky in helping us communicate our vision to our subscribers."

For more information

To learn more about how IBM can help transform your business, please contact your IBM sales representative or IBM Business Partner.

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SBI Sumishin Net Bank: A full-banking service, Internet-only bank

Overview

■ **Business Challenge**

In Japan, competition in the Internet banking business has been intensifying. In this environment, SBI Sumishin Net Bank, Ltd. aimed to bring to market a broad product lineup in a shorter period than other financial institutions. To achieve this goal, the bank needed to meet strict technical standards imposed on Japanese financial institutions, while seeking a competitive advantage.

■ **Solution**

SBI Sumishin Net Bank asked IBM Japan to develop a totally new Internet banking platform— not to construct one based on existing assets. Development was characterized by the use of an accounting system application package and a service-oriented architecture (SOA) framework.

■ **Key Benefits**

— *A total of approximately 600 billion yen in funds was deposited and 400,000 new accounts were opened after only 18 months since the start of operations.*

— *By adopting the framework approach, implementation risks were substantially reduced, as of March 14, 2009*

Headquartered in Tokyo, SBI Sumishin Net Bank is an "Internet-only" bank established as a joint venture between SBI Holdings and Sumitomo Trust & Banking.

The banking business in Japan has been transformed by various changes in the business environment. One of the factors is the increase in personal assets in Japan. The total amount of personal assets has now exceeded 1,400 trillion yen (approximately US$14 trillion), and this has boosted demand for customer asset management and investment services. Thanks to deregulation, banks have gained more freedom and flexibility in meeting customer demands. Due to these factors, the market is growing to an immense size and competition among banks in order to gain market share has become fierce. As a result, banks have been required to push forward with restructuring and consolidation, as well

" The biggest factors in the success of the project were the following: the teamwork as well as management-level information sharing between IBM and our company; the SOA-based package solutions and the excellent technical staff who supported them; and the reliable maintenance and operation system constructed by AMS (Application Management Service)."

– Yoshikazu Tanaka, CEO, SBI Sumishin Net Bank

An Internet bank is launched quickly through the use of the flexibility offered by SOA

Business Benefits

- A total of approximately 600 billion yen (approximately US$6 billion) in funds was deposited and 400,000 new accounts were opened after only 18 months since the start of operations.

- The time required to launch the service was shorter than that required for the development of conventional financial products.

- By constructing a platform using SOA (service-oriented architecture), dramatic flexibility was achieved in adding new services.

- By using an SOA approach, the integration of applications and processes was simplified and development costs were substantially reduced.

- By adopting the framework approach, implementation risks were substantially reduced.

" Through 24-hour/ 365-day non-stop services, completely web-based transactions, and real-time services with flexible and advanced service-oriented systems, we have achieved great success after only about 18 months since starting operation, attracting funds totaling 600 billion yen and 400,000 accounts."

   – _Yoshikazu Tanaka_

as increase business efficiency. In addition, to maintain competitive advantage, they need to provide a more diverse product lineup for customers who are becoming more selective when choosing financial institutions.

The new dynamism of the Japanese financial sector has been demonstrated by the adoption of a new business model, the Internet bank—a concept new to Japan— which provides full banking services on the Internet in an attempt to capture market opportunities in the growing retail banking market.

The term "Internet bank" sounds similar to the Internet banking services offered by conventional banks; however, the operational style of an Internet bank is totally different in that it has no physical offices. With no physical offices, an Internet bank can offer attractive financial products while reducing costs and respond to new market opportunities more flexibly and effectively than other institutions using conventional banking models.

New business model, new challenges

Banks that employ an Internet-only business model face challenges in order to succeed in the Japanese banking market in spite of the prospects of high growth. The first challenge is to maintain low system costs—the bedrock of the Internet banking business model. This has proven to be a major issue for the relatively small number of Internet banks that have come into existence in Japan so far. They have had no other choice but to individually build high-level, proprietary—and expensive—systems. The second challenge is that because Internet banks have no physical offices, they have developed products and services centering on areas in which conventional banks that offer Internet banking have a competitive advantage—due to their ability to serve customers via both the Web and physical branches.

SBI Sumishin Net Bank (www.netbank.co.jp), a new entrant in the Internet banking industry in Japan, got the chance to differentiate itself in that market by choosing to provide full banking services on the Internet that differ from its competitors. The bank selected IBM Japan to design and build a new Internet banking platform. The solutions employed for the construction of SBI Sumishin Net Bank's accounting system have enabled the opening of the first-ever Internet bank in Japan that provides full banking services, thanks to functionality that makes possible a wide range of products, services and packaged applications. The bank made the decision to take the SOA approach in its solution design, an approach which was essential to the project's great success.

SBI Sumishin Net Bank's original business plan demanded a wider range of services than Internet banks had previously provided to their customers, including asset management. SBI Sumishin Net Bank made use of its advantage as a newcomer, and employed a highly flexible system that was not limited by conventional

system design. This was obviously an advantage for SBI Sumishin Net Bank; however, from the viewpoint of constructing new solutions, from accounting functions such as loans, deposits and foreign exchange to the back-end systems on which they depend, there still remained issues concerning scope, complexity and other factors.

Entry into a highly competitive market and flexible systems construction

It was the demand for speed that further increased the difficulty of the project. With competitors preparing for entry into the market and fierce competition expected, SBI Sumishin Net Bank recognized that launching its service as quickly as possible was vital. Any delay in the development of this new net banking platform could result in the loss of SBI Sumishin Net Bank's ability to reach critical mass in the market and would have a direct influence on the rate of return of its business. Therefore, the top priority was the question of how to utilize and implement solutions throughout the process, from architectural design, to project management, to testing. This was a major reason why IBM Japan was selected by SBI Sumishin Net Bank. IBM Japan has a long track record in the banking industry. SBI Sumishin Net Bank judged the framework approach to banking solution development offered by IBM to be not only a method of lowering project risk but also a method of keeping costs low in the future by ensuring greater flexibility.

Completed on schedule by IBM Japan, the implementation of SBI Sumishin Net Bank's new Internet bank platform made full use of the IBM SOA-driven Rapid Enterprise Renovation for Financial Services Systems (RER for FSS) framework—a series of interlocked products and technologies targeted to all aspects of the bank's operations. The result is a robust mission-critical banking system running on J2EE™.

The main components of this packaged product include IBM DB2® and WebSphere® Application Server. In addition, Fidelity Information Services, an IBM Business Partner, was employed for the implementation of the accounting system functionality—which has allowed SBI Sumishin Net Bank to become the first-ever Internet bank in Japan with full banking services, successfully incorporating packaged applications into its accounting system.

A defining quality of the RER for FSS framework is the use of SOA to create flexible linkages across the bank's systems. With IBM WebSphere Enterprise Service Bus, the bank's front-end and back-end systems are connected by a service-oriented interface, while a safe and highly reliable electronic connection is provided between the banking business application and the system via IBM WebSphere MQ. IBM WebSphere Message Broker is also used for data transfer between banks, various path settings and data conversion.

Solution Components

Software

- IBM WebSphere® Application Server
- IBM WebSphere Enterprise Service Bus
- IBM WebSphere MQ
- IBM WebSphere Message Broker
- IBM DB2®
- IBM Tivoli® Monitoring
- IBM Tivoli Storage Manager
- Corebank (Fidelity Information Services)
- SAP R/3 FI/CO

Servers

- IBM Power® 570
- IBM Power 595

IBM Business Partner

- Fidelity Information Services

Smarter banking

During the construction of its business platform from scratch, SBI Sumishin Net Bank was the first Japanese bank to successfully introduce packaged products for its accounting applications. By combining a framework approach and industry-standard technology, SBI Sumishin Net Bank was able to start operating its system infrastructure in the Japanese banking market quickly in spite of the high level of difficulty of the project.

System management and storage management are performed by IBM Tivoli®
Monitoring, IBM Tivoli Storage Manager and other IBM Tivoli products. The cluster
architecture based on IBM Power Systems™, serving as the server platform, has
achieved high levels of reliability and scalability.

Commencement of the Net Bank's operations

The building of the infrastructure for SBI Sumishin Net Bank progressed success-
fully at each stage. The fact that the bank's services were launched so quickly
in spite of the project's high level of difficulty is testament to the strength of
component-style development and the strength of the test methodology employed
by IBM Japan. This also reflects the essential advantage of building a banking plat-
form using an RER for FSS framework based on the SOA approach. The adoption
of the SOA approach has simplified the integration of various business components
and ensured high operational flexibility, which enabled the bank to add cost-
effective new services more quickly to its lineup. These features are vital to an
Internet banking strategy.

The short product development cycle has given SBI Sumishin Net Bank a real
competitive advantage. The bank set a goal of opening 400 thousand accounts in
its first three years; however, it accomplished this goal in just eighteen months.
IBM Japan has provided operational support for this new banking business, and
the stability and scalability of the IBM solutions has been demonstrated by the
rapid expansion of the bank. "It is undoubtedly thanks to IBM Japan that we were
able to start this business with a development period of only about 18 months,"
said Yoshikazu Tanaka, SBI Sumishin Net Bank's CEO. "It is important for us to
continue to provide customer-oriented banking services to secure our position as
the number-one Internet bank. We have great expectations for IBM as a partner
with whom we pioneer new frontiers as well as being our navigator in the field
of IT."

For more information

Contact your IBM sales representative or IBM Business Partner.

Visit us at: **ibm.com**/banking

ODC03124-USEN-00

Eastern European bank uses Smart SOA to rebuild sales processes

Overview

Challenge

A large Eastern European bank had to transform its customer service and sales processes in order to understand which individual sales representatives were performing well and which were not.

Solution

The bank developed a new sales and service platform using business process management (BPM) and a service-oriented architecture (SOA) enabling a clear, clean and readily managed interface between the core sales process provided in the sales system and all of the bank's existing applications.

Key Benefits

- Focused attention on problem areas and identified successful sales strategies
- Reclaimed development costs by selling solution to the business partner
- Instilled proactive corporate culture in employees

Founded in 1929, a large Eastern European bank today provides services to 5 million clients, including more than 250 thousand small and medium-sized enterprises and more than 15 thousand corporate clients. Shortly after opening its doors, the bank established international branches to serve customers living abroad, which helped it to maintain key international relationships and a degree of independence during the period of Communist rule. Quickly after reform of the country's banking system in 1989, the bank pursued a strategy to provide a full range of retail and corporate and investment banking services. The bank's success and international growth, including a series of mergers and joint ventures, eventually led to its joining a European multinational banking network, where it continues to grow.

With the increasingly competitive international market for financial services, the bank seeks to continually optimize its operations and improve its business results. In 2008, the focus turned to its customer service and sales processes, which were not well monitored. For example, the bank had no data on sales results below the branch level, so it could not tell which individual sales representatives were performing well and which were not.

To maintain and grow its competitive edge, the bank needed to treat every customer contact as a potential sales opportunity, generate new revenue through targeted, well-managed sales campaigns, focus special action on retaining profitable customers, and transform sales and service into a streamlined, measured, optimized process.

"The heart of the sales system is its process specifications and policies, implemented via IBM WebSphere Process Server. The process specifications control almost every aspect of the sales process from planning through implementation of process improvements."

Using BPM to drive the process

The bank's vision was to move from an ad hoc, uncontrolled, passively monitored sales process to a closed-loop, monitored, measured sales process with clearly defined sales targets and closely managed sales campaigns.

Detailed results against the multilevel targets then would allow the bank to focus management attention as needed. If one product had consistently low sales across regions and representatives, the bank could examine the competitiveness of the product. If a particular representative's or sales manager's results were high or low, the bank could assess the differences and disseminate best practices or implement counseling measures as appropriate.

Effective implementation of the bank's vision required that the process be codified and implemented into a new solution. If it were done the old way, with the process hard wired into the application, the process would be difficult and expensive to change. In addition, the bank would have to embed custom-built functions into the application to capture and report on the progress, status and results of the process. The bank chose instead to build the new sales system using business process management (BPM) technology and let BPM drive the process. This way, the bank could let the BPM system report on process status and metrics and more easily change the new sales system immediately as it identified process improvements.

Planning and achieving better results

At the beginning of each quarter, the bank establishes sales targets by product and by customer group (e.g., mass market, affluent, high net worth). After the targets are allocated down to the individual level, sales representatives examine their specific success ratios to determine how many sales contacts they will need to make to achieve their targets.

Solution Components

Software
- IBM® WebSphere® Message Broker
- IBM WebSphere Process Server

Smarter financial services

A large Eastern European bank wanted to maintain its competitive edge in the international financial services industry and developed a business process management (BPM) and service-oriented architecture (SOA) solution designed to carry its proactive, sales-oriented culture to the branch level. With optimized processes built into a new sales platform, employees are taking advantage of every customer contact to sell products and services. They are not only working smarter, they are working more in concert with the bank's market-oriented philosophy.

In the sales execution stage, the new sales systems plans sales contacts for all sales representatives and maintains their calendars. Before sales contacts, the sales system prepares the sales representatives with 360-degree views of the customers including detailed models of customers' risk and future retirement benefits in multiple countries. The sales system also controls exception workflows. When a customer's credit score is too low to automatically approve a product, a highly skilled representative can manually approve it or escalate the decision to a manager. After the contact, the sales representative declares whether it was successful or not. BPM then confirms each representative's sales-success declarations via a back-end reconciliation process driven by sales activity recorded in the bank's core financial services applications, which matches actual recorded sales with each representative's sales declarations.

Analysis of the sales system's detailed reporting—both of sales results and BPM-based process execution—allows a wide range of possible improvements. The data may show a consistent problem with a given product. It may show that one version of a process step works better than another. It may identify high-performing or low-performing representatives, managers, branches or regions.

If the improvement is a process change, many changes can be directly configured and implemented quickly using the sales system's BPM features.

Changing behaviors

SOA provides a critical foundation for the sales system by enabling a clear, clean and readily managed interface between the core sales process delivered by the sales system and all of the bank's existing applications. IBM® WebSphere® Message Broker provides an enterprise service bus connection, insulating the sales system from the technology specifics of the core banking system, the card management system, the credit decision system and a Short Message Service (SMS) gateway that the sales system uses for dynamic notifications to sales managers and others. To the sales system solution, the capabilities of these systems are delivered via meaningful service interfaces rather than low-level, complex technical programming constructs.

The heart of the sales system is its process specifications and policies, implemented via IBM WebSphere Process Server. The process specifications control almost every aspect of the sales process from planning through implementation of process improvements. Process specifications are supplemented by policies that define, for example, when sales representatives can approve exceptions on their own and when they must escalate through a manager.

The high level of control and visibility provided through BPM addressed another challenge, too—a holdover from the Communist era. Although the company as a whole was behaving in a proactive, competitive way, certain employees still behaved passively, some even doing as little work as they could get by with. With the new sales system, the process—and the performance of all those participating in it—became transparent and clear. The bank was able to help some of these employees improve their productivity and adapt to the new culture.

Reclaiming development costs

For the bank, the flexibility of BPM powered by smart SOA reached beyond the benefits of the new sales system solution and into the financing of the solution itself. The bank found that its systems integration partner, Pentegy Systems, was interested in having an off-the-shelf offering like the new sales system. The dramatic implementation time reductions provided by SOA and BPM changed the business case dynamics for Pentegy, making it feasible for Pentegy to offer the bank a substantially reduced cost for the solution in exchange for the right to resell the solution (with the exception of a small number of the bank's proprietary functions). The bank also retains resale rights to the solution, which provides a potential way for the bank to recover even more of the sales system's development cost.

Building improvement into the process

SOA and BPM will allow the bank to more effectively meet dynamic changes in its business objectives and business processes in the years ahead.

The bank's BPM-enabled process reports against success metrics for each business line, region, branch, sales manager and employee, allowing focused attention on problem areas and identification of successful sales strategies.

BPM statistics provide measured visibility into each step of the bank's sales and service cycles, allowing focused attention on improving individual process steps.

As the bank identifies process improvement opportunities and alters the process specifications in WebSphere Process Server, every user's work is automatically directed via the new process, ensuring consistency.

For more information

Contact your IBM sales representative or IBM Business Partner, or visit us at: **ibm.com**/websphere

For more information on Pentegy, visit: www.pentegy.com

WebSphere® software

Globe Telecom:

Gaining marketing agility with smart promotions

Overview

The Need
Globe Telecom needed to reach a new level of agility in the creation and management of promotional service offerings.

The Solution
In a joint engagement, IBM and Nokia Siemens Networks designed and built a SOA-based service creation and delivery platform that enables Globe to rapidly and cost-effectively create service offerings from reusable service components.

What Makes it Smarter
Globe is able to drive revenue improvement from hundreds of simultaneous targeted promotions, which are enabled by the integration of customer intelligence, behavior segmentation, profit simulation and promotion execution—all delivered through an integrated and automated solution.

The Result
"We can react very quickly to promotional opportunities when they arise."

— Mario Domingo, Head of Product Design and Creation, Globe Telecom

Within the global market for mobile communication services, the Philippine market stands out for a number of reasons. One is its extremely rapid growth, having gone from single-digit penetration to 80 percent in less than a decade. Another is the fact that no country in the world generates more SMS text messages than the Philippines. What may top the list of notables, however, is the fact that nine of every 10 mobile users do so through prepaid plans. The popularity of prepaid reflects a variety of social and economic factors, including a high degree of price sensitivity among the average Filipino mobile customer.

For the country's mobile operators, the prepaid phenomenon has led to a unique competitive dynamic, with a window of opportunity for gaining (and losing) customers opening much more often than the fixed-term service contract model. Each time a consumer's prepaid account balance reaches zero, the customer has the choice of replenishing with its existing provider, signing with a new provider or letting service lapse altogether. That's the central reason that the rate of customer churn in the Philippines—and most other prepaid markets—is extremely high. Add this to the market's maturity and price sensitivity and you get a recipe for cutthroat competition.

Seizing opportunity through agility

In such an environment, success comes to the fast, nimble and intelligent—defined by the ability to target market opportunities with tactical campaigns, monitor their effectiveness and fine tune them in short order. That's exactly how Globe Telecom—the number two provider in the Philippines, with 27 million customers—is approaching the competitive challenge. Globe specifically recognized that the most effective way to attract and retain the value-conscious Philippine mobile customer was to spur action through time-limited marketing promotions—for example, reload HSDPA service with PHP30 and also get 24 hours unlimited SMS product. Call it opportunistic marketing in the extreme.

Business Benefits

- Expected one-year payback period

- 600 percent increase in promotion effectiveness

- More than 95 percent reduction in the time and cost of developing new promotions

- Improved uptake of services through the smart delivery of promotional offers

- Improved ability to offer "long-tail" promotions and services

- Increased market share and revenue through improved customer experience and more effective promotional campaigns

While Globe's marketing staff had no shortage of creative promotional ideas—or the energy to carry them out—the company's heavy reliance on its traditional vendors (particularly IN) to develop new services put a major drag on its agility. Under a typical scenario, it took roughly 10 months and most often several hundreds of thousands of dollars to develop and bring a new service to market. Moreover, the fact that each of Globe's lines of business operated its own service creation silo made the creation of bundled, composite service promotions equally complex due to integration requirements.

Mario Domingo, Globe's Head of Product Design and Creation, recognized the opportunity to transform service creation from a liability into a source of major competitive advantage by making it faster, less expensive and—by extension—far less of a risky proposition. Domingo's vision was to create a service delivery platform that would use open, SOA-based connections across its infrastructure that would vastly simplify the assembly and provisioning of new services. Domingo and his team saw IBM—by virtue of its track record, technology and resource breadth—as best positioned to help Globe realize the vision.

The Inside Story: Getting There

The Challenge … Within telecom providers, the move to a service delivery platform almost always arouses a protective instinct on the network operations side of the company—a reluctance to allow any initiative that could threaten the performance and stability of core network systems. Globe was no exception. Attempts in previous years to advance its flexible service delivery vision had run into strong skepticism about the risks of any model that altered the long-standing reliance on traditional telecom equipment vendors—skepticism that resonated among senior management.

The Breakthrough … The breakthrough came in the form of an innovative project proposal that combined IBM's SOA-enabled Service Provider Delivery Environment (SPDE) framework and service delivery expertise with the core telephony expertise of Nokia Siemens Networks (NSN). The SPDE Framework enabled Globe and NSN to integrate process optimization with business analytics. In addition to complementing its technology and expertise, IBM's teaming with NSN gave Globe's network operations and senior management the comfort and assurance they needed that the integrity of core network systems would remain intact.

Keeping It Small ... Equally important to buy-in was a business case under which the solution would be deployed in small, manageable increments and business value would be realized almost from the start. In part, this approach acknowledged the bigger risks of disruption that "big bang" deployments posed. More essentially, however, it reflected Domingo's belief that the best way to build support was on a foundation of solid, irrefutable results. To further strengthen support, Domingo and his team engaged IBM to run information workshops outlining the benefits and implications of the new strategy throughout the company.

Lessons Learned ... Looking back at the engagement as a whole, Domingo sees the openness with which Globe was willing to work with IBM and NSN is a key reason for its success. "Our trust in the deployment team enabled us to treat them as de facto members of our internal staff. Our work together with the IBM and NSN team was as much a partnership from the sales process all the way through to delivery. Because we've collaborated so closely with IBM and NSN, we've essentially ended up with an extended knowledge pool in terms of what we should be deploying, how we should go about it and what are the best practices. This collaboration was critical."

Smarter Telecommunications   Gaining tactical agility with smarter promotions

Instrumented   Information delivered from the customer handset enables Globe to measure the success of promotional activity and ongoing behavior.

Interconnected   Using SOA to abstract connections between the network and IT systems enables Globe to dramatically simplify service creation.

Intelligent   Leveraging information gathered from handsets, Globe is able to identify the optimal service promotion for each customer—and the best time to deliver it.

Solution Components

Framework
- Service Provider Delivery Environment (SPDE)

Software
- IBM WebSphere®
- IBM Tivoli®
- IBM Rational®

Servers
- IBM BladeCenter®

Services
- IBM Sales and Distribution
- IBM Software Group

"Our ability to develop new service promotions quickly has given our marketing people the means to be more aggressive—and has made our programs more effective."

— Mario Domingo

Within just three months of signing the contract, IBM and NSN had developed and commercially launched the first marketing promotion that leveraged the new solution. Targeted to Globe's channel partners, it was to yield a 600 percent increase in sales. The use case is that "magic" point—the open window—when a customer walks into a retailer to replenish a depleted balance. At that point, the retailer is the strongest potential influence over which mobile provider the customer chooses.

The best way for providers to tap into that potential is to provide cash incentives—an approach Globe has long practiced. The problem was that the traditional (manual) method of recording new subscribers at the point-of-sale and sending it upstream for processing took a long time, requiring retailers to wait as much as six months for payment. Not the strongest incentive for advocacy.

Using the new service platform—known as the Toolbox—Globe developed a smart incentive promotion that records new customers instantly at the point of sale by capturing information within an activation text message sent by the customer. The message not only captures the identity of the retailer, but also automatically provisions the promotional service package for the customer. Most importantly for the retailer, receipt of incentive payments from Globe is nearly immediate, which is probably the biggest reason that the new retailer promotion model yielded a greater than 600 percent increase in sales, as compared with 15 percent under the older promotion model.

The efficiency of the Toolbox solution derives from its ability to create libraries of reusable service assets, which can then be assembled into composite service offerings. In creating new services, Globe's developers use IBM Rational® Application Developer for WebSphere® and Rational Software Architect to help simplify the design, development and deployment of new promotions and services, while IBM Rational Performance Tester, Rational Functional Tester and Rational Service Tester for SOA Quality help staff to identify the presence and cause of system performance bottlenecks, automate functional and regression testing and improve the quality of Web service-based SOA applications.

Timely delivery yields results

Another way Globe is using the Toolbox to seize customer opportunities is through the intelligent sensing needs, and the ability to respond to it in a targeted, timely and compelling way. The key to opportunistic marketing is awareness. Using the Toolbox solution, Globe's marketers can configure triggers that automatically detect when, for example, a customer's promotional use of three hours worth of high-speed data service is minutes from expiring. At that point, Globe can deliver a personalized, time-sensitive marketing promotion—the right offer, at the right time—thereby substantially improving uptake rates, and minimizing the customer's chance of letting his/her balance reach zero, and ultimately improving market share.

Globe's adoption of flexible service delivery is a powerful example of how "long-tail" promotions—those that are generally short lived, highly targeted, and able to be created cheaply and rapidly—are emerging as the primary engine of long-term revenue growth and profitability for telcos. The 10 months and several hundred thousand dollars it used to require to create a new service is now down to an average of thousands and less than a week from conception to execution—a level of efficiency that enables Globe to offer several promotions per week. Says Domingo: "We can react very quickly to promotional opportunities when they arise. Just as important, we can detect in near real time whether the mechanics of our promotion are working—and if they're not, we can change them almost instantly." On the strength of the low cost and flexibility enabled by the Toolbox solution, Globe expects to achieve full payback on its investment in less than a year.

Aiming for number one

Domingo sees Globe's new service creation platform as figuring prominently in the company's strategy of delivering a superior customer experience and smart retailer incentive programs to become the number one provider in the Philippines. "Our ability to create and execute smart service promotions with speed and agility gives us a strong opportunity to take leadership in the marketplace," says Domingo. "IBM's help in refining and achieving this vision has been crucial to our success."

For more information

To learn more about how IBM can help you transform your business, please contact your IBM sales representative or IBM Business Partner.

Visit us at:
ibm.com/smarterplanet

ODC03164-USEN-00

Latin American insurance company

Improving speed to market and customer interaction with IBM WebSphere ILOG JRules

Overview

Solution components:
- IBM® DB2®
- IBM WebSphere® Application Server
- IBM WebSphere DataPower®
- IBM WebSphere ILOG® JRules®
- IBM WebSphere® Message Broker
- IBM WebSphere MQ

Company background information

A Latin American insurance company with a global presence provides its clients with tailored solutions built on its in-depth skills in all lines of business and international markets. The company provides a comprehensive portfolio of products which encompasses commercial, property and casualty, health and life insurance coverage. With approximately 5 million policyholders, the insurance company works with a network of 8,000 agents.

The need

In a highly competitive market that is poised for growth, the company is gearing up to capture market share and better serve its business partners, agents and policyholders by building smarter and more agile processes. A key requirement for the company was to modernize its existing IT infrastructure, which was predominantly a myriad of legacy systems that were costly to maintain and difficult to integrate. Moreover, business rules that support various risk and corporate guidelines such as who is eligible for what product and at what price were embedded as code in these systems. This was having an impact on the carrier's ability to implement policy changes quickly, meet transparency requirements and support its growth objectives.

"We chose IBM WebSphere BRMS, infrastructure and connectivity components to create an agile platform. Our investment in IBM technology has delivered tangible benefits to support our near- and long-term business and IT goals."

— Director of Systems Development, Latin American insurance company
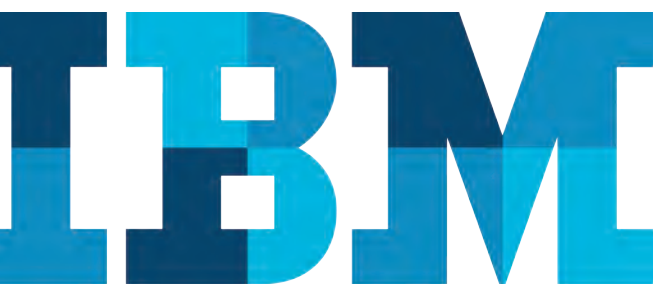
The solution

The Latin American insurance company streamlined its processes and built a web-based platform, which leverages IBM® WebSphere® ILOG® JRules Business Rule Management System (BRMS) and WebSphere infrastructure and connectivity components in a service oriented architecture (SOA). The platform supports corporate customers (for instance, the company offers insurance coverage to the employees and customers of major financial institutions and various retailers) as well as selling directly to consumers via its agent/broker channel.

The WebSphere BRMS-based platform is used to automate and add decisioning capabilities to various functions such as offering insurance quotes, underwriting and pricing policies, as well as determining monthly payroll deductions. The company can easily create portals with a customized look and feel for the various corporations with whom it has contractual agreements. In the latter context, BRMS is used to determine what content and screens to push out to users based on their profile and the information provided.

Insurance processes are essentially governed by policies, procedures and regulations. One finds business rules in virtually every aspect of an insurer's business. The Latin American insurance company chose ILOG JRules to automate a wide range of processes across the enterprise. The first project was underwriting (auto) which was successfully deployed within eight months. It then expanded the usage of BRMS to other lines of business and processes including underwriting (health) and creating dynamic portals. The carrier is in the midst of extending the usage of ILOG JRules to claims processing and has plans to automate such functions as product recommendation and fraud detection in the near future.

The benefits

- 70 percent improvement in speed to market with rule changes occurring in days or real-time versus months and the ability to implement new portals in 4 weeks versus over 3 months
- 90 percent increase in straight-through-processing resulting in cost savings and growth in new business
- Greater transparency and consistent enforcement of risk and corporate guidelines with comprehensive audit trails of rules and decisions rendered

For more information

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Real world SOA customer success stories