2009 IMPACT

Sandy Carter, Vice President, IBM Software Group Channels
Social Media Evangelist

Smarter Planet

instrumented
interconnected
intelligent

people
companies, institutions, industries
man-made systems
nature's systems

Smart Work

Creating Smarter Energy Grids

25-50% reduction in outages
Up to 90% capital savings

Real-time instrumentation and intelligent analytics

DONG energy

POWERSENSE

Smart Work

Smart Utility Network

Generating Plant

SOA-based Control Center

IBM WebSphere Application Server
IBM WebSphere MQ and Message Broker
IBM Rational Software Architect
IBM ILOG Software

Problem Detection

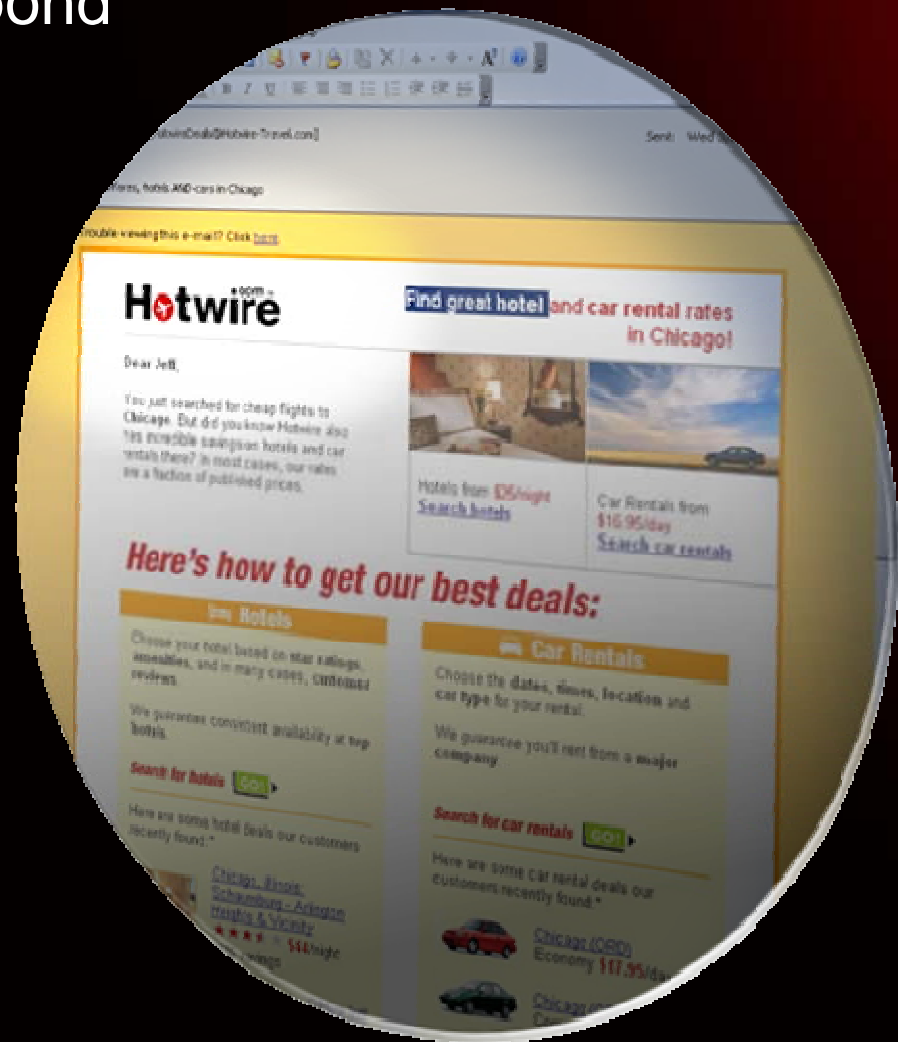*Optical Current Sensors*

Response

Residence

- Traditional IT Support
- Intelligent Management of Physical Assets
- Smart Devices

Smart Processes at Hotwire

Hotwire is using ILOG to respond instantly to Market Dynamics

Flexible *business rules allow Hotwire to modify their pricing in minutes rather than months*

All These Customers Share Three Common Elements

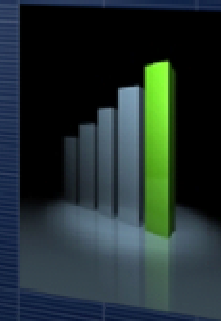INSTRUMENTED   INTERCONNECTED   INTELLIGENT

Key Agility Indicators

+

Key Performance Indicators

Agility In today's economy, the rate and pace of change is increasing

What used to take...

Needs to happen in...

004 Weeks

002 Days

Time to add vendor to supply chain

Time to add vendor to supply chain

The Way We Work is Getting Smarter

Resistant to Change	Embracing Change
Siloed	Connected
Historic and Reactive	Predictive and Proactive
Isolated	People Centric
Rigid	Agile

Smart Work

8

How Can We Work Smarter?

Dynamic Business Processes and Models

Information

Smart Work

Smarter Collaboration

Smart SOA
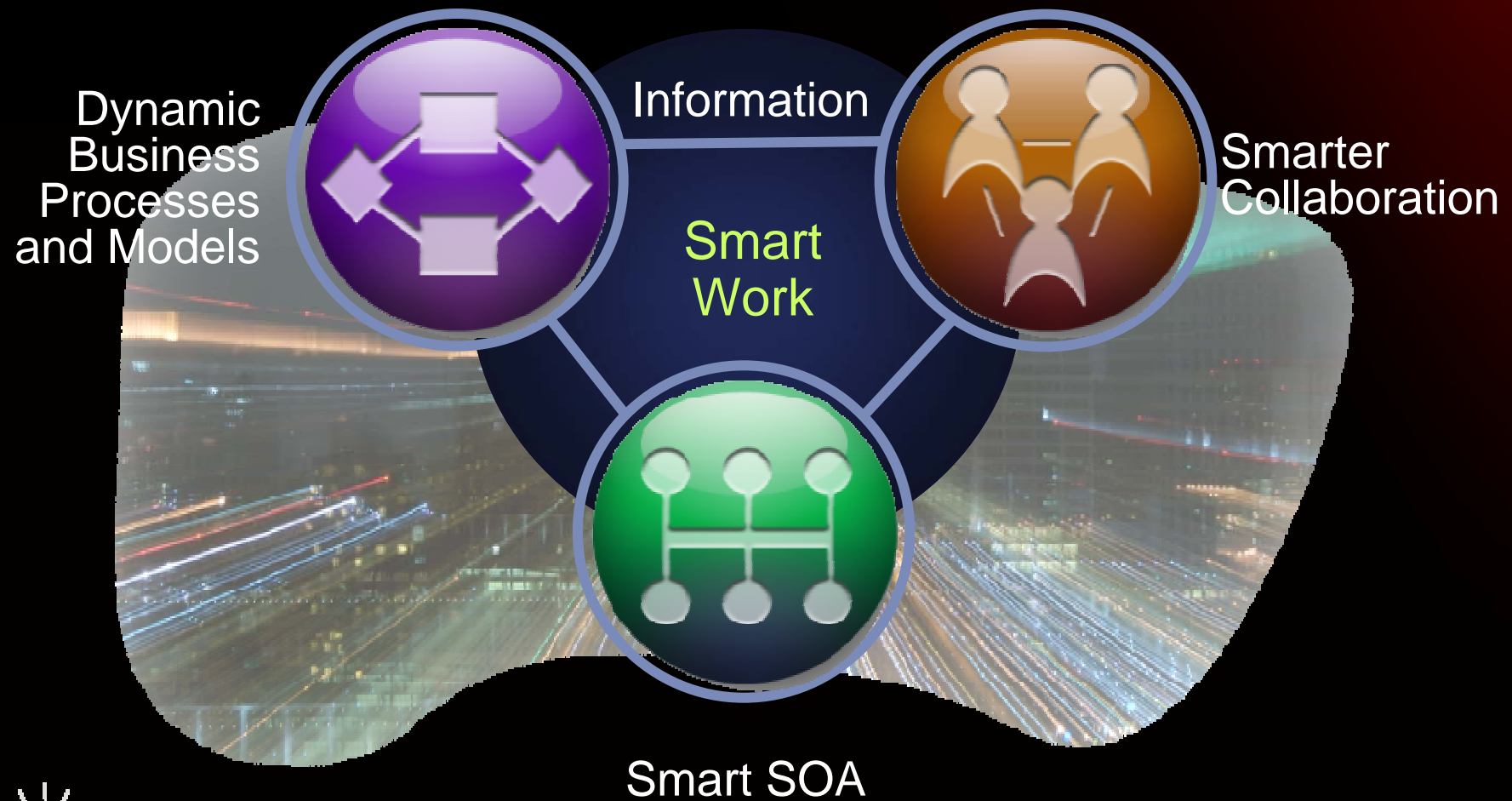
Smart Work Requires Dynamic Business Processes

91% of CEOs are restructuring work today

- Act on real-time insight

- Empower business users

- Enable New Business Models

…Optimized for YOUR Industry

Industry		Process	What's Smart
Retail		Stocking Decision Making	Turning customer data into valuable business insight
Government		Traffic Management	Optimization of traffic flow based on real-time citizen data
Healthcare		Clinical Decision Making	Collaborative decision making

Smart Work

Industry Frameworks in Action: Smarter Traffic

Intelligent Transportation Systems

New York City

Singapore

Copenhagen

Stockholm

Paris

Brisbane

Galway

Endesa

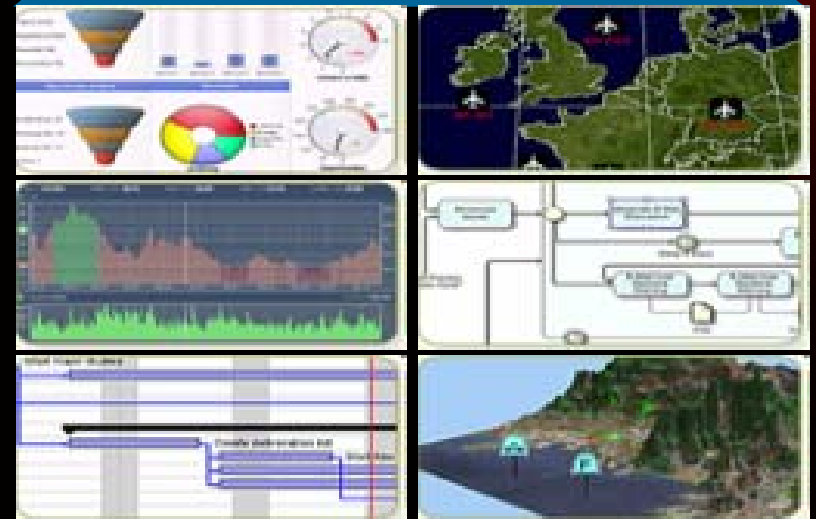Dallas, Texas

Houston, Texas

Portland, Oregon

Smart Work

Empower Business Users: Visualize the Process

Smarter Business Outcomes

- Improved speed decision-making
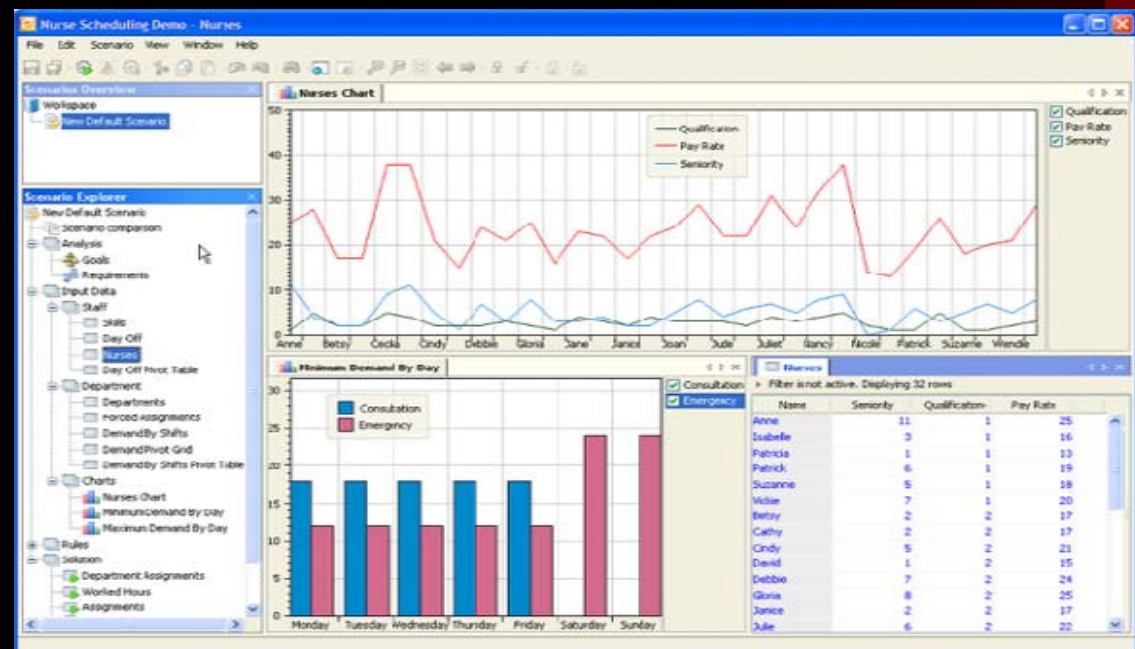- Reduced staff training time

Advanced visualization helps product planners make better decisions

In their processses

Empower Optimization: Multiple Variables

- Save $135M on labor costs and resources
- Reduced transportation costs and improved the value of its services

Deploy Business Processes Supporting New Business Models

Private …
Privately owned
and managed

**SOA-enabled
Cloud
Services**

Public …
Service provider
owned and managed

… to create a more
dynamic infrastructure

BPM Blueworks demo

Smart Work Requires Smarter Collaboration

- Leverage relationships

- Increase people's productivity

- Extend expertise

- Create situational applications

2/'08 & 5/'09,Twitter community grew over 4,000% to an estimated 20 million+ users

12/'08, over 14B web videos were viewed by 150M online, an increase of 13% over Nov '08

Smart Work

The Boone Oakley agency

http://www.youtube.com/watch?v=Elo7Welydh8

Collaborate with Customers with Social Commerce

Collaborative:

- 3D Imaging

- Micro-Blogging

- Virtual Search

THE FORD STORY

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OUR PLAN AND PROGRESS | QUALITY | GREEN | SAFETY | SMART TECHNOLOGY

Close ✕

Ford is different

You can see it in the new high-quality, fuel-efficient cars and trucks on the road today. Track our progress. Our story is yours to share.

0:00 / 1:21

Update on the Unplanned Fiesta Movement
June 12, 2009

Ford Integrates More Advanced Technology
June 5, 2009

Drive the Ford Difference
June 4, 2009

How GM Filing Bankruptcy Affects Ford Motor Co.
June 1, 2009

Mulally delivers Ford Fusion to Microsoft CEO Steve Ballmer
May 27, 2009

Ford Integrates More Advanced Technology
Keeping you connected and giving you more control

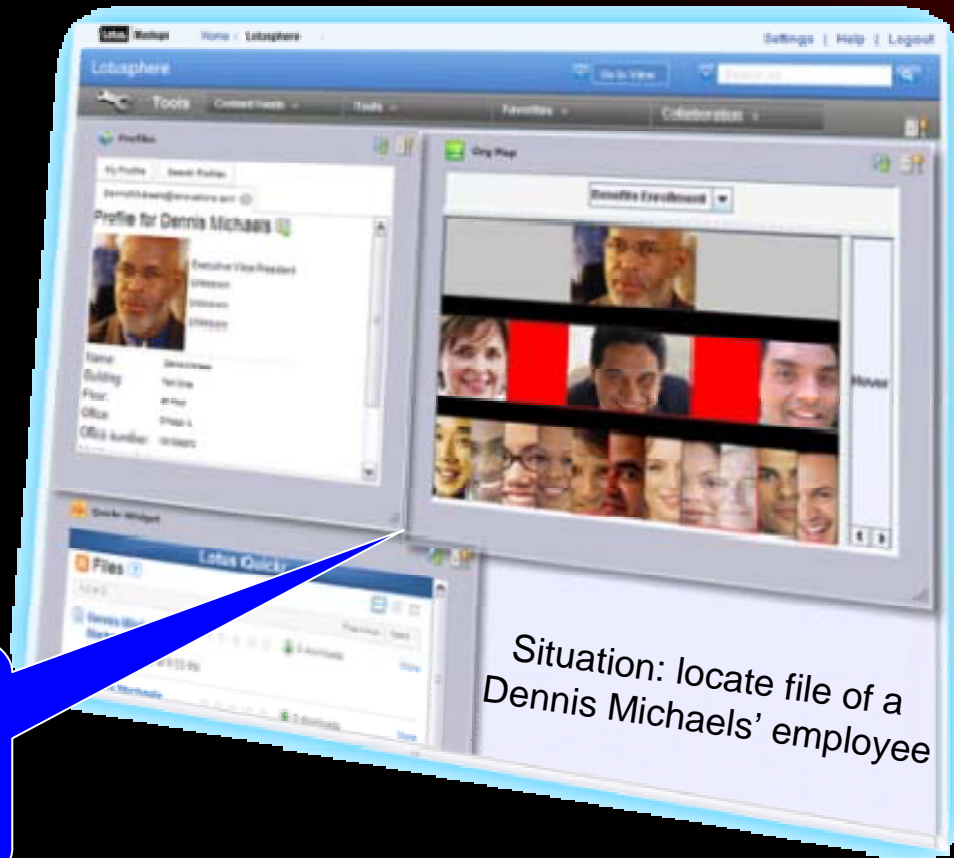June 5, 200   1 Comment / Add Your Comment

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IN THE SPOTLIGHT

Situational Applications for Smarter Collaboration

- Empower knowledge workers

- Build applications on a self-service basis

- Assemble information quickly for specific business situations

Solution App: Mash content from 3 different data feed sources

Situation: locate file of a Dennis Michaels' employee

Smart Work Requires Smart SOA

• Deliver a dynamic, scalable foundation

• Enable flexible business

• Implement services rapidly

Study Shows SOA Delivers**:
• Higher revenue per employee
• Shorter payback periods for IT investments
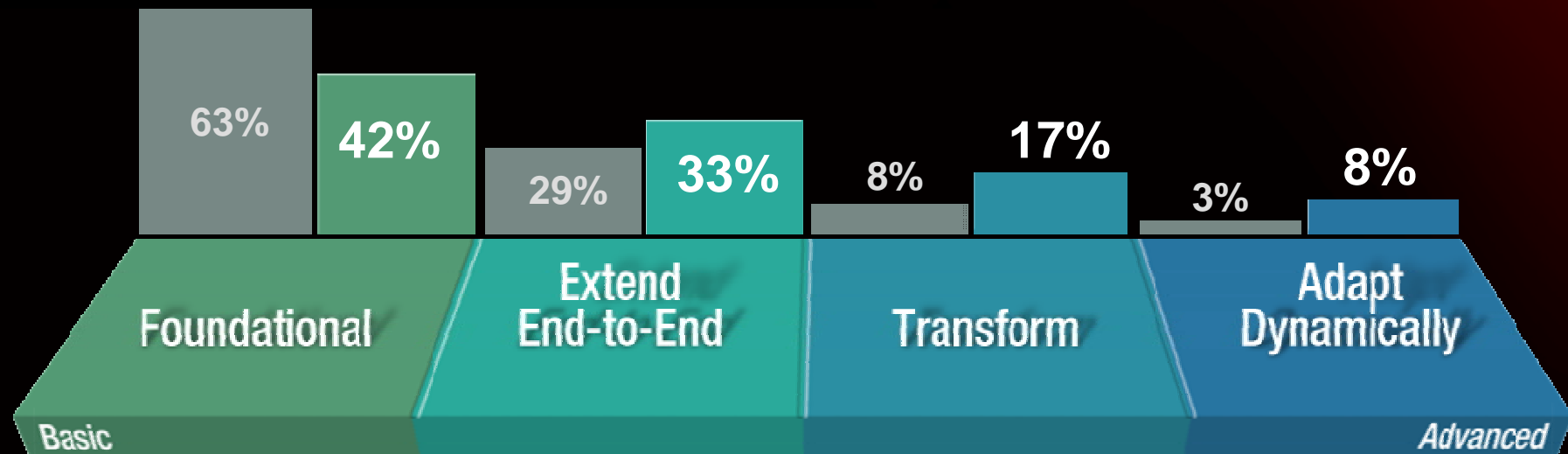• Faster development and deployment times

**Source: IBM Benchmarking Program and APCQ; 2009

Customers are Adopting Smart SOA to Work Smarter

% of SOA Customers by Approach**

2007   2009

63%	42%	29%	33%	8%	17%	3%	8%

Foundational — Basic

Extend End-to-End

Transform

Adapt Dynamically — Advanced

Working Smarter

**Source: IBM 2009 Customer Analysis

Smart SOA Means Rapid Integration

SOA Appliances

- Rapid Time to Value

- Expanded Community

- Extending Connectivity Leadership

Smart SOA Means Leveraging Cloud Services
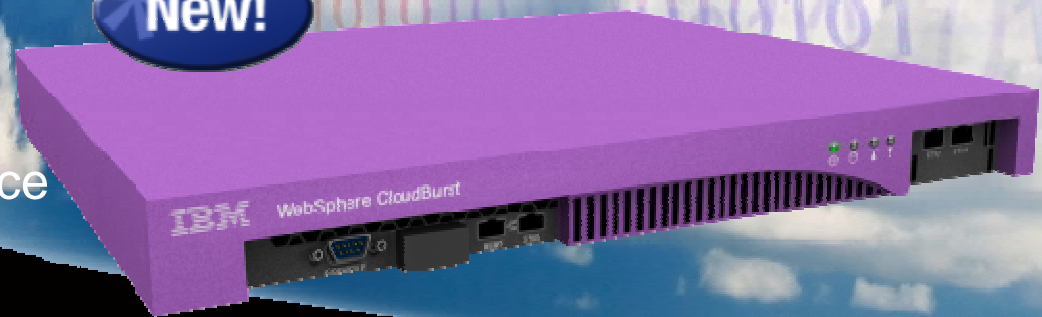
Introducing WebSphere
CloudBurst

Fast deployment and repeatability

Pre-defined patterns

Track usage for chargeback and management reporting

Cost-effective, secure appliance

New! Rational Automating Cloud Development

Build Skills with INNOV8 for Smart Work

Web-based version now available for customers and partners

New scenarios :

- Smart Supply Chain

- Smart Traffic Flow

- Smart Telco Customer Service

Pilot:

- Farmers Insurance

CODE:A BPM Simulator
innov8 2.0

Smart Work

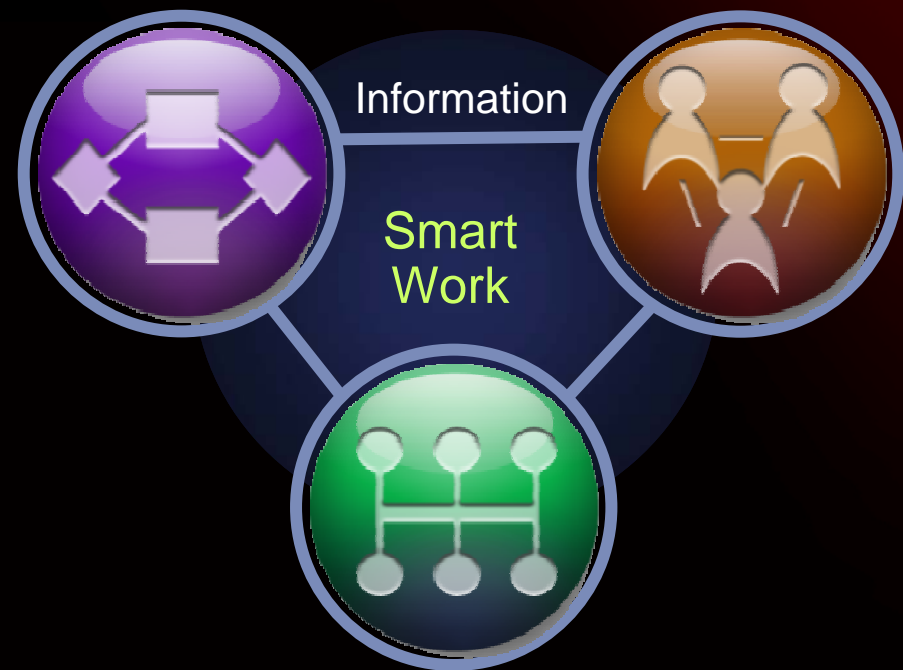## Used by Over 1000 Universities Worldwide

Business Ecology is based on Smart Work vision

Business Ecology is about:

- Optimizing Processes

- Creating agility

- Industry Frameworks focus
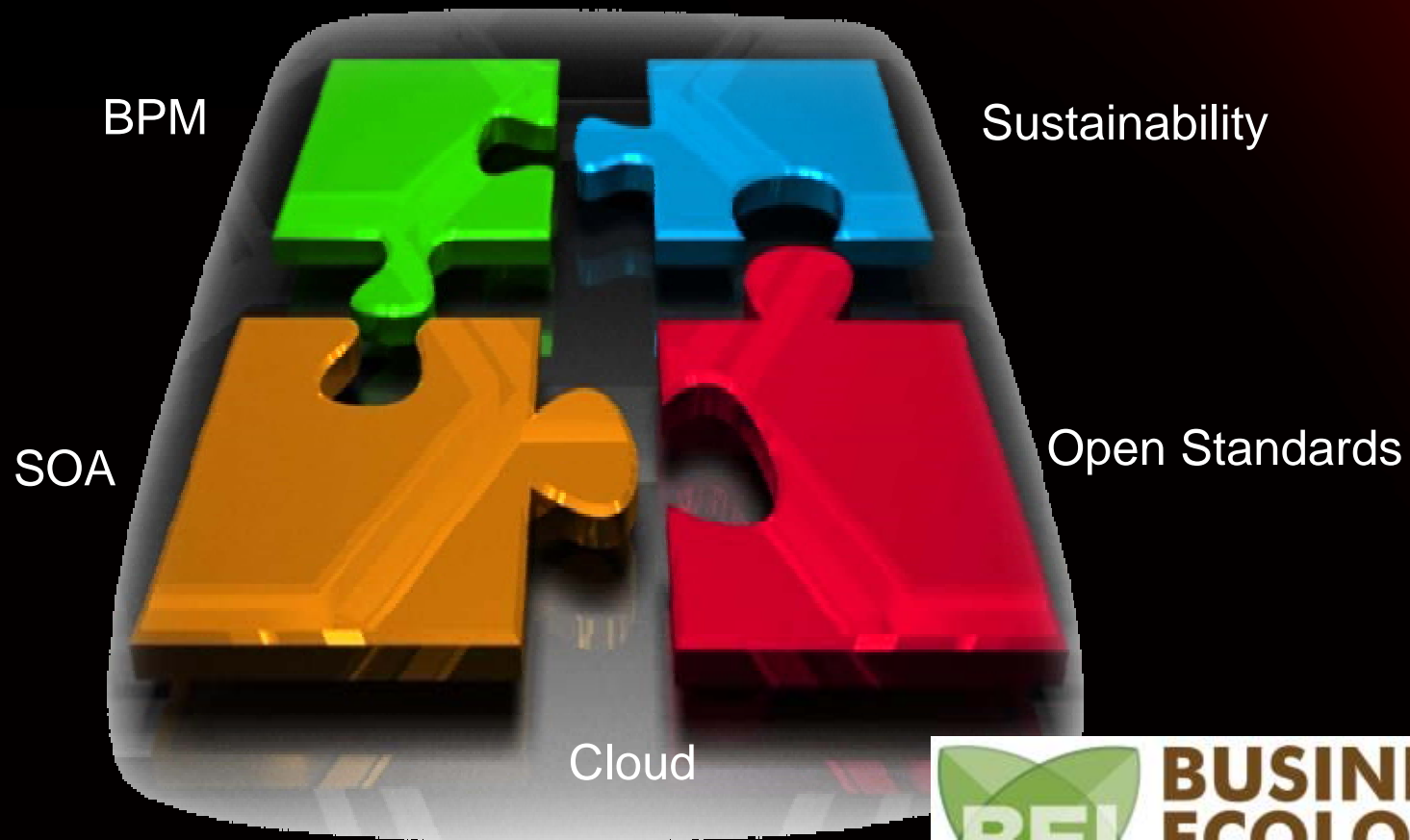
Dynamic Business Processes and Models

Smarter Collaboration
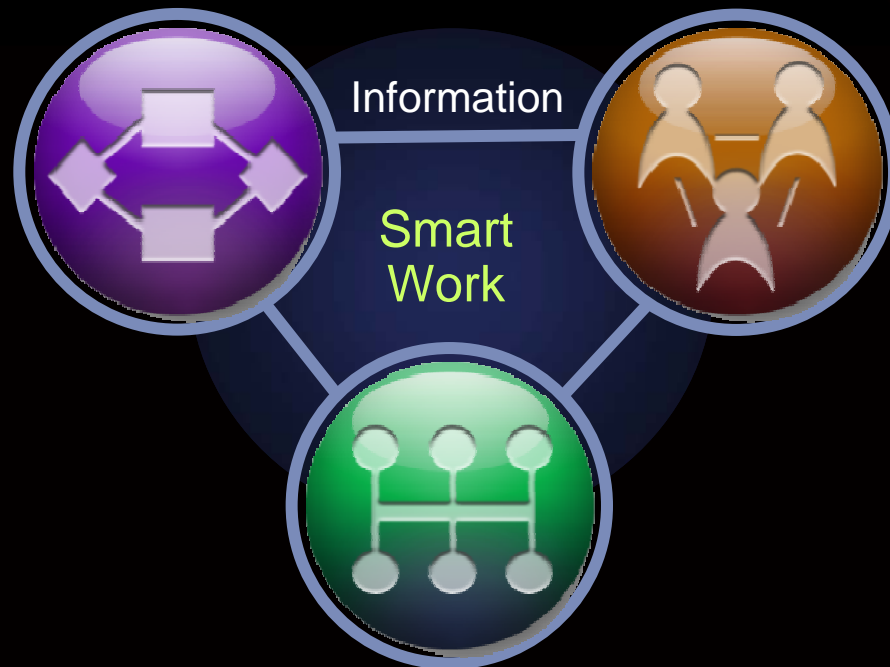
Information

Smart Work

BEI BUSINESS ECOLOGY INITIATIVE

Smart SOA

Smart Work

IBM is a founding sponsor

OMG Business Ecology Initiative

BPM

Sustainability

SOA

Open Standards

Cloud

BUSINESS ECOLOGY INITIATIVE

BEI

Smart Work

Smart Work for a Smarter Planet

Dynamic Business Processes and Models

Smarter Collaboration

Information

Smart Work

Smart **SOA**

- Cloud as part of your architecture and business processes?

- Visualization & Optimization

- Social Media Plan?

- Follow the conversation on twitter.com/SmartSOA & twitter.com/Sandy_Carter

- Try out the SOA Sandbox

Smart Work