



# On Demand: One year later...

One day in the life of an on demand Enterprise  
Fasten your seat belt....

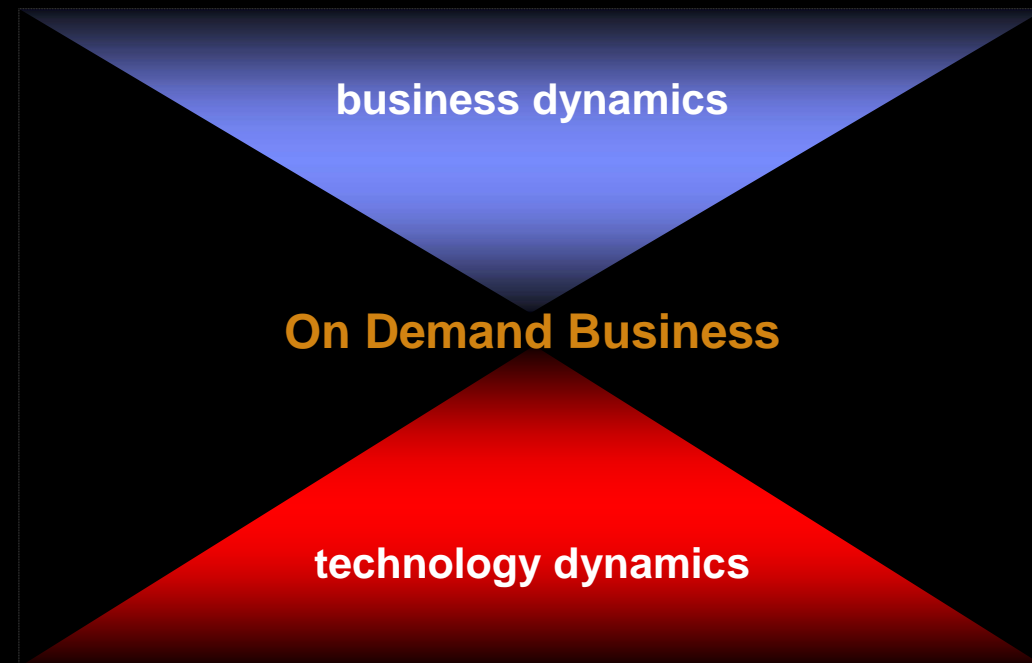
Detlef Straeten  
Distinguished Engineer & Executive IT Architect  
Member IBM Academy of Technology

# One day in the life of an on demand Enterprise

What is important to me as an Enterprise today?

Volatility is increasing on every dimension:

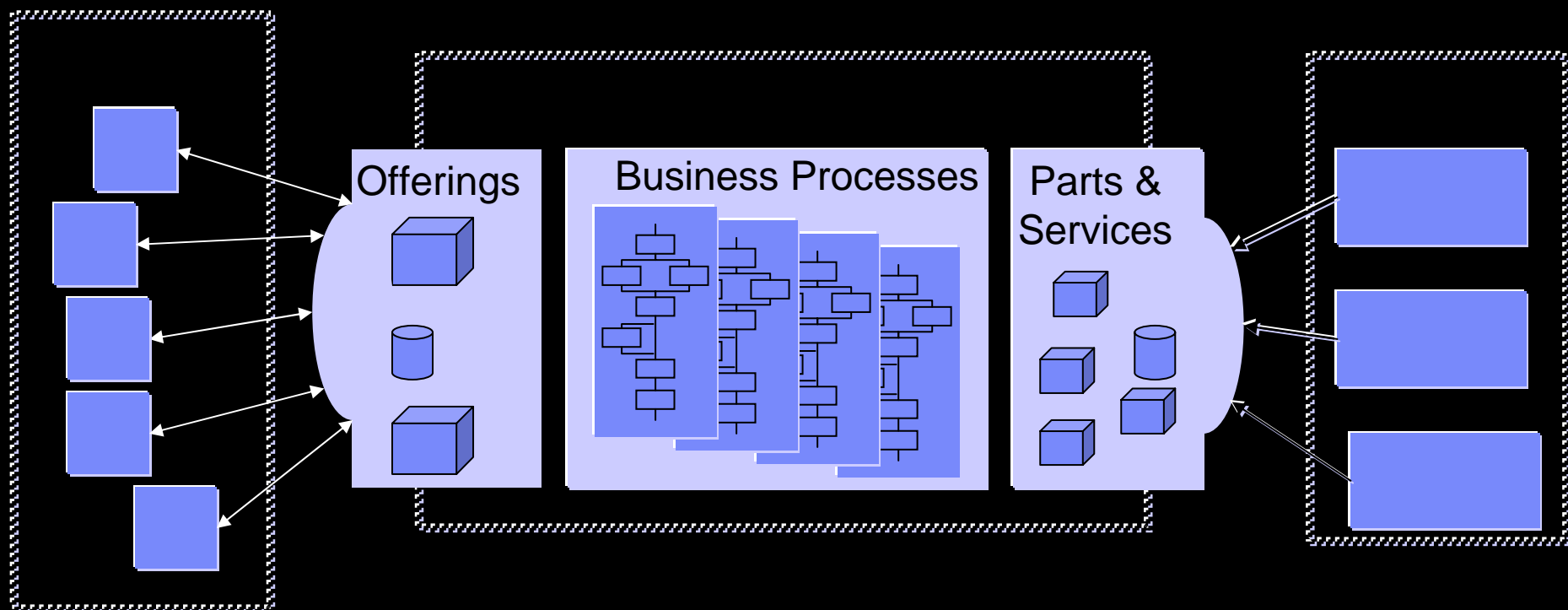
- Economies
- Stock markets
- Pricing pressures
- Customer preferences
- Market access
- Competitive threats
- Technology shifts



## The Wake Up Call

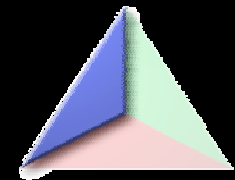
# It comes down to: **'Biggest Bang for the Buck'**

*An enterprise whose business processes can respond with speed to any customer demand, market opportunity or external threat.*

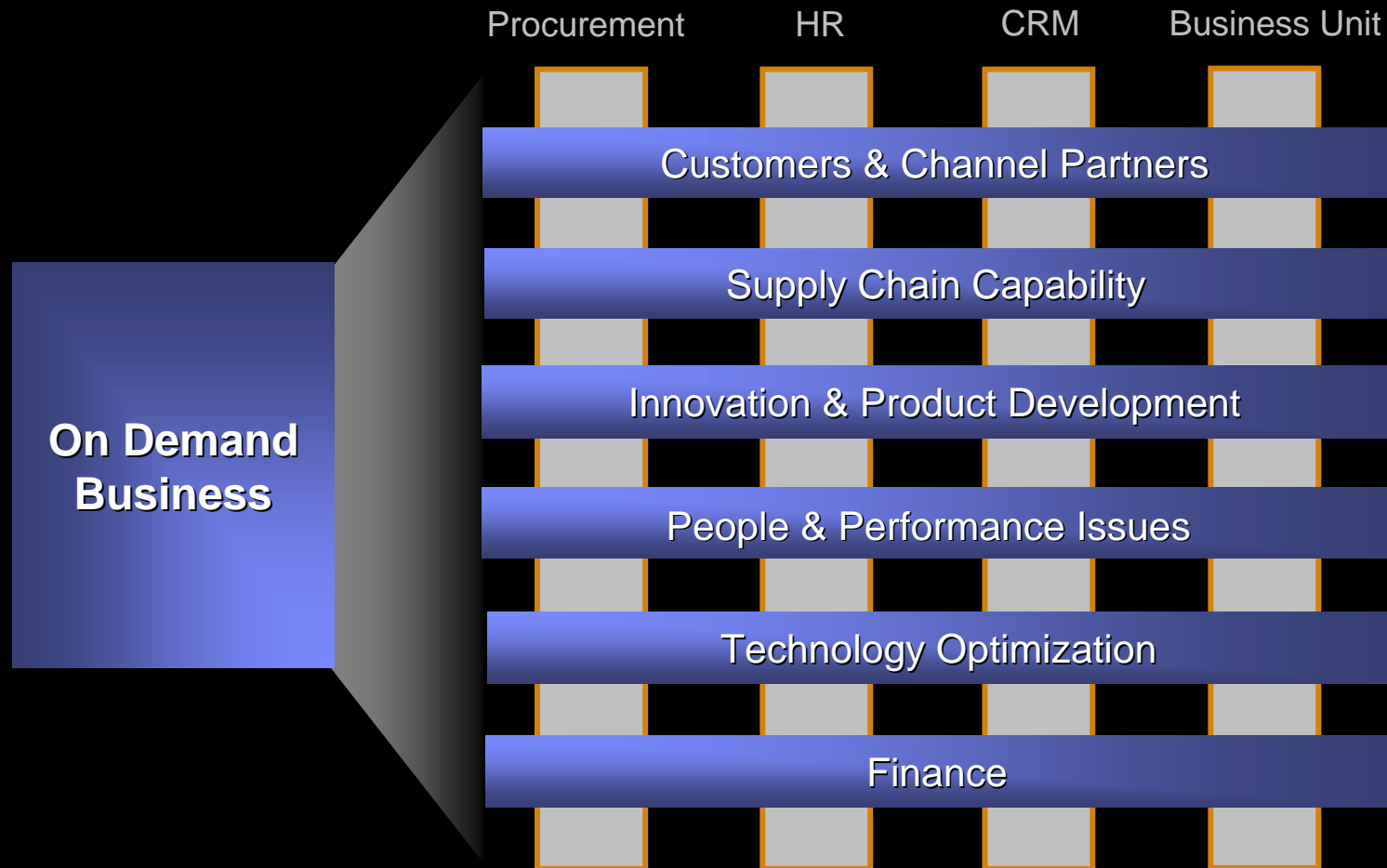


*-- integrated with partners, suppliers and customers --*

# Points of Business Value: Deeper Integration



Activities that cross multiple business processes



# Responding to strategic, structural, economic, operational and technical issues in parallel...

i.e.: Retail Client

## Strategic & Financial = Transformation Priority View

	Manage Customers	Merchandising	Store/Channel Operations	Supply Chain & Distribution	Finance Administration	Business Administration
<b>Strategy</b>	Channel, Category Strategy and Planning		Store/Channel Objectives and Strategy and Planning	Supply Chain Strategy and Planning	Financial Management and Planning	Corporate Planning
	Customer Relationship Planning and Strategies	Product Planning, Development and Pricing Strategies	Store/Channel Labor Strategy			Alliance Management
	Customer Insights	Vendor Relationship Strategies	Store/Channel Design and Layout	Distribution Oversight	Market Risk Management	Business Perf. Management
<b>Tactics</b>	Assessing Customer Satisfaction	Matching Supply and Demand	Inventory Planning	In-bound Logistics   Out-bound Logistics	Corporate Finance and Controls	External Market Assessment
	Event, Promotion Strategy and Planning	Assortment and Space Planning Management and Execution				Organization and Process Design
<b>Execution</b>	Order Management	Vendor and Product Performance Execution and Management	Store Operations Management	Distribution Center Operations	Treasury	Indirect Procurement
	Customer Account Servicing	Item Management	Store/Off-Site Services Execution	Transportation Resources	Back Office Financial Operations	Real Estate, Facilities and Equipment
	Customer Directory	Product Directory	Inventory, Product Tracking and Tracing		Accounting and GL	HR Administration
						Develop and Operate IT Systems

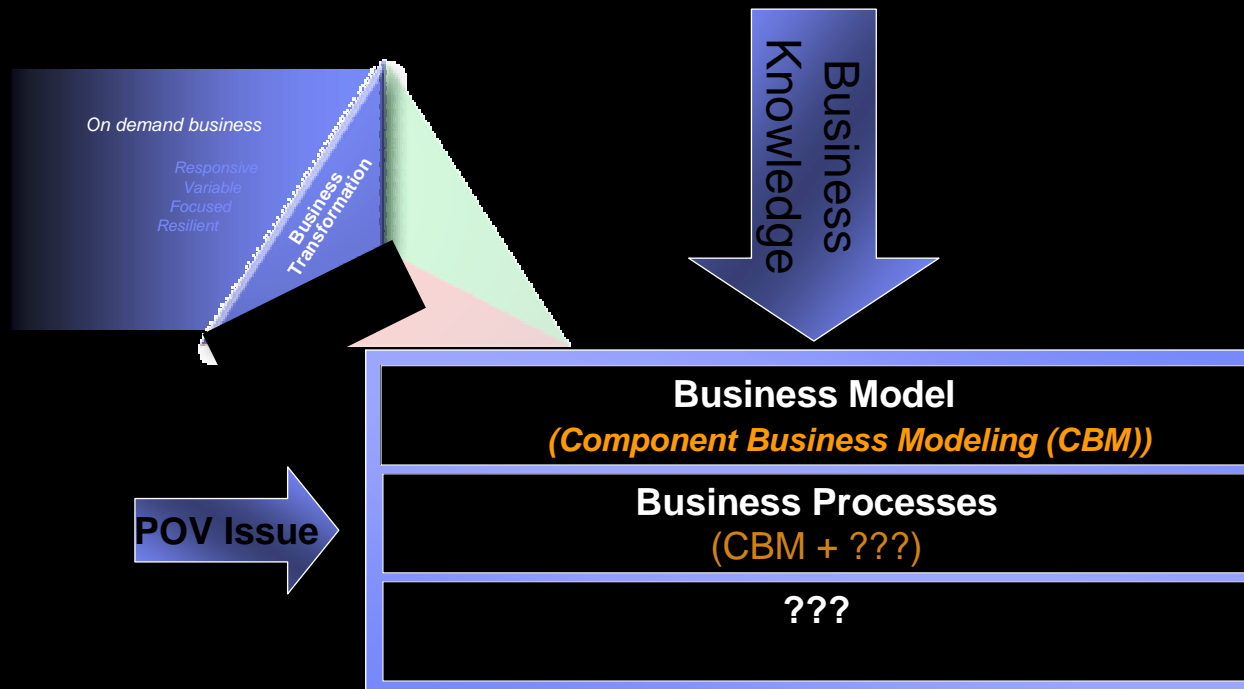
- The CBM can be used to help understand the linkage between components to create a prioritized portfolio of transformation initiatives

### Legend

- Immediate priority
- Medium priority
- No action

Now we know what to do!

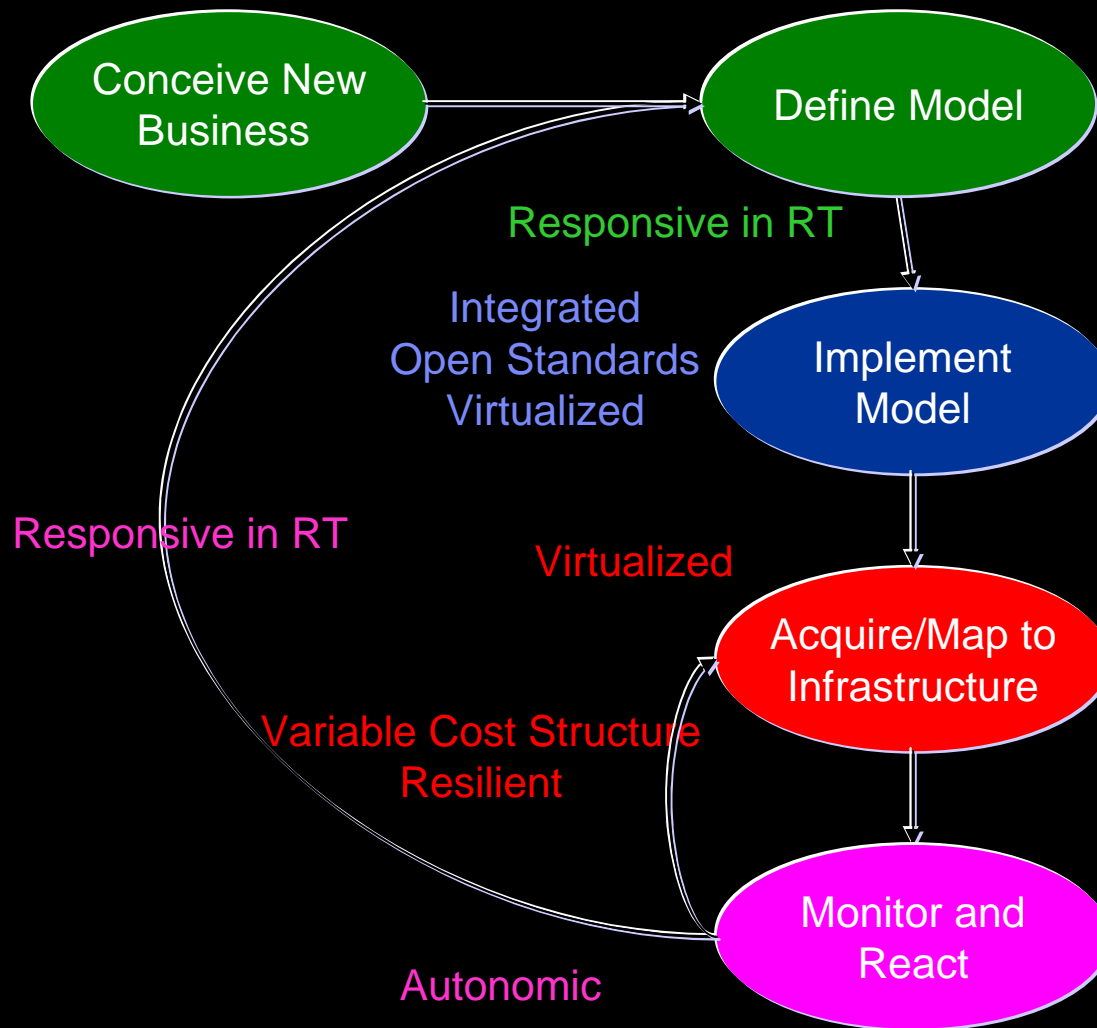
-> But how?



**At a working lunch: business meets IT !**

# What of IT prevents On Demand?

Focused on what's core and differentiating.



**There is a Chasm between the "charts" and the "IT:"**

- Business Modeling Tools
- Pre-defined, Network Services
- Bridge to "IT" Tools

**Takes too long:**

- Programming Model solves
- Assembly, customization
- Integration and portability

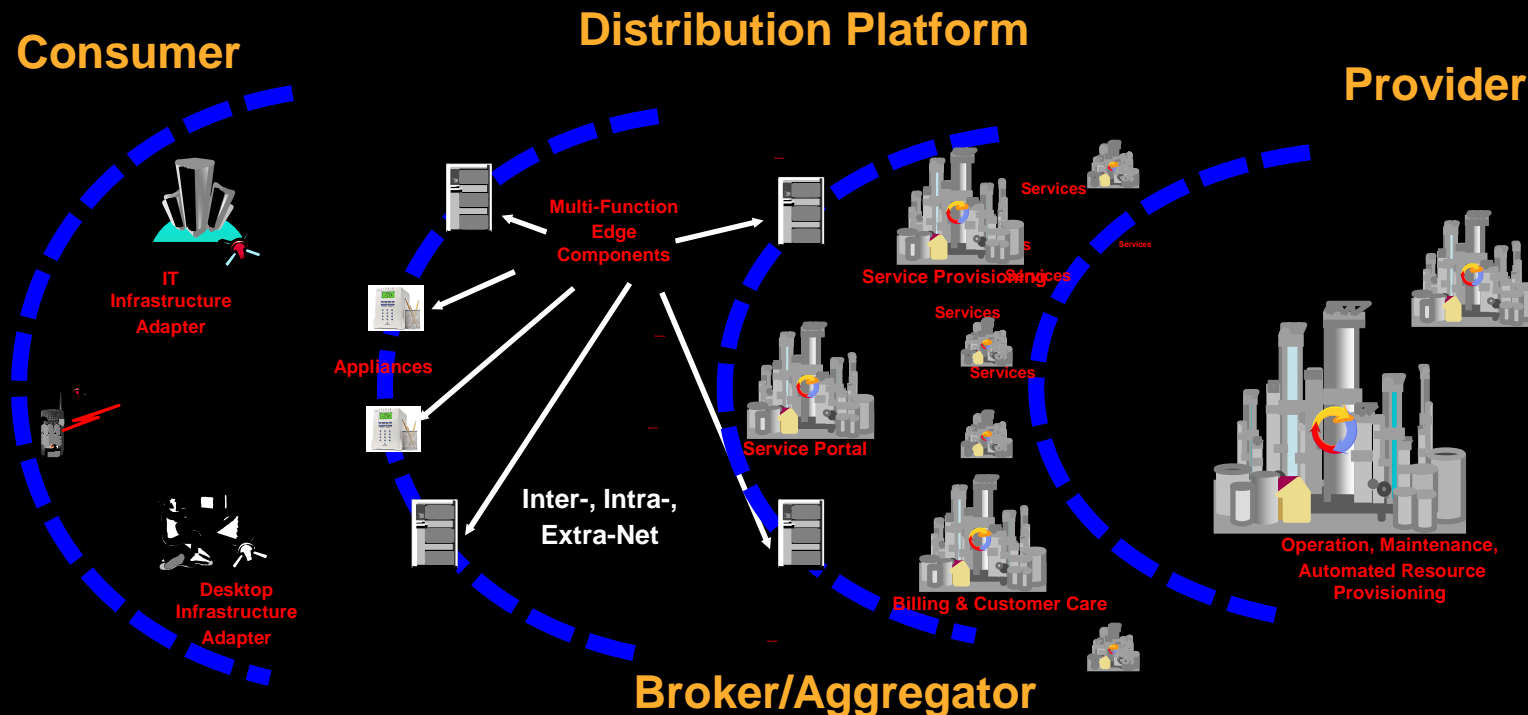
**Too long, expensive, inflexible**

- Virtualization
- On-Demand Provisioning

**Complicated and Manual**

- Autonomic Computing
- Policy Specification
- AC at IT and BP level

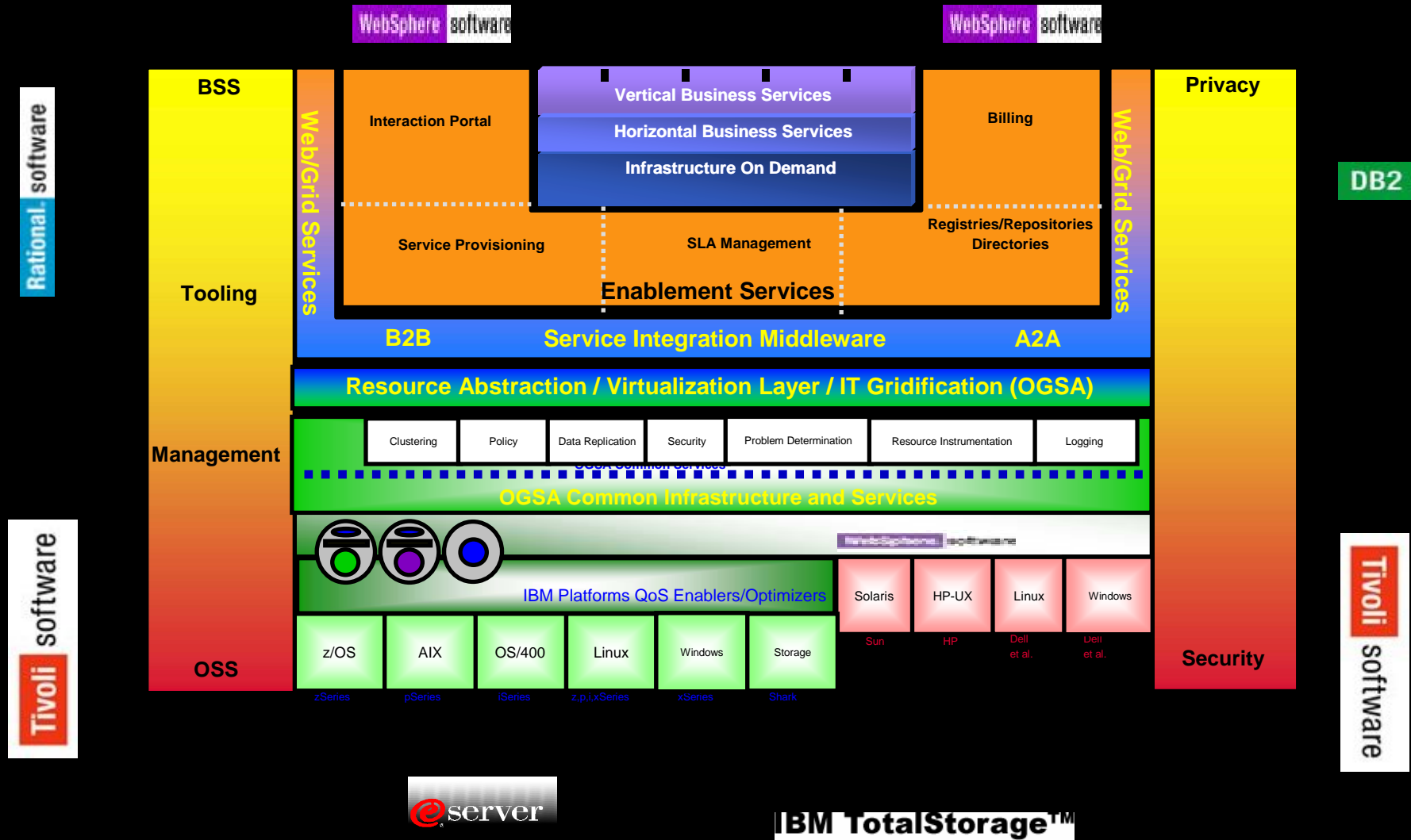
# The distributed on demand Environment



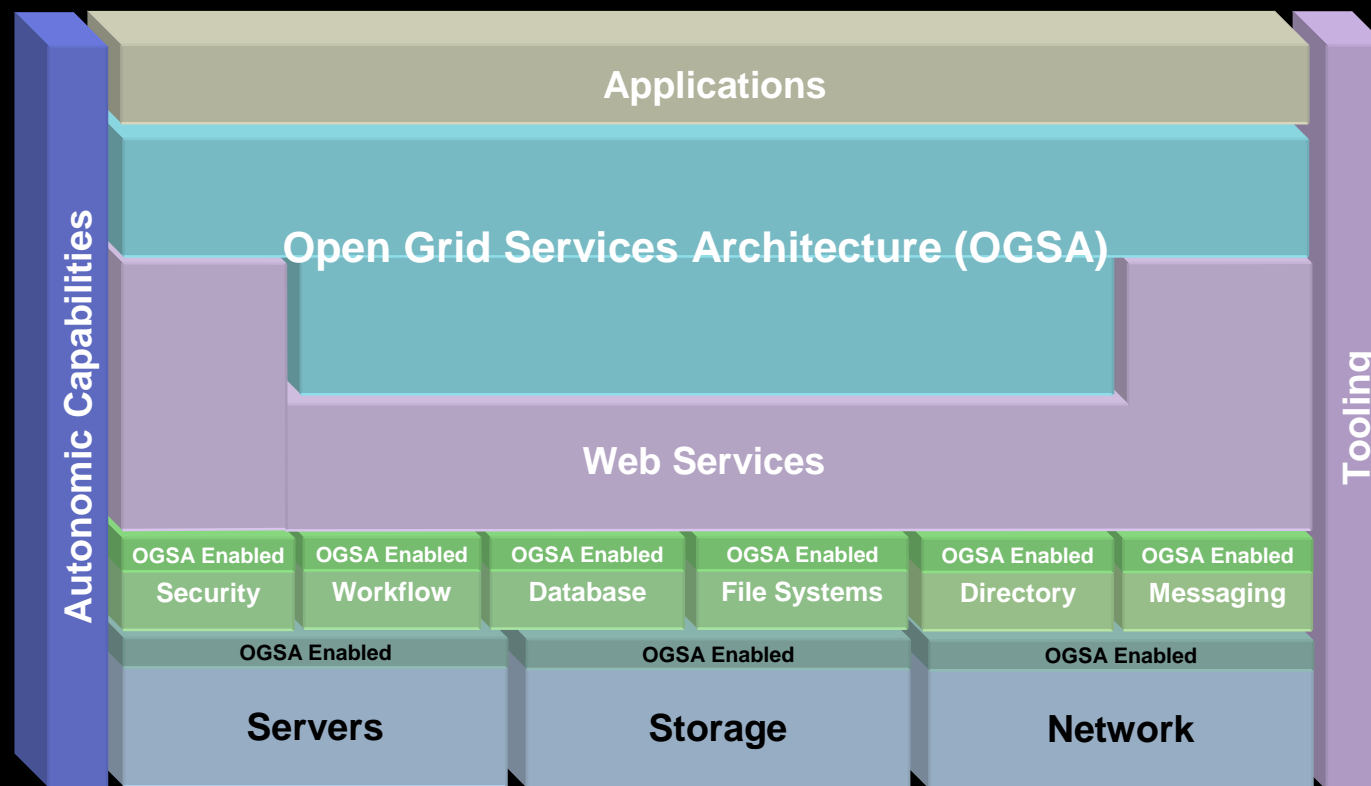
- Consumer access services in a location transparent manner
- The service execution platform is diversified and distributed
- SLA requirements define, where "logic" and/or "content" lives
- Necessary technology is not limited to provider scenarios only



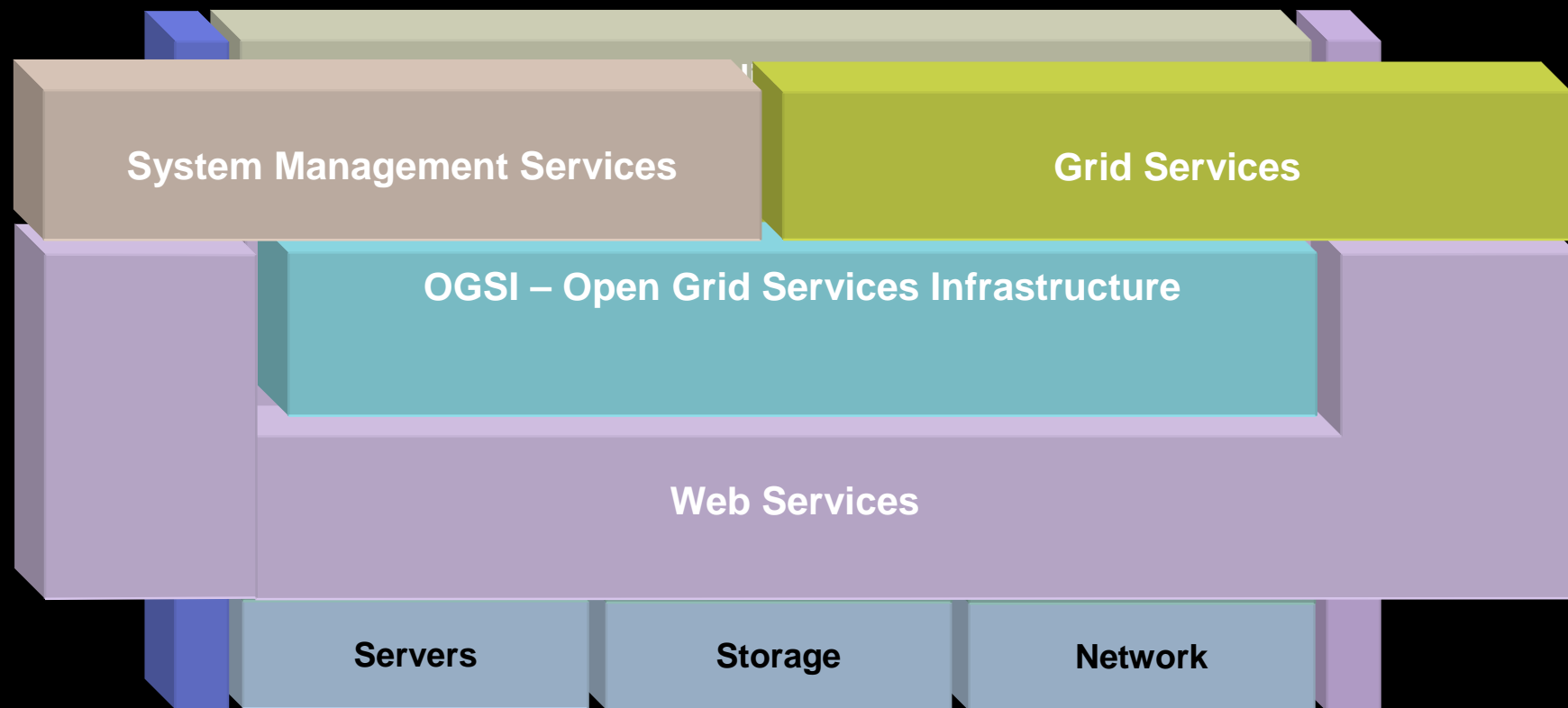
# The Technology-Stack of an on demand operating environment



# Open Architecture Framework

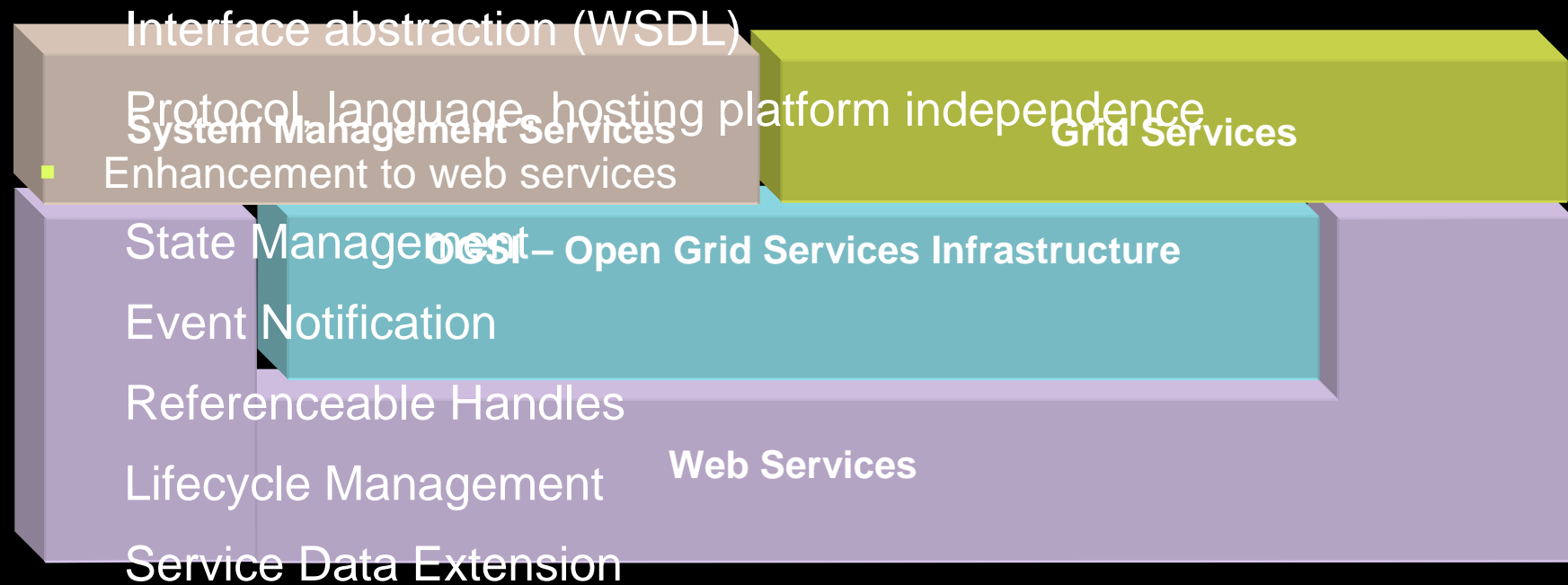


# Open Architecture Framework

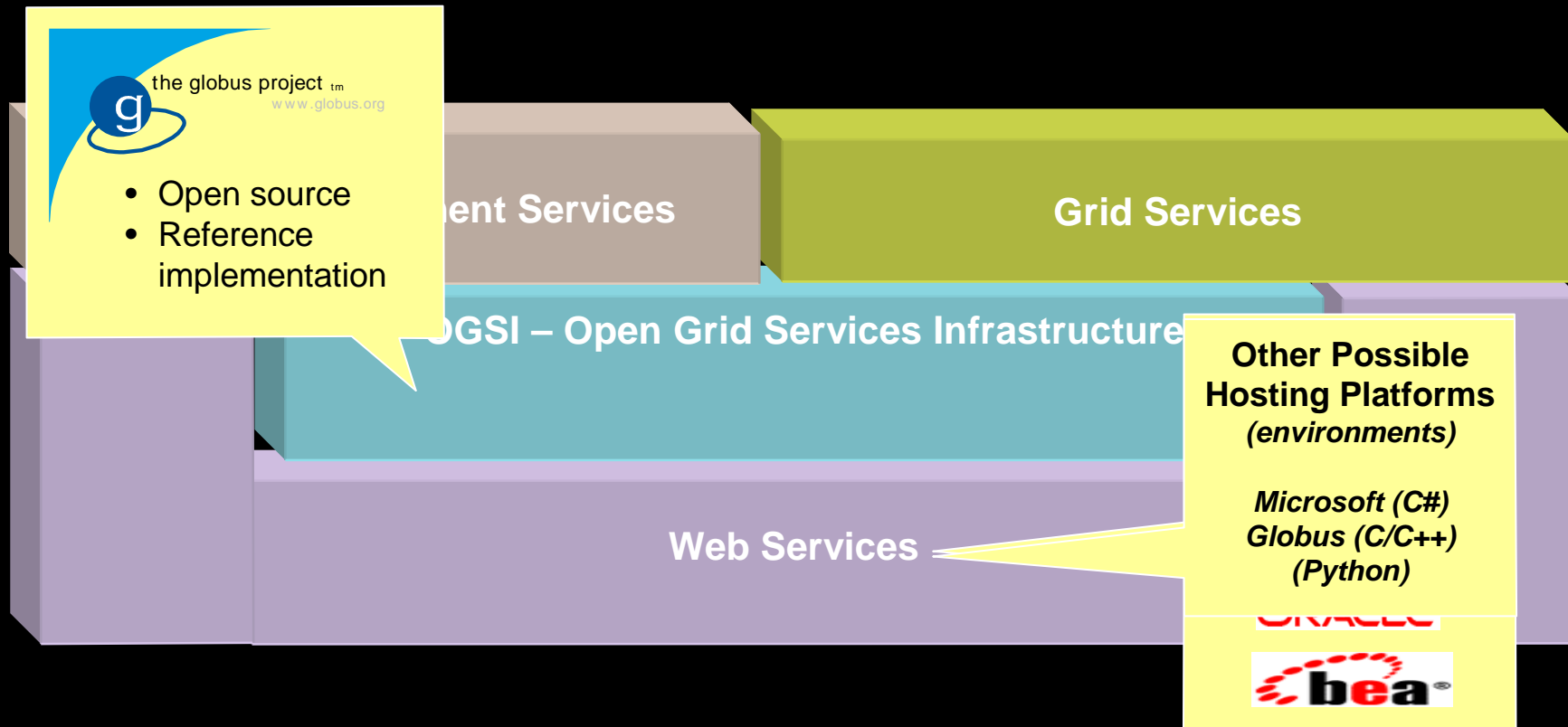


# Open Architecture Framework

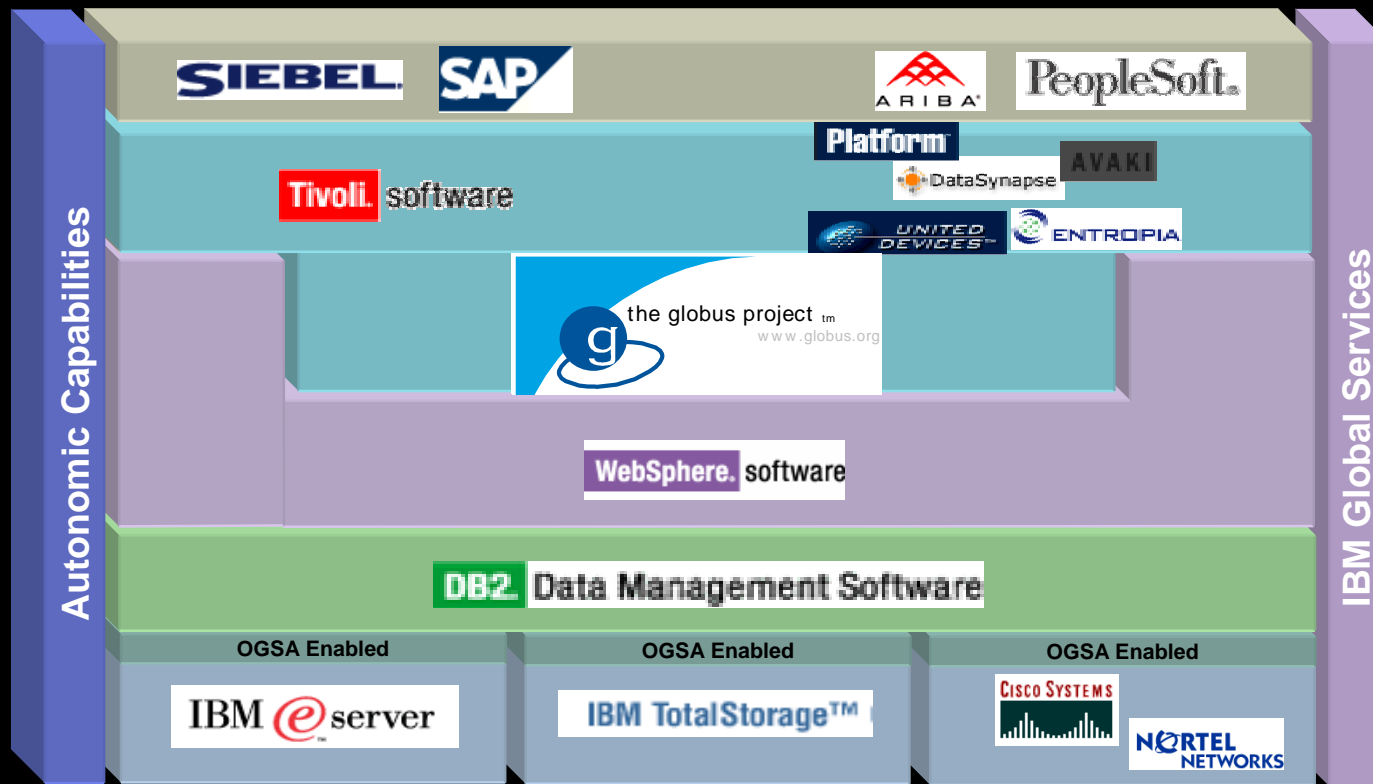
- Exploits existing web services properties

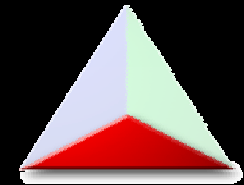


# Open Architecture Framework

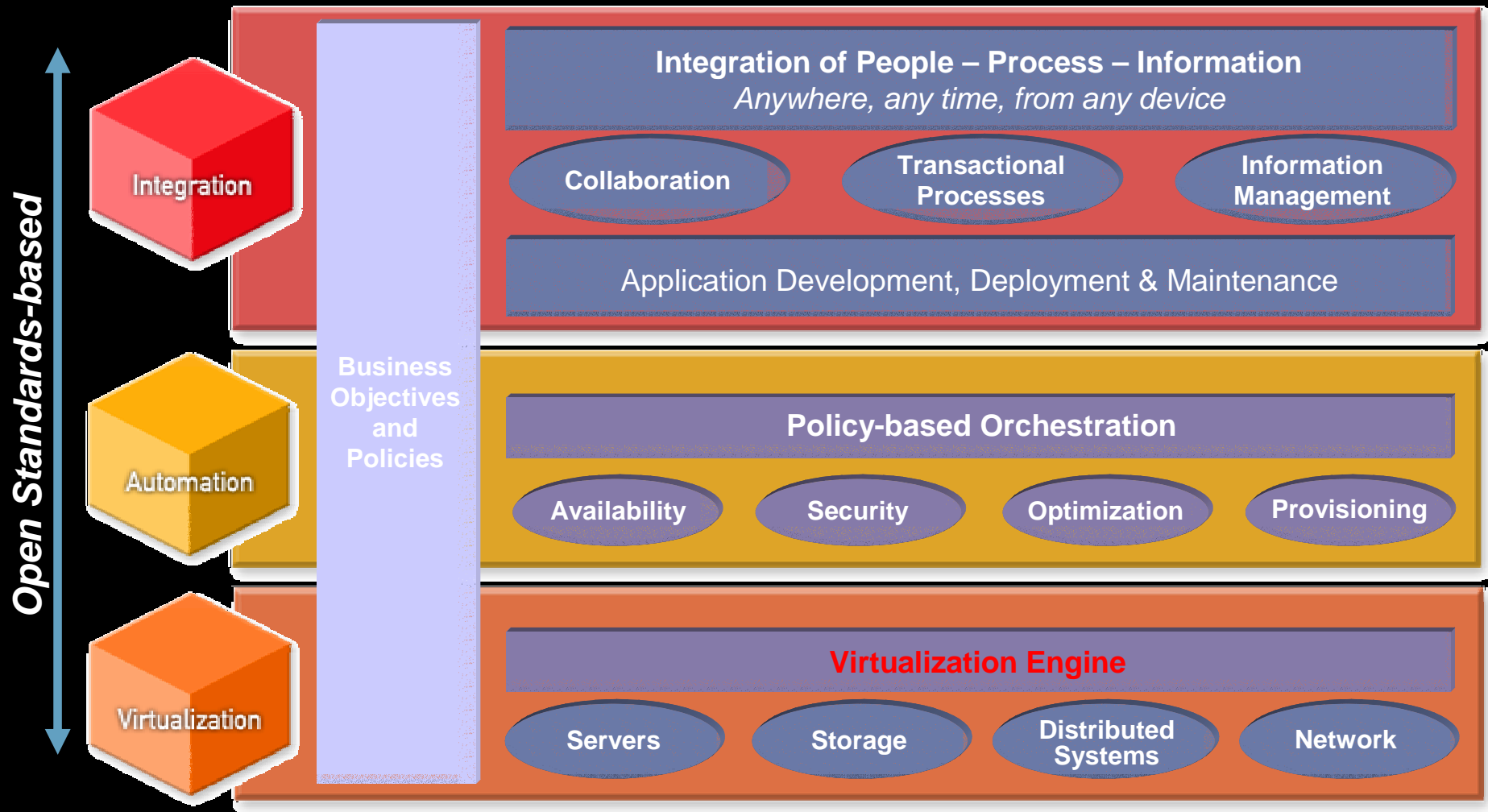


# Open Architecture Framework



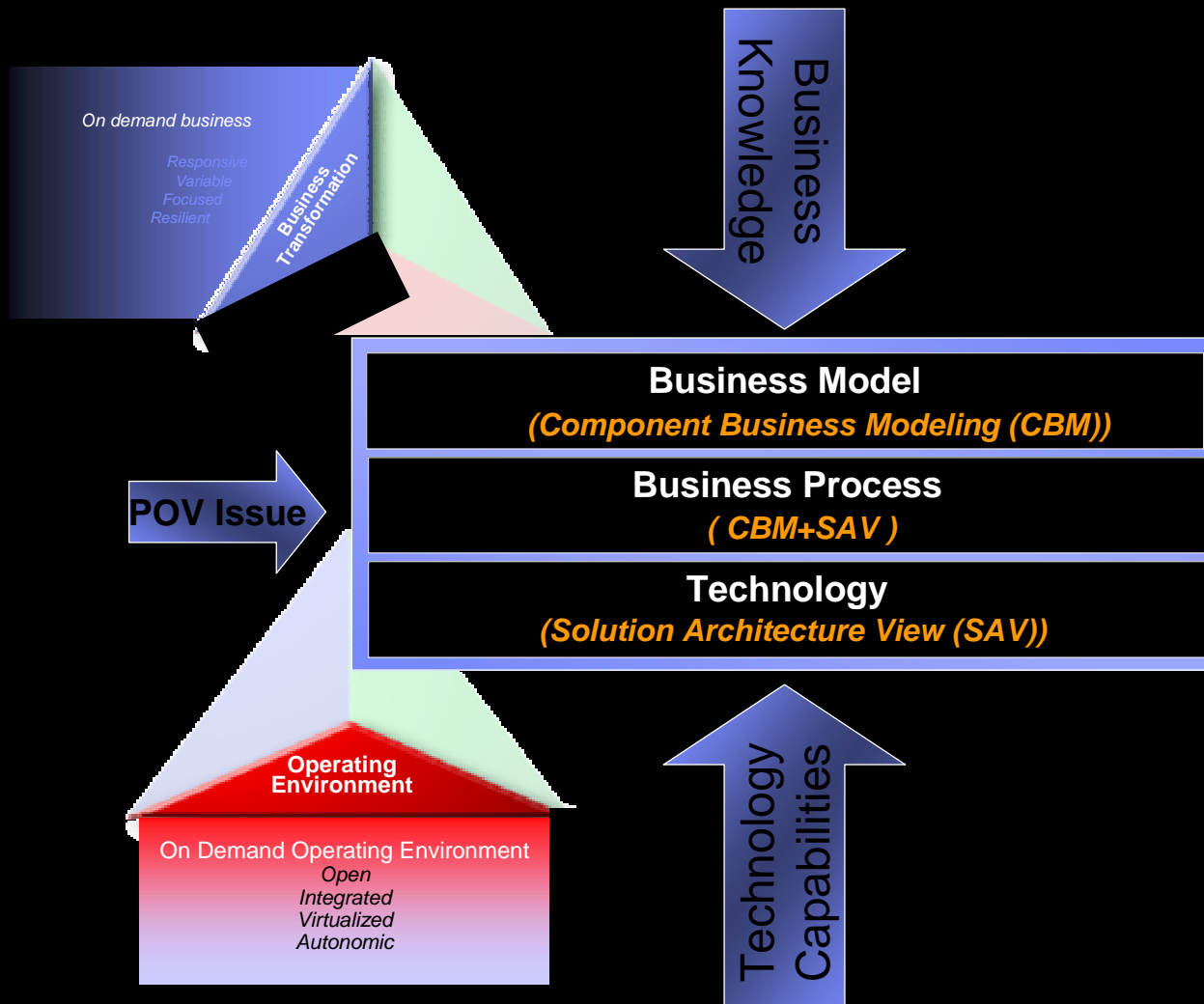


# Solution Architecture Overview



We know what and how!

-> But how do we get it?

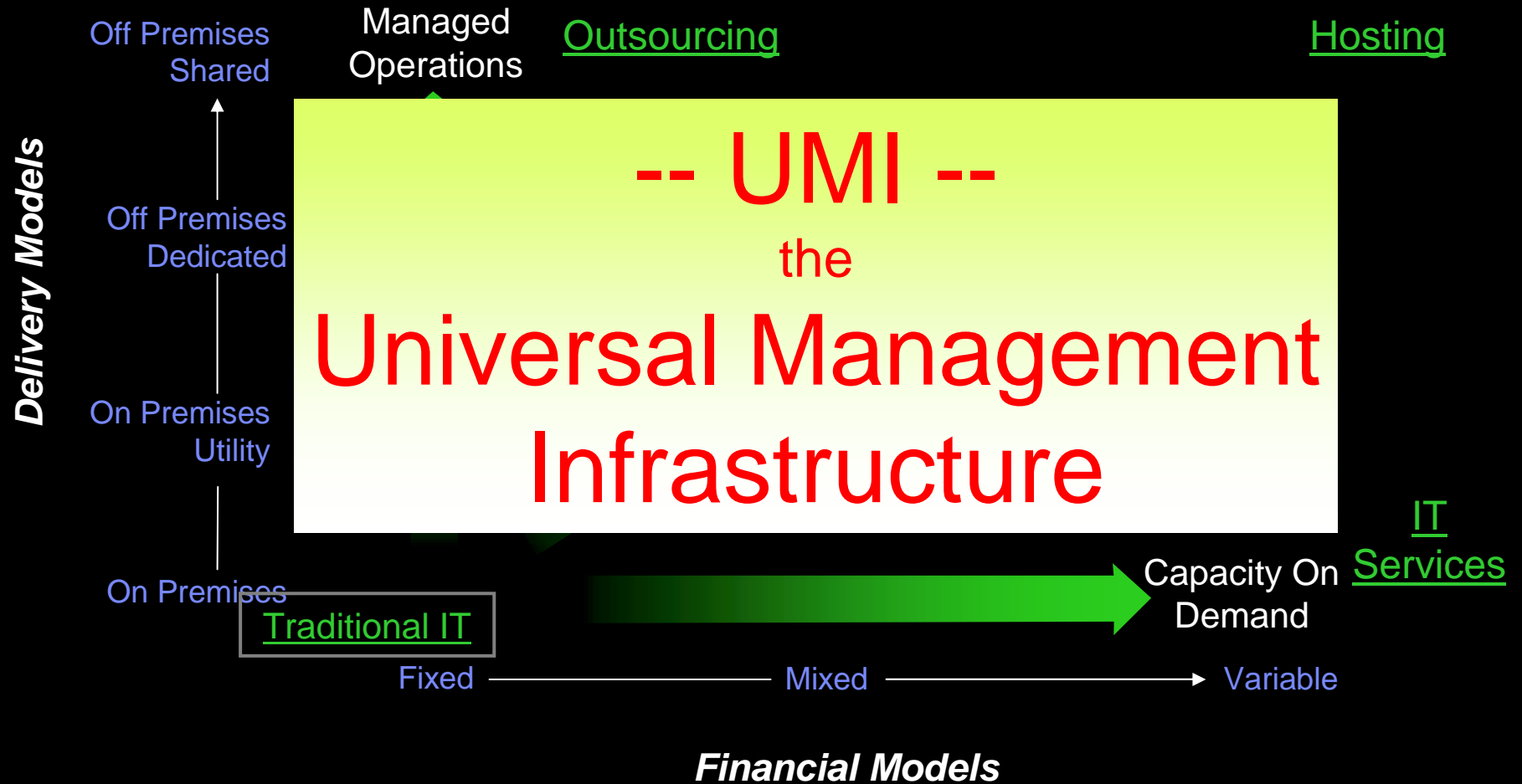


It's Tea time !

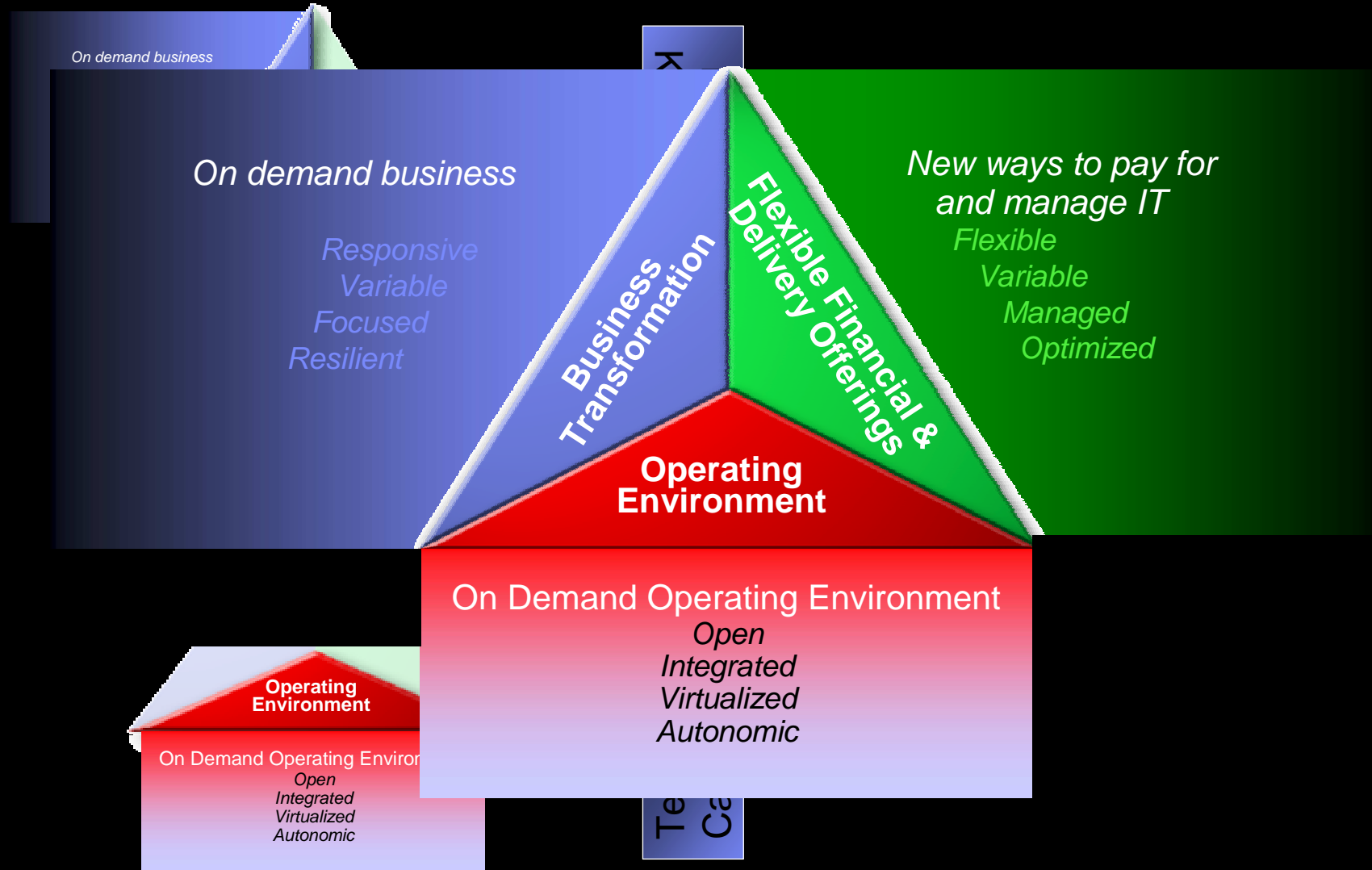


# Flexible Financial and Delivery Models

Customers choose where and how they access IT



# Now we know how to get it, too?....A Summary



# IBM's own On Demand Transformation: Walk the talk!

## Workforce

### ON DEMAND WORKPLACE: w3

Helping to manage, focus and equip employees to increase productivity, and shape IBM culture.

## Manufacturing

### 300mm SEMICONDUCTOR FACILITY

Fully automated, integrated processes continuously prioritize chip production schedules. Development + manufacturing combined.

## Supply Chain

### INTEGRATED SUPPLY CHAIN

End-to-end integration of processes and systems. Reduced \$5 billion in cost and expense in 2002. Expect another \$5 billion in 2003.

## Business Process Outsourcing

### HR BENEFITS ADMINISTRATION, CONTRACT MANUFACTURING

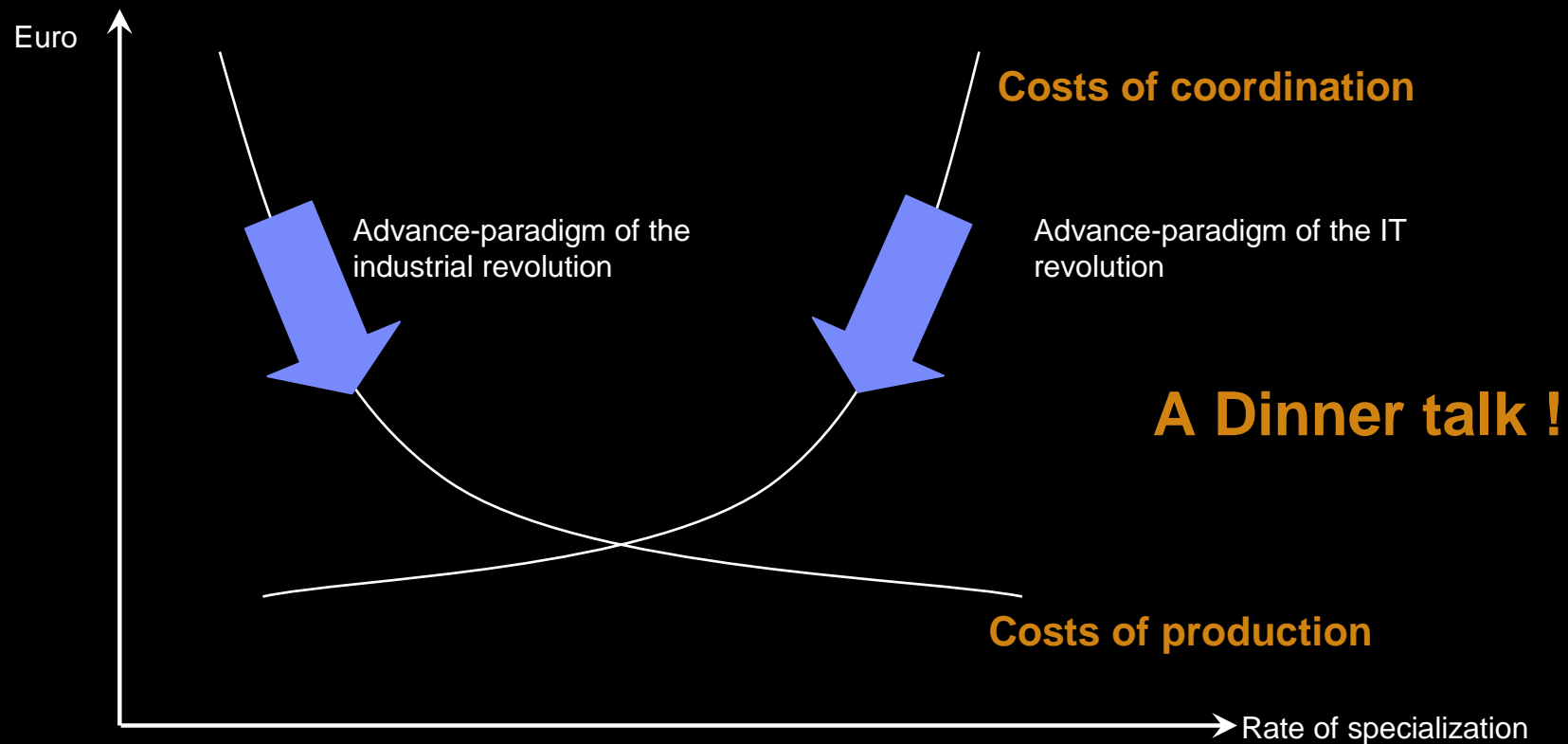
Partner with Fidelity Employer Services and with Sanmina-SCI for PC manufacturing in US and Europe.

## Technology Optimization

### GRID

IBM intraGrid for R&D. Grid technologies used for designing our latest microprocessor technologies. Solutions Grid for ISV partners.

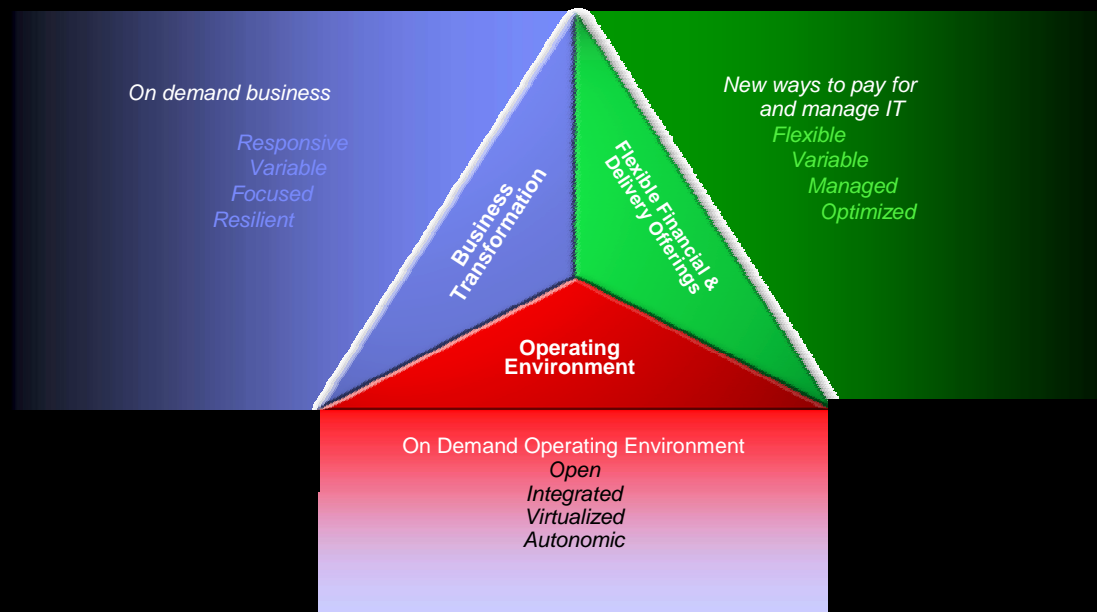
**Summary:** The principle of realizing business advance has inverted and there is no way back... 'On demand' is 'just' addressing the challenges of this new game!



Source: Weiber, S. 6 (2002)

➔ Above all: The possibilities of integration between business systems will play a key role for growth in the future.

# Questions?



**Food for thoughts !**