Business Process Optimization, Application & Rationalization

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However, some are using the downturn as an opportunity to accelerate business performance and gain market share.

**Business Process Optimization**
Optimize business process performance at every touch point of your customer life cycle.

**Shared Services**
Evolve your operations to become lean, agile, resilient, optimally aligned, and service-oriented.

**Application Rationalization**
Rationalize application investments to streamline and to reduce overlap and unnecessary costs.

**Business Intelligence**
Overcome challenges in obtaining real time information needed to monitor, align, and drive business performance.

**Consolidation & Virtualization**
Consolidate and virtualize your application and technology infrastructure to lower costs while optimizing performance, utilization, availability and scalability objectives.

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Leveraging Information to Thrive: 5 Imperatives to Turn Challenge Into Opportunity

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Poor customer experiences can cause dissatisfaction and unnecessary costs

Optimize business performance throughout your operations to reduce costs while improving responsiveness and increasing customer loyalty
Take a multi-dimensional assessment of business process improvement requirements

Understand and focus on your core and mission-critical processes and resources

In assessing current vs. the future state execution, consider the many dimensions for process improvements

Ensure improvements eliminate key pain points and meet business objectives

Leverage industry best practices

Obtain key stakeholder buy-in
Analyze, classify and determine business process impacts and benefits.
An EMC Customer Success: Sales Process Improvement

Challenges/Situation

Needed to transform and enable sales operations to deliver a world leading sales and customer experience.
Lengthy sales cycle, complex processes and product and segment focus
Multiple data (re-)entry systems to navigate with limited reuse of the solution
Multiple organization touch points with manual tracking of data and documents

Delivered Solution

• Identified that an enterprise contract management (ECM) solutions was a key opportunity for improvements
• Successfully deployed ECM solution that supports the execution of millions of contracts for over 22,000 sales reps and contract administrators in the sales organization

Business Benefits/Results

A planned a multi-year, multi-phase enterprise ECM initiative ensuring positive deployment results
An incremental Sales Process Improvement Roadmap paved a path to the desired results.

...and pointed the way to significant opportunities for improvement in Contracts Management.

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EMC examined the Contracts Management Lifecycle and designed a complete solution.

- **Contracts Lifecycle Management**
  - Real-time integration;
  - Workflow triggers & alerts
  - Financial processes

- **Compliance Management**

- **Creation**
  - Self-service requests
  - Contract templates
  - Version tracking
  - Audit trail
  - Electronic signature

- **Performance Monitoring & Analysis**
  - Analysis, Reports & Dashboards,
  - Sarbanes-Oxley; performance & predictive analysis;

- **Strategy & Template Refinement**
  - Store, search & maintain
    - Contracts, Templates, Clauses & attachments, Terms, Contract schema extension; Sub & related agreements

- **User Interface**
- **Document Management**
- **Business Process Automation**
- **Analytics**
- **Integration**

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EMC’s client achieved operational efficiencies and customer experience improvement

- Increased revenue
- Reduced costs
- Increased sales win rate by 15%
- Reduced sales cycle by 20-40%
- Controlled rogue /non-standard contracting by 15-40%
- Improved relationships
An EMC Customer Success:  
Account Opening Process Improvement

Challenges/Situation
Shifting from being account centric to customer centric  
Duplication of effort with existing paper-based forms and manual process  
Inconsistent processes for profiling, advice, and account opening  
Poor user experience interacting with systems at every touch point

Delivered Solution
• Solution was to realize full leverage of client data across profiling, account opening, advise and client maintenance while eliminating redundancies, easing execution and enhancing business growth opportunities  
• Engaged with client from strategy through deployment and now expanding to additional account types and capabilities  
• Analyzed 45 account types across all dimensions of customer lifecycle to prove opportunity and identify 80/20 rule  
• Implemented an account opening solution which was integrated into the Advisor’s desktop, legacy applications and utilizes Adobe’s IDP platform

Business Benefits/Results
A framework for improvement was implemented across the client lifecycle leveraging reusable data and processes benefitting the channel and end client

Customer Profile:  
Large Financial Services Company

Industry:  
Financial Services
Customer Lifecycle and Business Process Overview

Key Processes

**Segmentation & Targeting**
Individual identified as target and appropriate resources allocated
*By leveraging attitudinal data from the sales process and responsiveness data from customer analysis, marketing can create more meaningful segments and target them with more specific, appropriate messages*

**Professional Sales**
Targeted messages delivered to customers and attitudinal survey data captured as structured call notes
*Analysis of responsiveness trends guide reps in selecting appropriate brand messages. Aggregation of structured assessments provides feedback to marketing for refinement*

**Predictive Modeling**
Predictive models integrate historical customer interaction data with customer performance data
*Performance analysis shows how customers have respond to various influence activities. Predictive models show how different attitudinal segments may respond to influence*

**Information Accumulation**
Information gathered through customer interaction processes to satisfy information gaps

**Information Verification**
Known information reviewed and analyzed for accuracy and completeness

**Data Layer**
Customer Information  Strategy / Planning Information  Account Information

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New Account Opening Maturity

Organizations are at varying stages of maturity relative to streamlining new account opening processes.

**Forms and Process Capabilities**

- **“Crawl”**
  - Phase 1
    - Centralized forms management
    - Forms enhancements
      - Provide “pre-filled” PDF forms
      - Institute bar code on form
      - Automate pull of client data from systems

- **“Walk”**
  - Phase 2
    - Operations forms workflow
      - Enable workflow routing, & forms lifecycle
      - Scan signed form upon receipt in operations
    - Forms enhancements
      - Extend “pre-filled” forms to rest of forms
      - Automate push/pull of data to systems

- **“Run”**
  - Phase 3
    - Multiple account opening
    - Forms enhancements
      - Enable electronic signature
      - Extend push/pull of data to other legacy systems
    - Operations forms workflow
      - Automate business rules as part of document processing workflow

**Common platform** is established to support broader account types, profiling and client maintenance.
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Putting more wood behind the arrow

The typical IT organization spends 78% of its human and capital resources maintaining applications and supporting infrastructure [1]

Application Rationalization = “dispassionate decision-making” focused on driving cost out of the IT portfolio

- Retain, contain, or retire?

Especially important in M&A scenarios with two or more redundant sets of applications

- What is the optimal post-merger portfolio?

Application Rationalization achieves four key efficiency objectives

- Support the overall IT strategy
- Minimize business risk
- Minimize technology risk
- Reduce total cost of ownership

Evaluate applications across four dimensions

**IT Strategy**
- Alignment with desired architecture
- Delivery and operating quality
- Maturity of IT processes
- Age characteristics

**Business Risk**
- Business process compatibility
- Adaptability to future business needs
- Current business satisfaction

**Technology Risk**
- Costs to convert
- Timeframe to convert
- Vendor health
- Resource experience and capability

**TCO**
- Vendor commitments and contracts
- RTB vs. ITB costs
- Unit cost by key drivers (i.e. customer type)

**Optimization Levers**

**Automated Data Collection** using EMC Smarts ADM, a real-time, agent-less / passive discovery solution to collect dependencies, demand, usage, and service levels

**Analysis** based on a consistent set of criteria, applied consistently, using measures and priorities that produce objective, supportable results and key stakeholder buy-in
Score applications in the same functional domain based on multiple criteria.
Use an applications evaluation matrix to finalize consolidation recommendations

Analysis grid defines the relative scoring of applications based on the filters

The individual applications are then mapped onto an analysis grid

The respective systems are compared based on their position on the grid

Application TCO is also applied

<table>
<thead>
<tr>
<th>IT Value</th>
<th>Business Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good</td>
<td>Improve function</td>
</tr>
<tr>
<td>Bad</td>
<td>Consolidate and Decommission</td>
</tr>
<tr>
<td>Bad</td>
<td>Consolidate and Decommission immediately</td>
</tr>
<tr>
<td>Good</td>
<td>Maintain and enhance</td>
</tr>
</tbody>
</table>

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Develop a cost-effective plan to remediate high-value applications

1. **Select activities** which deliver the *highest cost savings*
   - Consolidate similar systems
   - Modernize into supported technology platforms to reduce cost and risk
   - Integrate with new data sources
   - Utilize cloud computing where appropriate and proven
   - Virtualize where applications are under-utilized
   - Uncover opportunities to extend applications that deliver differentiation

2. **Plan activities** based on your team’s availability and existing skill sets, cost-effectiveness of EMC Consulting resources, and overall readiness of the business for process transformation

3. **Present the plan for approval**, including timeline, hardware/software/people costs, and projected cost savings
Challenges/Situation
Consolidation of redundant business functions serviced by multiple legacy applications
No portfolio view of applications – ownership, business processes supported, software architecture, infrastructure, applicable regulations, cost to support, and even naming
Inability to analyze inventory hindered accomplishing strategic objectives and increased infrastructure and support costs
Increasing competition was driving need to deliver improved quality at lower cost in order to maintain market share and revenue margins

Delivered Solution
Implemented an application portfolio management program
Developed a data model and performed application inventory using EMC toolset

Business Benefits/Results
Application road map allowed the fund to explore new markets and offer new products and services to its participants more quickly and at a lower cost
Better management through visibility, better metrics, and an increased knowledge of existing applications
Identified opportunities to reuse and retire applications
Improved performance and regulatory compliance
Alignment of business and operational plans

Customer Profile:
Teachers Insurance and Annuity Association, College Retirement Equities Fund (TIAA-CREF) provides financial products and services to academic, medical, cultural, and research industries

Industry:
Financial Services
Data Centers are at a Critical Juncture
Perfect Storm of Forces Impacting IT and the Business

New Business Pressures

Operational Limitations

Collaboration  Empowered User  SLA Metrics  Global Availability  Reg. Compliance

Status Quo is Not an Option

Current Trends will Overwhelm Traditional Infrastructures

• Storage growing at 40-70% per year 1

• Utilization ~15-25% (Servers/Storage) 2

• Power & Cooling ~25-30% of total DC costs 2

• Operations taking another ~30% of total DC costs 2

• 54% of Network Downtime is due to Human Error 3

• New Applications can take 60-180 days to deploy

“50% of Enterprise Class Data Centers will be technologically obsolete within 24 months” - Gartner Group

1 = Gartner 2006
2 = IDC 2007
3 = Uptime Institute 2007
4 = Morgan Stanley 2006
5 = EBC feedback
Four Axiomatic Ideas

Moore’s Law
Quad core mainstream today, 6, 8, >16 tomorrow

VMware’s Law
Every workload that can be virtualized, will be virtualized

EMC’s Law
Information growth is exponential – more than doubling every year

Cisco’s Law
The network connects the information to the user – enables everything

Four COROLLARIES

20:1 will become 100:1
- Getting in/out of the server gets progressively harder
- Processors designed for VMware

Prolific VMs, including Tier 1
- integrated know-how across the stack
- End-to-end SLAs need “DRS at every layer”
- End-to-end next-gen management tools

More to store, backup, protect
- Technology must contain exponential cost
- Security embedded in the information itself
- Storage needs to be dynamic and transparent – deliver “DRS for Storage”

Datacenter Ethernet Needed
- Aggregate workloads drive access unification
- Aggregate workloads demand QoS
- Network needs to be dynamic and transparent – and deliver “DRS for Storage”
What we are hearing -
IT Infrastructure Needs to Change

- Trusted
- Control
- Reliable
- Secure
- Flexible
- Dynamic
- On-demand
- Efficient

Virtualized Data Center

Internal Cloud

Virtualization

Information

Security

Cloud Computing

External Cloud

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The Start of the Journey

Start by virtualizing your data center
The ingredients here TODAY!
Q: Who can do this?
A: no single vendor – requires cooperation
The Journey Has already Started

**CHOICE**
- **federate**
- with compatible service providers

**CONTROL**
- **automate**
- IT resource and security management

**EFFICIENCY**
- **virtualize**
- datacenter and desktops
federate
with compatible
service providers

devlop cloud strategy
optimized for creation and consumption,
smart sourcing

automate
IT resource and
security management

extend operating model
assured information management,
unified dashboard, orchestration

virtualize
datacenter
and desktops

drive to enterprise scale
organizational collaboration,
benefits realization and reporting

Vision and Strategy ● Architecture and Design ● Implementation ● Management
Data Center Evolutions – The Adoption Curve

- **Separate**
  - Simple All-Protocol Storage
- **Consolidate**
  - Scale, Next-Gen Unified Fabric, De-duplication
- **Aggregate**
  - Tier 1 Apps, Infrastructure Mobility
- **Automate**
  - End-to-End Infrastructure Automation
- **Liberate**
  - Increased Agility/ROI
  - Cloud Infrastructure, VM Appliances

**Features**
- Improved Utilization
- Easier to Manage

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The EMC Perspective

Unleashing the Value of Virtualization

Balance technology, performance, utilization, availability and scalability objectives

Build out the virtual infrastructure with an integrated approach across servers, storage, application, network and desktop assets

Address operational best practices for your virtual infrastructure, encompassing backup, disaster recovery, integrated management of physical and virtual assets

Improve desktop security and management using virtual clients

Accelerate best practice adoption and proliferation through a programmatic approach

Integrate virtual infrastructure processes into IT operations on a consistent basis
Virtualization Customer Entry Points

How can EMC Consulting Help?

Accelerate Virtualization Adoption
- Realize the full benefit of virtualization via an enterprise strategy
- Eliminate cost and risk resulting from isolated islands of virtualization

Operational Readiness
- Convert operations from a physical to a virtual model
- Leverage best of breed management and automation to direct the power of virtualization

Continuity for Virtual Environments
- Transition and improve continuity and backup service levels at reduced cost
- Integrate virtual environments into enterprise protection strategy

Desktop Management & Security
- Improve and enforce security and compliance with client virtualization
- Simplify desktop management using centralized resources
Organizational hurdles may have more of a slowing effect than size

There seem to be four distinctive organizational aspects to the successful adoption of server virtualization...

- **Internal Champions/SME’s**
  - “In my experience, the biggest thing that successful companies have in common is some sort of internal virtualization champion that articulates the benefits within the organization.” – IDC Analyst

- **Executive Sponsorship**
  - “One customer had a massive virtualization project which had come to a halt because the key sponsor was moved to something else.” – EMC Virt. SME
  - “There is a lack of a sustaining sponsor, meaning the team gets pulled into other things, especially with headcount reductions.” – EMC Virt. SME

- **Cross-Functional Collaboration**
  - “Security and network are the most immature aspects. Many projects fail because of lack of engagement with the network. You have to introduce virtual switches etc. but most deployments are done by server teams who don’t engage network enough. You have to have a cross-functional team.” – EMC Virt. SME

- **IT Education & Training**
  - “Training and available resources is a big reason for companies to not adopt. They have to find people to manage it and there is a cost of adding staff and expertise. It’s less about resistance to an immature technology.” – Jeff Hewitt, Gartner

Source: Gartner, IDC, EMC customer interviews

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Virtualization Center of Excellence (CoE)

Provide comprehensive program management to define, create and manage virtualization best practices across multiple IT disciplines and throughout the entire enterprise.

Virtualization CoE offering provides opportunities to improve Change Management, Configuration Management, Service Provisioning, Capacity Management, and Other ITIL processes.

Value…

- Establish corporate virtualization best practices
- Provide standardization across the enterprise
- Manage process, procedure and behavioral change necessary to effective virtual infrastructure operation
- Effect knowledge transfer to your internal IT organization

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The Change Is Coming Fast

Private clouds will transform how we think about IT
  – As a service

The impact to businesses will be considerable
  – Exploit new economics with confidence

Clear and logical pathway
  – Preserve existing investment in applications and information
  – Each step delivers immediate value, and builds for the next

Mission:
turn IT infrastructure into a low-cost, high-performance and flexible service
Customer Example: Large US Bank

Establishing a virtualization factory to accelerate move to new data center

Challenges/Situation
- >6,000 physical x86 servers in major data centers
- New data center being built with desire for virtual infrastructure strategy from the outset
- Current operational processes do not take virtualization into account, inhibiting its value

Delivered Solution
- Establish virtualization center of excellence
  - Define services catalog for servers
  - Develop detailed run-book
- Prepare organization for virtualization
  - ITIL process assessment specific to VMware
  - Align organization to processes
- Virtualize 2500 servers over 18 months (>100 per month)

Business Benefits
- Business case developed using client’s financial methodology, showing $9m in hard savings over 3 years, after costs
- Additional soft benefits expected

Customer Profile:
Large US commercial bank in the operating more than 2500 banking offices and 5000+ ATMs. Bank provides a comprehensive line of banking, brokerage, insurance, investment, mortgage, trust and payment services products to consumers, businesses and institutions.

Industry:
Financial Services
IT Infrastructure as a Service

- Private cloud
- Your applications
- Your information

Enterprise IT resources: virtualized infrastructure

- Virtual data center operating system
- Cloud internetwork

- Enterprise infrastructure: servers – network – storage
- Provider infrastructure: servers – network – storage

- Reliable
- Secure
- Efficient
- Controlled
- Flexible
- Choices