



Unisys

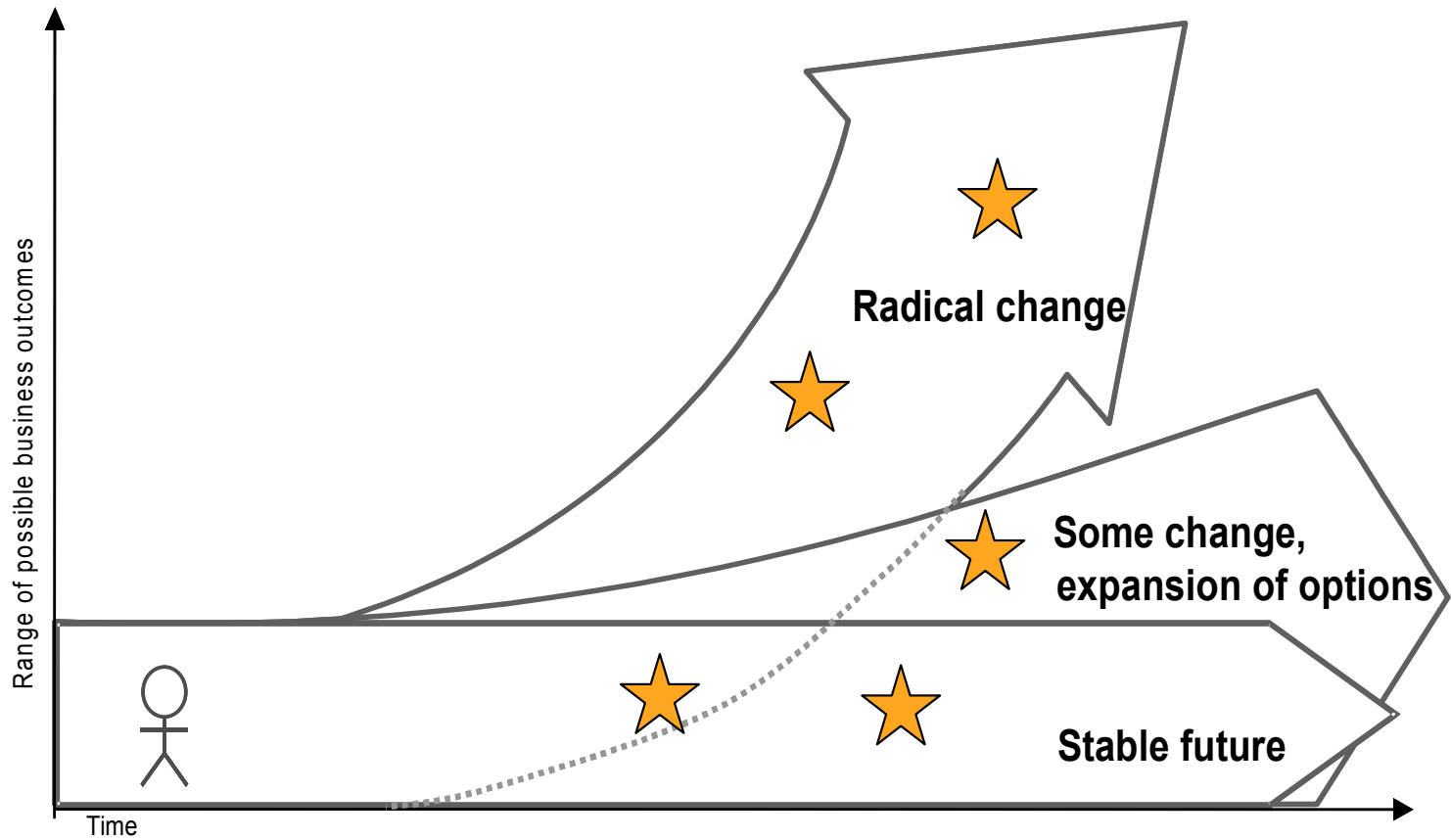
**Model Based Transformation:
Getting Done What You Want to Get Done**

**March, 2007
Cape Town**

Getting it done!

- Key business challenges today
- Business value of model-based transformation
- Executing large scale business design

Options for Tomorrow...



“The reality of getting done what you want to get done...”



Key challenges...

1. Getting new products / services out the door...



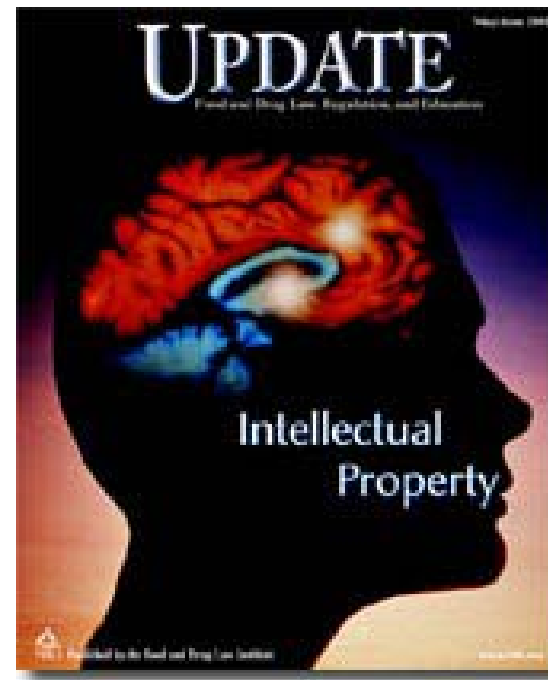
Key challenges...

1. Getting new products / services out the door
- 2. Integrating existing with emerging technology applications...**
 - 70% of IT spend is on **maintenance** and redevelopment
 - 60%-80% of functionality is **redundant**.



Key challenges...

1. Getting new products / services out the door
2. Integrating existing with emerging technology applications
 - 70% of IT spend is on **maintenance** and redevelopment
 - 60%-80% of functionality is **redundant**.
3. **Extend people's capabilities into new areas**



Key challenges...

1. Getting new products / services out the door
2. Integrating existing with emerging technology applications
 - 70% of IT spend is on **maintenance** and redevelopment
 - 60%-80% of functionality is **redundant**.
3. Extend people's capabilities into new areas
4. **Mobilizing different teams, with their different perspectives and priorities...**



Key challenges...

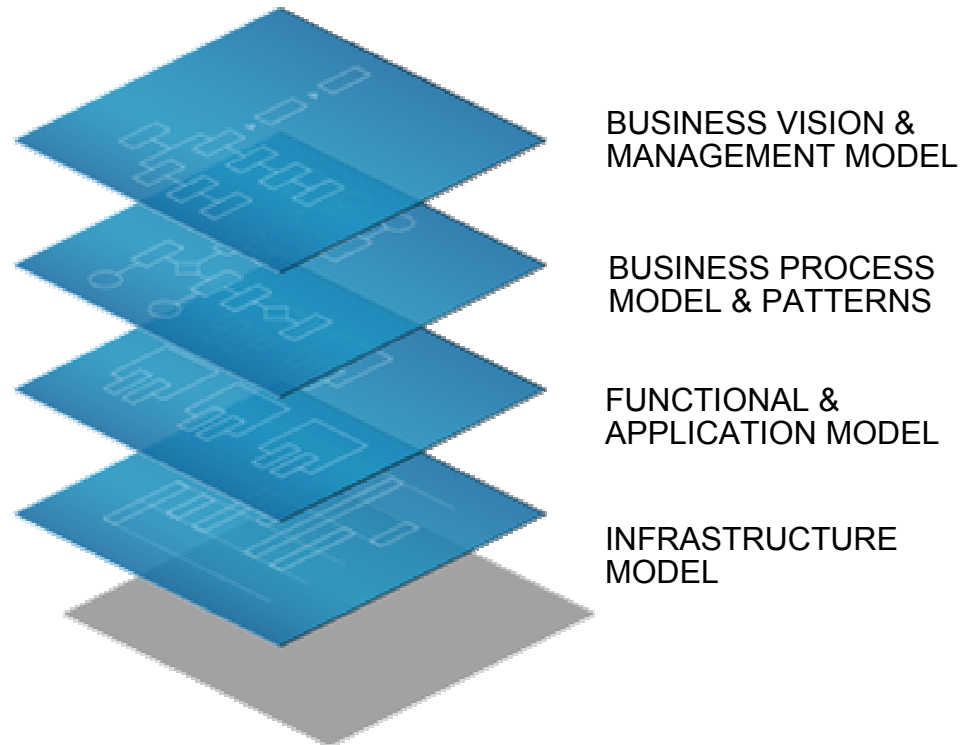
1. Getting new products / services out the door
2. Integrating existing with emerging technology applications
 - 70% of IT spend is on **maintenance** and redevelopment
 - 60%-80% of functionality is **redundant**.
3. Extend people's capabilities into new areas
4. Mobilizing different teams, with their different perspectives and priorities

Why is this so hard ??

Getting it done!

- Business value of model-based transformation

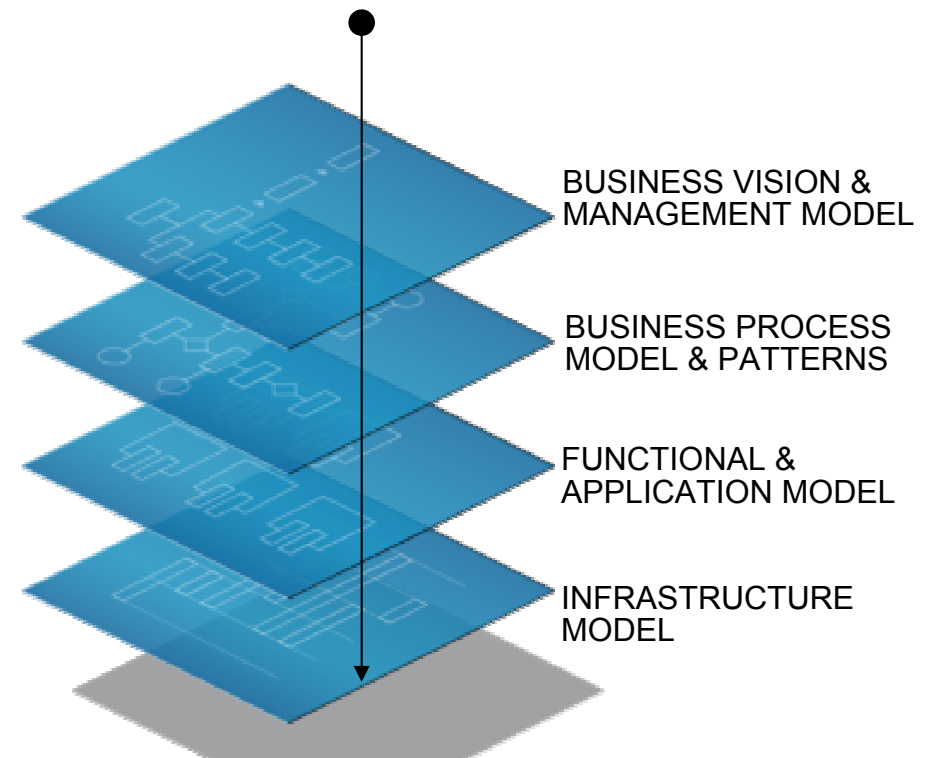
We needed a way to understand all major operational aspects of the business in a consistent way ---- visually



*The Unisys four layer 3D
Visible Enterprise model
framework*

The approach provided the needed formal rigor to overcome the common challenges

- Promotes engagement in change from ALL concerned stakeholders
 - Makes assumptions/principles and their business consequences visible
 - Integrates safe experiments early in the design of business processes
 - Creates business process designs with visible cause-effect relationships to/from business models and the supporting IT

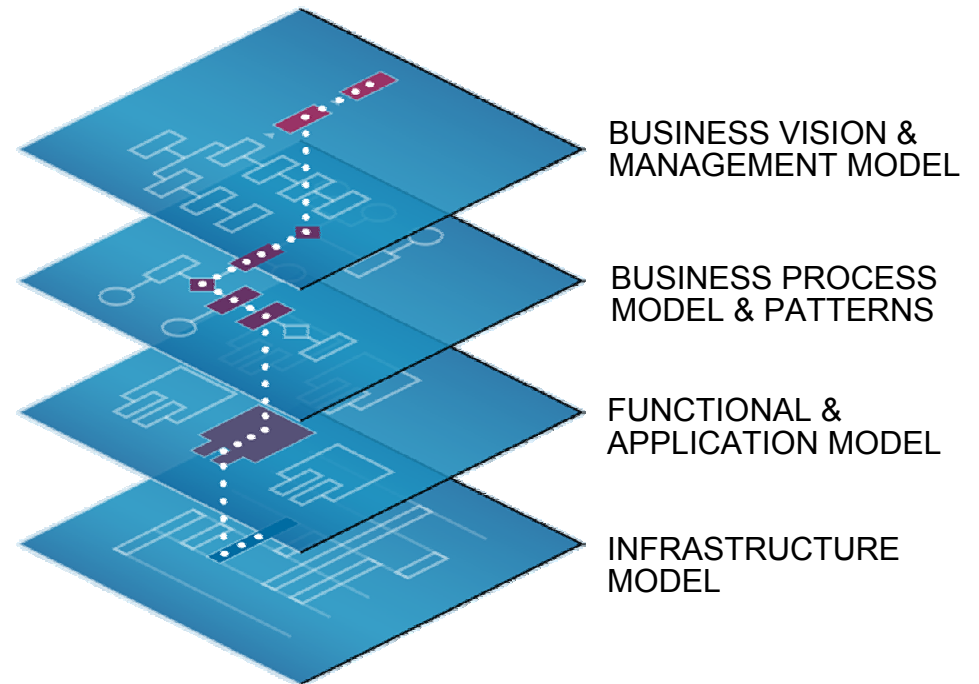


Our approach point of view changes to an aligned, vertical slice through all professional disciplines

The explicit relationships between our model layers create a more robust impact analysis

Traceability

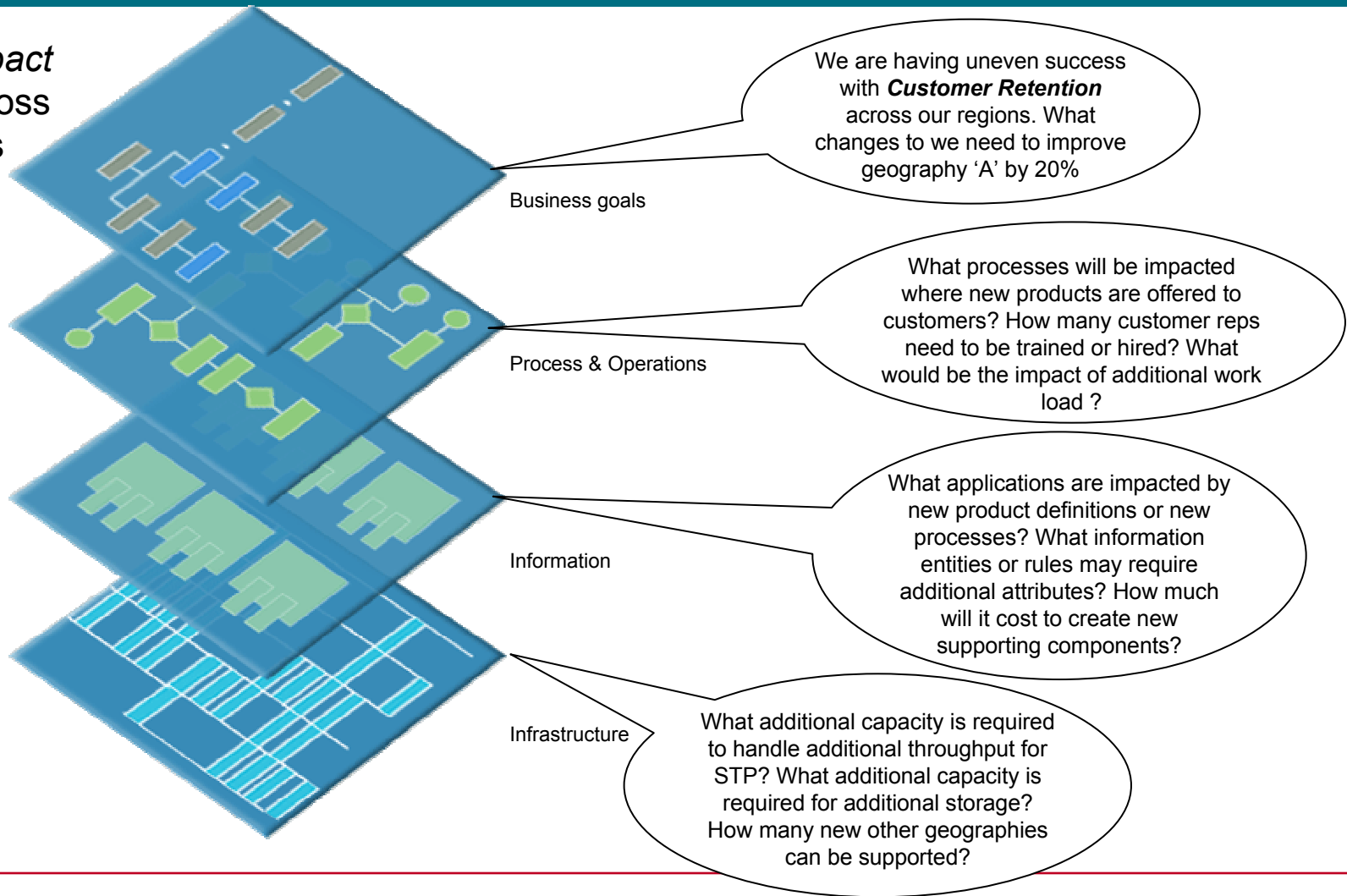
- Traceability is the backbone for understanding and managing the alignment of all operational aspects of the business



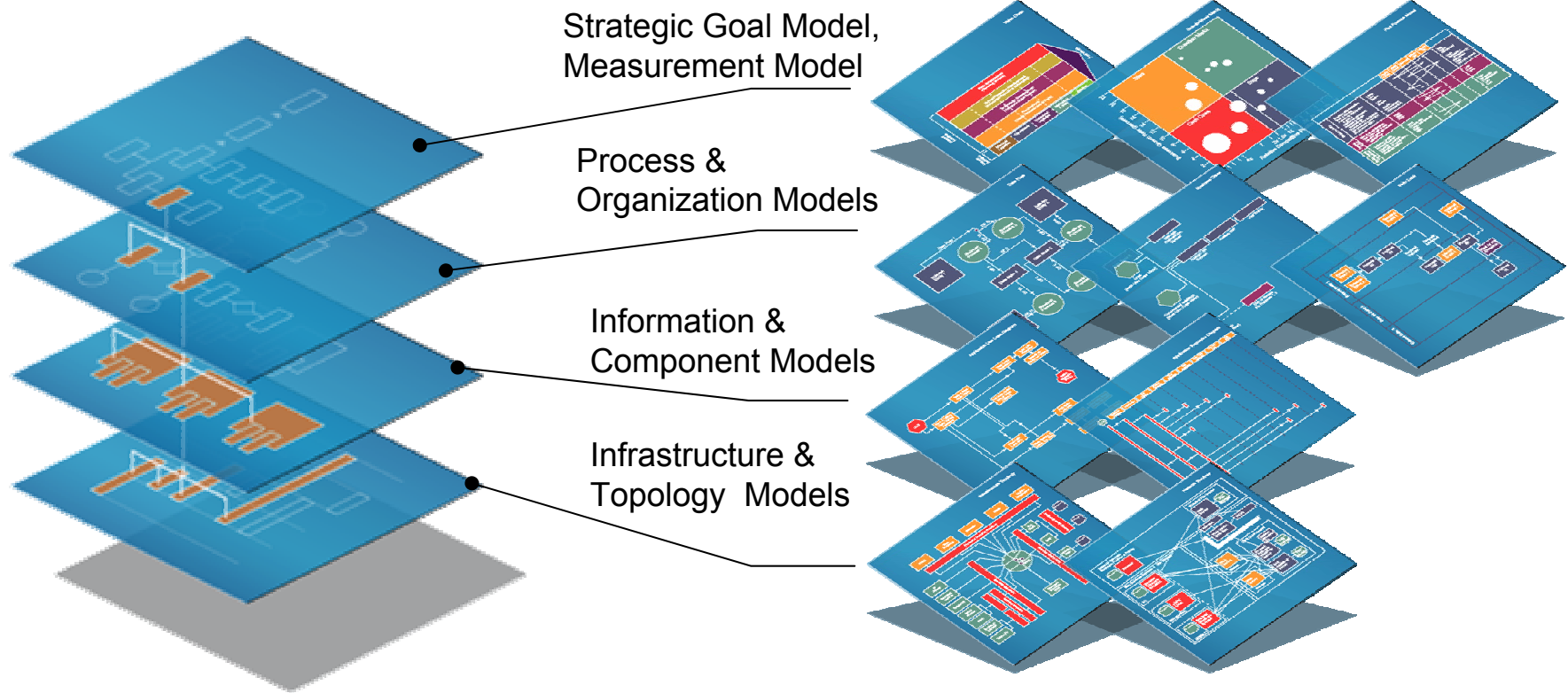
If you can't trace it you can't change it!

A traceable, vertical view provides a more comprehensive understanding of business issues

A typical *impact cascade* across model layers



...and the formal model deliverables define operations more rigorously to share and scale best practices elsewhere



If you can't model it you can't share or predict behavior

... through tight linkage across 'models' / artifacts & impact assessments

STRATEGY

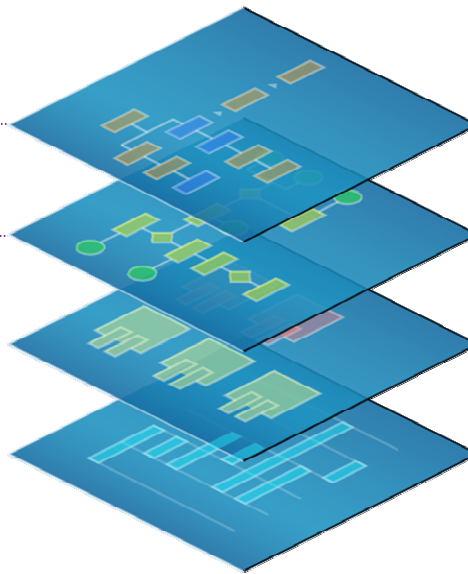
- Industry Trends Map
- Business Environment
- Business Vision
- Business Interaction Model
- Location Model
- Organization Model
- ...

BUSINESS PROCESS

- Business Process Workflows & Simulations
- Bus. Rules Hierarchy
- Bus. Use Case Model
- Bus. Information Needs
- Bus. Data Structures
- ...

SIMULATION

+



+

INTEGRATED COSTING

APPLICATIONS

- System Vision
- System Use Case Model
- Software Architecture
- Application Process Flow
- Class Model
- Component Model

INFRASTRUCTURE

- Network Infrastructure Model
- Security Infrastructure Model
- Systems Management Model
- End User Support Materials
- Training Materials

...enabling continuous Improvement



Key lessons from a business perspective

- Key cultural changes for model based transformation
 - Changes orientation of projects from horizontal to vertical slices:
 - Lowers the risk of change by exposing the impact of change early, before significant investment
 - Fact Based vs Bias Based decisions:
 - Accelerates Head Office, Field and I.T. alignment and buy-in
 - Can significantly accelerate the delivery of major change and business benefit
 - Alignment to the key executive numbers:
 - Significantly improves the quality of the benefits case
 - Enhances technology selection by highlighting the most critical requirements
 - Normalize cross discipline language
 - Enables the leveraging of best practice from across the globe
 - Enables global sourcing
 - Institutionalize continuous improvement

Getting it done!

- Executing large scale business design with model-based transformation

The extended understanding of the 'working parts' support today's large scale transformation

- Current large scale decisions with direct impact on enterprise value
 - Mergers & Acquisitions
 - Outsourcing & Insourcing
 - Governance, Consortia & Partnerships
 - Localization & Centralization
 - Business Risk and Compliance
 - Evolution into New Business

Normalized models facilitate the recognition of common business design patterns

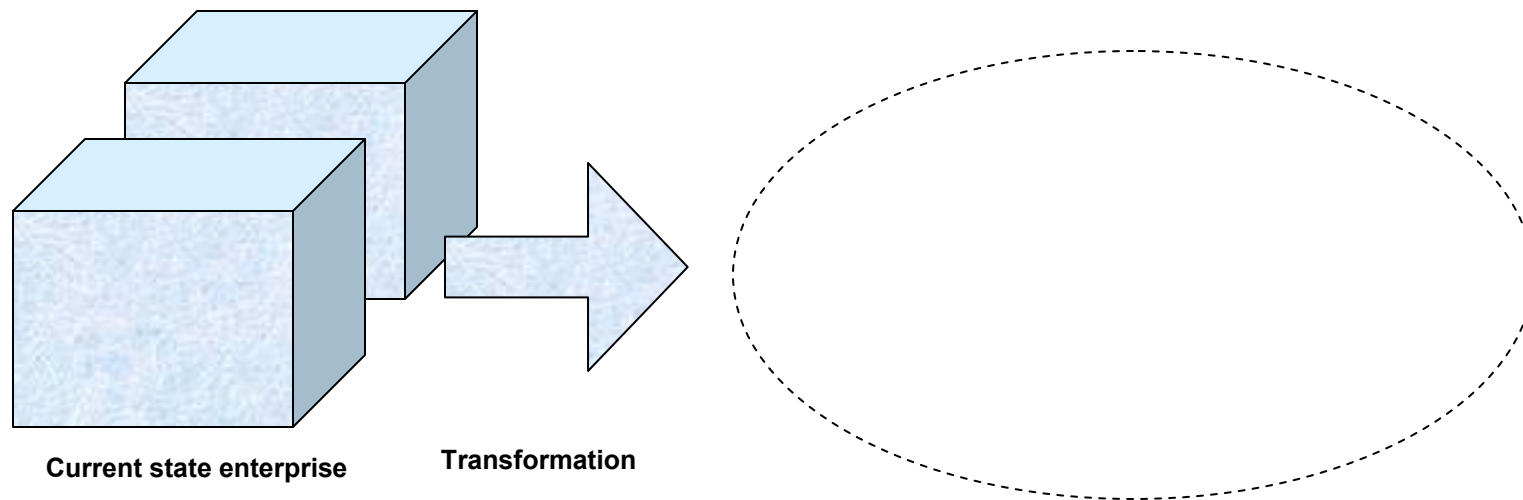
- Mergers & Acquisitions
- Consolidation
- Outsourcing & Insourcing
- Business Process Management
- Operational Risk & Compliance
- Localization & Centralization
- New Business

Getting it done!

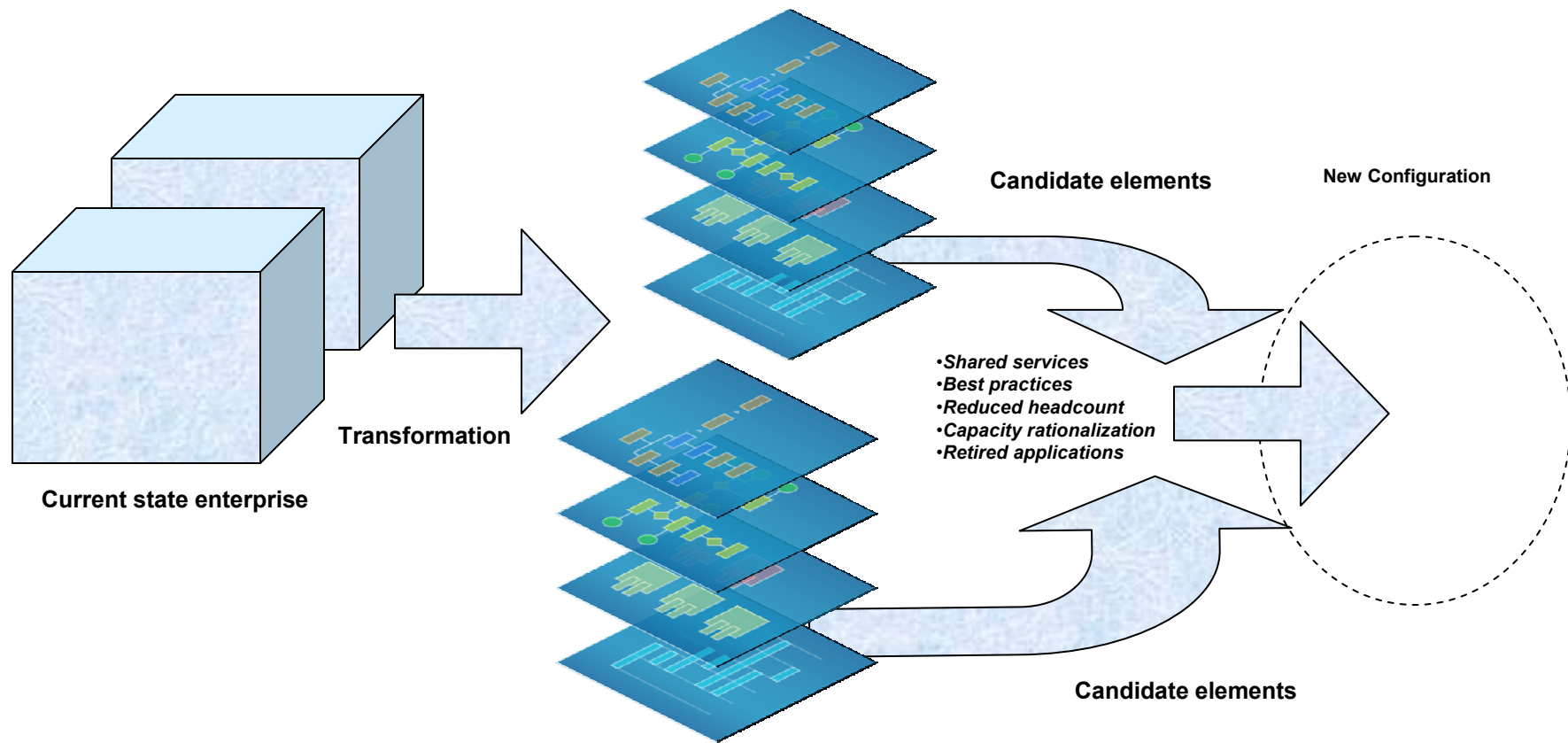
- Mergers & Acquisitions
- Consolidation
- Outsourcing & Insourcing
- *Pattern: Isolate / Compare / Deploy*

How we see the consolidation process

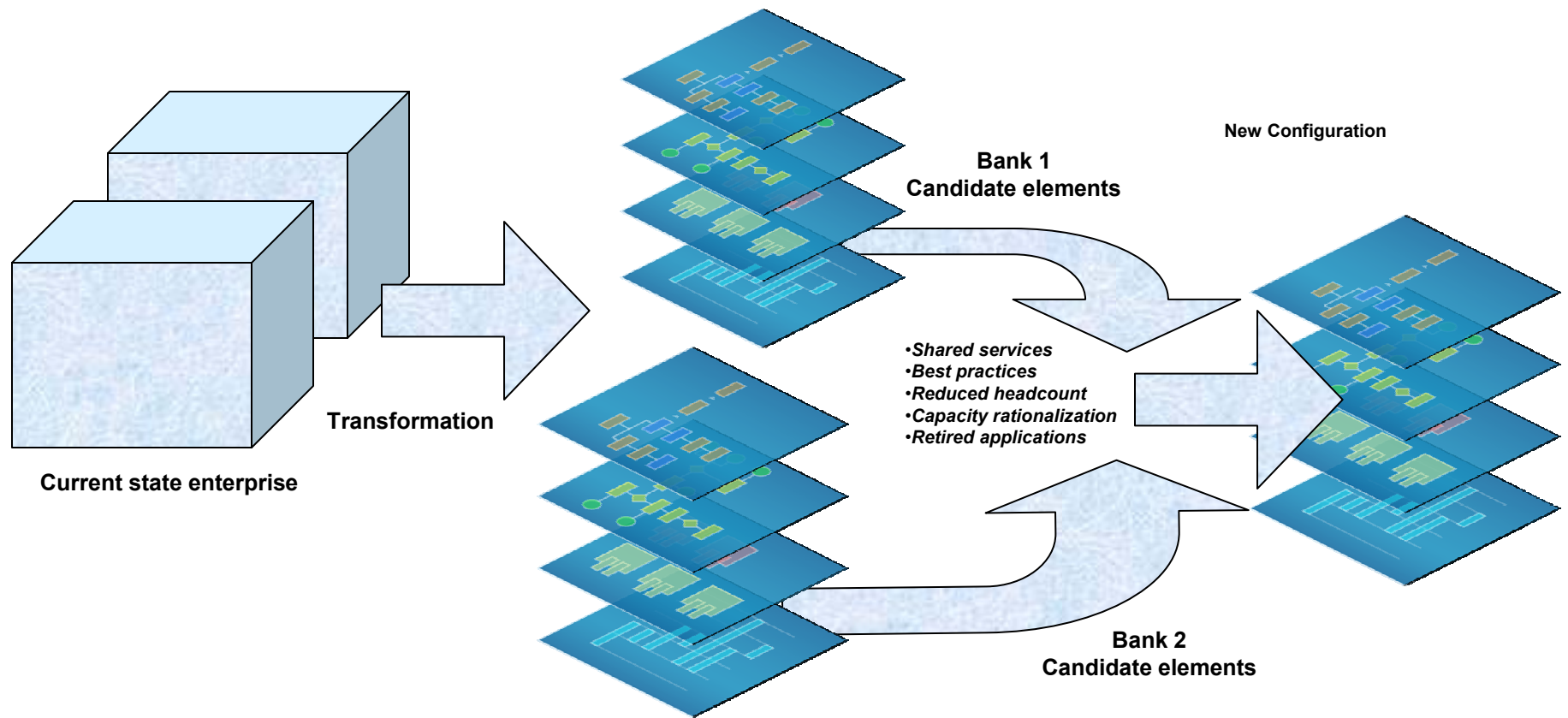
- Which functions, processes, organizations, locations, partners should be chosen from existing conditions
- Is there an opportunity to outsource or in-source?
- How can we identify the relevant & comparable building blocks to build this new configuration?



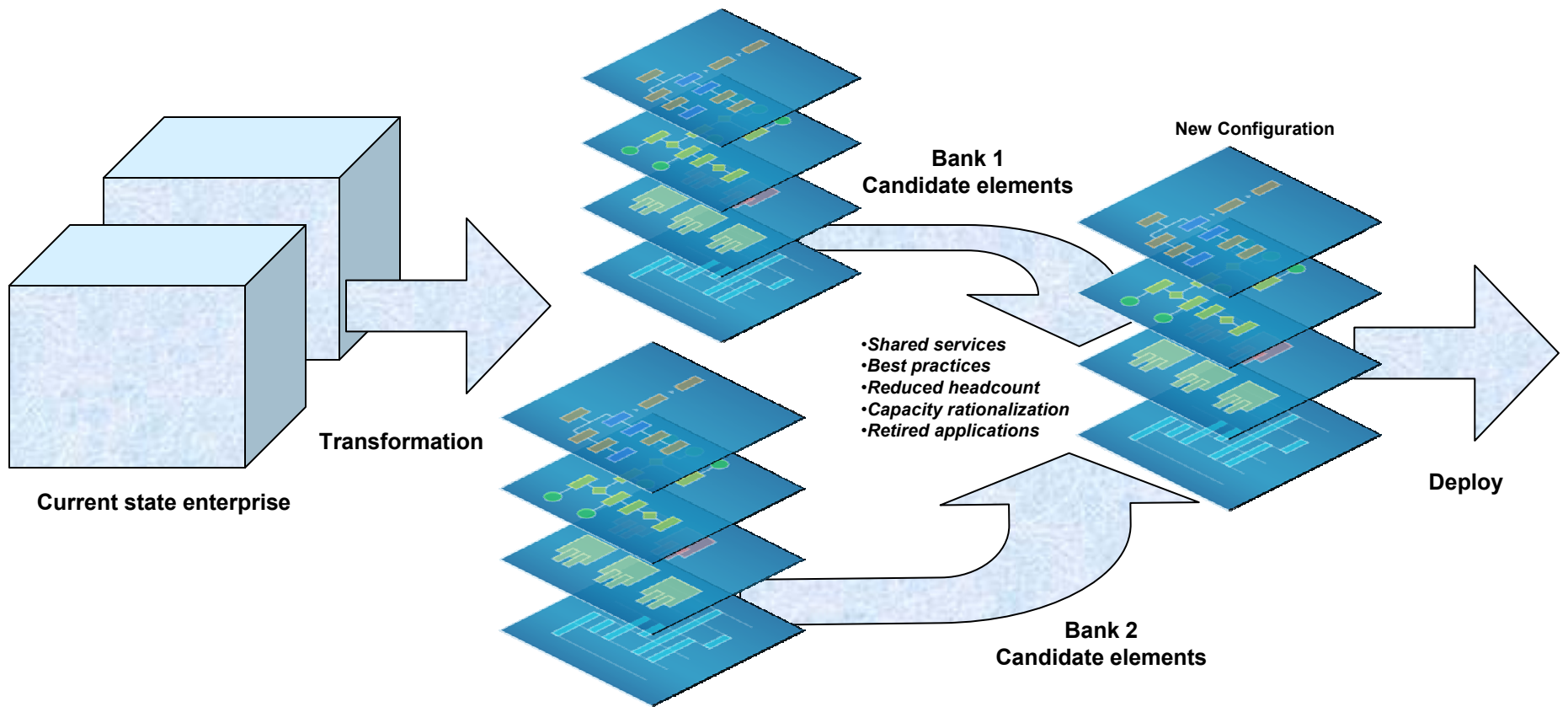
3D-VE can be used to identify the relevant building blocks across disciplines in comparable units



3D VE can also be used as a fact-based analysis tool to support the design process

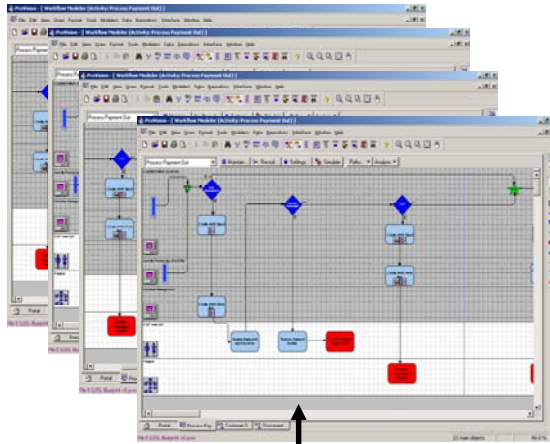


3DVE can finally be leveraged to re-use the intellectual property for ongoing change & deployment

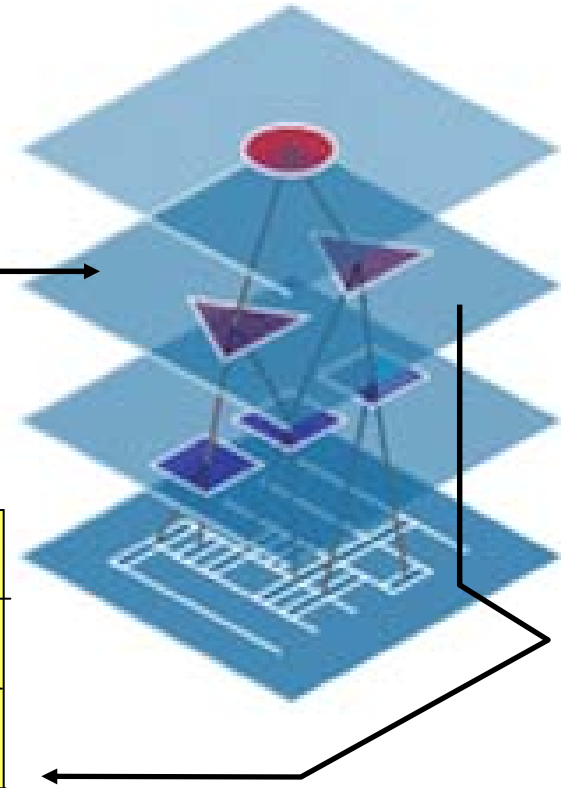


Metric Results: Mortgage example

Operations



Performance Improvement



Mortgages/head or Applications/head

Efficiency improvement

Cost/mortgage or Cost/head

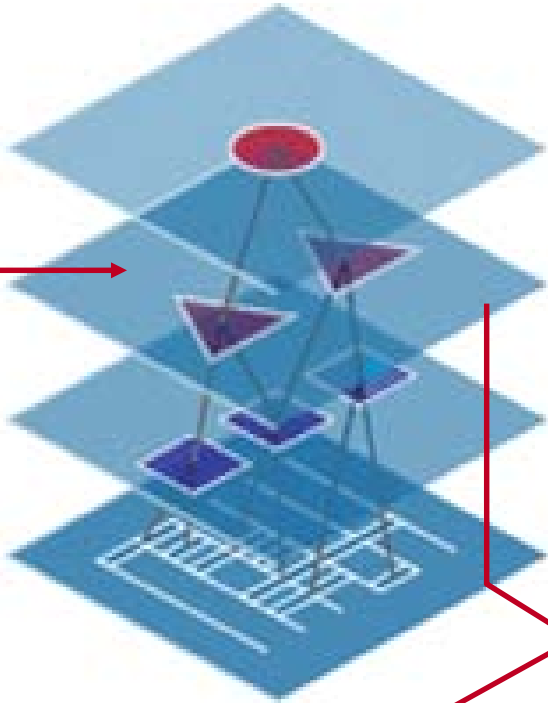
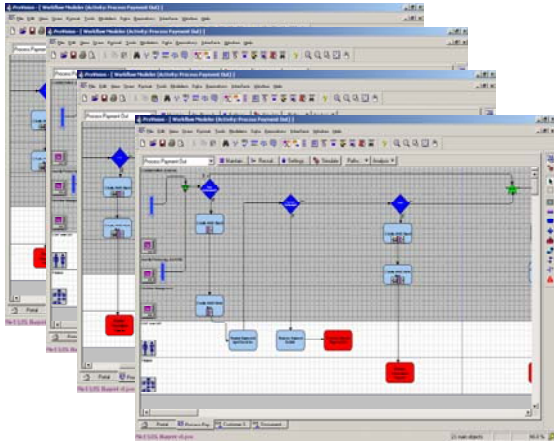
Cost improvement

	Org Change	Process Change	Technology Change
	2000 1.75	2300 2	2600 2.5
	25%	15%	13%
	28	22	18
	17%	19%	19%

Mortgage

Metric Results: : Insurance achieving and surpassing industry benchmarks

Continuous Improvement Cycle



	Org Change	Process Change	Technology Change
Policies/head	3600	4340	5500
Efficiency improvement	26%	19%	26%
Cost per policy	28	22	18
Cost improvement	16%	19%	19%

Getting it done!

- Business Process Management
- Operational Risk & Compliance

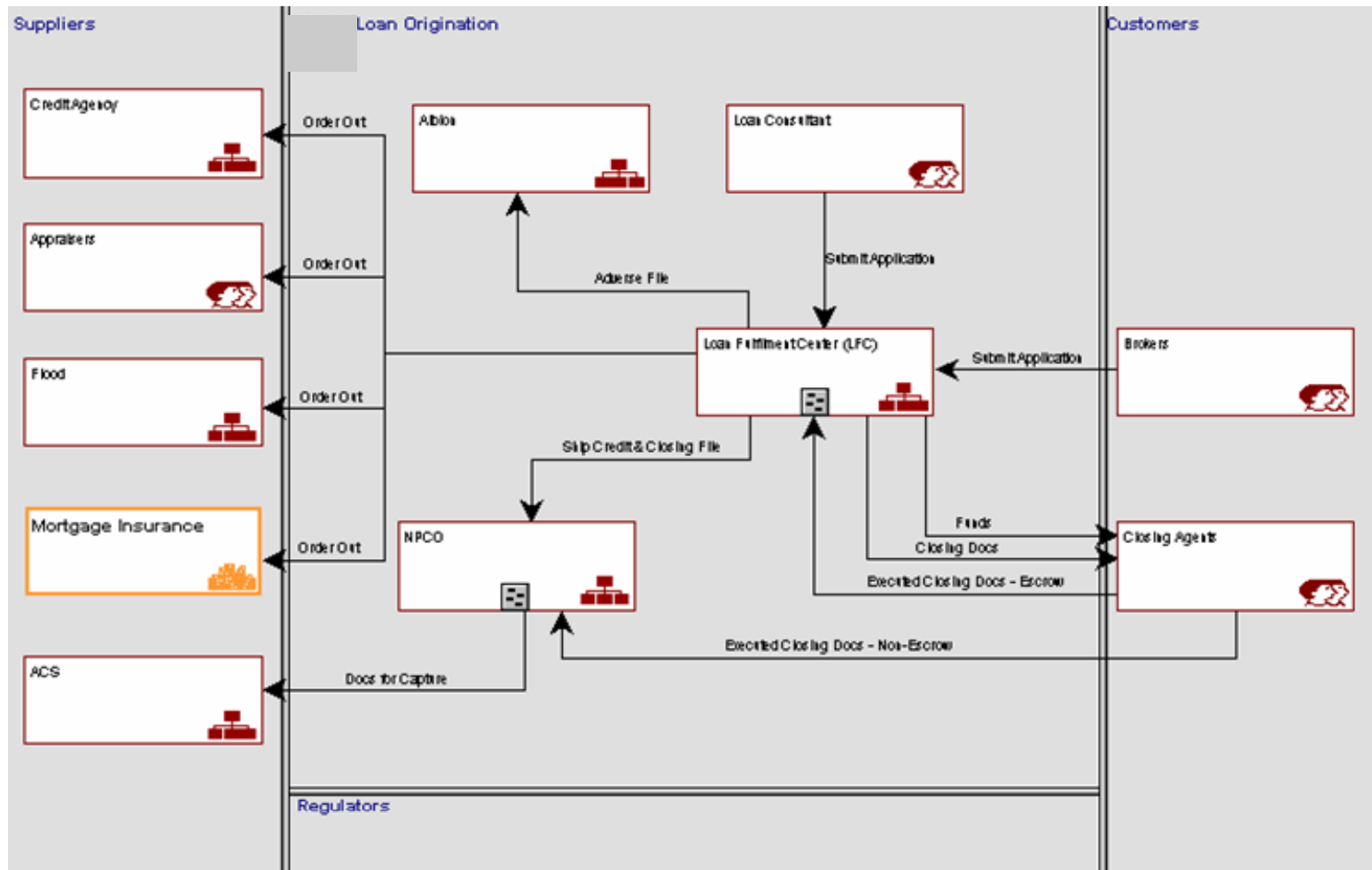
Pattern: Bound / Change / Monitor

Industry Overview - Volumes

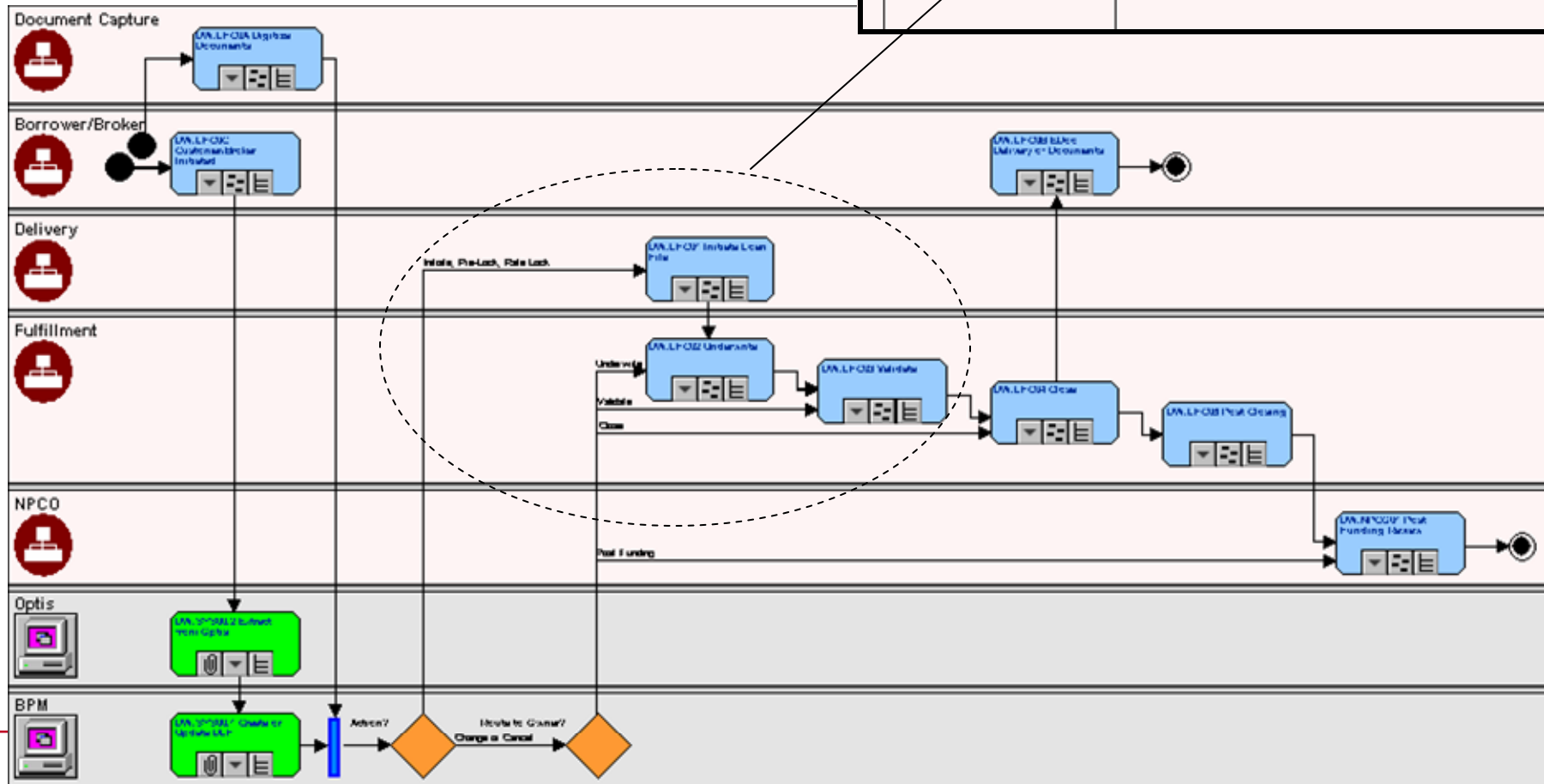
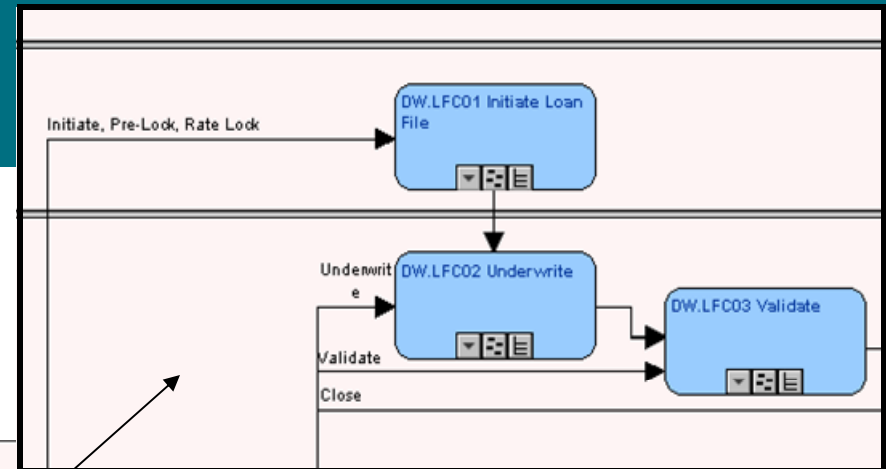
US Firms have seen dramatic drops in volume
Top 10 US Originators – 2004 v 2003

Rank	Name	Volume	% change 03 / 04	Market Share
1	Countrywide	\$363,009	-17%	13.08%
2	Wells Fargo	\$298,463	-37%	10.76%
3	<i>Our Client</i>	\$255,354	-41%	9.20%
4	Chase Home Finance	\$187,003	-35%	6.74%
5	Bank of America	\$ 103,770	- 21%	3.74%
6	Citimortgage	\$ 103,219	- 5%	3.72%
7	GMAC Residential Holdings	\$ 87,447	-24%	3.15%
8	Ameritrust Mortgage	\$ 77,500	110%	2.79%
9	National City Mortgage	\$ 65,664	-38%	2.37%
10	ABN Amro Mortgage	\$ 56,557	-56%	2.04%

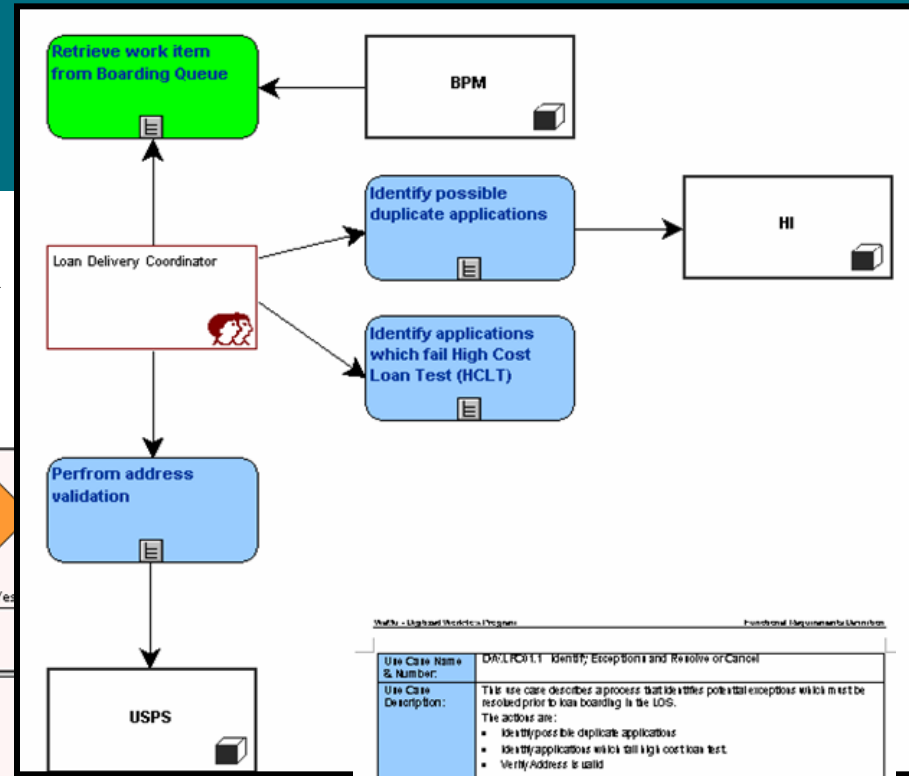
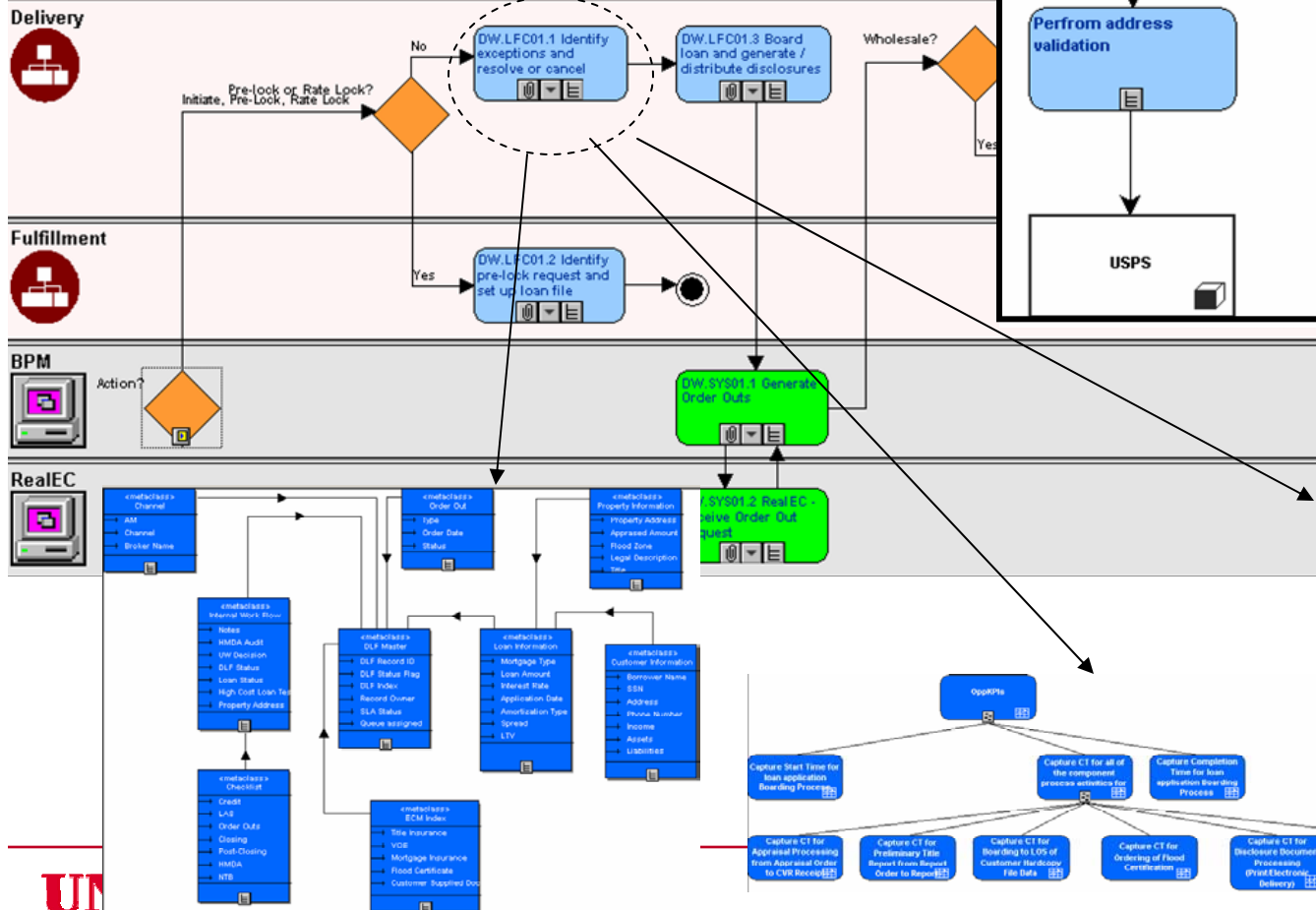
Business Interaction Model



Swimlane Model

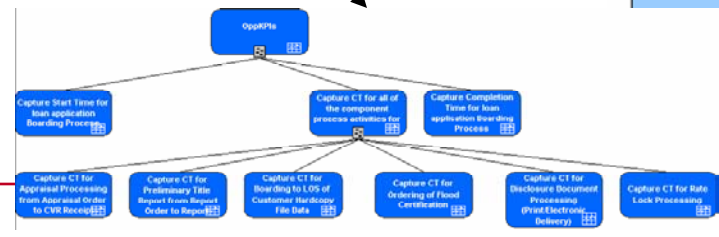


Semantic Depth – Use Case, Data & KPI



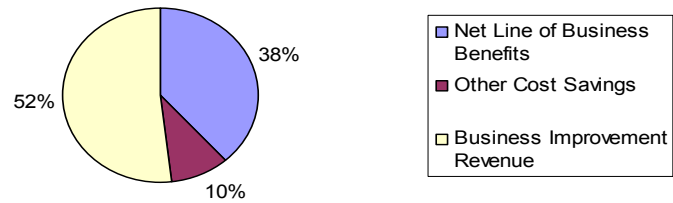
Use Case - High Cost Loan Program Functional Requirements Description

Use Case Name & Number:	DW.LFC01.1 Identify Exceptions and Resolve or Cancel
Use Case Description:	This use case describes a process that identifies potential exceptions which must be resolved prior to loan boarding in the LOS. The actors are: <ul style="list-style-type: none"> Identify possible duplicate applications Identify applications which fail high cost loan test Verify Address is valid If any exception is not resolved, work item is routed to the General Counsel office.
Business Process(es):	DW.LFC01 - Initiate Loan File
Action(s):	LDC, LDT Manager, BPM, HI, USPS
Precondition(s):	<ul style="list-style-type: none"> DLF file created Work item with status ready for boarding exception review
Post Conditions:	<ul style="list-style-type: none"> DLF information validated DLF information date validated and work item is routed to deleted or pruned queue Work item ready for boarding (exception cleared state)
Trigger:	Work item present in the Boarding work queue.
Flow of Events - Basic Flow:	<ol style="list-style-type: none"> LDC retrieves work item from the Boarding Queue. The three potential exception conditions are then checked sequentially using a checklist. Identify possible duplicate applications LDC performs the duplicate applications test by accessing HI system. If more than one record is found on HI with the same SSN, property address, product type, borrower name, and loan amount, it becomes an exception. Select reason code, optionally enter comment. If notes, complete by routing work item to Loan Delivery Team Manager, Go to End Flow #1. Identify applications which fail high cost loan test (HCLT). LDC selects an Electronic HCLT form for completion. LDC performs the HCLT and completes the form for submission to the DLF. If HCLT fails, select reason code, optionally enter comment. If notes, complete by routing work item to Loan Delivery Team Manager, Go to End Flow #2. Verify Address is valid (based on clause). If not pre-approved LDC performs address validation by accessing USPS website. LDC makes note of address change for subsequent entry to LOS if a discrepancy occurs. LDC executes Board loan and generate/distribute documents use case End of Use Case.

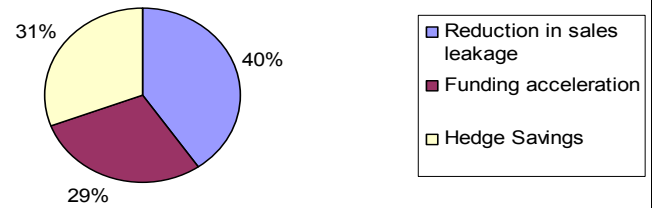


Metric Results

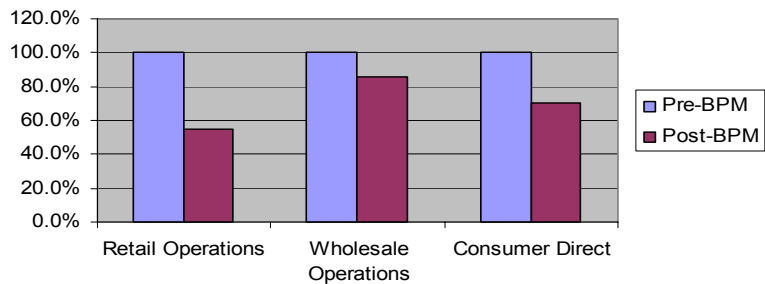
BPM Mortgage Origination Benefits



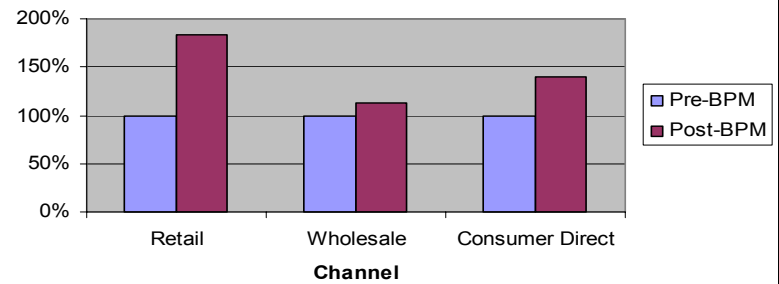
Business Improvement Benefits



Relative cost per loan




Relative Loans per FTE



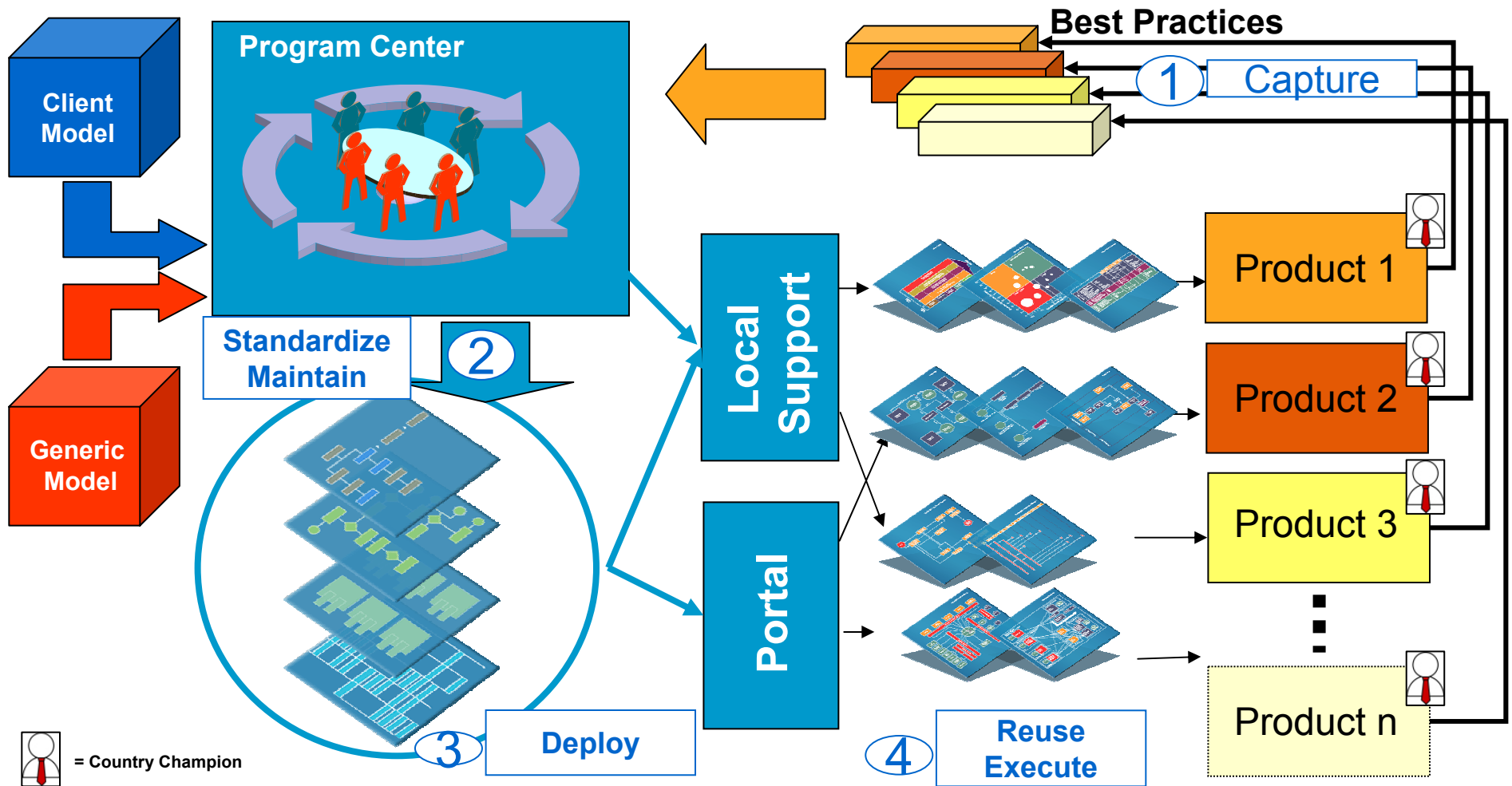
Getting it done!

- Localization & Centralization
- New Business
- *Pattern: Theme / Variation / Replication*

A start-up telecom offering 'triple-play' services in one year

- Tre-For Broadband wanted to take advantage of market conditions and leverage its key competency as an infrastructure provider
 - Increase household customer usage
 - Increase business user usage
 - Launch a Triple- Play (IP, Voice, TV) Internet Broadband solution in Denmark
 - Target to serve 122K households and businesses
 - Develop an EAN [Equal Access Network] to serve businesses and further enlarge service offerings
- 
- Unisys is building a broadband Telecommunications company in Denmark
 - 100mb 'Triple-play' fibre to the home service with evolving equal access network (EAN) providing additional content and functionality.
 - Real Time Infrastructure (Network/OSS/BSS) extending to ITO delivery
 - 3D-VE Methodology derived from industry standard eTOM models
 - Business Case
 - Operating Models – Process, Application & Infrastructure Architecture, requirements and specifications

The vision for a Product Deployment Program shows a multi-threaded, continuous improvement structure



Metric Results

- Achieved Tre-For goals in very aggressive time scales
 - Achieved launch of Internet Broadband with basic billing in **3 months**
 - Achieved launch of OSS/BSS for Internet Broadband in **6 months**
 - Achieved launch of triple play offerings within **1 year of initial meeting**
- Significantly reduced implementation risks due to standardized operational and technical models

Business benefits of large scale design approach

- Reduce risk of large scale design change
 - Selective invasiveness
- Increase scope of benefits through traceability
 - E.g. Capital release
- Collect, maintain and value intellectual property

UNiSYS

imagine it. done.