



PROCESS-DRIVEN IT MODERNIZATION

Modernize in line with your business strategy

EXECUTIVE SUMMARY

Why incremental process-driven IT Modernization is relevant for your business.

Is IT modernization an expense or an investment? Either way you view it—with limited time, budget and resources—your business has to focus on what will deliver the greatest value.

With today's increasing business challenges, whether competitive-, user- or regulatory-related, more and more often businesses need to change faster than their IT systems can be adapted. In many cases, modernization initiatives to address these challenges have failed to deliver critical business value, mainly because their impact on the business processes is not clearly understood.

Moreover, IT modernization decision makers often lack crucial information in order to accurately plan and evaluate changes on a scale of business value and urgency. This would be analogous to an emergency doctor who didn't realize you were bleeding and treated your broken bone first. Both are important, but obviously one is more critical than the other.

Process-driven IT modernization yields the maximum business value possible because it focuses modernization on what is critical to your business: the core processes and services that differentiate your enterprise from its competition.

Software AG's process-driven approach to IT Modernization guides you, so you can wisely choose the modernization efforts that will best realize your strategic IT vision. We help you answer questions like:

- How can you better enable your business strategy using modernization?
- Are inefficient or outdated processes affecting your bottom line?
- Which processes deliver the most business value—and should be considered for modernization?

The combination of our market leading technology with an individualized process-driven modernization roadmap enables you to more effectively leverage your assets and align your IT organization with the business strategy using incremental, manageable steps.

Now you don't have to risk excessively long or all-or-nothing modernization initiatives in order to bring innovation to your business. We can help you more quickly support new products, collaborate better with partners, streamline operations and manage mergers and acquisitions easier.



Process-driven IT Modernization enables you to adapt the IT landscape in manageable steps, improve processes intelligently, extend application value and leverage new technologies—towards the goal of business process excellence.



IT MODERNIZATION IS SMART BUSINESS

The process-driven approach to IT Modernization is the safe and smart choice for implementing change in today's business environment. It helps you identify which business processes to improve for the best impact and greatest ROI. You can incrementally adapt your IT landscape, extend your application value, plus leverage new functionality and technologies to empower your end users with more intuitive tools.

From a strategic viewpoint almost every company operates their business in layers, similar to Figure 1. The business level at the top represents how companies win new customers, enter new markets, place new products and innovate. These activities are determined by the direction and strategy of the marketplace, which we know changes over time.

Businesses implement their strategies using operational processes, represented in the middle layer. However, these processes by themselves cannot meet all the needs of the business, especially as its requirements and organizational goals evolve. The applications, shown in the foundation layer, support the execution of these processes and the evolution of the business.

Your business agility is determined by the flexibility of these three layers, as well as the interactions between them. How effectively your business can implement a new strategy is driven by how fluid these interactions and layers can be, without losing the overall "shape" and direction of your business.

Modernization touches all of these layers and interactions. The ultimate goal of any modernization effort should be to make the business as flexible as possible. That means that before you start to modernize, you need to first answer some important questions such as:

- Which business processes are costing more than they should?
- What points along your process chains are slowest?
- Which application elements should be modernized, migrated or swapped out?

In contrast to other modernization approaches, such as Legacy Modernization, which provide an incomplete picture of the enterprise-level business value, challenges and risks; the process-driven approach enables you to target solutions that are simpler, quicker, cheaper and less risky than other proposals.

Now, using a process-driven approach you can find the right answers; answers that will help you make better decisions, improve the alignment of IT and business and bring your organization closer and closer to Business Process Excellence. Process-driven IT Modernization is smart business because it helps IT deliver longer-term value and strategic support to the enterprise as it grows.

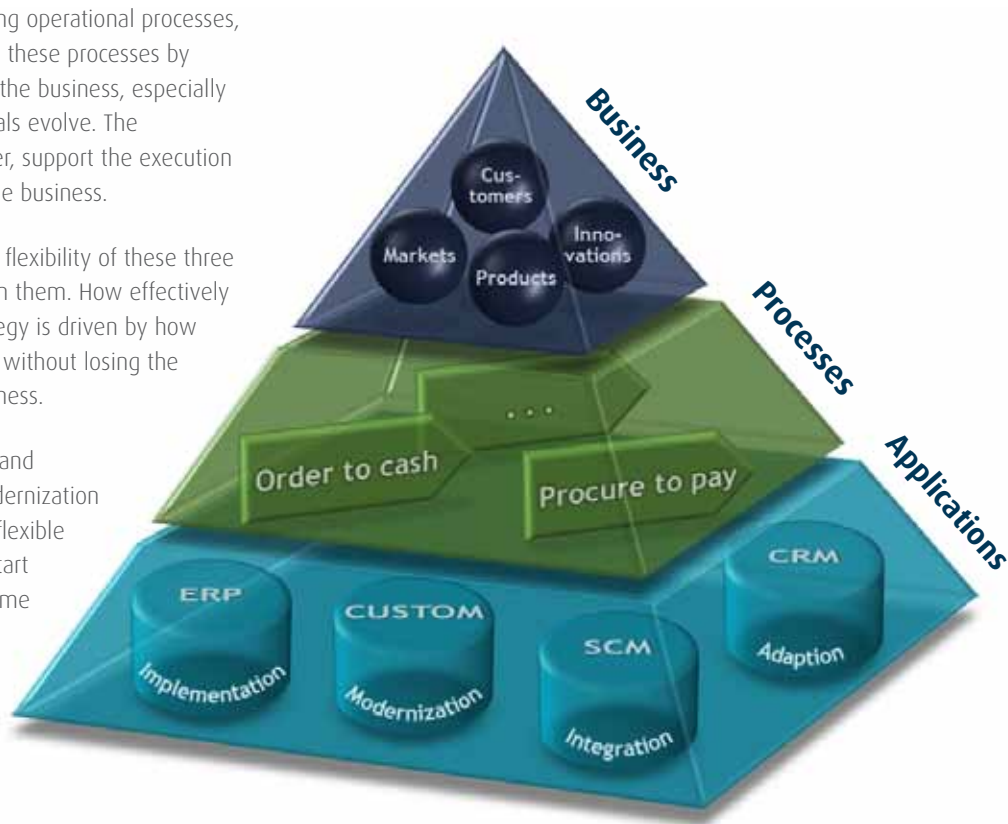


Figure 1: Increase your business agility by modernizing with an enterprise-level perspective

SOFTWARE AG'S PROCESS-DRIVEN IT MODERNIZATION SOLUTION

Software AG's process-driven IT Modernization solution uses a proven and holistic approach based on best practices from our 40+ years of experience with customers around the world. We help transform your dependable and long-standing, mission-critical applications to improve business adaptability, cost efficiency and better meet your current and future challenges.

Our modernization approach is process-driven for two reasons: 1) because we determine the modernization priorities according to the business value of the process and 2) because modernization itself is a process, we help you determine which steps will lead to success more quickly. Your modernization initiatives now have a clear direction and each incremental step along the way relates to improving a business process that has value.

Our process-driven IT Modernization solution is designed to be:

- Executable "bottom-up," "top-down" or combined
- Concise in scope, flexibly implemented and customizable
- A business- vs. technology-first solution for process-driven, incremental modernization

Discovery & Assessment

To create your individualized modernization roadmap, we start with a concise assessment of your current IT ecosystem, your business strategy and needs, including:

- Business strategy and plans—new products and services, competitive analyses, regulatory requirements
- Focus areas—increase agility, ROI, resolve "hot spots"
- IT strategy and goals—improve performance, reduce costs, evaluate consolidation, expand skills
- Third-party interactions—with partners, suppliers, distributors, regulatory agencies

As part of your assessment, we also incorporate the results of our automated discovery and process intelligence analysis. The real-time KPI performance measurements enable you to analyze your core business processes end-to-end, as well as uncover issues and get better transparency for dependencies. This enables us to identify key areas for your modernization plan and helps you maximize investments and lower risks.

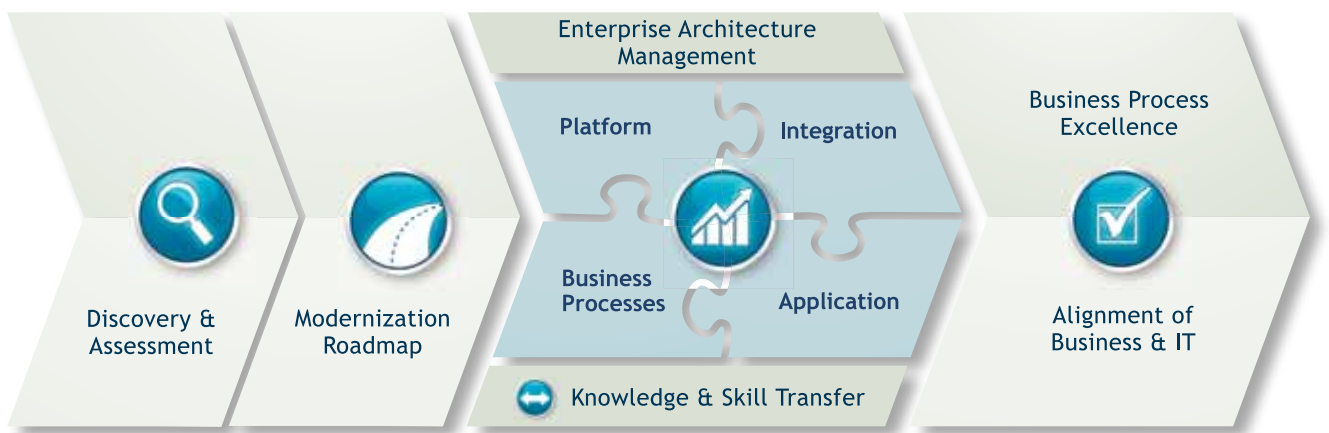


Figure 2: Software AG's process-driven solution to IT Modernization

Modernization Roadmap

We structure your modernization roadmap so you achieve quick wins with incremental improvements that also enable your long-term IT strategy and business needs. Roadmap milestones focus your modernization efforts on specific business goals. Moreover, milestones can be modified or added as your modernization priorities change.

Enterprise Architecture Management

Enterprise Architecture Management is the guide for the complete modernization process, where all assets are documented, progress measured and the business value of modernization phases determined. Here you manage your implementation strategy and changes to reach your target modernization architecture and reduce the gap between business and IT.

Knowledge & Skill Transfer

Faster adoption cycles and increased flexibility demand effective ways to transfer valuable knowledge and skills throughout your organization. We can help you manage “skill retirement” and accelerate new employee productivity with custom training and other service offerings.



Enabling Technologies for Modernization:

Software AG provides your enterprise a complete modernization solution. We help you solve business performance inefficiencies by addressing a variety of corresponding application challenges with our enabling technologies, ranging from automating workflows, simplifying end user screens, streamlining data flows to reducing operational costs and more:



Platform

Significantly improve your operational excellence with performance optimizations on a mainframe or by moving application workload to a different platform such as UNIX, Linux or Windows, for example.



Integration

Flexibly integrate your custom applications and databases with SOA, BPM, B2B, cloud and packaged applications such as Salesforce and SAP, as well as with Business Intelligence environments enabling real-time connectivity.



Business Processes

Gain business visibility with our at-a-glance dashboards. Employ powerful business process capabilities using ARIS and webMethods to model, automate and monitor your human-, document- and system-centric processes.



Application

Easily web-enable green screens, boost end-user productivity, improve application adaptability and maintainability and increase overall business flexibility using our Natural, Adabas, COBOL and DB2 modernization capabilities.

HOW PROCESS-DRIVEN WORKS IN PRACTICE

Clearly modernizing today is not a one-time effort limited to the IT department, but rather an ongoing process that requires continuous, iterative and quick adaptations enterprise-wide. As your business grows and technology evolves, as your applications and systems age, and as your end user and partner requirements change, so will your modernization needs.

Software AG's process-driven IT Modernization solution supports these needs, so you are able to analyze and plan your modernization initiatives according to your business demands. You set the roadmap priorities, direction and pace to modernize in manageable steps. You can also realign modernization with the business strategy as needed.

With our process-driven approach, we facilitate our customers' "modernization evolution." As their business and organization has changed, they have been able to incorporate new and better ways to modernize. Their modernization planning is ongoing, interactive and engages all levels of the business, for example:

- The business and IT strategies, goals and priorities set the direction for modernization initiatives.
- Technical infrastructure inputs, such as the target architecture planning chart depicted in Figure 3, keep modernization in tune with technology shifts.
- Automated process discovery and process intelligence keeps the business aware of real-time process performance and alert for potential issues.

In addition, the service- and process-oriented application architecture achieved with process-driven IT Modernization delivers tangible advantages to IT. The key benefits include faster integration of new applications and technologies, such as cloud computing services, and more freedom to adopt new hardware strategies without adversely impacting business operations. You have the flexibility you need to move your business processes and rules to the environment of your choice.

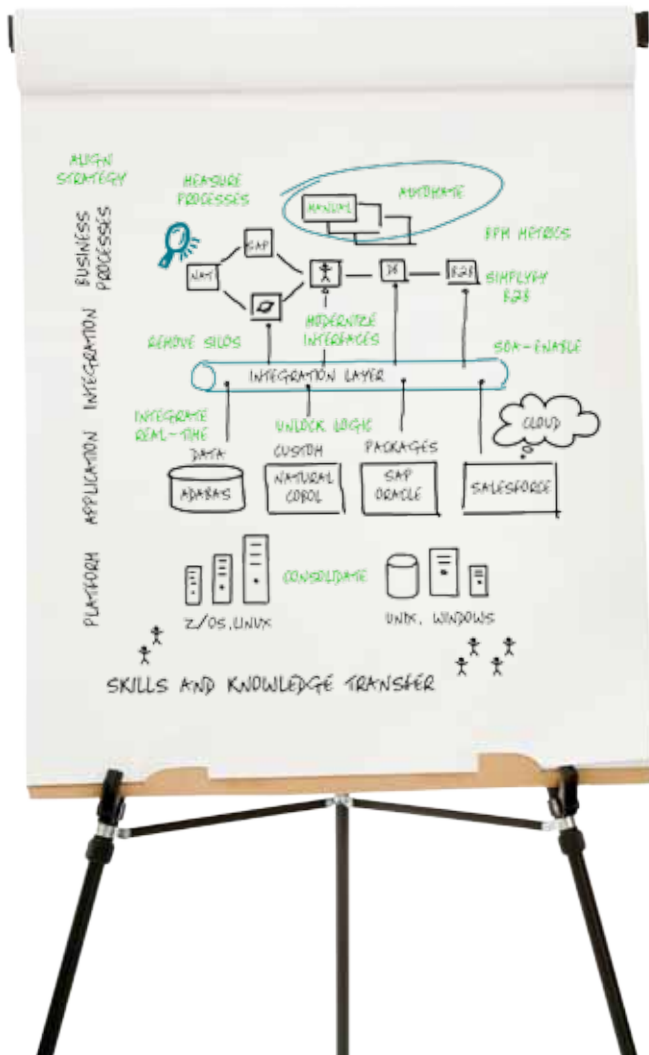


Figure 3: Your input provides the direction for your modernization roadmap

Using process-driven IT Modernization, your business can make the leap from creating services to optimizing business value. Leading enterprises in virtually every industry rely on Software AG's process-driven IT Modernization solution to improve their business in key areas, such as:

- ✔ The largest optical retailer in Germany, part of Europe's largest optical provider, **improved their order-quality service** using an SOA and BPM solution to integrate point-of-sale and back-end systems and handle orders with complex dependencies. Their modernized solution handles tens of thousands of daily requests, each in under two seconds. Potential errors can be identified and corrected before the customer leaves the store, significantly reducing rejects for tangible savings.
- ✔ The leading European travel software technology provider **extended their current IT investments to benefit from new technologies**. They transformed their technology, used in over 2 million travel bookings daily, onto a web-enabled platform with new interfaces, menus and business functionality. Performance and response times are faster than expected and clients get better information. These modernization milestones have enabled them to attract new customers, and enter new markets and industries—directly in line with their key business goals.
- ✔ A large South African manufacturer **chose a process-driven approach over rip-and-replace** options because they could incrementally implement modernization, realize quicker increased operational efficiency with less business disruption and achieve this for just one-quarter of the cost estimates for rip-and-replace. As part of their 5-year IT modernization strategy, they web-enabled “green screen” business processes, transformed their creditor system to 100% online, and improved their supply chain invoice processes and overall supplier management. They continue to realize more and more value from their core systems and benefit from best-of-breed solutions.

Bring your business to Business Process Excellence:

Software AG's process-driven IT Modernization solution helps enterprises achieve Business Process Excellence by focusing improvements on the key processes that enable the business strategy. Incremental modernization that effectively leverages your current assets using new technologies and employs process improvement methodologies and best practices will deliver long-term and sustainable business value.

With 40+ years of expertise, Software AG is your partner for success.

For more information, please visit www.softwareag.com/ITModernization.



Global Presence

Argentina	Netherlands
Australia	Nicaragua
Austria	Norway
Bahrain	Oman
Belarus	Panama
Belgium	Peru
Belize	Philippines
Brazil	Poland
Bulgaria	Portugal
Cambodia	Puerto Rico
Canada	Qatar
Chile	Romania
China	Russia
Colombia	Saudi Arabia
Costa Rica	Singapore
Croatia	Slovakia
Czech Republic	Slovenia
Denmark	South Africa
Dominican Republic	South Korea
Ecuador	Spain
Egypt	Sweden
El Salvador	Switzerland
Estonia	Taiwan
Finland	Thailand
France	Turkey
Germany	Ukraine
Greece	United Arab Emirates
Guatemala	United Kingdom
Honduras	USA
Hong Kong	Venezuela
Hungary	
Iceland	
Ireland	
India	
Indonesia	
Israel	
Italy	
Japan	
Jordan	
Kuwait	
Latvia	
Lithuania	
Luxembourg	
Malaysia	
Mexico	

**To find the Software AG
office nearest you, please
visit www.softwareag.com**

About Software AG

Software AG is the global leader in Business Process Excellence. Our 40 years of innovation include the invention of the first high-performance transactional database, Adabas; the first business process analysis platform, ARIS; and the first B2B server and SOA-based integration platform, webMethods.

We offer our customers end-to-end Business Process Management (BPM) solutions delivering low Total-Cost-of-Ownership and high ease of use. Our industry-leading brands, ARIS, webMethods, Adabas, Natural, CentraSite and IDS Scheer Consulting, represent a unique portfolio encompassing: process strategy, design, integration and control; SOA-based integration and data management; process-driven SAP implementation; and strategic process consulting and services.

Software AG - Get There Faster



AS GLOBAL AS YOUR BUSINESS:
We have 65+ global business and technology partners, 10,000 customers in 70 countries and are one of the 25 largest enterprise software vendors in the world.