IBM Value Chain Services

Increasing market share and profitability with a value chain transformation
The Internet and e-commerce applications have enabled businesses to communicate and structure processes in new, more effective ways. Many companies are exploring value chain transformation and integration using these innovative technologies. Value chains address business processes for planning, design, production, marketing and delivery of enterprise products and services. The reasons for transformation are multifaceted, and range from companies needing to increase value add to their end customers, to providing more timely and cost-effective deliveries, to better synchronizing the flow of information, products and cash to increase productivity and profitability. Effective integration and management of cross-business-unit dependencies are essential to value chains, which are enabled by end-to-end, closed-loop processes, information technology (IT), defined policies and management systems. The value chain transformation approach is designed to leverage similarities across business units and processes to reduce redundancies while accommodating unique business requirements.

IBM Value Chain Services can help your company develop and implement a roadmap for transforming its business model easily and effectively. It helps increase the value generated by your business at the various steps in the value chain by providing the business model specific to your industrial needs and operational strategy as well as expediting the design of the business processes. Our Value Chain Services offer an extensive selection of solutions designed to develop your company’s potential to achieve increased service levels, market share and profitability. To facilitate the transformation of your business model, Value Chain Services can be executed in two parts:

- **Strategy Assessment**—IBM compares your processes, organization and technology against an integrated end-to-end, business model to identify gaps and opportunities. We use a prioritization tool to

### Highlights

- **Provides close integration of end-to-end value chain with customers and suppliers**
- **Helps create a value-based organization, enabling a high-performance value chain**
- **Facilitates efficient and effective resource deployment**
- **Meets your specific business requirements with customizable service components**
create a strategic transformation roadmap that emphasizes projects with the greatest potential return on investment.

• Implementation—The people of IBM Global Services help transform your value chains in small increments to improve the performance of your enterprise. Business transformation, package implementation and systems integration services are all components of Value Chain Services. Transformation initiatives may or may not include deployment of new technology. To help reduce costs, we leverage your existing systems as much as possible.

Integrating value chains with customers and suppliers

Value chains help optimize potential profit by shifting companywide internal focus to core competencies, sources of competitive advantage and value-add. Driven by performance indicators, Value Chain Services can revise your company’s business processes to integrate your supply chain with customer- and supplier-facing functions. We also help you restructure your company to reflect multiple value chains and break the silos of traditional business units by providing cross-functional teaming structures. The result is a set of integrated value chains—with clear linkages and effective integration among the many business functions—across and beyond the organization.

Developing a high-performance value chain

Reduced delivery costs, shorter lead times, reliable delivery, reduced inventory, better cash flow and higher customer satisfaction are all benefits of a well-tuned value chain. Our performance and decision management model helps your organization develop and use key indicators and measurements to enhance performance and drive transformation initiatives. Business process flows are used to identify decision points and align them with corresponding performance metrics. Business rules are defined to standardize and improve the quality of decisions and performance. Finally, cross-functional teams
are created and empowered with decision-making authority for strategic, operational and tactical-level decisions. We also help ensure that the data and technology that individual teams need are available so the teams can make educated decisions to improve the performance of your company.

**Deploying resources efficiently and effectively**

Our Value Chain Services can help your company achieve better asset utilization. We provide business transformation and implementation services to optimize your revenue-producing assets, logistics network, IT infrastructure, and human and financial resources for higher profit and customer service levels. Value Chain Services can also help reduce costs by enabling advanced decision support capabilities.

**Tailoring services to help meet your unique business needs**

While transforming your value chain may seem daunting, our Value Chain Services approach helps make the process both efficient and manageable. Our method will help you perform the transformation in small increments to provide you with the potential to deliver value to your bottom line and increase return on investment. Our program management office will help you ensure continuous alignment of the initiatives with the transformation objectives. Our business model has been configured and adapted for multiple industries and manufacturing strategies. Our proven methodology helps reduce risks by making this offering repeatable and predictable. Value Chain Services are composed of multiple components, including the following, which can be grouped to address specific needs:

- **IBM Value Chain Services for transformation strategy**—develops a transformation roadmap by conducting a fit gap analysis against a business model. The model is configured based on best practices in your industry and your company's operational strategies.
- **IBM Value Chain Services for transformation implementation**—integrates business processes with organizational design and technology to implement the transformation initiatives identified in the transformation roadmap.
- **IBM Value Chain Services for performance and decision management**—works within the overall value chain solution to enhance your organization’s performance by aligning cross-functional teams at all levels (strategic, operational and tactical) with the appropriate decision-making authority and corresponding key performance indicators.
- **IBM Value Chain Services for demand management**—establishes a planning process that can provide the most accurate and comprehensive view of product demand through the use of a variety of forecasting tools and methods.
- **IBM Value Chain Services for supply planning**—establishes a planning process that enables the alignment of supply with demand, while taking into consideration materials and capacity constraints.
- **IBM Value Chain Services for factory planning and scheduling**—establishes a planning process that optimizes the utilization of factory resources and materials to fulfill demand.
- **IBM Value Chain Services for logistics**—provides planning and execution solutions that optimize the physical flow of products through the value chain.
- **IBM Value Chain Services for collaborative product design and sourcing**—supports the strategic sourcing of direct and indirect material, and links sourcing with lifecycle product design processes and tools.
- **IBM Value Chain Services for Internet-enabled procurement**—enables purchasing activities and supplier sourcing through the Internet, helping to enforce best procurement practices and fostering higher productivity with a user-friendly interface for requisitioning, determining status of orders and reporting activities.
• **IBM Value Chain Services for IT infrastructure planning**—analyzes IT infrastructure, identifies gaps between current and target states, and makes recommendations for improved architecture to support the implementation of the value chain transformation initiatives.

• **IBM Value Chain Services for systems integration**—provides services using your company’s middleware platform of choice to achieve integrated end-to-end, business processes in a multiapplication and multienterprise environment with an emphasis on connectivity and workflow management.

**Relying on the experience of a global team**

We have an intimate understanding of the challenges and rewards of a value chain transformation. We developed IBM Value Chain Services based on the proven methodology and business model that were used to successfully transform the IBM value chains. With our extensive knowledge and resources as well as our ability to provide a strategic business design, the people of IBM Global Services can help you develop and deploy a comprehensive value chain management solution.

Our consultants specialize in many industries and are experts in business and marketing strategy, organizational change and business design. Their detailed knowledge of specific industries enables them to better develop comprehensive value chain solutions that can address your unique requirements. IBM Global Services also includes technically skilled and experienced systems integrators with well-developed engagement methodologies, and a support structure that helps ensure the completion of engagements on time and within budget.

We offer the most comprehensive client solutions, ranging from hardware, software and middleware to services—including strategy, management consulting, package implementation, systems integration and learning services. Additionally, given our various support facilities, we are well-equipped to provide service and support after an engagement. Few other companies have the breadth and depth of our service offerings.

We help you succeed by employing a network integration approach with a strong focus on technology.

**For more information**

To learn more about IBM Global Services and IBM Value Chain Services, contact your IBM sales representative, or visit:

**ibm.com/services**