

change



Management for the Adaptive Enterprise

Financial Services Industry

Nicolo Alaimo

**Director & General Manager, Consulting & Integration
and Software Solutions**

HP Latin America & Caribbean

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Frases Imperdibles de Les Luthiers





Pez que lucha contra la corriente,
muere electrocutado.



El que nace pobre y feo,
tiene grandes posibilidades
de que al crecer ...
se le desarrollen ambas condiciones.



La mujer
que no tiene suerte
con los hombres ...
no sabe
la suerte que tiene.

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Agenda



1. Financial Services Industry Business Challenges in Latin-America

2. Management for the Adaptive Enterprise

- **HP Solutions for FSI**

3. Building the Adaptive Enterprise

“You don’t buy an Adaptive Enterprise – you build one.”



Es bueno dejar el trago,
lo malo es no acordarse donde.

Financial Services Business Challenges



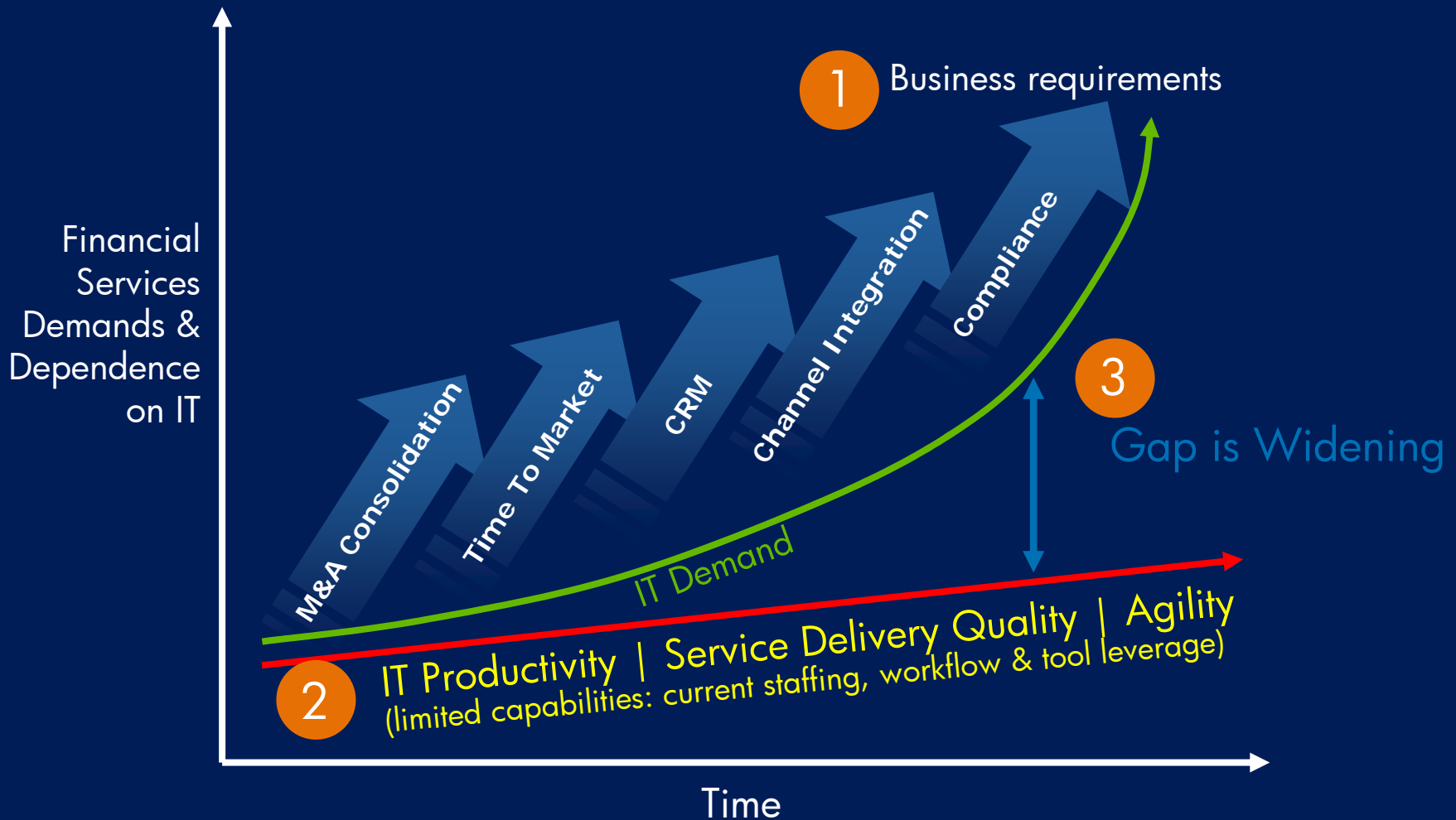
The Journey continues.....from product driven to customer oriented



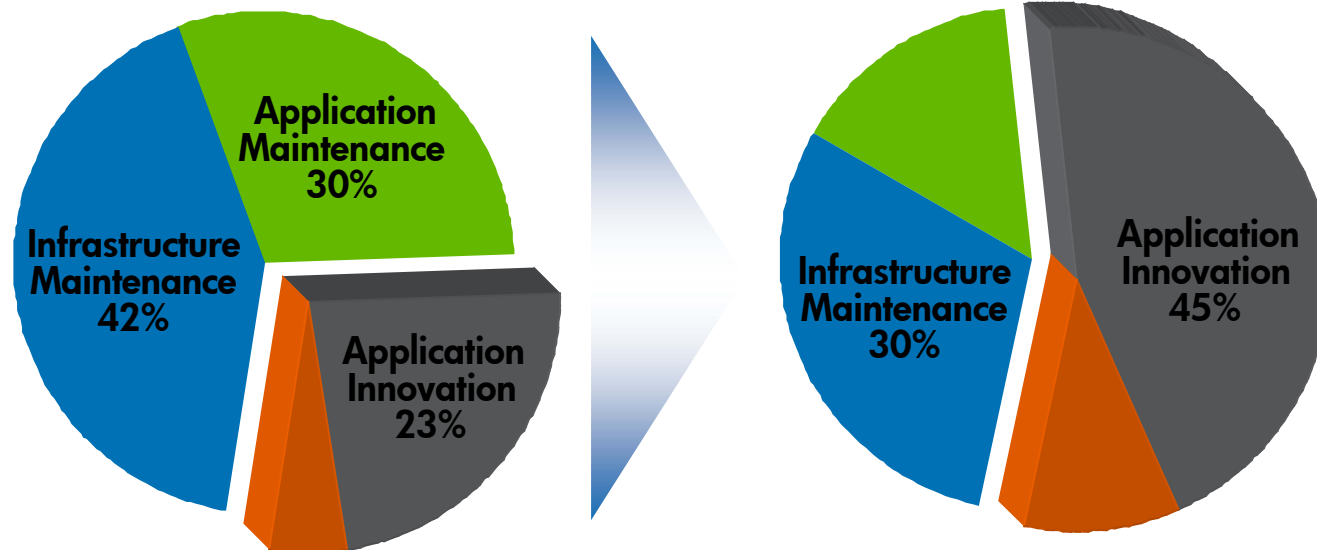
Financial Services Business Challenges



Business Demand Outpacing IT Capability



BANKING: A Continuous Innovation Industry





De cada diez personas
que miran televisión,
cinco son la mitad.



Si la montaña viene hacia ti ... ?

¡¡¡ Corre !!!

Es un derrumbe.



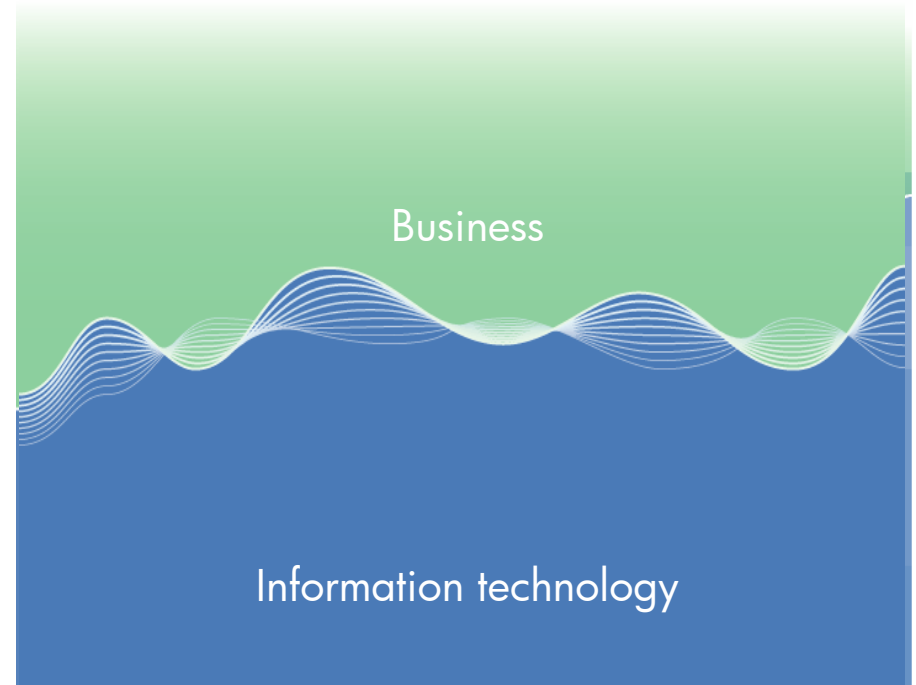
1. Financial Services Industry Business Challenges in Latin-America

2. Management for the Adaptive Enterprise

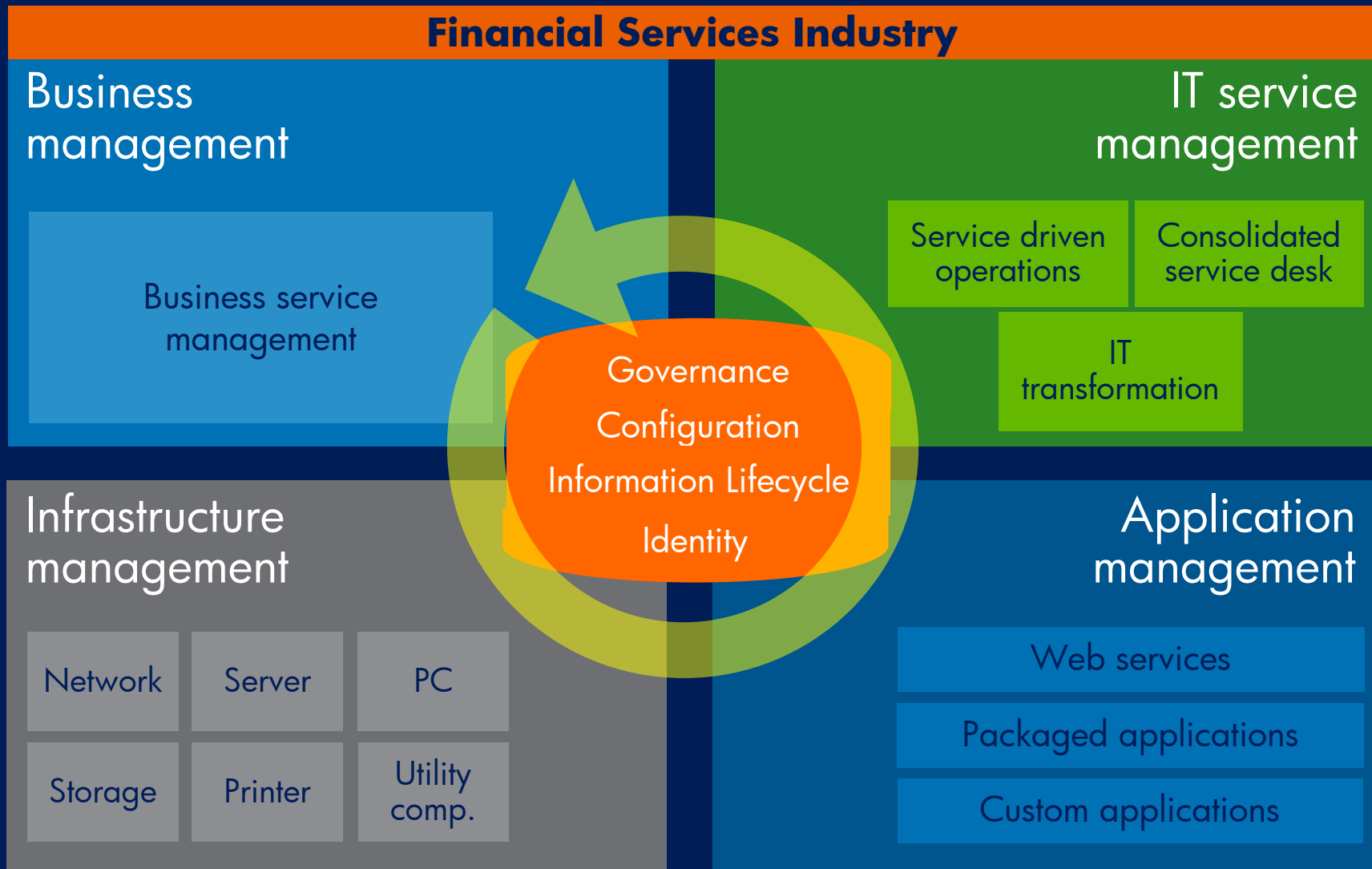
- **HP Solutions for FSI**

3. Building the Adaptive Enterprise

2. Management for the Adaptive Enterprise, HP Solutions for FSI



Management solutions for the Adaptive Enterprise



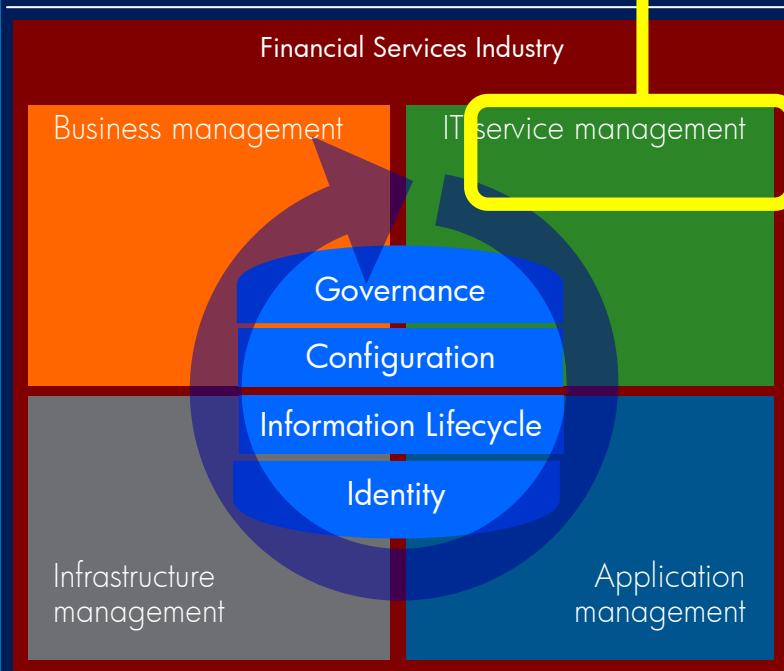
IT Service Management Solutions



Service driven operations

Consolidated service desk

IT transformation



HP Service Management Proof Points:

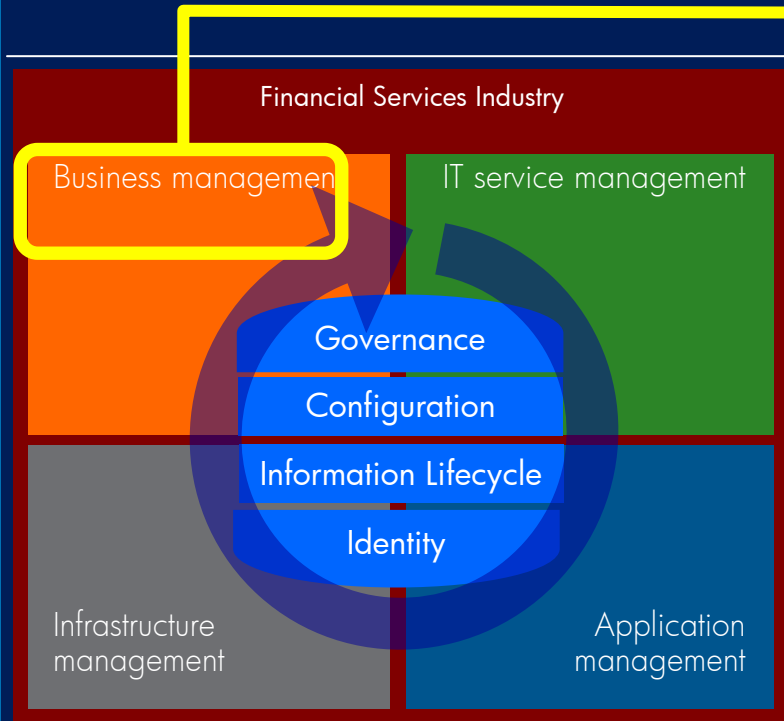
- 10+ years experience in ITIL
- Industry-leading ITSM Reference Model
- Modular building-block approach
- Integrated offerings
- Higher automation with HP OpenView software

Business Service Management from HP OpenView for FSI Companies



Critical Business Process Management for:

- **Mortgage Processing**
- **Insurance Underwriting Processing**
- **High-Value Payment Processing**



Typical Information needs:

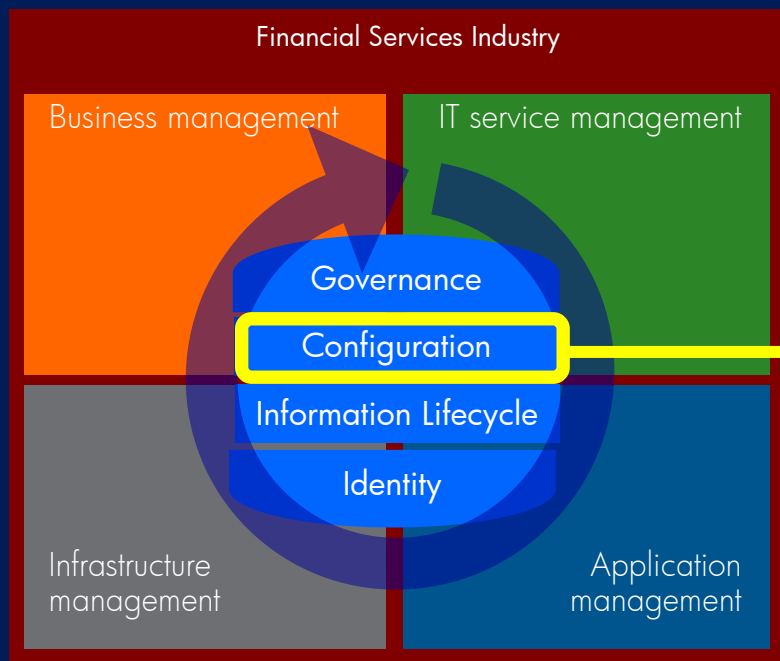
- How long does it take to process applications from start to finish?
- Where does the process get stuck?
- What is the time between getting an application & acknowledging it?
- What route does the process take and is there a problem route?
- What percentage of applications close without rework?

HP OpenView Configuration Management



Ensure that each enterprise computing device has the right software configuration at all times to support the business

HP Management Solutions



Comprehensive solution

- Entire software portfolio: OS, patches, applications, content, configuration settings
- Full lifecycle: discover, deploy / provision, update, manage, migrate, retire
- Heterogeneous IT infrastructure: multi-platform; servers, PC clients, laptops, **ATMs** ; Windows, UNIX, Linux, Mac

Offering unique value through continuous management of software, settings, and content

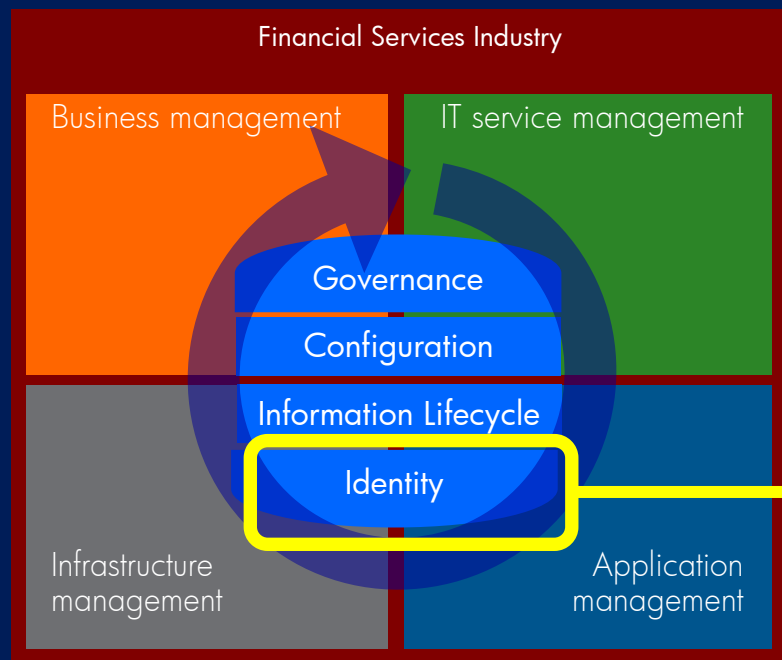
Proven customer success

HP Identity Management for FS



"Identity management can yield an overall ROI of up to 300%"
Gartner

"45% of help desk calls are password related, and deploying identity management will reduce help desk call volumes by 33% and a 32% increase in overall security"
Meta



Regulatory compliance

Provides key capabilities for achieving and maintaining compliance with privacy and information integrity regulations.

Revenue enhancement

Decreases time to productivity for employees, partners and customers. Enables the business to more quickly respond to change.

Security

Provides systematic and auditable control over user accounts, entitlements and access rights

Integration of customers & partners

Promotes extension of information resources to external organizations.

Cost reduction

Provides multiple, measurable avenues to cost reduction. Enables IT to do more with less by reducing user administration burden and deflecting calls to the help desk.

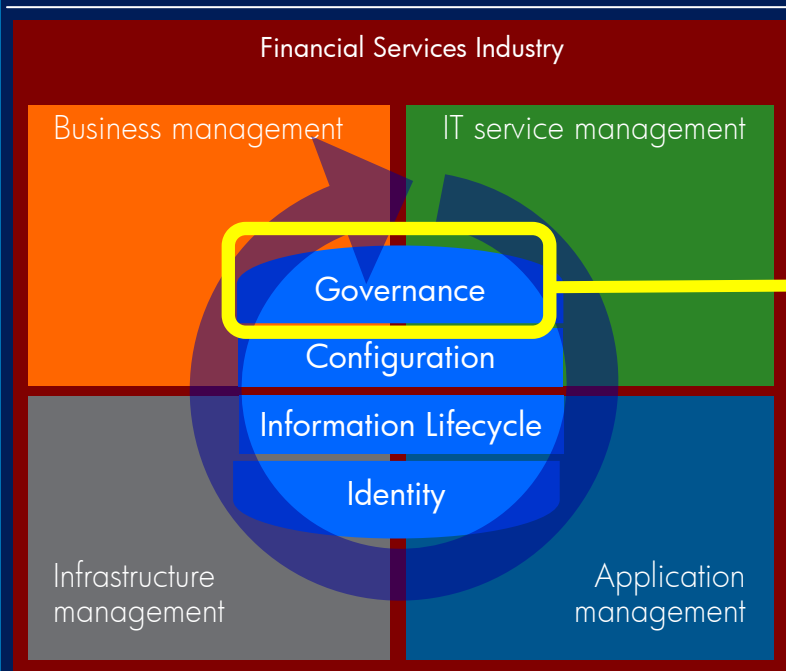
Sarbanes-Oxley and HP OpenView



Mapping ITSM and HP OpenView to the COBIT and COSO frameworks

COBIT control objective	COSO component	HP ITSM process	HP OpenView Module
Define and manage service levels	<ul style="list-style-type: none"> Control environment Control activities Monitoring 	<ul style="list-style-type: none"> Service level management Service planning Customer management 	<ul style="list-style-type: none"> Service desk
Manage performance and capacity	<ul style="list-style-type: none"> Control activities Monitoring 	<ul style="list-style-type: none"> Incident management Problem management Capacity management Availability management 	<ul style="list-style-type: none"> Operations Service desk Internet services SMART plug-ins Performance insight
Ensure continuous service	<ul style="list-style-type: none"> Control environment Control activities Monitoring 	<ul style="list-style-type: none"> Incident management Availability management IT service continuity management 	<ul style="list-style-type: none"> Operations Internet services Service desk SMART plug-ins Performance insight
Manage the configuration	<ul style="list-style-type: none"> Control environment Control activities Information and communications 	<ul style="list-style-type: none"> Configuration management Change management Release management 	<ul style="list-style-type: none"> Service desk
Manage problems and incidents	<ul style="list-style-type: none"> Control activities Information and communication Monitoring 	<ul style="list-style-type: none"> Incident management Problem management 	<ul style="list-style-type: none"> Operations Service desk SMART plug-ins Performance insight
Manage changes	<ul style="list-style-type: none"> Control activities Monitoring 	<ul style="list-style-type: none"> Change management Release management Configuration management Problem management 	<ul style="list-style-type: none"> Service desk
Manage operations	<ul style="list-style-type: none"> Control activities Information and communication 	<ul style="list-style-type: none"> Service level management Operations management 	<ul style="list-style-type: none"> Operations Service desk
Ensure systems security	<ul style="list-style-type: none"> Control environment Control activities Information and communication Monitoring 	<ul style="list-style-type: none"> Availability management Security management 	<ul style="list-style-type: none"> Select access Operations
Assist and advise customers	<ul style="list-style-type: none"> Information and communication 	<ul style="list-style-type: none"> Service desk Incident management Problem management Customer management 	<ul style="list-style-type: none"> Service desk

HP Compliance Solutions for Financial Institutions and IT Governance



For enterprises that are assembling their own systems to meet various regulatory requirements. HP's goal is to provide capabilities that:

- Improve time-to-implementation
- Generate business benefits at strategic and tactical levels
- Improve efficiency of risk management processes

Key focus areas:

- Enterprise risk management
- Enterprise information retention
- IT risk management



Si un pajarito te dice algo ...
debes estar loco
pues los pájaros no hablan.



Hay un mundo mejor,
pero es carísimo.



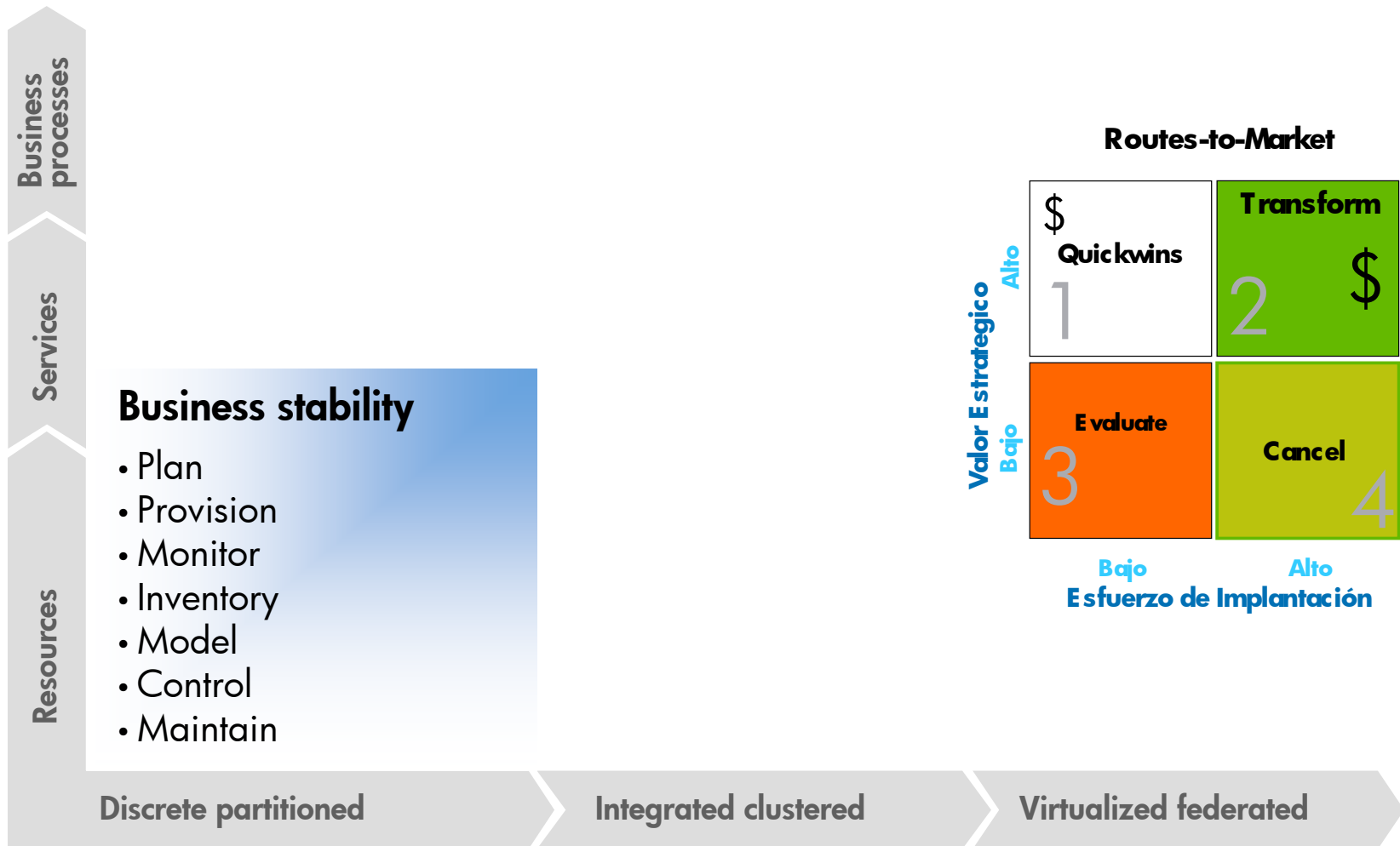
1. Financial Services Industry Business Challenges in Latin-America

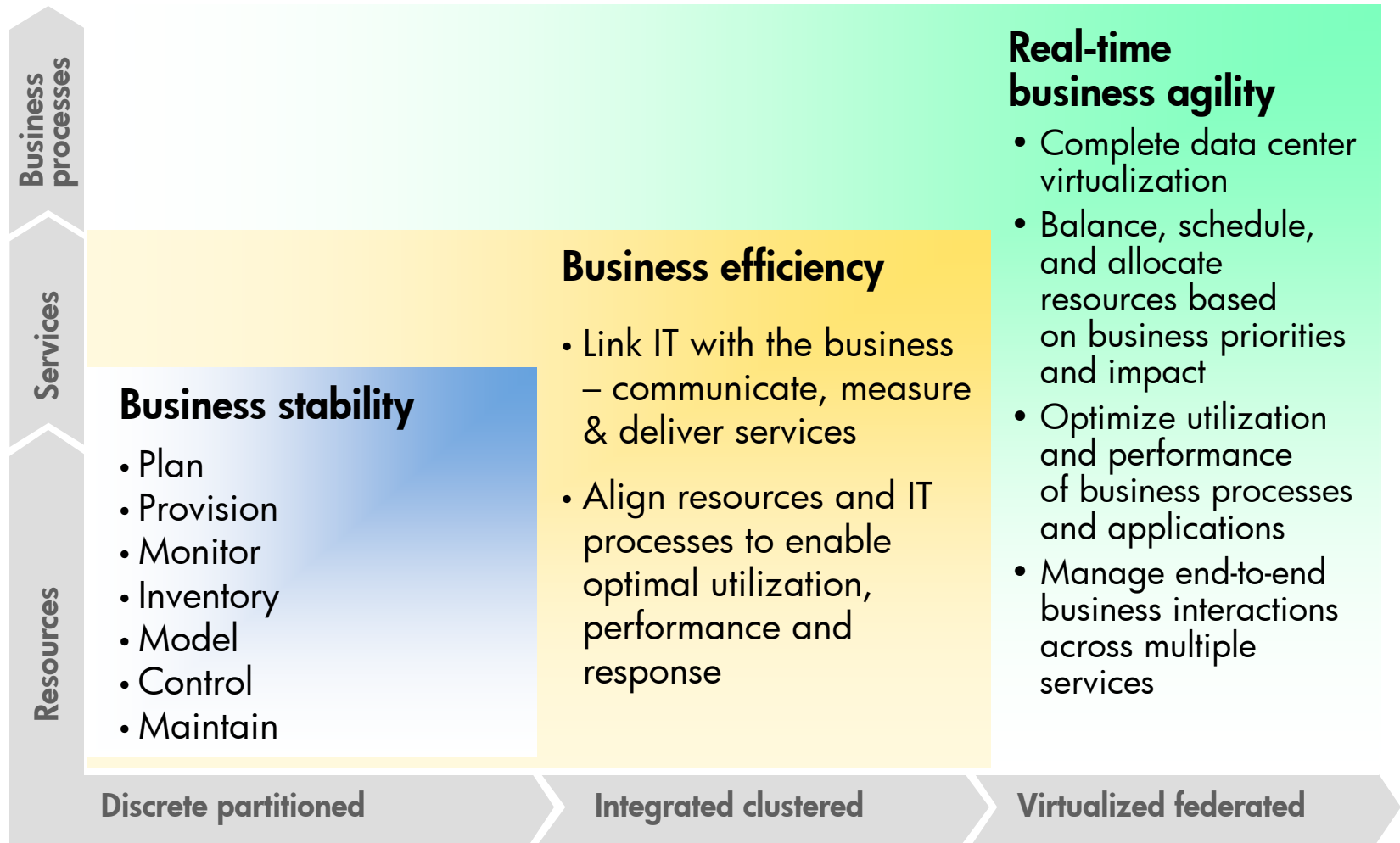
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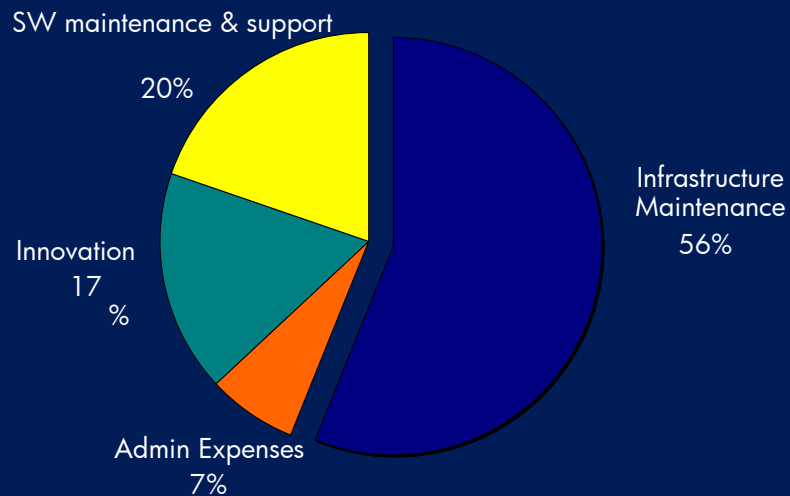


Analyzing a Business Case. Reality Show

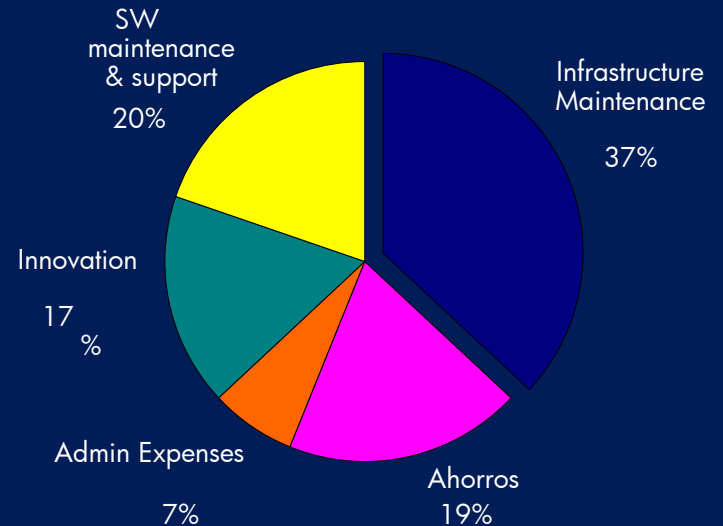


	FSI Benchmark	Current Performance
Infrastructure Maintenance / IT Expense	37%	56%
Admin Expense / IT Expense	6%	7%
SW & HW Innovation / IT Expense	33%	17%
SW maintenance & support / IT Expense	24%	20%

**Banco Latinoamerica
IT Current Performance**



**Banco Latinoamerica
IT New Scenario**

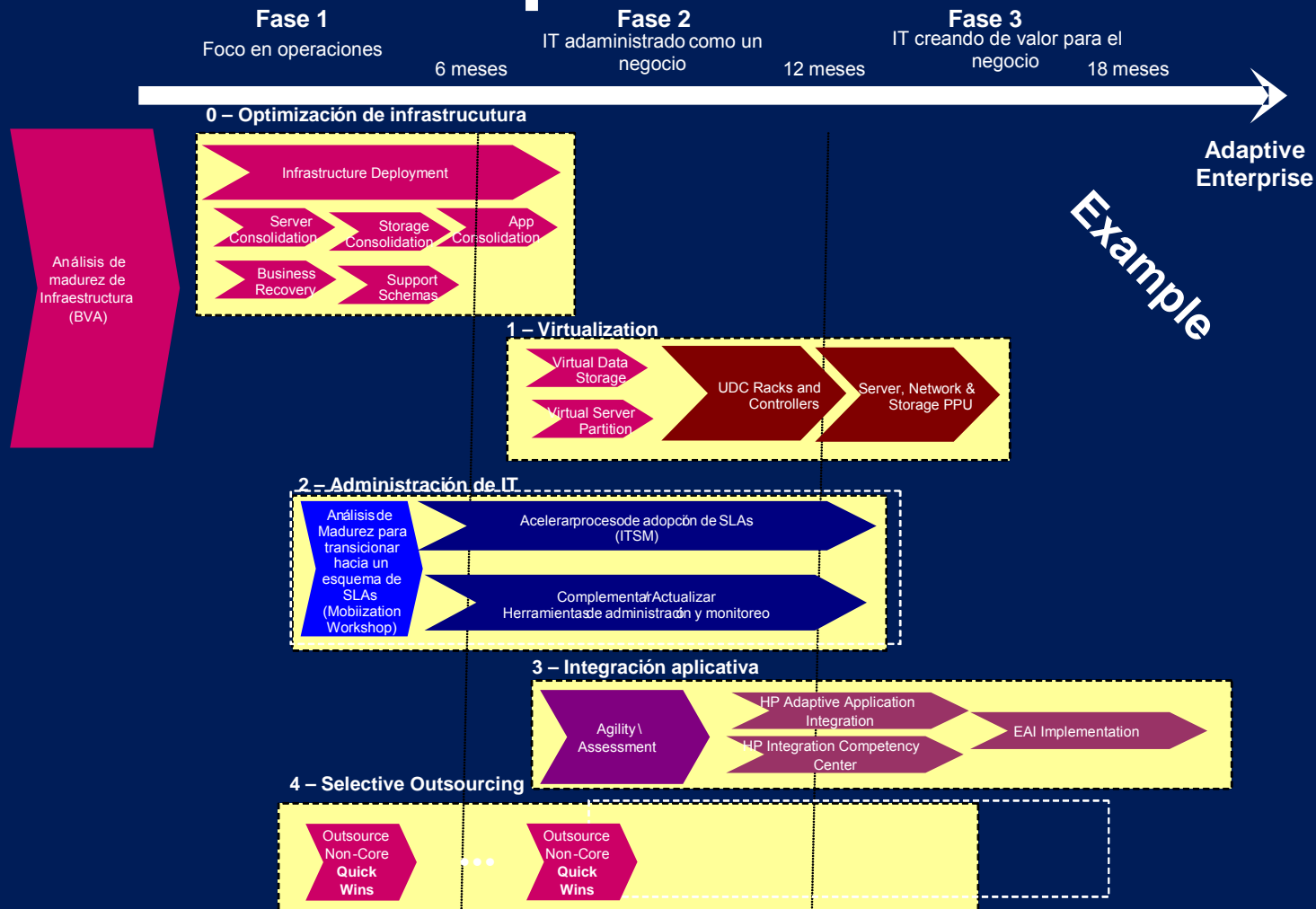


Planning & Design

Each roadmap initiative is supported by strong Business Case



AE Implementation Plan





Measurement



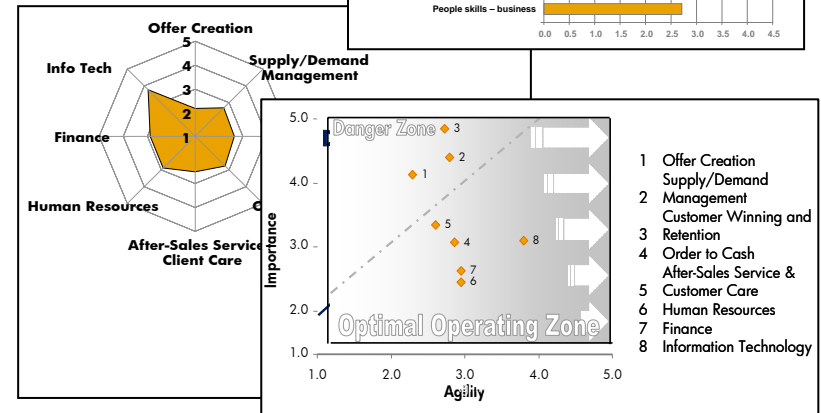
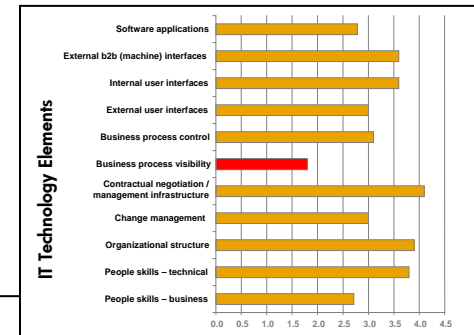
Analysis



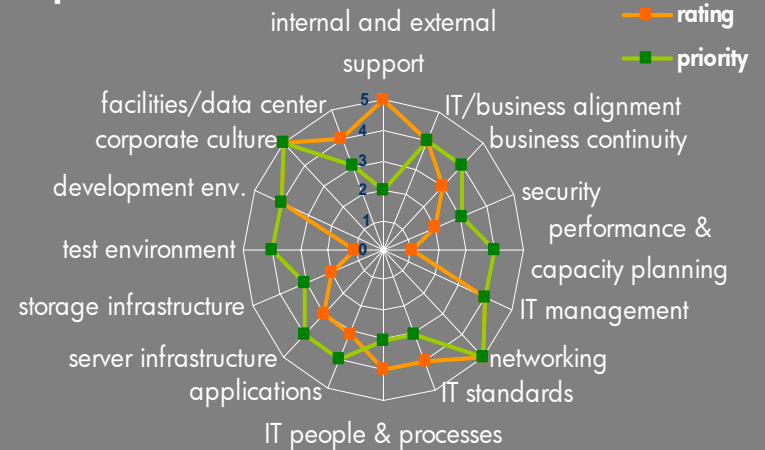
Workshop



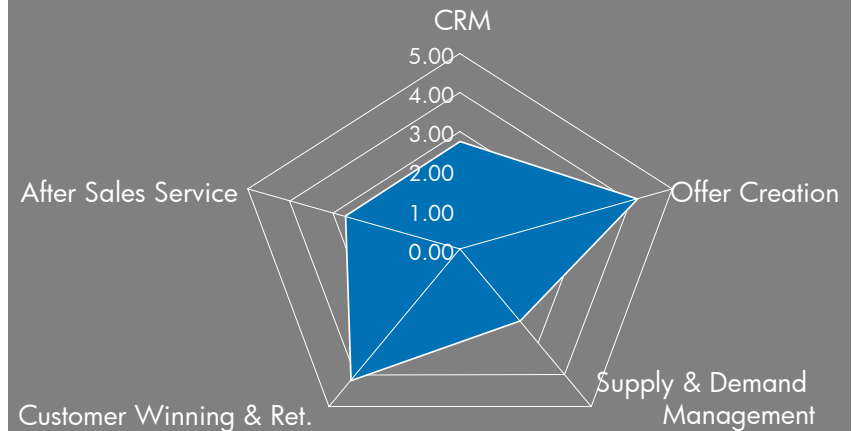
Report



IT operational excellence



Financial Services IT Agility - Process Score



Why HP in Financial Services?

- Powers 130+ exchanges, including 18 of the world's largest
- Supports 95% of the world's exchange transactions
- HP is a leader in handling card transactions and electronic funds transfers
- Leading player in retail banking delivery channels

- Consulting
- Management Sol's
- Integration
- Operations & support
- Infrastructure
- Implementation
- Outsourcing

Financial Services





Lo importante no es saber,
sino tener el teléfono del que sabe.

Thank You!



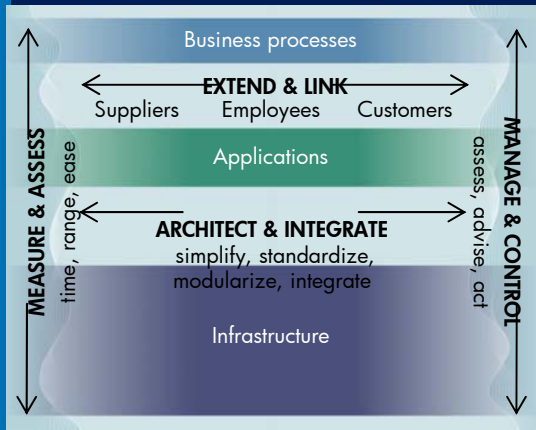


No te tomes la vida en serio,
al fin y al cabo
no saldrás vivo de ella.

Key Financial Services Customers in LAR using OpenView



Roadmap to Adaptive Enterprise



Adaptive Enterprise Roadmap

Agility (Business Processes)

Efficiency (Applications)

Stability (Infrastructure)

- IT Consolidation
- IT Management
- IT Virtualization
- IT Risk & Security Mgmt
- IT Outsourcing & Offshore
- Enterprise Integration
- Enterprise Portal Solutions
- Mobility & Wireless
- Real-Time Solutions
- Web services (& SOA)
- Simplified, Horizontal Business Solutions (i.e., BPO)
- Joint Ventures (e.g., FSJ Related Solutions)?

Adaptive Enterprise Strategic Delivery Options

Maintain
Status Quo
(Base)

“Build”
AE
In-House

“Build”
AE
with HP

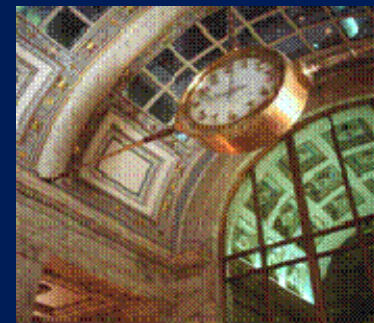
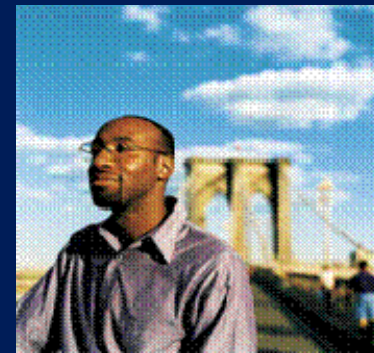
“Buy”
AE
from HP

“JV”
AE
with HP

What is Sarbanes Oxley?

- Due to the corporate scandals and the high impact they represented in the world wide economy, closer attention and regulation is being placed so that the
- On July 30th 2002, President George W. Bush signed the "Sarbanes-Oxley Act of 2002" which amends securities and other laws in significant ways. (Aprox. 1100 Sections)
- What the Act Does:

"The Act establishes new laws or changes that are existing with the reporting of financial reports and management and auditors must coordinate their processes for documenting and testing the internal controls over financial reporting."





Where can HP Help on SOX?

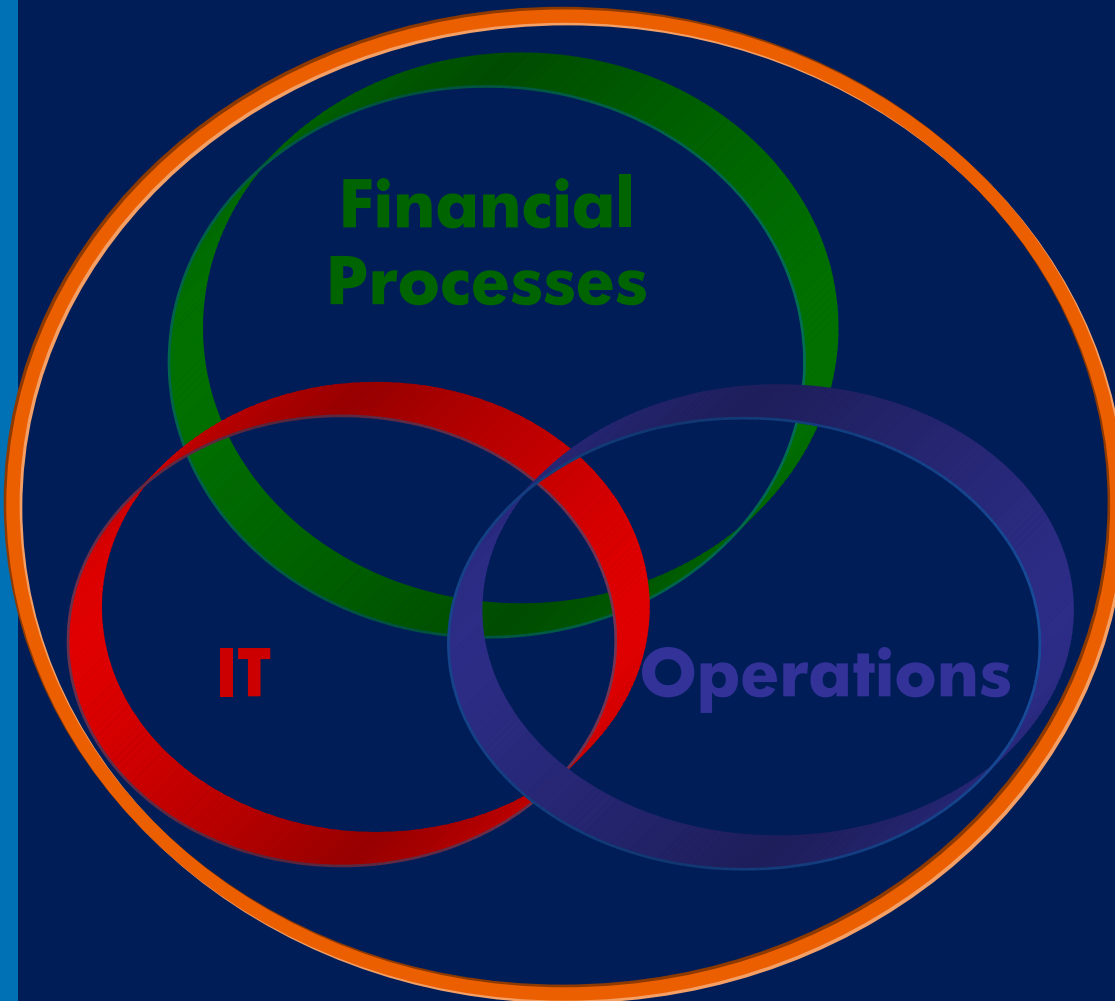
HPS Offerings

- **Section 302** – Act requires the company to certifications by both the principal executive officer and the principal financial officer in each (i.e., annual or quarterly) reports. These certifications much be signed by principal officers.
 - **C&I**
 - **Assessments**
 - **TSUs**
- **Section 404** – Act requires the company auditors to attest to and report on management assessment of the effectiveness of the company's internal controls. These internal controls include the processes across the entire organization. That is why it is so important to develop an end to end change management process that monitors and controls all aspects across all areas of service delivery and service support.
 - **ITSM**
 - **EAI**
 - **BC-S,R,A**
 - **Assessments**
 - **TSUs**
- **Section 409**, Real Time Disclosure, requires that, as of January 15, 2003, corporations must disclose material changes in the financial condition or operations on a rapid and current basis. Compliance with this section would not be possible without the ability to produce frequent, reliable financial information, which is dependent on the underlying information technology infrastructure.
 - **RTE**
 - **Agility**
 - **Availability**

Sarbanes-Oxley 404 Impacted Areas



Sarbanes-Oxley 404



Financial Processes

Accounting procedures and processes impacting the safeguarding of assets or the recording accuracy of financial transactions

Operations

Upstream/downstream procedures and processes directly connected to the financial processes (e.g., contract admin, order management)

IT

Systems and applications supporting financial and/or accounting transactions (e.g., perpetuals, subsidiary ledgers, financial data warehouses)

Framework for Business Continuity to Adaptive Enterprise



IT Governance (Compliance Side)

Structure the IT service delivery chain and automate it's processes

Integrate tools and systems to harvest compliance & control

Apply information to shape governance behavior & investment decisions

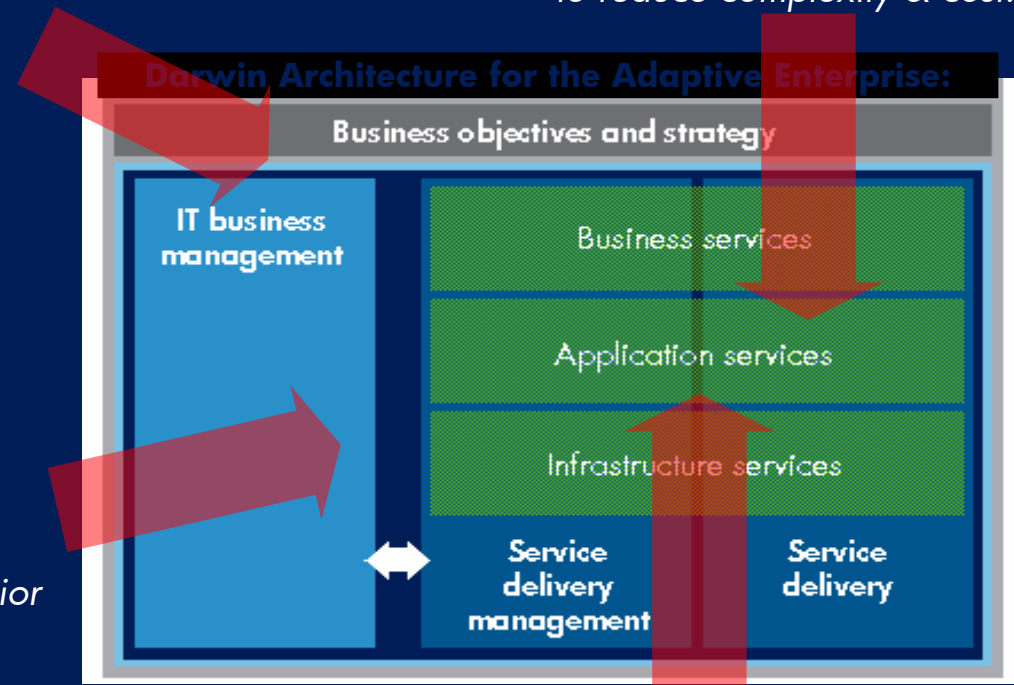
Identity Management (Enabling)

Integrate tools and systems to harvest information

Apply information to shape demand behavior

Business Continuity Services (Process Side)

Focus on simplification of business policies processes, application portfolio and operating model to reduce complexity & cost.

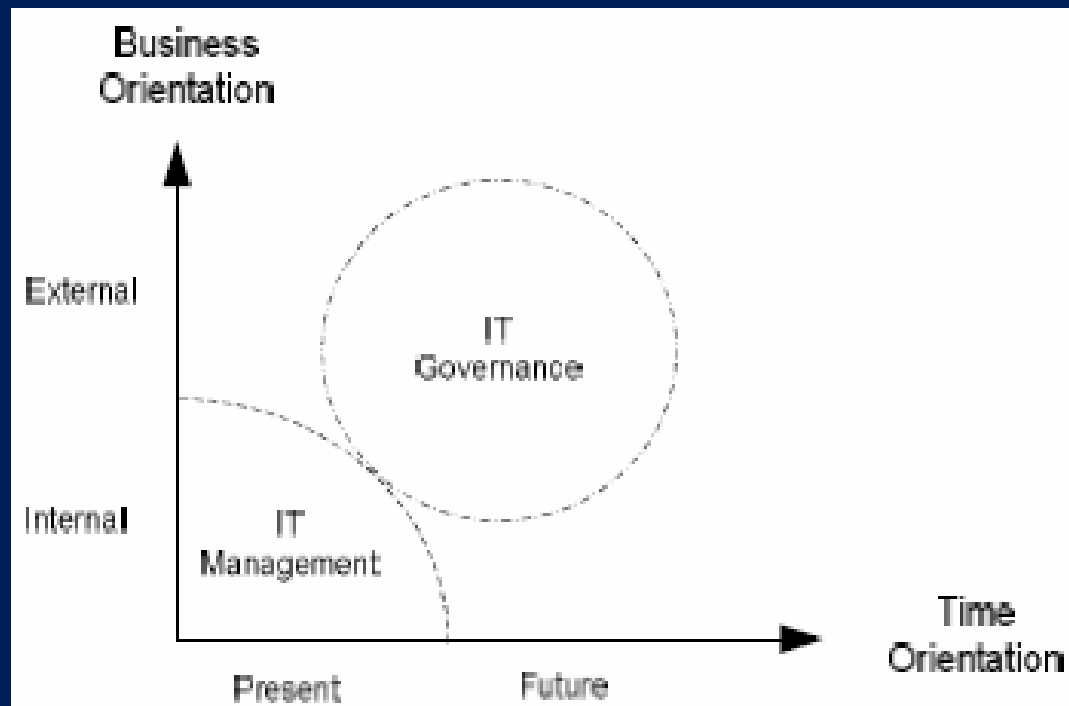


IT Infrastructure & Security Services (IT Side)

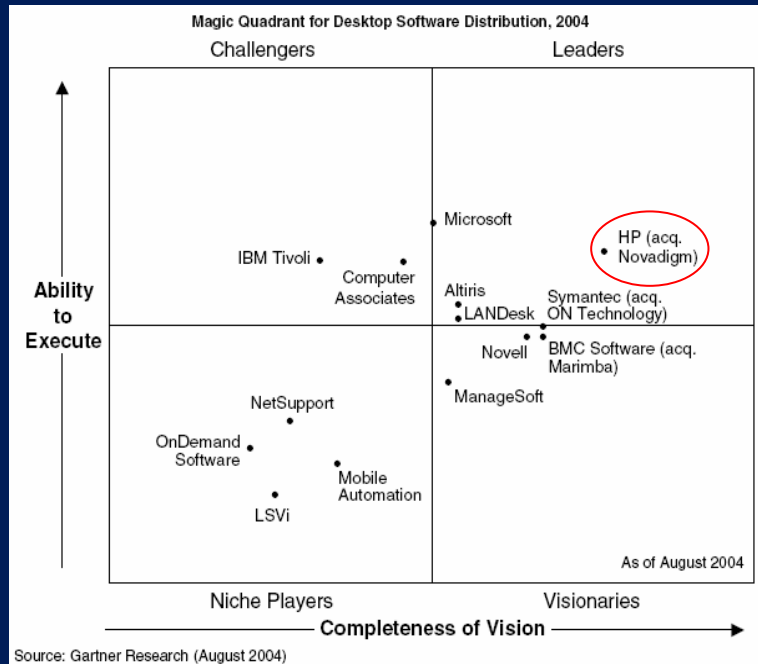
Apply technology advancement & simplification opportunities that can improve service cost, quality and business agility. These activities will yield improvements in the application & business process layers

IT Management and IT Governance

“Whereas the domain of **IT Management** focuses on the efficient and effective **supply of IT services** and products, and the management of IT operations, **IT Governance** faces the dual demand of (1) **contributing to present** business operations and performance, and (2) **transforming and positioning** IT for meeting **future** business challenges”.



Industry analyst recognition



"Software change and configuration management solutions that provide continuous automation of the full life-cycle enable IS to align with changing business needs. By delivering application and infrastructure changes more quickly, timely and accurately, business can become more agile.

Ronni Colville , Research Director, Gartner

Source: Gartner, Magic Quadrant Desktop Software Configuration Management, Ronni Colville, August 2004. Disclaimer: The Magic Quadrant is copyrighted August 2004 Gartner, Inc. and is reused with permission. The Magic Quadrant is a graphical representation of a marketplace at and for a specific time period. It depicts Gartner's analysis of how certain vendors measure against criteria for that marketplace, as defined by Gartner. Gartner does not endorse any vendor, product or service depicted in the Magic Quadrant, and does not advise technology users to select only those vendors placed in the "Leaders" quadrant. The Magic Quadrant is intended solely as a research tool, and is not meant to be a specific guide to action. Gartner disclaims all warranties, express or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose