Maine Digital Government Summit

November 29, 2012

Denny Lowe
Director, State & Local Government
Pegasystems
denny.lowe@pega.com
512-294-2435

© 2012, Confidential, Pegasystems Inc.

Warnings!

- It is a journey to understand that many ways that Business Process Management (BPM) can add value within an enterprise.
- Today will not be sufficient time to understand all of BPM software capabilities and methodology.
- BPM customers are experiencing incredible results. You may not believe their claims.

Agenda

- Top Four BPM Use Cases
- What does BPM do?
  - BPM addresses Key Agency Challenges
- Customer Oriented Architecture (COA)
  - Direct Capture of Objectives (DCO)
    - Directly Executable Business Requirements
    - Empower Change & Collaboration
  - Situational Layer Cake
    - Specialization & Re-use
  - Six “R” Work Automation
    - Drive Work to Done as Efficiently & Effectively as Possible

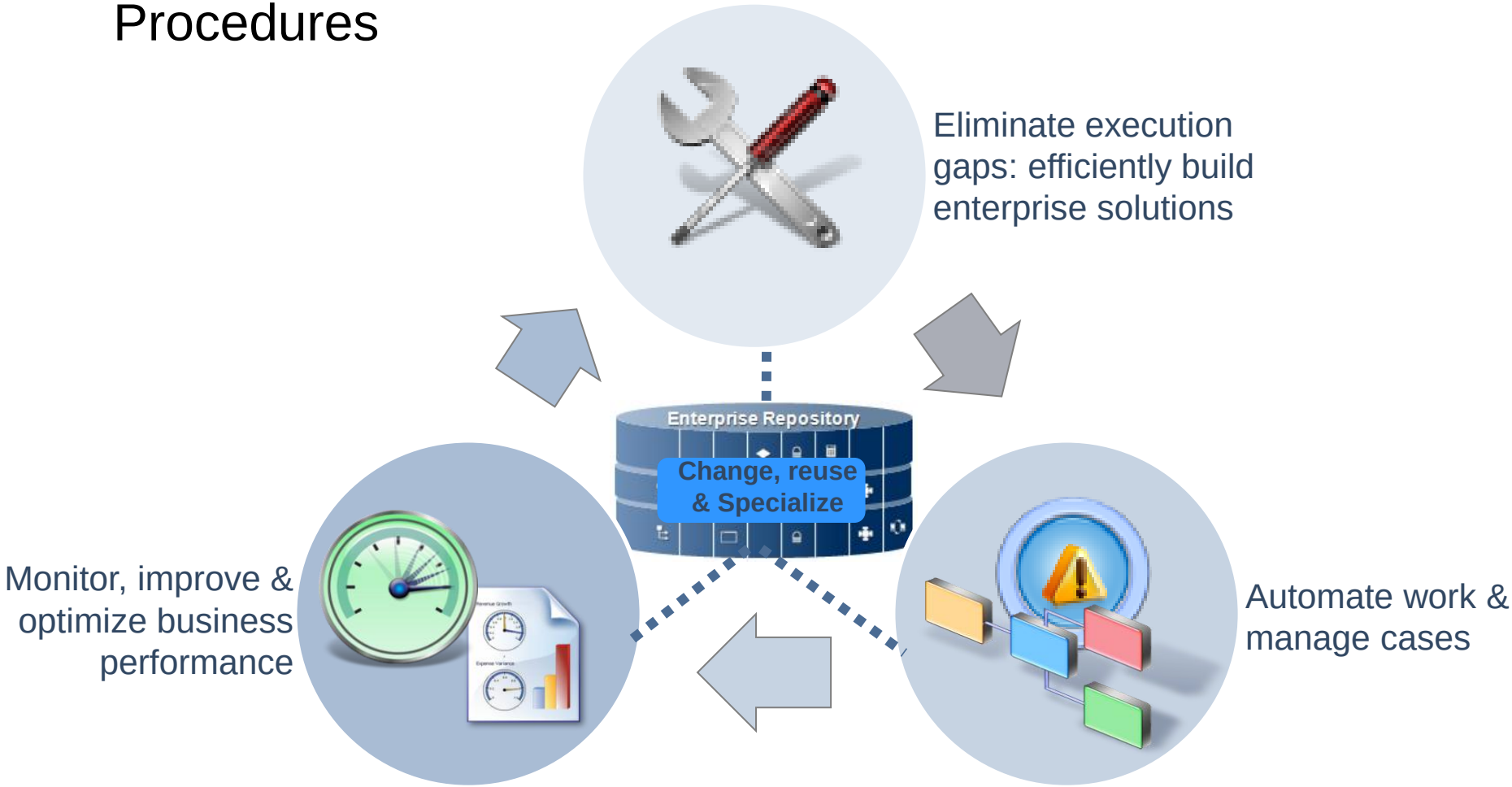
Top Four BPM Use Cases

Specific Process-Based Solution	Continuous Process Improvement	Redesign for a Process-Based SOA	Business Transformation
▪ Business buyer (supported by IT) ▪ Rapid time to solution for new application ▪ Extension to existing applications ▪ Goal is broader, and better coordination of mission-critical process	▪ Business and IT as buyer ▪ BPM is a program ▪ Goal is business agility for key processes	▪ IT and business buyer ▪ Improve visibility and change management ▪ Goal is application rationalization and modernization	▪ Senior business executive as buyer ▪ Rethink entire business process ▪ Goal is to make a game-changing play

Source: Applications 2020: The Future of Business Applications and Analytics, Yvonne Genovese, Gartner

What does BPM do?

- BPM Captures, Automates, and Optimizes Policies & Procedures



BPM addresses Key Agency Challenges

Market Conditions

- Do more with less
- Improve Member Service
- Improve Agility

Government Agency Response

- Demand to modernize aging infrastructure
- Moving away from status quo approach to modernization
- Focus on improving customer service

BPM Technology

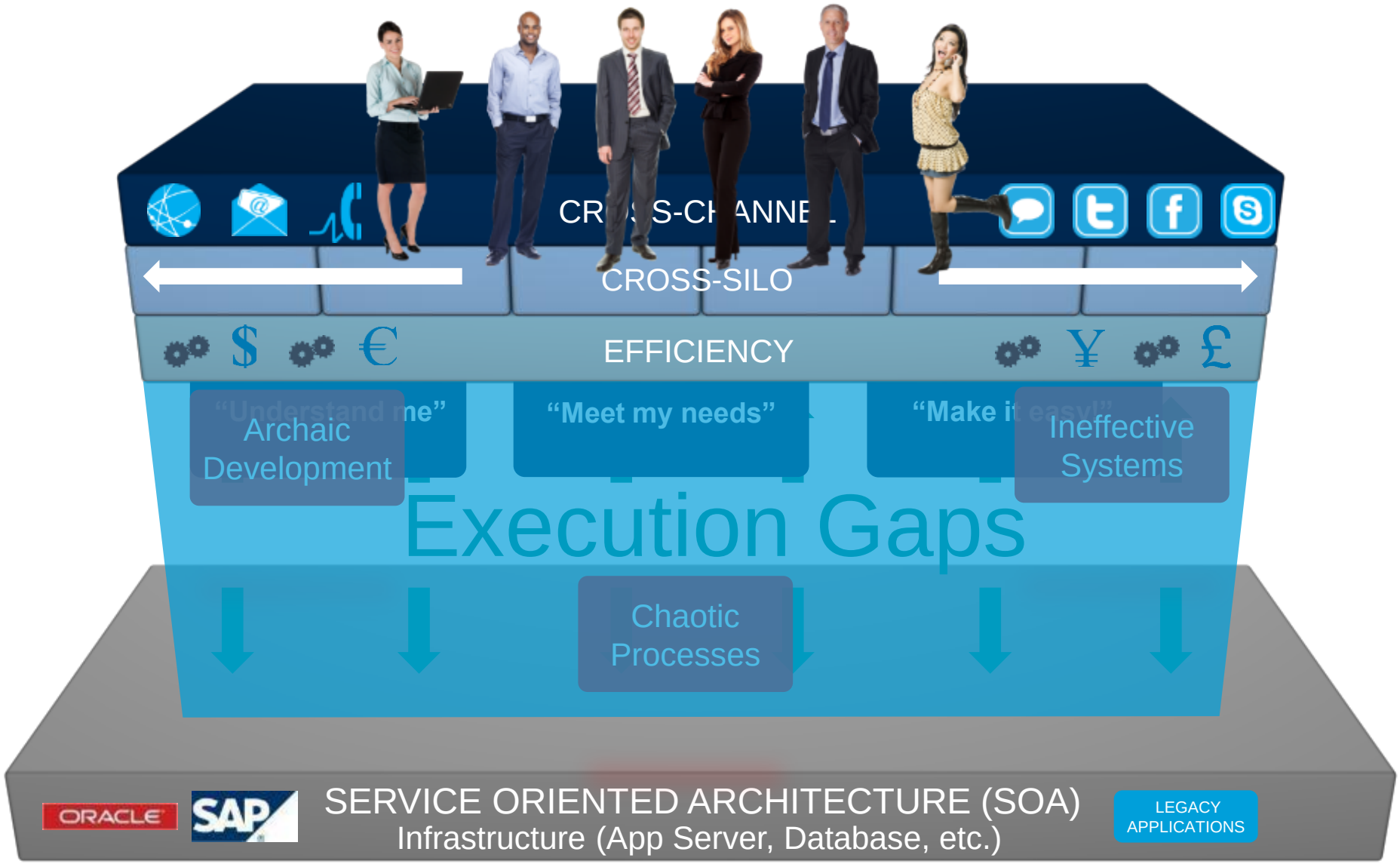
MEMBER SERVICE DELIVERY

- Multi Channel Engagement
- Establishment and Enforcement
- Service Fulfillment

GOVERNMENT MODERNIZATION

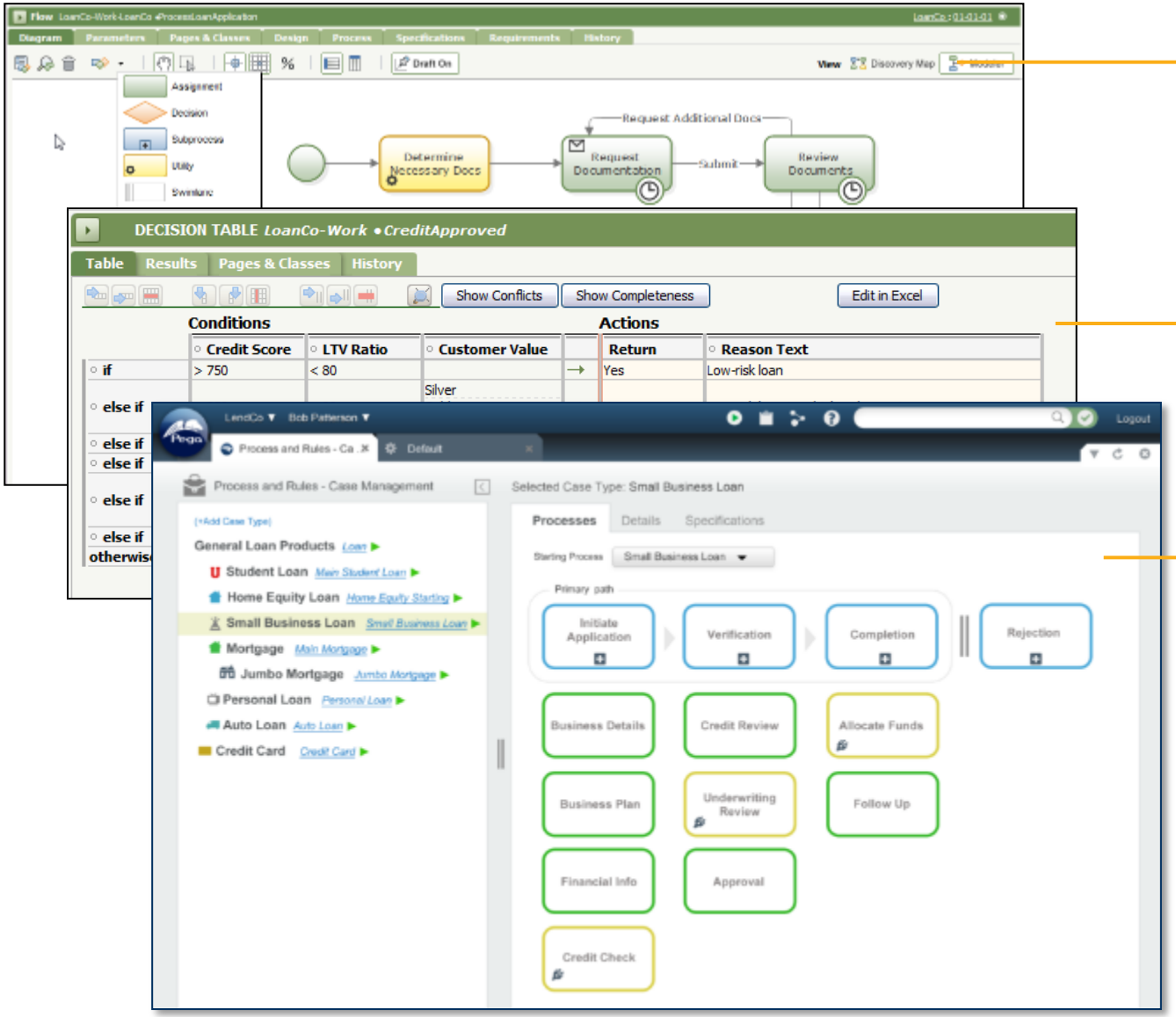
- An agile platform for modernizing government case centric applications

Customer Oriented Architecture (COA)



1 Directly Capture Objectives (Policy)

Empower Change & Collaboration



Familiar business metaphors accessed through a web browser

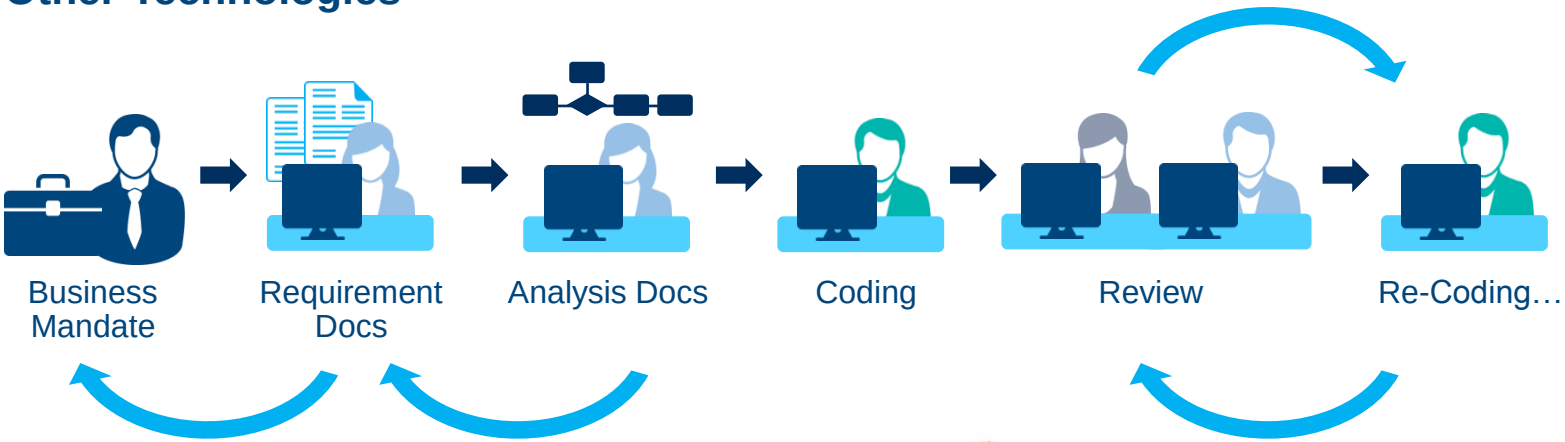
Easy forms guide & protect users

Working models replace paper specs & requirements

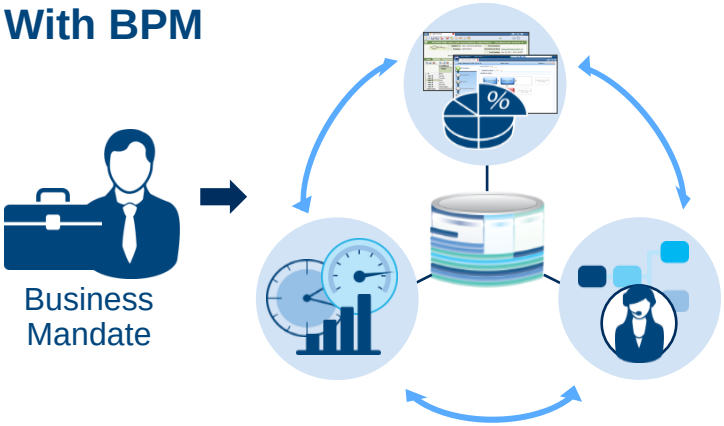
Click to watch video

Benefits for the Stakeholder

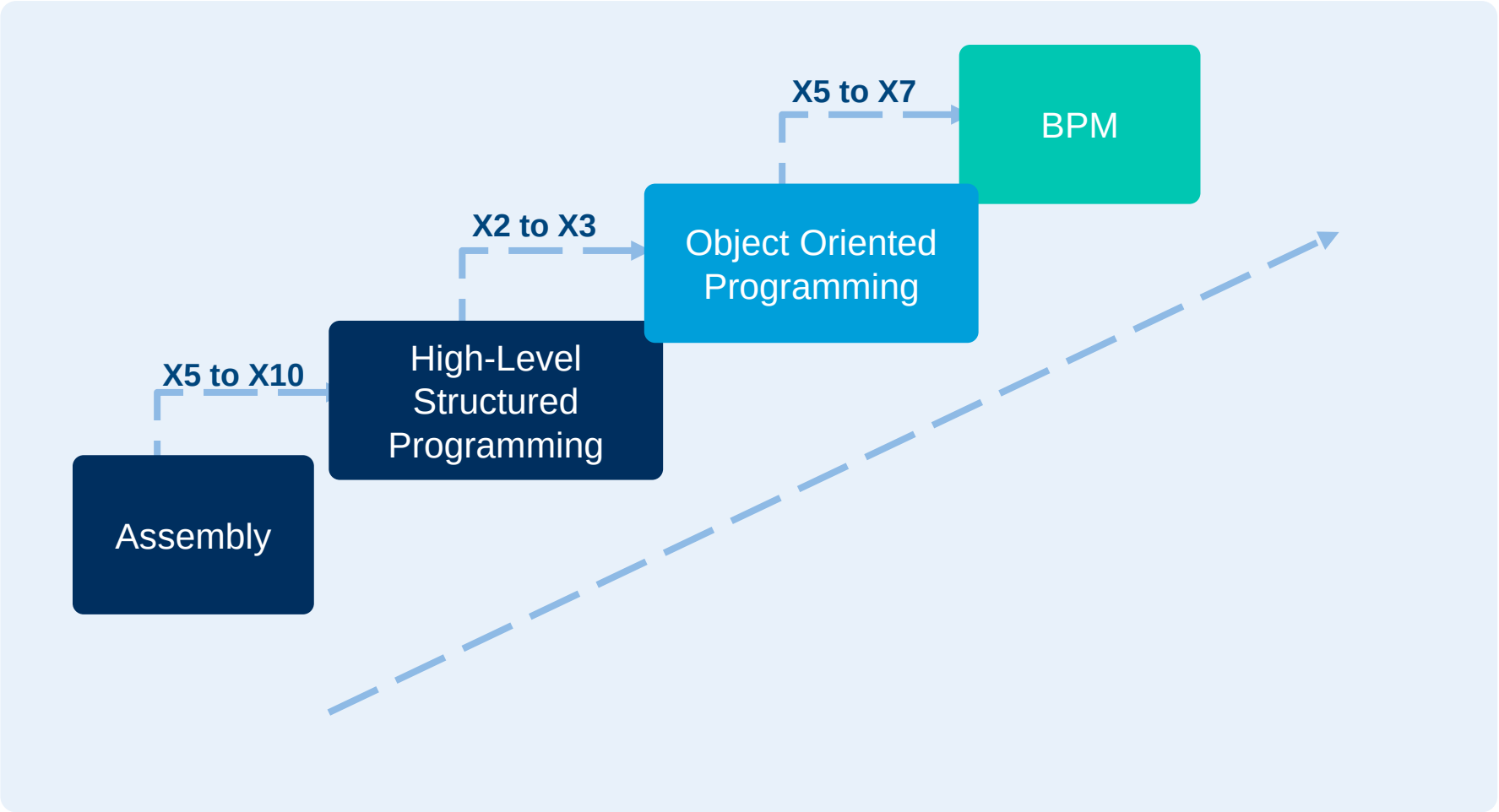
Other Technologies



With BPM

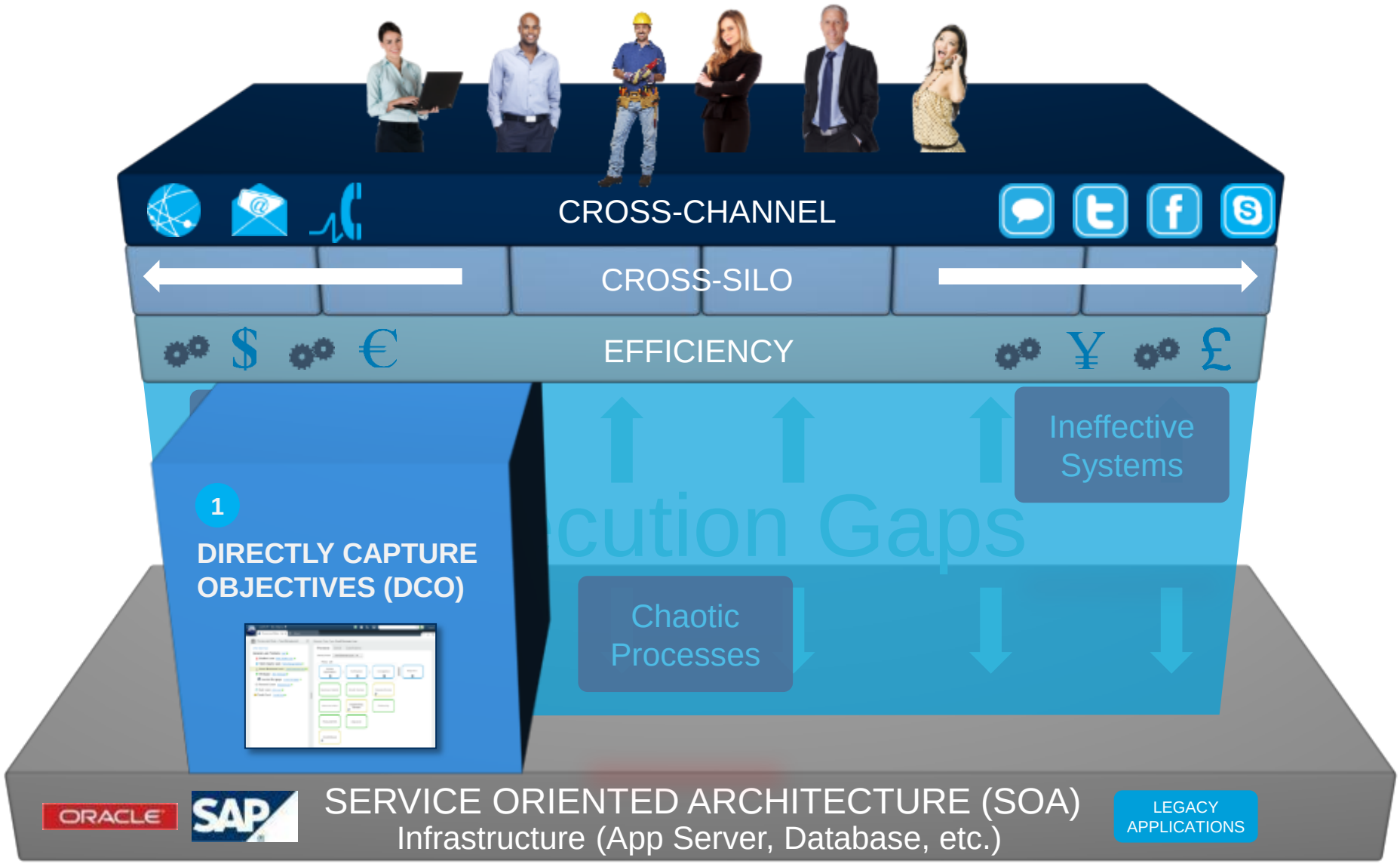


IT Productivity



Capgemini Study

Customer Oriented Architecture (COA)

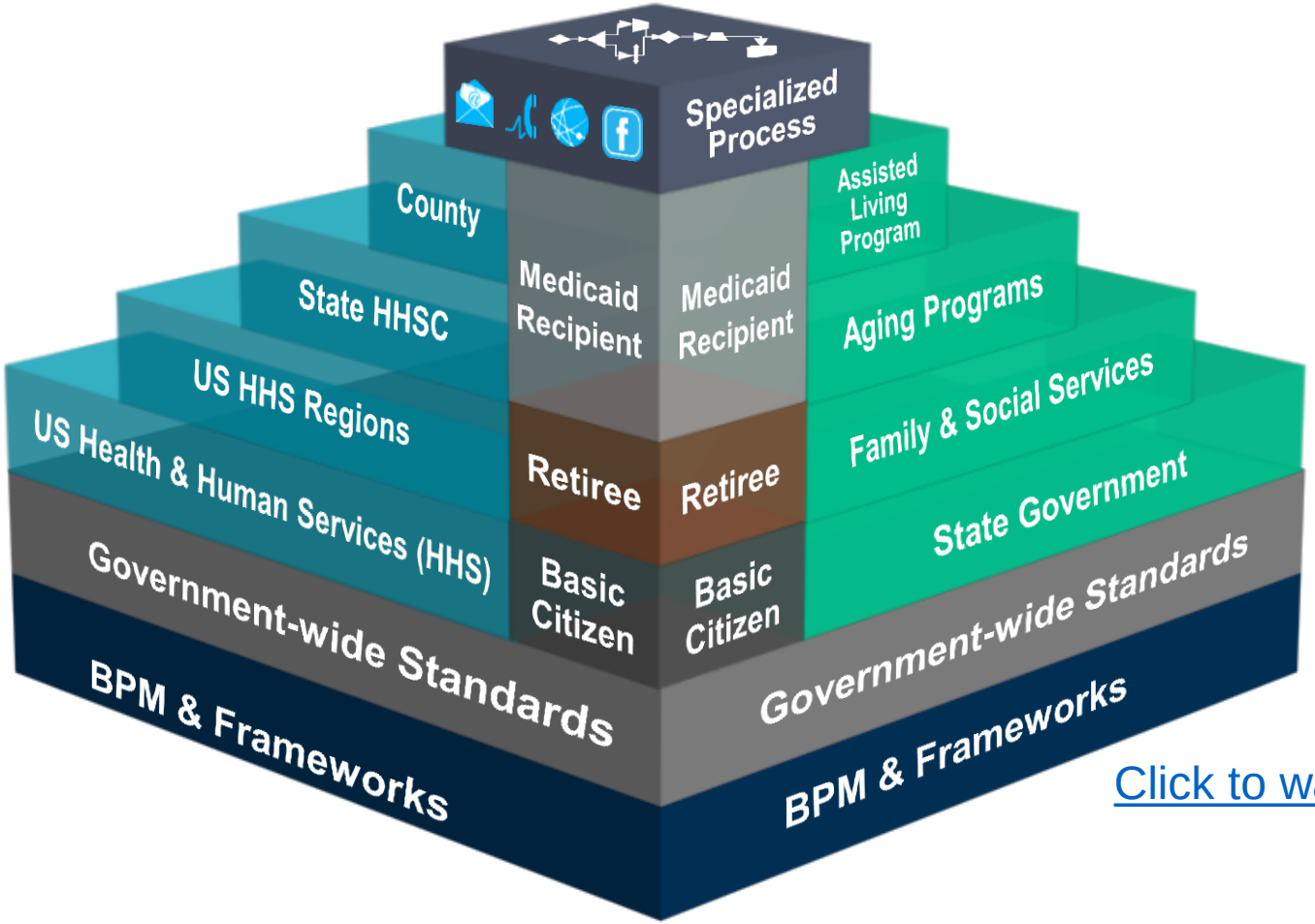


2 Situational Layer Cake

Specialization and Re-Use

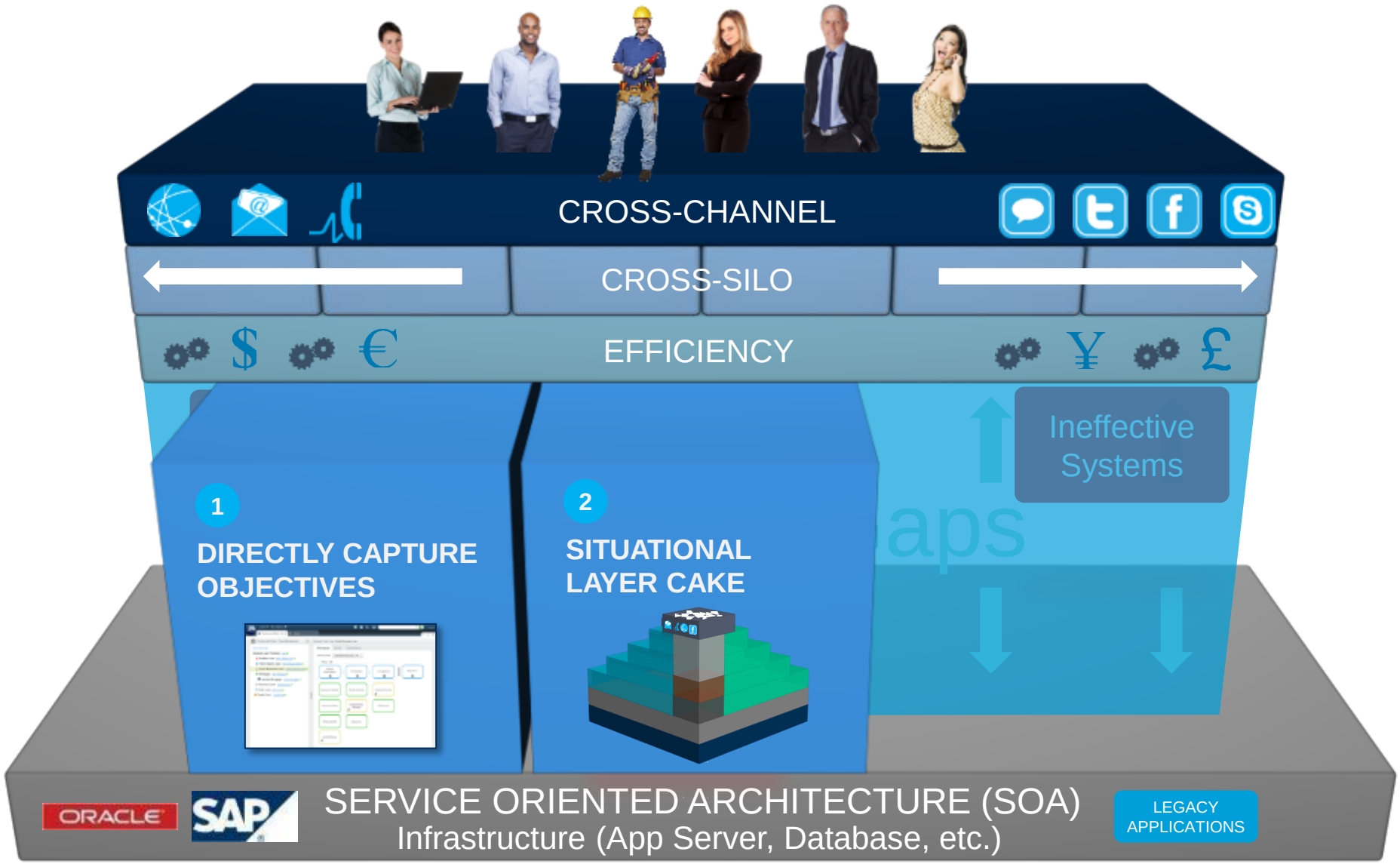
Request

Change eligibility rules for the Assisted Living Program at the County level for retired, Medicaid recipients.



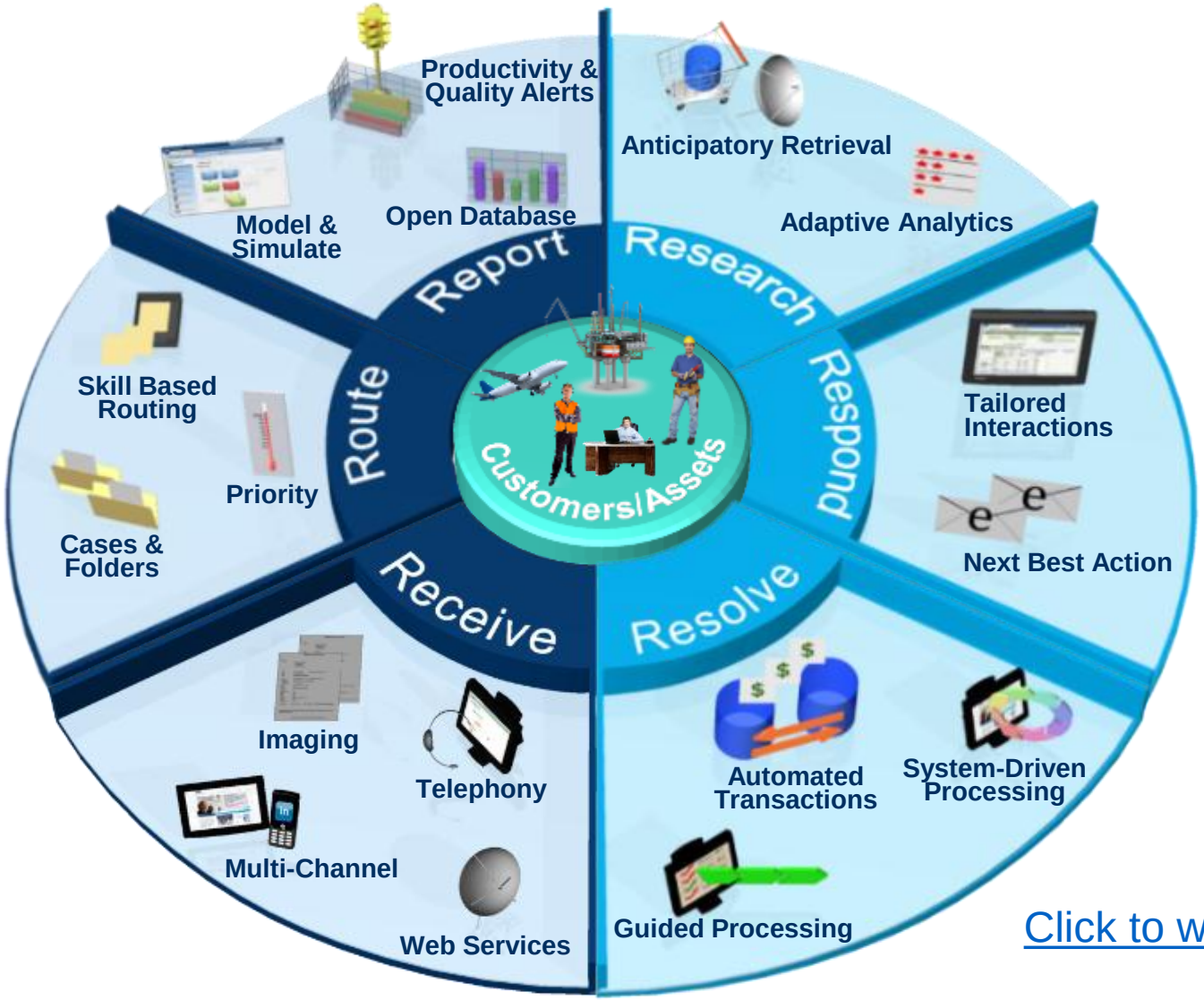
Click to watch video

Customer Oriented Architecture (COA)



3 Six "R" Work Automation

Drive Work to Done as Efficiently & Effectively as Possible



Click to watch video

Who Benefits from BPM?

Operators

Increased Efficiency…

- Intent-aware user interfaces
- Automated Straight Through Processing
- Smart Work Management
- Next Best Actions
- Dynamic Case Management

IT

Business

BPM

Increased Productivity…

- Model-driven development
- Instant deployment
- Enterprise BPM repository
- Successful SOA through BPM

Increased Visibility and Control…

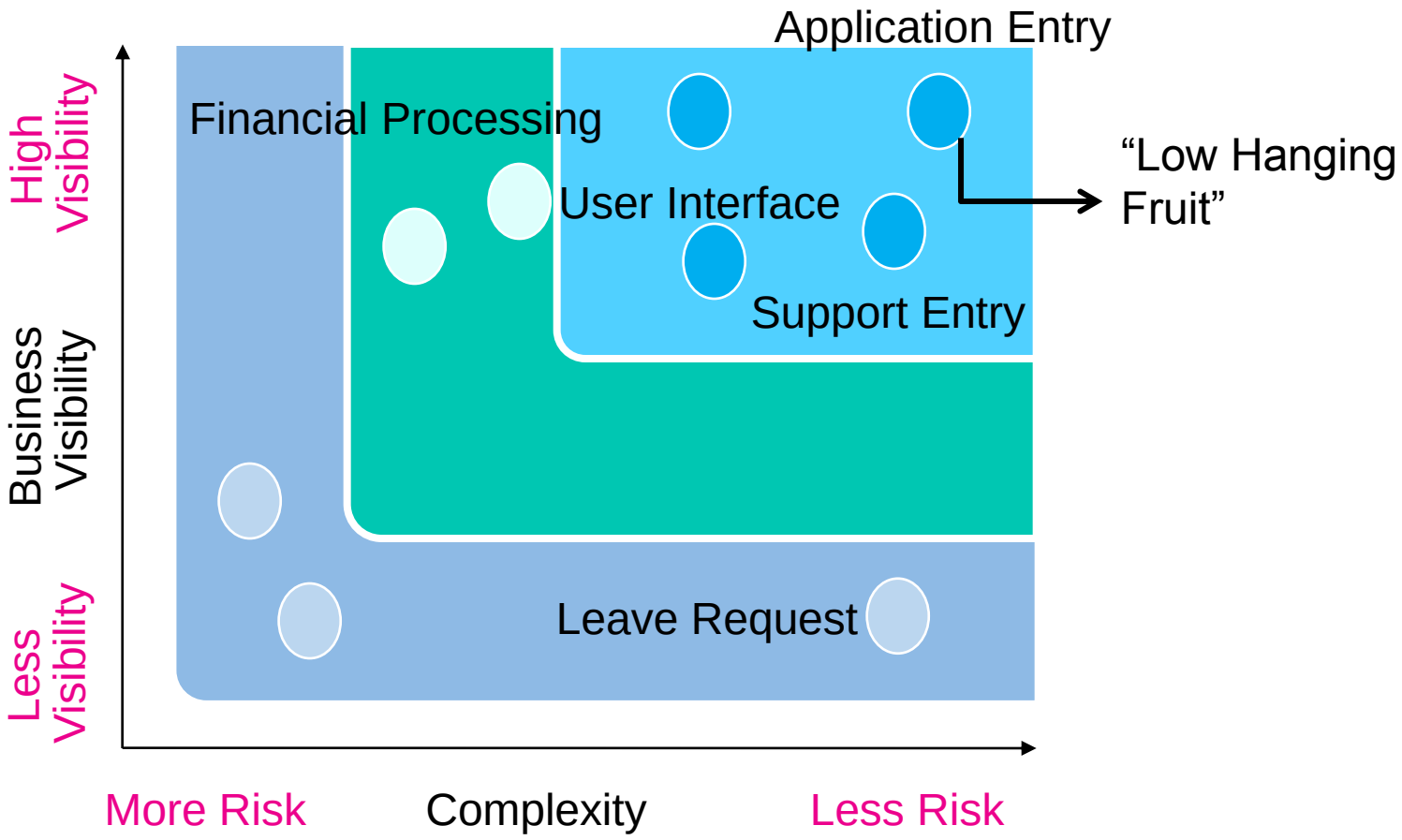
- Directly capture Business Objectives
- Monitor business activities
- Smart control of business processes
- Manage change
- Design By Doing

Build for Change®

Customer Oriented Architecture (COA)

Think Big…Start Small

Impact/Risk Matrix:



Build for Change®

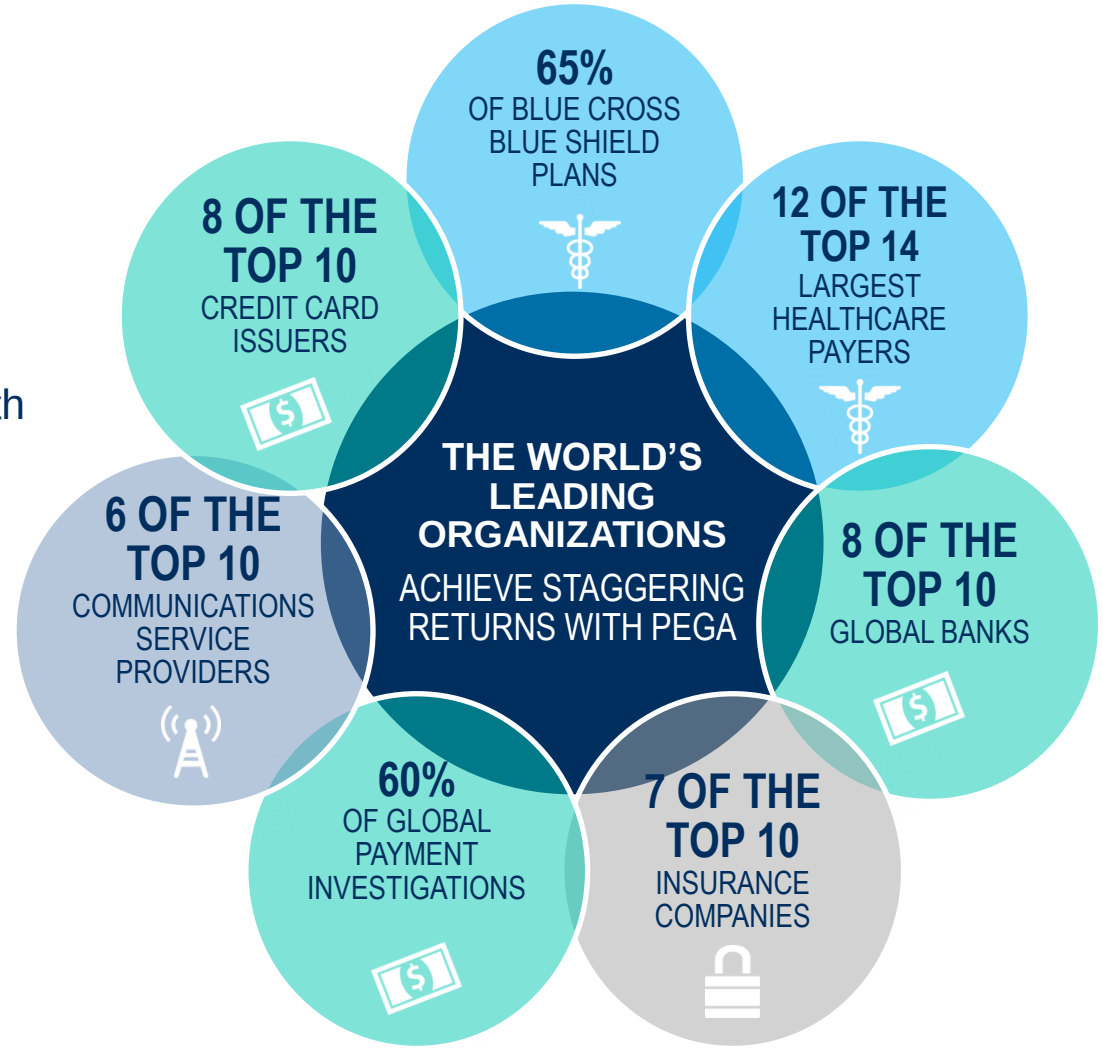
Pega software revolutionizes how Leading Organizations Optimize the Customer Experience & Automate Operations

extras

© 2012, Confidential, Pegasystems Inc.

Pegasystems Corporate Overview

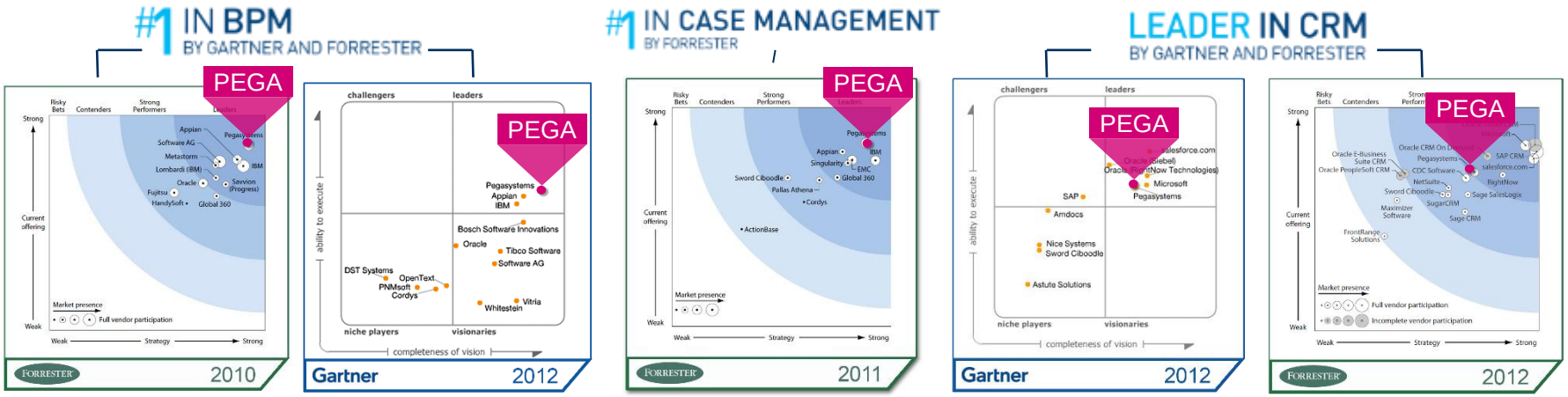
- Founded in 1983 in Cambridge, USA
- NASDAQ: PEGA
- Chosen by hundreds of the world's leading organizations
- 6 straight years of 25%+ growth
- Global service, consulting and support
- Strong partner ecosystem with thousands of certified professionals
- Our Values:
  - **P**assionate
  - **E**ngaged
  - **G**enuine
  - **A**daptive



Click to watch video

Proven by hundreds of reference accounts, case studies and testimonials

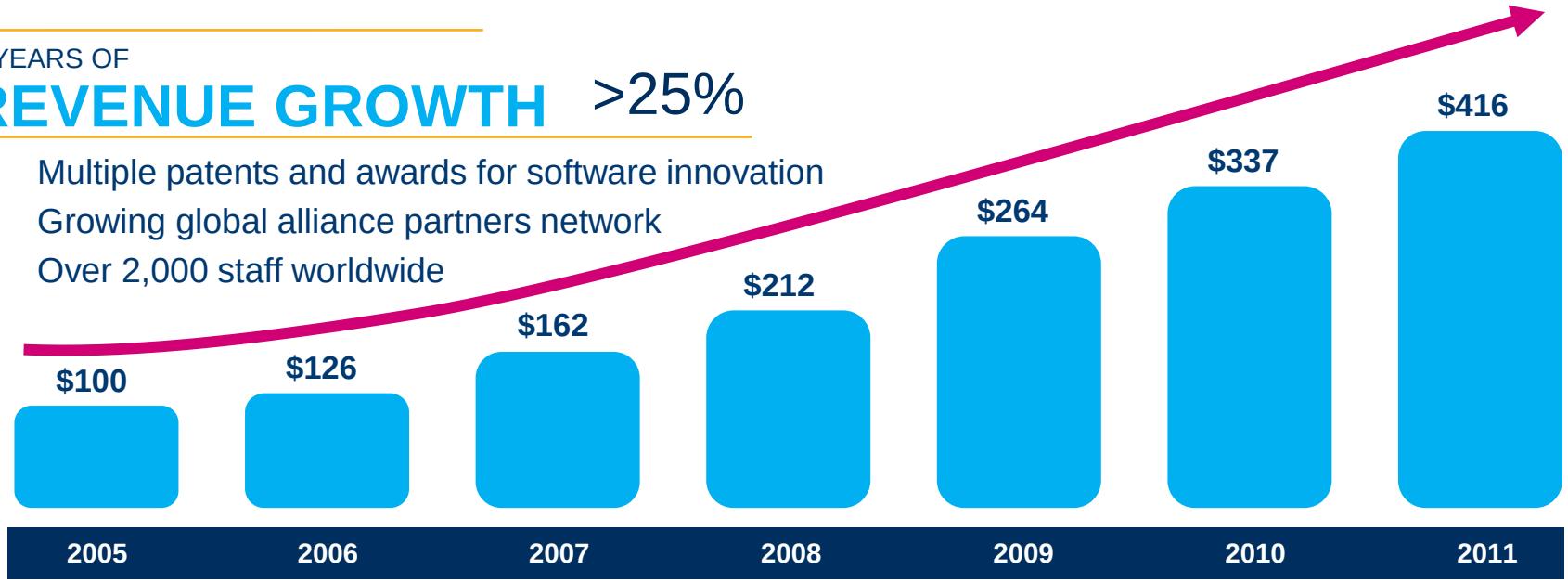
Leadership Through Client Success



6 YEARS OF

REVENUE GROWTH >25%

- Multiple patents and awards for software innovation
- Growing global alliance partners network
- Over 2,000 staff worldwide



Optimize Service Outcomes

	DO MORE WITH LESS	ON IN OVERPAYMENTS SAVING AGENCY $800M
		8B IN ADDITIONAL STATE TAX REVENUE
		ENCY CONTRACT SPENDING TO 2% OF ESTIMATES
		ENCY PRODUCTIVITY WITH 10% LESS PEOPLE
CSC	IMPROVE CUSTOMER SERVICE	MILLION CITIZENS IN 6 MONTHS
		IZEN SERVICE AND SAVED £25M
UnitedHealt		STOMER SATISFACTION & SAVED $25M
OCBC Ba		OMER SATISFACTION 40%
	IMPROVE AGILITY	N 14 WEEKS, ISSUED $2B BENEFITS IN 1ST 6 MONTHS
NSW GOVERNMENT		NCIDENT MGNT FOR 20K TRAFFIC DEVICES
vodafone		LE ENTERPRISE ORDER ORCHESTRATION
FARMERS		RKET SHARE IN ONE YEAR

Optimize Service Outcomes

Intent
Why/What

+

Data
Who

+

Process
When/Where/How

360°

High Definition

360°

Optimize Service Outcomes

Intent
Why/What

+

Data
Who

+

Process
When/Where/How

1080° High Definition

Optimize Service Outcomes

CITIZEN SERVICE DELIVERY

Deliver citizen-focused service at lower cost

STRENGTHS

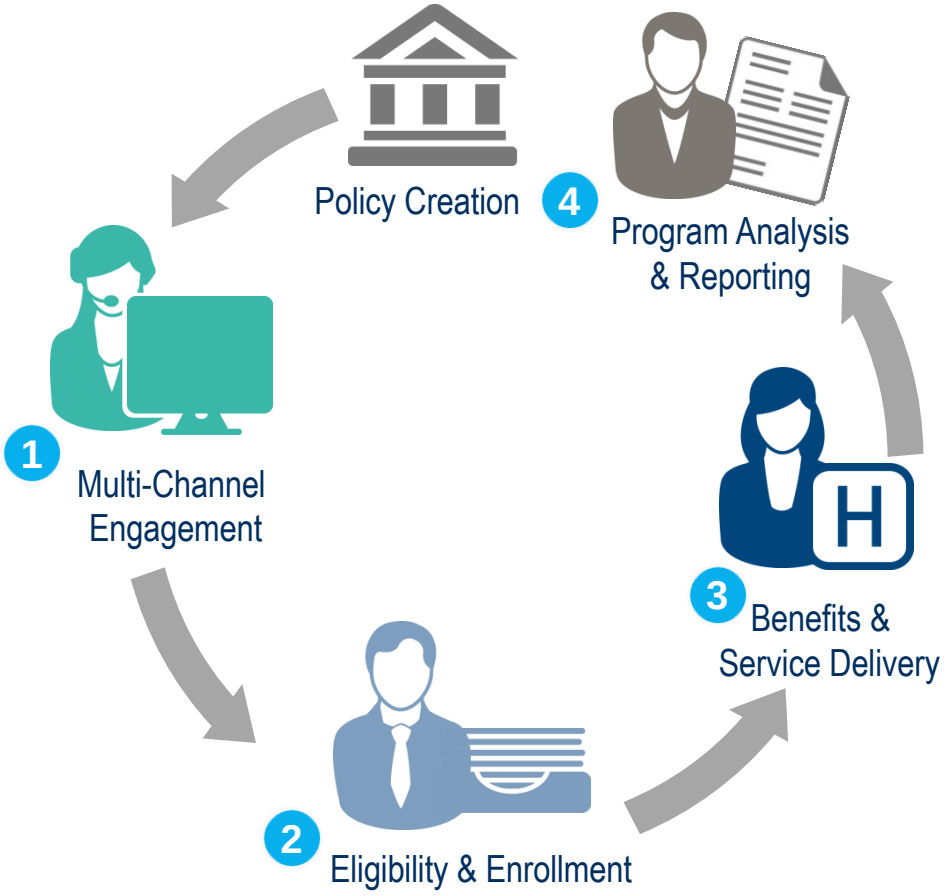
- **Improve Citizen Service across all channels**
- **Dramatically improve overall efficiency**
- **Reduce Improper payments**
- **Keep pace with accelerated policy changes**
- **Industry-leading capabilities from commercial sector CRM**

TYPICAL BENEFITS

66% REDUCTION of improper payments

33% more claims processed with same resources

1M citizens enrolled in 6 months



Public Sector Customer Examples

Pega for Government

An agile platform for modernizing government case-centric applications

Human and Social Services

Public Pension

Transportation

Tax and Revenue

Agriculture

Public Safety Justice

- 2 of the 3 largest US States selected Pega for Citizen Service Delivery
- 3 of the 4 largest US Federal Departments selected Pega for Citizen Service Delivery
- Second largest UK agency for legacy modernization
- Supports government agencies serving 300M constituents each day

REDUCING IMPROPER PAYMENTS
BY MORE THAN 66%

U.S. GOVERNMENT
CITIZEN BENEFIT DELIVERY AGENCY

BUSINESS GOALS

- **Do more with less**
- **Reduce improper payments**
- **Improve citizen service**
- **Eliminate bottlenecks**

RESULTS

66% REDUCTION
of improper payments

PROCESSING 33%
more claims with similar resources

RADICAL REDUCTION
in response time to a fraction of original rates

DRAMATIC INCREASE IN CITIZEN SATISFACTION

"While the agency once lost hundreds of millions to improper payments, Pega's business process solutions are enabling the agency to reduce those errors by 66%, and come in-line with government benchmarks"

Executive
U.S. Government Agency

TOP ANIMAL HEALTH AGENCY
IMPROVES CRISIS RESPONSE

EU GOVERNMENT
TOP ANIMAL HEALTH AGENCY

BUSINESS GOALS

- **Improve program, while reducing costs**
- **Effectively respond to incidents**
- **Minimize financial impact of crisis outbreak**
- **Centralize processes across remote offices**

RESULTS

10% REDUCTION
in resource costs

24 OFFICES
working in a unified system

MILLIONS IN COST AVOIDANCE
from future outbreaks

NO MORE PAPER-BASED PROCESSES

"With Pega we can respond quickly and efficiently to policy changes, outbreaks and other disasters, ensuring we effectively address any situation in a cost-effective and productive manner."

Senior Executive
Animal Health Agency

ONE MILLION CITIZENS ENROLLED
IN SIX MONTHS

BUSINESS GOALS

- Meet surge in demand for government services
- Improve citizen experience
- Rapidly process millions of enrollments
- Empower team with intent, data and process information

RESULTS

40% FASTER
enrollment

50% REDUCTION
in training time

60% REDUCTION
agent handling time

74 DAYS
from project kick-off to go-live

ONE MILLION MEMBERS ENROLLED IN SIX MONTHS

"Because of rapid deployment and the ease of use of Pega, CSC stood out amongst the other Medicare Part D service providers. While callers to the other providers faced long wait times and inaccurate information, more than one million members were deftly and quickly enrolled with CSC in the first six months "

Lead Executive
Responsible for CSC Medicare Part D PDP implementation

PREPARING AGENCY FOR THE 'RETIREMENT TSUNAMI'

MAJOR US STATE GOVERNMENT TRANSPORTATION AGENCY

BUSINESS GOALS

- **Capture business intent to rely less on retiring staff**
- **Address critical audit failures**
- **Modernize systems to adapt to current business needs**
- **Streamline operations**

RESULTS

BEAT TIME-TO-VALUE expectations

Contract estimates **WITHIN 2-3% OF ACTUAL COSTS**

Application development is **2X FASTER THAN INDUSTRY AVERAGE**

CAPTURED CRITICAL KNOWLEDGE BEFORE RETIREMENTS

"Our decision to standardize application development on Pega is evidence of the significantly improved time-to-value we have achieved from the technology."

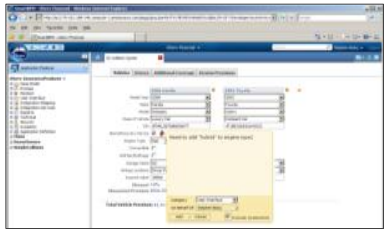
Executive
Major State Transportation Agency

Iterative BPM Methodology

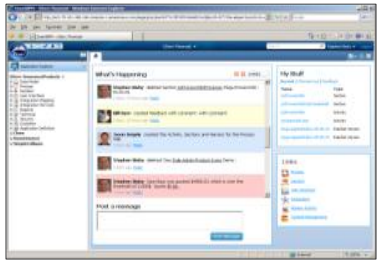
Slivers

Process Delivery

Direct Feedback Sticky



Collaborative Feeds



Planning

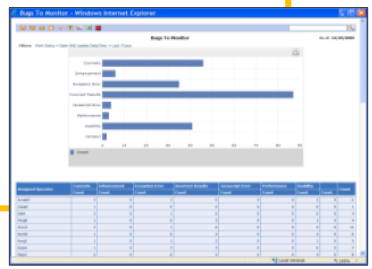
ITERATION

Delivery

Leverage a BPM COE To Collaborate and Govern Success

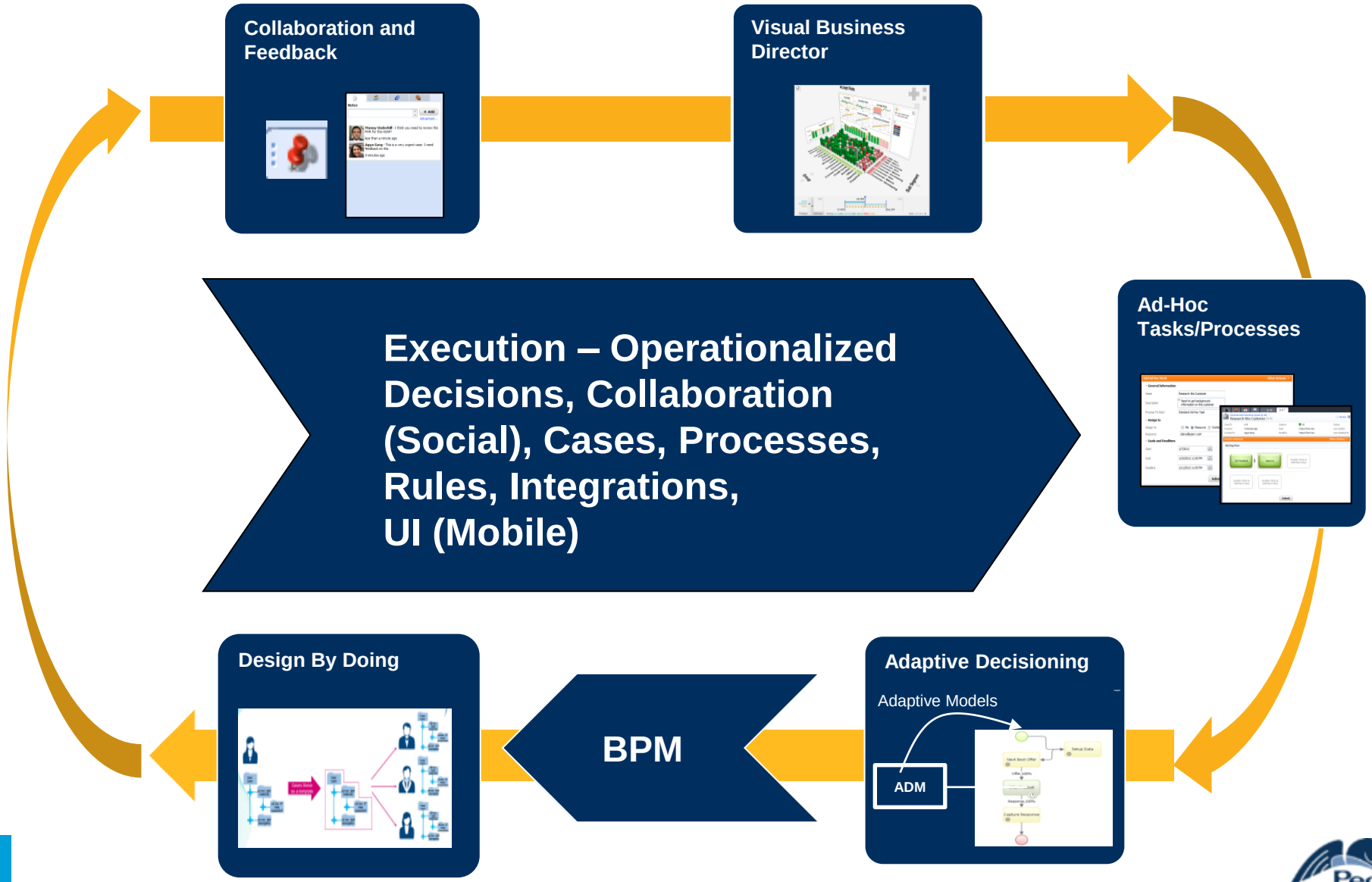
- Process Discovery / Application Profiler
- Live Updates
- Unit Auto Test & Test Management Framework
- Project Management Framework
- Status Reporting and Governance
- Continuous Documentation

Reporting & BI



Real Time Lean **Continuous Improvement**

Continuous Improvement



BPM: *Optimization Cycle*

Directly Capture Business Requirements & Objectives

Directly Capture Objectives (DCO): Eliminate Execution Gaps & Efficiently Build Customer Centric Enterprise Solutions

Monitor, Improve, Analyze, & Optimize Business Performance

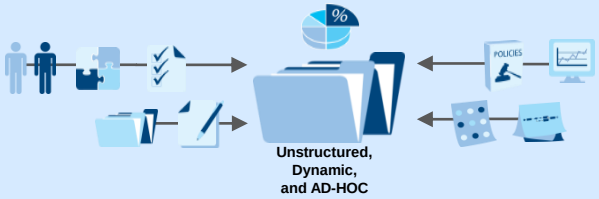
ENTERPRISE REPOSITORY
CHANGE, REUSE & SPECIALIZE

Automate Work & Manage Dynamic Cases

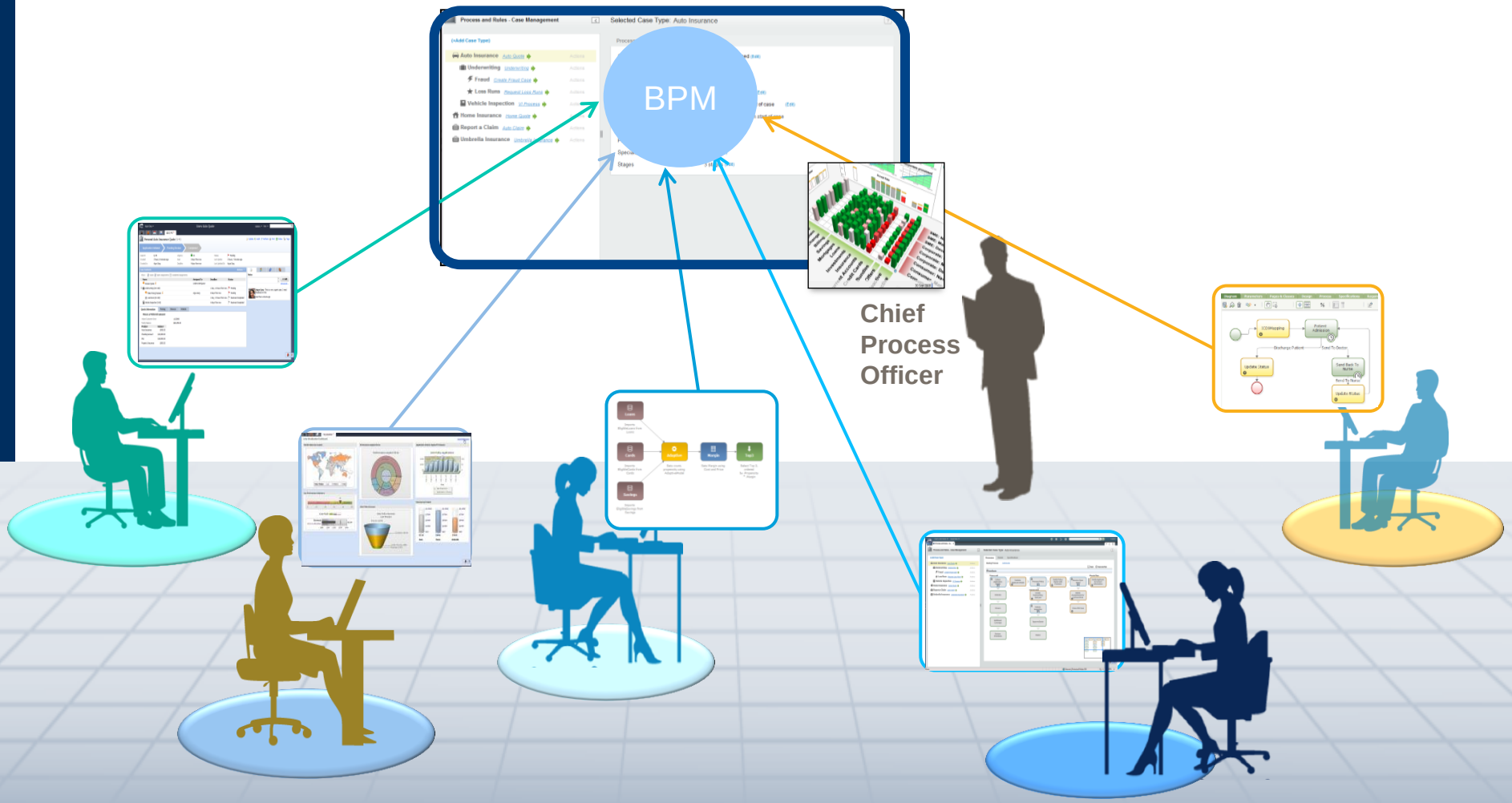
Monitor, Improve & Optimize Business Performance

Situational Execution
Guided Interactions
Next Best Actions

Automate Work & Manage Dynamic Cases



Coalescing and Collaborating: from IT to BT

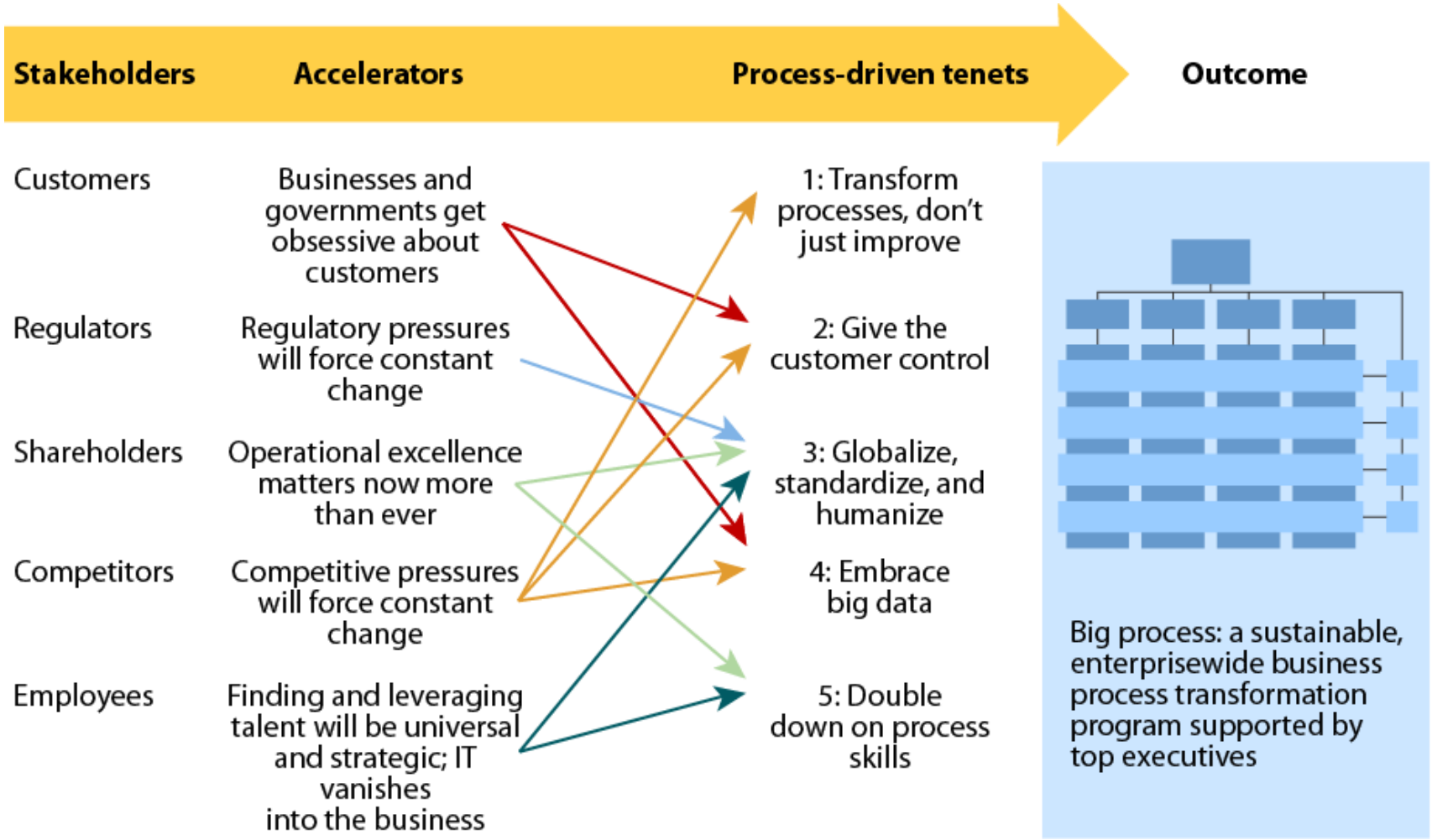


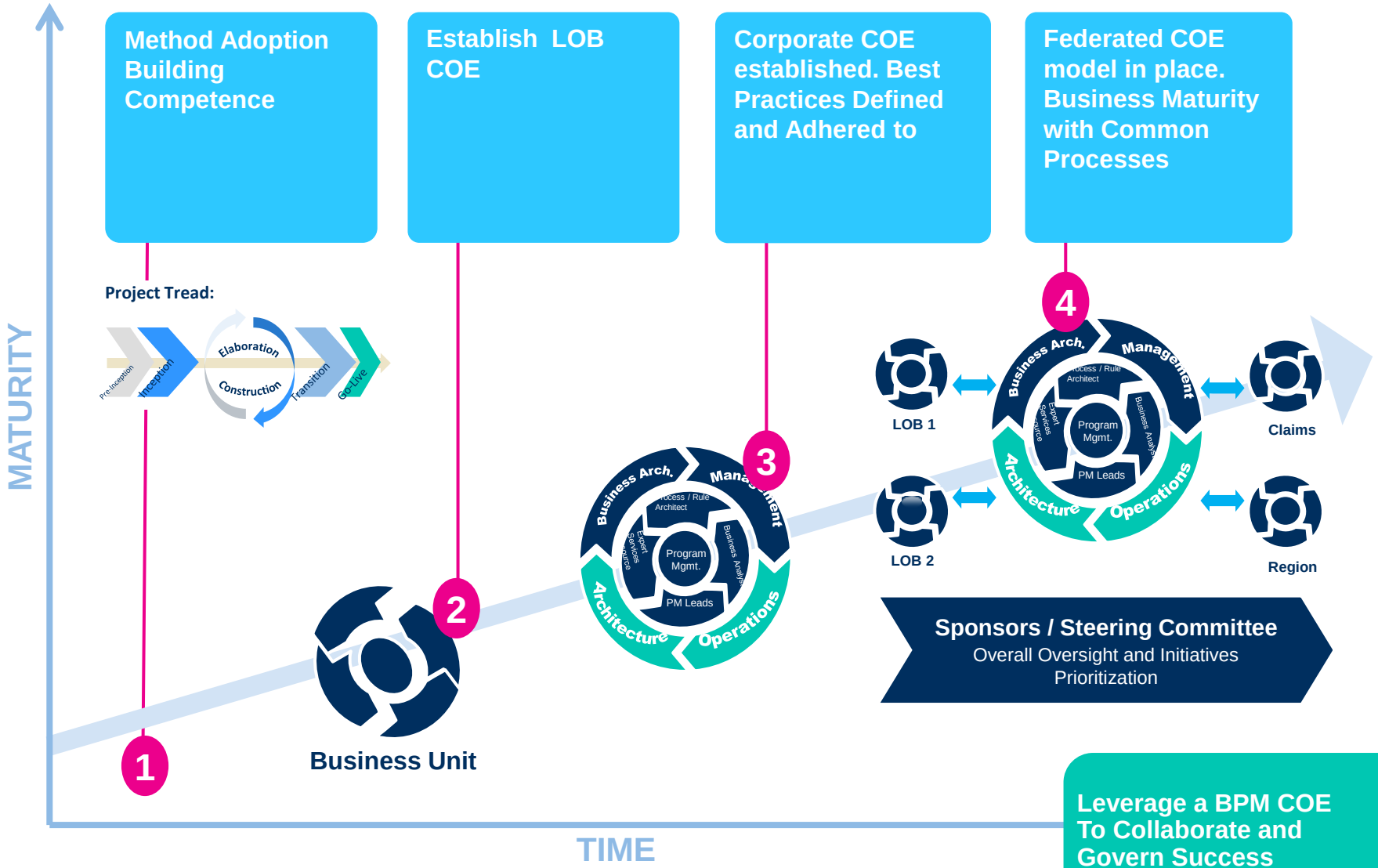
Customer	Operator	Business Analyst	Process Improvement Expert (BB, GMB)	Data Engineer	Enterprise Architect	Process Architect	IT System Architect

The Nine Attributes of Business Transformation Through BPM

- Legacy Modernization and Transformation
- Empower the Business to Own The Change
- Change the Organizational Structure to Meet Market Demands
- Easily/Quickly Innovate with New Products and Services
- Leverage a BPM COE To Collaborate and Govern Success
- Drive Agility and Automation for Efficiency and Effectiveness
- Demonstrate ROI and Cost Savings
- Foster Great Customer Experiences

Stakeholders Create The Accelerators For Business Transformation



© 2012, Forrester Research, Inc. Reproduction Prohibited

BPM Enterprise Maturity Model