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build a bridge for the future than the family - that simple, but wonderful organization that the God of heaven put together where there is a father who loves and takes responsibility, where there is a mother who nurtures and rears her children with pride, and where there are children who look to parents with love and respect and appreciation.

The Church which I am pleased to represent has for nearly 90 years encouraged families - mother, father and children - to set aside one night a week in what we call family home evening. Here we talk and laugh, sing and learn, led by caring parents.

Let me tell of one such family in whose home I have been. They live in a small town in Wyoming. It is a large family, with seven children. At the head of that household stands a good father and a loving mother. A prominent lawyer in this city of Denver had as a client the father of that family. They worked together for months in a large international lawsuit. Of that father the Denver lawyer told me, "I have never met an individual with higher moral or ethical standards than [this man]" (Letter from William R. Fishman, Feb. 2000).

That father practices in his house what he exemplifies in his career. As the children have grown there has been no day that has passed without family prayer, without kneeling before the Almighty in reverence. There has been no week in which that father and mother have not gathered their children around them to read together, to plan together, to talk of the things of life together, to sing and pray together.

Those now grown occupy positions of responsibility, and the younger ones are well on their way. Knowing that family, I believe I can predict that they will never become a liability to the society of which they are a part.

I submit that if we will work to turn the families of America to God, if they will recognize Him as our divine Father, as the Ruler of the universe, as the Giver of all good, something wonderful will happen. Think of what it means to know that each of us is actually a child of God and that He is our Father to whom we may go in prayer. If we will use our energies to bring about a practice in the homes of America of good reading, including the reading of scripture, of a desire for education, of an attitude of civility one to another; then, and only then, will our nation truly become not only the military leader but also the moral light of the entire world.

I have seen such homes, very many of them. They are represented in large numbers in this audience. The children of your homes are growing up to be responsible, contributing citizens. But there is a great underworld out there, a jungle if you please, that needs our attention. We can and must do something.

Since 9/11 we have established in America a large agency entitled Homeland Security to deal with any present or future threat. May I say that it is likewise urgent that we work at home and family security.

As we do so America will be strong not only in her arms and military affairs, she will be invincible in her moral values and in the integrity of her citizens.

I urge each of you to work at it, to become involved, to reach out to lift those who stand in need of help. We will not entirely solve the problem, but we can reduce it.

If we do this, we shall in very deed begin to build bridges that will endure and carry this nation forward to better and nobler heights among the people of the earth.

"God Bless America." And may she be worthy of His blessing. Thank you, ladies and gentlemen.

Doing More For Less With E-business On Demand

THE PRACTICAL WAY OF DOING BUSINESS

Address by JANET PERNA, *General Manager, Data Management Solutions, IBM Software Group*

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Good morning everyone. Thanks John, for that kind introduction. The conference team has done a terrific job putting this event together, under trying circumstances, and it's great seeing so many of you here in New York.

As I was thinking about what to say this morning, I kept thinking about the conference theme, "Doing More For Less." That phrase says so much about our world today. We are all being asked to do more with less resource and

with less time.

I can certainly sympathize with anyone who feels like they simply can't take on one more thing, or do with anything less than they've got right now. I can remember when I used to have time to play tennis during lunch. Now, I barely have time for a cup of yogurt on the run.

I'm here today to share some strategies that can put information technology to work for your future, and, in the words of this conference, help you Do More For Less.

Customers tell me every day that they have no choice but to find new ways to deliver more value to their customers, on tighter budgets. They ask me, how can I leverage technology to become more responsive, and competitive? And, how can I get value from my technology investments — not next year, but now?

Like most of us in this room, they want to drive costs down, and drive productivity up. They talk about rising customer expectations, smaller budgets and intensifying competition.

And when you apply these expectations to information technology, it translates into one simple question: how long will this investment in technology take to payoff?

Five years ago, return on investment (ROI) on information technology usually meant 24-to-36 months. Three years ago, it meant roughly 12-to-24 months. Today, ROI often means, "Make my IT investment payoff on day number one!"

This morning, I want to address that issue — how to accelerate the return on your technology investments, which will increase the return on assets for your companies and improve your overall competitiveness.

Specifically, I'm going to focus on three things:

- * First, the rise of a dramatic new phase in taking business processes to the Web — that is, the evolution of e-business ;

- * Second, the role that information management — and content management — will play in that transformation, and finally;

- * Some key ways you can take full advantage of this trend.

So let's get started.

It's no secret that the Internet is dramatically changing how organizations operate. We all know that. Of course, everyone isn't moving to the Web with the same speed, or for the same purposes.

Let me share some facts with you. IBM found that 80% of the 33,000 organizations we surveyed are at some stage of e-business adoption — four out of every five companies.

Nearly two-thirds are firmly in the initial access phase. They've largely replaced posted mail with e-mail. They've put information about their organization on the Web. And they're allowing simple database queries, like looking up a bank account balance, or getting real-time flight arrival data.

Another 28 percent have moved into the second phase of e-business adoption — integration.

These organizations not only provide access to information; they enable business transactions on the Web — with customers, suppliers, partners and employees.

As organizations enable business processes and trans-

actions to the Web, they're able to penetrate new markets, speed up customer service, increase satisfaction, and dramatically reduce costs. In fact, they're "Doing More for Less."

Web-based transactions are enabling consumers to transfer funds between bank accounts easily and conveniently. They're enabling investors to buy stock at a fraction of the traditional cost, and they're allowing consumers to purchase plane tickets online, which frees up call centers and reduces transaction costs.

In other words, the integration of the Internet with business processes is making organizations more efficient and faster. And I think many of you will agree with me when I say that Web is great for the consumer, too!

I know it saves me the thing I value most, lately — time. In fact, on Sunday when I was busy preparing for this conference, the Web saved me a scavenger hunt through the hardware store looking for an air filter for my furnace.

It saved me many trips to the shopping mall looking for last minute gifts that needed to be shipped cross country.

But as organizations start down this path, they are realizing that the big payoff from e-business depends on achieving end-to-end integration — not just inside the organization, but linking multiple processes internally and externally with customers, partners and suppliers.

Imagine if a retail firm could eliminate inventory-carrying costs by having only the inventory required for that day's sale. That means giving suppliers direct insight into customer buying patterns.

This third phase of e-business is about transforming to new business models. It's what we call e-business on demand. In industry after industry, organizations are starting to link together as federations — to increase their market reach, deliver speedier services and dramatically reduce costs.

In the healthcare industry, for example, insurers are linking with healthcare providers to cut unnecessary paperwork that consumes 20 cents out of every dollar spent on healthcare. Physicians are starting to use handheld devices linked to local pharmacies to order prescription drugs, and pharmacists are no longer wasting time trying to read all those illegible handwritten prescriptions.

Hospitals are also starting to use digital charts that enable them to dramatically increase efficiencies and improve the quality of patient care. Recent studies show that improved healthcare information systems contribute to saving over 40,000 lives each year.

In the financial services industry, organizations like banks, insurers and brokers that used to operate on a stand-alone, monolithic basis are becoming competency-led enterprises.

That means they can specialize in areas where they have a clear competency, and provide those services to the rest of the industry.

Organizations are reformulating and connecting with one another to become more efficient and more productive. This frees up excess capacity, which can be shared across multiple enterprises.

In effect, whole industries are now learning to “Do More for Less!”

For example, let’s take a look at the banking industry. Each day, nearly 100 million checks in America are shipped between banks via air and ground transportation.

Anywhere from 14 to 20 people handle a single check throughout its lifecycle.

And on average, banks store three copies of each check — which equals about 150 billion copies.

Viewpointe Archive Services, which started up less than 3 years ago, is now handling 40 percent of all checks written in the US each year. They are archiving over 55 million items daily and one billion monthly. Their archive contains almost 80 square miles of documents, enough to blanket the city of Baltimore.

By using digital imaging, Viewpointe is enabling banks to share the same digital image of a check. So rather than multiple banks manually processing, imaging and storing the same check, Viewpointe saves on time and expense. Bank customers can receive digital images of their checks within seconds, and getting a question answered has gone from days to seconds through self-service on the Web.

Viewpointe is creating a seamless integration across the banking industry. As they move in this direction, they’re entering the on demand phase of e-business. In this phase, enterprises will be able to respond in real time to whatever is happening in the marketplace — like interest-rate changes, changes in oil prices or availability, or any of today’s unpredictable variables.

Now, imagine a bank that could check consumer credit, tax values and liens instantly.

On demand mortgage lending could cut loan processing time to minutes — rather than days, weeks and even months! And banks could reduce their processing costs by up to 50%.

An auto manufacturer could use wireless technologies to download software for servicing a vehicle. No more time-consuming, costly visits to the repair shop. Wireless could also allow auto makers to remotely diagnose and repair cars before they fail. Customers would get More, Better and Faster service than ever before. And manufacturers would get more loyal customers at substantially lower cost.

A pharmaceutical company could integrate patient data in real time, using in-home diagnostics, monitoring and

collaboration technologies. We could see customized medicines for smaller patient populations, rather than today’s expensive drugs which are ineffective 60 percent of the time.

On demand is going to transform not just how we do business, but how we live, learn, play — and yes, even heal.

That’s what’s happening, literally, at Genesys Health Systems, where on demand is helping to save lives. This 412-bed hospital system was coping with many of the same efficiency and quality care issues every hospital faces today.

Hospital operations involve a wide variety of departments and different computer systems. Paper-based medical records have people running all over the hospital trying to get patient charts to the right people. It’s not unusual to wait 24 hours for lab results to reach a patient’s chart.

BlueWare, a software developer located in Michigan, is putting an end of the paper chase with an electronic patient record system. The BlueWare medical records management system is currently used by more than 1,200 physicians and 180 independent medical hospitals throughout the US.

BlueWare captures all patient information in a virtual electronic chart — X-rays, blood tests — even morning body temperatures, even all those handwritten notes and scribbly signatures — everything a doctor needs to make the best medical decisions, particularly in an emergency situation.

So, when a patient arrives at the Genesys Emergency Room, their complete medical history is available on demand — essential information, like their primary care provider, prescriptions, and recent lab reports. It’s all there.

Today’s wireless technology enables doctors to access patient charts at home, anywhere in the hospital, and even on the run. Doctors can now conduct virtual rounds anytime during the day. And since information is quickly scanned, lab results can be reviewed within 30 minutes — rather than 24 hours.

As a result, doctors can diagnose and prescribe medications faster, rather than wait until the next day when making their morning rounds.

BlueWare is enabling Genesys to do more with less, which means improving healthcare delivery and saving lives.

But creating an on demand e-business isn’t easy. It requires a lot of hard work. It requires software that leverages standards-based Web services to link enterprises seamlessly, and tools to ease the pain of integration.

And it calls for end-to-end information delivery. Whether one end is a government agency, a supermarket, a web browser or a handheld personal digital assistant,

the fuel for an on demand business is information that can be managed easily, and turned into insight that helps us solve problems.

Now, it's an understatement to say that information is integrated into every part of our existence. It is the lifeblood of our companies, our society and our civilization. In fact, more information was created in the last three years than in all of recorded history.

Huge amounts of it are electronic. If we cut off our access to information, it would be like cutting off our oxygen. It would mean no phone, no Internet, and no personal or public transportation. Our electricity, gas and other utilities would all fail. The engines of the modern world would shut down.

Information is growing rapidly. Data from transactions is growing at 61 percent annually.

And reference information is growing even faster — at 92 percent a year. But the information explosion is causing another problem. The sheer quantity of information, and the inability to access it quickly, has the potential to create a suffocating burden.

Imagine going to the New York Public Library and trying to find a book without a cataloging scheme. I doubt that anyone in this room would sign up to find information this way.

Yet, there are vast amounts of information locked up in our organizations. Much of it is in the form of paper, images, video, e-mail, invoice statements, presentations and reports — the stuff we collectively call content. And it makes up as much as 85 percent of an organization's information.

Unless this content is systematically managed and cataloged, enterprises will continue to suffer enormous productivity losses. Estimates suggest that people spend roughly 30% of their time looking for the information they need to do their jobs. This is the equivalent of reducing a 40-hour work week to 28 hours.

I doubt that any of our companies would tolerate a person who took 30 percent of the year off for vacations. Yet, many seem resigned to tolerating this enormous inefficiency.

If lost productivity weren't enough, regulators are demanding that organizations get more control of their information to better demonstrate full accountability for their transactions and interactions.

So, while we have spent years perfecting the management of transaction data, today's challenge is managing the ever increasing volume of content. Managing all this content may seem a monumental task, but with the right information infrastructure, it can be mastered and leveraged.

The real power of all this information comes when data

and content are integrated and delivered in ways that make it immediate, personal and actionable - information that's presented when, where and how the user wants it.

To maximize the power of this information, enterprises will need to build an information infrastructure for supporting their content management systems.

We are at an inflection point in the history of content management. For many years, content management systems have been implemented to solve specific, defined problems — like insurance claims processing, storage for computer generated output like invoices and reports, document management, capturing employee information, building a library of training materials, creating a Web site, and so on...

In each case, the universe of users was pretty well contained in a single department within the enterprise.

However, as we move into the on demand era, more and more users will demand access to this content. We're not talking about a little growth. We are talking about going from hundreds of users to thousands and even hundreds of thousands of users.

For example, Acuity is an insurance company based in Wisconsin. They are making their claims processing information accessible to their customer service agents for faster response to customer inquiries.

National Geographic is creating a digital repository to store, search, manage and preserve the thousands of images taken by photo journalists. You can buy them on the Web.

Charles Schwab is making their printed statements available online for their customers.

For them, it isn't enough for the customer service agent to have access; they want each customer to have that information available — 24-hours-a-day, seven-days-a-week.

This requires an integrated information infrastructure that can scale to handle peak loads, and that is separate from the application — with open technical interfaces based on industry standards so that content can be repurposed and re-used across many applications.

While we expect that companies will address their content management needs one application at a time, it is imperative that they ensure they are building their information infrastructure on a foundation that can carry them into the future.

This means having the scalability, security, reliability and performance to manage enormous amounts of information. At the same time, it has to be flexible enough to allow them to integrate information and deliver it in ways that make it immediate, personal and actionable.

There are technologies available now that are providing real return on investment to organizations around the world. The companies getting the greatest ROI are first digitizing their business content. This alone saves money.

Reduced filing and retrieval costs save some compa-

nies as much as \$20 per document. Digitization also allows for improved operational efficiency as a result of faster processing of the information. And once the content is digitized, they are:

- * Content-enabling their core applications and processes,
- * Delivering information, both data and content, in a way that makes it personal and relevant for the user, and finally,
- * Enabling collaboration across and beyond the enterprise.

Let me share a few examples with you.

Tryg-Baltica, one of Denmark's largest insurers, is one of these companies.

They wanted to improve customer service and reduce costs. So, they decided to move from paper-based claims processing to integrated information on demand.

When a customer used to call Tryg-Baltica about a claim, the customer service rep had to backtrack through multiple systems and applications to come up with an answer.

Customers often had to call back for clarification, which was frustrating to them and very costly to the company.

When you consider the fact that a typical customer call back costs four times the original call, the benefits for getting the content to the customer service rep on demand are evident.

To get at the problem, Tryg built an electronic document management solution, linked to their existing Siebel customer relationship management system. As a result, real-time records of outbound communications, as well as electronic images and documents, can be instantly accessed.

Customers are getting faster, more personalized service than ever before, and Tryg-Baltica is saving money. They're doing more for less.

Another on demand business is Spherion, which is located in Fort Lauderdale, and is a large provider of managed IT services and staff augmentation, as well as professional services.

They have grown rapidly through acquisitions, and suffered from the effects of too many systems and too little access to the information needed to run their operations.

By combining the power of a portal with content management and collaboration tools, they were able to deliver personalized information to employees and enable collaboration.

This system impacted the entire workflow process — from RFPs and pricing, to project management, analysis and billing.

The results are impressive. They're responding to RFPs 80 percent faster, responding to staffing requests 60 percent faster, and have significantly reduced e-mail broadcasts to find the latest bits of critical information. Moreover, they have been able to redeploy 15 administrators — all due to better, faster access to information.

A third on demand business example is Canam Manac, located in Quebec, Canada.

Canam Manac is the leading manufacturer of structural steel in North America.

Their components are used in skyscrapers and other large constructions like the very convention center we're in right now.

Over the years, Canam Manac has grown to 21 manufacturing plants and more than 5,000 employees worldwide. They needed a more flexible, less costly way to communicate, collaborate, track and invoice.

Traditionally, Canam Manac used to do business almost exclusively by phone, fax and on-site meetings. Project files were paper-based.

Imagine what it would be like to deal with 50,000 documents that are generated for a single project — like the construction of the Javits Convention Center!

Canam Manac does that hundreds of times every year. To manage that kind of volume and complexity, they built a powerful communications infrastructure using content management and collaboration tools.

They leveraged document management, workflow, instant messaging, virtual team rooms and e-learning technologies. The solution paid for itself within one year through reduction of courier services and travel expenses. The result is a more dynamic organization that can better track complicated projects, as well as work closely with business partners and clients on its project teams.

By delivering information that is complete and personalized, organizations can become more competitive.

Mastering the management of your information presents an opportunity for each of you to do more with less - to transform the enterprises where you work, and deliver information on demand so you can respond quickly to whatever the world throws at you.

It presents an opportunity that is much bigger than all of us — to help preserve important history, whether it's history about past dealings with customers so we can deliver better service, or history about particular points in time for our society so it can be passed on to future generations.

For example, CNN is working with digital imaging — both for story preparation and for the preservation of historic news footage. It is creating a digital library of its 23 years of news video. More than 120,000 hours of video is being converted to digital formatting that can be viewed by future generations.

In the future, educational technology will transform the way people learn. We will become vastly more involved in the content and delivery of the learning process — as technology extends that learning experience to the home and community.

Students will become adept at synthesizing information from a variety of sources — text, image, sound and video. Learning will be personalized and self-directed. It will be collaborative and interactive. This new personal technology will make education come alive in ways we couldn't have imagined until now.

Just yesterday, Sesame Street announced it will be digitizing and distributing its content on the Internet. The system will provide a single access point for Sesame Street's thousands of hours of programming. Imagine seeing Sesame Street on demand!

If Bert, Ernie and Big Bird can implement on demand — so can you!

This morning I have shown you, it is possible to do more for less.

We are at an important inflection point in the evolution of Information Technology — the age of e-business on demand. E-business on demand is about a new business model for improving operational efficiency and return on assets. It's about using technology to integrate business processes, applications, information, and people in a demand to deliver environment.

At IBM, we believe strongly that companies best able

to leverage information will thrive in this environment, because information is the fuel for e-business success. In the future, all information will be digitized, secure, and intelligent. It will be easily accessed anywhere it resides and presented in any format from any device.

We see this next wave of information management, this wave of building the core information infrastructure, as a major step forward in enabling you to do more for less.

And just as IBM led the way in the development of commercial database management software over 30 years ago, our vision is to be the leader in providing companies with software to build the information infrastructure for delivering "information on demand."

I've worked in data management for over 25 years, and there's never been a more exciting place to be than producing Information Management technology right now. I hope that what I've shared with you this morning gives you some food for thought as you tackle the challenges ahead within your businesses.

On behalf of IBM, I wish you and your company success — as we move forward into the new era of e-business on demand. Thank you, and have a great conference.

Good Governance Doesn't Just Happen

JUDGING OURSELVES

Address by JAMES E. ROGERS, *Chairman, President and CEO, Cinergy Corp.*
Delivered to the Metropolitan Club Speech, New York, New York, April 15, 2003

The last time I spoke here was in the spring of 1998 - exactly five years ago: Incredibly, the Dow was at 9,100 - only about 800 points above where it is today. The World Trade Center was still standing and, ironically, one of the lead international stories in The New York Times was: "Iraq Seems Ready to Limit Access, Inspector Says." Enron was somewhat of an obscure energy company, and those who knew about it, said it had a promising future.

What a sea change we've seen in the last five years in international affairs, domestic policy and the corporate landscape - especially in energy.

When I was here five years ago, I made an impassioned plea for the deregulation of our industry - electric and gas utilities.

* I said consumers would be better off being able to choose their electric and gas supplier - just as they are able to choose their long-distance telephone supplier and their airline.

* I said that we looked for significant progress in the deregulation of utilities in the next five years - even sweeping deregulation at the federal level.

* But I also said that as deregulation moves forward, there would be winners and losers in the investment community.

* And I said, quote - "Now, more than any other time in our history, the boards of directors and company management teams are important in moving companies forward" - unquote.

Thanks to California, which messed up deregulation for everyone, I may have been wrong about deregulation and where it is headed, but in the long run, I don't think so.

Thanks to Enron, which messed up the market for everybody else, was I ever prophetic about winners and losers in the investment community and the responsibility of corporate boards and management teams.

My assignment for today is to talk about the responsibilities of boards and officers and show you why I maintain that good corporate governance doesn't just happen. Like everything else in this world - respect, appreciation and success - good governance must be earned.

Let's face it: it's been a challenging time for the energy industry. The last two years have been filled with surprise, shock and uncertainty - three of the most dreaded