

white paper

Loyalty Marketing: A New Perspective

More program innovation? Or more business agility?

agility

Loyalty Marketing: A New Perspective

For many companies with sophisticated loyalty marketing programs, the sheer explosion of loyalty schemes in the marketplace presents a new challenge. When everyone from web retailers to your local florist offer points for frequent purchases, and when these companies partner in each other's programs, established company brands risk being submerged in the "me too" pile of programs.

Loyalty managers typically respond as they do to any program threat: "more innovation please!" But the author suggests that the real need goes beyond just instigating another ideation and innovation cycle or adding more compelling rewards. What is needed is business and technical agility to meet a myriad of unanticipated challenges.

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Loyalty Marketing: A New Perspective

Introduction

As a business function, loyalty marketing has proven its mettle in a wide range of commercial settings. A quarter century after its origins with airline frequent flyer programs, loyalty schemes are now truly ubiquitous. Companies across many industries happily enroll customers as members in their program, whether they are selling dog food, renting cars, or providing landscaping services—you name it.

Indeed, the sheer explosion of such schemes presents a challenge to long-standing loyalty programs. Companies know their members' email boxes are filled with offers to join new programs¹. They know that each purchase the member makes will generate still another enrollment or promotion request, whether purchased online or face-to-face in a store. Their members' wallets are nearing the bursting point, since a card is shown to buy a coffee, rent a movie or buy groceries. And like their members, loyalty program managers see a stream of announcements of new partner coalitions and cross-partner links designed to drive higher purchasing frequency.

Maintaining the hard-won image of attractiveness, reliability, and innovation is becoming increasingly difficult for longstanding loyalty providers in an era when their members are awash in program opportunities.

Loyalty managers are focusing chiefly on their top-tier customers² by offering still more creative perks—from aspirational rewards (ski Mt. Fuji with a guide and a picnic at the summit) to conversion of miles or points to real currency that can be used to purchase high-end merchandise.

In order to meet challenges to their programs, loyalty managers take steps like these to make their programs still more desirable, to achieve a still higher position in the member's loyalty mind share. The goal is to retain this position in order to drive the behaviors that are sought.

What Unisys often finds is no lack of innovation, but substantial difficulties as companies try to instantiate new programs into the marketplace. The technical infrastructure for many loyalty programs prevents quick and decisive reaction to market challenges—much less to actually leading the market through innovative design and execution.

Perspective of This Paper

This paper presents a brief review of loyalty's history, and then profiles mature, sophisticated programs – from both positive and negative perspectives—and then identifies a number of specific challenges faced by loyalty marketing managers.

Historically, program challenges have been met with a search for new program innovations. In this paper, the author contends that the search should be replaced by a drive to achieve sustainable business and technical agility.

Six specific kinds of agility are identified. The author then describes the chief characteristics of a Services-Oriented Architecture (SOA) that can deliver true agility. Companies that achieve this level of commercial and technical agility can respond to today's challenges – and tomorrow's.

How We Got Here

Loyalty Marketing Origins

With deregulation of the airline industry in the United States (1978), companies were free to approach their markets in innovative ways. It is widely acknowledged that the 1981 launch of American Airline's frequent flyer program, AAdvantage, was a watershed event.

Competitive programs followed, but not all airlines were true believers in the value of loyalty. Often cited were two rather defensive reasons for starting their own programs: as a competitive reaction to that era's new startup airlines, and as a "me too" tactic that was seen as simply another "cost of doing business."

The perceived value of frequent flyer program (FFP) rewards became an important factor in passenger booking choice. The FFP became an important and influential part of an airline's "Total Product." Airlines discovered that they could create "miles" out of thin air and give them to passengers to help smooth over poor performance issues. They learned that passengers sitting on late-departing flights gave the company a degree of forgiveness, since they would still accrue mileage credit.

¹ And they see this in the increase in Email bouncebacks from *their* program, as users set more aggressive Email filtering rules.

² The term Best Customer Marketing has been coined to describe tactics that target top-tier, high-margin customers.

True, the first wave of post-deregulation startup airlines may have offered lower fares, but they also flew fewer planes to fewer destinations. This was instantly recognized as being a major product shortfall. After all, redeeming miles for flights to Sacramento or Dallas didn't really compare to options on legacy airlines flying to Montréal, Hawaii, and Paris.

Thus the FFP soon became a source of competitive advantage for those legacy carriers with extensive networks—a way to exploit their economies of scale and scope.

Airlines with smaller networks were forced to cope. For example, Alaska Airlines, with their thin north-south route structure, offered small gold ingots as redemption awards *in lieu* of free flights.

Today's commonplaces about the effects of loyalty programs were first demonstrated during this era. These include:

- FFPs were at the forefront of brand-building.
- The frequent flyer element became an inherent part of the design and development of any new in-cabin product, such as Business Elite. The introduction and promotion of new products were often led by frequent flyer bonuses.
- Marketing synergies were identified. AAdvantage was soon linked with the exclusive Admiral's Club, as the lounge became a center for frequent flyer support and assistance. Today, Lufthansa has extended this concept still further, offering a separate terminal in the Frankfurt airport for front-cabin passengers who are picked up at home and delivered to the airport via Lufthansa Mercedes SUVs.
- The legacy carriers could continue to demand a price premium from business travelers, as the perceived value of the FFPs helped to insulate these travelers from price sensitivity. With the introduction of sophisticated revenue management systems, legacies competed with low cost airlines only for the price-sensitive traffic, keeping a disproportionate share of the high yield business travel to themselves.

These three ingredients—network, pricing power, and loyalty programs—helped legacy carriers meet the first onslaught of new entrants after deregulation. Most startups began in the trough of the airline business cycle; after all, capital and planes were cheap, trained labor was available, and legacy carriers were eager to pick up contracts to do maintenance service for start ups. But once the peak of the cycle came to the fore, legacy carriers applied their technologies, their

ability to dominate head-to-head markets, and their increasingly attractive loyalty programs to force most out of business.

The Loyalty Explosion

Moving forward to today, we see that loyalty marketing is truly ubiquitous. From grocers to movie theaters to college savings programs, loyalty marketing is ever present in modern life.

Rarely does one make an online purchase without being invited to join the company's "club" or "program." And in cases where one has a long-standing customer relationship with an offline or online merchant, one can count on receiving a membership application to their new or revamped program.

Coalitions of sellers have formed to promote themselves under a common identity. These coalitions are growing larger and more widespread everyday. Commercial examples are:

AAdvantage Card (Australia)
Aeroplan, the spin-off FFP of Air Canada
Air Miles UK, Air Miles Canada, etc.
AMEX's ExpressRewards
BonusLink (Malaysia)
Carlson Gold Points (US), with 8M members, 1000 merchant locations
Citi's ThankYou Network
eBucks (South Africa)
FlyBuys (Australia, New Zealand)
Infinity (South Africa)
Magna Rewards (Caribbean)
Maximiles.com (France), with 2.5M members and 80 loyalty partners. Maximiles grew 35% in 2006 with the acquisition of 5 loyalty providers, and bought ipoints in 2006.
Nectar (UK)
Payback (Germany)
Premium Club (Poland)
SmartClub (China)

This model has also been used as a vehicle to build college savings accounts, by BabyMint (200 online merchants, 25 others) and Upromise (38 Consumer Packaged Goods companies involved, with a percentage of purchases going into a personal account held by Vanguard Investments.).

Airlines, facing significant structural issues within their industry, are looking at these and other business combinations. The goal is to “fully segment our portfolio businesses,” such as freight, holiday/travel and frequent flyer divisions.³

The goal is to achieve complete transparency of costs and efficiencies of the Loyalty Program. This, it is believed, will open the possibility of new partners, of running the program in a new way, or of spinning it off as a new company in its own right – much as Air Canada did with Aeroplan.

While there is constant speculation in the press concerning several major airline companies, time will tell what types of business models emerge, and if more general loyalty providers enter the market.

Profile of Sophisticated Providers

Learning from Customer Behaviors

Advanced, sophisticated loyalty providers share several traits, perhaps the most important is that of learning from their customers and their purchasing behaviors. Since customers self-identify with their loyalty accounts, they willingly submit a treasure trove of customer data as part of their profile.

Advanced companies perform sophisticated analyses on this data, defining tactics to increase their “share of wallet” and for estimating customer value.

- Share of wallet has allowed companies to identify customers with large “upside” potential. These are customers who, given the right incentives, will increase their bottom line contribution.
- Customer value measures the amount of profit contribution each program member makes to the company’s bottom line, not just how many purchases they make.

Using airlines as an example, we can see how this data can be used to recognize high value customers in customer service situations. But it can also be used as a way to leverage the customer-carrier relationship. For example, when an ultra elite frequent flyer is waitlisted for a full flight, an airline might indeed take steps to ensure that the first

available seat goes to him/her, but the ticket will be at full price. As one airline manager said in a case like this, “After all, we’ve already bought his loyalty. Now it’s time for him to repay us.”

Another set of investigations has to do with dissatisfied customers. Many customers register their discontent not by quitting the program, but by reducing their purchase frequency.

By evaluating customer buying patterns, sophisticated companies can identify these “slow buyers.”

Identifying these candidates early can help a company reach out (via upgrades, apology letter, or additional miles) and turn these customers into regular purchasers again.

Cross-selling has become a vital skill for many of these companies, since they have extensive promotion and purchase histories to work with. They’ll send targeted offers to help cross-sell to their customers:

- Those who are regular flyers for business, but have never bought a vacation tour package.
- Those who fly regularly to a handful of domestic cities, but who have never flown abroad for vacation

The performance of the loyalty program (especially in cross-selling) reaches its apex with the active involvement of program partners. Indeed, expanding the numbers and types of partners allied to the program has proven to be a dramatic source of revenue generation. For airlines, some estimates are that 60% of miles earned in airline programs today are earned on the ground – from traditional travel partners such as hotels and car rental agencies and also from relationships with providers of long distance phone service, credit cards and dining programs. There is a virtually unlimited supply of partners willing to pay a few cents per mile to partner with a well-established airline program.

This income stream can represent a significant source of prepaid business. And much of this business (be it flights, merchandise, or services) is at undiscounted rates. The price paid to an airline for a seat bought with partner miles, for example, can be multiples of the market price, especially when breakage is taken into account. Since partner payments can exceed administrative and fulfillment expenses, these cross-linked partner programs often are a positive contribution to the bottom line.

³ Geoff Dixon (Qantas CEO), quoted in “Unleashing Qantas,” *Airline Business*, October 2007, p. 38.

Rare is the loyalty program manager who hasn't had a breakthrough realization: "We invest intangible points or miles, and our partner invests hard cash. Then, when redeemed, we offer seats that would go empty anyway, and at a premium rate." This is a compelling business model!

Dealing with Troublesome Constraints

Large, well-established program providers have their own share of challenges and constraints however. Most of these challenges are discovered when the company develops from a simple frequency program to a multi-partner, multi-program enterprise.

At that point, the company is taking its first steps into the business function of customer relationship management (CRM). Put simply, the objective of CRM is to manage all customer interactions through all touchpoints in a holistic way so as to sustain and broaden the relationship in mutually beneficial ways.

But the company quickly encounters technological and procedural hindrances to actually achieving this goal.

CRM tends to highlight cross-functional business problems. Often the Loyalty Department is seen as the administrator of the system, while Marketing may be seen as the partner liaison and program designer. But who has responsibility for customer relationships, from call centers to contact histories to data analysis? And who "owns" all these customer touchpoints?

Expansion often produces technical challenges. Many of today's loyalty systems were developed in-house, sometimes in a reactive fashion. Most of these systems serve the basic transactional function very well: a customer completes a specific activity and is awarded points; the customer cashes in points and gets an award. Companies can design and offer promotions, offering bonuses to high tier members or for specific qualifying activities. Sometimes the crediting requires IT involvement or manual processing to handle more complex promotional offerings.

There are several areas where the legacy frequent flyer systems are particularly weak:

Inflexibility for Business or Partner Needs. The drive for increased personalization, together with the complementary drive for self-service, put difficult demands on legacy systems. Systems that were developed some 30 years ago have architectures that make it extremely difficult to leverage today's technologies, either to extend self-service to

members or to meet partner requirements for new touch points. Adding support for new interfaces (such as PDA, WAP, XML, even iDTV) is laborious and expensive – if possible at all. Even adding new promotions or new programs is difficult in many systems currently being used today.

Costly to Maintain. System enhancements are difficult to make and require considerable analysis and coding effort. Since many of these are custom systems, there is no way to distribute costs across several companies, which would be possible with use of a standard, non-custom product. This diseconomy of scale exacerbates the maintenance cost problem. A growing risk is that of technical obsolescence, since many of these systems are based on archaic technologies with fewer (and more expensive) support staff available every year.

Weak Analytics. The systems may collect large quantities of customer data, but many companies get little value from it. In the absence of relational databases, little or no data mining or analysis is done. Patterns are not discovered and assessed. It is difficult to connect disservice situations (such as cancelled flights) and changes in the customer's behavior thereafter.

Actionable Customer Information Is Siloed. Airline staff at touchpoints cannot treat the customer as if they know them because information cannot be pushed out to customer contact employees at the appropriate time.

Nothing says "we don't care" like checking in your family for the return flight home without hearing a word from staff about the airline's flight delays that almost ruined vacation plans. If only Reservations, Loyalty, and Departure Control were linked in a way that could serve customers, not just operations staff.

Agility Needed

The Wrong Search?

Historically, most competitive challenges have been met by initiating an innovation cycle, a search for new and more enticing solutions to meet the threat.

In the airline industry, we've seen major international carriers leapfrog each other in the front cabins, "to see who can put in the biggest blankets in Business Class," as one manager put it.

Loyalty was an important element in these competitive reactions. Innovative promotions were designed, involving whole sets of markets and conditions, and rewards contingent on members doing multiple activities within a window of time.⁴

But, as mentioned earlier, inflexible systems have often constrained airlines' freedom of action in actually implementing such programs.

Perhaps a search for the next great loyalty innovation is not the only search managers should be making.

Perhaps they should also be searching for ways to make their systems flexible, so that these systems implement the desired business services. Flexibility will enable managers to respond creatively and quickly, regardless of the threat today or tomorrow.

Let us explore what we mean by agility, using specific loyalty illustrations to show its value in actual business scenarios. Then we will identify ways to achieve it.

Architecture Is Everything

Today's bromide remains true: nothing is as consistent as the level of business change. Certainly the loyalty business function illustrates this reality.

For humans, agility is derived from the action of messages to and from the brain and their effects on the muscles and skeleton. Those who are highly agile are limber, flexible and graceful.

Agile *adj* *agiler, agilest*

1. ABLE TO MOVE AND CHANGE DIRECTION QUICKLY AND EASILY; nimble; active.

Synonyms: spry, lithe, flexible, swift, clever, adroit.

Antonyms: stiff, clumsy.

For computer systems, we look to technical and application architectures to delivery agility. Architectures that are highly agile are flexible, adaptable and resilient.

The most agile systems are those predicated in their design upon a Service-Oriented Architecture (SOA).

An SOA is an architectural style that guides every aspect of creating and using business services throughout the business lifecycle, from conception through retirement.

The SOA defines and provisions an IT infrastructure to allow different applications to exchange data and participate in business processes, regardless of the operating systems involved, or the programming languages underlying those applications.

SOAs implement services. Services are relatively large, basically unassociated units of functionality. By themselves, they are not executable, but the service description defines how, where, and when it will be executed.

Services reside in the Services Library; since one can compose reusable services from the library into larger services quickly and easily, this provides added agility to respond to business and operational change.

Indeed, some vendors are now selling generic services (such as "validate credit card") that companies can buy and add to their library.⁵ In this way, SOA enterprises are able to achieve cost synergies in code creation and support.

Thus, common business services, such as "get customer" or "place an order," are separated from variations in the underlying software platform.

Separating the service description from its technology implementation means that businesses can plan and prioritize IT investments around the realization of operational business considerations. Issues such as the capabilities of any individual product or hardware platform can be relegated to a subordinate set of questions.

Six Degrees of Agility

Returning to loyalty solutions, it is clear that they must be adaptable in ways that produce real commercial and operational agility for the business. A well-designed SOA provides this agility⁶, defined in six ways:

⁴ Period-based promotions help to keep members captive. If one registers for the "Go Asia" campaign that calls for taking 3 trips to Asia from other continents over a 6 month period, one's attention is focused on achieving this goal. That makes it easy for the member to ignore promotional broadcasts from competitors for half a year.

⁵ In the near future, many SOA enterprises will have a significant component of reusable web services in their Service Library that they have not in fact created.

⁶ This taxonomy of agility is provided by Newcomer, Eric and Lomow, Greg. *Understanding SOA with Web Services*. Addison-Wesley, 2005.

1. Agility in terms of finding the right service. As new business needs are defined, locating and implementing appropriate services quickly is vital. Services can be located fast and efficiently, whether provided by IT, another user department, a partner or a 3rd party vendor.

2. Agility in terms of changing service providers. SOA architectures help prevent vendor “lock-in,” promoting cost efficiencies.

3. Agility in terms of quickly assembling services into applications. An agile business can respond to new business opportunities and threats quickly. Services designed with abstract interfaces that are not tied to a single business process are ideal for assembling efficiently into new applications. Web services standards such as WS-BPEL provide facilities for composing services quickly and easily.

4. Agility in terms of supporting new service requesters and new delivery channels. Loyalty is a prime example of growing a business by offering existing services to new customers, often served by new or alternate delivery channels. Loosely-coupled, platform-independent services can be quickly adapted to support new channels.

5. Agility in terms of dynamic capacity adjustments to meet variable business demands. Dynamic provisioning of services is enabled automatically, since services (representing discrete business functions) are dynamically discovered and are location-independent. So it flexes as processing needs vary over time.

6. Agility in terms of using existing services to support new and unforeseen business requirements. Services are not tied to a single business process; they can be easily recombined and adapted to meet a new business need.

Why We Need Blueprints to Build Your SOA

Blueprints are Models

We have seen that a Services-Oriented Architecture begins and ends with business services. This is also true when building a SOA. That is, one begins at the top—with business goals and strategies—and moves from there to the business organization and the business processes that should be providing the desired services. When these linkages are known and made tangible, one is in a position to design and implement technology to power the company.

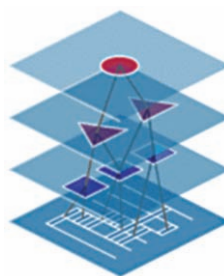
Put another way, it’s not just a matter of the company’s brain trust defining a new strategy to meet a challenge or an opportunity. Somehow these corporate strategies must be translated into effective tactics at the Business Unit level, enabled by new or modified business processes and powered by all the underlying technology and its infrastructure.

Unisys has developed a methodology and a business architecture modeling methodology that targets this exact scenario. Just as blueprints for a building provide separate views (for say, electrical and heating systems and their connections), a Unisys 3D Blueprint™ depicts views of each level, from strategy to systems. And unlike paper blueprints, they are linked, documented electronic models that can show changes across time and changes of state.

Transparent and Traceable

Experience has shown that the twin goals of transparency and traceability are achievable using the Unisys 3D Blueprinting™ approach. From corporate goals and strategy to business processes across business units, to technology, and to infrastructure across locations—this is the potential scope of concern when moving to an agile environment.

The blueprints that result allow one to trace actions and ideas across all 4 levels (vertically), and across business units, locations, and technologies.



Change in policy? Let’s review the models and see which business processes will be affected. Let’s see which systems will be affected in which locations.

One can actually do “what-if” planning and examine the effects – even simulate them – *before* making

the change. This is the agility companies need to react quickly and effectively at all levels of execution.

More important, with 3D Blueprints in place representing today’s environment, managers can use them to help define proactive, competitive programs to lead the market.

How We Do This

Business Architecture Modeling

Unisys encapsulates the first Unisys blueprinting methodology steps in a process called Experiential Workshops.

Visualize the Future State. Experiential Workshops begin with your managers and Unisys domain experts visualizing your agile business. We focus on the top two layers, which describe the business from goals and opportunities to business processes.

The high degree of information flow, the exposure of unknown connections, the role of internal and external participants in the production of work products, the identification of real opportunities to simplify and to concentrate responsibility – all characterize these intensive workshops.

While the 3D Blueprints are the main deliverables of the Experiential Workshops, they are not the only business result. The workshops force managers to be explicit about heretofore vague goal statements, and about how exactly current processes will be altered. The process of working collaboratively to define the future state produces a common understanding and a shared vision across all participating functional areas. Finally, the sense of ownership is very high; after all, they can point to the tangible blueprints and say “there’s our future!”

Model the Business Architecture. A Loyalty workshop series⁷ would focus on Marketing and Sales, as well as on the Loyalty department itself. Unisys experts would identify all “actors” who participate in the business function, from call centers to the marketing director. We then trace what high-level processes they are involved in.

We state the goals of the marketing organization for Loyalty and create a Goals Hierarchy Model. This model forces workshop participants to be explicit about goals and opportunities – a learning process in itself. *Later, these goals will be linked to specific business processes.*

We then map out the salient business processes, including identifying the technology that is used and when it is used within each process. We identify the business results of each process – thus identifying responsibilities.

These business process models help us to identify duplication, non-valued added activities and opportunities for simplification. By electronically linking them with the Goals Hierarchy Model, we can now identify goals coverage. That is, which processes are high priority (map to many goals), and which are Key Success Factors (map to many processes). Finally, which processes are low priority (mapping to few if any goals), and therefore candidates for consolidation or elimination.

We do this process relatively quickly, typically within a very few weeks, for both the current and future states of the enterprise. The future state may be based on: (1) the introduction of new technology and a new capability, (2) an acquisition or organizational consolidation, or (3) a totally new strategic direction.

Now the client-Unisys team can:

- Evaluate the company’s readiness for the future state, and assess the suitability of the current technical architecture for the future we have just defined.
- Identify the coverage of technology solutions in place today to the business results we wish to produce—with gaps being clearly visible.
- List any new technology that may be needed and mapping it not just to business units or processes, but all the way up to goals and strategies.
- Smooth cross-functional interactions, simplify and consolidate overlapping processes, removing any non-value added processes⁸. Business results show when they occur and who is responsible for them.
- Easily target technology infrastructure elements (by location) that will require adjustment or replacement.

The finished model set is fully documented, models are linked, and various changes of state indicated to show progression through time, variations by location, and other changes. In short, they are the sum total of the company’s intellectual capital concerning the future state of the business.

⁷ We have done business blueprinting with many companies in many functional areas, but the focus of this paper is Loyalty. The illustration given here is highly simplified.

⁸ After all, the models clearly shown which business processes are not associated with any business results!

They are the best, most tangible depiction of that future state. The models and their underlying linkages and documentation constitute what some experts call the “semantic backplane” that holds the model together and gives it meaning⁹.

Moving to Design

The Business Architecture Models, together with the extensive analysis that is produced, are the input to any future development that is required. (For example, business processes can be transformed into Systems Use Cases using our business blueprinting tool.) Actors, including their interactions and their responsibilities, are identified for the design and development team.

CASE STUDY: AIRLINE CARGO

Unisys has used its unique blueprinting methodology successfully in companies across many industries. One recent transportation illustration was a U.S. major airline that planned to introduce a new, complex cargo revenue management system to their cargo operation. Meanwhile, they also planned to hire over 20 HQ staff in three different roles to use the system to control selling and management processes.

Unisys consultants held Experiential Workshops with their staff and management from all affected departments. In just a few weeks they gained a common vision of how the new technology would affect their individual roles, as they executed eight major business processes. We identified specific system-to-system interactions that would be required to support their business. We knew when the technology would affect their actual customer relationships. And we were able to map newly-hired staff to specific roles and processes to ensure solid coverage of the business services in the future state.

Today these model artifacts persist and are referred to regularly in training and in defining new, streamlined methods to improve Cargo operations.

Most important, design decisions that are made downstream can be evaluated and communicated to the user community via the models themselves. This level of traceability is absolutely crucial to ensure effective requirements management, technology delivery and ultimate business results.

Conclusion

The explosive growth of customer loyalty programs represents one of today’s biggest challenges to experienced loyalty providers. This paper describes the environment and the ways loyalty managers can meet this particular challenge. The author suggests pausing in the search for new, glitzy rewards and program innovations, and instead targeting the real prize: business and technical agility.

Real agility will help to meet any threat, today or in the future. Being agile means that companies can have the freedom to define market-leading business strategies, knowing their systems environment is now a source of competitive advantage and not a drag on performance.

This can only be achieved by linking business strategies and optimized business processes designed to execute those strategies, supported by efficient technology. Full coverage is required at each level: business processes fully cover business strategies; technology fully covers the needs of the business processes; technical infrastructure fully covers the technology requirements.

Unisys blueprinting methodology and tools enable companies to quickly build linked models across these layers of execution. The models themselves are tangible artifacts, useful for training, planning, and simulating changes before they take place. The process of building the models is a process of envisioning the future, guided by Unisys consultants in a series of workshops.

The finished model set is the blueprint for the Service-Oriented Architecture that is desired. Together, these form the “semantic backplane” of the models and, for the future state, of the enterprise’s go-to-market strategy. When implemented, they drive six types of business and technical agility that offer sustainable competitive advantage to the company.

⁹ Arlow, Jim and Neustadt, Ila. *UML and the Unified Process*. Addison-Wesley, 2002, p. 12.

About Unisys

Unisys is a worldwide information technology services and solutions company. We provide consulting, systems integration, outsourcing and infrastructure services, combined with powerful enterprise server technology. We specialize in helping clients use information to create efficient, secure business operations that allow them to achieve their business goals. Our consultants and industry experts work with clients to understand their business challenges and create greater visibility into critical linkages throughout their operations. For more information, visit www.unisys.com

About the Author

TERRY L. ELLIOTT has over 25 years experience as a managing consultant and systems architect. He specializes in helping organizations plan for, implement, integrate, and ultimately profit from advanced systems technologies.

His experience includes marketing and business development, revenue management and demand forecasting, risk management, and financial analysis. He often uses a Business Architecture Modeling framework to visually depict the current and future business processes targeted by the introduction of new technology. This helps build understanding and consensus by all parties on the business results that can be achieved—and on the changes that may need to take place.

Outside of Unisys, Terry helps small businesses as a Counselor with SCORE, a non-profit organization affiliated with the US Small Business Administration.

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