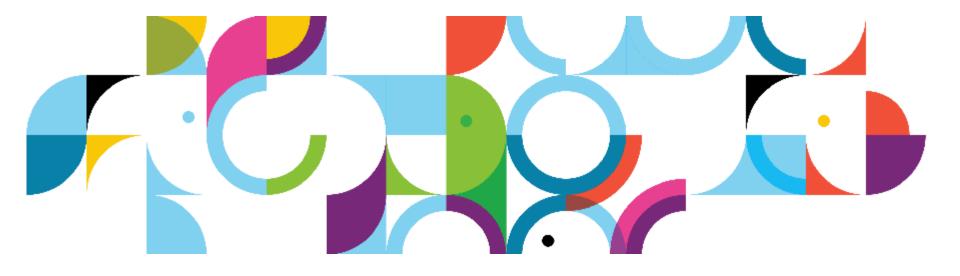


Presenter Name – Presenter's Title MM/DD/Year

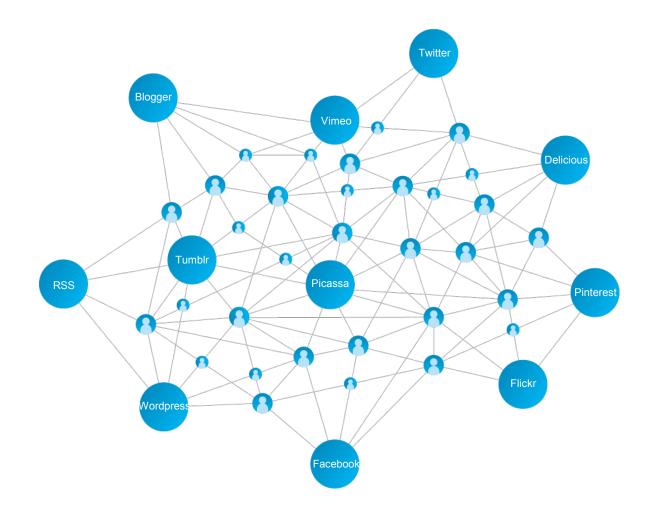
Creating a Smarter Workforce

When the right people engage with the right community, they can change the way business works



IBM. Ö

The social media revolution is changing the way people interact and creates new relationships leveraging the social graph





Three shifts are creating an opportunity for social technology to create real business value



Pressure to build and share expertise for competitive advantage



Increasingly influential and vocal customers



Growing demand for 24/7 and mobile connectedness

Social Business

IBN. Ó

Leading organizations are achieving competitive differentiation when social technology is applied to transform business processes

Customer Service

72% of CEOs cite the need to improve their understanding of customers. ¹

Can achieve 5% reduction in customer defection rate increasing profits by up to 68%²

Sales

Top 10% of sellers often generate 30-50% of a company's revenue.³

Can increase sales manager revenue by 40% and improve efficiency by up to 50% ⁴



Product Development

In software, the top programmers write 10 times the code of average performers. ⁵

Can develop and bring new products to market in 1/3 time ⁶

HR

Employees who are most committed to their organization give 57% more effort and are 87% less likely to resign than disengaged employees ⁷

Source 1: 2012 IBM CEO Study Source 2:Bain & Co Source 3: VCC case study, Source 4: VCC Case Study

4 Source 5: Bersin Report - The Science of Fit Bain & Co, Source 6: Cemex case study, Source 7 Role of engagement in return to growth, Bloomberg Businessweek Aug 2010

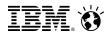
IBM. 😽

These organizations understand that they can enhance their ability to delight customers by creating a smarter workforce



Social Business

From "liking" to leading



When social technology is used to empower employees, additional sources of value emerge

Top performers are **5.4 x** more

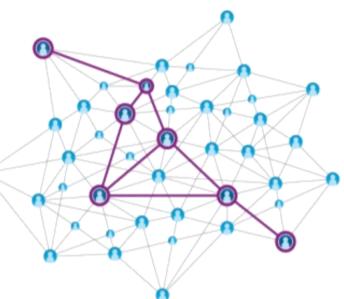
likely to use an analytic approach

over intuition and gut instinct when making decisions.¹



87%

less likely to leave their organizations than highly disengaged employees¹



Using social technologies

across the value chain, especially in consumer packaged goods, **can increase margins**

```
by up to 60%
```

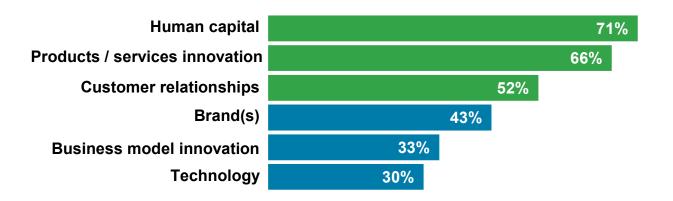
Source 1: The New Path to Value, a joint MIT Sloan Management Review and IBM Institute of Business Value study. © 2010 Massachusetts

6 Institute of Technology. Source 2: Source: 2012 McKinsey Global Institute: The social economy: Unlocking value and productivity through social technologies; Source 3: Role of engagement in return to growth, Bloomberg Businessweek Aug 2010;

IBM. Ö

Today's environment requires CEOs to effectively leverage their people to create competitive advantage

Human capital is the leading cited source of economic value...



Key sources of sustained economic value¹

...but, CEOs face significant workforce challenges.

The average turnover in the U.S. is **15%** per fiscal year.²

Total costs of replacement can reach **200%** of an employee's annual salary.²

IBM. 🕅

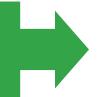
Leaders in every industry are seeking new ways to transform their front-office processes by enabling a smarter, more effective workforce

"People-focused businesses generated 26% more revenue per employee, had 40% lower turnover rates."



A fast growing segment of a \$99 Billion opportunity.³

8



The right skills at the right time in the right place

- Interpersonal and Communication Skills
- Digital Skills
- Agile Thinking Skills
- Global Operating Skills²

"Companies will evolve through globalization and IT adoption, but always—at the center—are people. People are the foundation."

Financial Markets President, Japan 2012 IBM CEO Study

Source 1: Bersin Report The Science of Fit Source 2: Oxford Economics – Global Talent 2021 Source 3: IBM Market Development & Insights - Represents sub-sets of infrastructure, content, analytics, social networking, services, HCM, SCM, CRM, PLM needed to become of social business

IBM. Ö

A smarter workforce drives a major shift in corporate culture – from a top-down to a bottom-up approach to sharing and creating value

A smarter workforce enables leaders and managers to:

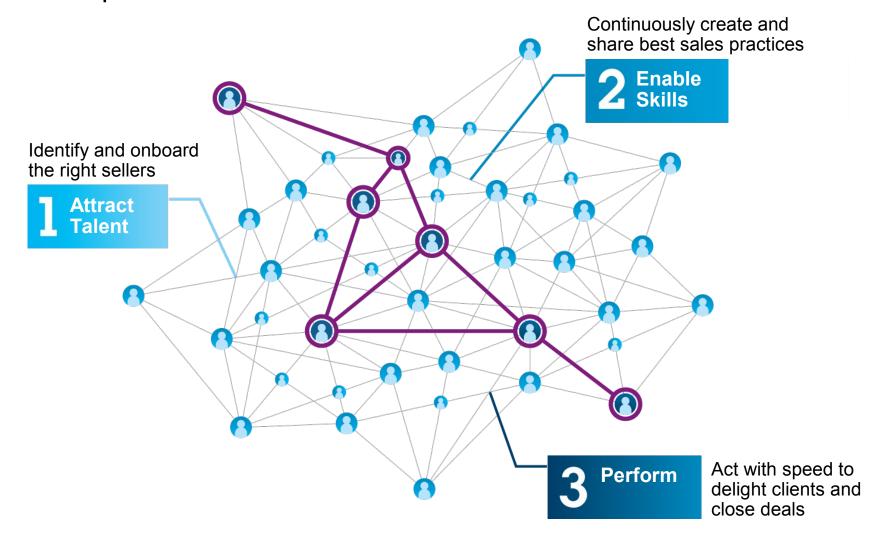
- · Identify, attract and retain the best people that fit their culture
- Develop employee skills
- Cultivate new, highly engaged leaders
- Capitalize on their collective intelligence



Social Business

IBN. Ö

How does a smarter workforce come together to help transform a sales process?



IBM. 🕅

As a recognized leader in end-to-end talent management solutions, Kenexa brings capabilities required to enable a smarter workforce

- •Industry leader with a unique combination of technology, services and content
- •Only cloud-based talent management solutions provider with a proven RPO business
- •25 years experience building teams, transforming organizations and processes
- Blue-chip client base, including over half of the Fortune 500
 More than 8,900 clients across every industry
 Global footprint with 32 offices in 21 countries
 Rapid growth: 29% CAGR¹ since 2004



IBM. Ö

IBM now combines a unique portfolio of talent management and behavioral sciences with consulting services, social, analytics and content management tools to help clients create a smarter workforce



Dynamic outcomes for clients Proven track record of delivering results working with 60% of the world's Fortune 100 companies

Deep expertise

Human insight, research and consulting expertise

Differentiated capabilities

Industry leader in social software platforms, business analytics and enterprise content management

IBN. 🕅

In a smarter workforce, leaders AND employees transform the organization for business advantage in three significant ways

Perform

13

Improve performance by assessing and aligning the right skills, cultivate inspired leaders and drive better engagement

2/3 Time saved bringing new products to market by collaborating globally³



Attract

Identify, attract and recruit the top talent and integrate them to your culture

\$2M savings in recruitment costs from use of predictive modeling in hiring practices¹

Enable

Enable people to hit the ground running in new roles and to continually share and develop their skills so that they can make the greatest impact to the business **45%** reduction in training time by addressing knowledge gaps with the right training at the right time²

IBM. 🕅

A smarter workforce ATTRACTS employees and matches strengths, personality and aspirations to roles and company culture

The problem:

Uncovering the right person for the right job isn't an easy task—wasting valuable time and investment

The solution:

Attract top talent to your business real-time instead of forcing business to find candidates when timing is critical



Business Outcomes:

- Reduced staff turnover via predictive hiring analytics
- Increase in branch sales through higher engagement and culture fit



Enabled by:

- Recruiting services provide new ways of finding resources with less investment
- Activating passive candidates through social recruiting networks to find top talent
- Engaging candidates in rich social recruiting communities that support your company's brand identity
- Using predictive hiring analytics to gain insight into the likelihood for success of hiring decisions

15

Apollo Group, a leading provider of higher education for adults, used predictive hiring models to reduce their costs to recruit students.

Attract the right people through employment branding to

appeal to the right candidates and win the war for talent

Attract the right people with the best talent

\$2 million

savings in recruiting costs

Using a competency-based job assessment, Apollo Group was able to significantly shrink the potential hiring pool, saving recruiters both time and significant resources.







TRANSFORM

Social**Business** Attract the right people through human insights and analytics

to help ensure the right fit, the first time

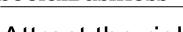
AMC hired the right sales people to work theater concession stands, generating millions of dollars of incremental income

Attract the right people for the right job

yields millions in net income

increase in profit per customer

AMC's "fit" strategy matched the right people to the right jobs, resulting in 11 percent lower employee turnover rates



1.2%

16



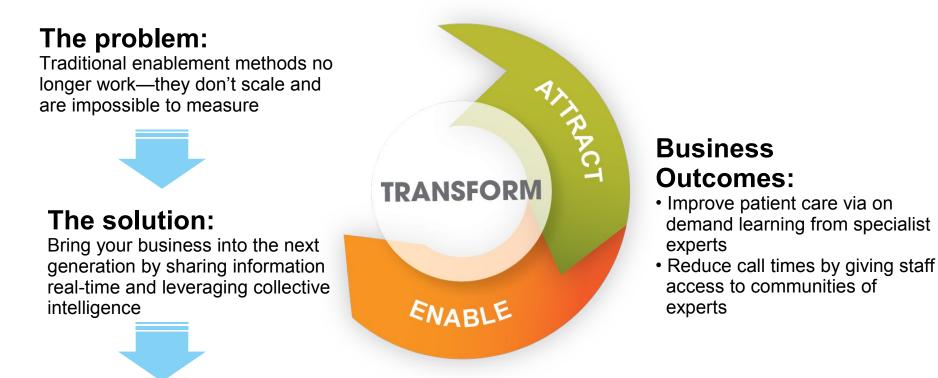




RANSFORM

IBN. Ö

A smarter workforce ENABLES employees to start contributing immediately and continually grow their skills



Enabled by:

Speeding up a candidate's learning curve through intuitive Portal-based on-boarding experience, including mentoring, linkage to key social tools and communities, focused enablement, etc.
Enabling learning through capturing and sharing collective knowledge and providing diverse experiences that are more effectively linked with how work gets done

Enable creative leaders and innovative teams to thrive and inspire them to make a difference

Cabela's re-energized their sales teams with a performance management solution, significantly increasing sales per labor hour

Perform for Impact

9.3% higher sales per labor hour

among top performers

Employment branding, surveys, talent / performance management systems helped attract and hire the right candidates, improving engagement and sales per employee

World's Foremost Outfitter®

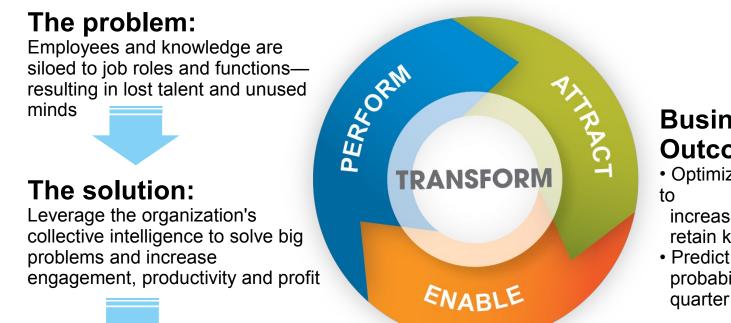
Hunting . Fishing . Outdoor Gear







A smarter workforce empowers employees to PERFORM for impact, transforming the organization and their careers



Business Outcomes:

Optimize project assignments

increase performance and retain key resources

 Predict sales quota attainment probability early in month or quarter

Enabled by:

- Integrating social collaboration into business processes to enable teams to work together to solve bigger problems than any one employee can solve themselves, resulting in better communication, engagement and increased productivity
- Deploying real-time and multi-source performance feedback from peers and management
- Executing hiring and enablement at the speed of business, in real-time

Empower employees to perform with relevant, real-time solutions that leverage a company's collective intelligence

VCC built deeper expertise into its sales system, providing managers with instant access to relevant industry, customer and project data

Empower employees to perform

40% increase in sales for new construction

VCC empowered its managers with instant access to relevant information from across the organization to accelerate their sales efforts









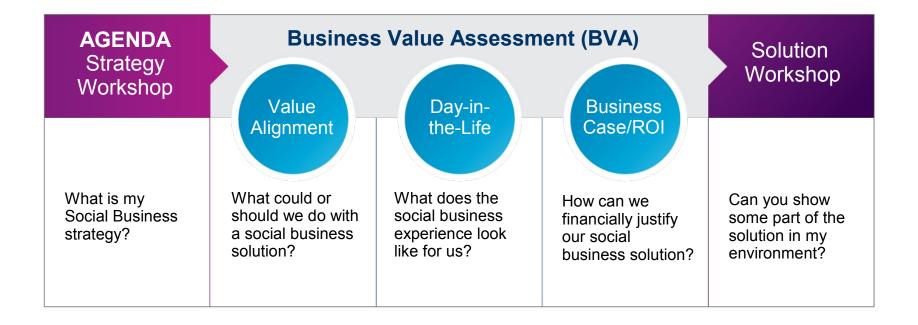


Leverage the Social Business AGENDA to start your journey and accelerate the value from connecting people inside and outside the organization





The AGENDA Strategy Workshop provides the overall business linkage for a successful transition to a smarter workforce







Learn more about becoming a social business and activating a smarter workforce

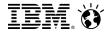
Learn: www.ibm.com/social-business

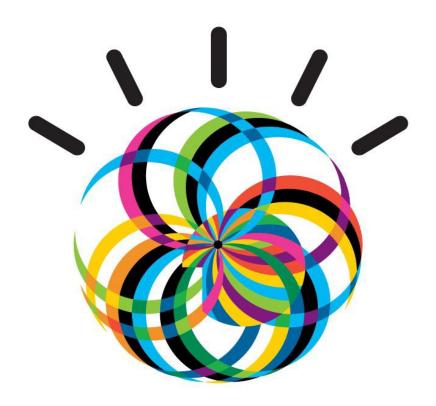


Attend: <u>Connect 2013</u> and experience

first hand what it means to become a social business and the impact of a Smarter Workforce







Social Business



Legal Disclaimer

© IBM Corporation 2012. All Rights Reserved.

The information contained in this publication is provided for informational purposes only. While efforts were made to verify the completeness and accuracy of the information contained in this publication, it is provided AS IS without warranty of any kind, express or implied. In addition, this information is based on IBM's current product plans and strategy, which are subject to change by IBM without notice. IBM shall not be responsible for any damages arising out of the use of, or otherwise related to, this publication or any other materials. Nothing contained in this publication is intended to, nor shall have the effect of, creating any warranties or representations from IBM or its suppliers or licensors, or altering the terms and conditions of the applicable license agreement governing the use of IBM software.

References in this presentation to IBM products, programs, or services do not imply that they will be available in all countries in which IBM operates. Product release dates and/or capabilities referenced in this presentation may change at any time at IBM's sole discretion based on market opportunities or other factors, and are not intended to be a commitment to future product or feature availability in any way. Nothing contained in these materials is intended to, nor shall have the effect of, stating or implying that any activities undertaken by you will result in any specific sales, revenue growth or other results.