

HOW TO COMPETE IN THE ERA OF “SMART.”

For five years, IBMers have been working with companies, cities and communities around the world to build a Smarter Planet.

We’ve seen enormous advances, as leaders have begun using an explosion of data to transform their enterprises and institutions through analytics, mobile technology, social business and the cloud.

We’ve also seen how this new era is starting to create winners. And it’s changing how they make management decisions. They’re redesigning how their teams work, reassessing how to serve their customers and changing the very nature of business.

It’s the ability to harness Big Data that gives these leaders their new competitive advantage in the era of “smart.”



Police in Memphis mapped data analytics to verify patterns of criminal activity, which helped them change their strategy.

DECISIONS BASED ON ANALYTICS, NOT ON INSTINCT.

Executives have long regarded intuition and experience as the keys to formulating strategy and assessing risk. That thinking may have worked in an earlier time of information scarcity—but not in the time of Big Data.

When every company, every city, every country—every individual—is increasingly interconnected with millions of others, the cost of a bad call can be devastating.

Analytics is increasingly helping business and government leaders look beyond their own biases to discern real patterns and anticipate events.

A decade ago, crime in Memphis trended above record highs. The Memphis Police Department developed an analytics platform that created multilayer maps and spreadsheets to systematically identify and verify patterns of criminal activity. That helped the Precinct Commanders focus resources in hotspots on the right days of the week at the right time of day. Visualizing these patterns enhanced officers’ long-standing knowledge about where, when

and how violent crime takes place. The police department changed its patrolling strategy as a result—and reduced crime by 24 percent.

THE SOCIAL NETWORK IS THE NEW PRODUCTION LINE.

The concept of the “knowledge worker” is nothing new, but the world of today’s knowledge worker is dramatically different from that of half a century ago.



Today’s workers have far better access to data—with far more sophisticated tools to manage it. And they have better access to something else: each other.

In this knowledge economy, the exchange of ideas has become the new means of production. And the advent of social and mobile technologies is shifting



Social networks shift value in the workplace from knowledge that people possess to knowledge that they can communicate.

the competitive edge from having workers who amass knowledge to having workers who impart it.

The social network isn’t just the new water cooler. Today, it’s also the production line.

Cemex, a \$15 billion cement maker, wanted to create its first global brand of concrete, which required a coordination of stakeholders from each country.

Cemex didn’t build a new lab. It built a social business network. Employees in 50 countries formed one global active community whose collaboration helped launch the first global brand in a third of the anticipated time.

A social network also transforms how home-improvement chain Lowe’s does business.

After a staffer learned a washing machine he installed experienced a water leak, he shared this information on the network—revealing that the issue was not coincidental. Lowe’s alerted the manufacturer, and the problem was resolved.



Effective marketing no longer aims publicity at broad demographic groups—it opens conversations with individuals.

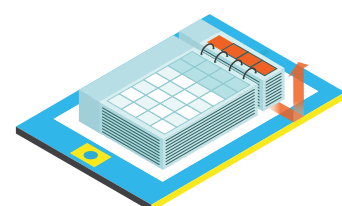
FROM YOU AS A “SEGMENT” TO YOU AS YOU.

In the age of mass production and the mass media, marketers generally understood and served broad population “segments.”

But the age of Big Data and analytics is revealing customers not as demographic slices—based on age, income, job title, hobby and the like—but as individuals.

And this change is already under way. Call centers used to be evaluated by how quickly they got customers off the phone. Now they train employees to spend *more* time with customers to learn about their needs.

Advertising used to be only about selling. Now, smarter marketing starts conversations and delivers useful services—to one individual at a time.



Could you use an extra day of productivity from your staff each week? Employees connected with social technology can increase their efficiency by as much as 25 percent.

FINDING SUCCESS ON A SMARTER PLANET.

An organization that adopts these principles, as thousands have, is a Smarter Enterprise. But using technology is only part of the story. The real challenge now is culture: using this emerging technology to change entrenched work practices.

Over the coming months, we will explore the new principles of the Smarter Enterprise, and how these principles help create value for their audiences and themselves. To learn more, please visit us at ibm.com/smarterplanet

LET’S BUILD A SMARTER PLANET.

