



IBM Systems and Technology Group University 2005

# On Demand Business Five Things You Need to Know for 2005

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## When You Leave, You Should Be Able To ...

- **Understand the On Demand Business strategy**
- **Articulate why IBM is a one-of-a-kind problem solver**
- **Portray the strategy consistently**

# Agenda

- **Executive Summary**
- **Five Things You Need To Know For 2005**
- **Bringing The Strategy To Life**
- **Key Resources**

## On Demand Business: Five Things You Need to Know for 2005

- 1. It's time to emphasize – “Why IBM?”**
- 2. Innovation is what breaks new ground**
- 3. Where clients are investing time, energy and resources**
- 4. On Demand Business: It's not what you buy, it's what you become**
- 5. IBM: One-of-a-kind problem solver for business leaders**

## It's time to emphasize – “Why IBM?”

- **We've created a leadership position**

*Over 75% of business leaders are aware of On Demand Business, and it is associated with IBM more than any other brand*

- **Competition is mobilizing to follow our lead**

***What follows are new insights showing why the On Demand Business strategy resonates and how to communicate what sets IBM apart***

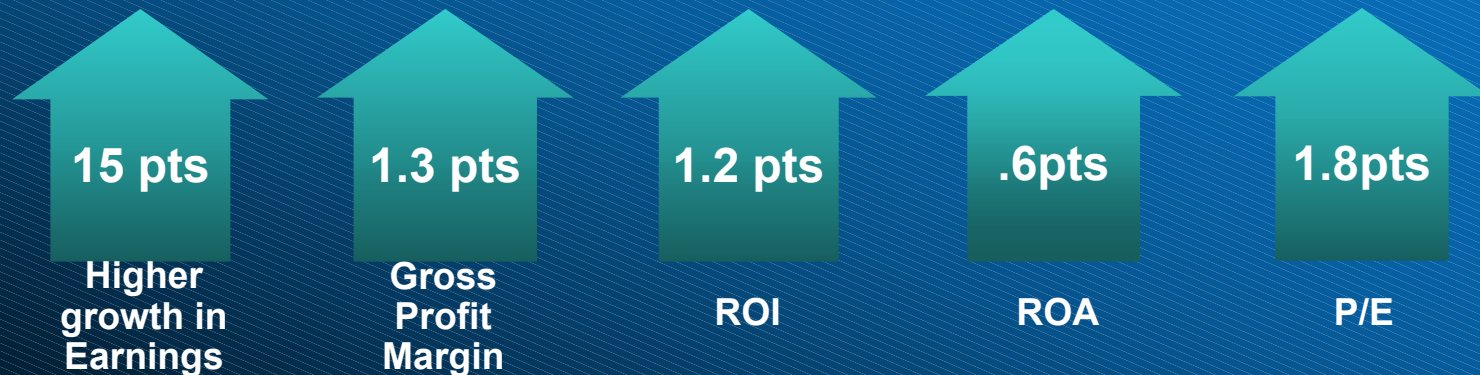
# Agenda: Five Things You Need to Know for 2005

1. It's time to emphasize – “Why IBM?”
2. **Innovation is what breaks new ground**
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# Quantifying the Impact of On Demand Business

*Companies that are farther along in their On Demand Business journey show stronger business results than others in their industry.*

## Improvement in Performance Metrics vs. Industry Peers\*



\*Median difference in 3 year improvement of performance metric between the most advanced companies and their sectors (S&P 1500). Source: IBM On Demand Business Impact Research Analysis, December 2004

## A Compelling Reason to Partner with IBM

- Investing in On Demand Business capabilities help these companies become better managed businesses and leaders among their peers
- As a result, they are outperforming their peers in:
  - Profitability (EBIT, Gross Profit Margin)
  - Efficiency (ROI, ROA)
  - And in the market (P/E)
- These companies are looking to build long-term competitiveness. They need a leading partner that can help them achieve that goal ...

**IBM: A one-of-a-kind problem solver for business leaders**



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# Where Clients are Investing Time, Energy, Resources

## CEO Needs

- Revenue growth with cost containment
- Responsive to business conditions
- Agile to pursue new market opportunities

*Source: CEO Study of 456 WW CEOs  
IBM Corporation, February 2004*

## CIO Challenges

- Aligning IT and business goals to grow revenue and contain costs
- Building responsiveness and agility into the organization through IT
- How can IT help enable people and teams to be more effective

*Source: Operating Environment Market Drivers Study,  
IBM Corporation, 2004*

# Real Results: Client Case Studies

Click on client logos for w3 link to full case study:



# IBM's Internal Transformation

- Created seamless real-time inventory system
- Reduced sales cycle time 20 fold
- Improved inventory turnover and administrative costs 50%
- Transformed business model to grow revenue 30%

## Integrated supply chain

- Connected 33,000 suppliers via web
- Reduced costs \$7B in 2003
- Achieved 30-year low of inventories

## Customer Order and Tracking

- Flexible and scalable service-oriented architecture enabled rapid rule-driven workflows
- Reduced cycle time, resulting in 25% reduction in development costs, better performance and faster order fulfillment

- Integrated order management across customers, business partners and IBM
- Doubled clients enrolled, doubled revenue
- Decreased business partner cycle time 90%, improved accuracy

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# Capabilities to Accelerate Your Journey

Click on circles for links:





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# IBM: One-of-a-Kind Problem Solver

- **Innovation drives step change business improvements**  
*Uniting business and technology insights breaks new ground*
- **This is a journey that happens in steps**  
*Open standards and modularity are built into everything we offer*
- **Clients, large and small, want to do this on their terms**  
*Range of choice in how solutions accessed, deployed and financed*



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## “The World’s Help Desk” Advertising Campaign

- Launched in US on January 8
- Separate IBM from the traditional technology sector competition; IBM is in a class of its own.
- Position IBM as "ahead of the curve" on innovation

***Only IBM has the collective skill and desire to help solve the most complex business, social and technological problems.***

# “The World’s Help Desk” – Internal Posters



# “The World’s Help Desk” – Television Commercials



“Congress”



“Emergency”



“BlueGene”



“Problem”



“Safe”



# IBM Helps Researchers



“BlueGene”

# IBM Helps Healthcare



“Emergency”

# IBM Helps Small and Medium Businesses



“Problem”

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# Resources: Leveraging the Latest Insights

## Setting the context

- [Global CEO Study 2004](#)
- [On Demand Business Client Investment Research](#)
- [Industry Points of View](#)



## Proof is in the results

- [On Demand Business Client References](#)
- [IBM's Internal Transformation Case Study](#)
- [Quantifying the Impact of On Demand Business](#)

## Identifying what to change

- [Component Business Modeling](#) a methodology to help clients determine what to prioritize and change
- [Infrastructure Roadmap for On Demand Business](#)

## Taking a solutions approach

- IBM Solutions for On Demand Business include an [Offerings Guide](#), [Business Solutions Portfolio](#), [Infrastructure Solutions Seller Playbooks](#)
- [IBM Express Portfolio](#) offers solutions for small and medium businesses

## Speaking with one voice

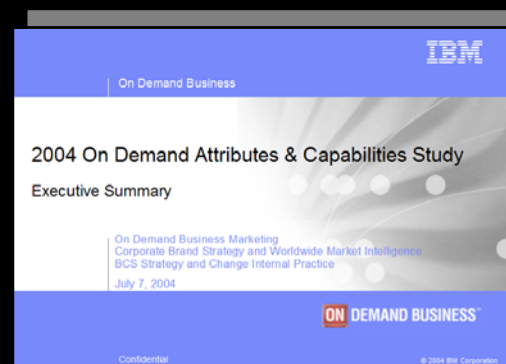
- [2005 On Demand Business Messaging Guide: "Five Things You Need To Know For 2005"](#)
- [Core Set of Presentation Slides for On Demand Business](#)

# Setting the context

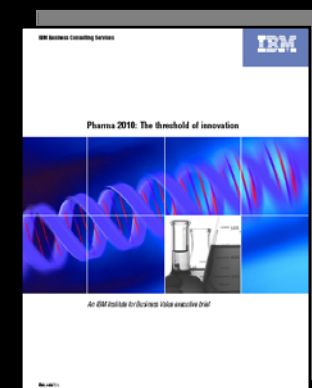
Business leaders are demanding more from business and looking for new ways to achieve growth, productivity and an optimized technology environment aligned to the business.



Global CEO Study 2004



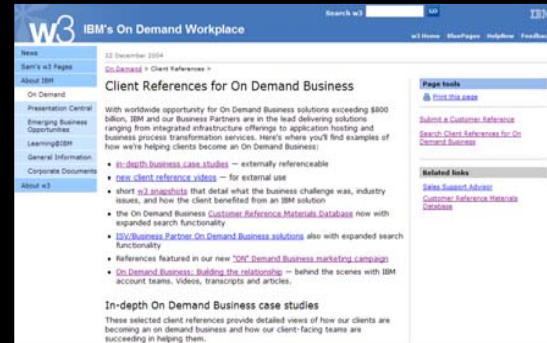
On Demand Business Client Investment Research



Institute for Business Value Industry Points of View

# Proof is in the results

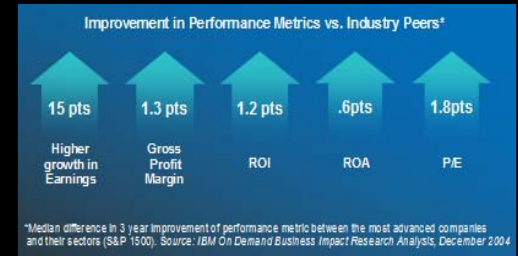
We have hundreds of great client references that demonstrate our one-of-a-kind problem solver capabilities.



**On Demand Business Client Reference Database:** Resource for videos, case studies, and "behind the scenes" stories on how the deal was won.



## IBM's Internal Transformation



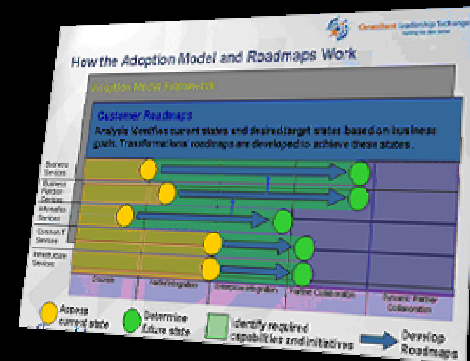
## Business Performance Metrics

# Identifying what to change

Clients rarely do an end-to-end transformation as step one. However, they value help in identifying which aspect of their business or infrastructure to change.

	Business Administration	Financial Management	Product/Process	Production	Supply Chain	Marketing & Sales	Human Resources
Object	Customer Mgt. Strategy & Planning	Financial Planning & Accounting	Product Research & Planning	Production Planning	Supply Chain Strategy & Planning	Customer Relationship Mgt.	Human Resources Mgt.
	Customer Mgt. & Process Policies	Financial Reporting & Planning	Product Development & Release	Master Production Planning	Detailed Planning	Order & Inventory Mgt.	Payroll, Time & Expense
	Business Strategies	Capital Budgeting & Planning	Design, Sales & Support	Production Control	Supplier Relationship Mgt.	Sales Management	Recruitment
Control	Product/Service Management	Cost Management & Control	Program Management	Production Scheduling	Supply Chain Performance Monitoring	Marketing Campaign Mgt.	Inventory Management
	Legal & Regulatory	Taxation	Configuration Management	Production Monitoring	Supplier Relationship Mgt.	Brand Management	Demand Forecasting
	Business Performance Metrics & Reporting	Yield Management	Change Management	Quality Management	Logistics Management	Dealer Management	Quality Management
Execution	Knowledge & Learning	Accounting & General Ledger	Development Cycle	Shop Floor Control	Inventory Management	Market Management	Plant Management
	Management & Organization	Cost Management	Product Support/Field Service	Production Control	Transportation Management	Order Management	Vendor Service
	IT Infrastructure & Operations	IT Infrastructure & Operations	Final Assembly & Build	Manufacturing Management	Procurement	Customer Relationship Management	Global Logistics

**Component Business Modeling:** a framework that helps clients address key issues by breaking down their business into logical building blocks



**Infrastructure Roadmap for On Demand Business**

# Taking a solutions approach

Our solutions approach hinges on how well we can integrate hardware, software, business consulting, IT services and Business Partner applications – in the context of top client priorities.



Business Solutions Portfolio



Offerings Guide



Infrastructure Solutions Seller Playbooks

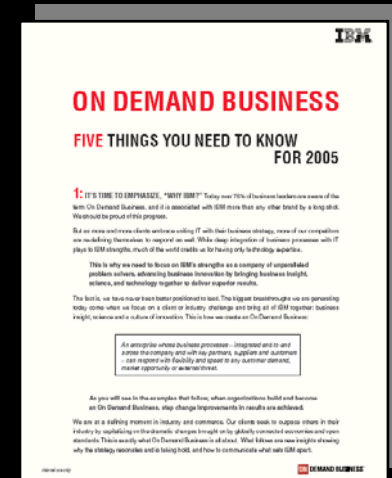


**ON DEMAND™ EXPRESS PORTFOLIO™**  
BUILT FOR MID-SIZED BUSINESS.

Solutions for Small and Medium Businesses

# Speaking with one voice

What we say is as important as how we say it. We need to execute as a team, speaking with one voice to one focused theme: ***On Demand Business***



Five Things You Need to Know for 2005



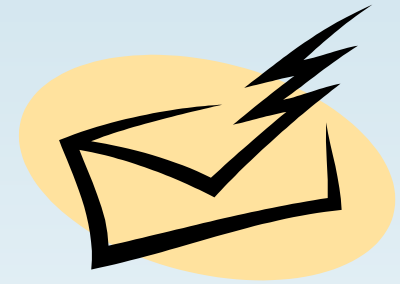
Core set of On Demand Business presentation charts

## On Demand Business Defined

*An enterprise whose **business processes** — **integrated end-to-end** across the company and with key partners, suppliers and customers — can **respond with flexibility and speed** to any customer demand, market opportunity or external threat.*



# We're Here to Help



e-mail your questions and feedback to:

**On Demand Business Feedback/Somers/IBM@IBMUS**



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