

## Cost optimization thanks to a change in strategy

IBM

Software Group



**Welcome to the podcast about the opportunities for cost optimization resulting from strategy changes. Manuela Kerker conducted the interview with Alain Gut, Director of Software Group IMT Alps.**

**Manuela Kerker:** „Mr Gut, could you please provide us with some information about yourself and your function at IBM?“

**Alain Gut:** „I would be happy to. I have worked for more than 20 years in the IT sector, and have spent half of this time on the customer side, that is in IT, but also in the business sector. The other half of the time has been spent on the provider side, namely in the fields of technology, hardware, software and services. Since May 2009, I have been responsible for the software business in Switzerland and Austria for IBM.“

**Manuela Kerker:** „With the *Smarter Planet* vision, IBM intends to contribute towards the development of a more intelligent world. To what extent can IBM support this company initiative given the current difficult economic situation?“

**Alain Gut:** „The problems are ubiquitous: financial crisis, climate change, energy shortages and supply bottlenecks. Time and again these problems lead us to the conclusion that we are all linked together more than ever – economically, socially and technically. When a crisis develops in one part of the world, within a few days or even hours, the effects are felt in another part. This is a great challenge, and also an opportunity. The time has come to take advantage of this opportunity. People all over the world are ready for change, and this is also true for the world itself. Today a new intelligence is defining how the world actually functions. The technology for this is available and affordable. The shocks which in the past affected several systems, show that the current approaches are not sustainable enough. We at IBM are starting this

dialogue, as we consider these changes for a better world to be overdue. With *Smarter Planet*, we can provide a sustainable contribution quickly and flexibly where future investments are concerned.“

**Manuela Kerker:** „In the current difficult economic situation, companies are additionally confronted with ever greater cost pressure, shorter product lifecycles and slower growth in the traditional markets. How can companies react to this challenging business environment? Where are the main factors for entrepreneurial success and which competitive advantages can be achieved by them?“

**Alain Gut:** „The current commercial business environment makes it very difficult to react correctly to these circumstances. However, it is precisely this situation that agile companies can take advantage of. IBM has also been able to do this, in fact very successfully, by specifying four strategic targets. On the one hand, there was a focus on the customer segments in which very high value products could be offered, and new offers were also created in the service area. A second important point was the decision to invest in new markets and thereby benefit from global growth. A third strategic focus was to try to integrate the company globally, and to let decisions have an effect deep inside the organization structure. The final, extremely important point was the setting of the target of establishing a common value system within the corporation and at the same time integrating an appropriate performance management system.“

**Manuela Kerker:** „Which requirements must multinational corporations fulfill in order to meet these challenges?“

**Alain Gut:** „Each executive in today’s business world should realize two *Key Learnings*. Firstly, you need to be flexible and agile. I believe that this flexibility should apply to the entire company, as this is the only way to achieve growth and efficiency. Seen from a product point of view, this means that companies need to be increasingly concerned with offers that generate added value for the customer. Seen from an operational point of view, this involves getting a grip on cost structures and concentrating on generating added value for customers and as far as possible eliminating costs not directly connected with the customers. Over the last few years since the end of the ,dot.com’

crisis, managers in all industries have noticed that there are very many details available, a lot of data and information, so that decisions can be taken much quicker today than in the past, as long as you handle this information skillfully. If you analyze the data correctly, you acquire the ability to adapt optimally, to react flexibly to the markets and to implement the correct strategies. It is not enough for a company to change just at the top. The transformation must in fact permeate the entire organization.“

**Manuela Kerker:** „To what extent can IBM’s IT solutions contribute to the company’s success?“

**Alain Gut:** „At IBM we work together with our customers. We bring our business knowhow, promote research and development and develop technologies that provide our customers with clear advantages in a fast changing environment. Through this integrated approach, we can implement effective strategies very rapidly – in the most varied of industries and throughout the entire world. The IBM model is constructed in such a way that it supports the customer successfully to create the added value for its business even more innovatively, efficiently and competitively. This approach significantly strengthens the customer offering in the technology field – with support from technology. The various possibilities offered by IBM, whether they be services, software, hardware or even research and development achievements, place our customers in a position to be able to offer better solutions themselves.“

**Manuela Kerker:** „Many thanks for your interesting remarks.“



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