

IBM Performance 2011

Smarter Decisions. Better Results.



Analytics Beats Intuition for Breakaway Results

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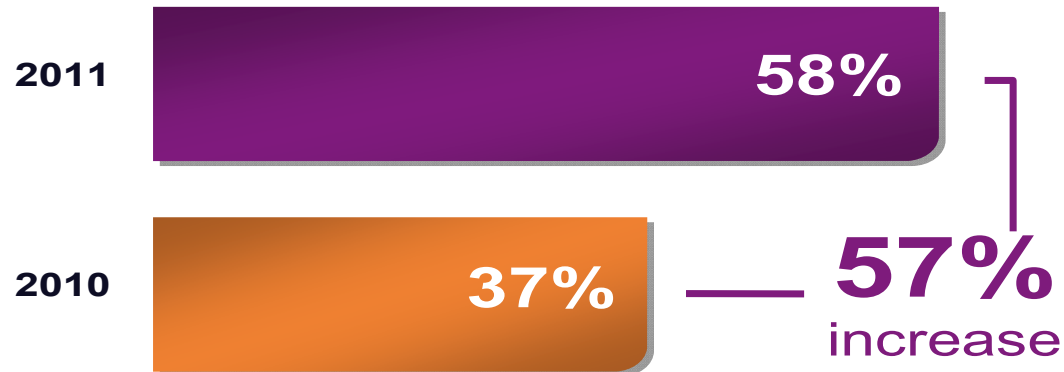


Analytics: The widening divide

- Joint research from IBM Institute for Business Value and *MIT Sloan Management Review*
- Surveyed 4,500+ executives, managers and analysts
- Respondents represent over 30 industries in 122 countries
- Included interviews with executives from leading analytic organizations, and thought leaders from IBM and MIT
- **Available on ibm.com on November 8**

The ability to create competitive advantage using analytics has surged over the past 12 months and is impacting the bottom-line

Respondents who say analytics creates a competitive advantage



Organizations achieving a competitive advantage with analytics are

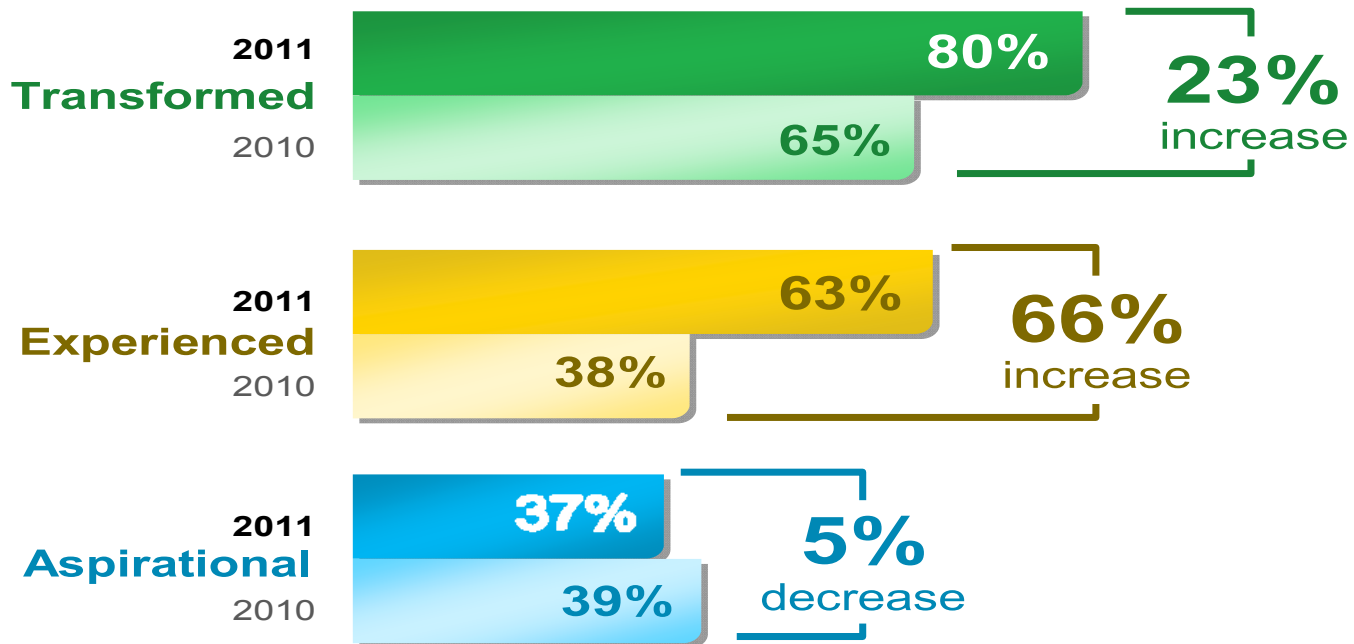
2.2x

more likely to substantially outperform their industry peers

Ratio of respondents who indicated analytics creates a competitive advantage to those who indicated it did not and the likelihood they also indicated their organization was “substantially outperforming their competitive peers”. The ratio was 2.0 to 1 in 2010.

Early adopters have outpaced others in gaining competitive advantage *proving that analytics beats intuition*

Respondents who cited a competitive advantage using analytics year-over-year



C-Suite executive agendas drive the investment in analytics

	CMO	CSCO	CHRO/LOB	CFO	CIO
Primary client business issues	Enhance Customer Understanding to Enable Profitable Growth	Drive Real-Time Decision Optimization	Foster Informed and Collaborative Decision Making	Enable Enterprise and Operational Visibility	Building a Strategic Information Management Foundation
Sampling of Solutions	<ul style="list-style-type: none"> • Customer Profitability Analysis • Advanced Segmentation and Single Customer View • Marketing Mix Optimization 	<ul style="list-style-type: none"> • Dynamic Inventory Optimization • Supply Chain Optimization • Purchasing Optimization 	<ul style="list-style-type: none"> • Optimized Retail Collaboration • Real-time Analytics Matching Platform • Multi-Channel Next Best Action 	<ul style="list-style-type: none"> • Fraud & Abuse Management System • Solvency & Capital Optimization • Tax Audit and Compliance • Integrated Risk Management 	<ul style="list-style-type: none"> • Master Data Management • Financial Services Data Integration Model • Information Governance and strategy • Big data

Insights based on more than 13,000 discussions with C-Suite executives

The explosion in data and real world events also drives investment and research

1.3 Billion RFID tags in 2005
30 Billion RFID tags in 2010



1 Trillion devices are connected to the Internet



By 2013, **507 Billion** emails will be sent each day

The Information base of the world **doubles every 11 hours**



77% of the world's population are mobile subscribers

80% of world's information is unstructured content



Twitter processes **8 terabytes** of data every day



There are **800 Million** Facebook users

The Volume, Variety, and Velocity of data is growing at an unprecedented rate.

IBM Watson is a breakthrough in analytic innovation, but it is only successful because of the quality and quantity of information it uses



Mobile analytics is another key driver for investment and adoption

33%
of BI functionality will be consumed
via handheld devices by 2013.

Gartner "Predicts 2011: New Relationships Will Change BI and Analytics", Bill Gassman, Rita Sallam, Andreas Bitterer, John Hagerty, Neil Chandler, 25 Nov 2010



80%
of organizations ranked Mobile BI as a
top priority for their executives.

Howard Dresner Mobile BI Market Study, 2011

In 100 years, we've learned that leaders define and invest in the markets and businesses of tomorrow

Investment

- \$14B for more than 25 acquisitions since 2005
- 8 Analytic Solution Centers worldwide
- Largest investment ever in training in GBS

Client Value

- 700+ Information Agendas delivered to clients
- 325+ analytics strategy engagements
- 500+ GBS Business Value accelerators
- 18 First of a Kind projects with IBM Research

People and Talent

- Increased team to 8,800 consultants in BAO Services
- 85% of BAO practitioners received training in past year
- More than 1,000 Researchers focused on Services and BAO

Integrating differentiated capabilities

- Industry solutions – integrated leadership model for select industries across GBS, Sales and Software
- Joint new selected solution development

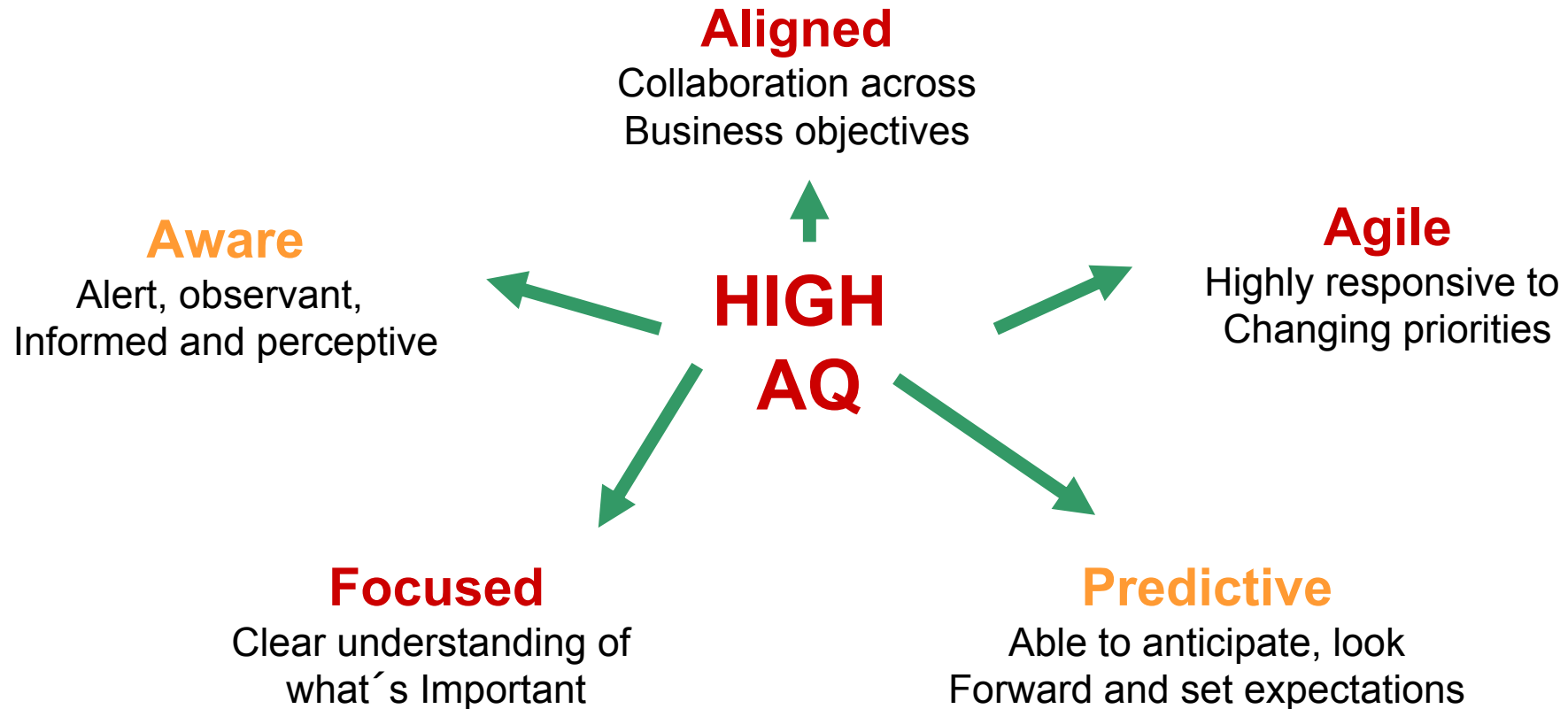
Innovation

- More than 500 analytics patents/year
- Working with 200 universities on curriculum and training for analytics



What is our Business Analytics Vision?

What is our "Analytical Quotient"?





GDF SUEZ

AGC



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