



The Future of Analytic Applications from Insight to Foresight

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Agenda

- **Consumer Application Explosion**
- **Implications for Business**
- **Business Application Evolution**
 - Prescriptive
 - Predictive
 - Personalized
- **Implications for IT and their business stakeholders**
- **Summary**



"They want Google to tell them what they should be doing next ... it will be very hard for people to watch or consume something that has not in some sense been tailored for them."

Eric Schmidt, Google CEO, August 14, 2010, Wall Street Journal

Across the globe we must confront a crushing set of challenges

10 billion

Global trading systems are under extreme stress, handling billions of marketplace data messages each day¹

40% to 70%

Loss of electrical energy around the world because of inefficiency

1 trillion

Number of devices that will be connected to the Internet by 2011³

US\$4 trillion

Average daily volume in the world's currency marketplaces

78%

Percentage of CIOs who want to improve the way they use and manage their data

80%

Percentage of digital data growth that is predicted to be unstructured² and require significant effort to understand and analyze

10x

Amount that digital data is projected to grow by 2011



“[Google, Facebook, Amazon and eBay] are uncomfortable bringing so much attention to [the large scale tracking of customer data] because it is at the heart of their competitive advantage. Data are the coin of the realm. They have a big lead over competitors who do not ‘get’ this.”

Tim O’Reilly



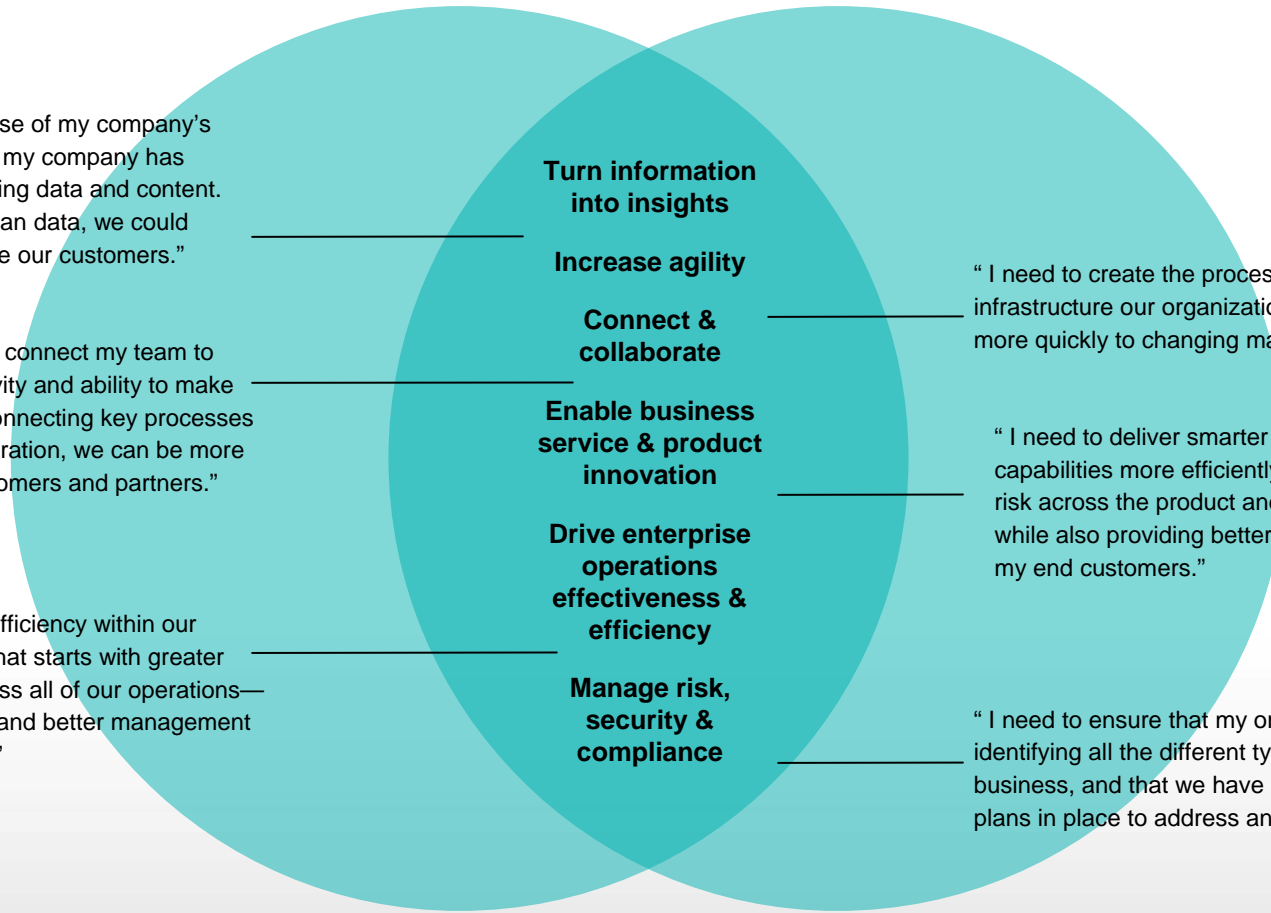
“These new companies have built a culture, and the processes and the technology to deal with large amounts of data, that traditional companies simply don’t have.”

Marc Andreessen, co-founder of Netscape



These needs range from building **technology advantage** to developing new strategic **business solutions**.

Business solutions



“ I need to make better use of my company’s information. That means my company has to do a better job managing data and content. With timely access to clean data, we could devise new ways to serve our customers.”

“ I need better ways to connect my team to improve their productivity and ability to make timely decisions. By connecting key processes and enhancing collaboration, we can be more responsive to our customers and partners.”

“ I need to create more efficiency within our existing infrastructure. That starts with greater visibility and control across all of our operations—both IT and enterprise—and better management of our overall resources.”

Turn information into insights

Increase agility

Connect & collaborate

Enable business service & product innovation

Drive enterprise operations effectiveness & efficiency

Manage risk, security & compliance

“ I need to create the processes and flexible infrastructure our organization needs to react more quickly to changing market conditions.”

“ I need to deliver smarter products, services and capabilities more efficiently and reduce cost and risk across the product and application lifecycle, while also providing better service experiences to my end customers.”

“ I need to ensure that my organization is pro-actively identifying all the different types of risks to our business, and that we have security and resiliency plans in place to address any threat or disruption.”

Technology advantage



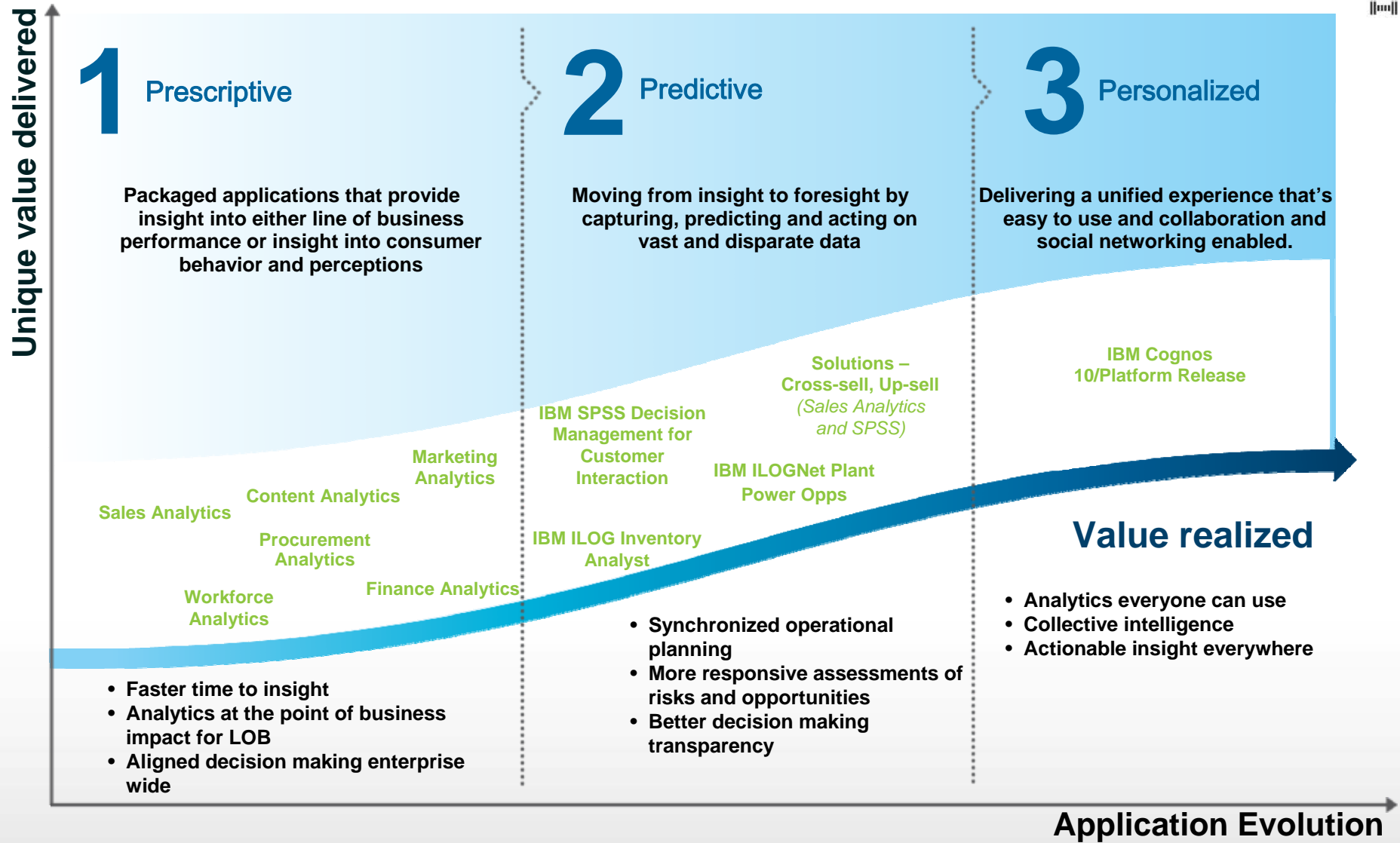
Analytics-driven Organizations Can Answer...



Only IBM Delivers All Aspects of Business Analytics...



Business Application Evolution



Prescriptive

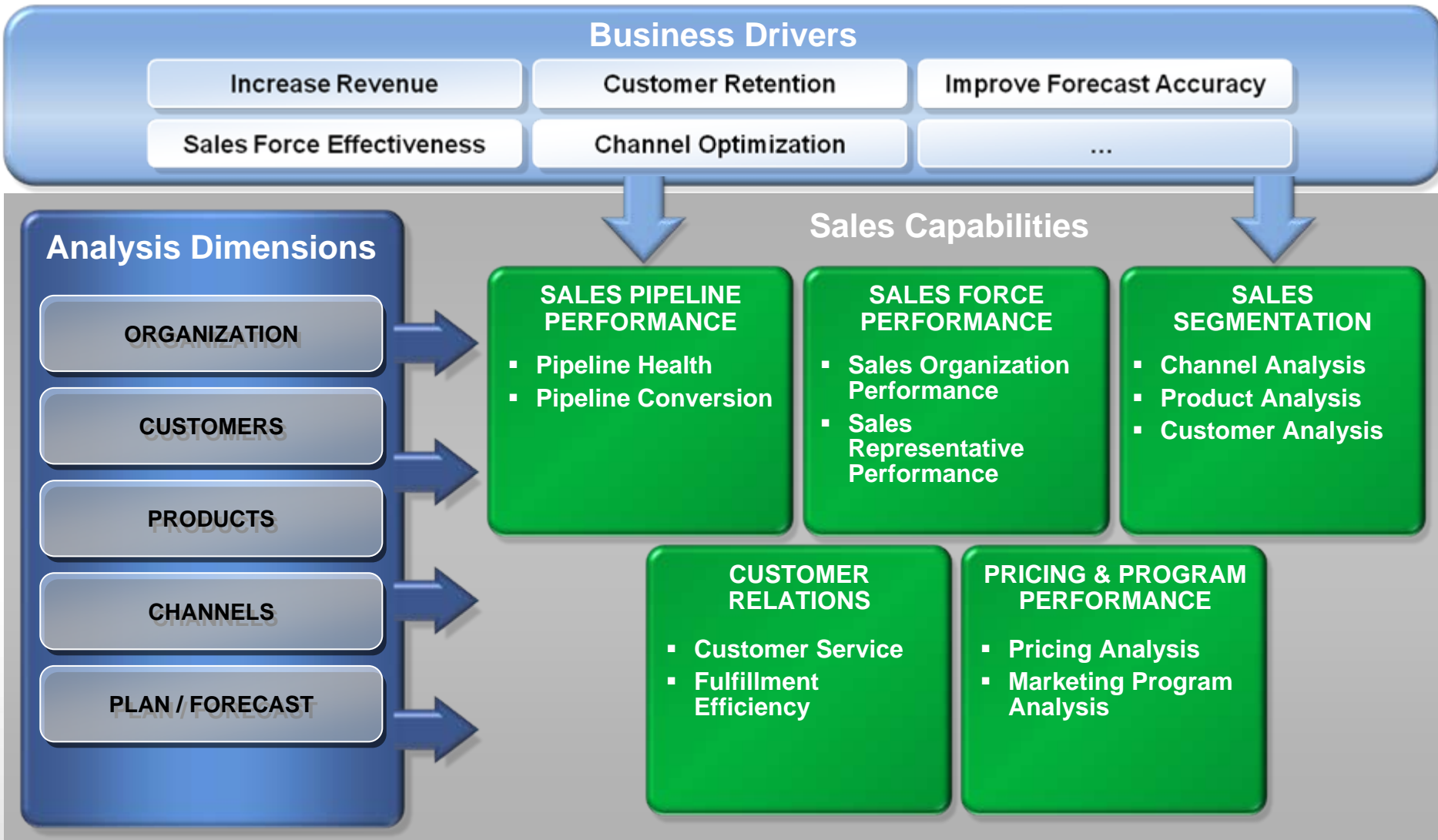


IBM Cognos Analytic Applications

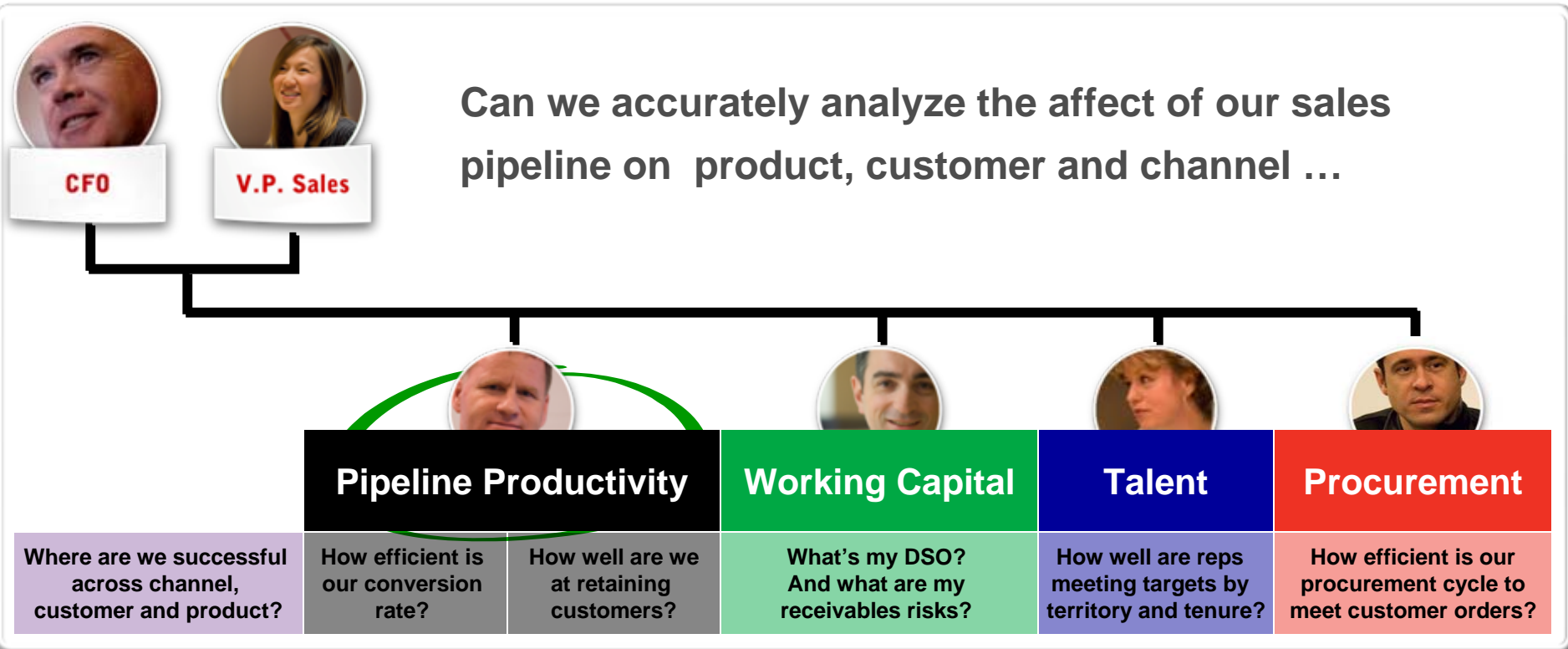


- Faster insight drives smarter, faster decisions and action
- Consistent measurement of business performance and strategy execution
- Anticipate and explore new opportunities
- More effective management of risks and controls

IBM Cognos Customer Performance Sales Analytics



Better Sales Insight – Packaged Analytics



Prescriptive – Packaged Analytics @ Work

Organization Needs



V.P. Sales

Insight into revenue growth and sales force effectiveness:

- Consolidated summary of revenue and pipeline
- Sales force performance:
 - Variance analysis of forecast to actuals
 - Drill through to sales territory
 - Sales attrition compared to other departments
- Goal – Identify the facts associated with declining revenue in a to ascertain performance gaps and associated causes in specific regions

Applications Deliver

- **Prescriptive – IBM Cognos Customer Performance Sales Analytics**
 - Consolidated insight of revenue and pipeline via sales executive dashboard
 - Drill through and down to specific packaged analytics in sales for individual sales rep quota attainment by region and comparative department attrition rates in workforce analytics



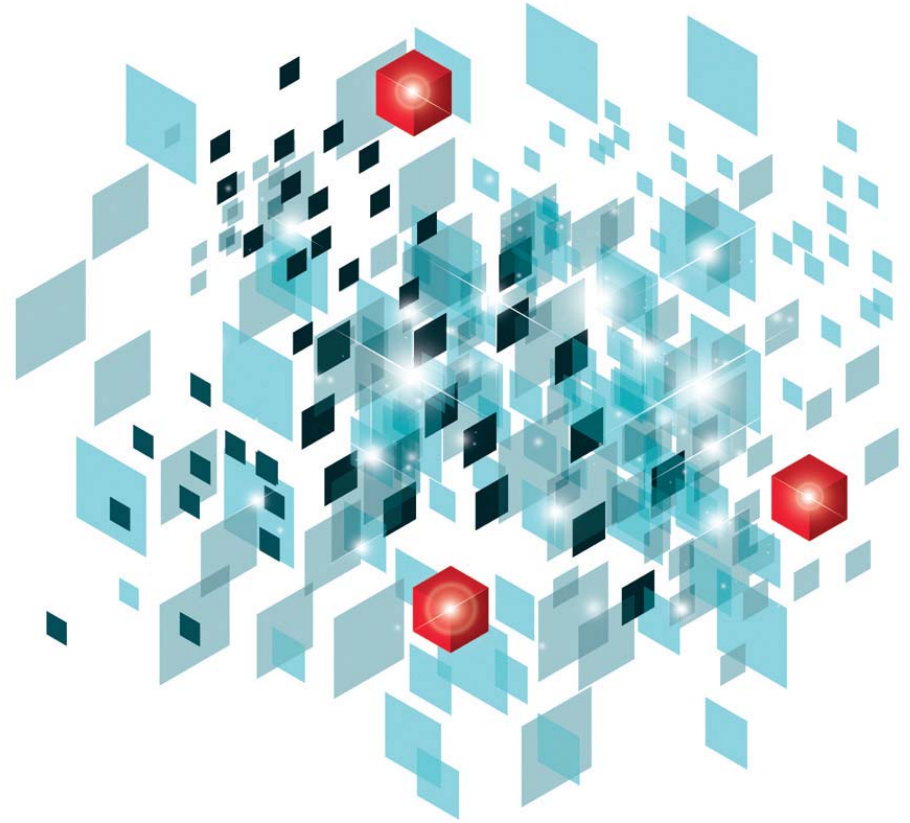
DEMO

Sales Force Performance

**IBM Cognos Customer
Performance Sales Analytics**



Predictive



Continuum of Decision Making

Tactical Decisions (Run the Business)

- *Routine*
- *Frequent*
- *Structured*
- *Automatable*

...

Strategic Decisions (Transform the Business)

- *Ad Hoc*
- *High Value*
- *Collaborative*
- *Complex*

SPSS and Analytic Applications – Insight to Foresight

Customer Analytics, Cross-sell and Up-sell



Analytic Applications

Predictive Analytics

Analytics for Assessing Today

IBM Cognos Customer Performance Sales Analytics

SALES PIPELINE PERFORMANCE

- Pipeline Health
- Pipeline Conversion

SALES FORCE PERFORMANCE

- Sales Organization
- Representative

SALES SEGMENTATION

- Channel
- Product
- Customer

CUSTOMER RELATIONS

- Customer Relations
- Fulfillment

PRICING & PROGRAM PERFORMANCE

- Pricing
- Program Analysis



V.P. Sales



V.P. Marketing

SPSS

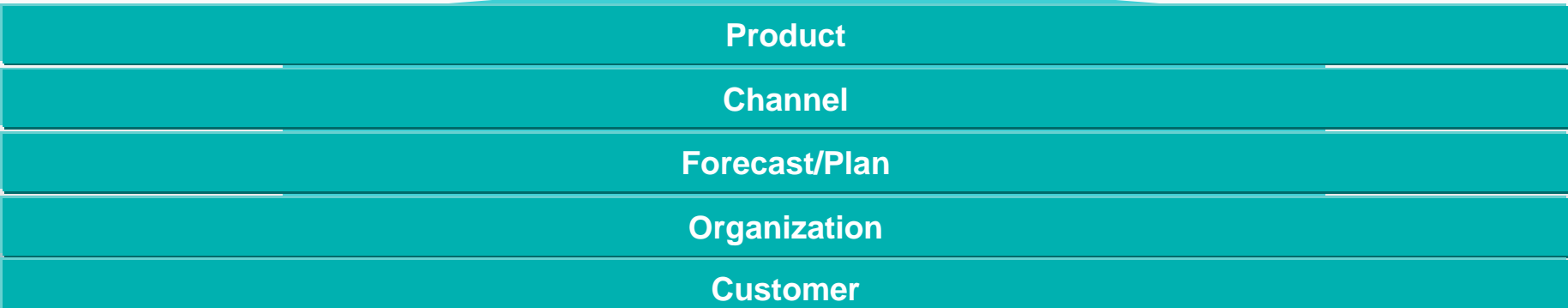
CUSTOMER PROFILING

AFFINITY & OFFER OPTIMIZATION

IMPACT ANALYSIS

Buying Behavior	Segmentation Analysis	Product Affinity
Offer Analytics	Sales Analysis	Campaign Analysis

Advanced Analytics for Engaging the Future



Predictive – Insight and Foresight @ Work

Organization Needs



**V.P.
Marketing**

Sales segmentation and likelihood of a channel to buy :

- Consolidated summary of customer, product and channel
- Advanced analytics (SPSS) to:
 - Determine potential sales by customer
 - Assess potential sales by segment
 - Evaluate the likelihood of customer purchase
- Goal – Accelerate revenue growth by assessing the potential of sales channels. Target specific customers based on analysis with specific marketing offers.

Applications Delivers

- **Predictive – IBM Cognos Customer Performance Sales Analytics & SPSS**
 - Evaluate revenue performance with a macro view of sales segmentation via dashboard
 - Leverage SPSS to assess likelihood of these channels to buy
 - Incorporate SPSS analysis into Sales Analytics as standard reportings for sales and marketing



DEMO

Cross-sell Up-sell

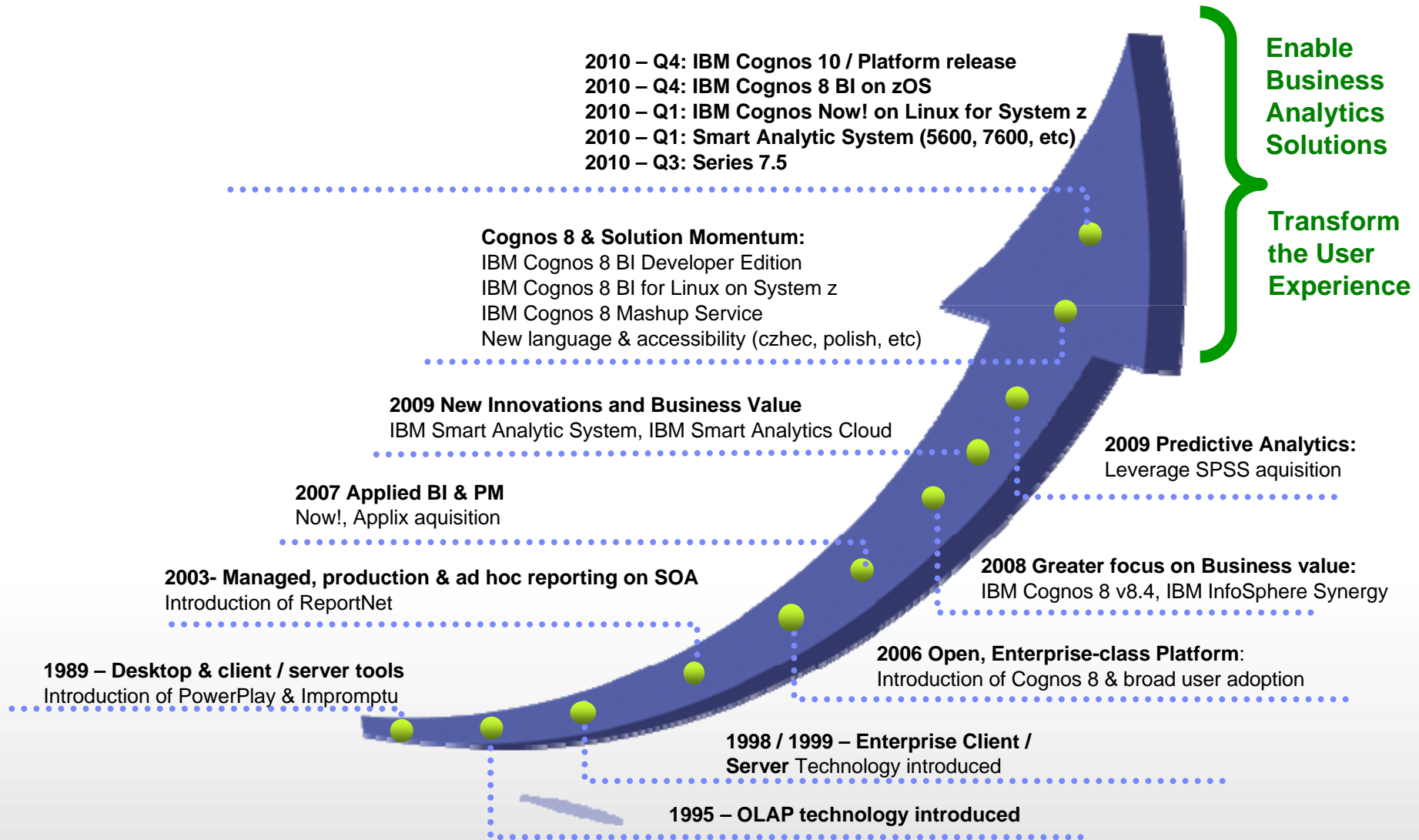
IBM Cognos Customer
Performance Sales Analytics
and SPSS



Personalized

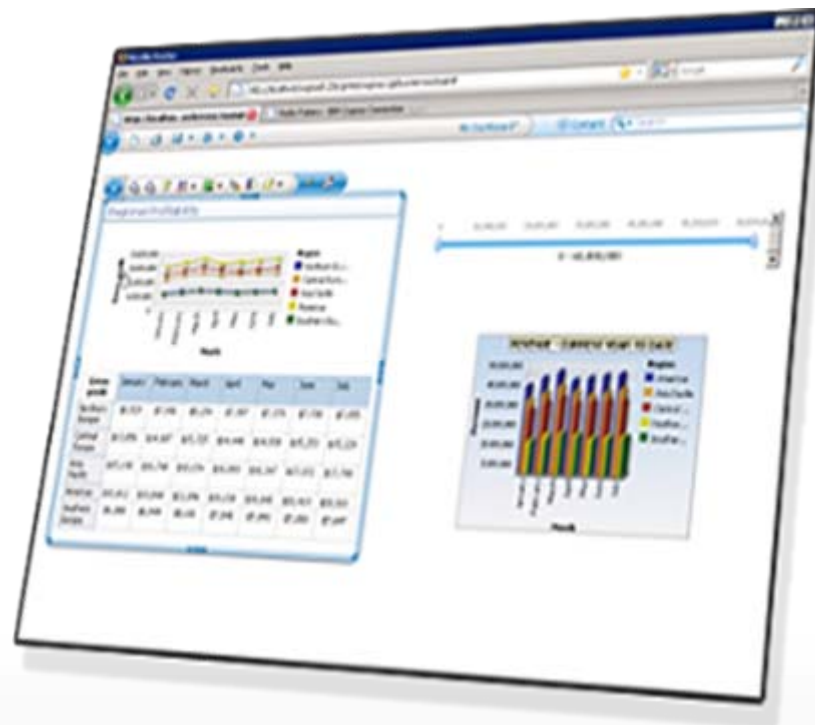


History of Innovation for Strong Customer Value



Cognos 10 Delivers a Unified Workspace

- Support How People Think
 - Drag-and-drop assembly
 - Search-assisted authoring
 - Boundless data exploration and assembly
- Let Them See More...
 - Information across all time horizons
 - Wizard-driven external data
 - In-place information context
- Seamless graduated experience
- Complete decision lifecycle
 - Assemble from/to author
 - What-if-analysis from/to reporting
 - Planning and budgeting from/to reporting
 - Real-time monitoring viewing/to threshold setting
 - Statistical evidence reporting



Personalized – Packaged Analytics & C10 @ Work



Organization Needs



**BUSINESS
ANALYST**

Modify existing dashboard to meet specific reporting requirements for executives:

- Consolidated view of analytic application reports via a Cognos 10.1 dashboard
 - Swaps out widget to personalize dashboard
 - Interacts with dashboard prompt – Drills up and down
 - Goes to content model for the application with new widget
 - Interacts with new report in analytic application
- Goal – Meet specific reporting requirements of executive management

Cognos 10 & Apps Delivers

- **Personalized –**
 - Flexible easy to modify dashboard using i-widgets
 - Meet specific reporting request
 - Interact with new content



DEMO

Personalized Analysis

IBM Cognos Customer
Performance Sales Analytics
and IBM Cognos 10



Competitive Advantage Requires Information Access and Speed



4 in 5 business leaders see **information** as a source of **competitive advantage**

1 in 2 don't have **access to information** across their organizations needed to do their jobs

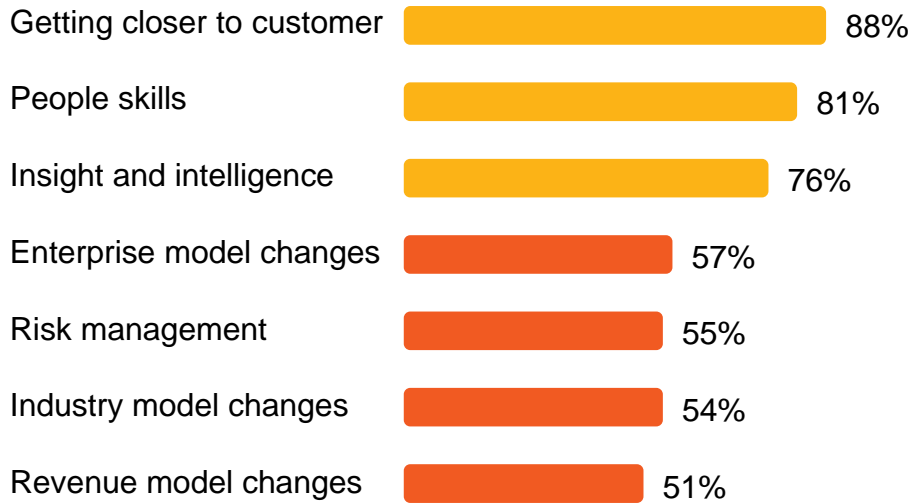
1 in 3 business leaders frequently make **critical decisions without information** they need



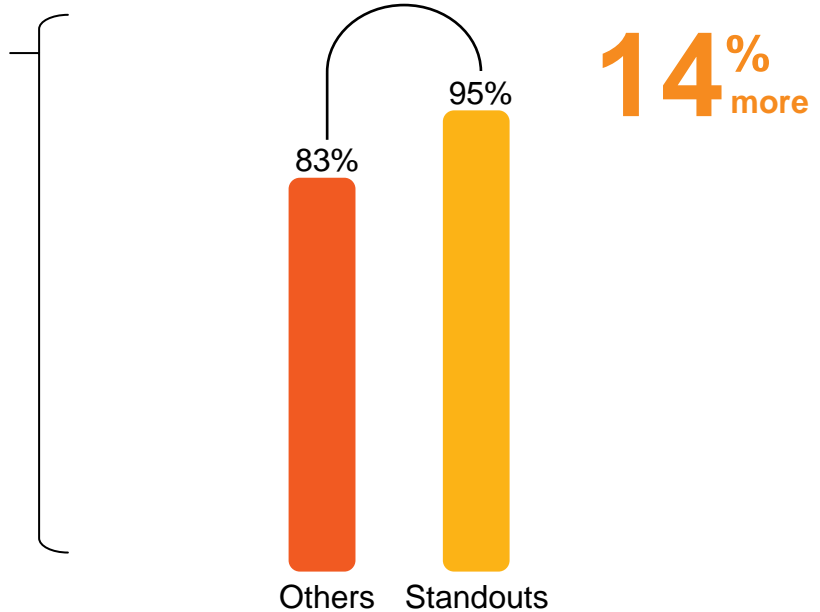
“Getting closer to the customer” is THE top priority for Standout Organizations



Dimensions to focus on over the next 5 years



Getting closer to customers



“To surprise customers requires unexpected ideas through interactions of people with diverse perspectives.”

Shukuo Ishikawa
President and CEO, Representative Director, NAMCO BANDAI
Holdings, Inc. Japan

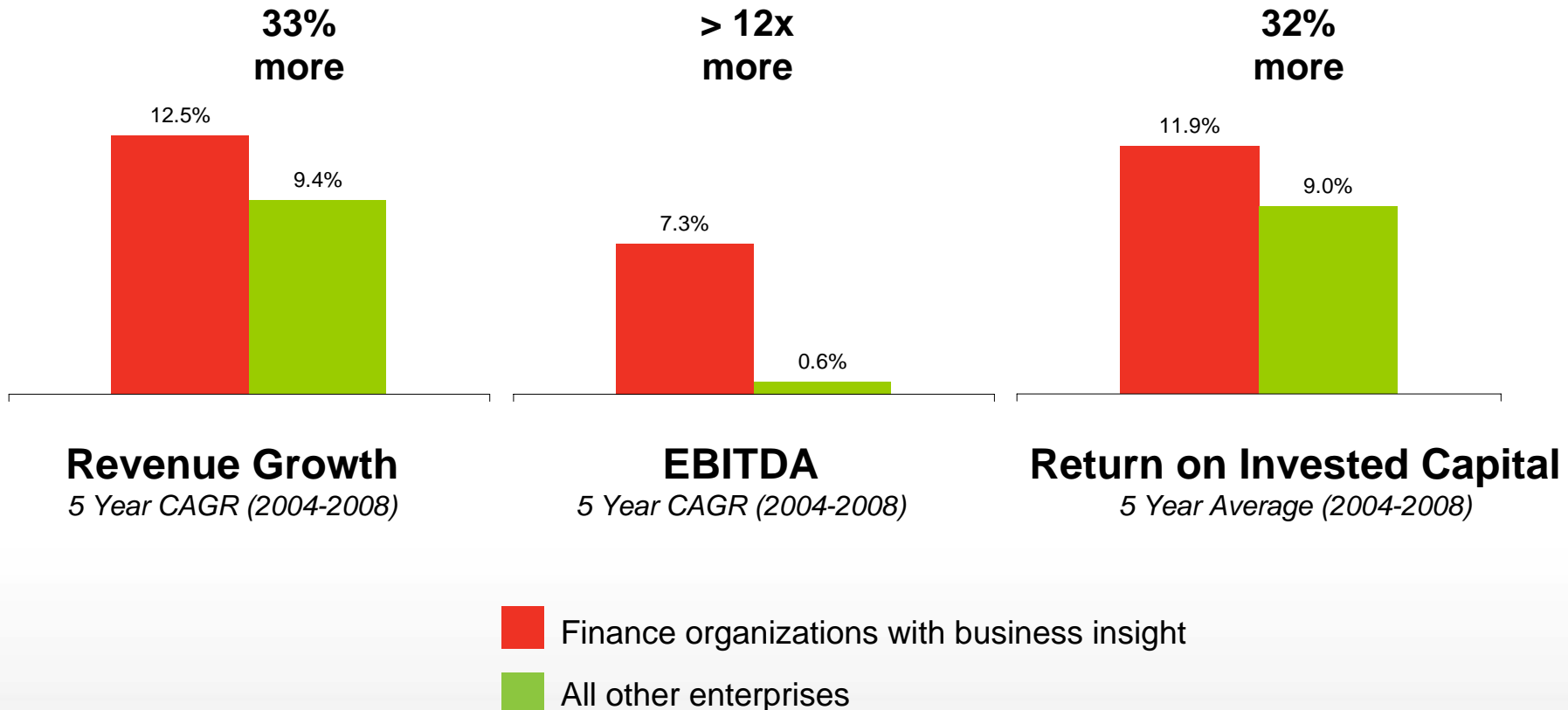
“Our customers want personalization of services and products. It is all about the market of one.”

Tony Tyler
CEO, Cathay Pacific Airways, Hong Kong

Source: Q13 Which of the following dimensions will you focus on more to realize your strategy in the new economic environment over the next 5 years? n=1,523, n=303



Companies that Invest in “Business Insight” Consistently Outperform



Revenue Growth: N = 580; EBITDA: N = 435; ROIC: N = 606
Source: IBM Global Business Services, The Global CFO Study 2010

Where do you start?

Take a graduated approach to determine your analytic inventory and assessing which strategic technology assets can be leveraged across processes and decision areas.



Information and Analytics Communities

- **On-line communities, User Groups, Technical Forums, Blogs, Social networks, and more**
 - Find a community that interests you at...
 - ibm.com/software/data/community
- **Information Champions**
 - Recognizing individuals who have made the most outstanding contributions to Information Management communities
 - ibm.com/software/data/champion

Questions?

