



IBM Software

# Innovate2012

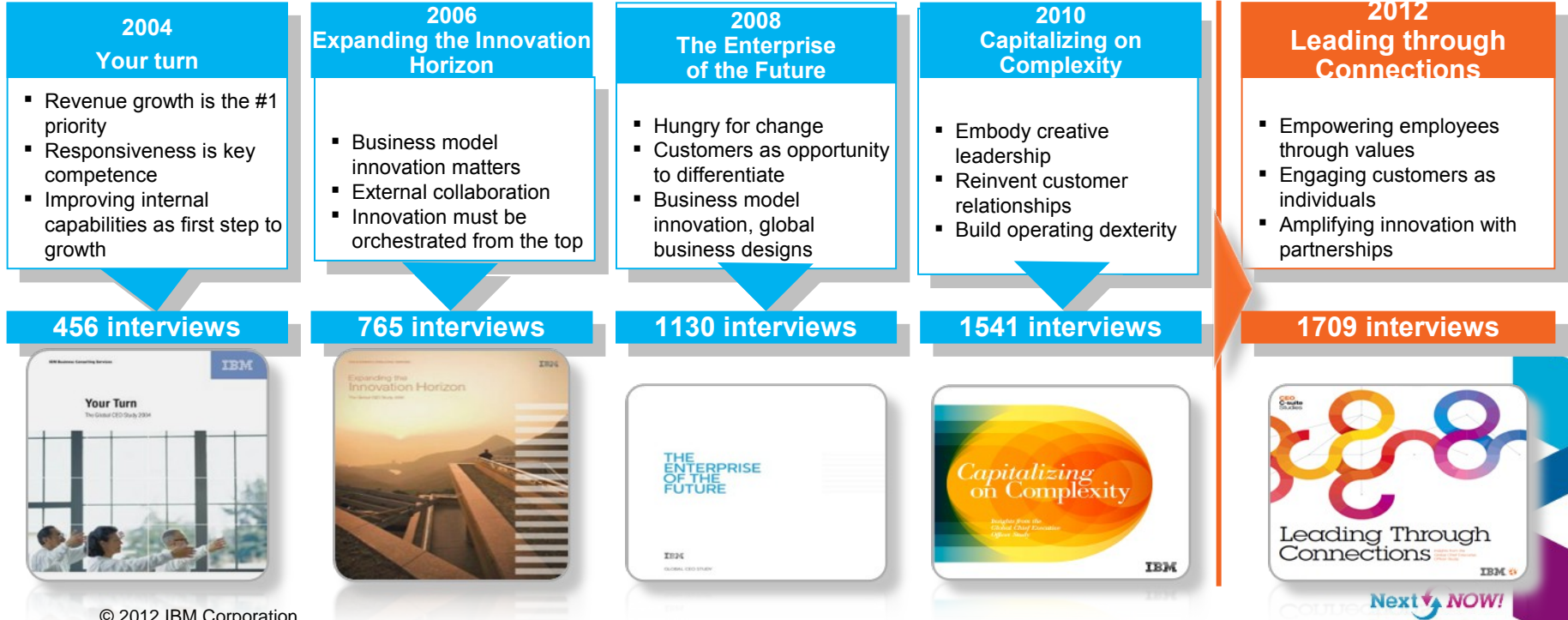
The Premier Event for Software and Systems Innovation

Roma, 11 ottobre 2012



## Paolo Degl'Innocenti Leading Through Connections

The Global CEO Study 2012 is the fifth biennial CEO study, building on our insights and findings over the last 8 years



We compared outperformer and underperformer responses and have highlighted key differences

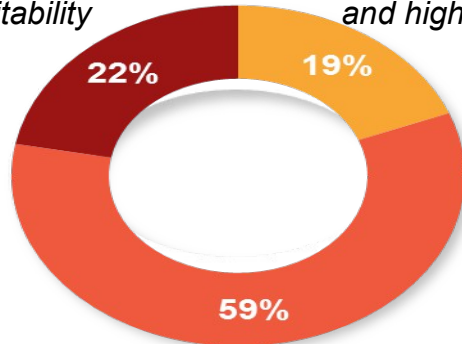
## Three performance categories

### Underperformers

*Low revenue growth and low profitability*

### Outperformers

*High revenue growth and high profitability*



### Peer Performers

*All other performance combinations*

## Particular attention on Outperformers

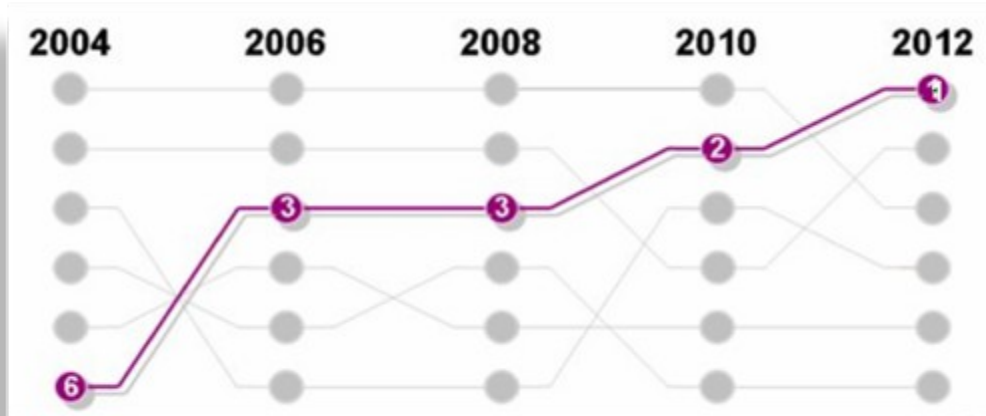
- **No significant difference between outperformers and underperformers on 82% of tested characteristics**
  - Though outperformers and underperformers often say the same, outperformers are superior at doing what they say
  - In this study we focus on common performance factors, while we highlight the most significant differences between out- and underperformers

Note: Relative performance is defined by CEO self-assessment of revenue growth and profitability compared to industry peers

Source: GE "How does the revenue growth of your organization compare to your industry peers over the past 3 years?"; QC "How does your organization's profitability (or efficiency for public sector) compare to your industry peers over the past 3 years?"

Technology is the leading force for impacting business

## Factors impacting organizations



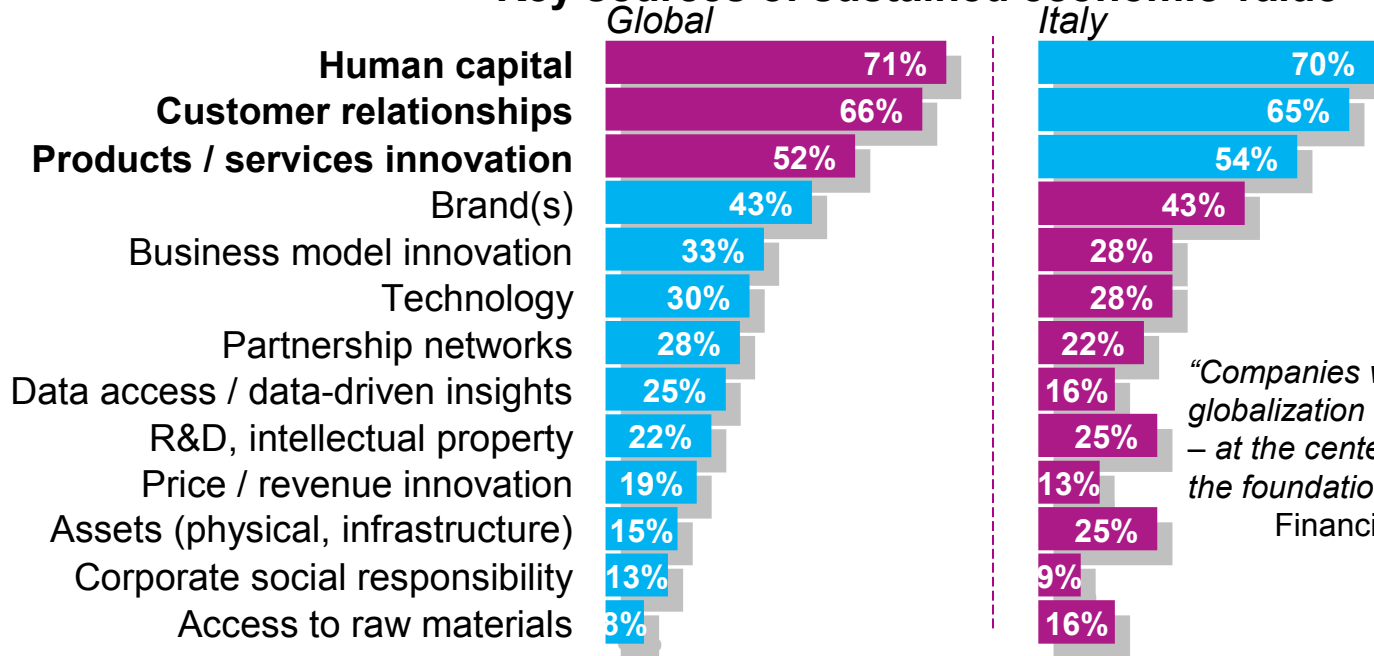
1. Technology factors
2. People skills
3. Market factors
4. Macro-economic factors
5. Regulatory concerns
6. Globalization

Source: IBM CEO Study 2012

**71% of CEOs identify technology as the most important external force impacting their organizations\***

Internally, CEOs' focus is on human capital, customer relationship and product/service innovation as primary sources of sustained economic value

## Key sources of sustained economic value



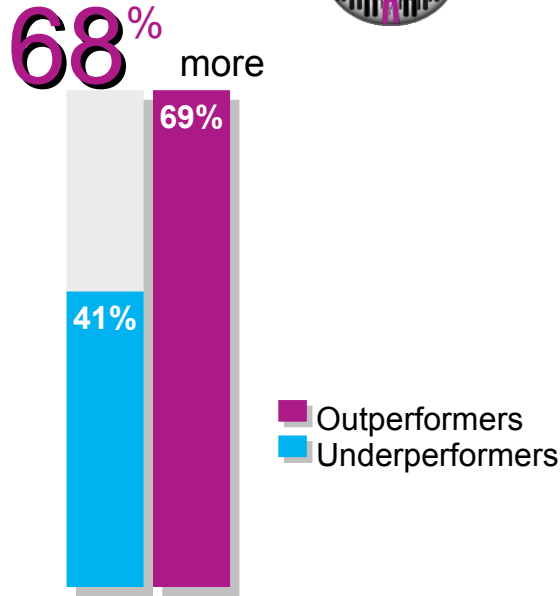
*“Companies will evolve through globalization and IT adoption, but always – at the center – are people. People are the foundation.”*

Financial Markets President, Japan

Outperforming organizations are especially focused on combining technology with the business to drive innovation and growth



## Integrating business and technology for innovation



**“The biggest risk we face is technological.**

If we fail to anticipate a huge technology step, we might go out of business.”

Industrial Products CEO, France

**“How do you unleash the innovative power**

of the people who deal with your customers every day?”

Insurance CEO, United Kingdom

Source: QE “To what extent has your organization integrated business and technology to innovate?”

CEOs create more economic value by cultivating new connections within and across three domains

**Empowering employees  
through values**



**Engaging customers  
as individuals**

**Amplifying innovation  
with partnerships**

## How CEOs drive new economic value through connections

Empowering employees  
through values



### **Empowering employees through values**

- Organizational openness introduces new opportunities to create value through employee collaboration
- To re-balance control with openness, CEOs are focused on values, collaboration and mission



Engaging customers  
as individuals

### **Engaging customers as individuals**

- Customers share insights into what they value individually, and when and how they want to interact
- To connect individually, CEOs plan a step change in social media interaction and continuing face-to-face engagement



Amplifying innovation  
with partnerships

### **Amplifying innovation with partnerships**

- Commitment to external partnering has grown significantly
- Virtually all organizations now partner, creating new avenues for innovation



Over the last three years, IBM has transformed its software portfolio to address clients' business and IT needs by industry and role ...

## Industries



**Banking**



**Energy**



**Government**



**Healthcare**



**Education**



**Traffic**



**Retail**



**Communications**

## Functions/roles



**Marketing  
CMO**



**Finance  
CFO**



**Human  
resources  
CHRO**



**Supply chain  
CSCO**



**Executive  
CEO**



**IT  
CIO**

## Business and IT needs

Turn information into insights

Deepen engagement with customers, partners and employees

Enable the agile business

Deliver enterprise mobility

Accelerate product and service innovation

Optimize IT and business infrastructure

Manage risk, security and compliance

Within today's volatile and uncertain environment, four major trends are apparent

## Globalization



"In the shift from domestic to global, **there is a sense of crisis-propelled globalization.**"

Professional Services CEO, Japan

## Demographic shifts



**"Demographics a decline in birth rate and in labor population,**

all have significant impact on our business."

Travel & Transportation President, Japan

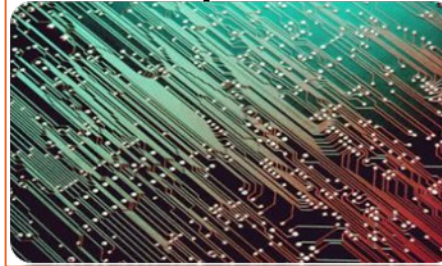
## Social networks and mobility



**"Mobility and social networking** are key drivers to innovate new business models."

Professional Services CEO, Turkey

## Data explosion



**"Big data will be a key differentiator**

in terms of information about customers, preferences etc."

Banking CEO, United States



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