

A background of a 5x9 grid of colored squares in red, blue, green, and yellow. The colors are arranged in a repeating pattern: Row 1: Red, Blue, Green, Yellow, Red, Blue, Green, Yellow, Red; Row 2: Blue, Red, Blue, Green, Yellow, Red, Blue, Green, Yellow; Row 3: Green, Blue, Blue, Green, Yellow, Red, Blue, Green, Green; Row 4: Yellow, Green, Blue, Red, Blue, Green, Yellow, Red, Blue; Row 5: Red, Yellow, Green, Blue, Red, Blue, Green, Yellow, Red.

**welcome
everybody**



What's next ?

Stefano Stinchi

“Auditorium della Musica” October 12



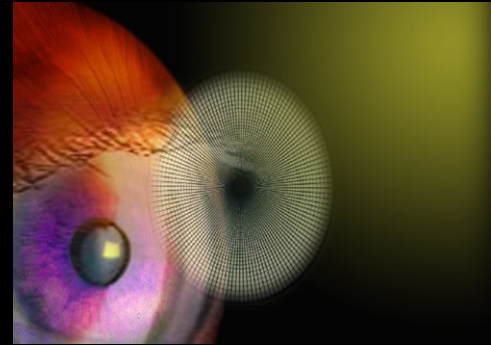


Agenda

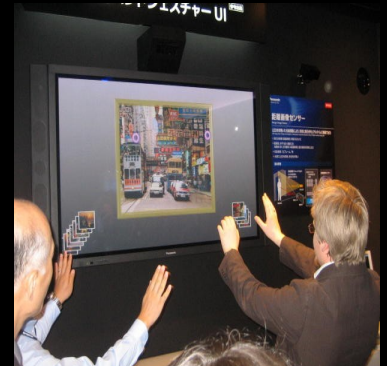
- Where will we go ?
- Going mobile ? (Convergence between IT and Mobile)
- Going predictive ? (Smarter Planet 2.0)
- Going somewhere else that is equally or more disruptive ?



Why are we here ?



Follow your dreams even if they seem impossible





I told you so

I told you so



“Our civilization runs on software”

— *James D. Rockefeller*

This will be the software decade with a large shift of investment to software that will have significant ramifications for innovation, venture capital and enterprises strategy.



Enterprise IT: The current state

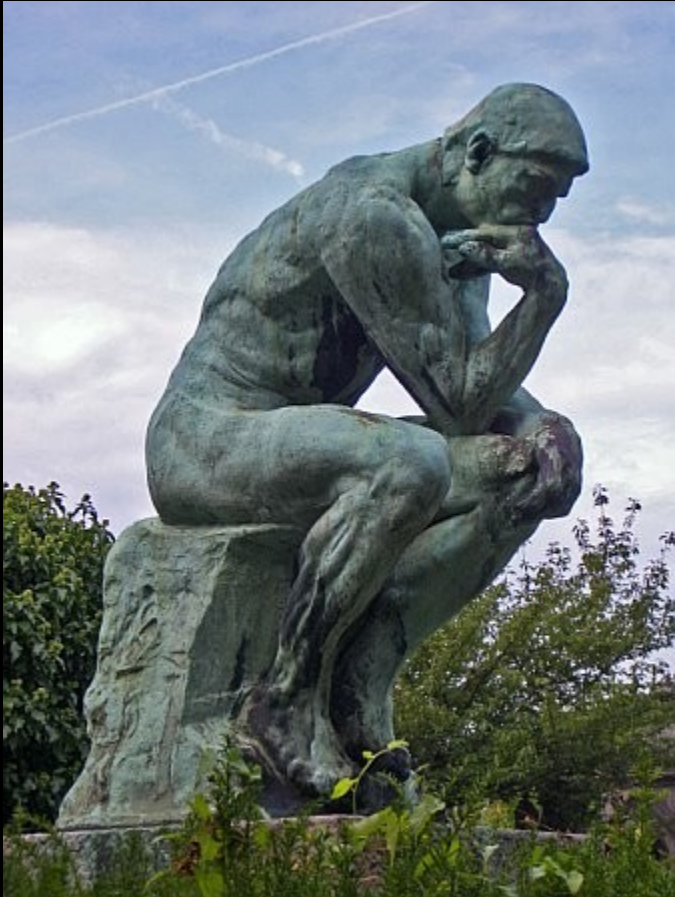
Systems of records are largely complete

- ◆ Transaction systems for global commerce...
 - ◆ Financials, Order Processing, Inventory, HR, CRM, Supply Chain
 - ◆ Mainframe, Minis, client-server, PC, Internet-enabled, SaaS
- ◆ Drove three decades of investment
 - ◆ Data centres everywhere
 - ◆ Database, OLTP, reporting and analytics
 - ◆ Network as transport mechanism
- ◆ Y2K put the capstone on this trend
 - ◆ Pulled forward a half decade of investment
 - ◆ Enterprise IT had go through a long “digestive” period



IT Innovation: For the Past Decade (2000-2009)

Consumers are king



**Enterprise IT
On Hold**



**Consumer IT
On Fire**



Redefining IT for Consumers

The digitization of Human Culture

- Everything has no barriers to entry. There are any-to-many. Blogs, Skype, Twitter, etc. Everything is free. These are the killer applications. Magazines are toast. Everything is being reengineered even as we speak.



Mobile changes everything

1. Choose a Teddy Bear: Page: 1

<input checked="" type="radio"/> Friendly Teddy	<input type="radio"/> Just saying hi	<input type="radio"/> Sexy Teddy	<input type="radio"/> Fuzzy Tddy	<input type="radio"/> Firefighter	<input type="radio"/> Army Hero Bearemy
Level 2 Needed (Hippie Teddy)	Level 2 Needed (Chef Teddy)	Level 3 Needed (You're Special!)	Level 3 Needed (Teddy Abrazo)	Level 4 Needed (St. Patrick's Day Teddy)	Level 4 Needed (Can't Get Enough of You)

WGT VIRTUAL PRO SHOP

- CLUBS
- BALLS
- AVATARS
- BRANDS

- UPGRADE YOUR GAME WITH NEW VIRTUAL CLUBS
- GET IMPROVED SPIN, DISTANCE & DURABILITY WITH NEW BALLS
- PERSONALIZE YOUR AVATAR WITH NEW OUTFITS



Consumers innovations



What does it mean for the enterprises ?



Shifting from the database to the collaborative network

Data Center stack

Business Layer

- Consulting
- Desktop Environment
- User Transaction Applications
- Business Intelligence
- Document Based communications

Compute Processes

- Mobile Application Servers
- Virtual Systems Management Infrastructure
- Database
- Unified Communications

Compute Engine

- Mainframe
- Servers
- Storage
- Network
- Microprocessors



Agenda

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Tech cycles tend to last ten years

Entered Next Major Computing Cycle – Mobile Internet – 2 Years Ago

Mainframe Computing
1960s



Mini Computing
1970s



Personal Computing
1980s



Desktop Internet Computing
1990s



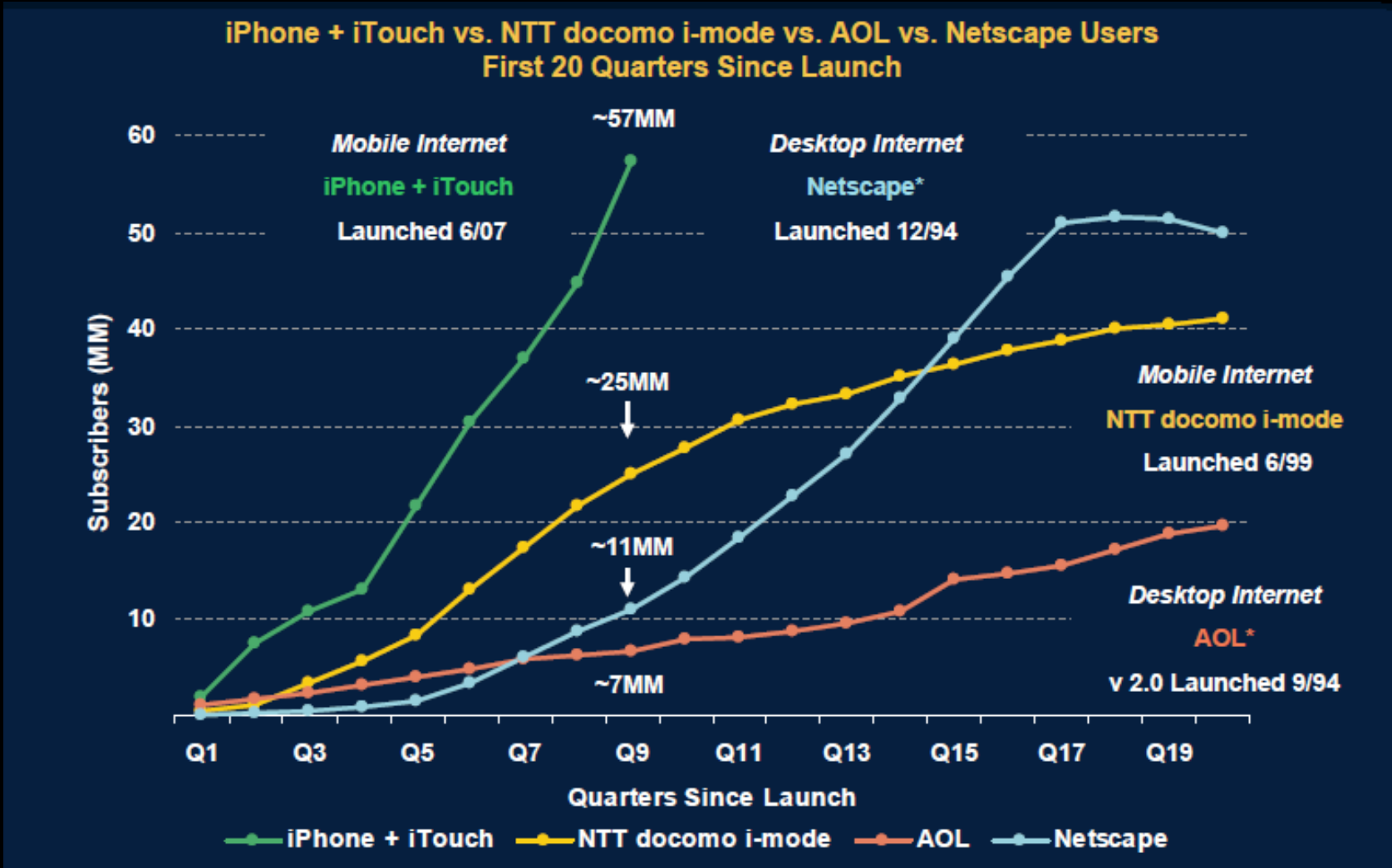
Mobile Internet Computing
2000s





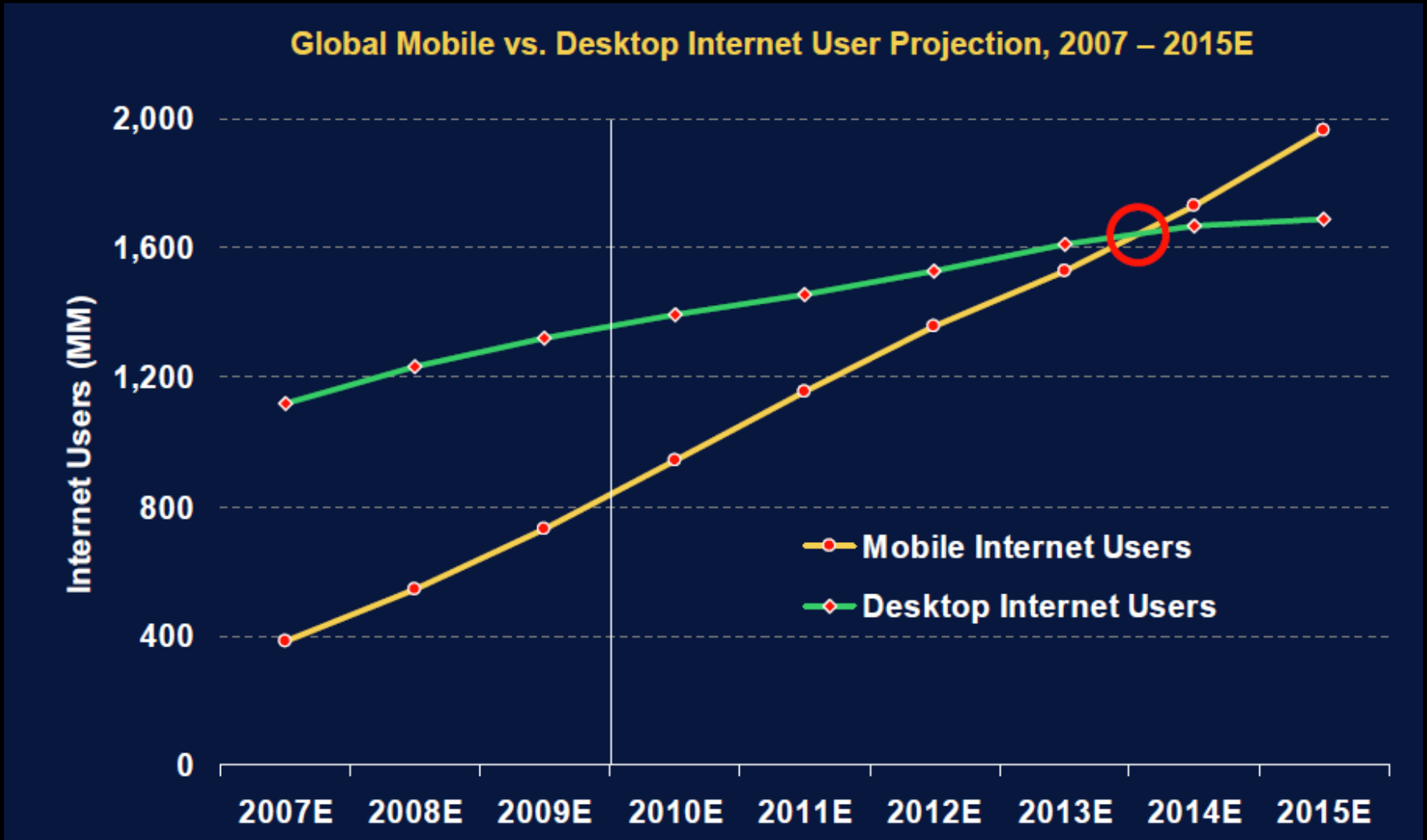
Mobile Internet outpaces Desktop Internet Adoption

iPhone + iTouch Users = 8x AOL Users 9 Quarters After Launch



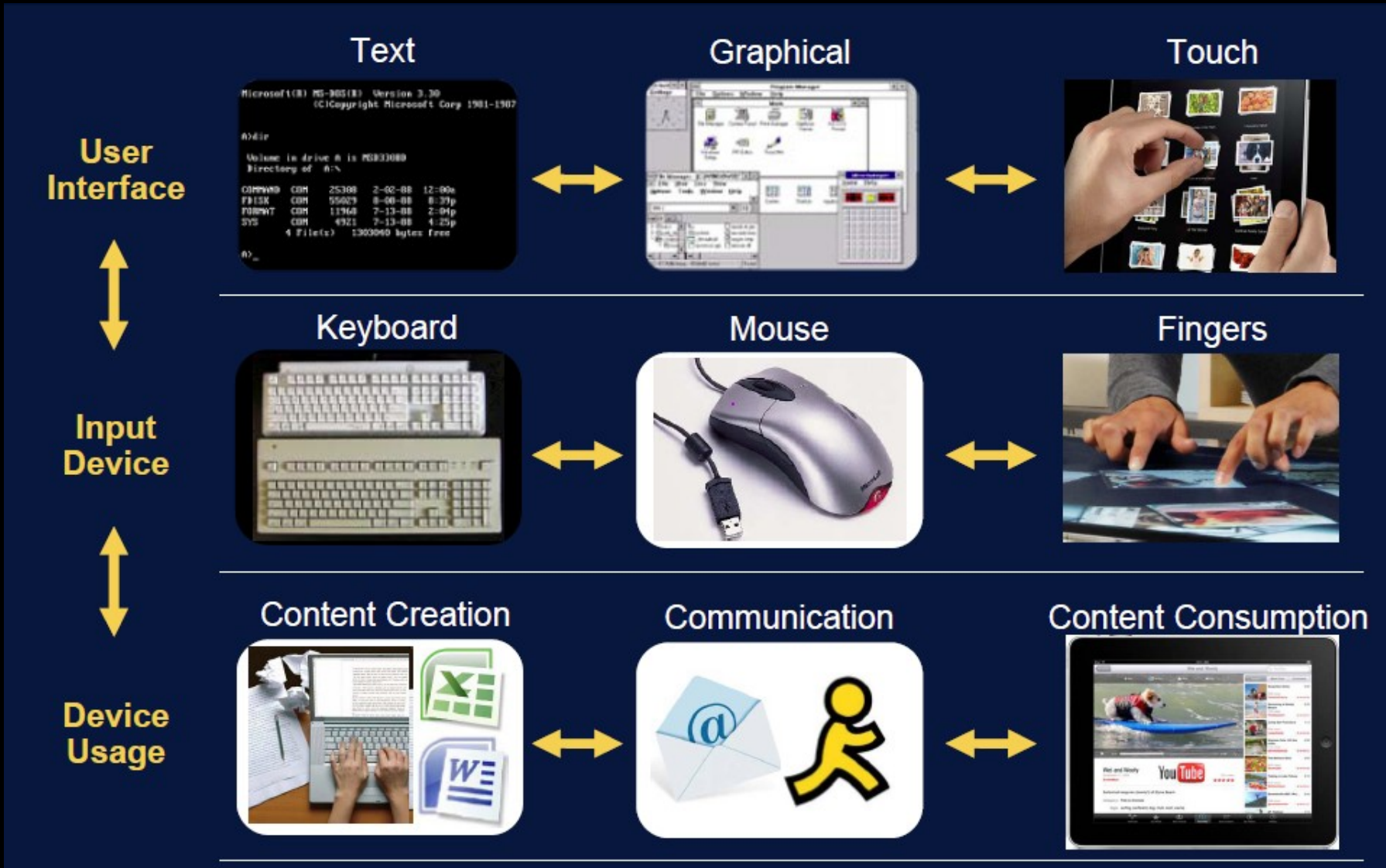


Mobile vs Desktop users





What has been improved ?





Time to market

Print Books
Physical Distribution
circa 200AD



eBook on Phone / Kindle
Wireless Delivery in 60 sec
circa 2007



**Analog
Cassette**
circa 1970s



**Physical
Audio CD**
circa 1990s



**Digital Audio
Streaming on
Mobile Phones**
circa 2008



Nintendo GameBoy
Physical Cartridge
circa 1989



Digital Games Purchase
Over 3G / Wi-Fi
circa 2008



**Analog
VHS**
circa 1970s



**Physical
VCD / DVD**
circa 1990s

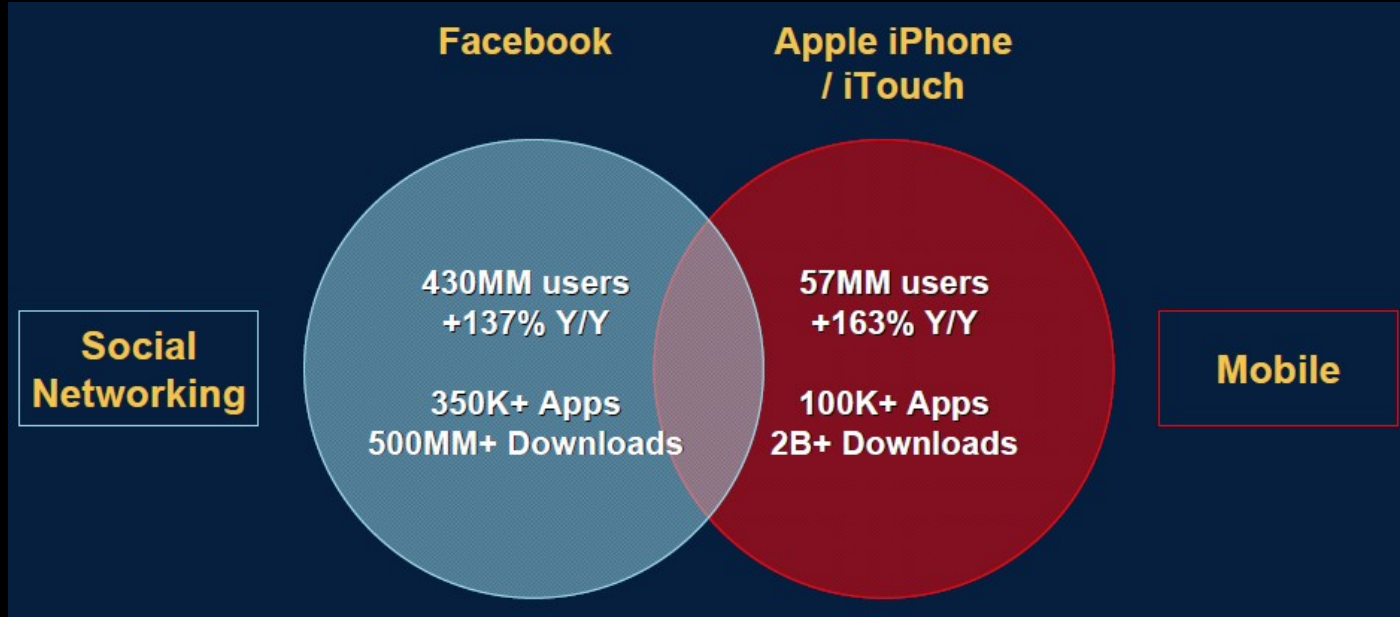


**Digital Video
Streaming on
Mobile Phones**
circa 2008





The two forces social network and iPhone





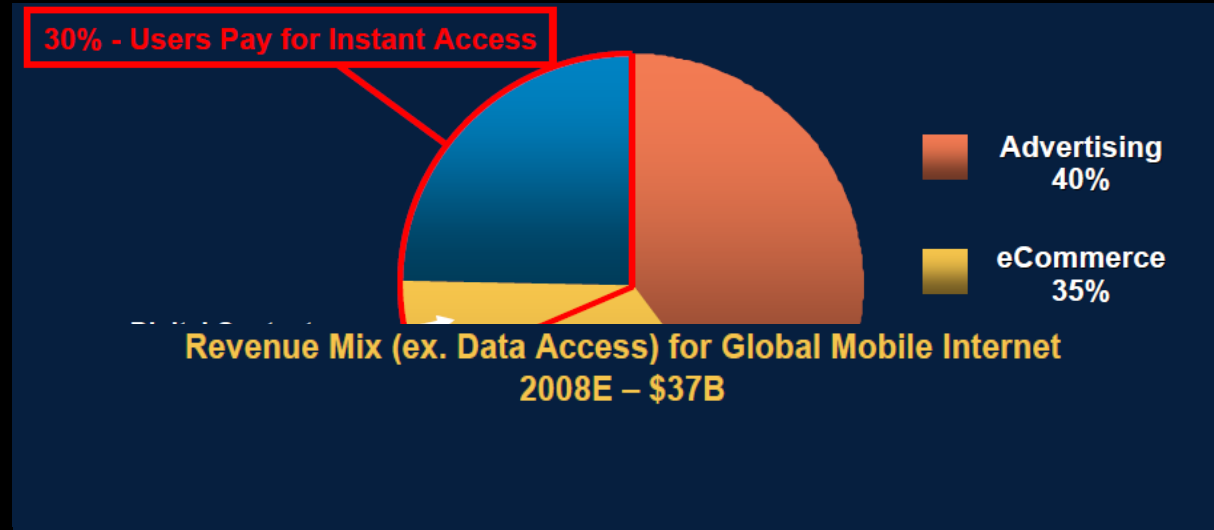
Mobile Augmented Reality





Mobile users are more willing to pay

Revenue Mix for Top 50 Global Internet (ex. Data Access) Companies
2008 - \$91B



Revenue Mix (ex. Data Access) for Global Mobile Internet
2008 - \$37B



Why Are Users Willing to Pay So Much More for Content on Mobile Devices than on Desktop PCs?

Users Are Willing to Pay for Content On Mobile Internet Owing to...

- **Easy-to-Use / Secure Payment Systems**
'Embedded' systems (like carrier billing + iTunes) allow real-time payments;

- **Small Price Tags**

Most content / subscriptions carry sub-\$5 price tags

- **Walled Gardens Reduce Piracy**

Content exists in proprietary environments, difficult to get pirated content onto mobile devices

- **Established Store Fronts**

Carrier decks / iTunes store allow easy discovery / purchase

- **Personalization**

More important on mobiles than desktops

Users are LESS Willing to Pay for Content On Desktop Internet Owing to...

- **Difficult-to-Use / Fragmented Payment Mechanisms That Are More Susceptible to Security Issues**

Too many payment options for vendors / consumers + widespread fraud

- **Often Expensive + Cumbersome to Purchase Legal Content**

\$15+ per movie / DRM protection limits usage

- **Open Internet + Piracy**

Most content in digital formats is available for free (newspaper / pictures) or for illegal download (music / video / applications)

- **Lack of Centralized / Large-Scale Marketplace for Legal Content Discovery / Purchase**

Few players beyond iTunes + Amazon.com



Italy: La Repubblica



ECONOMIA A- A+ [document icon] [email icon] [share icon] | condividi OkNO [social icons]

Il rischio sovrano di alcuni Paesi della fascia meridionale di Eurozona torna a spaventare i mercati europei che chiudono in forte ribasso

Crollano Madrid, Lisbona e Atene Allarme Trichet su deficit Eurolandia

di SARA BENNEWITZ

La caduta dell'indice Dax alla Borsa di Francoforte

MILANO – Il rischio sovrano di alcuni Paesi della fascia meridionale dell'Eurozona torna a spaventare i mercati azionari europei, che chiudono la seduta con i principali indici in forte ribasso: Madrid è crollata del 5,9% e Lisbona del 4,9%. Dopo la decisione del ministero del Tesoro portoghese di ridurre l'importo di un'emissione di titoli di Stato a 12 mesi per contenere l'impennata dei rendimenti lordi annui, gli spread sui Cds (Credit default swaps, un contratto swap che viene utilizzato come polizza assicurativa per il sottoscrittore di un'obbligazione) relativi al Portogallo hanno raggiunto livelli record.

Non migliora il clima generale il dato sulle richieste dei sussidi di disoccupazione negli Usa nella settimana chiusa il 30 gennaio, peggiore delle attese, cui è seguito l'avvio negativo di Wall Street. Così le Borse d'Europa chiudono tutte in forte calo. Oggi inoltre il presidente della Bce, Jean-Claude Trichet, [ha ricordato](#) che diversi Paesi in Eurolandia devono confrontarsi con deficit di bilancio sempre più ampi. Un'allusione che ha fatto pensare alla Spagna, alla Grecia e al Portogallo, facendo tremare i rispettivi listini azionari. Tuttavia Trichet ha anche sottolineato che la Bce "approva gli obiettivi di medio termine fissati dal governo greco per portare il deficit sotto il 3% del Pil nel 2012", aggiungendo che le misure annunciate "sono un passo nella giusta direzione", ora occorre che "gli obiettivi vengano raggiunti".

A fine giornata Wall Street ha chiuso in forte: il Dow Jones ha ceduto il 2,61% a quota 10.002,18. Peggio il Nasdaq che ha perso il 2,99% finendo a 2.125,43 punti.

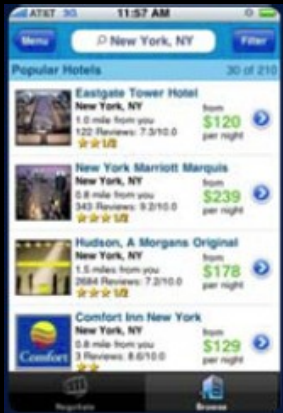
Messaggio pubblicitario



Mobile Revolutionizing Commerce

- **Location-Based Services** – Enable real-time physical retail / service opportunities
- **Transparent Pricing** – Instant local + online price comparison could disrupt retailers
- **Deep Discounts** – Invitation-only time-based selective sales gaining traction
- **Immediate Gratification** – OTA (over-the-air) instant digital product + content delivery

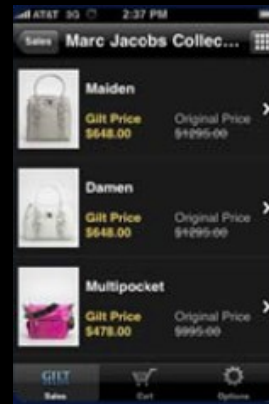
Location-Based Services
Priceline.com
iPhone App
 Finds hotel deals in your area



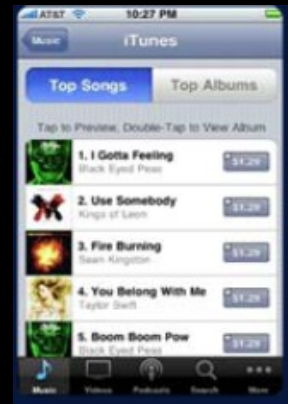
Transparent Pricing
ShopSavvy Android App
 Comparison shopping among online + local stores



Deep Discounts
Gilt iPhone App
 Designer handbags Up to 70% Off



Immediate Gratification
iTunes Store on iPhone
 Music / video / apps delivered wirelessly





Location-Based Services

Zipcar Combines Mobile Internet + GPS to Disrupt Car Rental Business

- Free app allows users to find Zipcars / reserve Zipcars / unlock Zipcars with iPhone (25% of Zipcar members are also iPhone users, per Zipcar survey).
- App engages GPS and Google Maps to display available Zipcars near current location / near any location you search, making results more relevant.
- Make reservations online while on-the-go (uses payment information from Zipcar.com member profile) / unlock car using iPhone.

Find the Zipcar Closest to You



Sort Zipcars Based on Time Availability / Model



Review / Reserve the Zipcar You Want at the Right Price



Unlock the Zipcar Using Your iPhone

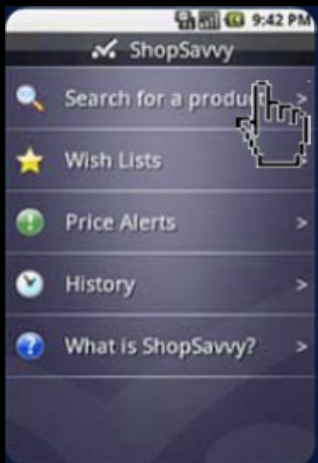




Transparent Pricing - Likely to Disrupt Retail

- ShopSavvy app allows mobile users to scan product barcodes (using mobile digital camera) and retrieve best pricing information from web + local stores in <30 seconds.
- For web results, user can go to site or email link to friends...for local results (via GPS / cellular tower geo-locating), user can see store locations / get directions / call stores.
- Additional functions include price alerts (notifies user when price is cheaper / hit user's preset price target) / wish lists / search history.

**Step 1:
Tap Search**



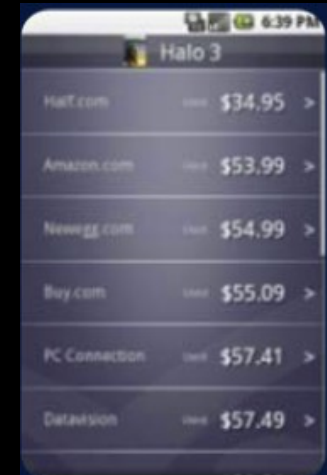
**Step 2:
Scan Barcode**



**Step 3:
See Results**



**Step 4:
Click to Buy**





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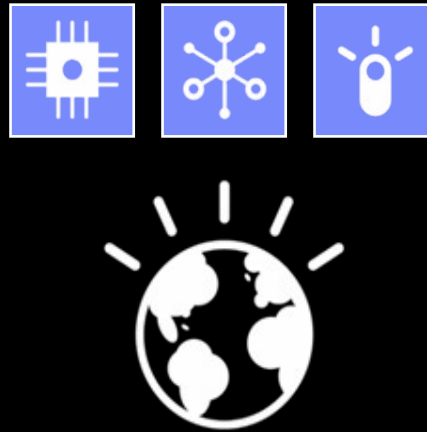


Evolution of the Smarter Planet (2.0)



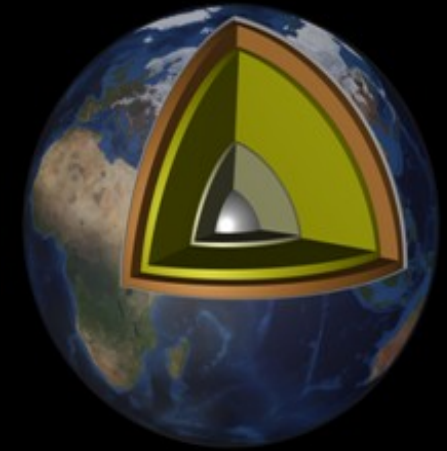
Smarter Planet (Past)

Distinct physical, people, IT and business worlds



Smarter Planet (Present)

Instrumented, interconnected, and intelligent in the physical world



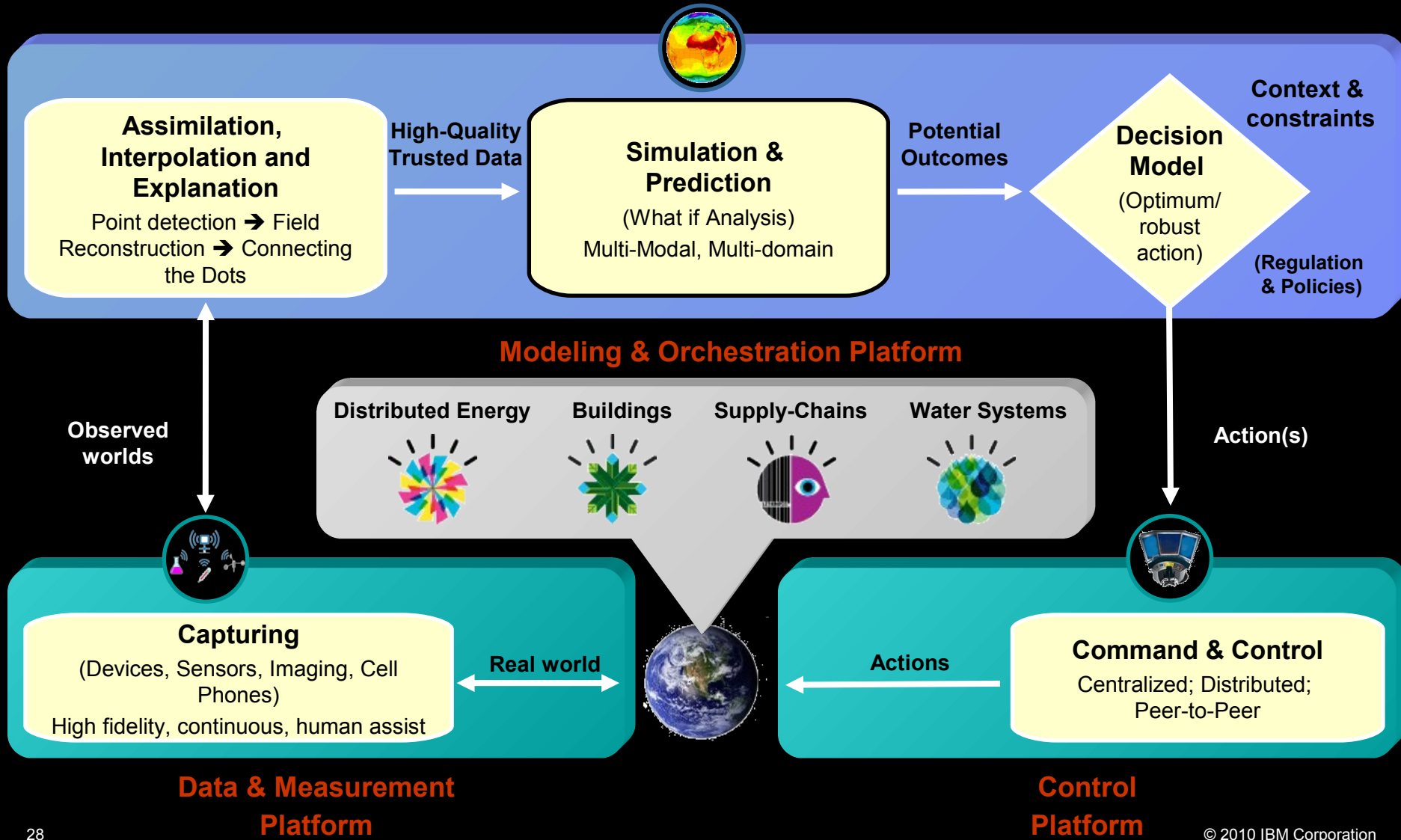
Smarter Planet (Future)

Interactive, interconnected & interdependent, digitally represented world

- Interconnected and interdependent behavioral models optimize Smarter Planet solutions
- Dynamic capture and assimilation of data using closed-loop models for prediction & response
- Individual and community behaviors & preferences leveraged for improved business outcomes



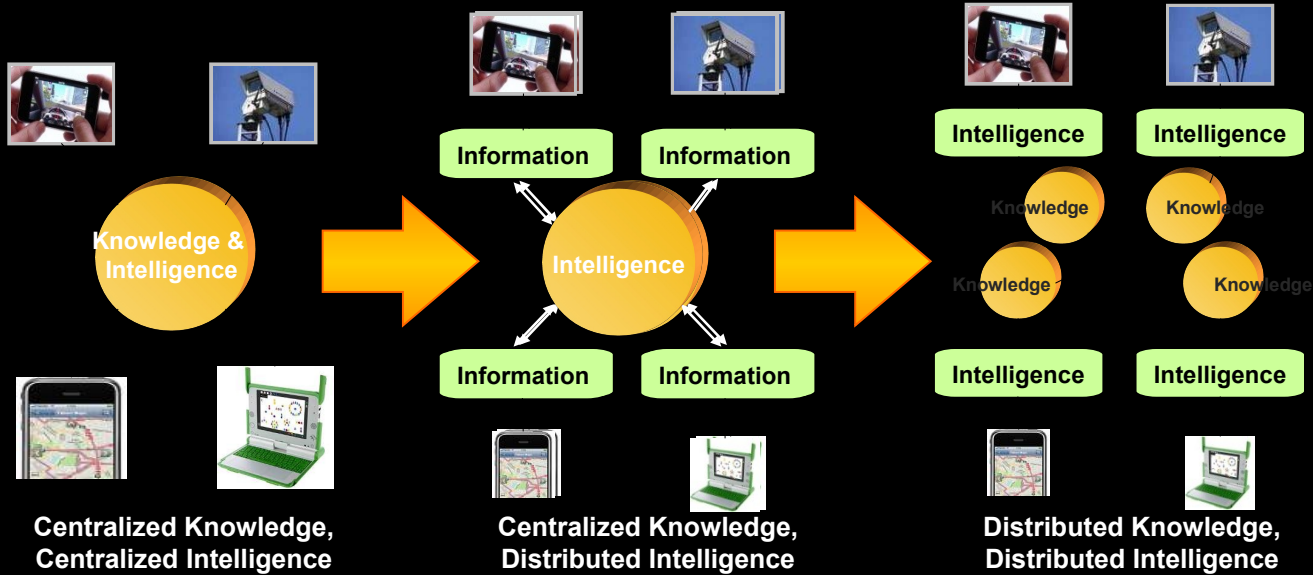
Interconnected and interdependent behavioral models will provide the intelligence to predict outcomes





Real-time Web

Enabling ambient awareness & situational intelligence



Examples of real-time Web for smart interactions



Real-time search



Real-time microblog



Live streaming mashup



Emerging early diagnosis

Improved observation of the body's before clinical symptoms appear.

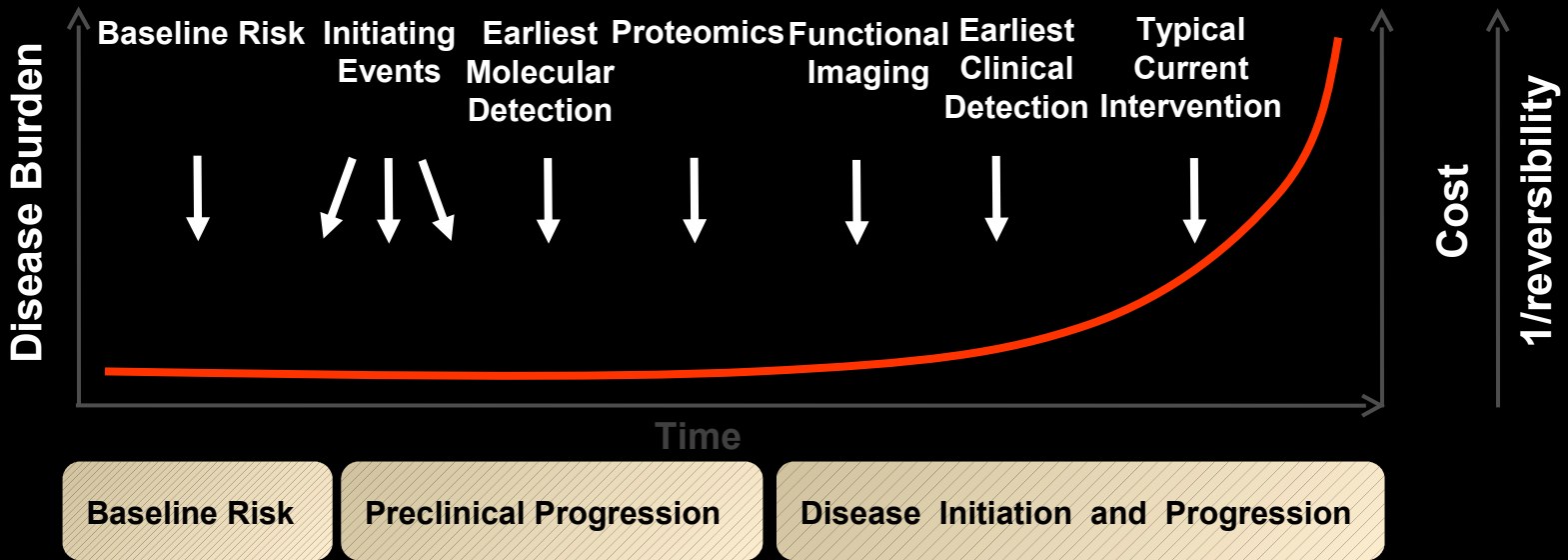
Decision Support Tools to Help

Assess Risk

Refine Assessment

Predict/Diagnose

Monitor Progression
Predict Events
Inform Therapeutics

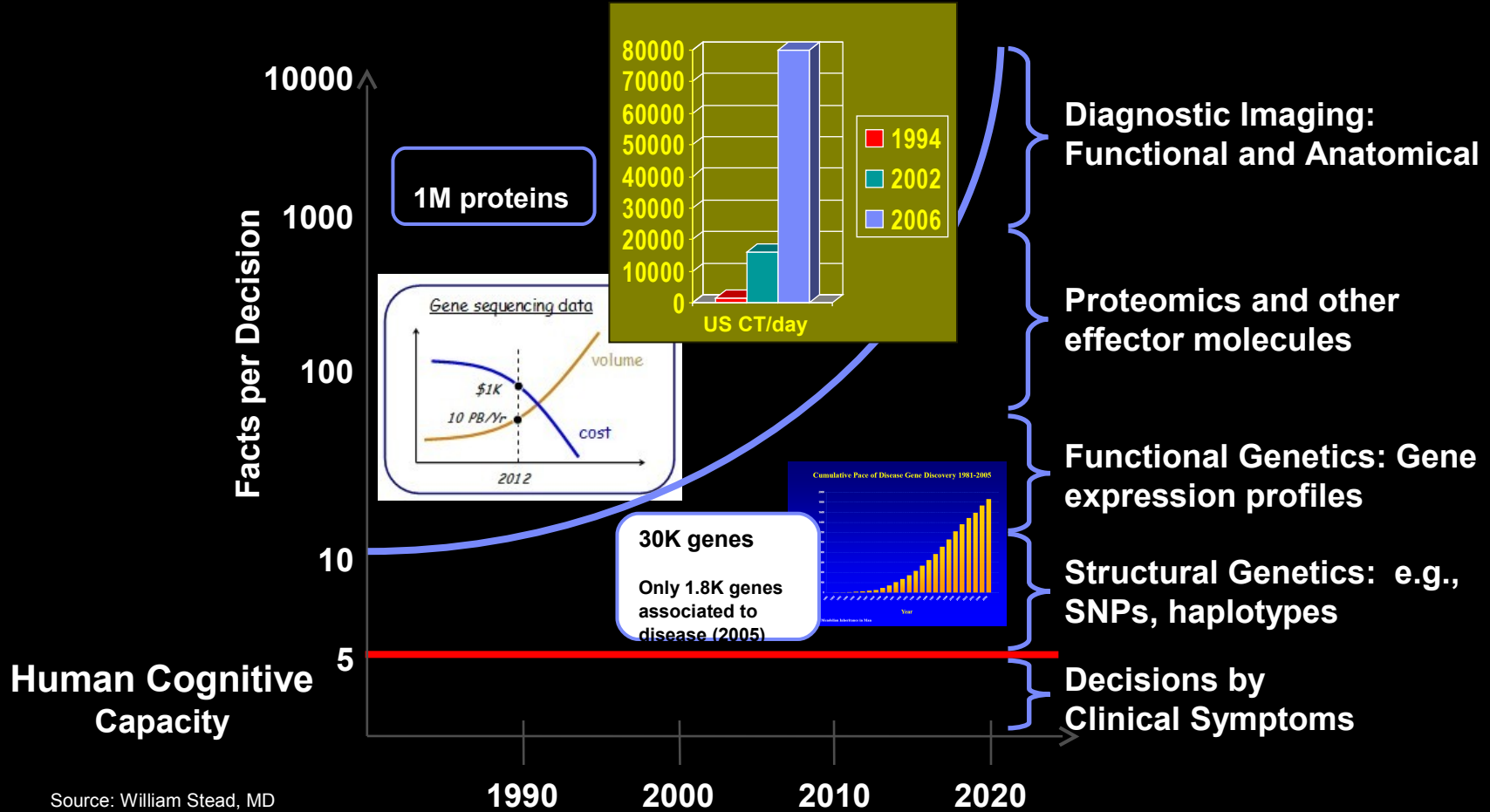


Early intervention results in improved outcomes and lower costs



New diagnostics

complicate decision lead to data explosion and cognitive overload

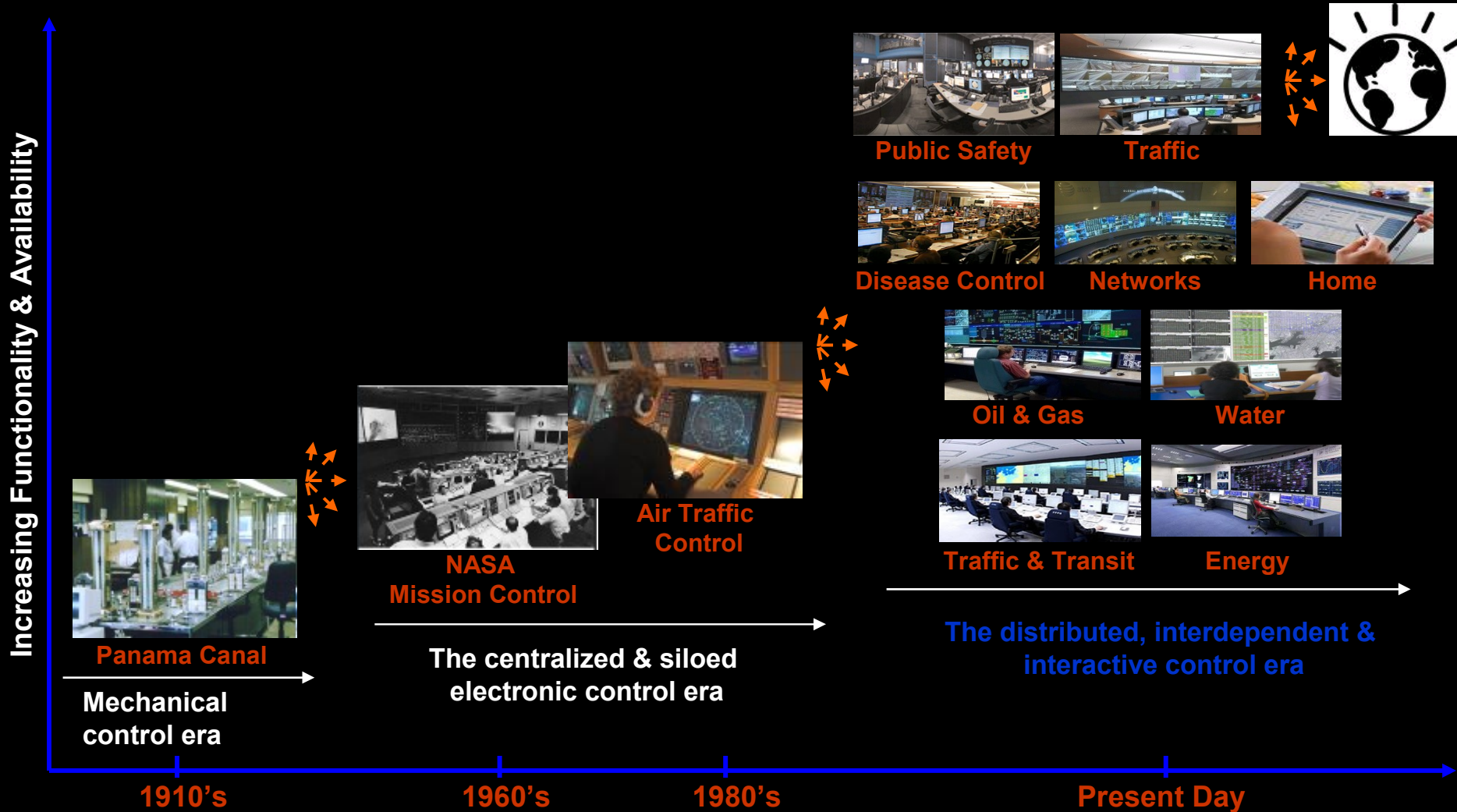


Source: William Stead, MD

Multiple treatment options, liability issues, affordability and conflicting evidence, are also sources of cognitive overload. IT is key to simplifying decision making at the point-of-care



Evolution of control platforms

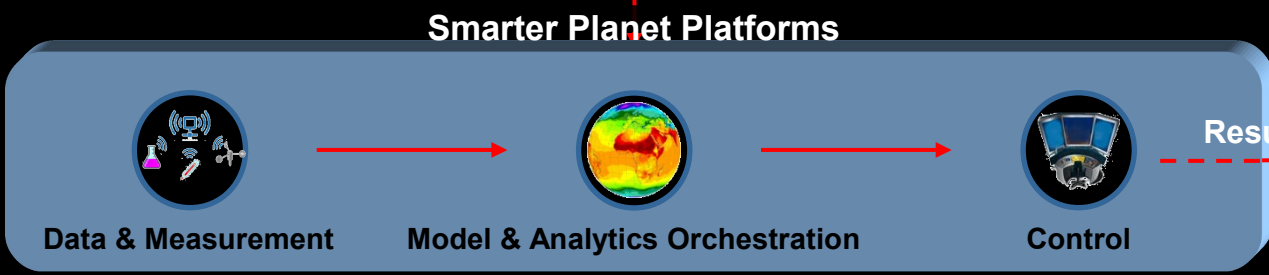




Smarter Energy - model-driven optimization enables to increase electricity (>20%) generated as renewable energy



Management of intermittent energy generation
 Real-time model-driven control framework to manage and integrate renewable energy into the grid infrastructure



Spain's Electrical Grid
 Incorporates 20% of Intermittent Energy

Real-Time Visibility

Country-Wide Measurements Every 12 secs
 Active & Reactive Power
 Voltage & Connectivity,
 Temperature, Wind Speed

Behavioral Models

Real Time Modeling & Risk Assessment
 Data Models & Assimilation
 Weather Models
 Wind and Solar Forecast
 Consumption Forecast

Interconnected Control Centers

30+ Control Centers

Management & Control
 Optimal Unit Commitment
 Supervision & Control of Energy Generators





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New users interaction

g-speak is a spatial
operating environment:
a new computing platform.

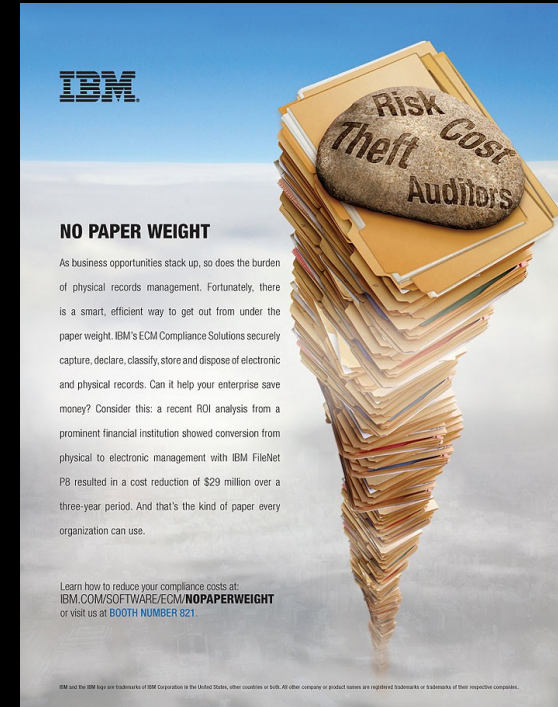
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o b l o n g i n d u s t r i e s



Some early takeaways (next 12 months initiatives)

Next steps in Enterprise Systems



NO PAPER WEIGHT

As business opportunities stack up, so does the burden of physical records management. Fortunately, there is a smart, efficient way to get out from under the paper weight. IBM's ECM Compliance Solutions securely capture, declare, classify, store and dispose of electronic and physical records. Can it help your enterprise save money? Consider this: a recent ROI analysis from a prominent financial institution showed conversion from physical to electronic management with IBM FileNet P8 resulted in a cost reduction of \$29 million over a three-year period. And that's the kind of paper every organization can use.

Learn how to reduce your compliance costs at: IBM.COM/SOFTWARE/ECM/NO PAPERWEIGHT or visit us at **BOOTH NUMBER 821**.

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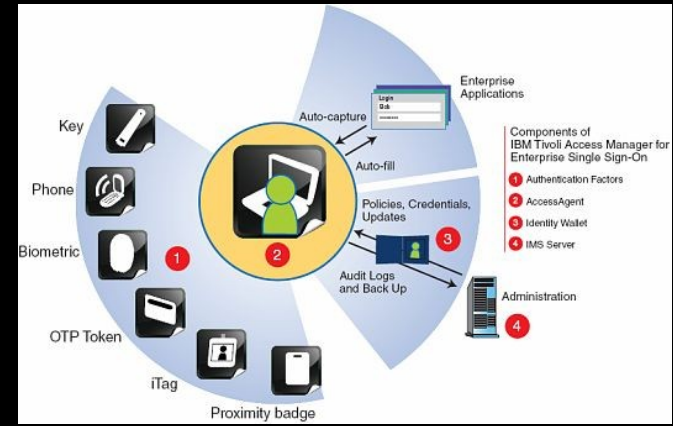
Open Content Management

Consumerized Applications



Multi-Channel Communications

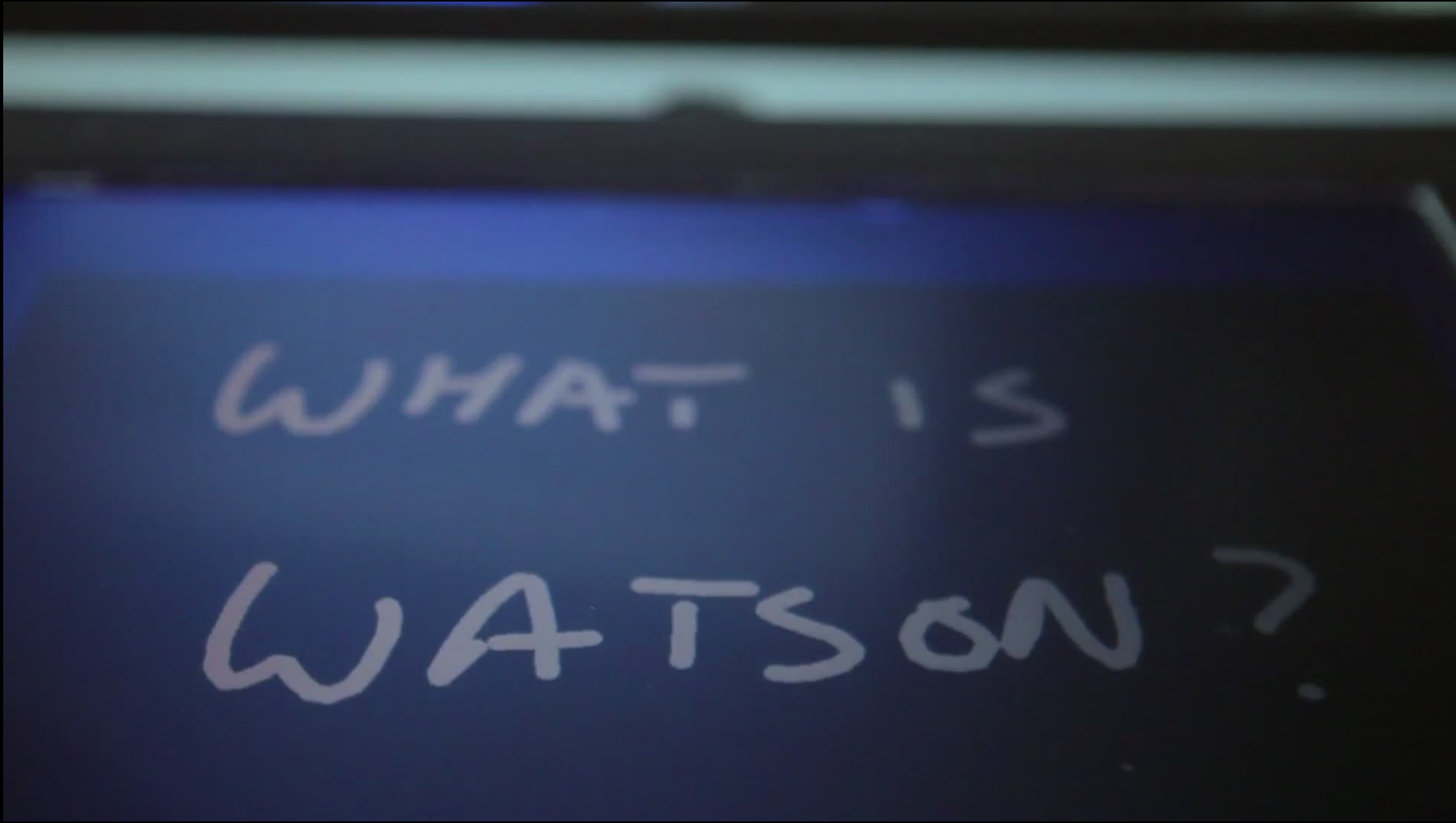
Hyperactive Directory



Next-Generation security



New Intelligence (Turing test)





A good hockey player plays where the puck is. A great hockey player plays where the puck is going to be.

Wayne Gretzky





Let's make our company a great company and our country a great country.

Please fasten the seat belt it is going to be an exciting trip in the next 10 years