

IBM Social Business Industries Symposium

Get Started. Get Results.

Sponsored by *Wired Magazine*

Orlando, Florida – January 31 & February 1, 2011

Why be a Social Business

Mike Rhodin

Senior Vice President, IBM Software Solutions Group



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The world is changing, and becoming more...



Instrumented

smartphone shipments will
outpace PCs by 2012



Interconnected

social networking accounts
for 22% of all online time

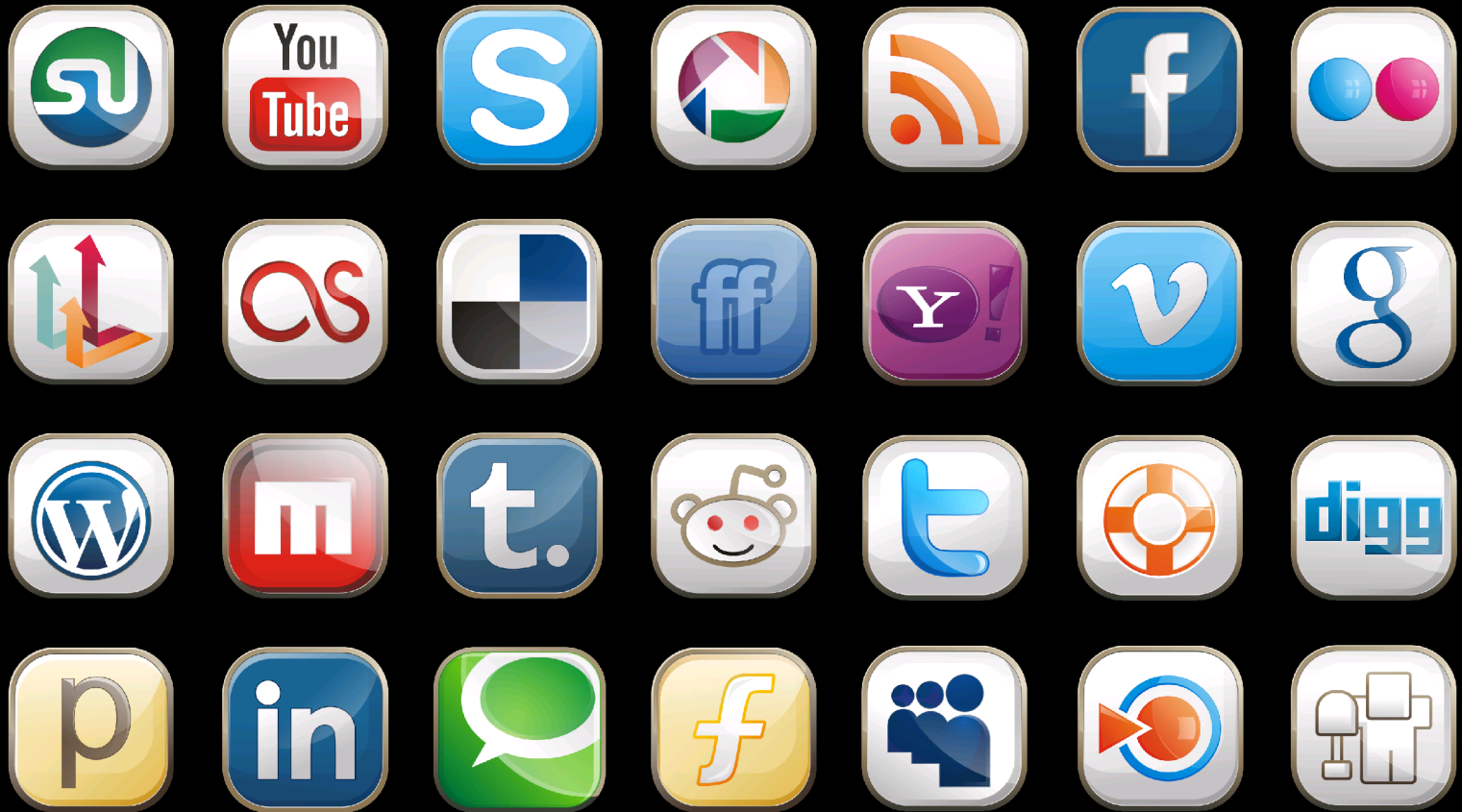


Intelligent

the social data analytics opportunity
will grow to 1 Zettabyte by 2011



A Social Media Revolution



The world is changing

Of nearly 1700 executives surveyed by McKinsey

74% integrating Web 2.0 with customer interaction

75% integrating Web 2.0 into employee day-to-day activities

71% integrating Web 2.0 with partner/supplier interaction



An organization's business network is a system of people that is fundamentally changing from the ground up...

Employees:

are using social media in all facets of their lives, including work

Customers:

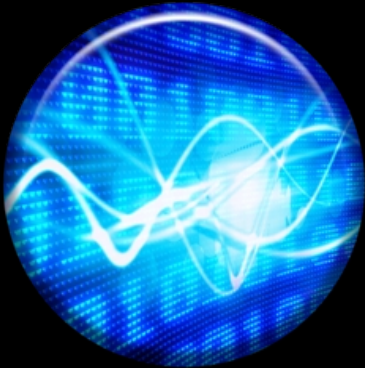
are leading the conversations that define brands

Competitors:

are crowd-sourcing ideas to bring new solutions to market

...demanding a new approach

Analytics



Help clients turn data into information and information into insight that drives ***smarter business decisions***

Systems Thinking



Need to acknowledge that complexity comes from interconnected systems – a ***system of systems***

Collaboration



Clients can use social software to get closer to their customers, but must also transform internally, to ***social businesses***

Social Business



On a smarter planet, people are transforming the way they interact... and this transformation is impacting the way business is being done

Why Social Business matters...

95% of standout organizations will focus more on “getting closer to the customer” over the next 5 years.

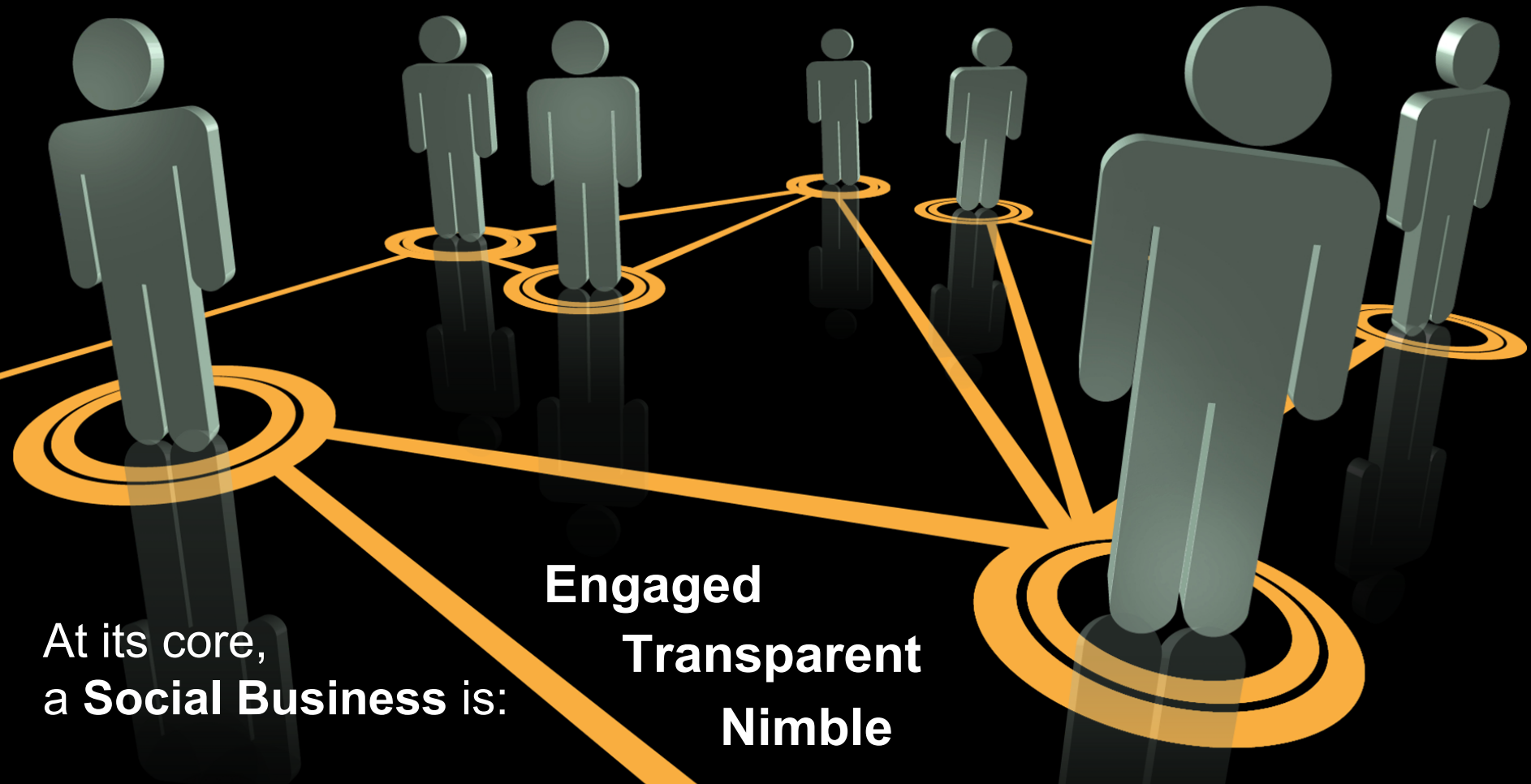
– IBM CEO Study 2010

Standout organizations are **57%** more likely to allow their people to use social and collaborative tools.

– IBM CHRO Study 2010

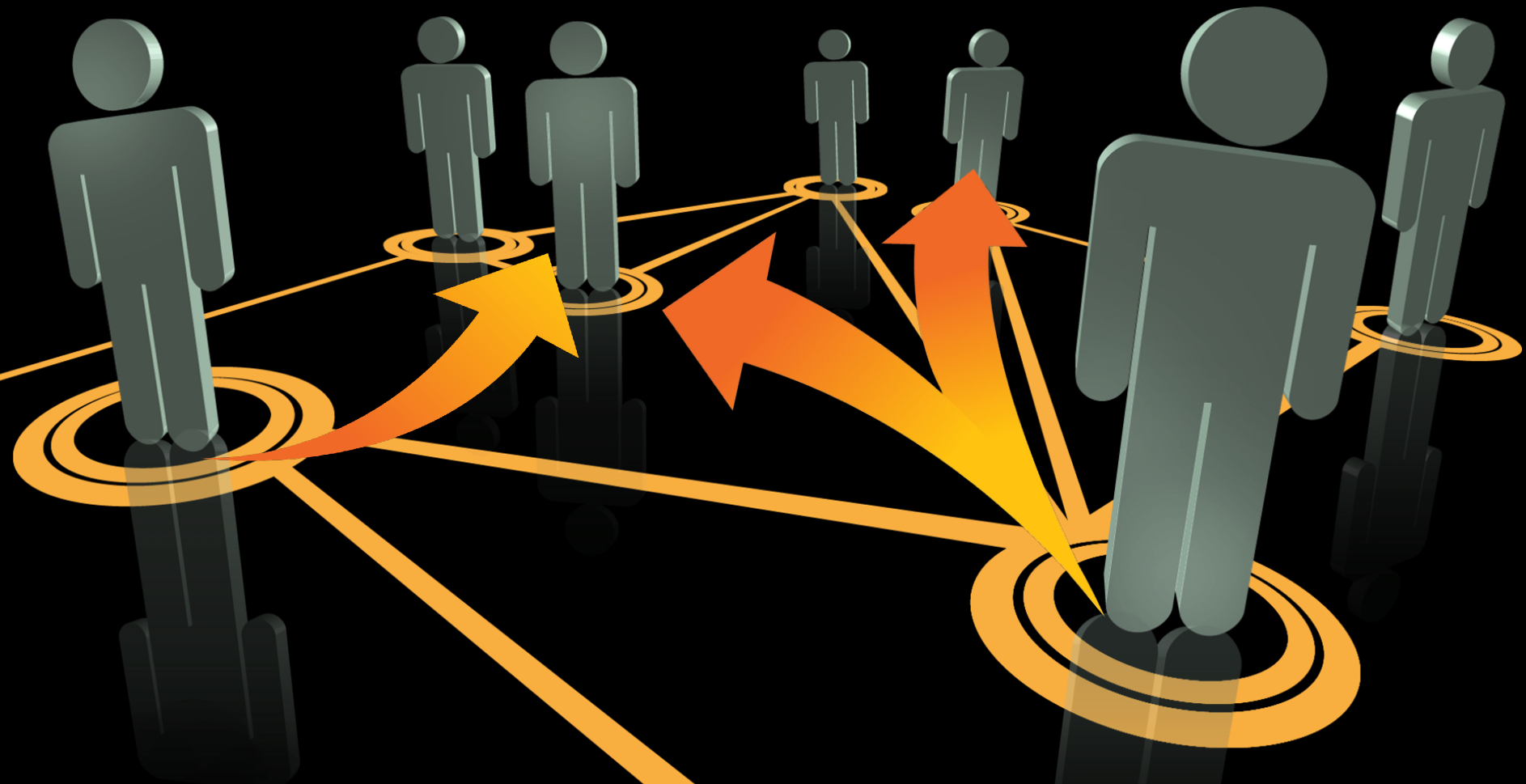


A Social Business
embraces networks of people to create business value



Engaged

Connecting people – whether customers, partners or employees – as networks to drive innovation



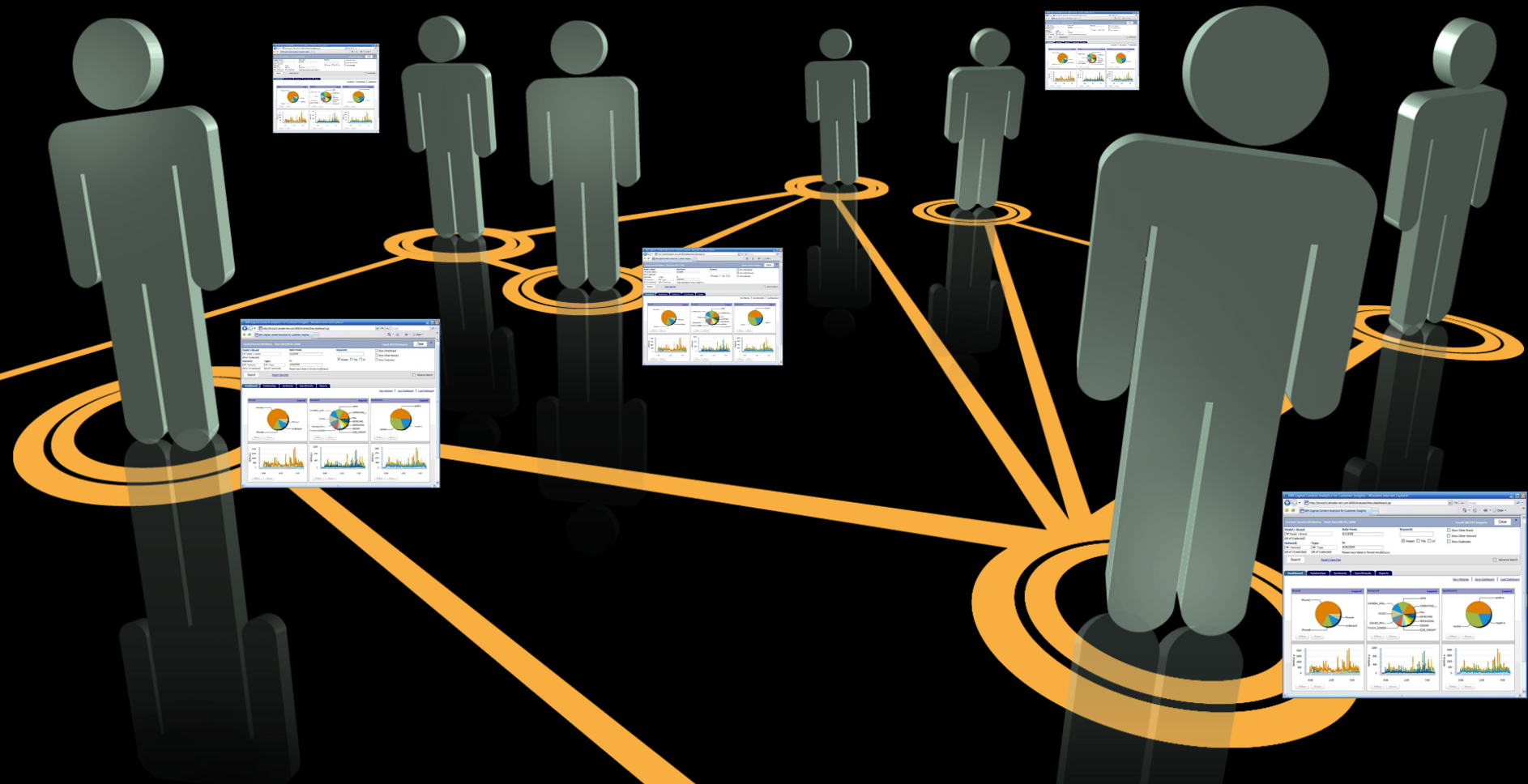
Transparent

Removing unnecessary boundaries inside and outside the organization to allow your people and culture to reflect your brand and your values



Nimble

Leveraging these networks to speed up business, gain real-time insight and make quicker and better decisions



Smarter Commerce



Smarter Commerce is a smarter way for companies to buy, sell, and market their products, by integrating operations and enhancing interactions through community, collaboration, process, and analytics - all within an industry context.

Why Smarter Commerce matters...

85% of CEOs want to gain more visibility into their businesses

– IBM CEO Study 2010

57% of CEOs want to better understand customer needs

– IBM CHRO Study 2010



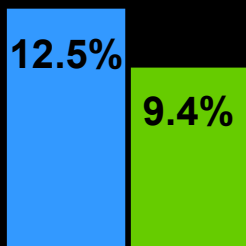
Business Analytics & Optimization



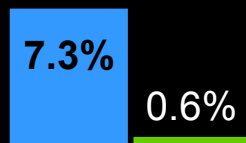
“Business analytics is the key to enabling our clients to turn oceans of data into predictive models and actionable decisions.”

Why analytics matters...

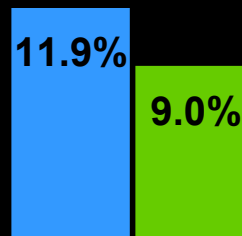
33% more
Revenue
Growth





> 12x more
Profit
Growth



32% more
Return on
Invested Capital



 Finance organizations with business insight
 All other enterprises

Source: IBM Global Business Services, The Global CFO Study 2010
Revenue, EBITDA Growth: 5 yr CAGR ('04-08); ROIC: 5 yr Avg (04-08)

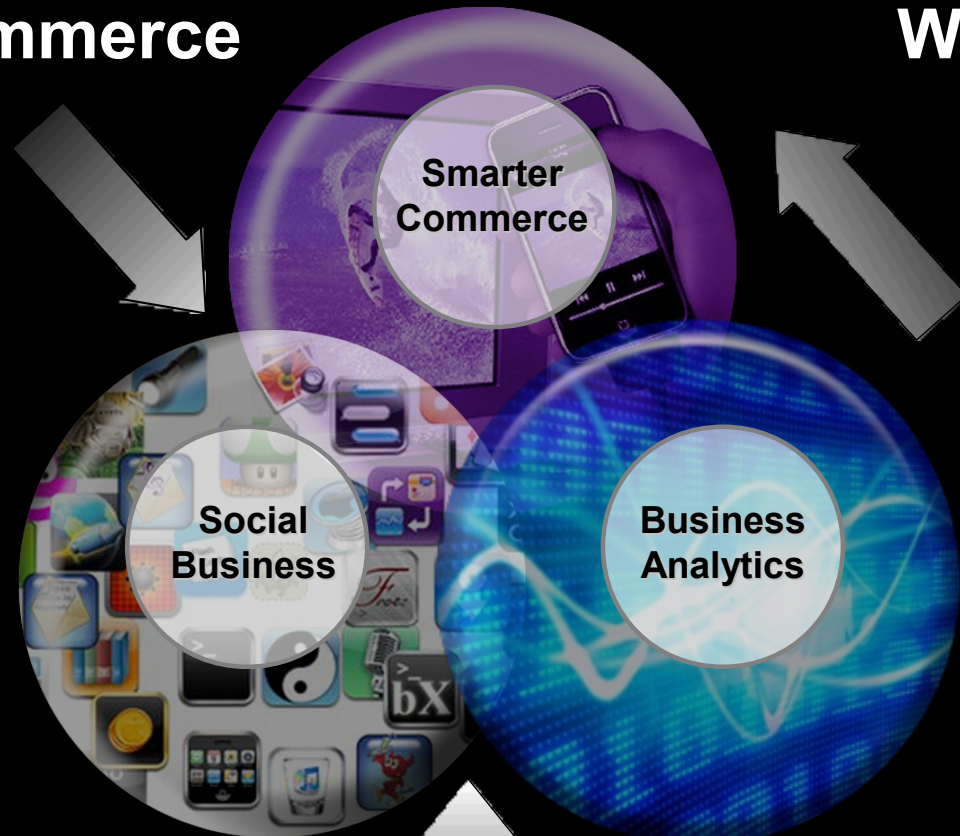
ADVANCED ANALYTICS
INNOVATION
COLLABORATION
TRANSFORMATION
CLOUD



New Market, New Solution Spaces

Social Commerce

Web Analytics




**Smarter
Commerce**

**Social
Business**

**Business
Analytics**

Sentiment Analysis



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Jon Iwata

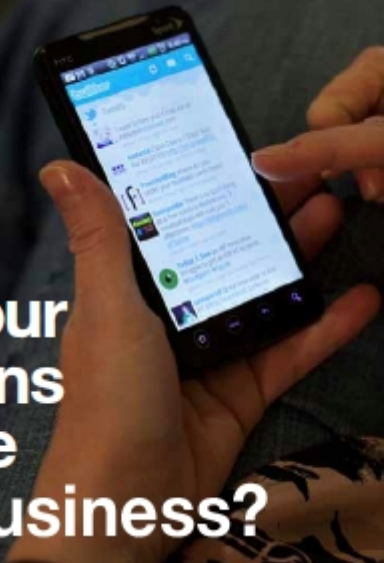
Senior Vice President, IBM Marketing & Communications





What are the advantages of having so many employees active in social media?

How do we engage our customers through social media in ways that create real business value?

A close-up photograph of a person's hand holding a black smartphone. The screen displays a social media feed with various posts, including text and small images. The background is dark and out of focus.

What must change in our organizations to capitalize on social business?

What must change about our leadership — in an era where our organizations' actions are visible to so many, so quickly?

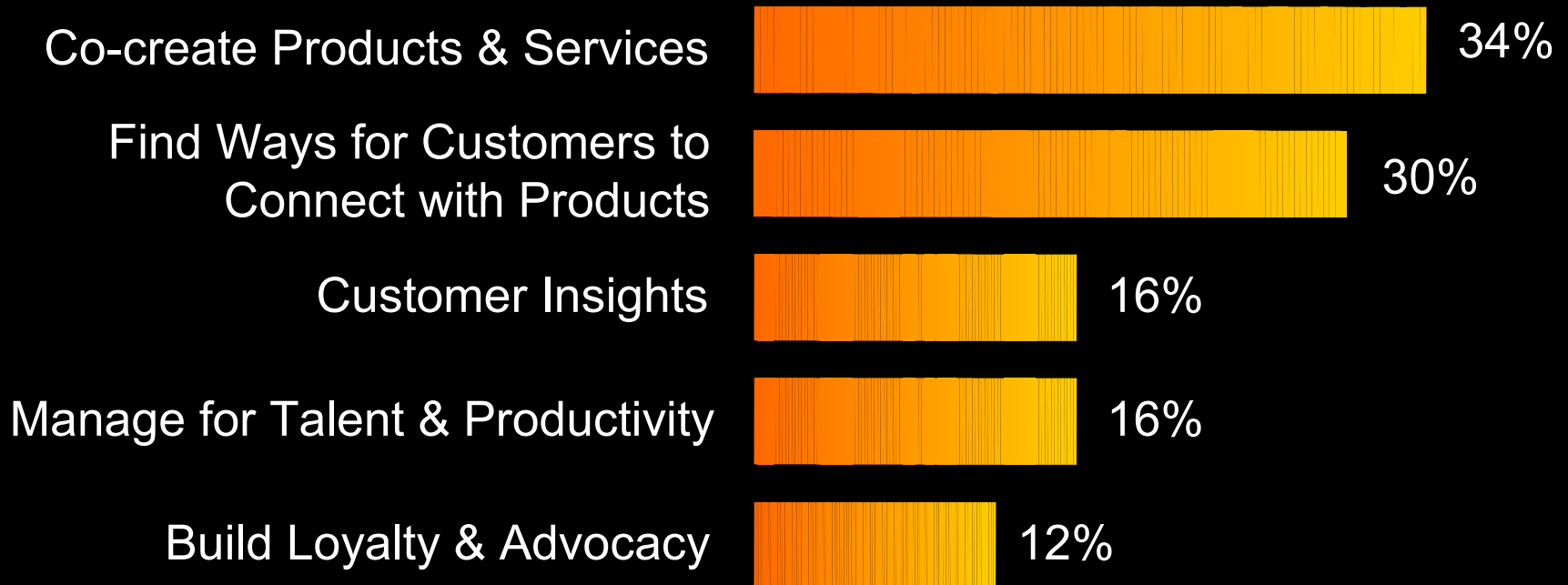
IBM Social Media Business Summit



October 27, 2010 | New York City

The value of social media to business

Guidelines that Reference the Value Category



A McKinsey Study
a broad
study of 1,700
executives.

80% of the gains,
were reaped by only
20%
of the companies
in the McKinsey study.

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The difference?

Active management of social
media accounts for half of the
variance in realized gains.



Customers



Loyalists



Prospects



Analysts



Media

external



Recruits



Governments



Suppliers



Critics



Citizens



Loyal
Employees



Disgruntled
Employees



Experts



Research



Development

internal



Marketing



Finance



Operations



H.R.



Citizenship



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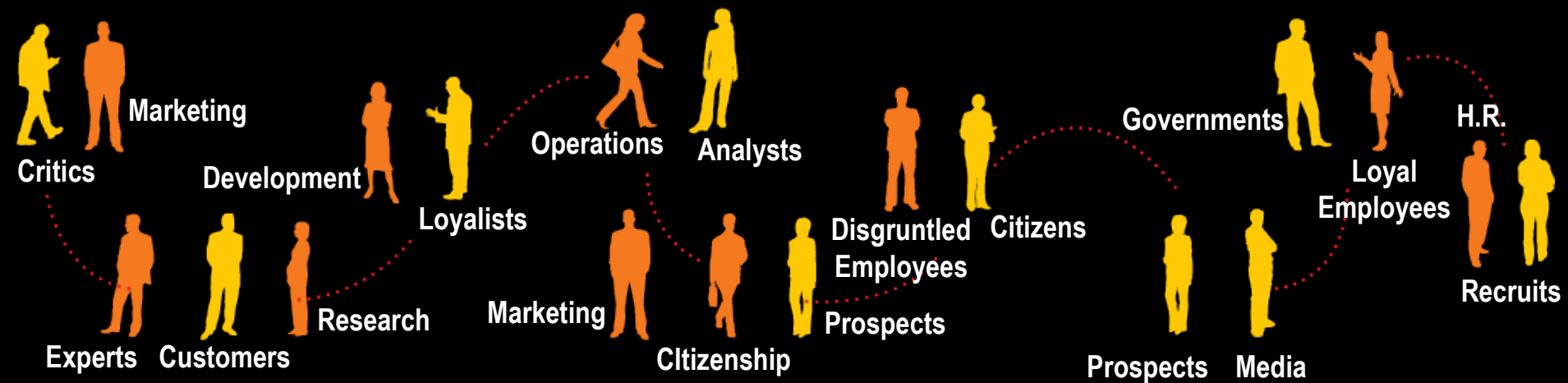
Operations

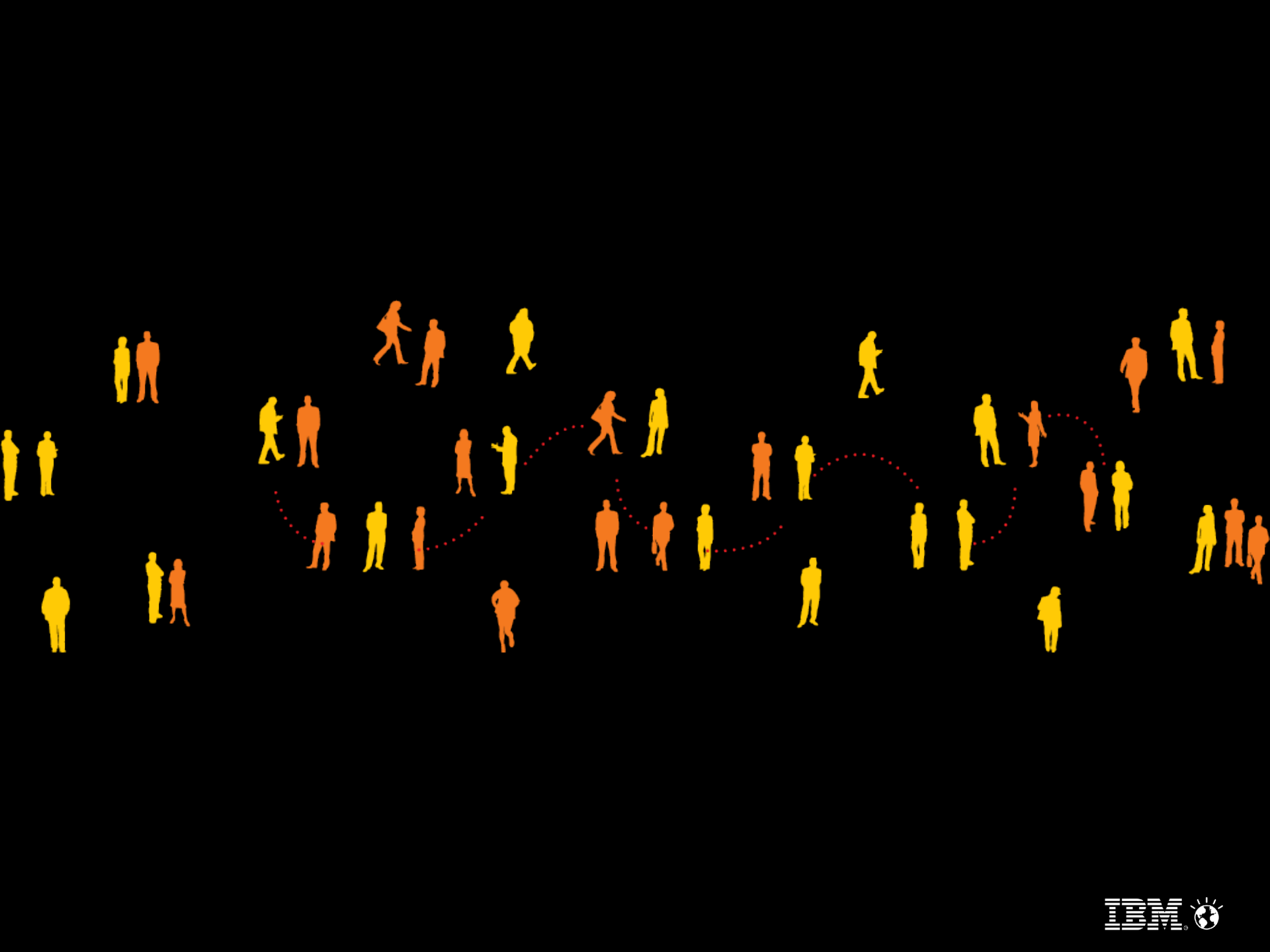


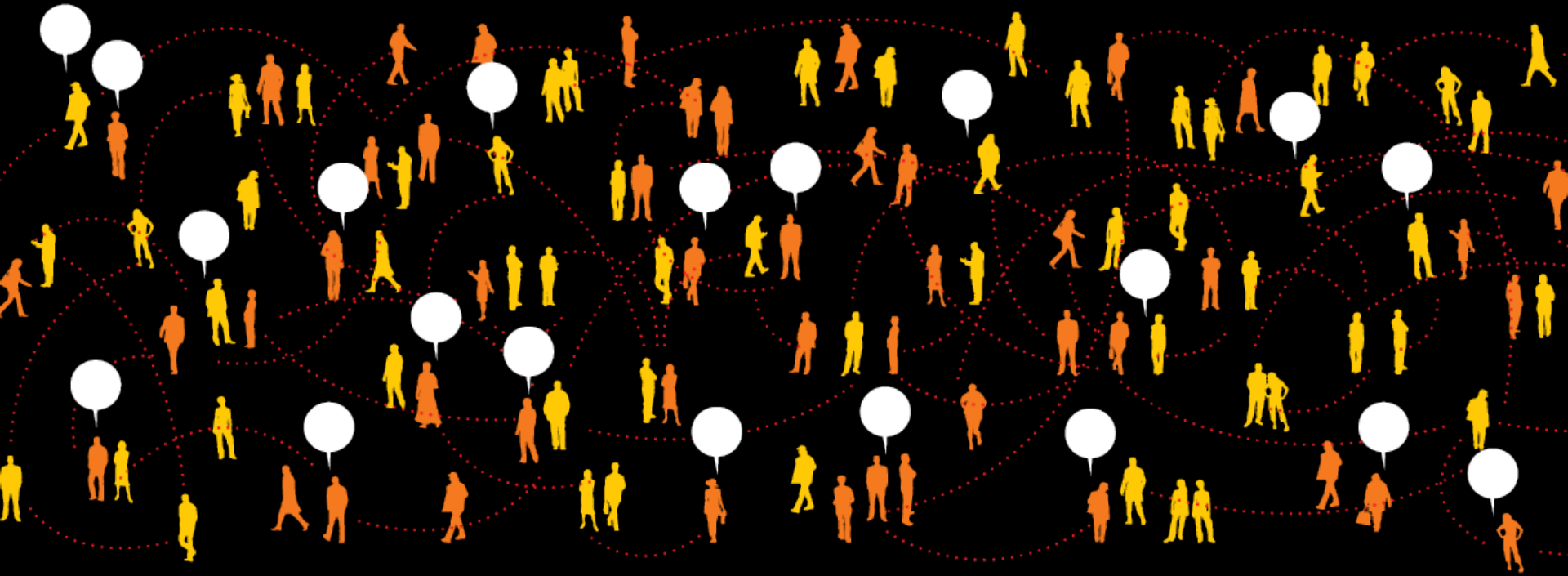
H.R.



Citizenship







The Dunbar Effect

150 

Same tribes
of 150...
but 'media'
magnifies
what they are
thinking. And
those ideas
spread quickly
at scale.



Driving value from
SOCIAL BUSINESS

To get the benefits of social business, you need:

- Secure, scalable technology
- Business outcomes that matter
- Responsible management practices