IBM Performance 2011

Smarter Decisions. Better Results.

Driving Better Business Outcomes with Business Analytics

SerYean Tan
Client Technical Executive, Business Analytics
IBM Asia Pacific

IMPROVE
PROFITS
Operations

IDENTIFY
Human Resources
OPPORTUNITIES

Product
Development

INCREASE
REVENUE

LOWER
COST
IT

Customer
Service

PREDICT
OUTCOMES
Finance

REDUCE
Sales

RISK
Marketing

Analytics
Correlates to Performance

Organizations that lead in analytics outperform those who are just beginning to adopt analytics

Top Performers are more likely to use an analytic approach over intuition*

5.4x

3x

*within business processes

Source: Analytics: The New Path to Value, a joint MIT Sloan Management Review and IBM Institute of Business Value study. Copyright © Massachusetts Institute of Technology 2010.

**Improve Production Capacity
Reduce Buffer Inventory**

Operations

**Optmize Staffing Mix
Benchmark Benefits**

Human
Resources

**Reduce Portfolio Gaps
Reduce Development Risk**

Product
Development

**Reduce Churn
Improve Customer
Satisfaction and Loyalty**

**Strengthen IT Capabilities
Across Business Units**

Customer
Service

Sales

Finance

**Close Deals Faster
Improve Customer Profitability**

Marketing

**Improve Competitive Positioning
Prioritize Profitable Product Delivery
Drive Greater Demand**

**Drive Growth and Profit Through
Resource Allocation
Comply with Confidence**

IBM Performance 2011

Driving Better Business Outcomes Across the Enterprise

$300 Million
in savings
& fraud reduction

From >1% to <0.5%
Reduction in product return rates

$200 Million
increase in
Cash Flow

$24 Million
in reduced waste
and fraud

600% increase
in cross-sell
campaign

40% decline
in homicide
rates

The more you **infuse analytics into your business**, the higher your AQ and **the better you and your business will perform**.

ALIGNED
Collaboration across
business objectives

AWARE
Alert, observant,
informed
and perceptive

AGILE
Highly
responsive
to changing
priorities

AQ HIGH

FOCUSED
Clear understanding of
what's important

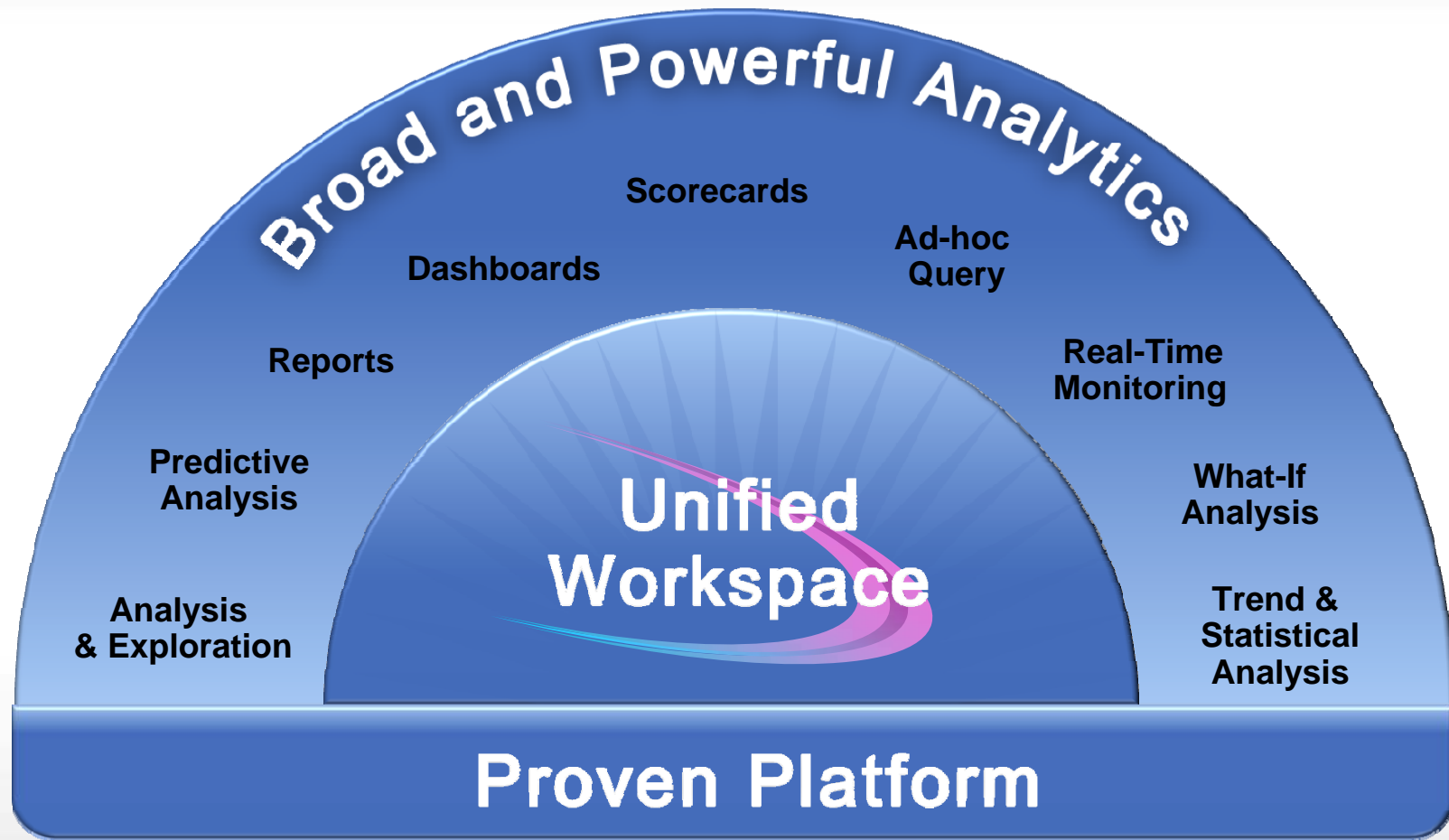**PREDICTIVE**
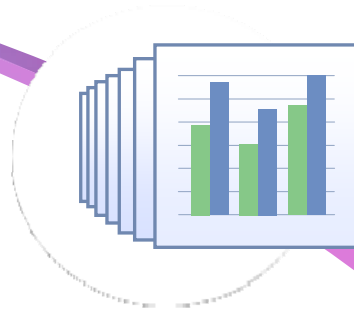Able to anticipate, look forward
and set expectations

Operations

Human Resources

Product Development

IT

WHY?

HOW ARE WE DOING?

WHAT SHOULD WE BE DOING?

Customer Service

Sales

Finance

Marketing

Broad and Powerful Analytics

Unified Workspace

Mobile BI

Operations

Human Resources

Product Development

IT

Customer Service

Sales

Finance

Marketing

Introducing Cognos Business Intelligence

Broad and Powerful Analytics

Scorecards

Ad-hoc Query

Dashboards

Reports

Real-Time Monitoring

Predictive Analysis

Unified Workspace

What-If Analysis

Analysis & Exploration

Trend & Statistical Analysis

Proven Platform

A Unified Workspace instantly usable by everyone

Unified Workspace

All Time Horizons

Progressive Interaction

Built-in Collaboration

Office Depot gains greater perspective…

All Time Horizons

- Historical

- Real-time

- Predictive

"If we can identify customer buying patterns, forecast demands for a specific product and get it on the shelves at our stores faster, we'll be more profitable as a business. With IBM analytics software, we're able to identify product sales patterns and buying preferences by store or by customer segment."

**BrianWood,
Senior Manager,
IT Enterprise Intelligence Systems**

Office DEPOT

Boeing achieves greater freedom for business and IT…

Progressive Interaction

- Explore

- Discover

- Query & Analyze

"*We don't want our users to have to rely on us to solve every problem they have. We couldn't keep up with demand. So, the ability that Cognos offers is for them to go solve those problems all on their own. We just provide the service of getting the data in the right manner and let them go at it.*

Chris Hamilton
Senior Project Manager

Canadian Blood Services connects people and insights…

Built-in collaboration

- Connect

- Communicate

- Decide

"*I'm very impressed* with the ability to be able to *have a conversation* [collaboration] … and actually be able to *see the information and share it and drill into something when you're having a chat with a colleague.*"

John Mazerall
Data Architect, Manager
Business Intelligence and Data Solutions

Canadian Blood Services
Société canadienne du sang

Layout and Style | Insert | Getting Started Page | « Content | Search

IBM Cognos Business Insight

Create New

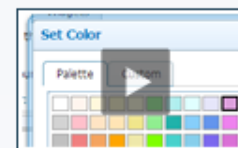**Open Existing**

Favorites

My Workbench

My Finance Workbench

Employee Satisfaction Dashboar ...
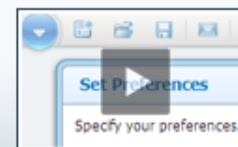
More

How-to Videos

Show all videos

Customize your Dashboard
How to easily customize your dashboard style

Set your Preferences
How to easily set your preferences

IBM Cognos BI for the Mobile Workforce

- **Experience insight wherever you are**
  - Uninterrupted productivity with quick and easy access to analytics anywhere you go

- **Interact with information offline or online**
  - Rich, visual and interactive experience whether you are offline or online

- **Confidently and easily deploy BI to any device**
  - Single authoring and administrative environment to deliver secure, relevant, and reusable content
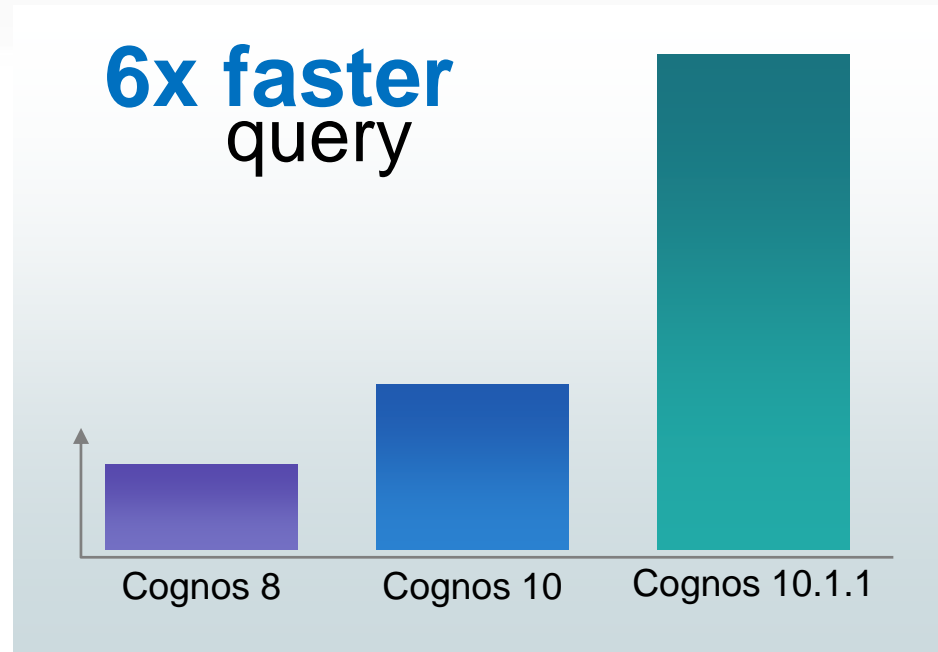
On the road or in the office – same great insight. Simple, reliable, and secure.

6x faster query

2x faster
Business Insight

90% faster
query on
Cognos TM1

Cognos 8   Cognos 10   Cognos 10.1.1

40% faster
query on
Cognos PowerCube

75% faster
query on **SAP NetWeaver**®
Business Warehouse

IBM Performance 2011

13 applications

40,000 report objects

3,500 users

6 days

Business Analytics for Finance

- **Connect Financial and Operational Planning and Forecasting**

- **Identify risks & opportunities with scenario planning**

- **Address new governance mandates**

Connect Financial & Operational Planning with Forecasting

VARIANCE

COMMIT

TARGET

BOOKED

ACTUAL

Customer Service

...tions

...oduct ...elopment

IT

Sales

PRESENT

...nance

FUTURE

ACTUALS

Marke...

BOOKINGS

PIPE

Identify Risks & Opportunities with Scenario Planning
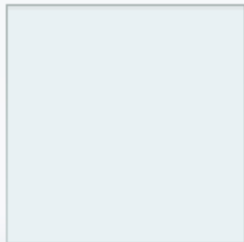
IBM Cognos Business Insight

📊 **Create New**

📂 **Open Existing**

Favorites

To add a favorite, use the add to favorites button ☆ in the application bar, or use the right-click menu on items in the content pane.
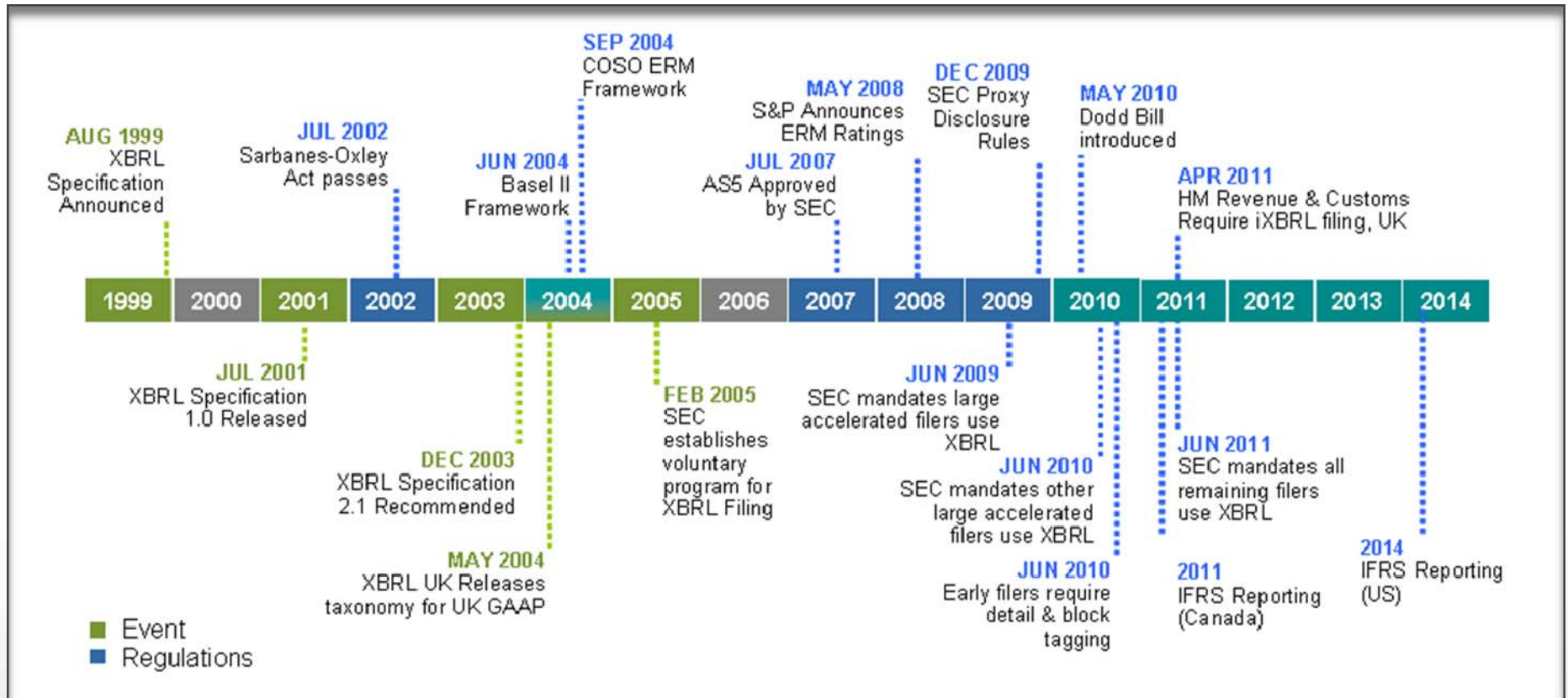
How-to Videos

Show all videos

▶ **Customize your Dashboard**
How to easily customize your dashboard style

▶ **Set your Preferences**
How to easily set your preferences

Regulatory Mandates Demand Attention

AUG 1999
XBRL Specification Announced

JUL 2001
XBRL Specification 1.0 Released

JUL 2002
Sarbanes-Oxley Act passes

DEC 2003
XBRL Specification 2.1 Recommended

JUN 2004
Basel II Framework

SEP 2004
COSO ERM Framework

MAY 2004
XBRL UK Releases taxonomy for UK GAAP

FEB 2005
SEC establishes voluntary program for XBRL Filing

JUL 2007
AS5 Approved by SEC

MAY 2008
S&P Announces ERM Ratings

JUN 2009
SEC mandates large accelerated filers use XBRL

DEC 2009
SEC Proxy Disclosure Rules

JUN 2010
SEC mandates other large accelerated filers use XBRL

JUN 2010
Early filers require detail & block tagging

MAY 2010
Dodd Bill introduced

APR 2011
HM Revenue & Customs Require iXBRL filing, UK

JUN 2011
SEC mandates all remaining filers use XBRL

2011
IFRS Reporting (Canada)

2014
IFRS Reporting (US)

1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014

■ Event
■ Regulations

IBM Business Analytics Acquisitions
Addressing Financial Governance

CLARITY SYSTEMS

- IBM Cognos Financial Statement Reporting (formerly known as Clarity FSR) is helping organizations meet an enormous new challenge:
  - Disclosure Management (External Reporting) and XBRL mandates (SEC, iXBRL, et al)
  - Internal Reporting Process Automation (e.g., Board Books)
  - Corporate Social Responsibility (CSR) Reporting
- No other solution can cite the sort of success with large enterprises with the most demanding requirements

www.ibm.com Search "FSR"

* Source:2010 Gartner Dataquest Market Statistics report

IBM Performance 2011

Most comprehensive risk solution

Business Analytics Solutions

- **For customer care that....**

  - **Understands** customer behavior patterns and anticipates their needs

  - **Identifies** traditional and social customer interaction points

  - **Improves** customer satisfaction with rich insight from across all time horizons

  - **Analyzes** social media to improve retention, advocacy and loyalty

Operations

Customer Service

Human Resources

Product Development

Sales

IT

Marketing

Customer Service
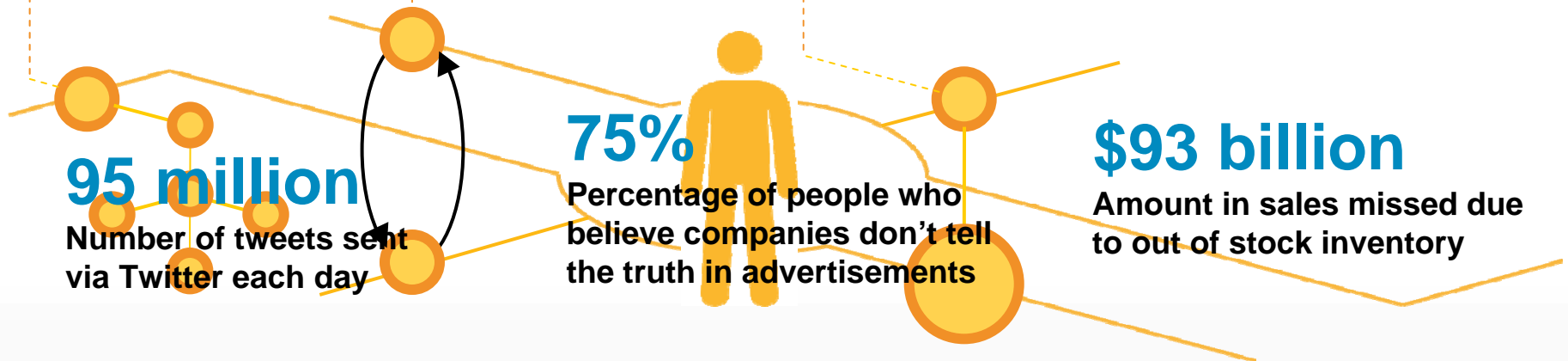
Sales

Finance

Marketing

The Empowered Consumer

Leverage
social networking

Expect
consistent and
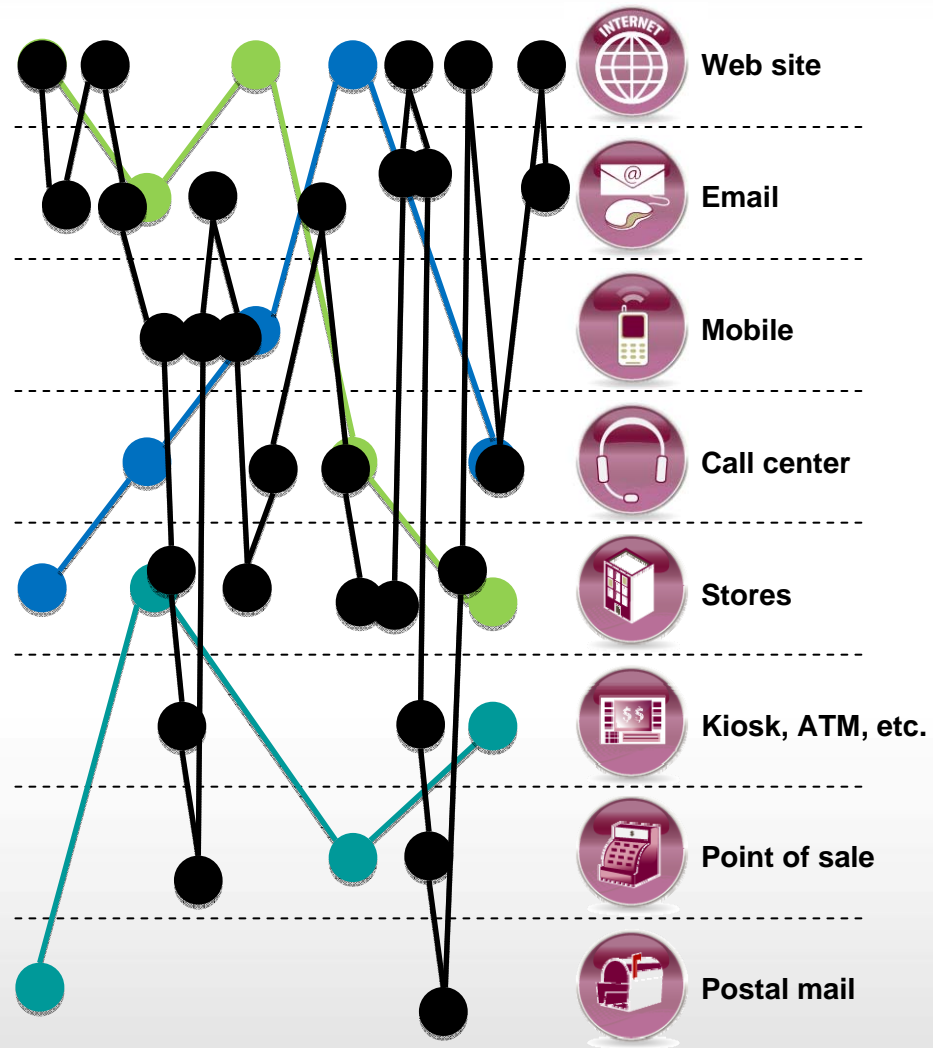relevant information

Demand
exactly what
they want

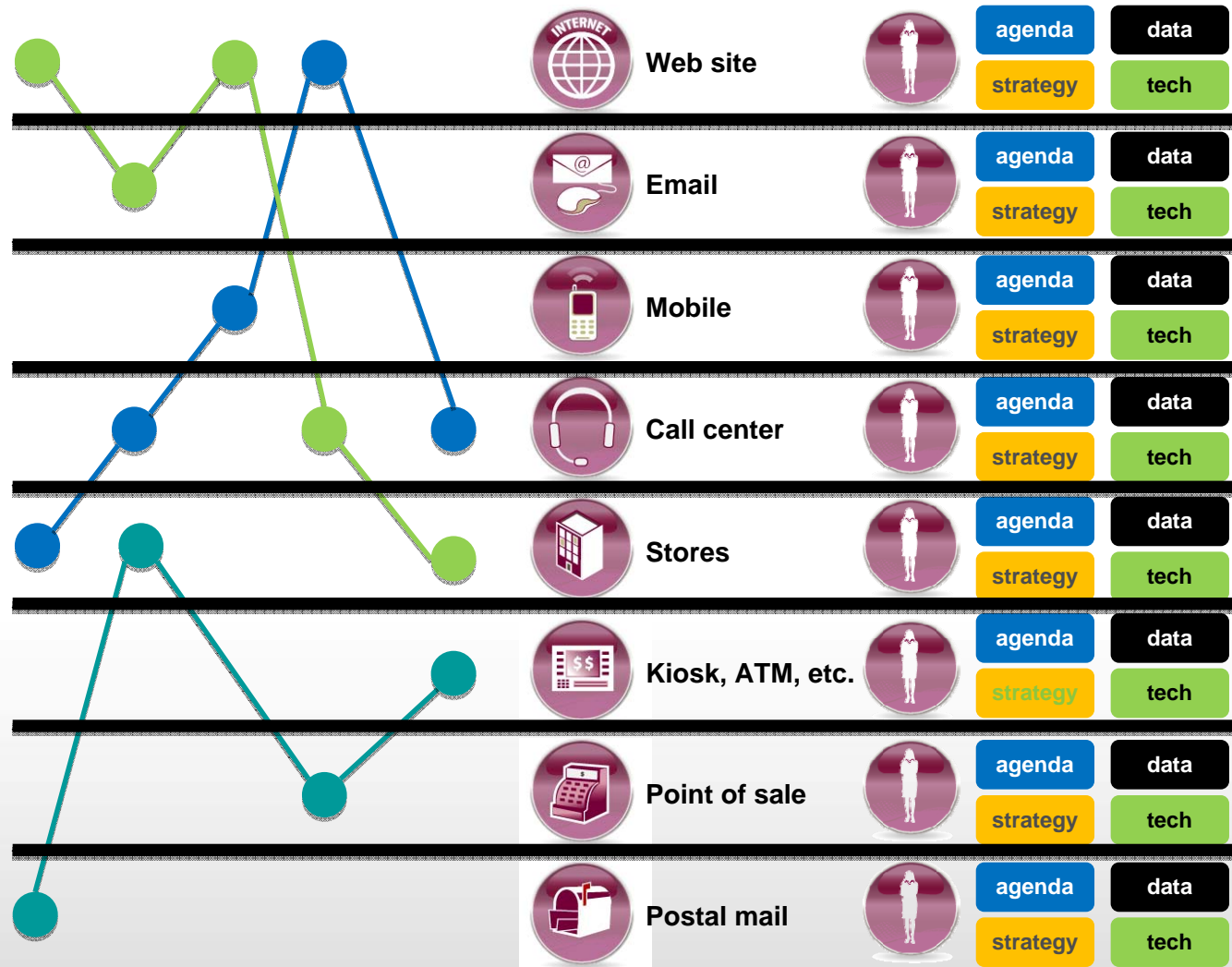*Get it now*
or go elsewhere!

95 million
Number of tweets sent
via Twitter each day

75%
Percentage of people who
believe companies don't tell
the truth in advertisements

$93 billion
Amount in sales missed due
to out of stock inventory

How Customers Behave

CUSTOMERS & PROSPECTS

- Web site
- Email
- Mobile
- Call center
- Stores
- Kiosk, ATM, etc.
- Point of sale
- Postal mail

What Customers Experience

CUSTOMERS & PROSPECTS

Web site		agenda	data
		strategy	tech
Email		agenda	data
		strategy	tech
Mobile		agenda	data
		strategy	tech
Call center		agenda	data
		strategy	tech
Stores		agenda	data
		strategy	tech
Kiosk, ATM, etc.		agenda	data
		strategy	tech
Point of sale		agenda	data
		strategy	tech
Postal mail		agenda	data
		strategy	tech

What Customers Expect

CUSTOMERS & PROSPECTS

Web site

Email

Mobile

Call center

Stores

Kiosk, ATM, etc.

Point of sale

Postal mail
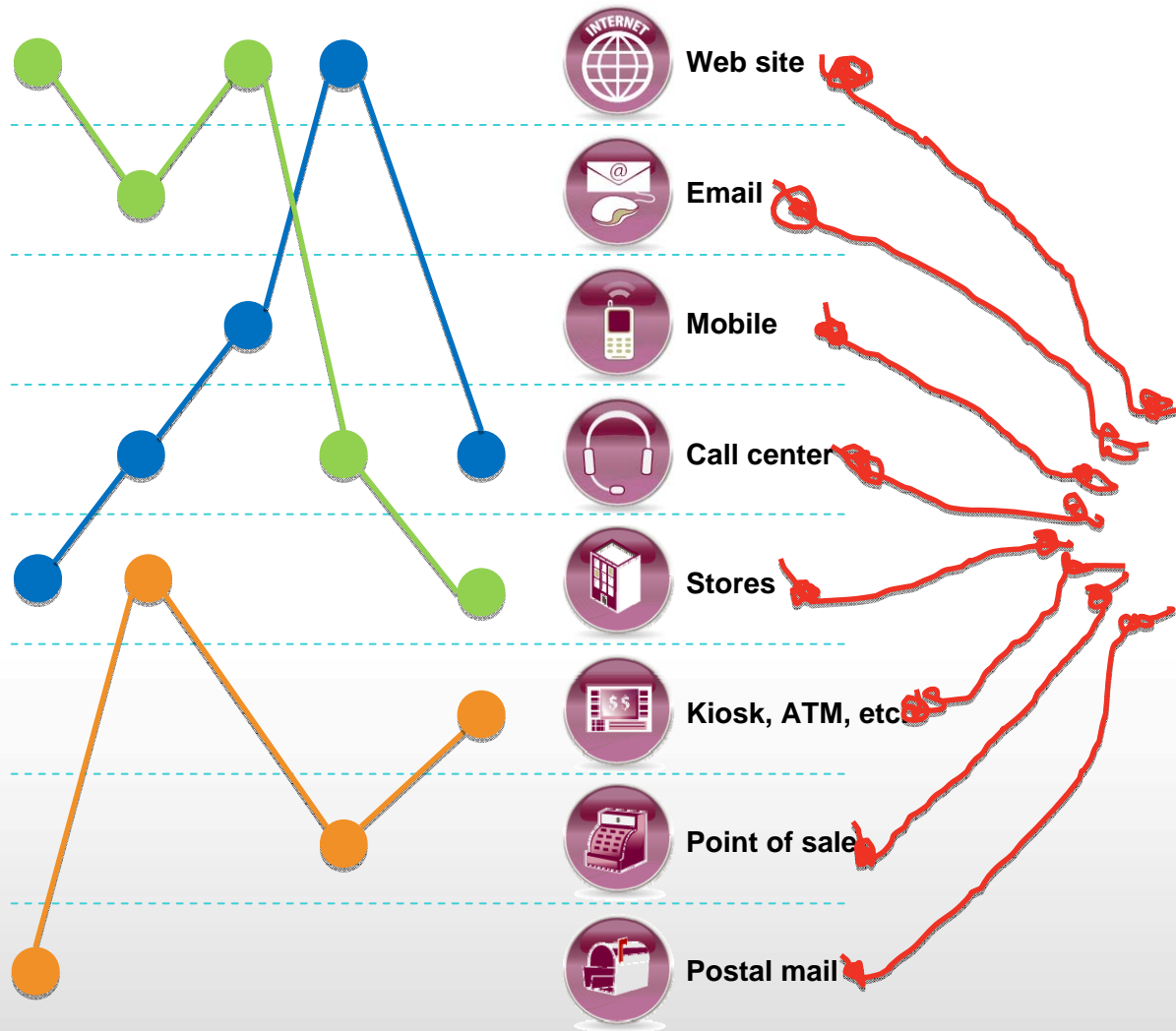
MARKETER

Growing Revenue with Customer Analytics

Retain Customers

Up-sell, Cross-sell

Attract New Customers
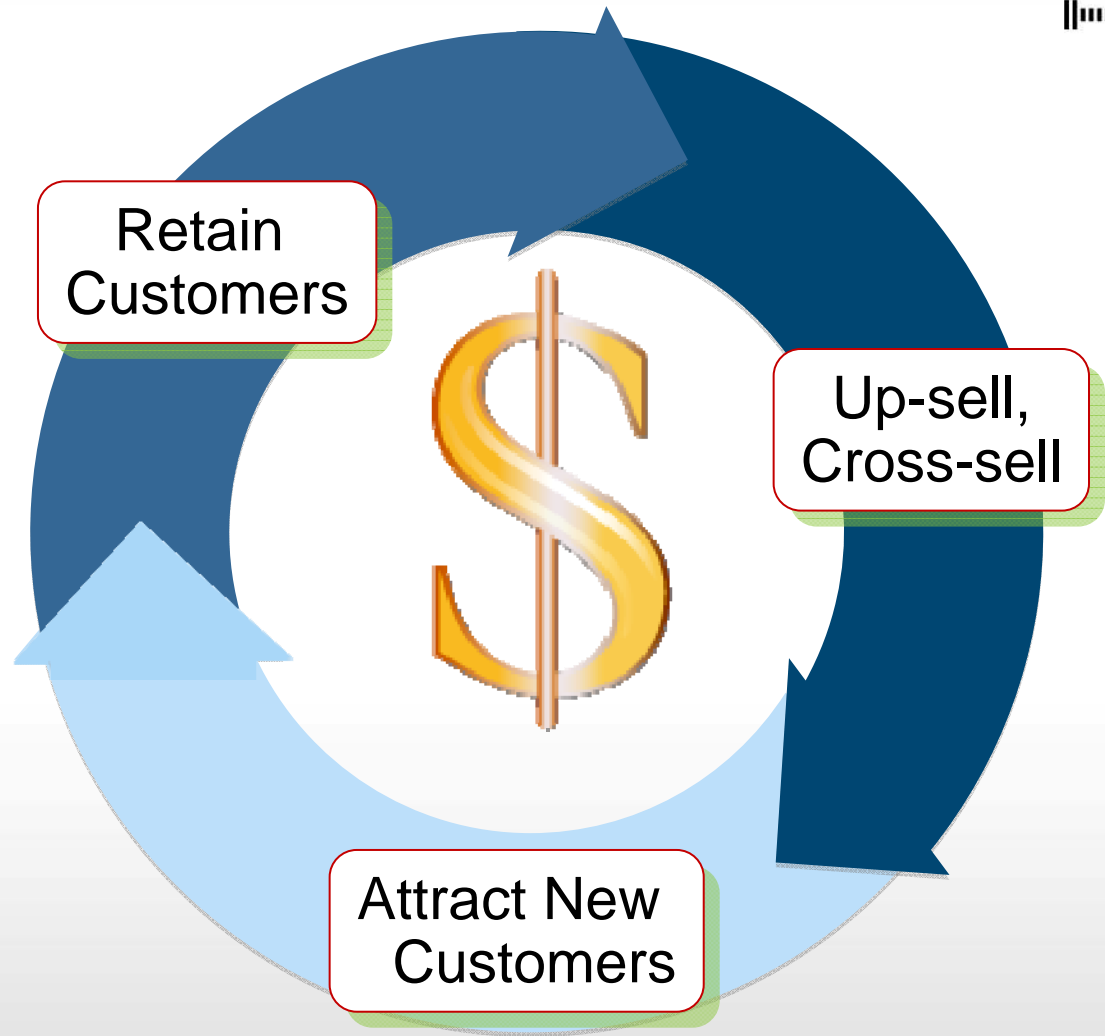
Relationship Development

Major Retail Bank

FIRST TENNESSEE

Improved cross-sell / upsell multi-channel marketing & sales with predictive analytics

- *Decreased direct mailing costs by 20% through model-based targeting*
- *Increase in direct response rates to 3.1%*
- *Better match products to customer needs*

Poten
actio

A

B | | 90 | 34% | 49

C | ✓ | 200 | 32% | 64

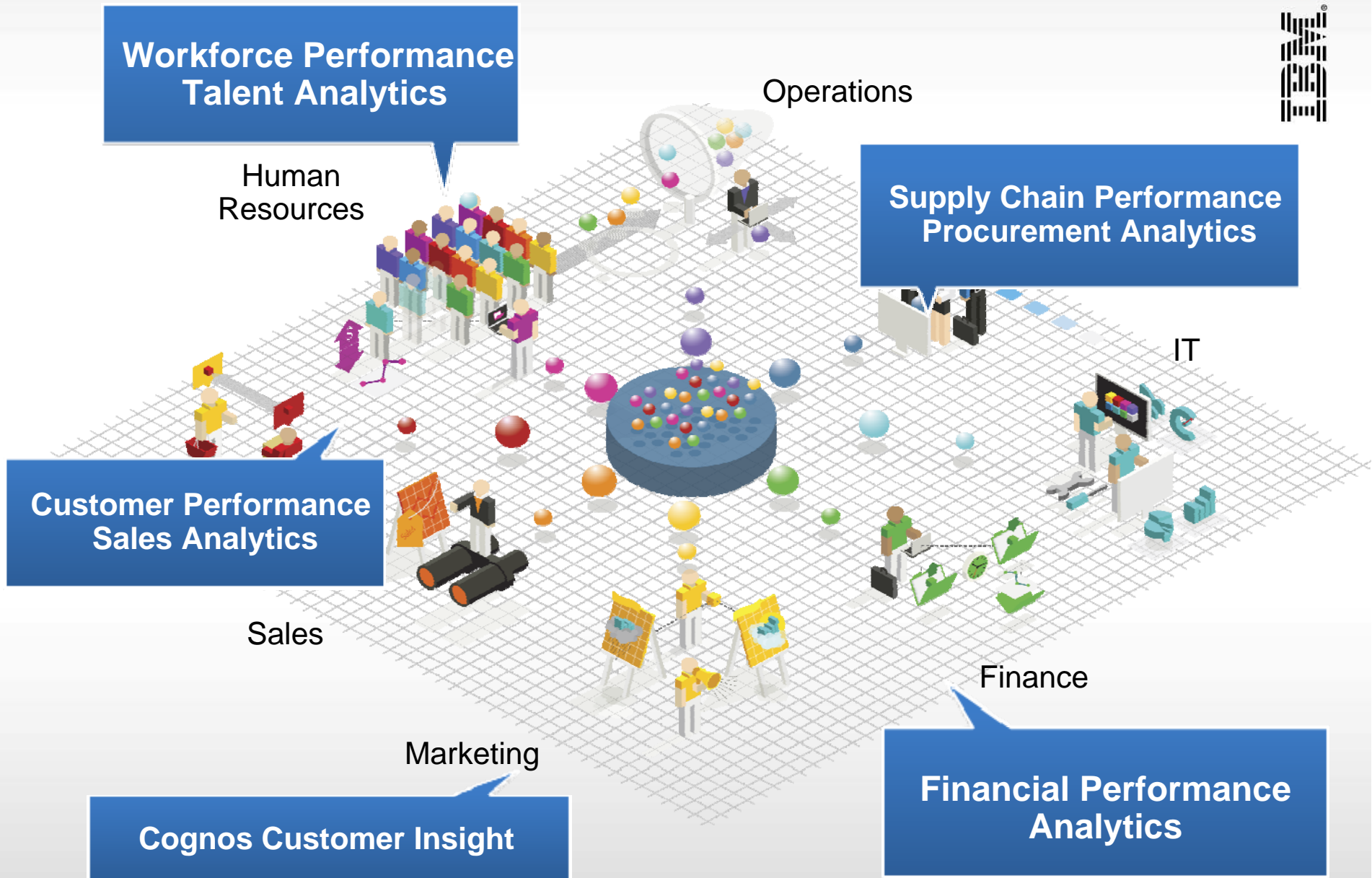# Profitable Acquisition

Global Car Rental Agency

AVIS

Create targeted and cost-effective email campaigns and build customer retention through timely and relevant contact

- *Gained the ability to segment customers and focus marketing spend*
- *Reduced the cost of email marketing as a percentage of revenue by 42 %*
- *Improved customer loyalty and insight by enabling timely, relevant and personalized communications*

Analyze and

dialogue

Workforce Performance Talent Analytics

Operations

Human Resources

Supply Chain Performance Procurement Analytics

IT

Customer Performance Sales Analytics

Sales

Finance

Marketing

Cognos Customer Insight

Financial Performance Analytics

- **Packaged BI and Analytics**
- **Faster Time to Value with Generated Warehouse and Reporting**
- **Improved ROI with Adaptable and Automated Application Framework**

Operations

Product Development

IT

Human Resources

Customer Service

Sales

Marketing

Finance

VIEW FROM THE LABS

Please Note:

IBM's statements regarding its plans, directions, and intent are subject to change or withdrawal without notice at IBM's sole discretion.

Information regarding potential future products is intended to outline our general product direction and it should not be relied on in making a purchasing decision.

The information mentioned regarding potential future products is not a commitment, promise, or legal obligation to deliver any material, code or functionality. Information about potential future products may not be incorporated into any contract. The development, release, and timing of any future features or functionality described for our products remains at our sole discretion.

Empowered
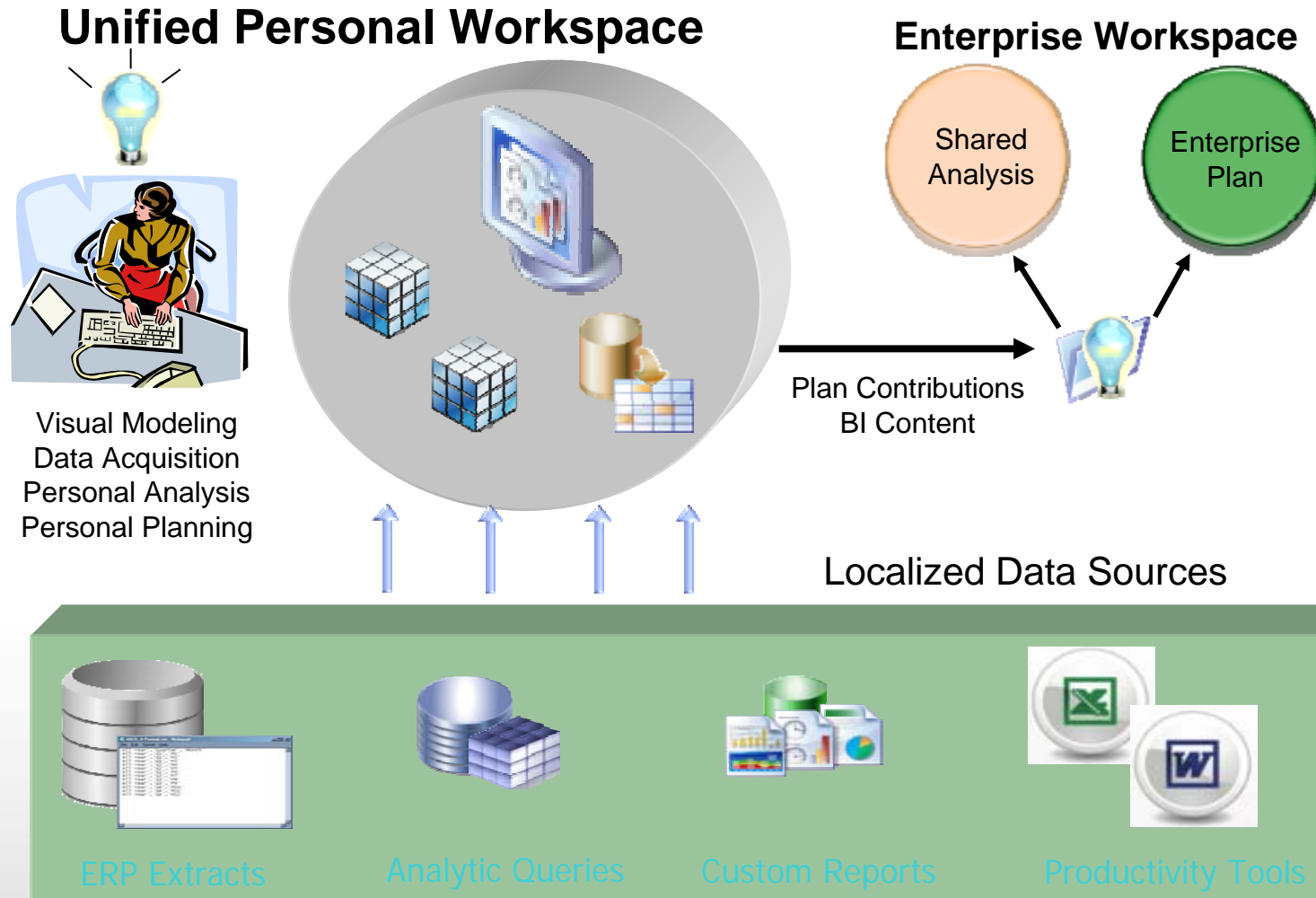
Agile

Empowered

Agile

Collaborative

Empowered

Agile

Collaborative

Exploit managed data

Aligned to enterprise standards

Governed

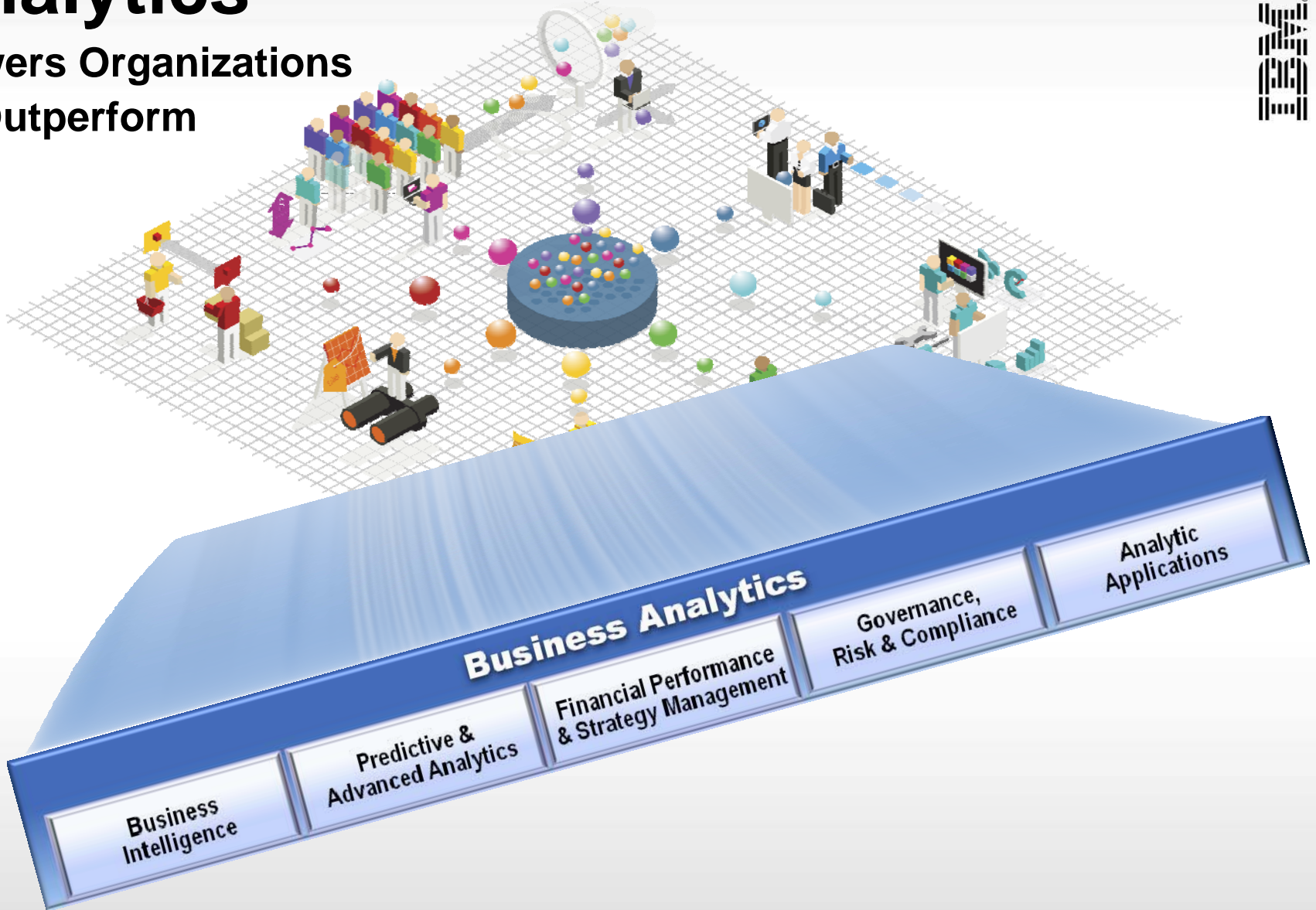# User Centered Strategy to Accelerate Enterprise Collaboration

User Centered Insight

Unified Personal Workspace

Enterprise Workspace

Shared Analysis

Enterprise Plan

Visual Modeling
Data Acquisition
Personal Analysis
Personal Planning

Plan Contributions
BI Content

Localized Data Sources

ERP Extracts

Analytic Queries

Custom Reports

Productivity Tools

DEMO

Personal Analytics

VIEW FROM THE LABS

Business User Self-Service

IT Governance and Control

Analytics

**Powers Organizations
to Outperform**