November 13, 2013 07:00-09:20 (Wed)

JW Marriott Hotel Seoul, Meeting Room 2 (3F)

Smarter Financial Analytics Seminar

Future...

The New CFO: Chief ~~Financial~~ Officer

Welcome and thank you for attending today's event!

We hope you will enjoy the program and find it interesting and useful!

Let me introduce the agenda and speakers ….

Time	Subject	Speaker
07:40 – 08:00	**Welcome Remarks**	**Joseph (Joe) Kern** **CFO, IBM Korea**
08:00 – 08:40	**Smarter Analytics for the Office of Finance: Transformation through Business Analytics**	**Pankaj Srivastava** **Director** **Business Performance Services, IBM**
08:40 – 09:00	**Smarter Analytics for the Office of Finance:** **Converged Performance Management**	**Dong Ik (David) Chang** **CEO, Lexken**
09:00 – 09:10	**IBM Global Financing Solution for Smarter Analytics**	**Yangkon Lee** **Executive** **Customer Financing, IBM Korea**
09:10 – 09:20	**Wrap-up**	**Joseph (Joe) Kern** **CFO, IBM Korea**

I have three things to ask of everyone today….

1. Please make this interactive….ask questions!

2. Seize this opportunity to take Analytics in your own company to a new level!

3. Please give IBM and Lexken the opportunity to follow-up with you after this event to discuss the value of Smarter Financial Analytics and our Offerings.

REMEMBER: THERE IS NO FREE BREAKFAST !

Business Analytics… The stage is set!

Growing Strategic Role of CFOs in Business *(Joe Kern, Korea Herald, November 6, 2013)*
- "We can't just be scorekeepers. We need to help the company score…"
- Unstructured data can be a key to new opportunities
- CFO must establish systems …. to guide the companies' strategic plan
- "…one version of the truth that is used across the company"
- "A data analytics infrastructure isn't just a 'nice to have'. It has to be a priority"

"73% of CEOs making significant investments in their organizations' ability to draw meaningful customer insights from available data." *(Leading Through Connections: Insights from the Global IBM CEO Study, May 2012)*
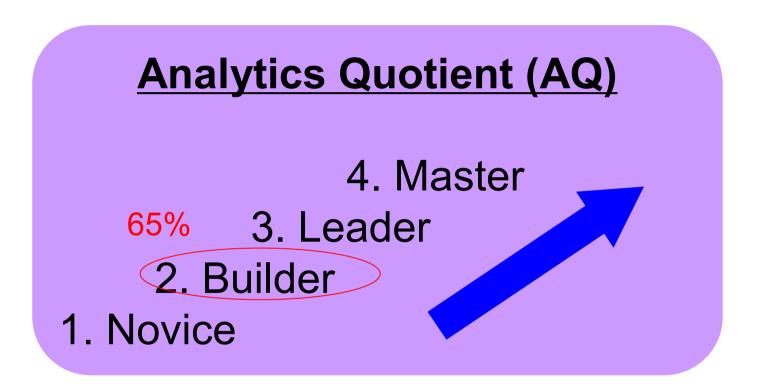
"Organizations that used analytics for competitive advantage were 2.2 times more likely to substantially outperform their industry peers" (Analytics: the Widening Divide: How companies are achieving competitive advantage through analytics." *(IBM Institute for Business Value & MIT Sloan Management Review, 2011)*

"6000 organizations found that 91% have not reached their full level of analytics maturity."

Business Analytics… The stage is set!

Analytics Quotient (AQ)

4. Master

65%   3. Leader

2. Builder

1. Novice

How did you do on the Analytics Quotient Quizz ?

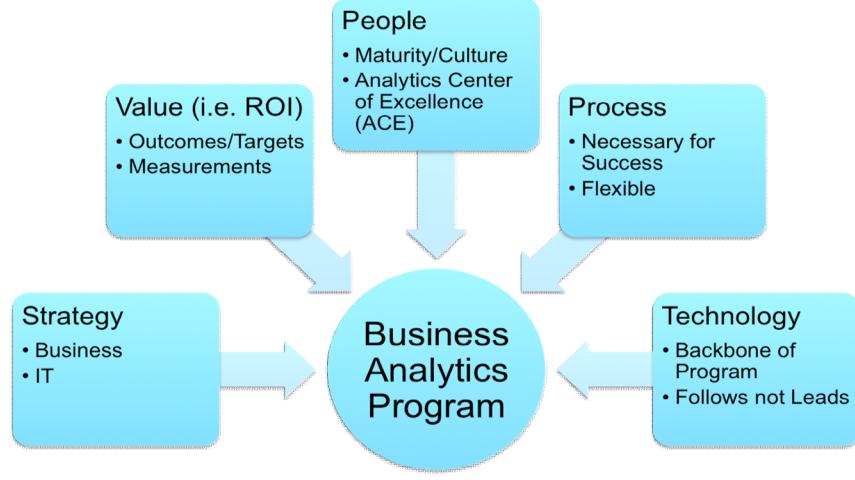## 5 Keys to Business (Finance) Analytics <u>Program</u> Success

<u>Critcal Success Factors</u>

1. A clear business strategy and vision

2. Capability to actually execute

5 Keys to Business (Finance) Analytics Program Success

People
- Maturity/Culture
- Analytics Center of Excellence (ACE)

Value (i.e. ROI)
- Outcomes/Targets
- Measurements

Process
- Necessary for Success
- Flexible

Strategy
- Business
- IT

Business Analytics Program

Technology
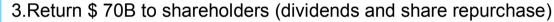- Backbone of Program
- Follows not Leads

Generating Higher Value: 2015 Roadmap ($ 20 EPS)

A long term perspective to ensure IBM is well positioned to take advantage of major shifts occurring in technology, business, and the global economy to maximize shareholder return.

Globally Integrated Enterprise (GIE)

Five Key Objectives

1. "Software" becomes about half of segment profit
2. "Growth Markets" approach 30% of geographic revenue
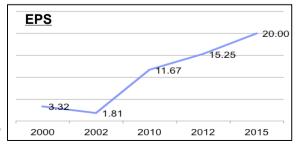
   2011 11%, 2009 19%, 2010 21%, 2011 22%, 2012 24%

3. Return $ 70B to shareholders (dividends and share repurchase)
4. Invest $ 20B in acquisitions (140 since 2000)
5. Generate US$ 8B in <u>productivity</u> through enterprise transformation

   – **Global support for local front office**: <u>Finance</u>, HR, Legal, Real Estate, Integrated Supply Chain, Sales Support, Marketing, Communications, and Information Technology

   – **Finance Example from Administrative to Trusted Advisor**:

   2000-2007 Centers of Excellence and Labor Arbitrage.

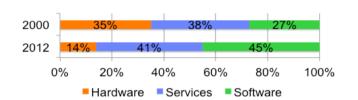   **2008-2011** Consolidation and Process Improvement.

   2012+ Automation, Analytics, and Self Service.

   Key Drivers: WW Process Ownership, Common Data/Ledger/Systems, Centralization, Shared Services, and Global Talent.
   Deployment of Analytics: Manage Risk, Operational Efficiency, & Business Insight - common tool box.

	Hardware	Services	Software
2000	35%	38%	27%
2012	14%	41%	45%

EPS

- 2000: 3.32
- 2002: 1.81
- 2010: 11.67
- 2012: 15.25
- 2015: 20.00

Evolving IT Environment
➢ Smarter Planet leading to big data, advanced analytics, cloud, and social/mobile platforms
➢ Computing Model designed for data, defined by software, open and collaborative
➢ Digital Intelligence changes the game and how we live
➢ Research pointing to the future (i.e. Massive Scale Analytics for Cybersecurity)