



How to build a cost-effective high-performance enterprise analytics platform

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March 13

Introduction



Marc Silhavy

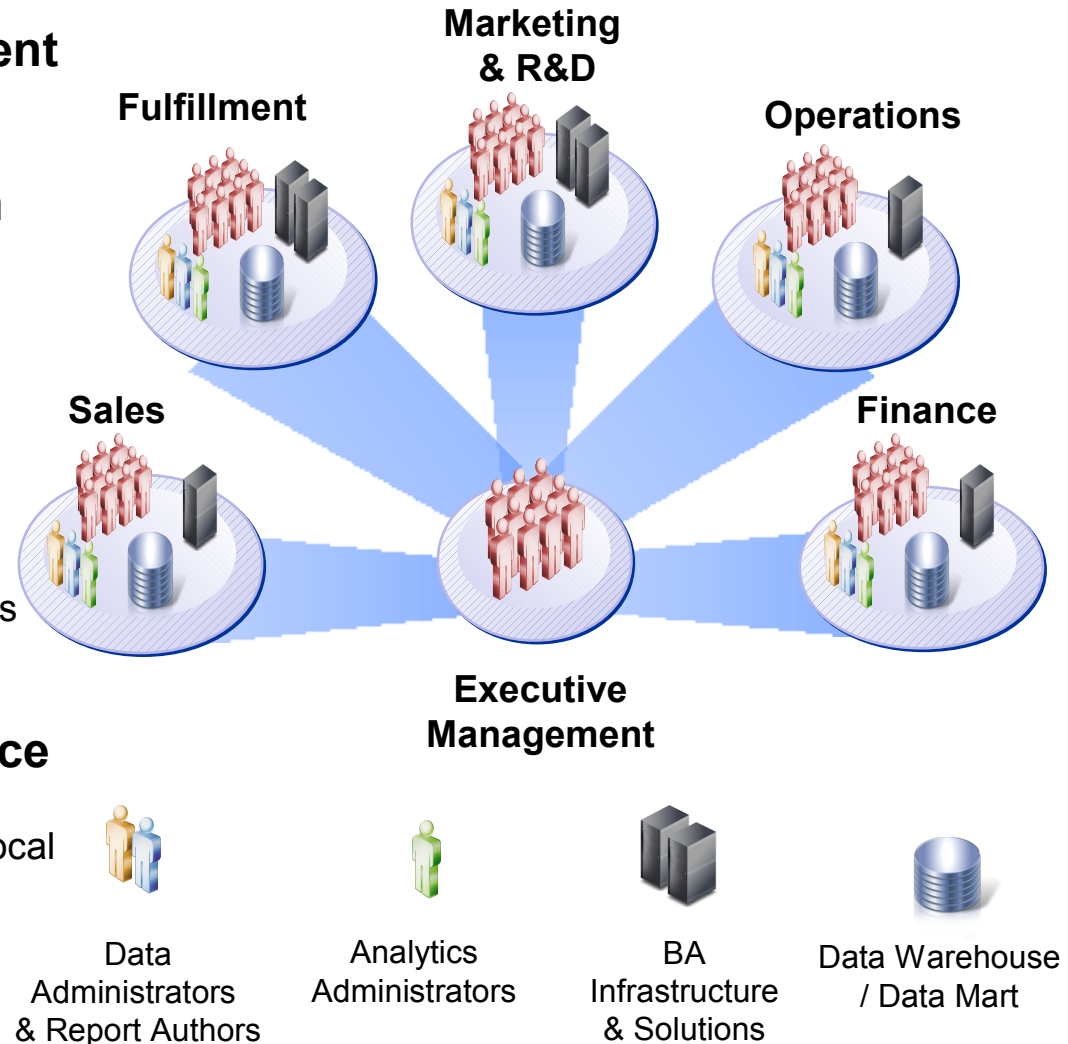
**Manager, Business
Analytics Center of
Competency**

IBM CIO Office



The *Historic* Business Intelligence Environment at IBM

- **Tower driven metric development**
 - Redundant and possibly competing
- **Lack of tooling standardization**
 - Multiple 3rd party vendors
 - Inflexible BI staffing
- **Unknown total enterprise cost**
 - Top down budget distribution
- **Segmented investments**
 - Budgets based on operational process
 - Investments based on affordability
- **Reluctance to centralized service**
 - Concern of Subject Matter Experts
 - Fear of loss of autonomy to react to local business drivers

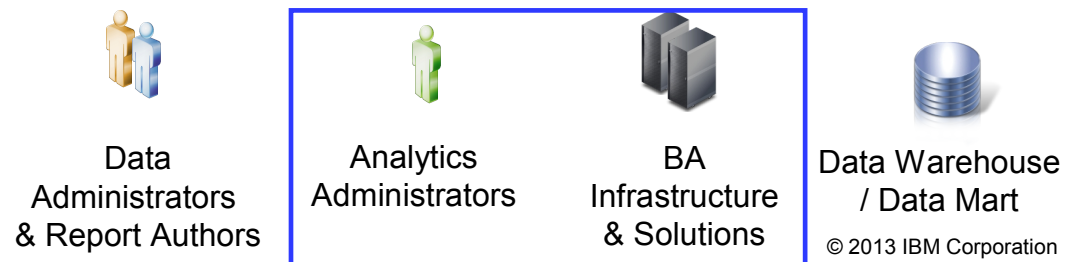


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The NEW Business Analytics Strategy for IBM

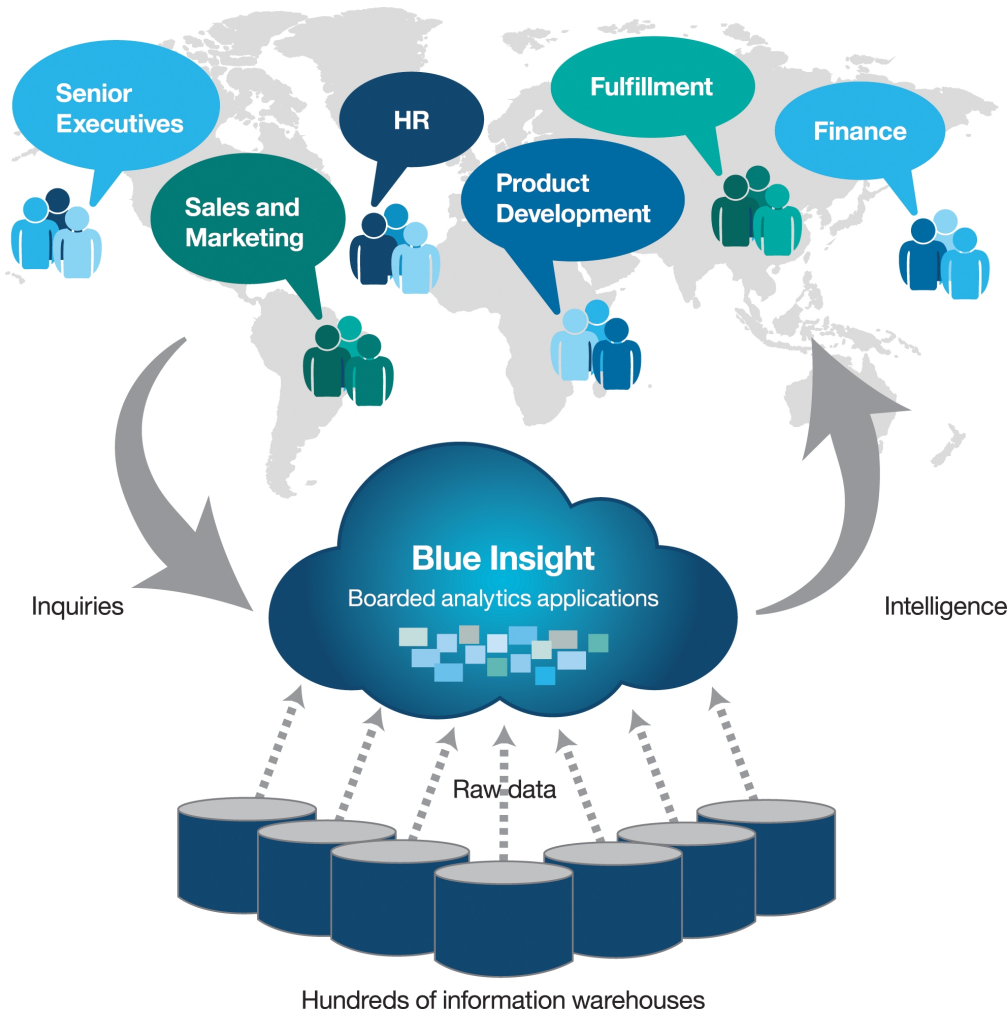
- **Common infrastructure**
 - Shared zSeries, WAS, DB2 and Cognos BI
 - Standardizes tooling strategy
- **Centralized analytics services**
 - Shared administration
 - Common boarding process
- **Known enterprise cost**
 - Investments based on strategic decisions
- **Maintain solution autonomy**
 - Focus is delivery of a service
 - Data and business knowledge remain de-centralized



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Blue Insight enables greater efficiency across the enterprise



- Consolidated 100+ deployments to ONE analytics environment
- Supports 300,000+ global users
- Consolidates value from 100+ data warehouses
- 500+ analytic applications across all business processes
- Produces 5+ Million \$ in yearly efficiency savings
- Conservatively added 300+ Million in business value this year
 - Sales channel optimization, Supply chain optimization and early defect detection for HW and Services

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Provide common analytics services



Business Domain Knowledge

Business Domain Knowledge

Transformation Executive (TE)

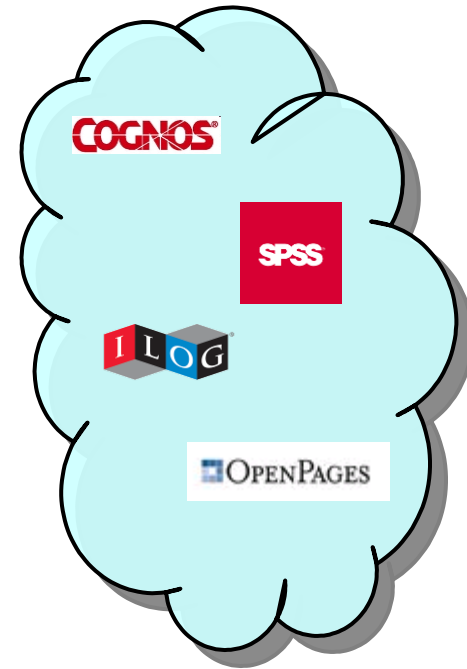
- Project Management
- Data extract
- Data modeling
- Intelligent analytics

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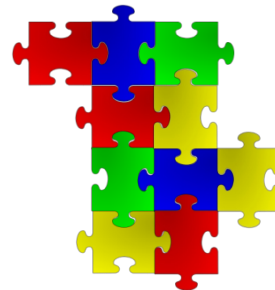
BACC

- Cloud Delivery
 - Business Intelligence
 - ETL
 - Predictive analytics
- Boarding services
- Architecture standards governance
- Solution & education consulting
- Support structure

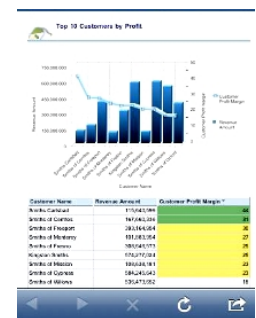
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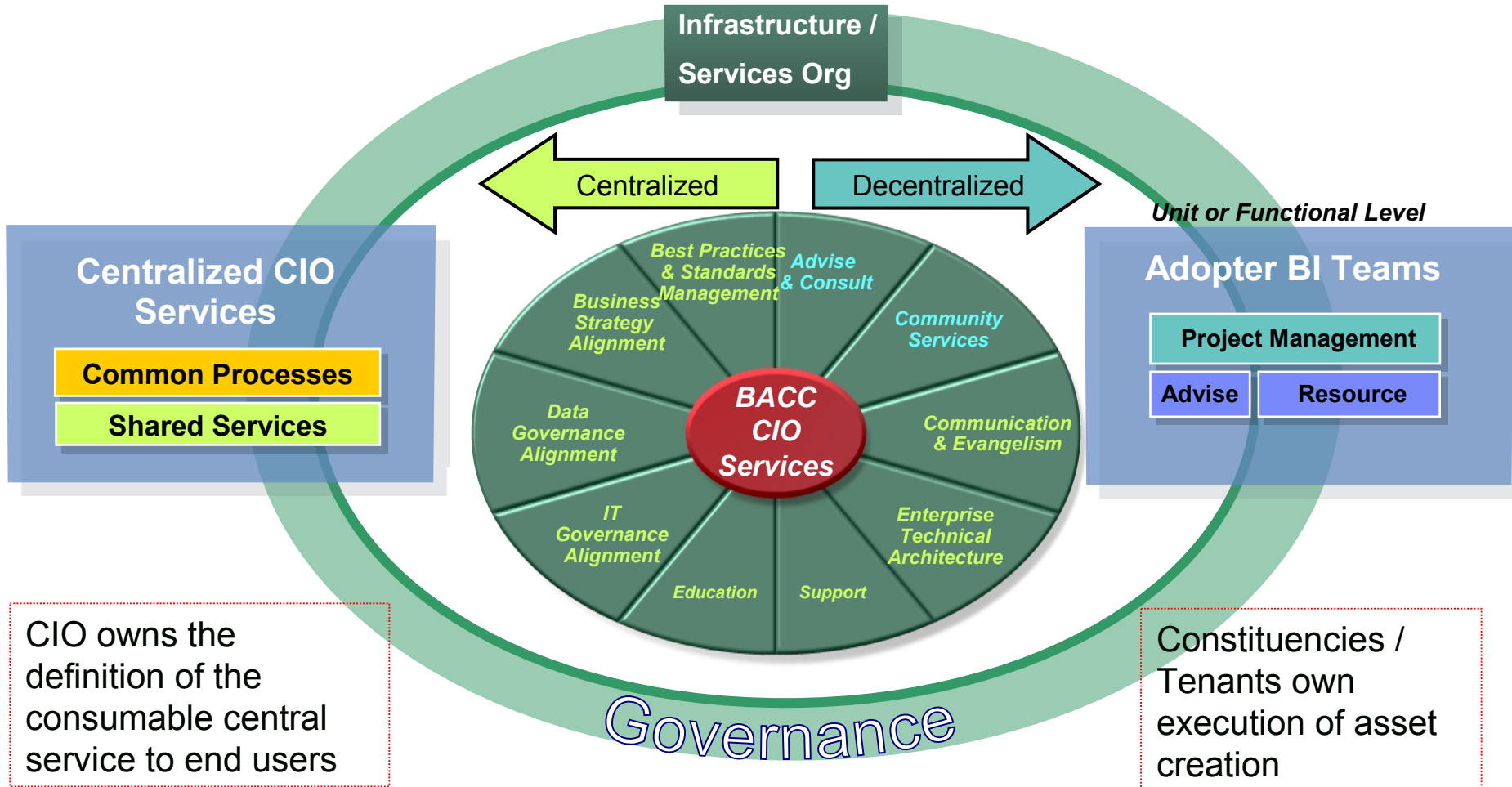


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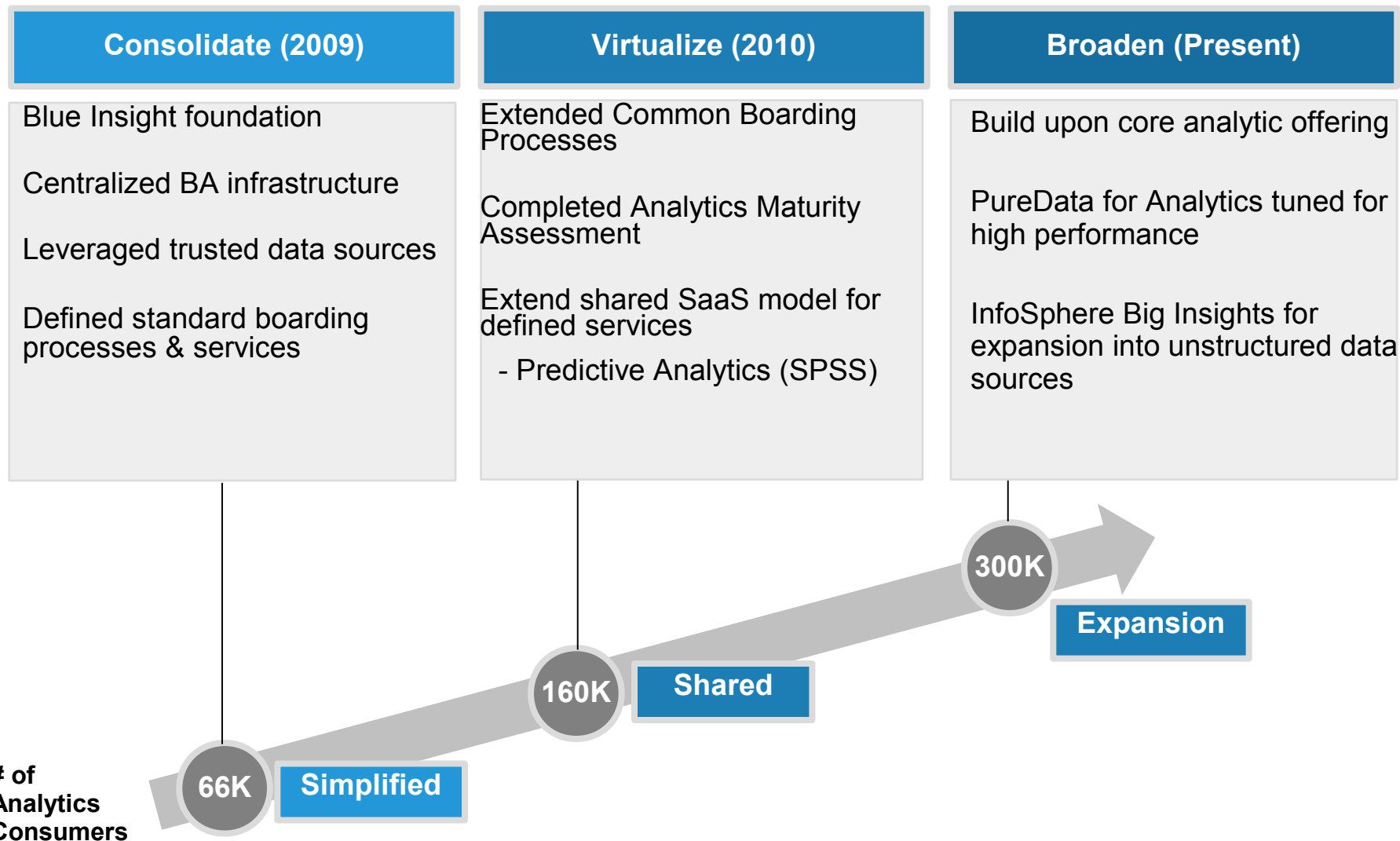


Business Analytics Center of Competency Model

The **BACC** (Business Analytics Center of Competency) is composed of both **People** and **Processes**, that leverage a commonly provisioned **Technology** stack known as **Blue Insight**



Continually expanding the service and processes

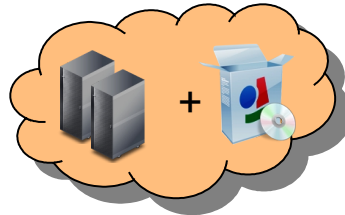


IBM Blue Insight Delivers 5yr 25M\$ Savings



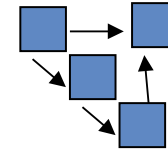
People - 30%

- Administration
 - Installations, updates, operations monitoring
- Consistent Architecture
 - Eliminate individual tool evaluations
 - Solution design times reduced
- Shared analytic skills
 - Promotes rotations
 - Improved analyst efficiency due to reuse of models and reports



Infrastructure – 50%

- Hardware
 - Shared infrastructure reduces waste
- Facilities
 - Electric, real estate, network, heating/ cooling
- Software license
 - Fewer consistent licenses
 - Reduce purchases and SW maintenance costs



Processes – 20%

- Boarding process
 - Reduces adopter time to start creating value
- Lifecycle processes
 - Communications
 - Code promotions
 - System upgrades
- Help Desk
 - Problem Reporting
 - Root Cause Analysis

Why not more?



Measurability

Hard savings \$25M over 5 years

- Existing landscape
 - Items Blue Insight replaced
- Reductions
 - People
 - Infrastructure
 - Process
- Increased efficiencies
 - Common skills
 - Design re-use
 - Processes

Soft savings 10's of \$M already

- Present
 - Each new project now assumes efficiencies from Blue Insight
- Cost avoidance
 - Each new project solution requiring analytics is saving
 - Estimated 250K in HW, SW and Ops savings for each new infrastructure
- Analytics strategy
 - Reduced solution setup in concept and design
 - Improved resource availability

Value Generation 100's of \$M already

- Future
 - Money previously used for environment and strategy now invested in new projects
- Example business value from our services
 - Channel segmentation of sales opportunities
 - WW Cash management
 - Commodity purchase optimization

IBM focused on the **bigger prize** - *Delivering the proven capabilities of analytics to the creative minds of our workforce*

IBM Small Deals Management

Small Deals Management System (SDMS)
Powered by Cognos

Target Metrics Summary
IBM Confidential
Data current as of 07 Oct 2009

IOT: ALL Business Unit: ALL Coverage ID: ALL Country: ALL Brand: SWG Sub-brand: ALL Product Family: ALL Product: ALL Customer set: ALL Industry: ALL MAP Priority: ALL Clip level: <= \$100K Sales
Rep: ALL Quarter: 2009Q3

IOT	Days to pass	Days to accept	Total cycle days	Current Quarter	BP Rev (\$)	% BP Rev	Yield %	Current Qtr	Prev Qtr	Prev Yr / Current Qtr	Current Qtr	Prev Qtr	Prev Yr / Current Qtr	Current Qtr	Prev Qtr	Prev Yr / Current Qtr	Current Qtr	Prev Qtr	Prev Yr / Current Qtr
ASEAN	29.3	19.7	89.8	1,694.4	22.9%	15.5%	13.2%	7,489.6	6,529.6	5,466.1	1,539	1,463	1,251	3,775	1,728	1,189	1,189		
Aus./New Zealand	33.8	7.6	41.4	1,491.1	25.2%	16.2%	13.4%	4,702.6	5,349.0	2,536.9	758	1,111	676	2,340	1,028	641	641		
Brazil	29.6	8.3	37.9	865.9	33.3%	4.8%	5.3%	2,600.7	1,385.4	1,205.3	1,522	1,238	1,292	2,458	867	781	781		
CEE	26.1	8.3	34.4	2,574.0	45.3%	9.9%	16.6%	6,155.9	3,968.7	4,872.4	1,042	1,231	948	2,921	1,153	883	883		
Greater China Group	17.7	11.6	29.3	2,088.8	30.7%	12.2%	16.9%	19,998.2	13,719.3	11,752.1	3,293	3,941	2,824	8,694	3,560	2,527	2,527		
India-South Asia	22.9	6.5	29.4	1,135.4	25.9%	13.5%	16.8%	3,859.3	4,491.0	3,830.1	1,356	1,276	745	3,054	1,199	706	706		
Korea	11.4	5.1	16.5	2,117.2	40.1%	7.9%	14.5%	4,310.5	2,404.1	3,803.6	856	899	740	2,243	829	695	695		
ME/IA	17.0	10.8	27.8	1,265.9	48.6%	18.7%	14.3%	2,605.8	2,423.9	1,055.7	308	358	245	735	320	195	195		
Mexico	24.8	5.2	30.0	703.8	60.6%	6.0%	2.8%	1,161.3	771.6	318.4	459	413	444	1,177	377	408	408		

The Project

IBM HW Division highlighted a weakness in Small Deal (<\$100K) management with a decline of 13% and \$300M in revenue in a \$49B market, IBM needed to target the proper channel for deal closure

Before

- Small deals data/reporting on multiple platforms
- Long delays in producing actionable reporting
- No standardized reporting/KPI's for channel transfer

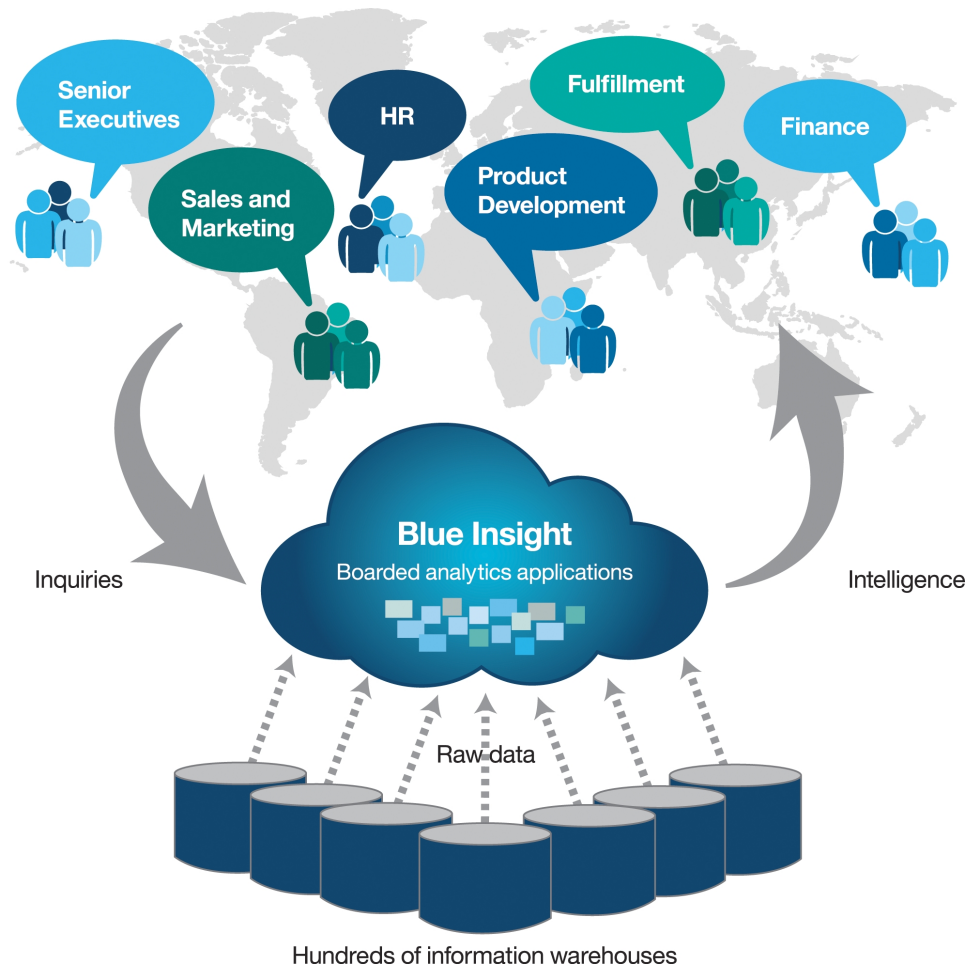
After Cognos / Blue Insight

- Global access to Small Deals data
- Standard reports and KPIs for assessing channel transfer
- Reduced cycle time for channel transfer by 7.7 days adding 4pts to bottom line revenue

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IBM Treasury Transformation



The Project

- Deploy new Treasury Workstation, a single gateway for all banking communication, and a Treasury Data Warehouse

Before

- Treasury operations on multiple platforms
- No access to common global data
- Limited capabilities for ad hoc data inquiry
- Limited out of the box reporting

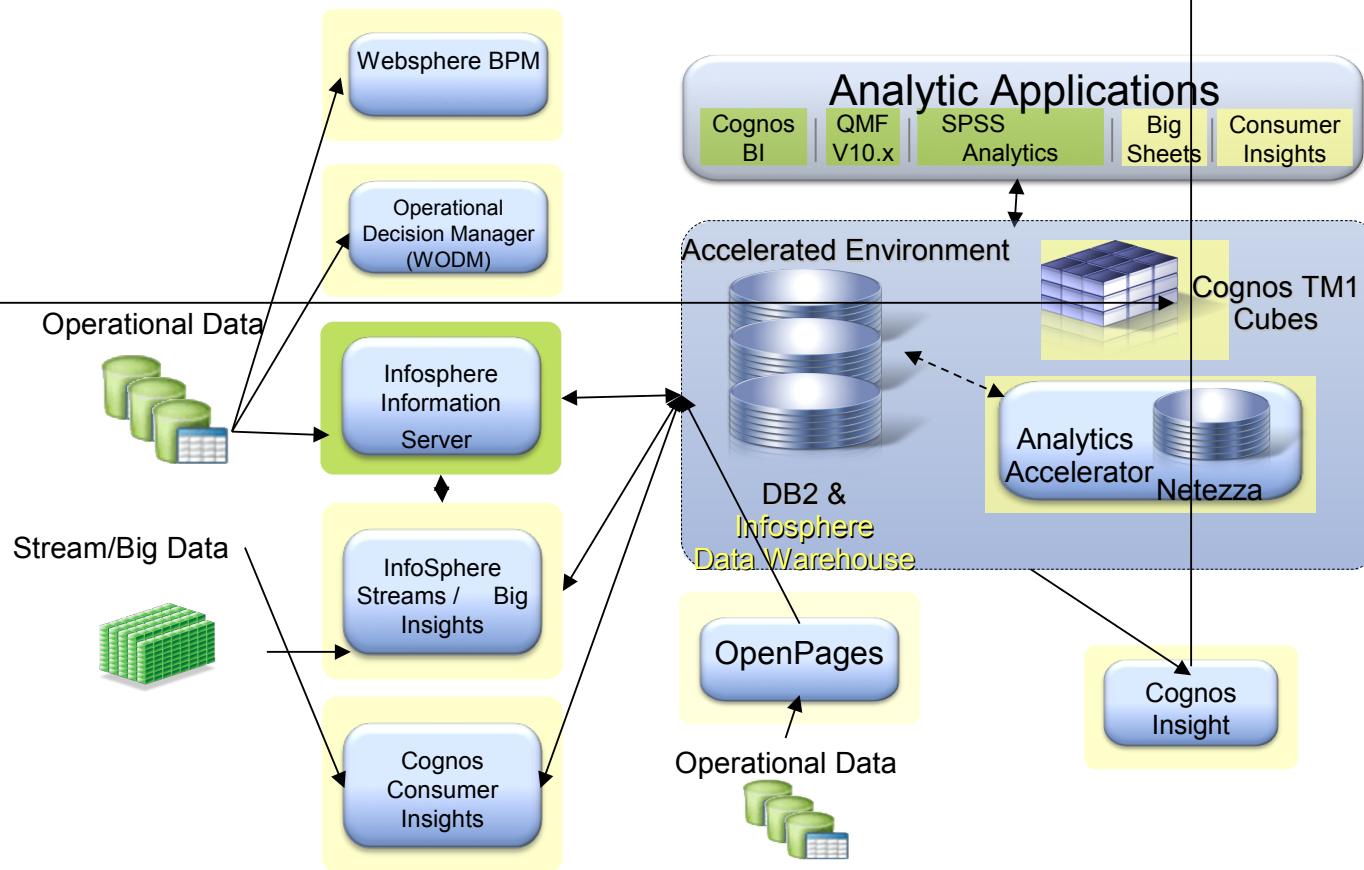
After Cognos / Blue Insight

- Standard reports for global data analysis
- Ad hoc data analysis capabilities
- Global visibility to cash and cash forecasting
- Global visibility to counterparty limits and exposures
- Global Treasury position analysis

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Blue Insights analytics platform and strategy



Blue Insight Architecture:

- Running Linux on System z
- Cognos 10.1x and SPSS Modeler 15 and Statistics 20
- Hosted in Private cloud
- Data warehouses prepared using InfoSphere Server

How to create a successful centralized Analytics environment

- **Not all services need to be controlled by the organization**
 - Cloud approach provides the tenant with **central tools NOT central solutions**
 - Needs to be a "self service" model, with extended services available
- **Executive sponsorship**
 - Communication and support of Analytics strategy
 - Governance of licensing and infrastructure delivery of BI solutions
- **Know where BI investments are being made throughout the enterprise**
 - Control points in procurement and infrastructure delivery for new BI solutions
 - Inventory and review planned investments in BI enterprise wide
- **Positive business case**
 - Conservative projection of 20-30% savings (IBM achieved > 50%)

Questions?



Thank you...

धन्यवाद
Hindi

多謝
Traditional Chinese

ขอบคุณ
Thai

Спасибо
Russian

Thank You
English

Bedankt
Nederlands

شكراً
Arabic

Merci
French

Obrigado
Brazilian Portuguese

Gracias!
Spanish

多谢
Simplified Chinese

Danke
German

நன்றி
Tamil

ありがとうございました
Japanese

감사합니다