

Innovation doesn't come to you

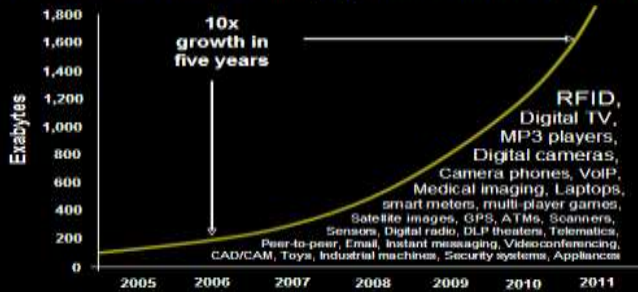


Stefano Stinchi
Vice-President Rational Europe



- How am I going to use your precious time ?
- What does it mean innovation ?
- Which are the innovation principles ?
- How Rational can support innovation ?

By 2011, the world will be 10 times more instrumented with connected devices **leaping from 500M to 1 Trillion**



Approximately 70% of the digital universe is created by individuals, but **enterprises** are responsible for 30% of it.

"I look to the future because that's where I'm going to spend the rest of my life"
 Peter Dinklage (2009)
 George Burns

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



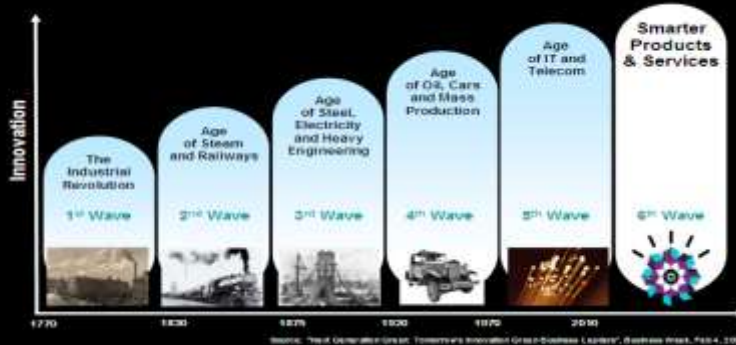
Enterprise IT



Consumer IT

Where are we going ? (2010)

The sixth wave



The sixth wave (2011)

How would you describe the act of developing software?



Or heuristic?



**Your development teams
are an untapped source of
innovation that you *must*
unlock!**

- How am I going to use your precious time ?
- What does it mean innovation ?
- How to help innovation ?
- How Rational can support innovation ?

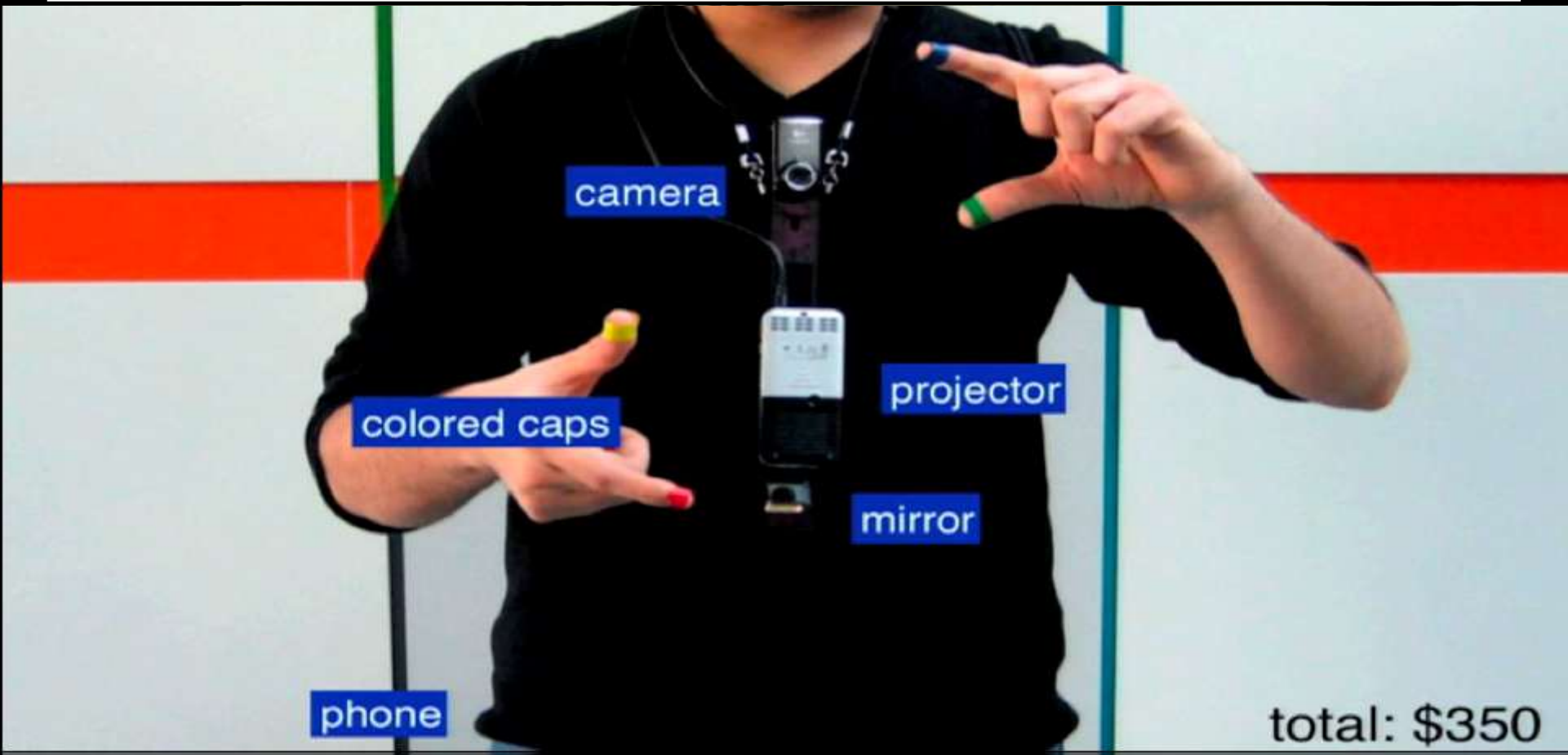
Innovation is exploring the **art of possible**

Innovation is the introduction of something new
that create value.

Value is indicated by adoption

Innovation is the ability to create and
capture economic value from invention





camera

colored caps

projector

mirror

phone

total: \$350

Square register >





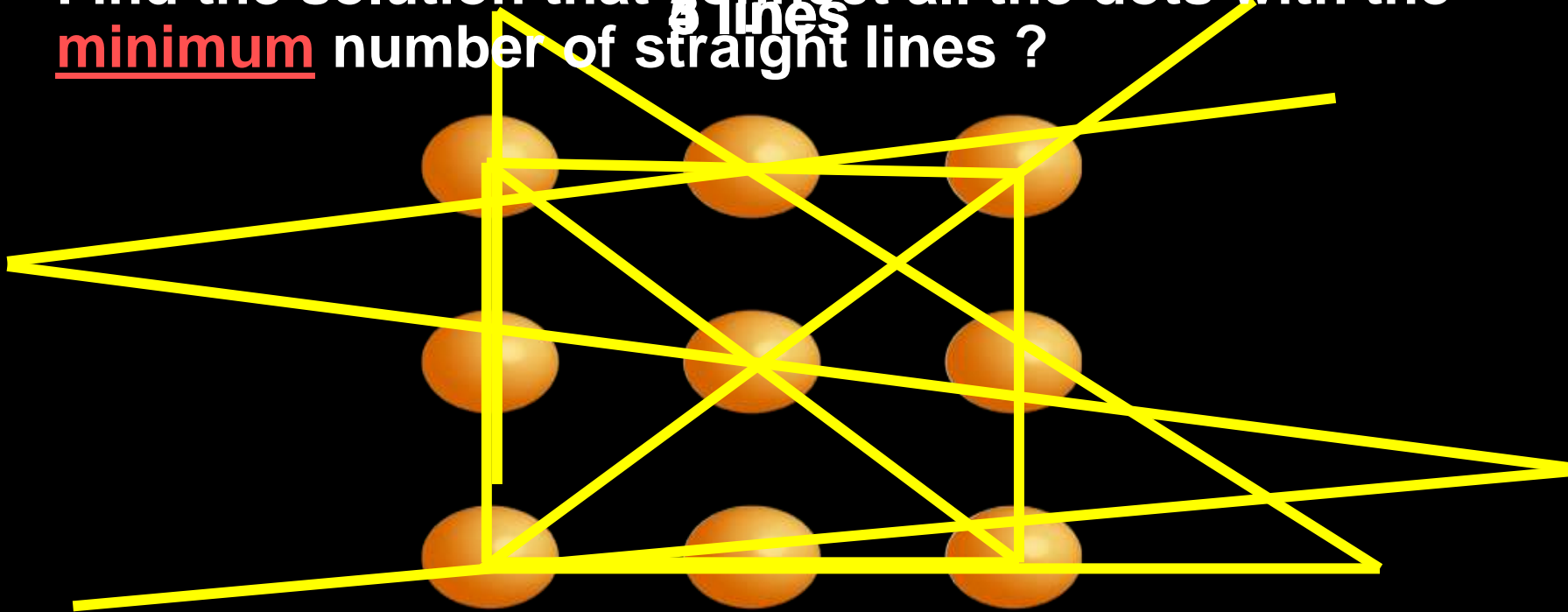
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Ignore common sense

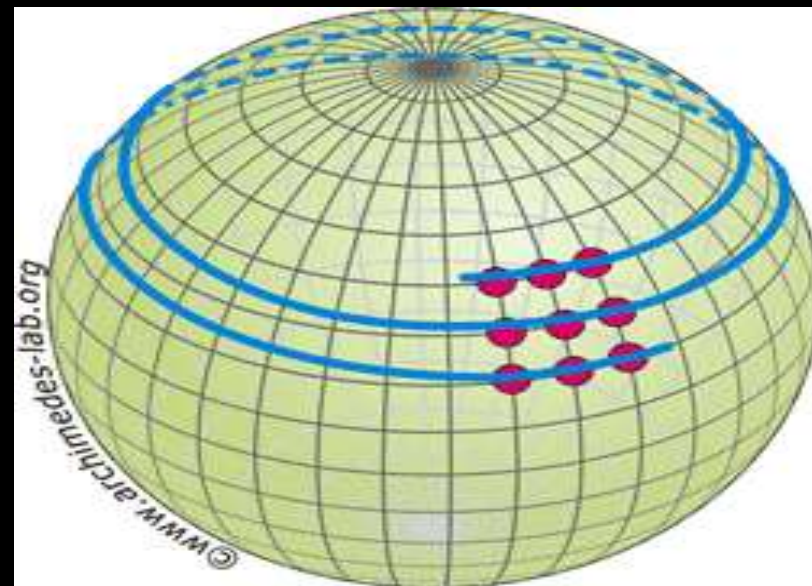
“All progress depends on the unreasonable man”

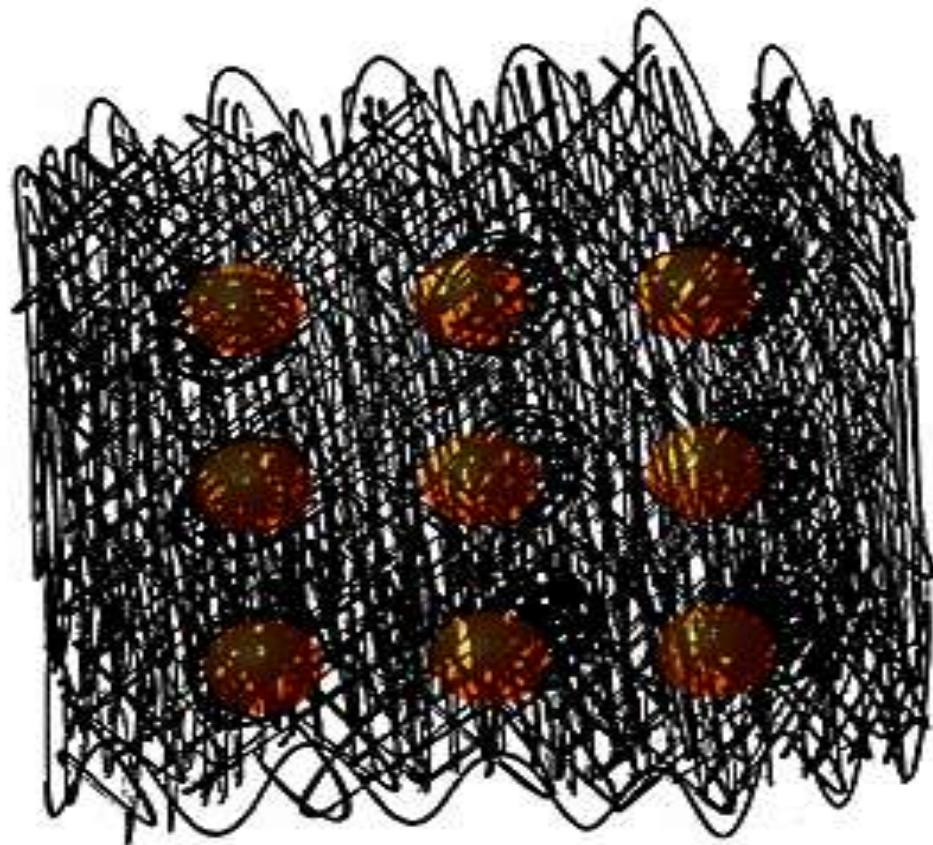
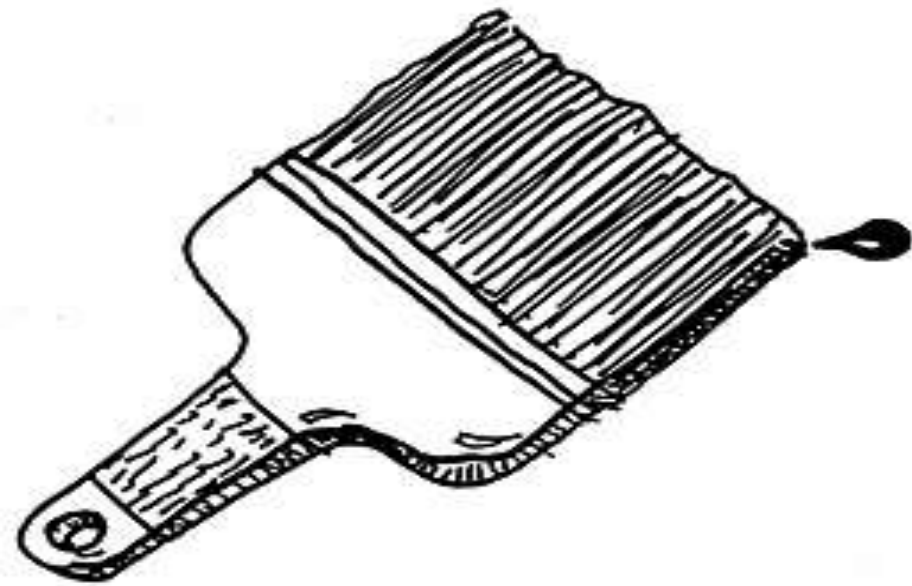
- George Bernard Shaw

Find the solution that connect all the dots with the minimum number of straight lines ?



But...how about just one line?





“There is no reason for any individuals to have a computer in their home”

- Ken Olsen, President, Chairman and Founder of DEC, 1977

“Heavier-than-air flying machines are impossible”

- Lord Kelvin, President, Royal Society, 1895

Don't believe experts, econometrics, market leaders

Traditional wisdom (including yours) gets in the way

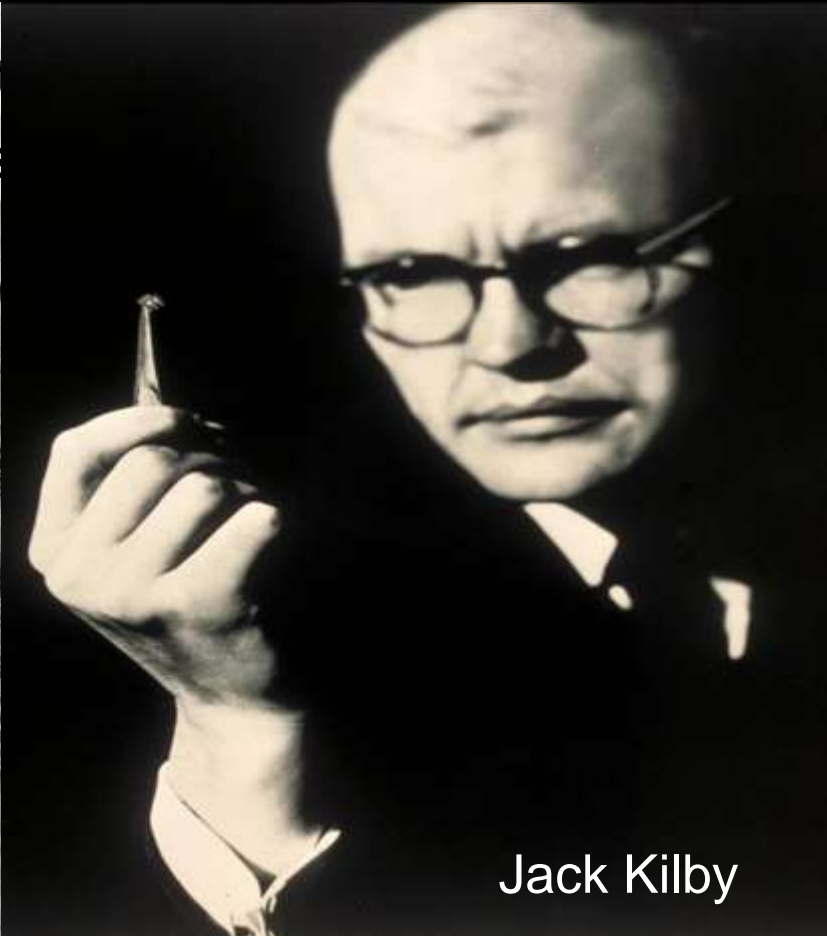
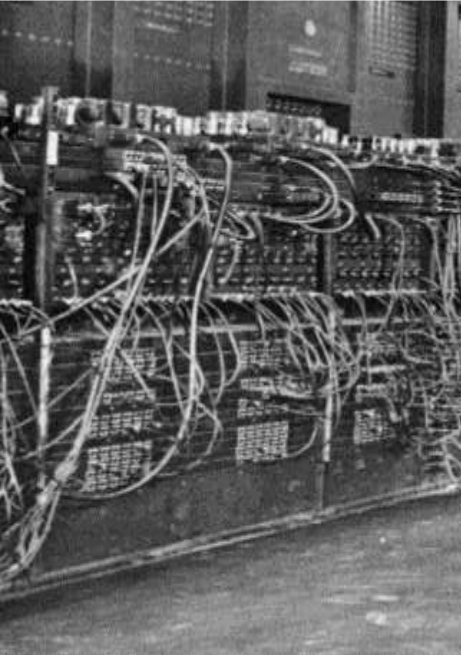
Most of us are wrong; most of us know too much

**Past is not a proxy for
the future**

“When the train of history hits a curve, the intellectuals fall off”

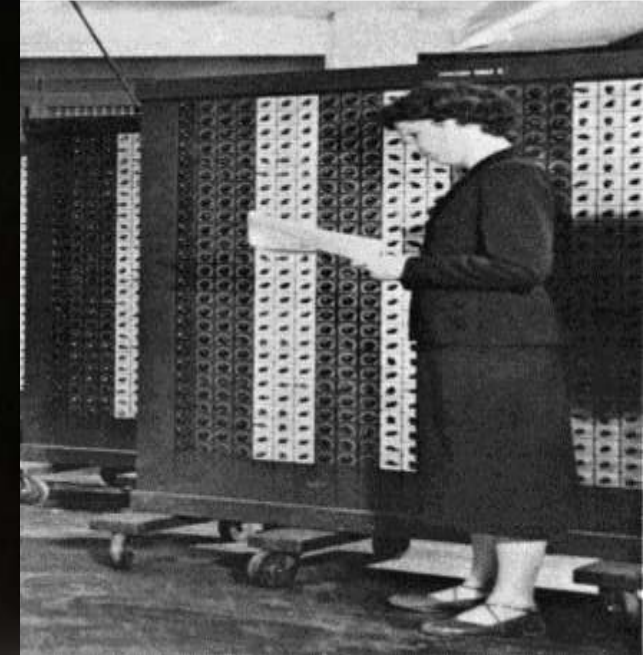
- Karl Marx

“Where a calculator
tubes and weighs
vacuum tubes and



Jack Kilby

ed with 18,000 vacuum
ure may have only 1,000



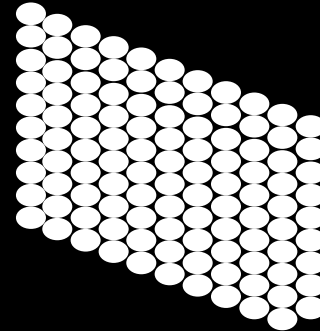
Don't believe in forecasting

“Prediction is very difficult, especially about
the future”

-Niels Bohr



1986 forecast for 2000



2000 actual

● 1 M subscribers

1980's phone:



1996: Motorola StarTAC

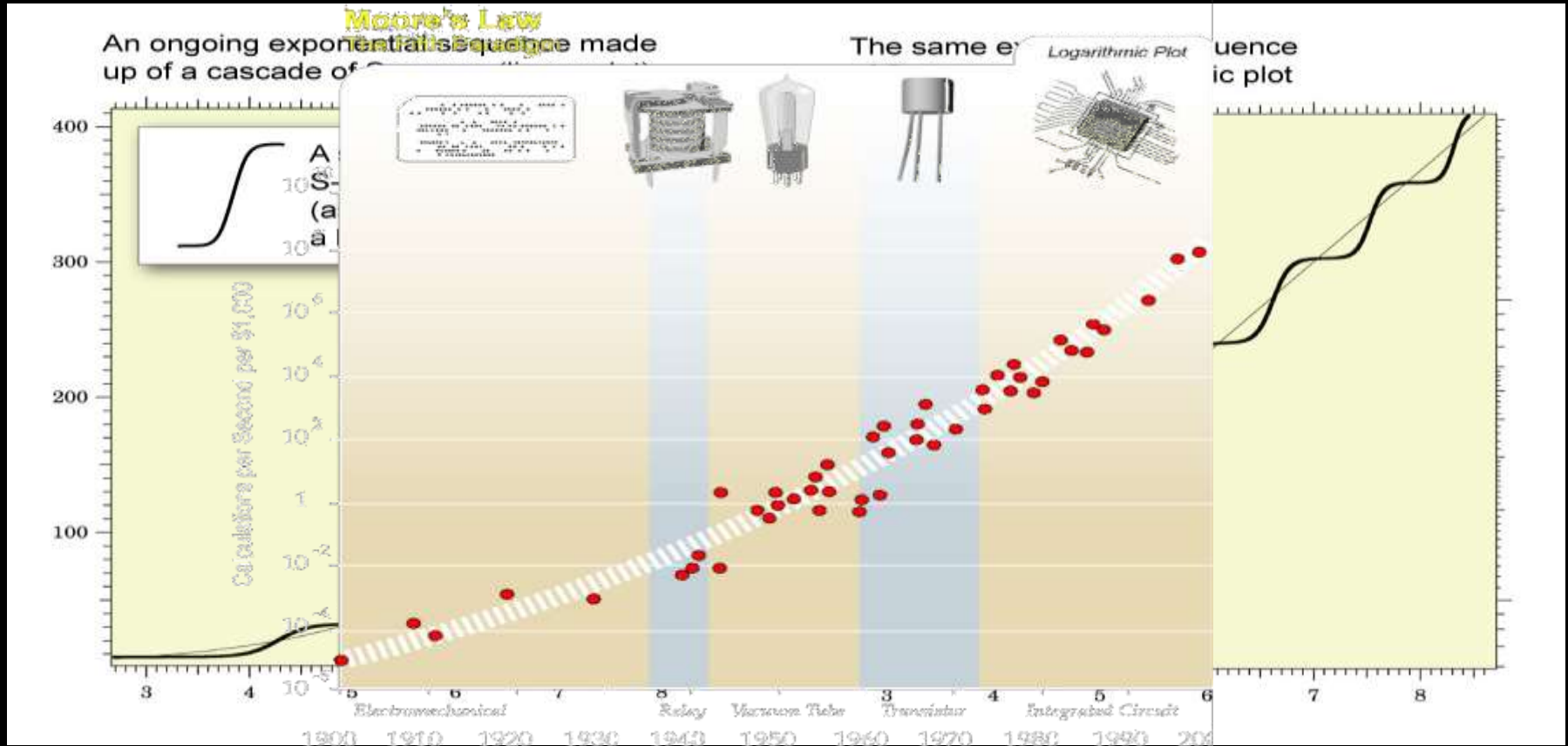


60 millions sold

2007: Iphone



250 millions sold



**Don't be afraid of
failures**

“I have not failed. I've just found 10,000 ways that won't work”

-Thomas Alva Edison



Reward failure

Plan without planning
(evolve thru iteration)

Don't listen to customers too closely

Ignore IRR calculations



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- Over 1200 developers from around the world have selected IBM's Rational Tool Suite as the top development platform
- Users of IBM's Rational tool suite are more satisfied with its features and capabilities than users of any other major software development platform
- Rational was rated #1 in several categories
- Rational has been rated #1 in six of the last seven years

"IBM has shown significant insight into what developers want and need along with an impressive ability to execute."

- Janel Garvin, CEO of Evans Data Corporation

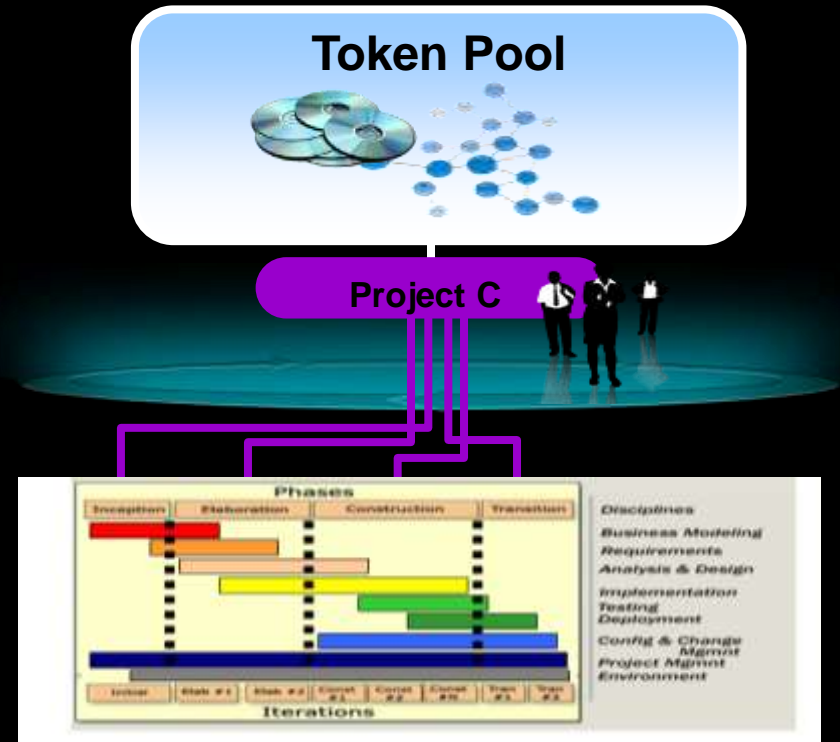


- The area that we decided to explore was a new way to license software:
 - Everybody care about software licensing
 - It is part of every software acquisition and as such impact every customer
 - Leverage the Rational strength, extensive and complete portfolio
 - There are many ALM software vendors but nobody has any innovative way to sell licenses



TOKEN

- **Token Licenses** are a form of *Fixed Term* license but are more flexible in that they allow the customer to mix the different products in real time.
- A “Token” is a base unit of license value
- Tokens can be exchanged for the right to use software that are Token enabled
- A Token Enabled software application requires a predefined number (1, 2 or more) of tokens to run
- Tokens float across products and users



	Technology evolution	License profile	Enterprise extension	Developer cost yearly (*)
Permanent Licenses		M&M	X	\$9.000
Temporary licenses	X		X	\$15.000
All you can eat				\$6.000
Software as services	X			\$10.000

(*) considering 5 Rational products for developers on a five years basis

Major breakthrough with this license model:

- No needs to define the products used (Access to the full portfolio of the Rational brand (#1 market leader))
- Licenses available to any further enterprise extension
- Protection on technology obsolescence and evolution
- Cost protection over 3-5 years period
- Huge simplification in license/key management
- Easier compliance management
- Protection of the existing investment in Rational

...technology expands the 'art of the possible.'

"Cynics never do the impossible, achieve the improbable, take on the inadvisable.

Hope is the only path to extraordinary, success. "today's 'unimaginable' is tomorrow's 'conventional wisdom.'"