

InfoPlanet

**Governance per i tuoi dati,
opportunità per il tuo business.
Con IBM.**

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GBS IBM Italia**

MIT Sloan Management Review and IBM Institute for Business Value teamed up in delivering a new study about Business Analytics value



MIT SMR and IBM IBV formed a knowledge partnership



Study approach

- Surveyed **3,000 executives, managers and analysts** plus extensive interviews
- More than **30 industries** in **108 countries**
- Analysis by IBM practitioners and MIT academics

Why does analytics matter?

The New Path to Value



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The outcome of the study confirmed that Analytics correlates to performance



53% of top performers use analytics to guide strategic decisions

5.4x

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

*within business processes

3x

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

Processing Data



Respondents were asked to rate how well their business unit or department performs information and analytic tasks.

Using Data



Source: IBM IBV and MIT Sloan Management Review. Groupings based upon respondent self-assessment for enterprise relative to industry peer group; top and lower performers were upper and lower 18%, respectively. N=2535. Full preview available at: <http://sloanreview.mit.edu/>

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Top performers are five times more likely to use analytics over intuition



Tendency to use analytics over intuition by business process

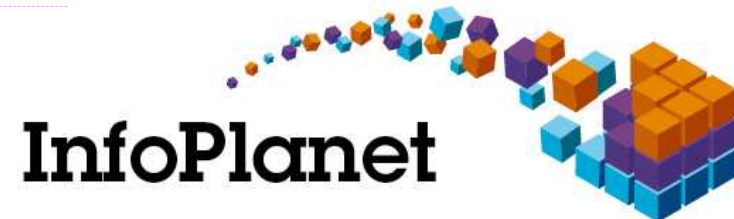


5.4 Top Performer average

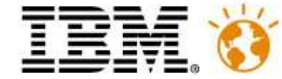
1.1 Lower Performer average

Top performers Lower performers

Note: Score of 1.0 is 50/50 (even) likelihood of using analytics or intuition -- above 1.0 is greater likelihood of analytics, below 1.0 is greater likelihood of intuition



According to IBM and MIT Sloan study “New path to value” a five-points approach to operationalise analytics is recommended



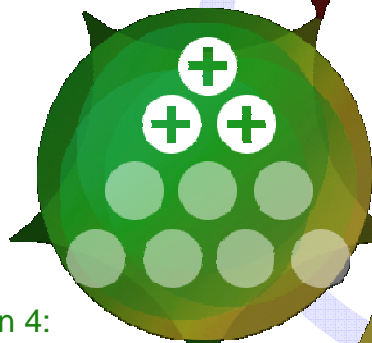
Recommendation 5:
Use information management foundation to plan for the future



Recommendation 1:
Focus on the biggest and highest value opportunities



Recommendation 4:
Keep existing capabilities while adding new ones



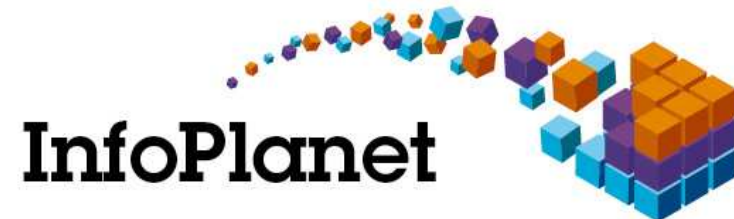
Recommendation 2:
Within each opportunity, start with questions, not data



Recommendation 3:
Embed insights to drive actions and deliver value



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.



Client Investments in Business Optimization Projects is growing over twice as fast as Business Automation...

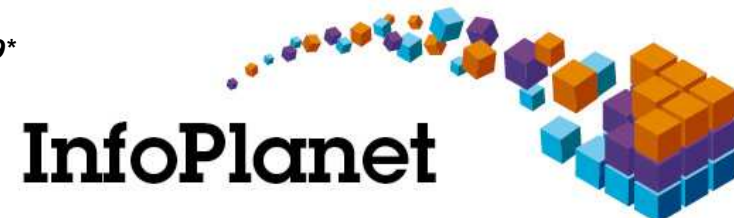




Business Automation
\$566B
3.3% CGR

Business Optimization and Analytics
\$105B
7.8% CGR

IT Spending Estimates, 2009*

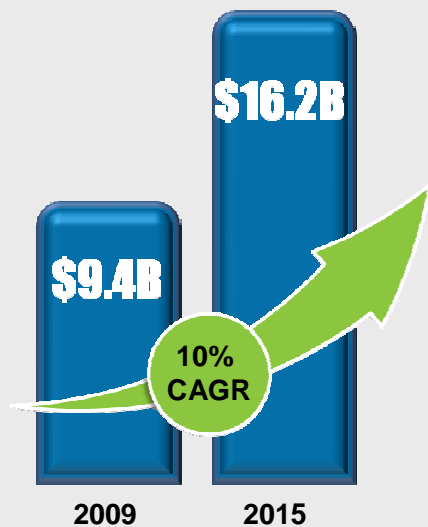
* Includes Hardware, Software and Services. Does not include Networking, Printer, or Standalone Printer or PC Markets. CGRs 2009– 2012. Opportunity estimates based on analysis done by the IBM Market Intelligence Department.



... and IBM is fully committed on clients success by  
 leveraging Business Analytics: Investments, assets and skills to position IBM as “Category of One”

Largest investments ever for IBM in a single initiative (\$12B+)

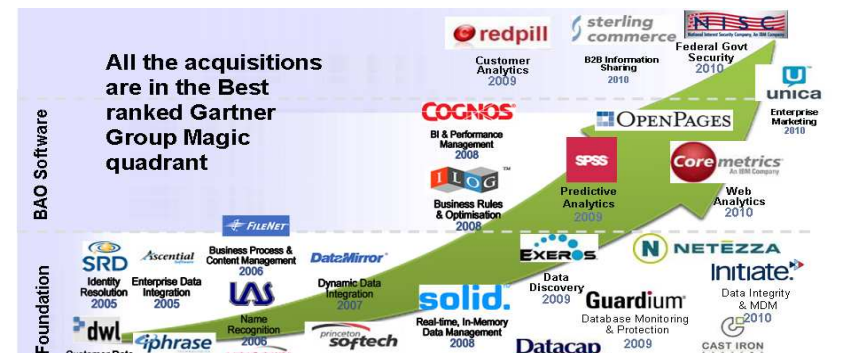
“... This is much bigger than ERP” – Sam Palmisano
 Investor Briefing, May 2009



Includes software, hardware and services

One of the 4 IBM Growth Places (with GMU, Cloud Computing and Smarter Planet)

IBM is acquiring the best ranked software in the Business Analytics arena ...

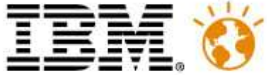


... dedicating several Competence Centers, among its International Research Lab network, to the development of Business Analytics and Optimization solutions and capabilities (200+dedicated mathematicians)...

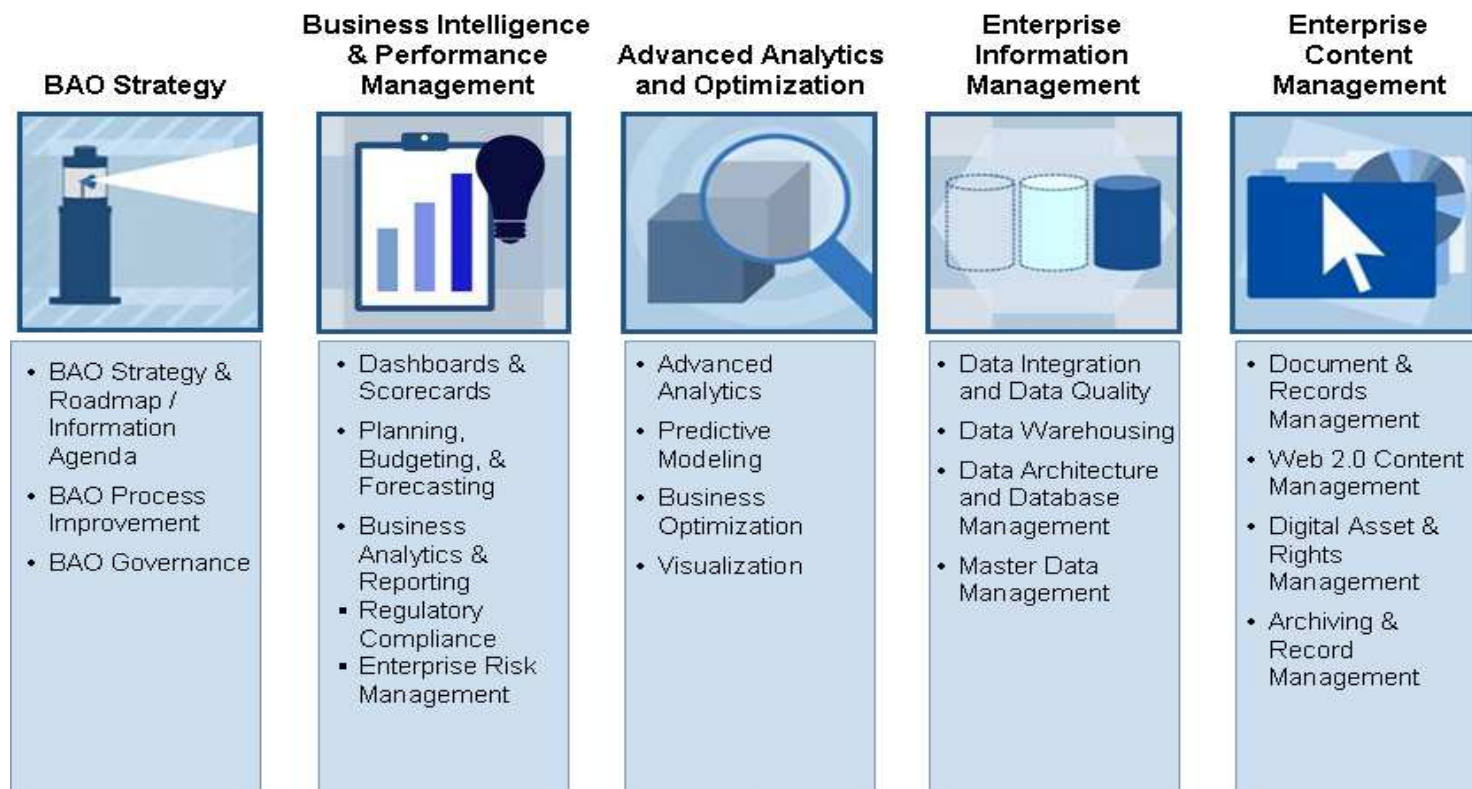


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... and IBM is fully committed on clients success by  leveraging Business Analytics: Investments, assets and skills to position IBM as “Category of One”

... and has built the largest Business Analytics & Optimization practice worldwide with 8000+ dedicated consultants

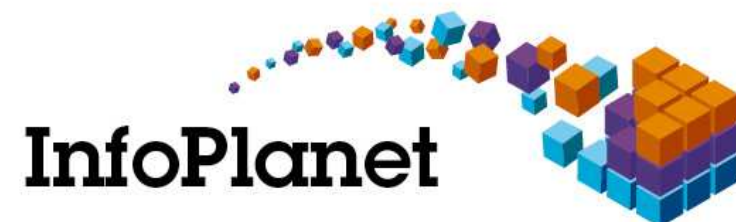
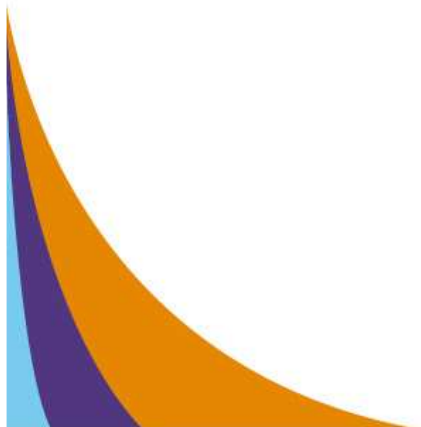


Case Study

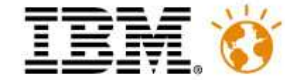
The Client Context



- One of the world's leading companies (40 companies in 26 countries) in heating, offering a complete range of heating and hot water products, systems and services designed to provide the maximum degree of comfort with the minimum use of energy
- Key figures: 1,1 Billion revenue, 6,5 Million products per year (19 factories in 10 countries), 6.500 employees

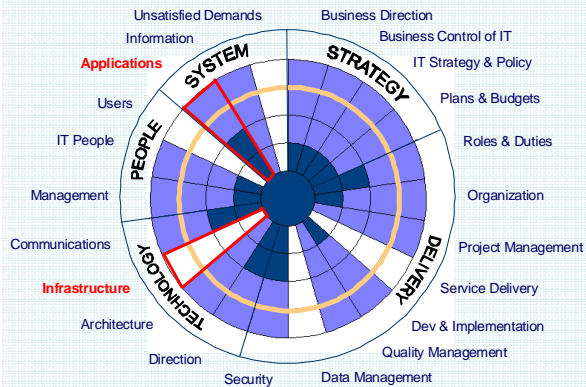


The Starting Point: IT Group Strategy



ICT Maturity Assessment

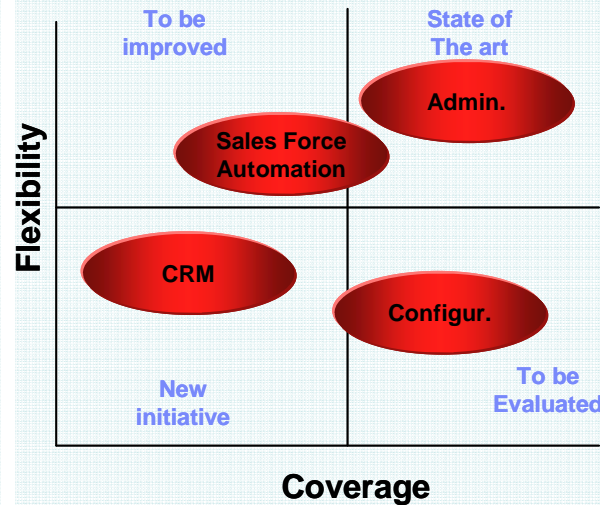
Understand the ICT function weaknesses and strengths for planning improvement actions



Application Portfolio Assessment

- Support current and future business activities
- Proactive planning of the application portfolio evolution.

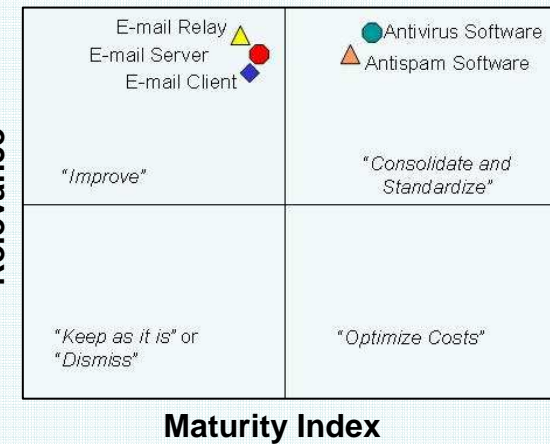
Example: Process Sales



ICT Infrastructure Assessment

- Functional coverage, performance, security, standardization and level of obsolescence
- Plan ICT Infrastructure evolution coherently with application portfolio

Example: email & messaging



IT Group Strategy Outcomes



Priority			
What	Stream 1 SAP Corporate Improvement	Stream 2 SAP Corporate Roll Out	Stream 3-4 CRM Sales & Service
How	<p>Define a list of projects according to the analysis done in order to fit with the other ICT strategic streams This stream will have priority 2 comparing to the others</p>	<ul style="list-style-type: none"> • Phased Approach • Phase I: In emerging markets, small companies first, then big companies but geographically closer to Europe (Russia and India). • Phase II: Far East Area or CE if the CRM implementation is completed. 	<ul style="list-style-type: none"> • Pilot projects in order to make experience, to properly evaluate the solution and to set up internal skill and competences • Define a team on the basis of the business model to lead implementation in each pilot • Roll out of the solution for each business model increasing complexity • Stop local projects
Why	<ul style="list-style-type: none"> • Focused on improvement of already implemented processes • Possible significant investment VS a mix of intangible and tangible benefits in which intangible could play an important role • More focused on efficiency than effectiveness and business growth 	<ul style="list-style-type: none"> • Process standardization and control ensured for future growth • If CRM is completed CE integration will be much easier • Project complexity • Investment • Business and market complexity 	<ul style="list-style-type: none"> • Business Relevance • Business Performance • Project complexity • Investment
	Corporate Solutions Extension & Consolidation	Integration Platform & BI Cognos Extension	



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CRM Program Feasibility Study – Italy and Swiss

1

Business Guidelines

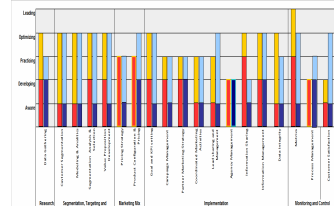
Business goals

Main business goals & value drivers

1. Sales/Service: Increase conversion rate of a sales rep and Customer
2. Sales: Set monthly conversion KPI (KPI) (Sales/Service) to increase market penetration
3. Sales: Set monthly conversion KPI (KPI) (Sales/Service) to increase market penetration
4. Sales: Set monthly conversion KPI (KPI) (Sales/Service) to increase market penetration
5. Sales: Set monthly conversion KPI (KPI) (Sales/Service) to increase market penetration
6. Service: Increase customer retention rate and customer loyalty (KPI)
7. Sales: Increase new acquisition rate of a sales rep and Customer (KPI)
8. Sales/Service: Increase customer retention rate and customer loyalty (KPI)
9. Sales/Service: Increase customer retention rate and customer loyalty (KPI)
10. Sales: Increase customer retention rate and customer loyalty (KPI)
11. Sales/Service: Increase customer retention rate and customer loyalty (KPI)
12. Sales/Service: Increase customer retention rate and customer loyalty (KPI)

- Retention in Italy
- Cross-Selling
- Retention for residential customers
- New acquisition for commercial

Capabilities



2

Areas of intervention and requirements

Areas of intervention

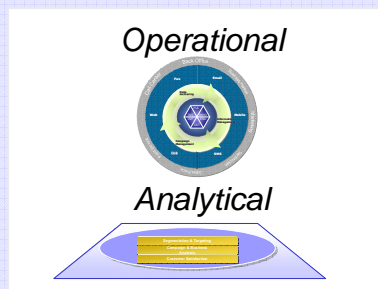


Requirements

Segmentation Criteria	Insider	Planner	CAT	Whysat	Est User
Consumption Behaviour	15%	15%	15%	15%	15%
Churn	14%	14%	14%	14%	14%
Demographics	15%	15%	15%	15%	15%
Geo	15%	15%	15%	15%	15%
Hobby	15%	15%	15%	15%	15%
Device	15%	15%	15%	15%	15%
Profitability	15%	15%	15%	15%	15%
Service	15%	15%	15%	15%	15%
Type	15%	15%	15%	15%	15%
Tot	17	16	14	14	11

3

Solution scenario



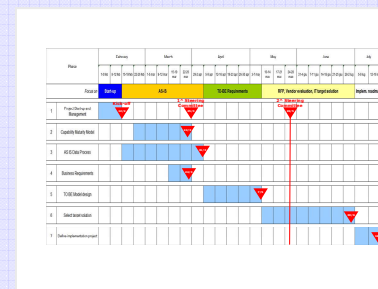
4

Roadmap & highlights

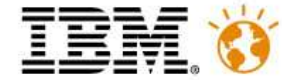
Phase	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Phase 1	Start	Start	Start	Start	Start	Start	Start	Start
Phase 2	Start	Start	Start	Start	Start	Start	Start	Start
Phase 3	Start	Start	Start	Start	Start	Start	Start	Start
Phase 4	Start	Start	Start	Start	Start	Start	Start	Start
Phase 5	Start	Start	Start	Start	Start	Start	Start	Start
Phase 6	Start	Start	Start	Start	Start	Start	Start	Start
Phase 7	Start	Start	Start	Start	Start	Start	Start	Start
Phase 8	Start	Start	Start	Start	Start	Start	Start	Start
Phase 9	Start	Start	Start	Start	Start	Start	Start	Start
Phase 10	Start	Start	Start	Start	Start	Start	Start	Start

5

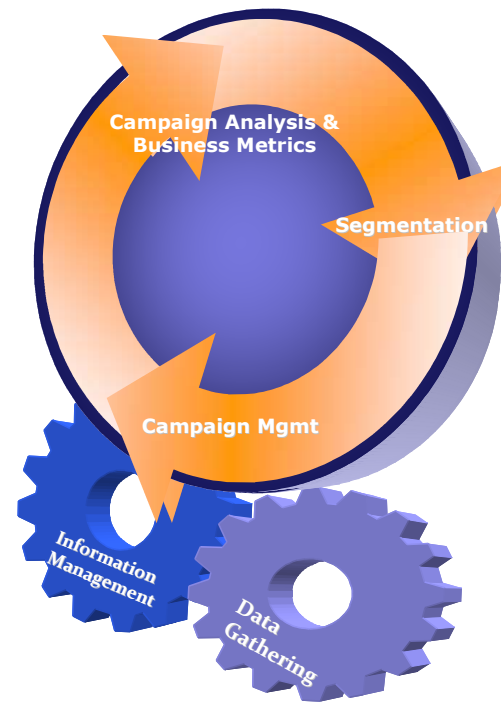
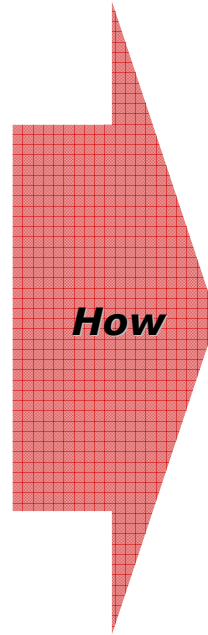
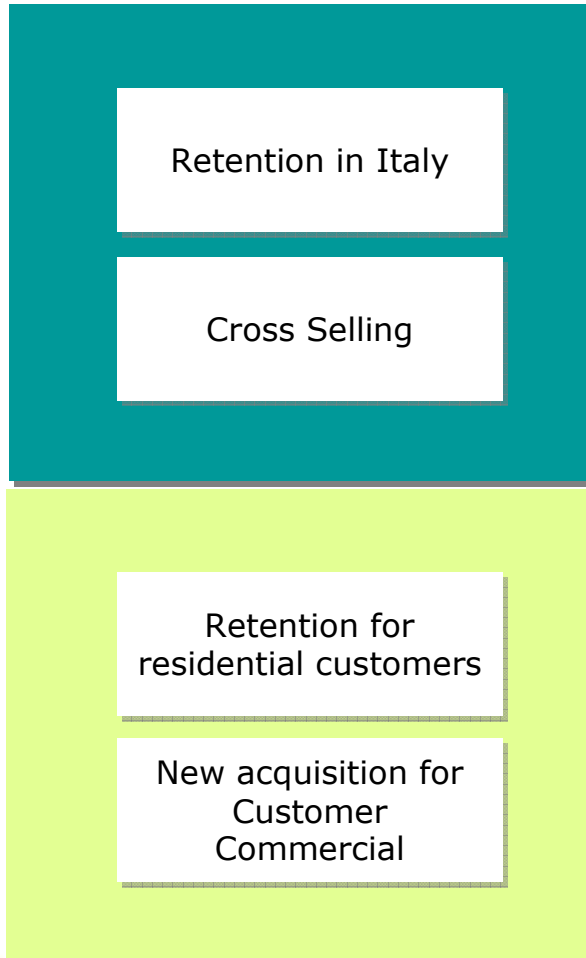
Project timeframe



CRM Program Feasibility Study – Intervention Areas

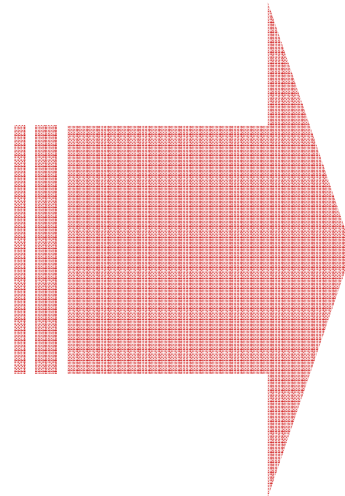
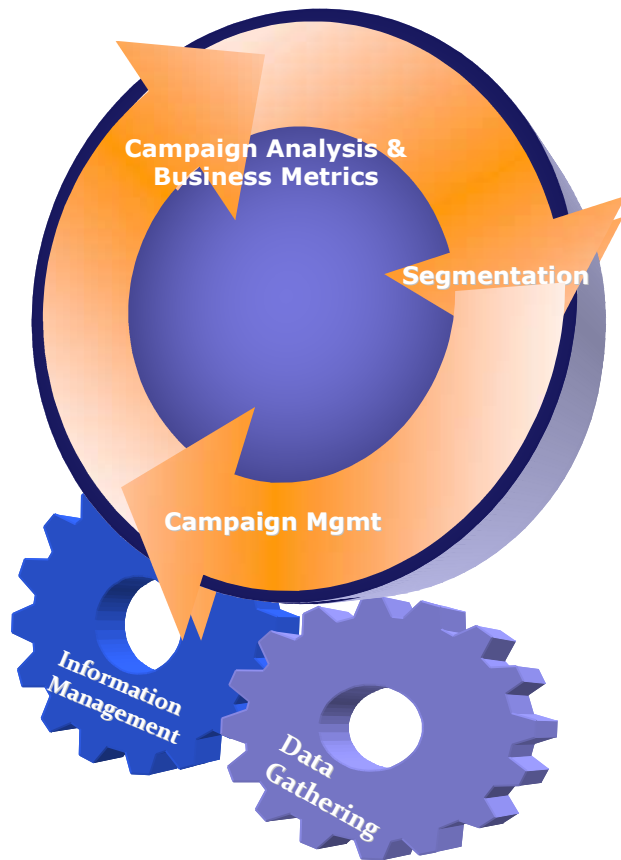
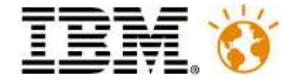


Objectives

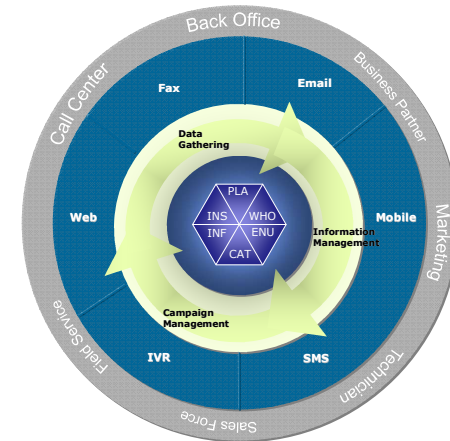


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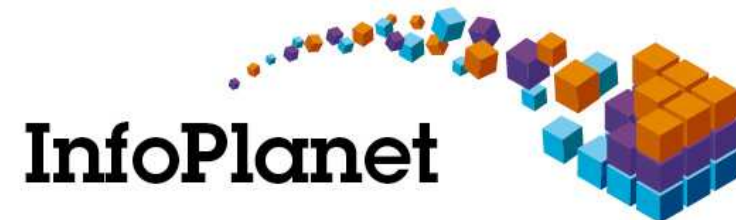
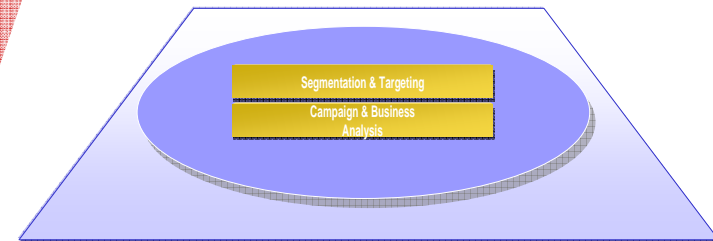
Feasibility Study – Key Initiatives



Operational CRM



Analytical CRM



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CRM Analytics Project



- Two stream project
 - Data Foundation: definition of a common logical data model to normalize and standardize the information (Master Data and Transactions) coming from source systems.
 - CRM Analytics: implementation of a Business Intelligence solution to develop business metrics, perform marketing campaign and loyalty programs analysis and enable customer segmentation and clustering



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CRM Analytics Project - Project Scope



- The CRM Analytics solution is focused one main business area, **Marketing Organization**, and the related **Business Domains**
 - Pre Sales
 - Sales Products and Services
 - Service (After Sales)
 - Loyalty
 - Campaign Results
 - Business Partners



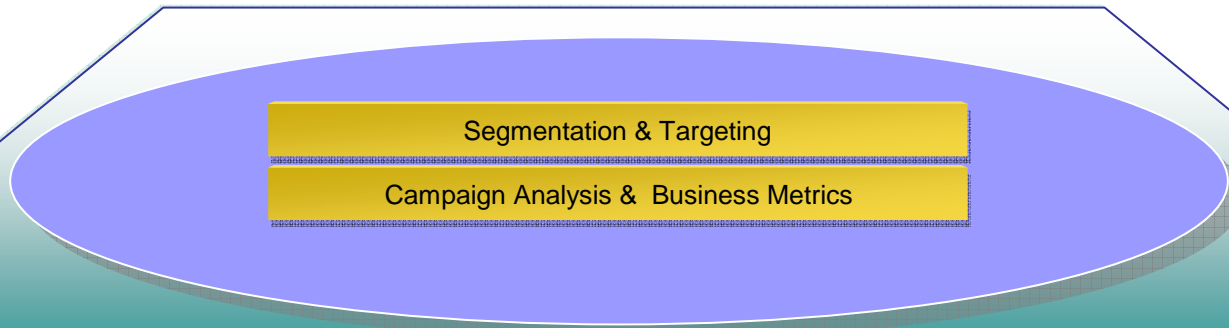
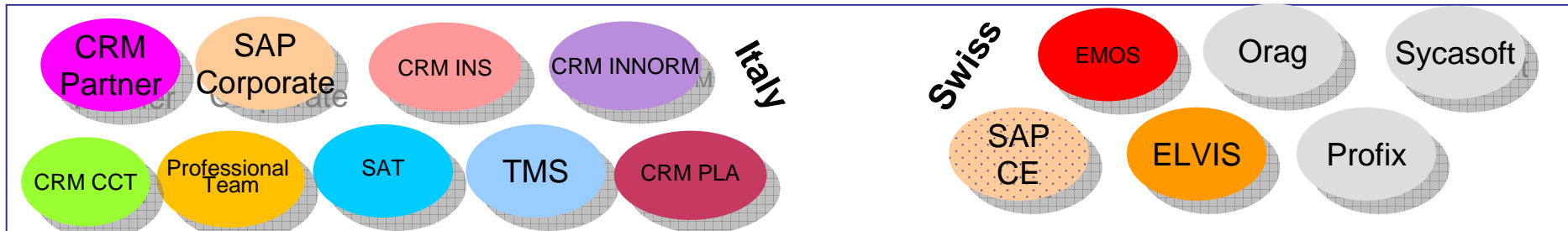
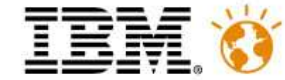
Our development strategy is based on the realization of a scalable and extensible environment, to enable the evolution of the Analytics scope and (e.g. Predictive)

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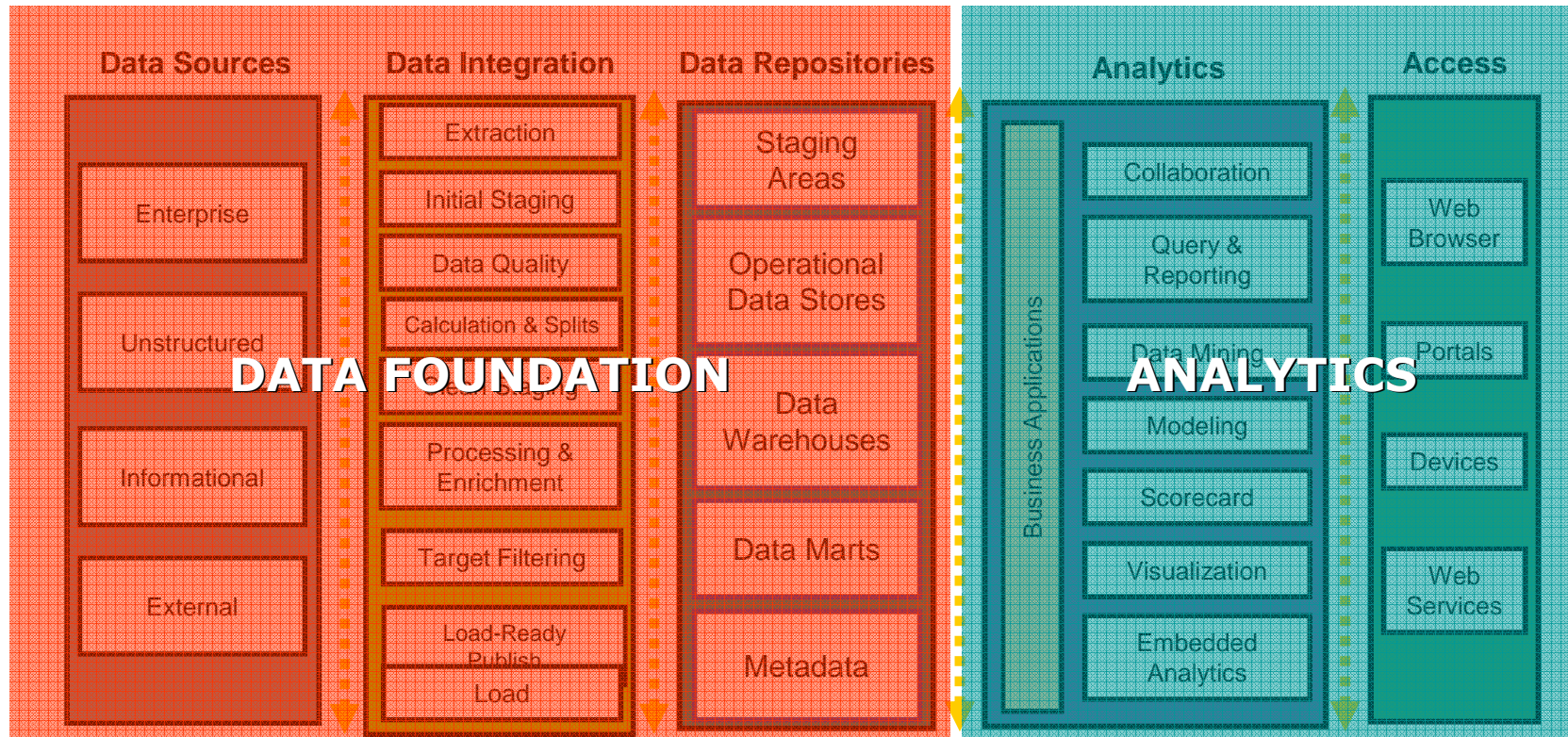
CRM Analytics Project – Data Foundation



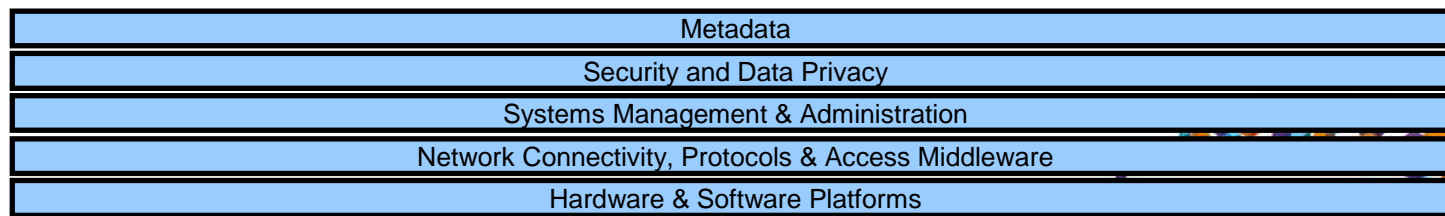
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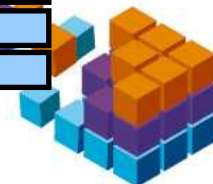
CRM Analytics Project – Reference Architecture



← Data Flow and Workflow →

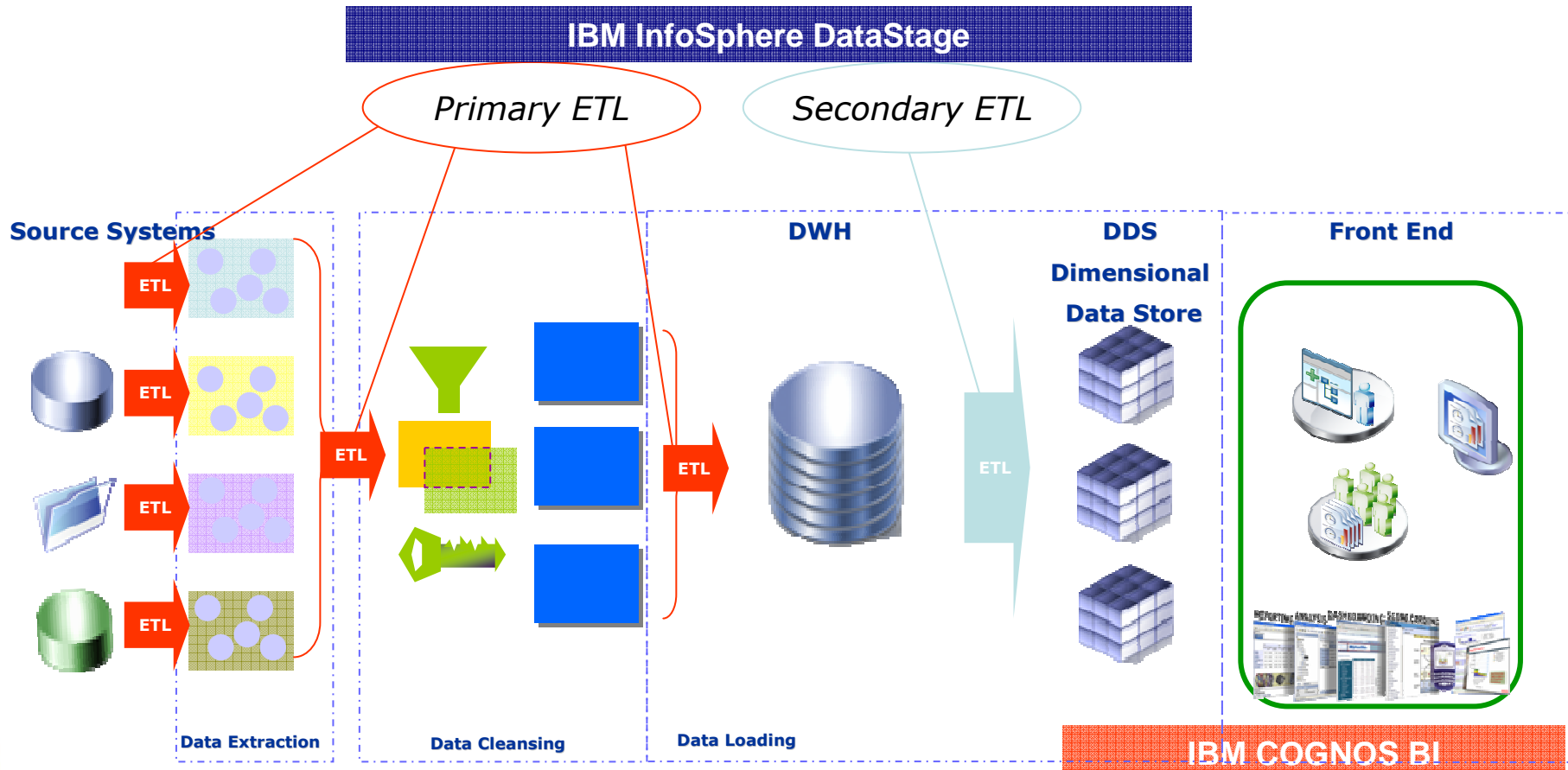


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CRM Analytics Project – Solution Overview



IBM COGNOS BI

METADATA

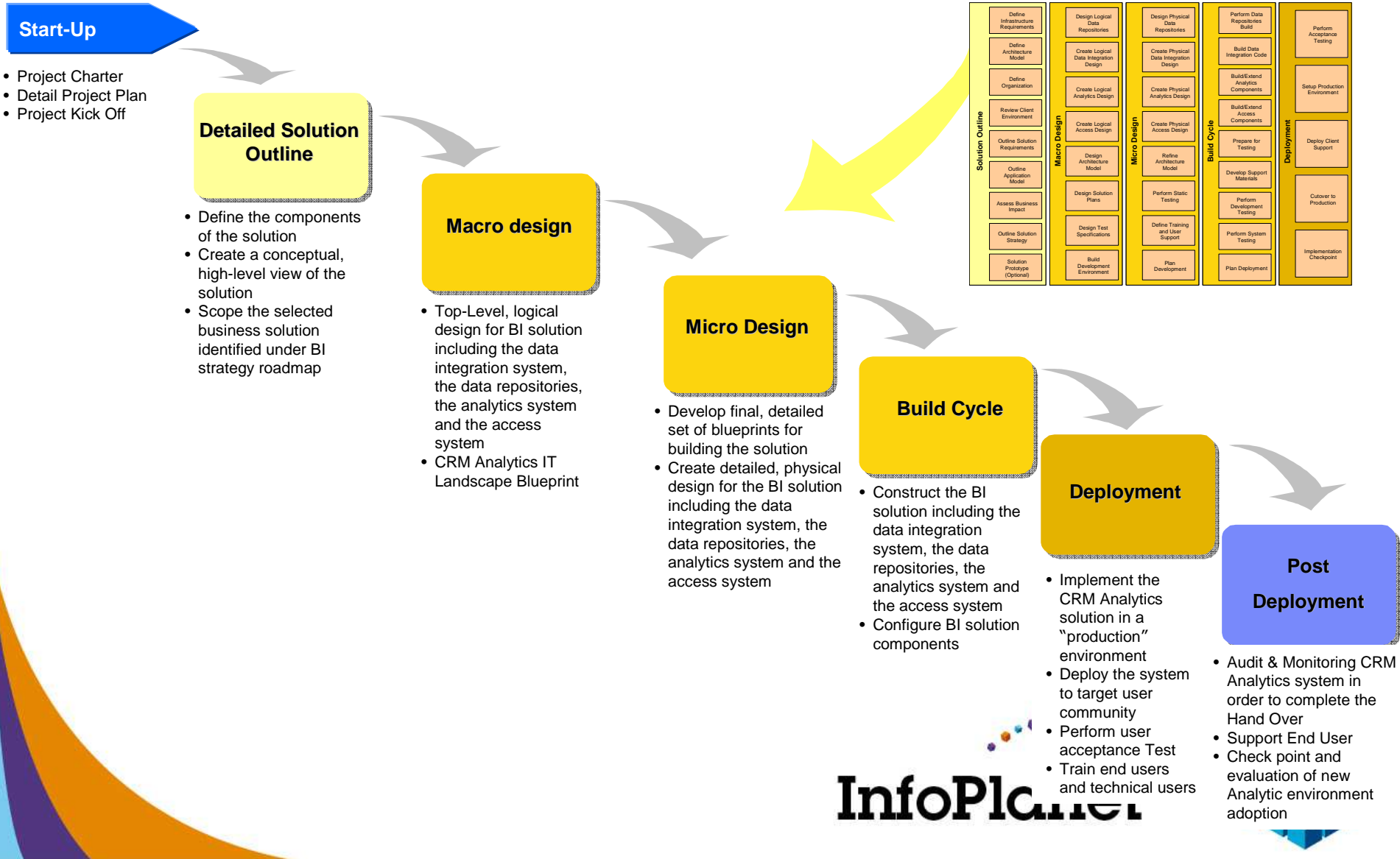
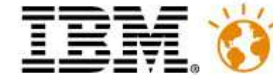
DATA RESOURCE MANAGEMENT

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CRM Analytics Project – Methodology



Contacts



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