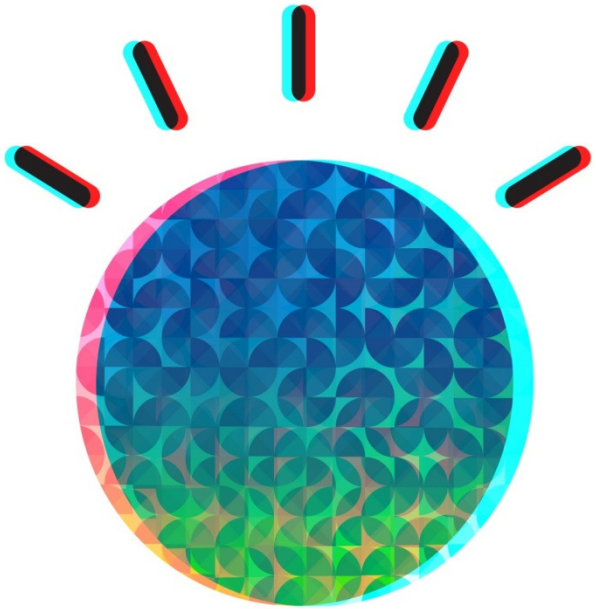
IBM SOFTWARE CONFERENCE 2011
Powered by Impact & Innovate 2011

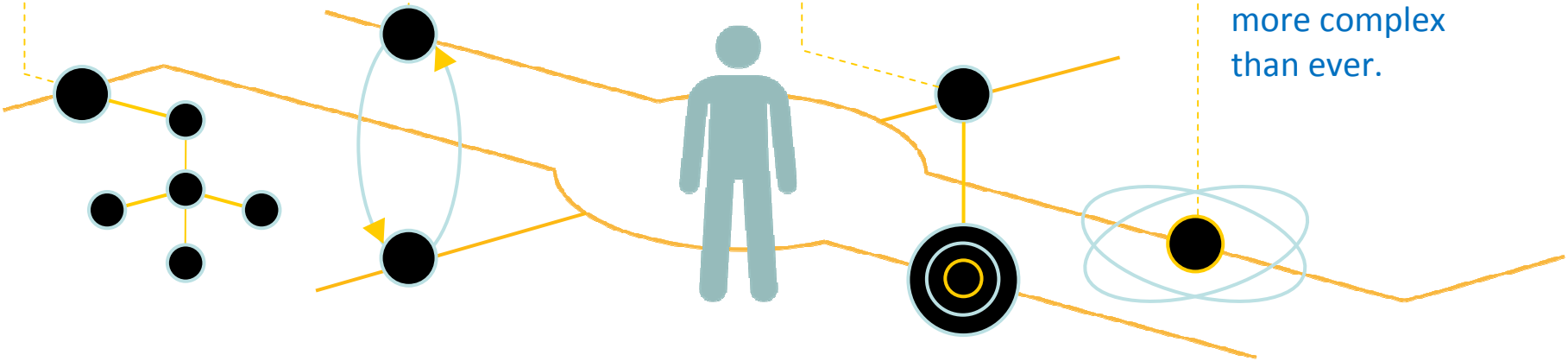
IBM Smarter Commerce



Time to Revolutionize Your Approach to Commerce

We have entered the age of the empowered customer

- Customers now have unlimited access to information and can instantly share it with the world.
- Social networking and mobile commerce have dramatically changed the dynamic between buyer and seller.
- Customer expectations of service, price and delivery is soaring.
- This is changing the entire way products are sourced, manufactured and distributed—and making business more complex than ever.



155M

Number of tweets sent via Twitter each day

75%

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

$93 billion

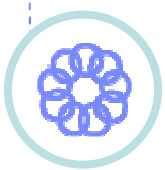
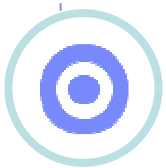
Amount in sales missed due to out of stock inventory

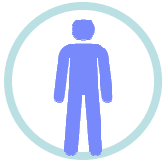
Source: Twitter Global PR, Yankelovich, via Search Engine People, July 2010 , RIS Fifth Annual Store Systems Study 2008

Power has shifted to the customer — compressing margins and changing paradigms

In this new era, businesses need to:

- Understand and anticipate customer behavior and needs based on customer insights across all channels
- Adapt sourcing and procurement based on customer demand and optimize supplier interactions across extended value chains
- Market, sell and fulfill the right product and service at the right price, time and place
- Service customers flawlessly, predict and drive customer loyalty



How did Cengage Learning Address these Forces?

Challenge: eroding sales, pricing and delivery issues, technology shifts and everything free (Wiki, Google)

CENGAGE Learning™

Solution: Establish direct-to-consumer on-line sales model with new offerings to embrace digital shift

Results: 50% Y/Y increase in D2C revenue with digital revenue eclipsing book sales

Source: Twitter Global PR, Yankelovich, via Search Engine People, July 2010 , RIS Fifth Annual Store Systems Study 2008

How did Crocs address cross channel delivery?

Challenge: manual process to manage orders, lengthy response times, poor order accuracy, available to promise issues

crocs™

Solution: Establish distributed order management across channels

Results: 100% fill rates in their internet channel which had line cancel rate of 13+%

Return on investment within 12 months

Source: Twitter Global PR, Yankelovich, via Search Engine People, July 2010 , RIS Fifth Annual Store Systems Study 2008

Realizing Smarter Commerce with IBM's Integrated Portfolio

VALUE CHAIN STRATEGY

Innovation and business value | Market and customer mgmt | Operating and organization models

CORE BUSINESS SOLUTIONS

Core Business Processes

Buy	Market	Sell	Service
Drives intelligent, adaptive and optimized extended supply chains based on customer demand	*Creates personalized and relevant offers with unified cross-channel marketing*	*Enables customers and partners to buy what they want, when and where*	*Anticipates behavior and delivers flawless customer service across all channels*

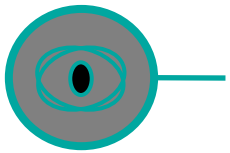
Advanced Analytics

Store analytics | Purchase analytics | Consumer loyalty | Predictive and prescriptive | Social analytics | Web analytics | Master data mgt

Workload Optimized Systems

Systems, Storage and Software focused on agility, integration and automation to drive relevant business success

IBM's Smarter Commerce: Making It Real



INVESTMENT

- *$2.5+ billion software investment*
- *Global Business Services Practice*

INNOVATION

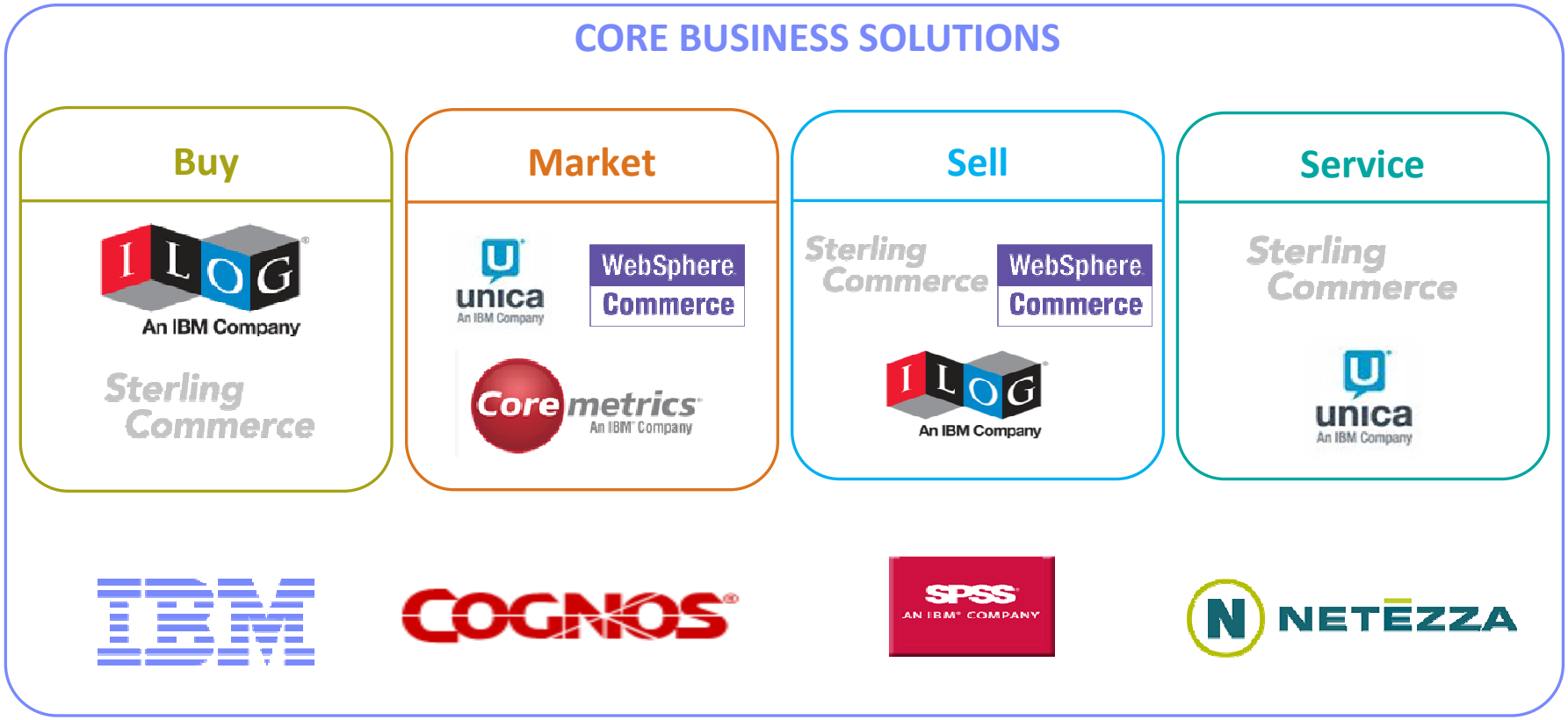
- *$14B in BAO acquisitions and 8,000+ dedicated consultants*
- *25,000 hardware and 35,000 software developers*
- *3000 IBM researchers*

EXPERIENCE

- *Hundreds of customer engagements*
- *Expertise in over 20 industries*

Smarter Commerce Portfolio

IBM has invested over $2.5B in 2010 alone. Business Partners play a key role in delivering integrated solutions to clients.



Solution Scenario – how it comes together

A unified, cross-channel shopping experience

- **Provide a consistent view of a consumer's order across multiple interaction channels**
  - ***Coremetrics*** is used to track consumer actions, and make relevant recommendations
  - The e-commerce web site and order capture is provided by ***Websphere Commerce***
  - ***Sterling Order Management*** maintains a consistent view of the consumer's order
  - The POS from ***Retail Store Systems*** integrates with the entire system

Consumer is shown a web ad for a new TV by *Coremetrics*

and completes the purchase using *WebSphere Commerce*

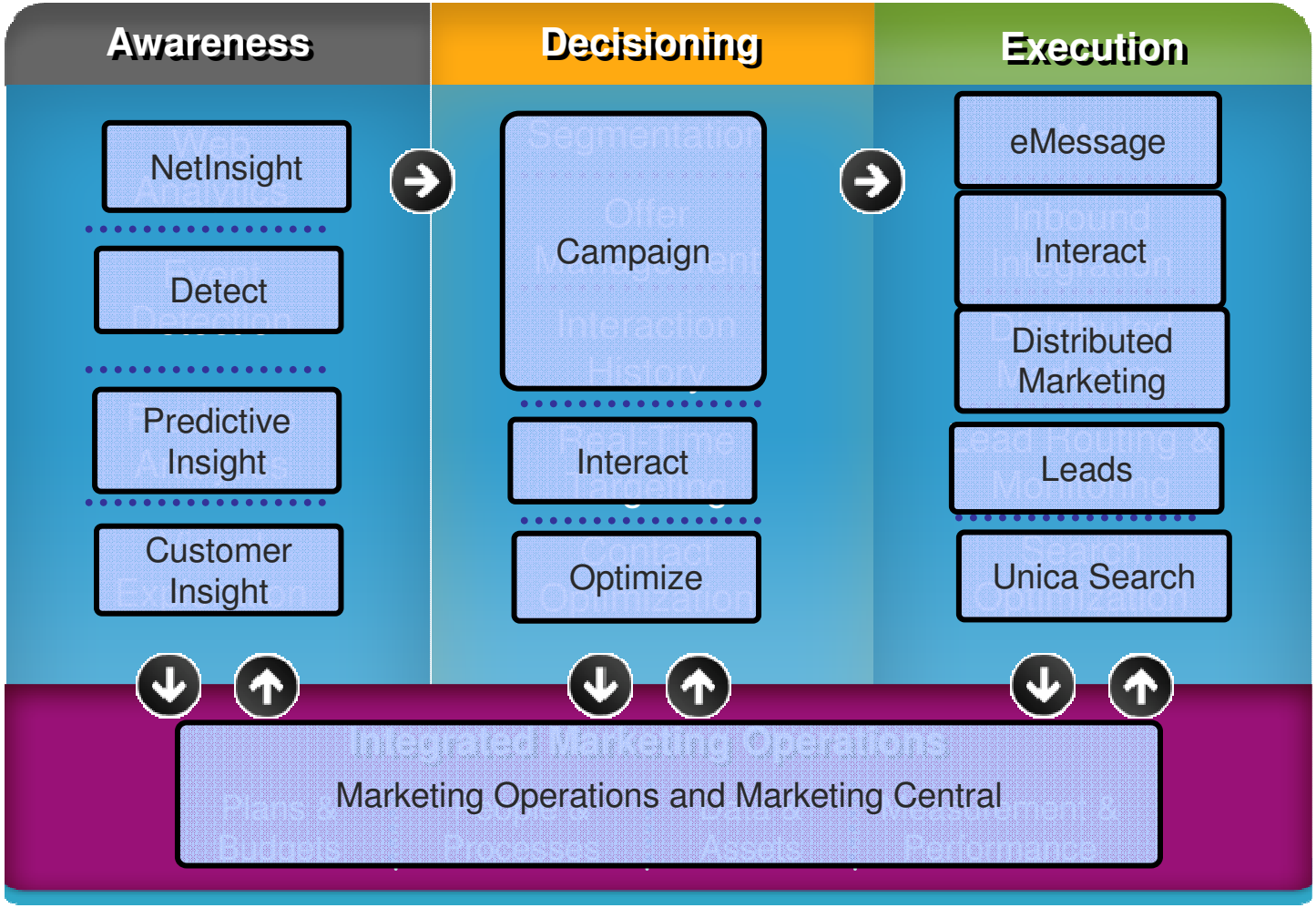
Decides to extend the order, from a mobile device

Phones the call center or engages online to change the order from delivery to pickup powered by *Sterling Order Management*

Visits the store to pickup the TV, views the order via the *RSS* POS

Coremetrics Intelligent Offer prompts the POS to recommend new speakers, with an instant discount … *sold*

Quick view of our Marketing Commerce Cycle



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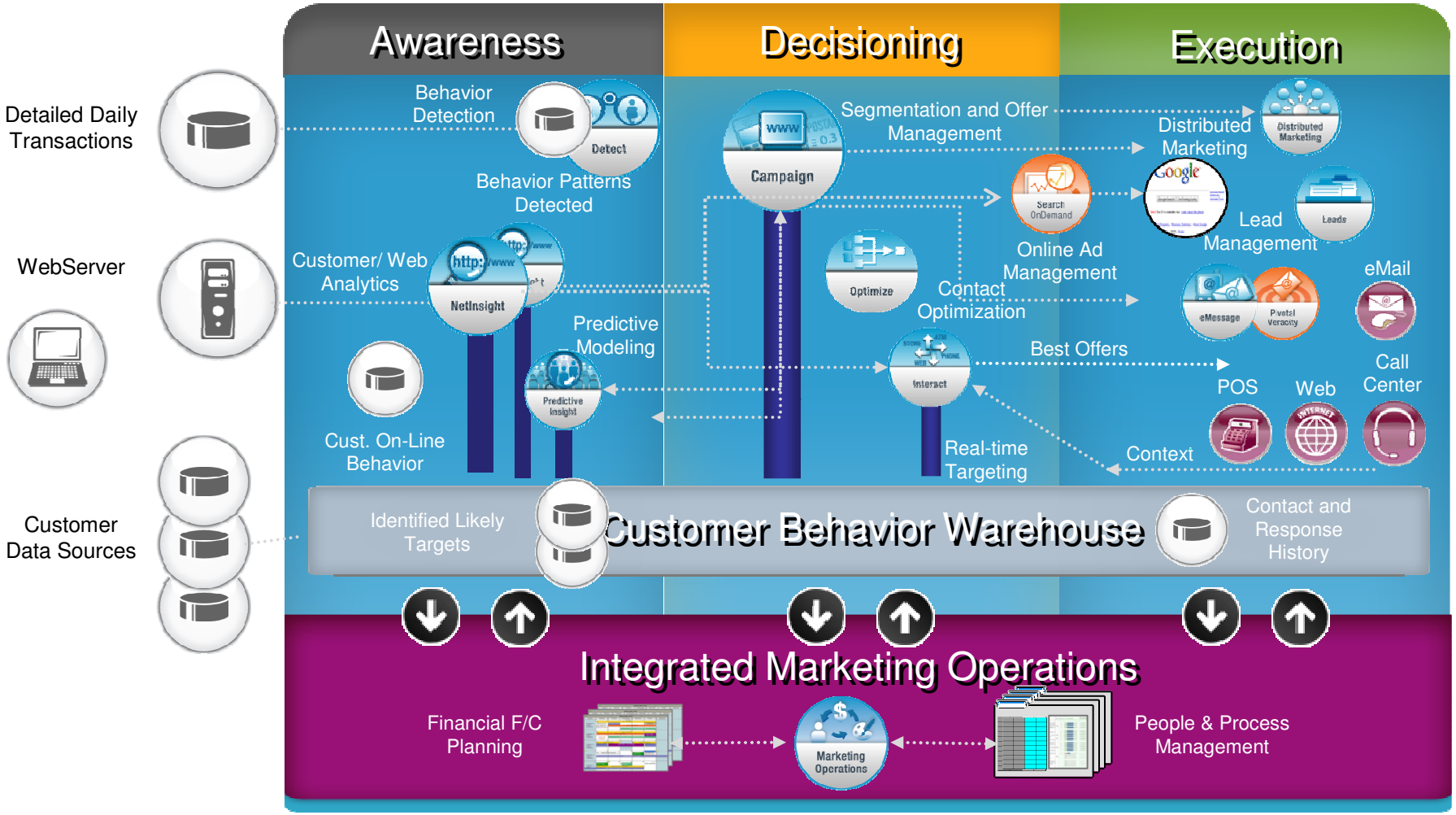
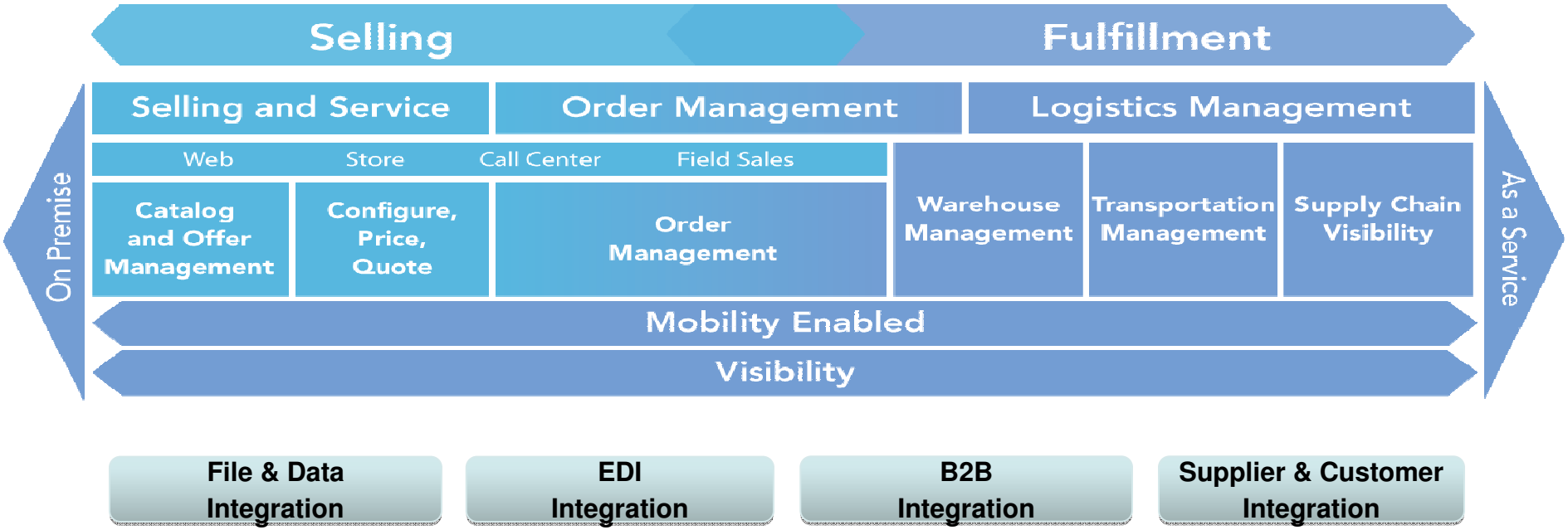
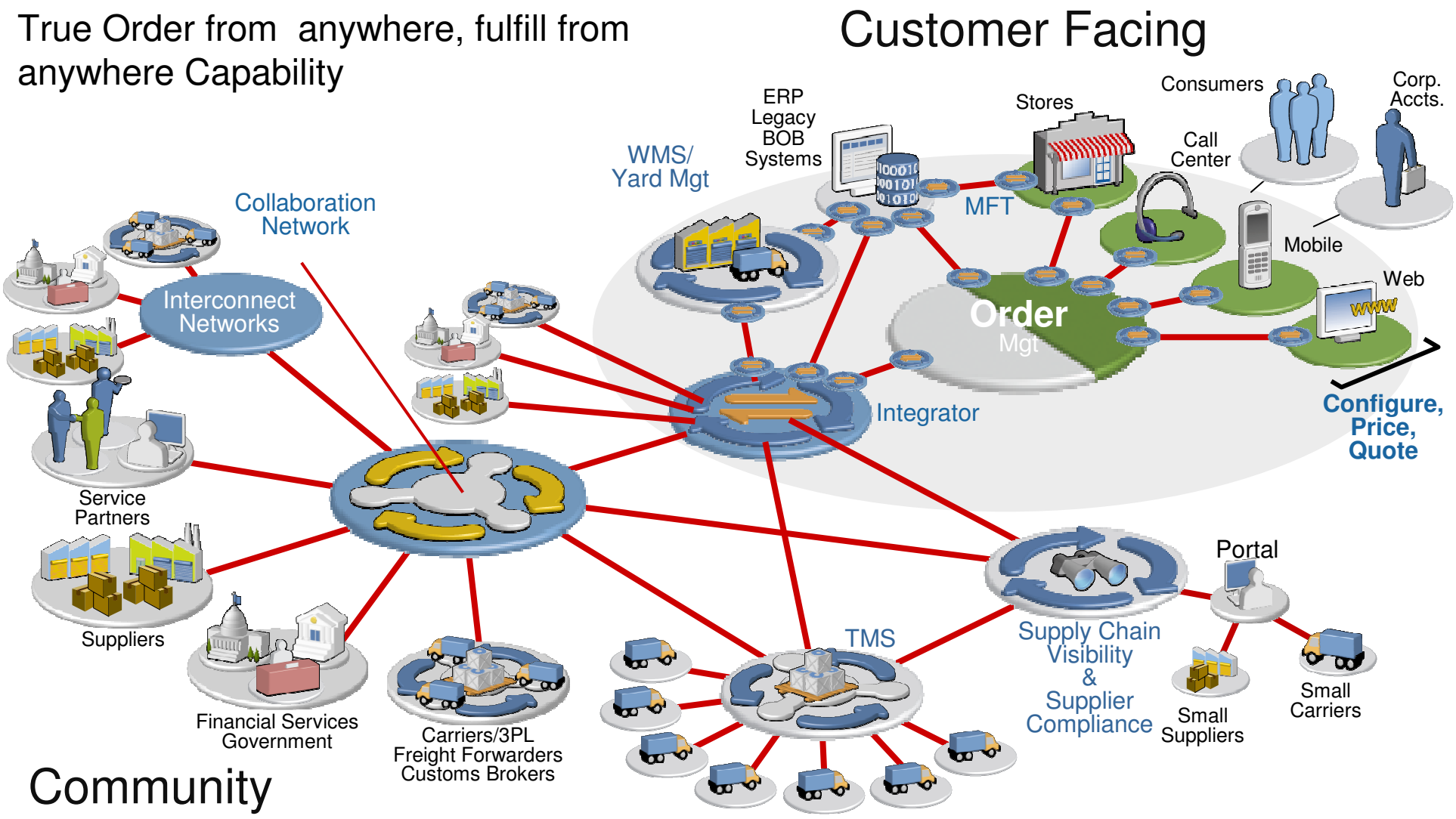


Quick view of Cross Channel Execution Capability



Quick view of Cross Channel Execution Capability

True Order from anywhere, fulfill from anywhere Capability



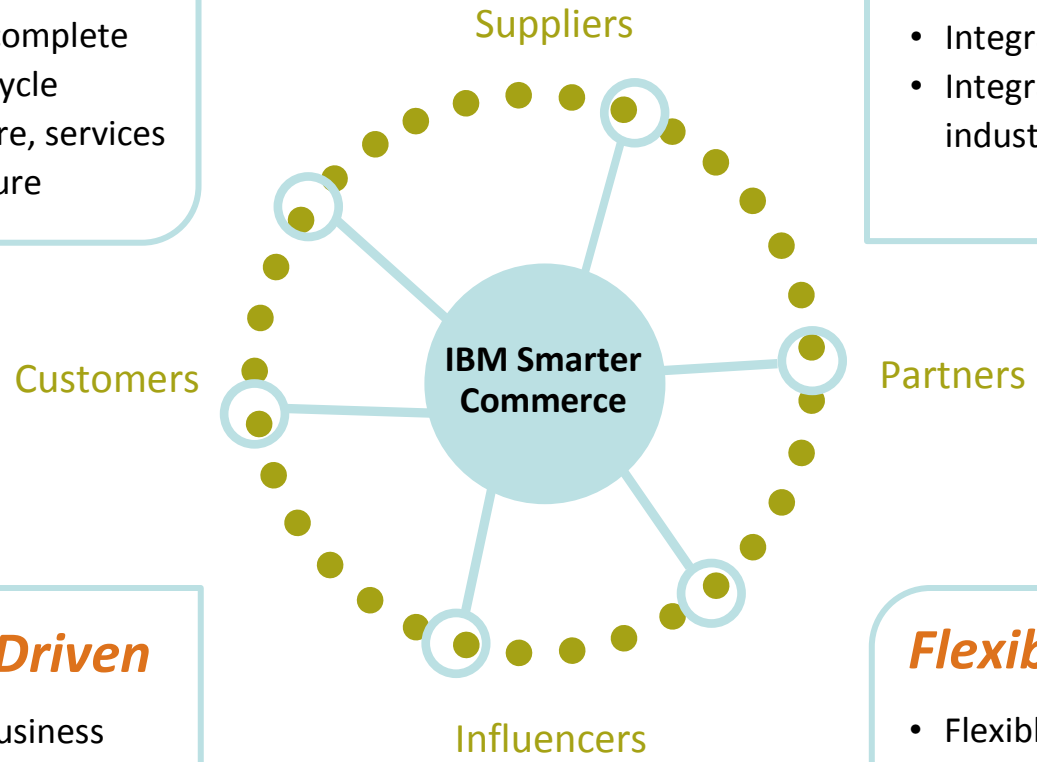
What is unique about IBM's Smarter Commerce?

Comprehensive

- Optimizes the complete commerce lifecycle
- Leading software, services and infrastructure

Integrated

- Integrated analytics
- Integrated focused industry solutions

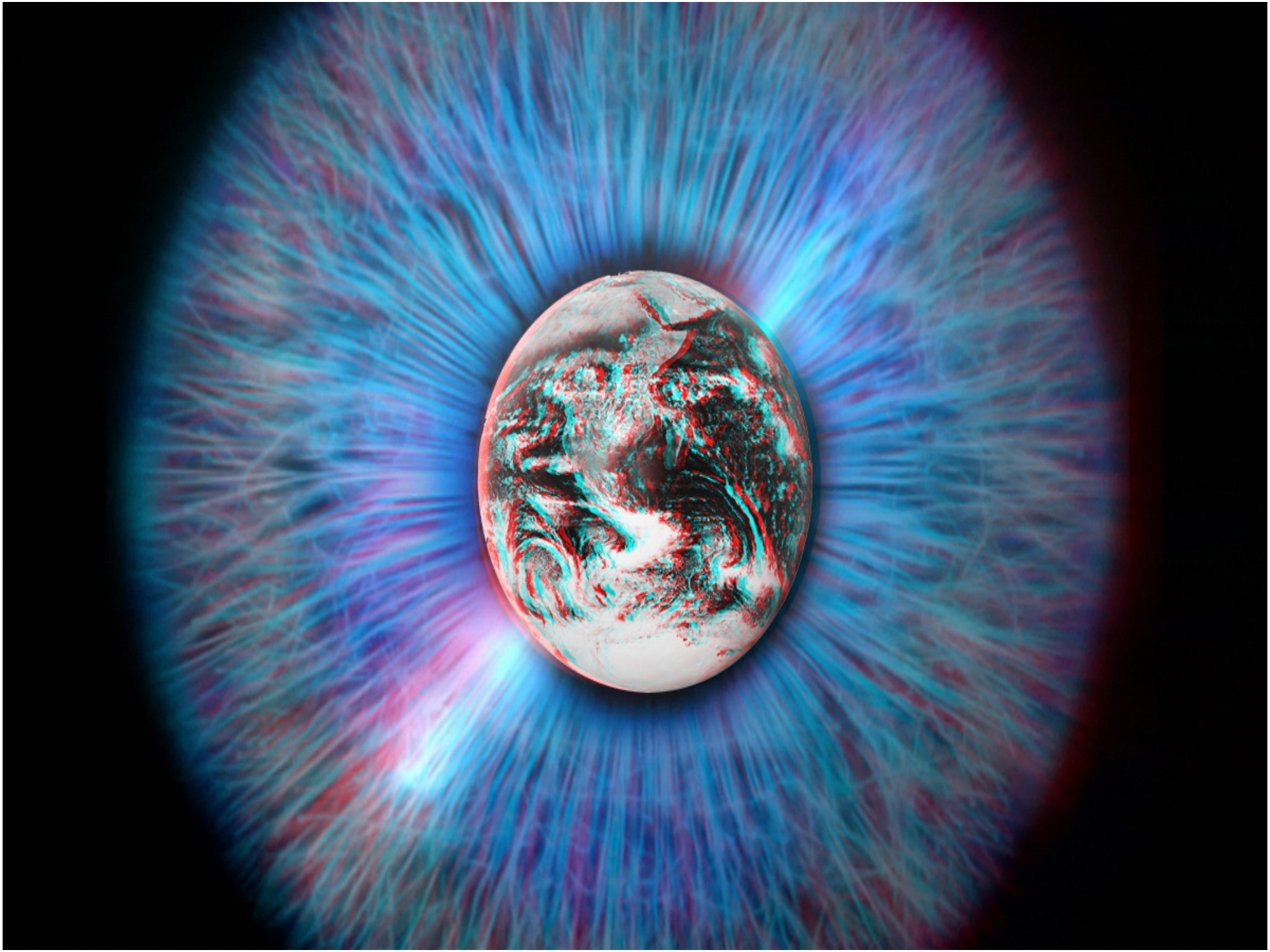


Outcome Driven

- Measureable business outcomes
- Outcomes tailored to business domains

Flexible and Open

- Flexible deployment
- Modular offerings and flexible consumption



Thank You