

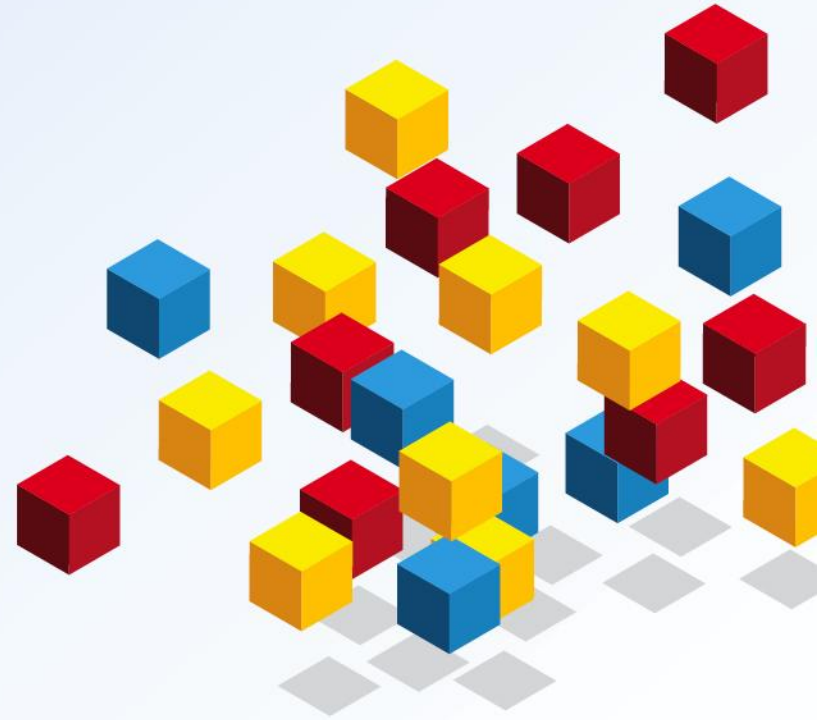
Unifying information, process and people

Delivers better outcomes for you and your clients.



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Business Value Assessment

Simon Eassom – Industry Solutions Executive

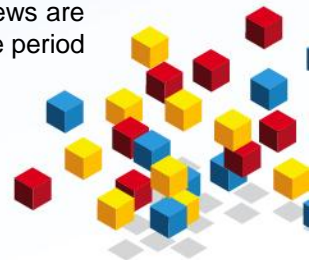
03/05/2011



Exclusive Offer

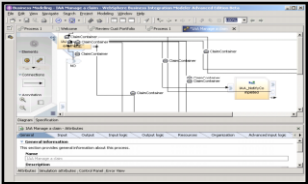
- A Business Value Assessment is \$40k-\$60k business consulting engagement that, upon qualification, can be offered to attendee organisations on a no-fee basis*
- The consulting engagement includes a 2-4 day onsite interview and workshop programme and a customised executive deliverable including a full business case
- The total lapsed time from qualification consultation to report delivery can be as little as 2-3 weeks
- Available to all attendants is a one-hour consultation to qualify your organisation's suitability for a no-fee BVA engagement

* Customer may be liable for travel and expenses if the workshop and interviews are conducted over multiple sites and over an extended time period



What is a BVA?

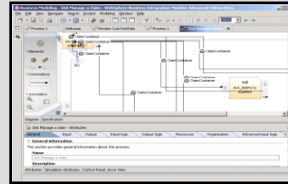
1. Current-State Analysis



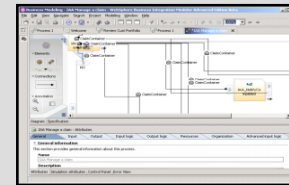
2. Business Goals and Requirements



3. Future-State Design



4. Current and Future-State Gap Analysis



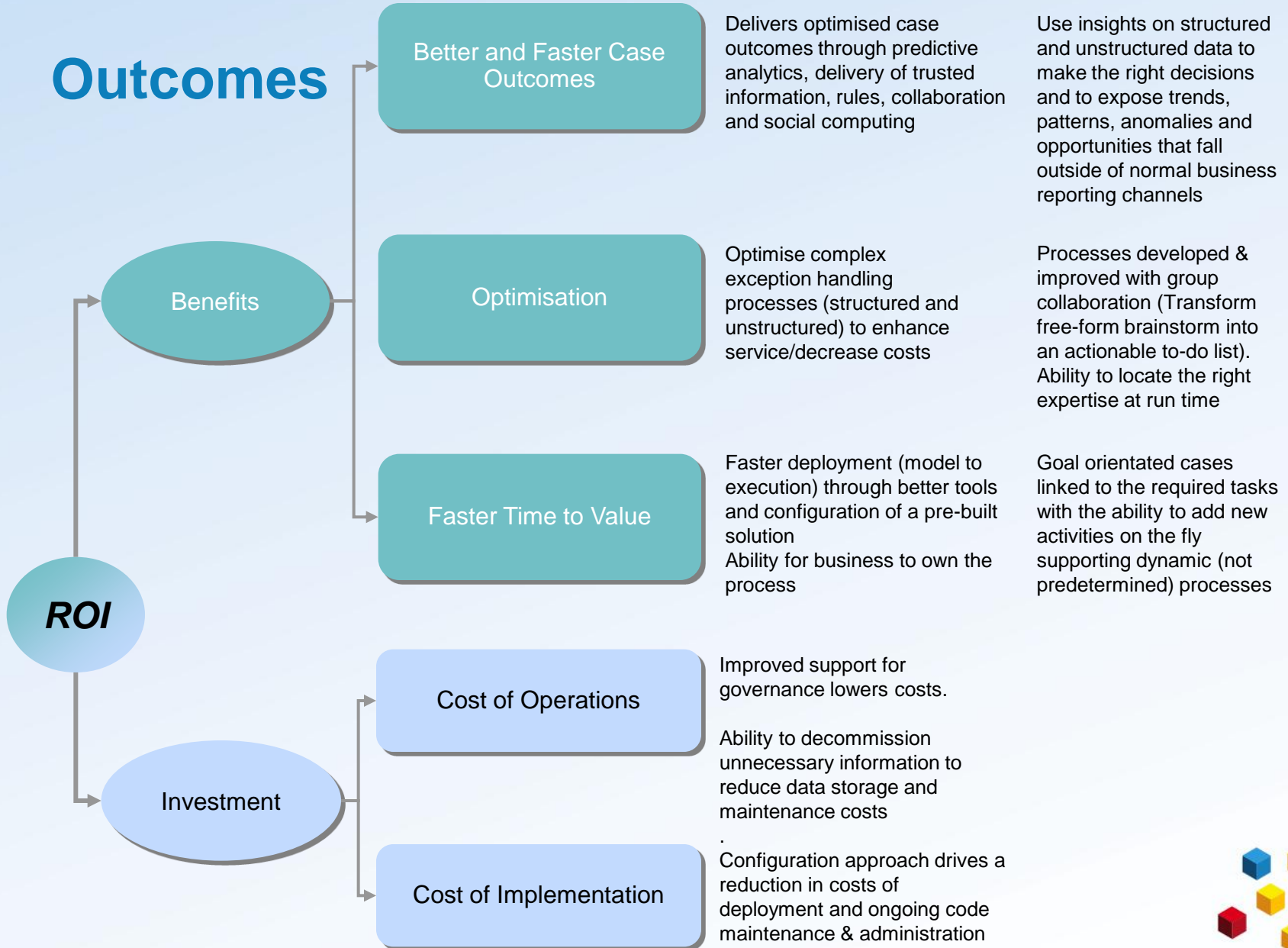
5. Business Impact Analysis and Actions

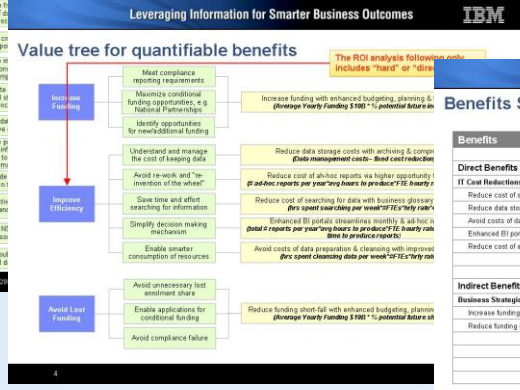
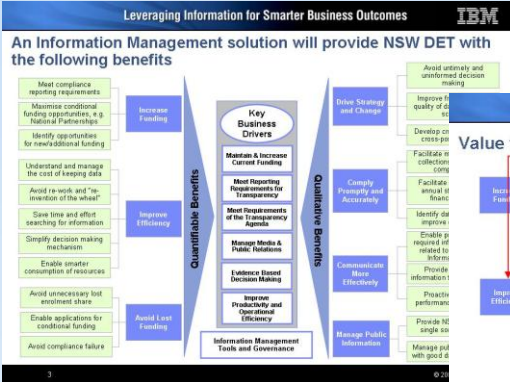


- **Understand the Business Problem/ Challenge**
Work with client team to understand Current-State problems, drivers for change, goals and benefits of Future-State environment
- **Identify Challenges and Opportunities for Improvement**
Model the Current-State and align to business strategies and goals
- **Provide A Business Vision**
Based on client strategic vision, IBM's industry expertise, and the current environment
- **Define Technology Requirements**
Technical requirements are identified based on Future-State vision, business initiatives and objectives
- **Define the Business Value**
A thorough understanding of the Future-State recommendation allows for more complex ROI and business value to be calculated



Outcomes





Leveraging Information for Smarter Business Outcomes

Benefits Summary

Benefits	Year 1	Year 2	Year 3
Direct Benefits included in ROI analysis			
IT Cost Reductions			
Reduce cost of searching for data with business glossary & federation	\$3,400,000	\$4,000,000	\$4.00
Reduce data storage costs with archiving & compression - Data warehouse	\$2,002,900	\$3,002,900	\$3.30
Avoid costs of data preparation & cleansing with improved data quality	\$1,725,000	\$2,000,000	\$2.30
Enhanced BI portals streamlines monthly & ad-hoc reporting	\$286,750	\$381,000	\$38
Reduce cost of ad-hoc reports via higher opportunity	\$228,500	\$347,392	\$41
Total IT Cost Reductions	\$8,400,250	\$10,711,312	\$11.08
Indirect Benefits excluded from ROI analysis			
Business Strategic Advantage			
Increase funding with enhanced budgeting, planning & forecasting	\$7,500,000	\$13,750,000	\$18.75
Reduce funding short fall with enhanced budgeting, planning & forecasting	\$3,750,000	\$6,675,000	\$9.37
Total Business Strategic Advantage	\$11,250,000	\$20,425,000	\$28.12

Leveraging Information for Smarter Business Outcomes

Investment Summary

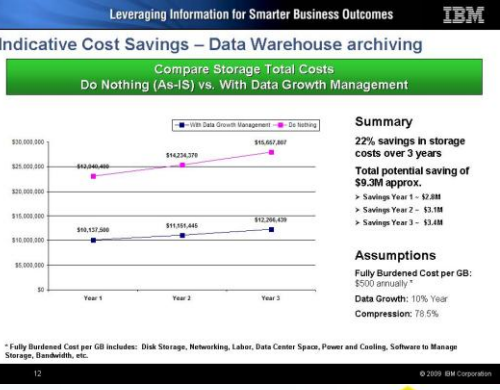
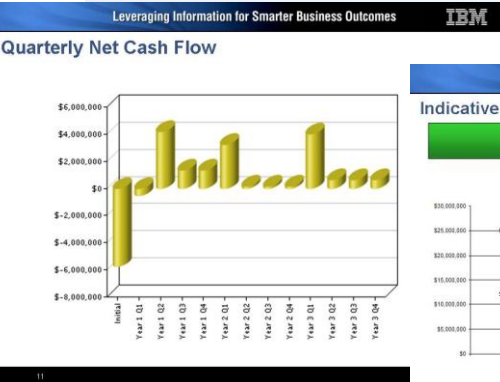
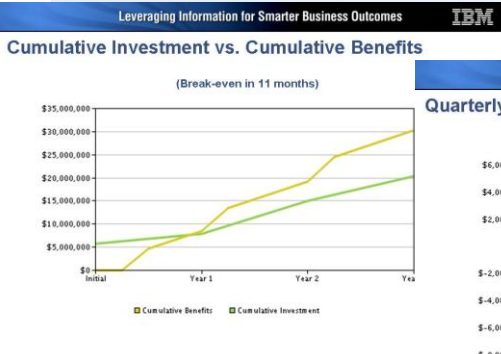
Investments	Initial	Year 1	Year 2	Year 3	Total
Licensed Software & maintenance	\$5,000,000	\$0	\$1,000,000	\$1,000,000	\$7,000,000
Additional Software & maintenance	\$0	\$0	\$4,000,000	\$3,200,000	\$7,200,000
Hardware & maintenance	\$750,000	\$136,000	\$136,000	\$136,000	\$1,158,000
Professional Services	\$0	\$2,000,000	\$2,000,000	\$1,000,000	\$5,000,000
Total Investments	\$5,750,000	\$2,136,000	\$7,136,000	\$5,336,000	\$20,358,000

Timing of Investments over 3 years

Leveraging Information for Smarter Business Outcomes

ROI Analysis

	Initial	Year 1	Year 2	Year 3
Benefits	\$0	\$8,400,210	\$10,711,317	\$11,089,228
Cumulative Benefits		\$8,400,210	\$19,201,527	\$30,290,766
Investment	\$6,750,000	\$2,136,000	\$7,136,000	\$5,336,000
Cumulative Investment	\$6,750,000	\$7,866,000	\$15,002,000	\$20,358,000
Cash Flow	(\$6,750,000)	\$6,264,210	\$3,575,317	\$5,753,228
Cumulative Cash Flow	(\$6,750,000)	\$605,210	\$4,181,527	\$9,936,766
ROI	49%			
Risk Adjusted ROI	42%			
NPV Savings	\$7,419,270			
IRR	77%			
Payback period (including deployment)	11 months			
Risk-Adjusted Discount Rate	9.5%			



Deliverable





Thank You.

