

Business Analytics 2012

Capitalizing on the BA Market Opportunity

Yeliz KORKMAZ

Turning **opportunity**
into **profitability**
with IBM Software.

Simplicity. Profitability. Growth.



New Pressures

Business

- Doing more with less
- Increasing customer expectations
- Managing risk and fraud

IT

- Wild west of information: big and personal
- Balance freedom with governance & control

Simplicity. Profitability. Growth.



Executives



IBM Global CEO Study,
Capitalizing on Complexity

CEO focus over the next 5 years



CIO



IBM Global CIO Study
The Essential CIO

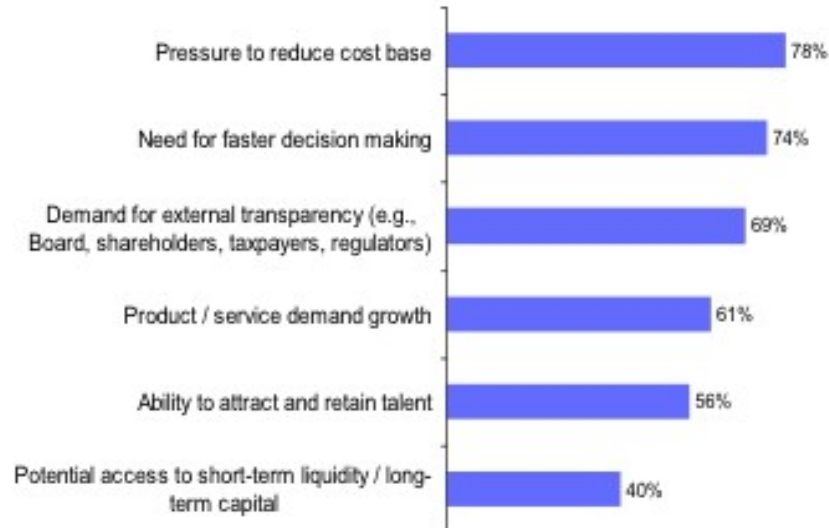
CIO focus over the next 5 years



CFO focus over next 3 years



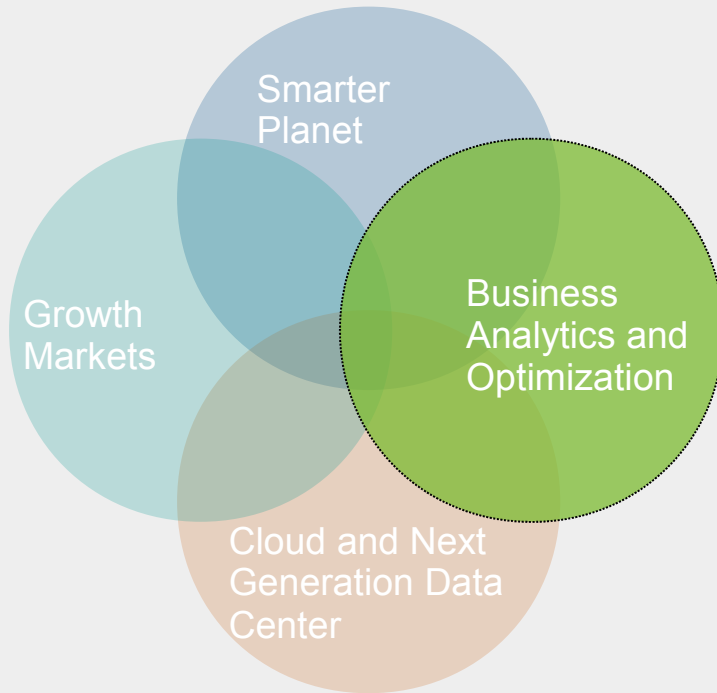
CFO



IBM Global CFO Study,
The New Value Integrator

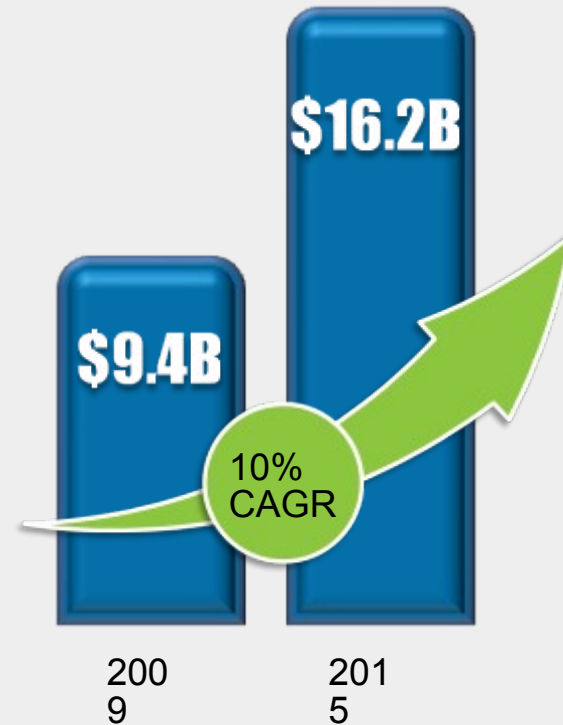
Business Analytics and Optimization is a top IBM priority

IBM Growth Initiatives



BAO Revenue

(including SW, HW and services)

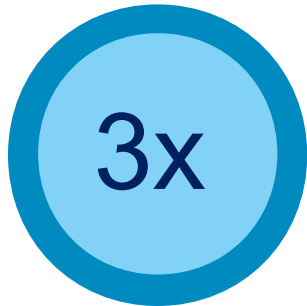


Includes software, hardware and services

Source: IBM Investor Relations, May 2010; \$16B refers to cross-IBM revenue including Software, Services and Systems.

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High AQ Organizations Outperform



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

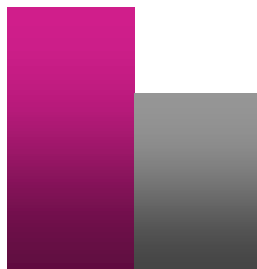


Top Performers are more likely to use an analytic approach over intuition*

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.

*within business processes

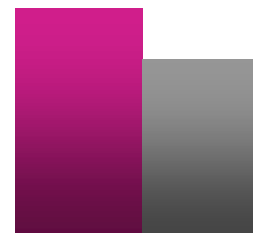
49% more Revenue Growth



> 20x more EBITDA



30% more Return on Invested Capital



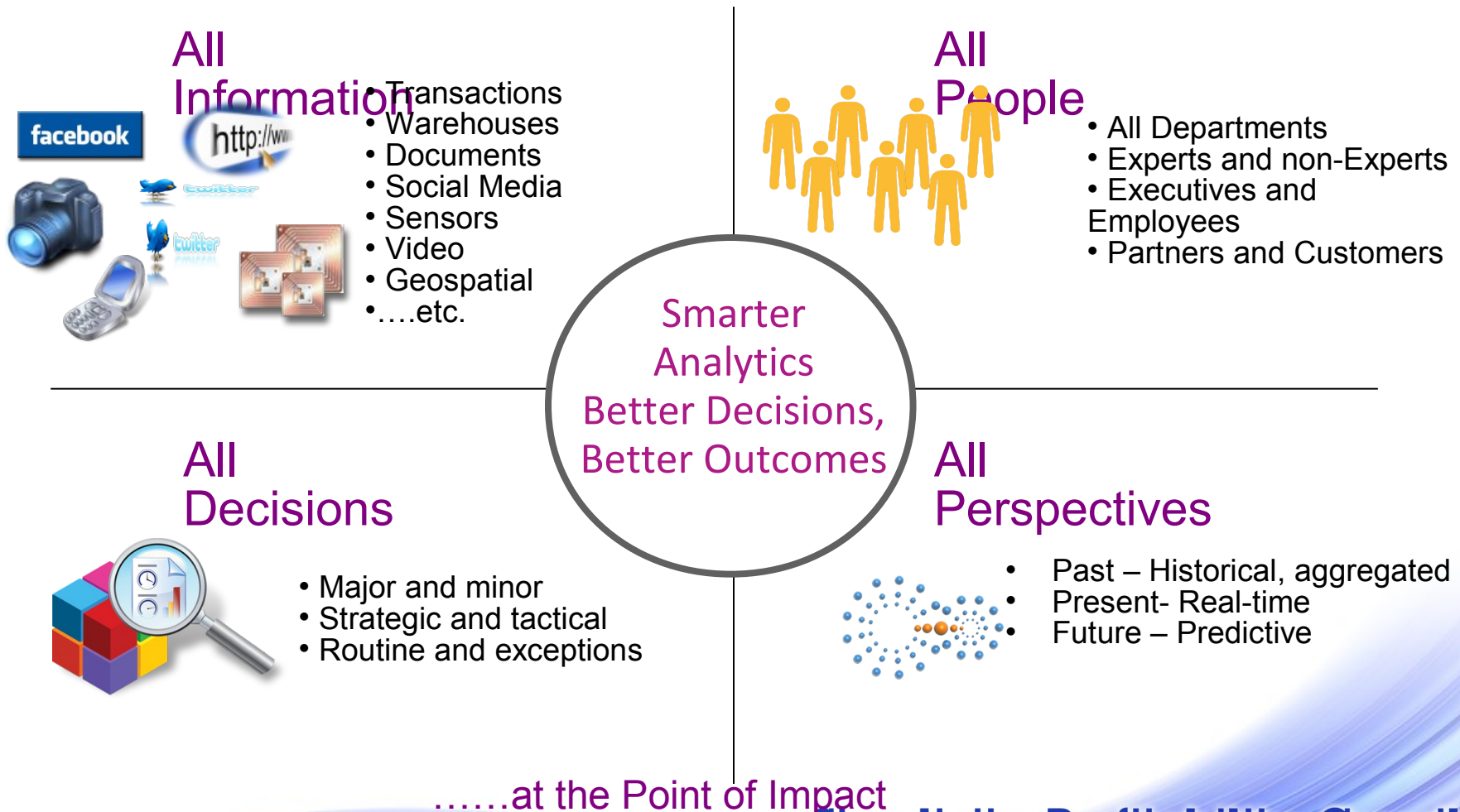
Value Integrators
All other enterprises



Leaders are distinguished by their ability to leverage at the point of impact

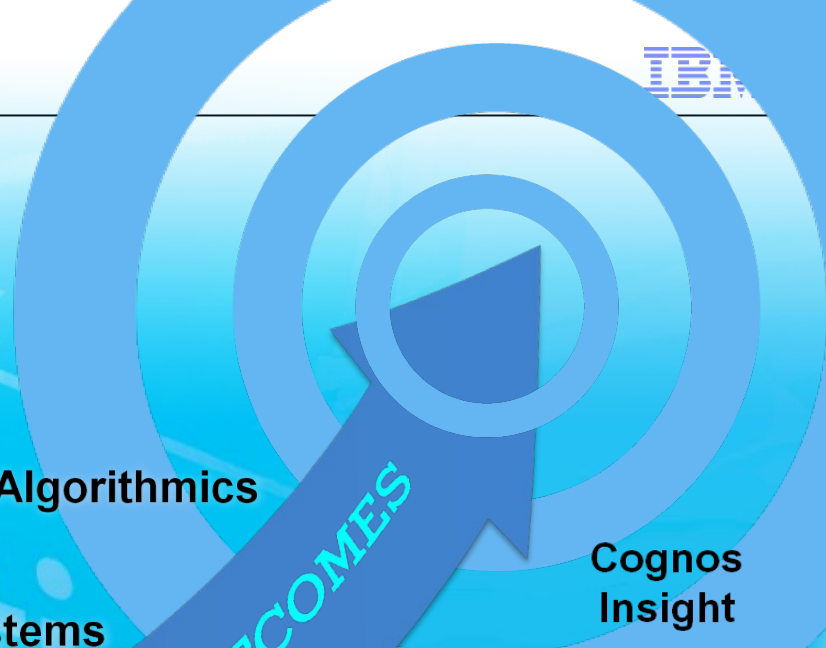
Simplicity. Profitability. Growth.

At IBM we have a proven approach to Analytics that enables this. We call this approach **Smarter Analytics**



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Innovati



BETTER BUSINESS OUTCOMES

Algorithmics

Cognos
Insight

ClaritySystems

Cognos 10

OpenPages

SPSS Decision
Management 6

SPSS

Smart
Analytics System

Cognos

System z

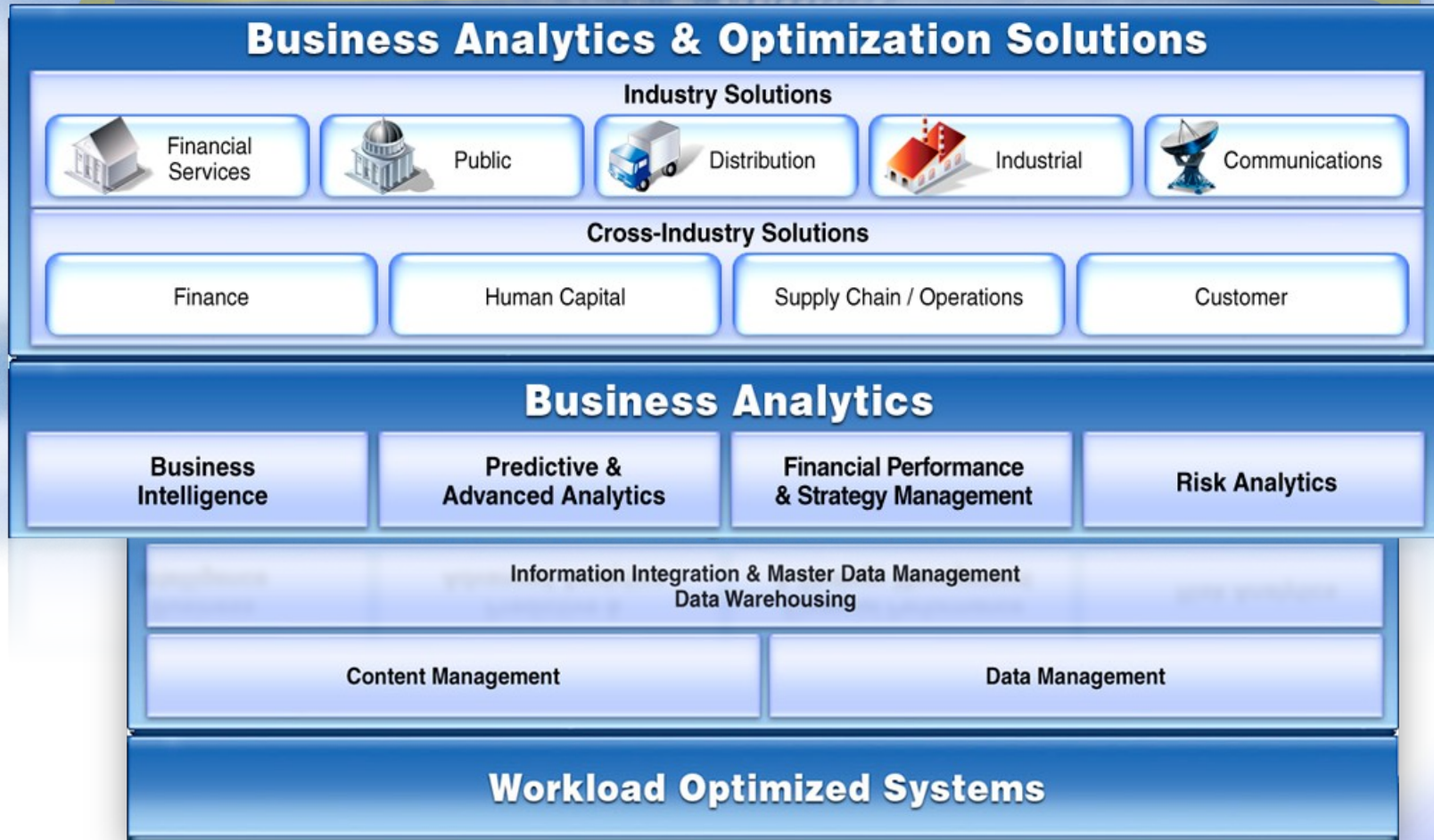
Analytic
Applications

Cognos 8

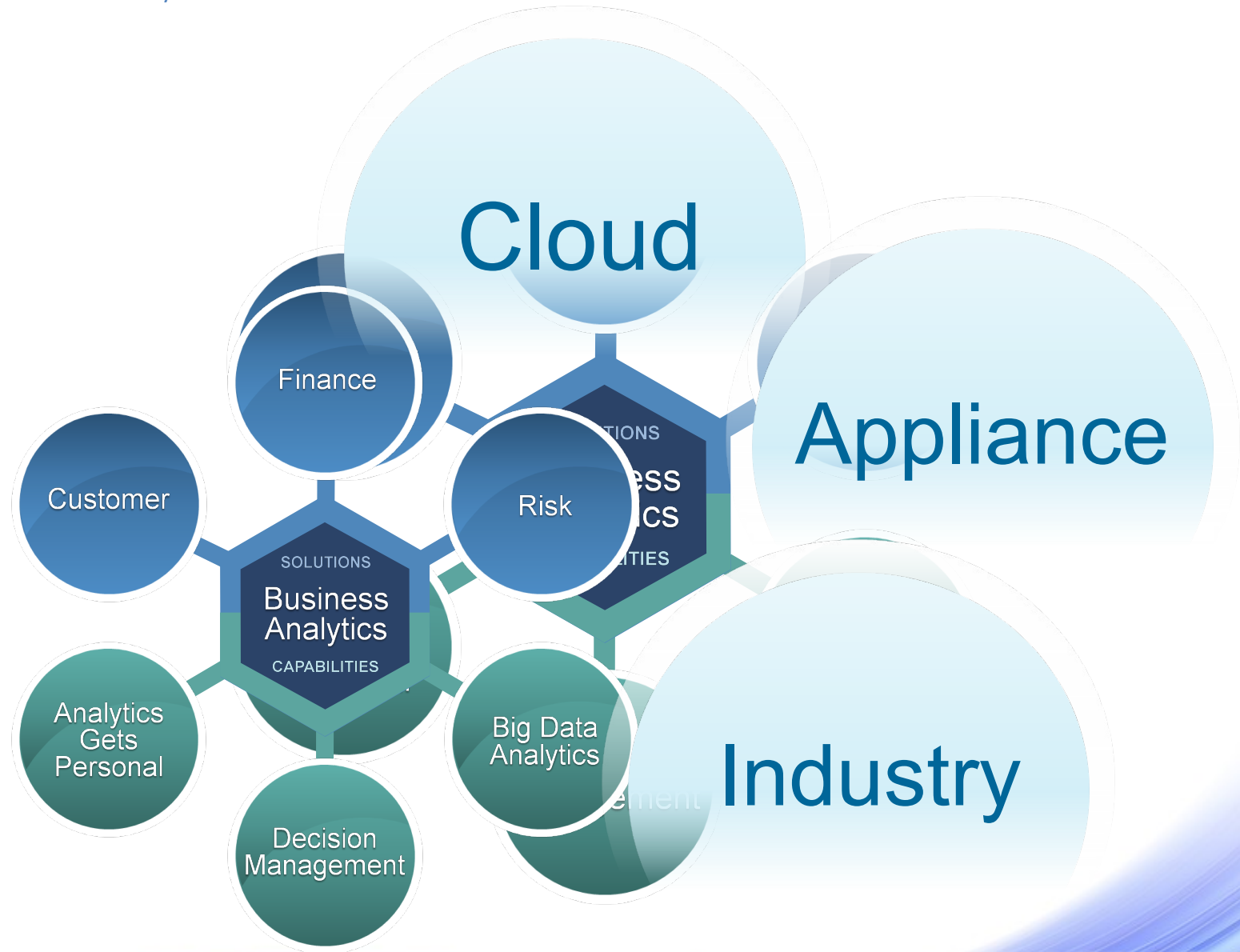
Cognos Express

Mashup Service

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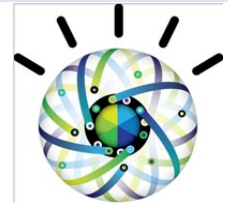
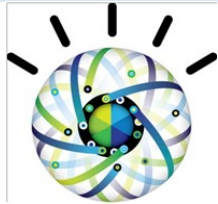


Simplicity. Profitability. Growth.



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IBM BA – Key industries and Solution areas



Banking

Create a customer focused enterprise

- Customer Profitability
- Marketing Optimization

Enterprise risk optimization

- Compliance
- Financial & Operational Risk Analytics

Increase flexibility & streamline operations

- Payments analytics

Insurance

Create a customer focused enterprise

- Customer Retention & Growth

Enterprise risk optimization

- Compliance
- Financial & Operational Risk Analytics

Increase flexibility & streamline operations

- Claims Optimization

Government

Improve citizen services

- Citizen Services Analytics

Manage resources effectively

- Operational Analytics
- Budget & Financial Management

Strengthen national defense

- Defense Readiness
- Improve public safety
- Crime Prediction

Retail

Deliver a smarter shopping experience

- Market Basket Analysis
- Sentiment Analysis

Build smarter operations

- Store operations
- Smarter merchandising & supply chains
- Store assortment

Telecomm

Deliver smarter services that generate new revenue

- Churn Prediction
- Network Analytics

Build smarter networks

- OPEX and CAPEX planning
- Transform operations
- Next best action

Industrial

Improve production efficiency

- Predictive maintenance
- Supply chain metrics

Optimise global operations

- Sales and operations planning

IBM Customer Analytic Solutions



Customer Analytics

Attract

- Segment customers for better targeting
- Influence purchase decisions via Social Media channels

Grow

- Spot and analyze trends in behavior and sentiment to cross-sell/upsell
- Propensity to buy/Next best action

Retain

- Identify which customers are likely to churn
- Identify the most profitable customers and reward loyalty

Capabilities



Reporting & Analysis



Scorecarding & Dashboarding



In-memory Analytic Server



Predictive



Social Media Analytics



Decision Management

IBM Finance Analytics Solutions



Finance

Plan

- Improve visibility with rolling forecasts
- Rapidly adjust and realign resources

Report

- Automate financial close process
- Meet new disclosure and filing mandates (XBRL)

Align

- Define, measure, and adjust strategy with metrics
- Deliver engaging, up-to-the-minute dashboards

Capabilities



Reporting & Analysis



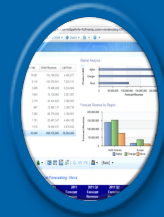
Scorecarding & Dashboarding



Profitability Modeling



Planning, Budgeting & Forecasting



Financial Consolidation



Disclosure Management

IBM Risk Analytics Solutions



Risk

- Operational Risk – Reduce unexpected loss
- Policy and Compliance – Reduce compliance burden
- Financial Controls – Ensure financial controls integrity
- IT Governance – Improve regulatory reporting
- Internal Audit – Leverage enterprise-wide data

Capabilities



Reporting & Analysis



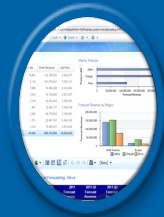
Workflow



Full Configurability



Risk & Control Self Assessment

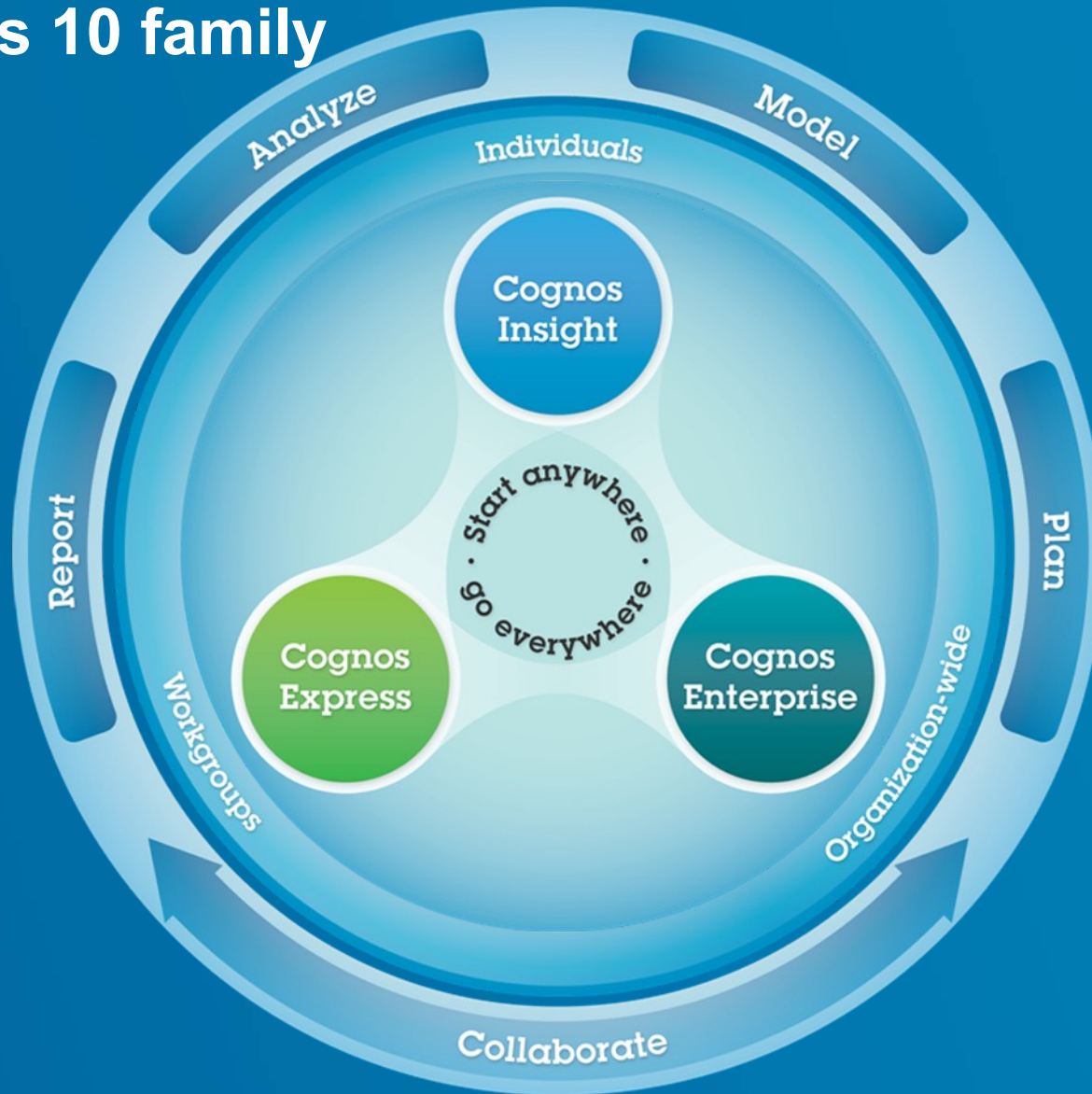


Key Risk Indicators



Issue Management

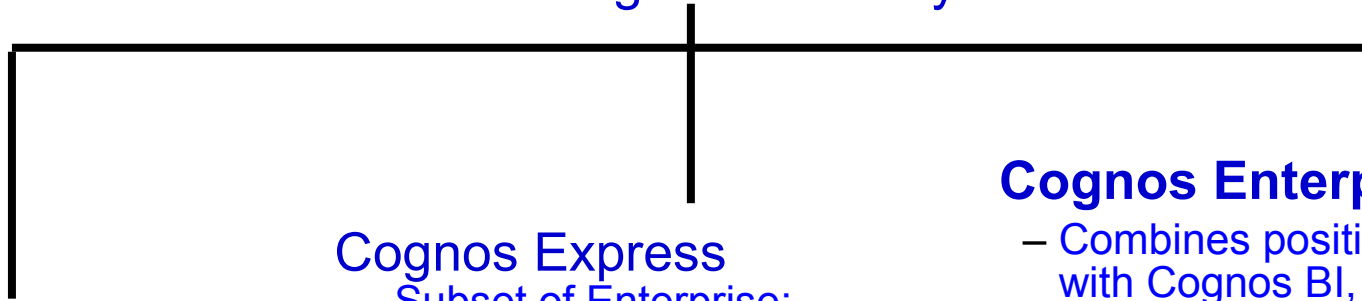
The Cognos 10 family



In 2012 our IBM Cognos 10 family makes us UNIQUE

Start Anywhere and Go Everywhere

IBM Cognos 10 family



Cognos Express

- Subset of Enterprise; purpose built for Workgroup and Midmarket
- Easy to buy, deploy and use

Cognos Enterprise

- Combines position of strength with Cognos BI, Cognos TM1 and our platform
- Expands and differentiates BI agendas
- Lays foundation for Business Analytics

Cognos Insight

- Entry level personal analytics solution purchased by LOB
- Also included as client software in select Express (estimate eGA in Q2) and Enterprise roles (e.g., Advanced Planner, Advanced Business Author)

New

Simplicity. Profitability. Growth.

Cognos Insight is...

Personal

Interactive

Collaborative

Without Compromise



And the Buzz is growing...

"Cognos Insight has already had a huge impact where we successfully prevented a Q4 Tableau deal at one of IBM's largest OEM partners. The customer is very impressed with our product strategy"

Anthony Luxton, IBM CTP

"IBM Cognos looks poised to disrupt what has largely been a niche market."

InformationWeek

"Customer loved the analysis that can be performed in Cognos Insight and would love that func

Deloitte.t

Feb 7
GA

March 7
Launch

Q2
Free Personal
Edition

Q4
Interactive
Visualization



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Top Predictive Solution Areas

Predictive Customer Analytics

Acquire
Grow
Retain



Predictive Operational Analytics

Manage
Maintain
Maximize



Predictive Threat & Risk Analytics

Monitor
Detect
Control



Improved 1:1 Marketing

- Individual customer profiles using over 30 data points from ATM, phone, Web, and branch interactions
- Decreased direct marketing costs by 18%
- Increase in overall ROI: 600%

- Understand the best mix of things needed by your customers & channels
- Maximize the revenue received from your customers & channels
- Take the best action every time to interact

Retain Valuable Customers

- Understand what makes your customers leave, and what makes them stay
- Keep your best customers happy
- Take action to prevent them from leaving

Manage Your Operations

- Maximize the usage of your assets



Predictive Maintenance

- Observation of the entire car fleet's repair performance in real time
- High data complexity: analyzing 20K signals via 10K DTCs
- Reduction of 25% Repeat Repair

Maximize Capital Efficiency

- Enhance employee productivity
- Optimize asset allocations
- Streamline internal processes

Monitor Your Environment

- Include a wide variety of data across multiple sources
- Understand normal patterns and activity
- Determine acceptable limits and risk thresholds

Detect Suspicious Activity

- Identify fraudulent patterns
- Reduce false positives
- Identify collusive and fraudulent



Reduce Insurance Cost of Claims

- Reduced time to refer suspicious claims for investigation from 14 days to under 24 hours
- Achieved an ROI of 403% (payback in 3 months)

Thanks!



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