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Transform Financial and Management Processes with a 360 degree view of your Enterprise

Christo Nel
Analytics Solutions Technical Sales Manager

Enterprises surveyed want to do better in five key areas

IBM

Integrate information across the enterprise — 82% / 24%
58-point gap

Develop talent in the finance function — 87% / 41%
46-point gap

Optimise planning, budgeting and forecasting — 87% / 45%
42-point gap

Measure and monitor business performance — 92% / 55%
37-point gap

Provide input into enterprise strategy — 91% / 57%
34-point gap

■ Importance of activity   ■ Effectiveness of function

The latest IBM study aims to identify drivers of outperformance
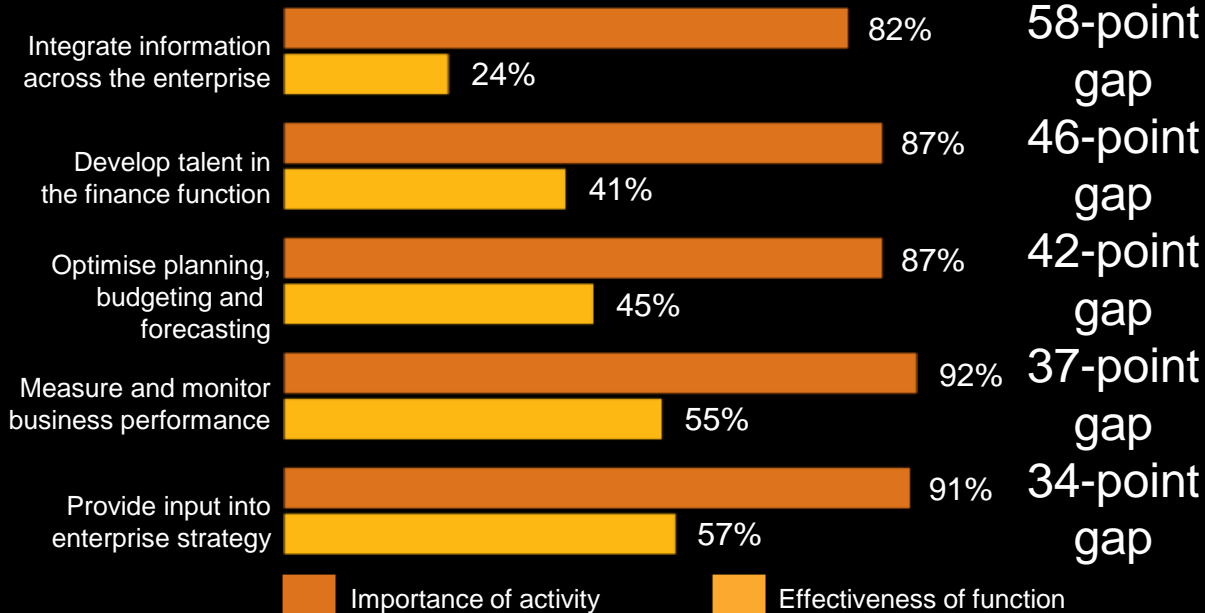
4,183
interviews in

70
countries

6
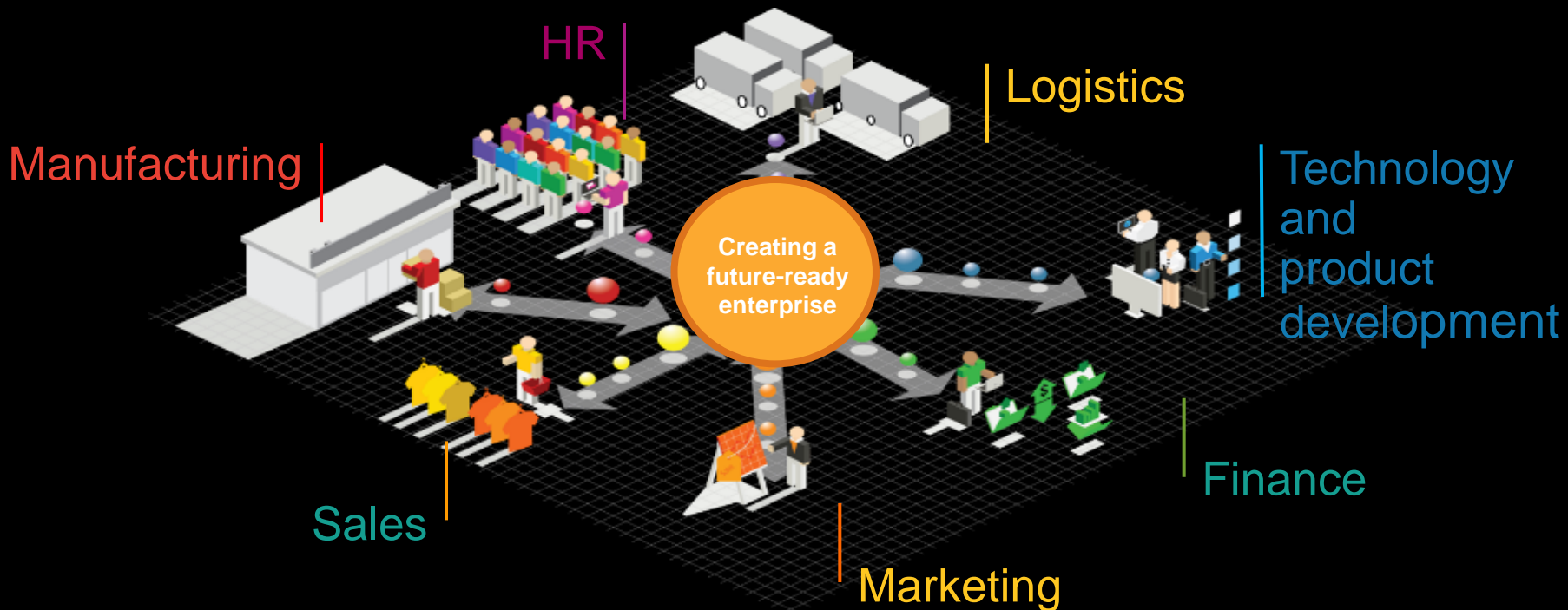CEO, CFO, chief HR officer, CIO, chief marketing officer, chief supply chain officer

SOURCE: IBM, *The Customer Activated Enterprise: Insights from the Global C-Suite Study*, October 2013.

IBM is helping clients weave business modelling and predictive intelligence into cross-enterprise performance management processes

HR

Logistics

Manufacturing

Technology and product development

Creating a future-ready enterprise

Finance

Sales

Marketing

Three imperatives for improving performance management outcomes

Creating a future-ready enterprise

The IBM point of view

Transform the system of engagement

Integrate finance and operations performance management

Infuse scenario and predictive intelligence

CUSTOMER ANALYTICS

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Empowered Consumer Demand

Anticipate and service my purchasing needs

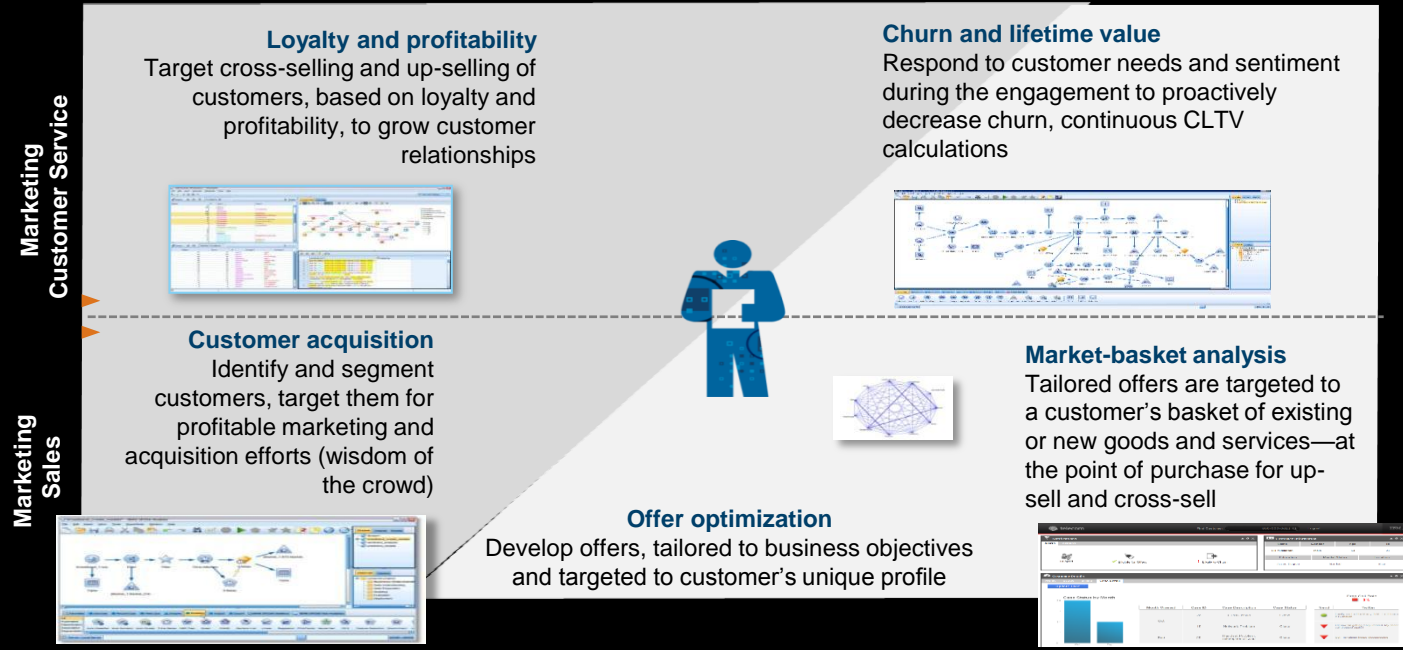Make it convenient and easy to interact with you

Be there when I need you, in real-time

Know me in context

IBM Predictive Customer Intelligence drives optimized customer interaction at the point of contact based on predicted outcomes and behavior to achieve desired results

Marketing Customer Service

Loyalty and profitability
Target cross-selling and up-selling of customers, based on loyalty and profitability, to grow customer relationships

Churn and lifetime value
Respond to customer needs and sentiment during the engagement to proactively decrease churn, continuous CLTV calculations

Customer acquisition
Identify and segment customers, target them for profitable marketing and acquisition efforts (wisdom of the crowd)

Market-basket analysis
Tailored offers are targeted to a customer's basket of existing or new goods and services—at the point of purchase for up-sell and cross-sell

Marketing Sales

Offer optimization
Develop offers, tailored to business objectives and targeted to customer's unique profile

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Industry Use Cases and Business Benefits

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Banking & Insurance

- Right offer, right time, right place, right customer
- Maximize revenue from customers and touch points
- Accelerate repurchase through propensity models
- Segmentation, classification and association analytics

- Offer optimization
- Personalization
- Customer Lifetime value
- Customer Retention
- Improved cross-sell/upsell

Retail

- Sentiment Analysis
- Merge physical/digital
- Identify influencers and attributes that matter
- 1:1 marketing in context in real time
- Affinity, real time scoring

- Offer optimization
- Personalization
- Improved cross-sell/upsell
- Customer satisfaction

Telecom

- Anticipate customer needs, requirement
- Address churn issues with appropriate service response to minimize churn and improve CLTV
- Respond in real time at point of contact with optimal response

- Minimize customer churn
- Improve customer service
- Pinpoint personalization
- Improve cost to serve

The power of individualized interaction

2 seconds
How long you have to connect to a customer

75%
The percentage of customers who believe that companies do not tell the truth in ads

78%
The percentage of consumers who trust peer recommendations

4–5x
How much more than the average is spent by multi-channel buyers

80%
of CEOs think they deliver a superior customer experience

BUT only
8%
of their customers agree

1
The number of small, personal touches that can have a major impact on a customer's perception of your brand

SAFER PLANET

Fraud is everywhere

Mobility and the interconnected world open the aperture for online Fraud and Financial Crimes

Improper claims and payments

Customers with no intention to pay for services & goods

"Are you who you say you are?"

Employee collusion and internal fraud

Countering Fraud and Financial Crimes is a Board Room issue

IBM

•CEO	•CFO/COO	•CIO	•CHRO	•CMO
•Loss of market share and reputation •Legal exposure	•Audit failure •Fines and criminal charges •Financial loss	•Loss of data confidentiality, integrity and/or availability	•Violation of employee privacy	•Loss of customer trust •Loss of brand reputation

•Increasingly, companies are appointing CROs and CISOs with a direct line to the Audit Committee

•Source: Discussions with more than 13,000 C-suite executives as part of the IBM C-suite Study Series

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IBM has a rich history in helping clients reduce fraud

Banking

Anti-Money Laundering Enterprise Fraud Management

IBM has implemented **over 70% of the Global Tier 1 Bank's AML** systems

Business Outcomes

- **Reduced fraud by 30%** while improving on AML Reporting Requirements
- **40% improvement** in Suspicious Transaction Reporting
- **80% productivity** saving

Insurance

P&C and Healthcare Claims fraud

Over 60 global Insurers use IBM software for fraud

Business Outcomes

- **$17M savings** in first 4 months of use
- **70x faster settlement** on legitimate claims
- **403% ROI in** 3 months
- Reduced investigation referral window from **45–60 days to 1–3 days**

Government

Medicare/Medicaid Fraud Revenue/Tax Fraud

IBM has delivered **50+ implementations**

IBM i2 has **50+ installations in Federal** Government

Business Outcomes

- Identified **$75m in fraud recoupment** in the first 12 months of use
- One provider charged **>800 days worth of billings** in a single year
- **Stopped more than USD16 billion in fraud** in 2012

Healthcare

Health Insurance Claims fraud

IBM has more than **30** client implementations for **Healthcare payers**

Business Outcomes

- Identified **200 facilities** with questionable outlier behaviors
- Identified **>$20M in potential recoveries**
- Potential incremental recoveries **of $20M+** per year

INTERNET OF THINGS
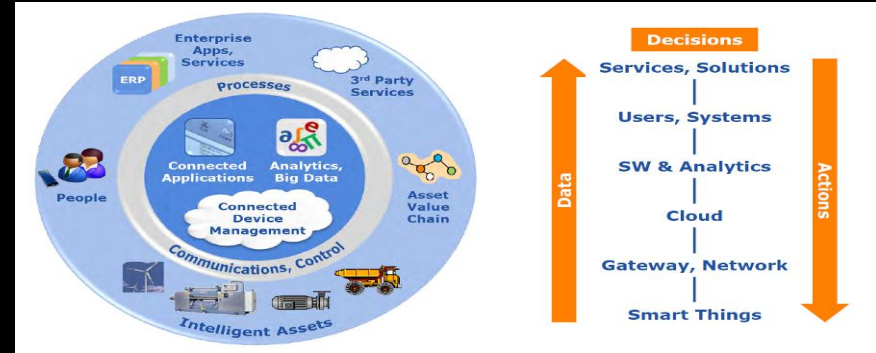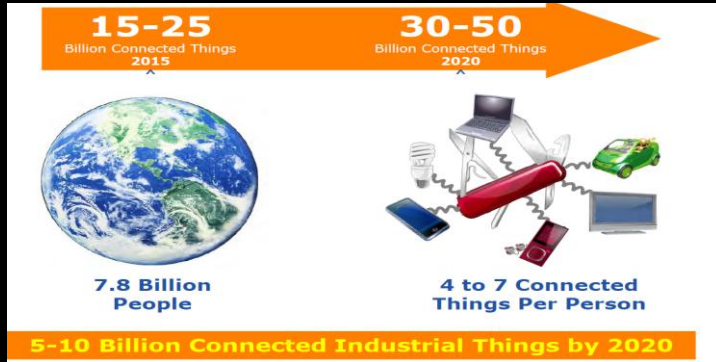
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Trends: Internet of Things (IoT), Analytics, Mobility, Standards

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The number of connected devices is exploding

ARC Advisory Industrial IoTs for Connect Assets
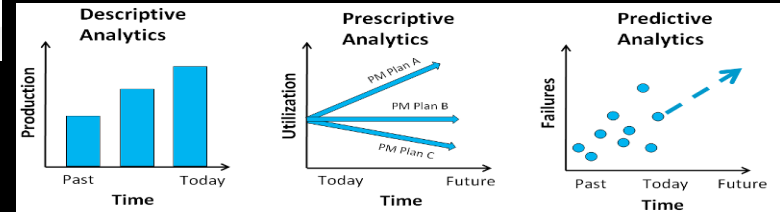

New interest in Asset Management Standards
ISO 55000/PAS 55

Mobility take center stage

Advanced analytics available today

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Industry Solutions

Mobility　　Analytics

WORK MANAGEMENT

ASSET MANAGEMENT

PLANNING and SCHEDULING

SUPPLY CHAIN

HEALTH and SAFETY

Process Engine

Assets
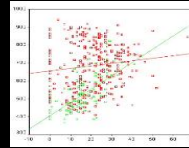
Integration

SCADA

GIS

ERP

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PREDICTIVE AND OPTIMISATION

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Capabilities to operationalise asset data
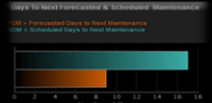
asset + instrumentation + data + connectivity + analytics + monitoring + reporting

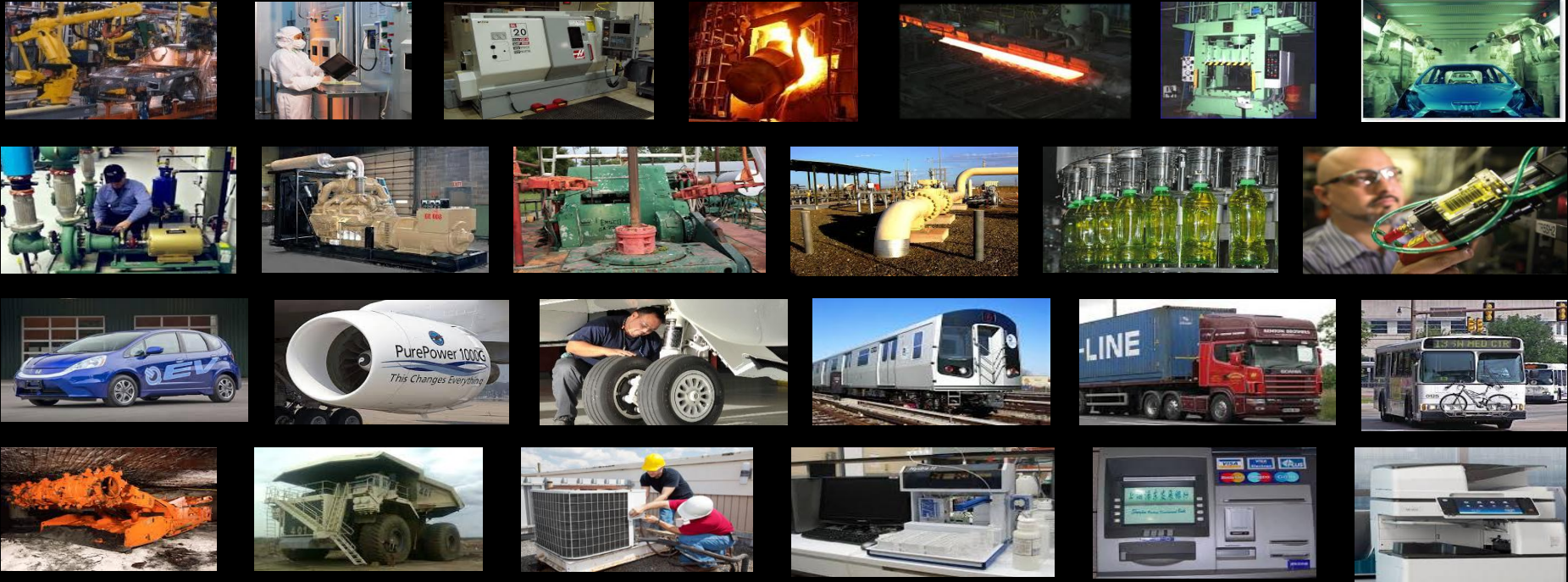Real-time, fact-based understanding
of asset performance and usage

reduced unplanned downtime
lower maintenance costs
fewer warranty claims
lower parts and inventory costs

extended asset life
improved product quality
improved production yield
optimized maintenance schedule

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Across Many Industries

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Are YOU Future Ready?

59%

of CFOs see digital technologies as having a "quite significant" or "disruptive" impact on finance.

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