Leveraging the Business Value of Information
Audio Presentation

Featuring: Mark Register, Vice-president, Information Management, IBM

Transcript

Mark Register: So, ladies and gentlemen, thank you very much for joining us today. My name is Mark Register; I'm the Vice President of Marketing for Information Management. I'm also the global program leader for what is known as the Leveraging Information Program.

So really I'm here today to take you through IBM's Information On Demand solutions, that really demonstrate how organizations can better leverage the business value of information within their enterprise.

I'd like you to turn with me to Slide 3.

The question on the minds of many CEOs is, 'Are we using information to innovate in our businesses?' As you know, IBM does an enormous amount of research each year, and one of the research projects that we undertook demonstrated clearly that over 60 percent of CEOs felt that their organizations needed to do a much better job of leveraging information.

There are of course a number of business pressures:
- o   the need to improve, constantly, customer service;
- o   the need to optimize your operations;
- o   dealing with the myriad of regulations that are around the world, and regulatory compliance is a growing issue;
- o   managing risk in the business.

There are many more business pressures. And at the same time, information complexity is growing exponentially.

The information sort of questions that are raised in a business: Can I trust the information in my business? Am I receiving the information in context? Is it complete? Is it accurate? Is it timely, delivered to who needs it, which processes need it, which systems need it, at the right time?

One of the other research projects that has been undertaken particularly with CFOs has demonstrated that organizations that actually leverage their information as an information asset in their business create five times more value.

So when you use information effectively in the business, you can get some considerable benefit -- yet many organizations are feeling that they don't get that benefit today.

Let's move on to the next slide.

So, why aren't organizations receiving the benefits that they should be, out of leveraging their information? Why is it challenging to leverage information?

Well, as we all know, IT projects often grow up from a departmental need. They often begin from the need of a particular part of the business to actually address a customer need or an organizational need.

Over the years, this has created many, many information silos in a business. Couple those information silos with the incredible speed of business today: the need to retain and be ahead of competitors; the need to ensure that you're first to market…

And, couple that also with the incredible volume and variety of information that sits within a business today. These are some of the challenges to a typical organization today which can result in lost time, reduced service levels, increasing cost and lost revenue.

Moving on to the next slide.
Organizations that use information as a strategic asset are establishing a competitive advantage for themselves in the marketplace.

If you look down the left-hand side of this chart, you see a number of information challenges. And on the right-hand side, you see how some of our customers are leveraging information as a strategic asset within their business.

For example, the New York Police Department delivering real-time crime statistics and reporting using Information On Demand solutions, and thus they're able to

identify related incidents and potential suspects prior to arriving at the crime scene. It's really transforming crime fighting.

You see further down this slide The Children's Place. Knowing the customer, understanding the customer and identifying who their customers are is a challenge. And they're using our Information On Demand solutions to identify cross-sell opportunities, improve negotiating positions at point of sales. And that's transforming their sales effectiveness.

You can see other examples on this slide where organizations are using the IBM Information On Demand solutions to help transform their business, to innovate in their business and thus create a competitive advantage.

Let's move on to the next slide, Slide 6.

In order to do this -- in order to best leverage information within the business -- really a new approach is required. IBM has looked at this problem for some time, and about 18 months ago we launched into market our Information On Demand solutions approach.

If you think about the way that our organizations have grown up with individual applications and processes -- silo'ed, the combination of rich media and warehouses, traditional documents, e-mail transactions -- individual applications and processes need to be brought together.

And our Information On Demand solutions are really all about delivering information in context and in line to optimize those business processes, applications and productivity. Our Information On Demand solutions are all built on open standards such that organizations can benefit from that flexible architectural approach and better leverage the investments that they've made in their systems over the years.

The importance of Information On Demand is really highlighted by the way that we enable organizations to deliver trusted information in context to the right people, processes and applications when and where it's needed.

Imagine that you're a CEO, needing to sign off on the monthly or quarterly financials

of an organization. If you don't have the right information in context for that quarter, for that business, for that business segment, and you're not able to trust that information, every quarter you're putting your career on the line.

Information On Demand solutions help to solve those problems for organizations, whether they be private sector, government organizations or not for profit.

Let's move on to the next slide.

Information is a key to Service-Oriented Architectures (SOA). Many organizations today are either evaluating or have implemented a Service-Oriented Architecture within their business. An SOA provides an infrastructure to create new business value out of the information that you already have.

And IBM's Information On Demand solutions supply the core services required for managing and accessing all forms of information in an SOA approach. In fact, analysts such as Gartner have said that SOA projects that don't adequately address enterprise information requirements are likely to fail.

IBM's entire Information On Demand portfolio plays in IBM's SOA strategy, from data and content servers to the recently announced IBM Information Server. This portfolio is a key element to realize the SOA promise of business flexibility and asset reuse.

Let's move on to the next slide, Slide 8.

There are three key areas that customers are grappling with when it comes to leveraging their information. The first one: Can an organization trust their information? Think about how information on clients and products is fragmented across dozens -- sometimes hundreds -- of applications.

When information is sitting in that many different sources, that many different data marts, that many different applications, when that information comes together, often there are multiple versions. So which one is right? Do you have a single version of the truth? Can you really trust that information?

And when a senior executive in an organization gets information that's in conflict, it tends to erode the trust in that information and that system irreparably.

Some of the business concerns and some of the triggers in and around this space are poor customer satisfaction, new products and business models and ever-increasing business and compliance risk, and high sales and marketing costs. These are the sorts of things that you should be listening out for as IT professionals from your business constituency.

The information issues associated with these business issues or business triggers:
- o data silo'ed with no consolidated view;
- o poor access to relevant data, or the information or data is out of context;
- o potentially, leakage of sensitive information;
- o potentially, decisions made on questionable data.

Let's move to the next slide.

The second key question has to do with information infrastructure. As organizations grow and merge and change within a market, they need to ensure that their information infrastructure is keeping up with the rapidly changing needs of the business.

Organizations dealing with information infrastructure issues are concerned with the responsiveness of retrieving information as well as being able to control costs while managing both structured and unstructured information.

The amount of unstructured information in a business has been estimated at about 85 percent of what is already a huge amount of information that companies are dealing with today.

So some of the business triggers that IT organizations should listen for, in terms of warning signs that you need to ensure a focus on your information infrastructure or improve your focus on information infrastructure, are these:

- o increasing business dependency on data availability
- o changing business priorities

- o mergers and acquisitions
- o escalating infrastructure and people costs

Those are the sorts of things that, as you're looking out and you see those in your organization, you may have an information infrastructure issue that you need to solve.

The information issues associated with this explosion of unstructured content in a business, just trying to get your arms around the amount of unstructured content and leverage value from that unstructured content, can be a nightmare.
- o Introduction or upgrade of enterprise applications,
- o Proliferation of tools for managing information,
- o Departmental tools, branch tools,
- o And an inability to meet service levels and growth requirements.

These are all information-related issues that apply here as well.

Let's move on to the third area on the next slide, Slide 10.

The third area to consider deals with leveraging information over its life cycle or throughout its life cycle. Organizations need to have policies and guidelines in place to manage the ever-increasing volumes of information that they have. Just keeping all information for an indefinite period of time is very costly, complex and unrealistic.

In fact, many organizations that we come across have so much paper-based information still they run their own warehouses, or they outsource the operation of warehouses full of unsearchable yet incredibly valuable paper-based information.

Some of the business concerns or triggers to be aware of in terms of information life cycle management include:
- o the rising business and compliance risks
- o the growing cost of accessing and managing data over its life cycle and
- o the increasing costs and huge inefficiencies of legal discovery;
- o escalating costs of internal audits are also associated with this.

So if those are the business triggers to be aware of, what are some of the information issues? Well, information is an asset of the business. You've got to

think about information as an asset. But it can be a potential liability as well, if it's not managed well through its lifecycle.

The daunting volume and new varieties of information seemingly change every day. Unclear accountability for different information types in a business is also another underlying information issue, and the cost and complexity of storage management -– digital storage management, but also think about the massive costs associated with storing a lot of the paper that sits within our organizations. It's a legacy of the past, but it's still information. And many organizations still must keep it for almost indefinite periods of time according to certain legislation.

So let's move to the next slide. That's Slide 11 in your deck.

We've seen that these three themes underpinning Information On Demand:
  o   Can you trust your information?
  o   Are you ensuring that you've got a flexible, reliable and scalable information infrastructure? and
  o   Are you able to manage information right throughout its life cycle?
. . . are critical and vital to key business initiatives in the enterprise today. Managing risk and compliance, back office operations, workforce automation, a single view of customer, et cetera.

And of course, they're also vital to the IT projects that result from addressing those enterprise needs: business intelligence, enterprise content management, master data management, data warehousing, and the list goes on.

Let's move on to Slide number 12.

So by now I trust that you've seen that in order to drive the best business value from the information assets within your business, you need to be able to take a disciplined approach to putting in place an information infrastructure, the right strategies and solutions to enable you to trust your information; and you need to be able to manage information throughout its lifecycle.

So how do you get started? Well, it takes know-how, proven technology combined with industry expertise in order to optimize Information On Demand within a business -- because it all starts with a solid strategy.

If you have a good strategy in place to implement a solution that will meet the needs of your business or organization, whether it's your information strategy or your IT strategy, right on through governance and design planning … you need to have a strong plan in place. That's the foundational element.

Secondly, you need to ensure that you build a solid and robust information infrastructure that will deliver your information in context for added business value -- whether it be managing the data in your business or your content, whether it be integrating your information, implementing a master data management infrastructure, or simply improving search or your business intelligence systems within your organization.

You need to consider the capabilities that will best meet your goals from an information infrastructure perspective. It should be based on open standards, should be flexible, should be highly scalable.

The next element to consider is, how do you get off to a fast start? IBM has invested significantly in working with customers and partners to deliver best-in-class industry solutions.

We take a viewpoint on the needs for Information On Demand in various industries, and we've prepared a set of solutions that will help you gain that fast start that you need for competitive advantage.

And last but not least, you need to build all of this on a solid foundation. IBM has the systems platforms in place and available to you in order to be able to depend on not only your information infrastructure but the underlying IT infrastructure.

So let's now talk about a few customer examples where organizations have worked with IBM in order to meet their Information On Demand needs within their business. These companies are truly leveraging the business value from their information assets.

Let's start with BlueCross BlueShield of Tennessee, if you'd like to move with me to Slide 13.

BlueCross BlueShield of Tennessee had a business challenge. They needed differentiation from their competitors, and target offerings designed to win new business. There's also a massively growing information need within their customers and the providers that BlueCross BlueShield of Tennessee serve.

And the challenge was to create a single view of information coupled with business intelligence capabilities across multiple lines of business within BlueCross BlueShield of Tennessee.

The solution that they implemented used IBM Information Server together with IBM DB2 to profile, transform and load data into an enterprise data warehouse.

For multi-dimensional analytics, client reporting, BlueCross BlueShield uses Cognos BI, a partner of IBM's. The solution provides intelligent search capabilities for unstructured data, which was a critical feature of the solution using IBM's OmniFind and IBM Content Manager product set.

All of these products are part of the Information On Demand solution set. Coupled with expertise from IBM, in-house expertise and other assistance, BlueCross BlueShield of Tennessee achieved the following sort of business benefits:

- o improved customer satisfaction and provider satisfaction, by enabling them to run their own analytics and better manage their healthcare costs;
- o a reduction of risk with improved tracking of data movement to comply with the various healthcare regulations that are in place; and also
- o a significantly reduced time to load data into their enterprise data warehouse and improve performance for really high-volume data transformations that were taking place in their business.

And also very significantly they were able to provide access to both structured and unstructured data -- both historical and real-time data.

Let's move on to Slide 14. We're talking now about SunTrust Bank. SunTrust's challenge was to get additional value from existing database and storage investments. They wanted to increase the productivity of database administrators,

and they wanted to implement a platform that manages risk and compliance.

The solution that they implemented optimized their data platform by upgrading to IBM DB2 9 data server, taking advantage of the deep compression capabilities that DB2 9 offers, as well as a lot of the performance improvement features of DB2 9.

They installed the label-based access control feature of DB2 9 as well, to help them manage risk and compliance in their business. And the sort of benefits that they saw, they're expecting initial cost savings of $2 million with additional savings of nearly half a million dollars each year; a reduction of their storage requirements by increasing their compression rate to 83 percent on the data warehouse tables -- and that's a gift that continues to keep on giving.

They also significantly improved their system performance, which yields much faster query responses for their end user. And also, they netted additional savings with improved security. I think you'll agree those are significant benefits to any organization.

Let's move on to Slide 15.

Safmarine is a subsidiary of the A.P.Moller - Maersk Group. Safmarine container lines owns and operates a fleet of ships delivering worldwide liner routes and providing bulk shipping services.

Their challenge was to protect e-mail records in order to address legal requirements and regulatory compliance with the different various worldwide locations and governments that they interact with. They wanted to boost employee and IT productivity across nearly 65 locations worldwide.

The solution that they implemented centralized and automated e-mail archiving using IBM's DB2 CommonStore for Lotus Domino. They also established e-mail storage using IBM Tivoli Storage Manager for Mail and IBM TotalStorage Tape Library. And they utilized two IBM eServer p5 570 systems running AIX to operate as their archive servers.

And they achieved significant business benefits. For a start, they were able to

address compliance with EU regulations -- absolutely vital for an international business today.

They were able to move less critical information off the production disks and onto tape devices in order to reduce total cost of ownership for the storage environment. And mitigating the risk of large scale data loss was also important to Safmarine in the event of an outage or other catastrophe.

So these three examples are simply a few in thousands and thousands of projects where IBM has helped customers leverage business value from their information through the use of IBM's Information On Demand solutions.

Let's move to Slide 16.

So, why IBM? Well, I hope that through this presentation you've seen that through deep industry expertise, our methodologies, our technologies that have been refined across thousands of projects, we've got the credentials in order to be able to deliver the sort of benefits that you're expecting from your service provider.

We have leadership in all key information management segments, whether it's data servers around the database environments, whether it's enterprise content management, information integration or master data management.

We are the leaders. We have the most projects in these spaces. We have the right sort of skills and expertise in order to deliver on the benefits that you're expecting.

And couple that with the industry solutions and business models that we've developed in order to accelerate results, that's an extremely powerful combination.

And as if that all weren't enough, we also have the industry's broadest and most wide-ranging partner network. Couple that with the open standards approach that we take to enable you to leverage the investments that you've made in your IT infrastructure over the years. We hope that you'll agree that IBM is the best positioned organization to help you really drive true business value out of your information.

If you'd like to now move to Slide 17 in the deck . . .

We've assembled a lot of materials, news and best practices for you at ibm.com; we've got the URL on this slide. And we'd also be pleased to assess your organization to decide what Information On Demand solutions might be right for your organization in order to drive business value from your information.

If you'd like to move to Slide 18 ...

We'd also encourage you to come and join us at IBM Information On Demand 2007. It's for business and IT executives, managers, professionals, DBAs, developers, pretty much anybody who's got an interest in better driving information value. It's at Mandalay Bay [in Las Vegas] from October 14th to 19th. There are over 500 sessions including a two and a half day business leadership track and a five-day technical track with 400 sessions in it.

Come and hear from other customers about how they've driven business value from their information using IBM's Information On Demand solutions.

Thank you very much for the time that you've spent with us today, and we look forward to working with you in the future. Thank you.