

Source Media
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Host: Ladies and gentlemen, I'd like to welcome you to today's live meeting sponsored by IBM and hosted by Information Management.

Before we get started, I would like some of the ways you can participate using Microsoft Office Live Meeting. This presentation is being recorded and you are currently in listen only mode. The feedback drop down list found in the upper right corner of the client allows you to give feedback to the presenters by clicking on the pull down list and changing your feedback color. In the top left corner of your client you will see tabs that can be opened and docked to the edges of your screen. If you would like a full screen view, you can close these panes individually or hit control H or F5 on your keyboard. I would like to call your attention to the Q&A pane located above the content display. Click Q&A to display the pane. We encourage you to ask questions at any time. Simply type your question into the field next to the ask button and then click ask. Please note you may have only one question pending at a time but may change your question by clicking the edit button in the Q&A pane. Remember that if you change your question, your original question will be removed from the active queue but all questions are logged during this presentation. Your questions will be addressed at the end of today's live meeting. You will have the opportunity to give feedback by voting on polling slides during the event. When a polling slide appears, please select your answer by clicking the appropriate radio button next to the color that corresponds to your answer directly on the slide. Should your browser freeze or you lose your internet connection, simply click on the link in the meeting invitation to renew your conference session and if you do experience any technical difficulties during the event, please turn your feedback color to red or dial in the US/Canada it is 800-893-8779, outside the US/Canada is +1 971-544-3222 and that is for Live Meeting technical assistance. Finally, please note if you have changed your feedback color to indicate a problem you can expect a one on one chat to help resolve the issue.

Now, without any further delay I'd like to hand it off to your moderator today and that is Eric Cavanaugh. Eric, you have the floor.

Eric: Ladies and gentlemen, hello and welcome to the Information Management webcast series. My name is Eric Cavanaugh and I'll be your moderator for today's even entitled, discover a new kind of intelligence, how the information you have can get you the results you need and we're pretty excited about this today because I think this is speaking to a very common thread that we see these days, namely doing more with less or at least doing more with what we already have. That seems to be a very common mantra out there in the workplace and it speaks to really the amount of information that we have these days available to us. Obviously industries like business intelligence help us gather data and organize data and analyze data and use that analysis to drive back into business processes, to change processes to try things that are new to streamline operations, to automate business processes and so on and so forth, but what I like about this concept and we're going to hear from our speaker here in just a second is that he's

talking about what they're calling a new kind of intelligence and it's not necessarily new, but it is a novel approach and it speaks to the fact that you can look around your organization and take more of a strategic view perhaps and there are probably lots of information sources already available to you that you can tap and harness and use to drive value into your business. So we're excited about the topic today because it really does speak to the current state of our economy and necessity is the mother of invention I've always believed. So we're going to learn about some of that stuff today. There's a quick slide about me and enough about yours truly.

Our main speaker today is named Eric Salm. He is a director at IBM and he is in the New Intelligence Market Management space. So what IBM is doing is they're really trying to find ways to leverage or to help customers leverage the assets that they already have. Obviously maybe it might make some sense to bring in some new software or some new services or something along those lines but I think it speaks to the wisdom of Big Blue understanding that a lot of folks just really need to get by with what they have at least for the time being. So he's going to help us kind of understand what this new intelligence is all about.

Obviously we always encourage folks to ask questions. That's the best way you can get customized value out of these presentations. So please don't be shy. Raise your hand, send a question in. We will queue them up for a Q&A at the end of this broadcast, so just have those ready and we'll have a polling question or two in here as well. When those come up, if you could just take a quick second to let us know what you think and what's going on with you. We always want to know what you want to know.

So with that, I'm going to hand it over to Mr. Eric Salm. Eric, the floor is yours.

Eric/IBM: okay, well thank you very much, Eric, and let me start by just thanking everyone for joining us today or for listening to the recording at a later date. Very excited to bring to you a discussion of a new kind of intelligence. The world we live in is really changing in some very dramatic ways. It's increasingly instrumented and it's increasingly interconnected and it's increasingly intelligent. We're moving toward what IBM's calling a smarter planet and really information is at the heart of the change that's happening here. Businesses that are taking advantage of this new wealth of information are really able to make more intelligent decisions and to gain a competitive advantage over their competitors by being smarter about how they take advantage of their information, how they use it and what strategies they take for using that information to optimize their business.

In this webcast what we'll do is we'll explore what's changing and why and how you can take advantage of these changes to drive new intelligence in your organization.

The world is getting smaller, flatter and increasingly digital. There's really no debate that our planet's becoming smaller thanks to the global network of communications and information technology. It's also becoming flatter thanks to the emerging markets, open trade and other changes in the dynamics of the world. So these changes are really creating

an opportunity for us to become smarter as well. In addition to becoming smaller and flatter, it's increasingly digital and that means that we can monitor, measure and communicate differently than we ever could in the past and what that says is we can be more productive, more efficient, more sustainable in a more livable world. That's the opportunity that we have in front of us.

Now, the reality of living in this globally integrated world is really upon us now. There is economic integration and future uncertainty. I think the last few months we've all seen just how interconnected the world really is and how economic changes from one place in the world can really be transmitted other places in the world very quickly. There are increasingly complex supply chains. That's a key change and increasingly empowered consumers, consumers that have information at their fingertips where they can drive what their suppliers and vendors and retailers and other types of organizations, their governments, to really meet their needs more effectively. There are new competitors and fast changing industry dynamics that are happening really across many many industries. Those competitors might be new web based kind of competitors or it might come from mergers and acquisitions that suddenly thrust a company you never had to think about is suddenly your competitor and that can change the way the entire industry works. There's a shift of power in the case of superpowers and some of the bigger growth in the world is really coming from emerging economies right now. That's a big change as well and energy shortfalls and erratic commodity prices are becoming a much more common occurrence which really changes the way we think about those areas and access to energy and access to other kinds of supplies. So all of this is contributing to the unprecedented amount of new information that's really being generated and paradoxically that new information really presents both really a challenge and really an opportunity for organizations to try to seek insights and improve their business.

Let's talk a minute about the explosion of information. Now the sheer enormity of the information that's being generated every single day is really upon us in terms of the volume of new information generated every day, the types of information and the forms of that information. Now, we're used to having a lot of structured information, numbers and databases although that's growing very very quickly, but what's also growing is unstructured information, things like emails, like documents, like images and video, and those new types of information are providing an incredible opportunity for us to get even more insight into our customers, into our operations but in order to do that, we have to think about information in a different way.

Another thing that is a huge change in the volume or variety of information is the explosive growth of RFID tags, which are being used really everywhere whether it's tracking products through the supply chain or whether it's monitoring traffic or whatever and the numbers here are really staggering. Up to 30 billion RFID tags will be produced will be produced by 2010. That is a lot of new information; new information that we have to figure out what to do with.

So, let me at this point turn it back over to Eric Cavanaugh to take a quick poll question to see what your views are about the information you have in your organization.

Eric: So folks you can see the question there. Do you have sufficient information from across your organization to do your job? Obviously we have a number of different options here. Not at all; to a limited extent; to some extent; to a great extent; or completely. I do remind folks to send in those questions as well. We definitely will queue up your questions in the Q&A session at the end of this webcast.

We've got a lot of good responses here. Let's close those polls and show them to our audience. I'm waiting for our system to shut it down there. So you can see the vast majority are saying to some extent. So it's 8% to a limited extent; 69% to some extent; so it's right there in that gray area in the middle. Some people say to a great extent and just a small number say they have all the information they need, so we need to talk to that person. Good job. We've done well. So back to you Eric Salm.

Eric/IBM: Thanks. Those numbers that we just got in the poll are not surprising because in some of the research that IBM has done, we find a similar type of response from the business leaders that we talked to. Some interesting statistics on this slide, first that one in three business leaders frequently made your decisions with incomplete information or information they don't trust and this idea of having to make decisions on information that you don't trust I think is a very very big issue today because people are understanding that the information that they have is incomplete or it might be interpreted incorrectly or you're just not really sure where that information is coming from or it even feels wrong when you look at it. This is the every day issue for at least one out of three business leaders. Another statistic here is that about half the business leaders, 1 in 2, say that they don't have sufficient information from across their organizations to do their jobs period. So that's pretty striking to think that half of the people really are feeling that they have inadequate access to information especially given this context of all this explosion of information. How can half the people not have the information that they need? It just underscores how important and how big the problem is. Then the third statistic here that 3 in 5 organizations don't share their critical information with partners and suppliers for mutual benefit and this is also an increasingly important issue as business models are changing and companies are working in a network or an ecosystem where they're offshoring some of their production or maybe their customer support. They've got close partnerships with other organizations that are coming together to provide a full solution for the customer and yet if you're not sharing the information with these partners, then you're really not optimizing your entire organization. You're only optimizing a small set of that organization. So these are big issues on the use of information.

If we go to the next slide here, part of the reason for why there is this explosion of information is how the world is changing. As I mentioned briefly earlier, it's becoming more instrumented and what that means is that things are being measured to a much greater degree. So we have the ability to measure, in fact, and really see the exact condition of almost everything through technologies like RFID and other technologies that allow us to actually get data that was unavailable to us in the past. In terms of the interconnection of systems and people and objects to allow us to interact and communicate in entirely new ways with two billion people on the web, with a trillion

connected objects by 2011, it's really quite a different world. And then finally, it's a more intelligent world in the sense that we can use this information. We have the opportunity to use it to proactively respond to changes more quickly and accurately, to make better decisions, to predict the future in a better way and to make more optimized decisions in our every day efforts. And the opportunity around this is enormous and really wonderful for the future of the world. Can really think about things like smarter food where you can track all the way through a supply chain or smarter healthcare where we can really come up with systems that help drive more cost out of the healthcare system and also speed care and improve care to save lives and to get drugs to the market more quickly, smarter retail that allows us to have inventory in the right places to maximize sales, smarter transportation, smarter public safety, smarter cities as a whole. There's a tremendous amount of opportunity that is created by this new, smarter, more interconnected, more intelligent world. We're really at a threshold now that is enabling us to manage information more effectively and more pervasive information, analyze it to gain far greater insight, to predict risks and opportunities more effectively, to drive faster and smarter decisions and that's what we mean by new intelligence. It really is a state change, a new threshold for us to cross and it's quite an exciting thing.

If we go to the next slide here, so what do we mean by new intelligence? Well, really there are four aspects to it. One is gaining insight from the information explosion. Another is to move from a reactive approach to using information to more predictive approach. A third area is to be able to create value faster throughout an organization and the fourth is to really be able to engage an entire value chain. So let's drill into these for a moment.

When I say gain insight from the information explosion, what we're talking about here is a more integrated solution that allow us to manage, protect, process and analyze unprecedented volumes of information, both structured and unstructured to gain the insight. Now, when we talk about gaining insight from information, the fact here is that it's about realizing the opportunity that information possesses. Let me talk for a second about unstructured information, which tends to be an area where a lot of organizations are really not tapping into that information very well at all. So take something like a customer service environment where you've got people who are dealing with customers every day, answering their questions, handling their complaints, helping them understand the product or service offerings that you're offering as a company. Well, typically they're capturing a lot of that information in some kind of form, usually it's pretty unstructured data and the question is: what are you doing in your operations to really understand what your customers are telling you on a daily basis? What are the questions they're asking because that might be some of the opportunity for you to see what the future product that you should develop really are? Where are they having problems? What are their complaints? Because some of those complaints might be causing them to go to the competition or causing other customers that you never did get to go to the competition. So this is an incredible opportunity to gain insight, but in order to do that, we really need to get our arms around this information explosion.

On the next slide, we'll talk about engaging the entire value chain. As I mentioned a moment ago, many organizations now have a well-developed ecosystem where they're working with different partners, suppliers. They're working with vendors. They're even partnering with their customers or partnering with other companies in a sort of a co-op petition kind of a way and the opportunity there is really to get the visibility into that entire value chain. What is happening in all aspects of that value chain? Because now that value chain is really the entity that is providing your customer with a product or services that you're offering. So understanding the information and using the information across your entire ecosystem is a tremendous opportunity for improving your products and services and proving your relationship with customers.

The next slide here is moving from reaction to prediction. So the idea here is to be able to apply analytics and industry expertise to the information you're collecting to more precisely predict and act upon the risks and opportunities that you're seeing and now in many companies, their use of information is primarily looking at a rear view mirror. They're collecting data, maybe monthly sales reports or other things such as that and they're looking at it kind of after it's already happened, trying to use that information to make decisions in the future, but there's a real opportunity to use that information in a more real time way to predict the future and to take action kind of before some of these problems occur because you have a better understanding of what is likely occur and how it might occur or how it may have occurred in the past. That's the different thought about how you use information and an exciting one I think.

Then the fourth area here is the idea of creating value faster. How can you operate with greater speed by delivering trusted insight to decision makers when and where they need and in context? Many organizations are always struggling with how to make their processes more efficient, how to move more quickly than the competition, how to act upon opportunities more quickly and a lot of this has to do with getting trusted insight to people so that they can make their decisions more quickly. Often in many organizations, there is a lot of steps involved in collecting the information that you need to make a decision, so that creates many different steps whether it's interacting between one person and another, asking them for information. It takes a couple days for them to create it, bring it back to you, or you're taking information from multiple places, trying to compare it, trying to rationalize it, normalize it, so that you can make your decision. For many white-collar workers, especially, a lot of their day is spent looking for information, pulling it together, trying to understand it and then they take action. If we can drive insight to people at the point of their decision making and it's trusted information that has already been assembled, normalized and completed, then that allows people to take action more quickly and to have more confidence in their decisions as well, which is an important thing as well for encouraging the right things to happen throughout a company.

So I've been talking about what new intelligence is in a general way. So let's now look at a couple of examples. So three examples from actual customers and how their taking this new approach and this new smarter world and how they're using it to optimize their businesses.

Let me start first with a German supermarket, a large supermarket chain, that has invested in RFID labels and some analytical solutions that really are trying to track the food from farm to fork and the reason to do this is that there's a lot of information that you can gather around what's happening to food as it moves through that value chain and through that business process and this is a good example of what I was talking about before where there might be many different companies in that value chain. There's your suppliers, there's distributors, there's the supermarkets themselves. There are the vendors of products etc. and what they're doing is they're using the RFID labels and there are really two areas that they're trying to focus on. One is to reduce costs by being able to track in this case its poultry and meat products throughout the value chain. They can reduce spoilage and spoilage is a huge problem for food suppliers in that if the food spoils you can't sell it, so it's all a lost opportunity and the other thing is to really optimize that your product is where it ought to be to maximize your sales. In addition to managing costs, it's also about managing safety, being able to monitor where these products are going. Are they getting there safely? Are we following the right procedures to insure that the product is not abused or spoiled in the meantime and also being able to react to any concerns like a recall or something like that, having a good idea of exactly where your product is at any point in time really helps respond to any of those kind of safety issues as well.

The next example is Repsol, which is a large oil exploration firm that operates in dozens of countries. Now, oil exploration is a hugely expensive operation. It's like a high risk, high reward kind of business. It's very data dependent and it's very inexact. There's a lot of science that goes into trying to figure out where you can drive for oil and where you're likely to see the oil. It's very expensive to do it, so you want to optimize your decisions here. However, one of the problems with this type of thing is a trade off between accuracy and speed. There's so much data and it's so complex, so scientific that there's really a trade off between how much data you gather, what you do with that data and the speed you need to make the decisions you need to drive your business. This is a common issue in high-end analytics and how can you get the answers you need when you need it? That's what they've been working with IBM on, which is how to optimize this process in such a way that they're doing the right type of analysis and they're getting to the answer fast enough.

The third area here that I'll talk about is a transnational health agency. This agency is anticipating and preparing for disease outbreaks. Now, I think we've all learned a lot in the past few months with the recent swine flu outbreak as to how quickly a new disease can spread around the world and I think it's been quite a lesson for us all as to how it all works and how crucial it is to get an understanding of that new disease, its behavior, how dangerous it is, what are some potential treatments for it and take appropriate actions as quickly as possible. When this disease is spreading around the world on a daily basis, you need to be able to get that information quickly and get that information out to the rest of the world quickly as well and so that's exactly what this transnational health agency's trying to do, really to understand the data on a disease, be able to analyze that data, figure out all the relative parameters and forecast and analyze the risk and get the information out to hospitals and countries to prepare for that risk.

Now, it's time for our second polling question. So I'll turn it back to you Eric.

Eric: Thank you folks and Eric. The question is: Do you have a strategy for aligning information with your business priorities? So we have a number of different answers there. They range from the low end to the high end essentially. We'd ask that anyone out there just take a quick second to let us know where they stand. So the first possibility is we don't really know what information we have. So that has happened many places. The second one is we have many silos of information in various applications across the organization. That, of course, would be an opportunity for data warehousing or business intelligence. Third is we having an information strategy but trusted information is still hard to find. Fourth one, we have trusted information aligned with our business strategy and the fifth one, of course, is the Holy Grail, we see our use of information as a competitive differentiator. So let's go ahead and close those polls and show the results. Most people are in that second category. We have many silos of information and various applications across the organization. Almost as many though say they have a strategy but the data quality or the trust in that information is still a big hard to secure. Then we have trusted information in line with our business strategy, a number of people like that and we even have someone who sees information management as a competitive differentiator. So that's probably the same person we had before who felt they had all the information they need. That's good stuff. So good response and back to you, Eric Salm.

Eric/IBM: Thank you. Again, I'm not surprised by these results because this is what we see in our customer base as well that many of our customers are at the point where they're early in their stage around getting their arms around their information in order to use it to optimize their business and that's really a good lead into what I'd like to talk to you about next which is really how do you achieve this new intelligence? It all sounds great, but what can you do to move down the path and really achieve new intelligence?

Well, there are really two things. You need to gain control over your information, get your arms around your information. Get it in control so you can use it for these strategic reasons and then the next thing is really to apply that information to optimize your business and IBM has a number of offerings in all these areas, so I'm going to talk briefly about some of the areas that we can help you in both of these initiatives of gaining control and applying your information.

First, to set your information agenda. This is an important thing, which is how can you transform your silos of information into a trusted strategic asset? Well, you need a plan to do it and you need a meaningful plan that ties your information agenda to your business agenda and that's what we can help you do with our information agenda offerings. The second thing here is to build trusted information. We talked about that a little bit earlier where I mentioned how important it is to integrate information and turn it into a trusted strategic asset. Well, there are a lot of different software capabilities that are part of building that trusted information platform.

The next area is to enable a dynamic information infrastructure. With the data growing as quickly as it is today, your information infrastructure is an important part of gaining control of your information. How do you store that information in such a way that's cost effective and gives you the kind of information availability that you need. How do you virtualize that information, make it available for different applications, manage that information as it changes over time, archive it and retain it for compliance reasons, etc. this is really a whole set of software, hardware and service offerings that can help you to build your information infrastructure that meets your business needs.

In terms of applying your information to optimize your business, well there's driving your business performance itself and that is software to help you make decisions through better planning, budgeting, forecasting, measuring, monitoring, scorecarding, reporting on business processes, etc. that's the business performance area and then implementing analytics strategy for business optimization, this is an area where we have the world's best consulting services to help you use advanced analytics in some of these really powerful new intelligence kind of ways to really drive better decision making, to take cost out of your operations and really to transform your business processes and your business models, so let's drill into these for a couple minutes as well.

I mentioned the idea of an information agenda and let me talk a little bit more about what I mean by that. In the last 20 years or so, most of what companies have been pursuing is what we would call an application agenda. What they've been trying to do is automate processes that are basic business processes, whether it's ERP or human resource management, call center operations and other similar kinds of things, sales operations, this is what we would call an application agenda where what they've been doing is they've been deploying applications, each one aimed at a particular business process, trying to automate that process to make it more efficient, to make it less costly, but what that has done is that's created a lot of silos of information throughout an organization and now the new kinds of more integrated operations that people are trying to pursue, this application agenda has actually created problems in trying to pursue some of the more higher end use of that information. So what companies really need to think about today is really more an information agenda, which is how do I optimize my business processes through better use of my information? And things like getting better insight into my financial risk around really optimizing my workforce, optimizing my supply chain, finding those customers that are the most profitable customers and making sure I'm doing everything I can to drive those relationships to retain those customers and to find other customers like those customers. That has to do with an information agenda that is gaining the insight from the information across all these different applications that may have been deployed. This is the area that forward thinking companies are investing in and this is what we mean by an information agenda, a strategy to optimize the business using that information.

So here's an example. A global financial services firm that has had when we talk about their application agenda, well this is a very large firm and not only is it a large firm but they've done many acquisitions and some of those acquisitions had acquisitions of their own. So you end up with lots and lots of systems. In the case of a major multinational

company like this one, we're really talking about thousands of systems and over 300 systems of record. Official systems that they're trying to run their business by. It's just staggering to think about how many of these separate systems there are, so when you look at things like I want to get a single view of my customer. I want to understand who are my best customers for one product line so I can try to interest them in another product line. It becomes very difficult when you've got hundreds or even thousands of systems that keep data on that particular customer. How do you rationalize that? How do you get a good understanding of which customers are asking for what? So, what they've pursued in their information agenda, they started by building a trusted business information platform. Then they extended that platform to really try to get more value out of their unstructured data which is as I was mentioning before, often an untapped area for a lot of companies and then finally to move to more analytic and information services. That's really the place they're focusing on now to optimize their risk insight, their product innovation, and to drive their customer centricity as well.

So IBM has a proven approach to accelerate an information agenda and it's really made up of these four areas. The first area is the idea of a strategy and this is where an IBM team would work with you to understand your key business imperatives, such as is it greater operational efficiency or is it a focus on the citizen or the customer for that kind of thing and then to figure out which of those business imperatives to focus on with your information oriented projects. So what are the specific objectives for that imperative and what are the information implications?

The next thing would be the road maps and with road maps, IBM has created roadmaps for 17 different industries that are really based on the business imperatives and the objectives in that particular industry and what the IBM team can do there is help you identify the specific projects that would have the most value for you based on your strategy, your priorities and the dynamics of your industry.

The next area is define and govern and this a very important area that's often ignored by a lot of companies to their peril and that is what is, the defining aspect is understanding all the information you have, what it means, what's needed, figuring out a plan to bridge the gap between the information you have and the information you need to make better decisions. That's the defining part and then the other part, of course, is the governing aspect. It doesn't do much good to put in place systems or processes and not govern the adherence of those processes or the adherence to maintaining the data as well. So a data governance strategy is a key part of your information agenda and an increasingly important area as companies try to get more value out of their information.

Then the final facet is the information infrastructure, enabling technologies and services that really are the underpinning for the rest of this are. What is the hardware and storage environment you need, the information management software environment that you need as well. I'll go more into that in a second.

So, I mentioned that we have industry specific guides and workshops that we can do with you across 17 different industries to really speed your deployment of your information

agenda and to develop that agenda. This is an example of the way we think about these industry specific guides. On the outer most ring, the gray ring, it's really the strategic imperatives, the key focus areas for your industry for improving overall business performance. The next ring inward, the blue area is the business objectives, processes and activities that can be optimized through them more effective use of information and then the green circle in the middle is really your core management processes that tend to be pretty common across all industries; things like revenue and cost management, financial management, human capital management. These are an important part of your information agenda as well. So the value of these industry specific guides is it accelerates the discussion so that we can focus in with you on the things that are specific to your industry and to your company, starting from a deep understanding of your industry.

The next slide you can see here the underlying layers that are involved in building a trusted information platform and I've touched on some of this but at the lowest level there is the information infrastructure, which is really the hardware, software and services that are needed to securely manage the information and mitigate business risk. Its things like insuring the information availability so your information is always available to be able to support the activities and the operations of your organization. The security of that information, incredibly important, security within your company, within your ecosystem and insuring that that information is managed well. The other areas are your information compliance, the ability to insure that you're following the right procedures and that regulation that you need to follow with your information and then also a retention policy tends to be an incredibly important part of information as well, both in terms of compliance but also in terms of managing the cost of your infrastructure.

Above that are both a data management and content management layer, managing data throughout its lifecycle and then optimizing content and process. The next area is information integration layer, pulling together information and managing and governing delivering trusted information and the top layer is business intelligence and performance management to optimize your business performance.

An information guide also includes strategies and roadmaps that help you drive smarter business outcomes. So, the idea here is to be able to identify the specific information intensive projects for a particular strategic initiative and so you can see an example of this and on the left where you're pointing out specific things like records and forms management, compliance warehouse, how that relates to an enterprise warehouse, it relating to a data cleansing project, etc. And how this kind of thinking can connect to a roadmap to a reference architecture to help you understand kind of how to build and move toward the architecture you want in your organization and to raise the maturity of your use of information over time.

On the next slide, I wanted to talk a minute about driving business optimization. I mentioned that this is an important part of building new intelligence as well. It's about applying that information to optimize your business and this is an area that IBM offers the business analytics and optimization services that can really help you think through this. There tends to be three main areas that companies focus on regardless of industry.

One is cost takeout and efficiency. How can we optimize the allocation and deployment of resources and capital to create more efficiency and manage costs? And of course in today's world, this tends to be a big priority.

Another area of course is to drive profitable growth. What are the opportunities to grow customers, to improve relationships, to find new markets, and to develop new products and services? There tends to be a lot of opportunities for growth that companies face, the question is which ones are the right opportunities, the ones that will be profitable, the ones that leverage the strengths of your company and the ones where you can gain a competitive advantage? And that's what intelligent profitable growth is all about and then in terms of risk management, better able to predict and identifying risk, risk events and also build resiliency in the case of those events. This is another area where I think in recent months many companies are realizing that the risks that they have are, although they always knew they were there, they realize that their understanding of those risks is not sufficient for really managing their business.

If we go on the next slide, this is the opportunity for analytics really to drive the decision making in these three areas. So in terms of efficiency and cost takeout this, really analytics and data optimization for intelligent profitable growth, advanced customer insight tends to be a key area for many companies to try to really better understand their customers and what they can do to better serve their needs and then in terms of risk management, risk and fraud analytics, there's lots of kinds of risk. There's business risk and financial risk and there's risk of fraud, which a lot of companies it really depends on the industry but many industries, fraud is a big problem and a growing one and having a solution to really understand your risk in that area is incredibly important.

IBM has business analytics and optimization consulting service with over 4,000 consultants to help customers develop their business analytics and optimization strategy and to implement solutions to leverage information to optimize their business.

So that's an overview of new intelligence and really what it's all about, what it means and how IBM can work with you to help you get there. We've really only just begun to uncover what's possible on the smarter planet. I hope in this discussion that I've captured your imagination a little bit about really what's possible. There's really much more possible than what has happened so far in many areas because how much the world is changing, how much more information there is and how much more technology there is that can allow you to leverage that information in new and very exciting ways not only to improve your business but actually to improve the world. So this isn't just about more information or more detail, it's really a new way of thinking about it, a new way of looking at how you use your data and how you can use it to really fuel your growth as an organization and this is an area that I think is incredibly exciting, lots of opportunity and one where I think that we can all work together to drive this kind of optimization for our businesses and for our world.

On my last slide here, I've got a few links if you're interested in learning more. Here are some links to information around the information agenda and some of the other topics I talked about.

At this point, let me turn it back over to Eric to start the Q&A session.

Eric: Thank you so much. That was a really good presentation. You've covered a whole range of different issues here, obviously all under the sort of master umbrella of new intelligence and I'm actually going to go back to this slide here as we get into the Q&A a little bit and what dawned on me and we have some good questions from people attending as well is that you have touched on so many different areas and there are so many different ways that any given organization can improve their particular environment and their use of information or as you're calling it, new intelligence, there's performance, there's the data itself, the integration layer, the management layer and I'm wondering, it's like it's good because there are so many things you can do and it's bad because sometimes when you have so many choices, it's very difficult to narrow them down to the 2-3 that are going to be most beneficial to your organization.

So I guess the first question I'll throw to you is: do you think that a data governance program might be the optimal way for an organization to just start winnowing down the number of possibilities and try to get down to that core set of maybe three or four things they can do in the short term or the mid term to really improve their use of information. Is data governance the way to go for that?

Eric/IBM: Actually, it's one of the key ways to go. I think there's many places to start and it is true that there's a lot here and it can be overwhelming to think about all these different things all at once. There are many places to start. Data governance is a good one because for many companies it's an area where they just simply don't have a good strategy and they really need to kind of put in place what's their policy around information? Who has control over information? And how do we reconcile information from one system to another? And data governance strategy can help you there. But I think one of the nice things about an information agenda project is that it can help you understand the overall opportunities in your organization and which projects have the most effect on your business objectives. For many other people, what they want to do is start with a more specific project that they already have in mind. Maybe it's to improve reporting and scorecarding of their basic operations. They want to put on the desk of key executives what useful information around measuring their business, so that would be starting from a business intelligence kind of approach. Another company might be looking at it that maybe their biggest issue is information integration in the sense that especially if they've acquired a lot of companies or maybe they have several different customer support centers because of legacy reasons and they want to bring it together but they're on different systems, it might be a trusted information platform or integration layer that they would start at. So I think there are many different places to start. You don't have to address this all at once and nobody really ever does, but it's important that you really think about it strategically so that you're putting in place things that not only solve your immediate needs but can help you in the direction you want to go.

Eric: We actually have a couple good questions here. I like this question because I think this attendee is kind of speaking to the cause that we have out there in the world and she just asks: Why do you think it is that so many organizations have collected so much useful information over the years without a strategy for using it? I think it's a good question because we can try to speak to is if you understand why something happens, that can give you a better chance of addressing why it happens. So I guess to that end, what's your advice on encouraging people on how to get their organizations to develop a strategy for using information?

Eric/IBM: Yeah, I think it is a really interesting question and I think the answer to the question would be I think the reason why that's happened so much is that a lot of times people have been thinking about a specific project and so their it's the application agenda thought that I mentioned earlier, where it's like okay I'm rolling out this CRM system and all I'm thinking about is how I'm going to improve my sales force automation and my customer relationships and then somebody separate from another project that is implemented somewhere else in the organization around say ERP or human resources or around finance and so the reason why they're collecting - - it's not that they're not using the information at all, it's that they're not using it strategically. They're really using it in a local sense to solve one purpose and then once you have that information there's so many other purposes for it but you've not necessarily put it in place in way that you can leverage it for those other purposes. So that's one of the reasons why an information agenda is so useful because it can star to put these things into a broader context and you can start to realize, gee, if I really want to understand say the value of my customer, then I really need to think about a master data management project where the definition of a customer is the same in all systems, so I can more easily pull that information together and provide it to somebody for a meaningful discussion but if in one system you're defining a customer as an individual and another system you're defining it as an entity and you can't even tell sometimes that that's actually the same customer, so once you think about kind of what you're trying to accomplish, it kind of leads you down the path of where your information management priorities should be.

Eric: And something else that's coming up here is all of his unstructured data or as some folks call it, semi structured data, could that possibly be a hook for someone who is out there and understands and appreciates this new intelligent concept? Is unstructured data and the integration of that data a possible hook to get their organization to think about data in this new way?

Eric/IBM: Yeah, absolutely and I think that in some organizations, some industries say for example, insurance, there's a lot of paper moving around in insurance and first of all there's a lot of cost to that and second of all, the core process that you do in that kind of industry and often what they're doing is processing scanned images and increasingly it's also photographs and things like that to process a claim or to open a new account, that kind of thing and for a lot of companies, documents really drive that company and those documents are moving around. That's your business process. So many companies have taken an approach of saying, okay, we want to optimize this particular core business

process that is based on documents and that is a great place to start because what it can do is it can improve your throughput, improve your customer service and lower your cost for providing that service all in one project.

Eric: That's a really good point. And one last question here is as we're edging near the end of the hours, the economy obviously is on many minds out there and as we said at the top of the hour, doing more with less. Are there any hints or advice you could give to our listeners about ways that they might be able to use the economic recession we're in right now as a hook to begin something, whether it's data governance or just beginning the strategizing for an MDM project or anything along those lines? How can people use the economic downturn to their advantage in trying to move an information project forward?

Eric/IBM: It's a really interesting and timely area that we have a lot of conversations with customers about. There are different approaches that customers use on that. One is for many companies they're really scrutinizing projects a lot more closely. They're looking for near term ROI and for those customers it tends to be a bounded project focused on a specific business need like cost reduction or cross selling or whatever that is very well defined and the return on that investment is not only large, but it's near term. That's one approach and an important one in today's world, but for some other companies, this current crisis has been somewhat of a wakeup call especially on the area of risk management or on making decisions on poor information. So they're really looking for opportunities now to really understand how to save money, reduce their risk and take some of that risk out of their system by consolidating their applications, aligning their information and really just thinking about addressing the core areas that have actually contributed to this crisis and I think that there's another way that some companies are looking at it and this is really I think more the forward looking companies but there's a lot of literature out there that shows for relative strong companies, it's exactly this type of environment, downturn that is the time for bold action because you can set yourself up to really gain market share to grow more quickly as the economy recovers. For those companies, I think this is the perfect time to take a strategic approach to information to think about how you can optimize your business along the lines as I was showing on that chart of is it driving revenue, is it reducing costs or is it managing risk? And, building a strategic approach to information, building an analytic strategy and really thinking through how can you gain advantage in this downturn and focus on - - downturns, they always end. So, what kind of position do you want to be in when the downturn ends? And that can be the justification for this type of thinking.

Eric: That's a really good point, folks, and like to state downturns do end, thank goodness. Let's hope that this one ends very very soon in the near future. So folks, that is all the time we have for today, but thank you so much for all of your time and attention. We really do appreciate it. We know you are all busy, as are we, and we thank you for giving us a bit of your day. Of course, a big thank you to our sponsor. This event has been sponsored by IBM. More information about them at these different links that you see right there: ibm.com/think and the other links that you see before you. So, thanks

again for tuning in, folks, and we hope to catch up with you next time. Take care. Bye
bye.

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