



IBM CHQ Market Intelligence

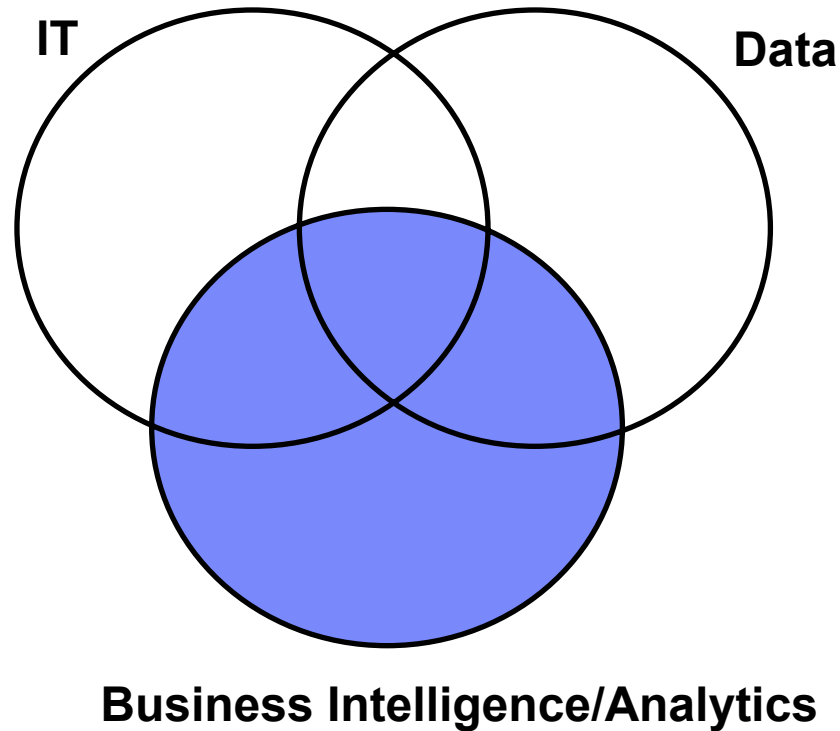
# Leveraging Business Intelligence as Fuel for IBM Marketing Strategy and Revenue Attainment

Andrea Goldberg  
June, 2004

# Agenda

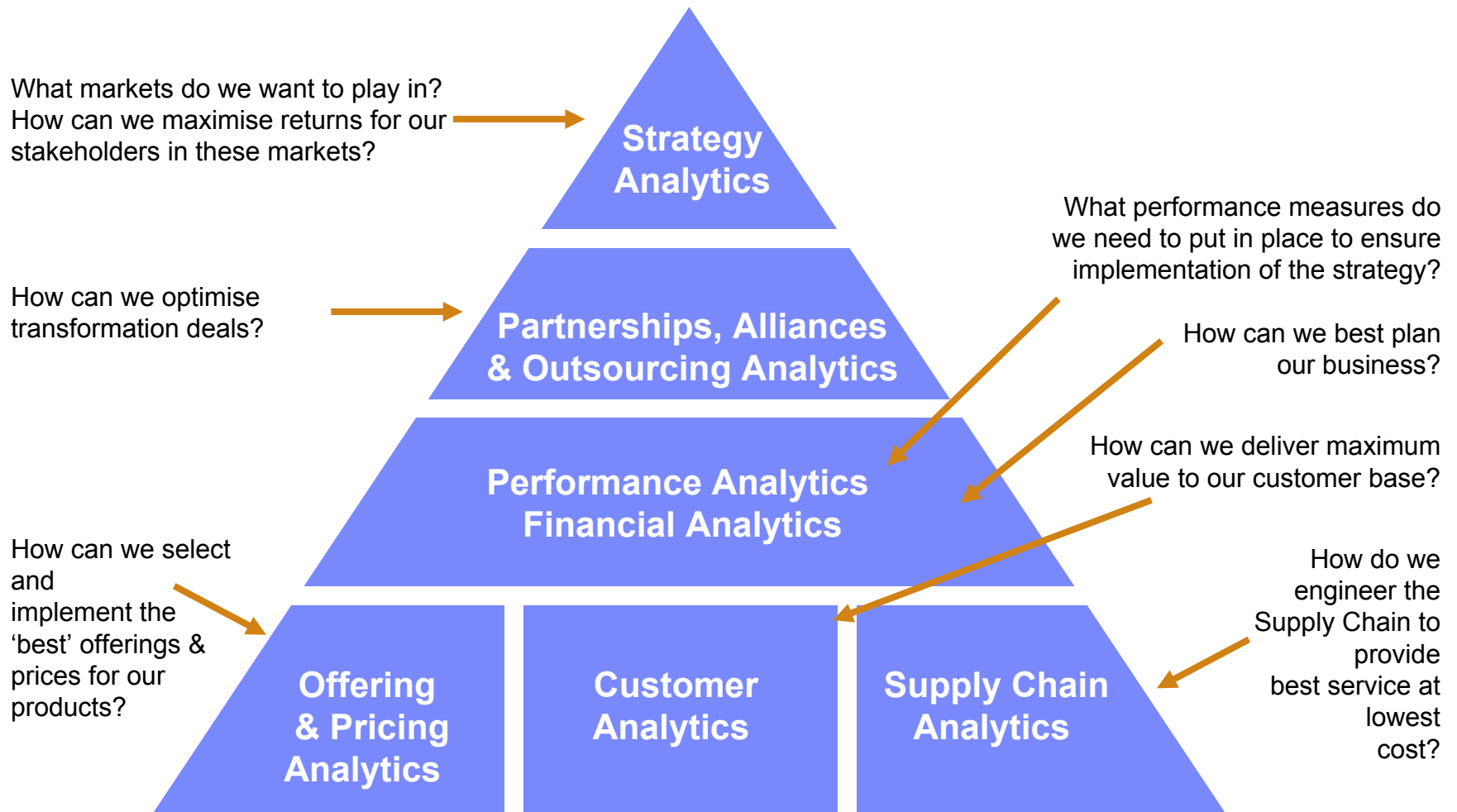
- **How does BI support IBM Marketing?**
  - Understanding the Marketplace
  - Pricing
  - Customer Analytics
- **What level of ROI is being realized?**
- **What are some key focus areas moving forward?**

# Business Intelligence leverages both IT and data...



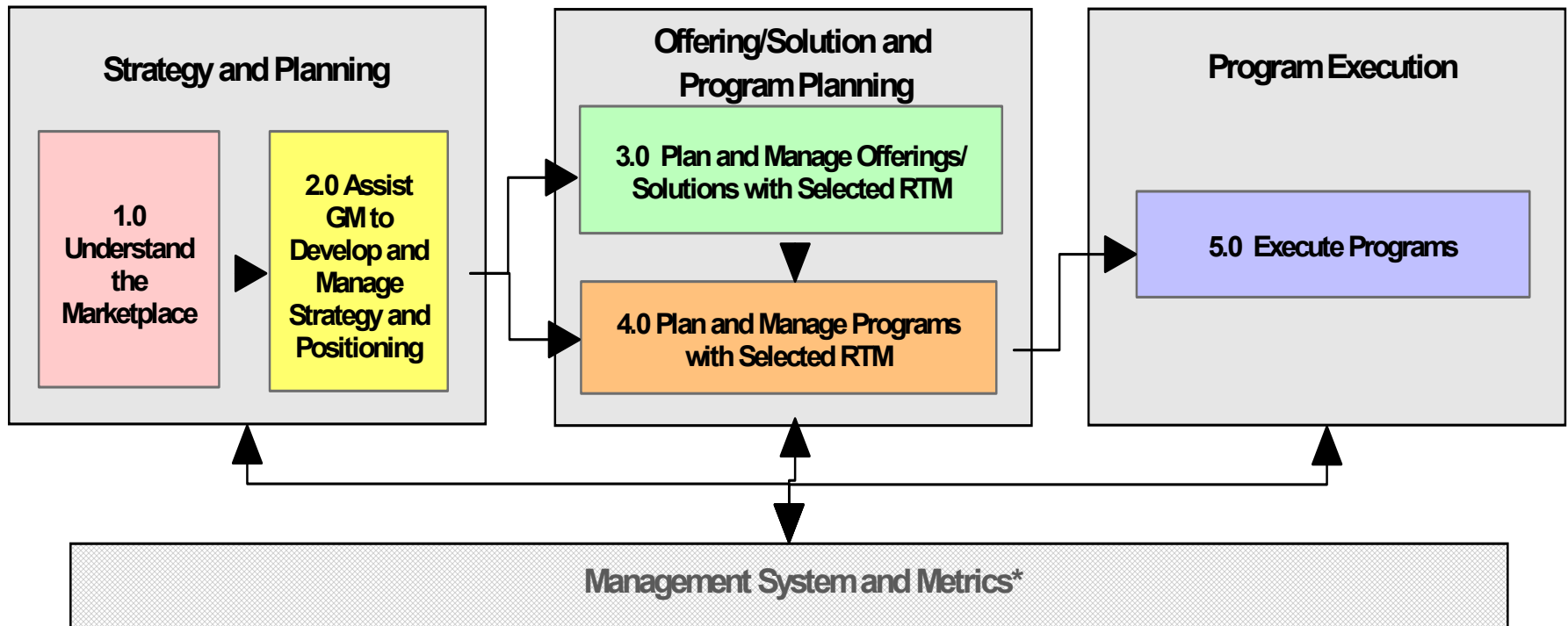
Exploiting the synergy between IT and Data to Drive Deep Insight and Fact Based Decision Making

# Enhancing Effectiveness and Efficiency



# BI critical component of IBM Marketing Framework

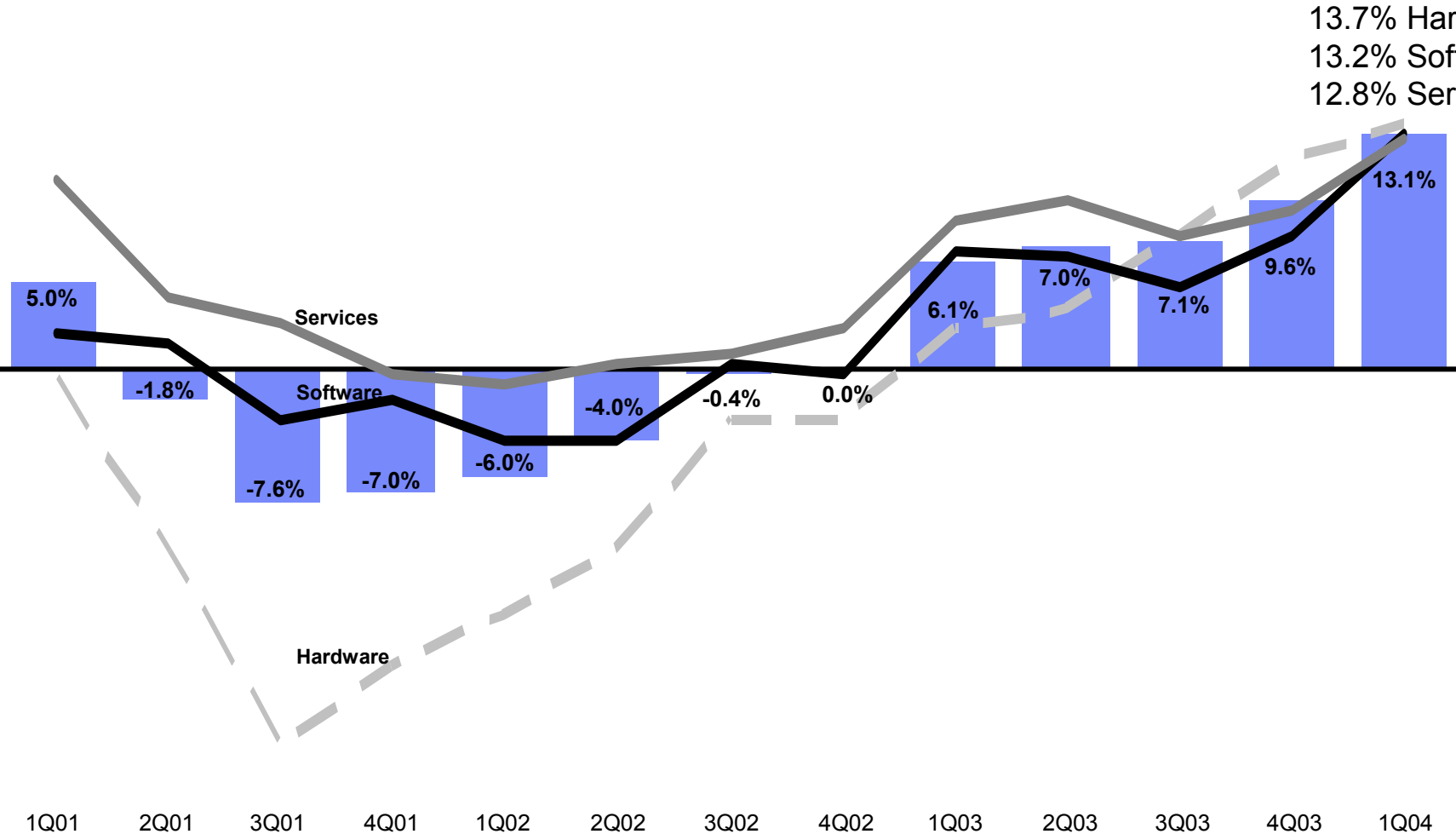
# IBM Marketing Framework



# IBM Marketing Framework: Strategy and Planning Phase

# The total end-user IT opportunity is growing – with all three categories steadily improving

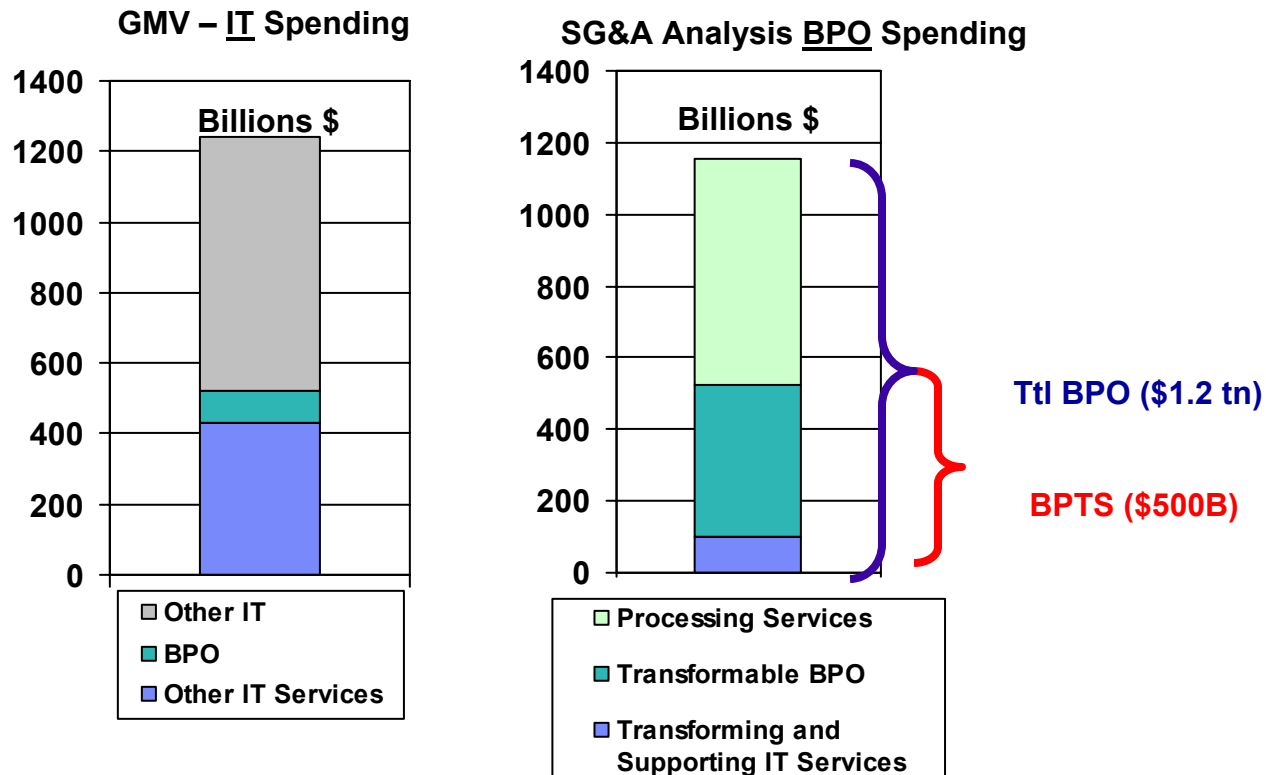
13.7% Hardware  
13.2% Software  
12.8% Services





# Overview of BPTS vis-à-vis the Traditional IT Market (2004)

**BPTS refers to the BPO elements with the greatest potential for transformation. BPTS often includes multiple processes, value pricing, risk sharing and best practices applications**



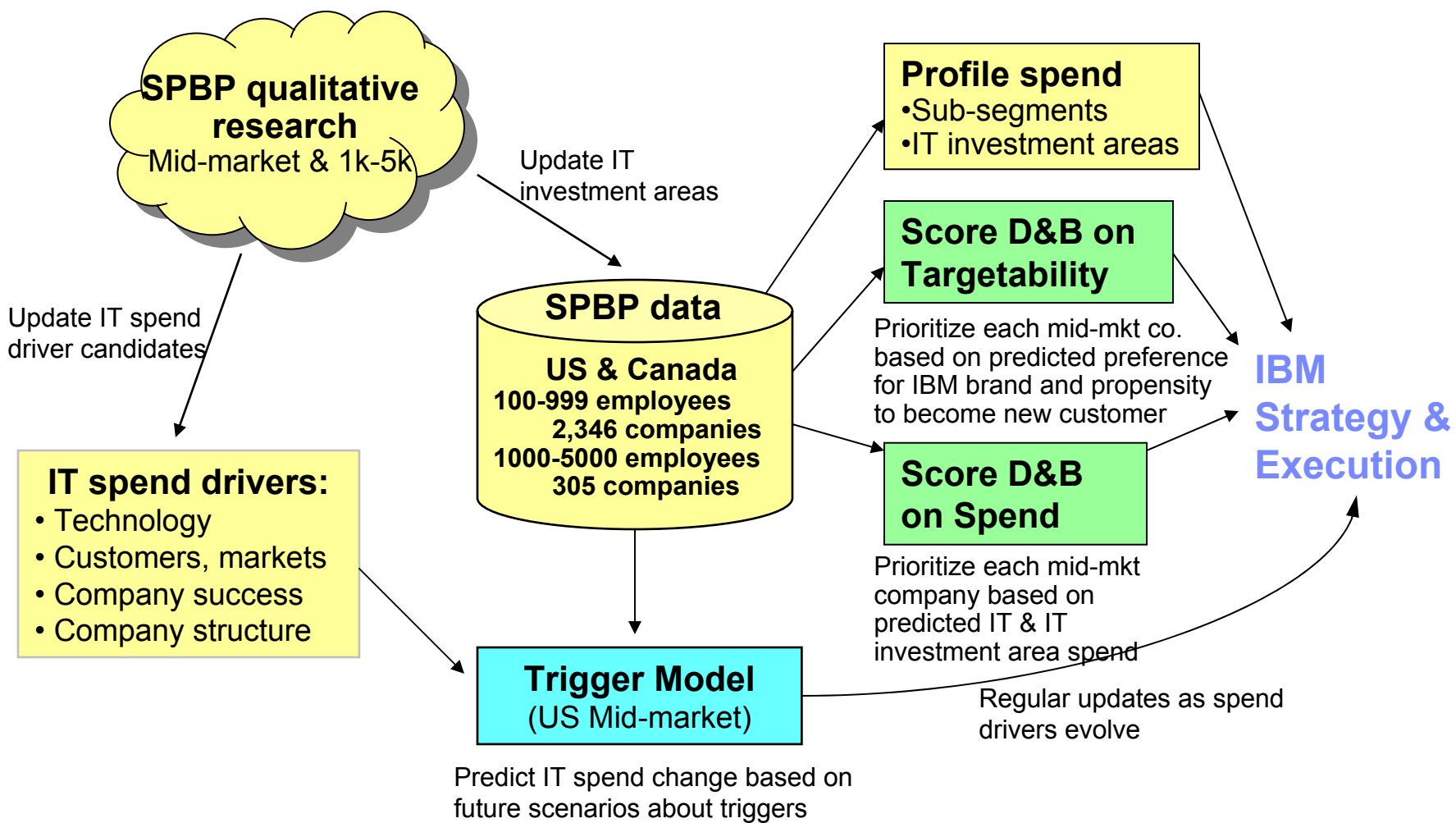
▪ \$200bn overlap in GMV and SG&A Analysis spending (\$100bn in GMV-BPO and \$100bn in transforming and supporting IT Services in SG&A Analysis-BPO).

# Solutions Purchase Behavior Project - Prioritizing segments, solutions, and companies

Objectives are realized by:

1. Obtaining **mid-market company input** on:
  - How much they invest
  - What they invest in
  - What triggers their investments
2. Delivering **findings at levels previously unavailable**:
  - By industry sub-segment
  - By solution for mid-market companies **using their language**
3. **Using predictive modeling** to
  - Estimate spending by solution for each company
  - Predict future spending

# Combination of primary market research and predictive modeling



# IBM Marketing Framework: Offering/Solution and Program Planning Phase

# Value Based Pricing

## What constitutes value?



### Pre-sale

- Speed
- Ease
- RFP that meets their needs.....

### Business Results – ROI

#### Experience

- Reliability & Scalability
- Responsive Technical Support, & Services
- Ease-of-Use

#### Investment:

- TCO, Deployment Costs, Warranty, & Maintenance

### Post-Sale

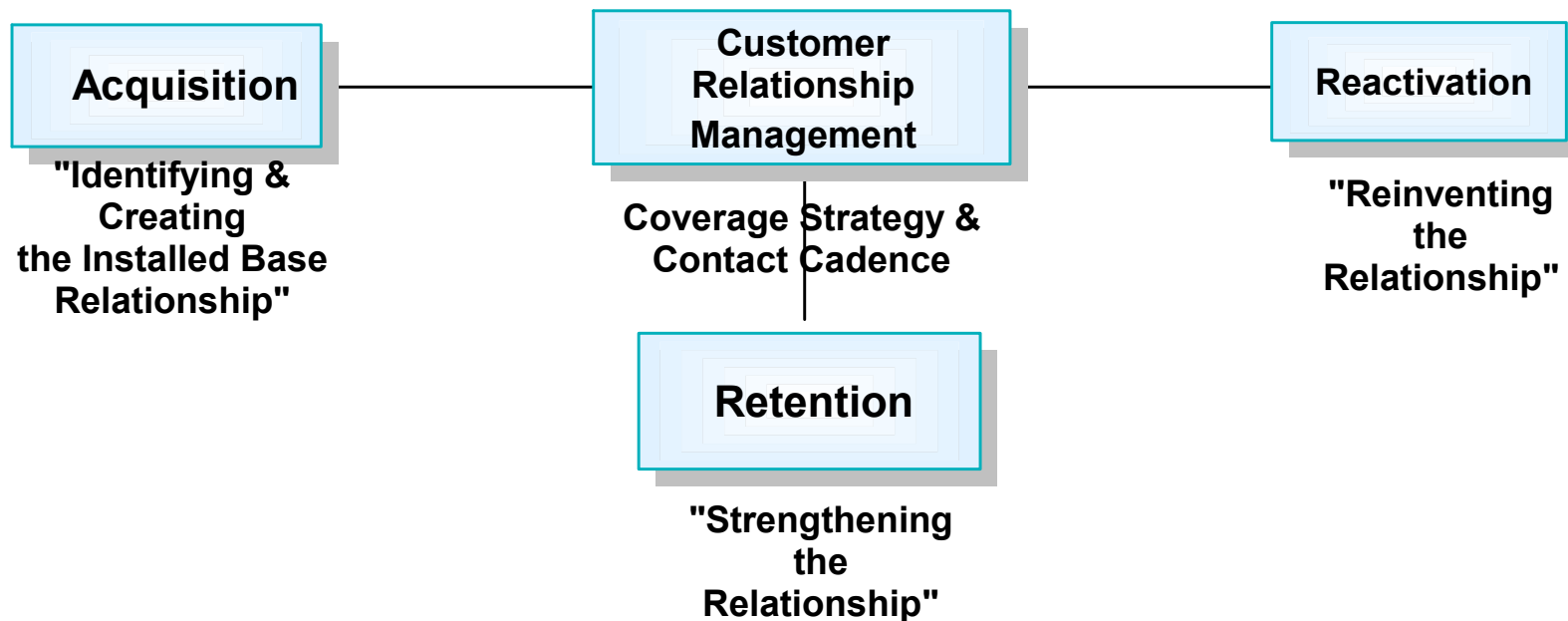
- Recycling
- Upgrades
- Replacement

# Return on Investment

# Substantial Productivity and Efficiency Gains being Realized

When Business Intelligence is executed, we realize:

2.5 x more oppty's opened, 50% more oppty potential, higher win rates, 2x more won revenue

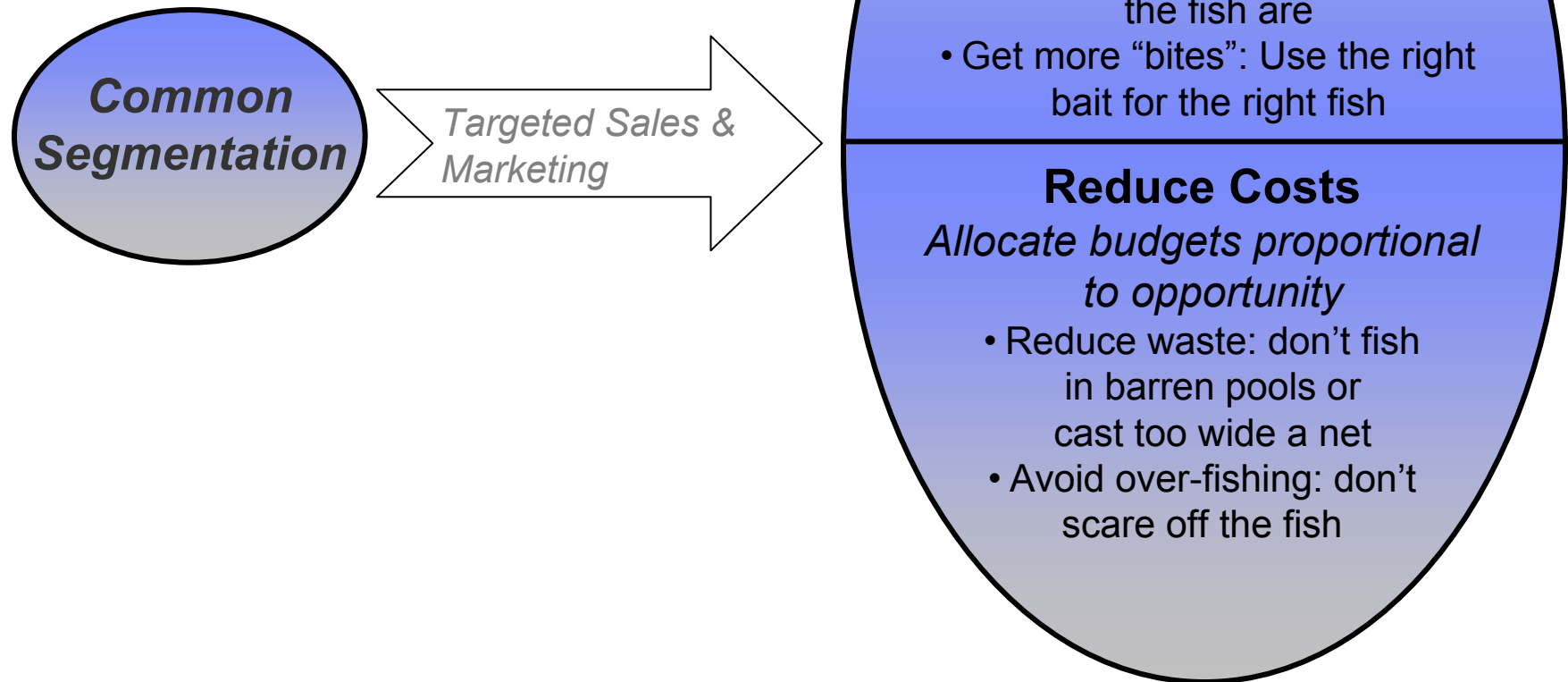


## Future Focus Areas for BI and IBM Marketing

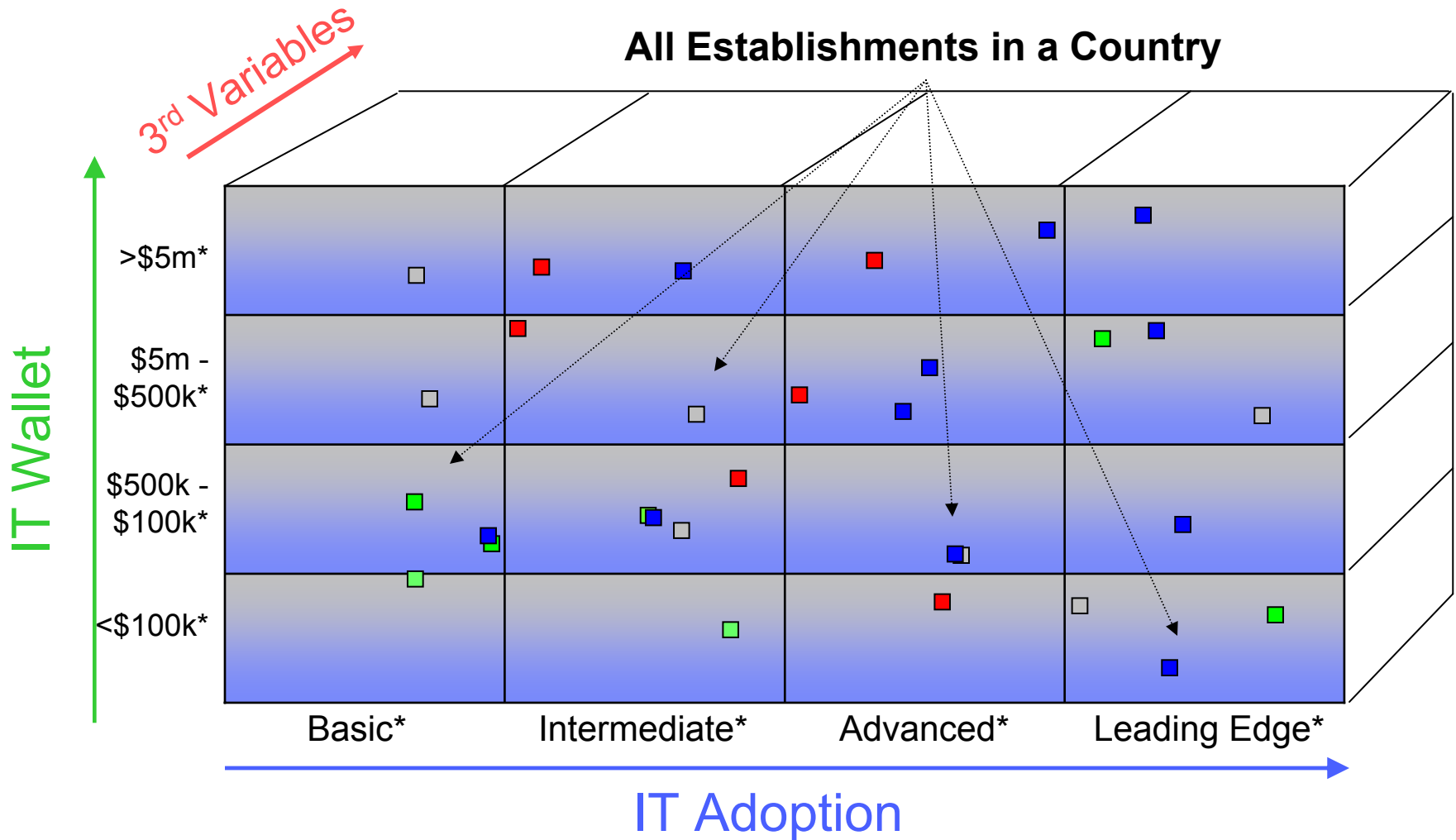
- **Common Segmentation**
- **Market Opportunity Analysis Database (MOAD)**



# Why a common segmentation framework?



# IT wallet and IT adoption are foundation dimensions



\*Preliminary financial thresholds and segment labels; IT Adoption is operationalized using the e-Business Adoption Tracking Study

# Market Opportunity Analysis Database (MOAD)

## Automate Production of Market Share Measures

- Increase consistency of methodology implemented

- Ease of use

## Provide Granularity

- Capability to drill-down to level of granularity required by the units

- Assignment of risk/rules to all measures produced

## User Friendly Interface

- Enables the shift in focus from production to insight and analysis

## Advanced Analysis Capability

- Scenario planning functionality

- Linkage to Unit Analytic Databases

# Transformed MOA Tool Supports Growth and Productivity

## Deeper insight to Executive Management

- Health of our business
- Alignment of resources
- Pulse of business from a market perspective, including SG&A, Solutions and on demand
- Scenario planning functionality to analyze anticipated consequences to decision alternatives
- Visibility to key metrics via Dashboard
- Data access for CHQ, Brand, & Geo teams including Marketing, Finance, Sales & Strategy

## Sarbanes- Oxley Legislation Implementation

By linking to rules established by the market share standards committee will provide

- Consistent methodology across units
- Data Integrity and quality assurance
- Accountability and protection of executives

**Thank you**