



# IBM DELIVERS \$15.82 FOR EVERY DOLLAR SPENT

ANALYST

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## THE BOTTOM LINE

**In analyzing the results from IBM projects impacting marketing, sales and merchandising, and analytics, Nucleus found that for every dollar spent, companies realized an average of \$15.82 in returns.** This is up 7 percent from the previous analysis published in October 2014. Nucleus found companies gain increased returns by taking advantage of IBM's investments in cloud and integration, enabling new lines of business, and delivering productivity gains through marketing automation.

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IBM has continued to enhance and expand its portfolio of enterprise applications for marketing and sales and merchandising – as well as analytics – while bringing the economies and efficiencies of cloud to its application footprint. Nucleus has continued to analyze the experiences of IBM customers. In October 2014 we examined the aggregate data of ROI case studies published on IBM customers and found that, during the first three years of deployment, for every dollar spent a company got back an average of \$14.79 (Nucleus Research 0234 – *IBM Commerce delivers \$14.79 for every dollar spent*, October 2014).

Given the evolution of IBM's portfolio and new data on IBM projects Nucleus has published, Nucleus independently decided to reassess the value IBM customers had achieved. When we added the new cases to the sample of analytics, marketing, and sales and e-commerce projects, we found that the average return per dollar spent has increased to \$15.82.

## **Nucleus found that for every dollar a company spends on IBM solutions for analytics, marketing, and sales and merchandising, it gets back \$15.82 – up 7 percent from just 18 months ago.**

The latest cases included in the analysis were US and European companies and government agencies using IBM applications across sales and merchandising, marketing, and analytics, and were developed independently by Nucleus following our standard ROI case methodology, which has been used to publish more than 600 ROI case studies over the past 16 years. The review of the detailed data was performed independently and Nucleus informed IBM of the results after the analysis was completed.

It is important to note that many of the deployments included in the analysis were upgrades or competitive switches from previous applications, which normally only deliver moderate incremental returns. Key elements to the financial success of projects included:

- Rapid implementation times. Nucleus found customers were able to implement their projects in weeks or months, or were able to break the projects into self-funding phases to achieve incremental returns at each step.
- A focus on productivity. In many cases, implementation of more scalable and usable solutions enabled marketing and analytics users to automate processes and reduce manual steps, freeing up valuable time for other activities.
- IBM solutions' enablement of new lines of business. In a number of cases IBM customers were able to use its applications to open new commerce channels or support completely new lines of business, driving new sources of revenues and profits.
- Integration. The ability to integrate IBM with existing or new applications or data sources was a core component of many projects, and the ability to more rapidly and predictably execute integration projects to stay on budget and on timeline was critical.

## **CONCLUSION**

As IBM continues to make investments in driving rapid, more predictable time to value for marketing, sales and merchandising, and analytics projects, customers are reaping the benefits. Beyond simple upgrades, new customer investments are

enabling them to develop new lines of business and bring the intelligence of the software to bear to drive significant productivity gains through marketing automation and greater profits.

