Social Business:
Connecting People with Insight

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Global Sales Director, Social Business & Web Experience Software

IBM Software
ExecutiveSummit2011
A Premier Leadership Exchange

The forces driving a smarter planet are having a remarkable impact on how people interact

Instrumented
smartphone shipments will
outpace PCs by 2012

Interconnected
social networking accounts
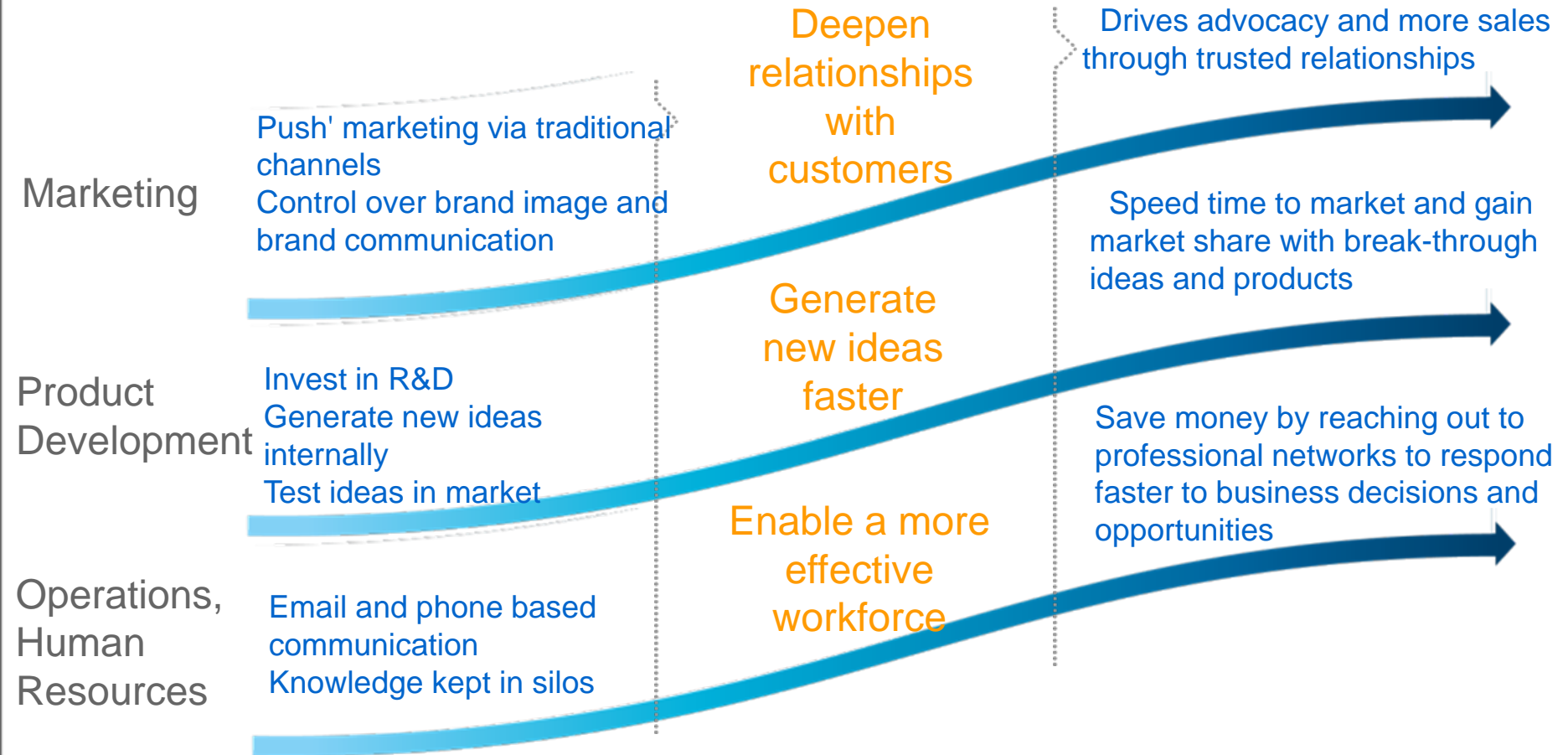for 22% of all online time

Intelligent
the social data analytics opportunity
will grow to 1 Zettabyte by 2011

A Social Business makes sense to business leaders....

Business As Usual

A Social Business

Marketing

Push' marketing via traditional channels
Control over brand image and brand communication

Deepen relationships with customers

Drives advocacy and more sales through trusted relationships

Speed time to market and gain market share with break-through ideas and products

Product Development

Invest in R&D
Generate new ideas internally
Test ideas in market

Generate new ideas faster

Save money by reaching out to professional networks to respond faster to business decisions and opportunities

Operations, Human Resources

Email and phone based communication
Knowledge kept in silos

Enable a more effective workforce

This transformation presents new challenges

Marketers: **less control over their brands**

Product development: **deliver new products and services quickly and at lower cost**

Human resources: **difficulty increasing worker effectiveness**

Organizations: **paralyzed by security and governance concerns**

Some would have you believe people revolve around content (or documents or tools) ....

But: Business is a Social Activity!

As a result, people get things done in entirely new ways

How I Buy
Interacting with peers and engaging with the company.

How I Work
Collaborating from anywhere at any time.

How I Create
Tapping into a wide variety of insight and expertise.

Enabling people to better interact can help organizations address top CEO priorities

According to the 2010 IBM CEO Study:

95% of standout organizations will focus more on **getting closer to the customer** over the next 5 years.

Creativity is viewed as the **#1** most important leadership quality for the next 5 years.

81% of CEOs will focus more on their **people's skills** in the next 5 years.

CIOs are also reporting a shift in investment

According to the 2011 IBM CIO Study:

66% of CIOs from top-performing organizations see internal communication and collaboration as **key to innovation**

74% of CIOs see collaboration and communication as a **key driver** in transforming their organizations

Nearly **3 times** as many CIOs in top-performing organizations view Social Network Analysis as a **top priority**

Social Businesses have distinct characteristics that distinguish them from other organizations

At their core, they are...

Engaged deeply connecting people to be involved in productive, efficient ways

Transparent providing line of sight across traditional boundaries and better aligning actions to needs

Nimble speeding up business with insight to anticipate and Address evolving opportunities

Social Business benefits are real and are helping drive sustainable differentiation

90% **of respondents report measurable business benefits from Web 2.0 tools, including better access to knowledge, lower costs of doing business, and higher revenues**.
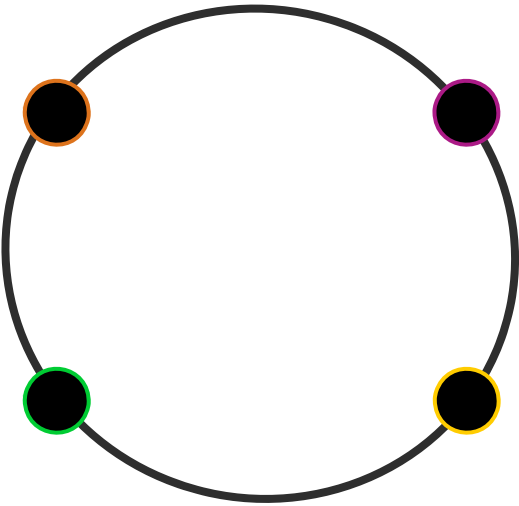
– McKinsey Global Survey 2010

Standout organizations are 57% more likely to allow their people to use social and collaborative tools.

– IBM CHRO Study 2010

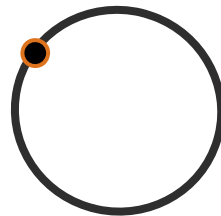# Business functions are redefined in a Social Business

Marketing

Human Resources

Customer Service

Product Development

Marketing

Are you ready?

How customer expectations will change in the next 5 years?

% of CEOs answering "To a large / very large extent"

82% Better understanding of needs

70% New or different services

69% More collaboration, info sharing

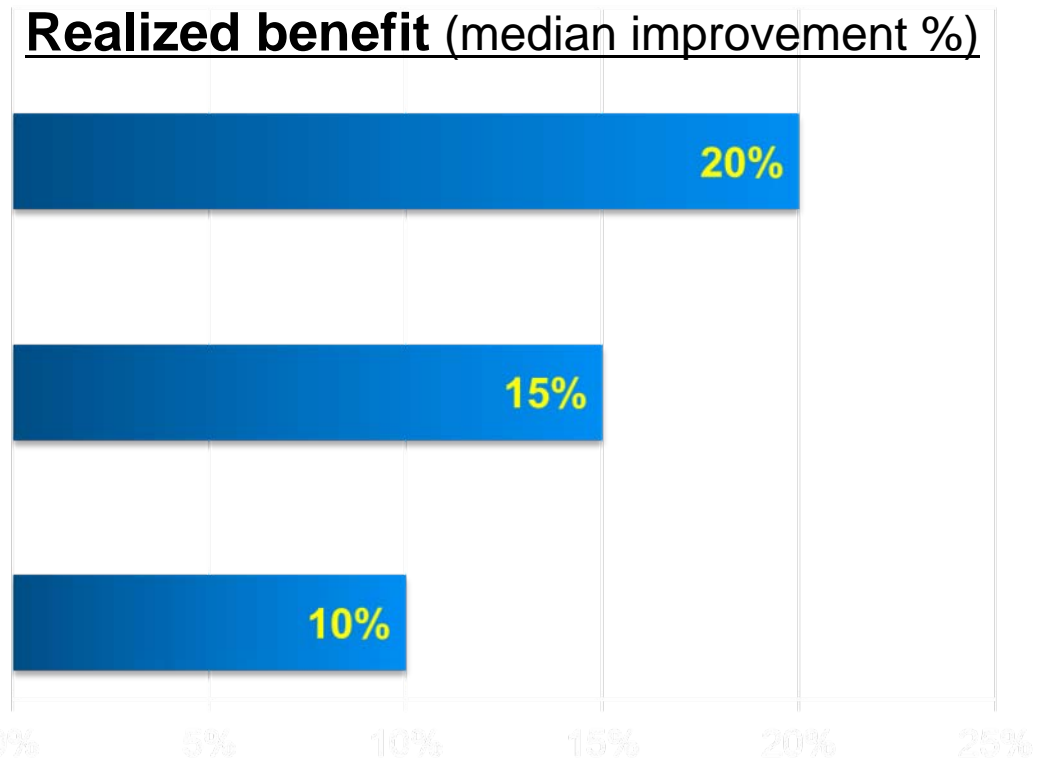**How will you listen more – and respond quickly to customer needs?**
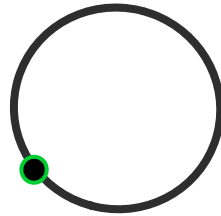
The benefits of Social Business to marketing are real

Realized benefit (median improvement %)

Increase effectiveness of awareness
(52% of respondents)

20%

Increase revenue
(realized by 18%)

15%

Increased effectiveness of conversion
(52% of respondents)

10%

0%   5%   10%   15%   20%   25%

(*) *"The rise of the networked enterprise. Web 2.0 finds its payday"* **– McKinsey Global Survey Results, 2010**

Customer Service

Are you ready?

Customer Service is key to the success of any business. CEOs agree…

95% of standout organizations will focus more on "getting closer to the customer" over the next 5 years, **14%** more likely than their peers.

– IBM CEO Study 2010

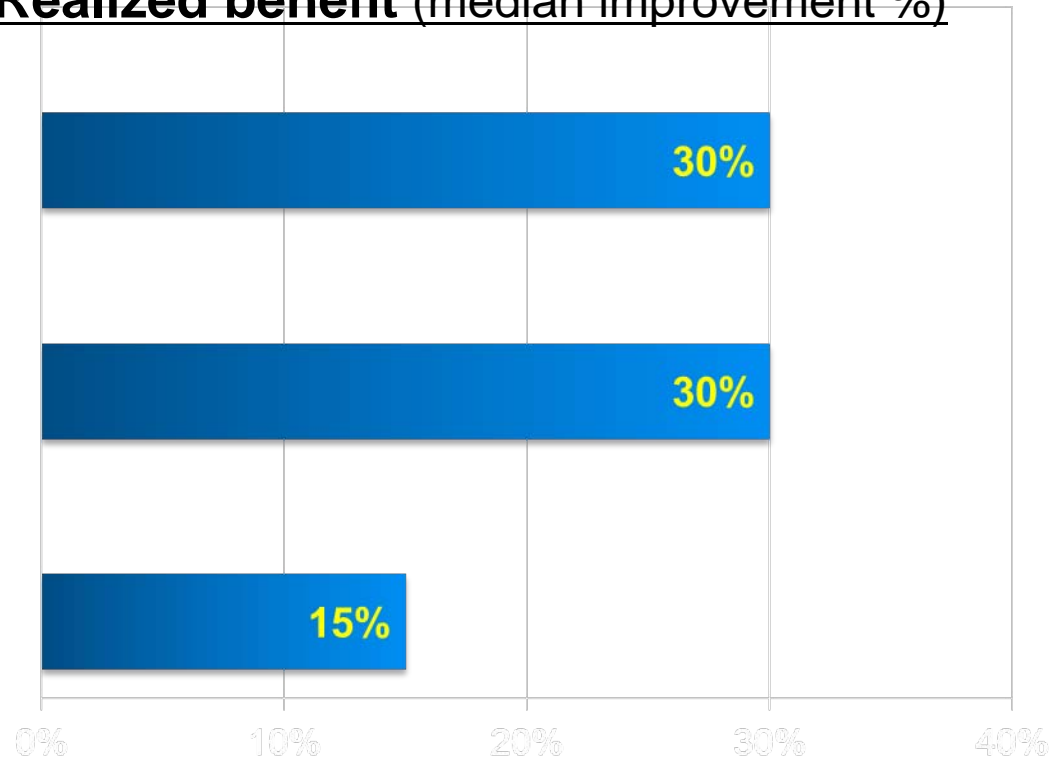**How will you improve customer retention and loyalty?**

IBM CEO Study 2010

Value of Social Business for Customer Service

Realized benefit (median improvement %)

Increase speed of access to internal experts
(52% of respondents)

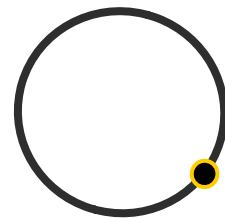**Increase speed of access to internal knowledge**
(77% of respondents)

Reduce external communications expense
(53% of respondents)

30%

30%

15%

0%   10%   20%   30%   40%

(*) *"The rise of the networked enterprise. Web 2.0 finds its payday"* – McKinsey Global Survey Results, 2010

Product Development

Are you ready?

"to drive ideas and innovation throughout your business..."

CEOs: Sources for Ideas and Innovation

Left	Right
Business Partners	Employees
Customers	Sales or service units
Consultants	R&D (internal)
Competitors	Other
Associations	Think tanks
Academia	Internet, blogs, etc.

45% 25% 5%   5% 25% 45%
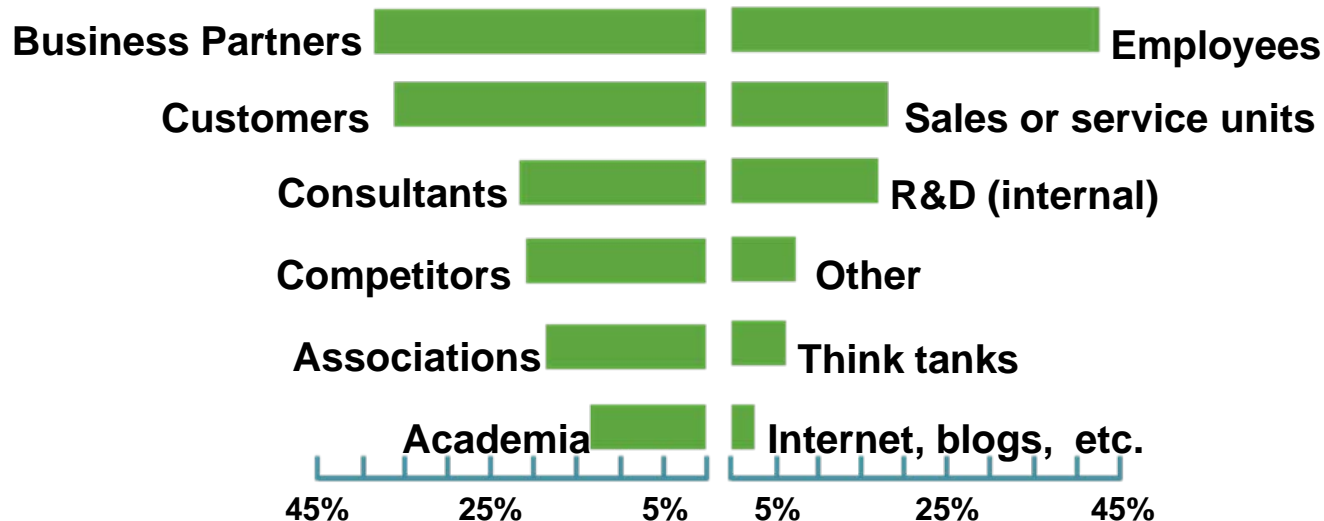
How will you harness innovation in your business?

Value of Social Business for R&D and New Product Development

Realized benefit (median improvement %)

Increase speed of access to external experts
(40% of respondents)

25%

Reduce time to market for new products/services
(29% of respondents)

20%

Increase number of successful innovations
(28% of respondents)

20%

0%   5%   10%   15%   20%   25%   30%

(*) *"The rise of the networked enterprise. Web 2.0 finds its payday"* – **McKinsey Global Survey Results, 2010**
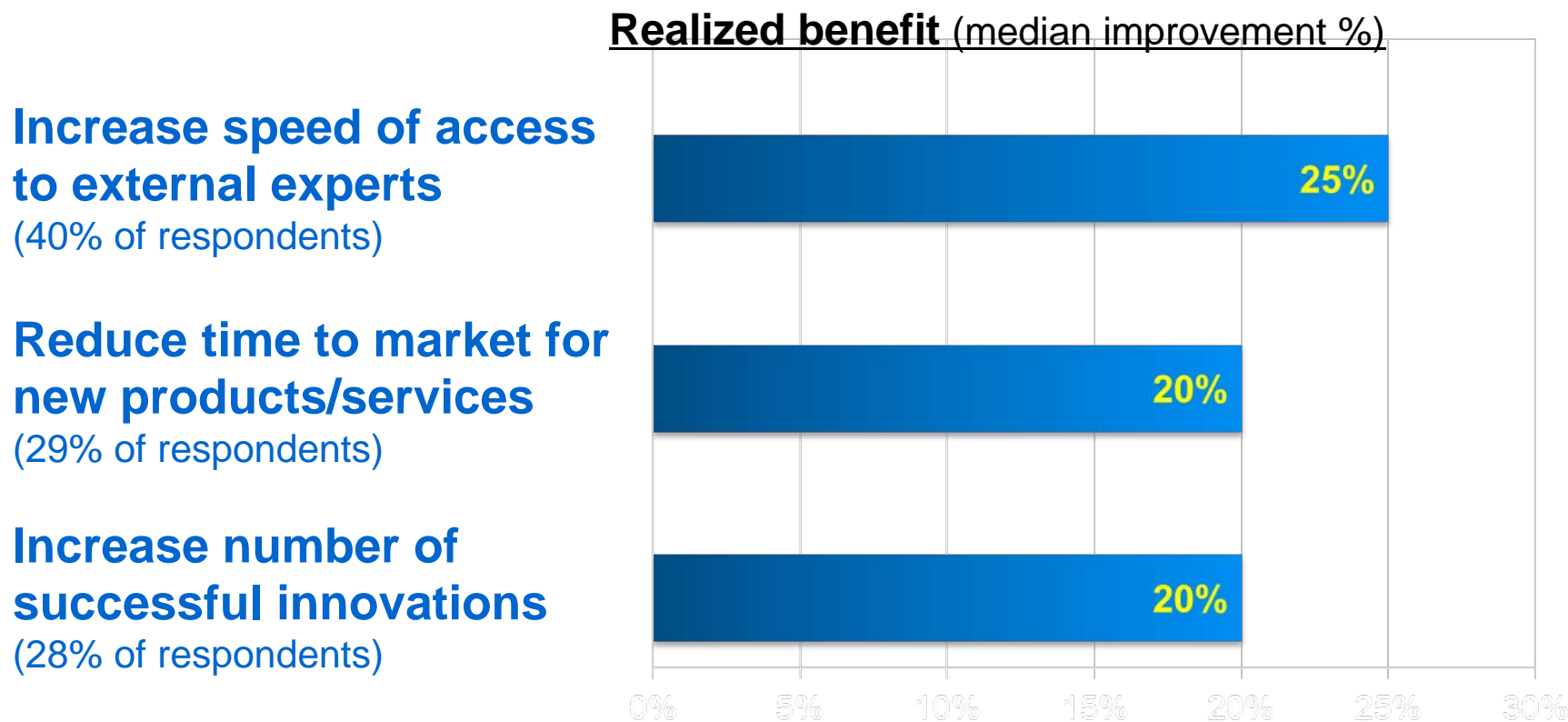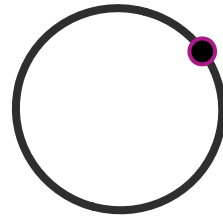
Human
Resources

Are you ready?

HR leaders are shifting focus to driving innovation, growth and operational efficiency
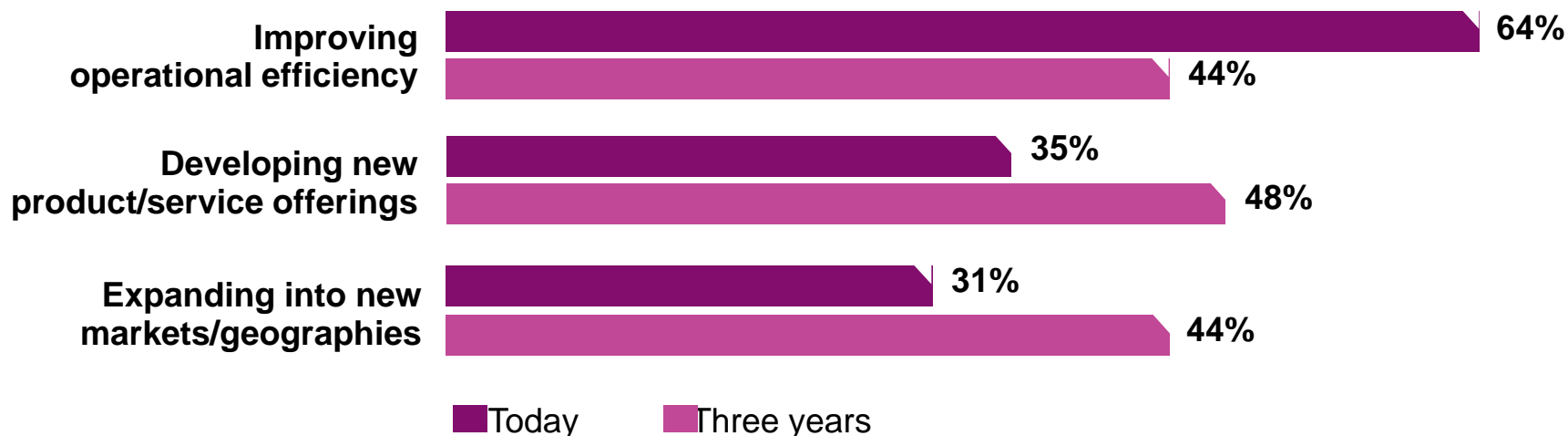
Improving operational efficiency
- Today: 64%
- Three years: 44%

Developing new product/service offerings
- Today: 35%
- Three years: 48%

Expanding into new markets/geographies
- Today: 31%
- Three years: 44%

■ Today   ■ Three years

"Our current stance is defensive to protect our profits under difficult economic circumstances; however, over the medium and long term, our agenda is geared toward global growth." Director of Operations, United Kingdom
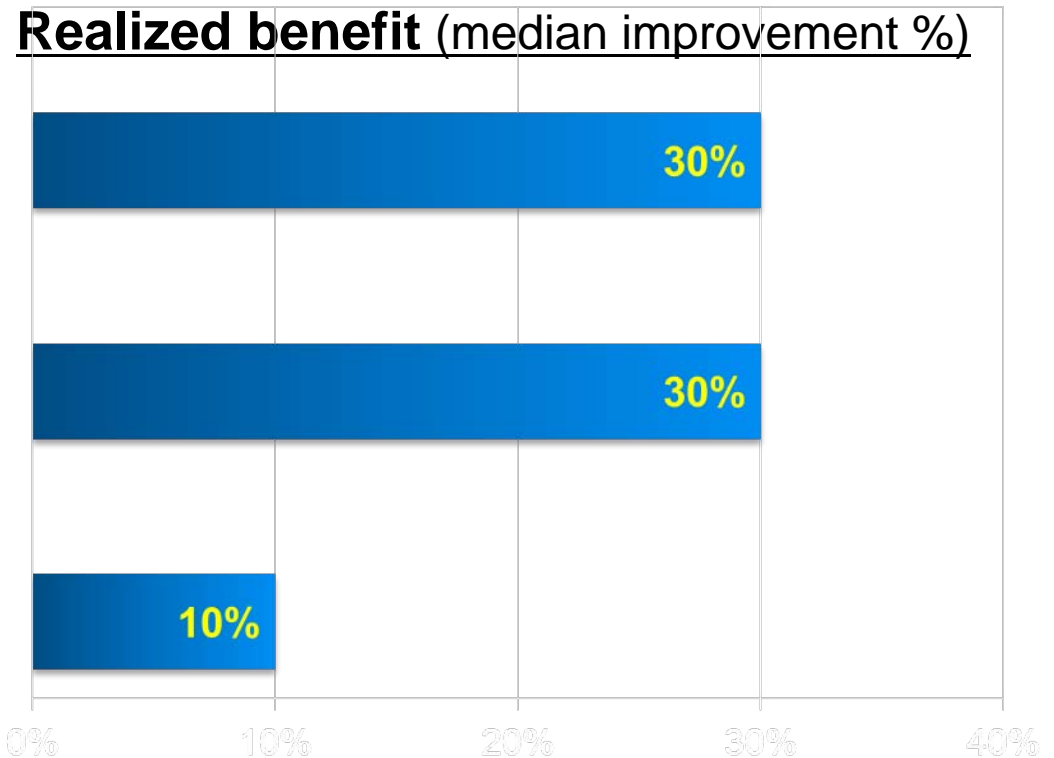
How will your workforce handle this shift ?

IBM C?O Study 2010

Value of Social Business for HR and Talent Management

Increase speed of access to internal knowledge
(77% of respondents)

Increase speed of access to internal experts
(52% of respondents)

Reduce internal communications expense
(60% of respondents)

Realized benefit (median improvement %)

Increase speed of access to internal knowledge	30%
Increase speed of access to internal experts	30%
Reduce internal communications expense	10%

0% 10% 20% 30% 40%

IBM

IBM is the World's largest Information Technology Company

- $99.9B revenue; $14.8B income

- 400,000 full time regular employees; 100,000 contractors; 100,000 partners

  - 5,970+ executives

  - 39,700+ managers

- Operations in 170 countries, divided into 5 operating teams and/or markets:

  - North America, Japan, North East Europe, South West Europe, Growth Markets

- Key business segments:

  - Global Technology Services

  - Global Business Services

  - Systems and Technology Group

  - Software Group

A highly diverse workforce:

- 50% workforce has less than 5 years of service

- 62% workforce is in our services business

- 50% of employees work remotely – not from a traditional IBM office

- 71% of our employee population is outside USA

- 15% of population comes from acquisitions & outsourcing deals

IBM has the challenge of increasing *productivity, collaboration* and *innovation* of its 400,000 employees worldwide

IBM — A Social Business

Inside IBM

18,000 blogs; **86,655** bloggers; ROE of **10%**[1]
3.5 million profile searches per week; ROE of **455%**[2]
240,000 files; **5.4 million** downloads; ROE of **23%**[3]
285,000 wiki pages; **15.2** million views; ROE of **53%**[4]
1.1 million bookmarks; **3.1 million** tags
12 million instant messages per day
150,000 web meetings; **1 million** participants
20,000 public communities; **345,000** members

Measurable Value
Search satisfaction has increased by **50%** with a productivity driven savings of **$4.5M** per year
$700K savings per month in reduced travel
Reductions in voice mail, email server costs

Outside IBM

8 million registered users; **4.5 million** unique monthly visitors
2,500 public communities; **45,000** members
1,100 blogs; **25,000** comments; ROE of **26%**[1]
Measurable Value
$100 million in reduced support center costs
Reduce time for product documentation updates using wikis

Usage Trend (Dec 2009 to Current Month) >	Dec 2010	
Activities	101%	⬆
Blogs	83%	⬆
Bookmarks	73%	⬆
Communities	122%	⬆
Files	146%	⬆
Homepage	85%	⬆
Profiles	93%	⬆
Wikis	209%	⬆

developerWorks

IBM Home
ibm.com Community

Suggested Reading: IDC Whitepaper "**Becoming a Social Business: The IBM Story**";
http://aix.software.ibm.com/ftp/demos/226706-IDC-Whitepaper-Becoming-a-Social-Business-IBM-Story.pdf

1) **ROE Blogs = (Number of Comments + Number of Recommendations) / Number of Blogs**
2) **ROE Profiles (Yearly) = Number of searches / Number of profiles**
3) **ROE Files = Number of downloads / Number of uploads**
4) **ROE Wikis = Number of page views / number of pages**

w3

Christopher C. Crummey's **On Demand Workplace**

Home (beta) | Home | Work | Career and life | Mail | Seller's workplace | SWG Technical | Legal

Edit tab | Add new tab | Help

Evangelist

Inside IBM   – ?

IBM 124.4   -0.32
📄 View chart

Featured topic

The Street
Second quarter 2010: IBM Senior Vice President and CFO Mark Loughridge's remarks to securities analysts.

IBMers at our best
Join the IBM Competencies discussion.

The Internet of things
Capturing an ocean of data to make the planet smarter.

IBM News

IBM and your mobile device
IBM is driving technology in the mobile industry.
[Profiled for all IBM]

Connect and share   – ?

Crummey, Christopher T400 froze at startup, found USB port broken and wires touching. straightened out wires and back in business. Thank you Lenovo.
3 days ago   clear

What are you working on now?

Share

Network | Files | Communities | Activities

View: Status updates ▾ question

Rojas Lopez, Camilo Esteban Ready to generate new Lotus business in Chile !
30 Aug 2010 02:12 PM   More

Smith, Howard K. Mac Guidera rocks! Thanks for great insight to what's coming in LC v3!
30 Aug 2010 02:04 PM   More

Suarez Rodriguez, Luis [Reminder] Don't forget, folks, in 10 minutes we have got another BlueIQ Education session event; this time around Lotus Conn...
30 Aug 2010 12:51 PM   More

Search   – ?

People search
▾ By name
GO

w3 search
▾ Web pages
GO

Advanced Search

Lotus Connections search
▾ All connections
GO

Quicktivities   – ?

Essential Links   **Lotus Files (upload a file)**   **n.Flue Transla**

developerWorks >   My developerWorks >   Connect >

My developerWorks: Profiles

Profiles by Name ▾   Search   🔍

All profiles   My profile   My network contacts

ChristopherCrummey
At 590 with customers
Yesterday 10:05 AM

Interests

Java Technology

Lotus

WebSphere

alphaWorks

Share this

Mr. Christopher Crummey (ChristopherCrummey)

Location: United States

Invite to my network | Download vCard

Professional info   General info

Education and work history:
Hobart and William Smith Colleges (New...)
Class year: 1989
Undergraduate - Psychology

Company: IBM
Job title: WW Manager & Lead Lotus Ev...

Roles/responsibilities: Consulting, Indu...
architecture, Technical marketing

Skills: Lotus

Professional bio:
18 Years at Lotus

▼ The Board

Log in...

ChristopherCrummey At 59...

ChristopherCrummey Updating my profile with my new photo   Aug 16

ChristopherCrummey Working on Green Data Center whitepaper   Aug 5

⏸ AT&T 3G   10:08 AM   VPN 73% 🔋

My Profile ✎

Christopher Crummey (Christ...
United States

Board   Interests   Saved items

ChristopherCrummey   0
At 590 with customers
3 minutes ago   ›

ChristopherCrummey   0
Updating my profile with my new photo
5 weeks ago   ›

ChristopherCrummey   0
Working on Green Data Center   ›

Edit my Profile   Sign out

Public Updates   My Updates   Search   My Profile

Network

Show all (3)

Favorite links

There are no links yet for this profile.

LinkedIn

Current Job Experience
- Business Unit Executive - IBM
- Lead Evangelist for Lotus - Lotus

Education
- Hobart & William Smith
  4 recommendations

Public Profile

Linked in.

Facebook

Chris Crummey

Start your Social Business transformation with IBM today…

Next Steps:

- **Assess Your Organization:** Take the *IBM Collaboration Assessment*
- **Build a Roadmap:** schedule a Social Business Agenda Workshop

Get More Information.

- **Whitepaper** *The Social Business, Advent of a New Age*
- **Whitepaper:** *Forrester Study: Total Economic Impact of IBM Social Collaboration*
- **Video:** *Business Value of Social Software*

Get Plugged In:

- **Register with the IBM Reinventing Relationships** *Social Media Aggregator*
- **Follow us on Twitter**: *SocBizAgenda*

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THANK YOU

Consider the Social Business ROI at CPG-Co

Business Initiatives	Pain Points	Social Business Benefits*
Increase revenue by responding to markets faster, and with more innovations	•No effective means to create and engage global product teams in an easy and manageable way, especially with customers and partners.	•**Rich communities that match experts to new product teams, to harvest and promote their promising innovations** • **Increase successful hit 5% rate per year, $17M - increased revenue**
Increase effective use of key engineering resources	•Lack of visibility across multiple work-streams causes: •Project overlap wastes resources •No ability to re-use improved practices •Huge drain from status meetings.	•All project efforts run in a common dashboard with complete visibility to all details on people, task, and work •**Reduce project staffing overlap 10%, $15M - reduced cost**

Start making social business real for your company

Social Business Thought Leadership

AGENDA Strategy Workshop

▶

Business Value Assessment

- Value Alignment
- Day in the Life Demo
- Business Case/ROI

▶

Solution Workshop