Unifying information, process and people

Delivers better outcomes for you and your clients.

David Caldeira

Director, ECM Products and Strategy
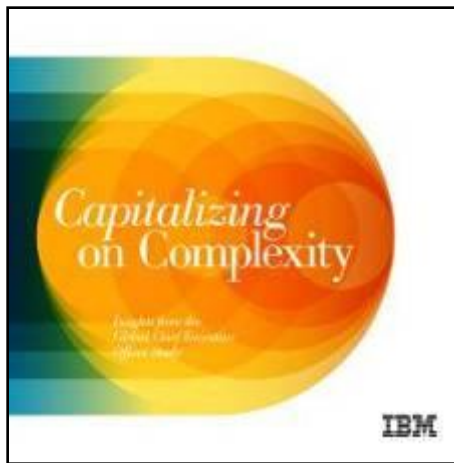
Change, change and still more change

- Organizations were undergoing fundamental changes well before the financial crisis started

- Pressures in the global economy continue to drive new business models

- The pace of change is increasing – the challenges are becoming more… challenging

- How are business leaders dealing with all of this?

CFO study 2010
1,900 interviews

CEO study 2010
1,500 interviews

CIO study 2009
2,600 interviews

IBM

What are your executives focused on?

Become more creative and innovative

- Creativity is the top leadership quality
- Drive change to stay ahead of market
- Expand our communication channels
- Break with status quo (industry, business and revenue models)

Increase our responsiveness and flexibility

- Simplify operations and products
- Shift to iterative approaches (make quicker decisions - execute with speed)
- Increase agility by integrating globally and exploit partnering

Reinvent our Customer relationships

- Get closer to customers *(top theme)*
- Better understand our what customers need
- Deliver unprecedented customer service

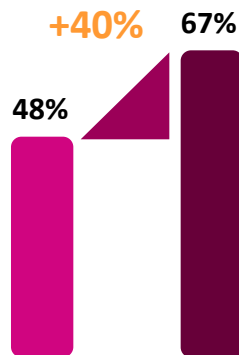# CIOs of high-growth organizations focus on innovation

Using IT as a competitive weapon

- **Integrate business and IT** to innovate new approaches

- Proactively reaches out to the business to co-create and champion innovation

- Has a clear view of the top technological priorities that will enhance competitiveness

"Innovation should be based on practical technology that can deliver business objectives within reasonable time and cost, which can be absorbed by the business."
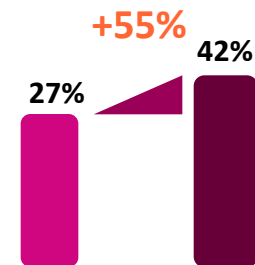
Life insurance CIO, India

"I actively reach out to the business to co-create and champion innovation"

+40%   67%

48%

"One of the things we try to do is define innovation. It is the ability to generate a lot of diverse ideas to address a particular need. Then we distill it into an actionable plan that results in business improvement"

Energy and Utilities CIO, U.S.

"I spend time collecting innovative ideas"

+55%   42%

27%

Low growth CIOs   High growth CIOs

Low and high growth CIOs give reference to the context in which they operate: an environment characterized by low versus High profit before tax growth. For more information – see the CIO study 2009

IBM

World-class companies focus on simplifying their operations and standardizing processes

Changes to operating strategy: Simplify

Others
47%

Standouts
61%

30%more

"Simplification and standardization are key strategies that we have been using for several years to reduce existing and future complexity."

Brenda Barnes,
CEO, Sara Lee, United States

"When things look very simple, you need to look for a competitive edge. When things are complex, you simplify to get the competitive advantage"

Graeme Liebelt,
Managing Director and CEO, Orica Limited, Australia

Source: Q18 How will you change your operating strategy? Manage complexity versus simplify n=294

IBM

Organizations are using ECM to innovate, standardize and simplify in these ways

SMART IS … ELIMINATING PAPER
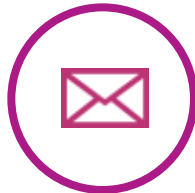A large U.S. federal agency saves more than $1.3 billion annually by eliminating paper.

SMART IS … GOVERNING AND DEFENSIBLY DISPOSING OF INFORMATION
JM Family Enterprises saves $2.1 million annually by reducing costs.

SMART IS … IMPROVING CONTENT-CENTRIC WORKFLOWS
J.B. Hunt added $870K annually by more accurately charging customers.

SMART IS … RAPIDLY DERIVING CONTENT INSIGHTS
A large U.S. bank achieved ROI on content analytics in 7 months.

SMART IS … LOWERING LEGAL RISK AND COST
BASF implemented more cost-effective governance.
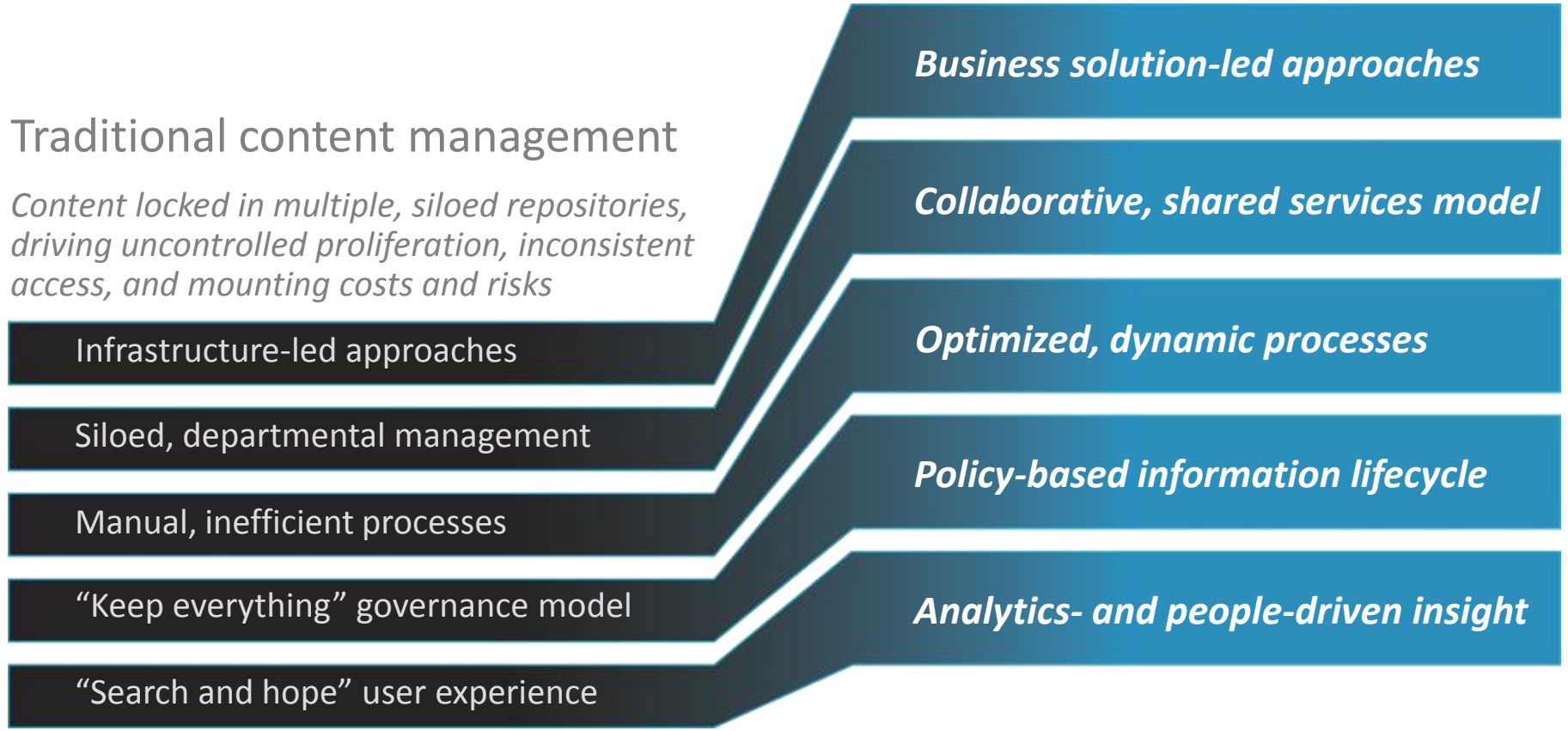
IBM

ECM has changed

Smarter content management

Content in a shared services model, delivered in context to specific business users and processes, driving faster insight and action

Traditional content management

Content locked in multiple, siloed repositories, driving uncontrolled proliferation, inconsistent access, and mounting costs and risks

Business solution-led approaches

Collaborative, shared services model

Infrastructure-led approaches

Optimized, dynamic processes

Siloed, departmental management

Policy-based information lifecycle

Manual, inefficient processes

"Keep everything" governance model

Analytics- and people-driven insight

"Search and hope" user experience

IBM Enterprise Content Management

Five Starting Points

Document imaging & capture

- Document capture automation
- Production imaging
- Enterprise report Management

Social content management

- Office document management
- Social content & collaboration
- Platform standardization & consolidation

Advanced case management

- Comprehensive case management
- Integrated collaboration and rules
- Case analytics
- Content-centric BPM

Information lifecycle governance

- Smart archive
- Records management
- eDiscovery
- Disposition & governance

Content analytics

- Enterprise search
- Content assessment
- Master content

IBM Enterprise Content Management

Imaging and capture *have never mattered more*

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- Production imaging
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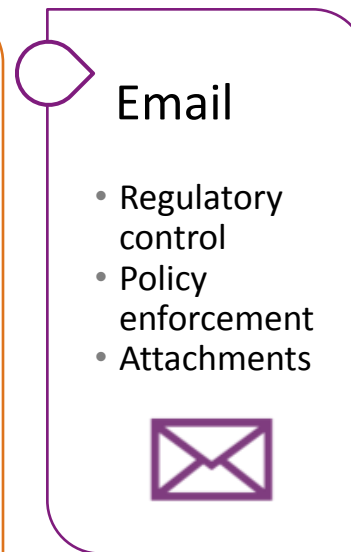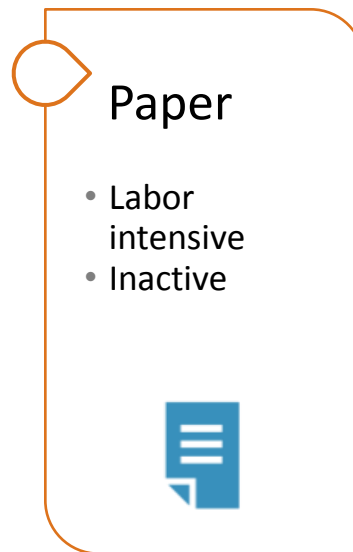- Master content

Solutions for document input automation

Delivers real business results

- Reduce cost of transporting paper

- Reduce data entry labor costs

- Extract data from documents without manual keying

- Reduce paper sorting and document preparation

- Replace obsolete or costly legacy systems

- Reduce license fees, support and maintenance costs

- Enable case management, governance and eDiscovery

Paper
- Labor intensive
- Inactive

Email
- Regulatory control
- Policy enforcement
- Attachments

Office documents
- Access and visibility
- Manageability

Datacap
an IBM® Company

- Best-of-breed technology for capture automation and recognition

- Expertise in a wide variety of industries and solutions: accounts payable; explanation of benefits, tax and more

IBM Enterprise Report Management

Content Manager on Demand for high volume print output: e-capture and e-presentment

Delivers real business results

- Improved customer responsiveness

- Web access: to print/paper documents, 24x7

- Improved customer self-service

- Reduced printing costs and paper use: *go green*

- Avoid storing print/paper documents

- Replacement of legacy systems

Solution summary

- A 'View Not Print Solution' for customer service & avoidance of print and storage costs

- Fast and significant ROI

- Up to 90% storage savings

- Proven, scalable technology

- Pervasive access

- Replacement for outdated systems

"Reduced costs for printed customer bills saving $25 million annually. Increased small business customer satisfaction and gained $750,000 in promise-to-pay revenue during initial six months of operation"

— A large telecommunications company

IBM

CITI
Achieving enterprise-wide information sharing, cost-efficiency and innovation with IBM ECM

The need

• Reduce cost of processing incoming customer documents

• Increase control and optimization of work load monitoring

• Reduce access times through electronic access

The solution

• IBM ECM solution supports loans, private finance, credit card application process, termination process and issue handling

• All customer communications are presorted, scanned and indexed, then workflow is activated and documents are archived

• IBM FileNet handles up to **100,000 images per day**, some of which can be 1,000 pages in length

The benefits

• Cost savings of about **$5 million**

• Citicard application processing time cut from over **2 weeks to just 2 days**

• Centralized data delivers faster response customer service

• Centrally managed, enterprise wide solution delivers timely, accurate information

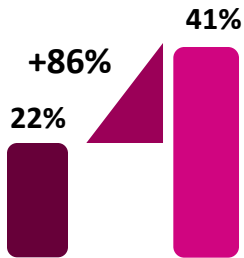• Very short project cycle times (< 3 months)

" We chose IBM ECM because of its market leadership and financial performance. … Migration to IBM FileNet P8 provides advanced technology and long-term support, enhanced scalability to support mission-critical applications, and greater flexibility. The open architecture also facilitates integration."

— Marco Diehl
1st Vice President, Cititech

citi® **Citi never sleeps**™

IBM

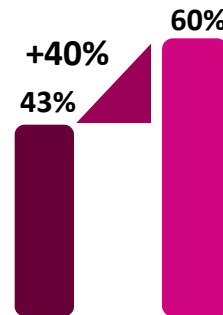# CIOs of high-growth organizations are finding new ways to communicate and collaborate

More actively using collaboration to drive innovation

22% +86% 41%

"Collaboration causes innovation."

Electronics CIO, USA

Realize change through deployment of collaborative and communication tools
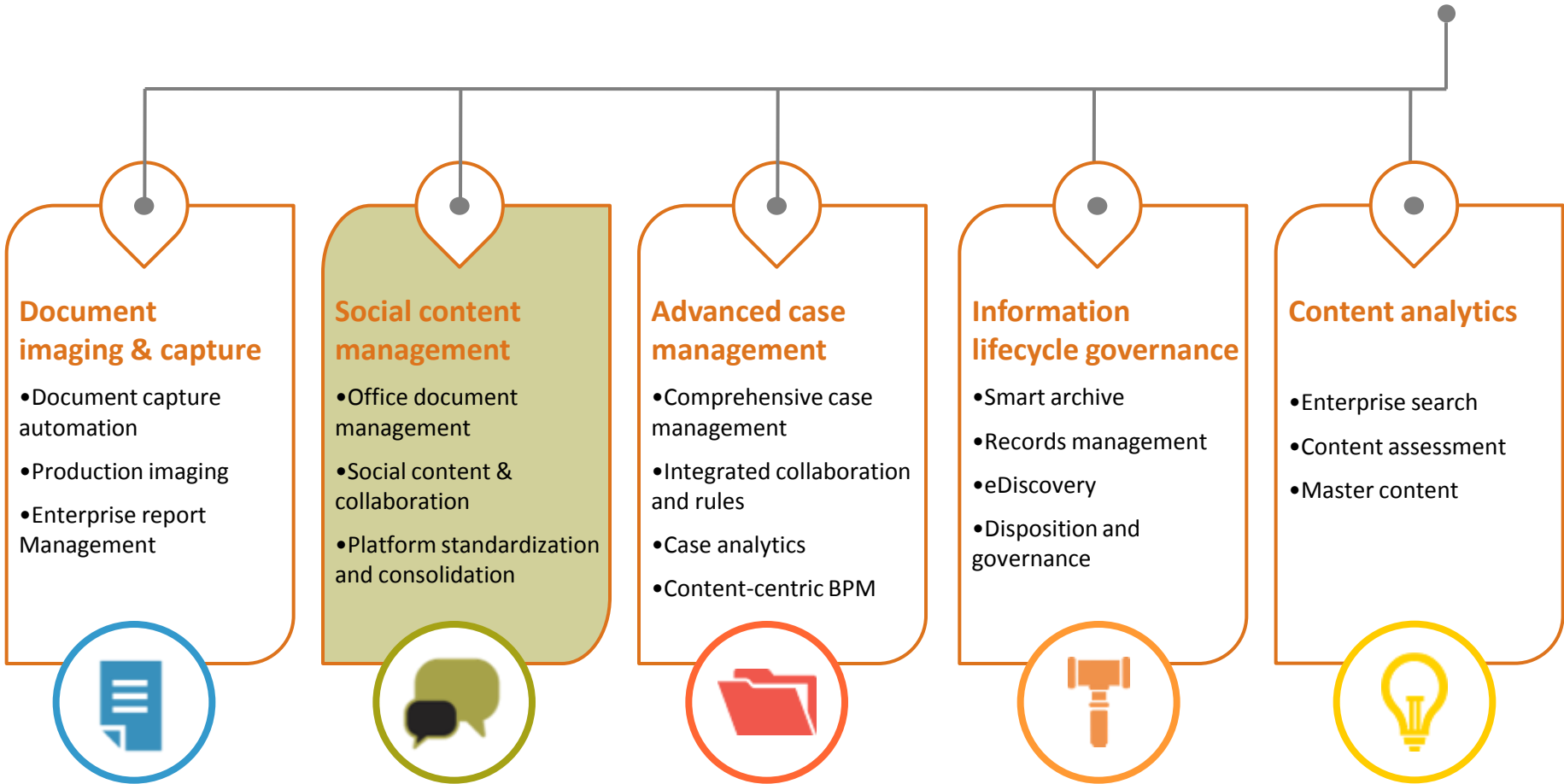
43% +40% 60%

"Using higher order collaborative tools can be quite smart and lower costs – for example, collaborative planning and forecasting for retail."

Retail Industry CIO, UK

■ Low growth CIOs   ■ High growth CIOs

IBM Enterprise Content Management

Managing social and collaborative content is *becoming a hot topic*

Document imaging & capture

- Document capture automation
- Production imaging
- Enterprise report Management

Social content management

- Office document management
- Social content & collaboration
- Platform standardization and consolidation

Advanced case management

- Comprehensive case management
- Integrated collaboration and rules
- Case analytics
- Content-centric BPM

Information lifecycle governance

- Smart archive
- Records management
- eDiscovery
- Disposition and governance

Content analytics

- Enterprise search
- Content assessment
- Master content

Challenges of social business and content

Changes in how we communicate impact how we manage content

Blogs/Wikis & Communities

Email

Electronic Documents

Web Pages

XML

Case Files, Paper & Electronic Forms

Reports

Photos, Graphics, Video

BPM & Enterprise Applications

Other Repositories

Business Challenges

- Workflows & Business Processes
- Content Reuse and Repurposing
- Archival & Records Management
- Federated Searching
- Content Lifecycles & Single Sourcing
- Maintaining Corporate Compliance
- Retention & Long Term Storage
- Maintaining Corporate Taxonomy

IBM

Organizations are looking to get value from new communities

500 billion impressions
annually made about products and services [1]

770 million people
worldwide visited a social networking site [2]

44x information growth by 2020 [3]

Public Social Media

Conversations about quality, experience, price, value, service …

- *Forums and Newsgroups*
- *Wikis, Blogs and Microblogs*
- *Social Networks*
- *Social Media News Aggregators*

Corporate Social Business

Conversations about strategy, projects, issues, risks, outcomes …

In addition to conversations about quality, experience, price, value, service …

- *Wikis, RSS and Forums*
- *Email and Collaborative Content*
- *Call Center Notes and Recordings*
- *Customer and Employee Surveys*
- *Reports, Minutes and Research*

Sources: 1. Empowered, a book by Josh Bernoff / Ted Schadler. 2. comScore, Social Networking Phenomenon. 3. IDC Digital Universe Study, May 2010

IBM

Sennheiser electronic GmbH & Co. KG
Orchestrating deep knowledge base support and online collaboration

The need

- Enable representatives to help audio engineers prepare for concerts and solve problems fast.
- Provide instant access to a performer's equipment requirements and a venue's technical specifications plus initiate online, global collaboration with audio experts.

The solution

- IBM and IBM Business Partner (GIS) solutions enabled global collaboration among customer support representatives, audio engineers and global experts.
- Instantly access detailed information about a performer's requirements and a venue's technical specifications.

The benefits

- Transforms a large amount of technical data into an easily accessible knowledge base

- Collects detailed information on equipment requirements

- Enables global collaboration by providing access to online web conferencing, chat and team rooms
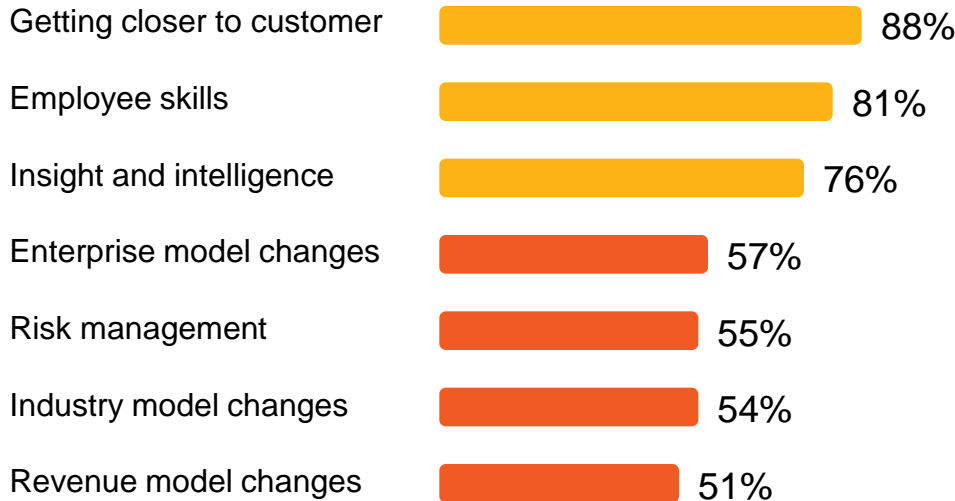
"The collaboration platform connects team members with customers and partners. Global RF specialists have a solution for working together around the world."

SENNHEISER

— Klaus Höling, Director IT & Group CIO, Sennheiser electronic GmbH & Co. KG

IBM

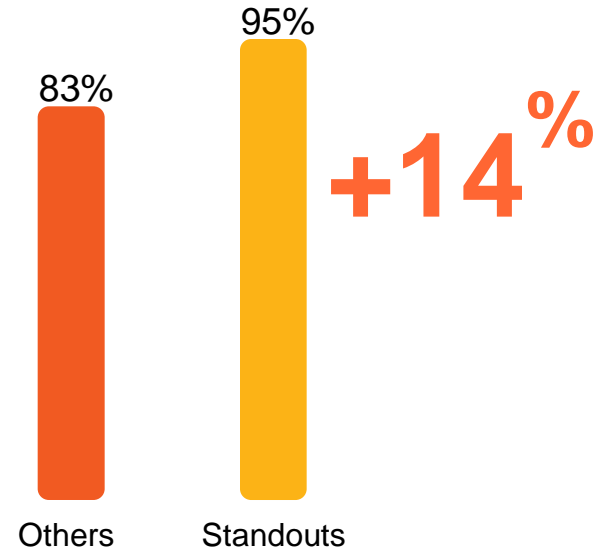# 'Getting closer to the customer' is THE top priority for standout organizations

"Where I will focus over the next 5 years"

Category	Value
Getting closer to customer	88%
Employee skills	81%
Insight and intelligence	76%
Enterprise model changes	57%
Risk management	55%
Industry model changes	54%
Revenue model changes	51%

Getting closer to customer

Others: 83%
Standouts: 95%

+14%

"To surprise customers requires unexpected ideas through interactions of people with diverse perspectives."

Shukuo Ishikawa
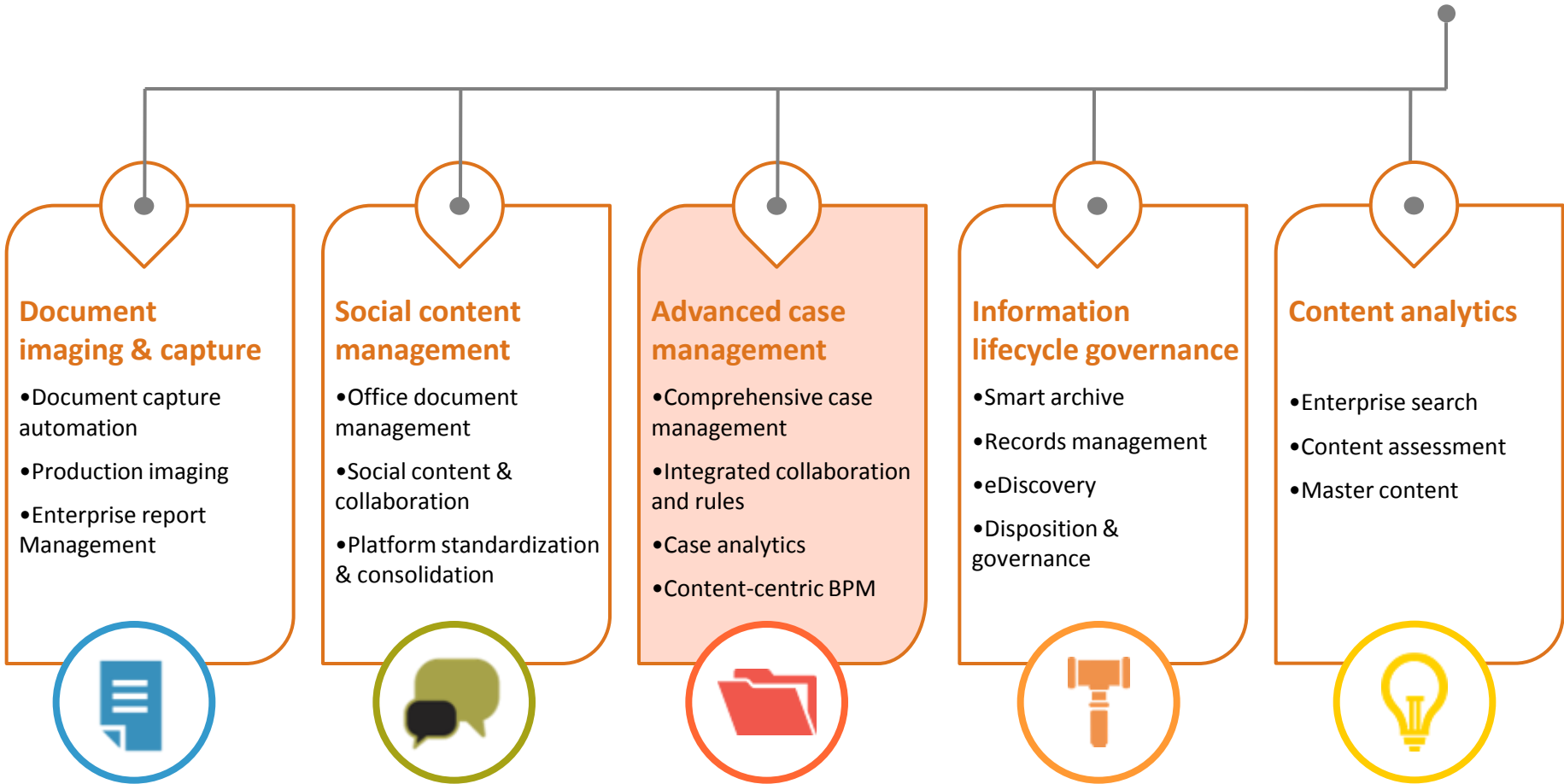President and CEO, NAMCO BANDAI, Japan

"Our customers want personalization of services and products. It is all about the market of one."

Tony Tyler
CEO, Cathay Pacific Airways, Hong Kong

Source: Q13 Which of the following dimensions will you focus on more to realize your strategy in the new economic environment over the next 5 years? n=1523, n=303

18

IBM

IBM Enterprise Content Management

Case management helps get you *closer to your customer*

Document imaging & capture

- Document capture automation
- Production imaging
- Enterprise report Management

Social content management

- Office document management
- Social content & collaboration
- Platform standardization & consolidation

Advanced case management

- Comprehensive case management
- Integrated collaboration and rules
- Case analytics
- Content-centric BPM

Information lifecycle governance

- Smart archive
- Records management
- eDiscovery
- Disposition & governance

Content analytics

- Enterprise search
- Content assessment
- Master content

Case management in every industry

Although a "case" may be expressed differently depending on your business ...

Invoice, Contract, Employee, Vendor, Customer, Project, Change Request, Complaint, Exception, Incident, Audit, Electronic Discovery, etc...

Insurance	**Banking**	**Healthcare**	**Government**	**Energy & Utilities**
• Policy • Underwriting • Claim • Annuity • …	• Loan • Mortgage • Account • Credit Card • …	• Patient case • Claim • Member • Provider • …	• Grant • Court case • Citizen • Tax payer • …	• Rate Case • Permit • Land • Property • …

... a common pattern of challenges exists across all industries

IBM's approach to case management

Use Cases

- Complex exception handling
- Complaint or dispute management
- New customer or new account opening
- Lending applications
- Credit approval
- Contract management
- Claims processing
- Benefits enrollment
- Rate case management
- Investigations or audits

Patterns

- A "case" is created to manage all work
- Activities are event-driven
- Processes are collaborative and ad-hoc and therefore are often not predetermined
- Work is knowledge intensive
- Progress relies on people to make decisions
- Content is essential for decision making
- Goal-driven outcomes

Integrated Solution

- Content management
- Business process management
- Collaboration tools
- Social software
- Business rules
- Analytics
- Solution development and deployment
- Templates

KEY: Both *horizontal* and *vertical* in nature

KEY: A *case* is the primary focus of the system

KEY: Solution is optimized for the *context* of a case

IBM Advanced Case Management

Brings people, process and information together … in context of a case

process

people

Case
Management

information

- Delivers **optimized case outcomes**

- Supports **dynamic**, runtime work management

- Delivers **trusted information** to the case – structured or unstructured

- Manages and governs **entire case lifecycle**

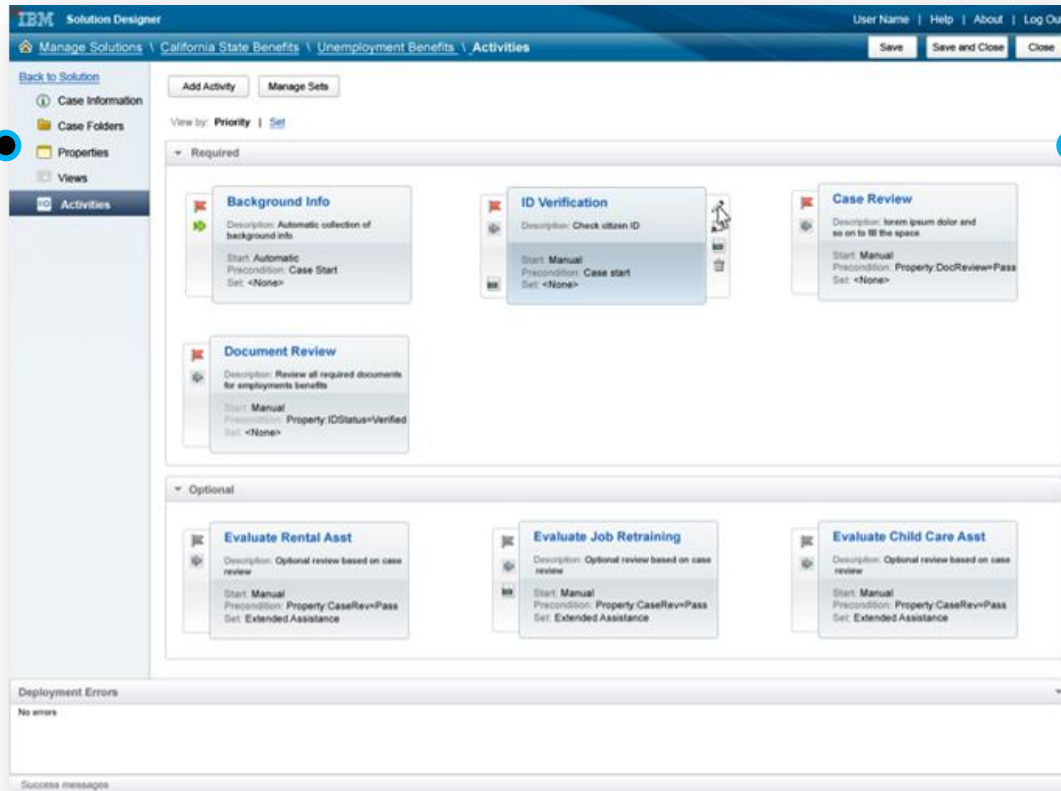- Provides the line-of-business and IT with tools to **rapidly deliver** case-based solutions

IBM Case Manager

Simplifying the delivery of case-based solutions

- *Built on IBM FileNet P8 Business Process Manager*

- *Includes Content Analytics, WebSphere ILOG jRules, Cognos RTM, Lotus Sametime and Mashups – for use within case solutions*

- *Extensible to the entire ECM portfolio*

- *Deep integration to WebSphere Process Server for connectivity*

IBM Case Manager: Rapid application case design for the business

Case Design

Models   Templates   Solutions

- **Easy to use, "Interview Mode" (wizard-driven)**
  Case designer allows a business user to very quickly build a solution

- **Comprehensive across case assets**
  Case designer can provide 360^0 view of case

- **Leverage templates for a fast start**
  Represent industry best practices

  Significantly shortens time-to-value for case-style applications

Bottom line:
Deliver end users the solution in a fraction of time of other approaches

IBM Case Manager: Case worker user experience

Case Runtime

Context   360º View   Activities

- **Role-based and personalized**
  End user gets exactly the information they need to progress the case

- **Flexible and extensible**
  Can be configured to meet unique business requirements

- **Provides deep context for case work**
  No more disjointed jumping between application

- ***Brings people, process and information together to drive case progression and better outcomes***

Bottom line:
A case worker has all the information they need to improve case outcomes

IBM Case Manager: Powerful analytics for better case outcomes

Case Analytics

Structured   Unstructured
Real time   Persisted

- **Comprehensive reporting and analysis**
  Gives case managers visibility across all information types to assess and act quickly

- **Real-time dashboards**
  Understand issues before they become a problem

- **Unique content analytics for discovering deeper case insight**

Bottom line:
Case managers need insight in order to impact results.

IBM

State of North Dakota
Smart is delivering services more effectively

"Advanced case management will help keep our parole officers safer because they'll have information faster and more reliably."

— Chuck Picard, Enterprise EDMS Coordinator
State of North Dakota

Industry context: government services
Value driver: improve process efficiency
Solution onramp: advanced case management

Business Challenge
The state of North Dakota wanted to securely share citizen information across agencies statewide and gain greater visibility into its operations.
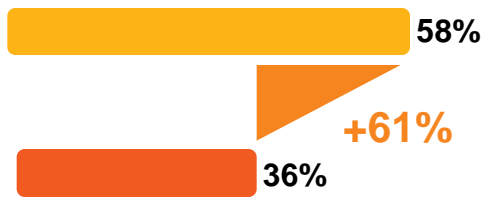
What's Smart?
The state enabled agencies to efficiently retain, access and share information by replacing paper-based processes with an automated, centralized advanced case management solution from IBM.

Smarter Business Outcomes
Reduces response time to citizen inquiries **from days to seconds.** Improves process efficiency, information sharing and cost savings.

IBM

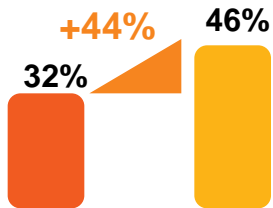# CIOs of high-growth businesses are looking to implement a strong information governance model

High growth CIOs proactively craft data into actionable information

58%

+61%

36%

"We do recognize the strategic advantage of using data to support improved decision making. We are not as strong as we would like to be, but this is a key plank of our strategy moving forward."
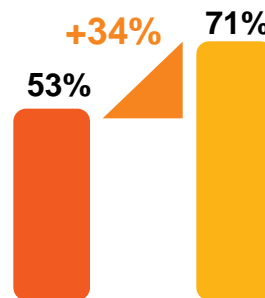
Consumer products CIO, Ireland

High growth CIOs add value by having a strong data governance model in place

+44%

46%

32%

"Having a strong data governance model is a strategic area on the roadmap; Having a single view of the truth through accurate data is a strategic imperative."

Financial Markets, CIO, U.S.

High growth CIOs add value by proactively suggesting better ways to use data

+34%

71%

53%

"The implementation of BIO's (Business Info. Officers) within the business units are improving the use of data as there is a natural interface within the business units towards central IT."

CIO, Sweden

Low growth   High growth

IBM

Why is information governance a problem?

98%
Companies that cite defensible disposal as key driver behind their governance programs

22%
Companies that can defensibly dispose today

$3M
Average cost to collect, cull and review information per legal case[1]

70%
Portion of information unnecessarily retained[2]

17%
Amount of IT budget spent on storage[3]

44x
Projected information growth, 2009-2020[4]
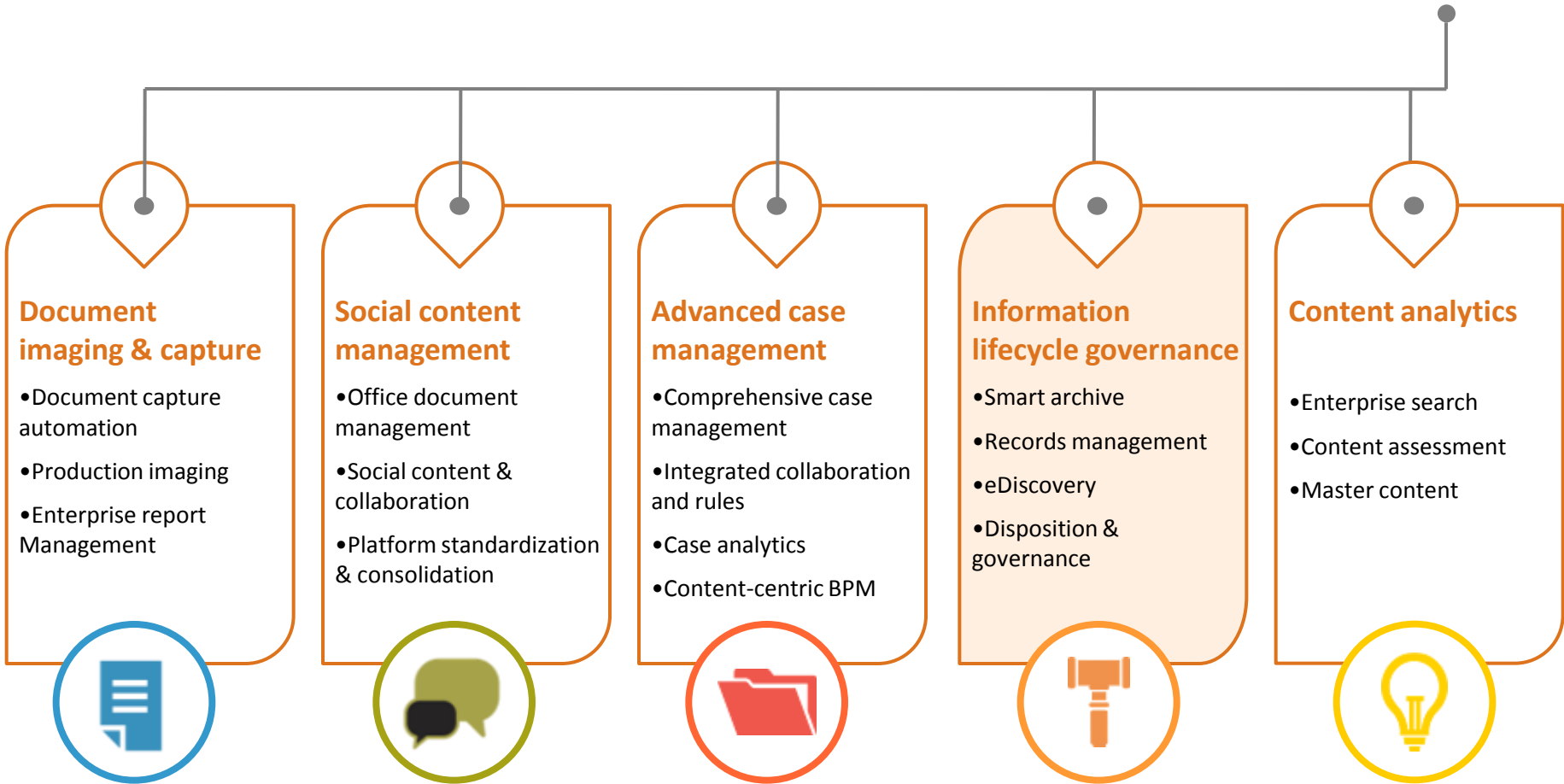
Source: CGOC Benchmark Report on Information Governance, October 2010

Sources: 1 Litigation Cost Survey of Major Companies, 2010 (from Conference on Civil Litigation, Duke Law School, May 2010). 2 Industry estimates

Sources: 3. Information Week Survey, December 2009. 4. IDC Digital Universe Study, May 2010

IBM Enterprise Content Management

Effective information governance has never mattered more

Document imaging & capture

- Document capture automation
- Production imaging
- Enterprise report Management

Social content management

- Office document management
- Social content & collaboration
- Platform standardization & consolidation

Advanced case management

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- Case analytics
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Information lifecycle governance

- Smart archive
- Records management
- eDiscovery
- Disposition & governance

Content analytics

- Enterprise search
- Content assessment
- Master content

IBM Information Lifecycle Governance

IBM ILG includes solution sets for legal, IT and RIM buyers including:

- Smart Archive solution for IT

- eDiscovery Management solution for Legal

- Records and Retention Management solution for Records and Information Managers

- Disposal and Governance Management solution for the CIO

eDiscovery management

Legal

Matters

Archive and storage

Assess, classify and govern

Records and retention management

ECM platform with repository of record

IT

Systems

Defensible disposition

RIM

Laws or Regulations

PSS Systems

Rigorous discovery, value-based retention, defensible disposal

- A recognized leader in legal information governance and legal holds pioneer

- IBM now delivers the industry's most comprehensive solution to information lifecycle governance

PSS Atlas suite

- Analytics and integrated business process applications for rigorous discovery, value-based retention and defensible disposition

- Coordinates policy decisions across stakeholders and links obligations and value to information assets

- Atlas integration available to IBM eDiscovery Manager

- Supported by CGOC community

IBM

PPL Corporation
Smart is knowing what to keep

"Before, it could take up to five days to get a file from our records department. Now staff can access documents at the click of a button."

— *Jim Mazurowski, Supervisor Information Solutions, PPL*

Industry context: energy and utilities
Value driver: reduce costs, improve compliance
Solution onramp: info. lifecycle governance

Business Challenge
PPL wanted to minimize the risk and costs associated with records, plus improve document retention for regulatory compliance and information governance.
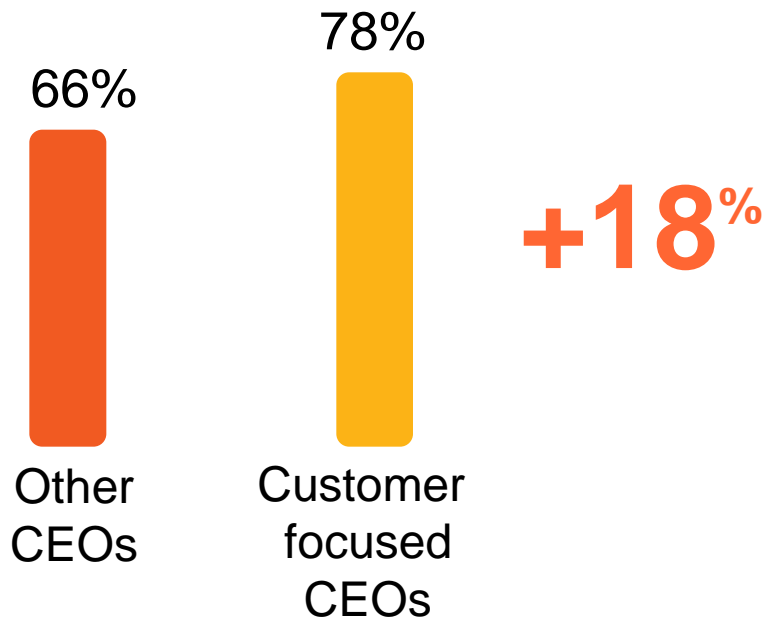
What's Smart?
PPL addressed their e-mail and records retention requirements by properly capturing, consolidating, storing and managing content across its lifecycle, enabling compliance staff to find trusted, contextually relevant information in a single retention record.

Smarter Business Outcomes
The IBM solution reduced time to access records from up to **five days to just seconds, enabled a 75% decrease in time to compile information for new projects,** and helped staff retain critical documents to meet regulatory requirements.

CEOs want to exploit the information explosion to better understand and serve customers

Focus on deriving new insights and intelligence from information to help realize strategy

78%

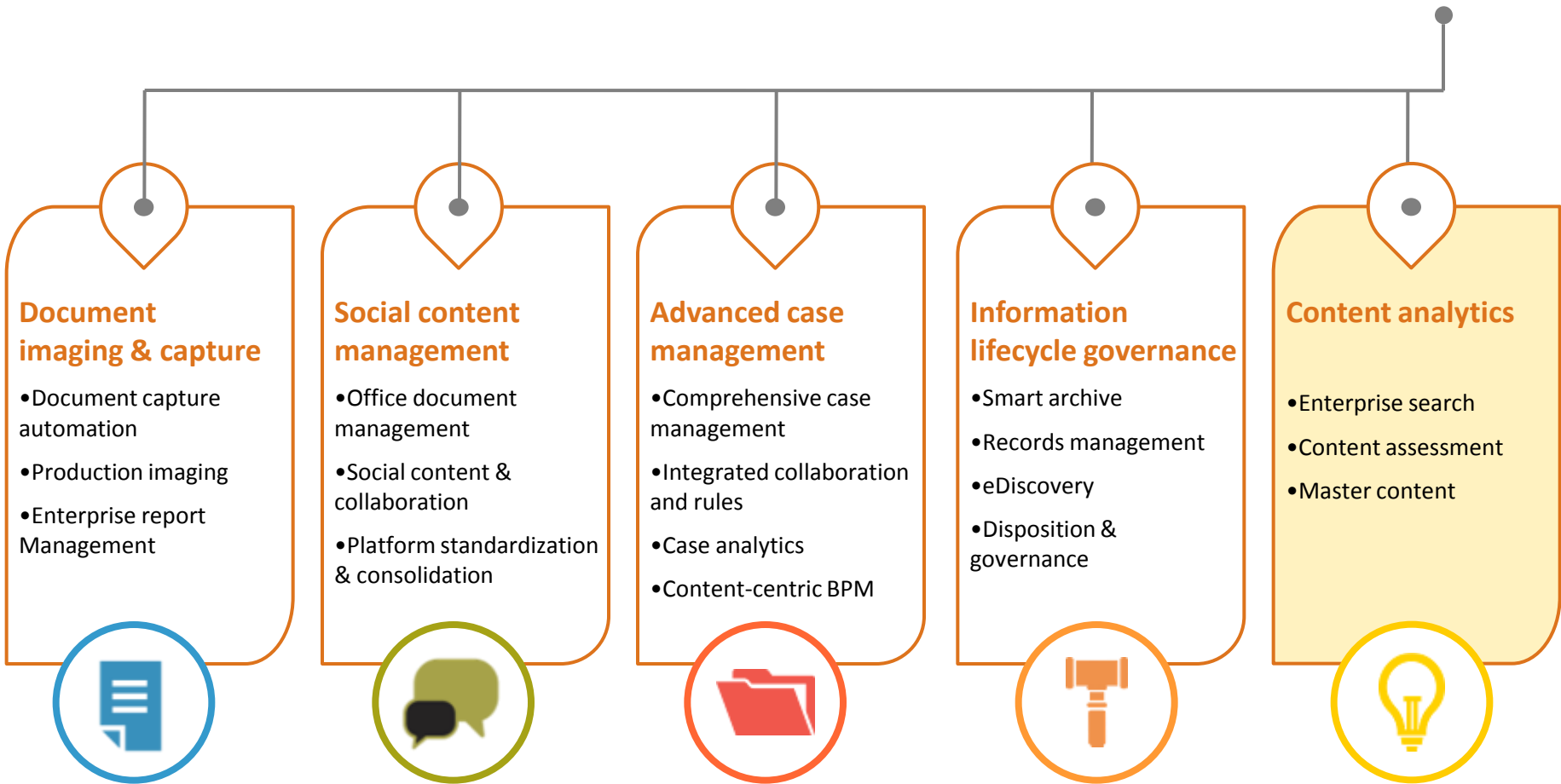66%

+18%

"Insight and foresight are linked with leadership. It's insight that helps to capture opportunity."

Other CEOs

Customer focused CEOs

Zhou Ming, Executive VP and Secretary General, China Council for Int'l Investment Protection China

IBM Enterprise Content Management

Content analytics is helping *make sense of business information*

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Content analytics

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Traditional approaches are converging

More than keyword search is needed

"Making unstructured data searchable is now a presumed primary interface for applications of all kinds, as well as for intranets and content repositories."

– Whit Andrews, Rita Knox Gartner

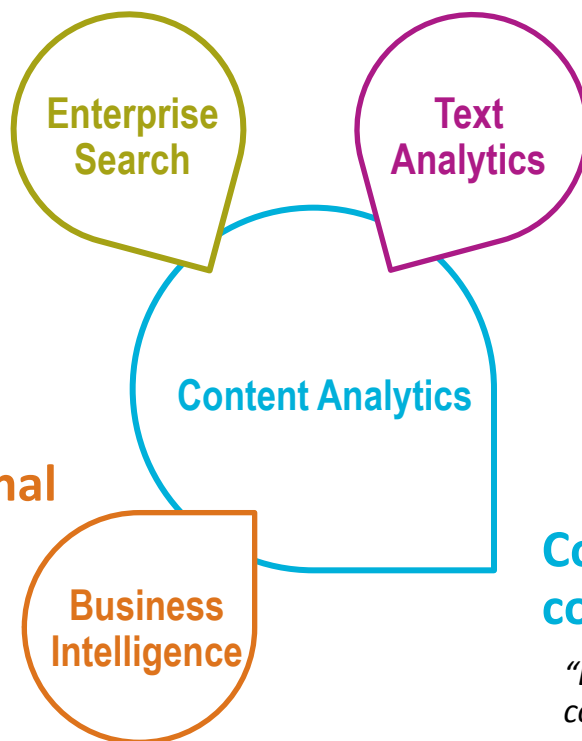## Analyzing unstructured content no longer optional

"For many business process professionals, access to structured data, even when supported by BI or predictive analytics, lacks sufficient context for customer service, finance, and other areas where communications with customers involves many channels"

– Craig Le Clair Forrester

Increasing in business importance

"Early adopters of [text analytics] are already gaining a competitive advantage. Organizations that fail to do so will be at risk."

– Sue Feldman IDC

Converging toward content analytics

"Every enterprise should understand how content analytics can produce answers to its critical questions; understanding this now will make it possible to exploit these tools as their availability proliferates."

– Rita Knox Gartner

Enterprise Search

Text Analytics

Content Analytics

Business Intelligence

IBM Content Analytics is a platform to derive new insights

- Transform raw information into **business insights** without building models or deploying complex systems.

- Derive insight in **hours** or **days** … not weeks or months.

- **Easy to use** for all knowledge workers to **search** and **explore** content.

- **Flexible** and **extensible** for deeper insights.

Rapidly Derived Insight

Search and Explore

Analyze and Visualize

Aggregate and Extract

External and Internal Content (and Data) Sources including Social Media and More

Content analytics and Watson

- Natural Language Processing (NLP) is the cornerstone to translate interactions between computers and human (natural) languages
  - Watson uses IBM Content Analytics to perform critical NLP functions

- Unstructured Information Management Architecture (UIMA) is an open framework for processing text and building analytic solutions
  - Several IBM ECM products leverage UIMA text analytics processing:
    - IBM Content Analytics
    - OmniFind Enterprise Edition
    - IBM Classification Module
    - IBM eDiscovery Analyzer

IBM

Japan Business Services Provider

Smart is gleaning insight about customers

"Insight into customer interaction logs is an information gold mine for us."

*— General Manager
Japan Business*

Industry context: computer services
Value driver: improve customer service
Solution onramp: content analytics

Business Challenge
A Japanese business services provider operates multiple customer service centers and needed ways to analyze large volumes of information to improve agent training and deliver better customer support.

What's Smart?
They implemented content analytics from IBM to understand and process natural language. The solution analyzes customer interactions based on consolidated logs of phone calls, email and Web, identifying keywords.

Smarter Business Outcomes
Improved agent skills and training, resulting in a **92% reduction** in call transfer and **88% improvement** in volume. Provides new insights about product issues, resulting in an 88% decrease in product-related calls.

ECM has never been more relevant

Become more creative and innovative

- Creativity is the top leadership quality
- Drive change to stay ahead of market
- Expand our communication channels
- Break with status quo (industry, business and revenue models)

Increase our responsiveness and flexibility

- Simplify operations and products
- Shift to iterative approaches (make quicker decisions - execute with speed)
- Increase agility by integrating globally and exploit partnering

Reinvent our Customer relationships

- Get closer to customers *(top theme)*
- Better understand our what customers need
- Deliver unprecedented customer service

Unifying information, process and people

Delivers better outcomes for you and your clients.

thank you!

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