IBM & KANA

Building Lasting and Profitable Business Relationships

June 21, 2001

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IBM-KANA Alliance Overview

- **IBM KANA Global Strategic Alliance**
  - ***KANA's eRM Software Solutions***
  - ***IBM's e-business technology, hardware, software, services and financing***

- **TERMS =**
  - ***Joint selling***
  - ***Collaborative marketing***
  - ***Joint development***
  - ***Services competency***

IBM-KANA Value Proposition

- **IBM and KANA = leading e-business Web-architected solutions to manage interactions and build relationships among customers, partners and the enterprise**

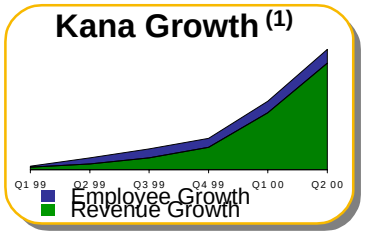
- **Combination is unique because of:**
  - ***Integrated, highly scalable Web-based platform,***
  - ***personal portals for customers, partners, enterprise,***
  - ***global view of all interactions,***
  - ***range of integrated communications channels,***
  - ***open and scalable platform for fast integrations,***
  - ***powered by IBM's WebSphere,***
  - ***delivered through IBM's portfolio of advanced servers, middleware, consulting and integration services***

KANA
The Company
The Products

KANA

Company / Financial

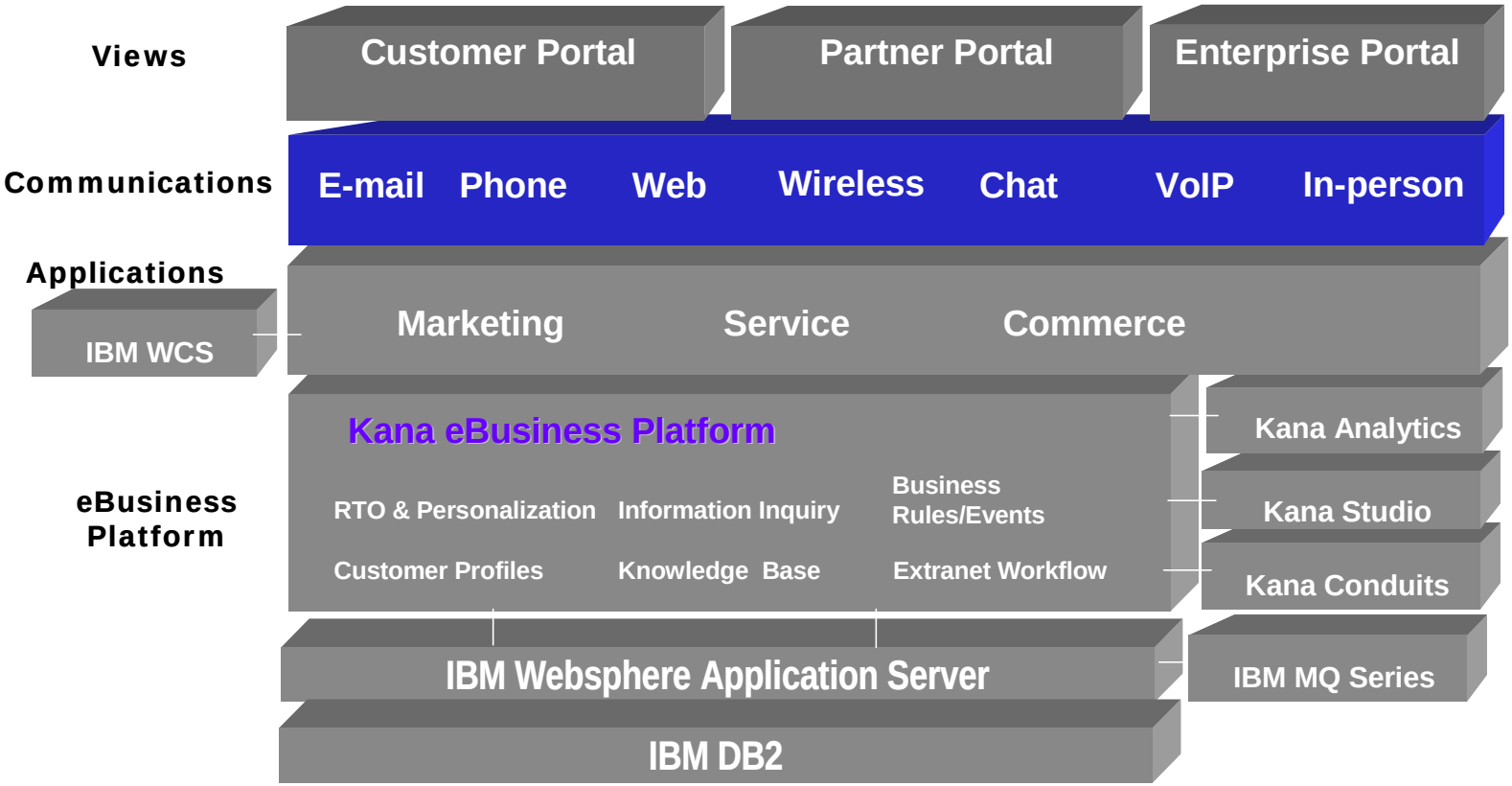
- *More than 1100 customers*
- *More than 850 employees*
- *FY00 Revenue $119.2M: 748% Growth*
- *Among Fastest Growing Software Companies by Fortune Magazine*
- *Worldwide office in North America, Europe, Asia and Australia*



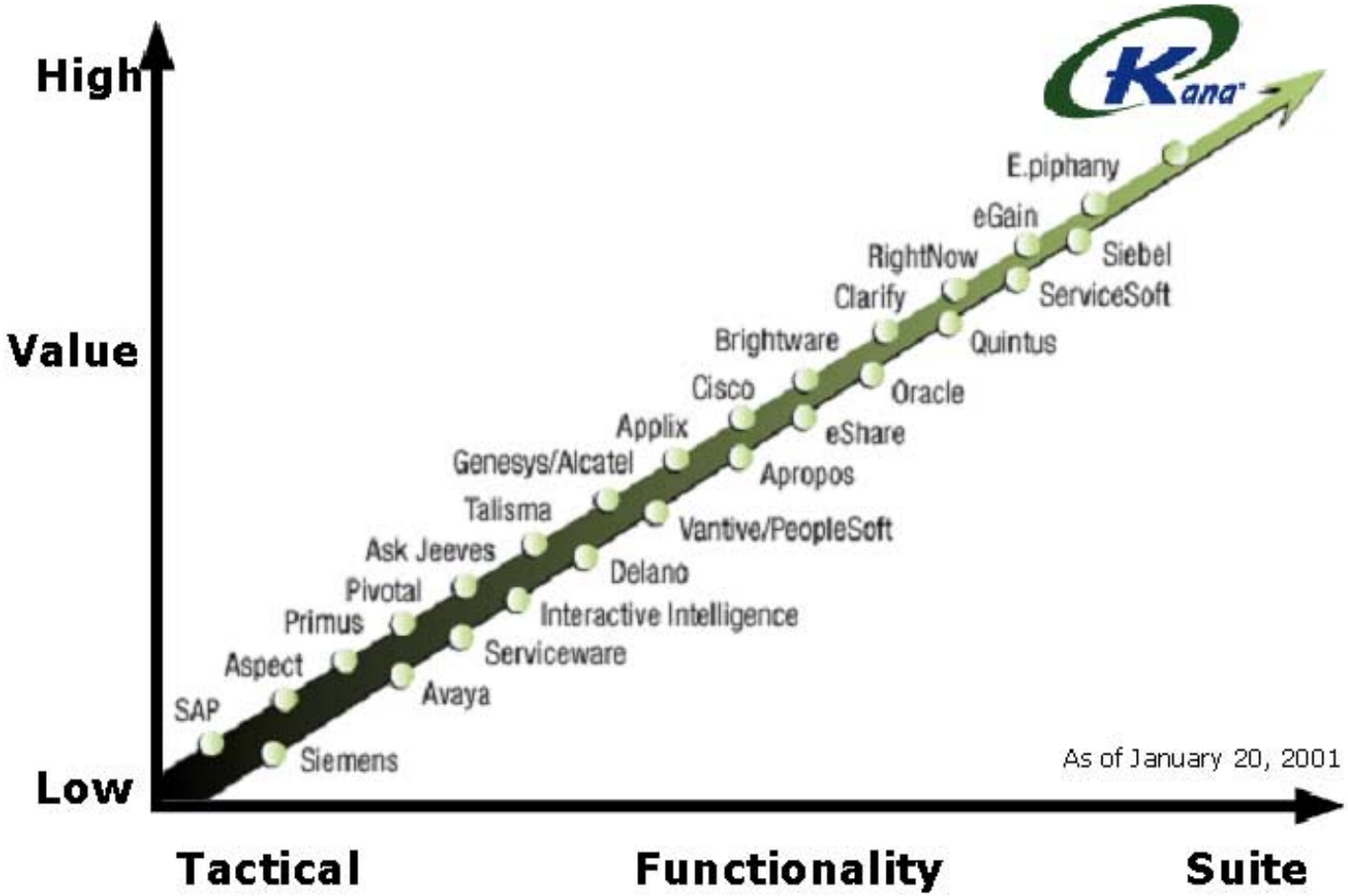
Industry and Technology Leadership

- *Leader in Internet and Global 2000 enterprise Relationship Management (eRM)*
- *Broadest range of communications and relationship management software*
- *B2C, B2B and NetGen*
- *Partnerships with 4 of the top 5 eCommerce Integrators*

KANA's eCRM Solutions



E-Service Suite Vendor Marketplace



Source: Gartner Group

KANA Customers

Financial Services

E*TRADE
Bank of America
CREDIT SUISSE GROUP
CHASE
Fidelity Investments
Ameritrade
DATEK ONLINE
ADP

Communications

NEXTEL
Sprint
NTT Communications
BT
PACIFIC BELL INTERNET
Lucent Technologies Bell Labs Innovations
USWEST
Southwestern Bell
SBC global network
Ameritech

Media & Ent.

COX
NBCi
CDNOW Never miss a beat!™
Forbes.com
Bertelsmann
THE WEATHER CHANNEL weather.com
The Economist
CBS SportsLine

Service Industries

UNITED
DOWJONES
CriticaPath How Thought Travels
studentadvantage.com
Getronics
Reynolds & Reynolds
THE HOME DEPOT

KANA

KANA Customers

High Technology

AMD
Internet Infrastructure
Cisco Systems
HEWLETT PACKARD
Akamai
THE DOCUMENT COMPANY XEROX
Microsoft
NORTEL NETWORKS

Retail

jcrew.com
WILLIAMS-SONOMA
Eddie Bauer
Office DEPOT Taking Care of Business
THE SHARPER IMAGE
GAP
bn.com BARNES&NOBLE
STAPLES.com
eBags

Mfg./Consumer

ANDERSEN® WINDOWS
Canon
HONDA
Oakley
verizon
ANALOG DEVICES
Kodak
nike
GM
Ford
EDS

KANA

Proven ROI

Customer Service

"We absorbed our growth in e-mail volume within the efficiencies of Kana Classify"
Greg McMichael, Manager, Planning & Strategy, Customer Care.
Agents handle 60K e-mails/month with capacity to spare

Cost Avoidance

$6 million annual savings through self-service
Expects to save $11 million annually using Kana
Lowered average response time from 60 hours to seven hours cut average cost per interaction by 70%

Rapid ROI

Kana Service implementation – ISP division
Moved 10% of Calls to web (@ $6.00/call)
ROI < 12 months. Expected call avoidance = 15%

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Proven ROI

Productivity	Disney Inc.	Receiving 22 Million unique visitors/month. 90 agents able to respond to 250,000 msgs/mth Mails/Agent/month = 2,778
Lower Support Costs	Sprint	20% decrease in support costs in first 2 weeks. $2 Million savings per year. 1'st Qtr: record number of new customers.
Marketing Effectiveness	PACIFIC BELL	Proved value of "one" Knowledge Base to consistently answer thousands of customers simultaneously.
Scalability	Cisco Systems	Using marketing automation to increase the number of simultaneous campaigns from 150 to over 500 without increasing staff Self-service helped them to resolve 77% of customer incidents online

KANA eBusiness Platform

The Web-architected foundation for a scalable, reliable, and flexible eCRM solution that can be rapidly deployed.

- **Universal Customer History**
- **Portal views for customers, suppliers, enterprise**
- **Extranet workflow**
- **Event triggers, automatic escalation**
- **Knowledge Base**
- **Personalization**
- **Web-architected**
  - ***Scalable***
  - ***Deploys rapidly***
  - ***Extensible***
  - ***Adaptable***

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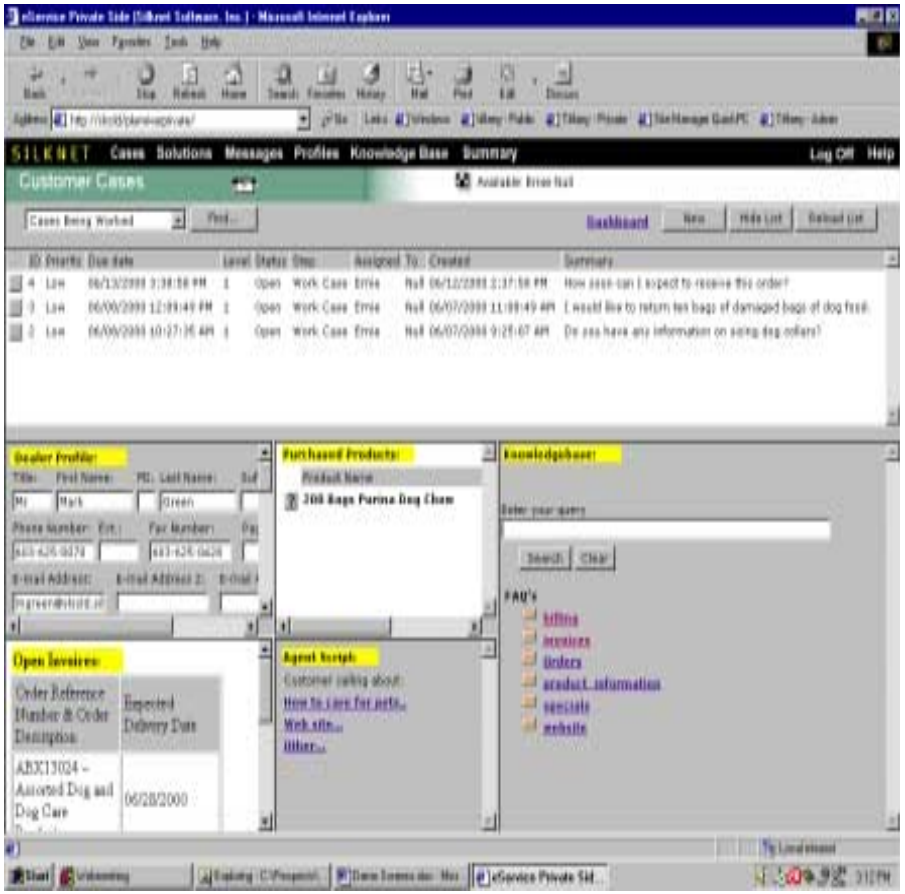
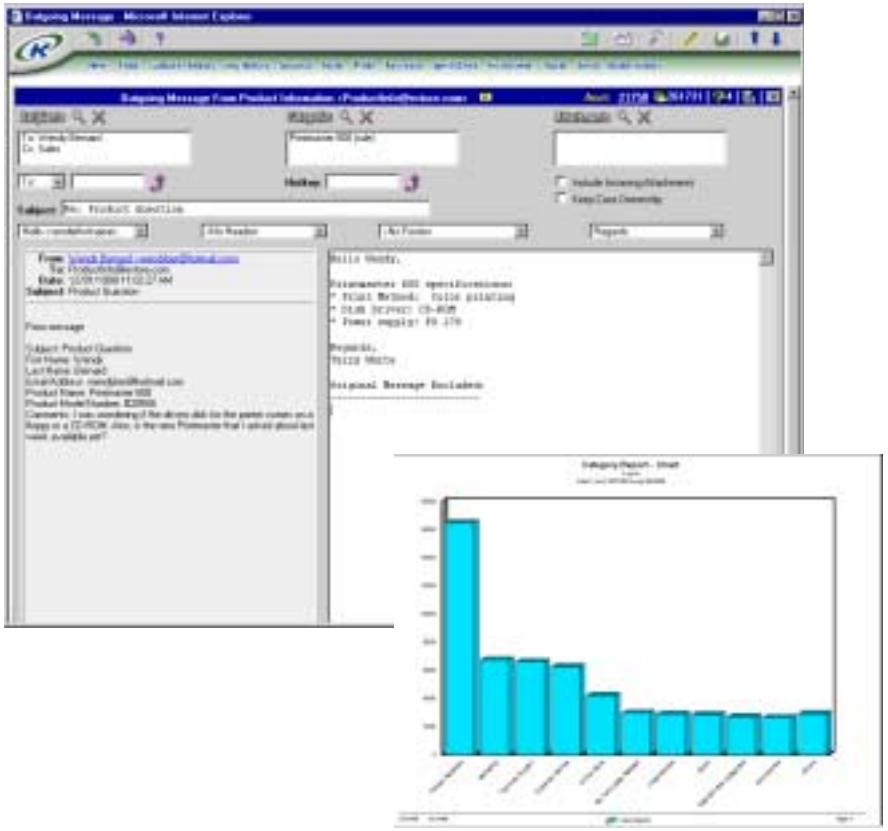
KANA Service

- Solution for the Contact Center
- User interface for managing requests and cases
- Event triggers, automatic escalation
- Set of service templates
- Include partners in workflow
- Ability to provide customer and partner portals



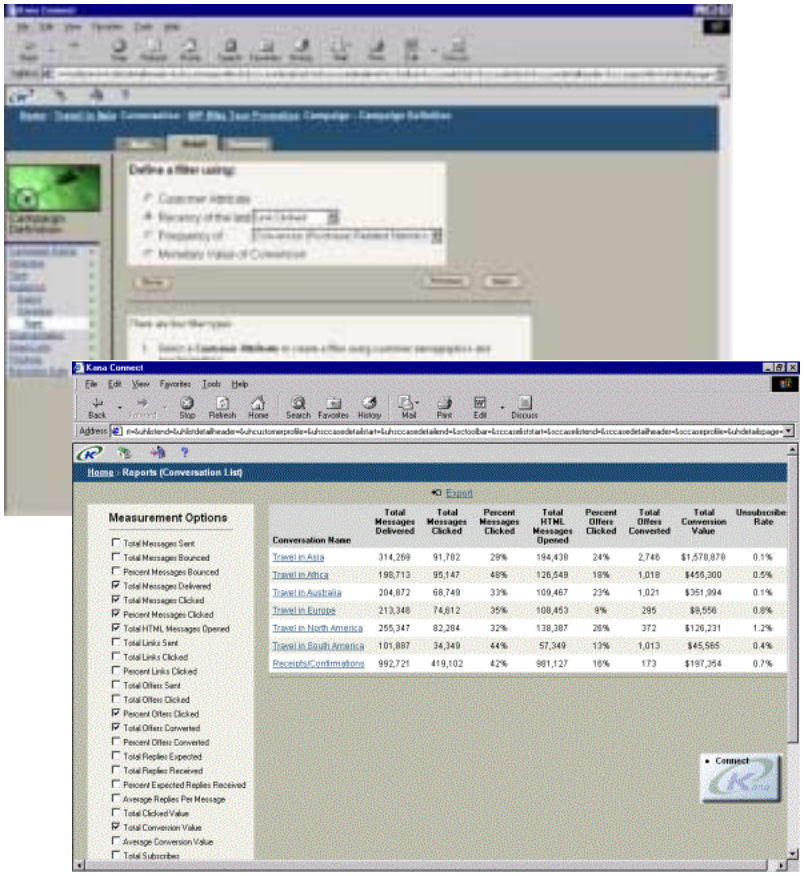
KANA Response



- Respond quickly and consistently to high volumes of e-mail inquiries
- Prioritize important messages
- Reduce message handling time
- Route questions to appropriate agents and suggest correct responses
- Collaborate with staff outside of Kana system
- Report on volume, productivity, service levels and inquiry topics
- Integrate using embedded tools

KANA Connect

Electronic Direct Marketing



- Engage in permission-based marketing
- Leverage EDM techniques like RFM modeling and trialing
- Analyze response rates, attrition and ROI
- Build customer profiles
- Deliver high volumes of dynamic content
- Automate event-driven campaigns
- Eliminate errors with rollout process

KANA Assist Products
Chat, I-Mail, VoIP

- Real-time assisted service options
- Variety of interaction methods
  - ***Target interactions based on value***
- Reduce shopping cart abandonment
  - ***Increase customer satisfaction***
- Collaboration
  - ***Enhance the customer experience***

Kana Chat

Kana I-Mail

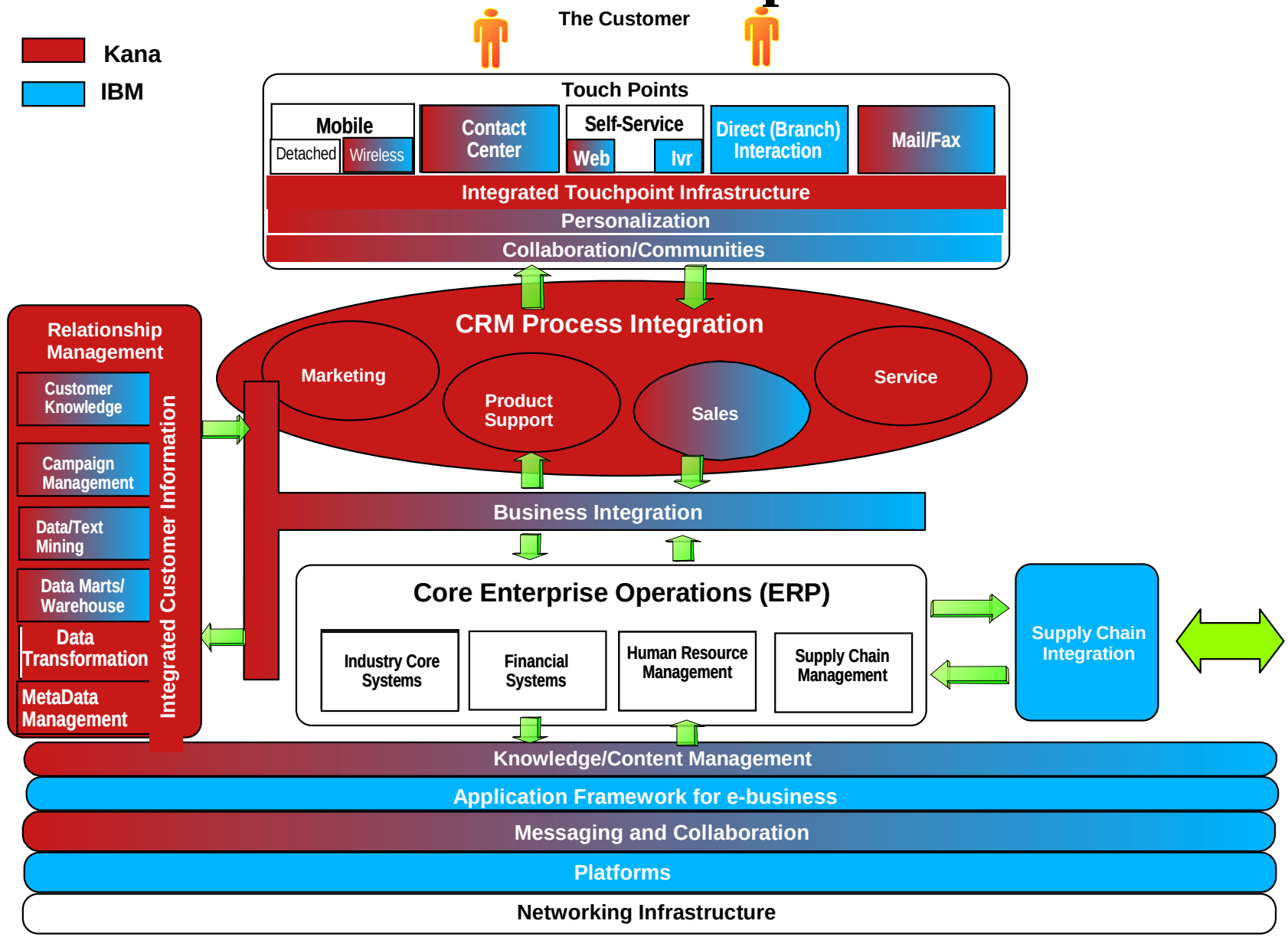
Characteristics of a KANA Deal

- **Entry-level price of $250K KANA Software**
- **$1 KANA revenue drives $1-10 in IBM revenue**
  - ***Average KANA Service Deal = $700,000 KANA ; ranges from $200,000 to $10,000,000+***
  - ***Average KANA Response = $125,000 KANA ; ranges from $50,000 to $500,000+***
  - ***Average KANA Connect = $125,000 KANA ; ranges from $50,000 to $200,000+***
- **3-6 month average implementation**
- **Often customer returns and upgrades system for more functionality or capacity.**
- **Coexist, replace, greenfield**
- **Buying vision or pain point**

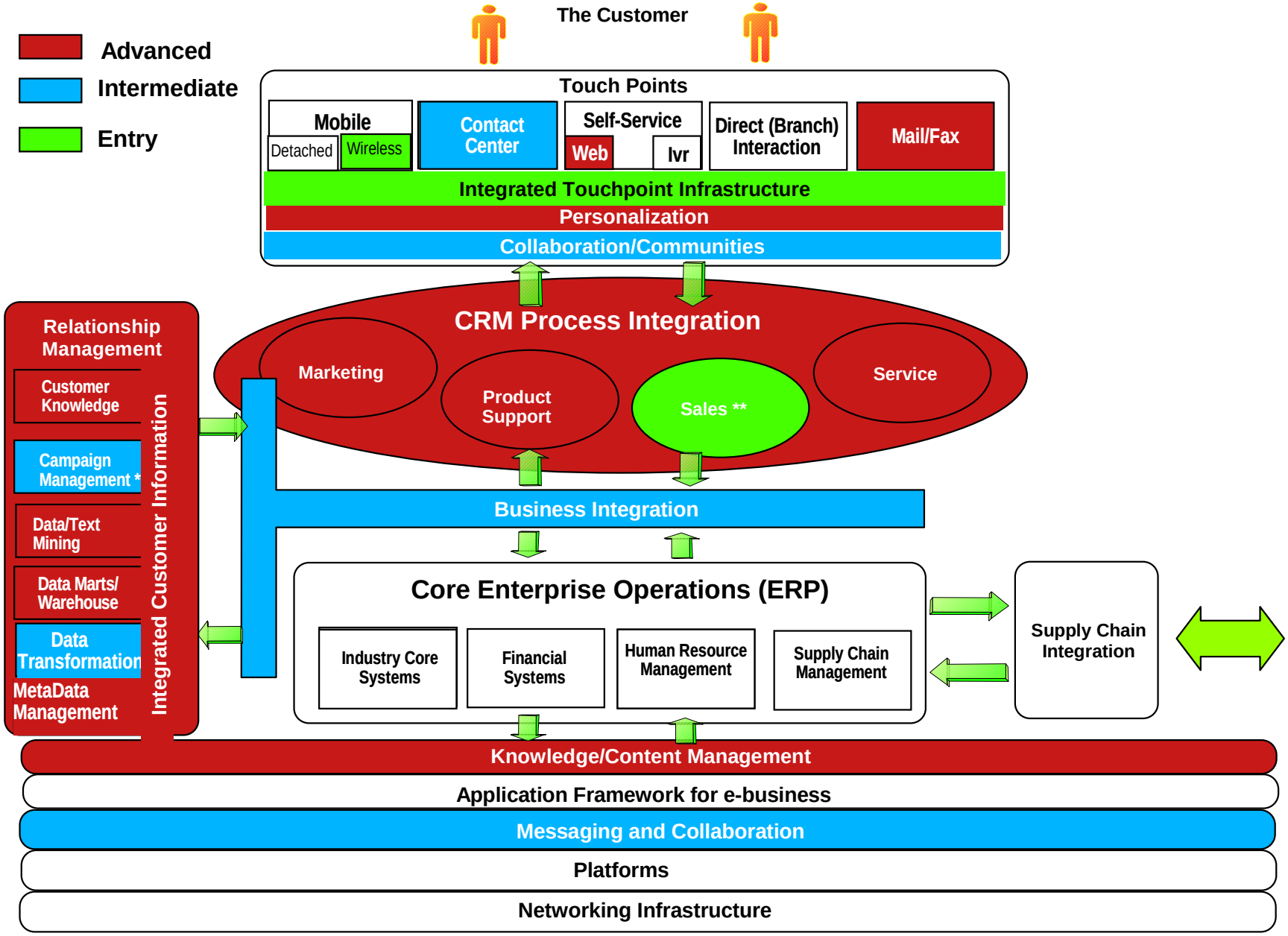
Why We Win

- Internet architecture is a differentiator
- eBusiness Platform is a differentiator
- Broad range of Interaction/Communication Applications
- Solutions Selling Model

CRM Solution Map - KANA/IBM



CRM Solution Map - KANA



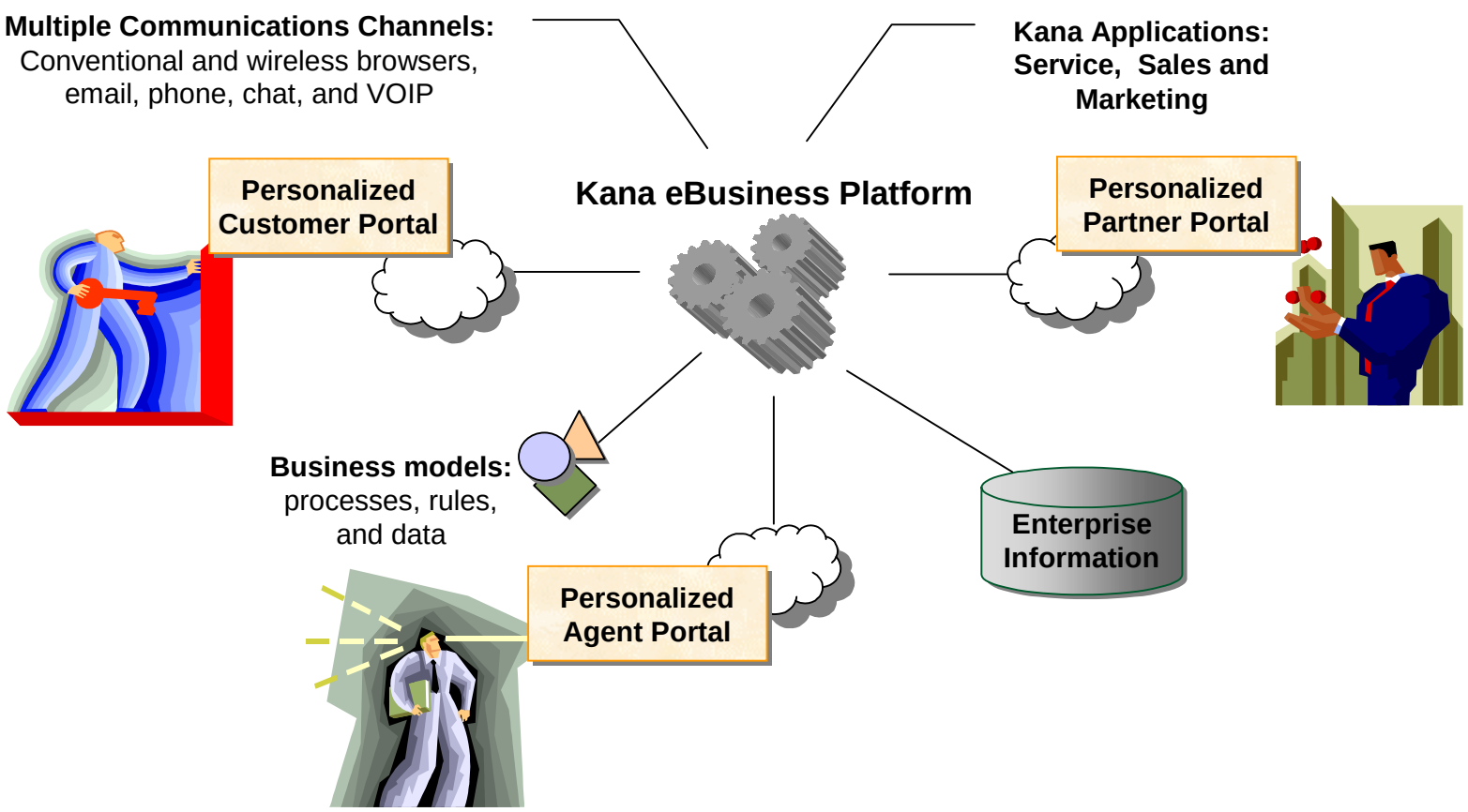
KANA eBusiness Platform

- **Architectural Presentation**

Introduction

- **Goal: Introduce the KANA eBusiness Platform Technology**
  - ***Business Architecture***
  - ***Logical Architecture Layers***
  - ***Components of the eBusiness Platform***
  - ***eBusiness Platform Components Key Points***
  - ***Technical Architecture***
  - ***Multi-channel Communications***
  - ***Scalability, Reliability, and Extensibility***
  - ***Conclusion***

KANA Business Architecture



Logical Architecture Layers

Kana Applications

Kana Service, Kana Sales & Marketing, Custom Applications

Kana eBusiness Platform

Application Framework Layer

Customer Profile, Workflow, Business Rules, Communication Channels, Knowledge Management, and more.

J2EE – W3C

Enterprise Integration Layer

JSP, Servlets, XML EJB, JNDI, JMS, JDBC

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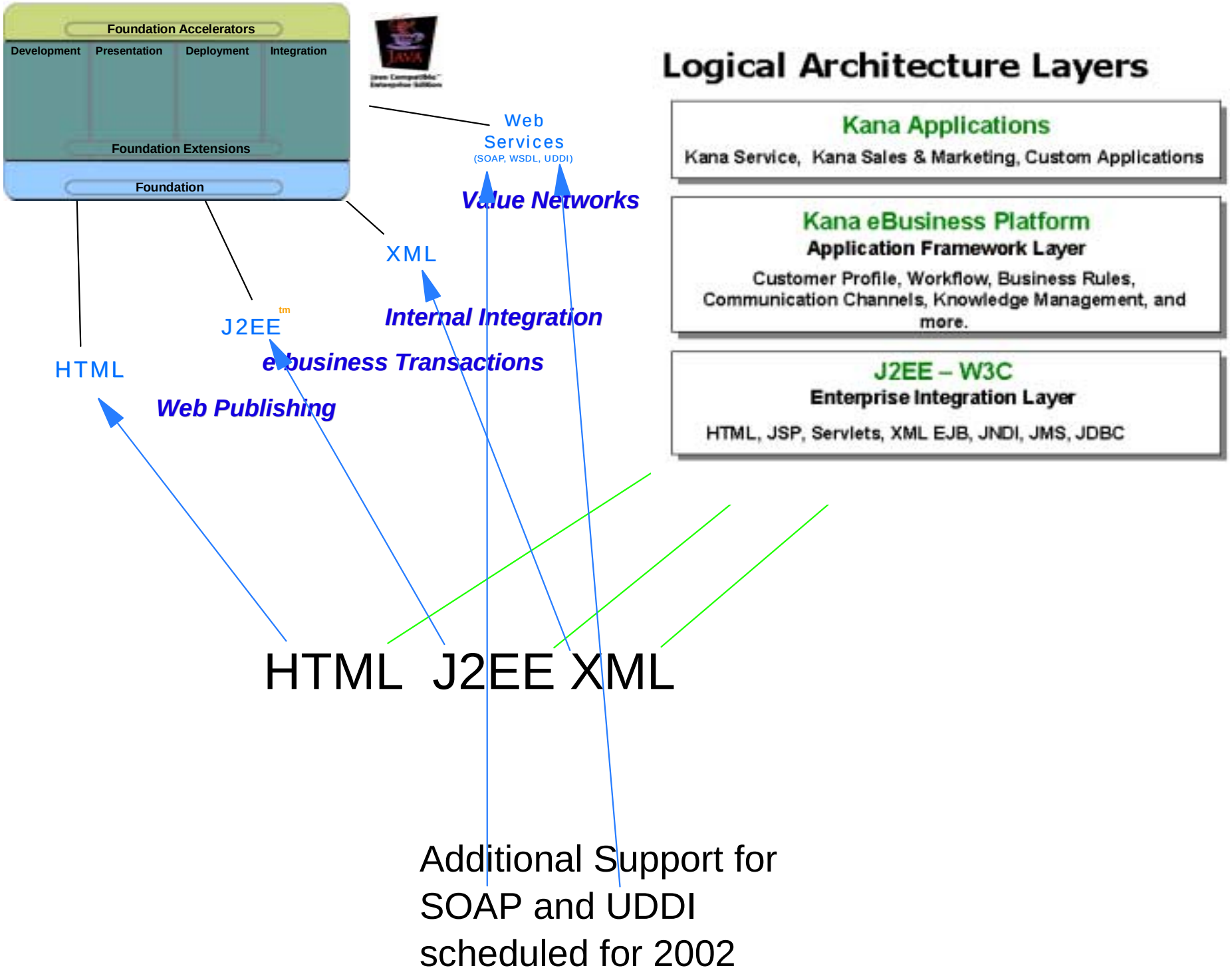
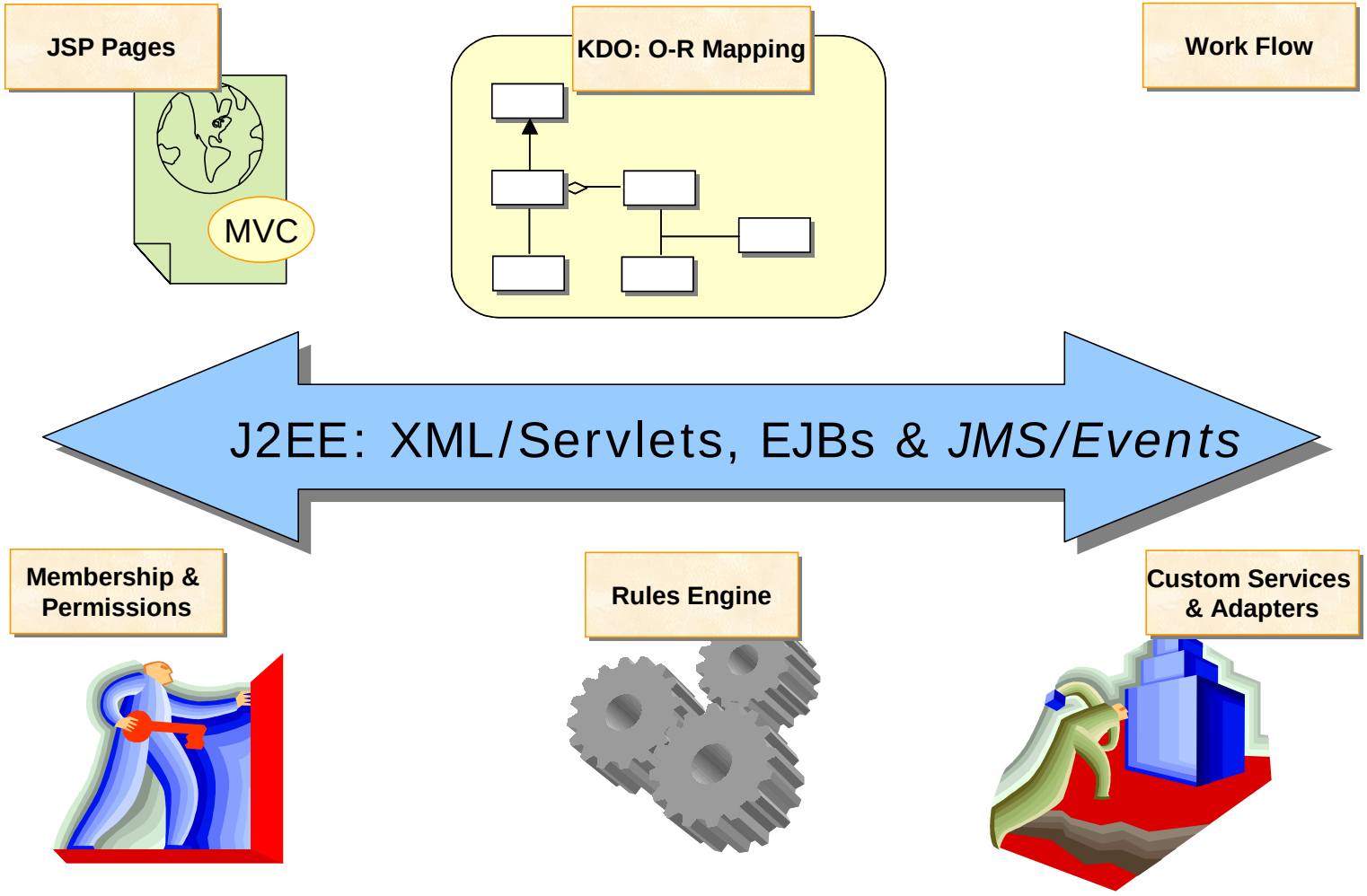
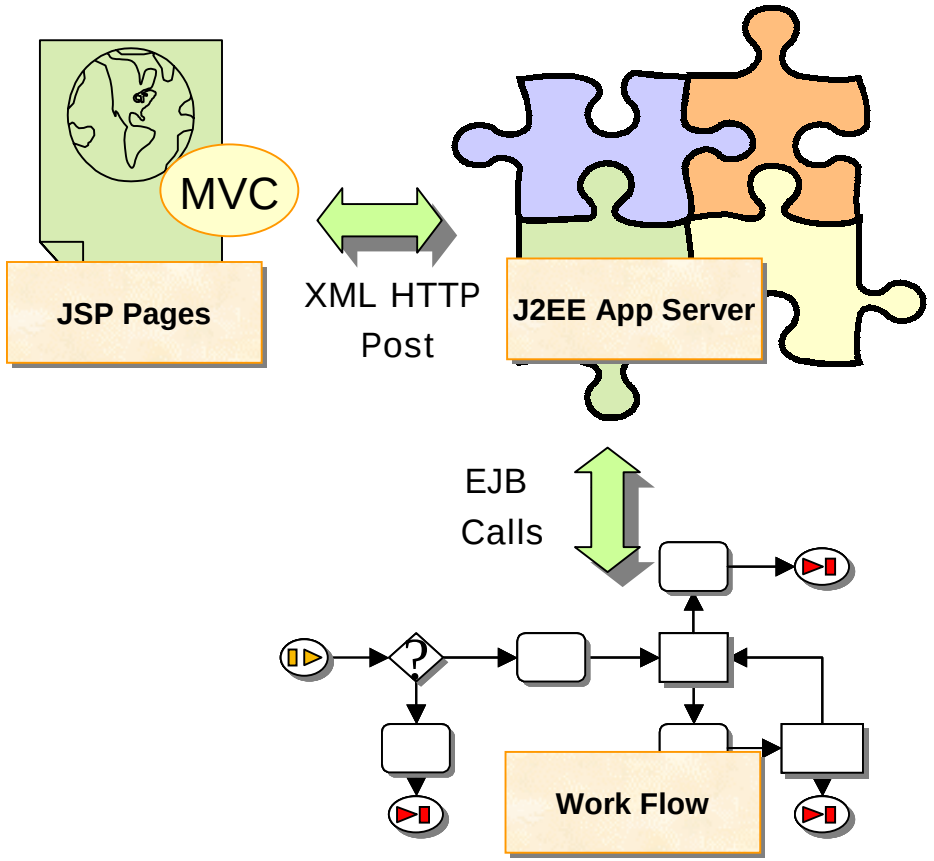

Foundation Accelerators
Development
Presentation
Deployment
Integration
Foundation Extensions
Foundation
Web Services
(SOAP, WSDL, UDDI)
Value Networks
XML
Internal Integration
J2EE tm
e-business Transactions
HTML
Web Publishing
Logical Architecture Layers
Kana Applications
Kana Service, Kana Sales & Marketing, Custom Applications
Kana eBusiness Platform
Application Framework Layer
Customer Profile, Workflow, Business Rules, Communication Channels, Knowledge Management, and more.
J2EE – W3C
Enterprise Integration Layer
HTML, JSP, Servlets, XML EJB, JNDI, JMS, JDBC
HTML J2EE XML
Additional Support for SOAP and UDDI scheduled for 2002

KANA eBusiness Platform



User Interfaces & Business Services

- Service Request created by Customer, CSR or Distributor's agent using Web Interface
- Message sent to Workflow Engine which resides in the App Server as a set of Services
- Services & Adapters are Stateless Session EJBs that receive XML in and return XML out
- MVC Java Beans used by Page Authors to simplify App Server communications



Key Concepts of KDO

- Captures Business Objects
- Models CRM and other business objects
- Object Relational Mapping via “XML Data” techniques
- 1st Step is UML Modeling
- Single Inheritance
- Associations
- Aggregation
- Association Classes
- 2nd Step is Object Designer
- Allows Customization and Late binding
- Rules Engine
- MVC JavaBeans in JSP pages
- Custom Business Services
- KDO Virtual Adapters can make foreign systems appear to Business Objects.

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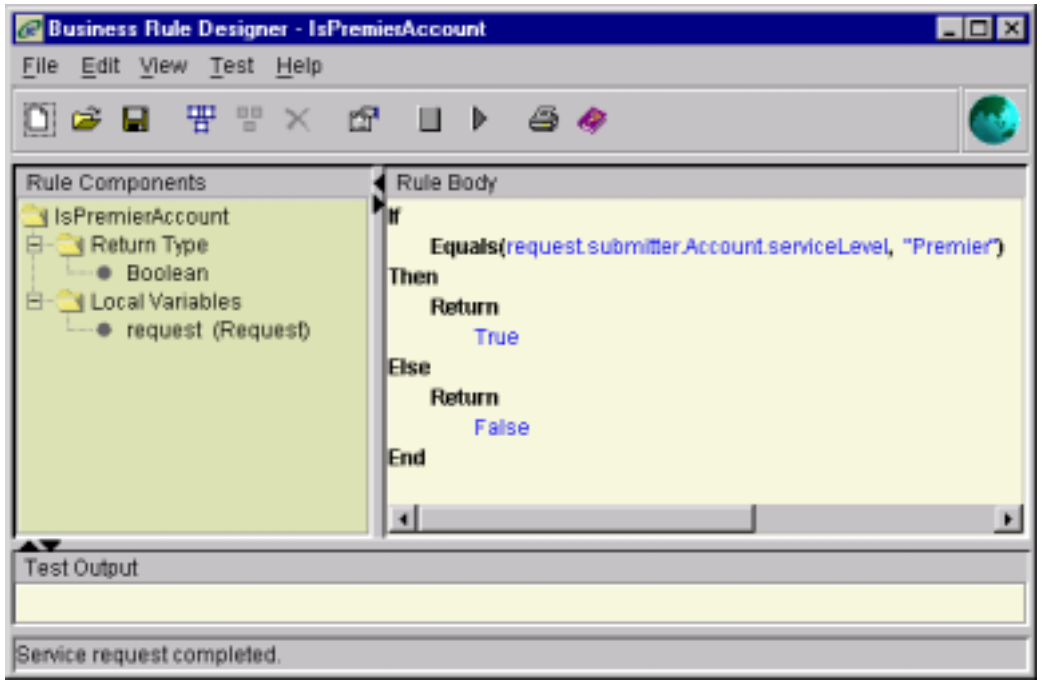
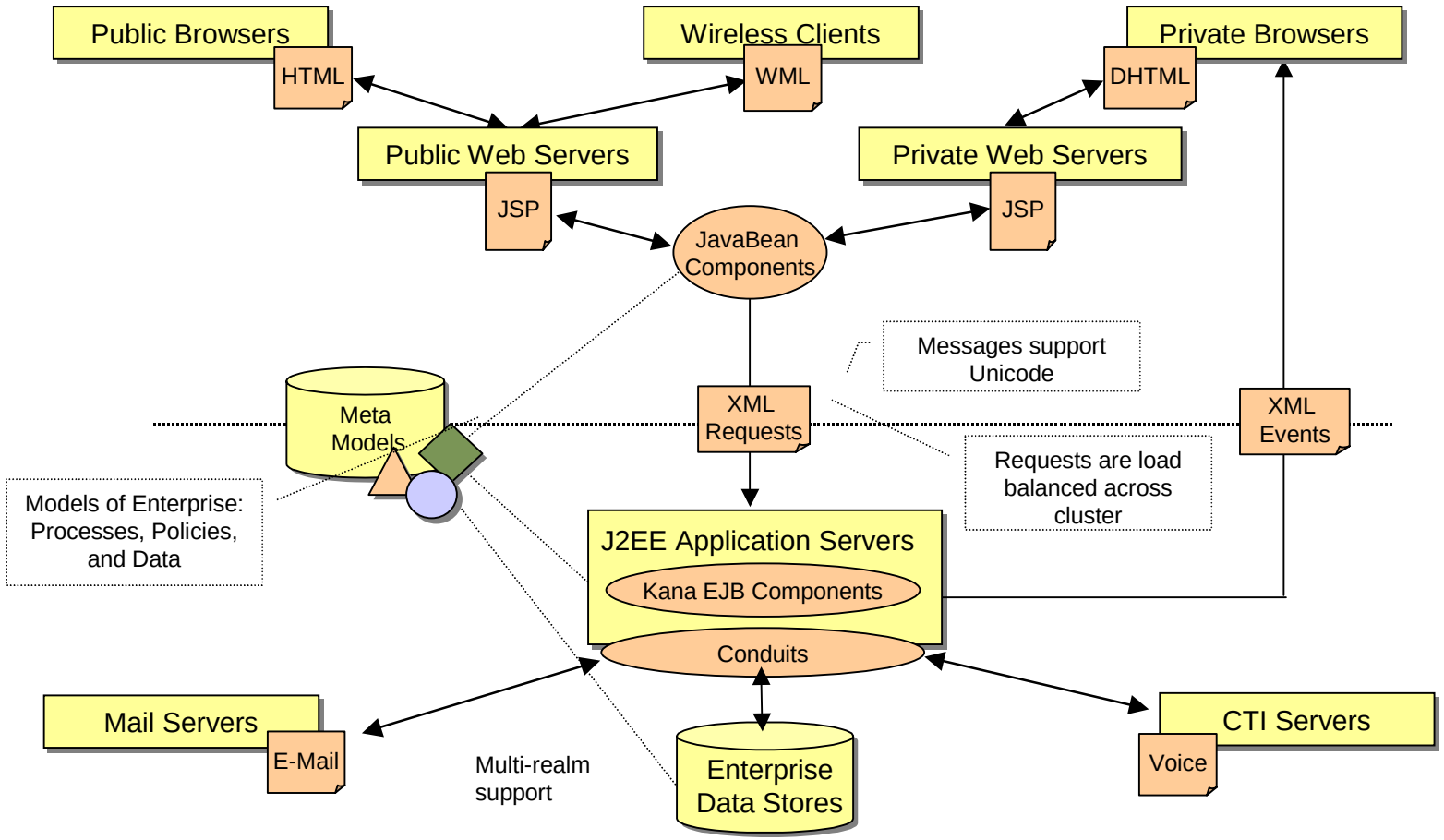
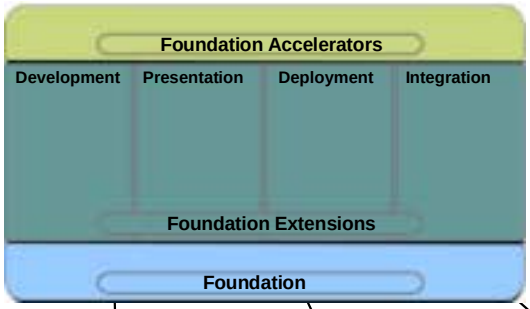
Key Concepts of Rule Engine

- Maps Rules into KDO captured objects
- Business Service like all other subsystems
- XML & EJB Interfaces
- Binds to KDO Data Structures!
- Returns multiple decisions, e.g. completion states from workflows



KANA Technical Architecture





Web Services
(SOAP, WSDL, UDDI)

Value Networks

XML

Internal Integration

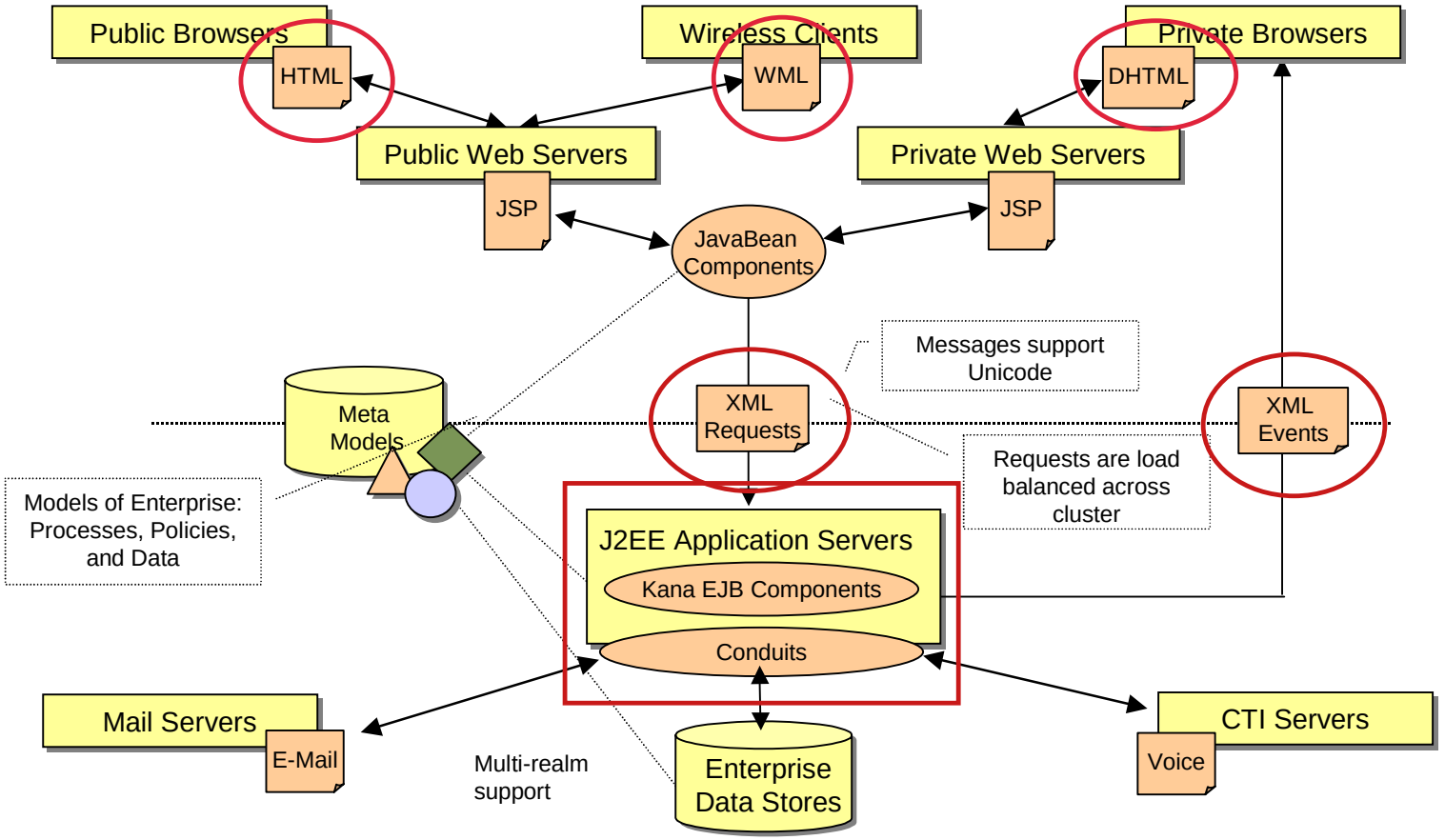
J2EE™

e-business Transactions

HTML

Web Publishing

Kana Technical Archecture



Scalability, Reliability & Extensibility

- **Scalability**
  - ***Built on Web and distributed computing technologies (since '97)***
  - ***"Stateless" mid-tier design***
  - ***Proven design used in large customer sites***
  - ***Clustering provides horizontal scalability***
- **Reliability**
  - ***Use of application server clustering allows for redundant services***
  - ***Dedicated team and labs put product through its paces***
- **Extensibility**
  - ***Built on standards-based technologies***
  - ***Loosely-coupled subsystems***
  - ***Model-driven design can change with meta-data***
  - ***Adapter components – roll your own Enterprise Java Beans***
  - ***Extensible JSP-based presentation services***

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Conclusion

Business-oriented framework

Extensible, model-driven architecture

Built on standards-based technology

Web and J2EE

Rich set of Web services

Data objects, business rules, workflow, and more

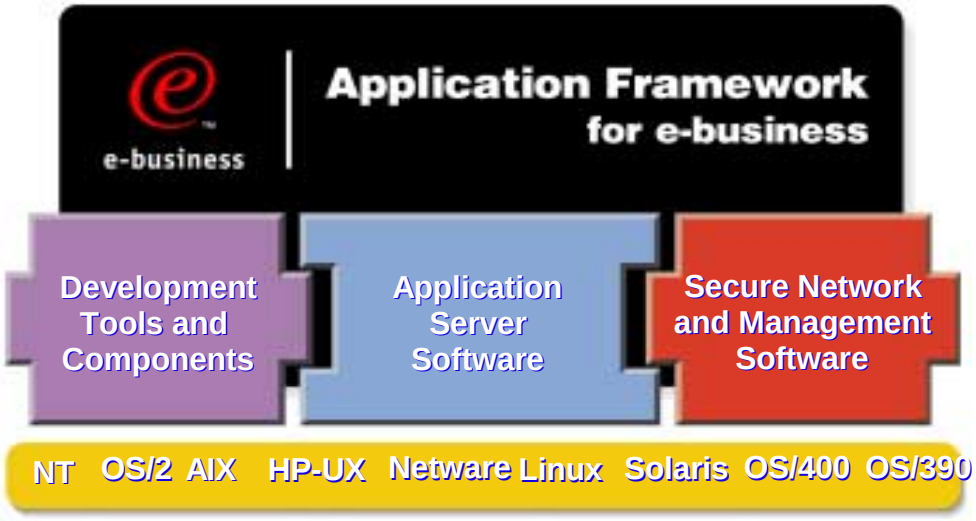
Multi-channel support

Web, wireless, email, telephony, and more

Scalable, reliable, and extensible

Proven in some of today's largest eBusiness sites

KANA



BUILD

- WebSphere Studio
- IBM San Francisco
- VisualAge
- domino

RUN

- WebSphere Commerce Suite
- KANA
- *CommercialWare*
- domino
- MQSeries
- DB2

MANAGE

- SecureWay
- Tivoli
- CDS, NetCDS
- Kiosk Manager

IBM-KANA Alliance Status

Kana SW porting to IBM platforms

IBM Application Framework for e-business	Kana Connect	Kana Response	Kana e-Business
xSeries (Netfinity)Server Proven (Windows NT 4 & Oracle DB)	**Available Now!**	**Available Now!**	**Available Now!**
pSeries (RS/6000) AIX certified (Oracle DB)	**Available Now!**	**Available Now!**	Q2 2001
DB2 UDB v7.1 (RS/6000)	Q2 2001 CA	**Available Now!**	Q2 2001
WebSphere Application Server (RS/6000)	Integrated through Kana eBusiness	Integrated through Kana eBusiness	Q2 2001
WebSphere Commerce Suite (RS/6000)	**Available Now!** Limited Support	Integrated through Kana eBusiness	Q2 2001

- **Other technologies under active evaluation:**
  - ***MQ Series product integration, IBM Text Analyzer(Now available), WebSphere EveryPlace(Q3 2001), Sametime/Web Collaboration, Other WebSphere modules - portals, components, personalization, etc. -, Natural Language and Voice Technologies***

THANK YOU !

KANA