Pulse2013

Optimizing the World's Infrastructure

A Nexus of Forces Presents New Opportunities and Challenges with Leaders Partnering to Succeed

53% **of CEOs** are dramatically changing their organizations to enable partnership and collaboration

2/3 **of growth-focused CIOs** are partnering to change the mix of skills, expertise and capabilities in the organizations

92% **of CMOs** will increase the use of external partnerships for customer and data analytics

Forward-thinking Organizations Are Developing Sourcing Partnerships to Drive Innovation and Business Value

Driving efficiency, effectiveness, and innovation

Value

Driving efficiency

Innovate and integrate
Implement new models of enterprise optimization to achieve business outcomes

Improve and expand
Increase efficiency and effectiveness across the value chain

Streamline
Achieve cost efficiency

Single Service

Scope

Integrated Value Chain

Sun Life Stadium Miami Dolphins

Neovia

Railway Company

*Source: Survey of 97 C-level executives of companies with revenues greater than US$100 million.

The Predominant Way in Which Capabilities Will Be Acquired – and Value Delivered – Will Be as a Service

~50%

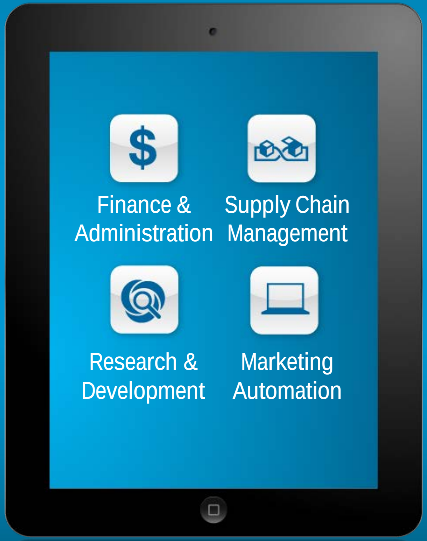
of IT budgets will be allocated to operationalizing around cloud technology within 2 years.

Source: IDC, CloudTrack 2012 Summer Survey, Part 1: Costs Savings in the Cloud, doc #237693, November 2012

~80%

of survey respondents currently use or plan to implement (by year-end 2013) cloud services for Applications; 45% for Business Processes.

Source: Gartner G00229304 (Figure 2)



~80%

of U.S. buyers indicate that they will have transformed 50% of their internal application/infrastructure environment to mimic a cloud delivery model in 5 years.

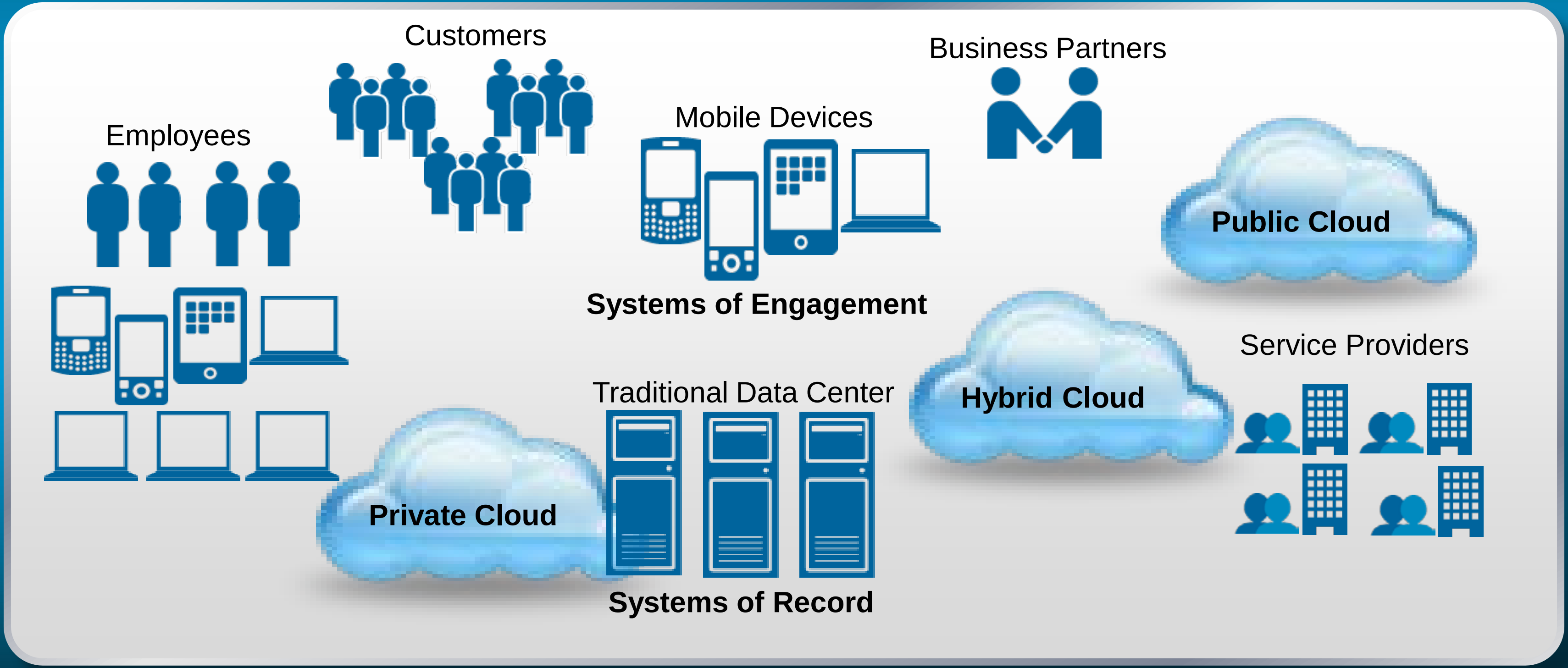
Source: IDC, 2012 U.S. Buyer Requirements for Outsourced Cloud Services Part 1: Road Map of Transformation, doc #234737, May 2012

~7%

Growth rate of all external services in 2016 (better than GDP), and driven largely by cloud adoption, at >13% in 2016.

Source: IBM

As a Result, Business and IT Infrastructures Are Becoming Increasingly Virtual, Dynamic, and Complex



Increasingly, Organizations Will Need to Seamlessly Integrate Business and IT Services

Traditional IT
Enterprise Data Center/Outsourced

Cloud
Private/Public/Hybrid

Managed Services
Managed/Hosted

Integrated Service Delivery Platform

Selection
Governance
Analytics

Creation
Automation
Aggregation

Adaptation
Orchestration
Provisioning

User Interface
Self Service/Admin/Support

Security	Network	Data Center
End User	Resiliency	Mobility
Help Desk	Processes	Applications

Services
Infrastructure/Applications/Processes

Data
Policy-Driven/Lifecycle/Utilization

IBM's Strategy and Portfolio are Designed to Help Clients Adopt Cloud Models that Best Meet their Requirements

IBMSmartCloud

Foundation

- Private & hybrid clouds
- Evolve existing IT capabilities

PureSystems

Services

- Secure & scalable cloud managed services platform
- Consume new & existing IT capabilities

Enterprise+

Solutions

Business process as a service for new business capabilities

Smarter Commerce

Smarter Cities

Social Business

Smarter Analytics

Commitment to open standards and a broad ecosystem

SmartCloud Enterprise

- Infrastructure as a service
- Fast access to enterprise cloud
- Development, test, moderate risk apps, dynamic workloads

SmartCloud Enterprise+

- Secure, resilient, SLA driven
- Drive business value, reduce operational risk
- Enterprise workloads like SAP

The Result Is Integration across Delivery Models for a Transparent Agile Value Chain

Physical data centers and traditional infrastructure

Enterprise-wide applications

Business processes

Now Is the Time to Develop a Sourcing Strategy that Taps into a Nexus of Forces to Deliver Innovation and Business Value

Cognitive Computing

Innovation

Agile value chain

Learn more at ibm.com