

Midmarket Marketing Communications & Messaging Guidance

September 2009



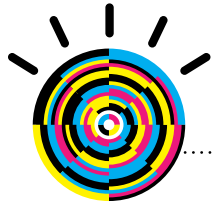


Table of contents

1. Introduction	4		
How to use this guidance	5		
What has changed	6		
About midsize customers and prospects	7		
How midsize companies view IBM	9		
Our challenge: building relevance	10		
• Smarter Planet agenda	11		
• Smarter Planet themes and Midmarket Program Framework	16		
• “Engines of a smarter planet”	17		
• Express Advantage value proposition	19		
• Positioning the Express Advantage value proposition	20		
• Messaging architecture	23		
• Customer references	24		
• How to create steps	27		
2. Install/competitive: Talking to customers and prospects	29		
Introducing the campaign to current customers	30		
Entry into competitive accounts	33		
3. Infrastructure Solutions program	35		
Infrastructure Solutions program and the Smarter Planet agenda	36		
Midmarket Infrastructure umbrella message	37		
Security and Business Continuity	38		
		IT Security and Business Continuity profile messaging	38
		IT Security solution messaging	39
		Business Continuity solution messaging	41
		IT Optimization (including Green & Beyond)	43
		IT Optimization profile messaging	43
		IT Optimization solution messaging	43
		Green IT solution messaging	45
		Maximize Business Performance and Value	48
		Maximize Business Performance and Value profile messaging	48
		Flexible IT solution messaging	48
		Collaboration solution messaging	50
		Information Management solution messaging	51
		4. Business Solutions Program	54
		How the Business Solutions Program Profiles Support IBM's Smarter Planet Agenda	54
		Banking	56
		Introduction	56
		Banking Back Office	58
		Banking Sales / Customer Service	60
		Banking Risk & Compliance, Security	63
		Wholesale	65
		Introduction	65
		Wholesale Forecast and Demand Planning Systems / Business Intelligence	66

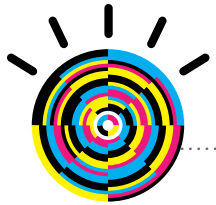


Table of contents

Wholesale Business Process Integration Solutions (Collaboration and ERP)	68	Customer Relationship Management	103
Wholesale SCM Execution (Warehouse and Logistics Management)	70	Introduction	103
Healthcare	72	Workforce Effectiveness	104
Introduction	72	Customer Insights and Analytics	106
Healthcare Operational Efficiency	73	Contact Center	108
Healthcare Compliance	76	Enterprise Resource Planning	110
Industrial	79	Global Business Services Solutions	112
Introduction	79		
Industrial Supply Chain Logistics & Manufacturing	80	5. Market to Business Partners	115
Sales, Marketing and Customer Service	82	Market to Business Partners	116
Industrial R&D and Product Development	84	The Value of Smarter Planet to the Business Partner	117
		What an IBM Business Partner Can Be on a Smarter Planet	117
		Benefits to Being an IBM Business Partner	118
Retail	86		
Introduction	86	6. Financing	120
Cross-Channel Retailing	87	Financing	121
Retail Store Optimization: Point-of-Sale (POS) & Kiosk	89	IGF Copy Blocks	123
Retail Merchandising and Supply Chain	91		
Retail Performance Management (Business Intelligence for Retail)	93	7. Appendix	124
Supply Chain Management	95	Contacts	125
Introduction	95		
SCM Planning	97		
SCM Execution	99		
SCM Visibility	101		

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix
How to use this guidance	What has changed	About midsize customers and prospects	How midsize companies view IBM	Our challenge: building relevance		

1 Introduction

► How to use this guidance	5
► What has changed	6
► About midsize customers and prospects	7
► How midsize companies view IBM	9
► Our challenge: building relevance	10
Smarter Planet agenda	11
Smarter Planet themes and Midmarket	
Program Framework	16
“Engines of a smarter planet”	17
Express Advantage value proposition	19
Positioning the Express Advantage value proposition	20
Messaging architecture	23
Customer references	24
How to create steps	27

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix
▼ How to use this guidance	What has changed	About midsize customers and prospects	How midsize companies view IBM	Our challenge: building relevance		

How to use this guidance

This guidance is written for those of us responsible for shaping and sharing IBM's Smarter Planet midmarket vision, benefits, capabilities and unique points of differentiation: Demand Programs, Brand System, Marketing and Program Managers and IBM Agency Partners.

The purpose of this document is to guide the content of the marketing communications we put into the marketplace targeting the midmarket audience and IBM Business Partners.

1. Create a common understanding of the IBM Express Advantage™ value proposition.

- Provide an understanding of the challenges midsize companies face that drive their need for information technology solutions
- Explain what midsize companies think about IBM
- Provide an understanding of how our Express Advantage value proposition has evolved

2. Provide guidance that explains how to talk to our midmarket target about our solutions.

- Create a common understanding of IBM's Smarter Planet corporate agenda and how to position midsize companies as the "engines of a smarter planet"
- Provide instruction for how to build compelling customer success stories that illustrate our value proposition for midsize companies
- Explain how to "layer" messages from establishing the premise of "engines of a smarter planet" through promoting specific offerings

3. Provide guidance that explains how to talk to IBM Business Partners about IBM's Smarter Planet corporate agenda and what it means for them.

Consult this messaging guidance every time you need to develop marketing communications that support General Business Midmarket:

- to brief creative teams to develop creative assets
- to select search keywords or build Web content
- to seed blogs and other peer-to-peer vehicles
- to participate in or produce events
- to brief journalists or industry analysts

Our goal is to tell a consistent, compelling story to our midsize customers and prospects, and to our Business Partners. *This messaging is not, however, meant to be used as copy blocks and included "as is" in customer or BP facing advertising or DG deliverables.* It is meant as a reference guide that provides ideas and messages which you can use along with existing or yet to be developed Midmarket Program Framework (MMPF) flexible assets while developing customer and BP facing assets.

Please keep in mind that, as a worldwide-developed tool, this guidance contains examples of offerings and success stories that any countries can leverage as a starting point. However, countries will likely need to localize the offerings and customer references used in their messaging and secure local approvals as necessary.

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix
How to use this guidance	What has changed	About midsize customers and prospects	How midsize companies view IBM	Our challenge: building relevance		

What has changed since Express Advantage messaging guidance was last published?

Express Advantage messaging guidance was last refreshed March 2009. Since then, IBM's executive leadership established a new corporate agenda, "Smarter Planet" (more on this later), and the Express Advantage value proposition has been updated to make it more differentiated.

To transition Express Advantage's messaging and creative platform from the Simple campaign to the Smarter Planet campaign, our preparation included extensive market research that informed the content of this guidance. This research enriched our knowledge of the challenges our midsize customers and prospects face, what they think about IBM, and how they prefer to be addressed. New research will also help us to position Smarter Planet to our Business Partners.

The studies conducted were:

- Corporate Smarter Planet Focus Groups (published April 2009)
- Midmarket-specific Smarter Planet and Express Advantage value proposition Focus Groups (published April 2009)
- Midmarket Dynamic Infrastructure Focus Groups (published May 2009)
- Business Partner Smarter Planet In-depth Interviews (published July 2009)

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix
How to use this guidance	What has changed	About midsize customers and prospects		How midsize companies view IBM	Our challenge: building relevance	

All about our midsize customers and prospects

Who are they?

Midsize and small businesses are now responsible for nearly 65% of the global GDP. Globally, midsize companies represent more than 90% of all businesses and employ over 90% of the world's workforce. They produce more patents and more innovations per employee than large firms. When we think about systems like supply chains, healthcare delivery and food management, we're really talking about the interactions of thousands of smaller, nimbler, entrepreneurial companies that make up our systems of industries.

Midsize companies are often family-owned and privately held, i.e., their executives don't have to answer to the demands of shareholders. Therefore, midsize company executives tend to define success differently than their large enterprise counterparts. While large enterprise executives focus on quarterly earnings and stock price, midsize company executives may cite happy customers, satisfied employees, and their standing in the community equally as important as financial results. In fact, many midsize company executives relish their freedom from the bureaucracies found in large companies.

What do they think about themselves?

When asked to describe their businesses, midsize company executives do so within the context of the industries they are in – not the broad category, but the specific niche – wholesale electronics, medical supplies distribution, retail lumber. Therefore, we would ideally version our communications down to the niche-industry level. But that's not practical. While they don't generally refer to themselves as midsize, our research found that by referring to their size in our copy, our communications do signal to them that IBM has products and services that could meet their needs.

What are their challenges?

Though they operate in very diverse industries, one thing midsize company executives have in common is that they have business problems that are daunting to them, but they don't have an arsenal of resources to work through the challenges. Everyone in the company is overworked and there is always a project they haven't gotten to yet. And they don't tend to be risk takers. This means that when they spend their money, they probably feel more like they are spending their own money than the "company's money."

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix
How to use this guidance	What has changed	About midsize customers and prospects		How midsize companies view IBM	Our challenge: building relevance	

All about our midsize customers and prospects (continued)

What help are they looking for?

Because they are so strapped for resources, midsize companies need IT solutions that address their reality. They need solutions that are affordable – not cheap, but they need to be a good value. In fact, midsize companies often seek proven best-in-class solutions that solve their problems, caring less about maintaining a single-vendor IT platform. Midsize companies need peer validation that the solution will work for them – they want to know what it does, how it works, and how it will affect everything else. They want something easy to implement and manage – they can't fiddle, tweak and baby-sit their IT. And they need whatever they buy to grow and evolve with them because they won't be able to replace it every time something in their business changes.

Who do they turn to for advice on IT processes and purchases?

Therefore, midsize business executives rely on the advice of their IT consultants and of their peers while making IT purchase decisions. While innovation is an

imperative and they're excited to do what it takes to keep up with customer expectations and ahead of the competition, they're anxious about finding the resources needed to do so. They like to be assured that another company – one like theirs – has already successfully deployed the solution. They need proof that their investment in innovation – better managing customer information, streamlining processes, automating connections to their suppliers, launching new distribution channels – will help them compete and pay-off quickly.

Recently, in the current economic environment, their need for a swift pay-off (in-period return on investment) is more critical than ever. Every investment is being scrutinized, and trade-offs evaluated. In fact, business owners or chief officers have been participating more than usual during the IT purchase process, resulting in less autonomy for the IT staff.

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix
How to use this guidance	What has changed	About midsize customers and prospects	How midsize companies view IBM	Our challenge: building relevance		

How midsize companies view IBM

Midsize company executives, those involved in the IT purchase decision process, respect IBM and hold it in high regard. Overall, during research focus groups executives around the globe cited favorable aspects for IBM:

- IBM's experience and leadership position in the IT industry
- IBM's high quality/reliable products, services, and solutions
- IBM's strong brand reputation

In particular, line of business (LOB) decision makers perceive IBM to be innovative and a provider of high quality customer service and support. IT Manager decision makers trust and have confidence in IBM, appreciate IBM's expertise/knowledge, and recognize IBM's extensive resources.

So what's the problem? The problem is that though our midsize company executives admire IBM, they still have concerns about working with IBM, questioning if IBM has affordable offerings designed to meet their needs. Across the globe, they told us that they believe IBM is:

- too pricey/expensive
- too big to care about midsize companies

In particular, LOB decision makers are concerned about IBM's accessibility, whereas IT Managers are concerned about IBM's customer service, and flexibility/ speed of response.

These concerns often inhibit inclusion of IBM in their consideration set. Further, IBM's own Business Partners often cite IBM as difficult to do business with.

In summary, though we have made progress during the past three years with our Simple campaign, we still have a gap to close in perceived relevance of IBM to midsize companies.

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix
How to use this guidance	What has changed	About midsize customers and prospects	How midsize companies view IBM	Our challenge: building relevance		

Our challenge: building relevance with midsize companies.

Introduction to IBM's Smarter Planet agenda and themes

IBM's vision is to bring a new level of smart to how the world works – how every person, business, organization, government, natural system, and man-made system interacts. Each interaction represents a chance to do something better, more efficiently, more productively. But more than that, as the systems of the planet become smarter, we have a chance to open up meaningful new possibilities for progress. Launching our vision of a smarter planet is a chance to market IBM in its full depth to all the constituents who matter to the company – shareowners, clients, IBMers and alumni, partners, media and analysts, citizens and local communities, and government and civic leaders. The Smarter Planet agenda helps us to strengthen the IBM brand and create clarity about who we are and what we stand for as a corporation.

Something meaningful is happening ... every human being, company, organization, city, nation, natural system, and man-made system is becoming interconnected, instrumented, and intelligent. This is leading to new savings and efficiency – but perhaps as important, new possibilities for progress.

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix
How to use this guidance	What has changed	About midsize customers and prospects	How midsize companies view IBM	Our challenge: building relevance		

IBM's Smarter Planet agenda has four themes, each of which has distinct business benefits.

How do we get smarter?	How do we create an infrastructure that drives down cost, is intelligent and secure, and is just as dynamic as today's business climate ?			How can we work smarter supported by flexible and dynamic processes modeled for the new way people buy, live & work?			How can we take advantage of the wealth of information available in real time from a multitude of sources to make more intelligent choices?			How do we drive greater efficiencies, compete more effectively, and respond more quickly by taking action now on energy, the environment, and sustainability?			
Theme	Dynamic Infrastructure			Smart Work			New Intelligence			Green & Beyond			
Benefits to business	Reduce Costs	Improve Service	Manage Risk	Agile Business Model	Connected Customers	Dynamic Business Processes	Information Mgmt	Predictive Capabilities	Engaging the Value Chain	Business Optimization	Finding Value in Green	Smart Systems	Societal Shifts/Corp Resp

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix
How to use this guidance	What has changed	About midsize customers and prospects	How midsize companies view IBM	Our challenge: building relevance		

Dynamic Infrastructure

Amid accelerating costs, competitive pressures, increasing risk, and security and environmental concerns, midsize companies find themselves faced with a contradiction: they must drive down costs and increase profits with a limited IT staff and budget, while at the same time building an IT infrastructure development roadmap for the future. Keeping up with today's changing business climate calls for a dynamic infrastructure. One that addresses today's IT challenges such as server underutilization, server room space and power constraints and maintenance complexity, while supporting future business requirements such as new, more complex workloads, new regulations, or a change in company structure. A dynamic infrastructure is efficient, flexible and highly optimized to achieve greater results and to deliver superior business and IT services with agility and speed. This can help break down barriers for midsize companies, by integrating and transforming their IT infrastructure to better connect IT and business goals. The good news is that to make a dynamic infrastructure a reality, there is no need to "rip and replace." IBM believes that midsize companies can leverage the

smartest capabilities, technology and assets from within the existing infrastructure while also taking advantage of new technologies, solutions, and deployment options. A dynamic infrastructure can help midsize companies:

- *Reduce Costs* – Contain operational costs and complexity, and more importantly, achieve breakthrough productivity gains through virtualization, optimization and energy efficiency.
- *Improve Service* – Ensure the highest quality customer experience including access to information, collaboration tools, and new services that allow midsize companies to quickly respond to customers today and add new applications and technologies for future growth.
- *Manage Risk* – Not only address today's IT security, resiliency and compliance challenges, but also prepare for the new risks posed by an even more connected and collaborative world.

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix
How to use this guidance	What has changed		About midsize customers and prospects	How midsize companies view IBM		Our challenge: building relevance

Smart Work

It may be cliché, but true – in today's business environment, the only constant is change. This is particularly true for midsize companies in today's global economy. While they face increasing pressure from new competitors outside of their traditional trade region, they also have new opportunity to extend their products and services to customers in new markets. Yet today's customers' expectations are higher than ever, including swift service 24 hours a day through traditional and relatively new channels such as web-based and mobile applications. Reaching and servicing these "connected" customers requires personalization, collaboration, and co-creation. IBM suggests that midsize companies that want to seize the opportunity of global reach to connected customers embrace the change required to work smarter by transforming their organizations:

- from vertically focused business processes to integrated business processes;
- from reactive management based on historic information to pro-active management based on real-time information that enables faster and better decisions;
- from islands of individual/department expertise and knowledge to cross-team, cross-department collaboration;
- from rigid processes and technology to dynamic processes and technology that easily supports change.

IBM and its Business Partners can help midsize companies make the smart work transformation by leveraging IBM's suite of collaboration, e-commerce/ web-based customer and employee service, and IT security and risk management solutions and services. Companies that work smart will benefit from:

- *Agile Business Models*: Seize revenue opportunities with a business model designed for change and optimized to serve people – customers and employees.
- *Connected Customers*: Lower costs and increase customer satisfaction by providing a rich user experience to customers, suppliers, employees and partners.
- *Designing Dynamic Business Processes*: Drive value by increasing the effectiveness of core processes such as Supply Chain Management, Product Line Management, or Customer Service.

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix
How to use this guidance	What has changed		About midsize customers and prospects	How midsize companies view IBM		Our challenge: building relevance

New Intelligence

Organizations are facing the waste, inaccuracy and missed opportunities caused by information that is out of control. The volume of data is exploding, its format is becoming varied (e.g., images, audio, video, transactions, etc.), and its sources are increasingly “machines:” sensors, RFID, meters, global positioning systems, etc. Midsize companies struggle with the inability to transition data into real-time information that supports smarter choices and decisions. Forward-thinking organizations are turning all of this information into an opportunity. They are leveraging information to identify opportunities for profitable growth, cost take-out, and pro-active risk management. They are pursuing an information-led transformation to drive innovation, business optimization and competitive differentiation. IBM and its Business Partners can help midsize companies transform silos of information into trusted strategic assets, using business intelligence and performance management software and services that enable executives to make better decisions. IBM can help midsize companies manage information growth, streamline costs, and mitigate risks by addressing their information compliance, availability, retention, and security challenges.

Smarter midsize companies harness the benefits of their own new intelligence by:

- *Gaining insight from the information explosion:* Manage, protect, process and analyze unprecedented volumes of structured and unstructured data.
- *Moving from reaction to prediction:* Apply analytics to a wealth of information in order to more precisely predict – and continuously act on – risks and opportunities.
- *Engaging the entire value chain:* Create an ecosystem that enables an organization to capture and share collective wisdom, collaborate and make decisions with greater confidence.
- *Creating value more quickly:* Operate with speed by delivering trusted insight that gives decision-makers the confidence to take action faster.

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix
How to use this guidance	What has changed	About midsize customers and prospects	How midsize companies view IBM	Our challenge: building relevance		

Green & Beyond

Business has been at the center of the converging pressure to “go green.” Government regulation and laws are becoming stricter. Stakeholders (investors, employees, customers) are increasingly expecting operational consideration of the environment. Energy costs are rising. In many regions around the globe, the availability of energy, waste disposal, water and raw materials is uncertain. IBM believes that a *shift in societal thinking* will force a new code of conduct and demand corporate social responsibility. IBM suggests that “*smart systems*” are dramatically more efficient and reliable and therefore enabled to save energy and resources. Further, IBM suggests that midsize companies can *find value in going green* through costs savings resulting from decreased waste (e.g., energy, water, manufacturing materials, employee commuting time, business travel time, etc.), and/or by tapping new markets and consumer segments that demand environmentally preferred products. IBM and its Business Partners can help midsize companies assess their server room efficiency and carbon footprint to identify cost savings and other environmentally sensitive improvements.

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix
How to use this guidance	What has changed	About midsize customers and prospects	How midsize companies view IBM	Our challenge: building relevance		

We integrated Smarter Planet theme messaging into the Midmarket Program Framework (MMPF) messaging

Our entry points for midmarket LOB and IT Managers audiences continues to be our Midmarket Program Framework, e.g., IT Optimization and Green IT, Retail, Maximize Business Performance and Value, Healthcare, etc., not the Smarter Planet themes. Therefore, you will find that we integrated Smarter Planet themes and benefits into our Infrastructure Solutions, Business Solutions, and Market-to Business Partner messaging guidance contained in this document. You should not lead with Smarter Planet theme level messaging alone.

		Solution			Program
Audience		Point Products	Infrastructure Solutions	Business Solutions	
CEO/CFO				Industry-specific and cross-industry Business Solutions	
LOB					
CIO/IT		Install Competitive	Infrastructure Solutions		
IT Buyer		Run Rate			
BP Influencers		Market-to BPs and Influencers			

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix
How to use this guidance	What has changed	About midsize customers and prospects	How midsize companies view IBM	Our challenge: building relevance		

Driving relevance with midsize companies – “engines of a smarter planet”

Importantly, we know midsize company executives are interested in the Smarter Planet agenda – a point-of-view on the future from IBM. 97% of midmarket respondents from the midmarket-specific Smarter Planet focus groups (results published April 2009) said their interest in doing business with IBM had ‘increased considerably’ or ‘increased somewhat’ after exposure to our Smarter Planet message. This is a 17% increase over large enterprise results. While midsize companies acknowledge that the Smarter Planet agenda is relevant to their business, what they struggle with is just exactly how.

Remember what we said in the “All About” section of this guidance. 90% of all businesses across the globe are small and midsize firms. They employ over 90% of the world’s workforce. Globally, midsize companies are responsible for nearly 65% of the GDP. When we think about systems like supply chains, healthcare delivery and food management, we’re really talking about the interactions of thousands of smaller, nimbler, entrepreneurial companies that make up our systems of industries. Midsize companies are the tangible demonstrations of a smart planet in action. They are the innovators putting the capabilities of a smarter planet to previously unimagined possibilities – the thinkers, doers and

creators of the new ideas that are driving progress. Not in theory, but in practice. That is why IBM’s Smarter Planet agenda is relevant to midsize companies.

“The opportunity to become smarter applies not just to large enterprises, but to smaller and midsize companies – the engines of economic growth everywhere. When we think about systems like supply chains, healthcare delivery and food systems, we’re really talking about the interactions of hundreds, even thousands of companies, most of them small.”

Sam Palmisano, CEO IBM

The promise, opportunity, and possibility that a smarter planet offers is perhaps most relevant to our midmarket audience, one that comprises dynamic and entrepreneurial companies. Our “engines of a smarter planet” positioning demonstrates that on a smarter planet the playing field is leveled for midsize companies, making the game not one of resources, but one of ideas.

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix
How to use this guidance	What has changed		About midsize customers and prospects	How midsize companies view IBM		Our challenge: building relevance

(continued from previous page)

Right now, IBM and its Business Partners are working with thousands of midsize companies around the world to build a smarter planet. We are giving them the tools to work more productively and profitably – powerful, affordable systems, software solutions, and services that can help them improve their efficiency, do more with less, and seize new opportunities faster. We're helping them apply IBM's breadth and depth of experience working with innovators of all sizes across every industry to address just about any size problem, task, or workload.

This is an extraordinary moment in time – a time of enormous challenges, but of even greater opportunities. As our planet becomes smarter, midsize companies will wield the weight that once belonged only to the largest. They are the engines of a smarter planet and IBM is providing the support and know-how they need to turn their vision into reality and their ideas into results.

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix
How to use this guidance	What has changed	About midsize customers and prospects	How midsize companies view IBM	Our challenge: building relevance		

The evolution of our Midmarket Express Advantage value proposition

In place since 2006, our Express Advantage value proposition captures the three “pillars” behind what IBM offers, together with our Business Partners, to meet the needs of midsize companies. However, we had an opportunity to revisit our Express Advantage value proposition to ensure it aligns to IBM’s new Smarter Planet corporate agenda and better distinguishes IBM from its competitors.

Our competitors also offer what we claim as our key differentiators: comprehensive offerings, a network of Business Partners, and a way to navigate through their resources. Our refined Express Advantage value proposition shifts from fighting negative midmarket audience’s perceptions (a byproduct of our rich large enterprise legacy) to building upon positive perceptions of IBM’s 100-year record of innovation, reliability, and trust. In summary, our refined Express Advantage value proposition addresses the foundational elements customers and Business Partners have come to expect, as well as IBM’s unique differentiation.

Former Value Proposition Pillars	New Value Proposition Pillars
Offerings A comprehensive line of offerings, including hardware, software, and services, designed and priced for midsize companies for exceptional price performance, manageability, and ease of use and installation with superior financing options.	Capabilities The IBM midmarket portfolio of solutions is designed, sized and priced for midsize companies, and is built on a heritage of proven technology leadership and innovation. We leverage a rigorous process to ensure that only those offerings truly appropriate for midsize companies are included in that portfolio.
Customer Experience Enhanced capabilities to help midsize customers navigate the breadth of IBM to find the right IBM and IBM Business Partner resources.	Insights IBM addresses your business opportunities and challenges through insights, knowledge, and experience gained from helping thousands of midsize companies. We deliver proven results through innovative solutions that help companies like yours build a smarter planet.
Business Partner Ecosystem From IBM’s vast network of Business Partners, the broadest range of applications, combined with deep expertise with midsize companies in every industry, local presence, and the support and backing of IBM to deliver simple, affordable customized solutions built on IBM offerings.	Business Partners IBM’s Business Partners combine IBM’s insights and capabilities with their own products, locally provided services and expertise to build best-in-class solutions to meet the unique requirements of mid-size companies. IBM’s Business Partners are enabled to ensure that their customers can exploit the opportunities of a smarter planet.

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix
How to use this guidance	What has changed	About midsize customers and prospects	How midsize companies view IBM	Our challenge: building relevance		

How to position the Express Advantage value proposition to customers and business partners through “engines of a smarter planet”

1. Our Express Advantage value proposition remains the “keystone” of IBM’s relevance to the midmarket. Our advertising and DG communications must continue to demonstrate IBM’s commitment and relevance to the midmarket in real/tangible ways (i.e., Express Advantage value proposition pillars – capabilities, access to insights, and local BPs).
2. We build all creative around the “engines of a smarter planet” premise, a premise that is unique to target our midmarket audience within IBM’s larger Smarter Planet agenda because it is designed to build IBM relevance with our midmarket audience. While “engines of smart” provides IBM with the platform to extend the Smarter Planet agenda into the mid-sized space, the work must continue to demonstrate in real/tangible ways IBM’s commitment and relevance to the midmarket.
3. As always, our headline and body copy should clearly speak to our midmarket audience. For example, a headline may promote the concepts of “leveling the playing field,” “equal opportunity,” or “doing more with less,” – concepts that convey the ability of technology to overcome the staff resource and budget limitations/ challenges that midsize company executives face vs. their larger competitors. And, as always, our copy must address our Express Advantage value proposition pillars: capabilities, insights, and local Business Partners. These three pillars provide tangible proof to our audience that IBM is committed and relevant to them.
4. In addition to our three value proposition pillars, our communications should include a signal that IBM is easy for midsize companies to access by including reference to IBM’s local Business Partners and/or a call-to-action that includes IBM’s Express Advantage Concierge.
5. In our premise-setting messaging layer (“Smart Rays”, more to follow), we highlight customer references that demonstrate how a midsize company has worked with IBM and one of its Business Partners to successfully solve a tough problem and deliver tangible benefit. (See more on how to craft a customer success story on page 24 of this guidance.)

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix
How to use this guidance	What has changed	About midsize customers and prospects	How midsize companies view IBM	Our challenge: building relevance		

(continued from previous page)

6. In offering-level advertising and DG creative, we reference our midmarket portfolio of offerings designed specifically for midsize companies, and the Express Advantage Concierge service which provides easy access to IBM's capabilities, insights, and Business Partners (our new value proposition pillars).
7. We follow Smarter Planet messaging guidelines regarding the use of the words "smart" and "smarter" (and equivalent in local language):
 - a. Not everything can or should be described as "smart" or "smarter." It is very tempting to add these words to all IBM things – solutions, offerings, client stories, internal programs, etc. However, it's important to remember that "smart" and "smarter" describe a very specific point of view of opportunities where the world could work better. We need to be very judicious about their use in order to preserve and protect their meaning.
 - b. There are three basic characteristics for what IBM defines as "smart" or "smarter:" instrumented, interconnected, intelligent. Therefore, to use "smart" or "smarter" as descriptions of an IBM solution, offering or case study, it must meet these criteria. Is it instrumented? Is it interconnected? Is it intelligent? If it does not meet these three basic characteristics, it cannot be described as "smart" or "smarter."
 - c. There is no need to mark the term "smarter planet" with a trademark symbol ("™"). However, smarter planet and the planet icon should be listed in the legal attribution statement as a trademark of IBM as indicated in the example below.

IBM, the IBM logo, ibm.com, smarter planet and the planet icon are trademarks of International Business Machines Corp., registered in many jurisdictions worldwide. Other product and service names might be trademarks of IBM and other companies. A current list of IBM trademarks is available on the Web at www.ibm.com/legal/copytrade.shtml.
 - d. At this time, "Let's build a smarter planet" is not trademarked. Therefore, do not use a trademark™ symbol with it.

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix
How to use this guidance	What has changed		About midsize customers and prospects	How midsize companies view IBM		Our challenge: building relevance

Definitions of “smart”

Instrumented	Interconnected	Intelligent
<p>The health of any system or process you care about can now be measured, sensed and seen.</p> <p>How to tell if something is instrumented: Does it reference data capture or integration, possibly through the use of sensors, kiosks, meters, PDAs, appliances, cameras (still and video), smart phones, implanted medical devices or the web? Anything that captures reliable digital information and feeds into a system is eligible.</p> <p>Note that almost every solution will be instrumented in some way.</p>	<p>Instrumented systems work together in new ways.</p> <p>How to tell if something is interconnected: Does it integrate data laterally across an end-to-end process, system, organization, industry or value chain?</p> <p>Does it integrate data that exists in an unstructured way or “en-masse”, rather than data associated with a particular system? Examples: web 2.0 interconnectivity across people and communities</p> <p>Does it demonstrate IBM's industry expertise?</p> <p>Note that it may be supported by an open architecture.</p>	<p>Every insight results in action that creates new value.</p> <p>How to tell if something is intelligent: Does it yield new insights that drive actions that improve a business or societal outcome? Note that <i>outcomes must fundamentally change the end-user experience or eco-system</i>.</p> <p>The best examples will also have intelligence that is ‘real-time’, forward-looking, or predictive</p>

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix
How to use this guidance	What has changed		About midsize customers and prospects	How midsize companies view IBM		Our challenge: building relevance

“Engines of a smarter planet” messaging architecture

The “engines of a smarter planet” creative approach has two layers: the premise-setting layer and the solution layer. The premise-setting layer establishes *why* IBM’s Smarter Planet agenda is relevant to midsize companies. The solution layer establishes *how* IBM can help midsize companies become an “engine of a smarter planet”. Midsize companies must understand the premise/agenda of Smarter Planet before they are ready to accept communications about IBM solutions that can help them become an “engine of a smarter planet”. Be sure to set the premise of “engines of a smarter planet” in your market, via either advertising or DG, before initiating communications at the solution layer around specific IBM solutions or offerings.

	Communication objective	Engines of a smarter planet creative
The WHY premise-setting layer WHY is IBM Smarter Planet relevant to you?	<ul style="list-style-type: none"> Establish the premise of “engines of a smarter planet.” Demonstrate evidence of “smart” in midsize companies via customer references. 	See Smarter Planet creative guidance for examples of “engines of a smarter planet” WHY creative executions.
The HOW solution layer HOW can IBM help your company become an “engine of a smarter planet?”	<ul style="list-style-type: none"> Promote IBM offerings and solutions that enable midsize companies to become an engine of a smarter planet. 	See Smarter Planet creative guidance for examples of “engines of a smarter planet” HOW creative executions.

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix
How to use this guidance	What has changed	About midsize customers and prospects	How midsize companies view IBM	Our challenge: building relevance		

How to identify and craft “engines of a smarter planet.” customer references for advertising and DG

1. Determine whether the midsize company is a true engine of a smarter planet

Is the midsize company:

- a visionary in their industry?
- a company founded on a great idea?
- a company that has found and exploited a great opportunity in their market?
- a demonstration of forward thinking?

2. Ensure the client’s story meets the definitions of “smart”: Instrumented, Interconnected, Intelligent

(See the “Definitions of Smart” in Chapter 1, How to Position the Express Advantage Value Proposition to Customers and Business Partners through “engines of a smarter planet”, for more detail.)

3. Look for stories that are practical

These stories need to make Smarter Planet tangible for midsize companies. For this reason, these stories should focus on more practical solutions that IBM and its Business Partners have implemented.

Why? Much of the non-midmarket Smarter Planet work (e.g., TV, op ads, etc.) targeting large enterprises has been and will be designed to convey IBM’s point of view on complex global issues including, traffic flows, electric power grid systems, and food supply chains. While research has shown that midsize company executives respond well to these messages, they struggle to see the connection to their business. The scope and scale of these issues is simply much larger than the ones our

midmarket target faces. By showcasing real examples of “engines of a smarter planet” in action, we can help midsize company executives understand how IBM’s Smarter Planet point of view pertains to managing their own businesses. Our midmarket “engines of a smarter planet” must be relevant to midsize companies to effectively market and sell offerings. Carefully crafted customer references will help build relevance.

While these stories should not be about large-scale innovations that have changed the world, they do need to demonstrate how a customer has driven some type of innovation (however big or small) for their business, their customers, and/or their industry. Yes, we really like the stories where IBM and its Business Partners have gotten in early to help create visionary companies (e.g., Implanet), but we also like the basic stories about how IBM and its Business Partners have helped bring innovation to a company to help them operate better (e.g., Ecotricity, Impire AG). Here are some examples:

- Leveraging data to better meet customer demands
- Adapting their infrastructure or business model to take advantage of new marketplace and growth opportunities
- Finding efficiencies within their company – allowing them to do more with less
- Increasing their competitive advantage by leveraging new technologies, such as RFID and Bluetooth

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix
How to use this guidance	What has changed		About midsize customers and prospects	How midsize companies view IBM		Our challenge: building relevance

4. Consider the profile of the customer

Recognizable brands are often times perceived as large, even when they're not. For example, a division of Lego in the U.S. can be classified as a midsize company. However, when people think of Lego, most just assume it's a large, global company. They don't assume it's a small or midsize company. For this reason, look for companies that are less well known. When telling their story, indicate their size in the copy (e.g., a midsize retailer, a start-up healthcare company, bank with 200 employees, etc.)

5. Check for IBM Business Partners' participation

Business Partners are an important part of the Express Advantage value proposition. Therefore, first consider stories in which an IBM Business Partner played a role. Are there any smart solutions the Business Partners provided that add extra depth to the story and helped a midsize company operate smarter? If a story involving an IBM Business Partner is used, the Business Partner must first approve the story and agree to participate before it can be used. However, Business Partner stories are not mandatory – if there is a story that does not include a Business Partner, it still can be considered.

6. Consider the location of the customer

Strive for a mix of local and regional/global stories.

- Why local? Research findings have demonstrated that midsize companies do want to hear/see how Smarter Planet relates to their position in the world.
- Why regional/ global? The world today is smaller, flatter, and interconnected. As a result, businesses

of all sizes are thinking globally (e.g., global customers, global suppliers, global competition, etc.). Midsize companies are not only looking for examples of intelligence and innovation where they are physically located...they are looking everywhere.

7. Don't forget to obtain customer use permission

Please refer to your local customer reference team to ensure "engines of a smarter planet" cases you develop locally adhere to local laws and business practices. These may include:

- Ensuring there are no outstanding sales or support issues with customer.
- Ensuring customer representative has obtained approval from their legal counsel for any/all formats in which you have chosen to produce the case, e.g., video, text, web page, animated text and still images (flash), etc.
- Ensuring customer representative has obtained approval from their legal counsel for IBM's intended distribution channels for the case study formats which may include:
 - Advertising (print, radio, web banners, out-of-home) for CA countries only
 - Face to face events
 - Virtual events such as webcasts and virtual trade shows
 - IBM and 3rd party web sites
 - IBM and IBM Business Partner printed sales collateral and/or sales presentations

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix
How to use this guidance	What has changed	About midsize customers and prospects	How midsize companies view IBM	Our challenge: building relevance		

Additional Notes:

- Select stories from a variety of industries; don't feature customers from only one or two industries. If possible, find stories that align to the 2009 midmarket priority industries: retail, banking, wholesale, industrial, and healthcare, or from another priority industry in your local market.
- If possible, select stories that align with the offering/ solution areas you are covering in your offering-specific advertising and/or demand generation.
- Though not mandated, stories should come from the Smarter Planet section of the [customer reference database](#). And if a compelling story exists that is not currently in the database, ensure it is documented there.
- Stories should be "fresh" – avoid stories that are dated, i.e., older than two years.

Pre-approved customer references can be found [here](#). However, we encourage you to develop local customer references following the above guidance.

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix
How to use this guidance	What has changed	About midsize customers and prospects	How midsize companies view IBM	Our challenge: building relevance		

How to build the “engines of a smarter planet” step-by-step solution layer communications

As illustrated in the “engines of a smarter planet” messaging architecture, the creative format for the “Solution Layer (The HOW)” of communications is “Step-by-Step.” The “Step-by-Step” format is designed to dispel our midmarket target’s perceptions of IBM as “too big, too expensive, too difficult to work with” by conveying approachability and by demonstrating IBM’s IT leadership in a very straightforward manner. It brings to life the “how” in “How can IBM help a midsize company become an ‘engine of a smarter planet’?” which builds IBM’s relevance with midsize companies.

The steps are meant to represent the actions a midsize company could take to resolve an IT pain point or challenge and operate in a smarter way. The steps can be sequential, describing the steps a midsize company could take to resolve one particular IT and/or business pain point or challenge.

See an example below for IT Optimization:

1. Assess the server room’s capacity
2. Virtualize and consolidate servers, storage, and software
3. Reduce energy consumption

The steps do not need to be sequential, however, and can introduce multiple ways to resolve a pain point, or multiple pain points in a single communication. This is particularly applicable for Business Solutions for which communications may introduce multiple pain points (i.e., point of sale, multi-channel retailing and supply chain) that all address the overall need of midsize retailers to have a smarter retail business.

See an example below for Retail:

1. Make better business decisions with business intelligence
2. Create a smarter supply chain
3. Offer purchase options informed by past searching/buying behavior and that of like customers
4. Deliver a superior customer experience across purchase channels

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix
How to use this guidance	What has changed	About midsize customers and prospects	How midsize companies view IBM	Our challenge: building relevance		

Consider the following when developing “steps” for the solution (“HOW”) layer:

- **Establish the customer challenge or pain point.** If possible, the customer need should be portrayed within the context of what the need means to IBM's customer's ability to efficiently and effectively serve their own customers, e.g., improve customer experience using e-commerce for self-service, provide more flexible product or service offerings, faster new product or service time-to-market, etc.
- **Introduce the featured IBM solution that fills the customer's need.** The “Step-by-Step” approach introduces the featured IBM solution by highlighting how the featured solution's specific benefit fulfills the customer need.
- **Demonstrate that the featured IBM solution is smart using business benefits.** Addresses how the IBM solution makes the customer's company more instrumented (measurable), interconnected (integrated), or intelligent (insightful). Again, if possible the business benefit should be presented within the context of how being “smarter” improves their ability to efficiently and effectively serve their customers.
- **Demonstrate the ease of integrating IBM's solution into the customer's existing IT infrastructure, or how the IBM solution in the customer's infrastructure can be improved on an ongoing basis.** Demonstrate IBM's IT leadership in a straight-forward manner by recommending what the customer can do after IBM solution implementation, e.g. monitor performance then optimize; add more functionality to better serve customers, etc.

How to introduce “engines of a smarter planet” to current customers

Recommended entry into competitive accounts

2 Install/competitive: Talking to customers and prospects

- ▶ How to introduce “engines of a smarter planet” to the install base (current IBM customers) 30
- ▶ Recommended entry into competitive accounts 33

How to introduce “engines of a smarter planet” to the install base (current IBM customers)

While the midmarket segment represents IBM’s greatest long-term growth opportunity, the fact is, today IBM’s current midmarket market share is low. Despite low midmarket market share, a large percent of our General Business Midmarket revenue comes from our install base. So while we work to acquire new midmarket customers to increase our market share, we need to continue to retain and grow our existing install base to protect this very important revenue source.

When thinking about the install base, consider the two “types” of install base customers we have:

1. The “traditional” install base: those who chose an IBM solution from IBM or an IBM Business Partner, and
2. The install base of “acquired customers”: those who chose another vendor’s solution, one that was subsequently acquired by IBM through a corporate acquisition, e.g., Informix, ISS, Cognos, and many more.

While we can assume that the first type of install customer, the “old” install customer, knows at least a little about IBM’s commitment to the midmarket, we cannot make any assumptions about the second type of “new” install customer. In addition, the “new” install customer may have some of the common misperceptions about IBM, including the misperceptions cited in the “How Midsize Companies View IBM” section of this guidance. Of course, there is no harm in reminding the “old” install base of IBM’s commitment to the midmarket, *particularly since we see declining spend with some of our existing customers.*

IBM’s commitment to our midmarket customers

- Express Advantage in 45+ countries
 - Business Partner support via new PartnerWorld Express Advantage Web portals
 - Best-in-class customer portals
 - “One-contact” local support teams
- 150+ offerings designed specifically for Midmarket
- 1,600+ Built on Express Solutions
- More than 1,500 dedicated resources support Business Partners in the midmarket
- \$3B through IGF Financing

How to introduce “engines of a smarter planet” to the install base (current IBM customers) continued

1. Do not overlook the install base.

Don't assume that the install base is more likely to notice “engines of a smarter planet” communications, or that they will more easily understand the opportunities it represents for them. As existing customers of IBM's, and in many instances loyal ones, they will expect us to explain the Smarter Planet agenda and what it means for them. Therefore, include the install base in premise setting communications.

2. In communications that target the install base, acknowledge their existing relationship with IBM.

For example,

- As a valued IBM customer, we'd like you to learn how you can become an engine of a smarter planet.
- Learn about how your company can become an engine of a smarter planet by improving how you use your [IBM solution name here].
- IBM customers like you are learning how they can drive efficiency and cost savings to become an engine of today's smarter planet.

3. Know your customer.

- “Traditional” vs. “acquired customer” install bases:
 - Consider using more premise setting communications with the “acquired customer” install base.
 - Consider using “Welcome to IBM” events with the “acquired customer” install base. (Event guidance on MAM [here](#).)
- Software vs. hardware vs. services install bases: Segment your install database by installed IBM Brands, if you have the data required to do so. Communicate cross-sell and up-sell messages that are appropriate for their existing installed hardware and software.

4. Explain what differentiates IBM and its offerings from the competition.

As stated earlier in this guidance, most midsize companies seek best-in-class IT products and solutions to solve their problems. They are more concerned about solving the problem at hand than about maintaining a single-vendor IT platform. Our target install audience likely has a variety of vendors' products and solutions installed at any given time. Therefore, our communications – even to the install base – should explain exactly

How to introduce “engines of a smarter planet” to the install base (current IBM customers) continued

which offerings IBM has to help them become an efficient and cost-effective engine of a smarter planet. It is especially important to highlight points of differentiation for IBM and its products and solutions vs. that of the competition.

- a. Highlight our Express Advantage Value Proposition Pillars which differentiate IBM from its competitors: capabilities, access to insights, and a local ecosystem of IBM Business Partners.
- b. In the current recession economy, it is important to highlight the measurable benefits our offerings provide IBM's customers. Highlight measurable ROI information whenever possible, for example:
 - Investment payback within one year.
 - Can take backup and recovery time from hours to minutes.
 - 65% of midmarket IT managers say their company could not recover from a significant data loss.
- c. Demonstrate that IBM solutions do not require customers to “rip and replace”; they are complementary to IBM's and other vendors' offerings.

5. Do not imply in Smarter Planet communications that installed IBM solutions and offerings are “dumb.”

IBM's Smarter Planet agenda and its midmarket positioning thereof, “engines of a smarter planet,” were designed to reflect the opportunities that forward thinking midsize company executives can embrace today to make their companies smarter – more instrumented, interconnected, or intelligent – to deliver improved efficiency and/or cost savings. That does not mean that their existing installed IBM solutions are dumb. It simply means they may be able to do things better to level the playing field to stay ahead of the competition.

How to introduce “engines of a smarter planet” to current customers

Recommended entry into competitive accounts

Recommended entry into competitive accounts

The Competitive Program within the Midmarket Program Framework targets “white space,” i.e., midsize companies that have not bought IBM technology in the past 24 months. As noted in Chapter 2 of this guidance, IBM’s midmarket market share is relatively low, therefore significant white space opportunity exists for us to increase market share.

We recommend that you leverage the Infrastructure Program Profiles to gain entry into competitive accounts. More information regarding Infrastructure Program Profile messaging guidance is in Chapter 3 of this guidance. Yet in general, when targeting competitive white space, much of the guidance we provided regarding the install base in Chapter 2 remains true for competitive accounts.

1. Know your prospect.

Often it is possible to rent external lists based on competitive installation information, i.e. you can rent external lists based on installation of competitive solutions for which IBM has complementary offerings. You can use these lists for one-to-one tactics (e.g., email, outbound telemarketing, event invitation lists,

direct mail) to promote complementary IBM offerings – hardware, software, and services. Remember, midsize companies do not want to “rip-and-replace.” They want to know IBM solutions and offerings can build on their existing technology to improve efficiency and capture cost savings.

2. The Infrastructure Program Profiles are appropriate entry points into competitively installed accounts.

Other than a targeted competitive attack campaign, whereby IBM attacks a competitors’ perceived weakness in the market, the most likely entry point into midsize companies with competitively installed hardware and software is by the IT pain points experienced by most, if not all, midsize companies. The IBM solutions and offerings marketed through the Infrastructure Program Profiles are applicable cross-industry and are positioned to help solve those IT pain points. That said, competitive messaging has now been added to the Infrastructure chapter (Chapter 4) to help countries position IBM infrastructure solutions against the competition (or against midsize companies who have competitive solutions installed).

How to introduce “engines of a smarter planet” to current customers

Recommended entry into competitive accounts

Recommended entry into competitive accounts (continued)

3. Explain what differentiates IBM and its solutions from the competition.

Our target competitive audience likely has a variety of vendors' products and solutions installed at any given time. Therefore, our communications should explain exactly what offerings IBM has to help them become an efficient and cost-effective engine of a smarter planet. It is especially important to highlight points of differentiation for IBM and its products and solutions.

- a. Highlight our Express Advantage Value Proposition pillars which differentiate IBM from its competitors: capabilities, access to insights, and a locally accessible ecosystem of IBM Business Partners (See Chapter 1, The Evolution of the Express Advantage Value Proposition for more detail).

- b. In the current recession economy, it is important to highlight the measurable benefits our offerings provide IBM's customers. Highlight measurable ROI information whenever possible. Examples include:
 - Investment payback within one year.
 - Can take backup and recovery time from hours to minutes.
 - 65% of midmarket IT managers say their company could not recovery from a significant data loss.
- c. Demonstrate that IBM solutions do not require “rip and replace”; they are complementary to IBM's and other vendors' offerings.

3 Infrastructure Solutions

▶ Infrastructure Solutions program and the Smarter Planet agenda	36
Midmarket Infrastructure umbrella message	37
▶ Security and Business Continuity	38
IT Security and Business Continuity profile messaging	38
IT Security solution messaging	39
Business Continuity solution messaging	41
▶ IT Optimization (including Green & Beyond)	43
IT Optimization profile messaging	43
IT Optimization solution messaging	43
Green IT solution messaging	45
▶ Maximize Business Performance and Value	48
Maximize Business Performance and Value profile messaging	48
Flexible IT solution messaging	48
Collaboration solution messaging	50
Information Management solution messaging	51

How the Infrastructure Solutions program profiles support IBM's Smarter Planet agenda

The Midmarket Infrastructure Solutions program is IBM's entry to the midmarket CIO/IT Manager audience. Our Infrastructure Solutions messaging architecture is flexible, allowing IMTs to select their messaging at the level which they'd like to approach their audience given local General Business priorities and budgets. For example, some IMTs prefer to message at the Infrastructure Solutions umbrella level, some at the Infrastructure Solutions program profile level, and others at the specific Infrastructure solutions level, or combination thereof in a single campaign or across discrete campaigns.

Infrastructure Solutions Umbrella Messaging		
Security & Business Continuity	IT Optimization	Maximize Business Performance & Value
Solutions <ul style="list-style-type: none"> IT Security Business Continuity 	Solutions <ul style="list-style-type: none"> IT Optimization Green IT 	Solutions <ul style="list-style-type: none"> Information Mgmt Flexible IT (SOA) Collaboration

All of the messaging that follows reflects the benefits that Infrastructure solutions deliver to midsize companies, the engines of a smarter planet. For your reference, following is a depiction of how Infrastructure Solutions' themes, profiles and solutions align to IBM's Smarter Planet agenda themes. Please refer to the first section of this guidance for messaging around the Smarter Planet themes.

1
Introduction

2
Install/
Competitive

3
Infrastructure
Solutions

4
Business
Solutions

5
Market to
Business Partners

6
Financing

7
Appendix

Infrastructure Solutions program and the Smarter Planet agenda

Security and Business Continuity

IT Optimization

Maximize Business Performance and Value

Infrastructure profiles' alignment to Smarter Planet themes

			MM Benefits	Reduce Costs	Improve Service	Manage Risk	Agile Business Model	Connected Customers	Dynamic Business Processes	Information Mgmt	Predictive Capabilities	Engaging the Value Chain	Business Optimization	Finding Value in Green	Smart Systems	Societal Shifts/Corp Resp
			Theme	Dynamic Infrastructure			Smart Work			New Intelligence			Green & Beyond			
Infrastructure Solutions Umbrella Message	Profile	Solutions														
	Security & Business Continuity	IT Security	H													
		Business Continuity	H													
	IT Optimization	IT Optimization	H													
		Green IT	M									H				
	Maximize Business Performance & Value	Flexible IT	M			H										
		Collaboration				H			M							
		Information Mgmt				M			H							

Key: H = highly aligned; M = moderately aligned

Source: WW Infrastructure Program Management.

Midmarket Infrastructure Solutions umbrella message

IBM works with our network of locally accessible Business Partners to offer a comprehensive portfolio of proven and integrated solutions that are designed, priced and readily available to midsize companies and that provide those companies with an efficient, reliable, flexible, and security-rich IT environment that can support – not constrain – their business goals.

Security and business continuity

Many small and medium organizations in recent years have seen exponential growth in the amount of data and web applications required to do business, and along with this growth comes an increase in cost of data loss or system unavailability. Organizations that have had a recent system outage due to a security breach or major data loss can attest to the cost of downtime – 50% of companies that experience a disaster are out of business within 2 years if they did not have a business continuance plan. Properly managing risk is imperative to building a dynamic and resilient IT infrastructure, and companies have a financial responsibility to protect critical business assets, including data and systems. Investments in IT Security and Business Continuity solutions help companies to lower, and in many cases eliminate, the business impact costs of an IT outage or data loss.

It is common to market both IT Security and Business Continuity in the same campaign. However, we provided separate messaging for each for IMTs that want to lead with one or the other.

IT Security and Business Continuity profile messaging

IBM works with our local Business Partners to provide midsize companies preemptive, cost-effective, end-to-end IT security and business continuity solutions designed to help customers:

- Understand their security exposures and define the actions needed to minimize risk.
- Protect all types of critical data from internal and external threats before they impact the business, while meeting regulatory compliance requirements.
- Ensure that mission-critical IT systems, applications, and data are highly available, and easily and quickly recoverable, so business can continue in the event of an unanticipated data loss event or disaster (natural or man-made).

IT Security solution messaging

All companies, not just midsize companies, generate and store volumes of data – financial, business operations, customer, employee, and investor data, etc. and increasingly have been linking this key critical data to the internet through numerous web-based applications. Unfortunately, cyber crime – just like any other type of crime – rises during difficult economic times. Just as an interconnected smarter planet levels the playing field between midsize and large company competitors, it also opens opportunities for criminals who intend to exploit holes in companies' security to create virus-related havoc or steal data for financial gain. Every day systems and data security protection becomes more complex as threats become progressively intricate. Even the most well staffed and trained IT departments have been challenged by security breaches – we only hear in the news the most grievous. Yet each of us can recount a situation when a click on an innocent link or a seemingly innocent download caused company-wide disruption and lost productivity from a virus.

Many midsize companies believe they are protected using only firewall and anti-virus software to avoid attacks and solve threats. Yet their applications' data is being distributed more and more than ever before. In December 2008, IBM X-Force discovered 54.9% of all IT security vulnerabilities result from web applications, which are quickly becoming the biggest IT security concern for midsize companies. Hackers choose web applications as a prime vehicle because they are easy points of entry, and there is valuable data exchanged in the business processes run by these applications. Competitive and efficient business operations require midsize companies' constituents to have legitimate application data access across a variety of platforms, including remote access on mobile platforms through web-based applications. Often these IT service advancements are ahead of IT security policy and procedure. Therefore, most midsize companies do not even understand how vulnerable their systems and data are from access/attacks from disgruntled employees or from outside hackers.

(continued)



Smart is

midsize companies who proactively identify security risks, then employ comprehensive and cost-effective solutions to stop external and internal security threats before they impact productivity, customer retention, regulatory compliance, and IT staff focus.

Priority Solutions

Is Your IT Infrastructure Secure?

- IBM ISS Express penetration testing services
- IBM ISS Express multi-function security bundle
- IBM Express managed protection services for server
- IBM Tivoli Access Manager for Enterprise Single Sign-On
- IBM System Storage DS5020
- IBM System Storage TS3100 Express

Web Application Security

- IBM Rational AppScan Express
- IBM ISS Express penetration testing
- IBM ISS Express multi-function security bundle

Compliance

- IBM Express PCI assessment
- IBM Email Management Express
- IBM Rational AppScan Express

1	2	3	4	5	6	7
Introduction	Install/ Competitive	Infrastructure Solutions	Business Solutions	Market to Business Partners	Financing	Appendix
Infrastructure Solutions program and the Smarter Planet agenda		Security and Business Continuity		IT Optimization	Maximize Business Performance and Value	

(continued from previous page)

It is not smart for midsize companies to overlook security risk that has not been assessed. What midsize companies don't know about their security risks can hurt them:

- Costs from a loss of staff productivity are growing and in many cases have not been assessed
- Decreased IT services equate to higher expenses and possible loss of revenue
- IT staff's focus on reactively resolving security threats means they are not focused on driving the business
- Fines from lack of compliance to regulations as a result of a security breach drive expenses

IBM and our Business Partners can build upon existing installed hardware and software to create a secure dynamic infrastructure that preemptively protects IT systems, data, networks and web applications from continually evolving threats while reducing the cost and complexity of security:

- Assess risk – identify points of entry (physical and remote access) and failure, and calculate potential cost of security breach
- Remedy points of failure – build on existing infrastructure, methodically closing gaps to secure systems, data, and network
- Establish preemptive warning thresholds – determine who gets notified when and for what type of risk and/or security software update
- Monitor – Adjust and maintain current protection against threats based on global conditions as well as company-specific business conditions (e.g., pending merger with another company, staff restructuring, new regulation, etc.)

It is smart for midsize companies to understand where their security vulnerabilities exist, then create a development roadmap to close them.

Case Studies

Wyeth (U.S.): Implemented IBM software to automate online compliance-related testing and application security testing, which increased productivity and improved customer confidence. [Learn more.](#)

ITWorx (Egypt): Used IBM software to automate security testing of its applications, which streamlined testing and automated manual tasks, improving staff productivity and application quality. [Learn more.](#)

Business Continuity solution messaging

Significant data loss can be caused by human error, corrupt software, a malicious security attack, or a natural/man-made disaster. Although every business in a given geography faces potential disaster risks (e.g., floods, hurricanes, tornadoes, wild fire, etc.), small and midsize companies, which often only have one location, will suffer more than their large company neighbors that can off-load workloads to locations outside of the disaster zone. In fact, 60 percent of companies that lose their data as a result of a disaster will shut down within six months of the disaster.¹

The enormity of damage a disaster can wreak on a midsize company should be reason enough to “insure” against such a loss using proper disaster recovery planning. Yet, a recent IBM study indicates that 65% of midsize companies’ IT managers acknowledge that they *do not have an adequate back-up strategy* for their critical data.² They simply hope a disaster won’t happen to them. This is not a smart way to manage business risk. With the explosion in the amount of key business data, not having a business continuity plan is like a ticking time bomb inside an organization. In fact, the leading causes of data loss are human error and hardware failure—far more mundane but equally damaging causes. Midsize companies are especially prone to human error because they often do not have skilled IT professionals and instead rely on workers who may simply forget to do the back-up, perform it incorrectly, or lose the back-up tapes/disks while attempting to store them off-site.³ Therefore, it’s not a matter of “if” organizations will have data loss, it’s a matter of “when,” and how quickly can they recover. It is not smart for midsize companies to expose themselves to this unnecessary operational risk.

(continued)

¹ National Archives & Records Administration in Washington.

² Source: IBM Dynamic Infrastructure Launch Deck.

³ Smith, David. “The Cost of Lost Data.”



Smart is

midsize companies that assess their data recoverability and eliminate exposure to unnecessary risks and costs using integrated business continuity solutions that ensure they can quickly and easily recover from unanticipated data loss events.

Priority Solutions

Highly Available IT Infrastructure

- IBM PowerHA (high availability)
- IBM System Storage Express
- Recovery Express
- IBM Websphere Application Server Express
- Tivoli Foundations Application Appliance

Data Backup and Recovery

- Comprehensive Data Protection Solution Express
- Remote Data Protection Express
- IBM Tivoli Storage Manager FastBack
- IBM Tivoli Continuous Data Protection for Files
- IBM System Storage TS3100 Express family
- IBM System Storage Express

Information Infrastructure

- IBM System Storage Express
- IBM System Storage TS3100 Express

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix
Infrastructure Solutions program and the Smarter Planet agenda		Security and Business Continuity		IT Optimization	Maximize Business Performance and Value	

(continued from previous page)

It also is not smart for midsize companies to continue “painful” back-up procedures (e.g., time consuming, labor intensive use of tape, etc.) that still leave gaping operational risk and quantifiable cost exposure associated with a data loss incident⁴:

- Cost of technical support in the recovery effort
- Lost productivity due to user downtime
- Possible cost associated with data that is permanently lost

It is smart for midsize companies to work with IBM and our Business Partners to mitigate risks and potential costs associated with data loss:

- Assess risk – identify critical systems and data that are essential to business operations
- Determine recovery time requirement—instant recovery time is not required in all cases, but it is often needed to prevent outage costs for some critical functions in almost every organization; we can help midsize companies quantify the cost benefit of different recovery scenarios
- Develop back-up strategy – determine back-up frequency, type, media, storage, aging, roles and responsibilities, etc.

It is smart to be one of the 35 percent of IT Managers who are confident that they have an adequate back-up/disaster recovery plan.

Case Studies

USGA (U.S.): Deployed IBM solutions to protect over 500GB of critical data on a daily basis, leaving data protected and available when needed with onsite daily backup and improved operational restore. [Learn more.](#)

London Metal Exchange (U.K.): IBM helped design a replica alternate trading site to prevent operational risks or trading outages from impacting operations, which could save millions of dollars in lost activity every hour. [Learn more.](#)

bioMerieux S.A. (France): Implemented a 24x7 remote dual-site solution with real-time data replication, hosted at an IBM business resilience center, providing significantly decreased recovery times. [Learn more.](#)

⁴ Smith, David. “The Cost of Lost Data.”

IT Optimization (including Green & Beyond)

While midsize companies' primary motivation to optimize their IT infrastructure is to reduce complexity and costs, recent research indicates that "green" concerns including energy consumption and carbon footprint are entering the IT decision consideration set. Further, in some parts of the world carbon emission regulations are becoming more stringent. Therefore, we've provided messaging at both the IT Optimization and Green IT solutions levels so IMTs may lead with Green IT messaging when desired.

IT Optimization (including Green & Beyond) profile messaging

IBM works with our local Business Partners to develop for midsize companies a dynamic infrastructure based on a secure, virtualized, and consolidated IT environment to reduce IT complexity, costs, and energy consumption, while improving up-time performance and better aligning IT with the strategic goals of the company.

IT Optimization solution messaging

In today's economic recession, IT purchase decisions that previously were left to the IT professionals are more and more being reviewed by C-level executives who are looking for quick cost reduction or productivity improvements. This level of scrutiny has arisen because a key challenge for midsize companies is reducing costs and maximizing return on investment for all IT spending. Upgrades, enhancements, and new IT resources – including hardware (servers and storage), software, and staff – are examined across the board.

(continued)



Smart is

midsize companies that assess IT resource (servers, storage, software, and staff) capacity and energy efficiency, then build a dynamic infrastructure based on a consolidated and/or virtualized IT environment to reduce IT complexity and costs.

Priority Solutions

STG

- IBM BladeCenter Express and System x with VMWare
- IBM Power VM Express Edition
- IBM System Storage SAN Volume Controller Entry Edition

SWG

- IBM Tivoli Provisioning for OS Deployment

GTS

- IBM Migration Services for data for open systems attached to System Storage disk systems
- IBM Express Remote Managed Infrastructure Services

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A means for IT managers to deliver real savings is by examining maintenance and operations costs – 80% of midsize companies' IT budgets are spent on IT maintenance and operations instead of on new applications and business growth strategies. IT maintenance and operations costs get so high because while trying to manage an explosion of information that results from improving customer service, midsize companies simultaneously are experiencing diminishing computing power and space in their server rooms. Midsize company IT Managers need to take action to use their IT budgets to a better advantage. In summary, midsize company IT Managers need to:

- Reduce IT complexity and manage costs
- Improve the ability to manage the capacity of IT resources (servers, storage)
- Improve utilization of resources (hardware, software, staff)

It is not smart to simply add new servers and storage to manage capacity. This approach tends to increase server underutilization (server sprawl), increase energy costs (server room power and cooling), and increase administrator management complexity.

It is smart for midsize companies to tap IBM's and its Business Partners' expertise to address today's IT operational challenges to free up resources for new investments:

- Measure the capacity and efficiency of the current IT infrastructure
- Design a dynamic infrastructure development roadmap including strategies for consolidation and virtualization
- Choose IBM IT Optimization solutions that will help simplify, virtualize and consolidate IT environments, increasing performance and operational efficiencies, while reducing operational costs up to 50% and energy costs up to 40% per year

Case Studies

Nicholas & Company (U.S.): An independent food distributor worked with Sirius, an IBM Business Partner, to implement a new data center that increased efficiency, productivity and scalability that better positioned the company for growth. [Learn more.](#)

On Line do Brasil LTDA (Brazil): A service and hosting provider for small and midsize businesses expanded its data center with IBM solutions that improved system availability, reduced management time by 30 percent, and is energy efficient. [Learn more.](#)

Green IT solution messaging

Almost 25 percent of midsize companies' IT departments have finished some form of energy measurement project, and nearly 50 percent plan to in the coming year. On top of that, 56 percent of companies have either completed or are implementing hardware recycling programs.⁵ But midsize companies' executives are very pragmatic. Their primary motivation for deploying IT optimization and/or virtualization has been the cost savings they can realize by reducing the complexity and cost associated with underutilized IT resources (servers, storage, software, and staff).

However, recently their attitudes and reasons for adoption have begun to shift to include concerns about reducing their carbon footprint. One respondent's comment from a new primary world-wide research study⁶ characterized well this shift in midsize companies' executives' attitudes:

“It’s not that we’re tree huggers, but we’re interested in saving money as well as consumption and emissions.”

– Respondent from IBM/Info-Tech Research Group world-wide study

In other words, while cost savings is still the primary decision criteria (and over 70% of virtualization projects successfully realize important benefits to midsize

(continued)

⁵ IBM/Info-Tech Research Group world-wide study

⁶ Study was commissioned by IBM and conducted by Info-Tech Research Group to explore how midsize organizations are embracing Green IT initiatives to create sustainable business practices that move beyond recognized benefits, such as better business performance and lowered costs, to a smarter set of new capabilities that can improve competitive advantage. Through surveys and interviews, respondents (1,047 decision-makers from companies with 100 to 1000 employees, representing 12 countries and 8 industries) were asked to describe their adoption state across 11 Green IT initiatives, as well as their organizations' outlook, attitudes, and reasons for adoption. They also answered questions about the state of environmental issues and action in their business and their region of the world.

Infrastructure Solutions program and the Smarter Planet agenda

Security and Business Continuity

IT Optimization

Maximize Business Performance and Value

(continued from previous page)

companies), midsize companies' shift in reason for adoption of green IT initiatives probably reflects real business environment constraints and potential competitive differentiators including:

- **Local regulations require carbon footprint reporting.**

In some parts of the world, government carbon footprint regulations are mandating changes in how businesses operate.

- **Constrained access to electricity.**

In many parts of the world, IBM's midsize customers face power grid constraints which require an energy-efficient dynamic IT infrastructure. And, these constraints are not limited to developing countries. Even in the U.S., the power that additional servers require from a building's electricity source has been known to cause a power service disruption.

- **Consumers are buying green.**

Many consumers strive to buy from "green" companies. Therefore, an increasing percent of IBM's midsize customers' customers are integrating "green operations" into their own overall corporate positioning and operating policies and procedures which extend back to their choices in vendors, including IT vendors.



Smart is

midsize companies that integrate into

their IT landscape cost-effective, energy-efficient, environmentally responsible solutions so they can continue to increase IT capacity within the same energy footprint to support business growth.

Priority Solutions

STG

- IBM BladeCenter Express and System x
- IBM Power Systems
- IBM Systems Director Active Energy Manager

SWG

- LotusLive
- Lotus Forms Turbo

GTS

- IBM Server Consolidation Efficiency Study
- IBM Implementation Services for System x – ServicePac offering

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It is not smart to ignore the real business environment constraints and potential competitive differentiators that green IT can address. In time, there will be competitive and possibly regulatory consequences to avoiding “going green.”

It is smart for midsize companies to be forward-looking to recognize that good environmental policy is also good business, understanding the real business value in “green” as well as the cost savings green IT initiatives provide. IBM and its Business Partners can help midsize companies achieve a dynamic infrastructure that addresses critical energy and power costs. By combining IBM's and its Business Partners' hardware, software and services offerings, IBM can help midsize companies reduce overall energy costs by 15-40% by helping them:

- become more environmentally responsible
- implement an environmentally responsible protocol for disposal of outdated hardware and software assets
- address diminishing computing power and space in the server room
- gain control over the rising cost of running and cooling server rooms 24x7

Case Studies

Wesco Companies (U.S.): A family-based group of construction, property management and equipment rental companies in the United States reduces its management burden and power consumption by 70 percent when it consolidates 14 servers onto one IBM System x3850 platform. [Learn more.](#)

RackForce (Canada): A hosting service provider in Canada experienced a 300 percent performance and reliability increase and a 30 percent power-consumption reduction when it implemented IBM System x3550 servers. [Learn more.](#)

Maximize Business Performance and Value

Maximize Business Performance and Value profile messaging

IBM and its local Business Partners help midsize companies extract the most business value from their current systems, data, and people. They do so by designing flexible IT systems that enable and support – not constrain – agile business models and processes, optimize people's productivity, and provide access to trusted business intelligence and information. When a company has maximized its systems, data, and people, it can proactively and reactively exploit market conditions and customer requests, and work smarter together.

Flexible IT solution messaging

Over time, midsize companies acquire IT solutions that meet immediate short-term needs, but are not selected with a long-term IT infrastructure development roadmap in mind. As a result, midsize companies often find themselves with a collection of business applications, databases, and hardware that do not work together. This creates silos of applications and information that can only be integrated on an ad hoc basis, often using manual methods which are not only inefficient and prone to error, but must also be repeated every time new processes and information are needed. In turn, this situation constrains midsize companies from rapidly responding to new market opportunities or quickly addressing customer requests and/or competitors' promotions.

(continued)



Smart is

midsize companies
who will not allow the

IT infrastructure to constrain
their business; they deploy cost
effective IT systems that are agile
and business processes that are
dynamic, enabling them to react
quickly to business opportunities
and remain competitive.

Priority Solutions

SWG

- IBM WebSphere Application Server Express
- IBM WebSphere MQ

1	2	3	4	5	6	7
Introduction	Install/ Competitive	Infrastructure Solutions	Business Solutions	Market to Business Partners	Financing	Appendix
Infrastructure Solutions program and the Smarter Planet agenda		Security and Business Continuity		IT Optimization	Maximize Business Performance and Value	

(continued from previous page)

IBM believes that midsize companies can fully/effectively use existing IT resources and investment to work smarter, creating IT systems that can change quickly to support always-evolving business processes, resulting in increased business flexibility. Flexibility and adaptability improve process efficiency and operational reliability, while simultaneously decreasing costs and errors.

It is not smart for midsize companies to make IT acquisition decisions without considerations of interoperability, scalability, capacity, and security to help their business and their IT work together.

Case Studies

Moosejaw Mountaineering (U.S.): Used IBM solutions to create an interactive community shopping experience to enhance customer loyalty and advocacy. Repeat business soared after implementation. [Learn more.](#)

Duro Bag (U.S.): Used solutions from IBM to maximize oversight of its IT operations and experienced IT utilization increases of 5% – 10% and projected payroll savings of \$75,000 – \$100,000 annually. [Learn more.](#)

Collaboration solution messaging

Fostering collaboration between employees, customers, suppliers and partners provides companies productivity and cost savings benefits. Seamless collaboration requires individuals to be able to work when, where, and how they choose, without sacrificing security. Many midsize companies struggle with securely improving access to information and people through email, instant messaging, videoconferencing, wireless connectivity, or virtual workspaces. Many companies use freeware which introduces security, interoperability, and possibly compliance issues.

IBM believes that collaboration is at the heart of working smart – enabling people to make more informed decisions, build deeper relationships, and work with more agile and efficient business processes. Collaboration can be achieved using solutions that are built on an open, fully integrated infrastructure that can be easily and securely accessed from inside or outside. IBM and its local Business Partners can help midsize companies streamline business operations by giving them an easier, faster, secure, and cost effective means to access information and people. Companies that use collaboration to work smart:

- reduce time-to-market for their products and services
- improve responsiveness to customers and improve service
- are able to take on more business without adding staff due to increases in productivity
- save bottom-line costs while simultaneously boosting revenue

It is not smart for midsize companies to expose their data and operations to IT security risks and interoperability constraints by patching together freeware workarounds to enable collaboration.

**Smart is**

midsize companies who work smarter by using fully integrated and secure collaboration and communications solutions that improve employee productivity and streamline business operations.

Case Studies

Celina Insurance (U.S.): Used IBM solutions and saw 50% fewer phone calls and costs due to instant messaging, a 40% reduction in head count, and turnaround times reduced from weeks to days. [Learn more.](#)

Max Bahr (Germany): Used IBM solutions to meet demand for 40,000 products in more than 80 outlets with low replenishment and storage costs—boosting customer service ratings to 99%. [Learn more.](#)

NutraFlo (U.S.): Used IBM solutions to increase accuracy and efficiency via centralized document libraries and version control, and to improve staff productivity by collecting applications in a single interface. [Learn more.](#)

Priority Solutions

SWG

- IBM Lotus Domino Express
- IBM Websphere Portal Express
- IBM Lotus Forms Turbo

Information Management solution messaging

The explosion of information in every organization is creating challenges for midsize companies:

- Gaining insights from data to stay ahead of the competition
- Keeping information current, accurate, and relevant
- Containing costs of storing, retrieving, and securing, and backing up volumes of data
- Reducing the time searching for the right information
- Integrating scattered information securely and without manual processes
- Remaining compliant with regulations

As a workaround, many midsize companies use free data management trial software, push the limits of spreadsheet applications, and/or rely on email applications' archiving capabilities. What they do not realize is that their piecemeal "fix" could wind up costing their company more in data storage costs, loss of employee productivity, embarrassing security exposures, bad decisions based on bad information, and in the worst case corruption or loss of data. And, they're unable to transform their information into a strategic asset, in order to gain new intelligence from business insight.

(continued)

**Smart is**

midsize companies that productively transform volumes of data to trusted sources of business insights that people can reliably and securely access whenever they need to.

Priority Solutions**SWG**

- IBM Cognos 8 BI Reporting Midmarket Packages
- IBM InfoSphere Balanced Warehouse C-Class

STG

- IBM Storage Solutions

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IBM and its Business Partners can design and deliver cost effective information management solutions for midsize companies that form the basis of a trusted information platform that protects information throughout its lifecycle. IBM believes that midsize companies can strategically use their information to gain a competitive edge by:

- managing business using timely, intuitive and graphical displays of key performance indicators (KPIs) against goals or targets
- spotting new business trends
- making faster and better-informed decisions
- providing superior customer service and response time
- improving product availability and inventory control

It is not smart to ignore the opportunity to turn your information into a critical strategic resource.

Case Studies

Impire AG (Germany): Used IBM solutions for data management, integration and analysis, leading to 15% annual revenue growth, 10% market share growth in Germany and 40% in Austria and Switzerland. [Learn more.](#)

Hallstar (U.S.): Increased revenue and reduced inventory by 25 percent by implementing an IBM Cognos business intelligence solution. [Learn more.](#)

Sainte-Justine Hospital (Canada): Used IBM solutions to create a continually updated reservoir of clinical and genomic information to accelerate research, while cutting administrative costs by 75%. [Learn more](#)

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

4 Business Solutions

► How the Business Solutions program profiles support IBM's Smarter Planet agenda	54	Sales, Marketing and Customer Service	82
► Banking	56	Industrial R&D and Product Development	84
Introduction	56	► Retail	86
Banking Back Office	58	Introduction	86
Banking Sales/Customer Service	60	Cross-Channel Retailing	87
Banking Risk & Compliance, Security	63	Retail Store Optimization: Point-of-Sale (POS) & Kiosk	89
► Wholesale	65	Retail Merchandising and Supply Chain	91
Introduction	65	Retail Performance Management (Business Intelligence for Retail)	93
Wholesale Forecast and Demand Planning Systems/Business Intelligence	66	► Supply Chain Management	95
Wholesale Business Process Integration Solutions (Collaboration and ERP)	68	Introduction	95
Wholesale SCM Execution (Warehouse and Logistics Management)	70	SCM Planning	97
► Healthcare	72	SCM Execution	99
Introduction	72	SCM Visibility	101
Healthcare Operational Efficiency	73	► Customer Relationship Management	103
Healthcare Compliance	76	Introduction	103
► Industrial	79	Workforce Effectiveness	104
Introduction	79	Customer Insights and Analytics	106
Industrial Supply Chain Logistics & Manufacturing	80	Contact Center	108
		► Enterprise Resource Planning	110
		► Global Business Services Solutions	112

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

How the Business Solutions program profiles support IBM's Smarter Planet agenda

The Midmarket Business Solutions Program is IBM's entry to the midmarket LOB and C-Level audience. Our Business Solutions messaging architecture is flexible, allowing IMTs to select messaging at the industry or cross-industry level. For example, IMTs have the flexibility to select messaging at the Retail industry level, or at the Supply Chain Management cross-industry level, depending on the audience and campaign.

All of the messaging that follows reflects the benefits that Business Solutions deliver to midsize companies, the engines of a Smarter Planet. For your reference, following is a depiction of how Business Solutions' program profiles align to IBM's Smarter Planet agenda themes. Please refer to the first section of this guidance for messaging around the Smarter Planet themes.

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

Business Solutions' profiles' and solutions' alignment to Smarter Planet themes

		Reduce Costs	Improve Service	Manage Risk	Agile Business Model	Connected Customers	Dynamic Business Processes	Information Mgmt	Predictive Capabilities	Engaging the Value Chain	Business Optimization	Finding Value in Green	Smart Systems	Societal Shifts/Corp Resp
		Dynamic Infrastructure			Smart Work			New Intelligence			Green & Beyond			
Industries	Banking	M			H			H			M			
	Wholesale				H			H			M			
	Healthcare				H			H			M			
	Industrial	M			H			M			M			
	Retail	H			M			H			M			
Cross Industry Applications	Supply Chain Management				H			H			M			
	Customer Relationship Management	M			H			H						
	Enterprise Resource Planning				H			H						
	Global Business Services Solutions				H			M						

Key: H = highly aligned; M = moderately aligned

Source: WW Infrastructure Program Management.

1	2	3	4	5	6	7			
Introduction	Install/ Competitive	Infrastructure Solutions	Business Solutions	Market to Business Partners	Financing	Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

Banking

Introduction

There has been a great deal of volatility in the world stock markets caused by the lack of confidence in the banking sector and the fear of a prolonged global economic recession. Credit markets are frozen, limiting access to capital. Overnight bank failures have led to widespread government intervention. Governments around the world have provided funding to shore up the banking system. According to the IBM Institute for Business Value, the industry is at a critical inflection point, and business models must adapt to a new environment that will require much more capital, liquidity and transparency. Many financial institutions have realized that they need government backing and oversight in the short and longer term to restore

confidence in the system in general and individual firms in particular. While the near-term priority is to stabilize the financial system, in the longer-term, the focus will be to better protect it.

A recent study conducted by the *Wall Street Journal* suggests that midsize banks in the U.S. could lose about US\$200 billion in 2010. About half of that is attributed to commercial and construction loans – something the midsize banks pursued as they were muscled out of mortgage and credit card business. As the real estate market declined, the value of those assets deteriorated, reducing the bank's capital to something less than what is considered sufficient by federal regulators.

(continued)

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

(continued from previous page)

The culmination of the current banking industry woes means that midsize banks (like large banks) will be subject to increased regulation, will increasingly become targets for mergers and acquisitions, and will need to have strong risk management to survive. This will drive a greater focus on financial performance, leading to a need for solid back office solutions coupled with risk management and compliance solutions. In addition, with consumer confidence shaken, midsize banks will need to continue to differentiate themselves through strong customer relationships. This means improving how they capture and access customer information and leveraging large amounts of customer data to gain insights to deliver offerings and services that will drive profitable revenue and build loyalty.

These challenging times provide IBM with incredible opportunities to meet the needs of midsize financial

institutions. IBM and our local Business Partners work together to:

- Streamline operations and drive efficiencies through *core banking/back office solutions*
- Deliver an integrated, richer customer experience through *sales, marketing and customer service solutions*
- Achieve smarter risk management through *risk, compliance and security solutions*

IBM and IBM Business Partners can help midsize financial institutions gain a competitive advantage by determining the best ways to modernize the back office, collaborate more effectively, reduce energy use and minimize exposure to security threats. IBM knows how to help midsize financial institutions compete and succeed on a smarter planet.

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

Banking Back Office

Marketplace Context

A February 2008 article in *The New York Times* predicted that as many as 50 banks could fail in the following 12 to 18 months. Since the beginning of 2008, regulators have seized 58 banks, 33 alone in the first half of 2009. However, with stock markets at an all time low, deposits at banking institutions are on the rise. Given the competitive nature of the current market and increased transaction volumes, banks will need to deliver a high level of service to keep existing customers and attract new ones.

Challenge for Midsize Banks

To compete and succeed in an industry increasingly fraught with failures and bailouts, midsize banks will need to streamline operations, improve reliability of their systems and service and reduce costs related to core applications such as financial, mortgage, and lending systems.

How IBM Can Help (IBM's Vision)

IBM can help midsize financial institutions reduce costs and gain competitiveness by simplifying, streamlining and integrating the back office.

Solution

Core banking solutions from IBM and its Business Partners provide flexible complete back office banking systems that eliminate redundant processes, integrate disparate data and systems to quickly respond to new competitive threats and market opportunities, while reducing operational costs throughout the bank.

(continued)



Smart is

midsize banks who stay ahead of the competition by shrinking product development time.

Priority Solutions

- IBM Lotus Forms Turbo v3.5
- IBM Threat Mitigation Services – Express managed protection services for server
- IBM Threat Mitigation Services – Express penetration testing services
- IBM Power Systems Express
- IBM BladeCenter Express
- IBM System Storage Express
- IBM System x Express
- ISV Solutions
- IBM Cognos Express Reporter
- IBM Cognos Express Xcelerator

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

(continued from previous page)

For midsize banks, getting new products to market faster is key to attracting new customers and penetrating new markets. IBM and its Business Partners offer core banking solutions that help midsize financial institutions develop new banking products faster to meet the growing demands of new and existing customers faster than ever before.

Core processing solutions from IBM and its Business Partners also help financial institutions gain competitiveness with continuously improved efficiencies and increased flexibility to meet the needs of demanding new clients and to reshape operations to be nimble. Further, IBM and Lawson financial and human resource management solutions for banking can help increase profitability, improve financial management, assist with reporting requirements, facilitate human resource management and help meet the demands of the financial services marketplace.

As customers push midsize financial institutions to act in a more responsible manner and banks begin to see the value in “going green,” IBM and its Business Partners offer solutions to help midsize financial institutions respond to new pressures surrounding energy costs, regulation and consumer activism. Focusing on reducing IT power consumption and other green issues can give midsize financial institutions a competitive advantage.

In addition, IBM Global Financing offers solutions for midsize financial institutions regardless of asset mix. These financing solutions are designed to fit the business strategies of midsize companies, reducing large up-front investments and lowering the total cost of ownership to enable innovation and drive growth.

Case Studies

North Shore Credit Union (U.S.):

Achieved \$100K of annual savings and reduced processing times by implementing an IBM Enterprise Content Management (ECM) and Business Process Management (BPM) solution.
[Learn more.](#)

CPB (U.S.):

Reduced administrative time by 300 percent and server management time to less than one hour by engaging IBM Global Technology Services to consolidate over 90 Dell and Hewlett-Packard servers onto 20 IBM System x and IBM BladeCenter servers.
[Learn more.](#)

Great Lakes Higher Education Loan Servicing (U.S.):

Reduced loan processing time from several months to a single day using IBM Software Services for WebSphere running on IBM eServer xSeries Model 335 servers and integrated with IBM DB2 Universal Database Enterprise Edition.
[Learn more.](#)

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

Banking Sales/Customer Service

Marketplace Context

The failure of large numbers of banks is causing customers to reassess the institutions that are safeguarding their savings and managing their loans. Consumer confidence in banks is shaky, making strong customer service all the more valuable. To maintain and increase the loyalty of existing customers, banks will need to be able to quickly access all available information about a customer and use it to devise relevant offerings and strategies to help their customers achieve their goals.

Challenge for Midsize Financial Institutions

Today's midsize financial institutions are struggling to drive new, organic growth. These growth challenges are compounded by a crisis in consumer confidence as well as increased competition from large banks, non-banks and other financial service providers. Midsize financial institutions are faced with exploding data that needs to be harnessed to gain better insights into their customers and markets, to better target new and existing customers, emerging market opportunities and increase organic revenue.

As midsize financial institutions navigate the competitive landscape in an effort to provide superior customer service, they need to be wary of attempting a "one-stop-shop" or universal model. The IBM Institute for Business Value's globalization study found that clients ranked superior execution first on a list of priorities for financial institutions, and "one-stop shop" dead last. Clients expressed skepticism that any one firm could deliver high quality client service and products within the one-stop-shop/ universal model. As a result, firms must work very hard to ensure their organizational structures help, not hinder, relationships with clients.

(continued)

1	2	3	4	5	6	7			
Introduction	Install/ Competitive	Infrastructure Solutions	Business Solutions	Market to Business Partners	Financing	Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

(continued from previous page)

How IBM Can Help (IBM's Vision)

IBM can help midsize financial institutions create a richer, more integrated client experience with hardware, software and services to help collect, connect and analyze customer information from across the enterprise to gain insights into customer behaviors and improve the customer's banking experience.

Solution

Front office solutions from IBM and its Business Partners help midsize financial institutions to:

- Increase revenues by improving cross selling of products and services
- Allow a bank to become more nimble
- Improve customer loyalty, profitability, retention and satisfaction
- Enhance the customer experience at all points of customer contact
- Develop better insights to create a better view of customer relationships

Business Intelligence (BI) solutions from IBM and its Business Partners help midsize financial institutions understand their customers better and make better business decisions based on actionable insights derived from data about customer and prospects. BI solutions provide better insights about customer behaviors and trends, improved information about the profitability of products and customers, enable better targeting and segmentation of their markets, improve customer service, allow tailored marketing efforts and improve channel efficiencies and integration of disparate data and systems to rapidly act on new customer insights.

(continued)



Smart is

midsize financial institutions that are able to understand the sales positions and profitability of the branch in real time and provide proactive recommendations for managing customers' portfolios based on actionable insights derived from customer data.

Priority Solutions

- IBM WebSphere Portal Express v6.1
- IBM Lotus Domino Express 8.5
- IBM Power Systems Express
- IBM BladeCenter Express
- IBM System Storage Express
- IBM System X Express
- ISV Solutions
- IBM Cognos Express Reporter
- IBM Cognos Express Xcelerator

1	2	3	4	5	6	7			
Introduction	Install/ Competitive	Infrastructure Solutions	Business Solutions	Market to Business Partners	Financing	Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

(continued from previous page)

Sales and service management solutions increase sales effectiveness through improved processes and access to better tools, skills and information.

Collaboration is especially important to midsize financial institutions that need to act with speed to meet customers' demands. To meet seemingly overwhelming business goals, sharing information with everyone involved – not only upper level management allows employees to communicate and collaborate when and where they need. This type of collaboration, enabled by IBM solutions, fosters common goals and allows companies to gain deeper insight into their customers' needs – thus providing increasingly customer-centric levels of service.

In addition, IBM Global Financing offers solutions for midsize financial institutions regardless of asset mix. These financing solutions are designed to fit the business strategies of midsize companies, reducing large up-front investments and lowering the total cost of ownership to enable innovation and drive growth.

Case Studies

North Shore Credit Union (U.S.):

Expanded customer wallet share by assisting staff in cross-selling efforts and achieved a 70% reduction in deficiencies in customer-facing processes by implementing an IBM Enterprise Content Management (ECM) and Business Process Management (BPM) Solution. [Learn more.](#)

Woodforest Financial Group (U.S.):

Expects to gain greater insight into customers by engaging IBM Software Group Services for Information Management to help it implement a business intelligence solution featuring IBM DB2 Data Warehouse Edition and IBM WebSphere Information Integrator. [Learn more.](#)

OTP Bank (Romania):

Implemented Lotus Domino Express to increase user connectivity regardless of location and developed new Lotus Domino software-based applications to support its business processes. [Learn more.](#)

1	2	3	4	5	6	7			
Introduction	Install/ Competitive	Infrastructure Solutions	Business Solutions	Market to Business Partners	Financing	Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

Banking Risk & Compliance, Security

Marketplace Context

When the housing market collapsed, the risk to banks increased as their debt-to-asset ratio increased. This led to the failure of many financial institutions and resulted in the current increased regulatory oversight from governments to help safeguard the public from further deterioration of their assets. In certain markets around the world, take China for example, the banking regulator, China Banking Regulatory Commission, relaxed the loan-deposit ratio for midsize banks in January 2009 to ease credit. However, actions like these have done little to improve the credit market and the banking industry continues to suffer from liquidity issues.

Challenge for Midsize Banks

Today, more than ever, banking is a highly regulated industry. Banks are required to have in place security solutions to safeguard banking systems and customer financial data and archiving systems for emails, instant messaging and documents. Partnering with a vendor who understands the fast changing details of compliance requirements and has proven to be successful with midsize financial institutions is key.

How IBM Can Help (IBM's Vision)

IBM can provide midsize financial institutions integrated risk management solutions that meet the fast changing compliance requirements of regulators, and optimize financial and operational risk.

(continued)



Smart is

midsize financial institutions who retain the right records, in the right form, for the right amount of time and know how to retrieve them for compliance purposes.

Priority Solutions

- IBM Threat Mitigation Services – Express managed protection services for server
- IBM Threat Mitigation Services – Express penetration testing services
- IBM IPS- data retention and archival – email management express
- IBM IPS – remote data protection express
- IBM Tivoli Access Manager for Enterprise Single Sign On v8
- IBM BladeCenter Express
- IBM Power Systems Express
- ISV Solutions
- IBM Rational AppScan Express
- IBM Express Managed Multi-Function Security Bundle

1	2	3	4	5	6	7			
Introduction	Install/ Competitive	Infrastructure Solutions	Business Solutions	Market to Business Partners	Financing	Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

(continued from previous page)

Solution

IBM Security solutions from IBM and its Business Partners provide a more security-rich environment for the banking industry's business-critical processes. IBM banking security solutions detect potential threats, recover from incidents should they occur and can manage all or part of the process. They facilitate system uptime and allow administrators to focus on performing key functions, rather than devoting their time to solving security violations, hardware failures and unscheduled service calls.

IBM Business Continuity solutions help midsize financial institutions ensure continuity of service and support for employees, customers and business partners, in order to maintain visibility before, during and after a business interruption.

In addition, IBM Global Financing offers solutions for midsize financial institutions regardless of asset mix. These financing solutions are designed to fit the business strategies of midsize companies, reducing large up-front investments and lowering the total cost of ownership to enable innovation and drive growth.

Case Studies

Guaranty Bank of Milwaukee, Wisconsin (U.S.):

Eliminated redundant processes for greater efficiency; reduced operational costs in their retail branch environment and mortgage lending division using IBM Content Manager onDemand and IBM Content Manager. [Learn more.](#)

Queensborough Bank (U.S.):

Prepared for business growth, prevented data loss from outages and realized annual savings of \$1.2 million by engaging IBM Business Partner Metavante (Kirchman Bankway Division) to help design and implement a storage environment based on IBM TotalStorage N3700 storage servers and an IBM TotalStorage 3582 Tape Library. [Learn more.](#)

Washington Trust Bank (U.S.):

IBM Business Partner IT-Lifeline customized a secure, off-site managed data backup and recovery solution to ensure growing banks' data remains safe. [Learn more.](#)

1	2	3	4	5	6	7			
Introduction	Install/ Competitive	Infrastructure Solutions	Business Solutions	Market to Business Partners	Financing	Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

Wholesale

Introduction

Today, wholesale distributors face increasingly sophisticated demands from suppliers and customers that require a broader product mix to satisfy. Wholesale companies also face increased competition to gain and maintain customer loyalty. This increased competition squeezes revenue, profits and margins, making it harder to ensure profitability.

Midsized wholesalers, even more than large wholesalers, are feeling the strain of the tight credit market, as their cash flow is limited and they rely on upwards of 60% borrowed capital to ensure smooth operations. Complicating matters, midsized wholesalers have in-house applications and multi-vendor systems that are often near-obsolete, disjointed and siloed. They often don't have a unified view of customers or inventory.

However, new smart technology solutions and initiatives can help wholesale distributors meet the challenges of today's economic environment. To grow a smarter

wholesale distribution operation, wholesalers can reduce inventory while keeping customer service high. To compete in a new global marketplace with speed, agility and innovation and embrace environmental efficiency to best use resources and reduce waste.

These challenging times provide IBM with incredible opportunities to meet the needs of midsized wholesale distributors. IBM works with our local Business Partners to:

- Predict consumer demand through *forecast and demand planning/Business Intelligence*
- Gain increased control over the business through *business process integration/ERP*
- Utilize resources more efficiently through *supply chain management execution*

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

Wholesale Forecast and Demand Planning Systems/Business Intelligence

Marketplace Context

Around the world in geographies with large populations that require strong wholesale distribution industries, wholesale inventories are increasing while wholesale sales are decreasing. For instance, in the fourth quarter of 2008, U.S. wholesale inventories increased \$6.2 billion, while wholesale sales decreased¹. In a slow-moving economy in particular, wholesalers cannot carry large inventories, since carrying too much inventory or too many slow-moving items ties up capital and reduces profit. On the other hand, not carrying enough of the right inventory can lower fill rate, revenue, and customer satisfaction. Most of the inventory wholesalers carry is either funded by suppliers or by banks. As sales drop, inventory will remain in wholesaler warehouse longer. Suppliers will demand payment. As wholesaler financials deteriorate, banks will be reluctant to lend. Wholesalers must identify dead inventory as a source of immediate revenue, and reduce future investments.

Challenge for Midsized Wholesalers

Today many wholesalers rely on near obsolete, home-grown IT systems that don't connect the information needed to predict supply and demand. This leads to operational inefficiencies, lower levels of customer service and missed revenue opportunities.

(continued)



Smart is

Midsized wholesale distributors who are able to shift inventories in response to predicted customer demand to lower inventory costs and increase customer satisfaction and retention.

Priority Solutions

- ISV Solutions
- IBM Express Supply Chain Diagnostic Solution
- IBM Express Services for Inventory Management
- IBM Cognos Express Reporter
- IBM Cognos Express Advisor
- IBM Cognos Express Xcelerator
- IBM Express Application Package Selection Services

¹ Report by the U.S. Department of Commerce.

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

(continued from previous page)

How IBM Can Help (IBM's Vision)

IBM can help wholesalers integrate systems to deliver one holistic view of their organization. This enhances the way wholesalers forecast demand, by enabling them to streamline their operations eliminating excess stock, optimizing resource allocation, improving inventory management and effectively delivering better customer service. With a single view of operations, wholesalers can focus more on their core business, while benefiting from lower costs, less waste and an increased opportunity to grow.

Solution

IBM and its Business Partners offer Forecast and Demand Planning solutions that improve the inventory planning process, enabling midsize wholesale distributors to optimize inventory levels and make smarter business decisions. These solutions lead to better stock turnover and reduce inventory while still maintaining service levels. These solutions can optimize the balance between demand and the amount of inventory carried so that profits are maximized and customers are satisfied.

IBM's Business Intelligence solutions can help wholesalers improve decision-making by identifying opportunities for cost reduction and more effective inventory management. These solutions can improve employee productivity, optimize business performance and integrate the enterprise, providing the tools, dashboards and portals needed to make better business decisions and better understand customers.

IBM Global Financing offers solutions for Business Management Systems and Supply Chain, regardless of the clients' asset mix. It is designed to fit the clients' business strategy, freeing up their cash for core investments and lowering their total cost of ownership.

Case Studies

AG Thames Holdings (U.K.):

Realized hundreds of thousands of pounds in savings by quickly identifying inefficiencies in its supply chain and overall business in real time by deploying the business intelligence application on the reliable System p platform. [Learn more.](#)

Svensden Sport (Denmark):

An upgraded Microsoft Dynamics AX ERP System and IBM Cognos Business Intelligence solution implemented by IBM Business Partner EDB Gruppen enabled detailed business reports and access to real-time information via web-based dashboard, reducing manual workload by 80%. [Learn more.](#)

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

Wholesale Business Process Integration Solutions (Collaboration and ERP)

Marketplace Context

The overall reduction in demand from consumers is driving down lead times for midsize wholesalers. And many business processes play a role in extending lead time, like order taking, credit checking, and warehouse order fulfillment, and the wholesaler has to adjust replenishment parameters and fine tune service goals internally depending on these various processes.

Challenge for Midsize Wholesalers

Often, midsize wholesalers have home-grown applications and systems that are disjointed and siloed, which do not provide a unified view of customers or inventory. In addition, wholesalers are under increased pressure from shrinking margins and aggressive deadlines from customers. Obtaining an accurate, unified view of the business becomes increasingly important to both customer and supplier satisfaction.

How IBM Can Help (IBM's Vision)

In an environment where change is constant and pressure is key, a flexible wholesale operation based on collaboration and supported by agile business models and dynamic business processes is uniquely positioned to compete and succeed. Successful midsize wholesalers understand the need to shorten lead times to increase customer satisfaction.

(continued)



Smart is

midsize wholesalers who cut down order lead times significantly using historical data along with real-time sales data to make sure that what customers are looking for today will be available.

Priority Solutions

- ISV Solutions
- GBS Services for SAP, Oracle, Lawson
- IBM Lotus Domino Express 8.5
- IBM WebSphere Portal Express v6.1
- IBM Rational AppScan Express
- IBM System x Express
- IBM DB2 Express Edition Version 9.5
- IBM Power System Express
- IBM IPS- remote data protection express
- IBM IPS- data retention and archival – email management express

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

(continued from previous page)

Solution

IBM and IBM Business Partners deliver Business Management Systems (Distributor ERP) that help customers adopt agile business models and dynamic business processes so that they can manage change rapidly and effectively. By working smarter, companies can reduce costs, increase productivity and increase revenue through operational efficiency and effectiveness across the entire enterprise. Business Management Systems (BMS) automate and integrate business processes while reducing costs.

The solution also allows users to see inventory information in one unified view, which means increased control and better customer service, without having to carry excess inventory to cover uncertainties in delivery dates. When one location is out of stock on any given product, the right people can be notified to find inventory in alternate locations. This collaboration allows the wholesaler to meet the needs of the customer in a timely and accurate fashion. This speed-to-market can result in increased business volumes and transactions, and ultimately help improve their bottom line.

Case Studies

Ateeco (U.S.): Implemented IBM System i and SAP All-in-One and now prepares end-of-month reports 70% faster and enjoys improved inventory control and overall reduced operational costs. [Learn more.](#)

American Diagnostic (U.S.): Worked with IBM Business Partner VAI to implement Business Management Systems (BMS) and cut order time in half, reduced pricing errors by 80%, and improved shipping accuracy to 99.95%; shipping department staff has not increased, though business volumes have doubled. [Learn more.](#)

PA Distributors (U.S.): Moved 22% of orders to internet-based parts ordering system within three months of IBM Business Partner DST's implementation of iSeries solution, eliminating 1,500 to 2,000 calls per month to call center. [Learn more.](#)

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

Wholesale SCM Execution (Warehouse and Logistics Management)

Marketplace Context

As consumer spending has slowed, wholesalers find themselves under pressure. Their customers have reduced their order quantities, yet still place more orders and demand better prices. Having more transactions (orders) to handle at lower quantities means wholesale revenues are lower, yet transaction costs are higher. Warehouse resources will have to deal with an increasing number of smaller transactions that hurt productivity. Conversely, another subsection of customers will always try to gain lower prices on products bought in larger quantities. These types of deals may place pressure on wholesalers' internal costs and profits.

Challenge for Midsized Wholesalers

Wholesalers need to make the best use of space, energy, people, equipment and time in order to keep up with demand and ensure fast response to customer needs.

How IBM Can Help (IBM's Vision)

IBM can help drive efficiency. For wholesalers, efficiency means making the best use of space, energy, people, equipment and time to improve customer satisfaction and the bottom line.

(continued)



Smart is

midsized wholesalers who are able to reduce shipping time, decrease pricing errors and increase delivery accuracy, without increasing costs – resulting in higher employee productivity and higher returns.

Priority Solutions

- ISV Solutions
- IBM Maximo Asset Management Essentials v7.1
- IBM WebSphere Portal Express v6.1
- IBM Lotus Domino Express 8.5
- IBM Cognos Express Reporter
- IBM Threat Mitigation Services – Express managed protection services for server
- IBM System x Express
- IBM Power Systems Express
- IBM BladeCenter Express
- IBM System Storage Express

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

(continued from previous page)

Solution

Warehouse Management Systems (WMS) from IBM and its Business Partners can reduce costs and increase profits by optimizing the use of warehouse space and ensuring proper stock rotation. These solutions help reduce order time, increase shipping accuracy and reduce pricing errors, contributing to a lean and efficient operation. Further, WMS can help optimize resources; grouping orders together means picking accuracy and speed can be improved significantly. Lost and damaged inventory is reduced, while RFID solutions also help expedite warehouse operations.

Case Studies

Speedy Products (U.K.):

Implemented supply chain management software from IBM Business Partner IBS, running on the System i platform, and achieved almost 25% reduction in inventory levels, helping to reduce warehousing costs, free up cash flow and improve ability to respond to forecasted demand. [Learn more.](#)

J.A. Henckels (Germany): Doubled revenue and transactions without adding cost by implementing IBM's Warehouse Management System (WMS) and Business Management Systems (BMS). [Learn more.](#)

MF Logistics (U.K.): Increased customer satisfaction, streamlined administrative processes, and decreased time to compile KPI reports by developing its own track & trace application based on IBM Lotus Domino Collaboration Express software. [Learn more.](#)

1	2	3	4	5	6	7			
Introduction	Install/ Competitive	Infrastructure Solutions	Business Solutions	Market to Business Partners	Financing	Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

Healthcare

Introduction

While our world has become more interconnected, intelligent and instrumented, not all businesses have been able to keep up with the pace of change. Although healthcare is not alone in these challenges of keeping pace, the sensitive nature of their business should demand change. But the ability to implement change is challenged by two major dynamics related to the economic crisis – changing healthcare coverage that has patients delaying or foregoing elective procedures which represent significant revenue to hospitals and doctors, and on top of that, the credit squeeze which is impacting both patients and healthcare providers across the world. Reduced revenue has hospitals delaying, downsizing or cancelling building projects and other capital expenditures. Administration and policy changes are likely to be impacted, resulting in an increased focus on value, such as cost and quality.

Needless to say, hospitals are hesitant to revamp their infrastructure. They view every dollar spent on IT as a deferral from precious capital that truly saves lives. Most patient records are paper and patient x-rays are film, which means valuable life saving data is disconnected and manually transferred through departments. This lengthens the diagnosis process, increases risk of

error and delays the course of action for patient care. Essentially this means the ability to better save patients or increase care is delayed. Despite the recognition of the benefits, hospitals are not investing in these areas.

The ability to survive and grow in today's economic climate requires that hospitals look for innovative approaches to their entire business operation – comprehensive process improvements that minimize costs and improve service in all departments. IBM brings a unique combination of thought-leadership, solution and technology innovation, deep healthcare expertise, and experience drawn from innovators in clinical excellence and prominent institutions, backed by cross-industry best practices and healthcare, IT consulting and implementation services and integrated technologies. IBM and its Business Partners offer valuable tools and solutions to get started, in areas such as use of digital and mobile solutions to replace current manual processes to improve patient care, staff productivity and overall cost-control.

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

Healthcare Operational Efficiency

Marketplace Context

The decline in the world economy has resulted in many people losing their jobs. As a result, they no longer have the benefit of employer-sponsored health insurance where available, and they are delaying elective procedures, forgoing screenings and relying on hospital emergency rooms to provide basic health care services. All of which is driving a significant decline in hospital revenues. To offset the revenue shortfall, hospitals will need to maximize the efficiency of their operational environments.

Challenge for Healthcare Providers

Healthcare providers are facing three primary challenges in terms of operational efficiency:

- 1) *Optimizing IT to control the growth of administrative costs:* Increasing costs and reduced payments for procedures are challenging healthcare organizations to do more with less. On top of this, hospitals are constantly under pressure to keep their medical records and technology current and up-to-date,

which results in a significant amount of capital required to invest in these upgrades. It is important that hospitals maximize every bit to build more efficient business processes.

- 2) *Improving quality of care and patient safety:* Midsize healthcare organizations are constantly seeking to improve the quality of patient care and reduce medical errors. Patient satisfaction is a top business priority and a key measure in hospital quality. Consumers are paying more for healthcare as costs shift through increased premiums and co-pays, and they expect more and demand more choices. On top of this, reports estimate that nearly \$17 billion of medical error costs are preventable each year.

(continued)

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

(continued from previous page)

3) *Boosting employee productivity*: Many hospitals have numerous systems and applications in place. These applications are often siloed and redundant – making it difficult and time consuming for anyone in the organization to get a full view on things such as critical patient data. And now with more employees on the move or working from remote locations, organizations need ways to optimize staff productivity while still managing costs. Healthcare's mobile workforce requires a wireless environment that supports better communication and collaboration with secure and reliable wireless connectivity. Maintaining multiple wireless IT and communications systems is costly and time-consuming and organizations want a single, integrated voice and data network infrastructure.

How IBM Can Help (IBM's Vision)

On a smarter planet, healthcare providers develop a long-term data strategy, and reduce costs and inefficiencies by managing all business processes. They optimize diagnosis and patient care, making patients happy and reducing costly medical error. They also have systems that talk to each other, so that their employees can talk to each other, no matter where they are. They can access an individual's full medical history with a single trusted view, and doctors are able to locate and prioritize patients for care by automatically tracking and recording the position of patients, medical devices and assets.

(continued)



Smart is

midsize healthcare companies who can proactively predict care while minimizing cost, for more effective business operations.

Priority Offerings

- GBS Services for SAP, Oracle, Lawson
- IBM Express Life Sciences Solution, a qualified SAP All-in-One solution
- IBM and Misys Express Solution for Healthcare Providers
- IBM Express Application Package Selection Services
- IBM Threat Mitigation Services – Express managed protection services for server
- IBM Maximo Asset Management Essentials – v7.1
- IBM Power Systems Express
- ISV Solutions
- IBM Cognos Express Reporter
- IBM WebSphere Portal Express v6.1

1	2	3	4	5	6	7			
Introduction	Install/ Competitive	Infrastructure Solutions	Business Solutions	Market to Business Partners	Financing	Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

(continued from previous page)

Solution

IBM can help plan and implement IT solutions that allow healthcare providers to control costs, optimize existing investments, manage information, and position them for tomorrow's growing needs. IBM provides cost-effective, highly integrated, secure, easy-to-manage systems and storage to run healthcare business applications. IBM offerings are competitively priced and designed to address the needs of midsize businesses and deliver measurable business value for healthcare providers, while reducing total cost of ownership.

In addition, IBM Global Financing offers solutions for healthcare companies. These financing solutions are designed to fit the business strategies of midsize companies, reducing large up-front investments and lowering the total cost of ownership to enable innovation and drive growth.

Case Studies

Iowa Health Systems (U.S.): An integrated health care system implemented IBM solutions to improve scalability and maintenance for image archiving, automating management tools, ensuring image accessibility in the event of data loss, and improving patient care with fast access to historical images. [Learn more.](#)

Antelope Valley Hospital (U.S.): A not-for-profit hospital used IBM solutions to eliminate frequent system failures and time consuming maintenance and virtualize 98 servers, paving the way to improved patient care through faster servers, increased storage, reliable backup and significant cost savings. [Learn more.](#)

Sainte-Justine Hospital (Canada): A hospital doing pediatric research used IBM solutions to streamline and automate clinical information gathering and expects to achieve a 75% reduction in administrative costs and a 90% reduction in time required to gather research cohorts. [Learn more.](#)

1	2	3	4	5	6	7			
Introduction	Install/ Competitive	Infrastructure Solutions	Business Solutions	Market to Business Partners	Financing	Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

Healthcare Compliance

Marketplace Context

Governments are playing a bigger role in healthcare, as nations strive for higher levels of patient care and better use of cutting-edge technology to improve the quality of life of citizens. The American Recovery and Reinvestment Act of 2009 provides IT funds to healthcare providers to help them implement electronic medical records to improve the quality of medical care, reduce medical errors and slow rising costs of healthcare. China has pledged US\$125 billion by 2011 to provide universal medical coverage for its entire population. It has also spearheaded the development of a Clinical and Health Records Analytics and Sharing system to integrate complex clinical data and enable sharing of electronic health records between different facilities, as well as to enhance healthcare practitioners' ability to provide better, more customized treatment

to patients. And in May 2009, the Health Insurance Institute of Slovenia announced that it will roll out a new electronic health insurance card system based on IBM technology across the country, enabling hospitals to instantly and accurately check a patient's health insurance status and allows for health claims to be processed online. All of these measures that are being taken across the globe require heightened security and regulatory compliance for patient information, to ensure privacy in the world of always-on technology. This means countries are increasingly passing laws requiring stricter compliance for midsize healthcare providers to ensure better quality of patient care.

(continued)

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

(continued from previous page)

Challenge for Healthcare Providers

Because midsize healthcare providers tend to be resistant to IT spending, meeting governmental regulations becomes a difficulty because often their IT systems are not equipped to handle the more stringent requirements paired with technologically advanced patient care. In order to be prepared to meet the regulations and restrictions that frequently impact the healthcare field, midsize companies need to make their IT infrastructure more dynamic. Their IT security needs to be tight, their patient information needs to be protected in the event of a disaster, and their business operations need to be flexible to deal with quick change.

How IBM Can Help (IBM's Vision)

On a smarter planet, midsize healthcare providers use their IT to advance patient care while helping them protect patient information. They safeguard their systems and information in order to stop hackers, viruses or data loss of any kind. They make sure their systems are integrated so they can manage their people, processes and information all at once. And they do all of this to ensure their standards of patient care meet government regulations before they face challenges related to lack of compliance.

(continued)



Smart is

midsize companies who use their IT to help prepare for compliance challenges before they occur, in order to promote better patient care.

Priority Offerings

- IBM Threat Mitigation Services – Express managed protection services for server
- IBM Threat Mitigation Services – Express penetration testing services
- IBM IPS – data retention and archival – email management express
- IBM IPS – remote data protection express
- IBM Express Managed Multi-Function Security Bundle
- IBM Rational AppScan Express
- IBM Tivoli Access Manager for Express Single Sign On V8
- IBM Tivoli Provisioning for OS Deployment
- IBM Power Systems Express
- IBM System x Express

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

(continued from previous page)

Solution

IBM is a trusted advocate for healthcare advancement, sitting shoulder-to-shoulder with policymakers in prestigious conferences across the globe. IBM can help midsize companies plan and implement a cost-effective, resilient, secure IT infrastructure, combined with deep healthcare industry expertise, to enable healthcare organizations to immediately address more stringent governmental regulatory compliance requirements. IBM's security, identity management, business continuity & disaster recovery, wireless, portal, data center/IT optimization solutions and storage virtualization, all built on IBM hardware, software and services, are designed and priced for exceptional performance, manageability and scalability with low total cost of ownership and superior financing options.

In addition, IBM Global Financing offers solutions for healthcare companies. These financing solutions are designed to fit the business strategies of midsize companies, reducing large up-front investments and lowering the total cost of ownership to enable innovation and drive growth.

Case Studies

Northwest Hospital and Medical Center (U.S.):

A 281-bed hospital used IBM solutions to provide staff with single sign-on access to healthcare applications, reducing costs, strengthening security, and achieving compliance with HIPAA's physical and workstation requirements. [Learn more.](#)

1	2	3	4	5	6	7			
Introduction	Install/ Competitive	Infrastructure Solutions	Business Solutions	Market to Business Partners	Financing	Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

Industrial

Introduction

In the current world marketplace, the manufacturing industry is experiencing intense fundamental change. Globalization has made economies more interdependent, causing supply chain fluctuations in one market to be felt across multiple countries around the world. On top of that, the financial crisis has caused decades' worth of shifts in the financial markets to occur over a period of mere months, generating unprecedented responses within the global economy. As advanced economies are pushed closer to recession, emerging markets in China, India, eastern Europe and Latin America are driving global growth and demand for manufactured products and services. And as these countries build wealth through manufacturing strength, global supply is also growing. But midsize manufacturers are experiencing undue pressures around the cost of production and distribution, as the cost to source materials, manufacture products, contract production in external markets and transport goods to market continues to rise. Increasing demand for raw materials in emerging markets has caused shortages and price increases, and the rising energy costs of oil are beginning to outweigh other savings associated with global manufacturing. In this environment, midsize companies are not able to secure loans. And without cash flow, they can't be flexible to respond to the marketplace.

Midsize manufacturers are looking to improve cash flow and revenue margins so they can optimize supply chains, respond more quickly to change, create more effective operations, retain and acquire new customers,

demonstrate social responsibility, introduce new products and increase brand image and recognition. They are trying to do more with less, cut costs, drive profits and remain competitive. Manufacturers know they need to innovate to achieve competitive advantage and grow, but don't have an arsenal of resources to do so. They need to manage profitability in an environment of economic uncertainty by:

- Reducing costs
- Increasing efficiency through smart systems to drive sustainable growth
- Improving business flexibility
- Improving the customer experience
- Maximizing sales and marketing
- Managing real-time information, predicting outcome, engaging the value chain and optimizing business performance

Global supply and competition for manufactured products calls for bold changes to business models and competitive strategies. Customers are smarter and more informed than ever and are impacting what manufacturers will make. Manufacturers need to be able to quickly respond to meet these demands. Technology improvements can advance product functionality and reliability, as well as the manufacturer's ability to plan, manage and control global operations with the least cost and greatest flexibility. Implementing a dynamic and secure infrastructure can help midsize industrial companies drive down costs, reduce risk and support global integration.

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix		
Business Solutions program profiles	Banking	Wholesale	Healthcare Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

Industrial Supply Chain Logistics & Manufacturing

Marketplace Context

Due to economic uncertainty, industrial supply is unreliable, and currency fluctuations have further impacted the cost structure. Finished goods inventory is piling up in manufacturing firms, which has halted production lines. Manufacturers who were once faced with capacity planning challenges are now facing overhead cost allocation challenges, as their production lines and people fall idle. And while some immediate variable costs can be cut, fixed costs will still impact overall manufacturing financials.

Challenge for Manufacturers

Today's manufacturers must find ways to optimize the cost of their inventory, distribution and logistics. By increasing visibility into their entire value chain, they can make smarter decisions resulting in reduced errors, less supply chain inventory and increased flexibility to changing requirements. They need to weed out weak, unreliable vendors and decrease procurement costs. On top of that, they need to manage regulatory compliance, improve internal and external collaboration to help them manage demand volatility and risk, and reduce carbon emissions caused by supply chain activities. If manufacturers can become more agile, they can improve supply chain network design, global enterprise productivity, efficiency and competitiveness.

(continued)



Smart is

midsize manufacturers who make their business processes more flexible and integrated, to better optimize inventory, operations and fixed costs.

Priority Offerings

- ISV Solutions
- GBS Services for SAP, Oracle, Lawson
- IBM Express Supply Chain Diagnostic Solution
- IBM Express Application Package Selection Services
- IBM Cognos Express Reporter
- IBM WebSphere Portal Express v6.1
- IBM Power Systems Express
- IBM BladeCenter Express
- IBM System x Express
- IBM Threat Mitigation Services – Express penetration testing services

1	2	3	4	5	6	7		
Introduction	Install/ Competitive	Infrastructure Solutions	Business Solutions	Market to Business Partners	Financing	Appendix		
Business Solutions program profiles	Banking	Wholesale	Healthcare Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

(continued from previous page)

How IBM Can Help (IBM's Vision)

On a smarter planet, midsize manufacturers can see all the way down the value chain. Their people and production lines stay busy because they use insights extracted from information in order to make more accurate inventory projections and to keep their operations flexible and able to adapt to changes in demand, even in an uncertain economic environment. They take measures to cut immediate costs, but they also plan for the future, finding ways to make operations more efficient in order to cut fixed costs too.

Solution

IBM and IBM Business Partners help manufacturers optimize their resources, inventory and processes, eliminating waste in procurement, production, shipping and overall operations by harnessing information that helps them make smarter decisions. With smarter, more optimized and integrated business processes, manufacturers can cut more immediate variable costs by adopting greener business processes, while focusing on creating value and driving down fixed costs for the long run.

In addition, IBM Global Financing offers solutions for manufacturing companies. These financing solutions are designed to fit the business strategies of midsize companies, reducing large up-front investments and lowering the total cost of ownership to enable innovation and drive growth.

Case Studies

Dorcy International (U.S.): Dorcy International – A global distributor of flashlights used software from IBM Business Partners to streamline its fragmented global supply chain and limit inventory variances with real-time visibility, reducing the number of charge-backs by 90 percent. [Learn more.](#)

Michelin Investment Co., Ltd. (China): A major tire manufacturer used IBM solutions to successfully establish a collaborated supply chain system for its sales division, reducing channel management costs by 20 percent and enhancing efficiency by 20 percent. [Learn more.](#)

Victor Manufacturing (U.S.): An automotive parts supplier used solutions from an IBM Business Partner to automate tracking and scheduling, accelerating production by 20 percent, increasing inventory accuracy to nearly 100%, and saving the materials manager 1.5 days of work per week. [Learn more.](#)

1	2	3	4	5	6	7			
Introduction	Install/ Competitive	Infrastructure Solutions	Business Solutions	Market to Business Partners	Financing	Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

Sales, Marketing and Customer Service

Marketplace Context

The overall reduction in demand is driving customers to bargain hunt wherever they can. But this heightened focus on price tags creates pressure to lower prices, which in turn means reduced revenue streams for manufacturers. These lower margins increase the need to ensure customer satisfaction and retention.

Challenge for Manufacturers

Manufacturers need to increase customer satisfaction, retention, acquisition and improve service levels. They also face the challenge of lowering operational costs while increasing revenue. To do this, they must find ways to retain and acquire customers through an improved customer experience, while increasing workforce productivity and marketing and sales effectiveness.

(continued)



Smart is

midsize manufacturers who manage and automate the customer relationship in order to retain and acquire customers while improving revenue.

Priority Offerings

- ISV Solutions
- IBM WebSphere Commerce – Express v6.0
- IBM Rational AppScan Express
- IBM WebSphere Portal Express v6.1
- IBM Lotus Domino Express 8.5
- IBM Cognos Express Reporter
- IBM Power Systems Express
- IBM System x Express
- IBM IPS – remote data protection express
- IBM IPS – data retention and archival – email management express

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix		
Business Solutions program profiles	Banking	Wholesale	Healthcare Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

(continued from previous page)

How IBM Can Help (IBM's Vision)

On a smarter planet, manufacturers know their customers. They know how their customers buy, they see and respond to fluctuations in customer behavior, and they understand how to most effectively market to different customers. By truly understanding their customers' buying habits and preferences, rather than treating each individual interaction separately, smarter midsize manufacturers' customers aren't strangers – more importantly, their customers stay customers.

Solution

IBM and IBM Business partners help manufacturers improve the customer experience by more effectively managing and automating aspects of the customer relationship. Smarter Customer Relationship Management (CRM) allows manufacturers to act with speed in responding to customers. Improved customer experience increases customer retention which improves revenue yields. CRM also helps identify the most profitable customers, increasing the effectiveness of marketing and sales efforts which increase revenue through customer acquisition.

In addition, IBM Global Financing offers solutions for manufacturers. These financing solutions are designed to fit the business strategies of midsize companies, reducing large up-front investments and lowering the total cost of ownership to enable innovation and drive growth.

Case Studies

Thetford B.V. (Netherlands):

A manufacturer of mobile sanitation solutions for recreational vehicles used IBM solutions to implement a CRM system to help speed responsiveness to customers, reducing purchase approval time from days to minutes and customer data research time for sales managers by up to one hour per day. [Learn more.](#)

ASTORplast Klebetechnik (Germany):

A manufacturer of glues, bonding technologies and coatings worked with an IBM Business Partner to create a customer complaint and feedback system, nearly eliminating internal company paperwork, reducing error levels and costs and raising customer service and satisfaction. [Learn more.](#)

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix				
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	Cross-Industry	SCM	CRM	ERP	Global Business Services Solutions

Industrial R&D and Product Development

Marketplace Context

In today's economic environment, demand is weak. This means there's a shortage of cash to help midsize manufacturers run their businesses, at a time when they need it the most. While finished goods inventory is sitting in shipping decks not moving, it's losing value. Beyond that, raw materials, idle equipment and labor all incur costs that need to be paid. But credit has become a scarce commodity, so manufacturing firms short on cash are leaning on suppliers longer than they should be, putting both manufacturers and suppliers in a difficult position.

Challenge for Manufacturers

In the face of weak demand and cash and credit shortages, there are three main challenges facing midsize manufacturers who want to stay ahead:

- *Product differentiation:* Standing out in the marketplace is critical for midsize manufacturers. As out-of-date products are quickly replaced in the market with new, innovative products that meet customer needs, manufacturers must act with speed to improve planning, manufacturing yields, and deployment of new capabilities and innovations.
- *Time-to-market:* Manufacturers must achieve faster time-to-market for new products and product enhancements, to help them focus on quick wins and long-term sustainable results so they can stay competitive. Manufacturers need to leverage current technologies to increase awareness and consideration. Advanced tools for design, workflow, and product data have increased the capabilities within the midmarket manufacturing industry, and midsize manufacturers need to take advantage of these tools to get ahead.

(continued)



Smart is

midsize manufacturers
who increase revenue

by acting with speed to deliver
innovative, differentiated products at
low cost.

Priority Offerings

- ISV Solutions
- IBM Maximo Asset Management Essentials v7.1
- IBM WebSphere Portal Express v6.1
- IBM Lotus Domino Express 8.5
- IBM Power Systems Express
- IBM BladeCenter Express
- IBM System x Express
- IBM Systems Storage Express
- IBM Threat Mitigation Services – Express managed protection services for server

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix		
Business Solutions program profiles	Banking	Wholesale	Healthcare Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

(continued from previous page)

- *Collaborative design*: Streamlining the design process and improving collaboration with manufacturing, procurement, suppliers, and customers is a must for manufacturers. They need to use more collaborative design to reduce development time for new product designs, minimize rework and reduce the number of product enhancements that need to be released – because the right product is released the first time.

How IBM Can Help (IBM's Vision)

On a smarter planet, manufacturers face cost pressures head-on through innovation. They quickly create products that are new and different and bring the customer something that thoughtfully meets their needs. Instead of working in silos, their teams work together on new product research and design, using current technology and all of the brainpower at their disposal to get new ideas into market as quickly as possible – and before the competition.

Solution

IBM and IBM Business partners help manufacturers improve planning, innovations, new products, capabilities and network designs to support the organization in the search of new customers and markets and a stronger value proposition to produce revenue in a weak economy. Product Lifecycle Management solutions from IBM allow manufacturers to reuse existing designs and release new products to the market faster.

In addition, IBM Global Financing offers solutions for manufacturers. These financing solutions are designed to fit the business strategies of midsize companies, reducing large up-front investments and lowering the total cost of ownership to enable innovation and drive growth.

Case Studies

CAD/CAM Solution sp. z.o.o. (Poland): An automotive dye manufacturer implemented an IBM Product Lifecycle Management solution, decreasing design time by 30% and eliminating design errors by 85%. [Learn more.](#)

Clarion Malaysia (Malaysia): An audio electronics manufacturer used IBM Product Lifecycle Management solutions to improve its product design process, reducing the design cycle time by 50 percent, reducing tooling preparation time by 60 percent and cutting materials use through superior 3D modeling. [Learn more.](#)

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

Retail

Introduction

IBM understands that the current world marketplace creates both threats and opportunities for midsize retailers. The global recession is forcing midsize retailers to differentiate themselves to remain competitive and grow, while still reducing costs and providing increasing value to the consumer. Further, consumers are demanding change from retailers in terms of shopping experience, customer service and their overall relationship with the companies where they spend their hard-earned dollars. Consumers expect to be able to shop when, where and how they want, and they expect their experience with a brand to be positive and consistent across all channels. The paradox is that while shoppers are looking to develop strong relationships with retailers – to become *advocates*, to seek out a retail home – they are more ready than ever to switch retailers if they are not happy with their overall experience. In order to succeed in today's new economy, midsize retailers must adapt to these fundamental shifts in consumer behavior to attract new shoppers and create more advocates, while continuing to lower costs and create future value.

These challenging times provide IBM with incredible opportunities to meet the needs of midsize retailers. IBM works with our local Business Partners to:

- Create loyalty and advocacy through a *smarter shopping experience*
- Create business value through *smarter merchandising and supply chains*
- Reduce costs and improve business performance through *smarter operations*

IBM is the leader in helping retailers differentiate themselves by delivering innovative solutions in the fastest time to value with the least risk. IBM's innovative solutions include the most comprehensive portfolio of hardware, software and services, delivered with the deep retail experience and expertise of IBM and IBM Business Partners.

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

Cross-Channel Retailing

Marketplace Context

Customers are more informed than ever before about their retail purchases. Their ability to access real-time product reviews and competitive prices and purchase merchandise via any channel –in store, or via catalog, web, or even mobile applications – means that customers are increasingly becoming more demanding and less loyal to retailers. Studies show that retailers only have a few chances to get things right: consumers will move to a new retailer after 3.1 negative experiences². Reaching newly connected customers takes personalization, collaboration and co-creation. This includes providing a rich user experience to customers, suppliers, employees and partners. In today's fluctuating economy, the ability to adapt to changing economic conditions is a critical factor to mitigate risk and drive profit.

Challenge for Midsize Retailers

Today's midsize retailers must make their in-store experience more compelling for customers. To ensure customers are able to buy through multiple channels, retailers need to integrate their operations from product and order management to e-commerce and customer marketing. Retailers need a view that reflects all shopping activities and enables each customer's shopping experience to be enhanced and personalized.

(continued)



Smart is

midsize retailers who achieve cross-channel brand integration so a customer can move from web to phone to store and feel like their experience with the brand is reinforced and strengthened.

Priority Solutions

- ISV Solutions
- IBM WebSphere Commerce – Express v6.0
- IBM WebSphere Portal Express v6.1
- IBM Rational AppScan Express
- IBM AnyPlace Kiosk
- IBM Threat Mitigation Services – Express managed protection services for server

² Source: IBM, "Shopper advocacy: Building consumer trust in the new economy"

1	2	3	4	5	6	7			
Introduction	Install/ Competitive	Infrastructure Solutions	Business Solutions	Market to Business Partners	Financing	Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

(continued from previous page)

How IBM Can Help (IBM's Vision)

On a smarter planet, customers are able to shop however, whenever and wherever they choose. They can find the products they want, along with the service, quality and value they expect. Interactions with brand representatives are enjoyable, relevant, timely and – most importantly – consistent across channels. More satisfied and loyal customers lead to improved sales, revenues and profits for retailers.

Solution

IBM and its Business Partners offer integrated cross-channel retailing solutions that integrate e-commerce, inventory and customer marketing. Integrating web, store, catalog and call center channels allows customers to shop whenever, wherever, and however they choose with a consistent brand experience.

In addition, IBM Global Financing offers solutions for midsize retailers regardless of asset mix. These financing solutions are designed to fit the business strategies of midsize companies, reducing large up-front investments and lowering the total cost of ownership to enable innovation and drive growth.

Case Studies

Blair (U.S.): An IBM WebSphere Commerce and Coremetrics Intelligent Offer solution demonstrated a 70% increase in cross-sell revenues and 5% increase in average order values in the first month. [Learn more.](#)

Moosejaw Mountaineering (U.S.): Used IBM solutions to embed rich community features into its online commerce experience and deliver seamless messaging and customer experience across channels, resulting in increased revenue, customer satisfaction, loyalty and word-of-mouth expansion. [Learn more.](#)

1	2	3	4	5	6	7			
Introduction	Install/ Competitive	Infrastructure Solutions	Business Solutions	Market to Business Partners	Financing	Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

Retail Store Optimization: Point-of-Sale (POS) & Kiosk

Marketplace Context

As midsize retailers are well aware, changes in the economy can affect margins and customer loyalty. To cope, retailers are seeking out new ways of providing value to the consumer, while still reducing costs. To do so, they are increasingly turning to solutions that help transform their stores to improve the customer experience, optimize store operations and provide a flexible infrastructure.

Challenge for Midsize Retailers

Retailers are looking to differentiate themselves and to secure and profitably grow their customer base and revenue by executing strategies that provide increasing value to the consumer and optimize store operations – all while facing razor-thin margins, intense price competition, and increasingly demanding customers.

(continued)



Smart is

midsize retailers who transform stores to

improve the customer experience, in order to improve customer check-out times and customer service, support sales and marketing programs, streamline operations, and improve the bottom line.

Priority Solutions

- IBM SurePOS 100, 300, 500, 700 Express
- IBM AnyPlace Kiosk
- IBM Express Multi-Function Security Bundle
- IBM Express Managed Multi-Function Security Bundle
- IBM Security Enablement and Vulnerability Management – Express PCI Assessment
- IBM IPS – data retention and archival – email management express
- IBM IPS – remote data protection express

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

(continued from previous page)

How IBM Can Help (IBM's Vision)

On a smarter planet, midsize retailers are able to differentiate their brand by implementing a targeted set of solutions designed to improve business performance on all levels, including reducing costs, streamlining operations for higher profit, and increasing the revenues from each shopper.

Solution

IBM and its Business Partners provide retailers with Point-of-Sale (POS) and Kiosk solutions aimed to improve business performance on all levels, including reducing costs, streamlining operations for higher profits and increasing the revenues from each shopper. These solutions enable consumer self-service, more in-store help from staff, faster checkout, and seamless integration in the store. They improve productivity, streamline operations, and optimize the checkout process, providing shoppers with more control over their shopping experience. IBM POS solutions also save midsize retailers operational costs by providing fixed asset utilization and energy savings.

In addition, IBM Global Financing offers solutions for midsize retailers regardless of asset mix. These financing solutions are designed to fit the business strategies of midsize companies, reducing large up-front investments and lowering the total cost of ownership to enable innovation and drive growth.

Case Studies

Rebel Sport (Australia):

Implemented new Point-of-Sale (POS) solutions across 64 retail stores that cut the number of customer service lanes by 40, improved transaction accuracy, and reduced costs. [Learn more.](#)

Yong Tai Hotel (China):

IBM Global Technology Services deployed two IBM AnyPlace Kiosks to create self-service check-in and check-out solutions, thereby boosting customer satisfaction, simplifying check-in and check-out processes and improving business operations. [Learn more.](#)

Village Tavern (U.S.):

IBM SurePOS™ 500 Series terminals & IBM SureMark™ printers increased reliability and uptime of POS systems and reduced system failure rates and number of help-desk calls, boosting profitability. [Learn more.](#)

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

Retail Merchandising and Supply Chain

Marketplace Context

To meet the demands of increasingly informed customers, it is critical for retailers to ensure they buy the right products and allocate the right amount of inventory to each channel – web, store, catalog – to meet customer demand. Product assortment is now being tailored to appeal to the customers that shop at a particular store or web site. At the same time, cost pressures are causing retailers to balance their customers' expectations for service with the optimum levels of product stocks.

Challenge for Midsized Retailers

In order to provide superior customer service, retailers need a merchandising and supply chain that is driven by customer demand. They need to be sure the right merchandise is delivered to the right place at the right time and at lower cost. Retailers need to increase vendor participation in promotions and ensure promotions are customizable by market and location. Close integration with the supply chain is key to improving procurement and logistics. Finally, manual and error-prone processes need to be improved with technology.

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Smart is

midsized retailers who turn customer information into actionable insights that mean the right product is delivered to the right place at the right time.

Priority Offerings

- ISV Solutions
- IBM Express Retail Solution, a qualified SAP Business All-in-One Solution
- IBM Express Application Package Selection Services
- IBM Informix Dynamic Server Express Edition, Version 11.10
- IBM WebSphere Portal Express v6.1
- IBM AnyPlace Kiosk
- IBM Cognos Express Reporter
- IBM Cognos Express Advisor
- IBM Cognos Express Xcelerator

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

(continued from previous page)

How IBM Can Help (IBM's Vision)

On a smarter planet, retailers can reduce order lead times from days down to hours and can track exactly where merchandise resides on its journey from manufacturer to customer. Merchandise, prices and promotions are customized based on the preferences of individual customer segments and geographies. Inventory is allocated based on real-time customer demand, maximizing sales and minimizing excess inventory.

Solution

Solutions from IBM and its Business Partners can help midsize retail companies improve their customers' experience, drive product and service differentiation and better respond to customers, suppliers, and partners. Core merchandising transaction systems, including global sourcing, assortment planning, supply chain execution, transportation management, and warehouse management solutions, help retailers select and allocate assortments based on customer demand. Then they can efficiently move products from the supplier to the stores. Forecasting and planning, warehouse management and logistics solutions enable inventory optimization and reduced cost of goods, so retailers can maximize profits. Collaboration tools improve integration with external partners and the supply chain.

In addition, IBM Global Financing offers solutions for midsize retailers regardless of asset mix. These financing solutions are designed to fit the business strategies of midsize companies, reducing large up-front investments and lowering the total cost of ownership to enable innovation and drive growth.

Case Studies

Shanghai Goldfinger International and Technology Co, Ltd. (China):

Shortened sales cycle by 15% and decreased product planning time by 10% by implementing IBM WebSphere MQ software validated by an IBM Solutions Consultant Tool from the IBM Solution Builder Express (SBE) team. [Learn more.](#)

The Nuance Group (Australia):

Leveraged a Dynamic Inventory Optimization Solution and IBM Global Business Services that improved service levels by 95% at the warehouse level, reduced inventory by 10-15%, increased sales and selling opportunities and improved processes and efficiency. [Learn more.](#)

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

Retail Performance Management (Business Intelligence for Retail)

Marketplace Context

Having effective data management in place can positively affect all areas of the retail business, including merchandise planning, store operations and marketing and customer management. To make their businesses more efficient and competitive, retailers must gain access to analysis and information that will help them make better business decisions.

Challenge for Midsize Retailers

To be competitive, midsize retailers must reduce costs, improve employee productivity, optimize business performance and integrate the enterprise. Midsize retailers must have a point of centralized visibility and control for their business, one that provides consistent rule application, one version of performance, and low total cost of ownership.

How IBM Can Help (IBM's Vision)

IBM can help midsize retailers cut costs, improve employee productivity, optimize business performance and integrate the enterprise. IBM can also help midsize retailers gain a full understanding of which customers bought what and in which location, allowing them to optimize labor costs and service levels. IT costs and risks can be minimized with innovative POS features that extend the capabilities of point-of-sale (POS). Inventory and financial management can also be improved to help midsize retailers meet consumer demands, while eliminating excess stock, thus providing key sales and customer metrics, as well as one version of truth in the enterprise.

(continued)



Smart is

midsize companies that implement a real-time information platform to provide transparency into business performance and operations that enables smarter decision making across the entire value chain, resulting in reduced costs and increased customer satisfaction.

Priority Offerings

- IBM Cognos Express Reporter
- IBM Cognos Express Advisor
- IBM Cognos Express Xcelerator
- IBM BladeCenter Express
- IBM System x Express
- IBM Power Systems Express
- IBM System Storage Express

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

(continued from previous page)

Solution

Performance Management/Business Intelligence (BI) solutions from IBM and its Business Partners provide the tools, dashboards, portals, information warehouse, servers and storage to make better business decisions and better understand customers. With retail performance management/Business Intelligence, retailers can drive excellence and operational efficiency by:

- Reducing cost and complexity by identifying and taking actions to address deviations from performance to plan
- Responding to seasonal demand, changing market conditions and competitive threats
- Saving on labor and operational expenses by managing people more effectively
- Quickly taking advantage of new business opportunities, operational models and innovations that come with mergers, acquisitions, and strategic and channel relationships
- Determining how best to optimize and/or virtualize equipment or applications and shift non-core services to outside providers like IBM
- Taking the capabilities of POS solutions beyond day-to-day operations, enabling effective loyalty, gift registry and loss prevention functions
- Publishing, measuring and achieving financial and performance metrics that support the retailer's strategic priorities, e.g. store operations, cross channel, customer-centric merchandising, and demand-driven supply chain

In addition, IBM Global Financing offers solutions for midsize retailers regardless of asset mix. These financing solutions are designed to fit the business strategies of midsize companies, reducing large up-front investments and lowering the total cost of ownership to enable innovation and drive growth.

Case Studies

Gewandhaus Gruber (Germany):

A fingerprint check-out system powered by IBM DB2 for Linux V2 data server and digiPROOF solution from IBM Business Partner it-werke Technology GmbH enabled in-depth sales reports that provide valuable insight into customer spending patterns, sales data and effectiveness of loyalty programs. [Learn more.](#)

Quiznos (U.S.): IBM Cognos 8 BI has enabled consolidations to be completed in hours instead of days, reduced annual planning cycle from several months to three weeks, improved forecast accuracy and increased ability to measure performance against plans. [Learn more.](#)

Elie Tahari (U.S.): Gained greater visibility into customer buying habits with IBM Cognos, realizing a 20% increase in packing efficiency, the ability to change buying patterns based on floor sales and the ability to alter air vs. ocean shipping ratios based on visibility across product and sales delivery. [Learn more.](#)

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

Supply Chain Management (Cross-industry)

Introduction

A generation ago, the footprint of a midsize company may not have extended much beyond its physical presence – its suppliers and customers were likely close by and rarely, if ever, beyond an international border. Today, the environment is markedly different.

A midsize company in London could have suppliers in China, Mexico and California and customers spread from next door, all the way to Bangkok. While these changes have opened up incredible opportunities for midsize companies, they have created threats and have enormously complicated the management of critical business processes. Like economies and financial markets in today's volatile global marketplace, supply chains have also increased their exposure to shocks and disruptions as they have grown to be more global and interconnected. Supply chain speed only exacerbates the problem. Even minor missteps and miscalculations can have major consequences as their impacts spread quickly throughout the complex supply chain networks. As midsize companies reevaluate current supply chain strategies and initiatives, they should ask: Which investments are simply making the process faster or more efficient? And which investments go a step further – making the supply chain decidedly more intelligent and resilient in times of unprecedented instability and risk?

According to a 2009 Supply Chain Management Officer Study, there are 5 key challenges³:

Cost containment: Supply chain executives rank cost containment as their number one responsibility to the business – far ahead of growth and product/service innovation. This intense focus on controlling costs is quite evident in their activities and programs; two out of the top three types of initiatives are aimed at improving efficiency. Constant cost containment pressures and fluctuating costs require a comprehensive view of the tradeoffs.

Visibility: Supply chain visibility leads the supply chain executive's agenda. At a time when, generally speaking, information is abundant and connectivity is more feasible than ever, supply chain executives still rank visibility as their greatest management challenge. Although more information is available, proportionally less is being effectively captured, managed, analyzed and made available to people who need it.

Risk management: Managing risk, both operational and financial, is a top concern. This sentiment was built from thousands of recall headlines and a deepening realization that globalization and greater supply chain interdependence have not only elevated risk, but also made it more difficult to manage.

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³ IBM 2009 Supply Chain Management Officer Study

1	2	3	4	5	6	7
Introduction	Install/ Competitive	Infrastructure Solutions	Business Solutions	Market to Business Partners	Financing	Appendix
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	Global Business Services Solutions
					SCM	CRM
					ERP	

Customer intimacy: Rising customer demands ranks as the fourth highest supply chain challenge, and two out of every three companies struggle to accurately identify customer needs. However, despite the obvious need for customer interaction, companies tend to focus more on their suppliers than their customers. Eighty percent design products jointly with their suppliers, but only 68 percent do so with customers. Even in supply chain planning, with all the demand-driven hype, only 53 percent of companies include customer input, while 63 percent invite supplier participation.

Globalization: Given the growing interdependence among economies worldwide, it's no surprise that globalization ranks as a top supply chain challenge. Many companies are encountering issues with global sourcing, including unreliable delivery (65 percent), longer lead times (61 percent) and poor quality (61 percent), with an additional 14 percent of respondents anticipating such problems within the next three years. So far, however, the financial advantages of globalization of their markets and operations outweigh these negatives. Nearly 40 percent of supply chain executives report improved margins.

These challenges will only increase in magnitude and impact for midsize companies. However, innovative supply chain models and processes often originate in midmarket companies who cannot rely on large numbers of resources and size to be a part of the overall value chain; they must use technology to compete. Therefore, midsize companies lead the way in the development and execution of new supply chain models that do not just rely on existing methods and approaches to meet requirements.

This provides the opportunity to influence midsize companies to go beyond the conventional use of technology to build a more efficient and smarter supply chain management operation that is fully interconnected. IBM and its Business Partners bring unique insights and capabilities to bear with supply chain solutions that use sensors and other devices to monitor how the supply chain operates, collaboration tools to interact with partners and share information, and the ability to analyze and simulate to optimize the flow of goods.

1	2	3	4	5	6	7
Introduction	Install/ Competitive	Infrastructure Solutions	Business Solutions	Market to Business Partners	Financing	Appendix
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	Global Business Services Solutions
					SCM	
					CRM	ERP

SCM Planning

Marketplace Context

Inventory is a key asset, as you cannot sell what you do not have. It's also the highest cost in the supply chain. And because maximum profit is a balance between having enough inventory to minimize lost sales from being out of stock, without having too much inventory which increases cost to carry it, planning is a necessity for successful supply chain execution. With the globalization of sourcing and manufacturing, shifting resources, facilities and inventories across the world, more and more companies are relying on effective supply chain planning to truly synchronize supply, based upon actual and forecasted demand.

Challenge for midsize companies

The highest cost in the supply chain is inventory. Midsize companies are experiencing high cost of capital and a constraint in growth as both commercial banks and suppliers tighten credit. These companies need help in reducing expensive inventory investments while still maintaining service levels for customers.

(continued)



Smart is

midsize companies who anticipate changing demand, not just respond to it – resulting in maximum sales revenue with lower inventory investments.

Priority Solutions

- ISV Solutions
- IBM Express Supply Chain Diagnostic Solution
- IBM Express Services for Inventory Management
- IBM Cognos Express Reporter
- IBM Cognos Express Advisor
- IBM Cognos Express Xcelerator

1	2	3	4	5	6	7
Introduction	Install/ Competitive	Infrastructure Solutions	Business Solutions	Market to Business Partners	Financing	Appendix
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	Global Business Services Solutions
					SCM	CRM ERP

(continued from previous page)

How IBM Can Help (IBM's Vision)

IBM and its Business Partners enable midsize business to make smarter inventory investments by innovating their supply chain planning process and creating a highly responsive global supply chain environment that can react with speed and flexibility to the non-synchronized world of supply and demand.

Solution

Built on enterprise proven technology, IBM supply chain planning solutions provide line of sight into accurate, up-to-date information from systems across a midsize company, helping to improve business performance for growing companies. By implementing an IBM supply chain planning solution, midsize companies can:

- Decrease inventory levels that can lead to lower costs of goods sold and overall increased cost efficiency
- Be more competitive by reacting faster to changing market conditions
- Leverage more immediate and intimate insight into how the business is performing, allowing for deeper customer knowledge and enhancing cross-sell opportunities
- Consolidate credit, market, and operational risk information into a company-wide view enabling more effective risk management

Case Studies

Svensden Sport (Denmark):

A fishing tackle supplier used IBM solutions to reduce manual workload by 80 percent by giving users access to real-time information via a Web-based dashboard and by replacing the existing spreadsheet-based reporting system.

[Learn more.](#)

The Nuance Group (Australia):

A major retailer who used IBM solutions improved service levels by 95% at the warehouse level, reduced inventory by 10 to 15% with fewer out-of-stock issues, and increased sales and selling opportunities, all resulting in happier customers. [Learn more.](#)

Fileni Simar (Italy):

A producer of packaged meats used IBM solutions to improve supply chain processes and enterprise resource planning functions and was able to streamline production planning, supply chain and expense management processes. [Learn more.](#)

1	2	3	4	5	6	7			
Introduction	Install/ Competitive	Infrastructure Solutions	Business Solutions	Market to Business Partners	Financing	Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

SCM Execution

Marketplace Context

Globally, leading companies are evolving and transforming their supply chain execution from static, isolated and internally focused to externally collaborative. Many of them are further evolving toward an on-demand, customer-driven supply chain. This requires a supply chain that goes beyond just moving goods and services in the traditional ways. It incorporates efficiencies into every day operations that are cost effective, timely and environmentally sensitive. Improving control and minimizing execution and transaction costs not only lead to the reduction of costly errors, but allow for optimized processes for improved productivity and revenue enhancement.

Challenge for midsize companies

Supply chain control has never been more important. Day-to-day execution of a supply chain presents many persistent challenges, including managing inventory levels, transportation costs and reducing shipping and picking errors. Organizations are constantly being forced to react to field failures such as inventory shortages and bottlenecks, which increase costs of operations.

(continued)



Smart is

midsize companies who work to improve the efficiency of managing the supply chain to help reduce costly errors, optimize overall processes and improve productivity and revenue.

Priority Solutions

- ISV Solutions
- GBS Services for SAP, Oracle, Lawson
- IBM Maximo Fastrack Solution for Company Asset Management
- IBM Express Application Package Selection Services
- IBM Maximo Asset Management Essentials v7.1
- IBM Informix Dynamic Server Express Edition, Version 11.10

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

(continued from previous page)

How IBM Can Help (IBM's Vision)

IBM and its Business Partners enable midsize business to gain operational efficiencies through improved supply chain integration.

Solution

By implementing an IBM supply chain management solution, midsize companies can expect to benefit in the following ways:

- Reduce errors by using wireless RF devices to verify products at shelving and picking functions
- Improve flexibility and cash flow to accommodate business growth, new products and new services in existing facilities
- Increase customer retention and loyalty – when the supplier can provide the service of managing the inventory for their customer, they should expect a lower transaction cost, as well as increased share of the customer's business
- Reduce transaction costs through customer self-service by customer performing tasks instead of company personnel

Case Studies

Dorcy International (U.S.): A global distributor of flashlights used software from IBM Business Partners to streamline its fragmented global supply chain and limit inventory variances with real-time visibility, reducing the number of charge-backs by 90 percent. [Learn more.](#)

American Diagnostic Corporation (U.S.): A medical product supplier used IBM solutions to improve shipping accuracy to 99.95 percent, decrease pricing errors by 80 percent, save millions of dollars in inventory turnaround and cut order time in half. [Learn more.](#)

J. A. Henckels (Germany): A cutlery and kitchenware manufacturer used IBM solutions to enable more efficient use of warehouse space and increase efficiency in picking, doubling revenue and transactions without adding cost. [Learn more.](#)

1	2	3	4	5	6	7
Introduction	Install/ Competitive	Infrastructure Solutions	Business Solutions	Market to Business Partners	Financing	Appendix
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	Global Business Services Solutions
					SCM	CRM ERP

SCM Visibility

Marketplace Context

The fastest changing area of supply chain management is the global supply chain. Large and midsize companies alike have expanded opportunities to sell internationally and source from low-cost countries – and are leaping to take advantage of the associated revenue growth and lower total landed costs that can be achieved. The makeover is occurring at a technology level (via a new wave of global supply chain automation), at a process level (with cross-functional processes and business partner collaboration), and at a staffing level (with increased attention on how to leverage business process outsourcing, managed services and logistics service provider expertise).

Challenge for midsize companies

A successful global supply chain requires transparency of global activities. Basic order and shipment tracking are no longer enough – today, midsize companies need to be able to see down the entire value chain. In order to improve customer service and reduce the costs of channel management, they need to gather insight by establishing agility and collaboration with trading partners, customers, marketing departments and sales forces.

(continued)



Smart is

midsize companies who have complete transparency and control over their extended global supply chain and real-time supply/demand synchronization.

Priority Solutions

- ISV Solutions
- IBM WebSphere Commerce – Express v6.0
- IBM Lotus Domino Express 8.5
- IBM WebSphere Portal Express v6.1
- IBM Rational AppScan Express

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	Global Business Services Solutions

(continued from previous page)

How IBM Can Help (IBM's Vision)

IBM and its Business Partners offer solutions for midsize business that minimize supply chain uncertainties and provide the ability to prepare and respond to disruptions quickly.

Solution

By implementing an IBM supply chain solution, midsize companies can expect to benefit in the following ways:

- Better customer experience through collaboration and increased agility with trading partners, sales, marketing and customers
- Improve customer satisfaction by providing self-service capabilities that make it easier for customers to do business with while reducing costs
- Ability to conduct performance trending and root cause analysis of disruptions and lead time fluctuations to take corrective action by incorporating resolution advice and workflow adjustments (e.g., expedite options and policies for a late shipment).

Case Studies

Michelin Investment Co., Ltd. (China):

A major tire manufacturer used IBM solutions to successfully establish a collaborated supply chain system for its sales division, reducing channel management costs by 20 percent and enhancing efficiency by 20 percent. [Learn more.](#)

PA Distributors (U.S.):

An auto parts distributor used IBM solutions to move 21 to 23 percent of orders to an Internet-based parts ordering system within three months of going live, taking between 1,500 to 2,000 calls per month off of the call center. [Learn more.](#)

1	2	3	4	5	6	7			
Introduction	Install/ Competitive	Infrastructure Solutions	Business Solutions	Market to Business Partners	Financing	Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

Customer Relationship Management (Cross-industry)

Introduction

Customer expectations are growing and their loyalty is becoming more difficult to secure as customers today have more and more choices of merchants and channels through which to purchase. The pressure to find the smoothest path to the bottom line and utilize the technologies that best integrate all the customer data collected at each point and channel of customer interaction, are omnipresent. Those midsize companies who not only understand who their customers are, but also what types of relationships their customers want with them and how to provide that service with an efficient and effective workforce, enjoy a performance advantage over their peers.

Midsize companies must undertake efforts that can deliver CRM effectiveness and efficiency improvements in short order, without compromising the customer experience. Traditional cost-cutting responses alone will be insufficient. They must address market and customer needs while re-engineering their organizations for future success across an ever-broadening group of stakeholders. Drivers in the market include:

Legacy strategy abandonment: Organizations are abandoning their legacy strategies to remain competitive, looking to technology to support competitive advantage, rather than just reducing cost through automation.

The Internet: This and other new technologies allow new companies around the globe to launch their products and services with the expectation of being instantly global.

Market competitiveness: Globalization of the world economy means that midsize companies have the challenge, but also the opportunity to compete with and win against larger companies.

Higher customer expectations: Consumer expectations have altered the way companies interact with their customers and how their customers expect to interact with the companies (24x7 access, customer service at any time, through any channel).

Internet use: These days, the real driver for midmarket adaptation of CRM solutions is the proliferation of broadband access and the way midsize companies pay for their CRM solutions. With today's hosted models, midsize businesses are benefiting from powerful solutions without adding either IT head count or capital equipment.

Workforce diversification: Requirements to integrate customer relationship management across multiple locations and/or across multiple functions (such as sales, marketing and customer service).

Mobile workforce and geographic diversity: Companies have workforces that are distributed across large geographic areas, all connected via the Internet. The challenge for midsize companies is managing their people from a distance.

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

Workforce Effectiveness

Marketplace Context

Today, it's normal for companies to have workforces distributed across large geographic areas, as more and more employees work remotely. This mobile workforce is connected via the Internet to each other, their managers and the company's main office. Because having a globally distributed workforce is becoming increasingly common, midsize companies are no longer as concerned with the initial technical challenge of how they're going to connect their workers to the company's home office. Instead, midsize companies are consumed with the day-to-day implications of having a globally distributed workforce and managing their people from a distance. Midsize companies with distributed workforces know that they still need to ensure that they keep their customers happy. In order to do this, they need to find better ways to make their workforces more efficient and effective, despite the fact that they can't see them every day.

Challenge for midsize companies

Midsize companies are challenged with trying to manage their workforces from afar. They need to find ways to keep their staff efficient and effective to provide a higher level of customer service even though they are not centrally located. They need to integrate customer relationship management across multiple distributed locations and functions (such as sales, marketing and customer service). And what's more, in today's economic times they need to reduce costs and increase revenue – and the more efficient their workforce is, the greater the costs they can save.

(continued)



Smart is

midsize companies who refuse to let geographic distances hold their company back from maintaining an effective and efficient workforce in order to provide a seamless, personalized customer experience.

Priority Solutions

- ISV Solutions
- IBM Lotus Domino Express 8.5
- IBM Tivoli Access Manager for Enterprise Single Sign On v8
- IBM WebSphere Portal Express v6.1
- IBM Power Systems Express
- IBM System x Express

1	2	3	4	5	6	7			
Introduction	Install/ Competitive	Infrastructure Solutions	Business Solutions	Market to Business Partners	Financing	Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

(continued from previous page)

How IBM Can Help (IBM's Vision)

On a smarter planet, midsize companies create ways for their workers to be more efficient and effective by giving them anywhere anytime access to each other and to their customers. With the ability to collaborate no matter where they are, midsize companies can provide a seamless, more connected customer experience. Despite geographic location, they can communicate in real time with customers in order to provide more effective personalization, and with instant access to each other and information, they don't have to waste time leaving messages or looking for what they need, drastically improving efficiency. This helps keep customers happy and costs down.

Solution

IBM and IBM Business Partners help businesses address the collaborative capabilities needed to compete, the ability to create a connected customer experience and the ability to leverage mobility and collaboration in order to deliver an exceptional, personalized customer experience. Companies can increase operational efficiencies, reduce costs and increase response time to customers through mobile workforce, collaboration, sales and marketing automation solutions.

In addition, IBM Global Financing offers competitive leases and loans for a single asset or an entire solution for IBM and non-IBM hardware, software and services. These financing solutions are designed to fit the business strategies of midsize companies, reducing large up-front investments and lowering total cost of ownership to enable innovation and drive growth.

Case Studies

Arnott's (Australia): Realized a US\$14 million return by implementing new processes supported by the FFSE solution. Now directs its 850 merchandisers in an integrated fashion while closing the reporting loop. [Learn more.](#)

Thetford B.V. (Netherlands): Implemented a Lotus Notes based CRM system that increased customer responsiveness by reducing purchase approval time from up to three days to just minutes and reducing customer data research time for sales managers by up to one hour per day. [Learn more.](#)

The Delaware County Bank (U.S.): Used Lotus Sametime, Quickr and Notes to share accurate information in real time and meet online in order to save on travel costs. According to the Vice President of IT, Lotus Sametime paid for itself in the first 12 months. [Learn more.](#)

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

Customer Insights and Analytics

Marketplace Context

To drive sustainable, profitable organic growth and competitive differentiation, organizations must better integrate and align the way they treat customers with their go-to-market strategy and branding at each touch point of the relationship. They must integrate all the customer data collected at each point and channel of customer interaction, and translate it into something meaningful that positively impacts the businesses' understanding of the customer, the customer experience and customer satisfaction. Important facts about customer satisfaction:

1. It costs 5 times more to get a new customer than to keep a current one.
2. 91% of all unhappy customers will not buy from you again.
3. For every customer who complains, 26 are silent.
4. The average unhappy customer will tell 10-18 others.
5. Retaining valuable customers represents a significant cost savings.
6. With 5 times to 10 times the cost to obtain new customers, clients will see the value of their investment and ROI in CRM.

Challenge for midsize companies

The value of CRM comes from its ability to cull information from several different business applications and sources to provide a comprehensive view of customer relationships. This distinguishes CRM from contact databases. However, being able to find and leverage multiple sources of customer information has traditionally been difficult to accomplish without significant customization. As a result, data that can potentially help close deals is often buried in disparate applications or deep inside the hard drives of individual user's computers.

(continued)



Smart is

midsize companies who take advantage of customer data across the organization to attract and retain more profitable customers; make fast, intelligent, accurate decisions; and differentiate their business from the competition through a superior customer experience.

Priority Solutions

- IBM Cognos Express Reporter
- IBM Cognos Express Advisor
- IBM Cognos Express Xcelerator
- IBM Power Systems Express

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

(continued from previous page)

In addition, this experience needs to be more than an analysis of hard metrics – it's about speed, availability and information. Although such tactile performance measures are critical, real progress in shaping the customer experience has to also consider the emotive aspects of high impact interactions. The key to achieving emotive success is in understanding the customers' needs and expectations. By doing so, midsize companies can identify the most important interactions – “the moments of truth” – and prioritize delivery accordingly.

How IBM Can Help (IBM's Vision)

On a smarter planet, midsize companies make smarter decisions about where to invest and how to identify the best customers and prospects to maximize sales and marketing efforts.

Solution

IBM and IBM Business Partners provide CRM solutions that help businesses reign in information and translate it into something meaningful that positively impacts the businesses' understanding of the customer, the customer experience and customer satisfaction. This intelligence facilitates businesses to make smarter decisions about where to invest and how to identify the best customers and prospects to maximize sales and marketing efforts.

In addition, IBM Global Financing offers competitive leases and loans for a single asset or an entire solution for IBM and non-IBM hardware, software and services. These financing solutions are designed to fit the business strategies of midsize companies, reducing large up-front investments and lowering total cost of ownership to enable innovation and drive growth.

Case Studies

Gewandhaus Gruber (Germany):

A retail clothing and furnishing outlet worked with an IBM Business Partner to create a customer loyalty program in order to drive more sales, saving approximately €100,000 in operational costs and increasing revenue by four percent. [Learn more.](#)

Elie Tahari (U.S.): A fashion retailer implemented IBM solutions to gain greater visibility into customer buying habits, increasing packing efficiency by 20%, altering air vs. ocean shipping ratios and improving buying patterns based on understanding what was selling on the floor. [Learn more.](#)

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

Contact Center

Marketplace Context

Companies in virtually every industry face a difficult challenge: how to reduce operating costs and maintain profitability in the face of soaring customer expectations.

In an atmosphere of extreme price sensitivity, customers are demanding more service, more convenience and more personalized communications. Midsize businesses must maximize every interaction with their customers to make positive impressions. Improved service levels result in customer retention and acquisition, which increases revenue yields. Important facts about customer satisfaction:

1. It costs 5 times more to get a new customer than to keep a current one.
2. 91% of all unhappy customers will not buy from you again.
3. For every customer who complains, 26 are silent.
4. The average unhappy customer will tell 10-18 others.
5. Retaining valuable customers represents a significant cost savings.
6. With 5 times to 10 times the cost to obtain new customers, clients will see the value of their investment and ROI in CRM.

Challenge for midsize companies

Many midsize companies want to build strong bases of loyal, profitable customers who are also advocates for the company. In order to drive sustainable, profitable growth and competitive differentiation, organizations must better integrate and align the way they treat customers with their sales and service strategy at each touch point of the relationship.

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Smart is

midsize companies who improve the efficiency and effectiveness of their contact center operations by designing and implementing innovative models, and ecommerce and portal solutions, to deliver a consistent, high-quality customer experience across all appropriate channels.

Priority Solutions

- ISV Applications
- IBM WebSphere Commerce – Express v6.0
- IBM Rational AppScan Express
- IBM Power Systems Express
- IBM System x Express
- IBM BladeCenter Express
- IBM System Storage Express
- IBM Threat Mitigation Services – Express managed protection services for server

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

(continued from previous page)

Achieving this is a continual, uphill battle as competitors increasingly raise the stakes. And given the number of experiences companies have to manage – over channels, employees and vast customer bases – the key challenge is to create the right experiences at the right time in a real-life operational model.

How IBM Can Help (IBM's Vision)

On a smarter planet, midsize businesses retain and acquire customers through an improved customer experience by leveraging innovative, industry-leading ecommerce and portal solutions as well as contact center applications.

Solution

IBM and its Business Partners provide CRM solutions that drive improvements in the customer experience while significantly reducing costs. Specifically, IBM can help:

- Enhance the customer experience through ecommerce and portal solutions
- Identify and resolve problems, streamline processes and elevate overall contact center performance through detailed quantitative analysis of current operations
- Leverage IBM technology for shared infrastructure, contact routing, IVR and Web self-service and reporting, and analytics to decrease costs

In addition, IBM Global Financing offers competitive leases and loans for a single asset or an entire solution for IBM and non-IBM hardware, software and services. These financing solutions are designed to fit the business strategies of midsize companies, reducing large up-front investments and lowering total cost of ownership to enable innovation and drive growth.

Case Studies

Blair (U.S.): A clothing and home fashions retailer used IBM solutions to provide a richer shopping experience resulting in increased cross-sell revenues of 70 percent for online customer shopping with average order value up five percent in the first month. [Learn more.](#)

Moosejaw Mountaineering (U.S.): An outdoor-adventure retailer used IBM solutions to create an interactive community shopping experience to enhance customer loyalty and advocacy. Repeat business soared after implementation. [Learn more.](#)

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

Enterprise Resource Planning (Cross-industry)

Marketplace Context

The continuing globalization of business presents new opportunities for companies and increased competition from emerging markets, while new technology has created the expectation that any company can become instantly global at the touch of a button. This means organizations are becoming more and more complex, with multi-location strategies, intricate product and service alignment and geographic alignment. Many different organizations are often running within one enterprise, and organizational changes are common and frequent, without easy ways to manage that change.

Challenge for midsize companies

In order to stay competitive, midsize companies need to find ways to stay flexible in order to adapt and thrive in the face of inevitable and ever-present change. They are often running a mixed bag of technology and application systems that are “glued together” to support changing business models and processes. Midsize companies need to contain costs while organizing, defining and standardizing the multiple business processes necessary to run the organization. They also need to find smarter ways to use business data to help them predict variability in markets, control costs, hire the right people, optimize resources and keep customers happy.

(continued)



Smart is

midsize companies who stay flexible in order to manage change by integrating, automating and optimizing business processes throughout the organization.

Priority Solutions

- ISV Applications
- GBS Services for SAP, Oracle, Lawson
Global Services
- IBM Express Application Package
- IBM Lotus Domino Express 8.5
- IBM Cognos Express Reporter
- IBM Cognos Express Xcelerator
- IBM Power Systems Express
- IBM BladeCenter Express
- IBM System x Express
- IBM System Storage Express

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

(continued from previous page)

How IBM Can Help (IBM's Vision)

IBM and IBM Business Partners provide enterprise resource planning (ERP) solutions that help companies adopt agile business models and dynamic business processes so they can manage change rapidly and effectively. By working smarter and harnessing the power of their information, companies can reduce costs and increase revenue through operational efficiency and effectiveness across the entire enterprise. IBM Global Financing can also address the tight credit market that is restricting client investment and affecting decisions on ERP projects, by using financing to make an ERP solution more affordable.

Solution

Enterprise resource planning from IBM and its Business Partners can help midsize companies integrate business processes from finance and human resources, to order processing, corporate services, production scheduling and more. It provides a roadmap based on best industry processes, integrating data for a single view of customer information, inventory levels, shipping details and more, cutting down on paperwork and increasing automation. IBM and its Business Partners help to:

- Incorporate the proper business strategies to meet business objectives
- Lower cost of operations
- Increase efficiencies, improve productivity and speed up time-to-market
- Increase information sharing across the company, as well as with customers and suppliers

IBM works with leading companies around the world such as Oracle, SAP, Infor and Lawson Software to deliver end-to-end, cost effective solutions that are tailored to the unique needs of midsize businesses in any industry.

Case Studies

Redecard (Brazil): An electronic transaction processing service reduced its total cost of operations by approximately US\$2.5 million when it engaged IBM to help design, implement and manage ERP solutions. [Learn more.](#)

AfriSam (Africa): A supplier of cement, aggregates and ready-mix concrete implemented IBM ERP solutions and eliminated three days from its payroll cycle while significantly reducing paperwork and administrative workload for its human resources staff. [Learn more.](#)

LifeLabs (Canada): A healthcare testing services provider implemented an IBM ERP solution to improve supply chain and billing functions, eliminating 90% of the effort to maintain inventory items, achieving 25% savings in invoice processing and increasing customer satisfaction index to 90%. [Learn more.](#)

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

Global Business Services Solutions (Cross-industry)

Marketplace Context

Globalization of the economy is not only bringing new challenges but also opportunities to light for midsize businesses. To survive, midsize companies must be agile enough to respond to the pressures to compete on a new, global level. For midsize companies, however, it's not just about surviving. It's about seeing globalization as a way to thrive, move in directions not foreseen in the past and take advantage of opportunities to evolve and ultimately grow. The midsize businesses that have a commitment to innovation in business model changes, expansion into new markets and product lines and the creation of strategic partnerships are the ones who will be able to thrive in this new global economy. These changes require the implementation of new technologies and a trusted "innovation partner" to help turn these challenges into opportunities. IBM understands this and offers a consulting team that specializes in providing strategy, business consulting and technology services to the midsize company.

Midsize companies may assume that meeting their business needs will require a complex consulting engagement they can't afford and don't have time for. IBM understands this, and has worked directly with hundreds of midsize businesses and many of the regional and local Business Partners that serve them to identify key areas where midsize organizations are especially concerned with finding solutions:

- Developing strategy and managing change to respond to your business challenges
- Managing resources across the organization for improved visibility and efficiency
- Attracting and retaining customers
- Streamlining logistics and supply chains

(continued)

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

(continued from previous page)

Challenge for midsize companies

Current technology investments are often fragmented with slow adoption of fully integrated solutions such as ERP, SCM and CRM. And many midsize companies still have data scattered in multiple systems that have many integration points, creating opportunity for inconsistency and errors. The ability to make well-informed business decisions based on credible and current information will allow them to thrive in this new global marketplace.

How IBM Can Help (IBM's Vision)

IBM and its Business Partners provide midsize companies with services-based strategy and change solutions for midsize businesses, designed to help support growth while simplifying the business to help midsize companies proactively manage change.

Solution

IBM and its Business Partners provide a breadth of solutions to midsize companies that bring a rapid return on investment and position them for growth.

Leveraging the advantages of tier 1 applications: IBM has addressed the need for affordable, manageable ERP software by providing integrated application suites designed to make the benefits of prepackaged and preconfigured top-tier applications available to midsize companies. Drawing on their extensive experience with these applications software solutions for businesses of all sizes, IBM has identified the features most critical to midsize companies. In addition, IBM has developed streamlined methodologies based on years of industry experience and best practices for implementing and managing ERP tools in midsize business environments.

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Smart is

midsize companies who leverage new technologies to enable new business and process models that allow them to be more innovative and take advantage of growth opportunities.

Priority Solutions

- IBM Express IT Strategy Assessment
- IBM Express Value Creation
- GBS Services for SAP, Oracle, Lawson
- IBM Express Application Package Selection Services

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix			
Business Solutions program profiles	Banking	Wholesale	Healthcare	Industrial	Retail	SCM	CRM	ERP	Global Business Services Solutions

(continued from previous page)

Reducing the costs associated with maintaining in-house applications: IBM understands that the growth of midsize businesses drives up costs and increases the complexity of maintaining their application environment. IBM Application Management Services build on what midsize companies already have and help redirect internal resources toward revenue-producing activities by removing the day-to-day burden of managing applications. IBM helps reduce the need for ongoing education, in-house skill development and other requirements of managing a complex environment with scarce IT resources. Midsize companies can not only save on operational costs, but are poised to gain improvements in performance as well.

Attracting and retaining a larger customer base: Nearly every customer interaction is an opportunity to increase revenue. That's why midsize companies need integrated customer relationship management (CRM) solutions that go beyond managing web-based inquiries and sales. Such solutions may include services that help analyze and predict customer behaviors, establish and manage contact centers, provide tracking and logistics information, and support sales and services teams in the field.

Managing the supply chain: Even if a midsize company is not working with overseas suppliers or distributors, it's likely some of its partners are. IBM's supply chain solutions are designed to help integrate logistics and distributions operations with the rest of the business, including CRM, and financial management, for increased visibility and tracking, a reduced cost structure and a higher rate of customer satisfaction.

Case Studies

Hamamatsu Photonics Deutschland (Germany):

A subsidiary of a global phonetics company increased revenue and competitive advantage by leveraging IBM Global Business Services to develop a pan-European operating model and best-in-class ERP package for its new business structure. [Learn more.](#)

Ecotricity (UK): A "green" energy company worked with IBM's consultants to re-engineer its business processes and systems and used a rapid prototype to implement a new utility system in an unprecedented time frame. [Learn more.](#)

Implanet (France): A global distributor of surgical implants teamed with IBM to streamline supply chain processes and deploy an ERP solution built with RFID technology that provides customers with easy access to real-time inventory data of surgical implants. [Learn more.](#)

5 Market to Business Partners

► Market to Business Partners	115
Market to Business Partners	116
The value of Smarter Planet to the Business Partner	117
What an IBM Business Partner can be on a Smarter Planet	117
Benefits to being an IBM Business Partner	118

Market to Business Partners

IBM Business Partners play a critically important role in driving business for IBM in the midmarket space. IBM understands the importance of providing Business Partners with messaging and support they need to deliver on the promise of the midmarket campaign, “Engines of a Smarter Planet,” as well as the programs and tools to ensure Business Partners profit from their relationship with IBM and the Smarter Planet agenda.

IBM Business Partners bring the promise of a smarter planet to life for IBM customers in midsize companies. Business Partners help clients understand that today's playing field is truly a game of ideas first and foremost – not resources – and that midsize companies are as poised as any company to compete and succeed

on a smarter planet. Clients want to work with IBM Business Partners because they are locally accessible and provide deep knowledge of their business and industry. Business Partners can help midsize customers realize the promise of a smarter planet to become more nimble, efficient and informed today, leading to a profitable return on investment for both the client and the Business Partner.



The value of Smarter Planet to the Business Partner

IBM Business Partners are poised to benefit from the Smarter Planet agenda. Smarter Planet positions Business Partners to deliver higher-value strategic solutions and to drive transformational change within their client's organizations. This means that Business Partners will position themselves to become the long term strategic partner of choice – the one their clients look to and trust with their most complex challenges and needs. Smarter Planet has the potential to make IBM Business Partners even more indispensable to their clients. It's a tall order, but one we'd like our trusted partners to fill.

What an IBM Business Partner can be on a Smarter Planet

IBM Business Partners amplify and personalize the IBM experience for their midsize clients, bringing deep industry thinking and technology know-how to form solutions that result in measurable value to clients. The Smarter Planet agenda will open up new doors, upgrade offerings and solutions, drive higher profit margins and give Business Partners a wider footprint across more industries, services and products. The relationship is now more symbiotic, built on mutual respect and trust.

Benefits to being an IBM Business Partner

IBM is the vendor who can provide Business Partners with support to build solutions their customers require, as well as the training, tools and resources they need to increase revenue and profits. IBM has the right resources Business Partners need to...

...evolve their business. Through IBM's Express Advantage initiative, Business Partners have access to IBM's portfolio of hardware, software and services, designed and priced for midsize companies and built on a heritage of proven technology leadership and innovation. To get better acquainted with IBM's offerings and earn some reward points in the process, Business Partners can take advantage of the Know Your IBM enablement program. Through online, interactive training modules, Business Partners can increase their knowledge around IBM's offerings and increase their sales and profit potential at the same time. Furthermore, IBM encourages its Business Partners to build their own solutions-capabilities and offerings by including value-added services. Don't know where to start? IBM can help there too.

...sell more and to more people. IBM realizes the value Business Partners bring to the table when it comes to the midmarket and has designed a partner program

that positions Business Partners as IBM's primary route to midsize companies. Business Partners can leverage IBM's significant investment in midmarket-targeted advertising and demand-generation campaigns designed to drive leads their way. And to help progress those leads, Business Partners can make use of IBM Business Partner Innovation Centers around the world where they can bring potential customers to see first-hand the power of IBM solutions. And with available credit, IBM Global Financing will make it easier for midsize businesses to get access to the capital they need to maximize their IT investment.

...engage in high-level, strategic discussions with business decision makers. More and more midsize companies are looking for IT investments that will drive their business, not just support it. Which is why IBM's marketing and enablement materials are primarily solutions-focused. Coupled with available informative resources like Industry Insights, Infrastructure Insights and PartnerWorld Industry Networks (PWIN), IBM provides its Business Partners with the ammunition they need to initiate those solution-level discussions with business decision makers and position their solutions in terms of the business-value they provide.

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...*generate customer demand*. Because Business Partners often don't have the means to develop and execute marketing campaigns, IBM offers a number of marketing-enablement resources – often free of charge. From co-marketing and demand-generation resources to campaign strategy tools like Campaign Designer, IBM can help Business Partners boost their marketing capabilities and successes without the time, effort or cost of doing it in-house. IBM can also provide co-marketing funds to ease the financial burden of maintaining a marketing campaign. Business Partners can augment their own websites with IBM produced and maintained content – from product and service information to whitepapers. And because these can be seamlessly integrated into the site, Business Partners can offer the content under their own brand.

...*network and collaborate*. Through the IBM PartnerWorld website, Business Partners have access to a number of online communities and resources they can use to find, connect, collaborate and network with others in the channel. With PartnerWorld Value Net

Connections, Business Partners looking to collaborate – to extend their geographic or industry reach, or to develop and deliver higher-value solutions – are assisted in finding the “right” Partner to pair with. And for those Partners who want to team up to offer their customers more complete solutions, IBM's Business Partner Connections resource can help facilitate those partnerships. IBM also helps Business Partners network with their colleagues through Industry Network Connection Events. IBM recognizes the increased value Business Partners can provide their customers by working together, and wants to make it as easy as possible for partners to connect.

All of IBM's Business Partners have exclusive access to IBM's PartnerWorld website. Through this enablement resource, Business Partners can access a number of tools that will help improve their marketing, selling and skill-building capabilities. While expensive for a Business Partner to do on their own, it is extremely cost effective when done through PartnerWorld.

6 Financing

► Financing	120
Financing	121
IGF Copy Blocks	123

Financing

The market and economic changes that are happening today will impact how midsize companies will do business for years to come. It's a time of great challenge – and great opportunity. The key is to work smarter, finding new value in the use of technology and resources and smarter ways to fund IT.

IBM Global Financing provides midsize companies with an alternative funding source, so they can preserve cash for core business needs. It provides those business owners and decision makers in midsize companies who are responsible for IT investments with the funding they need to manage cash flow, reduce large up-front investments and lower their total cost of ownership. This enables their companies to be more innovative and drives growth. With IBM Global Financing, midsize companies have access to a complete end-to-end lifecycle funding approach for IT assets and technology investments, including reutilization of used equipment, recycling, buyback, disposal, and secure disk overwrite services.

IBM Financing Advantage, a suite of products and services from IBM Global Financing, is designed specifically for midsize companies. IBM Financing Advantage offers competitive rates on simple loans and leases to fund the acquisition of a single asset or an entire solution for IBM and non-IBM hardware, software and services, all in one simple contract with an affordable, predictable monthly payment.

IBM Financing Advantage offers many benefits to customers, including:

- Flexible terms and competitive rates that are geared to the unique needs and challenges of midsize businesses.
- A simple contract for a complete IT solution: IBM hardware, software, services and non-IBM products on a single invoice with a predictable monthly payment.
- Enhanced software and services financing, to help make software more affordable. Unlike many other vendors, IBM does not require HW content in most instances.

(continued)

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix
		▼ Financing	IGF Copy Blocks			

(continued from previous page)

- Lower price point on technology equipment acquisition with IBM Certified Pre-owned Equipment – extending the life of IT is a smarter, cost-effective, environmentally friendly utilization of assets.
- Safe, secure and environmentally compliant disposal of old equipment with IBM Express Asset Recovery Solutions. The 3X Disk Overwrite service is available for all returned assets to ensure that confidential data stored on hard drives is protected and complies with Department of Defense standards, making data virtually irretrievable.
- Easy upgrade options combine the ability to refresh technology with minimal change to monthly payments. Flexible mid-lease and end-of-lease options let companies easily adapt to the changing needs of their business.
- No personal guarantees or collateral required for financing on acquisitions as small as \$5,000.

Financing from IBM fuels growth for midsize companies, with complete and affordable financing at competitive rates, and access to leases and loans for IBM and non-IBM hardware, software and services. For qualified midsize companies, IBM can be their single financing partner.

IGF Copy Blocks

The following IGF copy blocks are available for use in campaign tactics:

Short version:

Enjoy all the advantages that financing can provide— from improved cash flow to greater return on investment — for organizations with as few as ten employees. IBM Global Financing offers a portfolio of financing solutions with flexible terms and competitive rates that are geared to the unique needs and challenges of small and midsize businesses.

Long version:

Enjoy all the advantages that financing can provide— from improved cash flow to greater return on investment — for organizations with as few as ten employees. IBM Global Financing offers a portfolio of financing solutions with flexible terms and competitive rates that are geared to the unique needs and challenges of small and midsize businesses.

By financing with IBM, you can defer upfront investment costs and conserve cash for higher yielding investments—and improve your total cost of ownership.

You also get:

- Low or no upfront costs
- Affordable monthly payments
- Powerful tools for managing assets through their lifecycle
- Protection from technology obsolescence

1 Introduction	2 Install/ Competitive	3 Infrastructure Solutions	4 Business Solutions	5 Market to Business Partners	6 Financing	7 Appendix
Contacts						

7 Appendix

► Appendix	124
Contacts	125

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