Global Business Challenges, Trends, Emerging Solutions
Transformation, Evolution of the Enterprise

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IBM

- Values: Dedication to every client’s success; Innovation that matters – for our company and for the world; Trust and personal responsibility in all relationships.
- Employees worldwide: 399,409
- Global footprint: 170+ countries
- Revenue: $95.8 Billion
- U.S. patents in 2009: 4,900+
- Businesses: Global Technology Services (GTS); Global Business Services segment; Software; Systems and Technology, and Global Financing.
- Last 5 acquisitions: SPSS Inc.; Guardium; Lombardi; Intelliden Inc.; National Interest Security Company, LLC.
The IBM Era

1911...
IBM’s Recent Experience with Transformation

Net Income ($B)

- 1984
- 1992
- 2003
- 2009

1998 forward - without HDD business (discontinued operations)
1999 and prior - not restated for equity compensation

Gerstner era ('93 thru 2002)  Palmisano era ('03 to present)
Evolution of the Enterprise

The international era -- exporting

The multinational era -- replicating

A **Globally Integrated Enterprise (GIE)** is an open, modular organization .... integrated into the networked economy ... with an operational and business model that capitalizes on the new global landscape.

- Global Supply Management
- Global Production Optimization
- Global Demand Capture
21st Century Enterprise

A globally integrated enterprise -- business in a smart, connected world

The world is becoming INSTRUMENTED

The world is becoming INTERCONNECTED

All things are becoming INTELLIGENT
21st Century Enterprise: Translation to the Mission

- Globally integrated
- Move work seamlessly
- Respond with agility and speed
- Enter new countries with only market facing resources
Transformation Framework

Guided by the IBM Strategy and grounded in our Values

Enable transformation at the intersection of business process, technology and culture

- Strategy
- Values

Transformation Framework

- Business Process Excellence
- Values-based Culture
- Information Technology Enablement
Transformation Lessons

1. Evolve or die

2. Context is important

3. Values are your compass

4. It’s all about leadership