

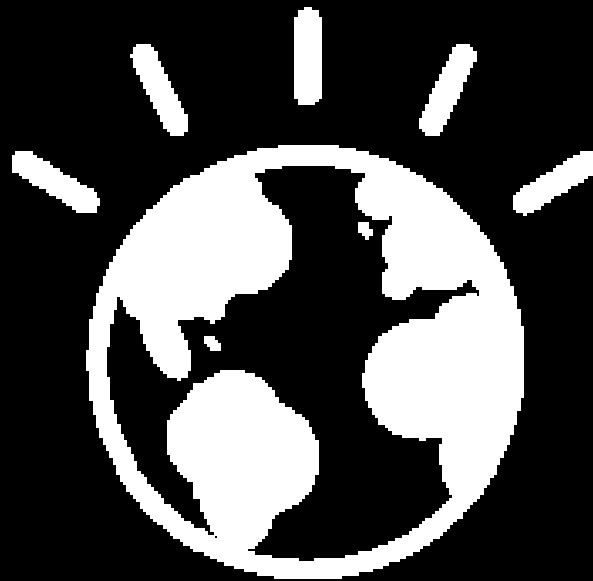
David Stokes – General Manager  
IBM Central and Eastern Europe

---

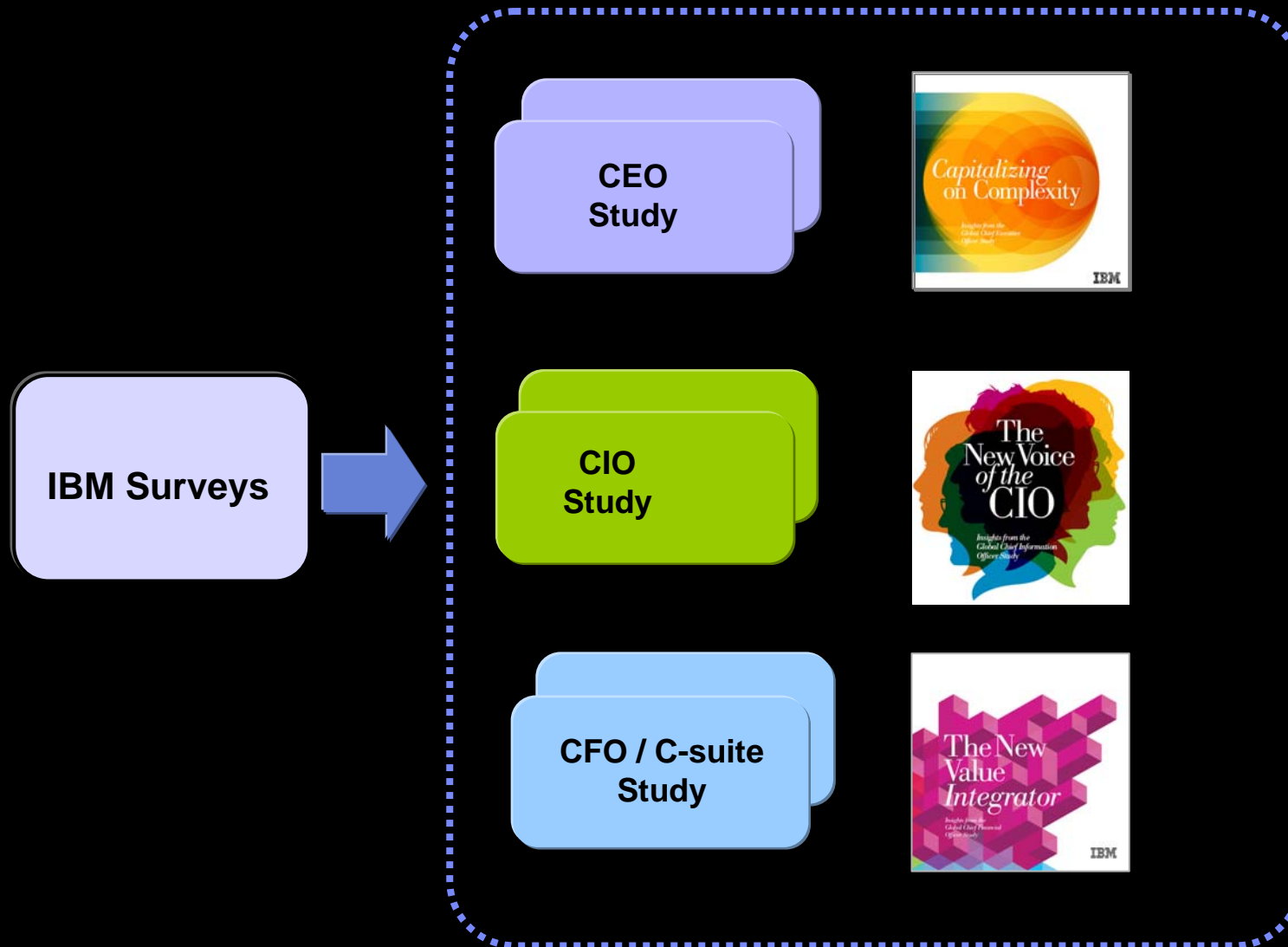


# Innovation Drivers in the Enterprise

November 30, Moscow – Russia



# Voice of the Customer



# Partners And Customers Edge Out Employees For Ideas

## Sources of New Ideas and Innovation



*“Today...more capability and innovation in the marketplace than we could try to create...”*

# Employees Driving Innovation

## IBM Jams

### A Jam is

- international brainstorming event aimed at advancing a specific cause
- with individual discussion groups and forums hosted by subject-matter experts
- runs on IBM technology
- 100 hours of jamming parallel a 5-day conference

### Benefits of jamming

- Jams explore how companies can transform themselves into truly globally integrated enterprises of the future, and how can information technology help
- By jamming we in IBM collaboratively generate ideas with potential for IBM's growth and build a mandate for change
- Establish an entree for IBM's sales to re-engage post-Jam with clients and explore concrete ideas and solutions.



# Employees Driving Innovation

## InnovationJam 2006

- The largest on-line brainstorming session ever - an unprecedented experiment in collaborative innovation
- 150,000 participants from 104 countries, including IBM employees, family members, universities, business partners and clients from 67 companies.
- Over two 72-hour of “jamming”
- More than 46,000 ideas posted
- IBM’s most advanced research technologies considered for application to real-world problems and emerging business opportunities.
- Follow up: In November 2006 IBM announced \$100 million investment over the next years to pursue ten new business ideas generated by InnovationJam





# Employees Driving Innovation

## InnovationJam 2006

<b>IBM Invested \$100 Million in Collaborative Innovation Ideas</b>	
<p><b>Near-term</b>  <i>(Opportunities that can be acted upon with existing business lines, brands, partners within the next year)</i></p>	<ul style="list-style-type: none"> <li>▪ Smart Healthcare Payment Systems</li> <li>▪ Simplified Business Engines</li> <li>▪ Real-time Translation Services</li> </ul>
<p><b>Mid-range</b>  <i>(Ideas that require further definition, R&amp;D and/or business case development; could be implemented in 18-24 months)</i></p>	<ul style="list-style-type: none"> <li>▪ Intelligent Utility Networks</li> <li>▪ 3D Internet</li> <li>▪ “Digital Me”</li> <li>▪ Branchless Banking for the Masses</li> <li>▪ Integrated Mass Transit Information Services</li> </ul>
<p><b>Long-term</b>  <i>(Exploratory in nature or representing a significant long-term commitment to deliver to market)</i></p>	<ul style="list-style-type: none"> <li>▪ Electronic Health Record System</li> <li>▪ Big Green Innovations                             <ul style="list-style-type: none"> <li>▪ Water Filtration (through nanotechnology)</li> <li>▪ Practical Solar Power Systems (photovoltaics)</li> <li>▪ Advanced Water Modeling</li> </ul> </li> </ul>

## Driving Innovation Within A Broader Ecosystem

- IBM's Global Innovation Outlook
- Working with key universities across CEE
- Working with IBM Business Partners



# Driving Innovation Within A Broader Ecosystem

## Global Innovation Outlook

- Unique experiment in exploration, collaboration and innovation
- The Global Innovation Outlook (GIO) convened hundreds of thought leaders, policymakers, business executives, university researchers and representatives from non-profit organizations.
- GIO explores topics as varied and important as healthcare, energy and the environment, economic development in Africa, and the future of the world's water resources.
- Results shared through reports and studies – GIO brokered new relationships, and launched dozens of collaborative initiatives among participants.





# Driving Innovation Within A Broader Ecosystem

## Working With Key Universities

- **Cloud Computing centers help university students design and adopt cloud technologies:**
  - **University of Technology in Poland**  
new academic curriculum makes cloud-focused courses available to more than 1500 students;
  - **The University of Maribor in Slovenia**  
the cloud computing centre helps students develop of service-oriented architectures in Slovenia;
- **IBM Day at Lomonosov Moscow State University -**  
part of the "Supercomputing and Scientific visualization" All-Russian summer school.
- **IBM Academic Initiative:**
  - Moscow Higher School of Economics
  - St.-Petersburg State University
  - St-Petersburg Telecommunications University
  - Moscow State Railway University



## Driving Innovation With Business Partners

### The First Polish Smart Metering Software Package



#### Business needs

- Time-consuming billing process
- Frequent inaccuracies in billing
- Insufficient information on consumption

#### Real results

- Accurate, real-time monitoring
- Better management of energy consumption
- Measurement and billing depending on actual energy use



## Driving Innovation With Business Partners

### Electronic Medical Document Exchange Solution



#### Business needs

- Secure patient record privacy
- Speed of medical data processing
- Standard of patient service

#### Real results

- Eliminates waiting lines
- Improves the quality of services provided to patients
- Enhances interaction between doctors in the process of decision making



## Driving Innovation With Clients

### Self-service Kiosks At Comepay



*Business expansion strategy results in three-fold increase in data and transactions*



System z

#### Business needs

- Operating 24x7 self-service payment kiosks for internet, digital TV, mobile phones and utilities – 200 kiosks in 11 regions of Russia

#### Real results

- New solution to handle increase in transactions from 10,000 to 30,000 per second
- Reduced IT costs – solution to pay for itself in just over a year



# Driving Innovation With Clients

## Health Insurance Institute of Slovenia



### Business needs

- Concerns for availability and security of information
- Inconvenience of updating records routinely
- Out-of-date patient records

### Real results

- Patient records streamlined and updated real-time
- Improved timeliness of patient care and insurance processes
- Confidential medical insurance data kept secure



### Solution components:

- IBM Global Technology Services
- IBM WebSphere Application Server for z/OS
- IBM DB2® 9.1 for z/OS data server
- IBM System z10™

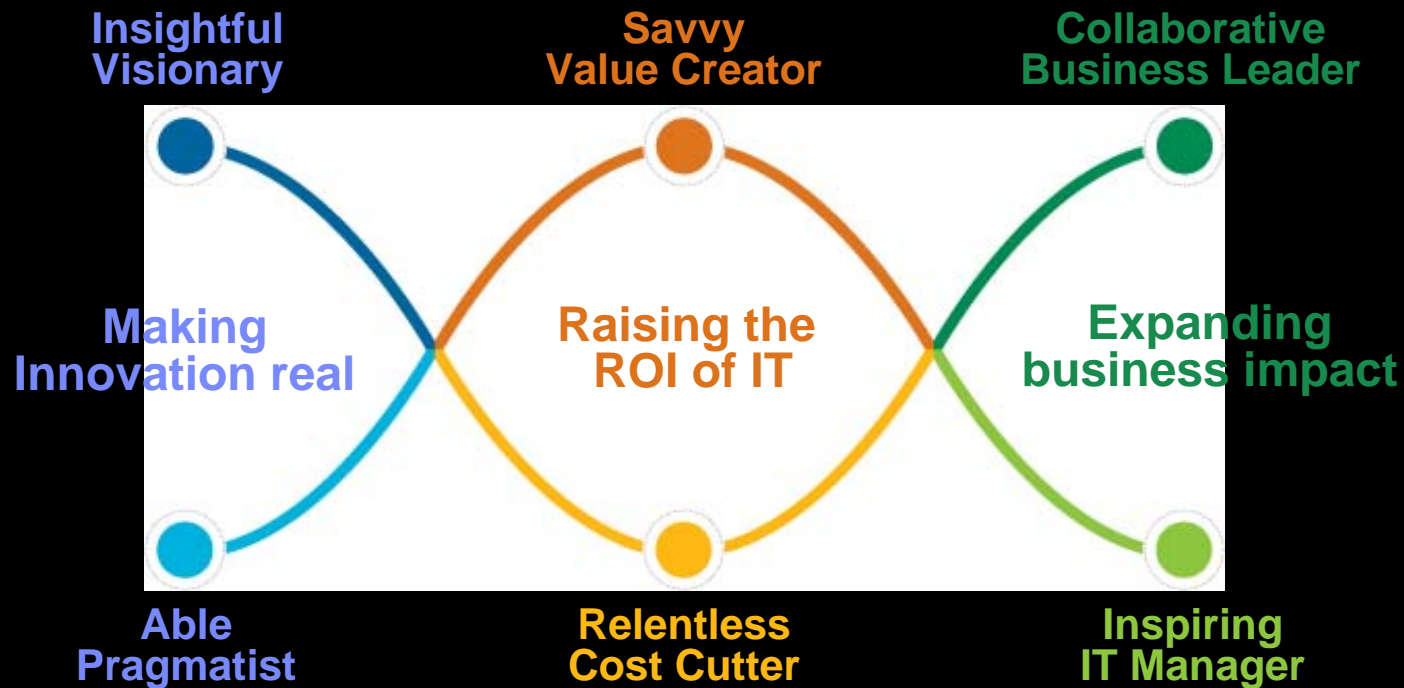


## Considerations

- Opportunities to innovate -- to be smarter -- are much more readily available today
- Internet offers a platform for enterprises to collaborate with different stakeholders
- A culture of innovation



# IBM CIO Study: Successful CIOs Blend Three Pairs Of Roles



By integrating these three pairs of roles, the CIO makes innovation real, raises the ROI of IT and expands business impact

# The Insightful Visionary And The Able Pragmatist

## Insightful Visionary

- Truly integrates business and IT to innovate
- Proactively reaches out to the business to co-create and champion innovation
- Has a clear view of the top technological priorities that will enhance competitiveness



## Able Pragmatist

- Does practical things to help enable the business and corporate vision, as business leaders expect
- Widely uses collaboration and partnering technologies to get work done
- Uses third-party business and technology services to allow focus on the top priorities

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

Life insurance CIO, India



## Innovation - Much More Beyond Invention

**Ultimately innovation must be judged on the grounds of financial value creation for companies and their clients and increasingly for the good of society as a whole.**





**THANK YOU**