

IBM Big Data – Analytics for Business Insights

IBM recently dedicated 2-days to provide an extensive review of its Big Data & Analytics strategy, solutions, messages and customer successes with IT industry analysts. The event covered topics that included specifics about how customers have chosen, used and benefited from IBM's Big Data & Analytics services in a wide range of industries and organizations. Interestingly enough, this event came on the heels of an overview from HP on their Big Data strategy; the contrast was striking and we'll touch on that where relevant. Here is our take on what was said and presented at the event.

IBM Gets 'it', big time!

In a nutshell, the message from IBM is that their strategy, products and solutions for Big Data & Analytics revolves around and is driven by the benefit and value the enterprise and customer derive from analysis. The object of all the effort is to assure that their customers realize measureable and proven benefits. Personalization applies to the individual consumers, as well as to the involved organization or enterprise function.

Underlying all that is the idea that IBM Big Data & Analytics solutions and services are designed to 'drive better business outcomes' and will do so by being: ***Fast. Easy. Smart.***

1. ***Fast*** measured in terms of performance, deployment, time-to-value and management.
2. ***Easy*** in terms of consumability of the solution, visual presentation (of results) with a guided process to identify where, what and how to benefit from Big Data & Analytics and a clear narrative on what is necessary to arrive at the desired results.
3. ***Smart*** in terms of domain-specific solutions and services provided on intelligent platforms that operate to automatically optimize results for the business.

That's it pure and simple, a value proposition that is clear, succinct and easily understood. Now, we all know that it's easy to assert lofty goals. The trick is delivering on them. Of course, IBM did spend time detailing the thought, experience and technological foundations underpinning their approach with a discussion on strategy, architecture and products in sufficient detail to communicate the breadth and depth of their ability to deliver the promised results.

There are two ways vendors can prove to potential customers (and analysts) that they are able to deliver on their promises. One is to document and display a proven record of success with a range of customer types and situations. The other, is to put revenue on the line – by committing to compensation based on achieving specific, pre-defined and agreed upon performance goals. IBM utilized both approaches. First by hosting, AND allowing free access to a range of customers that described exactly how and to what extent they had realized tangible benefit from the application of IBM's Big Data and Analytics products and services to gain insight into and resolve business challenges. In contrast to many industry events, IBM took pains to assure that these customers were



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accessible to the attendees in formal, as well as informal sessions. The result was a high quality interaction and information exchange.

Then, addressing the question always of concern to customers: What will this cost? IBM discussed their willingness and experiences in outcome-based pricing. IBM will link engagement fees to specific growth or efficiency metrics. Clients and IBM work together to manage such engagements to an agreed upon SLA.

A common challenge in the introduction, adoption and implementation of sophisticated solutions is how to identify where to apply, how to implement and how to measure and quantify the benefits. The tendency is to talk about technology and the technical mechanics. IBM's approach is to focus on solution roadmaps that guide customers through a step-by-step process to correctly choose where, when, what and how to benefit from Big Data & Analytics. We discuss these more later.

Making analysis and analytics accessible

A major problem with wringing insight and knowledge from oceans of data has been the complexity of comprehending and analyzing it. The techniques to accomplish this have evolved from relatively simple models to complex, sophisticated math models and analytics requiring substantial expertise to use them productively. Unfortunately, there is a serious shortage of analysts able to apply the tools and translate the results to actionable recommendations for the enterprise. Before discussing how to meet this challenge, let's look at the long heritage of analytics and model building.



Modeling and data analysis are not new; one presenter described how Egyptians used modeling 6000 years ago to determine the allocation of workers between farming and construction projects. The hieroglyphic (left) describes analysts building a predictive model by placing buckets to collect rain water around the country. Given a sufficient rainfall, the annual Nile flood would provide enough fertilized soil and water to yield a large crop. That meant they should assign more of their workforce to farming. Less rain meant more laborers should be allocated to construction projects to build roads, tombs, pyramids, palaces, etc.

Today's models, the supporting infrastructure and deliverables are more complex; but the goal remains the same. It isn't the data per se that is of interest. It isn't the sophisticated analytics. It isn't even the creative and intense effort to leverage the computing power of technology and platforms. It's the value the organization realizes from its resources and efforts. IBM's goal and role is to build solutions that provide expertise to customers (today) and increases over time the expertise available to wring more value and benefit from an expanding amount of data in all its shapes and forms.

'Decoding the social genome'

IBM's Bridget van Kralingen, SVP of IBM Global Business Services, began by explaining how the explosion in data alters the problem as it enlarges the context for decision-making while, somewhat

paradoxically, narrowing the “arena for (effective) action” to focus on the individual. As a result, user interactions – business, social, entertainment, retail, transactional, etc. are perceived as increasingly personal. The result is the increasing necessity to embed automated personalization. The enterprise must tailor services and their delivery to a ‘market of one’. This has to be done dynamically and transparently in a highly competitive, fast moving market.

While big data analytics facilitates the process, it still requires the accumulation of a detailed knowledge, which she calls ‘decoding the social genome’; using data to understand the individual in terms of actions, beliefs and motivation. An IBM Laboratory project is working to decode the social genome by using data gleaned from the ‘collective intelligence’, stored in a variety of forms and sources, including existing systems of record, as well as today’s systems of people. The results will be used to build innovative solutions and offerings to its customers.

Building and expanding expertise

For both the solution provider and the enterprise customer, there remains the problem of a shortage in the skills needed to apply analytics. IBM described its plans to address the problem in three ways:

1. Build and expand the existing base of Big Data & Analytics expertise in IBM’s Global Business Services organization focusing on strengthening their ability to deliver industry-specific solutions, as well as on enhancing internal development and support teams;
2. Support and drive Big Data & Analytics educational programs to build and increase skills for their internal staff, for application and utilization in formal educational institutions and to be used by customer analytics organizations that want to expand their own expertise;
3. Deliver solutions that are designed specifically to drive better business-oriented outcomes, in short, their services will be designed to be: Fast. Easy. Smart.

Enhancing the customer experience

IBM spent a significant portion of the two days detailing their experiences, current activities and future plans to document their ability and commitment to delivering on these. Licensing and pricing are always topics of customer interest. IBM is taking action in both areas. We’ve mentioned performance-based pricing. They also are plans to:

- Expand the scope of unlimited licensing agreements to apply to more customers,
- Dramatically simplify licensing terms and increase entitlements for Cognos Business Intelligence (e.g. reduce 28 user roles to 2),
- Provide more innovative and varied financing options (low interest rates, customized payment plans, etc., and



- Offer an expanded and enhanced range of IBM SmartCloud business solutions (see figure above) as detailed solution process roadmaps.

The Final Word

We find real benefit and appeal in IBM's decision to focus its message on value creation for the client. Their message is all about how the customer can most efficiently and effectively act to identify and begin to realize the maximum benefit from their Big Data and Analytics solutions and services. The result provides a significant differentiator, as well as a major competitive advantage over competitors. The IBM approach is to use well-defined and proven processes, workflows and solution integrations so the customer can focus on applying the technology to realize the benefits, rather than trying to wrestle to 'overcome' the technology.

Their strategy and tactics are focused on working with the customer team by leveraging existing customer expertise as they build and extend those skills as part of the selection and implementation process. IBM's solutions and services are designed to assure that benefits visibly accrue in the short term, even as they continue and grow over the long term.

The rationale driving IBM Big Data & Analytics is the consumer's interest in deriving value. The process has expanded beyond a presumption of knowledge about what and where the value resides (in the data) to embrace exploration to find and identify additional value.

The benefits of this approach were seen again and again in the discussions and presentations by satisfied clients. Each was able to clearly identify and discuss how they identified opportunity, what was done to smooth and accelerate the implementation process and to discuss both short range and long term benefits.

There is a lot more detail to the IBM story around Big Data & Analytics. We've barely touched on the full scope and range of offerings to assure their customers realize maximum benefit in their Big Data & Analytics projects. We'll be writing more about specific solutions and service offerings. We expect that IBM will have many very satisfied customers happy to speak with us about their experiences.

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