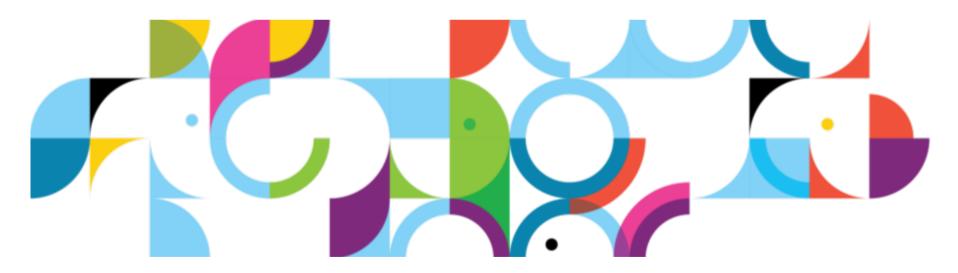


Stephan Schneider – Executive Technology Briefer 07/11/2013

Von Social Media zum Social Business – Ein Megatrend für die Geschäftswelt





Our experiences are changing in the new Social world

How I Buy

Interacting with peers and engaging with the company.



How I Work

Collaborating from anywhere at any time.

How I Create

Tapping into a wide variety of insight and expertise.



New paradigms force businesses to evolve





Traditional roles and processes across the business network are redesigned, forever changing the way organizations operate

Employees

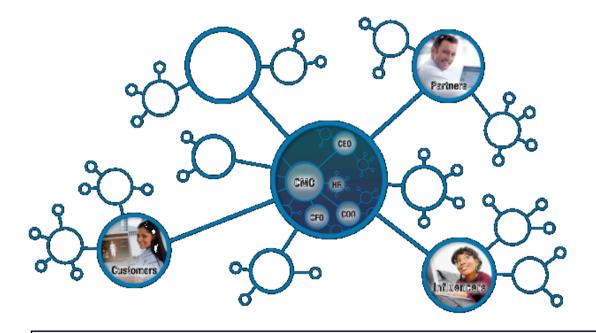
self-forming teams around fast moving opportunities

Customers

leading the conversations that define brands

Partners

becoming on-demand extensions of the enterprise



As barriers between people disappear, organizations are learning to tap into collective intelligence, advocacy and distributed talent to drive business results.

"A Social Business isn't just a company that has a Facebook page and a Twitter account. A Social Business is one that **applies social networking tools and culture to business** roles, processes and outcomes, **achieving powerful returns** on time invested – both internally and externally." – **IBM**



Integrating social into core business functions is creating new opportunities for competitive advantage

Customer Service

Can achieve 5% reduction in customer defection rate increasing profits by up to 68%. ²

Sales

Can increase sales manager revenue by 40% and improve efficiency by up to 50%. ¹



Product Development

Can develop and bring new products to market in 1/3 time. 3

Marketing

Can achieve 100% increase in market exposure. 4

HR

Can save \$2M in recruiting costs. ⁵



The Global CEO Study 2012 is the fifth biennial CEO study, building on our insights and findings over the last 8 years; the Chemicals and Petroleum (C&P) Analysis is a subset of the Global Study

2004 Your turn

- Revenue growth is the #1 priority
- Responsiveness is key competence
- Improving internal capabilities as first step to growth

2006 Expanding the Innovation Horizon

- Business model innovation matters
- External collaboration
- Innovation must be orchestrated from the top

2008 The Enterprise of the Future

- Hungry for change
- Customers as opportunity to differentiate
- Business model innovation, global business designs

2010 Capitalizing on Complexity

- Embody creative leadership
- Reinvent customer relationships
- Build operating dexterity

2012 Leading through Connections

- Empowering employees through values
- Engaging customers as individuals
- Amplifying innovation with partnerships

456 interviews



765 interviews



1130 interviews



1541 interviews



1709 interviews





Findings from 2012 Global CEO Study and Chemicals & Petroleum CEO Study Analysis

Global Industry

- 1. Empower employees through values
- 2. Engage customers as individuals leverage "big data" and social media
- 3. Amplify innovation with partnerships

Chemicals & Petroleum

- Understand global markets improve speed to market (and producing assets) – leverage "big data"
- 2. Enhance environmental awareness leverage social media
- 3. Partnership & collaboration for innovation doing and will do more

Global Leadership

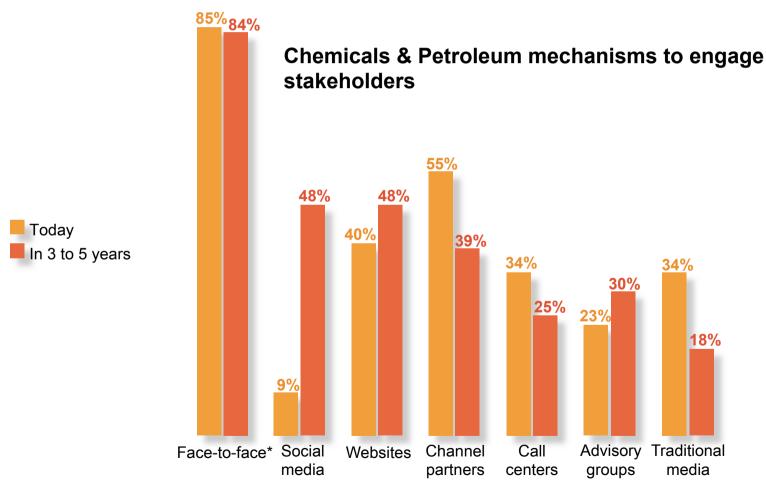
- 1. Develop employees
- 2. Learn customers and their needs
- 3. Partner for innovation

Chemicals & Petroleum Leadership

- 1. Develop global insight
- 2. Inspire
- 3. Team
- 4. Be more environmentally aware

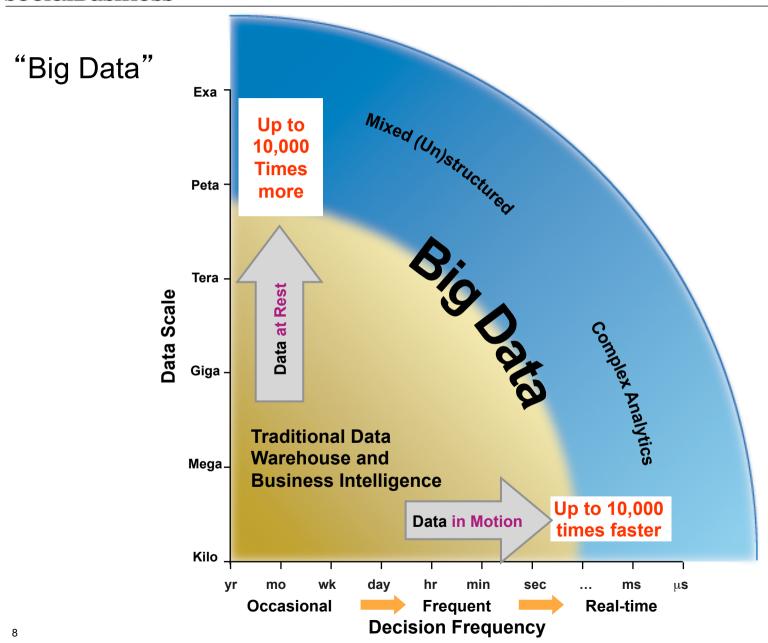


Chemicals & Petoleum CEOs plan to continue face-to-face engagements to connect with customers (stakeholders) but make a step-change in use of social media



Source: Q8 "What are the three most important mechanisms your organization will use with customers over the next 3 to 5 years?" (C&P n=48)
*Face-to-face / sales force / institutional representatives

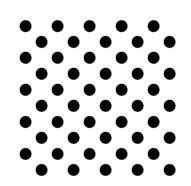






The fourth dimension of Big Data: Veracity – handling data in doubt = V⁴

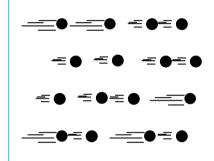
Volume



Data at Rest

Terabytes to exabytes of existing data to process

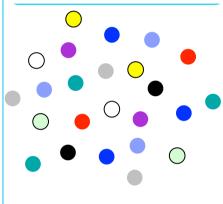
Velocity



Data in Motion

Streaming data, milliseconds to seconds to respond

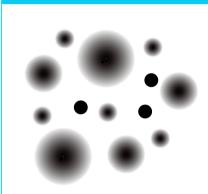
Variety



Data in Many Forms

Structured, unstructured, text, multimedia

Veracity*



Data in Doubt

Uncertainty due to data inconsistency & incompleteness, ambiguities, latency, deception, model approximations

^{*} Truthfulness, accuracy or precision, correctness



The Challenge: Drive Business Using the Information Explosion

Use unprecedented volumes of "structured" and "unstructured" data

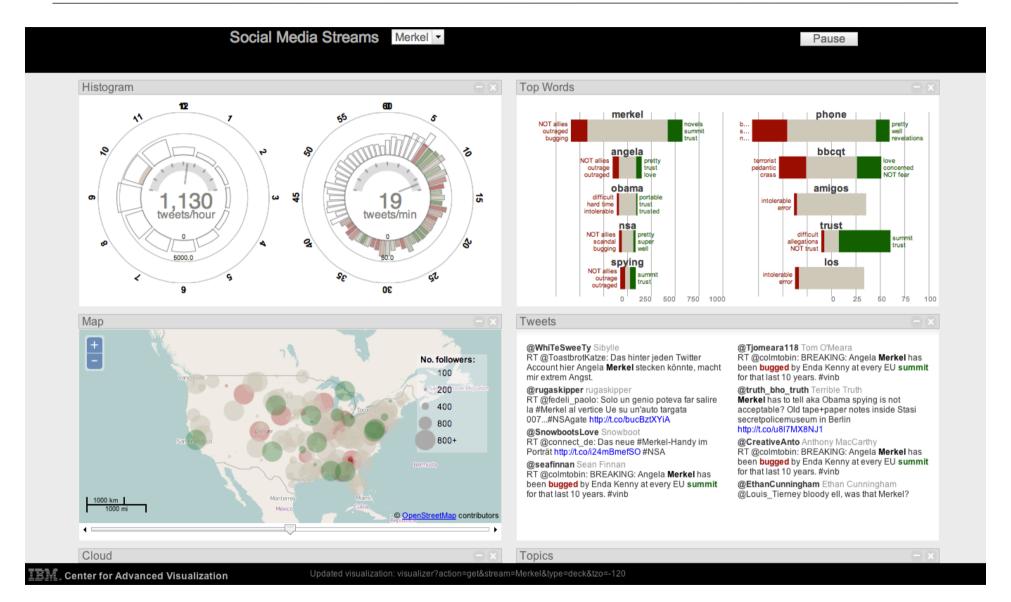


MOVE FROM REACTION TO PREDICTION

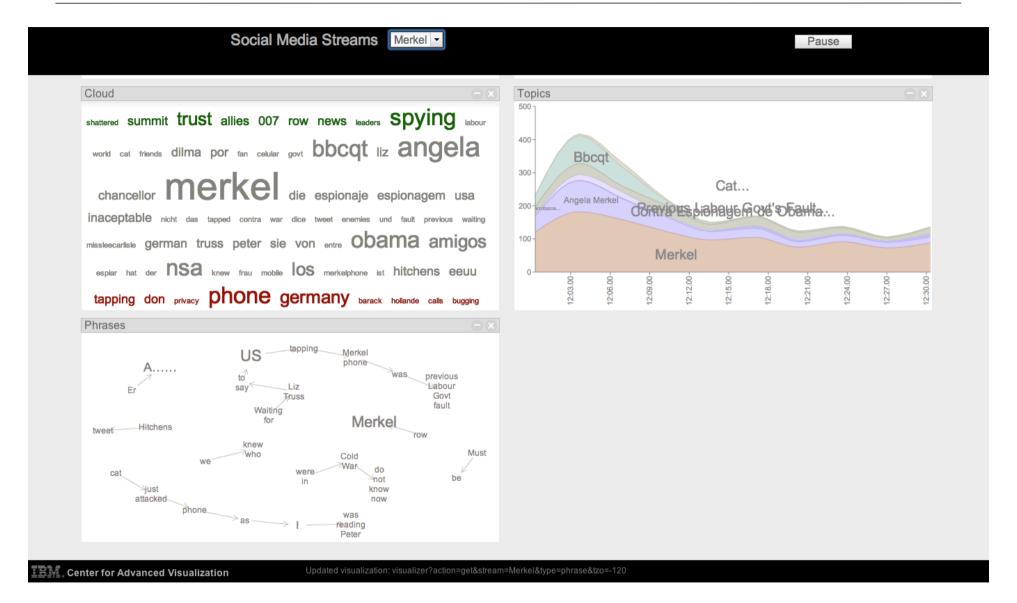
– "Next Best Action"

Social Business











IBM's Watson: An advanced question-answering computing system

- **Jeopardy!** a grand challenge for a computing system:
- Broad range of topics
 (e.g. history, literature, politics, arts, science)
- Analyzing subtle meanings in clues
- Dealing with irony, riddles, and other language complexities
- Speed of accurate responses (max. 3 s)
- High level of confidence in answer required







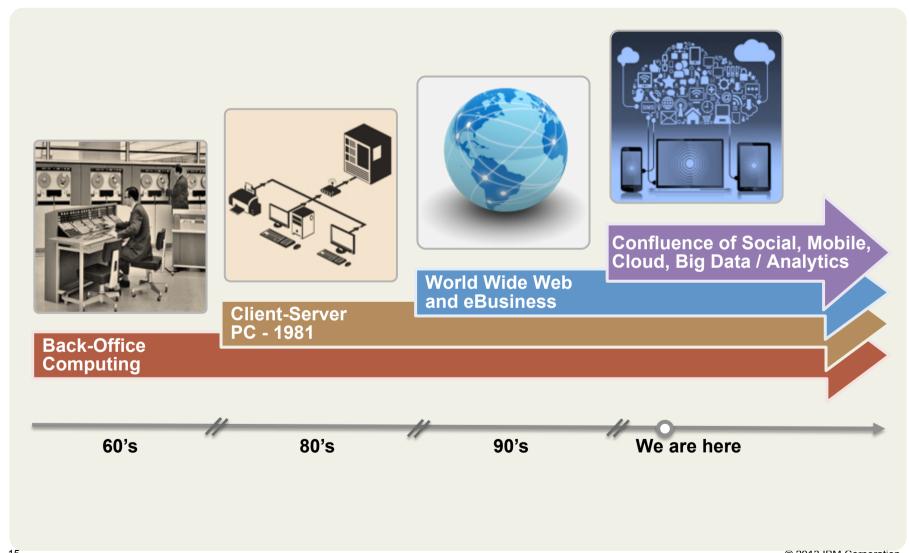
Capabilities of Cognitive Systems



	Watson 1.0	Watson 2.0	Watson 3.0
Memory	V	 ✓	
Learning	V		⊘
Judgment	V		
Perception	\bigcirc		
Multi-modal			
Reasoning			



Major Waves of Technology





Thank you

