

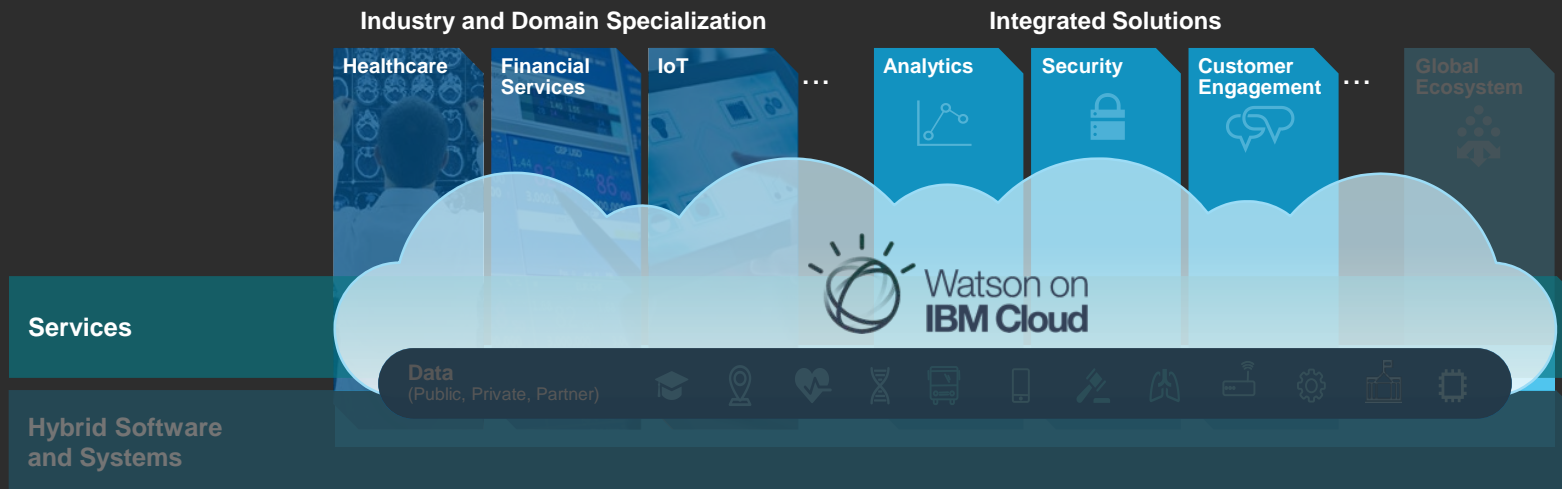
# Transforming Global Business Services

Mark Foster  
Senior Vice President,  
Global Business Services

IBM  
Investor  
Briefing  
2017



# IBM's Platforms and Capabilities: Global Business Services

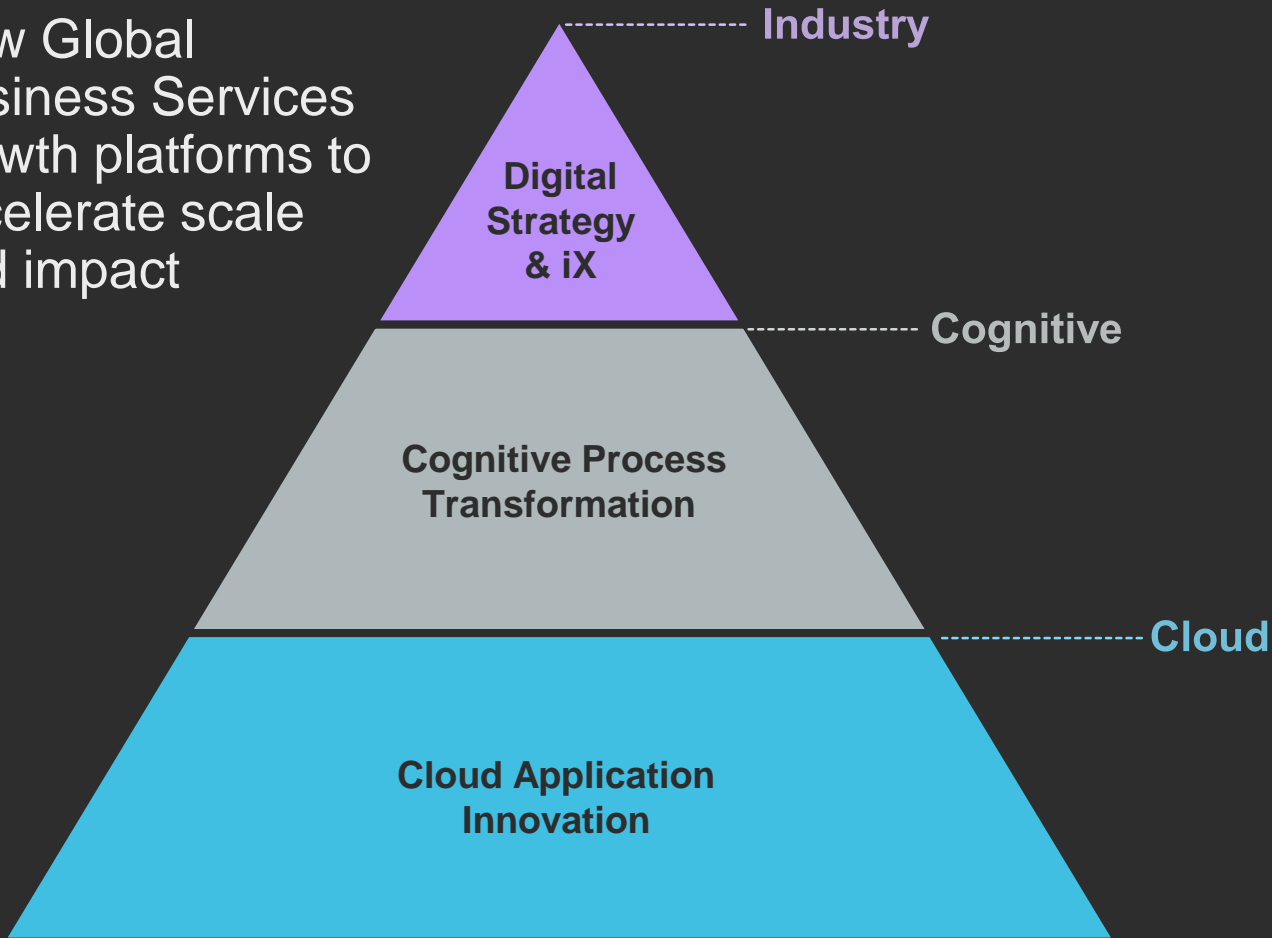


Global  
Business  
Services

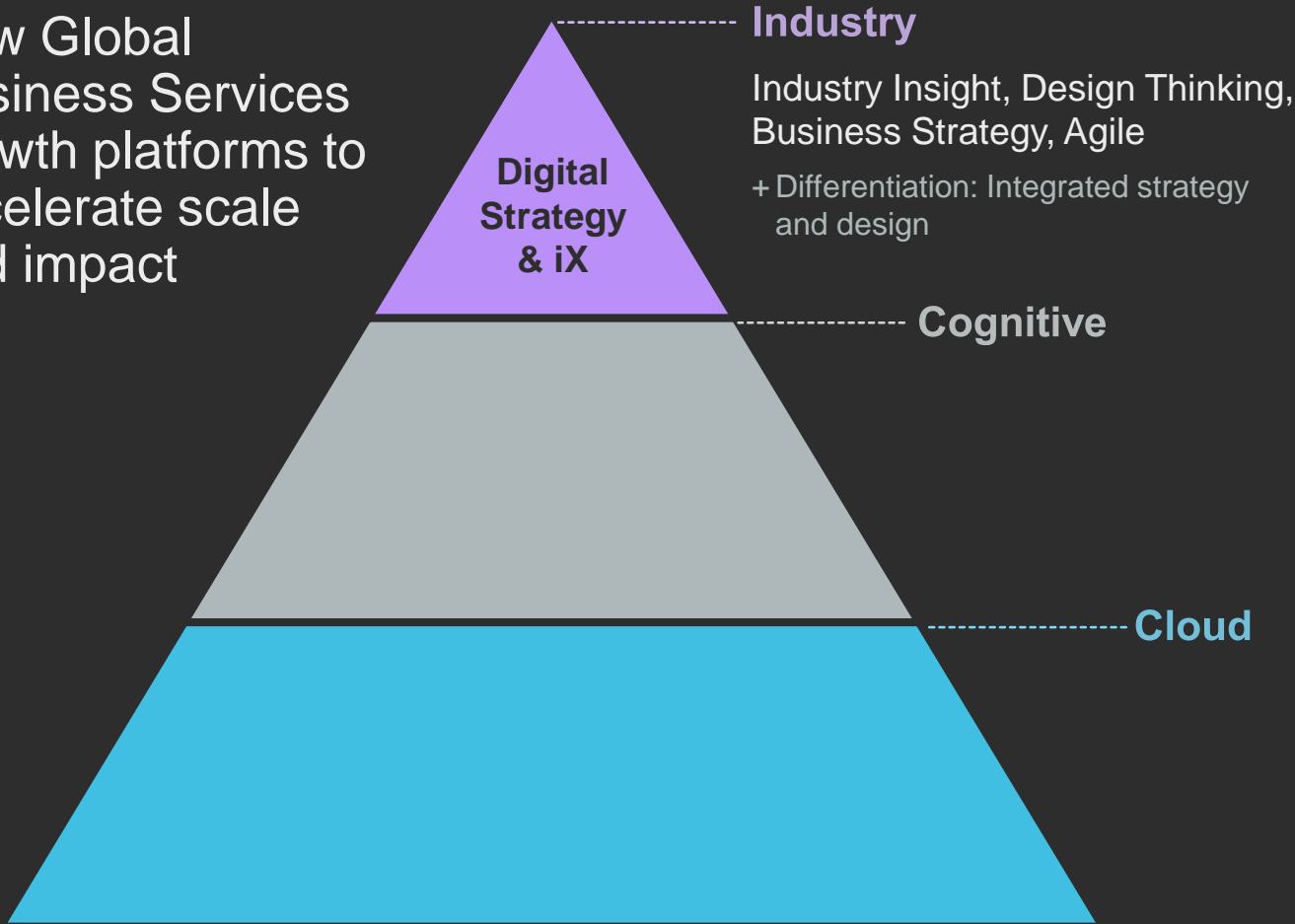
**\$17B**  
2016  
Revenue

**\$9B**  
Strategic  
Imperatives  
Revenue

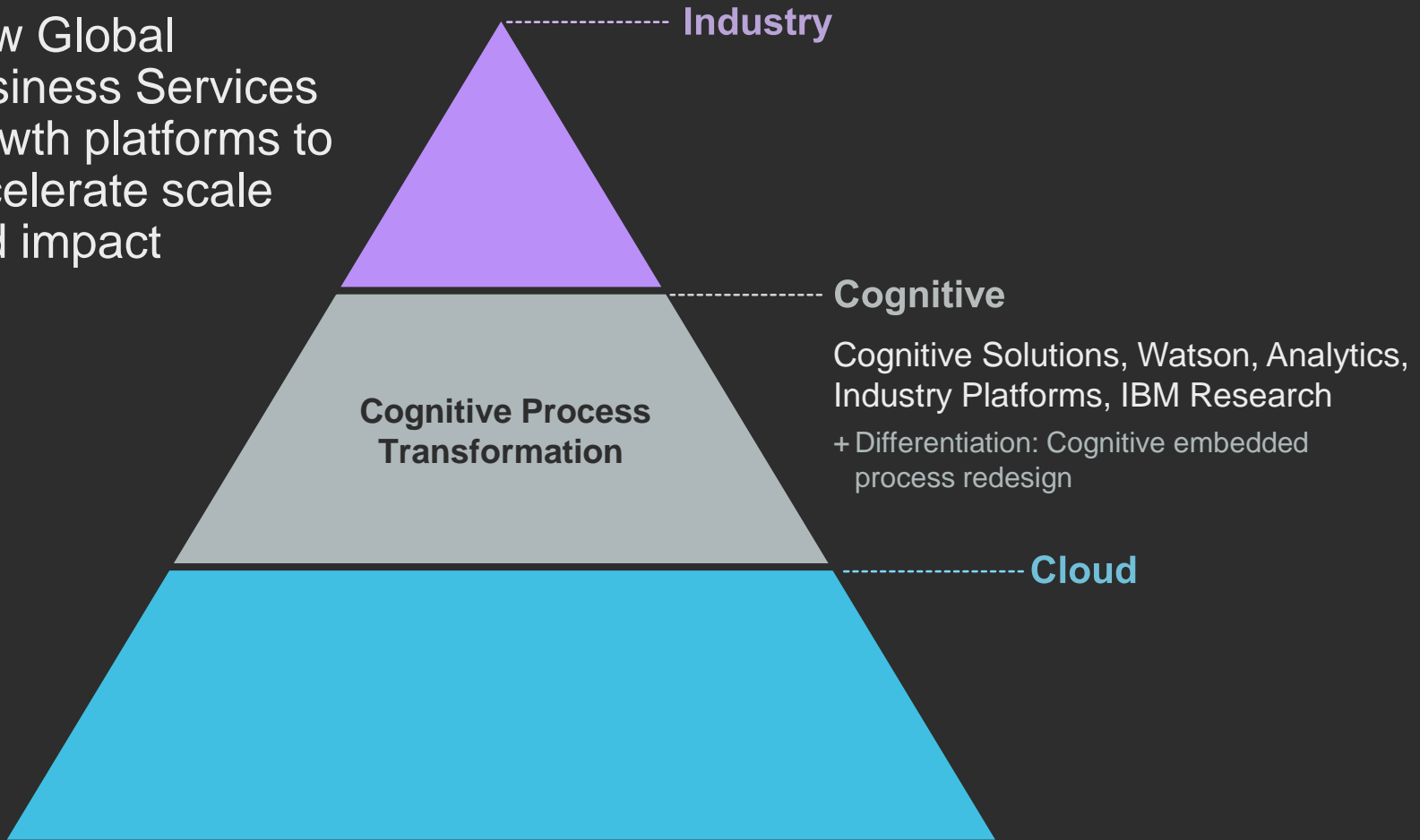
New Global  
Business Services  
growth platforms to  
accelerate scale  
and impact



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Industry

Cognitive

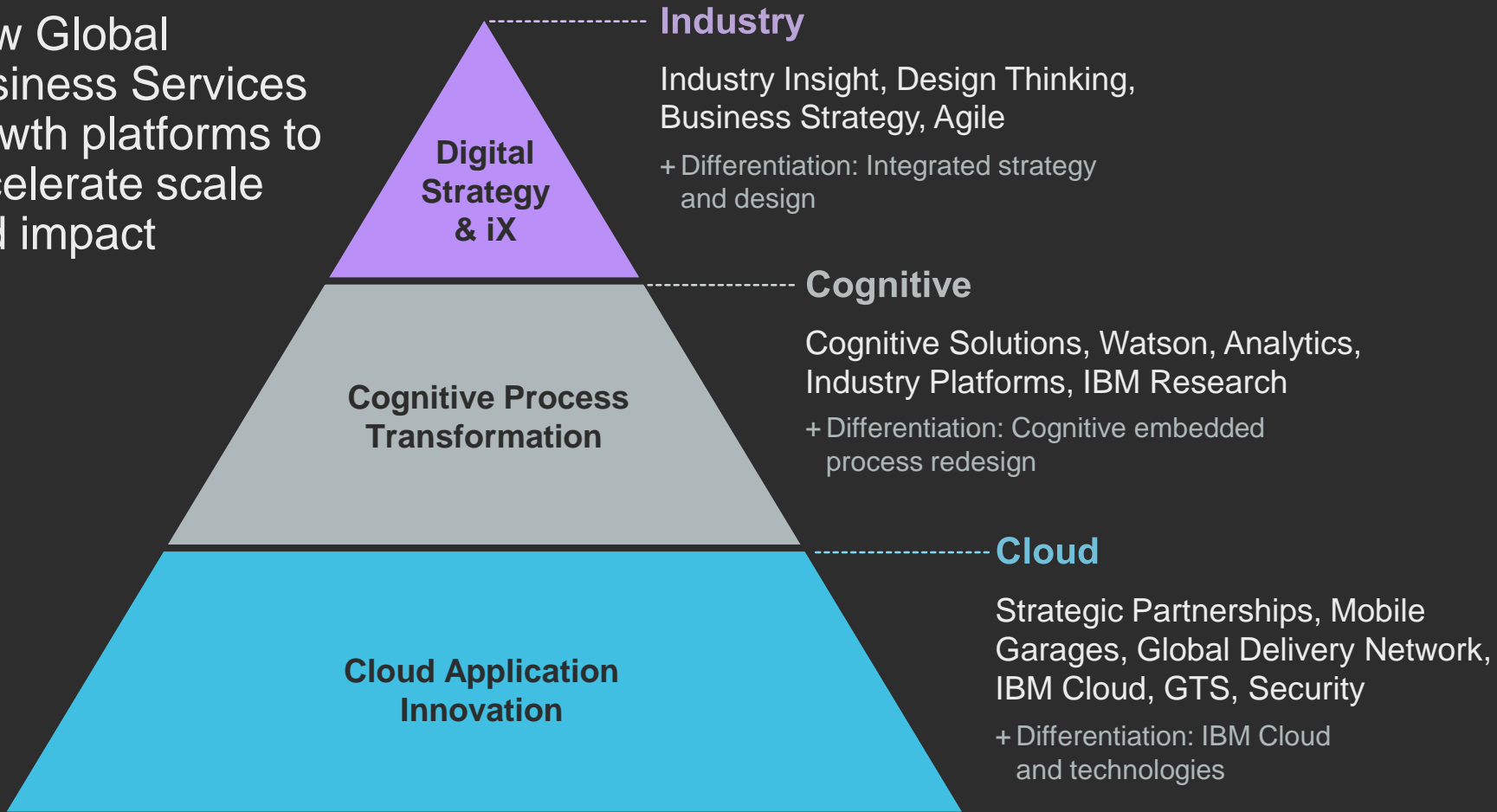
Cloud

Cloud Application  
Innovation

Strategic Partnerships, Mobile  
Garages, Global Delivery Network,  
IBM Cloud, GTS, Security

+ Differentiation: IBM Cloud  
and technologies

New Global  
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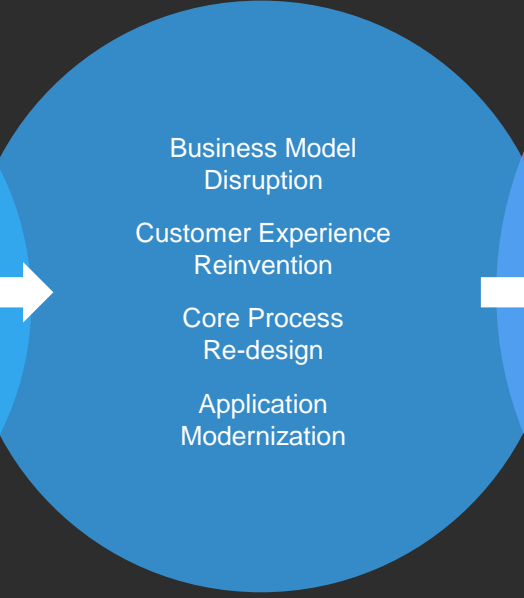


# Client-centric vision for GBS: Digital reinvention partner for leading industry clients

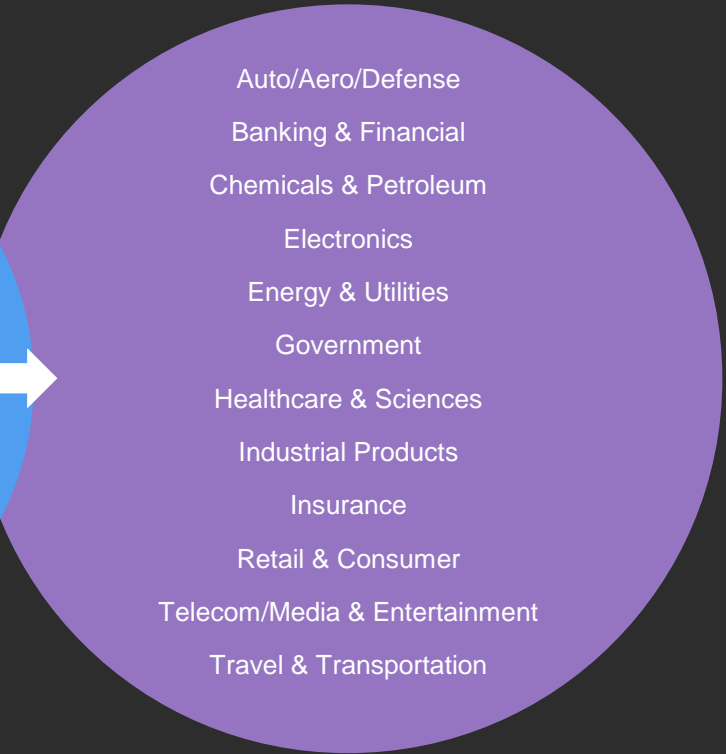
## Market forces disrupting clients



## Requiring solutions for these imperatives



## Creating industry-specific opportunities





# Client proof points of our strategy in action

## General Motors

Business model innovation to monetize in-vehicle apps, media and data

- GM and IBM Watson creating a cognitive mobility platform
- Drivers can interact with favorite brands
- Watson APIs will enable individualized mobile, in-vehicle experiences



## Japan Airlines

Digital reinvention of airline maintenance process

- Collaborative design with JAL mechanics for MobileFirst for iOS apps for aircraft maintenance
- Mobile and analytics eliminates manual paperwork, increases efficiencies and supports higher quality service through increased collaboration



## Northern Trust

First commercial deployment of blockchain in the private equity market

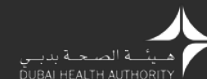
- Security-rich blockchain solution providing efficiency to private equity market
- Transparent digital platform offers one version of truth to all market participants
- Designed and built together with regulator and all ecosystem participants



## Dubai Health Authority

Digital reinvention to improve healthcare delivery

- Digital strategy and design session led to iOS apps for prenatal and diabetes monitoring
- Engagement scope expanding now to cognitive, IoT and blockchain opportunities
- Digital reinvention with electronic medical records



# The power of “practices” to accelerate scale and differentiation

## Digital Strategy & iX

### Digital Strategy



### iX



## Cognitive Process Transformation

### Cognitive Process Re-engineering



### Cognitive Process Services



### Cognitive Business Decision Support

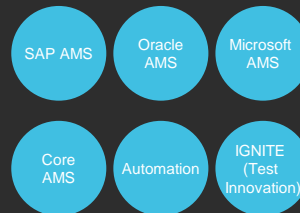


## Cloud Application Innovation

### Next gen EA & Mobile



### AMS Innovation



### Cloud Application Migration Services



...providing pricing power, enhanced margins and client relevance

# Major transformation programs to drive performance

Client centricity

Creating lasting client relationships, dedicated clusters focused on industry-leading clients

Talent

Investing, developing and scaling talent to enhance partner productivity and create growth capacity and mindset

Brand and thought leadership

Increasing market awareness of differentiated services capabilities

Cognitive consulting and services platform

Creating next-generation professional services model and augment sales and delivery with cognitive tools

# Our new model and improvements to our cost base will drive economic turnaround

## Mixing to higher value

Strategic Imperatives Unlocking Client Value  
**+16% Yr/Yr**, >50% of GBS in 2016

Practice-Focused Delivery Strategy  
**Improving** future pricing power through differentiated offerings

Delivering More via the Cloud  
**>65% Yr/Yr** cloud revenue, segment as-a-Service run rate \$1B+ in 2016

**~30 bps per year**  
PTI margin improvement

## Driving productivity

Partner and Associate Talent Refresh  
**Increasing** sales and delivery capacity

Streamlined Practice Infrastructure  
**Reducing** support costs and **increasing** client-facing time of key leaders and support teams

New Methods, Solutions and Project Management Approaches  
**Significant** reduction in delivery costs

**~20 bps per year**  
PTI margin improvement

*Revenue growth over the longer term at improving margins*

# Summary



Client value-led,  
asset-powered strategy  
positions GBS for growth in  
cloud, cognitive and industry



New operating model and  
transformation programs  
to reinforce GBS financial  
performance



GBS is seizing the  
opportunity to leverage  
and magnify the  
full power of IBM

