

Navigating the Road to Growth and Success

Bringing innovation and affordable
solutions to the midmarket



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Defining the midmarket

What exactly is a midsize company? Some analysts define it as a company that employs between 100 and 999 employees. A company with fewer than 100 employees is considered small; one with 1,000 or more employees is large. Other analysts use annual revenue as a benchmark, for example between \$50 million to \$500 million. But neither measure accurately reflects the essence of a midsize company — the organizational and operating characteristics that influence how it runs and how it makes decisions. Five attributes in particular stand out:

- **Resource constrained.** Midsize companies, in general, have limited resources — people and skills — to dedicate to projects and new initiatives. However, when they have the resources, they want fast, measurable returns.
- **Risk averse.** Midsize companies find it difficult to absorb the cost of and quickly correct for business mistakes. As a result, they're often reluctant to make high-risk decisions even when competitively threatened.
- **Business agility.** Typically lacking the tools and systems to optimize business functions and enterprise activity, many midsize companies struggle to adjust in response to business change. In addition, many operate without integrated business processes and real-time access to business intelligence, impeding their ability to anticipate change, generate new ideas and execute efficiently.
- **Change.** Many midsize companies were once family-owned businesses and retain a family culture. Hands-on management as well as employee, customer and supplier intimacy are common. That makes them hesitant to make massive changes that significantly alter organizational structures and relationships.
- **Cost conscious.** Easily susceptible to economic downturns and their downstream impact, midsize companies constantly exercise vigilance over costs, making price and affordability paramount issues when acquiring products and services.

Today, these five attributes loom larger than ever as midsize companies are forced to confront the growing impact of globalization and the essential role information technology (IT) must play if they are to compete and grow.

Answering the challenge

IBM thinks a lot about how it can help midsize companies such as yours address the realities of the new global marketplace. We continually talk to midmarket business leaders about their needs and preferences. And we work within our vast ecosystem of business partners — leading enterprise application providers, as well as local and regional systems integrators — to understand their capabilities and future plans. The result is an approach that's designed to align your business and IT strategies and lets you ride the competitive and economic waves of a changing business environment, while tapping into new market opportunities. Our approach encompasses:

- Solutions that are industry specific, affordable and built to be rapidly deployed
- IBM professionals who are dedicated to the midmarket and have the industry skills and experience to help design and implement enterprise applications and key business processes
- Short engagements that deliver quick ROI, drive high-impact results and mitigate risk and organizational upheaval



Becoming a single global company

With disparate, aging and highly customized legacy systems supporting its U.S. and overseas operations, this midsize manufacturer and distributor of PC peripherals and networking products was finding it increasingly difficult to gain a consolidated view of its business and respond to a changing marketplace. Working with IBM, the company implemented a worldwide ERP solution using IBM Applications on Demand. The fully-hosted solution provides the company with enterprise-class ERP tools that it might not have been able to deploy and manage successfully without significantly expanding its in-house IT department.

Key benefits to the client included:

- Information sharing, use of best practices and substantially reduced administrative workload and expense
- A single global view of finances, sales and its supply chain, helping the company react faster to market trends and customer needs
- Stability and scalability to meet business growth

Tier-one enterprise applications

All too often, midsize companies consider enterprise resource planning (ERP) systems outside their budgets or beyond their in-house capabilities to install and manage. Yet no one doubts the benefits that enterprise application software provides — integrated business processes, supply chain efficiency, greater financial oversight, superior customer service and better human capital management. Regulatory adherence and increased governance and reporting also make these systems crucial.

IBM has addressed the need for affordable, manageable enterprise software by developing industry-specific, pre-packaged and preconfigured solutions using SAP, Oracle (including JD Edwards), Lawson and Infor software as the foundation. Our midmarket ERP solutions are designed for rapid deployment and come with implementation plans, tested transactional flows, detailed documentation and processes based on industry-leading practices. What's more, you'll benefit from the knowledge and expertise IBM has gained while implementing similar applications for other companies in your industry. Among the industry areas covered are:

- Manufacturing (discrete and process)
- Wholesale distribution
- Consumer packaged goods
- Retail
- Life sciences
- Food and beverage
- Fashion and apparel

There are also solution extensions that can increase the value of your existing ERP system by adding specialized function and support for inventory management, supply chain visibility, wireless warehouses, counter sales and more.

We also know that many midsize companies find it hard to choose an enterprise application that's right for their business. Broad functionality does not necessarily mean a good fit, and every company has its own specialized processes. So we've developed a solution that can help drive the selection process and provide an objective, consistent methodology in evaluating vendors and offerings. We'll also tailor our services to meet your specific needs and business circumstances — from taking a limited role as an advisor to performing a multi-vendor evaluation and readiness assessment.

Finally, we can help speed your return on investment by reducing project and infrastructure costs through our modular hosting services available for SAP, Oracle, PeopleSoft and Siebel applications. IBM Applications On Demand™ is a pay-as-you-go, utility-like service that's configured to fit your business needs and capacity requirements. It includes the assets, labor and processes required to manage and run a comprehensive and scalable enterprise application solution. We take responsibility for managing the technology and processes that deliver the application during implementation and production.



Aligning business and IT strategies

Embarking on a business makeover to differentiate itself in the marketplace, this midsize multiline insurance company wanted to understand its current IT organization and delivery capabilities. It also sought to chart a course for the IT organization that would enable the company's new business strategy. In a four-week engagement, IBM was able to provide a detailed roadmap, an IT redesign, an infrastructure renovation and suggestions for offloading the daily management of desktops.

Key benefits to the client included:

- An objective assessment of existing capabilities
- Improved decision making, thanks to a detailed gap analysis of existing and desired states

Strategy and change

Do you need to step back and take a strategic view of your business — where you are, where you want to go, and how to better leverage the resources you have to get there? Are you able to implement business models that take advantage of globalization? How might your business processes be affected by mergers and acquisitions, changes in the supply chain or changes in industry dynamics?

Our strategy and change solutions are designed to answer those questions, helping you simplify your business and become more proactive in managing change. We can also run gap analyses between current and desired states and establish change implementation and management policies.

These are not complex and lengthy consulting engagements that you would typically find at large companies. Rather, they are “health checks” that quickly assess and diagnose your current operational strategies, technical assets and business processes; identify areas for improvement; and provide you with actionable road maps based on different business scenarios. Health checks typically take weeks, not months, and are available in a number of critical areas including:

- IT strategy assessment
- Enterprise applications
- Supply chain processes
- Business intelligence
- Customer relationship management

You'll find our subject matter experts bring a strong balance of industry, strategic and hands-on implementation skills to each engagement.

Application management services

Managing an applications portfolio to support your business consumes resources — sometimes lots of them. Yet all too often IT budgets in midsize companies remain frozen or decline from year to year, and IT staffs spend much of their time maintaining applications instead of working on strategic, high-value projects.

To assist in this regard, IBM offers a full spectrum of on-site, onshore and offshore services that are designed to off-load non-core work, supply needed skills and maximize the business value of your applications. These services, which include staff augmentation, testing, design-build-manage and application modernization, can help you:

- Redirect internal resources toward mission-critical initiatives by removing the day-to-day burden of managing applications
- Find and quickly deploy resources with the right skills to do essential work when there are none in house or in your local area
- Self-fund projects to drive growth and improve performance using the time and money saved in doing non-core work with lower-cost resources

We do it all so you don't need different vendors to satisfy your various needs. But it's not an all or nothing proposition. We'll sit down with you to figure out the outsourcing activities that are right for your business goals and objectives.





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IBM Global Services
Route 100
Somers, NY 10589
U.S.A.

Commitment to the midmarket

IBM's commitment to the midmarket is built on a deep understanding of what midsize companies want, while capitalizing on the expertise, extended partnerships, economies of scale and global reach of the larger IBM organization. Affordable and easy-to-deploy industry-specific solutions. Dedicated consultants who understand your needs. Services that optimize your IT resources and deliver productivity, flexibility and value tailored to your tactical and strategic objectives. Let us help you leverage the global marketplace for competitive advantage and position your company for future growth and success.

For more information

To learn more about IBM and our midmarket solutions, contact your IBM sales representative or visit:

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