

The Changing Landscape for Midsize Business

IBM Global Business Services for Midsize Business

The globalization of the economy and the need to adapt to the changes driven by this macro shift affect large enterprises. Is this changing landscape, the “flattening” of the world, affecting midsize companies as well? To survive, midsize companies must be agile enough to respond to the pressures to compete on levels not required in the past. But it’s not just about surviving, it’s about seeing this globalization as a way to thrive, move in directions not forseen in the past and take advantage of these changes to evolve and ultimately grow.

What separates those who will just survive from those who will thrive? It’s the commitment to innovation including business model changes; expansion into new markets and product lines; and the creation of strategic partnerships. These changes require the implementation of new technologies and a trusted “innovation partner” to help turn these challenges into opportunities. IBM understands this, and offers a consulting team that specializes in providing strategy, business consulting and technology services to the midmarket company.

IBM HELPS MIDSIZE ENTERPRISES ADJUST TO THE NEW REALITIES OF THE GLOBAL BUSINESS ENVIRONMENT

Understanding the array of challenges for the midsize enterprise requires a sophisticated, integrated, strategic response. Initial reaction to terms such as challenge, sophistication and integration is to assume that meeting your business needs will require a complex consulting engagement that you can’t afford and don’t have time for.

IBM has put a great deal of thought into this conundrum. Working directly with mid-

size businesses and with many of the regional and local IBM Business Partners that serve them, we’ve identified key areas where midsize organizations are especially concerned with finding solutions:

- Developing strategy and managing change to respond to your business challenges;
- Managing resources across the organization for improved visibility and efficiency;
- Attracting and retaining customers; and
- Streamlining logistics and leveraging the supply chain for added value.

TAKING AN INCREMENTAL APPROACH TO ALIGNING A BUSINESS AND IT STRATEGY

Although IBM offers comprehensive capabilities in each of the areas where midsize companies typically encounter challenges,

IBM’s strategy and change solutions for midsize businesses are designed to help support growth while simplifying the business in order to proactively manage change.

we have designed our offerings so you can start wherever you are. Our consultants have developed a “health check” approach that allows a company to assess one or more of their business priorities, such as IT strategy or security and vulnerability. These assessments can support informed decision making by identifying areas for improvement and forecasting returns on investment based on different scenarios. These health checks can be applied to multiple areas of

application software suites, such as finance, supply chain and customer management. These assessment offerings help a company get started with very little risk and also give them a chance to try on a relationship with IBM for size.

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LEVERAGING THE ADVANTAGES OF TIER-ONE ENTERPRISE APPLICATIONS

Given today’s regulatory environment, customer demands for accountability, and the need to track and plan for resource optimization, highly visible and integrated business processes are a critical requirement for most organizations. Many midsize companies could benefit from supply chain, human resources, financial, and information management capabilities of enterprise resource planning (ERP) software provided by SAP, Oracle (including all application product lines), Lawson and

others. Traditionally these enterprise applications have been too complex for midsize companies; therefore expensive, difficult and time-consuming to implement. Too often, midsize businesses dismiss these tools as outside their budgets or beyond their in-house capabilities to install and manage. IBM has addressed the need for affordable, manageable ERP software by providing integrated application suites designed to make the benefits of prepack-

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EXECUTIVES

Sam Palmisano, CEO

Murray Mitchell

Global Leader – Midmarket
Global Business Services

IBM Global Services

Route 100
Somers, NY 10589
www.ibm.com/gbs

BUSINESS CONTACT

Steven Ferencie
Americas Leader
Mid-Market Strategy & Change
Phone 404.921.5691
ferencie@us.ibm.com

aged and preconfigured top-tier applications available to midsize organizations.

Drawing on our extensive experience with these application software solutions for businesses of all sizes, we've been able to identify the features most critical to midsize companies. We've also developed streamlined methodologies based on years of industry experience and best practices for implementing and managing ERP tools in midsize business environments.

REDUCING THE COSTS ASSOCIATED WITH MAINTAINING IN-HOUSE APPLICATIONS

Regardless of whether you decide to implement an ERP application, the growth of your business drives up costs and increases the complexity of maintaining your applications environment. Mergers and acquisitions, for example, can drive up the cost of integrating and managing your application infrastructure, generating questions about what your IT road map should look like. IBM Application Management Services provide a way for you to get more out of your existing enterprise applications by building on what you already have. We also help you redirect internal resources toward revenue-producing activities by removing the day-to-day burden of managing applications. We can help reduce the need for ongoing education, in-house skills development and other requirements of managing a complex environment with scarce IT resources. And by relying on the specialized expertise of IBM, companies not only save on operational costs, but are positioned to gain improvements in performance as well.

ATTRACTING AND RETAINING A LARGER CUSTOMER BASE

If your company operates like most midsize organizations, it's likely that you see your business as increasingly customer-driven. Nearly every customer interaction is an opportunity for you to increase revenue. That's why midsize enterprises need integrated customer relationship management (CRM) solutions that go beyond managing Web-based customer inquiries and sales. To truly meet your needs, such

solutions may also include services that help analyze and predict customer behaviors, establish and manage contact centers, provide tracking and logistics information, and support your sales and services teams in the field. For companies running or planning to implement an ERP or financial management application, IBM's experienced team can help integrate these with an existing CRM system.

MANAGING THE SUPPLY CHAIN

Companies of all sizes are adjusting to a globally distributed supply chain. Even if an organization is not working with overseas suppliers or distributors, it's likely some of its partners are. This increased supply chain complexity can make it difficult to track and maintain delivery dates, keep inventory up to date, provide adequate staffing, maintain a high quality of customer service and keep profitability high. IBM's supply chain solutions for midsize businesses are designed to help integrate logistics and distribution operations with the rest of the business, including CRM, and financial management, for increased visibility and tracking, a reduced cost structure and a higher rate of customer satisfaction.

HOW SMALLER BUSINESS CAN THRIVE WITH THE HELP OF ONE OF THE WORLD'S LARGEST SERVICES FIRMS

Companies that have outgrown their relationships with smaller consulting firms or experienced project failure often need to seek broader solutions from a company with deeper expertise and a history of stability and credibility. Recognizing that midsize businesses are a separate category with unique needs, IBM has created a dedicated consulting practice focused on meeting those needs. This practice capitalizes on the expertise, extended partnerships, economies of scale and global reach of the larger IBM organization, but is structured for agility – so we can deliver more cost-effective solutions to you, faster.

Case in point:

IBM has backed its commitment to midsize organizations by building a strong portfolio of solutions that address the specific challenges you face. To create these solutions, we went straight to the source, talking with hundreds of midsize business leaders about their needs and preferences. Because we also work closely with many local and regional systems integrators, we can also offer access to IBM services through local and familiar providers. IBM leverages the industry-specific business process expertise of consultants around the world to help you solve the problems a particular business encounters as it grows and repositions itself in the global marketplace, to become one of those that truly thrives in this new marketplace. ■

More information and additional material can be found online at www.midmarketstrategies.com