

Businesses of the world are changing the way they work and IBM has a strategy to help them. Ann Rubin, vice

## VIDEO 2-5

IBM Video Case  
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president of corporate marketing at IBM, explains: “IBM is in a constant state of innovation, preparing for a world that is infused with digital intelligence and a world where humans and machines work side-by-side to do things that humans simply cannot do alone.” “Let’s Put Smart To Work’ is our new brand platform,” she continues, but “it’s not just advertising, it’s bigger than that. Let’s Put Smart To Work’ is an invitation. We’re asking clients and partners to work with us to put smart to work to use innovative technologies to change businesses and industries and organizations.”

## THE NEW IBM

IBM has a hundred-plus-year history of innovation. Since its early days as the Tabulating Machine Company, IBM has gone through many dramatic transformations. The company shifted from tabulation machines, to typewriters, to computers, to business services and consulting, to artificial intelligence in response to changes in technology, the global economy, and business practices. Along the way IBM developed several well-known products such as the automated teller machine (ATM), the hard disk drive, the magnetic stripe card, and the Universal Product Code (UPC). In addition, researchers at the company won four Nobel Prizes and six Turing Awards for contributions of lasting and major technical importance to the computer field. IBM is in the top 25 of the world’s most valuable brands and in the top 35 of the world’s most admired companies. Today IBM has \$77 billion in sales and 352,000 employees, is ranked 38th on the *Fortune* 500, and is viewed as a cognitive solutions and cloud platform company. According to CEO Arvind Krishna, “IBM is an innovation powerhouse. If you look at all the tectonic forces shaping the future of technology—cloud, AI, blockchain and quantum—IBM is leading on all fronts.”

### Strategy Based on Values

The forward-looking, visionary strategy at IBM is built on core values that are the fundamental, passionate, and enduring principles guiding its conduct. To articulate

those values IBM held a global discussion event, called ValuesJam, among more than 50,000 employees. The results were three underlying values of IBM’s business practices. Teresa Yoo, vice president of brand strategy and experience design, explains the outcome: “We weren’t founded on or defined by a particular product or even a particular leader. It was what we believed and valued in the world, and what drove the decisions about everything that we do. So, those values have evolved over time and remain at the core of what we do. They are (1) a dedication to every client’s success, (2) innovation that matters for our company and for the world, and (3) trust and personal responsibility in all our relationships.”

The values influence IBM’s use of strategic tools, such as portfolio analysis and SWOT analysis, in its assessment of marketplace opportunities around the globe. According to Rubin, “Using methodologies like business portfolio analysis is really important because you need to understand the opportunities in every country that you are going to and what is going to drive business in a certain area.” The analysis “helps figure out what the revenue opportunity is and the growth opportunity for every one of our products in every one of our countries,” she continues. Similarly, Teresa Yoo explains that “we use SWOT analysis when we’re putting together a strategy for a particular brand we’re building or a particular portfolio or product set. It makes a difference



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when you’re trying to figure out what your value proposition is and you need to look at where you really stand in order to create a great strategy.”

The analysis indicates fundamental changes in the business environment. IBM believes that in the near future businesses will need enterprise-strength cloud capabilities, artificial intelligence that is capable of analyzing all company and consumer data, industry-specific consulting services, and advanced cybersecurity. “Our brand strategy is to help IBM be easier to understand, consume, and navigate,” says Yoo. “We have hundreds of products that span the whole gamut of what we do, from services to AI to cloud to research to security. So we have really focused around a few core brands that we want to be known for. They are IBM Watson for AI, IBM Cloud, IBM Security, IBM Services, and IBM Research.” Overall, IBM sees these brands as the key to helping businesses become smarter businesses.

In a letter to IBM shareholders, former CEO Virginia Rometty described the trend toward smarter businesses



as an “inflection point.” She observed that (1) businesses are becoming smarter by leveraging intelligent digital platforms, (2) businesses are becoming smarter by making their systems and processes intelligent, and (3) businesses are becoming smarter by embedding AI and data to change how work is done, equipping themselves for an era of man + machine. The insights about the changes in businesses have led to IBM’s strategy called “Let’s Put Smart To Work.”

### The “Let’s Put Smart To Work” Strategy

The “Let’s Put Smart To Work” initiative was launched at IBM’s annual conference, called IBM Think, at which partners, clients, industry representatives, and technology leaders meet to share information about the changing business environment and business needs. IBM seeks to be an “incumbent disruptor” as it continues its transformation to the new world of enterprise technology. “The evolution of ‘Let’s Put Smart To Work’ is the result of technologies that are fundamentally different today. They are amazing. And we are directing them more specifically to business applications,” explains Yoo. We can tell clients “so let’s really put it to work in your business to accomplish whatever it is that you need to get done,” she adds.

The strategy touches every aspect of IBM. “‘Let’s Put Smart To Work’ is our rallying cry or call to action to partner with clients and to make the world a better place and to make businesses smarter,” says Rubin. “IBM and our clients are putting smart to work across every industry,” she adds. Industries where IBM is assisting businesses include agriculture, automotive, aviation, banking, health care, insurance, oil and gas, retail, and utilities. For example, in agriculture IBM’s Watson analyzes temperature, soil pH, and other environmental factors to help farmers improve their harvest yields. In the automotive industry IBM technologies are helping combine data from IoT (Internet of Things) sensors to create better experiences for drivers in intelligent vehicles. Health care scientists are using IBM artificial intelligence

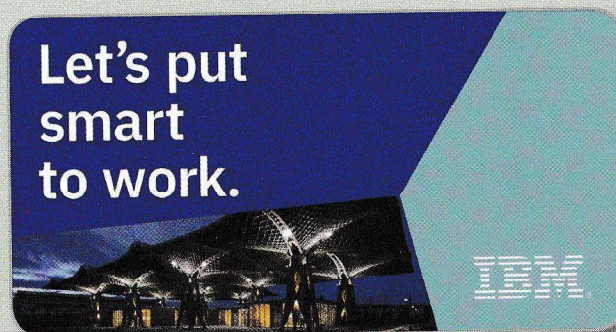
to help accelerate research and find new uses for existing drugs. And in South Africa, IoT sensors are being used to monitor animal movements to help reduce rhinoceros poaching.

### Marketing “Let’s Put Smart To Work”

The IBM marketing organization includes thousands of marketing professionals located in hundreds of countries. They are all adopting an approach they call “agile marketing,” which is based on improvisation, testing and data, and collaboration, and which results in speed, adaptability, and creativity. “At IBM we use agile practices, agile methodologies,” says Rubin. “It’s the way that you best collaborate and the way that you best iterate and the way that you best create programs and products to move forward,” she adds. The general strategy and the specific elements of the agile marketing approach all come together in a marketing plan. Rubin explains, “Everything is grounded in the marketing plan, in fact, everything is grounded in our overall corporate strategy and our values, and our strategic priorities.”

The marketing plan includes a variety of marketing tools. “Our marketing plan leverages all kinds of elements from traditional to emerging technologies and emerging platforms. We use traditional advertising like TV and radio and print but we have to really understand how our clients consume media,” says Rubin. For example, IBM customers tend to travel a lot so IBM places a lot of out-of-home advertising in airports. Digital advertising and social media are also part of the marketing plan. “The important thing about social [media] is understanding that every platform is different. You can’t just take your TV spot and run it on Facebook and LinkedIn and Twitter and Instagram and think it’s going to work. The more you look at the metrics and the data and the analytics, the more you learn those things. Then you uncover the insights and you can create the right content for the right platform,” Rubin explains.

Events are also a very important part of the marketing plan. The reason, Rubin continues, is that “it’s hard to touch and feel our products so it’s really important for our audience to engage with IBMers.” The events give IBM managers an opportunity to engage one-on-one with their clients. Similarly, IBM sponsors events such as the Masters golf tournament, the US Open, many tennis tournaments around the world, and the Grammys, the Oscars, and the Tony Awards. The reason, explains Yoo, is “the clients we are targeting tend to watch and go to those events” and the events are “an opportunity to make the technology we provide easier to understand.”



Source: IBM Corporation



## The “Smart” Future

Innovative technologies and changing businesses have created an exciting combination for IBM’s latest transformation. Ann Rubin describes the excitement in this way: “I feel like I have the best job in IBM and frankly one of the best jobs in the marketing industry overall. The marketing industry is changing every day, so you need to keep up, but it’s so exiting, there’s just nothing boring about it!” So what will the future bring? Teresa Yoo’s advice is, “Keep your eyes on IBM, we’re working on some incredible things that are going to change the world!”<sup>48</sup>

## Questions

- 1 What is IBM’s “Let’s Put Smart To Work” strategy?
- 2 How does this strategy relate to IBM’s values?
- 3 Conduct a SWOT analysis for IBM’s “Let’s Put Smart To Work” initiative. What are the relevant trends to consider?
- 4 What marketing tools described in this chapter are prominent in IBM’s strategic marketing process?
- 5 What is “agile” marketing at IBM? Why does IBM use the agile approach?

## Chapter Notes

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