



## WHITE PAPER

# The Business Value of IBM's Exceptional Digital Experience Solutions

Sponsored by: IBM

Randy Perry  
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Melissa Webster

## EXECUTIVE SUMMARY

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The need to reach customers, partners, and employees effectively via a growing number of digital channels is spurring demand for a digital experience platform. A digital experience platform enables a company to define and deliver consistent cross-channel experiences via the growing number of digital customer touch points to customers, partners, and employees – that is, via the company's intranet(s), extranet(s), and publicly facing Web site(s) and the mobile and social experiences that complement them.

Companies may be hesitant to replace their existing solutions out of concern they won't be able to recover the switching costs. IDC recently undertook a Business Value ROI study on behalf of IBM to assess the economic impact of moving away from a homegrown solution or custom integration of components from multiple vendors to IBM's integrated Exceptional Digital Experience suites. This white paper reports the findings from that study. Highlights include:

- Organizations were able to increase their business productivity by 11% from improved business operations, generating nearly \$100,000 in savings for every 100 users.
- The five-year TCO for IBM's Exceptional Digital Experience solutions was 47% less than that for homegrown solutions.
- Users were 13% more productive overall with IBM's Exceptional Digital Experience solutions.
- Companies deploying IBM's Exceptional Digital Experience solutions in multiple use cases saw an additional benefit of 41%.

Overall, the companies in this study realized a strong ROI (aggregate of more than 500%) and payback of their initial investment in less than seven months.

*Note: All numbers in this document may not be exact due to rounding.*

### BUSINESS VALUE HIGHLIGHTS

Companies in the study enjoyed an average ROI of over 500% and payback within 7 months. Benefits include:

- Improved business productivity by 11%
- Reduced TCO by 47%
- Enhanced user experience drove up user productivity by 13%
- Total benefits exceeded \$300,000 per 100 users annually

## SITUATION OVERVIEW

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The need to reach customers, partners, and employees effectively via a growing number of digital channels is spurring demand for a digital experience platform. A digital experience platform enables the company to define and deliver consistent cross-channel experiences via the growing number of digital customer touch points to customers, partners, and employees – that is, via the company's intranet(s), extranet(s), and publicly facing Web site(s) and the mobile and social experiences that complement them.

### The Customer Experience Channel

We've seen plenty of commentary in the press over the past year or so about the growing importance of customer experience management. Customer experience management is about aligning the organization's goals to meet customer expectations and orchestrating the organization's business processes to deliver an exceptional customer experience. It puts the customer at the center, and it's an acknowledgement of the tremendous power that customers wield today as a result of the rise of cloud computing, mobility, and social networks.

While customer experience encompasses all of the interactions – whether physical or digital – between the company and its customers, it is increasingly a digital experience. Today, 2.6 billion people – or 36% of the world's population – use the Internet. By 2017, this will grow to 3.5 billion – or 46% of the people on our planet. Internet users are also spending more of their time online: On average, Internet users spend 99 hours each month online today, and IDC expects this to grow to 109 hours per month by 2017. Internet users will generate \$13.6 trillion in B2C and B2B ecommerce transactions in 2013 and \$23.6 trillion in 2017 – for a compound annual growth rate (CAGR) of 14.8%.

Today, the customer experience is also increasingly a mobile experience. Just over half of Internet users use a mobile device to access the Internet today (that's 1.4 billion mobile Internet users worldwide). By 2017, nearly two-thirds of the global population will access the Internet using their mobile devices (that's 2.3 billion mobile Internet users). Mobile users are also spending more time online: This year, mobile Internet users will spend some 13.9 hours each month online. By 2017, this will grow to 27.7 hours. Mobile ecommerce is growing quickly: 16% of mobile Internet users will buy products online in 2013; in 2017, 22% will.

Mobile is no longer an optional component of the digital experience: Mobile is often a digital marketer's most important channel – depending on the particular product or service being marketed and the demographic to which it is being marketed. In emerging economies, mobile may be the *only* channel for a digital marketer.

Further, the customer experience is increasingly a social experience. Facebook boasts 1.2 billion active users, Twitter users send over 400 million tweets each day, and Pinterest, a company that's just three years old, has more than 70 million unique visitors per month by some accounts.

We all know what happens when bad news goes viral. In the physical world, a dissatisfied consumer will tell 9-15 people about his/her negative experience. The dissatisfied customer that posts to his/her social network can instantly share that unhappy experience with hundreds, and even thousands, of "friends." No wonder social listening and publishing tools have become standard components of the digital marketer's toolkit.

## The Employee Experience

The quality of the employee experience gets far less attention in the press, but there is growing awareness of its strategic importance in leading corporations.

For one thing, employees are central to the organization's ability to deliver a good customer experience – in part because some of that experience takes place in the physical world, and those physical world customer interactions are often interactions with employees. Employees need to have the training, the tools, and the cultural mindset and sense of mission that empower them to put customers first and delight them. Employee preparedness directly impacts the company's top line, and the corporate intranet plays an important role.

Organizations also have a significant opportunity to improve the productivity of their employees. As IDC research has shown, knowledge workers lose hours each week searching for experts and information, recreating content they can't find, and dealing with a variety of time-consuming tasks as they strive to be responsive to customer questions. The lost productivity amounts to significant costs. Addressing user productivity issues could save employees several hours each week – hours they could put to far better use serving customers and driving new product and service revenue.

Further, organizations must compete for top talent in a very competitive marketplace. A growing percentage of that talent is represented by digital natives whose expectations have been firmly set by the consumer Web, social networks, mobility, and ubiquitous Internet access. These potential recruits expect to bring their mobile devices to work – along with their favorite consumer-grade productivity apps – and they quickly become frustrated when forced to use enterprise applications that are poorly designed, take too many clicks to accomplish simple tasks, or work only on PCs. It will become more difficult for companies to recruit and retain talented young people if they neglect the employee experience.

## The Need for a Digital Experience Platform

On the surface, these appear to be different use cases. We think of intranets as employee facing, extranets as partner facing, and publicly facing Web sites as customer facing. Intranets and extranets are often built using portal technology, and they typically serve authenticated users. Publicly facing Web sites, on the other hand, are often built atop a Web content management system and must be able to serve anonymous users and at the same time provide implicit profiling. In reality, the distinctions between these use cases are not so cut and dried. There are lots of publicly facing Web sites that serve authenticated users; easy Web publishing is just as important for intranets and extranets as it is for the company's publicly facing Web site(s); and all three of these use cases can include ecommerce. In fact, these domains overlap quite a bit, and that's a good reason for companies to look for a digital experience management solution that can address the full spectrum of their needs. IBM's Exceptional Digital Experience solutions fit the bill: IBM offers fully integrated suites for both the customer experience and the employee experience.

## THE BUSINESS VALUE OF IBM'S EXCEPTIONAL DIGITAL EXPERIENCE

The goal of the study was to quantify the relative costs and financial benefits of IBM's Exceptional Digital Experience solutions and understand the full impact on customers' businesses. IDC interviewed 10 companies that have adopted IBM solutions to build and deploy publicly facing Web sites and customer portals/extranets or intranets, replacing a combination of point solutions, in-house labor, and consulting. The results should provide readers with a decision economics framework for evaluating their own approaches toward Web, extranet, and intranet solutions.

### Study Demographics

The organizations and companies we interviewed represent a variety of industries, including food, healthcare, manufacturing, office supplies, real estate, research and development, restaurants, and service providers. The research covered a wide range of company sizes, from small (<50 employees) to very large (>500,000 employees) companies. The median size is 5,500 employees, which is representative of 70% of the organizations. This is a global group, with companies having their headquarters in North America, Europe, and Asia/Pacific (see Table 1).

**TABLE 1**  
**Demographics**

Category	Details
Number of employees (median)	5,500
Average number of IT users	
Intranet	2,750
Extranet	13,500
Average number of physical servers running IBM portal/Web software	4
Average number of virtual servers running IBM portal/Web software	5
Average virtualized (%)	64
Organizations with IBM-based intranets (%)	90
Organizations with IBM-based extranets (%)	40
Organizations with IBM-based publicly facing Web sites (%)	50
Organizations running IBM B2B ecommerce software (%)	30
Organizations running IBM B2C ecommerce software (%)	30
Industries represented	Food, healthcare, manufacturing, office supplies, real estate, research and development, restaurants, and service provider
Regions represented	Asia/Pacific, EMEA, and North America

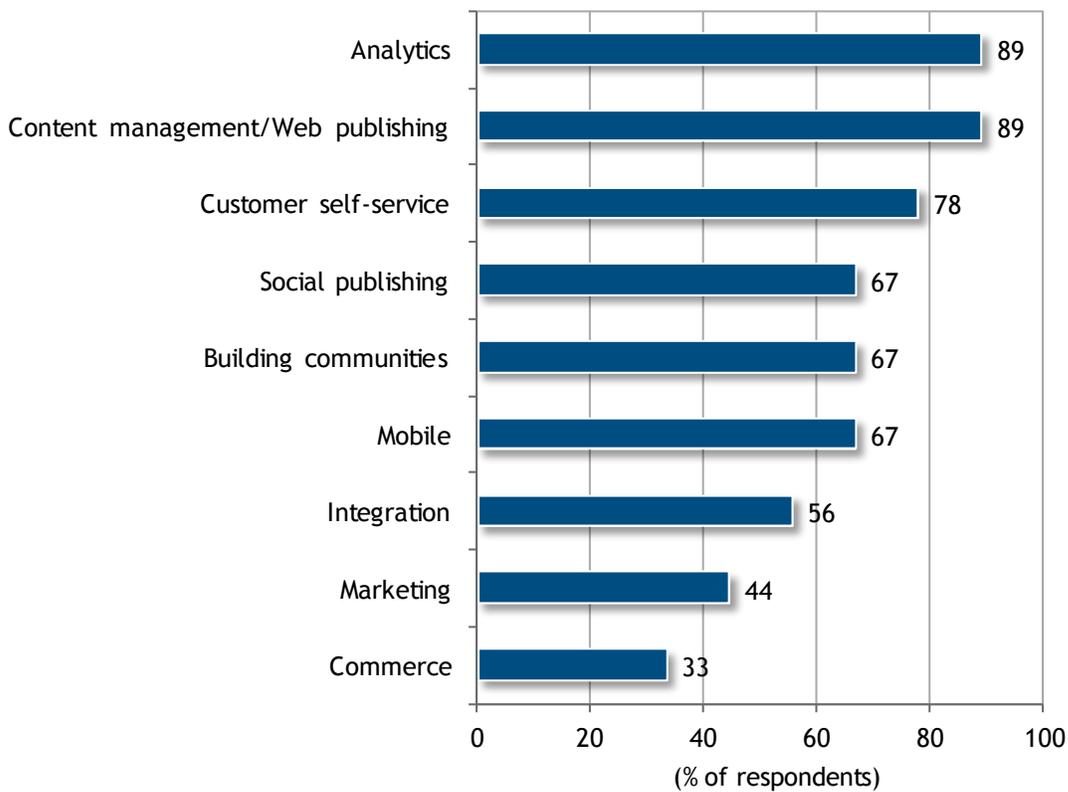
Source: IDC, 2013

Half of IBM's customers are leveraging IBM's Exceptional Digital Experience solutions to address multiple Web publishing needs, including intranets, extranets, and publicly facing Web sites. Internally facing intranets are the most common use case: 9 out of 10 companies have deployed intranets using IBM's Exceptional Digital Experience solutions. 5 customers have deployed publicly facing Web sites using IBM's solutions, and 4 customers have deployed extranets using IBM's solutions (a fifth company plans to do so). Half of the companies have deployed an ecommerce site using IBM software: 2 have deployed B2B ecommerce sites, 2 have deployed B2C ecommerce sites, and 1 (a healthcare organization) has deployed both B2B and B2C ecommerce sites using IBM.

Figure 1 shows key areas of focus for IBM's Exceptional Digital Experience customers. Analytics, content management/Web publishing, and customer self-service all figure prominently in customer deployments. Social publishing, the ability to build online communities, and support for mobile users are all key concerns.

**FIGURE 1**

**Key Areas of Focus for Use of IBM's Exceptional Digital Experience Solutions**



Source: IDC, 2013

## Financial Benefits Analysis

Regardless of the reasons for deploying IBM's Exceptional Digital Experience solutions, all of the companies in the study enjoyed significant financial benefits, including:

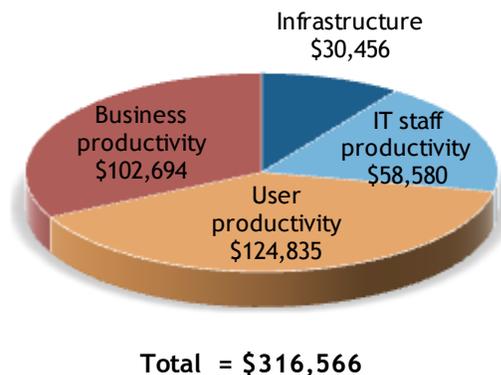
- Reduced infrastructure costs
- Optimized staff productivity
- Enhanced user productivity
- Increased operations efficiency
- Increased revenue

Figure 2 quantifies the average benefits realized across all of the companies in the study, normalized for every 100 intranet users, by these benefit categories.

**FIGURE 2**

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### Average Annual Benefits (per 100 Users)



Source: IDC, 2013

## TCO of Build Versus Buy

In 9 of 10 customer interviews for this research study, IDC found that IBM's Exceptional Digital Experience solutions were replacing an existing solution. Typically, the existing solution had been internally developed (sometimes with the help of consultants) using components from multiple vendors. In contrast, IBM offered an integrated single-vendor solution that was designed to scale to meet the company's future needs.

Our TCO analysis is based on a five-year assessment of the following cost elements:

- **Infrastructure**, including hardware and software costs, whether for initial acquisition or for annual maintenance/upgrades
- **IT labor** to deploy, provide ongoing infrastructure and user support, and support the development and deployment of new portal applications and capabilities
- **Downtime and service desk staff** required to respond to unplanned downtime and support help desk operations

Over five years, IBM's solutions delivered significant reductions in both infrastructure (hardware and software) and IT labor costs. IBM's Exceptional Digital Experience solutions are highly virtualized: In some cases, companies were able to reduce the number of physical servers supporting the IBM solution by as much as 90% – running their IBM sites virtually on existing hardware. On average, companies were able to reduce their hardware costs by 52% and their software costs by 34%. In addition:

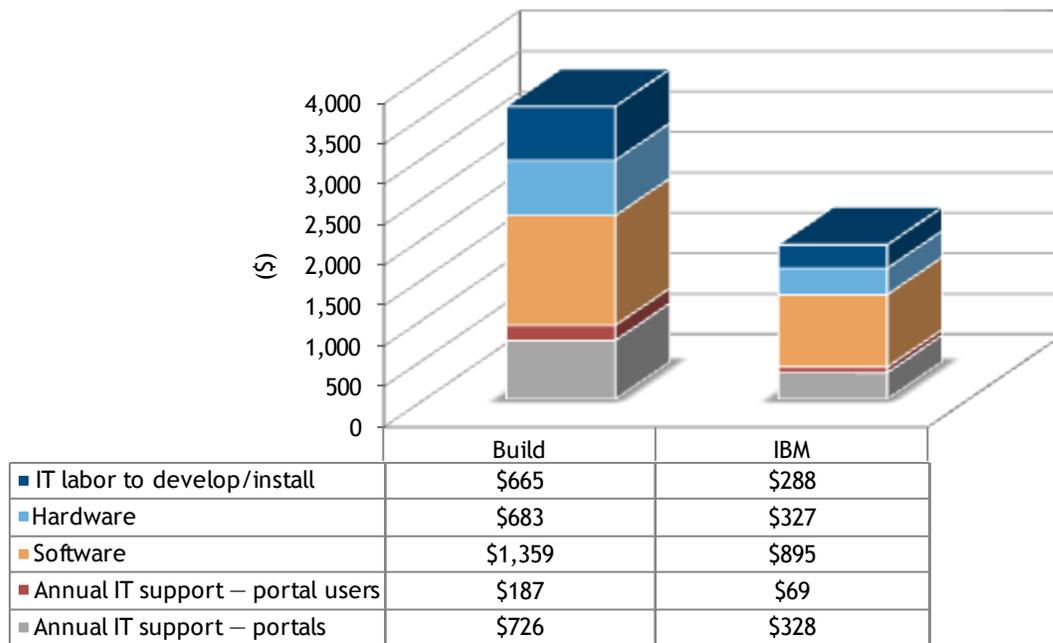
- IT labor costs to deploy portals and applications with the IBM Exceptional Digital Experience were 57% lower than those with in-house solutions.
  - **Initial deployment.** The cost differential was driven by the use of out-of-the-box functionality and portal development and configuration tools that lowered labor costs by 57%.
  - **Ongoing applications and portal development.** The cost differential was driven by the use of prebuilt extensions and integration builders that leverage data and processes from multiple back-end systems while minimizing the need to hard code back-end integrations to the portal, contributing to 79% lower labor costs.
  - **Ongoing IT support.** The cost differential was driven by the integrated portal platform that consolidates the end-user administration, portal operations management, and portal release cycle management tasks, requiring fewer add-on tools and increasing the productivity of IT support resources.
- The costs to respond to downtime and related service desk support were reduced an additional 63%.

## IT Staff Productivity

The overall costs to develop and maintain the company's intranet, extranet, and/or publicly facing Web sites over a five-year period were 47% lower using IBM's Exceptional Digital Experience solution than those for the legacy in-house solution. Figure 3 compares the relative costs of an IBM-based solution and a homegrown solution over a five-year period.

**FIGURE 3**

### Five-Year TCO (per 100 Users): IBM-Based Solution Versus Homegrown Solution



Source: IDC, 2013

## User Productivity

The most significant impact of IBM's Exceptional Digital Experience solutions has been on internal and external users. We calculated increased user productivity in two ways. For companies reporting that the portals enabled users to free up time by accelerating personal productivity activities such as access to information, we calculated the benefit as user productivity. The cases were largely driven by the type of portal:

- Information.** Several of the companies had built their portal content and integrated functions to optimize their users' experience in navigating to the information and resources needed to do their work. They made it easier to find experts using social integration to identify the right resources very quickly, so the time spent searching has been reduced. As a manager at a manufacturer explained, "That's one big point. Our portal maps directly to our organizational structure, so when you work in the portal, you always know where you are. I think it's saved the typical user about 30-40% of their time."

- **Communication.** Many portals were designed to create a collaborative working environment. "Before, we always relied on meetings. Now, we rely on communities, which serves as a project place where all employees can go to access organizational knowledge and expertise, share resources and files, talk about common issues, have common activities, and have common goal sets. I think they are saving about 10% of their time," stated an application development team manager.

These companies reported an average of 13.1% increase in user productivity, which contributed \$116,581 per 100 users in annual benefit (see Table 2). One company estimated total productivity boost at 50%.

In addition, study participants also reported lower downtime and fewer user calls to the help desk with their IBM-based sites. On average, internal users gained about 17 hours of availability per year to the portal applications.

**TABLE 2**

**User Productivity KPIs**

	Other	IBM	Benefit	Advantage (%)
User productivity increase			\$116,581	13
<b>Downtime</b>				
Annual outages	16.7	2.9	13.8	83
Time per incident (hours)	2.2	1.7	0.5	21
Hours per year	36.4	5.0	31.4	86
Hours per user per year	19.5	2.7	16.8	86
<b>Service desk</b>				
Calls per year	946	786	159.7	17
Time per call (hours)	0.9	0.8	0.1	10
Hours per year	868	647	221	25
Hours per user per year	0.2	0.1	0.04	25
<b>Virus attacks/denial of service</b>				
Incidents per year	10.3	-	10.3	100
Time per incident (hours)	2.3	NA		
Hours per year	23.1	-	23.1	100
Hours per user per year	0.01	-	0.01	100
Total hours per year	928	652	276	30
Total hours per user per year	19.65	2.79	16.86	86
Annual savings per 100 users			\$8,254	

Source: IDC, 2013

## Business Productivity

IBM's Exceptional Digital Experience solutions not only were less expensive but also delivered productivity enhancements to the business that positively impacted revenue generation or reduced operating costs. IBM's customers highlighted the following performance advantages:

- **Faster time to market.** On average, customers were able to deploy new sites using IBM's Exceptional Digital Experience solutions in just 4.9 weeks versus 8.1 weeks using their in-house-built solutions – improving their time to market by 54%.
- **Improved security.** The IBM sites had very high resilience to security threats. One company related that it has not had a security incident since it deployed the system in 2008 – zero security incidents. In 2007, the company was averaging two occurrences per year that would actually take down the site and disrupt the business. Now its online presence has 100% availability.
- **Optimized workflows.** Organizations that are heavily reliant on information systems in their business processes saw significant productivity gains of as high as 25-30%. One example is a research and development facility where the contact estimated that improvement in terms of accessing the information: "In a day, I think that they spend looking for information... I actually spent half of my day just trying to ... looking at content from various systems in order to be able to do my job. So now they say it takes me half as much. Not all of the 7,000, though. I'm talking about the clinicians ... a specific user population. Those are internal. The number that would experience a large change in their productivity would be about two-thirds of our employee population ... that's clinicians. So I'd say take that 7,000 and take two-thirds of that. Yeah, so the process to deliver proposals – I don't really have any numbers for these workflows. But if you look at it just from the use cases, or employee proposals, I would say that it saves an hour/week for the salesperson. And the sales team ... plus the presales support.
- **Enhanced communication.** IBM portal users found that the environment delivered superior collaboration, thus enhancing productivity and leading to more revenue. An executive account manager explained, "We were doing a project for a customer, and we were having problems with a particular situation ... we were in the process of trying to close out a project, and I was literally on my way to the customer's site. I was traveling that night, and before I got on the plane, I did some searches in our system, and another consultant in another country had fixed the same problem for a customer ... literally the day before. When I got there, I called the client team and pointed them to these materials, and I fixed it before we had the customer meeting. So we had a happy meeting and eventually closed more business."
- **Greater ease of upgrade.** Sites that are easy to use and upgrade tend to encourage upgrades and added enhancements and features. One organization reported increasing its upgrades from once every six months to twice a month purely as a result of migrating from an open source portal to the IBM Exceptional Digital Experience. "It was very static before. But now we have a lot more people that know this platform. We were really limited to do anything on the other one because it was just a few people who really knew it. Since it is part of our core now, every enhancement that we do to our overall setup gets deployed here, because it's also our marketing site. This is indicative of all of the open source products – that they are built like a house of cards, where you've installed a lot of open source plug-ins and no one really understands how those plug-ins interact with each other. So everyone's afraid to touch it. And since you don't own the code, or own the logic behind it, there's not a lot you can do to make differences. But with IBM WebSphere Portal and with IBM Web Content Manager, you know everything that's installed there, and so you have complete control over it."

- **Personalized information.** The other contributing factor to higher usage rates is using analytics to enable the intranets and extranets to provide customized information depending on the persona of the user. A healthcare provider estimated that it was enjoying a 25% gain in productivity as a result of deploying the IBM Exceptional Digital Experience. "The reason why we needed the portal in the first place was to present aggregated information on the same glass ... to our employees and physicians. So once they look into the environment, we know their roles; based on their roles, we provide them information such as news, medical education, or human resources-related content – so a personalized experience. Additionally, they can launch applications from anywhere ... could be from a mobile device ... or a desktop experience."

Companies in the study reported an 11% increase in operations productivity, which contributed \$97,090 per 100 users annually. In addition, some of the companies were able to identify revenue increases, which contributed another \$5,604 in net revenue benefit per 100 users to the annual productivity benefit (see Table 3).

**TABLE 3**

**Business Productivity KPIs**

Category	Details
Operations productivity increase (%)	11
Average annual benefit per 100 users (\$)	97,090
Revenue increase (\$)	750,000
Operating margin (assumed) (%)	20
Net revenue benefit (\$)	150,000
Average annual benefit per 100 users (\$)	5,604

Note: IDC converts revenue to net revenue to arrive at the net profit of the benefit. In this case, we multiplied the revenue by a 20% operating margin to calculate the \$150,000 annual net gain.

Source: IDC, 2013

## *The Benefits of Standardizing on IBM's Exceptional Digital Experience Solutions for Multiple Use Cases*

4 of the 10 companies interviewed had used IBM Exceptional Digital Experience to deploy extranets in addition to intranets. These extranets can be grouped into three types by configuration:

- Integrated with Intranet
- Standalone B2B or B2C
- Integrated B2B and B2C

One of the hospitals participating in the study had deployed an extranet enabling doctors in their own offices and nurses and doctors in participating clinics to communicate with the hospital. The hospital estimated its staff experienced a 25% gain in productivity because the clinicians, physicians, and nurses were able to perform their tasks from the outside. They can do patient charting and can access various systems to complete their documentation when it comes to delivering patient care. In addition, the hospital had information portals set up for patients, which the hospital felt gave it a competitive advantage, allowing its physicians more time to deal with complex cases.

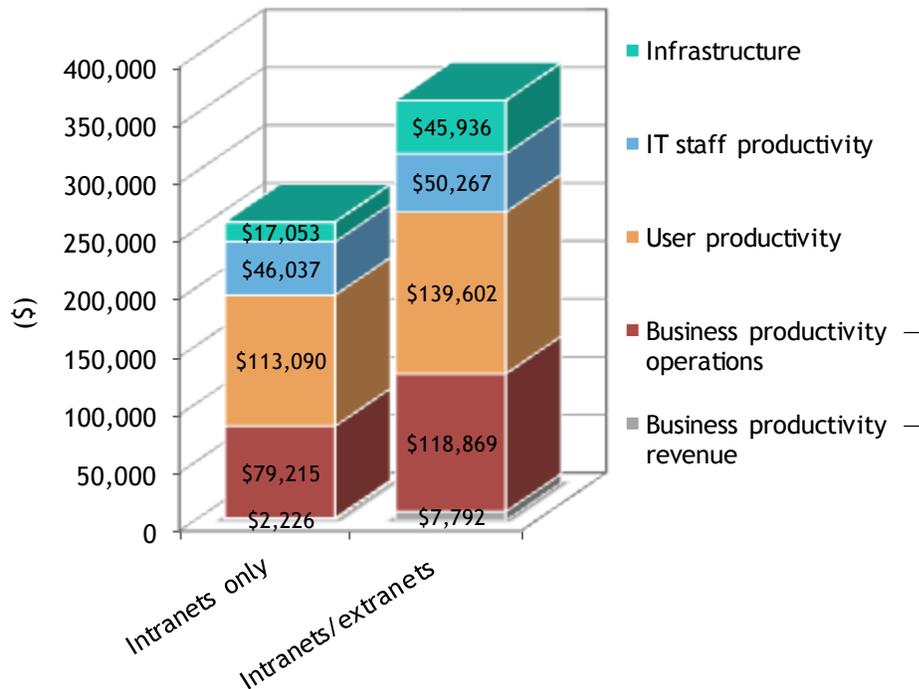
"The whole thing is that in the healthcare world, competition is a fact of life. We would like patients to participate in their own care, manage their own medical information, and things like that. That's very important because as healthcare costs have been skyrocketing, going up, patients that are involved – patients that actually participate in their own care – can reduce the costs of care. For example, let's say that a person has diabetes. By providing very good patient education, we can actually minimize the number of visits to the hospital. What that means is lower costs and better outcomes for the patients. They are healthier people. Meanwhile, our physicians can tackle the more complex issues as opposed to the things that the patient can easily be educated about. We are a very advanced medical facility, and our goal there is to help people with the more complex cases. That's where we want to spend our time. We want to make a difference. We'll help more people in a better way." An ecommerce site for online billing and payments is also integrated with the system.

A manufacturer deployed its extranet to support customer service and found that the internal staff who have to deal directly with the customers are saving a tremendous amount of time because the call rate for information is going down. Earlier, the staff had to respond to each call, which was usually an inquiry regarding an order, and they would have to stop what they were doing and respond. Now, customers can see all of this information directly, so as customers are getting used to the new capabilities of the portal, the call load is going down. "Instead of us having to send out a spreadsheet, they can see it online. If they have a question afterward, they can still call or hit an alert, and we can come back, and we can talk about it. Our internal users use the portal to support customers. The 50 people are saving about four hours each week."

These companies enjoyed about an 18% increase in benefits (\$46,000 per 100 users) over the organizations that had deployed intranets only (see Figure 4).

**FIGURE 4**

**Average Annual Benefits of Deploying Only Intranets and Intranets and Extranets (per 100 Users)**



Source: IDC, 2013

**ROI Analysis**

IDC uses a three-step methodology for conducting ROI analysis:

- **Gather quantitative benefit information during the interviews using a before-and-after assessment.** In this study, the benefits included IT staff productivity increase, user productivity increase, and IT cost reduction.
- **Create a complete investment (five-year total cost analysis) profile based on the interviews.** Investments go beyond just the solution's hardware and software. IT departments spent staff time installing and configuring the new solution, removing old equipment and/or software, and then maintaining the new solution over five years. Ancillary costs directly related to the solution, such as user input to planning; outsourced installation, configuration, or maintenance; and IT staff or user training, are also included in the analysis.
- **Calculate the ROI and payback period.** IDC conducts a depreciated cash flow analysis of the benefits and investments over a five-year period.

Because the full benefits of the solution are not available during the deployment period, IDC prorates the benefits on a monthly basis and subtracts the appropriate amount for the deployment time from the first-year savings.

IDC uses a discounted cash flow methodology to calculate the ROI and payback period. ROI is the ratio of the net present value (NPV) of the net benefits and the discounted investment. Payback period is the point at which cumulative benefits equal the initial investment. IDC uses a standard 12% discount factor (allows for risk and the missed opportunity cost that could have been realized using that capital).

The five-year ROI analysis shows that on average, the organizations in this study spent \$180,000 per 100 users deploying and maintaining IBM Exceptional Digital Experience solutions and received \$1.1 million per 100 users in benefits for an NPV of \$900,000. The companies saw a payback period of 6.6 months and an ROI of 502% (see Table 4).

**TABLE 4**

**Five-Year ROI Analysis (per 100 Users)**

Category	Details
Benefit (\$)	1,080,000
Investment (\$)	180,000
Net present value (NPV) (\$)	900,000
ROI (NPV/investment) (%)	502
Payback (months)	6.6
Discount factor (%)	12

Note: All values per 100 users relate to intranet users only (average of 2,750).

Source: IDC, 2013

**FUTURE OUTLOOK**

As our study shows, most companies that adopt IBM's Exceptional Digital Experience solutions are embracing them for multiple use cases. Some customers make it a priority strategic decision to use IBM across the board for all of their portal/Web/mobile publishing needs; for other customers, the success of the first project inspires them to leverage IBM solutions in follow-on projects. Both approaches are perfectly valid: Either way, customers ultimately realize the same benefits – as long as groups aren't going off on their own and deploying incompatible, siloed solutions.

As noted previously, intranets, extranets, and publicly facing Web sites (and their companion mobile and social experiences) are variations on a theme. IBM's ability to address all three in a common

architecture lets customers gracefully extend their investment in IBM Exceptional Digital Experience solutions to support their digital marketing/extranet users (via IBM Customer Experience Suite) *and* their intranet users (via IBM Employee Experience Suite).

Delivering an exceptional experience requires the ability to track and analyze usage, define and target user segments, and optimize and personalize the user experience. IBM's broad analytics portfolio gives the company an important advantage in the marketplace, and it is breaking new ground with advanced technologies such as Watson. Customers of either suite can also leverage IBM Customer Experience Management to ensure the quality of that user experience and identify issues that require attention.

Customers that begin with internally facing intranets will want to evaluate IBM's Smarter Workforce solutions – which intelligently manage hiring, onboarding, and talent management activities – in addition to the IBM Employee Experience Suite. IBM Connections, IBM's enterprise social networking offering, is an important linkage between the two that supports internal productivity and efficiency gains.

Although the historical strengths of IBM lie in its IBM WebSphere Portal and IBM WebSphere Commerce solutions (both of which are very broadly deployed today), IBM has focused intently on building out its digital marketing portfolio over the past couple of years. The capabilities of IBM Web Content Manager software (which are an integral part of the IBM Exceptional Digital Experience software suites and seamlessly integrate with IBM WebSphere Portal) have matured significantly and – as our study shows – IBM customers are successfully leveraging IBM Customer Experience Suite to build and deploy highly customized publicly facing Web sites today. We can expect to see IBM continue to compete forcefully for marketing use cases, leveraging IBM's Enterprise Marketing Management solutions for Web, digital, and marketing optimization management.

## CHALLENGES/OPPORTUNITIES

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All of the IBM customers we interviewed were able to demonstrate significant ROI by implementing IBM's Exceptional Digital Experience solutions. That said, it's possible that some customers may fail to reap similar rewards for some unforeseen reason. As IDC research has shown in the past, inadequate requirements are the most common cause of IT project failure; organizations must be sure to enlist all key project stakeholders and establish a clear process for requirements definition.

Good user interface design is a critical part of any digital experience – whether Web, mobile, or social. Ideally, user interface design is carefully mapped out during the requirements definition process. Ultimately, however, companies need a solution that lets them revise and enhance that experience as they learn more about how their users traverse the sites they deliver. This is just as important for employee experiences as it is for customer and partner experiences.

Companies also need to invest in training, for both users and IT staff, if they're to make optimum use of the new technology they acquire. They also need to be able to rely on good support from the vendor as they build their skill sets. This means it's important to choose a vendor that backs up its technology promise with expert assistance and prompt support. Global companies with distributed IT teams should select a vendor that can provide follow-the-sun support.

## CONCLUSION

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Customers looking to deploy intranets, extranets, or publicly facing Web sites should consider IBM's Exceptional Digital Experience solutions. As our study shows, customers from a variety of industries – and from around the world – are realizing substantial benefits today in organizational productivity, business agility, and reduced operating costs from deploying IBM's Exceptional Digital Experience solutions.

Those benefits are compounded when customers leverage IBM's solutions across multiple use cases, that is, for a mix of intranets, extranets, and/or publicly facing Web sites. As we have noted previously, these use cases share many common requirements, so it makes good sense to leverage a common technology stack to address them all. Doing so enables organizations to standardize IT skill sets and better leverage their IT staff – for both development and ongoing support.

Companies contemplating investment in an intranet, an extranet, or a publicly facing Web site should ask themselves the following questions:

- Does our current solution enable us to rapidly develop and deploy engaging digital experiences and respond quickly to enhancement requests from our employees, customers, and partners, or is it a struggle to implement new functionality to meet their expectations?
- Does our current solution make it easy and intuitive for business users to add, change, and delete content, or must they queue up content changes for IT?
- Does our solution support our content contributors with robust workflow capabilities that streamline the publishing process, saving business users time and effort, and that ensure the organization's approval processes are followed?
- Does our solution provide out-of-the box support for mobility, enabling us to provide responsive Web, mobile Web, hybrid app, and native app experiences as required by our stakeholders? Is it easy to leverage our content across user and/or customer touch points, or are we stuck in a siloed publishing approach?
- Does our solution address our broader social business needs by providing enterprise social networking, online communities, and social publishing to connect our employees, customers, and partners?
- Are robust ecommerce capabilities important for us? Do we envision providing B2B or B2C – or both?
- Are we supporting multiple Web publishing/portal solutions today? When something breaks, does IT need to navigate multiple vendors' customer support organizations to determine the root cause? Are our support costs escalating because we're running a mixed stack? Is it difficult to find people with all of the skill sets our homegrown solution entails?
- Is it difficult or expensive to integrate new modules or new functionality with our existing solution? Would it be easier if we could rely on a vendor that has a large ecosystem of partners that provide preintegrated solutions?
- Are we experiencing significant downtime or system outages – either unplanned or scheduled? Is the help desk fielding calls from users who either can't access our sites or find it difficult to use them?
- How important are security, reliability, and scalability, and how does our current solution stack up?

These are some of the challenges that organizations using homegrown solutions or a mixed, customized stack must contend with. Integrated single-vendor suites such as IBM's Exceptional Digital Experience solutions can help overcome them.

Today, as customers increasingly turn to digital channels to research products, shop, and purchase – and as employees arrive in the workplace conditioned by engaging consumer Web, mobile, and social experiences – organizations can't afford to be left behind because of legacy investments. Customers and employees alike *expect* an exceptional digital experience. The good news, as our TCO study shows, is that most organizations can justify the cost of IBM's Exceptional Digital Experience solutions based on quantifiable hard dollar savings within a relatively short period of time.

## About IDC

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## Global Headquarters

5 Speen Street  
Framingham, MA 01701  
USA  
508.872.8200  
Twitter: @IDC  
[idc-insights-community.com](http://idc-insights-community.com)  
[www.idc.com](http://www.idc.com)

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