

Callan Consulting

IBM: ROI Development



“Ed quickly created a credible, concise model describing a very complex ROI proposition and a comprehensive, articulate set of materials including a customer-facing white paper and sales presentation to describe it.”

Keith Myer, Market Management Executive, IBM Digital Media

Background

IBM's Digital Media offerings help businesses manage a wide variety of mission-critical images, audio, and video. IBM Digital Media solutions help companies transfer legacy analog media to digital format, manipulate and manage it, and distribute it through digital means. IBM customer examples include CNN's programming and content archival, Coca Cola's management of advertising and branding, and implementing police departments' digital media surveillance systems.

Business Problem

In early 2002, IBM was in the process of upgrading its Digital Media sales tools, and a key missing piece was a powerful and succinct articulation of the ROI value proposition. One challenge in articulating the ROI is that customers in different industries use digital media in very different ways, ranging from media companies where the digital media is the salable product to retailers who can use digital media to reduce their cost of sales.

Solution

There were two primary components:

- Building and populating a model to help customers understand and quantify the ROI that could be derived by their business
- Developing a corresponding white paper and sales tools to articulate the ROI value proposition

After immersing himself in IBM's sales tools and interviewing a number of experts both inside and outside IBM to fully understand the business value proposition, Ed built an ROI model, shared it with internal stakeholders, and populated it with reasonable starting points. The key challenge was developing a model sufficiently broad to cover different industries in which the media in question play different roles. Ultimately Ed developed an approach by which the ROI proposition was discussed at an abstract level, then industry-specific examples were provided for the top three industries IBM was targeting.

Once the model was finalized, Ed developed a 20-plus page stand-alone white paper complete with examples and customer quotes, as well as slides for the sales deck.

Results

IBM has incorporated this work into its sales force toolkit, and has used it to describe its value proposition to a number of internal and external audiences, including customers, industry analysts, and financial analysts.