INTERNATIONAL BUSINESS MACHINES INNOVATION STRATEGY REPORT

By Student’s Name

Code + Course Name

Professor’s Name

University Name

City, State

Date
Executive Summary

International business Machines are a multinational computer technology company that has remained innovative for more than ninety years. Since its inception it has partnered with many other companies to automate business transactions through intensive research and technology improvements. Its major income generating activity is inventions, system development, manufacturing information technologies, software’s, computing systems and microelectronics. IBM has been a significant corporation in the market today with job opportunities of more than 319,000 among other services. It has received, among other rewards the Nobel laureates among other prizes and awards. Moreover, IBM has been leading in the number of patents held for more than 12 consecutive years. All these can be traced to its beliefs, mission, and vision of continually adapting to the realities in the marketplace. IBM has also faced challenges of missed opportunities due to rewarding of short term goals and therefore there is a need for further improvements.
# Table of Contents

Executive Summary ................................................................................................................................. 2  
Introduction ............................................................................................................................................... 4  
Part 1: The organization's need for innovation and process changes .................................................. 5  
  Innovation framework ............................................................................................................................. 5  
  Innovation culture ................................................................................................................................. 7  
  Organisational structure and design ..................................................................................................... 8  
  Funding model ....................................................................................................................................... 8  
  Business transformation and integration ............................................................................................... 10  
Part 2: Business Process Design and Improvement ............................................................................. 11  
  Innovation strategy ............................................................................................................................... 11  
  The leadership team and other key stakeholders ................................................................................. 11  
  Project selection and project management .......................................................................................... 12  
  Role of technology in innovation .......................................................................................................... 13  
Part 3: Process Performance Evaluation ............................................................................................... 13  
  Evaluating investments .......................................................................................................................... 13  
  Process performance management – methods and metrics ................................................................. 14  
  Balanced scorecard method .................................................................................................................. 15  
  Process measurement and product development cycle time .............................................................. 16  
Part 4: Potential Change Management and Risk Issues ....................................................................... 16  
  Dealing with failure .............................................................................................................................. 16  
  Barriers and enablers of innovation ..................................................................................................... 17  
  Critical success factors ....................................................................................................................... 17  
  Lessons learned and path for future ..................................................................................................... 17
Introduction

International Business Machines is an information technology consulting corporation and a multinational computer technology company. Its headquarters is in Armonk, New York in the United States. IBM has been developing a partnership with many other companies in order to automate business transactions. Having been initiated in 1880's the company has developed through a series of innovation, making it relevant in the current trade. The records have it that over 90 years of innovation and about 60 years of intensive research has made it more successful. Currently, IBM generates its income through inventions, developing and manufacturing information technologies, software’s, computer systems and microelectronics. IBM has been a significant corporation in the market today with job opportunities of more than 319,000 among other services (Boss et.al, 2007, p. 229). It has received, among other rewards the Nobel laureates, National Medals of Technology, National Medals of science, and the National Inventors Hall of Fame among others. Moreover, IBM has been leading in the number of patents held for more than 12 consecutive years. All these can be traced to its beliefs, mission, and vision of continually adapting to the realities in the marketplace.

This report is a critical evaluation of IBMs’ innovation strategy, processes, infrastructure and organizational structure. It is intended to emphasize its need for innovation and the process changes. It also includes the business designs and improvements, process performance evaluation, potential management risks and its risk issues. This report also contains the lessons learned and advice for future innovation as discussed below.
Part 1: The organization's need for innovation and process changes

Innovation framework

Innovation is a key factor in IBM's development and growth. It is defined at the intersection point of technology and business insight. Innovation keeps a good purpose to the best ideas of the company meant to steer sustainable growth and service delivery. According to the IBM case study, IBM framework for innovation is built upon three interconnected factors which steer the sustainability of growth ('IBM' 2006, p 92). These are product or offering, the business model and the process or operation.

INNOVATION
The intersection of Insight and invention

Market and Offering Focus
New ways to reach out to and meet the needs of customers/stakeholders
- Products and services
- Markets and audiences
- Channels and paths to delivery

Business/Enterprise Models
New approaches to structuring and extending the enterprise
- Enterprise realignment
- Strategic redefinition
- Industry ecosystem and networks

Operations
Driven by the need to change outcomes significantly or the need to support new products, services, markets, channels
- Differentiated processes
- Partner and team
The product or offering is defined as the need of the customer and the stakeholder that the company must meet to serve the customer. It is the responsibility of the company to identify this need since it changes with time. In order to identify, the company must scan its target population based on current consumption patterns, possible changing trends and projected future realities. This will make up the key parts for future planning.

Through innovation, the kind of product and service consumed changes, enhancing the development of new items. IBM, therefore, advances with these changes and develop a similar improved product that can really meet the new taste of customer needs. The market plays a role in determining which product to keep supplying and which product to keep producing. Therefore the customers and stakeholders that the company keeps determining the group that can be retained and those that should be cut off. The channel of delivery and paths used to deliver also changes strategically with the adoption of new innovation. The company must understand where to look for the market, how to approach and connect with an audience and how to deliver or distribute a product or service.

IBM framework relies on developing and improving the business and enterprise model (IBM' 2006, p 93). This model must be agile, responsive and flexible to the dynamic changes available within the industry ecosystem. The company also understands that there is a stiff competition with other companies that strive to produce a different product at a lower customer accessible cost. This pushes the company to function sustainably for it to win the competition and continue making profits. Through business model, the company understands the complexity of competition, the dynamism of the market and the interdependence of the industry networks and ecosystem. The role of innovation in the business model is to sustain the ongoing change in service delivery and the product grows. They do this by developing distinctive capabilities of sensing, anticipating and responding quickly for it to survive.

An IBM framework for innovation draws significantly on the quality of its operations. It has to develop the need to significantly change the customers’ perception of improving the efficiency, the cost, the level of production, the sale results and the level of satisfaction. This framework also depends on the invention of new products and services and identifying new markets and channels for increased productivity. By doing this the company understands that the success of an innovation is measured by its ability to overcome challenges. The innovation has to occur across different functional areas in which certain specific capabilities have to be met for a successful innovation.
Innovation culture

According to the IBM case study, International Business Machines (IBM) have an organizational culture that is aligned with the business goals for leadership (‘IBM’ 2006, p 93). Its culture incorporates philosophies, values, and principles that work to influence the behaviour of employees. This culture boosts the firm's effort in response to the threats and opportunities offered by their competitors. Such organizational culture is a determinant of the effectiveness of new inventions and its involvement in enhancing feedback for customer service (Sun 2009, p. 137). The organizational culture draws a lot on the think slogan invented by Thomas J Watson Sr. Who was among the first pioneer CEO.

IBM culture emphasizes;

1. Idea generation- the employees are encouraged to come up with new ideas that provide avenues for innovation possibilities through their creativity. Through interaction with the work environment, customers, market demands, and stakeholder need the employees cultivate the desire to make new inventions by creating essential long-term value products.

2. Climate for creativity-IBM provides an environment which is supportive and encouraging in making innovations. Its leadership and management inspire the conception of new ideas that can grow and thrive in the physical and psychological work environment.

3. Structure and incubation-IBM is an innovative organization which creates an idea, nurturing structure that inspires innovation. Once an idea is developed the organization sees to it that the process and mechanism are in place to ensure the idea grows and matures.

4. Incentives and Metrics-IBM is always alert to identify any talent within its employees. Once identified the organization funds the creativity and processes, making it their responsibility for enhancing growth.

5. Technologies and tools- an idea developed require the right tools and technology in order to become productive. IBM takes the initiative to invest in the ideas in terms of its unwavering support in pursuit to see it productive.
In summary, the IBM organizations culture encourages its employees to think radically in order to come up with creative and innovative ideas ('IBM' 2006, p 93). The organization also encourages its employees to focus on the clients and customers' needs as a guide in decision making. This helps to improve the quality of products and the effectiveness of service delivery. The customer loyalty is thus put in check thus increasing the companies' profits.

**Organizational structure and design**

The organization structure is a means by which a company streamlines its product development and delivery to the market. Through the organizational structure, a company puts up the right systems, the formation and building blocks of business, channels of interaction and business designs ('IBM' 2006, p 94). The organization's leadership plays a key role in the structure as it forms the manner in which decisions are made and how strategies are implemented.

Innovation, according to IBM case study is the ultimate responsibility of every employee. Nick Donofrio, who is also the company's second highest ranking executive is the responsible person for creating and maintaining innovative programs ('IBM' 2006, p 94). His belief is that every business unit should have a strategic focus rather than having discrete units within IBM for innovation purposes. Therefore, it has to integrate into everything that the company works on. Since the innovation, accountability rests on every employee, it is also the responsibility of every member to make IBM personal commitments. By so doing the resources and decisions are brought closer to the client and the employee gets the responsibility to interact with them.

The innovations inspirations for IBM is thus dependent on each IBMer ('IBM' 2006, p 94). However, all employees collaborate through several channels that form innovation ecosystem. These are keystone customers, business partners, universities, venture capitalists among others. Through this some more inspiration for innovation is achieved.

**Funding model**

According to the IBM case study, IBM receives its funding for innovation and projects through two major channels ('IBM' 2006, p 94). This is the internal funding and co-funding from other projects. The internal finding is broken up into funds managed by departments such as the business unit, corporate unit, research unit, cross-enterprise transformation unit among others (Chesbrough 2007, p. 14). Every unit has its own leaders who are capable of justifying their funds through business strategy planning and business allocation planning.
The allocated amount for each project is indicated as an investment for future returns in the next business budgeting.

In other circumstances, a given business can cut across several business departments, therefore, creating a major business area. In such cases, the business is treated as a corporate business project and funded as corporate strategy. The main focus will always be finding the possible areas for future growth. By so doing a business unit can grow from a department to a corporate level project of the organization.

Drawing from the case study, IBM has another type of funding for encouraging innovative opportunities ('IBM' 2006, p 94). This funding is known as the Emerging Business Opportunity (EBO) program. In this program, any seed of growth in a business opportunity is identified across the single business units. They are then funded using the EBOs funds which are typically a pool of money generated by a combination of all the interested units. This funding is managed by the corporate strategy, EBO leaders and the financial and operational staff.

Another group of funding listed in the case study, is the R&D group which is funded at the corporate level and some other funds taken from allocations of small business units ('IBM' 2006, p 94). From all the funds allocated to the R&D, 12-15% is specifically purposed for the central research organization. 66% of the money is received as funding from the central headquarters while the remaining receives from research organization from each of the small business units. The research organization, then matches dollar for dollar funding with the money received from corporate allocation ('IBM' 2006, p 94). In the end, the overall work done is that half of the research is done in collaboration with the single independent business units all of which have a single business agenda. From this funding one-third of it is used in the generation of new products, another one third for creating new prototypes and the remaining one third for additional exploratory activities. This creates diversification in programs.

Based on the case study, IBM is also cautious of funding projects that ultimately, in the end, may not materialize to productive projects ('IBM' 2006, p 94). In order to cushion itself from these adverse effects, the organization allocates a percentage of funding to these risky adventures. It also covers the projects to some points of development so that it does not cannibalize it on the short-term achievements. All projects of this nature are termed as adventurous research programs and they receive an allocation of 15% of the research portfolio. A disciplinary track process is also put up to monitor its activities and track progress. By so doing a project is given a designated threshold to meet which will indicate
that the project has that ability to maintain its relevance. The project should also remain within its allocated budget.

**Business transformation and integration.**

Drawing on the case study, IBM has made significant transformation which has laid the key successes, it has achieved (‘IBM’ 2006, p 95). Some of these successes include the following:

As of June 2005, IBM blue gene supercomputers which were conceived in 1999 by IBM research decisions held 5 of the top 10 slots of producing the fastest computers in the world (Teece, 2010, p. 184). These supercomputers had optimized bandwidth, scalability and ability to handle a large amount of data with a power consumption and the flow space ability of today's fastest systems. IBM has also successfully designed and build computing systems capable of running managing themselves (Youseff, Butrico & Da Silva 2008, p. 8). They could do this by adjusting the various working circumstances and preparing resources that could handle the workloads trusted with them. This autonomic computing started in 2001 and is now among the IBMs' normal software business.

IBM has also managed to build a unique business model by leveraging the existing intellectual property and R&D talent through engineering and technology services (Harrel, O’Reilly & Tushman, 2007, p. 39). By so doing, the collaboratively developed leading-edge technologies for customers. This innovation capitalized on the business opportunity and new business model. The plan was very successful and was quickly launched in May 2002.
Part 2: Business Process Design and Improvement

Innovation strategy

According to the IBM case study, IBM’s innovation strategy is driven by Global Technology Outlook (GTO) (‘IBM’ 2006, p 96). GTO has propelled innovation for 25 years through collaborative efforts designed to project key development trends (Gassmann, Enkel and Chesbrough 2010, p. 216). GTO influences technical strategy by ensuring that IBM focuses on major opportunities. This provides a guideline on IBM research and technical direction of the company. GTO also provides emerging trends in software, hardware, and technology that can significantly impact on the IT in the next 7 years. GTO works by generating more than 100 ideas in the research community. Once an idea has been accepted the employees then present topics which are combined into themes for review.

Based on the case study, the major advantage of GTO is that it generates an on-demand business model which is a critical step for innovation (‘IBM’ 2006, p 95). This model helps in the transformation of business across processes and enterprises bringing a new level of integration. It also brings up the suppliers and distributors at business and customer end and employees. On-demand model is now a revenue collection program as is provides avenues for selling on-demand models for clients. IBM has also looked at the challenge of processing and on-demand model in business transformation, IT enablement and culture change. So far IBM has identified several business processes for transformation. The other challenge was in utilizing the technology in the on-demand environment as a means to an end.

The leadership team and other key stakeholders

Innovation at IBM is currently more collaborative, open and global in nature due to its improvement in the technology. Based on the case study, the technology behind IBM’s success is broadband, the internet, and the wireless technology (‘IBM’ 2006, p 95). Through its former chairman, IBM was able to interact with the external world. Currently IBM I am looking to develop relationships with constituencies surrounding. The key stakeholder identified by IBM is the Keystone clients, standard bodies, government agencies made of the national, local and state, venture capitalists, IT analysts, financial analysts, standards bodies,
IBM alumni, business partners, independent software vendors and non-governmental organizations.

Since 1995, IBM has been working with its clients and stakeholders in its innovation strategy known as First of a Kind (FOAK) (Chesbrough 2011, p. 85). This has enabled it to build collaborative relationships with leading edge clients and scientists. The success of these projects will enable it to generalize apply them to other clients. So far 100 FOAK projects have been successful since the inception of FOAK

**Key business processes of innovation**

According to the case study, IBM has set up the following processes which are required for the hardware, software and service developments.

1. Ideation- the generation of ideas in IBM is from within and outside. The major sources are market intelligence, Think Place, Global Technology Outlook, First of a Kind program, University programs, Global Innovation Outlook, New technologies, business unit strategies, Institute for Business Value, Emerging Business Opportunity Program and IBM's On Demand Transformation Strategy.

2. Potential Impact- This includes H1, H2, and H# categories of products

Others include: strategic fit, financial impact, capability and capacity reviews, senior management reviews, stage-gate project management process, review and analysis of competitive response and post launch performance evaluation.

**Project selection and project management**

As illustrated in the case study, IBM project selection is dependent on whether the idea is in the product development or in the research area (‘IBM’ 2006, p 98). For product development, the process is utilized to turn the creative idea into a specific process. This process is funded by investment review board and is overseen by the integrated portfolio management team. When an idea gets to the concept phase the crypt business rationale is expected to secure funding (‘IBM’ 2006, p 95). Therefore, every idea is validated through the generation of market planning that ensures market planning and visibility. For concept phase ideas to develop a project team develops the idea into a market-tested product, service or solution and offers preparation for the market launch.
Provided that innovation differentiates IBM products, services and solve the case study holds that research is used to identify opportunities. This process includes Global Technology Outlook (GTO) inputs whose role are to identify key technology, societal trends, and business. It then translates them to research imperatives for the IBM Corporation (Ringo 2007, p. 63). Strategists within the research have a role to play in the direction and the worldwide labs submit project descriptions. In this part, the projects focus on providing differentiation for the next generations of IBM products services and solutions. The project descriptions are then viewed by the strategists and sub strategists. Their job is to create a coherent set of high leverage work across worldwide labs. Moreover, there is a database system that enables publication of strategic messages and the submission and review of project descriptions.

**Role of technology in innovation.**

The technology has been useful in the enablement of innovation. The IBM case study holds that technology is currently enabled by the intranet, Jams and Think Place (‘IBM’ 2006, p 107). It has been so effective in the transformation of IBM and therefore the company has moved aggressively within the past 2 years to leverage IT to help build more responsiveness and agility in the enterprise. Its purpose is to exploit IT and enable productivity. It's also intended to optimize investments and make improvements in financial performance and further transformation efforts.

**Part 3: Process Performance Evaluation**

**Evaluating investments**

As mentioned in the case study, IBMs' programmatic investment cannot be adequately be appropriated or measured in any direct manner (IBM' 2006, p 113). This is due to the long-term benefits of investing in institutionalizing a climate innovations in the supply chain which is expected to have indirect impacts on all IBM organizational measurements over time. This is because all innovative ideas that were originally conceived as innovative ideas were all considered by the supply chain as an overall portfolio management process for internal business transformation projects. Since IBM is on the verge of developing large innovation, investment projects in order to facilitate this kind of activity they would need to
develop venture capital programs that would access potential. This would not require ROI rigor or any degree of the business case that would be required for larger investments.

The IBM researchers view innovations as part of their strategy and planning process in which they understand that it is not managed in any other way. One way in which the IBM researchers realize their measurements of investment is through the outside community. This includes National Medals of Technology, Nobel laureates, The National Inventors Hall of Fame, among others (Neckermann & Frey 2008, p 4). Another method of identifying is through their patents because their innovation is realized immediately at the beginning of the innovation pipeline. The IBM innovation has been receiving the Medal of Honour as the most U.S patent organization with many patents. They consecutively held this achievement in the last 12 years since 1992 with a record of 3248 patients. Also, they have been holding more than 3000 U.S patents for the last four years. Moreover, IBMs inventions are closely linked with their business strategy. Their new ideas are not only flowing in but also they are increasingly concentrated in the business areas. This includes the on-demand computing, services and consulting.

**Process performance management – methods and metrics**

In evaluating the success and impacts of an innovation initiative, IBM has found out that the measures that are most helpful in evaluating the success and impact of innovation vary based on the type of innovation and the unit within the corporation (Gassmann 2006, p. 225). IBM also stresses this collaboration by working with the communities. This presents the biggest challenges of innovation. Therefore, to ensure collaboration is occurring, a common set of performance measurements is put in the cross-functional terms.

Arguments held in the case study suggest that for any product development, IBM utilizes a balanced scorecard for measuring and tracking their successes and impacts in the product innovations ('IBM' 2006, p 114). Appropriate measurements also vary from one business unit to another. The individual unit must all look at the scorecard as a balanced measurement. The importance of this scorecard is that it measures how the customers see business, and what must be done by a business unit to excel. It also measures the improvement of a business unit, and how it innovates or creates values. Additionally, it measures how a business looks to the shareholders.

The product development measures track the performance of products and services after the market launch. Its goals are based on strategic objectives, historical performance and its gap
between IBM and competition. This is revealed through benchmarking. Additionally, the qualification goals are tied to the personal business commitments of every team member. Each portfolio management team member is expected to report investment efficiency and the expense of development of abandoned products. Other metrics that are tracked by portfolio management include the customer satisfaction, customer service and support cost, portfolio newness, pipeline loading, decision checkpoint management.

The product teams are also required to report first to market and time to market metrics to incorporate on a quarterly basis. The also track customer satisfaction, time to profit, contract integrity, new technology, defects reported by customers, cycle time base, spending by phase and the changes after general availability.

The IBM research team tracks the revenue, the intellectual property licensing, new business growth and intellectual property development. IBM it the current leader in the number of patents. This patents measure success and are also important innovation parts of strategy since they give IBM the license to innovate with other people. By leveraging their portfolio patents, IBM can also access patent portfolios of other companies in the world. IBM can also enter into a cross-license agreements with other companies and universities. This includes access to other organization's intellectual properties. By doing so IBM will have greater opportunities to take ranges of worldwide innovation and apply this to IBM business. Currently, IBM earns $1 billion in revenue through licensing its own portfolio and intellectual properties.

**Balanced scorecard method**

According to the case study, IBM successes are measured through the use of scorecards ('IBM' 2006, p 115). This is a combination of measurements that are done on a balanced scorecard and contribute immensely to the evaluation of its overall success. The scorecard has qualitative and quantitative measures to assess the outcomes of research organizations. These scorecards measure the following parameters based on goals; the services, the technology, the image, the personal systems, the industry solutions, the storage systems, the exploratory science, the effectiveness, the software and the system. The scorecard also measures the accomplishments which makes 20% through the research organisation, self-access technical outputs that are created, the partnership assessments, which form 20%, the patents which forms 15%, the external recognition such as the Nobel prizes which forms 10% and Financials of how well organizations are managed which makes 10%.
Process measurement and product development cycle time.

This is the time used to develop a new product from its start-up to its launching. As explained in the case study, this time varies based on the type of product ('IBM' 2006, p 116). Developing a new microprocessor, for example, may take 3 to 5 years. In other software’s the circle times are timed to the market events, therefore, it usually lies between six months and one year. While for services, it may take a few months. Circle time is dependent on the risk being taken and the more the risk the more vigilant the company would-be. The challenges currently faced by the IBM is getting the right offering for the right work done. This is always complex, and cannot fit all the products on different offerings. Based on this reason, the control over product development is not handled in the headquarters, but at the market points close to the customer.

IBM measures its circle time as the time between product development cycle and market time or simply time elapsed from concept phase to the general availability to the first customer. The supply chain team measures their circle time, which includes the quote to cash, order receipt, to order delivery, manufacturing, processing times, dock to dock times and purchase order processing time. The end to end supply chain transformation has made it able to calculate the integration of all processed involved in the execution of client requirements. This transformation includes all the changes involved in the climate initiatives, process alignment initiatives, the organizational structures, and incorporation of an end to end circle time measurements.

Part 4: Potential Change Management and Risk Issues

Dealing with failure

IBM's approach to failure and its application of innovation, according to the case study, varies depending on the company involved ('IBM' 2006, p. 115). IBM has a consistent approach to recognizing corrective actions, highlighting and making corrective actions in all businesses in which the objectives are not being met. This corrective approach is built through several approaches such as innovation. IBM does not accept the use of the term
acceptable failures, but they instead sacrifice some objectives and metrics occasionally and intentionally for the benefit of broader goals. The greatest barrier to innovation is time

**Barriers and enablers of innovation**

According to the case study, the factors hindering innovation also leads to missed opportunities (‘IBM’ 2006, p. 117). One of them is due to the management system rewarding execution, which is only directed to the short-term results. As such the attention of many workers focuses on the short-term goals and less attention is put on the strategic business building. Secondly, the business focussed on serving the markets and existing offering at the expense of meeting new markets. Additionally, business models emphasize sustained profit and earning per share improvement rather than engaging in actions that can boost the price to earnings ratios.

Moreover, IBMs' approach to gathering and using market insights was just for embryonic markets only. The company also lacked discipline in selecting, finding, experimenting and terminating new growth businesses. Lastly, among the IBMs' businesses selected fails in their execution.

**Critical success factors**

IBM sees that building a culture that rewards innovative thinking in a major factor for success (‘IBM’ 2006, p. 117). Ensuring collaboration in innovation helps in encouraging and sustaining innovation in IBM. It is also central to improving competitiveness and economic growth across a variety of industries. Proprietary innovation is not replaced by collaborative innovation since they both coexist, and are effective with important innovation models. IBM success is also based on its participation in multiple collaborative initiatives that can ensure execution of initiatives. This initiative can extend capabilities and capacity of IBM through collaboration with partners. Lastly, collaborative efforts are required to solve monumental expenses since they are beyond individual means.

**Lessons learned and path for the future.**

In order to sustain innovation strategy, it is important to hire smart personnel with diverse thoughts who can create time to brainstorm new ideas. It is also important to nurture external relationships while setting milestones. Innovation only occurs in a fluid community among people who embrace risk and reward success.
IBM has learned that before it creates an EBO, the senior vice president has to communicate its strategic intentions in order to pursue new opportunities (‘IBM’ 2006, p. 118). It also has to identify a highly visible emerging business initiatives and secure a top-level support before buying an opportunity. Moreover, it has to house opportunities while giving special treatment to opportunities. IBM must dedicate A-team leadership for every opportunity for it to withstand challenges it is faced with. IBM must also secure active sponsorship for every senior president, offer special support structure, protect funding, create a mechanism of cross-company alignment, measure strategic milestones and regularly review and oversee any EBO. Finally, IBM should nurture and graduate or kill any shortlisted EBOs and continuously identify new ones.

From a graduate EBOs point of view, it is important to provide senior management support for sustaining investment levels in emerging businesses. Also, the managers acknowledge the H3 important, but the day to day pressure drive managers to put the focus on H1. Moreover, cross-group alignments challenges which continue to require focus. Lastly, the senior vice president leadership groups are important since they provide strategies for valuable forums in accelerating cross-IBM alignments.

**Conclusion**

IBM has been influential in its innovative strategies over the years and this has helped it achieve greater heights to remain relevant. However, the corporation needs to improve on the following shortcomings to achieve more. The corporation should look into more ways of sustaining investment in the emerging business ideas to achieve milestones. Its goals should not be based on the immediate outcome, but on future successes. The rewarding system of the organization should be based on long term goals to influence its employees to invest them in the future. They should also focus on creating new marketplaces through inventing new products. This will steer IBM to greater success.
References


