

2009 Interactive Kiosk Excellence in Globalization Award**IBM**

The 2009 Frost & Sullivan Award for Excellence in Globalization is presented to IBM in recognition of the company's stellar growth and continued leadership in the Global Interactive Kiosk Market. IBM has consistently demonstrated its ability to use innovative self-service solutions to address the unique business problems of its geographically diverse clients. Underscoring this success have been operative strategies that leveraged a widespread network of global partners and a resolute focus on product innovation. IBM has leveraged this ecosystem of partners to deliver relevant, integrated solutions across almost every vertical.

Worldwide Presence Leveraging Cross-Industry Experience

With a formidable global market share of almost 28.0 percent, IBM ranks among the Top 3 providers of interactive kiosk-based solutions throughout Europe and North America. IBM has aggressively expanded its reach to emerging markets and has seen major kiosk installments throughout Latin America and Asia-Pacific. IBM's singular ability to marry technological innovation that is relevant to its customers with deep industry expertise has led to its success across multiple industries. IBM is a worldwide leader in the Travel and Transportation industry having collaborated with 30 national and international airlines to successfully install self-service kiosks in over 25 major airports around the world. IBM has consistently delivered meaningful solutions to its customers who have realized real top- and bottom-line benefits from self-service initiatives. These initiatives have created value by reducing costs, increasing transaction rates and boosting customer satisfaction. IBM has long held a dominant position in the retail industry where it has leveraged deep customer relationships to create unique and engaging shopping experiences for the end consumer. IBM's self-service alliance comprised of over 100 business partners allows IBM to deliver state-of-the-art, custom solutions to meet the needs of its diverse customers. Major kiosk installations in Hospitality, Healthcare, Gaming and Government sectors are further evidence of the value that IBM delivers to its clients across multiple industries around the world.

IBM is able to fully capitalize on the breadth of its success by incorporating its experience and best practices into its repertoire of common solutions and business process that can be applied across industries to address similar business pains. Leveraging experience across the breadth of IBM's portfolio enables effective consulting across horizontal functions like simplified check-in, innovative check-out, guided selling including loyalty solutions and alliances, information access and HR including self service for employees.

Provision of Integrated Solutions to a Global Customer Base

A key focus that has allowed IBM to achieve its present global reach and leadership position in the self-service kiosk market is its ability to provide complete end-to-end integrated solutions to its customers. IBM is in a unique position to provide the full gamut of self-service offerings including innovative hardware, robust software applications and comprehensive services capabilities. This breadth of capabilities combined with a industry-leading product portfolio makes IBM's kiosks the best in the market. In addition, IBM has the middleware and systems management tools to provide a seamless multi channel (kiosk-website- mobile- self service) self service solution to different industries. IBM also excels in the quality of its individual point solutions. IBM offers a set of flexible modular hardware options in interactive kiosks, hardened to withstand extreme environmental conditions which give IBM kiosks a shelf life of 5-7 years. Outstanding software and middleware ensures stability, privacy, security, management, accessibility and scalability. IBM draws on its global business services organizations to ensure the highest return on investment from concept to deployment.

This point to point excellence combined with superior integration gives IBM the ability to deliver world class self service to its clients to run their business more effectively and operate better with its own customers.

Widespread network of Global Partners Facilitate Entry into Emerging Markets

IBM has a very powerful distribution network to tap the huge global customer base in this industry. IBM has made significant investments in emerging markets to deliver solutions that meet the diverse cultural and economic requirements in those environments. IBM has enjoyed substantial success and continues to focus on growing its market leadership in developing Asian and Latin American economies. Significant kiosk installations have already occurred in China, India, the Middle East and Brazil. It is leveraging its global capability to deliver its solutions more appropriately at low cost

and solving some complex business problems of smaller businesses in these emerging nations.

The breadth of partner network from established to very small markets provide a critical link in the marketing and distribution chain and IBM for this reason chooses its partners very judiciously. Their broad set of regional partners throughout the world consists of more than 100 members covering 11 industries and 18 solutions areas in 17 countries. IBM country teams and partners are cognizant of the individual needs of their clients and background of culture and economy in different countries and enable IBM to service its customers better by developing language specific applications.

Quality and Sustainability Helps in Gaining Worldwide Access

A key differentiating factor for IBM is its commitment to develop and engineer innovative products that meet the highest standards of quality, reliability and durability. Robust systems management software ensures consistency, stability, security and privacy and helps maximize the value and prolong the functionality of its products. Quality has been recognized as a fundamental component of the value that customers get from IBM worldwide. IBM has always been committed to the objective of achieving total customer satisfaction by delivering superior products and solutions. IBM is deeply committed to providing energy-efficient products that meet the needs of its clients without compromising the environment. Its products consistently are the preferred choice for many environmentally conscious corporate clients worldwide who recognize the business impact of maintaining an environmentally-friendly business strategy.

Recruiting and Retaining Top-quality Talents Worldwide

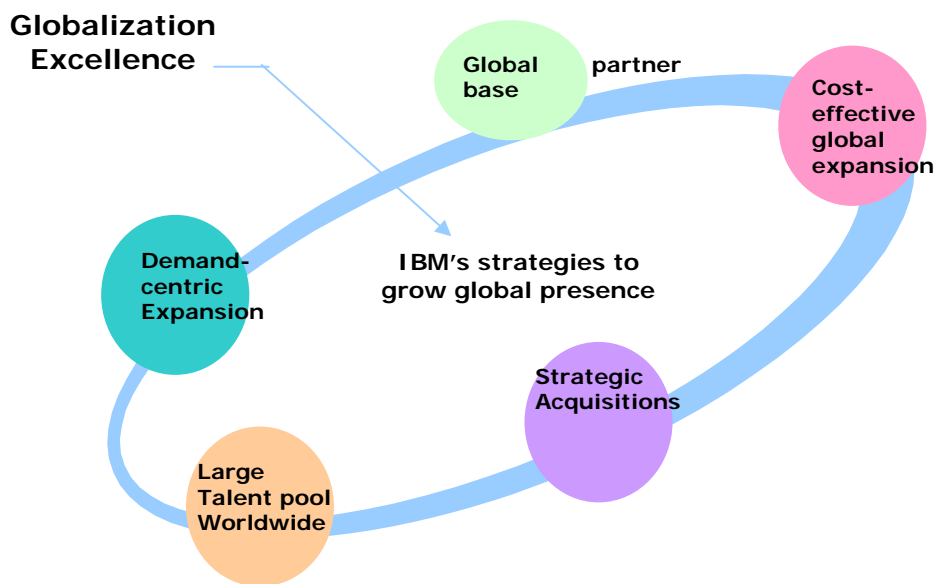
In order to drive and maintain its innovation in the interactive kiosk market, IBM recruits top-notch talent from all regions worldwide. IBM hires at both the graduate and undergraduate levels from top-tier universities, as well as experienced professionals who have worked for the world's leading firms. IBM initiates programs to retain its human resource and keep its global workforce engaged and connected to their jobs.

Strategic Acquisitions allow for Globalization of Platform

IBM employs a global approach to delivering its self service solutions by working hand-in-hand with its customers to identify core business issues and delivering custom

solutions to address those needs. Strategic acquisition of software companies helps maintain a competitive edge and gives IBM access to an endless supply of creativity and innovation. Acquisitions like that of Productivity Solutions in 2005 instantly gave IBM a robust, scalable platform for its self-checkout solutions. A combination of partnerships with key application & solutions providers and strategic acquisitions has helped IBM gaining such recognition and competency in consultancy part of the interactive kiosk value chain globally.

Graphic 1: Globalization strategies of IBM



Source: Frost & Sullivan

In recognition of IBM's proven proficiency to solve the unique business problems of its geographically dispersed clients and successful leverage of a widespread network of global partners to expand its global footprint Frost and Sullivan is proud to present IBM with the 2009 Frost & Sullivan Award for Excellence in Globalization in the Interactive Kiosk market.

Award Description

The Frost & Sullivan Excellence in Globalization Award is bestowed each year upon the company which has demonstrated excellence in leveraging its presence in multiple geographies. It has responded, with demonstrated success, to the opportunities offered by unique political and economic climates of emerging markets. The recipient has combined in a complementary manner the best processes, services and functions available therein to empower its service/product portfolio with flexibility and scalability. The global infrastructure of the Award recipient allows for provision of integrated solutions/products to its client ensuring close supervision through superior Quality Control and Supply Chain Management.

Research Methodology

To choose the Award recipient, the Frost & Sullivan research team tracks companies in the industry across functions. The selection process utilizes market participant interviews and extensive primary and secondary research. When a company exhibits excellence in its Globalization strategy and a high level of integration in its implementation, together with demonstrated impact on top line and value enhancement, it is considered an ideal candidate for the Frost & Sullivan Excellence in Globalization Award.

Measurement Criteria

In addition to the methodology described below, specific criteria are used to determine the final rankings of industry competitors. The recipient of the Award has excelled based on one or more of the following:

- Globalization strategy
- Level of Global integration (in processes, services, and functions)
- Access to appropriate resources to enhance value or reduce costs
- Manufacturing and Distribution Locations
- Quality Control

- Supply Chain Management
- Global infrastructure for customer management operation / Customer Service
- Scalability
- Flexibility in Delivery model
- Geographical redundancy against political risks (Global footprint coupled with standardization)

About Best Practices

Frost & Sullivan Best Practices Awards recognize companies in a variety of regional and global markets for demonstrating outstanding achievement and superior performance in areas such as leadership, technological innovation, customer service, and strategic product development. Industry analysts compare market participants and measure performance through in-depth interviews, analysis, and extensive secondary research in order to identify best practices in the industry.

About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, partners with clients to accelerate their growth. The company's TEAM Research, Growth Consulting, and Growth Team Membership™ empower clients to create a growth-focused culture that generates, evaluates, and implements effective growth strategies. Frost & Sullivan employs over 45 years of experience in partnering with Global 1000 companies, emerging businesses, and the investment community from more than 30 offices on six continents. For more information about Frost & Sullivan's Growth Partnership Services, visit <http://www.frost.com>.

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