Communities

It’s not enough to develop world-class technology, services and expertise—at IBM we realize we must directly apply these things to the communities in which we live and work in order to have a positive impact. In this section, you will find examples of the ways we practiced this approach over the course of 2012 and into 2013.
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Education in Communities

Educating children is a top priority in communities around the globe. At IBM, we understand that strong educational foundations are essential for preparing and supporting our children and young adults as they develop the skills they need to lead the next generation.

In 2012, our portfolio of educational programs continued to evolve and grow as we work to help strengthen teacher instruction and better meet the learning needs of children.

9–14 School Model: Pathways in Technology Early College High School (P-TECH)

Over the last five years, a great deal of attention has been paid to the shortage of jobs in the United States and elsewhere. But far less attention has been paid to the shortage of skills. There are more than 29 million middle skill jobs—those requiring postsecondary degrees—currently available in the United States, with these jobs paying more than $35,000 per year on average, according to a recent report by Georgetown University. Many of these jobs pay significantly more; nearly 10 million jobs pay more than $50,000 annually and 3.6 million pay more than $75,000 annually. Data also shows that over the next 10 years, 14 million new jobs requiring these same skills will be created. And those requiring science, technology, engineering and math (STEM) expertise will offer the highest pay among them, according to Harvard University’s Graduate School of Education.

New education models can and must play a key role in resolving this shortage by better preparing young people for twenty-first-century jobs. That’s why IBM has worked with educators and business to develop an innovative and integrated school model for grades 9–14. The first school, called Pathways in Technology Early College High School (P-TECH), opened in September 2011 in Brooklyn, New York. P-TECH is a collaboration between the New York City Department of Education, The City University of New York (CUNY), New York City College of Technology and IBM.

This new model for public school innovation brings together elements of high school, college and the world of work. Within a six-year, structured and integrated timeframe, students will graduate with an Associate in Applied Science degree, along with the skills and knowledge they need to continue their studies or step seamlessly into jobs in the information technology industry. This model was designed to be both widely
replicable and sustainable as part of a national effort to enhance career development and technical education. To that end IBM developed a playbook to help interested parties replicate P-TECH.

Already the P-TECH model has been replicated in four Chicago schools in September of 2012. IBM is spearheading one of these schools, the Sarah E. Goode STEM Academy (Goode), in collaboration with the Chicago Public Schools, City Colleges of Chicago and Richard J. Daley College. Other companies involved in the Chicago initiative include Cisco, Motorola and Verizon.

A public school model for all students

Both P-TECH and Goode are public schools and operate with existing public school funding. The schools do not screen students, meaning that there are no tests or grade requirements for admission; students only need to express interest in attending. Student learning is structured as an integrated sequence of high school and college coursework that culminates with students earning an Associate in Applied Science degree awarded by the school’s affiliated college. Each student moves through a personalized academic pathway, aligned to college and career requirements, which is closely monitored by teachers and advisors based on the student’s individual needs and performance. The focus is on mastery, not seat time.

In order to help prepare students for a career, the model features special Workplace Learning courses. As part of this strand, IBM has identified the skills necessary to fill entry-level positions in the IT industry and worked with high school and college faculty to map those skills to the curriculum. In addition, students are matched in one-to-one relationships with IBM mentors, participate in project-based learning activities, meet guest speakers, participate in structured workplace visits and, in future years, will tackle skills-based, real-world projects through internships and apprenticeships.

National spotlight

The P-TECH model has been widely covered in the media, including articles in The New York Times, The Wall Street Journal and TIME Magazine. It was referenced in President Obama’s 2013 State of the Union speech, has been highlighted by the Mayors of New York City and Chicago, the Governor of New York State and also by US Secretary of Education Arne Duncan. The P-TECH model is consistent with the US Department of Education’s “Blueprint” for Career and Technical Education reform.

A number of states, cities, private foundations and private sector companies have expressed interest in supporting a broad expansion of the model in other geographies—both urban and rural. In February of 2013, Governor Andrew M. Cuomo announced that New York would be the first state to replicate the P-TECH model with 10 new schools—one in each of the state’s 10 economic development regions. IBM hopes to serve as industry lead for two of these schools.

“We need to give every American student opportunities like this.”

PRESIDENT BARACK OBAMA
As the model expands, the challenge will be to engage more companies and educators to reach many more students in efforts to better connect education to jobs and spur local economic development.

“Let’s also make sure that a high school diploma puts our kids on a path to a good job. Right now, countries like Germany focus on graduating their high school students with the equivalent of a technical degree from one of our community colleges, so that they’re ready for a job. At schools like P-TECH in Brooklyn, a collaboration between New York Public Schools, the City University of New York, and IBM, students will graduate with a high school diploma and an associate degree in computers or engineering. We need to give every American student opportunities like this,” said President Barack Obama during the State of the Union 2013 speech.

**Academic Achievements—Pathways in Technology Early College High School (P-TECH) in Brooklyn, New York**

**NYC High School Standards**

- **98%** were promoted from grade nine to ten.
- After only two semesters, **72%** of students passed both English and math Regents with a score of 65 or better, meeting NYC high school graduation requirements.
- After only three semesters, **80%** are meeting or exceeding the state standard of scoring proficient on two core Regents exams in English and math.

**College Readiness Indicators**

- After only two semesters, **48%** of students met the CUNY college readiness indicators by scoring a 75 on the English Language Arts Regents or an 80 on a Math Regents exam.
- At the start of the fourth semester, **50%** had met college-ready benchmarks in both English and math, which will allow over 60 students to enroll in college courses at the New York City College of Technology.

**College Credit Completion**

- Within three semesters, **48** students completed at least one college course at City Tech, and more than **90%** of students earned a C or higher in technical courses.
- Currently, **74** students are enrolled in at least one college course.
IBM understands that preparing the next generation of innovators requires great science teachers with the skills and knowledge to educate, inspire and motivate students. To that end, we continue our efforts to provide teachers with the resources they need to strengthen their instruction and better prepare students for the jobs of the 21st century, which will increasingly be in STEM fields, according to the US Department of Commerce.

In the spirit of IBM's TryScience online program for students, Teachers TryScience was launched in 2011 as a collaborative effort with the New York Hall of Science and TeachEngineering.org. The program is designed to help teachers improve their instruction in project-based learning by providing free and engaging lessons, integrated with pedagogical strategies and resources. The site also provides social networking tools that enable educators to comment on and rate the lessons and resources, submit their own teaching materials and form public and private groups to engage in focused discussions with colleagues in the same district or around the globe.

In 2012 we strengthened the Teachers TryScience website with the following efforts:

- IBM teamed with the National Board for Professional Teaching Standards to create 15 videos of board-certified teachers instructing Teachers TryScience lessons. Based on the knowledge that an important way for teachers to improve their teaching is to observe and learn from their peers, these videos feature key teaching moments and teacher reflections. Future plans include working with Achieve, Inc. to link teacher lesson plans to the new common core standards in science.

- In 2011, IBM launched THINK as an exhibit at Lincoln Center in New York City, one of several initiatives commemorating IBM's Centennial anniversary. It now has a home at Innoventions West at Epcot®, part of the Walt Disney World® Resort in Orlando, Florida, to show how the world can work better with the help of technology. A free app was developed around the concept of THINK, and now IBM has teamed with the New York Hall of Science to develop a set of Teachers TryScience lesson plans based on the THINK app. These lessons enable teachers to help students better understand some of the scientific concepts behind the THINK exhibit and inspire them to be innovators in their daily lives.
Reading Companion

Literacy is a key contributor to the economic growth of any region. Launched more than a decade ago, Reading Companion® is IBM’s web-based literacy initiative that uses voice recognition technology to help children and adults learn to read in English. Developed by IBM researchers working together with schools and nonprofit organizations, Reading Companion is an effective and easy-to-use technology that assists individuals as they learn to read. This innovative software “listens” and provides feedback, enabling emerging readers to practice reading and their English pronunciation as they acquire fundamental reading skills.

Reading Companion has proven to be an excellent resource to IBM employees, teachers from existing grant sites and others who are interested in contributing to the growing virtual library of original content in the form of “e-books,” which are practice-reading books that can be created using the Book Builder publishing tool in Reading Companion. Once e-books are published on the website, they become part of the Reading Companion virtual library that is available to all schools and nonprofit organizations participating in this program around the world.

In 2012 alone, 100 new titles were added to the Reading Companion virtual library of e-books from authors worldwide. This brings the total number of books available from the virtual library to 456, half of which are for young learners. Reading Companion is currently being used in more than 3,200 schools and nonprofit organizations in 49 countries. Approximately 160,000 users are participating in this grant program.

In 2012, Austin Free-Net (AFN), a nonprofit organization dedicated to providing digital opportunities to underserved adults in Austin, Texas, started an e-book-writing campaign based on IBM’s Reading Companion. AFN clients utilize Reading Companion to exercise their recently acquired computer skills and improve their reading, while learning valuable information along the way. And AFN volunteers have written e-books that can be read by Reading Companion users worldwide.

Additionally, the British Council contributed several stories from their LearnEnglish and TeachingEnglish websites, along with accompanying lesson plans for many of the e-books. With more than 70 years of English language teaching and learning experience, the British Council supports millions of teachers and learners around the world by offering resources and training materials.

“IBM’s Reading Companion gives our adult learners the ability to improve their reading skills while creating their own unique story. This program opens minds and changes lives.”
MEREDITH SISNETT
Trainer with Austin Free-Net
IBM’s KidSmart Early Learning Program enriches pre-kindergarten curriculum with interactive teaching and learning activities through the use of technology. IBM’s KidSmart program features Young Explorer™, a computer housed in brightly colored, child-friendly Little Tikes™ furniture and equipped with award-winning educational software to help children learn and explore concepts in math, science and language. Since the inception of the KidSmart Early Learning Program in 1998, IBM has donated more than 64,000 Young Explorers to schools and nonprofit organizations in 60 countries, reaching more than 110,000 teachers and serving more than 10 million students.

Increasingly, countries around the world have identified investing in quality early childhood education as vital for the future success of children. In 2012 the US Department of Education announced Race to the Top—Early Learning Challenge (RTT-ELC), a grant competition focused on improving the quality of learning and development programs for young children. IBM made strategic investments in several states that were awarded RTT-ELC grants including Maryland, Massachusetts, Minnesota, Rhode Island and North Carolina, donating 270 Young Explorers, consulting services and software together valued at over $800,000.

As part of our response to Hurricane Sandy, which devastated coastal areas in the Northeastern United States during the fall of 2012, 226 Young Explorers were donated for use in shelters, schools and locations where families receive services.

Also in 2012 a Corporate Service Corps (CSC) team of IBMers was deployed to the Eastern Cape of South Africa to further develop a robust tool for KidSmart monitoring, evaluation and teacher professional development. The tool was initially created by a previous CSC team working in Limpopo province. Informed by an agreement with the national Ministry of Education, the system incorporates systematic evaluation of the quality of teaching and learning, ongoing professional development, collaborative working and full curriculum integration. The monitoring and evaluation tool will also be used by the Ministry of Education as a basis for evaluating the implementation of South Africa’s new national curriculum. Based on the successful performance of the system in the Eastern Cape and Limpopo provinces, the South African Ministry of Education plans to extend this initiative nationwide. It will also be shared with other African countries implementing the KidSmart program.

The number of Young Explorer™ child-friendly computers IBM has donated since the KidSmart Early Learning Program began in 1998
**Transition to Teaching**

Transition to Teaching is an extension of IBM’s work in education and community service. Since 2006, IBM has supported those employees who want to begin second careers as fully accredited teachers in STEM subjects in their local communities. Transition to Teaching provides employees with guidance and funding to help them transition into teaching as their next career move, while still working at IBM. IBM was the first company to provide its employees with the opportunity to pursue a second career as a K–12 math or science teacher.

By 2012, the number of employees who are participating in the Transition to Teaching program topped 100, and 32 graduates have already completed their teacher certification and are teaching in classrooms or leading online courses in the United States.

Acknowledging that a shift in vocation takes time and training, the Transition to Teaching initiative helps underwrite the costs while employees pursue the education and training experiences required for teacher certification—combining traditional coursework, online courses and practice teaching. Employees are able to choose the certification program that meets their needs so they can get the necessary education courses as well as assistance during the student teaching period.

IBM continues to share what it has learned about the critical path to a second career in teaching with other companies, as well as with the education community. We hope to help develop a thriving talent pipeline for K–12 science and math teachers.
University Relations

Collaborating with the academic community has been critical to IBM throughout the company’s history. We believe that higher learning is central to the advancement of our company, and civilization in general. That’s why IBM works with thousands of universities around the world on a number of levels; we conduct collaborative research and development, we provide awards and donations and we inform curriculum to help develop the next generation of science and technology innovators.

Among the highlights in 2012:

- **Cybersecurity fundamentals program**—While many universities are building courses and degree programs in these areas, there is a shortage of faculty to teach these courses. To help train faculty, IBM developed a 40-hour “train the trainer” program in cybersecurity fundamentals, delivered as a pilot to 25 professors from six universities in Costa Rica, where IBM has a Global Delivery Center. IBM is making training materials available to faculty around the world to help increase the number of graduates with these critical skills.

- **Collaborative Innovation Centers**—Technology is changing at an ever-increasing rate and this has led to some well-defined skills shortages. Because there aren’t enough skilled practitioners, opportunities are being left unfilled. IBM is working with universities on regional economic development projects where critical skills can be consolidated into a Collaborative Innovation Center (CIC), funded by governments and industry collaborators. CICs can comprise one or more universities and perform needed research to further develop disciplines such as business analytics.

  In 2012, IBM worked with the Government of Nova Scotia, Nova Scotia Business, Inc. and a consortium of six higher education institutions to create curriculum and research programs to help equip students with the high-demand analytics skills needed to drive the local economy. In conjunction with this initiative, IBM entered into a services agreement with the Government of Nova Scotia, and an agreement with Nova Scotia Business Inc. to assist in the establishment of an IBM Services Delivery Center that will create up to 500 new highly skilled jobs within Nova Scotia.

- **CrisisTracker**—Developed as part of the Open Collaboration Research program between IBM Research and University of Oulu in Finland, CrisisTracker is a tool that captures Twitter activity around large-scale events such as natural disasters as they unfold in real-time. By automatically tracking sets of custom keywords found in tweets and building relationships among them, the system creates content that can be analyzed to provide disaster recovery decision-makers with critical information. CrisisTracker was piloted in collaboration with IBM during the recovery stages of Hurricane Sandy in the Northeastern United States.

- **Students for a Smarter Planet**—Designed to involve students in creating projects that benefit communities, Students for a Smarter Planet was launched in 2011 as a coalition of local, student-led organizations and individuals who collaborate with other student groups, professionals and policy makers to develop and implement innovative solutions with a positive impact. In 2012, student projects included the development of a smart classroom at the University of Colima in Mexico and a solar-powered safety zone at North Carolina State University.
Technology in Communities

Organizations have an obligation to leverage their greatest strengths to help overcome the challenges society faces today. At IBM, that means applying technology in creative and innovative ways to benefit our communities.

World Community Grid

Launched in 2004, World Community Grid advances scientific research into humanitarian issues by harvesting unused computing capacity donated by volunteers across the globe. In the past, solving complex scientific problems required the use of supercomputers; with the grid, research can be dramatically accelerated by making vast computing power available for free to scientists around the world engaged in nonprofit, humanitarian projects.

Research supported by World Community Grid includes efforts to find cures for muscular dystrophy, influenza, childhood cancer, dengue fever and HIV/AIDS. Other projects include researching inexpensive water filtration systems and low-cost materials for capturing solar energy.

In 2012, two new World Community Projects were launched.

Computing for Sustainable Water—Issues of water quality and conservation affect people all over the world; more than 1.2 billion people lack access to clean, safe water. World Community Grid is helping researchers study watershed sustainability and the effects of human activity on a large watershed.

Say No to Schistosoma—Schistosomiasis is a tropical disease that kills 200,000 people each year and impacts more than 207 million people. Caused by parasitic worms that are transmitted by freshwater snails, Schistosomiasis is second only to malaria in its socioeconomic devastation. World Community Grid is helping researchers find new compounds to accelerate the discovery of drugs to combat tropical disease.

To find a treatment for this deadly disease, researchers at Inforium University in Belo Horizonte and Fiocruz Minas, Brazil are using World Community Grid to run computer simulations that map the interactions of millions of chemical compounds with selected target proteins. Instead of performing expensive and time-consuming laboratory experiments, computer simulations of millions of experiments can accelerate the search for effective drug therapies—but these require a degree of computing power not typically available to this type of research. With World Community Grid, the researchers estimate they will slash testing and evaluation time from more than 30 years to less than one year.
Other active World Community Grid research projects are:

- GO Fight Against Malaria The Scripps Research Institute, USA (launched November 2011)
- Drug Search for Leishmaniasis PECET, University of Antioquia, Colombia (launched August 2011)
- Computing for Clean Water Tsinghua University, China (launched August 2010)
- The Clean Energy Project Harvard University, USA (launched June 2010)
- Help Cure Muscular Dystrophy Universite Pierre et Marie Curie, France (launched May 2009)
- Help Fight Childhood Cancer Chiba University, Japan (launched March 2009)
- Help Conquer Cancer University of Toronto, Canada (launched November 2007)
- Human Proteome Folding New York University, USA (launched July 2006)
- FightAIDS@Home The Scripps Research Institute, USA (launched November 2005)

The key to World Community Grid is scaling capacity. That’s why every year IBM actively promotes the project and encourages new members to sign up. In 2012 we continued our social media strategy, including outreach on LinkedIn, Citizen IBM, Facebook and Twitter. During the year, the grid added more than 289,900 new devices, contributed more than 142,700 years of computer run time and returned more than 347 million discrete results to the research projects.

World Community Grid is a powerful example of how IBM tightly integrates its expertise as a technology and services company with community service efforts. Over 600,000 members from around the world have linked 2.2 million laptops and other computing devices to World Community Grid to donate more than 700,000 years of total computer run time. World Community Grid has worked with over 440 organizations, including the Executive Council of New York, Harvard Engineering and Applied Sciences, and Tech-Pacifica to connect volunteers to the Grid. Research scientists who have used World Community Grid have published 35 peer-reviewed research papers — five in 2012 alone — that discuss their findings, demonstrating industry recognition of the important contributions of World Community Grid.
IBM strives to make its donations to the nonprofit community sustainable, impactful and scalable. We closely tie many of our contribution offerings to our business expertise and product offerings. In this way, IBM eschews “checkbook philanthropy,” and instead engages nonprofit organizations on a deeper, more collaborative level. This approach helps us better understand the true needs of these organizations in order to deliver greater value, and it helps the organizations better understand IBM.

IBM Services Grants are designed to offer nonprofit organizations and schools a chance to enhance their operational performance and assist them in delivering better services to the community. These offerings were developed in collaboration with our grantees in the nonprofit community and are designed to help recipients improve process and infrastructure, as well as provide them with access to IBM consultants with significant expertise in business areas such as strategic planning, project management and leadership training. By refining these core competencies, grantees are often able to solve current operational problems and make strategic decisions to build a strong organization for future growth. The Services Grants often involve in-depth workshops or technology services, such as analytics and cloud collaboration software.

In 2012, IBM expanded the program both within the United States and abroad. The company gave more than 350 Services Grants worldwide during the year, with a combined market value of approximately $9 million.

The program will continue to evolve as the needs of the nonprofit community change and IBM’s business offerings grow. Currently IBM offers 14 different types of Services Grants in three categories:

- Capacity building
- Strategic/growth
- Integrated/premier

**Services Grants spotlight**

Trócaire, the official overseas development agency of the Catholic Church in Ireland, works in more than 27 countries to fight poverty. In 2012 the organization was awarded a Services Grant from IBM for training in its SPSS (Statistical Package for the Social Sciences) software that examines existing operational and market data to uncover unexpected patterns and associations. With this software training, the agency has significantly improved its analysis of client data in key areas.

“We are very grateful for the training on SPSS, which has improved our ability to better analyze data to help our beneficiaries, some of the poorest people in the world.”

JUSTIN KILCULLEN
Executive Director of Trócaire

**350+**

Services Grants IBM gave out worldwide in 2012, totaling approximately $9 million and more than doubling the 150 Services Grants given in 2011.
Disaster Relief

Being a responsible company in the world today means responding to our communities during times of need. Over the years, IBM has learned effective ways to combine our technology and expertise to bring needed relief and recovery to disaster areas.

IBM’s mobilization efforts in the immediate aftermath of a disaster focus on providing information technology to government and relief organizations to enhance their capacity to gather, manage and analyze critical information. We have taken this approach to 38 disasters in 22 countries since 2001.

Hurricane Sandy

On October 31, 2012, Hurricane Sandy struck the East Coast of the United States, devastating the coastal areas of Connecticut, New York, New Jersey, and Delaware, as well as eastern Pennsylvania. In our ongoing response to this disaster, IBM’s role has been focused on offering real solutions to aid in recovery. The total market value of IBM’s post-Sandy efforts for 2012 and continuing in 2013 is estimated at $1.4 million.

Among our efforts in 2012:

• A team performed IT inventory and assessment at nine police sites in New York that suffered extensive damage.

• A consulting team created a custom workshop targeted at economic development corporations supported by Small Business Services using our SME Toolkit, which provides entrepreneurs and small businesses with free information critical to burgeoning businesses in areas such as finance, accounting, international business, marketing and human resources.

• A grant of consulting services to Points of Light helped launch a volunteer reception center run by the Health & Welfare Council of Long Island and Long Island Voluntary Organizations Active in Disaster.

• A team of IBM consultants provided extensive input in establishing the Hurricane Sandy New Jersey Relief Fund. “Mary Pat and I are grateful for the support IBM gave to the Hurricane Sandy New Jersey Relief Fund. Because of their knowledge and expertise, the Fund is able to provide relief to New Jersey families and communities in an efficient and effective manner,” says Governor Chris Christie of New Jersey.

“When we created a response plan for New Jersey and established our relief fund, IBM was one of the first companies to reach out and offer help to us. They then brought talent and expertise to establish our overall operations, a technology plan and our grant-making strategy. We could not have launched the fund without the skills and expertise of the team at IBM,” adds Mary Pat Christie, New Jersey First Lady.
Through IBM’s KidSmart Early Learning Program, 226 Young Explorer computers equipped with award-winning educational software were donated for use in shelters, schools and locations where families received services.

1,200 IBM Trauma Guides offering practical guidance to caregivers, volunteers and relief workers on spotting signs of trauma in children and adults were printed and shipped to two nonprofits, which distributed them to paraprofessionals and volunteers.

The IBM SmartCloud for Social Business platform was donated to the Hurricane Sandy New Jersey Relief Fund, the NYC Small Business Services and Pro Bono Net to facilitate inter- and intra-agency collaboration and communication.

CrisisTracker was deployed to capture a subset of tweets about Sandy and cluster them into like “stories” evaluated by IBM volunteers for veracity and geo-coding. Processed stories appeared on a GIS interface, showing the locations that tweets were associated with.

IBM continued with other projects in early 2013 as recovery efforts progressed.

Other efforts

In response to the tragic shootings at Sandy Hook Elementary School in Newtown, Connecticut, IBM volunteers worked to help restore the website that had been established to raise funds and then crashed during the holidays. In addition, more than 100 IBM volunteers were involved in activities including handling calls to the call center and helping to establish a mentoring program in math and science at the local middle school and high school. Working closely with the school district, IBM also donated technology to further assist in these programs.

Much of our humanitarian disaster response activity in 2012 was carried out through local or regional IBM involvement. Highlights of this 2012 activity included:

- In May a series of large earthquakes occurred in the northern region of Italy. Local IBMers responded by donating KidSmart Young Explorer systems and by providing SmartCloud services to establish a website used by local business owners.

- In June, wildfires swept through the state of Colorado. Local IBM funds were provided for the Teaming for Technology project at Mile High United Way in Denver, which works to make nonprofits more technologically efficient.

- In July, severe flooding in Russia occurred in Krasnodar Krai, near the coast of the Black Sea. IBMers responded through their local International Federation of Red Cross chapters by personally volunteering their time and skills and by donating supplies for the city of Krymsk.
IBM SafetyNet with Nonprofits

Nonprofit social service programs deliver much needed benefits to our most vulnerable citizens. And while private contributions are valued by these agencies, much of their support comes from government contracts. In cities like New York, government funding for nonprofits engaged in social services is in the billions of dollars. Yet securing the funding required to provide these crucial services is becoming more difficult, as donors and government agencies are requesting methodical and detailed accounting of how money is spent in order to better document program effectiveness. As most nonprofit organizations run lean operations with minimal staff, they struggle to gather the needed data from disparate sources and are ill equipped to track information and quickly generate detailed reports.

In 2011 IBM began developing an application to help simplify these important functions and improve the data provided to service workers to improve services to families. Called IBM SafetyNet with Nonprofits, this cloud-based, open-source application reduces administrative time and costs and helps these groups access data to provide better services to a growing client base more effectively and efficiently. The application is currently in use in a handful of settlement houses in New York and is being packaged for broader availability later this year.

The data management application, accessed through a web browser, helps organizations standardize contract, program and client information to improve communications and establish common processes. Fragmented data is brought together into a central repository in the cloud, offering a single point of entry and a comprehensive view of an organization’s information to better track and manage a client’s progress through a program. The application also enhances data analysis capabilities to speed decision making and improve report generation.

The market value of the SafetyNet application, services and maintenance is approximately $125,000 per organization. By sharing our information experience and capabilities, we believe that SafetyNet can improve the delivery of a wide range of nonprofit services.

“IBM SafetyNet allows our children and youth department to track information, run reports and have a more accurate picture of program performance that helps provide better programs and services for our clients…”

CAROLYN MCLAUGHLIN
Executive Director
BronxWorks
Service in Communities

At IBM, creating a culture that promotes service and skills-based volunteerism is essential to our corporate citizenship efforts. These priorities are an important part of what it means to be an IBMer.

Employee Donations and Programs

IBM teams with employees to support organizations and causes in the communities where they live and work. Community-level grant making and extensive volunteer programs help our employees become personally involved in community projects.

Employee Charitable Contributions Campaign

The annual Employee Charitable Contributions Campaign (ECCC) in the United States provides employees and retirees with an opportunity to contribute to more than 10,000 community organizations. These organizations offer a wide array of services including environmental, cultural, health and human services, literacy and disaster relief. The 2012 ECCC generated about $34.2 million in support to communities in the United States. The Employee Charitable Fund program in Canada provided about $3 million in contributions to Canadian organizations. IBM salutes the generosity of its employees and is proud to provide these programs to assist them in support of their communities.

Matching Grants

The IBM Matching Grants program enables US employees and retirees to increase the value of their donations to educational institutions, hospitals, hospices, nursing homes and cultural and environmental organizations with a matching gift from IBM. The recipient organization can choose to receive its gift in the form of either cash or IBM equipment. Hundreds of educational institutions and thousands of nonprofit organizations have benefited from contributions by IBM and our employees through this program. Recipients of IBM Matching Grants are a variety of organizations that includes the Nature Conservancy, Memorial Sloan-Kettering Cancer Center, the Educational Broadcasting Corporation, the Metropolitan Opera, the University of North Carolina and Yale University. In 2012, 6,395 organizations received grants with a total value of $12 million.
Community Grants

IBM Community Grants support employees and retirees around the globe who regularly volunteer with nonprofit organizations. When IBM volunteers work with eligible community organizations for a minimum of 40 hours, the organization qualifies for either a cash or equipment grant. Grants begin at $500 and may be higher if the IBM volunteer uses Activity Kits from the IBM On Demand Community site, or if IBM volunteers work in teams. Organizations may receive one Community Grant per calendar year. In 2012, community organizations received grants with a value of $4 million through IBM Community Grants.

On Demand Community

One of the most common ways IBMers demonstrate their commitment to social responsibility and citizenship is through service. The focus of this service activity is IBM's On Demand Community, an online community that offers programs, presentations, software and IBM professional expertise to facilitate volunteer engagement and action. Using this community, which is designed to accommodate the way people work today by including mobile and work-at-home employees, IBMers can find volunteer activities and apply skills and expertise to a cause.

Through the On Demand Community, IBMers have an opportunity to apply to community organizations the same strengths and talents that they use at IBM, be it project management skills, technology expertise, communication strategies or other capabilities. IBMers can develop a unique service project that speaks to them personally, or they can select from a range of pre-packaged projects that marry IBM's competencies with community issues. Since its launch in 2003, more than 235,000 IBM employees and retirees have registered at the site and logged 15 million hours of volunteer service.

Every year IBM awards significant individual and team volunteer work with the IBM Volunteer Excellence Award. Among the 13 winners for 2012 were:

Mobilizing legal pro bono support for global disaster response —
Theresa Mohan, senior regional counsel for IBM in New York, has led the charge to create an infrastructure that supports legal pro bono volunteerism across the IBM legal function. In 2011 she collaborated with international disaster relief charity ShelterBox to kick off a volunteer legal effort with more than 60 lawyers. But she didn’t stop there; when Hurricane Sandy ravaged the East Coast of the United States in late 2012, Theresa initiated an informal legal clinic in the early days of the disaster with IBM lawyers, former IBM lawyers, law firm associates, bar association lawyers, and law school faculty and students to help hurricane victims. From their first weekend with one tent, the effort grew to staffing five locations. Theresa’s efforts have evolved further, and she’s now working with all of the legal groups responding in NYC, participating in a Disaster Best Practices conference, and using IBM’s SmartCloud collaboration software for cross-organization communication and collaboration.
Improving education in rural China—Hai Nan Yin has led a team of eight colleagues from IBM China in a three-part project designed to improve education in rural areas of the country. These efforts include organizing employees to donate books to rural schools in the Gansu province of China; IBMers collaborating with students at Shanghai Jiao Tong University (SJTU) in a volunteer teaching program that uses IBM Activity Kits; and IBMers working with SJTU students to help an NGO solve issues in its donation process. For the third issue, the team set up a cloud platform to automate the donation tracking process and serve as a portal of volunteer activities, showcasing how cloud computing can streamline operations management for communities, business, schools and government. Throughout the project the IBM volunteers have used their professional skills in project management, software development and business process management, as well as training and presentation.

Motivating at-risk young people—Pilar Linan Vallecillos is the IBM team lead for a group of 77 volunteers from IBM Spain committed to helping young people with a background of academic failure find motivation. Project Coach, an initiative started by the nonprofit group Fundación Exit, works to help these youth continue their education and develop the work-readiness skills required to be successful in the business world. Launched in 2009 in Madrid and 2011 in Barcelona, the program engages IBM volunteers to serve as coaches to the youth, sharing their own personal experiences and giving the students their first contact with the professional world. The IBMers rely on their professional skills in this project and use a variety of IBM Activity Kits in their mentoring.
Development in Communities

The communities in which IBMers live and work span the globe, and are the building blocks of a Smarter Planet. The following programs represent a few of the ways in which we work together with local and national organizations to improve the quality of life in communities around the world.

Smarter Cities Challenge

Perhaps no program exemplifies IBM’s integrated approach to corporate citizenship better than the Smarter Cities Challenge. Announced in November of 2010, this $50 million competitive grant program is providing teams of IBM experts to 100 cities around the world over a three-year period. In 2012—the second full year of the program—173 IBMers were deployed to 31 cities to advise city leaders on strategies to help improve efficiency, spur economic growth, engage citizens and more.

Though this is a philanthropic endeavor, it draws on the expertise and knowledge we’ve gained through our work. For the last four years, IBM has been building a substantial business in helping cities in both developed and developing countries to collect and analyze critical data, gaining a clearer understanding of how these complex systems of systems really work, and how they can work better. With this understanding, IBM team members work alongside leaders from the public, private and volunteer sectors and immerse themselves in issues critical to each city, such as the administration of healthcare, education, public safety, social services, transportation, communications, sustainability, budget management and energy and utilities. Smarter Cities Challenge grants are valued at approximately $400,000 on average.

“The truth is some serious work has been done, very complete work,” said Mayor Francisco de la Torre of Málaga, Spain, which used a Smarter Cities Challenge grant to help develop a sustainable, integrated economic plan based on an expanded culture of entrepreneurship. “Many people have been interviewed, many hours have been spent studying Málaga’s reality and I believe they have found a series of key proposals to advance our technological development, drive entrepreneurship and therefore, create jobs.” Echoed Mayor Mónica Fein of Rosario, Argentina: “The Smarter Cities Challenge has been extremely valuable; [the IBM team] has left us with a roadmap to work on innovation, integration of information and greater citizen participation, all fundamental tools of good government…We are committed to making Rosario a smarter city.”

$50 million

The value of IBM grants to 100 cities around the world over 3 years.
Over the course of each Smarter Cities Challenge project, a carefully selected team of IBM executives and senior subject matter experts from across the business helps the municipality analyze and prioritize its needs, review strengths and weaknesses and learn from the successful strategies used by other cities. The team also studies the role that intelligent technology might play in unifying and advancing different aspects of city life. The team ultimately delivers to the city a roadmap that identifies ideas and opportunities designed to help make regions healthier, safer, smarter, more prosperous and attractive to current and prospective residents and businesses. In 2012 several cities used ideas and opportunities outlined in these roadmaps and began implementing changes accordingly. For example:

- The City of Cheongju, South Korea, merged with nearby Cheongwon County to become a significantly larger city, and the mayor has set aside $3 million to roll out the Smarter Cities Challenge team’s recommended bus rapid transit system. Cheongju also received the national government Minister’s Citation of Public Administration and Security for the best practice of budget efficiency. The city shared the IBM Smarter Cities Challenge experience with the national government and explained how it helped to save their budget through leveraging global IBM specialists.

- In Durham, North Carolina, the mayor, county manager and superintendent established a leadership task force to oversee the Durham Connecting Youth Initiative, appointing a staff person to drive implementation of the Smarter Cities Challenge team’s recommendations. The city, county and Durham Public Schools have also approved joint funding for staff positions to oversee and coordinate the Durham Connecting Youth Initiative. A technical advisory committee has been established, including representatives from various organizations. The Durham Workforce Development Board Youth Task Force is charged with implementing the workforce development and opportunity components.

- The Council Leader of Glasgow, Scotland established an Affordable Warmth Executive Team, with IBM representation, and announced a new £1 million fuel subsidy for elderly Glaswegians, linked to the Smarter Cities Challenge team’s work and regional priorities.

- Following significant leadership and operational changes implemented by city officials in St. Louis, Missouri, voters passed Proposition A, returning control of the police department to City Hall after 151 years of state control.

- The City of Jacksonville, Florida named an Economic Development Officer in November 2012, based on the Smarter Cities Challenge team’s recommendations, and has proceeded with planning more activities in downtown, proposed legislation for residential and retail investments and mixed-use of old library facilities, and streamlined processes for collaboration with companies.
Smarter Cities Challenge engagements in growth markets are staffed through the Executive Service Corps, an initiative which grew out of the Corporate Service Corps in 2010.

**Smarter Cities Challenge Summit 2012**

In November 2012, IBM welcomed more than 150 Smarter Cities Challenge city leaders—including nearly 20 mayors representing every inhabited continent, as well as urban thought leaders and IBM’s Smarter Cities Challenge experts—to the Smarter Cities Challenge Summit in Palisades, New York. Key themes included the importance of reliable and accessible data, clear governance and meaningful civic engagement. The event was hosted with Living Cities, EUROCITIES, the Urban Institute, Regional Plan Association, AVINA Foundation and Center for an Urban Future. Following the Summit, IBM Citizenship published a white paper, “How to Reinvent a City: Mayors’ lessons from the Smarter Cities Challenge,” sharing the insights mayors learned from their participation in this IBM Citizenship initiative.

Cities interested in researching, and potentially applying for, a Smarter Cities Challenge grant can visit the website.

The Smarter Cities Challenge is sponsored by the international philanthropic foundation at IBM, which has been a leader in corporate social responsibility and corporate citizenship for nearly 100 years. IBM implements a range of initiatives to address specific vital issues such as the environment, community economic development, education, health, literacy, language and culture. IBM employs its most valuable resources—technology and talent—to bring these programs to fruition.

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**Corporate Service Corps**

In 2013 IBM will celebrate the fifth anniversary of the Corporate Service Corps (CSC). Through CSC, IBM blends social responsibility and business expertise to produce a triple benefit: premier leadership development for IBM employees, pro bono problem solving for governments and communities and a greater understanding of new markets for IBM.

CSC teams comprise eight to fifteen IBMers who spend approximately six months on a CSC engagement—three months in preparation, one month full-time in the local community and two months in post-service work. On location, these teams collaborate with government agencies, educational institutions and nonprofit organizations in areas where business, technology and society intersect to develop sustainable economic solutions.

In 2012, CSC sent over 100 teams of IBM top talent to 32 communities in 20 countries, delivering 100 vitally important projects. Some recent host countries include Mexico, Nigeria, the United Arab Emirates, Senegal, Argentina, Chile, India, Peru and Greater China, which received its eighteenth CSC team.
“Kunming SME Financial Transaction’s service platform provides small and micro businesses with a more secure financial management model. This model is a global innovation, so we have faced many unexpected challenges. During this critical period, the IBM CSC team provided us with a clear vision and plan so that we could more effectively manage and reduce our risks,” says Zhang Zhi, deputy president of Kunming SME Financial Transaction in Kunming, China.

CSC is a terrific example of the strength of public and private collaboration. For example, through IBM’s work with the United States Agency for International Development (USAID) and CDC Development Solutions, CSC teams have made significant contributions in Kenya, Kazakhstan, Senegal and Ghana. Additionally, IBM is working with many other companies to guide them in the development of their own global corporate service programs and expand the contributions made to communities.

The work of CSC teams helped IBM reach No.1 in The Civic 50, a ranking of America’s most community-minded businesses published by Businessweek in November 2012. The Civic 50 measures how companies use their time, talent and financial resources to improve their communities. The award recognizes the continuing and growing impact and leadership of our global corporate service work.

Below are some examples of work done by CSC teams in 2012:

• Cervical cancer is a leading cause of cancer-related deaths in women in Kenya and is a major public health concern in many East African countries. Recently the Kenyan government, with support from the US government and the President’s Emergency Fund for AIDS Relief (PEPFAR), took strategic action in the fight against cervical cancer. IBM CSC worked to solve the information management challenges that arise from collaboration between more than 4,000 clinics and six levels of healthcare facilities spread over a large geographical area serving 15 million women. With the CSC team’s help, the program will collect more reliable data to improve screening rates, which have already jumped from almost none to 70 percent in five years.

• Since 1999, Casa da Criança (CdC) has remodeled the physical structures and improved the management of 33 youth centers and children’s hospitals in 15 states across Brazil, benefitting more than 20,000 children. An IBM CSC team helped CdC to resolve information, communication and storage problems by designing a collaborative portal using IBM’s SmartCloud Engage.

• Economic growth is hampered in many regions in Africa due to the cost and unreliability of energy. The East Africa Power Pool (EAPP) is an intergovernmental organization established in 2005 to facilitate cross-border trade in energy resources among seven Eastern African countries. The mission of the EAPP is to make affordable, sustainable and reliable electricity available for the Eastern African region by pooling electrical energy resources, promoting regional
integration, poverty reduction and economic development. An IBM CSC team designed the framework for an EAPP-wide information systems network to allow interaction and data sharing between members and with the trading platforms.

SME Toolkit

IBM and the International Finance Corporation (IFC) have worked together to create a small and medium enterprise toolkit, or SME Toolkit, which provides entrepreneurs and small businesses with free information in areas critical to growing businesses such as finance, accounting, international business, marketing and human resources. IBM supports SME Toolkit in order to accelerate economic development and job growth in geographies and communities that are striving to grow their engagement in the market economy, as well as to help spur development of women- and minority-owned businesses in the United States.

The Toolkit is available in 40 countries and 18 languages. It is available in emerging markets such as the Philippines and Bangladesh. In the United States, SME Toolkit focuses on businesses owned by underserved communities such as women, African Americans, Hispanics, Native Americans and Asians. The Toolkit delivers interactive tools, online collaboration and educational content to help small businesses learn and implement sustainable management practices. These tools are often only available to Fortune 1000 companies.

Organizations working with the IFC in each of the countries hosting the site are responsible for localizing, customizing and translating content so that it speaks to the local markets. These organizations, such as EDC Pan-African University in Nigeria, can also help nurture local businesses and improve their chances of survival.

IBM has dedicated more than $6 million to improve the usability and performance of the SME Toolkit, providing enhanced functionality and creating a resource hub, learning location and meeting place for small and medium businesses. SME Toolkit is a leading example of IBM’s commitment to collaborating with significant outside organizations and contributing IBM’s technical expertise and solutions to help address pressing social issues.
Supplier Connection

Supplier Connection was launched by IBM and US Small Business Administration (SBA) Administrator Karen Mills to promote job growth by helping small businesses more easily access opportunities with large companies. The program’s web-based portal was created and is maintained by IBM through a $10 million grant from the IBM International Foundation. Supplier Connection was recognized with the 2012 Distinction Award for Best Collaboration by the Supply Chain Distinction Awards North America, which celebrates excellence across the most important disciplines in supply chain management. Specifically, the award recognized IBM and Supplier Connection for improving business performance based upon a mutually beneficial collaborative effort between many buying corporations and small business suppliers in the United States.

Small businesses are crucial to the vitality of the US economy, as they employ half of all private sector employees. However, it can be challenging for small businesses to sign up new, large accounts, especially with global companies. Without this source of sustained and sufficient demand, small businesses have little incentive to expand their operations or hire new employees. With the goal of fueling economic growth and job creation in the United States, IBM and a consortium of large corporations are collaborating to make it easier for small businesses to potentially become suppliers to large companies.

Supplier Connection provides small companies with a standardized and streamlined way to register basic information, share business practices and potentially connect with both large and small businesses to enhance their opportunity for growth. In turn, large companies are able to quickly find registered suppliers, communicate with them and forge stronger relationships with new and existing suppliers. Since its inception, Supplier Connection has provided growth to many small businesses across multiple industries. Participating members have increased their spending with small businesses on average by 3 percent, totaling more than $10 billion.

A small business owner on Supplier Connection:

Puritan Press

Puritan Press is a printing and publishing business based in Hollis, New Hampshire. In an effort to create new business opportunities, Puritan Press joined Supplier Connection in 2011 after learning of the consortium through its local industry network. Within six months, the organization secured a contract with IBM to produce more than 30,000 copies of the 2011 IBM CEO Study. That initial contract opened Puritan Press’s opportunities with IBM, and it has secured several more contracts in 2012.
“Supplier Connection has allowed Puritan Press to make connections with large corporations that otherwise might never be possible—and has directly impacted our business for the best. Once IBM took the initiative to get us involved, they followed up with significant job awards. We produced several large print projects in 2012, and have been awarded additional jobs in 2013 as well as opportunities to bid. It is this level of action as well as the corporate commitment to support and engage with small businesses that has made us believers in this process,” says Kurt Peterson, president of Puritan Press. “Our involvement with the Supplier Connection portal has provided additional value and benefits to us through increased visibility in our market. As we expand our reach we count on the support of this small business tool for marketing our services to those corporations who are truly supporting small businesses. We know our products and services are leaders in our industry and now with the added advantage of the Supplier Connection we can get the word out on the street to more and more potential buyers.”