

IBM **Corporate Service Corps**



Impact Report 2016

EXECUTIVE SUMMARY

In 2008, IBM launched the Corporate Service Corps (CSC) program to enable its future leaders to excel. Nearly 10 years later the program is an exemplar of corporate responsibility at the intersection of business and society. By simultaneously delivering excellence in leadership development, impact for communities facing critical challenges, and IBM skills IBM has demonstrated innovation in citizen diplomacy. Having achieved its original aim, the program quickly evolved to become an enabler of scalable and sustainable change on many levels, from life changing experiences for nearly 3,000 of IBM's best and brightest employees, to a catalyst for change for organizations positively impacting 41 million people across 37 countries, to demonstrating innovation that matters for many of IBM's clients who have developed similar programs based on the IBM CSC model.

As by far the largest program of its kind, the CSC has demonstrated that leadership development via immersive, strategic community problem solving can be uniquely effective in attracting and growing top talent: 96% of CSC participants agreed with the statement that the CSC Program helped them increase their **“ability to effectively lead a global team.”** Young employees often site the CSC as the driver of their attraction to IBM: 87% of CSC participants agreed with the statement that after their CSC experience they would **“gladly refer a good friend or family member to IBM for employment.”** Mid-career professionals feel an intense connection to IBM post CSC that reinvigorates their passion for the company: 94% of CSC participants agreed with the statement that after their CSC experience they are **“proud to tell people I work for IBM.”** Managers see the distinct difference when the employees return: **“...While he was a strong employee before CSC, I believe the program has expanded and broadened his goals within IBM and the time away from his role was well worth the investment.”** Sr. Mgr, Development Enablement Services. As the program continues to evolve, the impact on employees deepens and other companies have noticed and emulated.

For example, JPMorgan Chase joined a CSC team to Brazil in 2014, with this first-hand knowledge they subsequently launched the Detroit Service Corps in 2015, and later went arm-in-arm with IBM to Mumbai to provide joint expertise for an organization focused on gender equality and preventing violence against women. This all led to JPMC launching their own global program in 2016. *“IBM has been a leader in demonstrating the impact that the private sector can [have] in contributing talent and expertise to our communities. IBM invited us to join one [of] their Corporate Service Corps projects so that we could learn from their model, and **the experience inspired us to create a similar program in Detroit.** We've had great feedback from our nonprofit partners and our employees.”* - Peter Scher, executive vice president and head of corporate responsibility, JPMorgan Chase & Co.

Through a spirit of continuous improvement and collaboration, the CSC has amplified the impact it makes on communities by constantly evolving the work and building partnerships to expand impact. Projections from 2015 survey results estimate that 40,920,495 people, including 19,854,280 women and 20,210,879 young people, would benefit from CSC projects if those projects were successfully implemented. 2016 will feature a groundbreaking partnership with the Peace Corps which will expand the program's impact and 2017 will mark a decade of excellence.

TRIPLE BENEFIT EXECUTIVE SUMMARY

Benefit to Employees

- Since 2008, 2,800 IBMers from 60 countries deployed to 37 countries received life-changing leadership and skills building
- When surveyed, IBMers who participated in the CSC Program in 2015, stated that because of their CSC experience, they increased their:
 - Ability to effectively lead a global team. (96%)
 - Teamwork and collaboration skills. (95%)
 - Cultural awareness skills. (91%)

Benefit to Host Organizations

- Since 2008, 248 gender-balanced, multi-cultural teams partnered with host organizations on 1000+ projects worth \$70 million.
- Some benefits to host organizations of CSC projects include:
 - A comprehensive market, services and financial roadmap to allow a Peruvian cervical cancer clinic to reach 75,000 women and quadruple its operation income by 2017.
 - Improved water, sanitation and hygiene (WASH) practices for over 46,000 Ethiopians and the ability of the host organization to secure over \$50K in additional donor funding.
 - A new business plan that resulted in a 41 percent increase in food donors and an increase of 15,000 people fed each month in Toluca, Mexico.

Benefit to IBM

- When surveyed in 2016, managers of IBMers who participated in the CSC Program stated that the experience increased their employee's:
 - Knowledge/understanding of IBM's role in the developing world. (85%)
 - Understanding of business's role in society. (85%)
- Through joint CSC projects, IBM has deepened their relationship with Becton Dickinson, Cairn India, CEMEX Foundation, Dow Chemical, FedEx, GSK, John Deere, JPMC (2 teams), TATA Steel, and Unilever.
- Business value to IBM of some CSC projects include:
 - CSC Team **Kenya 8** was an early test of the Bluemix platform while it was still in development and the first reference for Bluemix outside of the U.S.
 - A CSC deployment to Davao, **Philippines** contributed to IBM securing the Davao Intelligent Operations Center (IOC) Opportunity worth \$2.6M in July 2012.

PARTICIPANT, SKILL, ENGAGEMENT & LEADERSHIP DEVELOPMENT

Leadership Development (2015)

- 96% of CSC participants agreed (61% strongly agreed) with the statement that the CSC Program helped them increase their **“ability to effectively lead a global team.”**
- 83% of participants stated they acquired, practiced, or improved their **leadership skills.**

Skills Development (2015)

- 95% of participants stated they acquired, practiced, or improved their **teamwork and collaboration skills.**
- 91% of participants stated they acquired, practiced, or improved their **cultural awareness skills.**
- 80% of participants stated they acquired, practiced, or improved their **consulting skills.**
- 79% of participants stated they acquired, practiced, or improved their **communication skills.**

Employee Engagement (2015)

- **93%** of CSC participants agreed (47% strongly agreed) with the statement that the CSC Program prompted them **“to search for other ways to get engaged with local and international communities/or engaged in local and international community activities.”**
- **94%** of CSC participants agreed (60% strongly agreed) with the statement that the CSC Program **“offered important and unique learning/development opportunities that match [their] career goals.”**
- **89%** of CSC participants agreed (20% strongly agreed) with the statement that the CSC Program helped them **“make a real difference in the lives of other people/client organizations.”**
- **88%** of CSC participants agreed (47% strongly agreed) with the statement that after their CSC experience they are **“extremely satisfied with IBM as a place to work.”**
- **94%** of CSC participants agreed (60% strongly agreed) with the statement that after their CSC experience they are **“proud to tell people [that they] work for IBM.”**
- **87%** of CSC participants agreed (49% strongly agreed) with the statement that after their CSC experience they would **“gladly refer a good friend or family member to IBM for employment.”**
- **77%** of CSC participants agreed (34% strongly agreed) with the statement that after their CSC experience they are **“less likely to think about looking for a new job with another organization.”**

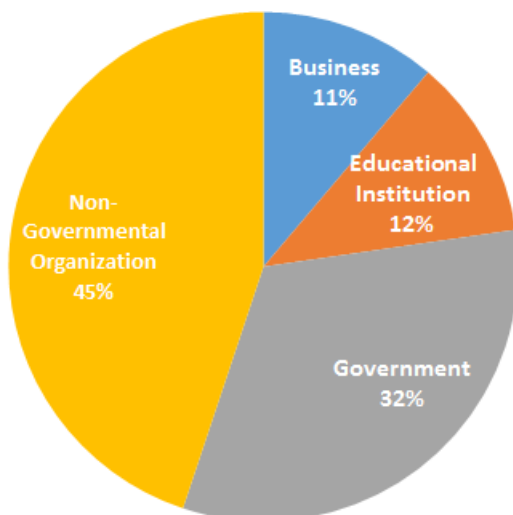
IMPACT ON COMMUNITIES

Projects – About half of host organizations were nongovernmental organizations and a third were government agencies. The top sectors the projects focused on were education* and information technology and communication. The top solution areas of CSC projects were strategy or roadmap development, general business consulting, and data management/analytics. CSC projects have taken place all over the globe, with heaviest concentration of projects in China, India, and Brazil. Representatives of host organizations who received support in 2015 projected that 40,920,495 people inside and outside the host organization would benefit from the project if those projects were successfully implemented. Those representatives estimated that 19,854,280 women and 20,210,879 young people would benefit if the projects were successful.

**Special Note: While the top sector was education, the focus of the projects associated with that sector was not pedagogy but rather providing assistance relating to Strategy or Roadmap Development and General Business Consulting solutions.*

PROJECT BREAKDOWN

Projects by Host Organizations



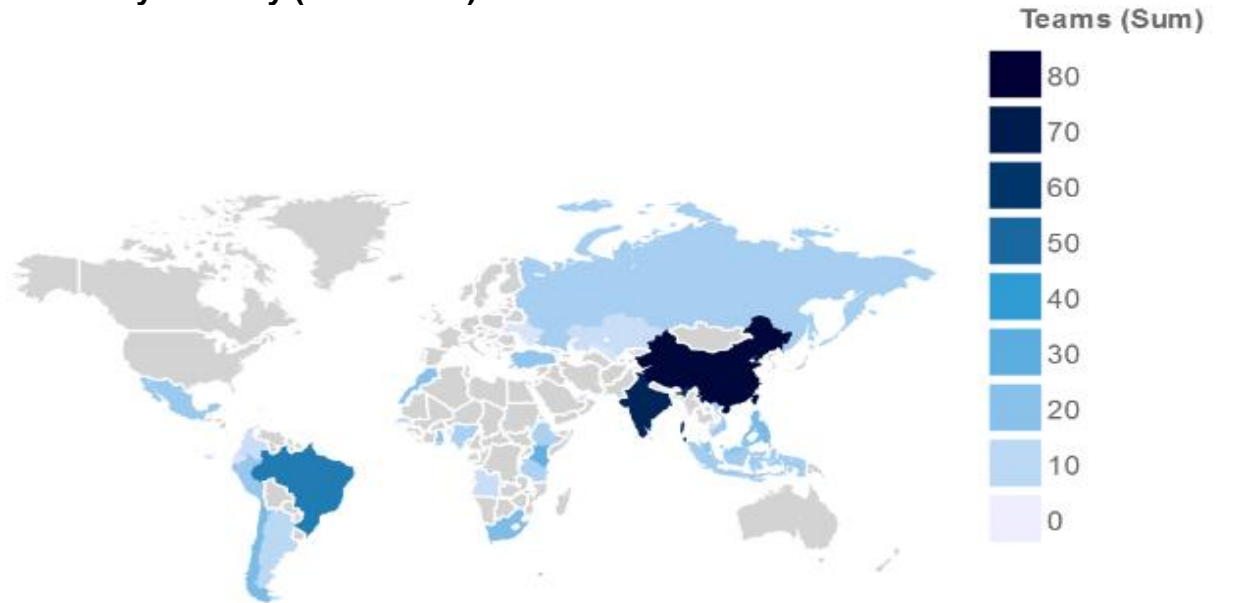
Top Sectors

Education	28%
Information Tech & Communication	12%
Other	12%
Health	9%
Agriculture	7%
Financial Services	5%

Top Solution Areas

Strategy or Roadmap Development	53%
General Business Consulting	24%
Data Management/Analytics	11%

Teams by Country (2011 -2015)



Beneficiaries (2015)

- CSC host organizations estimated the following number of beneficiaries would be positively impacted if the project succeeded.
 - 40,920,495 people inside and outside the host organization
 - 19,854,280 female beneficiaries, users or customers
 - 20,210,879 youth beneficiaries, users or customers

HIGHLIGHTED PROJECTS

- CSC **Argentina, Colombia, Ecuador, and Mexico** Global FoodBanking Network projects demonstrated the long term impact of the CSC and the benefits of a thematic approach. Results of this multi-project initiative includes:
 - A new business plan that resulted in a 41 percent increase in food donors and an increase of 15,000 people fed each month in Toluca, Mexico,
 - 40 new food donors being secured in Barranquilla, Colombia, along with several improvements in business operations that will impact many food banks throughout Colombia
- CSC team **India 25**, together with JPMC worked for Akshara, an organization focused on gender equality and preventing violence against women, to develop a social media strategy to disseminate more information on violence against women, increase access to support systems to address violence and record data to advocate for changes in policy to ensure safer cities for women. Following this joint project with CSC, JPMC went on to launch their program, modeled after the CSC.
- CSC team **Peru 2** and IBM client Becton Dickinson served CerviCusco, a clinic that provides cervical cancer screenings to impoverished Peruvian women with a comprehensive market, services and financial roadmap to allow CerviCusco to reach 75,000 women and quadruple its operation income by 2017. The combined results of the joint CSC Becton Dickinson team include:
 - The launch of an Electronic Medical Records (EMR) system
 - A streamlined IT Infrastructure and updated database
 - A new Director of Business Development
 - An educational training program for healthcare volunteers
 - Construction of a new laboratory
 - An updated CerviCusco website
 - A social media plan with Facebook and Twitter accounts, and
 - A communications plan featuring interviews with patients and volunteers
- CSC teams **Ethiopia 2 & 3** served International Medical Corps (IMC) and their disaster resiliency program in Ethiopia. Over 46,000 Ethiopians will be positively affected by becoming more resilient through improved water, sanitation and hygiene (WASH) practices. Ethiopia 2 worked together with Dow Chemical on the project. IMC was able to secure over \$50K in donor funding as a result of the team's recommendations because donors saw value in the project.
- CSC team **Kenya 8** recommendations enabled the Women's Enterprise Fund in Kenya help deliver key entrepreneurial training to 89,000 women and to launch 25 new women's business clubs in the Nairobi area.

- CSC Team **Vietnam 1** IBM CSC engagement with Hai Van Travel Services has resulted in job creation and growth in the Travel and IT Industry. IBM CSC helped the local economy by enabling a local business that is key to the local growth agenda to establish itself in the international stage, gaining an international accreditation (IATA), stimulating the local tourist industry, providing jobs in local downstream suppliers and experiencing 600% growth in revenue over 4 years.
- CSC Team **Brazil 12** - IBM's engagement with the inspiring Casa da Criança is delivering better coordination amongst professional volunteers that will deliver savings that will increase their service to 600 families. Since 1999, Casa da Criança has remodeled the physical structures and improved the management of 33 youth centers and children's hospitals in 15 states across Brazil benefiting over 20,000 children. An enormous success considering it required the coordination of over \$19M USD in donated products and services, mobilizing 2,000+ architects, interior designers and artists, 1,000+ contractors, and about 30,000 partner companies, industries and small businesses – all managed by ineffective modes of communication and hardcopy documentation.
- CSC Team **South Africa 9** - In August 2012, the Eastern Cape Rural Finance Corporation (ECRFC) started issuing the first loans under a new process recommended by the IBM CSC team in early 2012. In a region where 80% of families are still living in poverty, access to capital for local farmers and small entrepreneurs is a key component to lifting the population out of poverty and sustaining growth for the future. With a default rate greater than 60%, ECRFC which is the lifeline organization for affordable development finance for the rural farming communities could not continue to sustain its service at that rate. ECRFC's implementation of key recommendations made by IBM, including the inclusion of financial literacy workshops to loan recipients as part of the loan delivery process, were design to provide key business skills to entrepreneurs to grow and sustain their business as well as reducing their default rate.

2016 CORPORATE SERVICE CORPS PLAN

In 2016, the CSC program will send nearly 400 more IBMers on 28 teams to 19 countries including 2 new locations, Croatia and Thailand. The program will continue to advance its strong partnership model with an innovative partnership with the Peace Corps. The program will delve deeper into thematic areas such as women's empowerment and food banking. It will also continue to provide value to our clients through joint initiatives and will promote the quality and depth of knowledge possessed by our diverse global workforce.

Signature Initiatives

- **Groundbreaking Partnership with Peace Corps** – Our partnership announced by First Lady Michelle Obama at the Fortune Most Powerful Women Summit, hosted by Fortune Magazine in October 2015, is demonstrating IBM's leadership in international development. With three projects in Ghana, the Philippines, and Mexico in 2016, this multi-site collaboration will allow CSC and Peace Corps to leverage each other's expertise and influencer networks for both impact and wide communication of that impact. Our project in Ghana is part of the Let Girls Learn Alliance led by First Lady Michelle, and which includes the Peace Corps, USAID, the Millennium Challenge Corporation and a number of private sector partners. This collaboration has already led to joint speaking engagements and written pieces. We expect to be working together in the Philippines with the prestigious International Rice Research Institute on building disaster resiliency. In Mexico, we are working together on environmental preservation which has potential as a significant IoT project.
 - Ghana 12: February 19 - March 19
 - Philippines 16: June 24 - July 23
 - Mexico 6: October 7 – November 5
- **Women Focused Projects** - CSC has addressed some of the most pressing issues affecting women worldwide including projects focused on economic development, health, gender-based violence, education and women's empowerment. 2016 includes access to education in Ghana, mobile solutions to prevent violence against women in Thailand, work with UNICEF in India and much more.
- **Food/Health Projects** - CSC Mexico, Colombia, Argentina & Ecuador **FoodBanking Network** projects demonstrated the long term impact of the CSC and the benefits of a thematic approach e.g. in Toluca, Mexico 41% increase in food donors and 15,000 more people fed each month. We will build on the strategic outcomes with project in 2016
- **People with Disabilities (PWD)** - CSC has completed 37 People with Disabilities projects with 213 IBMers across Africa, Asia, Central and Eastern Europe, Latin America, and the Middle East. In 2016 we will build on those successes by selecting projects that benefit PwD.

Recipient Organization Testimonials

- **CerviCusco** – *“The Corporate Service Corps of IBM has placed us on an incredible trajectory that we’ve never imagined. They’ve outlined plans for us for the next 3 to 5 years...to allow us to achieve our dreams that we never thought would be realized.”* Dr. Daron Ferris, Founder, CerviCusco.
- **International Medical Corps** – *“IBM has been a valued partner in helping International Medical Corps serve our constituencies better. Together, we are leveraging our expertise to establish a new protocol for evaluating the effectiveness of responses to global crises.”* Rebecca Milner is Vice President of Institutional Advancement at the International Medical Corps.
- **Global FoodBanking Network (GFN)** - *“The successful collaboration between IBM Corporate Service Corps and Banco de Alimentos de Mérida is a great example of how GFN helps international businesses find ways to activate their global philanthropy on a local level. One of the ways GFN supports our network food banks is by representing them to best-in-class corporations—like IBM—that want to make a difference in the world. Working with GFN, these global good citizens know they will be helping credible organizations that operate at the highest levels. We are thrilled that the IBM Corporate Service Corps project with the food bank in Mérida, Mexico was a success for all involved.”* Jeff Klein, president and CEO, GFN
- **Ghana’s Ministry of Education** - *“Ghana continues to make very good progress in her quest to foster academic, economic, social and financial inclusion...Our work with IBM and the Peace Corps will help us solidify ongoing plans to bring women and disadvantaged sections of society in to the mainstream of development efforts.”* Dr. Stephen Adu, Deputy Director-General of the Ghana Education Service in the Ministry of Education

IMPACT ON IBM

The impact of the CSC Program has been significant. Managers of CSC alumni report increased skills, improved attitude and motivation, and company esprit de corps. CSC projects have opened access to potential clients, particularly government agencies. CSC projects have also proved an important platform for engaging existing clients.

INCREASED EMPLOYEE UNDERSTANDING OF IBM PLAYS (CAMSS) (2015)

By participating in the CSC Program IBMers have the opportunity internalize the growth plays that support IBM's transformation—Analytics, Cloud, Mobile, Social and Security (CAMSS). 93% of CSC participants deepened their knowledge of at least 1 of the company's growth plays with 31% of participants deepening their knowledge of 3 or more growth plays. In particular, about half of participants surveyed in 2015 stated they increased their knowledge of the analytics and social growth plays.

- 39% of CSC participants stated that they acquired new **cloud** knowledge.
- 47% of CSC participants stated that they acquired new **analytics** knowledge.
- 36% of CSC participants stated that they acquired new **mobile** knowledge.
- 52% of CSC participants stated that they acquired new **social** knowledge.
- 24% of CSC participants stated that they acquired new **security** knowledge.

FEEDBACK FROM CSC ALUMNI MANAGERS

CSC Alumni Manager Survey Results (2016)

- 85% of managers of CSC participants agreed (40% strongly agreed) with the statement that the experience increased their employee's **“knowledge/understanding of IBM's role in the developing world.”**
- 85% of managers of CSC participants agreed (38% strongly agreed) with the statement that the experience increased their employee's **“understanding of business's role in society.”**
- 66% of managers of CSC participants agreed (23% strongly agreed) with the statement that after the experience their employee is **“working and contributing in new, more valuable ways.”**
- 72% of managers of CSC participants agreed (32% strongly agreed) with the statement that when compared to other leadership experiences at IBM, CSC is **“one of the best.”**
- 86% of managers of CSC participants agreed (44% strongly agreed) with the statement that the experience increased their employee's **cultural awareness.**
- 65% of managers of CSC participants agreed (20% strongly agreed) with the statement that the experience increased their employee's **problem solving skills.**
- 72% of managers of CSC participants agreed (26% strongly agreed) with the statement that the experience increased their employee's **leadership skills.**

- 54% of managers of CSC participants agreed (14% strongly agreed) with the statement that the experience improved their employee's **“ability to do his/her day job.”**
- 75% of managers of CSC participants agreed (36% strongly agreed) with the statement that after the experience their employee **“shows improved attitude and motivation as a result of the CSC experience”**.
- 79% of managers of CSC participants agreed (37% strongly agreed) with the statement that the experience increased their employee's **“desire to continue his/her business career at IBM.”**
- 74% of managers of CSC participants agreed (28% strongly agreed) with the statement that their **“opinion of the program has favorably improved after seeing the impact of the program on his/her employee.”**
- 86% of managers of CSC participants agreed (54% strongly agreed) with the statement that they **“would recommend another employee to apply for the CSC Program.”**

BUSINESS VALUE OF CSC

CSC teams that have facilitated access to new clients include the following:

- CSC has been instrumental in engaging and building relationship with communities in advance or in tandem with IBM's expansion in key locations in Africa and Latin America.
- CSC Team **Kenya 8** was launch pad for Bluemix in Africa and an early test of the Bluemix platform while it was still in development and the first reference for Bluemix outside of the U.S.
- A CSC team that deployed to Can Tho, **Vietnam**, delivered their final report to the city's senior leaders and they were so interested in learning more about how the projects would be delivered providing a great opportunity to build out our influencer network in Vietnam.
- CSC deployments in Davao, **Philippines**, in 2008 and 2011, when combined with sales engagements and various marketing activities including the 2010 Smarter Cities roundtable, facilitated IBM securing the Davao Intelligent Operations Center (IOC) Opportunity worth \$2.6M in July 2012.

CLIENT ENGAGEMENT

- Becton Dickinson
- Cairn India
- CEMEX Foundation
- Dow Chemical
- FedEx
- GSK
- John Deere
- JPMC: 2 teams
- TATA Steel
- Unilever
- Many other companies credit IBM with establishing the model with which they developed their own programs such as Peace Corps

PARTNER ENGAGEMENT

- Peace Corps
- Global Food Banking Network
- USAID
- International Medical Corps
- PEPFAR
- The Nature Conservancy

AWARDS/EXTERNAL RECOGNITION - 2015

IBM Receives the Purposeful Global Engagement Pioneer Award at PYXERA Anniversary Gala

- IBM was recognized at PYXERA Global's 25th Anniversary Gala Celebration Dinner for our work "pioneering new global engagement practices that inclusively and sustainably improve lives and livelihoods worldwide." PYXERA Global CEO, Deirdre White, described IBM's work as "... strategic leadership development, business development, and community development—and it's done in an exemplary way..."

IBM Ireland won the Excellence in International CSR category

- IBM Ireland won the Excellence in International CSR award for Corporate Service Corps at the Chambers Ireland President's Awards for CSR which was attended by the Minister for the Environment, Community and Local Government and over 500 people from industry, many of whom are IBM customers.

IBM was rated #1 of 100 corporations for CSR Programs

- In China, IBM was rated the #1 multinational company for CSR based on the work of the CSC, via a social media pulse survey on CSR Programs from 100 corporations.

IBM given social innovation award

- IBM was given the 2015 Global Corporate Social Innovation Excellence Award at the 4th China Charity Fair.

ASEAN Corporate Sustainability Summit & Awards 2015

- IBM Philippines was named as the **winner** in the **ASEAN Corporate Sustainability Summit & Awards 2015** for the **CSR and Community Impact Category**. Our nomination focused on the **IBM Response to Typhoon Haiyan** (including the IOC for Emergency Management) and the **IBM Corporate Service Corps in the Philippines**.

COMPARATIVE/COMPETITIVE LANDSCAPE

Per data collected by PYXERA Global, when compared with 7 other similar programs from other companies, the CSC Program is by far the largest International Corporate Volunteer (ICV)/Global Pro Bono program.

	Peer ICV Statistics (2015)	CSC Program Statistics (2015)
Number of Teams	3.25 (Avg.)	29 (Total)
Number of Projects	11.375 (Avg.)	>100
Number of Participants	42 (Avg.)	340 (Total)

Even with the impressive scale of the program, CSC participants report increased skills resulting from their experience, at rates comparable to the highest performing ICV programs noted above.

Skills Developed, Acquired or Improved	Peer ICV Survey Results (2015)	CSC Program Survey Results (2015)
Communication Skills	33-89%	79%
Cultural Awareness Skills	46-100%	91%
Leadership Skills	33-75%	83%
Teamwork and Collaboration Skills	42-100%	95%

TESTIMONIALS

Client Testimonial

"IBM has been a leader in demonstrating the impact that the private sector can [have] in contributing talent and expertise to our communities. IBM invited us to join one [of] their Corporate Service Corps projects so that we could learn from their model, and **the experience inspired us to create a similar program in Detroit**. We've had great feedback from our nonprofit partners and our employees." - Peter Scher, executive vice president and head of corporate responsibility, JPMorgan Chase & Co.

Manager Testimonials

- "The CSC experience was **one of the best things that we've done for employee development** for our individual employees. Unlike traditional education classes deliver virtually....this was a much different and rewarding experience."- Michael Prochaska, Director Cloud Client Services, Global Technology Services
- "...While he was a strong employee before CSC, I believe the program has expanded and broadened his goals within IBM and the time away from his role at the time was **well worth the investment.**" - Michael (M.G.) Mitchener, Senior Manager, Development Enablement Services
- "Thanks to CSC my candidate had the opportunity to work in a different country, with different people, and in a different subject. Being exposed to this new environment **increased the awareness of diversity, trust, and leadership in general.**" - Guido Badertscher, Manager Transition & Transformation Project Services, Strategic Outsourcing Delivery DACH
- "Stuart presented his CSC experience in Russia at my staff meeting less than 2 weeks after his return. His enthusiasm was infectious and the team enjoyed hearing about his CSC experiences with the client and his fellow IBMers. Stu generously shared with our team how the experience changed his perspectives both personally and professionally. **I am hopeful that his enthusiasm will spark more IBMers to apply for future CSC projects.**" - Sharon (S.) O'Shaughnessy, Delivery Project Executive - Manulife, Global Technology Services Infrastructure Services.