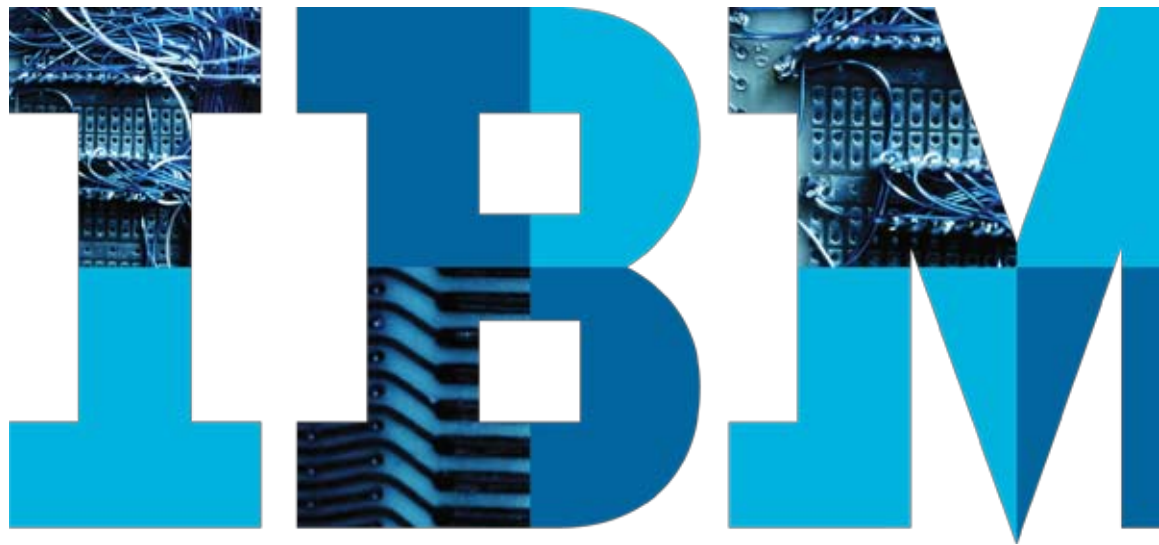


IBM in South Africa – A Short Overview



Our African journey

IBM's legacy in South Africa spans 55 years, during which it has helped build Africa's largest economy. IBM South Africa focuses on driving innovation that transforms clients' businesses into effective, competitive players in their markets.

IBM's philosophy is to operate as a multinational organisation within the unique South African context. The cornerstone of its business has always been about leveraging global talent and knowledge for the benefit of local organisations and government, driving innovation that matters. For instance, IBM helps businesses achieve success by actively bringing local relevance to its global Smarter Planet strategy which helps governments and industries become more interconnected, instrumented and intelligent. The intention is to provide pervasive touch points that improve the socio-economic well-being of the communities in which IBM has a presence in.

Its Integrated Delivery Centre (IDC) in Johannesburg (established in 2007) has become a hub for virtual, professional IT support for many European companies. It has helped position IBM in Sub-Saharan Africa, allowing the company to provide organisations with unmatched professional Strategic Outsourcing and Business Process Outsourcing (BPO) services.

IBM has built its Business Continuity and Recovery Services (BCRS) Centre to be a resource for both public and private organisations, to help them manage issues and remain operational and competitive at all times. IBM's significant investment in the Africa Innovation Centre facility – the first of its kind locally – has given many organisations exposure to proven solutions and emerging trends to address local business and skills development needs. IBM has a first African innovation – the 'Baby Cloud' (or mobile cloud), which is a standalone, out-of-a-box cloud computing solution designed to address African connectivity and infrastructure limitations.

In the African spirit of 'Ubuntu', which means humanity and working together towards a common goal: IBM pledges to be bold, and continue building a company and a country that enjoys sustainable growth for the future.

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Building a smarter South Africa

Smarter Cities: Interest in IBM's Smarter Planet strategy and how it can help transform the banking, healthcare, telecommunications, transportation, retail, distribution and public safety sectors in South Africa has grown rapidly. At a Smarter Planet event held in 2010, IBM partnered with key government and industry stakeholders to discuss the most pressing issues facing the nation. As a result of this discussion, key South African cities have been audited for their capacity to join the Smarter Cities initiative. The objective of this initiative is to benchmark local cities against their global counterparts and develop strategies for creating smarter South African cities.



Africa Innovation Centres: In 2009, IBM Innovation Centre was launched in Cape Town following the success of the African Innovation Centre in Johannesburg. The establishment of the centres was the first of its kind in the continent, and they aim to develop IT skills and address business challenges to enhance the economic growth of Sub-Saharan Africa. The centres support IBM's efforts to help grow the local IT ecosystem and business partners and is part of IBM's significant market expansion investment in Sub-Saharan Africa.

IBM has grown its South African business partner community by 40 percent since 2008, adding more than 200 new companies to a group that now totals over 800 local resellers, solution integrators and independent software vendors (ISVs) today. In Cape Town alone, 140 ISVs offer solutions that run on IBM software and hardware.



Mobile Cloud: 'Baby Cloud' (or mobile cloud) was designed and built by the Technical Exploration Centre and Software Solutions Lab team in Johannesburg. Baby Cloud is a standalone, out-of-a-box cloud computing solution, which only requires access to a standard 220 volt electrical output to operate. It features a number of business-relevant technical accelerators (TAs) powered by IBM software and technology, which allows the user to easily run IBM-approved data centre platforms such as InfoSphere Data Warehouse suite, Cognos, Portal and Collaboration solutions, and Tivoli Storage Manager, among others. It is the very first mobile cloud computing solution to be developed specifically to address African connectivity and infrastructure limitations.

Smarter Telecommunications: In 2010, IBM opened a telecommunications development centre – Telecom Solutions Lab – to help Communications Service Providers (CSPs) create new business models while improving the customer experience and operational efficiencies. It provides a broad array of advanced technical skills and specialised offerings. Located in Johannesburg, the centre also serves clients from Nairobi, Lagos and Cape Town. The centre features a 'proof of concept' healthcare solution, which allows remote medical practitioners to access a patient's information in real-time to enable rapid diagnosis and remedial action without the need for an in-person examination. This helps improve doctors' productivity and delivery of healthcare services using a wireless infrastructure.



Smarter Research: In December 2007, IBM held a Global Innovation Outlook (GIO) event in New York called 'Africa: Open for Business'. During the event, thought leaders behind GIO presented their findings on the economic future of Africa to government officials, business partners, clients and industry associates. IBM also announced a series of commitments to Africa, including US\$120 million over the next 18 months, at this event.

As part of this commitment, IBM has donated a US\$1.6 million Blue Gene/P supercomputing system, the first of its kind in Africa. This system is accessible to any African research institute that focuses on helping the socio-economic growth of the region. The supercomputer is managed by the Meraka Institute at the Centre for High-Performance Computing, a major Department of Science and Technology initiative, based in Cape Town.

Smart Work: In September 2009, IBM and IBM business partner Canonical – an open-source software company – introduced a new, flexible personal computing (PC) software package for netbooks and other thin client devices to help businesses in South Africa bridge the digital divide. The solution includes open standards-based email, word processing, spreadsheets, social networking, unified communication and other software for any laptop, netbook or a variety of mobile devices. Part of IBM's Smart Work initiative, this IBM Client for Smart Work package targets the rising popularity of low-cost netbooks to make IBM's software affordable to the masses in South Africa.

As a result, SMEs as well as start-ups can now use any type of device and low-cost software to enable



their employees to work smarter anywhere. A network of local service providers such as Inkululeko and ZSL Inc. have planned to extend the IBM Client for Smart Work locally throughout Africa to government, educational institutions and businesses. In addition to local service providers, IBM is also working with leading universities such as Makerere University and other academic consortiums to deliver this new computing model to employees or students of learning institutes.

Supporting South Africa's national agenda

IBM has actively helped position South Africa as a favourable destination for **Business Process Outsourcing**. In 2006, IBM established the Integrated Delivery Centre (IDC), an IT technical and professional support service centre. This centre offers an infrastructure with world-class processes, tools, and best practices that currently deliver quality services to local customers and customers in Europe and US.



Building 21st century skills through education and industry partnerships

Through the **IBM Academic Initiative Programme**, IBM partners with educational institutions in South Africa to support the use of open standards-based and IBM technologies for teaching purposes. It helps ensure that universities have the most current, relevant curricula that map to the requirements of the job market.



The **IBM KidSmart** early learning programme, which won the African Information and Communications Technology Award in 2005, involves deploying PCs, pre-loaded with educational software for use by children at the pre-primary level. IBM works with the Department of Education to provide training to teachers to use this programme effectively. Currently, about 1,500 KidSmart units have been deployed nationwide in various preschools.

The award-winning **Saturday School** programme supplements regular curricula through a series of extracurricular lessons at IBM offices on Saturday mornings to strengthen a child's ability in mathematics, science, technology and life skills. Dozens of students from several high schools have joined this programme. For instance, IBM volunteers teach secondary school pupils from Ivory Park Secondary School and Realogile High School in Alexandra. In Cape Town, IBM partnered with MTN Science Centre to transfer technology skills to teachers from Khayelitsha and surrounding townships.

Over 300 schools in South Africa are currently using **IBM Reading Companion** – an online interactive English literacy programme running on IBM software – to help their students practice their reading and improve pronunciation skills.

Mentorship: IBM volunteers are paired with university students, matching specific skills to give students subject matter expertise from the 'real' world. A number of students from the Black Management Forum's Student Chapter have already been placed in this programme. IBM employees also provide support to community-based organisations to share the know-how in areas of finance, administration and organisational skills.

Uplifting communities through the transfer of skills and expertise

IBM works in partnership with non-profit organisations and government departments by providing IBM technology, expertise and employee's time to support the local communities.

Under the **Celebration of Service initiative**, IBM has donated over 100,000 man hours from 700 staff members to help build houses with Habitat for Humanity as part of the company's centennial celebrations. Ten houses were built from scratch across South Africa for poor and underprivileged people.

Since the launch of the **IBM Corporate Service Corps (CSC)** programme in 2008, South Africa has received eight CSC teams, consisting of selected IBM employees who voluntarily lend their skills and expertise to help resolve complex societal and business problems. A team worked alongside three government agencies to help Limpopo Province streamline an initiative that aims to position the province as a development and investment hub for local and foreign businesses.

IBM has been building the world's largest public computing grid – **World Community Grid** – to encourage computer owners around the world to volunteer cycles from their PCs when they are not in use to tackle compute-intensive problems. One completed project is AfricaClimate@Home, an ambitious effort based in South Africa that attempted to accurately predict the impact of climate change in various regions in Africa.



IBM investments and facilities in South Africa

Sales and Distribution

Established in 1956, IBM South Africa has more than 6,000 clients and 800 business partners.

Global Process Services

Service Lines: IBM provides services in the areas of Human Resources, Finance and Accounting, Procurement Services and Customer Relationship Management.

Clients: IBM serves numerous countries in Sub-Saharan Africa, supporting more than 15 languages.

Application Management Services

Service Lines: IBM provides a wide range of services including Application Management Services, Software Services, Data Centre Design and Build, Network and Site Integration, Systems Services, Hardware Maintenance and Technical Services and 24-7 Helpdesk Services.

Client: IBM serves leading banks, telecommunications companies, the public sector and retail-based companies.

IBM Innovation Centres

Established in 2007 and 2009 respectively, the IBM Innovation Centres in Johannesburg and Cape Town provide software developers with access to IBM's software tools, hardware, methodology and global network of partners. Through the centres, we also provide IBM's IT curricula to colleges and universities nationwide.