

Mapping the Bottom Line

Simon Thompson, Esri commercial business industry manager, tells you how GIS can be used to solve business problems and add ROI.

<http://video.esri.com/watch/214/mapping-the-bottom-line>

Video Transcription

00:01 Houston, we have a problem.

00:03 Imagine who can't relate to that phrase.

00:07 You know, those five words struck fear into the heart of NASA, but there's only one word that's actually important.

00:16 Imagine what it felt like to be a NASA engineer on that day.

00:21 Its three astronauts up there on the way to the moon, thousands of miles away from earth...

00:27 ...and have a life-threatening systems failure.

00:32 And it's not just NASA engineers that hate problems, business leaders hate them, too.

00:39 They lie awake at night worrying about their corporate problems.

00:43 But I'm one of those weird guys that actually like problems, because most problems are actually puzzles.

00:51 Puzzles are solvable.

00:53 I believe that GIS is the ultimate puzzle solver.

00:57 What better than GIS to figure out how things fit together, to zero in on a solution.

01:03 And we've heard all throughout today the incredible business opportunities in solutions.

01:10 So what I want to do is take some time to go through two examples...

01:15 ...of how we've been able to puzzle through the problems in business.

01:21 So it's lunchtime.

01:23 I'm in the Redlands office.

01:27 Within 15 minutes of the office, there's over 300 franchise restaurants, chicken, burger, pizza, the list goes on and on.

01:38 But what happens if you have too many restaurants and not enough customers?

01:44 One of our clients, and no, I'm not going to tell you who they are, figure it out.

01:50 They're actually dealing with this problem.

01:53 The CEO's pissed because there's not enough revenue, and there's too much competition.

02:00 A pissed-off CEO?

02:02 That's what I call a business problem.

02:07 So his problem is actually a puzzle with three parts, the restaurants, the meals, and the customers.

02:17 The trick is to figure out how we get those three parts, put them together in a way that makes the company more profitable.

02:25 How do we do that?

02:27 First, we generate more customers and make them more loyal through marketing.

02:31 If you have 15 new customers come to your restaurant every day of the year and spend five dollars at lunch...

02:39 ...with only 3,600 restaurants, you'll generate a hundred million dollars in new revenue.

02:44 A hundred million dollars.

02:47 Secondly, make the meals appeal to the marketplace.

02:51 If you do that, you're more likely to get your 15 customers in the door.

02:56 The third piece of the puzzle is obvious.

02:59 Locate your restaurants in a place that deals in such a way that it minimizes competition and maximizes market potential.

03:08 This client adopted that strategy.

03:12 They went from decline to industry-leading growth literally overnight.

03:18 They solved the biggest problem in their corporate history with simple GIS techniques...

03:24 ...like trade area analysis and customer profiling.

03:28 What better validation of the business value of GIS than somebody like that?

03:35 My second example is Cisco, the company whose routers are the backbone of the Internet.

03:40 We're going to rely on this company when we move to the cloud.

03:46 They provide an enterprise, sorry, a service-level agreement that guarantees to get routers, equipment...

03:54 ...engineers on-site to fix your outage problems should you have a system failure.

03:59 At Esri, we have a four-hour agreement, and our equipment comes from a depot in Orange County.

04:06 At the best of times, it takes 60 minutes to get to Redlands.

04:10 But what would happen if there was traffic, if we had a failure during rush hour?

04:16 Is it possible for Cisco to meet their obligation for us?

04:20 And could they scale this out to every business in the United States or every client in the world?

04:27 Well, the answer to this is yes.

04:30 Because Cisco has smart people that worked out this actually a puzzle, there's actually two puzzles, the first is a strategic puzzle.

04:40 It's about location/allocation, taking your clients, your engineers, and the customers and ultimately assigning them to depots.

04:50 And then you need to distribute those depots throughout the territory that you want to serve.

04:56 The second issue is a real-time logistics application, dealing with traffic...

05:02 ...making sure that you can meet your obligations to the customer.

05:06 Once you figure that out, it's easy to solve, and you'll realize that we have ready-made...

05:14 ...incredibly good analytical techniques to deal with this puzzle.

05:20 So these are two examples of thousands of ways that GIS is the answer.

05:26 Every day we're impacting the bottom line in business with saving companies hundreds of millions of dollars.

05:34 We're making them tens of millions of dollars.

05:37 The ROI is huge, but the GIS isn't rocket science.

05:42 The GIS part is easy because ArcGIS makes it easy.

05:48 Jack, Chris, and Dean have told you that this is our biggest growth market.

05:54 We grew by 30 percent last year.

05:56 This year, doing it ourselves with the business we see, could be 100 percent growth.

06:03 Imagine what we could do together if we actually came together to build solutions for this marketplace and this opportunity.

06:12 So what do I want you to do?

06:14 You're all expert puzzle solvers.

06:18 Go find those executives that don't sleep at night, tell them how we can puzzle through their problems and end their nightmare.

06:27 I guarantee you they'll never think about their problems in the same way ever again.

