



Building a cognitive business

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Disruption is upon us.

**The biggest taxi company
owns no cars.**



**The largest accommodation company
owns no real estate.**

Alibaba

**The largest retailer
carries no inventory.**



**The biggest media company
owns no content.**

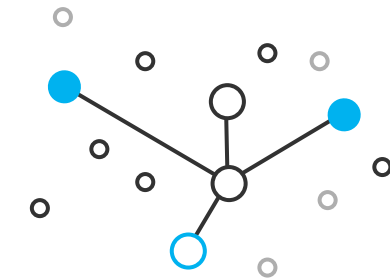
This disruption is fueled by three forces.



The proliferation of different types of data.



The ability to build business in code with the API economy.



The powerful capabilities and outcomes brought on by cognitive computing.



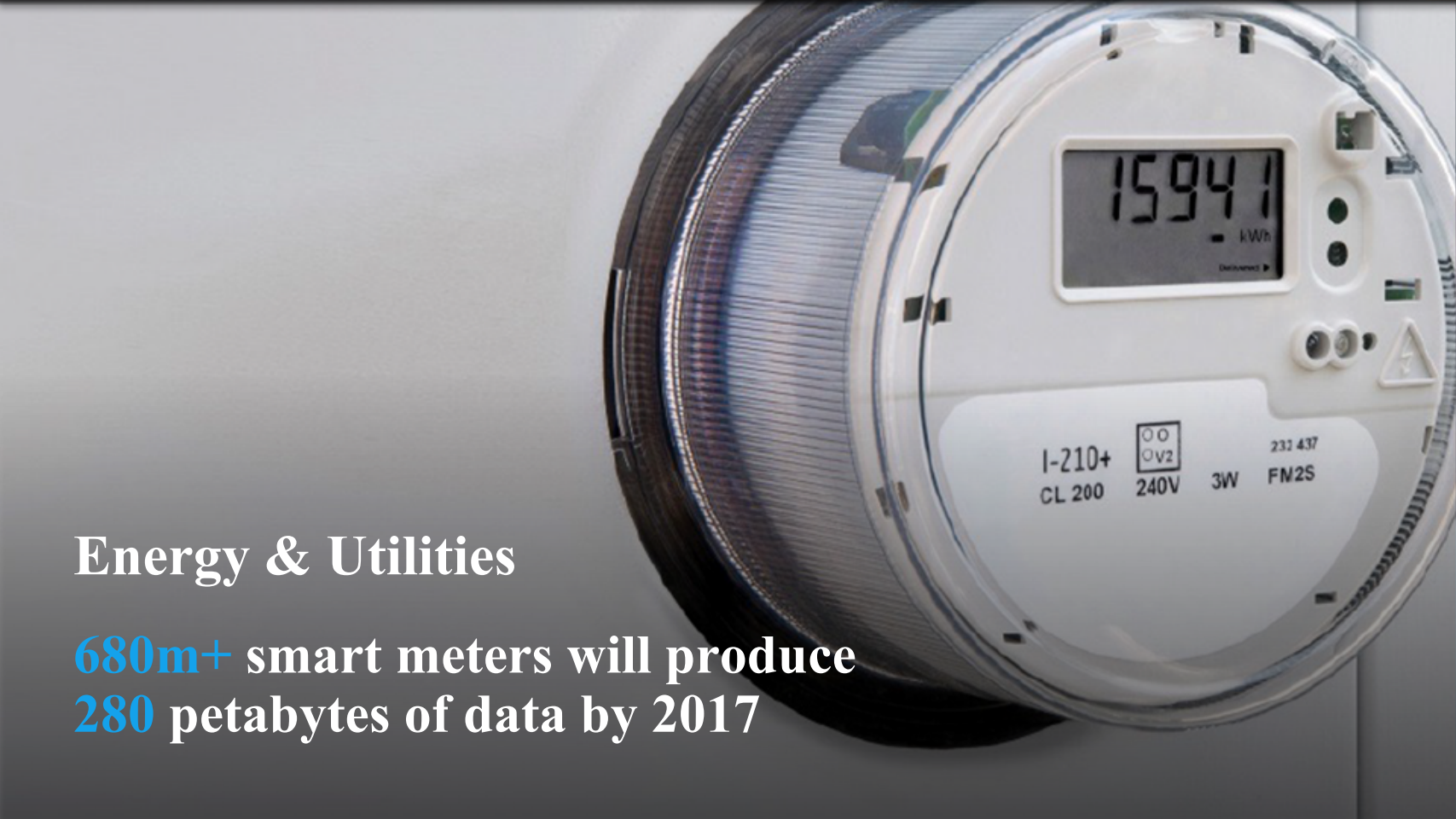
Oil & Gas

80,000 sensors in a facility produce **15** petabytes of data



Public Safety

520 terabytes of data are produced by New York City's surveillance cameras each day



Energy & Utilities

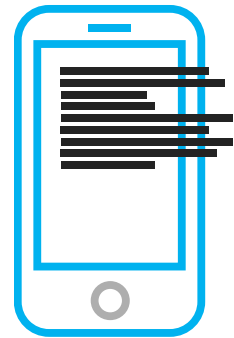
680m+ smart meters will produce **280** petabytes of data by 2017



Healthcare

The equivalent of **300** million books of health related data is produced per human in a lifetime

More devices are creating more information.



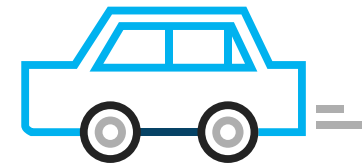
1,200,000

lines of code in
a smartphone



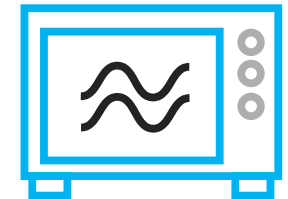
80,000

lines of code in
a pacemaker



100,000,000

lines of code in
a new car



5,000,000

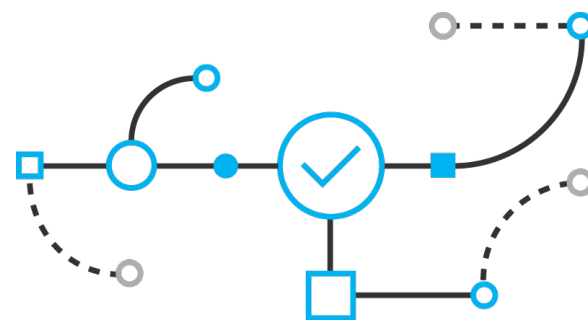
lines of code in
smart appliance

Three capabilities differentiate cognitive systems from traditional programmed computing systems...



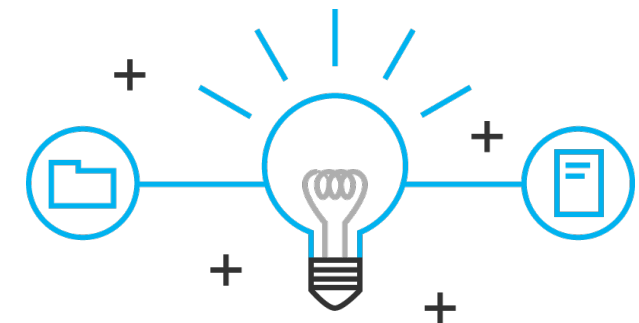
Understanding

Cognitive systems understand like humans do.



Reasoning

They reason. They understand underlying ideas and concepts. They form hypothesis. They infer and extract concepts.

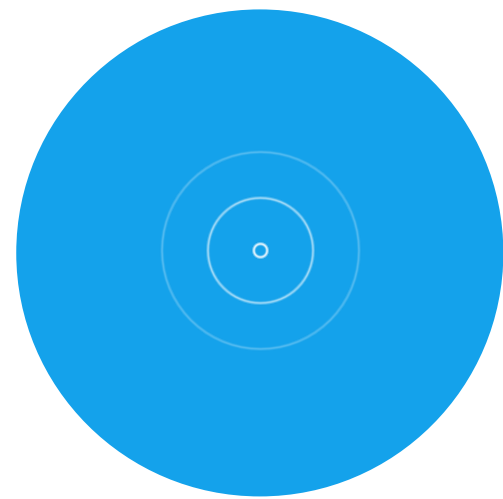


Learning

They never stop learning getting more valuable with time. Advancing with each new piece of information, interaction, and outcome. They develop “expertise”.

.... allowing them to interact with humans.

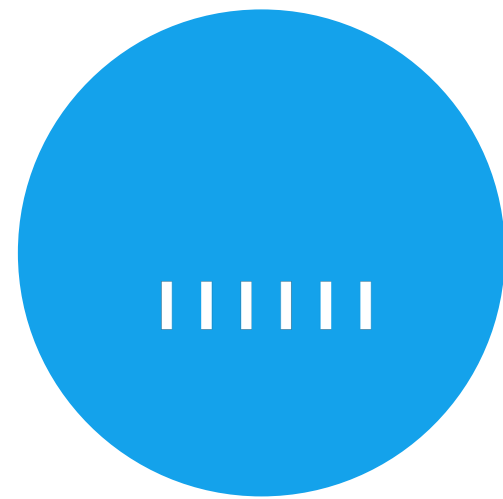
Cognitive systems democratize innovation by scaling knowledge.



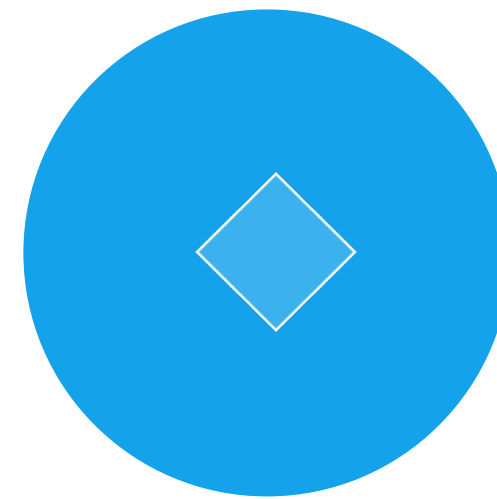
Sensors



Data



Analytics



Information



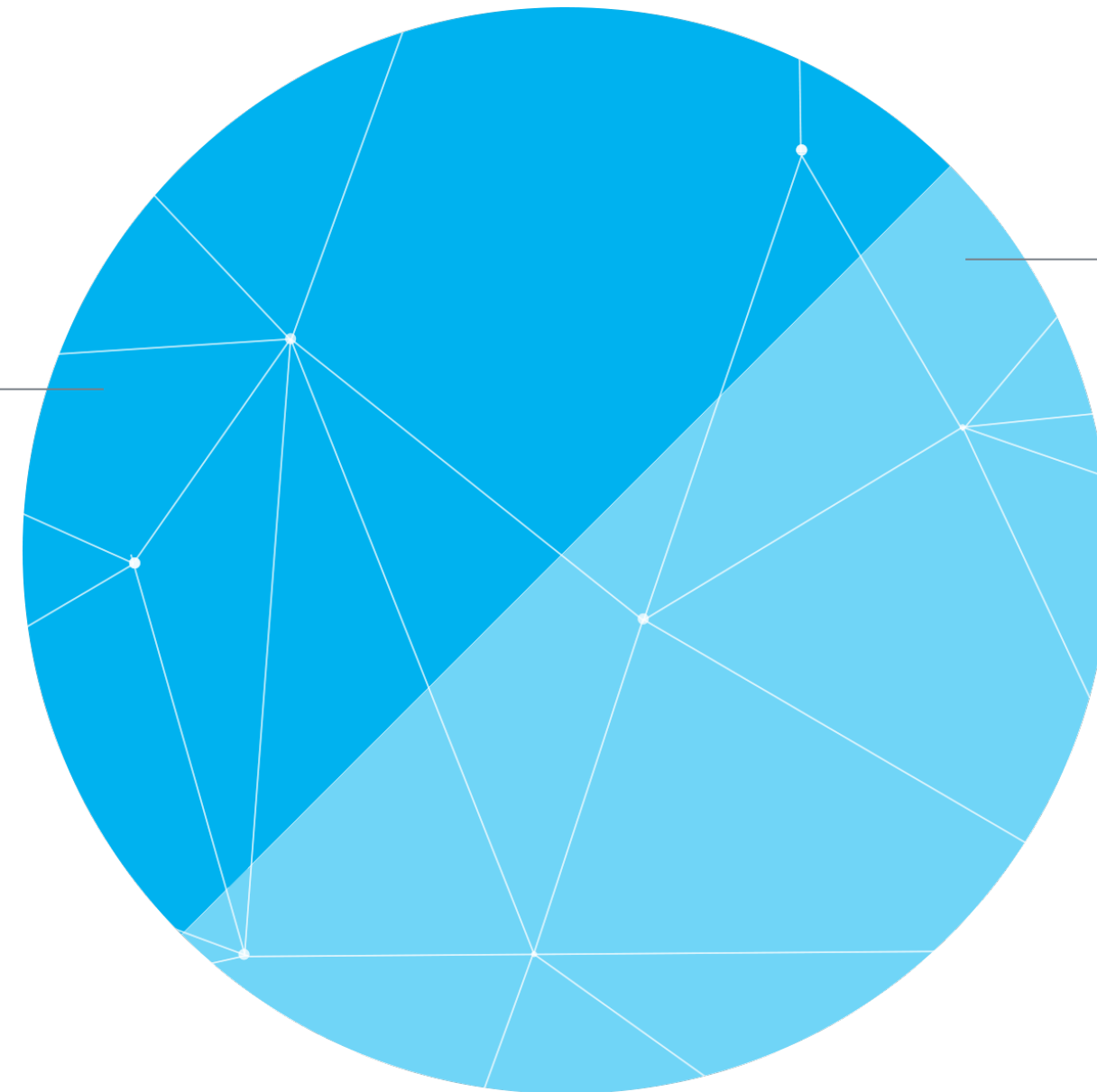
Cognitive

Ingestion, Integration, Governance

Cognitive systems forge a new partnership between man and machine.

Humans excel at:

Common Sense
Morals
Imagination
Compassion
Abstraction
Dilemmas
Dreaming
Generalization



Cognitive Systems excel at:

Locating Knowledge
Pattern Identification
Natural Language
Machine Learning
Eliminate Bias
Endless Capacity

Cognitive systems rely on collections of data and information:



Data, information, and expertise create the foundation.

Examples include:

- Analyst reports
- tweets
- Wire tap transcripts
- Battlefield docs
- E-mails
- Texts
- Forensic reports
- Newspapers
- Blogs
- Wiki
- Court rulings
- International crime database
- Stolen vehicle data
- Missing persons data

...and then leverage Watson APIs to apply cognitive capabilities.

50 underlying technologies

Entity Extraction

Sentiment Analysis

Emotion Analysis (Beta)

Keyword Extraction

Concept Tagging

Taxonomy Classification

Author Extraction

Language Detection

Text Extraction

Microformats Parsing

Feed Detection

Linked Data Support

Concept Expansion

Concept Insights

Dialog

Document Conversion

Language Translation

Natural Language Classifier

Personality insights

Relationship Extraction

Retrieve and Rank

Tone Analyzer

Emotive Speech to Text

Text to Speech

Face Detection

Image Link Extraction

Image Tagging

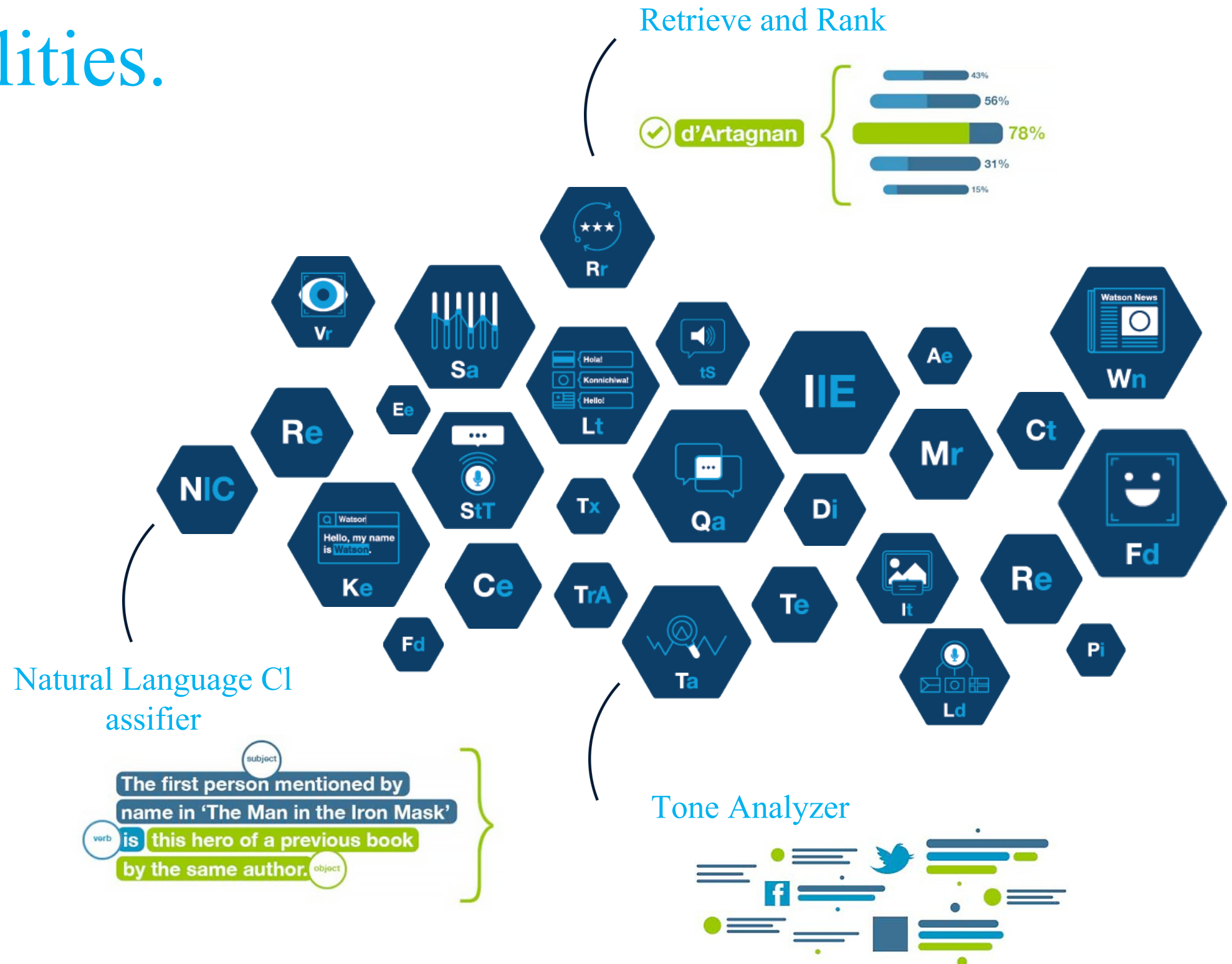
Text Detection

Visual Insights

Visual Recognition

AlchemyData News

Tradeoff Analytics



Watson at work in the world.



Watson at work in the world.

"[Thomson Reuters](#) to deploy IBM Watson technology"
- InfoTechLead

"IBM's Watson Lands A Job With [KPMG](#)." -InformationWeek

"How Can I Help You? IBM's Watson Powers [Hilton's](#) Robotic Concierge" - Fast Company

"[Woodside](#) to tap into IBM's Watson" - CIO

"[SoftBank's](#) Pepper robot is getting an intelligence boost from IBM's Watson"- The Verge

"IBM's Watson Helped Pick [Kia's](#) Super Bowl 'Influencers'"
- Wall Street Journal

"IBM's Watson Now Powers AI For [Under Armour](#)"
- TechCrunch

"IBM and [Apple](#) can put Watson's A.I. insights inside Apple Watch"- ComputerWorld

"[The North Face](#) Uses IBM's Watson to Make Online Shopping Smarter" -The Street

"[Medtronic](#), IBM team up on diabetes app to predict possibly dangerous events hours earlier."- The Washington Post

The market is validating the benefits of cognitive.

“IBM Crafts a Role for Artificial Intelligence in Medicine.”

THE WALL STREET JOURNAL.

“[Watson] is specifically designed to support the development of a broad range of enterprise solutions.”

Deloitte.

“No doubt, Watson has the means to radically change the industry. “

IDC: IBM's Go-to-Market Transformation – Deeper, Wider, Newer (#AP257527, April 2015, Chris Zhang, Sabharinath Balasubramanian, Mayur Sahni)



“IBM Watson represents a bold technological and visionary step”

FROST & SULLIVAN

“What is distinctive about IBM is the breadth of its effort to create Watson tools ... for a wide range of developers.”

The New York Times

“...it’s not just AI algorithms themselves that have improved, but the ability to deliver them”

WIRED

“The worldwide cognitive software platforms market will grow to \$30 billion by 2018, at a CAGR”

IDC: Worldwide Cognitive Software Platforms Forecast, 2015-2019: The Emergence of a New Market (#258781, September 2015, David Schubmehl)



“IBM’s [Watson] can help banks with complex financial operations and attack important health care problems.”

FAST COMPANY

“You can't do this without Watson. -Former Sun CEO Scott McNealy. His startup, Wayin, uses Watson to trawl and drag photos.





Bumrungrad
International
HOSPITAL



Medtronic





 **SoftBank**
Robotics

What will you do with Watson?