Stephen, thank you for that kind introduction, and thank you for presiding over this meeting of the Detroit Economic Club. It is truly an honor to be here in Detroit among such a prestigious group of executives, to share my thoughts on how emerging technologies are helping U.S. companies and American industries reinvent themselves to deal with a changing global economy.

I won’t pretend to be an expert on U.S. monetary or industrial policy and how that impacts American competitiveness. But I do know technology, having witnessed firsthand a number critical inflection points over the course of my twenty years as CFO and now chairman at Oracle. Inflection points tend to happen once each decade, and refer to major technological shifts that revolutionize
how we do business, such as the move to client/servers back in the 1980s and the adoption of Internet computing in the 1990s.

Today, I believe we are witnessing one of the most important inflection points in the history of technology, driven by the convergence of emerging technologies such as Big Data and business analytics, and new cloud, mobile and social computing platforms that are really transforming how individuals work and companies compete. And I’m not alone in that belief: Industry analyst Gartner just came out with its Top Tech Trends for 2013 report, which states that businesses today stand on the verge of unprecedented opportunity, if they can successfully exploit the insights gained from Big Data and actionable analytics, the business agility provided by cloud and mobile computing, and the collaborative innovations enabled by social technologies. McKinsey, for example, cites that the U.S. healthcare industry alone could save $300 BILLION annually by using Big Data more effectively.

Gartner’s Top Tech Trends report emphasizes that companies can only benefit if they “successfully exploit” these emerging technologies, yet because of their disruptive nature, companies who are unprepared will be left behind. What matters is how quickly and
cost-effectively you can scale the process and product innovations you create with these technologies that guarantees you the chance to stay relevant with your customers. That’s the argument of innovation expert Scott Little, who wrote in the October 2012 issue of the Harvard Business Review that established companies with strong corporate assets – from integrated global IT infrastructures and world-class business processes, to recognized brands and strong partner networks – are often better poised to win over disruptive start-ups in this new era of innovation.

It’s an argument I completely agree with – that business process excellence becomes strategic when it is used to create a competitive advantage that is difficult to copy. Think about Apple’s mastery of its global supply chain and partner networks, which allowed Apple to roll out the iPhone 5 in 31 countries since its September launch, supported by agreements with 240 carriers. Or Oracle’s strategic approach to mergers and acquisitions, where we’ve used our highly-efficient IT, finance, and HR processes to successfully acquire and integrate over 90 companies since 2005.

Over the course of 2012, I’ve hosted a number of executive events showcasing how successful Oracle customers are developing
highly-optimized business processes using Big Data, cloud, social and other emerging technologies to differentiate themselves from the competition and unlock new growth opportunities. And it’s been fascinating to learn that Scott Little’s thesis is right - it’s not just companies in Silicon Valley that are using these emerging technologies to great impact, but also established competitors in more traditional industries across America that are using transformational technologies to reinvent themselves, engage and delight their customers, and create new profit centers or growth markets. Let me give you a few examples of what some truly innovative Oracle customers are doing with emerging technologies not only to reinvent themselves, but also transform the industries in which they compete.

Take NBC Sports, which paid nearly $1.2 billion for the U.S. rights to the 2012 London Olympics. Many said NBC was crazy to pay so much for the rights for the Summer Games, and even NBC initially predicted a loss on its investment. But they had a clear strategy, and it involved the use of social networking platforms like Facebook and Twitter. Their strategy was to transform the sports viewership experience by making it more interactive and engaging, establishing
NBC Sports as the thought leader in social sports networks and helping to close the gap with ESPN.

NBC Sports also sought to use social technologies to expand their reach by engaging a demographic that traditionally hadn’t watched the Olympics – the 12- to 24-year-olds. At the end of the London Games, NBC Sports not only captured the attention of that new demographic through athlete tweets and Facebook posts, but they were also able to monetize that attention through video streams where partners advertised products relevant to that age group.

Not only were the London Olympics profitable for NBC Sports, but they also succeeded in getting younger viewers hooked on watching the Olympics – an accomplishment that could generate entire new revenue streams for NBC Sports during the 2014 Winter Olympics and 2016 Summer Games. The most fascinating part of this story is that NBC was established in 1926, almost a century ago, and it is inspiring to me to see how they’ve embraced technology to stay on top of their game.
Decreases in the cost of both storage and computing power have also made it feasible for every company to tap into the power of Big Data to uncover competitive insights. I recently read that companies will have to deal with 50X more data by 2020 than they do today, coming from sources such as online or mobile financial transactions, social media traffic, and GPS coordinates – all of which now generate over 2.5 quintillion bytes of Big Data every day. And the growth of mobile data traffic from subscribers in emerging markets is expected to exceed 100% annually through 2015. The companies who figure out how to capture business value from all that digital exhaust will surely have a competitive advantage in a global economy increasingly driven by data and pervasive computing.

Minneapolis-based Land O’ Lakes is one company that is not only capturing value from Big Data, but using it to address real problems like our global food shortage. You wouldn’t think that a 91-year old agricultural cooperative known for its butter and dairy products would be a pioneer in the use of Big Data, but it is. I had the CFO and the CIO of Land O’ Lakes out recently to San Francisco to share with customers their plans double revenues over the next five years by leveraging Big Data and other technologies to explore new
ways to address the global food shortage, especially in emerging markets.

I was impressed to learn how their Winfield Solutions agricultural services subsidiary is using Big Data to get better insights into how their crop protection products could help growers improve crop yields. The Winfield team analyzed structured and unstructured market data from 20 sources, using an information discovery solution that identified the inter-relationships between the data sources. Not only did crop yields improve, but Land O’ Lakes realized double-digit margin improvements on their crop protection products. The Winfield big data project has been so successful that Land O’ Lakes plans to expand it in 2013 to incorporate government and geospatial data, and roll that intelligence out to their teams in the field on mobile devices.

A final example comes from the Rust Belt - Pittsburgh to be exact - a city that has reinvented itself from a steel manufacturing center to become a leader in healthcare, education, technology, robotics, fashion, and financial services. The University of Pittsburgh Medical Center (UPMC) recently announced a $100 million analytics
project, in partnership with Oracle, to use Big Data to help “unlock the secrets of human health and disease.”

UPMC hopes to solve its primary Big Data challenge by funneling clinical data, genomic data, administrative data, and financial information across 200 internal departments into a single analytics project that will give doctors a 360 degree view of a patient’s health. What makes UPMC’s approach innovative is that researchers are not analyzing data by internal departments but rather by patient outcomes, in an effort to deliver truly personalized medicine that is also affordable.

UPMC’s Big Data project is ambitious, but one with the potential to revolutionize our approach to healthcare by reducing over-diagnosis and unnecessary treatments, improving patient outcomes, and creating new and highly personalized care pathways.

Oracle’s strategy is focused on helping customers like NBC Sports, Land O’ Lakes, and the University of Pittsburgh Medical Center simplify and lower the cost of their IT operations, so that they can invest more corporate and IT resources on new product or process innovations that help them lead their industry. What most of
our customers have today is both an austerity plan to save money and at the same time a plan to reapply that money to innovation. Their innovation plans are centered on finding ways to reach their customers more effectively, from the new viewers NBC Sports is reaching with social media technologies, to the farmers that Land O’ Lakes helped is helping and the patient lives that the University of Pittsburgh Medical Center is saving with better insights from Big Data.

Oracle’s strategy is to help customers lower the cost of their IT operations and invest their resources in innovation. We offer a complete, best-of-breed technology stack in which every layer is engineered to work together as a single system and fine-tuned to deliver the highest technology performance possible, much like the high-performance cars you produce in Detroit. Our software and hardware are also engineered to work together to help our customers make more informed decisions from the massive amounts of data they are creating and consuming. Our engineered systems help customers take unstructured data and structured data, and integrate it simply and easily onto integrated computers that can live either on the cloud (off line) or on premise.
General Motors is a great example of a local company that understands the strategic importance of optimizing its IT environment so it can focus on customer-facing innovations. GM is creating strong corporate assets like a globally-integrated technology platform and world-class business processes, so their employees can put technology at the heart of everything GM does. I applaud their recent decision to create four new technology centers here in the United States, to focus more resources on delivering breakthrough innovations like OnStar that differentiate GM cars and trucks from the competition. GM’s global data center consolidation project is another example of how GM is building a robust platform to help scale product and process innovations quickly and cost-effectively to outpace the competition going forward.

Another local success story is RL Polk, which was recently named to InformationWeek’s 2012 Top 100 Technology Innovators. Stephen and his management team truly embody the term “data-driven” because business intelligence is at the heart of everything they do, from providing market share analysis and trend information to car manufacturers, to benchmarking and improving customer loyalty among car buyers. I’d encourage each of you to look at local companies like GM and RL Polk as examples of how you can
successfully leverage technology to differentiate your businesses going forward.

In closing, I’d like to offer up some advice to help you implement emerging technologies more effectively, whether you are a CEO setting corporate strategy, a CFO authorizing IT investments, or a CIO implementing these new technologies.

- First, have an executive mandate – leadership from the top is key
- Second, if you have international operations, organize globally. Remember that a strong global infrastructure is a strategic corporate asset.
- Third, consolidate & simplify – as much as possible...
- Fourth, automate and globalize business processes. World-class business processes will allow you to scale innovations quickly and cost-effectively.
- Move to a shared services model, to lower costs and gain business process efficiencies.
- Implement self service – everywhere
- Deploy standard, out of the box products
- Finally, move fast and stay the course
Thank you very much for your time today. Stephen, if you are ready, I’d be happy to answer some questions.

Stephen Polk to moderate Q&A.