IBM's Corporate Service Corps:

A New Model for Leadership Development, Market Expansion and Citizenship

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At a time when companies of all sizes are becoming increasingly global, corporate leaders are looking for ways to make the most of the opportunity. IBM's Corporate Service Corps, which was inspired by the U.S. Peace Corps, produces rich dividends for communities in which IBM does business, IBM employees and IBM itself. It's a triple benefit. Communities get their problems addressed—free of charge. IBMers receive leadership development and have life-changing experiences. And IBM cultivates a new generation of global leaders while gaining a foothold in emerging markets. As a bonus, the cost of the program to IBM is modest.

The company launched the Corporate Service Corps in 2008 primarily as a vehicle for leadership development and corporate social responsibility. Teams of from eight to 15 members work with government, business and civic leaders in emerging markets to help address high-priority issues. They also help grassroots organizations serving entrepreneurs and artisans. But the CSC and an off-shoot, the Executive Service Corps, have exceeded expectations. In addition to improving IBM's standing in communities and equipping IBMers for the challenges of working in a global organization, they're becoming an essential element of how the company does business.

Indeed, the CSC has emerged as a new model for leadership in the 21st century. It's a living laboratory for experiments in leadership development, market expansion and social engagement at a time when organizations are under incredible pressure to change the way they operate in this, the first truly global century.

IBM has now helped a half-dozen other companies put together similar programs, including FedEx, John Deere and Dow Corning. "I think 'service learning' is an excellent strategy for leadership

development, and I believe it can be done economically and on a mass scale," says Laura Asiala, director of Corporate Citizenship at Dow Corning. In mid-2011, IBM announced a partnership with the United States Agency for International Development (USAID) to encourage corporate volunteerism with a goal of improving global relations. One aspect of the alliance is a Center of Excellence for International Corporate Volunteerism, funded by USAID, which will provide resources and an information forum for companies that are interested in pursuing strategies based on IBM's model. "This is a terribly important thing," says John Campbell, a former US ambassador to Nigeria who is now a fellow at the Council on Foreign Relations in New York. "IBM is practicing citizen diplomacy and advancing US national interests, but the money isn't coming from the taxpayer. That's wholly admirable."

It's impossible to quantify the full value the CSC teams deliver for clients, but, in bill-by-the-hour terms, IBM calculates that an average CSC team of 10 provides $250,000 in high quality IT and business consulting, and an ESC team provides $400,000 in consulting services.

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The Corporate Service Corps is directly aligned with IBM's business strategies. The company's Smarter Planet agenda calls for harnessing advanced technologies and problem-solving expertise to help make the world work better. In pursuit of this goal, the company works with governments, universities, businesses and other institutions to take on some of the world's most daunting and complex problems. The CSC has evolved quickly to become a vital piece of the Smarter Planet strategy. It's also contributing significantly to

IBM's strategy of investing aggressively to foster growth in emerging markets. "We're changing the way people see IBM," says Stanley Litow, IBM Vice President of Corporate Citizenship & Corporate Affairs. "They now see us as a company that provides services and solves critical problems."

The CSC has emerged as one of IBM's most sought-after career development programs. Thousands of IBM's 426,000 employees apply each year. So far, 1,200 people from more than 50 countries have participated, serving on more than 120 teams in more than 20 countries, including Brazil, Cambodia, Chile, Egypt, India, Indonesia, Kenya, Morocco, Nigeria, the Philippines, Russia, South Africa, Sri Lanka, Turkey and Vietnam. In the latest expansion of scope, the company has pledged to double its CSC activities in Africa, sending 600 people there over the next three years.

As the program has evolved, IBM's Corporate Citizenship leaders have refined their understanding of what makes a good CSC team member. She or he is a flexible problem solver who is able to collaborate within a team that does not have an assigned leader, adapt to a different culture, and communicate effectively in a wide variety of situations. Indeed, the characteristics of a successful CSC participant are coming to define what's required to be a successful global IBMer.

The program is producing impressive results. A survey of participants conducted in July of 2011 shows that the goals for the program are being met. Of 575 people who responded, 88% agreed or strongly agreed that their CSC involvement had increased their leadership skills and 94% said it had expanded their cultural awareness. Ninety percent said it had increased their understanding of IBM's role in the developing world, and 76% said it boosted their desire to complete their business career at IBM. American Janis Fratamico, a marketing executive, says her experience as a member of the ESC team in Jakarta, Indonesia, in 2011 convinced her to stay with IBM after a competitor attempted to recruit her. "They offered me more money but they couldn't offer me this experience," she says. "There are intangibles of being at IBM that are beyond money."

When asked what the Corporate Service Corps has meant to them, participants often refer to it as life changing. "It was the most life-altering experience of my life to date, excepting only the birth of my children and not excepting surviving

cancer," declares Roberta Terkowitz, an IBM salesperson in Bethesda, MD, who participated in a CSC project in Tanzania. Indian Arindam Bhattacharyya, who went to Ghana in 2008, says he was emotionally shattered by his visit to a former slave-trading center. He stood in a dungeon where hundreds of people had been packed under inhuman conditions. "It helped me understand some of the reasons that Africa is where it is today, and to appreciate the young entrepreneurs I met there who were so full of hope and so willing to do business with the Western countries that had pushed their society back in that way," he says. "You have a lot of respect for them and what they're trying to do."

There's abundant evidence that it's a company-changing experience, as well. IBM's leaders are determined to integrate all of their global capabilities on behalf of clients. IBMers who participate in the CSC think of themselves as part of a global network of experts who can assemble into teams quickly to solve any problem a business, community or government agency can throw at them. They're on board.

The CSC program has proven its worth. The challenge ahead is to continue IBM's commitment to make improvements to the CSC and ESC and produce even more substantial results—for IBM, its employees and the world.

IBM's Ambition for the Corporate Service Corps

On July 7, 2011, the government of Kenya launched the Kenya Open Data Initiative, a free Internet service that catalogues and displays a wide variety of information about the country — including demographics, government expenditures, parliamentary actions, health care, education and the economy. The Open Data Initiative is aimed at strengthening the country's democratic institutions and economy. It's the first such government transparency move in all of sub-Saharan Africa.

Kenya's government leaders deserve the credit for this bold gesture, but they got vital assistance from a succession of CSC teams in 2010 and 2011. The teams helped Kenya's ministries craft their initiative and helped set up a related digital village program that will make the data available to many thousands of Kenyans who don't have computers and Internet access. "IBM's Corporate Service Corps is helping us set our strategic direction in the investments in

information and communications technology in this country," says Dr. Bitange Ndemo, permanent secretary, Kenya Information and Communications Ministry. "They're helping to redirect the e-government strategy in Kenya."

The program is also strategic for IBM's business leaders in Kenya. Anthony Mwai, IBM's country manager for East Africa, says the CSC is a catalyst for building long-lasting relationships. "These engagements have opened up access to government officials that we didn't have in the past," he says. "We're having different conversations than normal hardware and software conversations. We're talking about what kind of societal impact IBM can have that is aligned with a national agenda."

Kenya's open-government initiative, and IBM's role in it, illustrate just how impactful the Corporate Service Corps can be. It truly can help make the world work better.

How the CSC Got Started

The goals of the CSC were much more modest when it began to take shape four years ago. The program had its roots in a 2006 article by IBM Chief Executive Sam Palmisano in Foreign Affairs magazine. He laid out IBM's goal of becoming what he called a "globally integrated enterprise." The idea was that the entire model for doing business internationally had to change. Rather than multinational companies operating smaller versions of themselves in each country where they did business, Palmisano argued that they had to perform work anywhere in the world where it could be done best and most efficiently, and they had to coordinate those efforts so masterfully that their customers felt they were being catered to locally. In other words, corporations had to be global and local at the same time.

"We're talking about what kind of societal impact IBM can have that is aligned with a national agenda."

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That meant IBM had to change. And it needed managers who could handle working in a global environment. At the same time, the company increasingly focused on developing business in the fast-growing emerging markets, first the so-called BRICS—Brazil, Russia, India and China—and then in dozens of other countries beneath the BRICs with emergent economies. It couldn't go to market in those countries the way it traditionally had in mature economies such as the United States and Western Europe. It needed to address some of the social issues slowing economic development in emerging markets.

Palmisano asked the IBM corporate citizenship team to create a handful of programs aimed at aiding the transition. One of the ideas that emerged was the CSC. At the time, like virtually every multinational company, IBM developed global leaders by sending executives and their families on one- to three-year assignments to countries outside the United States where they typically lived in corporate enclaves isolated from the realities of their host countries. Overseas placements like this typically cost IBM and other corporations more than $1 million per employee per year—all in. They also require back-filling the jobs back home. That approach was no longer affordable or desirable.

IBM needed to develop thousands of global leaders who understood how to function in sometimes gritty and often confusing emerging markets. The idea was to force people out of their comfort zones by placing them in modest accommodations in an alien environment with a team of peers--and demand quick results. IBM wanted them to have a transformative experience so they would be shaken up and walk away better equipped to confront the challenges of the 21st century. They'd be better listeners—and more flexible and adaptive. "Our expectation is that they'll be better able to lead IBM business in any market because of their experience and ability to adjust and adapt," says Robin Willner, vice president, Global Community Initiatives.

Some of the decisions the CC &CA managers made early on have been important factors in the program's success. One important early decision by the managers was to launch the program quickly— just six months after it was announced— and refine it continuously based on feedback. Perhaps the most crucial of the decisions was that rather than try to manage the program themselves they published a request for proposals and out of that process selected three non-governmental organizations that specialize in placing corporate employees in volunteer situations globally: CDC Development Solutions in the United States; Digital Opportunity Trust in Canada; and Australian Business Volunteers. IBM asked them to do something they had never done before: to develop large-scale team-based assignments. It put the three NGOs in charge of identifying potential clients, helping the clients select the projects they want IBMers to address and matching up IBM team members with the projects they're best-suited to work on. The NGOs define strategic statements of work for each project, and help the teams prepare for their tasks and for the working and living environments. When the teams are on site, the NGOs arrange their lodging, logistics and introductions to key stakeholders.

Amid the successes of these early years, there have been some personal glitches—but also heartwarming stories. A few participants have lost items to theft. Some people got sick. In other cases, people complained about the accommodations, or showed too much skin in countries where that sort of thing isn't appreciated. By and large, though, the program has worked smoothly on the personal level. One German IBMer, Stefan Radtke, befriended his Ghanaian neighbors during his daily runs and, as a result, landed a small role in a TV soap opera. American Douglas Del Prete met his future wife while on assignment in the Philippines and later left the US to work for IBM Philippines. He and his Filipina wife now have a baby daughter.

How the CSC Works

Today, after numerous refinements, the operational model for the program is well established and running smoothly. Each year, IBM solicits applications from high-potential employees who are top performers. Participants are selected based on their expertise and suitability for the program. Teams of eight to 15 people are assigned to particular locations based primarily on their geographical preferences matched to the skills required. For three months before they're deployed, they do "pre-work," meeting regularly on teleconferences to get to know one another and learn about their host countries and their projects--approximately 60 hours of work. They spend one month in-country. Two or three IBMers (sometimes

more) are assigned to each client, ranging from government agencies to businesses to non-profit social organizations. During the first two weeks, they gather information by interviewing a wide variety of stakeholders. During the second two weeks, they develop plans and proposals and, in some cases, execute on them. After they're back home, they're required to share what they have learned with other IBMers and often serve as mentors to succeeding teams. Typically, IBM sends several CSC teams to the same place, one after another, so initiatives begun by one set of people can be advanced by the follow-on teams.

The Executive Service Corps, which launched with an engagement in Vietnam's Ho Chi Minh City in 2010, is run a bit differently. Teams of five or six executives help municipal leaders envision a superior future and map out a set of initiatives that will take them to that better place. They lend their problem-solving skills to help solve pressing and complicated issues, such as traffic congestion, water conservation, public safety and healthcare. The program dovetails with IBM's Smarter Cities agenda. Each team is made up of people from the entry tier of IBM's executive ranks. Just as with the CSC, nobody is the boss, so they're forced to operate and collaborate without the crutch of hierarchy. The on-site commitment is shaved back to three weeks in recognition of the difficulty for executives to spend time away from their regular jobs.

How the Program Has Evolved

The CSC/ESC is a living organism that's constantly evolving and being adjusted. Each group of participants is briefed before travel and debriefed afterwards. The managers assess project outcomes, how the team functioned, how it interacted with local IBM organizations, and how the three NGOs performed. They find out from the participants what they learned and how they expect their experiences to affect their careers—and gauge their willingness to participate in CSC alumni activities, which include consulting with local IBM executives in the countries they visited. The participants are urged to suggest program improvements and enhancements

When the program began, the goal was to deploy 200 people per year for three years. Based on initial successes, the goal was expanded to 500 per year. Executives were added to the mix in year three.

In 2009, IBM commissioned Harvard Business School assistant professor Christopher Marquis to evaluate the program. Marquis surveyed both IBM participants and clients. He wrote in his assessment report: "The CSC is executing on its goals and mission and holds significant potential for IBM and IBMers as it expands." The program helped participants gain global leadership skills and heightened their awareness of how to work in different business climate and cultures—something Marquis calls "cultural intelligence." Virtually all of the respondents said the program increased their interest in staying at IBM. For their part, the vast majority of client and community organizations expressed a high degree of satisfaction. They credited the IBMers with improving their internal business processes and the capabilities of their staff members. The program also put a gloss on IBM's reputation. Marquis wrote: "IBM has clearly established a glowing reputation as a corporate citizen in these locales, which it will be able to build upon in the future." Marquis also prepared an HBS "case" on the CSC.

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—Christopher Marquis, Harvard Business School assistant professor

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As a result of Marquis' evaluation and the ongoing debriefings, IBM's managers made a series of adjustments to the program. For instance, the projects have become more strategic for IBM and its clients. Early on, typically, one or two IBMers would be assigned to help an NGO or government agency with technology-related issues—say, setting up a Web site. But as time goes on, the levels of engagement have deepened and expanded. The CSC team that visited Kenya in March of 2011 not only advised leaders on e-government; it also proposed fundamental reform of the national postal service and suggested a strategy for developing a stronger pool of IT talent in the country.

Early on, a few IBM line managers resisted letting their people join the program. They thought the CSC was a waste of time. Word of mouth about the benefits of the program began to change minds. Also, the CSC team surveyed managers and conducted focus groups to get to the substance of their concerns. They created a learning suite for managers, explaining to them how the program creates value for IBM and how they can get the most out of their employees' experiences. The team also provided some extra flexibility in the timing of assignments. If a manager needed an employee during a crucial period, they'd delay the person's participation for weeks or even months.

Another adjustment is designed to bridge the gap between global and local IBMers. Each member of an ESC team is asked to become a mentor for a local employee—meeting with them when they're in country and continuing to advise them in the months thereafter. These connections not only make local people feel connected to the rest of the company; they also give them practical knowledge and skills that help them do their jobs better. Peter Anderson, a senior legal counsel who participated in an ESC engagement in Indonesia in May of 2011, mentored Heryatmita Sisdjiatmo Thalib, who was the only IBM attorney in Indonesia at the time. In addition to handling legal matters, she negotiates most contracts. "Peter has talked to me about how to deal with difficult negotiations, and difficult internal (IBM) clients," says Thalib.

Other changes are routinely considered and adopted. When five IBM executives traveled in 2011 to Antofagasta, a mining city in northern Chile, many of the people they met didn't speak English. Fortunately, Hector Ignacio Monje, an IBM technology services manager from Santiago De Chile who had grown up in Antofagasta, was on the team. "Having Hector there gave more credibility to our team. We weren't just a bunch of gringos. When the local people learned where he came from, their eyes just lit up," says Canadian Cameron Brooks, who lives in New York and was on the ESC team in Antofagasta. Now, Corporate Citizenship managers are considering adding local IBMers to other ESC teams.

Accomplishments:

Leadership Development

At the start, the CSC was seen primarily as a leadership development program. The company needs a large cohort of people who can manage groups of employees of many nationalities who are scattered around the world. It needs people who can collaborate effectively with other global IBMers, and who understand how IBM's resources and assets must be adapted and combined to be useful in emerging markets. IBM places a premium on "teaming skills." Over time, a prototype emerged.

Key characteristics for success*

- A problem solver and analytical thinker
- Adaptable and flexible
- Able to collaborate globally and sensitive to cultural norms and practices
- A builder of mutual trust and understanding to achieve shared outcomes
- Savvy about personal interactions
- Able to engage and nurture a team that doesn't have an assigned leader
- An effective communicator (appreciative of non-native language speakers)

For ESC, they need a very strong business acumen and ability to leverage the IBM network of expertise and authority.

From the beginning, the corporate citizenship team has crafted essay questions on the application that potential participants fill out that are designed to identify candidates who would do well in the program. They're currently refining the questions based on the key characteristics for success.

Participants say the program has helped them become better global leaders. Guruduth Banavar provides a good example. He was the director of IBM Research—India when he embarked on the ESC project in Ho Chi Minh City in 2010. Afterwards, he was promoted to be vice president and chief technology officer of the company's Smarter Cities initiative, with global responsibilities. In Vietnam, he and his colleagues tapped their IBM networks for people with the expertise they needed to help the Vietnamese. In particular,

they drew on a software solution that had been created by IBM to handle traffic problems in Singapore and modified it for Ho Chi Minh City. "The leader of the future is the person who can integrate IBM before the client," Banavar says. "You want every executive to be able to do that." When he returned from Vietnam, he recommended that as many IBM managers as possible should be assigned to ESC projects. Since then, Banavar has taken a leading role in developing a number of Smarter Cities projects around the globe, including the operations center in Rio de Janeiro.

"The leader of the future is the person who can integrate IBM before the client."

— Guruduth Banavar, Vice President and chief technology officer of the company's Smarter Cities initiative

Teamwork is an essential part of the Corporate Service Corp experience. In the crucible of a team of strangers, without an assigned leader, operating on deadline in a foreign setting, powerful lessons about collaboration are learned and strong bonds are created. The team members are challenged to become a new kind of leader.

The teamwork lessons are vital to IBM's future as a globally integrated enterprise. Matt Berry, an IBM marketing executive who lives in New Jersey, participated in the first CSC engagement in Tanzania, in 2008. He was a public relations manager at the time. He recalls that the team of nine people from eight countries took a few days to gel. There were tensions based on cultural differences, levels of aggressiveness and varying English language skills. He learned to adapt his communications style depending on which team member he was dealing with. Those social skills have come in handy since then. Recently, he traveled to Europe to deal with marketing issues in the United Kingdom, France and Germany. He designed a different approach to dealing with the staff in each country—and came away feeling he had accomplished his goals in each situation.

Many of the teams keep in close touch after they split up. Berry's group vowed to work together on other projects. Soon after their return, Berry found a school for autistic children in New Jersey that wanted technical help. The team built a Web site for the school and helped it land a grant from IBM to buy personal computers for classrooms. Other teams stick together socially. Members of a team that visited Shenyang, China, in 2009, plan on vacationing together at Peru's Machu Picchu in 2012. For every CSC participant, their team members form the core of a global network of IBMers who they can call on when they need anything from expertise for solving a problem for a client to personal career advice. The networked communities they build within IBM are potentially powerful tools—improving their own effectiveness and IBM's.

Some CSC participants love the program so much that they stay involved with it when they return to their homes and jobs. Dozens of returnees serve as alumni mentors who help new groups understand what will be expected of them. Some are even more deeply involved. Lillie Ng, a Global Business Services advisory architect from New York City, helps out as a facilitator—training participants during three months of weekly conference calls before they leave on their assignments. This is extra work for Ng, but, she says, "I'm passionate about the CSC. If I didn't really love it, I wouldn't do it."

Social Impact

Whether the CSC teams engage small non-profits, medium-size businesses or large government agencies, they share the goal of improving the standard of living and economic prospects in the places where they touch down. In this way, the program addresses the concept of creating "shared value" which is being championed by Harvard Business School Professor Michael Porter. He urges corporations to engage in activities that at the same time provide direct benefits to their businesses and to the communities in which they operate.

Even though the teams are on site for only a few weeks, they often serve as a catalyst for change. "It was very valuable for somebody to come from the outside to say this is an area where we can do better," says Atul Kapoor, program director

for Project Connect, run by the non-profit Population Services International, which is aimed at combating the spread of HIV/AIDS in India. A team of two IBMers helped Kapoor's technology team design a new information management system for Project Connect. Based on the recommendations of the strategic role that information systems play within PSI, the team also suggested an alignment of roles of MIS team, and creation of a role of the senior technology officer that's now being considered by PSI/India.

In some cases, the CSC teams take on big issues and propose strategic solutions. In Ho Chi Minh City, Vietnam, in 2010, for instance, an ESC team proposed a 10-year redevelopment plan and set to work with the city on seven pilot programs ranging from transportation management to food safety. The goal was to help the city leapfrog other cities in Asia and become a regional model for economic development and quality of life.

In other cases, the goals are more narrowly focused. In Antafagosta, Chile, which is situated in a desert, the ESC team helped the city address challenges and opportunities related to the city's dry and sunny climate. They recommended water metering and sophisticated irrigation systems for city parks; and the creation of a municipal water plan and coordination structure, including government leaders, private utilities, and business interests. Since sunlight is so abundant, they suggested that the city focus on solar energy as an engine for economic development.

While most CSC projects target government agencies or non-profits, some bring IBM's expertise to bear on behalf of important industries. In Ghana in 2011, a CSC team helped the Electricity Company of Ghana by proposing an IT governance model to help standardize IT systems and ensure consistency in management. It assisted ECG with the design of a pilot process for the effective management of incidents such as power cuts and equipment failure—the first step toward building a smart grid.

Other projects are much smaller in their ambitions. For instance, two IBMers were assigned in 2011 to help Yejj Group, a social enterprise in Phnom Penh, Cambodia, improve its IT department. One of the team members, Brazilian Renata Balthazar de Lima, says she hopes her work will have impact. "I think we were planting a seed," she says.

"I want to believe that we have influenced the thinking of those eight guys we worked with and that they'll take what they learned from us to whomever they come in contact with, and the ripples will spread."

She and her IBM colleague, Daniela Marques, also from Brazil, get high praise from the folks at Yejj. "I was skeptical about what the CSC could deliver in a month. I have to admit that I am amazed at what Renata and Daniela have accomplished in such a short time," Benj Street, the organization's business development manager.

All of the teams perform community service when they're in-country. They volunteer at orphanages and soup kitchens, and the like.

Some people in the global economic development community have criticized corporate volunteer programs, labeling them "eco-tourism" or "volun-tourism." The concern is that some of the programs may be fulfilling for participants but may not do a lot for the intended beneficiaries. IBM's CSC clearly doesn't fit in that category. Sub-teams of from two to three people handle each CSC project, and five or six people handle each ESC engagement. An effort is made to match up the skills of the IBMers with the needs of the clients. And follow-up teams are typically sent to the same location. The program is structured and operated with the goal of getting useful work done.

IBM wasn't the first large corporation to send employees to work in developing countries on a pro-bono basis, but it was the first to scale up a program massively. In 2006, six U.S. companies dispatched a total of 200 people, according to a survey by CDC Development Solutions, one of IBM's NGO partners. Typically, they were sending individuals on mini sabbaticals disconnected from their day jobs. This year, the organization expects 21 companies to dispatch 2000 people. "IBM scaled this up and made it much more than anybody else has done, and it opened the eyes of other companies," says Dierdre White, the chief executive of CDC Development Solutions. In addition, she says, IBM created a sustainable model.

IBM's Corporate Citizenship leaders meet regularly with executives from companies that are IBM's business clients to explain how the program works. In some cases, other companies even send employees along with CSC teams. FedEx is one of those. In May, 2011, FedEx sent four people along with 10 IBMers on a CSC engagement in northeastern Brazil. The FedEx people participated in the CSC pre-work and stayed in the same accommodations as the IBMers, but worked on their own project independently. "We wanted to do a pilot alongside IBM's program so we could see what modifications we'd want to do," says Tess Smith, manager of corporate human resources at FedEx, who was one of the four participants. She hopes that once FedEx launches what it calls its Global Leadership Corps, it will send out about 10 teams per year.

"We're at the point where it's clear we have global problems which require global solutions from key stakeholders."

— Kathy Hunt, senior development specialist at USAID

The hope is that IBM's response to expressions of interest from its clients and the alliance with USAID will accelerate this kind of corporate social engagement. The government faces severe budget constraints, so it welcomes participation by businesses. "We're at the point where it's clear we have global problems which require global solutions from key stakeholders," says Kathy Hunt, a senior development specialist at USAID who is coordinating the program. "USAID by itself can't be as effective as an amalgamation of stakeholders who are committed to solving problems."

Business Development

The engagements by CSC and ESC teams have had a positive impact on IBM's brand image in emerging nations. The visits typically attract extensive and glowing coverage from local media, and ministers and community leaders often sing IBM's praises. In May 2010, IBM sent a team of six executives to Katowice, Poland, to help government leaders develop a plan for revitalizing not just the city but also the entire region of the country. During a press conference at the end of the team's visit, Katowice Mayor Piotr Uszok said his view of IBM had changed. Previously, he knew the company only as a well-respected technology leader. "Because of this program, we have seen the other face of IBM," he said. "This firm is not only focused on its own technology projects and making money, but also helps people and governments function better in the modern world."

The CSC is closely aligned with IBM's product and service strategies, including cloud computing and data analytics. Cloud computing is especially attractive in growth markets because of the money-saving aspects of using shared services. Data analytics techniques are vital for sorting out traffic congestion problems in cities. The teams' proposals regularly include such technologies—though the teams are not permitted to suggest that their clients purchase products or services from IBM.

In a handful of cases, however, CSC engagements have led to commercial discussions. For instance, in the fall of 2009, a team helped Nigeria's Cross River State with two ambitious programs: Project HOPE, which provides free health care to mothers and young children, and Project Comfort, which provides financial assistance to people in disadvantaged households with the goal of helping them to educate family members and establish small businesses. When the CSC stint ended, Cross River officials were so pleased with the results that they engaged IBM Global Business Services to further develop the projects.

In Rio de Janeiro, visits by both CSC and ESC teams helped pave the way for a major deal with the city for IBM to provide the technology for a new operations center designed to prepare Rio for the Olympics and World Cup. "We add value in places where they need support, and they say they want to do business with this company," says Ricardo Pelegrini, IBM country manager for Brazil. The operations center technology is now a commercial solution that IBM sells in other countries.

But even when the projects don't lead directly to sales, they're good for business, say IBM country managers. Already, the CSC has sent 11 CSC teams to the Philippines—mostly to secondary cities. The company's focus has been mainly in Manila. Until recently, it was virtually unknown outside the capital. But the CSC projects have begun to change that. 'I've seen growth in regions we have targeted for geo-expansion," says James Velasquez, the IBM country general manager. "That's a direct effect of what we're doing with the CSC in those communities."

Continuously Improving the CSC

The Corporate Service Corp (including the ESC) has served IBM, its employees, and its communities well. With three years of experience and more than 100 engagements completed, the management team continues to review, assess, and revise. "We're not a startup anymore. We got it off the ground, and it's working, but now we have to look at it again. Can't we do some things better?" says Gina Tesla, who manages the program.

Here are some areas that the Corporate Citizenship team is working on:

Better Selection of Participants:

While the CSC has a strong record of identifying and selecting strong candidates, more rigor is being added to the selection process. That's because even if only a few people get in who are unsuitable, it can cause problems out of proportion with those numbers. The application and selection process are being revised to better identify people with personality or teamwork issues, or personal commitments that might interfere with them doing an outstanding job. At the same time, the Corporate Citizenship team is looking for more support from IBM's human resources function and business unit leaders that will encourage the best of IBM's high-potential employees to view the program as a path to leadership and career advancement.

Better Selection of Projects:

The CSC and its NGO partners have gradually improved their record for spotting projects that are well suited for the program. As often as possible, the goal is to work on strategic projects that are aligned with national agendas and have the potential to produce demonstrable economic and quality-of-life impacts. IBM is looking for opportunities to take on

clusters of interrelated problems, such as transportation, public safety and health care—addressing systems of systems. Increasingly, as in ESC engagements, the teams are being divided into sub-teams that address different aspects of interrelated problems. IBM might even consider coordinating efforts in a city or region with another corporation that has similar aims and complementary skills. In its alliance with USAID, IBM is looking for projects that have long-term sustainability and funding.

Better Interactions with Local IBM Organizations:

IBM's country general managers have embraced the CSC as a boon to brand building and, increasingly, to business development. But, so far, the proper resourcing and coordination systems haven't been put in place to make these engagements pay off maximally for the local organizations. The Corporate Citizenship group is developing a process for soliciting input from local leaders about the selection of clients, introducing those IBMers to the clients at the beginning of each engagement and having them participate in each client wrap-up session. Also, they want the CSC teams to meet with their local counterparts at the conclusion of their country visits to pass along market intelligence, contact information and sales leads.

CSC and ESC teams frequently open the door to business opportunities, but local staffs are sometimes ill-equipped to capitalize on the leads. That may be due to the small size of the local staffs or the shortage of people with the appropriate skills and experience levels. The Corporate Citizenship team is urging IBM's Growth Market Unit to increase the capacity of the local staffs in coordination with CSC leaders—perhaps by temporarily assigning additional people from elsewhere in the region to those offices.

Better Gathering and Sharing of Information:

Considerable effort is put into debriefing returning CSC teams. The teams place documents they've gathered and prepared on a central Web site where the material is available for others to see. The three NGOs prepare detailed reports after each engagement. These activities have helped the program managers spot problems and improve the program incrementally over the past three years. But more must be done. Each of the NGOs has its own method for gathering and presenting information. They need to adopt a single method so the information they gather can be tabulated and analyzed. In addition, they need to expand their assessments to include economic impacts.

A tremendous amount of information is gathered in connection with these engagements that's valuable not to just the CSC and its contractors but to IBM business leaders in the emerging markets and at headquarters. The Corporate Citizenship team is considering setting up a knowledge management system that makes it possible for these constituents to locate and view information quickly and easily.

The Global Potential of the Corporate Service Corps

The program could have its greatest impact outside IBM's walls. If it is recognized as a powerful leadership and social engagement platform by other companies, that could have a transformational effect on global economic development. Think about it: If every company in the Fortune 500 adopted the CSC model and deployed just 100 employees per year to work on teams in emerging markets, 50,000 skilled people per year would be sent out to address serious problems in developing societies. If each company deployed 200 people per year, the impact would double. At the same time, such activities could improve relationships between the people of the developing world and those of the mature democracies. IBM's longtime leader, Thomas J. Watson Sr., coined a motto: "World Peace Through World Trade." The Corporate Service Corps offers a new promise: If businesses share their skills and knowledge with the governments and people of the developing world, we'll all be better off.

The survey of CSC participants completed in mid-2011 gave them the opportunity to respond to open-ended questions. Here are come of their comments:

"This CSC experience made me challenge my assumptions, disrupted the regular routine ways of doing things, and introduced me to new and unexpected ways of thinking. I am returning back to IBM with fresh ideas, new business skills and a greater capacity for addressing the challenges that I may face in the future."

"I learned more about the culture and traditions, which has helped me in developing additional relationships with IBMers in the market after leaving. Also, it's easier to relate to IBMers who I now work with and to build/expand my network."

"The experience completely changed the way I look at growth markets. I saw the incredible potential that lies in the country I lived in - Sri Lanka - both in its resources and in its enthusiastic people."

"I felt the growth and changes were happening at such a fast pace that you can see changes on a daily basis. My extensive weekend travel to other parts of China helped me see a lot of new opportunity in a growth market. I realized that a growth market would be an ideal place for any career-driven person.

"I had no experience in growth markets prior to my trip to South Africa ... but going there really opened my eyes. For one thing, it became clear to me how much more entrepreneurial we need to be in order to compete."

"In my current roles at IBM I have very limited opportunities to demonstrate my leadership skills, but during my CSC experience, these skills were front and center. Allowing me the opportunity just to use those skills that I have buried inside of me also allowed them to flourish."

"Individuals on the team kept saying that "we need a manager" and I kept reinforcing that the idea was to be able to get the work done without anyone in authority. It was a challenge to work this way and helped me increase my ability to lead without formal authority."

"I feel amazingly competent. Throw me in with any group, anywhere in the world, and I will survive and thrive. Who knew that I could take cold showers, lizards in my room, and sleeping under mosquito netting in stride and never miss a beat?"