



FINANCE FORUM

2009

Strategy management with IBM Cognos 8 BI Scorecarding v8.4

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Agenda

- Strategy Execution Failure
- Scorecarding Maturity Level
- IBM Cognos 8 BI Scorecarding Value
 - Addressing Strategy Management & Scorecarding Issues
- Product Demo: IBM Cognos 8 BI Scorecarding
- Conclusion



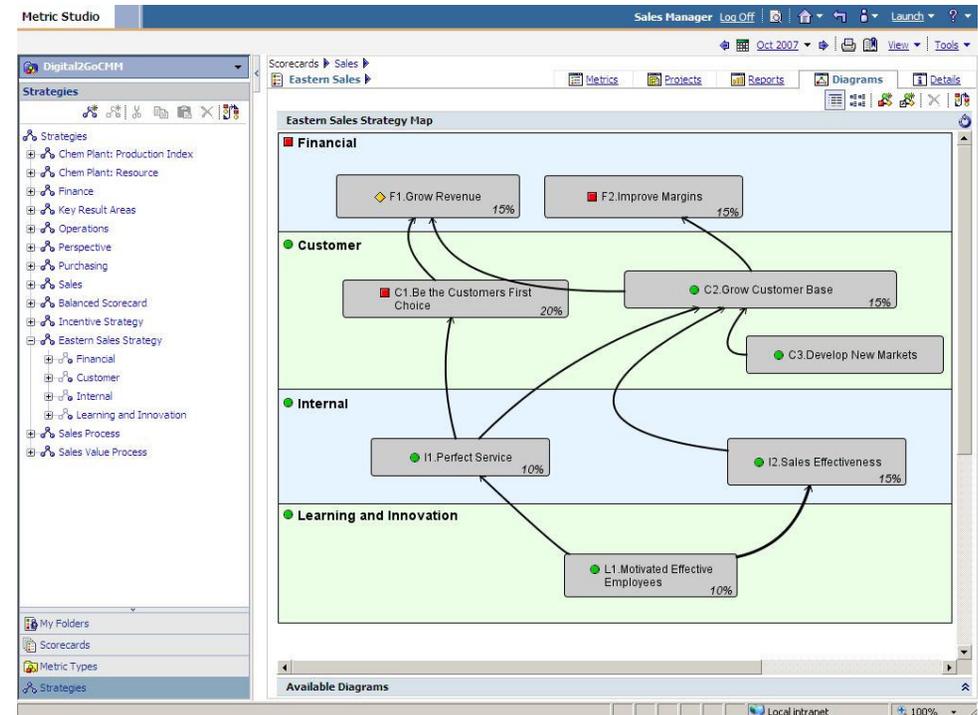
Strategy Execution Failure

- Less than 10% of companies successfully execute their strategy (Fortune Magazine)
 - Mediocre growth
 - Lost market share
 - Lower profitability



Reasons for Strategy Execution Failure

- Lack of strategy communication
- Lack of ownership & accountability
- Lack of focus on strategic objectives
- Lack of a comprehensive business view



What is a Scorecard?

- Captures strategic and tactical objectives
 - Improve revenue by 20%
 - Reduce costs by 10%
 - Increase market share by 5%
- Provides a status of how an organization/LOB/Dept is performing against objectives
 - Red, Yellow, and Green status indicators

Section	Name	Actual	Target	Variance	Variance %	Time Period
Financial	Eastern Sales Sales Count	1,024.20	9,846.71	-8,822.51	89.60%	Nov 2006
	Avg Yield per Customer - Eastern Sales	US\$54,364.81	US\$67,000.00	-US\$12,635.19	18.06%	Nov 2006
	Revenue	US\$1,100,000.00	US\$1,000,000.00	US\$100,000.00	10.00%	Dec 2006
F2.Improve Margins	Discount Percentage	19.00%	2.50%	16.50%	660.00%	Nov 2006
	Expenses	US\$726,394.06	US\$900,000.00	-US\$173,605.94	19.29%	Nov 2006
	Revenue	US\$1,100,000.00	US\$1,000,000.00	US\$100,000.00	10.00%	Dec 2006
Customer	Eastern Sales Customer Relationship Index	1.53	0.00	1.53		Nov 2006
C1.Be the Customers First Choice	Customer Survey	8.86	8.00	0.86	10.72%	Nov 2006
	Complaints - Eastern Sales	409.68	500.00	-90.32	18.06%	Nov 2006
	Avg Purchase Frequency - Eastern Sales	6.00	4.50	1.50	33.33%	Nov 2006
C2.Grow Customer Base	% Sales New Customers	17.18%	14.84%	2.35%	15.81%	Nov 2006
	Customer Acquisition	110.84	100.00	10.84	10.84%	Nov 2006
	Customer Count - Eastern Sales	595.11	500.00	95.11	19.02%	Nov 2006
C3.Develop New Markets						

Scorecarding Maturity Level

- *Visualize metrics in a report or dashboard*
- *Metrics not strategically aligned*
- *Basic performance monitoring*

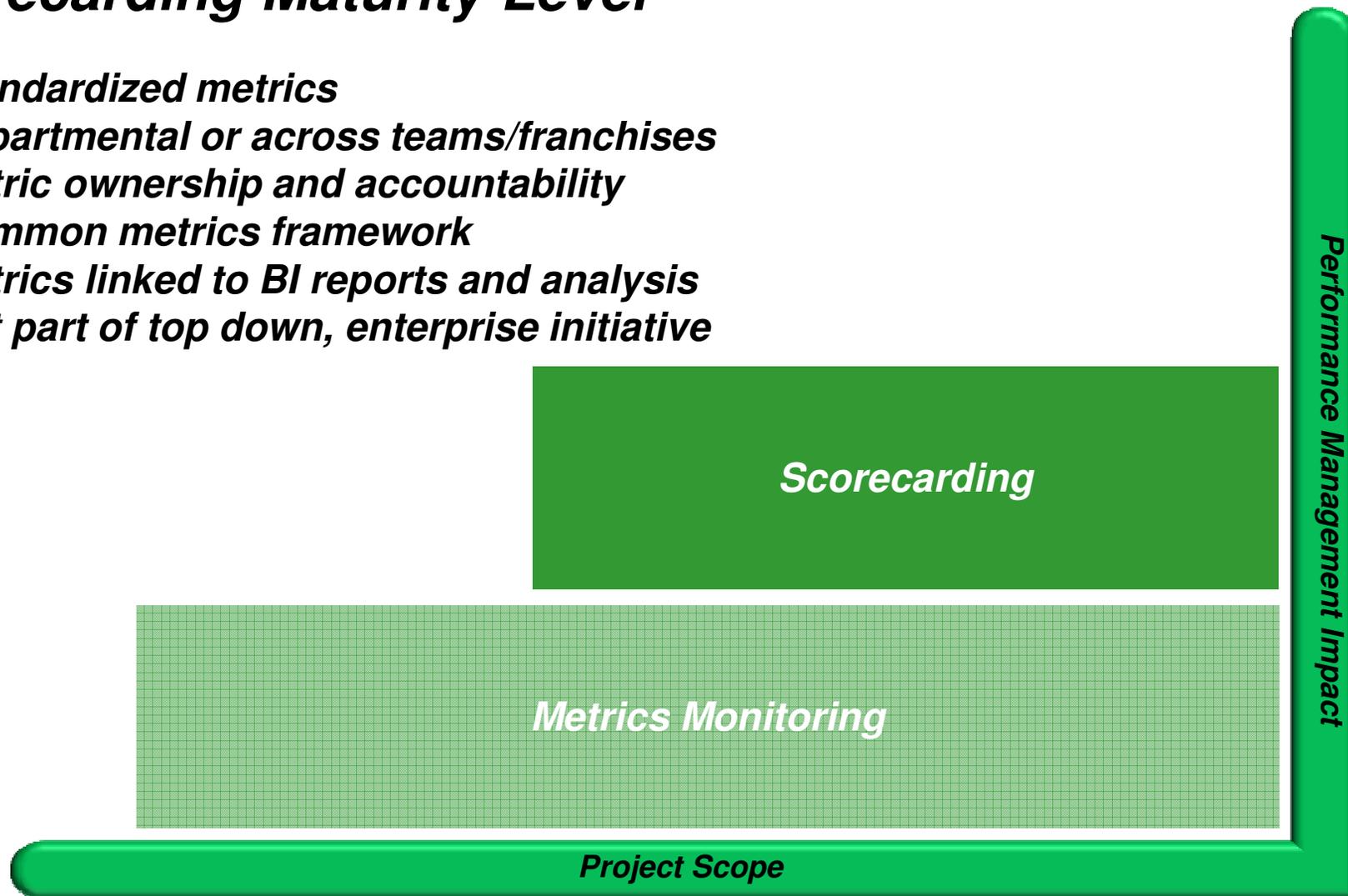
Metrics Monitoring

Project Scope

Performance Management Impact

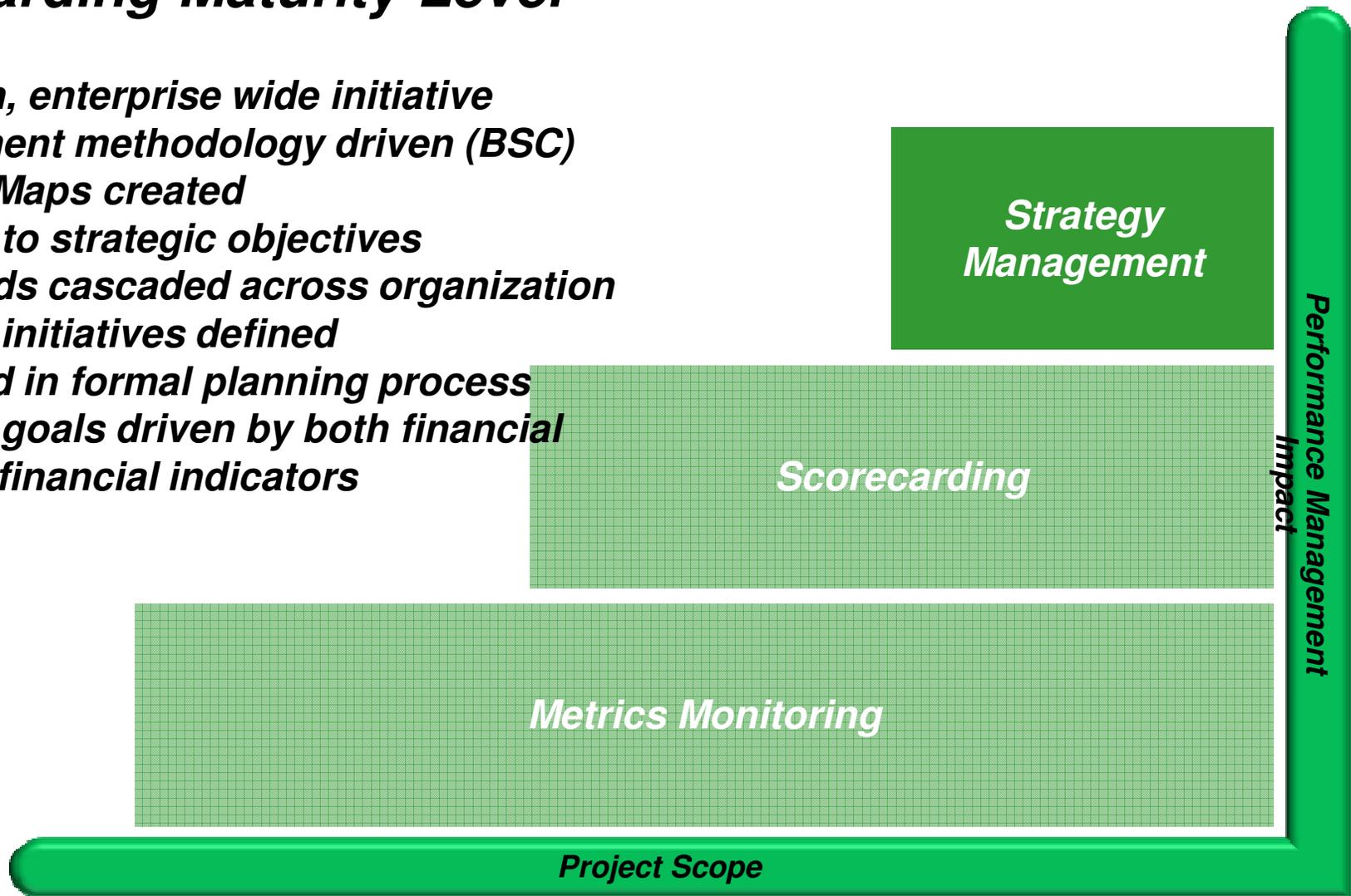
Scorecarding Maturity Level

- *Standardized metrics*
- *Departmental or across teams/franchises*
- *Metric ownership and accountability*
- *Common metrics framework*
- *Metrics linked to BI reports and analysis*
- *Not part of top down, enterprise initiative*

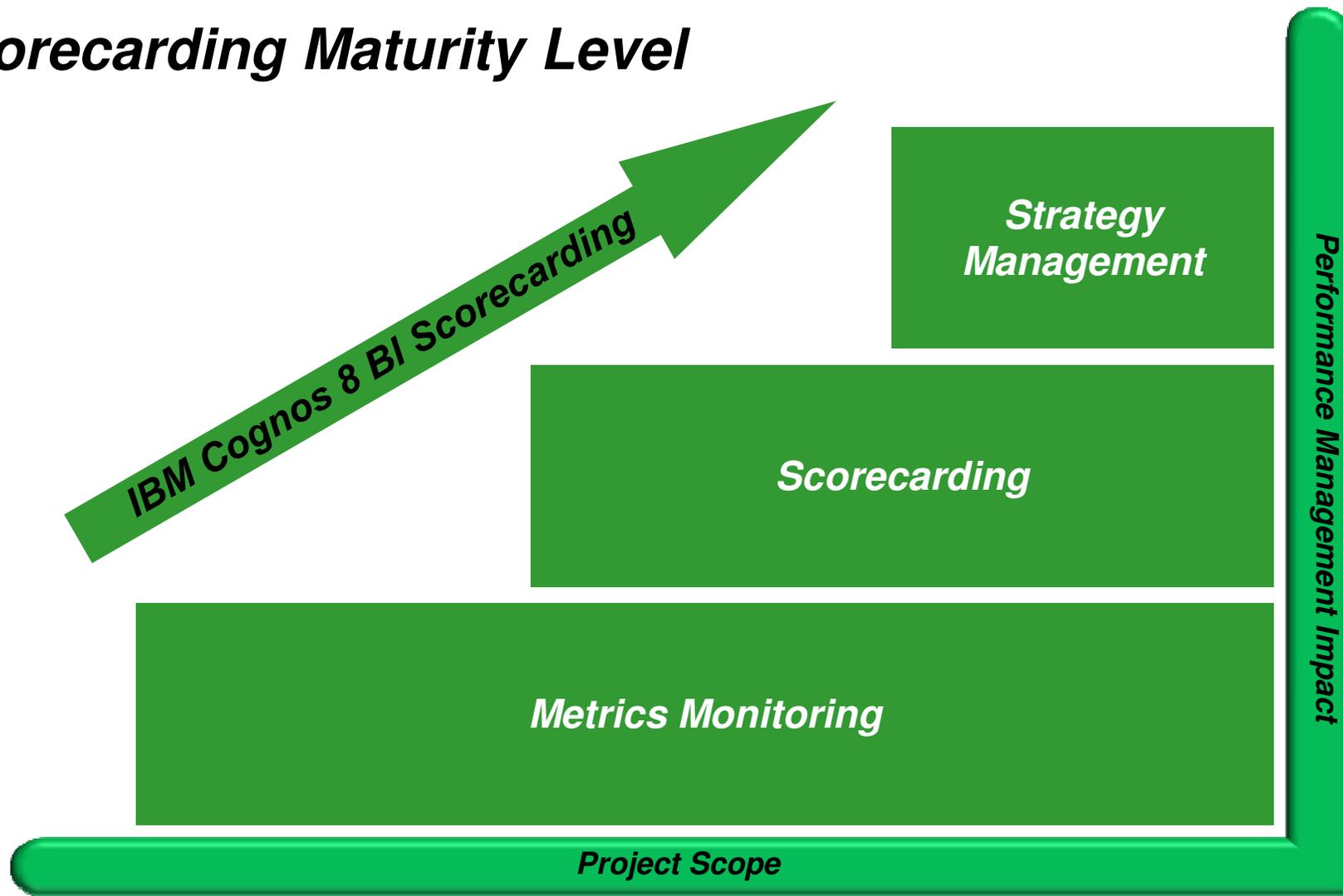


Scorecarding Maturity Level

- *Top down, enterprise wide initiative*
- *Management methodology driven (BSC)*
- *Strategy Maps created*
- *KPIs tied to strategic objectives*
- *Scorecards cascaded across organization*
- *Strategic initiatives defined*
- *Integrated in formal planning process*
- *Strategic goals driven by both financial and non-financial indicators*

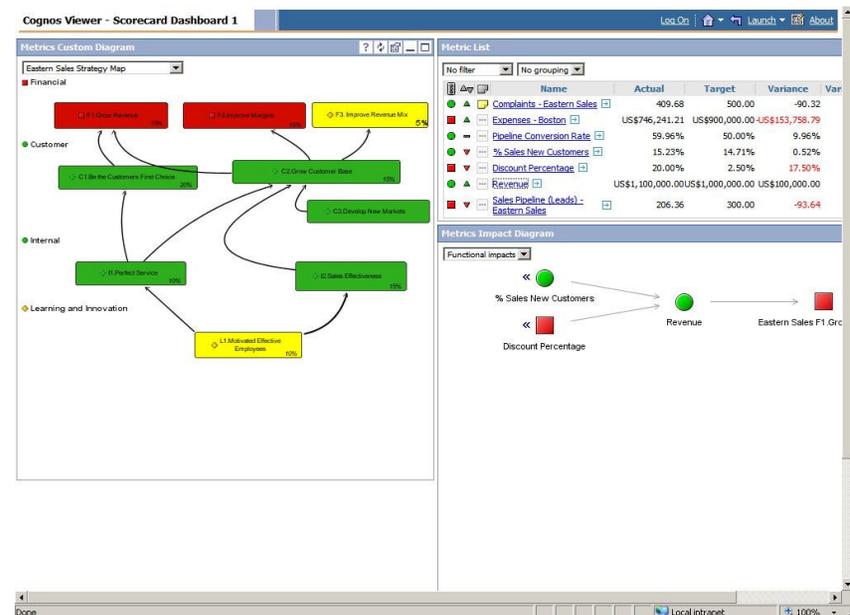


Scorecarding Maturity Level



IBM Cognos 8 BI Scorecarding v8.4

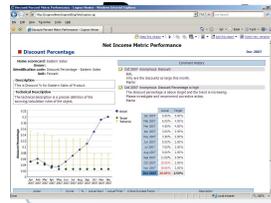
- Strategy Map & Impact Diagram portlets
 - Strategic scorecard information now available in portal based dashboards
- IBM Cognos Go! Dashboards
 - Scorecards and metric lists available



You can communicate scorecards & strategic information more easily to a wider audience

Create Once, Consume Anywhere

Managed



> Scheduled personalized pre-authored scorecard reports

Go! Dashboard

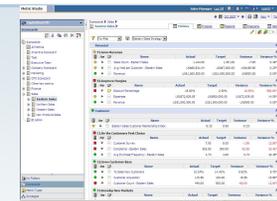


> Dynamic and customizable dashboards based on trusted scorecard data

Create Scorecard Info Once in C8 BI Scorecarding

Scorecarding

> Interact with and customize all scorecard information



Portal



> Scorecard info via portlets

Go! Mobile

> View and consume scorecards on Mobile Devices



Supports Open Standards

- IBM Cognos 8 BI Scorecard portlets support WSRP
 - Can be viewed in non-IBM Cognos portals

The screenshot shows a web browser window displaying an IBM Cognos 8 BI Scorecard dashboard. The dashboard is titled "CMM - Microsoft Internet Explorer" and shows various metrics and charts. The main content area is divided into several sections:

- Metric Studio Watch List (Package: cmm):** A table showing key performance indicators (KPIs) with columns for Name, Actual, Target, Variance, Variance %, and Time Period.

Name	Actual	Target	Variance	Variance %	Time Period
Customer Satisfaction - Global	113.39				
Inventory - Global	US\$534,729.34	US\$5			
Return Goods - Global	US\$152,442.24	US\$1			
Revenue - Global	US\$2,724,000.88	US\$2,9			
- Cognos Metric List:** A table showing a list of metrics with columns for Name, Actual, Target, Variance, Variance %, and Time Period.

Name	Actual	Target	Variance	Variance %	Time Period
Sales Discount %	18.30	18.00	0.30	1.67%	Dec 2006
New Sales Rep Terminations less than 1 year (%)	20.4	13.0	7.4	56.9%	Nov 2006
Number of Leads	560.0	400.0	160.0	40.0%	Dec 2006
Win Rate (%)	44.4	45.0	-0.6	-1.4%	Dec 2007
Explosion Revenue per \$ap	7,100.0	5,000.0	2,100.0	42.0%	Dec 2006
Timeline	7,245,000.0	8,000,000.0	-755,000.0	-9.4%	Dec 2007
- Cognos Metric History Chart:** A line chart showing the history of a metric over time, with columns for Actual, Default Benchmark, Target, and Variance Range. The x-axis represents time from April 2007 to February 2008, and the y-axis represents Sales Revenue from 6,000,000.0 to 9,000,000.0.
- Office Sales KPIs:** A gauge chart showing the current value of a KPI (2,910,000) compared to a target (2,910,000) and a range (4,000,000 to 5,000,000). The gauge is labeled "Exceed" and "2,910,000".
- Sales Opportunity for Selected Office:** A table showing a list of sales opportunities with columns for Opportunity, Account, Representative, Amount, Stage, Product, Date Initiated, Expected Closed, and Day Span.

Opportunity	Account	Representative	Amount	Stage	Product	Date Initiated	Expected Closed	Day Span
AER System maintenance	AER Systems	Wallance Marks	\$1,429,750.00	4	Acme Lite	10/08/2006	10/20/2006	12
Selling Shipping maintenance	Selling Shipping	Clark Hass	\$685,000.00	2	Acme Pro	02/10/2006	02/20/2006	10
Geebar System maintenance	Geebar Systems	Elaine Johnson	\$565,670.00	4	Acme Pro	06/12/2006	07/01/2006	19
2 Miles studio update	2 Miles studio	Matt Ayer	\$534,350.00	2	Acme Enterprise	09/12/2006	10/01/2006	19
Riverside record new account	Riverside record	Elaine Johnson	\$562,960.00	3	Acme Pro	07/20/2006	10/01/2006	73
- Selected Office Sales KPI:** A gauge chart showing the current value of a KPI (\$2,910,000.00) compared to a target (\$2,910,000.00) and a range (\$4,000,000 to \$5,000,000). The gauge is labeled "Exceed" and "2,910,000.00".

IBM C8 BI Scorecarding Demonstration



Conclusion

- IBM Cognos 8 BI Scorecarding
 - Core component for Performance Management
 - Automates the strategy management and scorecarding process
 - Addresses customer requirement across the scorecarding maturity level
- Top down approach – IBM Cognos 8 BI Scorecarding
 - Links strategy to execution
 - Communicates strategy
 - Provides employee focus
 - Ensures accountability and ownership



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