



FINANCE FORUM

2009

Strategy management with IBM Cognos 8 BI Scorecarding v8.4

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Information Management

Cognos.
software

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

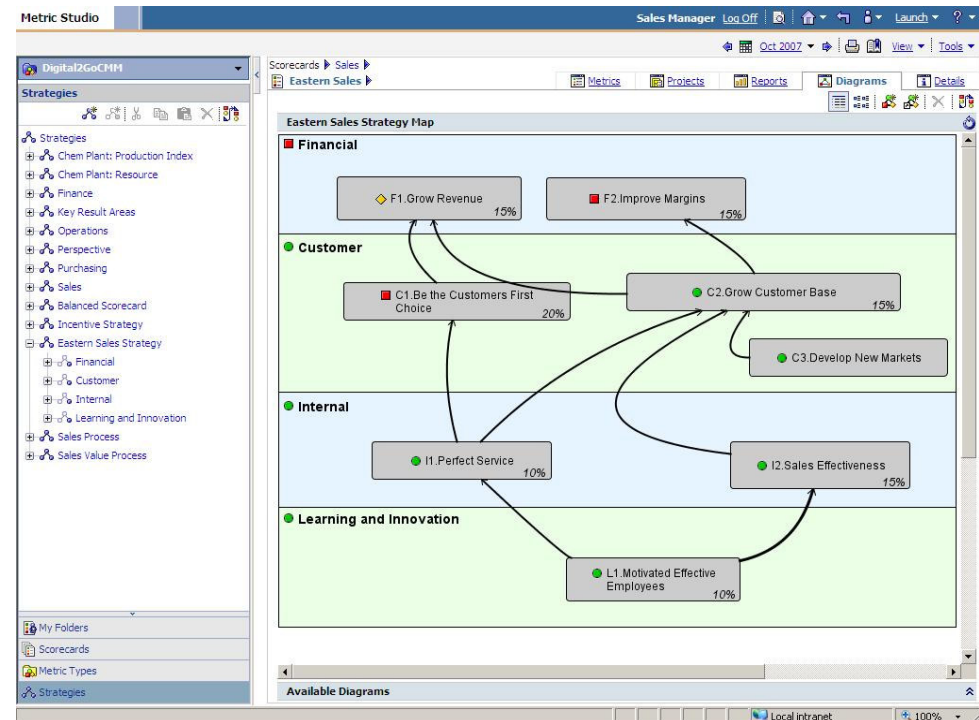


Strategy Execution Failure

- 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

Cognos Metric Manager (C8.3)

Scorecards

- All Metrics
- Incentive Scorecard
- Other key metrics
- Sales
 - Eastern Sales
 - Northern Sales
 - Western Sales
 - New Products Sales

My Folders

- Scorecards
- Metric Types
- Strategies

Scorecards > Sales > Eastern Sales

Financial

F1.Grow Revenue

Name	Actual	Target	Variance	Variance %	Time Period
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	18.86%	Nov 2006
Revenue	US\$1,100,000.00	US\$1,000,000.00	US\$100,000.00	10.00%	Dec 2006

F2.Improve Margins

Name	Actual	Target	Variance	Variance %	Time Period
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

Name	Actual	Target	Variance	Variance %	Time Period
Eastern Sales Customer Relationship Index	1.53	0.00	1.53		Nov 2006

C1.Be the Customers First Choice

Name	Actual	Target	Variance	Variance %	Time Period
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

Name	Actual	Target	Variance	Variance %	Time Period
% 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***

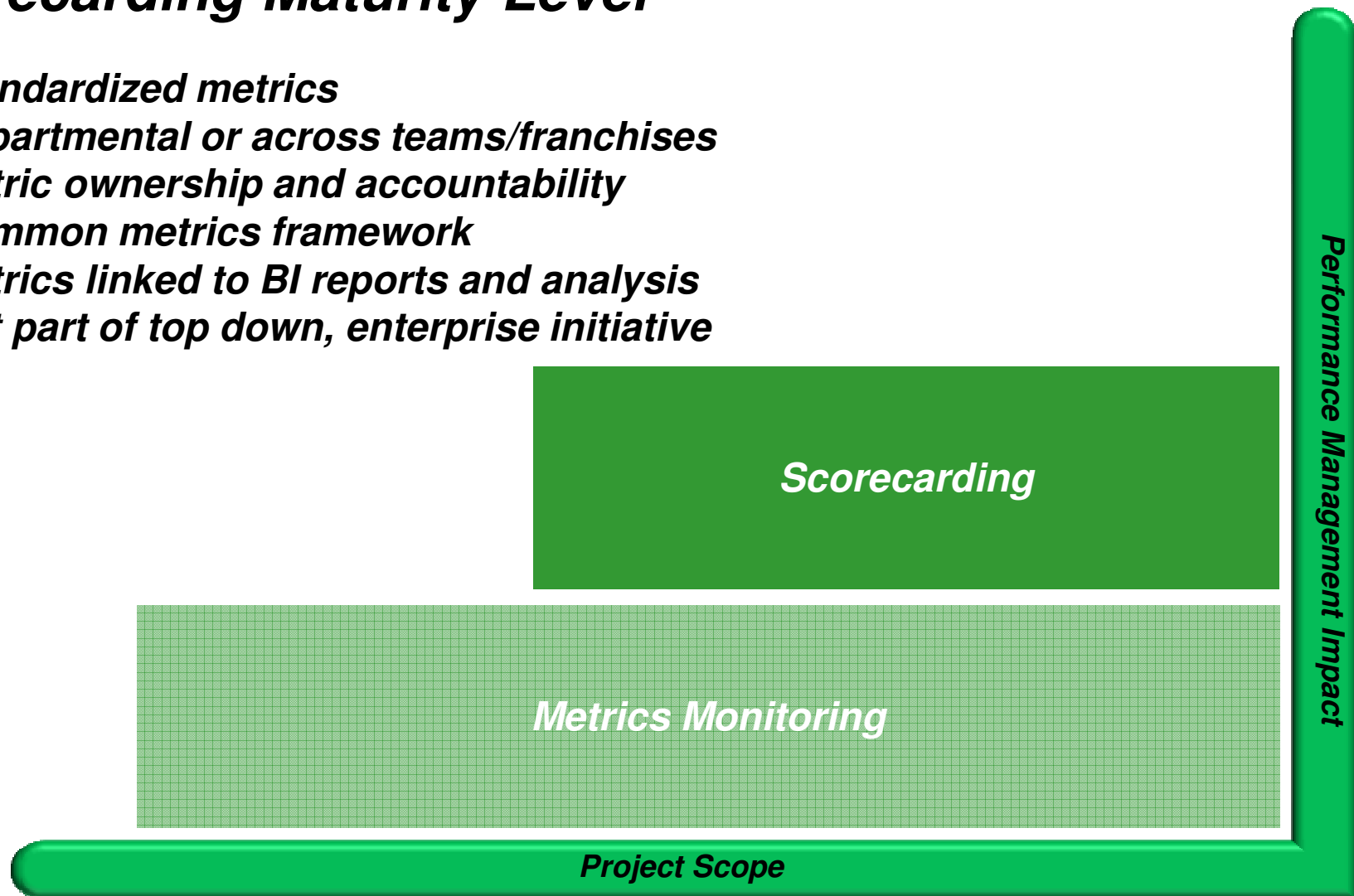
Metrics Monitoring

Project Scope

Performance Management Impact

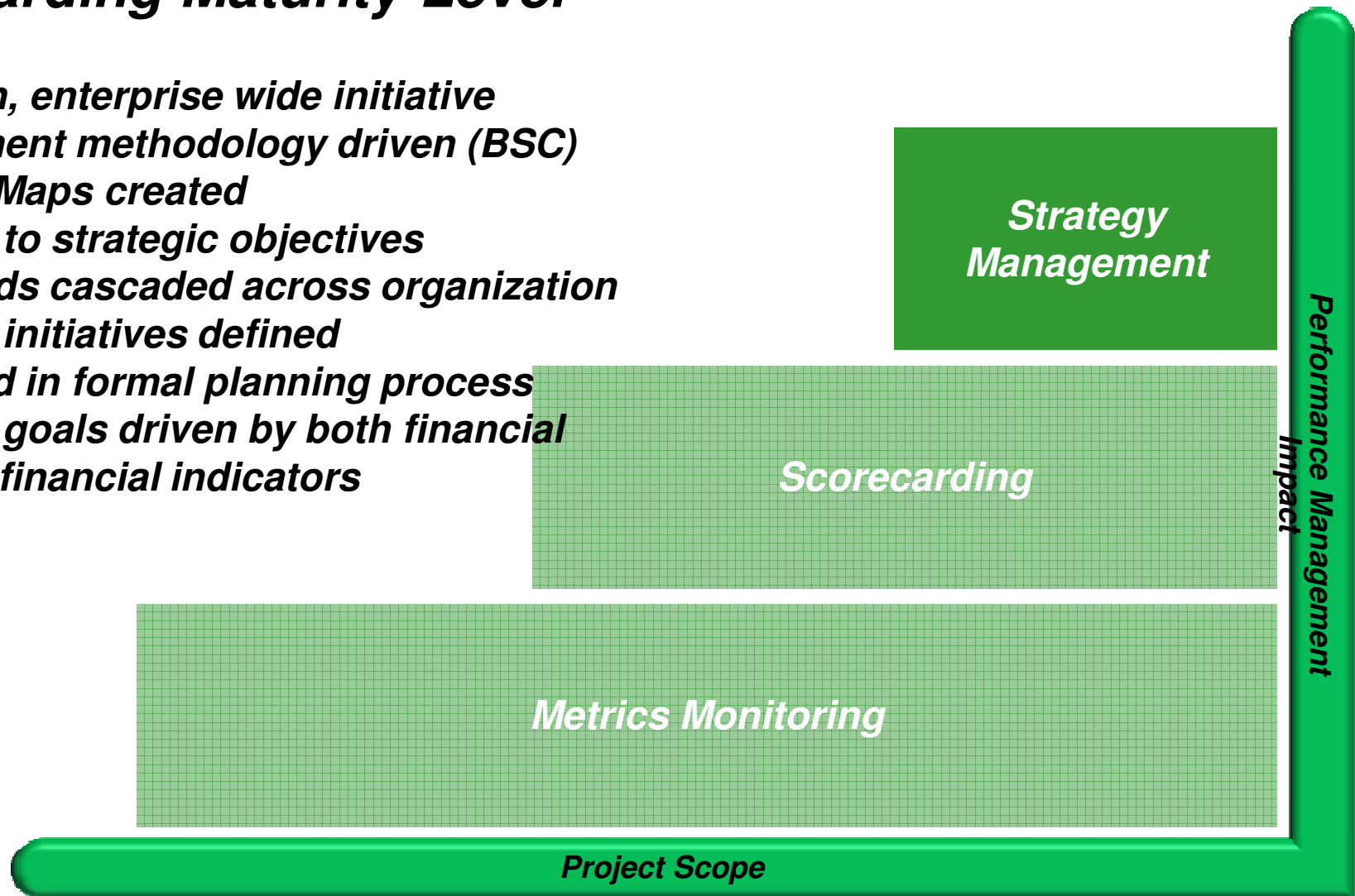
Scorecarding Maturity Level

- *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*

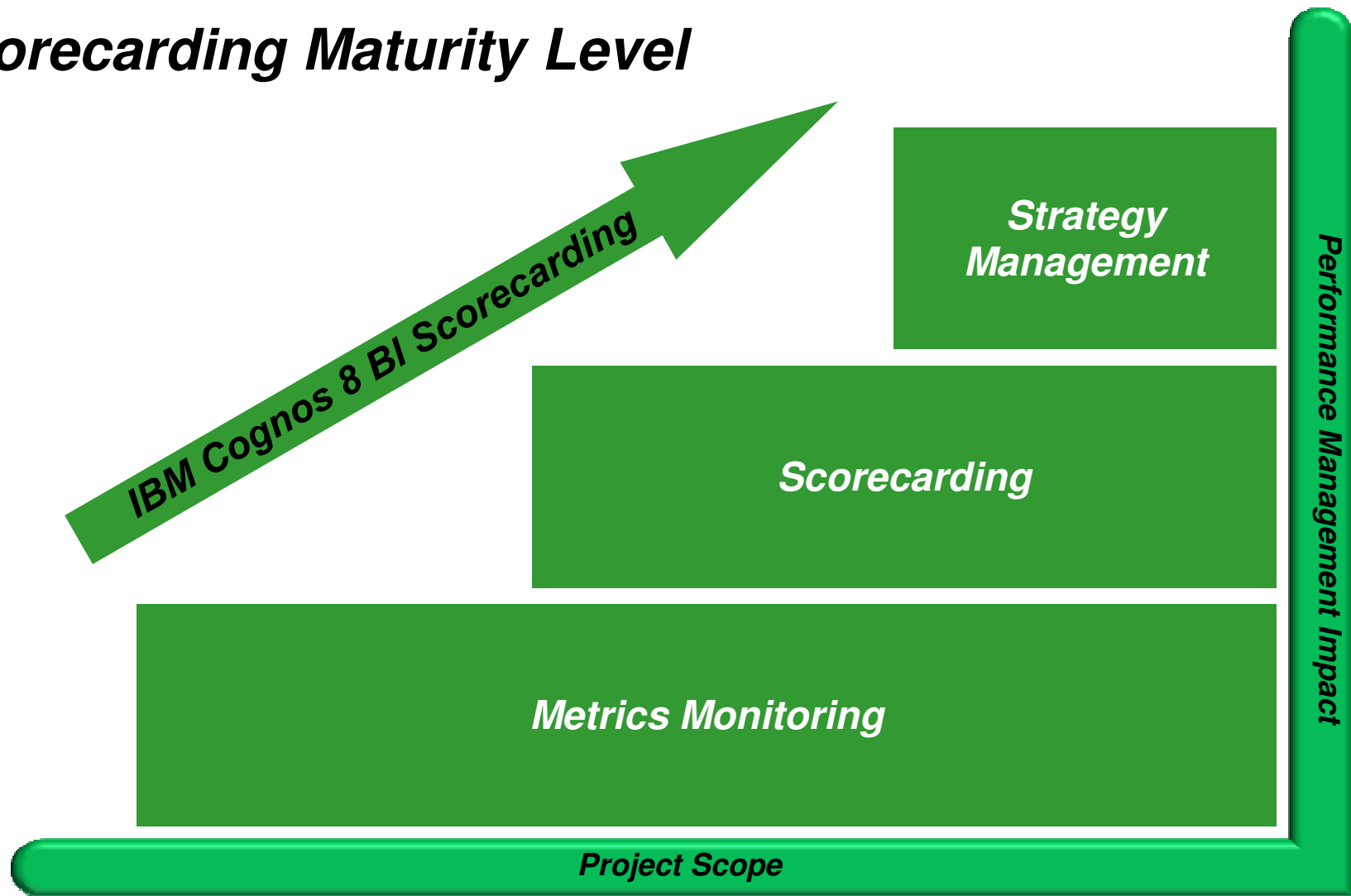


Scorecarding Maturity Level

- *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*

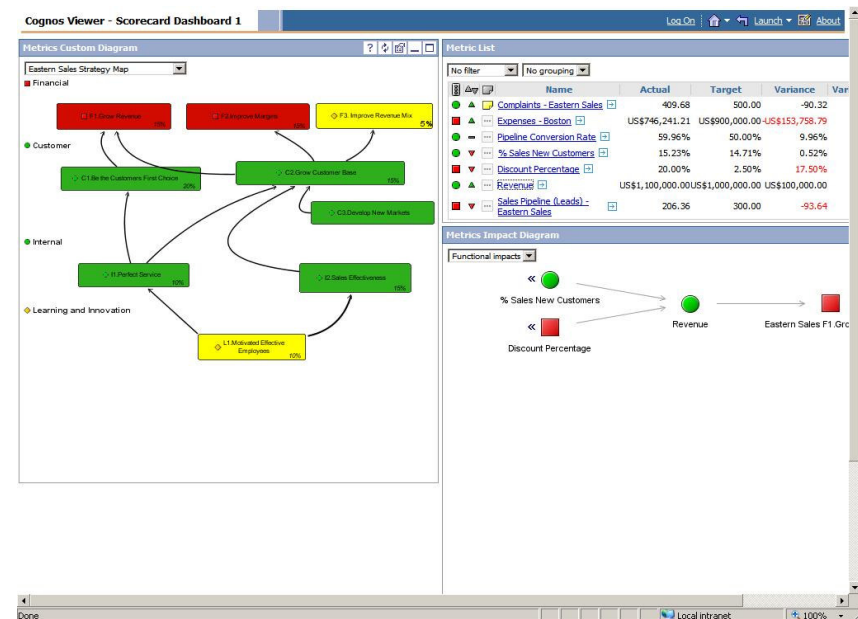


Scorecarding Maturity Level



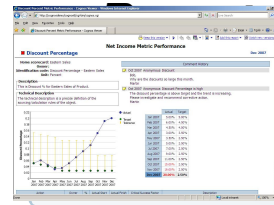
IBM Cognos 8 BI Scorecarding v8.4

- 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-
authorized
scorecard
reports

Go! Dashboard

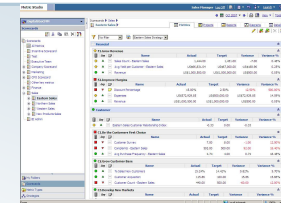


> Dynamic and
customizable
dashboards
based on trusted
scorecard data

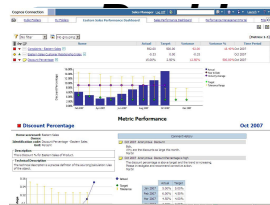
Create
Scorecard
Info Once
in C8 BI
Scorecarding

Scorecarding

> Interact with
and customize
all scorecard
information



Portal



> Scorecard info
via portlets

Go! Mobile

> View and
consume
scorecards on
Mobile Devices

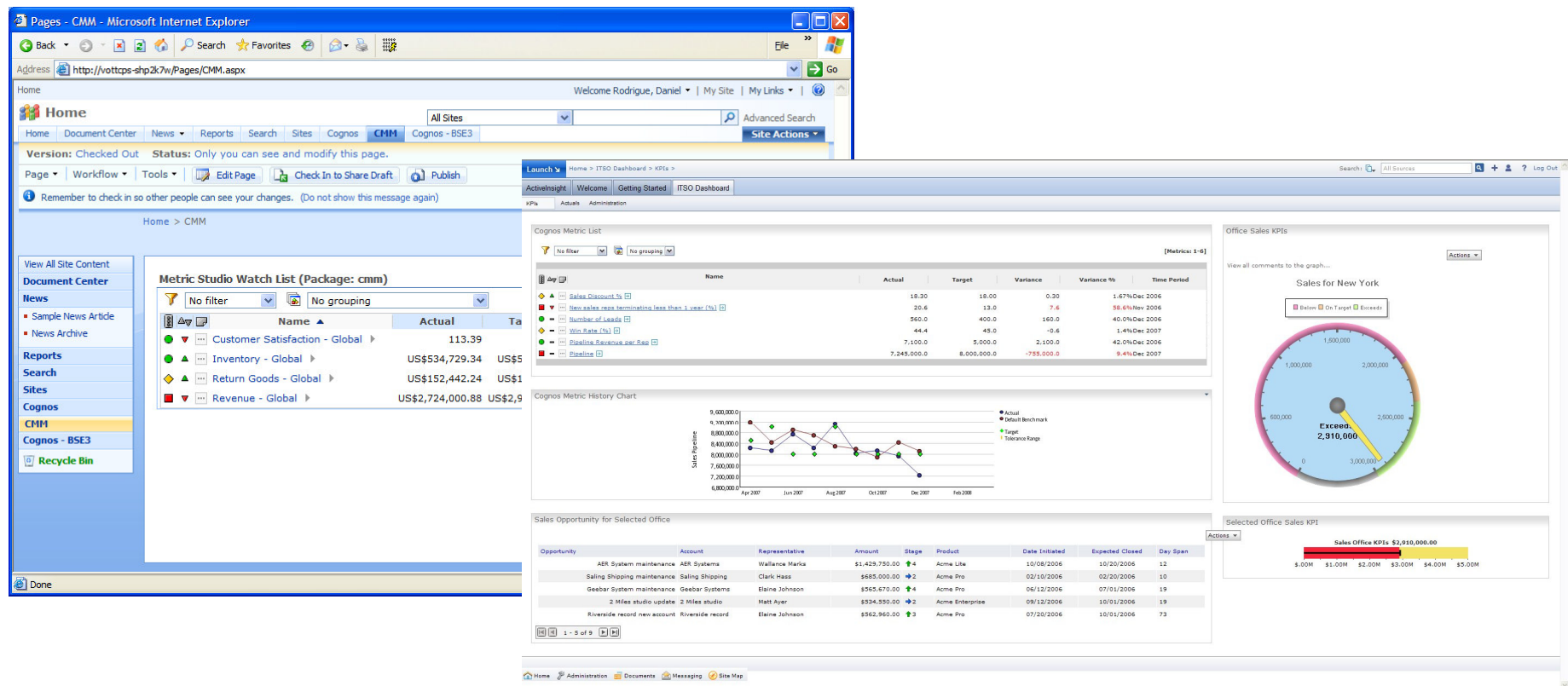


Information Management

Cognos.
software

Supports Open Standards

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



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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