

IBM Cognos Performance
Better Intelligence. Better Business.

**Driving Smarter Decisions
through Planning and
Analysis solutions powered by
IBM Cognos 8**

Lek Han Kiat
Analytics and Performance Applications
IBM Software Group, ASEAN



Agenda

- Finance & IT Challenges
- IBM Cognos Performance Management Platform
- Enterprise Planning Solutions
- Performance Management Journey
- Demo
- Q&A
- Summary

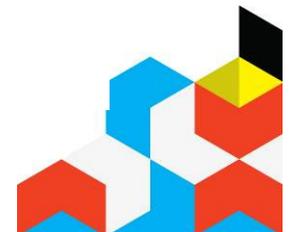


Finance & IT Functions Faces Challenges

Need for
Efficient and
Sustainable
Compliance



Insatiable Drive
for Optimal
Business
Performance



IBM Cognos Performance

The Challenge with Decision-Making Today: Elevated Finance & IT Demands



**Business
Manager**



**Line
Manager**



**Financial
& Business
Analyst**



BI Professional



CIO

FINANCE EXECUTIVES

IT EXECUTIVES

Inform, engage, and align the business user community in PM process to drive better business outcomes

Empower the business users while cost-effectively meeting requirements for performance, conformance scalability and compliance.



Executive



CFO



**Individual
Contributor**



Architect



Status Quo is Failing the Office of Finance

Spreadsheets Failing

“there have been well-documented cases of errors and losses resulting from spreadsheet manipulation errors and accidents.”

Source: Gartner, August 2007

Disparate Systems

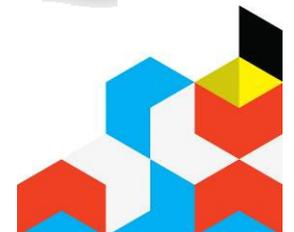
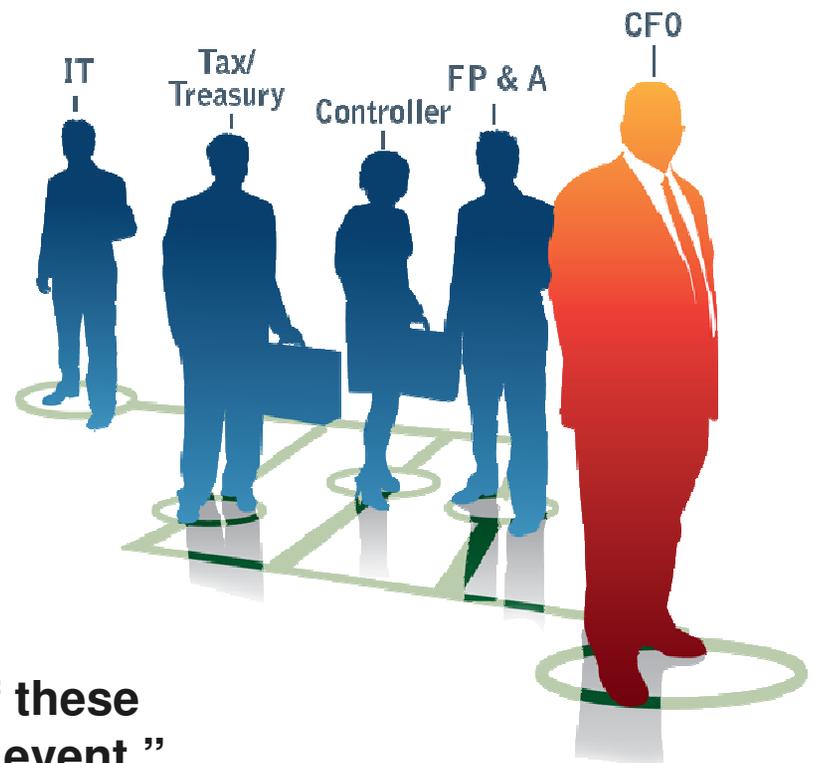
“Average finance organizations operate 11 finance systems per billion dollars of revenue.”

Source: Hackett Group, 2007

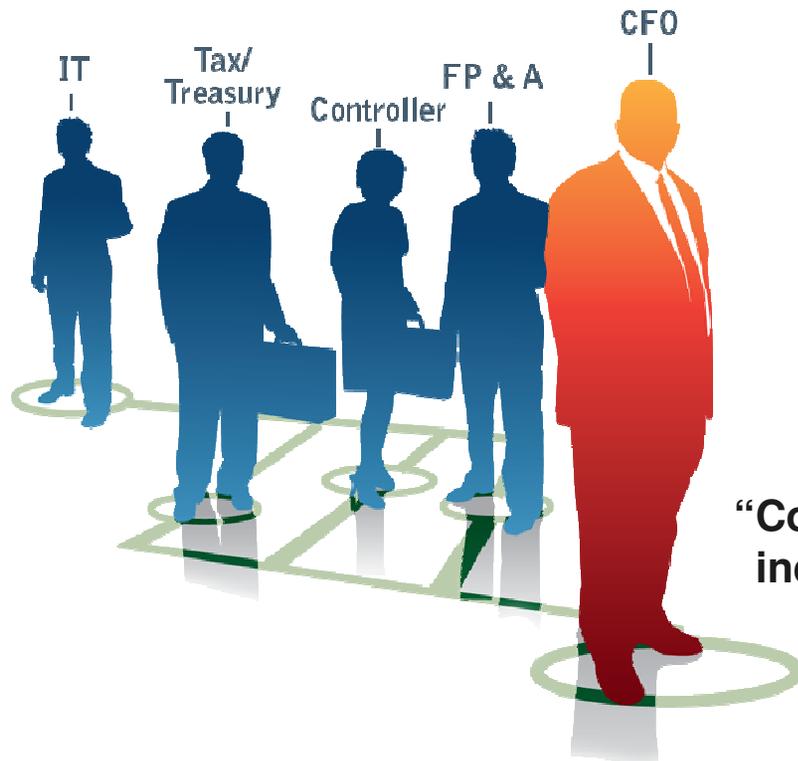
Business Risks

“62 percent of enterprises ... encountered a major risk event ... 42 % of these enterprises were not well prepared for the event.”

Source: IBM Global CFO Study 2008



...But Forward Thinkers are Thriving



Driving Performance

“68% anticipate serving as the performance management experts for the rest of the company.”

Source: IBM Cognos / CFO Research, 2008

...Enterprise Rewards

“ World-class EPM organizations deliver 2.4 times the returns of industry-peers companies.”

Source: Hackett Group, 2008

...with Professional Upside

“Corporate performance and CFO performance are inextricably linked; CFOs that deliver shareholder value are most likely to achieve the next career step they desire.”

Source: CFO Executive Board, Strategies for Inflecting CFO Performance, 2004



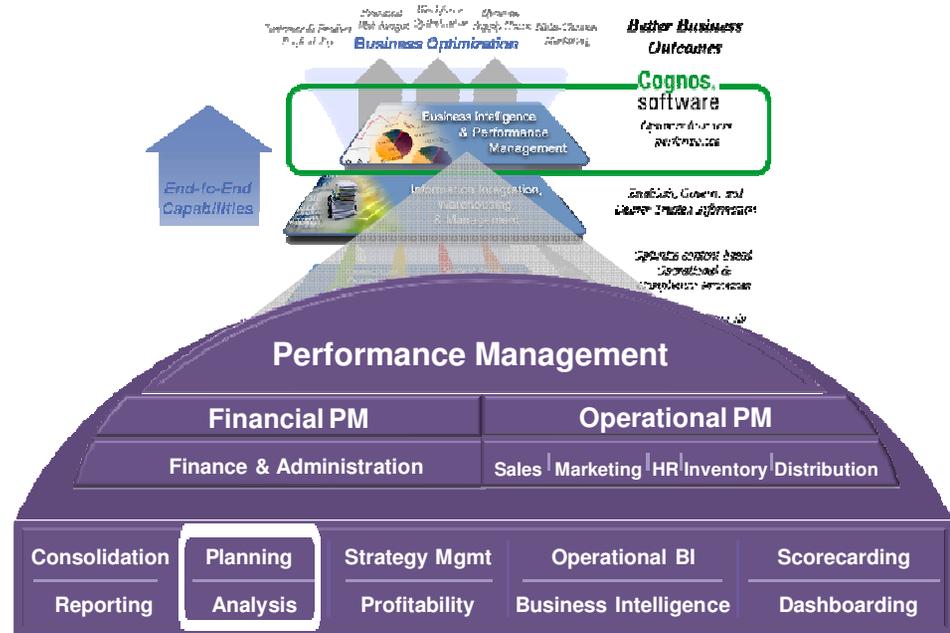
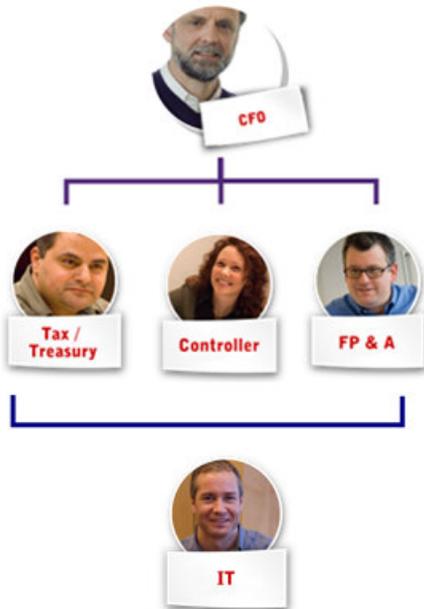
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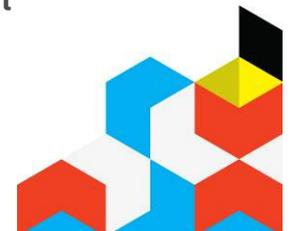
IBM Cognos Performance

IBM Cognos Performance Management System



Our Mission: Help Finance drive performance management process excellence and better business outcomes; report with confidence, accelerate alignment of resources with opportunity.

- IBM Cognos 8 Controller
- IBM Cognos TM1
- Cognos 8 Business Intelligence
- Cognos 8 Business Viewpoint
- Performance Blueprints

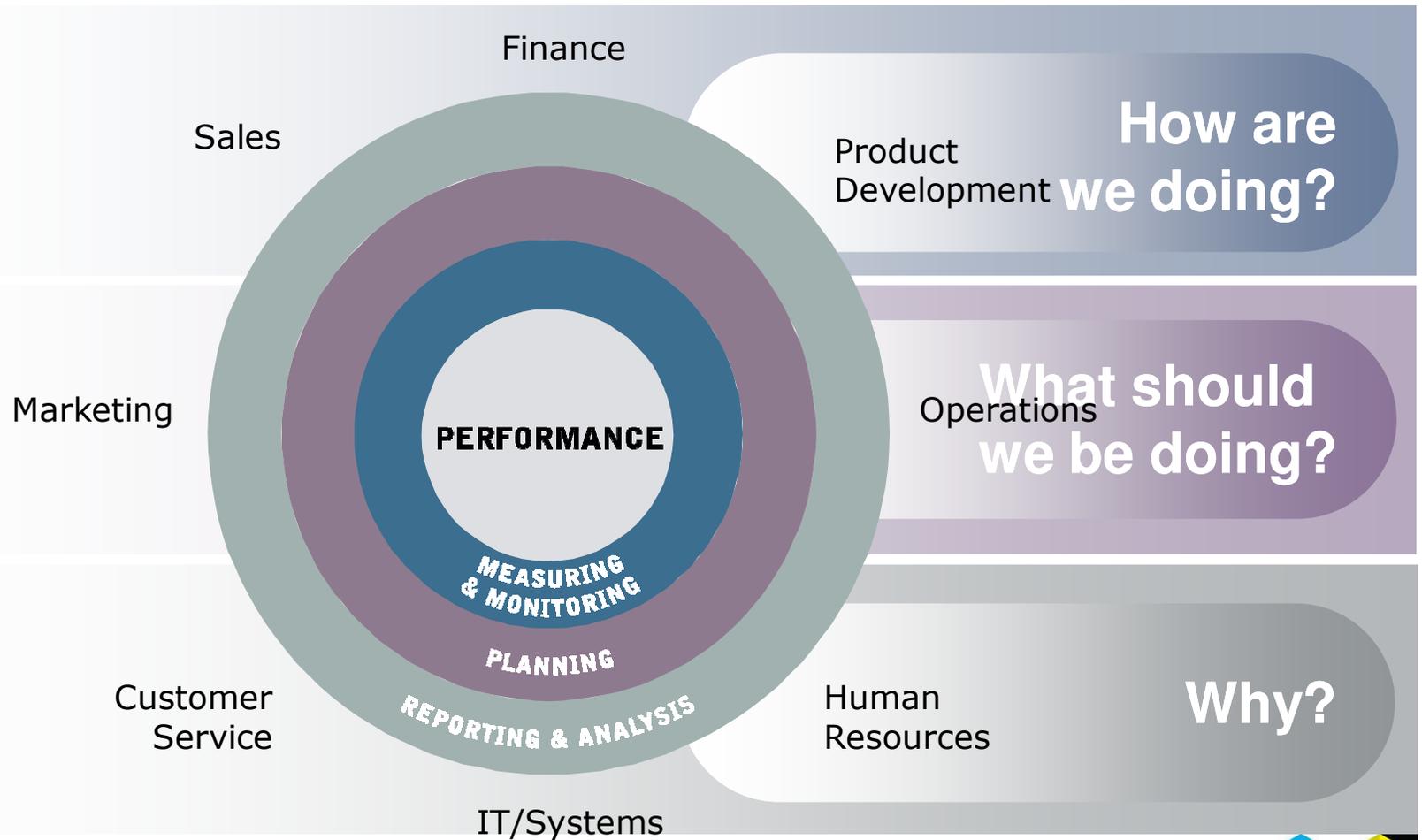


Agenda

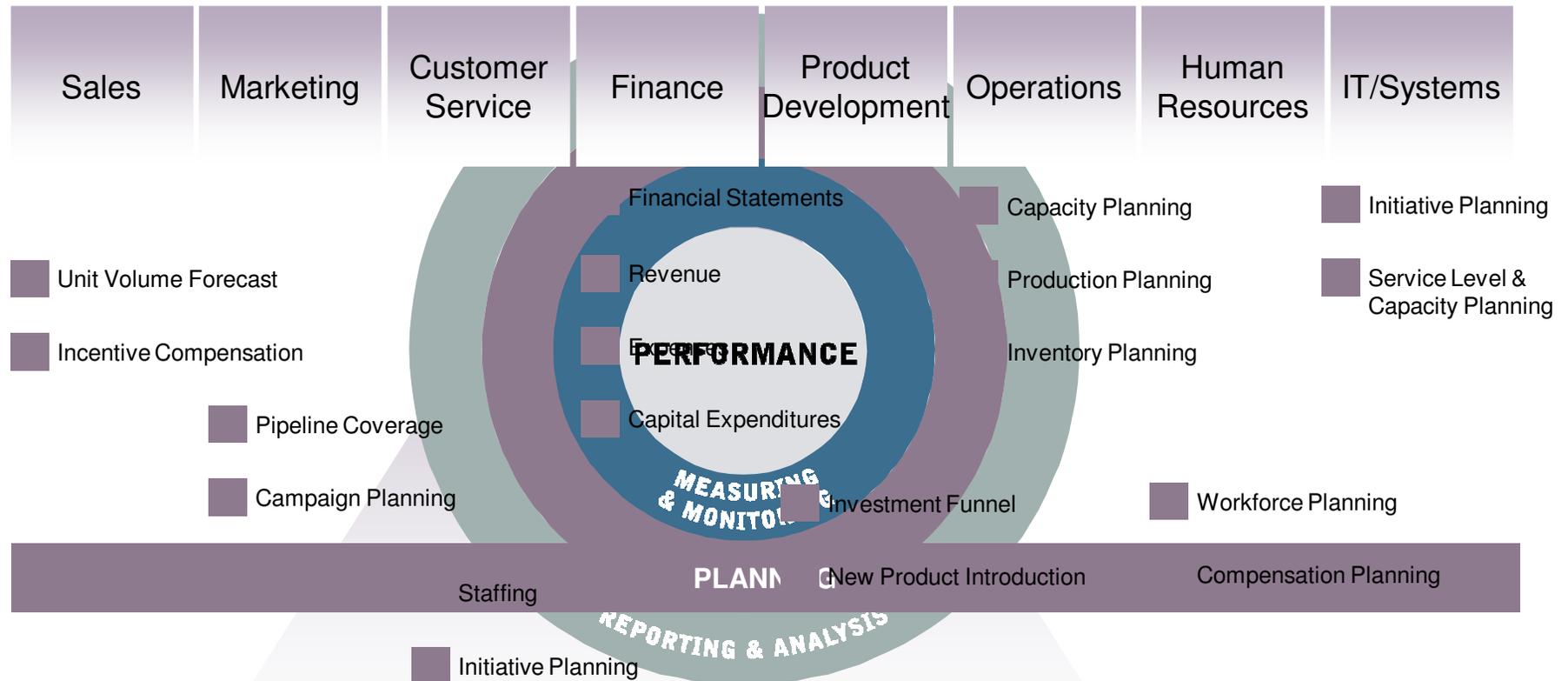
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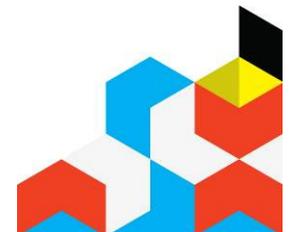
BI and Performance Management ***Plan, Understand and Optimize Performance***



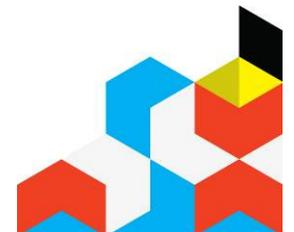
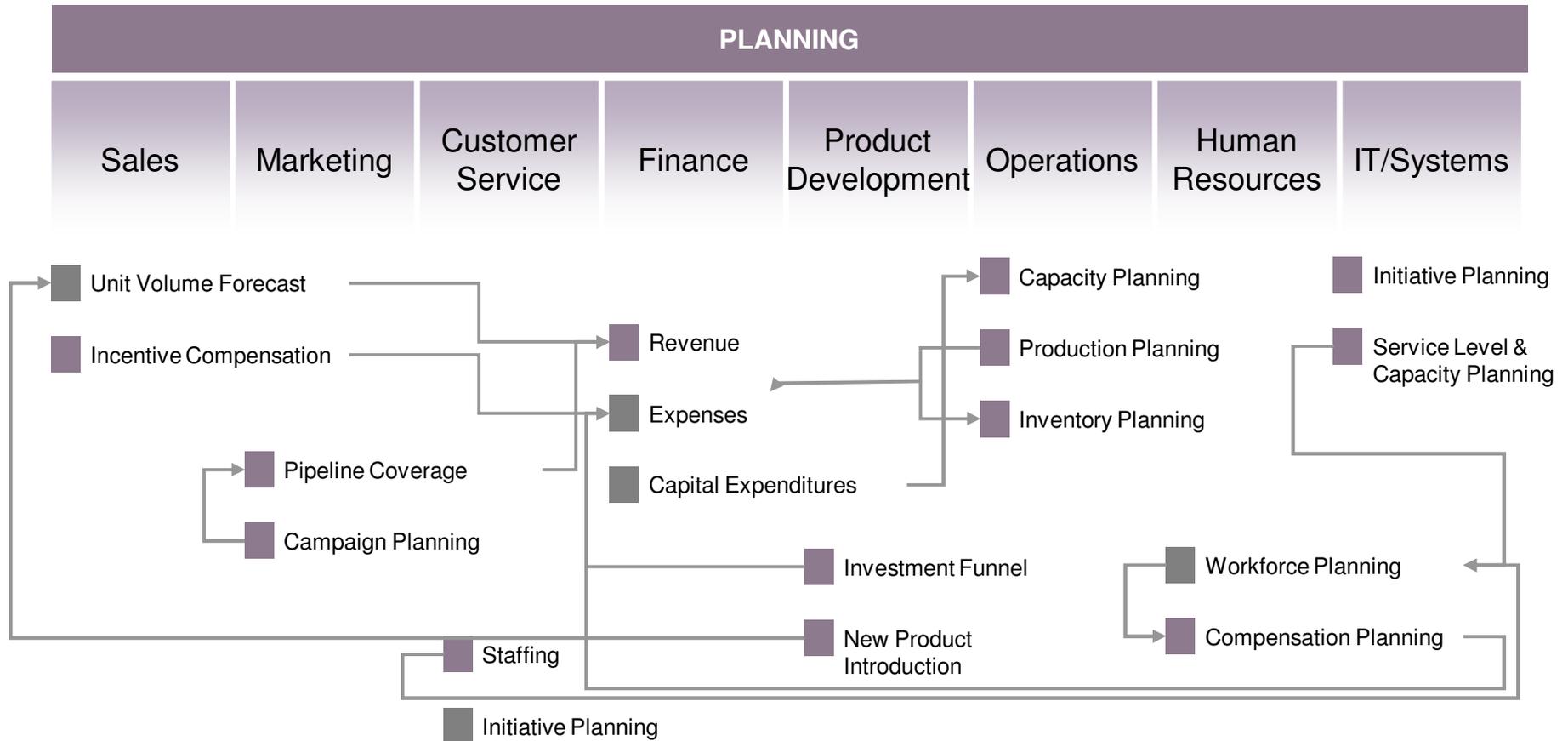
Enterprise Planning Solutions Plan, Understand and Optimize Performance



**Financial Performance
Management**



Enterprise Planning Plan, Understand and Optimize Performance



IBM Cognos Performance

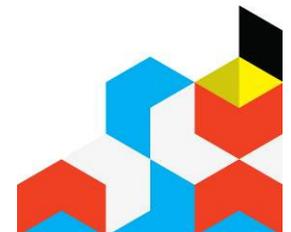
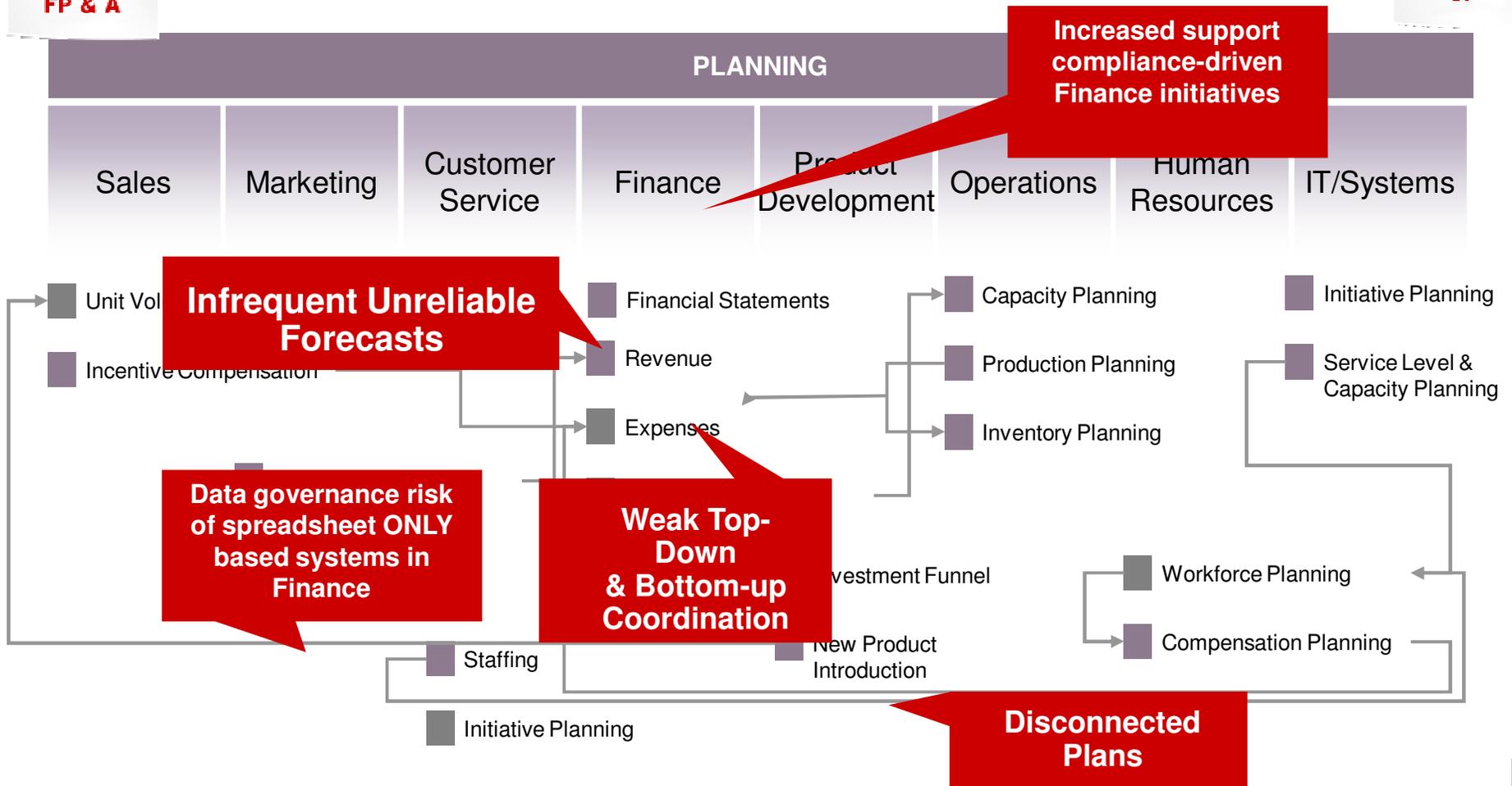


FP & A

***PAIN:** Inability to deliver timely, reliable forecasts & plans that align operational tactics with financial targets*



IT



IAP Worldwide – Emergency Support Services



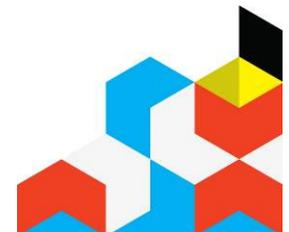
- *After 6 weeks, budgets completed*
- *IPA recently completed monthly 3-year plan in <5 weeks*
- *Project managers drill into revenues, EBITDA as % of sales, expenses, DSOs, days costs in payables*
- *Executives track trends over time, monitor aging statistics.*

Performance Pain

- Hyperion Enterprise for budgeting, forecasting lacked flexibility for quick collection/consolidation of financial data for this project-based business
- Lacked data integration needed for complex, dynamic info to manage project-based business

IBM Cognos TM1 Solution Impact

- Rapid response times on large data sets, for large nos. of users
- Accurate project tracking for future business opportunities
- Ability to create real-time, Web-based worksheets, customer dashboards



Blue Mountain



- ROI: 1822% within one month
- Reduced labor costs by \$2.5 million/year
- Fast adjustments to inventories year-to-year

Performance Pain

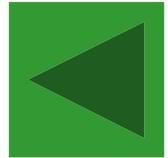
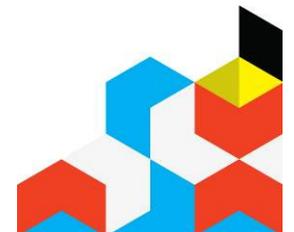
- Slow budgeting and performance management software – delayed data/slow processes
- Data across 13 units from a multiplicity of systems
- Difficult maintenance for thinly stretched IT Staff

IBM Cognos TM1 Solution Impact

- Faster, more simplified budgeting process
- Greater access to daily reports that directly affect profitability
- Analytics to identify proper staffing levels and success of marketing campaigns
- Improved inventory management



Nucleus Research
www.nucleusresearch.com



Kansas City Southern – US/Mexico railroad



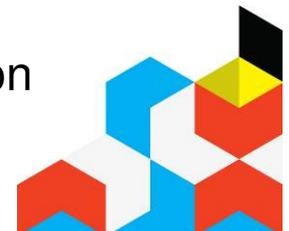
- Quarterly month-end closing reduced from 30 to 5 days
- DSO down to 30 from 70 days -- \$100 million cash in hand
- Demand for more TM1 licenses from Operations, others
- Reduction in external auditor's fees

Performance Pain

- Lacked timely, accurate internal reporting
- Complexity in merging Mexican subsidiary
- Employees overburdened with manual work leading to “leakage” mindset

IBM Cognos TM1 Solution Impact

- Visibility into detailed operating results, capital expenses
- Improved cash flow for reinvestments, increased revenues
- Recent award winner for best practices in dynamic business processes
- Reduction in Finance employee attrition



IBM Cognos Performance

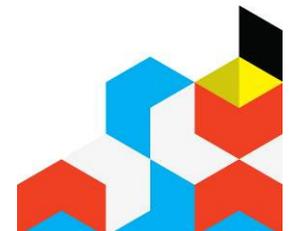
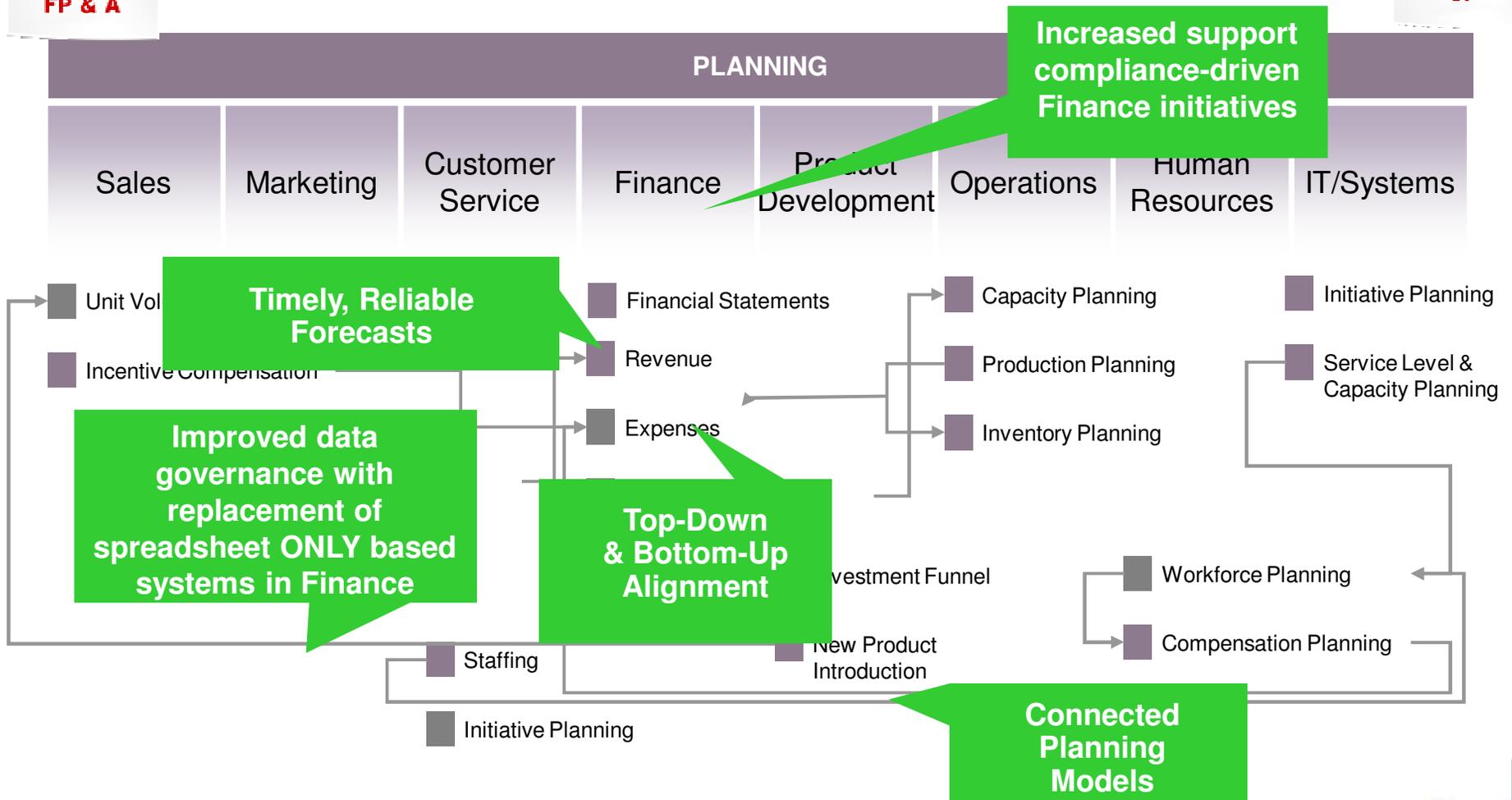


FP & A

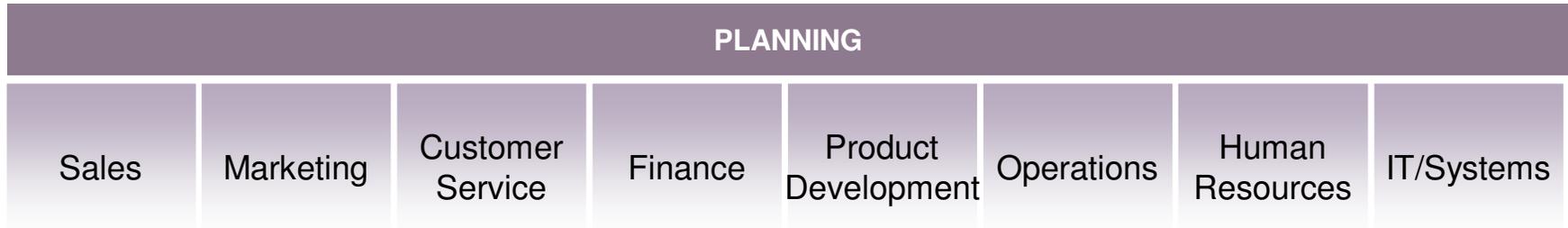
IMPACT: Timely, reliable forecasts & plans that align operational tactics with financial targets. Better, confident resource allocation decision-making.



IT



Enterprise Planning Plan, Understand and Optimize Performance



CFO



FP & A



IT

Enterprise Planning and Analysis

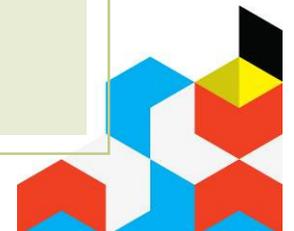
FROM

- ✗ Limited reach, low speed
- ✗ Financial - only focus
- ✗ Static, long horizons
- ✗ Inconsistent data definition

TO

- ✓ High participation, high frequency
- ✓ Driver-based, connected across finance and ops
- ✓ Rolling, Dynamic horizon
- ✓ Consistent data definitions

Owned by Finance, IT Standardsw



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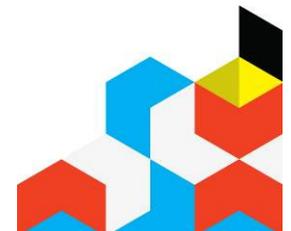
IBM Cognos Performance

IBM Cognos TM1

- A patented 64-bit read-write in-memory OLAP engine that provides **compact data storage** and exceptionally **fast performance**
- Model design and data access that presents business information in **familiar formats**
- **Ease of use**, thanks to a development environment that enables users to create sophisticated applications with no need for programming or traditional IT skills
- **An intuitive, flexible approach**, which enables users to easily express complex, multi-dimensional business rules
- **Fuses Analysis & Planning** together to provide greater accuracy
- A component of **Cognos 8 Performance Management Platform**



- IBM Cognos 8 Controller
- ➔ IBM Cognos TM1
- Cognos 8 Business Intelligence
- Cognos 8 Business Viewpoint
- Performance Blueprints



PERFORMANCE MANAGEMENT JOURNEY



Embrace and Extend Your Existing Infrastructure



IBM Cognos Performance

Automating the Planning Process

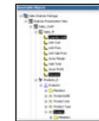
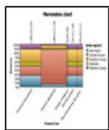


Embrace and Extend Your Existing Infrastructure

Analyze

Model

Contribution



IBM Cognos Performance

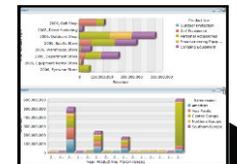
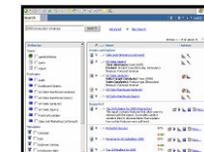
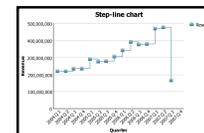
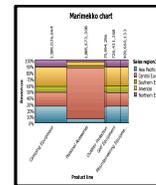
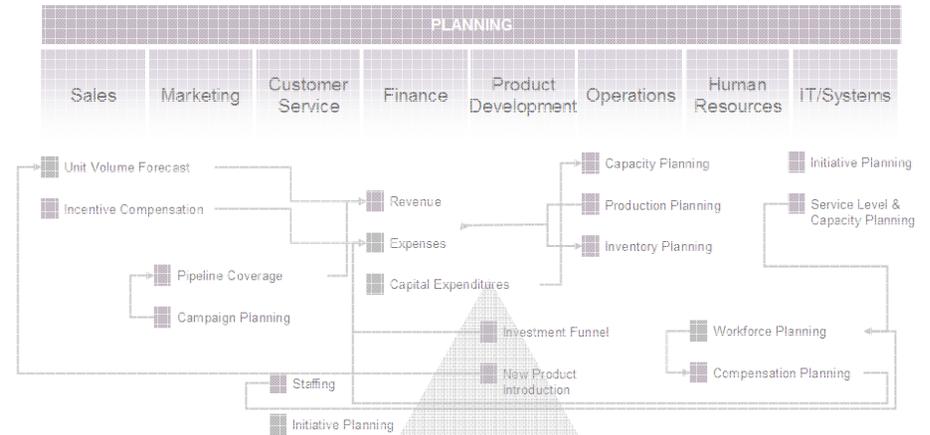
Analyze

Capabilities:

- Explore Performance Gaps
- Validate Corporate Drivers
- Define “What If” Scenarios
 - Organizational, Product Family, Product/Channel Mix
- Validate Planning Assumptions

Benefits:

- Ability to meet the dynamic needs of the organization
- Provide a fact based approach planning processes



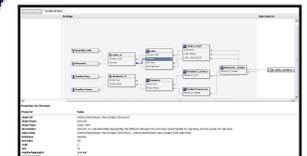
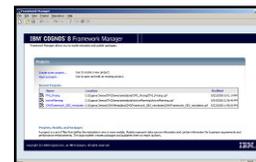
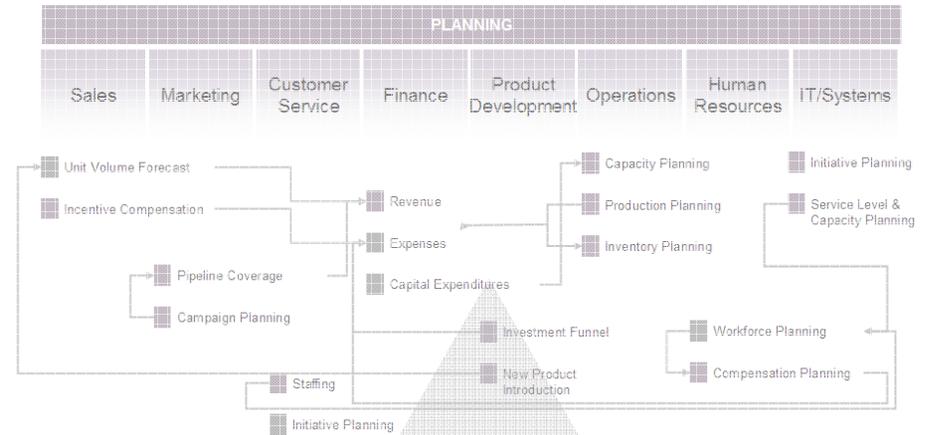
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Model **Capabilities:**

- Centralized meta-data, data and business rule definitions
- Certified connectors to SAP BW & R3
- Owned by Office of Finance
- Support of Planning Best Practices
 - Driver based Planning
 - Rolling Forecasts

Benefits:

- Ability to meet the dynamic needs of the organization
- Flexible to meet the broad requirements of financial & operational planning solutions
- Adapts to your business process
- Single version of the truth for all planning processes



IBM Cognos Performance

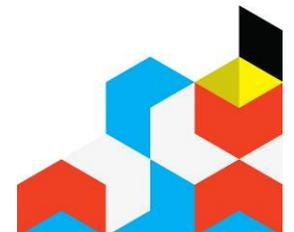
Contribution

Capabilities:

- Familiar Web & Excel Deployment
- Rich Workflow
- Application linkage
 - Start small and expand enterprise wide
- A component of Cognos 8 Performance Platform

Benefits:

- Timeframe-appropriate Plans
- High Participation & Data Volumes
- A Wider / Deeper View
- Increased accuracy



DRIVE BEST PRACTICES



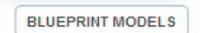
Embrace and Extend Your Existing Infrastructure

Support Best Practices

Cognos Innovation Center

Performance Blueprints

- DRIVER BASED PLANNING
- ROLLING FORECASTS
- TIMEFRAME-APPROPRIATE PLANS
- HIGH PARTICIPATION & DATA VOLUMES
- A WIDER / DEEPER VIEW



BEST-PRACTICE THOUGHT LEADERSHIP



Embrace and Extend Your Existing Infrastructure

RESEARCH, CASE STUDIES, ARTICLES



David Axson
President,
The Sonax
Group



Jeremy Hope,
BBRT



Bryan Hall
The Hackett
Group



Steve Lukens
Global Leader,
Financial
Management,
IBM

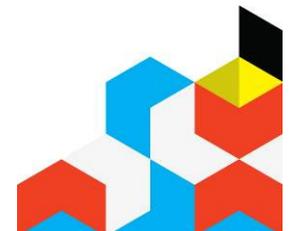
ASSETS, RESOURCES, EVENTS

Innovation Roundtables
Member Communities

Best Practices
Performance Blueprints

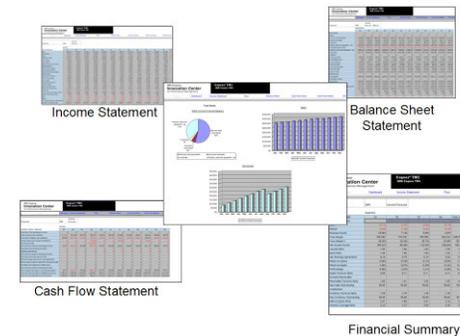
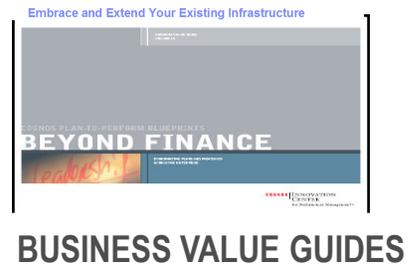
COGNOS INNOVATION
CENTER
for Performance Management™

MEMBERS AND PEER NETWORK / COMMUNITY

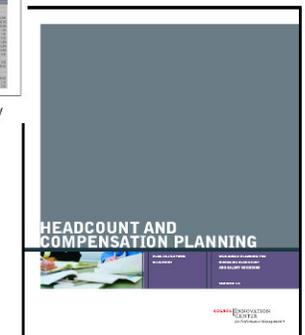


Performance Blueprints

- What they are:
 - Pre-defined data, process and policy model
 - Developed by Cognos Innovation Center
 - ...In conjunction with leading customers
 - Enables best practices
 - Driver-based
 - High Participation
 - High Frequency
 - Enables rapid time-to-value
 - Reduced project implementation time and risk



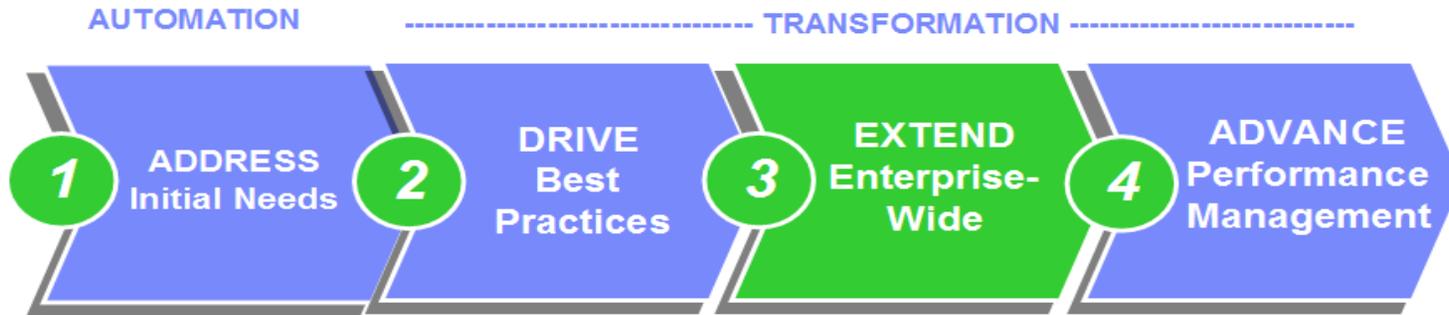
BLUEPRINT MODELS



APPLICATION BRIEFS



EXTEND Enterprise - Wide

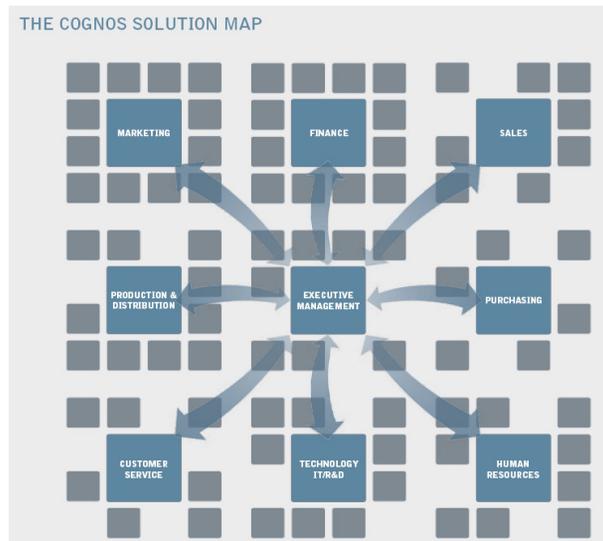


Embrace and Extend Your Existing Infrastructure

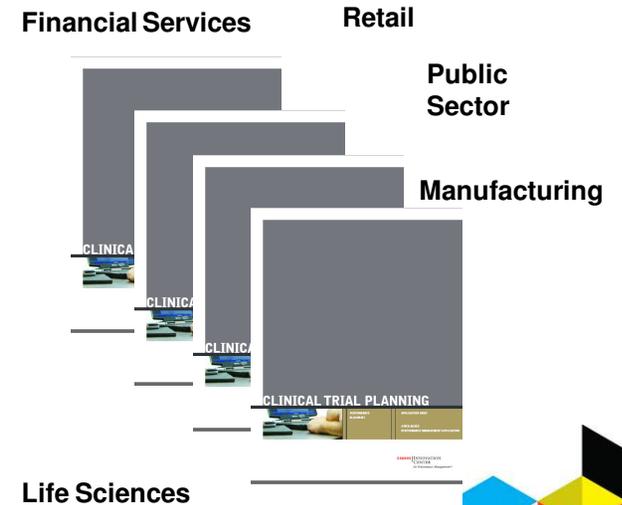
Model the Whole Business

- Link operational plans to financial plans
- Increase forecast reliability
- Performance Blueprints accelerate implementations

Cognos Solution Map



Industry Performance Blueprints

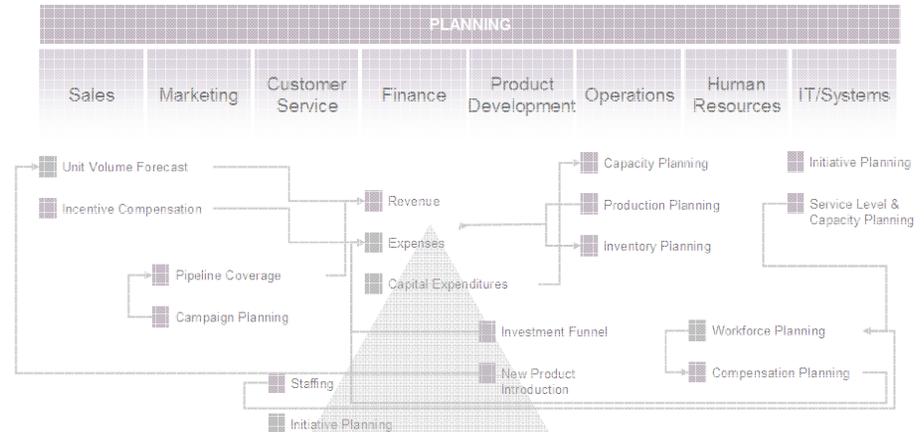


ADVANCE PERFORMANCE MANAGEMENT

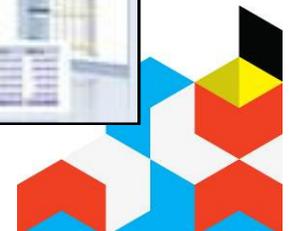
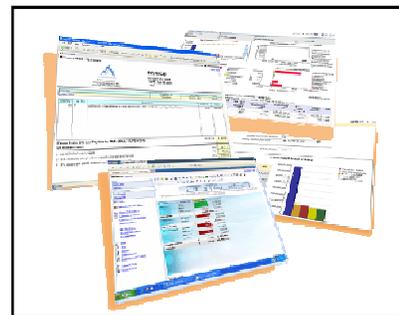
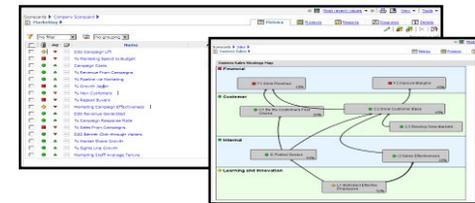


World Class:

- Financial & Management Reporting
- Consolidation
- Information Management
- Analysis
- Dashboards
- Scorecards
- Event Management



IBM Cognos 8 Performance Platform



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IBM Cognos Performance



IBM Cognos 8 v4 On Business Terms. To Your Standards.

- *Confident decisions*
- *In control*
- *Connected*



- *On business terms*
- *To IT standards*

- *On business terms*
- *To Finance standards*



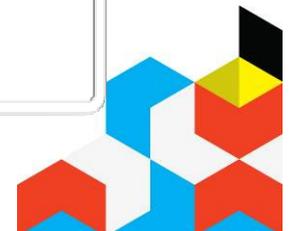
IT

{ *Informed Engaged Aligned* }



Finance

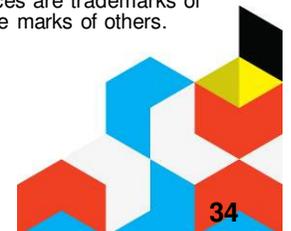
Empowers business users without compromising IT's high standards for conformance, compliance and cost effective scalability, while driving Performance Management process excellence and better business outcomes for the organization.



IBM Cognos Performance



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