



IBM Cognos 8 Supply Chain Performance Procurement Analytics

Overview

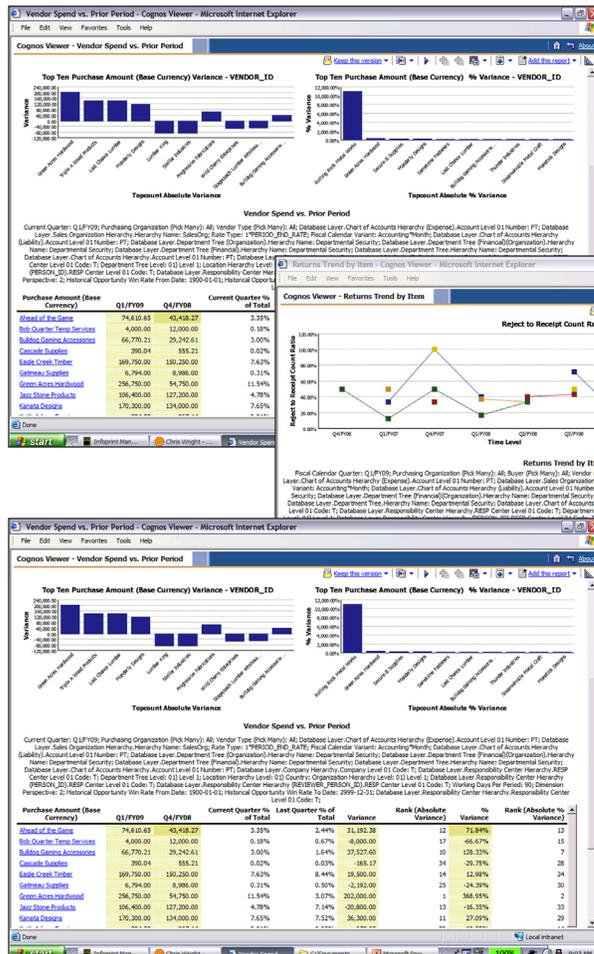
Effective supply chain management is crucial to ensuring a procurement process that keeps the business humming in the most efficient way possible. As cost containment becomes ever more important to organizational performance, procurement is increasingly identified as an area of opportunity.

IBM Cognos 8[®] Supply Chain Performance Procurement Analytics helps procurement decision-makers closely assess their suppliers' ability to deliver products and services in accordance to their contractual obligations and the business goals of their organization. It also provides greater insight into overall spend – all in a ready-made package that fits the unique way procurement professionals work.

Faster Insight, Smarter Procurement Decisions

Despite the bold promises of cost savings heralded by some procurement software vendors, few organizations have fully realized their benefits. In a 2007 survey of CFOs and CPOs (Chief Procurement Officers), the Aberdeen Group says, "Procurement by its own admission fails to implement 21% of the savings

identified from its sourcing efforts." Even grimmer, Aberdeen says finance can only account for 3.2% of booked savings reported by procurement. Adding to this is the growing complexity of global supplier network and the need to mitigate risk. The Corporate Executive Board's Procurement Strategy Council reports that 20%



Vendor Spend vs. Prior Period

Returns Trend by Item

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of a company's market value can be instantly destroyed by supplier infractions committed across the extended supply network. With greater pressure to lower costs and manage working capital, procurement professionals are instrumental in helping their organizations rationalize suppliers, drive down costs and leverage low cost sources of supply to be more competitive.

Enter IBM Cognos 8 Supply Chain Performance Procurement Analytics, a packaged BI application that provides insight into supplier performance and spend. It incorporates configured reporting and analysis that enables you to answer key procurement questions using the following business drivers:

- **Price/quality balance** to source goods cost-effectively, while maximizing buying power and supplier quality
- **Supply consistency** to strengthen the supply chain by knowing when to move from tactical procurement to strategic supplier relationships
- **Cost containment** to streamline the delivery of the required supply
- **Demand planning** to evaluate and improve purchasing and material management processes, policies, and strategies

The Value for Procurement

Unique in the market, IBM Cognos 8 Supply Chain Performance Procurement Analytics has been built from the ground up to meet the unique needs of procurement professionals – no programming or advanced knowledge of BI required. Indeed, traditional methods of achieving this level of insight are often based on an IT services model, which can be time consuming and resource intensive. Competing BI solutions, meanwhile, address this issue somewhat by beginning to move such capability closer to the procurement professionals who require it. But these solutions require a high degree of customization and end-user training to provide role-focused insight into supplier and spending performance.

IBM Cognos 8 Supply Chain Performance Procurement Analytics provides easy-to-use packaged reports and analysis that can source critical information from multiple sources in the following areas:

- **Spend Analysis.** Ensures goods are optimally sourced to maximize purchasing power by understanding buying patterns from key performance indicators, such as item and vendor contribution to total spend

- **Vendor Analysis.** Turns your vendors into strategic sources for key commodities, while maximizing corporate buying power by analyzing your buying patterns and how well your suppliers are responding to your needs
- **Contract Management.** Evaluates adherence to contractual terms as well as non-compliance and their costs
- **Operational Efficiency.** Identifies opportunities to consolidate or redistribute purchasing across buyers by evaluating buyer volume, budget distribution and buyer/vendor relationships

Supplier and Spend Visibility

IBM Cognos 8 Supply Chain Procurement Analytics gives organizations greater visibility into supplier and spending performance. It delivers procurement and reporting analysis that keeps track of your extended supplier network, its overall performance and cost to your organization.

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The result: Your people have insight that saves money and drives more effective supply chain management thanks to the following capabilities:

- Consistent measurement and integrated analysis using packaged reports
- Capacity to source information from multiple data sources
- Reporting and analysis that are easy-to-use, easy-to-change, easy-to-maintain and scalable
- Multi-dimensional reporting that takes static ERP and other data sources and provides business insight into performance using best-practice, out of the box reporting and analysis

As your supply chain evolves at ever increasing speed, IBM Cognos 8 Supply Chain Procurement Analytics allows your people to engage in a deeper level of analysis that in turn drives better, faster decisions and saves your company money.

The Value for IT

IBM Cognos 8 Supply Chain Performance Procurement Analytics is a configurable application that seamlessly integrates into your existing technology environment, simplifying the delivery of relevant and reliable information on supplier and spend issues. It transforms operational data from information that's often locked in ERP systems into actionable insight, with easy-to-use standard reports.

As the application transforms the data, it adds business value by calculating additional business information and key performance indicators that don't exist natively in your ERP systems. It can also streamline the management of report and analysis changes, eliminating much of the substantial coding, customizing and interpreting of data required by other vendors' solutions. This ensures that business users have access to continuously relevant reporting content that is capable of adapting to changing business and market conditions.

For IT organizations, this approach minimizes their role in the management and configuration of new reports. This application's packaged reports also provide greater self-service capability to the business user, further enabling IT staff to focus on more value-added activities.

Lastly, because IBM Cognos 8 BI has been architected as an open, enterprise-class platform, IT can more effectively and easily administer the solution, configure reporting changes on the fly and leverage their BI investment.



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IBM Cognos business intelligence (BI) and performance management solutions deliver world-leading enterprise planning, consolidation and BI software, support and services to help companies plan, understand and manage financial and operational performance. IBM Cognos solutions bring together technology, analytical applications, best practices, and a broad network of partners to give customers an open, adaptive and complete performance solution. Over 23,000 customers in more than 135 countries around the world choose IBM Cognos solutions.

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