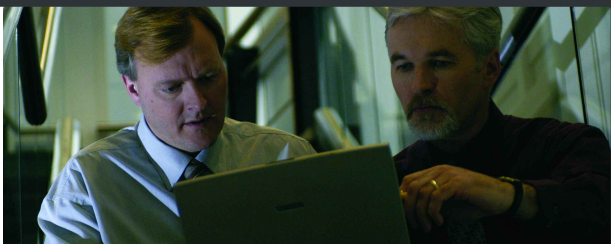


ALLOCATIONS



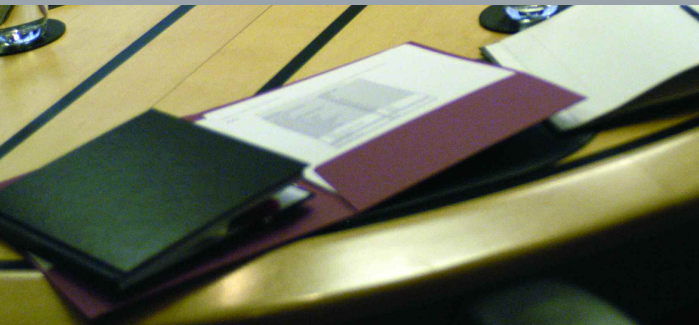
**PLAN-TO-PERFORM
BLUEPRINT**

**A WEB-BASED PROCESS FOR
ALLOCATING EXPENSES**

**A COGNOS INNOVATION CENTER
ENTERPRISE PLANNING
APPLICATION BRIEF**

EXECUTIVE SUMMARY

This application brief demonstrates best practices for managing allocations using Cognos Planning. By implementing this *Blueprint*, a company will have forward-looking visibility into expense decisions at the divisional level and at the company level overall. The *Allocations Blueprint* uses projections in the *Expense Planning and Control (2.0) Blueprint* as well as actual history to drive the planning process of the organization. The *Blueprint* allocates cost-center expenses to profit centers. The processes described in this document are generic for expenses in any industry in the US, but can be configured to support the complexity of fixed and variable expense requirements for any industry across many countries.



OVERVIEW

With the exception of revenue, expenses are often the main focus on a company's profit and loss statement. At the corporate level, best efforts are taken to manage expenses and set guidelines. At the divisional level, line managers make expense decisions to optimize the efficiency and output of their staff. Collaboration needs to occur on a forward-looking basis so that divisional level decisions are in line with corporate expectations.

The *Allocations Blueprint* allows cost-center managers to allocate all or part of their expenses to the appropriate profit centers. Within the *Allocations Blueprint*, profit-center managers collaborate with cost-center managers to either accept or reject the proposed allocations.

For example, the head of the IT cost center allocates a percentage of the center's expenses—brought in from the *Expense Planning and Control (2.0) Blueprint*—to the various profit centers using his or her services. The *Blueprint* calculates actual dollars as a proposed allocation and gives the receiver an opportunity to accept or reject the allocated expenses. After running through the allocation engine, these expenses are returned as either expenses allocated or expenses received within the original *Expense Planning and Control (2.0) Blueprint*.

The *Blueprint* requires very little input from the user yet returns a great deal of information for their effort. Each user has only one tab that requires input. The *Cost Center to Profit Center* tab is used by both the assignor and receiver of the expense allocations.

A cost-center manager sees a tab view that enables assignment of a *Proposed Allocation %* or *Proposed Allocation \$'s* to each of the available profit centers. The cost-center manager may allocate all or a portion of their expenses.

A profit-center manager sees an *Allocations Blueprint* view that displays all the cost centers that are proposing to allocate expenses to them. For each cost center, they see *Proposed Allocation %*, the percent of total dollars being allocated to their profit center, and *Proposed Allocation \$'s*, the actual dollar amount the cost-center manager wishes to allocate to them. The profit-center manager can then accept or reject the proposed allocation on a monthly basis. After the cost-center and profit-center managers have completed their entries, the administrator runs a macro that records each center's results back into the original expense model. Cost centers see expenses allocated out as well as expenses that were rejected, and profit centers notice the arrival of the expenses they've agreed to.

BLUEPRINT OBJECTIVES

The *Allocations Blueprint* achieves a number of planning objectives:

- Manages expenses by assigning (allocating) them to the appropriate profit centers.
- Demonstrates a collaborative environment to allocate expenses equitably based upon both historical patterns and user input from both cost-center managers and profit-center managers.
- Consolidates expenses allowing for seamless planning.
- Links expense projections between departments so as to assign expense to appropriate profit centers.
- Demonstrates Cognos Planning *Contributor to Contributor* links.
- Uses Cognos Planning system links functionality.
- Demonstrates internal transfer planning capabilities.
- Demonstrates the use of macros within a Cognos Planning PAD (Planning Application Domain).

COGNOS PLANNING KEY BENEFITS

- Flexible and powerful model development. The Cognos Analyst component supports any business planning or customizing of the *Allocations Blueprint*.
- Web-based deployment of models for process workflow, data collection, and consolidation.
 - Real-time workflow.
 - Real-time consolidation.
 - Real-time calculations in the browser for immediate results.
 - Industry-leading *what-if* features for the most accurate plans, budgets, and forecasts.
- Scalable architecture with proven deployments to thousands of users.
- Easy links to financial and operational plans facilitating cross-enterprise collaboration.
- Ensured accuracy of plans using form-based planning with selection boxes to drive application logic and calculations.

REPRESENTATIVE WORKFLOW

The *Allocations Blueprint* is designed to be used by cost-center managers and profit-center managers in a collaborative environment that enables equitable expense allocations based upon both historical patterns and user input.

The following sections of this document describe the basic workflows in which:

- A cost-center manager proposes a set of expense allocations to a profit center manager.
- The profit-center manager accepts or rejects expense allocation proposals.
- The cost-center manager reviews total expense forecasts net of allocations.
- The profit-center manager reviews total expense forecasts net of allocations.

Cost-Center-to-Profit-Center Allocations

This workflow illustrates how a cost-center manager would propose a set of expense allocations to a variety of profit centers.

The screenshot shows the 'Expense Allocation Engine' application window. The title bar reads 'Expense Allocation Engine | Reviews | US IT - Cognos Planning - Contributor'. The menu bar includes 'File', 'Edit', 'View', 'Tools', 'Actions', and 'Help'. Below the menu bar is a toolbar with various icons. The main window displays a 'Cost Center to Profit Center' tab. At the top of the grid, there are two dropdown menus: 'Proposed Allocation %' and 'Current Forecast'. The grid itself has columns for months from Jan-04 to Mar-05, and a 'Total 2004' column. The rows represent different cost centers and their allocations to various profit centers.

	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Total 2004	Jan-05	Feb-05	Mar-05	pr-05
US IT	100.0%	50.0%	78.4%	93.0%	75.6%	81.8%	87.4%	87.4%	87.4%	87.4%	87.4%	87.4%	83.6%	85.0%	85.0%	85.0%	
IT to Northeast	20.0%	10.0%	13.4%	33.0%	15.1%	16.8%	22.4%	22.4%	22.4%	22.4%	22.4%	22.4%	20.3%	20.0%	20.0%	20.0%	
IT to Southeast	20.0%	10.0%	20.0%	15.0%	15.1%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	18.3%	20.0%	20.0%	20.0%	
IT to Midwest	20.0%	10.0%	15.0%	15.0%	15.1%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	
IT to Northwest	20.0%	10.0%	20.0%	15.0%	15.1%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	18.3%	20.0%	20.0%	20.0%	
IT to Southwest	20.0%	10.0%	10.0%	15.0%	15.1%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	11.7%	10.0%	10.0%	10.0%	

At the bottom right of the window, it says 'Current owner: None'.

The *Cost Center to Profit Center* tab is where all the work is done within the *Allocations Blueprint*. The first step in working with the *Blueprint* is to have the cost-center manager log on and enter into the grid the percentages of cost-center's expenses assignable to each profit center. In the above example, US IT is allocating out 100 percent of their expenses across five profit centers in Jan-04, and 50 percent of their expenses in Feb-04. The Northeast Sales profit center, designated in the e-list as *IT to Northeast*, is allocated 20 percent of the cost center's expenses in January, 10 percent in February, 13.4 percent in March, etc. A Cognos Planning system link has been set up to allow the user to copy *Proposed Allocation %* from the *Prior Forecast* to the *Current Forecast* version. Modifications may then be made to the populated *Current Forecast*. Upon completion of this step, and following profit-center manager (receiver) input, the *Total Allocated Dollars* will be linked back into the *Expense Planning and Control (2.0)* model as *Expense Allocated Out to Profit Centers* on the *Expense Detail and Expense Detail (by category)* tabs.

Expense Allocation Engine | Reviews | US IT - Cognos Planning - Contributor

File Edit View Tools Actions Help

Cost Center to Profit Center

US IT Current Forecast

	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Total 2004
Proposed Allocation %	100.0%	50.0%	78.4%	93.0%	75.6%	81.8%	87.4%	87.4%	87.4%	87.4%	87.4%	87.4%	83.6%
Proposed Allocation \$'s	188,160	88,888	168,491	166,452	149,588	175,275	211,979	202,839	219,727	200,215	191,984	235,357	2,198,955
Total Allocated Dollars	188,160	53,333	139,738	166,452	149,588	175,275	211,979	202,839	219,727	200,215	191,984	121,115	2,020,404
Total Cost Center Dollars	188,160	177,777	214,981	178,979	197,816	214,182	242,411	231,958	251,271	228,957	219,545	269,145	
Allocated Dollars rejected	0	35,555	28,753	0	0	0	0	0	0	0	0	114,242	178,551

Current owner: None

The above view is a re-orientation of the tab allowing the cost-center manager to see the percentages, proposed allocation dollars, and the results from the receiver's (profit-center manager's) actions. In February, this manager had proposed allocating 50 percent of expenses or \$88,888: Of that amount, \$53,333 has been accepted and \$35,555 has been rejected. The cost-center manager can investigate the \$35,555 further by simply re-orientating the tab.

Expense Allocation Engine | Reviews | US IT - Cognos Planning - Contributor

File Edit View Tools Actions Help

Cost Center to Profit Center

Feb-04 Current Forecast

	US IT	IT to Northeast	IT to Southeast	IT to Midwest	IT to Northwest	IT to Southwest
Proposed Allocation %	50.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Proposed Allocation \$'s	88,888	17,778	17,778	17,778	17,778	17,778
Allocation Accepted?		No	No	No	No	No
Total Allocated Dollars	53,333	0	17,778	0	17,778	17,778
Total Cost Center Dollars	177,777	177,777	177,777	177,777	177,777	177,777
Allocated Dollars rejected	35,555	17,778	0	17,778	0	0

Current owner: None

The Northeast sales manager (IT to Northeast) rejected IT's allocation proposal in February for \$17,778, while the Midwest manager (IT to Midwest) rejected IT's proposal for \$17,778 resulting in a total rejected amount of \$35,555. See how the Northeast sales manager went about rejecting this allocation:

COST CENTER TO PROFIT CENTER

This workflow illustrates how a profit-center manager would review, accept, or reject the proposed expense allocations from a variety of cost centers that support the manager’s requirements.

	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Total 2004	Jan-05	b-l
Total	100.0%	90.0%	93.4%	113.0%	95.1%	96.8%	102.4%	102.4%	102.4%	102.4%	102.4%	102.4%	100.3%	100.0%	
IT to Northeast	20.0%	10.0%	13.4%	33.0%	15.1%	16.8%	22.4%	22.4%	22.4%	22.4%	22.4%	22.4%	20.3%	20.0%	
Marketing to Northeast	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	
Finance to Northeast	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	
HR to Northeast	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	
Admin to Northeast	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	

The profit-center managers view of the *Cost Center to Profit Center* tab shows the allocations made to that center by the assorted cost centers. Here the Northeast profit-center manager may view and reject allocations made to it by other cost-center managers. In the above view, the profit-center manager may see that the IT department manager is allocating 20 percent of their expenses to them in Jan-04 and 10 percent in Feb-04, etc. Likewise, the proposed allocations of other departments may be seen: Marketing is proposing to allocate 30 percent of expenses across the board and finance is looking to allocate 20 percent of expenses each month.

This *Allocation Blueprint* enables cost-center managers to assign percentages in the allocation process. It would be quite simple to allocate expenses based upon any available methodology such as headcount, revenue, square footage, etc. As an example, the number of PCs operated by each profit center could be linked in by month, and the cost-center expenses could be allocated or broken back on that basis.

By re-orientating the view of this tab, the profit-center manager may elect to reject any expenses allocated that seem inappropriate.

	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Total 2004	Jan-05	Feb-05
Proposed Allocation %	20.0%	10.0%	13.4%	33.0%	15.1%	16.8%	22.4%	22.4%	22.4%	22.4%	22.4%	22.4%	20.3%	20.0%	20.0%
Proposed Allocation \$'s	37,632	17,778	28,753	59,064	29,918	36,057	54,412	52,066	56,401	51,393	49,280	60,413	533,167	47,342	54,412
Allocation Accepted?	Yes	No	No									No			
Total Allocated Dollars	37,632	0	0	59,064	29,918	36,057	54,412	52,066	56,401	51,393	49,280	0	426,223	47,342	54,412
Total Cost Center Dollars	188,160	177,777	214,981	178,979	197,816	214,182	242,411	231,958	251,271	228,957	219,545	269,145		236,708	271,000
Allocated Dollars rejected	0	17,778	28,753	0	0	0	0	0	0	0	0	60,413	106,944	0	0

In the above view, the manager for the Northeast profit center has rejected the proposed allocations in Feb-04, Mar-04, and Dec-04 by selecting “No” from the drop-down list provided in the *Allocation Accepted?* field. In this model, not making a selection is the same as accepting the allocation. Therefore, the model requires no input from profit-center managers unless they wish to reject a proposed allocation.

As changes are made, they are highlighted in BLUE fonts along with any cells affected by the change. When changes to this tab are made and saved, expense impacts are made automatically to the views of other users and, upon the running of a Cognos Planning Admin macro, will be reflected in the original *Expense Planning and Control (2.0) Blueprint*.

Fields in gray are non-editable. They provide read-only information or are linked over from other applications or sources. Fields in white are editable and—on this tab—the profit-center manager chooses whether or not to accept the *Proposed Allocation \$*. On the cost-center manager’s view, the writable fields would be *Proposed Allocation %* or *Proposed Allocation \$'s*.

In the *Allocations Blueprint*, the cost-center manager may propose allocations by entering either a percentage or a dollar amount. Entering one will automatically calculate the other.

By making simple selection and entering minimum data, an *Allocations Blueprint* user allocates expenses from *Expense Planning and Controls (2.0)* to the appropriate centers and in the correct ratios.

As shown below, by again re-orientating the tab, a profit-center manager may view all the expenses being allocated to that center.

	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Total 2004	Jan-05
Total	202,014	114,330	144,522	227,355	173,292	179,078	217,724	199,680	224,673	199,380	128,571	117,982	2,128,601	20
IT to Northeast	37,632	0	0	59,064	29,918	36,057	54,412	52,066	56,401	51,393	49,280	0	426,223	4
Marketing to Northeast	68,785	63,927	60,875	65,305	69,814	67,617	79,690	70,571	70,749	70,445	0	77,870	765,648	7
Finance to Northeast	33,616	0	32,840	46,003	24,509	25,140	27,224	24,548	39,756	23,897	22,655	0	300,187	2
HR to Northeast	38,484	26,687	27,854	35,807	32,414	33,246	38,474	36,019	40,508	37,751	41,675	40,113	429,031	3
Admin to Northeast	23,496	23,715	22,953	21,177	16,638	17,017	17,923	16,476	17,259	15,895	14,962	0	207,512	1

Or, conversely, a manager may orientate the tab to view the *Allocated Dollars* rejected.

	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Total 2004	Jan-05	Feb-05	Mar-05
Total	0	58,906	28,753	0	0	0	0	0	0	0	69,945	94,375	251,980	0	0	0
IT to Northeast	0	17,778	28,753	0	0	0	0	0	0	0	0	60,413	106,944	0	0	0
Marketing to Northeast	0	0	0	0	0	0	0	0	0	0	69,945	0	69,945	0	0	0
Finance to Northeast	0	41,129	0	0	0	0	0	0	0	0	0	20,542	61,671	0	0	0
HR to Northeast	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Admin to Northeast	0	0	0	0	0	0	0	0	0	0	0	13,420	13,420	0	0	0

Note that expenses are calculated in the local currency for each cost center. In the *Expense Planning and Control (2.0) Blueprint*, the local currency is converted into a corporate standard. In our *Blueprints* the standard is US dollars, but could be changed to accommodate any currency as the standard.

COST CENTER TO PROFIT CENTER

This workflow illustrates how a cost-center manager might review the response from the profit-center managers to the original proposed expense allocations.

	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Total 2004	Jan-05
Proposed Allocation %	20.0%	10.0%	13.4%	33.0%	15.1%	16.8%	22.4%	22.4%	22.4%	22.4%	22.4%	22.4%	20.3%	20.0%
Proposed Allocation \$'s	37,632	17,778	28,753	59,064	29,918	36,057	54,412	52,066	56,401	51,393	49,280	60,413	533,167	47,342
Allocation Accepted?	Yes	No	No										No	
Total Allocated Dollars	37,632	0	0	59,064	29,918	36,057	54,412	52,066	56,401	51,393	49,280	0	426,223	47,342
Total Cost Center Dollars	188,160	177,777	214,981	178,979	197,816	214,182	242,411	231,958	251,271	228,957	219,545	269,145		236,708
Allocated Dollars rejected	0	17,778	28,753	0	0	0	0	0	0	0	0	60,413	106,944	0

A cost-center manager returning to the application after profit-center managers have made their entries will be able to review the results of proposed allocations. In the above example, the manager notices that the Northeast's manager rejected the proposed allocations in Feb-04, Mar-04, and Dec-04. The profit-center manager could have annotated the cells to provide a reason for the rejections if desired. Note below (on page 12) how the allocated dollars are viewable in the *Expense Planning and Control (2.0) Blueprint*. The tab above is where a cost-center manager would see exactly who rejected what expense amounts when.

A better view of the information is illustrated below.

	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Total 2004	Jan-05
Proposed Allocation %	20.0%	10.0%	13.4%	33.0%	15.1%	16.8%	22.4%	22.4%	22.4%	22.4%	22.4%	22.4%	20.3%	20.0%
Proposed Allocation \$'s	37,632	17,778	28,753	59,064	29,918	36,057	54,412	52,066	56,401	51,393	49,280	60,413	533,167	47,342
Allocation Accepted?	Yes	No	No										No	
Total Allocated Dollars	37,632	0	0	59,064	29,918	36,057	54,412	52,066	56,401	51,393	49,280	0	426,223	47,342
Total Cost Center Dollars	188,160	177,777	214,981	178,979	197,816	214,182	242,411	231,958	251,271	228,957	219,545	269,145		236,708
Allocated Dollars rejected	0	17,778	28,753	0	0	0	0	0	0	0	0	60,413	106,944	0

It is clear—by profit center—who rejected the allocations and when.

	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Total 2004	Jan-05
Proposed Allocation %	20.0%	10.0%	20.0%	15.0%	15.1%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	18.3%	20.0%
Proposed Allocation \$'s	37,632	17,778	42,996	26,847	29,918	42,836	48,482	46,392	50,254	45,791	43,909	53,829	486,664	47,342
Allocation Accepted?												No		
Total Allocated Dollars	37,632	17,778	42,996	26,847	29,918	42,836	48,482	46,392	50,254	45,791	43,909	0	432,835	47,342
Total Cost Center Dollars	188,160	177,777	214,981	178,979	197,816	214,182	242,411	231,958	251,271	228,957	219,545	269,145		236,708
Allocated Dollars rejected	0	0	0	0	0	0	0	0	0	0	0	53,829	53,829	0

Looking at the IT to Southeast page, note that the profit-center manager has entered an annotation explaining why the Dec-04 allocation was rejected. By mousing over the allocation's red note symbol, the annotation is displayed.

	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Total 2004	Jan-05
Proposed Allocation %	20.0%	10.0%	20.0%	15.0%	15.1%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	18.3%	20.0%
Proposed Allocation \$'s	37,632	17,778	42,996	26,847	29,918	42,836	48,482	46,392	50,254	45,791	43,909	53,829	486,664	47,342
Allocation Accepted?												No		
Total Allocated Dollars	37,632	17,778	42,996	26,847	29,918	42,836	48,482	46,392	50,254	45,791	43,909	0	432,835	47,342
Total Cost Center Dollars	188,160	177,777	214,981	178,979	197,816	214,182	242,411	231,958	251,271	228,957	219,545	269,145		236,708
Allocated Dollars rejected	0	0	0	0	0	0	0	0	0	0	0	53,829	53,829	0

Note

Date : 6/9/2005 12:43:41 PM

User : richardj

Value : No

Decreased sales in December make it difficult to absorb this expense as per our discussion.

Returning to the *Expense Planning and Control (2.0) Blueprint* after having run the Cognos Planning Admin macro in the *Allocations Blueprint*, it is possible to view the cost-center and profit-center managers' expense forecasts net of allocations.

From a cost-center manager's view:

Expense Allocation Contributions US IT - Cognos Planning - Contributor												
File Edit View Tools Actions Help												
Drivers Expense Detail Expense Detail (by Category) Expense Baseline Manual Entry Expense Summary Corporate Driver Driver Based Rates												
US IT Current Forecast Local Currency												
Profile	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	lov-0
Tuition Reimbursement	360	450	495	450	495	540	540	630	585	630		
Severance	496	620	682	620	682	744	744	868	806	868		
Total Employee Compensation	91,747	112,934	123,528	112,934	123,528	134,121	134,121	155,308	144,715	155,308		15
Life	794	993	1,092	993	1,092	1,191	1,191	1,390	1,290	1,390		
Dental	1,588	1,985	2,184	1,985	2,184	2,382	2,382	2,779	2,581	2,779		
Health	2,507	3,134	3,448	3,134	3,448	3,761	3,761	4,388	4,075	4,388		
401k match	9,522	16,664	16,664	7,142	8,332	8,332	11,903	19,044	21,425	11,903		
Total Benefits	14,412	22,776	23,387	13,254	15,055	15,666	19,237	27,601	29,370	20,459		1
Total Personnel Related Taxes	13,464	16,830	18,513	16,830	18,513	20,196	20,196	23,563	21,880	23,563		
Total Personnel Related Taxes %	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%		
Computers & Technical Equip Rental	35,113	142	156	142	156	170	35,170	198	184	198		
Office AV Studio Equip Rental	8,835	106	117	106	117	127	8,877	149	138	149		
Other Equipment Rental	5,998	6,009	6,015	6,009	6,015	6,021	6,021	6,033	6,027	6,033		
Total Equipment Rental	49,946	6,257	6,288	6,257	6,288	6,319	50,069	6,380	6,349	6,380		
Occupancy	3,923	3,923	4,904	13,923	3,923	4,904	3,923	3,923	14,904	3,923		
Travel & Entertainment	Flat	2,363	2,363	3,113	2,363	2,363	3,113	2,363	3,113	2,363		
Professional Fees	4,4.5	2,854	2,854	23,567	2,854	7,854	18,567	2,854	18,567	2,854		
Telephone		447	805	810	341	404	409	583	941	1,052	593	
Office Supplies		120	150	165	500	165	180	180	560	195	210	
Advertising		0	0	0	0	0	0	0	0	0		
Membership & Dues	End of Quarter	25	25	1,428	25	25	1,428	25	25	1,428	25	
Maintenance & Repairs	Revenue Cycle	839	839	1,258	1,677	1,677	1,258	839	419	1,677	1,258	
Depreciation & Amortization		6,944	6,944	6,944	6,944	6,944	6,944	6,944	6,944	6,944		
Total Other Employee Related		0	0	0	0	0	0	0	0	0		
Legal	Flat	553	553	553	553	553	553	553	553	553		
Patents		0	0	0	0	10,000	0	0	0	4,000		
Annual Report		0	0	0	0	0	0	0	0	0		
Directors Fee		0	0	0	0	0	0	0	0	0		
Charitable Contributions	Flat	524	524	524	524	524	524	524	524	524		
Other Expense		0	0	0	0	0	0	0	0	0		
TOTAL DIRECT EXPENSES	188,160	177,777	214,981	178,979	197,816	214,182	242,411	231,958	251,271	228,957		21
Expenses Allocated out to Profit Centers	188,160	53,333	139,738	166,452	145,588	175,275	211,979	202,839	219,727	200,215		1
TOTAL EXPENSES NET	0	124,444	75,243	12,528	48,228	38,907	30,431	29,119	31,544	28,742		2
Allocated Dollars rejected	0	35,555	28,753	0	0	0	0	0	0	0		0
Total Direct Expenses per Headcount	23.520	17.778	19.544	17.898	17.983	17.848	20.201	16.568	19.329	16.354		1
Headcount	8	10	11	10	11	12	12	14	13	14		

Note within the blue highlighted row those expenses allocated out of this cost center to the appropriate profit centers. Two rows below that line are allocated dollars that were rejected by their allocation targets.

From a profit center's view:

Expense-Allocation Contributions Northeast Sales - Cognos Planning - Contributor											
File Edit View Tools Actions Help											
Drivers Expense Detail Expense Detail (by Category) Expense Baseline Manual Entry Expense Summary Corporate Driver Driver Based Rates											
Northeast Sales Current Forecast Local Currency											
Driver	Profile	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	ct-0
Total Personnel Related Taxes		0	0	0	0	0	0	0	0	0	0
Total Personnel Related Taxes %		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Computers & Technical Equip Rental		113	142	156	142	156	170	170	198	184	
Office AV Studio Equip Rental		85	106	117	106	117	127	127	149	138	
Other Equipment Rental		48	59	65	59	65	71	71	83	77	
Total Equipment Rental		246	307	338	307	338	369	369	430	399	
Occupancy		3,923	3,923	4,904	13,923	3,923	4,904	3,923	3,923	14,904	
Travel & Entertainment	Flat	2,363	6,363	2,363	6,363	2,363	2,363	10,363	12,363	2,363	
Professional Fees	4.4.5	2,854	2,854	3,567	2,854	2,854	3,567	2,854	2,854	3,567	
Telephone		888	1,115	361	1,163	873	873	525	989	462	
Office Supplies	Headcount	225	210	210	180	180	180	180	180	165	
Advertising		0	0	0	0	0	0	0	0	0	
Membership & Dues	End of Quarter	0	0	1,403	0	0	1,403	0	0	1,403	
Maintenance & Repairs	Revenue Cycle	839	839	1,258	1,677	1,677	1,258	839	419	1,677	
Depreciation & Amortization		5,556	5,556	5,556	5,556	5,556	5,556	5,556	5,556	5,556	
Total Other Employee Related		0	0	0	0	0	0	0	0	0	
Legal	Flat	553	553	553	553	553	553	553	553	553	
Patents		0	0	0	0	0	0	0	0	0	
Annual Report		0	0	0	0	0	0	0	0	0	
Directors Fee		0	0	0	0	0	0	0	0	0	
Charitable Contributions	Flat	524	524	524	524	524	524	524	524	524	
Other Expense		0	0	0	0	0	0	0	0	0	
TOTAL DIRECT EXPENSES		238,893	236,723	220,042	226,360	206,150	208,858	520,852	532,480	164,345	1
ALLOCATED EXPENSES											
IT		37,632	0	0	59,064	29,918	36,057	54,412	52,066	56,401	
Marketing		68,785	63,927	60,875	65,305	69,814	67,617	79,690	70,571	70,749	
Administration		23,496	23,715	22,953	21,177	16,638	17,017	17,923	16,476	17,259	
Finance		33,616	0	32,840	46,003	24,509	25,140	27,224	24,548	39,756	
Legal		57,029	49,301	50,761	48,226	50,732	47,021	51,059	45,747	53,853	
Human Resources		38,484	26,687	27,854	35,807	32,414	33,246	38,474	36,019	40,508	
TOTAL INDIRECT EXPENSES		259,043	163,630	195,283	275,580	224,024	226,099	268,783	245,427	278,526	2
TOTAL EXPENSES NET		497,936	400,353	415,325	501,941	430,174	434,957	789,635	777,907	442,871	4
Total Direct Expenses per Headcount		15,926	16,909	15,717	18,863	17,179	17,405	43,404	44,373	14,940	
Headcount		15	14	14	12	12	12	12	12	11	

Beginning at the *ALLOCATED EXPENSES* row all the expenses that have been allocated to the profit center by various cost centers are displayed. Note that the Feb-04 and Mar-04 IT allocations are zero, because the profit-center manager rejected these allocations within the *Allocations Blueprint*.

**ABOUT THE COGNOS INNOVATION CENTER
FOR PERFORMANCE MANAGEMENT**

The Cognos Innovation Center is dedicated to transforming routine performance management practices into “next practices” that help cut costs, minimize risk, streamline processes, boost productivity, enable rapid response to opportunity, and increase management visibility.