

IBM Cognos Performance
Better Intelligence. Better Business.

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

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Agenda

- Finance & Business Challenges
- Budgeting, Forecasting and Planning
- Enterprise Planning – Analyse, Model, Contribution
- IBM Cognos TM1 Analytical Server
- Demo – Product Profitability
- IBM Cognos TM1 9.5 / IBM Cognos Controller 8.5
- Q&A
- Summary

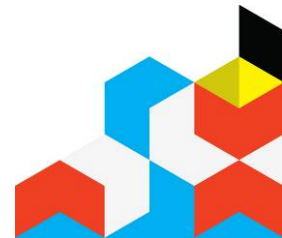


Volatility and Uncertainty are Now “Business as Usual”

Oil Prices: Last 2 Years (Brent Crude)

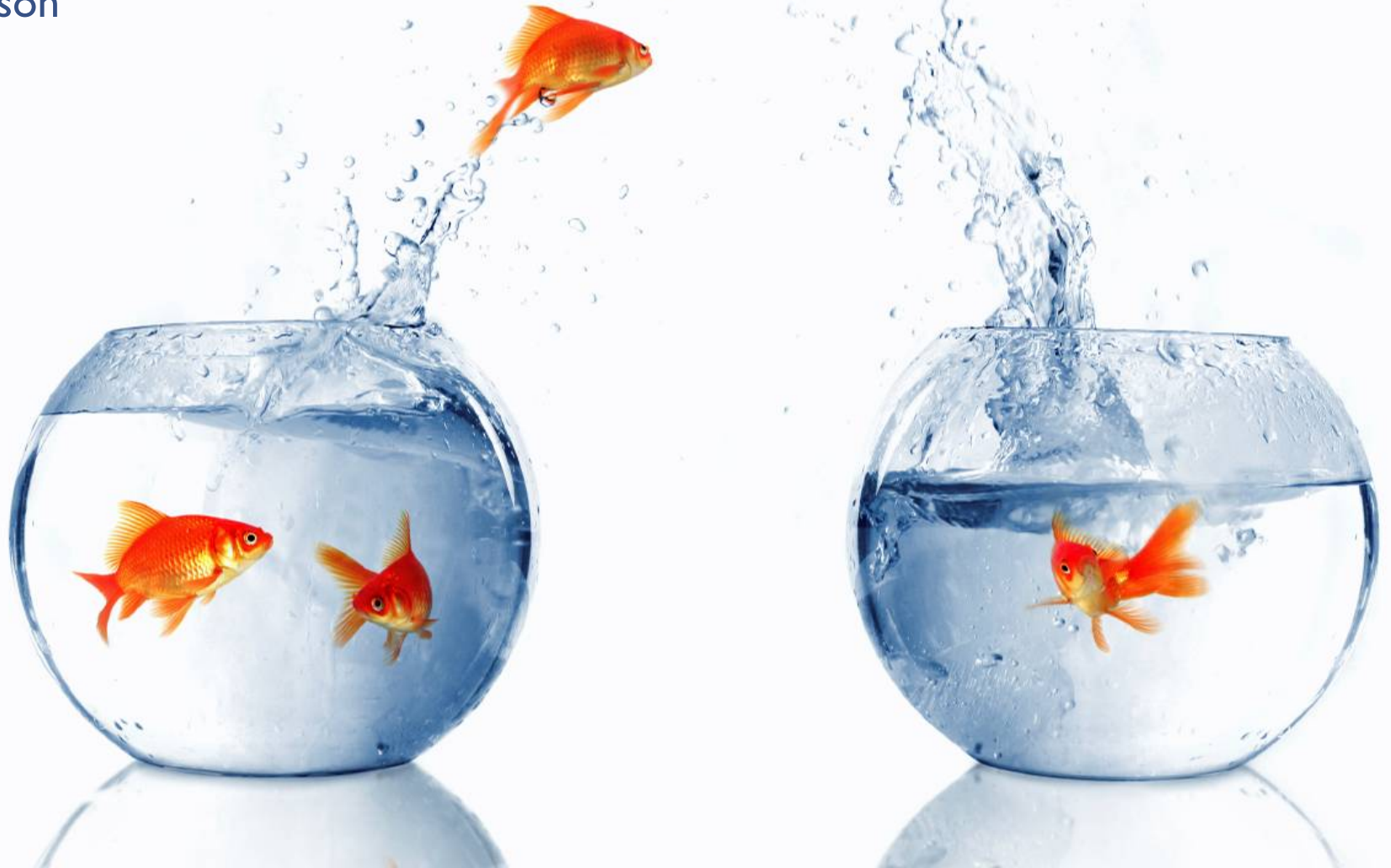


- Commodity prices
- Consumer spending
- Exchange rates
- Share prices

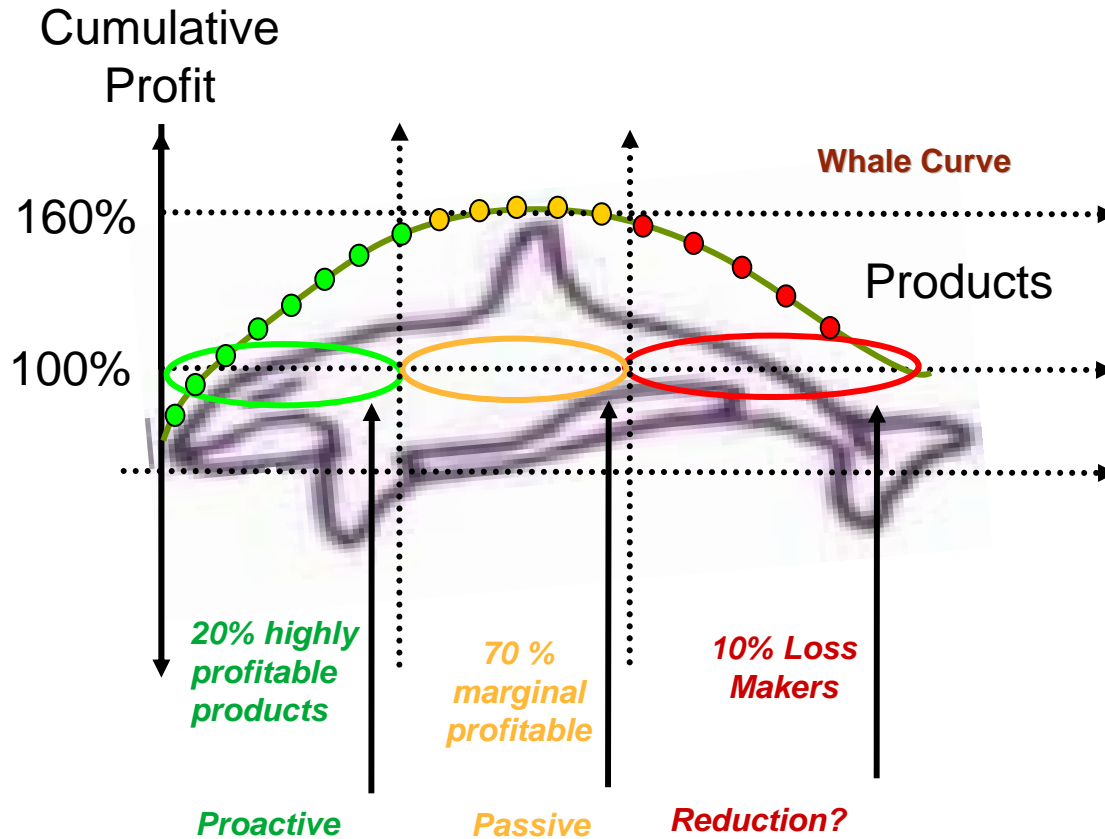


„Expect the Unexpected.“

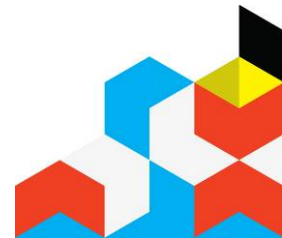
David Axson



Examine your product mix



**Insight
to make
smart decisions
and take action**



Information

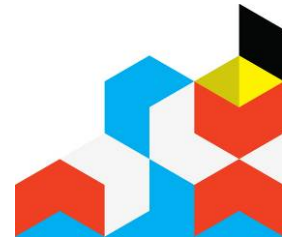
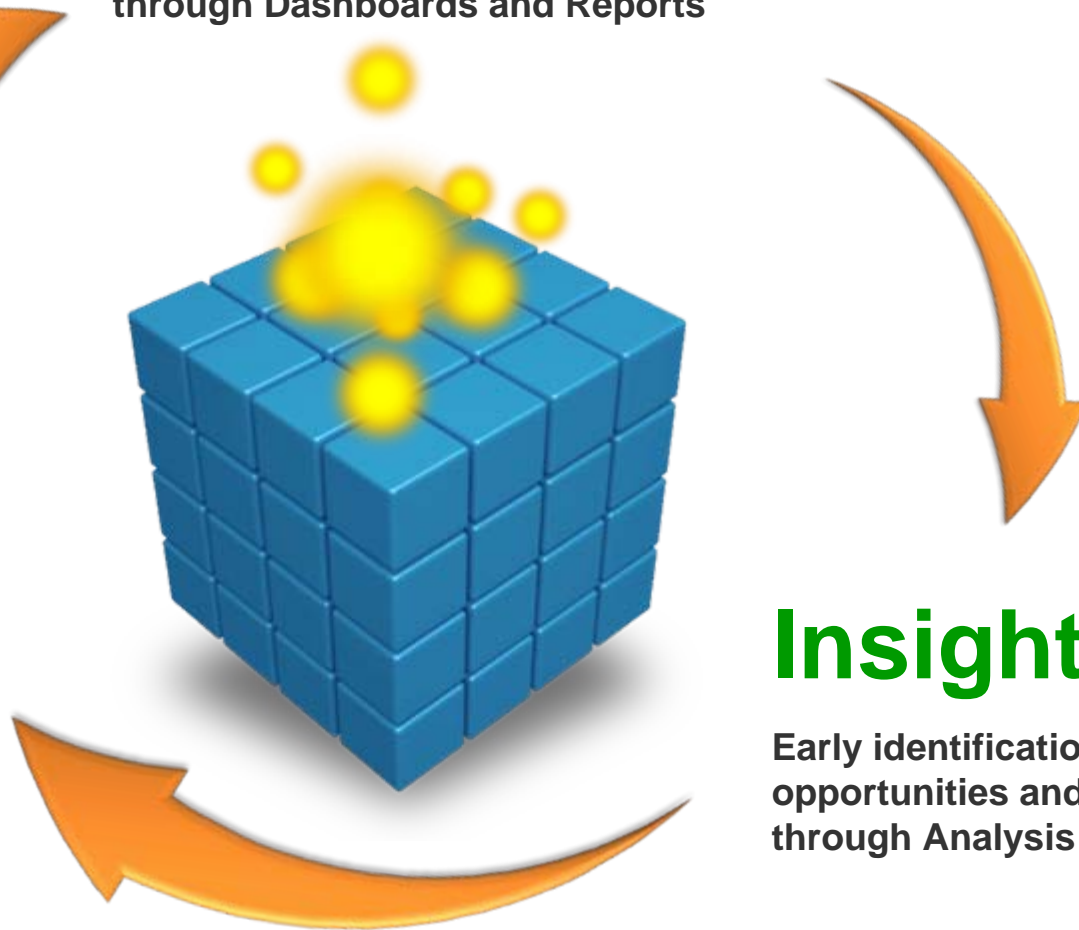
Information-driven and accountable culture through Dashboards and Reports

Insight

Early identification of opportunities and issues through Analysis

Action

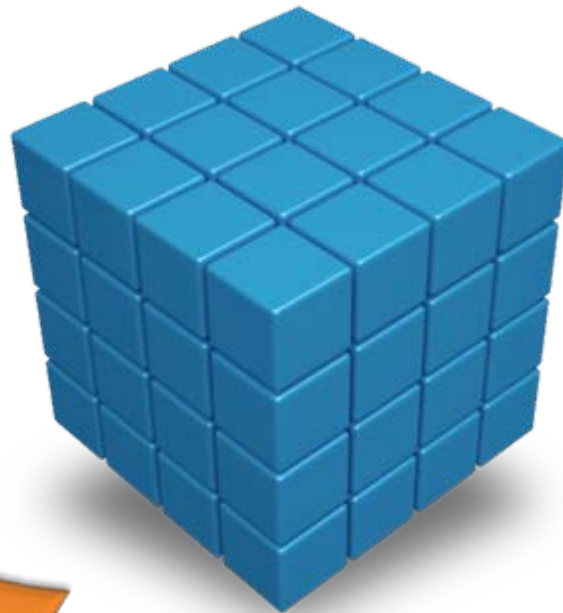
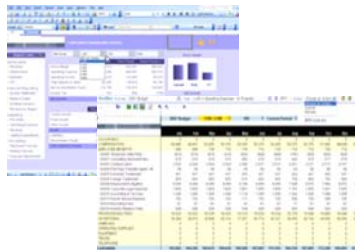
Align resources with decisions through Planning



Dashboards/Reports



Planning



Analysis

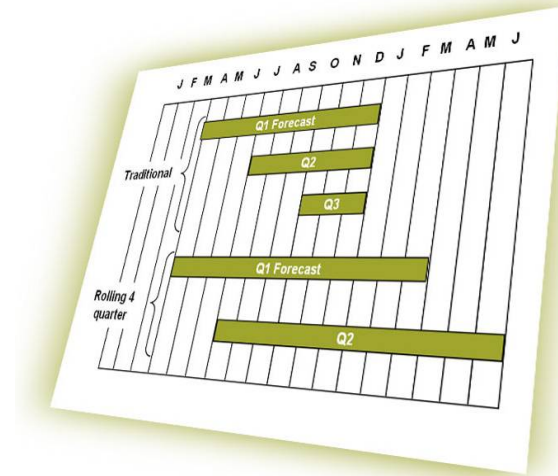


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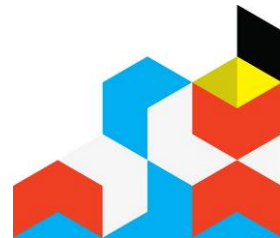
Some elements of a successful forecast



Time Horizon &
Update Frequency

Agile Models

Process
Management





Time Horizon &
Update Frequency



Agile Models



Process
Management



Match the time horizon to the rhythm of your business

Short cycles

Industry

- Consumer electronics
- Retailing
- Investment banking

Long cycles

Function

- Advertising
- Cash flow
- Overtime

- Oil exploration
- Pharma development
- Infrastructure investment
- Plant construction
- Infrastructure investment
- Research & development





Time Horizon &
Update Frequency

Agile Models

Process
Management

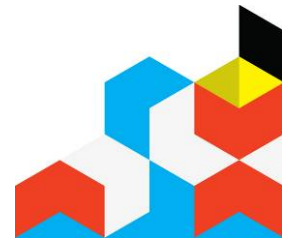
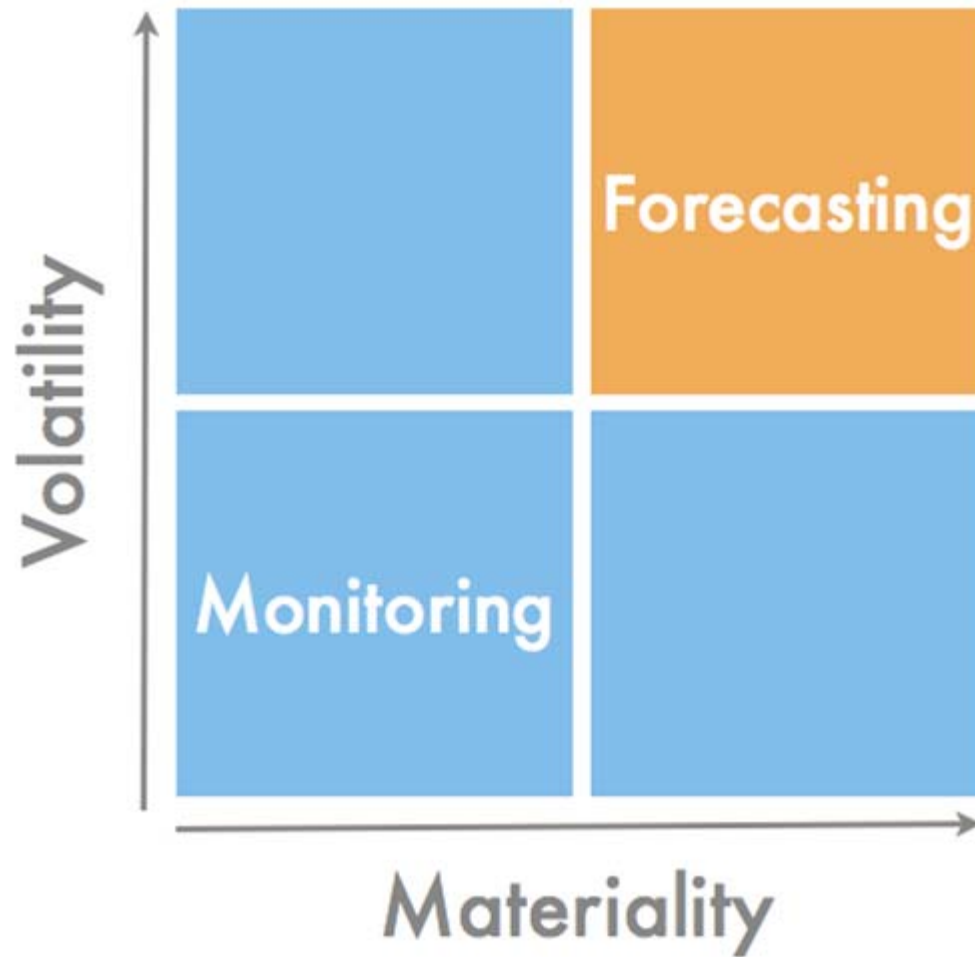


Remember this template?

	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL	YTD Actuals Variance	YTD Act Var %	Total Variance	Total Var %
	Actuals	Actuals	Actuals	Actuals	Actuals	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast					
Revenue	143.00	150.00	176.00	166.00	200.00	180.00	181.00	190.00	200.00	200.00	210.00	260.00	2256.00	-65.00	-7%	256.00	13%
COS	92.95	97.00	114.00	108.00	131.00	117.00	117.00	125.00	131.00	132.00	140.00	180.00	1484.95	-957.05	-64%	84.95	6%
Margin	50.05	53.00	62.00	58.00	69.00	63.00	64.00	65.00	69.00	68.00	70.00	80.00	771.05	-22.95	-7%	71.05	10%
Margin %	35.00%	35.33%	35.23%	34.94%	34.50%	35.00%	35.36%	34.21%	34.50%	34.00%	33.33%	30.77%	34.35%	0%		-0.65%	
Salaries	19.00	19.00	19.00	19.00	19.00	19.00	19.00	22.00	22.00	22.00	22.00	22.00	243.00	-1.00	-1%	-3.00	-1%
Bonus	1.43	1.50	1.76	1.66	2.00	1.80	1.81	1.90	2.00	2.00	2.10	2.60	22.56	-2.35	-39%	2.56	13%
Benefits	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.22	0.22	0.22	0.22	0.22	2.43	1.35	59%	-0.07	-3%
Insurance	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	1.80	0.00	0%	-0.10	-5%
Rent	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90	34.80	0.00	0%	-1.20	-3%
Utilities	3.00	2.00	2.50	1.58	1.00	1.00	1.20	1.40	1.59	2.00	2.50	3.00	22.77	0.92	8%	-1.23	-5%
Office Supplies	0.11	0.20	0.16	0.20	0.07	0.37	0.14	0.42	0.49	0.34	0.38	0.43	3.30	0.07	9%	1.00	43%
Travel - Air	7.15	7.50	8.80	9.00	15.00	9.00	9.05	9.50	10.00	10.00	10.50	13.00	118.50	-17.45	-58%	13.50	13%
Travel - Hotels	1.43	1.50	1.76	1.66	2.00	1.80	1.81	1.90	2.00	2.00	2.10	2.60	22.56	-3.35	-67%	-7.44	-25%
Travel - Car	0.72	0.75	0.88	0.83	1.00	0.90	0.91	0.95	1.00	1.00	1.05	1.30	11.28	-2.68	-178%	6.28	126%
Travel - Train	1.30	1.00	1.50	1.00	1.20	1.00	1.00	3.00	2.00	2.00	2.00	3.00	20.00	-1.50	-33%	9.00	82%
Gifts & Misc	0.50	0.00	0.00	0.50	0.00	0.00	0.00	0.00	5.00	0.00	0.00	0.00	6.00	0.00	0%	-1.00	-14%
Maintenance & Repair	0.35	0.14	0.06	0.43	0.30	0.36	0.31	0.42	0.03	0.41	0.09	0.13	3.04	0.02	1%	0.04	1%
Marketing	2.00	0.00	8.00	9.00	4.00	7.00	8.00	4.00	5.00	2.00	9.00	1.00	59.00	-3.00	-15%	5.00	9%
Net Income	9.83	16.17	14.35	9.90	20.18	17.53	17.53	16.24	14.62	20.98	15.01	27.66	200.01	15.43	28%	0.01	0%



Less is more! Simplify your models



Utilize drivers – the language of business



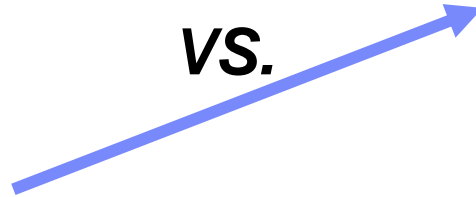
Opportunities

Pipeline

Number of employees

Customer Satisfaction

VS.

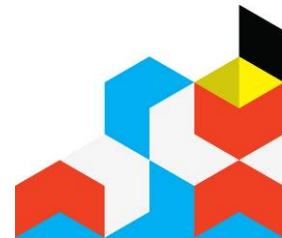


634172 - Revenue (New Accts)

665891 - Office Supplies (Paper)

665892 - Office Supplies (Pens)

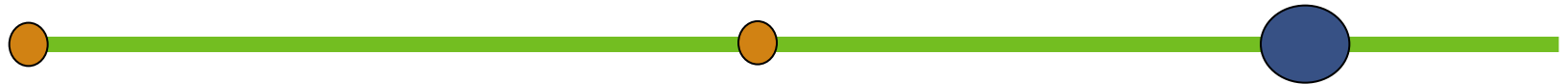
677199 - Gifts, Misc.





Revenue?

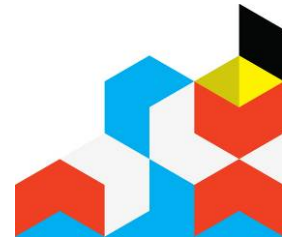




Time Horizon &
Update Frequency

Agile Models

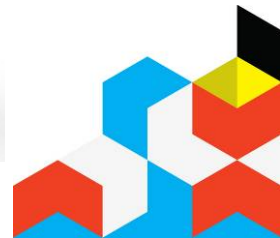
Process
Management



Process management is critical

We need to make a critical decision quickly!

Wow...there are a lot of moving parts!



IBM Cognos Performance

The screenshot displays the IBM Cognos user interface. On the left, a menu is open with options: Budget, Scenario 1, Scenario 2, Scenario 3, Oct-08 Forecast, and Nov-08 Forecast. The main area shows a tree view of 'Regional Accounts' including Eastern Region, Central, and Western Region. A 'Workflow' table is visible with columns for 'Net Sales', 'Month -3', 'Month -2', and 'Last Month'. The data in the table is as follows:

Net Sales	Month -3	Month -2	Last Month
	Oct-08	Nov-08	Dec-08
Current Forecast - Upside	4,620	4,630	4,498
Current Forecast	4,620	4,630	4,498
Current Forecast - Downside	4,620	4,630	4,498

To the right, a 'Net Sales Movement Analysis' chart is shown, which is a waterfall chart titled 'Reconciles movement in Net Sales between any two data sets'. The chart shows the starting point 'Net Sales - Start' at approximately 28,000, followed by several bars representing 'PVM - Volume Effect', 'PVM - Price Effect', 'PVM - Mix Effect', and 'PVM - FX Effect', ending at 'Net Sales - Ending' at approximately 24,000.

Update Models

Distribute Models

Aggregate data

What-if & Optimize



New version

Load Actuals

Collect Data

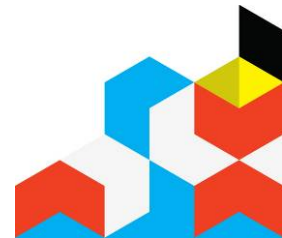
Report & Analyze





Management
Meetings

Decision
Making!



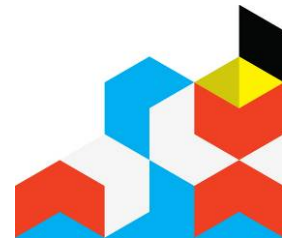
And measure & monitor your process



Forecast Accuracy

Cycle Time

Confidence Levels



Agenda

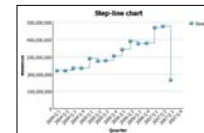
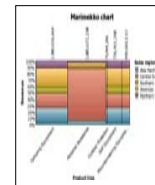
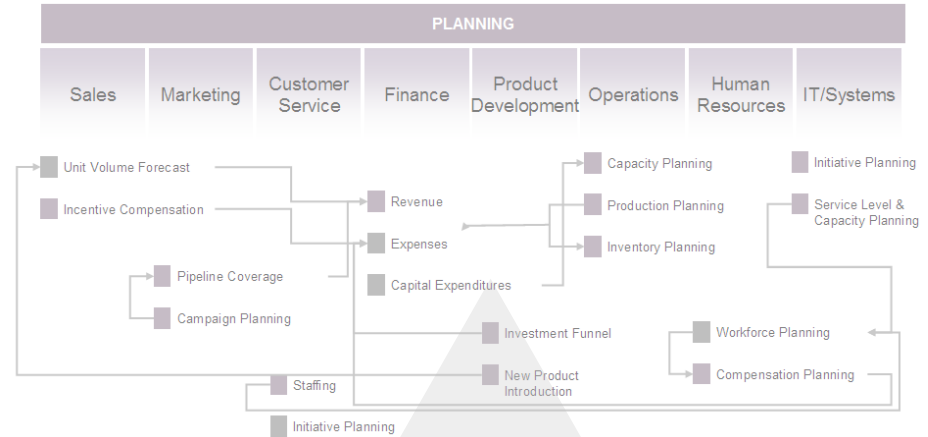
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Analyze

Capabilities:

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

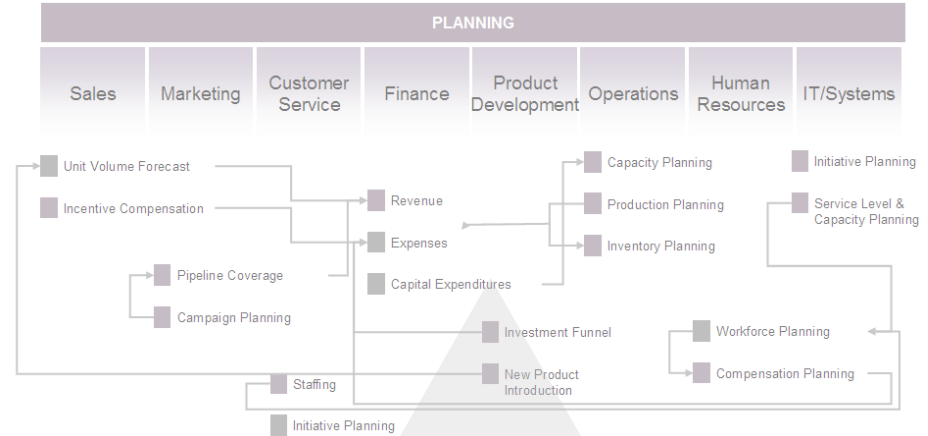


Model



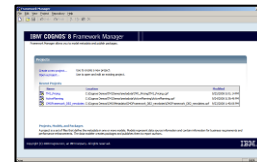
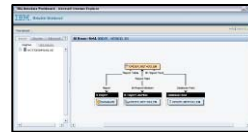
Capabilities:

- 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



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



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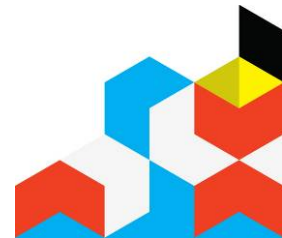


IBM Cognos TM1

- 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**



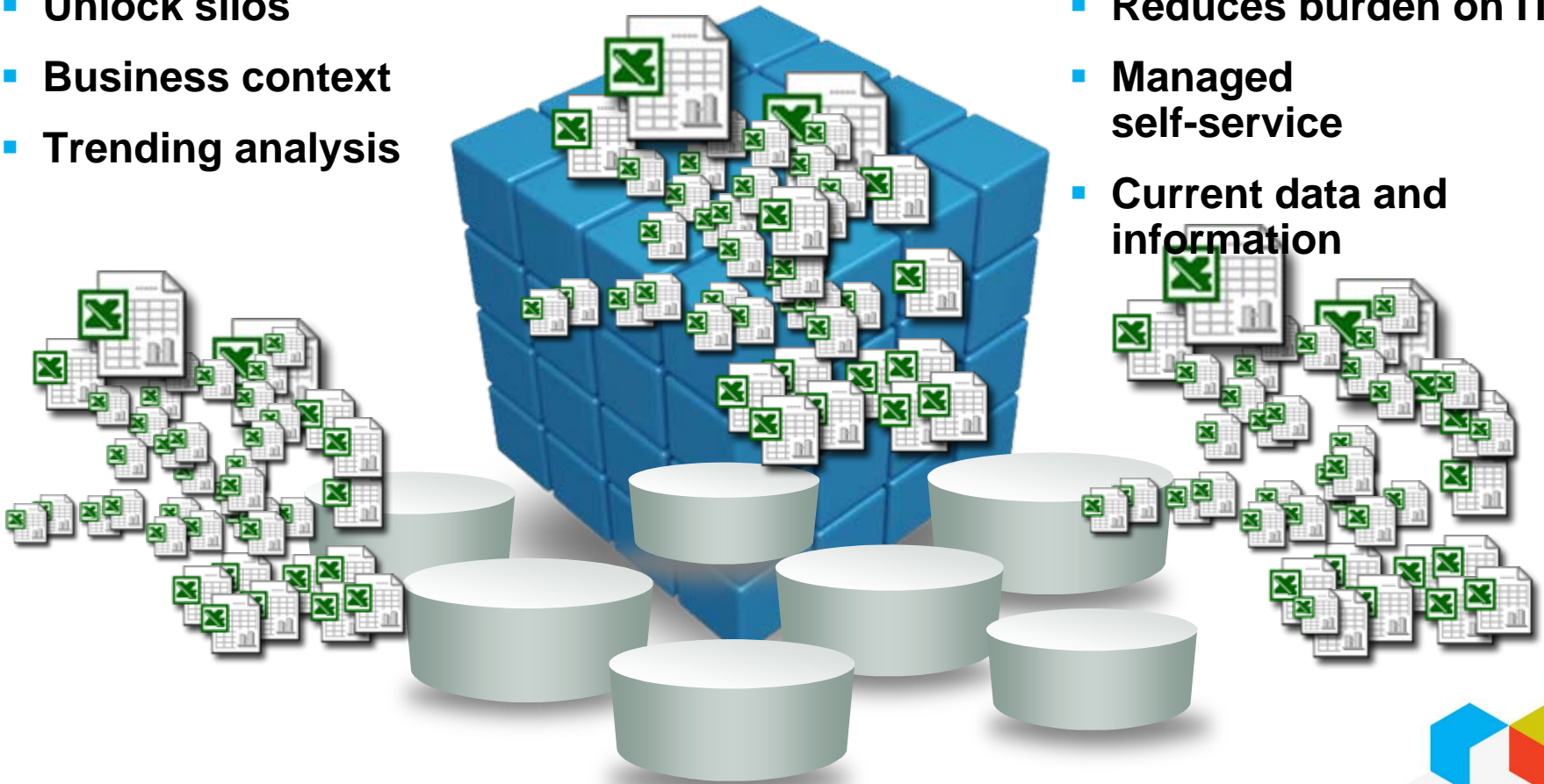
- IBM Cognos 8 Controller
- ➔ IBM Cognos TM1
- Cognos 8 Business Intelligence
- Cognos 8 Business Viewpoint
- Performance Blueprints



Start with an in-memory analytic server

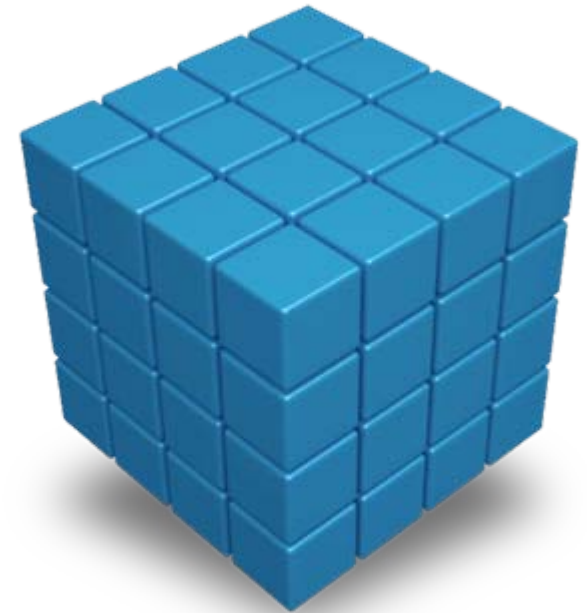
- Unlock silos
- Business context
- Trending analysis

- Reduces burden on IT.
- Managed self-service
- Current data and information



The benefits of an in-memory analytic server

- Modern architecture for unmatched performance and flexibility
- Combine large amounts and different sources of data
- Consistent and centrally manage data, business hierarchies, rules and calculations
- Multi-dimensional for powerful analysis and more natural organization of information (products, customers, sales)
- Write back delivers closed loop process linking analysis and planning

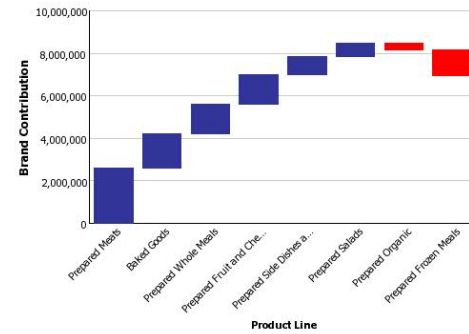


IBM Cognos Performance



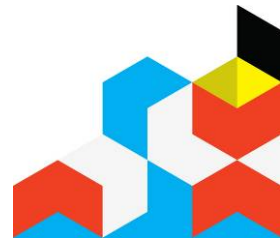
Product Profitability

Feb 08 Fcst
Total Stores



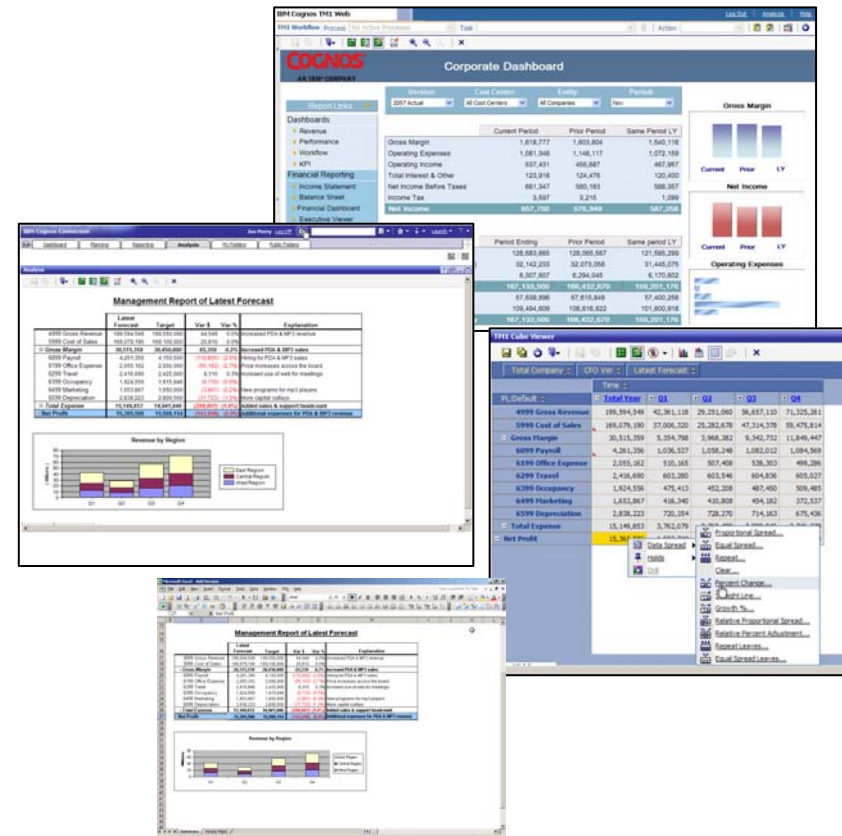
DEMO

DEMO



IBM Cognos TM1 9.5 Analysis

- A patented 64-bit read-write in-memory OLAP engine:
 - Optimized for large data volumes
 - Instantaneous updates from streamed data
 - Drill through to transaction systems for greater detailed analysis
- Supports multi-dimensional analysis
- Advanced Sorting and Ranking
- Public and Personal Views
- Familiar Excel & Web interfaces



IBM Cognos TM1 9.5 Personal Scenarios

- No predetermined model requirements for scenarios
- Unlimited flexibility for end user scenario building
- Available in all TM1 clients (Excel, TM1 Web, Contributor, & Cognos 8 BI)

The screenshot displays the IBM Cognos TM1 9.5 Personal Scenarios interface. The main window shows a data table with columns for months from Jan-02 to Oct-02. A 'Create Sandbox' dialog box is open, prompting the user to select sandboxes to copy. The dialog box has two radio buttons: 'Create new' (selected) and 'Copy from existing sandbox'. Below the radio buttons is a text field for 'Sandbox name' containing 'Decrease of LI'. The dialog box also has 'OK' and 'Cancel' buttons.

Driver	Profile	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	No
Salaries		\$100,000	\$70,208	\$77,229	\$70,208	\$77,229	\$84,250	\$84,250	\$98,291	\$91,270	\$98,291	
Overtime	headcount	\$25,400	\$10,500	\$550	\$500	\$21,274	\$600	\$600	\$700	\$650	\$8,990	
Total Salaries		\$125,400	\$80,708	\$77,779	\$70,708	\$98,503	\$84,850	\$84,850	\$98,991	\$91,920	\$107,281	
Bonuses		\$65,000	\$23,400	\$16,942	\$15,402	\$16,942	\$18,482	\$18,482	\$21,563	\$20,023	\$21,563	
Incentive Comp		\$4,583	\$4,583	\$4,583	\$4,583	\$4,583	\$4,583	\$4,583	\$4,583	\$4,583	\$4,583	
Option Expense		\$19,672	\$25,000	\$16,393	\$16,393	\$16,393	\$16,393	\$16,393	\$16,393	\$16,393	\$16,393	
Restricted Stock Expense		\$30,000	\$4,612	\$5,073	\$4,612	\$5,073	\$5,534	\$5,534	\$6,457	\$5,995	\$6,457	
Tuition Reimbursement	Revenue	\$19,044	\$33,328	\$33,328	\$14,283	\$16,664	\$16,664	\$23,805	\$38,089	\$42,850	\$23,805	
Severance									\$99,903	\$972		
Total Employee Compensation		\$654,668	\$281,668	\$181,055					\$1,290	\$1,390		
Life	Salary								\$2,581	\$2,779		
Dental	Salary								\$4,075	\$4,388		
Health									\$21,425	\$11,903		
401k match	Revenue								\$29,370	\$20,459		
Total Benefits		\$0	\$21,880	\$23,563					\$0	\$0	\$0	
Total Personnel Related Taxes		\$0	\$0	\$0					\$184	\$198		
Computers & Technical Equip Rental									\$138	\$149		
Office AV Studio Equip Rental									\$0	\$0		
Other Equipment Rental									\$322	\$347		
Total Equipment Rental		\$326	\$4,326	\$3,901					\$1,000	\$1,000		
Occupancy									\$14,854	\$3,669		
Travel & Entertainment	Fla								\$2,385	\$1,926		
Professional Fees	4-4-5								\$194	\$710		
Telephone												
Office Supplies	Headcount											



IBM Cognos TM1 9.5 Modeling

- Expression based modeling environment to define planning and analysis assumptions
- Can seamlessly integrate with Contributor for new planning and analysis applications
- On demand interactive simulation to test business scenarios
- Provides real time responsiveness for large and sophisticated models
- An extension of the analysis process
- Owned by finance/business user



TM1 - Perspectives: Server Explorer

Cube Viewer: activeplanning -Revenue -Default

01-7551 Inbalbal Pharmacy Cytropas Version 1 2008 Local

Sales Amounts: De	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	+ Year
Units	1,944	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,444
Price	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Revenue	29,160	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	276,660
COS %	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Other COS	5,832	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	55,332
Gross Margin	23,328	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	221,328
Gross Margin %	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%

Subset Editor: activeplanning -Organization -Default [Public]

Medical Mfg Inc

- Total Manufacturing
- Quality Control
- 01-5612 Quality Engr
- 01-5615 Reliability
- External Mfg
- 01-5130 External Pur

Name Security Owner

- Total Manufacturing
- Total R & D
- Total Sales
- Total Marketing
- Total Foreign
- Total G & A

Roles Tracer: activeplanning -Revenue

Tracing Calculation:

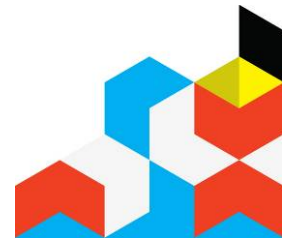
[Gross Margin %]=C:[Gross Margin] \ [Product Revenue]

Calculated: 0.8000

Trace

- Revenue(Pharmacy, Local, Version 1, 2008, 103, 01-7551, Gross Margin
- Revenue(Pharmacy, Local, Version 1, 2008, 103, 01-7551, Revenue, Ye

Ready

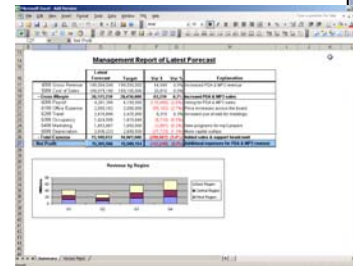
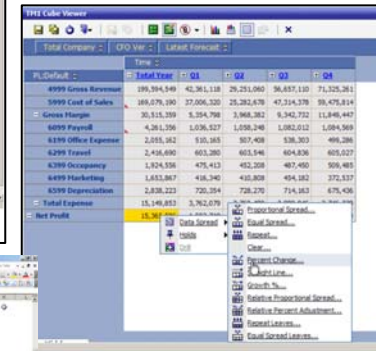
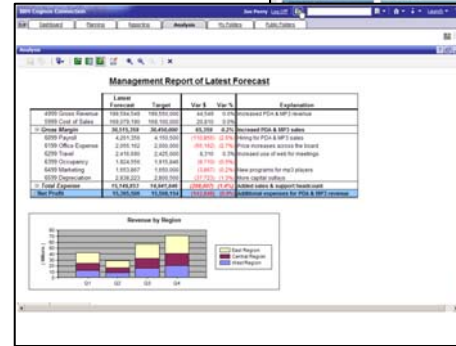


IBM Cognos TM1 9.5 Contribution



Enterprise Ready Excel Based Contribution

- TM1 Server Explorer for power users to maintain dimensions, cubes, rules, and integration
- TM1 Excel to create rich planning and analysis solutions
- TM1 Web to deploy TM1 based Excel applications across the organization
- IBM Cognos 8 Business Intelligence for enterprise level analysis, scorecarding and financial & production reporting.



IBM Cognos TM1 9.5 Contribution



Managed Contribution

- Workflow & email notification
- Pick lists (driver execution)
- Undo/Redo feature
- End User Personalization (Multi pane docking)
- Personalized Scenarios
- Personalized Hierarchies)
- Color code data changes
- Charting
- Drill down Support

Contributor - Expense Forecast

You are a reviewer or contributor for:

Name	State	Ownership	Reviewer
Total Company	Incomplete	None	None

Which consists of:

Name	State	Ownership	Reviewer
Total Company (All)	Work In Progress	Admin	None
UK Sales	Not Started	None	None
US Operations	Not Started	None	None
US IT	Not Started	None	None
US Marketing	Not Started	None	None
US Finance	Not Started	None	None
US Legal	Not Started	None	None
US HR	Not Started	None	None
US Administration	Not Started	None	None
UK Operations	Not Started	None	None
US Sales	Not Started	None	None

Workflow Detail for: Total Company

Current state: Incomplete

At least one item belonging to this item is **Not started**, and at least one other item is in a state of **Work In Progress**. Data in this state was aggregated. The **Incomplete** state applies only to review approval items.

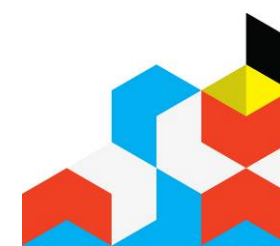
Changed time: 2009-09-23 14:55:07

Changed by: A...

Viewed: n...

Reviewed: n...

Category	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09
Total Personnel Related Types %	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Computers & Technical Equip Rental	\$4,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Office Air Studio Equip Rental	\$1,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Equipment Rental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Equipment Rental	\$5,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expenses	\$11,200	\$1,200	\$6,475	\$6,475	\$6,475	\$6,475	\$6,475	\$6,475	\$6,475	\$6,475	\$6,475	\$6,475
Travel & Entertainment	\$26,200	\$26,200	\$26,200	\$26,200	\$26,200	\$26,200	\$26,200	\$26,200	\$26,200	\$26,200	\$26,200	\$26,200
Professional Fees	4.4	\$8,177	\$3,462	\$15,726	\$3,462	\$3,462	\$15,726	\$3,462	\$3,462	\$15,726	\$3,462	\$3,462



IBM Cognos TM1 9.5 Managed Contribution



- Deployment of TM1 Model Objects
 - Quickly Turn TM1 Objects into Managed Applications
- Planning Workflow
 - Structured Planning Process Approvals

The screenshot shows the 'Application Definition Tool' interface. On the left, there are two tree views: 'Design' and 'TM1 Objects'. The 'Design' view shows a hierarchy for 'Expense Forecast' with sub-items like 'Views', 'Expense Detail (By Category)', 'Manual Entry', 'Expense Detail', 'Expense Summary', 'Expense Baseline', and 'Drop TM1 View here'. The 'TM1 Objects' view shows a hierarchy for 'TM1 Server: 192.168.11.128:expens...' with sub-items like 'Cubes', 'CorporateDriver', 'DriverBasedRates', 'Drivers', 'ExpenseBaseline', 'Views', 'Expense Baseline', 'Dimensions', 'ExpenseDetail', 'ExpenseDetail_ByCategory', 'FixRates', 'ManualEntry', and 'ManualEntrySummary'. The main area displays a workflow configuration screen with four numbered steps: 1. Define Contributor Views, 2. Select an Approval Hierarchy, 3. Deploy the Application, and 4. Define Security. Below these steps is a table for 'Contributor - Expense Forecast' showing a list of contributors with columns for Name, State, Ownership, and Reviewer. The table shows 'Total Company' in an 'Incomplete' state, and 'UK Sales', 'US Operations', 'US Marketing', 'US Finance', 'US Legal', 'US HR', 'US Administration', 'UK Operations', and 'US Sales' in a 'Not Started' state. Below the table is a 'Workflow Detail for Total Company' section showing the current state as 'Incomplete' and a warning message: 'At least one item belonging to this item is Not started, and at least one other item is in a state of Work In Progress in this state was approved. The Incomplete state applies only to review approval items.' The 'Changed time' is 'June 15, 2009 8:26:21 AM EDT' and 'Changed by: Admin'.



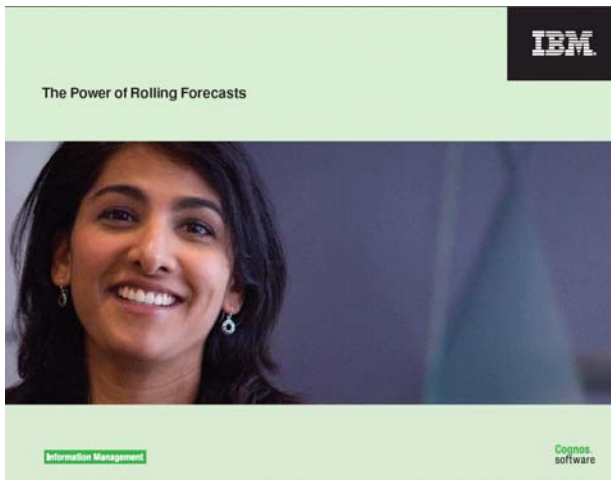
IBM Cognos Performance

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Your connection to best practices and industry leaders

Information Management

Cognos.
software



Next Steps

- Analyze your processes
- Download our white papers & blueprints
- Join the Cognos Innovation Center

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ibmcognosicemea Les Rechan talking about blueprints - these are accelerators to value in specific business areas #ibmcfap (via @CognosCommunity)

38 minutes ago from web

@ibmcognosicemea

How do you justify the investment in a Performance Management system? Here is an effective model from @davidaxson.
<http://twurl.nl/10cccx>

about 17 hours ago from web

