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RESEARCH NOTE **COGNOS PERFORMANCE BLUEPRINTS: ROI** **OUT OF THE BOX**

THE BOTTOM LINE

Cognos is offering Performance Blueprints that give users out-of-the-box performance management solutions. Based on the Cognos 8 platform, these tools enable users to avoid developer time in creating commonly used performance management and BI best practices, reports, and scorecards. By enabling users to more rapidly deploy new performance management solutions for planning, financial management and control activities, Cognos is helping customers get ROI from their performance management investment faster and reduce deployment risk.

Everyone knows that software rarely generates value without some amount of customization. This is true of performance management solutions, where many companies use it for similar tasks, but need to build their own planning models, dashboards, and data gathering processes. Cognos has found a way to relieve its customers of much of this development and customization by making department- and vertical-specific blueprints. The result can be reduced developer costs and faster time to deployment.

Cognos Performance Blueprints are documented, pre-defined data, process, and policy models available to customers at no additional cost. Based on proven best practices in enterprise planning and financial management, the blueprint models enable customers to accelerate their planning and forecasting deployments in areas such as financial forecasting, target setting, headcount planning, compensation analysis, sales performance, and capital expenditures.

Cognos developed its Performance Blueprints because users in certain departments and verticals tend to use BI and planning to accomplish the same tasks. For example, most retailers who use BI have functionality that analyzes shrink. Most users in retail banking use planning for risk management and regulatory compliance. By pre-building tools for such tasks that are then included in performance management solutions, Cognos helps customers accelerate deployments, improve adoption, and reduce deployment risk.

Cognos has Performance Blueprints for a number of the verticals it targets. The following are examples of vertical-specific blueprints:

- The Branch Performance Blueprint helps retail banks perform detailed top-down and branch-up revenue and expense planning to improve alignment with strategic objectives. The solution enables managers to drive profitability planning, analysis, and reporting at the product and customer segment levels.

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- The Store Development Blueprint consists of integrated financial planning capabilities that enable retailers to determine what store development plans deliver the highest business benefits, best returns and greatest support for corporate objectives. It also allows chains to define initiatives, develop financial plans, apply initiatives to regions, stores, or groups of stores, communicate initiatives to store managers and measure return on investment.
- The Sales and Operations Planning Blueprint enables management to reconcile forecasts with supply plans using a single, integrated performance management framework. Users can model and assess the financial impact of supply and demand scenarios, monitor the plan on an ongoing basis, and make changes or adjustments to the plan on an as-needed basis.
- The Clinical Trial Blueprint helps pharmaceutical companies better anticipate clinical trial resource requirements and accompanying expenses in order to comply with FDA filing requirements.

The Performance Blueprints, which can be viewed at Cognos's Innovation Center Web site, are intuitive because they are based upon business processes. For example, the newest blueprint, Workforce Resource Management Blueprint, provides data based on the business drivers identified by the user. Drivers are factors such as anticipated order levels for a distributor, or the estimated number of diners for a restaurant. The blueprint provides as output headcount requirements that enable managers to make planning decisions.

Because Cognos's Performance Blueprints are based on pre-built business processes and drivers provided by users, they have an intuitive interface that requires minimal training, which improves the ROI on performance management.

Cognos has traditionally targeted its customers by selling specific performance management solutions to the various departments within a company. Additionally, Cognos is increasing its focus on the office of finance, which it views as a key performance management decision maker for most companies. Department-specific blueprints include the following:

- The Workforce Resource Management Blueprint provides staffing managers with a Web-based planning process and the associated visibility to forecast workforce requirements based on customer demand across the organization.
- The Close, Consolidate, Report Blueprint was developed with Deloitte and Touche and is designed to help organizations improve the efficiency, accuracy, and auditability of their financial statement closing processes. It maps each step in the financial close to the appropriate financial control activity. Managers can use this visibility to make both quality and process improvements, and reduce finance department costs.
- The Sales Compensation Planning Blueprint enables HR departments to generate accurate, reliable sales compensation projections including salary draws and commission payouts against targets linked to revenue and headcount plans.

WHERE IS THE ROI?

Blueprints generate ROI because they enable customers to reduce the amount of time invested in basic development and customization of performance management models, scorecards, and reports. Although blueprints can be beneficial regardless of a company's size, they can be particularly beneficial to small and mid-market companies, which often lack the internal expertise for application development. By using blueprints, they get significant performance management functionality with minimal customization costs. This means that performance management benefits occur faster, which increases ROI and accelerates payback.

Because Cognos's Performance Blueprints address common performance management tasks, they can improve the adoption of new practices and processes in reporting, analysis, scorecarding, enterprise planning, and financial management and control. This leads to broader performance management adoption, improved reporting uniformity, and improved ROI on a company's overall performance management investment. Blueprints also act as a risk mitigant. If a champion of performance management tools knows that some of Cognos's blueprints mirror the tasks they want to accomplish, blueprints can be used to reduce deployment risk and increase the likelihood of ROI generation.

CONCLUSION

CFOs and CIOs should consider looking to Cognos's blueprints as a way to improve the ROI on their performance management investments. By providing pre-built tools that accomplish commonly needed performance management tasks with minimal customization, blueprints eliminate developer costs, accelerate time-to-benefit, and increase ROI. Blueprints have the added benefit of improving breadth of adoption and can enhance a company's standardization efforts by promoting uniformity across the enterprise.

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