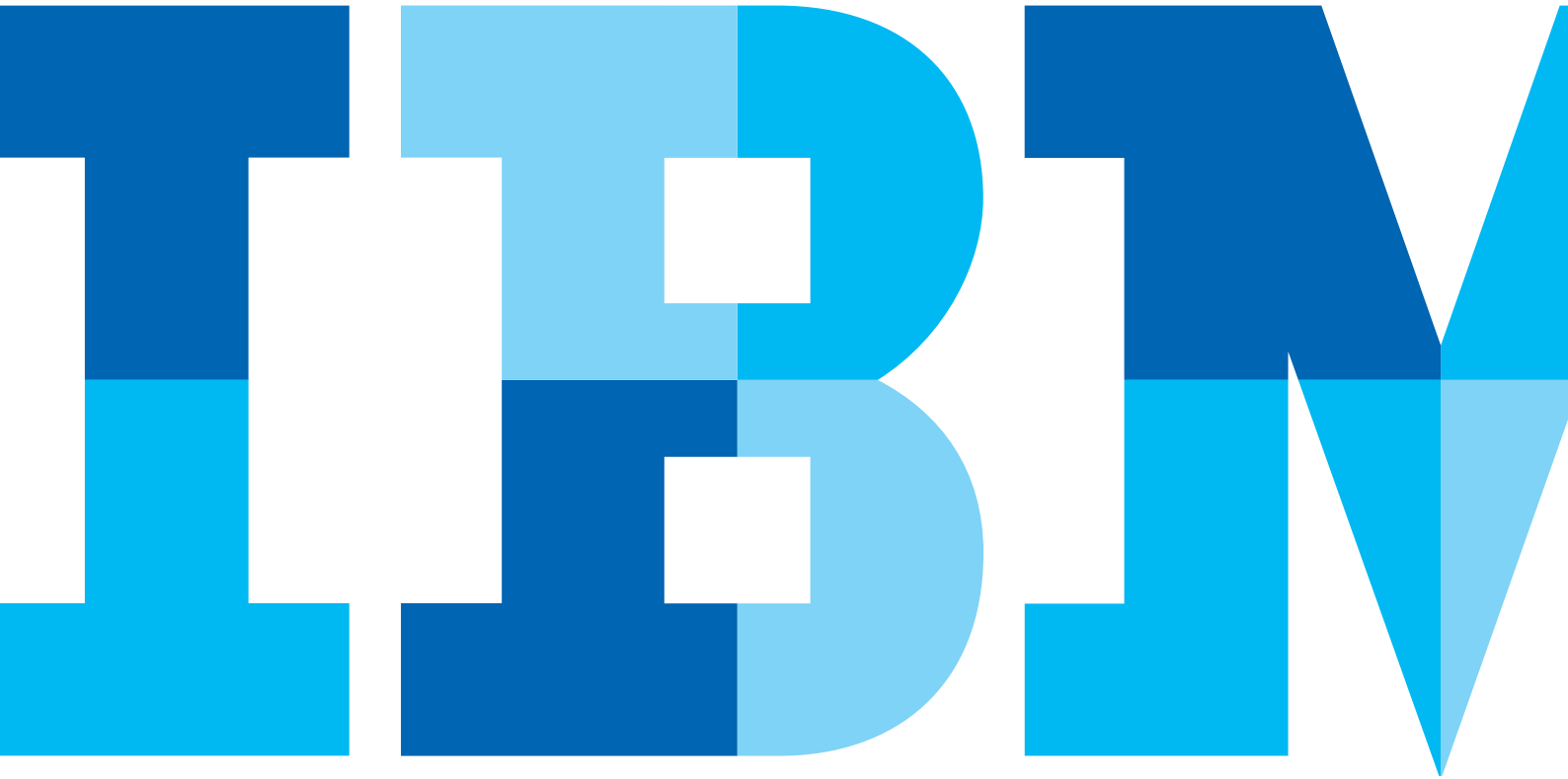


Retail Store Operations (P&L) Planning Performance Blueprint Powered by TM1



Market factors have created smarter consumers. They are instrumented, with instantaneous access to information about retailers, products and other consumers' experiences using technology. They are interconnected, using multiple technologies to interact with other consumers and with retailers. And they are intelligent, with clearly defined expectations of what they want from retailers now and in the future. And these smarter consumers have a greater number of shopping choices, making it critical for retailers to offer a differentiated, excellent shopping experience.

Providing an outstanding shopping experience while increasing sales and protecting profits is always a balancing act for retailers. Nowhere is this more critical than at the storefront—the place where all of an organization's planning and preparation come into play. After the focused hard work of everyone from corporate to the field, it all comes down to the customer shopping experience.

Ineffective planning creates a disconnect between store operations and corporate plans for market share, growth and customer satisfaction. This can result in lower margins, reduced sales and a less satisfying consumer experience. To help retailers steer a true course and drive better store performance, IBM offers the *IBM Cognos Store Operations (P&L) Planning Performance Blueprint Powered by TM1*.

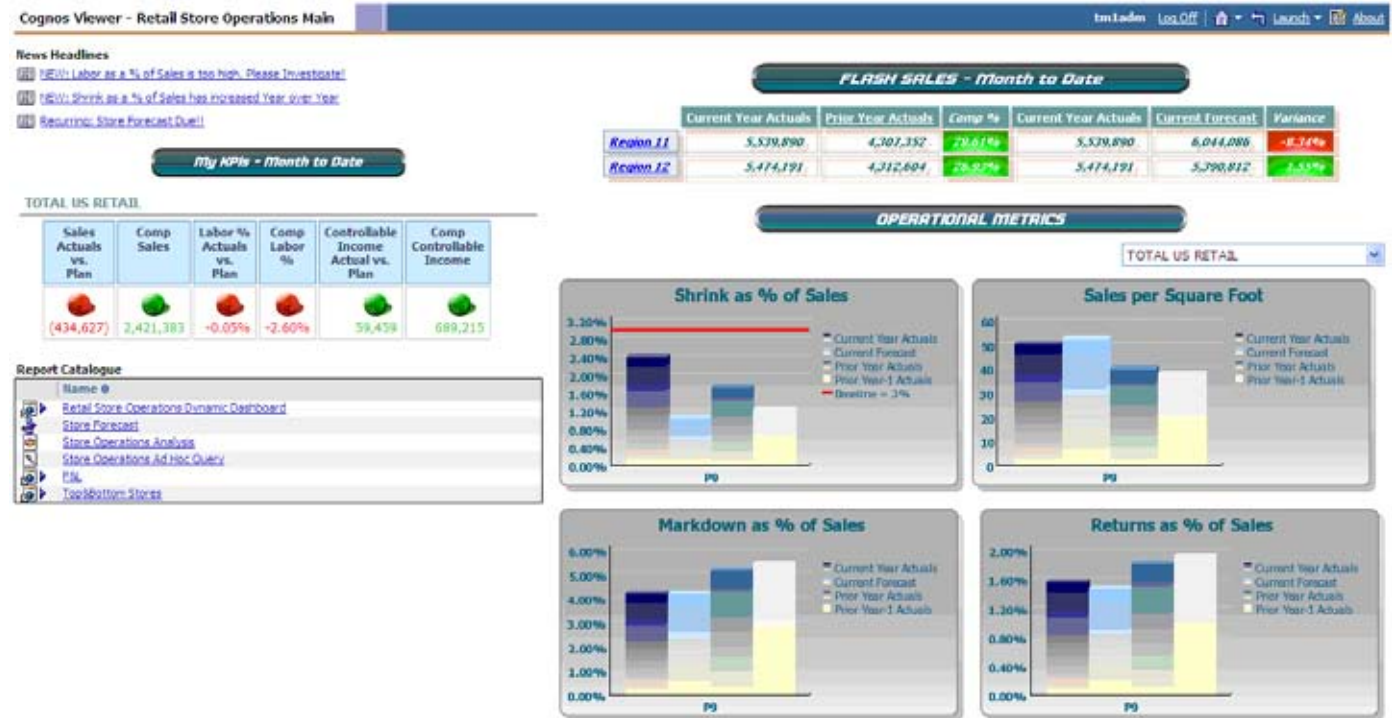
An ineffective process

In most chains, planning cycles are long and tedious. What often develops is silo-based planning, where each area (finance, operations, merchandising, marketing) completes its own bottom-up planning. These plans don't often support strategic initiatives or tie into a single set of financial targets, which results in misalignment between corporate strategy and field execution. Departments, divisions, regions and channels can also be disconnected; consolidation of plans is a time-consuming and error-prone process. With so much effort spent on process and so little spent on analysis, it's difficult to keep pace with changing consumer needs, trends and shifts in the marketplace. Retailers can lose out on potential profits if they are unable to react rapidly to changing conditions and plan for likely outcomes.

Ineffective technology makes things worse

Most planning, budgeting and forecasting solutions are designed to project annual revenues and expenditures and usually cannot provide the frequent insight needed to make strategic decisions or implement company-wide initiatives:

- Spreadsheets are slow, disconnected and error-prone. They create islands of financial and planning data where each contributor works independently of colleagues.
- ERP or general ledger solutions are not designed for the granular level of planning for revenue, labor and initiatives that chains need.
- Off-the shelf solutions might offer broad generic functionality, but they don't address the unique financial management needs of a retail business. For data collection and roll-up, typical solutions can be cumbersome. When you need complex modeling—such as what-if scenarios—most ERP, planning and budgeting and spreadsheet-based systems can grind to a halt.



The IBM Cognos performance management solution

IBM Cognos Performance Blueprints provide a pre-built performance management framework—including planning, metrics and reporting—that enables retailers to plan for a better store-level customer experience and drive sales and margins. Based on industry best practices, Blueprints extend the planning process beyond corporate finance to operations, marketing and merchandising—to manage to a single set of financial objectives and business goals.

The *Store Operations (P&L) Planning Blueprint Powered by TM1* combines Cognos enterprise planning and business intelligence (BI) solutions. IBM Cognos TM1 is a Web-based, high-participation solution that provides high-performance, high-volume item-level planning, multi-dimensional modeling and data visualization. With Cognos TM1, you can rapidly analyze data, model business requirements for your entire organization and use the results to budget and forecast with confidence for better business outcomes.

Using managed contribution, Cognos TM1 lets chains collect more information from more people—including regional, district or even store managers—more often. An easy-to-use interface handles high numbers of participants and analytic processing automates contribution from systems. Planning managers can quickly understand the maturity of the planning cycle and eliminate delays in rolling out plans.

Cognos TM1 can help retailers achieve consistent operating performance with highly collaborative, real-time planning. With multiple scenario support, managers can model the financial impact of business decisions, create many versions of plans (for example, best or worst case) so stores, groups of stores, regions, divisions and whole companies can respond faster to changing conditions. Because it combines Cognos TM1 and Cognos 8 Business Intelligence capabilities, *Blueprint* users can understand daily, weekly and monthly store performance, conduct analyses to understand trends and measure performance versus plans.

Store operations (P&L)

Using the *Store Operations (P&L) Planning Performance Blueprint Powered by TM1*, retailers can complete store-level revenue and expense planning to ensure that store plans are in line with corporate targets. The Blueprint provides best practices for simplifying and streamlining planning and forecasting processes:

- Top-down, bottom-up driver-based planning for store-level revenue by department or category and controllable expenses such as supplies, repairs and maintenance

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You are a reviewer or contributor for:

Name	State	Ownership	Reviewer	Last Data Commit
District 2 - Region 11	Incomplete	None	Total US Retail	Never committed

Which consists of:

Name	State	Ownership	Reviewer	Last Data Commit
District 2 - Region 11 (All)	Incomplete		Total US Retail	
Delray Beach	Work In Progress	Dbarrett	Total US Retail	Never committed
Boca Raton	Not Started	None	Total US Retail	Never committed
Pompano Beach	Locked	Bfoster	Total US Retail	April 21, 2010 11:41:55 AM MST

Workflow Detail for District 2 - Region 11

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**, **Locked**, or **Ready**. Data in this state was aggregated. The **Incomplete** state applies only to review approval items.

Changed time: April 21, 2010 11:43:30 AM MST
 Changed by: Dbarrett
 Viewed: no
 Reviewed: no

- Planning and measuring store performance by organizational hierarchy and by store attributes—store type, floorspace, store size, location, opening information
- Setting standards and completing exempt and non-exempt head-count, position-level plans, based on revenue, store attributes and other standards
- Modeling and planning store-level initiatives, conducting promotional programs or limited time offers to plan financial impact on sales, costs and margin
- Automatically calculating reoccurring expenses, such as credit card processing fees, based on drivers such as sales and company-negotiated costs to reduce manual data entry and simplify the planning process
- Generating profit and loss statements and KPIs to track financial and operational metrics
- Tracking variances between actual performance and plans to identify trends and determine highest and lowest performing stores
- What-if modeling, personalized scenarios, multiple versions, “sandbox” and the ability to change values on plans on demand and recalculate them to determine the financial impact of business decisions
- Automatically managing and consolidating plans using integrated workflow
- Visual scorecard for managers to determine the status of the planning process easily and take action to complete the work
- Fostering collaboration and accountability to bring the “Voice of the Store” into the planning process with Workflow capabilities
- Deploying planning at whatever level makes sense (for example, region, district or store)

Managers can understand performance with dashboards, scorecards and reports and analyze information to understand trends related to sales, gross margins, item movement, labor cost, controllable expenses and shopping patterns throughout the chain.



Rapid consolidation of store-level plans reduces planning cycles. Chains can also move to rolling forecasts that better suit the dynamic nature of the retail industry. With timely re-forecasting, they can make adjustments based on external factors, such as business disruptions, consumer demand, competition or economic changes.

Drive performance with planning, analysis and reporting

IBM Cognos Performance Blueprints powered by Cognos TM1 feature a multidimensional, 64-bit, in-memory OLAP engine that provides exceptionally fast performance for analyzing complex and sophisticated models, large data sets and even streamed data. They use the Web to accelerate and take the pain out of data collection and performance measurement, and make it easier to do what's most important—drive sales and margins. And IBM Cognos Performance Blueprints provide access to powerful reporting and administration tools designed for finance personnel and for all levels of operations.

The screenshot shows a web browser window displaying the IBM Cognos Performance Management interface. The browser title is "Retail Store Operations | Work InProgress | Delray Beach - Microsoft Internet Explorer". The interface includes a navigation menu with options like "Revenue Base and Profile", "Revenue by Week", "Driver-Based Expenses", "Controllable Expense Base and Profile", "Controllable Expenses by Week", "Initiatives", "Exempt Headcount and Salary", "Non-exempt Headcount and Salary", "Profit and Loss", and "Store Metrics".

The main content area displays a table of initiatives. The table has the following columns: Initiative, Description, Initiative Type, Department Affected, Start Week, End Week, Revenue Impact, Gross Margin %, and Expense Impact. The data is organized into Corporate Initiatives and Store Initiatives.

Initiative	Description	Initiative Type	Department Affected	Start Week	End Week	Revenue Impact	Gross Margin %	Expense Impact
Corporate Initiative 1	Dept Renovation	Department Renovation	Home Décor	Wk 9	Wk 22	100,000	45.00%	50,000
Corporate Initiative 2	Remove Department	Remove Department	Pets	Wk 21	Wk 52	0	.00%	25,000
Corporate Initiative 3						0	.00%	0
Corporate Initiative 4						0	.00%	0
Corporate Initiative 5						0	.00%	0
Corporate Initiative 6						0	.00%	0
Total Corporate Initiatives						100,000	45.00%	75,000
Store Initiative 1	Grow Plasma TV Sales	Grow Department Revenue	Electronics	Wk 20	Wk 40	200,000	45.00%	30,000
Store Initiative 2						0	.00%	0
Store Initiative 3						0	.00%	0
Store Initiative 4						0	.00%	0
Store Initiative 5						0	.00%	0
Store Initiative 6						0	.00%	0
Total Store Initiatives						200,000	45.00%	30,000

The interface also includes a "Context" dropdown menu set to "Delray Beach [Store]", a "Page" indicator showing "Page 1 of 1", and a "Current Owner" field with the name "Dbarrett".

About IBM Performance Management

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.

About IBM Business Analytics

IBM Business Analytics software delivers complete, consistent and accurate information that decision-makers trust to improve business performance. A comprehensive portfolio of business intelligence, advanced analytics, financial performance and strategy management and analytic applications gives you clear, immediate and actionable insights into current performance and the ability to predict future outcomes.

Combined with rich industry solutions, proven practices and professional services, organizations of every size can drive the highest IT productivity and deliver better results.

For more information

For further information or to reach a representative:
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Request a call

To request a call or to ask a question, go to ibm.com/cognos/contactus. An IBM Cognos representative will respond to your enquiry within two business days.



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Produced in Canada
April 2010
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