



Overview:

Challenge

- One common interface for end-to-end expense management, reporting and analysis.

Why IBM?

- IBM needed to more efficiently and effectively track worldwide expenses and drill-down detail into and across specific geographical areas.
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IBM leverages IBM Cognos TM1 system for worldwide spend analysis solution

In IBM's view, today's networked economy has created a global business landscape and a mandate for business change. Integrated global economies have opened markets of new opportunity and new sources of skills. The Internet has enabled communication and collaboration across the world and brought with it a new computing model based on continuous global connection. In that landscape, companies can distribute work and technology anywhere in the world.

Given these opportunities, IBM® is working with its clients to develop new business designs and technical architectures that allow their businesses the flexibility required to compete in this new landscape. The business is also adjusting its footprint toward emerging geographies, tapping their double-digit growth, providing the technology infrastructure they need, and taking advantage of the talent pools they provide to better service the company's clients.

Challenges Faced

As a large, global organization, IBM has a vast amount of expenses to track and manage across not only hundreds of geographies, but within more than 400,000 departments worldwide. With that much complex data to track, manage, and maintain visibility into, IBM needed to replace its legacy Oracle system with a faster, more scalable solution that would also tie closely into its already-implemented IBM Cognos® 8 Business Intelligence (BI) for System z® solution.

With different geographies and brands using their own data sources and processes for expense management, and no common interface to view and track expenses across the organization, performing analysis was often manual and siloed. Further, users weren't able to move from one system to another to view the data they needed to very easily, hampering the process and impeding the finance team's ability to drill down into the level of detailed data required to perform meaningful analysis of spending in order to keep global spending in control. Additionally, the team needed a solution that used Microsoft™ Excel™ to access data in a flexible manner, so that users could easily understand and leverage their use of that tool.



Overview:

Solution

- Replacing an array of disparate Oracle cubes, the IBM Cognos TM1 solution provides a single interface for worldwide spending that enables consolidating, viewing and editing vast volumes of multidimensional data.

Key Benefits

- Single worldwide application for spend analysis and tracking; near-instantaneous expense calculations; lowered administration and IT maintenance costs and consistent versioning of data, taking steps to introduce Web based contributor input with metric driven managed planning.
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Strategy Followed

In August 2009, IBM decided to replace its existing Oracle system – consisting of 16 disparate solutions that were supporting expense management at the geography and brand levels - with a dynamic IBM Cognos TM1® application dubbed “Worldwide Spend (WWSpend).” Because IBM Cognos TM1 provides exceptionally fast performance for scenario analysis of large, sophisticated models and data sets, IBM is able to integrate its worldwide expense management data directly into IBM Cognos 8 BI and other data sources to leverage common metadata and add richer dimensionality to data, from region to region and department to department. By implementing its own technology, IBM knew it could save employees time and streamline a process globally.

The WWSpend deployment, which was led by James Correa, CIO Business Transformation and IT Project Management Office, and Marc Berson, Director, Business Analytics, was rolled out to approximately 600 financial analysts and planners in Europe at the outset. With 16 different Oracle Essbase cubes globally and cross-departmentally tracking various expenses within IBM, including expense planning line items to expense vs. actuals, the amount of manual processes was inefficient and error-prone.

“Rather than have one interface for financial analysts to go in and access and analyze data, they had to switch from cube to cube. There was no common interface for that, and we needed to shift towards a ‘manage once’ solution, with standard metadata across regions, common structure definitions and richer dimensionality of data,” says James Correa, CIO Business Transformation and IT Project Management Office.

“Standardizing the process was huge for us, in terms of having the same metadata across the enterprise, which, in turn, enabled us to realize the benefits of common structure. More importantly, these core definitions will be used across all of our IBM Cognos TM1 applications moving forward, extending systematic consistency and the value proposition of IBM Cognos TM1 in general as a platform.”

~ James Correa, CIO Business Transformation and IT Project Management Office

As the team built the expense management foundation, they developed 13 common dimensions to standardize processes across the regions. These dimensions will be carried through to subsequent applications being deployed in the future, for standardization and consistency, something they lacked with their Oracle implementation.

“We had a few hundred cubes of data, with no systematic way of ensuring consistency across them. That ability is a huge value proposition behind IBM Cognos TM1; in being able to centrally manage those definitions across cubes more systematically,” adds Correa.

From a BI perspective, in leveraging the already-implemented IBM Cognos 8 BI solution, IBM has been able to increase its web reporting capabilities while leveraging the IBM Cognos TM1 In Spreadsheet Browser (ISB) functionality which has helped streamline workflows by leveraging the spreadsheets already being used by staff. Additionally, users no longer have to copy and paste data into presentations for executive communications, as they can now pull information straight out of its more tightly integrated solution.

In terms of analyzing expenses and being able to manage and track costs, IBM now has more granular information for its expense data. Rather than its users having to go to the general

ledger (G/L) system to pull information, structure queries, and reconcile what was in the consolidated numbers, IBM Cognos TM1 seamlessly performs this task at a very fast pace, essentially eliminating the former process, which was error-prone and laborious.

Benefits Realized

Although the WWSpending implementation is still in the early stages – with planned rollouts to Asia-Pacific and North America by mid to late 2010, for a total of 1000 users - IBM has already reaped several invaluable benefits. With one, single worldwide application for spend analysis and tracking on one IBM Cognos TM1 cube, rather than 16 disparate Oracle Essbase cubes, the reduction in IT support previously needed to manage and support each geography has been substantial. The strengths of IBM Cognos TM1’s patented, 64-bit, in-memory On-line Analytical Processing (OLAP) server enabled this by allowing near-instantaneous access to reams of previously disparate data.

“IBM has more departments than people – a staggering 400,000 – and we needed that single snapshot view of spending worldwide. With IBM Cognos TM1, we have achieved that ‘single pulse’ on each region in one solution,” comments Berson.

“Cognos TM1 offers us the opportunity to consolidate numerous spending related cubes by allowing us to expand the number of dimensions the WWSpending cube can support. This additional capability was key to developing a cube that will be standard across all geographies and business units. This TM1 cube will be the foundation for our spending harmonization project where the objective is to have all geographies and business units report spending activities in a consistent manner.” adds Gary Bernstein, VP Finance Transformation and Talent.

The initial results have not gone unnoticed as the management team is evaluating planning at the IT project level, leveraging WWSpending to forecast and track the correlation between IT investments and ROI. Given the solution is already in place, IBM can essentially fast-track this initiative, leveraging WWSpending as the foundation. In fact, WWSpending will serve to standardize dimensions for all future IBM Cognos TM1 deployments and corresponding Oracle migrations at IBM.

Further, as IBM continues on the next phase of its rollout there are plans to migrate to IBM Cognos TM1 9.5 Web based managed planning to eliminate the need to be tied solely to a spreadsheet as the input collection interface. IBM will additionally be leveraging IBM Cognos Contributor for workflow consolidation, and metrics-driven planning capabilities for tracking and analyzing historical data

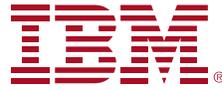
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