



Consumer Products Performance Management

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Abstract

Consumer products performance management provides tools to make sense of data from multiple sources, so you can:

- Make decisions to keep ahead in the marketplace.
- Gauge critical indicators.
- Understand what led to results.
- Set plans, allocate resources, monitor them and adapt.
- Gain a forward-looking view of the business.
- Turn critical data into meaningful information and reports that everyone can use.
- Assess the “Why?” behind operational activity and performance.
- Turn strategic initiatives into discrete plans and budgets.
- Connect operations with finance and drive continuous collaboration.

You get completeness of vision, a zero footprint, and leveraging of existing investments, all with IBM’s award-winning support.

Overview

The IBM Cognos® 8 family of products gives consumer products companies the tools they need to spot trends, make informed decisions quickly and stay competitive in the marketplace. A number of factors, including competitive pressures, low margins, blurring segments, the availability of multiple channels and supply chain complexities, make this task even harder. The marketplace is volatile, so consumer products companies have to quickly get a handle on the issues that influence business performance and secure the resources to deal with them effectively. Such flexibility is central to rising above the competition and driving up profits. IBM Cognos 8 puts the right information in managers’ hands.

Business problems

“We’re learning a lot more about our customers than we knew before. Business intelligence has allowed us to look at how we do go-to-market, how we approach our customer and what products and services we promote to develop our business. This information is extremely, extremely valuable to us and has empowered us to improve sales, margins and customer frequency.”

*Chris Boebel,
Director of IT,
Delta Sonic*

Business problems

To stay ahead in a competitive marketplace, you need to spot trends and make informed decisions quickly. With performance management, consumer products companies gain access to the reliable, timely information that drives better decisions. While there are any number of decisions to make, these decisions depend on the answers to three fundamental questions:

- *How are we doing?* A gauge of the most critical indicators for your organization
- *Why?* The ability to dig deeper into current issues to understand what led to the results
- *What should we be doing?* The facility to set plans, allocate resources, monitor them, and adapt

The IBM Cognos solution provides a single, enterprise platform for performance management (PM). It integrates and leverages your financial and operational data, and delivers the scorecarding, reporting and analysis, and planning software to optimize performance.

With integrated plans, business intelligence (BI) reporting and analysis, and performance metrics, you can dramatically improve your understanding of the organization. This improves your ability to make timely and informed decisions that improve operations, increase sales, and drive profitable growth. And with alerts, users get the benefit of near real-time information. For instance, account managers can pull up the latest sales figures on their mobile device when sitting in front of the customer.

Cognos performance management is an integrated solution for consumer products companies that links sales with marketing, supply chain with production and finance with executive management so all parts of the organization work toward a single set of business goals and financial objectives.

Business drivers

Business drivers

Competitive pressures. Low margins. Strong retailers. Blurring segments. Multiple sales channels. In a volatile marketplace, consumer products companies have to quickly grasp the issues influencing business performance and secure the resources to deal with them effectively. Such agility is central to rising above the competition and driving up profits.

But staying ahead isn't easy. Data pours in from multiple systems, divisions, regions and third parties. And IT departments are challenged to provide solutions that enable productivity and agility in the face of market and customer demands. Manual processes, inefficiencies and lack of accountability add to the mix.

IBM Cognos software for PM helps your organization rise to the challenge with better business insight, planning, and performance. It does this by unlocking data captured in operational and financial systems and transforming it into relevant, actionable information. You understand what's behind critical issues, trends and opportunities. You gain an accurate forward-looking view of the business and can plan accordingly. And everyone collaborates to make better strategic decisions.

With Cognos performance management, your organization gains a complete and consistent view of all key profitability drivers so you can:

- Track and monitor sales, margins, and operational performance
- Analyze results and identify trends in the supply chain, channels and customer behavior
- Model the impact of business decisions
- Quickly adjust plans to achieve profitable growth

The Solution

“We have developed a vendor-managed inventory (VMI) system using business intelligence to better manage the dramatic changes in the entertainment market. arvato provides logistics and VMI services to 3000 stores across Europe. By analyzing point-of-sale data from these consumer products chains, we are able to increase supply chain efficiency and provide replenishment services for media merchandise. This helps consumer products companies to increase sales, protect profits and optimize inventory.”

*Jochen Bremshey,
Director IS&T Entertainment
Services Europe,
arvato*

Dashboards and scorecards

IBM Cognos software communicates your strategy and objectives through metrics-based scorecards and dashboards. It answers “How are we doing?” by providing people with the information they need to take ownership of their performance—visibility into strategy, understanding the part they play in making the strategy succeed and the metrics to measure their success.

By enabling the strategic alignment of objectives against performance metrics, at any time you can answer the key question: Are we making progress on the things that must be done?

Use IBM Cognos software scorecarding to:

- Monitor sales and margin performance by channel, division, region, customer or product line
- Measure performance against strategic company initiatives
- Track financial goals in terms of growth, profitability, key controllable expenses and return on net assets
- Measure marketing and merchandising effectiveness
- Evaluate supply chain activities, supplier performance and logistics operations across a range of metrics

Reporting and analysis

The large volumes of data your organization amasses—inventory, supply chain, ERP—reside in many sources and systems. Consolidating this information is a huge challenge. It is especially difficult given that there are also many tools used to analyze and report on the data, creating more islands of information.

IBM Cognos software reporting and analysis consolidates your critical data, and turns it into meaningful information and reports that everyone can use.

You can quickly spot trends and drill down to discover underlying causes and issues. The flexible, user-friendly reporting means everyone has the right information delivered in the right way—across all departments, locations, functions, and roles.

With a single, standardized business intelligence (BI) platform for reporting and analysis, you can accurately assess the “Why?” behind operational activity and performance. This provides the necessary context against which decisions can be made.

Use IBM Cognos reporting and analysis to:

- Report on performance by channel, division, region, customer, department, category or product to maximize profits
- Analyze sales and item movement data to understand demand, optimize production and guide trade promotions
- Understand consumer and market trends and react quickly
- Make direct comparisons between sales figures and data received from third party customers, such as market analysis companies
- Consolidate, analyze and report on supply and demand

Planning and budgeting

Many consumer products companies still use spreadsheets as their primary vehicle for planning and budgeting. Spreadsheet-based systems create islands of financial and planning data, where everyone works independently.

What’s required instead is a solution that replaces a fragmented process with continuous, collaborative planning that supports your business drivers and delivers up-to-date insight into performance. IBM Cognos 8 Planning helps

you build a foundation for higher performance by connecting strategy to plans, targets, and operational objectives.

IBM Cognos 8 Planning addresses “What should we be doing?” by allowing you to set strategic initiatives and turn them into discrete plans and budgets for the entire enterprise—from shop floor to marketing to retailers. Plans can be built to maximize operational effectiveness, and they can be easily realigned as conditions change.

Use IBM Cognos 8 Planning to:

- Develop long-range, financial, cost center and headcount plans, forecasts and budgets across the enterprise
- Create operational plans for production, channels and marketing
- Gain consensus and consolidate top-down and bottom-up operational plans with financial plans
- Increase accountability across the organization through a high-participation planning process
- Support timely updates of forecasts to address changing market influences, new initiatives and competitive factors
- Manage and consolidate plans via integrated workflow

IBM Cognos Performance Blueprints to jump-start your planning

In most consumer products organizations, budgeting and planning is often done in silos, where each department completes its own plan aimed at meeting corporate revenue and profit targets. This makes it difficult for the business to keep pace with changing consumer needs, trends, and shifts in the marketplace. In a fast-moving industry like consumer products, these bottlenecks can mean the difference between high profits and bankruptcy.

Blueprints connect operations with finance and drive continuous collaboration. Blueprints are pre-built best practice data models that provide streamlined planning, forecasting, analysis and reporting functionality within a number of functional areas such as sales and operations planning and trade promotions planning. They extend the planning process beyond corporate finance, to manage to a single set of financial objectives and business goals.

Blueprints give finance more time for analysis and rolling forecasts. What emerges is a dynamic consumer products business that adapts quickly to trends, new customer demands, competitive challenges and changing markets—from raw materials to the storefront.

Your path to consumer products performance management

Where companies begin on the path to consumer products performance management will differ, and how quickly they implement the platform will vary. The bottom line is that you can take an incremental approach, starting with one performance management component and building from there. Every time you address one element in the system, you strengthen your decision-making and performance.

The one thing

If you were to do one thing to improve your organization's performance, what would it be? For some, it's streamlining the supply chain to optimize profitability. For others, it's gaining the ability to adapt quickly to changing business conditions. IBM Cognos technology lets you understand the information to do the one important thing, and then grow from there.

The data

You may have data locked away in too many databases and legacy systems, with no effective way to report against them. Access and integrate this data, and then let everyone, from home office executives to floor managers, generate their own timely, meaningful reports. With a firm grasp on the why behind performance, you're ready to move forward.

The scorecard

Take advantage of a scorecard to drive your performance agenda. Monitor the key metrics that map to your organizational strategy. Leverage your existing data resources to deliver this information into a scorecard that shows you status, trends, relationships, and interdependencies and gives you the ability to drill through to the BI layer for more information.

The plan

Change your budget into a rolling, responsive forecast. Go beyond unwieldy spreadsheets. Use technology to engage all cost and revenue centers in preparing realistic forecasts that take into account your organization's overall strategy. Save time and resources usually committed to this process, and turn them into better analysis and forward-looking thinking.

Consumer Products companies improve their performance with IBM

Consumer products organizations worldwide recognize IBM for its innovation, vision, ability to execute, and technology leadership in performance management.

Completeness of vision

IBM has built an open standards, integrated technology framework. In addition to planning, reporting and analysis, and scorecarding, we provide common user portals, common data definitions and standards-based technologies to simplify your business and IT environment.

Zero-footprint

The zero-footprint, Web-based platform of IBM Cognos software lets you access information using a browser. It simplifies your environment, while improving user adoption. No plug-ins to install and no end-user complexity translates into a lower cost of ownership and higher customer satisfaction.

Leverage existing investments

IBM Cognos software works with your data and your IT environment, allowing you to leverage your existing infrastructure and applications to increase the value of your investments.

Enterprise scale

IBM Cognos technology is built to handle the data volumes, level of activity, and complex business and IT environments of the Fortune 1000 and other large enterprises. Our technical capabilities streamline administration, support, security, and validation requirements, which reduces costs and risk.

Award-winning support

IBM supports its integrated performance management capabilities with award-winning Global Customer Services. We consistently top the list for best software support and services innovation with customers and support professionals. Our consultants can design and implement a solution that grows as your organization grows to deliver value for years to come.

Conclusion

Conclusion

In the highly competitive consumer products marketplace, businesses must be decisive and be able to adjust quickly as economic factors, trends, and customer needs change. Effective decision-making depends on having access to accurate, current information you can act on—you need to know how you are doing, why, and what you should be doing.

IBM understands the challenges of the consumer products industry. Whether you need to align sales and operations planning, plan for new initiatives, or understand the trends that are impacting your business, IBM Cognos performance management software delivers the deep insight you need. Our decision-making platform leverages your information and resources—to help you grow profits and thrive in the current consumer products environment.

About IBM Cognos BI and Performance Management

IBM Cognos 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.



For more information

For more information on IBM Cognos solutions for consumer products companies, visit

- ibm.com/cognos
- ibm.com/software/data/cognos/solutions/consumer-products

For more details on our solutions, to schedule a one-on-one demo, or to request a local IBM Cognos Business Partner, speak to your IBM Cognos sales representative or call 1-800-426-4667.

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Somers, NY 10589
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