

More than **REPORTING**



IBM COGNOS REPORTNET®
A DELOITTE WHITE PAPER

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Introduction

Companies trying to implement a standard reporting system face an uphill battle. They need to reconcile multiple platforms, competing vendors, unusable tools, and conflicting data structures into an enterprise-wide view. Such initiatives place heavy demands on IT departments and have, until now, met with little success.

Also, the advent of the Web has served to underline the cracks in corporate reporting. Though many key business processes have moved to the Web, companies continue to rely on tried-and-true spreadsheets that are disconnected and scattered across departments and divisions. At the same time, new regulatory requirements such as Sarbanes-Oxley are leading many executives to reflect on the vulnerabilities of their information systems. Many have serious concerns that their information, whether internal or external, is flawed and unreliable.

Any new reporting solution must overcome all of these challenges. However, it must also provide value above and beyond simply meeting basic requirements to justify a company's decision to replace its existing

systems. The reporting solution must enable the company to create commonly shared definitions, measures, and reports — a single version of the truth — that are essential to understanding and improving performance.

IBM Cognos ReportNet® succeeds on all counts. It is a revolutionary new reporting product that delivers any report to any user, on any platform, over the Web. And all from a single, open, and scalable Web services-based architecture.

IBM Cognos ReportNet® is a groundbreaking product. Rather than take an existing reporting product and adapt it for the Web (as many vendors have done), IBM Cognos ReportNet® delivers an entire reporting environment over the Web. The result is a dynamic, yet and easy-to-use environment that is accessible to all users, wherever they are located within an organization.

Faced with an array of new governance requirements, CFOs everywhere are placing a renewed emphasis on the integrity and accuracy of their corporate data. And with good reason: Section 404 of the Sarbanes-Oxley Act requires the CEO, CFO, and a company's auditors to attest to the effectiveness of their company's internal controls and financial reporting procedures. Sections 801 to 1107 set new rules and penalties relating to corporate and criminal fraud. Section 906, for example, calls for a fine of \$5 million and/or 20 years in prison for an executive who wilfully signs any statement that does not comply with the Act.

There are other pressures. The implementation of IAS 2005 (International Accounting Standards) is stretching demand. The need to report 2004 comparatives during the transition to IAS while at the same time maintaining local GAAP (Generally Accepted Accounting Principles) means companies will need a reporting system that lets people report, analyze, and explain differences to markets, regulators, auditors, and external stakeholders.

The move to quarterly reporting everywhere seems inevitable for large companies. Also, with many publishing their accounts and interim statements to the Web (usually as Adobe Acrobat pdf files) it appears likely that more investors will rely on the Web rather than on printed reports for their information.

Whichever way one looks at the challenges of reporting, it is clear that existing systems cannot meet them. Added to which the new culture of corporate performance management (CPM) points to the need for an enterprise-wide reporting capability that allows management to set demanding performance goals through budgets and forecasts, monitor and report on progress and, if necessary, revise the company's direction — the so-called “closed loop.”

There is a stronger case than ever for a reporting system that delivers “one version of the truth.” With multiple stakeholders taking different views of corporate information, it is vital that they draw information from the same source and present it consistently. Second, the information must be organized so that it can be retrieved and reported simply, i.e., without any particular systems expertise. Finally, reporting needs to be content-rich, multilingual, Web-enabled and delivered in multiple formats easily to satisfy the needs of a diverse user population.

Description	2004		2003		Total
	(\$ mil)	(\$ mil)	(\$ mil)	(\$ mil)	
Balance at 1/1/04					
Issuance of stock					
- Stock options	1,216	18,273			19,489
- Stock purchase plan	78	2,018			2,096
- Business Acquisitions	253	3,070			3,323
- Deferred stock-based compensation	450		(2,488)		(2,038)
- Accruals of deferred stock-based compensation				1,233	1,233
- Repurchase of shares	(800)	(801)		(15,196)	(16,000)
- Issuance for offset related to stock options		2,210			2,210
- Other	(1,225)	(1,513)	(1,130)	(61,430)	(63,788)
Net income				64,390	64,390
Other comprehensive income				(5,753)	(5,753)
- Foreign currency translation adjustments				(5,753)	(5,753)
Comprehensive income				58,637	58,637
Balance at 12/31/04					
Issuance of stock					
- Stock options	1,275	12,742			14,017
- Stock purchase plan	67	2,307			2,374
- Accruals of deferred stock-based compensation			3,341		3,341
- Repurchase of shares	(1,614)	(1,628)		(22,491)	(24,133)
- Issuance for offset related to stock options		3,265			3,265
- Other	(1,225)	(1,454)	(1,221)	(10,117)	(12,707)
Net income				19,420	19,420
Other comprehensive income					

Getting the information into IBM Cognos ReportNet®

IBM Cognos ReportNet® manages data through a component called Framework Manager. With Framework Manager, administrators can create and publish the metadata models that drive report creation. These data models can span multiple data sources or applications which may be located on multiple technology platforms. IBM Cognos ReportNet® supports the ability to import existing metadata from popular sources and standards. Additionally, IBM Cognos ReportNet® supports certified links to SAP's Business Warehouse so that SAP data can be accessed without losing attributes such as language, units of measure, rules, variables, calculations, filters, and totals. Essentially, data behaves in IBM Cognos ReportNet® in the same way as it would in native SAP applications. A positive step along the road to "one version of the truth."

However, the value of Framework Manager is not in the way it extracts data from the underlying systems, but in the way in which it manages and presents data. One of the problems of traditional reporting solutions is that data is scattered across tables, catalogues, and data dictionaries with abbreviated descriptions (usually drawn directly from system tables) that convey little information to business users. Framework Manager, on the other hand, allows data to be assembled in folders conforming to a logical hierarchy (much like Windows Explorer), with business-based descriptions that are immediately useful to the end user.

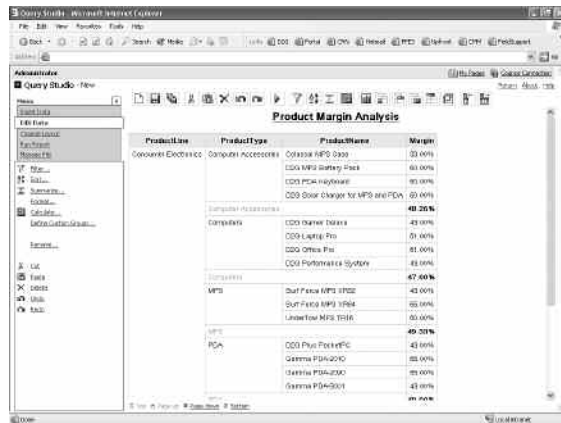
Cognos connection

Report consumers access their reports through a Web portal component called Cognos Connection. Cognos Connection displays pre-existing reports in logical groupings through a folder hierarchy. Security ensures that users see only that information that they have

access to. Consumers also have the ability to choose runtime options; for example, geography or division, created by the report author.

Query Studio

Query Studio is the ad hoc query component of IBM Cognos ReportNet®. To a large extent, Query Studio decides the format and presentation of the report, making it an ideal and productive environment for users with limited technology skills.



ProductLine	ProductType	ProductName	Margin
Consumer Electronics	Computer Accessories	Corona MP3 2000	33.00%
		CGO MP3 battery pack	60.00%
		CGO MP3 headphones	85.00%
		CGO Stereo charger for MP3 and PDA	20.00%
		Computer Accessories	42.25%
	Computers	CGO Printer Deluxe	43.00%
		CGO Laptop Pro	51.00%
		CGO Office Pro	81.00%
		CGO Performance System	49.00%
		Computers	47.60%
	MPS	Sharp Price MPS 1920	43.00%
		Sharp Price MPS 1924	52.00%
		Lexmark MPS 2020	55.00%
		MPS	49.20%
	PCs	CGO Print Pack 4FC	43.00%
		Gamma PDA-200	55.00%
		Gamma PDA-2000	85.00%
		Gamma PDA-2001	43.00%
		PCs	49.00%

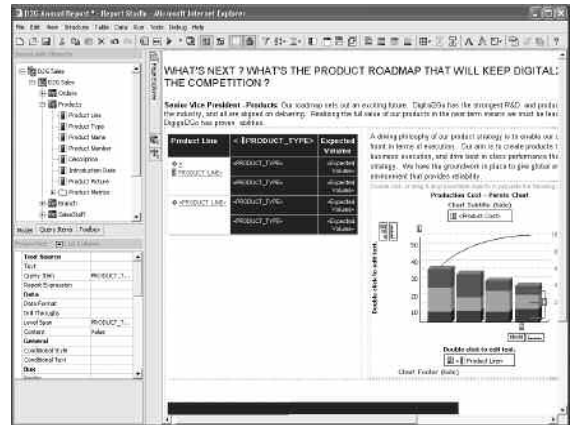
Depending on their user permissions, the available data is displayed in a Windows Explorer-style pane on the left side of the screen and a blank table is displayed in the body of the screen. To create a report, users simply drag data elements from the data pane and drop them into the body of the screen. Query

Studio initially displays the data by default as a list, i.e., a row for each data element under a column. The column heading takes its title from the description in the data pane. Duplicates can be eliminated by using the “Group” function to allow the data to be grouped, for example, by product type within a product listing with automatic totalling of relevant fields on each break of product type. Other functions displayed in the toolbar allow the groups to be expanded or collapsed to reveal more or fewer data as required. Rotating a list report like a pivot table allows users to create a two-dimensional or “crosstab” report. The “normal” selection of sort routines is available and an extensive list of charting options permit graphs to be produced with ease from the data selected. Each report can be accompanied by user-definable prompts and run time options to enable filtering and refinement of the data retrieved. The final reports can be delivered in HTML, PDF, CSV, or Excel (XLS) format and where appropriate distributed according to the scheduler to a printer, by email, or by placing them in other folders where users can access them.

Report Studio

Report Studio is in a class of its own. It is difficult to categorize it as a product in conventional terms because it blurs the accepted boundaries between applications and explodes perceived wisdom about what a report is supposed to do. Most users will describe a traditional report in fairly rigid terms, based around a fixed column and row format supplemented by spreadsheetstyle formatting, sort options, control breaks, calculated columns and runtime options. Perceived as passive, static and uninteresting with limited relevance to corporate performance management, many reports are regularly consigned to the dust heap.

So how does Report Studio differ? In many ways it is more like a Web site than an authoring tool. It is important to note that IBM Cognos ReportNet® is a “zero footprint” application, i.e. it requires no software at all on the client PC and the application can be maintained over the Web. This makes deployment of IBM Cognos ReportNet® on an enterprise basis less of a burden and more cost-effective.



The product makes no assumptions about paper size and since most reports are likely to be surfaced in a Web browser it allows pages of a report to adapt or resize to the browser window. On other occasions it may be necessary to generate statutory reports and returns must be “pixel perfect.” This opens the door for corporate governance signoffs to be embedded in a report, to be approved with a digital signature.

There is no limit to the combination of objects and queries within a page and Report Studio permits multipage reports, each of which can be markedly different. Such an approach means that a single report can serve multiple purposes, for one user or a range of users. Indeed a combination of “bursting” functionality, scheduling and output formats means that a single report can be broken up and the relevant portions delivered at a pre-set time to users in different geographies or functional areas by email or over the Web or directly to a nominated directory as required.

Report authors can create powerful reports by using list objects, pivoting tables, and multidimensional charts. Users no longer need to scan multiple spreadsheets to find relevant information. Instead, they can have all their role-based information delivered in a single report. Report authors can embed links to other reports or relevant Web sites. They can also include drill-through capabilities to an SAP data warehouse or IBM Cognos PowerPlay® data cube while preserving context throughout the entire process.

IBM Cognos ReportNet® also delivers groundbreaking multilingual capabilities. Users can change the language of the report or the entire user interface by simply choosing a language from a drop-down list. Date fields, prompts, and numerics are also translated into the commonly used formats in that particular language.

Report authors can use graphics to act as report headers and footers. Authors can also configure images to behave just like on a Web page using hot spots, rollovers, and animations. Inventory reports can include thumbnails of each item. Report authors can also include video clips to accompany certain reports; for example, a CEO’s statement in an annual report.

Summary

The new drive for better corporate performance management and corporate governance is driving the need for more accurate, timely, and relevant information. Existing reporting information systems architectures cannot satisfy this need because they are fractured by underlying technologies and are unable to present information over the Web. IBM Cognos

ReportNet® amply satisfies current needs and points the way reporting will develop in the future. For some it will be the only viable all-in-one solution for, corporate performance management, complex statutory, regulatory, and corporate governance reporting.

About the author

Gary Simon, is a graduate of London University and Chartered Accountant. He has specialized in financial systems consultancy for 20 years and is extensively published in the professional and technical press. He is a leading authority in management and financial reporting systems and Deloitte's global leader for forecasting planning and budgeting systems. A

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About Cognos, an IBM company

Cognos, an IBM company, is the world leader in business intelligence and performance management solutions. It provides world-class enterprise planning and BI software and services to help companies plan, understand and manage financial and operational performance. Cognos was acquired by IBM in February 2008. For more information, visit www.cognos.com.

For more information

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Request a call

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