



The slide features a dark blue header with the IBM logo in the top right corner. The main title 'FINANCE FORUM 2009' is displayed in white on a dark blue background. To the right, the subtitle 'Driving Performance in Turbulent Times' is written in green and black. Below the subtitle, the speaker's name and title are listed. At the bottom, there are logos for 'Information Management' and 'Cognos software'.

IBM

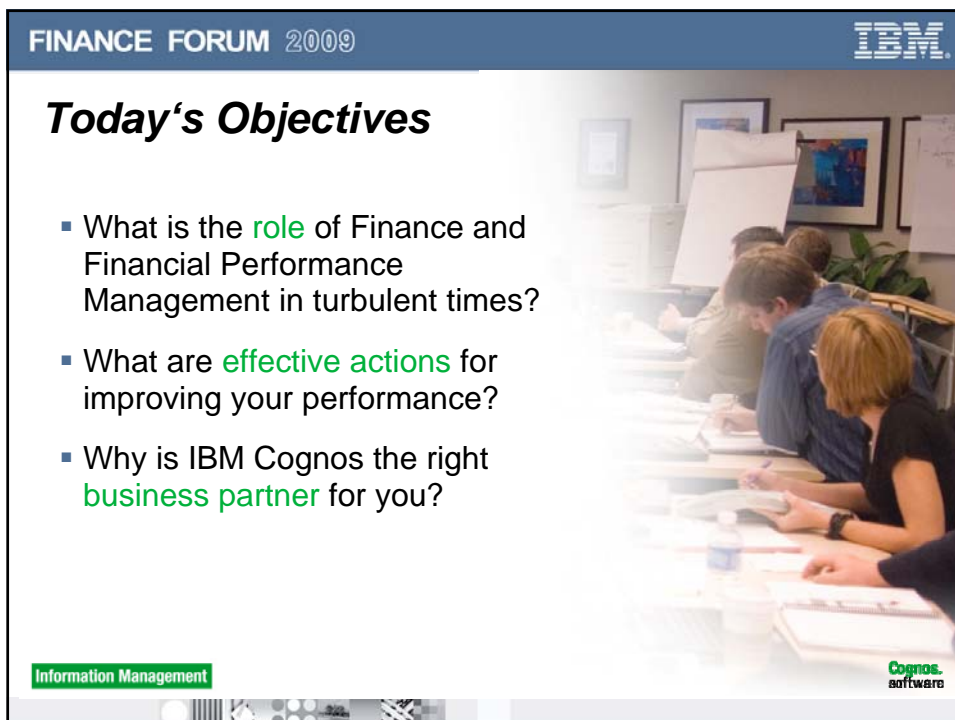
**FINANCE FORUM**  
**2009**

*Driving Performance  
in Turbulent Times*

Christoph Papenfuss  
Business Unit Executive  
IBM Cognos Innovation Center

Information Management

Cognos  
software



The slide has a blue header with 'FINANCE FORUM 2009' on the left and the IBM logo on the right. The main heading 'Today's Objectives' is in bold black text. Below it, three bullet points are listed. The background of the slide shows a blurred image of a meeting room with people seated at a table. At the bottom, there are logos for 'Information Management' and 'Cognos software'.

FINANCE FORUM 2009

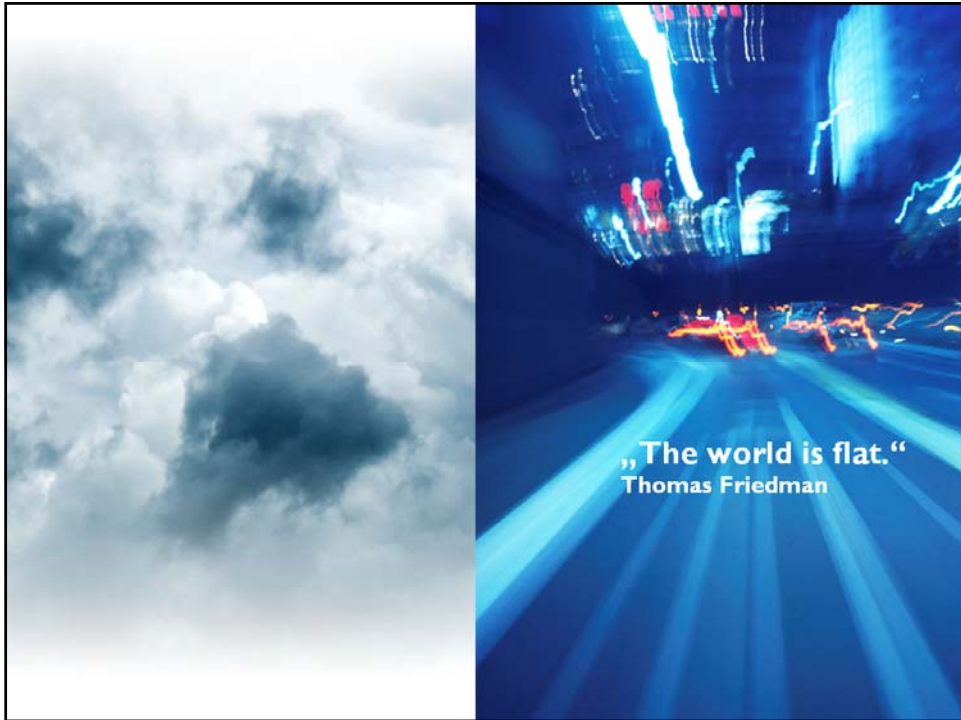
IBM

**Today's Objectives**

- What is the **role** of Finance and Financial Performance Management in turbulent times?
- What are **effective actions** for improving your performance?
- Why is IBM Cognos the right **business partner** for you?

Information Management

Cognos  
software



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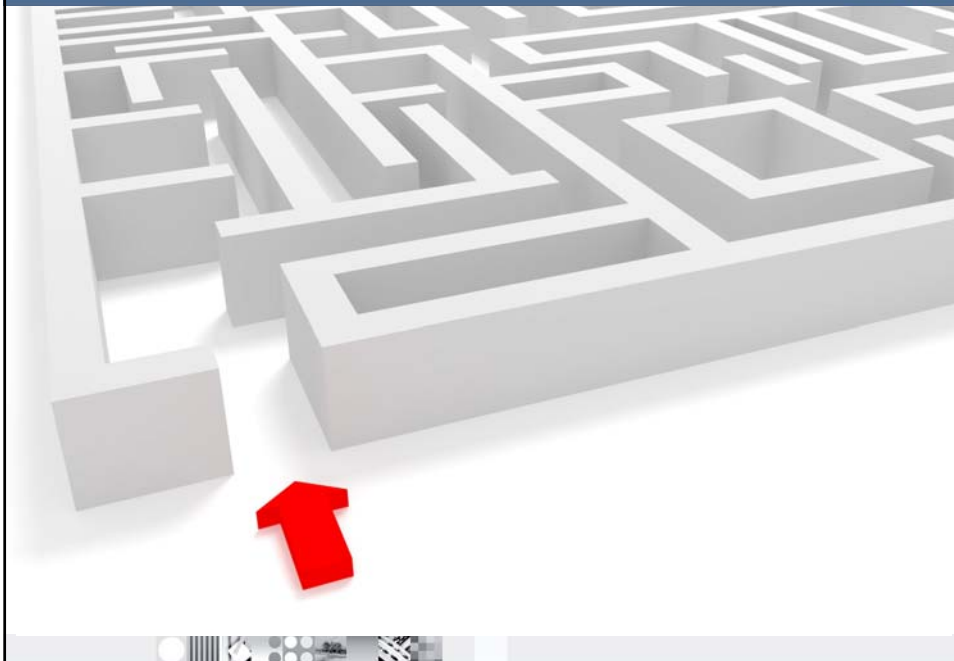
***We need to deal with specific challenges***

- I. Demand is in a Dramatic (and Uncertain) Decline
- II. Companies Facing Constraints on Credit and Capital
- III. Industry Structure Can Change Significantly in Crisis

Information Management 

*Finance plays a **critical** role in volatile times*

- Manage risk
- Monitor & cut costs
- Improve profits
- Drive Cash Flow



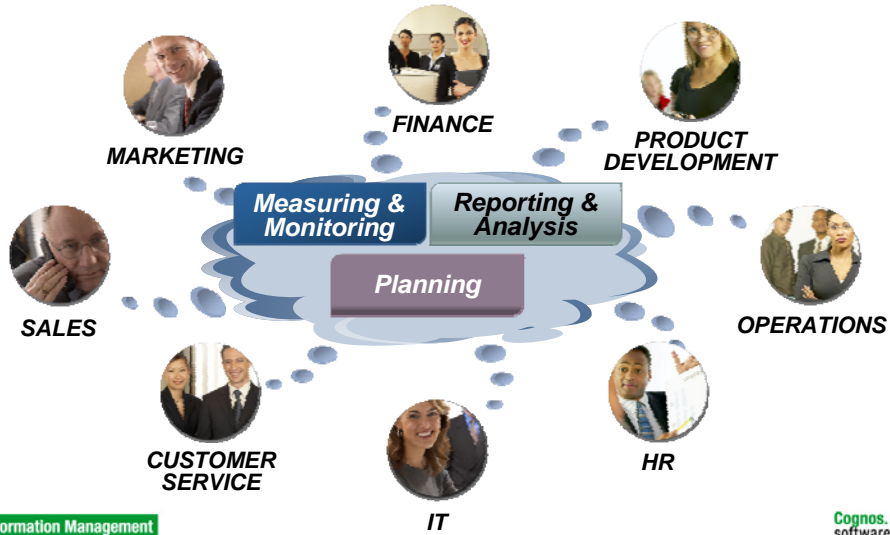
### Three Questions that Drive Performance



### Three Questions that Drive Performance



# Performance Management Capabilities



# Performance Management Capabilities



Operations Performance - IBM Cognos Conne...

How are we doing?

Sales & Operations Log Off

My Folders Sales & Operations Performance Inventory Manage

No filter No grouping

**PERFORMANCE**

MEASURING & MONITORING

On Time Customer Shipments

Forecast Accuracy - Operations

Inventory Obsolescence as a % of Total Inventory - Operations

Unplanned Maintenance Downtime - Operations

Production Compliance - Operations

Committed Delivery Performance - Operations

CAPACITY EXCEPTIONS

Scorecard or dashboard shows On Time Shipments below plan

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How are we doing? Why?

**PERFORMANCE MANAGEMENT**

MEASURING & MONITORING

REPORTING & ANALYSIS

Average Shipment Days Late

Late Shipments %

Plant	Comp. Name	Mat Req'd	Tot Mat. Ordered	Mat. Shortage Desc.
Houston, TX	Circuit Boards	22,825,208	43,074,732	
Jacksonville, FL	Computer Cases	12,793,836	40,521,303	
Master Planning	Electrical Connectors	89,655,906	199,800,000	
Newark, NJ	Instrument Wiring	1,065,832	888,867	Yes
Santa Cruz, CA	LCD Monitors	0	47,544,732	

Report shows production bottleneck due to Material Shortage



How are we doing? Why? What should we be doing?

	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Au
All Plants	5,375	5,745	5,145	5,145	6,197	7,016	7,956	
Moine, IL	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Newark, NJ	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Santa Cruz, CA	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Houston, TX	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Jacksonville, FL	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Contractor	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plants	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Moine, IL	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Newark, NJ	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Santa Cruz, CA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Houston, TX	0.00%	0.00%	(20.00)%	(20.00)%	(20.00)%	(20.00)%	(20.00)%	(20.00)%
Jacksonville, FL	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Contractor	0.00%	0.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Plants	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Moine, IL	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
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Santa Cruz, CA	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Houston, TX	20.00%	20.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Jacksonville, FL	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Contractor	0.00%	0.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
All Plants	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Contractor								
Moine, IL	1,075	1,14	1,029	1,029	1,239	1,403	1,591	
Newark, NJ	1,075	1,14	1,029	1,029	1,239	1,403	1,591	
Santa Cruz, CA	1,075	1,14	1,029	1,029	1,239	1,403	1,591	

Demand Volume is reviewed and Plant Production Plan is adjusted to remove bottleneck

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FINANCE FORUM 2009 

**2009 – A Year of Challenge & Opportunity**

“ ... new leaders emerge who win not by surviving the storm, but by changing the game. Changing the game requires process transformation that infuses intelligence into our decision-making and management systems ... ”

**Sam Palmisano,**   
 IBM CEO, on Smarter Planet...

Information Management  Cognos software

**Financial Performance  
Management is your  
GPS**



**Forward Thinking Companies are Acting Fast**

MEASURING AND MONITORING

PLANNING

REPORTING AND ANALYTICS

Sales	Marketing	Customer Service	Finance	Product Development	Operations	Human Resources	IT/ Systems
-------	-----------	------------------	---------	---------------------	------------	-----------------	-------------



## Simple, Strong, and Standard Processes

MEASURING AND MONITORING

PLANNING

REPORTING AND ANALYTICS

Sales	Marketing	Customer Service	Finance	Product Development	Operations	Human Resources	IT/ Systems
-------	-----------	------------------	---------	---------------------	------------	-----------------	-------------

**FINANCE ACTIONS:**  
 Simplify and eliminate redundancy; drive dynamic, sustainable FPM practices

**Dynamic**

## Deeper Insight Unlocks New Value

MEASURING AND MONITORING

PLANNING

REPORTING AND ANALYTICS

Sales	Marketing	Customer Service	Finance	Product Development	Operations	Human Resources	IT/ Systems
-------	-----------	------------------	---------	---------------------	------------	-----------------	-------------

**PRODUCT ACTIONS:**  
 Eliminate Unprofitable Products & Non-value Added Activities

**CUSTOMER ACTIONS:**  
 Protect Profitable Customers & Manage the Unprofitable Ones

**SUPPLIER ACTIONS:**  
 Leverage Your Best Suppliers and Manage Supply Risk

**FINANCE ACTIONS:**  
 Simplify and eliminate redundancy; drive dynamic, sustainable FPM practices

**Intelligent**

## Linking Operations and Finance

MEASURING AND MONITORING

PLANNING

REPORTING AND ANALYTICS

Sales	Marketing	Customer Service	Finance	Product Development	Operations	Human Resources	IT/ Systems
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**FINANCE ACTIONS:**  
 Simplify and eliminate redundancy; drive dynamic, sustainable FPM practices

**Connected**

**FRONT-OFFICE ACTIONS:**  
 Improve Sales Forecasting, Manage Pipeline Risk, and Improve Working Capital

**WORKFORCE ACTIONS:**  
 Retain the best, retrain or eliminate the rest

**IT ACTIONS:**  
 Eliminate redundant projects; Focus on Quick payback

## Forward Thinking Companies are Acting Fast

MEASURING AND MONITORING

PLANNING

REPORTING AND ANALYTICS

Sales	Marketing	Customer Service	Finance	Product Development	Operations	Human Resources	IT/ Systems
-------	-----------	------------------	---------	---------------------	------------	-----------------	-------------

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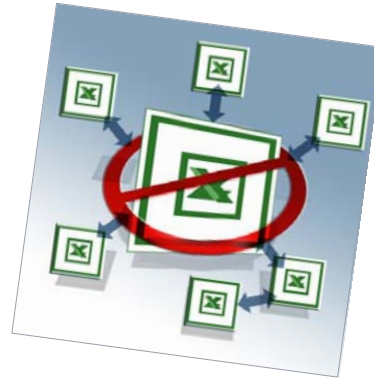
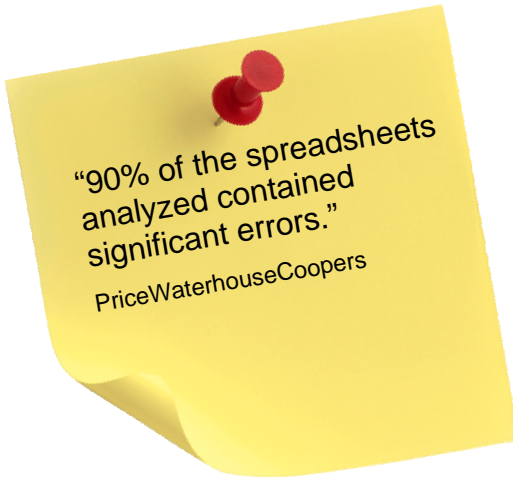
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**FRONT-OFFICE ACTIONS:**  
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**WORKFORCE ACTIONS:**  
 Retain the best, retrain or eliminate the rest

**IT ACTIONS:**  
 Eliminate redundant projects; Focus on Quick payback

**FINANCE ACTIONS:**  
**Simple, Strong, and Standard Processes**



Information Management

Cognos.  
software



**FINANCE FORUM 2009** **IBM**

## Simple, Strong, and Standard Processes

**Complete Performance Management Capabilities**

**Information Management** **Cognos software**

Sales Analysis Dashboard - IBM Cognos 8 Go! Dashboard - Windows Internet Explorer

http://cognosd2g/cognos8/cgi-bin/cognos.cgi/gbi/cognos/dashboard/html/cm/071828EEAAE42539D906D06E9391642

IBM Go! Dashboard - Sales Analysis Dashboard

### D2G SALES ANALYSIS

TOP SELLING PRODUCTS

Top: 3

Rank	Product Name	MBA	SEQ	Sales (\$,000)
1	Sonic DTC Digital Advance			\$85,849
2	Sonic I01 DTS/ES Receiver			\$47,091
3	Sonic TLR Thunder Receiver			\$46,170
<b>Consumer Electronics</b>				
1	D2G Blast Em			\$2
2	Microsoft Xbox			
3	Sega Dreamcast			
<b>Entertainment Media</b>				
1	Computer Extended Desk			\$51,852
2	Computer Desk Ultra			\$41,539
3	Standard Stool			\$38,477
<b>Home Office</b>				
1	Wavestation 4200 FP			\$384,344

PROFITABILITY BY STATE

Product Line

Profitability by State

Profit %

- 46%
- 36%
- 26%
- 16%

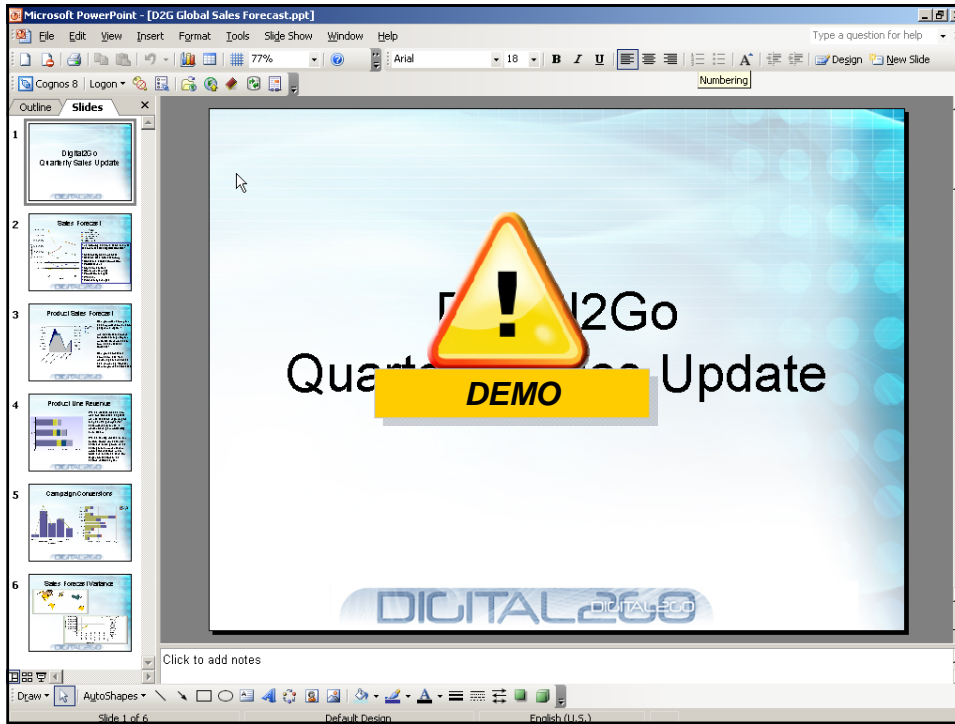
RESTRICT CUST SEGMENT COUNTS TO...

SEGMENTATION COUNTS

NAME

- Budget Shopper
- Casual Shopper
- Future Shopper
- High Profit Shopper
- High-End Shopper

**DEMO**



**FINANCE FORUM 2009** 

**PRODUCT ACTIONS:**  
*Deeper Insight Unlocks New Value*

*"20% of your products will contribute over 150-300% of your profits!"*  
Robert Kaplan



**Information Management** 

**FINANCE FORUM 2009** **IBM.**

## Deeper Insight Unlocks New Value

**Analytic Power Spanning Fin and Op Domains**

**Information Management**

**Requirements**

- Scale
- Interactivity
- Speed

**Cognos.**  
software

Cognos Viewer - Profitability Analysis Mary Thorpe Log On Launch About

Margin Analysis

Total Stores

Fresh/Fest/Version Fresh Measures 1

Feb 08 Fest

	Qty	Cost of Goods Sold	Revenue	Gross Margin	Gross Margin %
Total Products	1,821,368	4,663,902	16,025,284	11,361,382	70.9%
Prepared Salads	137,625	142,421	753,401	610,979	81.1%
Prepared Meats	347,535	1,104,252	3,714,615	2,610,363	70.3%
Baked Goods	249,022	361,406	1,996,263	1,634,857	81.9%
Prepared Whole Meals	171,452	711,526	2,102,243	1,390,718	66.2%
Prepared Frozen Meals	269,927	1,102,352	2,907,730	1,805,377	62.1%
Prepared Fruit and Cheese	228,111	467,628	1,822,607	1,354,979	74.3%
Prepared Organic	105,163	405,528	1,481,418	1,075,890	72.6%
Prepared Side Dishes and Soups	312,533	368,789	1,247,007	878,218	70.4%

Marketing Costs

Brand Contribution Chart

Gross Margin Chart

Page 1 of 1

Done Local intranet



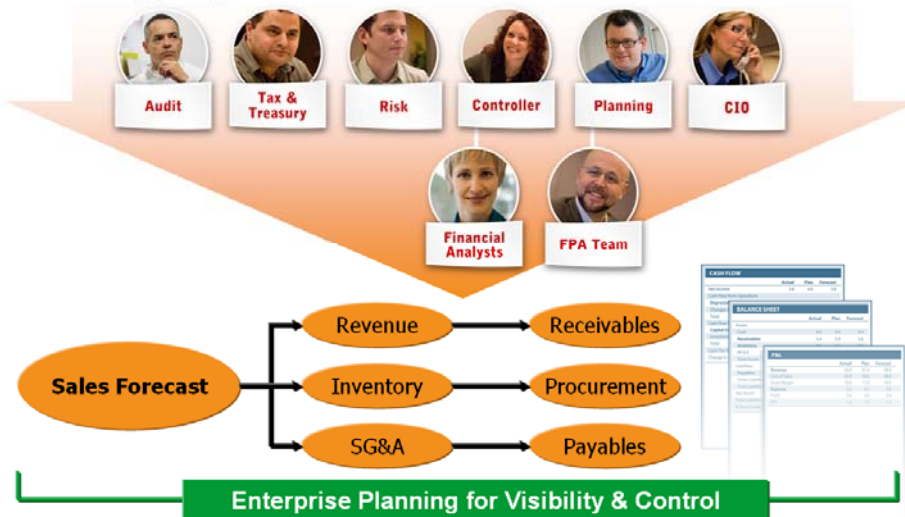
**FRONT OFFICE ACTIONS:**  
**Linking Operations and Finance**

“Using Rolling Forecasts allows companies to incorporate the most recent information and insights about the marketplace.”

Kaplan/ Norton,  
Authors, Management Gurus



**Linking Operations and Finance**



IBM Cognos Connection Sales Manager Log Off

Demand Forecasting Public Folders My Folders

Forecasting Tools Back to the default entry

Demand Forecasting  
Forecast Accuracy Report  
Upside-Downside Risks Report  
Demand Analysis

News Items  
NEW: Easter campaign planning complete  
[Read] Please review your forecasts to reflect the latest plans for Easter promotional campaigns.  
Forecast Variance alert  
ACTION: Revised submission deadline  
NEW: Forecast Accuracy guidance

**Forecast Accuracy**  
Prepared Whole Meals  
Sales Quantity  
Forecast Accuracy - 1 Month in Advance

**DEMO**

	Month - 8	Month - 7	Month - 6	Month - 5	Month - 4	Month - 3	Month - 2	Month - 1	Last Month
<b>FreshFoodCo - SALES AND MARKETING</b>	76.2	76.2	83.6	83.6	89.5	94.1	94.1	94.0	97.8
<b>US - Sales and Marketing</b>	74.9	74.9	82.4	82.4	87.7	92.7	92.5	92.6	97.1
US Major Accounts	70.3	70.3	78.4	78.4	78.6	84.5	83.8	84.2	90.5
US Cities	76.0	76.0	83.4	83.4	89.9	94.6	94.6	94.6	98.2
<b>UK - Sales and Marketing</b>	76.6	76.6	84.0	84.0	90.6	95.1	95.1	95.2	98.4
UK - Major Accounts	70.3	70.3	78.4	78.4	85.6	89.5	89.7	90.6	97.2
UK - Regions	77.7	77.7	84.9	84.9	91.4	96.0	96.0	96.0	98.6
<b>FR - Sales and Marketing</b>	81.2	81.2	88.0	88.0	92.2	95.4	95.1	95.1	96.8
FR - Major Accounts	81.2	81.2	88.0	88.0	92.2	95.4	95.1	95.1	96.8
<b>DE - Sales and Marketing</b>	76.7	76.7	83.5	84.1	90.6	95.3	95.3	93.6	98.6
DE - Major Accounts	76.7	76.7	83.5	84.1	90.6	95.3	95.3	93.6	98.6
DE - Distributor	77.7	77.7	84.9	84.9	91.4	96.0	96.0	96.0	98.6
DE - Aldi	79.2	79.2	86.3	86.3	92.6	97.1	97.1	89.9	98.6
DE - Lidl	75.3	75.3	82.9	82.9	89.5	94.3	94.3	94.3	98.6
DE - Metro	74.5	74.5	79.7	82.1	88.9	93.8	93.8	93.8	98.6

Legend:  
Above target (>90%)  
Acceptable (between 80% and 90%)  
Unacceptable (<80%)

Feb 9, 2009 1 5:59:08 PM

FINANCE FORUM 2009 IBM

**Forward Thinking Companies are Acting Fast**

MEASURING AND MONITORING  
PLANNING  
REPORTING AND ANALYTICS

Sales	Marketing	Customer Service	Finance	Product Development	Operations	Human Resources	IT/ Systems
<b>PRODUCT ACTIONS:</b> Eliminate Unprofitable Products & Non-value Added Activities	<b>CUSTOMER ACTIONS:</b> Protect Profitable Customers & Manage the Unprofitable Ones	<b>SUPPLIER ACTIONS:</b> Leverage Your Best Suppliers and Manage Supply Risk	<b>FINANCE ACTIONS:</b> Simplify and eliminate redundancy; drive dynamic, sustainable FPM practices	<b>FRONT-OFFICE ACTIONS:</b> Improve Sales Forecasting, Manage Pipeline Risk, and Improve Working Capital	<b>WORKFORCE ACTIONS:</b> Retain the best, retrain or eliminate the rest	<b>IT ACTIONS:</b> Eliminate redundant projects; Focus on Quick payback	

Information Management Cognos software

## Why **Cognos** Software?



- Leader in Performance Management
- Best Practices: Cognos Innovation Center for Performance Management
- Global Services, Support, & Partner Network

Information Management

Cognos.  
software

## IBM COGNOS 8 v4



- Strategy Management & Scorecarding
- Enterprise Planning & Analytics
- Financial Reporting, Analytics & Profitability
- Consolidation and Corporate Reporting
- Finance Operations (GL, AR, AP)
- Performance Reporting
  - Reporting
  - Dashboards
  - Analysis
  - Mobile, Office, and Search
- Data Integration, Business Modeling, and IBM Synergy

Information Management

Cognos.  
software

## IBM Cognos 8 is BI and Performance Management Built for All Times

Deliver trusted information with conformance, compliance and cost-effective scale

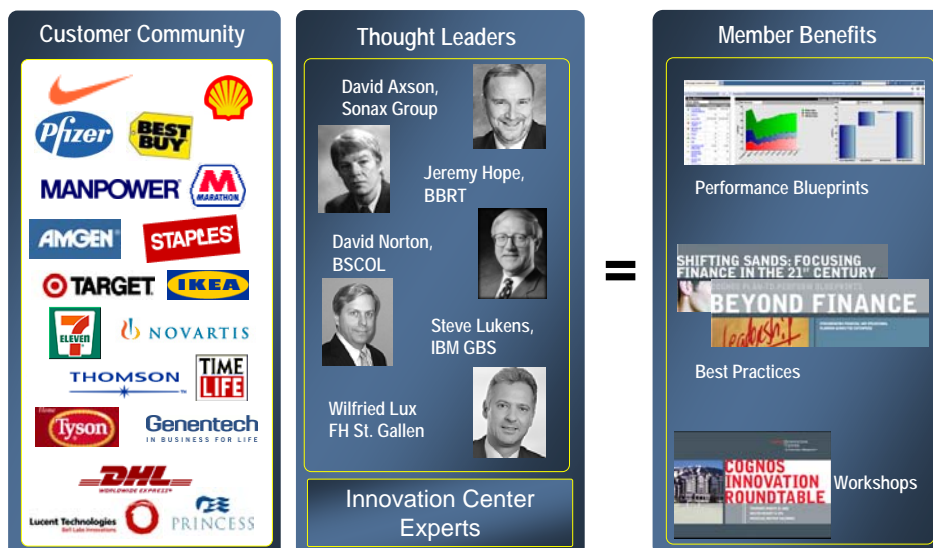
Drive effective, auditable processes that lead to better business outcomes



Information Management

Cognos software

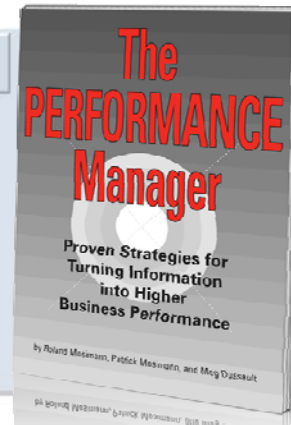
## Success Factor: The Cognos Innovation Center



## Wrap Up and Next Steps

### GET STARTED

- Take Advantage of the **Breakout Sessions**
- Meet with our **experts** - today
- Join the **Cognos Innovation Center**



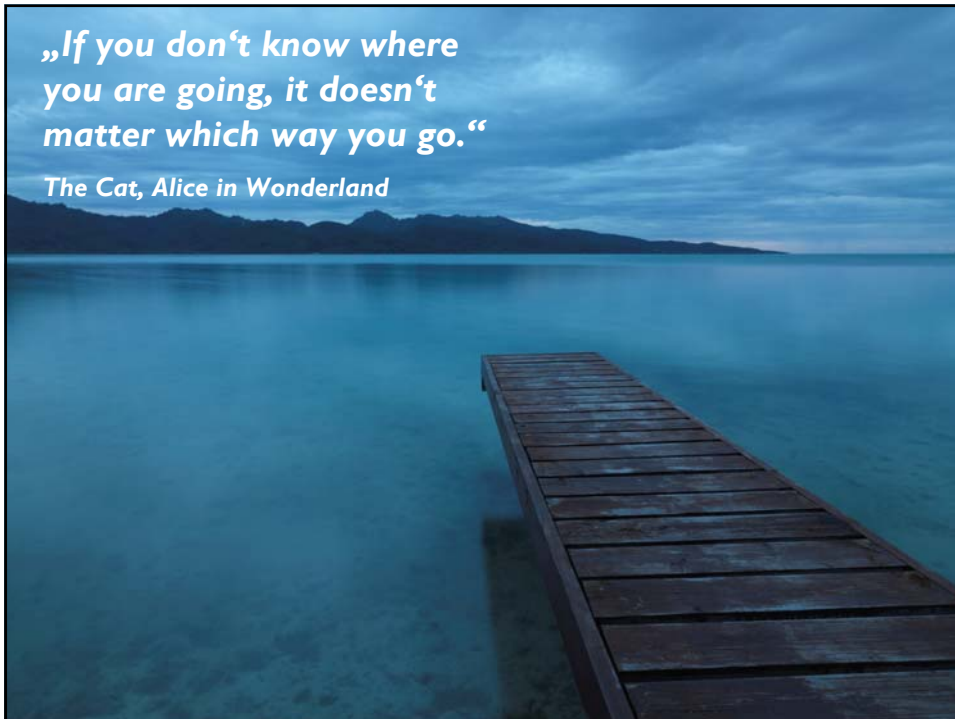
IBM Cognos  
**Innovation Center**  
for Performance Management

Information Management

Cognos.  
software

*„If you don't know where  
you are going, it doesn't  
matter which way you go.“*

*The Cat, Alice in Wonderland*





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