



Cognos.  
software

## *IBM Cognos Solutions for SAP*

Jens Kaminski

Cognos SAP Market Executive,  
EMEA

Sven Löffler

Technical Leader ISV Partner's & OEM,  
EMEA


## Agenda

- IBM Cognos and the BI & PM Market
- Cognos Solutions for SAP Customers
- Cognos Integration with SAP BW
- Cognos Integration with SAP R/3 (ECC)
- Cognos SAP Integration History & Customers
- How to identify SAP Market Opportunities
- Q & A

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### IBM Cognos and the BI & PM Market

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## *Driving Performance Management continues to be challenging*

**60%+** of CEOs need to do a better job capturing and understanding information rapidly in order to make swift business decisions

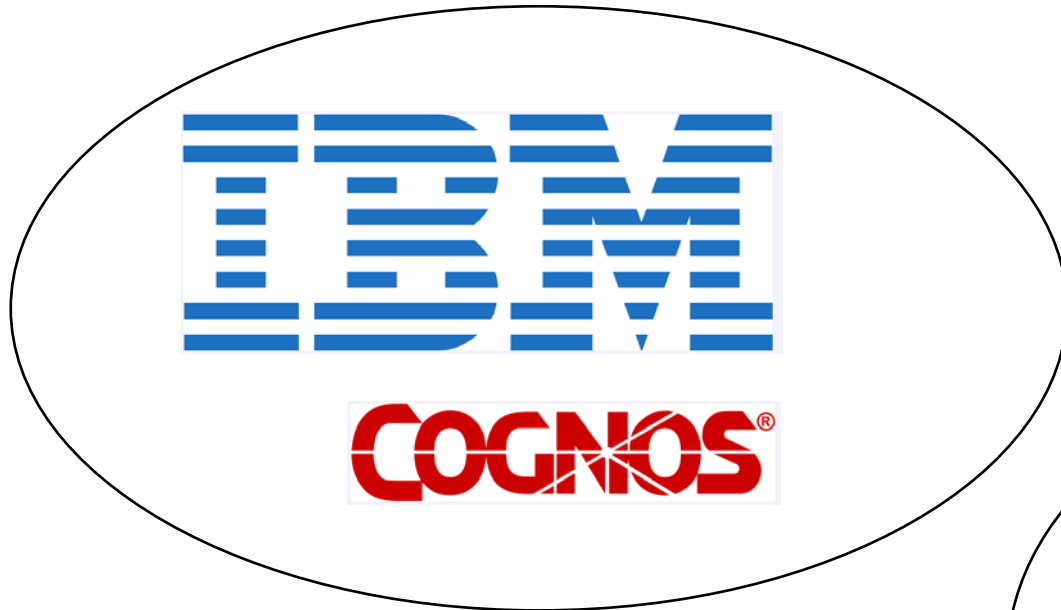
**47%** of users don't have confidence in their information

**79%** of companies: have 2 + repositories... (25%: have 15+) used to store data from a large variety of information sources

**80%** of IT problems are not detected by IT staff until reported by end users

*Sources: IBM & Industry Studies, Customer Interviews  
IBM CIO Survey, June 19, 2007  
Accenture survey, January 04, 2007*

# Consolidation within the BI & PM Market



# Information On Demand with IBM Cognos 8

Unlocking the Business Value of Information for Competitive Advantage

Customer & Product Profitability    Financial Risk Insight    Workforce Optimization    Dynamic Supply Chain    Multi-Channel Marketing

**Business Optimization**

**Better Business Outcomes**



*Leverage information to better understand and optimize business performance*

*Establish accurate, trusted information for a single version of the truth, managed over time*

*Flexible Architecture for Leveraging Existing Investments*

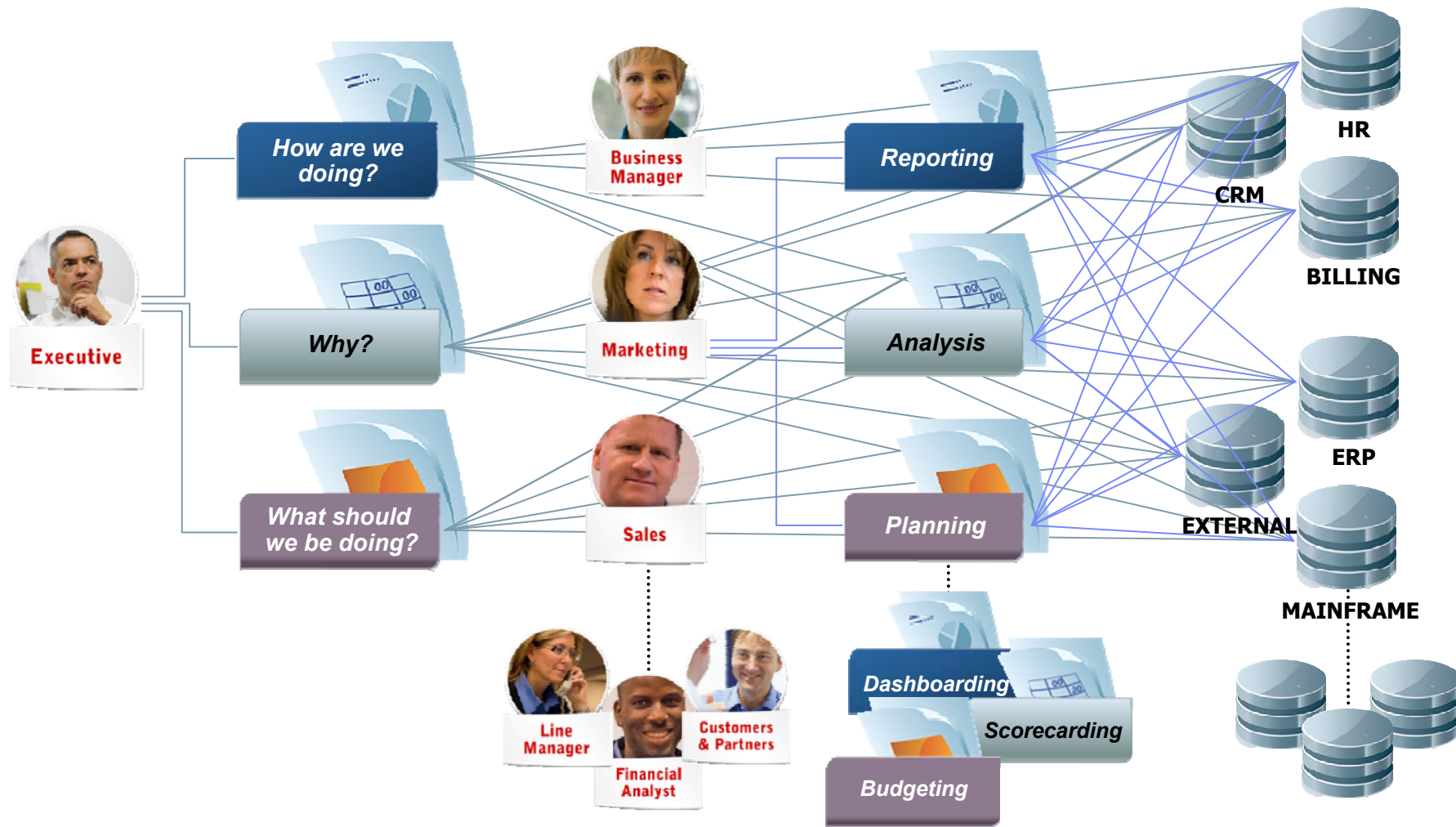
*An efficient and solid foundation for managing data and content over its lifecycle*

Other Information & Application Sources

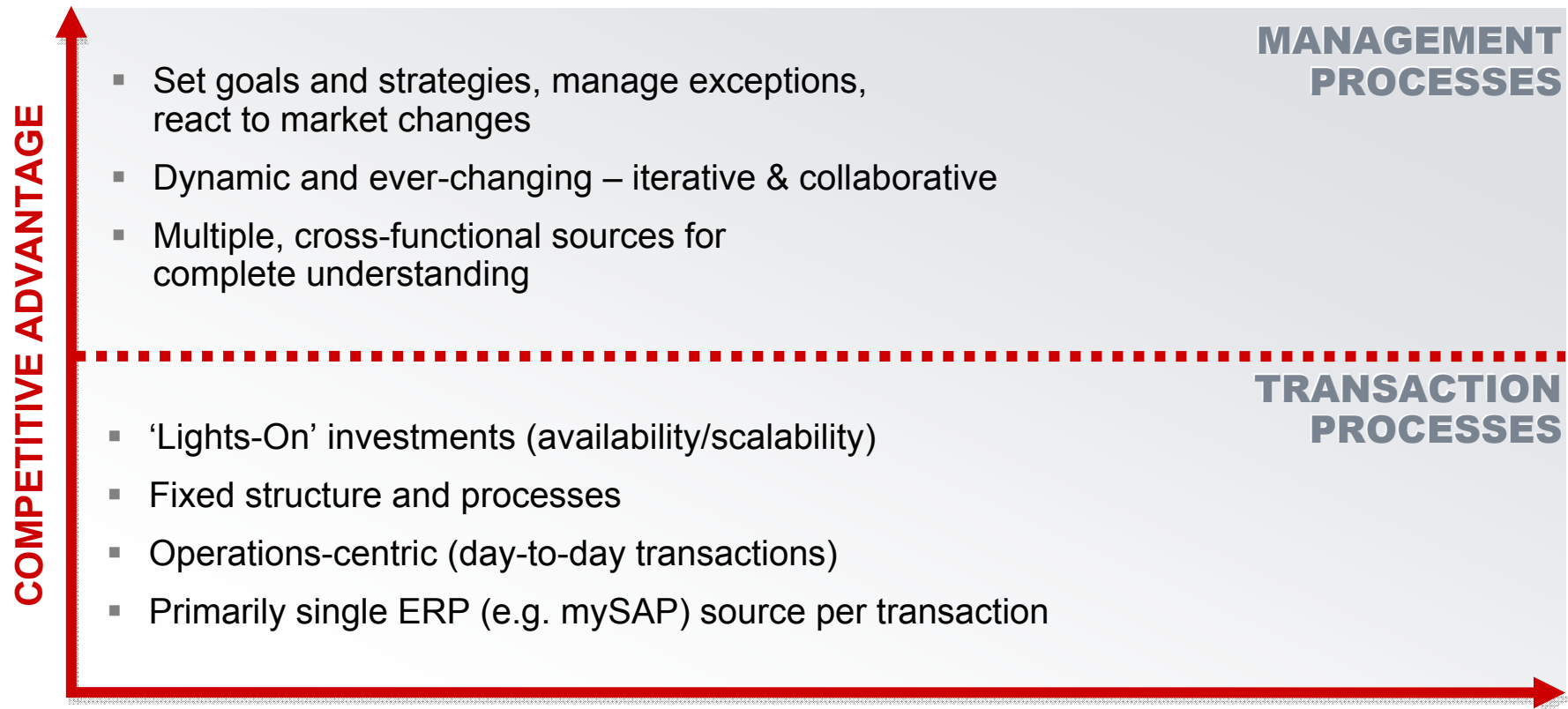
**Cognos.**  
software



# Growing complexity of business demands for information



## ***Building on the ERP Foundation*** ***Maximizing Competitive Advantage***





## ***The Importance of Independent Performance Management Industry Analyst Perspective***

- **“While ERP excels at managing transactions and day-to-day business, our experience is that ERP is typically a cost of doing business.**
- **On the other hand, Performance Management and BI solutions excel at enabling better business decisions to manage and drive business performance by providing complete visibility and fast insights into the business.**
- **Performance Management solutions drive ROI and increase competitive advantage to organizations, leveraging ERP and other data within companies.**
- **We have also found that non-ERP vendor solutions for Performance Management and BI are providing the greatest impact.”**
- **David O'Connell, Senior Analyst**
- **Nucleus Research**

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## ***Cognos 8 BI & Performance Management for SAP Solution Breadth***

- **IBM Cognos 8**
  - BI, Planning & Consolidation
  - R/3, ECC (SAP Business Suite), and the Business Warehouse
- **IBM Cognos Data Manager**
  - ETL capabilities for dimensional warehouses and to create IBM Cognos 8 metadata
  - R/3 & ECC (SAP Business Suite)
- **IBM Cognos Workforce Performance Analytic Application**
  - Enable strategic management of human capital using SAP R/3 & ECC data (SAP Business Suite)
- **IBM Cognos TM1**
  - Financial Analytics and Scenario Modeling for SAP BW data
- **Performance Blueprints**
  - Industry & Functional

## *Assumptions*

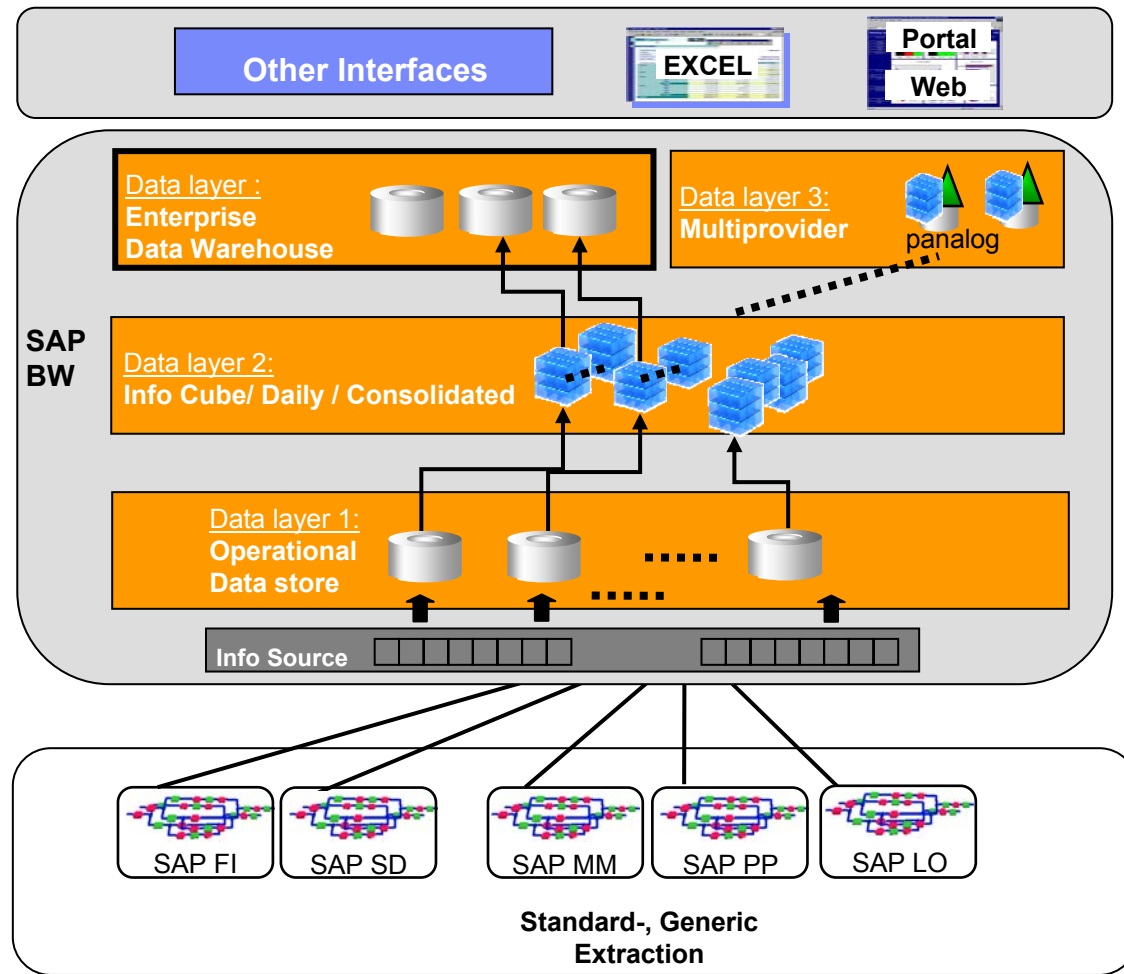
1. Your investment in SAP is strategic.
2. You are seeking greater returns on your investment in SAP.
3. Your near term objectives include:
  - Improve utilization of SAP data
  - Broader user reach and access frequency to BW data
  - Reduction in ad-hoc spreadsheets and data marts
  - Consistent fact based decision making across all performance management process
  - Extend your SAP skills, knowledge and expertise while reducing IT backlogs

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# Simplified SAP BW Architecture

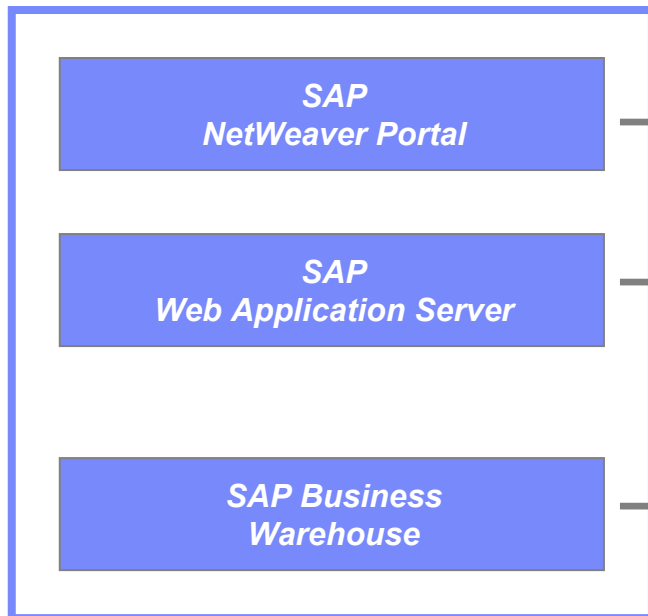
Central Business Information Warehouse



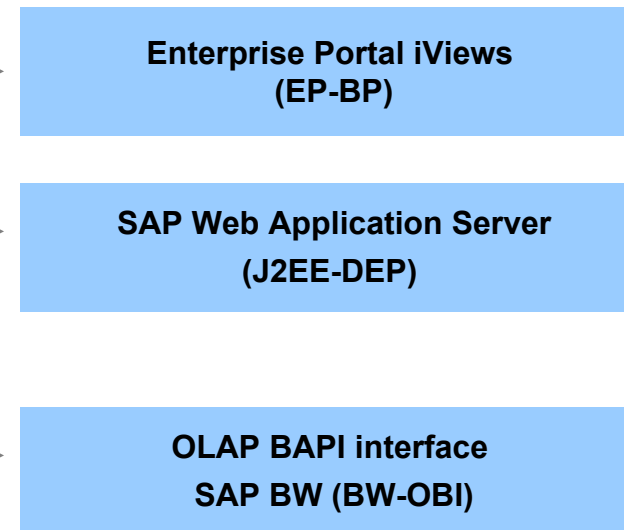
# Cognos 8 BI & Performance Management for SAP

## SAP Integration & Interoperability

### SAP Component



### IBM Cognos 8 Certifications



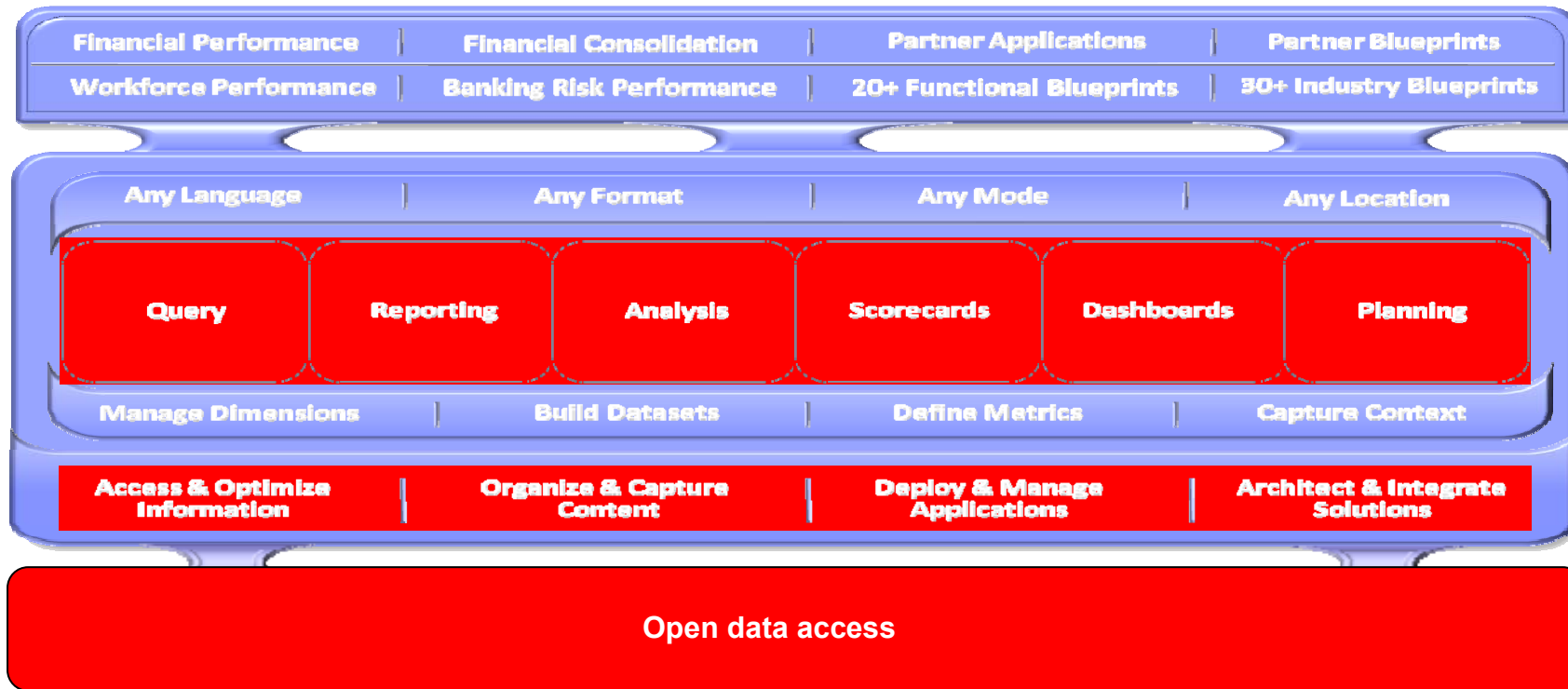
**SAP**® Certified  
Powered by SAP NetWeaver®

### Summary of Capabilities

- Display Cognos BI content within an SAP NetWeaver Portal
- Single sign on and authorization using SAP security
- Option to run IBM Cognos 8 on the SAP web application server
- Use multiple versions, instances and all structures within SAP BW as a data source for IBM Cognos 8 content.

# Cognos 8 BI & Performance Management for SAP

## Consistent Access to Information



Message Sources



Relational Sources



Application Sources



OLAP Sources



Modern and Legacy Sources

- Single, consistent semantic layer across all capabilities
- SAP R/3 & ECC, all structures within SAP Business Warehouse and open access to non-SAP datasources

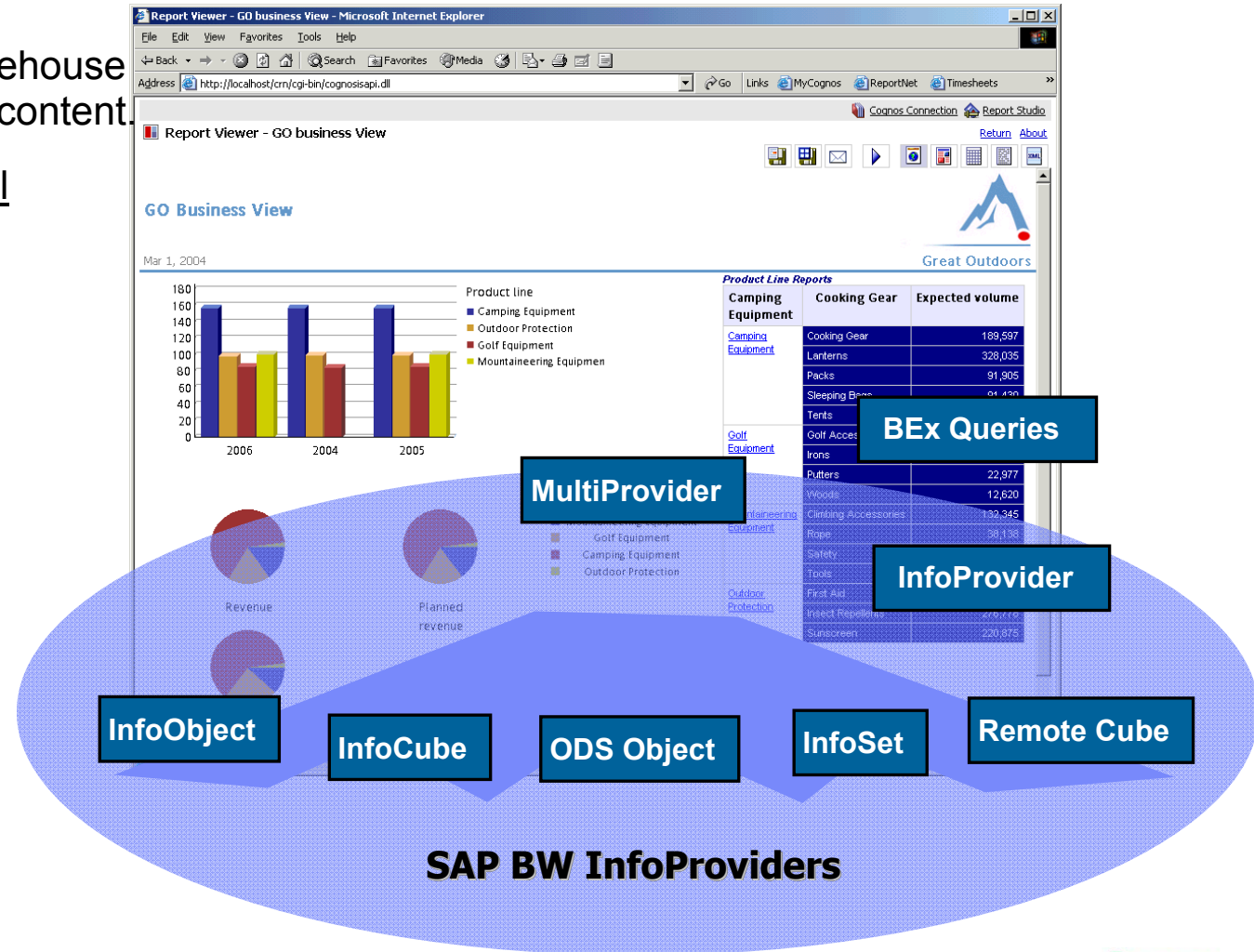




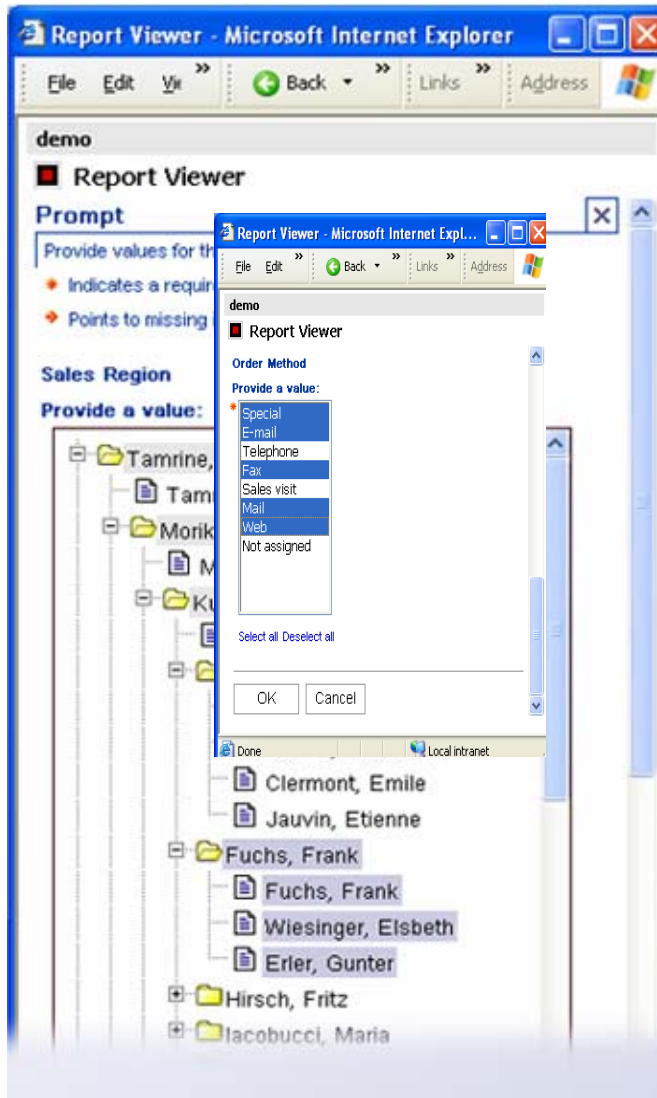
# IBM Cognos 8: Performance Management for SAP Embrace the SAP Business Warehouse

- Leverage Business Warehouse metadata and business content.
- Unbounded access to all Business Warehouse structures.

**InfoCubes**  
**InfoObjects**  
**MultiProviders**  
**InfoQueries**  
**InfoSets**  
**VirtualCubes**  
**RemoteCubes**  
**ODS**  
**Master data**



## IBM Cognos 8: Performance Management for SAP SAP BW Business Rules & SAP Metadata Support



- Strong MDX support and hierarchy awareness
  - Confident roll-up accuracy
- Comprehensive variable support
  - Enhanced prompt control
- Support rich business rules
  - Calculations and aggregations
  - Restricted and Calculated key values
- Multi-national/global rules
  - Full support of multi-language features
  - Multiple currencies per item
  - Formatting for currencies, numbers, dates and unit of measure
  - Variable-driven currency conversion

# IBM Cognos 8: Performance Management for SAP Integration with SAP NetWeaver™ Portal

Seamlessly integrate Cognos 8 into the SAP Enterprise Portal and use SAP's Security Functions.

**View Alerts**

**Browse Content**

**Search Content**

**View Metrics**

**View Specific Content**

**Single sign-on**

- Roles and control lists
- Access and authentication
- Reuse report by security profile
- Distribute and burst the report

The screenshot shows the IBM Cognos 8 interface with various components:

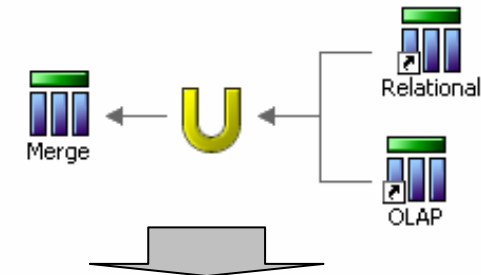
- News Alert Viewer:** A table of news items.
- My Metrics:** A table with columns: Name, Actual, Target, Variance, Time Period.
 

Name	Actual	Target	Variance	Time Period
...	18.30	18.00	0.30	2014, Q4, Dec
L/NM per Sales Rep Growth (%)	0.0	18.0	-18.0	2014, Q4, Dec
Average License Revenue per Rep	5,500.0	4,500.0	1,000.0	2014, Q4, Dec
Win Rate (%)	44.4	45.0	-0.6	2014, Q4, Dec
...	5,000.0	8,000,000.0	-755,000.0	2015, Q4, Dec
- My Reports:** A list of reports including Revenue and Margin, Product Returns, etc.
- My Information:** Includes a 'Choose Time Range' dropdown and a 'Reprompt' button.
- Sales by Product:** A pie chart showing product distribution.
- Qty Sold by Region:** A bar chart showing sales volume by region.
- Discount by Region:** A gauge chart showing discount levels.
- Sales by Order Type:** A table with columns: Order Method, Planned Revenue (USD), Unit Sale Price (USD).
 

Order Method	Planned Revenue (USD)	Unit Sale Price (USD)
All Order Method	\$89,648,511.20	\$1,217,087.57
Fax	\$4,829,687.70	\$62,984.30
Telephone	\$24,851,147.40	\$333,177.47
Mail	\$6,995,856.70	\$97,620.30
E-mail	\$14,726,383.00	\$189,270.04
Web	\$18,776,907.40	\$271,765.13

# Cognos 8 BI & Performance Management for SAP

## Increasing our Integration Capabilities



SAP BW and Relational Database Integration

- 80+ new functions closing the gap from SAP BW to RDBMS's
  - String Functions – substring, concatenate, etc.
  - Constructs – if-then-else, case, etc.
  - Business Date/Time Functions – days between, first of month, first day of the week, etc.
  - Relative Member Functions – nextMember, etc.

Relational Database Query			
Product Line	Product type	Order year	Planned revenue
Golf Equipment	Irons	2001	\$19,833,512.20
Golf Equipment	Irons	2002	\$35,354,146.40
Golf Equipment	Irons	2003	\$39,919,431.20

SAP BW Query					
Product Line	Product type	Year	Revenue	Quantity sold	Gross profit
Golf Equipment	Irons	2002	\$19,370,896.95	6,159	\$10,939,722.28
Golf Equipment	Irons	Not Assigned Order Date (S)	\$30,569,230.45	8,086	\$16,095,268.77

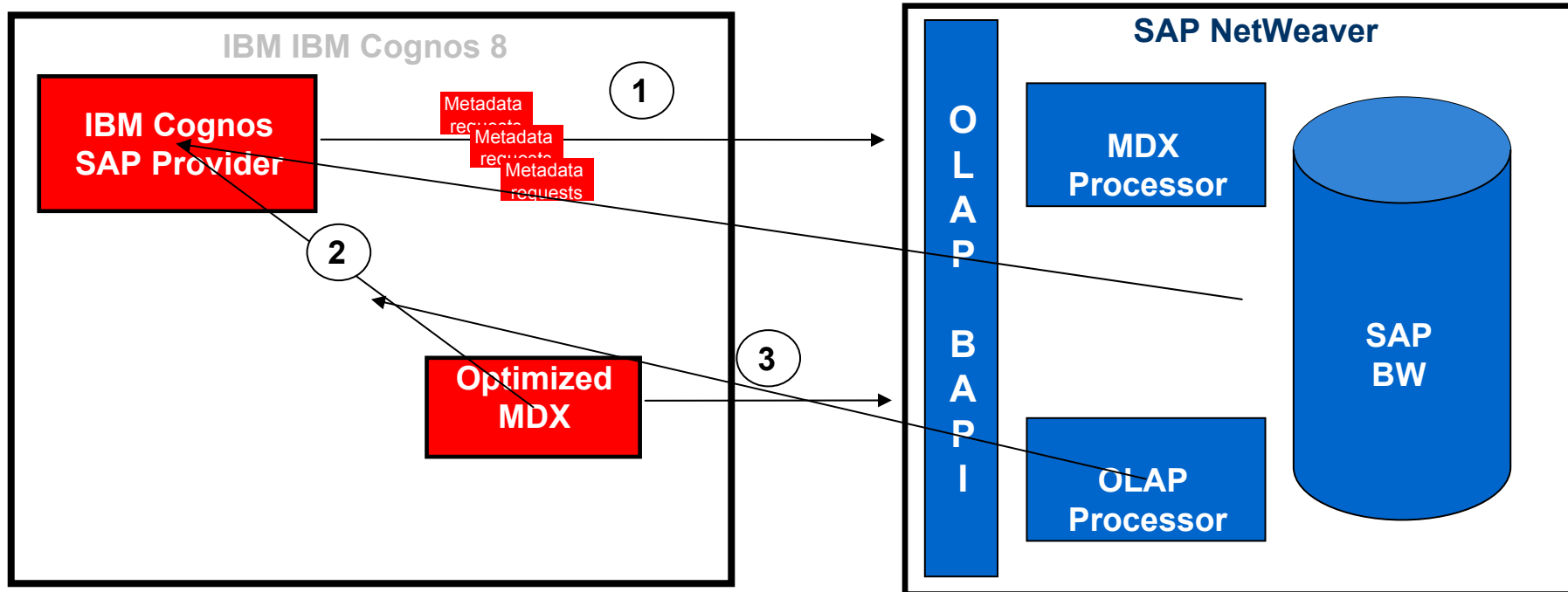
Merged Data Query							
Product Line	Product type	Order year	Planned Revenue	Revenue		%OFT	
				OLAP	OLAP	OLAP	PR-O-AP
Golf Equipment	Irons	2001	\$19,833,512.20	\$0.00	0	\$0.00	\$19,833,512.20
		2002	\$35,354,146.40	\$19,370,896.95	6,159	\$10,939,722.28	\$19,309,289.95
		2003	\$39,919,431.20	\$0.00	0	\$0.00	\$39,919,431.20
	Not Assigned Order Date (S)		\$0.00	\$30,569,230.45	8,086	\$16,095,268.77	(\$30,569,230.45)

- Patent-Pending Integration with SAP NetWeaver
  - Optimized access to SAP BW
  - Maximized leverage of existing structures and BEx queries

# Cognos 8 BI & Performance Management for SAP

## Next Generation Access to SAP BW

- Cognos allows unique tuning of our engine to accommodate complexities of SAP BW
  - Adjusting for using MDX or BAPI
  - Compensate for data sparsity
  - Overcome SAP's limits around data volumes

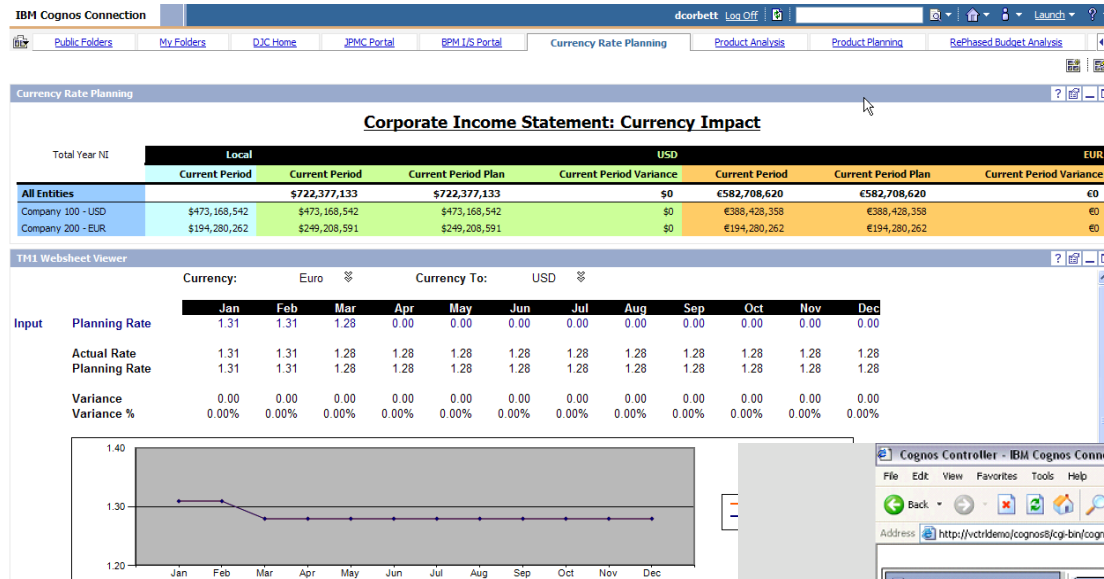


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US Patent Application: 155A - Multidimensional Query Simplification Using Data Access Having Local Calculation Engine



# TM1 for IBM Cognos 8

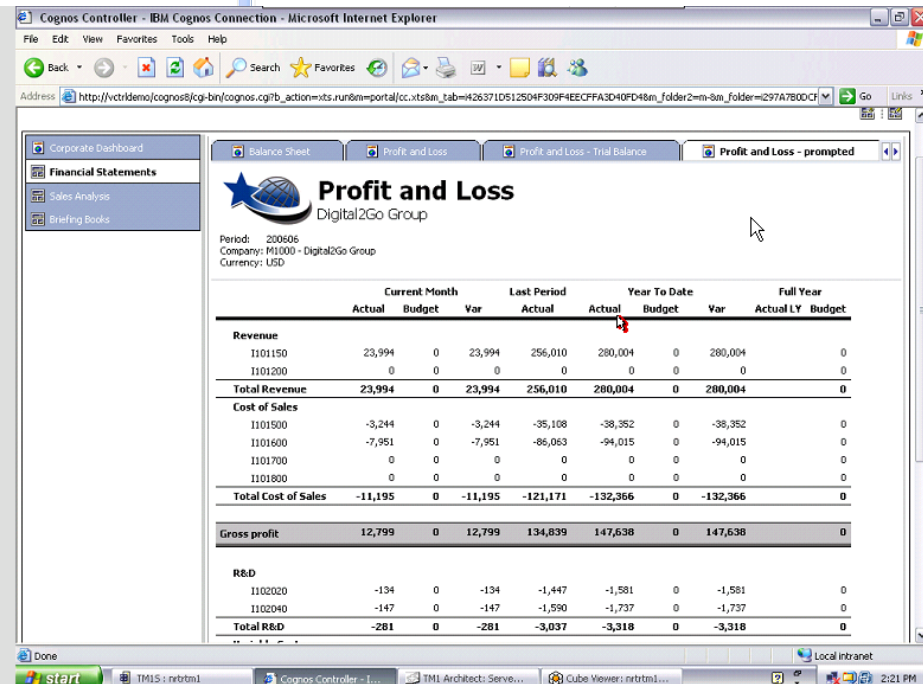


## Features

- *Plug & Play Portlets*
- *Writeback*
- *Financial Intelligence*

## Benefits

- *Real-Time Reporting*
- *What If Scenarios*
- *FPM Analytical Store*

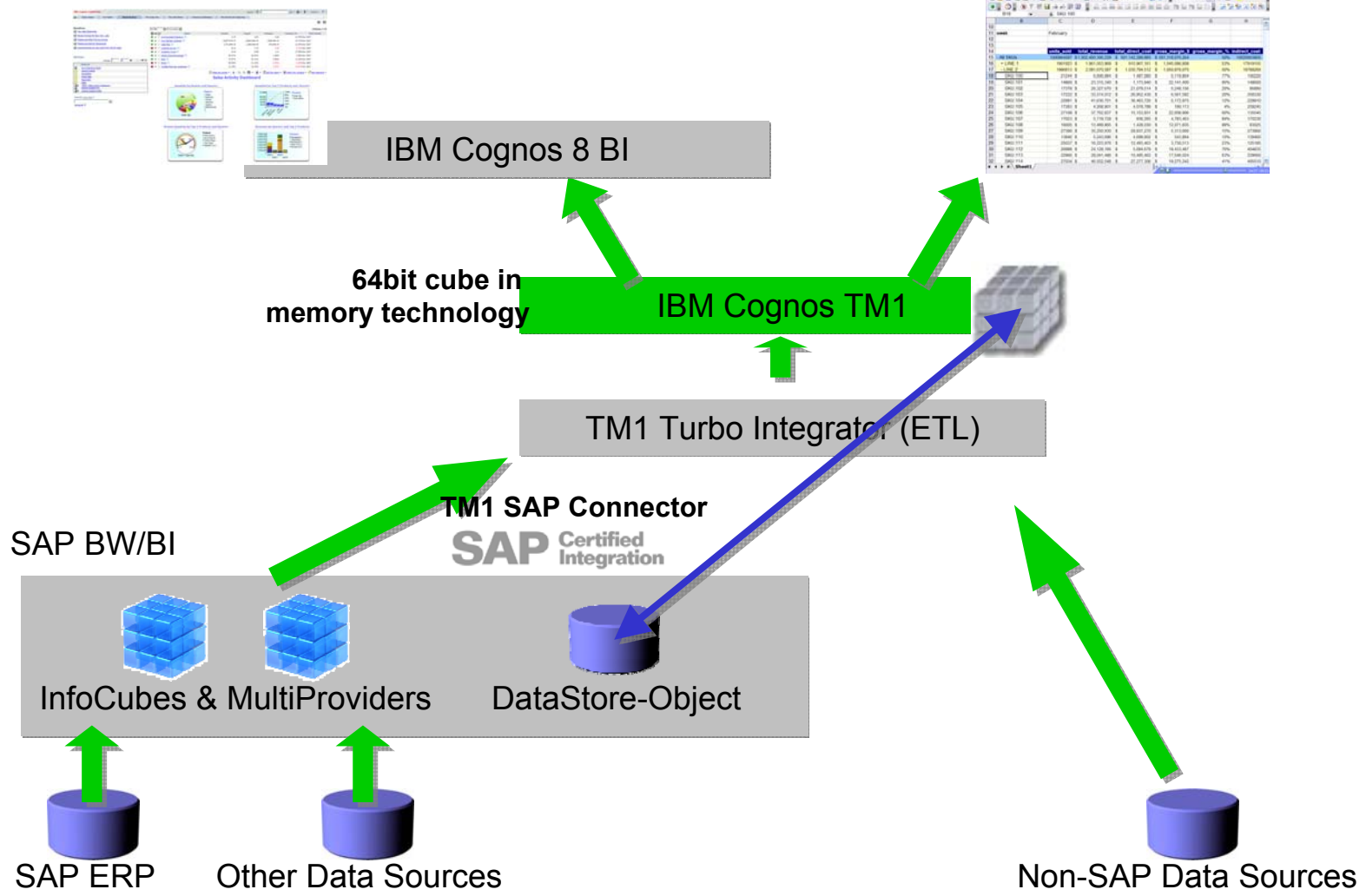
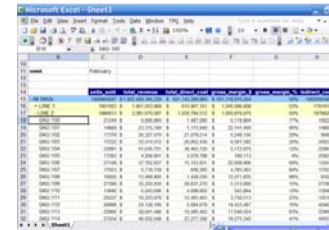


# IBM Cognos TM1 for SAP BW

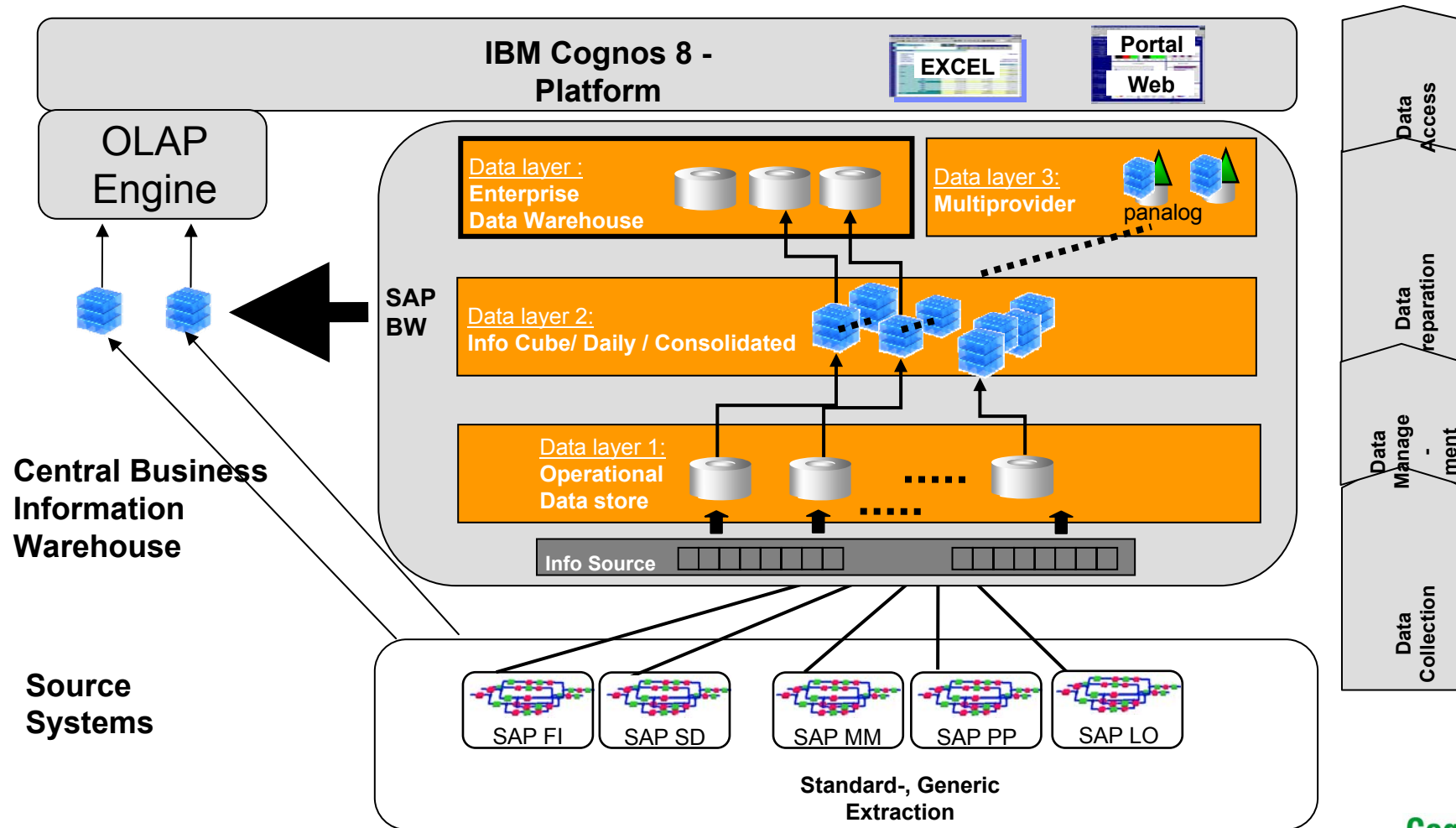
IBM Cognos 8 Studios



MS Excel



# Combined IBM Cognos & SAP Architecture





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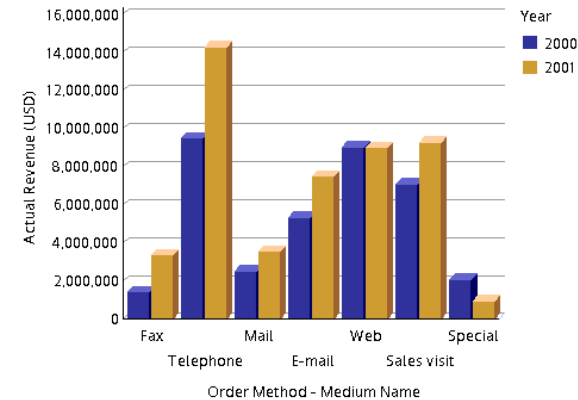
# IBM Cognos 8: Performance Management for SAP

## Extend Multiple Data Sources

- Use SAP BW, SAP R/3, mySAP and/or other data sources in a single report without the need for custom coding or data migration
- Access multiple instances and versions of SAP BW, R/3, mySAP or other data stores
- Complete web-based create-deploy-modify report lifecycle

### Business Overview

Order Method Comparison (2000-2001)



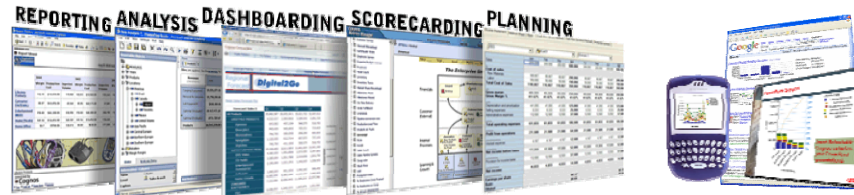
SAP BW Data

Product Performance (2001)

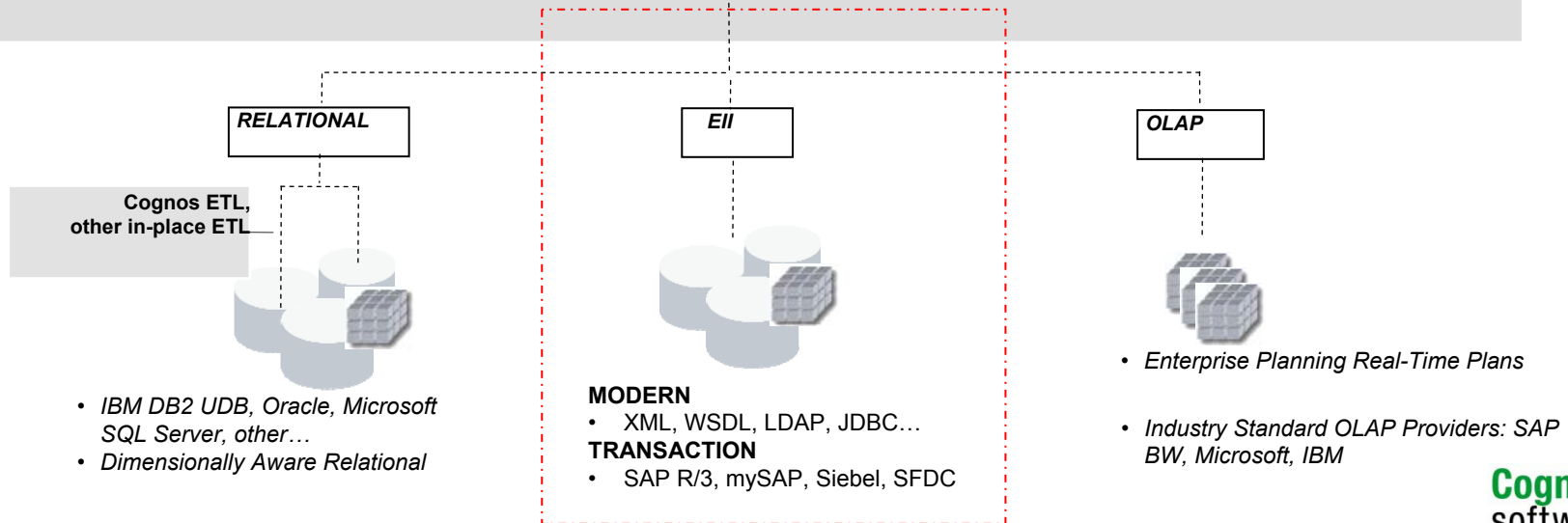
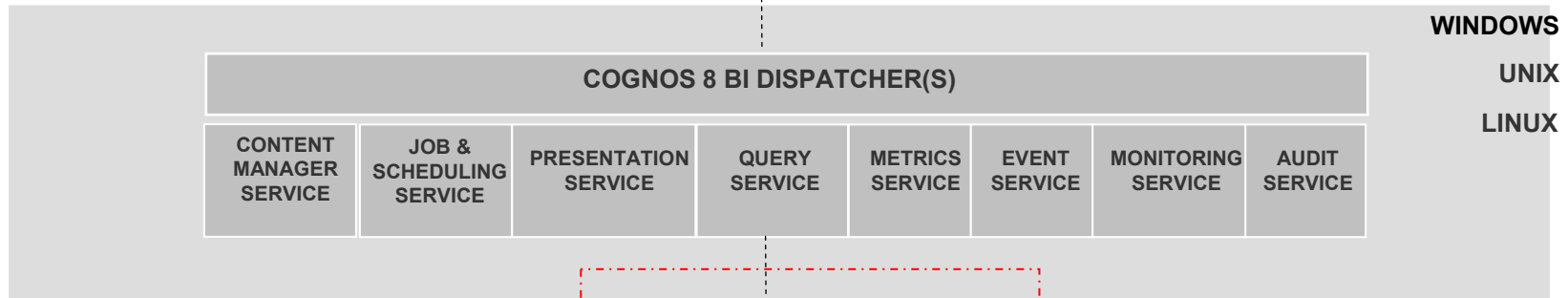
ProductLine	ProductType	ProductName	ActualRevenue
Consumer Electronics	Computer Accessories	Colossal MP3 Case	\$40,020.00
		D2G MP3 Battery Pack	\$21,624.00
		D2G PDA Keyboard	\$130,032.00
		D2G Solar Charger for MP3 and PDA	\$78,144.00
	Computer Accessories		\$269,820.00
Computers		D2G Gamer Deluxe	\$119,894.00
		D2G Laptop Pro	\$174,096.00
		D2G Office Pro	\$155,406.00

Relational Data

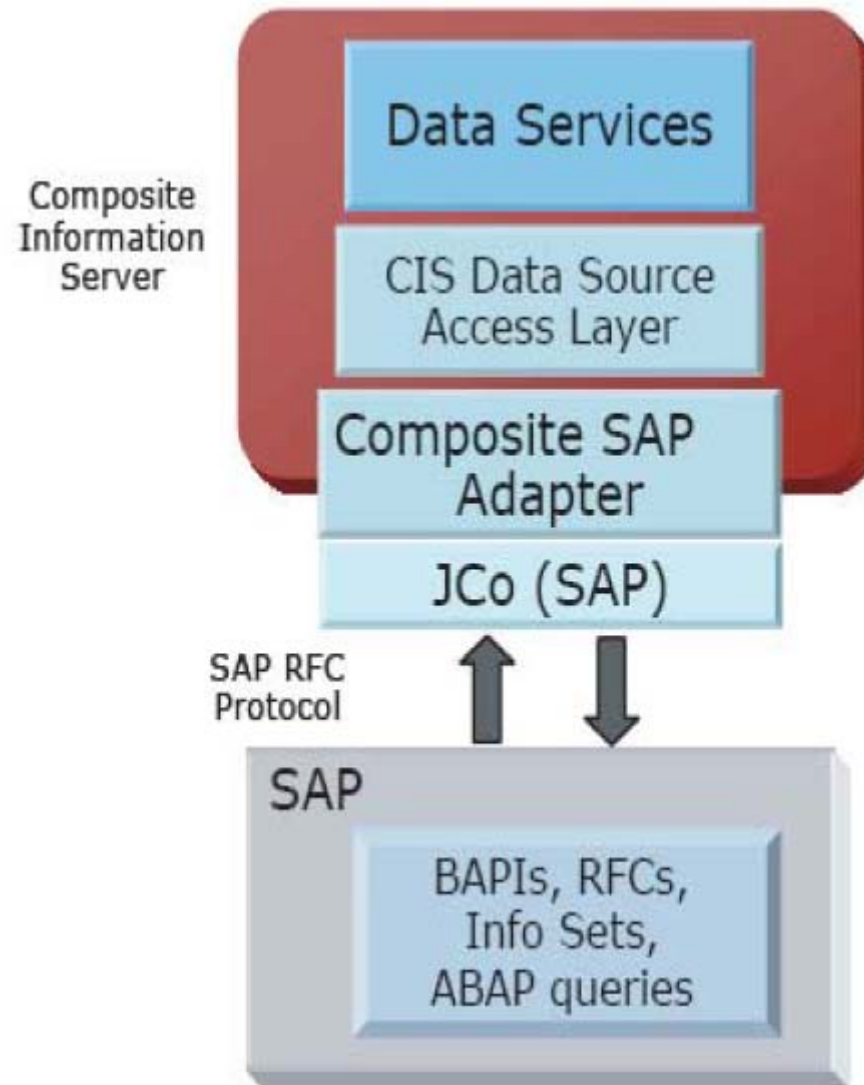
# IBM Cognos Virtual View Manager?



IBM Cognos  
BI / FPM



## Type of Data Services for SAP



### Programs:

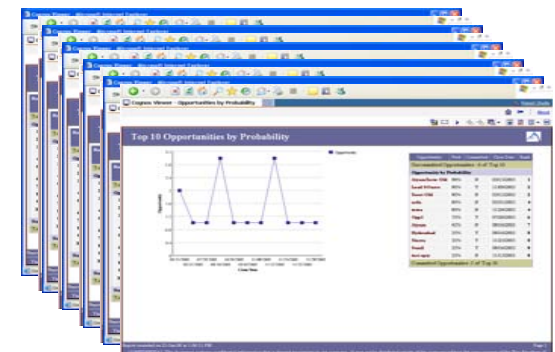
- BAPIs – Business APIs
- RFCs – remote function calls
- ABAP queries

### Data Repository:

- InfoSets (Logical definition)
- Tables (Physical)

## ***SAP R/3 and ECC (SAP ERP transaction system)***

- ***Virtual View Manager*** for SAP R/3 and ECC
  - Out-of-the-box connectivity to all mySAP modules
  - Provides extensibility for additional BI authoring
  - Leverages RFCs and BAPIs (SAP Certified Interface)
  - Supports any language
  - Delivered as part of Cognos 8 BI license
  - 3 Components (server, studio & data services for SAP)
  - Supported SAP version (4.6, 4.7, 5.0, 6.0)
  - Composite Information Server (predecessor)



### VVM (Virtual View Manager) vs. DM (Data Manager)?

Cognos Component	Virtual View Manager (VVM)	Data Manager (DM)
Feature	EII tool	ETL tool
SAP R/3 & ECC?	(4.6, 4.7, 5.0, 6.0) <i>Yes</i>	(4.5, 4.6, 4.7, 5.0, 6.0) <i>Yes</i>
License	Part of C8 BI (bundled)	Separate license (LP: US70K @2CPU)
SAP Transports	No	Yes
Advantage	Real-time access	Alternative to SAP BW



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# IBM Cognos 8

## Product Milestones

- **1997-2002** Cognos SAP Certification
  - Support for connectivity to mySAP for Reporting and Analysis.
  - Cognos Performance Applications for mySAP.
- **2003** Launched Cognos ReportNet
  - First BI Vendor to achieve Powered by SAP NetWeaver Certification
- **2006** Cognos 8 BI Enhanced GA support for SAP NetWeaver and mySAP
  - Cognos 8 Workforce Performance for SAP
  - Cognos GO! Search Service leverages SAP (mySAP, BW, Portal)
  - Cognos Go! Mobile leverages SAP (mySAP, ECC, BW)
- **2007** Release of Cognos for SAP v 8.2
  - Support for SAP BI Accelerator
  - Patent Pending Next Generation MDX Engine
  - Cognos Planning access to BW and ECC
- **2008** Release of IBM Cognos 8v3 & 8v4
  - MDX Helper & Enhanced Cache



## **IBM & SAP**

### *The Value of a Partnership*

- Strategic relationship for both companies
- 300 IBMers located in Waldorf
- IBM SAP Competency Centers
- Importance of DB2 as the database for SAP systems and as competitive differentiator to Oracle
- IBM has over 36 integrations with SAP
  - Cognos, Lotus, Websphere, Ascential etc..
- IBM GBS is the top SI's for SAP (recently awarded by SAP)
- Mutual reliance and alignment
- New solutions such as BI Accelerator & Alloy for Lotus Notes
- Joint Marketing & Go To Market

## Mölnlycke Health Care

*Leading provider of single-use surgical and wound care products and services*

**“The success of our BI strategy is based on sailing on SAP BW and driving performance with Cognos 8 BI.**

Leveraging the tight integration between SAP and Cognos, we have been able to consolidate all the information from our offices worldwide, and for the first time, provide users with a single version of the truth. As a result, **we have increased overall visibility into the organization, enabling management to make more informed decisions.**”

*Roderick Mooren  
IT Director*

### *Information Needs:*

- Ease of use
- Seamless integration across multiple data sources
- Tight integration with SAP
- Robust functionality including self-service capabilities
- High performance

### *Benefits:*

- Better decision-making due to single version of the truth
- Quick and easy access to real-time information
- Standardized reporting
- Gain of reporting efficiencies resulting from self-service capabilities
- Tight integration with SAP and Oracle

# US Army ARDEC

## 24 Awards for \$5M, \$430M Cost Savings



“Implementing SAP on ARDEC’s reporting was **paralyzing**. When the switch was turned on, there were no reports. So the BW team turned to SAP R/3® reports and scrambled to design some SAP BW Business Explorer (BEx) reports. **The user response was not positive**: the new reports were **rigid and difficult to layout**; we lost our ability to report on a single version of the truth across multiple data sources. There were **complaints about all aspects of SAP reporting**. The business terms were different. The reports could not be printed.”

Mark Sauvageau, ARDEC Chief of Operations and Matrix for Financial Management

- *Increased user acceptance.*
- *Over a 10-year period, 24 awards totaling almost \$5M, and up to \$430M of documented cost savings.*



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# How We Talk to Customers About PM

We Target Using An Entry Point Strategy

**CXO**

Alignment & Strategy Execution

**CFO/FINANCE**

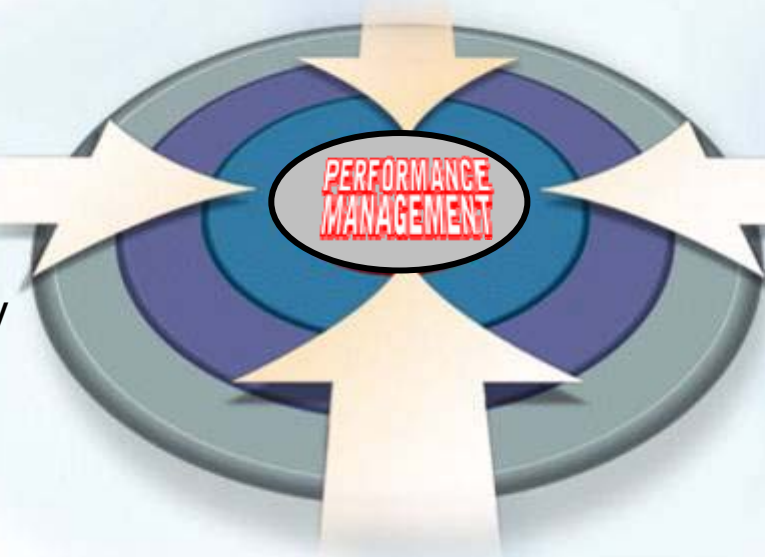
- Failing spreadsheet only systems
- Compliance
- Financial visibility & performance improvement

**CIO/IT**

- Agility
- Broader User Empowerment
- BICC/ Standardization

**VERTICAL/LOB**

- Improved operational efficiency, data driven decision making



## *What to Listen for from Clients*

1. **Inability to leverage all data and applications in an efficient manner**
2. **Concerns over solution fit and roadmap:**
  - Base SAP NetWeaver BI stack or premium PM stack
  - BPC (Outlooksoft) or Consolidations (Cartesis)
3. **Concerns about migration from:**
  - Legacy PM products to SAP's go-forward PM offering
  - Base SAP NetWeaver BI stack to premium PM offering
  - BPC (Outlooksoft) or Consolidations (Cartesis)
4. **PM capabilities are no longer free from SAP**
  - Additional cost for “premium” offering
  - High TCO for development and maintenance
5. **SAP and non-SAP data and applications**

High TCO for development and maintenance

## **Six Things NOT To Do In SAP Accounts**

1. **Do not avoid talking to IT early and often.**
  - IT holds veto power in most SAP-related projects.
2. **Do not bash SAP or BW.**
  - Gartner estimates that 95% of SAP customers will use SAP BW.
  - Remember that the customer has invested heavily in SAP and wants a solution that compliments their existing investment.
3. **Do not claim “SAP cannot do \_\_\_\_\_”.**
  - Given enough time and coding, you can do anything in SAP.
4. **Do not pitch to simple requirements.**
  - SAP will win all ties due to political relationship and investment.
5. **Do not just demo end result or perform offsite POCs.**
  - Emphasize effort to build and change plans to differentiate effort, skills, and time involved.
6. **Do NOT emphasize the value of predefined content (i.e. blueprints).**
  - SAP has more prebuilt and industry-specific content than Cognos.

# IBM Cognos 8 BI & Performance Management

## Adding Value to SAP Environments

- **Industry's Only Unified Platform for Performance Management**
  - Lower TCO for development and maintenance
  - One solution to learn, one place to go for any Performance Management capability
- **Consistent Solution Roadmap Focused on Innovation**
  - Develop today without fear of future redevelopment requirement
- **Patent-Pending Integration with SAP NetWeaver**
  - Optimized access to SAP BW
  - Maximized leverage of existing structures and BEx queries
- **Data Source Agnostic**
  - Broad heterogeneous application and data support
  - Flexibility to adapt to evolving infrastructure landscape
- **Business User Self-Service**
  - Increases business agility
  - Reduces time to decision





# Questions?



The word "Thank YOU" is rendered in large, 3D, light blue letters. Each letter is filled with a different image of a diverse group of people, including men and women of various ethnicities and ages, smiling or looking thoughtfully at the camera. The letters have a slight shadow, giving them a three-dimensional appearance.

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software