Male Speaker: Hi my name is Ian Gordon. I am part of the product marketing team at Cognos and I am here today to give you a quick introduction to the IBM Cognos 8 and analytic applications.

So let's take a quick look at our agenda for today. First half we will take a review of performance challenges that business leaders might face. Next we will spend some time to finding what analytical applications are and how they differ from traditional applications you might be used to in your enterprise. Finally we will compare and contrast them with traditional BI versus package BI to come with analytic applications and why you should think about buying them or walk through two scenarios, one focused around HR business paints and the other focused around finance business paints and we will talk about the ability of these applications to drive continuous value, finally we will wrap up with some case study and implications.

First start I wanted to give you some sense of where analytic applications fit within the information on demand agenda, so as to build the slide out here. So obviously our intent to your Cognos in an IBM is to drive better business decisions everyday the drive better business outcomes and to do that Cognos provides business intelligence and performance management software, it help people to plan, understand and optimize a business performance building on top of the variety of other components provided by IBM such as information, integration, warehousing and management, data management and content management. So just to set the context of what we will be speaking about today its all about smart decision making in turbulent times, you want to improve profits cut costs, manage risk and find new opportunities and to do that we know you need three key capabilities in your solutions. Things to help you measure and monitor how you are doing, things to help you understand the why of how you are doing and finally the thing that links the two things together what are you going to do forward of planning.

Let's talk about some implications about business challenges people face today. On the right hand side of the slide we have some stats from a recent IBM study and I think they really do cash or lot of the challenges people are facing today in these turbulent times. 85% of CIO's do not believe their information is currently well managed. Now we have got a code on the left hand side survey we did around workforce analytics that also reinforces, the nature of professionals really need analytics side post, so they can connect their human capital performance or strategy to wider business schools. Next on the right 70% of people do not get predictions on future opportunities and problems and again we have had code some of our people using analytical applications that the challenges they had where people not being able to get insight because they were too busy being concerned with actually getting the data out of their system to spend a time to get the insight and finally on the last bullet on the right 59% do not have access to information across the value chain that will be most useful to them and here on the left hand side got a code against another analytics out customer that from an HR perspective, they need to step up and provide managers with the tools, data analytical capabilities to identify trends early on and make inform decisions. So I think some key things that we found from some surveys that we have done both as IBM and also we are finding with our analytic application customers.

So on this slide I want to introduce what analytic applications are all about and its really all about packaged business intelligence and what do I mean when I say that? There are three key things you get when you buy a packaged BI analytical application. #1 you get defined data extraction. That means that we know where the data is contained your source ERP applications and we know how to manage it and then we know how to help you map it into what's important to you to help improve your business. Next we have a defined data model that comes with the application that again provides a codified set of measures and analysis that really lets you understand your business and takes you away from just looking at the raw data that might be continued transaction system to information that would really help you to improve business performance and last but not least you also get defined business content, a collection of reports that come out of the box ready to run as soon as the application is installed that really help you understand again how to drive performance. So it moves a lot of the mystery for your business folks around what they need to do or which metrics they need to be looking at those are all contained in this data model and all defined in report, some we will take a look at this later on.

So that sounds great I could buy a package BI application but why would I do that? I want to use a metaphor here to help you understand what's important. Imagine the solution to your performance challenges on the tenth floor of an office building and you have two choices about how to get there. One choice would be the traditional way. You are going to take the stairs up ten floors. The other approach might be and frankly the lazy approach that what I take is take the elevator, it will be a lot faster, lot less effort.

So with that metaphor in mind let's explore how packaged analytic applications are different from actually traditional way people would build things. So I think when you are faced with the choice in a business of actually developing an application that to define your business requirement to do business performance management you can build it and the challenges there are time the value can be long and painful because frankly you got to go define what it is you want to measure you got to get that data probably into a data warehouse and you got to actually define the reports and build them off from scratch yourselves. So that's great you can do all that we have great tools here Cognos help you do that but it can take you some time to do it and you need some expertise there as well because you have to go and actually define which metrics you should be looking at to measure your business and improve it and that may not the easiest thing for you to do. So back to my metaphor again, lots of stair climbing if you decide to build your own custom analytic application. Hopefully when you do that it really does fit your requirements perfectly. The challenge we find talking to people is frequently by the time they have actually around building application requirements have changed if it isn't there any more so that's why you can see on the slide that its shaded a bit of reddish should give you a perfect fit but probably in reality does.

So your other choice instead of building your own custom analytic application is actually to buy one and then customize it to meet your needs, customize to fit your requirements and in that case you know the challenge is there always you buy it off the shop it sort of

one size fits all. If you need to customize it that can actually be quite hard and laborious to do depending on the type of analytic application and you may not be able to easily extend it. So again on the chart on the left hand side we are showing you know the requirement fit you might be able to make it fit your requirement so that you can spend time to customize it but and the obviously the benefit is that it takes you less time in building one from scratch but it may not really fit your requirements exactly and again it can be a lot of hard work to customize it.

Finally what we would like to introduce is the approach we have here at IBM Cognos to packaged analytic applications which is… we give you the benefits of building yourselves so exactly fit your requirements but we do that in a way that's easy to do because it's a packaged application its easy to adapt and that's really the message we want to leave with you. So great customer scenario is let's just think about head count maybe they don't have a good handle on head count hard to imagine out having a handle on that very basic metric to help manage your business but we have had people come to us who said you know we really don't have our perfect handle on head count because we are dispersed around the globe with a lots of different systems will be information, we don't have a consolidated one place.

So what we heard from those folks is they need a solution that pulls HR data from different systems and consolidates it. They need cross functional insight this is important and we will spent more time talking about this later, but you know head count might be one metric but what about head count by job type by location, that might be more interesting and how is that changed over time and how is that changed for people that were sourced from different HR systems of different recruiting system, so a lot of these cross functional insight is also important to gather. The challenges we find talking to customers frequently with this information its all contained in spreadsheets and desperate data systems and another big challenge for HR folks are typically all the information they are looking for about HR is contained in multiple *best at read [phonetic]* systems maybe you have people soft Oracle as your base system but maybe you got a separate stand on recruiting system, you might have a separate system doing performance management or e-learning, so a lot of different things could be a different systems makes it really hard to see what's going on in *[Inaudible]*.

Let's examine some of the results we did from a survey recently. So this was a survey done with APQC and in 2009 getting smart about your work force via analytics matters and you can find references to this particular survey on a website, but three key things popped out. #1 human capital metrics are not consistent across organizations, that's a real challenge. Even within the organization somebody's definition of what head count and active head count may not be the same from division to division and that could be a real challenge when you are trying to measure things and manage things at the top level. Second, people have limited resources to really integrate to human capital systems. As I said earlier the real challenge for HR when we ask our prospects you know how many different desperate HR data systems you have, they frequently come back and say some number between 5 and 10. The real challenge to get insight and that information is spread in these different systems and finally the other challenge faced by HR in particular

is that the end users have limited experience in analyzing data and developing insights. They may not be used to dealing with numbers, they are used to dealing with people that's why they got HR in the first place, so that is something you have to consider when you are deploying an HR analytic solution is just how do you actually train the end users to know what to do with the data that's given to them.

So with that in mind I wanted to introduce our product IBM Cognos 8 workforce performance and on this slide you can see how we developed the capabilities of the product. First half we started off with business drivers and things that HR people are concerned about the ageing the workforce just visibility in the basic workforce metrics, multi generational work force top *[Inaudible]* attention, the teacher diversity and lots of other HR issues and as we explored these and we did this together with IBM, GBS and their human capital management practice, we came up with a set of human capital capabilities that we needed to make sure that we could deliver the analytic information around these capabilities. Five core capabilities ordered by the product. Information about workforce strength talent acquisition, talent development, talent retention and workforce compensation and of course we can give you that information along a variety of different analysis dimension. So you can see for example under workforce strength we can give you it globally we could give you it by demographics, by diversity top town etcetera. So we take a look at an example of this in the product and see out of the blocks you get these five key human capability areas are supported by reports again delivered by these different analysis dimensions.

So let's take a look at the product in action. So here you can see the home page and if you wanted to you could certainly have a dashboard on top of this with some graphical representation but this particular view is something an analyst might use if they were starting to explore an issue and wanted to dedicate to the need of the information itself. So you can see on the left hand side those five key capability areas I talked about and on the right hand side I have now picked workforce strength is the area I am interested in and I can see how the reports for that area are subdivided down into global strength top town strength, demographic strength etcetera. What I have decided I am going to do in this case is imagine I am an HR analyst and I want to explore the ageing workforce and see what the current situation looks like in my organization and what it might look like in the future. So to do that again I am just going to go take a look at the reports that come out of the box with the product and we will talk a little bit later on about how easy it is to add additional reports using the product and I want to pick one called head count distribution by age range. So I am going to run that report. Before I do that I have to pick what year I want to run it to and what years I want years I want the report to span, going to pick the locations and basically run the report, so let's just pause here for a second we go to allocate report.

So here is the report that's delivered so very simple for an analyst to pick the timing he is looking at if he wanted to, he could zero win on a particular set of age ranges, location, company, geography whatever what have you and get the information you are looking for. In this case, I wanted to see the overall results for the company so I can see my workforce and I can see the age distribution of the employees over time, so starting off in

2003 up to 2011. As I look at the graph of above I can see you know as you would imagine slowly over time my workforce are getting older, not a big surprise there. What I am interested in understanding is right now where are people sitting and what might it look like two years out. So I can see the different age ranges, I am looking at the green one which is 50 to 60 as I hover over the graph, I can actually get information and see head count and how many users are within that age range. The same information is contained within the table down below. Additionally I can see the percentage of my workforce that's actually in that particular age range.

So you know that's great there could be some information as I say if I wanted to I could really zero in on something I am very concerned with which is an engineering services, a job that's really hard to recruit for you know what is my age distribution look like for that particular type of job? So again all I have to do is select that particular job type, rerun the report and I can see goodness I got a higher percentage of folks in that age range. By 2009, 35% of my folks in that particular job title would be between 50 and 60 which is quite a high percentage much higher than it was for the overall company. So that just gives you a sense of what you could do with this particular product with a really quick example, didn't want to spend too much time on obviously lots of reports come out of the blocks and the fact we give you those reports in a way that make sense to HR folks not to us unlike *[Inaudible]* view, this is an HR view of what's important to them and the things they want to explore will really help you drive HR forward.

Next I want to talk about another application we have called "Financial performance analytics" and this is very different this is for the office of finance in particular for the controller's office where they are concerned with managing things such as cash inflow and cash outflow from the transaction systems and thinking about how they can manage their working capital. Thinking about it from a controller's perspective they need a solution to answer what happened and when, it needs to have timely access to all their financial data really important. You can't just be a snapshot in a single system, its got to be from everything and they need a consistent and cost effected way to know what's going with their financials. Let's take a look at this again from a business, this is again how we develop the application we started off with insight into business *[Inaudible]* from a finance perspective. Again we delivered three key financial analysis capabilities, general ledger, payables and analysis, receivables and analysis, again all driven by the business drivers are important you know how we are doing versus plan, how we are doing versus last year you know what sort of payable risk receivables risk, cash management issues and corporate efficiency? In this case the analysis dimensions we provide are what could you expect from a finance applications, things like by chart of accounts by department, by customer, by product, by vendor. So again a very comprehensive set of capabilities delivered within those three overall buckets that I talked about general ledger, payable and receivables and a lot of reports that come out of the blocks to help the controller's office manage cash much more effectively.

Now I can do a demo this particular product but I am showing you here a screen shot that could really help people manage cash much better. So I can see, by customers when they are overdue how long they are overdue and I could see the customer's name. So you

could see this is a great starting point to really get a handle on a day by day basis of what to do about managing cash much more effectively.   So that was a really quick introduction to the two applications we have today again work force performance for HR and financial performance analytics consisting of three modules, general ledger receivables and payable analytics. We had great success with those in the market place today and I think one of the things that we hear people when they look at the application is as compared to the competition these applications are really adaptable, you happened to have one different report you happened to one look at some additional data or if you are a particular ERP installation has been customized it can be a real challenge with other analytical applications from other vendors and actually modify it to fit those requirements and this slides that quote from *[Inaudible]* researches they talked about their survey of some other customers and what it took. The installation time was rather quick with the packaged application from a different vendor but it took five more months of customizing and interpreting a data to meet the requirement so and you may think with the packaged out they are all the same but in fact they are not the real challenge is customizing them to exactly meet your requirements initially and on an ongoing basis as things change.

Let's examine that little bit more. The challenge we face you know people want to deploy our package applications quickly gain an insight quickly so they get faster visibility and value. So this is an example of one particular customer they deployed 33 workforce reports and two weeks later was very simple and easy for him to add an additional six reports that worked in the base package that I showed you earlier but really were something they were particularly interested in tracking. So in two weeks six additional e-tail operational HR reports were developed and deployed there to their population. The solution was also integrated with dashboards *[Inaudible]* that on a weekly basis to their executives as well. Again contrast that with other analytic applications some other vendors were deployment and development of the reports took five months, very, very different.

Let's talk about how we do that within the analytic applications from Cognos and it really comes down to managing business change either initially on deployment or on an ongoing basis as you acquire companies or sell companies as you decide to change organizational structure, how do you deal with all those sorts of changes in HR perspective and even from finance perspective, really bores down to three key things you have to do you have to create, validate and publish any changes you want in the core content of the analytic applications.

We think about it really occurring in two distinct phases. #1 making sure that somebody is capable of managing the information in whether the information is coming from external data sources, your ERP system or internal or home grown data source you have to have somebody within your organization that is a model that can manage the information into the analytic application, that's the inbound side.   You also need somebody on this diagram is shown as a modeler I think it as a more report author in typical Cognos terms somebody they can think about what the business users need and actually think about what report would be applicable to them, what information should be

in that report, so somebody that can be person responsible for getting information out of the analytic application.

Let's take a look at how this works in real life. As an example imagine I am an HR analyst or an HR report author and somebody has come to me and said "Listen I need a new report, I need to see the job transfers between geography" and that's not a report that comes out of the blocks with the product. How hard it would be for the business author to create that report and let's walk through this. I mean a particular interface here called "Adaptive analytics" that's part of the product that really let somebody be that information help person the author. So in the case I am going to make sure I add location hierarchy or something that's available to me within our report authoring capability and I also want to make sure I actually have the, that particular job action metrics around transfers, so I need to make sure I am actually able to get access to the transfer account information of developing report. So I have now done that, I have now got the data available that I need to it actually create the report. Now let's go take a look it what it will take to actually break the report. So I specify transfer account and I say I want to create new report packages that contains this, I do that and now going to apply what's in the actual port package we are going to call it "Job action reports" and now I am going to go actually create the report, I want to apply location and I want to apply time and I want to apply job and we have done that all I have to actually create the reports is specified the report type that I want, in this case I am going to just pick a summary detailed report.

I will take a look at what this looks like in a second and now that I have picked that question mark here I am I have actually in less than a minute created report for information that wasn't available previously, I can see the report I have actually run it and I can interact with it and make sure its what I am working for. Great for a business author to do this actually with the business user sitting beside them going I mean make sure I understand what you are looking for, you are looking for transfer account of employees by geography hang on a second less than a minute, here's a version of the report created you can check it with the business person you know you said to go. So I got that done and you can see it is a standard looking report, its got the bar chart up top well about the detail data down below, comes out of the box with the ability to drill down and drill up, you don't have to create that supple in the reporting comes out the box that way once you use this type of report, very comprehensive easy to do very fast adaptive changes imagine trying to create a report like that from scratch with some other analytical application tool or even doing with the standard BI tools for example and it will take you a lot more time in that.

Okay so I am getting towards the end of the presentation want to focus on a couple of the case studies we have that use our analytical applications here at Cognos and the first ones are large insurance company and this was one we actually did jointly together with the IBM global business services and the challenges this company had on the left hand side where the client executives were unable to answer questions such as from what source did my best performers get hired from and that's sort of interesting question wouldn't it be great if you knew less source of employees gave you the best one be really nice thing to know if you are an HR person because you could use that source more obviously. You

can see some of the other key HR questions they were concerned with here is another great one how many courses were taken by people who left after one year of employment with there some relationship in between, how much training you gave them whether they left the organization or not. This project solution approach on the right hand side they use the RIBM Cognos workforce performance product to do the... as the base capability it was integrated in with their SAP system and used SAP standard security to actually enable what HR people could see what information again critical when you are talking what HR data you can anybody see certain critical HR information such as salary for example you have to make sure you are managing security for that.

The benefit of GBS and Cognos working together on this is that if the client wanted a dashboard solution then they had 5000 managers that wanted to be able to see key metrics on a single dashboard about the work force they are responsible for and we are able to do that using workforce performance in conjunction with Cognos API dashboard and capability. The benefits here you know they obviously you could give managers and this is a very large organization with 5000 managers. They could really easy see key metrics of their work force and it also gave the H organization themselves some rate capabilities for understanding at a macro level what was going on with the work force or what they could do to more effectively manage it.

Next I want to talk about another customer example for workforce performance Arthur. J. Gallagher and company. So just a little bit about Arthur. J. Gallagher, actually a very substantial insurance and reinsurance company with several different lines of business and very interesting HR had some priorities where they needed to reflect business strategy, they wanted to really drive a performance driven culture obviously growing private based business they want to do that and they can see some of the key things the HR folks were looking to actually do here, make sure they could lot of *[Inaudible]* is happening in this company, they want to make sure they could have a consolidated proper wide view of all their human resources.

So the implementation approach here was fairly straight forward, they need to seek multiple perspectives from the business customers across functions that was something key that they did upfront they said "Listen let's make sure understand from the business perspective what they are looking to get out of this". They then looked for a best practices and best in class solution in the market place *[Inaudible]* post performances said "That looks like a great solution" in particular because of the package content as well because it could easily change to meet their requirements and you can see on the bottom left hand side that was really some of the key things that drilled them to pick IBM Cognos was the packet reporting analysis and effectively standardized reporting you think back to the demo I gave earlier just the fact that those reports all look the same means it is easier for users to know how to gain access to information or not learning how to interpret report every time because the report looks slightly different and you reports are standardized really gives them simple and easy access to exactly what they are looking for. The client benefits from this and consistent workforce analysis that measures results and improvements throughout the organization, again really helping to

make HR become more strategic by helping them apply the same sorts of metrics and analysis that for example finance user to help the organization achieve their goals.

Another example of customer using our financial performance analytics applications, again there are challenges, we are improving month and quarter end financial reporting to better gauge performance and if you think about the office the controller they sort to get this sportive activity that happens whenever the porter end is up depending on the financial report time frame, but typically at quarter end they have got to go through the close process. At that point they know where they are at and that's great. And in between closes its really important for people have access to financial information they could understand how the business is currently doing before the close happens and that's really the problems these folks were trying to get a handle on just you know at month end and quarter financial and even just you know what's going on in between those times as well.

This particular customer was an extensive user of Cognos technology, they also had Oracle E-business suite and they really wanted to get access to that transactional information from Oracle E-business and really provide that level of management reporting that could help them. They chose IBM Cognos because it was really easy to incorporate external data from different operational systems. So in that particular case yes the core, financial information was contained in Oracle E-business suite but they did have other sources of financial information as well and they wanted to consolidate them all into one view so they could see everything at the top level and be able to drill the appropriate level of detail even down to the transactional level. The benefits they found out of the solution was it that it provided a unified financial view across different organizations again lot of acquisitions to this particular organization and they wanted to have a view across that included those different organizations.

So hopefully that's given you a quick introduction to IBM Cognos 8 analytic applications and just wanted to summarize and conclude with the benefits of these sorts of applications both in the line of business and for IP but the line of business whether it's the controller or the HR professional or even the manager of a department, its all about smarter decisions giving them the ability to consistently get the information they are looking for in a self service way to understand what's going on. Equally importantly the ability to get cross functional insights as some of the examples I gave earlier when we are looking at the example of the ageing workforce, ageing workforce by job type that's really critical to get that sort of fast functional insight wasn't just about the job type, it was about the job type by age range. The fact that the solution can easily grow and adapt with their business as it grows and changes is critically found not only for IT you have to deliver the solution, to limit it but also for the business because frankly they just want answers to their questions as fast as they can possibly get them and they need a solution little quickly adapt. For IT, the benefits of a packaged application or obviously its packet so its saves them time and money in terms of deploying it, the fact that the solutions from IBM Cognos are packaged and adaptable means its simpler to create new reports and to change configuration in with other analytical application solution.

Again the whole thing here is its not just based on a single type of analytical application because these applications are built on top of the IBM Cognos A platform you get the capability to easily extend them using all the capabilities we have got out of Cognos including support from mobile devices and sending information to them support for dahsboards that can be created and published and all the variety of reporting analysis choices you get with Cognos 8. So with that hopefully we have given you a quick introduction to IBM Cognos 8 analytical applications we look forward to hearing from me with your requirements, thank you.