

Business Analytics: Driving Profitable Growth, Addressing Regulation and Risk



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May 9th, 2012

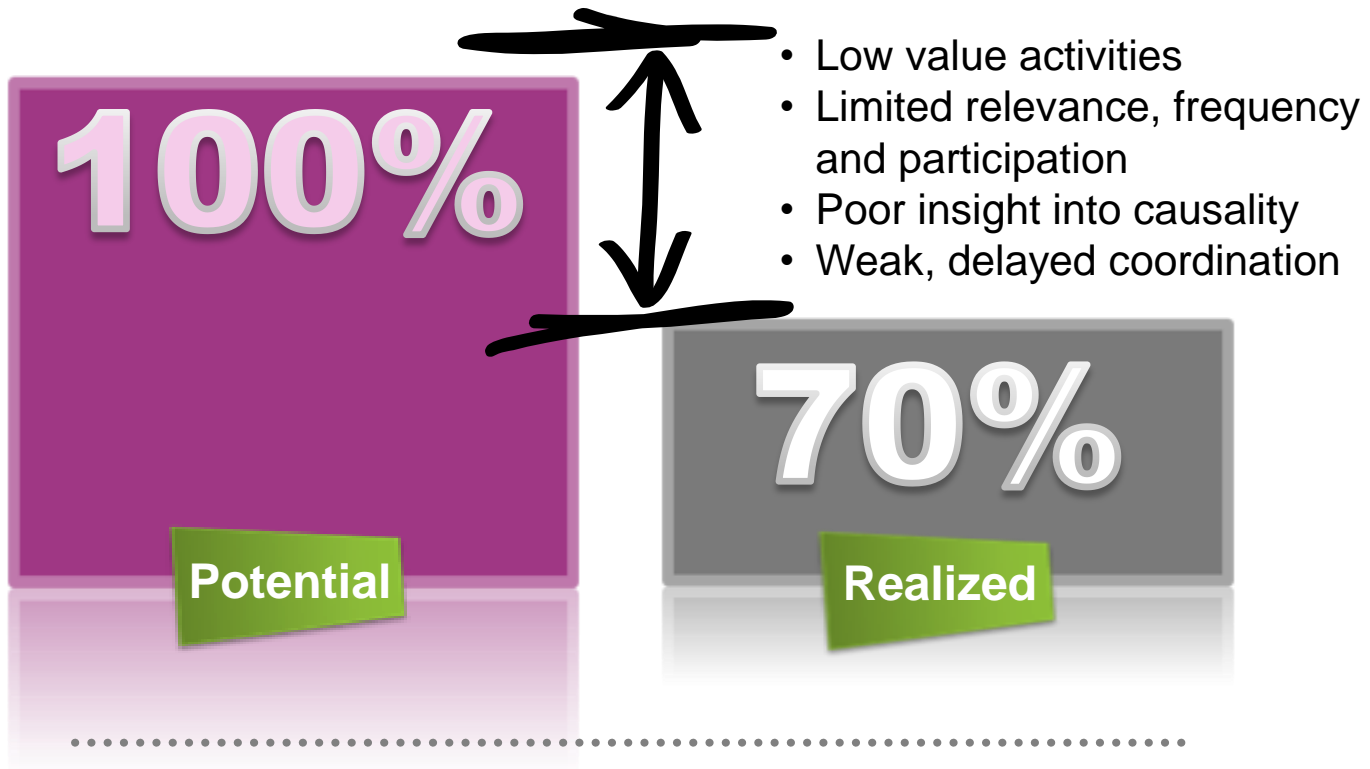
Agenda

- ⑩ The office of Finance in 2012
- ⑩ Business Analytics for Finance
- ⑩ Business Analytics in Action – A case study

Forecast
Regulation
Risk
Inventory
XBRL
Reporting
Working
Headcount
Variability
Sarbanes-Oxley
Demand
Profitability
Analysis
Capital
Growth
Uncertainty
Expense
Cash
Management
Scorecards
Flow
Value
Shareholder
Governance
Revenue

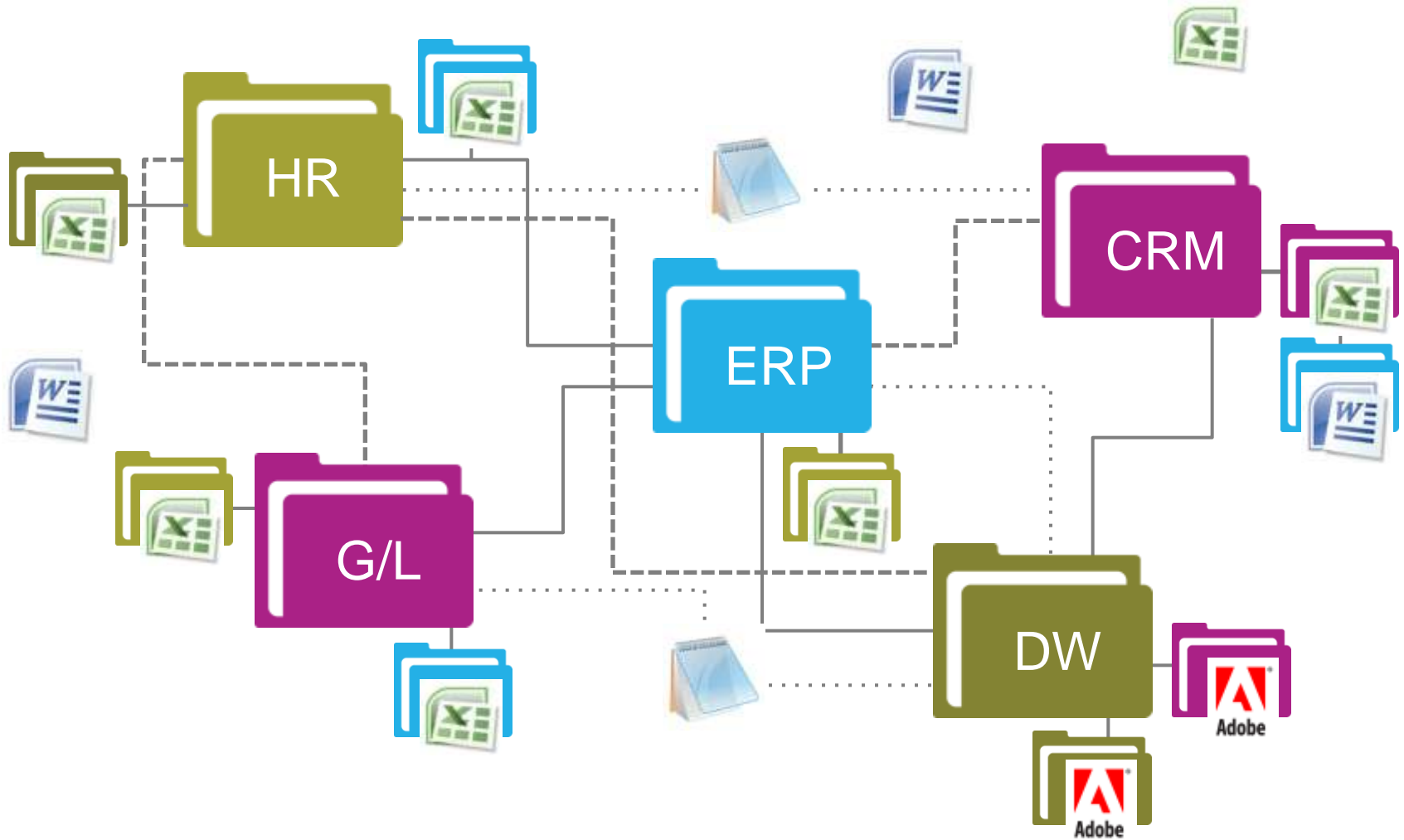


But a lot of potential is lost

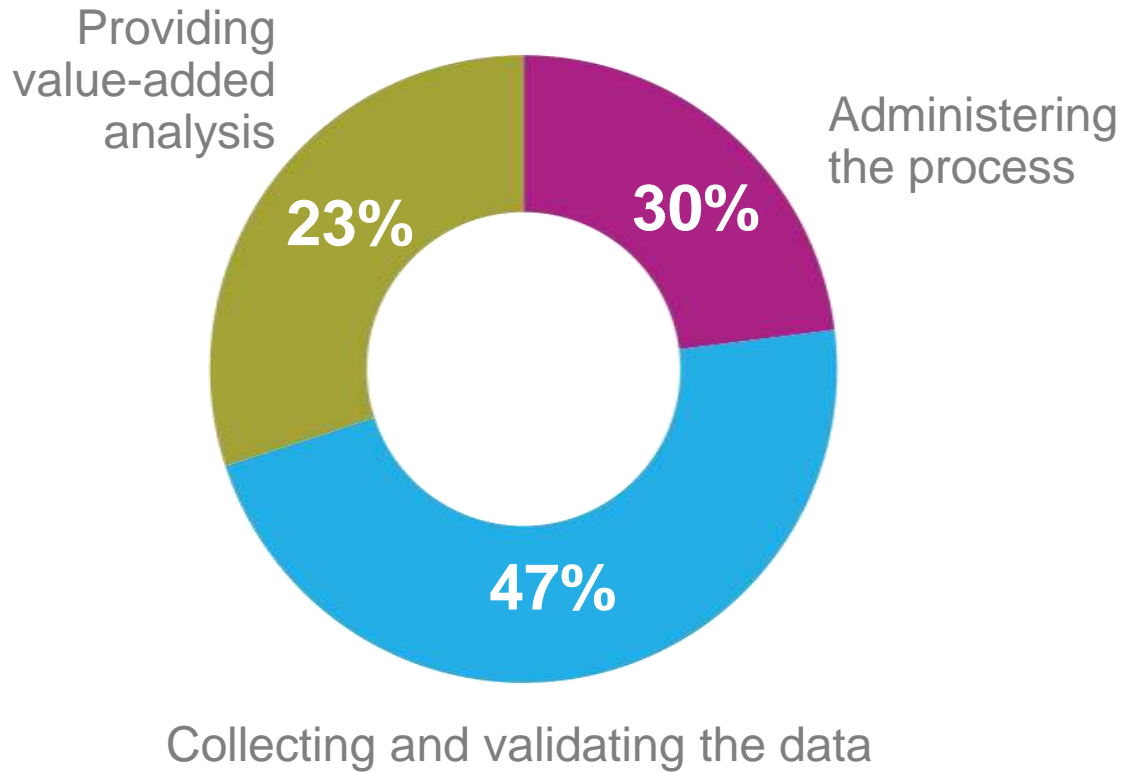


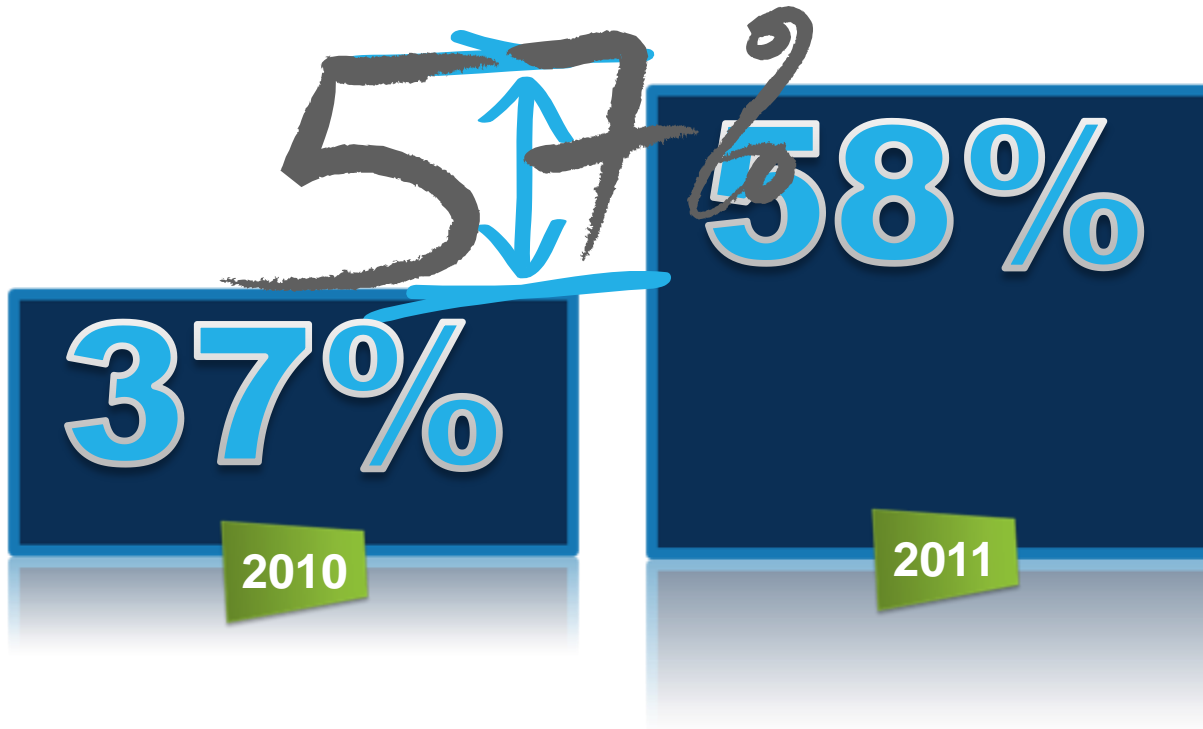
.....
30% of performance potential is lost due to subpar performance management

Technology foundation under pressure



Finance is forced to waste a lot of time





More organizations see

analytics

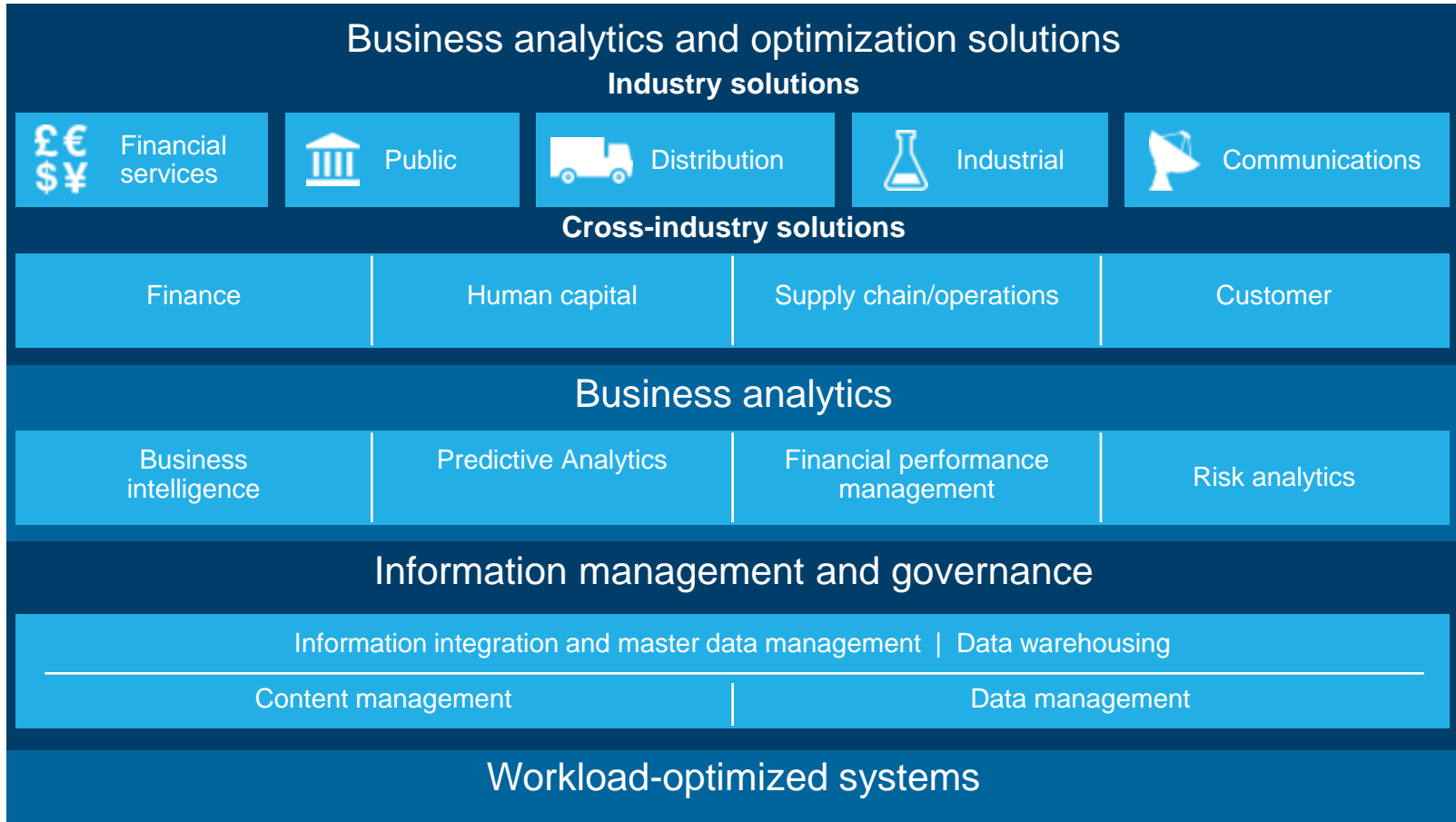
As competitive advantage

220%

Organizations competing on analytics
substantially **outperform** their peers

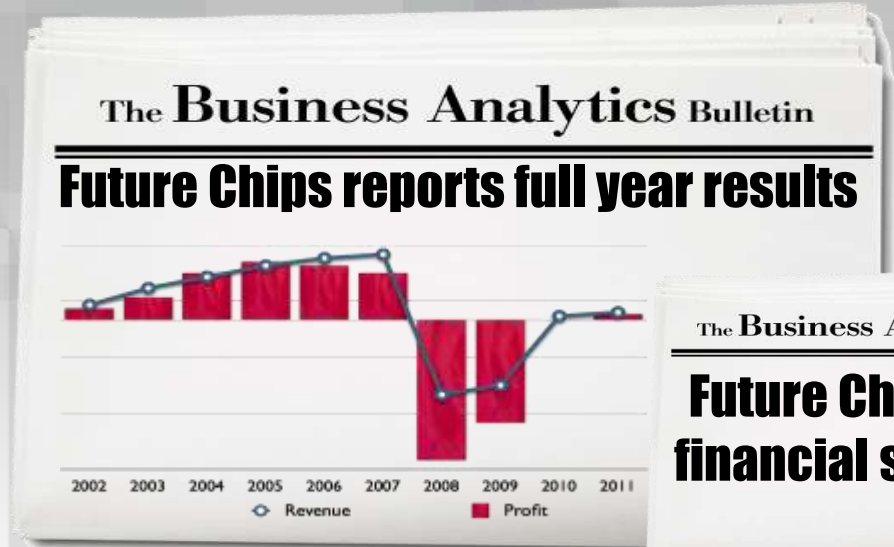
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IBM Business Analytics – A complete set of capabilities



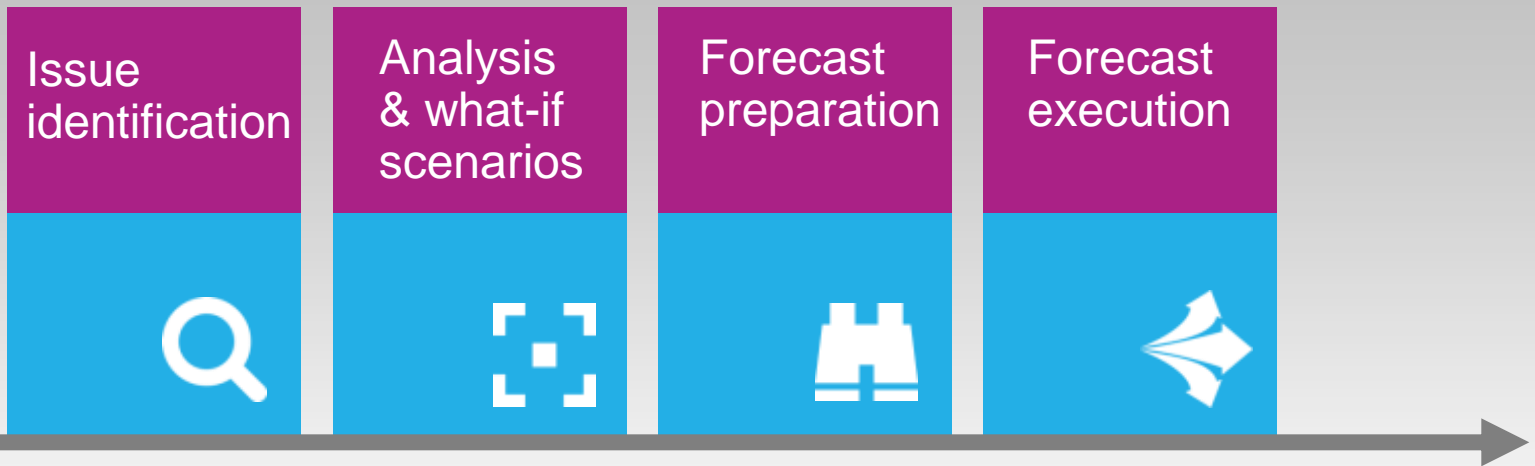


Business Analytics in Action

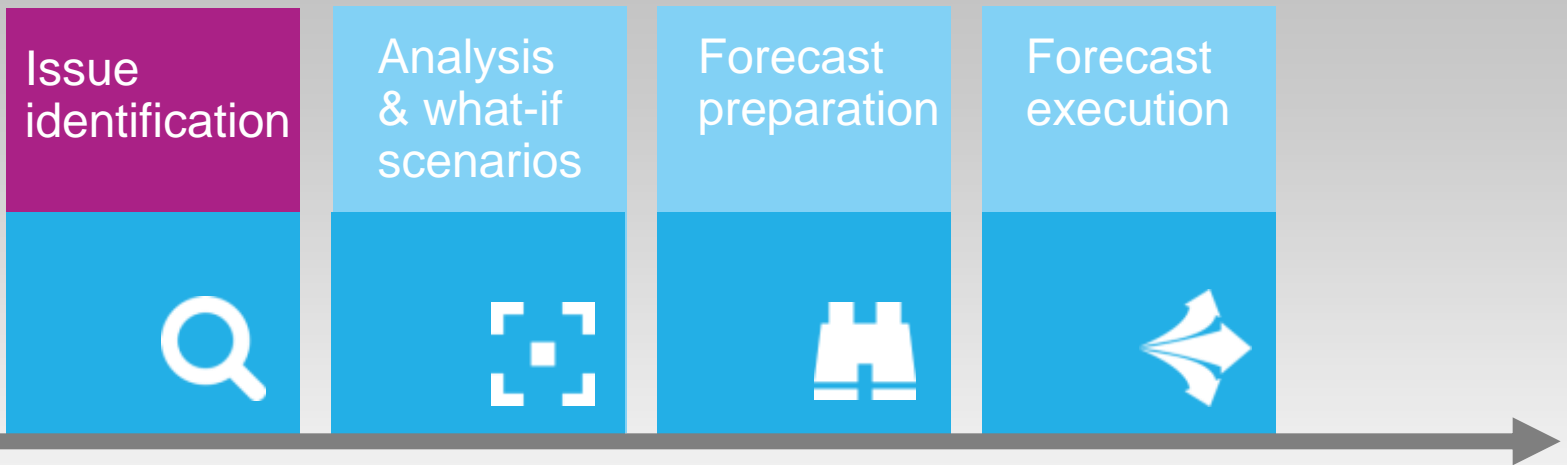


- A day in the life of Future Chips

Transforming the decision process

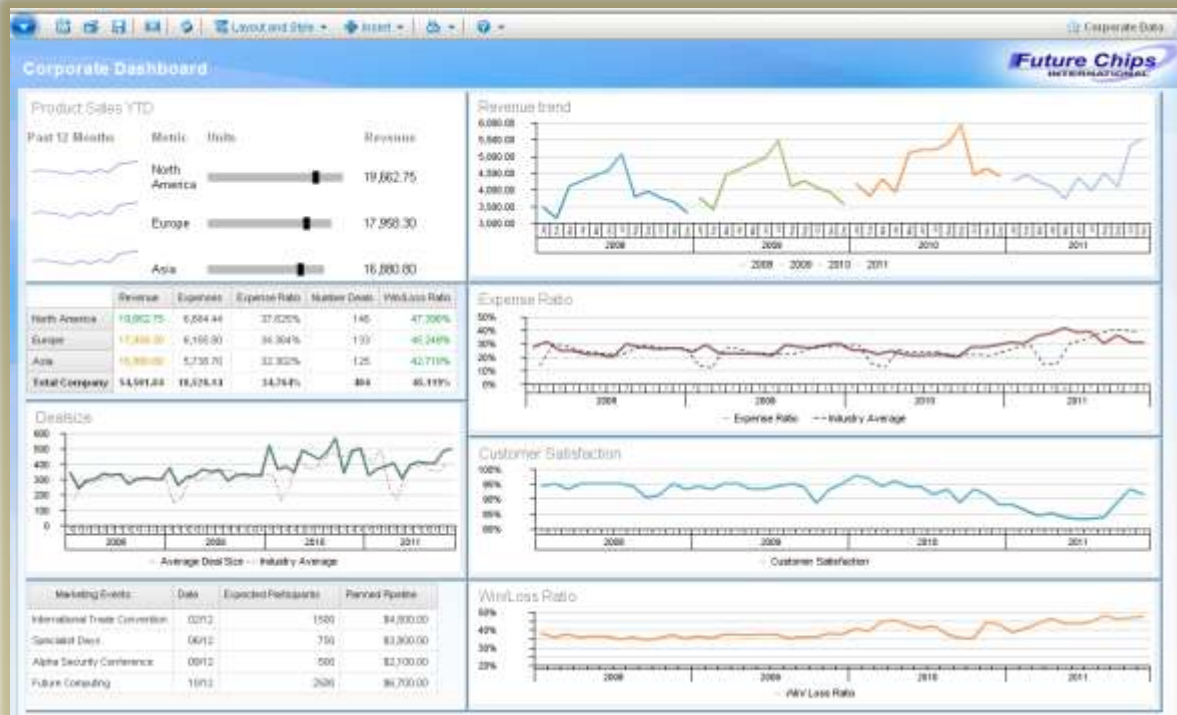


Transforming the decision process



From looking backward to looking forward

Leading vs. lagging | External & internal vs. internal only | Forecasting vs. budgeting only



IBM Cognos Business Intelligence 10 – comprehensive dashboards

Demo

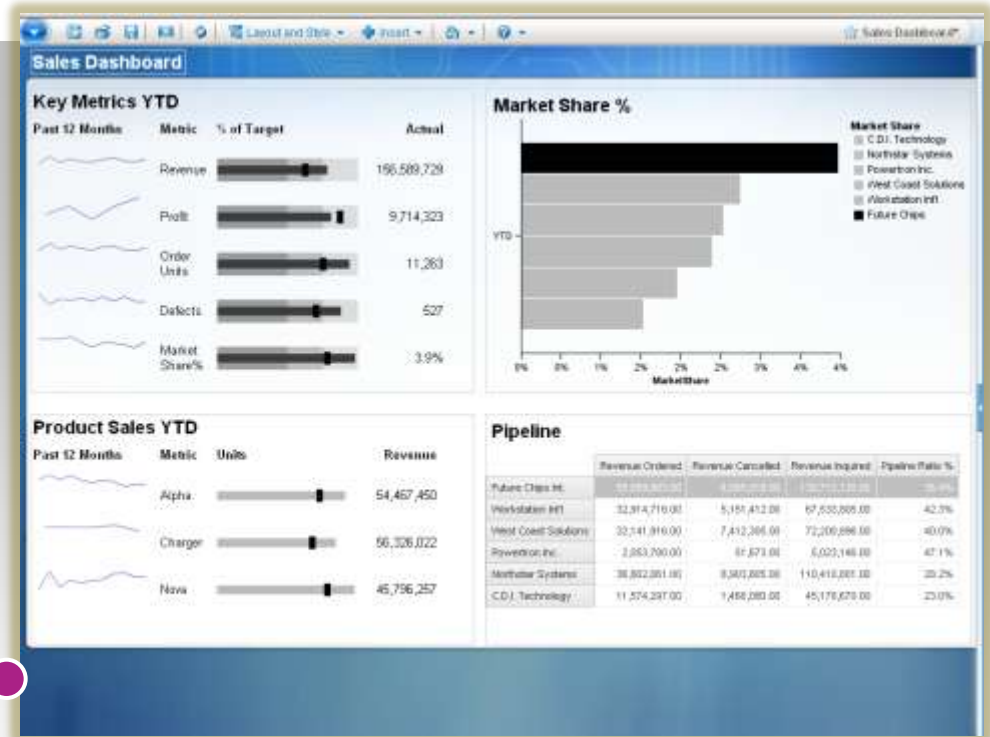
- **Review performance dashboard**



Insight everywhere you need it



- In the boardroom or 35,000 feet in the air
- Actionable information on the desktop and your mobile device (NEW)
- Timely, rich and interactive content



IBM Cognos 10 – Mobile and comprehensive dashboards

Transforming the decision process



“The data I need is not just in corporate systems”

“Can’t afford to wait for someone else to build it”

“I don’t know exactly what I’m looking for...”

“We need to understand and respond faster to market changes”



INSIGHT

ACTION



Demo

- **Analysis and what-if scenarios**



Agile, personal analytics

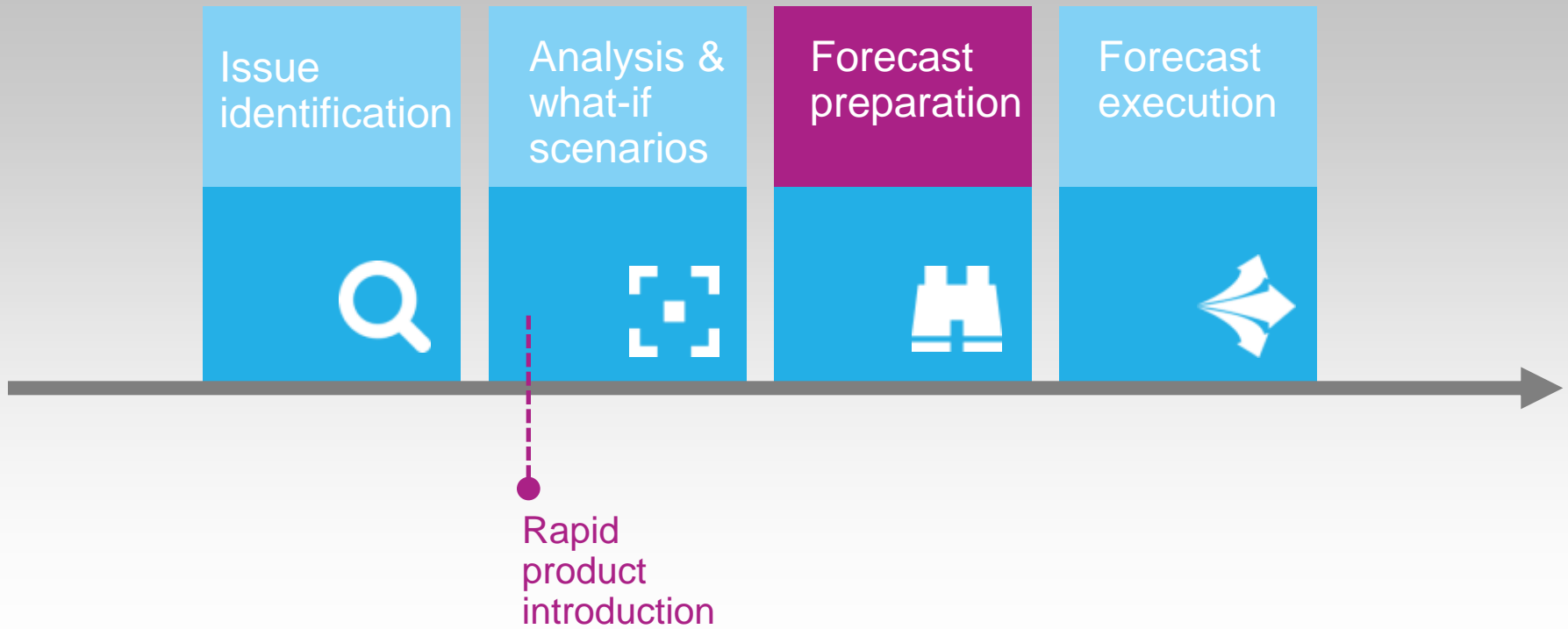


- Access to external and corporate-sanctioned data sources
- Boundless freedom to perform analysis
- “Write-back” for what-if scenarios and planning template development



IBM Cognos Insight

Transforming the decision process



From spreadsheet formulas and links to visual modeling

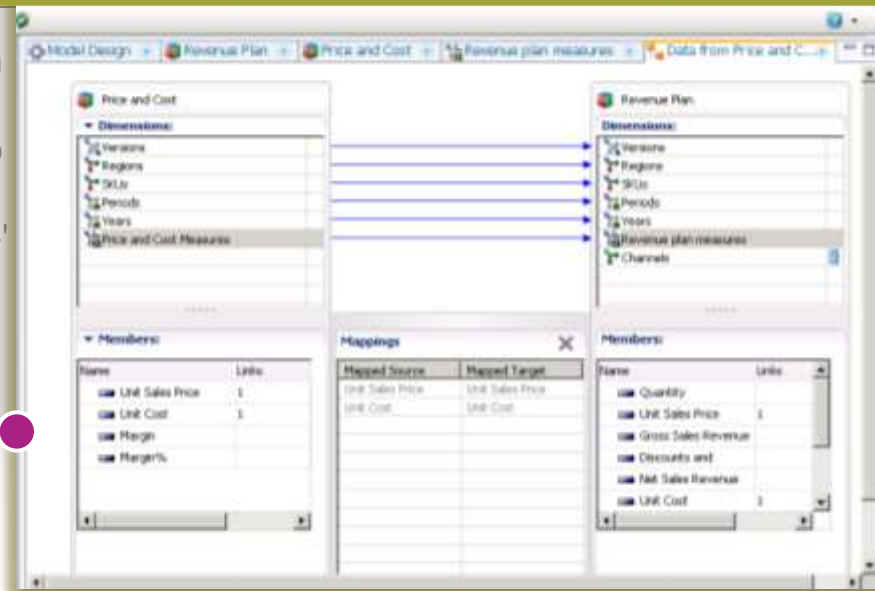
Visual vs. Text | Business-User vs. IT specialist | Agile Prototype-to-Deploy



From Spreadsheet
formulae & links to

Visual Modeling & Composition

```
=100*(Sheet2!B$29+'[Northern
Region.xls]Frcst'!$B$3+'[So
uthern
Region.xls]Forecast'!$B$3+'
[Southern Region.xls]-
Frcst'[Northern
Region.xls]Sheet2'!$B$3)
```



IBM Cognos TM1 10 (Performance Modeler)



Demo

- **Prepare ad-hoc forecast models**

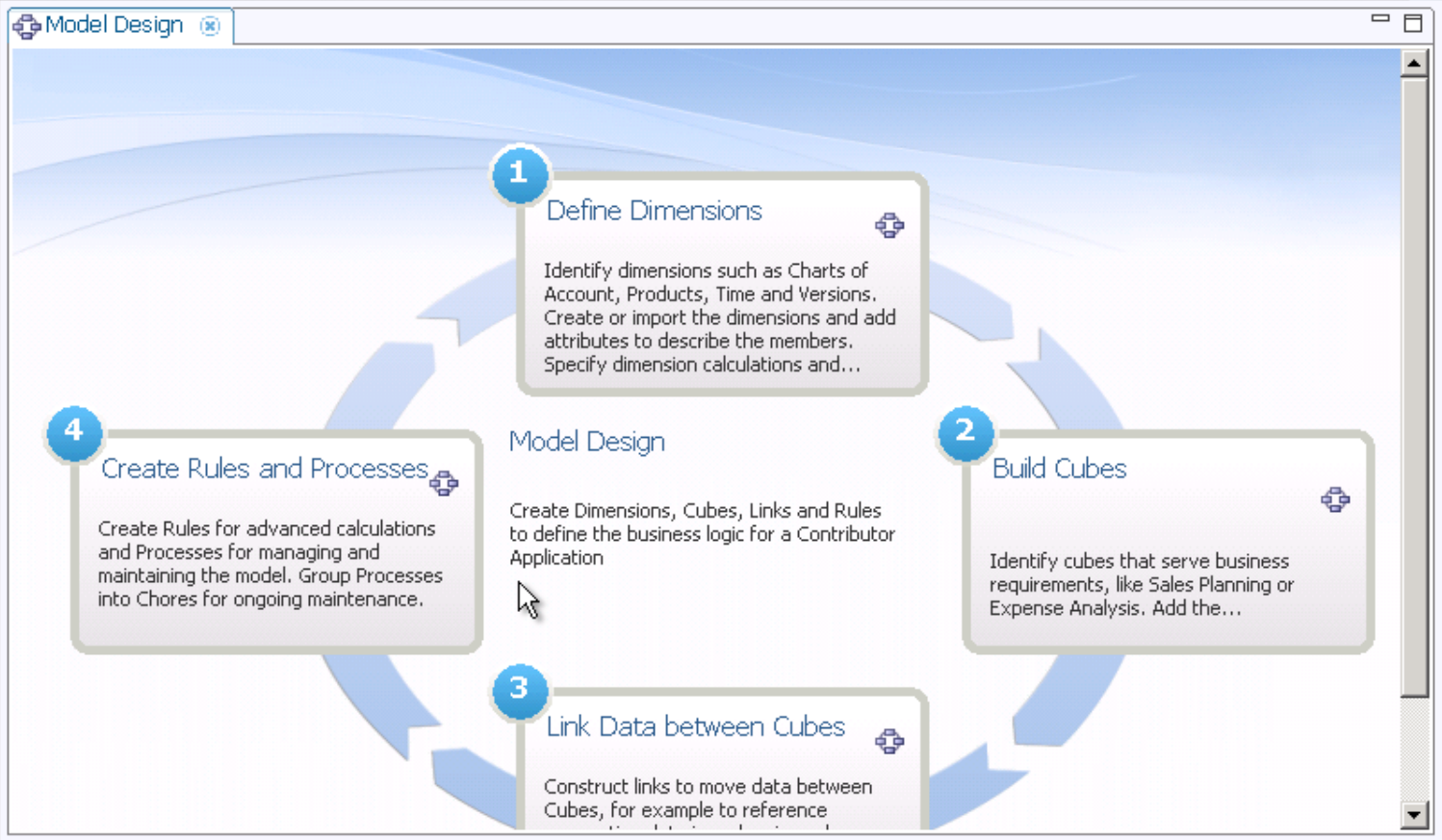




Model Design

VOTTBIDEM001.ent.ad.cognos.com

- Dimensions
- Cubes
- Links
- Imports



Properties

Properties panel content area (currently empty).

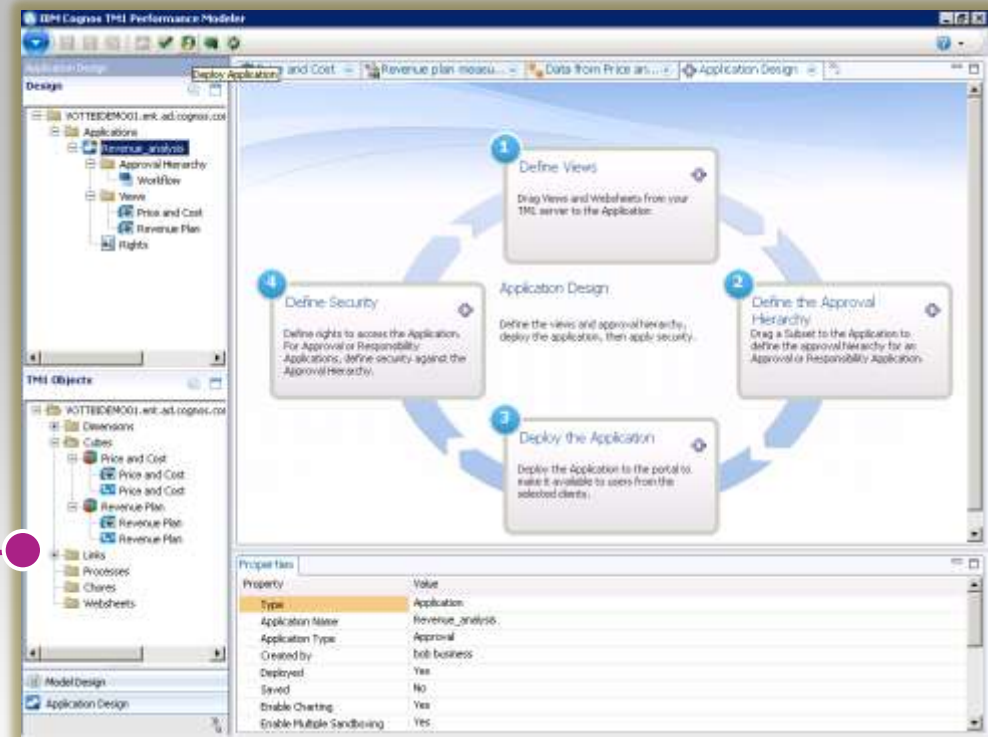
Model Design

Application Design

Intuitive modeling and application deployment

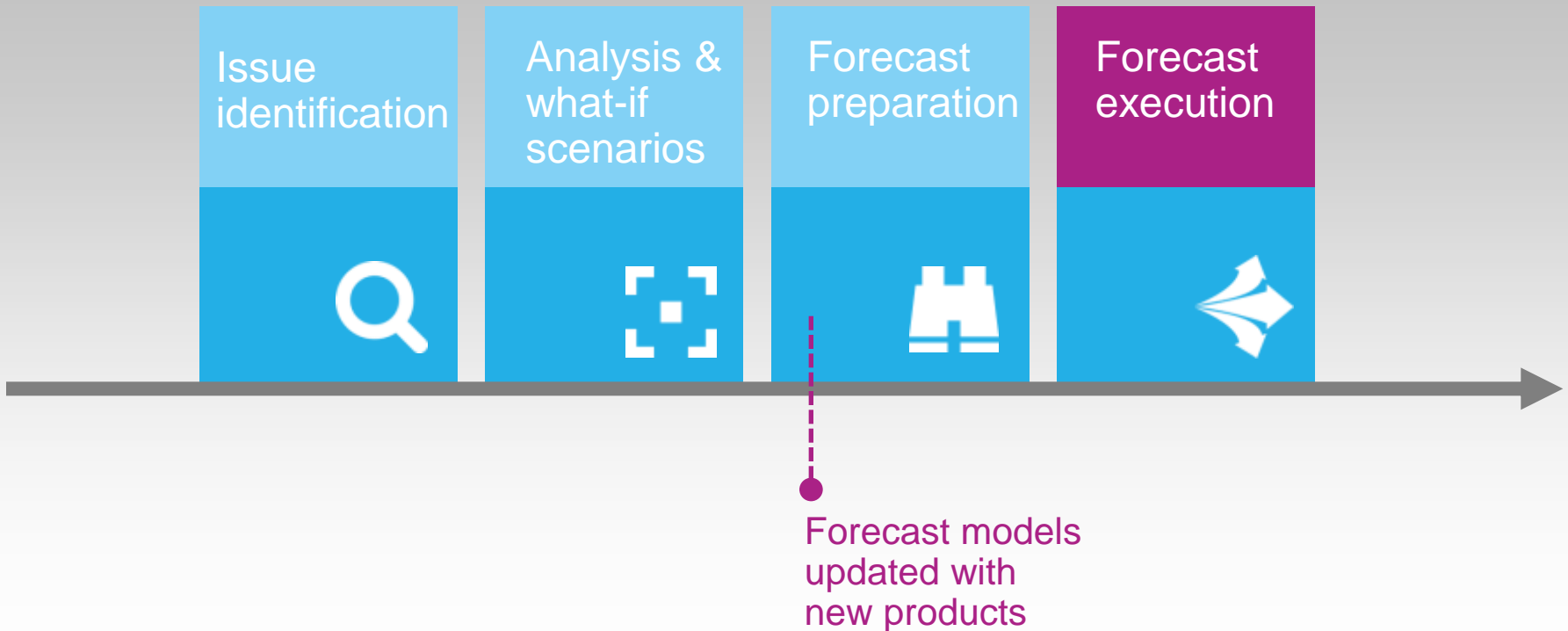


- Multidimensional modeling tools
- Big time savings, less risk and better visibility
- Visual interface for intuitive modeling



IBM Cognos TM1 10 (Performance Modeler)

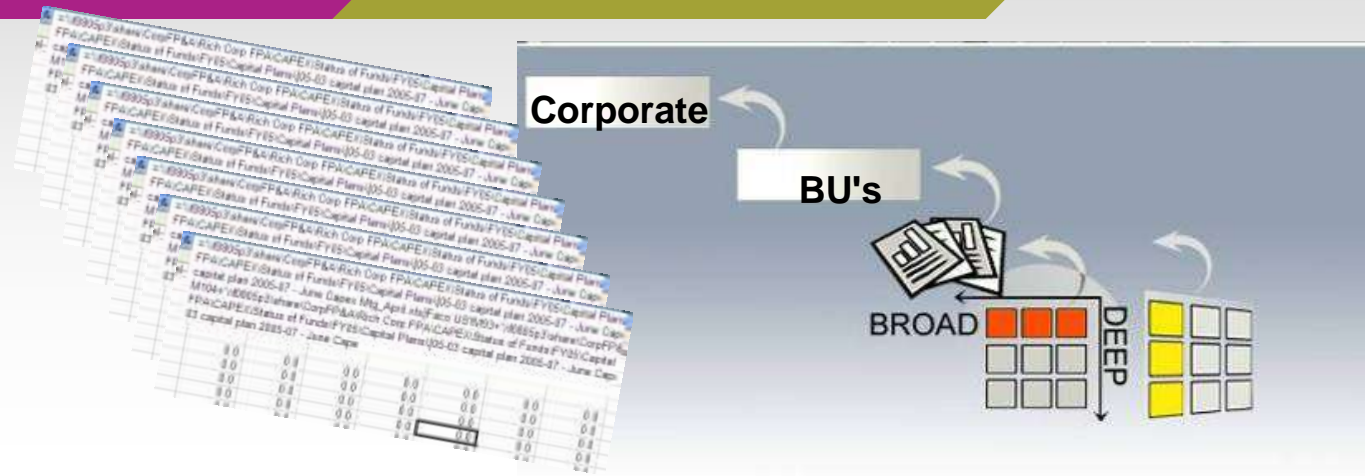
Transforming the decision process



From detailed and numeric to Driver-based forecasts

	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL	YTD Growth Variance	YTD Act. Var %	Total Variance	Total Var %
Revenue	120.00	180.00	175.00	180.00	200.00	180.00	185.00	190.00	205.00	208.00	210.00	285.00	2056.00	-85.00	-3%	195.00	13%
COGS	32.00	37.00	134.00	185.00	131.00	117.00	117.00	125.00	131.00	132.00	145.00	150.00	1484.00	387.00	-54%	84.96	8%
Margin	88.00	143.00	41.00	65.00	69.00	63.00	68.00	65.00	74.00	76.00	65.00	135.00	572.00	-22.96	-7%	110.04	18%
Margin %	73.3%	79.4%	23.5%	36.1%	34.5%	35.0%	37.3%	34.2%	36.1%	36.1%	30.9%	47.4%	27.8%	-2%	-1%	56.0%	-3%
SG&A	1.42	1.00	1.75	1.90	2.00	1.80	1.01	1.50	2.00	2.00	2.10	2.00	22.50	-3.30	-39%	2.34	13%
Research	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.20	0.20	0.20	0.20	0.20	2.40	1.36	56%	0.07	-3%
Depreciation	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	1.80	1.08	60%	0.18	-5%
Net	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90	54.00	0.00	0%	-1.20	-3%

From manual aggregation to Process automation



Demo

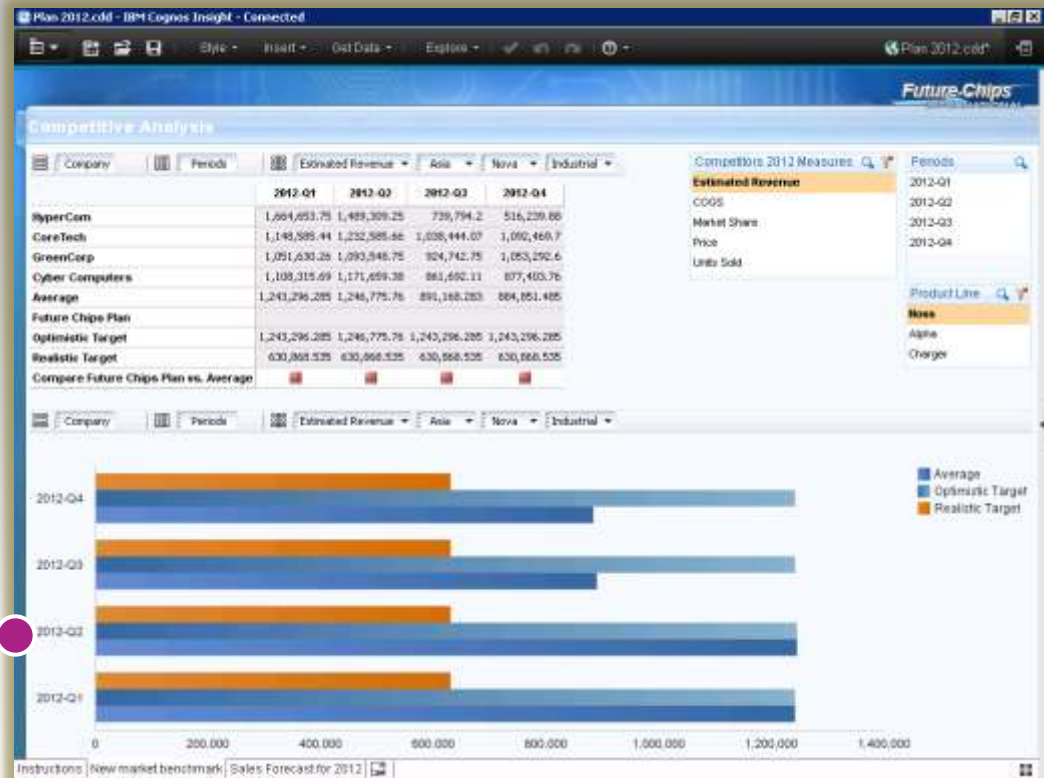
- **Update and revise forecast**



Planning, analysis, forecasting & profitability modeling



- Driver-based models
- Easier scenarios to address risk
- Easy distribution and aggregation of templates
- Real-time reporting against plan, budgets and forecasts

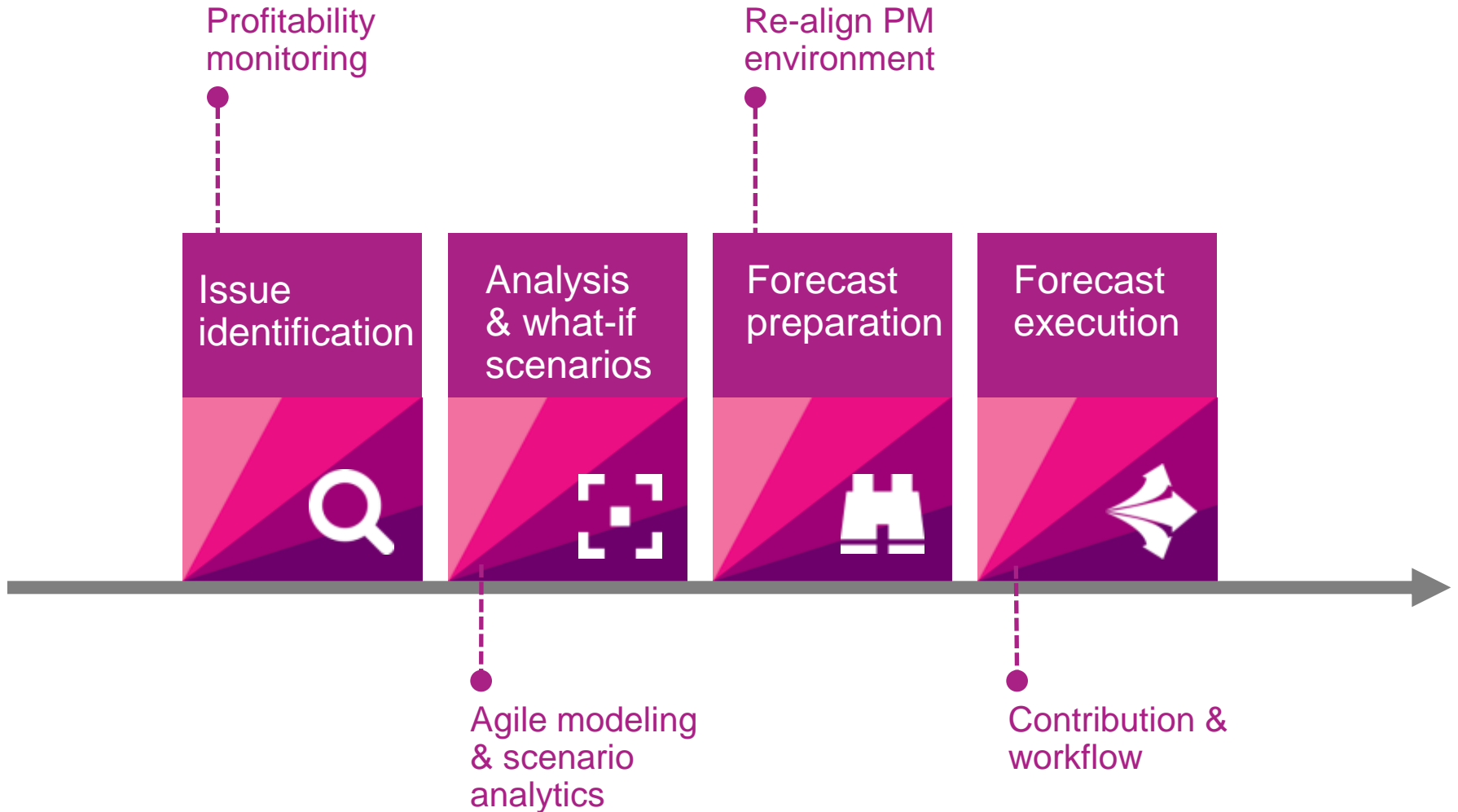


IBM Cognos TM1 10 (Cognos Insight, Contributor, Excel)

Transforming the decision process



Smarter Analytics. Smarter Outcomes.



IBM business analytics deliver ...



Time

Drive efficiencies and scale

- Eliminate intensely manual efforts
- Structure and automate dynamic processes
- Scale to large user communities and data sets



Control

Gain agility and preparedness

- Link operational and financial performance management
- Support advanced analytic techniques (e.g., scenario and predictive analytics)
- Eliminate delays in coordinating around to emerging realities



Confidence

Improve effectiveness and outcomes

- Dramatically reduce risk of errors
- Cost-effectively address compliance
- Drive new confidence in analytics-driven decision making

Do you want to become the CEO of Future Chips?



- Business simulation
- Interactive workshop
- Decision making



<http://www-01.ibm.com/software/analytics/business-experience/>



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IDEAS BLOG



Best Practices for
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