



# FINANCE FORUM

2009

## ***Driving Performance in Turbulent Times***

IBM Cognos Software  
David Morton



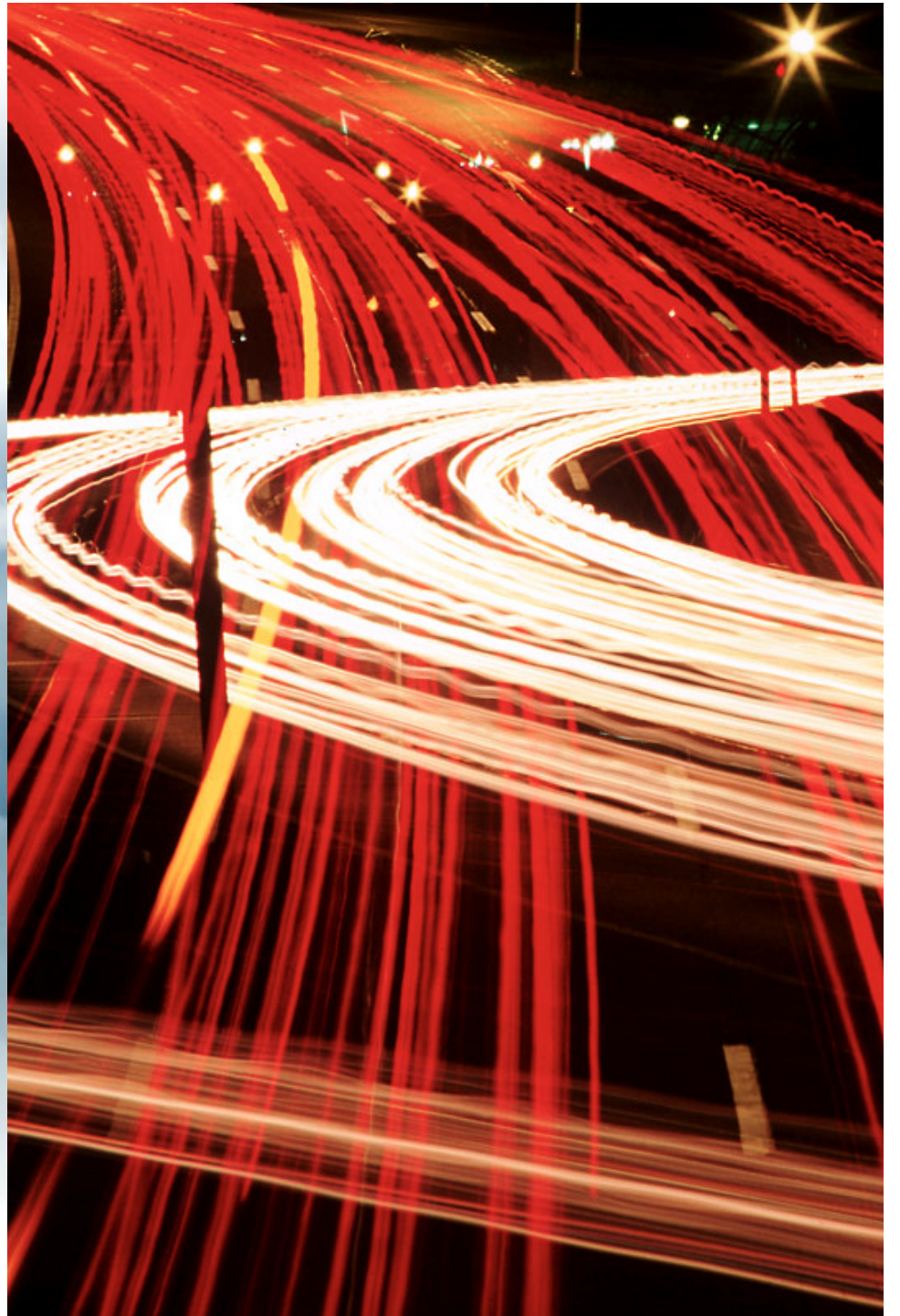
Information Management

Cognos.  
software

## ***Today's Objectives***

- Discuss the role of Financial Performance Management in turbulent times
- Review effective actions for improving your performance
- Learn about the value of the IBM Cognos solutions







## ***A Challenging Economic Climate***

**I. Demand is in a Dramatic  
(and Uncertain) Decline**

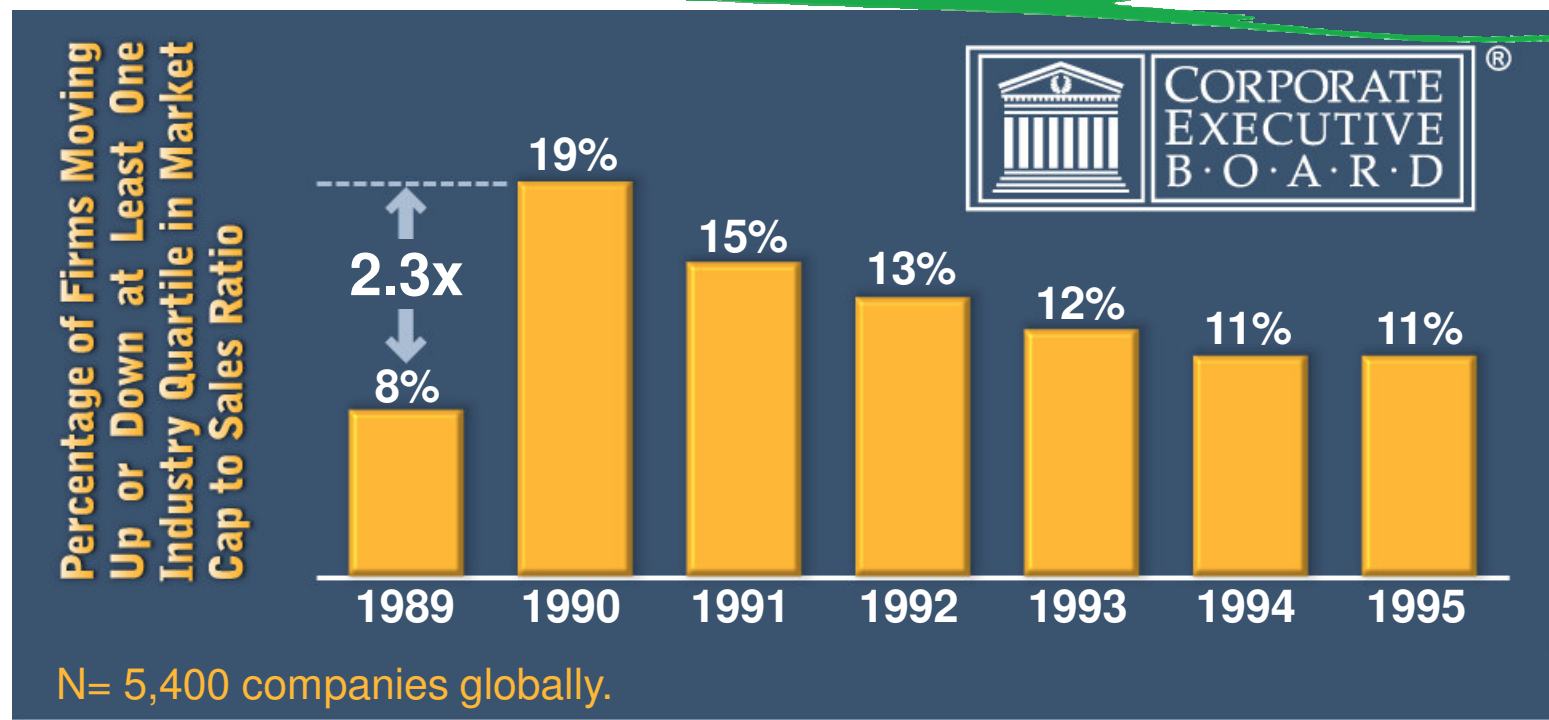
**II. Companies Facing Constraints on  
Credit and Capital**

**III. Industry Structure Can Change  
Significantly in Crisis**



## A Challenging Economic Climate

Industry Structure Can Change  
Significantly in Crisis



## ***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...



## *Driving **Smarter Decisions** for better business outcomes*

- Manage risk
- Cut costs
- Improve profits
- Drive Cash Flow

*Through the strategic application of **Business Intelligence and Performance Management**  
Software on an Enterprise Scale*



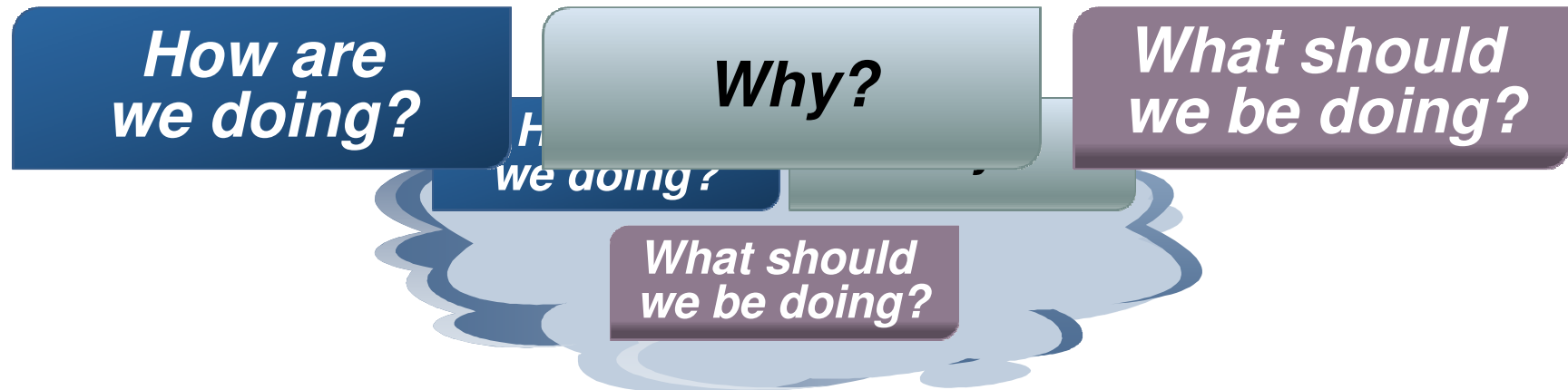
## *Three Questions that Drive Performance*

*How are  
we doing?*

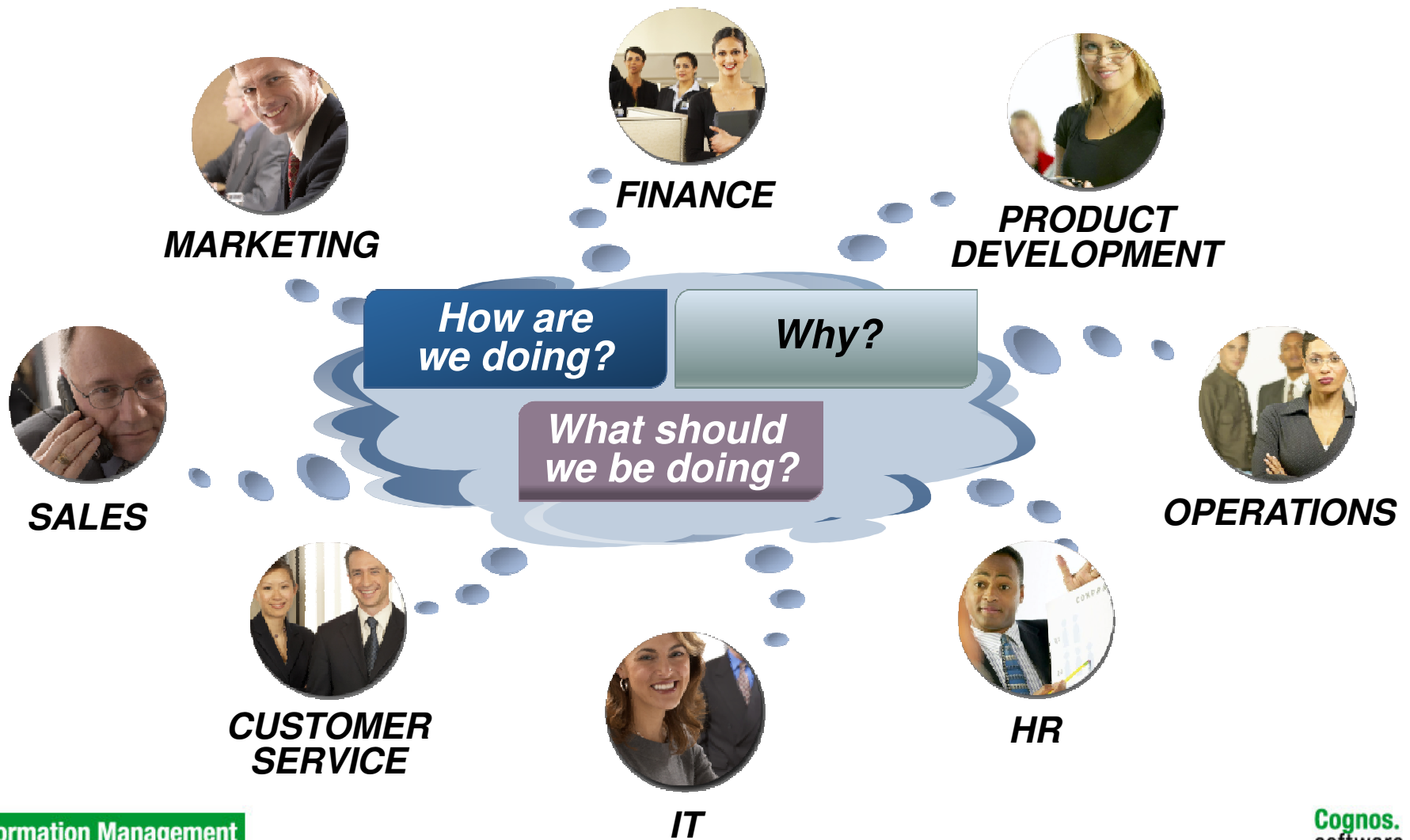
*Why?*

*What should  
we be doing?*

## *Three Questions that Drive Performance*

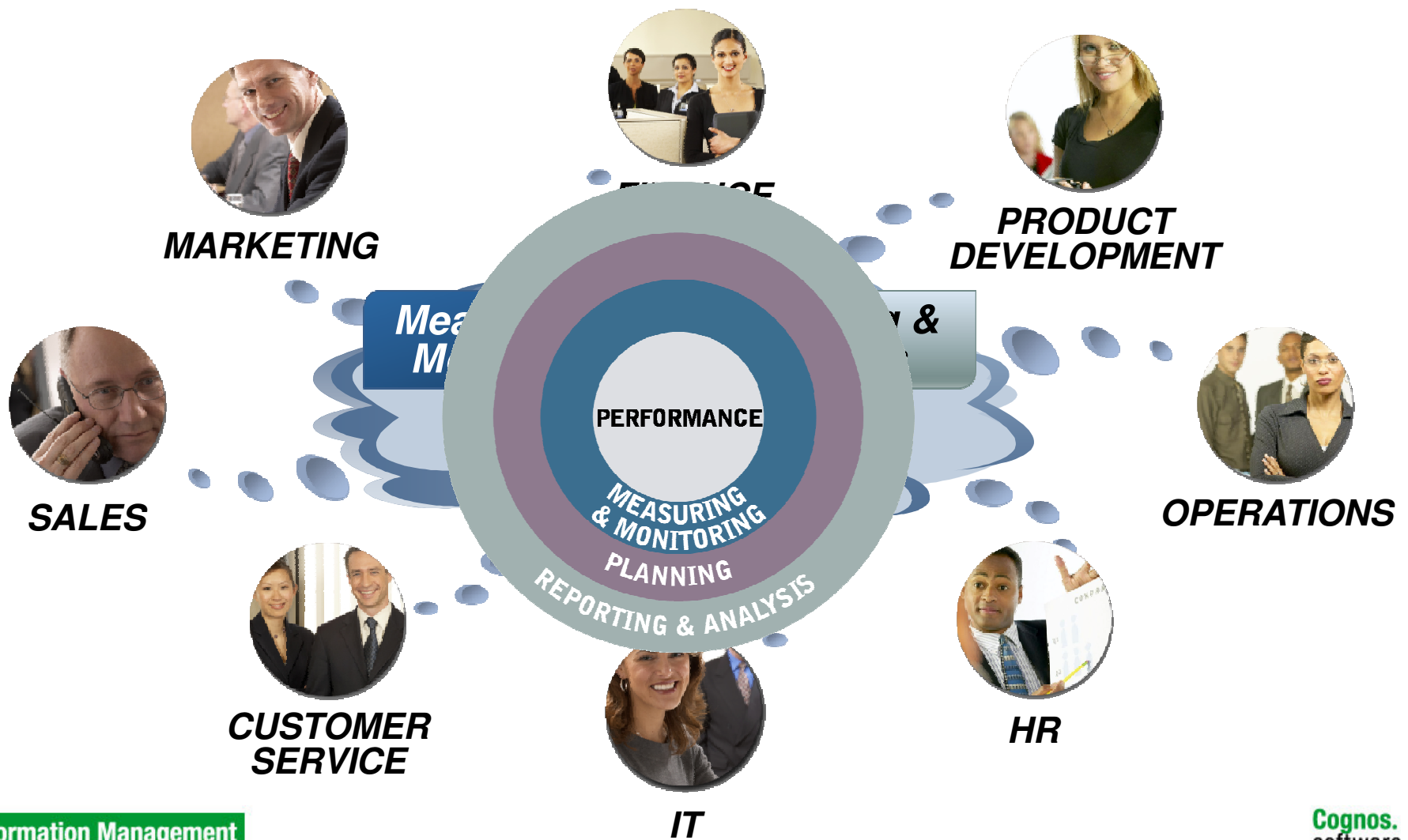


## Three Questions that Drive Performance

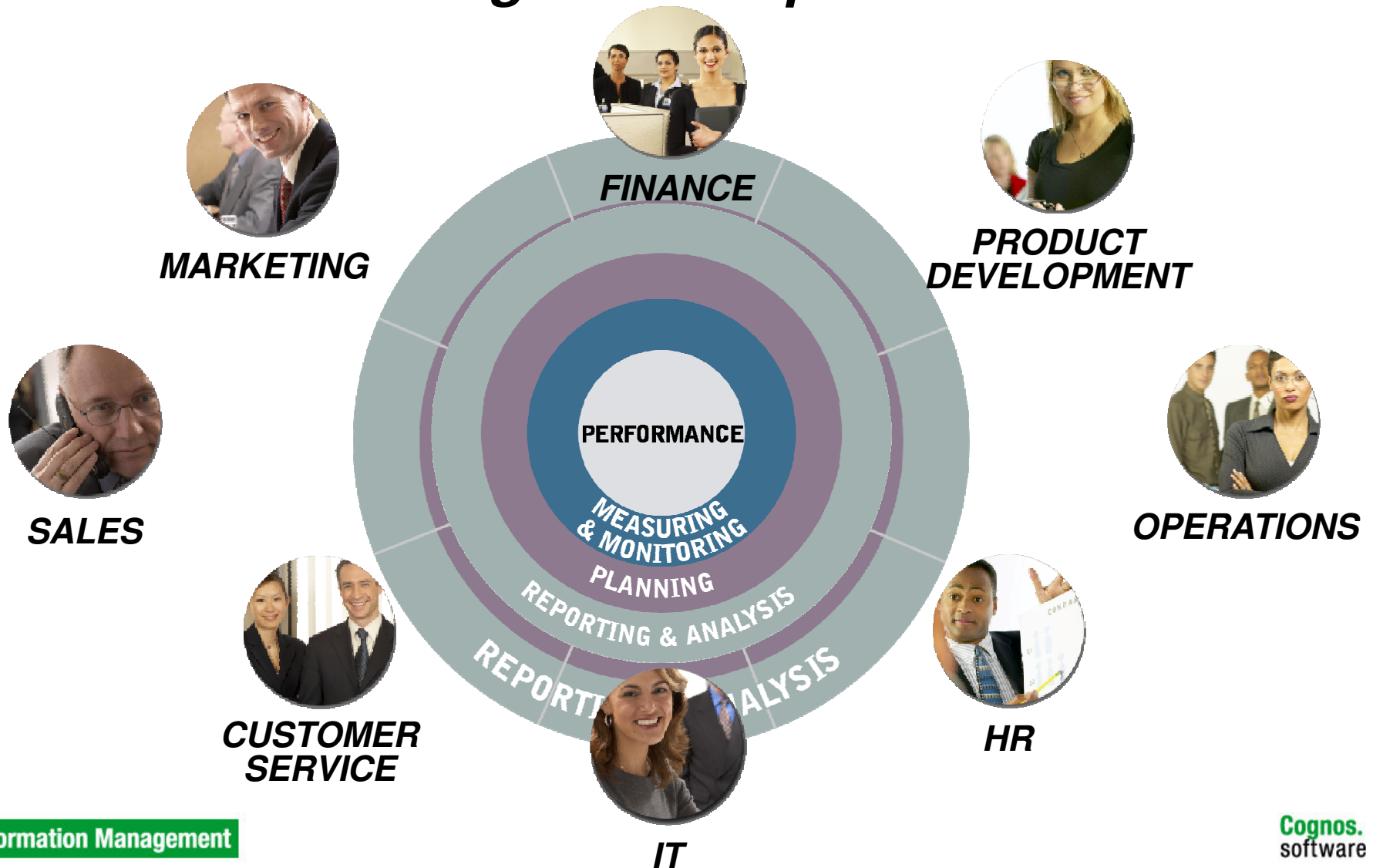




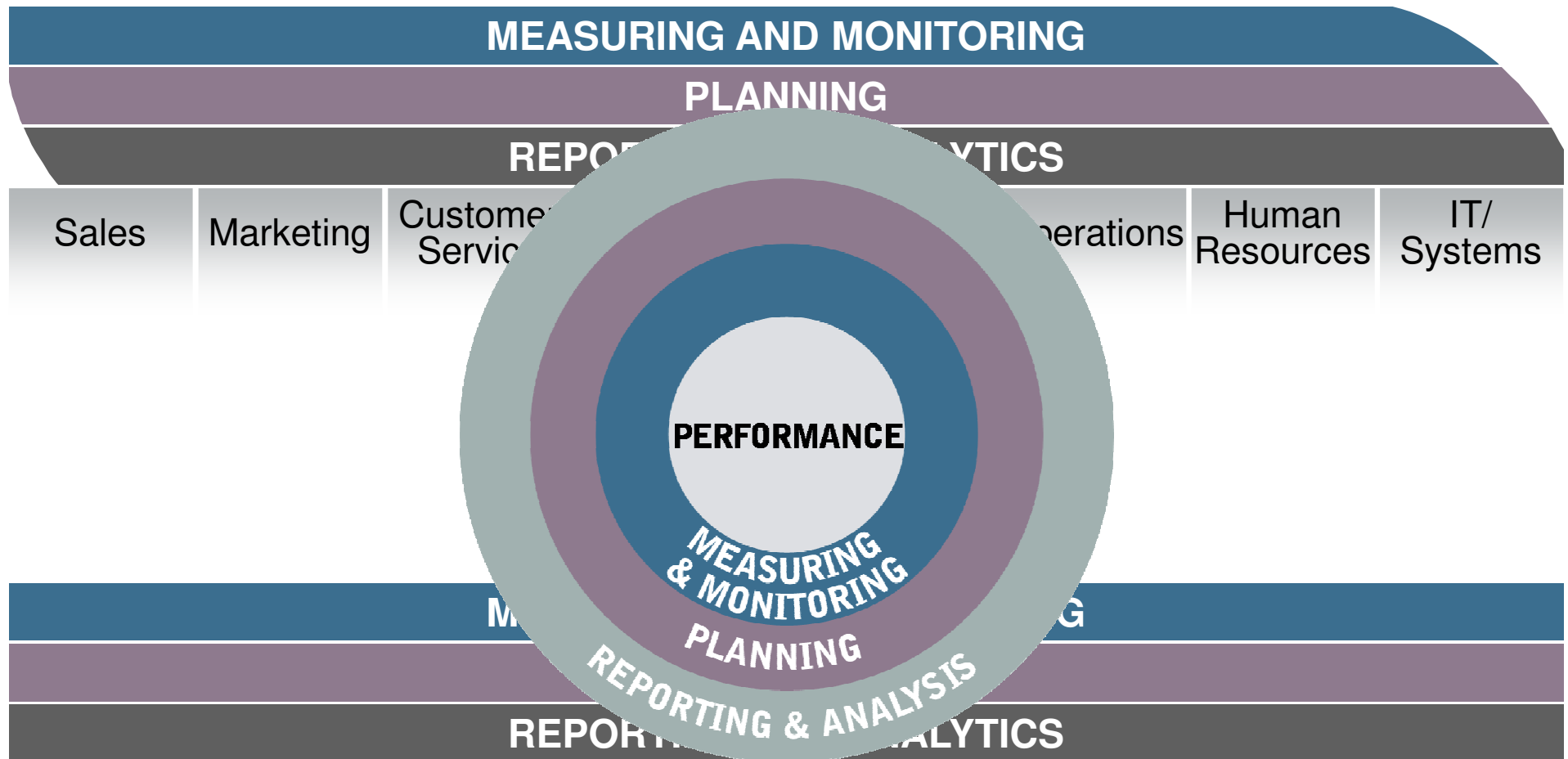
# Performance Management Capabilities



# Performance Management Capabilities

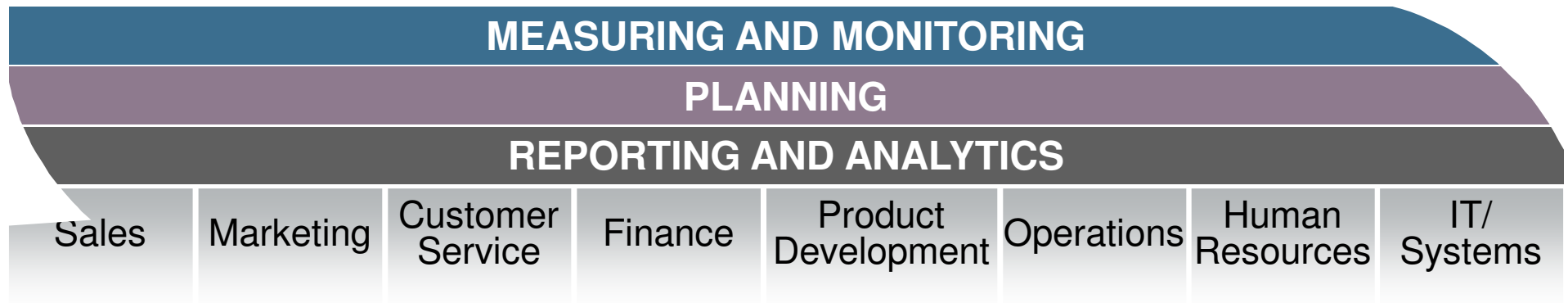


# *Forward Thinking Companies are Acting Fast*





# *Simple, Strong, and Standard Processes*



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

**CUSTOMER ACTIONS:**

Protect Profitable

Customers & Manage the  
Unprofitable Ones

**PRODUCT ACTIONS:**

Eliminate Unprofitable  
Products & Non-value  
Added Activities

**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

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Customer  
Service

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Product  
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Human  
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IT/  
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## CUSTOMER ACTIONS:

- Protect Profitable Customers & Manage the Unprofitable Ones

## PRODUCT ACTIONS:

- Eliminate Unprofitable Products & Non-value Added Activities

## SUPPLIER ACTIONS:

- Leverage Your Best Suppliers and Manage Supply Risk

## 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

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Customer  
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Finance

Product  
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Operations

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#### CUSTOMER ACTIONS:

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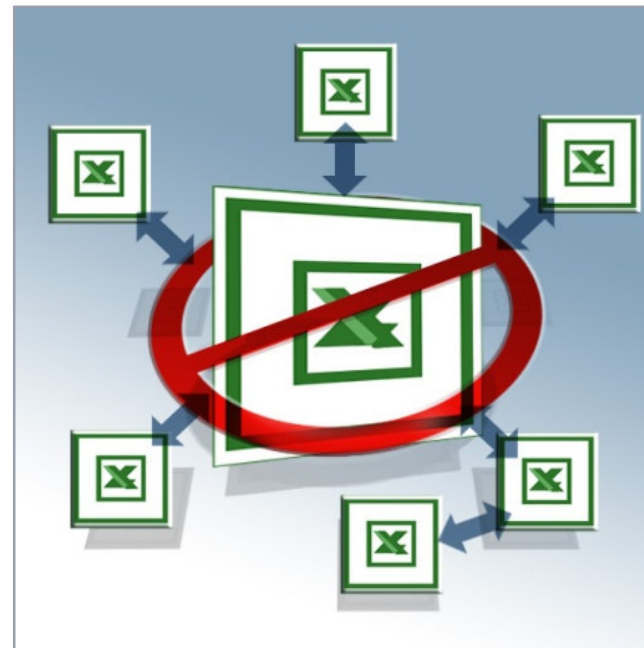
- Eliminate redundant projects; Focus on Quick payback

**FINANCE ACTIONS:**

***Simple, Strong, and Standard Processes***

“90% of the  
spreadsheets  
analyzed contained  
significant  
errors.”

PriceWaterhouseCoopers



## Simple, Strong, and Standard Processes



**Audit**



**Tax & Treasury**



**Risk**



**Controller**



**Planning**



**CIO**



**Financial Analysts**



**FPA Team**

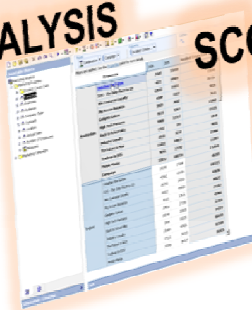
**REPORTING**



**DASHBOARDING**



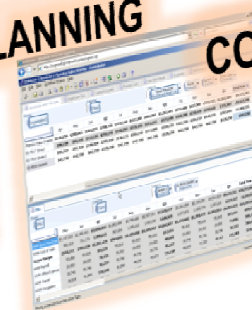
**ANALYSIS**



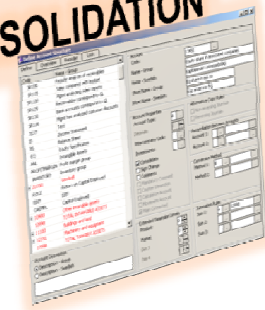
**SCORECARDING**



**PLANNING**



**CONSOLIDATION**



**Complete Performance Management Capabilities**

**Information Management**

**Cognos.**  
software



**CUSTOMER ACTIONS:**

***Deeper Insight Unlocks New Value***

“Twenty percent of the customers are responsible for 225% of profit.”

Typical finding for customer profitability analysis



# Deeper Insight Unlocks New Value



**Audit**



**Tax & Treasury**



**Risk**



**Controller**



**Planning**



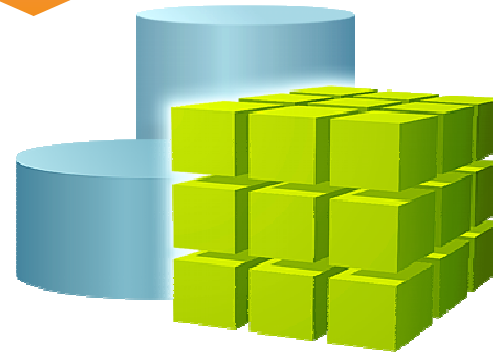
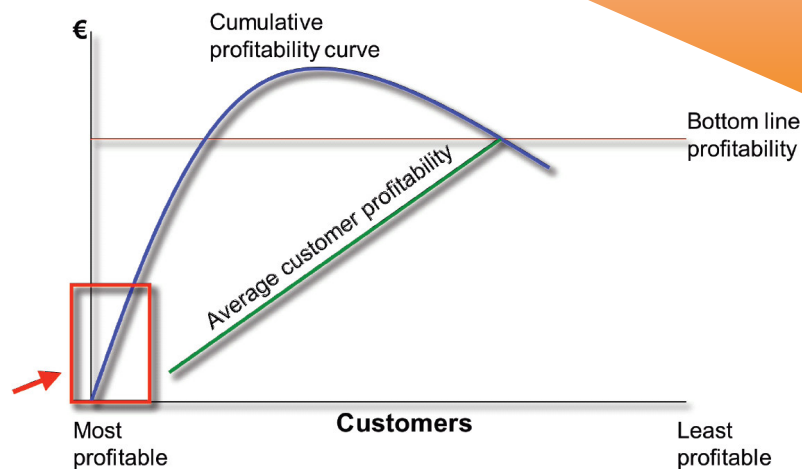
**CIO**



**Financial Analysts**



**FPA Team**



## Requirements

- Scale
- Interactivity
- Speed of thought

**Analytic Power Spanning Fin and Op Domains**

**Information Management**

**Cognos.**  
software

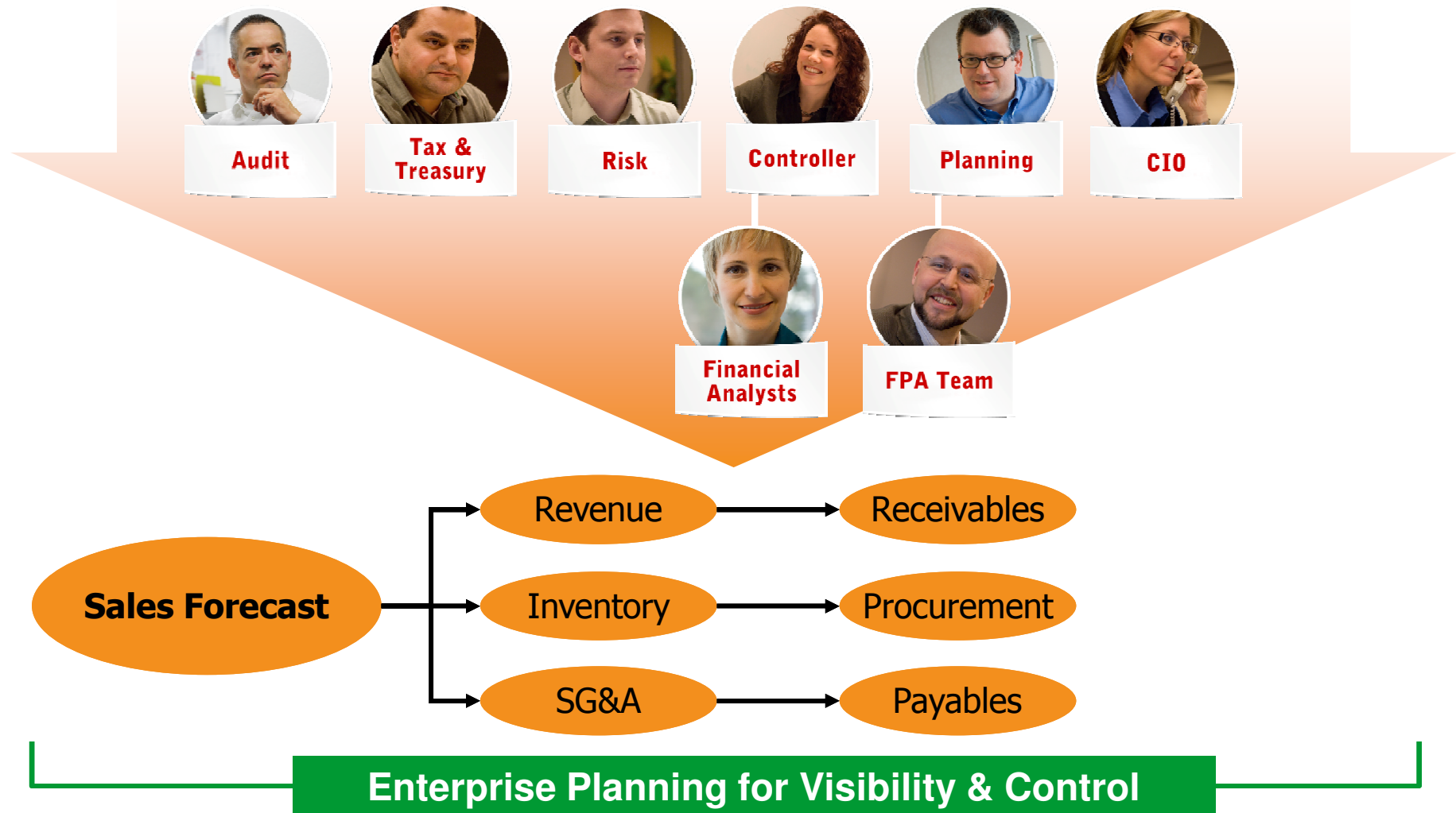
**FRONT OFFICE ACTIONS:**  
***Linking Operations and Finance***

“The future is  
already here, it’s  
just not evenly  
distributed.”

William Gibson,  
Science Fiction Writer

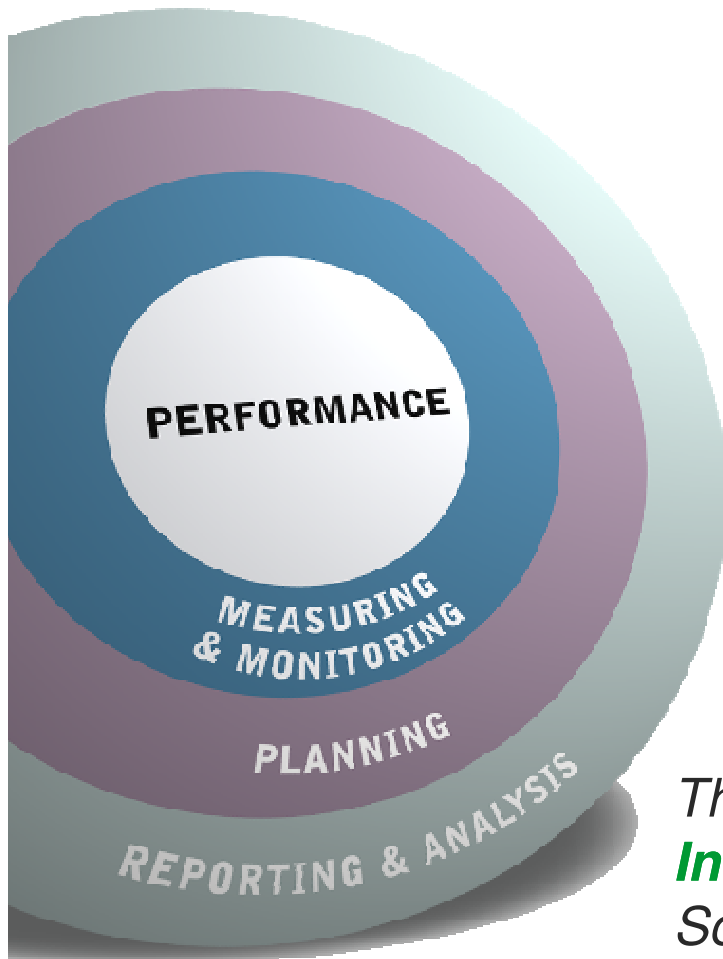


# Linking Operations and Finance





## *Driving **Smarter Decisions** for better business outcomes*



- Manage risk
- Cut costs
- Improve profits
- Drive Cash Flow

*Through the strategic application of **Business Intelligence and Performance Management** Software on an Enterprise Scale*



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

**Finance**

“ CFOs have an opportunity to enhance their role as a trusted advisor, help protect the enterprise’s franchise, improve their enterprise response to turbulent times and help the enterprise reprioritize ”

**IBM Institute for Business Value**





IT

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

“Looking to slash your IT investments?  
Consider the possibility that targeted  
ones might generate savings and  
revenues exceeding what you could  
save through cost cutting”

**Managing IT in a downturn: Beyond cost cutting,  
McKinsey & Company**

# 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

Applications & Blueprints

Access & Interactivity

Universal Capabilities

Business Modeling

Performance Management Platform

IBM's Information Infrastructure

Information Management

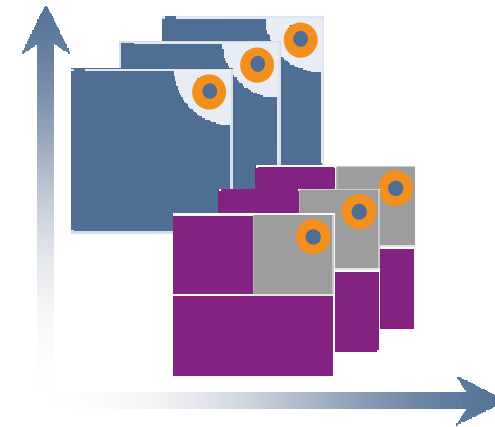
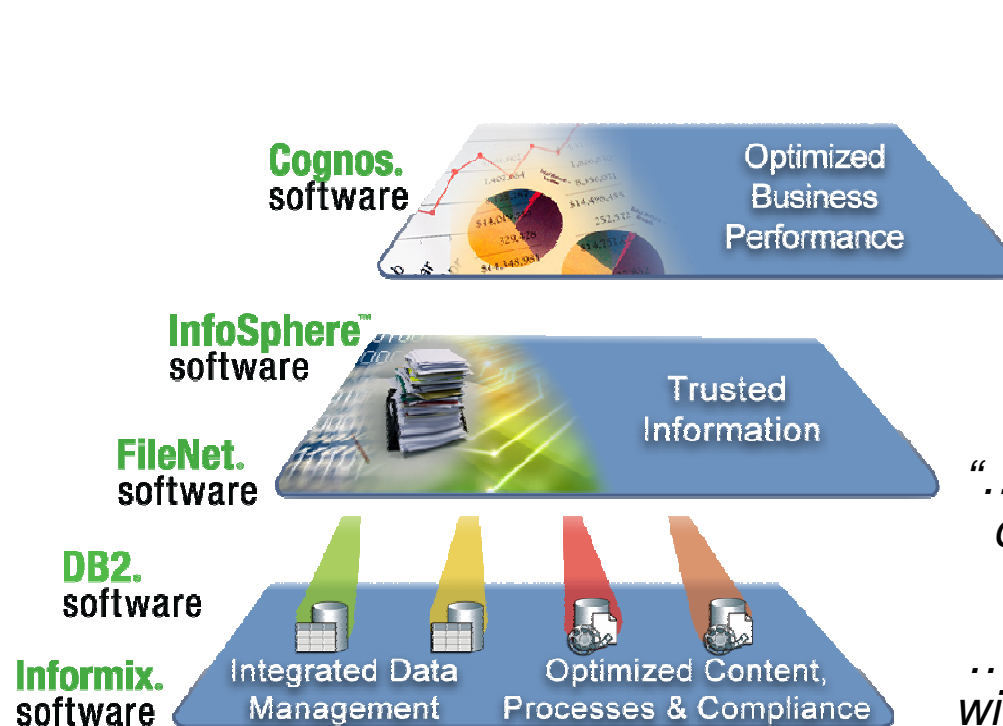
## IBM COGNOS 8 v4

- **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**

Cognos.  
software

# Information On Demand

*Unlocking the business value of information for competitive advantage*



*“...Since 2006, IBM has deliberately and doggedly constructed an unparalleled portfolio of software...”*

*...it's difficult to see how any competitors will be able to [compete] anytime soon...”*

Ovum Report, August 2008

## ***Why Cognos Software?***

- Leader in Performance Management
- Global Innovation Center for Performance Management
- Functional and Industry Resources and Performance Blueprints
- Global Services, Support, and Partner Network

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

“ You can retrench, pull in your horns, protect the balance sheet, and preserve cash. Or you can realize that this is about humanity screaming for change. These are global issues and huge opportunities. ”

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



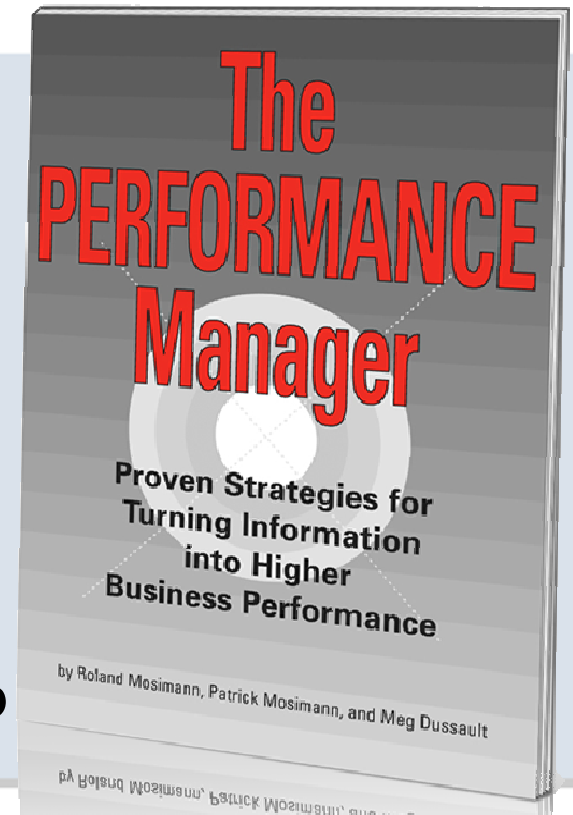


## *Wrap Up and Next Steps*

### GET STARTED

- Take Advantage of **Breakout Sessions**
- **Innovation Center** for Performance Management
  - APQC / BBRT      • David Norton      • IBM
  - David Axson      • Brett Knowles      • Deloitte
  - Jeremy Hope      • Larry Maisel      • Accenture
- IBM Cognos **Discovery and Validation Workshop**

IBM Cognos  
**Innovation Center**  
for Performance Management





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