

**IBM Cognos Performance**  
Better Intelligence. Better Business.

**Driving Smarter Decisions  
through Planning and  
Analysis solutions powered by  
IBM Cognos 8**

Edgar Gomez  
Cognos FPM Pre-Sales Asean  
IBM Cognos

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## *Agenda*

- Finance & IT Challenges
- Overview Of Financial Performance Management Product Portfolio
- Enterprise Planning Solutions
- Performance Management Journey
- Demo
- Summary

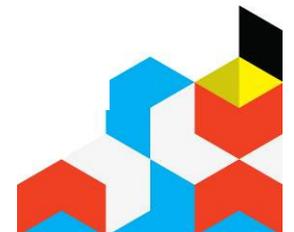


***Finance & IT Functions Faces Challenges***

Need for  
Efficient and  
Sustainable  
Compliance



Insatiable Drive  
for Optimal  
Business  
Performance



# IBM Cognos Performance

## *The Challenge with Decision-Making Today: Elevated Finance & IT Demands*



**Business  
Manager**



**Line  
Manager**



**Financial  
& Business  
Analyst**



**BI Professional**



**CIO**

### **FINANCE EXECUTIVES**

### **IT EXECUTIVES**

Inform, engage, and align the business user community in PM process to drive better business outcomes

Empower the business users while cost-effectively meeting requirements for performance, conformance scalability and compliance.



**Executive**



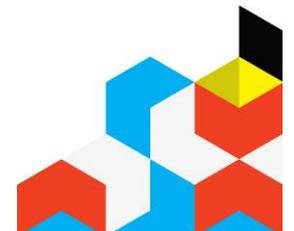
**CFO**



**Individual  
Contributor**



**Architect**



## *Status Quo is Failing the Office of Finance*

### Spreadsheets Failing

“there have been well-documented cases of errors and losses resulting from spreadsheet manipulation errors and accidents.”

Source: Gartner, August 2007

### Disparate Systems

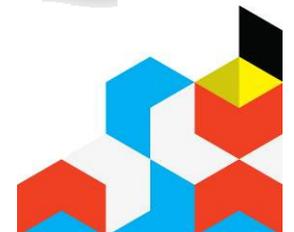
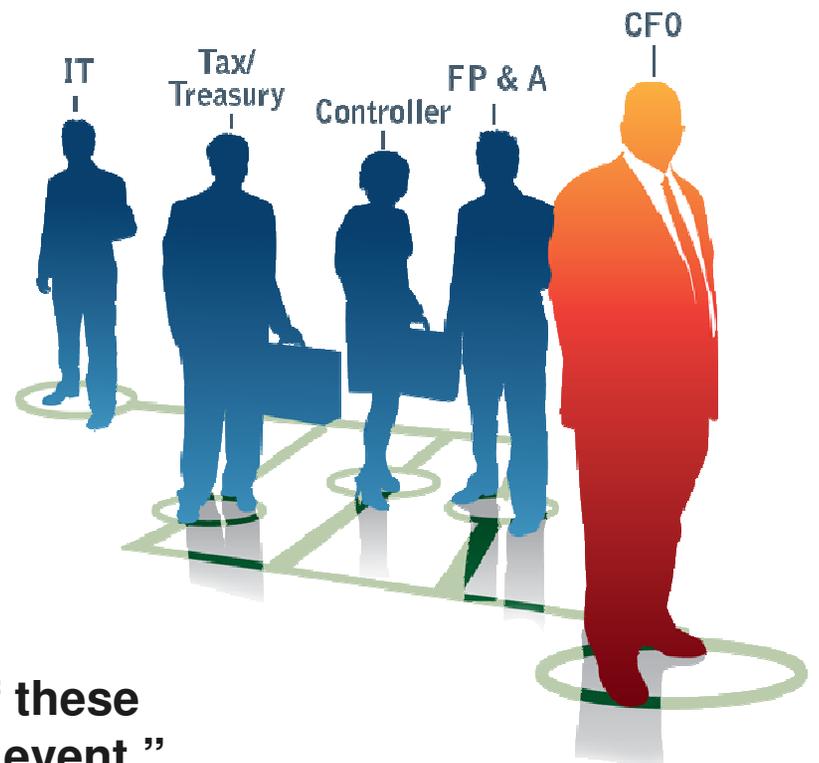
“Average finance organizations operate 11 finance systems per billion dollars of revenue.”

Source: Hackett Group, 2007

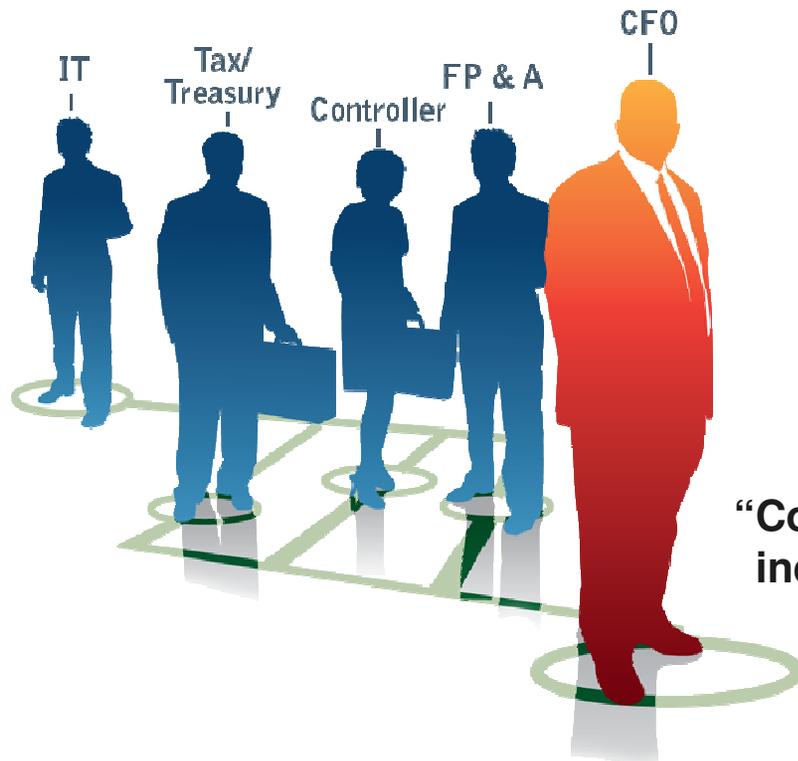
### Business Risks

“62 percent of enterprises ... encountered a major risk event ... 42 % of these enterprises were not well prepared for the event.”

Source: IBM Global CFO Study 2008



## *...But Forward Thinkers are Thriving*



### Driving Performance

**“68% anticipate serving as the performance management experts for the rest of the company.”**

Source: IBM Cognos / CFO Research, 2008

### ...Enterprise Rewards

**“ World-class EPM organizations deliver 2.4 times the returns of industry-peers companies.”**

Source: Hackett Group, 2008

### ...with Professional Upside

**“Corporate performance and CFO performance are inextricably linked; CFOs that deliver shareholder value are most likely to achieve the next career step they desire.”**

Source: CFO Executive Board, Strategies for Inflecting CFO Performance, 2004



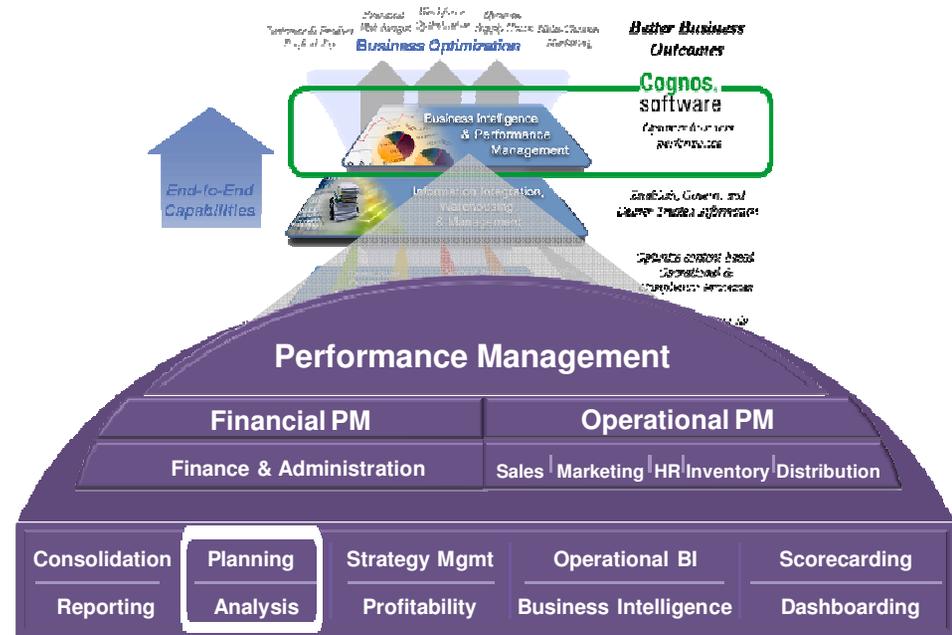
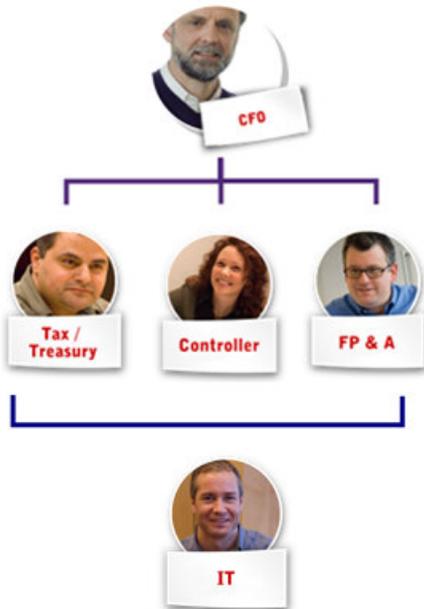
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- Finance & IT Challenges
- IBM Cognos Performance Management Platform
- Enterprise Planning Solutions
- Performance Management Journey
- Demo
- Q&A
- Summary



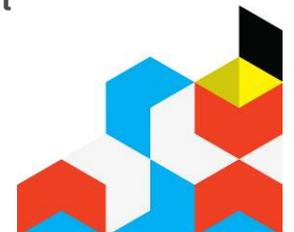
# IBM Cognos Performance

## IBM Cognos Performance Management System



**Our Mission:** Help Finance drive performance management process excellence and better business outcomes; report with confidence, accelerate alignment of resources with opportunity.

- IBM Cognos 8 Controller
- IBM Cognos TM1
- Cognos 8 Business Intelligence
- Cognos 8 Business Viewpoint
- Performance Blueprints

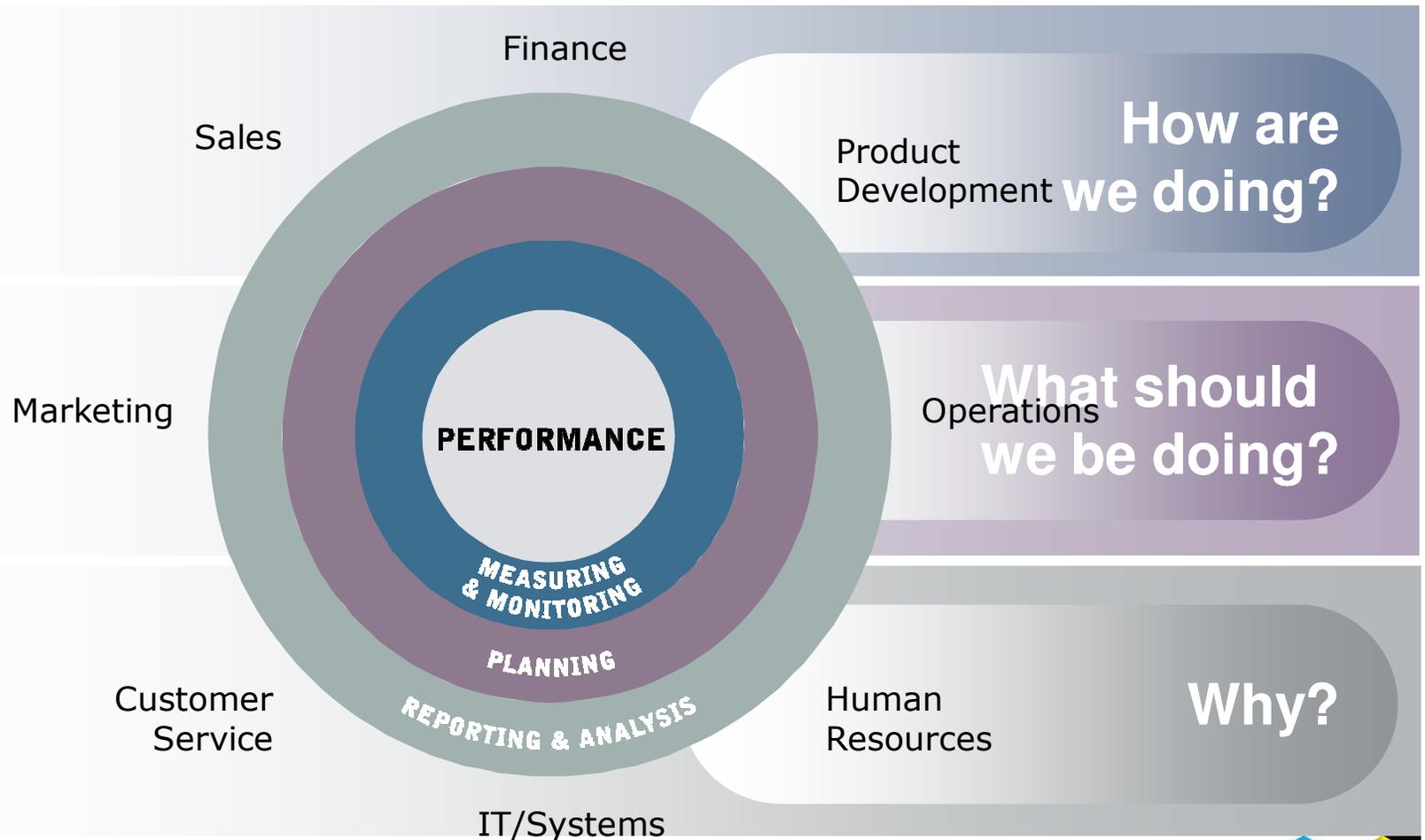


## *Agenda*

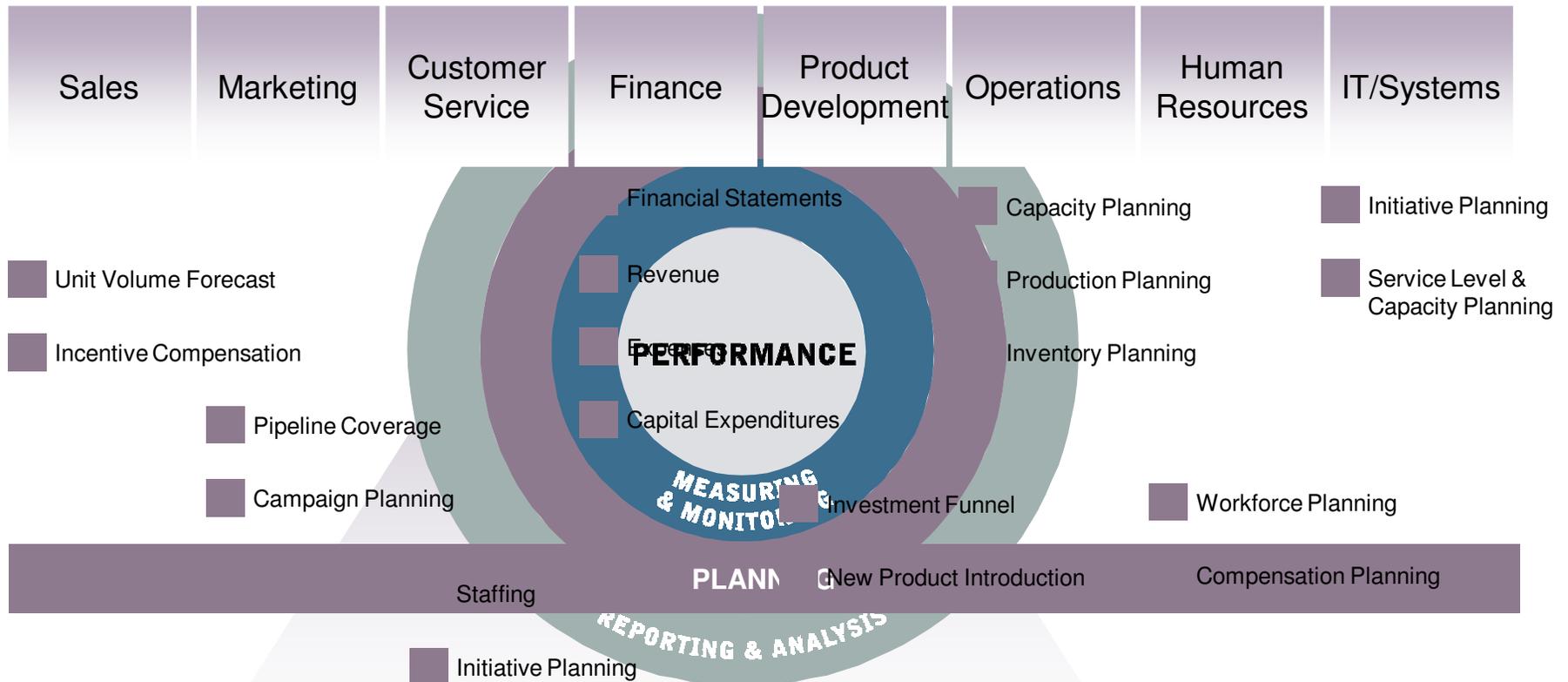
- Finance & IT Challenges
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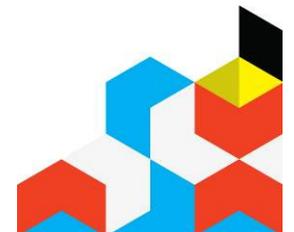
## ***BI and Performance Management*** ***Plan, Understand and Optimize Performance***



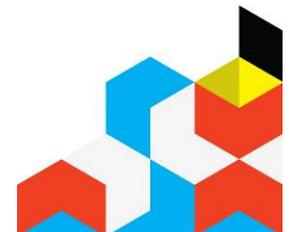
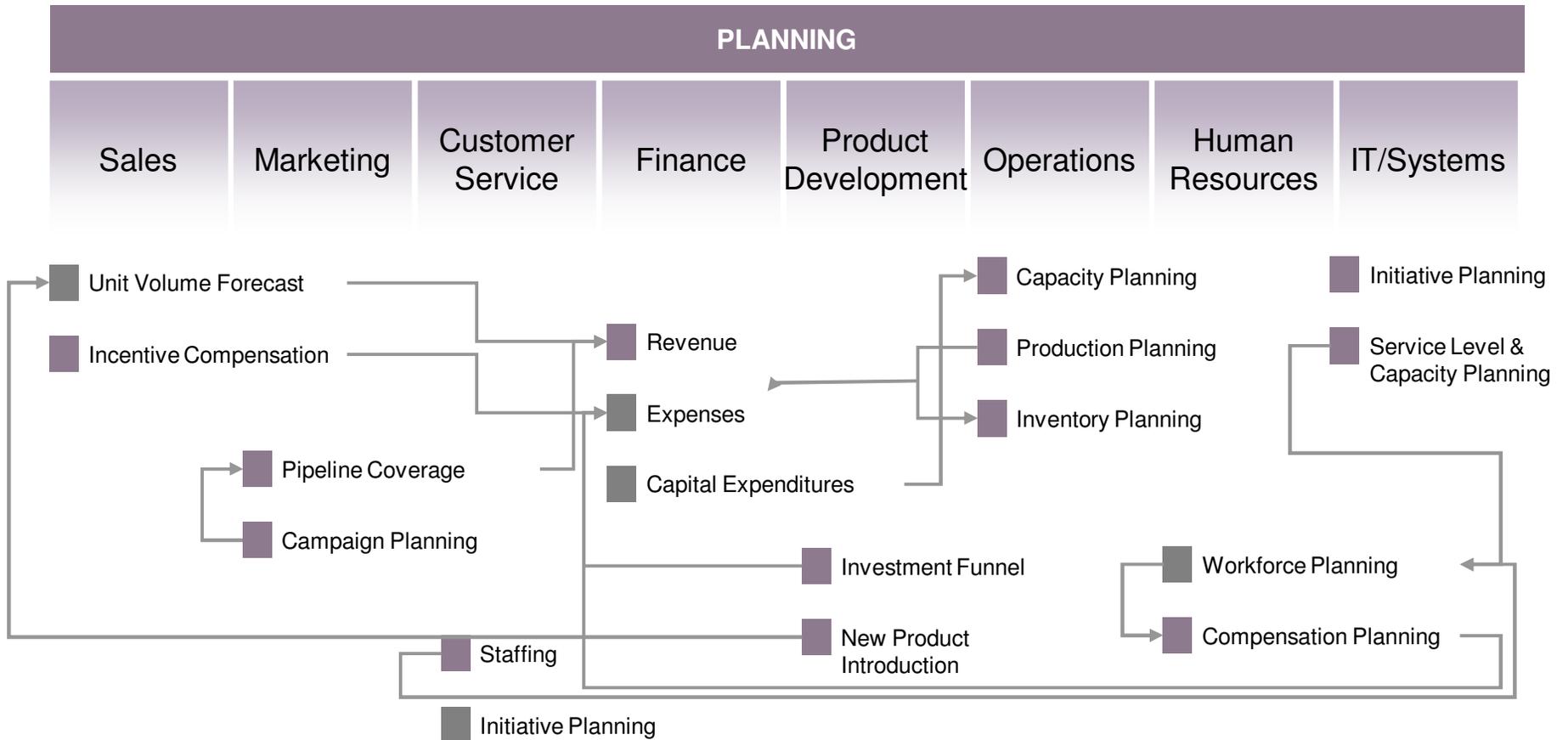
## Enterprise Planning Solutions *Plan, Understand and Optimize Performance*



**Financial Performance  
Management**



## Enterprise Planning Plan, Understand and Optimize Performance



# IBM Cognos Performance

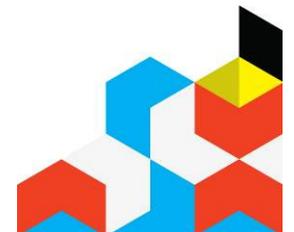
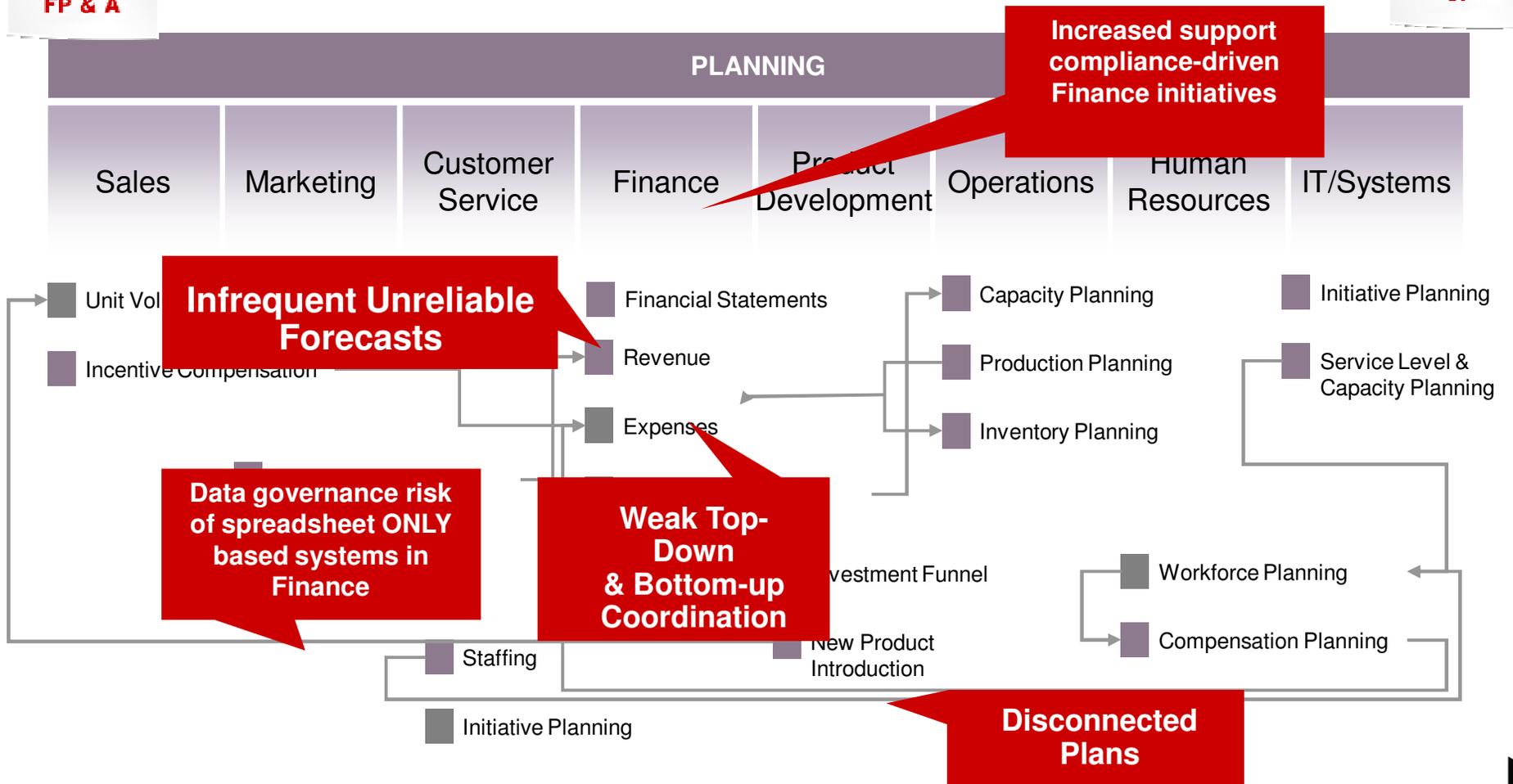


**FP & A**

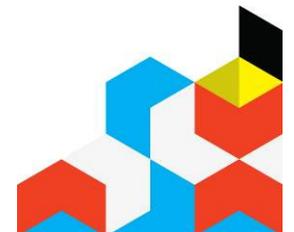
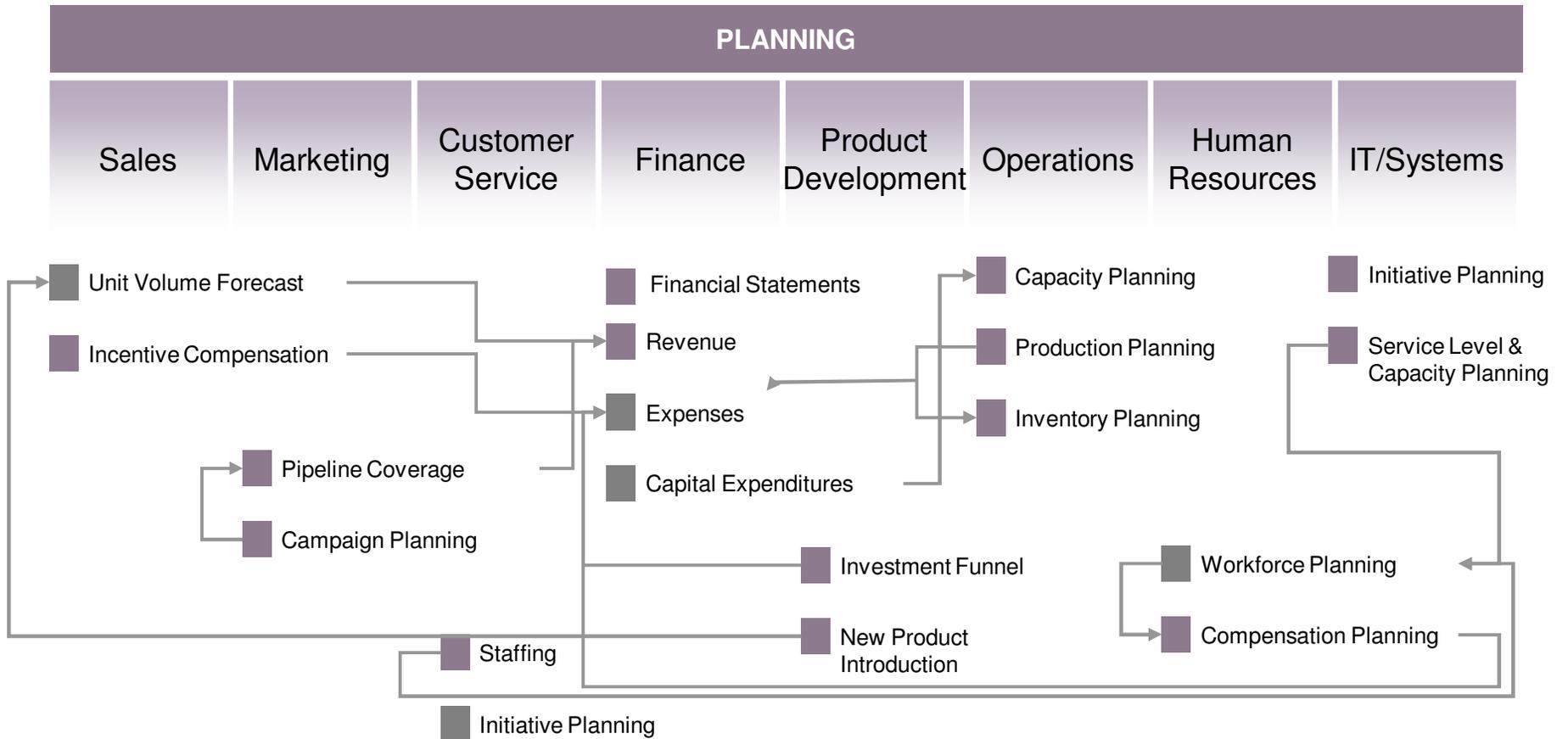
**PAIN:** Inability to deliver timely, reliable forecasts & plans that align operational tactics with financial targets



**IT**



## Enterprise Planning Proven Leadership



## *IAP Worldwide – Emergency Support Services*



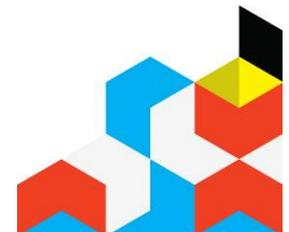
- *After 6 weeks, budgets completed*
- *IPA recently completed monthly 3-year plan in <5 weeks*
- *Project managers drill into revenues, EBITDA as % of sales, expenses, DSOs, days costs in payables*
- *Executives track trends over time, monitor aging statistics.*

## Performance Pain

- Hyperion Enterprise for budgeting, forecasting lacked flexibility for quick collection/consolidation of financial data for this project-based business
- Lacked data integration needed for complex, dynamic info to manage project-based business

## IBM Cognos TM1 Solution Impact

- Rapid response times on large data sets, for large nos. of users
- Accurate project tracking for future business opps
- Ability to create real-time, Web-based worksheets, customer dashboards



## *Blue Mountain*



- ROI: 1822% within one month
- Reduced labor costs by \$2.5 million/year
- Fast adjustments to inventories year-to-year

## Performance Pain



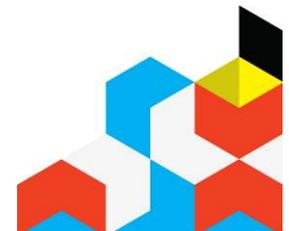
- Slow budgeting and performance management software – delayed data/slow processes
- Data across 13 units from a multiplicity of systems
- Difficult maintenance for thinly stretched IT Staff

## IBM Cognos TM1 Solution Impact

- Faster, more simplified budgeting process
- Greater access to daily reports that directly affect profitability
- Analytics to identify proper staffing levels and success of marketing campaigns
- Improved inventory management



Nucleus Research  
[www.nucleusresearch.com](http://www.nucleusresearch.com)



## Denver Water



*“Now, engineers have direct access to Cognos TM1 and can move dollars as project schedules change. On a daily basis, an Engineer can adjust the timing of the dollars and Finance can get a real-time forecast at any time.”*

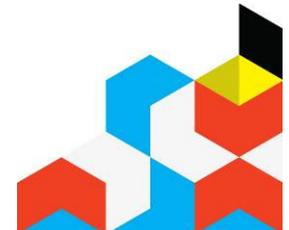


## Performance Pain

- Each division executed individual process
- Planning did not align with long-range plans; frustrating for the Board
- Requests to IT for standing reports could take months
- Lack of tools to share information created cash-flow confusion

## IBM Cognos TM1 Solution Impact

- Engineering project updates visible to Finance immediately
- Real-time updates to projects for improved cash flow management
- Align long-range and annual planning processes aligned
- 8 weeks to Phase I roll-out



## *Thresher Group, Specialty Drinks Retailer*



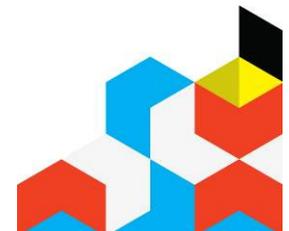
*“This is a powerful business asset and its implementation has saved Thresher Group man-power and as a result, revenue.”*

### Performance Pain

- Budgeting, forecasting as well as inventory on cumbersome spreadsheets
- Planning not integrated across business units
- Limited reporting

### IBM Cognos TM1 Solution Impact

- Real-time insight into sales in 100s of stores, enabling trend spotting against business environment as key to forward-looking business strategy
- Pre-emptive action against suppliers' orders
- Swift, integrated planning, budgeting, forecasting, reporting
- Reporting by any needed variables: product, store, weekly fluctuations



# IBM Cognos Performance

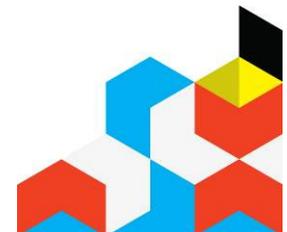
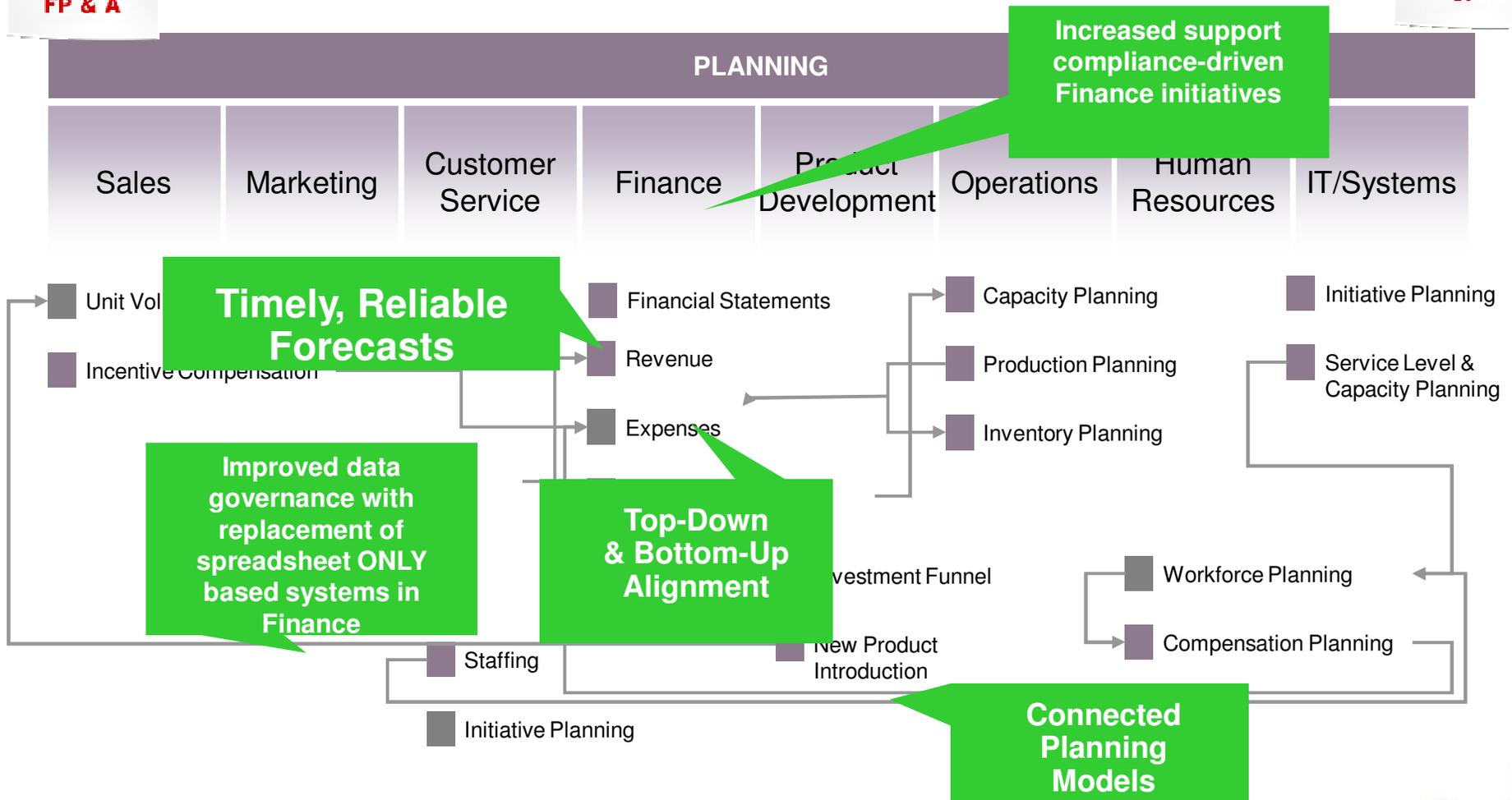


FP & A

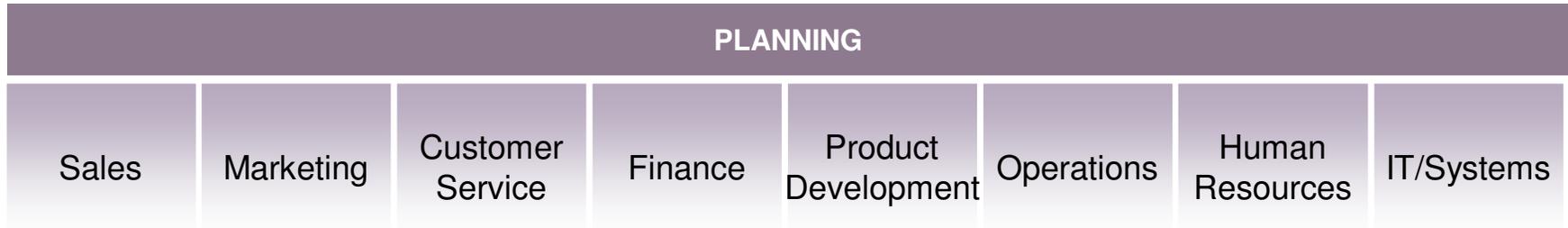
**IMPACT:** Timely, reliable forecasts & plans that align operational tactics with financial targets. Better, confident resource allocation decision-making.



IT



## Enterprise Planning Plan, Understand and Optimize Performance



**CFO**



**FP & A**



**IT**

### Enterprise Planning and Analysis

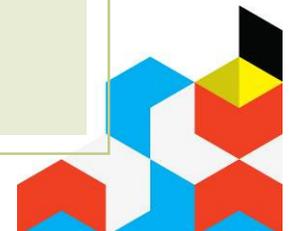
FROM

- ✗ Limited reach, low speed
- ✗ Financial - only focus
- ✗ Static, long horizons
- ✗ Inconsistent data definition

TO

- ✓ High participation, high frequency
- ✓ Driver-based, connected across finance and ops
- ✓ Rolling, Dynamic horizon
- ✓ Consistent data definitions

***Owned by Finance, to IT Standards***



## *Agenda*

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## ***PERFORMANCE MANAGEMENT JOURNEY***



Embrace and Extend Your Existing Infrastructure



# IBM Cognos Performance

## Automating the Planning Process

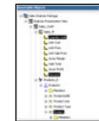
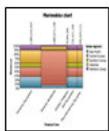


Embrace and Extend Your Existing Infrastructure

Analyze

Model

Contribution



# IBM Cognos Performance

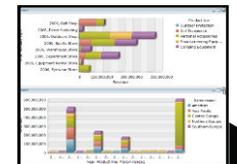
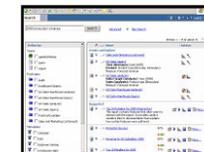
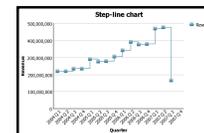
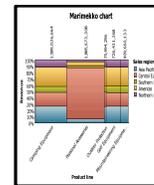
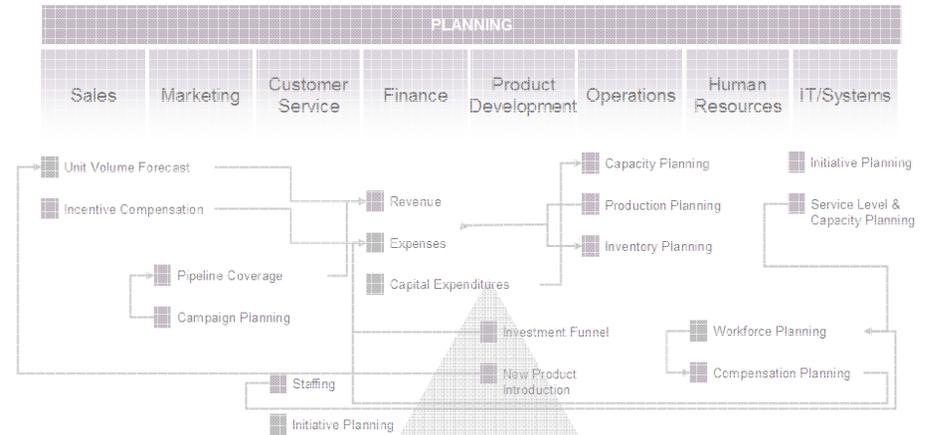
## Analyze

### Capabilities:

- Explore Performance Gaps
- Validate Corporate Drivers
- Define “What If” Scenarios
  - Organizational, Product Family, Product/Channel Mix
- Validate Planning Assumptions

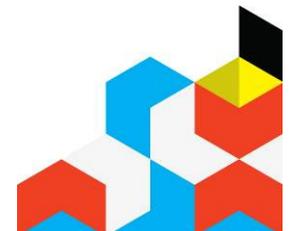
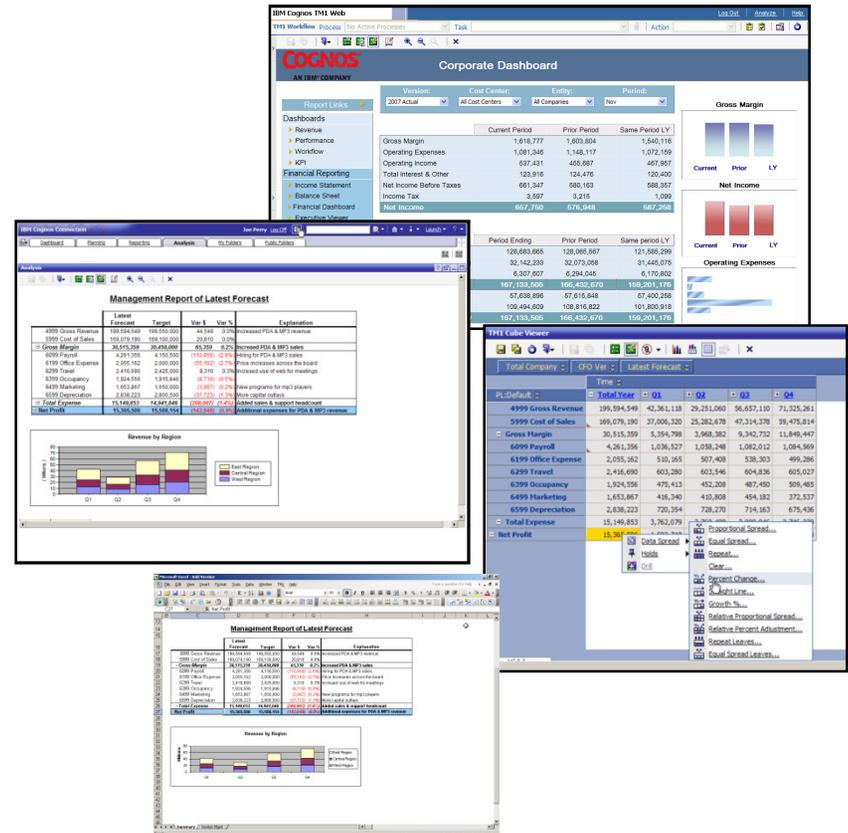
### Benefits:

- Ability to meet the dynamic needs of the organization.....
- Provide a fact based approach planning processes



## IBM Cognos TM1 Analysis

- A patented 64-bit read-write in-memory OLAP engine:
  - Optimized for large data volumes
  - Instantaneous updates from streamed data
  - Drill through to transaction systems for greater detailed analysis
- Supports multi-dimensional analysis
- Advanced Sorting and Ranking
- Public and Personal Views
- Familiar Excel & Web interfaces



## Personalized Hierarchies

- Create customized consolidations
- Advanced filtering:
  - Hierarchical level
  - Spelling pattern
  - Attribute value
  - Element name
  - Expression
- Alias support

The screenshot displays the IBM Cognos Performance interface. The main window shows a financial report with columns for months from Jan-09 to Nov-09. The report includes categories like 'Total Personnel Related Taxes %', 'Computers & Technical Equip Rental', 'Office AV Studio Equip Rental', 'Other Equipment Rental', 'Total Equipment Rental', 'Occupancy', 'Travel & Entertainment', and 'Professional Fees'. A 'Subset Editor' dialog box is open in the foreground, showing a list of items to be included in a subset: 'Current Forecast', 'Budget', 'Actuals', and 'Prior Forecast'. The dialog also shows a 'Subset: (unnamed)' dropdown and buttons for 'OK', 'Cancel', and 'Advanced ...'.

Driver	Profile	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09
Total Personnel Related Taxes %		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Computers & Technical Equip Rental		\$4,000	\$0	\$0	\$0	\$0	\$0	\$5,275	\$0	\$0	\$0	\$0
Office AV Studio Equip Rental		\$1,319	\$0	\$0	\$0	\$0	\$0	\$1,319	\$0	\$0	\$0	\$0
Other Equipment Rental		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Equipment Rental</b>		<b>\$5,319</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,594</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Occupancy		\$14,898	\$11,205	\$8,473	\$8,473	\$8,473	\$8,473	\$8,473	\$8,473	\$8,473	\$7,640	\$8,473
Travel & Entertainment	Flat	\$26,250	\$26,250	\$26,250	\$26,250	\$26,250	\$26,250	\$26,250	\$26,250	\$26,250	\$26,250	\$26,250
Professional Fees	4-4-5	\$18,177	\$3,462	\$15,736	\$3,462	\$3,462	\$15,736	\$3,462	\$3,462	\$15,736	\$3,462	\$3,462



## Personal Scenarios

- No predetermined model requirements for scenarios
- Unlimited flexibility for end user scenario building
- Available in all TM1 clients (Excel, TM1 Web, Contributor, & Cognos 8 BI)

The screenshot displays the IBM Cognos Performance interface within a Windows Internet Explorer browser window. The main window shows a financial model with columns for months from Jan-02 to Nov-02. A 'Create Sandbox' dialog box is open, prompting the user to select sandboxes to copy. The dialog box contains the following text:

**Create Sandbox**  
Please select sandboxes to copy

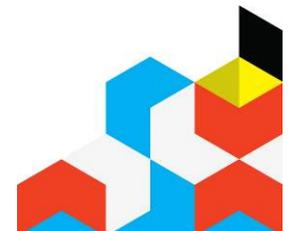
Default  
Increase to Occupancy

Create new  
 Copy from existing sandbox

Sandbox name:

OK Cancel

The background table shows financial data for various categories like Salaries, Overtime, Bonuses, etc., with values in US dollars for each month.



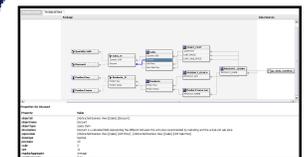
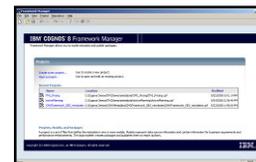
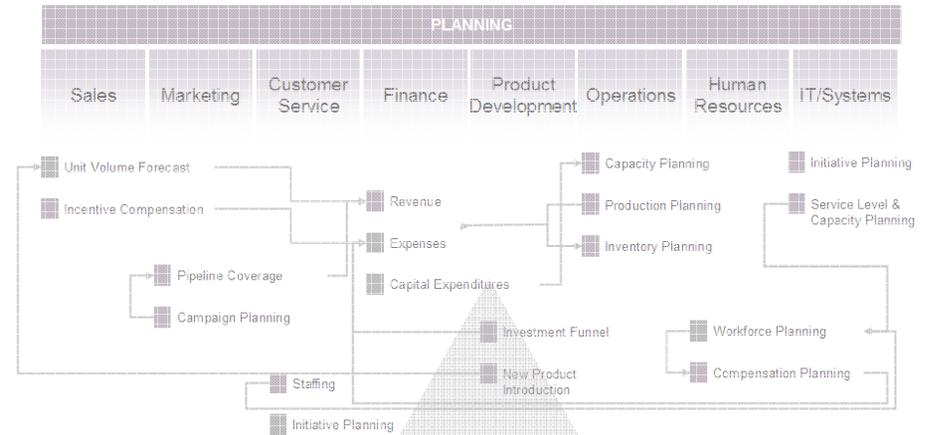
# IBM Cognos Performance

## ***Model*** **Capabilities:**

- Centralized meta-data, data and business rule definitions
- Certified connectors to SAP BW & R3
- Owned by Office of Finance
- Support of Planning Best Practices
  - Driver based Planning
  - Rolling Forecasts

## **Benefits:**

- Ability to meet the dynamic needs of the organization
- Flexible to meet the broad requirements of financial & operational planning solutions
- Adapts to your business process
- Single version of the truth for all planning processes



# IBM Cognos Performance

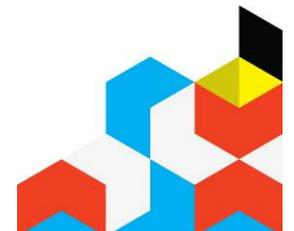
## Contribution

### Capabilities:

- Familiar Web & Excel Deployment
- Rich Workflow
- Application linkage
  - Start small and expand enterprise wide
- A component of Cognos 8 Performance Platform

### Benefits:

- Timeframe-appropriate Plans
- High Participation & Data Volumes
- A Wider / Deeper View
- Increased accuracy



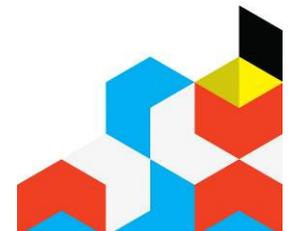
## IBM Cognos TM1 Contribution



### Enterprise Ready Excel Based Contribution

- TM1 Server Explorer for power users to maintain dimensions, cubes, rules, and integration
- TM1 Excel to create rich planning and analysis solutions
- TM1 Web to deploy TM1 based Excel applications across the organization
- IBM Cognos 8 Business Intelligence for enterprise level analysis, scorecarding and financial & production reporting.

The screenshots illustrate the integration of TM1 with Cognos BI. The Corporate Dashboard provides a high-level overview of key financial indicators. The Management Report of Latest Forecast shows detailed variance analysis and regional performance. The TM1 Cube Viewer displays the underlying data structure and calculation logic. The bottom screenshot shows another perspective of the forecast report, highlighting the flexibility of TM1-based reporting.



## Managed Contribution

- Deployment of TM1 Model Objects
  - Quickly Turn TM1 Objects into Managed Applications
- Planning Workflow
  - Structured Planning Process Approvals



Name	State	Ownership	Reviewer
Total Company	Incomplete	None	None
Which consists of:			
Name	State	Ownership	Reviewer
Total Company (All)			
UK Sales	Work In Progress	Admin	None
US Operations	Not Started	None	None
UK Operations	Not Started	None	None
US Sales	Not Started	None	None

**Workflow Detail for Total Company**

Current state: Incomplete

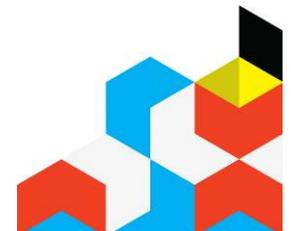
At least one item belonging to this item is not started, and at least one other item is in a state of Work In Progress. The Incomplete state applies only to review approval items.

Changed time: June 15, 2009 8:26:21 AM EDT

Changed by: Admin

Viewed: yes

Reviewed: no



## DRIVE BEST PRACTICES



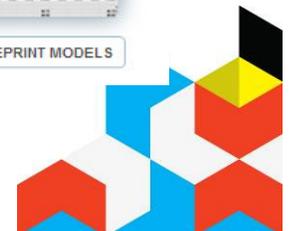
Embrace and Extend Your Existing Infrastructure

Support Best Practices

Cognos Innovation Center

Performance Blueprints

- DRIVER BASED PLANNING
- ROLLING FORECASTS
- TIMEFRAME-APPROPRIATE PLANS
- HIGH PARTICIPATION & DATA VOLUMES
- A WIDER / DEEPER VIEW



## **BEST-PRACTICE THOUGHT LEADERSHIP**



### Embrace and Extend Your Existing Infrastructure

#### RESEARCH, CASE STUDIES, ARTICLES



David Axson  
President,  
The Sonax  
Group



Jeremy Hope,  
BBRT



Bryan Hall  
The Hackett  
Group



Steve Lukens  
Global Leader,  
Financial  
Management,  
IBM

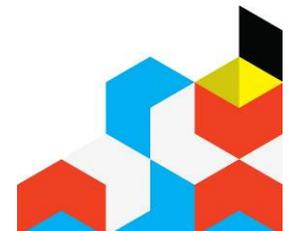
#### ASSETS, RESOURCES, EVENTS

Innovation Roundtables  
Member Communities

Best Practices  
Performance Blueprints



#### MEMBERS AND PEER NETWORK / COMMUNITY

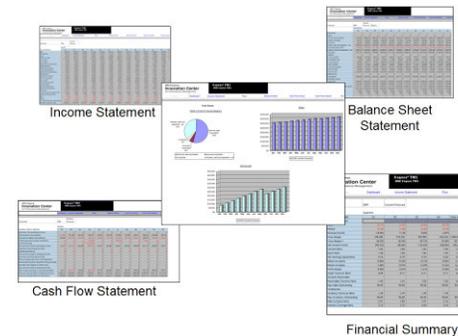


## Performance Blueprints

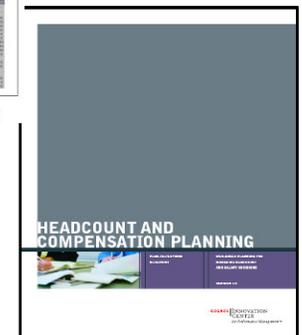
- What they are:
  - Pre-defined data, process and policy model
    - Developed by Cognos Innovation Center
    - ...In conjunction with leading customers
  - Enables best practices
    - Driver-based
    - High Participation
    - High Frequency
  - Enables rapid time-to-value
    - Reduced project implementation time and risk



BUSINESS VALUE GUIDES



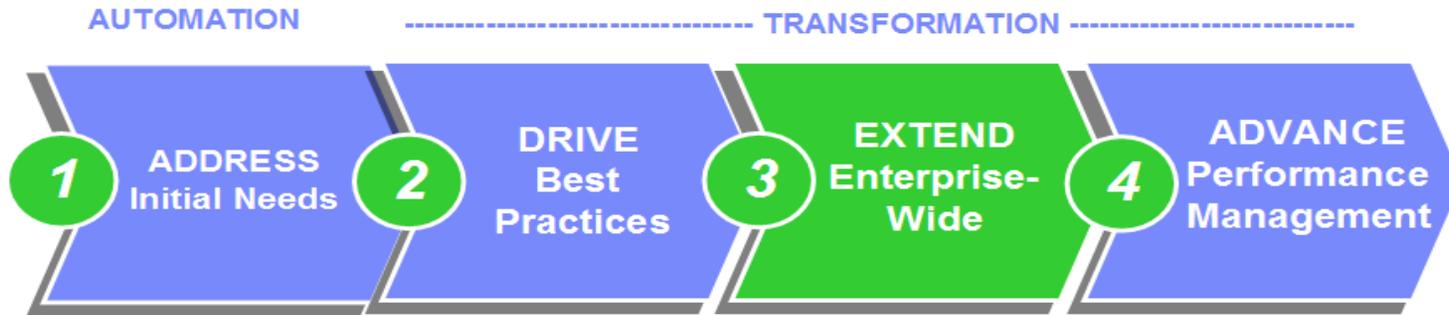
BLUEPRINT MODELS



APPLICATION BRIEFS



## ***EXTEND Enterprise - Wide***

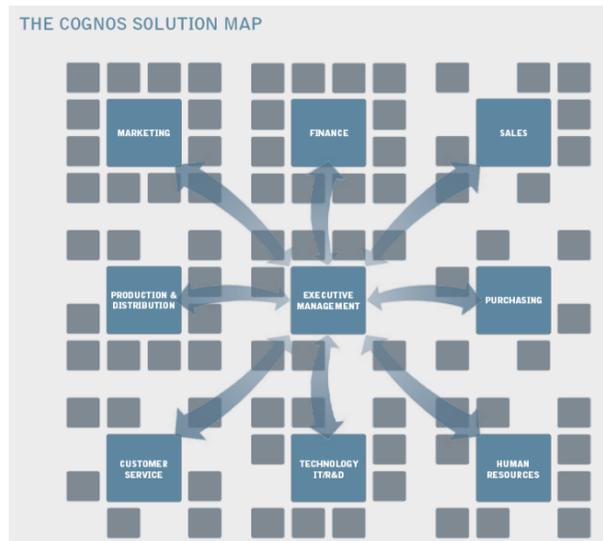


Embrace and Extend Your Existing Infrastructure

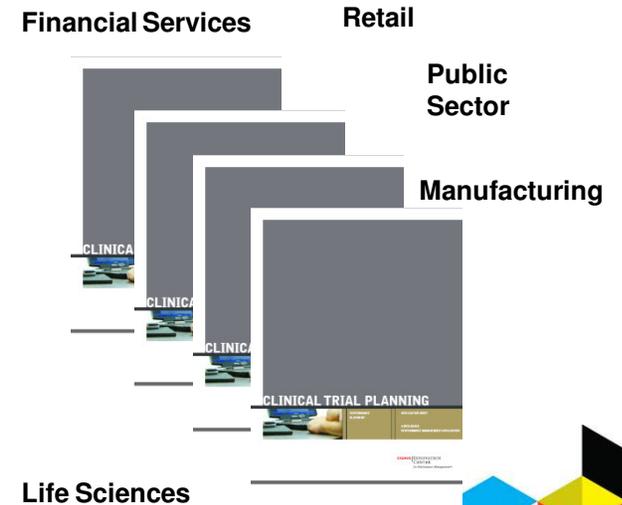
### Model the Whole Business

- Link operational plans to financial plans
- Increase forecast reliability
- Performance Blueprints accelerate implementations

### Cognos Solution Map



### Industry Performance Blueprints

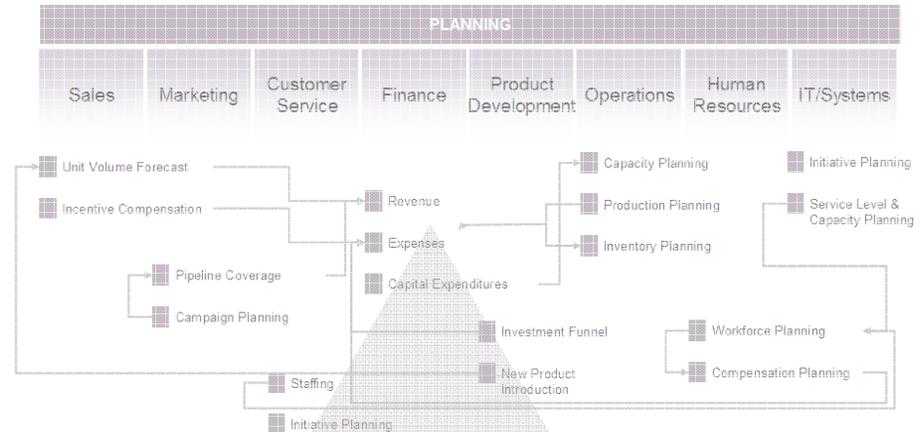


## ADVANCE PERFORMANCE MANAGEMENT

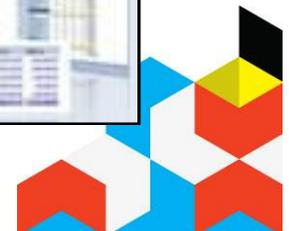
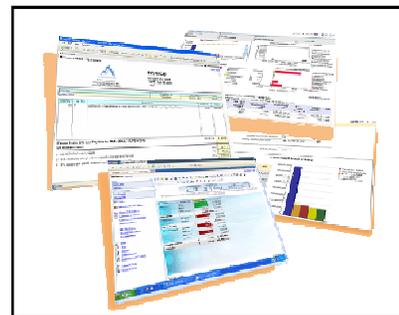
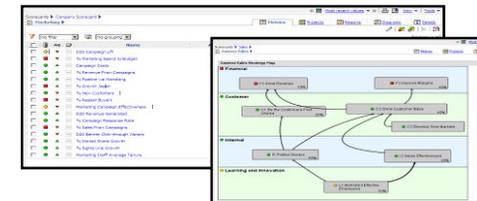
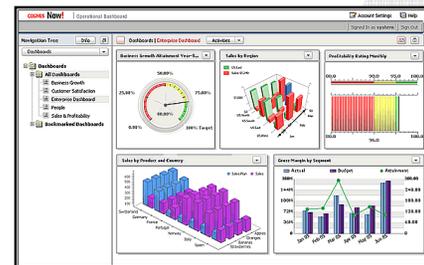


World Class:

- Financial & Management Reporting
- Consolidation
- Information Management
- Analysis
- Dashboards
- Scorecards
- Event Management



### IBM Cognos 8 Performance Platform



## *Agenda*

- Finance & IT Challenges
- IBM Cognos Performance Management Platform
- Enterprise Planning Solutions
- Performance Management Journey
- Demo
- Q&A
- Summary



## IBM Cognos 8 v4 On Business Terms. To Your Standards.

- *Confident decisions*
- *In control*
- *Connected*



- *On business terms*
- *To IT standards*

- *On business terms*
- *To Finance standards*



**IT**

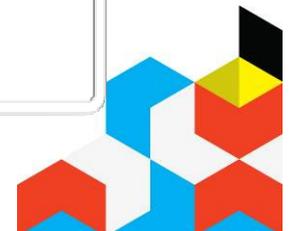
# COGNOS 8 v4

{ *Informed Engaged Aligned* }



**Finance**

Empowers business users without compromising IT's high standards for conformance, compliance and cost effective scalability, while driving Performance Management process excellence and better business outcomes for the organization.



# IBM Cognos Performance



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