



## From spreadsheets to streamlined planning:

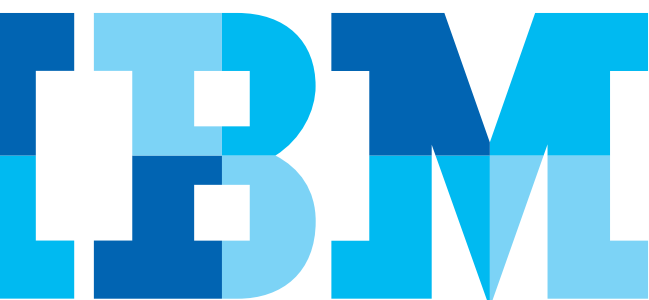
### Business analytics at First Command

The road to profitability lies in better decision making – by using business analytics to align corporate data and ensuring it is accurate, timely, in context and available to those who need it.

IBM Business Analytics has helped thousands of banks worldwide improve business insight, planning and performance. It does this by unlocking data captured in operational and financial systems and transforming it into useful, relevant information.

This case study will focus on how, in only three months time, First Command Financial Services implemented IBM software. You'll learn how they increased operational efficiency and decision-making by:

- Automating data collection to reduce the risk of manual errors.
- Creating a central data repository for historical consolidated financials and current plans.
- Reducing financial reporting cycle time.
- Developing budget and forecast targets that are linked to all levels of the organization.
- Ensuring collaborative planning between operating units and key contributors.
- Migrating towards a rolling forecast.
- Improving regulatory reporting.



## Business background and the case for change

A Registered Investment Adviser firm, First Command develops and delivers comprehensive financial plans to assist American families in their efforts to reduce debt, build wealth and pursue their financial goals and dreams.

The Finance department at First Command had been using PowerPoint, spreadsheets and multiple data sources to analyze and report on the company's financial performance. The manual process was plagued by a number of issues: it was time-consuming, prone to errors, had no audit trail and left little time for analysis, planning or forecasting.

"We wanted to do more in-depth, bottom-up forecasting, but the spreadsheets and Access databases really weren't doing the trick," says Sunday Grace, Director Financial Analytics at First Command.

"We were managing multiple databases, multiple spreadsheets being e-mailed back and forth and no collaboration tools. So there were a lot of pain points when it came to using these tools for everything."

As well, the system couldn't address some of the heavier reporting and analysis requirements that were being driven by changes in market conditions and the information requirements of the executive team.

What the company needed was a single, dynamic platform to collect, consolidate, analyze and report on financial data – and provide deeper insight into company performance, financial measurement and more accurate predictability. An IBM Cognos business analytics solution offered the answer.

## The right vendor

To select the right vendor, the company looked at several of the top contenders. Most notably, they wanted a vendor with a good track record and that offered a solution with "a good roadmap for the future."

First Command had been using IBM Cognos Business Intelligence software for general reporting in other areas of the company. But what really brought home the decision to implement a Cognos solution was a business value assessment (BVA) by the IBM account team.

In this case, the team conducted research and interviews with staff to assess the company's data structure, systems, information flow and processes. They also documented how these areas could be improved: specifically how IBM Cognos TM1 could drive significant value and enable more time for high-value financial activities.

"The intent at the beginning was to have a budgeting tool," notes Grace. "We wanted to start getting sales numbers from the field. We wanted to get expense numbers from our department heads and mid-level managers. To do that, I needed a tool that would allow direct user input into the database.

"But then the IBM team did the BVA. They said you can use TM1 to build all of your financial statements. And that was an ah-ha moment for us. This tool was not just for doing the budget. We could also use it for scenario modeling. And it was also going to allow us to do all of our financial reporting – balance sheet, cash flow, income statement, everything."

She notes that the BVA was particularly critical in bringing on board the company's CFO. The department could bring in the software, he said, as long as they started using it for the current forecasting season, which the Finance team determined it could readily do.

## Implementation

IBM Business Partner JCB Partners came in to work with First Command for the initial implementation – specifically, TM1 with Cognos BI as the reporting layer. The timelines were fast: three months from BVA to actually using the software.

“JCB was recommended by IBM. Their consultant came in, and he had us up and running on the software and templates very quickly. By August, all of our departments were doing their operational expense budgets in TM1. So we were developing the software while we were using it. The CFO was very happy with that.”

Today all financial reporting and budgeting is done using TM1 off a Sequel database. To get there, the consulting team built the processes to go in and update GL accounts and various modules such as fixed assets and accounts payable. As well, payroll data feeds are pulled in from an Oracle database.

To help the department even further, the team built an approval process into the system to automate the workflow rather than depending on the manual steps that were done previously.

## Business impact

In addition to more efficient budgeting, reporting and analysis has become much easier with Cognos software.

“We’re developing more and more reports that are helping us,” says Grace. “It’s scaled back on the time that I have to spend writing reports. Because once you get these reports written, you can update them, they can be refreshed and they’re drillable. So I have more time for high-level analysis, which is where the value add for my time is.”

It’s been a learning process: what kinds of reports to develop, how TM1 works, testing and integrating various calculations. The company handles “some pretty complicated revenue calculations because of our business,” notes Grace. Here again, the tool has helped reduce the time spent on processing and compiling.

She also adds that the software has been quite easy to understand and use, allowing her to go in and build things like cost allocation cubes for product profitability modeling and reporting.

“I’m not a technical type of person. So for me to be able to go in and use the development side of TM1 is quite remarkable.”

## Version control, better reporting

The department now has standardized reports and uses a SharePoint collaborative tool for distribution. So everyone accesses the same information in a consistent format. A secure reporting platform also ensures users only see what they need to see.

“We put all of our reports in SharePoint,” says Grace. “And we have one version of each report. If we need to see a report, we don’t have to worry about which iteration of the spreadsheet is out there. We don’t have to be concerned about whether or not we have the latest version of the financials.”

Using Cognos, it is also much easier for department heads to go in and update their expenses by line item and drill through to the underlying data if further analysis is required. This has increased accountability – with more detailed reporting, management can see who is accountable down to the transaction level, which helps them better manage their areas of the business.

As well, the real-time information updates mean less of a burden on management. Particularly with month-end when financials are reviewed by the CFO and require changes. The process is now much faster.

“The GL group used to have to go in and update the database, then update the spreadsheets. It would take 30 to 40 minutes just for the database, followed by a 10-step process to get the financials up to date. Now we run a 7-minute process that goes in and updates all of our GL into a cube with the real-time data.”

## Compliance

Finally, while compliance and data governance are largely handled by another group in the organization, the Finance department has been able to use the capabilities of the Cognos system to improve regulatory reporting. They are also able to conduct operational expense budgeting.

“We’ve been able to use the hierarchies that are built within TM1 to create different types of reports,” says Grace. “We’re in the process right now of building our auditing and some of the regulatory reporting we need to do.

“We have to roll things up differently, depending on which company or which agency we’re reporting to. So it’s been very helpful to be able to go in and use these hierarchies, which we didn’t have before.”

## Next steps

What are future plans? The department expects to start using Cognos dashboards soon, allowing executives to monitor and drill through to critical financial information. They also look forward to using the TM1 sandbox environment, scenario modeling and advanced analytical tools.

Down the road, Grace also sees an opportunity to move toward rolling forecasts.

“We want to get quarterly rolling forecasts going so we can update our Board of Directors and our executive team. This way, we can show them this is how it looks and this is what we see going forward.”

Right now, the main focus is on building more reports. That means optimizing the functionality and streamlining information to make it even easier to use.

“We’re very excited about TM1. But we have so much more to learn. Every day I’m figuring something else out. I’m planning on sending my team for more training. My goal is to make sure we’re using the software to the fullest extent possible. There is just so much there.”

For more information on IBM Business Analytics solutions for banking please visit [www.ibm.com/cognos/banking](http://www.ibm.com/cognos/banking).

## About JCB Partners

JCB Partners is a performance management consulting firm driven to creating meaningful, measurable, and sustainable improvement to business through the re-engineering of business processes. By combining expertise in technology and business strategy, JCB Partners provides its clients the knowledge and tools needed to align company goals with management action across all areas of operation. Built around a philosophy of starting small, thinking strategically, and accelerating systematically, JCB offers a proven history of accountability and results, having engaged in over 500 successful client relationships since its founding.

Headquartered in Denver, CO., with offices in Chicago, IL, Dallas, TX, Los Angeles, CA, and San Francisco, CA, the firm offers consulting and implementation solutions to customers around the globe.

## About IBM Business Analytics

IBM Business Analytics solutions deliver world-leading enterprise planning, consolidation and BI software, support and services to help companies plan, understand and manage financial and operational performance. IBM Business Analytics solutions bring together technology, analytical applications, best practices, and a broad network of partners to give customers an open, adaptive and complete performance solution. Over 23,000 customers in more than 135 countries around the world choose IBM Business Analytics solutions.



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