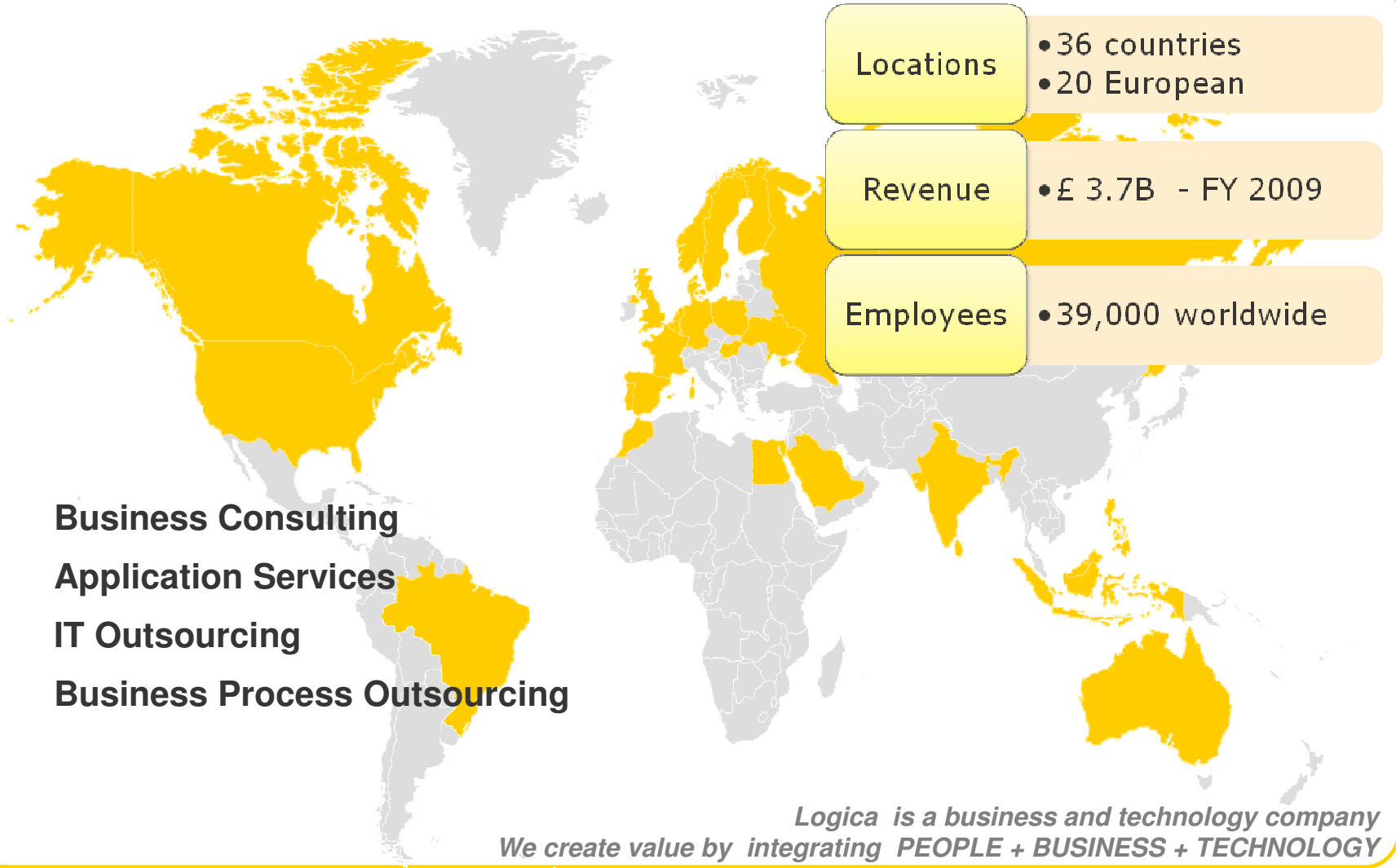
Using CPM to Deliver Strategic Success

One Logica
28 April 2010

Jose Cano – Logica Group Finance

be brilliant together

European Top 10 business and technology organisation



Locations	• 36 countries • 20 European
Revenue	• £ 3.7B - FY 2009
Employees	• 39,000 worldwide

Business Consulting

Application Services

IT Outsourcing

Business Process Outsourcing

Logica is a business and technology company
We create value by integrating PEOPLE + BUSINESS + TECHNOLOGY

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Business is never 'as usual'

Logica's Programme for Growth

Focus for Growth

- Increase our Sales capability and scale
- Strengthen our Consulting service line to engage with customers at a business value level
- 13 High Growth Areas, each with global leadership and stretching revenue targets
- Grow our Outsourcing business in all countries and as a percentage of our overall revenues

Achieve cost competitiveness

Create a One Logica Culture

driving a strong customer and sales focus, supported by better alignment of incentives and better collaborative processes and behaviours

Accelerate Blended Delivery

growing our offshore and nearshore headcount to 8,000 by the end of 2009 and continuing growth beyond that date, making blended delivery an essential part of our business

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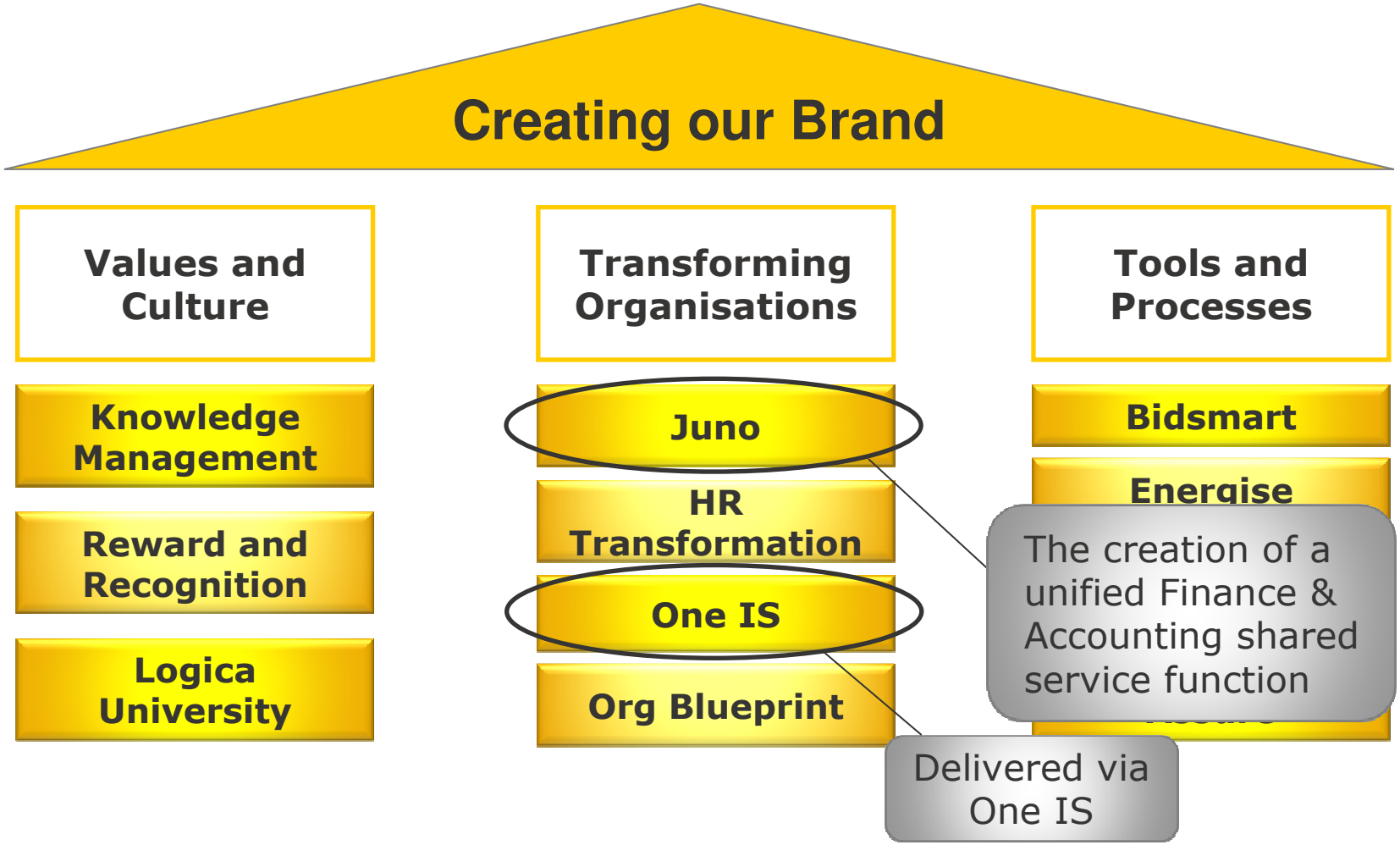
ONE Logica – Twelve Strategic Initiatives



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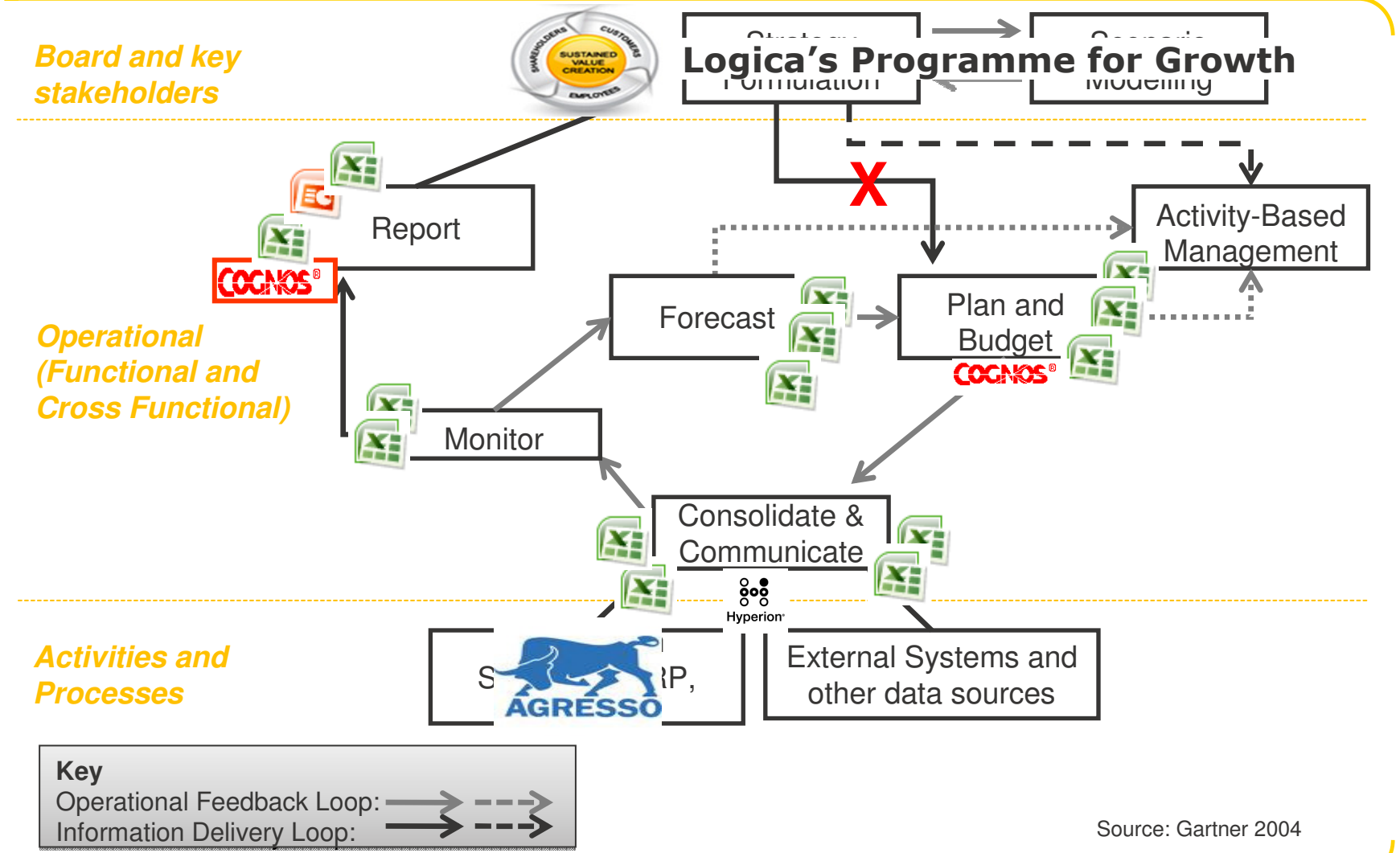
Corporate Performance Management



Source: Gartner 2004

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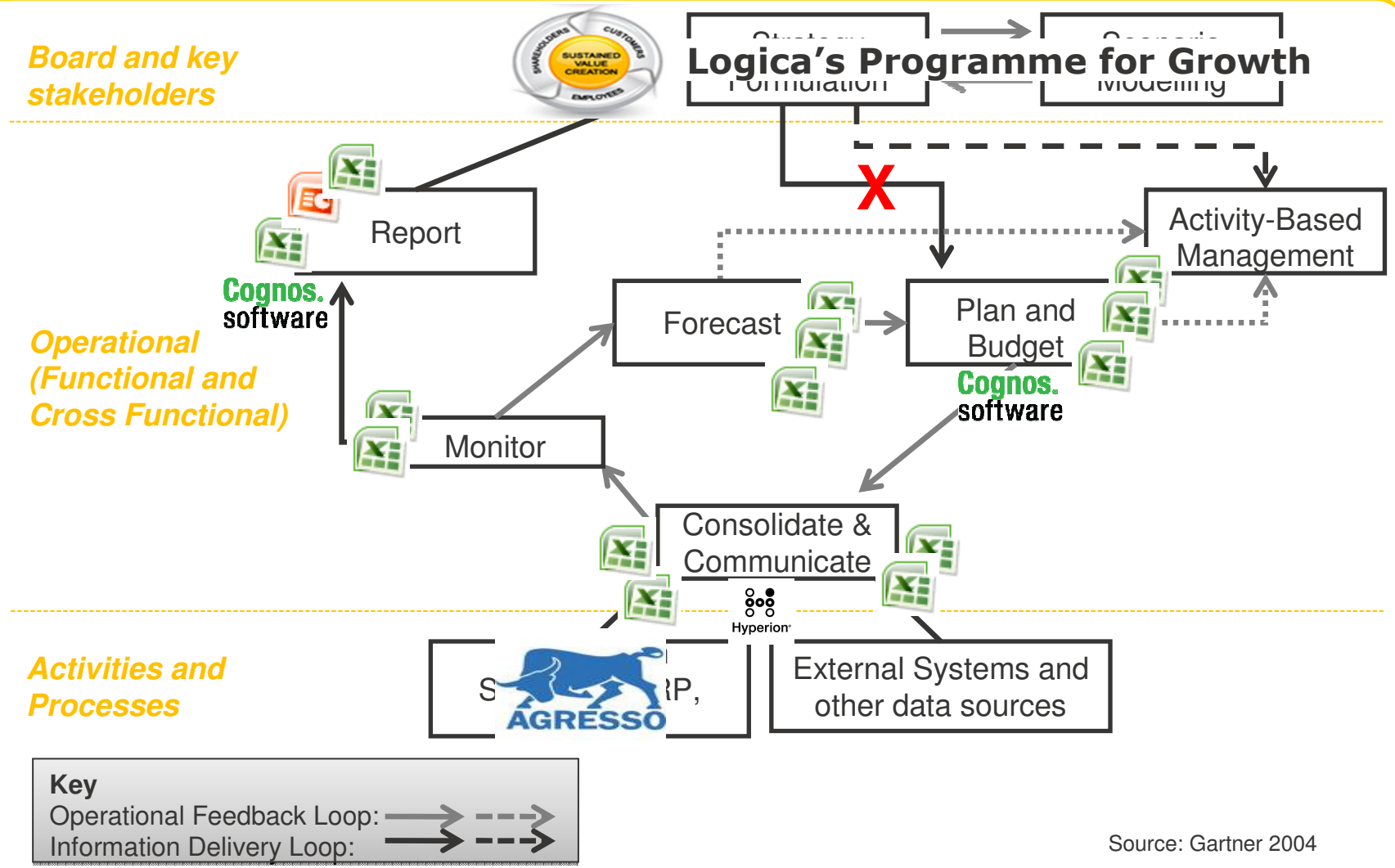
Corporate Performance Management



Source: Gartner 2004

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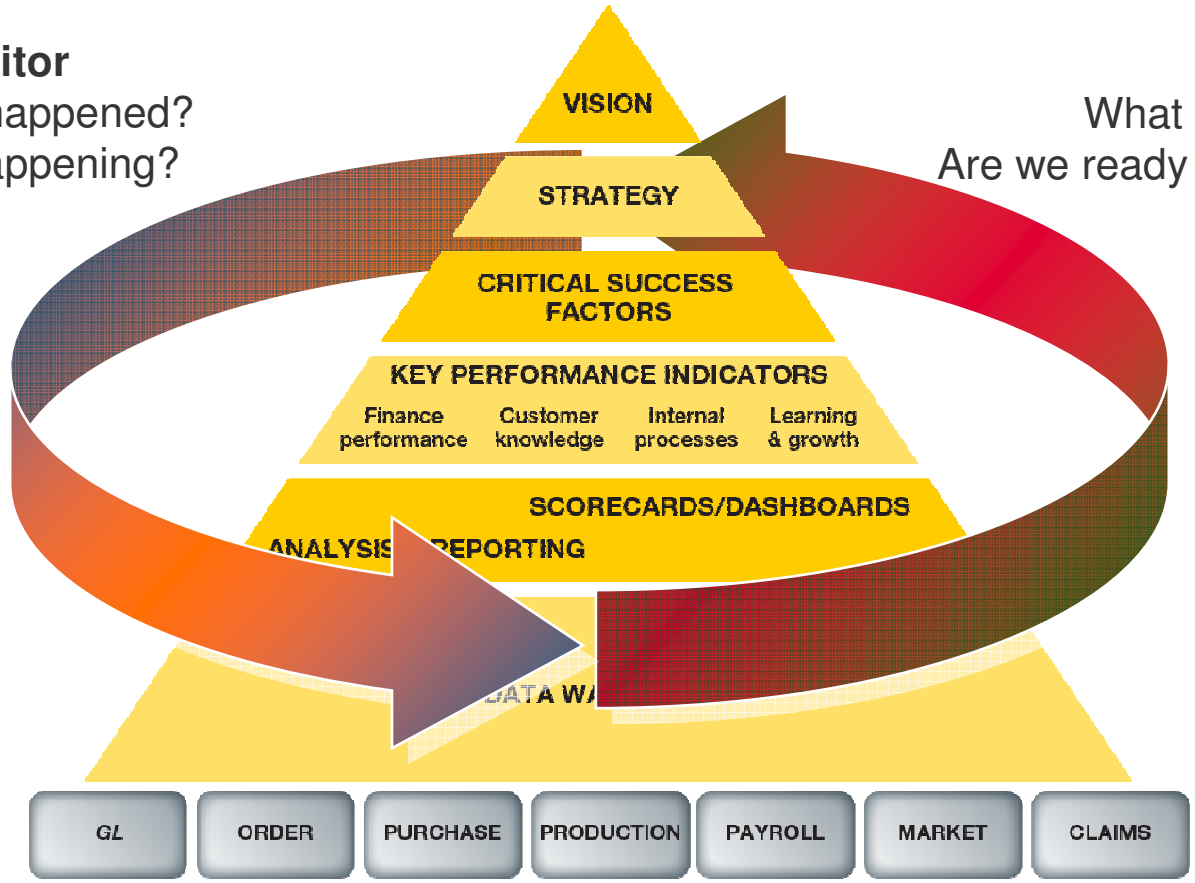
Our Vision - a Dynamic, Flexible Finance Function

Monitor
What has happened?
What is happening?

Plan
What will happen?
Are we ready for the unexpected?



Analyse
Why did it happen?
Could it happen again?

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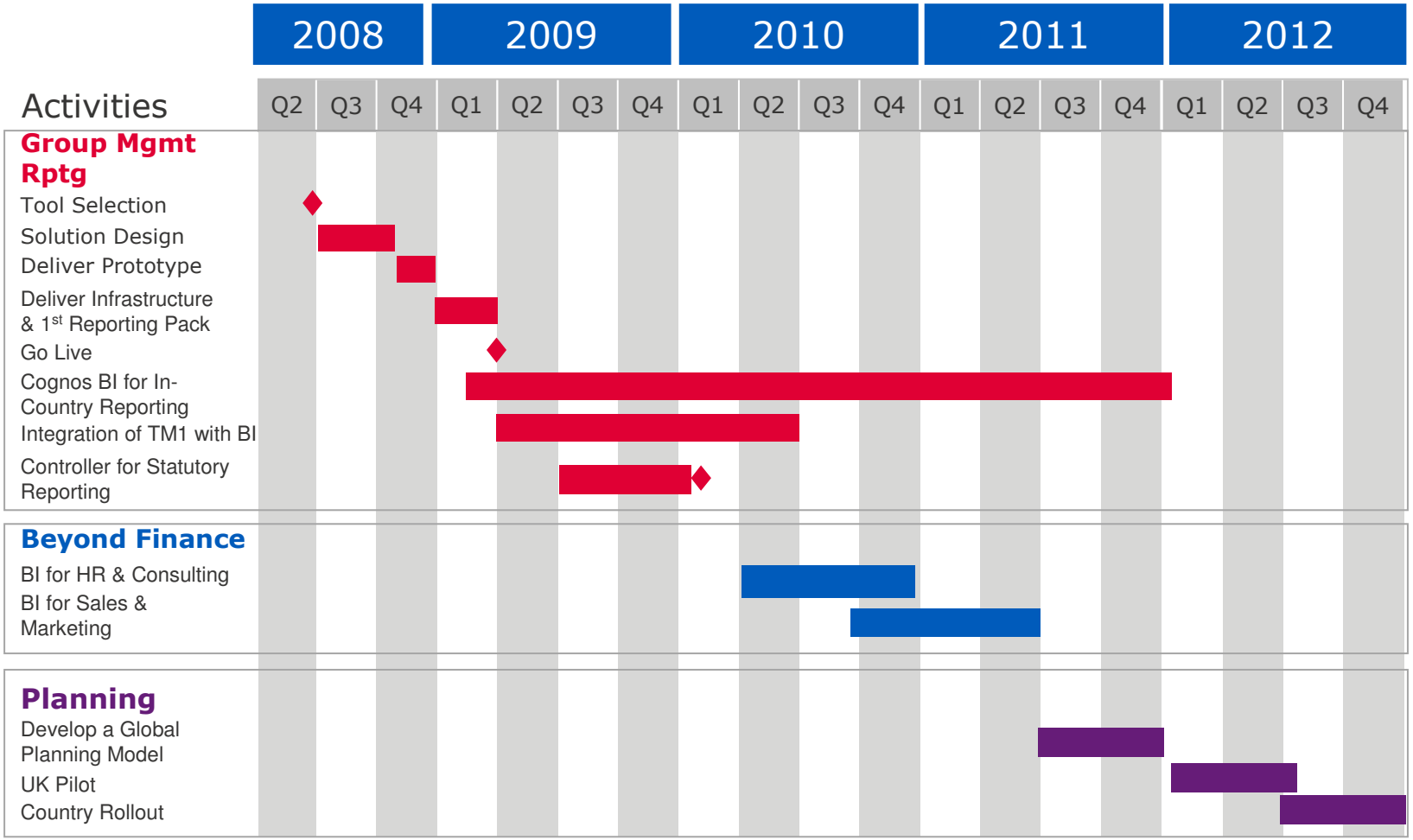
Logica's Roadmap to Drive Strategic Success



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Phase One – Group Reporting Platform

Existing corporate management and statutory reporting platform out of date

- not flexible enough
- insufficient multidimensional approach
- significant volume of manual input
- long process time

Reporting platform in use no longer cost-effective

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With the objective of “one single version of the truth”

Create a single integrated reporting platform from local to corporate level

- Automated
- Flexible and multidimensional
- Main hub for all business communities

Standardised data and reporting on corporate and operations level

- Definitions
- Timing

Improved data quality

Cost-effective solution

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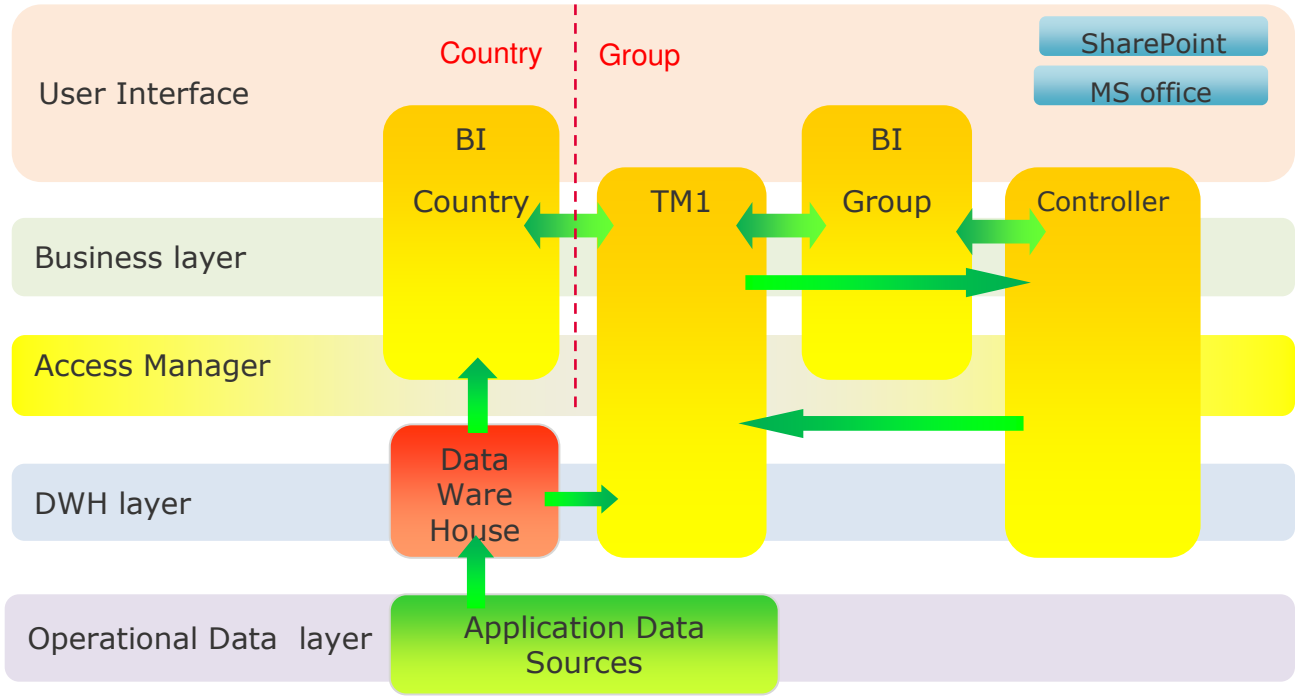
Main delivery components

One integrated reporting platform composed of:

- Corporate management reporting platform (TM1 + BI Group)
- Corporate statutory reporting platform (Controller + TM1+ BI Group)
- Local management reporting platform (BI Country+ DWH)



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Key deliverables

A single reporting platform for:

- Monthly consolidation and reporting of actual and forecast data
- Consolidation and reporting of budget data
- Deliver multi-dimensional views on financial and business information
- Statutory reporting of interim and year end results
- Integration of management and statutory streams

Automated and manual data entry by the global finance community

User security in accordance with external auditor guidelines

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Programme junctions and choices

Initial tool choice changed on recommendation of Cognos: BI changed to TM1

- Implicitly launching customer for the integration of components TM1, BI and Controller
- Mix of internal and IBM Cognos consultant
- Prototype acceptance milestone

Automated load of data from decentralised financial systems

- Complete standardisation of ledgers
- Some countries use a different application and administrative system: *country has to deliver in required format*

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Programme junctions and choices

Priority setting changed over time:

- Planning of deliverables adapted to stakeholders requirements

Support and development organisation:

- Keep the (business) knowledge and experience: *maintain group and train in new tool*

Multinational project:

- Project staff in UK, NL, India
- UAT: *bring together financial people and support team from all countries in India and UK*

Technical infrastructure:

- Network latency: *Citrix solution for outskirts of network*

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Project results

The objectives survived the process through adaptability of the solution

Realised objectives

- one single reporting platform from local to corporate level
- standardised reporting on corporate and operations level
  - *First reporting tier in place*
  - *Second tier under development*
- IT cost reductions

Logica now has centralised data source in TM1 that achieves "one single version of the truth" not only as a Finance repository but one that is being extended beyond Finance into HR, Sales & Marketing, Consulting and more…

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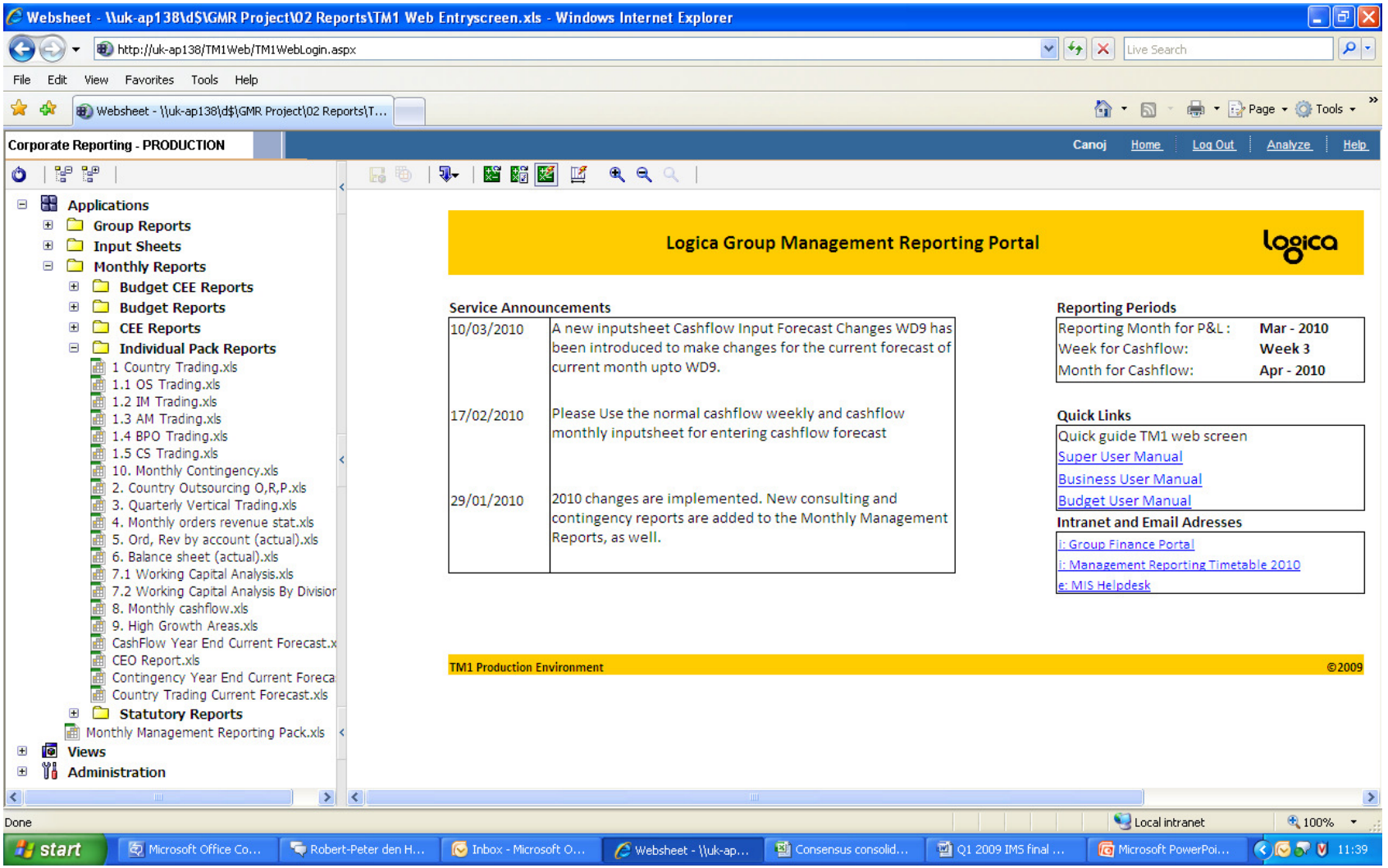
The result: Group Management Reporting



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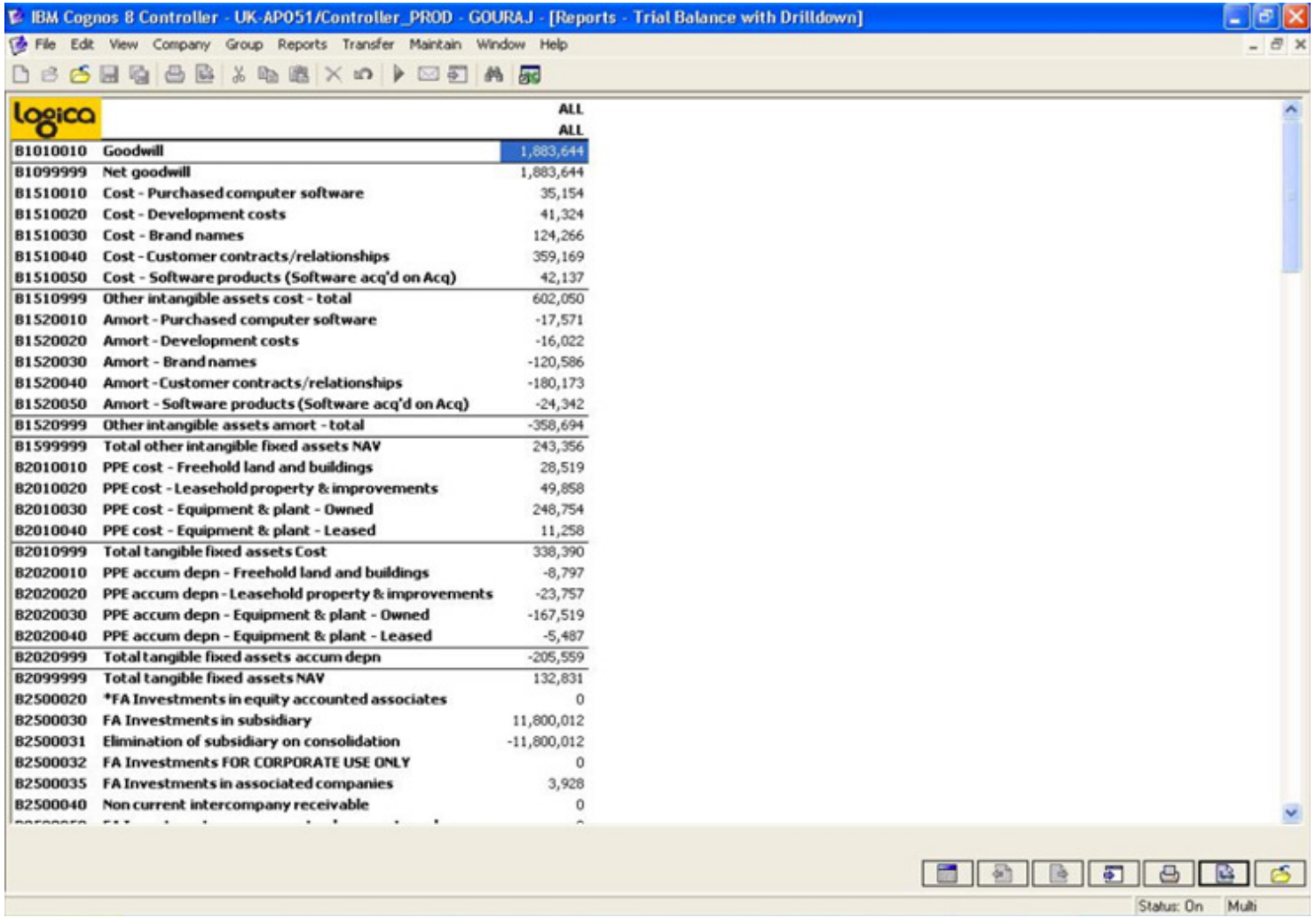
The result: Group Statutory Reporting



logica		ALL
		ALL
B1010010	Goodwill	1,883,644
B1099999	Net goodwill	1,883,644
B1510010	Cost - Purchased computer software	35,154
B1510020	Cost - Development costs	41,324
B1510030	Cost - Brand names	124,266
B1510040	Cost - Customer contracts/relationships	359,169
B1510050	Cost - Software products (Software acq'd on Acq)	42,137
B1510999	Other intangible assets cost - total	602,050
B1520010	Amort - Purchased computer software	-17,571
B1520020	Amort - Development costs	-16,022
B1520030	Amort - Brand names	-120,586
B1520040	Amort - Customer contracts/relationships	-180,173
B1520050	Amort - Software products (Software acq'd on Acq)	-24,342
B1520999	Other intangible assets amort - total	-358,694
B1599999	Total other intangible fixed assets NAV	243,356
B2010010	PPE cost - Freehold land and buildings	28,519
B2010020	PPE cost - Leasehold property & improvements	49,858
B2010030	PPE cost - Equipment & plant - Owned	248,754
B2010040	PPE cost - Equipment & plant - Leased	11,258
B2010999	Total tangible fixed assets Cost	338,390
B2020010	PPE accum depn - Freehold land and buildings	-8,797
B2020020	PPE accum depn - Leasehold property & improvements	-23,757
B2020030	PPE accum depn - Equipment & plant - Owned	-167,519
B2020040	PPE accum depn - Equipment & plant - Leased	-5,487
B2020999	Total tangible fixed assets accum depn	-205,559
B2099999	Total tangible fixed assets NAV	132,831
B2500020	*FA Investments in equity accounted associates	0
B2500030	FA Investments in subsidiary	11,800,012
B2500031	Elimination of subsidiary on consolidation	-11,800,012
B2500032	FA Investments FOR CORPORATE USE ONLY	0
B2500035	FA Investments in associated companies	3,928
B2500040	Non current intercompany receivable	0

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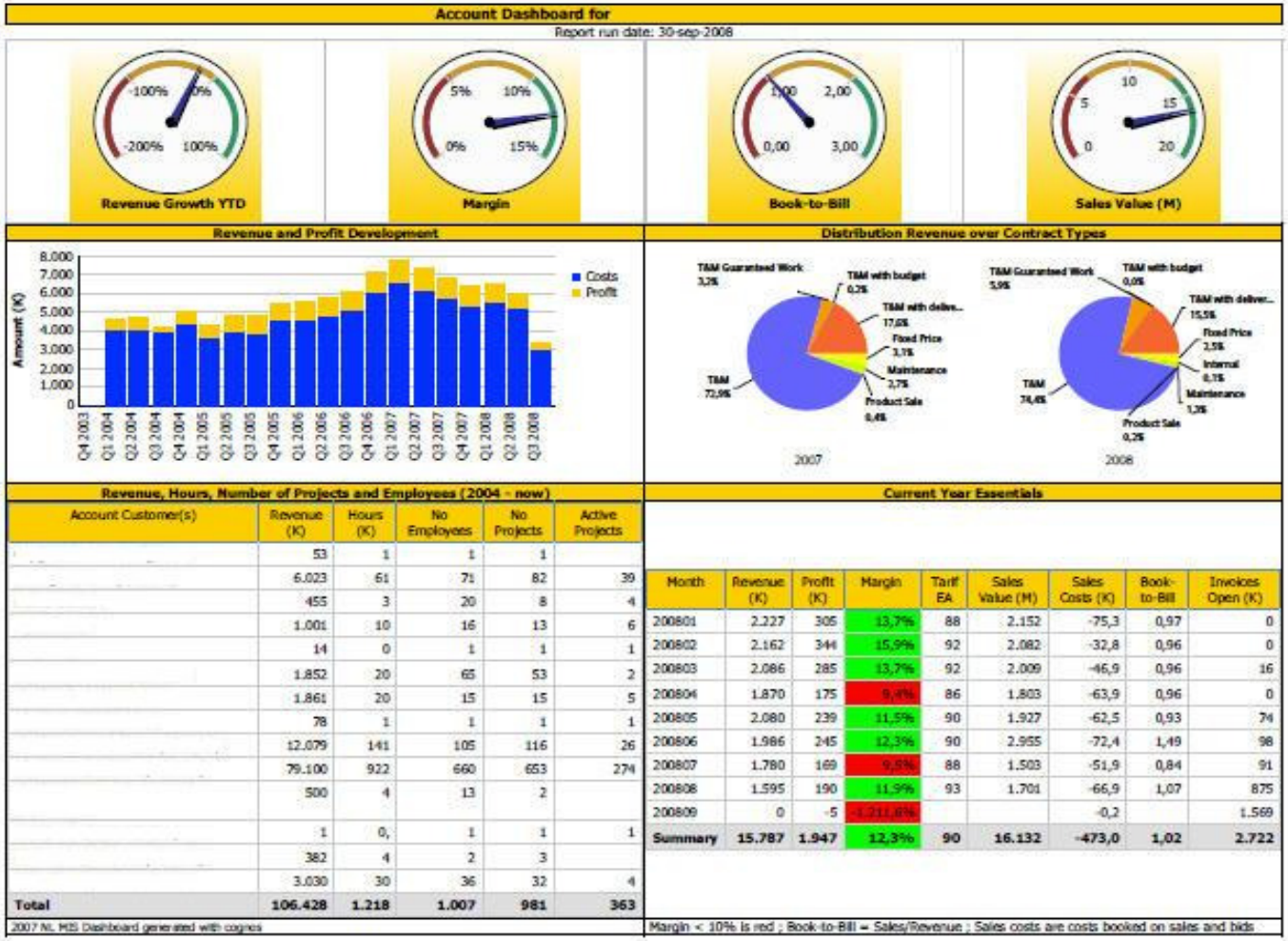
The result: Local Management Reporting



Account Dashboard for

Report run date: 30-sep-2008

Revenue Growth YTD

Margin

Book-to-Bill

Sales Value (M)

Revenue and Profit Development

Distribution Revenue over Contract Types

Revenue, Hours, Number of Projects and Employees (2004 - now)

Account Customer(s)	Revenue (K)	Hours (K)	No Employees	No Projects	Active Projects
	53	1	1	1	
	6.023	61	71	82	39
	455	3	20	8	4
	1.001	10	16	13	6
	14	0	1	1	1
	1.852	20	65	53	2
	1.861	20	15	15	5
	78	1	1	1	1
	12.079	141	105	116	26
	79.100	922	660	653	274
	500	4	13	2	
	1	0,	1	1	1
	382	4	2	3	
	3.030	30	36	32	4
Total	**106.428**	**1.218**	**1.007**	**981**	**363**

2007 NL MIS Dashboard generated with cognos

Current Year Essentials

Month	Revenue (K)	Profit (K)	Margin	Tarif EA	Sales Value (M)	Sales Costs (K)	Book-to-Bill	Invoices Open (K)
200801	2.227	305	13,7%	88	2.152	-75,3	0,97	0
200802	2.162	344	15,9%	92	2.082	-32,8	0,96	0
200803	2.086	285	13,7%	92	2.009	-46,9	0,96	16
200804	1.870	175	9,4%	86	1.803	-63,9	0,96	0
200805	2.080	239	11,5%	90	1.927	-62,5	0,93	74
200806	1.986	245	12,3%	90	2.955	-72,4	1,49	98
200807	1.780	169	9,5%	88	1.503	-51,9	0,84	91
200808	1.595	190	11,9%	93	1.701	-66,9	1,07	875
200809	0	-5	-1.211,6%			-0,2		1.569
Summary	**15.787**	**1.947**	**12,3%**	**90**	**16.132**	**-473,0**	**1,02**	**2.722**

Margin < 10% is red ; Book-to-Bill = Sales/Revenue ; Sales costs are costs booked on sales and bids

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Project results : impact on the organisation

Faster availability of information (each month 4 days earlier)

More trust from the business on the availability, quality and timely delivery of financial and business data

Easier interface to produce (ad-hoc) reports

Less manual inputs and processing – “saved” finance FTEs reinvested in business support

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Unexpected results of the project

A trigger to accelerate standardisation of the financial configurations in operations:

- Management reporting
- Statutory reporting

Major enabler of a common financial language across the Group

Project victim of own success:

- Low profile
- On budget and on time
- Managing business expectations

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Next steps

Users' perspective

- More communities
- More intimacy
- Increase automated interfaces

Information perspective

- Continued standardization
- More communities
- Higher data quality

Infrastructure perspective

- More automated interfaces
- Continued Integration of platforms
- Continued rollout of LMR platforms
- Adding new tools (planning)

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Conclusions

CPM has been instrumental in supporting a successful execution of the company's strategy

It has had a huge positive influence in the company's finance culture

The roll out of the CPM tools has been successful because:

- We had a good, flexible and knowledgeable project team
- We were pragmatic in architecture and solutions - agile in development
- We had a good sponsor and was the right moment for the organisation
- We delivered on time and on budget a cost-effective solution

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Thank you

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