

## Welcome to IBM Cognos Express in Action

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Dan Potter: Hello, this is Dan Potter with the IBM Cognos Express Team. I would like to introduce my colleague, Mark Morton, who is going to share with you some interesting examples of how our business partners and end users are using IBM Cognos Express to solve a variety of different business challenges. Welcome, Mark.

Mark Morton: Thank you, Dan. It is my pleasure to tell you about IBM Cognos Express in Action. I'm going to keep the session quite simple. I'm just going to discuss what it is, where you can find it. I'm going to show you what it looks like. And I am going to tell you how you can contribute.

IBM Cognos Express in Action is a new piece of the IBM Cognos website. It is a showcase for demonstrations of IBM Cognos Express. We are collecting examples of applications that have been developed by partners and by end user customers and we have brought them into little three minute vignettes that will give you an idea of the kinds of things that can be done, the kinds of benefits that you can get.

Where you can find it is on the IBM Cognos website. You can go through the menu systems to come down and take a look at the Cognos Express trials and demos. Or you can just use the URL on the screen now: [www.ibm.com/cognos/express/demos](http://www.ibm.com/cognos/express/demos).

That will get you to this webpage. This webpage has a number of offerings for you. It has the online product demo and the software trial offering. But new to this page is the IBM Cognos Express in Action links.

If you say you would like to launch it, here is what you will see. This kind of gadget comes up and you can move around and take a look at the different objects that are for display. You can also move with the little slider at the bottom or use the arrows. Regardless of which one you choose, if you click on it it will give you a quick description of the demo and you can then click on it further to see the demo in action. So we have contributions from a number of our partners so far. And we will be collecting more as we go forward. Let's have a look at some of the contributions that we have.

I'm going to start with an application provided to us by Change ++. Before I launch it, let me tell you a little bit about them. Change ++ are a provider of performance management systems in the United Kingdom. And they have specialized with hotel and hospitality offerings over the last 14 years. The example that we are going to show you focuses on the activities at a typical hotel group who measure and publish their results through dashboards.

These dashboards give managers a daily snapshot of performance allowing them to deal with problems as soon as they are flagged. And being able to drill into detail behind the summary figures to find out what is causing overspends or poor performance gives these managers the information they need to tackle areas of concern.

Let's launch the demo.

Demo: This is a typical IBM Cognos Express dashboard. It has been designed with finance users primarily in mind but it is easy to pull together dashboards for different hotel functions or sets of people. For example you could just as easily build a dashboard for the sales team which might contain details of reservations to date and how they were made, internet before telephone reservations, travel agent bookings and so on.

Think of a dashboard as your [head] at display. This one contains key reports, finance. Now starting at the top left we have a set of KPIs, that is key performance indicators and operating summary, enough to show me that my occupancy is slightly down for period 9. This means that despite achieving my budget for average day rates, my revenue for available room is lower than it should be. I would like a little bit more detail on my operating summary so I can drill through to a report containing a lot more information.

This report uses the 10<sup>th</sup> Edition of Uniform Accounts Formats, but you can design it however you like. It is a standard report, but color coding helps me to see just where my problems lie. It looks like I'm down on budget pretty well across the board, but still went up from last year.

Going back to my dashboard, you can see that I also like to keep a close eye on my RevPar trends. Now, I could drill into see trends for individual hotels but it is obvious from these reports that RevPar for London and the West region is suffering most. It looks like some of my largest London hotels are

particularly struggling because both West [Hampton] and Regent's Park are on the bottom five in my Top Five/Bottom Five report based on budget areas.

Based on this evidence, my next move would be to use IBM Cognos Express Analysis Tools to take a closer look at the London Hotel's performance to find out exactly what is going on. And assuming I can come up with some ideas to reverse the trends, I could use some modeling and forecasting components of IBM Cognos Express to see what effect they are likely to have on my bottom line.

Mark Morton: Now we have seen how a hotel finance manager can gain insights using IBM Cognos Express dashboards to improve performance. Let's take a look at one of our other demos. This time from Acumetrics. Let me tell you a little bit about them.

Acumetrics are leaders in performance management here in North America. The particular demo that we are going to examine today is based on their work with a mid-sized plastics manufacturing company. The company [stirs] plastic sheets and then thermoforms them into products. However they typically have more production capability than they use in a given month. Using IBM Cognos Express, they plan out their machine usage and then determine how much excess (inaudible) sheet they can produce and sell on the open market. This lets them effectively manage their inventory levels and their production.

Let's have a look at the demo.

Demo: So let's begin by going to our Cognos Connection Portal and looking at our sales and operations dashboard. In the upper left hand side we see a sales view of the business with our past actuals and current year forecast. On the right hand side we see a bit of an operations view focused on the capacity on two of our key machine resource groups.

Across the bottom we have a finance view with our revenue projections within our income statement and we will see that for each of these areas of the business we need to build our fourth quarter projections and forecasts. And we want them all tied together.

So let's begin by building a top-down sales forecast. We are going to leverage the write-back capabilities and data spreading functions within Cognos Express to proportionally increase our 2009 actual sales to populate our 2010 forecast and increase the end target goal to 4.4 million units.

Cognos Express in this model has been setup to reach back into our source ERP system to also find the pricing structure for each of these products across each of the customers over that target time period and extend the quantity forecast into a net sales forecast. As we would like we also see that our net sales forecast has populated the revenue line on our income statement. This ensures that our sales organizations and finance organizations are planning the business based on the same information.

If we look in the upper right hand corner of the model we will see that we have now generated some actual machine hours forecasted for Q4 on our two key machine resource groups. And we also have an issue in our December timeframe with regards to our machine utilization.

So we are going to jump over to our capacity planning view. And what we have here is the ability to look at our capacity across our key resource groups for the target periods. We have a quantity, that is the number of resources that are assigned to that machine group. We have our hours available which is reading from our source ERP work calendar. And we have the hours required, which is built based off of our sales forecast quantities, assuming that we are 100% efficient. But in essence we usually have to do some what-if scenarios or plan based on exceptions. So let's assume that we can only run at 90% efficiency over this target time period and see how that affects the machine utilization on our key resource groups.

We will see that in October, November and December we have a couple of capacity constraints. So this can be dealt with in a number of ways. But in this example what we will do is we will increase the number of resources assigned to those groups to address our capacity concerns. And as you see we can type those updates directly into Cognos Express to look at our new scenario and validate that with those new resources we have addressed our machine resource utilization issue.

So we have seen in this quick demonstration how we can take a sales forecast and have it directly linked in to both our production forecasts and our financial forecasts. Of course these models can be extended to tie different pieces of your business together to meet whatever your business planning needs are.

I would like to take this time to say thank you very much for your attention and ask you to reach out to me to talk about how Acumetrics and Cognos software can be used to meet your performance management needs.

Mark Morton: So Acumetrics has shown us how a plastics manufacturing company could use IBM Cognos Express to improve their planning, operations and sales.

Let's move on to another one of our partners, Breakaway Technologies. Let me tell you a little bit about them. Breakaway Technologies, Inc. are advanced performance management solutions providers in North America. The particular example they are going to share with us focuses on the use of KPIs, key performance indicators, in an electronics firm. The firm uses these to visualize a problem, analyze a solution and strategically implement operational improvements based on that factual data. This particular example shows their inventory relative to demand is having a negative impact on profitability. And they are able to determine that valuable space is being used to store less profitable products when the space could be used for more profitable ones. Let's have a look.

Demo: Welcome, and thank you for viewing the product profitability blueprint presented by Breakaway Technologies, Inc. This demonstration of IBM Cognos Express will display its ability to perform a product profitability analysis, identify a profitability problem and financial data and actually formulate and implement a [proven space] on analysis. Endtronics is a hypothetical company that represents a retailer of consumer electronic products with several sales channels, different products and advanced supply chain.

IBM Cognos Express provides key decision makers a singular version of the truth to bridge the gap between financial and operational data and turn that information into meaningful metrics for analysis and decision making. Our CFO takes a look at the financial health of his company by accessing his CFO dashboard which displays common KPI metrics. The company's P&L shows a trend that profitability is steadily decreasing. EPS and total revenue are down and both are forecasted to decrease additionally in October.

Further investigation shows an increase in inventory carrying costs that is inversely proportional to the decrease that is trending in the operating margin. The CFO realizes there is a problem. The CFO open the inventory console and sees that there is a 20% differential in the amount of dollars being spent on inventory and the turnover rate. A look at the inventory dollar distribution indicates 84% of the company's inventory is in receivers and flat panel TVs. Based on that information he decides to examine those two product lines at greater detail. The scenario comparison chart shows the CFO that receiver actuals are much higher than budgeted.

Next, our CFO opens his sales and profitability console and quickly realizes that based on his operating margin analysis, receivers and flat panel TVs are the poorest performance. The direct product profitability console is even more telling. Analysis of operating margin relative to cubic feet reveals that flat panel TVs take up the most space in inventory. It is obvious to our CFO that a reduction in receiver inventory and an adjustment to the amount of space allocated for flat panel TVs would solve this profitability problem. However, it is not clear what these adjustments would mean in terms of his bottom line. By accessing the built-in performance management tool, Accelerator, our CFO can see the immediate impact of his decision through the use of write-back functionality. The following slides display side by side comparisons of the before and after effects of these adjustments.

IBM's Cognos Express provides a platform for analysis and visualization of pre-defined KPIs. Our CFO was able to unlock the power of his data enabling him to make a quick decision for the good of profitability. In an ever changing world, Breakaway Technologies, Inc. has been steadily providing business performance solutions to our clients that help them understand the changes around them and unleash their wisdom.

For additional information, visit us on the web at [www.breakaway-inc.com](http://www.breakaway-inc.com), or call us at 215-369-7200. Thank you.

Mark Morton: So now we have seen IBM Cognos Express at use in a consumer electronics retailer. And we have seen them doing some profitability analysis. I have one more demo to show you that is not, in fact, available yet on our website. But it was just recently handed into me. And I am going to tell you about that now.

This example of IBM Cognos Express in action comes to me from Attain Insight who is a reseller and service provider of IBM Cognos Express software in the Ottawa region. The demonstration shows interactive maps with data provided by IBM Cognos Express used to understand and manage fisheries.

Map-based reporting, analysis and dashboards is an area of high interest for users of IBM Cognos Express. This example shows support for existing GIS solutions, including ESRI, Map Info or Google. The solution makes things easy to author, manage and deploy, even though the underlying data can be fairly complex. Let's have a look.

Demo: Mapping intelligence for IBM Cognos Express. This solution is for line of business managers and IT directors who need highly informative dashboards or map-based reports and analysis. Unlike most GIS-based solutions, mapping intelligence for IBM Cognos Express acquires no GIS expertise or programming and can be deployed quickly and easily giving users rich, special dashboards and analytic capabilities in a single, easy to deploy solution.

This example provided by the Australian government is used for fisheries resource management. At an executive level, Australia's 200 nautical mile fishing territory is divided into half nautical mile squares which are color coded by performance metric. In this case the metric is gross catch tonnage. As we drill down the fishing location detail appears, again color coded by our choice of metric.

In this case, by dip of catch. So we can easily see that the biggest catch volumes are coming from this shallow area marked in yellow and the area at high risk for other fishing. In this view it shows each vessel with their own icon matching the vessel profile and the size based on the vessel link. This can help fishery offices to quickly and easily interpret dashboard information. In this view we have used another way to show vessels by choosing distinctive covers. It helps us to see patterns. We can see for instance that the wizard fishes entirely to the southwest.

Let's see where vessels fish and what the predominant catch type is at each catch location. We can see that there appears to be lots of diversity, so let's have a closer look. Here we can see that the flathead represents a significant portion of the catch. And that by using the table on the left we can see the Time Bandit is the primary vessel catching flathead.

Let's take a look at Time Bandit's history. Let me summarize. We can easily create dynamic, web-based special applications; no programming skills are needed for developer or user. We can visualize changes instantly. We can filter and compare current and historic views. We can compare outcomes based on different scenarios. And we can covert addresses to coordinates in minutes. IBM Cognos Express customers can flexibly and rapidly author their own specialty-based reports, dashboards and analyses with limited IT involvement. For customers seeking an easy to manage business intelligence solution, mapping intelligence for IBM Cognos Express makes complex business information easy to communicate.

Mark Morton: So now we have seen IBM Cognos Express interacting with maps as well. I hope the examples I have shown you here today have peaked your interest and that you will go to our website and look for yourself at these demos.

In fact, I'm hoping you will even want to contribute yourself to them. Here's how: Send me an email to [Mark.Morton@ca.ibm.com](mailto:Mark.Morton@ca.ibm.com). Let me know you are interested and I will get back to you with details about what kind of frame rates, what kind of file formats, and all the rest.

I am very anxious and excited to hear from you. I can't wait to see some of the solutions that you folks have in action as well.

That's it for today.

Dan Potter: Thanks very much Mark. We have had some interesting questions that have come in. Here is the first one for you. Question is, are these applications available today to be purchased by my company?

Mark Morton: Absolutely they are, Dan. You are seeing examples of demos that have been put together, and in almost all the cases those are existing applications that the partners have actually built with customers. We have removed the particulars of the name of the customer and things like that. So certainly if you contact us or the websites that are embedded in the different examples, you will be able to get up and running very quickly with something.

Dan Potter: And a question about how long would it take to build an application like these if I did it by scratch?

Mark Morton: Well if you are going to start off by scratch, certainly there is an issue of how ready is your data. So assuming that your data is actually in a good position, and you already have IBM Cognos Express in place, then it is not unrealistic to think you could probably build something out in, oh, say 90-days or less. If you wanted things faster than that though there is certainly advantage to calling in one of our partners who has done these kinds of things before. We have numerous examples that we are building case studies and things for to show how our partners help customers get up and live and running in a matter of weeks. And just taking your data, putting it into a framework that already they understand and they know the industry and the whole thing.



So we are pretty excited about – it's one of the nice advantages of Express is that you can get up and running really quickly and show results quickly to your organization.

Dan Potter: Thanks very much Mark. That's all the questions that we have had coming in. And we are all looking forward to seeing more great examples in the future.

Mark Morton: Thank you, Dan. Talk to you later.