

**Getting Smart about Your Workforce: Why Analytics Matter**  
**Event ID: 142433**

Brooke Campanelli: Good afternoon. I'm Brooke Campanelli, and I'd like to welcome you to today's Tech Talk, "Getting Smart about the Workforce: Why Analytics Matter. "

Before we begin, I'd like to make a few brief announcements. First, this webinar is being recorded, and the on-demand file will be available at [www.ibm.com/cognos/techtalk](http://www.ibm.com/cognos/techtalk). Second, for an enhanced view of our presentation, please disable any popup blockers you may have installed, then click the Enlarge Slides button located just beneath the slide window at the bottom of your screen. You may download a PDF version of the slide presentation by clicking the Download Slides button located underneath the slide window.

Our presenters welcome your questions, which may be submitted at any time during the webinar. To submit a question, please type your question into the question box located in the lower left of your console and hit the Submit button. We will answer as many questions as possible during our Q&A session in the final 15 minutes of this hour-long webcast, and any remaining questions will be answered via follow-up email.

Well, now I'd like to introduce today's speakers for the webinar.

We have Chris Wright, with IBM Software Group Information Management Product Marketing, and Eric Lesser, who is an Associate Partner with IBM's Institute for Business Value, where he leads IBM Global Business Services Research and thought leadership in the area of human capital management. His research and consulting has focused on a variety of issues, including workforce and talent management, knowledge management and collaboration, and the changing role of the HR organization.

Well, now, Eric, I'd like to turn the program over to you. Welcome.

Eric Lesser: Thank you very much.

And just to give people a sense for what we're going to cover today, I'm going to talk about a recent study that we have done regarding how organizations are addressing and managing their workforce analytics, and then I'm going to turn it over to my colleague, Chris, who's going to talk a little bit about IBM Cognos 8 Workforce analytics platform.

So let's start, talk a little bit about the subject of workforce analytics. We have found this to be a topic of great interest not only to the HR and the IT organizations but to organizations at large. Given what we're seeing in the larger economic environment today, we're finding that organizations are putting a particular focus on their workforce, so that we went out as part of this study and talked to over 400 organizations with revenue greater than \$100 million revenue per year to understand how workforce analytics are helping managers improve the quality of their business decisions and also how it's influencing HR's perception as a strategic business partner within the organization itself.

Now, in today's difficult economic environment, we are finding that workforce analytics are playing an increasingly important role. They are helping organizations make better decisions, more accurate decisions, about what to do with perhaps their most valuable resource, that being their workforce. We are also finding that analytics are helping and enabling HR professionals to make the types of strategic business decisions that often have been lacking in many organizations, but that the implementation, actual execution and deriving the value from these workforce analytics are being hindered by both a series of technical and skill-related issues, and we'll talk about that as part of the presentation.

So, first, let's talk about this issue of today's economic environment and the role that workforce analytics can play. In today's environment, there's been a new spotlight on the workforce, that people are being asked to do more with fewer and fewer people. They're looking to maximize their use of their resources. They're looking to reallocate resources during these difficult business times. So we are, as we go through, we have seen that there are a number of HR issues that organizations are facing that really have a strategic focus.

So the first around defining the knowledge, skills and capability requirements for executing a business strategy -- do you have the right people with the right skills and capabilities in order to make decisions in how to essentially make the most use of the workers that you have in your group? Given what they need to survive today, given where they're going to need to be in the future, do they have the right skills and capabilities?

We also see people asking questions about workforce performance. Can I differentiate my high performers, who I really want to hold onto in this marketplace, versus people who perhaps aren't contributing the same amount? Am I able to develop strategies to make sure that those high performers feel that they're valued even in situations where perhaps they might not be eligible for raises or bonuses in a given year?

We also want to look at issues around retaining valued talent to make sure that you have a continuity of operations and you can drive future growth when the economic upturn begins. You want to look at strategies for reducing force redeployment and retraining, in the event that you do need to reallocate your resources, that you do need to lay people off, or perhaps move them on to different projects or different allocations. How do you make sure you can make those decisions from a fact base rather than just simply a gut feel perspective?

Collaboration and knowledge sharing becomes an important issue. How do you make sure that your organizational memory is protected and preserved oftentimes when early retirement programs come into play and people are walking out the door with significant amount of knowledge and relationships?

And then, lastly, the issue around developing career paths and succession plans -- if someone leaves the organization, how do you make sure you have individuals with the right skills and capabilities in place to take over their roles and responsibilities and not have a potential gap in service that could lead to customer defections or just simply breakdowns in operational processes?

All of these are strategic HR issues that we feel that many organizations are still trying to get their hands around. And this chart, I think, illustrates this quite effectively. If you look at this overall chart, which sort of lays out the importance versus the effectiveness in HR as they are addressing these particular issues, this comes from our survey of over 400 companies that we talk to. And what we found was is that there was a significant gap between the importance that they place on some of these strategic HR activities and their effectiveness in terms of addressing them.

So if you look at some of the letters identified as A and F and H and I that are in yellow, you can see that these are all fairly notable gaps in terms of how important these issues are to organizations and how well they're actually performing these basic tasks in terms of determining the knowledge, skills and capabilities, in terms of evaluating workforce performance, understanding collaboration and knowledge sharing and developing succession plans and career paths.

We also found two other very interesting findings here. If you look at letter E, which is around retaining valued talent within the organization, relatively speaking, companies think they're doing well even though they state that this is perhaps the most important thing that they're focused on.

But we also saw on letter G that this issue around developing strategies for reductions in force, redeployment and retraining, companies don't feel that this is particularly important, which I felt was kind of interesting, given the economic times in which we live, but that also that they're not particularly effective. And one reason that this might have come into play is the fact that in many organizations it's not the HR organization that dictates the amount of people or the types of people who get laid off, but oftentimes that decision is defaulted to the finance organization, because HR does not have this particular capability in place.

However, what we did find, which we thought was particularly interesting, was that those organizations that had workforce analytic applications in place stated that they were more effective in addressing many of these key human capital challenges. So you can see the difference in terms of the companies that are represented in blue versus those that are represented in green. Those that had a workforce analytics application in place found that they were more effective in developing training strategies, retaining valued talent, etc.

This I think is important, because organizations that have workforce analytics in place are able to make better decisions, particularly in these difficult economic times. So we're not surprised to see that, but we believe that it's very important to note that workforce analytics can help you make better strategic decisions about what to do on a variety of topics related to human capital.

Now, when we looked at a number of these human -- strategic human capital issues, one of the things that we found is that there are still lots of organizations that are making decisions around each of these topics without any use of workforce analytics whatsoever. So if you look at things like letter H, understanding collaboration and knowledge sharing, 37 percent of companies in our survey found that they were not using workforce analytics at all to make decisions in this area.

Similarly, around defining knowledge and skills and capabilities, or around developing succession plans and career paths. So there are still many organizations out there that are not using workforce analytics at all to make these kinds of decisions.

We also found that there are a good number of companies that are able to obtain basic workforce data around each of these different capabilities. So maybe they can pull data around head count, or they can get information around turnover. So there are a good percentage of organizations, ranging between 40 to 45 percent, said that they're actually able to get data around these particular topics.

But when we ask people about more advanced decisionmaking, or more advanced analytic applications, in terms of being able to identify historical trends and patterns, being able to look backwards to see how are people being redeployed, or how are you tracking high performers versus low performers, again, only a small percentage, usually less than about a third, said that they're able to do that. And even fewer, usually less than 10 percent, said that they're able to actually make scenarios and predict future outcomes on a range of human capital decisions.

Now, what we're finding is is that historically, organizations have underinvested in this topic of workforce analytics. So if you compare some of these more advanced analytic capabilities, what you would see on the customer relationship management side or on the supply chain side, it's not surprising that workforce analytics, we believe, represents an untapped opportunity for many organizations to put in place some of these more advanced analytics and to be able to be more successful in making some of these strategic decisions.

So let's talk a little bit more about how workforce analytics directly applies to the HR organization. One of the questions that we asked our companies was, what is your involvement, what is HR's involvement, in developing corporate strategy? And the positive news is that we found about 48 percent, just under half, said that they are an active participant in the strategy process. So I think more and more we are starting to see HR organizations becoming more active.

But when we asked people about HR organizations that are truly proactive leaders, that are helping to drive and provide direct input into the strategy process, we found that only 17 percent describe themselves as being a proactive leader. When we segmented the responses from those 17 percent of companies, what we found was almost twice as many companies in that particular 17 percent found that they had a current workforce analytics system in place. So more than twice the number of organizations who said that they were proactive leaders said that they were likely to have a current workforce analytics application in place.

We also found that amongst companies that are proactively contributing to strategy, that over 50 percent of them plan to have HR analytics in place over the next one or two years, so that this is clearly an area of focus for companies where HR is not just simply taking orders from the business but is serving as a true strategic partner.

Similarly, we find on the next slide that organizations where HR makes a more proactive contribution to strategy are also more likely to use the more advanced analytics. And so you can

see, again, companies that are making proactive contributions to strategy, as you can see in blue, are much more likely to be using these types of analytics to look backwards at historical data and look forwards in terms of scenarios and outcome planning compared to other organizations that are out there.

And then, lastly, what we found in the more proactive HR organizations, that key stakeholders from inside and outside the HR function were more likely to use HR analytics, so that for organizations where HR is seen as a key strategic partner, analytics are not just reserved for HR executives or HR staff, but that staff in the lines of business are also actively using these types of applications to make decisions, as well.

And then, lastly, we've talked about the value that analytics can bring from a workforce perspective, both in terms of how it's positioned in terms of today's difficult economic environment but also how it enabled HR to become a more strategic player. So overall, there's a lot of positive things that can be attributed to workforce analytics. But there are also some challenges that we're seeing organizations face.

So when we asked people specifically what are some of the barriers that you are running into in terms of implementing workforce analytics, we found a couple of issues. The first one was around data consistency, the fact that data may be collected by different business units or by different geographies differently, and that it was hard to make consistency in terms of apples-to-apples comparisons in terms of how you both defined different metrics or different data points, but then also how those definitions were interpreted by different groups.

We also found challenges around integration, both within the human capital application, so essentially having a recruiting system talk to a performance management system talking to a learning and development system, but also incorporating data, more operational types of data, whether it has to deal with revenue numbers or sales number or performance numbers or operational metrics, making sure that those can be used so that you can start to measure the impact of your human capital programs on the rest of the business.

The third challenge which we see here is around accessibility, the fact that the data may be available within a number of organizations, but actually getting at that data can be very difficult, and as a result people don't use it as much.

And then, lastly, another important issue which organizations need to take into consideration is that of analytic capability, that end users of a workforce analytics system may not have the same types of quantitative backgrounds that you might find in a supply chain organization or a call center environment, and as a result may not have the experience to take that data and apply it in solving and coming up with new strategic perspectives. So I think that's an issue that organizations need to be cognizant of, as well, not only how people actually use the system from a technical standpoint, but also how the data from that system can then be brought together and used to develop strategic insight.

So based on our study, what do we think are the actions that companies should take to move forward as they're looking to build their workforce analytics capability? We've identified sort of

five important actions that organizations should take in terms of making sure that they define the actual workforce challenges that they're trying to solve, that have an impact on organizational effectiveness; that they are clear about what their data requirements are and making sure that there's data consistency in the collection across organizational units; defining a consistent analytics platform to make sure that you can integrate all of these different sources of data in one clear and consistent environment; making it easy for different stakeholders to conduct analyses and display results; and then making sure that you enhance the analytic capabilities of the professionals who are going to be using these systems to make strategic workforce decisions. So let's talk about these in a little bit more detail.

So one of the things as you're starting to think about well, why do I need a workforce analytics system, is to define the actual challenges from a workforce perspective that your organization is facing. So if your organization is going to be launching new products and services, how do you make sure that you have the right skills and capabilities in place to be able to support that product from a launch perspective, whether it be are you enabling the right types of salespeople to sell those types of products and services, do you have the right level of customer support and the right people who have the knowledge and the expertise to help people with that product and service? These are the types of questions that workforce analytics can help you solve.

Other questions: understanding your recruiting channels; are you getting the greatest bang for the buck in terms of whether it's around college campuses, whether you're looking at some of your social media, how that's attracting candidates; do you know where your high performers are coming from and what are the right channels that are serving your business appropriately; understanding the difference between high performers and low performers if you have a branch network, and understanding what are the practices of those high performers and how could those practices be shared across the organization; looking at issues around demographic risk, are you in a place where you have a significant number of employees such as engineers who might be retiring and taking with them a huge amount of knowledge and expertise that might be difficult to replicate in the outside hiring market right now?

All of these are questions that organizations should be thinking about as they are then looking to see what types of data do they need to make more strategic business decisions around each of these different types of topics.

Next, looking at a variety of different data elements, whether it's data coming from sourcing or head count or progression through the organization, and making sure that there is consistency between different geographies, different business units, because what we see in many organizations, as companies have been built, let's say, by acquisition, or they've moved from different ERP packages, what we find is that many of these definitions and metrics have grown, if you will, like the tax code. They haven't been culled. They haven't been adapted for their new environments. And as a result you have a lot of apples-to-oranges comparisons that make it difficult to actually do workforce analytics.

Next, making it easy for different stakeholders to conduct analysis and display results. The information that's going to be needed from a senior executive is going to be very different from the more detailed drilldowns that might need to be done by an HR business analyst or an HR

specialist, so making sure that there are different ways that you can customize the end results, ranging from a scorecard to doing more even of a multi-variant analysis, finding out different ways that you can start to segment and drill down the workforce based on the needs of different individuals.

And then, lastly, making sure that you look at your own HR talent model, from the recruiting, the developing, the managing performance and the connection of HR professionals to make sure that they are equipped with the right knowledge, the right skills and the right tools to take some of this data and apply it solving some of the more strategic business problems.

So, this gives you an overview of some of the survey findings that have come up from our work with the APQC and also some directions that organizations can go in in terms of truly building an HR analytics capability that helps them make more strategic workforce decisions.

With that, let me turn it over to my colleague Chris Wright, who's going to talk to you a little bit more about the Cognos 8 Workforce platform.

Chris Wright: Thanks very much, Eric.

Our agenda is very brief and straightforward. Before we dive into our demo today, what I wanted to do is provide a sense of context in terms of where the analytic applications fit on the IBM Information On Demand agenda. I'll kind of give you a real -- hopefully a simple explanation of what analytic applications are, traditional BI versus packaged BI; take a look at our demo, which really are vignettes both of a packaged approach to reporting, but also how you would modulate and modify that report to meet changing business conditions, and then we'll take a quick look at a case study.

So let's just dive right in here in terms of a typical -- in terms of where we sit in terms of the IBM stack. As you can see here, this slide is just more for contextual understanding of where Cognos software fits on the overall Information On Demand stack. In short, because I don't really want to spend a lot of time on this, there are really four key information requirements that organizations must address to really unlock the business value of information for competitive advantage. You can see down here InfoSphere, and at the top is Cognos software, where the analytic application [inaudible] in the context of this presentation is really the workforce optimization, the business optimization, for better business outcomes.

And that's just really some context here, but let's get to the heart of the matter and really talk about some of the critical pains here associated with HR professionals in the context of HR reporting. And this is actually directly from a customer that we've had in Europe and the challenges that they have just getting head count, because primarily they have a lot of contractors that are outsourced or hired by individual, disparate branches, and it's difficult to get a very good idea on how that head count is going. And also they have some challenges because it's a branch distributed environment in terms of overall succession planning within those branch environments so that they can really evaluate talent consistently.

So this presents itself for the HR professional, and I'm sure some of you have probably experienced this as well in your conversations with HR, is that there's really a desire to pull different HR data from different systems so that you've got a consistent view of performance, and not only that, that the consistent view of performance pulls data and does an analysis cross-functionally, so that there's a real clear perspective on how that data is being analyzed and how it's being ultimately used for better decisions.

And then obviously we -- they want a real clear understanding in terms of a consistent, cost-effective way to really know their workforce and how to do that. And there's a couple of options, which I'll review very shortly, but fundamentally for many HR professionals this is conducted in a number of ways. Certainly they can use spreadsheets and spreadsheets, but there are certain challenges in pursuing that, certain challenges in terms of trying to utilize these spreadsheets, present accurate information. And also, as Eric has mentioned, there's certainly inconsistent data from which to make decisions.

And then also, as well, you've got certain challenges in terms of multiple systems housing HR workforce analytic data from which to pull and get that clear line of sight on how the organization's performing overall. And this presents itself, as Eric mentioned, both from an analytic challenge perspective but also from a time-consuming process in order to create these unique HR reports to provide visibility in terms of overall workforce performance.

So this individual is likely looking for some form of packaged, out-of-the-box reporting; a capacity to change or modify their reporting environment based on changing business requirements; a desire for more self-serve capabilities, so there is less reliance on IT; and then there's really very important here is that there's a desire for HR metrics really to mean business metrics so that they can, HR professionals, elevate the conversation they have around workforce performance to the executive boardroom; and then at the end of the day the access to executive data.

So let me just hop to the next slide here, and I think this metaphor aptly captures your potential options. And, you know, we really link this to the overall options. You certainly have a traditional BI approach to a build versus buy context, or you've got a packaged analytic approach. And we think the metaphor best captures this context. You can certainly build an analytic application, but that would be a lot of climbing, a lot of stairs, to get to where you need to go, or you can deploy a packaged analytic application, which really is what we believe is like taking the elevator. Well, let's explore this a little bit further and see if this metaphor really works for us.

So what are packaged analytic applications? Really, Gartner defines this very well, and the first part of it is really a defined data model extraction. In other words, access to -- either an application that can access and manage data from disparate sources, and that could be SAP, it could be Lawson, it could be other forms of data that's often residing -- workforce data that's often residing in the organization in disparate sources, so our capacity to extract that information and make sense of, and extract it to typically embedded data warehouses or defined data model here that has a codified set of measures and analysis, so that it pulls this data from an SAP environment, for example, puts it in an embedded data warehouse where it can conduct and



manage the data assets and measure from a measures analysis perspective, and then from a pushing out perspective a defined business context, and that's really a collection of reports and metrics that do the analytics and then push that out to your stakeholders within the organization.

And, really, who cares? Well, if we go back to our stair analogy, it's really a matter of do you want to climb stairs or walk stairs up to the 10th floor or do you want to take the elevator? And we really think that this is an approach that is an elevator approach and is a little bit faster.

So let's just dig this -- dig down a little bit deeper. And what we see in terms of what your challenges are, certainly you can build a custom analytic application, but, really, the time to value is long and complicated, in part because there's certain kind of expertise required to build an HR analytic application and then there are certain maintenance costs and expertise involved in terms of managing it over the life cycle of the application.

If we go to the other option, certainly you can buy other applications, but where we see the difference, and we'll explain a little bit about this a little bit later on, is that this requires, again, on certainly our view, is that the content of these applications is not a one size fits all. There's a certain amount of flexibility and adaptability that's required within the application so that it suits the business needs of the organization over a long period of time. And still here there's lots of stair climbing in terms of making that customization.

And we think that the other, the nice fit in terms of buying an analytic application, certainly our position on this is that really what you need to consider in terms of your checklist of buying an analytic application and thinking about workforce analytics is that really, how quickly can I get time to value? How quickly can I adopt the reporting environment to suit changing business circumstances, which are very critical? How quickly can I modify my reporting environment? And how quickly can I get real-time insight? And what's the kind of best practice based content that I can use to really get my analytics to work for me?

And this is what we believe really serves as a foundation for our analytic applications, and in the context of workforce it really works in the following way. Here's really the guts of the IBM Cognos 8 Workforce analytic applications. And more often than not, just some background, HR professionals and their IT counterparts really require a solution that can pull and analyze reports on information residing, or locked in different ERP systems, as I've mentioned before, and this data is very difficult to get analysis on.

And, in general, they've got individual capabilities, and the individual capabilities look at specific areas such as business drivers here that look at what are the aging workforce of my organization? What's the demographics? What's the top talent retention? How are we retaining employees? What's the aging category of our employees? What's the demographic breakdown of it? And these business drivers feed into the human capability areas such as workforce strength, talent acquisition, development, compensation and retention, and then the application does a cross-functional analysis against specific analytic dimensions, which you can see here on your left, around global visibility, demographics, diversity and experience.

And that's just in a nutshell how it works. How it plays itself out in terms of these specific areas of capabilities or human capital capabilities is this example. So we've got specific analytic packages for global strength demographic analysis. And what these packages do, they ask real fundamental questions about how the workforce is performing against specific metrics within the organization. So, for example, and we'll see this very shortly, is how is my workforce aging? What's the age distribution of my workforce corporately and from, say, a region? And then even drill down even to more specifics around a specific department, such as engineering. And we'll explore that very shortly. But this is just one example of how these analytic or human capability areas work.

What makes us different -- I think this is an important slide, and it's really -- it's all about, in our view, it's about automating business change and streamlining that so that organizations spend less time trying to customize their analytic application and more time spent on adding value to that application over the life cycle of the application. So really we boil it down to three core elements of essence: create -- in other words, can we create new reports; validate that information very quickly; and then publish it out so that organizations have a chance to view it.

So let's just take a look at how this looks in terms of where we believe we're different here. And I'll just go to the next slide. There we go. So, in a typical -- so, really, this boils down to we've got fewer players involved in terms of making changes to the reporting environment. And what we have is rather than having multiple players dissecting and manipulating information, we have two, in this case.

And we have an approach that's really Model 1 [inaudible], a multi-language, multi-data model, we'll look at that in the moment, a [inaudible] business model, and all of this really drives a consistent view of information relevant to each and every user community. It really reduces the time and effort to build and maintain high-quality models for your business. And really your organization can gain confidence in the information they use to drive performance.

What this means in a nutshell from an adaptability perspective, and we've talked about that, and I'll define it here, is that really adaptability is about the capacity to streamline the configuration and add new reporting content quickly and cost effectively by eliminating much of the customization in interpreting of data involved in changing business requirements. And this really occurs, as you can see here, through a single touchpoint that uses kind of a point-and-click GUI to create and validate and publish report editions and changes.

And let's just take a look at how we do that before we pop to our case study and then later on our tour demo. And, as you can see here, we're able to do this rather quickly, is because we can automate the generation of ETL code. So we can pull data from your difficult prebuilt connectors or other data sources that you can see here, configurable sources such as recruiting and learning and staffing and more. And then we automatically generate the ETL code, generate the warehouse, generate the semantic layer, and then automatically publish these reports to your different stakeholders, and giving them also, before it's actually published, giving them a chance to review and validate that information before it becomes available to the wider organization.

Also, because it's part of the Cognos 8 platform, you certainly have additional elements of the application that you can use within dashboards and scorecards. And this provides a very -- a good overview of why we believe we're different.

How does this manifest itself with some of our customers? And here's just a very quick example of how we've helped an organization. Arthur J. Gallagher is an insurance company based out of Chicago, and they've got a very branch-based business. This kind of takes a look at some of the priorities they had within their organization, that really the desire to build leadership DNA, the desire to grow organically, but, more importantly, really to align how the organization managed its talents consistently throughout and match it with the business growth of the organization.

What they wanted to do, they wanted to, in terms of implementing this successfully, they really wanted to get multiple perspectives from their business customers and users, and they went through a very exhaustive approach to try to get a handle on what their core needs were and then really refine this process through the vendor selection process so that they came to a conclusion that the Cognos application was best for them.

I just need to go to the right one here. Thank you. And then just kind of overall benefits, really what they were able to get is a consistent view and analysis of their workforce performance. And what this drove was a more efficient and productive staffing of their organization and an evaluation of how their workforce was performing, and also that they were able to really link HR reporting and analysis directly to their corporate strategy. And this is really the key, I think, with HR analytics is that it gives HR the capacity to enter the executive board room and have a conversation with executives on the relationship to corporate strategy and business strategy. It gives them a foundation for that conversation. And that what we found, what A.J. Gallagher found, was this was -- this helped them do just that.

So, what are the wider implications? Well, the wider implications for analytic applications generally, whether that's in finance for IBM Cognos 8 Financial performance analytics or for our conversation today around workforce analytics, is really the capacity to get consistent self-serve reporting and analysis from different data systems and using that analysis to pull information and look at it in a cross-functional perspective so that you've got different perspectives, but using the same foundational data that's consistent and reliable, and that this will really allow the organization to use this application and have it grow and extend with the evolution of its business. And then ultimately it's about fact-based aligned decisionmaking using core KPIs and leading indicators so that you get a really good read on your performance.

For IT, it means ultimately less work, less stair climbing. And for IT professional here's this packaged capability, and its self-serve format allows organizations to really get a sense of how they're doing and then able to manage that with fewer IT resources. And then ultimately it's the ability to adopt the application over time so that the content is continuously relevant and easier to use within the organization. And then, of course, because it's part of the Cognos 8 platform, there's an extensible BI platform that can extend the value of the application.

So, with this, I think we're just a little bit of delayed in the slides here, but with this I'm going to move to the slide, and we'll get started on it.

So from the product, let's take a look at the demonstration of our IBM Cognos 8 Workforce performance to give you a real tangible sense of how this works. And we're going to take a look at two things. First, we're going to take a look at a package report, and then secondly we'll take a look at how we change that report using our application.

So let's just quickly take a look at a package report. And, as you can see here, we're taking a look at your basic human capability areas that we mentioned earlier -- workforce strength, compensation, development and acquisition. And over here we have workforce strength. So let's just run this report here and show you how really simple this is. So we take a look at our workforce strength, and we go down, and we want to take a look at employee age ranges both corporately, country-wide and also from business function perspective.

So here you can see the very simple prompt process, report filters. We'll look at 2009, 2004 to see how our employees are aging over that period of time based on specific demographics. And we can see here in the green that there is going to be a notable increase in aging for the folks between 50 and 60, and we can go down to the operational report here and take a look at overall percentages and then look at what that means over [2000 and '09].

And the significance of this is that it begins to give us some proof points and facts to have a conversation with executive management over recruitment strategies. We can also drill down to specific countries. And here in this case, Canada, again, we notice that our workforce from 50 to 60 is aging fairly significantly over a period of time, over a five-year period. And that should help us inform at a local level potential recruitment strategy and how we want to think about that.

And then we can even go deeper in terms of overall engineering services, and here, too, we can see how this shakes itself out from a business perspective down here at the operational report. And this, again, further informs us in terms of how we want to think about a recruitment strategy and what that might involve. And the beauty of all this is it's package reports, self-serve reporting, that really allows us to start thinking about what we need to do. So we're getting really faster insight to drive smarter workforce decisions within our organization.

From here let's just talk a little bit about what happens when. And I think many of you have experienced this kind of issue when a report needs to change, and unfortunately, and more often than not, it's a new report that's needed ASAP, and more often than not it's needed yesterday. So let's just take a look at what are the implications for that.

And more often than not most organizations are facing this. So on the top end of the slide here you can see the increasing need for business information demands, driven in large part the dynamic business requirements and changing economic circumstances, much of which we've all experienced recently, and then, really, the limited IT capacity to supply and fulfill these demands. And what that's causing is a real -- a bottleneck in the capacity of IT to meet these ongoing and changing business information demands, and it's creating a certain kind of challenge in terms of meeting the requirements of business change and optimizing the organization from a performance management perspective.

So if we go to the next slide, what's the ideal world? It's really the capacity to simplify the fulfillment of business change to really, to meet business change head on, and it's really a better relationship between IT and in our case today HR. It's really what we call adaptability. And this is really the capacity to make changes to reports and measures in your data warehouse as fast as your business can change.

And this is really the jumping off point to what makes us different and really serves as the backdrop to our next demonstration. And really that is the ability to streamline the configuration and add new reporting content quickly and cost effectively, and really in effect eliminating much of the customization and interpreting of data involved to change business requirements.

And we're able to do this, quite simply, through a single touchpoint that really uses a point-click GUI to do three things: first, create the report that we want to do; second, if we want to validate that report; and then ultimately we want to publish that report to our package environment, as I've explained earlier. And that's really what adaptability, in our world, is all about. It's really one touchpoint, faster configuration and a lower total cost of ownership.

So let's just take a look at changing a report. Let's go back to our earlier request from our HR person, and in this case she wants to analyze or create a report that analyzes employee transfers, transfers in and out of the company. And here, too, with our competitors' solution or even a homegrown solution, this kind of approach would mean lots of late nights, probably plenty of coding and certainly uncertain outcomes and likely mistake scenarios just because the fulfillment process is so long and cumbersome internally and ultimately mainly driven.

So our solution, then, does and streamlines this configuration of new reports, and in this case we've already done dimensions, mapped source data, altered the data structure and populated our metadata layer of the data house to be synchronized. And this is what I explained earlier in terms of what's distinct about our approach. This is all done and automated within the embedded data warehouse.

So let's take a look at this kind of point-and-click approach. So this is where we want to do, this is where we want to create, this is where we define our report. So we have access to the dimension hierarchies from our data warehouse, and we're going to add a location hierarchy by dragging it to my reporting model to make it available for my new report. With this, I can create a new report using my location hierarchy. I will add new employee transfer calculations. And, as a result, I can create a new report package with the new location dimension becoming the primary hierarchy of my report.

I will also identify the measures I ultimately want to analyze, such as transfer count and hire count. I can add as many measures that I want -- hire, transfer, promotion and termination, just among others here. I'm just indicating what kind of report that I want. I'm adding some elements to that. I can also filter this using filters and prompts.

And once my report definition is complete, I can ask it to generate my report, as I'm doing here on a summary detail level. So from here I'll click Summary Detail, and I'll want to publish this. Now, here is our opportunity to validate the information with our HR stakeholder. I'm going to

just stop it there for a moment so you can see. Here we're taking a look at the period of time, at the job area and the country, as we wanted to take a look at it in terms of overall location hierarchy and what are we trying to do. From here we can certainly drill down, but what's important here is I can sit down with my HR stakeholder and I can validate the merits of this report, is this what they're looking for, before I actually publish it to my package reporting environment. And this greatly simplifies the way that we want to manage business change within the organization and report on it.

And so, really, what we've done here in a very simply way is tried -- is basically place the power of insight into the hands of the business user to really enable faster insight and smarter workforce decisions. And this ultimately allows, also, our IT professionals to begin focusing on generating greater value rather than more lines of code. So in effect we've made our customers more responsive to business change through really one touchpoint, faster configuration and lower total cost of ownership. So, in effect, we're able to change as fast as our customer's business.

So, what's the benefit for your team? Well, let's take a look here at the old way of doing things. The old way, slow, complex and costly, with multiple players, layered approaches and certainly plenty of opportunity to get things wrong. So that's kind of the traditional way of doing it, and what we've done is we've taken a different approach. We've streamlined this through our ability to configure things fairly quickly, add new content fairly quickly, and then follow the three core principles of what we're able to do to optimize performance of our workforce and the analysis of our workforce data, and that's really create, validate and publish, and we can do that by streamlining the way we manage that through what I've just shown you.

So that's it for now. They're very short vignettes. They're Camtasia. Granted, they're Camtasia. But the goal here was to give you some sense of some vignette so you get a flavor for what we're talking about when we mean packaged reporting and how we are able to adapt our package environment to meet business change.

Brooke Campanelli: Okay, now we are on to the question-and-answer portion of our event. And, as a reminder, to submit a question just go ahead and type your question into the question box that's located in the lower left of your console and then hit the Submit button.

Okay, gentlemen, well, it looks like I do have a question here for you. First one is, how can IT help HR justify the need for analytics within their organization?

Chris Wright: Eric, why don't you take a stab at that, and then --

Eric Lesser: Sure. I think it's really a triumvirate. I think it's a combination of both IT and HR plus the business. Because I think what you're ultimately looking to do is to solve some sort of business problem associated with organizational performance, and both HR and IT both play a critical role in setting up and developing the analytics that are needed to solve those problems. But as long as those are being couched as either technical problems or HR problems, lines of business aren't going to be interested. So it's really about finding a sponsor in the line of business so that HR and IT can jointly go together and say if we had better data around this particular subject or this particular issue, it would help us either solve this particular problem, it would help

us mitigate risk more effectively, it would help us stay on top of our competitors for these types of reasons.

Brooke Campanelli: Great. Thank you. So I've got another question coming in for you. Someone's asking how much time it typically takes to deploy analytics.

Chris Wright: Why don't I kind of jump on this one, Eric?

Obviously it always depends on the organization, but in general what we've found is that it takes anywhere from 10 to 12 weeks to actually deploy and go live with these kinds of applications. And, as always, again, it boils down to the complexity of the issue at hand, but on average that's our typical goal in terms of how we work with organizations.

Brooke Campanelli: Let's see here. Any closing comments from you gentlemen, anything you'd like to kind of give a brief closing summary of today's presentation?

Chris Wright: Sure. Do you want to jump in, Eric?

Eric Lesser: Sure. This topic of workforce analytics, as we've discussed over the last several minutes, is, I think, an emerging area that is really untapped in many organizations. We did a study just about -- another study just about a year ago, and we asked people, to what extent can you use data to make strategic insight around your human capital, and only found that about 6 percent of companies said that they were particularly good in this particular area.

And we've seen this pattern play out in other functions, as well. If you were to go back in history and look five or 10 years ago at organizations and how they were managing their supply chains, and if you look even prior to that in how they were managing their customer relations, all of these issues started out as large numbers of data that people weren't taking advantage of and using to their strategic advantage. Now, within those functions, those types of applications are commonplace. We believe that the workforce is really the next frontier in terms of people's ability to make better decisions and invest in those decisions and get better outcomes.

Chris?

Chris Wright: Well, I'd even take it a step further, that the context of the business environment makes workforce analytics even more pressing. I think organizations, as they look at their workforce and understand where they might be going over the next six months of very difficult times, the challenge for many organizations is really how do we pinpoint the top performers from those -- from the others so that we can begin having a more concrete approach to managing our workforce talent more strategically but more based on data and overall performance?

And I think as Eric's mentioned, this is going to come to the fore both in good times and in turbulent times today. So I think when we look at workforce analytics we need to not only link it to the broader business strategy of the organization but really how do we make decisions around our workforce, and how do we validate these decisions both in good and bad times?

Brooke Campanelli: Thanks, gentlemen. And I'm going to go backwards here real quick, because someone just sent in a question that I'd love to have answered. The question is, how well does this work when there's no packaged ERP source? Does the ETL use InfoSphere DataStage as a tool?

Chris Wright: I can take that on. The way it pulls data is that there's base connectors that are either packaged within the application, so you have SAP -- sometimes what we call accelerators, SAP, PeopleSoft and Oracle. But also, because of the flexibility of the application we can quickly configure the application to other ERP systems such as Lawson and others. And we've found that, in fact, what we're finding is that most of our implementations are increasingly on nonconforming ERP systems, and we find that this connection to the different data sources is not very complex. Thanks.

Brooke Campanelli: Great. Well, thank you, gentlemen. It looks like we are at the top of the hour here, and that's all we've got time for today. I thank you for your presentation and your Q&A session and all your closing comments here.

And we thank all of you for joining us for today's Tech Talk. For more information about today's topic and to see our calendar of upcoming events, please do visit [www.ibm.com/cognos/techtalk](http://www.ibm.com/cognos/techtalk).

And we would like to ask all of you in our audience to just complete a brief satisfaction survey before logging out.

Well, thanks again for participating in today's webinar, and have a great day.