IBM Cognos Performance
Better Intelligence. Better Business.

Analytic Applications: Measuring Corporate Performance Consistently Across the Enterprise
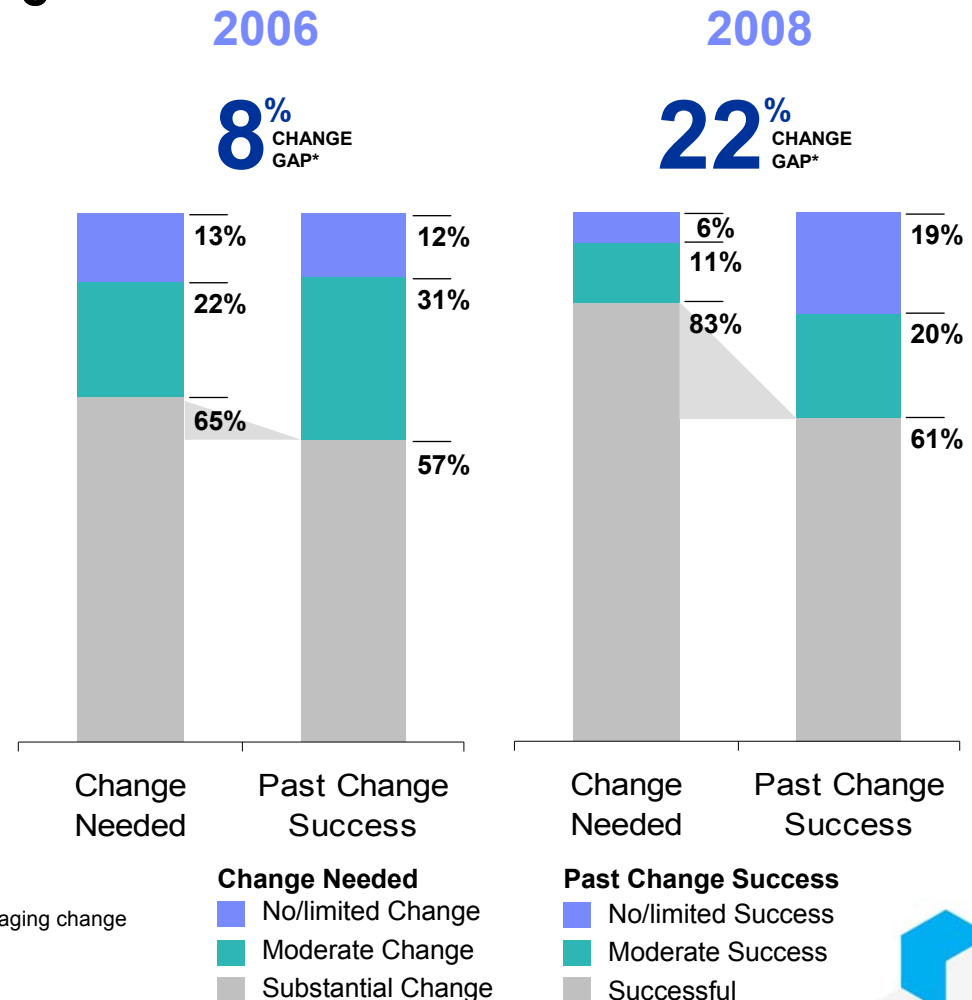
David McWilliam

IBM Cognos Analytic Applications

The "Change Gap" Triples in Just Two Years

More CEOs than ever before – 8 in 10 – anticipate turbulent change, and plan bold moves in response

- In two years the gap between the ability to manage change and the challenge ahead has <u>tripled</u>

- The number of companies reporting limited or no success has surged 60%

2006

8% CHANGE GAP*

	13%
	22%
	65%

	12%
	31%
	57%

2008

22% CHANGE GAP*

	6%
	11%
	83%

	19%
	20%
	61%

Change Needed   Past Change Success

Change Needed   Past Change Success

Change Needed
- No/limited Change
- Moderate Change
- Substantial Change

Past Change Success
- No/limited Success
- Moderate Success
- Successful

… But Change Needs to Grapple with an Info Explosion
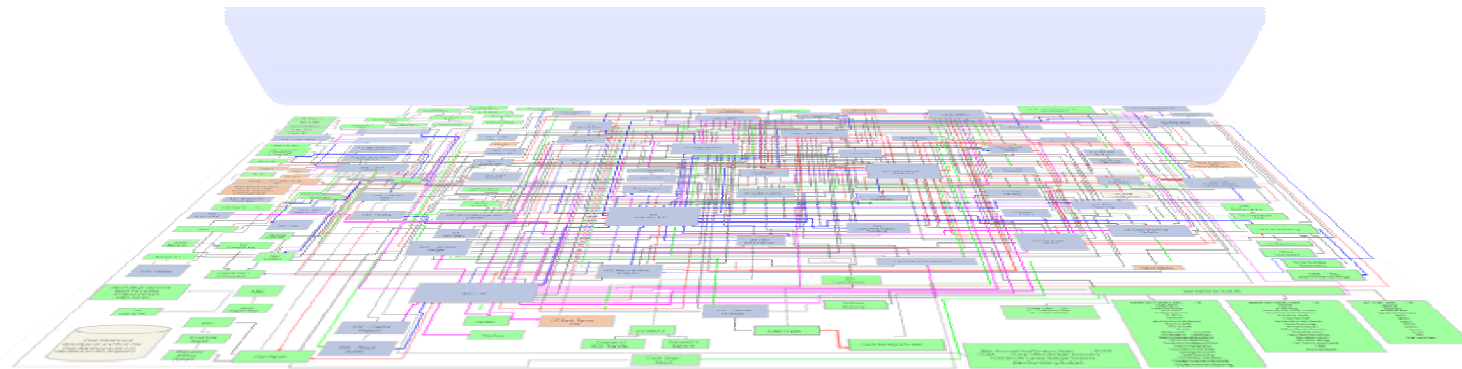
3 in 4

business leaders say more predictive information would drive better decisions

1 in 3

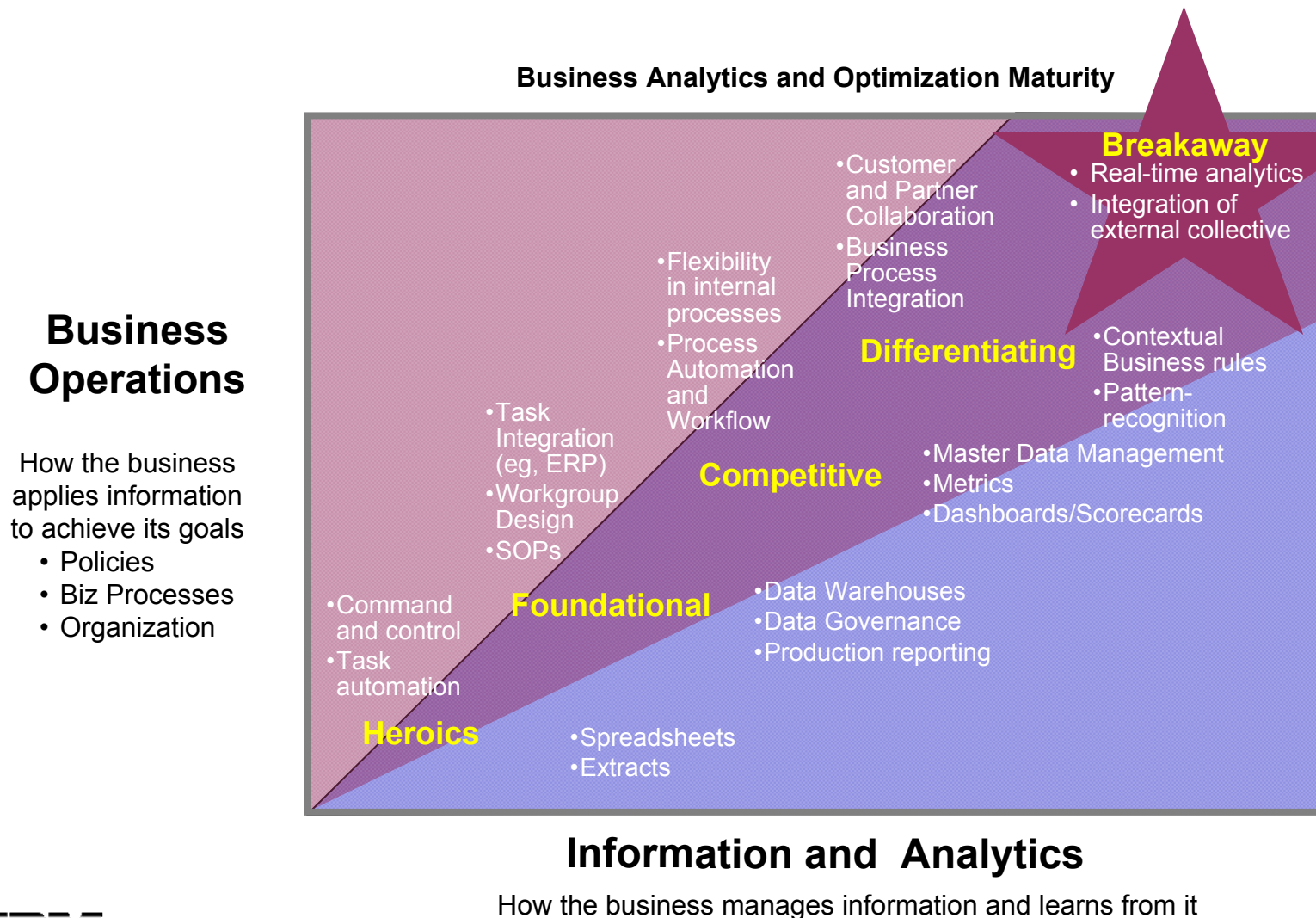**managers frequently make critical decisions without the information they need**

19+ Hours

spent by knowledge workers each week just searching for and understanding information

"…40 exabytes of data created in 2008… more than created in the previous 5,000 years combined…"

Clients can Breakaway and Sustain Advantage with an Information-Led Transformation Approach

Business Analytics and Optimization Maturity

Business Operations

How the business applies information to achieve its goals
- Policies
- Biz Processes
- Organization

Breakaway
- Real-time analytics
- Integration of external collective

- Customer and Partner Collaboration
- Business Process Integration

- Flexibility in internal processes
- Process Automation and Workflow

Differentiating

- Contextual Business rules
- Pattern-recognition

- Task Integration (eg, ERP)
- Workgroup Design
- SOPs

Competitive

- Master Data Management
- Metrics
- Dashboards/Scorecards

- Command and control
- Task automation

Foundational

- Data Warehouses
- Data Governance
- Production reporting

Heroics

- Spreadsheets
- Extracts

Information and Analytics

How the business manages information and learns from it

Business Intelligence & Performance Management
Optimize Business Performance

Realize fast time to
value with adaptable,
packaged BI
applications
IBM Cognos Analytic Applications
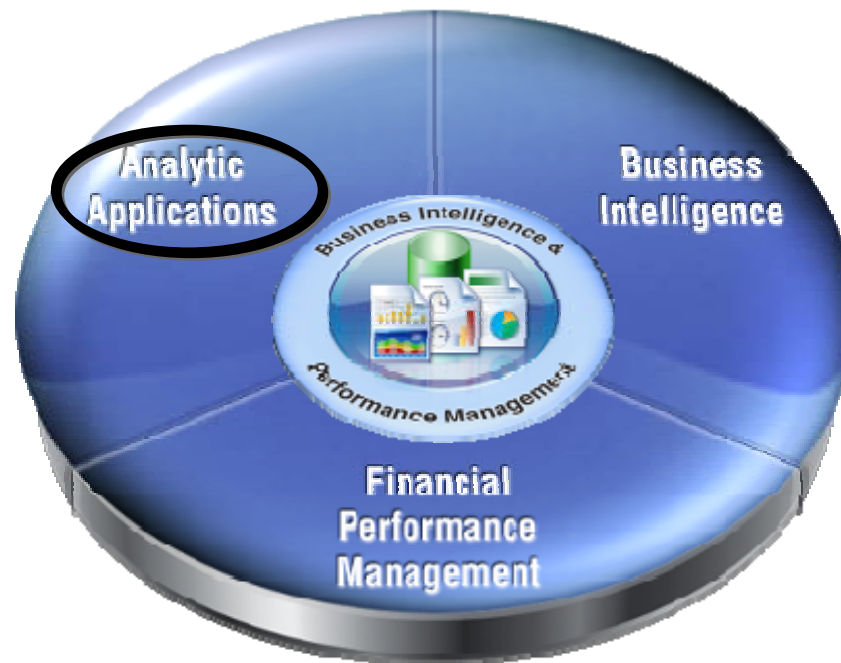
Make better, faster
decisions by sharing,
understanding,
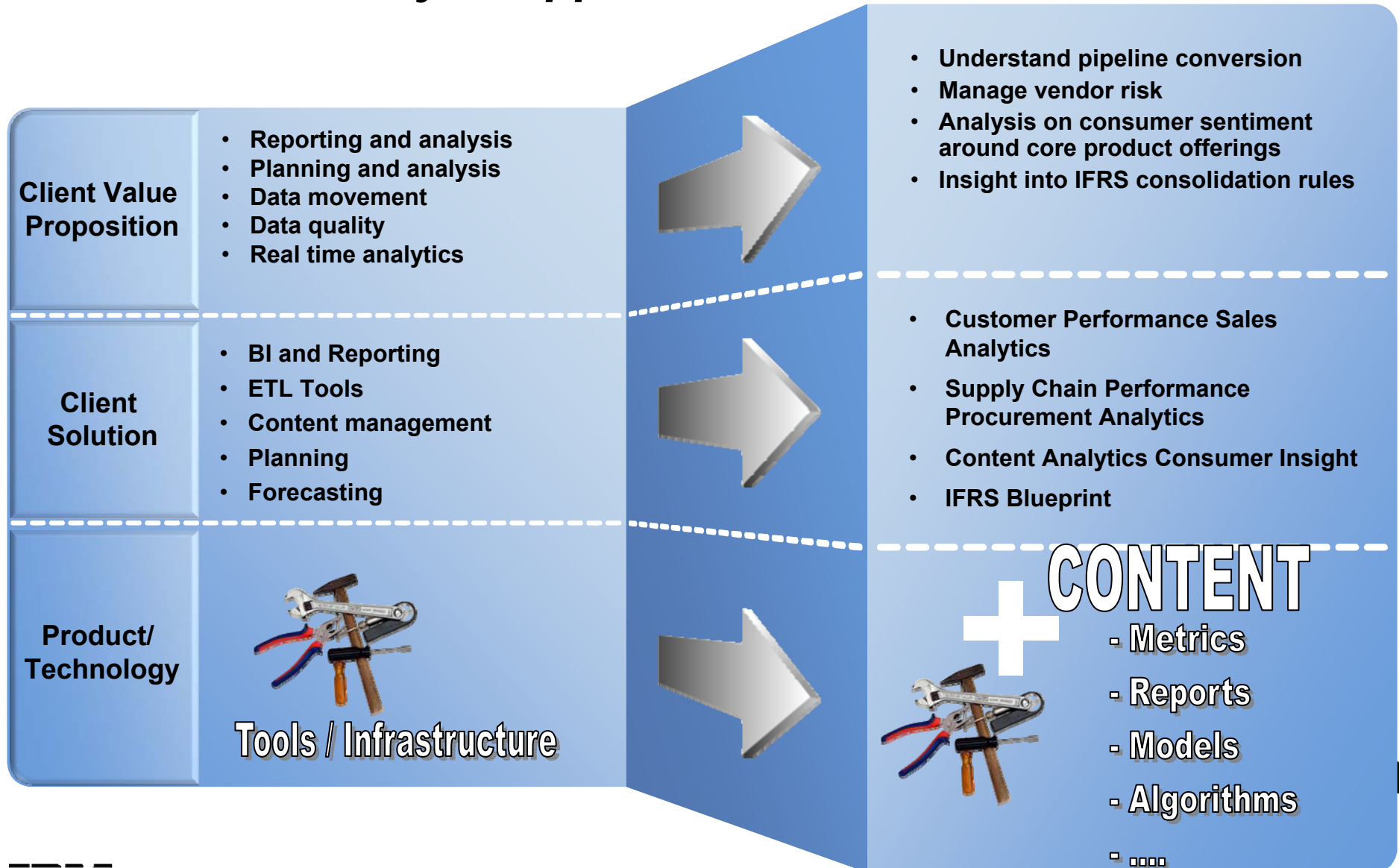analyzing and sharing
information
IBM Cognos 8 BI

Drive dynamic, reliable and sustainable financial performance
management practices
*IBM Cognos 8 Planning, IBM Cognos 8 BI, IBM Cognos 8 Controller
IBM Cognos TM1*

What Defines Analytic Applications?

Client Value Proposition
- Reporting and analysis
- Planning and analysis
- Data movement
- Data quality
- Real time analytics

Client Solution
- BI and Reporting
- ETL Tools
- Content management
- Planning
- Forecasting

Product/ Technology

Tools / Infrastructure

- Understand pipeline conversion
- Manage vendor risk
- Analysis on consumer sentiment around core product offerings
- Insight into IFRS consolidation rules

- Customer Performance Sales Analytics
- Supply Chain Performance Procurement Analytics
- Content Analytics Consumer Insight
- IFRS Blueprint

+ CONTENT
- Metrics
- Reports
- Models
- Algorithms
- ....

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Packaged BI = Analytic Applications

***Defined data extraction**: Enables the application to access and manage data from disparate sources.*

***Defined data model**: A codified set of measures and analysis.*

***Defined business content**: A collection of reports and metrics derived from the pre-defined data model.*

Gartner Inc. Definition

Who cares?

"… well imagine the solution to your performance challenge was on the 10th floor of an office building?

Your Options

Build

Buy

Smarter Financial Decisions

Business Challenge

- Inconsistent financial view for all operating units
- Cumbersome month- and quarter-end financial reporting

What's Smart?

One version of Financial Performance delivered via Packaged Financial Analytics
Agility and adaptability to meet dynamic data requirements.

Smarter Business Outcome

- Executives have access to unified view of financial performance
- Consistent financial metrics enterprise wide
- More accurate financial management reporting

CARTUS

"Cartus is using Financial Performance Analytics to p[...] executives and LOB mana[...] unified financial view to … drive smarter financial dec[...] across the enterprise."

Greg McMahon, Direct[...]

Smarter Workforce Decisions

Business Challenge

- Small team of HR professionals supporting 9000 employees - highly distributed offices
- Need a standardised assessment of cost and management of compensation and talent acquisition.

What's Smart?

Robust workforce reporting and analysis system
Consistent HR metrics for all LOB managers

Smarter Business Outcome

- Standard workforce measurement metrics deployed through the organization
- Ability to measures and assess talent and HR needs against aggressive business

Arthur J. Gallagher & Co.
culture driven success

" … *ready access to* strateg
information *and professiona*
development tools that wil
growth *throughout the orga*
… *[with] analytical capabil*
need to identify trends ear
and make informed decisi

Pam Wilfong, VP HR, A.J

Expanding Portfolio

- IBM Cognos 8 Customer Performance Sales Analytics

- IBM Cognos 8 Supply Chain Performance Procurement Analytics

- IBM Cognos 8 Workforce Performance Talent Analytics

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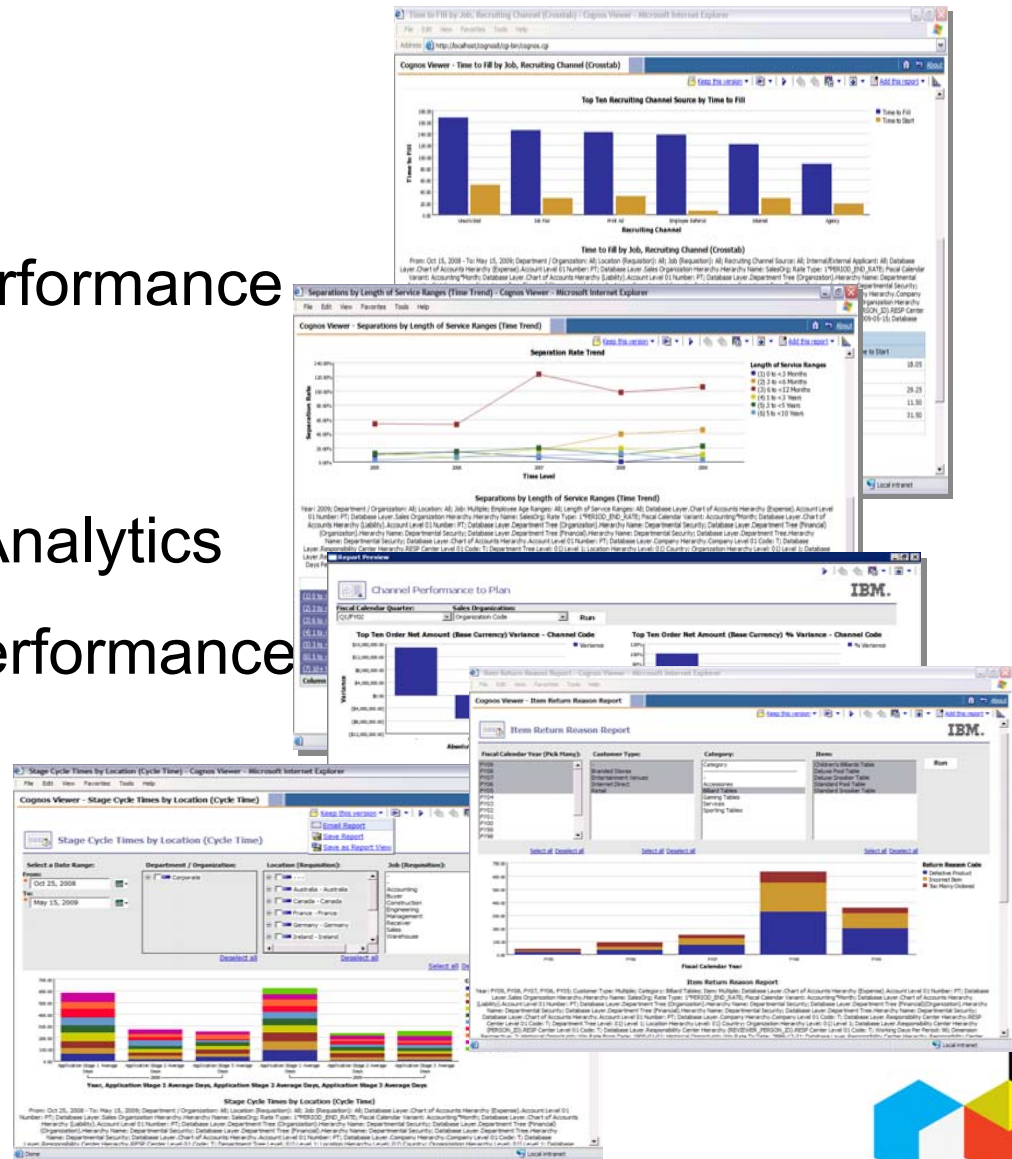
Why Should I Care About Sales Analytics?

Sales Analytics can save sales professionals time in their days and give them the information they need to grow their business.

"Less than 2% of sales executives believe that their sales forces are productive."

Source: IDC, 2009

"The top 20% of our sales force represents more than 60% of revenue."

Source: CSO Insights

"Enterprises miss the equivalent of 10% of total annual sales in 'lost opportunity' revenue that could have been captured as a result of better insight on sales activities and target markets."

Source: Gartner Inc.

"54% of sales representatives failed to turn leads into a meeting.

Source: CSO Insights

"The percentage of salespeople failing to hit their sales quota rose from 38.8% to 41.2% last year."

Source: CSO Insights

"Forecasting Survey indicated only 21 percent of surveyed companies were able to achieve 90 percent or greater accuracy levels at 30 days out."

Source: Sirius Decisions

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Sales Analytics: Smarter Businesses

What's the impact of our sales forecasts on our organization?

CFO	**V.P. Sales**

Pipeline Productivity		**Working Capital**	**Talent**	**Procurement**
Where are we successful across channel, customer and product?	How efficient is our conversion rate? / How well are we at retaining customers?	What's my DSO? And what are my receivables risks?	How well are reps meeting targets by territory and tenure?	How efficient is our procurement cycle to meet customer orders?

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Why Should I Care About Procurement Analytics?

Supply Best Practices	Risks
Low cost country sourcing	• Longer lead times • Political, regulatory, security, tariffs and currency risks
Lean and JIT	• Little/no buffer stock • Manufacturing disruptions
Outsourcing	• Limited visibility into service levels • Poor supplier performance
Supply base rationalization	• Fewer or single sourced supplier

Source: Aberdeen Group

Quality Issues	50%
On-time Delivery Issues	49%
Increased Supply Prices	47%
Longer Lead Times	33%
Supply Capacity Shortages	32%

Corporate Performance Impact

- Share price
- Product delay and revenue decline
- Lower margin
- Competitors gain edge

- Supply chain disruption
- Increased supplier pricing
- Higher supplier pricing

Procurement Analytics: Smarter Businesses

CFO

Supply Chain

How well can we assess procurement risk across our organization?

Supplier Management		Working Capital	Talent	Fulfillment
Are we managing supplier and financial risks? / How well are suppliers adhering to their contracts	Can we measure spend consistently?	Do we have the right balance between DPO and early payment discounts?	Can staff properly look for supplier and financial risks?	Will low customer satisfaction affect orders?

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Workforce and Talent Analytics

Where do you see the greatest potential benefits of workforce analytics?

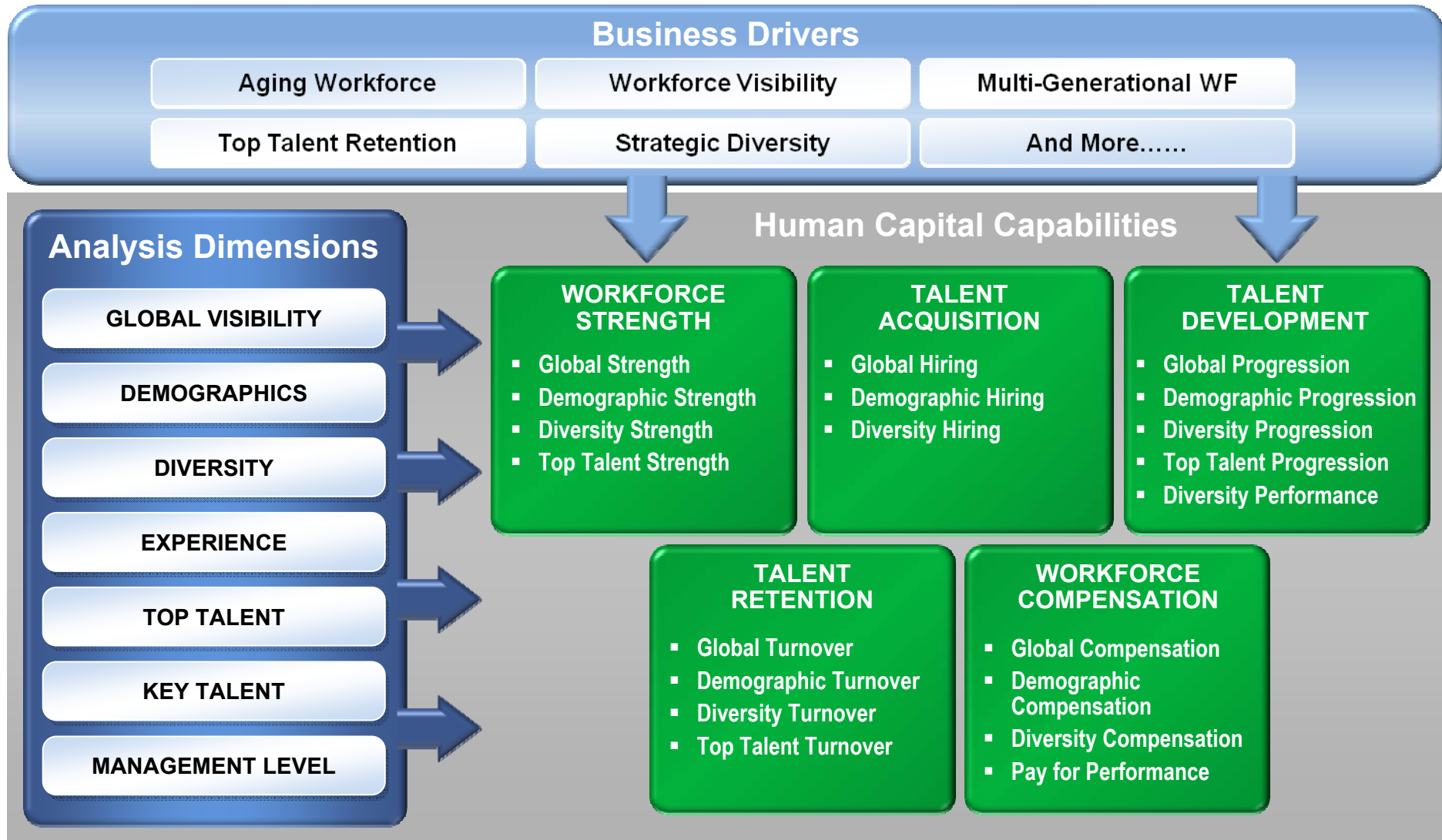|	
Better capacity to manage the workforce	76%
Improved levels of workforce productivity	69%
Greater return on investments in talent management	67%
Greater ability to justify human capital investments	61%
Improved cost management	51%
Higher level of compliance	32%

0% 10% 20% 30% 40% 50% 60% 70% 80%
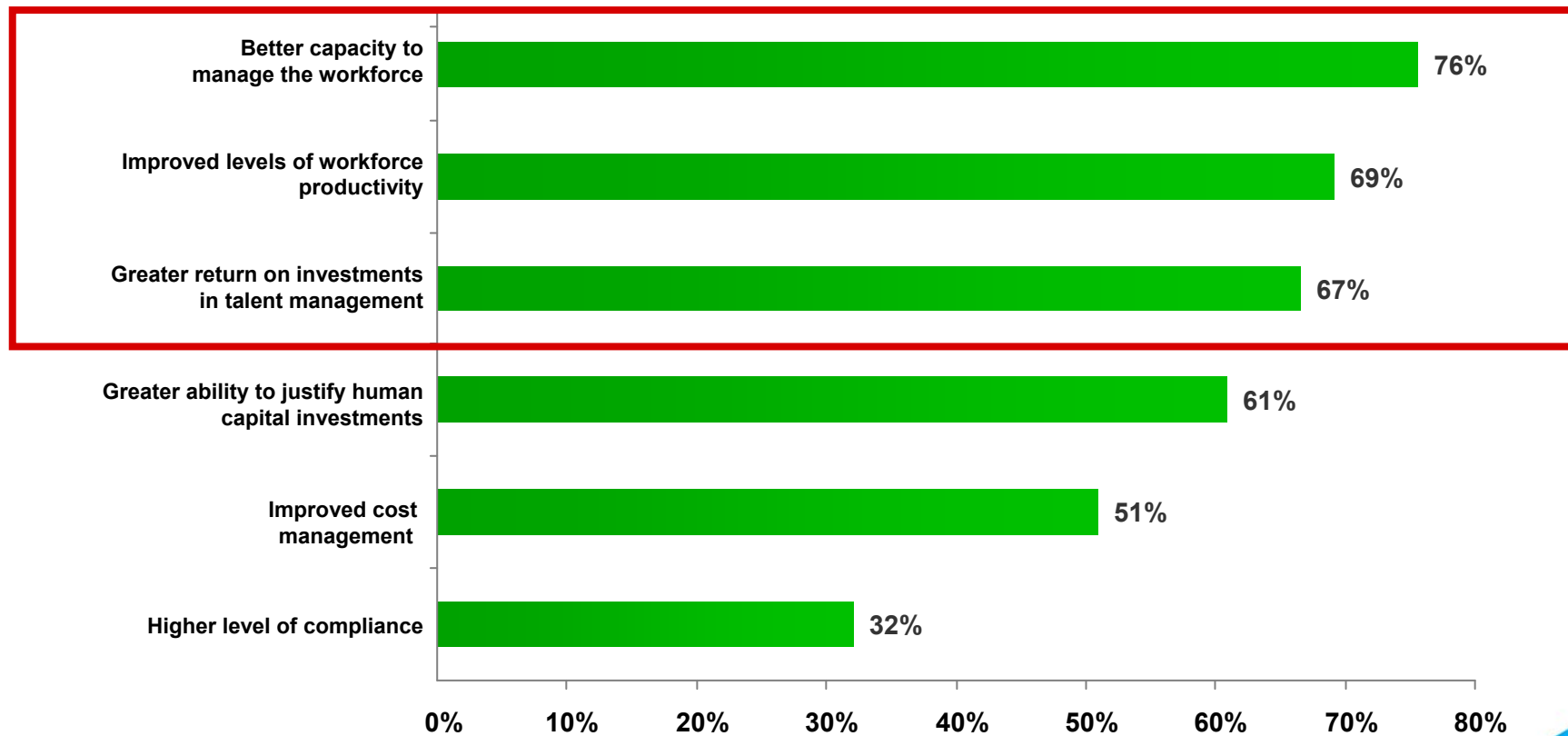
* Percentages responding '4' and '5' with '1' being "not a challenge" and '5' being a "significant challenge"

APQC Survey, February 2009

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Talent Analytics – Proactive Decision Making

Business Drivers

Aging Workforce	Workforce Visibility	Multi-Generational WF
Top Talent Retention	Strategic Diversity	And More……

Human Capital Capabilities

Analysis Dimensions

- GLOBAL VISIBILITY
- DEMOGRAPHICS
- DIVERSITY
- EXPERIENCE
- TOP TALENT
- KEY TALENT
- MANAGEMENT LEVEL

WORKFORCE STRENGTH
- Global Strength
- Demographic Strength
- Diversity Strength
- Top Talent Strength

TALENT ACQUISITION
- Global Hiring
- Demographic Hiring
- Diversity Hiring

TALENT DEVELOPMENT
- Global Progression
- Demographic Progression
- Diversity Progression
- Top Talent Progression
- Diversity Performance

TALENT RETENTION
- Global Turnover
- Demographic Turnover
- Diversity Turnover
- Top Talent Turnover

WORKFORCE COMPENSATION
- Global Compensation
- Demographic Compensation
- Diversity Compensation
- Pay for Performance

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When Selling Harder Isn't Working Smarter

Why is revenue for our marquee product trending down?

Finance

Sales

Procurement

HR

IBM Cognos 8 Financial Performance Analytics

- **Revenue by Account Trend**

IBM Cognos 8 Customer Performance Sales Analytics

- **Sales Segmentation Dashboard**
- **Sales and Margin by Customer**
- **Item Quality Report & Item Return Reason Report**

IBM Cognos 8 Supply Chain Procurement Analytics

- **Item Quality Issue**
- **Vendor Performance Dashboard & Vendor Profile Dashboard**

IBM Cognos 8 Workforce Performance and Talent

- **Workforce Performance Dashboard**
- **Stage Cycle Times by Region for New Hires**