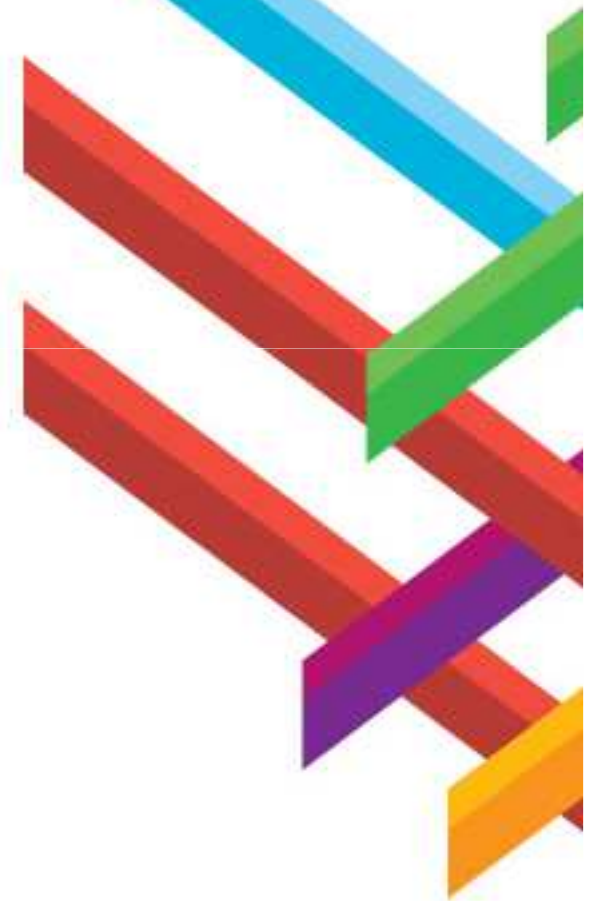


# Transform Financial Processes Using Analytics

*Realise the Art of the Possible with Business  
Analytics*

René van der Steeg  
FPM Executive

November 13th, 2013



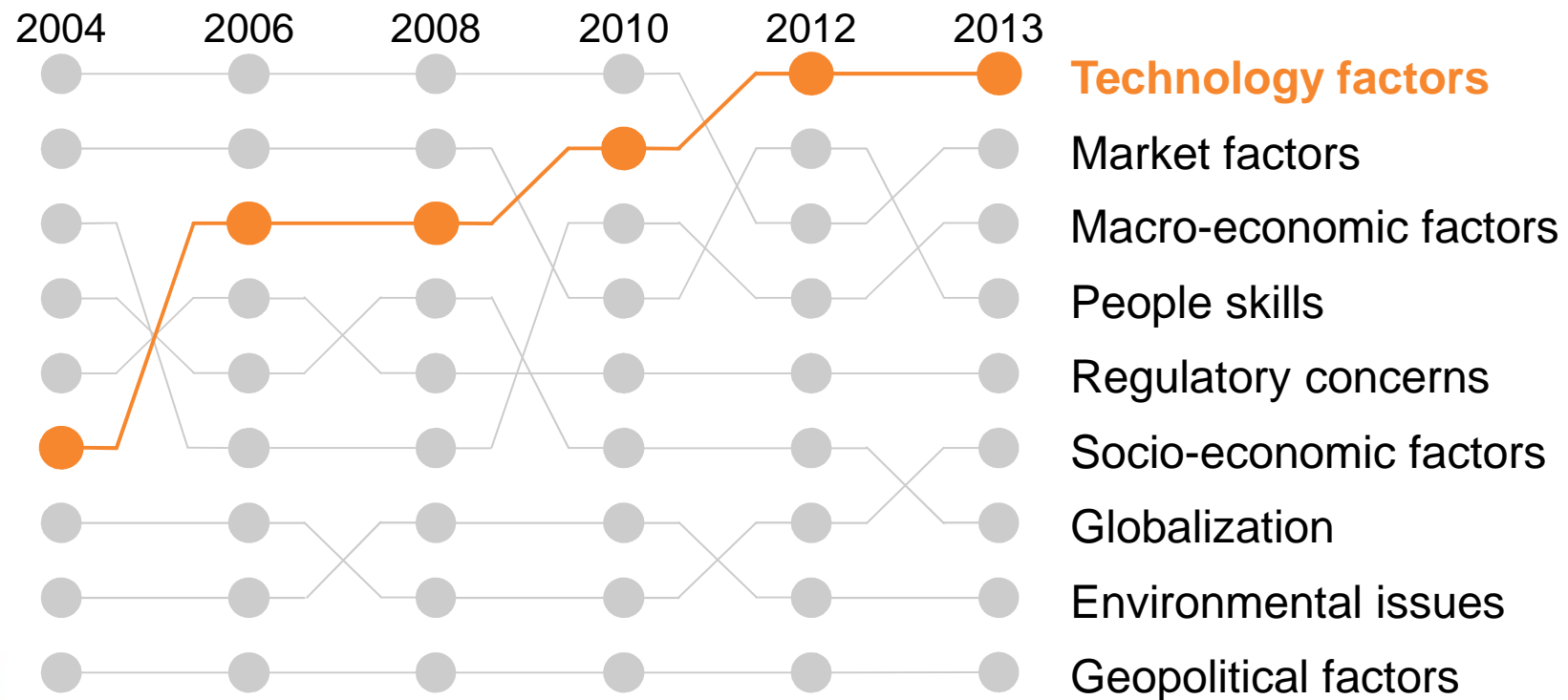


Technology is the single most important external force shaping the organization's future

The Customer-activated Enterprise  
Insights from the Global C-suite Study

**Insights from the  
2013 IBM Global C-  
suite Study**

## CEO Studies 2004–2013



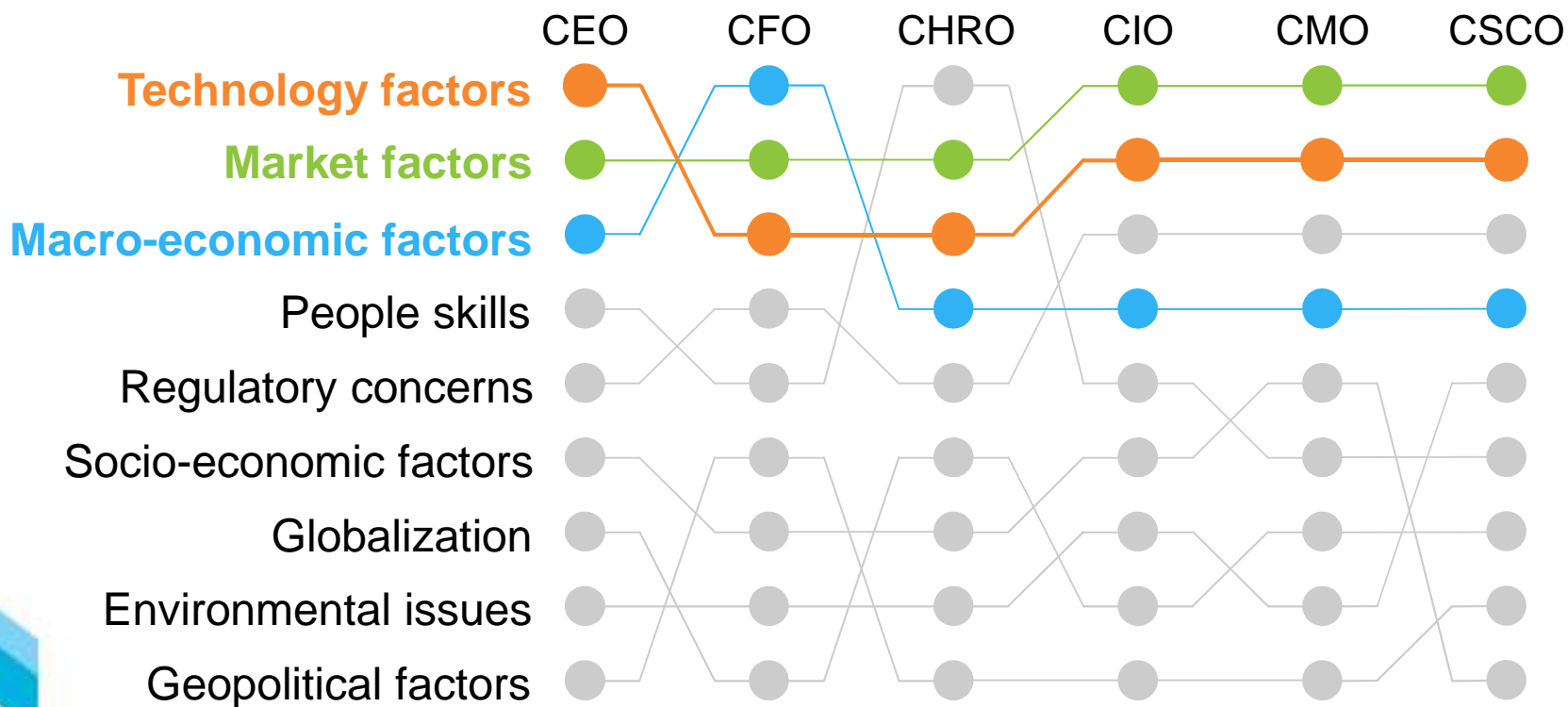
Source: Question E8–What are the most important external forces that will impact the enterprise over the next 3 to 5 years?; n=884 [CEO only]

# CxO's vary in their views about which external pressures are most significant

The Customer-activated Enterprise  
Insights from the Global C-suite Study

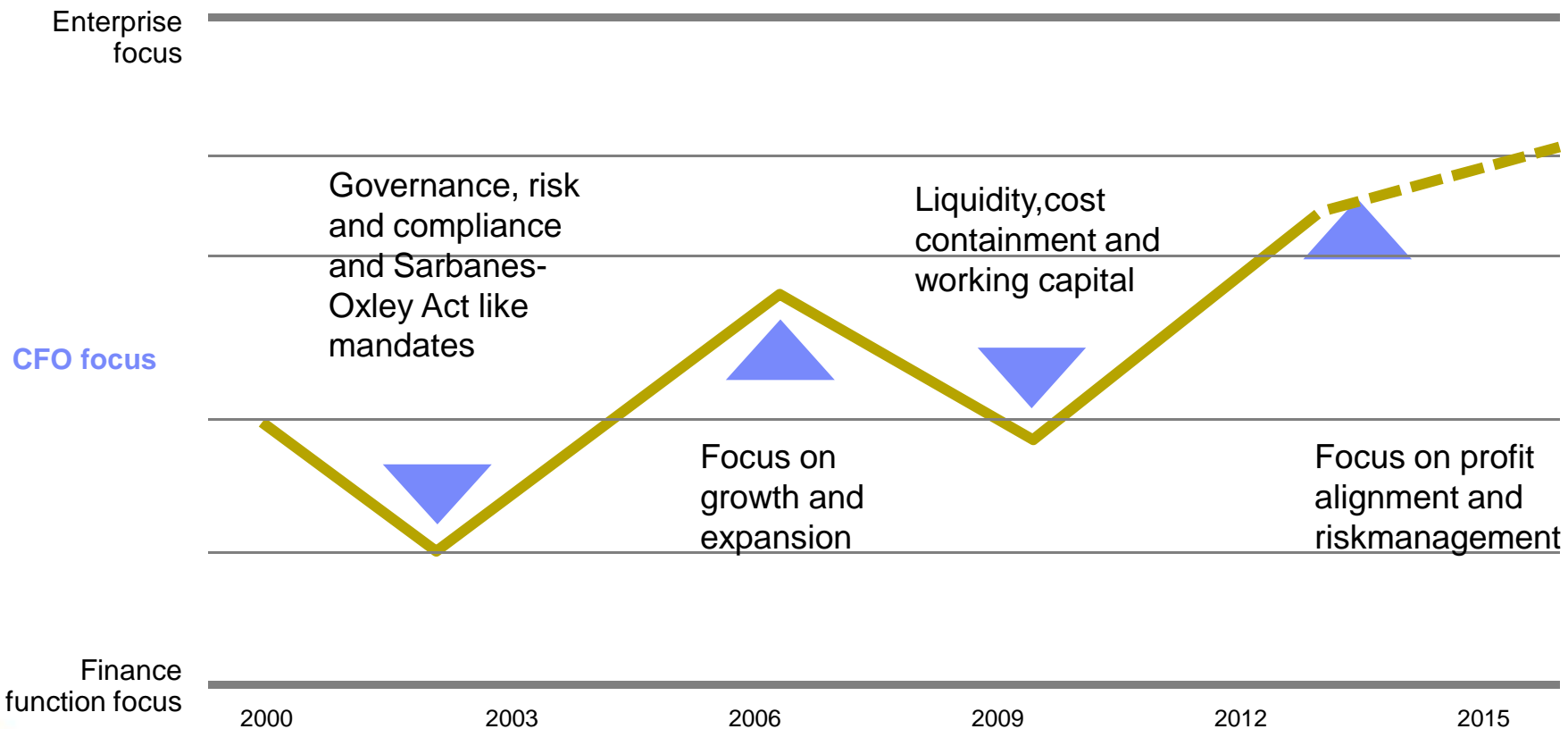
**Insights from the 2013  
IBM Global C-suite  
Study**

## External forces impacting the enterprise (3–5 Years)



Source: Question E8—What are the most important external forces that will impact the enterprise over the next 3 to 5 years?; n=4,009

# CFOs are taking focus on enterprise decision making



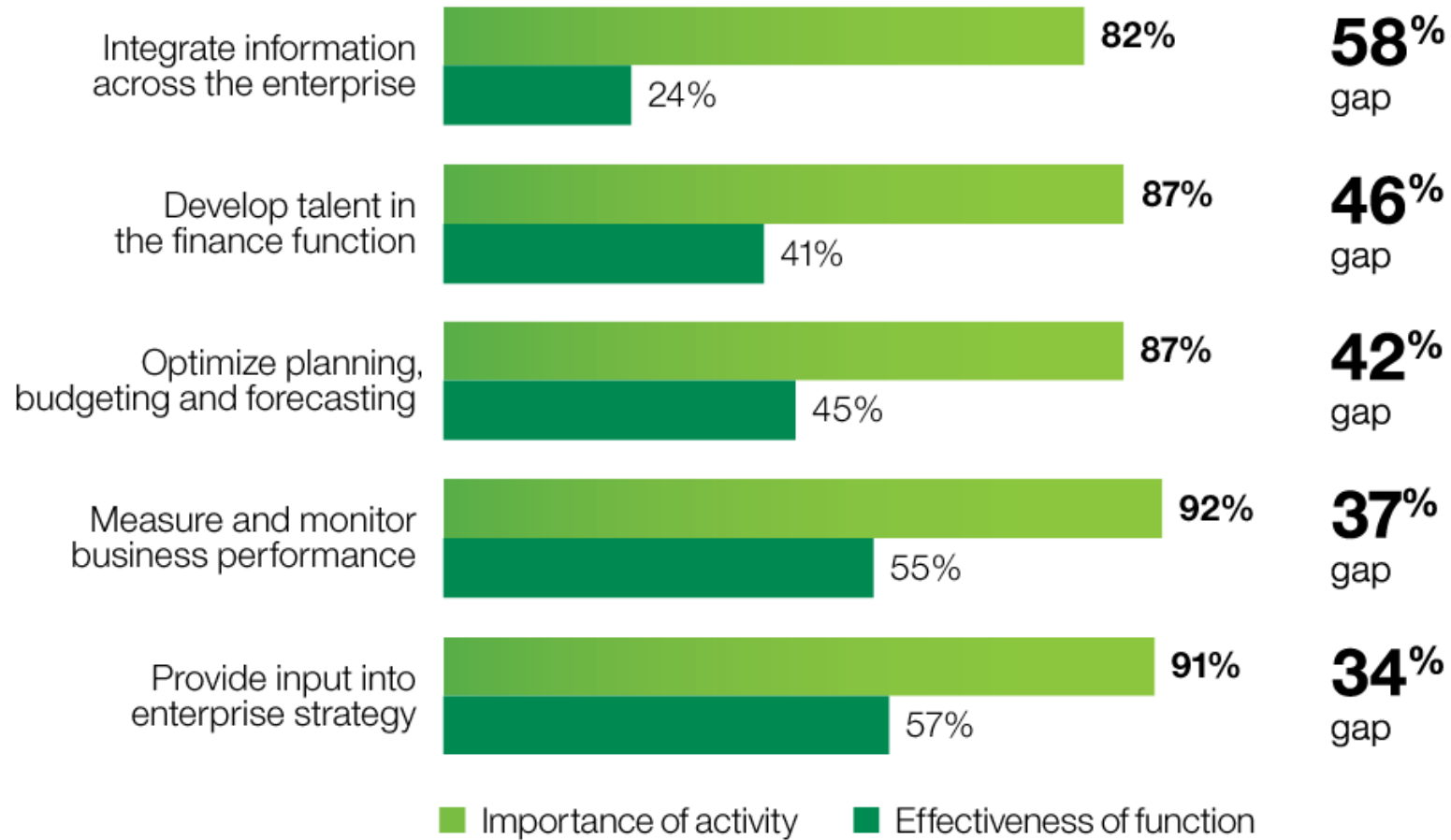
4 Adapted from CEB Finance, 2011.



## CFO's want to do better in Five Key Areas

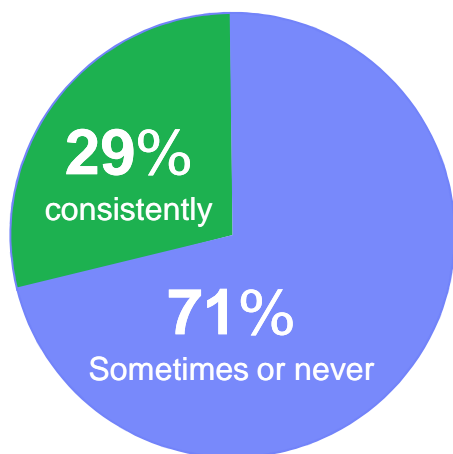
The Customer-activated Enterprise  
Insights from the 2013 IBM Global C-suite Study

**Insights from the  
2013 IBM Global C-  
suite Study**



**CFOs estimate their companies lose 30% of potential (1)**

**Rising to this challenge requires that we address common deficits**



**Insight Deficit (2)**

**Resources**



**Opportunity**

**Agility Deficit**



**CFOs' opportunity:**  
To drive speed, agility, and analytic maturity

1 The Hackett Group, *Unlimited Options to Realize Borderless Business Services; Distilling the Key Issues of 2013*, Sean Kracklauer, Michael Janssen and Lynne Schneider, January 2013.  
2 Anna Kipchuk, "The Insight Deficit in Finance," CEB Finance blog, May 30, 2012.

# Finance must drive speed, agility, and analytic maturity to reclaim performance potential

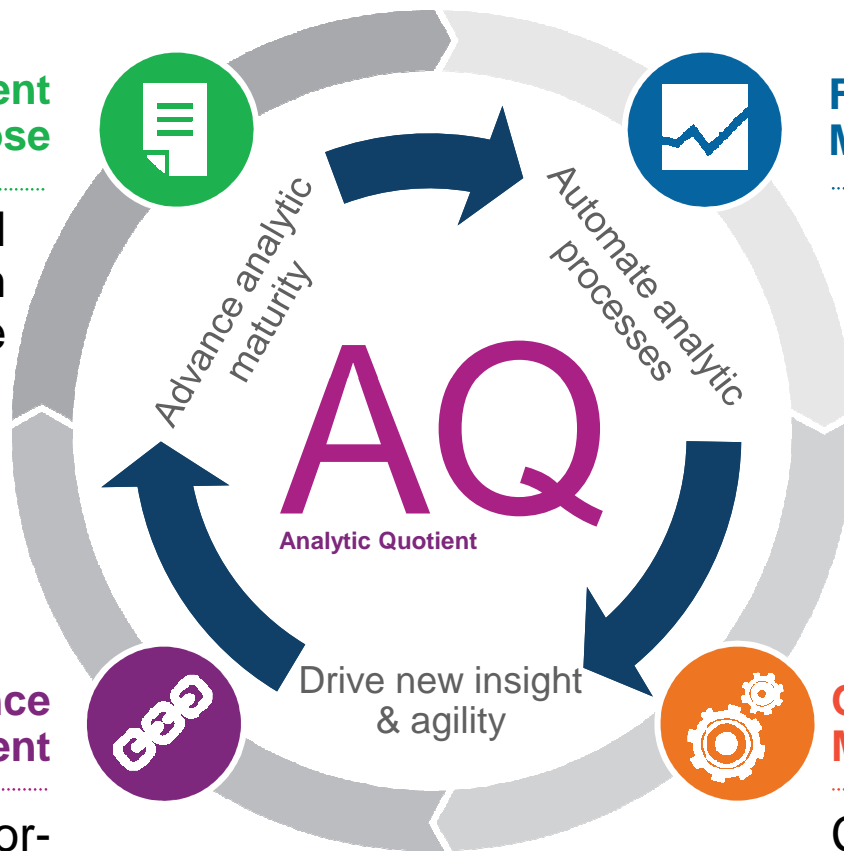
## Disclosure Management & Financial Close

Reporting to external stakeholders with confidence



## Financial Performance Management

Align resources with opportunity



## Sales Performance Management

Link pay-for-performance plans to strategy



## Operational Performance Management

Connect and drive finance & operational coordination



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## Agenda

Automate analytic processes

Drive new insight and agility

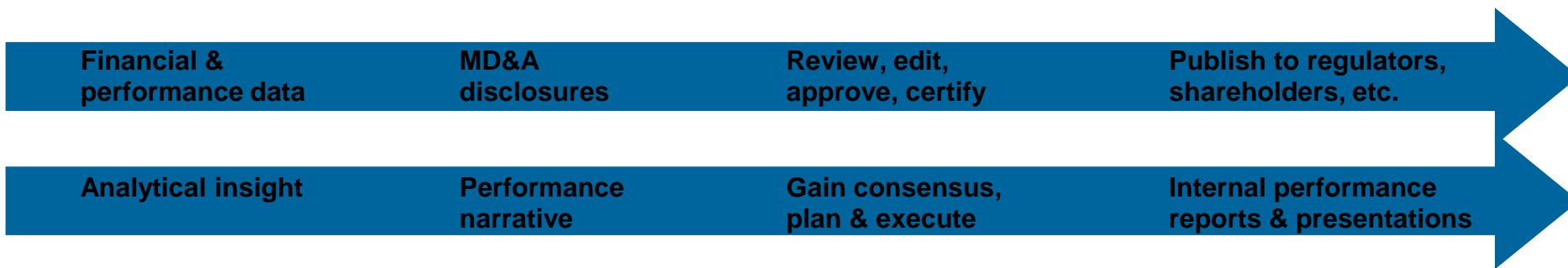
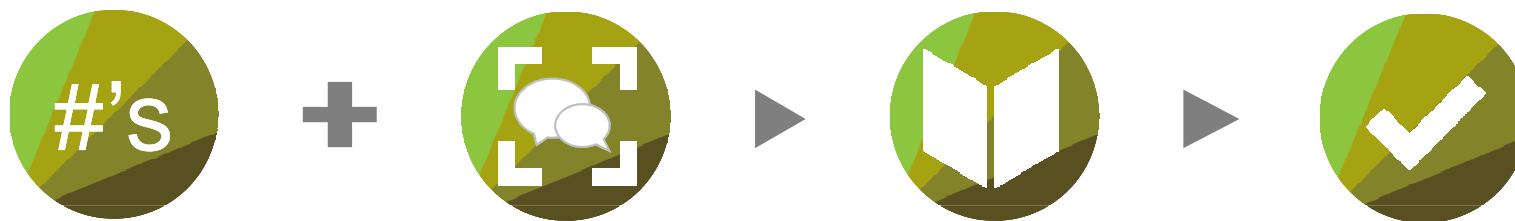
Advance analytic maturity





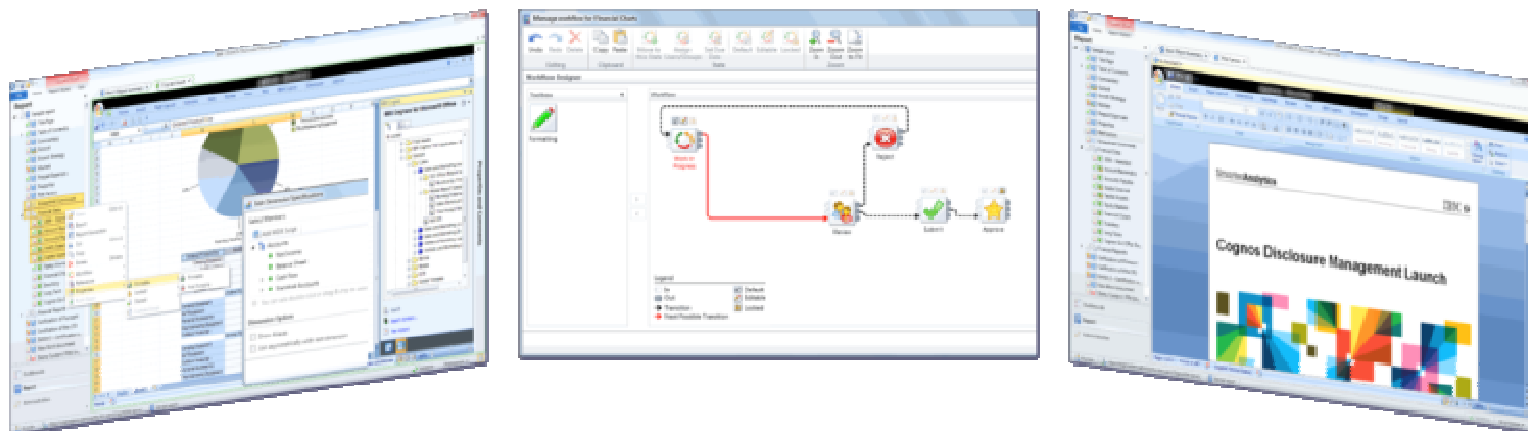
# Automate Financial and Performance Reporting

IBM delivers an **innovative, collaborative reporting platform**



# IBM Cognos Disclosure Management

Narrative and collaborative intensive performance reporting



- Load and leverage spreadsheets
- Connect easily to all data
- Design intelligent process and automation
- Integrate numbers with narratives

Regulatory | External reporting | Investor relations | Treasury | Tax | Financial planning and analysis

# Automate Incentive Compensation Management

## Territory Management

Manage crediting and frequent sales coverage changes across territories

## Quota Management

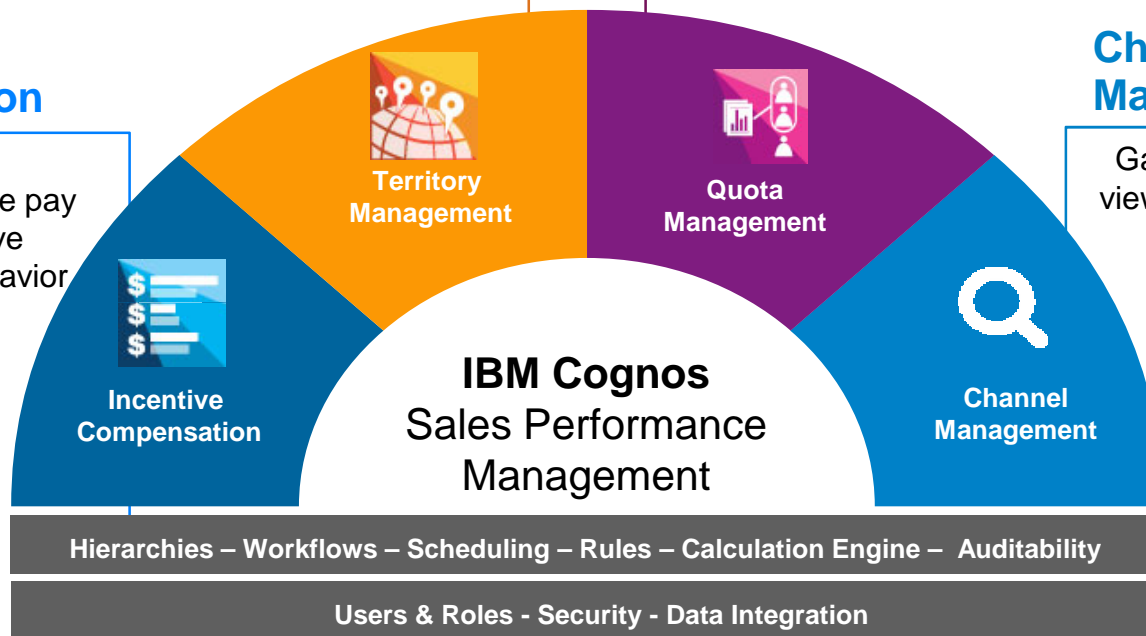
Plan and distribute quota targets efficiently across all levels of your sales organization

## Incentive Compensation

Build, model and administer variable pay programs that drive desired sales behavior

## Channel Management

Gain a single, accurate view of your entire sales force and all your distribution channels



**Available on premise and on cloud**



# Sales Performance Management

Increase incentive compensation effectiveness and efficiency



## Challenge

- Reduce the cycle time associated with incentive compensation processing and eliminate manual spreadsheets

## Solution

- Automate payment calculations, including hundreds of millions of transactions
- Provide accurate and timely reports to plan participants
- Improve management visibility and flexibility

## Results

- Increased payment accuracy and reduce monthly processing from two weeks to two days
- Improved transparency of employee performance across the company, along with the flexibility to adapt the solution to meet its unique and changing requirements



Elavon is a major processor of credit card transactions and a subsidiary of U.S. Bancorp. The company offers merchant processing in more than 30 countries and was founded in 1991 in Atlanta.

# Automate and Integrate your financial data and processes

**78%** of Finance Professionals spend most of their time waiting for, reviewing or preparing data<sup>(1)</sup>

**90%** of companies with 1,000 or more employees assemble data from multiple major systems<sup>(1)</sup>

**IBM Business Analytics**



**IBM Cognos Integration Server**

**Integration**



**IBM Cognos Command Center**

**Automation**

**Open reporting standards & process automation**

**Sources**

- Extracts data, metadata and security
- Supports Oracle Hyperion
- Delivers content in an open standard format
- Automated, near real time
- New -- Data extraction performance gains



- Self-service automation for business users
- Specialized automation for Business Analytics
- Workflow orchestration and lifecycle management
- Audit and compliance
- New – Automation triggers, tasks, and post task actions



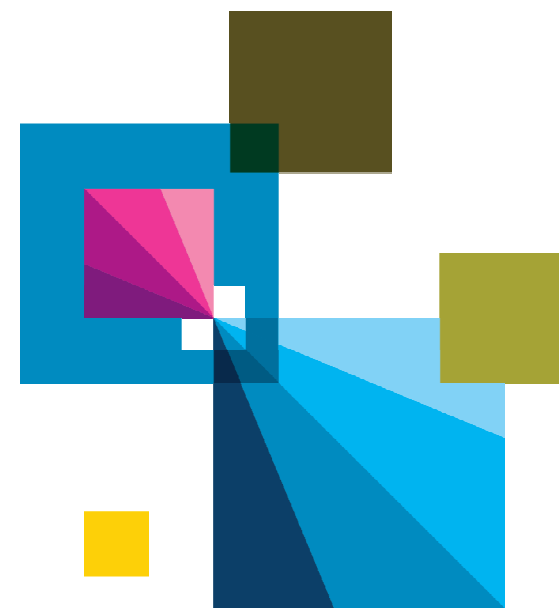
<sup>1</sup> Ventana Research, *Addressing Finance's Data Problem: Help from Self-Service Automation and Integration*, August 2013

## Agenda

Automate analytic processes

Drive new insight and agility

Advance analytic maturity



## Drive insight and agility by linking across domains

IBM delivers **one comprehensive, analytic, planning, and scorecarding platform**

### Strategy-aligned organization

Sales	Marketing	Operations	Workforce	Finance
<ul style="list-style-type: none"> <li>• Incentive Compensation</li> <li>• Quota Plan</li> <li>• Territories</li> <li>• Sales Channels</li> <li>• Sales dashboard</li> </ul>	<ul style="list-style-type: none"> <li>• Campaign scorecard</li> <li>• Promotion plan</li> <li>• Customer / Product profitability</li> <li>• Revenue plan</li> </ul>	<ul style="list-style-type: none"> <li>• Ops KPIs</li> <li>• S&amp;Op plan</li> <li>• Capacity &amp; Inventory plan</li> <li>• Product allocation</li> <li>• New products</li> </ul>	<ul style="list-style-type: none"> <li>• Workforce KPIs</li> <li>• Headcount plan</li> <li>• Salary &amp; comp</li> <li>• Staffing plan</li> <li>• Training &amp; Development</li> </ul>	<ul style="list-style-type: none"> <li>• Long-term plan</li> <li>• CapEx &amp; Working capital</li> <li>• Cash flow plan</li> <li>• EPS / DCF projections</li> <li>• Risk Reporting</li> </ul>



**Sales Performance Management**



**Operational Performance Management**



**Financial Performance Management**



**Disclosure Management & Financial Close**

## Introducing IBM Cognos TM1 10.2

### IBM delivers **one comprehensive, analytic, planning, and scorecarding platform**

The screenshot displays the IBM Cognos TM1 10.2 interface. On the left, a 'Metrics' folder is expanded, showing options like 'Geography dimension', 'Impacts Cube', 'Metrics Cube', 'Metrics Dimension', 'Metrics Information D', 'new link', 'Scorecard Dimension', 'Strategy Map Cube', and 'Time Dimension'. The main area features a circular workflow diagram with four steps: 1. Create Metrics Dimensions, 2. Create Metrics Cube, 3. Create Impact Diagram, and 4. Create Strategies. A 'New' badge is overlaid on the diagram. Below the diagram, a data table is visible with columns for Status, Trend, Actual, Target, Tolerance, Variance, and Variance Percent. The table contains data for various metrics such as New Customers, Discount %, Lost Accounts, Sales Calls, and Revenue Per Product.

	Status	Trend	Actual	Target	Tolerance	Variance	Variance Percent
New Customers	■	▼	12	15	1.00%	3	0.20
Discount %	■	▼	22%	25%	10.00%	-3%	-0.12
Lost Accounts	●	▲	0	3	0.00%	-3	-1.00
Sales Calls	●	▲	30	21	0.00%	9	0.13
Revenue Per Product	●	▲	\$100.00	\$98.00	0.00%	\$2.00	0.02

- **Drive** alignment and monitor execution with scorecarding integrated in plans & forecasts
- **Engage end-users** in web, mobile and desktop experiences
- **Performance gains** in query processing, LAN and web performance

**Available on premise and on cloud**



## Operational Performance Management

Could you measure profit contributions of each ingredient?



### Challenge

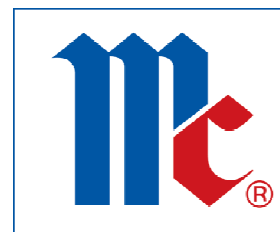
- Significantly reduce the cycle time of their financial budgeting process.

### Solution

- Streamlined budgets and planning processes
- Collect and analyze sales plan data by customer and across over 30,000 skus and evaluate the resulting profit contribution of product input in the “bill of material”

### Results

- Diagnose profit improvement moves ahead of time; commodity price increases can be passed on to consumers or renegotiated with industrial customers. Maybe even reformulate some of our favorite flavors using commodities from different regions and suppliers.



**McCORMICK**

McCormick is a global leader in flavor. With more than \$3.5 billion in annual sales, the Company manufactures, markets and distributes spices, seasoning mixes, condiments and other flavorful products to the entire food industry—retail outlets, food manufactures and food service businesses in more than 110 countries.

## Agenda

Automate analytic processes

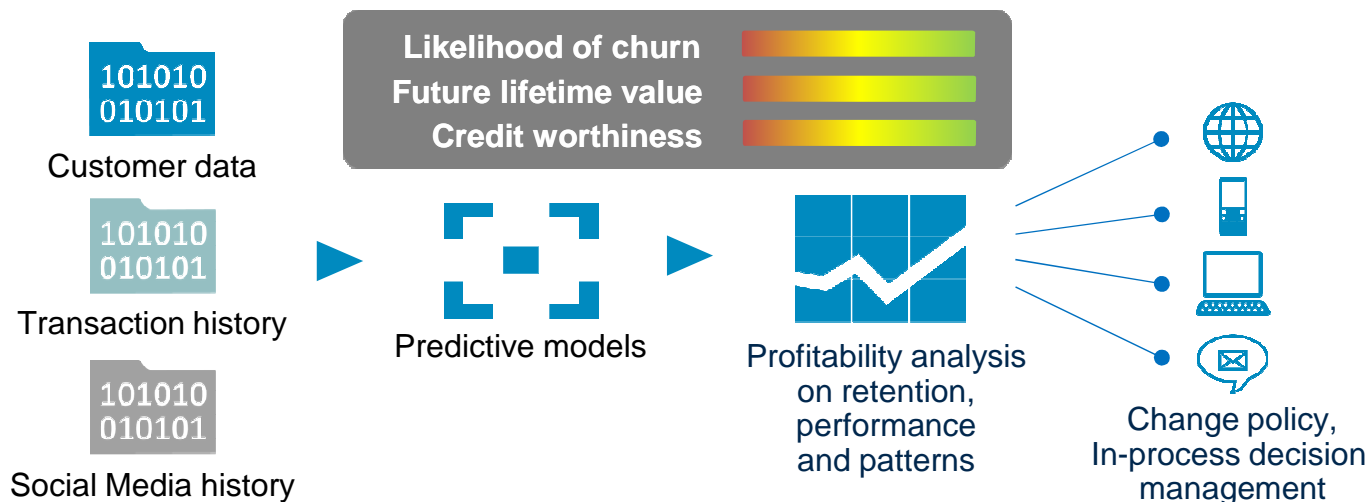
Drive new insight and agility

Advance analytic maturity



# Advance analytic maturity by leveraging predictive capabilities

IBM delivers **best-in-class predictive and big data analytics**

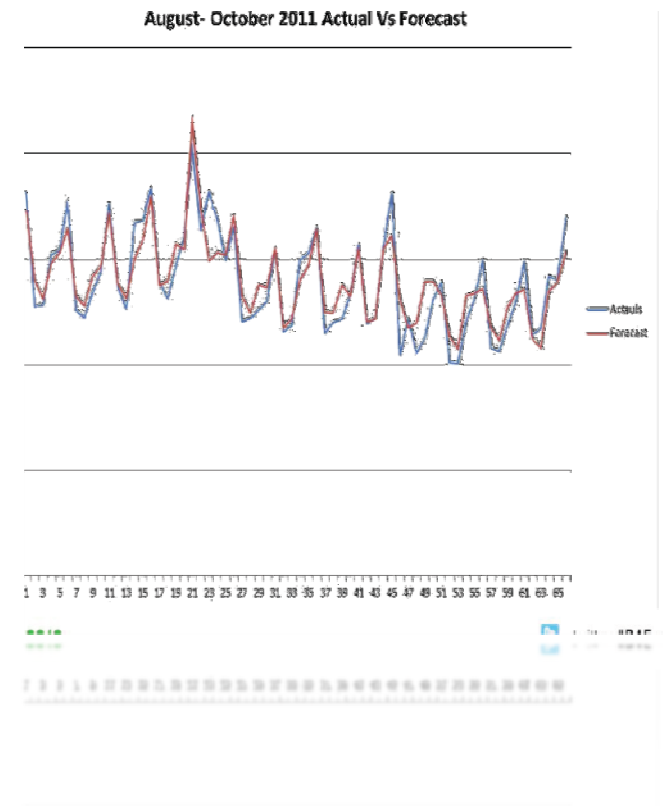


**Australia Post's objective was to forecast its daily cash flows in order to maximise investment returns**



*The solution for treasury cash flow was combined with daily P&L from SAP with the historical cash flow forecast combined with the daily agency cash flow. A **predictive model** was then overlayed on to the cubes to provide what the daily position would be ...*

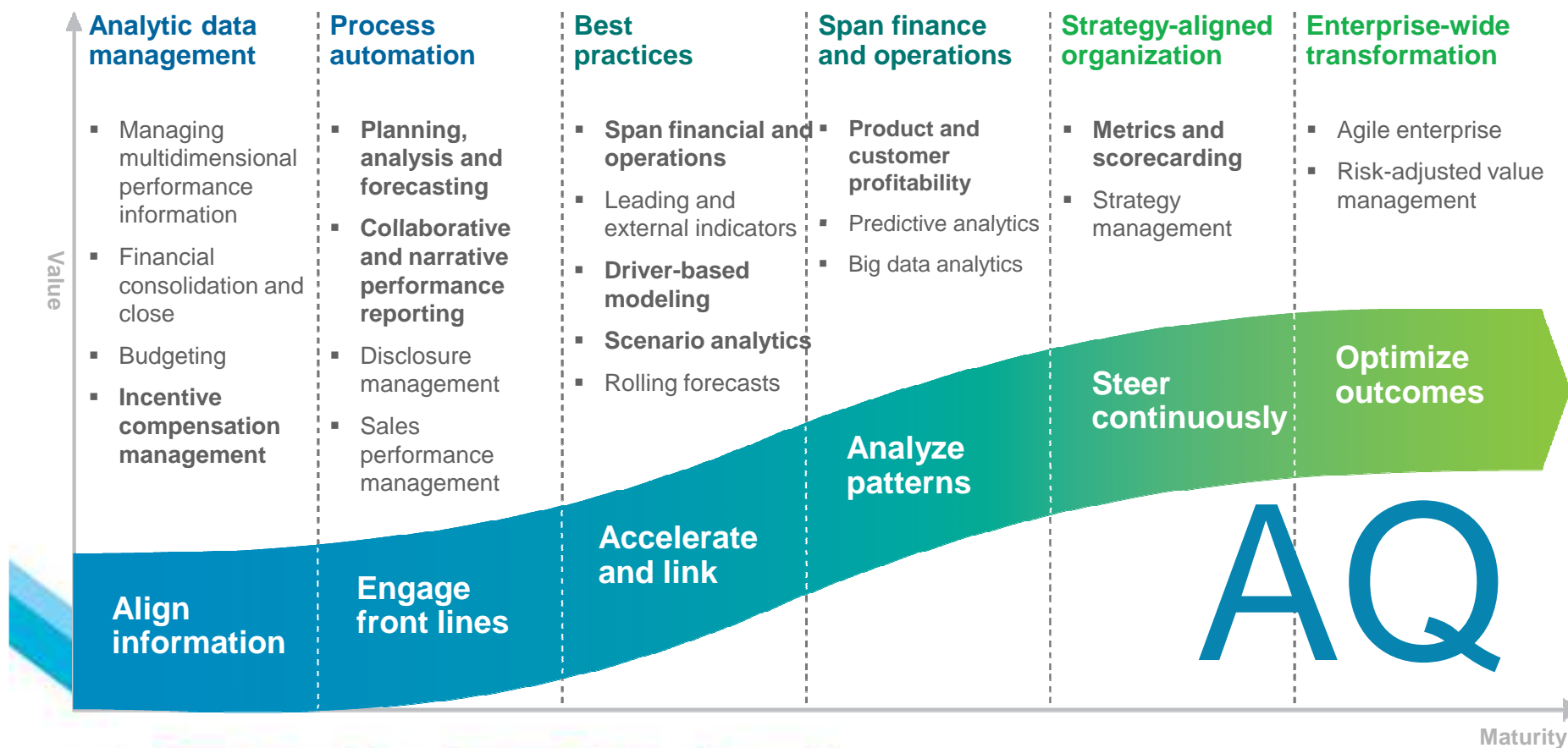
**Example outcomes:**



# Performance Management Maturity Model

IBM is a superior performance management resource

Automate analytic processes ► Drive new insight & agility ► Advance analytic maturity



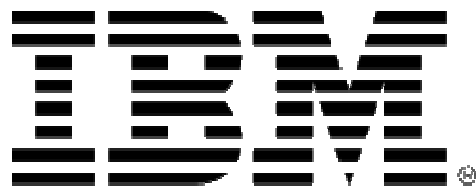


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*Realise the Art of the Possible with Business Analytics !*

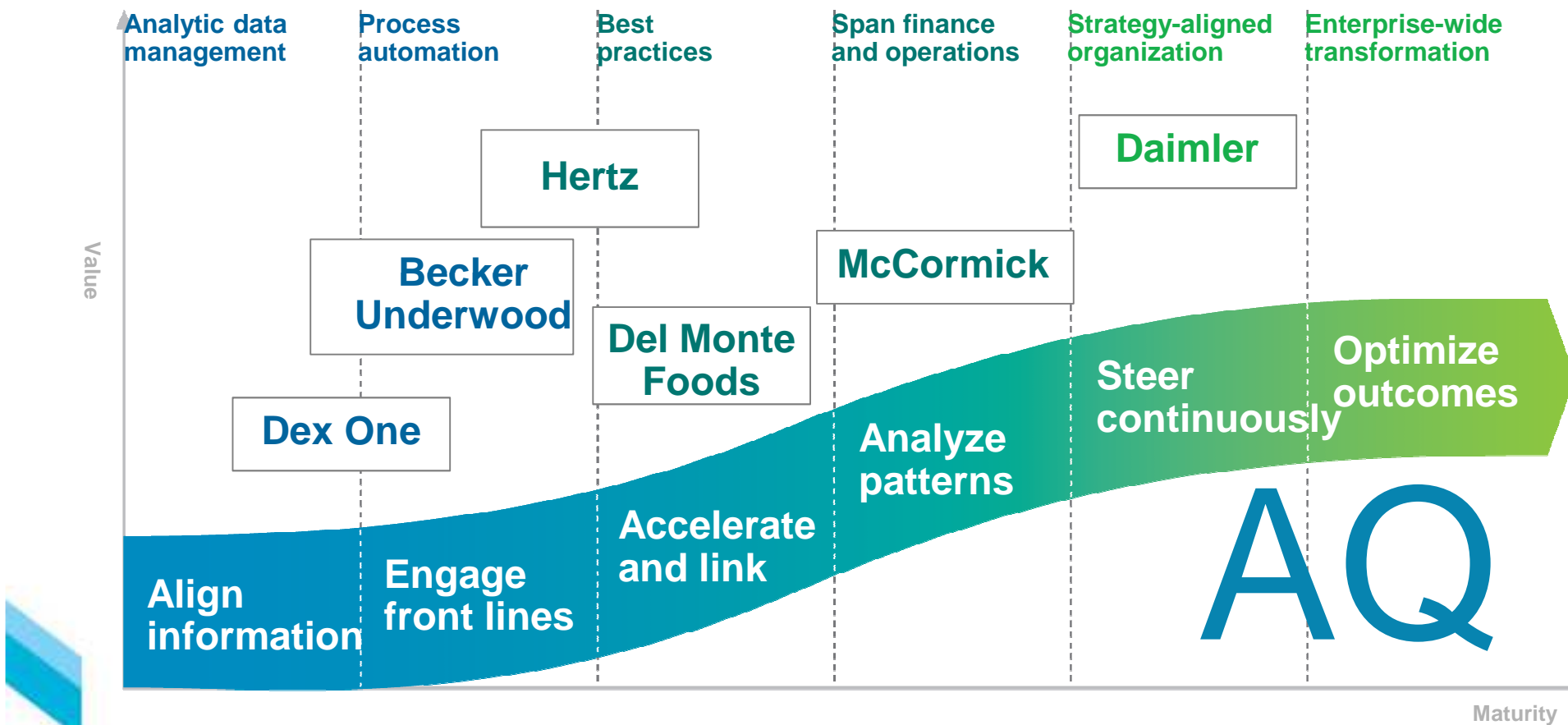
**Thank You !**





# Performance Management Maturity Model

Essential to realizing their potential





## Emerging market growth

Emerging marketplaces, led by China, fuel 2.6 times the growth rate of developed marketplaces, contributing more than 50 percent of all new growth.<sup>3</sup>



## Cloud computing

2011 spending on private cloud services is \$13 billion. ... Growth over the next four years will exceed 26 percent annual growth.<sup>3</sup>

## Mobile enterprise

By 2013, 80 percent of businesses will support a workforce using tablets.<sup>2</sup>



## Big data

The digital universe will grow to 1.8 zettabytes (ZB) in 2011, up 47 percent from 2010 and rocketing toward more than 7 ZB by 2015.<sup>3</sup>



## Next-generation analytics

80 percent of data growth is unstructured.<sup>2</sup>



## Compliance

The cost of noncompliance—fines, legal fees and disrupted services—was almost three times the cost of compliance.<sup>4</sup>

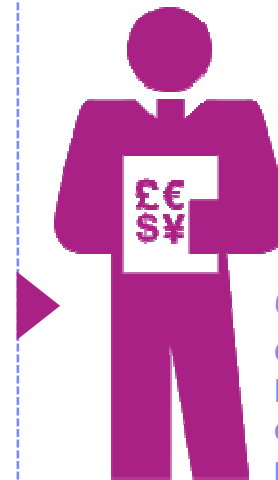
## Social business

By 2015, 40 percent of large enterprises will have a corporate “Facebook” for circulating business and personal data.<sup>2</sup>



## Security

Security remains robust for supporting regulatory and policy compliance needs.<sup>3</sup>



**CFOs' opportunity:**  
Be the agent of innovation and profitable growth

<sup>2</sup> Gartner

<sup>3</sup> IDC

<sup>4</sup> Ponemon Institute, *The True Cost of Compliance*, January 2011.