

Delivering Stronger Business Insight through a CFO Dashboard

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Today's organizations are facing many disruptive forces that are fueling the need for analytics

1 The emergence of big data

Creating new opportunities to capture meaningful information from new varieties of data and content coming at organizations in huge volumes and at accelerated velocity



2 The shift of power to the consumer

Creating the need for organizations to understand and anticipate customer behavior and needs based on customer insights across all channels



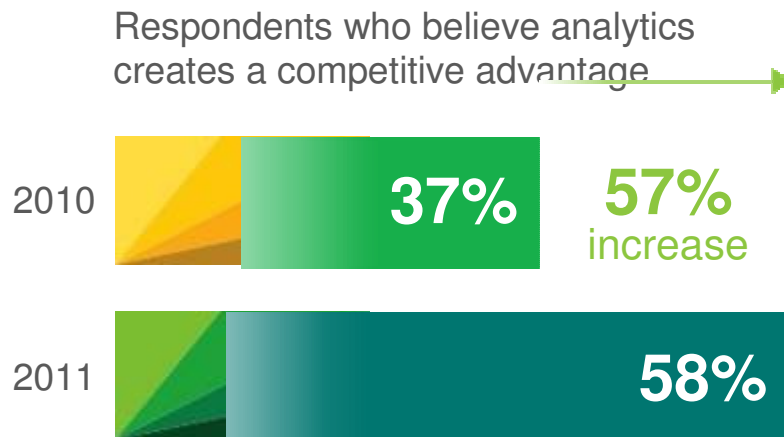
3 Accelerating pressure to do more with less

Creating the need for all parts of the organization to optimize all of their processes to create new opportunities, to mitigate risk, and to increase efficiency



To the point where analytics has evolved from business initiative to business imperative

More organization are using analytics to create a competitive advantage



Source: The New Intelligent Enterprise, a joint MIT Sloan Management Review and IBM Institute of Business Value analytics research partnership. Copyright © Massachusetts Institute of Technology 2011

And they are outperforming their competitors in key financial measures

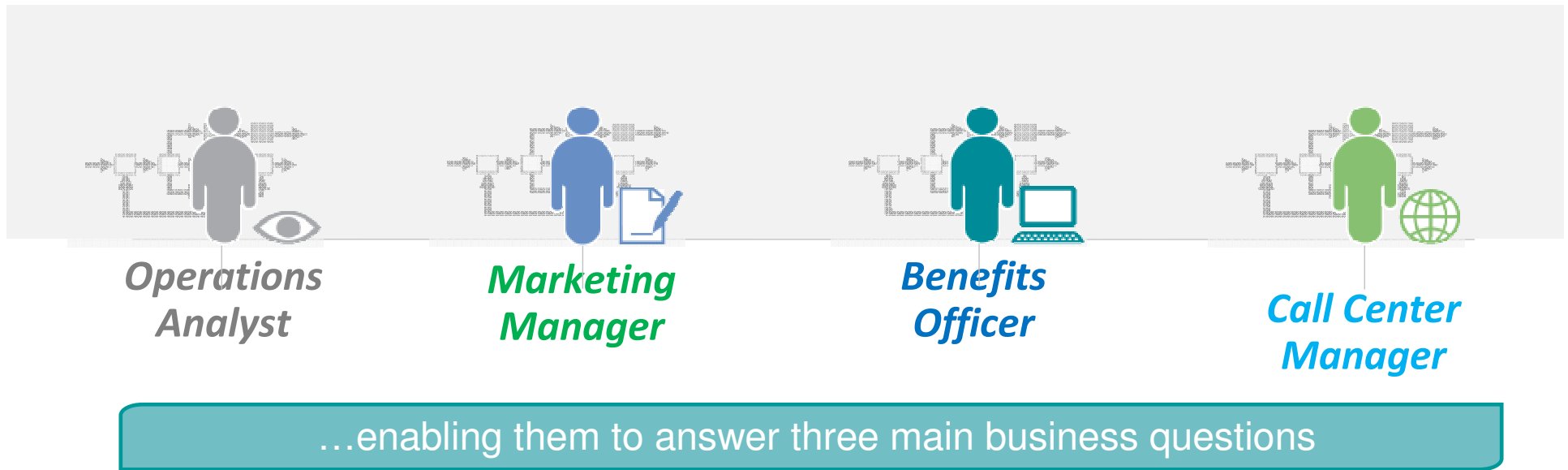
1.6x Revenue Growth

2.0x EBITDA Growth

2.5x Stock Price Appreciation

Source: *Outperforming in a data-rich, hyper-connected world*, IBM Center for Applied Insights study conducted in cooperation with the Economist Intelligence Unit and the IBM Institute of Business Value. 2012

Line of Business users want capabilities and integrated solutions to capitalize on today's **information-centric** and **insight-driven** world



What is happening?

Why ?

What should we do about it?

Analytically sophisticated organizations distinguish themselves by their ability to leverage



They are extending beyond enterprise data to capture the huge opportunity big data presents

Volume

12 terabytes
of Tweets create daily

Analyze product sentiment

Velocity

5 million
trade events per second

Identify potential fraud

Variety

100's video feeds
from surveillance cameras

Monitor events of interest

350 billion
meter readings per annum

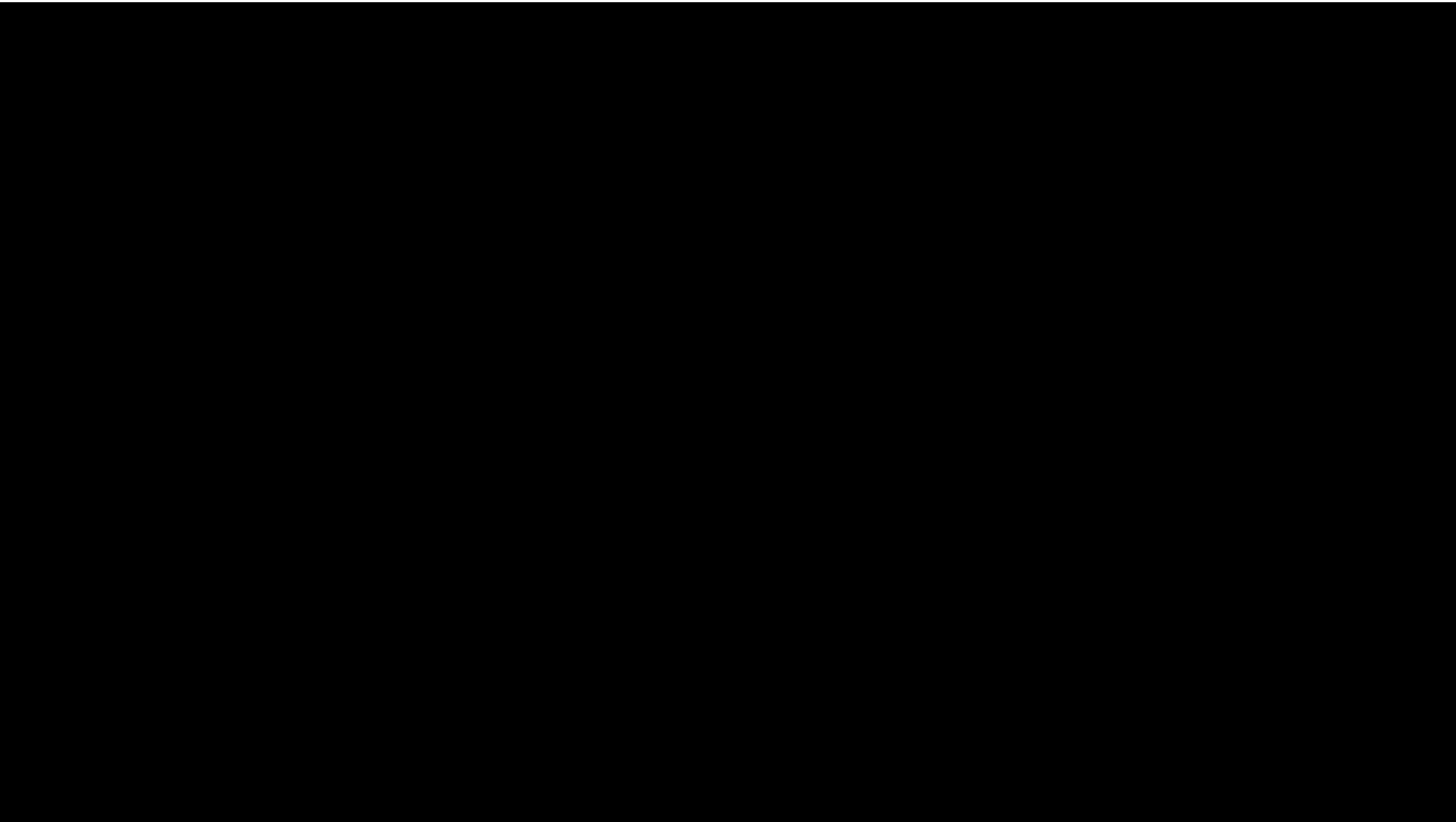
Predict power consumption

500 million
call detail records per day

Prevent customer churn

80% data growth
are images, video, documents...

Improve customer satisfaction



IBM Smarter Analytics Signature Solution: CFO Performance Insight

Overview

IBM Smarter Analytics Signature Solutions

A portfolio of outcome-based analytics solutions that address the most pressing industry and functional challenges by bringing together the breadth and depth of IBM's intellectual capital, software, infrastructure, research, and consulting services to deliver break-away results.



Tackle High-value initiatives

Address industry imperatives and critical processes



Deliver Proven outcomes

Built on a rich portfolio of analytics capabilities and IBM innovations implemented at clients world-wide



Accelerate Time-to-value

Faster return-on-investment with short-term projects that support the long-term roadmap

Organization need to adopt new ways of working to improve efficiency and performance

Rear View

- What happened?
- How many, how often?



- Balance sheet, profit and loss, and cash flow statements
- Revenue and cost variance analysis

Current View

- Where exactly is the problem?
- Why is this happening?
- What actions are needed?



- Customer, product and market profitability
- Spend optimization
- Working capital analysis
- Market, customer, & channel pricing
- Sales and supply chain effectiveness

Forward-looking View

- What will happen next?
- What if these trends continue?
- What are the potential performance gaps?



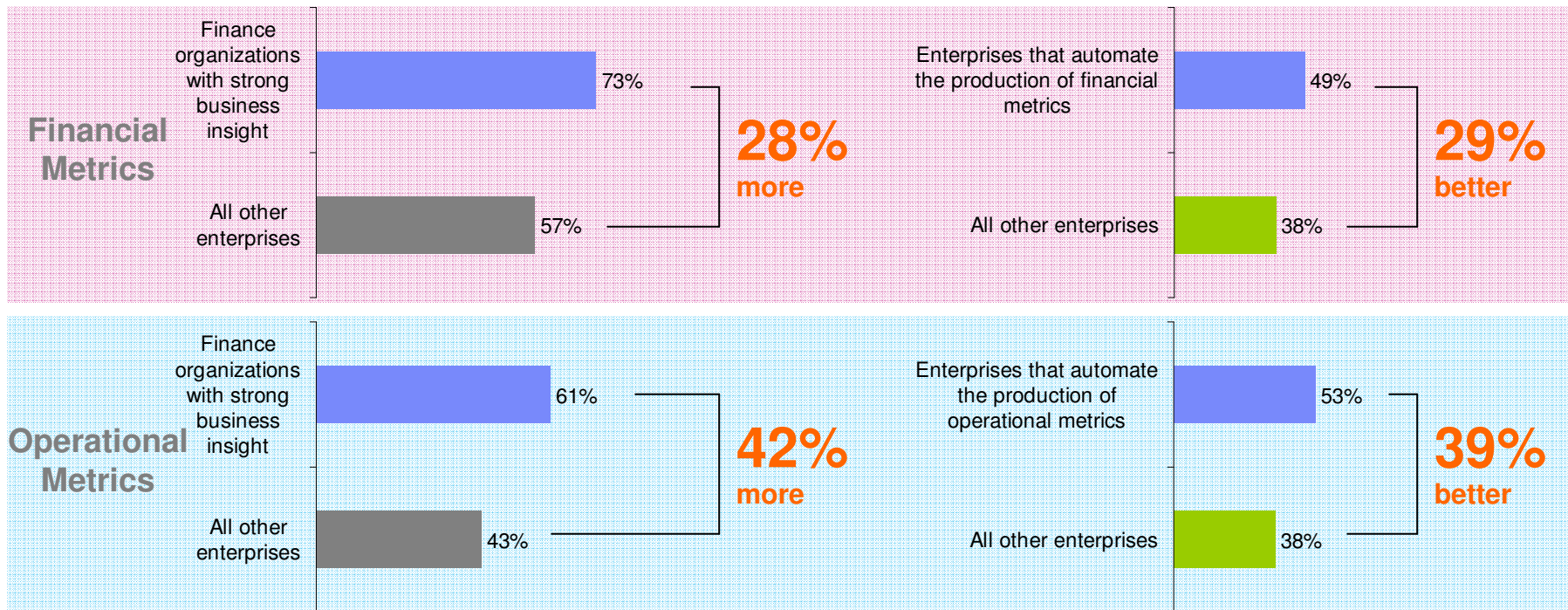
- Cash forecasting
- Scenario-based planning and forecasting
- Strategic investment decision support
- Volatility and risk-based predictive and behavioral modeling

Finance organizations that optimize the production of metrics through analytics have better business insight

Accelerator: Timely Metrics

High Automation

Impact on Analytics Satisfaction



Financial: N = 1,463; Operational: N = 1,435

Financial: N = 1,454; Operational: N = 1,428

Note: Defined as those enterprises selecting [5] Largely automated or [4] on a 5-point scale

where [5] Largely automated and [1] Largely manual

Source: IBM Institute for Business Value, The Global CFO Study 2010

CFO Performance Insight drives finance transformation by helping executives to anticipate and answer critical questions

				
How are we performing as an organization?	What is driving our results?	How do we know we are spending our budget wisely?	What is the impact of changes in our key metrics?	How can we trace a performance issue to its root cause?

CFO Performance Insight

- Measure and monitor financial and operational performance
- Anticipate performance gaps, understand root cause and assess alternatives
- Drive profit and revenue growth through the strategic application of analytics
- Deliver better business insight on a stronger foundation of trusted information

IBM Smarter Analytics Signature Solution

CFO performance insight



Increase visibility, insight, and control over financial performance through predictive analytics

Solution overview

Measure, monitor, and anticipate business performance with pre-configured solution that:

- Uncovers temporal-causal relationships between performance metrics using predictive analytics
- Enables guided root-cause analysis and what-if analytics through executive style dashboard

Solution benefits

- Generate timely, reliable answers to financial questions
- Enhance visualization of performance trends and gaps
- Improve operational efficiency and deliver trusted financial information

Business outcomes

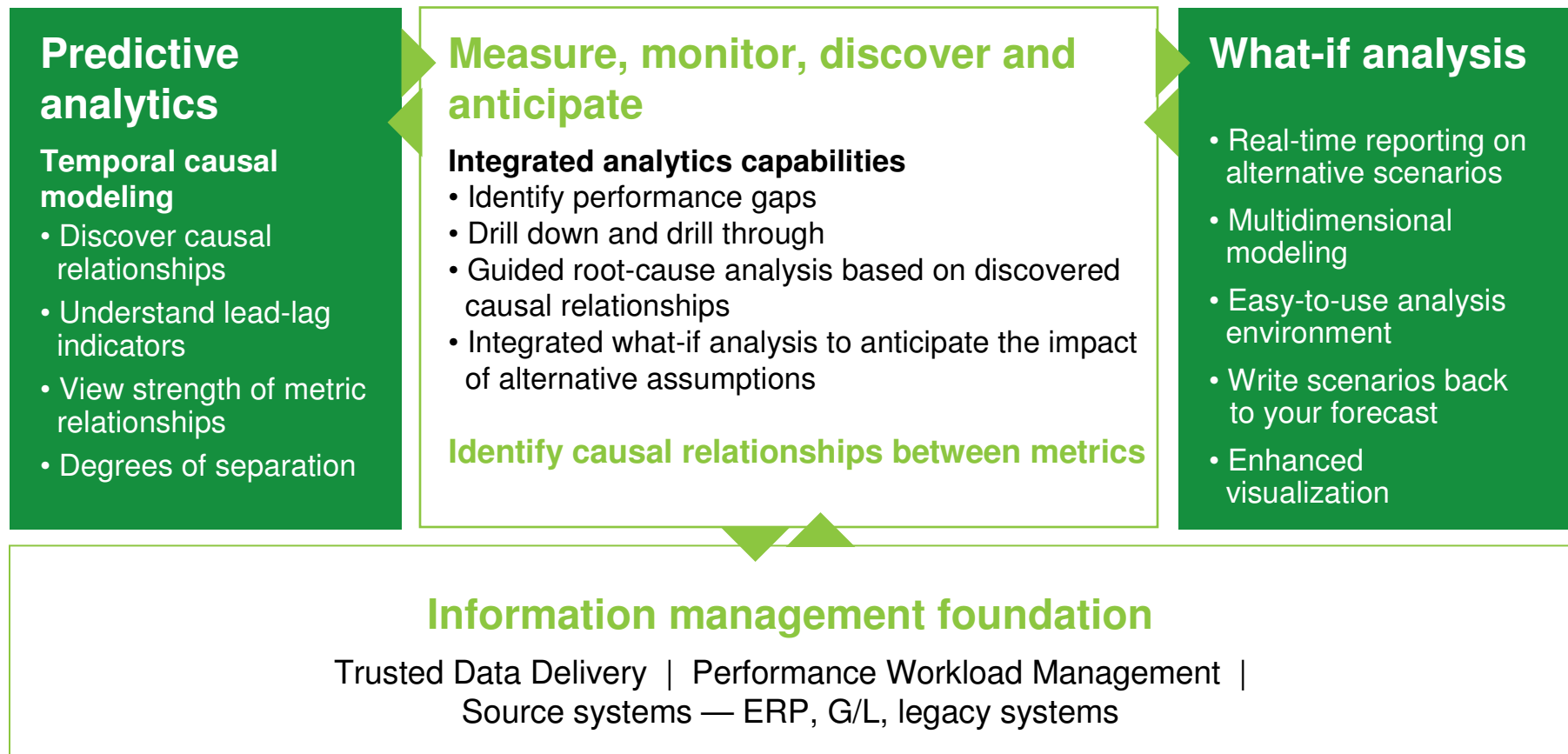
- University reduces financial modeling process by 25 percent
- Finance company improves reporting efficiency by 70 percent

IBM Smarter Analytics Signature Solution

CFO performance insight



How it works



IBM Smarter Analytics Signature Solution CFO Performance Insight



Increase visibility, insight, and control over financial performance through predictive analytics and a trusted information management foundation

The screenshot displays the IBM Cognos Viewer interface for CFO Performance Insight. The main content area shows several tables comparing financial metrics across different periods: 2011 Fiscal YTD, 2011 Full Fiscal Year, and Rolling 12 mo. Fcst. Each table includes columns for Actual, Target, Budget, Forecast, Variance, and Risk. Callouts highlight key features: 'Actual vs Budget vs Forecast' points to the data columns; 'Traffic light indicators' points to the colored status icons; 'Risk Status indicators' points to the Risk column; 'Metric trending' points to the Trend column; and 'Temporal Causal Model Analysis' points to the TCM column. On the left, a navigation pane is annotated with 'Executive Dashboard', 'Link to ERP Web Interface', 'Report List', and 'Financial reports'. A 'What-if' analysis section is also visible at the bottom left.

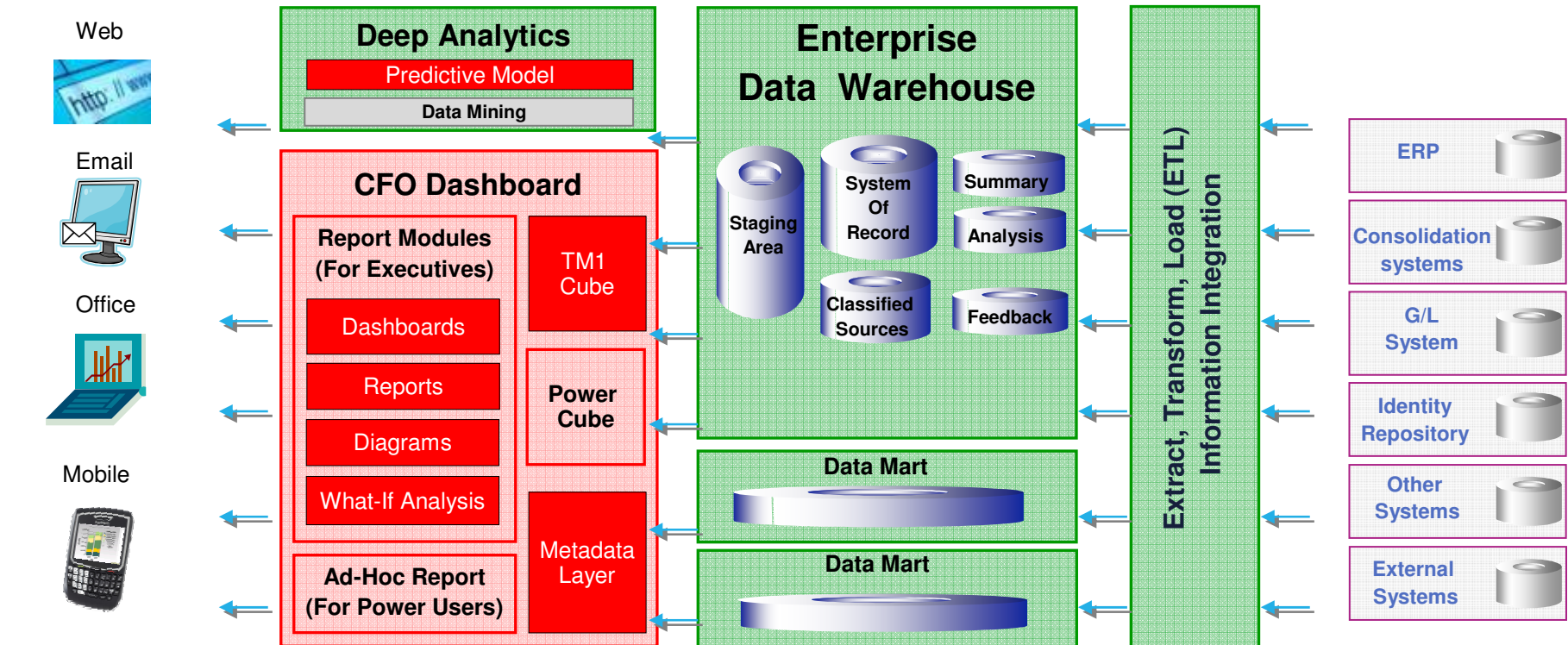
Metric	2011 Fiscal YTD		2011 Full Fiscal Year			Rolling 12 mo. Fcst	Trends	Risk	TCM
	Actual	Target	Budget	Forecast	Variance				
EBITDA	\$99,958,803	\$90,500,917	\$139,151,262	\$121,463,095	-13%	\$119,227,086	Link	Yellow	Icon
Net Income	\$43,506,230	\$38,406,045	\$59,386,062	\$42,599,047	-28%	\$41,879,335	Link	Red	Icon
ROIC	15%	12%	12%	9%	-9%	9%	Link	Yellow	Icon
Operating Profit%	39%	39%	39%	34%	-5%	34%	Link	Yellow	Icon

Metric	2011 Fiscal YTD		2011 Full Fiscal Year			Rolling 12 mo. Fcst	Trends	Risk	TCM
	Actual	Target	Budget	Forecast	Variance				
Gross Sales	\$418,367,062	\$413,674,560	\$632,399,040	\$590,339,683	-7%	\$582,282,307	Link	Red	Icon
Avg. Sales Value/Unit	\$747	\$692	\$691	\$748	8%	\$748	Link	Yellow	Icon
Price Realization	60%	56%	56%	60%	4%	59%	Link	Yellow	Icon
Market Share	95%	95%	96%	96%	0%	96%	Link	Green	Icon




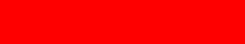
Metric	2011 Fiscal YTD		2011 Full Fiscal Year			Rolling 12 mo. Fcst	Trends	Risk	TCM
	Actual	Target	Budget	Forecast	Variance				
SG&A%	21%	21%	21%	27%	6%	27%	Link	Red	Icon
Gross Margin%	60%	59%	59%	61%	2%	61%	Link	Yellow	Icon
Material Cost%	20%	20%	20%	19%	1%	19%	Link	Yellow	Icon
Distribution Expense%	5%	5%	5%	9%	4%	9%	Link	Yellow	Icon
Headcount	6,352.0	6,405.0	6,397.0	6,402.0	0%	6,384.0	Link	Yellow	Icon

Metric	2011 Fiscal YTD		2011 Full Fiscal Year			Rolling 12 mo. Fcst	Trends	Risk	TCM
	Actual	Target	Budget	Forecast	Variance				
Capital Efficiency	\$9	\$7	\$9	\$9	1%	9	Link	Yellow	Icon
Quick Ratio	32.3	32.3	33.6	34.3	2%	37.5	Link	Yellow	Icon
DSO	29.2	29.4	50.1	56.8	13%	27.3	Link	Green	Icon
Days Payable	16.0	17.5	21.9	30.9	41%	16.2	Link	Yellow	Icon
Days in Inventory	12.7	12.5	15.3	15.5	1%	11.4	Link	Yellow	Icon
Bad Debt Write-off	\$1,732,948	\$1,853,660	\$2,470,406	\$2,866,504	16%	\$2,858,174	Link	Red	Icon

IBM Smarter Analytics Signature Solution CFO performance insight



Legend

-  Existing data sources
-  Existing servers or other planned servers in a solution
-  Potential existing reporting components available at the client
-  IBM BAO - CFO performance dashboard

Discover relationships between performance indicators, achieve new insights, and drive more effective decision making

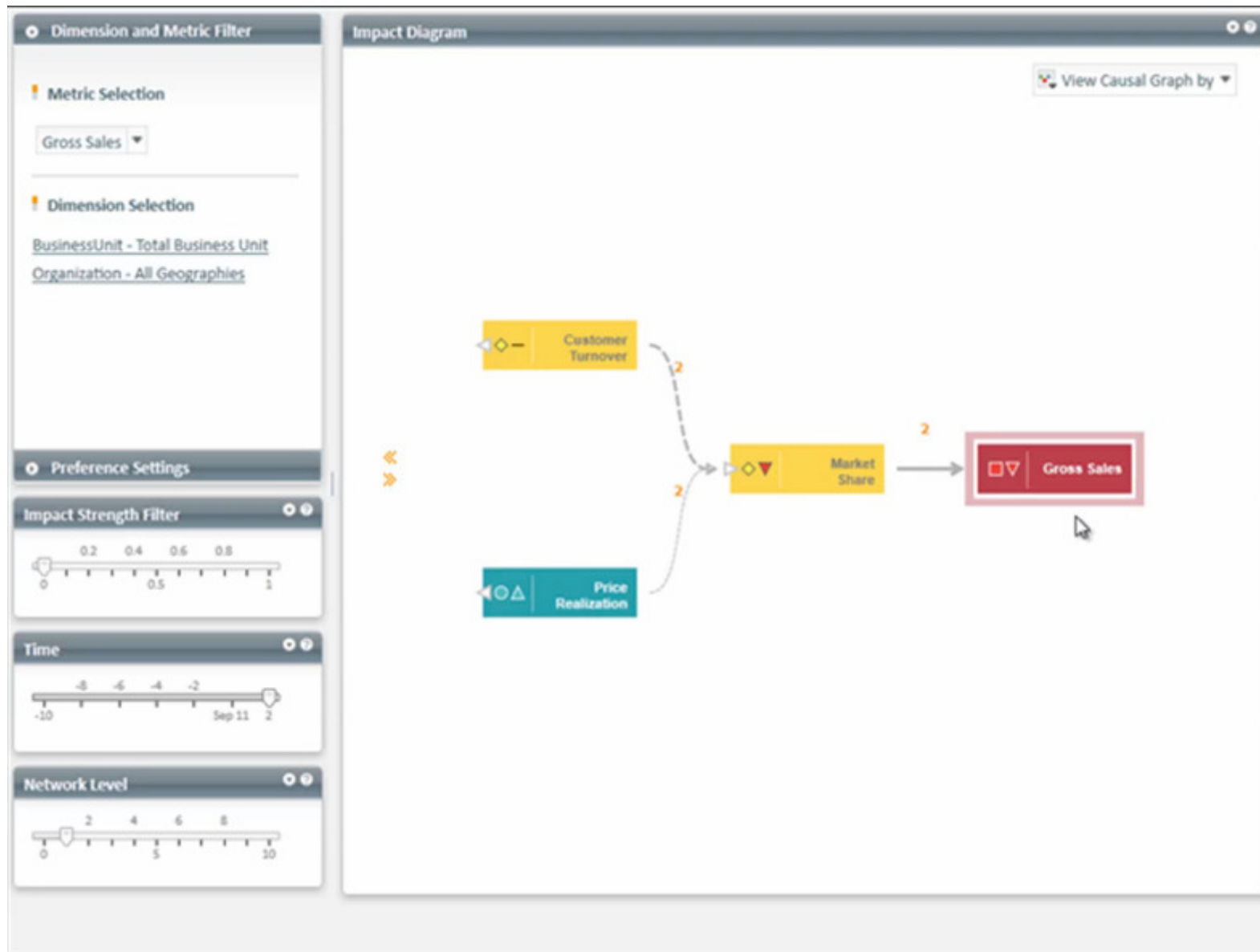


Provide insight into interactions among business metrics using advanced analytics algorithms



Temporal causal modeling leverages predictive analytics to answer key questions:

- What metrics have the most impact on my performance?
- How do these metrics interact with each other?
- How will my performance change when I control certain factors?
- How can I achieve my future target performance?
- How can I visualize and interpret the relationships between metrics?



CFO Performance Insight unlocks new business value

Benefits

User-friendly, self-service reporting interface; allows financial analysts to focus on strategic analysis instead of manual data manipulation

Enables end-user run-time analysis in addition to pre-built reports in both relational and multi-dimensional environment

Ability to utilize executive dashboard reporting

Improves decision-making and increases strategic planning capabilities

Scalable to a single, complete platform for Performance Management



Features

Drill-downs and drill-through with graphic displays and Ad-hoc querying capability to create deeper insight

Enables users to perform “what if” analysis and post analysis back to main portal page and detailed reports also utilizing slicing, dicing and dynamic querying

Executive Dashboard style reporting for Chief Financial Officers, Controllers and other Accounting Personnel

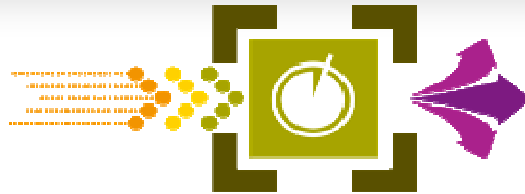
Users can use the value drivers to quickly uncover key organizational pain points utilizing slicing, dicing, dynamic querying and integrated what-if analysis

IBM Business Analytics software provides complete capabilities for reporting, analysis, planning and consolidation on an integrated platform

CFO Performance Insight

Transform through analytics for breakaway results

From solving the
existing problem...



...to unlocking the
next possibility

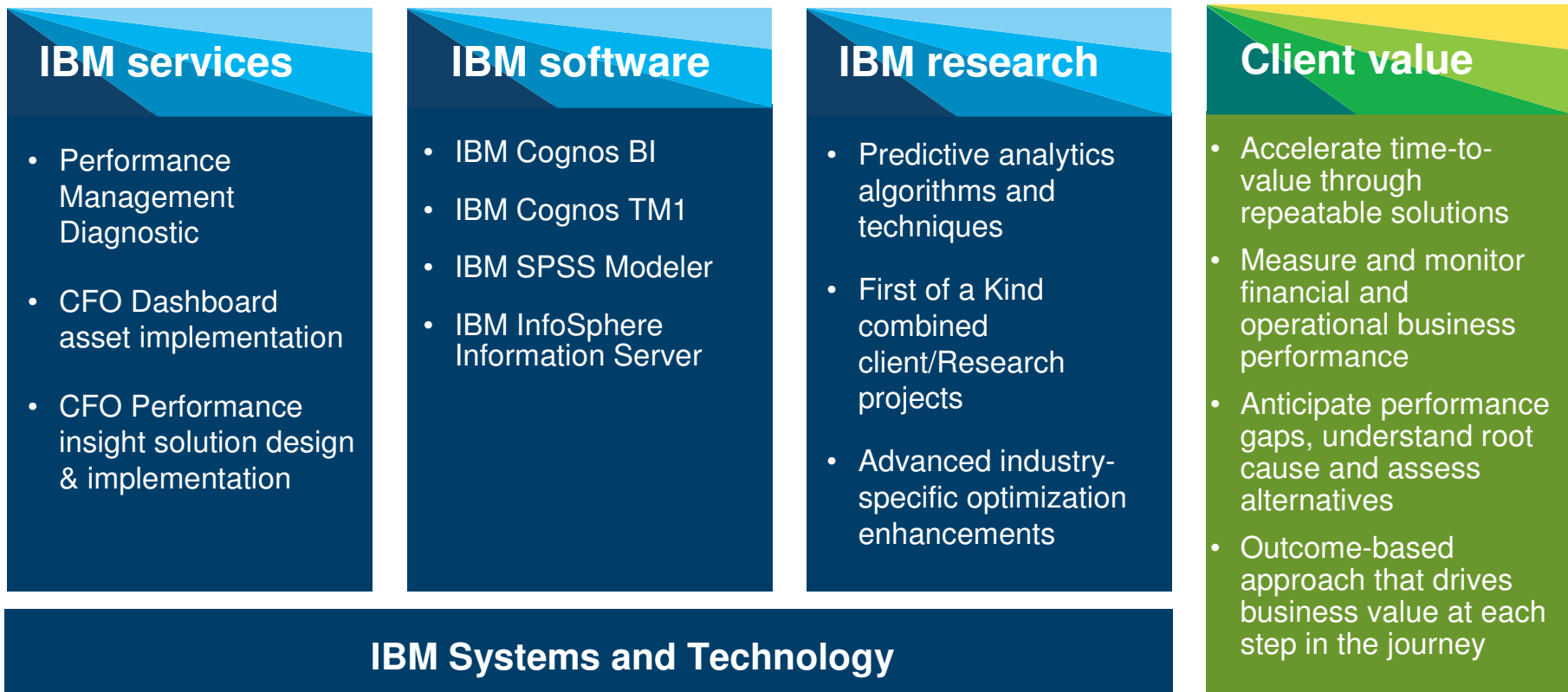
Banking

- **Reduced time** to prepare budget reports by 70 percent, since the platform is constantly fed with incoming data
- **Facilitated decision-making** by showing, for example, which department or product is most profitable
- **Improved business performance** through visibility into all subsidiary business processes, enabling management to respond to problems quickly and to take preemptive moves for more efficient use of company resources

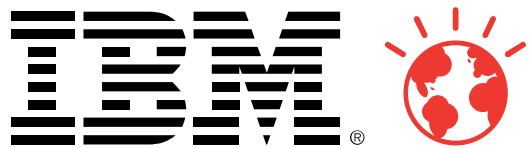
Media & Entertainment

- **Reduced time required** for the planning process by up to 75%, and reduced reporting time from few days to few minutes
- **Achieved operational efficiency**, through the visualization of complex status of business operations and market trends
- **Anticipated increase in overseas sales ratio** from 10% to 50% by 2014 through improved simulation and insight into performance

IBM Smarter Analytics Signature Solution CFO Performance Insight



A smarter planet
is built on
Smarter Analytics



IBM Smarter Analytics is a holistic approach that turns information into insight and insight into business outcomes



Broad and integrated portfolio of information and analytics capabilities

- Largest investment in analytics software and solutions with over \$16B in acquisitions since 2005
- Enterprise Class Big Data Platform as part of a comprehensive Information Management Foundation
- Analytic Capabilities that scale from personal to enterprise to next generation systems that reason and learn
- Decision management solutions that embed predictive analytics into business processes



Proven experience accelerating time-to-value and delivering breakaway results

- Over 9,000 experienced strategy, analytics, and technology experts and consultants around the globe
- Proven solutions & use cases across industries and functions, from 1000's of client engagements
- Thought leadership and practical insights from the IBM Institute for Business Value
- Jumpstart services and eight global IBM Analytics Solution Centers to help organizations get started



Comprehensive delivery options to compliment capabilities and lower TCO

Broad range of implementation models, including:

- System Integration, Consultancy, Transformation
- Application Management Services
- Appliance, Hardware, Cloud, Mobile



Advanced technology and expertise applying innovation to real world problems

- First-of-its-kind breakthrough innovations, including IBM Watson
- World's largest math department in private industry since 1960
- Nearly 600 analytics patents per year and first in patent ranking



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