

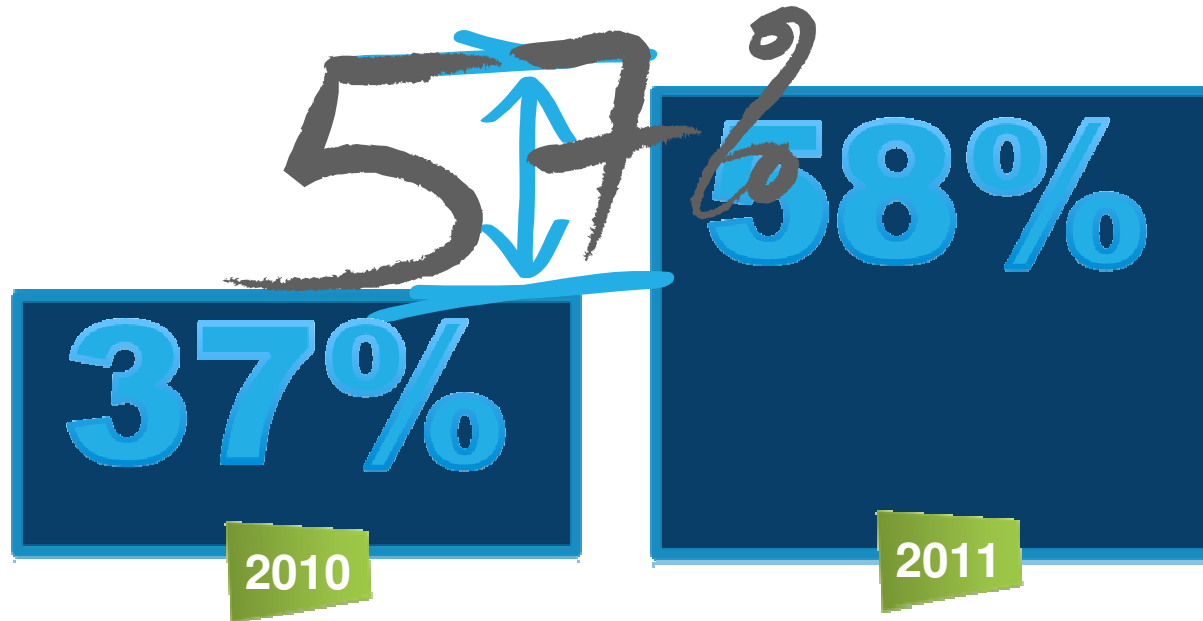
OUTPERFORMING WITH BUSINESS ANALYTICS

Patrizio (Pat) Calitri, CA
Business Unit Executive, IBM



Forecast
Regulation
Risk
Inventory
XBRL
Reporting
Working
Headcount
Variability
Sarbanes-Oxley
Demand
Profitability
Analysis
Capital
Growth
Uncertainty
Expense
Cash
Management
Scorecards
Flow
Governance





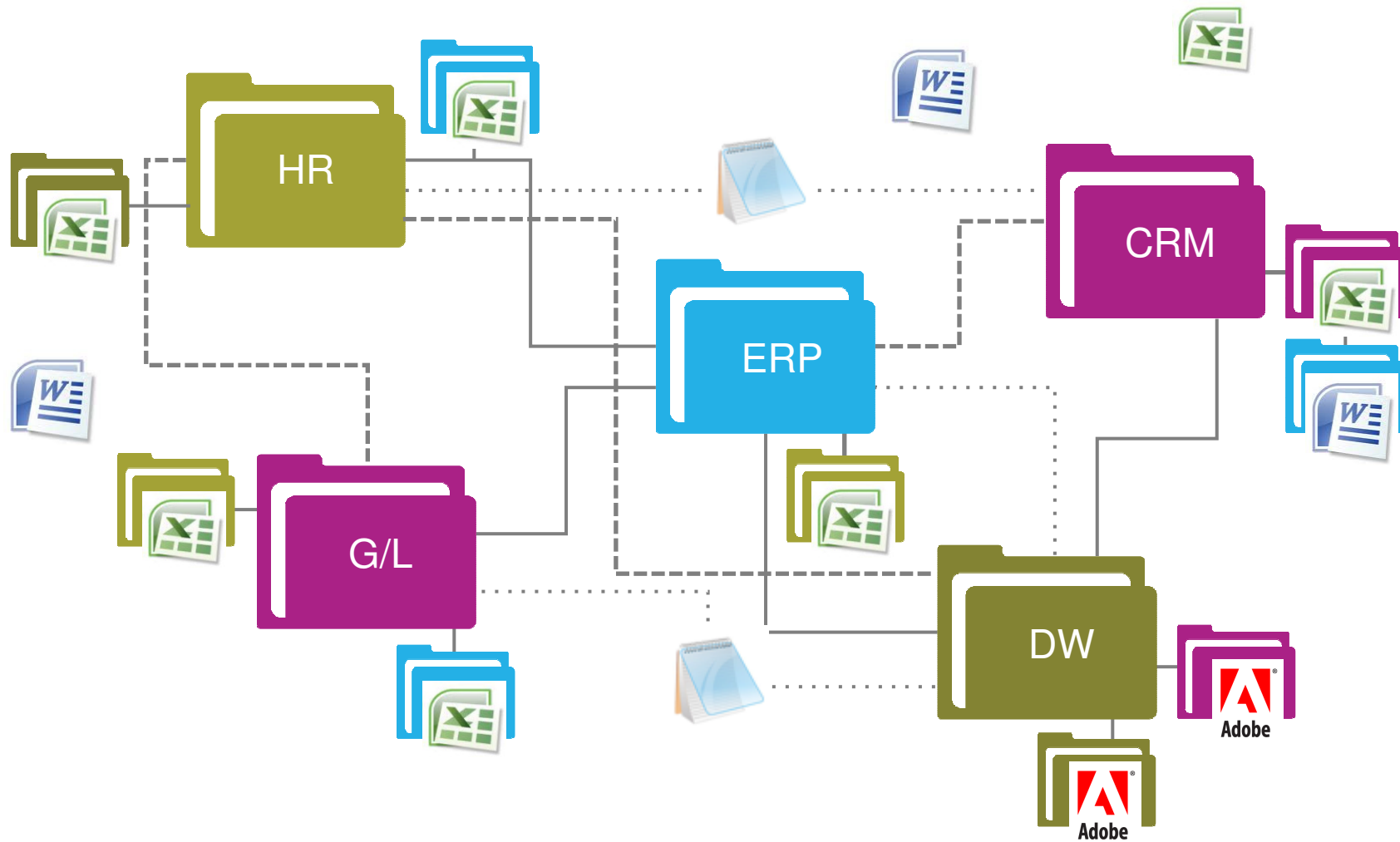
More organizations see

analytics

As competitive advantage

Source: IBM IBV/MIT Sloan Management Review Study 2011
Copyright Massachusetts Institute of Technology 2011

Technology foundation is under pressure

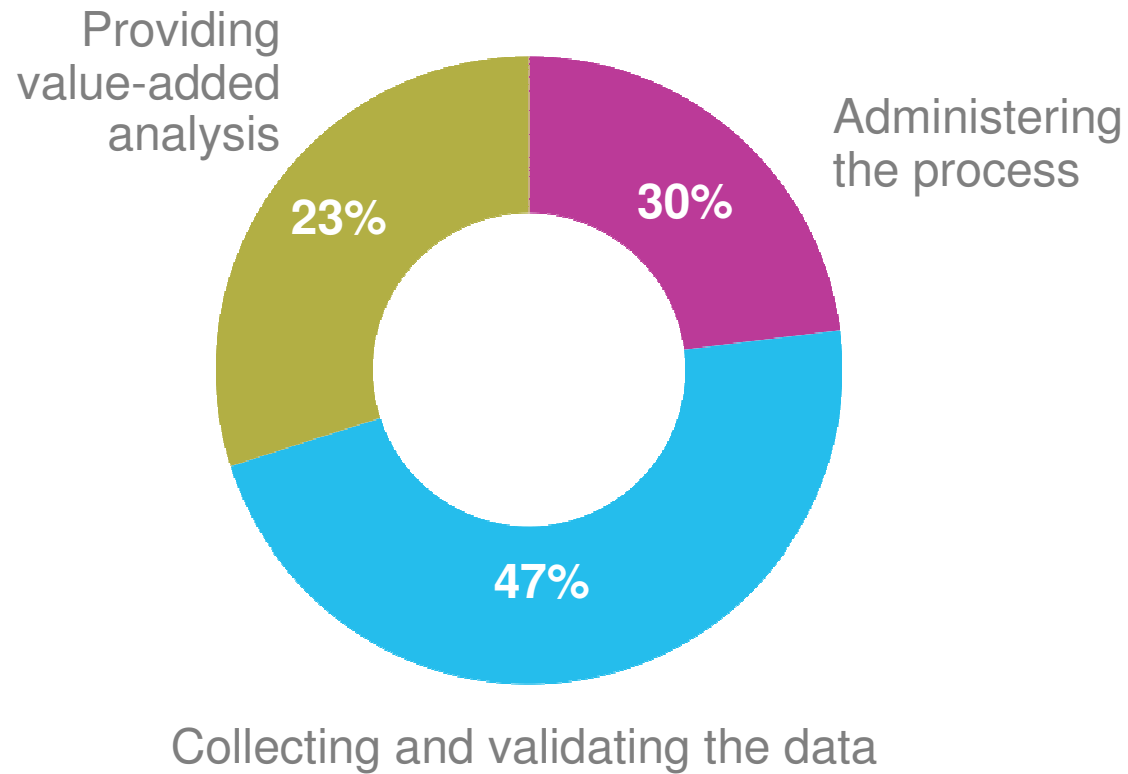


Speed and agility do not match the marketplace volatility

“For 55 percent of companies, their budget assumptions are useless by three months into the new year.”

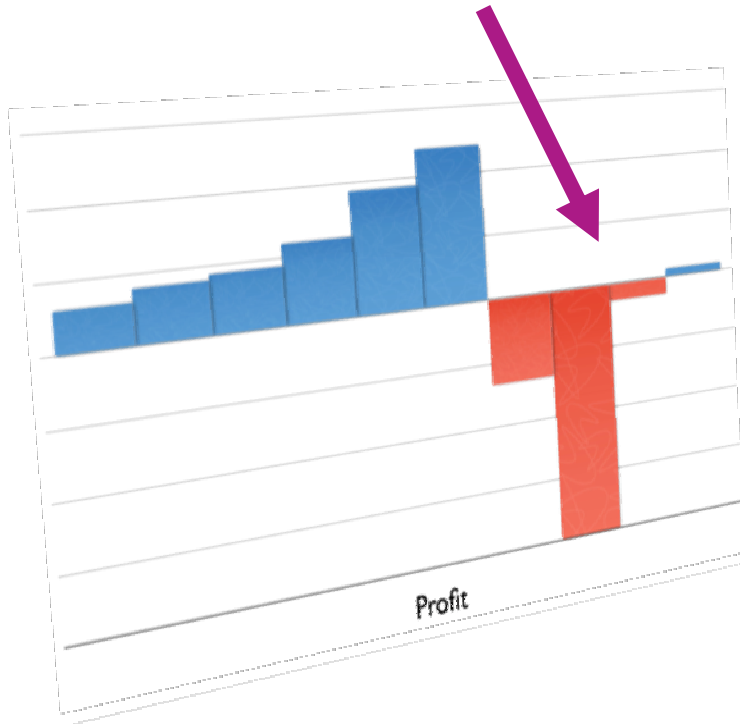


Staff leverage is weak



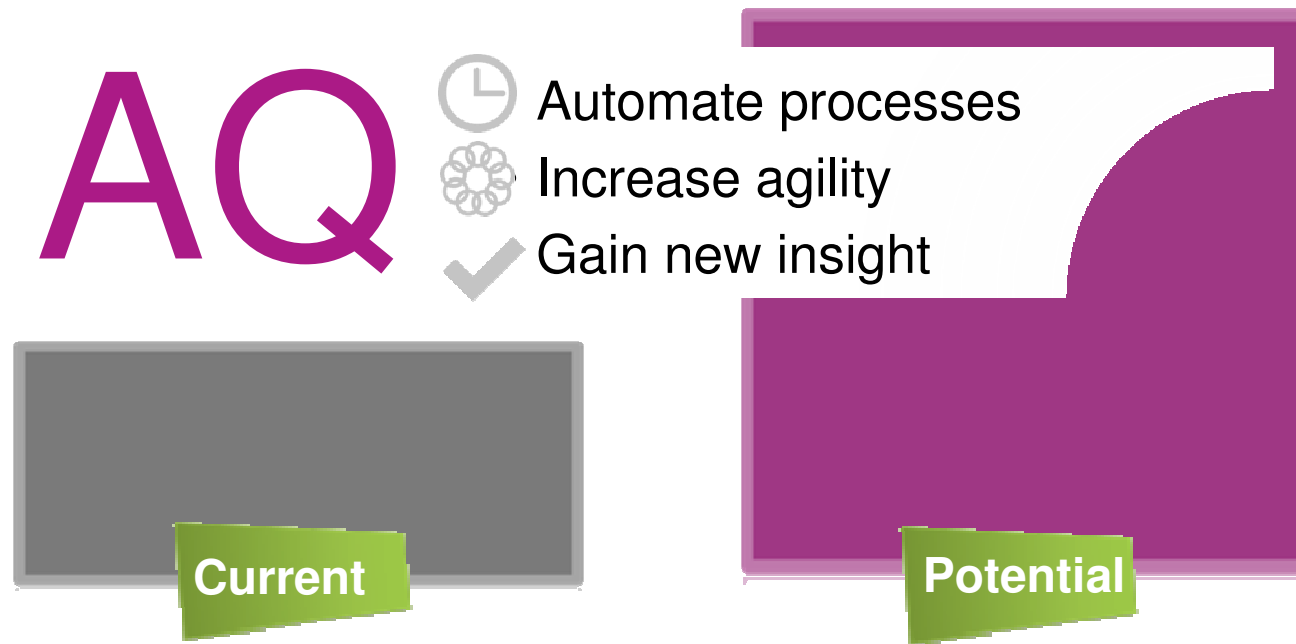
Monthly reports do not help us understand root causes ...
or profitability levers

Which products,
customers, segments?



Profit and Loss Statement For the Year ending 12/31/2011		Stated in 000s			
	Budget	Actual	Variance	Variance %	
Total Sales Revenue [J]	5,000	4,900	(100.0)	-2.0%	
Total Cost of Sales [K]	800	750	(50.0)	-6.3%	
Gross Profit [L=J-K]	4,200	4,150	(50.0)	-1.1%	
Operating Expenses					
Sales and Marketing					
Advertising					
Direct marketing	230	210	20.0	9.5%	
Total Sales and Marketing Expenses [M]	150	200	(50.0)	-25.0%	
Research and Development					
Technology licenses					
Total Research and Development Expenses [N]	380	410	(30.0)	-7.3%	
General and Administrative					
Wages and salaries	80	75	5.0	6.7%	
Rent	80	75	5.0	6.7%	
Total General and Administrative Expenses [O]	120	120	90.0	12.7%	
Total Operating Expenses [P=M+N+O]	920	830	90.0	0.0%	
Income from Operations [Q=L-P]	1,380	1,315	90.0	10.8%	
Taxes					
Total Taxes [S]	2,820	2,835	65.0	4.9%	
Net Profit [T=Q+R-S]	512	501	15	0.5%	
	2,308	2,334	11.2	2.2%	
			27	1.1%	

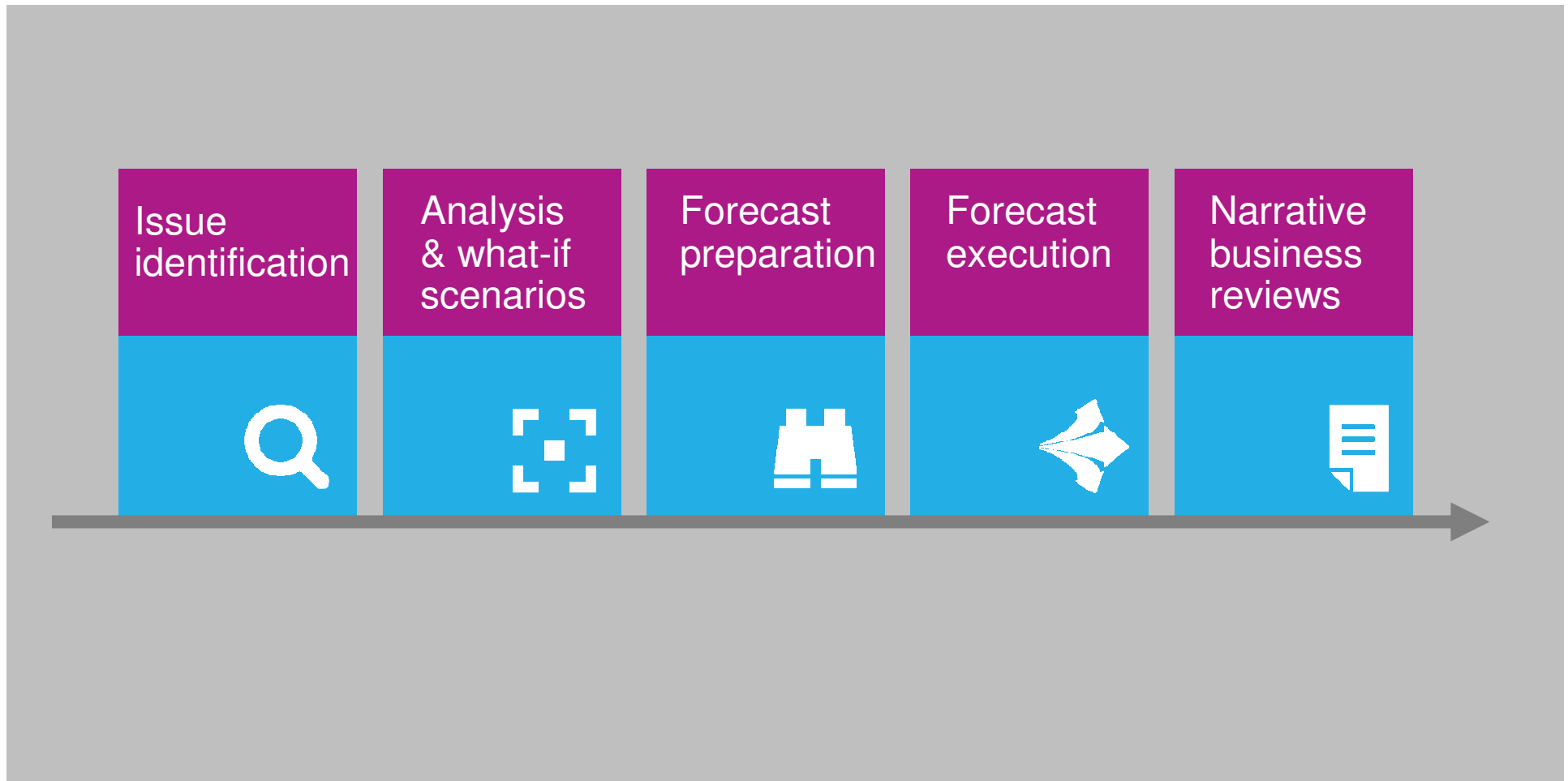
Raise your analytic maturity to gain the time, control, and confidence



.....

The more you **infuse analytics into your business**, the higher your AQ and the **better you and your business will perform**

Transforming the decision process

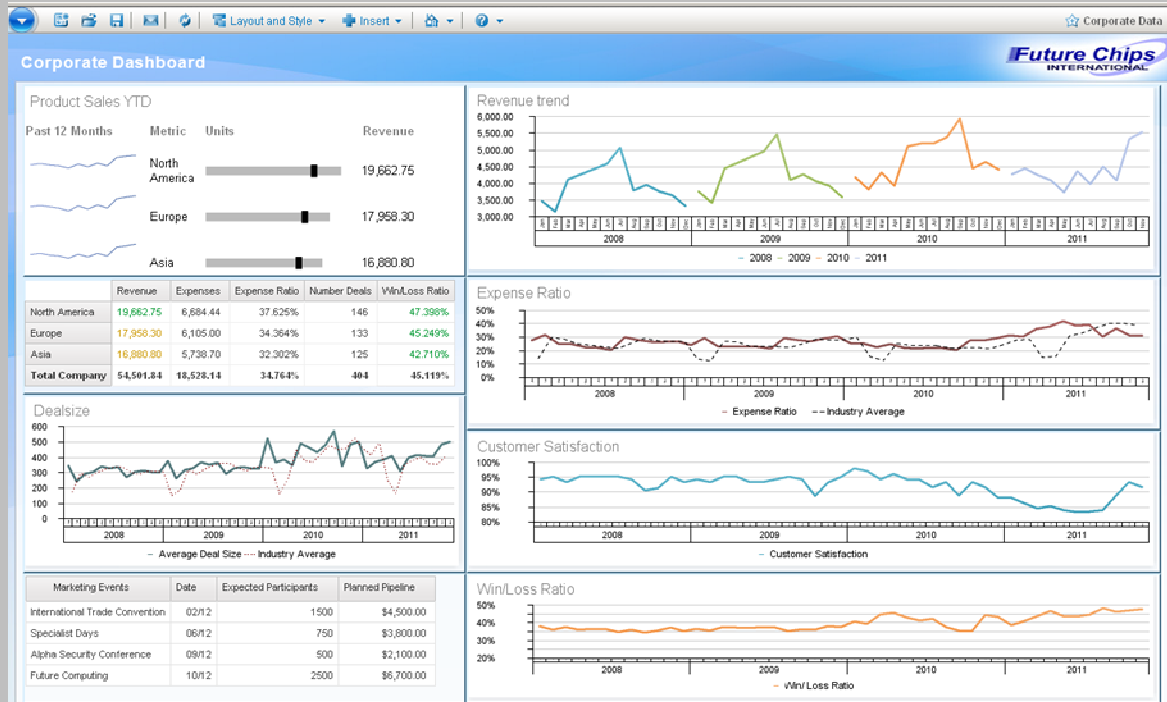


Transforming the decision process



From looking backward to looking forward

Leading vs. lagging | External & internal vs. internal only | Forecasting vs. budgeting only



IBM Cognos Business Intelligence 10 – comprehensive dashboards

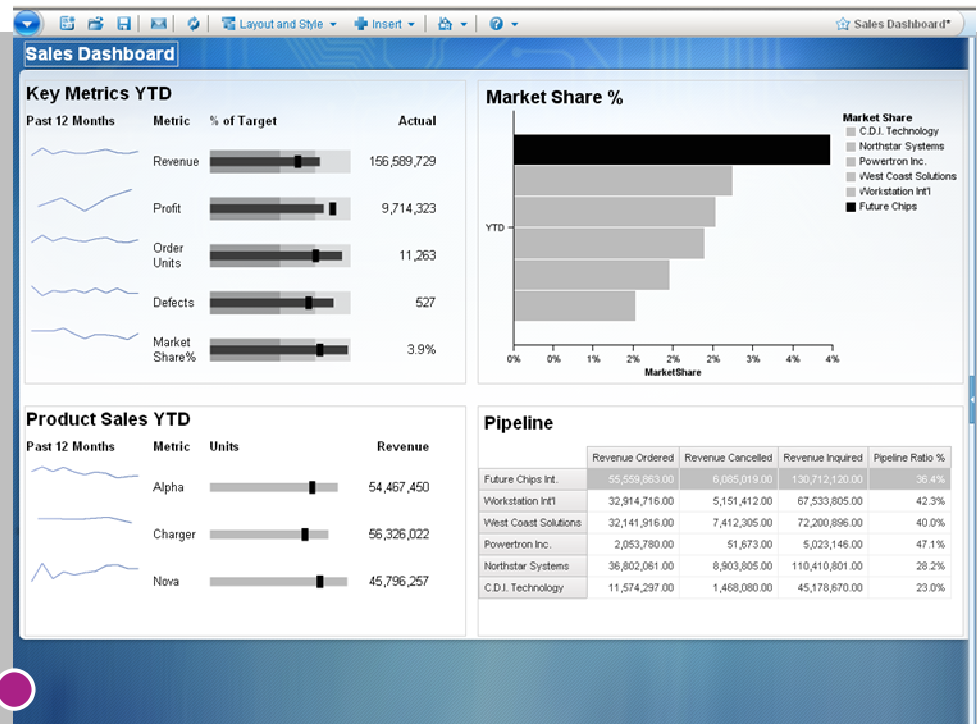
Insight everywhere you need it



In the boardroom or 35,000 feet in the air

Actionable information on the desktop and your mobile device

Timely, rich and interactive content



IBM Cognos 10 – Mobile and comprehensive dashboards

Transforming the decision process

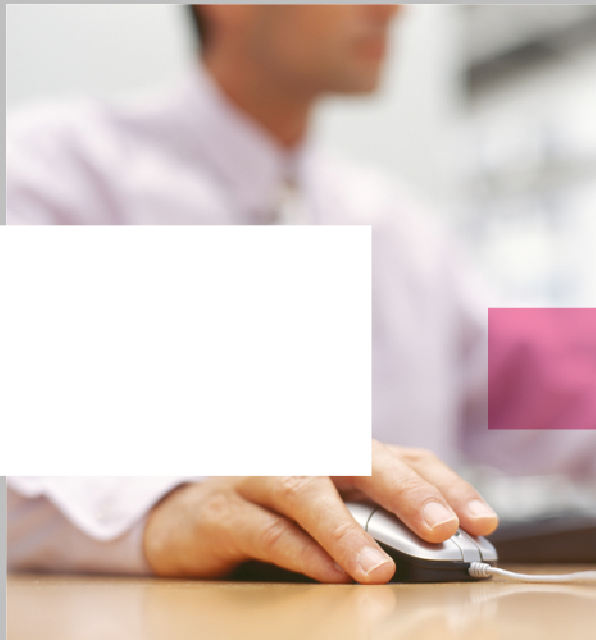


- **The data I need is not just in corporate systems.**
- **I don't know exactly what I'm looking for.**
- **I can't afford to wait for someone else to build it.**
- **We need to understand and respond faster to marketplace changes.**

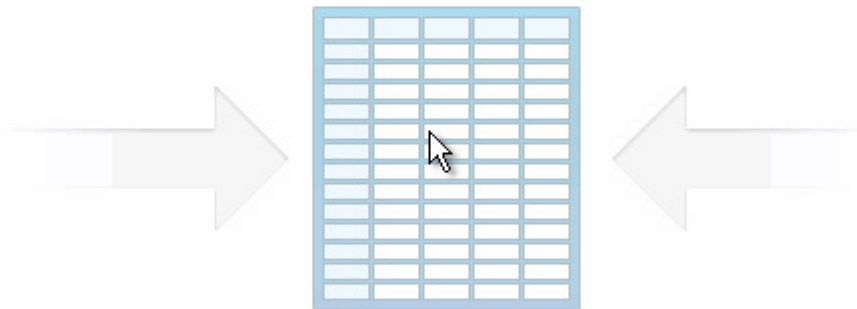


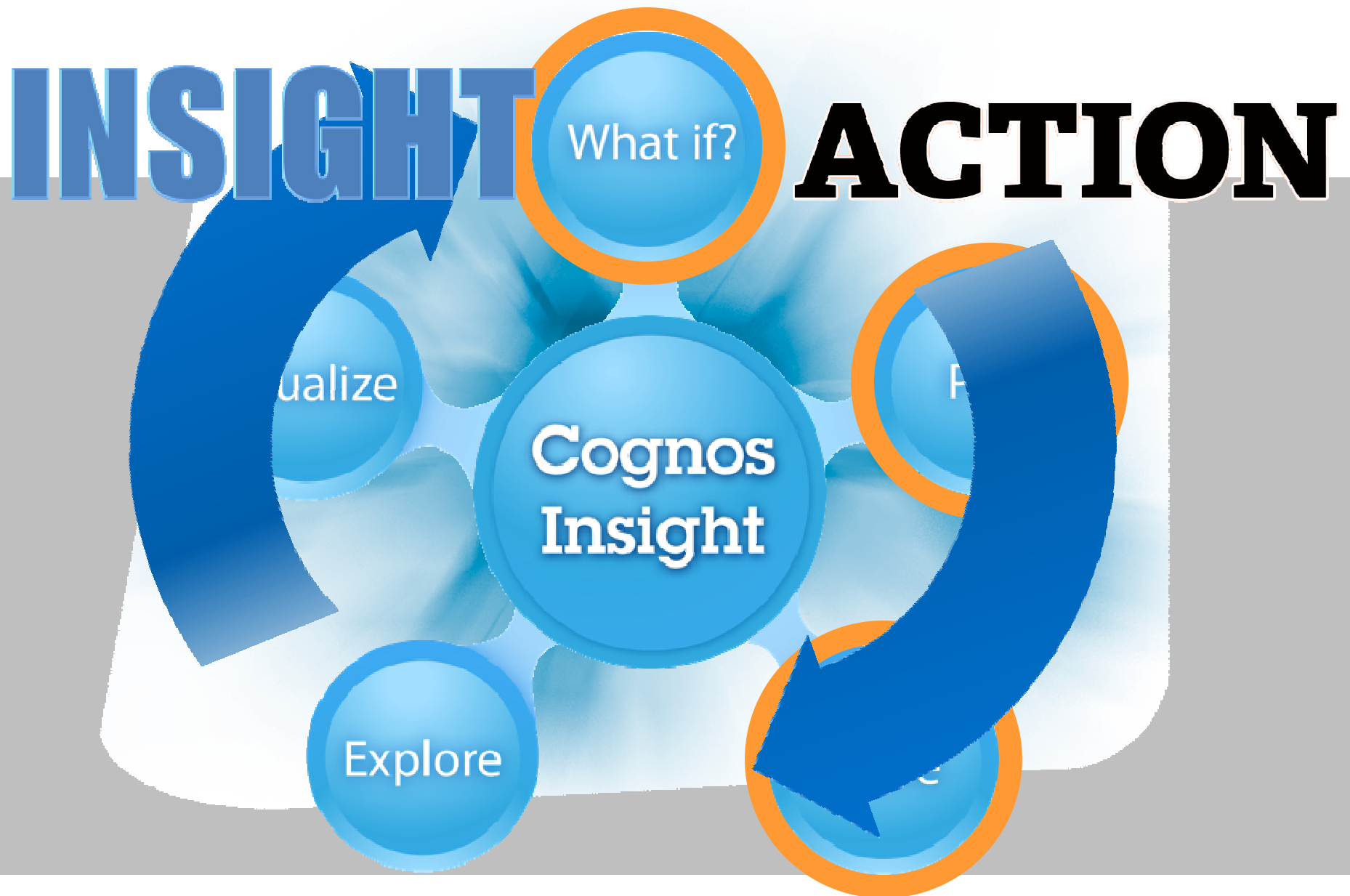
Demo

- Analysis and what-if scenarios



Drag spreadsheets onto the canvas and start working with your data.





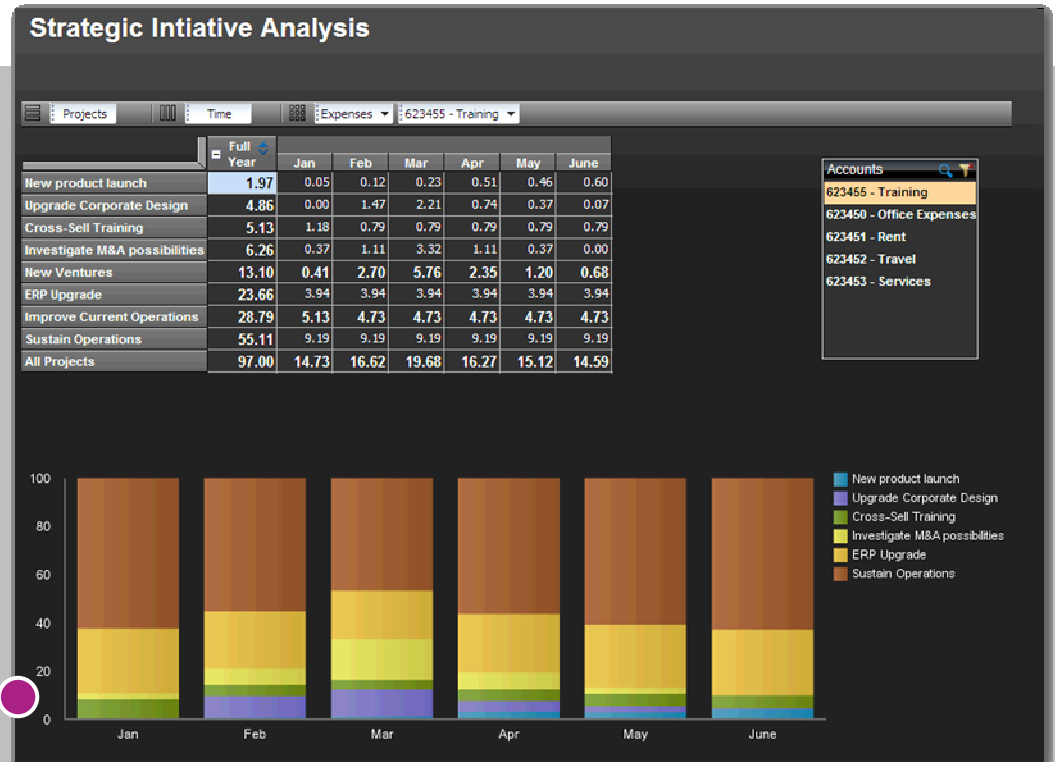
Agile, personal analytics



Access to external and corporate-sanctioned data sources

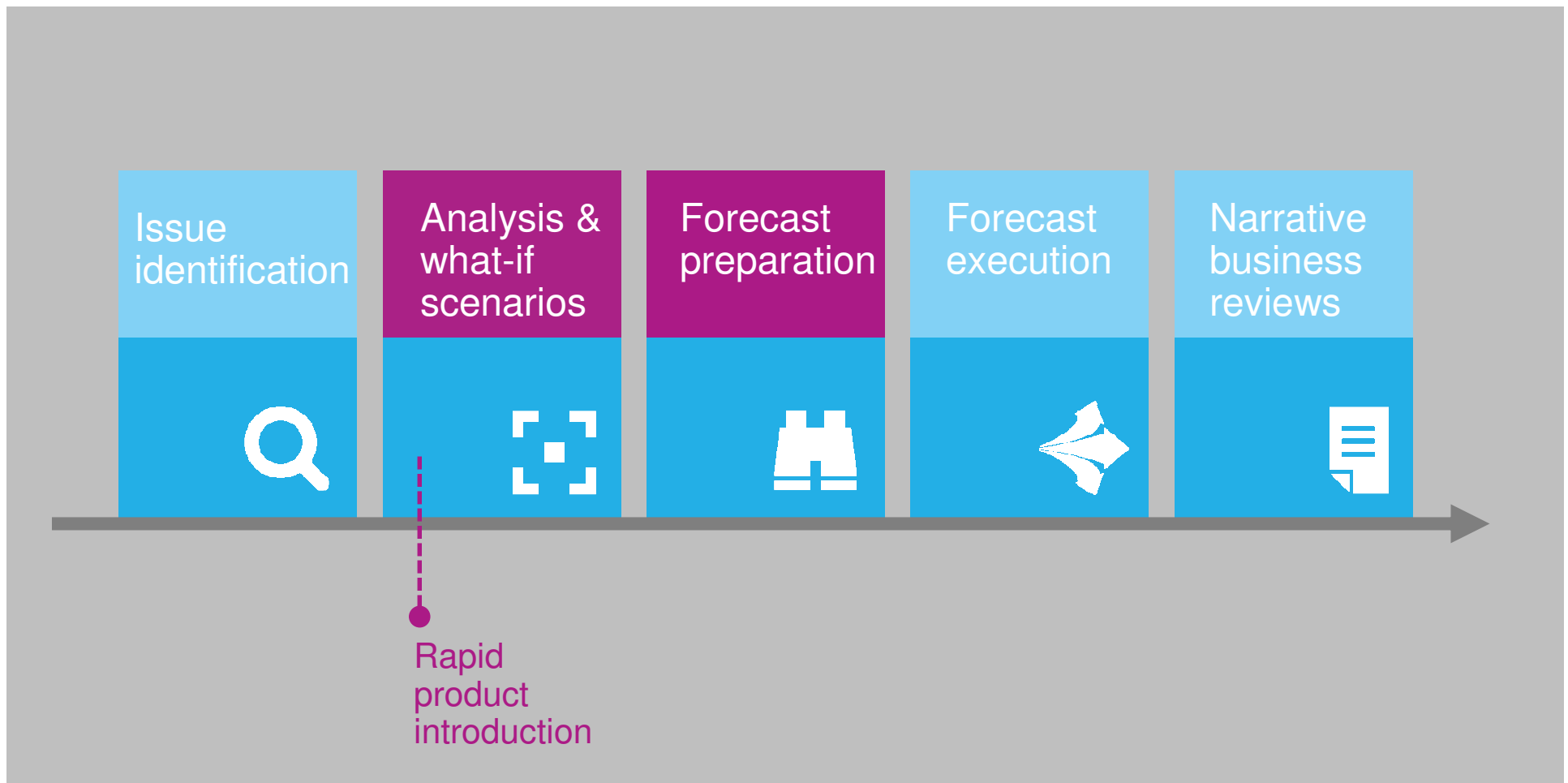
Boundless freedom to perform analysis

“Write-back” for what-if scenarios and planning template development



IBM Cognos Insight

Transforming the decision process



From spreadsheet formulas and links to visual modeling

Visual vs. Text | Business-User vs. IT specialist | Agile Prototype-to-Deploy

From Spreadsheet formulae & links to **Visual Modeling & Composition**

```
=100*(Sheet2!B$29+'[Northern Region.xls]Frcst'!$B$3+'[Southern Region.xls]Forecast'!$B$3+'[Southern Region.xls]-Frcst'[Northern Region.xls]Sheet2'!$B$3)
```

The screenshot shows the IBM Cognos TM1 10 Performance Modeler interface. It features several panes:

- Price and Cost**: A pane with a tree view for dimensions (Versions, Regions, SKUs, Periods, Years) and a list of members (Unit Sales Price, Unit Cost, Margin, Margin%).
- Revenue Plan**: A similar pane with dimensions (Versions, Regions, SKUs, Periods, Years, Revenue plan measures, Channels) and members (Quantity, Unit Sales Price, Gross Sales Revenue, Discounts and Net Sales Revenue, Unit Cost).
- Mappings**: A central pane with a table mapping source and target measures.

Mapped Source	Mapped Target
Unit Sales Price	Unit Sales Price
Unit Cost	Unit Cost

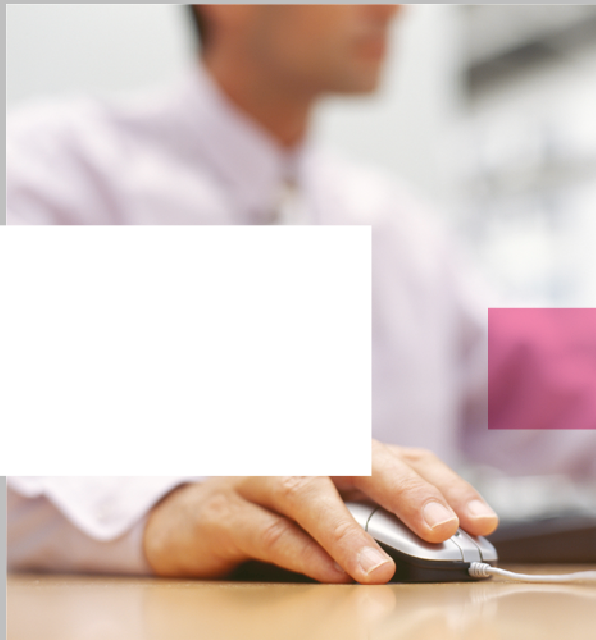
 Blue arrows indicate the flow of data from the source measures to the target measures.

IBM Cognos TM1 10 (Performance Modeler)



Demo

- **Prepare ad-hoc forecast models**
 - see planning session



Intuitive modeling and application deployment



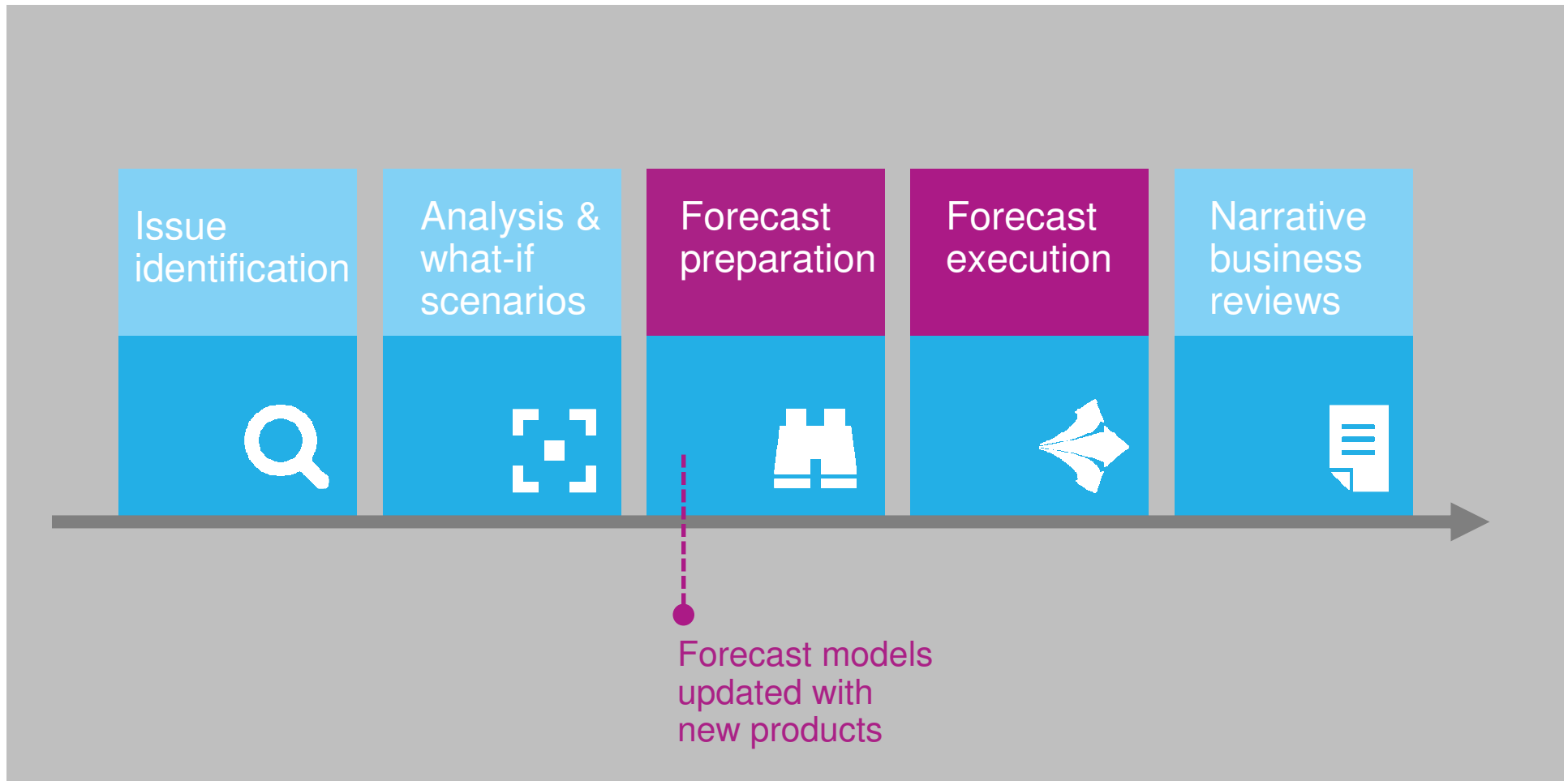
Multidimensional modeling tools
Big time savings, less risk and better visibility
Visual interface for intuitive modeling

The screenshot displays the IBM Cognos TM1 Performance Modeler interface. On the left, there are two tree views: 'Design' and 'TM1 Objects'. The 'Design' view shows a hierarchy for 'Revenue_analysis' including 'Approval Hierarchy', 'Workflow', 'Views', 'Price and Cost', 'Revenue Plan', and 'Rights'. The 'TM1 Objects' view shows 'Dimensions', 'Cubes', 'Price and Cost', 'Revenue Plan', 'Links', 'Processes', 'Charts', and 'Websheets'. The main workspace shows a circular workflow diagram with four steps: 1. Define Views, 2. Define the Approval Hierarchy, 3. Deploy the Application, and 4. Define Security. Below the diagram is a 'Properties' table.

Property	Value
Type	Application
Application Name	Revenue_analysis
Application Type	Approval
Created by	bob.business
Deployed	Yes
Saved	No
Enable Charting	Yes
Enable Multiple Sandboxing	Yes

IBM Cognos TM1 10 (Performance Modeler)

Transforming the decision process





From detailed and numeric to

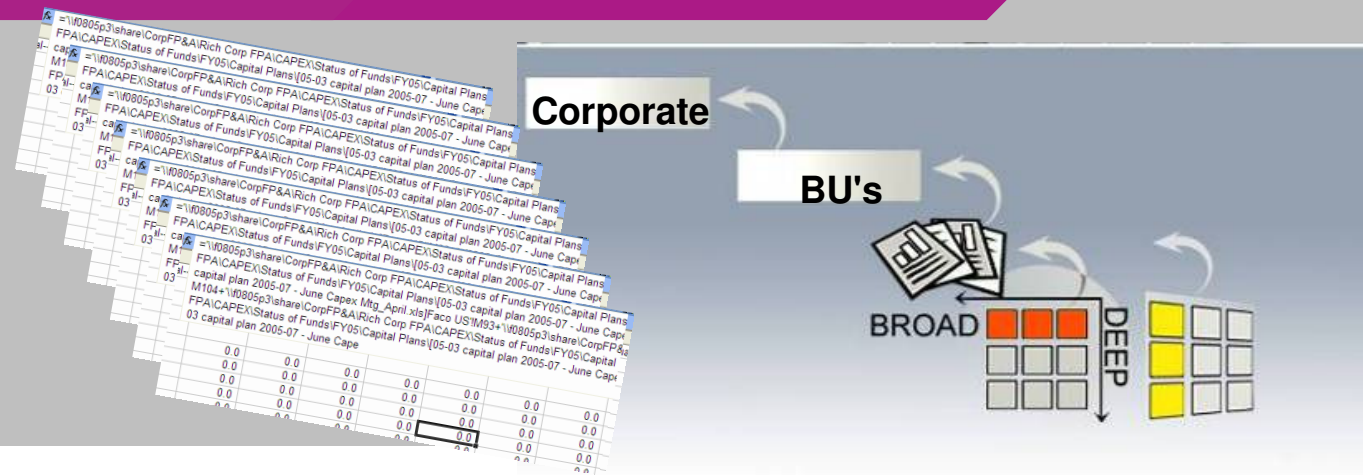
Driver-based forecasts

	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL	YTD Actuals Variance	YTD Act Var %	Total Variance	Total Var %
	Actuals	Actuals	Actuals	Actuals	Actuals	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast					
Revenue	143.00	150.00	176.00	166.00	200.00	180.00	181.00	190.00	200.00	200.00	210.00	260.00	2256.00	-66.00	-7%	256.00	13%
COs	92.95	97.00	114.00	108.00	131.00	117.00	117.00	125.00	131.00	132.00	140.00	180.00	1484.95	-97.05	-64%	84.95	6%
Margin	50.05	53.00	62.00	58.00	69.00	63.00	64.00	65.00	69.00	68.00	70.00	80.00	771.05	-22.95	-7%	71.05	10%
Margin %	35.00%	35.33%	35.23%	34.94%	34.50%	35.00%	35.36%	34.21%	34.50%	34.00%	33.33%	30.77%	34.35%	0%	-1%	-0.65%	-1%
Salaries	19.00	19.00	19.00	19.00	19.00	19.00	19.00	22.00	22.00	22.00	22.00	22.00	243.00	-1.00	-1%	-3.00	-1%
Bonus	1.43	1.50	1.76	1.66	2.00	1.80	1.81	1.90	2.00	2.00	2.10	2.60	22.56	-2.35	-39%	2.56	13%
Benefits	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.22	0.22	0.22	0.22	0.22	2.43	1.35	59%	-0.07	-3%
Insurance	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	1.80	0.00	0%	-0.10	-5%
Rent	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90	34.80	0.00	0%	-1.20	-3%
Utilities	3.00	2.00	2.50	1.50	1.00	1.00	1.20	1.40	1.50	2.00	2.50	3.00	22.77	0.92	8%	-1.23	-5%
Office Supplies	0.11	0.20	0.15	0.20	0.07	0.37	0.14	0.42	0.49	0.34	0.36	0.43	3.30	0.07	9%	1.00	43%
Travel - Air	7.15	7.50	8.80	9.00	15.00	9.00	9.05	9.50	10.00	10.00	10.50	13.00	116.50	-17.45	-58%	13.50	13%
Travel - Hotels	1.43	1.50	1.76	1.66	2.00	1.80	1.81	1.90	2.00	2.00	2.10	2.60	22.56	-3.35	-67%	-7.44	-25%
Travel - Car	0.72	0.75	0.88	0.83	1.00	0.90	0.91	0.95	1.00	1.00	1.05	1.30	11.28	-2.68	-178%	6.28	126%
Travel - Train	1.50	1.00	1.50	1.00	1.20	1.00	1.00	3.00	2.00	2.00	2.00	3.00	20.00	-1.50	-33%	9.00	82%
Sfcs & Misc.	0.50	0.00	0.00	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.00	0.00	0%	-1.00	-14%
Maintenance & Repair	0.35	0.14	0.06	0.43	0.30	0.36	0.31	0.42	0.03	0.41	0.09	0.13	3.04	0.02	1%	0.04	1%
Marketing	2.00	0.00	8.00	9.00	4.00	7.00	8.00	4.00	5.00	2.00	9.00	1.00	59.00	-3.00	-15%	5.00	9%
Net Income	9.83	16.17	14.35	9.90	20.18	17.53	17.53	16.24	14.62	20.98	15.01	27.66	200.01	15.43	28%	0.01	0%



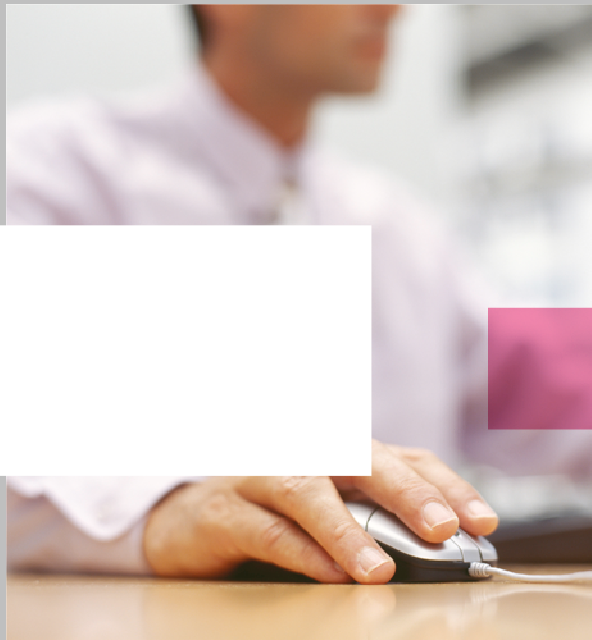
From manual aggregation to

Process automation



Demo

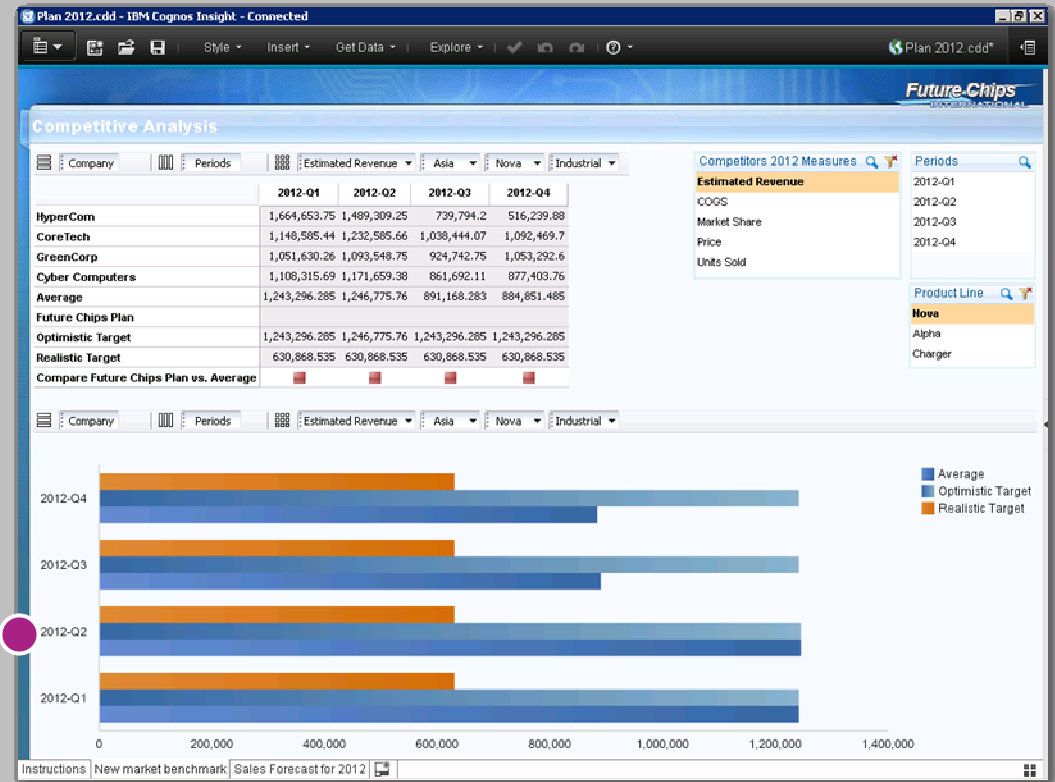
- **Update and revise forecast**
- see planning demo



Planning, analysis, forecasting & profitability modeling

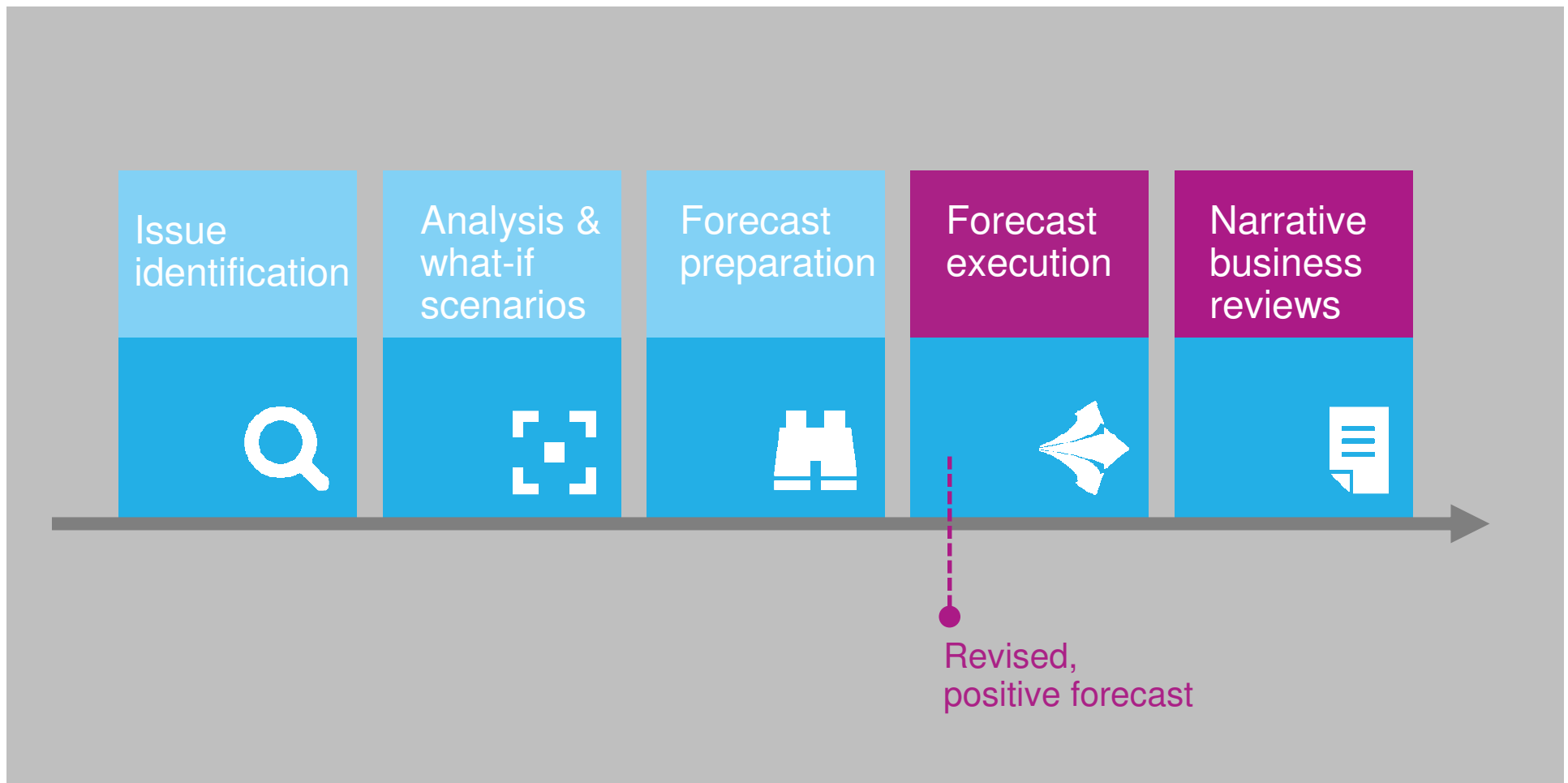


- Driver-based models
- Easier scenarios to address risk
- Easy distribution and aggregation of templates
- Real-time reporting against plan, budgets and forecasts



IBM Cognos TM1 10 (Cognos Insight, Contributor, Excel)

Transforming the decision process



Narrative-based reviews flush out what is really happening

Narrative Performance Reporting:



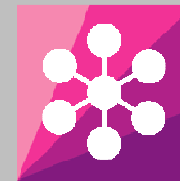
Analytical insight



Performance narrative



Gain consensus, plan & execute



On going reports & analysis

Speed alignment and decision-making

Disclosure Management and Tagging:



Financial & performance data



MD&A disclosures



Review, edit, Approve, certify

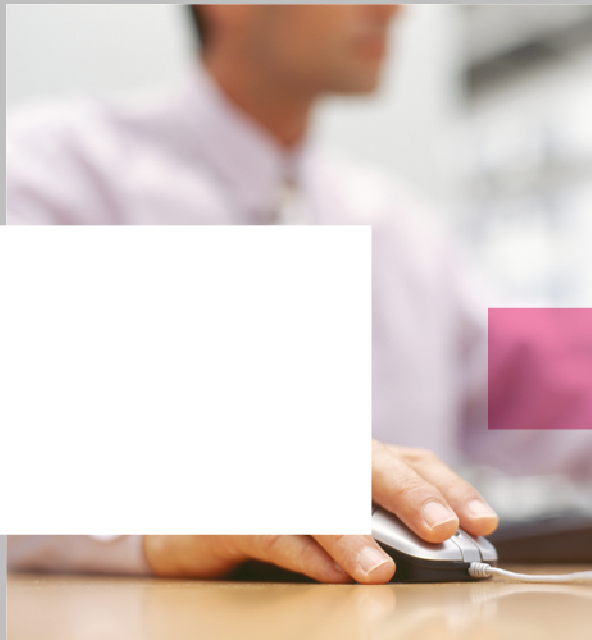


Publish to shareholders, regulators, etc.

Reduce risk of error, insider leaks, and late filings

Demo

- **Narrative reporting and disclosure management**



System
OS V
User
CPU:
Mem
OS V
Servi
Host
IP Ad
Defau
Prod

Readme.txt Utilities Active Reports

DF Adobe Toolbox.pdf TMI Ser

DF Adobe Content_F... RIM - Sim

no Content Business Ana Products

login



Server:

Database:

Log in to SQL Server

- using Windows authentication
- using SQL Server account

User ID:

Password:

Log in via Web Service

Web address:

IBM® Cognos® Financial Statement Reporting

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Version: 6.6.0.454

Automatically log in next time.

05% 71%

NUM LOCK: ON

09:29

Narrative business reviews and disclosure management



- Integrated workflow and narrative reporting
- Big time savings, no retyping or copying
- Rich functionality, including XBRL

Document Summary

Entity	External Reporting
Period	December 31, 2009
Document Name	10-K - Current Year
Submission Due Date	December 30, 2009
# Working Days before Due Date	-307
Document Owner	Director Financial Reporting
Overall document sign-off	0

Document Status

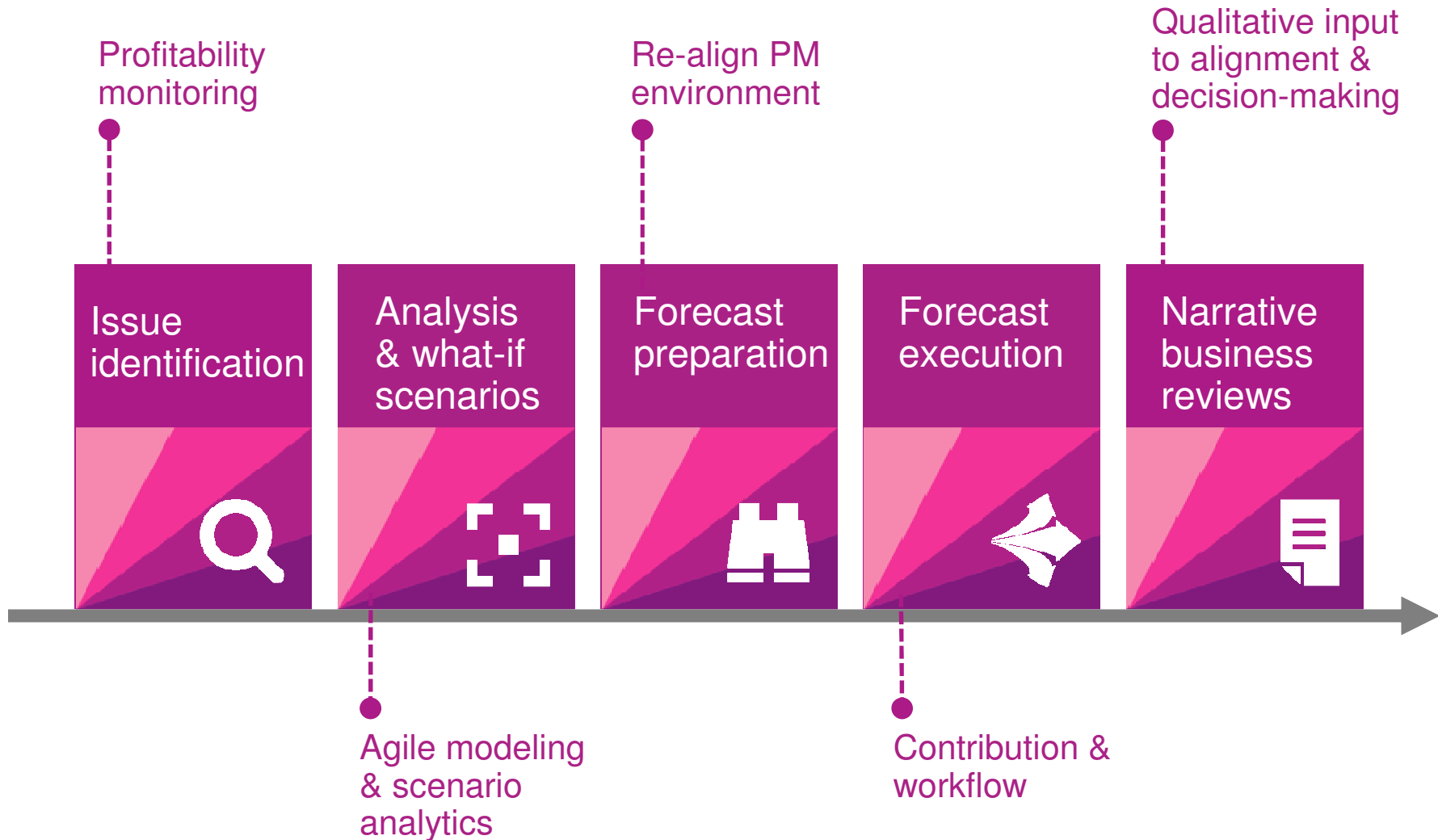
Internal Auditor - 2.4%	Reviewer - 8.4%	Assistant Controller - 1.2%	Data Contributor - 12.1%	Manager - 4.8%
External Auditor - 1.2%	Legal - 7.2%	Chief Accounting Officer - 6.0%	Director Financial Reporting - 26.1%	Controller - 9.6%
			XBRL Tagging - 21.7%	Test Workflow - 1.2%

Status by Object

Assigned To	Section Name	Report Object	Status	Object Type	Content
Director Financial Reporting	Variable Management	Variable List	Manager	Normal	MS-Excel
Director Financial Reporting	Front Cover Page	Cover Page	Director Financial	Normal	MS-Word
Reviewer	Print Default Settings	Default Page Setup	Reviewer	Page Setup	MS-Word
Reviewer	Shareholders Message	Header	Reviewer	Header	MS-Word
Assistant Controller	Shareholders Message	Shareholder Page Setup	Assistant Controller	Normal	MS-Word
Reviewer	Form 10-K Cover Page	Header	Reviewer	Header	MS-Word
Director Financial Reporting	Form 10-K Cover Page	Default Page Setup	Manager	Page Setup	MS-Word
Director Financial Reporting	Form 10-K Cover Page	Form 10K	Director Financial	Normal	MS-Word
Director Financial Reporting	Table of Contents	TOC	Director Financial	Normal	MS-Word
Data Contributor	Item 1 Business Overview	General	Test Workflow	Normal	MS-Word
Data Contributor	Item 1 Business Overview	Growth Strategy	Data Contributor	Normal	MS-Word
Data Contributor	Item 1 Business Overview	Growth Strategy - Not Printed and Hard Coded	Data Contributor	Normal	MS-Word
Data Contributor	Item 1 Business Overview	Historical Growth	Data Contributor	Normal	MS-Word
Data Contributor	Item 1 Business Overview	Store Remodeling	Data Contributor	Normal	MS-Excel
Data Contributor	Item 1 Business Overview	Footer	Data Contributor	Normal	MS-Word
Data Contributor	Item 1 Business Overview	Comments and Links	Data Contributor	Normal	MS-Word
Data Contributor	Item 1 Business Overview	Suggested Edits	Data Contributor	Normal	MS-Word

IBM Cognos Financial Statement Reporting (FSR)

Smarter Analytics. Smarter Outcomes.



IBM should be your partner in becoming analytics-driven

What's your

AQ?

The more you infuse analytics into your business, the higher your AQ and the better you and your business can perform.



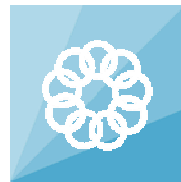
IBM business analytics deliver ...



Time

Drive efficiencies and scale

- Eliminate intensely manual efforts
- Structure and automate dynamic processes
- Scale to large user communities and data sets



Control

Gain agility and preparedness

- Link operational and financial performance management
- Support advanced analytic techniques (e.g., scenario and predictive analytics)
- Eliminate delays in coordinating around to emerging realities



Confidence

Improve effectiveness and outcomes

- Dramatically reduce risk of errors
- Cost-effectively address compliance
- Drive new confidence in analytics-driven decision making

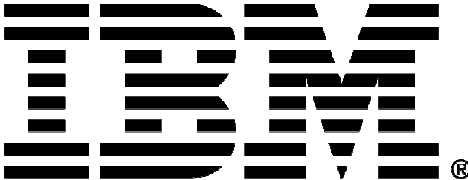


the best partner
for your analytics journey

- Evaluate your finance processes
- Join our analytics experience workshops
- Meet your local IBM business analytics team



Thank You



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