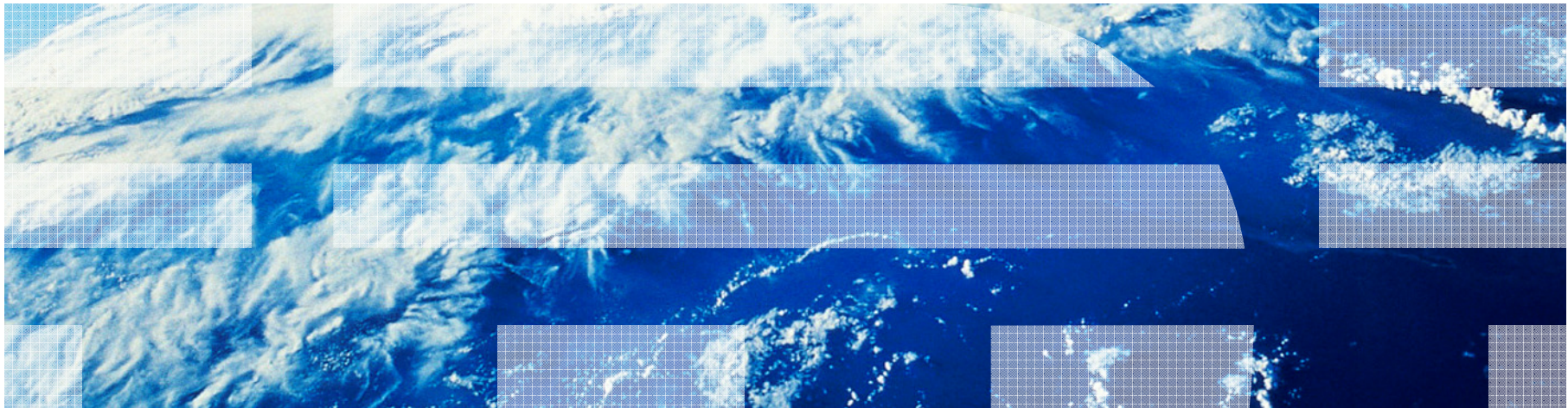IBM

IBM Business Analytics
Financial Performance Management

James Melville FCCA, Senior FPM Solution Architect

Mike Jeffery, Senior FPM Solution Architect

Wayne Isaac , Senior Clarity Application consultant

Business Analytics

Agenda

- **09:15 - Welcome and Introduction**
  - Introduction to IBM Business Analytics and Financial Performance Management

- **09:40 - Financial Analysis**
  - Provides an overview of how IBM Cognos TM1 can be used to analyse financial data using its in memory cubing engine rendered through an easy to use excel or web interface.

- **10:20 - Financial Consolidation**
  - Guides users on how IBM Cognos Controller can be used to complete a statutory or management consolidation including automation of currency conversions, acquisition calculations, Inter company eliminations, allocations and advanced formula calculations.

- **11:00 - Break**

- **11:20 - Business Intelligence**
  - Demonstrates how IBM Cognos 10 BI can be used to distribute financial information through dashboards, offline active reports, multi page management packs, easy to use drag and drop analysis and integrated office documents.

- **12:00 - The Last Mile Reporting**
  - This session explores how users can create of Annual Report, Accounts, internal board books and Statutory submissions to HMRC and Companies House.

Cognos.
software

Introductions

James Melville	Mike Jeffery	Wayne Isaac
Product Specialism: IBM Cognos Controller IBM Cognos BI	Product Specialism: IBM Cognos TM1	Product Specialism: IBM Clairty FSR

Agenda

– IBM Business Analytics

– Financial Performance Management

– Business Analytic Solutions for Finance

– Why IBM Cognos?

An exceptional business analytics partner

An exceptional business analytics partner

Business Analytics & Optimization Solutions

Industry Solutions

| Financial Services | Public | Distribution | Industrial | Communications |

Cross-Industry Solutions

| Finance | Human Capital | Supply Chain / Operations | Customer |

Business Analytics

| Business Intelligence | Predictive & Advanced Analytics | Financial Performance & Strategy Management | Governance, Risk & Compliance | Analytic Applications |

Information Management and Governance

Information Integration & Master Data Management
Data Warehousing

| Content Management | Data Management |

Workload Optimized Systems

Energy & utili...

Retail

Finance & integrated risk management

Manufacturing demand planning

Banking

...ronics

Insurance

Telecommunications

Chemical & petroleum

Transforming finance through analytics

- Analytics-driven organizations outperform

- Finance is a catalyst for higher performance and effective, efficient regulatory response

- Count on IBM to be your ultimate provider:
  —Software and systems
  —Services
  —Global financing

Business Analytics

Cognos.
software

Financial Performance Management

Financial Analytics
Analyze and optimize performance

Enterprise Planning
Plan, forecast and control enterprise resources

How are we doing?

What should we be doing?

Why?

FPM – A Specialized View Of Performance Management

IBM Cognos Financial Performance & Strategy Management
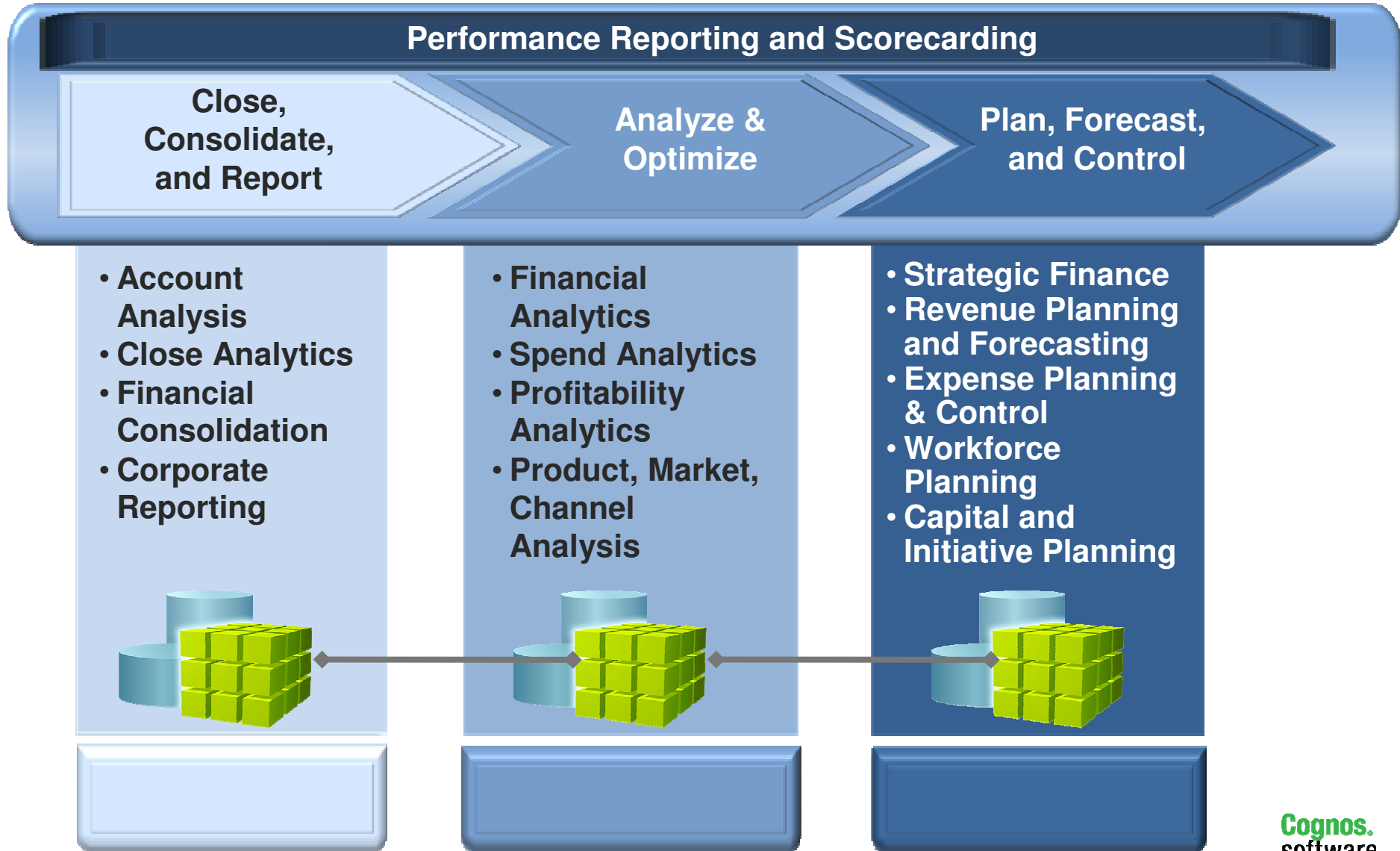
Performance Reporting and Scorecarding

Close, Consolidate, and Report	Analyze & Optimize	Plan, Forecast, and Control
• Account Analysis • Close Analytics • Financial Consolidation • Corporate Reporting	• Financial Analytics • Spend Analytics • Profitability Analytics • Product, Market, Channel Analysis	• Strategic Finance • Revenue Planning and Forecasting • Expense Planning & Control • Workforce Planning • Capital and Initiative Planning

Cognos. software

Close, Consolidate, and Report

Performance Reporting and Scorecarding

Close, Consolidate, and Report	Analyze & Optimize	Plan, Forecast, and Control

- **Account Analysis**
- **Close Analytics**
- **Financial Consolidation**
- **Financial Controls Management**
- **Corporate Reporting**
- **Regulatory Filing** (e.g. XBRL)

BRITISH AIRWAYS

CLOSE   CONSOLIDATE   REPORT

- *" We weren't aware of anything on the market like CLARITY FSR, so the product sold itself. We realized straight off that this was the control mechanism we needed.*
- *The IBM Cognos systems has*

- *Overall, the reduced risk of data inaccuracies and the availability of an audit-trail-feature convinced us to purchase, and we're glad we did."*

Jeff Brister, Reporting Development Manager
Group Financial Reporting, British Airways
an IBM® Company
ring
Plc

PSS WORLD MEDICAL

, first generation consolidation

- *"We already also provide rich, purpose-built systems to users to reduce the time spent coordinating a financial process and internal controls for reporting with confidence*
in seconds."

Simon Jefferis, Group Accountant, Imperial Tobacco
Michelle Boyer, Senior Director, Financial Reporting, PSS World Medical, Inc.

Cognos.
software

© 2010 IBM Corporation

IBM

Analyze & Optimize

Performance Reporting and Scorecarding

Close, Consolidate, and Report	Analyze & Optimize	Plan, Forecast, and Control

" For our financial analysis and everything we do, IBM Cognos TM1 is very critical, and it's irreplaceable at this point."

Anand Saxena, Financial Reporting (FIRE), DHL Global Forwarding

analysys mason

"Putting IBM Cognos TM1 at the core of the tariff optimisation service we offer mobile operators means our clients have access to the most effective analysis and planning solution possible."

David Eurin, Senior Manager, Analysys Mason

- **Financial Analytics**
- **Spend Analytics**
- **Profitability Analytics**
- **Product, Market, Channel Analysis**
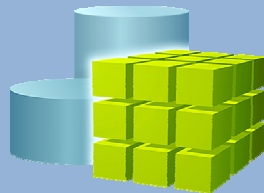
IBM Strength

Financial analytics and profitability analysis enabled by:

- Scalable analysis solution, capable of dealing with high degrees of complexity
- Providing an interactive user experience to interact with data and scenarios
- Easy to use – web or excel interface
- Single platform enabling scope to cover all attributes of the business
- Real-time modelling
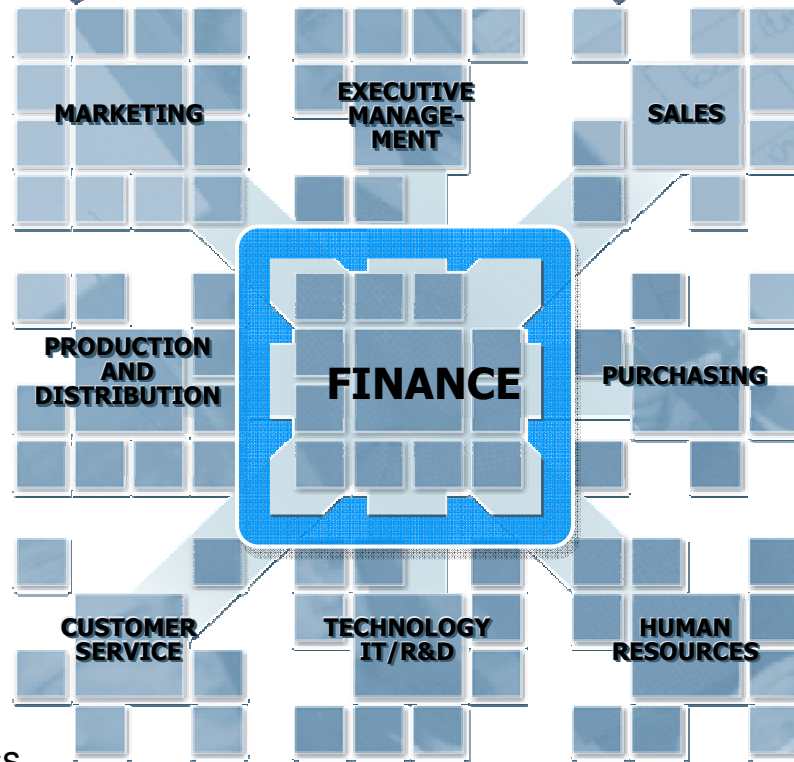- Vital connection to planning for growth and profitability

Cognos. software

IBM

Enterprise Planning: A Distinctive IBM Advantage

Financial Performance and Strategy Management

| Close, Consolidate, and Report | Analyze & Optimize | Plan, Forecast, and Control |

IBM Strength

- Plan based on business drivers
- Easily implement Rolling Forecasts
- Connect financial and operational planning
- Connect plans to strategic goals
- Address both high participation and deeply analytic planning
- Advanced analytic value
  - Dashboarding/Visualization
  - Scenario Analytics
  - Statistics / Predictive Analytics
- Real-time scenario modelling/ sandboxing
- Leverage best practices - over 75 performance blueprints to accelerate success

MARKETING

EXECUTIVE MANAGE-MENT

SALES

PRODUCTION AND DISTRIBUTION

FINANCE

PURCHASING

CUSTOMER SERVICE

TECHNOLOGY IT/R&D

HUMAN RESOURCES

Cognos. software

Plan, Forecast, and Control

Performance Reporting and Scorecarding

| Close, Consolidate, and Report | Analyze & Optimize | Plan, Forecast, and Control |

BAE SYSTEMS

STEINHOFF ASIA PACIFIC

- • **Strategic Finance**
- • **Revenue Planning and Forecasting**
- • **Expense Planning & Control**
- • **Workforce Planning**
- • **Capital and Initiative Planning**

▪ *"We also found that it allows us to offer an integrated budgeting process including what-if scenarios, forecasting and automated consolidation" "…hundreds of TM1 users across five business sites within the company"*
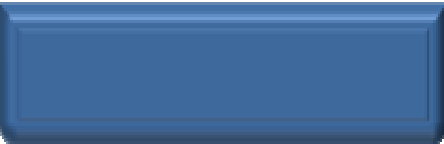
Garry Cook,

TM1 Development Manager, BAE (Air Systems)

▪ *"The level of expertise to drive IBM Cognos TM1 is a lot less than other planning applications I have used. I make my own changes without having to call IT"*

Louise Cooper,

Group Planning Manager, Steinhoff Asia Pacific

Cognos. software

IBM Business Analytics
Financial Performance Management

Financial Analysis
Mike Jeffery

IBM Business Analytics
Financial Performance Management

Financial Consolidation
James Melville

Close, Consolidate, and Report

Performance Reporting and Scorecarding

Close, Consolidate, and Report	Analyze & Optimize	Plan, Forecast, and Control

- **Account Analysis**
- **Close Analytics**
- **Financial Consolidation**
- **Financial Controls Management**
- **Corporate Reporting**
- **Regulatory Filing** (e.g. XBRL)

BRITISH AIRWAYS

CLOSE   CONSOLIDATE   REPORT

- *" We weren't aware of anything on the market like CLARITY FSR, so the product sold itself. We realized straight off that this was the control mechanism we needed.*
- *The IBM Cognos systems has*

- *Overall, the reduced risk of data inaccuracies and the availability of an audit-trail-feature convinced us to purchase, and we're glad we did."*

CLARITY SYSTEMS
an IBM® Company

Jeff Brister, Reporting Development Manager
Group Financial Reporting, British Airways

PSS WORLD MEDICAL

- , first generation consolidation

- *"We need to analyze available data to facilitate the creation of external reports, replacing a more accurate key financial basis for reporting and involve multiple steps and oversight can now be done in seconds."*

Simon Jefferis, Group Accountant, Imperial Tobacco
Michelle Boyer, Senior Director, Financial Reporting, PSS World Medical, Inc.

Cognos.
software

Close, Consolidate, Report: Key Requirements

Performance Reporting and Scorecarding

| Close, Consolidate, and Report | Analyze & Optimize | Plan, Forecast, and Control |

Controller

FP & A

Financial Consolidation & Reporting Solutions

Statutory and Management

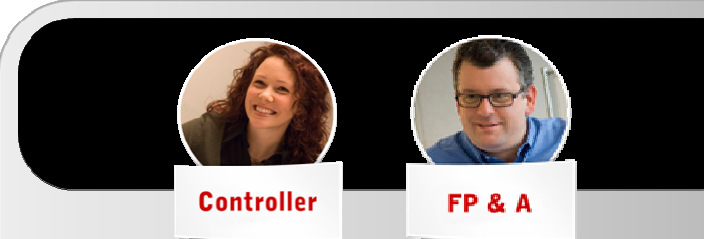REPORT & ANALYZE

COLLECT

PREPARE

CONSOLIDATE

- *Single controlled environment*
- *Application configuration*
- *Audit tracking*
- *Internal controls*
- *Finance owned – ease of use*
- *IT infrastructure compliance*
- *Out-of-the-box functionality*
- *Consolidation workflow*
- *Security & access control*

IMPACT: Cost efficient and effective compliance and faster cycles of close process execution. Confidence in consolidating financial results accurately and sharing with internal and external stakeholders

software

IBM

Close, Consolidate, Report: Collect & Certify

Performance Reporting and Scorecarding

Close, Consolidate, and Report	Analyze & Optimize	Plan, Forecast, and Control

REPORT & ANALYZE

PREPARE

CONSOLIDATE

onsolidation
porting
utions

d Management

Process quality process & control in data preparation

Controller   **FP & A**

- *Multiple data entry options – users and systems*

- *Import from source systems with data lineage*

- *Workflow to manage data collection*

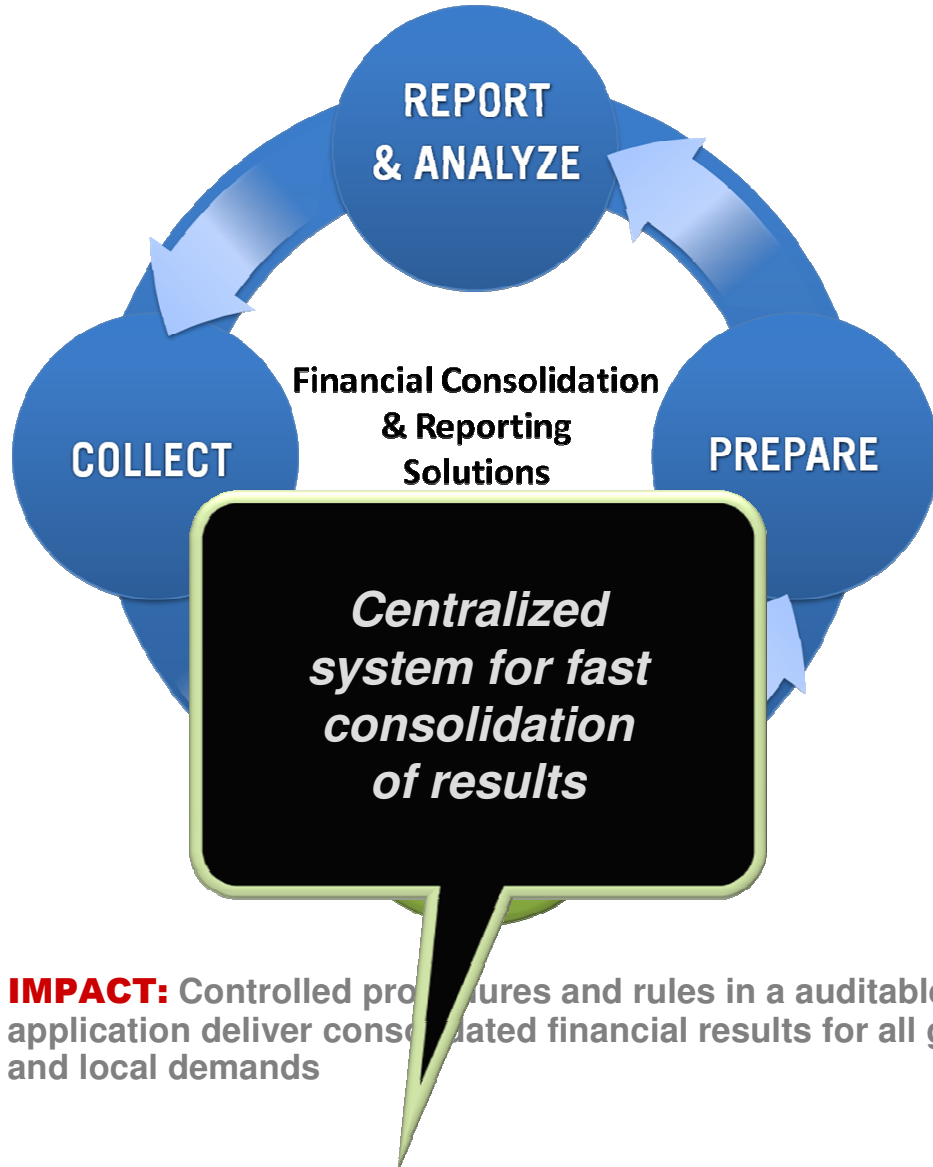- *Data reconciliation and approval*

- *Internal controls & audit checklist*

IMPACT: Quality data input, accountability and controls ensuring effective collection of all financial data for the close process

Close, Consolidate, Report: Consolidate

Performance Reporting and Scorecarding		
Close, Consolidate, and Report	Analyze & Optimize	Plan, Forecast, and Control

Controller   **FP & A**

REPORT & ANALYZE

COLLECT

PREPARE

Financial Consolidation & Reporting Solutions

Centralized system for fast consolidation of results

IMPACT: Controlled procedures and rules in a auditable application deliver consolidated financial results for all global and local demands

- *Multiple entity rollups & structures, multiple versions*
- *Extended business segments*
- *Apply automated and manual adjustments*
- *Sophisticated currency accounting*
- *Intercompany eliminations*
- *Complex ownership adjustments, joint ventures*
- *Automate and schedule*

Close, Consolidate, Report: Prepare

REPORT & ANALYZE

COLLECT

CONSOLIDATE

Financial C...
& Re...
Sol...

Statutory an...

Execute accounting and financial policy adjustments for external stakeholders

Performance Reporting and Scorecarding

| Close, Consolidate, and Report | Analyze & Optimize | Plan, Forecast, and Control |

Controller   FP & A

- *Automated and manual adjustments*

- *Text commentary and other supporting documents*

- *In-process reporting to certify financial results*

- *Deliver multiple GAAP accounts e.g. IFRS, local GAAP, in a visible, easy-to-use environment*

- *Track and audit different report adjustments*

IMPACT: Deliver financial results from a single, controlled data source

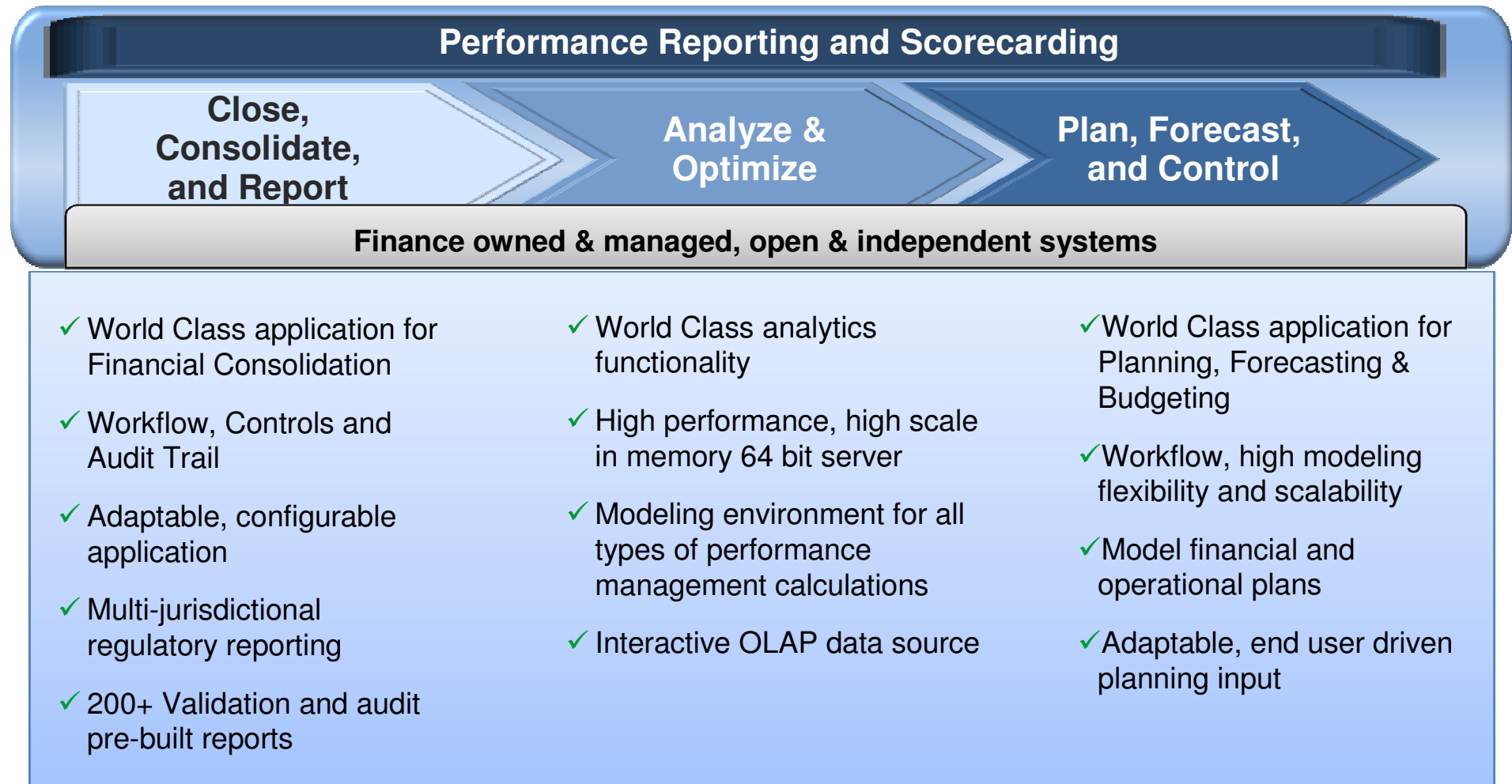# Close, Consolidate, Report: Report & Analyze

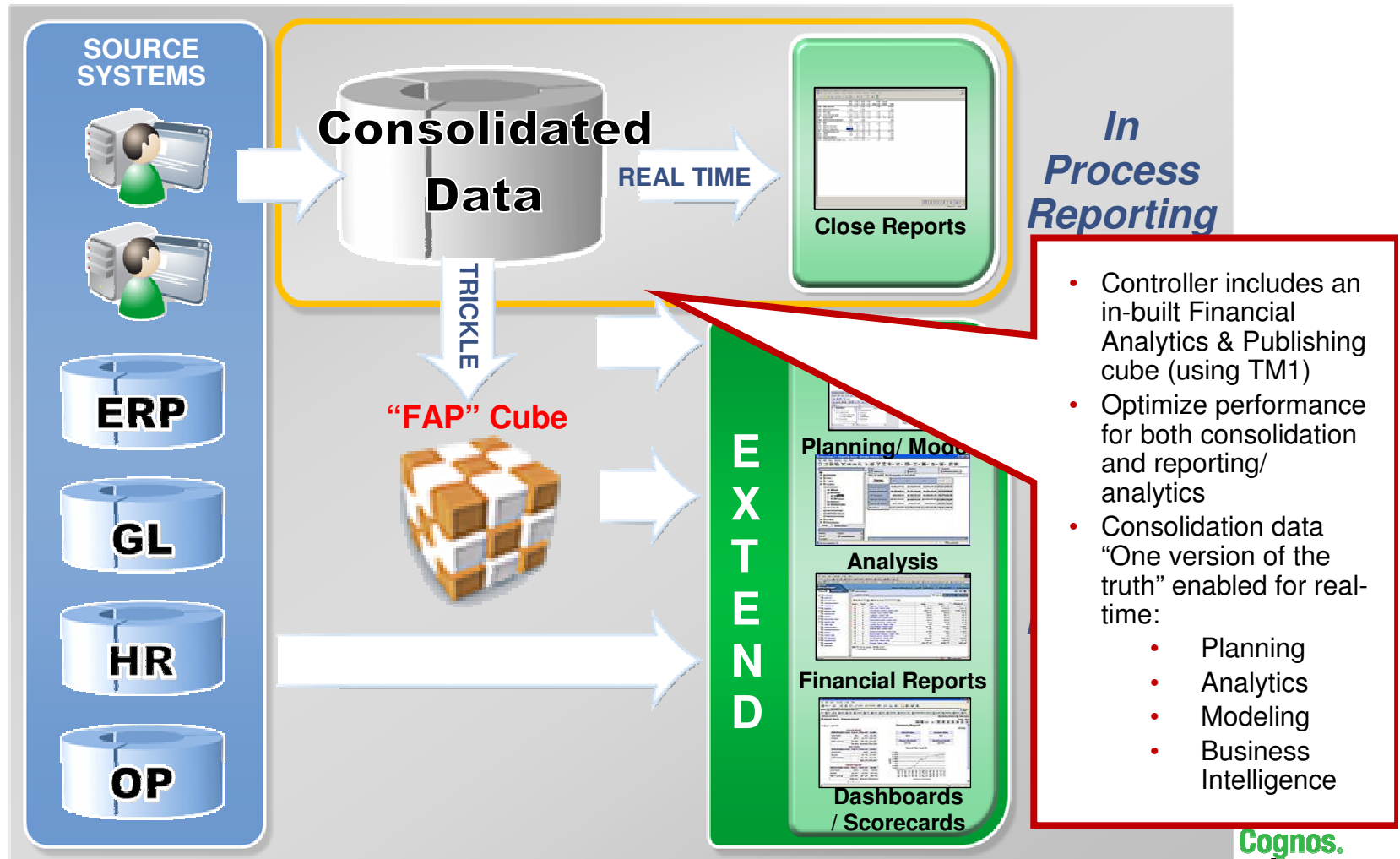**Finance led reporting and analysis for decision making**

Financial Consolidation & Reporting Solutions

Statutory and Management

COLLECT

PREPARE

CONSOLIDATE

IMPACT: Certified financial results supporting office of finance reporting mandates and providing insight to all business holders

Performance Reporting and Scorecarding

| Close, Consolidate, and Report | Analyze & Optimize | Plan, Forecast, and Control |

Controller   **FP & A**

- *Real-time in-process close accounting reports*

- *Complex accounting reports for inter-company, investments, journal entries, etc.*

- *Direct access via Excel*

- *Leverage financial information for financial & management reports, ad-hoc analysis – inbuilt TM1 OLAP (FAP) Cube*

- *World-class reporting (internal, external and electronic), dashboard, scorecard capabilities*

IBM Cognos FPM solution

Performance Reporting and Scorecarding

**Close,
Consolidate,
and Report**

**Analyze &
Optimize**

**Plan, Forecast,
and Control**

Finance owned & managed, open & independent systems

✓ World Class application for Financial Consolidation

✓ Workflow, Controls and Audit Trail

✓ Adaptable, configurable application

✓ Multi-jurisdictional regulatory reporting

✓ 200+ Validation and audit pre-built reports

✓ World Class analytics functionality

✓ High performance, high scale in memory 64 bit server

✓ Modeling environment for all types of performance management calculations

✓ Interactive OLAP data source

✓ World Class application for Planning, Forecasting & Budgeting

✓ Workflow, high modeling flexibility and scalability

✓ Model financial and operational plans

✓ Adaptable, end user driven planning input

**Cognos.
software**

Consolidation – Foundation for FPM

SOURCE SYSTEMS

Consolidated Data

REAL TIME

Close Reports

TRICKLE

ERP

GL

HR

OP

"FAP" Cube

E X T E N D

Planning/ Model...

Analysis

Financial Reports

Dashboards / Scorecards

In Process Reporting

- Controller includes an in-built Financial Analytics & Publishing cube (using TM1)
- Optimize performance for both consolidation and reporting/ analytics
- Consolidation data "One version of the truth" enabled for real-time:
  - Planning
  - Analytics
  - Modeling
  - Business Intelligence

Cognos. software

European Consolidation Customer examples

TULLOW OIL plc

London Stock Exchange Group

The co-operative

Michael Page INTERNATIONAL

IMI

BUPA

STEMCOR
Every step in steel

Petrofac

HUNTING

Imperial Tobacco

Nobel Biocare
making you smile

DSG international plc

Associated British Foods plc

sky

Logica

PREMIER FOODS

RSA

Alliance Boots

Del Monte
Quality

IKEA

Legal & General

KBC

InBev

Genus

Swedbank

International Power

Thomas Cook

CHEMRING GROUP PLC

DAIRY FARMERS OF BRITAIN

Resolution

TeliaSonera

MORGAN SINDALL

Rentokil Initial

VATTENFALL

Cognos. software

What our Controller customers say:

- *"The IBM Cognos solution is creating significant benefits for local controllers. The project has automated an entire reporting process, freeing individual controllers from this task."*

  Bernhard Lüttgau, Reporting and Consolidation Manager, Tecan Group Ltd.

- *"We are now able to provide more accurate data and faster reports to senior management," "In doing so, we can provide a more solid basis for decision-making and operational improvement."*

  Simon Jefferis, Group Accountant, Imperial Tobacco

- *'The IBM Cognos systems has allowed us to reduce the monthly reporting process – that 20% time saving has been invaluable'*

- *New acquisitions and customers can be integrated into the system within one month, report accuracy is 100%, rigid budgeting has been replaced by flexible, continuous daily, weekly or monthly reporting.*

  Angus McQueen, Group Accountant, Chemring Plc

Cognos. software

What our Controller customers say:

- *Reasons for choosing Controller*
  - *"Competitors are more complicated to implement".*
  - *"Cognos is more "in-house" than your competitors".* [Finance-owned, manageable]
  - *"Cognos BI is richer in functionality".*
  - *"On going maintenance is easier with Cognos"*

- *'We are not a stable operating environment in terms of acquisitions, disposals, reporting structures and finalised operating systems. As such the decision can be summarised as Controller would be more easily adaptable to this fluid environment than your competitors'*

  Leading £2bn trade steel distributor

Cognos. software

Why IBM Cognos?

- **Investment in the Finance function**

- **Integrated FPM Solution**

- **Real-time analysis, modelling, forecasting**

- **Finance-owned**/ **easy to use** - Low on-going maintenance – Lower TCO

- **Data Agnostic** - Capable of importing data from any source

- **Application approach** enabling:
  - Speed of Delivery
  - Low risk implementation
  - Out-of-the-box consolidation functionality – enabling staff at all levels to perform efficiently

- **Automation** of time consuming processes
  - Intercompany Eliminations (delegation of responsibility to subsidiaries/ divisions)
  - Allocations;
  - Currency Conversion, and ability to report, for example, at budget rates
  - Acquisition Calculations
  - Cash Flow Statements

- **Flexibility** and **Scalability** to adapt to changing requirements and multiple structures/ dimensions

Cognos.
software