

Driving a Future-Ready Enterprise



A personal dispatch from a smarter planet



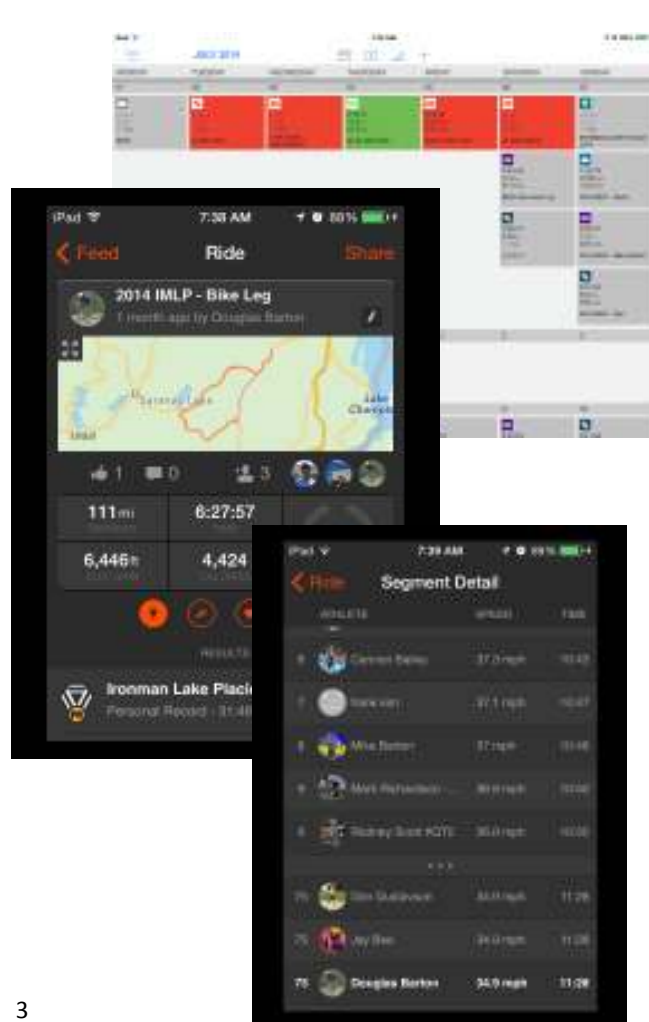
Last Monday...



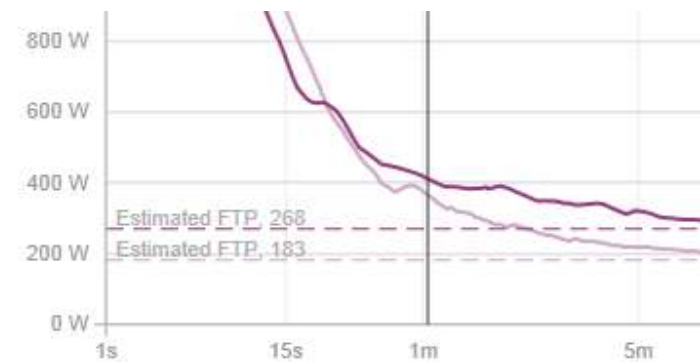
Four Year's Earlier...



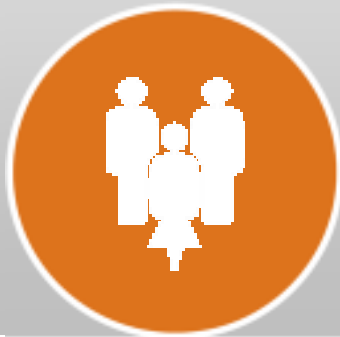
Four Year's Earlier + 3 hours



A nexus of **transformational advances** have unlocked latent potential



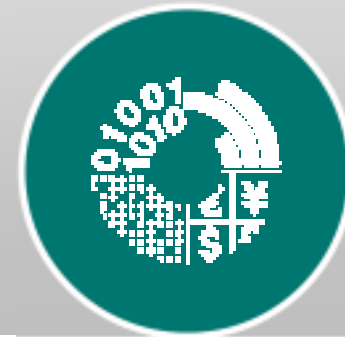
Three analytics imperatives drive a future-ready enterprise



**Transform the
system of
engagement**



**Span finance
and
operations**



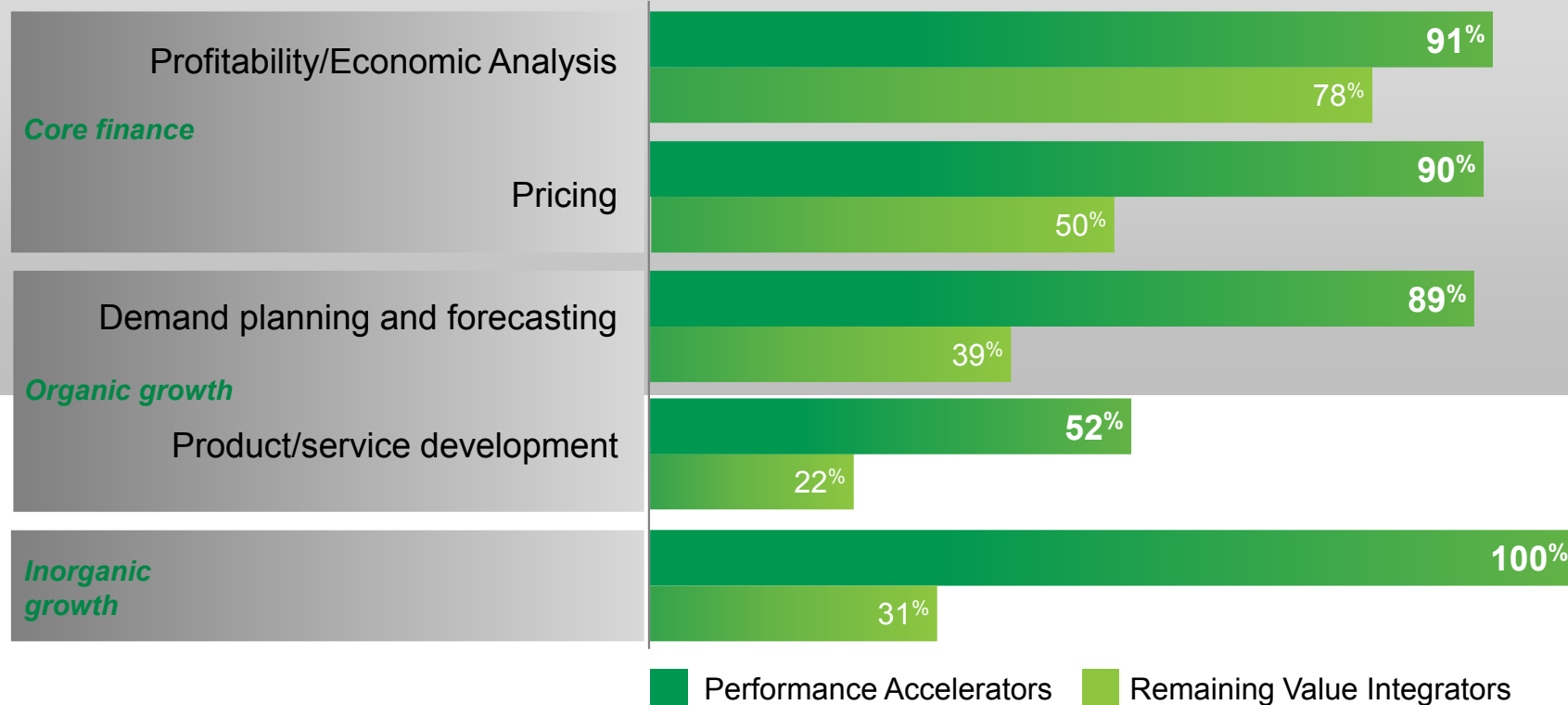
**Infuse scenario
and predictive
intelligence**

Driving a Future-Ready Enterprise



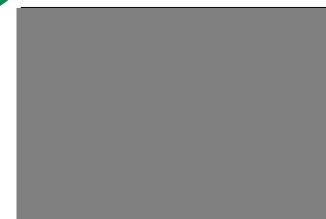
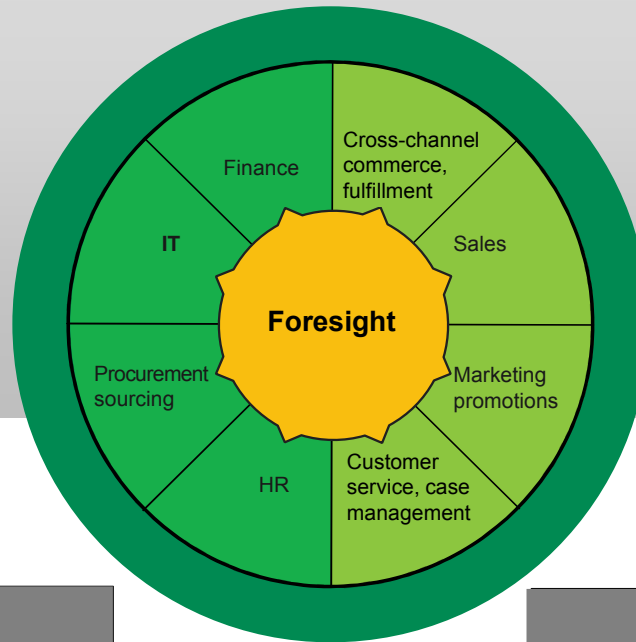
Performance Accelerators deliver stronger business foresight

Effectiveness of Finance



Strong business foresight defines a future-ready enterprise

Key initiatives



Three analytics imperatives drive a future-ready enterprise



Transform the system of engagement



Span finance and operations



Infuse scenario and predictive intelligence

Guided business processes, mobile, collaboration



Financial & Operational Performance Management



Narrative Reporting & Disclosure Management



Sales Performance Management



Governance, Risk and Compliance

Predictive intelligence and scenario analytics

Big data platform

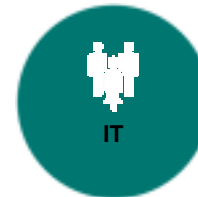
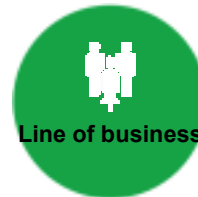
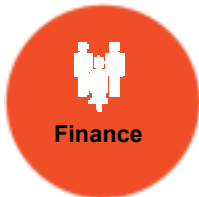
Demo

Transform the system of engagement



Engage all the right people when needed

- Tailored user experiences
- High participation and greater frequency
- Guided business process engagement
- Integrated social collaboration





Drive collaborative performance management



Transform the system of engagement

The screenshot displays the IBM Concert interface for 'SG&A Expense Planning'. It features a navigation menu on the left with categories like Advertising, Public Relations, and Promotional Spend. The main area shows a table of expense data with trend lines and a social conversation on the right.

ACCOUNT	Trend	Base Plan Y2008 Total	Base Plan Y2008 Jan	Base Plan Y2008 Feb	Base Plan Y2008 Mar	Base Plan Y2008 Apr	Base Plan Y2008 May
Compensation							
#Employees		9	7	7	7	8	
Salary		748,475	59,558	59,558	59,558	65,208	
Other Payroll		185,412	12,764	12,764	12,764	15,109	
Payroll Taxes		76,074	76,074	76,074	76,074	8,387	
Compensation Sub-Total		1,010,961	78,996	78,996	78,996	89,365	
Employee Expense Drivers							
Employee Expense Sub-Total		14,594	1,001	987	987	1,128	
Operating Expenses							
Advertising		25,660	890	775	575	4,222	
Public Relations		30,000	2,930	2,600	2,500	2,600	
Promotional Goods		25,000	2,983	2,083	2,983	2,793	
Promotional Materials		8,850	4,000	4,000	236	790	
Computer Supplies		4,670	1,175	1,150	1,275	445	
Consulting		35,000	12,170	12,170	3,421	1,784	
Phones		6,500	542	542	542	542	
Travel		6,000	500	500	500	500	
Rent		25,000	2,083	2,083	2,083	2,083	
Operating Expense Sub-Total		171,000	27,216	27,216	14,688	16,104	
Allocated Expenses							
Allocated Financial Expense		276,443	25,058	24,896	25,072	25,028	
Allocated Manufacturing Expense		91,000	5,751	8,437	5,436	7,590	
Allocated Contribution Expense		358,054	32,409	32,188	32,510	32,363	
Allocated IT Expense		176,888	15,090	16,090	15,090	16,091	
Allocated Admin Expense		345,584	27,217	27,217	27,217	28,820	
Allocated Expense Sub-Total		1,248,075	106,564	108,823	107,225	109,300	
TOTAL EXPENSES		2,442,529	214,687	216,789	202,807	216,487	

The social conversation on the right shows a discussion about expense planning, with users like Lincoln Steven and Paul Henriot sharing updates and asking for feedback.



Span finance & operations, risk & performance management



Establish one comprehensive, analytic, planning, and scorecarding platform

Strategy and activity-aligned organization

- Campaign scorecards
- Promotion plans
- Customer and product profitability
- Revenue plans

- Sales dashboards
- Sales forecasts
- Incentive compensation
- Quota plans
- Territories
- Sales channels

- Operational KPIs
- Strategy and operations plans
- Capacity and inventory plans
- Product allocation
- New products

- Workforce KPIs
- Headcount plans
- Salary and compensation
- Staffing plans
- Training and development

- Enterprise scorecards
- Strategic financial plans
- Profit and loss
- Balance sheets
- Cash flow



Marketing



Sales



Operations



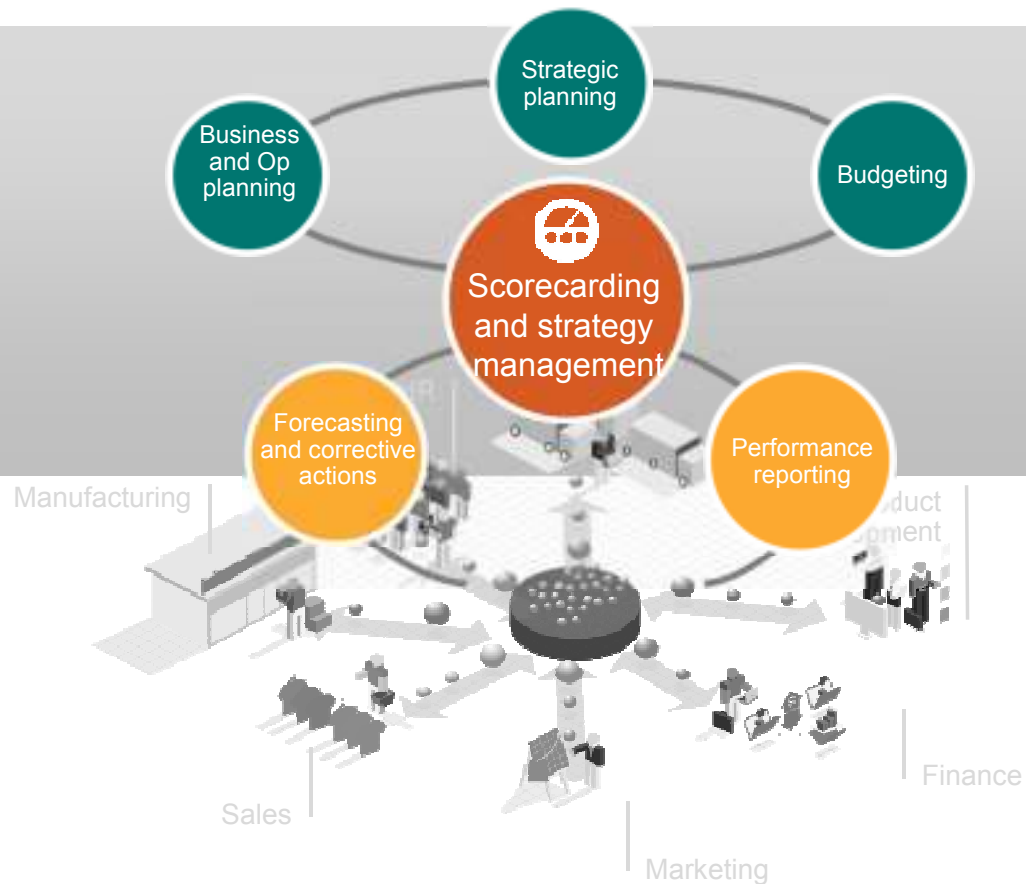
HR



Finance

Integrate scorecards, highlight KPI and metric variances

- Communicate strategy
- Visualize results, outcomes and impacts
- Tie strategic plans to forecasting data



Span finance & operations, risk & performance management

Assemble management and performance reports rapidly



- Daily, weekly, monthly and quarterly board books and presentations
- C-suite and board packages
- Performance reporting

- Save hundreds of hours / year
- Reduce errors
- Accelerate understanding

Span finance & operations, risk & performance management

Link pay-for performance plans to strategy



Span finance & operations, risk & performance management



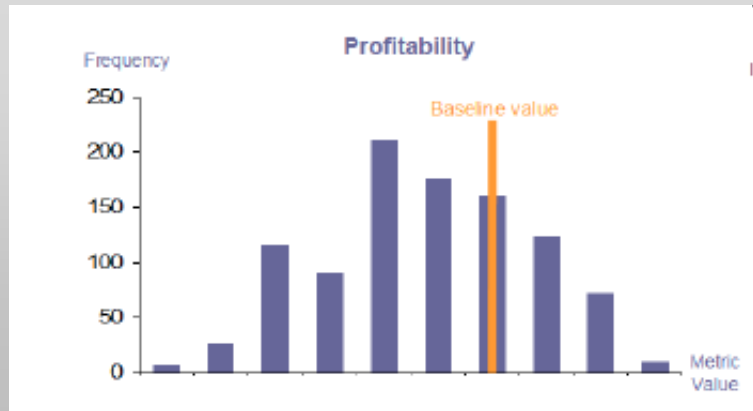
Take an integrated approach to governance, risk & compliance



- Reduce the cost of compliance
- Accelerate and streamline processes to reduce operational risk
- Improve decision making by providing risk insight and transparency to business decisions
- Increase your return on capital by investing in the right opportunities
- Dynamically evolve as risk practices and regulations change

Apply scenarios and range plans to account for uncertainty and risk

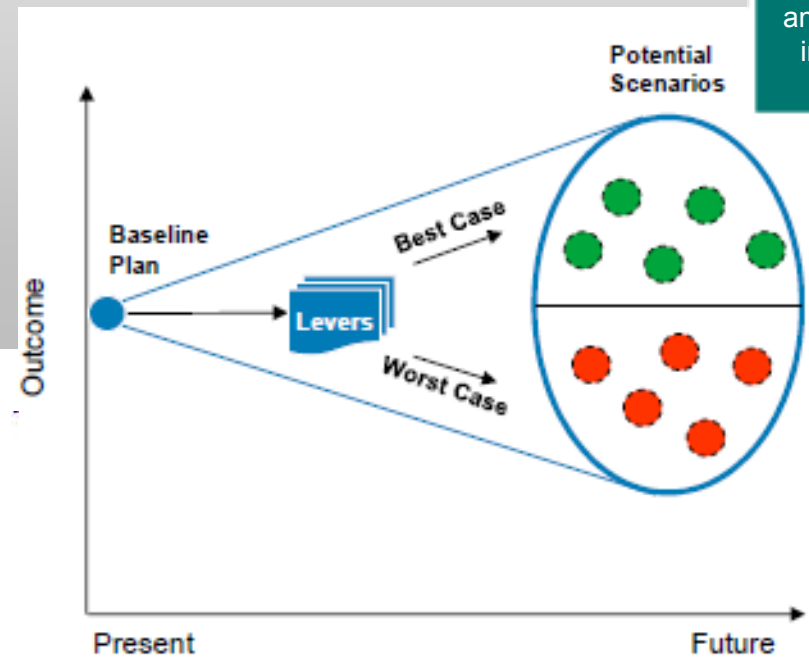
Range of Outcomes



Driver Sensitivity



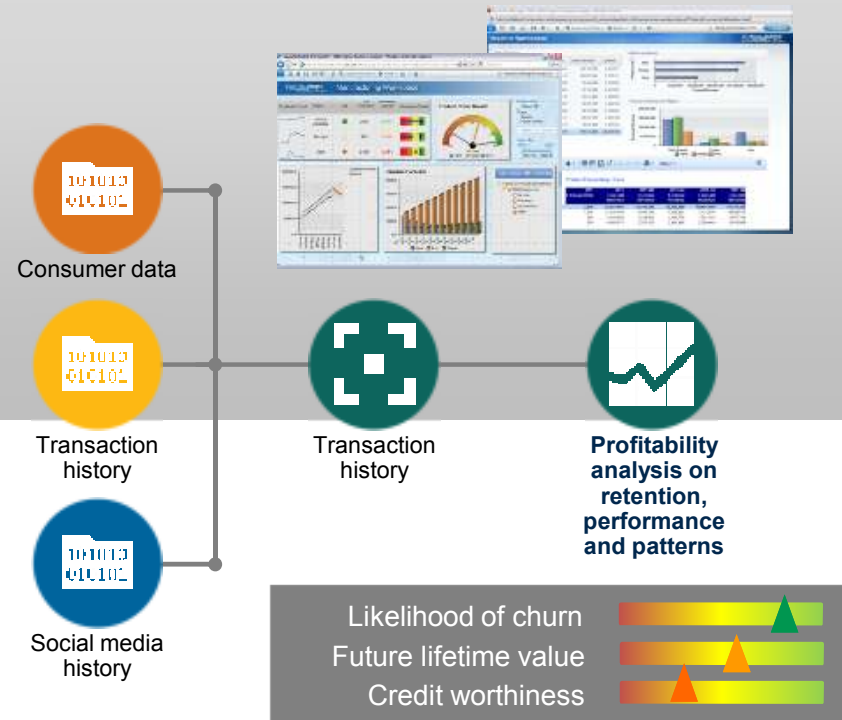
Scenario analysis



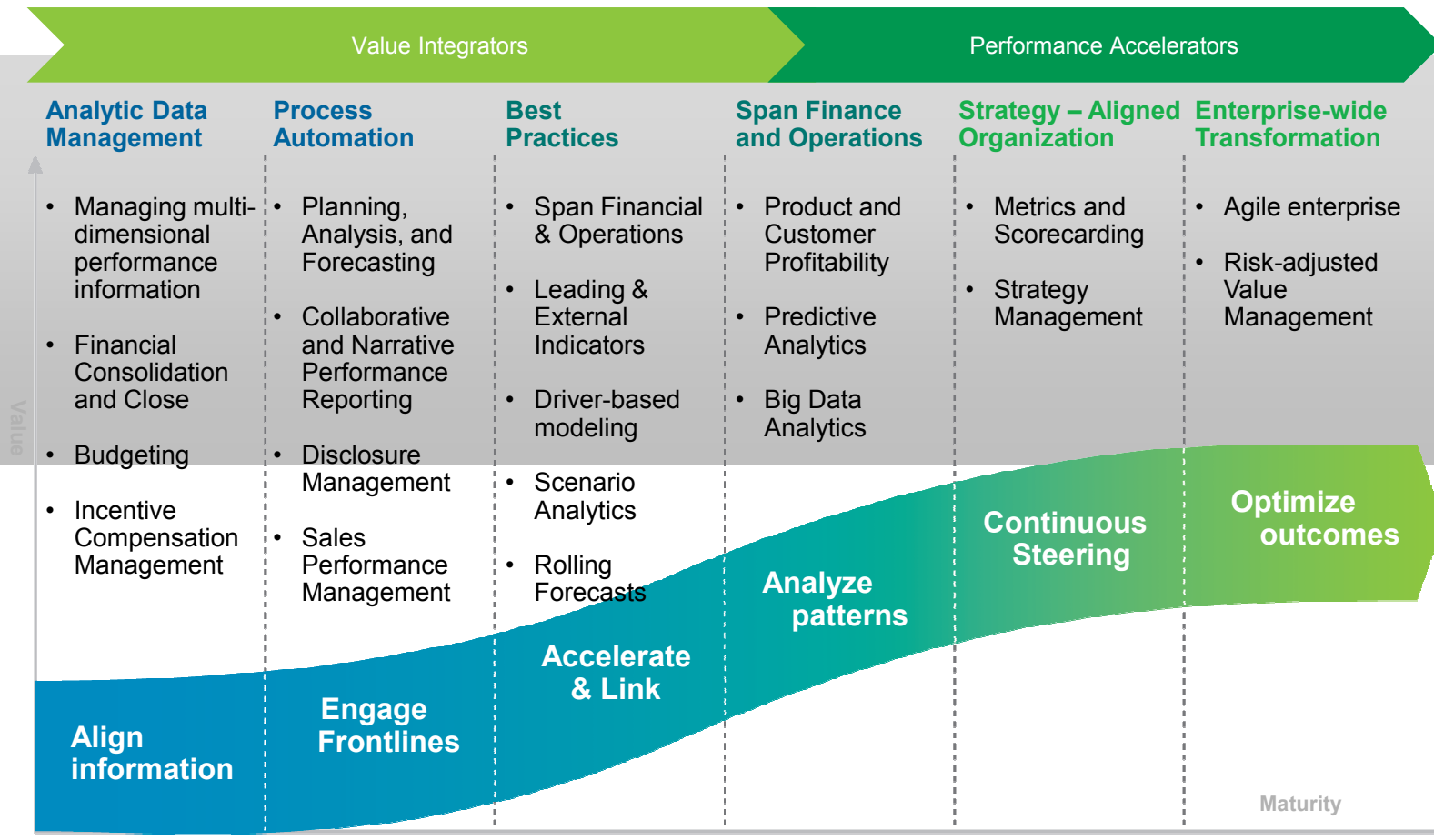
Infuse scenario and predictive intelligence

Bring profitability analytics forward

- Model multi-dimensional operational and financial business structures
- Integrate predictive models for statistical impact - examples
 - Customers most likely to buy specific products or services
 - Customer most likely to turn to a competitor
 - Employees most likely to succeed
- Incorporate predictive outputs into scenario models and plans



IBM is the ultimate partner to drive a future-ready enterprise



McCormick protects profit with detailed understanding of customer value and uncertain prices

CHALLENGE

- Significantly **reduce the profit at risk** due to volatile commodity input prices

SOLUTION

- **Collect and analyze** sales plan data by customer and across over 30,000 SKUs
- **Evaluate** the resulting profit contribution of product input in the “bill of material”

RESULTS

- **Diagnosed profit improvement moves** ahead of time; commodity price increases can be passed on to consumers or renegotiated with industrial customers
- **Conducted value engineering** with operations to reformulate flavors using commodities from different regions and suppliers
- TM1 and Cognos **helped McCormick record \$56 million in cost savings** from their Comprehensive and Continuous Improvement program



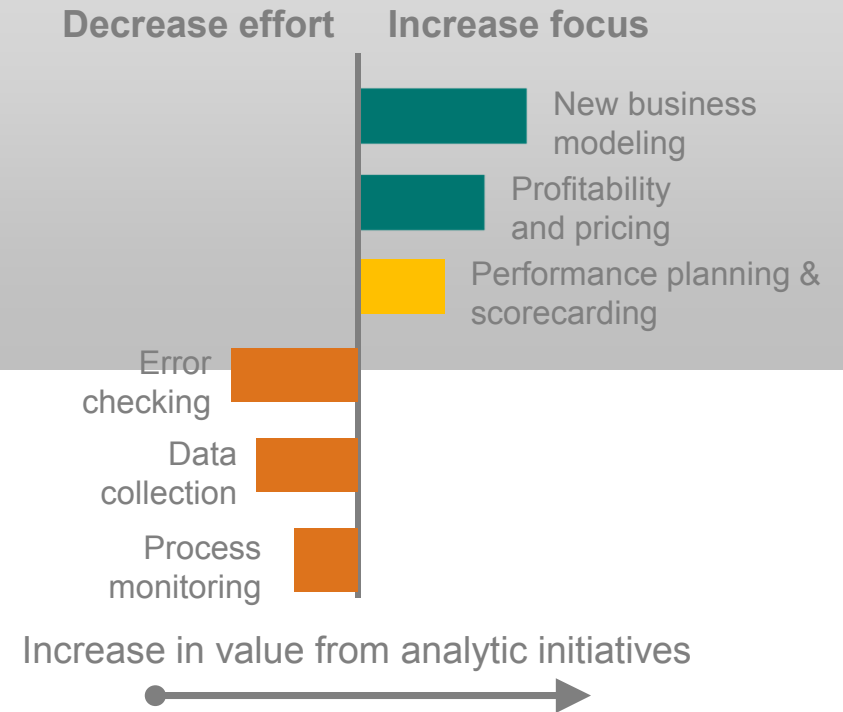
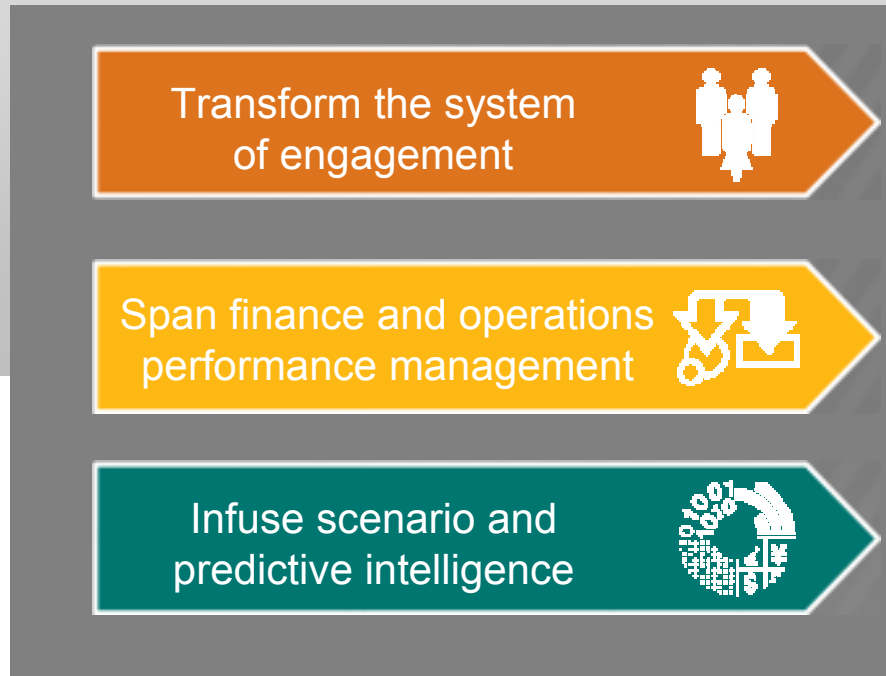
McCormick is a global leader in flavor. With more than \$4.0 billion in annual sales, the company manufactures, markets and distributes spices, seasoning mixes, condiments and other flavorful products to the entire food industry—retail outlets, food manufacturers and food service businesses in more than 110 countries.

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