

Driving a Smarter Enterprise

Mr. Steve Gazzard
*IBM Growth Markets Development
Executive*



Uncertainty – The New Normal Velocity and Volatility



“Over 60% of Finance executives believe that when the recovery takes hold, the heightened uncertainty in the business will remain”

CFO Magazine/Duke University Business Outlook, September 2009

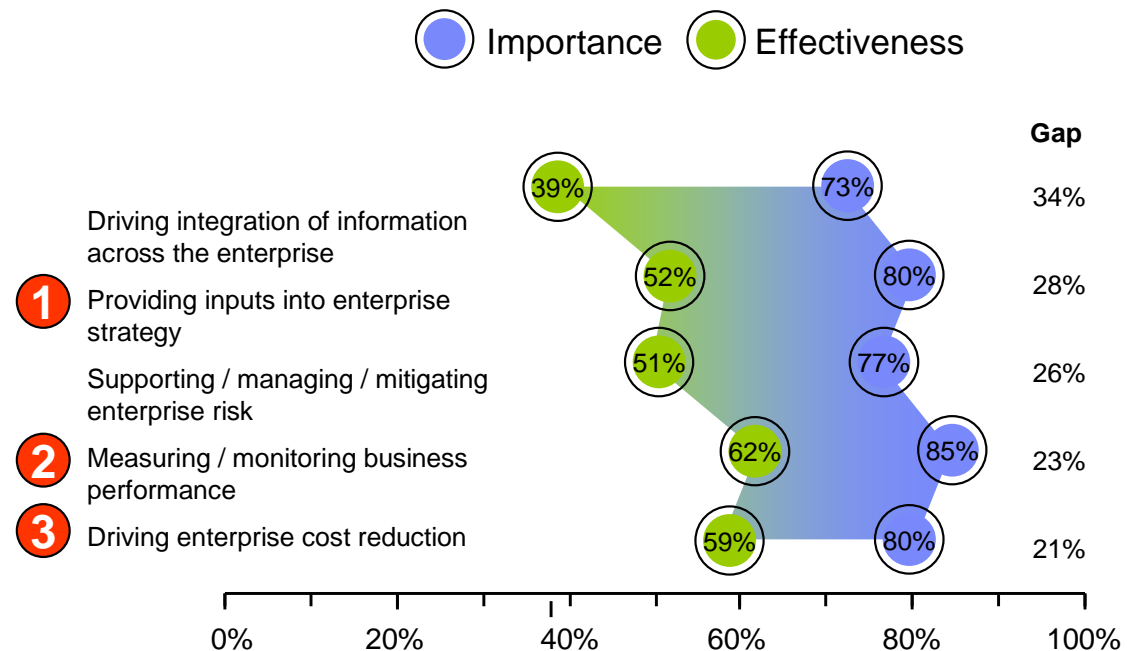
“~60% of Finance organizations believe that they have to make major changes to respond [to growing industry/sector pressures]...”

2010 IBM CFO Study

Driving a Smarter Enterprise



- 70% of CFOs believe they have an advisory or decision making role on an Enterprise Agenda
- Finance needs to improve its effectiveness in order to deliver on the Enterprise Agenda



Source: 2010 IBM Global CFO study

1,185%



Welcome to Martin's Point Health Care

About Martin's Point Health Care Centers
US Family Health Plan

earning your **trust**

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search: enter search terms here

1,822%

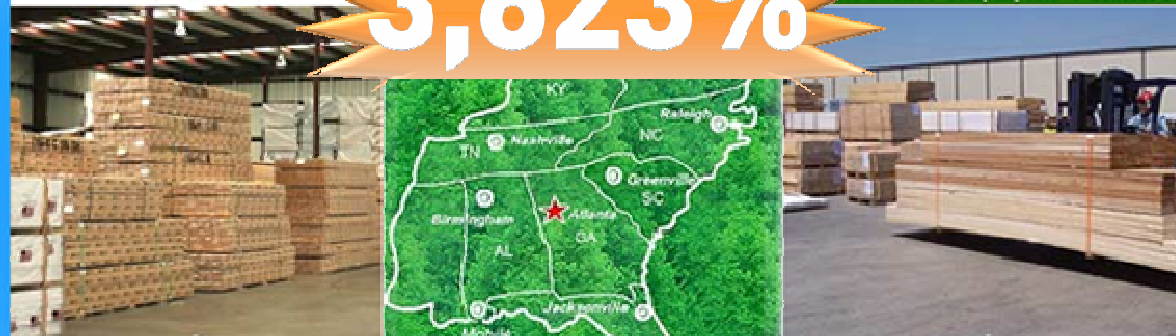


HOME WINTER GREEN SEASON LODGING THE VILLAGE THINGS TO DO CONFERENCES & GROUPS GALLERIES



3,623%

personalized service.



What You Want

Where You Want It

The Way You Want It

Our Partners

About U.S. Lumber Group



U.S. LUMBER GROUP is a \$250M distributor of building materials headquartered in Atlanta, GA. We currently sell and ship out of 8 distribution centers. We provide highly personalized service to the pro-contractor lumberyard and millwork houses and shops throughout 14 Southeastern and Mid-Atlantic states.



ROI

MAX



Performance Pain

- Need for more dynamic, reliable collaborative planning, analysis and reporting system
- Too much time spent validating data, rather than providing value-added analysis to support the business.

IBM Cognos software Impact

- More timely, reliable decision information
- More time spent analyzing key business metrics
- Improved data ownership

- **Systematic access to strategy, procurement, engineering, and financial planning data**
- **Web-based data capture and reporting**
- **Centralized data store, consolidation of information and assumptions**

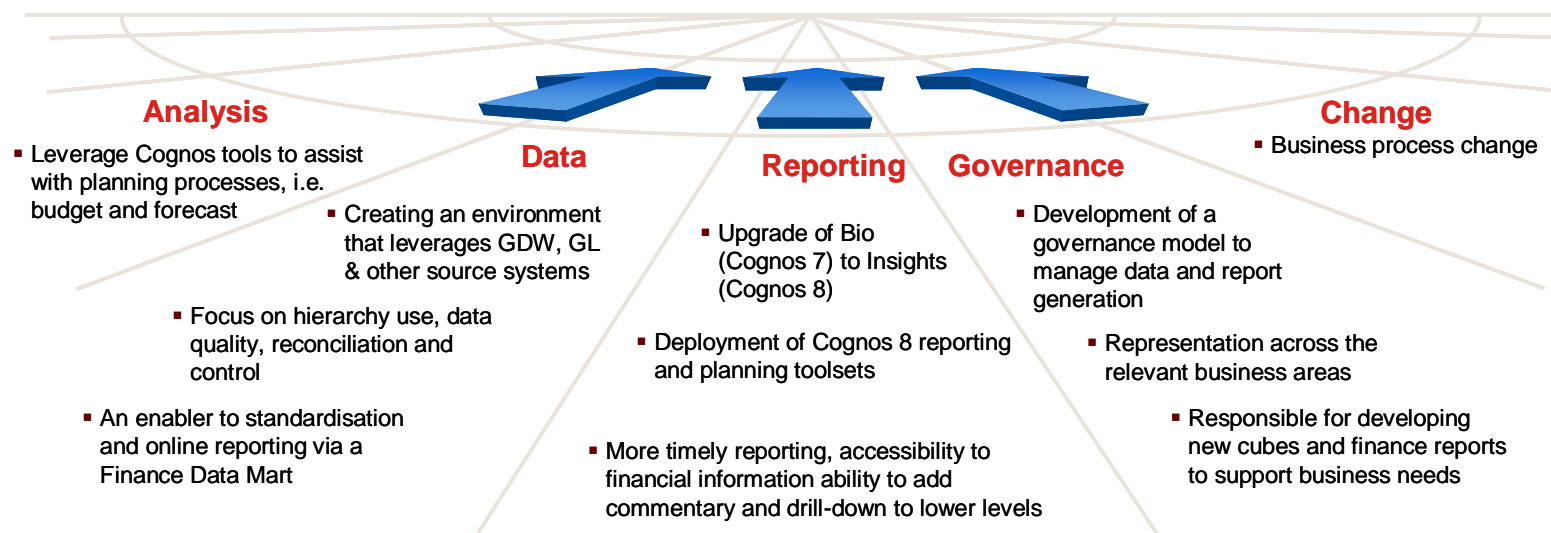
“We believe in the integrity of the data. The data is more trusted.”

***Robert Loreto,
Senior Director of IT, Qualcomm***

From Data to Decision Making: Leveraging Cognos at Westpac

The Westpac Group's portfolio of financial services brands and businesses is focused on a common purpose - delighting our 10 million customers and helping them achieve their financial goals. From ensuring its' retail customers can save and invest with confidence, to servicing the financial needs of multi-national corporate, institutional and government clients, **it puts its' customers at the centre of everything it does!**

Westpac Finance embarked on a set of major projects to integrate its various businesses and transform its key processes. One of these key project is the Online Reporting & Forecasting Project which aims to deliver greater operational excellence and increased advisory capability for the Finance Community.



▪ The Journey

- The purpose of the Project is to shift Finance to a new financial reporting paradigm for the Group.
- We will achieve this by moving from multiple reporting environment that are heavily dependant on Excel/ Access and use multiple account and product hierarchies to a single source of truth for all financial reporting using a single set of code block hierarchies, leveraging the new Finance Datamart, reporting portal branded "Insights" and the Cognos 8 reporting & modelling tools.
- This is expected to deliver significant efficiently benefits to Finance and as outlined in the Finance Strategy and facilitate the **reallocation of resource from operation to advice.**



Performance Pain

- Need for greater accountability, deeper in the organization
- Need to centralize expense planning
- Need for more consistent views of data

IBM Cognos software Impact

- Provide centrally managed data to analyst communities so they can focus on providing the value-added analysis to drive business;
- Reduce its application footprint;
- Reduce the IT delivery expense associated with supporting the finance function;
- Focus on end-user productivity by streamlining data delivery, providing the right metrics to individuals based on their roles.

- Improved ability to identify drivers of top-line revenue growth, analyze expense constraints, identify risk and address SOX compliance issues.
- Centralized planning reduced the footprint for financial planning by retiring 20 disparate applications
- Able to preserve analytics and reporting flexibility while driving more standardization.

“Finance can focus on providing value-add analytics to drive the business.”

Marc Berson,
Director Business Analytics,
IBM Corporation

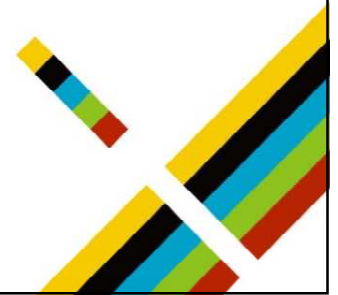
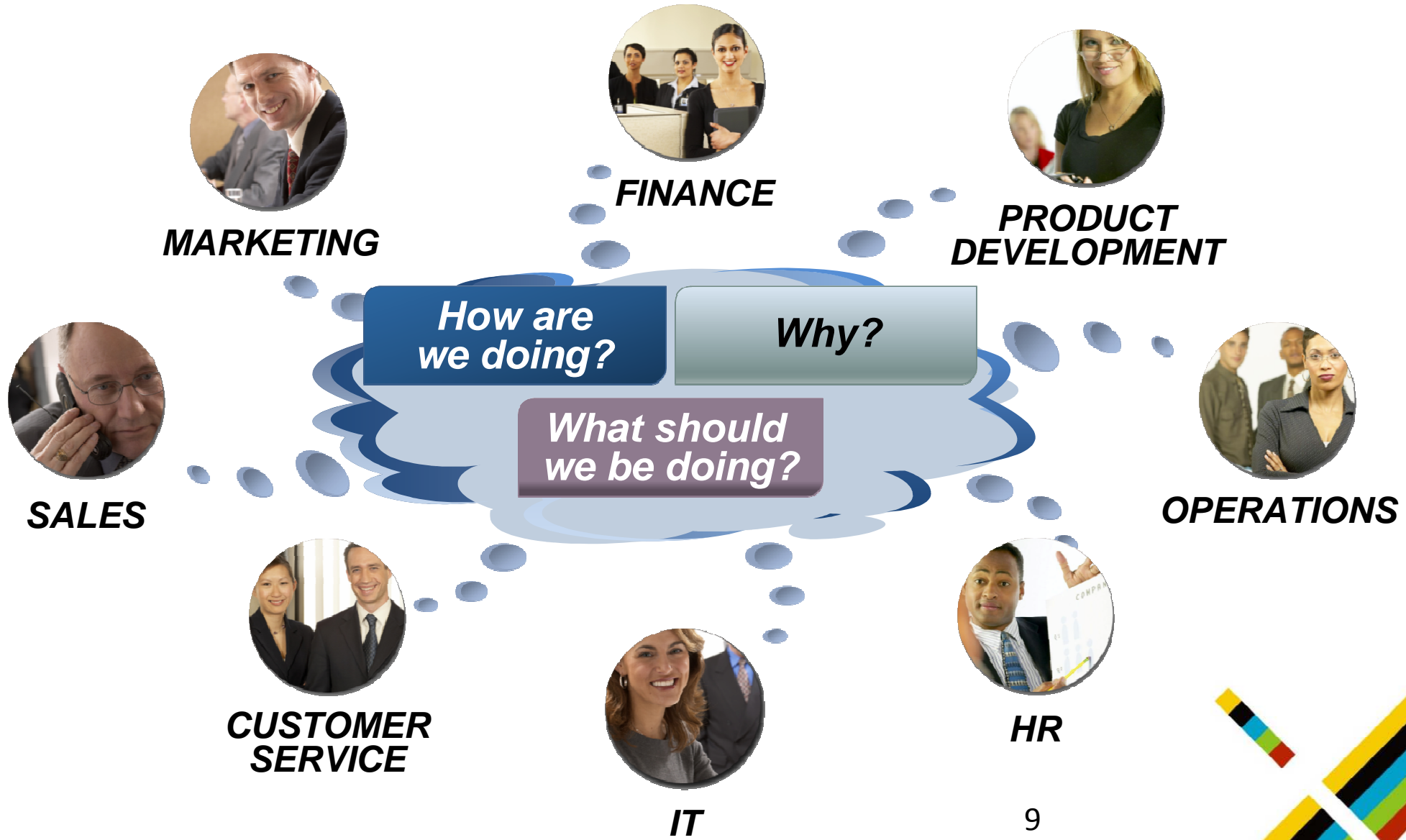
Three Questions for Business Insight

*How are
we doing?*

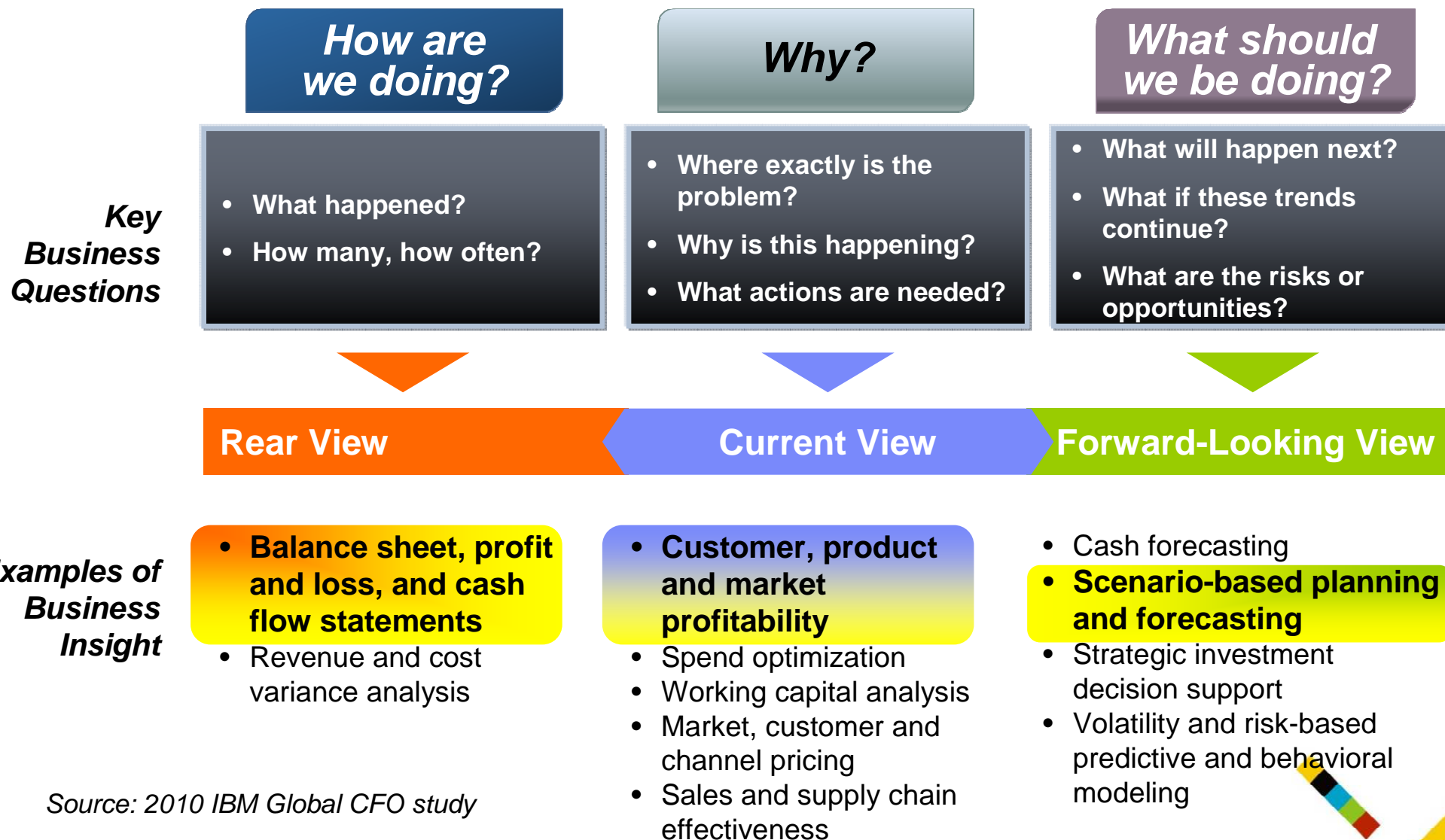
Why?

*What should
we be doing?*

Three Questions for Business Insight



Three Questions for Business Insight



Source: 2010 IBM Global CFO study

Business Insight: Scenario-based Planning & Forecasting



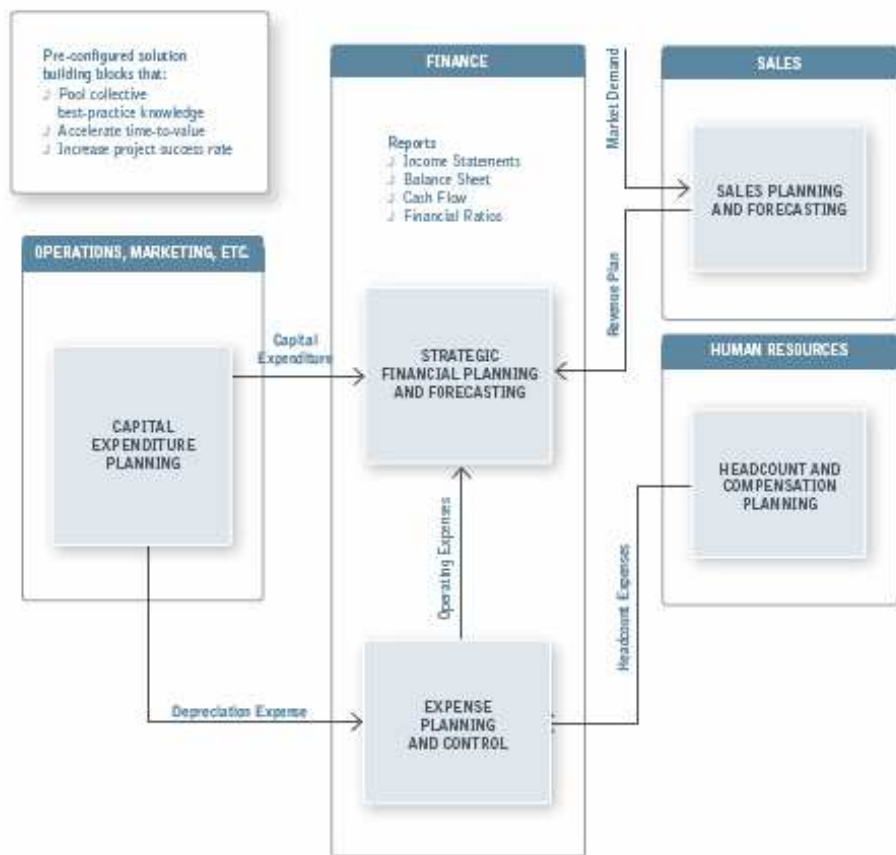
“For multinational companies, regulatory and political changes can happen arbitrarily at any time, significantly impacting the execution of strategy. As a result, planning must be much more scenario-based with the ability to rapidly adapt.”

Markus Kistler
 CFO - North Asia and China, ABB

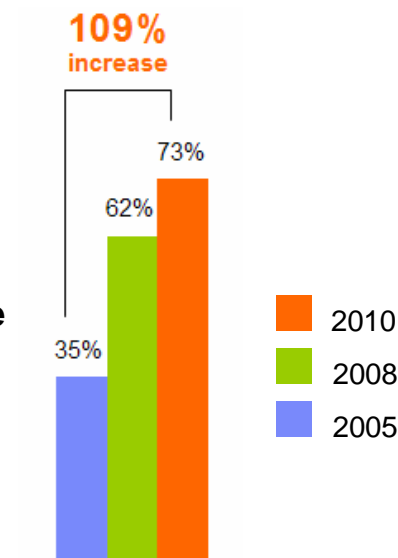
Source: 2010 IBM Global CFO study



Driver-based Plans Connect Operational Causes with Financial Outcomes



Importance of Enterprise Focused Activities Over Time

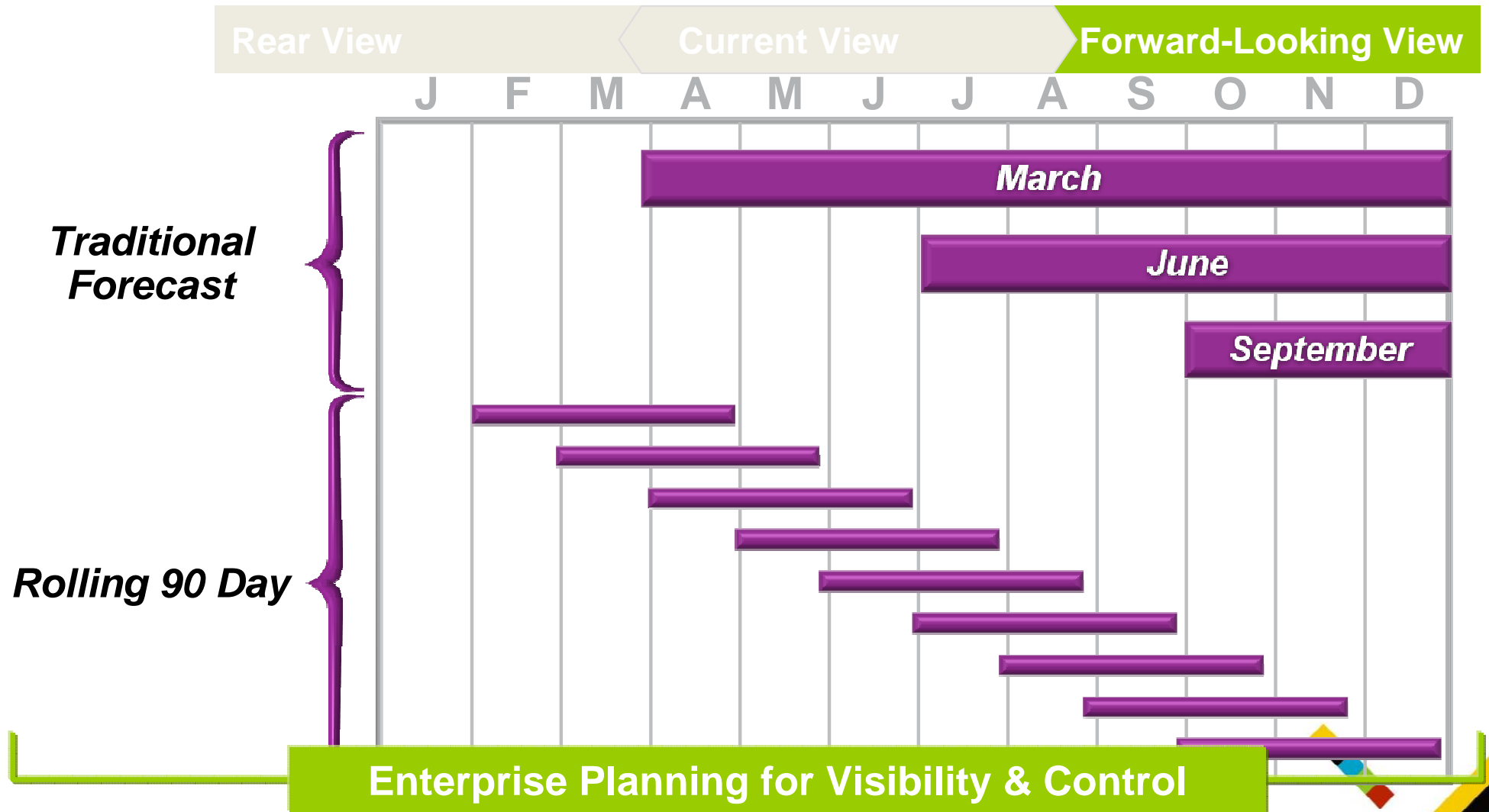


Driving integration of information across the enterprise

Source: 2010 IBM Global CFO study

Enterprise Planning for Visibility & Control

Forecast More Frequently But With a Shorter Time Horizon



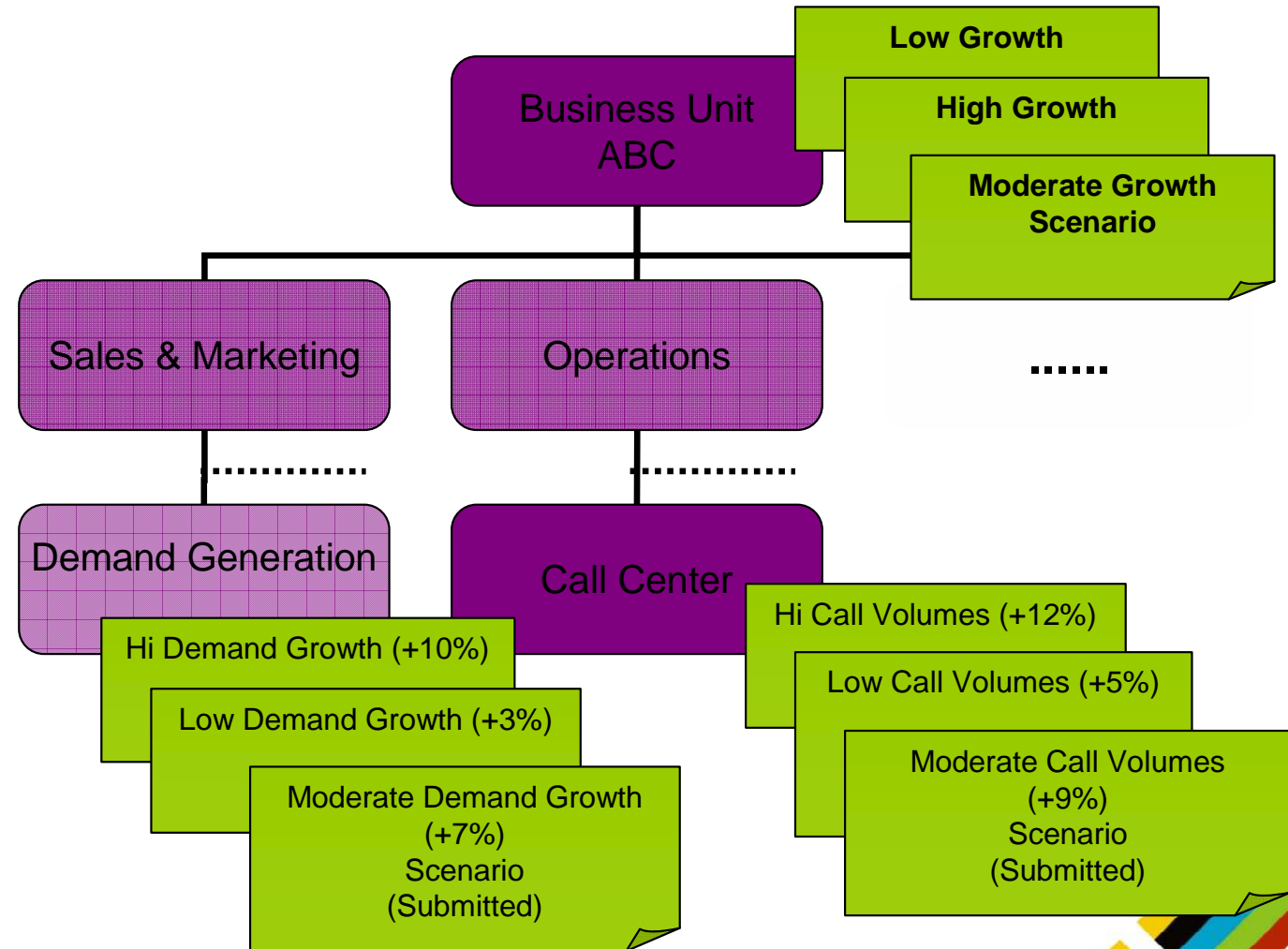
Co-ordinate Global & Local Scenarios

Rear View

Current View

Forward-Looking View

- Globally coordinate plan submissions based on common business drivers and assumptions
 - provide easy scenario modeling
 - and variance explanation (volume, price)
- Capture multiple plans that reflect alternative states of the world
- Encourage local scenarios to drive anticipation and ensure timely, error-free response when conditions change



Business Insight: Customer, Product and Market Profitability

Rear View

Current View

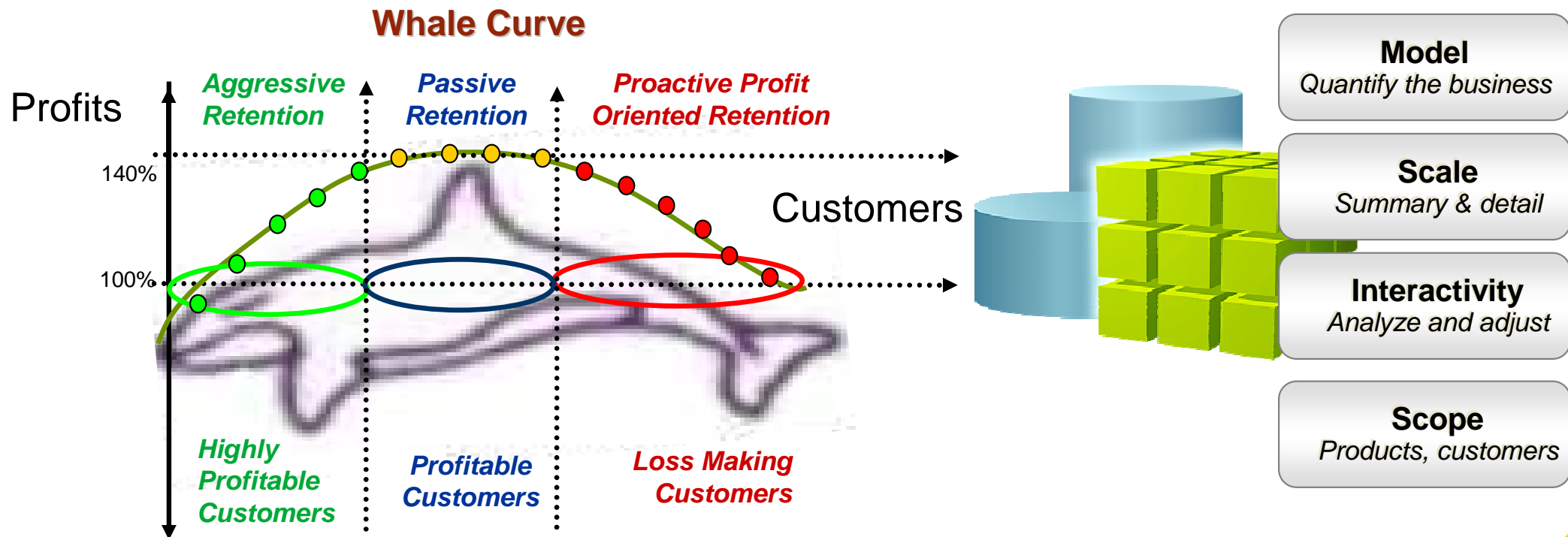
Forward-Looking View

“For most companies, a drastic reduction in products would lead to a dramatic increase in profit!”

Peter Nieuwenhuizen



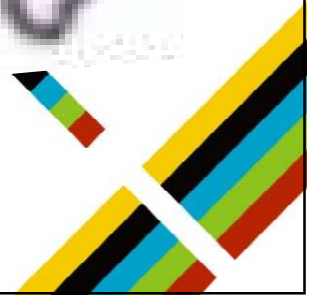
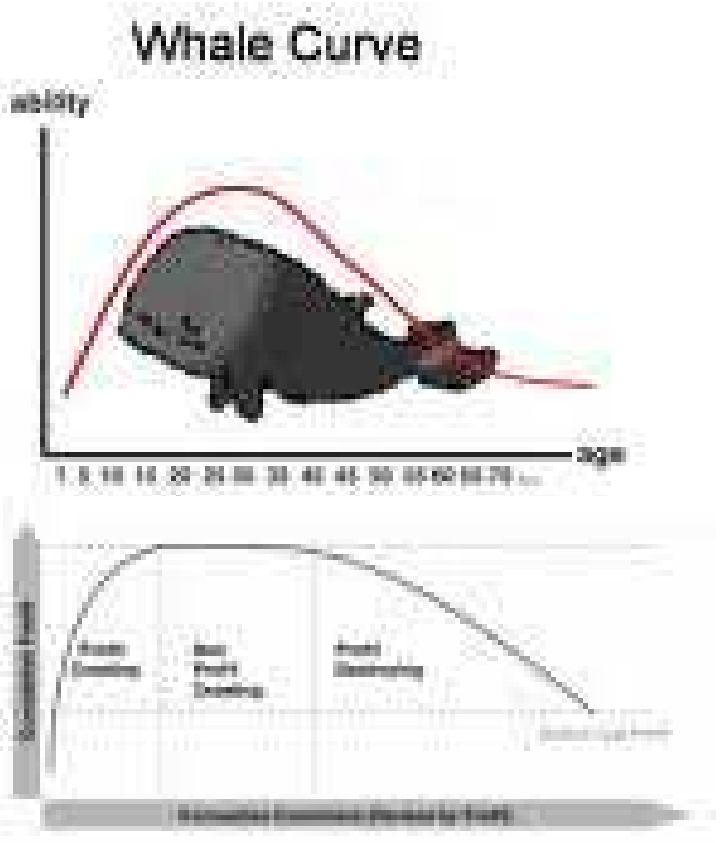
Evaluate Profitability



- Model**
Quantify the business
- Scale**
Summary & detail
- Interactivity**
Analyze and adjust
- Scope**
Products, customers

Analytic Power Spanning Financial and Operational Domains

Whale curves ; the 140/20 rule



Incorporate Profitability into Critical Business Processes

Rear View

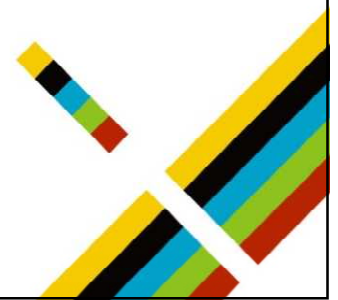
Current View

Forward-Looking View



Packaged Food
Manufacturer
and Distributor

“We used to have to run endless database queries for people who wanted lower level figures, but they can now drill down themselves. The trading department uses it to drive the finished goods supply chain. **Customer profitability is now ingrained into the business** and we continually review the channels that we use.”




Business Insight: Balance Sheet, Profit and Loss, and Cash Flow Statements

Rear View

Current View

Forward-Looking View



“Our job is to focus the enterprise on making timely, risk-based decisions by providing access to the right business-relevant information and insight-driven analytics.”

Mark Buthman, CFO, Kimberly-Clark Corporation

Source: 2010 IBM Global CFO study

Business Insight Demands Better Performance Reporting



Executives / Business Analysts / Business Managers / Power Users / Knowledge Workers / Partners

Many user roles and demands



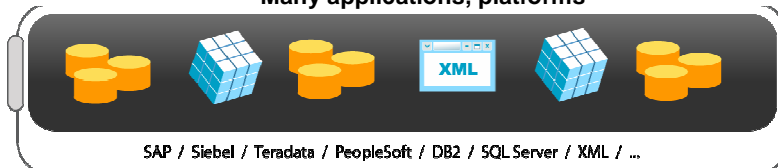
Reports / Dashboards / Query / Scorecards / Analysis / ...

Multiple Reporting and Analysis Needs



Finance / HR / Supply Chain / CRM / Sales Management / Windows / UNIX / J2EE App Servers / ...

Many applications, platforms



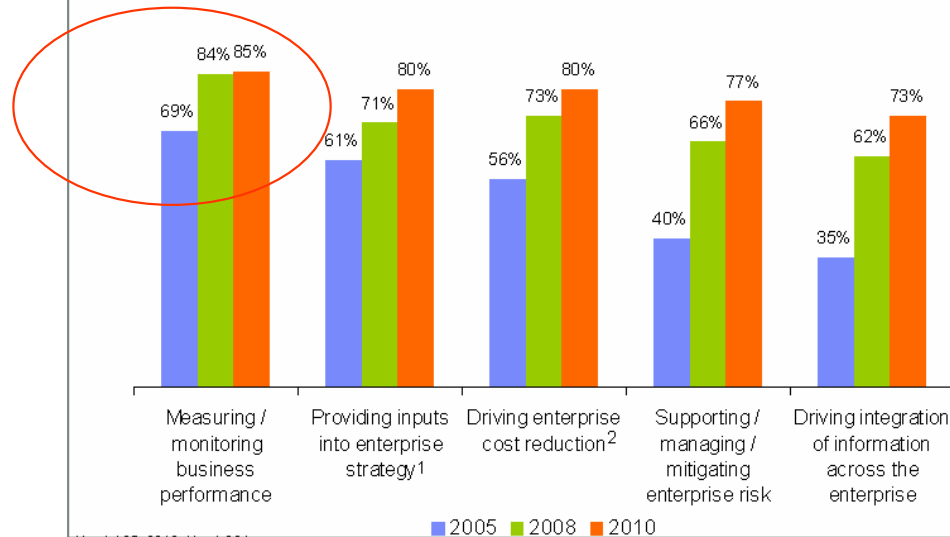
SAP / Siebel / Teradata / PeopleSoft / DB2 / SQLServer / XML / ...

Data silos, multiple sources

Connecting information to drive performance

Measuring and Monitoring business performance has been a top concern for CFOs for the last five years (2005-2010)

Importance of Enterprise Focused Activities Over Time



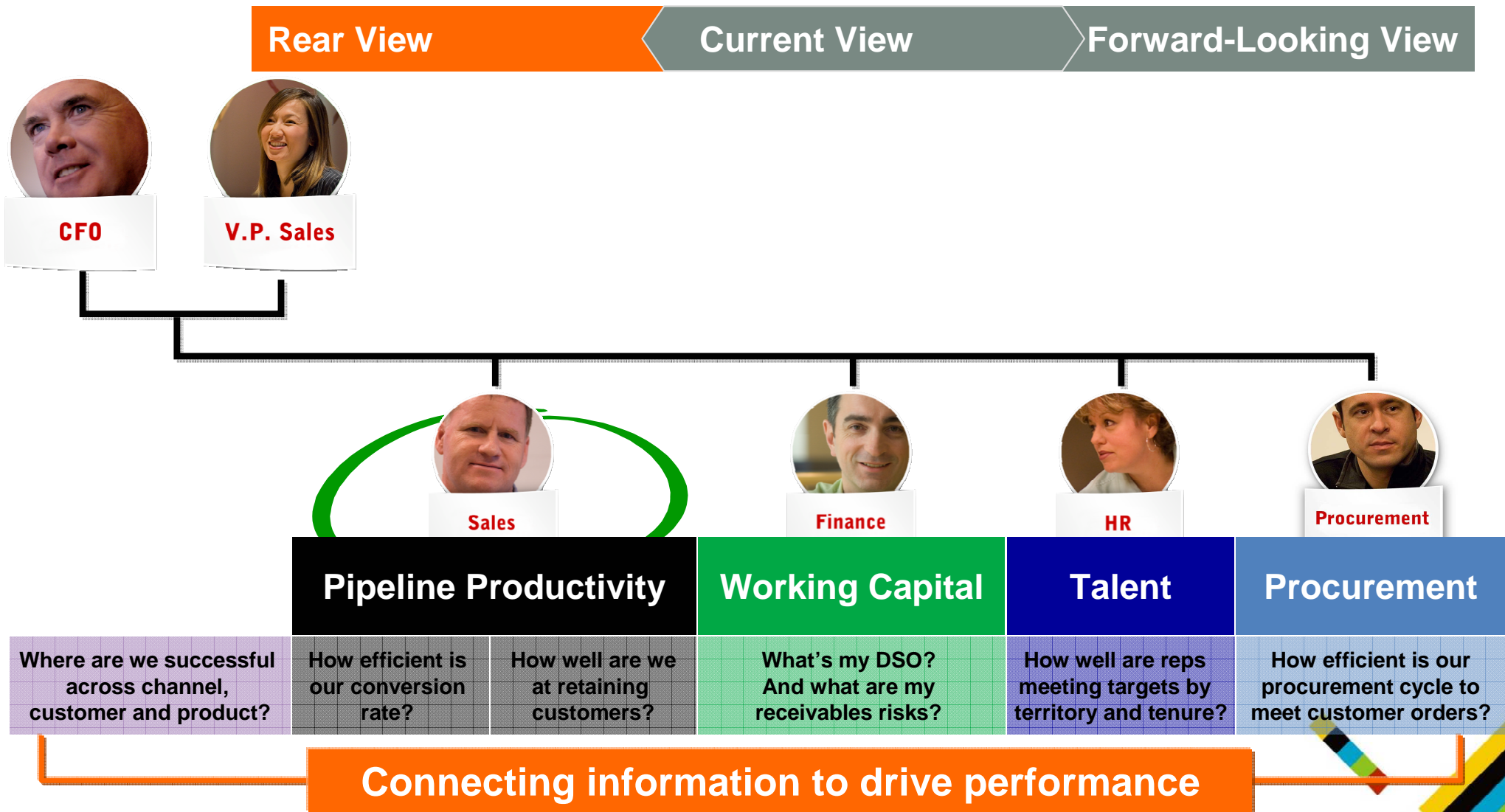
Source: 2010 IBM Global CFO study

Deliver Value by Engaging Users Effectively



- Role-based Simplicity
 - Full Range of Capabilities
 - Reporting
 - Analysis
 - Dashboarding
 - Search and Mobile
 - Single, open platform
-
- Engages business users
 - Flexible access to information in any source
 - Users share a complete and consistent view

Business Insight Drives Higher Business Performance





DEMO

Understanding
the impact on financial
performance



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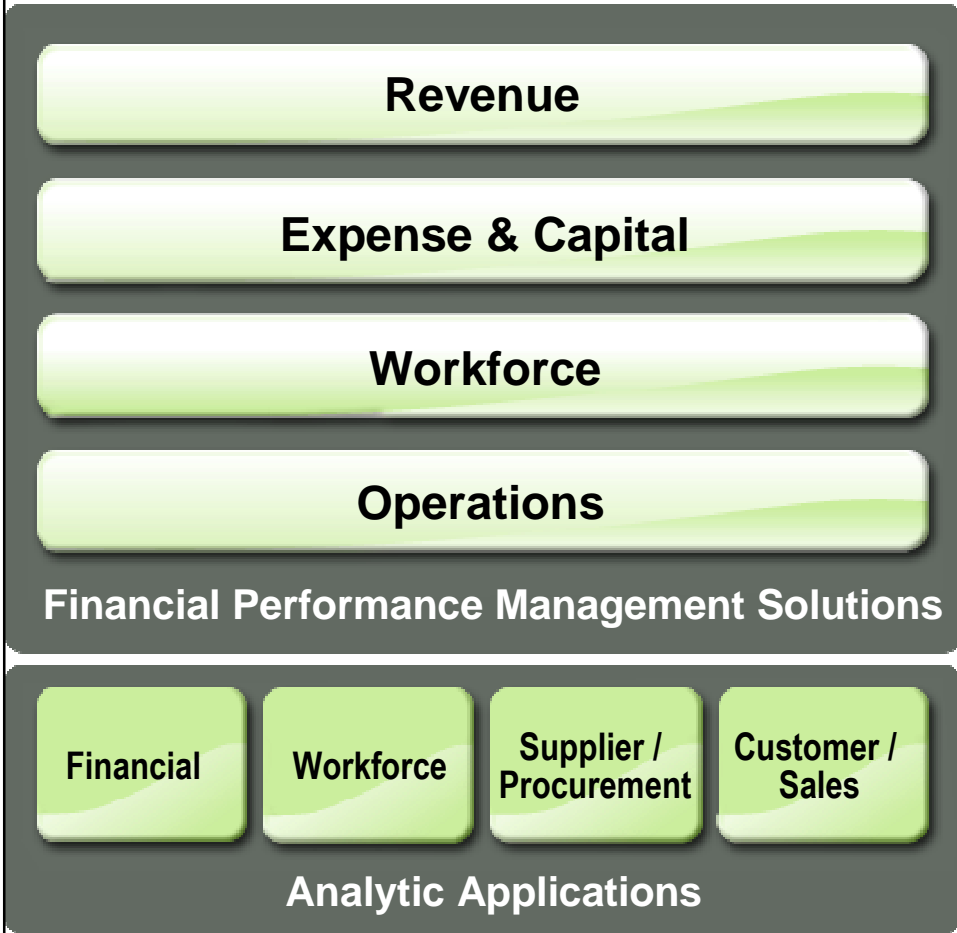
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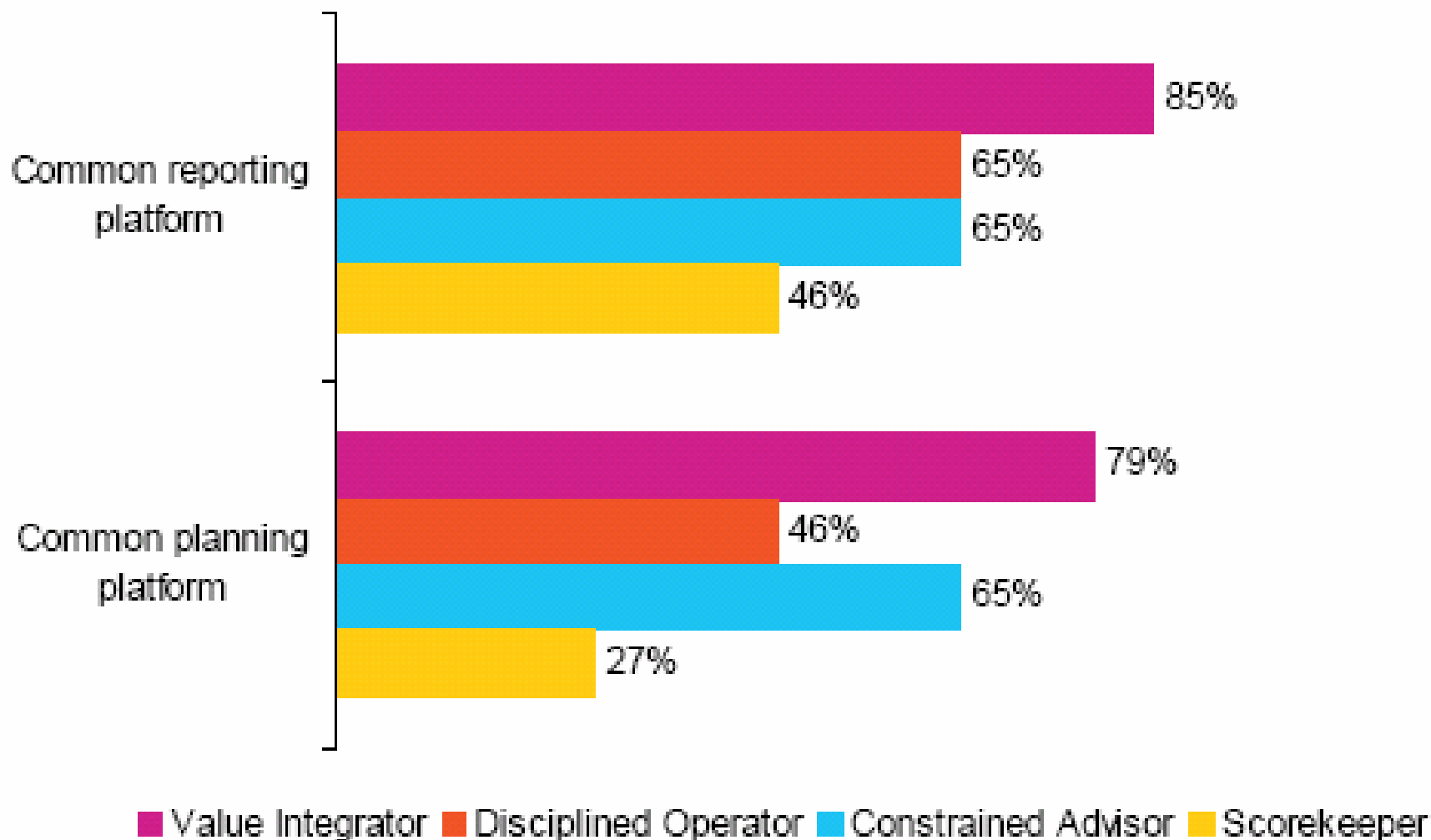
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Technology: Applications Rationalization



Solutions

6,000 dedicated Consultants,
 Industry specific
 solutions/expertise

Software

Over \$12B Software
 Investments in the past 5 years

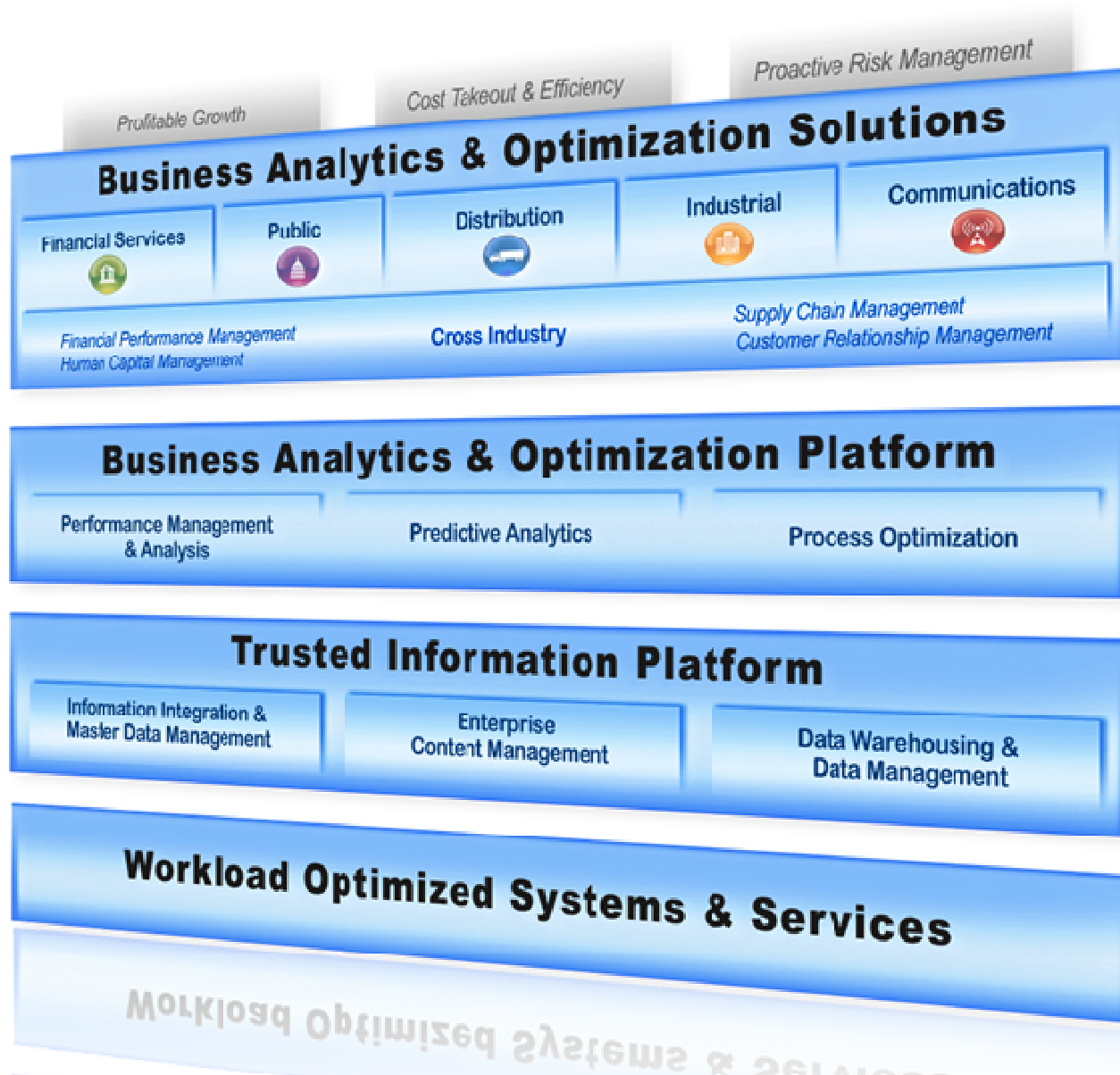
Systems

Over \$6B invested in
 Systems R&D; e.g., Smart
 Analytics System

Research

10 Years Research in Services;
 largest math department in
 Private Industry; leading
 advanced analytics/
 optimization experts

Cognos
software



- **2010 IBM Global CFO Study**

www.ibm.com/cfostudy

- **2010 IBM Global CFO Study Assessment**

- **Innovation Center for Performance Management**

<http://www.ibm.com/software/data/cognos/innovation-center/>





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