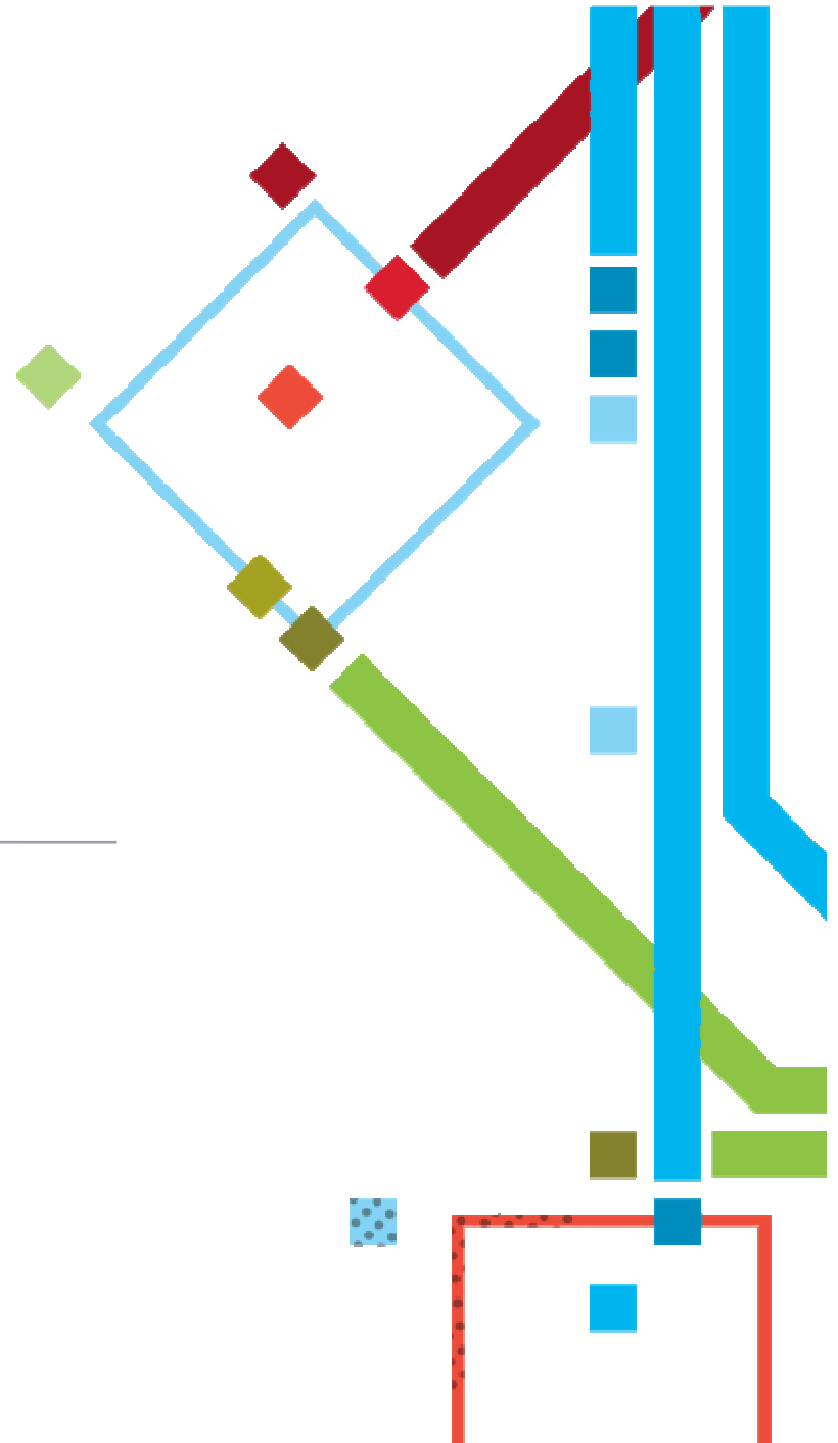


# IBM Finance Forum 2011

Anticipate and shape business outcomes

## Integrated Planning and Advanced Analytics

Edgar Gomez



# IBM Finance Forum 2011

Anticipate and shape business outcomes

## The New Normal - Velocity and Volatility



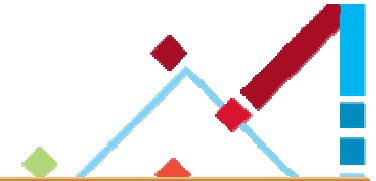
*“~60% of Finance organizations believe that they have to make major changes to respond [to growing industry/sector pressures]...”*

2010 IBM CFO Study

*“Budgeting and planning continued to challenge CFOs and their finance teams in 2010 ”*

**CFO .com January 2010**





# Challenges

***“I expected times like  
this – but I never  
thought they’d be so  
bad, so  
long, and so frequent.”***

***www. despair.com***

# IBM Finance Forum 2011

Anticipate and shape business outcomes



- ↑ Performance → Q4 2008 was best quarter ever
- ↓ Backdrop → Largest drop in consumer spend in decades

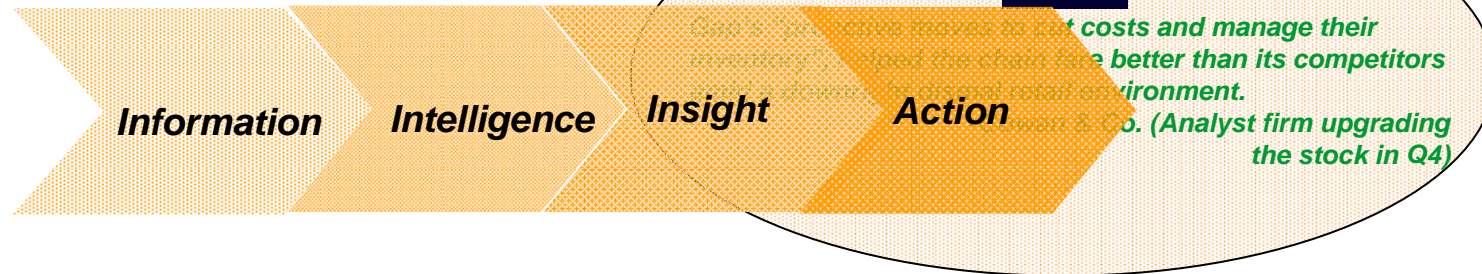


We transformed the IBM company and you can see it in our financial performance...If we hadn't there is no way '08 would have been record (revenue), record (profits), record (cash)!

- Sam J Palmisano, Chairman and CEO, IBM

When the going gets **Tough.....**  
**What do these companies have in common?**  
 ....the tough get **Going!**

amazon.com, P **GAP** nn **IBM** (1888-1969)



....what the world calls as **“Analytical Competitors”**



# IBM Finance Forum 2011

Anticipate and shape business outcomes

analytics **Ubiquity...**

.....and some are **IBM Cognos customers**



## Online



- Cinematch
- Throttling (customer profitability)



- Also purchased (customer profitability)



- Farecast Predictive Analytics

## Professional Sports



- HR Analytics



## Travel & Entertainment



- Customer Loyalty



- Revenue Management / pricing optimization (product profitability)

## Financial Services



- Customer Profitability



- Consolidated Risk Management

**Do we think, or Do we know?**

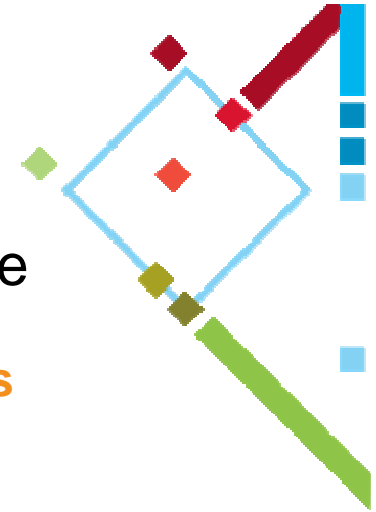
– Gary Loveman, CEO, Harrah's Entertainment



# IBM Finance Forum 2011

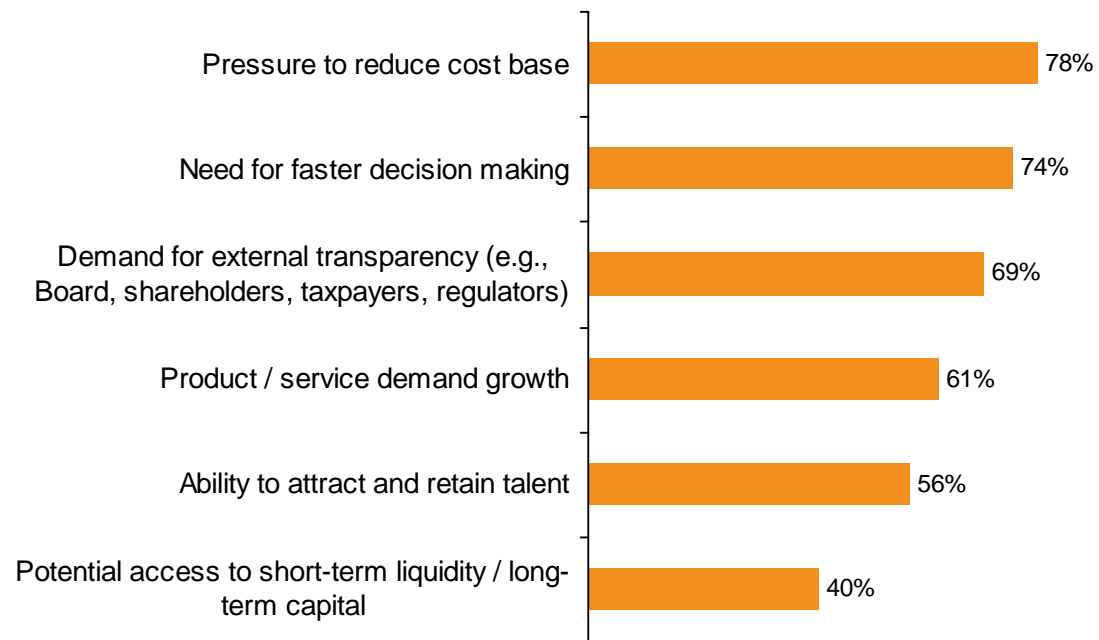
Introduction

Anticipate and shape business outcomes



CFOs believe that industry / sector pressures will increase **challenges and opportunities** over the next three years

## Industry / Sector Changes Over the Next Three Years



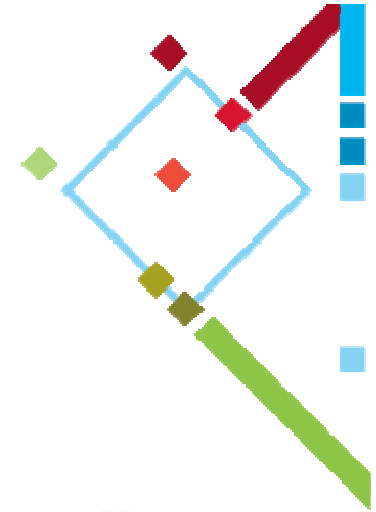
***Over 35% of all companies  
report that their budget is out  
of date within the first quarter.***



# IBM Finance Forum 2011

Anticipate and shape business outcomes

## The Challenge with Decision-Making Today: Elevated Finance & IT Demands



**Business  
Manager**



**Line  
Manager**



**Financial  
& Business  
Analyst**



**BI Professional**



**CIO**

### FINANCE EXECUTIVES

### IT EXECUTIVES

Inform, engage, and align the business user community in PM process to drive better business outcomes

Empower the business users while cost-effectively meeting requirements for performance, conformance scalability and compliance.



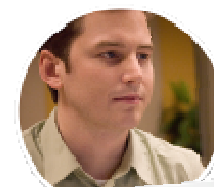
**Executive**



**Architect**



**CFO**



**Individual  
Contributor**

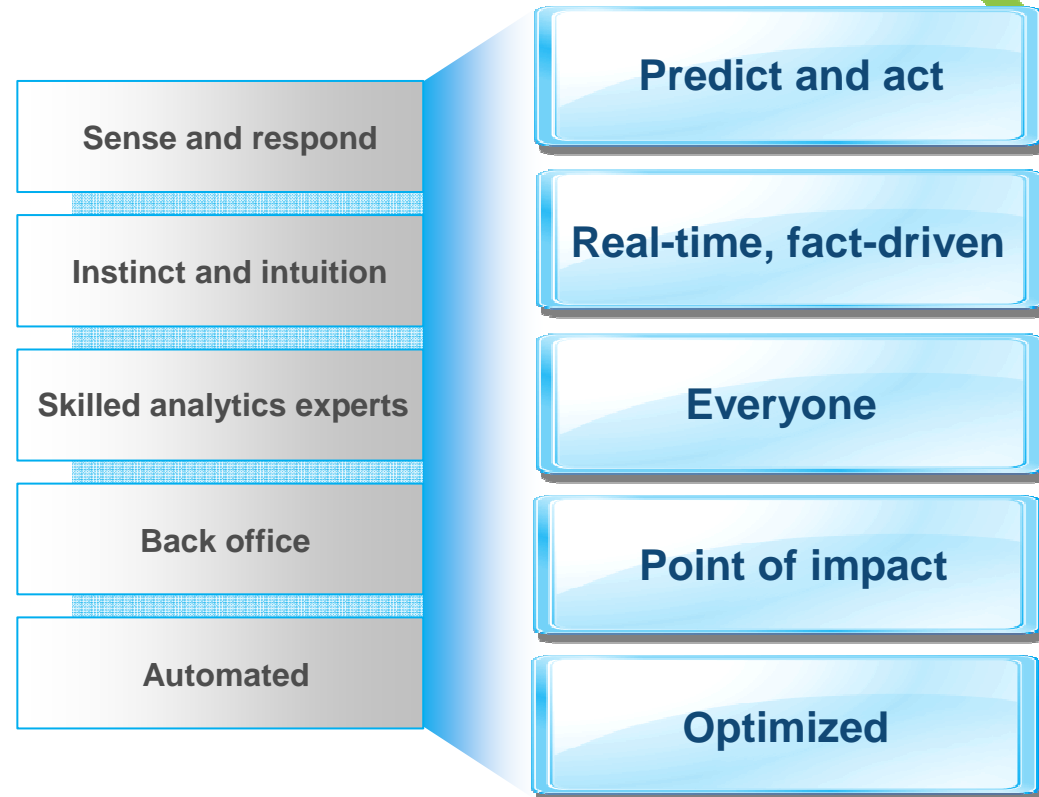
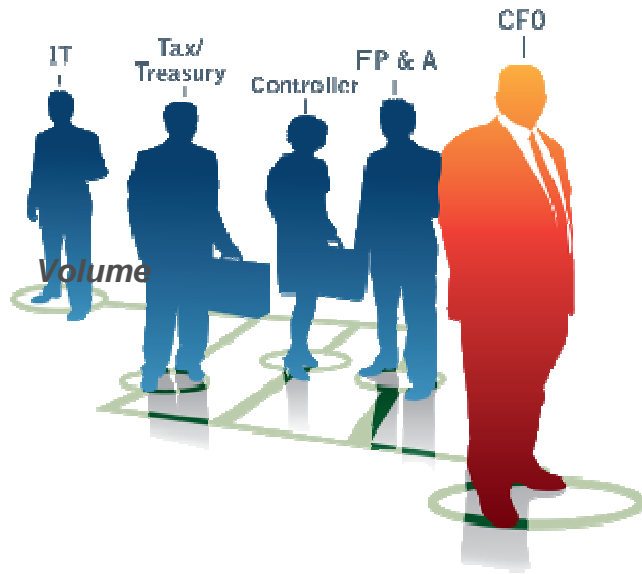
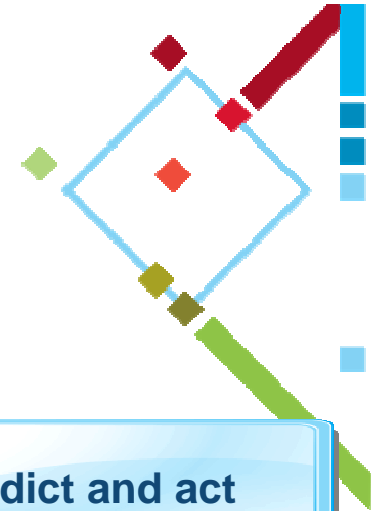




# IBM Finance Forum 2011

Anticipate and shape business outcomes

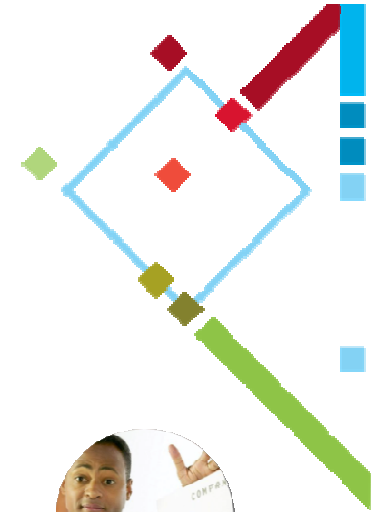
## How do we get there? Information Led-Transformation



# IBM Finance Forum 2011

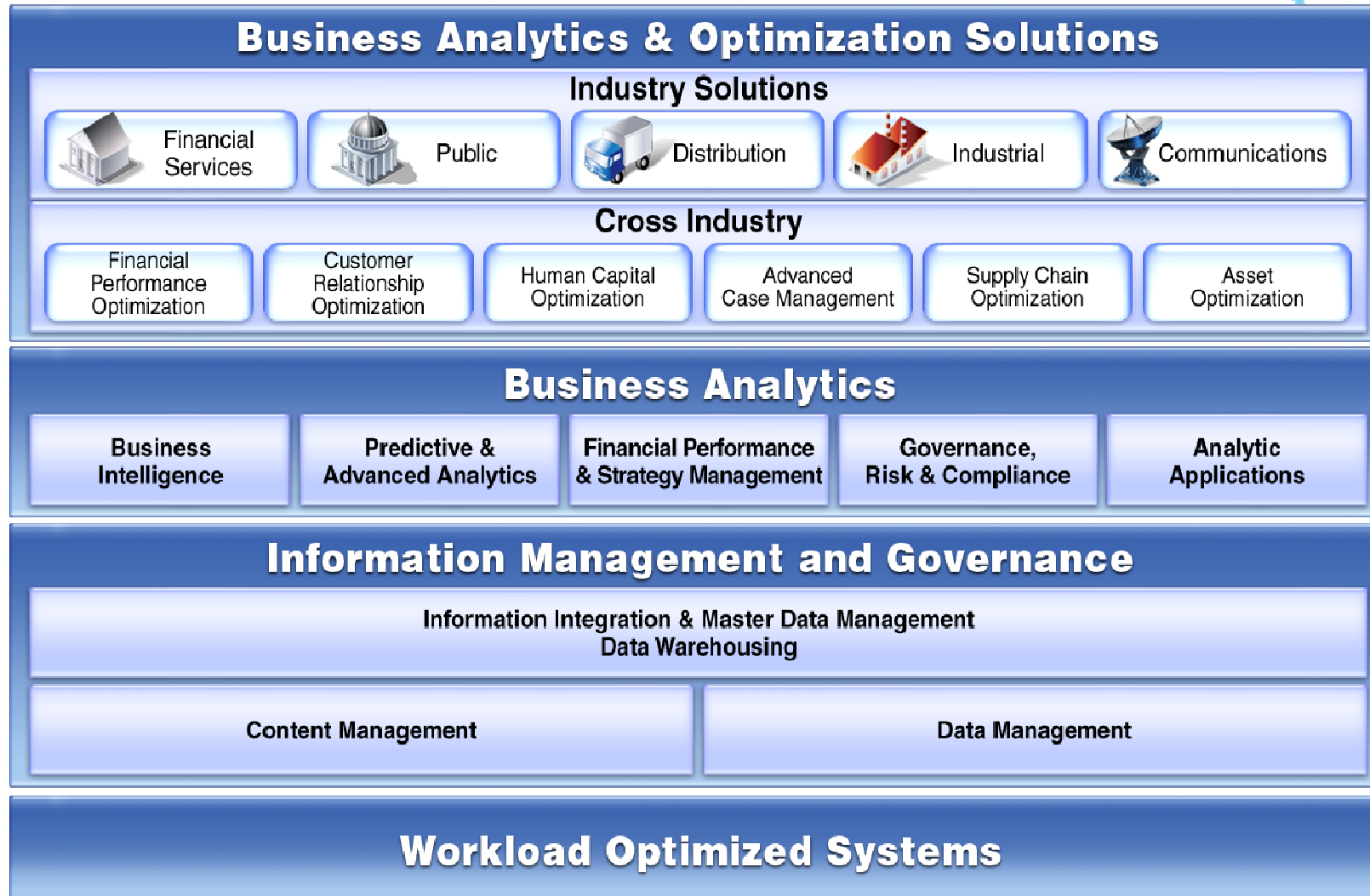
Anticipate and shape business outcomes

Actionable Insights to Answer Key Questions



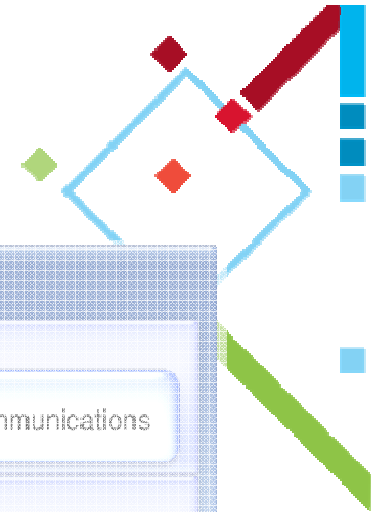
# IBM Finance Forum 2011

Anticipate and shape business outcomes



# IBM Finance Forum 2011

Anticipate and shape business outcomes



## Business Analytics & Optimization Solutions

### Industry Solutions



### Cross Industry



## 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

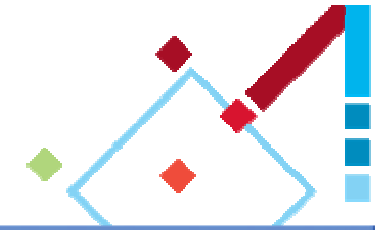
Data Management

## Workload Optimized Systems



# IBM Finance Forum 2011

Anticipate and shape business outcomes



## Business Analytics

Business Intelligence

Predictive & Advanced Analytics

Financial Performance & Strategy Management

Governance, Risk & Compliance

Analytic Applications



- Full range of BI capabilities
  - Dashboarding, Scorecarding, Reporting, Analysing and Reporting
- Delivers information where, when and how it is needed
  - Self-service reporting and analysis
  - Automated delivery of information in context
  - Author once, consume anywhere
- Purpose-built SOA platform that fits client environments and scales easily

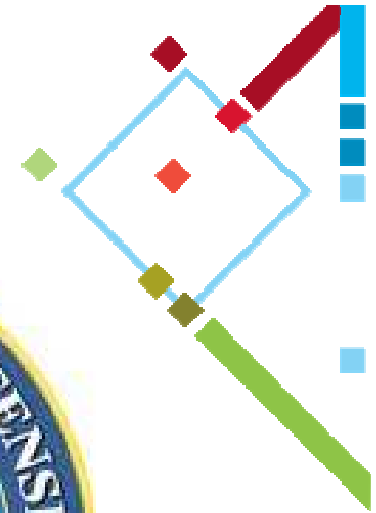


## IBM Finance Forum 2011

Anticipate and shape business outcomes

US Department of Defense  
Executive Budget Dashboard

**\$247 Million Saving in  
Interest Penalties Paid**



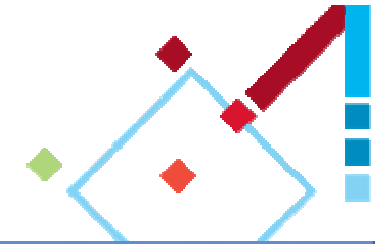
“I just can't imagine doing my job without it. “

Tina Jonas, CFO US DoD



# IBM Finance Forum 2011

Anticipate and shape business outcomes



## Business Analytics

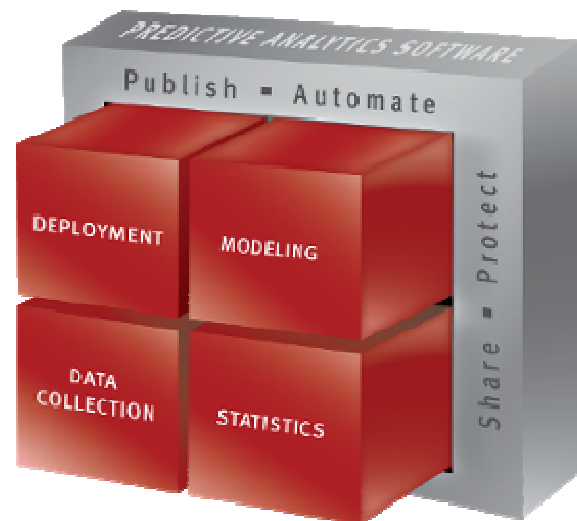
Business Intelligence

Predictive & Advanced Analytics

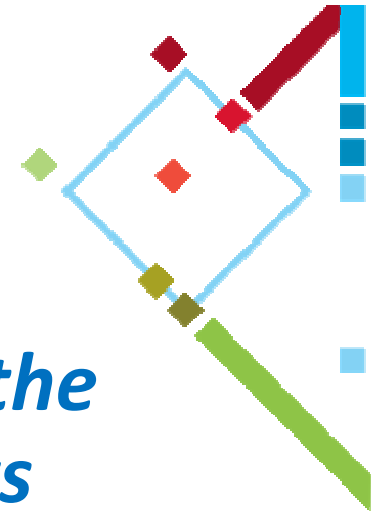
Financial Performance & Strategy Management

Governance, Risk & Compliance

Analytic Applications



- Full breadth of predictive analytics
  - data collection, statistics, data mining, predictive modeling, deployment services...
- Putting prediction in hands of the business
  - Decision Management
- Driving better business outcomes
  - Attract and retain more profitable customers
  - Detect and prevent fraud
  - Improve resource allocation



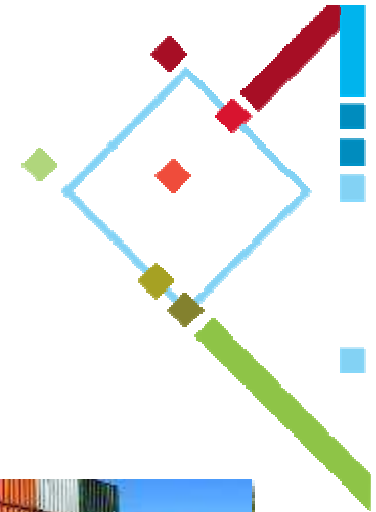
***“ A good hockey player plays where the puck is. A great hockey player plays where the puck is going to be.”***

***Wayne Gretzky***



# IBM Finance Forum 2011

Anticipate and shape business outcomes



## A Shipping Company based in ASEAN

### Challenge:

Predicting Volume and Rates for Cargo

### Solution:

- Predictive Forecasts



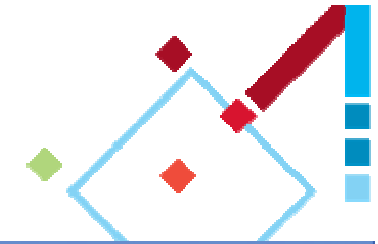
- Financial Forecasts



# IBM Finance Forum 2011

Anticipate and shape business outcomes

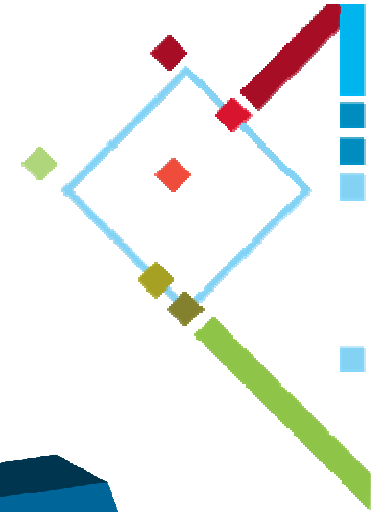
## Financial Performance and Strategy Management



- Planning, Budgeting and Forecasting
- Month-end close, consolidate results and report performance.
- Regulatory and Internal Reporting

# IBM Finance Forum 2011

Anticipate and shape business outcomes



## Performance Management Roadmap



# Address Initial Needs

1

ADDRESS  
Initial Needs

2

DRIVE  
Best Practices

3

## Move Beyond Spreadsheet



### People

- Free up experts
- Engage casual users

### Process

- Eliminate re-keying
- Enable process visibility

### Technology

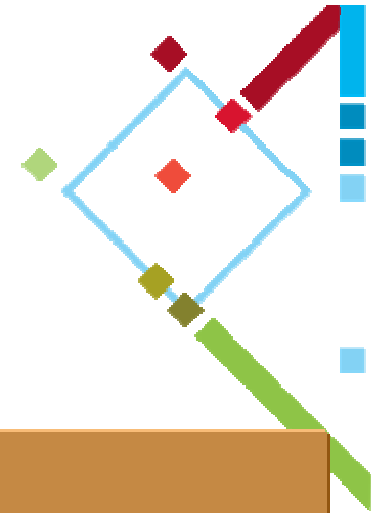
- Leverage familiar user interfaces (Excel, Web)
- Implement workflow

### Cognos Advantages

- Structures and automates all key financial PM processes
- Delivers systems “driven” by finance

# IBM Finance Forum 2011

Anticipate and shape business outcomes



# Drive Best Practices

1

**ADDRESS**  
Initial Needs

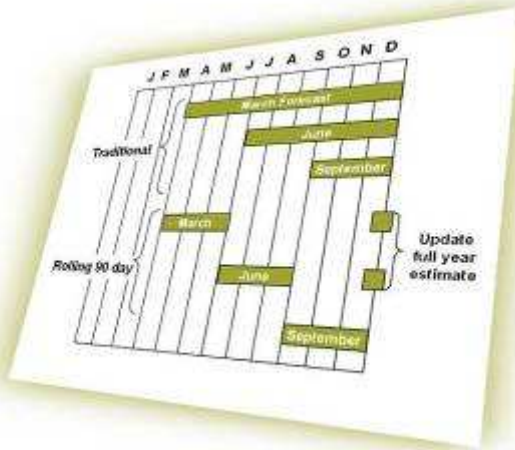
2

**DRIVE**  
Best Practices

3

**Enterp**  
**Wid**

## Best Practices



## People

- Redeploy experts
- Rethink user communities

## Process

- Rethink the horizons
- Drive Faster cycles

## Technology

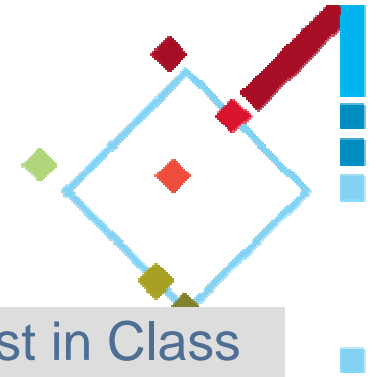
- Leverage common data architecture
- Model non-financial measures and metrics

## Cognos Advantages

- Offers flexible systems that support best practices
- Provides know-how and resources to support transformation

# IBM Finance Forum 2011

Anticipate and shape business outcomes



## Best Practices

Process	Average	Best in Class
Tactical & Financial Planning	4 Months	1 Month
Strategic Planning	5 Months	1 Month
Level of Budget Detail (Line Items)	230	15
Planning and Reporting Resource Requirement (Person-Days per Billion of rev.)	25,703	700
Percent of Time Spent on Forecasting & Action Planning (Decision Support)	20%	44%
Forecasting Process	Current Calendar Year	Rolling Quarterly

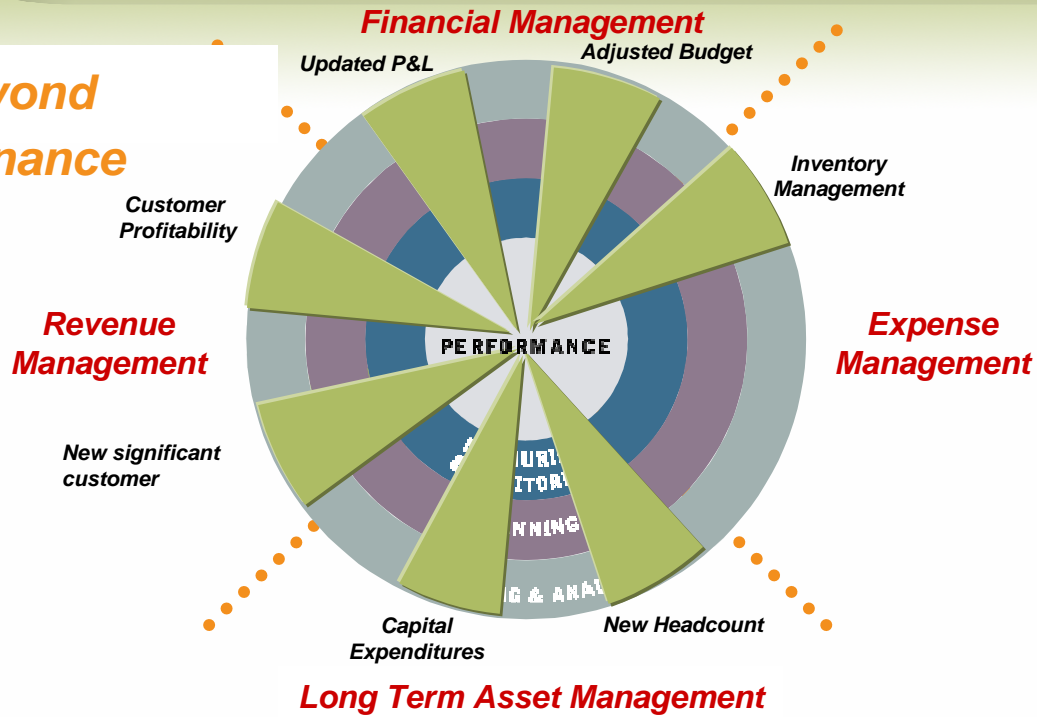
Source: Hackett Study



# Extend Enterprise-Wide



## Beyond Finance



### Cognos Advantages

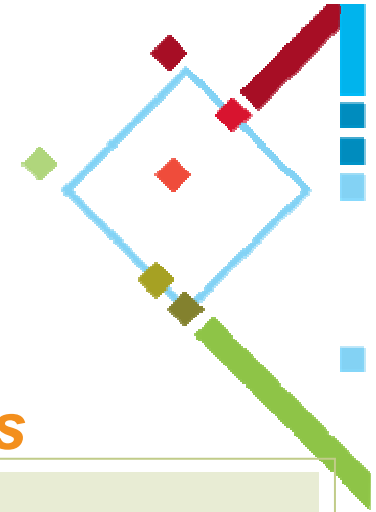
- Easily models and links operational plans, analytics, and metrics
- Supports rapid prototyping
- Provides know-how and resources to support transformation



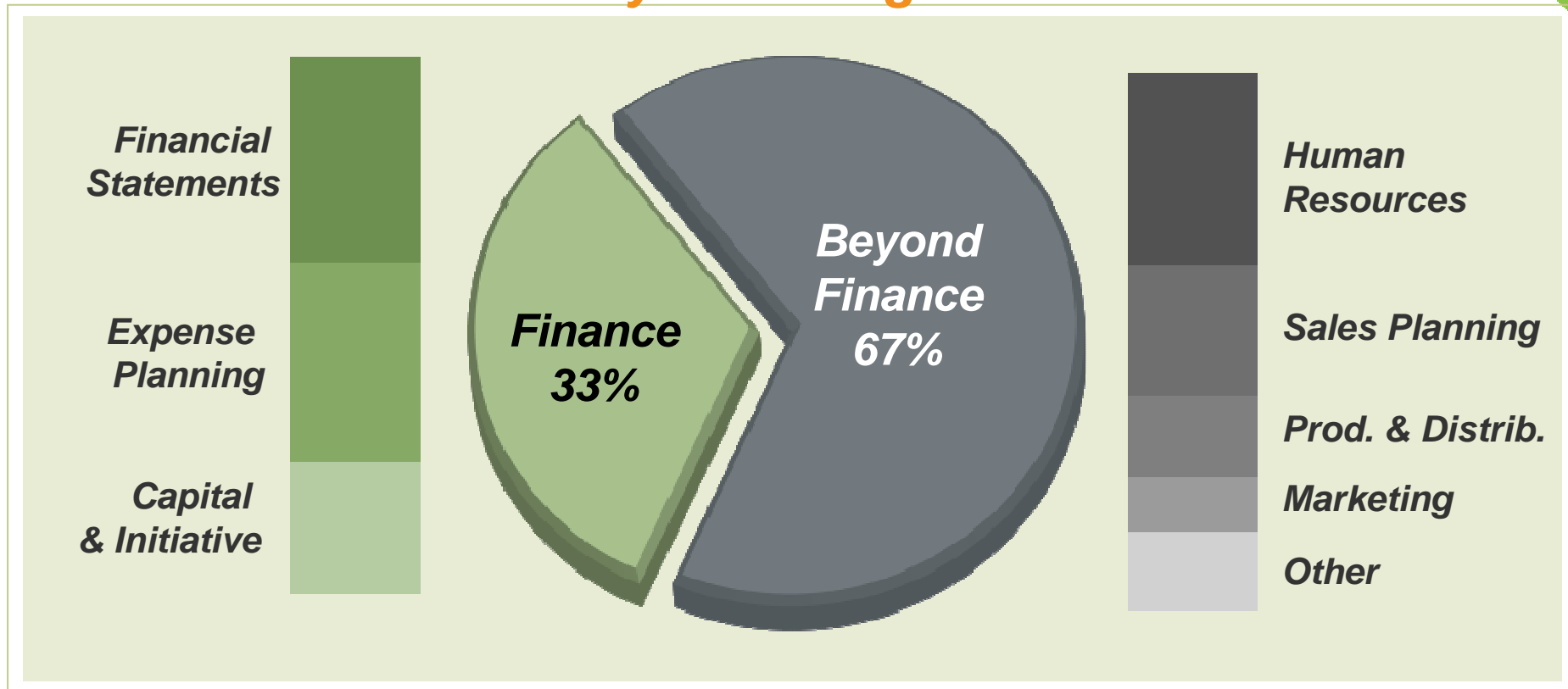
# IBM Finance Forum 2011

Anticipate and shape business outcomes

## Rewards beyond Finance



### Top Planning Areas From A Survey of 75 Cognos Customers



# Advancing Performance Management



## Drive Performance

GOALS & STRATEGY



PEOPLE & EXECUTION



SCORECARDS, REPORTS, PLANS & FORECASTS



## People

- Lead culture change
- Develop competency

## Process

- Improve process linkages

## Technology

- Span enterprise systems; reconcile “differences”

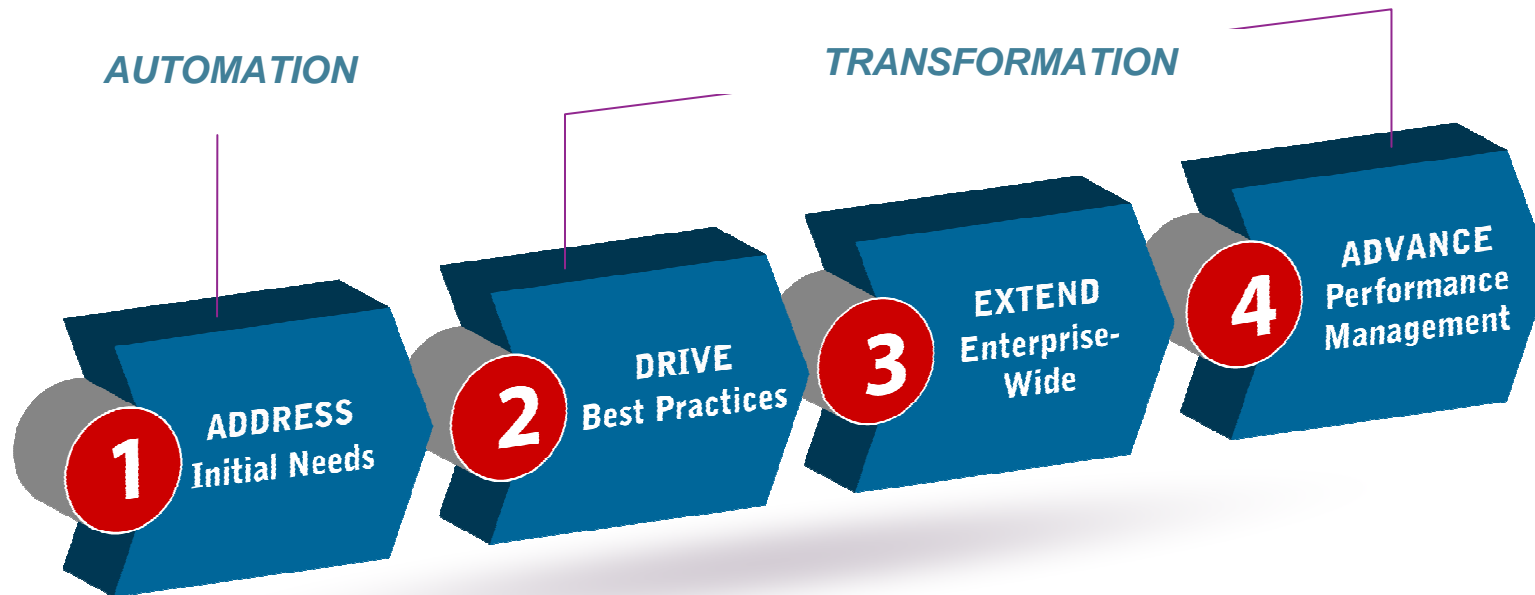
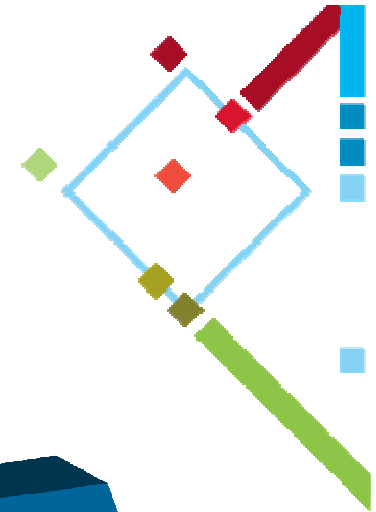
## Cognos Advantages

- Provides all PM capabilities
- Leverage all PM data sources
- Supports development of competency centers

# IBM Finance Forum 2011

Anticipate and shape business outcomes

Summary: Your roadmap to success



## ***Performance Management Requirements***

- ***Structure and Automate Core Processes***
- ***Drive and Sustain Best Practices***
- ***Report, Analyze, Model, Plan, and Score Enterprise-wide Performance***
- ***Span all systems and connect management decision-making***

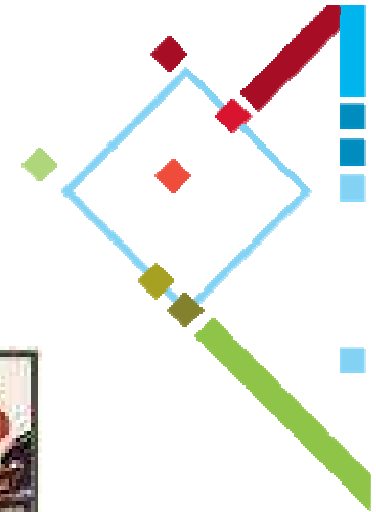
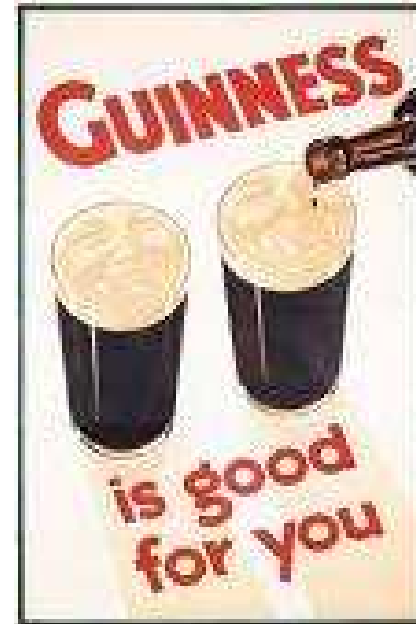
# IBM Finance Forum 2011

Anticipate and shape business outcomes

## Guinness Anchor Berhad

“... significantly cut down the planning cycle time from three months to two weeks ... “

“ ... we now have more time for analysis”

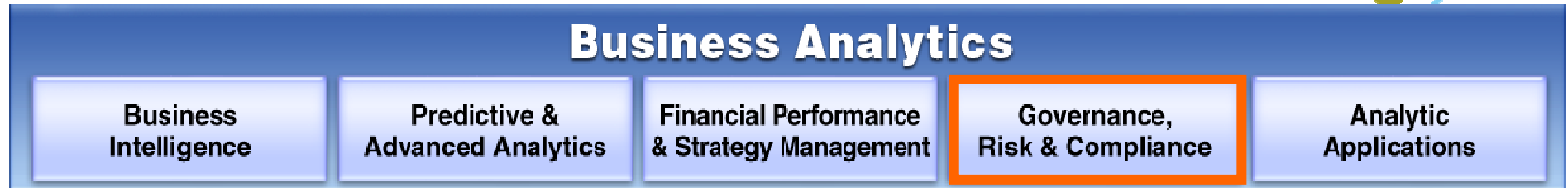
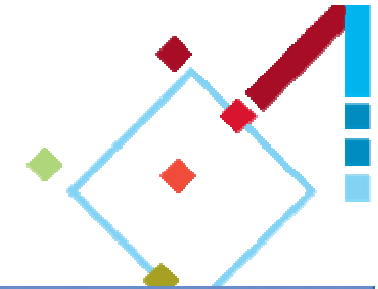


Ms Chan Mieng Chuan,  
Financial Planning & Decisions Support Manager

# IBM Finance Forum 2011

Anticipate and shape business outcomes

## Analytics Applications

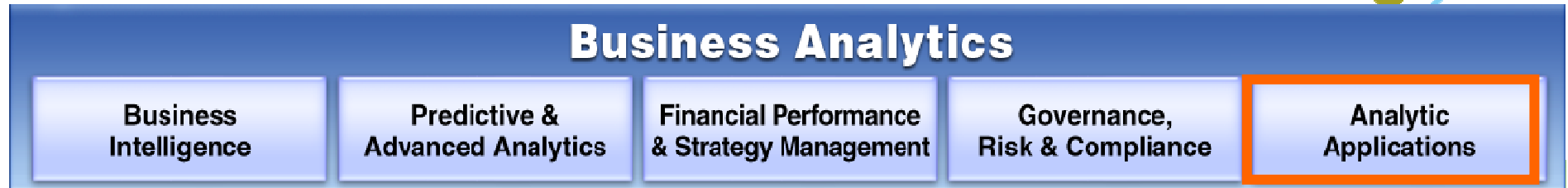
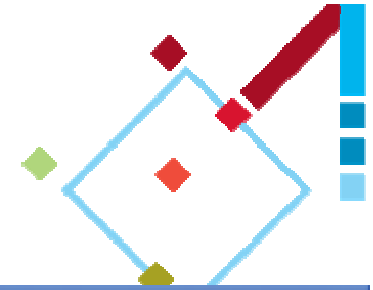


- Operational Risk Management
- General Compliance Management
- IT Governance
- Internal Audit Management
- Financial Controls Management

# IBM Finance Forum 2011

Anticipate and shape business outcomes

## Analytics Applications

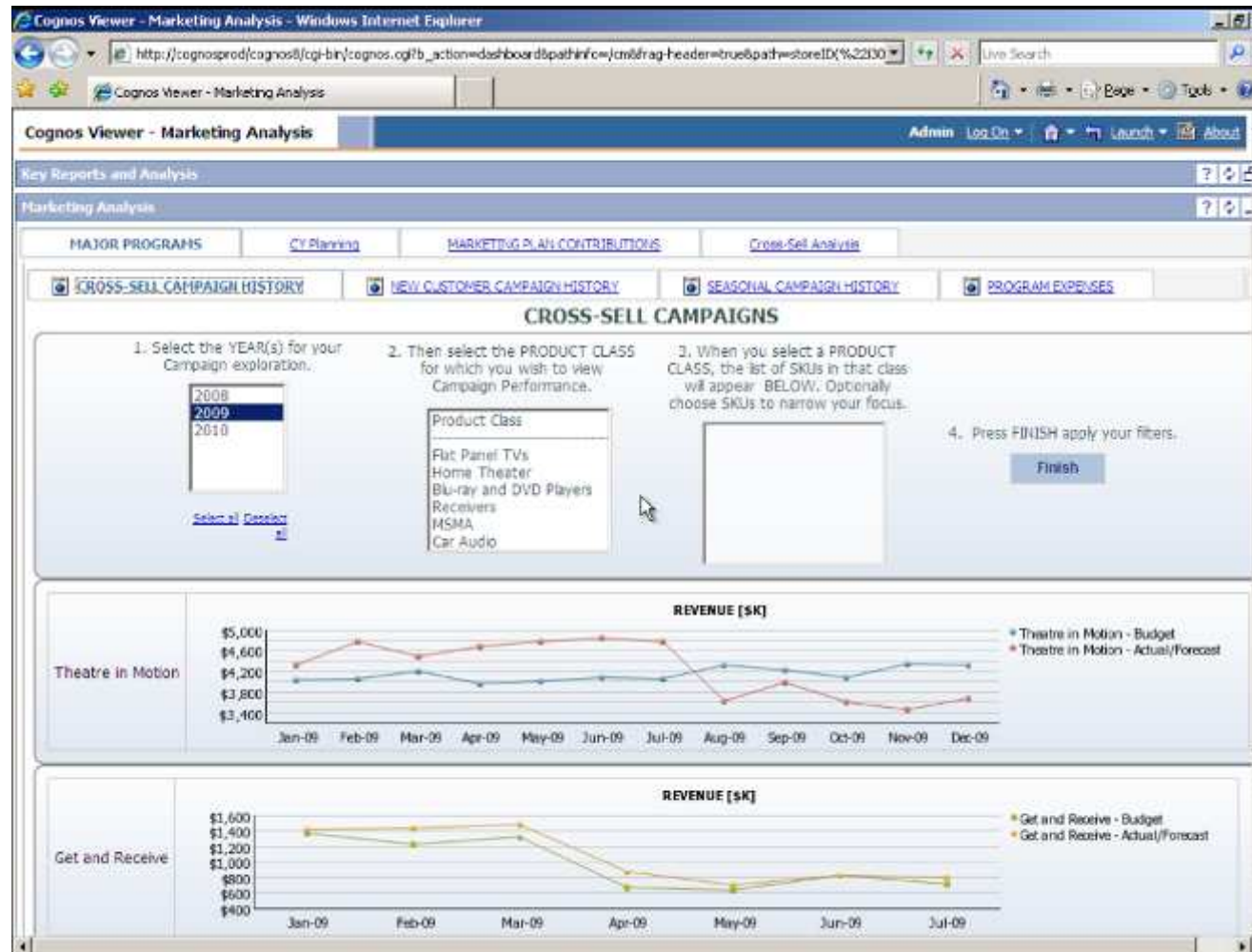
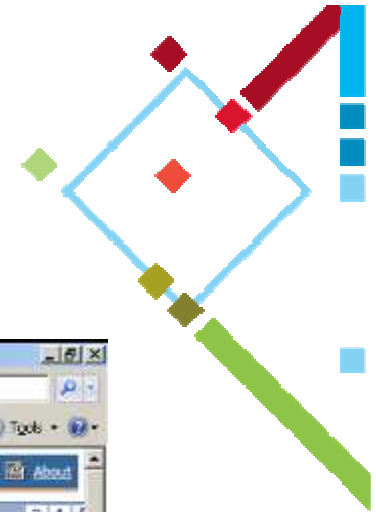


- Ready-made packaged reporting and analyses based on the best practices
- Encompasses a comprehensive portfolio
  - Workforce, customer, finance & supply chain
- Adaptable & extensible
  - Adaptive Application Framework
- Source data from multiple transaction systems

# IBM Finance Forum 2011

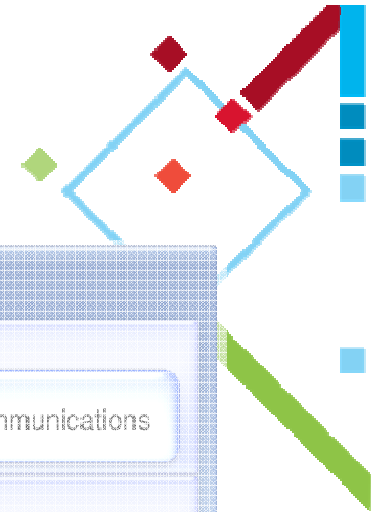
Anticipate and shape business outcomes

## Demonstration



# IBM Finance Forum 2011

Anticipate and shape business outcomes



## Business Analytics & Optimization Solutions

### Industry Solutions



### Cross Industry



## 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

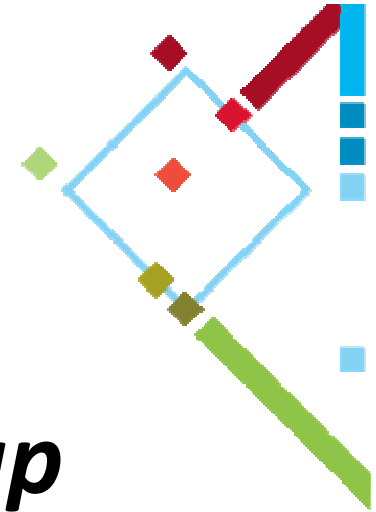
Content Management

Data Management

## Workload Optimized Systems







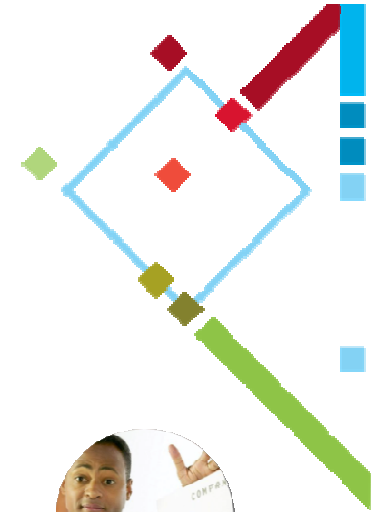
***“If you don’t give people information, they’ll make up something to fill the void.”***

***Carla O’Dell, President  
American Productivity & Quality Center***

# IBM Finance Forum 2011

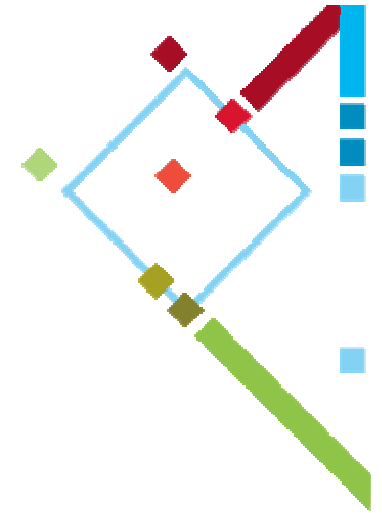
Anticipate and shape business outcomes

Actionable Insights to Answer Key Questions



# IBM Finance Forum 2011

Anticipate and shape business outcomes



# Thank you