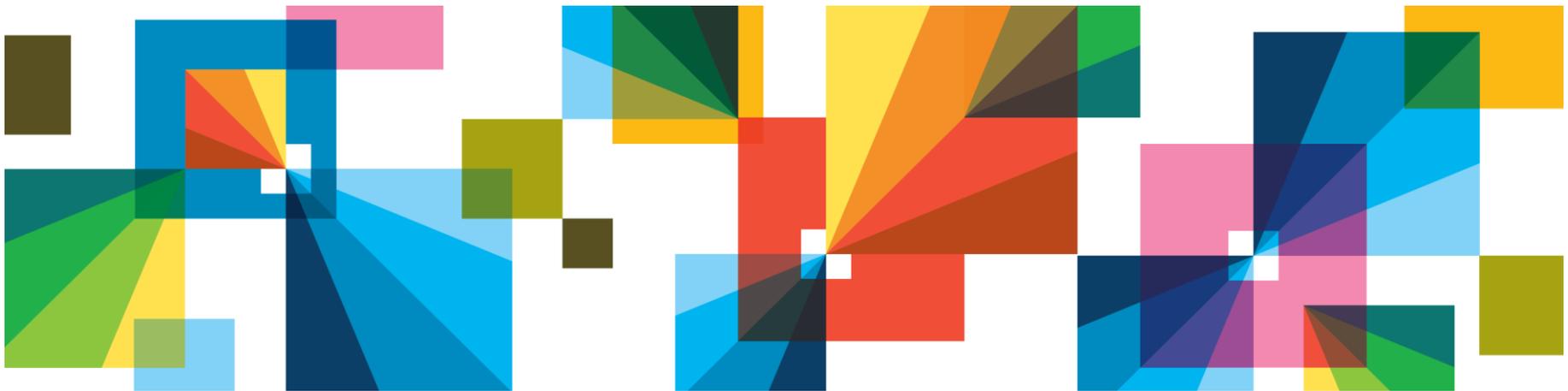


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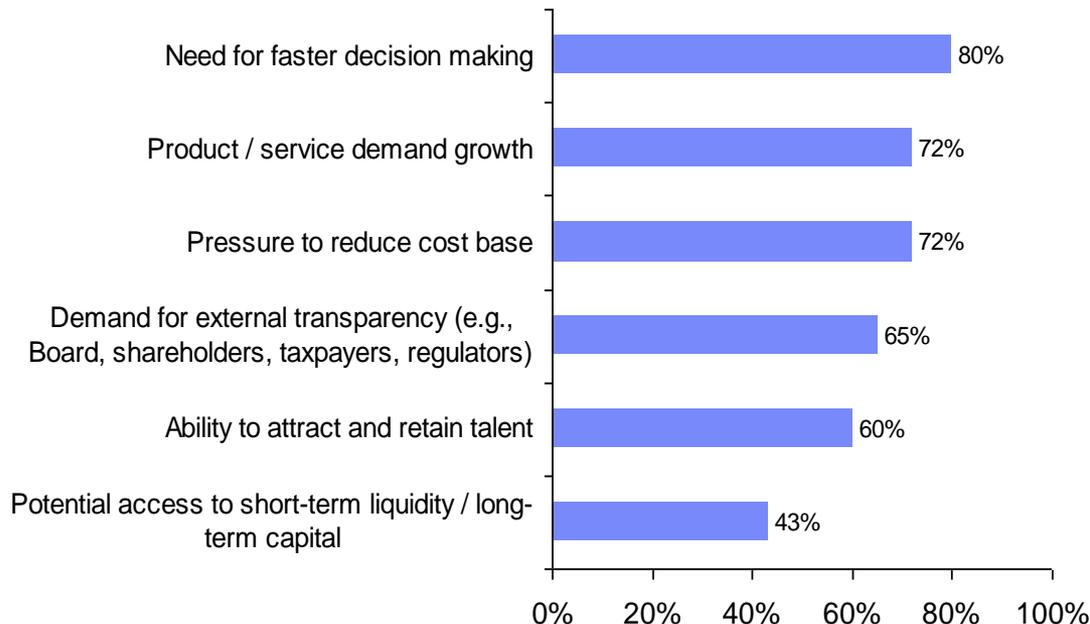
Smarter Profitability Management @ The New Normal



The New Normal - Velocity and Volatility

76% of ASEAN Finance organizations believe that they have to make major changes to respond [to growing industry/sector pressures]...”

2010 IBM CFO Study



amazon.com.

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

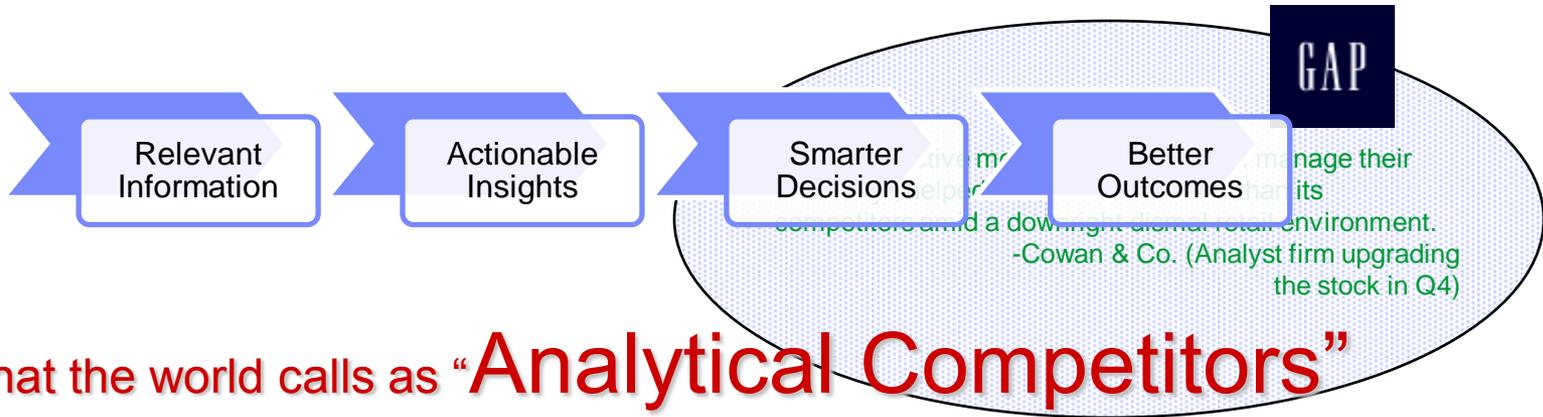
IBM.

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

What do these companies have in common?
When the going gets **Tough**.....

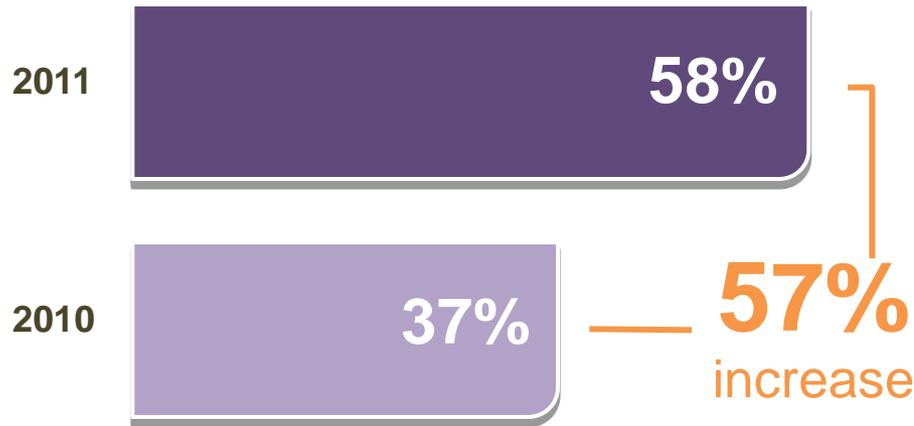
amazon.com get **GAP** in **IBM**

- Joseph P. Kennedy (1888-1969)



The ability to create competitive advantage using analytics surged dramatically in 12 months; the bottom-line impact is clear

Respondents who say analytics creates a competitive advantage



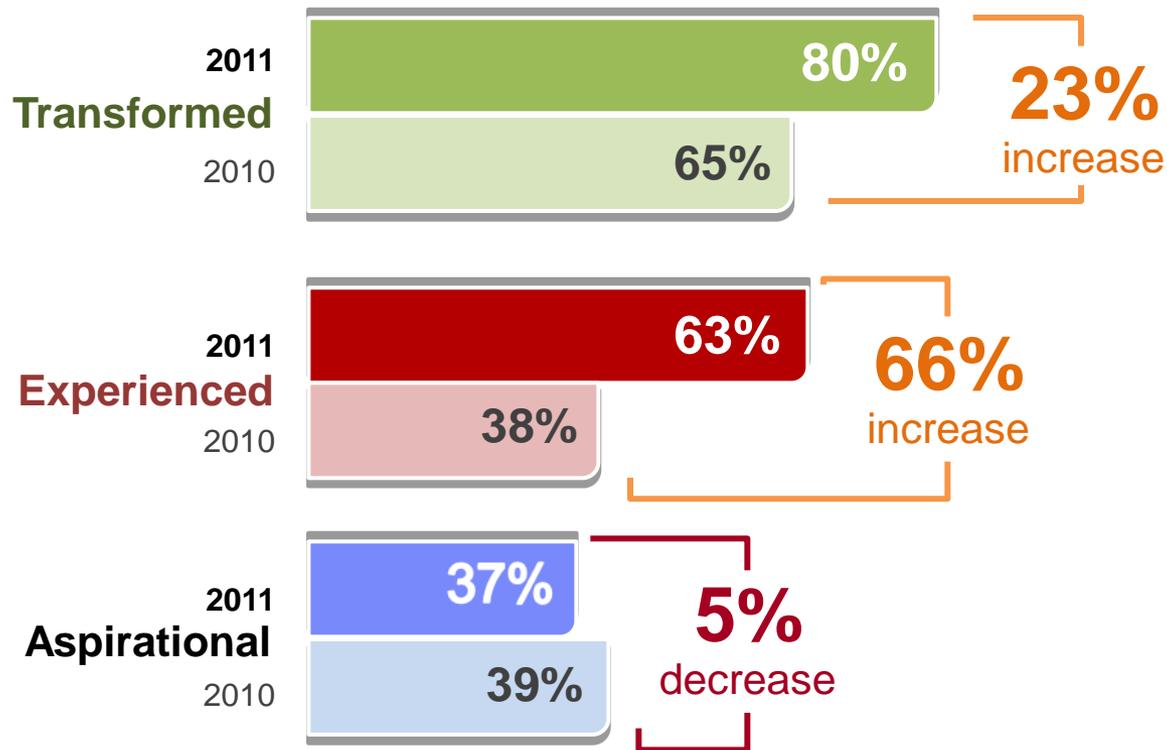
Organizations achieving a competitive advantage with analytics are

2.2x

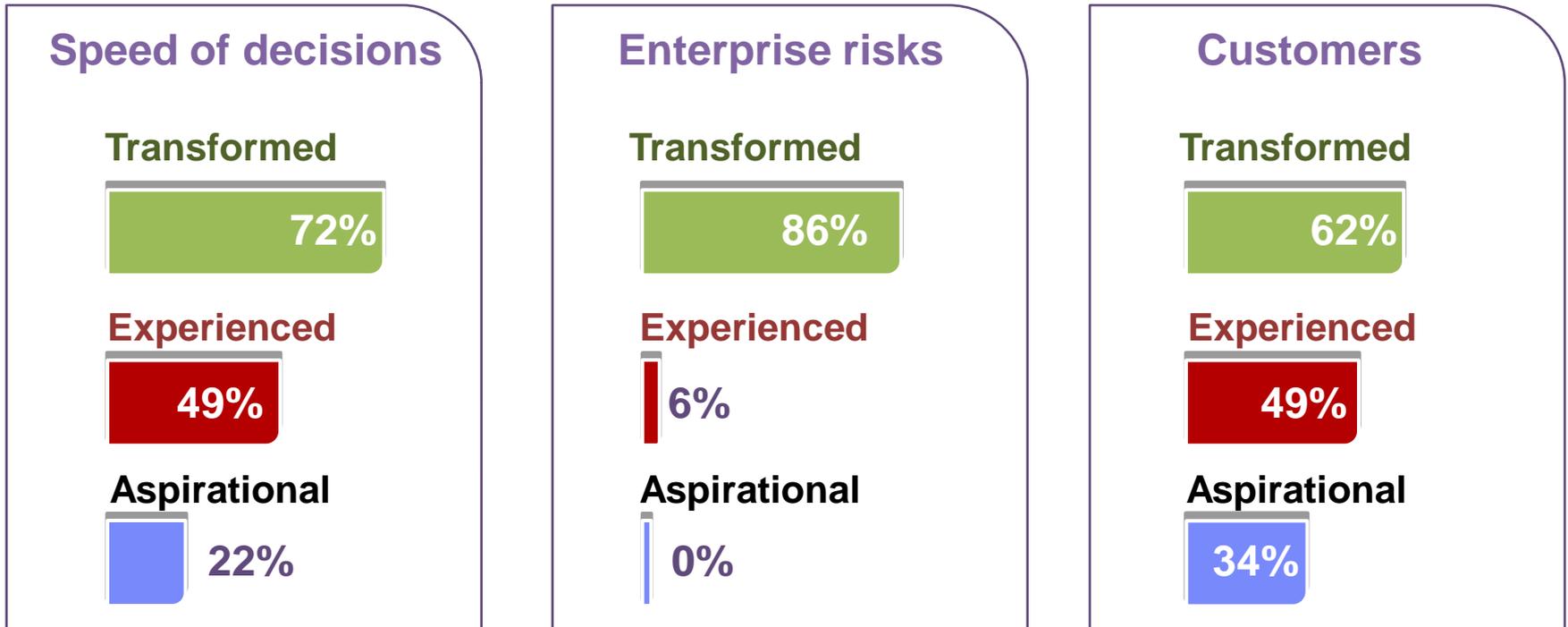
more likely to substantially outperform their industry peers

Early adopters have outpaced others in gaining competitive advantage by expanding the use of analytics

Respondents who cited a competitive advantage using analytics year-over-year



Transformed organizations are creating advantage by intensely focusing on applying analytics in three areas of the business



Percentage indicates those who exhibited an intense level of focus on a particular subject area.

Each respondent's answers to a set of survey questions related to these topic areas were weighted and analyzed to determine a level of focus; they were then grouped by segment.

The road ahead ...

IT Trends

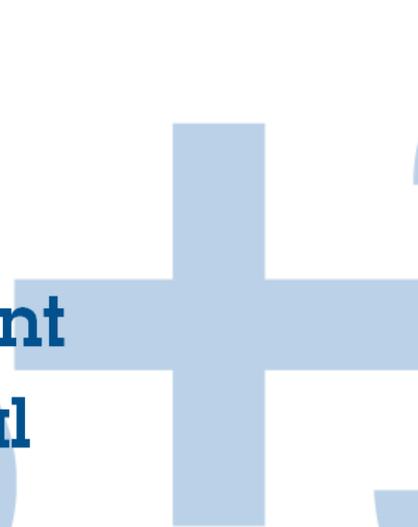
- Rising data volume / variety / velocity
- High volume decisions require decision automation
- LOB demanding flexibility and independence

Business Trends

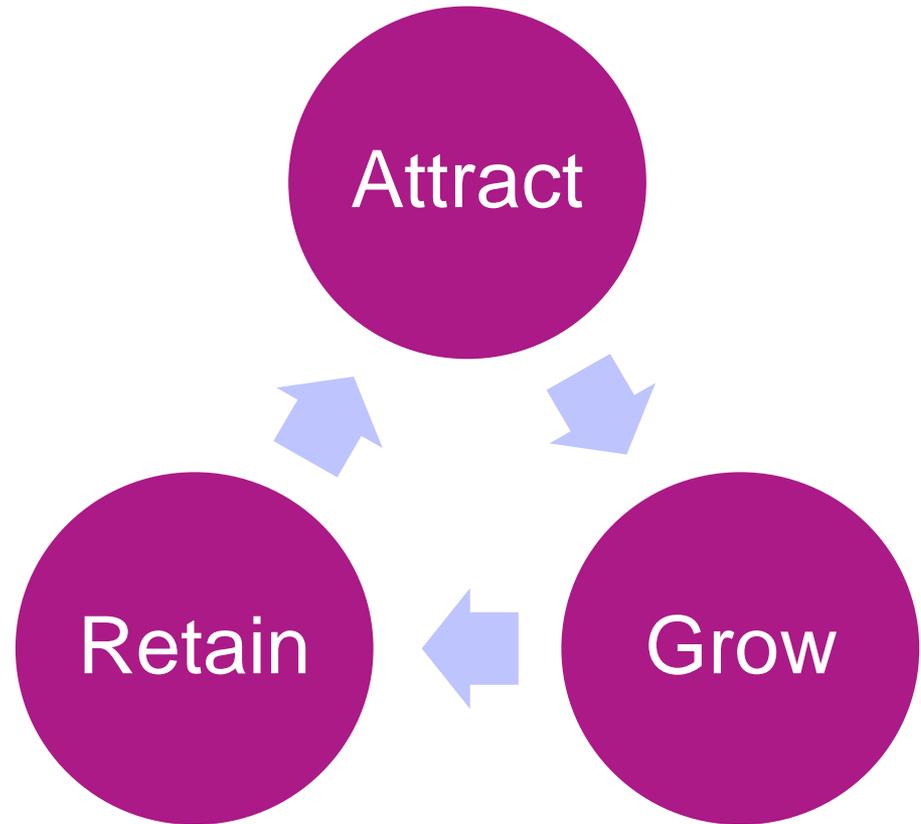
- Consumers' voice is deafening
- Finance is under increasing pressure
- Risk budgets are exploding

Our Intentions for Business Analytics

Big Data Analytics
Decision Management
Analytics go Personal



Customer
Finance
Risk



Drive Differentiated Value with Business Analytics

IBM Customer Analytics Solutions



Customer Analytics

Attract

- Segment customers for better targeting
- Influence purchase decisions via Social Media channels

Grow

- Spot and analyze trends in behavior and sentiment to cross-sell/upsell
- Propensity to buy/Next best action

Retain

- Identify which customers are likely to churn
- Identify the most profitable customers and reward loyalty

Capabilities



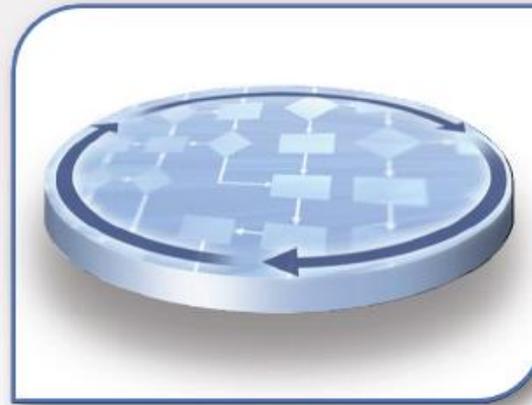
- Reporting & Analysis
- Scorecarding & Dashboarding
- In-Memory Analytic Server
- Predictive
- Social Media Analytics
- Decision Management

Predictive and Social Media Analytics

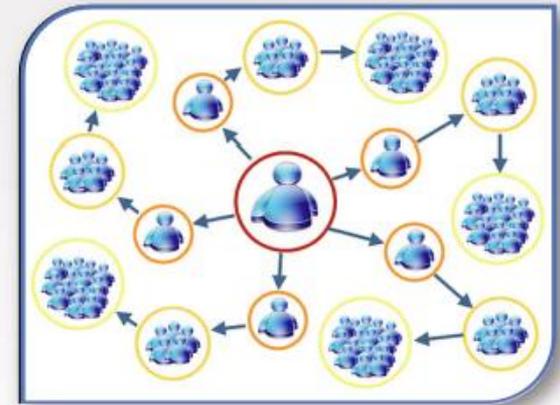
Capture & Analyze



Segment & Predict



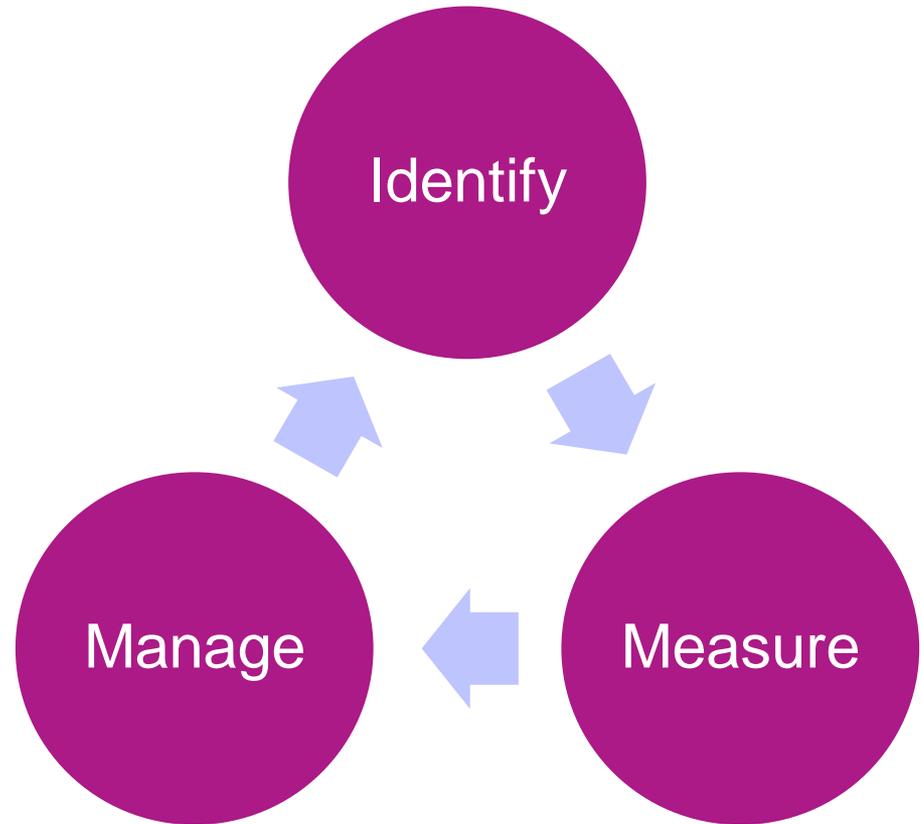
Engage & Act



- Integration use cases
 - Gain insights and increase positive sentiment in social conversations
 - Identify advocates and leverage their influence in campaigns
 - Accelerate re-purchase through propensity models

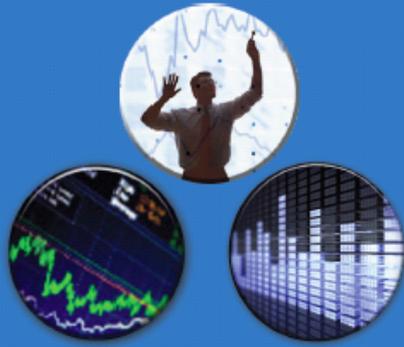


Customer
Finance
Risk



Drive Differentiated Value with Business Analytics

IBM Risk Analytics Solutions



Risk

- **Operational Risk** – Reduce unexpected loss
- **Policy and Compliance** – Reduce compliance burden
- **Financial Controls** – Ensure financial controls integrity
- **IT Governance** – Improve regulatory reporting
- **Internal Audit** – Leverage enterprise-wide data

Capabilities



Reporting & Analysis



Workflow



Full Configurability



Risk & Control Self Assessment



Key Risk Indicators



Issue Management

Allianz

Solvency II compliance and improved risk modeling



- Greater insight into overall risk
- Risk reporting to days from weeks
- Reduced regulatory capital burden

Societe Generale

Market and credit risk management



- Manage capital market exposures across asset and liability functions
- Integration across front and middle offices

Large US Bank

Enterprise Governance Risk and Compliance



- Reduced operational risk
- \$2 million annual savings
- Reduction from 25 to 7 the number of risk datamarts

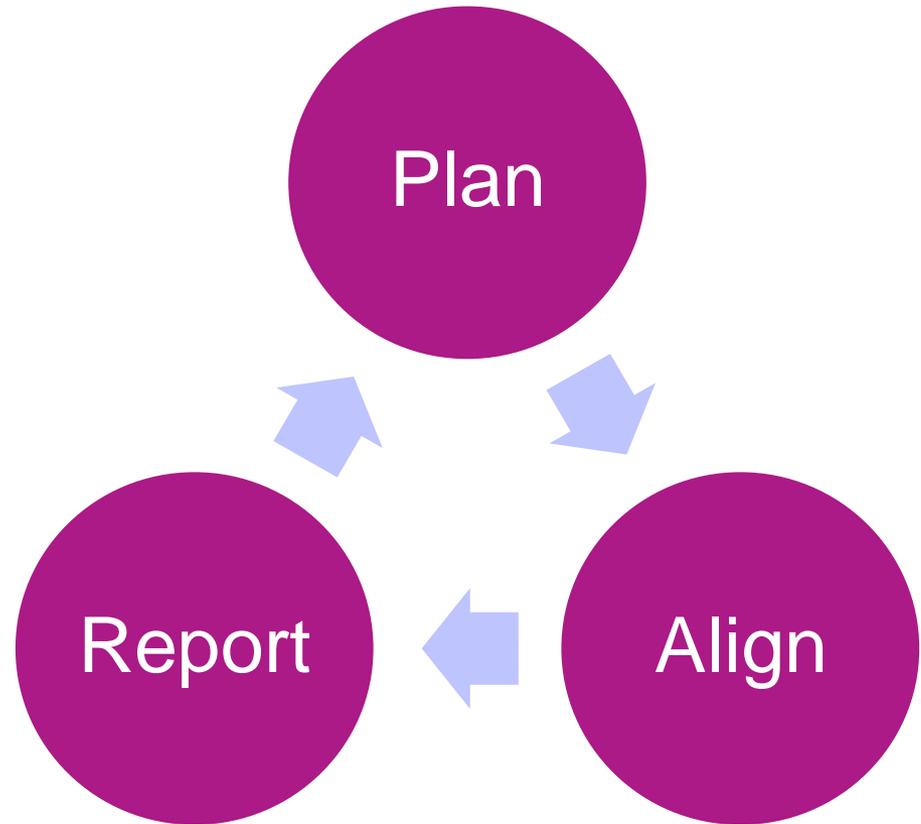
Openpages and Algorithmics

- Most comprehensive risk solution
- Complete risk and compliance across all risk domains
- Quantify risk exposure





Customer
Finance
Risk



Drive Differentiated Value with Business Analytics

IBM Financial Analytics Solutions



Finance

Plan

- Improve visibility with rolling forecasts
- Rapidly adjustment and realign resources

Report

- Automate financial close process
- Meet new disclosure and filing mandates (XBRL)

Align

- Define, measure, and adjust strategy with metrics
- Deliver engaging, up-to-the-minute dashboards

Capabilities



Reporting & Analysis



Scorecarding & Dashboarding



Profitability Modeling



Planning, Budgeting & Forecasting



Financial Consolidation



Disclosure Management

Financial analytics transforming finance and making **businesses smarter**

- Enterprise **Planning** and Profitability Modeling

Omnicom

\$200 Million

increase in Cash Flow

- Financial Statement **Reporting & Disclosure** Management (XBRL)



United Technologies

20% savings

efficiently address new XBRL and “last mile” demands

- Alignment with CFO Performance Dashboard



40% more satisfied

Leaders are 42% more likely to automate metrics*

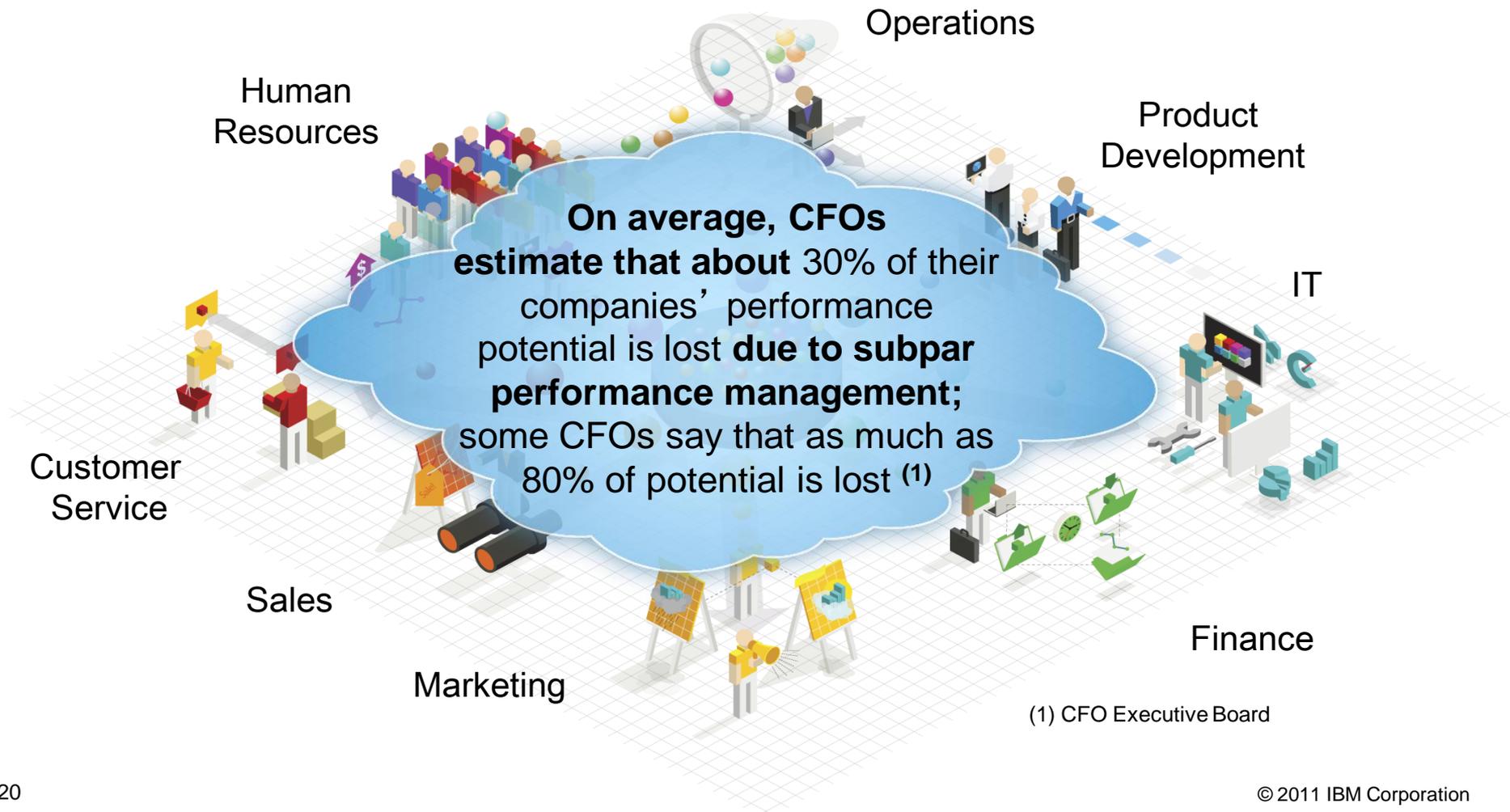
What's new for Financial Analytics

- IBM Cognos TM1 (v10.1)
 - Improved, flexible solution design environment
 - Easily spans analytics and planning requirements
 - Unrivaled performance at high user and data scale
 - Breakthrough user experience and analytic agility
- IBM Cognos FSR (v8.6)
 - New regulatory and compliance support
- IBM Cognos Controller (v10.1)
 - Improved usability and advanced features



Transforming Performance Management

Creating the Metrics (and Driver) Driven Org



Transforming Performance Management

Creating the Metrics (and Driver) Driven Org

IBM Advantage

Connect strategic, financial and operational planning

Address both high participation and deeply analytic planning

Over 75 performance blueprints to accelerate success

Advanced analytic value

- Dashboarding/Visualization
- Scenario Analytics
- Statistics / Predictive Analytics



How do we get there? Information Led-Transformation



- Sense and respond
- Instinct and intuition
- Skilled analytics experts
- Back office
- Automated

- Predict and act
- Real-time, fact-driven
- Everyone
- Point of impact
- Optimized

Actionable Insights to Answer Key Questions

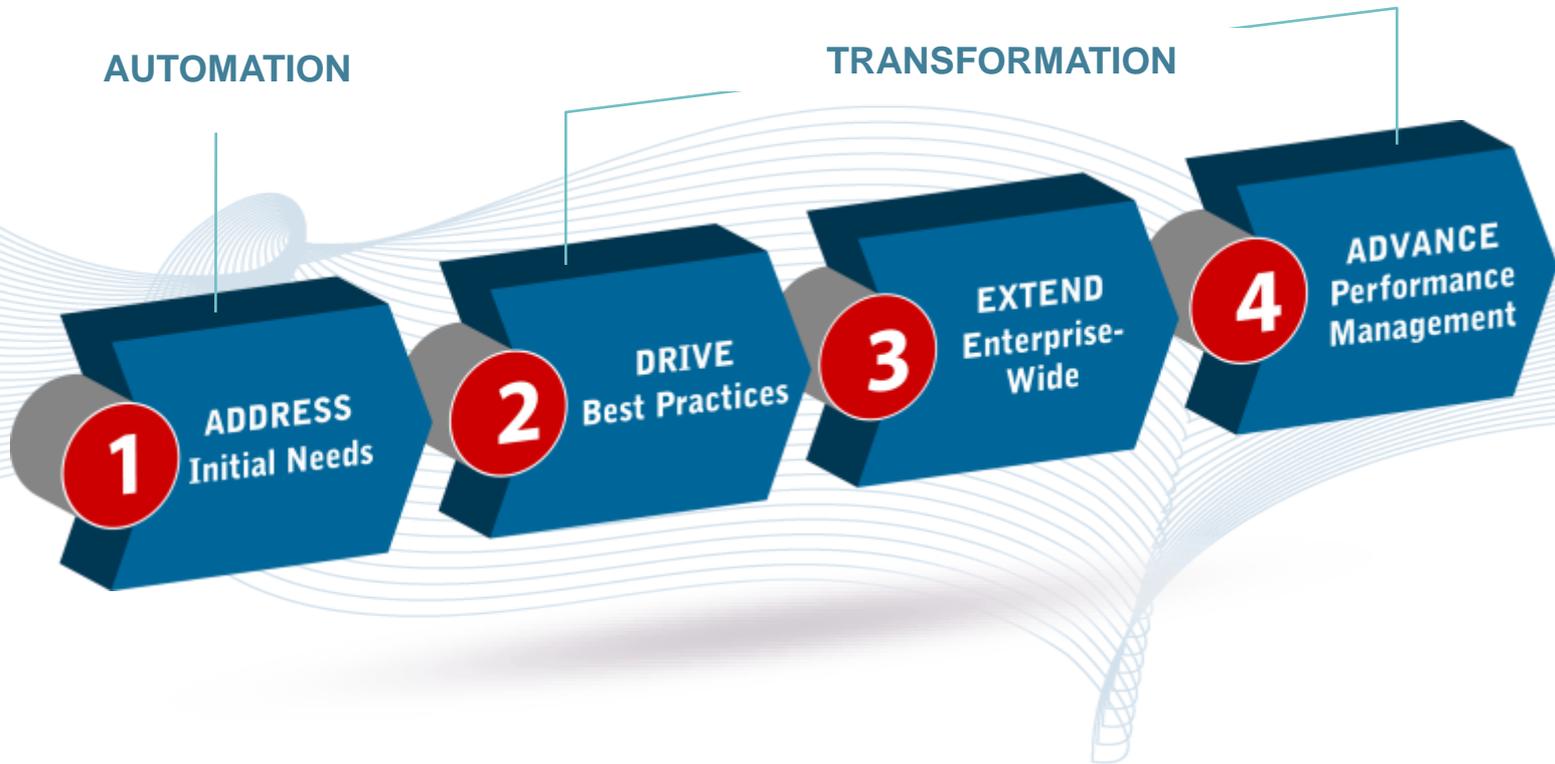


Performance and Strategy Management



- Planning, Analysis and Forecasting
- Performance Reporting and Scorecarding
- Close, Consolidate, Report and File

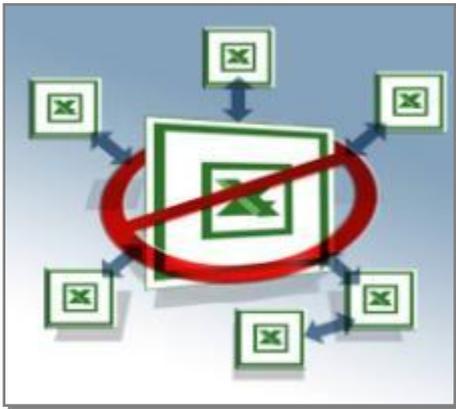
Performance Management Roadmap



Address Initial Needs



Move Beyond Spreadsheets



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

Drive Best Practices

1

ADDRESS
Initial Needs

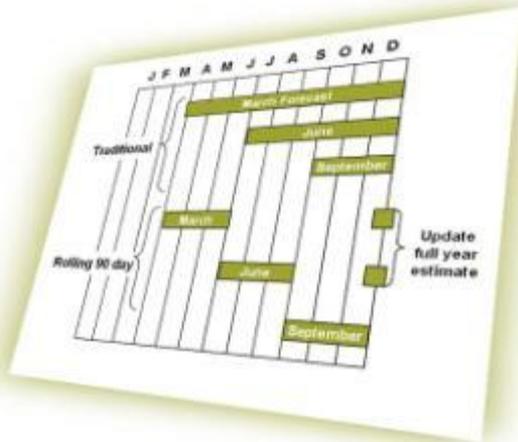
2

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

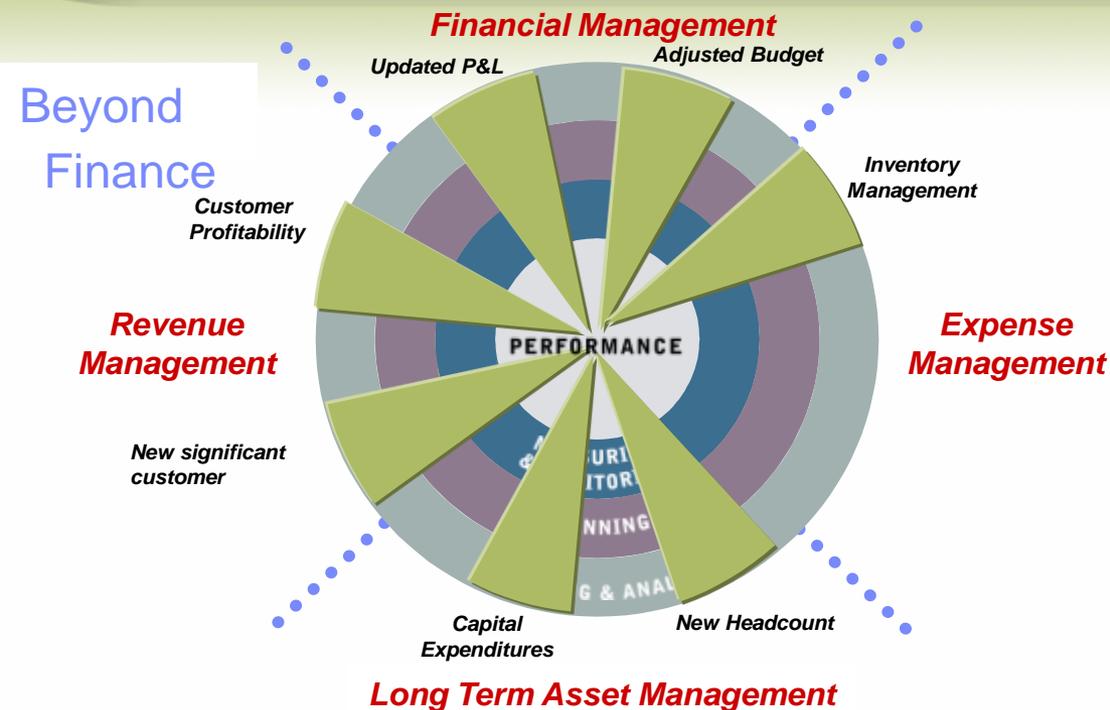
- Offers flexible systems that support best practices
- Provides know-how and resources to support transformation

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



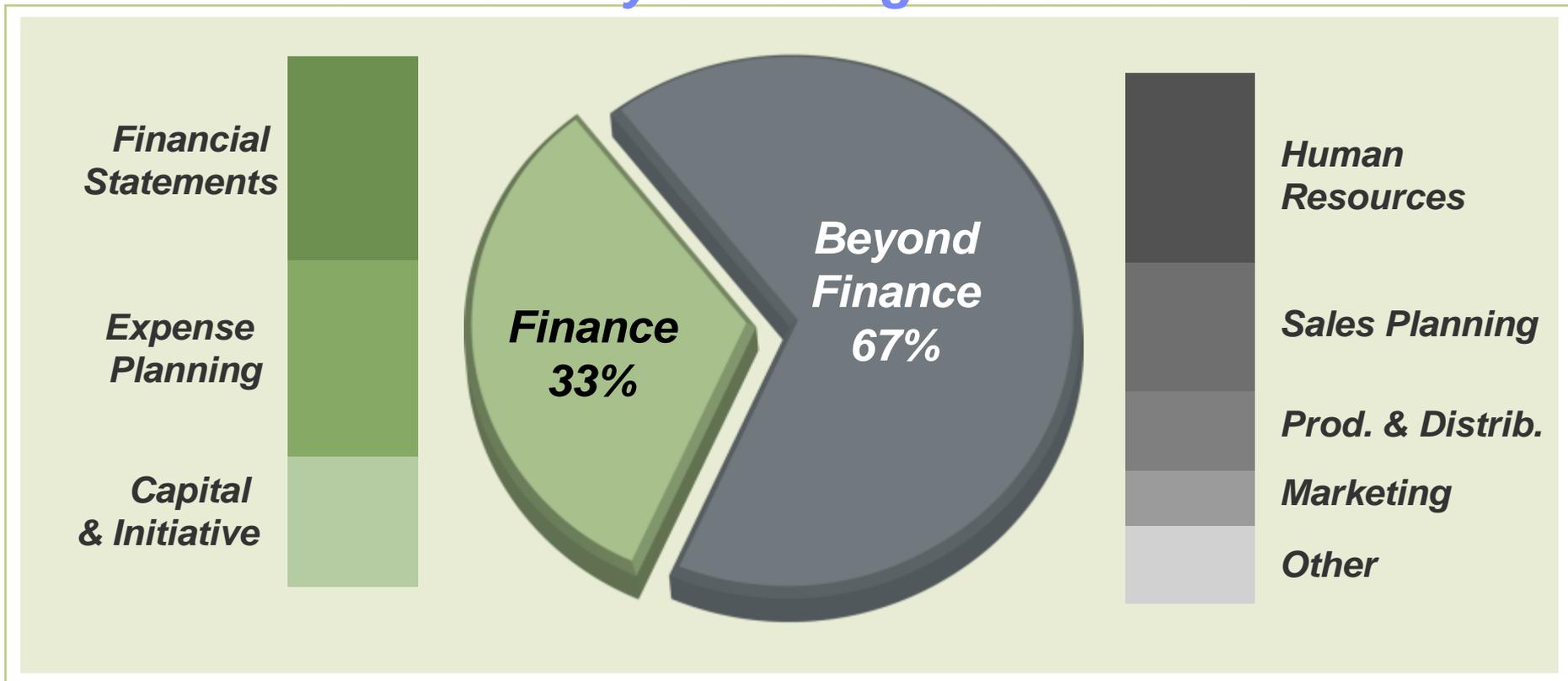
Cognos Advantages

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

Rewards beyond Finance

Top Planning Areas

From A Survey of 75 Cognos Customers



Advancing Performance Management



Drive Performance

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

Summary: Your roadmap to success



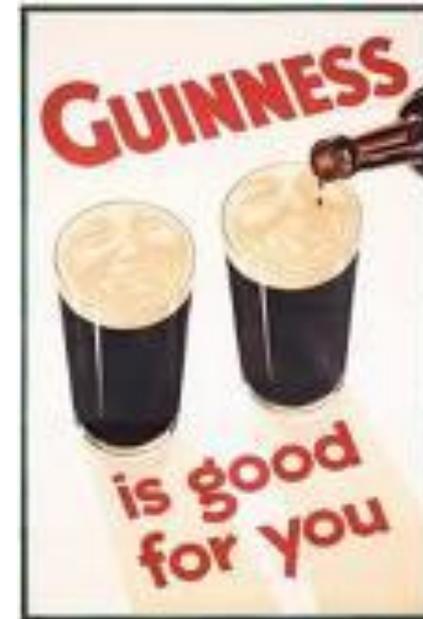
Performance Management Requirements

- 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

Guinness Anchor Berhad

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

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



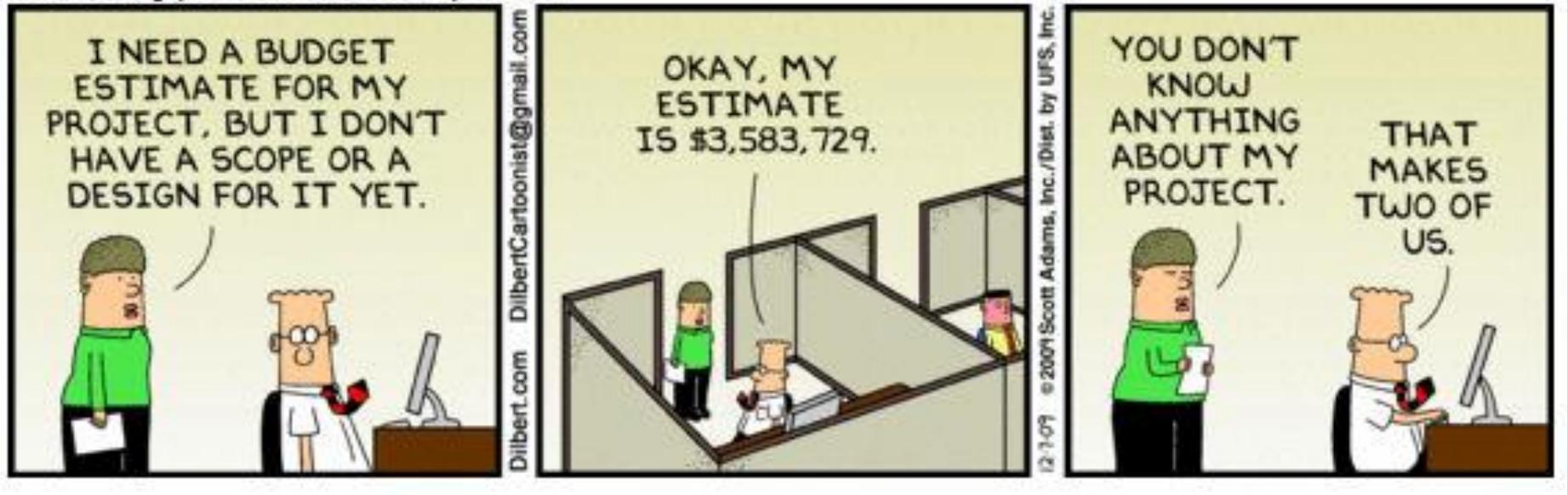
Ms Chan Mieng Chaan,
Financial Planning & Decisions Support Manager



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

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

Monday, December 7, 2009



Our Intentions for Business Analytics

Big Data Analytics
Decision Management
Analytics go Personal



Customer
Finance
Risk

IBM Smartphone Event Application

Question:

What are the solution offerings in the 3+3 strategy of IBM's intentions for Business Analytics?

- a) Predictive, Risk and Finance
- b) Customer, Finance and Risk
- c) Customer, Finance and Fraud

Answer.....

Question: Is the following statement True or False?

What are the solution offerings in the 3+3 strategy of IBM's intentions for Business Analytics?

- a) Predictive, Risk and Finance
- b) Customer, Finance and Risk**
- c) Customer, Finance and Fraud

Answer is (b)

Thank you

IBM®