

Christo Nel –Client Technical Manager Performance and Risk Management

Aug 2013

# Financial Performance Management: Putting Smarter Analytics to Work for Performance Achievement

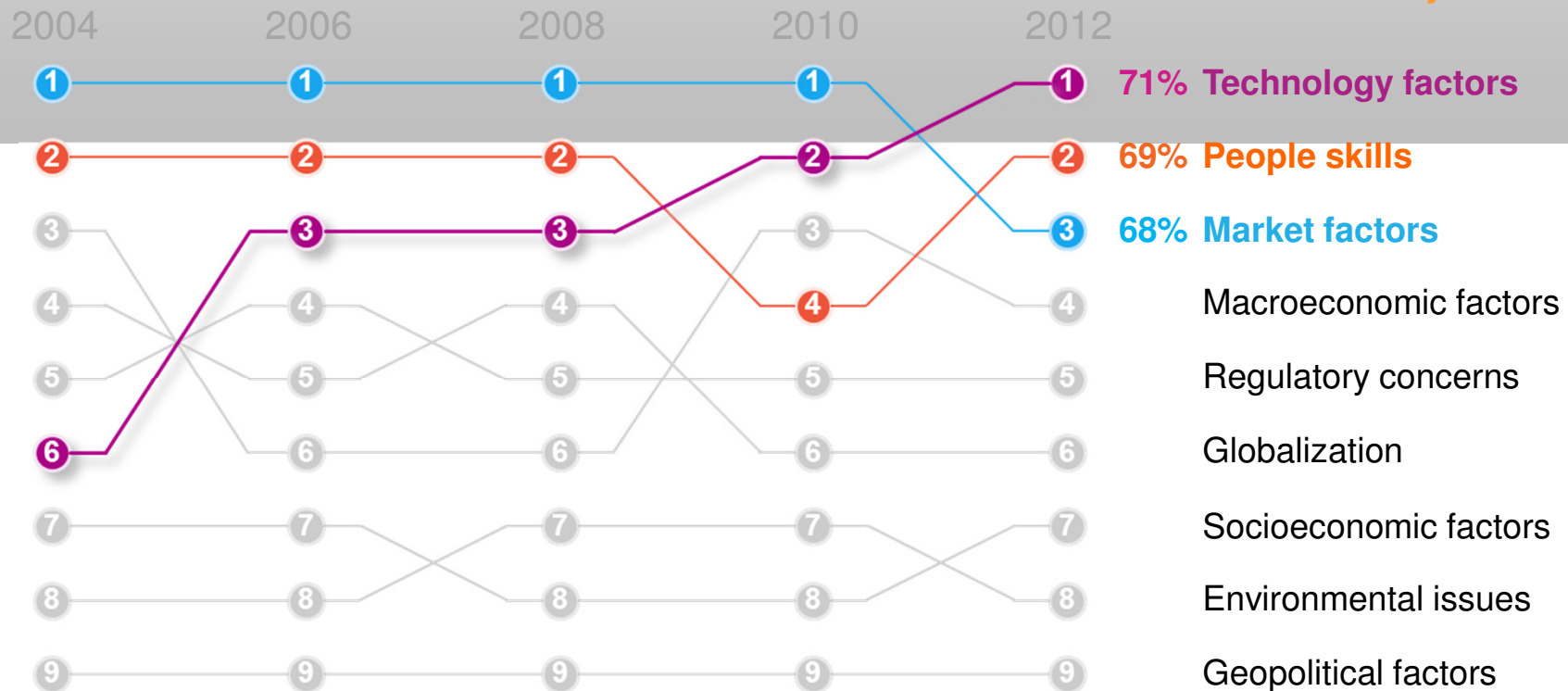


# What external forces do global CEOs believe will affect the organization most significantly?



**2012 IBM Global CEO Study**

## External forces that will affect the organization<sup>1</sup>



<sup>1</sup> IBM, *Leading Through Connections: Insights from the IBM Global Chief Executive Officer Study*, May 2012

# New marketplace dynamics force enterprises to transform

### Emerging market growth

Emerging marketplaces, led by China, fuel 2.6 times the growth rate of developed marketplaces, contributing more than 50 percent of all new growth.<sup>3</sup>



### Cloud computing

2011 spending on private cloud services is \$13 billion. ... Growth over the next four years will exceed 26 percent annual growth.<sup>3</sup>



### Mobile enterprise

By 2013, 80 percent of businesses will support a workforce using tablets.<sup>2</sup>



### Big data

The digital universe will grow to 1.8 zettabytes (ZB) in 2011, up 47 percent from 2010 and rocketing toward more than 7 ZB by 2015.<sup>3</sup>



### Next-generation analytics

80 percent of data growth is unstructured.<sup>2</sup>



### Compliance

The cost of noncompliance—fines, legal fees and disrupted services—was almost three times the cost of compliance.<sup>4</sup>



### Social business

By 2015, 40 percent of large enterprises will have a corporate “Facebook” for circulating business and personal data.<sup>2</sup>



### Security

Security remains robust for supporting regulatory and policy compliance needs.<sup>3</sup>



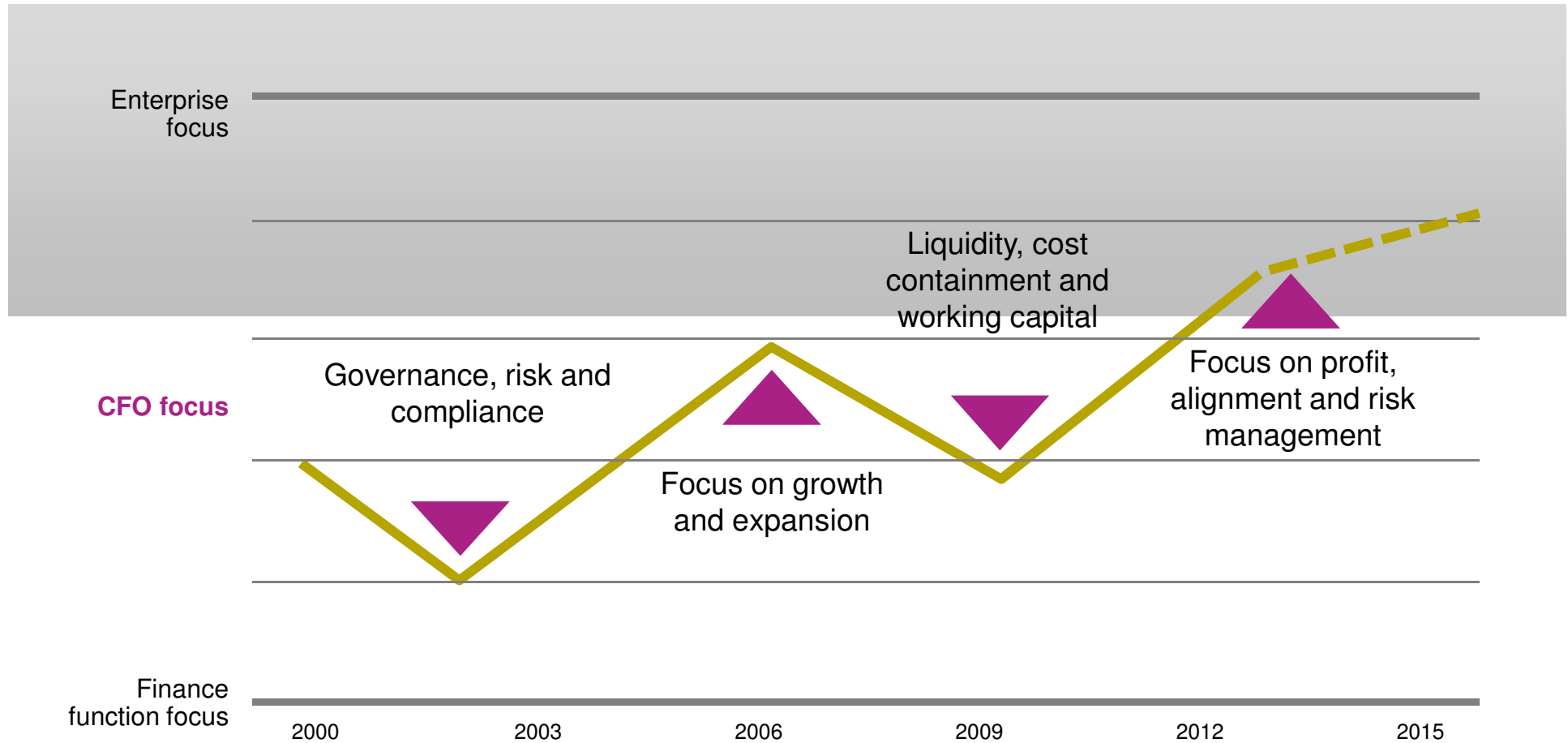
**CFOs' opportunity:**  
Be the agent of innovation and profitable growth

<sup>2</sup> Gartner

<sup>3</sup> IDC

<sup>4</sup> Ponemon Institute, *The True Cost of Compliance*, January 2011.

# CFOs are taking focus on enterprise decision making<sup>4</sup>



<sup>4</sup> Adapted from CEB Finance, 2011.

# CFOs are focused on gaps in core and enterprise processes

## CFO agenda: importance versus effectiveness

### Core finance

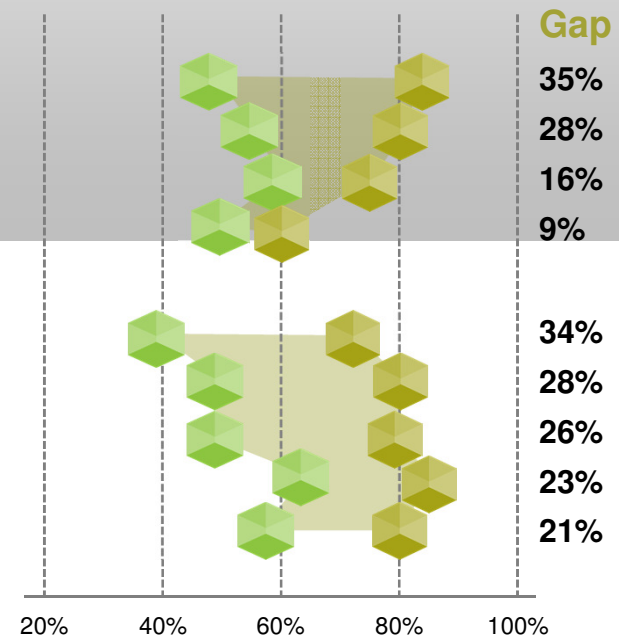
- Developing your people in the finance organization
- Executing continuous finance process improvements
- Strengthening compliance programs and internal controls
- Driving finance cost reduction

### Enterprise focused

- Driving integration of information across the enterprise
- Providing inputs into enterprise strategy **1**
- Supporting, managing and mitigating enterprise risk
- Measuring and monitoring business performance **2**
- Driving enterprise cost reduction **3**



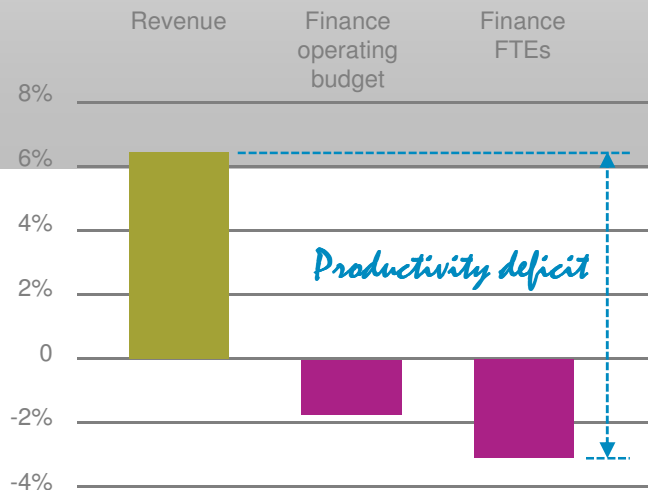
- # Importance rank
- Effectiveness
- Importance



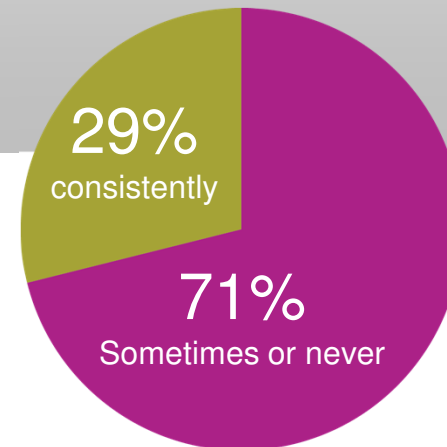
5 IBM, *The New Value Integrator: Insights from the Global Chief Financial Officer Study*, March 2010

# In 2013, finance must overcome a productivity and an insight deficit

Anticipated changes in finance budget and full-time equivalent employees from 2012–2013<sup>6</sup>



Ability to use data to derive insights, percentage of respondents, March 2012<sup>7</sup>



*Insight deficit*

<sup>6</sup> The Hackett Group, *Unlimited Options to Realize Borderless Business Services; Distilling the Key Issues of 2013*, Sean Kracklauer, Michael Janssen and Lynne Schneider, January 2013.

<sup>7</sup> Anna Kipchuk, "The Insight Deficit in Finance," CEB Finance blog, May 30, 2012.

# Finance must drive an analytical culture that delivers stronger business insight at the point of impact



Analytics quotient **AQ**



Automate analytic processes



Drive new insight and agility



Advance analytic maturity

## Agenda

Automate analytic processes

Drive new insight and agility

Advance analytic maturity





# Financial analytics

## Automate analytic processes

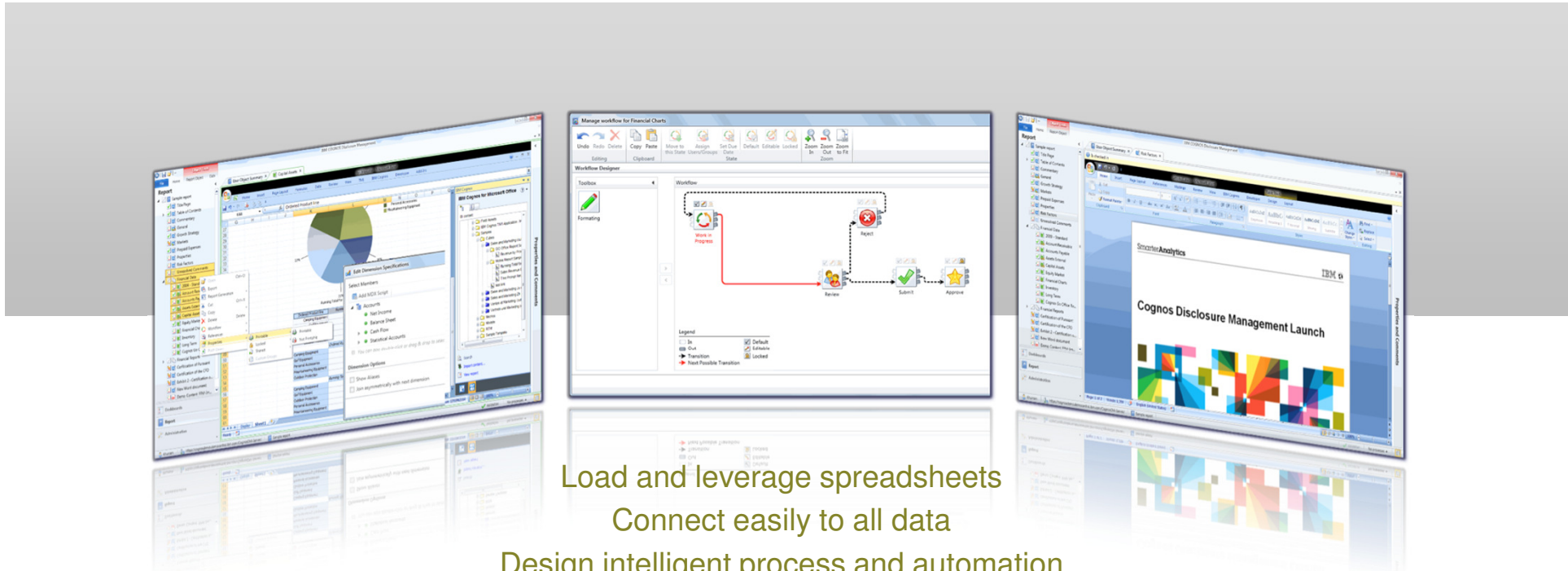


**automate  
and transform  
performance**



# Financial analytics

## Narrative and collaborative intensive performance reporting



Load and leverage spreadsheets  
Connect easily to all data  
Design intelligent process and automation  
Integrate numbers with narratives

Regulatory | External reporting | Investor relations | Treasury | Tax | Financial planning and analysis

## Agenda

Automate analytic processes

Drive new insight and agility

Advance analytic maturity



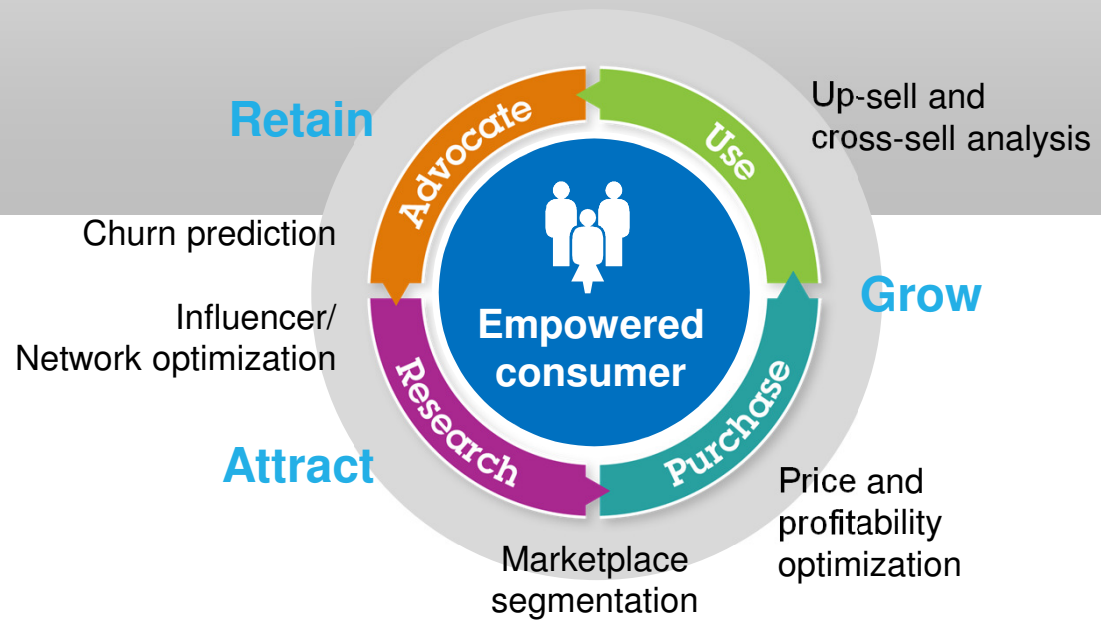
## Drive new insight and agility



# Customer analytics



IBM solutions provide actionable insights to attract, grow and retain **profitable** customers by **optimizing** the customer experience



# Operational analytics



**efficiency**

**growth**



# Sales performance management



# Risk analytics



IBM clients leverage integrated risk management to enable **risk-aware decision making**—a source of competitive advantage





# Demo

# IBM announces the intent to acquire Star Analytics' software portfolio



## Agenda

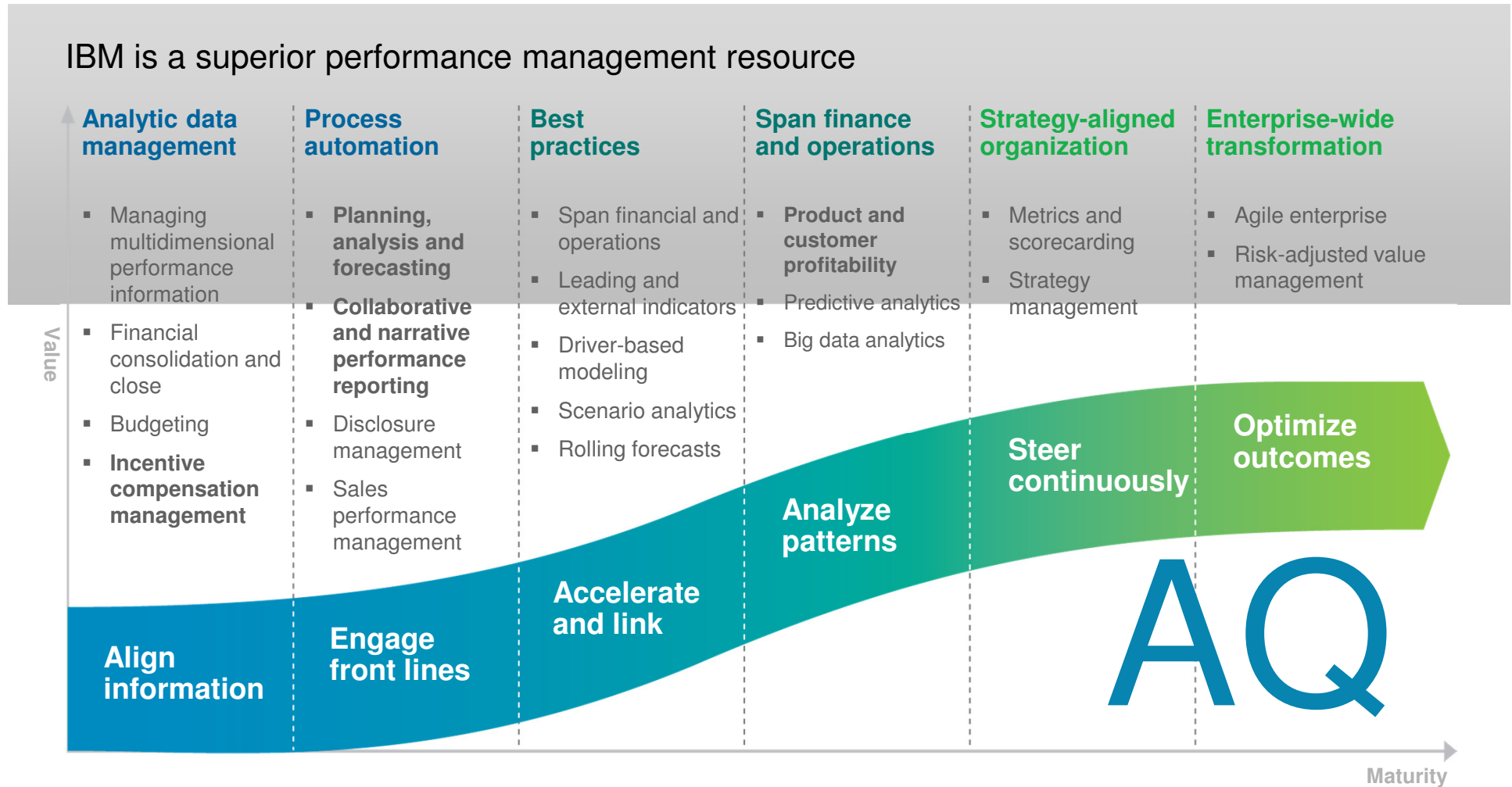
Automate analytic processes

Drive new insight and agility

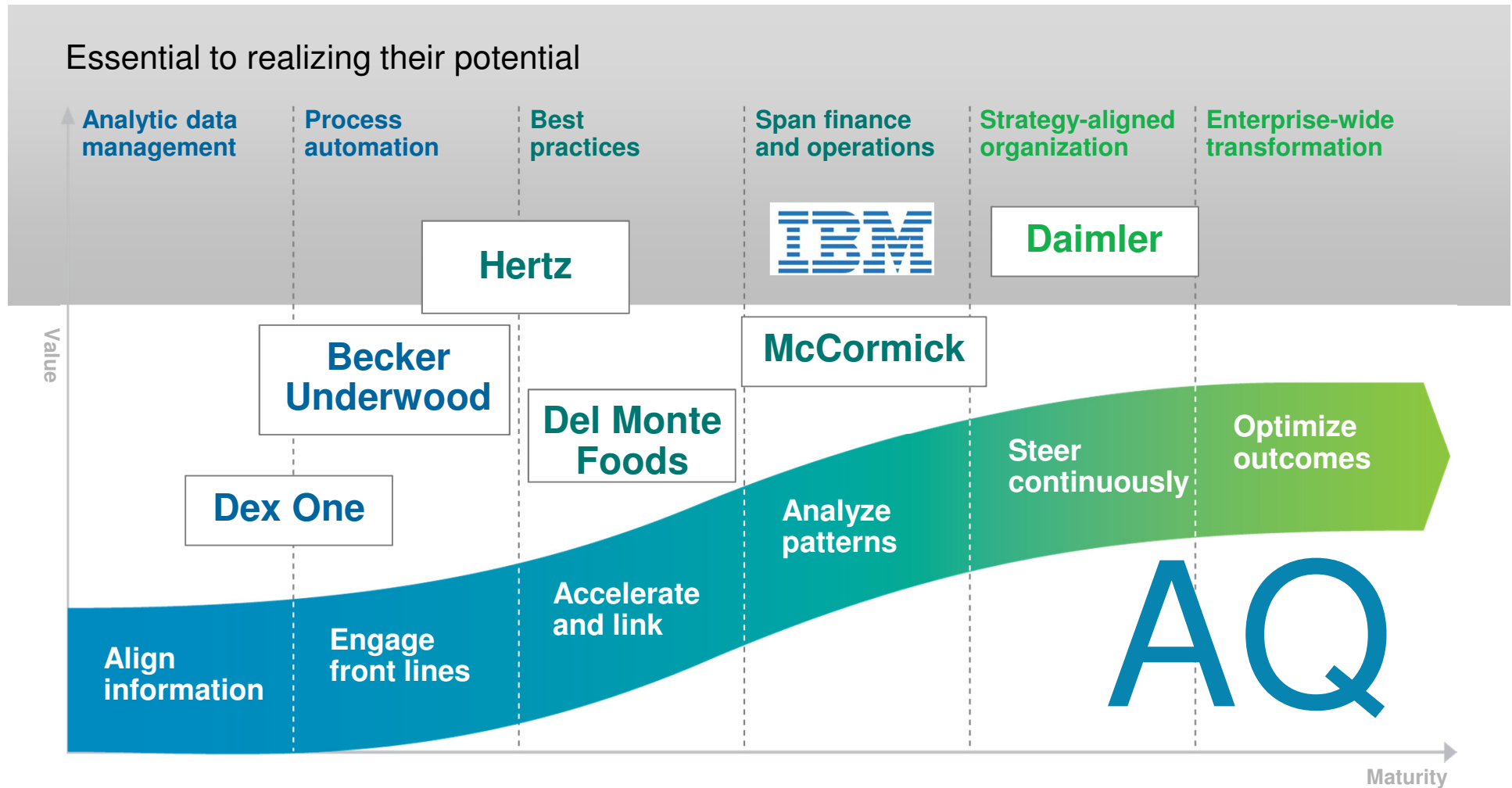
Advance analytic maturity



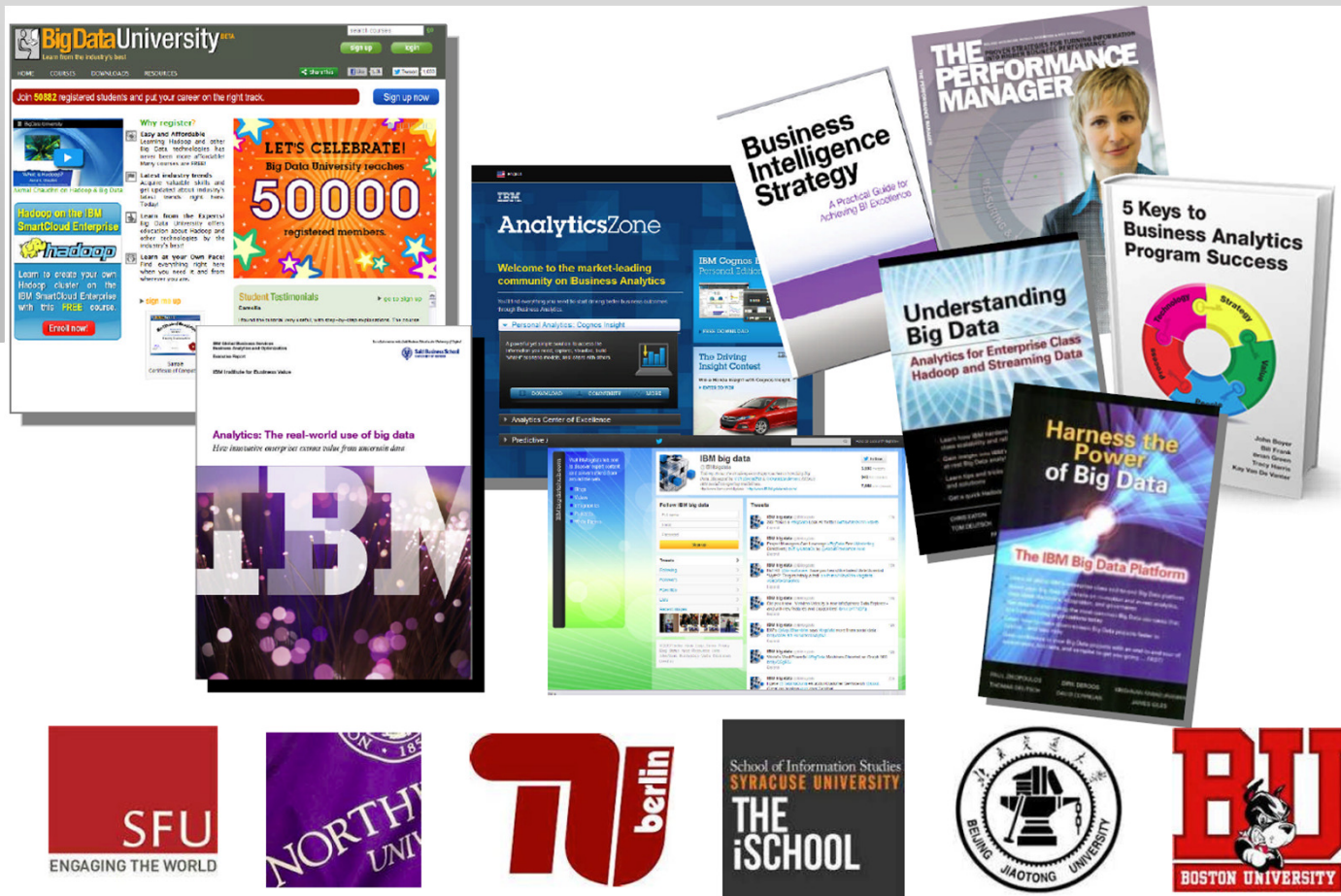
# Performance Management Maturity Model



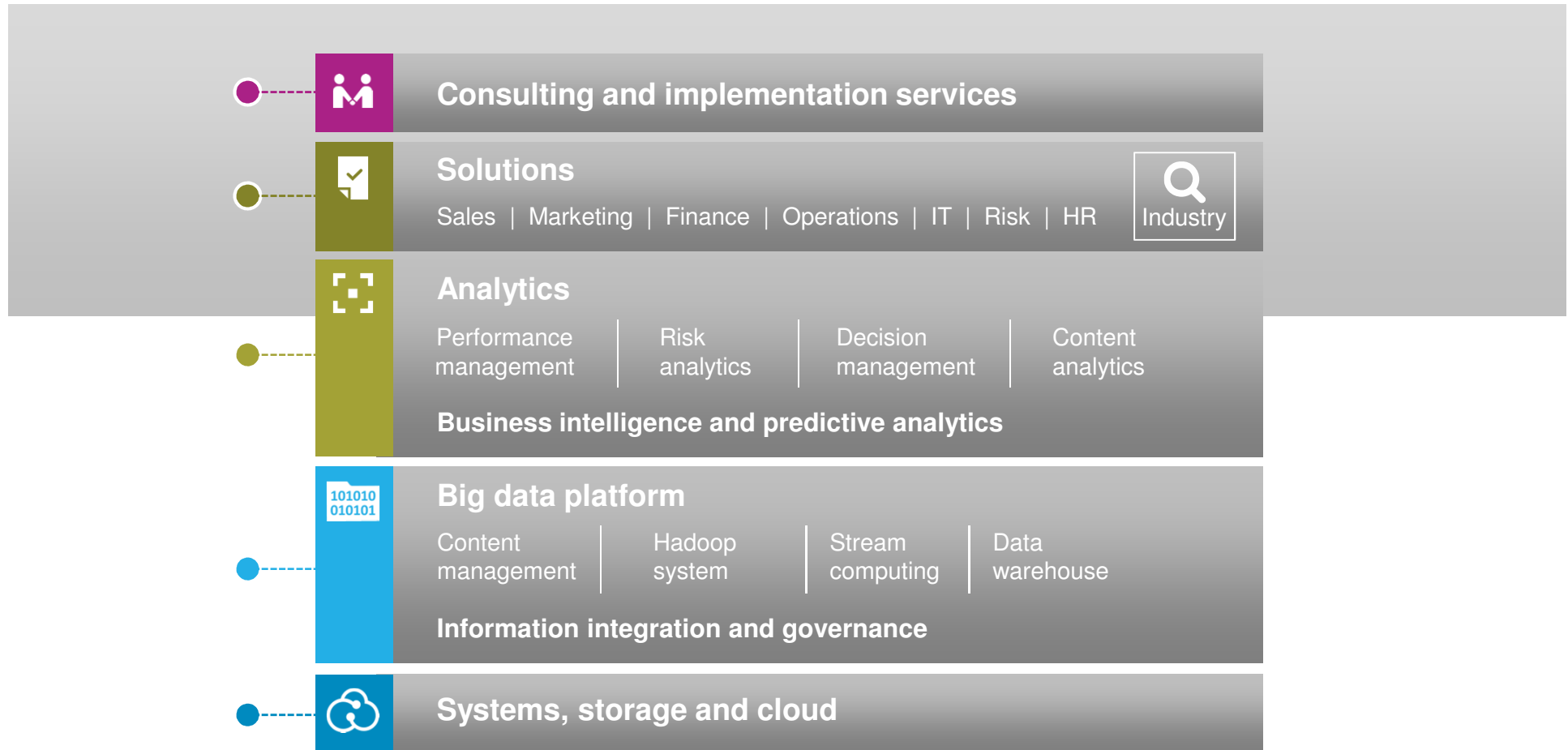
# Performance Management Maturity Model



# Closing the skills gap with IBM and more than 200 universities worldwide



# IBM business analytics: comprehensive capabilities



## Next steps

# Business Analytics Experience Workshop

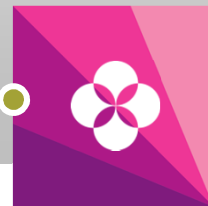




## The best partner for your analytics journey



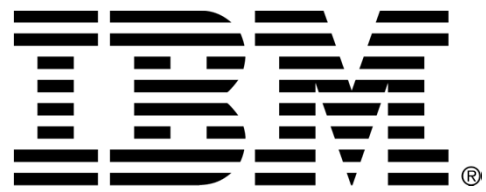
**Evaluate**  
your finance  
processes



**Join**  
our analytics  
experience  
workshops



**Meet**  
your local  
IBM business  
analytics team



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