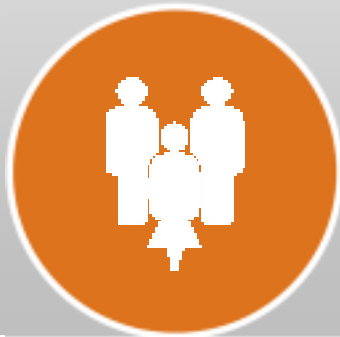


# Driving a Future-Ready Enterprise



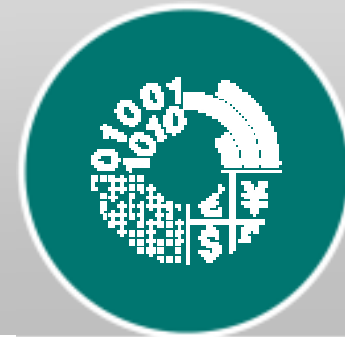
## Three analytics imperatives drive a future-ready enterprise



**Transform the  
system of  
engagement**



**Span finance  
and  
operations**



**Infuse scenario  
and predictive  
intelligence**

# A personal dispatch from a smarter planet



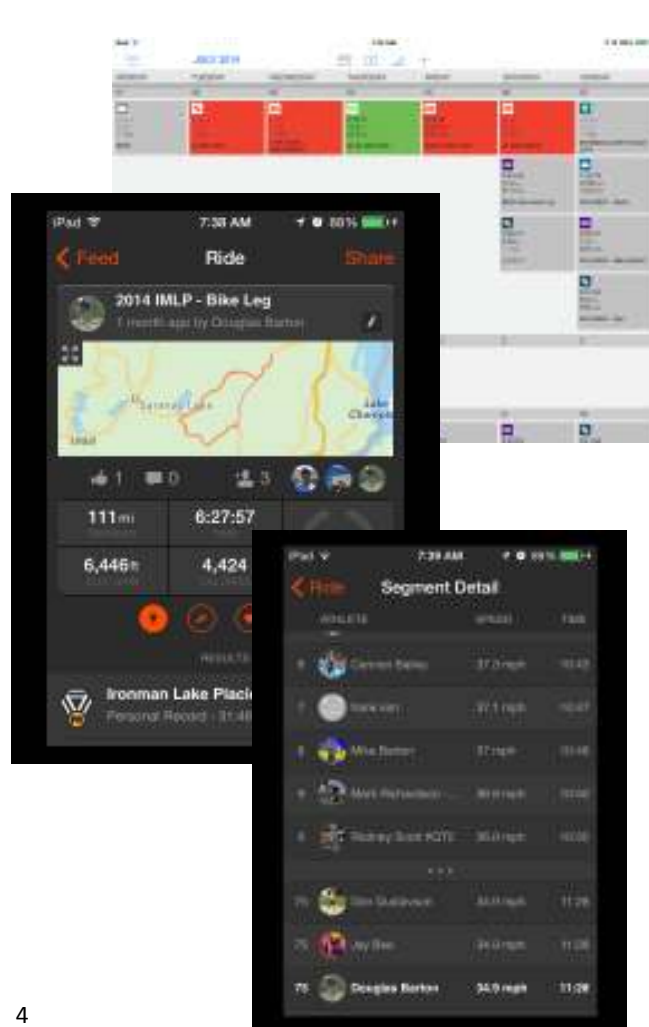
Last Monday...



Four Year's Earlier...

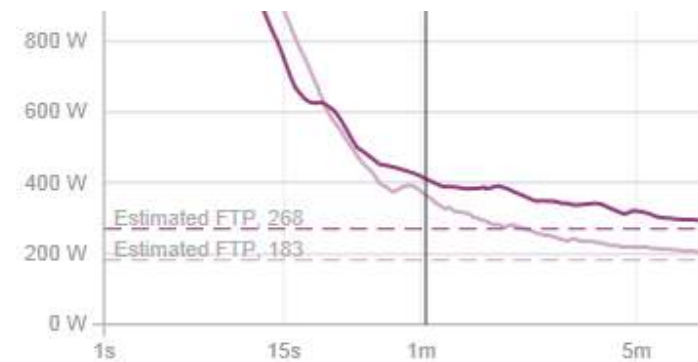


Four Year's Earlier + 3 hours

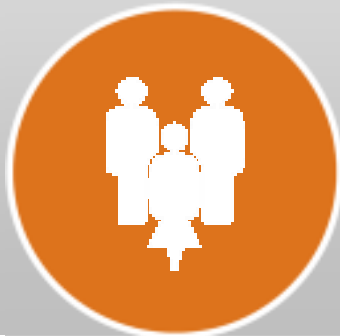


Results → Effort  
+  
Analytics

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**



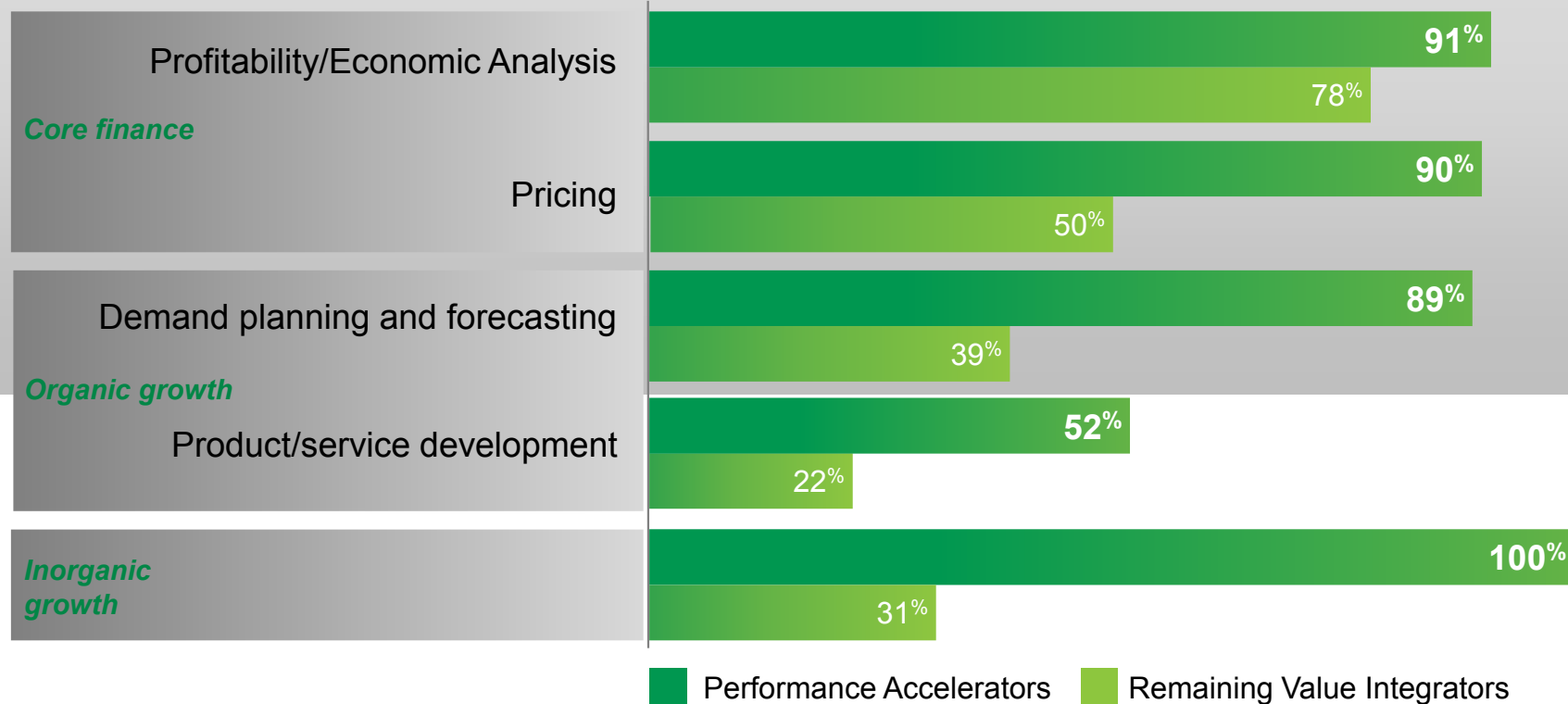
**Infuse scenario  
and predictive  
intelligence**

# Driving a Future-Ready Enterprise



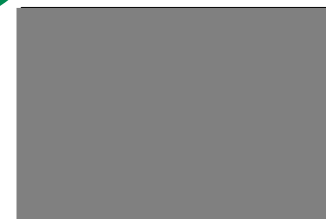
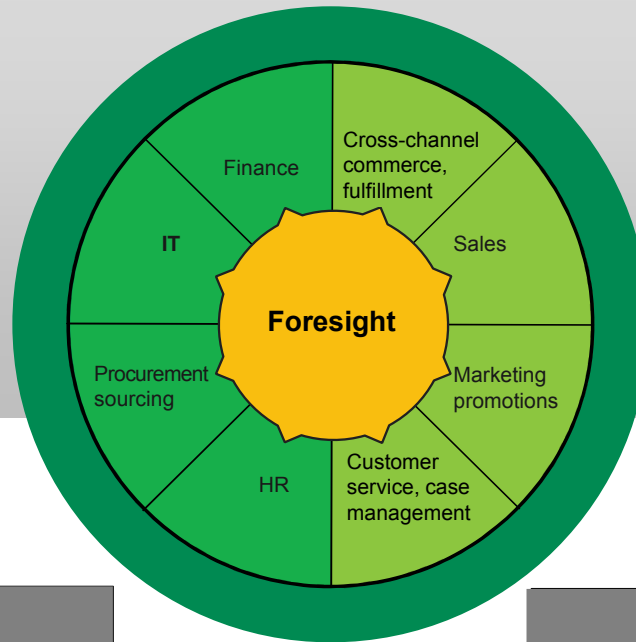
# Performance Accelerators deliver stronger business foresight

## 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**

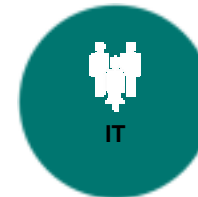
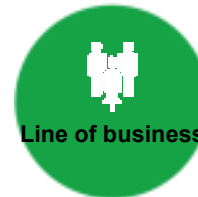
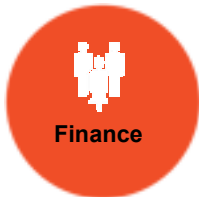
# Demo

# 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'. The main view is a table with columns for 'ACCOUNT', 'Trend', and monthly 'Base Plan' data from Y2008 Jan to Apr. The table is categorized into Compensation, Employee Expense Drivers, Operating Expenses, and Allocated Expenses. A sidebar on the left shows a task description for 'Promotional spending' and a list of expense categories. On the right, a 'Conversations' panel shows a discussion about the exchange rate and promotional funding, with a poll titled 'Where should we focus?' showing 20 votes for Financial Services, 8 for Software, and 4 for Manufacturing.

ACCOUNT	Trend	Base Plan Y2008 Total	Base Plan Y2008 Jan	Base Plan Y2008 Feb	Base Plan Y2008 Mar	Base Plan Y2008 Apr
<b>Compensation</b>						
#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	15,198
Payroll Taxes		76,074	76,074	76,074	76,074	8,387
<b>Compensation Sub-Total</b>		<b>1,010,951</b>	<b>78,996</b>	<b>78,996</b>	<b>78,996</b>	<b>88,793</b>
<b>Employee Expense Drivers</b>						
<b>Employee Expense Sub-Total</b>		<b>14,594</b>	<b>1,001</b>	<b>987</b>	<b>987</b>	<b>1,128</b>
<b>Operating Expenses</b>						
Advertising		25,660	890	775	575	4,222
Public Relations		30,000	2,600	2,600	2,600	2,600
Promotional Goods		25,000	2,983	2,983	2,983	2,983
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
<b>Operating Expense Sub-Total</b>		<b>171,000</b>	<b>27,216</b>	<b>27,216</b>	<b>14,688</b>	<b>16,104</b>
<b>Allocated Expenses</b>						
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	32,407	32,183	32,510	32,363
Allocated IT Expense		178,888	15,090	16,090	15,090	16,091
Allocated Admin Expense		345,584	27,217	27,217	27,217	28,820
<b>Allocated Expense Sub-Total</b>		<b>1,249,969</b>	<b>105,523</b>	<b>108,823</b>	<b>107,225</b>	<b>109,900</b>
<b>TOTAL EXPENSES</b>		<b>2,442,529</b>	<b>214,687</b>	<b>216,789</b>	<b>202,807</b>	<b>216,487</b>



## 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



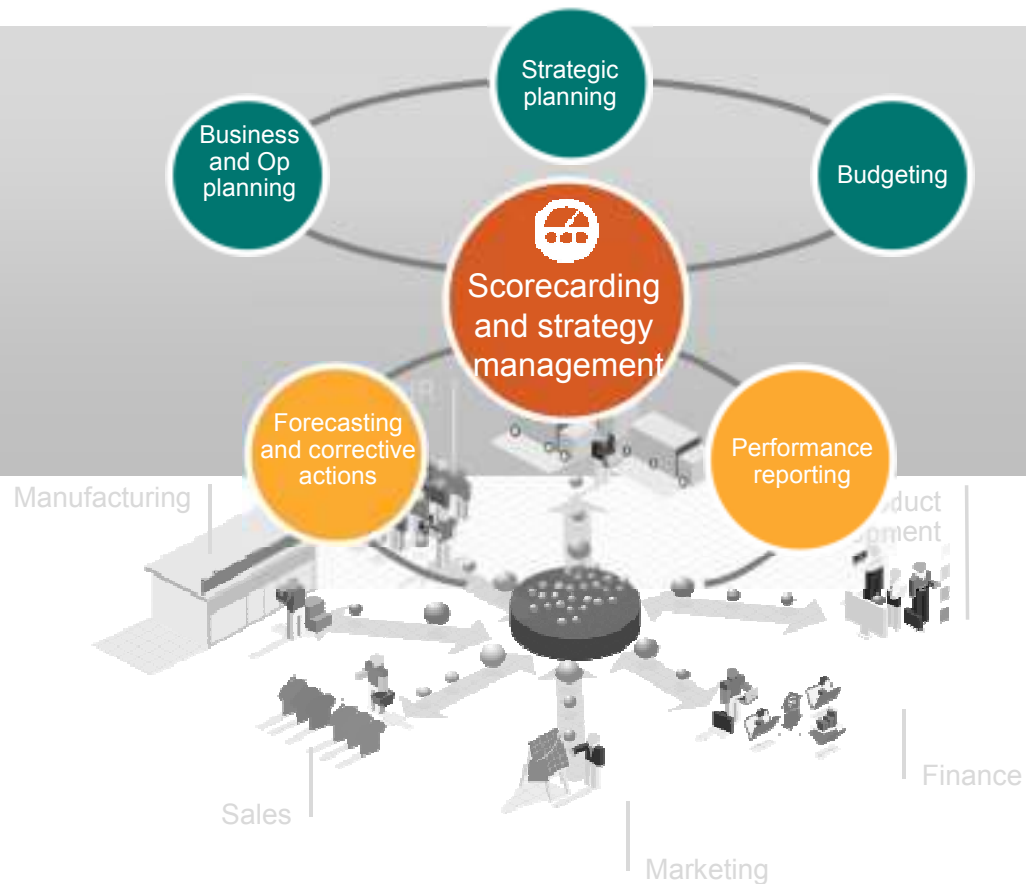
HR



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



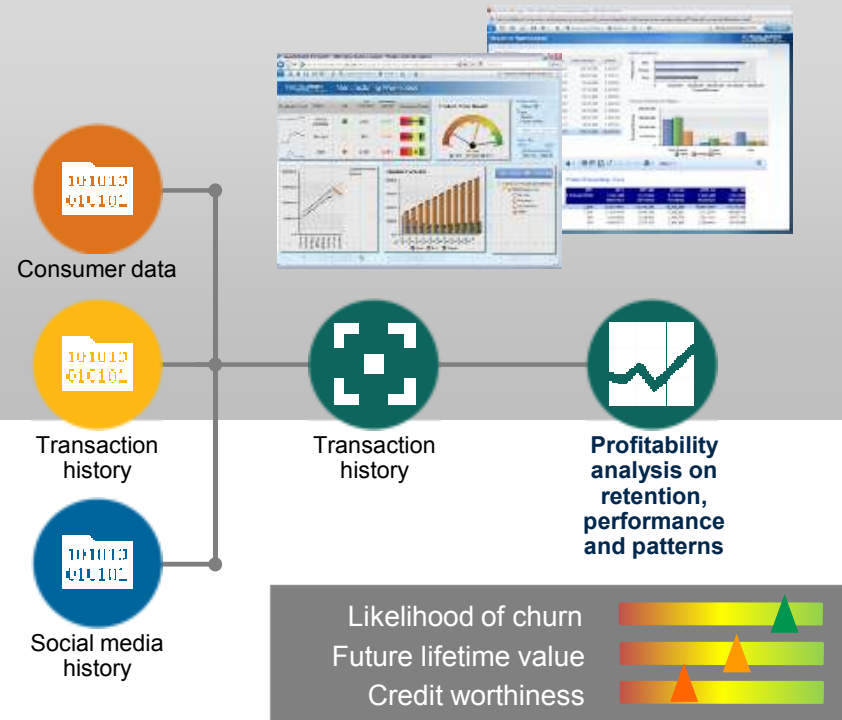
## Take an integrated approach to governance, risk & compliance



- 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

# 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 Watson Analytics – consumable predictive intelligence

Infuse scenario and predictive intelligence

New

SALES x

Target : 2 targets.

Sales Won or Lost

Add Edit

Analysis Detail

146 Input Fields were evaluated.  
60 Input Fields were potentially useful.

View

Top Field Associations

12 statistically significant associations were found between fields.

Average Sales

5 strong predictors

### Explore Sales

Predictive Model

Combination Predictive Model

Single Key Drivers

**Sales**

**Years of Sales Experience** is a predictor of **Sales**

**60%**  
Predictive Accuracy

View Insight Explore Field

Easier to Understand  More Predictive

### Which fields influence Sales?

- Technical Training** is a key driver of **Average Sales**.
- Average number of...** is a key driver of **Average Sales**.
- Compensation Plan** is a key driver of **Average Sales**.
- Years of Sales Exper...** is a key driver of **Average Sales**.
- Number of Client Visits** is a key driver of **Average Sales**.
- Average Call Length** is a key driver of **Average Sales**.

### What else is interesting about this field?

- Customer Satisfaction** is strongly associated with **Years of Experience**.
- Communication Scores** is strongly associated with **Department**.
- Communication Scores** is strongly associated with **Department**.



# IBM Finance Forum 2014

Business foresight. Future ready.



## IBM Watson Analytics – sign up to use at no charge



Infuse scenario and predictive intelligence



WatsonAnalytics

What we offer Stories by ro

### Be brilliant

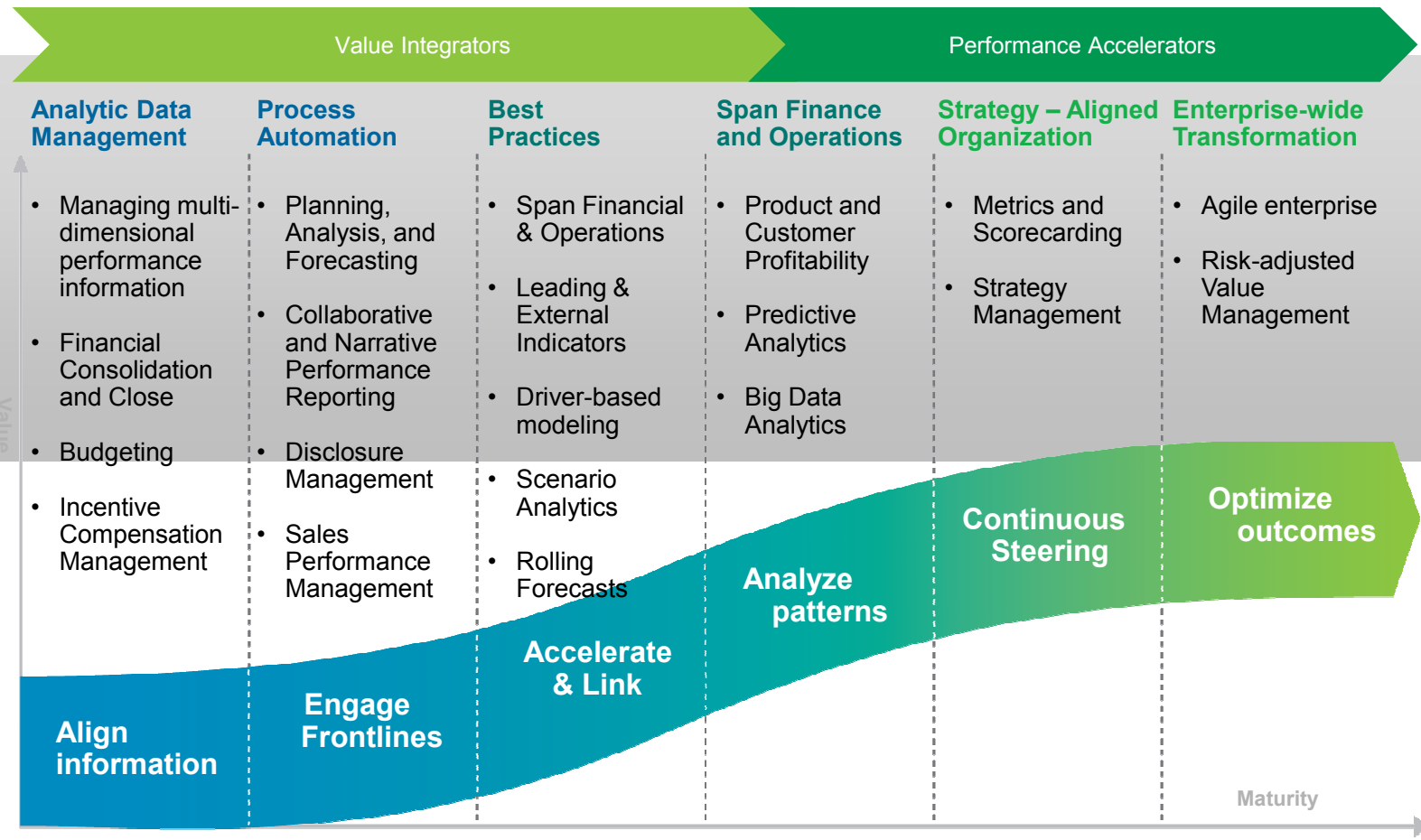
Find what matters most to your business with IBM Watson Analytics

Sign up now

What do you need to do?



# 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



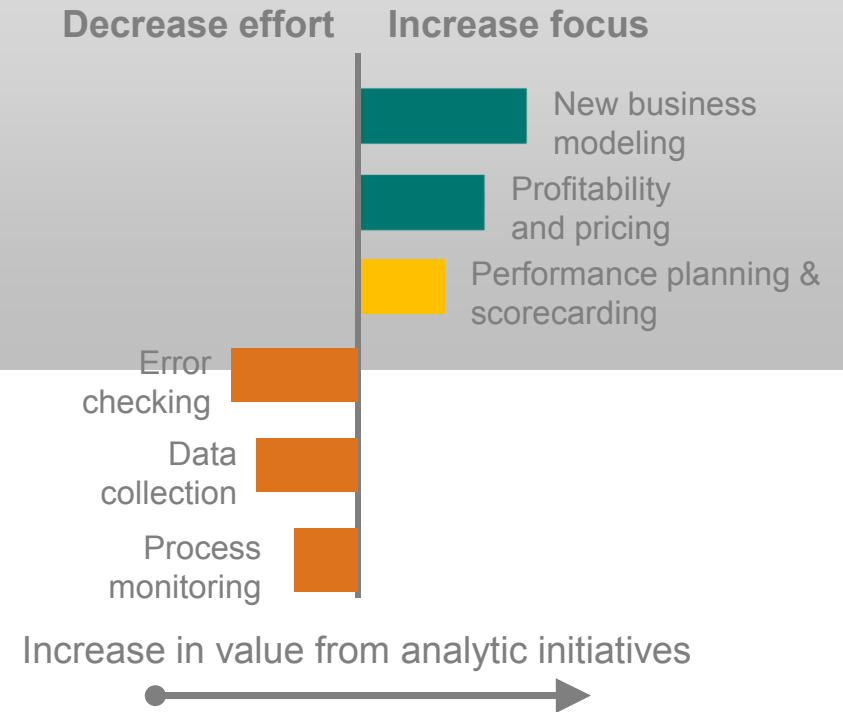
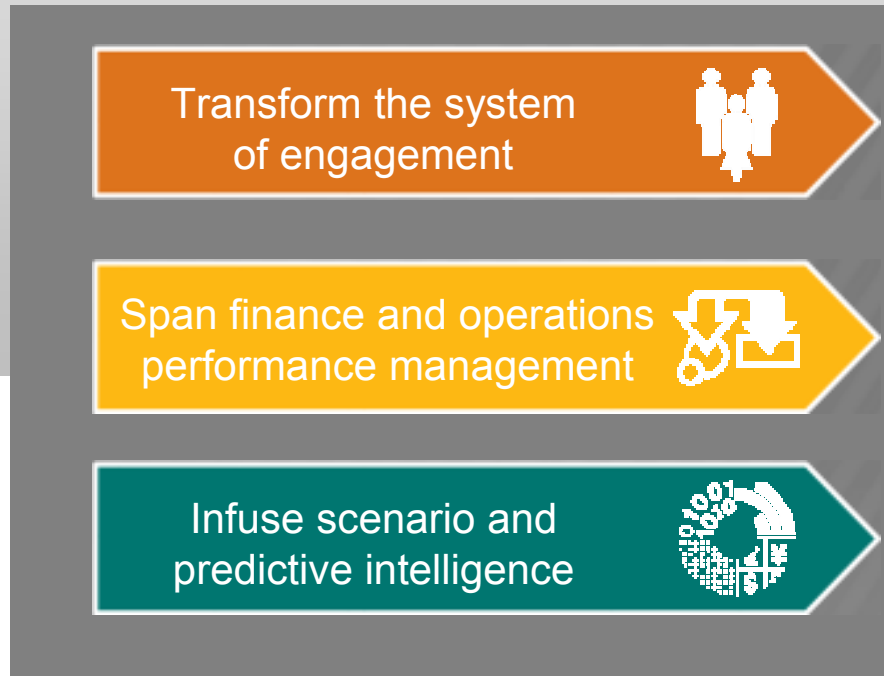
McCormick is a global leader in flavor. With more than \$4.0 billion in annual sales, the company manufactures, markets and distributes spices, seasoning mixes, condiments and other flavorful products to the entire food industry—retail outlets, food manufacturers and food service businesses in more than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

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