

## Capital Planning Blueprint Online Demo PowerPoint Script

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Performance Blueprints from the IBM Cognos Innovation Center for Performance Management accelerate your implementation of performance management capabilities. In this demonstration, you will see how the *Capital Project Planning Performance Blueprint* enables an integrated Capital Project Planning process that aligns corporate financial objectives with strategic goals.

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IBM Cognos Performance Blueprints help companies align corporate objectives with operating plans so they can operate more profitably and efficiently. Performance blueprints are pre-defined data, process and policy models developed to help improve planning, budgeting, forecasting, reporting and analysis. A *Blueprint* pre-populates your plan with common operational drivers and business structures, dramatically reducing the time required to deploy a new performance management application.

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What if it were possible to have a single capital expenditure planning system that met the needs of your divisions all over the world and enabled each planner to submit capital expenditure requests in their local currency while consolidating real-time in the home country currency? And wouldn't it be more productive to be able to link capital expenditure requests, request justifications, work hours required for capital projects and depreciation projections so that you could create a better forecast for all capital spending requirements? Your decision makers could continually fine-tune projected capital expenditures, performing rapid what-if analysis to maintain forward visibility into their capital plans. And, you could use capital projections as indicators of future finance needs and their effects on other organizational planning processes.

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The *Capital Project Planning Performance Blueprint powered by IBM Cognos TM1* aligns capital planning, depreciation expense projections and other capital spending requirements such as dedicated engineering or IT time. The *Blueprint* enables decision makers to reach consensus on a capital plan, while understanding the financial impact of their decisions on both income and cash flow. In addition, planners can plan in their local currency while rolling up total spending to home country currency views, and they can customize depreciation calculations to match their own country's accounting standards.

Because it is powered by TM1, the Blueprint presents information in many forms, including detailed, tailored analyses and up-to-date information from a capital planning process with current actual spend to date. This provides real-time context for all forecasting projections. To aid analysis, planners can develop their own personalized views of templates. For example, they can home in on the depreciation of all manufacturing equipment by narrowing the view of asset category or by selecting a specific category in the subset editor. Meanwhile, planners can easily adjust capital

requests with Web-based templates that are customized to their specific areas of responsibility.

The Blueprint streamlines the project planning process. A financial planning manager or administrator driving the capital planning projects assembles the capital Capital Project Planning application—along with corporate targets—and deploys it with its templates to the different contributors in the business functions or units. Planners then enter details to classify expenditures, prioritize and justify their requests.

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Now we will give a brief demonstration of how the *Capital Project Planning Blueprint Powered by TMI* can help you streamline your capital project planning process.

[demo]

As the Corporate Finance Controller the Capital Project Planning Dashboard shows me metrics and KPIs relevant to the organization's overall capital spending. These can be filtered by Period, Organization, Asset Type, and Scenario.

[I don't really think this fits here but I don't know what to do with it – should we omit?]  
**The Project Manager Dashboard also has Period, Organization, Asset Type, and Scenario filters. Reports are displayed for overall Projected Spend and Adjusted Amount by organization and asset class with a table view for either chart shown below.**

Capital Planning Metrics provides a quick visualization of Approved versus Actuals and Approved versus Corporate Target with variances. Hovering over a metric provides more detail. In Capital Planning versus Actuals I see that approved Operations spending is quite high, while Projected Spend shows that Building makes up the bulk of our projected spend, and Budget by Time shows that much of this spending is scheduled to occur in the spring of 2010. I'd like to examine this spending in more detail.

After logging in, IBM Cognos Contributor opens to a workflow screen with a tree view of Contributions and Reviews that I have access to, information about the selected item, and details shown below.

Opening Total Operations I see that Contributor is laid out with tabs that allow me to easily navigate to the area of interest to me. In Approved Requests I see a concentration of approved Building projects occurring in March April and May. I'll ask my US Operations Manager to look into moving some of the Operations Building spending out to later in the year.

Logged in as the US Operations Manager the workflow screen shows just those areas for which I have been granted access. Opening US Procurement I see the plan laid out in a logical, tabbed format. In Capital Requests I see details for each Capital Expense item in the pipeline. Item number 7 is a security system upgrade in the Building asset class which

is scheduled to start in April. I should be able to move the start date for this project without affecting production.

The model allows multiple scenarios to be created in order to compare and select an optimal strategy.

Capital Planning Adjustments is where adjustments can be made to Capital Requests. Note that fields displayed in grey are either pre-calculated or read-only, while those displayed in white are adjustable. I'll move the start date for item 7 out 5 months, and after becoming familiar with this project I know that I need to raise the request by \$1,000. The change is instantly reflected throughout the model.

I see the adjusted request in Approved Requests. For better visualization I can easily add a customized chart in a wide range of formats.

Summary versus Actual and Summary versus Target give me insight into how the plan is tracking. Depreciation calculations are automatically made for each asset class and can be overridden if necessary in the Depreciation Assumptions tab.

All of this information is brought together in the Capital Planning Summary tab and can easily be reoriented to show whatever detail is needed.

I also have a sandbox feature available that allows me to experiment with changes to the plan.

Once I'm satisfied with my changes I save to update the plan throughout the organization.

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The *Capital Project Planning Blueprint* has numerous benefits. First of all, it streamlines the capital planning process with personalized analytics and easy-to-manage workflow, providing management with justification for each capital request and supporting assessments based on capital request priorities and risk. With the *Blueprint*, you can manipulate timing or amounts of capital expenditures to compare several different adjustment scenarios and you can even route those scenarios to reviewers. In addition, you can track depreciation on existing assets and forecast assets for a complete view of projected depreciation expense—all with depreciation methods that match accounting standards in various countries. And, finally, you can allow for planning individual expenditures in local currency while consolidating in home-country currency.

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For a full list of IBM Cognos Performance Blueprints available for other functional areas in your organization please visit the IBM Cognos Innovation Center at [www.ibm.com/cognos/innovation-center](http://www.ibm.com/cognos/innovation-center).

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[No voice]

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Thank you for your interest in this *Blueprint*.

[finance]

IBM Cognos TM1, through a certified connection, takes advantage of the SAP Netweaver Business Warehouse data and architecture, providing the ability to extract Business Warehouse Master data while offering a solution for all platforms supported by TM1.

[IT]

And with the tight interoperability between IBM Cognos 8 BI and the SAP NetWeaver Business Warehouse Accelerator, this environment enables the user to build structured reports on the fly while delivering the performance you would expect from the BWA.