

## IBM Cognos Performance Manager Demo Executive Management Transcript

Now you can improve performance and create more significant and sustainable business advantage than ever before.

A new best-practice decision-making approach from IBM breaks corporate performance into specific business functions, each containing information sweet spots that can transform companies from being middle-of-the-pack to industry leaders.

Better information is the vehicle that drives leadership-producing actions. Let's see how...

As an Executive Manager you work through others to accomplish corporate goals, but you assume *direct* responsibility for the success or failure of the business. Better corporate performance means you must understand and manage across financial *and* operational systems.

In effect, you're the Chief Balancing Officer who must answer such questions as:  
... Is the business performing to shareholder expectations? ... Are we driving top-line growth effectively? ... Are we managing operational expenses effectively? ... And, are we managing long-term assets in a way that drives future revenue growth and cost efficiencies?

Let's see how the IBM Cognos performance management solution can provide valuable insight into these areas ...

Executives must manage a lot of activity by monitoring a few key areas. Scorecards like this one provide a high-level picture of important financial and operational metrics. This scorecard tells you that performance in the critical areas of revenue, revenue growth and expense growth, has been solid. However, it also tells you that you're currently trending flat in these areas.

Another way executives get vital performance information quickly is through compound dashboards. Besides being a great summary of important data, they can serve as a launch point into deeper analysis.

Selecting Revenue Analysis in this dashboard, it's clear you're having a tremendous year so far. But the value of a performance management system is the ability to uncover details well beneath the surface.

Delving further into Entertainment Media revenue, you see the Americas remain strong. You also see that Asia-Pacific – a strategic focus for the executive team – has become a meaningful contributor to sales. You can dive into the Asia-Pacific region, and then into the growing Japanese market. It's clear that two cities drive all Japanese sales, meaning there are significant growth opportunities if you can expand distribution into other high population centers, such as Kyoto.

Returning to a metrics scorecard, you see that while you're still below your aggressive Japanese growth targets, you're trending up. Looking at the information behind the trend, you see you're

already moving in the right direction and that expanding into more Japanese cities should get you there.

As an executive, you need current information to be responsive and agile. That means having live access to metrics such as these on the road. You can get timely reports delivered right to your mobile device. And the reports are still fully drillable, and include all of the various ways to view your business.

Here's the desktop view of the scorecard for your executive team. Sorting by results allows you to quickly find and focus on problem areas. Return on Capital Employed is an important sweet spot that is currently below projections.

Diving deeper, you can see this sweet spot has been mostly above target for the past several months. You may decide it merits watching rather than taking immediate action.

Back to the scorecard, you notice that Customer Acquisition and Survey Metrics are strong, but Sales from New Customers is down. It might be worth requesting information on customer retention to get the full customer picture.

With your performance system, you can easily search through company reports to get customer renewal rates. You don't need to know the specific name of the report, as you can search on the content inside the report.

Finding the report you're looking for, you see that key renewal rates are comfortably above targets. With scorecards and associated reports, you've quickly gained insight into customer acquisition, retention and sales – all critical sweet spots for executive managers.

Overhead is another sweet spot for Operational Expense Management. This Impact Diagram shows Overhead in the red, and seems to suggest Training Expenses could be the reason why.

In this case, Training is driving Overhead into the red — not because costs have risen, they've stayed consistent — but because you significantly reduced spending targets for the summer. Obviously this did not reflect the need, perhaps due to your expansion in Asia, or maybe you've had an unexpected rise in new employees. As an executive, your challenge is balance.

Staying with the important employee sweet spots, this report shows Attrition growing at an alarming rate. Looking at the factors that drive Attrition, you see Training Days below target. Cutting training may not help the bottom line when you consider the overall impact of the cuts.

In addition to analyzing results, Executives must also adapt plans and forecasts for budgets and risk. Balancing risks and results, and meeting compliance requirements are especially critical in today's strict regulatory environment. This interactive plan lets you see risk in a number of forms — financial, liability, brand, customer and more — to get a full picture of the implications of your decisions. You can change your forecasts and model the effect of your decisions. In addition, annotations can be used to communicate assumptions among your team.

You can also use forecasting to manage and dive into smaller operating unit functions. In this forecast, you can see how one branch plans its headcount and related expenses, and see how it rolls up to the corporate whole.

Like any navigator, Executive Managers need a clear view ahead and behind, as well as a current, accurate reading of all critical gauges in order to balance all requirements and steer the company effectively.

Select the onscreen link to discover the potential of Performance Management for your organization! Attend a Performance Management Experience Workshop or email us for additional information.