

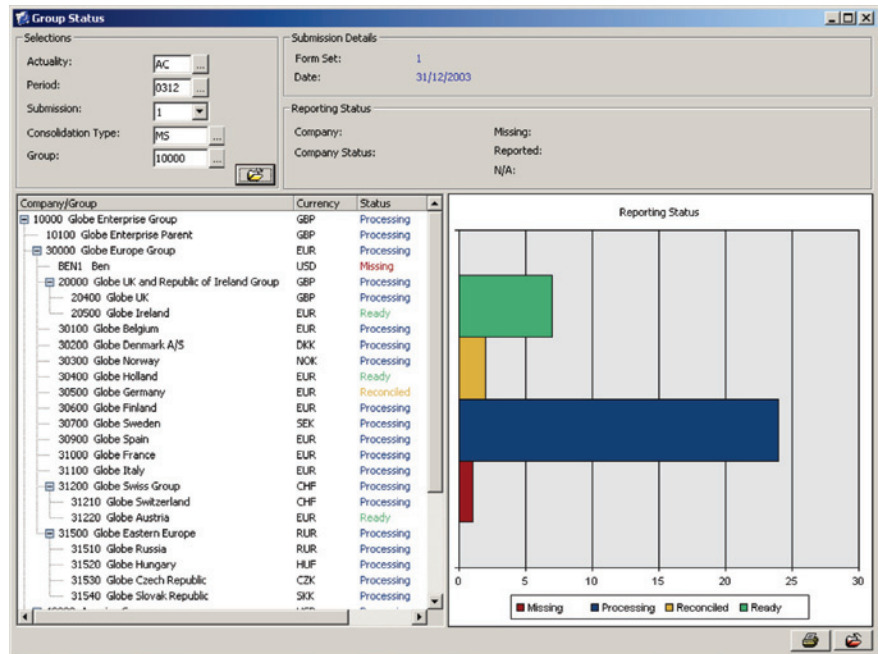
IBM Cognos 8 Controller

Financial consolidation, reporting and analytics drive performance and compliance

Overview

Highlights:

- **Provides all financial and management consolidation capabilities**
- **Delivers a complete self-service application owned by finance**
- **Seamlessly integrates with enterprise planning, budgeting and forecasting applications**
- **Is an integral component of the IBM Cognos performance management system**



Consolidating and reporting workflow

Overview

Improving performance management is critical to any organization and the close, consolidate and report process is acknowledged as a critical starting point in finance for performance management. Successful performance management strategies demand a single solution for preparing and delivering financial reporting and financial analytics. In addition, they require consolidation solutions that offer controlled delivery of certified financial and management information. These consolidation and reporting solutions must also

reflect accepted best practices and be stable, rigorous, reliable and free of control risks that require manual intervention and the maintenance of spreadsheet-based "shadow systems." And—very importantly—they should be combined in one environment to eliminate the issues caused by performing tasks in different and often incompatible systems.

To meet these requirements and handle new governance and financial reporting standards, your finance organization can rely on IBM Cognos® 8 Controller.

IBM Cognos 8 Controller

IBM Cognos 8 Controller sets the standard for satisfying accounting demands for consolidated reporting and business demands for financial and management reporting. It is a full suite of financial and management consolidation capabilities that deliver a complete portfolio of financial results, extend core consolidation capabilities and provide an integrated business intelligence platform for financial and management reporting.

To drive better performance, IBM Cognos 8 Controller makes it easy to deliver reports and financial statements to finance stakeholders, along with line of business executives and managers. It enables performance management, where financial consolidation is the de-facto starting point for planning, reporting and other performance management processes.

Financial information: Enterprise performance in the hands of Finance

Your finance organization is faced with the challenges of meeting the quality and time requirements for closing the books and delivering accurate financial statements. Centralizing control and management of the financial consolidation process is a critical first step in certifying financial information. End to end control in a purpose-built application is critical to automating and transforming the close process. Aligned with these processes are management consolidation processes that prepare the financial information for management decision making.

A key component of the IBM Cognos performance management platform, IBM Cognos 8 Controller is a comprehensive, Web-based solution that offers power and flexibility for streamlined, best-practice financial reporting and consolidation—all in one solution. Typically, organizations prepare the information for management reporting in different systems because the process requires allocations and data calculations unique to this type of reporting, including additional dimensionality and operational detail. This leads to a number of challenges, including questions about reconciliation with management reports, alignment and auditing,

With IBM Cognos 8 Controller, finance organizations can prepare financial information and analyze, investigate and understand it in a centralized, controlled, compliant environment. IBM Cognos 8 Controller supports IFRS, FASB, Basel II and Sarbanes-Oxley requirements and can handle any GAAP or regulatory environment—all from a single application. It also enables individual segment reporting by customer, product or market and generates an extensive audit trail to satisfy the needs of external and internal auditors.

Technical specifications

An enterprise application

Offering a single shared source for rapid, enterprise-wide, menu-driven

data access, IBM Cognos 8 Controller provides a solid foundation for smooth data collection and dissemination of information. At the heart of IBM Cognos 8 Controller is a centralized database that ensures efficient processing and administration and enables continuous feedback and enhanced support for organizational decisions and their implementation. Its use of open, industry standard platforms and databases ensures high performance, data integrity and rigorous, yet flexible security. And IBM Cognos 8 Controller is designed to align with in-place IT technology standards.

Putting users in control with self-service and automation

IBM Cognos 8 Controller requires neither extensive development resources nor risky, costly programming. Managed directly by finance, it enables users to amend entities, account details and organizational structures with a complete range of accounting, consolidation, external and internal financial reporting capabilities that meet all the key constituents in the office of finance.

Finance-driven performance management

IBM Cognos 8 Controller can quickly adapt to changing realities, ensuring shorter implementation times and a low total cost of ownership. As part of the IBM Cognos Performance Management system, IBM Cognos

8 Controller supports financial statement reporting, financial reporting and analytics, corporate planning, scorecarding and analysis.

IBM Cognos 8 Controller offers a choice of interfaces: the familiar Web browser or Microsoft® Excel®. Either way, users have ready, yet secure access to IBM Cognos 8 Controller data for updating and reporting. Full Microsoft Excel functionality streamlines financial data input and formatting to enhance management of information.

Features and benefits: Global consolidation capabilities

IBM Cognos 8 Controller modernizes financial consolidation and corporate reporting for compliance and performance. It provides all of the financial and management consolidation capabilities your office of finance needs to:

- Prepare and consolidate financial information in a centralized, controlled, compliant environment
- Enable automation and control of financial consolidation processes
- Automate and control consolidation activities and accounting processes
- Manage, control and certify financial statement reporting
- Transform consolidation for performance management
- Ensure the end to end completion of the close process

These capabilities include data collection, validation, single currency creation, minority interest holdings, intercompany eliminations, group closing adjustments, management adjustments, allocations, advanced formula calculations and compliance testing. IBM Cognos 8 Controller also provides support for all local jurisdictions for consolidated financial reporting and multilingual support. The allocations and advanced formula capabilities represent a major breakthrough because, normally, allocations and data calculations are performed in separate spreadsheets and are not included in the consolidation process, creating limitations and performance issues.

Data collection

IBM Cognos 8 Controller handles all the process and control steps necessary to gather financial information from

multiple sources and systems. Both quantitative and qualitative data may be entered automatically or manually in IBM Cognos 8 Controller. Financial data may be collected and presented in multiple reporting and transaction currencies. Individual data entry forms and templates are easy to create and manage. Users can attach documents to reported figures for a broadened perspective beyond quantitative information, while text notes and reporting manuals can be collected to explain reported information and facilitate its analysis. IBM Cognos 8 Controller can also access critical information from Microsoft Word or Microsoft Excel documents, e-mail attachments, or links to Web pages stored on personal desktop computers. To ensure both process and information delivery, it combines all data process and management capabilities with IBM Cognos BI and Cognos TM1.

Balance Sheet with GAAP Adjustments					
Globe NA					
Division: Commercial					
December 2003					
	Original Version	102	101	103	GAAP Version
Intangible Assets	61,635	0	0	0	61,635
Tangible assets	3,439,244	0	0	0	3,439,244
Investments	0	0	0	0	0
Fixed assets	3,500,879	0	0	0	3,500,879
Total stocks	20,374,090	0	1,000	0	20,375,590
Total debtors	8,558,127	0	1,000	1,000	8,558,127
Cash & Bank	537,987	0	0	0	535,487
Current assets	29,470,204	0	0	1,000	29,469,204
Creditors due < 1 year - Total	4,904,026	0	0	1,000	4,903,026
NET CURRENT ASSETS	24,566,178	0	0	0	24,566,178
TOTAL ASSETS LESS CURRENT LIABILITIES	28,067,057	0	0	0	28,067,057
Share capital	1,424,527	0	0	0	1,424,527
Share premium	1,783,715	0	0	0	1,783,715
Capital reserves	1,069,414	0	0	0	1,069,414
Other reserves	721,636	0	0	0	721,636
Revaluation reserves	0	0	0	0	0
Profit and loss account	7,328,672	0	0	0	7,328,672
TOTAL EQUITY	12,327,964	0	0	0	12,327,964
Minority interests - equity	3,486,570	0	0	0	3,486,570
Minority interests - non equity	3,452	0	0	0	3,452
Creditors due > 1 year - Total	10,758,261	0	0	0	10,758,261
Provisions	517,295	0	0	0	517,295
Minority interests - equity	3,486,570	0	0	0	3,486,570
US deferred tax balance	310,377	0	0	0	310,377
Overseas deferred tax balance	724,213	0	0	0	724,213
Total Deferred Taxation	1,034,590	0	0	0	1,034,590
LIABILITIES	15,800,168	0	0	0	15,800,168

Multiple reporting standards based on a single system

Validation

IBM Cognos 8 Controller enables thorough validation processes to cut lead times and ensure data consistency. Once entry or upload is complete, data is readily reconciled for accuracy, while users are immediately notified of inconsistencies. IBM Cognos 8 Controller facilitates certification of data submissions to ensure accountability—crucial to the consolidation process.

Allocations

The allocations capability in IBM Cognos 8 Controller allocates values, based on input or calculated ratio, to a specific target. Allocations can be between companies and accounts and between extended business dimensions. They are booked on a predefined automatic journal type with a journal number. Users provide allocation details—such as source, journal name, group name, whether to execute an equity transfer and more—and target details—such as counter booking account, target account, extended dimension and more. With the jobs feature, the user creates and orders allocation jobs. Allocations are automatically included in consolidation with status, but they can also be run as a separate step or as batch jobs.

Currency conversion

IBM Cognos 8 Controller supports all currency conversion methods. It translates data in a foreign currency into the group default currency using predefined rates. Consequent translation effects are calculated automatically and reported in detail. IBM Cognos 8 Controller can also simulate the impact of exchange rate fluctuations. Any currency may be used on any account, so that operating entities can effectively work in their own currency, while corporate finance can present figures in any currency suited to its purposes.

Inter-company eliminations

Intercompany transactions can be entered at entity level. Counter-party input can be viewed online to resolve differences immediately. The ability to enter the original transaction currency (such as the invoicing currency) helps distinguish currency differences from real differences: Real differences are automatically eliminated from predefined accounts. Differences can be posted to accounts receivable or accounts payable as required. Intercompany elimination is carried out in stages, regardless of consolidation structure, with all transactions handled at the point of origin.

Capital eliminations

IBM Cognos 8 Controller supports all current methods of capital consolidation and can perform staged eliminations in legal or management structures. After entering the investment value at the individual holding company level and entering relevant acquisition data, share capital is automatically eliminated. Goodwill is written off and can be booked to the individual company as required. The development of reserves, such as the identification of and changes in any impact of currency movements on the initial consolidation, can be reconciled at any time. IBM Cognos 8 Controller fully supports any structural changes such as acquisitions, disposals, or mergers.

Advanced formula calculations

The advanced formula calculations capability in IBM Cognos 8 Controller calculates and stores financial and non-financial metrics. It is part of the account and rules definition, integrated into the consolidation process. Users enter information such as code, names, account type, description and more, linking this information to a formula field. The formulas offer a wide range of functionality, supporting both in period and multi-period calculations. Some

of the formulas that are calculated are YTD value, period value, an average based on YTD values for a selected number of periods, an average based on period values and a selected number of periods and so on. The user also indicates the source and target of the formulas and can schedule the calculations as jobs.

Managing the close process

IBM Cognos 8 Controller offers an array of features to support and simplify the consolidation process—performing consolidations both automatically and manually with checkpoints, painlessly guiding users through every stage. Built-in process control enables users to track reporting from data capture and processing to printed or electronic output. Color coding identifies those who have submitted information and those who have not. Submissions are identified by date and by whether or not they have been verified and reconciled. When submissions are approved, IBM Cognos 8 Controller enables an administrator to lock data period and versions by entity and person.

Audit and compliance

IBM Cognos 8 Controller helps users understand adjustments and accounting changes to information submitted or collected during consolidation by tracking the date and time of data access and load, by monitoring approvals, and by maintaining an unchanged version of

source data. IBM Cognos 8 Controller maintains a clear audit trail that follows application and data changes by individual users and offers the ability to filter, evaluate and analyze changes, supporting both application maintenance and critical requirements for compliance and internal control.

Managing change.

IBM Cognos 8 Controller's built-in intelligence options accommodate change such as mergers, acquisitions or reorganizations. Structure and business rule updates are made only once, and are then reflected throughout the application, supporting statutory consolidation, management consolidation, planning, monitoring and strategy management. Changes to entity structures can be saved with a time stamp. By linking entity structures to a time axis, structural changes can be easily carried out, enabling users to follow development in group structure. If a company is bought or sold either internally or externally, relevant postings like acquisition or adjustment of opening balance are automatically executed according to previously defined system configuration. Treatment of foreign currency effects is included.

Reporting and analysis: Ensuring quality decision making

IBM Cognos 8 Controller optimizes the delivery of in-process accounting, close reports and financial statements

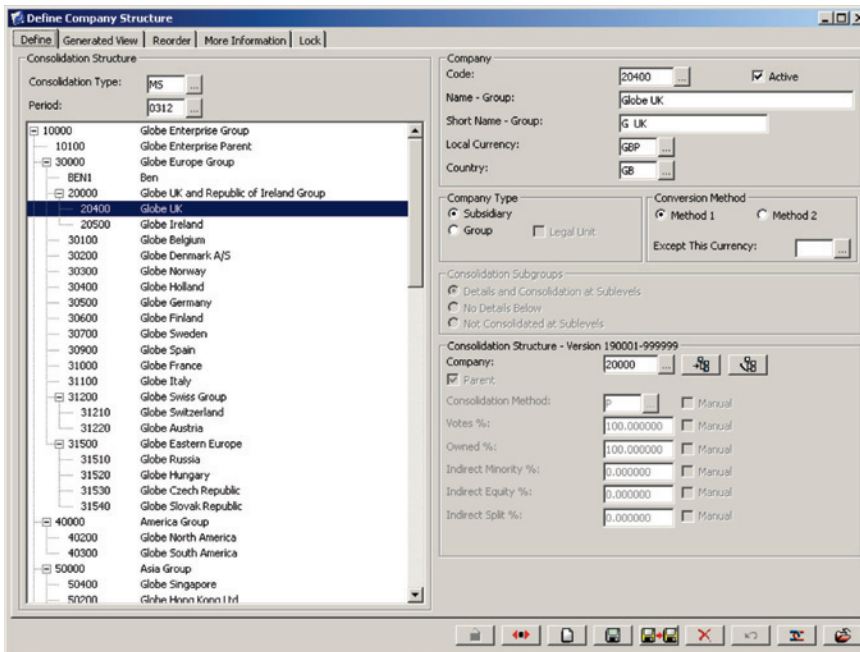
to internal and external stakeholders—and financial reports to line of business executives and managers to drive better performance. With IBM Cognos 8 Controller, the information requirements for different types of reporting are met:

- Consolidation reporting:
Cost-efficient and effective compliance and faster cycles of close process execution
- Financial reporting: Faster cycles of financial performance insight and performance feedback
- Management reporting:
Accurate and timely financial and operational results delivered to business stakeholders, managers and executive with performance feedback

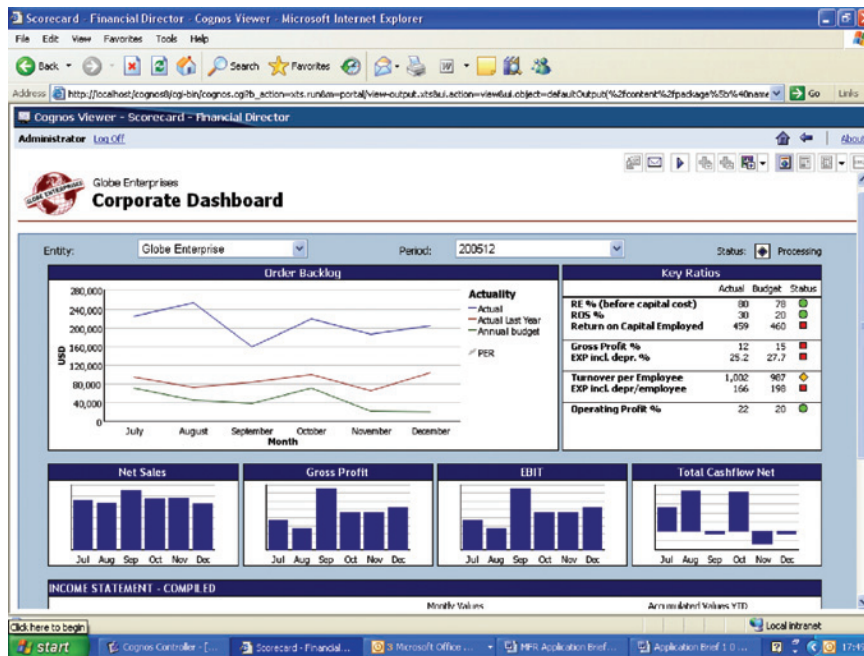
The result is confidence in the accuracy of financial consolidation, reports to external and internal stakeholders and data for decision-making.

Reporting

IBM Cognos 8 Controller delivers a packaged approach to reporting with ready-to-use financial analytics. Standard reports provide information about financial performance for business stakeholders and managers; financial and management measures and metrics are available for scorecards, dashboards, analytics and ad-hoc analysis and reporting standardization delivers operational, management and financial information.



Organization hierarchy



Complete report coverage

IBM Cognos 8 Controller provides real-time access to data in the reporting environment, enabling OLAP style analytical reporting, using the patented in memory, 64-bit OLAP engine of IBM Cognos TM1 with its supported viewers..

Financial analytics for planning

Financial information from IBM Cognos 8 Controller automatically feeds the enterprise planning process, establishing an initial base for a plan or updating a plan with the latest actuals to facilitate a reliable rolling forecast. Seamlessly integrating with IBM Cognos planning and analysis solutions, IBM Cognos 8 Controller enables forward looking performance management for the entire enterprise. User participation in the planning process is enhanced with IBM Cognos TM1 analytic capabilities, such as an analytic warehouse, financial and analytic data store, controlled and managed publish, for high scale, high performance analysis.

Monitoring financial performance

Monitoring is vital to the performance management process. IBM Cognos 8 Controller, with readily available scorecarding and metrics, can easily define critical success factors and link strategies to specific plans, measures, and objectives. Users can monitor

and analyze results, identify shifts in trends, model alternative plans, and take timely action. IBM Cognos 8 Controller leverages an array of industry-leading IBM Cognos solutions for enterprise planning, budgeting, forecasting, scorecarding, analysis and reporting—for example, multiformat, enterprise-wide, information delivery as enabled by IBM Cognos 8 Business Intelligence—offering tightly woven enterprise reporting, analytics, scorecarding and event management.

The IBM Cognos performance management platform advantage

IBM Cognos 8 Controller is part of a single performance management system that takes advantage of the full suite of IBM Cognos solutions. Transparent integration with IBM Cognos TM1 provides a complete financial information warehouse for high scale, high performance, OLAP-style analysis and standard reports. In addition, its data process and management capabilities combine with IBM Cognos BI and Cognos TM1 to ensure both process and information delivery. It also exploits the full power of the IBM performance management platform for security, data access, integration and shared dimensional and business rules management.

IBM Cognos 8 Controller features

Specific features of IBM Cognos 8 Controller include:

- Web-based, fully scalable for any size organization
- Flexible processing of modifications to corporate and account structures and group histories
- Integrated scenario manager for simulation and modeling
- Real-time reconciliation of internal balances in data input
- Automated calculation of
 - Group-internal earnings on inventories
 - Elimination of internal balances
 - Resolution of translation issues
 - Acquisition value processing
 - Advanced formulas
- Allocations that are automatically included in consolidation with status
- Extensive process monitoring and control
- Practical, automatic report book generation and distribution
- Part of a complete performance management system for planning, monitoring, reporting and analysis.
- Support for IAS, IFRS, US GAAP, local GAAPs and other regulatory requirements
- Multi-lingual support
- Standard reporting that provides information about financial performance for business stakeholders and managers
- Financial and management measures and metrics for scorecards, dashboards, analytics
- Reporting standardization that delivers operational, management and financial information
- Seamless integration with TM1 for reporting and analysis
- IBM Cognos 8 portal
 - Single access point to coordinate information delivery
 - Single sign-on for easy access to IBM Cognos solutions
 - Part of the IBM Cognos Performance Management System
- IBM Cognos 8 security
 - Role-based security to minimize maintenance and enhance flexibility.
 - Security and authorization model for centralized solutions.
- Dynamic and user-modifiable workflow menus.

About IBM Cognos BI and Performance Management:

IBM Cognos business intelligence (BI) and performance management solutions deliver world-leading enterprise planning, consolidation and BI software, support and services to help companies plan, understand and manage financial and operational performance. IBM Cognos solutions bring together technology, analytical applications, best practices, and a broad network of partners to give customers an open, adaptive and complete performance solution. Over 23,000 customers in more than 135 countries around the world choose IBM Cognos solutions.

For further information or to reach a representative: www.ibm.com/cognos

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