

Unlock your profit potential

The Acorn-IBM Cognos solution

Overview

Financial service institutions are under constant pressure to increase profitability. Yet delivering profits can be undermined by a simple fact: very few organizations have complete and accurate insight into their operating costs. Studies show that anywhere from 10 to 50 percent of a company's products and customers are losing money for that organization. Without the ability to see where these and other losses occur, businesses will continue to have their profitability targets eroded by unforeseen costs and overhead.

Acorn Systems' Activity Based Costing and Management (ABC/M) and IBM Cognos® 8 Planning give you a clear picture and stop this profit erosion.

Technical specifications

The Acorn Systems' ABC/M and IBM Cognos cost management and planning solution leverages real-time transaction information. The software interfaces with your ERP, financial, and other systems and transforms these line item details into accurate cost and profitability analysis.

The Acorn Systems and IBM Cognos secure, Web-based platform creates a dynamic cost management and planning environment that provides the answers to your business questions and is integrated with in-depth cost and profitability data and analytics.

Features and Benefits

The Acorn Systems' ABC/M and IBM Cognos cost management and planning solution answers these fundamental questions:

- How confident are you in your cost and profitability data?
- Do you know what drives revenue and cost across all elements of your business?

- Do you know where you have excess capacity or constrained resources?
- Do you know which customers and products contribute the most to your profitability? Are these numbers verifiable?
- How would accurate cost data improve your ability to plan and forecast?

The Acorn Systems' ABC/M and IBM Cognos solution combines cost and profitability analytics information from Acorn Systems with IBM Cognos 8 Planning to create a dynamic platform for cost management, budgeting, and profitability planning.

Acorn Systems' ABC/M software leverages real-time transaction information by interfacing with your ERP, financial, and other systems. Using process simulation and data-driven calculations, it transforms these line item details into accurate cost and profitability analysis so you can understand the true value of orders, products, services, and customers.

Unlock your profit potential

IBM Cognos 8 Planning is an integrated solution for planning, budgeting, and forecasting. It provides insight into past, current, and future business performance, enabling you to spot trends, identify opportunities, and influence outcomes.

IBM Cognos 8 Planning integrates department, activity, and cost information from the Acorn system. This allows you to plan and model profitability targets using much more accurate cost and capacity data—not the averages or standard unit costs so prevalent in many organizations. And, if costs and drivers are updated in planning (e.g., your company is able to drive a cost down by renegotiating a contract), the IBM Cognos software passes that updated information back to Acorn, where a forward-looking, granular view of the impact to true net profitability is generated.

With the Acorn Systems and IBM Cognos solution, you gain:

- An accurate, validated, and granular view of cost, revenue, and capacity drivers
- An integrated platform to measure, optimize, and forecast costs and profitability
- Improved performance management through the linking of strategy to operations (at the customer, channel, and product levels)

The screenshot displays a web-based interface for 'Credit Card Service Center - Microsoft Internet Explorer'. The main window shows a monthly expense report for '202 Support - Cognos Planning - Contributor'. The report is organized into a grid with columns for months from Jan to Oct and rows for various expense categories. A summary table at the bottom shows 'Current Headcount' and 'New Headcount (Calc)' for each month, with a 'Total Year' column on the right.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
TOTAL Expenses	44	44	44	44	44	44	44	44	44	44
Cost Per Card	1	2	11	1	1	2	1	2	3	3
Adjustment (+/-)	9,574,805	10,917,610	11,315,709	12,937,176	14,028,192	15,455,376	16,349,730	17,621,335	19,325,334	19,561
Expense Amount	84,585	65,477	92,152	99,923	119,742	116,460	131,081	161,278	135	135
144 Mastercard Support	68,202	84,585	65,477	92,152	99,923	119,742	116,460	131,081	161,278	135
147 Visa Support	118,708	132,400	146,851	160,395	173,921	187,430	202,703	216,056	229,351	242
150 Customer Support	155,047	172,930	191,805	209,495	227,162	244,806	264,756	282,196	299,561	316

The screenshot displays a detailed quarterly revenue and expense report for 'TOTAL DEPARTMENTS - Cognos Planning - Contributor'. The report is organized into a grid with columns for quarters (Jan, Feb, Mar, Apr) and rows for various revenue and expense categories. A summary table at the bottom shows 'Net Income' for each quarter and a 'Total Year' column on the right.

	Jan	Feb	Mar	Apr
870 Net Interest Income	5,349,040	5,353,548	6,635,182	6,660,703
825 Lost Provision	297,452	297,962	331,759	333,039
Revenues	5,651,988	5,661,666	6,303,423	6,327,744
107 Mastercard Monthly Fee	0	0	0	0
1104 TSVS Monthly Fee	0	0	0	0
1110 Visa Quarterly Fee	0	0	0	0
1113 Visa Monthly Fee	0	0	0	0
1119 Mastercard Quarterly Fee	0	0	0	0
144 Mastercard Support	68,202	60,673	7,528	84,585
147 Visa Support	118,708	118,920	132,400	132,910
150 Customer Support	155,047	155,324	172,930	173,597
153 Collection	762,969	764,330	850,967	854,251
156 Position and Preterition	827,895	783,472	44,424	872,279
159 Risk Management	982,944	994,715	1,107,467	1,111,740
162 Cardholder Servicing	383,689	384,373	427,943	429,534
165 Client Servicing	170,529	170,833	190,197	190,931
1670 TSVS Annual Rebate	0	0	0	0
1673 Mastercard Annual Rebate	0	0	0	0
1676 Visa Annual Rebate	0	0	0	0
168 Payment Processing	1,102,506	1,104,472	1,229,668	1,234,410
171 Cardholder Billing	266,363	266,838	297,085	298,231
174 Client Billing and Reporting	118,384	118,595	132,038	132,547
177 Outsourced Processing	82,400	82,547	91,904	92,259
180 Issuer Transactions	448,624	449,424	500,366	502,297
183 Card Issuing	1,176,546	1,178,744	1,312,356	1,312,420
186 Credit Processing	814,803	816,256	908,780	912,286
189 Application Processing	650,490	651,560	725,515	728,315
192 Conversions	287,109	287,621	320,223	321,459
195 New Implementations	287,109	287,621	320,223	321,459
198 Mastercard Marketing	129,322	129,552	144,237	144,794
201 Visa Marketing	290,974	291,483	324,534	325,786
Expenses	9,134,715	9,097,453	37,261	10,145,696
Gross Margin	(9,134,715)	(9,097,453)	(37,261)	(10,145,696)
Depreciation	0	0	0	0
Other Expenses	0	0	0	0
Other Income	0	0	0	0
Net Income	(9,134,715)	(9,097,453)	(37,261)	(10,145,696)

In this example, Acorn Profit Analyzer models credit card processing at a branch and processing center. The Acorn unit cost data and consumption (resource utilization) rates are fed into IBM Cognos 8 Planning to create a driver-based model for overall costs and profitability.

Dynamic cost and profitability planning—in one interface

The Acorn Systems and IBM Cognos platform creates a dynamic cost management and planning environment. It lets you do what-if analysis, plan cost reduction strategies (e.g., repricing, product obsolescence, reducing the customer base), model process improvements, measure the cost implications of these initiatives, and recalibrate profitability targets with the new information.

You can address issues such as:

- How would adding \$1.00 in credit card billings or an additional card member affect the bottom line?
- What cost efficiencies can we gain if we shift our customers from manual to electronic processing?
- What will a shift to online self-service capabilities do to our profitability and resource requirements?

The secure, Web-based platform provides the answers to your business questions. It combines people,

processes, and technology in a continuous and broadly collaborative planning cycle. Integrated with in-depth cost and profitability data and analytics, the Acorn Systems and IBM Cognos solution provides the information you need to reduce costs and maximize your profit potential.

Feature Overview

The Acorn Systems and IBM Cognos solution provides:

- A secure, Web-based platform that is integrated to measure, optimize, and forecast costs and profitability
- Answers to fundamental questions about such things as costs, profitability, excess capacity, verifiability of numbers, and how to accurately plan and forecast
- Combined cost and profitability analytics information to create a dynamic platform for cost management, budgeting, and profitability planning

- The ability to leverage real-time transaction information and transform these line item details into accurate cost and profitability analysis to see the true value of orders, products, services, and customers
- Integrated department, activity, and cost information to plan and model profitability targets using much more accurate cost and capacity data
- Real-time updating of costs and drivers from the IBM Cognos software back to Acorn, generating a forward-looking, granular view of the impact to true net profitability
- Improved performance management through the linking of strategy to operations (at the customer, channel, and product levels)

**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.

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