

# 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<sup>®</sup> 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 datadriven 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.

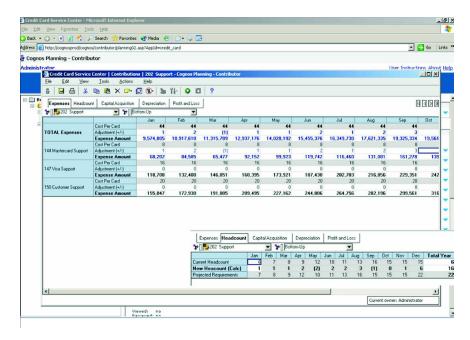


IBM Cognos 8 Planning is an integrated solution for planning, budgeting, and forecasting. It provides insight into past, current, and future business performance, enabling you to spot trends, identify opportunities, and influence outcomes.

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 forwardlooking, 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)



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150 Customer Support 153 Collection 155 Collection and Retention 156 Risk. Management 162 Cardholder Servicing 1620 TSY'S Annual Rebate 1673 Mastecard Annual Rebate 1674 Visa Annual Rebate			7,528	84,585	67,811	16,774	65,477	74,949	(9,472)	92,152	
153 Collection 156 Promotion and Retention 155 Prink Management 152 Cardholder Servicing 165 Clent Servicing 1670 TSYS Annual Rebate 1673 Mastercard Annual Rebate 1673 Mastercard Annual Rebate	155 047	118,920	(212)	132,400	132,910	(511)	146,851	146,901	(50)	160,395	
156 Promotion and Retention 159 Risk, Management 162 Cardholder Servicing 1670 TSYS Annual Rebate 1673 Mastercard Annual Rebate 1676 Visa Annual Rebate		155,324	(276)	172,930	173,597	(667)	191,805	191,871	(66)	209,495	
159 Risk Management 162 Cardholder Servicing 165 Clent Servicing 1670 TSYS Annual Rebate 1673 Mastercard Annual Rebate 1676 Visa Annual Rebate	762,969	764,330	(1,360)	850,967	854,251	(3,283)	943,848	944,172	[324]	1,030,900	1
162 Cardholder Servicing 165 Clent Servicing 1670 TSYS Annual Rebate 1673 Mastercard Annual Rebate 1676 Visa Annual Rebate	827,895	783,472	44,424	872,279	875,645	(3,366)	967,486	967,818	[332]	1,056,718	
165 Client Servicing 1670 TSY'S Annual Rebate 1673 Mastercard Annual Rebate 1676 Visa Annual Rebate	992,944	994,715	(1,771)	1,107,467	1,111,740	(4,273)	1,228,344	1,228,765	[421]	1,341,635	
165 Client Servicing 1670 TSY'S Annual Rebate 1673 Mastercard Annual Rebate 1676 Visa Annual Rebate	383,689	384,373	(684)	427,943	429,594	(1,651)	474,651	474,814	(163)	518,429	
1670 TSYS Annual Rebate 1673 Mastercard Annual Rebate 1676 Visa Annual Rebate	170,529	170,833	(304)	190,197	190,931	(734)	210,956	211,028	(72)	230,413	
1673 Mastercard Annual Rebate 1676 Visa Annual Rebate	0	0	0	0	0	0	0	0	0	0	
1676 Visa Annual Rebate	0	0	0	0	0	0	0	0	0	0	
	0	0	0	0	0	0	0	0	0	0	
	1.102.506	1,104,472	(1,966)	1,229,666	1,234,410	(4,744)	1,363,880	1,364,348	[468]	1,489,672	
171 Cardholder Billing	266,363	266.838	[475]	297,085	298,231	(1,146)	329,511	329,624	(113)	359,902	
174 Client Billing and Reporting	118,384	118,595	(211)	132,038	132,547	(509)	146,449	146,500	(50)	159,956	
177 Outsourced Processing	82,400	82,547	(147)	91,904	92,259	(355)	101,935	101,970	(35)	111,337	
180 Issuer Transactions	448,624	449,424	(800)	500,366	502,297	(1,931)	554,980	555,170	(190)	606,166	
	1,176,646	1,178,744	(2,098)	1,312,356	1,317,420	(5,064)	1,455,596	1,456,096	[499]	1,589,847	
186 Credit Processing	814,803	816,256	(1,453)	908,780	912,286	(3,506)	1,007,971	1,008,316	[346]	1,100,937	
189 Application Processing	650,490	651,650	(1,160)	725,515	728,315	(2,799)	804,703	804,979	[276]	878,922	
192 Conversions	287,109	287,621	(512)	320,223	321,459	(1,236)	355,175	355,297	(122)	387,933	
195 New Implementations	287,109	287,621	(512)	320,223	321,459	(1,236)	355,175	355,297	(122)	387,933	
198 Mastercard Marketing	129.322	129,552	(231)	144,237	144,794	(557)	159,981	160,035	(55)	174,736	
201 Visa Marketing	290.974	291,493	(519)	324,534	325,786	(1,252)	359.956	360.080	(123)	393,155	
	3.134.715	9.097.453	37,261	10,145,696	10,167,742	(22,046)	11,224,730	11,238,031	(13,300)	12,280,632	1:
	.134,715)	(9,097,453)	(37,261)	(10,145,696)	(10,167,742)	22.046	(11,224,730)	(11,238,031)	13,300	(12,280,632)	(12
Depreciation	0	(0,001,100)	0	0	0	0	(11,221,100)	(11,200,001)	10,000	0	
Other Expenses	n	0	0	0	0	0	0	0	0	0	
Dther Income	0	0	0	0	0	0	0	0	0	0	
	.134.7151	(9,097,453)	(37,261)	(10.145.696)	(10.167.742)	22.046	(11,224,730)	(11,238,031)	13,300	(12,280,632)	[12

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 planningin one interface

The Acorn Systems and IBM Cognos platform creates a dynamic cost management and planning environment. It lets you do whatif 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 realtime 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.

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

#### **Request a call**

To request a call or to ask a question, go to www.ibm.com/ cognos/contactus. An IBM Cognos representative will respond to your enquiry within two business days.



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