Information Management

IBM

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IBM Cognos 8 V4 Roadshow
Finance Professionals

James Melville FCCA
Finance Solution Specialist

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Agenda

09:15 - Welcome and Introduction

09:20 - Introduction to IBM Cognos and Financial Performance Management

09:40 - Management Accounts

10:20 - Budgeting and Planning

11:00 - Break

11:20 - Consolidation and Reporting

12:50 - Wrap-up with Q&A

13:00 - Lunch and Interactive One-to-one Demonstrations

13:45 - Afternoon Sessions (optional)

15:30 - CLOSE

Phones!

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Afternoon optional sessions – 13:45:

Extended Access Modes (Optional)

This session demonstrates the IBM Cognos 8 Go! family of consumer modes which have been designed to help you increase business intelligence user adoption rates within your organisation. A variety of modes will be shown highlighting mobile, Microsoft office, user dashboard creation and search capabilities all reusing IBM Cognos 8 content.

IBM Cognos TM1 (Optional)

IBM Cognos TM1 provides a real-time approach to consolidating, viewing, and editing enormous volumes of multidimensional data. This session will discuss the benefits of in-memory OLAP technology. We will look at how users can create dimensions and cubes in IBM Cognos TM1. The session will also cover how data can be loaded from external systems, creating rules to calculate data and how data can be manipulated in real time.

Administration Facilities (Optional)

This optional session is aimed at those responsible for the deployment and management of an IBM Cognos 8 system. In it you will see how BI content can be deployed from development to a production system and validated to ensure there are no differences. The session will also cover the administration of the IBM Cognos 8 system, showing the types of metrics and capabilities that are available for monitoring to ensure system availability and performance.

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Afternoon optional sessions – 14:40:

Scorecarding (Optional)
Scorecarding is a key capability within IBM Cognos 8, this optional session practically demonstrates how to build a scorecard within IBM Cognos 8 and illustrates how you can align your teams and tactics with strategy; communicate goals consistently, and monitor performance against targets through it. The relative merits of scorecarding vs. dashboarding will also be discussed.

Business ViewPoint (Optional)
This session introduces Business Viewpoint, a new IBM Cognos offering. Business Viewpoint is a controlled, collaborative, workflow-oriented business process to enable the business users to create, manage, govern and share the changes to all dimensions related to how enterprises analyse and manage their business. The session will cover how business users are given the responsibility to manage dimensions in their areas of domain responsibility. Learn how, by using workflows, proposed changes and additions to dimensions are approved and validated before being distributed throughout the enterprise.

Infosphere (Optional)
Optimized business performance requires trusted information that is accurate, aligned by business and IT, and available in real-time. IBM Cognos and InfoSphere lead the industry by offering the breadth of capabilities required for the end-to-end management and delivery of trusted business information to ensure your competitive success. In this session, we will introduce and demonstrate the unified capabilities of Cognos and InfoSphere as a primer and guide for trusted business optimization efforts.

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The Team

Management Accounts, Budgeting & Planning	
Mike Jeffrey	
Consolidation & Reporting	
Andrew Wright	**Mark Moss**

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The Modern Finance Function and IBM Cognos Performance Management

James Melville FCCA
Finance Solution Specialist

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Agenda

- **The Modern Finance Function**
  - Challenges
  - Where do we want to be?
- **IBM Cognos Solutions**
  - Financial Performance Management
  - Leading from Finance
- **Performance Management Journey**
  - Automation
  - Best Practices
  - Beyond Finance
  - Performance Management System

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Challenges for the Office of Finance

Spreadsheets Failing

"there have been well-documented cases of errors and losses resulting from spreadsheet manipulation errors and accidents."

Source: Gartner, August 2007

Disparate Systems

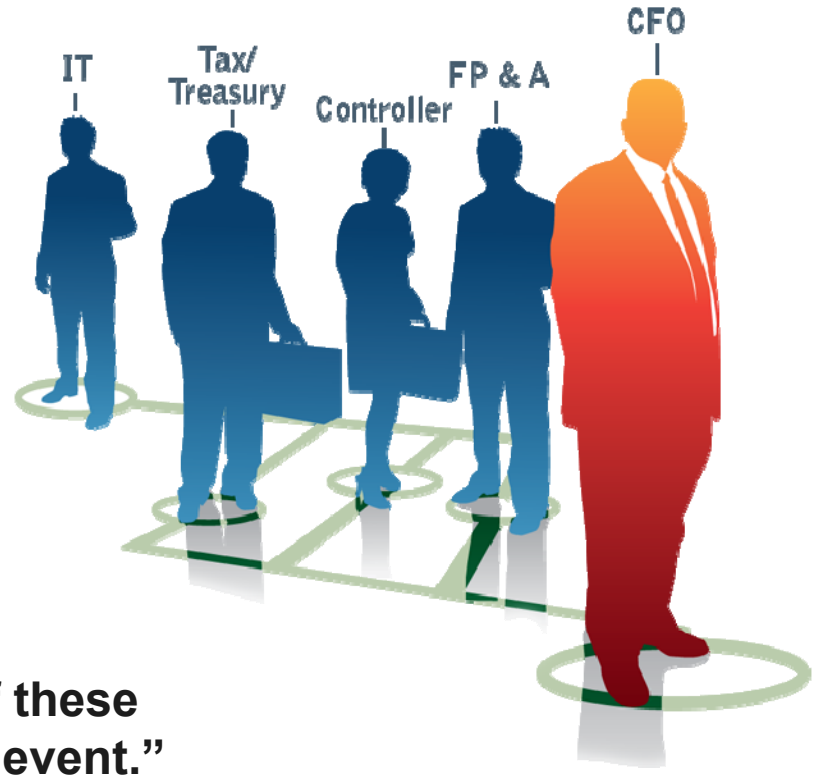
"Average finance organizations operate 11 finance systems per billion dollars of revenue."

Source: Hackett Group, 2007

Business Risks

"62 percent of enterprises … encountered a major risk event … 42 % of these enterprises were not well prepared for the event."

Source: IBM Global CFO Study 2008



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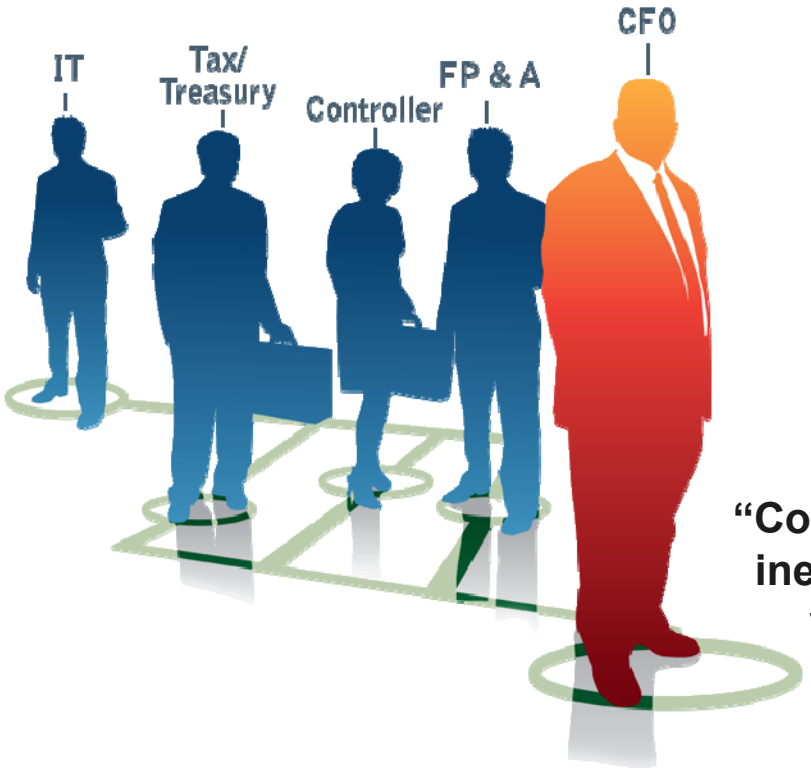
…But Forward Thinkers are Thriving



Driving Performance

"68% anticipate serving as the performance management experts for the rest of the company."

Source: IBM Cognos / CFO Research, 2008

…Enterprise Rewards

" World-class EPM organizations deliver 2.4 times the returns of industry-peers companies."

Source: Hackett Group, 2008

…with Professional Upside

"Corporate performance and CFO performance are inextricably linked; CFOs that deliver shareholder value are most likely to achieve the next career step they desire."

Source: CFO Executive Board, Strategies for Inflecting CFO Performance, 2004

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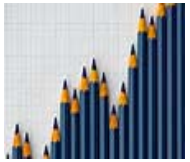
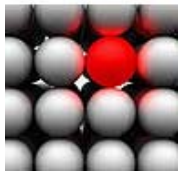
PERFORMANCE MANAGEMENT – *END TO END* RECORD TO REPORT EVOLUTION

	TIME TO CLOSE	9+ Days	7 – 9 Days	5 – 7 Days	3 – 5 Days	1 – 3 Days
	ERROR RATE	Outside 10%	Between 5 – 10%	Between 3 – 5%	Between 1 – 3%	Within 1%
	OPERATING MODEL - REPORT PRODUCTION	Spreadsheets, very manual.	Spreadsheets with macro's using data dumps	Database linked spreadsheets / reports. Run locally on client.	Fixed reports published on web. Zero client footprint.	Query based dashboard on web. Automated batch reports.
	% MANAGERS WITH ACCESS TO ONLINE STANDARD REPORTS	0%	25%	50%	75%	100%
	FINANCE EMPLOYEE NUMBERS AS % OF TOTAL HEADCOUNT	15+%	10 – 15%	5 – 10%	3 – 5%	0 – 3%
	FINANCE COSTS AS % OF TOTAL COST BASE	10+%	5 – 10%	3 – 5%	1 – 3%	0 – 1%

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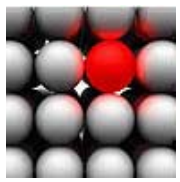
PERFORMANCE MANAGEMENT – *TOP LEVEL REPORTING* EVOLUTION

	INFORMATION CONTENT	Historic, numbers without interpretation	Finance numbers with commentary	More focus on forecasts	Key non-Finance information included	Balanced Finance and non-Finance forward looking, action orientated
	QUALITY – RIGHT 1st TIME	High % of time spent is spent correcting intra-Group balances or other errors	Regular IG reconciliation	Monthly IG pre-close reconciliation, clear responsibilities	IG reconciled at source, minimal errors corrected	Time focused on action-orientated interpretation
	TIME – DAYS FROM RECEIPT OF UNIT NUMBERS TO CONSOLIDATED RESULTS	10+ days	6-8 days	4 – 5 days	</= 2 days	< 1 day
	FREQUENCY – SUBMISSION TO GROUP	Quarterly P&L, BS	Standard Monthly P&L	Standard P&L, BS	Standard P&L, BS, integrated with forecasts	Tailored to needs e.g. monthly plus selected daily, weekly
	SYSTEMS	Excel used for consolidation, manual interfaces, manual reports	Group and Divisions use different consolidation tools	Different consolidation tools, automated interfaces	Standard consolidation tool but largely manual reporting	Integrated architecture inc. automated reporting
	ORGANISATION	Separate reporting teams at Divisions and Group levels	Clear split of responsibilities Divisions v. Groups	Some analysis moved to SSC but Division, Group teams remain separate	Overlap of Group, Division teams eliminated	Shared reporting organisation including off-shored 1st level analysis

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Agenda

The Modern Finance Function

- Challenges
- Where do we want to be?

- **IBM Cognos Solutions**
  - Financial Performance Management
  - Leading from Finance
- **Performance Management Journey**
  - Automation
  - Best Practices
  - Beyond Finance
  - Performance Management System

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Financial Performance Management – the FD's Perspective

Financial Analytics
Analyze and optimize performance

Planning
Plan, forecast and control enterprise resources

How are we doing?

What should we be doing?

Why?

FPM – A Specialized View Of Performance Management

IBM Performance Management Syste

Applications & Blueprints

- Financial Performance | Financial Consolidation | Partner Applications | Partner Blueprints
- Workforce Performance | Banking Risk Performance | 20+ Functional Blueprints | 30+ Industry Blueprints

Access & Interactivity

- Any Language | Any Format | Any Mode | Any Location

Universal Capabilities

- Query | Reporting | Analysis | Scorecards | Dashboards | Planning

Business Modeling

- Manage Dimensions | Build Datasets | Define Metrics | Capture Context

Performance Management Platform

- Access & Optimize Information | Organize & Capture Content | Deploy & Manage Applications | Architect & Integrate Solutions

Information Infrastructure

- Information Integration, Warehousing and Management
- Data Management | Content Management

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PERFORMANCE MANAGEMENT JOURNEY

AUTOMATION ---------- TRANSFORMATION ----------

1. ADDRESS Initial Needs
2. DRIVE Best Practices
3. EXTEND Enterprise-Wide
4. ADVANCE Performance Management

Embrace and Extend Your Existing Infrastructure

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Finance Function Faces Challenges

Need for Efficient and Sustainable Compliance

Drive for Optimal Business Performance

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Financial Management and Control

Plan, Understand and Optimize Performance

First Mile	• AR/AP/GL performance understanding • Data entry and collection • Reconciliation entries and reporting • Data import and lineage/audit reports
Consolidation	• Consolidation by legal/management • Consolidation specific processes for data and reporting • Prepare trial balances • Unaudited financial statements • Access and report internal controls
Financial Reporting	• Financial statement publishing • Financial reports (month vs. month, month vs. last year) • GAAP Reporting
Management Reporting	• Performance management reports (actual vs. plan, plan vs. forecast • Financial scorecards/dashboards

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The Office of Finance

Planner

Management Reports, Budget v Actual analysis etc

Mgmt Accts

Consolidation Reporting Model

Management Accountant

G/L & ERP

Controller

Financial Controller

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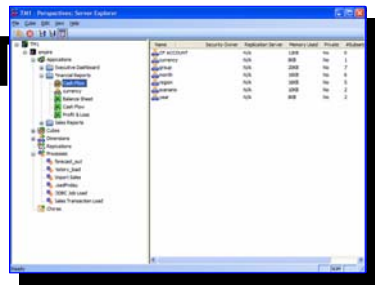
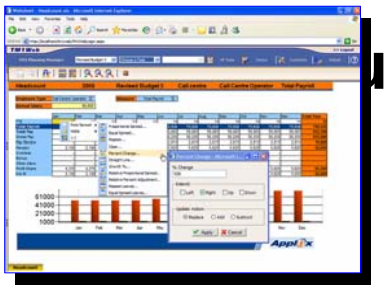
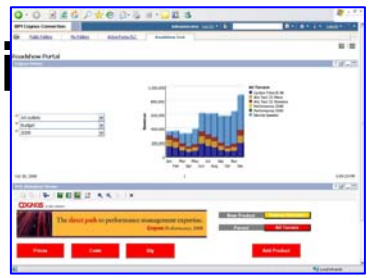
Introducing IBM Cognos TM1

- **In-Memory, Real-Time, Read/Write OLAP engine**
- **Self service analysis with Excel interface**
- **Integration to the Cognos 8 Platform**
- **Business "What-if" scenario modeling and optimization**
- **Link Analysis and Modelling for faster problem resolution**
- **IT**



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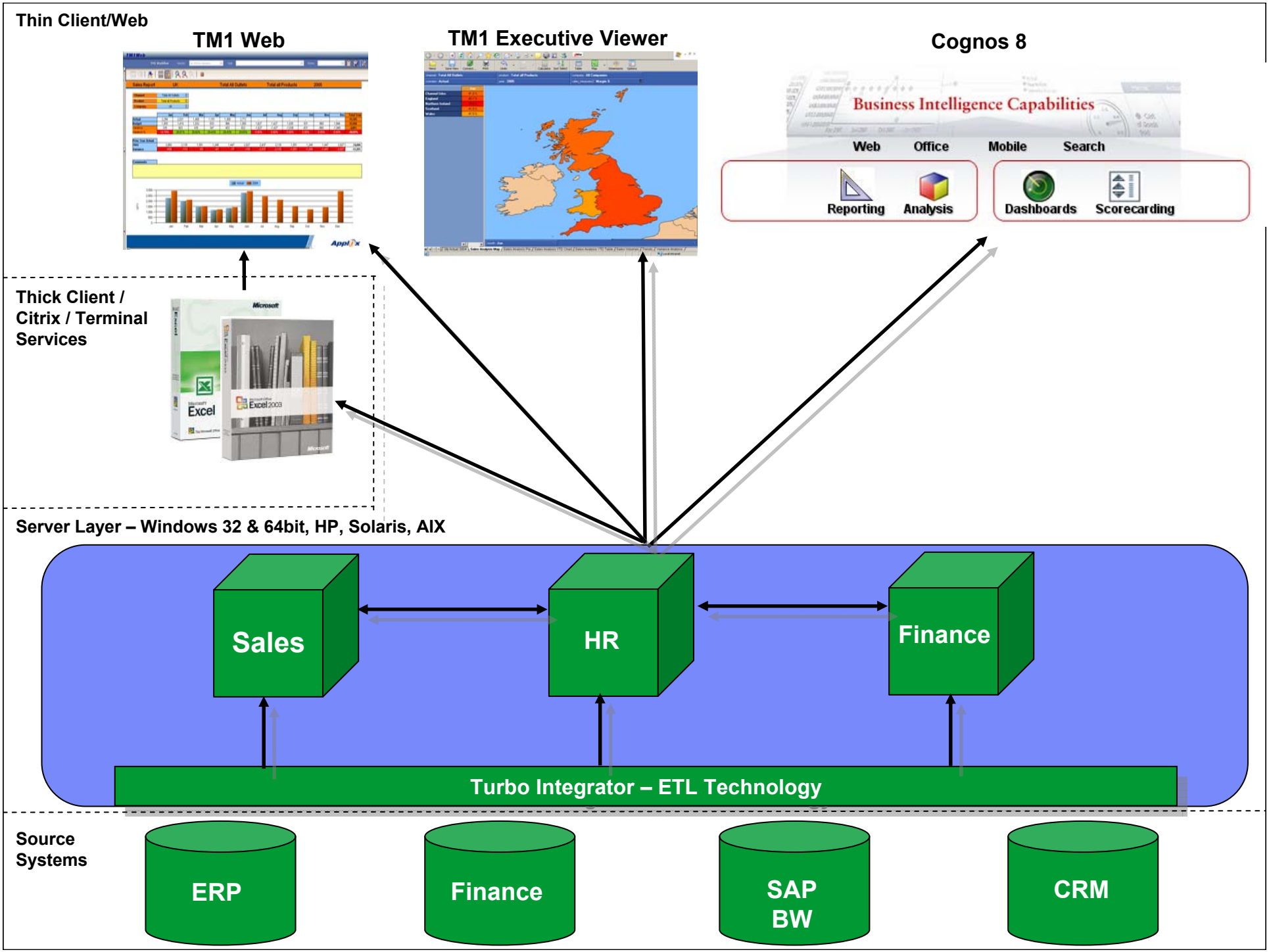
Thin Client/Web
TM1 Web
TM1 Executive Viewer
Cognos 8
Business Intelligence Capabilities
Web
Office
Mobile
Search
Reporting
Analysis
Dashboards
Scorecarding
Thick Client / Citrix / Terminal Services
Excel
Excel 2003
Server Layer – Windows 32 & 64bit, HP, Solaris, AIX
Sales
HR
Finance
Turbo Integrator – ETL Technology
Source Systems
ERP
Finance
SAP BW
CRM

IBM Cognos TM1 model building blocks

- **Dimensions**

  Chart Of Accounts, Time, Years, Versions, Customers etc…….

- **Cubes**

  Two or more dimensions

- **Rules**

  Your business logic

  Excel : = sum(d34:d40)/e4*sheet1!e28

  TM1 : Margin % = Margin / Sales

+50,000

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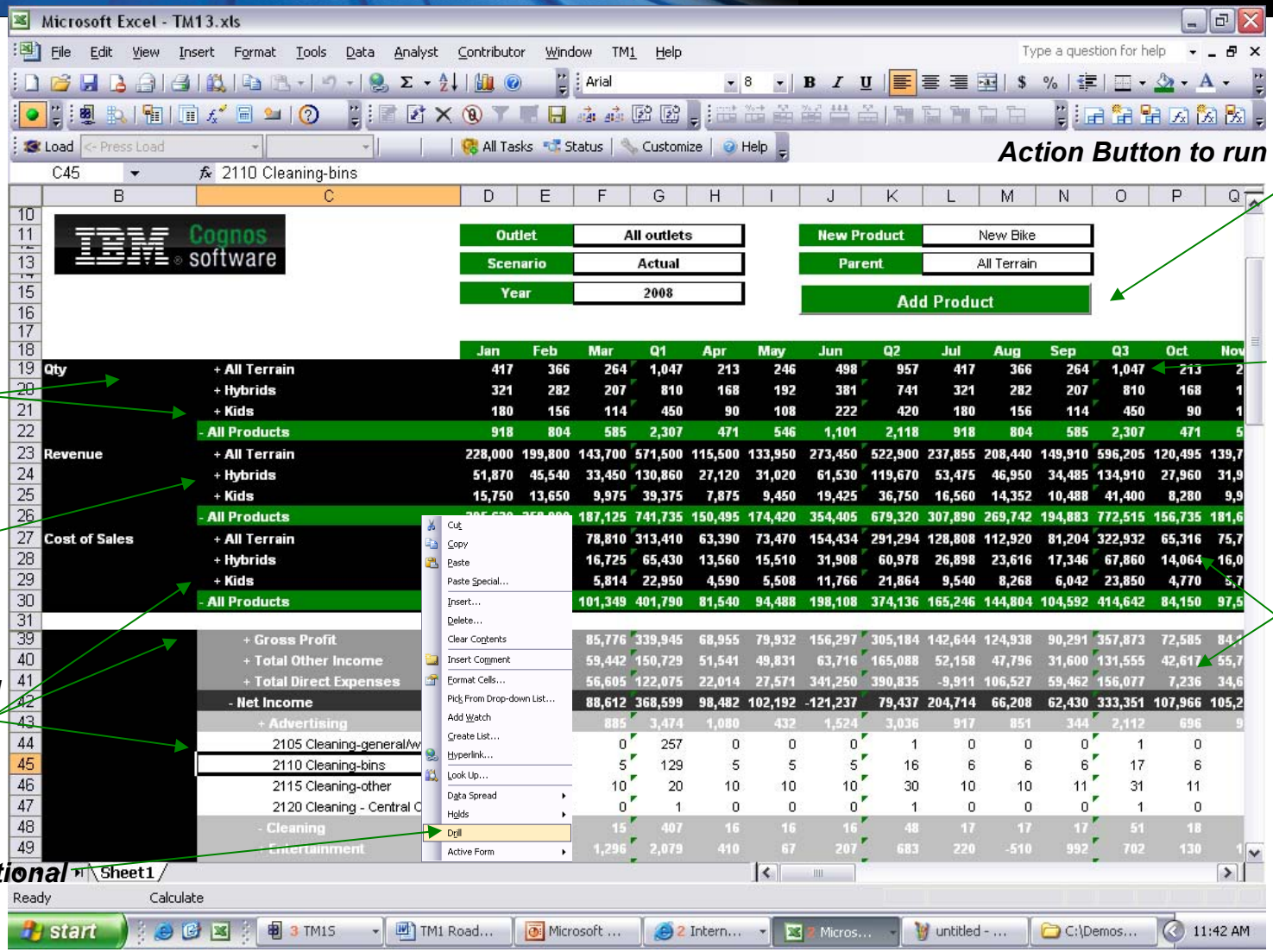
Active Forms



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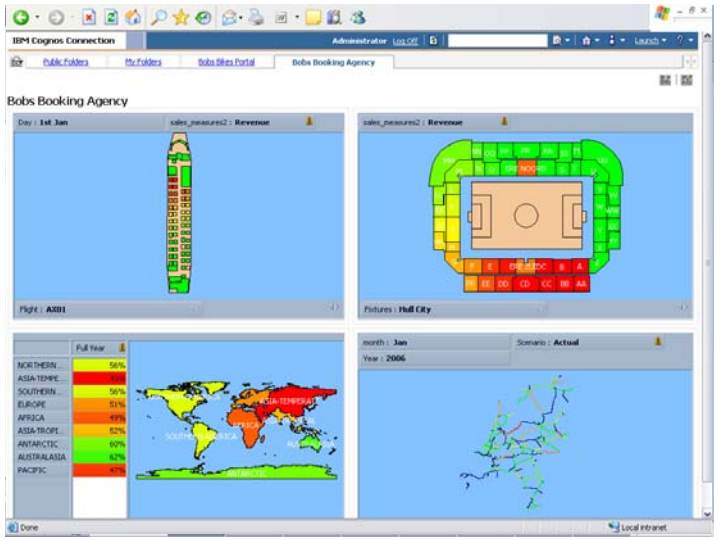
Executive Viewer

- **Self Service Reporting and Analysis for the Excel Phobic**
- **Traditional Reports**
- **Advanced Graphical Capability**
  - Advanced Charting
  - Performance/Heat Maps
  - Shapes
- **All with real time write back to TM1**
- **Integrates into TM1 Web and TM1 Workflow**
- **Integrates into Cognos 8 Portals**
- **MSAS and Essbase can also be used as data sources**



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IBM Cognos 8 Business Intelligence

Enables more users to make better, faster decisions

Full range of BI capabilities for all user communities to receive relevant information how, when and where it is needed

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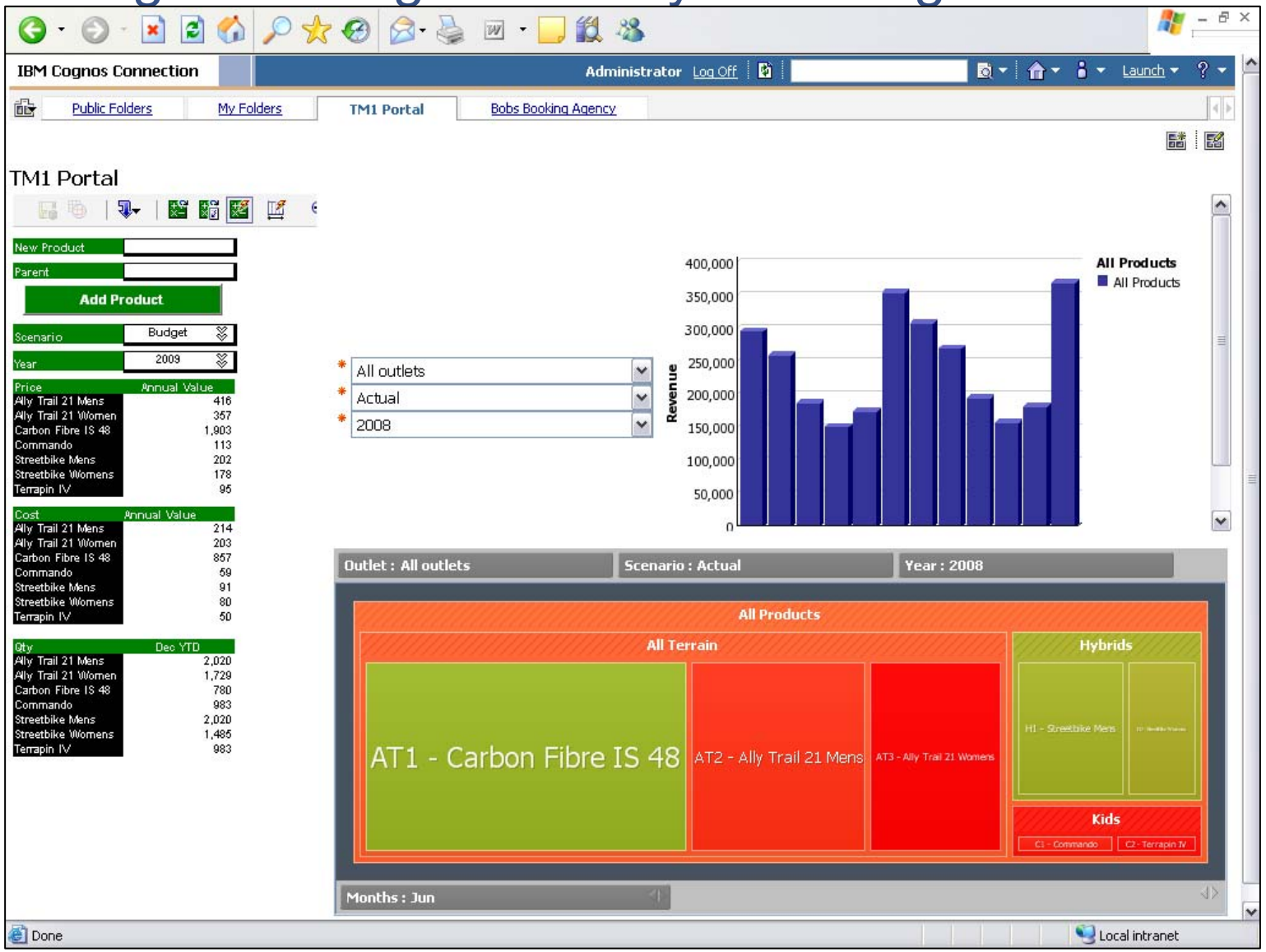
Linking Modelling and Analysis in Cognos 8 BI



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IBM Cognos 8 Controller

Mark Moss

Andrew Wright

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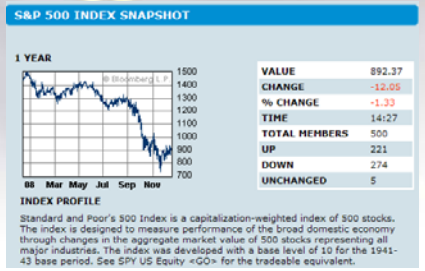
Agenda

- Introduction
- Challenges
- IBM Solution
- Reporting



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Group Finance Challenges

- Greater compliance
- Greater complexity in accounting standards
- Deadlines accelerating
- Disclosure requirements are broadening
- Budget 2009 mandate for new role
  - **Senior Accounting Officer (scapegoat)**

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Gartner Research

ID Number: G00145589

Improving SOX Compliance Sustainability With Financial Consolidation Applications

John E. Van Decker

- **Excel** is the leading solution for consolidations
  - Approximately **70%** of organizations rely on Excel
  - Excel does not provide the necessary **controls** for regulatory initiatives without a significant series of manual checks and balances
- **Financial consolidation solutions** provide an effective approach to reporting and controlling dimensions of an organization's response to regulatory compliance. This can provide an auditable and controlled environment for many organizations that are dealing with legacy solutions, offline spreadsheet-based tools and loosely integrated applications.
- **Financial consolidation and BI solutions** provide an effective approach to reporting and controlling dimensions of an organizations response to regulatory compliance

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FPM: Close, Consolidate, Report Process

- Full control over the process
- Optimize the closing process
- Compliance

CLOSE

Closing Process (Consolidation System)

- *Data Input & Changes*
- *Collect From Subsidiaries*
- *Outputs & Journal Entries*

Closing Process (Accounting Processes)

- *Close Sub Ledgers and Systems*
- *Account Reconciliation*
- *Prepare Pre Close Trial Balance*
- *Prepare Accruals & Adjustments*
- *Prepare Closing Entries*

CONSOLIDATE

Consolidation (Consolidation System)

- *Create Single Currencies*
- *Minority Interest Shareholdings*
- *Intercompany Eliminations*
- *Group closing adjustments*
- *Management Adjustments*
- *Consolidate Financials*
- *Assess internal controls*

REPORT

Reporting (Consolidation Systems)

Internal Reporting

- *Financial Reporting Adjustments*
- *Cash Flow & Other Statement Preparation*
- *Financial Reporting*

External reporting

- *Financial statement preparation*
- *GAAP calculation and adjustments*
- *Publish financial statements*

Reporting (Reporting Systems)

- *Performance & management reporting*
- *Financial analytics*
- *Scorecards & dashboards*

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Where IBM can help:

- Data capture
- Metadata management
- Mapping tables
- Controlled environment
- Delivering the financial information

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Data capture:

- Multiple data sources
- Data quality
- System driven validations
- Controlled journal adjustments
- Intercompany
- Narrative reporting

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Metadata management:

- Consistent coding.
- Consistent exchange rates
- Consistent period structures
- Mapping tables.
- Audit trail of changes.

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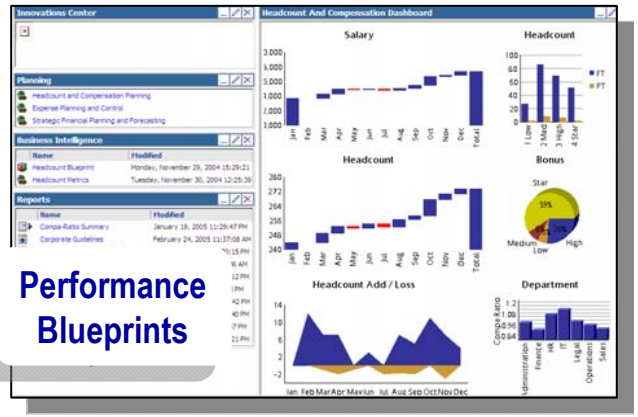
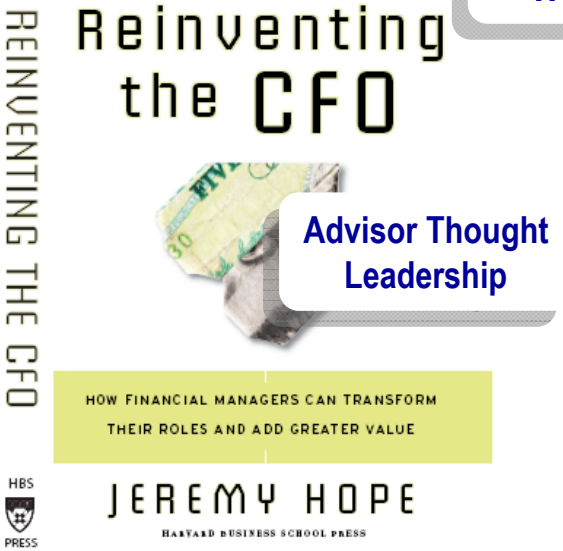
Innovation Center

Application Briefs / Business Value Guides / Web Modules



Performance Blueprints



Advisor Thought Leadership

Member-Only Website

Events

Articles

COGNOS INNOVATION CENTER for Performance Management

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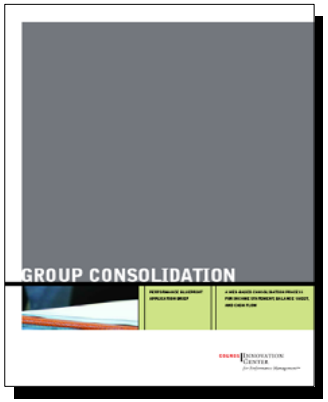
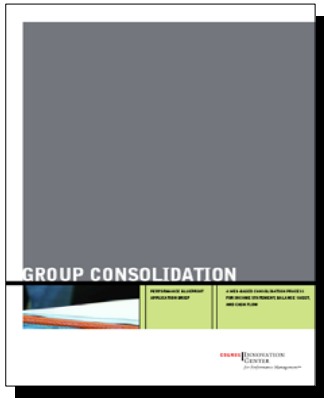
Transformation Through Best Practices



Deloitte Group Consolidation and Internal Control *

Pre-configured template and reports for delivering Internal Controls.



Group Consolidation and Reporting Blueprint

Pre-configured template and reports for delivering IFRS and Group reports.

Deloitte Close, Consolidate, Report

Best practices for internal controls and financial consolidation

Management and Financial Reporting Blueprint

Pre-configured reports, scorecards and dashboards in Cognos BI

XBRL Semansys Blueprint *

A model to deliver XBRL reports.

**** Available Q2 2009***

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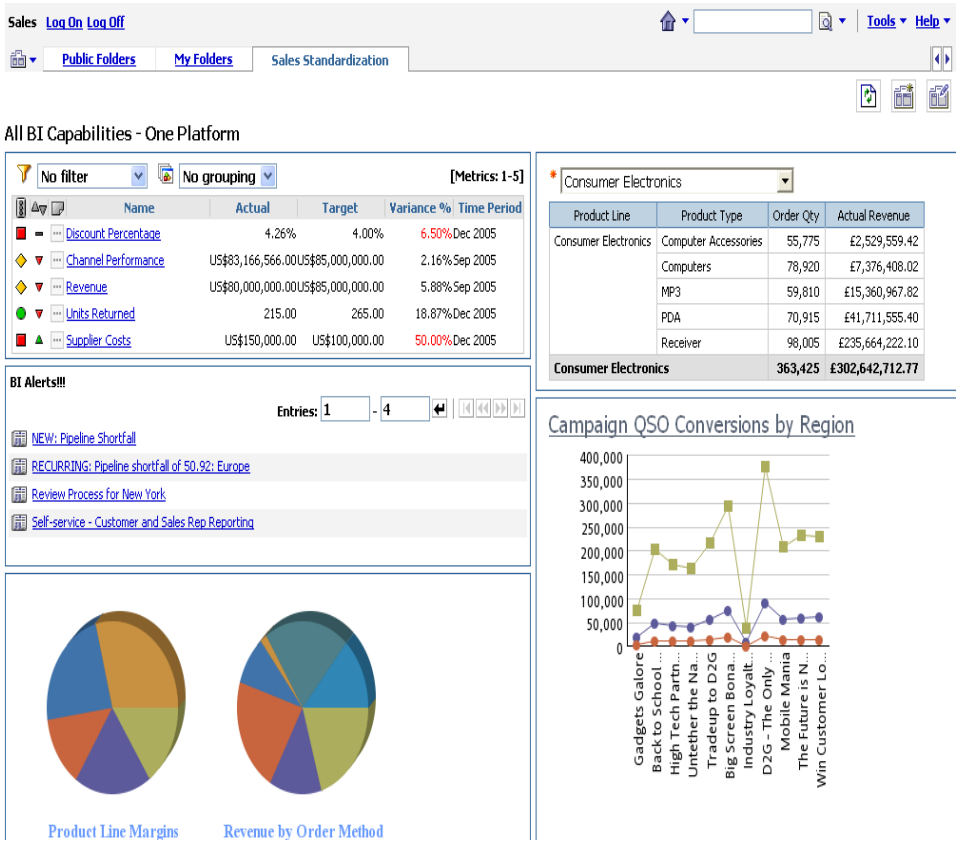
Delivering financial information:



- Users interface is intuitive and consistent
- Data complexity is hidden from user
- Leverages all financial data sources: financial consolidation, planning, ERP, HR, etc.
- One product for all capabilities; related content only one-click away
- Self-service reporting and analysis speeds information access

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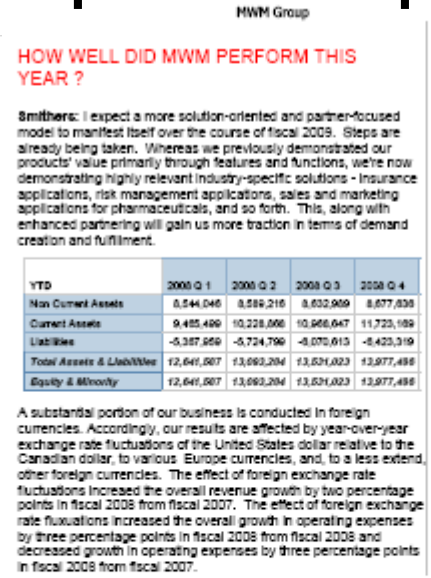
STATUTORY REPORTING

Ease and flexibility to deliver any report or dashboard using our Financial Templates in Express Mode or Advanced Authoring.


MWM Group

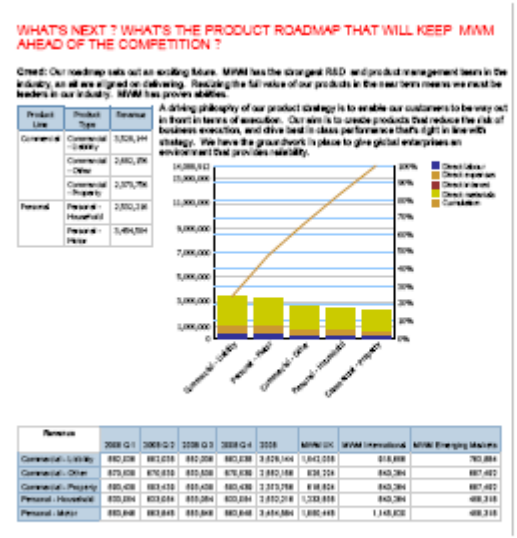
HOW WELL DID MWM PERFORM THIS YEAR ?

Smithers: I expect a more solution-oriented and partner-focused model to manifest itself over the course of fiscal 2009. Steps are already being taken. Whereas we previously demonstrated our products' value primarily through features and functions, we're now demonstrating highly relevant industry-specific solutions - insurance applications, risk management applications, sales and marketing applications for pharmaceuticals, and so forth. This, along with enhanced partnering will gain us more traction in terms of demand creation and fulfillment.

YTD	2008 Q 1	2008 Q 2	2008 Q 3	2008 Q 4
Non Current Assets	8,544,046	8,589,216	8,632,909	8,677,838
Current Assets	9,485,499	10,228,068	10,968,647	11,723,169
Liabilities	-5,387,959	-5,724,799	-6,070,613	-6,423,319
Total Assets & Liabilities	*12,641,587*	*13,093,284*	*13,531,023*	*13,977,488*
Equity & Minority	*12,641,587*	*13,093,284*	*13,531,023*	*13,977,488*

A substantial portion of our business is conducted in foreign currencies. Accordingly, our results are affected by year-over-year exchange rate fluctuations of the United States dollar relative to the Canadian dollar, to various Europe currencies, and, to a less extend, other foreign currencies. The effect of foreign exchange rate fluctuations increased the overall revenue growth by two percentage points in fiscal 2008 from fiscal 2007. The effect of foreign exchange rate fluxuations increased the overall growth in operating expenses by three percentage points in fiscal 2008 from fiscal 2008 and decreased growth in operating expenses by three percentage points in fiscal 2008 from fiscal 2007.

Basil Smithers
Senior Vice President


WHAT'S NEXT ? WHAT'S THE PRODUCT ROADMAP THAT WILL KEEP MWM AHEAD OF THE COMPETITION ?

Slyvana Creed
Senior Vice President, Products

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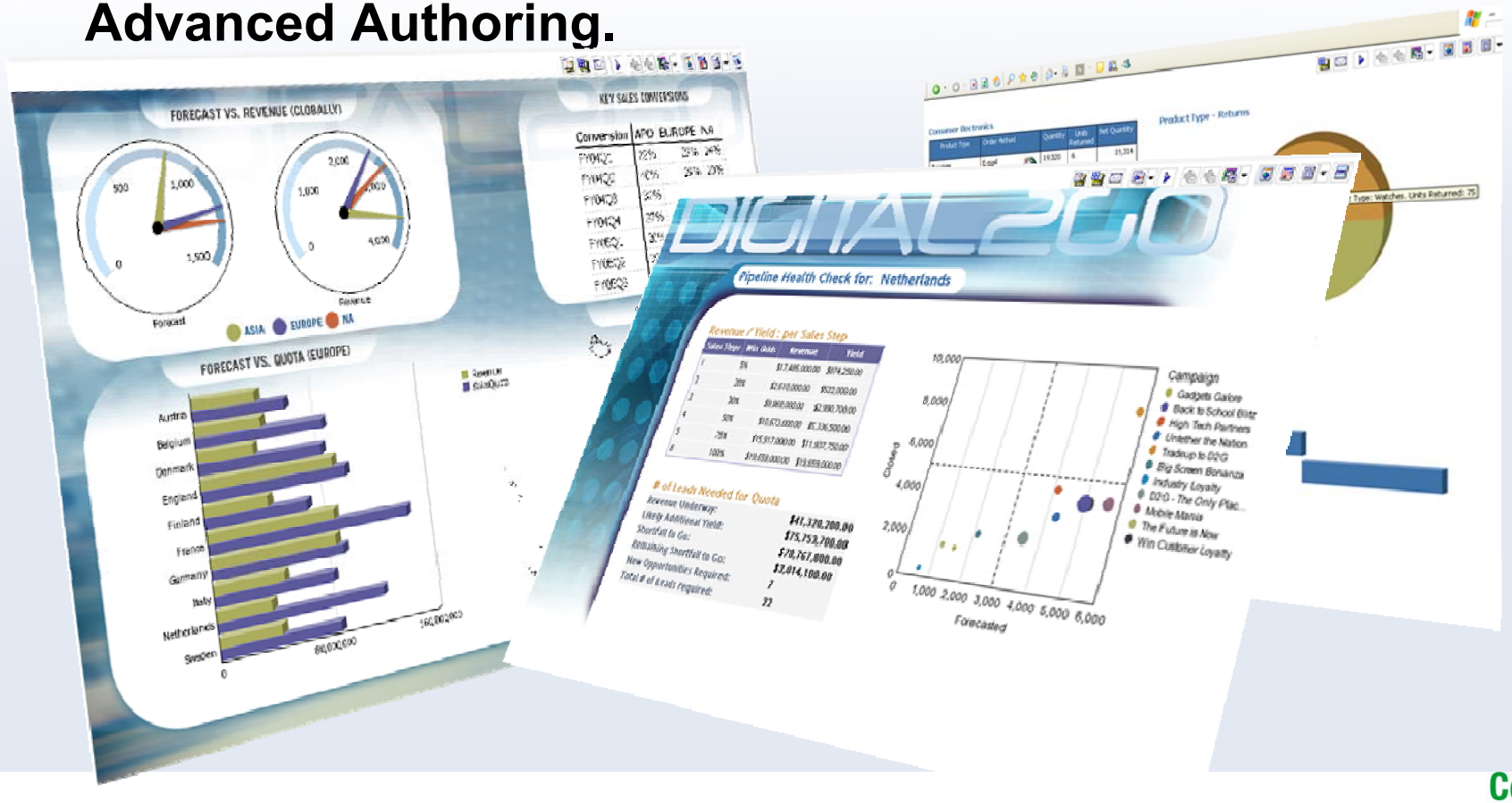
MANAGEMENT REPORTING

Ease and flexibility to deliver any report or dashboard using our Financial Templates in Express Mode or Advanced Authoring.



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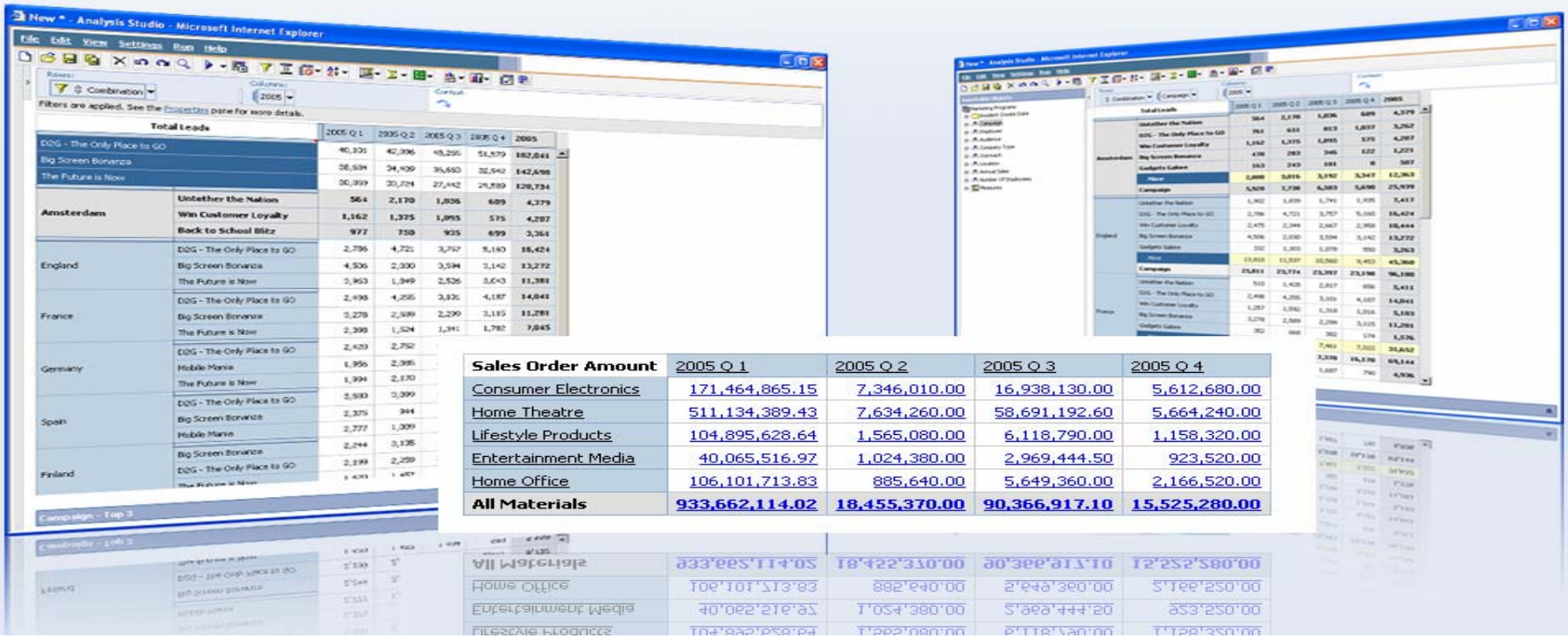
Financial Analysis

Guided multidimensional exploration and comparative capabilities for fast, manageable analysis



Sales Order Amount	2005 Q 1	2005 Q 2	2005 Q 3	2005 Q 4
Consumer Electronics	171,464,865.15	7,346,010.00	16,938,130.00	5,612,680.00
Home Theatre	511,134,389.43	7,634,260.00	58,691,192.60	5,664,240.00
Lifestyle Products	104,895,628.64	1,565,080.00	6,118,790.00	1,158,320.00
Entertainment Media	40,065,516.97	1,024,380.00	2,969,444.50	923,520.00
Home Office	106,101,713.83	885,640.00	5,649,360.00	2,166,520.00
All Materials	**933,662,114.02**	**18,455,370.00**	**90,366,917.10**	**15,525,280.00**

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