

Business Analytics: Driving Profitable Growth, Addressing Regulation and Risk



Christoph Papenfuss, Global Best Practices Leader May 9th, 2012





Agenda

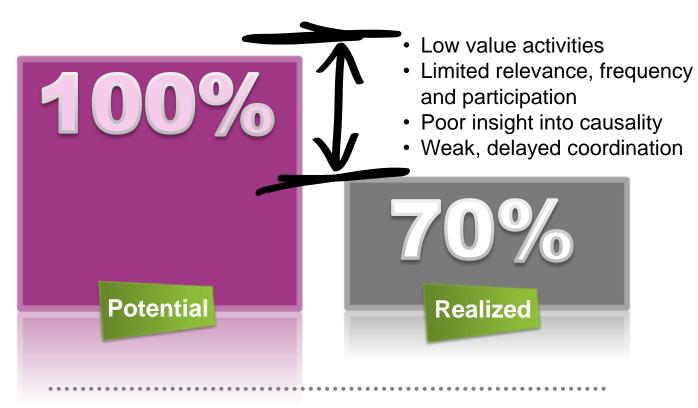
- The office of Finance in 2012
- Business Analytics for Finance
- Business Analytics in Action A case study







But a lot of potential is lost



30% of performance potential is lost due to subpar performance management



We need to challenge current approaches

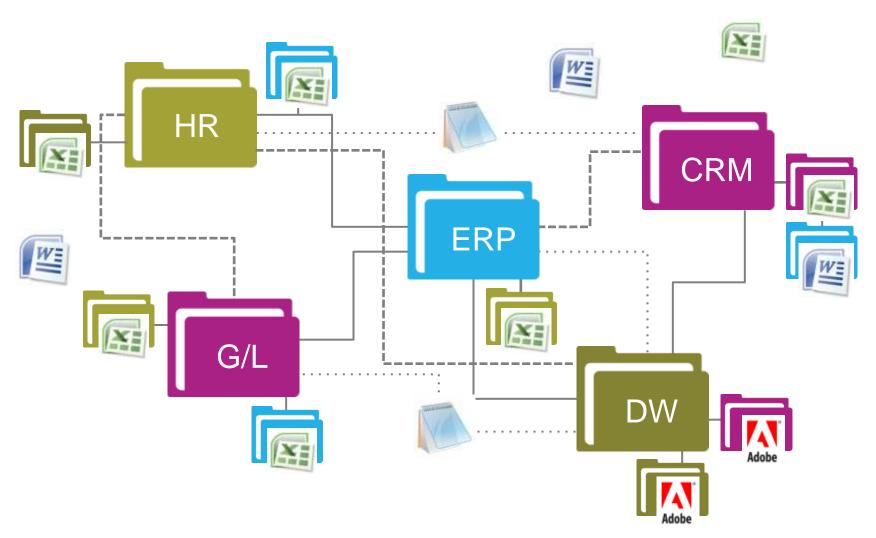




| Profit and Loss Statement | | | | |
|--|--|--------|--|--|
| For the Year ending 12/88/2011 | | | Stated in DOG: | • |
| Table Schools | Budget | Actual | Variance | VA-14 A |
| Total Sales Revenue [3] Total Cost of Sales [8] | 5,900 | 4,900 | (100,0) | Variance % |
| 17.000.000.000.000 | 800 | 750 | (50.0) | 2.0% |
| Gross Profit [L=J-H] | 44800 | 7.94 | (30.0) | 6.3% |
| Operating Expenses | 4,200 | 4150 | (50.0) | The state of the s |
| lates and Harketing | | | (10.0) | -1.1% |
| SAT PATRICIA | 400 | | | |
| Old Sales and Marketing Exponses [M] | 230 | 210 | 20.0 | |
| an weiting expenses [M] | 150 | 290 | 20.0 | 9.5% |
| tsearch and Development | 389 | 410 | (50.0) | -25.0% |
| dinslogy learners | | | (30.0) | -7.3% |
| Ital Research and Development Expenses [N] | 80 | | | 1+3.30 |
| Meral and Administrative | 80 | 75 | 24 | |
| iges and solvingstracing | 10 | 75 | 5.0 | 6.20 |
| | | | 5.0 | 6.7% |
| tol General and Administrative Expenses (O) | 850 | | | 6.7% |
| al Operating Expenses [PDM+N+O] | 120 | 710 | 60.0 | |
| A saboutes (b=M+W+O) | 520 | 120 | 90.0 | 12.0 |
| one ton Operations [Q=L-p] | The same of the sa | 830 | 0.0 | 12.7% |
| ar IdeFel | 1,380 | 1.165 | 90.0 | 0.0% |
| lam (s) | 2420 | 1,315 | De s | 10.8% |
| No. | 4.440 | 2,835 | 65,0 | |
| Profit [T=Q+R-5] | | 10.05 | 25 | 4.9% |
| Day Indian | \$12 | | 49 | 7.800 |
| | | 501 | | 9.5% |
| | 2,368 | | 11.2 | |
| | 1,308 | 2,334 | | 5.00 |
| The Manager of the Control of the Co | | 7331 | U | 22% |
| month transfer (printed) | 203 | | Contract of the last of the la | 1.1% |
| Contract lines. | | 507 | 17 | The second secon |
| 11910) | 1930 | | 173 | PYW |
| | | 164 | 10.0 | |
| | | 1,525 | | 719 |
| | | | 12 | |
| | | | | |
| | | | | 0.5% |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

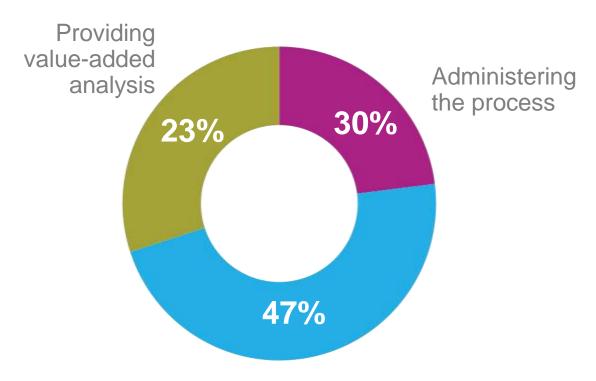


Technology foundation under pressure





Finance is forced to waste a lot of time



Collecting and validating the data







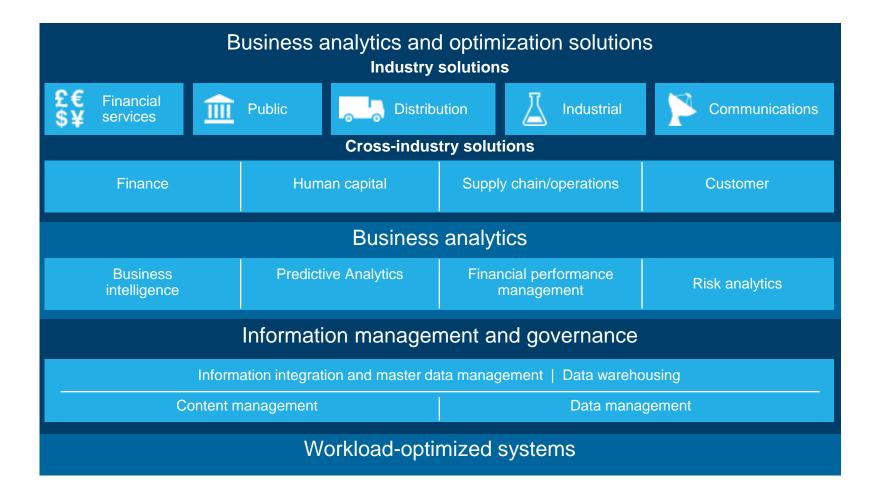


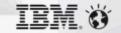
Organizations competing on analytics substantially **Outperform** their peers





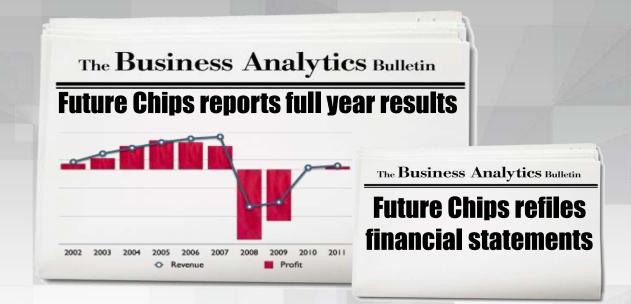
IBM Business Analytics – A complete set of capabilities





Future-Chips INTERNATIONAL

Business Analytics in Action



A day in the life of Future Chips



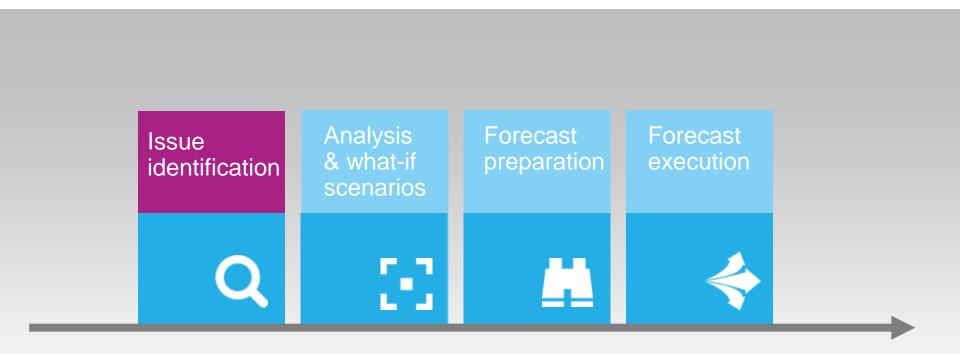


Transforming the decision process





Transforming the decision process

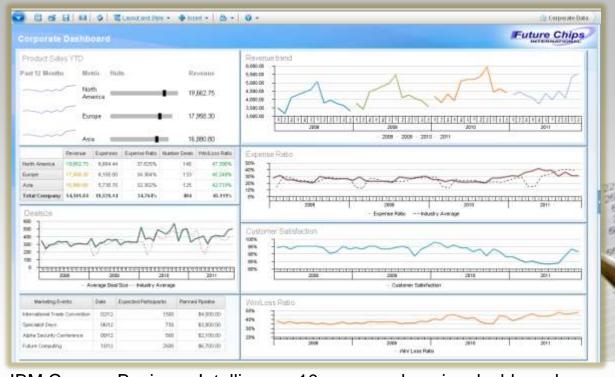




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From looking backward to looking forward

Leading vs. lagging | External & internal vs. internal only | Forecasting vs. budgeting only



IBM Cognos Business Intelligence 10 - comprehensive dashboards



Demo

Review performance dashboard





Insight everywhere you need it



- In the boardroom or 35,000 feet in the air
- Actionable information on the desktop and your mobile device (NEW)
- Timely, rich and interactive content



IBM Cognos 10 – Mobile and comprehensive dashboards



Transforming the decision process





"The data I need is not just in corporate systems"

"I don't know exactly what I'm looking for..."

"Can' t afford to wait for someone else to build it"

"We need to understand and respond faster to market changes"







Demo

Analysis and what-if scenarios





Agile, personal analytics



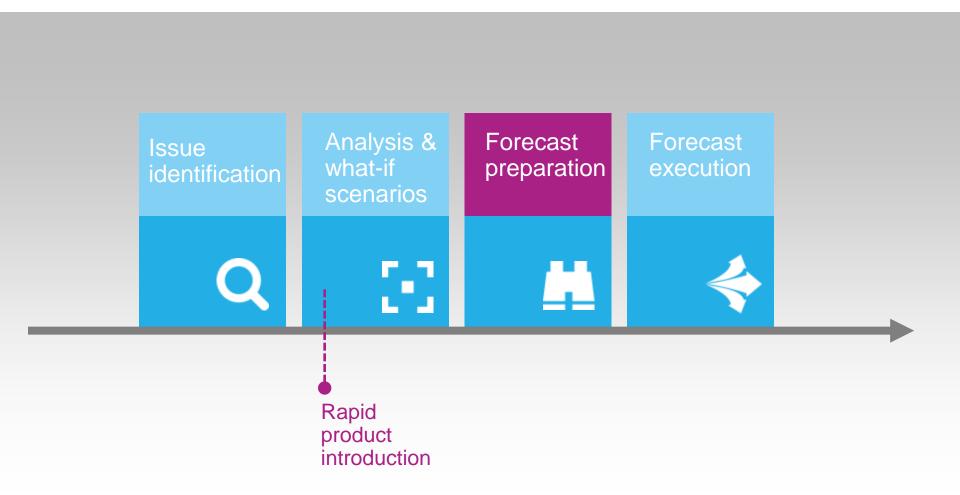
- Access to external and corporatesanctioned data sources
- Boundless freedom to perform analysis
- "Write-back" for what-if scenarios and planning template development



IBM Cognos Insight



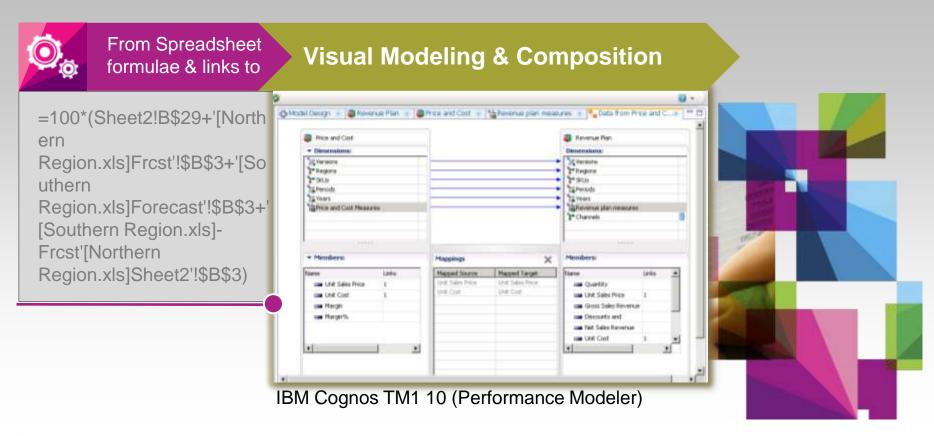
Transforming the decision process





From spreadsheet formulas and links to visual modeling

Visual vs. Text | Business-User vs. IT specialist | Agile Prototype-to-Deploy



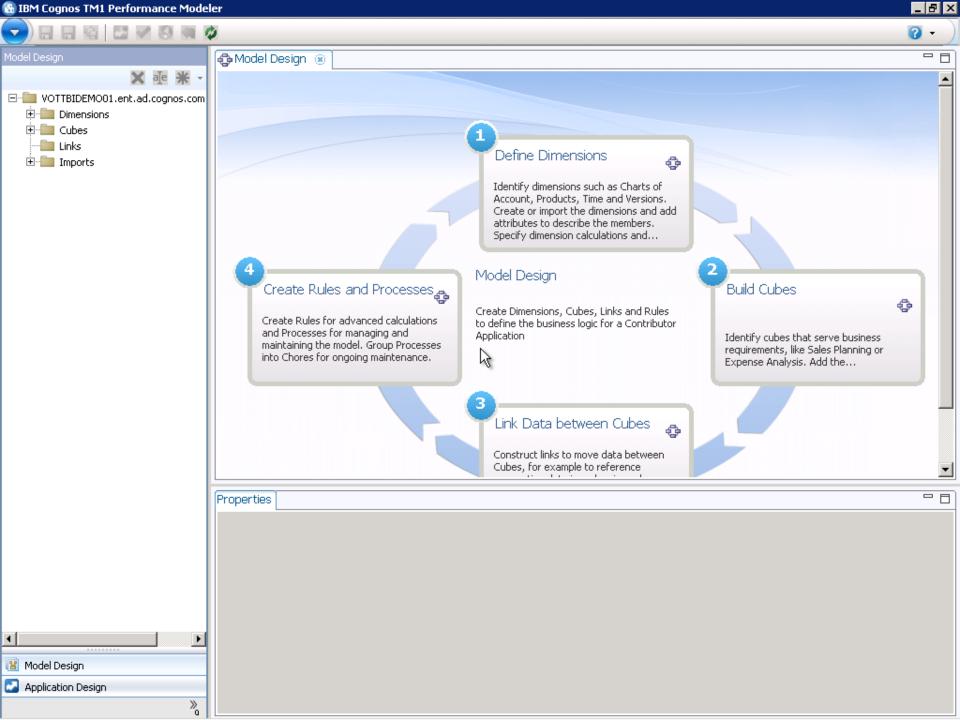
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Demo

Prepare ad-hoc forecast models



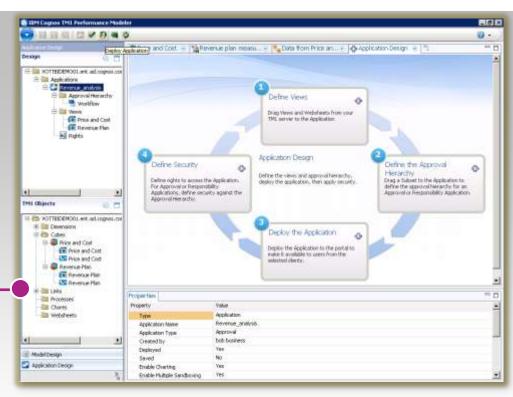




Intuitive modeling and application deployment



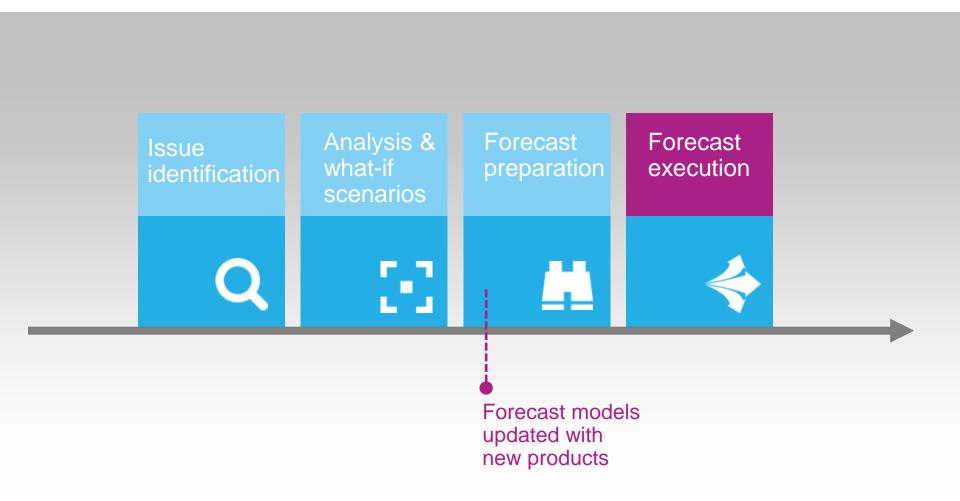
- Multidimensional modeling tools
- Big time savings, less risk and better visibility
- · Visual interface for intuitive modeling



IBM Cognos TM1 10 (Performance Modeler)



Transforming the decision process







From detailed and numeric to

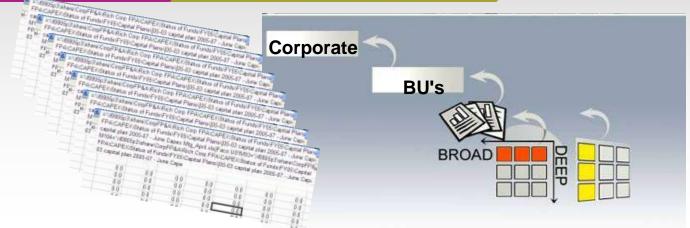
Driver-based forecasts

| | January | February | March | April | Blog | June | July | August | September | October | Nomeber | December | TOTAL | VID Actuals Variance | VID Au | Total Variance | Total Van |
|--|--|--|--|--|---|--|---|--|---|--|--|---|--|---|---|--|--|
| | Actions | Actoris | Artesta | Actions | Actuals | Firecast | Forecast | Porecast | Faretest | Ferences | Ferences | Ferecom | | | | | |
| P-Miles | - T43.08 | 750.00 | 176.00 | 199.00 | 290.00 | 190.08 | 181.00 | 190.00 | 206.00 | 200.00 | 210.08 | 240.00 | 2256,08 | -95.00 | 1.7% | 256.08 | 13% |
| 106 | 32.56 | 57.00 | 174 00 | 186.00 | 131.08 | 117.06 | 117.00 | 125.00 | 131.93 | -132.00 | | 180.06 | 1484.55 | -857.06 | -64% | 94.56 | 105 |
| Jargo | 50.05 | 53.08 | 62.00 | 55000 | 89.08 | 43.00 | 84.00 | 65.06 | - 68.80 | . 68.00 | 70.08 | 80.08 | 771,05 | -27.96 | -7% | 71.05 | . 11% |
| Visigo No. | 15 XX5 | - 833W | 16-72% | 34.50% | 34 90% | 14.10% | 15,36% | 14.21% | 34,50% | 31,00% | 115 337% | 10.75% | 36.3% | | | 3.60% | |
| 2000 | 39.06 | 79.00 | 39,00 | 79.00 | 75.09 | 79.00 | 19:00 | 22.00 | 22.10 | 22.00 | 22.08 | 22.08 | 347.06 | -1.00 | - 116 | 3.08 | 1.254 |
| Serva | 1.43 | 1.00 | . LT6 | 5.00 | 2.08 | 1.00 | -1.01 | 3.50 | 2.53 | 7.00 | 2.18 | 2,68 | 72.56 | -2.38 | -39% | 238 | 12% |
| Senette | 0.18 | 0.11 | 0.10 | 0.18 | 0.18 | 0.19 | 0.18 | 0.22 | 1.22 | 6.32 | 6.22 | 0.22 | 2.40 | 1.30 | 69% | 0.07 | -3% |
| Proposition | 0.16 | 0.18 | 0.16 | 0.16 | 9.15 | 0.16 | . 0.15 | .0.16 | 0.15 | 0.15 | 8.15 | 0.15 | 3.84 | 8.08 | .0% | | - 5% |
| | | | | 9.96 | 2.08 | 2.70 | 1.2.99 | 2.56 | 2.50 | 2.50 | 2.16 | 2.96 | 54.69 | 80.08 | 1040 | - 426 | -2% |
| Rent | 11000 | 1003 110 | 334700 | | | | | | | | | | | | | | |
| Serie | | | | | | | | | | | | | | | | | |
| Series | | | | | | | | | | | | | | | | | |
| Sent | 3.08 | 200 | 256 | 1.96 | 1.08 | | (28 0.14 | 1.40 | | | 2.50 6.36 | 3.08 0.42 | 22.77 3.38 | 5 6 50 6 0 07 | 8% 2% | 120 | |
| Next | 3.00 | 20 | 156 | | 1,00 | 1.00 | (2) | 140 | 199 | 2.00 | 2.59 0.36 | 3.00 | 22.79 | | 8% | 120 | 8% 92% 12% |
| Arthur Arthur Office Supplies | 3.08 | 2.00 | 256 | 1.96 | 1.08 | 1.08 | 1.26 0.14 0.06 1.01 | 1.46 0.42 6.38 | 159 | 2.00 8.34 | 2.59 6.36 16.68 | 3.08 0.42 | 22.77 3.38 | 0.90 0.07 -0.41 2.33 | 8% 9% 40% | 120 | #5 #25 13% 45% |
| Arthur Miles Supplies (201 As | 308 011 718 | 2 00 0 20 7 5 1 5 0 7 | 2.56 0.16 8.86 | 1.56 0.26 0.06 1.66 0.00 | 7.08 0.07 60.08 2.08 | 1.08 0.37 11.08 | 126 014 806 181 0 91 | 1.46 0.42 0.03 1.96 0.98 | 1.59 5.49 16.60 2.90 | 2.00 8.34 16.00 2.04 | 2.53 6.38 66.68 2.18 | 3.08 0.43 0.08 2.08 1.38 | 22,77 3,28 918,58 22,54 11,28 | 0.90 0.07 -0.41 2.33 | 8% 9% -60% -67% | 120 100 018 741 828 | #5 #25 13% (6% |
| Arthur Arthur Mico Supplies (and Ad- read Helatis | 308 011 716 743 | 200 0.20 7.50 1.50 | 256 0 16 1 175 | 1.56 0.26 0.06 1.66 0.01 | 7.08 0.07 60.08 2.08 | 1,08 0.37 0.38 1,08 0.38 1,08 | 1.56 0.14 0.01 1.81 | 1.46 0.42 0.39 1.96 5.06 | 1.59 8.49 16.60 | 2 00 8 34 6 20 | 259 636 608 218 108 208 | 306 0 43 0 60 2 60 2 60 3 70 3 70 3 70 | 22,77 3,28 148,58 22,54 11,28 | 0.90 0.07 -07.40 | 8% 9% 47% -176% -30% | 120 100 010 741 828 | 455 425 135 255 265 |
| Arthur Arthur Office Supplies (and Au- raid Hytan) (res) - Oir | 3.08 0.11 7.15 1.42 0.72 | 2 00 0 20 7 5 1 5 0 7 | 2.56 0.16 8.60 1.75 8.50 | 1.56 0.26 0.06 1.66 0.00 | 7.08 0.07 60.08 2.08 | 1.06 0.37 10.06 1.86 0.36 | 126 014 806 181 0 91 | 1.46 0.42 0.03 1.96 0.98 | 1.59 5.49 16.60 2.99 1.90 | 2.00 8.34 16.60 2.00 1.00 | 2.59 6.26 6.26 8.21 1.05 2.10 2.10 | 3.08 0.43 0.08 2.08 1.38 | 22,77 3,28 918,58 22,54 11,28 | 0.90 0.07 07.40 0.33 0.38 | 8% 9% -60% -67% | 123 100 1336 7 44 8 28 8 30 | #5 #25 13% 45% |
| Seet Stokes Stoke Supplies Once Supplies Onel - Au- Onel - Entrain Trace - Cir (Yeart - Trace) - Cir (Yeart - Trace) | 3.08 0.11 7.12 7.43 0.72 1.30 | 2.08 0.28 7.58 1.58 0.79 1.08 | 2.56 0.16 1.75 1.33 1.33 1.36 0.00 | 1.56 0.20 0.00 1.66 0.01 1.06 0.41 | 1.08 9.07 95.08 2.08 1.08 1.28 | 1.06 0.37 0.08 1.08 0.08 1.00 0.08 | 1 26 0 14 0 06 1 81 0 91 1 06 | 1.46 0.42 6.50 1.96 0.35 3.06 0.06 | 1,57 8,49 16,60 2,50 1,90 2,60 1,80 | 2 00 8 34 6 20 2 00 1 00 2 00 8 00 | 2.59 6.36 6.08 2.18 1.05 2.06 6.08 | 208 043 038 256 138 208 608 611 | 22,17 1,28 160,58 27,18 10,08 4,08 | 0.90 0.07 -07.45 -0.35 -0.35 -1.08 | 8% 9% -0% -176% -176% -176% -176% | 120 100 0156 7 42 8 20 100 0 04 | 35 425 135 325 325 325 425 |
| Sidest Sidest Sidest Sidest Sapples Carel - Au Gradi - Hatas Trant - Car Vanit - Train | 3.08 0.11 7.12 7.23 0.72 1.38 0.78 | 2.08 0.28 7.58 1.58 0.79 1.08 | 2.56 0.16 0.80 1.75 0.80 7.50 0.00 | 1.56 0.20 0.00 1.66 0.01 1.06 0.41 | 1.08 0.07 65.08 1.08 1.28 0.08 | 1.06 0.37 8.06 1.96 9.96 1.00 | 1 56 0 14 0 56 1 31 0 21 1 56 0 0 0 | 1.46 0.42 6.50 1.96 0.35 3.06 0.06 | 1,57 8,49 16,60 2,50 1,90 2,60 1,80 | 2 00 8 34 6 20 2 00 1 00 2 00 8 00 | 2.59 6.36 6.08 2.18 1.05 2.06 6.08 | 309 0 43 0 00 2 50 2 50 3 50 8 50 8 50 | 22,77 3,38 918,58 22,56 11,38 20,68 6,68 | 0.95 0.07 -07.44 0.35 2.08 -1.10 0.00 | 8% 9% -60% -67% -178% -30% (% | 1,22 1,00 0158 7,42 8,28 9,00 1,00 8,00 8,00 | 45 475 175 325 325 325 415 |



From manual aggregation to

Process automation





Demo

Update and revise forecast





Planning, analysis, forecasting & profitability modeling



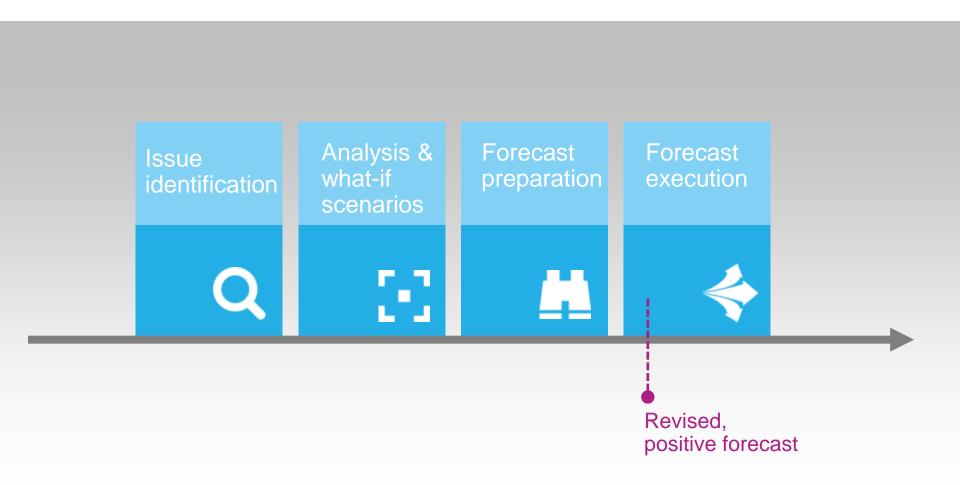
- Driver-based models
- Easier scenarios to address risk
- Easy distribution and aggregation of templates
- Real-time reporting against plan, budgets and forecasts



IBM Cognos TM1 10 (Cognos Insight, Contributor, Excel)

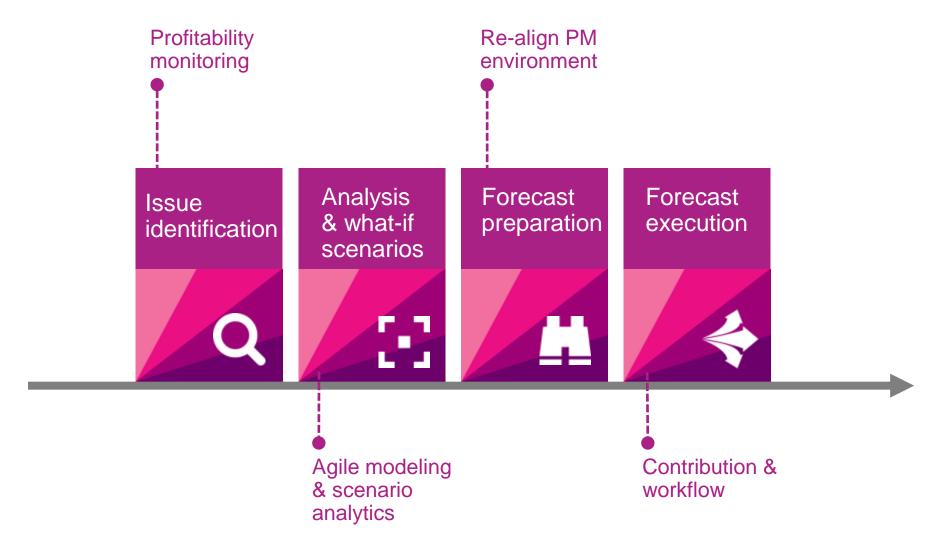


Transforming the decision process





Smarter Analytics. Smarter Outcomes.







IBM business analytics deliver ...



Time

Drive efficiencies and scale

- Eliminate intensely manual efforts
- Structure and automate dynamic processes
- Scale to large user communities and data sets



Control

Gain agility and preparedness

- Link operational and financial performance management
- Support advanced analytic techniques (e.g., scenario and predictive analytics)
- Eliminate delays in coordinating around to emerging realities



Confidence

Improve effectiveness and outcomes

- Dramatically reduce risk of errors
- Cost-effectively address compliance
- Drive new confidence in analytics-driven decision making



Do you want to become the CEO of Future Chips?



- Business simulation
- Interactive workshop
- Decision making

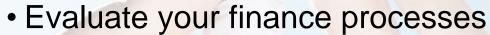


http://www-01.ibm.com/software/analytics/business-experience/



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- Meet your local IBM business analytics team

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