

BusinessConnect

A New Era of Smart

21/10/14

Fast Close Management

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Performance is based on measurements and projections using standard IBM benchmarks in a controlled environment. The actual throughput or performance that any user will experience will vary depending upon many factors, including considerations such as the amount of multiprogramming in the user's job stream, the I/O configuration, the storage configuration, and the workload processed. Therefore, no assurance can be given that an individual user will achieve results similar to those stated here.

IBM's Platform for Enterprise Performance Management

Task based navigation, workflow and collaboration

BI

Reporting, for better insight

Discovery Prediction

Find Patterns and Predict

Planning / Forecasting

Department	Current	Next	Year	Supersize	Cost
IBM Global Business	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
IBM Global Services	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
IBM Global Technology	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
IBM Global Financial	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
IBM Global Infrastructure	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000
IBM Global Operations	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000

Driver based planning and rolling forecasts

Scorecarding

Metric	Actual	Target	Variance	Budget	Replanned	Budget
Total Revenue After Discount	100,000	95,000	5,000	100,000	100,000	100,000
Profit Before Amortization	10,000	10,000	0	10,000	10,000	10,000
Margin	10.0%	10.5%	-0.5%	10.0%	10.0%	10.0%
Operating Expenses	90,000	85,000	5,000	90,000	90,000	90,000
Net Revenue	10,000	10,000	0	10,000	10,000	10,000
Research & Dev	1,000	1,000	0	1,000	1,000	1,000
Marketing	2,000	2,000	0	2,000	2,000	2,000
SG&A	3,000	3,000	0	3,000	3,000	3,000
Operating Customer Base	1,000	1,000	0	1,000	1,000	1,000
New Customers	100	100	0	100	100	100
Customer Churn Rate	10%	10%	0	10%	10%	10%
Customer Lifetime Value	100	100	0	100	100	100
Customer Satisfaction	4.0	4.0	0	4.0	4.0	4.0
Marketplace Revenue	100	100	0	100	100	100
Share of Market	10%	10%	0	10%	10%	10%
Rate	10%	10%	0	10%	10%	10%
Expense-Cover Ratio	1.0	1.0	0	1.0	1.0	1.0
Expense-Cover Rate	1.0x	1.0x	0.0x	1.0x	1.0x	1.0x

KPI's with trends

Consolidation

Consolidation and Eliminations

Disclosure Management

Document	Created	Updated	Reviewed	Approved
Financial Statements	2012-01-01	2012-01-15	2012-01-30	2012-02-15
Annual Report	2012-01-01	2012-01-15	2012-01-30	2012-02-15
Quarterly Report	2012-01-01	2012-01-15	2012-01-30	2012-02-15
Investor Presentation	2012-01-01	2012-01-15	2012-01-30	2012-02-15
ESG Report	2012-01-01	2012-01-15	2012-01-30	2012-02-15

The Last Mile in Performance Management

Information Management Capabilities

IBM Concert

The dashboard displays a variety of key performance indicators and reports:

- P&L Analysis**: Includes Planned Revenue, Review Gross Margin, SmartCo Annual Report 2013..., and SmartCo QBR Q4 2013.pdf.
- Cost per FTE**: 304K
- EPS Plan 2015**: 5.11
- Rev per FTE**: 1.91M
- Net Profit 2015 Plan**: 25.5M
- Net Profit Actual 2014**: 33.4M
- Revenue 2015 Plan**: 84.7M
- Mgmt Report**: Available as a web document.
- Financials**: Due 95 days ago, 2 groups. Admin: 0% complete, CFO: 25% complete.
- Disclosure Status**: FORM 10-K, Owner: David He, Report Group: DEMO Report Group. Progress: In progress (3), Review (2), Modelling (2). Period End Date: 6/29/2014, Report Due Date: 5/15/2014, Submission Date: 6/22/2014, Days till Submission: 113 Days Overdue.
- S2 Consolidation Status**: Due Date: Dec 31, 2014. Status: Processing (1), Reconciled (1), Ready (2).
- Cognos Inc**: Processing (3 Missing, 1 N/A, 2 Reported)
- Cognos R&D**: Reconciled (2 Missing, 0 N/A, 1 Reported)
- Cognos Services**: Ready (2 Missing, 0 N/A, 0 Reported)
- Cognos Global**: Ready (1 Missing, 4 N/A, 3 Reported)
- Table of Disclosures**:

Name	Status	Due Date
COVER	Missing	5/15/2014
Gathering/Procurement	Ready	5/20/2014
Front Page	Missing	5/24/2014
Statement of Cash	Missing	5/24/2014
Balance Sheet	Missing	5/24/2014
Operations Statement	Ready	6/25/2014
Financial Statements	Ready	7/19/2014



Disclosure Status

FORM 10-K
 Owner: **David He**
 Report Group: **DEMO Report Group**

In progress **3** | Review **2** | Modelling **2**

Period End Date: **6/29/2014** | Report Due Date: **5/15/2014**

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S2 Consolidation Status

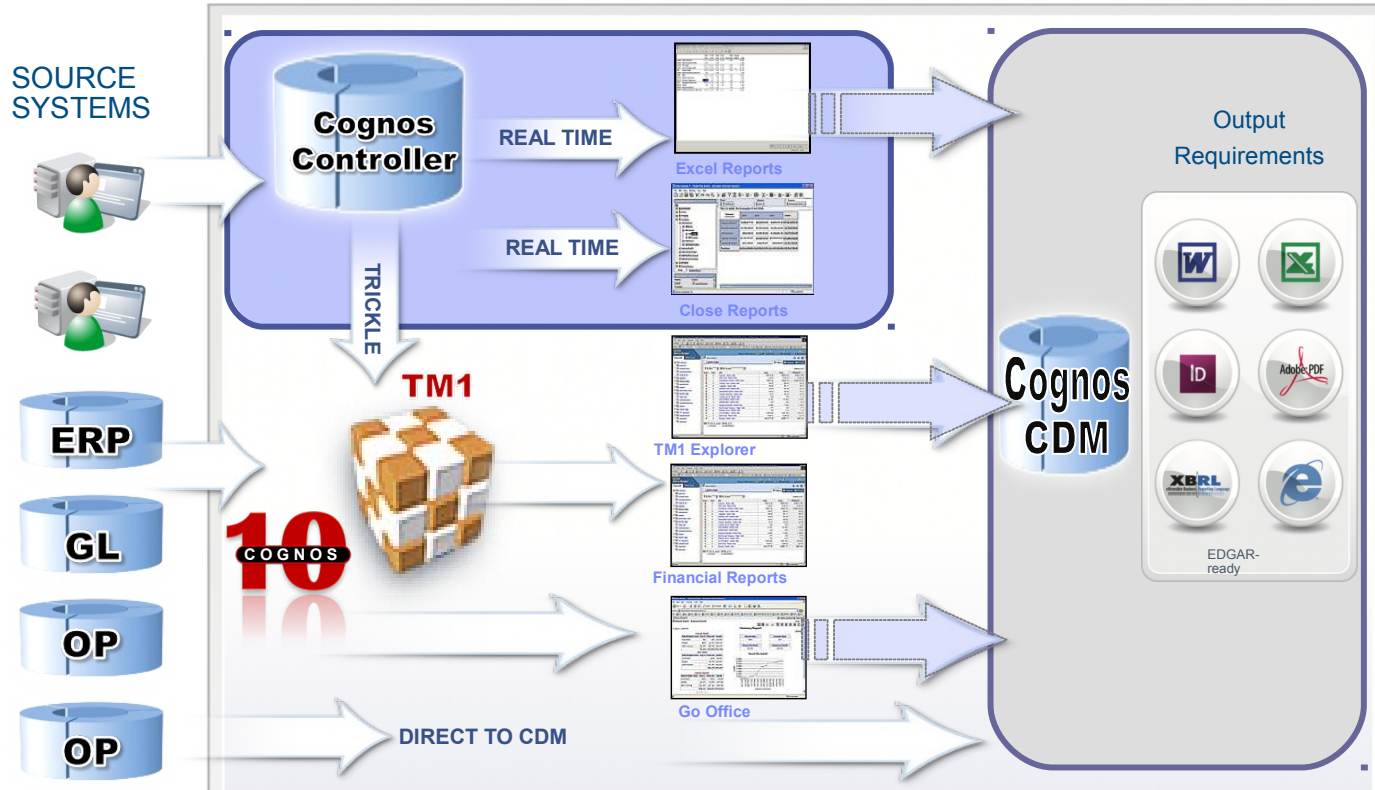
Due Date: **Dec 31, 2014**

Processing **1** | Reconciled **1** | Ready **2**

Entity	Processing	Reconciled	Ready
Cognos Inc	3 Missing	1 N/A	2 Reported
Cognos R&D	2 Missing	0 N/A	1 Reported
Cognos Services	2 Missing	0 N/A	0 Reported
Cognos Global	1 Missing	4 N/A	3 Reported



IBM Business Analytics FCM Solution:

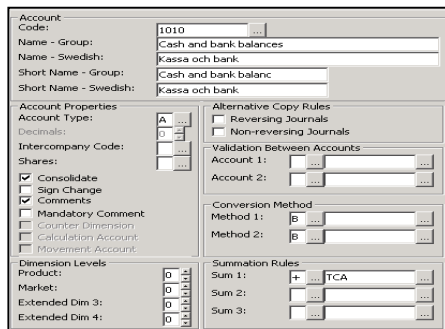
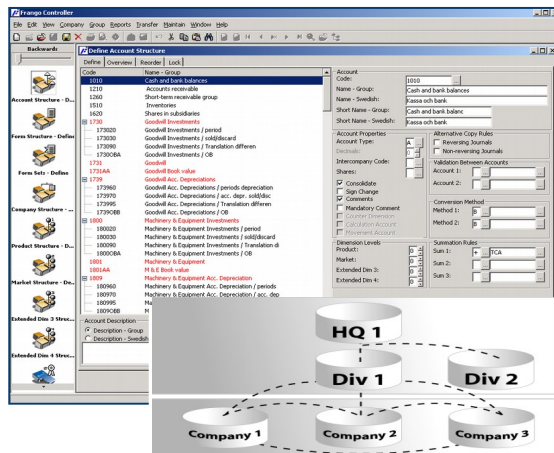


Integrated Financial Governance

IBM takes a holistic approach to FCM



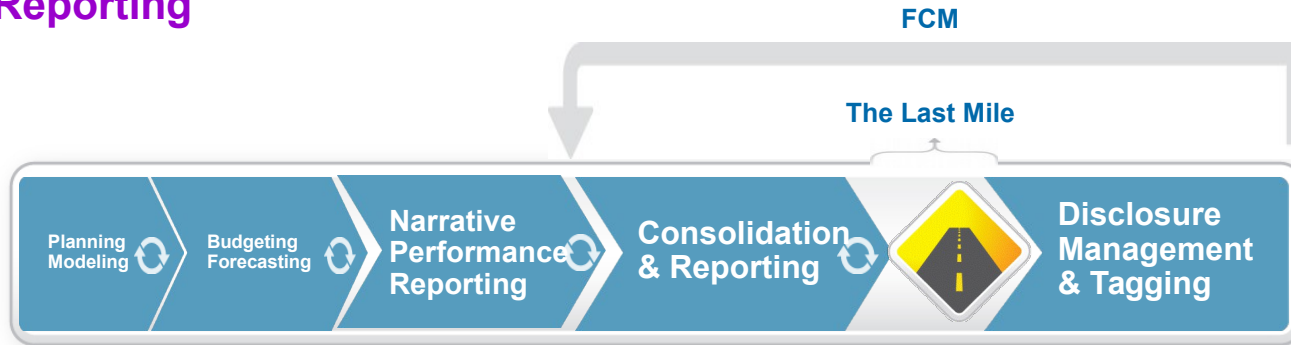
IBM Business Analytics is optimized to work together in **integrated solutions with open architecture on a highly scalable platform to obtain time, control and confidence.**



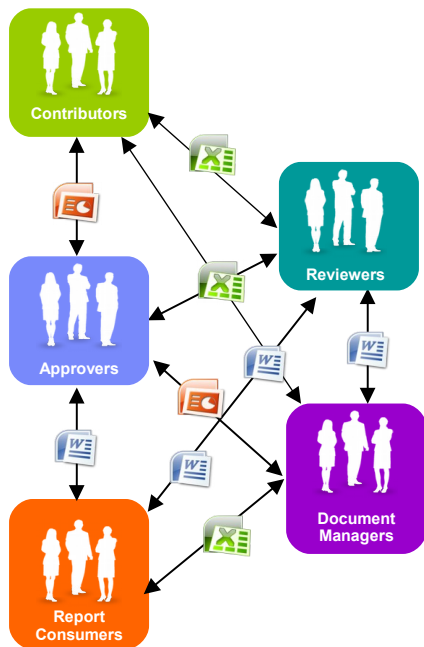
- Built-in Consolidation Engine and Methodology
- No programming necessary
- Multi Jurisdictional GAAP Reporting
- Familiar Web & Excel User Interface
- Consolidation Workflow
- 260+ Working Reports – Out of the Box

- Application Configuration Approach
- Financed Operated/Managed
- Rapid Time to Value

Issues with Manual FCM and Manual Narrative Performance Reporting



- Combining financial results with narrative information difficult
- Existing report writing systems incomplete
- MS Word & MS Excel shared via e-mail or server
- Manual processes
- High degree of risk, little or no security, controls, audit trail or transparency
- **Same fire-drill each reporting period**



Many enterprises struggle with slide version control as a significant business issue — not just a productivity issue at the individual information worker level. For example, business units often find it extremely difficult to ensure that appropriate content, such as a correct financial statement is in the slide.

Source: Forrester, 2007

Risk Elements	Outcomes
<ul style="list-style-type: none"> Error Fraud Overdependence Incorrect interpretation Lack of enterprise interoperability Lack of accuracy Productivity Compliance 	<ul style="list-style-type: none"> Financial loss Legal challenges Loss of stock value Loss of reputation Fines and penalties Job loss

Source: Forrester Research, Inc.

From our work in the current year, we established that **95% of the excel spreadsheets examined had errors** out of which **80% had significant monetary errors** (i.e. spreadsheet gives an incorrect result).

Source: PwC, 2011

Spreadsheets, a fact of life in most enterprises' financial business processes, form the core operations tool of many organizations around finance, treasury, reconciliations, portfolio and asset management, audit, and risk management, to name a few.

Source: Forrester, 2008

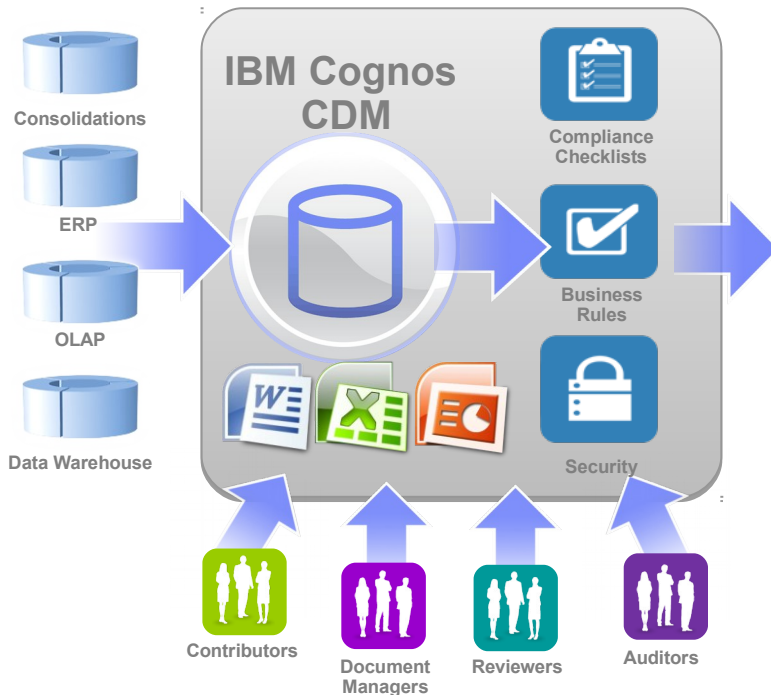
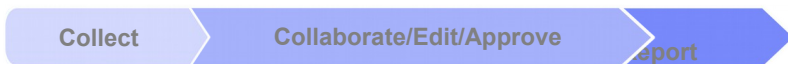


IBM Cognos CDM – a single, secure platform for enterprise reporting & disclosure management

- Proactively **prepare** for continuing growth of global regulatory, statutory and investor demands for more **transparency** and **disclosure**
- Ensure proper **controls**, **audit trail** and transparency into each step of the reporting process
- Enforce global process ownership through standardized and **streamlined finance operations**
- Enable **collaboration** between team members in a **secure environment**
- Spend **less time** on admin and bean-counting processes... And more time focusing on tasks that enable your organization to **make better, more intelligent decisions**



IBM Cognos CDM – How it works

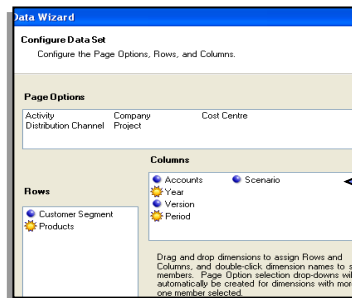


- Regulatory reports & industry submissions
- Statutory accounts production and filing
- Monthly/quarterly board books
- Internal formatted management reports
- CEO/CFO Packages
- Press releases & announcements
- Stock exchange submissions

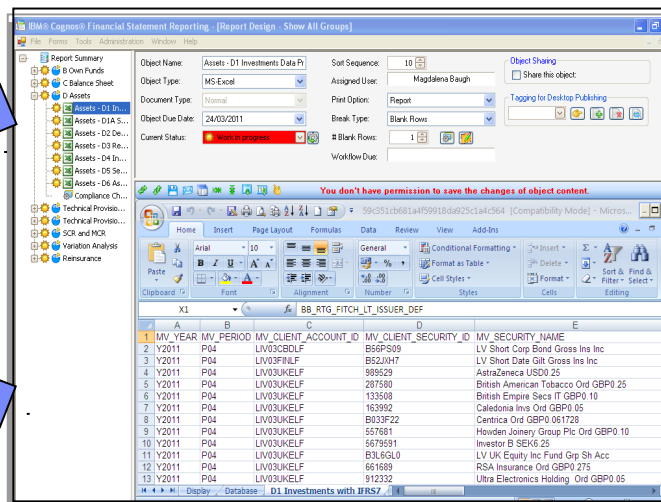
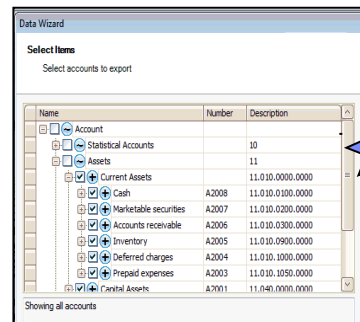


IBM Cognos CDM –Reports integrated to authentic data sources

- Dynamic reports automatically update in near real-time from authentic data sources
- 24 x 7 access to authentic enterprise data without involving IT



Integrate with authentic enterprise data sets



Data flows to reports in CDM

Automate and Control Excel-based Processes

- Pull data from multiple datasets into a single, secure database with automatic reconciliation

Go from an environment with -

- Lack of overall visibility
- No audit trail
- Inefficient Processes
- Risk of Errors
- Collaboration is difficult

To a solution that leverages:

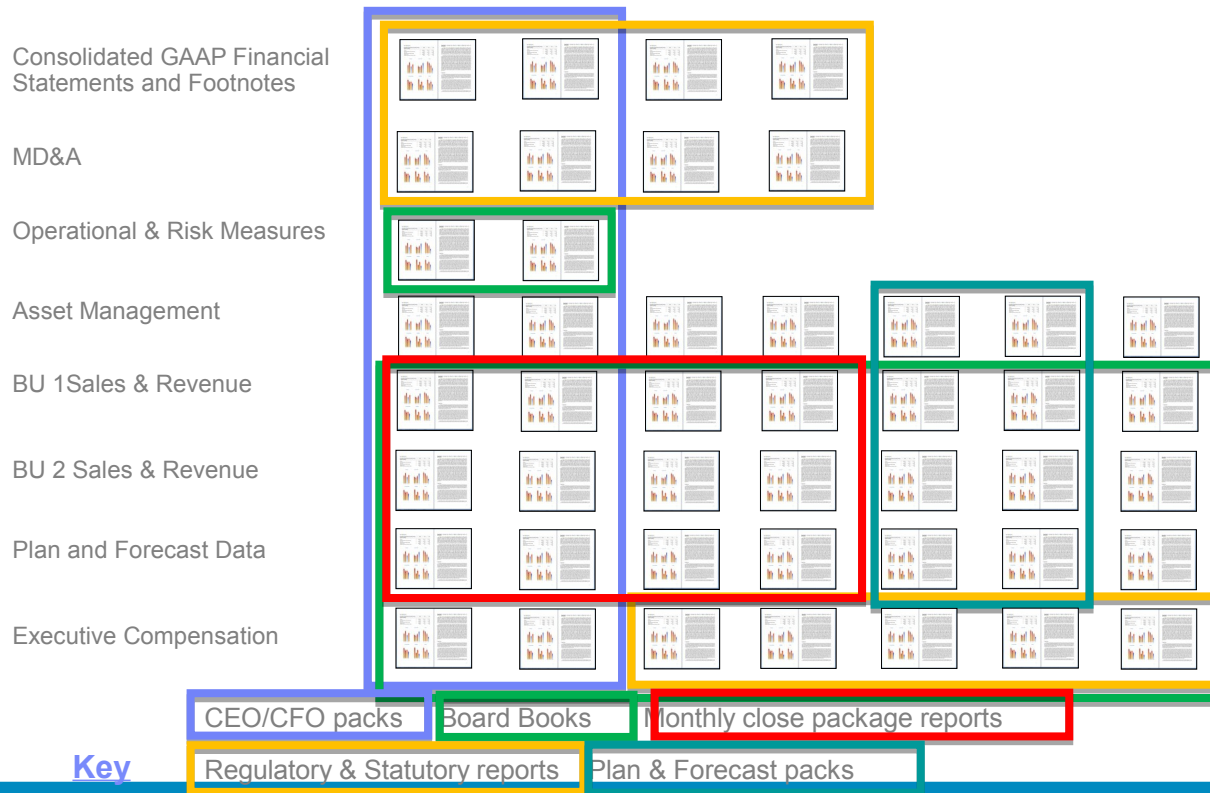
- Enhanced collaboration
- Complete visibility over each step in the process
- No more manual data collection and checking – now a highly efficient process
- Reduced risk of errors
- Automatic rollover to next period

*From our work in the current year, we established that **95% of the excel spreadsheets examined had errors** out of which **80% had significant monetary errors** (i.e. spreadsheet gives an incorrect result).*

Source: PwC, 2011



IBM Cognos Disc Mgmt – Ensure single version of the truth



How do customers use IBM CDM?

- Local & regional statutory reporting
- Global XBRL tagging & filing requirements
- GAAP to IFRS conversion
- Internal performance reporting and file management
- Controls & compliance requirements
- Public sector budgets and annual reports
- Corporate Social Responsibility (CSR) reports
- Stock Exchange reporting requirements

The screenshots illustrate various reporting and compliance features of IBM CDM, including document summaries, XBRL tagging, financial reporting, and CSR disclosures.

Product Demo – IBM Cognos Disclosure Mgmt



Today's issues

CFOs main challenges (CFO-study2013):

Finance efficiency Business Insight

40%

of enterprises produce
finance metrics manually

50%

manually produce
operational metrics

50%

of its time on transactional
activities

55%

aren't satisfied with their
operational planning and
forecasting analytical capability

35%

of the companies interviewed
lack a common reporting
platform

50%

lack a common planning
platform

30%

lack the necessary common
data definitions and
processes

45%

are poor to average at
anticipating external forces



Question & Answer

