

IBM Finance Forum 2011

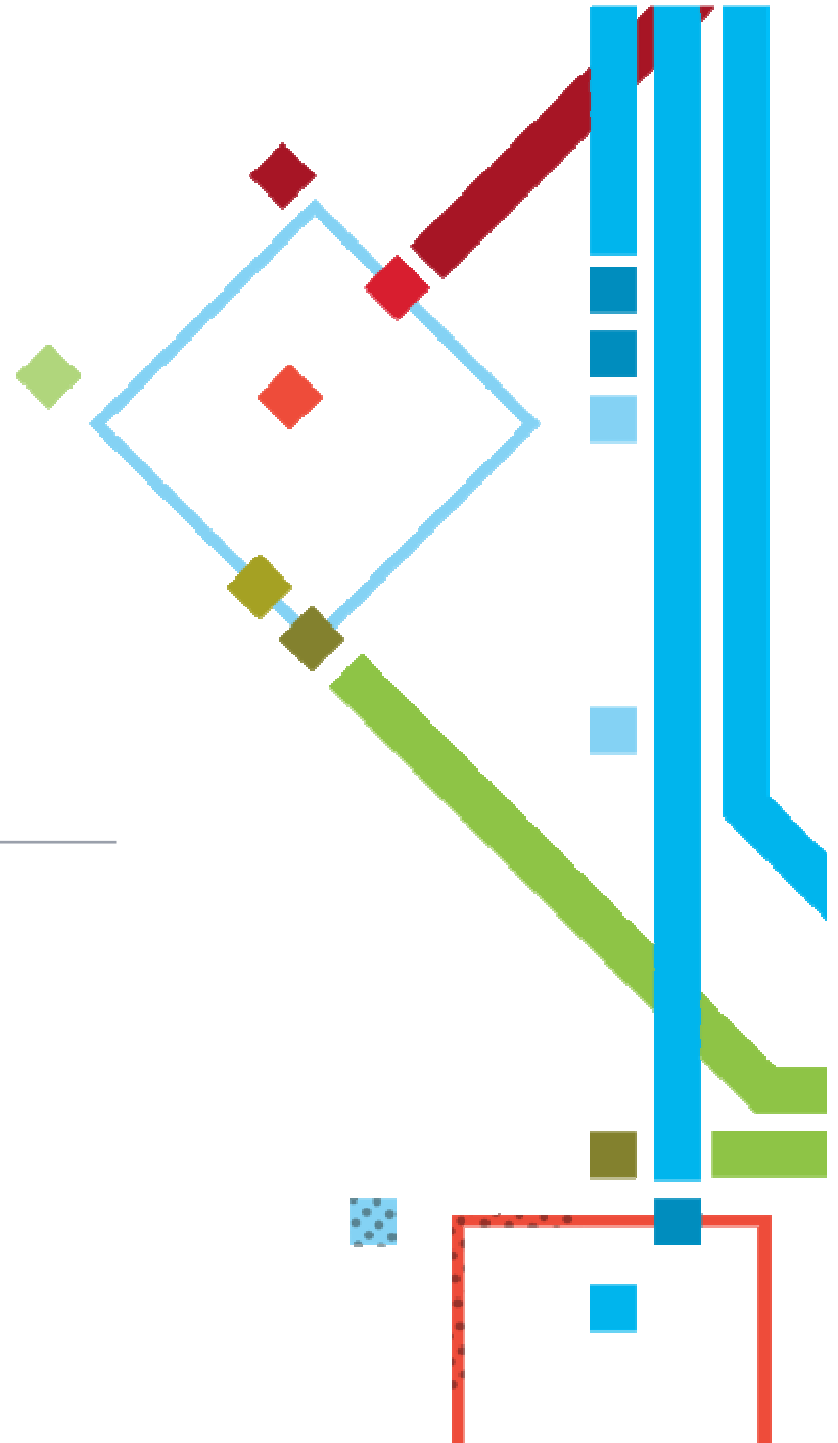
Anticipate and shape business outcomes

Transforming finance through analytics

Ray J. Payette

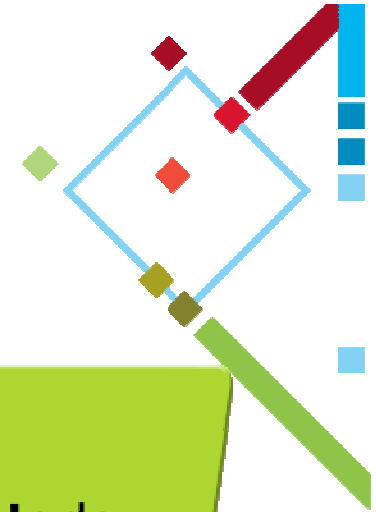
Director

IBM Business Analytics



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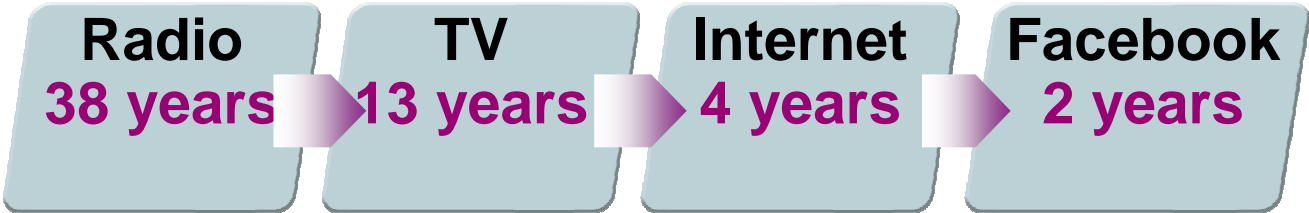
Businesses are challenged by rapid change

2 out of 10 of the largest companies in the world in 2000 remain on that list today

Supplier lead time is **62% faster** than just two years ago

Today's online business cycles are **3 - 7 times shorter**

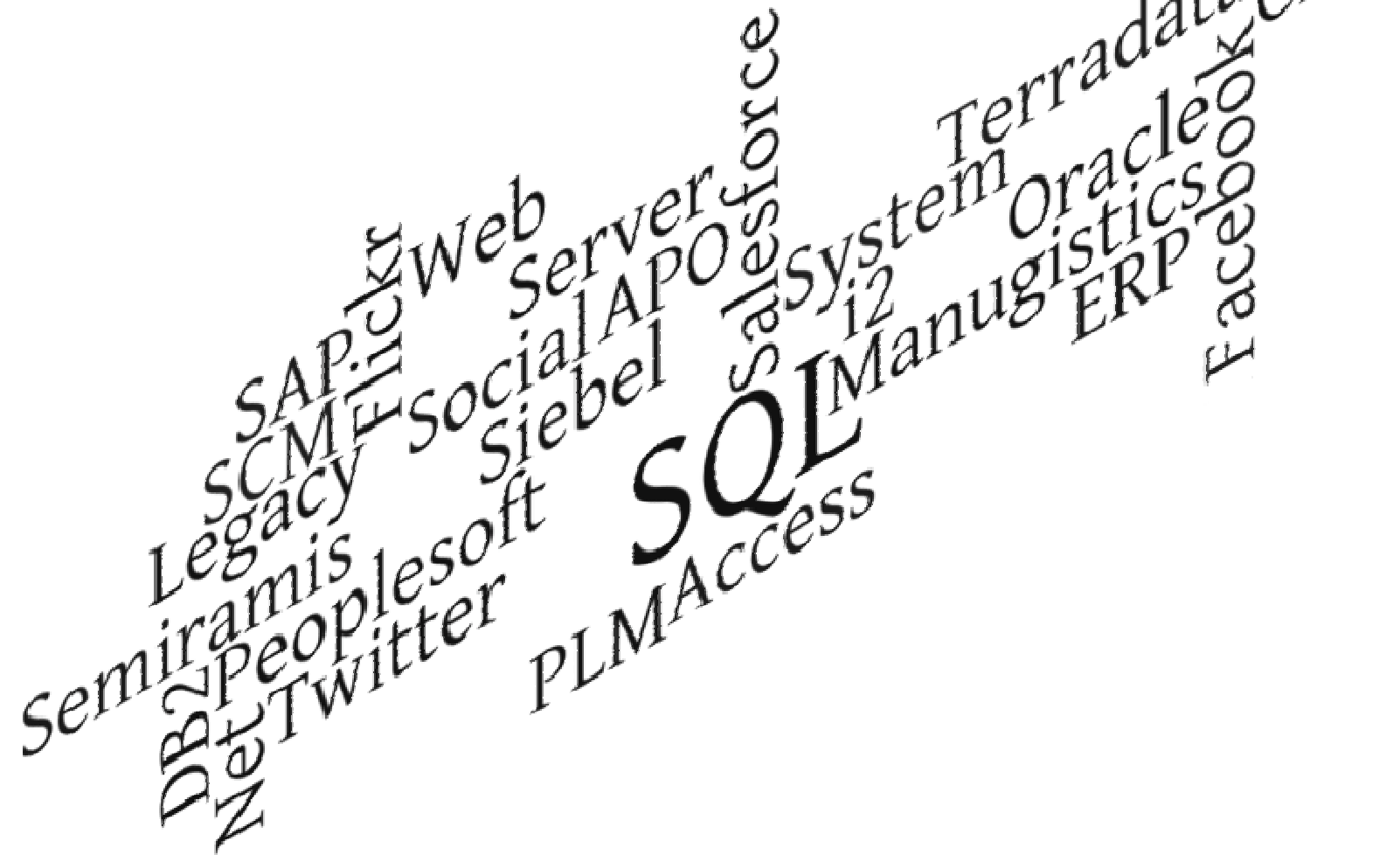
Years to reach 50M users:



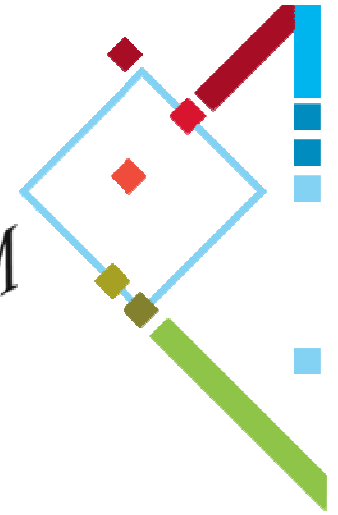
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Overcoming the challenges



A word cloud of various software and technology terms, including SAP, Oracle, Salesforce, and Facebook, arranged in a circular pattern. The words are tilted and vary in size, with 'SQL' being the largest and most prominent. Other visible terms include 'CRM', 'ERP', 'Manugistics', 'i2', 'System', 'Terradata', 'Salesforce', 'Siebel', 'Social', 'Web', 'Server', 'APO', 'Flicker', 'Eiichy', 'Legacy', 'SCM', 'SAP', 'Semiramis', 'DB2', 'Peoplesoft', 'Net', 'Twitter', 'PLM', 'Access', 'Oracle', 'Manugistics', 'ERP', 'Facebook', 'CRM', 'Terradata', 'System', 'Salesforce', 'Siebel', 'Social', 'Web', 'Server', 'APO', 'Flicker', 'Eiichy', 'Legacy', 'SCM', 'SAP', 'Semiramis', 'DB2', 'Peoplesoft', 'Net', 'Twitter', 'PLM', 'Access'.

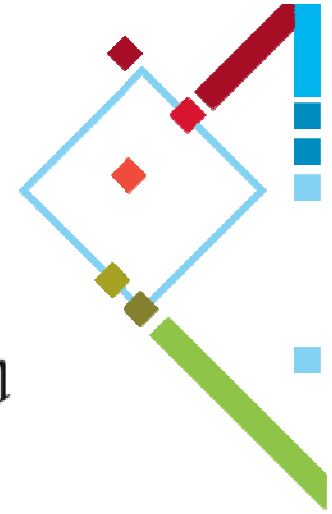


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Overcoming the challenges

Process
Sales
Financial Statements
Demand
Close Process
Budget
Monthly Package
Strategic Plan
Forecast
Initiatives
Profitability Analysis
Headcount Plan
Capital Plan
Operations



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Better
outcomes



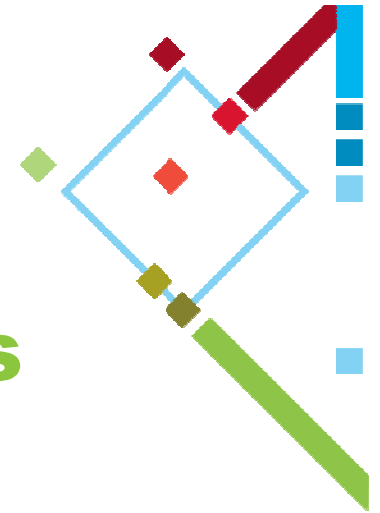
Smarter
decisions

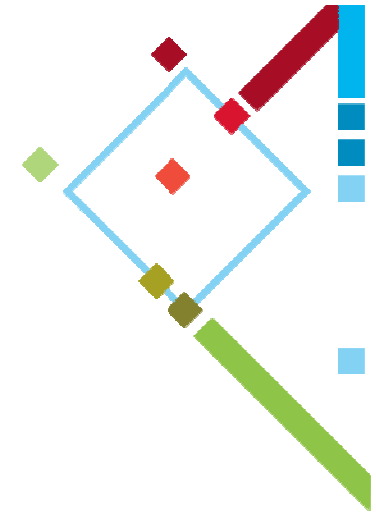


Actionable
insights



Relevant
information





The more you infuse
analytics into all areas of
your business, the more
your business can
outperform its competitors.

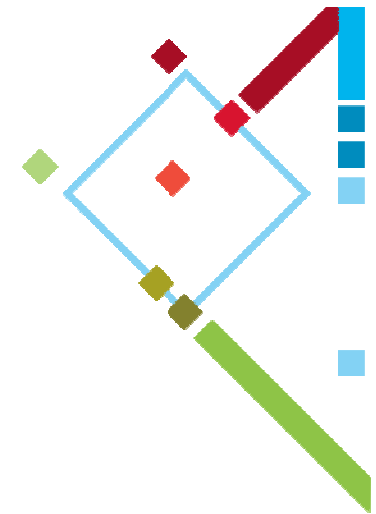
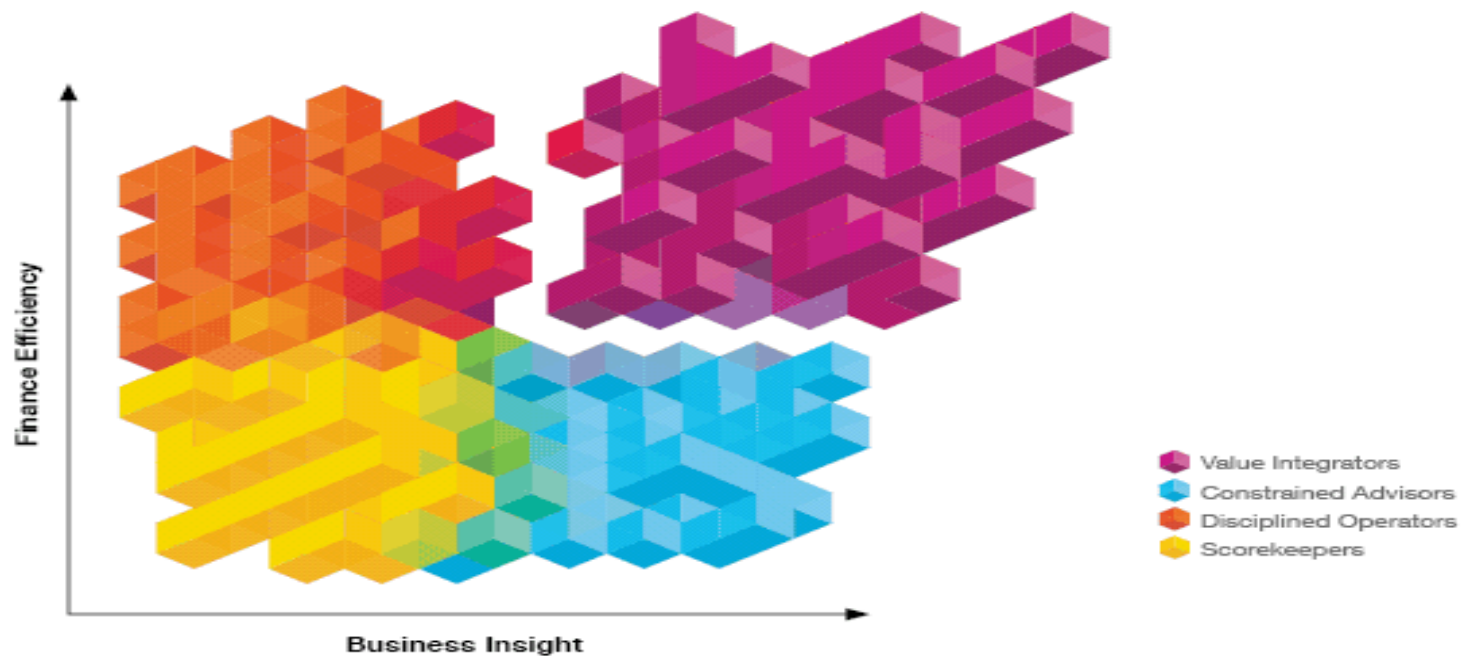
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Value Integrators

Value Integrators are closing the gap

Our research, however, also points to a bright spot – one group of Finance organizations with a particular combination of capabilities stands out from its peers. These organizations – which we call Value Integrators – are more effective in every area assessed, with significant advantages in managing enterprise risk, measuring and monitoring business performance and driving insight from information integrated across their companies and governments.



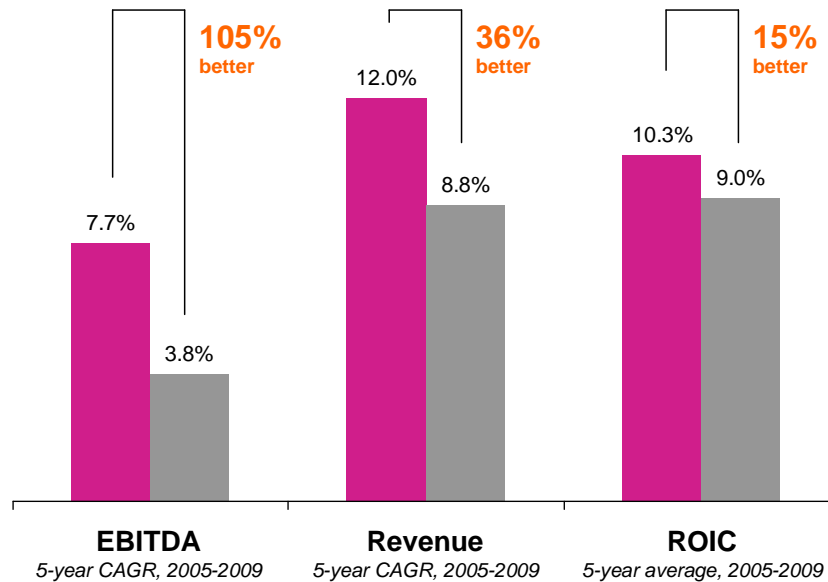
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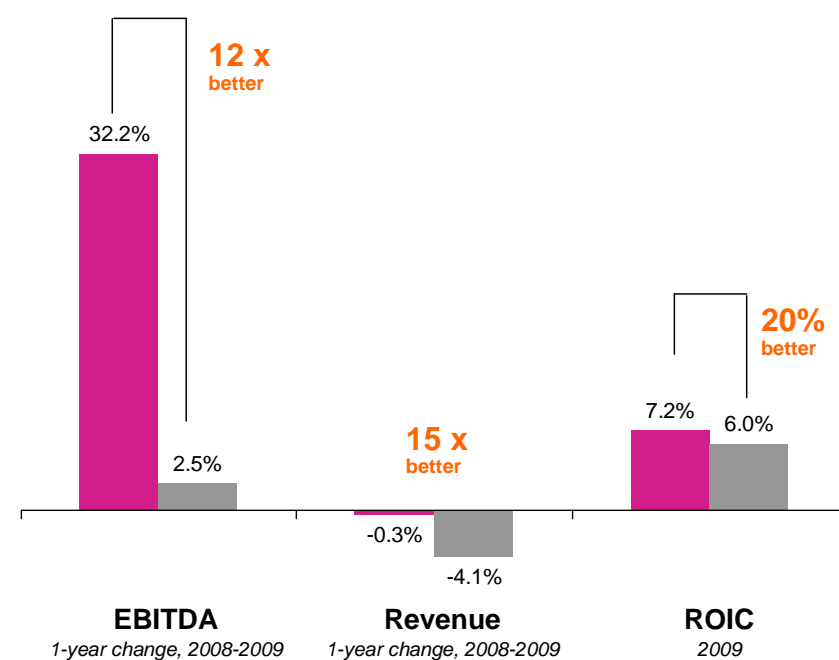


Analytics-driven organizations outperform Efficiency & business insight contributes to better financial performance


Five years: 2005–2009



One year: 2008–2009

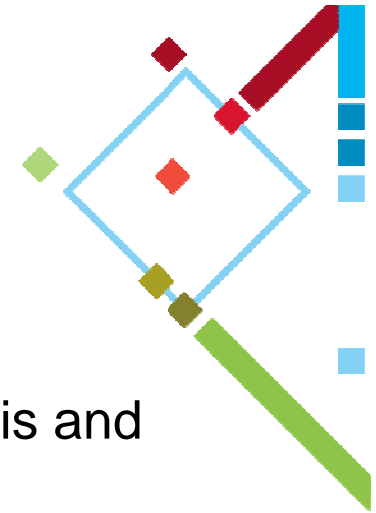


 Value Integrators

 All other enterprises



Sources: IBM Institute for Business Value; 2010 IBM Global CFO Study.



Addressing critical processes in finance



Planning, Analysis and Forecasting

Profitability Modeling and Optimization

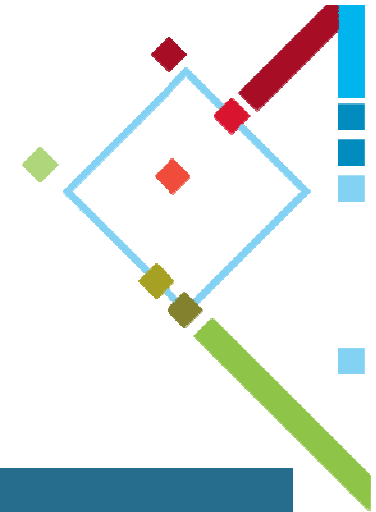
Close, Consolidation, and Reporting

Performance Reporting and Scorecarding

Governance, Risk, and Compliance

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Lessons from the Leaders The “Best” Rely on Advanced Analytics

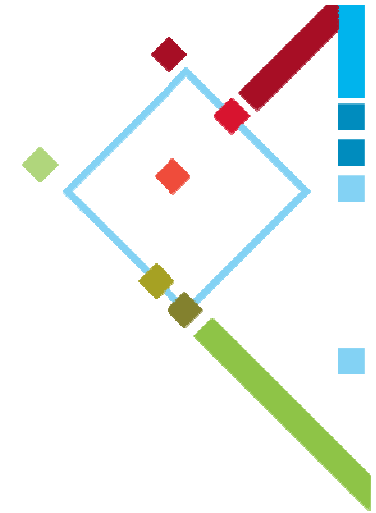


Source: IBM Institute for Business Value, 2010 IBM Global CFO Study (Adapted)



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Common
reporting &
planning

ANOTHER MEETING?

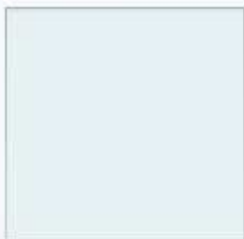
IBM Cognos Business Insight

 Create New

 Open Existing



Favorites



To add a favorite, use the add to favorites button  in the application bar, or use the right-click menu on items in the content pane.

How-to Videos

[Show all videos](#)



Customize your Dashboard
How to easily customize your dashboard style



Set your Preferences
How to easily set your preferences

Computer > Local Disk (C:) > Reporting Folder

Search Reporting Folder

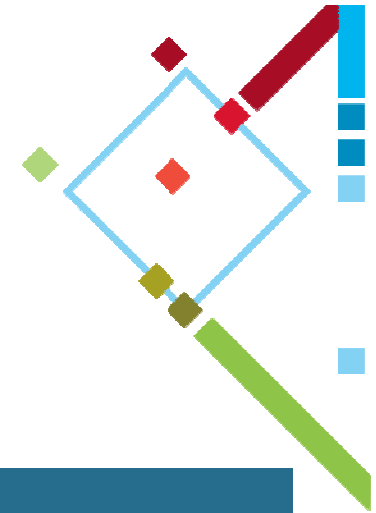
Organize Include in library Share with Burn New folder

Name	Date modified	Type	Size
Finance Dashboard.mht	9/10/2010 2:35 PM	MHT File	2,039 KB
Performance Dashboard.mht	2/25/2011 12:01 PM	MHT File	5,314 KB
Sales Dashboard.mht	9/10/2010 2:34 PM	MHT File	2,310 KB

3 items

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Lessons from the Leaders The “Best” Rely on Advanced Analytics



Source: IBM Institute for Business Value, 2010 IBM Global CFO Study (Adapted)

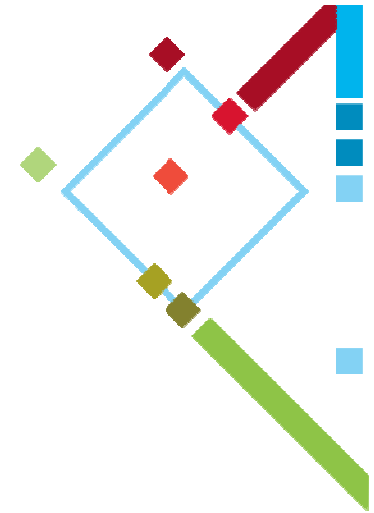


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Operational
planning &
forecasting

DRIVERS
REVENUE
WORKFORCE
INVENTORY
CAPACITY
DEMAND



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IBM Cognos Viewer - Planning and Analysis - Contributor

PMAccountManager Log Off Home Launch About IBM

IBM Cognos TM1 Contributor Welcome PMAccountManager About Help Logout

You are a reviewer or contributor for:

Name	State	Ownership	Reviewer	Last Data Commit
Western Region	Incomplete	None	None	Never committed

Which consists of:

Name	State	Ownership	Reviewer	Last Data Commit
Western Region (All)	Incomplete		None	
California	Work In Progress	PMSICognos\PMAccount	None	Never committed
Washington	Not Started	None	None	Never committed

Workflow Detail for Western Region

Current state: Incomplete

At least one item belonging to this item is **Not started**, and at least one other item is in a state of **Work in progress, Locked, or Ready**. Data in this state was aggregated. The **Incomplete** state applies only to review approval items.

Changed time: 24 February 2011 11:19:57 WET

Changed by: PMSICognos\PMAccountManager

Viewed: no

Gross Revenue

State	Revenue
Massachusetts	~95,000,000
Maryland	~80,000,000
Georgia	~85,000,000

Operating Expense

State	Expense
Massachusetts	~2,000,000
Maryland	~1,600,000
Georgia	~1,500,000

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Lessons from the Leaders The “Best” Rely on Advanced Analytics



Source: IBM Institute for Business Value, 2010 IBM Global CFO Study (Adapted)



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Scenario &
predictive
analytics

How can we

...improve profit?

What strategies

...maximize revenue growth?

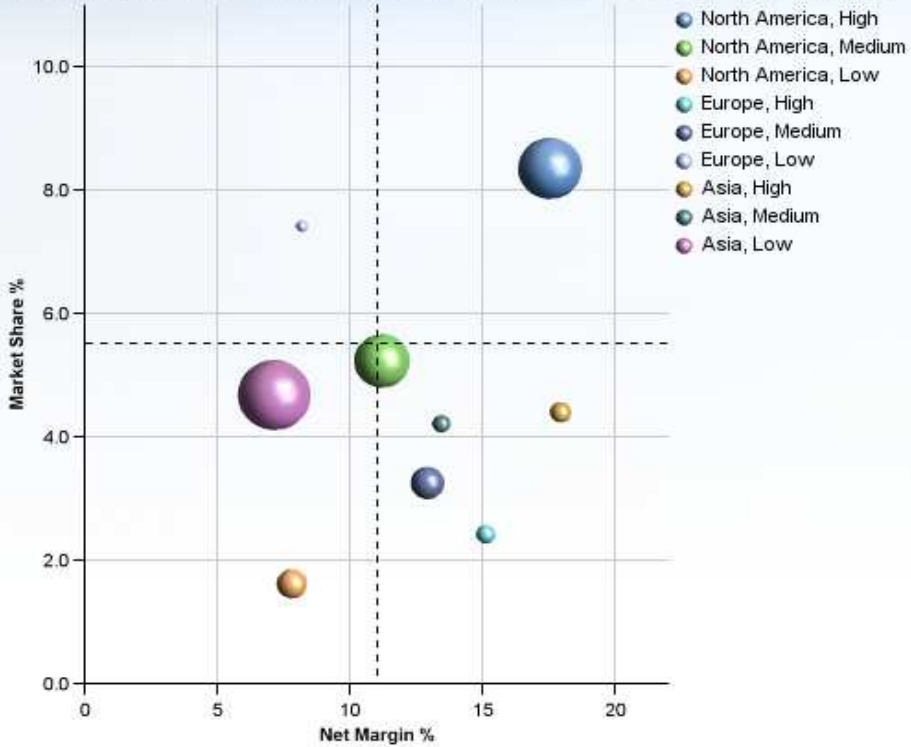
What's our

...best investment strategy?



Worldwide Market Segmentation

Market Size, Margin % & Share by Customer Segments & Geography



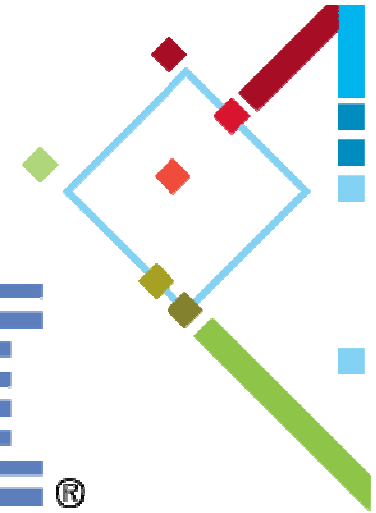
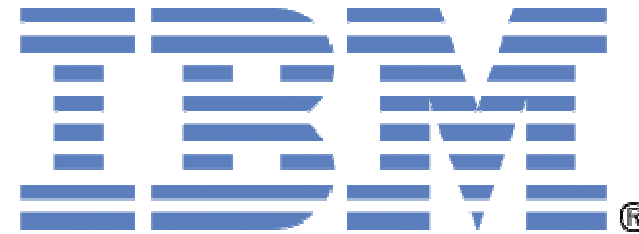
Rows: Segments [Segments] 1 Columns: Market Strategy Calc [Market Strategy Calc] Context: 2011 [Years] 2

		Market Size	Market Share	REVENUE
High	TOTAL PRODUCT LINES	838,252,449	6.8	57,;
	Alpha	220,436,346	5.1	11,;
	Charger	386,834,811	6.8	26,;
Medium	TOTAL PRODUCT LINES	872,920,086	4.5	39,;
	Alpha	355,072,464	3.6	12,;
	Charger	324,773,871	5.9	19,;
Low	TOTAL PRODUCT LINES	953,429,646	4.1	38,;
	Alpha	823,343,847	3.2	26,;

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Visibility & control

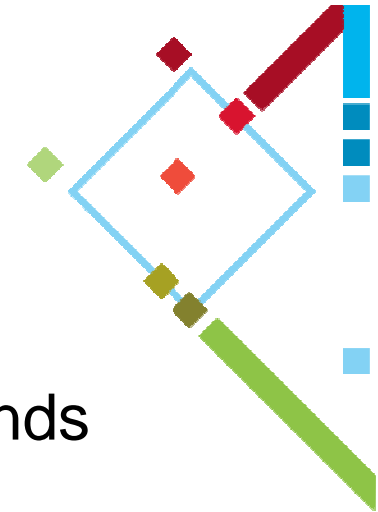
Rapid response to conditions

- Better control of global expenses
- High-fidelity, reliable revenue forecasts
- Cost-effective scale and performance



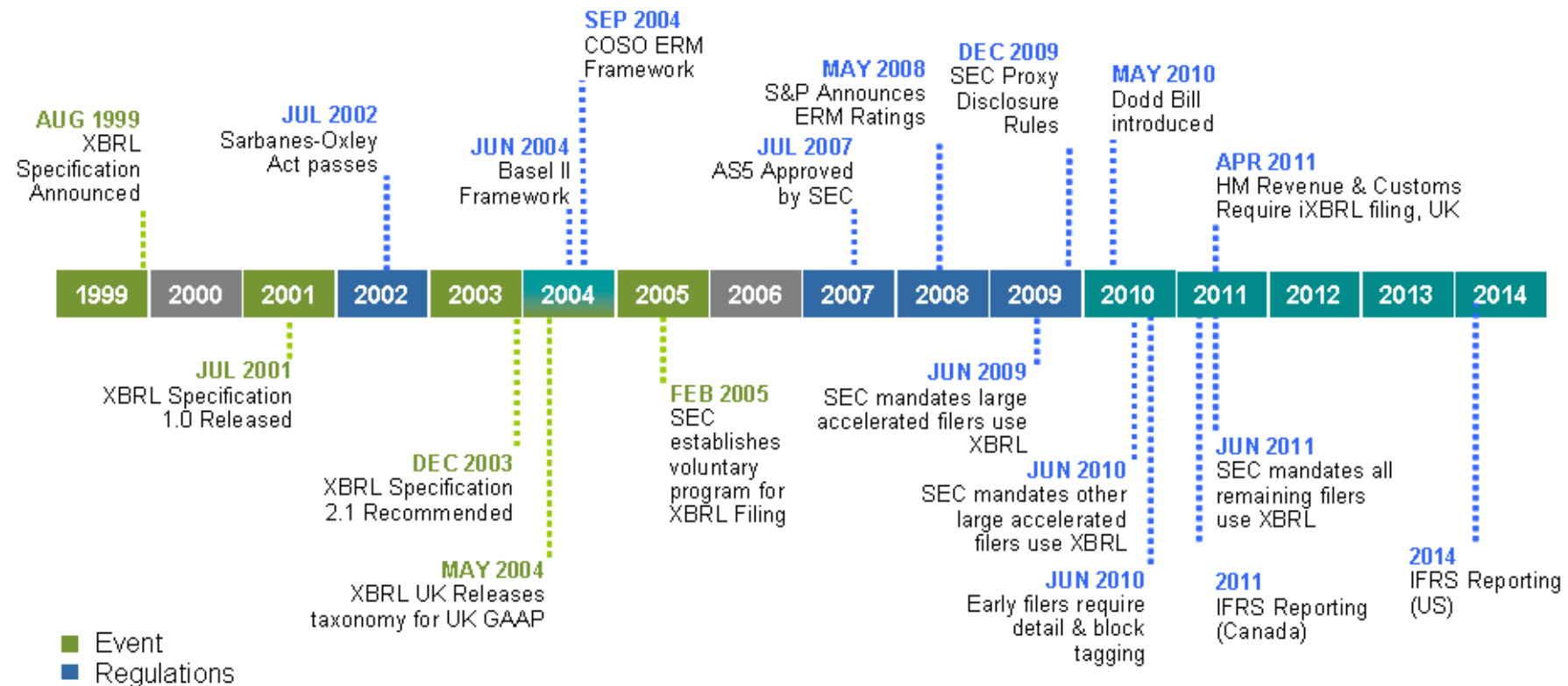
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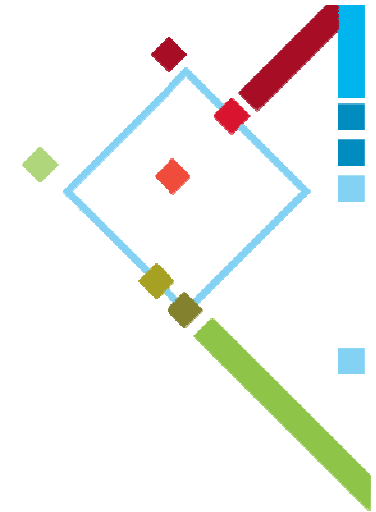
Regulatory mandates demand attention

- Transparency, rating agency and regulatory demands for risk and compliance information
- Compressed deadlines; electronically filing requirements



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New IBM Business Analytics Acquisitions



Leading Provider of Enterprise GRC Platforms*

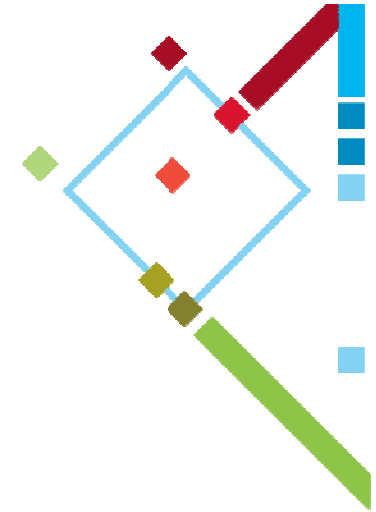
plus



Fastest Growing CPM Vendor*

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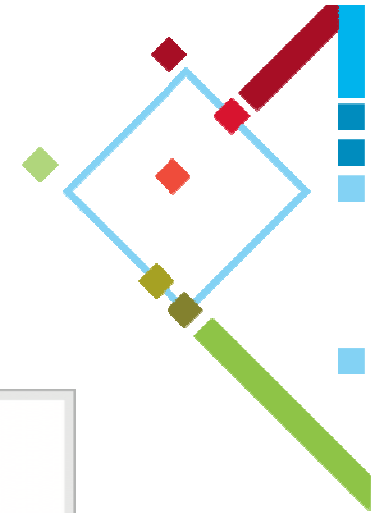
Manual processes dominate financial close



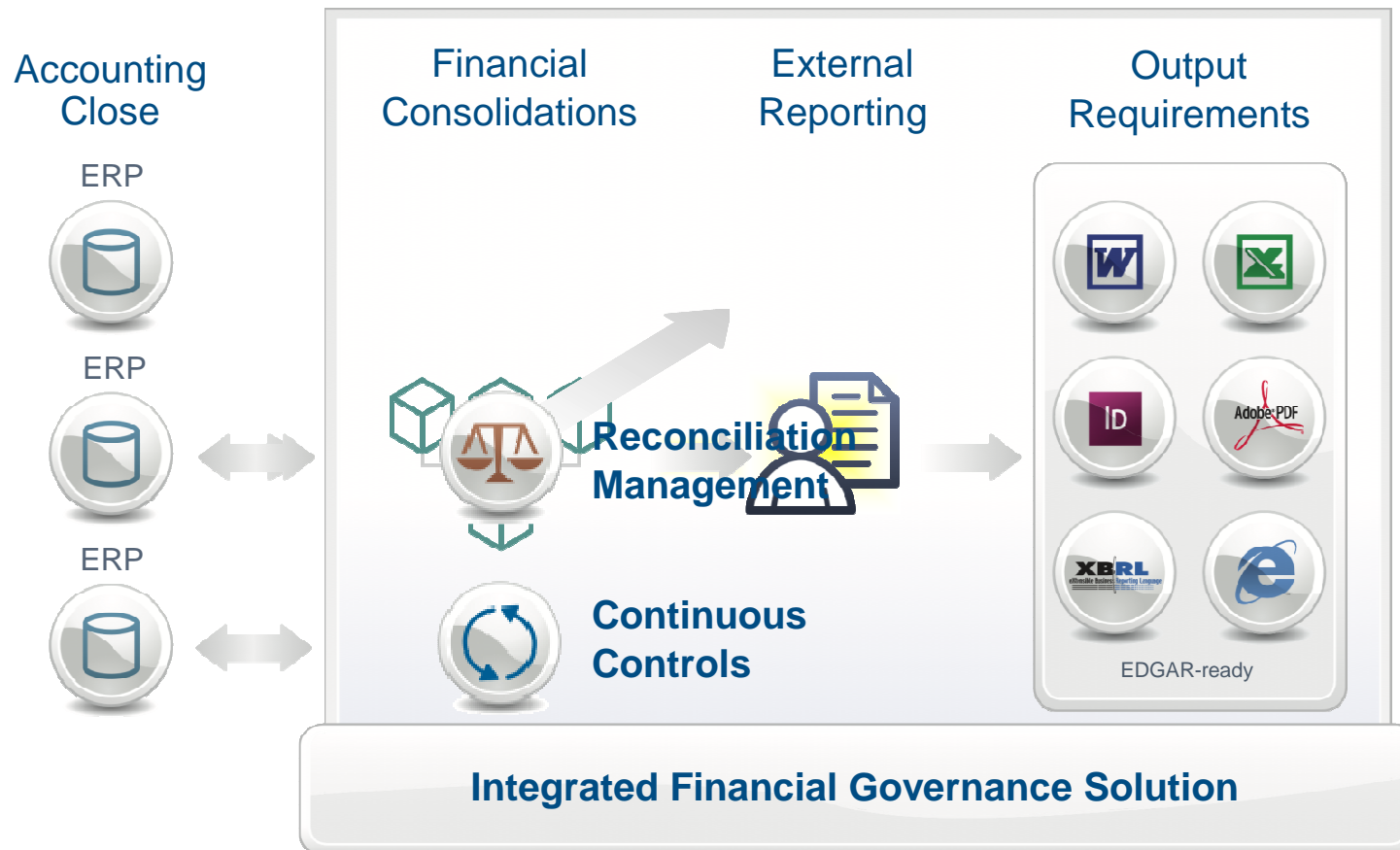
Risk of errors, late filing, insider leaks, noncompliance

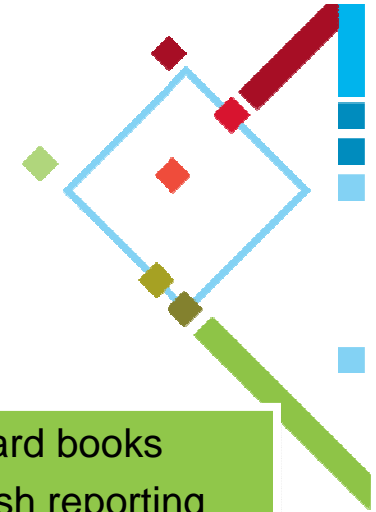
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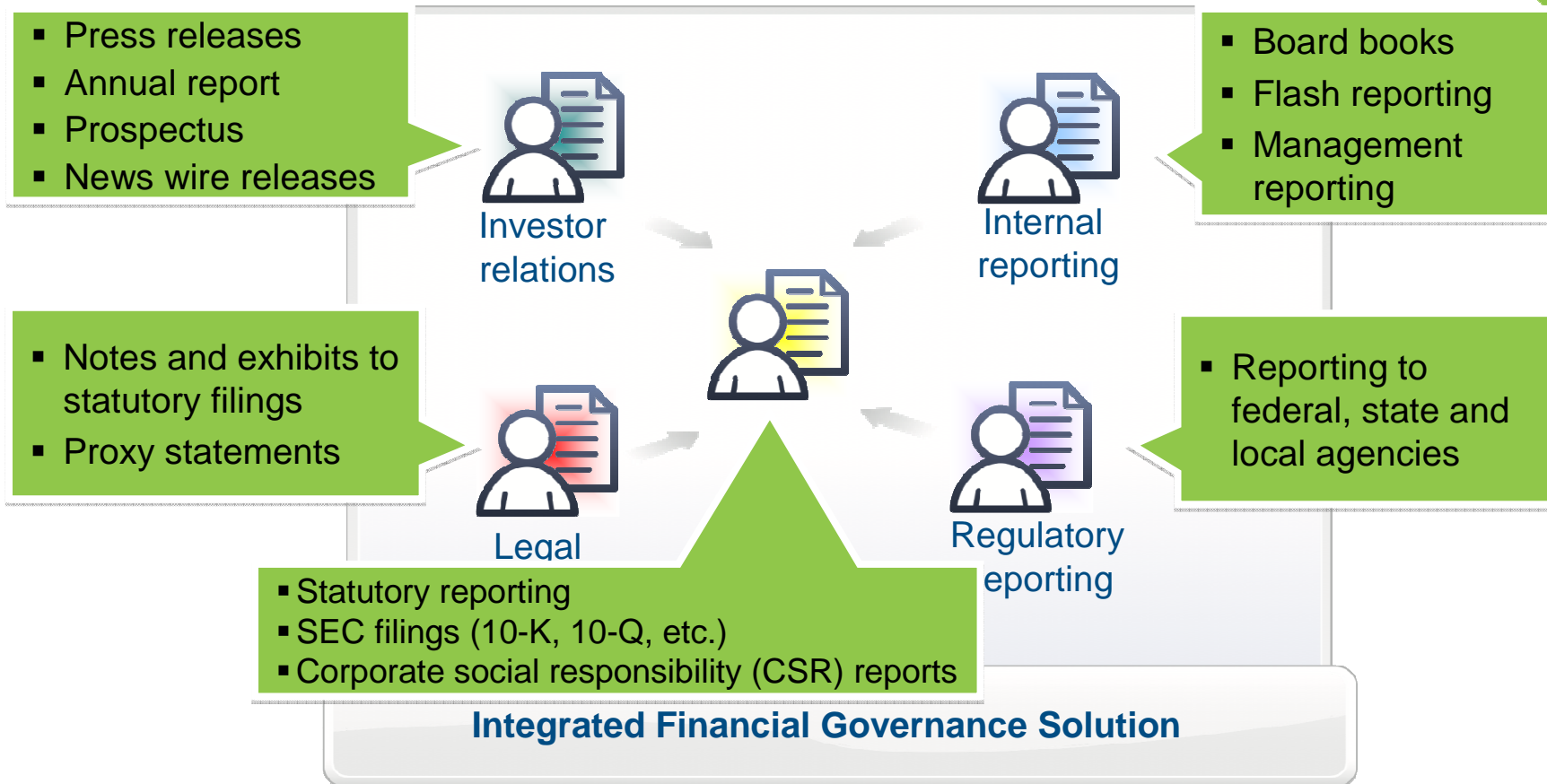


Integrated financial governance





Effectively sharing sensitive information



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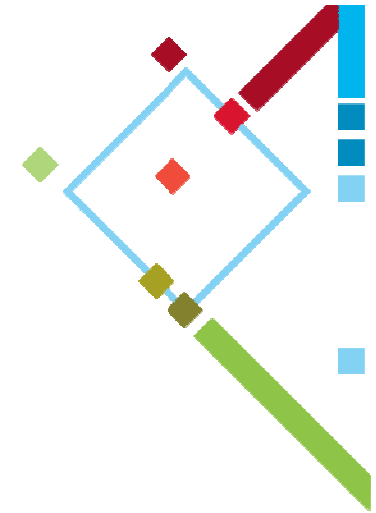


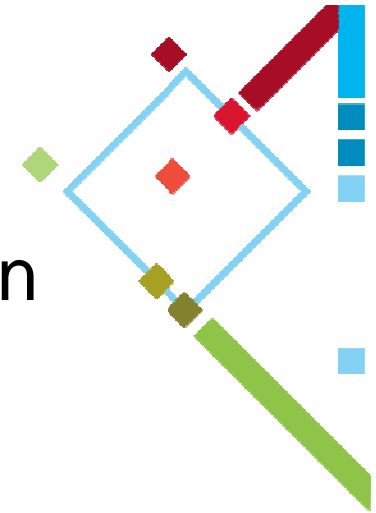
United Technologies

Increase confidence

... eliminate risk and accelerate reporting

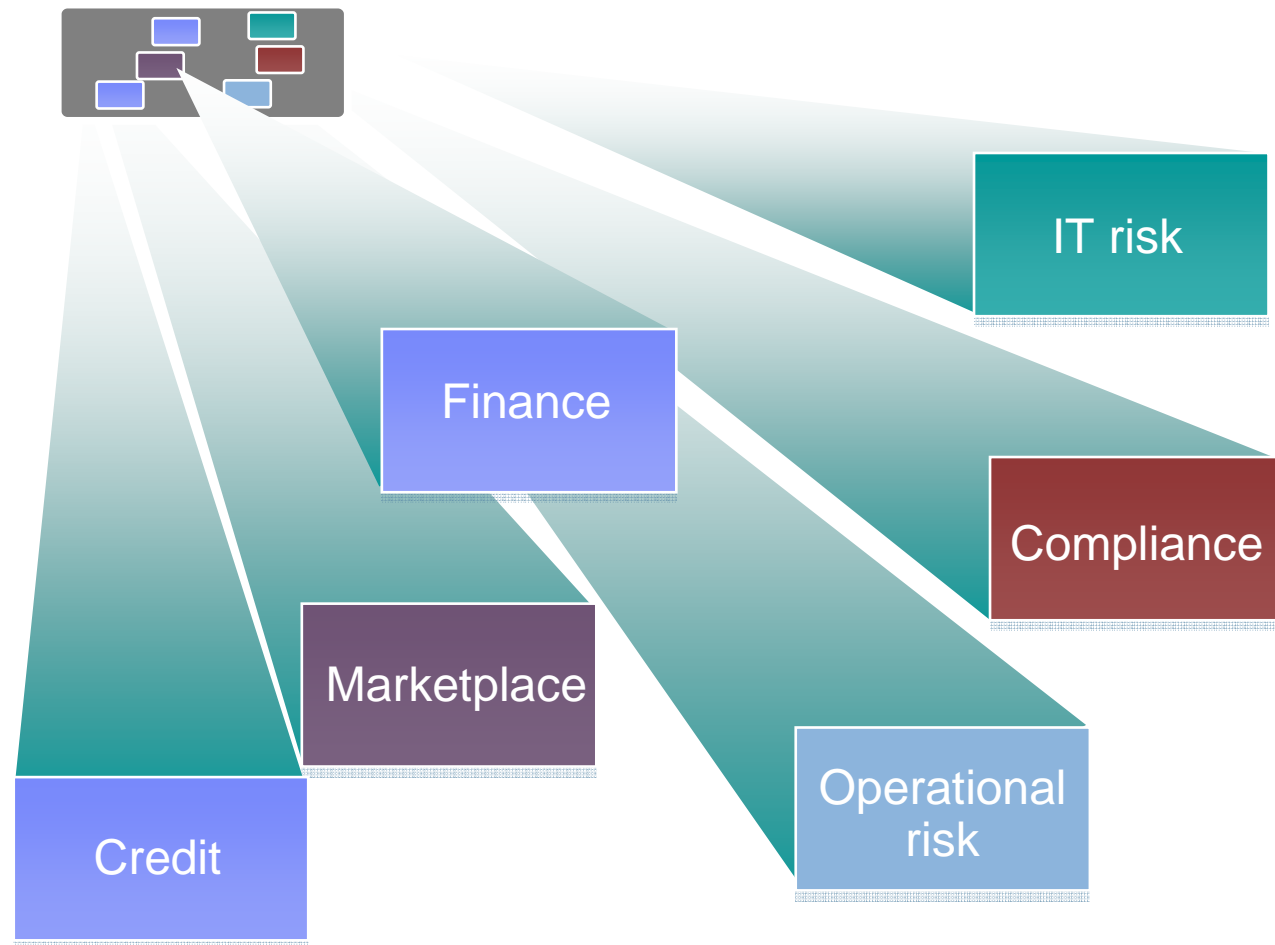
- Single, auditable process
- Twenty percent savings, efficiently address new demands





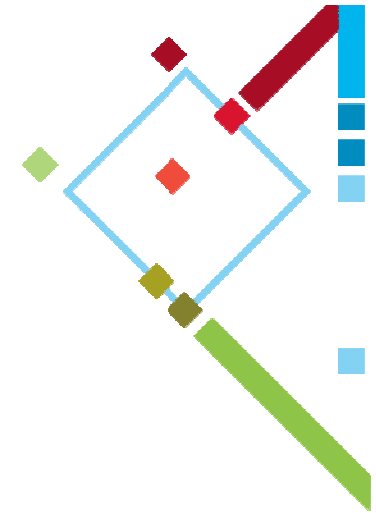
Struggle with fragmentation of risk information

CEO, CRO, CFO



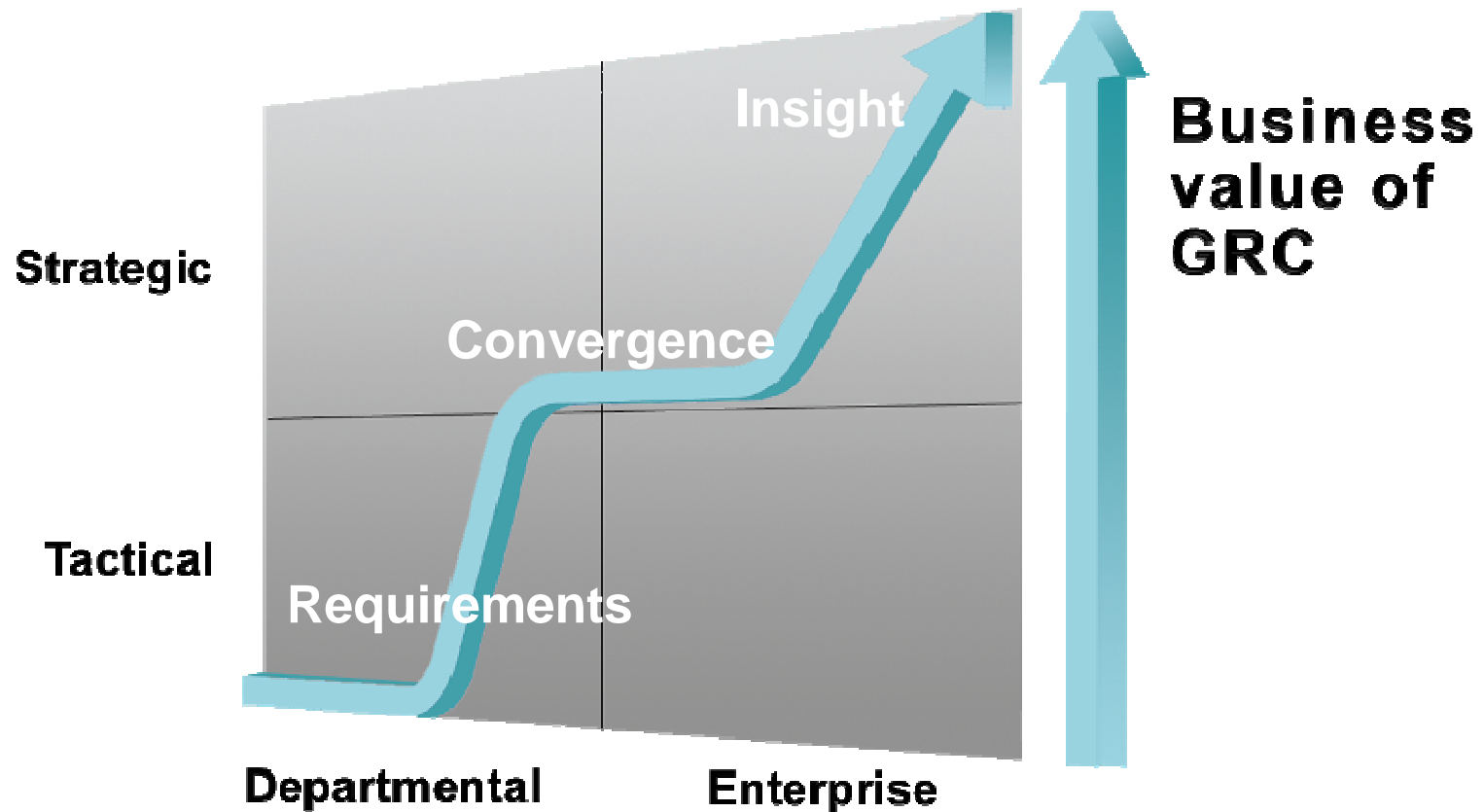
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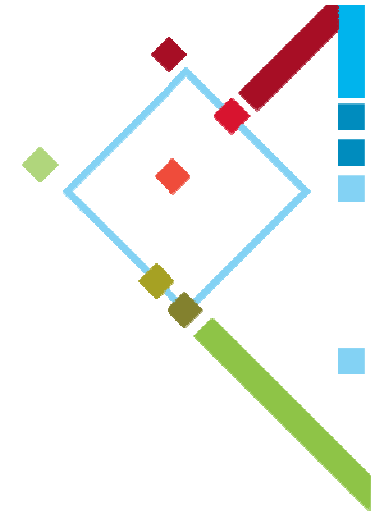
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Governance, risk, and compliance (GRC) management evolves to insight

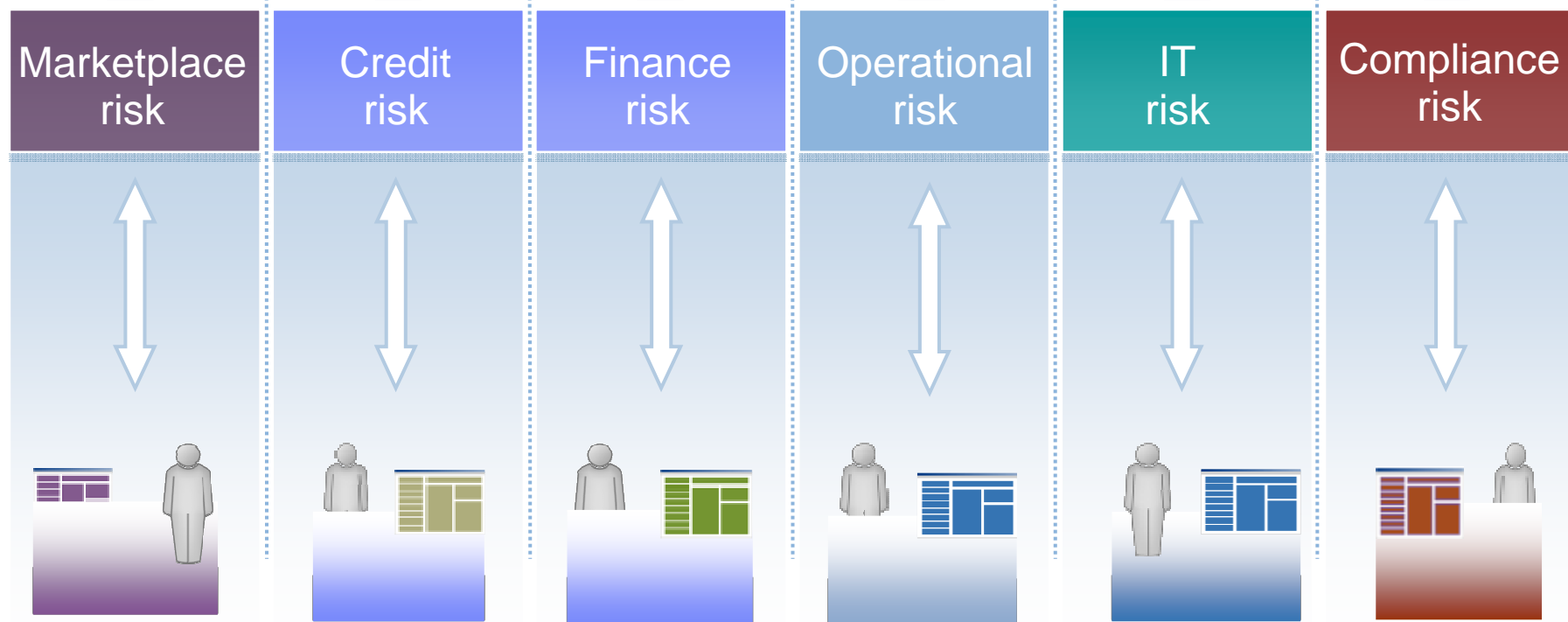
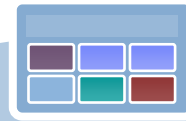
Satisfy → Leverage → Perform

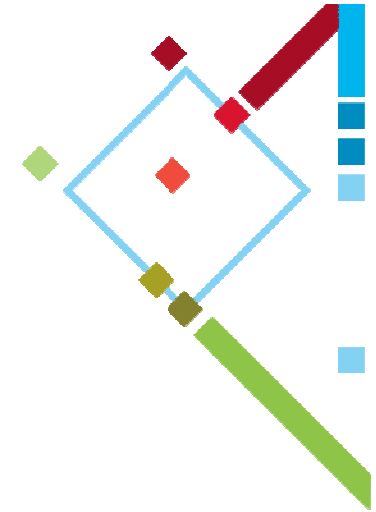




Integrated approach facilitates transparency

CEO, CRO, CFO





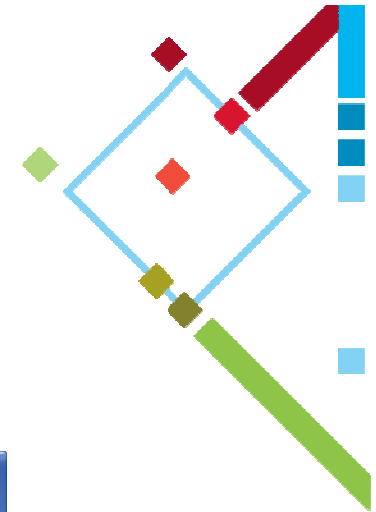
Better control

... of risk and opportunity

- Reduced cost, improved efficiency and effectiveness
- Better overall view of risk and compliance posture

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An exceptional business analytics partner

Business Analytics & Optimization Solutions

Industry Solutions

- Financial Services
- Public
- Distribution
- Industrial
- Communications

Cross-Industry Solutions

- Finance
- Human Capital
- Supply Chain / Operations
- Customer

Business Analytics

- Business Intelligence
- Predictive & Advanced Analytics
- Financial Performance & Strategy Management
- Governance, Risk & Compliance
- Analytic Applications

Cognos software **SPSS** **OPEN PAGES** **NEW**

Information Management & Analytics Data Warehousing

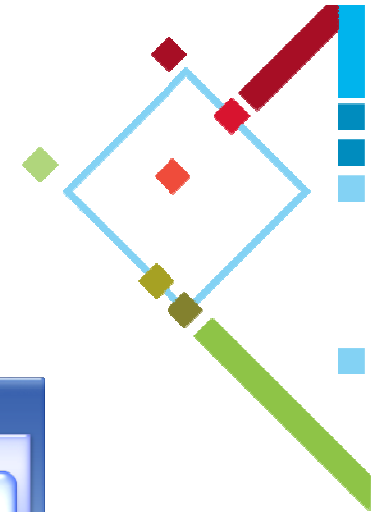
Content Management **NEW** Data Management

CLARITY SYSTEMS **NEW** **Workload Management** **an IBM® Company**

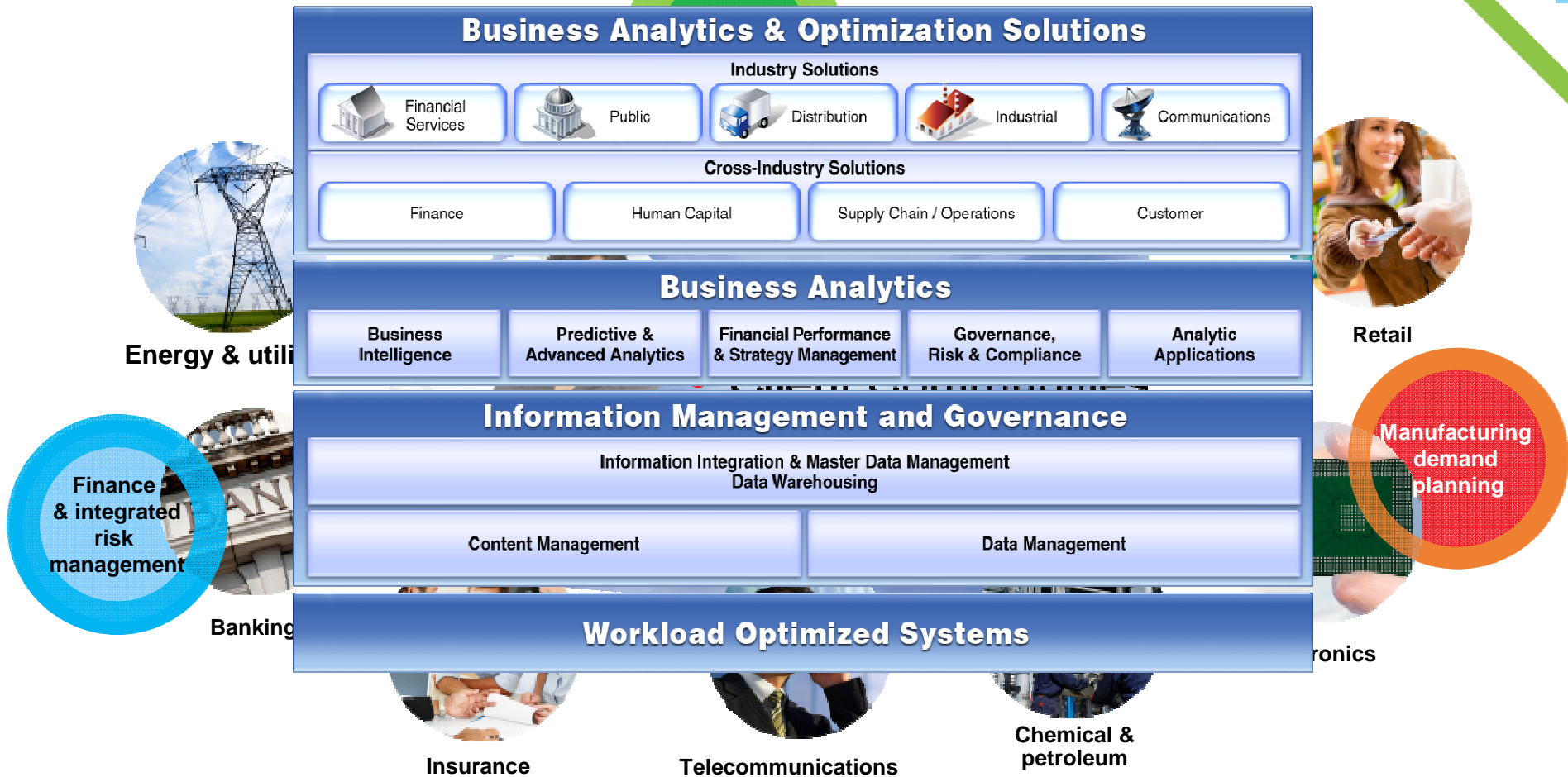


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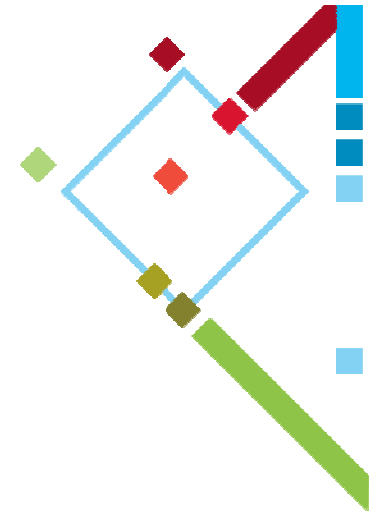
Transforming finance through analytics

- Analytics-driven organizations outperform
- Finance is a catalyst for higher performance and effective, efficient regulatory response
- Count on IBM to be your ultimate provider:
 - Software and systems
 - Services



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Thank you

