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Managing Manual Reporting Processes with IBM Cognos Disclosure Management



Report production process – In theory



Visibility

- across the reporting process
- ensures on time reports
- provides insight to when and where people are in the process



Transparency

- of data, charts, graphs and narrative back to the data source
- reduces the risk of errors in reporting
- increases accuracy and confidence in the reported content



Accountability

- of report owners
- increases collaboration across report contributors
- ensures consistent and relevant reports across the organization



Ease of Use

- for fast and efficient reporting across the Organization
- reduces process time, allowing focus on analysis and other high value tasks



Report production today relies on outdated tools & processes

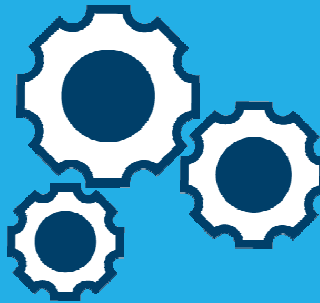
81% of managers surveyed cite the “*primary business application*” for generating business reports as spreadsheets ⁽¹⁾

Rising to this challenge requires that we address common challenges

No time to prepare



No control over the process



No confidence in process



1. The Hackett Group study

Report production today relies on outdated tools & processes

90%

of companies admit they spend **too** much time with the manual assembly of reports, including cutting, copying and pasting data. ⁽²⁾

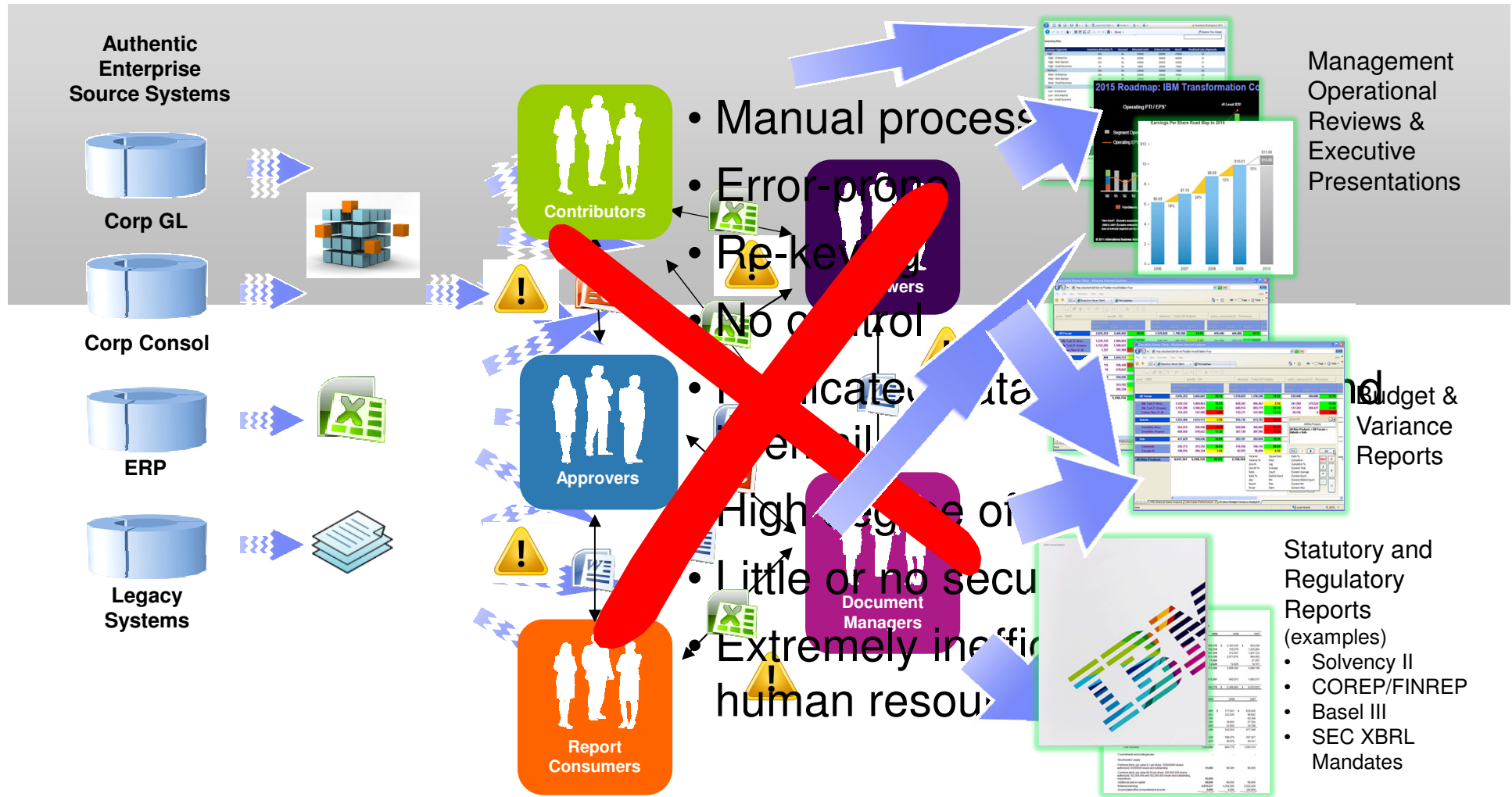
60%

of companies are concerned with the impact resulting from erroneous or old data being used in a report. ⁽²⁾

Bottom-line: Manual report production is costly, comprised mainly of non-value added time and creates significant risk of errors with no audit trail.

2. July 2012 *Linking Numbers and Narratives: Correlating Quantitative Reports with Qualitative Analysis*

Report production process – Real world



What are best-in-class organizations doing to streamline their enterprise reporting processes?



SOURCE: The Hackett Group

IBM is helping organizations transform their reporting processes to become best in class

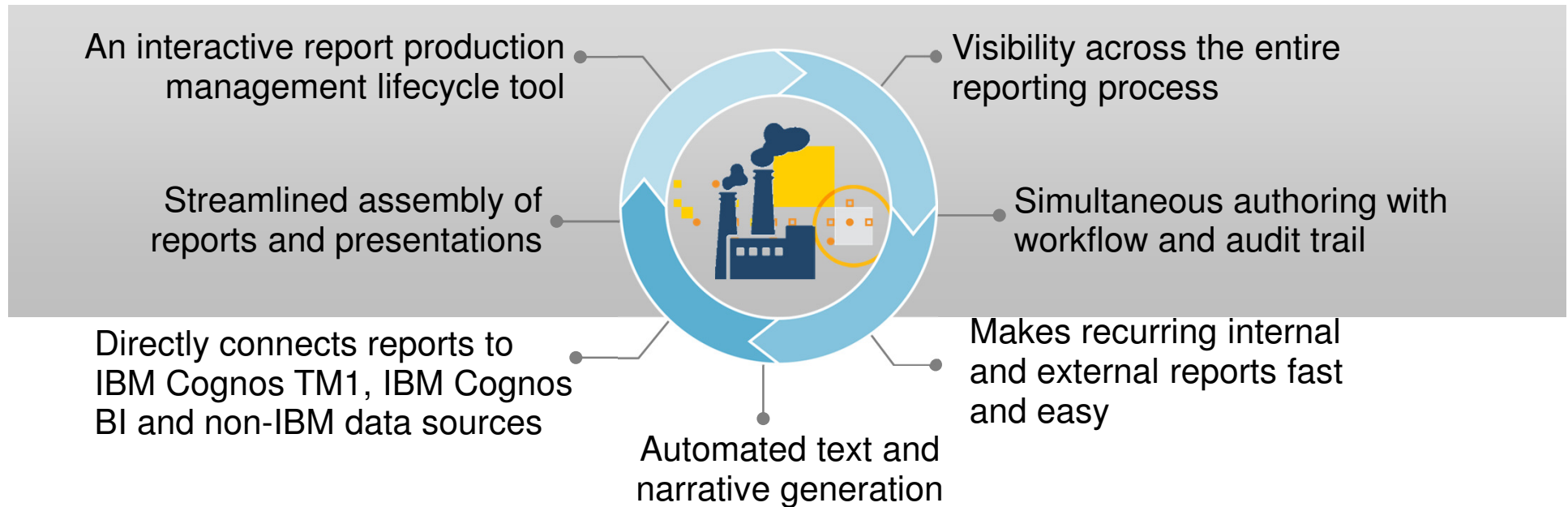
Reduce production costs for the organization

Empower specialists to work simultaneously on one component of a report

Drive automation to reduce errors and improve speed



Introducing IBM Cognos Disclosure Management



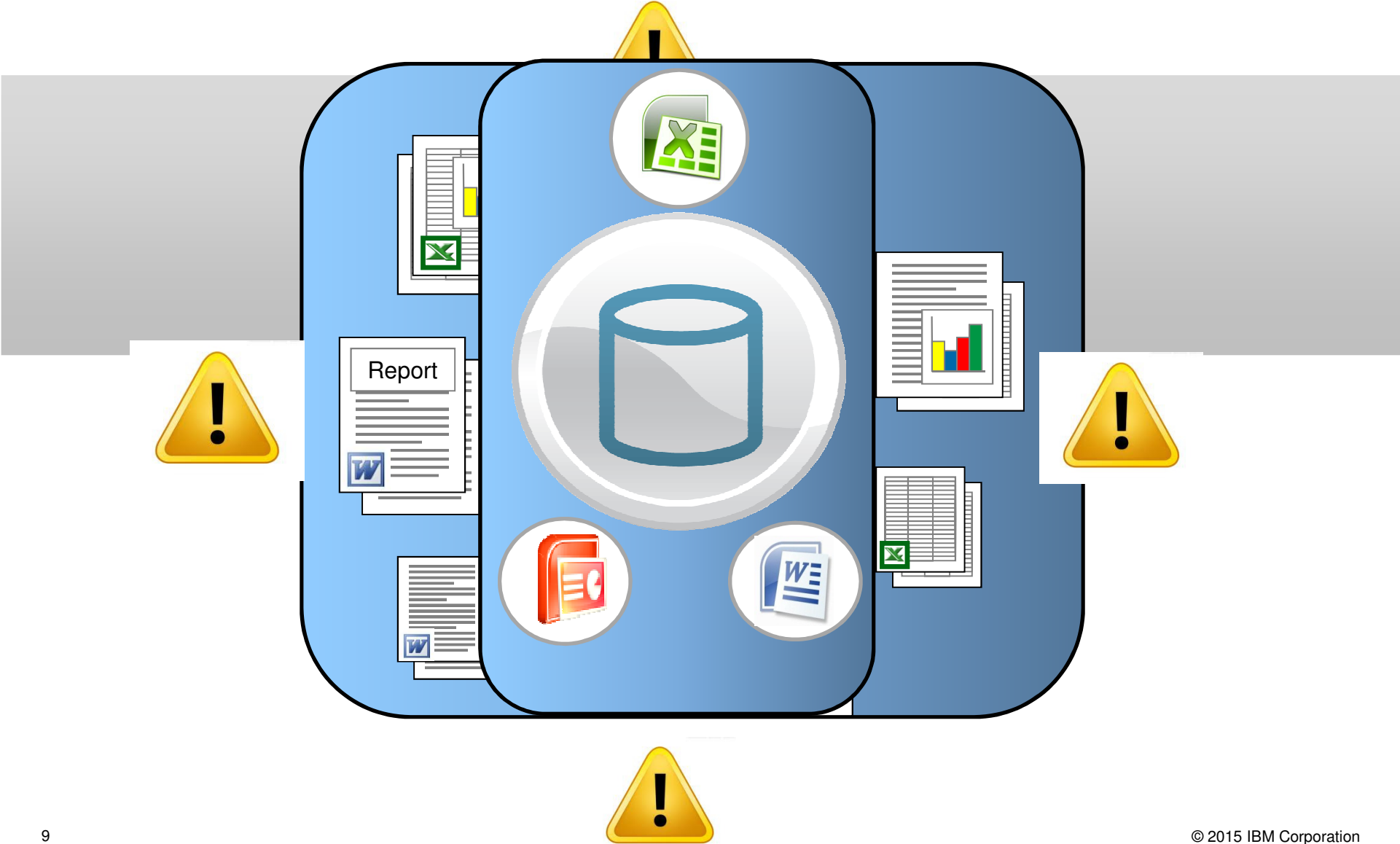
Key IBM capabilities

Management, performance, regulatory and compliance reporting and financial close management

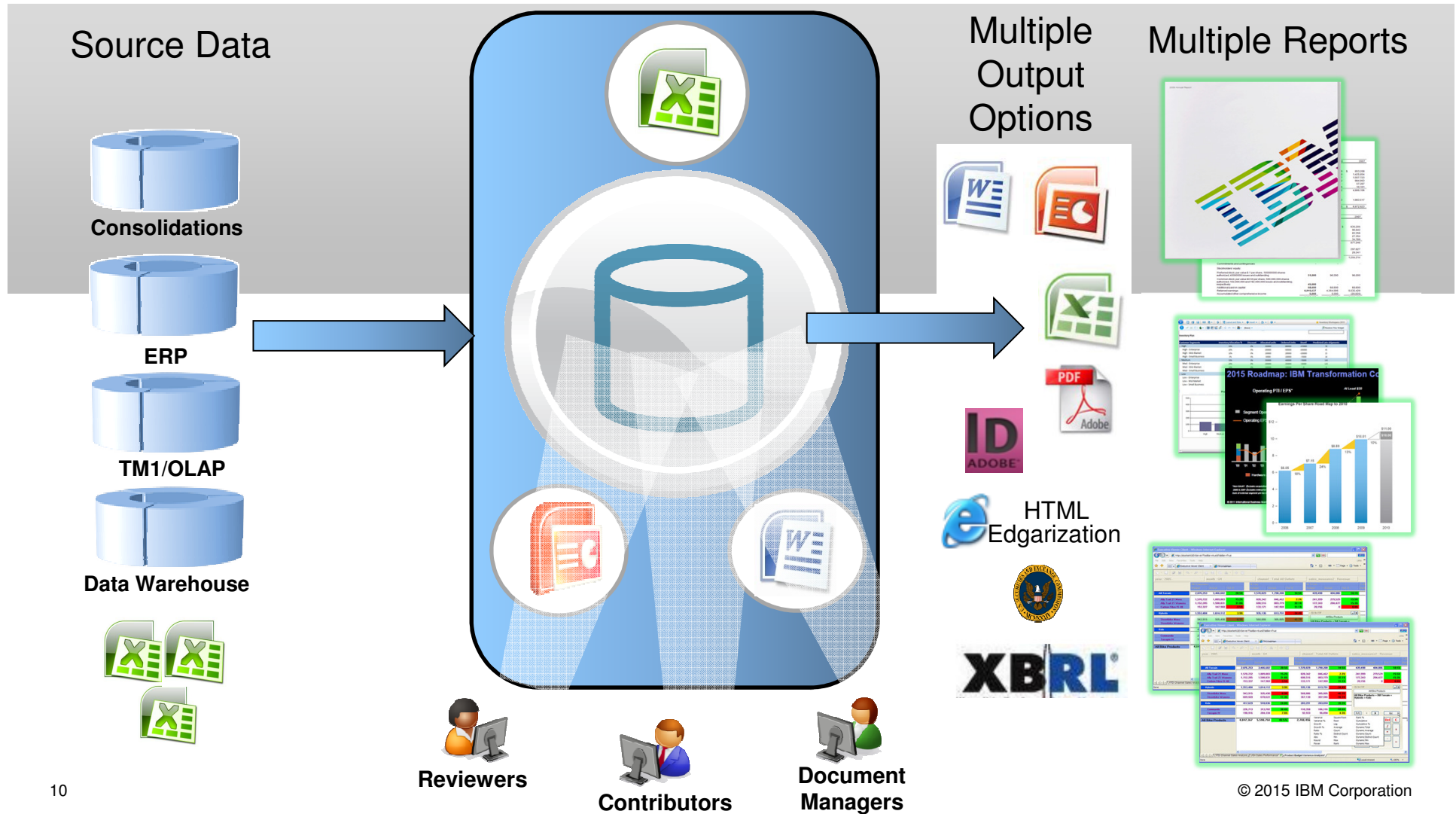
Key features and benefits

- Enables specialized professionals to work on their component of the final product
- Decreases production costs for organizations
- Helps ensure quality and accuracy of report content
- Automation reduces costs, human error and improves speed
- Controls, audit trail and transparency in each step of the reporting process
- Rollover capabilities reduces the reporting process for future cycles
- Increase ROI – manage wider report production

The Solution: IBM Cognos Disclosure Management



The Solution: IBM Cognos Disclosure Management



IBM offers a comprehensive report lifecycle tool



The narrative reporting and disclosure management solution from IBM can help you address these challenges

Automate text and narrative generation

Track and control document lifecycle with workflow, audit trail and version compare

Load and leverage your existing spreadsheets

Collaborate with multiauthor, cross-functional teams

Link to your existing data sources directly

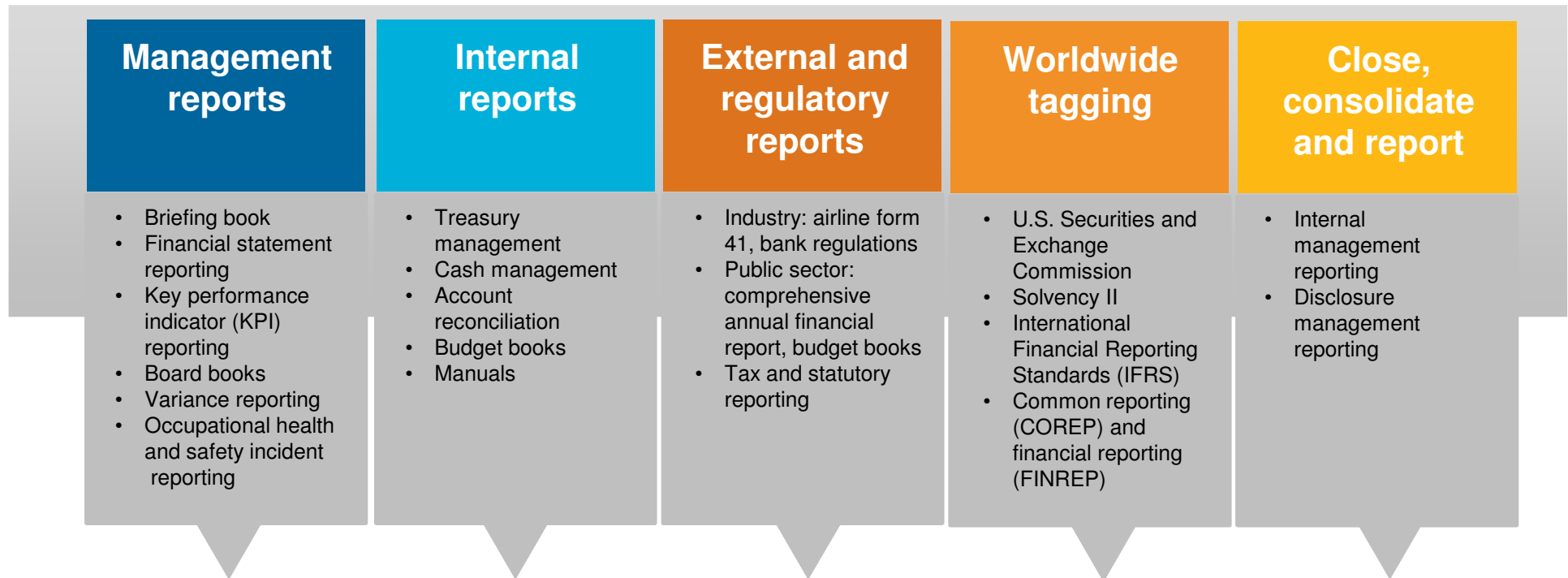
On-premise and cloud deployment

Provide worldwide tagging functionality (XBRL, iXBRL, COREP, FINREP, Solvency II and more)

Provide integrated tagging—to save time at the end of the cycle

Enable tag-once and roll forward for the next filing

Sample of reports that IBM customers are automating today



Recurring, multiauthor reports create the same problems

- Time is spent on low-value work (data, text and commentary editing and validation)
- Limited time for specialists to make insightful decisions based on analytics
- Slow, manual, recurring process
- Numbers or facts within final reports can be out of date before the report even published
- No compliance or control during 'close to disclose' period

Capital Requirements Directive (CRD) IV (COREP/FINREP/AE/FP) – The story so far....



- Legislation and ITS (Implementing Technical Standards) published in mid 2013
- Detailed templates, validation rules and XBRL taxonomies first published in December 2013
- Immediately after, two updates were issued due to errors in first publication
- Last minute rule changes announced in June 2014
- The first round of COREP reports were filed in June 2014
- FINREP/AE/FP have been added since

*The European Banking Authority have issued numerous error corrections to their publications, requiring rapid software and reporting changes.
This pattern seems likely to continue*

Solvency II – the story so far....



- In June 2014, EIOPA published ‘preliminary’ templates, validation rules and taxonomy for 2015 filing - version 1.5.2
- These have subsequently been updated twice - now at version 1.5.2.c
- New complexities in template styles have been added since the European Banking Authority’s (EBA) COREP/FINREP framework
- First round of Solvency Qualitative Reporting Templates (QRTs) to be submitted in mid 2015
- ‘Final’ templates and taxonomy currently undergoing public consultation

Analysts highlighted the need for comprehensive systems to meet mandated requirements

Organizations are relying on outdated tools & processes

According to 43% of banking CFOs, there are current system limitations due to sub-optimal systems and processes ⁽¹⁾

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Issues with using XBRL formulas for validation

- Requires entire submission to be complete and XBRL to be generated first
- Approx. only 96% of rules can be expressed in XBRL
- Very slow – a complete report can take over an hour to run (many hours for large data volumes)
- Messages are very hard to interpret
- Messages from rules that are run many times, do not identify which applications of the rule are in error

IBM avoided these issues by implementing IMPROVED validation capabilities for our customers, including:



Fast and focused validations – on the fly



System-wide and cross-filing validations that meet all regulator requirements beyond the XBRL limitations



Intuitive error correction

On-cloud or on-premise deployment



Deployment flexibility to meet your needs today and tomorrow

Large multinational conglomerate speeds up Internal Reporting

65% reduction

projects implemented saving > 600 hrs annually

2 FTE

Estimated Finance savings

Eliminate manual effort & improve data quality

Solution components

- IBM Cognos Disclosure Management



Success Story: Teams using CDM are creating internal reports in MS Word, Excel and PowerPoint. Significant time savings have been achieved in all formats of reporting

Benefits:

- Drives update and reusability of standard reporting packages
- Collaboration and direct link to data sources - including Cognos, Hyperion and relational data sources
- Automated update from data sources
- Reduce/eliminate time and effort of manual processes each reporting period
- Standardize reporting of finance metrics
- Workflow management & security

IBM's solution keeps one of Australia's leading beverage and food companies focused on the future, not the past

12 days

of manual work days saved per reporting cycle

best in class

the type of solution Lion saw in IBM

massively reduced
the total workload

Solution components

- IBM Cognos Disclosure Management



Business challenge: Lion aimed to transform its finance function from a business partner to a true value creator for the business. To gain momentum, it needed an initial project workstream that would deliver results fast.

Analytics journey: Lion achieved a quick win for financial reporting by streamlining the “last mile”—the process of drafting, reviewing and publishing the reports itself—with IBM Cognos Disclosure Management software.

“IBM Cognos Disclosure Management was the winner. We saw it as the best-in-class, market-leading solution.”

—Rob MacKenzie, group accounting manager and project lead

Demonstration

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