

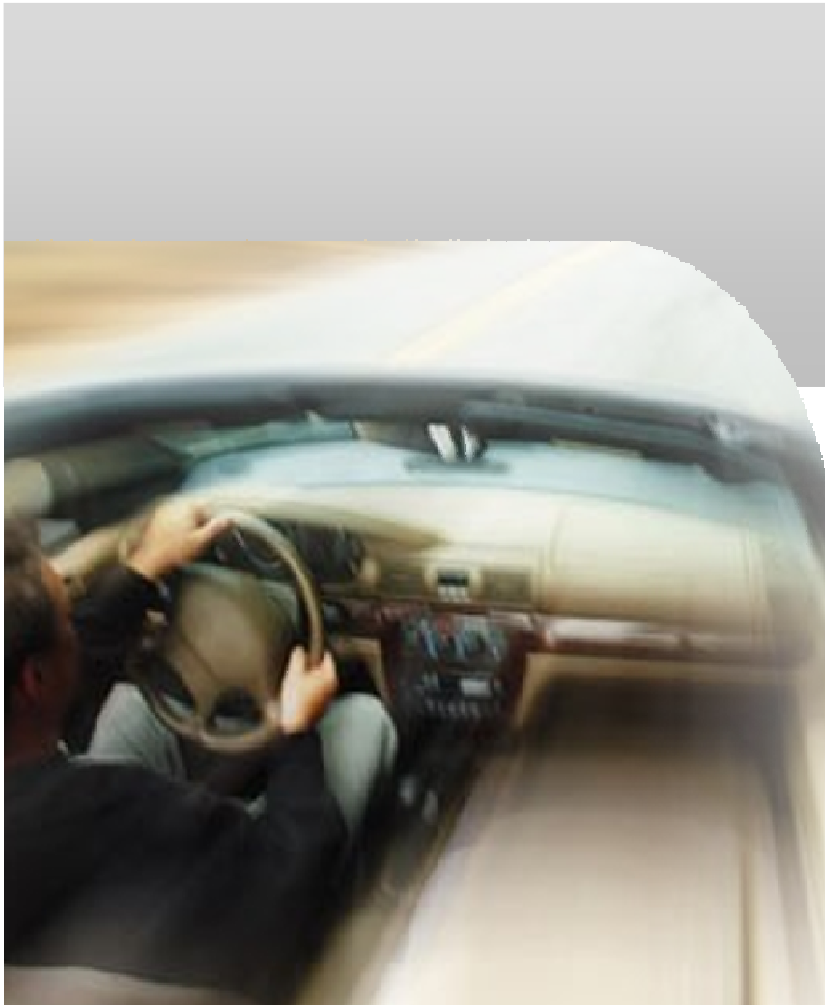
Frans Vermaak – IBM Business Analytics, MEA

6 June 2013

Driving Stronger Business Insight through a CFO Dashboard



Volatility, uncertainty and risk



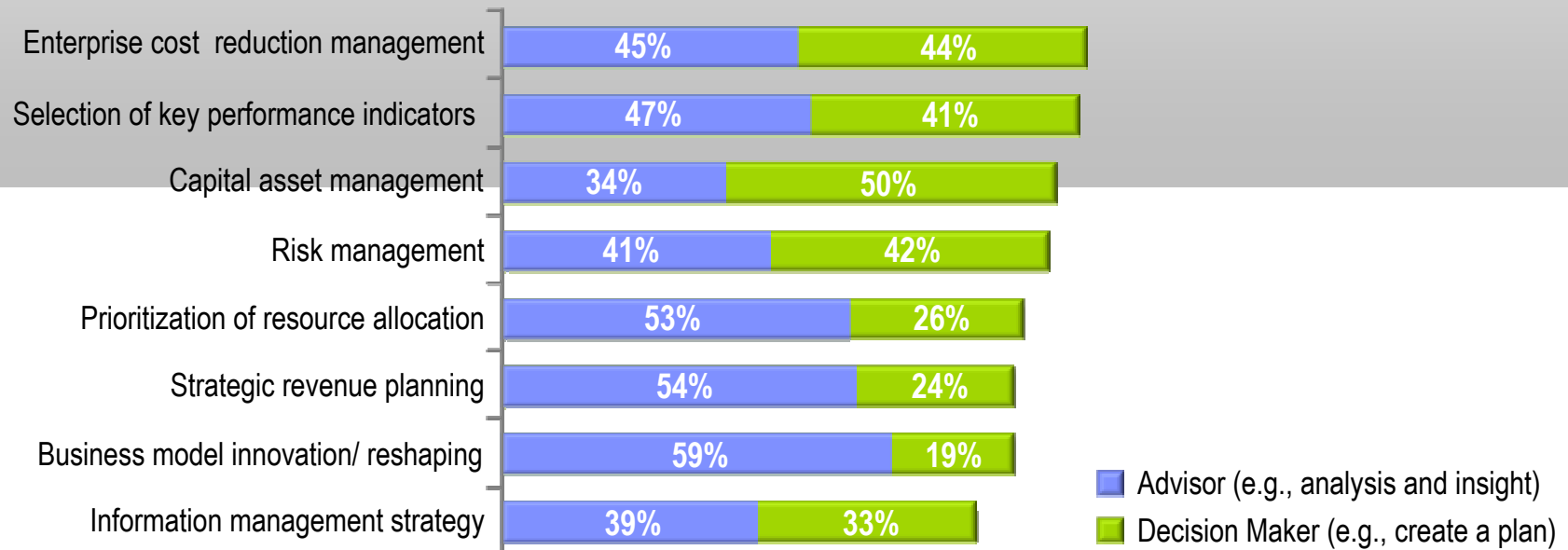
“...**fewer than 15%** are confident that they get helpful information for making **decisions about the future...**”

—CFO Executive Board, March 2012

Become a Value Integrator

According to the 2010 IBM Global CFO study, CFO's are taking a more prominent role in enterprise decision making

Elevated Role of Finance
Role of Finance in Driving Decisions Across the Enterprise

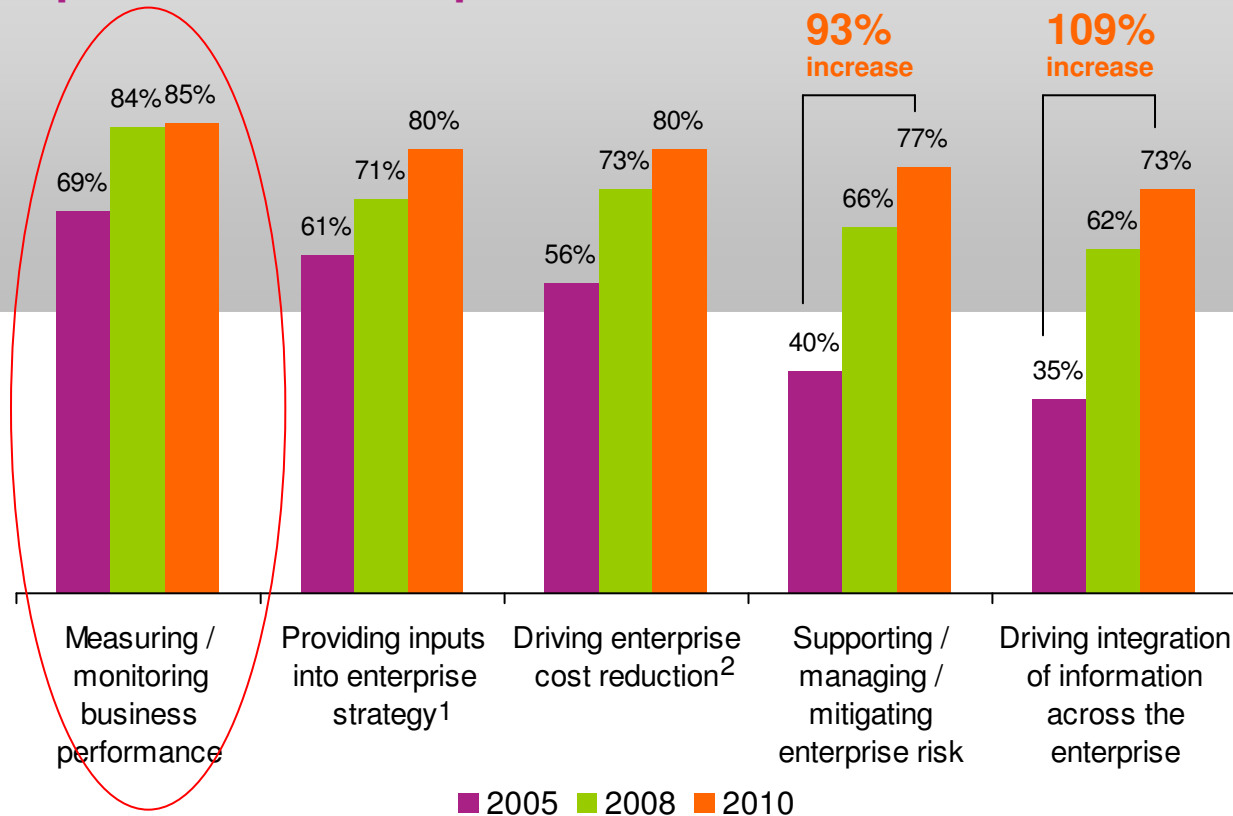


Over 70% of CFOs believe they have an advisory or decision making role on the Enterprise agenda.

Source: IBM Institute for Business Value, The Global CFO Study 2010

Enterprise focused activities have accelerated in importance for CFOs over the past five years – some dramatically

Importance of Enterprise Focused Activities Over Time



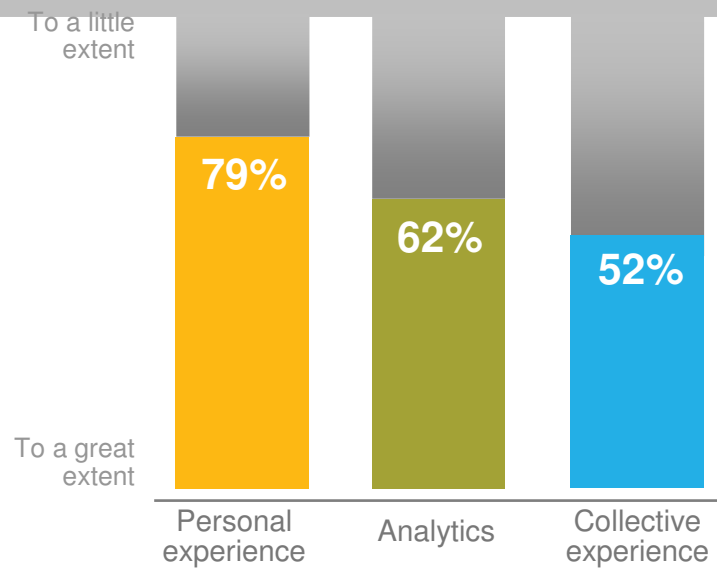
Source: IBM Institute for Business Value, The Global CFO Study 2010

However, organizations are operating with blind spots

1 in 3 business leaders frequently make critical decisions without the information they need

53% don't have access to the information across their organization needed to do their jobs

Factors supporting major decisions



Limited ability to get the right information for consumption by executives or field personnel

Inaccurate reporting due to siloed data

The current IT-centric service model is too costly, too inefficient, and can't scale

Limited adoption and use of business analytics across the entire organization

Organizations continue to struggle with structural complexity and delivering business insight

Challenges

Nearly 40% of enterprises produce financial metrics manually (50% manually produce operational metrics)

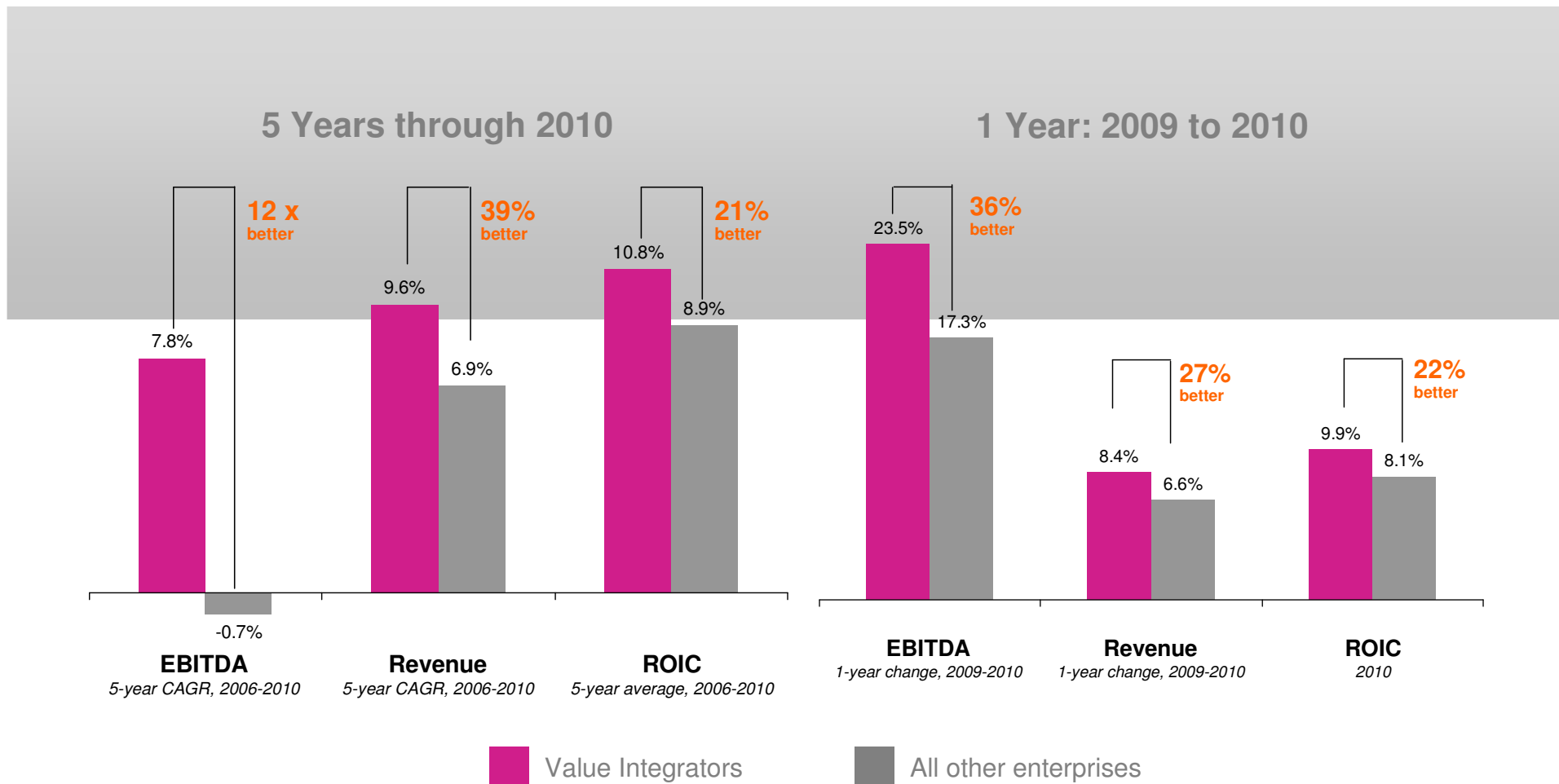
Finance continues to spend nearly 50% of time on transactional activities

Over 35% lack a common reporting platform and 50% lack a common planning platform

Over 25% lack the necessary common data definitions and processes

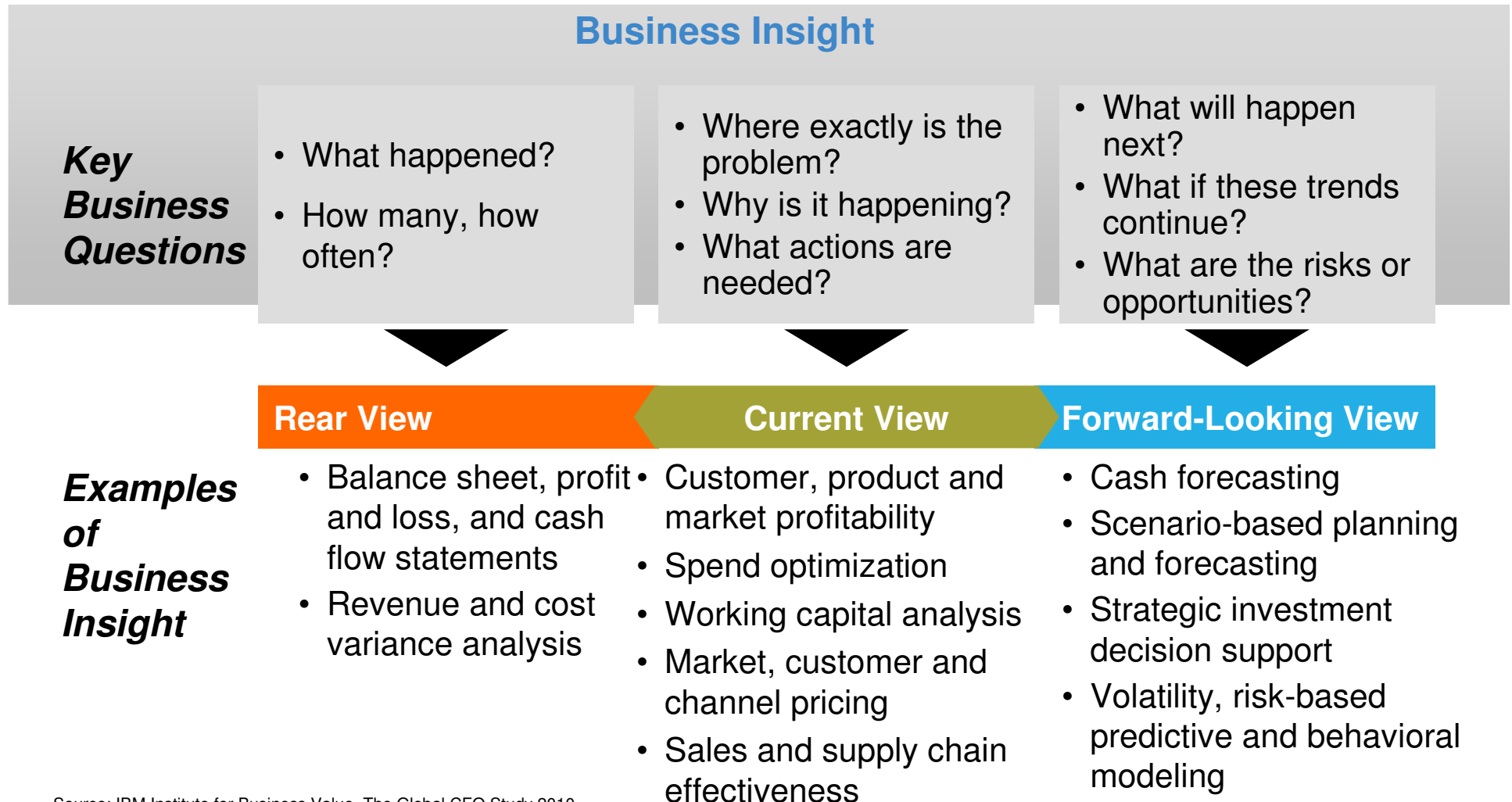
Source: IBM Institute for Business Value, The Global CFO Study 2010

Value integrators combine efficiency with business insight to deliver better financial performance



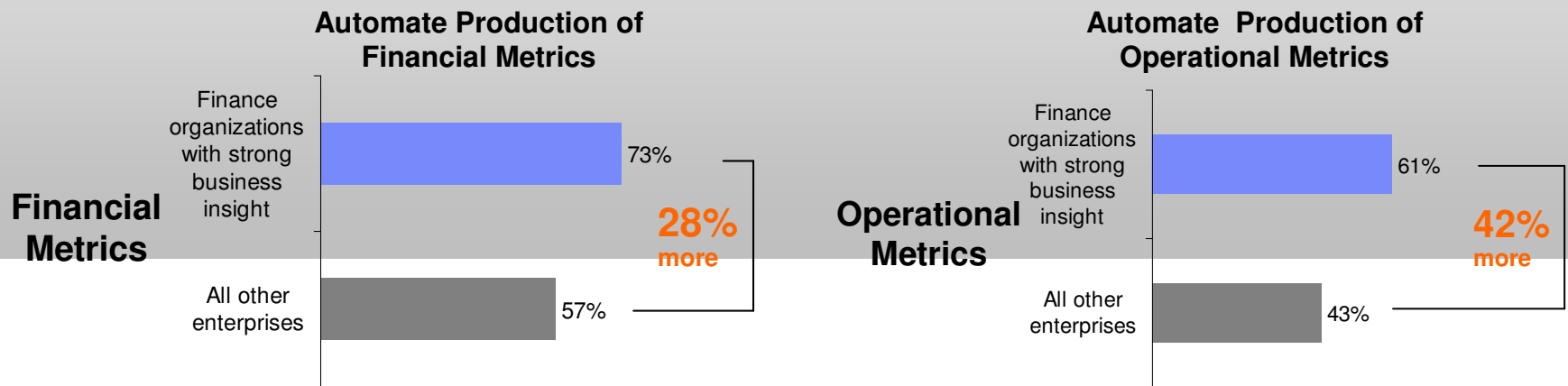
Source: IBM Institute for Business Value, The Global CFO Study 2010 / Journey to a Value Integrator

The Challenge: Accelerate the delivery of Business Insight from rear view to forward-looking view

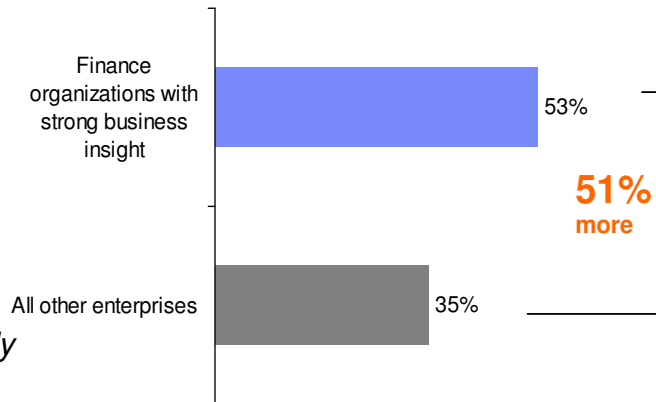


Finance organizations that automate the production of financial metrics deliver stronger business insight

Business Insight Accelerators



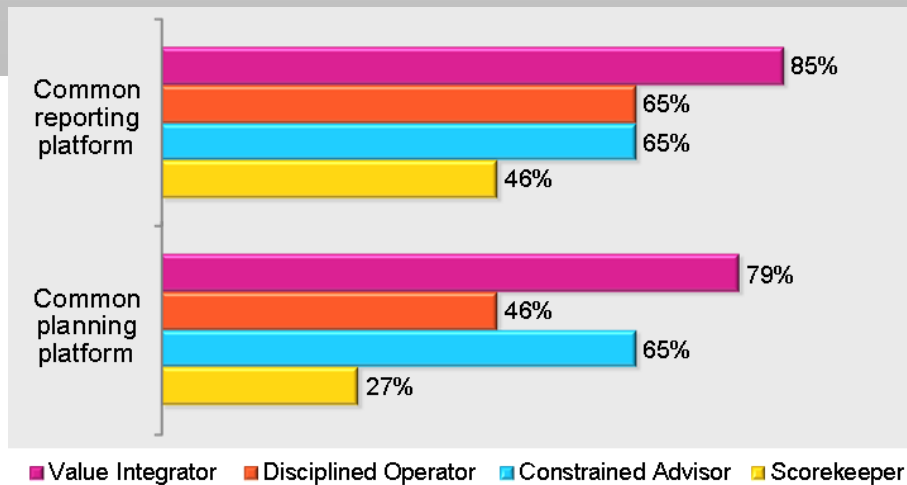
Establish Non-Financial Data Standards



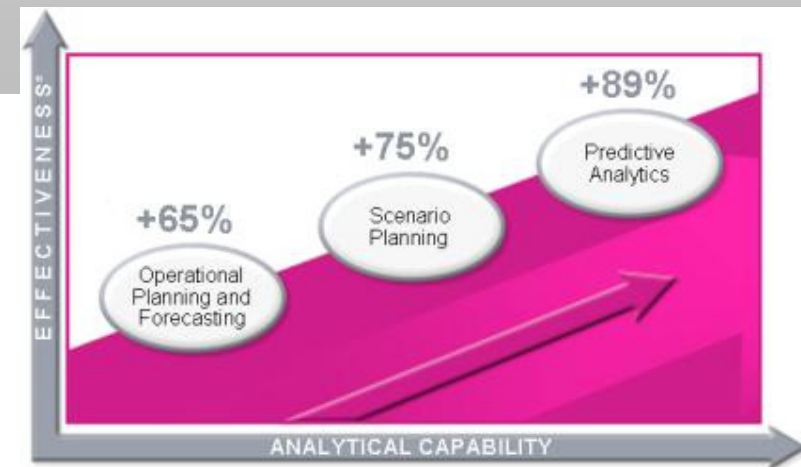
Source: 2010 IBM Global CFO Study

They implement a common platform to a greater extent and invest in advancing analytics

Technology: applications rationalization



Providing inputs into Enterprise Strategy



* Percent more effective than baseline (Scorekeepers)

Source: IBM Institute for Business Value, The Global CFO Study 2010

Increase visibility, insight & control

IBM Smarter Analytics Signature Solution - CFO performance insight

Business Challenges

- While measuring and monitoring performance is most often cited as their top priority, over 40% of CFOs rate themselves as ineffective
(source: IBM Global CFO study)

What's Smart?

- Visibility into performance gaps for critical KPIs
- Built-in KRIs to anticipate risks
- Proprietary statistical model discovers relationships between drivers and KPIs based on historical data
- Guided root-cause analysis
- Easy access to standard GL/AR/AP reports
- Integrated what-if analysis and scenario planning

Smarter Business Outcomes

- Reliably measure and monitor business performance
- Anticipate performance gaps, understand root cause and assess alternatives
- Deliver more reliable business insight on a stronger foundation of trusted information

How can I anticipate and shape business outcomes?

CFO Performance Insight



Increase visibility, insight and control over financial performance

- Cross-industry

IBM Smarter Analytics Signature Solution - CFO performance insight

An overview

Increase visibility, insight and control over financial performance



Extract and Assemble financial and operation data from heterogeneous ledger systems and operational data sources into an online executive dashboard



Measure and Monitor performance gaps between forecasts, targets and actuals for important financial, revenue, expense and capital management KPIs

- *Visualize KPI status and trends through an online executive dashboard*
- *Easily access standard GL/AR/AP reports to improve detailed financial analysis*
- *Identify possible weaknesses through built-in key risk indicators*



Use predictive analytics developed by IBM's Watson Research Center to **Discover** casual, lead-lag relationships between operational drivers and financial KPIs from historical information to improve root-cause analysis



Conduct what-if analysis to **Anticipate** the impact of alternative forecast assumptions, reflected immediately in charts, reports and the main dashboard

IBM Smarter Analytics Signature Solution - CFO performance insight

How it works

Pre-configured reports, planning models and predictive analytics built on IBM Cognos BI, IBM Cognos TM1, IBM SPSS Modeler



Predictive Analytics

Temporal Causal Modeling

- Discover causal relationships
- Assess lead-lag indicators
- Examine strength of metrics relationships and degrees of separation
- Anticipate the momentum of metrics drivers

Performance Measurement & Monitoring

Integrated Analytics

- Identify performance gaps for critical KPIs
- Analyze root causes guided by discovered causal relationships
- Assess the impact of alternatives scenarios
- Enable effective decision making

Advanced analytics increase visibility, insight and control over performance

What-if Analysis

Scenario Planning

- Model multi-dimensional business structures
- Evaluate the impact of alternative assumptions
- Immediately report on alternative scenarios

Information Management Foundation

- Data Warehouse
- Data Integration
- Source Systems – ERP, G/L, Legacy Systems

Finance scorecard “quadrants”

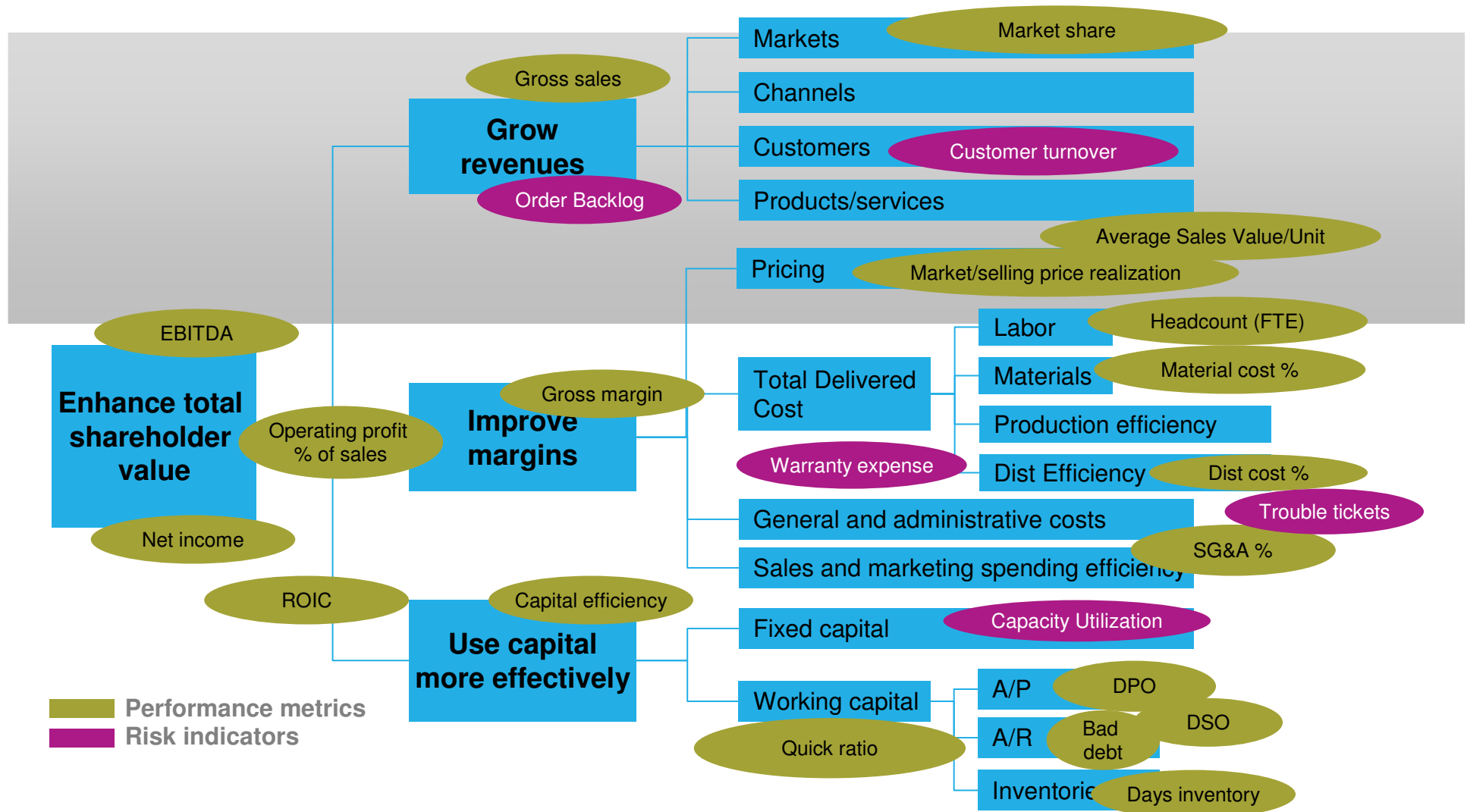
Financial Management	Operational Revenue Management
Are we performing to shareholder expectations ?	Are we driving revenue growth effectively?
Operational Expense Management	Capital Management
Are we managing operational expenses effectively?	Are we managing fixed and working capital effectively to increase future revenue and expense management capabilities?

IBM CFO performance insight

Finance scorecard metrics – 19 KPI's

<h3>Financial Management</h3>	<h3>Operational Revenue Management</h3>
<ul style="list-style-type: none"> • EBITDA • Net Income • ROIC • Operating Profit (% of Sales) 	<ul style="list-style-type: none"> • Gross Sales • Avg. Sales Value/Unit • Price Realization • Market Share
<h3>Operational Expense Management</h3>	<h3>Capital Management</h3>
<ul style="list-style-type: none"> • SG&A % • Gross Margin • Material Cost (% of Sales) • Distribution cost (% of Sales) • Headcount 	<ul style="list-style-type: none"> • Capital Efficiency • Quick Ratio • Days Sales Outstanding (DSO) • Days Payables • Days in Inventory • Bad Debt Write-Off

Metrics coverage of value drivers—19 KPIs and 5 KRIs



IBM CFO performance insight: executive dashboard

Finance
IBM Cognos Viewer

Company Logo

ERP/source web
[Link to ERP/source web interface](#)

CFO Home

Portal
Name ☺
[Finance Scorecard Metrics](#)

CFO Financial Analysis

Dashboard Reports
Name ☺

- [Financial Management](#)
- [Operational Revenue Management](#)
- [Operational Expense Management](#)
- [Capital Management](#)

CFO Financial Reports

Financial Reports
Name ☺

- [Cash Flow](#)
- [Balance Sheet](#)
- [Income Statement](#)

What-If Analysis
Name

- [What-If Analysis](#)
- [Setup](#)
- [What-If Analysis - DSO](#)
- [What-If Analysis - Product Sell](#)

Measuring Period:
Business Unit:
Measuring Currency:

Geography:
Country:
Company:

Financial Management	2011 Fiscal YTD		2011 Full Fiscal Year			Rolling 12 mo. Fcst	Trends	Risk	TCM
	Actual	Target	Budget	Forecast	Variance				
EBITDA	<input type="checkbox"/> \$99,958,803	\$90,500,917	\$139,151,262	\$121,463,095	-13%	\$119,227,086	Link		
Net Income	<input type="checkbox"/> \$43,506,230	\$38,406,045	\$59,386,062	\$42,599,047	-28%	\$41,879,335	Link		
ROIC	<input type="checkbox"/> 15%	12%	12%	2%	-9%	9%	Link		
Operating Profit%	<input type="checkbox"/> 39%	39%	39%	34%	-5%	34%	Link		

Operational Revenue Management	2011 Fiscal YTD		2011 Full Fiscal Year			Rolling 12 mo. Fcst	Trends	Risk	TCM
	Actual	Target	Budget	Forecast	Variance				
Gross Sales	<input type="checkbox"/> \$418,367,062	\$413,674,560	\$632,399,040	\$590,339,683	-7%	\$582,282,307	Link		
Avg. Sales Value/Unit	<input type="checkbox"/> \$747	\$692	\$691	\$748	8%	\$748	Link		
Price Realization	<input type="checkbox"/> 60%	56%	56%	60%	4%	59%	Link		
Market Share	<input type="checkbox"/> 95%	95%	96%	96%	0%	96%	Link		

Operational Expense Management	2011 Fiscal YTD		2011 Full Fiscal Year			Rolling 12 mo. Fcst	Trends	Risk	TCM
	Actual	Target	Budget	Forecast	Variance				
SG&A%	<input type="checkbox"/> 21%	21%	21%	27%	7%	27%	Link		
Gross Margin%	<input type="checkbox"/> 60%	59%	59%	61%	2%	61%	Link		
Material Cost%	<input type="checkbox"/> 20%	20%	20%	19%	-1%	19%	Link		
Distribution Expense%	<input type="checkbox"/> 5%	5%	5%	9%	4%	9%	Link		
Headcount	<input type="checkbox"/> 6,352.0	6,405.0	6,397.0	6,402.0	0%	6,384.0	Link		

Capital Management	2011 Fiscal YTD		2011 Full Fiscal Year			Rolling 12 mo. Fcst	Trends	Risk	TCM
	Actual	Target	Budget	Forecast	Variance				
Capital Efficiency	<input type="checkbox"/> \$9	\$7	\$9	\$9	1%	\$8	Link		
Quick Ratio	<input type="checkbox"/> 32.3	32.3	33.6	34.3	2%	37.5	Link		
DSO	<input type="checkbox"/> 29.2	29.4	50.1	56.8	13%	27.3	Link		
Days Payable	<input type="checkbox"/> 18.0	17.5	21.9	30.9	41%	16.2	Link		
Days in Inventory	<input type="checkbox"/> 12.7	12.5	15.3	15.5	1%	11.4	Link		
Bad Debt Write-off	<input type="checkbox"/> \$1,732,948	\$1,853,660	\$2,470,406	\$2,866,504	16%	\$2,858,174	Link		

19

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Executive dashboard

Executive dashboard

Actual vs. Budget vs. Forecast

Traffic light indicators

Risk Status indicators

Report list

Financial reports

“What-if” analysis

Metric trending

Predictive Analytics

Company logo

Link to ERP Web interface

Company Logo

Measuring Period: [Dropdown] **Business Unit:** [Dropdown] **Reporting Currency:** [Dropdown] **Report Currency:** [Dropdown]

Geography: [Dropdown] **Country:** [Dropdown] **Company:** [Dropdown]

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ROIC	15%	12%	12%	2%	-9%	9%	Link	Red	TCM
Operating Profit%	39%	39%	39%	34%	-5%	34%	Link	Yellow	TCM

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	Actual	Target	Budget	Forecast	Variance				
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Avg. Sales Value/Unit	\$747	\$692	\$691	\$748	8%	\$748	Link	Green	TCM
Price Realization	60%	56%	56%	60%	4%	59%	Link	Green	TCM
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	Actual	Target	Budget	Forecast	Variance				
SG&A%	21%	21%	21%	27%	6%	27%	Link	Red	TCM
Gross Margin%	60%	59%	59%	61%	2%	61%	Link	Green	TCM
Material Cost%	20%	20%	20%	19%	1%	19%	Link	Green	TCM
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Executive dashboard

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Actual vs. Budget vs. Forecast

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Company logo

Link to ERP Web interface

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Gross Margin%	60%	59%	59%	61%				Green		
Material Cost%	20%	20%	20%	19%				Green		
Distribution Expense%	5%	5%	5%	9%	4%	9%	Link	Yellow		
Headcount	6,352.0	6,405.0	6,397.0	6,402.0	0%	6,384.0	Link	Green		

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Bad Debt Write-off	\$1,732,948	\$1,853,660	\$2,470,406	\$2,866,504	16%	\$2,858,174	Link	Red		

Standard GL/AR/AP reports

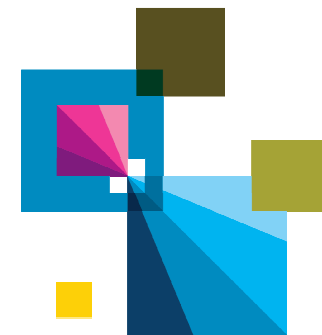
The screenshot displays a web application interface with three main sections:

- CFO Home**: Contains a 'Portal' section with a table listing 'Finance Scorecard Metrics'.
- CFO Financial Analysis**: Contains a 'Dashboard Reports > Capital Management' section with a table listing various metrics such as 'Capital Efficiency', 'Quick Ratio', 'Days Sales Outstanding', 'Days Payable', 'Days in Inventory', 'Bad Debt Write-Off', 'Accounts Receivable By Customer', 'Accounts Receivable', and 'Customer Payment History'.
- CFO Financial Reports**: Contains a 'Financial Reports' section with a table listing 'Cash Flow', 'Balance Sheet', and 'Income Statement'.

CFO Home	
Portal	
Name	
Finance Scorecard Metrics	

CFO Financial Analysis	
Dashboard Reports > Capital Management	
Name	
Capital Efficiency	
Quick Ratio	
Days Sales Outstanding	
Days Payable	
Days in Inventory	
Bad Debt Write-Off	
Accounts Receivable By Customer	
Accounts Receivable	
Customer Payment History	

CFO Financial Reports	
Financial Reports	
Name	
Cash Flow	
Balance Sheet	
Income Statement	



Standard financial reports

Company Logo

RP/source web ? [] []

[Link to ERP/source web interface](#)

FO Home ? [] []

portal

Name

- Finance Scorecard Metrics

FO Financial Analysis ? [] []

Dashboard Reports

Name

- Financial Management
- Operational Revenue Management
- Operational Expense Management
- Capital Management

FO Financial Reports ? [] []

Financial Reports

Name

- Cash Flow
- Balance Sheet
- Income Statement

What-If Analysis ? [] []

Name

- What-If Analysis
- Setup
- What-If Analysis - DSO
- What-If Analysis - Product Sell

[Back to default entry](#)

Balance Sheet

Select Year: 2011

Select Scenario: Actual

Geography: All Geographies

Country: All Countries

Company: All Companies

Currency: Report Currency

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
ASSETS								
Cash and Cash Equivalents	\$50,418,693	\$50,122,573	\$55,157,194	\$61,182,624	\$62,870,526	\$68,300,626	\$64,957,248	\$63,575,76
Accounts Receivable	\$11,979,854	\$16,426,563	\$15,507,413	\$12,457,007	\$15,190,886	\$12,680,244	\$22,272,903	\$31,173,81
Bad Debt Allowance	\$4,148,430	\$4,483,416	\$4,814,499	\$5,106,226	\$5,415,701	\$5,762,077	\$6,103,236	\$6,416,52
Receivables	\$7,831,424	\$11,943,147	\$10,692,914	\$7,350,781	\$9,775,185	\$6,918,167	\$16,169,668	\$24,757,29
Inventory	\$2,986,880	\$3,594,367	\$3,387,012	\$3,118,967	\$3,384,618	\$3,062,086	\$4,055,255	\$4,664,67
Current Assets	\$61,236,997	\$65,660,087	\$69,237,120	\$71,652,372	\$76,030,329	\$78,280,880	\$85,182,171	\$92,997,73
Property, Plant and Equipment - Cost	\$41,575,919	\$44,696,124	\$47,938,154	\$51,189,810	\$54,307,851	\$57,560,307	\$60,785,860	\$64,030,67
Accumulated Depreciation	(\$1,851,384)	(\$1,982,175)	(\$2,113,302)	(\$2,229,564)	(\$2,359,364)	(\$2,473,775)	(\$2,632,424)	(\$2,817,71
Property, Plant and Equipment	\$39,724,536	\$42,713,949	\$45,824,852	\$48,960,246	\$51,948,487	\$55,086,531	\$58,153,437	\$61,212,96
Assets	\$100,961,533	\$108,374,036	\$115,061,972	\$120,612,618	\$127,978,816	\$133,367,411	\$143,335,608	\$154,210,69
LIABILITIES								
Accounts Payable	\$4,328,095	\$4,958,052	\$4,961,101	\$4,397,849	\$4,978,736	\$4,388,306	\$6,020,357	\$7,023,97
Interest Payable	\$370,534	\$396,824	\$424,374	\$448,885	\$475,616	\$497,015	\$533,677	\$568,51
Payables	\$4,698,629	\$5,354,875	\$5,385,475	\$4,846,734	\$5,454,351	\$4,885,321	\$6,554,033	\$7,592,48
Wages and Salaries	\$3,683,280	\$3,918,850	\$4,121,997	\$4,352,162	\$4,573,521	\$4,817,717	\$5,128,707	\$5,483,17
Taxes and Fees	\$13,549,243	\$14,614,824	\$15,511,440	\$16,456,159	\$17,557,922	\$18,534,393	\$19,885,836	\$21,402,52
Current Deferred Taxes	(\$6,021,886)	(\$6,495,477)	(\$6,893,974)	(\$7,313,847)	(\$7,803,522)	(\$8,237,509)	(\$8,838,149)	(\$9,512,23
ETC	\$11,261,148	\$12,012,562	\$12,808,779	\$13,497,838	\$14,312,873	\$14,965,993	\$15,989,460	\$17,113,02
Accruals	\$22,471,785	\$24,050,759	\$25,548,243	\$26,992,312	\$28,640,794	\$30,080,593	\$32,165,854	\$34,486,48
Short-term Debt	\$403,723	\$440,046	\$474,196	\$506,528	\$537,287	\$566,003	\$597,702	\$628,63
Current Liabilities	\$27,574,137	\$29,845,680	\$31,407,914	\$32,345,574	\$34,632,433	\$35,531,917	\$39,317,590	\$42,707,60
Product Warranties	\$7,518,113	\$8,048,405	\$8,551,967	\$9,080,947	\$9,589,585	\$10,047,716	\$10,583,876	\$11,379,41
Provisions	\$7,518,113	\$8,048,405	\$8,551,967	\$9,080,947	\$9,589,585	\$10,047,716	\$10,583,876	\$11,379,41

Executive dashboard

Executive dashboard

Actual vs. Budget vs. Forecast

Traffic light indicators

Risk Status indicators

Metric trending

Predictive Analytics

Company logo

Link to ERP Web interface

Report list

Financial reports

"What-if" analysis

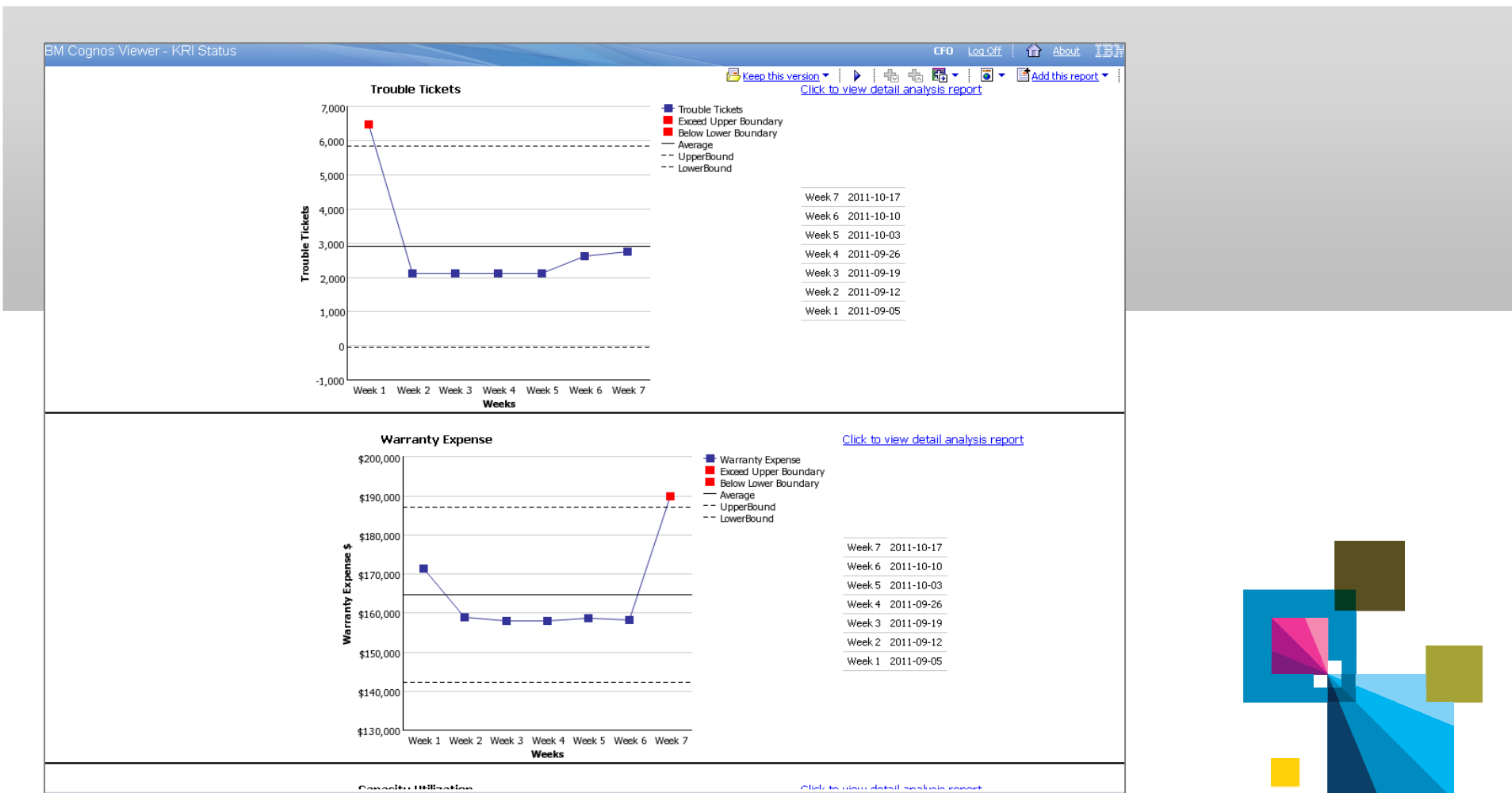
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Operational Revenue Management	2011 Fiscal YTD			2011 Full Fiscal Year			Rolling 12 mo. Fcst	Trends	Risk	TCM
	Actual	Target	Budget	Forecast	Variance					
Gross Sales	\$418,367,062	\$413,674,560	\$632,399,040	\$590,339,683	-7%	\$582,282,307	Link	Red		
Avg. Sales Value/Unit	\$747	\$692	\$691	\$748	8%	\$748	Link	Green		
Price Realization	60%	56%	56%	60%	4%	59%	Link	Green		
Market Share	95%	95%	96%	96%	0%	96%	Link	Green		

Operational Expense Management	2011 Fiscal YTD			2011 Full Fiscal Year			Rolling 12 mo. Fcst	Trends	Risk	TCM
	Actual	Target	Budget	Forecast	Variance					
SG&A%	21%	21%	21%	27%				Red		
Gross Margin%	60%	59%	59%	61%				Green		
Material Cost%	20%	20%	20%	19%				Green		
Distribution Expense%	5%	5%	5%	9%	4%	9%	Link	Yellow		
Headcount	6,352.0	6,405.0	6,397.0	6,402.0	0%	6,384.0	Link	Green		

Capital Management	2011 Fiscal YTD			2011 Full Fiscal Year			Rolling 12 mo. Fcst	Trends	Risk	TCM
	Actual	Target	Budget	Forecast	Variance					
Capital Efficiency	\$9	\$7	\$9	\$9	1%	\$8	Link	Green		
Quick Ratio	32.3	32.3	33.6	34.3	2%	37.5	Link	Green		
DSO	29.2	29.4	50.1	56.8	13%	27.3	Link	Red		
Days Payable	18.0	17.5	21.9	30.9	41%	16.2	Link	Green		
Days in Inventory	12.7	12.5	15.3	15.5	1%	11.4	Link	Green		
Bad Debt Write-off	\$1,732,948	\$1,853,660	\$2,470,406	\$2,866,504	16%	\$2,858,174	Link	Red		

Key risk indicators provide early warnings to potential weaknesses



Executive dashboard

Executive dashboard

Actual vs. Budget vs. Forecast

Traffic light indicators

Risk Status indicators

Metric trending

Predictive Analytics

“What-if” analysis

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Company logo

Link to ERP Web interface

Financial Management	2011 Fiscal YTD		2011 Full Fiscal Year			Rolling 12 mo. Fcst	Trends	Risk	TCM
	Actual	Target	Budget	Forecast	Variance				
EBITDA	\$99,958,803	\$90,500,917	\$139,151,262	\$121,463,095	-13%	\$119,227,086	Link	Yellow	TCM
Net Income	\$43,506,230	\$38,406,045	\$59,386,062	\$42,599,047	-28%	\$41,879,335	Link	Yellow	TCM
ROIC	15%	12%	12%	2%	-9%	9%	Link	Yellow	TCM
Operating Profit%	39%	39%	39%	34%	-5%	34%	Link	Yellow	TCM

Operational Revenue Management	2011 Fiscal YTD		2011 Full Fiscal Year			Rolling 12 mo. Fcst	Trends	Risk	TCM
	Actual	Target	Budget	Forecast	Variance				
Gross Sales	\$418,367,062	\$413,674,560	\$632,399,040	\$590,339,683	-7%	\$582,282,307	Link	Red	TCM
Avg. Sales Value/Unit	\$747	\$692	\$691	\$748	8%	\$748	Link	Green	TCM
Price Realization	60%	56%	56%	60%	4%	59%	Link	Green	TCM
Market Share	95%	95%	96%	96%	0%	96%	Link	Green	TCM

Operational Expense Management	2011 Fiscal YTD		2011 Full Fiscal Year			Rolling 12 mo. Fcst	Trends	Risk	TCM
	Actual	Target	Budget	Forecast	Variance				
SG&A%	21%	21%	21%	27%			Link	Red	TCM
Gross Margin%	60%	59%	59%	61%			Link	Green	TCM
Material Cost%	20%	20%	20%	19%			Link	Green	TCM
Distribution Expense%	5%	5%	5%	9%	4%	9%	Link	Yellow	TCM
Headcount	6,352.0	6,405.0	6,397.0	6,402.0	0%	6,384.0	Link	Green	TCM

Capital Management	2011 Fiscal YTD		2011 Full Fiscal Year			Rolling 12 mo. Fcst	Trends	Risk	TCM
	Actual	Target	Budget	Forecast	Variance				
Capital Efficiency	\$9	\$7	\$9	\$9	1%	\$8	Link	Green	TCM
Quick Ratio	32.3	32.3	33.6	34.3	2%	37.5	Link	Green	TCM
DSO	29.2	29.4	50.1	56.8	13%	27.3	Link	Red	TCM
Days Payable	18.0	17.5	21.9	30.9	41%	16.2	Link	Green	TCM
Days in Inventory	12.7	12.5	15.3	15.5	1%	11.4	Link	Green	TCM
Bad Debt Write-off	\$1,732,948	\$1,853,660	\$2,470,406	\$2,866,504	16%	\$2,858,174	Link	Red	TCM

Integrated what-if analysis: provides an in-depth view on impact of alternative business forecast assumptions, all on a single page view

DSO Analysis - By Customer

Customer: SKW Corporation US, Engenr US, Smith Manufacturing, Pragma Aut Ltd, Atlantic Technology Group, Amnong South Associates, Chicago Electronics, Intermedia, Star & Kerm Ltd, Applied Systems, Miller Tech Systems, New York, Milwaukee Inc, Canton Ohio, Meachon Corp, JK Expense Systems, TSCO Ltd

Balance Sheet

Month	Forecast	WhatIfBranchManager	Actual	Forecast	WhatIfBranchManager	Actual	Forecast	WhatIfBranchManager	Actual
Jan	\$6,043,683	\$6,043,683	\$890,048	\$565,327	\$565,327	\$1,174,106	\$851,346	\$851,346	\$
Feb	\$6,063,261	\$6,063,261	\$964,322	\$921,288	\$921,288	\$1,281,917	\$1,229,142	\$1,229,142	\$
Mar	\$6,452,677	\$6,452,677	\$919,138	\$1,282,097	\$1,282,097	\$1,266,272	\$1,608,563	\$1,608,563	\$
Q1	\$6,452,677	\$6,452,677	\$919,138	\$1,282,097	\$1,282,097	\$1,266,272	\$1,608,563	\$1,608,563	\$3
Apr	\$7,268,901	\$7,268,901	\$813,335	\$545,354	\$545,354	\$1,182,202	\$891,026	\$891,026	\$
May	\$7,293,403	\$7,293,403	\$793,665	\$954,486	\$954,486	\$1,186,020	\$1,312,785	\$1,312,785	\$
Jun	\$7,794,621	\$7,794,621	\$523,661	\$781,585	\$781,585	\$943,337	\$1,144,311	\$1,144,311	\$
Q2	\$7,794,621	\$7,794,621	\$523,661	\$781,585	\$781,585	\$943,337	\$1,144,311	\$1,144,311	\$4
Jul	\$7,668,586	\$7,668,586	\$1,588,185	\$1,414,373	\$1,414,373	\$2,035,850	\$1,794,504	\$1,794,504	\$
Aug	\$7,629,653	\$7,629,653	\$1,904,649	\$2,616,931	\$2,616,931	\$2,375,510	\$3,007,757	\$3,007,757	\$
Sep	\$9,273,280	\$9,273,280	\$1,734,910	\$1,842,449	\$1,842,449	\$2,218,459	\$2,257,763	\$2,257,763	\$
Q3	\$9,273,280	\$9,273,280	\$1,734,910	\$1,842,449	\$1,842,449	\$2,218,459	\$2,257,763	\$2,257,763	\$4
Oct	\$9,044,453	\$9,044,453	\$0	\$3,177,950	\$3,177,950	\$0	\$3,610,775	\$3,610,775	\$
Nov	\$6,617,801	\$6,617,801	\$0	\$6,589,976	\$6,589,976	\$0	\$7,048,932	\$7,048,932	\$
Dec	\$4,502,247	\$4,502,247	\$0	\$9,567,208	\$9,567,208	\$0	\$10,051,487	\$10,051,487	\$
Q4	\$4,502,247	\$4,502,247	\$0	\$9,567,208	\$9,567,208	\$0	\$10,051,487	\$10,051,487	\$4
TotalYear	\$4,502,247	\$4,502,247	\$1,734,910	\$9,567,208	\$9,567,208	\$2,218,459	\$10,051,487	\$10,051,487	\$4

DSO Analysis - By Period

DSO What-if Analysis

Month	Debit	Credit	SalesAmount	PreviousSales	AccountsReceivable	DSO	BadDebtAllowance	BadDebtWriteOff	BadDebtRepaid
Jan	\$5,476,599	\$4,612,461	\$1,672,855	\$3,888,053	\$851,346	15.78	\$21,416	\$12,792	\$13,489
Feb	\$2,916,757	\$1,678,006	\$2,065,411	\$1,672,855	\$1,229,142	17.26	\$22,183	\$9,608	\$9,260
Mar	\$3,722,243	\$2,100,250	\$2,493,101	\$2,065,411	\$1,608,563	20.00	\$19,015	\$13,431	\$13,028
Q1	\$13,706,608	\$8,390,717	\$6,231,367	\$2,065,411	\$1,608,563	23.49	\$62,614	\$35,831	\$35,777
Apr	\$3,298,722	\$2,399,610	\$1,690,159	\$2,493,101	\$891,026	15.82	\$17,565	\$8,086	\$9,727

DSO What-if Analysis

Rows: Month [Month] Columns: CustomerPaymentSummaryMeasure [CustomerPaymentSummaryMeasure] Context: 2011 [Year] TotalBusinessUnit [BusinessUnit] NewYork [Organization] SKWCorporationUS [Customer]

	Debit	Credit	SalesAmount	PreviousSales	AccountsReceivable	DSO	BadDebtAllowance	BadDebtWriteOff	BadDebtWriteOff
Mar	\$13,706,608	\$8,390,717	\$6,231,367	\$2,065,411	\$1,608,563	23.49	\$62,614	\$35,831	
Q1	\$3,298,722	\$2,399,610	\$1,690,159	\$2,493,101	\$891,026	15.82	\$17,565	\$8,086	
Apr	\$3,030,933	\$1,705,597	\$2,139,907	\$1,690,159	\$1,312,785	19.02	\$11,956	\$12,551	
May	\$3,222,302	\$2,063,330	\$1,909,517	\$2,139,907	\$1,144,311	17.98	\$8,282	\$14,661	
Jun	\$9,461,826	\$6,168,537	\$5,739,583	\$2,139,907	\$1,144,311	18.14	\$37,803	\$35,298	
Q2	\$3,702,553	\$1,892,842	\$2,558,242	\$1,909,517	\$1,794,504	21.75	\$24,102	\$15,206	
Jul	\$5,261,292	\$2,239,100	\$3,466,788	\$2,558,242	\$3,007,757	26.90	\$15,944	\$14,436	
Aug	\$5,998,379	\$3,722,866	\$2,990,622	\$3,466,788	\$2,257,763	22.65	\$22,808	\$17,750	
Sep	\$12,237,954	\$7,854,808	\$9,015,652	\$3,466,788	\$2,257,763	23.04	\$62,854	\$47,392	
Q3	\$5,758,227	\$2,134,842	\$3,500,464	\$2,990,622	\$3,610,775	31.98	\$21,661	\$12,611	
Oct	\$7,375,297	\$318,531	\$3,764,522	\$3,500,464	\$7,048,932	36.17	\$22,937	\$7,834	
Nov	\$10,997,032	\$939,311	\$3,948,100	\$3,764,522	\$10,051,487	78.92	\$22,040	\$6,234	
Dec	\$17,211,465	\$3,392,683	\$11,213,086	\$3,764,522	\$10,051,487	82.47	\$66,638	\$26,679	
Q4	\$17,211,465	\$3,392,683	\$11,213,086	\$3,764,522	\$10,051,487	82.47	\$229,909	\$145,200	
TotalYear									

Change DSO for Nov and Dec from 78.92 and 82.47 DSO to 35.00 and 35.00

DSO What-if Analysis

Rows: Month [Month] Columns: CustomerPaymentSummaryMeasure [CustomerPaymentSummaryMeasure] Context: 2011 [Year] TotalBusinessUnit [BusinessUnit] NewYork [Organization] SKWCorporationUS [Customer]

	Debit	Credit	SalesAmount	PreviousSales	AccountsReceivable	DSO	BadDebtAllowance	BadDebtWriteOff	BadDebtWriteOff
Mar	\$3,722,243	\$2,100,250	\$2,493,101	\$2,065,411	\$1,608,563	20.00	\$19,015	\$13,431	
Q1	\$13,706,608	\$8,390,717	\$6,231,367	\$2,065,411	\$1,608,563	23.49	\$62,614	\$35,831	
Apr	\$3,298,722	\$2,399,610	\$1,690,159	\$2,493,101	\$891,026	15.82	\$17,565	\$8,086	
May	\$3,030,933	\$1,705,597	\$2,139,907	\$1,690,159	\$1,312,785	19.02	\$11,956	\$12,551	
Jun	\$3,222,302	\$2,063,330	\$1,909,517	\$2,139,907	\$1,144,311	17.98	\$8,282	\$14,661	
Q2	\$9,461,826	\$6,168,537	\$5,739,583	\$2,139,907	\$1,144,311	18.14	\$37,803	\$35,298	
Jul	\$3,702,553	\$1,892,842	\$2,558,242	\$1,909,517	\$1,794,504	21.75	\$24,102	\$15,206	
Aug	\$5,261,292	\$2,239,100	\$3,466,788	\$2,558,242	\$3,007,757	26.90	\$15,944	\$14,436	
Sep	\$5,998,379	\$3,722,866	\$2,990,622	\$3,466,788	\$2,257,763	22.65	\$22,808	\$17,750	
Q3	\$12,237,954	\$7,854,808	\$9,015,652	\$3,466,788	\$2,257,763	23.04	\$62,854	\$47,392	
Oct	\$5,758,227	\$2,134,842	\$3,500,464	\$2,990,622	\$3,610,775	31.98	\$21,661	\$12,611	
Nov	\$7,375,297	\$2,975,520	\$3,764,522	\$3,500,464	\$4,391,942	35.00	\$22,937	\$7,834	
Dec	\$8,340,042	\$3,876,276	\$3,948,100	\$3,764,522	\$4,457,532	35.00	\$22,040	\$6,234	
Q4	\$17,211,465	\$8,986,638	\$11,213,086	\$3,764,522	\$4,457,532	36.57	\$66,638	\$26,679	
TotalYear	\$17,211,465	\$8,986,638	\$11,213,086	\$3,764,522	\$4,457,532	36.57	\$229,909	\$145,200	

DSO Analysis - By Customer

Legend: What-if (Branch Manager) - Sales Amount, What-if (Branch Manager) - Previous Sales, What-if (Branch Manager) - Balance (\$), What-if (Branch Manager) - DSO, Forecast - DSO

DSO Analysis - By Period

Legend: What-if (Branch Manager) - Sales Amount, What-if (Branch Manager) - DSO, Forecast - DSO

Balance Sheet

Rows: [Month] Columns: [BalanceSheetMeasure] Scenario: [Scenario] Context: [2011 Year] [New York Organization] [Balance BSChange] [TransactionCurrency Currency]

	Forecast	WhatIfBranchManager	Actual	Forecast	WhatIfBranchManager	Actual	Forecast	WhatIfBranchManager	Actual
Jan	\$6,043,683	\$6,043,683	\$890,048	\$565,327	\$565,327	\$1,174,106	\$851,346	\$851,346	\$
Feb	\$6,063,261	\$6,063,261	\$964,322	\$921,288	\$921,288	\$1,281,917	\$1,229,142	\$1,229,142	\$
Mar	\$6,452,677	\$6,452,677	\$919,138	\$1,282,097	\$1,282,097	\$1,266,272	\$1,608,563	\$1,608,563	\$
Q1	\$6,452,677	\$6,452,677	\$919,138	\$1,282,097	\$1,282,097	\$1,266,272	\$1,608,563	\$1,608,563	\$3
Apr	\$7,268,901	\$7,268,901	\$813,335	\$545,354	\$545,354	\$1,182,202	\$891,026	\$891,026	\$
May	\$7,293,403	\$7,293,403	\$793,665	\$954,486	\$954,486	\$1,186,020	\$1,312,785	\$1,312,785	\$
Jun	\$7,794,621	\$7,794,621	\$523,661	\$781,585	\$781,585	\$943,337	\$1,144,311	\$1,144,311	\$
Q2	\$7,794,621	\$7,794,621	\$523,661	\$781,585	\$781,585	\$943,337	\$1,144,311	\$1,144,311	\$4
Jul	\$7,668,586	\$7,668,586	\$1,588,185	\$1,414,373	\$1,414,373	\$2,035,850	\$1,794,504	\$1,794,504	\$
Aug	\$7,629,653	\$7,629,653	\$1,904,649	\$2,616,931	\$2,616,931	\$2,375,510	\$3,007,757	\$3,007,757	\$
Sep	\$9,273,280	\$9,273,280	\$1,734,910	\$1,842,449	\$1,842,449	\$2,218,459	\$2,257,763	\$2,257,763	\$
Q3	\$9,273,280	\$9,273,280	\$1,734,910	\$1,842,449	\$1,842,449	\$2,218,459	\$2,257,763	\$2,257,763	\$4
Oct	\$9,044,453	\$9,044,453	\$0	\$3,177,950	\$3,177,950	\$0	\$3,610,775	\$3,610,775	\$
Nov	\$6,617,801	\$6,617,801	\$0	\$6,589,976	\$6,589,976	\$0	\$7,048,932	\$7,048,932	\$
Dec	\$4,502,247	\$4,502,247	\$0	\$9,567,208	\$9,567,208	\$0	\$10,051,487	\$10,051,487	\$
Q4	\$4,502,247	\$4,502,247	\$0	\$9,567,208	\$9,567,208	\$0	\$10,051,487	\$10,051,487	\$4
TotalYear	\$4,502,247	\$4,502,247	\$1,734,910	\$9,567,208	\$9,567,208	\$2,218,459	\$10,051,487	\$10,051,487	\$4

DSO What-if Analysis

Rows: [Month] Columns: [CustomerPaymentSummaryMeasure] Context: [2011 Year] [TotalBusinessUnit BusinessUnit] [New York Organization] [SKW Corporation US Customer]

	Debit	Credit	SalesAmount	PreviousSales	AccountsReceivable	DSO	BadDebtAllowance	BadDebtWriteOff	BadDebtRepaid
Jan	\$5,476,599	\$4,612,461	\$1,672,855	\$3,888,053	\$851,346	15.78	\$21,416	\$12,792	\$13,489
Feb	\$2,916,757	\$1,678,006	\$2,065,411	\$1,672,855	\$1,229,142	17.26	\$22,183	\$9,608	\$9,260
Mar	\$3,722,243	\$2,100,250	\$2,493,101	\$2,065,411	\$1,608,563	20.00	\$19,015	\$13,431	\$13,028
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Actual vs. Budget vs. Forecast

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Financial Management	2011 Fiscal YTD			2011 Full Fiscal Year			Rolling 12 mo. Fcst	Trends	Risk	TCM
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EBITDA	\$99,958,803	\$90,500,917	\$139,151,262	\$121,463,095	-13%	\$119,227,086	Link	Yellow		
Net Income	\$43,506,230	\$38,406,045	\$59,386,062	\$42,599,047	-28%	\$41,879,335	Link	Yellow		
ROIC	15%	12%	12%	2%	-9%	9%	Link	Yellow		
Operating Profit%	39%	39%	39%	34%	-5%	34%	Link	Yellow		

Operational Revenue Management	2011 Fiscal YTD			2011 Full Fiscal Year			Rolling 12 mo. Fcst	Trends	Risk	TCM
	Actual	Target	Budget	Forecast	Variance					
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Avg. Sales Value/Unit	\$747	\$692	\$691	\$748	8%	\$748	Link	Green		
Price Realization	60%	56%	56%	60%	4%	59%	Link	Green		
Market Share	95%	95%	96%	96%	0%	96%	Link	Green		

Operational Expense Management	2011 Fiscal YTD			2011 Full Fiscal Year			Rolling 12 mo. Fcst	Trends	Risk	TCM
	Actual	Target	Budget	Forecast	Variance					
SG&A%	21%	21%	21%	27%			Link	Red		
Gross Margin%	60%	59%	59%	61%			Link	Green		
Material Cost%	20%	20%	20%	19%			Link	Green		
Distribution Expense%	5%	5%	5%	9%	4%	9%	Link	Yellow		
Headcount	6,352.0	6,405.0	6,397.0	6,402.0	0%	6,384.0	Link	Green		

Capital Management	2011 Fiscal YTD			2011 Full Fiscal Year			Rolling 12 mo. Fcst	Trends	Risk	TCM
	Actual	Target	Budget	Forecast	Variance					
Capital Efficiency	\$9	\$7	\$9	\$9	1%	\$8	Link	Green		
Quick Ratio	32.3	32.3	33.6	34.3	2%	37.5	Link	Green		
DSO	29.2	29.4	50.1	56.8	13%	27.3	Link	Red		
Days Payable	18.0	17.5	21.9	30.9	41%	16.2	Link	Green		
Days in Inventory	12.7	12.5	15.3	15.5	1%	11.4	Link	Green		
Bad Debt Write-off	\$1,732,948	\$1,853,660	\$2,470,406	\$2,866,504	16%	\$2,858,174	Link	Red		

Temporal causal modeling: automatically discovers causal relationships between drivers and KPIs

Proprietary algorithms developed by IBM Watson Research Center, that answer the following:

Which metrics have the most impact on my performance?

- Use historical data to discover those metrics that have the strongest impact on selected business objectives, directly or indirectly
- Use historical data to evaluate the strength of user-specified metric relationships

How do these metrics interact with each other?

- Use historical data to discover significant causal relationships among metrics: time lag between metrics, strength, degrees of separation.

What is driving my performance?

- Use identified causal relationships to automatically discover the metric values driving observed performance

If nothing else changes, what will my future performance be?

- Use causal-temporal model to project future performance based on historical data

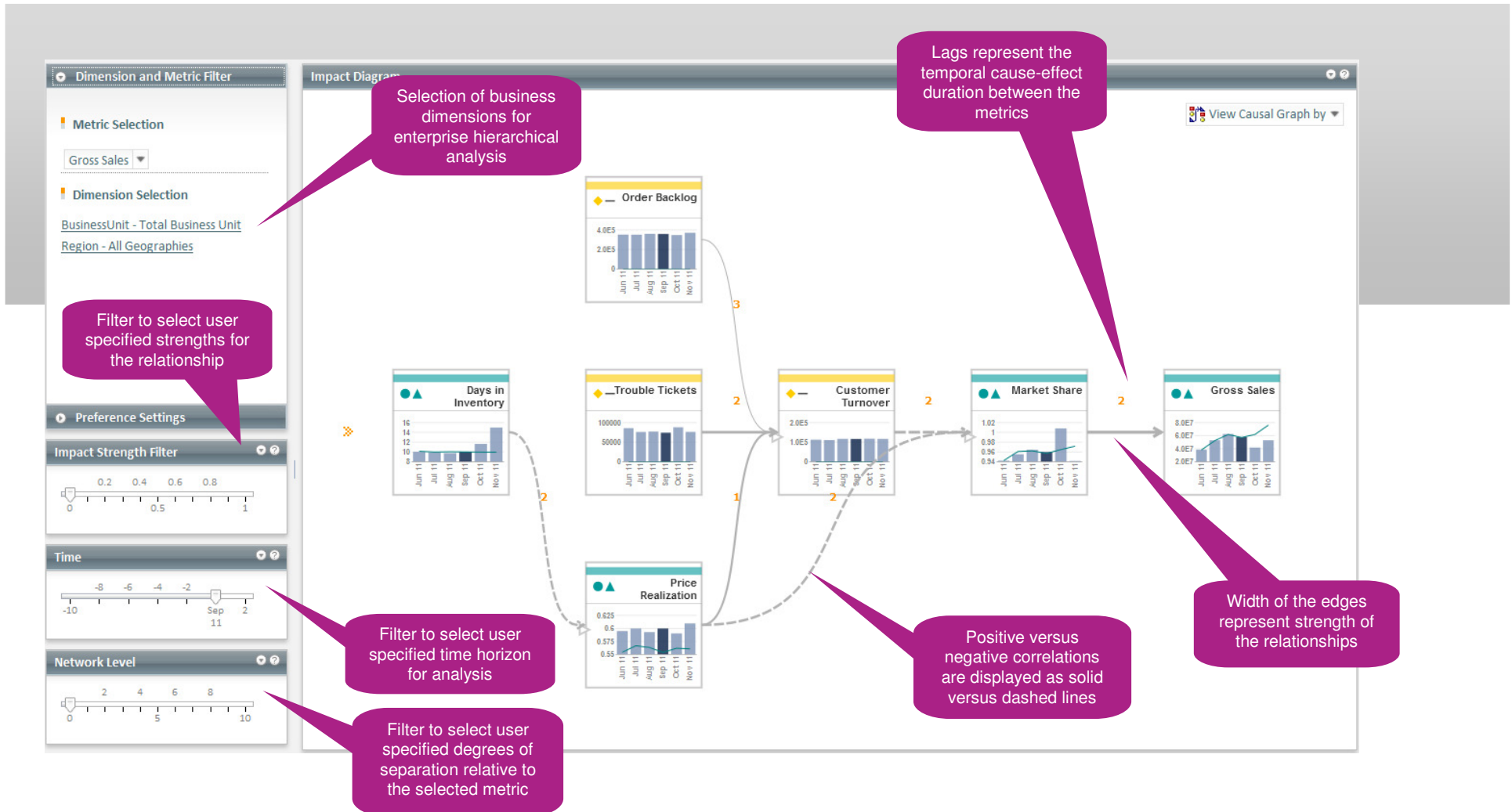


Predictive Analytics

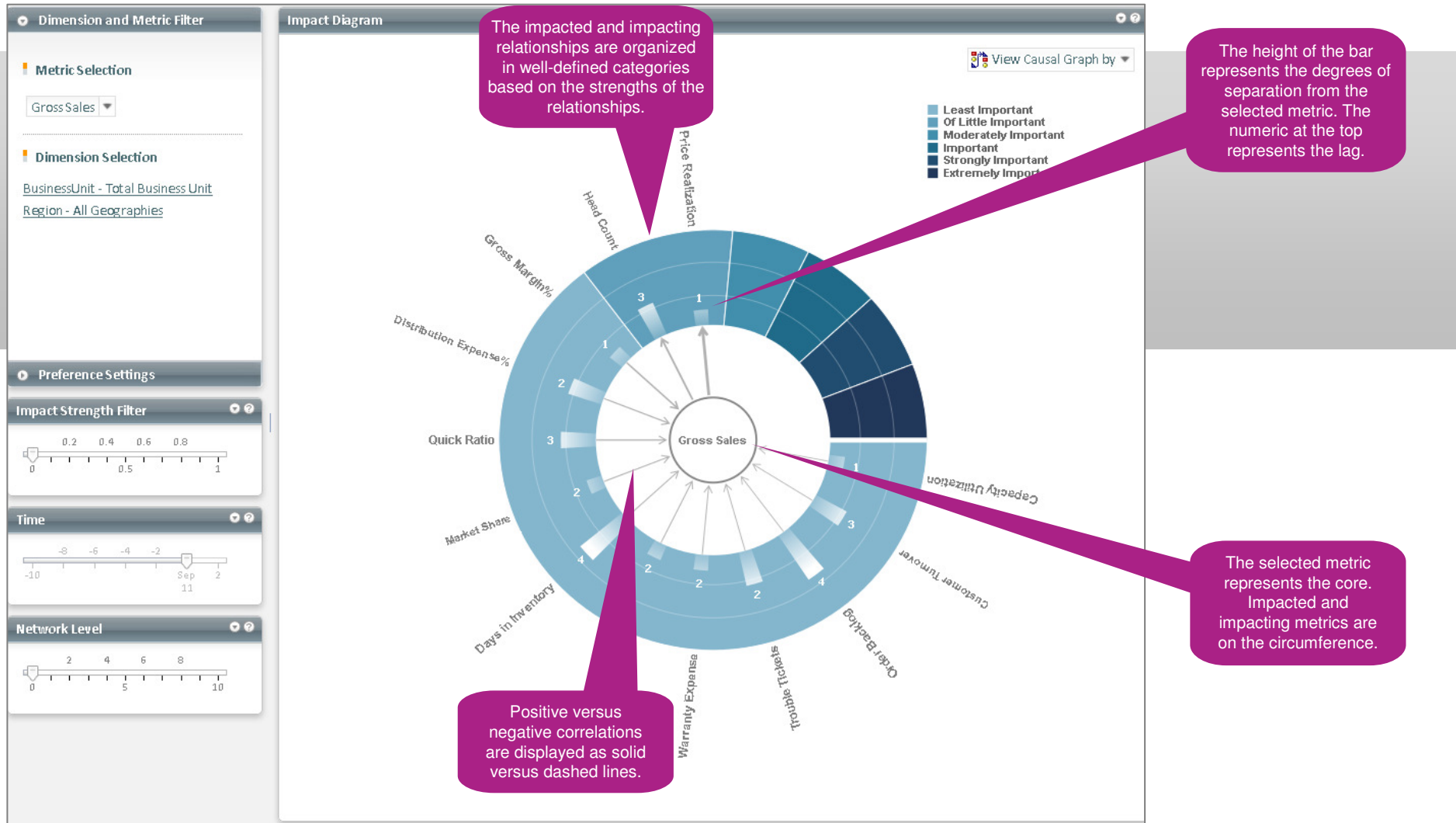
Temporal Causal Modeling

- Discover causal relationships
- Assess lead-lag indicators
- Examine strength of metrics relationships and degrees of separation
- Anticipate the momentum of metrics drivers

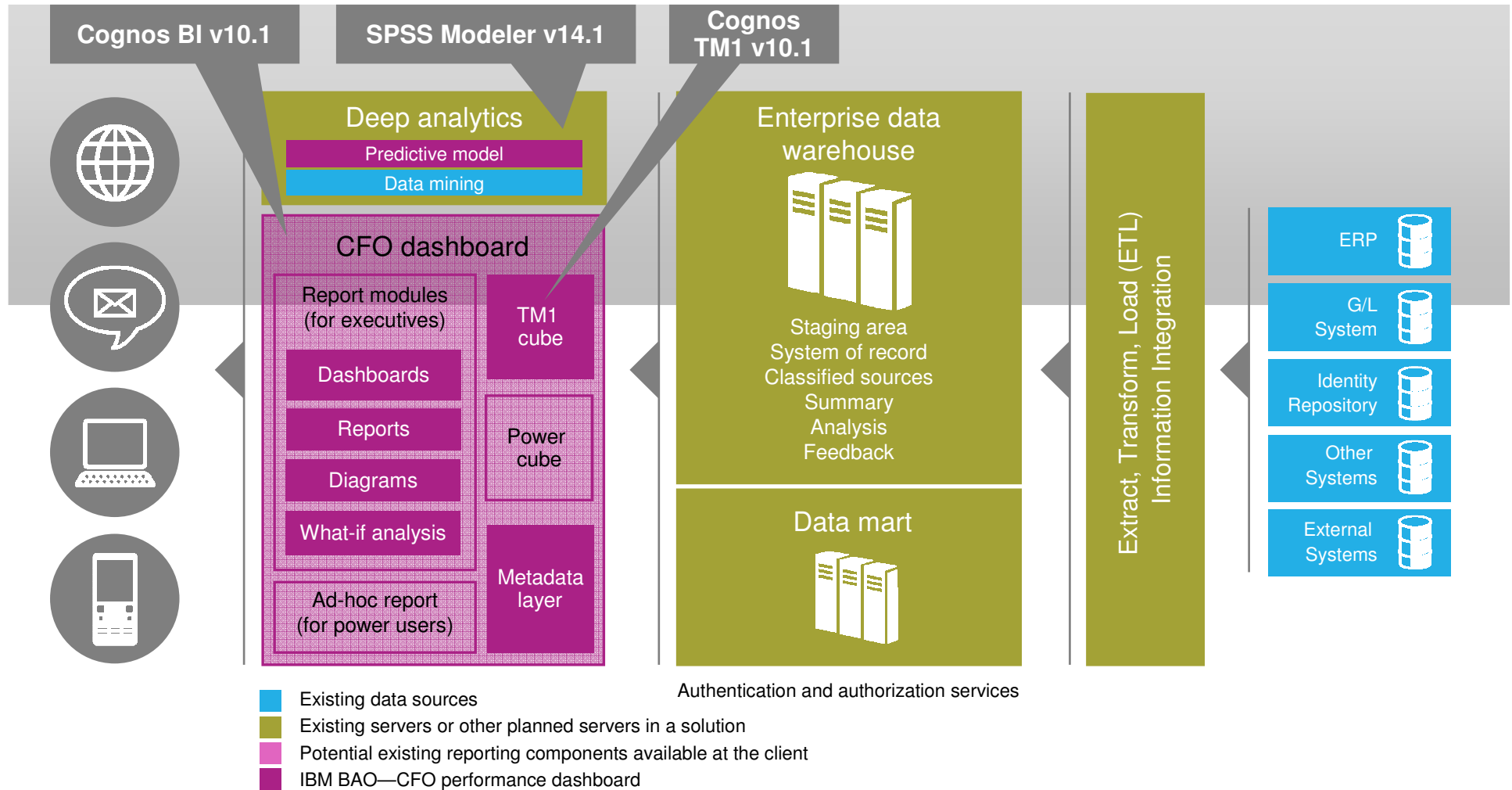
Automatically creates causal lead-lag diagrams and provide insight into interactions among business metrics



Intuitive visualization enables insights into large scale networks



Solution architecture



Solution capabilities summary

- Timely, reliable visibility into performance gaps between forecast, targets and actuals for critical KPIs
- Built-in KRIs to identify areas of weakness
- Proprietary statistical model automatically discovers relationships between drivers and KPIs based on historical data; and creates more reliable baseline forecasts.
- Guided root-cause analysis
- Easy access to standard GL/AR/AP reports
- Integrated what-if analysis and scenario planning

How can I anticipate and shape business outcomes?

CFO Performance Insight

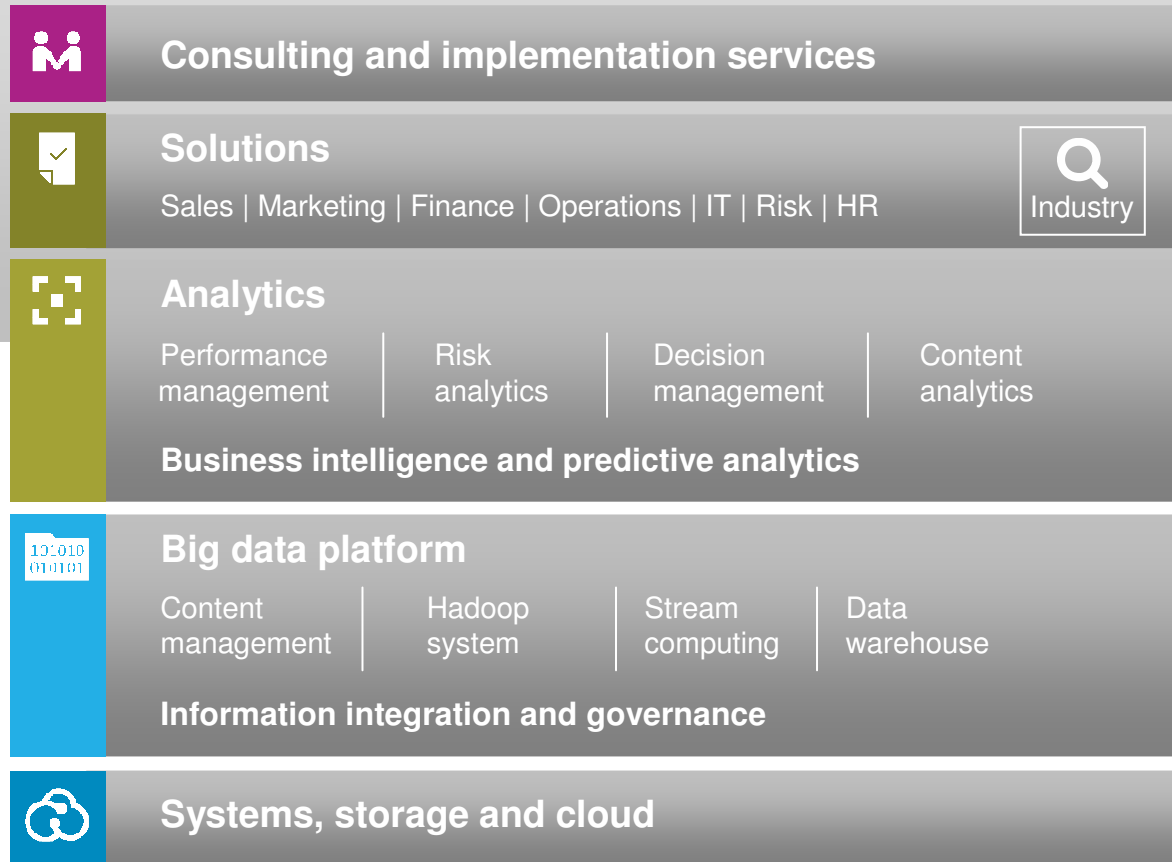


Increase visibility, insight and control over financial performance

- Cross-industry

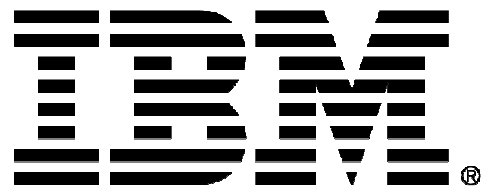
The IBM advantage

- Over **\$14B** in acquisitions since 2005
- More than **10,000** technical professionals
- Over **7,700** dedicated Business Analytics and Optimization (BAO) consultants
- Largest math department** in private industry
- Deep, vertical strategy and business process expertise across **17 industries** and all geographies of the world
- More than **40 proven, industry-based and domain solutions**
- More than **27,000** Business Partner Certifications
- A network of **Analytics Solution Centers** across the world



Questions and Answers





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