

Gideon van Schalkwyk – IBM Performance Management Specialist

IBM Cognos solutions for Planning and Analysis including Financial Disclosure



Session objectives

In today's session we will cover:

- Performance Management :
 - Current Performance Management issues
 - Enhanced Performance Management with IBM Cognos TM1
 - Agile business modeling
 - Deliver reliable forecasts
- Financial Disclosure
 - New challenges for Managers and operational reporting
 - Risks of existing manual reporting processes
 - Benefits and values of a single, secure reporting platform
 - How Cognos FSR works

New pressures

30%

Percentage of their companies' performance potential CFOs say is lost due to subpar enterprise performance management; some say that as much as 80% is lost.⁽¹⁾

65%

Percentage of CFOs citing business intelligence / analytics / performance management as the top technology initiative for their company in 2011.⁽²⁾

(1) The CFO Executive Board

(2) The CFO's Impact on Technology Investment Decisions, 2011 Gartner FEI (Financial Executive Institute) Technology Study

Current performance management failing

- Low frequency and participation
- Deteriorating relevance of results
- Low-value activities dominate



“The budget is the bane of corporate America. It should never have existed.”

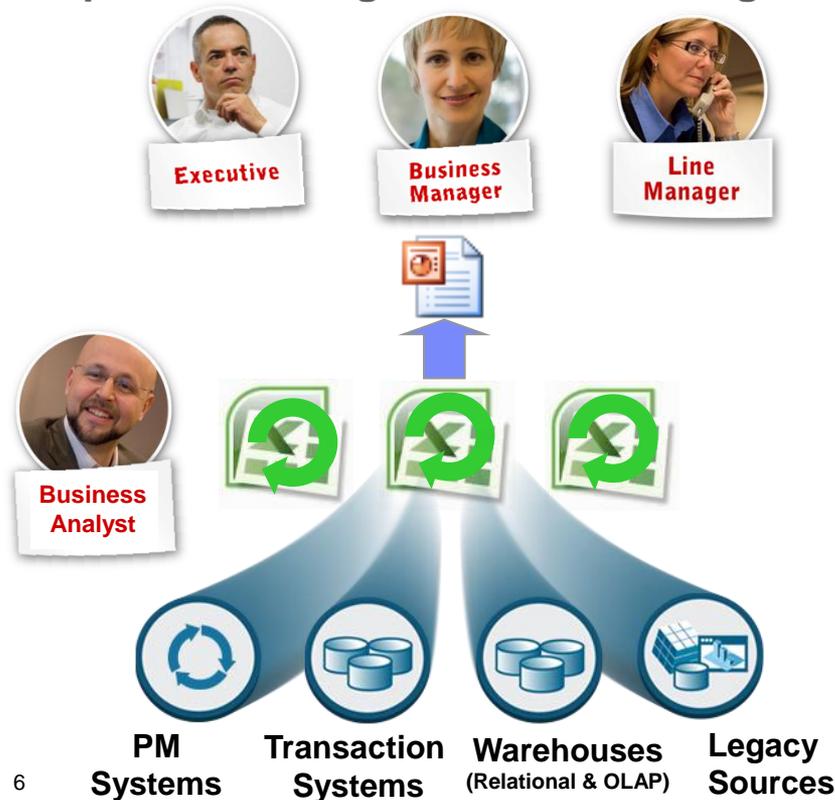
Jack Welch, CEO of GE
Fortune magazine (May 1995)

Current performance management failing



Challenges with the Typical Process

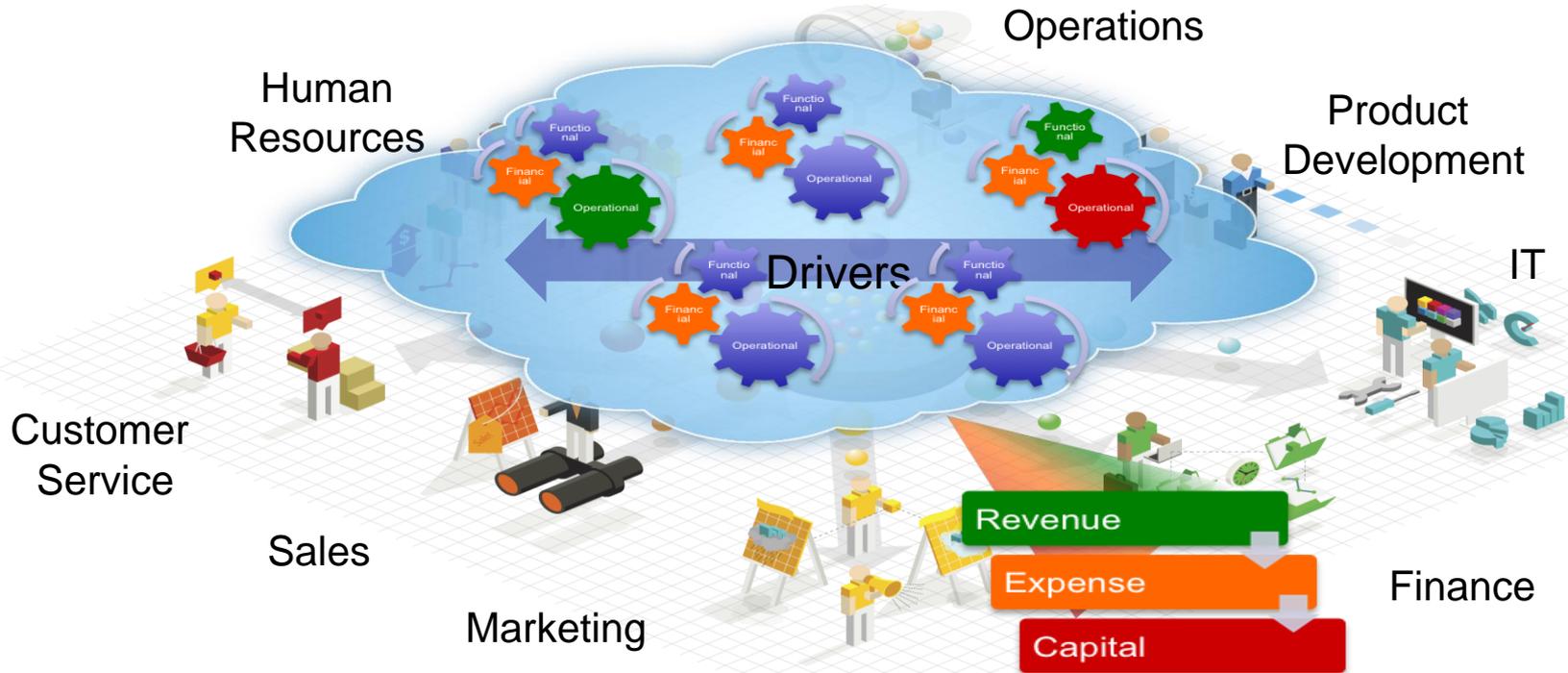
The lack of integrated, end-to-end processes leads to very heavy people costs AND scepticism throughout the entire organization



- Data collection and extraction is time consuming and error-prone
- Disconnected from the data and process used for BI and trending analysis
- Multiple scenarios typically require multiple spreadsheets
- Reasoning and rules are buried in cell formulas
- Can only share scenarios by sharing spreadsheets
- Performance against large data sets

Transforming performance management

Gain time, control and confidence



The 2011 BI Survey 10 ranked IBM Cognos TM1...



- Goal achievement
- Self-service

The Planning Peer Group
BARC BI Survey 10



- Goal achievement
- Self-service
- Suitability

The Database Peer Group
BARC BI Survey 10



Cognos TM1 10

PART OF COGNOS ENTERPRISE

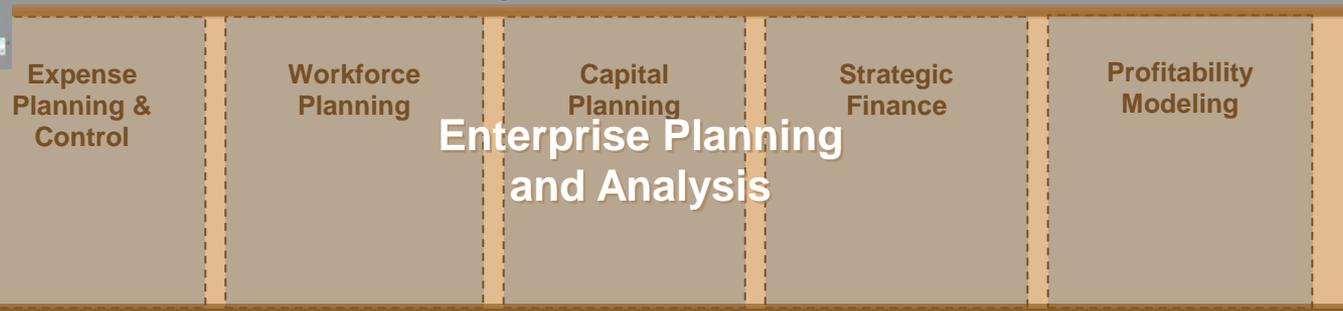
- Improved, flexible solution design environment
- Easily spans analytics and planning requirements
- Unrivaled performance at high user and data scale

Cognos Enterprise Performance Management: A revolution with TM1 10



Performance Reporting and Scorecarding

Analytics

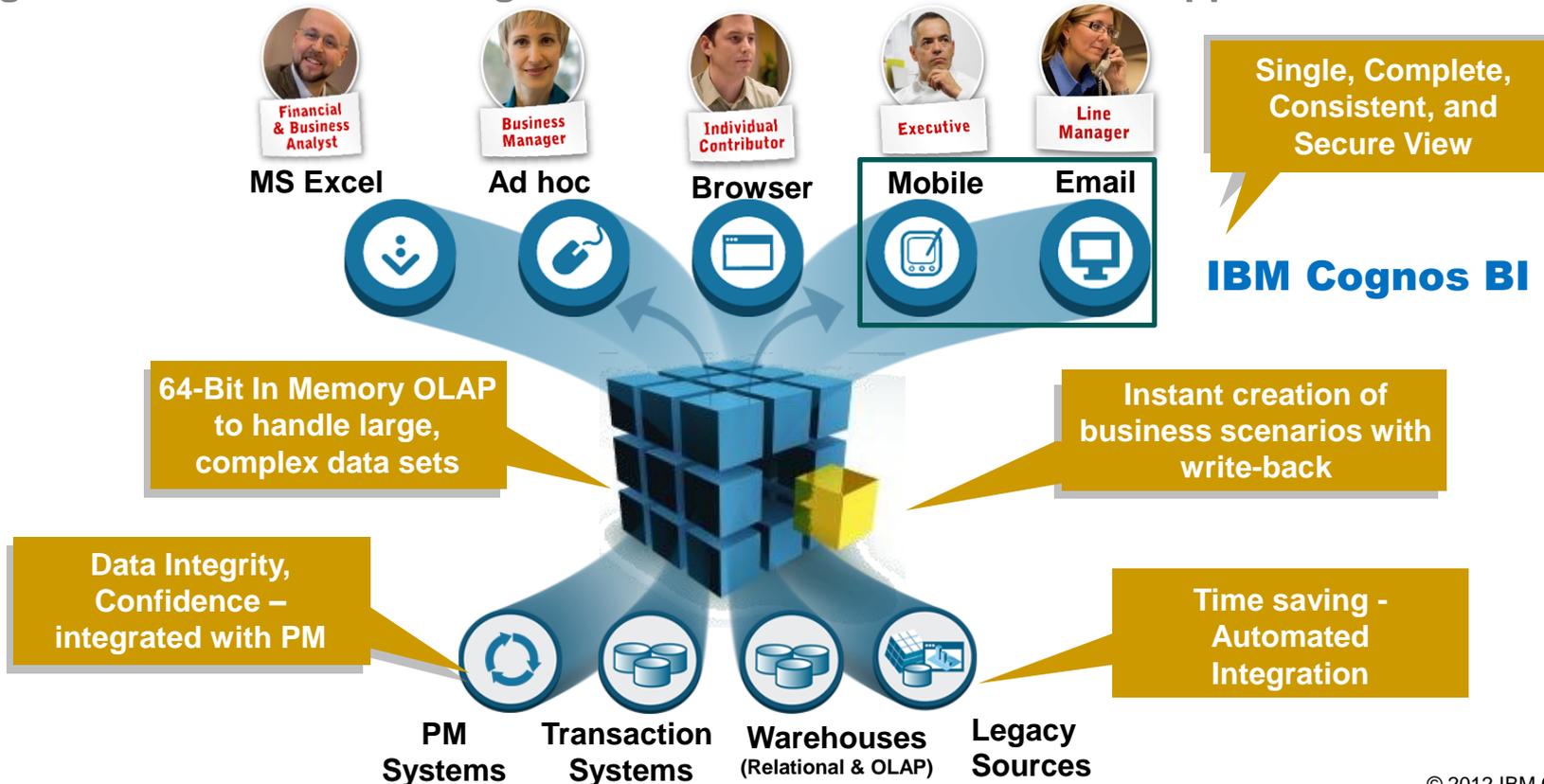


High Performance Platform



IBM Cognos TM1 – Enhanced Performance Management

Integrated creation and management of business scenarios to support decision-making

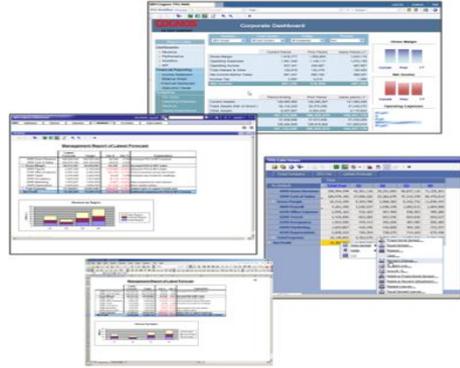


IBM Cognos TM1 – a single, secure platform for Performance Management

- **P**rocess – High Frequency Planning and Design
- **A**utomation – Saves Time
- **G**overnance and **C**ontrol – Managed Collaborative Contribution
- **A**ccuracy - A single source of truth

User experience flexibility

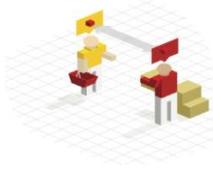
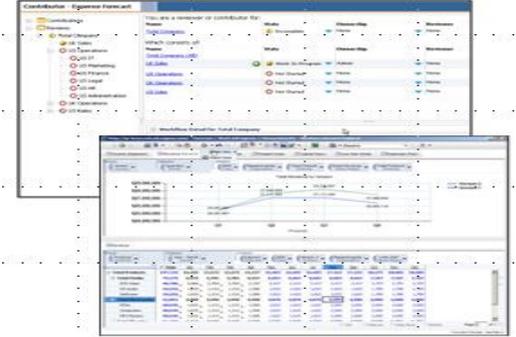
Excel-Based



Desktop



Managed Collaboration



Customer Service



Sales



Marketing



Operations



Product Development



Finance



Human Resources



IT

Span all users and user experience needs

Fast, easy modeling

- **Guided modeling steps**
 - Define dimensions
 - Build cubes
 - Define rules
 - Easy linking paradigm
- Widespread use of drag and drop and **visual composition**
- Easy **transfer of applications** from development to test to production environments

The screenshot displays the IBM Performance 2012 modeling tool interface. It features a central workspace with several panels and a data table. The interface is overlaid with a guided modeling process diagram consisting of four numbered steps:

- 1 Define Dimensions**: Identify dimensions such as Charts of Accounts, Products, Time and Versions. Create or import the dimensions and add attributes to describe the members. Specify dimension calculations and formats.
- 2 Build Cubes**
- 3 Create Rules and Processes**
- 4** (partially visible)

The main workspace shows a 'Model Design' view with the following components:

- Model Catalog**: A tree view on the left showing the project structure, including folders for 'Budget 2010', 'Margin Plan', 'Income Statement', and 'Product Category'.
- Margins to Inc Stmt**: A panel showing dimensions (Regions, Time2011, ShortProducts) and their mappings to source and target tables.
- Income Statement**: A panel showing dimensions (Time, All Regions, SW Regions, North, East, South, West) and their mappings.
- Data Table**: A table on the right displaying financial data for the 'Income Statement' cube. The columns represent months from Jan-03 to May-03, and the rows represent various financial metrics.
- Property Grid**: A table at the bottom showing properties for the selected 'Income Statement' cube, such as Name, Type, Dimensions, Source Links, Target Links, and Internal Links.

	Jan-03	Feb-03	Mar-03	Apr-03	May-03
Gross Sales	0.00	0.00	0.00	0.00	0.00
Discounts	0.00	0.00	0.00	0.00	0.00
Indoor Cost of Sales	0.00	0.00	0.00	0.00	0.00
Outdoor Cost of Sales	0.00	0.00	0.00	0.00	0.00
Net Sales	0.00	0.00	0.00	0.00	0.00
Cost of Sales	0.00	0.00	0.00	0.00	0.00
Gross Profit	0.00	0.00	0.00	0.00	0.00
Selling, General and Administrative	0.00	0.00	0.00	0.00	0.00
Depreciation	0.00	0.00	0.00	0.00	0.00
Operating Income	0.00	0.00	0.00	0.00	0.00
Interest Income	0.00	0.00	0.00	0.00	0.00
Interest Expense	0.00	0.00	0.00	0.00	0.00
Taxes	0.00	0.00	0.00	0.00	0.00
Net Income	0.00	0.00	0.00	0.00	0.00

Empowering more users to model, reduced time to value

“[Performance Modeler] will allow more people to develop TM1 solutions as well as speed up the development process.”

-- Jack Purvis, Senior Manager, BI/PM, DIRECTV

“I particularly like the ability that a reviewer or contributor, with appropriate access rights, can add members to an existing dimension while working in Central Planning [mode].”

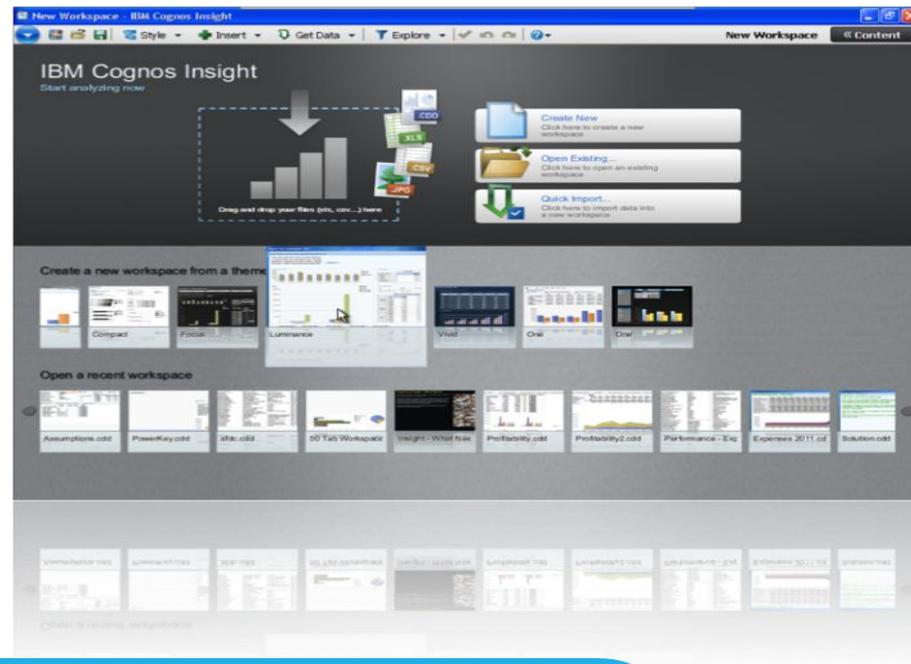
-- Michael Mackie, Product & Practices Manager, Cortell NZ

Cognos Performance Moderator demonstration

CognosPerfMod.mov

New, visually rich and interactive “canvas” for smarter contribution

- Users work with their data of choice, on their desktop, without IT
- Discover trends and explore scenarios via speed-of-thought interactions
- Share findings & results within a workgroup or throughout the enterprise



New users connected to PM processes

“The single product IBM Cognos solution with the personal desktop component wraps together the full cycle of processes – planning, analysis, forecasting, and reporting. You can easily create the templates or models for planning.”

-- Sherain Messenger, Cognos Competency Centre Manager, Hiscox

“[Cognos Insight] provides an excellent prototyping tool for our business analysts. It will allow us to move more modeling out to the business users.”

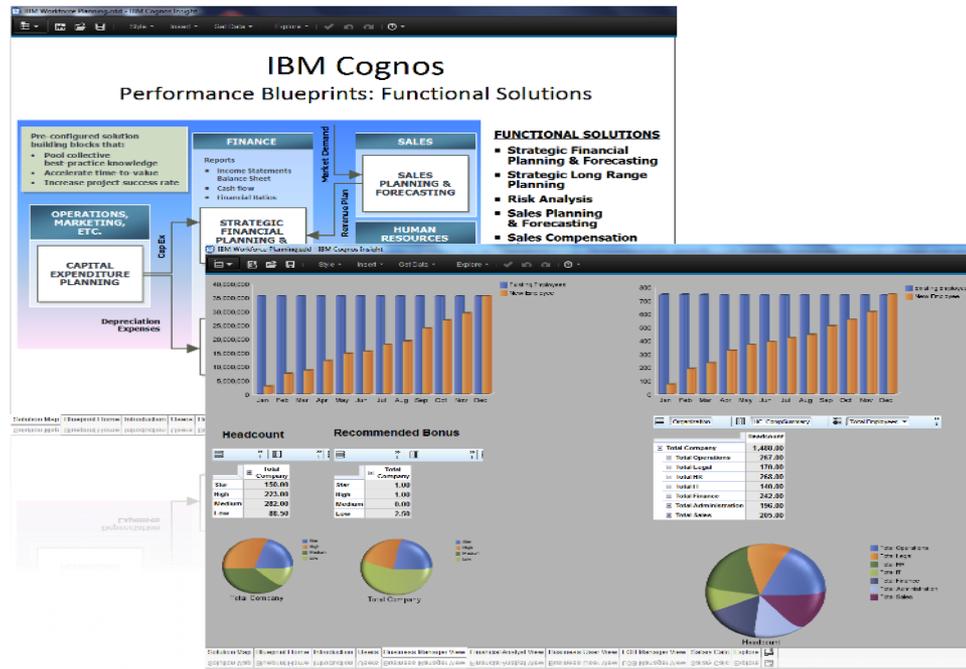
-- Jack Purvis, Senior Manager, BI/PM, DIRECTV

Cognos Insight Demonstration

CognosInsight_contribute2.mov
and
CognosInsight_Profit.mov

Performance blueprints: Deliver application value on single technology platform

- Support solution design, springboards for innovation
- Pre-defined data, process and policy models
- Exemplify technology-enabled best practices
- Many available today as Cognos Insight samples



Reduce time, risk...Rapid time to value

Financial Governance & Disclosure Management

IBM Cognos FSR



New challenges for Managers and operational reporting

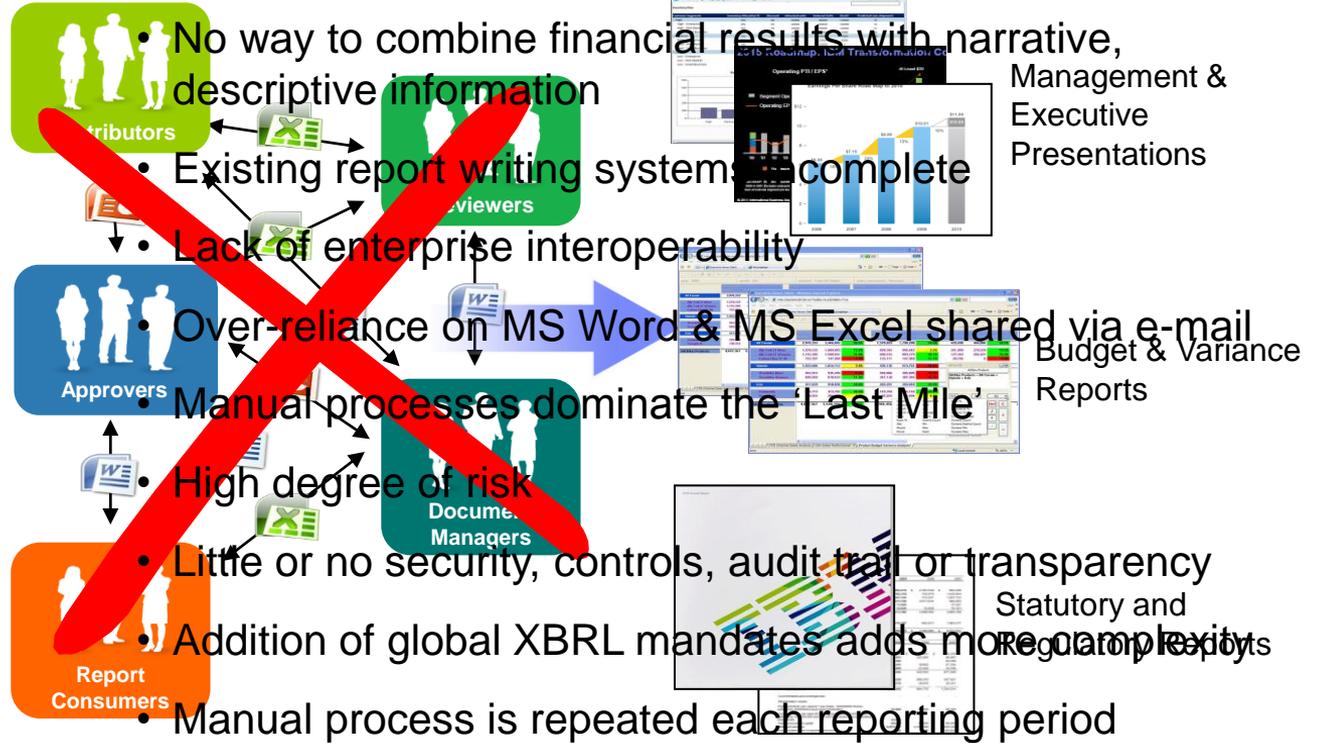
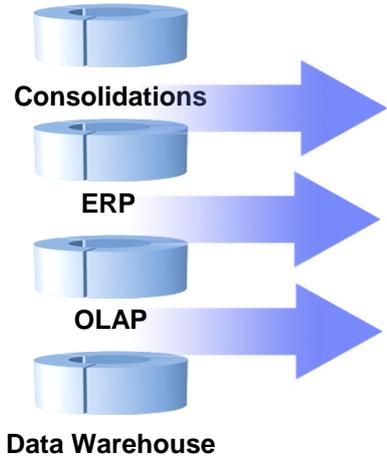
Internal Initiatives

- Streamline global operations
- Re-focus effort to more value added analysis
- Consolidate explosion of financial/operational data
- Strengthen reporting

External Mandates

- Regulatory reporting & industry submissions
- Global statutory reporting
- Proliferation of XBRL mandates
- CSR and Sustainability Reports
- Exchange Listing Requirements

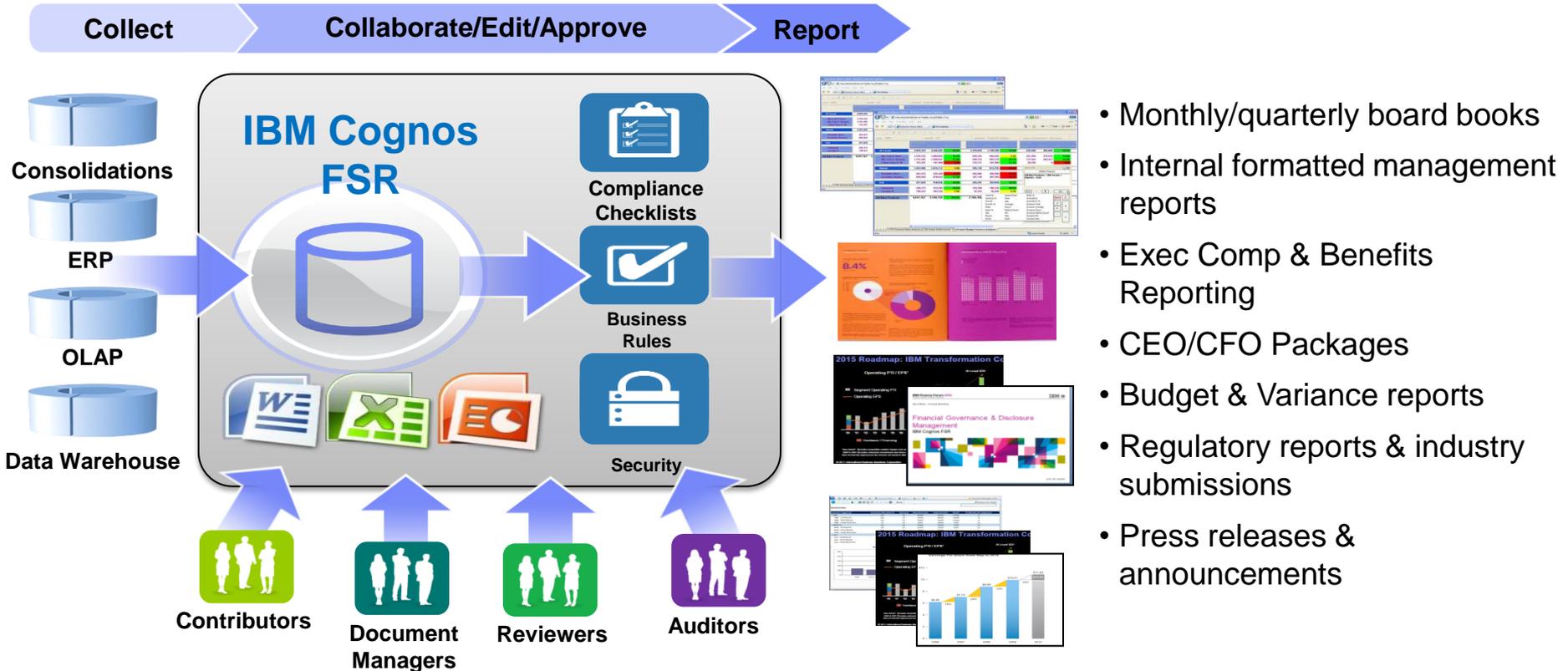
Manual processes no longer sustainable



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

- **P**rocess - Global process ownership
- **A**utomation – Saves Time
- **G**overnance and **C**ontrol - Audit trail and transparency
- **A**ccuracy - A single, secure platform

IBM Cognos FSR – How it works



IBM Cognos FSR – Eliminate manual processes through automation

- Create reports once...no need for one off or recreating reports each week/month/quarter

Reinsurance and other amounts recoverable reflect amounts due from reinsurers and policyholders to cover incurred but not reported and pending claims for minimum premium products and certain administrative services only business where the right of offset does not exist. See Note #0 for additional information on reinsurance. For the three months ended March 31, 2012, actual experience differed from the Company's key assumptions. During the favorable incurred claims related to prior years medical claims payable of \$40 million, or 0.5% of the current year, in 2012 claims as reported for the year ended December 31, 2011. Actual completion factors resulted in a reduction in medical claims payable of \$17 million, or 0.2% of the current year incurred claims as reported for the year ended December 31, 2011 for the insured book of business. Actual medical cost trend resulted in a reduction in reported medical claims payable of \$26 million, the 0.3% of the current year incurred claims as reported for the year ended December 31, 2011 for the insured book of business payable of \$##D<cqqheamcptrend> million, or ##D<cqqheamcptrend%> of the current year incurred claims as reported for the year ended ##D<cye-1> for the insured book of business.

Use “variables” to change once...update everywhere

Variable used is ringed... and how it looks when the report is generated

IBM Cognos FSR – Enhance controls and auditability

Workflow & Error Management validation

- Visibility into every step of the approval process. Where? Use what? Why? How? When? and by whom? Repaired?
- Integrate workflow steps to compliance checklists to ensure proper checks are completed
- Complete transparency into the process

The screenshot displays the 'Audit Trail General' window for 'Clarity FSR - (Report Design)'. It is divided into three main sections:

- Document Summary:** A table providing key document information.

Entity	External Reporting
Period	December 31, 2009
Document Name	10-K - Current Year
Submission Due Date	December 30, 2009
# Working Days before Due Date	-307
Document Owner	Director Financial Reporting
Overall document sign-off	0
- Document Status:** A 3D pie chart showing the distribution of document status across various roles.

Internal Auditor - 2.4%	Reviewer - 0.4%	Assistant Controller - 1.2%	Data Contributor - 12.1%	Manager - 4.0%
External Auditor - 1.2%	Legal - 7.2%	Chief Accounting Officer - 6.0%	Director Financial Reporting - 24.1%	Controller - 9.6%
XBRL Tagging - 21.7%	Test Workflow - 1.2%			
- Status by Object:** A detailed table showing the status of various report objects.

Assigned To	Section Name	Report Object	Status	Object Type	Content
Director Financial Reporting	Variable Management	Variable List	Manager	Normal	MS-Excel
Director Financial Reporting	Front Cover Page	Cover Page	Director Financial	Normal	MS-Word
Reviewer	Print Default Settings	Default Page Setup	Reviewer	Page Setup	MS-Word
Reviewer	Shareholders Message	Header	Reviewer	Header	MS-Word
Assistant Controller	Shareholders Message	Shareholder Page Setup	Assistant Controller	Normal	MS-Word
Reviewer	Form 10-K Cover Page	Header	Reviewer	Header	MS-Word
Director Financial Reporting	Form 10-K Cover Page	Default Page Setup	Manager	Page Setup	MS-Word
Director Financial Reporting	Form 10-K Cover Page	Form 10K	Director Financial	Normal	MS-Word
Director Financial Reporting	Table of Contents	TOC	Director Financial	Normal	MS-Word
Data Contributor	Item 1 Business Overview	General	Test Workflow	Normal	MS-Word
Data Contributor	Item 1 Business Overview	Growth Strategy	Data Contributor	Normal	MS-Word
Data Contributor	Item 1 Business Overview	Growth Strategy - Not Printed and Hard Coded	Data Contributor	Normal	MS-Word
Data Contributor	Item 1 Business Overview	Historical Growth	Data Contributor	Normal	MS-Excel
Data Contributor	Item 1 Business Overview	Store Remodeling	Data Contributor	Normal	MS-Word
Data Contributor	Item 1 Business Overview	Footer	Data Contributor	Footer	MS-Word
Data Contributor	Item 1 Business Overview	Comments and Links	Data Contributor	Normal	MS-Word
Data Contributor	Item 1 Business Overview	Suggested Edit	Data Contributor	Normal	MS-Word

How do customers use IBM Cognos FSR?

- Internal performance reporting and file management
- Corporate Social Responsibility (CSR) reports
- Controls & compliance requirements
- Statutory reporting
- Regulatory reporting
- Public sector budgets and annual reports
- Stock Exchange reporting requirements

The collage displays several key features of IBM Cognos FSR:

- Document Summary:** A central interface showing document metadata such as 'Entity', 'External Reporting', 'Submission Due Date', and 'Working Copy before Due Date'. It includes a 3D pie chart and a 'Status by Object' table.
- Table of Contents:** A hierarchical tree view on the left side of the interface, listing various report sections like 'Growth Strategy', 'Internal Growth', and 'Compliance Checklist'.
- Regulatory Reporting:** A screenshot of a report titled 'ITEM 1, BUSINESS' and 'ITEM 101 OF REGULATION S-K', featuring a table with columns for 'Completed', 'With', and 'Comments'.
- Executive Profiles:** Two portrait photos of board members: Elizabeth G. White, President and Chief Executive Officer, and John B. King, Chairman of the Board.
- Financial Statements:** A screenshot of a financial table with columns for 'Revenue', 'Gross Profit', and 'Earnings', showing data for '2009', '2010', and '2011'.
- Management Discussion and Analysis (MDA):** A screenshot of a text-heavy report section with a 'Management Discussion and Analysis of Financial Condition and Results of Operations' header.

Thank You

IBM®

Trademarks and notes

IBM Corporation 2012

- IBM, the IBM logo, ibm.com, and IBM Cognos TM1 are trademarks or registered trademarks of International Business Machines Corporation in the United States, other countries, or both. If these and other IBM trademarked terms are marked on their first occurrence in this information with the appropriate symbol (® or ™), these symbols indicate US registered or common law trademarks owned by IBM at the time this information was published. Such trademarks may also be registered or common law trademarks in other countries. A current list of IBM trademarks is available on the Web at “[Copyright and trademark information](http://www.ibm.com/legal/copytrade.shtml)” at www.ibm.com/legal/copytrade.shtml.
- Other company, product, and service names may be trademarks or service marks of others.
- References in this publication to IBM products or services do not imply that IBM intends to make them available in all countries in which IBM operates.