IBM Business Analytics
Financial Performance Management

James Melville FCCA, Senior FPM Solution Architect
Mike Jeffery, Senior FPM Solution Architect
Wayne Isaac, Senior Clarity Application Consultant
Agenda

- **09:15 - Welcome and Introduction**
  - Introduction to IBM Business Analytics and Financial Performance Management

- **09:40 - Financial Analysis**
  - Provides an overview of how IBM Cognos TM1 can be used to analyse financial data using its in memory cubing engine rendered through an easy to use excel or web interface.

- **10:20 - Financial Consolidation**
  - Guides users on how IBM Cognos Controller can be used to complete a statutory or management consolidation including automation of currency conversions, acquisition calculations, Inter company eliminations, allocations and advanced formula calculations.

- **11:00 - Break**

- **11:20 - Business Intelligence**
  - Demonstrates how IBM Cognos 10 BI can be used to distribute financial information through dashboards, offline active reports, multi page management packs, easy to use drag and drop analysis and integrated office documents.

- **12:00 - The Last Mile Reporting**
  - This session explores how users can create of Annual Report, Accounts, internal board books and Statutory submissions to HMRC and Companies House.
## Introductions

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Agenda

- IBM Business Analytics
- Financial Performance Management
- Business Analytic Solutions for Finance
- Why IBM Cognos?
An exceptional business analytics partner
An exceptional business analytics partner
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
  — Global financing
Financial Performance Management

- **Financial Analytics**
  - Analyze and optimize performance

- **Enterprise Planning**
  - Plan, forecast and control enterprise resources

- **How are we doing?**
- **What should we be doing?**
- **Why?**

FPM – A Specialized View Of Performance Management
"We weren’t aware of anything on the market like this before, so the product sold itself. We realized straight off that this was the tool we needed. Overall, the reduced risk of data inaccuracies and the availability of an audit-trail-feature convinced us to purchase, and we’re glad we did.”

Michelle Boyer, Senior Director, Financial Reporting, PSS World Medical, Inc.

"With Clarity FSR, we’ve been able to fully automate the creation of our external reports. What used to involve multiple steps and oversight can now be done in seconds.

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Analyze & Optimize

Performance Reporting and Scorecarding

Close, Consolidate, and Report
Analyze & Optimize
Plan, Forecast, and Control

IBM Strength

Financial analytics and profitability analysis enabled by:

- Scalable analysis solution, capable of dealing with high degrees of complexity
- Providing an interactive user experience to interact with data and scenarios
- Easy to use – web or excel interface
- Single platform enabling scope to cover all attributes of the business
- Real-time modelling

- Vital connection to planning for growth and profitability

“For our financial analysis and everything we do, IBM Cognos TM1 is very critical, and it’s irreplaceable at this point.”
Anand Saxena, Financial Reporting (FIRE), DHL Global Forwarding

“Putting IBM Cognos TM1 at the core of the tariff optimisation service we offer mobile operators means our clients have access to the most effective analysis and planning solution possible.”
David Eurin, Senior Manager, Analysys Mason
Enterprise Planning: A Distinctive IBM Advantage

IBM Strength

- Plan based on business drivers
- Easily implement Rolling Forecasts
- Connect financial and operational planning
- Connect plans to strategic goals
- Address both high participation and deeply analytic planning
- Advanced analytic value
  - Dashboarding/Visualization
  - Scenario Analytics
  - Statistics / Predictive Analytics
- Real-time scenario modelling/ sandboxing
- Leverage best practices - over 75 performance blueprints to accelerate success
“We also found that it allows us to offer an integrated budgeting process including what-if scenarios, forecasting and automated consolidation” “…hundreds of TM1 users across five business sites within the company”

Garry Cook,
TM1 Development Manager, BAE (Air Systems)

“The level of expertise to drive IBM Cognos TM1 is a lot less than other planning applications I have used. I make my own changes without having to call IT”

Louise Cooper,
Group Planning Manager, Steinhoff Asia Pacific
IBM Business Analytics
Financial Performance Management

Financial Analysis
Mike Jeffery
IBM Business Analytics
Financial Performance Management

Financial Consolidation
James Melville
“With Clarity FSR, we’ve been able to fully automate the creation of external reports, which used to involve multiple steps and oversight. What used to take hours can now be done in seconds.”

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“We weren’t aware of anything on the market like Clarity FSR, so the product sold itself. We realized straight off that this was the control mechanism we needed.

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Jeff Brister, Reporting Development Manager, Group Financial Reporting, British Airways

“Cementing key financial processes and controls of reporting with confidence, first generation consolidation and regulatory filing systems can be simplified. Our ability to automate the process of external reporting has led to a significant reduction in time and resources.”

Simon Jeffers, Group Accountant, Imperial Tobacco

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Close, Consolidate, Report: Key Requirements

**IMPACT:** Cost efficient and effective compliance and faster cycles of close process execution. Confidence in consolidating financial results accurately and sharing with internal and external stakeholders.

- Single controlled environment
- Application configuration
- Audit tracking
- Internal controls
- Finance owned – ease of use
- IT infrastructure compliance
- Out-of-the-box functionality
- Consolidation workflow
- Security & access control
**Close, Consolidate, Report: Collect & Certify**

**IMPACT:** Quality data input, accountability and controls ensuring effective collection of all financial data for the close process

- Multiple data entry options – users and systems
- Import from source systems with data lineage
- Workflow to manage data collection
- Data reconciliation and approval
- Internal controls & audit checklist
Close, Consolidate, Report: **Consolidate**

**IMPACT:** Controlled procedures and rules in an auditable application deliver consolidated financial results for all global and local demands.

- Multiple entity rollups & structures, multiple versions
- Extended business segments
- Apply automated and manual adjustments
- Sophisticated currency accounting
- Intercompany eliminations
- Complex ownership adjustments, joint ventures
- Automate and schedule
Close, Consolidate, Report: Prepare

**IMPACT:** Deliver financial results from a single, controlled data source

- Automated and manual adjustments
- Text commentary and other supporting documents
- In-process reporting to certify financial results
- Deliver multiple GAAP accounts e.g. IFRS, local GAAP, in a visible, easy-to-use environment
- Track and audit different report adjustments
IMPACT: Certified financial results supporting office of finance reporting mandates and providing insight to all business holders

- Real-time in-process close accounting reports
- Complex accounting reports for inter-company, investments, journal entries, etc.
- Direct access via Excel
- Leverage financial information for financial & management reports, ad-hoc analysis – inbuilt TM1 OLAP (FAP) Cube
- World-class reporting (internal, external and electronic), dashboard, scorecard capabilities
IBM Cognos FPM solution

Performance Reporting and Scorecarding

Close, Consolidate, and Report
- World Class application for Financial Consolidation
- Workflow, Controls and Audit Trail
- Adaptable, configurable application
- Multi-jurisdictional regulatory reporting
- 200+ Validation and audit pre-built reports

Analyze & Optimize
- World Class analytics functionality
- High performance, high scale in memory 64 bit server
- Modeling environment for all types of performance management calculations
- Interactive OLAP data source

Plan, Forecast, and Control
- World Class application for Planning, Forecasting & Budgeting
- Workflow, high modeling flexibility and scalability
- Model financial and operational plans
- Adaptable, end user driven planning input

Finance owned & managed, open & independent systems
Consolidation – Foundation for FPM

- Controller includes an in-built Financial Analytics & Publishing cube (using TM1)
- Optimize performance for both consolidation and reporting/analytics
- Consolidation data “One version of the truth” enabled for real-time:
  - Planning
  - Analytics
  - Modeling
  - Business Intelligence
European Consolidation Customer examples
What our Controller customers say:

- "The IBM Cognos solution is creating significant benefits for local controllers. The project has automated an entire reporting process, freeing individual controllers from this task."

  Bernhard Lüttgau, Reporting and Consolidation Manager, Tecan Group Ltd.

- "We are now able to provide more accurate data and faster reports to senior management," "In doing so, we can provide a more solid basis for decision-making and operational improvement."

  Simon Jefferis, Group Accountant, Imperial Tobacco

- ‘The IBM Cognos systems has allowed us to reduce the monthly reporting process – that 20% time saving has been invaluable’

- New acquisitions and customers can be integrated into the system within one month, report accuracy is 100%, rigid budgeting has been replaced by flexible, continuous daily, weekly or monthly reporting.

  Angus McQueen, Group Accountant, Chemring Plc
What our Controller customers say:

- **Reasons for choosing Controller**
  - “Competitors are more complicated to implement”.
  - “Cognos is more “in-house” than your competitors”. [Finance-owned, manageable]
  - “Cognos BI is richer in functionality”.
  - “On going maintenance is easier with Cognos”

- ‘We are not a stable operating environment in terms of acquisitions, disposals, reporting structures and finalised operating systems. As such the decision can be summarised as Controller would be more easily adaptable to this fluid environment than your competitors’

  Leading £2bn trade steel distributor
Why IBM Cognos?

- Investment in the Finance function
- Integrated FPM Solution
- Real-time analysis, modelling, forecasting
- Finance-owned/ easy to use - Low on-going maintenance – Lower TCO
- Data Agnostic - Capable of importing data from any source

**Application approach** enabling:
- Speed of Delivery
- Low risk implementation
- Out-of-the-box consolidation functionality – enabling staff at all levels to perform efficiently

**Automation** of time consuming processes
- Intercompany Eliminations (delegation of responsibility to subsidiaries/ divisions)
- Allocations;
- Currency Conversion, and ability to report, for example, at budget rates
- Acquisition Calculations
- Cash Flow Statements

- **Flexibility** and **Scalability** to adapt to changing requirements and multiple structures/ dimensions
Thank You

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