IBM Planning Analytics

Self-service planning and analytics on cloud for greater speed, agility and foresight

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“New competitors, many of them from outside the industry, are entering the picture. What they’re doing will disrupt the market and our customer base.”

CEO, Banking and Financial Markets, Canada
The technologies that CxOs expect to revolutionize business tomorrow are already in play today

Cloud computing
By 2018, 50% of the applications running in public cloud environments will be considered mission-critical. 2

Mobile enterprise
By 2018, 5 million people will have enterprise-confidential information on their smart watches. 2

Big data
The digital universe will grow to 1.8 zettabytes (ZB) in 2011, up 47 percent from 2010 and rocketing toward more than 7 ZB by 2015. 3

Next-generation analytics
"By 2020, predictive and prescriptive analytics will attract 40% of enterprises' net-new investment in business intelligence and analytics."  2

Social business
Content collaboration in the public cloud is expected to experience a strong CAGR of 23.1%, while on-premises growth is flat at 0.8%. 3

Security
Security has emerged to become the top risk. 1

“The most unpredictable external force impacting our business right now is disruptive innovation: it totally changes the rules of the game”

CFO
Consumer Products
China

1 IBM 2016 C-Suite Study. 2 Gartner 3 IDC
We Interviewed 5,247 Business Leaders for this Study, Including 643 CFOs from 54 Countries
Many CFOs fear their organizations aren’t sufficiently prepared for these disruptive market trends

Largest gaps between importance and effectiveness

- Drive integration of information across enterprise
  - Importance: 75%
  - Effectiveness: 47%
  - Gap: 28%

- Develop talent in the finance organization
  - Importance: 86%
  - Effectiveness: 60%
  - Gap: 26%

- Identify and track new revenue growth opportunities
  - Importance: 67%
  - Effectiveness: 38%
  - Gap: 25%

- Provide input into enterprise strategy
  - Importance: 86%
  - Effectiveness: 67%
  - Gap: 19%

- Optimize planning, budgeting and forecasting
  - Importance: 81%
  - Effectiveness: 62%
  - Gap: 19%

Colors:
- Green: Effectiveness
- Orange: Importance

Legend:
- Effectiveness
- Importance
- Gap
Performance Accelerators Outperform

Finance efficiency and business insight

Finance Efficiency
- Enterprise-wide information standards
- Standard financial chart of accounts
- Common finance data definitions and data governance
- Standard/common finance processes

Business Insight
- Operational planning and forecasting capability
- Finance talent development
- Common planning platform

Disciplined Operator
- Finance operations focused
- Information provision
- Performance interpretation

Value Integrator
- Performance optimization
- Predictive insights
- Enterprise risk management
- Business decision making

Scorekeeper
- Data recording
- Controllership
- Multiple versions of the “truth”

Constrained Advisor
- Analytics focused
- Sub-optimal execution
- Fragmented data

PERFORMANCE ACCELERATOR
- PROFITABILITY/ANALYSIS
- PRICING EFFECTIVENESS
- DEMAND PLAN/FORECAST
- NEW REVENUE DEVELOPMENT
- M&A

Employ diverse data set
Leverage data across time horizons
Bridge operations and finance
Rely heavily on analytics

Source:
“Redefining Performance, insights from the Global C-Suite Study – CFO Perspective”, IBM Institute for Business Value, 2016
A New Era of Thinking

Performance Accelerators also have superior planning and performance measurement capabilities

Areas of effectiveness in organization

- **85%** more
  Integrate financial planning with strategic and operational planning

- **70%** more
  Optimize planning, budgeting and forecasting

- **47%** more
  Measure/monitor business performance

Green: Performance Accelerators  Grey: Other finance teams
Performance Accelerators Use Analytics More Extensively to Plan for the Future and Reduce Risk

Areas where predictive analytics applied

- **Financial planning**: 52% more for Performance Accelerators vs. 66% for Other finance teams
- **Revenue forecasting**: 64% more for Performance Accelerators vs. 61% for Other finance teams
- **Risk management**: 107% more for Performance Accelerators vs. 46% for Other finance teams

Become a Performance Accelerator

**Speed – Move at Cloud Speed**

**Agility – Connect Finance & Operations**

**Foresight – Deliver Insight & Foresight from Data**
A New Era of Thinking

The Analytics Maturity Curve

**Status quo**
- Spreadsheets for budgeting, reporting and analysis
- Enterprise resource planning budgeting
- Isolated applications
- Disparate data

**Value**

**Today's challenge**

**Automate and model**
- Driver-based planning and forecasting
- Near-real-time & scenario analysis
- Financial consolidation
- Narrative reporting
- Dashboards and management reports

**Integrate and accelerate**
- Link financial and operational
- Sales compensation
- Rolling forecasts
- Key performance indicators and scorecards

**Elevate with predictive**
- Statistical algorithms to improve information under uncertainty
- Predictive intelligence

**Drive analytic innovation**
- New analytic modeling and enhancement
- Profitability analysis
- Optimisation

**Better outcomes**
- Continual alignment of resources with opportunity
- Prescriptive intelligence

**Realize performance potential**

**Today’s challenge**

**First steps**

**Span the enterprise**

**Forecasting success**

**Analytic agility**

**Drive Efficiency**

**Align & Adapt**

**Deliver Foresight**
### FPM Applications – 1000s of solutions

<table>
<thead>
<tr>
<th>Category</th>
<th>Subcategories</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>Web Analytics, Campaign Effectiveness, Supply Chain Planning</td>
</tr>
<tr>
<td>Marketing</td>
<td>Strategy, Logistics, Sourcing, Procurement, Inventory Optimisation</td>
</tr>
<tr>
<td>Operations</td>
<td>Logistics, Sourcing, Procurement, Inventory Optimisation, Production Forecasting, Scheduling, Manufacturing Process Optimisation</td>
</tr>
<tr>
<td>Finance</td>
<td>Shutowns, Manufacturing Process Optimisation, Job Scheduling Optimisation</td>
</tr>
<tr>
<td>IT</td>
<td>SLA, Project Planning &amp; Reporting, Resource Demand &amp; Levelling, Scheduling</td>
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<tr>
<td>HR</td>
<td>Workforce Optimisation, Talent Management</td>
</tr>
<tr>
<td>Purchasing</td>
<td>Cost Management</td>
</tr>
<tr>
<td>Facilities</td>
<td>Premises Optimisation, Maintenance &amp; Repair Planning</td>
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</tbody>
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**Performance Management**
IBM Planning Analytics
Fast, easy, flexible and complete planning and analytics cloud solution

**Speed**
- Start instantly and grow quickly
- Get ease of use without complexity
- Automate plans, analyses and reports
- Cloud workspace for production reporting, analysis, and planning
- Self-service modeling
- Excel as window to data

**Agility**
- Quickly align financial plans, corporate objectives, operational tactics and market events
- Easily adapt systems to changing business strategies and realities
- Agility of business structures and relationships
- Finance & operations, strategy & execution
- Solution catalog

**Foresight**
- Make analytics easy for everyone to infer trends, explore drivers, model scenarios and visualize impact
- Leverage external data to anticipate the future
- Predictive analysis
- Internal data, external data
- Structured data, unstructured data
From invoice data, to number of projects and phone calls received, Mueller was able to consistently produce highly accurate revenue forecasts, more quickly and easily.

“… it really sparks new ideas and ‘what-if’ questions.”
**Speed** | Cloud delivers instant, self-service workspace
Speed | Business-led design
Self-service modelling creates quick wins and broad adoption

Traditional approach
• Top-down mandate
• Professional development
• Centrally deployed

Business user led approach
• Individual, LOB or enterprise driven
• Business user self-service development
• Viral adoption at the point of need

Finance IT Leaders Must Use Bimodal to Improve Performance Management
March 2016 Gartner
IBM brings the **benefits, power and familiarity of Excel** to the arena of modern **Enterprise Performance Management**

- Enabling business analysts, financial analysts, LOB managers and others to explore and analyze data from a variety of different sources—including ERP/GL, OLAP, and BI
- Perform flexible analysis and solve business problems using familiar spreadsheet tools and techniques
1 year ago
- Small retailer 7-800 stores
- Excel based planning
- Desire to ‘move at pace’ for Finance

Now
- 1000+ Stores
- Doubled brands, legal entities
- Cloud based planning
- One version of the Truth

Future
- Extent models, LRP, exec report
- Leverage ‘roadmap’ features
- Layer Predictive on Customers and Transactions data
Agility | Engage users, drive alignment and execution

User experience to focus attention on what matters

Built in collaboration

Link strategy to execution, finance to front-line decisions
Agility | Multidimensionality and flexibility

- Dimensionality is required to support the nature of the business

What are your business dimensions?

- Deep, dynamic hierarchies are needed to drive performance improvements

<table>
<thead>
<tr>
<th>Measures</th>
<th>Corporate</th>
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<tbody>
<tr>
<td>Time Periods</td>
<td>Products, Service</td>
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<tr>
<td>Scenarios</td>
<td>Channel</td>
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</tbody>
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Planning Assumptions (Operating Levers)

Planning Outcomes (Financial)
e.g. Inventory, Resources, Supply, Material costs, Interest rates, Commodity prices, Currencies
Agility | Continuously align financial plans with corporate objectives linked to operating plans and market events

Financial

- Strategic Planning
- Target Setting
- Operational Planning
- Financial Planning
- Reporting
- Forecasting

Drivers

Sales & Mktg
- Sales forecasting
- Sales win/loss
- Promotions planning

HR
- Workforce planning
- Attrition rate
- Resource effectiveness analysis

IT
- IT portfolio planning
- ROI/TCO analysis
- Shared services planning

Operations
- Demand planning
- Stock-outs
- Throughput analysis

Operational

Weather data, social media, econometric data, IoT, etc.

Predictive analytics
Agility | Solution catalog, partner solutions, and self service

- Open invitation
- Initial Launch
- Accenture
- Revelwood
- Cubewise
- eCapital

Financial performance management: Analytics solutions for you

A collection of solutions by IBM and its partners

We've curated an essential collection of solutions to expand your use of financial performance management tools and manage everything from expense planning to sales and operational planning. These solutions work together or separately and scale to meet your needs as you grow.

Browse all solutions in this collection:
A New Era of Thinking

• Demand planning with IBM Cognos FPM Solutions
• From intuition to data driven analytics process
• Highly accurate demand forecast using a predictive model
• Manual inefficiencies and inconsistencies to accurate and fully automated
• Leverages predictive analytics with multiple data inputs to drive more accurate forecast
Foresight | Put insights into plans and action

Analyze accounts receivables
to discover factors that contribute to late payments. Kick off an initiative to reduce days sales outstanding (DSO). Reflect the impact of the initiative on balance sheet, cash flow forecasts.

Analyze sales opportunity wins & losses to understand contributing factors. Create more reliable, timely baseline revenue forecasts based on win/loss predictions.
Foresight | Predictive insights automatically from data

- Predictive analysis and discovery
- Collaborate and share
- Tell a story
- Natural language and guided discovery
- Easy access to external data
Speed – Agility – Foresight

Engaging Experience: Single, intuitive UI/UX

Advanced Analytics: embedded, accessible, discovery/predictive/optimization

All Data: Easily aggregate, share and exploit ALL data

Solutions: Domain and industry aware
INVITATION: New Trial Powered by IBM Planning Analytics Self-Service Technical Preview

ibm.com/planning
Planning Analytics Self Service
Planning Analytics Self Service

Salary Planning

Information

- Category: HR
- Updated: May 19, 2016
- Version: 0.4
- Size: 0 cells
- Languages: English
- Complexity: Intermediate

Data you will need

- Import your own employee and organization data to transform the template into your real world salary plan:
  - Employee data
  - Departments
  - Grades
  - Performance Bonds
  - Salary
  - Pay Rise Assumptions

The salary planning template provides a single, dynamic and collaborative view of your salary planning model.

You can:
- Rapidly plan salary costs, benefits, and tax for employees and employers.
- View and plan at any level, from individual, or department through to regional or corporate level.
- Add forecasting and what-if scenarios simply by adding new versions to your plan.