

**IBM Cognos Performance**  
Better Intelligence. Better Business.

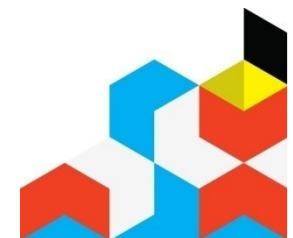
## Smarter Expense Planning & Control with IBM Cognos

Mika Moisander  
Sr. Solution Specialist, IBM



## *Agenda and Session Objectives*

- Cost control and planning in today's environment
- Techniques for effective expense planning & control



# IBM Cognos Performance



## Volatility and Uncertainty are Now “Business as Usual”

### EUR/USD - Last 2 Years



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<http://uk.finance.yahoo.com/>



Source: Yahoo! Finance



### Philips voices cautious optimism while stepping up cost-cutting

...boost to its bottom line from its **cost-cutting** programme, which includes the loss...said it would further increase its **cost-cutting** target from €500m to €600m...Bernstein Research, said Philips' new **cost-cutting** target could signal further cuts...

Jul 14 2009, By Michael Steen in Amsterdam, Financial Times

### Continental's cost-cutting drive pays off European shares rise for sixth straight session

...The German group recorded earnings before interest and taxes of €38.8m (\$55m) in the second quarter amid a stringent **cost-cutting** programme. "Despite a slight market upturn, for the time being there is no reason to give the all-clear," said Karl-Thomas...

Jul 20 2009, By Miles Johnson and Ed Hammond, FT.com site

### Cost-cutting pays off for Julius Baer

Julius Baer, one of Switzerland's best-known private banks, posted better-than-expected profits on the back of aggressive **cost-cutting** and sharply slowing outflows from its asset management business. The results are the group's first since it announced...

Jul 27 2009, By Megan Murphy in London, FT.com site

### Cost-cutting boosts Deutsche Telekom results

...Germany's leading telecoms company claimed progress with **cost-cutting** at its US, UK and Polish operations. Deutsche Telekom...per cent in the three months to June 30, because of **cost cutting**. Mr Obermann declined to comment on Deutsche Telekom...

Aug 06 2009, By Andrew Parker in London, FT.com site

### Weak revenues prompt Vodafone to heighten cost-cutting efforts

...signalled that he was likely to extend the company's **cost-cutting** plans beyond an existing £1bn programme. His willingness...Colao then went further, hinting that he could push **cost-cutting** beyond the £1bn target at Vodafone's half-year results...

May 20 2009, By Andrew Parker, Telecoms Editor, Financial Times



### Stora Enso Shuts Mills

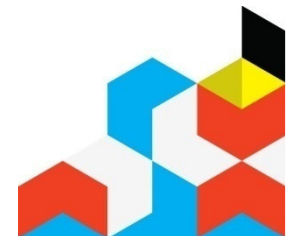
...Forest products giant Stora Enso has announced more plant closures. The Finnish-Swedish company will shut its Sunila Pulp Mill in Kotka early next year, and its Tolkkinen Sawmill in Porvoo by the end of this year, along with a series of other **cost-cutting** measures...

Aug 19 2009, By Finnish Broadcasting Company

**73% of surveyed companies need *more* than 3 months to complete the annual budget.\***



*\* Hackett Group 2008*

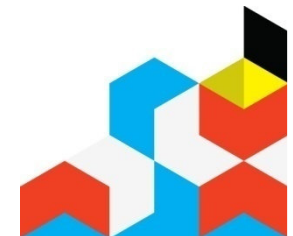


*Techniques for smarter expense planning*

Monitor  
effectively

Link plans  
to tactics

Deepen  
collaboration

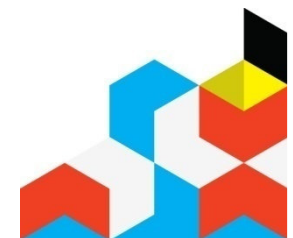


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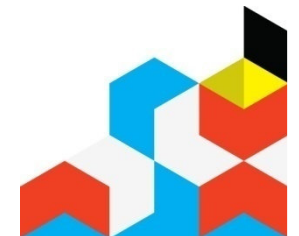


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Once per year?



*It starts with a simple thing*

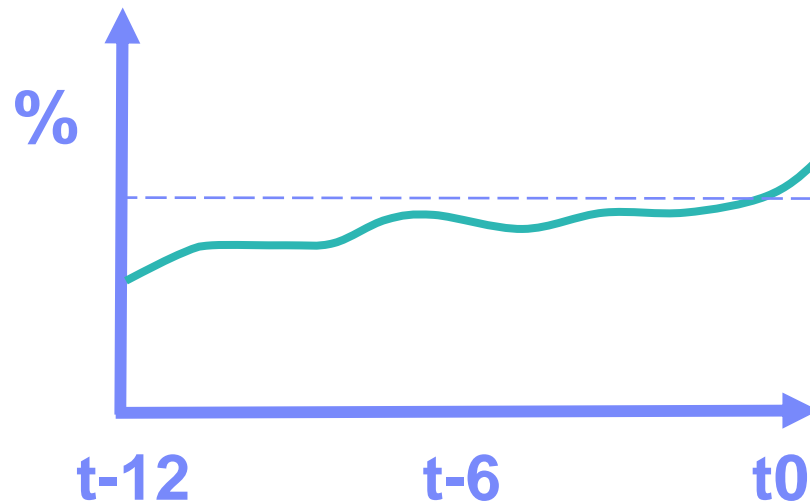


## *How to monitor – effective approaches*

**Ratios, not  
absolute**

**“Room to move”**

**Recognise capacity issues**



**Early warning**

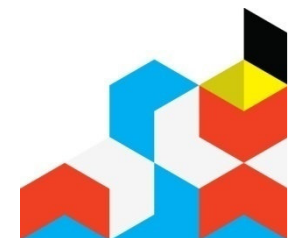
**Call to action**

**Trending &  
moving averages**



## *How is this organisation performing?*

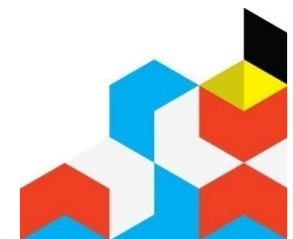
| KPI                   | Status | Actual  | Target  |
|-----------------------|--------|---------|---------|
| Sales                 | ●      | 23.6m   | 19.8m   |
| Customer Satisfaction | ●      | 8.6     | 8.5     |
| Inventory             | ●      | 41 Days | 45 Days |
| Headcount             | ●      | 16      | 14      |
| Travel Expenses       | ●      | 203,533 | 190,000 |



## IBM Cognos Performance

“Trend lines and ‘% change’ numbers might not sound very advanced. (...) Yet, it **focussed attention and urgency** on costs.”

Bjarte Bogsnes, StatoilHydro

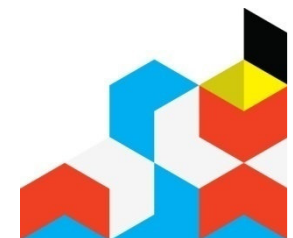


# IBM Cognos Performance

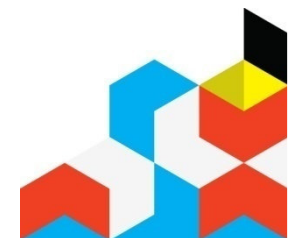
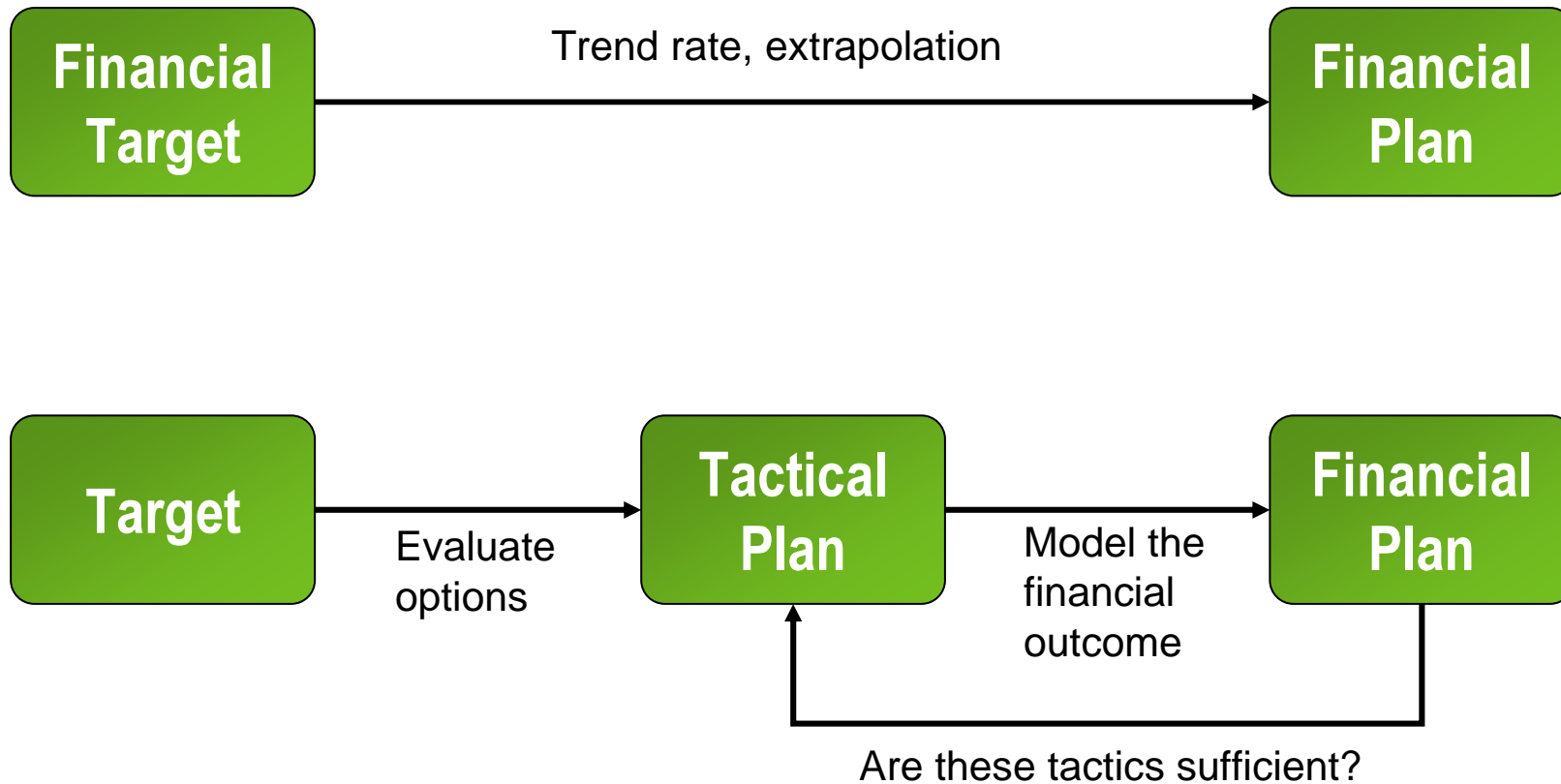
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effectively

Link plans  
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Deepen  
collaboration

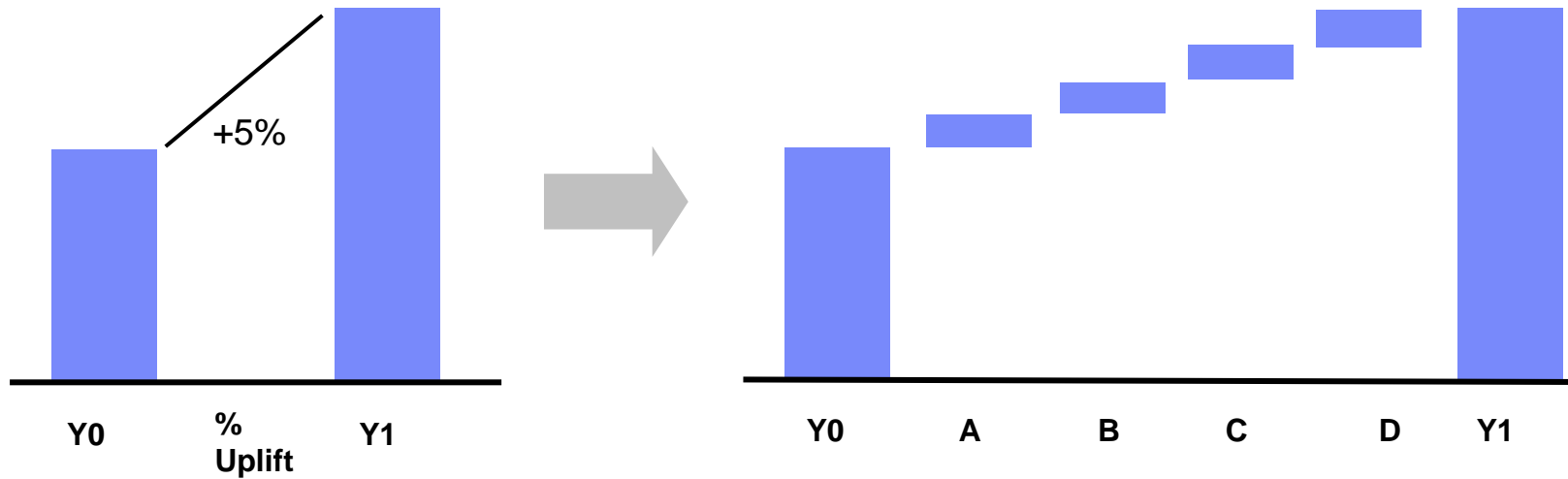


## *Business planning process steps*



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## Example – customer support centre expense plans



Sustain current operations

Improve current operations

New ventures or initiatives

Compliance training for existing staff **A**

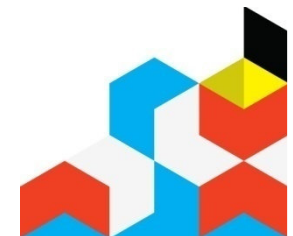
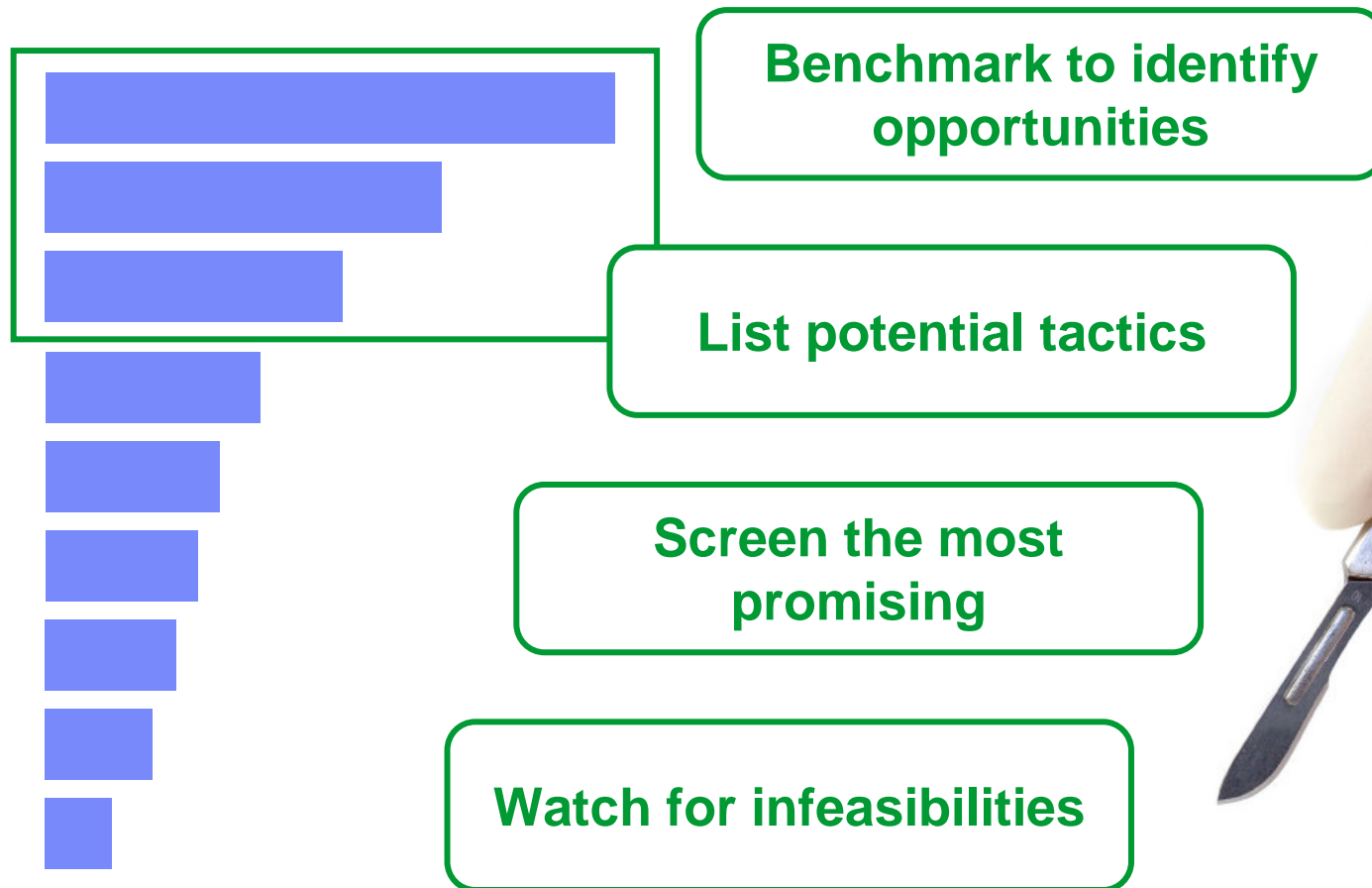
Cross-sell training - more products to existing customers **B**

Upgrade knowledge management system **C**

Temporary staff to cover new product launch **D**



*Tactical planning – identifying potential savings*

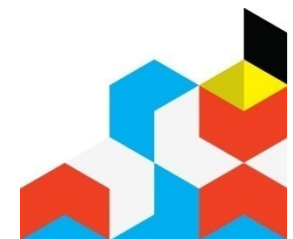


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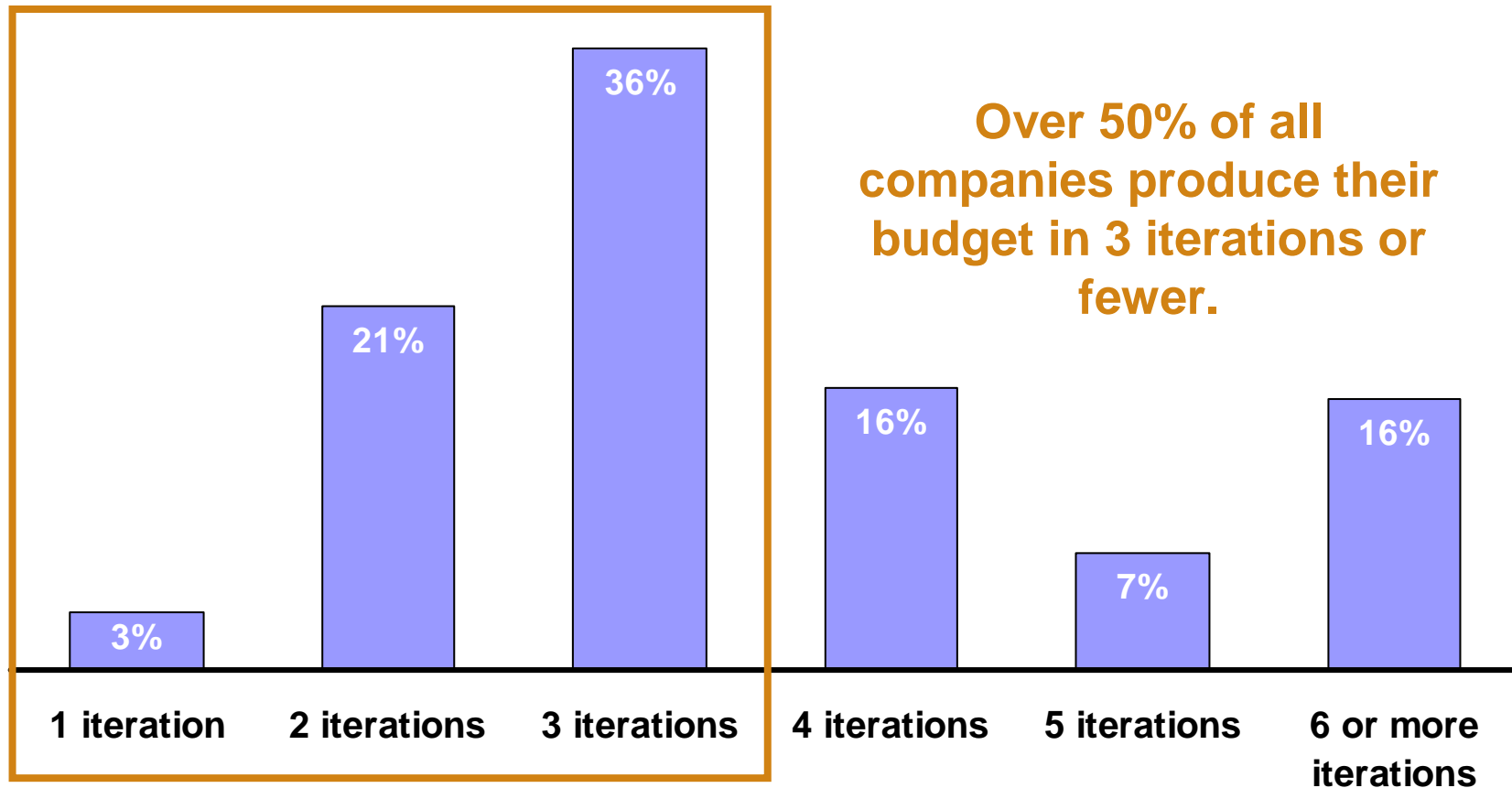
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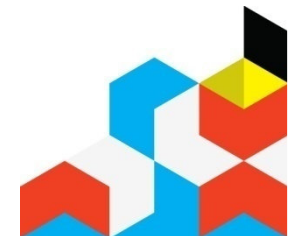


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## Average budget versions (iterations)

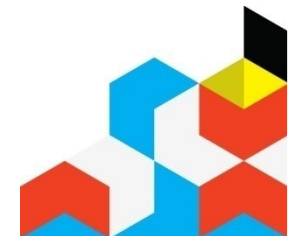
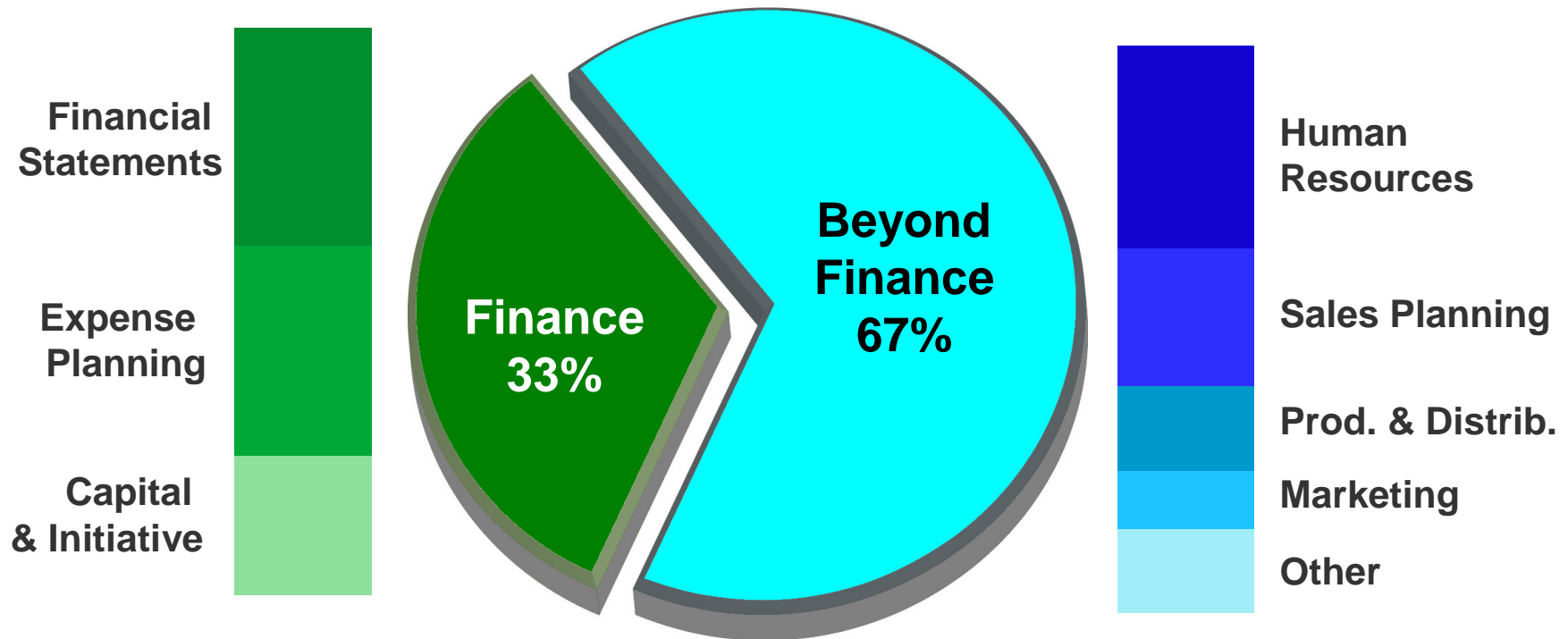


Average budget versions (iterations) produced during the budget cycle before approval of the final budget.  
Source: IBM Benchmark Wizard



## *It's about more than Finance*

Top planning areas from a survey of 75 customers



## *Benefits of real-time collaboration*

Faster sense-checking

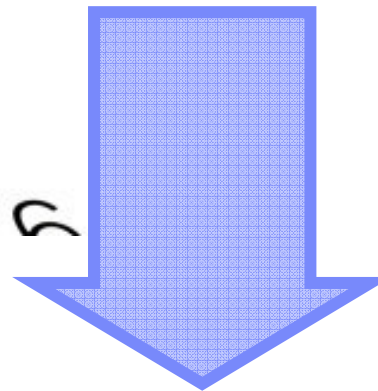
Cope with late-breaking changes

Better capacity planning

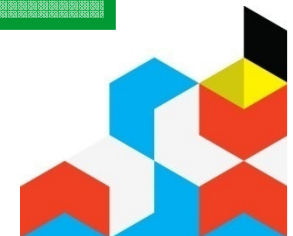
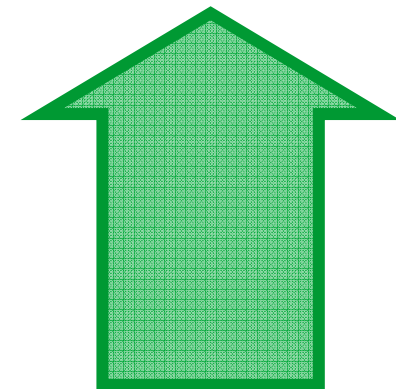
Rapid 'what if' analysis



Formal iterations

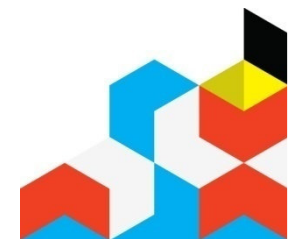


Real-time collaboration



### ***Smarter expense planning with the IBM Cognos toolset***

- A demonstration of these smarter expense planning techniques, delivered in the IBM Cognos solution



Expense Plan | Work InProgress | Customer Support - Windows Internet Explorer

Call Drivers | Staff Plan | Staff Costs | Expense Summary | Call Demand

Rows: Year:Default [Year] | Columns: Month:Default [Month] | Context: Local [Currency Calc] | Budget [Version] | Customer Support [Organization] | Total Operating Expense [Account]

|      | Jan     | Feb     | Mar     | Apr     | May     | Jun     | Jul     | Aug     | Sep     | Oct     | Nov     | Dec     |
|------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 2010 | 123,988 | 166,188 | 202,328 | 215,356 | 196,331 | 192,921 | 125,306 | 126,320 | 149,935 | 129,992 | 130,092 | 153,657 |
| 2009 | 115,309 | 135,000 | 150,000 | 172,000 | 174,000 | 145,000 | 106,000 | 107,000 | 108,000 | 0       | 0       | 0       |

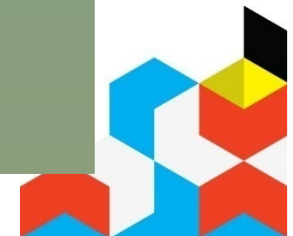
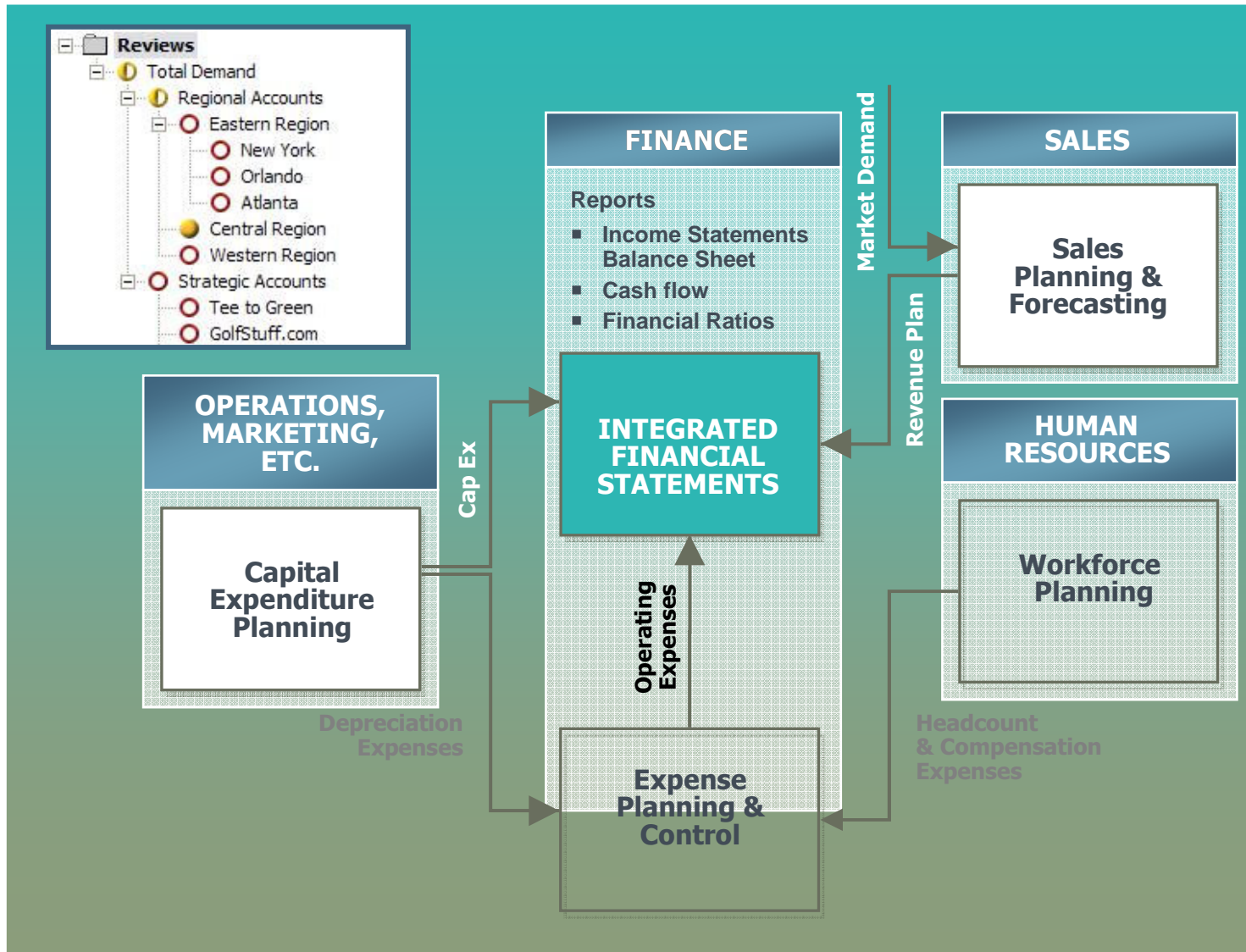
Page 1 of 1

Current Owner: LDAP\Jeff Richards

Done | Trusted sites | 100%

start | TM15 : smartexpense... | Contributor - Expens... | Expense Plan | Work ... | 4:00 PM

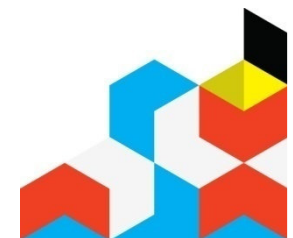
## Supporting cross-functional processes: Performance Blueprints



*More info?*

**Contact Info:**

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