

INSIGHT

Boosting business performance through insight



**Are you
prepared
for the new
economy?**

**The carbon
economy**

**Use IT or
lose it**

**Turbocharged
reporting**

**Cognos[®]
software**

CREDITS

Thanks to: ACCO Brands Europe, EnterpriseBI, Inca Software, Infocube, MLL Telecom, Quocirca, Simpson Associates, Synexus.

BUSINESS {–Noun. BUSI•NESS}

INTELLIGENCE {–Noun. IN•TEL•LI•GENCE};

Connects people with information in an easy-to-use way so they can *make better decisions*.

PERFORMANCE {–Noun. PER•FOR•MANCE}

MANAGEMENT {–Noun. MAN•AGE•MENT};

Integrates information, technology and people with metrics, plans and reports to give *businesses insight to manage performance*.



Welcome to Insight from IBM Business Intelligence and Performance Management

Created for midsize companies looking to innovate

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Empowering the midsize business

*Welcome from Rob Ashe,
General Manager,
IBM Business Intelligence and
Performance Management*

Making the right decision at the right time is essential for business success. For midsize organisations with tight budgets and limited resources, it is absolutely critical for profitable growth – especially in today's economy.

You know that successful decision-making is based on accurate, insightful information – information that can help reduce costs, spot trends, improve market competitiveness and drive profitability. Yet finding critical information in the growing volumes of company data is a challenge. And managing this information across your various business functions can be time-consuming and cumbersome.



Business intelligence (BI) and performance management (PM) solutions give midsize companies the capabilities they need to unearth critical performance data and share it, ensuring informed and coordinated decision-making. These solutions not only help improve operational performance, they can spur innovation by identifying emerging business opportunities even in a challenging business climate.

Despite the known benefits of gathering and analysing performance data, some midsize companies believe they can't afford BI and PM solutions. Nothing could be further from the truth. Today, IBM Cognos software offers affordable solutions for business reporting, analysis and planning that can stand alone or work as integrated solutions.

A "think big and start small" approach is a smart strategy for midsize companies. You can simply select the capabilities you need now and expand your solutions over time as your business and needs grow. This approach also allows you to effectively match your project and business needs with your resource and budget constraints.

This publication is for midsize companies looking to enhance their operational performance and improve market competitiveness, quickly and cost effectively. You'll read case studies of organisations that have implemented IBM Cognos solutions for improved reporting, analysis and planning with tremendous ROI. You'll also learn practical strategies with how-to tips for implementing BI and PM solutions in your organisation, using best practices that can help you respond to business changes immediately and act on new opportunities with confidence.

We believe that BI and PM solutions are vital to a company's success in any economic climate, but in a challenging economy these solutions may be imperative to a company's survival. This book is jam-packed with actionable advice to immediately improve business outcomes through the use of these tools. We hope that you'll get concrete ideas for implementing these solutions to meet your business objectives.

Using these solutions, we believe that your company can do more than merely survive, but grow and thrive for years to come.

Sincerely,

Rob Ashe,

A handwritten signature in black ink, appearing to read 'R. A. C.', written in a cursive style.

General Manager, IBM Business Intelligence
and Performance Management

Future perfect

Are you prepared for the new economy? By Clive Longbottom, Quocirca

In the halcyon days of relatively good revenues and margins (so long ago in 2008), many poor processes and lack of capabilities for monitoring the health of the business could just be dismissed. After all, as long as the business remained profitable enough to meet all its needs, why rock the boat?

But now the harder times are coming through, and those basic issues can no longer hide some of the underlying problems facing businesses and their stakeholders. For example, is there sufficient visibility of the financial performance of the business? Can reports be easily and quickly provided against legal and internal governance issues? Can likely outcomes for future services or products be predicted with a level of certainty in the market?

If your answer to any of these is “no”, your business is likely to struggle more in the current financial climate than those who can honestly answer “yes”. However, it does not need to be this way. Modern-day tools can easily match your needs in monitoring, measuring and reporting against the financial performance of your business – often in context against the broader competitive markets – while also providing help around other core processes in the business.

Also, as we move forward, the likelihood is that external regulation will get more severe as the

Government attempts to exert more centralised control, and so our capability to respond will need the power of an underlying engine for measuring and reporting.

Past perfect

Before we look further into an approach for solving such issues, let’s first look at the past, and see how we have got to where we are – and then to the future, at where we are likely to be going. If we look at the midsize organisations of the past, we see a pretty constrained ecosystem – a company that would tend to know its suppliers and its customers, and would work hard to maintain those relationships, chasing new opportunities as the need arose.

However, the coming of the Internet has changed all that. The value chains that previously dictated the supplier-organisation-customer relationship have become far more diverse and complex. For example, a small specialist company can now pitch as a supplier to the largest companies in the world – and win. Companies

that tried to stick to maintaining relationships with existing customers suddenly found new, completely unexpected competition appearing from global environments. The world had changed – and those that didn’t change with it fell by the wayside.

But this brought more complexity with it as well. New suppliers had to be checked out, product quality had to be ensured, and financial settlements had to be allowed for in multiple different currencies, and across different legal systems. Lead times for managing logistics became more urgent, as inventory levels were minimised and just in time (JIT) manufacturing and supply became the norm.

And underpinning all of this were the needs to keep a handle on what was happening at the financial level within the organisation, and to be able to report on the financial health to the various individuals and groups that needed specific information. Here, we are not just looking at getting information to bodies such as Companies House or HMRC, or even to shareholders and

quocirca

Quocirca is a leading primary research and analysis company. Its advice is free from vendor bias and is based purely on the analysis of the primary research it carries out, combined with the broad knowledge and analytical capabilities of its highly experienced team of analysts.

other investors. There is the need to report through to the business' management, as well as to groups and individuals within the organisation who need adequate knowledge of what has happened, what is happening and what is likely to happen to the business based on their actions.

Perfect chaos

The ultimate health of the business is somewhat similar to the "butterfly's wings" chaos theory. While this states that the weather in London can be affected by a butterfly fluttering its wings in the Amazonian rain forest, an organisation's financial health can be impacted through a single employee's, supplier's or customer's actions. The sooner these actions are identified the sooner small changes can be made to bring everything back on track. In this manner, there should be fewer surprises, and the costs of running a business successfully will be minimised.

The problem is that all of this has happened without many organisations planning solidly for it. Much of

The ultimate health of the business is somewhat similar to the "butterfly's wings" chaos theory...



For more information:

www.quocirca.com

the information that is required for competent decision making is held by individuals in spreadsheets, or in databases, underpinning relatively proprietary applications that do not form part of the overall organisation's collaborative platform.

All in all, the issues can seem too much, and Quocirca finds that the majority of organisations are happier to use manual means of dealing with the problems rather than attempting to fully solve such complexity. Indeed, the fact that many midsize organisations grow through mergers and acquisitions can make such planning seem a waste of time – no sooner is one level of complexity dealt with than another is introduced.

This means a solution needs to be massively flexible, to be able to embrace new problems as they are introduced, and to move away from the issues of individual data ownership, creating a capability for information to be fully shared – and therefore to be suitably reported against.

The perfect relationship

So what we need to look for is a solution that provides a shared environment, with connectors through to common databases and spreadsheets. The solution should aggregate the information to allow reports to be run that can present details of the historic, current and probable future financial health of the organisation – and enable much greater visibility of what is happening in any area at any time.

For example, let's consider the need to optimise the supply chain across



the supplier-organisation-customer relationship. Not only is there a need to ensure that sufficient inventory is available to meet current needs: there is also the need to ensure that there is as little excess stock as possible, with the supplier being able to meet any peaks in demand from customers as quickly as possible. By taking suitable data feeds from suppliers (and combining these with existing data stores within the organisation and using event triggers and workflows) – a just-in-time supply chain can be created and reported against in near real time.

Or let's look at financial reporting. Within an organisation, there will be a group such as finance where ultimate responsibility for reporting is held. However, this group is dependent on information coming through from other groups such as sales and purchasing to have sufficient information to aggregate and report against. Then there are the groups and individuals who need the information for specific business requirements – the main board, any investors as well as any government or quasi-government groups requiring regular reports, such as end of year accounts.

Perfecting real time

To be effective, it is now incredibly important for reporting to be essentially real time. The age has gone where rolling up information across

groups to report at the end of each month or quarter was enough – now, timescales have to be seen in hours or days so that financial reporting can be used to react effectively against competitive forces. With the Internet having levelled the playing fields, the flexibility and agility of small companies can quickly derail a growing midsize organisation, and even large businesses can now operate as highly dynamic players in such markets with the right tools.

Therefore, manual or semi-manual financial planning and reporting systems just do not meet these needs any longer. Solutions that monitor and measure events across automated processes and react against agreed triggers are now required. Indeed, such solutions also need to be able to support a high degree of granularity in how users are addressed. For example, something hard coded as needing “Mr Jones” as a sign off will need recoding when Mr Jones leaves and Ms Smith takes over.

Using a role or responsibility of “Finance Director” gets around this, as does using a role of, say, “Senior Expenses Administrator” for signing off expenses. This role may have four or five possible names associated with it – the first one to sign off the expenses claim then automatically removes it from the inbox of the other named people.

Perfect vision

In the past, solutions in this space were seen as separate – with financial systems seen as different from visual reporting tools, which in turn were different to supply chain or other business functions. But now, we are essentially looking at hooking data sources up with workflows and reporting – and today’s products now bring all of these capabilities together in a single solution.

Also, many reporting systems suffered from being overly technical: if a user needed a different report, then it would need specific coding and could take up to a week to be created for them. Today’s solutions should

provide a raft of best-practice reports out of the box, and should enable the user to rapidly and easily put together their own reports and to change viewpoints to meet their specific needs.

In Quocirca’s view, the option of “doing nothing” has long gone. By bringing in the right tools, a midsize organisation can ensure that it is well positioned to weather the current financial turmoil. It will be better set to be dynamic and responsive to competitive forces and will be able to pitch for and win more business in tough markets. If the choice is inertia, the market will apply its own weeding principles – and the inflexible will not come through the current problems. ■



Questions to ask software vendors

What data sources does it support?

How easy is it to embrace new data sources?

How easy is it to include secure data feeds from outside of the organisation?

How easy is it to export secure data feeds for partners in the value chain?

Is workflow included?

Is the workflow open so that it can integrate with any existing solutions?

What best-practice processes are included out of the box?

How many and what kind of reports are included out of the box?

Are groups and individual roles and responsibilities included?

How strong is the capability for the solution to trend into the future?

How easy is it for users to create their own reports?

Does the solution automate my statutory financial reporting requirements?

The carbon economy

One innovative answer to the compliance burden as the deadline approaches for the UK's first mandatory carbon trading scheme.

The

Carbon Reduction Commitment (CRC) is a central part of the UK's strategy for controlling carbon dioxide emissions.

In partnership with the EU Emissions Trading System, it is also the UK's first mandatory carbon trading scheme, with all businesses affected needing to sign up by April 2010.

With the goal of reducing the UK's carbon dioxide output by 4 million tonnes by 2020, it is projected to benefit businesses by saving them £1 billion in the same timeframe, through saved energy bills and the more efficient use of power.

But like any mandatory scheme, it will mean changes to the way that businesses work. The WEEE directive, for example, designed to ensure that electrical device manufacturers made more environmentally friendly devices and provided safe methods for their disposal, took several years to implement. That directive alone will have cost manufacturers in the UK more than £400 million to roll out, according to research from the DTI.

So which businesses will be affected by the CRC, and how will they have to change their processes? In its initial phase, it will be compulsory for both public and private sector organisa-

tions that consumed over 6,000 MWh of half-hourly metered electricity during 2008.

This is equivalent to total electricity bills of around £500,000 per year. While the scheme doesn't officially start until April 2010, many organisations will need to make preparations before that date to ensure that they comply with all legal requirements.

With an estimated 20,000 companies affected, one of the key requirements of the scheme will be for organisations to report their energy consumption and the resultant CO₂ emissions. Furthermore, as the CRC is a carbon trading scheme, there will be a requirement to purchase allowances for the CO₂ emitted – initially at £12 a tonne.

An ability to accurately estimate future emissions and reduce them will have significant financial and reputational benefits – there will be heavy financial penalties for non-compliance and a publicly available league table of performance.

Reporting gets a power up

One solution, developed by IBM Busi-

ness Partner Infocube (an Avisen company) and based on IBM Cognos 8 and IBM Cognos Data Manager and Activity Based Costing software, has been designed to help ease the new reporting burden. Built to allow organisations to remain compliant with regulations as well as provide continuous monitoring of energy consumption and CO₂ emissions against target, the solution is tailor-made for the CRC.

“Businesses are used to the increasing importance of technology in areas like finance and the supply chain,” commented Infocube's Jon Hill. “But when new legislation is introduced, such as environmental law, they can struggle to meet government deadlines.”

“This doesn't just mean the benefits are delayed... It also could lead to harsh penalties for those organisations that can't get ready in time,” he added. “If the software and systems businesses are already using can be adapted to handle new data and ensure regulatory compliance and a smoother transition, it can make a huge difference and save time, money and – in this case – the planet.”

The four requirements for reporting under the CRC rules are:

- 1** At the beginning and during each compliance year, companies purchase allowances based on expected energy use emissions, taking into account their energy efficiency efforts planned for that year
- 2** Companies monitor their energy use during each scheme year and by the end of July, following the end of the scheme year, they report their emissions to the administrator
- 3** Companies also, by the end of July, have to hold and cancel allowances equal to their emissions during that year
- 4** Participants receive a revenue recycling payment from the Government in the October after they have reported their energy use, based on their relative performance in the scheme which is published in a Performance League Table ■

There will be heavy financial penalties for non-compliance and a publicly available league table of performance



For more information:

www.defra.gov.uk/environment
www.avisen.com
www.infocube.co.uk



The writing's on the wall

Think you know business? Think again – as we dispel some corporate myths.

**KNOW
YOUR
ENEMY**

**BUT KNOW
YOUR BUSINESS
BETTER!**



**BUT
ARE
WE?**



**The
Customer
is always
right**



**A BEST
IN CLASS
SOLUTION**



**WHICH CLASS?
ECONOMY?**



**BUT THERE
IS IN
INSIGHT...**

**There's no
'I' in team**



In search of the truth

IBM Cognos 8 BI offers first ever pan-European rebates view and cuts forecast time by two weeks

ACCO Brands Europe is an arm of ACCO Brands Corporation, one of the world's largest suppliers of branded office products. Customers include contract stationers, retailers, technology and public sector organisations. The company trades in a number of locations throughout Europe, including the UK, France and Germany.

Limited visibility

Each year, ACCO Brands Europe makes thousands of agreements with its European channel partners aimed at encouraging profitable behaviour – for example by promoting the adoption of new products or extended ranges – to drive the growth of the partner business towards a mutually beneficial outcome. However, the details of these agreements were never integrated with ACCO's data system.

"Rebates were calculated ad hoc, managed through spreadsheets and a database. But this lacked accuracy and scalability beyond the UK," said Andrew Clark, UK and corporate systems manager. "Working out the value of rebate agreements every month was an enormous manual task."

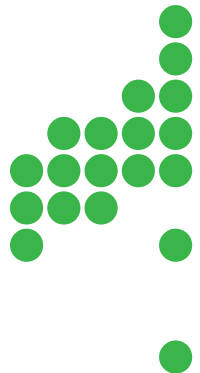
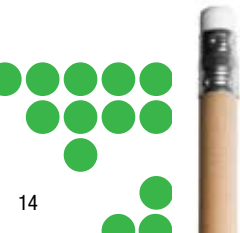
"The process wasn't standardised or centralised, so it was difficult to understand the impact of the rebates on the business at large and make financial forecasts accordingly," he added.

Furthermore, the business needed to access accurate accruals figures in order to become compliant with the Sarbanes-Oxley Act (SOX) by the beginning of the 2009 fiscal year.

"We needed a single version of the truth available at the touch of a button – and wanted an external expert to help us achieve it," explained Clark.

A 360-degree picture

ACCO Brands Europe had been a customer of Cognos, now the Business Intelligence and Performance Management division of IBM, since the early 1990s. Starting with Cognos PowerPlay, ACCO was consistently impressed with the power of Cognos technology to improve the visibility of its data.





For more information:

www.simpson-associates.co.uk

<http://en.accoeurope.com>

IBM Cognos Business Partner Simpson Associates, which offers comprehensive services for IBM Cognos solutions, worked with ACCO to specify and implement a solution that would meet their needs.

Ric Davies, sales director at Simpson Associates, explained: "We built a bespoke solution on the Microsoft .NET platform to capture all the specific details of the rebate systems. Then, we built an IBM Cognos 8 BI reporting solution that would report and analyse all this data comprehensively."

Since the solution was implemented, in time to meet the financial year-end deadline set by the auditors, the finance team has been able to access all European rebate data by the third day of each month. Before, Clark and his team had to wait until the middle of the month.

"We've achieved a first. As well as being able to view all our rebates data within just a few days, we get a 360-degree, pan-European data view," said Clark. "This gives us unbeatable commercial insight into how we're spending the money and where, so we can make better business decisions and more accurate financial forecasts."



The long-term view

Using the IBM Cognos 8 BI solution, ACCO has been able to tighten up financial agreements and ensure mutually beneficial customer behaviour in the process.

"Furthermore, the model now works on demand, so that our sales reps can enter the information themselves, cutting costs and increasing productivity for the finance team."

"The cost and time benefits of IBM Cognos 8 have been hugely encouraging," said Clark. "But the best result of the solution has been the insight into rebates without conditions and unprofitable agreements. Using this information, we can optimise our partners' behaviour, significantly improving profitability for the future." ■

Word on the Tweet

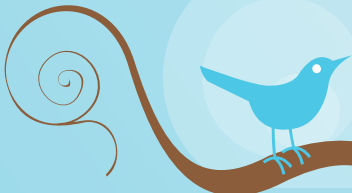
Tuning in to the chatter on Twitter...

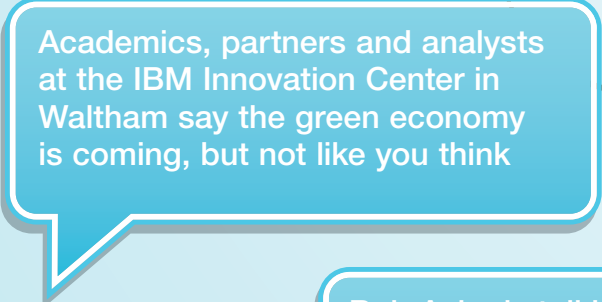
I love the ease of use that IBM Cognos brings to PLM BI

Loving new features in IBM Cognos 8!


IBM Cognos Framework Manager is extremely intuitive for modelling.

Passed my IBM Cognos certification. Got 100% on the test.

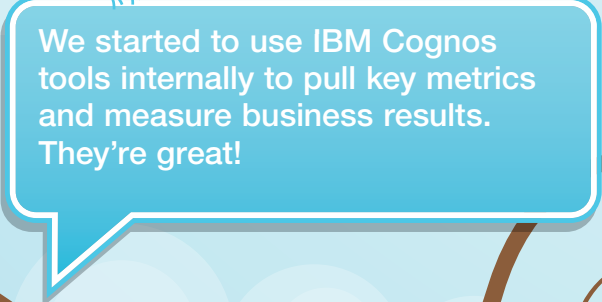




Academics, partners and analysts at the IBM Innovation Center in Waltham say the green economy is coming, but not like you think



Rob Ashe is talking about our IBM Cognos Innovation Center blueprints. Significant value for customers :)



We started to use IBM Cognos tools internally to pull key metrics and measure business results. They're great!



twitter

Use IT or lose it

How innovation in the downturn means more than cutting costs

The role of IT in the recession is unique. Information and communications technologies have emerged as both victims and enablers of this new economy, which necessitates doing more with less.

So while innovation in IT is crucial to cost cutting across the business, it is also subject to the very same budget cuts it can facilitate. So how can IT be harnessed to cut costs while proving its worth in the short term? As well as doing more with less, companies need to understand exactly what they already have.

Inevitably, the balance between driving efficiency through innovation and cutting short-term IT costs is a delicate one – particularly as it rests on a trade off between short and long-term



gain. While the temptation to slash the technology budget immediately can be overpowering at a board level, midsize companies need to confront this paradox. A crucial way to achieve this is through accurate financial reporting to make intelligent forecasts for the future.

Confronting the paradox

Midsize companies can actually find themselves in the most difficult position on the business spectrum when it comes to finance. While smaller businesses have fewer records to maintain, their large, multinational counterparts often have established processes in place for financial analysis, reporting and forecasting. In contrast, midsize companies often have mountains of data but rely on cumbersome spreadsheet-based systems to catalogue it – resulting in inflexible forecasting capabilities and potential inaccuracies.

It is here that IT can make the biggest difference. In fact, analyst house

Gartner suggests that companies actually acquire a qualified finance person – perhaps on a loan or temporary contract – to work with the IT team.¹ Similarly, Gartner advocates a move towards more collaborative, team-based IT models as well as an accelerated roll out of centralised and shared services – so that IT cost cutting doesn't simply shift the financial burden to another business unit.

For all these requirements, business intelligence (BI) and reporting/analysis tools can provide the answer. Instead of relying on disparate spreadsheets and databases to catalogue financial data, companies can use specific reporting tools to make the most accurate financial forecasts – and crucially, they are designed for finance personnel to use. Collaboration is also key to the BI ethos, as a number of staff can use the tools, potentially cutting down the administrative burden traditionally associated with financial reporting. ■

¹ Ellen Kitzis, October 21, 2008

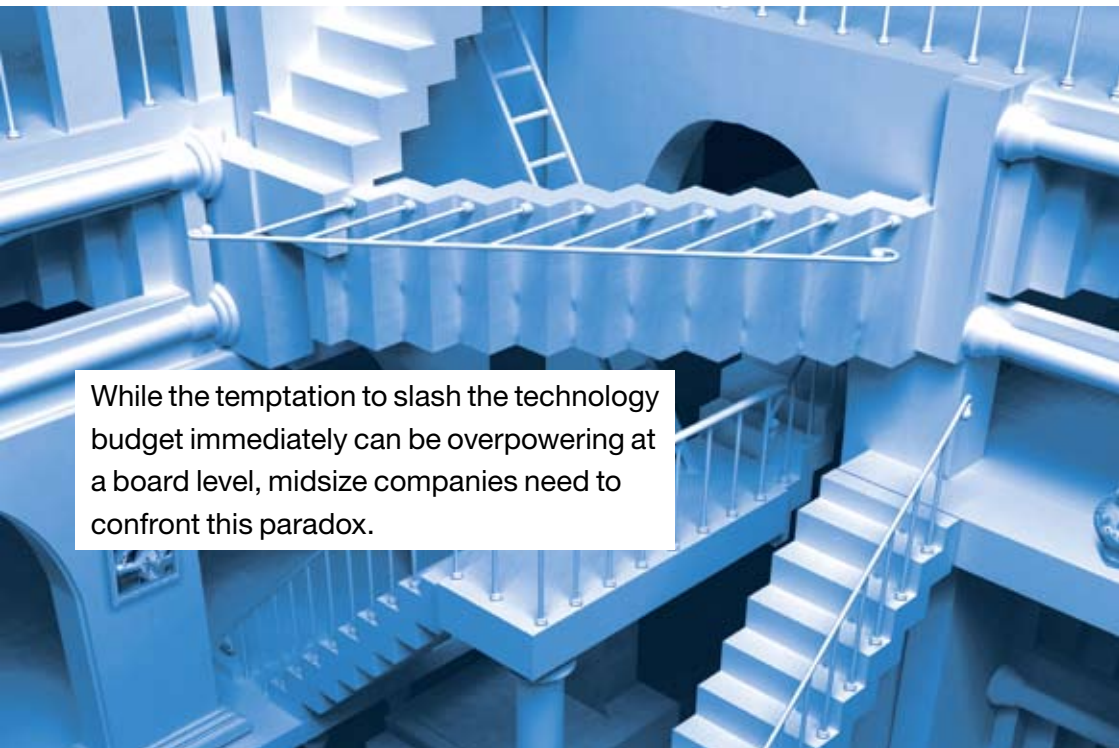
So where do you start? How can you make the most of efficient IT without breaking the bank? Here are three practical steps to confront the IT paradox:

- 1 Perform a thorough IT audit.**
Without knowing what you already have, planning to invest in more is counterproductive – particularly in the current economic climate.
- 2 Speak to your business.** As well as knowing what you have, it's crucial to understand your objectives in the widest business sense. What exactly do you need from technology?
- 3 And finally, be selective.** While a recession shouldn't mean innovation frugality, it's important not to get seduced by every solution that claims to save you cash.

What technology is your company actually using – and is it up-to-date and effective? If not, why not? If there ever were a time to sweat your IT assets, it's now. Similarly, stop paying for licences you don't need, and concentrate on getting the best ROI from those you do.

Boom-time IT procurement can often end up in companies buying faddy rather than necessary technology. But as well as stripping down, make sure any new IT can work well with legacy systems. Service-Orientated Architecture (SOA) and Business Process Management (BPM) software can help you with this transition.

After performing steps one and two, you should have a good idea of where your business is now – and where it needs to go for the future. So make sure any IT investment is in line with your discoveries.



While the temptation to slash the technology budget immediately can be overpowering at a board level, midsize companies need to confront this paradox.



A clinical performance

Business intelligence leads clinical trials revolution at heart of Synexus' innovative, centralised model

Synexus is a global company that specialises in the recruitment and running of clinical trials. It works on behalf of pharmaceutical, biotech, clinical research and medical device organisations to run late-stage primary care trials from its hub sites in six international locations.

Synexus' mission is to recruit the highest quality of patients to minimise dropout rates, produce the most reliable data and provide the lowest total costs of clinical trials for its clients.

A rapidly changing landscape

The clinical trials industry has become one of the most convoluted and rapidly changing arenas in the healthcare market. The increasing complexity of studies, the rising awareness of drug safety and a highly stringent regulatory environment have contributed to rising costs in the sector – not to mention the challenges posed by the current economic climate.

“Clinical trials can run into hundreds of millions of dollars,” explained business information manager Malcolm Cantor. “So it’s absolutely imperative we understand the exact performance of clinical trials. Previous systems that followed the accrual method didn’t allow us the flexibility, speed or accuracy we needed.”

The regulatory landscape was also piling on the pressure for Synexus: “The authorities are demanding an increasing amount of data from clinical trials,” he said. “This posed a huge challenge in terms of human resources to an industry already struggling with mounting costs.”

“Spreadsheet-based reporting cannot deliver the level of speed and accuracy required from a fast-paced business world,” said Ged Simmons, country manager at IBM Business Intelligence and Performance Management, UK and Ireland. “Clinical trials in particular

require the analysis of vast data volumes, as well as the tracking of budget spend in the current financial climate.”

Synexus needed to be able to access data quickly and flexibly to understand and predict the performance of clinical trials. On top of this, the company also needed a system to track budget spend and cut down on the administrative load faced by its employees.

Managing the clinical lifecycle

Synexus sought the help of EnterpriseBI, a specialist in the delivery of business intelligence software. Together, they chose to implement IBM Cognos 8 BI software in the UK, Eastern Europe and South Africa.

“IBM Cognos software was the obvious solution for our data challenges,” said Cantor. “We chose IBM Cognos 8 BI based on its unparalleled ability to provide software support, training and a range of blueprints to share industry best practice.”

Synexus can now access a huge range of data sets to manage their clinical trials programme – from knowing whether sufficient patient numbers have been forecasted to meet study goals, to which centres are underperforming and whether there is an adequate balance between cost and performance.

Furthermore, the company can ensure it stays on top of industry trends through the IBM Cognos Innovation Center, a forum and blueprint resource for IBM customers and partners.

Most importantly, IBM Cognos 8 BI supports Synexus’ revolutionary model of clinical trial delivery through its innovative, centralised model. The introduction of IBM performance management software has been the first step in providing Synexus with unrivalled control of the entire study lifecycle.

Planning for the future

“Business intelligence has been crucial to maintaining our competitive business model,” Cantor explained. “Now, we’re also implementing IBM Cognos 8 Planning to allow the modelling and tracking of clinical budgets and contract proposals. This will continue to provide powerful based forecasting, allowing us to further transform the way we do business.” ■



For more information:

www.enterprisebi.com

www.synexus.com

www.ibm.com/software/data/cognos/innovation-center



Center point

The IBM Cognos Innovation Center is much more than a website – it’s a forum and information hub where best practice comes in Blueprint form...

Who do you trust when making an important decision? When you’re buying a book, you read the reviews. When visiting a new town, you buy a guidebook. When choosing wine, you’d probably trust the wine waiter.

But when we’re asked to make critical decisions about our businesses, it’s easy to feel overwhelmed by the volume of information on offer. Most of the time, it’s also easy to feel overwhelmed by its quality.

The IBM Cognos Innovation Center for Performance Management changes all that. Run by a global team of people from inside IBM, the Center is designed to help customers be as successful as they can be with their software, according to Stephen Brook, Manager of the IBM Cognos Innovation Center at IBM Software Group.

“Companies of all sizes and people from a number of different departments visit the Innovation Center to ensure they learn from their peers,” he said. “The information held inside the Center is extremely valuable, whether you’re a financial controller looking for a better way to share information, or an FD looking for greater efficiency in your business.”

The three pillars of innovation

The Innovation Center is built on three overriding concepts:

1. To foster a feeling of community

“There is no charge to be a member of the Innovation Center, and many customers find that they learn from other users far quicker than they could evolve their solutions themselves,” said Brook. As a result, the Center is designed to be a place where experiences, ideas and best practice can be shared easily.

2. To build relationships

Contributing to the Center are thought leaders in the performance management space, who share their views on issues like budgeting, forecasting and key events and launches. Being part of the Center gives members access to their thoughts and writings.

3. To provide tangible outputs

A popular component of the Innovation Center is the Blueprints. These are pre-configured processes and models that provide best practice approaches. Essentially, users can learn from other clients via tested and validated guides, written by experts but based on user experience.

Success by design

“The Blueprints are essentially ROI-in-a-box, enabling customers to maximise the value of their investment in IBM Cognos software by leveraging the successes of others,” said Brook. “They provide benefits to users of our technology, whether they’ve just started their performance management journey or whether they’re experienced customers looking to expand their use.”

Using the methodology contained within a Blueprint, which can include documentation and implementation guides, instructional videos and configuration files, IBM clients are able to make quick and effective changes to their systems and processes.

“One aspect of our Blueprint approach that is gaining popularity is the ‘twenty-minute test’,” said Brook. “Essentially, we challenge people to download a Blueprint suited to a specific challenge, then improve their business in 20 minutes. Almost all of the time, it works.” ■

The IBM Cognos Innovation Center for Performance Management contains knowledge across all these sectors:

Functional Blueprints

Including...

- Allocations planning
- Capital project planning
- Expense planning
- Discretionary capital expenditure planning
- Initiative planning
- Integrated financial statements

Financial services

Including...

- Branch performance
- Corporate banking
- Retail banking
- Risk adjusted profitability
- Relationship pricing
- Insurance product profitability

Retail

Including...

- Financial workbench and scorecard
- Score development
- Store operations (P&L)
- Strategic merchandise
- Strategic promotion & marketing

Life sciences

Including...

- Clinical trials
- Clinical trial enrolment
- Clinical trial resource planning
- Sample optimisation
- Sales quota allocation
- Integrated brand management

Manufacturing

Including...

- Sales and operations planning
- SOP workbenches
- Trade promotion management

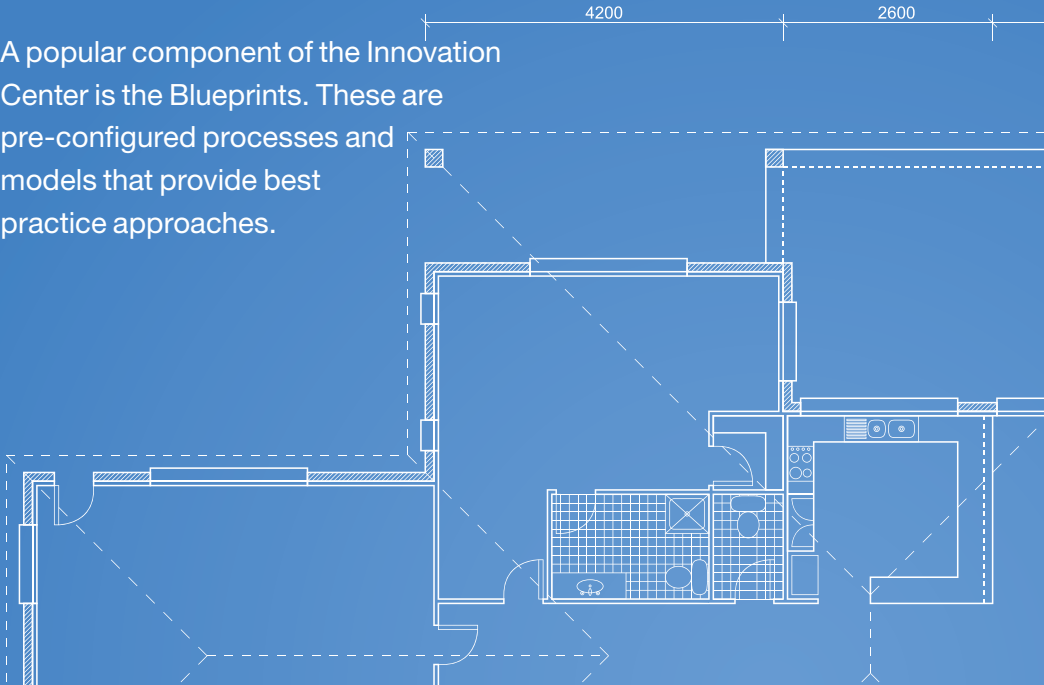
Public sector

Including...

- Earned value management
- Municipal performance management
- Program Objective Memorandum
- Enrolment and Tuition Planning for Higher Education
- Salary planning and position control for Higher Education

www.ibm.com/software/data/cognos/innovation-center

A popular component of the Innovation Center is the Blueprints. These are pre-configured processes and models that provide best practice approaches.



Spread out?

It's time to turbocharge financial reporting

The humble spreadsheet has been a staple of business admin for decades. In fact, before the computerised spreadsheet was created (as far back as the 1970s!), accountants used them in paper form for hundreds of years. For financial reporting in particular, they still create the backbone of performance management and planning for many modern businesses.

However, as the business world has evolved, so have the needs of its reporting tools. Simply calculating profit and loss and documenting assets and liabilities is no longer enough. Now, external customers can pay for services and products in a variety of ways, from online banking to electronic invoicing and PayPal. Similarly, corporate intranets allow employees to manage their own accounts, using self-service HR software for flexible benefits and online expenses. Add external payroll providers to the mix and it's easy to get lost in the maze of systems.

Herein lies the problem. Spreadsheets are integral to modern admin. But the myriad of payment types and systems could threaten the foundations of financial reporting – particularly for midsize companies who strive for growth but may not have the robust technology in place to report or predict it. At a time when tight financial reports are an absolute must, it's time for every business to ensure its own technology can keep up with change.

The spreadsheet trap

It's easy to see why many mid-size companies have fallen into the spreadsheet trap. Unlike more sophisticated software, spreadsheets are very easy to use. A rudimentary IT skill, they rarely require extra training for employees. Similarly, spreadsheet programs are usually included as standard on most administrative software packages – so there's no need for additional investment. In short, basic spreadsheets have been an easy option for a very long time.

The main disadvantage of spreadsheets, however, is that they are often a collaboration black spot. A spreadsheet document cannot be updated by more than one person at a time – so they are not only inefficient, but often leave companies with a document management nightmare. On top of this, they require a time-consuming (if relatively simple) administrative effort to collate all the financial information from the increasing number of systems at work in modern business.

While efficiency and productivity issues will undoubtedly dent the

spreadsheet's dominance, recent changes to legislation have threatened the status quo with more immediate effect, especially for public companies. The Sarbanes-Oxley Act of 2002, relevant not only to US companies but also global companies working with them, has enhanced corporate responsibility in terms of financial disclosure and accountability. Similarly, the EU Transparency Obligations Directive requires a number of stringent accounting methods including periodic financial reporting.

Turbocharged accounts

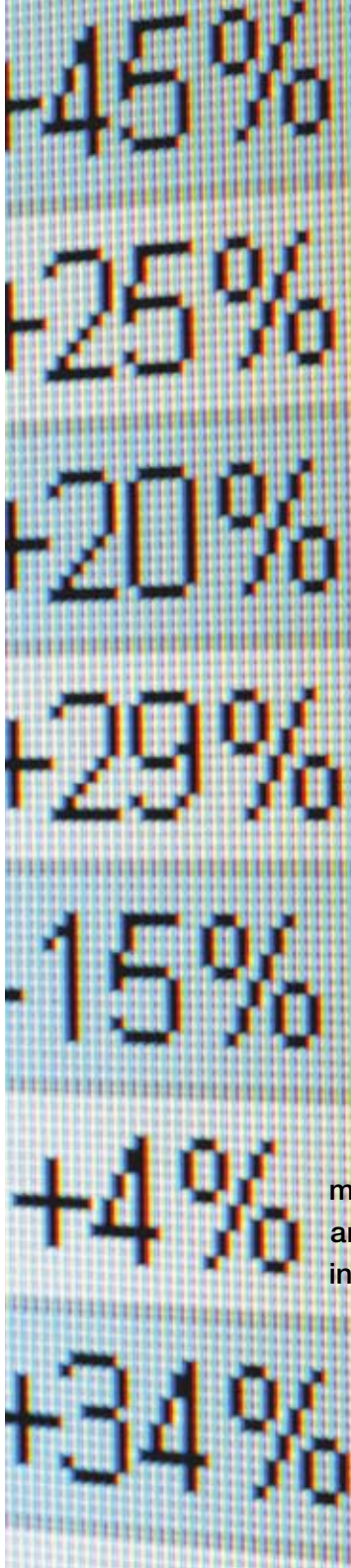
Essentially, many midsize companies have accepted that their financial reporting systems need streamlining. But what some don't realise is that this doesn't mean getting rid of spreadsheets altogether. In fact, spreadsheets are still a useful method of documenting information in a simple and inexpensive way across the business. The first step is understanding which features to exploit, and which limitations to avoid.

For example, spreadsheets are still useful as personal data files for every

employee. But when it comes to accounting, collaborative software should be used to avoid different employees updating different systems and leaving them with multiple, inaccurate accounts. Similarly, spreadsheets can still be used for basic figure analysis – but they are entirely unsuitable for data storage. Databases give you more control, stability and flexibility over the information you store.

There are a number of ways you can use your existing spreadsheet system more effectively. Dashboard tools can take basic spreadsheet analysis and give it an intelligent edge – allowing you to make better-informed financial decisions for the future without having to update your entire reporting infrastructure. It's also important to share best practice across the organisation. Information sources such as the IBM Cognos Innovation Center (www.ibm.com/software/data/cognos/innovation-center) allow you to access a number of Blueprints to make the most of financial reports.

In the current economic climate, accurate financial reporting is absolutely business critical – for now and for the future. However, it is also a time when many midsize companies are unable to overhaul their reporting systems owing to slashed IT budgets. The answer to the problem lies in making the most of what you already have: taking your existing system and turbo-charging it so it can match the pace of modern business. This doesn't mean abandoning spreadsheets altogether – but simply using them better. ■



Databases give you more control, stability and flexibility over the information you store.

Finance means business

Using technology to achieve your goals

FINANCE
GOALS

QUICKER
REPORTING
360° VIEW
EASY
FORECASTS

**BUSINESS
GOALS**

EFFICIENCY

**BETTER
INSIGHT**

ACCURACY

**EASIER
RESULTS**

**COST
SAVINGS**

MORE SALES!

**BOOSTED
PROFIT**



Connecting with the future

MLL Telecom sharpens financial focus using Cognos Planning, allowing staff to concentrate on core tasks

MLL Telecom is a midsize company that plans, deploys and manages wireless backhaul networks for UK mobile operators. A leader in radio wireless technology – and its augmentation with copper or fibre – MLL is one of the UK’s largest providers of wireless backhaul.

Dealing with data difficulties

MLL’s financial data is split into two main groups: existing contracts and prospect information. Using spreadsheets to account for these two very different data models was becoming increasingly impractical, according to Zoë Turner, financial planning manager at MLL Telecom.

“We rely on our financial data to make accurate forecasts for the future,” she explained. “But our spreadsheet-based system was becoming unmanageable. The system was so complex that it needed an expert to run it, and it could take up to half an hour to refresh the data.”

“We weren’t comfortable with our data’s integrity, as the spreadsheets were exposed to potential corruption. In turn, we couldn’t rely on producing accurate sales predictions and forecasts.”

MLL needed a business planning tool that would not only speed up access times, but also present accurate and relevant data – to ensure that revenue forecasts could be relied upon to support the business. Furthermore, Turner and her team needed a future-proof reporting tool that could be developed in line with market changes.

A new era for financial forecasts

MLL Telecom trialed six planning and forecasting products, including offerings from Brix and Sage. However, Turner opted to implement IBM Cognos Planning: “We selected IBM Cognos Planning because of the strong dimensions and the size of the data cubes – it was the only solution on the market that exactly suited our needs. The time analysis and rolling

forecast features mean we can keep a real-time eye on our budgeting.”

“MLL’s finance team can follow a step-by-step process to submit data and access the information they need at the click of a button,” commented Nick Patrick, account manager at Inca Software.

Inca Software, an IBM Cognos Business Partner, trained Turner and her team to be able to build, manage and maintain a model on IBM Cognos Planning – to anticipate future developments in the market.

Sharpening the financial focus

“Before, we spent most of our time worrying about what our data was. Now, we can actually concentrate on what it really means,” Turner explained. “IBM Cognos Planning has actually changed the focus of our department to give us several benefits for the future.”

Now, MLL is considering a wider roll out of IBM Cognos Planning to the sales teams and account managers: “Our sales teams give information to us and we input that data into the system. In the future, we’d like to cut out that middle stage, and allow the sales teams to use the solution themselves.”

“IBM Cognos Planning has transformed the way the finance team works – allowing us to concentrate on what we’re there to do.” ■



For more information:

www.incasoftware.co.uk

www.mltelecom.com



The mid-market reality

Quocirca asked 100 people from midsize companies about their attitudes towards business intelligence (BI) and performance management (PM). Here's what they said. By Clive Longbottom, Quocirca

19,000 organisations make up the mid-market sector (100 – 1,000 employees) in the UK, creating around a third of the country's turnover in 2007 (source: NSO).

Quocirca's research shows that many midsize companies behave more like small businesses – with little planning or automation. In addition, the midmarket is characterised by reactive problem solving, rather than proactive planning and problem avoidance.

A third of mid-market companies understand that BI offers a means of looking at both historical performance and future probability.

However, an equal number believe that BI is for future forecasting only – despite the fact that without knowledge of the past, businesses cannot validly make predictions for the future.

Views around PM created a more marked contrast in terms of attitude.

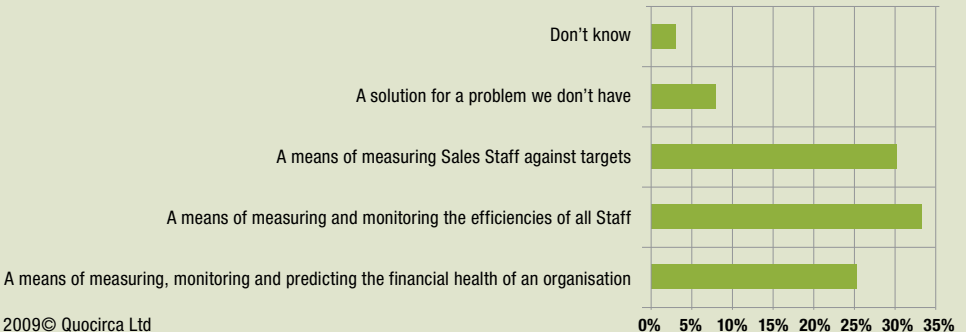
Only a quarter of respondents see PM as a means of monitoring business performance, whereas two thirds believe PM is for staff performance monitoring only.

However, PM is about more than just people: it's about ensuring the basic processes underpinning the business

are as efficient and effective as possible. So in fact, automation is often key to business success – with people using these processes to access the information needed to make their more challenging decisions.

PM works by tracking performance against targets and by raising events

What statement best matches your perception of the term 'performance management'?



Underlying both BI and PM is the issue of data, and this is where many of our midsize respondents struggle.

to enable variances to be dealt with rapidly. This ensures that businesses can get back on track through small alternations of direction, rather than massive changes to strategy.

Chasing down data

Underlying both BI and PM is the issue of data, and this is where many of our midsize respondents struggle. Only 2% have no problems with their data – and a third are highly concerned about their information’s accuracy and integrity.

Two thirds of people also depend on manual processes for at least one major aspect of dealing with data. This means that the majority work with poorly qualified information using error-prone manual aggregation. In

turn, they face difficulties when it comes to reporting the past and predicting the future.

Over 80% of respondents use more than one database in their organisation. 80% believe that spreadsheets have a negative effect on their business. Almost a quarter use email as their main way of sharing information across their company, while a similar number says their business processes have remained unchanged for a very long time.

Evidently, this is not an ideal approach. With better control over their data, effective planning and the use of PM, midsize companies can deal with smaller problems automatically – before they can become a big issue.

If this could improve overall revenue by 1%, this would mean an extra £7 billion in the UK economy.

Quocirca advises midsize companies to find a BI and PM solution that can aggregate reporting across multiple data sources – one that can also provide the workflow and rules engines to automate data monitoring and information dissemination via collaboration across and beyond the enterprise, so improving revenues and margins.

Only this way can the mid market thrive throughout the recession – and remain competitive when market conditions improve. ■

How worried are you about your compatibilities to effectively deal with data within your organisation?

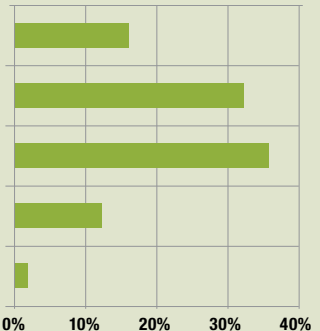
There are major issues in dealing with data, but I refuse to let them worry me

I know that we have some issues, and this causes me a great deal of concern

I know that we have some issues – but it’s not enough to worry me

I worry that there may be problems that I am un-aware of

I have no worries



When the green shoots grow

Better times are on the way – it's time to make sure you're ready for the recovery...

1. Get social media savvy

Social networks aren't just for teenagers or celebrities. Business-focused platforms can improve communication and collaboration both in the business and outside. Even Facebook and Twitter can help you stay in touch with contacts and provide alternative marketing channels.

And what about setting up a corporate blog? Blogs are an easy way to keep your customers and employees updated on company news.

2. Keep up your CSR

While Corporate Social Responsibility (CSR) has taken a back seat during the worst days of the downturn, people still expect a certain level of ethical commitment from the companies they use.

Look out for any charity initiatives your employees might be interested in. Similarly, offer to make charitable donations through payroll and allow workers to take time off for fundraising activities.

3. Talk is cheap

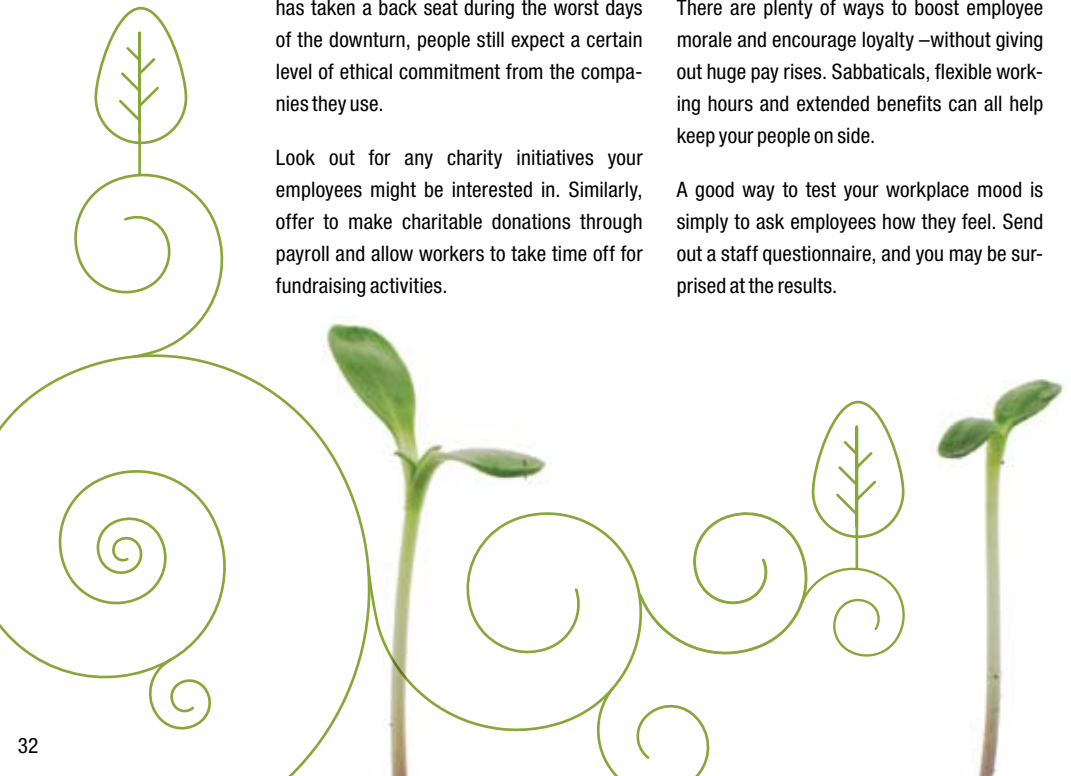
Your communications expenditure can be a significant one, so look out for ways you can cut your costs. Instead of paying for international travel, for example, video conferencing technology lets you hold your meetings virtually – cutting your carbon footprint in the process.

Also, delve into web-based communications such as Voice over IP (VoIP). These are relatively low cost but can still support a global workplace.

4. Look beyond the money

There are plenty of ways to boost employee morale and encourage loyalty – without giving out huge pay rises. Sabbaticals, flexible working hours and extended benefits can all help keep your people on side.

A good way to test your workplace mood is simply to ask employees how they feel. Send out a staff questionnaire, and you may be surprised at the results.



5. Flex your business muscle

Midsized companies are more equipped than ever to compete in the global marketplace – but this often involves a change of attitude.

Allowing employees to work flexibly can actually improve productivity so make sure you invest in the technology to support it. Laptops and mobile devices can ensure you're connected on the move, while Virtual Private Networks (VPNs) allow secure access to corporate data.

6. Show off your success

Has your business won an award? Smashed its sales targets? Achieved great press coverage? If so, don't keep it quiet.

Now more than ever, it's important to shout about your successes. So keep everyone in the loop with a company newsletter, and link to the news on your corporate blog.

7. Promote understanding

Even at the smaller end of the market, companies' business units can operate in silos. However, the most successful business of the future will be the most connected – so it's time to mix things up a bit.

Your finance, HR, IT, sales teams and beyond are all part of the same company. Set up a scheme to swap them around, so each unit can learn about the next and exchange good ideas across the business.

8. Reduce, reuse, recycle

As well as CSR in a wider sense, environmental initiatives should be part of the day-to-day running of your business.

Company-wide recycling, for example, can really get people involved in the cause. Similarly, explore the ways you can use renewable energy to cut down your carbon footprint.

9. Shop around

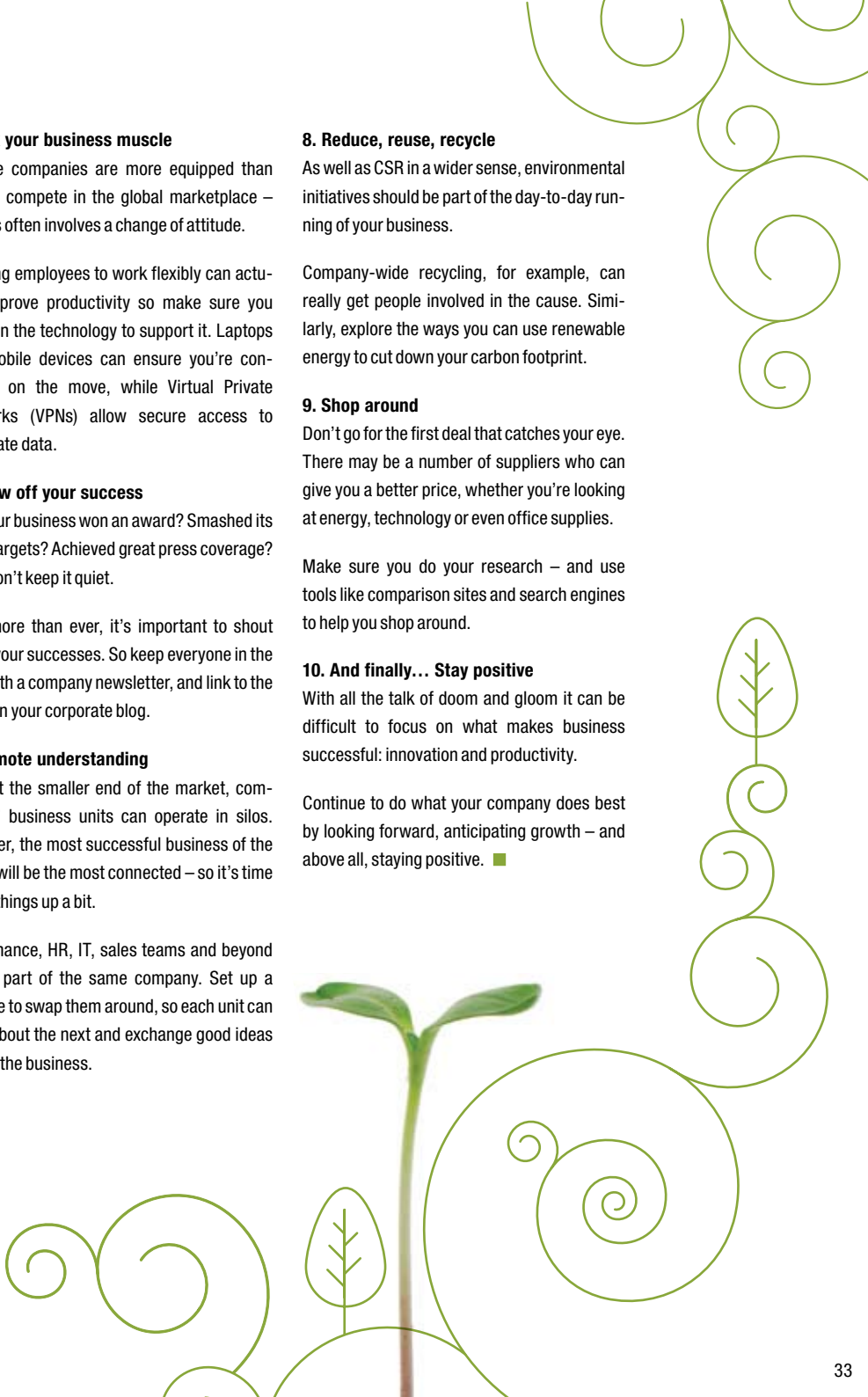
Don't go for the first deal that catches your eye. There may be a number of suppliers who can give you a better price, whether you're looking at energy, technology or even office supplies.

Make sure you do your research – and use tools like comparison sites and search engines to help you shop around.

10. And finally... Stay positive

With all the talk of doom and gloom it can be difficult to focus on what makes business successful: innovation and productivity.

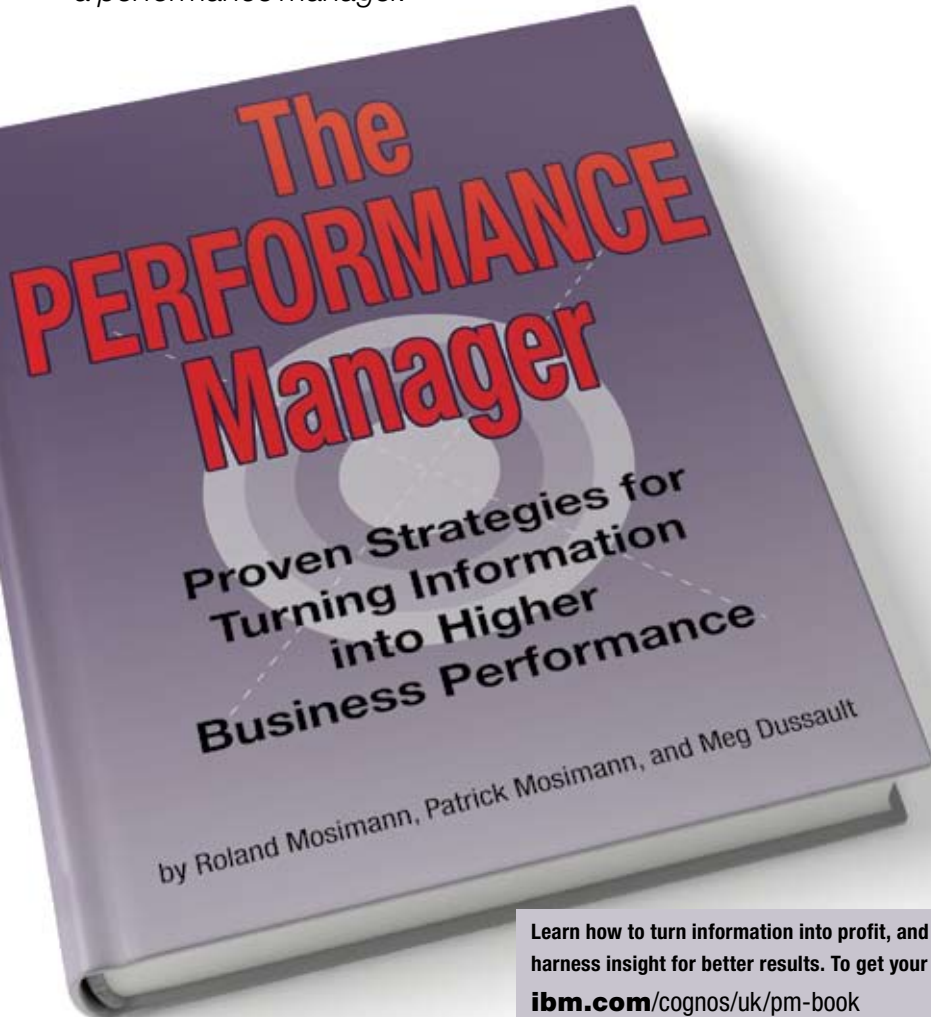
Continue to do what your company does best by looking forward, anticipating growth – and above all, staying positive. ■



The Performance Manager

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Learn how midsize companies can harness insight for better results, identify critical decision areas – and why now is the right time to be a performance manager.



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