



Proposal



Budgeting, Forecasting and Reporting

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1 Executive Summary

Veolia Water (Veolia) has identified the need to implement a system to support the Budgeting and Forecasting process currently managed wholly with Microsoft Excel. The current manual process is time consuming, error prone, and difficult to create multiple scenarios for what if analysis.

Veolia want to provide a self-service, easy to use application enabling flexible reporting from the Sun General ledger and operational source systems, without needing technical skills. Providing reports and budget entry templates via the web will simplify the process and enhance the user experience.

Solution: CALUMO has been identified as 100% aligned with Veolia's IT platform road map based upon Microsoft SQL Server Business Intelligence. CALUMO brings a powerful enterprise planning and forecasting capability to the Microsoft platform. CALUMO will report actual results, and the Budget & Forecast model will automate and enhance current processes, providing three core components:

- **Improved Cash Management** with detailed Human Resources and Capex forecasting models enabling improved visibility and management over future cash flows, with what if analysis feeding better decisions into the budgeting process.
- **Budgeting & Forecasting Scenario Modelling** for Profit & Loss, Balance Sheet & Cash Flow with instantaneous consolidation, reporting and review. Easy production of multiple scenarios to compare options and the impact of top down management review and change requests; and
- **Automated Corporate Report packs** with actual, budget & forecast linked to the database.

Outcomes: CALUMO will:

- Free staff to focus on improving business outcomes and adding valuable insights where previously there was no time.
- Avoid time lost in budget preparation and budget consolidation activities.
- Eliminate the need to wait for IT assistance when building new reports.
- Allow business end users to produce reports in a drag and drop environment, leveraging existing skills in Excel, making corporate data more accessible, and easy to consume.
- Present information in new ways that are more meaningful to users and management.
- Ensure that reported data is accurate and linked to the source; this reduces risk of error.
- Provide users a place in the system to store their commentary about results and budgets, and
- Dramatically reduce report creation time, with published reports always available and up to date. This will increase satisfaction of end users, report recipients and other key stakeholders.

Investment: The total project investment is estimated to be **\$124,500** comprising:

- Professional Services of up to \$66,000
- Training of \$8,000, and
- Software to service up to 40 end users for \$50,500.

Once you are satisfied with this proposal the Acceptance section is provided for you to complete and return. If you have any questions on the proposal please call me on 0416 273 443.

Regards,



Brenden Russell CPA

2 Solution Details

The CALUMO application will provide you with the most simple, flexible and powerful platform for your business planning and reporting objectives.

The CALUMO Web Portal with Microsoft Office integration provides a **familiar user interface** enabling finance to be **self-sufficient** to achieve objectives without significant IT support.

The Budgeting and Forecasting application will allow for **bottom up budgets** and **monthly forecasts** at a summary level to be provided with ease.

- Actual results will flow into the templates automatically each period and update the forecast template.
- Prior forecasts will be visible at any time from the same interface assisting users with continuity of thought and consistency in planning outcomes over time.
- Data entered will be immediately stored on the server and visible to all authorised users without any manual effort needed to consolidate contributions made across the team – manual aggregation of multiple spread sheets will no longer be necessary.
- All reports can immediately use the data entered and dependant rule based calculations are also calculated in real time.
- Provision of web based budget and forecast input templates ensure that end users have a simple to use interface that they have no need to customise or change - if they can Google they can use it with little or no training.
- Finance will be able to change the look and feel and content at any time without need for IT support as the web templates are built in Excel.

The implementation will give Veolia Water a Business Intelligence asset that provides:

- Ease of reporting, more timely delivery of information to decision makers
- Drag and drop analysis over the general ledger and other databases included in the cubes.
- Early delivery of reports and faster business processes to improve support to management.
- Support for financial and non-financial data from various systems for a complete set of performance metrics across the business for financial, operational and statistical results.
- Application development allowing any business processes to be supported by an interactive enterprise class data store with a web or office based end user interface.
- Intuitive web delivery with query string navigation for a guided analytics user experience.
- Stable reporting platform aligned with your IT department road map and skills on Microsoft SQL server with future proof ability to scale to other departments and entities in the group.

For Finance this will deliver noticeable benefits in their day to day roles. It will:

- Free up time to be more productive in other areas to unlock value across the team
- Each review and consolidation cycle will save Michael and Cherie up to 1 week – currently this happened at least twice for budget and at least once for F2 highlighting an initial minimum 3 weeks of time savings.
- Eliminate double handling of information and duplication of content outside of your core systems
- Less prone to making mistakes than the current manual processes using Excel alone.
- Excel integration (live connection to database) ensures Excel skills and existing Excel reports are leveraged for fast impact. They become easy to update, quick to learn and simple to use.
- Commentary stored with reports will capture corporate knowledge with data and retrieve past comments for reference purposes in future.

2.1 Return on Investment

The platform facilitates operational reporting and forecasts, providing one version of the truth, and one vision for the future. Payback is expected within **6-9 months**.

Based on our experience with other similar entities and projects anticipated cash and non-cash benefits are expected to be over **\$30,000 per month**.

- This is the opportunity cost for every month CALUMO is not in place.
- We can workshop targeted benefits prior to implementation and set them as goals for the project.
- Team satisfaction and management effectiveness further enhance project ROI.

Actual results may exceed the estimated benefits.

The Business Intelligence platform continues to deliver over the longer term with modest incremental investment. As your team grow in knowledge of the business data and underlying processes, and their skills develop in CALUMO, they are able to utilise freed up time to identify new ways to leverage the platform for greater benefits, process change, and performance management improvement outcomes.

3 Pricing

Pricing is based upon your business requirements reviewed with the Veolia Water Finance team.

Software	50,500
Professional Services Estimate	66,000
Training	8,000
Total Project Estimate	124,500

3.1 Software

Software for the CALUMO Server, Web Portal and 8 Concurrent User licenses is **\$50,500**. This includes a discount of \$12,000 reducing the investment from \$62,500 to \$50,500.

This platform includes 8 Concurrent user licences expected to service from 25 to 40 end users. You have indicated a desire for **6 finance users** and **another 20 budget contributors** to have access in the short to mid-term supporting the existing budgeting and forecasting objectives. We have therefore suggested inclusion of **8 Concurrent User Licences** in total to cover these initial needs.

CALUMO Software Licences	Unit Price	Qty	Total
Midmarket Server Licence	37,500	1	37,500
Development Server and Test Servers [^]	18,750	0	0
Office (Full Access) User Licences	3,125	8	25,000
Web Contributor User Licences	1,875	0	0
Web Read Only Licences	1,125	0	0
Total Software			62,500
Discount			12,000
Total Software after discount			50,500

[^] Optional - We recommend a Development Server be acquired but have not included it. This should be acquired now or at completion of this project before a second phase of development proceeds impacting existing users at that time.

Software Licence Notes:

- Concurrent User Licences - It is our opinion that the concurrent user licence type is best suited to your end user usage profiles and will provide maximum value for money to you.
- A concurrent full access licence not in use is still available for a Web Contributor or Consumer to use. I.e. spare licences of a higher level can be used by lower level users where available.
- Concurrent User means each user or person who accesses the CALUMO Server concurrently. For the purposes of calculating the number of Concurrent Users, a user is a concurrent user for a minimum of 30 minutes after last access of the CALUMO Server.
- Static report receivers (PDF, print outs, Word, PowerPoint and Excel with no links to the CALUMO Server) are not CALUMO Users and do not incur a concurrent usage count.
- Concurrent licences allow any person to use CALUMO, provided total concurrency is not exceeded. CALUMO will not stop more users accessing the system as we believe in making sure you can continue to do good business. CALUMO will log usage and provide you with statistics

to guide your licence requirements and advise of your peak usage periods over time. You are responsible to ensure you have sufficient licences to meet your actual usage.

Software Pricing Notes:

- Office (Full Access) User Licences cover Power Users, Analysts, Excel Authors, Microsoft Office users and Administrators.
- Web Contributor provides read & write (budgeting/forecasting) access to Web Portal content.
- Web Consumer Users provides read only access to all Web Portal content.
- Optional additional Non Production Server for Test or Training can be added at \$18,750 each. All licensed production server users have the same access rights to any non-production servers purchased. Non-production servers cannot be used for Production purposes.
- Microsoft Licensing for your SQL Server Enterprise Edition Licence and Microsoft Office products is not included. CALUMO can assist with this if required please let us know.
- Suitable server hardware will need to be provided. Refer to the "CALUMO 11 Installation and Requirements Guide". We can assist with selection if required.
- All prices quoted are in AUD excluding GST that must be added at 10%.

3.2 Professional Services Estimate

The implementation will be monitored in regular steering committee meetings throughout the project.

Project Deliverable	Estimated Days	Avg Rate	Total
Mobilisation: Installation and set up	1	2,200	2,200
Workshop confirming report output and input template targets	1	2,200	2,200
General Ledger Cube with multi-currency (AUD/NZD/EUR)	7	2,200	15,400
Budgeting interface for General Ledger Cube	4	2,200	8,800
HR Template	4	2,200	8,800
Non-financial metric interface	3	2,200	6,600
GL Reporting - Management, Hong Kong & Paris	8	2,200	17,600
Training - including materials	2	4,000	8,000
Project Management	2	2,200	4,400
Total	32		74,000

Implementation Services Notes

- Implementation Services are quoted on a time and materials basis and are charged by the hour worked. Only time and materials actually incurred will be charged.
- Materials will include any travel and related charges reimbursed at cost to CALUMO.
- Rates are subject to change and depend upon the seniority of the consultants deployed.
- Daily rates are based upon 8 working hour days (being 8 hours of actual work time).
- An estimated average rate is based upon the mix of resources allocated to the project. Actual average rate will depend upon the mix of consultants deployed.

Rate Schedule

Description of Task/Role	Hourly Rate	Daily Rate
Technical Consultant	250	2,000
Business Consultant	275	2,200
Senior Developer	300	2,400
Engagement Director & Project Manager	350	2,800

This is expected to be delivered mainly using a Business Consultant with minor support from others.

Timing

Approval is expected in April 2012 for delivery predominantly in May and June. Go live testing will be late June or July. Exact timing and sequencing / priority will be re-assessed during week 1 of work allowing for the actual start date and consultant availability at the time of receiving your order.

3.3 Assumptions

Access to your subject matter experts (SME) in your Finance and IT teams will be vital. This is necessary to provide input for the data sources, business rules, underlying data models, examples of proposed report templates and involvement in collaborative report and process re design opportunities in light of the newly introduced CALUMO capabilities.

Remote access to the server to allow ETL preparation work and ad hoc support to be undertaken remotely when needed enhancing response times.

Business Model Assumptions: we have assumed General Ledger level data entry supported by non-financial measures with sub models for HR and Capex, and some minor allocations of corporate departmental costs by % to contracts.

- Human Resources modelling and allocations emulating your existing HR spreadsheet model
- Capex model reporting actual fixed assets and allowing for additions and deletions in the forecast periods with requests being logged and flagged as in or out for any given version.

Other sub models can be added on request but may result in a variation to the project estimate.

- Contracts are not being modelled. We will meet with Contract managers and their accountants to agree how best data can be loaded into the budget and forecast from their own models
- Spreading may be useful for Contract level forecasting based upon the cost plus model.

Other models will be loaded via Excel from standard templates (CPUT) or entered directly in the web budget and forecast data entry templates.

3.4 Training

Our training offerings are detailed at the **CALUMO Training Academy** website page here:

<http://www.calumo.com/training.html>.

The project implementation services time includes:

1. Training of the Veolia Water system administrators during project delivery, and
2. End user training on the *delivered applications* provided on a “train the trainer” basis for delivery by the Veolia Water finance team internally to system end users.

Additional Training is available in CALUMO and on Microsoft SQL Server related components.

- CALUMO “**End User Fundamentals**” training is \$900 ex GST per person.

CALUMO Training Academy can also provide training for “**Excel for BI**” and other custom courses to meet any specific format or content requirements for other needs you may have in the Microsoft Office and SQL Server suite of products and in CALUMO.

Training Notes

- Often separate training budgets apply and the funding for these additional training options may not need to be included as part of the proposal in such cases.
- Training may qualify as **CPE / CPD** hours for your staff that will need to make their own assessment of eligibility under the guidelines of their professional body.

3.5 Annual Maintenance

The initial purchase includes 12 months maintenance.

Maintenance entitles the purchaser to receive, free of charge, any product releases and upgrades issued over the year. Software maintenance also provides for error correction, where the software deviates materially from the specifications and where the error can be replicated the client should provide written notification of the error and sufficient information that is reasonable to analyse the error. Software maintenance must be purchased within 30 days from the time the software or the current upgrade is delivered.

Maintenance renewal in year 2 onwards is subject to CPI escalation. Annual Maintenance is payable at 20% of the then software list price.

3.6 Terms & Conditions

- All prices are quoted in Australian Dollars and Exclude GST which must be added at 10%
- Payment will be in AUD.
- Software purchases are payable 30 days after delivery of the software (delivery by email upon receipt of your signed Acceptance and or Purchase Order).
- Professional Services are charged on a time and materials basis.
- Services are payable 30 days after invoice. Time & Materials invoices for services are issued at the end of a phase of a project, and / or at each calendar month end whichever occurs first.
- This proposal is valid to 30 April 2012.

4 Acceptance

Veolia Water ABN _____ (please insert) hereby accepts the offer and terms and conditions as set out in this CALUMO proposal for;

- CALUMO Software for **\$50,500**
 - CALUMO Professional Services for **\$66,000** to undertake the implementation of the budgeting, forecasting and reporting system, and
 - Training of users and administrators for **\$8,000**;
- as outlined in the proposal above, at a total price of **\$124,500** excluding GST.

Purchase Order Number _____ is attached in support / This document is the official purchase order (*delete whichever is not applicable*).

I/We hereby accept the offer, terms and conditions and am duly authorised to make this commitment:

Signed by:

Name(s)

Date ____/____/2012

Date ____/____/2012

Authorised Signatory

2nd Authorised Signatory (If required)

5 Appendix A – Budgeting, Forecasting & Reporting Requirements

This project will empower your planning and reporting function within the business, improving satisfaction of the finance team.

It will increase engagement with business end users involved in the process by improving their experience, and enabling immediate feedback for them during the planning process. Contributors are more likely to take ownership over forecast results.

Work will focus on the Budgeting and Forecasting process currently headed by Michael Murphy with oversight from Cherie Quinn. The solution will include reporting of actual results for corporate and management report packs.

Current Situation

The Budget and Forecast model has three main components:

- **General Ledger:** Revenue, selling costs to GM, overhead, financing and other costs. Corporate costs are held in departmental cost centres other than some % based time allocations to Contracts
- **Human Resources** sub model will be built emulating the Excel version (while HR is managed using the Talent 2 system a reporting cube for Talent 2 is currently out of scope)
- **Capex model** providing for current Fixed Assets by Contract, allowing additions and disposals for forecast periods, and modelling the related impact on Depreciation.

You told us that there are currently 3 regions in AUS plus NZ, covered by 5 companies. Results are split by Region, split by Contract. Contracts are usually site specific and belong to a region and a company. Each contract supports one or more Plant set up in Sun. Need to be able to see annual contract numbers viewing Profit and Loss, Balance Sheet, and Cash Flow by Region &/or Company.

The SUN Account Code has two additional mappings – one for Analysis for local reporting by region and one for Vector for Paris (Hong Kong) Reporting. These will provide alternative groupings in the cube.

Vector is the system used by corporate & does not uniquely hold the local consolidation for ANZ. It also uses EURO currency so restatement using provided FX rates to AUD and or NZD will be helpful.

Budget and forecast templates are sent out with prior versions: LYB, LYA, CYB, CYA (YTD), and CYFYF.

There are about 300 natural accounts – around 200 controllable accounts another 50 corporate and some others special purpose accounts for management fees and the like.

The HR Model is sent out with people's names and salaries to responsible managers who update the forecast for EBA changes and staff promotion, new staff requests or positions to be made redundant with phased timing by month for each. This is returned to Cherie and then finalised and loaded into the model. These are then set and other revenue and costs are added directly

Headcount and FTE are both used as metrics. The budget is completed on FTE basis built up on a person by person basis therefore also providing headcount. Salary on-costs are modelled in detail catering for local rules in each region. Bonus payments may be based on last year's results and may be in a provision to be released, or may not. There are about 300 staff in the HR Budget model so it is not considered onerous to model this without connection to Talent 2.

HR model also provides cost per hour for Cost+ contracts and billing staff on contract

- Most staff are dedicated to a Contract
- Some corporate staff allocate their cost out in part or full using a % of actual cost to other centres – these allocations must sum to zero

Budget includes Balance Sheet with some rules and manual override and Cash flow also based on rules with manual override

Cash Flow for Paris HO is currently done in Excel. Statutory cash flow is done differently. Where the rules are stable this will be modelled.

Cash is the balancing item after all other assumptions.

Month End currently close ledger Day 2.5 and all reports out by Day 6 (calendar days – 7 days a week!). Vector reports loaded for Paris and internal local reports also done in this time frame. Time saved here will help with analysis and aid improvement in regional and ANZ level commentary.

Other Objectives

The system needs to show rule based entries and manual entries separately if desired for clarity.

Non-financial measure examples include Water flow, Wastewater flow, and Connections.

VISION reports are currently produced from SUN. These review the EOM results at a high level for reasonableness – these can be replicated to provide drillable EOM check capability.

Currency will require AUD NZD EURO with all combinations thereof.

Commentary is desired at a page (report) level as well as at line level.

Currently there is a forecast "F1" done in March and "F2" done in August followed by the Budget prepared in June, sent out in July with June actuals and completed over a 6-8 week period. Once submitted it is reviewed internally once and then finalised and submitted to corporate mid-September, after which another high level review can occur as management push back desired targets and savings and then a final is produced. Final adjustments may be entered at a very high level to get to Target and ASX and Paris final numbers.

The system will need to track each version and the variations requested / allowed to assist the review process.

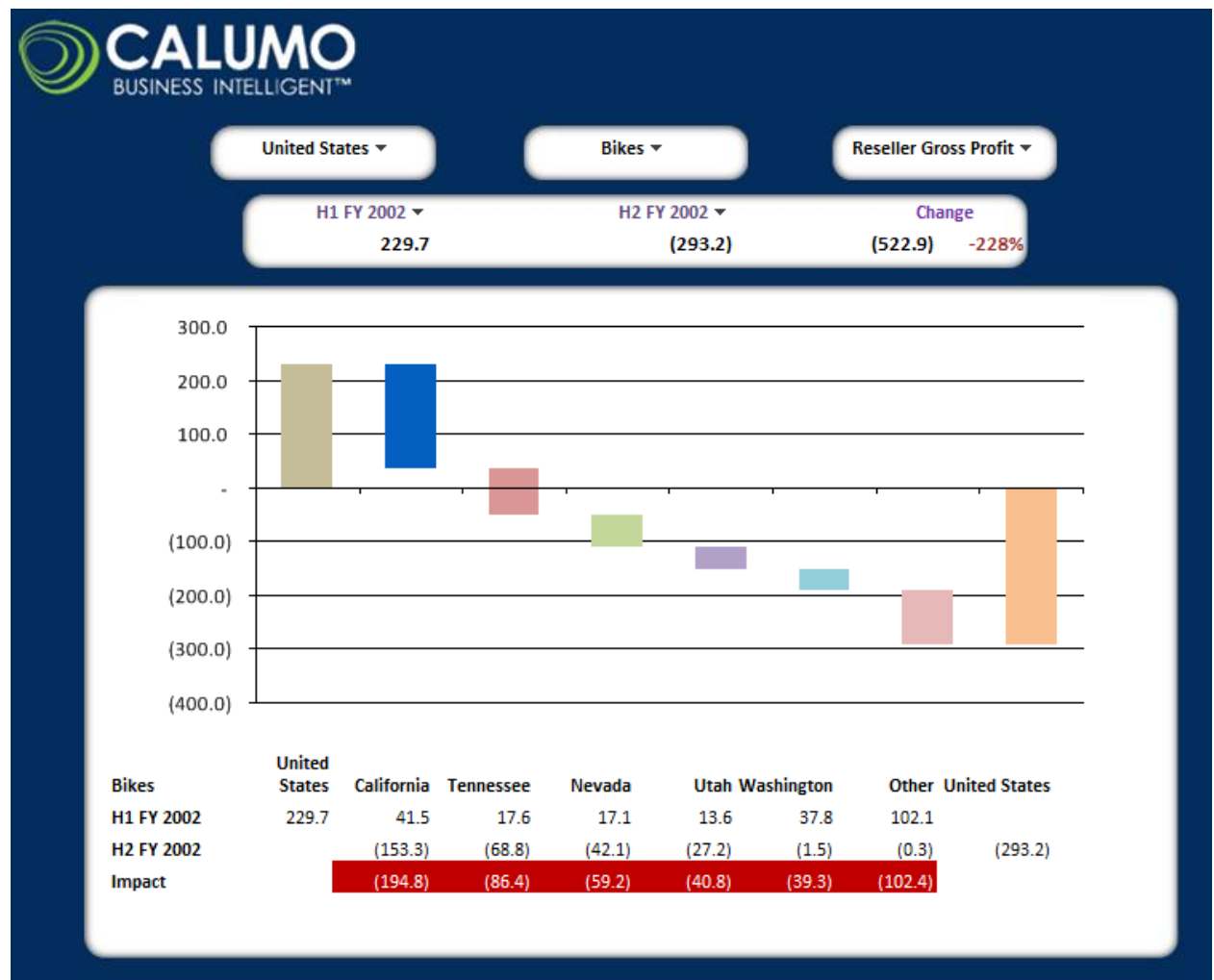
Finance must be in full control of

- adding new versions and seeding them

- adding variation calculations to other versions

Example Waterfall Report:

Waterfall charts for visualising contributions for major variations can be provided reworking our demonstration to allow selection by Department, Region or Contract to analyse a given variation. Reports are used to bridge F1 against Budget and F2 with waterfall type variance analysis. Variances can be provided in the cubes to automate the waterfall reports.



Security Model

- For HR the manager seed their own people and finance the CFO, CEO, and COO see all people.
- Regional management see their region / department.

Opportunities noted

- Models to support operational analytics and reporting for individual contracts are a subsequent phase.
- Price Volume variances are being requested – Averages will be available from the system but detail is out of scope.
- Analytics over your Timesheet system

6 Appendix B - CALUMO Company Profile

6.1 Company Overview

CALUMO is a leading provider of Business Performance Management (BPM) solutions for enterprise-wide reporting, planning and business intelligence.

Since 1996, CALUMO has successfully delivered solutions to a wide range of enterprises from SME's to some of the largest listed companies and government organisations.

The founders and senior management of CALUMO are Chartered Accountants with a wealth of practical business experience and appreciation of the value of a single integrated unified BPM suite.

The software and solutions CALUMO provides are imbued with the commercial imperatives that can only be understood by experiencing this first-hand at the organisational coal face.

CALUMO solutions provide quantifiable and valuable business insight by offering a single platform from which to integrate Corporate, Financial and Operational performance and objectives.

Every level of an organisation can easily collaborate and align with overall corporate strategy. Individuals are empowered to make better business decisions by receiving the relevant, timely and accurate information they need.

CALUMO provides solutions globally, with partners in the US, UK, Israel, New Zealand, South Africa and Asia. Through its global network, CALUMO delivers superior applications offering a portfolio of consulting, training & support resources to help enhance and extend your CALUMO implementation.

CALUMO has provided effective solutions to over 350 organisations of all sizes including Aevum, Bank of Queensland, CASA, Davidson Trahaire Corpsych, DMO, Ernst & Young, General Pants, Linfox, Macquarie University, McPhersons Consumer Products, Lenovo, Mantra Group, Nuplex, New Food Coatings, Pickles Auctions, Savills, Sentient Group, Sydney Water, The National Trust, The Smith Family, University of New South Wales, Warrnambool Cheese, and Xstrata Copper.

CALUMO is a Microsoft Gold Certified ISV Partner, and member of the Microsoft SQL Data Warehousing Alliance. As well as being a Gold Partner CALUMO has received "Partner of the Year" awards from Microsoft in 2007 & 2008. This breadth of experience provides you with a depth of support not available with other vendors.



6.2 Longevity

CALUMO is a Solution Provider with over 16 years of experience in successful deployment, with the capability to provide both software and consulting services to ensure successful project completion.

CALUMO's Professional Services brings seasoned consultants who have completed many implementations, hold significant experience in Business Intelligence solutions, and practical work experience that secures on-time, on-budget, and to-specification, project delivery.

Professional Services employs over 30 seasoned consultants with multi-disciplined finance, commerce, and technology backgrounds providing a significant value-adding outcome helping our clients improve their business processes and achieve their strategic and tactical goals.

We are committed to directing our products, support, and services toward helping our clients achieve their desired business outcomes.

6.3 Professional Values

Our mission is to empower business people with fast adaptive real-time multidimensional processing solutions for decision support throughout the enterprise.

We abide by a code of business ethics as prescribed by the Institute of Chartered Accounts of Australia (ICAA).

Through our values which include **trustworthiness, competence, character, and excellence** we seek to create strategic partnerships with our customers.

6.4 Client Quotes

University of NSW representative: "This project has and will continue to be the **catalyst for very positive change** at UNSW. **Our team, with CALUMO's expert guidance**, are delivering a platform that enables us to **maximise the financial resources available** to support our teaching and research priorities **more effectively and at speed**. **The time frame** from commencement **to yielding real business value** has been **astonishingly short**. Our environment is very demanding and complex; the **flexibility and performance of CALUMO has been excellent**. **It's a breath of fresh air for our user community.**"

William Angliss TAFE representative: "**CALUMO's consultants were the first to really understand our business needs and data**"

Integral Energy representative: "As a division, **we are now leaner and meaner** – and we're looking for **continuous improvement, more efficient processes and more value added services** for our business managers. We are moving to do a lot more reporting and analysis and enabling others to do the same. **We had five weeks to implement** the system from scratch and, **so we needed an easy-to-use system** in order to implement the product, develop it, and train 150 users. And there were **no onerous licence and hardware requirements!**"

Aevum representative: "**Management has a much greater capacity** to do accurate financial planning **so all our business customers are a lot happier**".

7 Appendix C - Project Management

An overview of the key steps in managing the project and considerations around risk management and communication planning is provided here.

7.1 Initiating for Success

Project success is behavioural – behaviours are aligned through clear communication, defined outcomes and clear accountability.

The tactics are:

- Executive sponsorship/commitment
- Project governance – effective implementation methodology with control
- Engaging the best available resources both internal and external
- Focus on business outcomes throughout the project
- Closing out with a view to longevity

7.2 Project Co-Ordination and Control

Staying on track

- Set appropriate expectations
- Allocate responsibility/accountability
- Provide forums for status feedback
- Effectively identify/execute required actions
- Present decision points with options to proceed

Communication Plan

- Who, what, how, how often
- Established in Pre-Mobilisation
- Weekly meetings/updates etc.

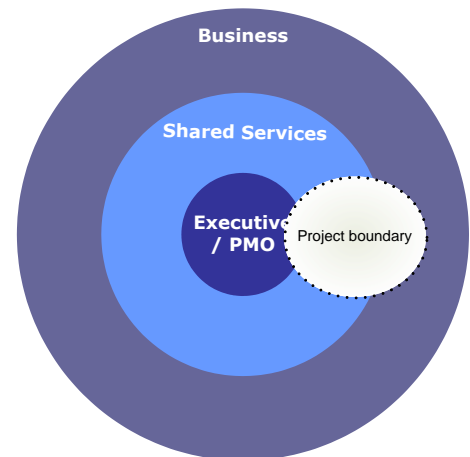
Steering Committee

Upon commencement we will agree a Steering Committee comprising your management and ours, and lock in dates in our calendar to meet and review progress against the project plan and goals.

This process we have found ensures that any risks and issues that arise during the project can best be addressed with decision makers. It also ensures that required communications can be agreed and that these can be made by senior executive project sponsors to ensure the best outcome in delivery of communications within the organisation.

Visioning

The Vision Document is used to capture in written form the goals of the project and to document the system as it evolves.



This is a living document that is jointly updated as the project progresses and once the project is completed provides you with a permanent record defining the delivered applications and system design principles.

Week One: Confirm Goals – Confirm Estimate – Identify Risks

- Review data sources, Review current outputs, Agree desired outputs,
- Identify Subject Matter Experts (SME's) and confirm availability during the project timeline
- Confirm Hardware and Software environments are in place or an acceptable timeline is agreed to for finalising the setup ready for development.
- Identify Business Processes that are working to replicate
- Identify Business Processes that require improvement and discuss and agree how and where to improve upon them, and what the desired end state is

All these discoveries are added to the Vision Document that is updated throughout the project as needs, goals and solutions evolve during the project.

Tailoring

The tailoring phase is where the CALUMO Agile Methodology ensures that the deliverable results of development are put in front of end users at the earliest possible time to gain their feedback and insight as well as helping them feel a part of the project and increasing the chances of them owning the project outcomes, and improving user take up and satisfaction.

Feedback is rolled in to the next project development iteration to progressively improve the solution to be not only what was thought of before the project commenced, but also to incorporate where project budgets allow new and better ideas for the delivered applications.

Opportunities for improvement identified during the project that may require additional budget are documented and presented at the steering committee to give management the forum to consider if the benefits justify expanding the budget, or to park the opportunity to address it at a later time.

The CALUMO approach ensures you not only get what you asked for but also have the ability to direct the project to factor in improvements identified during the project as your people become aware of the system capabilities and how these can be applied to their benefit.

Integration

This step ensures that the evolved solution is integrated into the system and human processes of the business in such a way as to ensure smooth transition to go live and beyond.

- Critical time periods in the annual business calendar are considered in advance to ensure that processes are in place for any rollover requirements as you move into new time periods.
- Process Control and Administration requirements are finalised and required skills transferred to designated system owners with on the job training provided to them during the project to reduce your reliance on external vendors for ongoing maintenance of the delivered applications.
- An ongoing support arrangement is agreed to at conclusion to ensure you have suitable back up from CALUMO into the future. The arrangement is based upon the available time and level of skill that your system administrators and power users have developed.

- CALUMO can provide first second or third level support into the future, and we can cover any periods where you have a time or skill constraint such as extended leave of a system administrator. We have email and telephone support capabilities and a Client Support Portal and Forum where clients can explore solutions to common issues and collaborate with other clients in the CALUMO end user community

Communication

A Communication Plan is agreed at the initial project kick off meeting.

- At larger clients a written plan may be prepared to ensure coverage of all impacted parties and to explore the various existing lines of communication to assess their adequacy and suitability for each type of communication.
- Smaller clients can manage communication planning through the Steering Committee process itself and we expect this to be sufficient in such cases.

The iterative development process requires end user contributions throughout the project and this approach drives much of the required communication and sharing of information as the wider community contribute to the project outcomes.

The most important pre requisite for communication planning is that the most senior executives are on board and are seen to be guiding the project and directing the outcomes.

This provides staff with confidence and clear direction, and ensures that the escalation of issues can be addressed by the most appropriate executive with decision making authority.

Club CALUMO Events

All CALUMO clients are invited to regular Club CALUMO events for professional networking and to share experiences, ideas and solutions provided to help maximise the return on investment for all.

7.3 Risk Management

We believe risk should be managed and mitigated but not worried about.

Pro-actively identifying risks allows the project team to remain aware of them and to manage them. Risks are reviewed at each project steering committee meeting to ensure that known risks are reviewed, and actions are taken to mitigate, minimise, accept or avoid the risk.

Risk Classes:

Risks can be categorised in 3 classes as follows: (BuST)

Business risk (Bu)	That the project will provide anticipated business benefits.
Schedule risk (S)	That the project will be delivered on time and on budget; and
Technical risk (T)	That the platform elements will be adequate and capable of supporting the resulting application.

Risk Types:

Uncertainty There is a problem for which the answer is unclear.

Constraint There is a problem for which resources are inadequate to deliver.

Tracking Risk

A Risk Register is maintained and updated at each Steering Committee

The Risk Register may track various fields defining each risk, and its status, including;

- Description,
- Classifications,
- Severity,
- Likelihood,
- Owner, and
- Dates for review and resolution.

Example Risk Register (extract only)

Risk Description	Type	Class	Severity	Likelihood	Controller
Availability and performance of the data warehouse	Uncertainty	Business/ Schedule	Very high	Low	CLIENT
Availability of other operational data sources	Uncertainty	Business/ Schedule	Very high	Moderate	CLIENT
CALUMO core functionality	Constraint	Technical	Very High	Negligible	CALUMO
Availability of CALUMO resources	Constraint	Schedule	Very High	Negligible	CALUMO
Availability of CLIENT SME's - testing/review resources - stake holder alignment	Constraint	Business/ Schedule	Very High	Moderate/ High	CLIENT
Capability to make effective decisions quickly (turnaround)	Constraint	Schedule	Very high	Low	CLIENT
Common understanding of desired business outcomes and relevant requirements across streams	Uncertainty	Schedule	High	Moderate	Joint
Quality/Consistency/Standardisation of available source information	Uncertainty	Business/ Schedule	High	High	CLIENT

Governance

- Application of the project method and project controls
- Regular communication and status updates
- Open and favourable working relationship at all peer levels

Escalation

- Peer level resolution of issues
- Escalation to the co-project managers
- Escalation and decision at Steering level
- CALUMO will critically evaluate decision points against the 3 risks

Communication method

- Ad-hoc and structured subject to criticality and chronology
- Structured favoured at the discretion of the PM's
- Not in the form of open questions – provision of options to proceed

7.4 Project Themes

Pragmatic challenge

- Challenge existing processes to ensure the past is not simply re-created
- Assessing requirements (including those emerging from the development) against business outcomes

Standardisation

- Adopt standard approaches to common tasks/business activities
- Where necessary more than one standard may exist to allow for real-world and material differences of approach among BU's.
- These will be scrutinised and standardised rather than addressed in an ad-hoc fashion

Clear communication

- Strategic partnering , clear, open and regular communication to all stakeholders
- Forums for feedback and decision including the Working Group and Steering Committee
- Ensuring a deep sense of involvement across all stakeholders

Ownership and accountability

- The project is to be made available over a short timeframe.
- Relevant stakeholders and resources from both CALUMO and CLIENT will be required to commit to their components of the deliverables and will be held strictly to their commitments

Applying the Pareto Principle (80/20)

- The model focuses on key drivers
- Any drivers that do not have the capacity to materially impact the end result of the modelling have little or no priority in the design and build

7.5 How does all this place the project in the successful group

In General

- A clear and common understanding of what is required to make this project successful (Pre-mobilisation)
- A clear focus on the business benefits to be realised (Pre-mobilisation)
- Technical skill and delivery experience (Both CLIENT and CALUMO)

Business Risk minimised by

- Key Client stakeholder buy-in (driving the right behaviours)
- Regular communication and feedback monitoring outcomes and risks
- The development process exposing results at the earliest possible time

Schedule Risk minimised by

- Regular communication and feedback monitoring outcomes and risks
- Scope control with sensitivity to Business Risk
- Rapid development capability
- The existence and outcomes of the Pre-mobilisation

Technical Risk minimised by

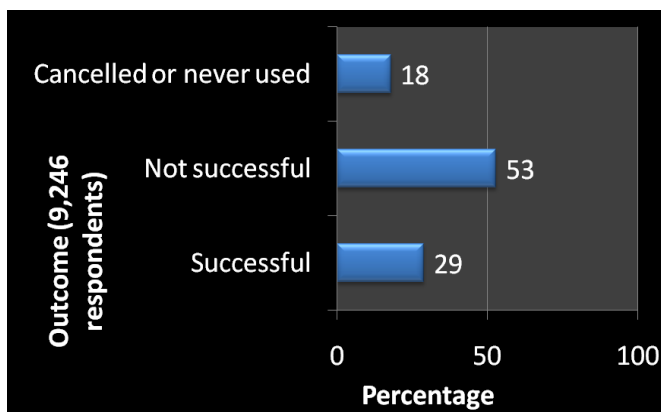
- The application of best practice and pragmatic challenge
- CALUMO's extensive experience and technical skill in the product and the application

7.6 Context – Successful Projects

In the 16 years CALUMO has been implementing these solutions we have refined our approach to best suit the nature of BI projects.

In 2006 we came across an article in the 12th January BRW with the title **“Another Fine Mess”**: Based upon a survey of 9,246 respondents they found just 29% of projects were classified as successful.

Our favourite quotes from this article are:



“There are now more than a thousand methodologies available for managing projects. You would think we’d have stumbled over the right one by now.”

“The specifications of the project say nothing about the user interface, but this is the only thing the users see at the end of the project, and the only thing you show to management”.

It is the end user experience of the application that is at the heart of the CALUMO Iterative / Agile project methodology. With proper planning and management practices in place, people have the structure and support to help them perform to their highest potential and collaboration is maximised across the project team.

We look forward to working with your team and making a difference across the 6 key areas of impact that Business Intelligence projects provide:

1. **Revenue and Market Share**
- Increased
2. **Productivity**
- Increased
3. **Yield on assets**
- Increased
4. **Risk**
- Decreased
5. **Team Satisfaction**
- Increased
6. **Stakeholder satisfaction**
- Increased



At commencement of the project we will assess the targeted value of the benefits expected under each heading and at our Post Implementation Review meeting we will review the progress towards these target benchmarks and celebrate success and plan steps to complete the process of delivering benefits where there remains room to improve.

7.7 Pre Requisites

In order to provide the proposed services, the following are requested.

- Access to an adequately specified Windows 2003/8 Server with SQL 2005/8 Enterprise Edition (The CALUMO requirements and installation guide is provided covering all technical details).
- A work area for our consultants with access and user password to the network and the server
- Access to your subject matter expert resources in IT, Finance and Operations to provide input for the data sources, business rules, underlying data models, examples of proposed or existing report templates and report design in light of the newly introduced CALUMO capabilities.

8 Appendix D – CALUMO Implementation Methodology

Approach to Design

CALUMO has developed an **agile** project management methodology for robust yet rapid implementation of BI reporting, planning, and forecasting solutions.

With over 16 years' experience in successful solution design and deployment, the agile CALUMO project management methodology is grounded in the PRINCE2 risk management framework with applied iterative AGILE techniques and tailored to Rapid implementing of BI reporting, planning, and forecasting solutions.

Delivery of the project involves establishing the initial vision then moving through an iterative agile development process to expose results of tailoring to business users as soon as possible to obtain feedback, clarify objectives and tune the initial vision.

One rotation through this process can be as short as 5 minutes or as long as a few days. In a typical implementation, the opportunity exists to review the developing application at almost any time without disturbing the ongoing tailoring process.

8.1 Delivery Methodology

The diagram that follows provides an overview of CALUMO's approach to Project delivery through the key project phases of Inception, Tailoring and Integration.

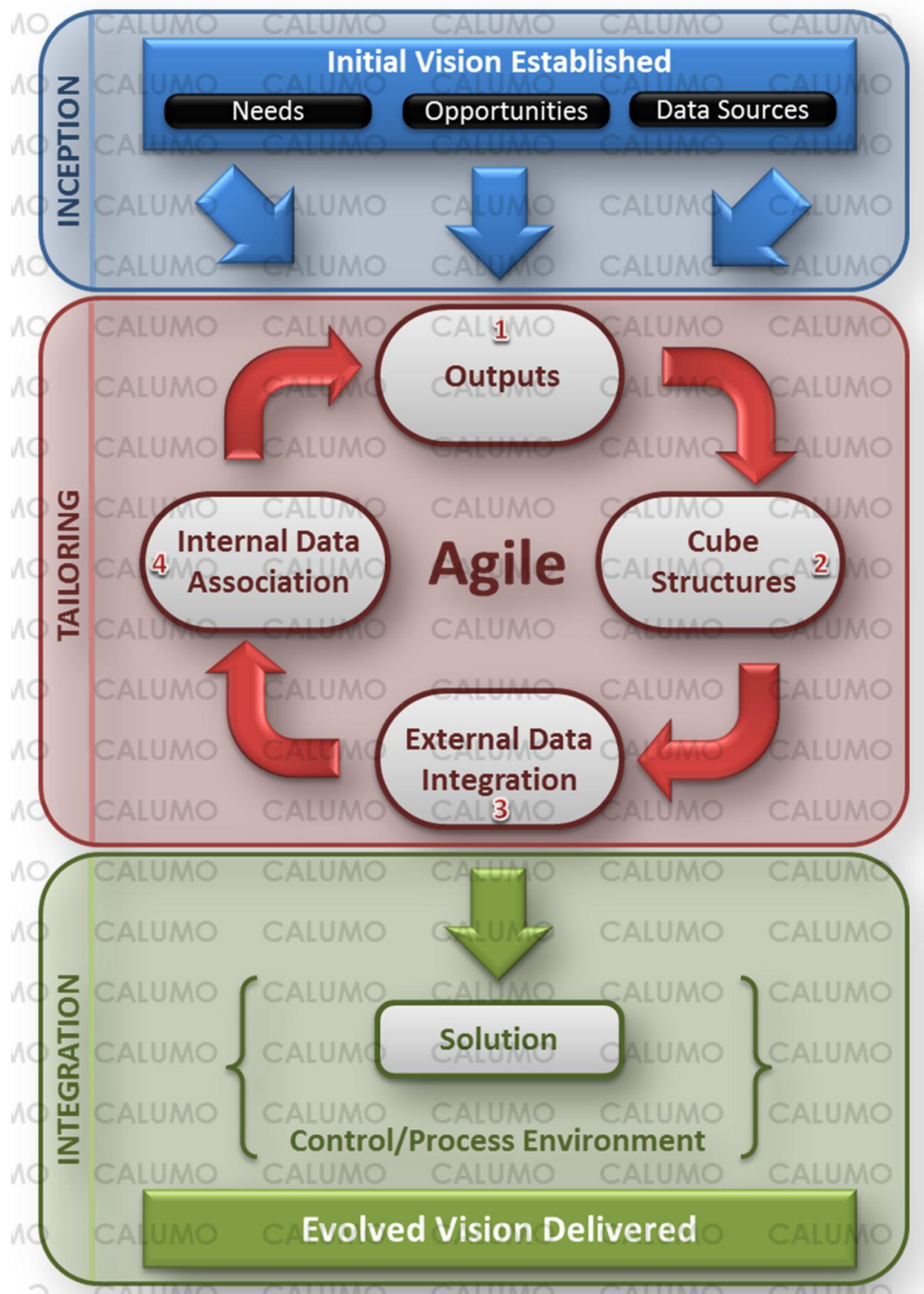
Delivery of the project involves establishing the initial vision then moving through an iterative spiral development process, to expose the results of tailoring to the business users as soon as possible in order to obtain feedback, clarify objectives and tune the initial vision.

Once this process is complete, the resulting application is integrated into the external control and process environment. This includes the processes that surround the application and ensure both integrity and longevity. Processes may be task oriented workflows (e.g. the actual budget and forecast processes, or regular data collection exercises) and/or environmental (e.g. security, change control, or documentation).

8.2 Standards and Quality Plan

The CALUMO Agile methodology provides more than just a technologically elegant solution. It maximises business benefits and ensures active user engagement and acceptance through the process.

All engagements have multiple stakeholders and needs and CALUMO's approach ensures requirements are reflected in the delivered solution.



Risk Management, Professional Indemnity, comprehensive support, training ensure you receive a cost effective solution that lays a foundation for future growth.

8.3 Cube Design and Build Process

The Cube Design is dictated by the reporting outputs required.

The following steps are typically undertaken for each data source and cube build process.

1. SQL SERVER Schema design to match cube schema
2. Connect to the source data source to create the design source view DSV
3. Build the Cube from the DSV
4. Build is the indicator of the data quality of the ETL design observe and correct
5. Tailoring the Dimension with hierarchies and optimising setting.
6. Dimension Relationship design
7. Time Calculation design
8. Necessary Calculation cube design
9. Partition Design for optimisation
10. Aggregation design
11. Perspectives design for End users
12. Testing and Correcting design as issues arise

Adding new data sources to the model requires these steps to be completed.

Once completed the cube and dependant reports are able to be automatically updated as the new data is loaded at the agreed scheduled times or on demand as the downstream processes require.

9 Appendix E – Support Details

CALUMO's approach to system implementation and technology selection are the key factors that have contributed to our success, and that of our clients. This solution will provide functionality to:

- Meet the daily information needs of busy Executives, and Operational line management, and
- Provide advanced reporting and analysis features for corporate analysts and power users.

Our Professional Services team are available to overcome any constraint in skills or resources that you may experience in the future.

We provide complete Support and Help Desk services should you need this support into the future.

CALUMO provides an implementation team with unparalleled experience in delivering this type of BI solution. Our seasoned consultant team will work closely with your team from the onset imparting valuable knowledge and insight and aligning business objectives with the required outcomes.

9.1 Global presence:

CALUMO's Australian offices in Sydney Melbourne and Brisbane, and our global presence via our partner network ensure you have CALUMO support as your business expands.

9.2 Flexible Approach:

Our [Delivery Methodology](#) includes iterative development cycles to ensure your key stakeholders satisfaction with the end product. Our approach includes knowledge transfer where possible given any time constraints your SME's may have. We are negotiable on who performs what work within the proposed scope if you wish to approach delivery in another way to that outlined herein.

At the conclusion of the project we will ensure that your team develops the appropriate skills and knowledge to manage the solution (if desired) thereby reducing reliance on CALUMO or other external consultants over time.

9.3 Maintenance Entitlements

To be entitled to this service, your Maintenance and Support Agreement must be current.

CALUMO Software Maintenance is a valuable service that entitles customers to:

Technical Support: Telephone, Web and Electronic Mail; from 9:00am to 5:00pm, Monday to Friday, Australian Eastern Standard Time.

Product updates and service releases (SR's) at no charge: Customers may pay a nominal fee for additional media and documentation, plus shipping charges. You will receive e-mail notifications when new releases occur.

Software Error Correction: Reproducible errors and material deviations from the product specification are covered by your software maintenance agreement. CALUMO requires that you provide written notification and sufficient information that is reasonable to analyse the error.

Product licensing support: Such as loss of license keys. Please contact: licensing@calumo.com.

9.4 Support, Service Levels, Contacts and Escalation

CALUMO Australia Pty Ltd is Australian-owned with a physical presence in Melbourne, Sydney, Brisbane, Seattle and London.

Support is available through telephone, facsimile, mail, or the Internet. Customer support hours are 9:00am to 5:00pm, Monday to Friday, Australian Eastern Standard Time.

Support Contacts

- Customer Support Internet Address: support@calumo.com
- Customer Support portal: support.calumo.com
- Customer Support Phone Number: 61 2 8985 7700, dedicated Support line
- Customer Support Fax: 61 2 8985 7778, attention: Support
- Main Switchboard Phone Number: 61 2 8985 7777, attention: Support

Software Support Service Levels

Support Process:

When calling the support number, your call will be routed via switchboard operator to the first available representative.

Whenever possible, your call will be transferred live to a Customer Support Representative trained on the product. If no representative is available, you will be given an option to leave a message. This timeframe is based on the priority of the inquiry you have logged. See the “Inquiry Priority and Initial Contact Response” grid below.

If necessary, an inquiry will be escalated to Engineering for assistance and resolution. If a bug is discovered or an enhancement suggestion is received, a request will be logged with Engineering.

Inquiry Priority and Initial Contact Response:

Inquiries are categorised based on priority as defined by the customer, using the following criteria:

Inquiry Priority	Description	Initial Response	Response
Critical	Software is not operational and no workaround is possible, or a workaround exists but is unacceptable because of business or product impact.	2 Hrs	1 hour Engineering notified 2 hours management notified 4 hours escalate to Engineering
High	The software is operational but its	4 Hrs	4 hours Engineering notified

Inquiry Priority	Description	Initial Response	Response
	functionality is seriously affected. If a workaround has been provided, the loss of functionality can only be sustained for a short time. Or, an installation problem exists.		6 hours management notified 10 hours escalate to Engineering
Medium	The software is usable but a problem has been identified and a specific portion of the system either provides incorrect results or is not operating as documented. A workaround is available and acceptable to the Customer.	1 Day	3rd business day Engineering notified 3rd business day management notified 4th business day escalate to Engineering
Low	The Customer has a question on the product or requests a product enhancement.	2 Days	4th business day Engineering notified 4th business day management notified 5th business day escalate to Engineering

Who to get in contact with when you want to escalate a call:

1st Level of escalation:

Richard Parsons,
 Professional Services Manager
 T +61 2 8985 7713
 M +61 (0)422 462 714
 E rparsons@calumo.com

2nd Level of escalation:

Warwick Leitch,
 Chief Operating Officer
 T +61 2 8985 7785
 M +61 411 749 392
 E warwickl@calumo.com

3rd Level of escalation:

Dominic Parsons,
 Chief Executive Officer
 T +61 2 8985 7701
 M +61 418 207 479
 E dparsons@calumo.com

