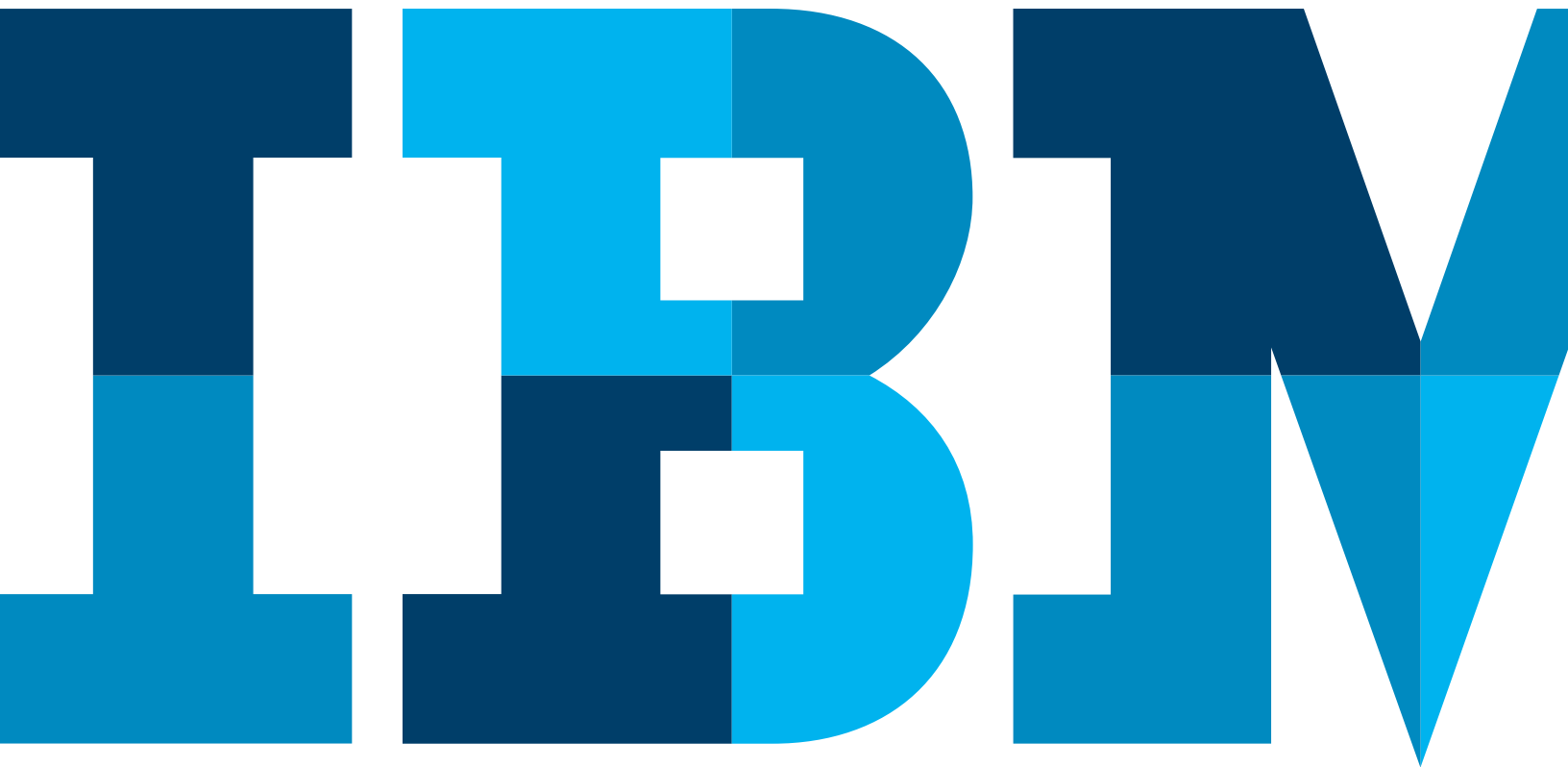


Seven capabilities in Performance Management—for a world of volatility, uncertainty and risk



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Introduction

In a global business environment characterized by heightened volatility, uncertainty and risk, organizational decision making needs to be both fast and well informed. Organizations need the agility to react quickly to unforeseen events. And they need to seize opportunities as soon as they present themselves, since competitive advantage is often short-lived. On the other hand, with financial and operational risk a rising concern in every area of business activity, business leaders need to be circumspect. They need to look to the future, the past, and inside and outside their organizations for answers to their questions. They need to utilize both internal and external data sources and construct forward-looking scenarios with all the foresight that human and machine can deliver in order to assess the risks and rewards of alternative strategies and actions.

But most finance teams still spend too much time in manual, spreadsheet-based processes—collecting, consolidating and validating their data before they can even begin to analyze it. And because of that, finance professionals are all too often slow to deliver the reports, plans, budgets, forecasts and value-added analysis that management needs. So, leading organizations are investing in capabilities to expand their business insight in order to anticipate and react to the unpredictable forces driving the economy.

They are seeking systems that will provide the agility to continuously align financial plans and budgets with corporate objectives linked to operating tactics and market events. And now there's a single solution that can help them do that—IBM® Planning Analytics.

Seven capabilities—One performance management solution

IBM Planning Analytics is a powerful new solution that provides the business self-service and fast deployment you expect from a cloud solution—together with the flexibility and completeness of capabilities you need to drive efficiency, increase agility and deliver stronger foresight. With IBM Planning Analytics, you start by automating manual planning, budgeting and forecasting processes to speed up cycle times and improve staff leverage. You help the business adapt to changing market conditions more quickly by linking operational tactics to financial plans based on more reliable driver-based models. And you uncover predictive insights automatically from financial and operational data and then incorporate these insights into more reliable plans, analyses and forecasts for smarter, faster decision making throughout the enterprise.

IBM Planning Analytics incorporates seven key performance management capabilities in a single solution:

1. A cloud-born planning and analytics workspace
2. Access to internal and external data through automated data integration
3. Business-led design for planning, analysis and scorecarding
4. Solutions catalog of IBM Performance Blueprints to accelerate adoption and ROI
5. Predictive analytics powered by IBM Watson Analytics
6. Integral use of the Microsoft Excel interface to speed adoption and leverage existing skills
7. Production reporting with reliable business intelligence applications

Let's look at each of these seven capabilities individually.



Cloud-born planning and analytics workspace

IBM Planning Analytics offers an interactive, customizable workspace that can be deployed to all cost center owners and business managers. This workspace provides a single, consistent view of KPIs so users can measure and monitor performance, evaluate plans, identify gaps, diagnose root causes, and test the impact of scenarios in order to take effective action.

Users can customize the interface with all the right visualizations using the familiar spreadsheet workbook format. They can test business assumptions and scenarios and immediately see the financial impact of alternative courses of action. Intelligent queries allow quick and easy analysis and report creation based on common business terms.

Power users can build sophisticated, multi-dimensional queries for data analysis on any combination of hierarchies and dimensions. But non-experts can also create and deploy multi-dimensional analyses and reports to all the right people faster than ever before.

Dashboards can be shared across workgroups and built-in social collaboration tools help teams discuss important decisions without waiting hours or days to set up conference calls or meetings. Whether in the office or on the road, access to performance management information is accessible from mobile and desktop devices. Scorecards based on a strong framework of KPIs can be cascaded down to the shop floor so that operational decisions are aligned with corporate objectives to ensure strategy execution.

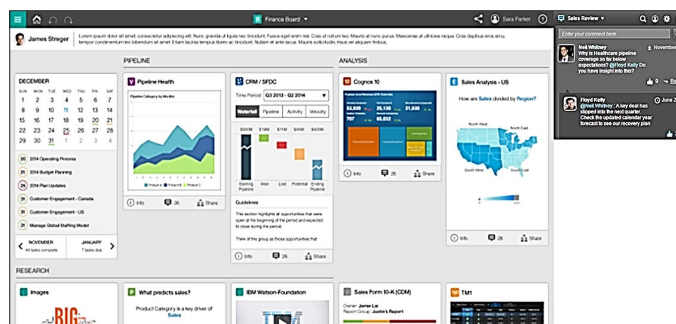


Figure 1: Built-in collaboration features engage users and help drive alignment and execution.

Access to internal and external data

IBM Planning Analytics enables business analysts, financial analysts, line-of-business managers and others to explore and analyze data from a variety of internal and external data sources. Users can access enterprise resource planning (ERP) applications, general ledger (GL) and business intelligence (BI) sources, plus information about weather, econometric data, unstructured social media content and sensor data from the rapidly growing “internet of things” (IoT).

With the help of IBM Planning Analytics, organizations can put information and insight into the hands of the people closest to the business and help them make resource allocation decisions quickly and intelligently.

For example, marketing teams may need to adjust promotional investments to address shifts in the way customers search for information and make purchases. Sales teams may need to capture the latest sales projections at the point closest to the customer, then revise sales plans and feed those plans into revised profit-and-loss projections. And cost center managers

regularly need to make workforce decisions and adjust compensation plans when individuals leave or new hires are added. All these resource allocation decisions can be aligned with corporate objectives and linked to market events with the help of IBM Planning Analytics.

In addition, IBM Planning Analytics can extract data, metadata and security profiles for use in essential financial performance management processes thanks to the built-in capabilities of IBM Cognos® Command Center and IBM Cognos Integration Server. Users can source specialized cube data from a variety of commonly used financial data sources, such as IBM Cognos TM1®, Oracle Essbase, Oracle Hyperion Planning, and Oracle Hyperion Financial Management. And they can do so without the need for custom integrations that introduce compliance risks and put a burden on IT resources.

IBM Planning Analytics can access both internal and external data and apply predictive analytics to gain insights into factors that impact business drivers, and then express those drivers in operational tactics linked to financial plans.

Business-led application design

With IBM Planning Analytics, everyday financial and business analysts can author and distribute new applications and scorecards on their own, using a self-service, models-based approach.

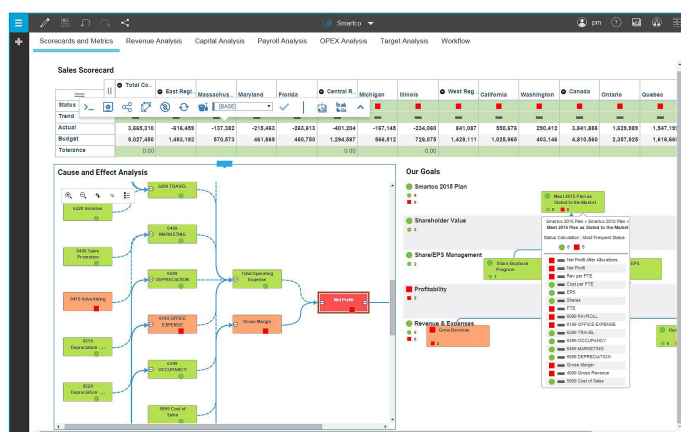


Figure 2: Business-led design for planning, analysis and scorecarding reduces reliance on IT.

Traditionally, plan models were centrally developed and managed by expert “power users.” The models were then deployed to cost centers as part of the planning, budgeting and forecasting process. IBM Planning Analytics enables both this traditional approach to model development and the emerging business-user-led approach, in which modeling capabilities are distributed across the organization wherever there is a need, whether in the finance team or in other functional areas. For example, in a company call center, the call volume forecast can be linked to the call center’s staffing plan. Or in the marketing department, a promotions plan can be linked to a campaign plan.

The simpler, self-service, business-led approach to modeling requires minimal support from professional developers or IT staff. Everyday business users can evaluate plans, identify gaps, diagnose root causes, and test out scenarios on their own in order to take action with more confidence.

Accelerators and solution catalog

When organizations deploy IBM Planning Analytics, they can also leverage the extensive solution catalog of IBM Performance Blueprints. Performance Blueprints are pre-defined data, process and policy models that are available for a range of functional and industry-specific planning activities. Blueprints are available, for example, for Capital Expenditure Planning, Product Profitability Analytics and Store Operations P&L Planning, to name a few. Performance Blueprints are based on proven best practices in planning and performance management developed by IBM experts, IBM business partners and leading IBM customers. They provide agility even as they give organizations a fast start in their planning implementations and drive faster time to value.

Insight and correlation analysis

Perhaps the greatest advantage of IBM Planning Analytics lies in the fact that it brings the power of cognitive computing to performance management. It does this by incorporating the advanced self-service analytics capabilities of IBM Watson Analytics.

With a natural language interface for fast discovery, Watson Analytics provides guided data exploration based on common business terms, along with automated predictive analytics and integrated visualization capabilities. Statistical analysis, correlations and predictions from Watson Analytics help you understand the factors that influence key business drivers. You can see what's likely to happen and what you can do about it. Users can discover new insights from their data automatically and apply these insights into plans, analyses and reports.

Data preparation, refinement, management and analysis are all automated and available from the cloud so you can work with data easily and trust the results. Watson Analytics offers new insights about business drivers that can inform plans and help users evaluate and improve their forecasts. In addition, the visualization capabilities help users communicate those insights and show others what's important with clear and compelling infographics.

With Watson Analytics, you start to find answers to questions you didn't even think of asking before.

Integral Excel

Spreadsheets are among the most popular software tools available, despite their limitations. That's why IBM Planning Analytics enables users to explore and analyze their data using familiar spreadsheet tools and techniques. You can retain full Microsoft Excel functionality and formatting, such as graphing and built in functions, while moving data between Planning Analytics models and Excel spreadsheets.

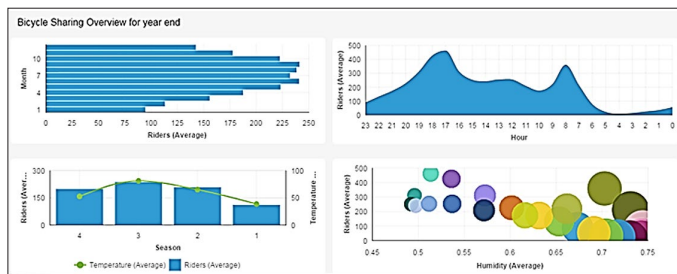


Figure 3: Visualizations created with Watson Analytics enable users to share insights and communicate more effectively.

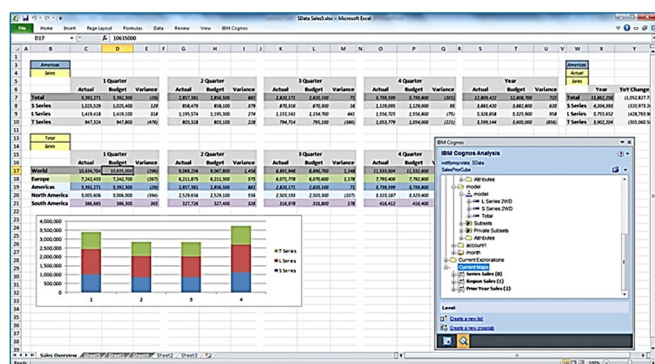


Figure 4: Users can perform flexible analysis using familiar spreadsheet tools and techniques.

Finance professionals can continue working in the Excel interface where needed while enjoying all the capabilities of a modern planning and analytics solution. And business analysts, line-of-business managers and others can explore and analyze data sourced from multidimensional planning and analytics models within the familiar spreadsheet format to support faster, better-informed decisions.

Production reporting

IBM Planning Analytics enables a full range of business intelligence reporting so that business users can measure and monitor performance within the context of their individual roles and functions, then create and share reports throughout the organization. Users can easily distribute reports to all the right people in all the right formats, drawing on information from all the right data sources. They can develop and deploy scorecards linked to corporate objectives and budgets, and role-based and operational dashboards. Reporting helps drive better strategy execution by tracking progress in aligning initiatives, resources and actions with corporate objectives.

At the center—A high-speed OLAP engine

Built on the powerful IBM Cognos TM1 online analytical processing (OLAP) engine, IBM Planning Analytics enables multi-dimensional analysis of large, historical and future-oriented data sets. It integrates multiple data sources and enables comparative analysis of information from all relevant systems.

With IBM Planning Analytics, both finance and business users can perform complex dimensional analysis and calculations in vital areas such as product and customer profitability, sales mix, and price/volume variance analysis. Users can build sophisticated models, reflecting product hierarchies, company structures, business rules and relationships in enterprise-wide plans. Then they can adapt the models as those hierarchies, structures, rules and relationships change.

Using the solution’s sophisticated modeling capability, Finance can create reliable, dynamic plans, analyses and forecasts, and link operational drivers with financial outcomes throughout the organization’s entire planning process.

Analytics in action

In the day-to-day functioning of a real-world business these new analytic capabilities can glean insight from data to deliver stronger business foresight and drive smarter decision making.

Imagine that a finance team wants to kick off an initiative to reduce days sales outstanding in order to improve cash flow. Using IBM Planning Analytics, team members could upload accounts receivables data such as invoice records including customer ID, invoice amount, disputed status, billing type (e.g. paperless), days late and more. IBM Planning Analytics automatically performs a data quality check to ensure that the data is suitable for statistical analysis. It then performs the statistical analysis to uncover the factors influencing or predictive of late payments. Once those factors are identified, further analysis may reveal process changes or improvements that could be made in those various influencing factors, such as bill type, whether paper based or electronic. The impact of this initiative can then be expressed in updated balance sheet and cash flow projections.

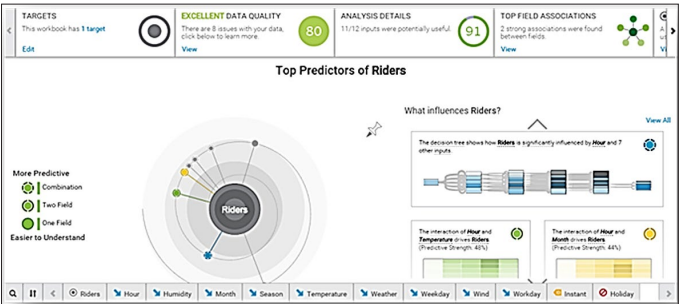


Figure 5: Predictive analytics can identify factors influencing customer behavior.

Another example could involve sales opportunity win/loss data. After checking for data quality, the system automatically derives predictors of wins and losses. Perhaps it is customer satisfaction for repeat business or sale force effectiveness. It can then create predictions of wins and losses based on the historical data and provide inputs to produce a more accurate baseline revenue forecast.

Conclusion

To prosper amid the rising volatility, uncertainty and risk in today's business climate, planning needs to be a core competency up, down and across the enterprise.

And when it comes to software for those tasks, IBM Planning Analytics offers a unique, cloud-based combination of predictive analysis, business-user modeling, reporting and collaboration. People across the organization can be empowered to take greater responsibility for analysis and planning, uncover hidden business opportunities and risks, make more intelligent choices and allocate resources more effectively, all leading to increased revenue and profits.

Don't compromise on your analytics. IBM Planning Analytics provides all the business self-service and fast deployment of a cloud solution—along with the flexibility and completeness of capabilities your organization needs to face an uncertain future.

About IBM Analytics

IBM Analytics software delivers data-driven insights that help organizations work smarter and outperform their peers. This comprehensive portfolio includes solutions for business intelligence, predictive analytics and decision management, performance management, and risk management.

IBM Analytics solutions enable companies to identify and visualize trends and patterns in areas, such as customer analytics, that can have a profound effect on business performance. They can compare scenarios, anticipate potential threats and opportunities, better plan, budget and forecast resources, balance risks against expected returns and work to meet regulatory requirements. By making analytics widely available, organizations can align tactical and strategic decision-making to achieve business goals. For further information please visit ibm.com/analytics

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