



REASONS TO CHOOSE COGNOS

to replace your planning
spreadsheets

Introduction

We all love spreadsheets and use them to manage our personal finances. But their limitations show up quickly in business settings where a number of individuals need to access, update, and amend the data. Yet despite their failings and frustrations, we persist in using them for planning and analysis. Perhaps their pervasive presence on our desktops and laptops makes us think using them is a low cost option. Perhaps we hate letting go of them because we dread losing control. Or, perhaps, it's because enterprise software vendors have never come up with a viable alternative.

In many instances, Cognos is a direct replacement for solutions that our clients have built themselves using spreadsheets so they are all too aware of their short-comings. But after having deployed Cognos to transform their planning and analysis across numerous lines of business, they recognise they have hit a sweet spot where they enjoy both the immediacy and user-friendliness of spreadsheets and the security and scalability that comes with an enterprise solution. Here are the seven most common challenges they faced and how Cognos successfully addresses them.



01 Gain tight control over corporate data

Much business data, such as sales commissions and corporate budgets, is confidential. Although passwords can be applied to spreadsheets and cells may be protected, spreadsheets were never intended to be shared among users where access rights and authorisation are imperative. Cognos addresses this issue with flexible security levels. This allows anyone, from the corporate level to front-line users, to safely participate in planning processes. Additionally, the robust audit trail makes it easy to track changes. And there is no danger of losing data as the built-in revision control makes it easy to restore previous versions.

“I was concerned that so much sensitive compensation information lived in spreadsheets”

02 Eradicate errors

We all know the nervousness that comes with changing formulae in a standalone spreadsheet. But only corporate users really know the white-knuckle trepidation associated with tracking amendments through a string of interrelated spreadsheets that share cell values. Eventually, fixing the syntax errors and repairing the broken macros make it all work again. But because spreadsheets are so difficult to audit, who knows what errors remain hidden? According to business consultants KPMG, quite a few, with 90% of spreadsheets they surveyed containing errors. Some will be inconsequential, but it is not unknown for companies to issue earnings warnings due to errors in forecasts that were built using spreadsheets.

UK services provider Mouchel suffered just such humiliation in 2011 when a spreadsheet error resulted in a pension fund being wrongly valued by £4.3 million. The subsequent profit warning resulted in the price of its stock dropping by a third and the company having to be rescued by its banks. But multinationals run the same risks too. A little-mentioned aspect of the notorious “London Whale” debacle at J.P. Morgan in 2012 was how errors made while copying and pasting data from one spreadsheet to another were partly to blame for a single \$6 billion trading loss. Luckily for them, the bank is well-diversified and still earned a record profit of \$21.3 billion the same year.

“ Cognos goes above and beyond Excel, enabling me to rely on the information instead of worrying about the fact that data is missing or pivot tables aren’t refreshing. ”

Cognos minimises the risk of errors in a number of ways. Business rules are written in natural syntax and stored in a single worksheet, (the master repository of custom business rules or Living Blueprint™), where they are easy to locate and audit. Additionally, the complex and overlapping relationships between core dimensions, such as responsibility centres, locations, and products are intelligently mapped so that when any member of

a hierarchy is moved, all its connections and history automatically move with it without any of the restructuring that would be required with spreadsheets. And Cognos dynamically synchronises data across connected plans—automatically aggregating and identifying discrepancies for real-time consistency.

03 Leverage existing skills

Undoubtedly, one of the main attractions of spreadsheets is that users can build and modify models without the need to become fluent in a specialist programming language like they do when working with the majority of enterprise

applications. That’s not the case with Cognos which uses natural language and drag and drop functionality for constructing business rules, so that it is instantly familiar to any spreadsheet user.

“ As for the learning curve; there wasn’t much of one. Cognos has an excel feel. It’s not a programming language. It’s logical; it’s English sentences. But it allows you to do more things you just can’t do in Excel. ”

04 Improve productivity

The prevalence of spreadsheet software makes it seem like a low cost option for planning and analysis. However, building and amending spreadsheet models is notoriously time-consuming, resulting in a considerable cost of ownership. Our implementation experience has repeatedly demonstrated that Cognos's cubes & dimensions, intuitive modelling interface, and

intelligent mapping mean users can quickly and easily build and restructure models and reports. This leads to improved productivity, allowing staff to be better deployed on more value-added analysis.

“ Our Board Report turnaround time used to take six to eight working days. With Cognos we've set a new record by turning the report around in two days. That kind of efficiency has enabled the team to put the 'A' back in FP&A. ”



05 Expedite business processes

Managing processes such as the review and approval of forecasts by attaching spreadsheets to emails is also labour intensive, especially in a large enterprise. Cognos's integrated workflow allows users to configure and monitor the status of

routine processes expediting submissions and approvals to create a more agile enterprise. In addition, our real-time alerts ensure prompt attention to variances.

“Almost overnight we've vastly improved communication; Cognos is saving people time and emails, making information easier to understand, and allowing people to act more quickly.”

06 Make data management easier

The size limitations and flatness of spreadsheets cannot cope with the complex dimensionality of business data. That means reporting by alternative hierarchies or by different time periods are laborious and time consuming. So too is data management, because every time an update is required, data has to be manually uploaded from disparate systems, dumped into various spreadsheets, and cleansed before anything can be done with it.

With Cognos, you can build models to any level of granularity with any number of dimensions, automatically switching between different time periods, hierarchies, and versions quickly and easily.

“ Coming from a two-dimensional Excel background our first impulse was to go and build lots of little modules. But Cognos lets you play with dimensions in a very intuitive way. It didn't take us long to grasp the power and efficiency of multidimensional modelling. ”

07 Become more agile

The improved user productivity, faster business processes, and streamlined data management that Cognos provides gives business leaders quicker access to the critical data they need to make decisions. That enables organisations to rapidly sense and understand internal and external changes in their business and make an appropriate response. Those are much sought after capabilities in today's world and having moved away from spreadsheets, our customers enjoy them today.

Depending on their security and access rights, employees in the field can access Cognos on their tablet, copy and amend an existing model to create a new scenario, and rapidly run through numerous iterations that potentially touch billions of data points to assess the most likely outcome – and then immediately share it with their peers. Agility like that can never be achieved by chugging away on spreadsheets.

“ Cognos's proof of concept ran reports off the model instantly; from one week in Excel to a few seconds. ”

Now that you know there is an enterprise solution for planning that delivers far greater capabilities than spreadsheets, yet still leaves you firmly in

control, take a deeper dive by viewing one of our Cognos demonstrations, to book please visit <http://www.budgetingsolutions.co.uk/about-us/contact-us/>



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About Budgeting Solutions

Budgeting Solutions is a leading consultancy with a proven track record of implementing powerful business intelligence and financial performance management applications that are designed to address the planning, forecasting, reporting and analysis challenges faced by organisations everywhere.

We work closely with IBM and recommend IBM Cognos performance management and analytic solutions, which we believe to be the most advanced, powerful and reliable applications available, having consistently delivered outstanding results for us, over the last ten years.

Each assignment is unique, requiring a blend of technical knowledge; management processes and accounting issues that combined deliver a solution which transforms the planning and reporting functions of an organisation.

