

Go from analysis to action on your desktop

*IBM Cognos Insight guides business analysts to faster,
better outcomes*



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Introduction

Business users need a simple but powerful way to navigate through data and find the insights to make timely, critical business decisions. Unfortunately, many users have become frustrated at their inability to quickly access and analyze the information they require. This data typically includes a combination of personal and corporate data locked in various enterprise systems. It exists in different formats and can be hard to analyze, change or share—making it difficult for people to get fast answers to business questions.

As a workaround, many people have adopted spreadsheets due to their wide availability; however, these tools were not specifically designed for interactivity, aggregation or analysis of data for decision making. Managers in the core functional areas that drive business performance—such as finance, marketing, sales and customer service—demand more comprehensive analytic functionality so they can make decisions with greater speed and confidence, and act on new opportunities to grow the business.

This paper explores how IBM Cognos® Insight, a breakthrough personal analytics tool, enables business managers to improve performance within their functional areas. It describes the software's core features and benefits, provides examples of several typical business applications and explains how Cognos Insight provides a growth path to enterprise analytics.

The challenge of too much data

More information is available now than ever before. Organizations collect massive amounts of transactional data from their financial, supply chain management, human resources and customer relationship management systems. Today's company is always open for business: information flows 24 hours a day, seven days a week, 365 days a year. People are always connected, and there is less time for analysis and action thanks to increasing customer demands and competitive pressures. Decision makers need answers quickly to stay ahead of the curve.

Frequently the information business users need is a combination of corporate managed data and workgroup or personal data collected and managed by an individual. The challenge is how to easily combine exactly what you need quickly and easily.

The proliferation of data has business users increasingly frustrated at their inability to quickly access and analyze the information they need to make decisions. Most organizations rely on spreadsheets for ad hoc analysis; however, spreadsheets create silos of information, lack security, are error prone, and are cumbersome to manage. While they can be good general purpose tools for tracking numbers, simple reporting and calculations, they are not the ideal way to consume analytical output, especially for business users who may lack advanced spreadsheet skills. Spreadsheets were never designed to handle the performance management needs of complex, rapidly

growing organizations in dynamic, competitive markets. They were never intended to be used as a data store for millions—even billions—of cells. And they were not designed for simultaneous use by hundreds or thousands of users throughout an organization.

Analysts and business managers need a more flexible, powerful analytic solution that enables them to answer questions and solve problems on their own using their own data—and do this at the speed their business requires. They want to be able to work with any type of data, whenever and wherever they happen to be, and do it from a range of devices and interfaces—without being connected to a server or waiting for IT to run reports. These individuals need the kind of fast, interactive visual analysis that spreadsheets simply cannot deliver.

In workgroups or departments where the analysis or collection of data is intended for a broader audience than just the author, capabilities such as data integration, visualization, simulation, collaboration and publishing are also critical. These features provide analytical consumers with the flexibility to view and interact with data in new ways, affording them greater visibility into business conditions and helping them answer business questions almost immediately.

The time is right for a solution that provides business users with the flexibility to explore, model and share data without having to be spreadsheet programmers. That solution is IBM Cognos Insight.

IBM Cognos Insight: Personal analytics for the desktop

IBM Cognos Insight is a breakthrough in personal productivity that empowers individual users to become active participants in the analytics experience and take insight to action.

With Cognos Insight, business users get all of the tools they need to solve individual or workgroup challenges on their own, without relying on IT assistance. In just a few clicks of the mouse, business analysts, managers and executives alike can independently explore and update personal and corporate data on their desktops, perform compelling what-if analyses and instantly publish dashboards and applications that others can contribute to and use.

Authoring made easy. Cognos Insight is designed to be easy to use. With its drag-and-drop functionality and three-step guided import process, it supports activities such as merging multiple data sets together into a single view in a personalized workspace. You can tap into your data from a variety of data sources, quickly organize it, create different views of it and share it with others. Cognos Insight automatically presents your data in a crosstab format and visualizes it for you. A drop-down menu of options enables you to quickly customize your visualizations, giving you complete control over the look and feel of your analysis and ensuring you deliver insights in the most meaningful and understandable way.

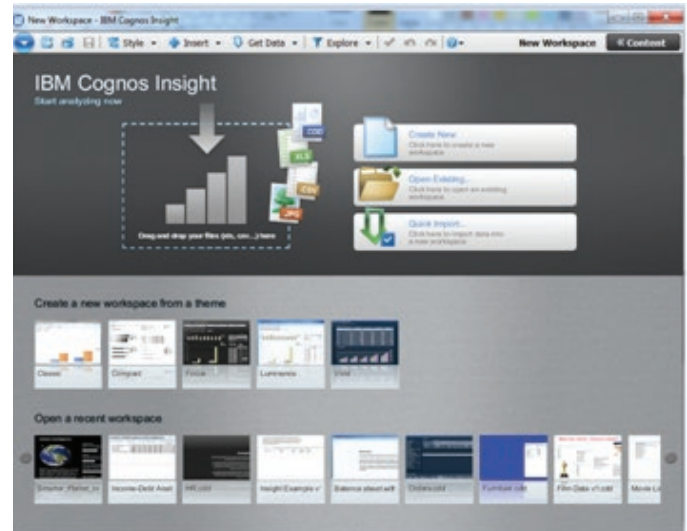


Figure 1: An intuitive, easy-to-use interface provides complete user flexibility

Powerful what-if analysis. To fully understand your business, you need to go beyond analyzing and exploring historical data. Cognos Insight is unique because it enables you to do what-if analysis to help you analyze and optimize your plans based on different assumptions that take into account ever-changing market conditions. Now you can model best-case, worst-case and most-likely outcomes based on your key business drivers. Cognos Insight includes a set of advanced calculations and the flexibility to create custom rules that can be used to automatically perform comparisons. For example, you can calculate whether you will make your revenue targets if fuel costs go up 10 percent. Or forecast how a decrease in inventory will impact your company's ability to sell products.

Cognos Insight uses a powerful in-memory analytic engine that supports write-back, enabling you to create new data from scratch, add to or revise existing data and automatically apply changes to large data sets with powerful data spreading functions. Simply type data in a cell and automatically start to create what-if scenarios. Because of the engine's read-write capability, you can quickly see numbers that would otherwise be hard to analyze, and use techniques like traffic lights to highlight important areas. With Cognos Insight, you can perform calculations in near real time, get answers faster and make immediate adjustments to your production or process cycles so your business remains profitable and competitive.

Dashboards. In as little as 60 seconds, you can go from raw data to analysis and a published dashboard. This means you can quickly detect market changes or sales figures, and respond immediately to new opportunities. Cognos Insight uses an in-memory analytic engine that provides the speed and flexibility to view data in a way that makes the most sense to you or your business. Slice and dice through data using intuitive mouse clicks to navigate, and apply exception highlighting to make it easier to compare data on the fly. Quickly create models to help you view patterns in your data, like a sales forecast for a particular region that identifies which salesperson has the strongest or weakest performance in that area. When you uncover insights that you know senior management would benefit from, you can easily share that information with other users who can easily view or further analyze it.

Cognos Insight can also serve as a rapid prototyping solution when used in conjunction with a Cognos Server deployment. Imagine that your sales department needs a new sales pipeline dashboard. They can quickly load their data into Cognos Insight, create visualizations and assemble a working prototype of their desired dashboard. IT can then take this asset and turn it into a fully automated and sanctioned solution that can be shared throughout the business. The same method can be used to develop prototypes for planning, budgeting and forecasting templates.

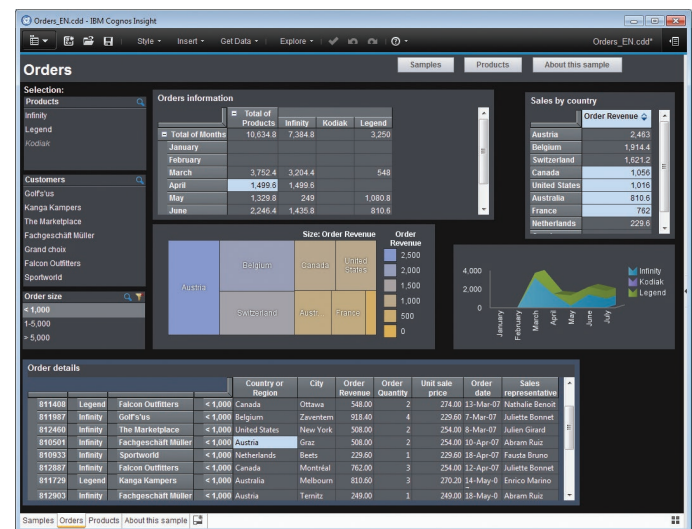


Figure 2: Data discovery on product orders and sales distributions by customer, country, city and revenue

Make smarter decisions throughout your business

Cognos Insight is designed to meet the analysis needs of managers who are responsible for the functional areas that drive business performance, have budget authority and who may be managing their function via spreadsheets or weekly extracts from multiple source systems. The personal canvas helps you to assemble and explore various data types and to create interactive, visually compelling analytic experiences that can be shared with a larger audience. With Cognos Insight, users in any area of the business can find new insights in data and publish their results at the workgroup or enterprise level.

Finance

Finance departments typically have more information than other areas of the business. They require an integrated view of company resources so they can look for ways to control costs and provide guidance on decisions that will improve their organization's bottom line. Today, however, finance managers want to do more than just report the numbers. They want to add value to their analysis, and be able to easily communicate important insights to non-finance professionals.

Cognos Insight is an ideal tool for looking at the balance sheet data and budgets, areas in which data commonly comes from multiple sources, for multiple areas of the business. Users can create dashboards that unite information silos and add greater value to the numbers through visualizations and what-if scenarios.

Balance sheet

Finance Managers can use what-if scenarios in Cognos Insight to look strategically at long- or short-term debt and determine whether to take on more risk based on current business operations.

Budget

With Cognos Insight, Finance Managers can set priorities regarding investment projects based on current or anticipated funding abilities and see how a small adjustment in one area of the budget may impact the bigger picture.

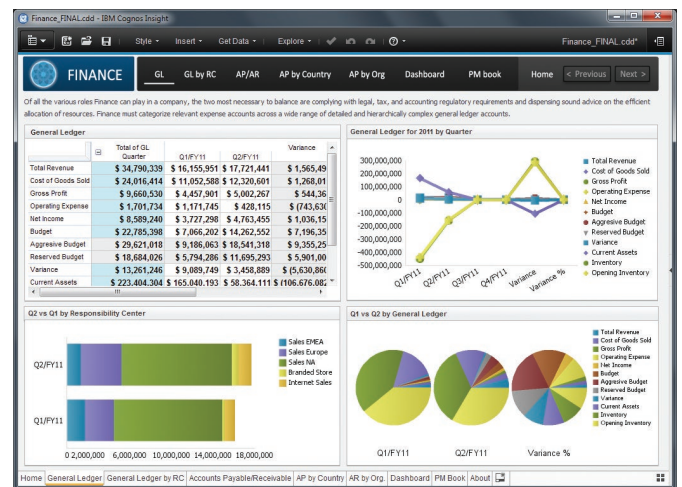


Figure 3: Expense analysis for a wide range of detailed general ledger accounts

By providing a new perspective on company finances, Cognos Insight enables finance professionals to see trends or potential problems early and bring them to the attention of executive management before revenue or potential opportunities are lost.

Marketing

As customers and competitors become more sophisticated, marketing organizations need to keep pace so they can continue to help companies compete and win. This requires a greater understanding of who their customers are and their changing needs for products and services.

For years, businesses have collected customer data and have used it to divide customers into meaningful segments for marketing purposes. Today, the trend is to divide customers into even smaller micro-segments for more targeted marketing, which means organizations need to respond to the needs of a greater number of customer categories.

Understanding what products and services these customers want, and how much they will pay, are of particular importance to marketing departments as they guide the organization in what to sell, where to sell it and to whom.

Cognos Insight provides the tools marketing managers need to detect how changes in the market will affect product portfolios, and at what price those products should be offered.

Pricing

Marketing professionals can model price implications and track results at many levels in order to effectively target micro-segments. For example, marketers can answer questions such as: How do our prices compare to those of our key competitors? What would happen if we raised or lowered our prices? What premium will customers pay for certain value-added features or benefits?

Using Cognos Insight, you can change a product's unit sale price or quantity to see how these changes will affect revenue. Revenue changes are also reflected in the product revenue chart.

Products

Marketing organizations must manage product life cycles and maximize return at every stage by introducing new products in response to market trends and retiring unprofitable products. Cognos Insight makes it easy to see how many products in a particular category sold in a given year or quarter, and compare sales from the year of introduction to the present. This information allows the company to focus on products that match market demand, while at the same time helping to develop sound pricing strategies.

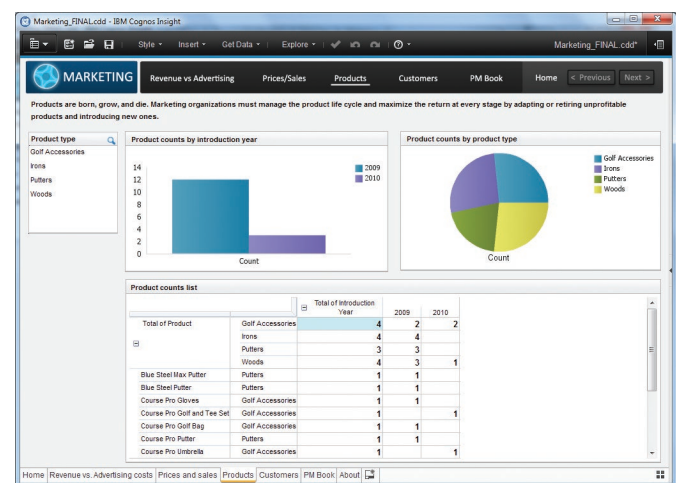


Figure 4: Marketing revenue and advertising explorations and comparisons

Marketing pipeline

A company's demand generation efforts and resulting marketing-associated pipeline allows it to anticipate and respond to customer demand and create a stable sales cycle with more reliable and predictable results. Using Cognos Insight, marketing operations managers can look at new versus existing customers, territories, product groups and marketing channels and get insights into how to create, follow, manage and target marketing spend. This information helps them answer critical business questions such as: Why do only 20 percent of website visits produce a validated lead? How does this compare with other channels and tactics? How can we increase this number to 30 percent? Which types of visitors respond to specific web offers?

A marketing program manager working for an electronics retailer, for instance, may want to see the total number and types of marketing tactics driving the marketing pipeline for computer and portable electronics responses, and if those responses are generating traffic both in store and on the website and are successfully driving revenue downstream. Cognos Insight enables the manager to drill down into specific programs by tactic, geographic area or product category to get these important insights with just a few mouse clicks.

Customer service

In a commoditized market where many companies sell similar products and services, customer service is a key differentiator. A responsive, knowledgeable customer service department can improve both the customer experience and business performance.

To ensure the highest level of customer service, managers need to understand the link between service benchmarks and sales/profitability. By looking at data such as response times and customer satisfaction ratings, organizations can identify where gaps in service exist, and take the steps to correct them.

Cognos Insight helps customer service and call center managers summarize service benchmarks by region and customer segment, providing them with the information they need to make adjustments to internal and external metrics.

Call center data

Call center managers can view aggregated call data from call centers in the US and Canada. Using visualizations, they are able to see call hold time and call duration within and outside of service level agreements (SLAs) by month; call statistics, including the number of calls completed, terminated or abandoned in relation to the number of agents on hand and the reason for each call; and the quality of calls, including the satisfaction and technical quality level.

These insights can help managers improve operations, such as aligning call center staffing with peak and low call periods, or providing agents with additional training to improve call resolution times or satisfaction ratings.

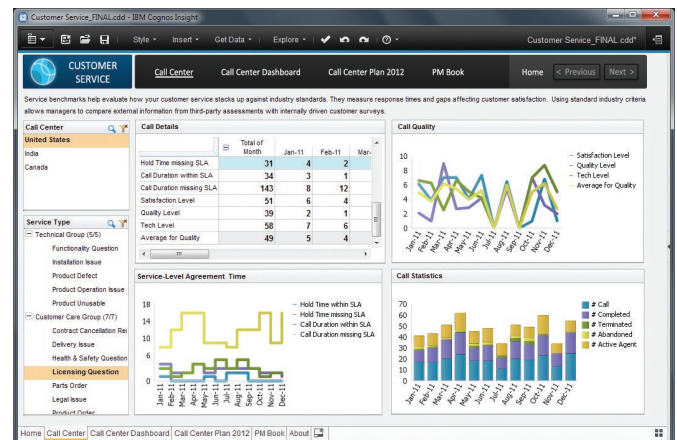


Figure 5: Customer service dashboard focused on quality and SLA times, drilled down to licensing-related calls

Dashboards

Using the call data, the call center manager can create a dashboard that delivers a summary of call center metrics by region to the rest of the organization. This information helps other departments resolve the root causes of customer issues, such as slow delivery times, defective products or poor technical or operational documentation.

For example, a call center in Canada may have an average call length of 20 minutes. Aggregating the call center data and comparing it to other locations can help managers create models to see how reducing call time by 10 minutes would affect overall profits and customer satisfaction.

Sales

A company's success depends on its sales team's ability to close deals efficiently and focus on the right customers. Access to fast, accurate information can help improve sales results and reduce selling costs, while enabling other areas of the company to be more responsive to market changes. High demand forecasts, for example, may drive increased production.

Successful sales managers rely on sales results and pipeline data to keep opportunities moving through the sales cycle. Revenue results provide a consistent overview of revenue by product, customer, territory, channel and time period—while pipeline data can alert the sales team to future opportunities, trends and growth areas.

Cognos Insight provides sales managers with the integrated information they need to ensure their teams respond faster to opportunities and meet sales objectives.

Pipeline

Sales managers can pull in revenue forecast data from personal files, Microsoft Excel-based forecasts and extracts from customer relationship management (CRM) systems such as salesforce.com. They can see the results of key performance indicators (KPIs) by quarter and by product, and compare KPI revenue versus monthly revenue forecast. Tools such as traffic lights and explore points enable users to navigate through large data sets more easily and filter results to view only the information they want to see.

Understanding these components can help to explain why results differ from expectations. For example, are there gaps in pipeline coverage of certain products in certain territories? Are they exceeding coverage in others? Is this consistent for all products, channels, sales reps and customer sectors (or customer types)?

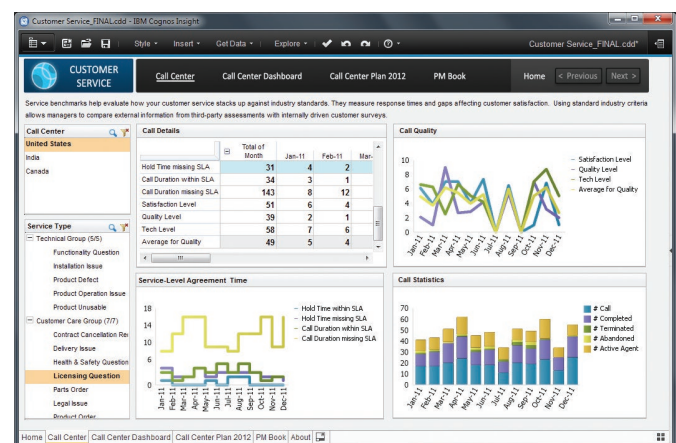


Figure 5: Data discovery for sales pipeline data focused on opportunity and territory

There are many potential applications for Cognos Insight in your own organization within every functional area.

Product development

- What new product development ideas do we have?
- Is the opportunity aligned with our strategic priorities?
- What are the potential financial rewards?

Operations

- How should we allocate \$5M of capital for factory expansion?
- Will our manufacturing plants in the western region be affected by changes in suppliers?

Human resources

- How will compensation be structured?
- Will the organization be taking on more contract workers or expand the permanent headcount?

Information technology

- What impact would result in boosting IT spending by five percent to maintain innovative strategies and growth?

Executive management

- Will our second half of the year be better than we expected for our shareholders?
 - Are we managing expenses properly across the board for all segments?
-

Wired for the enterprise

As organizations grow, so do their business needs.

Cognos Insight provides a natural growth path for companies to expand their use of business intelligence throughout the organization.

On its own, Cognos Insight empowers business managers to interact with and explore data, build scenario models and share insights self-sufficiently, without IT intervention. When it is part of a larger deployment within the IBM Cognos software family, it provides even greater value.

The Cognos family of products delivers the essential foundation for business intelligence, performance management and business analytics solutions. These products are designed to work together to help individuals, workgroups and entire organizations gain value from applying analytics to every business decision.

The Cognos family of products is right-sized for your organization and integrated so you can start addressing your most pressing needs with the confidence that you can grow your solution to meet future requirements. For example:

- Initial deployments can address the needs of individuals by instantly deploying the desktop capabilities of Cognos Insight for data discovery and planning.
- Workgroups or departments can grow to share that insight through a server, add reports on larger data sets and interact with them on mobile devices with Cognos Express.
- Large workgroup or enterprises can combine insights with near real-time corporate information, put them into scorecards and deploy analysis broadly with IBM Cognos Enterprise. This integration provides individual users with accepted access to corporate information, and allows data and visualizations to be shared and distributed to larger user communities, while enabling IT administrators to manage the process and ensure that corporate governance and security policies are met.

When you choose products from the Cognos family, you can feel confident that you are getting the ease of use your business demands, while providing your IT staff with integrated, easy-to-manage software that can grow seamlessly as your business evolves.

Conclusion

Business managers need integrated, accurate data at their fingertips so they can make informed decisions whenever, wherever and however they choose.

IBM Cognos Insight is a breakthrough in personal analytics that provides managers in functional areas such as finance, customer service, marketing and sales with a powerful yet simple solution that enables them to access and combine the information they need in a unified workspace, analyze it, visualize it and share insights with others.

Start with the Cognos Insight Personal Edition, a free data analysis and visualization product designed for personal use. When you are ready to collaborate with your colleagues and workgroups, the Cognos Insight Standard Edition will enable you to share your insights and import data from other data sources. As your needs grow, you can add capabilities such as managed reporting and planning by moving everything you have built on your desktop into an IBM Cognos Express or IBM Cognos Enterprise server deployment.

Get the free Cognos Insight Personal Edition at analyticszone.com. This site is also home to the Cognos Insight Community, where you will find many resources to help you drive better outcomes in your area of the business—including how-to videos, sample applications, tutorials and discussion forums.

About IBM Business Analytics

IBM Business 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.

Business Analytics solutions enable companies to identify and visualize trends and patterns in such areas 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 more information, see ibm.com/business-analytics

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