

BUSINESSOBJECTS ACTIVITY ANALYSIS XI RELEASE 2

A NEXT-GENERATION, WEB-BASED ABC APPLICATION

Activity-based costing (ABC) has been in use for more than two decades, earning a reputation as a valuable tool for effective cost management and profitability optimization. For those who dismissed it the first time around, ABC is now back on the corporate agenda, following an increasing realization that ABC is a critical piece in the decision-making framework of today's organizations.

According to the *Accenture CFO Project*, Vol. 2, "ABC or activity-based management (ABM) can help to reduce a company's overall cost structure by as much as 3 to 5%. An enhanced focus on higher margin and growth products and the pursuit of better markets can translate to a 5% to 15% increase in revenue." Although ABC has demonstrated significant and tangible returns for organizations that have adopted it, others still view the methodology as too complicated and time-consuming.

BusinessObjects™ Activity Analysis XI Release 2 is a next-generation, web-based ABC application offering an easy solution to both these issues. Because it speeds up data collection and reporting, enterprises can replenish models more frequently, putting reporting directly into the hands of users and making greater use of the ABC information. Activity Analysis offers a choice of allocation methodologies—including time-driven ABC—and is optimized to handle the large volumes of data encountered in transactional ABC. Activity Analysis overcomes traditional barriers to implementing ABC by combining Business Objects experience and its success in developing functionally rich ABC applications with the benefits of its enterprise performance management (EPM) products. Benefits include web deployment, process control, and easy integration with other EPM applications.

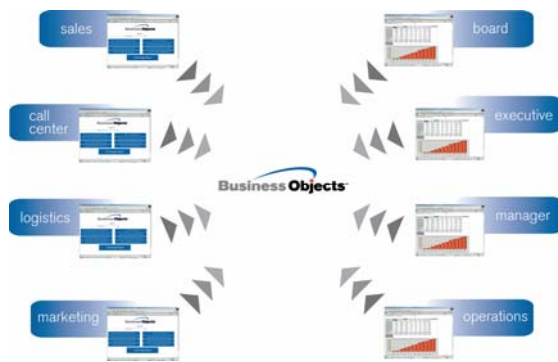
Extremely flexible allocation paths allow modelers to drive costs across models in new ways. Default assignments make modeling quick and easy, and powerful override features allow you to define different paths in different responsibility centers, versions, and periods. In responsibility centers with highly repetitive activities, you can apply time-driven analysis, building up costs from individual transactions.

BusinessObjects Activity Analysis offers numerous benefits over standard ABC applications:

- **Easy access** for remote contributors and users, reducing the time and effort usually involved in collecting nonsystem driver data—plus the ability to process large volumes of transactional level information
- **Easy administration**, using EPM Work Manager
- **Frequent updates to models**, giving more timely results than ever before
- **Integrated multidimensional analysis and reporting** with web books
- **Easy integration** with your existing IT infrastructure

ENHANCED FUNCTIONALITY

The calculation engine used in BusinessObjects Activity Analysis is based on over a decade of experience in developing best-of-breed ABC applications for the world's leading organizations. Activity Analysis extends the best-practice methodology developed in our earlier ABC and ensuring compatibility for existing users.

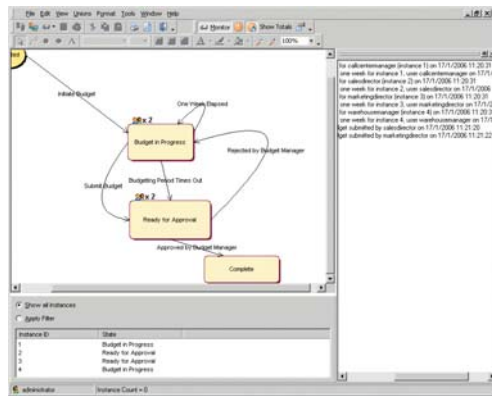


Web-Based Interface and Web Deployment. You can rapidly and cost-effectively deploy Activity Analysis to contributors throughout your enterprise and across multiple sites and countries—incorporating different languages and currencies. The application isn't limited to moving data around—it actually allows teams to run the client application in a browser, interacting with central data and each other via the internet or corporate intranets.

Activity Analysis diagram with flow of data between departments.

Your users can access web books and reports through a standard web browser to input cost data and view the results in dynamic charts and reports. Web deployment greatly reduces IT overhead, giving a broader range of employees access to important ABC data without requiring installation of a traditional application on every desktop. Any data updates are immediately available to all other users—both conventional and web-based—and the same

built-in security features apply in both environments.



Work Manager. Our integrated Work Manager tool allows managers to control processes with minimum effort. The system automatically monitors progress against user-defined schedules to ensure data is entered, validated, and authorized on time. You can even configure it to issue automatic alerts to users and managers when deadlines are missed—helping your managers to concentrate on results rather than process.

Visualize and control costing processes with Work Manager.

Conditional Alerts. Your managers receive emails when limits are exceeded or other predefined conditions are met.

Uncompromised Modeling Capability. Extremely flexible allocation paths allow modelers to drive costs across models in new ways, including activity-to-activity reassignments. Default assignments can be rapidly applied across an entire model, but powerful override features mean different paths can be defined in different responsibility centers, versions, and periods.

Multidimensionality in Activity Analysis. Multidimensionality means you can allocate costs across the built-in dimensions, and consolidate data quickly and easily into different views according to its attributes. Activity Analysis has three cost-object dimensions—typically product, customer, and channel. Additional cost-object dimensions are available for organizations that want to analyze cost objects in four or five dimensions. Version and period dimensions allow users to view cost or profit information by any combination of periods and provide variance analysis. Worksheets provide an additional area to perform ad hoc data manipulation outside existing dimensions.

Benefits of multidimensionality include:

- **Multidimensional analysis** across a maximum of five cost-object dimensions without maintenance-intensive workarounds
- **Accurate assignment of costs** to more than one cost-object view at a time

- **Presentation** of any combination in a single, multidimensional view, from a choice of perspectives

Rules in Activity Analysis. Activity Analysis uses a set of user-defined rules to provide greater flexibility. Driver rules allow the user to create new drivers from any other data values held in the database. Line-item rules allow the user to create line-item values. For example, salaries could consist of an annual basic rate, plus a percentage commission. Rules also allow the user to select which version or period to work with and to apply weightings to the resource drivers using driver splits.

Multiple ABC Methodologies. Activity Analysis is capable of handling different ABC methodologies—including time-driven ABC, where activity cycle times are used to build up costs from individual transactions. Time-driven ABC is often used when responsibility centers have highly repetitive activities. Activity Analysis includes a driver-rule wizard to help model builders quickly build rules for time-driven ABC.

Revenue Dimension. The optional revenue dimension allows Business Objects EPM solutions to handle multiple types of revenue, giving the Activity Analysis application the ability to perform complex profitability analysis.

Services Dimension. The optional services dimension provides the costing and cross-charging of shared services. Additional rules-based allocations and flexible options allow for cross-charging and cost recovery.

Driver Analysis. Sophisticated activity-based budgeting can predict fixed and variable costs against each new scenario.

Scalability. Using a three-tiered architecture, Activity Analysis scales from a handful of users to literally thousands across an organization. Efficient data processing and calculation engines support large volumes of transactions.

Model Management. Partitioning models by version, period, or responsibility center optimizes calculation performance. Linking individual models using rules gives you an enterprise view, while allowing local flexibility for business units and functions.

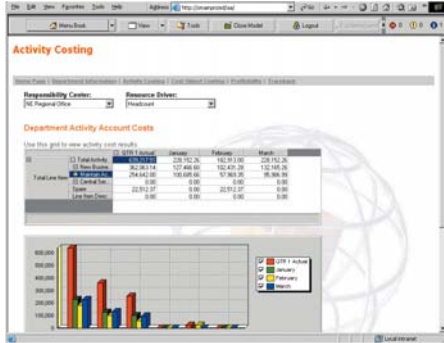
SYSTEMS INTEGRATION

BusinessObjects Activity Analysis is a key application within the Business Objects EPM solutions suite. Activity Analysis integrates with other Business Objects EPM solutions—in addition to external applications and industry data sources. Capabilities include:

- **Safe and secure single sign-on**—Users access the system through a common secure Business Objects single sign-on.
- **InfoView integration**—Integration with the BusinessObjects InfoView web management portal gives your users easy access to Activity Analysis or to view web books from this single web interface.
- **A range of data integration and reporting options**—Activity Analysis has an automated data export link with the Business Objects relational universe, providing a quick and easy method for reporting ABC information through Business Objects dashboards and scorecards. In addition, Activity Analysis has various options for connecting with industry data sources. EPM Data Bridge enables Activity Analysis to read data via flat ASCII files from virtually any source, including general ledgers, enterprise resource planning (ERP) systems, and data warehouses. EPM Data Loader is optimized for manipulating the large volumes of data encountered in transactional ABC. Data Loader is specifically intended for use with loading large volumes of data from SQL and Oracle databases. The Object, Linking, and Embedding database (OLE DB) link for online analytic processing (OLAP) using Multidimensional Expressions (MDX) provides dynamic updates to external business intelligence (BI) reporting and analysis tools, including support for Microsoft Excel 2007.

EASE OF USE

Quick and easy data entry and analysis provide grid-based layouts with drag-and-drop functionality, allowing users to analyze data in multiple dimensions. Using the latest OLAP technology, Activity Analysis helps your users slice-and-dice, drill down, and analyze data in any way they wish, incorporating dynamic graphs and charts quickly and easily.



Swift Deployment. Book designers can create templates for data entry and reporting quickly and easily. One EPM web book can automatically satisfy the needs of multiple users.

Integrated Analysis. The formula editor allows you to add simple calculations to reports, precluding the need to export the data to an external tool for manipulation and analysis.

Web books allow you to input data, analyze results, and view reports online.

BusinessObjects Activity Analysis reporting features help your users design management reports that can be scheduled to run periodically and converted to PDF for management reports, board packs, and other paper-based requirements.

Powerful Security and Control Mechanisms. Users are only allowed to review and update areas of the system for which they are responsible. Audit features can be selectively turned on to track changes to individual data cells.

Activity Analysis provides user-defined traceability of cost back through even the most complex reallocations. Best-practice database design and memory management ensures Activity Analysis can handle large volumes of data. International languages are handled easily, enabling users to dynamically change languages and see them applied in real time. The currency conversion facility allows users to input data in local currencies and convert it into a common currency on consolidation.

Ease of maintenance allows users to add a new product manually or electronically. The new product automatically inherits the activity assignments and cost drivers defined for its group. Change a department's name in one place, and all other references to that department are automatically made throughout the model. A state-of-the-art user interface was designed using the familiar Microsoft Windows and Office look and feel. This means users configure their own workspace in a way that suits them. The Navigator component allows you to define your own clickable menus, using whatever images you like to create hotspots that link to any screen, report, or other function.

ENTERPRISE PERFORMANCE MANAGEMENT

BusinessObjects Activity Analysis is an enterprise performance management (EPM) solution from Business Objects. EPM enables you to align people, processes, and technologies around common plans to execute and optimize business strategy.

Business Objects delivers an integrated framework for companies to plan their business, measure performance, take action based on trusted data, and reward people based on their performance. To find out more about Business Objects EPM solutions, visit www.businessobjects.com.

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