

BUSINESSOBJECTS PERFORMANCE OPTIMIZATION XI RELEASE 2

INTEGRATED BUSINESS PLANNING

The pressure on organizations to plan and budget more efficiently keeps growing, but significant barriers remain. In recent years, the sole focus of applications has been to make data more reliable and the process easier to manage. However, despite being more efficient, such applications still fail to add value for the enterprise, as the budgeting process they support remains much the same. Cost-center managers still defend their share of resources, senior management struggles to see the impact of changes in a department's budget, and the budgeting application does little to help people manage the future. Their main focus should be working together to create resource plans and budgets that align with both strategy and operational targets.

BusinessObjects™ Performance Optimization XI Release 2 encourages managers to collaborate and focus on assessing future demands on the enterprise—aligning resources and optimizing capacity to produce a dynamic budget capable of real-time reforecasting. Using advanced functionality for business modeling and cost analytics, your users can generate resource plans and budgets that flex with changes in your internal and external business environments—uniting strategic, financial, and operational plans to deliver integrated business planning.

LINKING SALES AND OPERATIONAL PLANS TO FINANCIAL BUDGETS

Planning and forecasting enterprise performance with the desired frequency and accuracy often requires more than consolidating a collection of disconnected revenue and line-item costs from individual responsibility centers—no matter how efficient the process is. Effective planning and forecasting involves paying close attention to crucial interrelationships between volumes, revenues, available resources, and costs. These relationships don't begin and end in any one responsibility center—instead, they span business functions and departments up and down the value chain. They also span time periods. Such relationships define the business model—an explicit representation of how your business works. This model is the missing link to effective business execution and the efficient use of resources.

ALIGN OPERATIONAL RESOURCES ALONG THE VALUE CHAIN

BusinessObjects Performance Optimization incorporates the sales and operational planning that managers typically perform offline in spreadsheets—modeling relationships within and between business functions. We call this driver-based planning. Managers see the impact of their local planning assumptions on other departments, and at the same time see how plans being made upstream of them are likely to impact their resource requirements. Such visibility encourages close collaboration between your operational managers to ensure resource levels are optimized to cope with forecast demand.

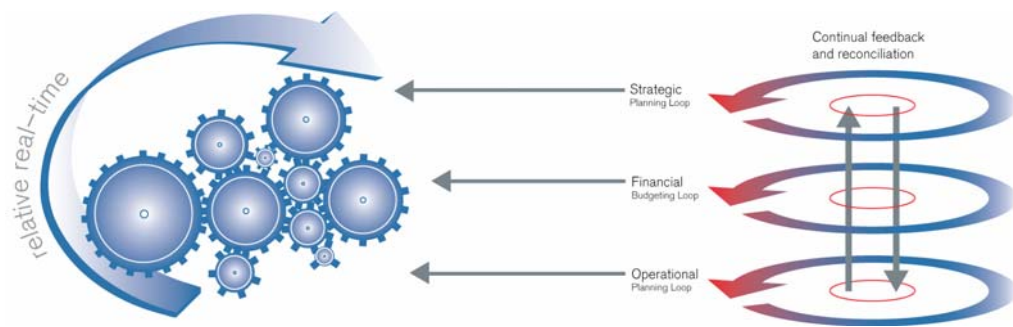
With full visibility of local planning assumptions, income/expense drivers, and process relationships, the discussions between finance and operations are no longer centered on justifying budget variances—but rather on how to work together to improve unit costs and process efficiency.

LINKING STRATEGY WITH OPERATIONAL PLANS AND BUDGETS

To become agile and responsive to change, operational plans and budgets should flex with changes in corporate strategy. Likewise, operations should feed the strategic planning process to highlight gaps for management attention. Strategy, budgets, and operational resources should be continuously adjusted and reconciled to keep performance on track.

With Performance Optimization, your finance managers can simulate multiple strategic scenarios—changing the key business drivers and seeing the impact on operational plans, as well as the consolidated financials. It's easy to set up, cascade, and monitor key performance indicators (KPIs) to evaluate performance against financial and nonfinancial measures that are critical to the execution of the corporate strategy.

Using rolling reforecasts, your managers can adjust operational plans and resources and update KPI data to ensure that strategy, budgets, and operational resources are continuously reconciled.



On-Demand Reforecasting. Integrating a comprehensive business model into the planning and budgeting system produces a dynamic budget forecast that's capable of being updated on-demand. By refreshing key operational data or changing key strategic assumptions, your enterprise can trigger reforecasts rapidly and easily. It's quick, it's easy, and it enables your organization to realign resources and keep performance on track using the latest forecasts—not just last period's actuals.

Capacity Management. Excess capacity represents wasted resources, which can be automatically identified and costed within Performance Optimization—enabling active capacity management. You can set constraints for any nonfinancial or financial measure at any level of the organization. In addition, Performance Optimization issues alerts when capacity constraints are approached, addressing potential problems long before your enterprise's operational and financial performance is compromised.

Shared-Services Costing. The integration of nonfinancial data within Performance Optimization and its linkage to expense line items allows the demand for shared-services departments to be modeled and automatically charged out to other internal customers—showing both customer and provider how these charges are derived. Internal charges can be based on full cost recovery, cost plus, or on any other basis you wish to choose. Performance Optimization calculates the unit costs and manages the charges between the shared-service function and the internal customer.

Cost and Profitability Analytics. Using the menu-based functionality within Performance Optimization, users can gain a powerful insight into costs and profitability across multiple dimensions—such as products, customers, and channels.

Profitability is the direct result of the collective decisions your managers make right across the enterprise. By integrating cost and profitability analytics with the operational planning and budgeting processes, Performance Optimization provides your managers with information about how the decisions they make directly impact costs and profitability. This helps managers

focus their actions on initiatives that reduce costs, improve overall performance, and optimize enterprise profitability.

AN ENTERPRISE PLANNING PLATFORM

Performance Optimization leverages the Business Objects web-based enterprise performance management (EPM) platform to make your planning and budgeting process more inclusive and collaborative. By receiving and reporting information online, both operational and financial managers can make adjustments to the same budget model and view updates in real time. All elements of the planning and budgeting cycle—data entry, consolidation, process control, analysis, and reporting—are synchronized and managed within Performance Optimization. This ensures complete data integrity and control—so all of your managers view one version of the truth.

Web-Based Interface. Performance Optimization can be deployed rapidly and cost-effectively to contributors throughout your enterprise—across multiple sites and countries, and incorporating multiple languages and currencies.

Users access custom “web books” and reports through a standard web browser to enter budget data and forecasts, perform local what-if scenarios, and view the results on-demand in dynamic charts and reports.

A wizard makes data entry quick and easy, allowing contributors to select and manipulate ranges of data and break-back expenses across multiple periods and versions.

Server-Based Calculations and Data Storage. Unlike other enterprise planning applications, a powerful central calculation engine performs real-time calculations. Performance Optimization consolidates data automatically according to user-defined consolidation paths to a single database, and displays results on-demand—removing the need to synchronize multiple separate databases in order to see the impact of changes to departmental forecasts. Using a single, central database ensures complete data integrity and security.

Analysis and Reporting. Performance Optimization delivers fully integrated query, reporting, and multidimensional analysis functionality, designed to expedite the interrogation of budget data and the creation of management reports. Formula Editor allows users to add calculated results quickly and easily as columns and rows on books. Your users can slice-and-dice the budget data, create charts, and drill down from summary views into detailed plans. Using the EPM Report Manager, your users can create reports with boardroom quality formatting and schedule them for printing or electronic distribution.

Workflow Process Control. With powerful process and workflow management functionality, the EPM Work Manager reduces the time and cost of your planning and budgeting cycle. Budget administrators can schedule data collection from budget contributors, identify ownership, track the progress of submissions and approvals, and issue automatic alerts to contributors and their managers—ensuring budgets are completed, validated, and authorized on time.

Conditional Alerts. Performance Optimization alerts managers via email when limits are exceeded or other predefined conditions are met.

Scalability and Model Management. Partitioning models by version, period, or responsibility center helps optimize performance. Linking individual models with rules allows enterprisewide initiatives, while allowing business units and functions local flexibility. The calculation engine and database structure are designed to support the processing of large volumes of data while reducing the calculation time.

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 track changes to individual data cells.

SYSTEMS INTEGRATION

Performance Optimization is a key application within the EPM solutions suite and integrates with other Business Objects EPM solutions, in addition to external applications and industry data sources:

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 users easy access to the Performance Optimization application or to view web books from within this single web interface.

A Range of Data Integration and Reporting Options. Performance Optimization has an automated data export link with the Business Objects relational universe, providing a quick and easy method for reporting through Business Objects dashboards and scorecards.

In addition, Performance Optimization provides various options for connecting with industry data sources. EPM Data Bridge enables Performance Optimization 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 and includes support for Microsoft Excel 2007.

ENTERPRISE PERFORMANCE MANAGEMENT

BusinessObjects Performance Optimization 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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