

**AN INTEGRATED APPROACH TO
MANAGING PERFORMANCE**

A BLUEPRINT FOR CLOSING THE GAP
BETWEEN STRATEGY AND EXECUTION

CONTENT

- 4 Executive Summary**
- 5 Bridging the Gap Between Strategy and Execution**
- 7 SAP and IBM: Envisioning a Better Way**
 - 7 Benefits of an Integrated Approach to Managing Performance
- 8 Laying the Foundation with Integrated Processes**
 - 9 The Power of Straight-Through Process Integration
- 11 Enabling Technologies and Services from SAP and IBM**
 - 11 SAP Solutions Enable the Vision
 - 11 Enabling Strategy to Execution
 - 13 Enabling Financial Data Collection, Closing, and Consolidation
 - 14 Enabling Reporting, Analysis, and Information Sharing
 - 15 Enabling Effective Risk Management
- 16 Using Integration to Lower Total Cost of Ownership**
- 17 Taking the Next Step**
 - 17 For More Information

EXECUTIVE SUMMARY

BRINGING DECISION MAKING AND EXECUTION INTO HARMONY

The number one challenge facing businesses today is how to overcome disconnects between the world of making decisions and the world of executing them. Most organizations fail to implement their strategy – due in part to an inability to manage change. According to a 2008 Global CEO Study conducted by IBM, eight out of ten CEOs are expecting substantial change over the next few years, and a full 60% report that they have limited or no success adapting to it.

Looking more closely at the current state of financial operations within most companies today, this is not a surprise. Most finance executives rely heavily on spreadsheets and buy IT solutions that can't integrate with other applications or easily pull in data from operational systems. The result has been an overly tactical approach to making finance-specific IT investments, resulting in

information silos, process inefficiencies, and poor visibility and control that makes it difficult – if not impossible – to predict and respond swiftly to business change.

In their work with thousands of companies, SAP AG and IBM Corporation are finding that bridging the gap between strategy and execution requires an integrated approach to managing enterprise performance. When implemented, this approach enables you to cascade corporate goals down into department-relevant metrics; adapt them swiftly as business conditions change; ensure accountability; enable intuitive modeling, monitoring, and analysis; and streamline the execution of plans. At the same time, accurate financial information is readily available so you have greater control of operations and can manage risk across them. This paper explores how you can achieve this vision today.

You need to drive financial performance through focused execution of strategies across all levels of the business. This requires increased visibility and control – something most CFOs lack because of fragmented financial data and systems.

1. 2008 Global CEO Study, IBM Corporation.

BRIDGING THE GAP BETWEEN STRATEGY AND EXECUTION

THE CFO'S CRITICAL ROLE AS STRATEGIC ADVISOR

CFOs have been looking for ways to fully integrate their operational and financial planning processes for years – but given the current economic climate, the pressure's on to make it happen sooner rather than later. Executives at all levels look to the CFO to provide timely, accurate financial numbers so they can make informed decisions that will ensure business survival. For example, they need insight into where they can increase efficiency and reduce costs – activities that were assigned a lower priority when businesses could count on business growth, but are essential to corporate sustainability during challenging economic conditions.

In addition, many CFOs are finding that their strategies, plans, and budgets are useless when macroeconomic and other business conditions shift unexpectedly – for example, due to gyrating commodity prices, a geopolitical crisis, or fickle credit markets. Most companies also face deteriorating cash flow as their customers stretch out their payments and increase their days sales outstanding – or worse, write off bad debt.

In response to these conditions, most CFOs are refocusing on three priorities:

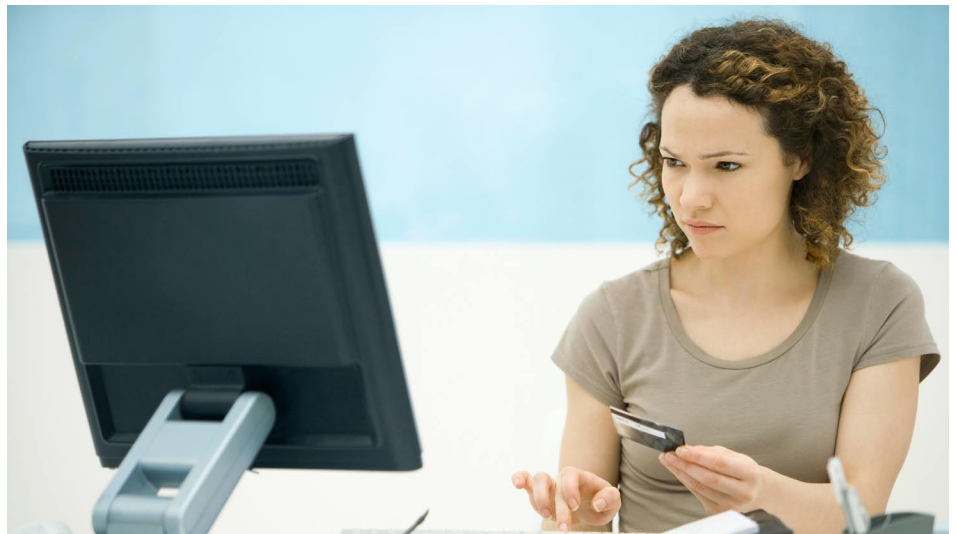
- **Reducing costs** – for example, by finding ways to reduce IT system costs through consolidation, using tools with a lower total cost of ownership, and enabling staff to be more productive
- **Managing risk** – for example, by integrating risk management into strategic planning

- **Driving growth** – for example, by contributing to decisions for strategic moves, such as investing in a new acquisition versus driving organic growth

These are the most critical areas where C-level executives and line-of-business managers are challenging CFOs to engage them as advisors in developing strategies and making decisions.

But to be successful in this role, you need to drive financial performance through focused execution of strategies across

all levels of the business. This requires increased visibility and control – something most CFOs lack because of fragmented financial data and systems. For example, within most organizations, there's no single version of reliable corporate truth. Enterprise financial data is typically fragmented and inconsistent, making it extremely difficult to “roll up” operational and financial data for consolidations and reporting. Too many processes and data-sharing methods are manual, error-prone, and costly – or supported by outdated, inefficient performance management applications



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that don't support adaptation as business needs change. In most cases, activities related to strategy management, planning, budgeting, and reporting lack integration and standardization, and they are not supported by automation and workflows. As a result, CFOs wait too long for unreliable data, impeding their ability to monitor and control financial performance. Finally, there's no comprehensive view of operational risks or risk context to support decision making – a huge blind spot given the challenges facing businesses today.

C-level executives thus become disconnected from the realities facing operational units. How many times have you been forced to make strategic decisions without a clear view of what is happening on the front line – or what risks managers face as they move ahead with strategies and plans? Have you ever wondered whether employees really understand corporate objectives – or realized that they too often pursue day-to-day activities that are misaligned with overall company goals?

As these questions suggest, finance has dependencies on the activities in each line of business across the enterprise – and on the actions of each employee. To drive performance across them, you need to have just the right operational and financial information at hand – for example, to balance growth options against potential risks and to monitor execution of strategies in real time. You'll know when you've achieved this vision when you can meet your objectives for reducing costs, managing risk, and driving growth.

The Digital Divide: Compounding the Strategy-to-Execution Problem

CFOs and other executives aren't the only people impacted by outdated systems and fragmented data. Today's top talent expects a lot more from business applications than ever before – and few “traditional” finance applications can support these professionals in ways that maximize their productivity. For example, they expect finance applications to:

- Be interactive and adaptable, and provide the same ease of use and information access as the Web 2.0-based social networking and search applications they use every day
- Offer the flexibility to create their own content and collaborate with peers

- Help them quickly comb through massive amounts of information to find the exceptions that require their attention
- Support globally distributed teams and cross-functional initiatives that necessitate effective collaboration to be successful
- Share information and collaborate across time zones with ease – and on all kinds of projects, documents, and processes

When your financial and operational systems and data aren't unified and able to support these requirements, you disempower the very employees who are critical to executing on your strategies at all levels of your organization.

SAP AND IBM: ENVISIONING A BETTER WAY

THE POWER OF AN INTEGRATED APPROACH TO MANAGING PERFORMANCE

SAP and IBM can help you define a new, integrated approach to performance management – one that involves linking operations with finance for a common view of the current state and future direction of your organization. Our shared vision, expertise, and proven technologies are already helping companies close the gap between strategy and execution.

With truly integrated financial and operational data and complete visibility, you can work with executives and line-of-business managers to develop a vision for the future, drive strategic execution, and achieve financial results. The right technologies and best practices enable you to converge traditionally disparate disciplines – such as finance, strategy management, operational planning and budgeting, and risk management, so you can:

- Deliver critical information across the business for better-informed decisions and actions
- Better manage risk and exploit new opportunities
- Simultaneously address user demands for unified information and collaboration

It's the integration of information along the strategy-to-execution process that drives business insight and effective resource alignment at the operational level.

- Achieve greater strategic alignment and more predictable performance
- Make decisions with greater confidence

Benefits of an Integrated Approach to Managing Performance

Here's how an integrated approach to managing performance can make the difference. You benefit from:

Greater strategic alignment – You can define a business strategy and then execute it as planned across all levels of your organization. Rather than just executing efficiently, you can execute effectively.

Improved visibility – You can ensure that all stakeholders own, maintain, and share information both in context and in real time, thus allowing you to identify areas for improvement and evaluate different scenarios for maximum business impact.

Increased agility – You can improve business processes and speed performance management cycles by delivering trusted data to every stakeholder. As a result, they can communicate, collaborate, and execute on a commonly understood and defined plan of action, adjusting plans and execution as needed.

Greater confidence – Now you can leverage consistent, trusted enterprise performance management data for incisive decision making and compliant regulatory, statutory, and management reporting. You can also identify and eliminate costs that are most crippling to your business and focus on the best opportunities to maximize profitability.

More predictable performance – Integrated financial performance management helps you strike a balance between pursuing the right opportunities and managing their associated risks – the key to delivering predictable performance.

LAYING THE FOUNDATION WITH INTEGRATED PROCESSES

THE LINKS BETWEEN CORPORATE STRATEGY AND OPERATIONAL EXECUTION

The foundation for a new, integrated approach to performance management is technology. The right technology enables standardized, integrated processes that link corporate strategy and operational execution, as follows:

Strategy to action – Translate corporate strategy into day-to-day operational actions by breaking strategies down into targets and tasks, creating budgets that align with the strategy, and communicating the strategy and plans across all levels of your organization.

Financial data collection, close, and consolidation – Collect and aggregate business information into trusted, up-to-date management reports in a structured way, and make it easy to generate reports for different needs and contexts.

Reporting, analysis, and information broadcasting – Prepare and publish business insight for different recipients with in-depth analytical functionality, and give business users timely access to financial information so they can make better decisions in light of today's challenging economic climate.

Risk management – Identify and monitor corporate risks and opportunities continuously and in a structured way.

But on a practical level, what's required to make this integration happen? Let's take a closer look at the data-specific activities and technical enablers required to support integrated financial processes across the enterprise. As shown in Figure 1, it requires support for data management activities, including:

- Data collection (enterprise-wide)
- Data processing (consolidation)
- Data output (reporting and analysis)

From an IT perspective, you also need the following technology enablers:

- **A risk and financial data warehouse** that delivers one version of the truth by integrating and standardizing financial and operational data from various internal and external data sources. The

When all of your applications are designed to talk to each other, there's one central source of trusted data.

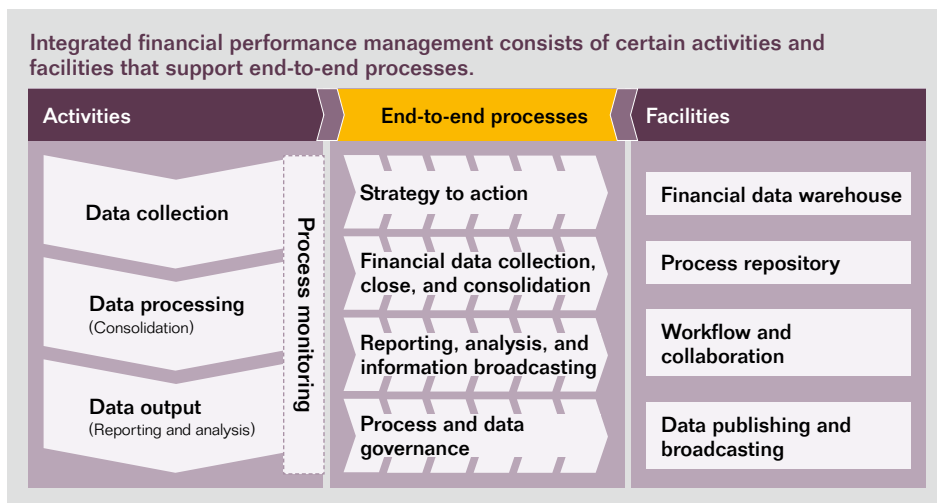


Figure 1: The Key Elements of Integrated Financial Performance Management

data warehouse should also centralize risk information in order to support comprehensive risk management and enable corporate learning over time.

- **A process repository** that contains descriptions and rules for all financial business processes and leverages corporate knowledge to put in place processes based on best practices. Process controls can be attached to the specific processes to ensure enterprise-wide process compliance.
- **Workflow, collaboration, and monitoring** to coordinate activities, monitor process status, and provide seamless communication. Workflows should integrate corporate controls to support corporate governance.
- **Data publishing and broadcasting** to make it easy to produce, author, and publish business insights and allow people to subscribe to published data and analyses according to their assigned permissions. Integrated search functions enable business users to find and retrieve the right information faster.

These supported activities and technology enablers help you establish enterprise-wide data definitions, a standard chart of accounts, and standardized,

integrated processes – the markers of an integrated finance organization. According to research conducted by IBM, which involved interviews of more than 1,200 CFOs around the world, companies with integrated financial organizations have a strategic advantage. Though it may sound counterintuitive at first, standardization in the area of finance creates unparalleled transparency and flexibility. For example, integrated finance organizations help create a common “financial language” across the enterprise that makes meaningful, objective comparisons possible. Standardization also makes roll-ups of financial data less onerous. If the term “profitability,” for example, is defined consistently across product lines and divisions, you can more easily and accurately determine customer profitability. Simply put, finance spends less time reconciling data – and more time discerning valuable business insights.

Equally important, integrated financial organizations have easy access to just the right data – with just the right level of granularity – to meet different reporting needs. For example:

- **For strategic planning**, C-level executives need information and reporting

that helps them define long-term goals, establish a corporate vision, set targets for key performance indicators (KPIs), and establish a five-year horizon.

- **For operational planning**, business unit managers need information and reporting to help them operationalize strategic goals into concrete numbers; perform midterm financial planning (for example, to create income statements and balance sheets); establish a three-year horizon; and reconcile business plans from operative units to drive overall enterprise efficiency.
- **For budgeting**, line-of-business and operational managers need information and reporting to create a breakdown of their one-year operational plans into monthly values, define obligatory targets for business execution, and support the need for actual-versus-budget comparisons

The Power of Straight-Through Process Integration

Within an integrated finance organization, this kind of “just right” reporting is made possible through straight-through process integration across the various cost centers and business units and all the way up to the corporate level. In other words,

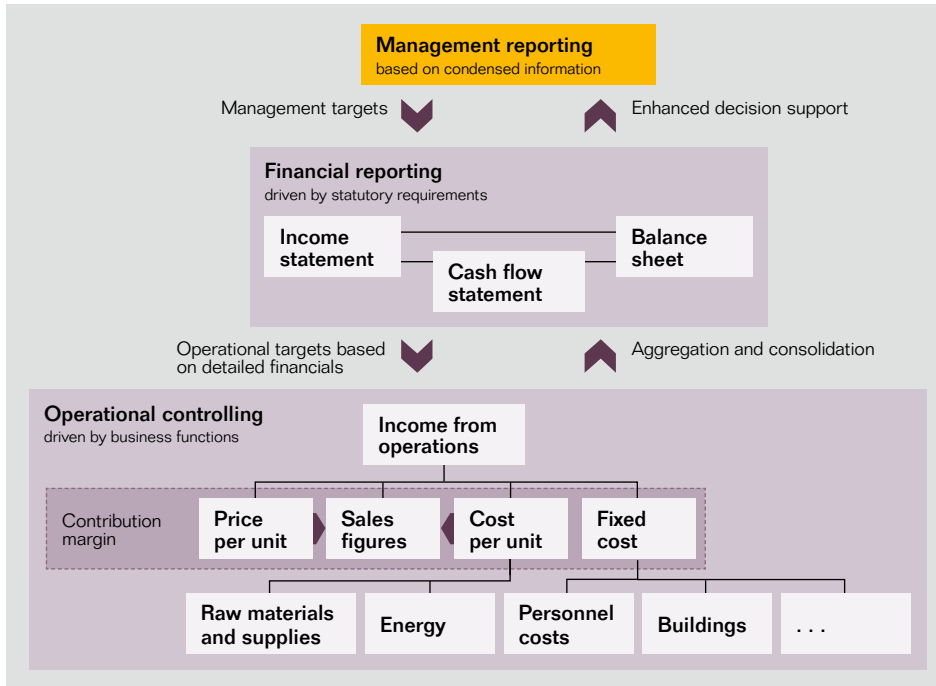


Figure 2: Cascading Operational Data to Enable a Single Source of Trusted Financial Data

operative plan data is integrated into financial plan data and then consolidated to enable enterprise-wide, in-depth financial insight – automatically and based on a single system of financial record.

This cascading system, as illustrated in Figure 2, is based on a single source of trusted corporate information that can give you the visibility and control needed to drive financial performance

through focused execution of strategies across all levels of the business. At the same time, this system can be used to help you push risk management and governance processes across your company – not just gain in-depth financial insight. As a result, you can make decisions and recommendations within the context of risk – which is especially critical in today’s business environment.

ENABLING TECHNOLOGIES AND SERVICES FROM SAP AND IBM

SAP AND IBM COLLABORATION FOCUSED ON YOUR SUCCESS

SAP and IBM provide complementary resources and expertise to help you execute on the vision for an integrated enterprise performance management framework for your organization. Our experts have worked together on many customer projects, amassed thousands of person hours of experience, and achieved exceptional results for our mutual customers.

SAP provides the integrated software required to implement a best-in-class enterprise performance management strategy and do so in such a way that meets your organization's needs now and in the future. But this vision can't be implemented just using technology. You need methodologies around the people and processes that the applications support. IBM provides the services and the proven expertise in business process transformation and change management necessary for success.

IBM has developed 35 interconnected projects around the SAP® BusinessObjects™ Planning and Consolidation application. This and other SAP BusinessObjects solutions provide customers with valuable new functionality that enables integrated financial performance management. IBM's dedicated business intelligence (BI) and enterprise performance management (EPM) solutions organization – together with its new Business

Analytics and Optimization service line – can fully support customer implementations using an end-to-end, solution-based approach. IBM's extensive experiences from EPM ramp-up implementations, when combined with its powerful consulting resources with expertise in SAP BusinessObjects BI and EPM solutions, help ensure best design and implementation practices for customers worldwide and across every industry.

SAP Solutions Enable the Vision

SAP offers proven solutions that enable this new, integrated approach to performance management. These solutions cover the full lifecycle of performance management, optimizing traditional finance processes and integrating them with governance, risk, and compliance activities in the following areas:

- Strategy management
- Planning, budgeting, and forecasting
- Consolidation and financial reporting
- Cost and profitability modeling

The applications supporting these activities are integrated and work together to enable integrated performance management processes addressing:

- Strategy to execution
- Financial data collection, closing, and consolidation
- Reporting, analysis, and information
- Effective risk management

Enabling Strategy to Execution

Companies often develop clear strategies, only to see them break down due to defects in planning and execution across the enterprise. For example, strategies may not be clearly communicated, making it difficult for line-of-business managers to develop action plans and align resources (including budgets) to execute them. And because performance management processes and data are fragmented across different systems, executive teams may not be aware of performance bottlenecks and failures until it is too late to address them.

IBM Corporation brings extensive experience and resources to every engagement, as illustrated by the following key facts:

- IBM has more than 1,000 skilled professionals for SAP® BusinessObjects™ business intelligence solutions and more than 5,000 financial management consultants globally.
- More than 300 of these consultants have implementation experience with enterprise performance management solutions from SAP (or were cross-trained on these solutions).
- IBM has been involved in some of the largest SAP BusinessObjects solution implementations, including the SAP BusinessObjects Planning and Consolidation application.
- IBM has successfully used powerful offshoring capabilities for multiple implementations.

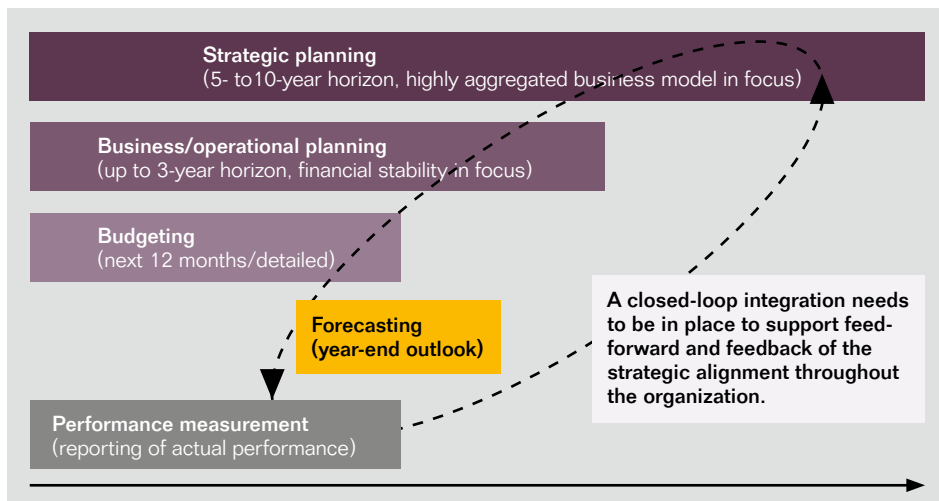


Figure 3: An Integrated Strategy-to-Execution Management Process

As shown in Figure 3, an integrated strategy-to-action process links strategic planning, business and operational planning, budgeting, forecasting, and performance measurement. The result is an integrated, closed-loop process that gives you far greater visibility and control over performance by enabling you to execute both efficiently **and** effectively.

It's the integration of information along the strategy-to-execution process that drives business insight and effective resource alignment at the operational level. For example, global strategic goals must be disaggregated and cascaded down to the operational level. And you need a clear link between the proposed,

long-term financial vision – which is mostly formulated in terms of shareholder value – and short-term financial details, such as departments' cost-center budgets and monthly profit-center revenue plans.

This integrated strategy-to-execution process enables closed loops between the steps (which address different levels of detail and horizons) so you can fine-tune strategy execution and even change direction swiftly – for example, if risks increase or the business environment changes. By integrating financial data from the strategic level down to the day-to-day performance management level, you are empowered to react flexibly and quickly to business and economic

changes. For example, when all strategy, planning, and reporting applications are linked, you gain a complete view of performance, including visibility into financial and nonfinancial KPIs and metrics that align with your goals.

SAP BusinessObjects Planning and Consolidation

SAP BusinessObjects Planning and Consolidation is unique in that it's designed for business users at all levels. It gives everyone across your company personalized, role-based access to functionality that is user-focused, process-centric, forward-looking, and unified.

Integrating Risk Management Across Your Organization

SAP and IBM consider it essential that governance, risk, and compliance solutions are integrated with an enterprise performance management solution. It's helpful to think of risk management as the flip side of performance management. What's the point in developing a strategy and driving execution if the strategy itself has hidden risks that make it likely to fail, or worse, bring your business to its knees? Failing to monitor supply chain risks, for example, can cripple a new-product launch if you're unable to meet demand. It's all about balancing risk against reward when making decisions – and then monitoring risk as you go to avoid surprises and minimize impacts on financial performance.

The software enables you to perform activities such as planning, budgeting, forecasting, predictive analysis, and reporting with familiar and intuitive tools. For example, you can perform bottom-up and top-down financial and operational planning using a single application and user interface. You can also collaborate on plans, manage stakeholder interactions, track versions and changes, engage managers in the planning process, and help ensure clear ownership and accountability on plans and outcomes. Planning processes are supported by workflows and automation that enable participation by the right people at the right time. You can also incorporate unstructured data such as Microsoft Office documents and e-mails to help tell the story behind the plans – context that, for example, helps those less involved in decisions get a handle on why certain choices were made.

The application also supports a streamlined process for business-relevant budgets that everyone agrees on and that align with your company's strategic plans. A Web-based interface allows widely distributed stakeholders to work together on spreadsheets, both online and offline. And because you start with a single, trusted version of operational and financial data – both real-time and historical – you can be more confident in the integrity and accuracy of your budgets.

SAP BusinessObjects Planning and Consolidation also supports forecasting and predictive analysis. Because business process flows are tightly linked to the data and processes supporting planning and budgeting, forecasting is vastly simplified and accelerated. What-if modeling and scenario-planning functions enable you to quickly assess budgeting reasonability. Equally important, the predictive analytical functionality goes beyond the typical trend and seasonality algorithms; now you can produce more accurate plans and budgets, create rolling forecasts, and incorporate real-time actuals with historical data for the most effective forecast seeding possible.

SAP BusinessObjects Strategy Management

With the SAP BusinessObjects Strategy Management application, everyone from C-level executives to frontline workers can quickly execute on changing strategies. The software helps executives develop strategies within the context of potential risks, communicate plans clearly, translate them into priorities and tasks relevant to individual employees, and instantly monitor and report on progress to any level of detail. You can

also transform written plans into living documents to define, discuss, and update goals and priorities with employees. Documents can include rich contextual visualizations that drive greater adoption of key objectives across your organization.

The result is an adaptable, long-term solution for visualizing, collaborating on, and managing performance for greater control – while maximizing efficiency and profitability. Now you clearly link strategic goals to initiatives, KPIs, and people. This way, they have a set of clear priorities, clear accountability, relevant risk awareness, and access to the tools needed to execute on a day-to-day basis. In addition, you can intelligently manage resources and exceptions to focus on initiatives that will have the most impact on overall corporate performance.

Enabling Financial Data Collection, Closing, and Consolidation

Real-time transparency is more important than ever. You need to produce accurate financial information in a timely and compliant manner, to make informed business decisions and take corrective

SAP and IBM can help you define a new, integrated approach to performance management – one that involves linking operations with finance for a common view of the current state and future direction of your organization.

actions, and to meet complex and ever-changing regulatory requirements. At the same time, you need to make your company's financial situation as transparent as possible – particularly during economic downturns – because investors need an accurate picture of what's happening.

When you have the right tools in place, all financial information feeds are managed by integrated processes, giving you trusted and efficient financial data collection, closing, and consolidation activities. SAP offers both the SAP BusinessObjects Planning and Consolidation and SAP BusinessObjects Financial Consolidation applications to help meet these needs. Suitable for organizations of different sizes and complexity, they maximize your ROI by meeting your precise needs.

SAP BusinessObjects Financial Consolidation

Along with SAP BusinessObjects Planning and Consolidation, the SAP BusinessObjects Financial Consolidation application supports automated consolidation processes that meet all legal and reporting requirements, including those for GAAP and International Financial Reporting Standards. By automating processes and improving compliance with regulatory and financial standards – for example, by generating a full audit trail – these applications help reduce external audit costs as well as enabling you to close the books faster and generate trustworthy financial reports. The applications also support multiple currencies, currency translation adjustments, minority interest and equity calculations,

intercompany reconciliations, financial information management, and eXtensible Business Reporting Language (XBRL) publishing.

Familiar applications such as Microsoft Excel, as well as intuitive, Web-enabled thin clients, serve as native interfaces to the applications, allowing you to minimize end-user training, foster collaboration, and improve cycle times. With innovative features such as flexible business process flows, which allow you to define specific process steps and guide users through them, you can rest assured that processes like closing the books are carried out according to corporate guidelines – even when employees are working remotely or in far-flung locations. And because the data is available for use by other SAP applications, you can run your business using a single source of corporate truth.

Enabling Reporting, Analysis, and Information Sharing

Once you have financial and budget information that's aligned with your strategy, delivers one version of the truth, and is available quickly and cost-effectively, you need a way to turn this information into valuable business insight. The objective is to really understand what's happening across your enterprise – in real time. But these insights shouldn't be reserved just for senior executives. They're also needed by employees at every level of the business – the “feet on the street” responsible for making executive and frontline decisions that drive business outcomes. (For example, once you know the drivers of costs and profit, you

need others to leverage these insights to drive countless actions and decisions to improve business outcomes.) So it's also critical that your solutions enable employees to easily access timely, role-appropriate insights. SAP software supports comprehensive reporting, analysis, and information sharing as part of an integrated performance management solution.

SAP BusinessObjects Profitability and Cost Management

The SAP BusinessObjects Profitability and Cost Management application delivers visibility into the true drivers impacting your bottom line. By linking operational activities and financial perspectives, you can gain a deep understanding of the levers affecting organizational costs and profitability of any dimension of your business – your customers, products, and channels – both current and future. You can identify the causes of underperformance, test your assumptions, and take incisive action. You can also evaluate the cost of providing IT services to users within the enterprise. Modeling is rapid and model maintenance is minimal, for a fast time to value and low total cost of operation.

SAP BusinessObjects Business Intelligence Solutions

SAP BusinessObjects BI solutions provide comprehensive functionality that can empower users to make effective, informed decisions based on solid data and analysis. All users, from the high-end analyst to the casual business user, have access to the information they need – with minimal dependence



The foundation for a new, integrated approach to performance management is technology. The right technology enables standardized, integrated processes that link corporate strategy and operational execution.

on IT resources and developers. With these powerful solutions, users throughout the enterprise can access, format, analyze, navigate, and share information across the organization. SAP BusinessObjects BI solutions break the barriers of traditional BI to provide all your business users with immediate access to reliable business information. This helps them do their jobs efficiently and effectively, and enables you to align strategies in a closed-loop system.

Enabling Effective Risk Management
Companies typically handle risk reactively within departmental silos, and as a result, they tend to overlook critical

interactions between risks. In addition, because risk management is often regarded as a theoretical exercise with no practical methodology, frontline managers aren't equipped to properly analyze risk-reward trade-offs and carry out appropriate responses backed by quantitative metrics. And as CFO, you probably find it nearly impossible to be an effective strategic advisor without a risk context for decisions and recommendations. For example, your CEO may have an opportunity to acquire a new company that could potentially deliver a significant return – but at a huge risk that could cost you more than the total potential return. From the perspective of SAP and IBM, it's

essential that you have a risk management framework integrated across your business. This framework must be tied to financial performance management so you understand the risk of what you are strategizing, planning, and executing.

SAP BusinessObjects Risk Management

The SAP BusinessObjects Risk Management application addresses these issues by enabling you to implement proactive, collaborative processes to balance strategies and opportunities with financial, legal, and operational risks at all levels of the enterprise. The software provides a best-practice framework for enterprise risk identification, collaborative risk analysis, predefined risk responses, and continuous risk monitoring and reporting. This helps you effectively anticipate and respond to changing business conditions.

You can leverage insights into risk to develop strategies, as well as view key risk indicators to monitor the overall portfolio and alert management when high-impact and high-probability risks exceed company-specific thresholds. In addition, you can analyze risks in terms of severity and likelihood of impact, as well as monitor governance, risk, and compliance activities at the most granular level. This information is automatically aggregated to create higher-level views and risk networks. All risk-related activities are monitored through executive-level dashboards and reports that deliver visibility into key risk metrics and policy compliance.

USING INTEGRATION TO LOWER TOTAL COST OF OWNERSHIP

THE KEY TO LOWER COSTS AND LEANER FINANCIAL OPERATIONS

The dinosaur-like software used by many companies to manage financial performance typically requires a great deal of administration and IT support. In most cases, these applications run on expensive hardware that's costly to maintain. Large companies often require an entire IT department just to support the administration and enhancement of these solutions – without delivering any real innovation. Finally, these applications are often inflexible, disconnected, and unable to reflect business changes in real time because data is fragmented across software, spreadsheets, and formats.

Integration and commonality among SAP applications support an integrated, efficient, and cost-effective approach to performance management across all the key domains (strategy management, planning and forecasting, consolidation and reporting, profitability and cost management, and risk management). When all of your applications are designed to talk to each other, there's one central source of trusted data. Consequently:

- It's less costly to analyze data and gain insight because you don't have to move data around and standardize it before analyzing it – time-consuming activities.
- You can be more efficient because you're not trying to glue data together using manual spreadsheets.
- Every investment you make today is likely to be reused across future integrated processes.
- You no longer need to maintain data in two places to support management and statutory reporting. This not only improves efficiency but reduces inaccuracies and makes comparison activities unnecessary.

SAP has also designed its applications to enable business users to own and manage them, which reduces reliance on IT and lowers overall support costs. This self-service orientation also helps ensure that business users always have access to the data they need in real time – without having to go through IT to access data or generate a report.

TAKING THE NEXT STEP

PARTNER WITH TRUSTED INDUSTRY LEADERS

The key to closing the gap between strategy and execution is taking a comprehensive, integrated approach to enterprise performance management. But this requires that you have the software, best practices, and processes in place to “industrialize” your finance department – for example, by automating key processes, enabling greater visibility and control, and improving the overall effectiveness of the finance department. Taken together, these capabilities enable greater agility throughout your entire organization – which is what’s needed to survive in challenging economic conditions.

What can you do to start down the path to realizing this vision? Perhaps most important, keep the big picture in mind as you make incremental technology investments; don’t invest in technologies that can’t provide some benefit beyond addressing a particular challenge today.

Equally important, partner with industry leaders with the vision, integrated applications, and services that can help you successfully plan and execute over time and realize incremental value every step of the way. For most companies, realizing the benefits of enterprise performance management is a journey, so you need trusted partners you can count on now and in the future.

For More Information

For more information about how SAP and IBM can help you realize your vision, please visit www.sap.com/epm or www.ibm-sap.com, or contact your SAP or IBM sales representative.



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