

Success Story – Agile Forecasting Using IBM Cognos TM1

The Client

Aviana's client is a leading provider of subscriber-based audio-video entertainment services worldwide. Through its subsidiaries and affiliated companies in the United States and in Latin America, the company provides service to over 15 million subscribers in the United States and abroad.

The Client's Business Problem

Internal evaluation of the financial planning systems and processes at the client pointed to the need for a solution that would provide efficiencies in the financial planning and forecasting cycles and improve the ability to develop insightful business analytics.

- The existing system had become unmanageable, lacked controls and did not perform adequately under normal business instances.
- The ability to directly enter commentary into the system when performing variance analysis was a critical need.

Prior to Aviana's involvement, IBM Cognos Planning was the main system for the financial reporting and forecasting process; however, it was outdated and was not able to meet the quick response time that is required by the Financial Planning team that must be flexible and agile, especially in today's highly competitive business environment and oftentimes with accelerated deadlines.

The inefficiencies of the existing financial planning and forecasting processes were magnified when the Financial Planning team needed to modify time-sensitive reports with last-minute changes or when ad hoc reports and analyses are requested by senior management and the executive team. With the current system, incorporating any change requires approximately three hours of manual re-work and re-verification to assure that all the related reports are correct and in agreement. Re-work and re-verification takes time away from financial analysis and the development of critical business intelligence.

The following is a list of some of the specific challenges the client faced prior to implementing Aviana's solution:

Scalability

- Cube size limitations
- Difficulty in retrieving full selections of data from the IBM Cognos Planning system
- Local machine dependency



- Continual system crashes

Manageability

- Difficulty consolidating data due to disparate cube environment
- No centralized data repository

Control

- End users were having to administer their own environments
- Too much time was being wasted administering vs. analyzing

Analysis & Reporting

- Difficulty in providing ad-hoc analysis to senior management
- No capability to save commentary for future retrieval and analysis
- Month end reporting process was time consuming and lacked efficiency

Aviana's Solution to Fix the Problem

To arrive at a solution for the critical issues faced by the Financial Planning team, Aviana created a prototype using IBM Cognos TM1. The TM1 prototype system was accepted as Proof of Concept because it demonstrated that significant efficiencies and improvements in performance and control, as well as added functionality, could be achieved for the P&L and G&A financial planning and forecasting processes when compared to their current IBM Cognos Planning software.

The IBM Cognos TM1 prototype was so successful that the client immediately engaged with Aviana to implement the first phase of their IBM Cognos TM1 migration project.

- Within 6 weeks, Aviana delivered a robust, easily maintained centralized planning system for high level P&L planning as well as for their detailed G&A planning.
- The new planning system will give the responsibility of maintenance back to the Financial Systems department allowing the Financial Planning department the time needed to do analysis and prepare reports while providing tight system controls.
- Aviana implemented a new business process in which the forecast can be frozen at any given time which will provide analysis for current forecast versus previous forecasts.
- TM1 dynamic subsets were created in order to automate many of the monthly maintenance steps.
- Cross year/cross version TM1 rules were developed to allow the planners to do analyses for multiple scenarios.



- TM1 Dynamic subsets and Reports were developed that would capture top 10 and bottom 10 variances for all P&L line items in order to enter commentary dynamically each reporting period.
- Simplistic TM1 views were developed to accommodate line managers to enter their forecasts.
- Multiple TM1 Turbo Integrator/ETL processes were developed to automate and manage the monthly close process, the planning process, as well as the year end process.

Tangible Benefits to the Client

- Due to process improvements implemented by Aviana, and the resultant improvement in planning as well as the quality and accuracy of the month-end reports, the client's Financial Planning department now has the ability to respond immediately to the needs of senior and executive management.
- The client's planning process timeline will be reduced significantly from months to weeks and weeks to days due to the straightforward application architecture designed by Aviana.
- The client now has the capability to provide commentary for any variance analysis deemed material which can then be retrieved at any time within the system.
- Aviana has implemented the capability for the client's business users to "slice and dice" data from one central data repository – this was impossible before due to the multiple personal planning cubes being maintained at the user level.
- The client's Financial Systems department will now have the time and resources to proactively make system decisions in regards to new development and enhancements instead of responding reactively to multiple system problems with the prior solution.