Analytics-Based Enterprise Performance Management – Making it Work

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Asheville, NC
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About Gary Cokins
Founder, Analytics-Based Performance Management LLC

B.S. Industrial Engineering & Operations Research; Cornell University, 1971

M.B.A. Finance & Accounting; Northwestern University, Kellogg Graduate School of Management, 1974

Previous Associations:
- FMC Corporation
- Consultant with: Deloitte, KPMG Peat Marwick, Electronic Data Systems [EDS, now HP]
- SAS

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Who will benefit from this presentation?

Managers who have previously struggled at promoting FP&A, enterprise performance management (EPM) and integrating business analytics (BA) into their decision support systems.

Managers who intend to “champion” any or all EPM and BA improvement techniques and need a compelling call to action.
Key questions

What? So what? Then what?
AGENDA

- What is Enterprise Performance Management?
- What is Business Analytics?
- Eight Pressures that have caused interest in EPM
- EPM as a Value Multiplier through Integration

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Drowning in data but starving for information.

"Looks like you’ve got all the data—what’s the holdup?"
Confusion and Lack of Consensus about EPM

Is it human resources PM?
Is it scorecards, dashboards, KPIs and measures?
Is it alignment, such as strategic or resource allocation?
Is it process, productivity and quality improvement?
Or … is it all of the above? And even more?

The good news is this …..
What is Analytics-based Performance Management?

Analytics-based Performance Management is the integration of multiple methodologies with each embedded with business analytics, such as segmentation analysis, and especially predictive analytics ... to achieve the strategy and to make better decisions.
AGENDA

- What is Performance Management?
- What is Business Analytics?
- Eight Pressures that have caused interest in EPM
- EPM as a Value Multiplier through Integration
Why is business analytics needed?

How does an organization gain a competitive edge?

-- by first-to-market (via innovation)?
-- by customer loyalty?
-- by low-cost and low-price provider?
-- Other?

But how sustainable are these long-term?
Problem: Generic strategies are vulnerable!

-- **cost leadership strategy** – other firms lower their costs.

-- **differentiation strategy** – imitation by competitors; changes in customer tastes.

-- **focus strategy** – broad-market cost leaders or micro-segmenters invade and erode your customers’ loyalty.

The best defense is agility with quicker and smarter decision making using statistics, analytics, and operations research.
Confusion and lack of consensus about BA

Is business analytics (BA) a data warehouse?
Is it data mining with query and reporting?
Is it business intelligence (BI) with enhancements?
Is it the technology of data governance, management and quality?
Is it probabilities and statistics, like regression and correlation analysis?
Is it forecasting? Is it optimization equations?
Is it to solve customer or stakeholder issues?
Or … is it all of the above? And even more?
Work backwards with the end in mind.

Regardless of how “analytics” should be defined, there should be no argument as to its purpose:

Better decisions. Better Actions.

Analytics’ goal should be to gain insights and solve problems, to make better and quicker decisions with more accurate and fact-based data, and to take actions.
Improving Performance by Unifying EPM and BA

-- BI Reporting *consumes* stored information.
-- Analytics *produces* new information.
-- Enterprise Performance Management *deploys* Analytics.

It is not about *monitoring* the dials on a dashboard, but rather *moving* the dials.
Queries simply answer questions. Business analytics creates questions.

Further, analytics then stimulate more questions, more complex questions, and more interesting questions.

Most importantly, business analytics also has the power to answer the questions.
Which X is most likely to Y?

Retail Merchandising
Which product in a retail store chain can generate the most profit without carrying excess inventory but also not having periods of stock outs?

Customer Profitability
Which customer will generate the most profit lift from our least effort?

Employee Retention
Which of our employees will be the next most likely to resign and take a job with another company?

These are the types of questions asked every day. Business analytics fills in the X and Y.

More intelligent and systematically tested decisions.
Examples of Analytics

-- Hollywood celebrities and the film industry

  Will Smith: Independence Day; Men in Black; I, Robot; I am Legend; Hancock

-- Sports teams

-- Crime prevention

-- music score analysis

But what about business analytics in mainstream businesses?
There are many Business Analytics Domains

- Retail sales and merchandising analytics [markdown and assortment planning]
- Financial services analytics [risk and loan credit scoring]
- Pharmaceutical analytics [drug development and clinical trials]
- Marketing analytics [CRM, segmentation, and churn analysis]
- Text analytics [sentiment analysis]
- Financial control analytics [customer payment collections]
- Fraud analytics [insurance and medical claims]
- Pricing analytics [price sensitivity analysis]
- Telecommunications analytics [customer behavior]
- Supply chain and transportation analytics [route optimization]
- Manufacturing analytics [warranty claims]
- Hospital analytics [patient scheduling]
- Human resources analytics [workforce planning]
- Banking analytics [anti-money laundering]
- Police analytics [crime pattern analytics]
Reactive (Descriptive)

STANDARD REPORTS

AD HOC REPORTS

QUERY DRILLDOWN (OR OLAP)

ALERTS
Reactive  (Descriptive)

1. Standard Reports
2. Ad Hoc Reports
3. Query Drilldown (or OLAP)
4. Alerts

Proactive  (Inferential)

5. Statistical Analysis
6. Forecasting
7. Predictive Modeling
8. Optimization

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A hot topic
AGENDA

- What is Performance Management?
- What is Business Analytics?

- Eight Pressures that have caused interest in EPM
- EPM as a Value Multiplier through Integration
What has caused interest in EPM?

1. Executives frustrations with strategy failure.
2. Increased accountability.
3. More rapid decision making.
5. Poor customer value management.
7. Dysfunctional supply chain management.
8. Unfulfilled ROI promises from IT systems – lack of integration.
What has caused interest in EPM?

1. Executives frustrations with strategy failure.
2. Increased accountability.
3. More rapid decision making.
5. Poor customer value management
7. Dysfunctional supply chain management.
8. Unfulfilled ROI promises from IT systems – lack of integration.
What has Caused Interest in EPM?

1) Failure by executives to execute their well-formulated strategy.
When Dilbert Jokes About It, It is Mainstream
Executives are Most Concerned About Executing Strategy

"Using a 1-5 scale, please rate the level of interest / concern you have in the following business issues at present."

1. Executing the strategy: 4.0
2. Regulatory, compliance, and risk management: 3.8
3. Market trends: 3.7
4. Customer service: 3.7
5. Forecasting & reporting effectiveness: 3.7
6. Growing the top line: 3.7
7. IT capabilities: 3.5

Source: 2006 Monitor Analysis. Survey of 354 executives; 49% of respondents are C-level and 56% are from companies with revenue greater than $1 billion
Vision and Mission Statements

A Vision statement answers “where do we want to go?”

Strategy maps and scorecards answer, “How will we get there?”

The strategy map and scorecard are mechanical. They help realize the vision and mission.
Generic Strategy Map Architecture

Maximize Shareholder Value

Financial

Customer

Internal Processes

Learning & Innovation

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Vision & Mission

- Exceed shareholder expectations
- Improve profit margins
- Increase sales volume
- Diversify income stream
- Increase sales to existing customers
- Diversify customer base
- Test new products
- Target profitable market segments
- Develop new products
- Optimize internal processes
- Attract new customers
- Develop employee skills
- Integrate systems

Financial

Customer

Internal Process

Learning & Growth

Financial value

creating

Customer intimacy

leads to

Process excellence

stimulates

A learning environment

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Scorecard Lessons Being Painfully Learned

- Scorecard or Report Card?
- KPIs or PIs?
What is the difference between KPIs and PIs?

KPIs (strategic context)
- Must have targets
- Without targets
  - Trends
  - Upper / lower thresholds

PIs (operational)
- With targets
  - Trends
  - Upper / lower thresholds
- Without targets

Scorecard
- Project-based KPIs
- Process-based KPIs
- Inter-related measures with cause-and-effect correlations

Dashboard
- Budget & Resource Planning
- Measures in isolation
- Without targets
  - Drill-down analysis
  - Alert messages

Strategy Diagram
- Derived from

Frequency of reporting
- Quarterly
- Monthly
- Weekly
- Daily
- Hourly
- Real-time

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What has Caused Interest in EPM?

4) Mistrust of the managerial accounting system and its flawed cost allocations and misleading cost reporting of outputs, products, standard service-lines, channels, customers and outcomes.
A simple explanation of ABM ... that you can explain to your spouse (or boss) tonight.
The General Ledger View is Structurally Deficient for Decision Analysis.

<table>
<thead>
<tr>
<th>Insurance Claims Processing Department</th>
<th>Actual</th>
<th>Plan</th>
<th>Favorable/ (unfavorable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$621,400</td>
<td>$600,000</td>
<td>$(21,400)</td>
</tr>
<tr>
<td>Equipment</td>
<td>161,200</td>
<td>150,000</td>
<td>(11,200)</td>
</tr>
<tr>
<td>Travel expense</td>
<td>58,000</td>
<td>60,000</td>
<td>2,000</td>
</tr>
<tr>
<td>Supplies</td>
<td>43,900</td>
<td>40,000</td>
<td>(3,900)</td>
</tr>
<tr>
<td>Use and occupancy</td>
<td>30,000</td>
<td>30,000</td>
<td>—</td>
</tr>
<tr>
<td>Total</td>
<td>$914,500</td>
<td>$880,000</td>
<td>$(34,500)</td>
</tr>
</tbody>
</table>

When managers get this kind of report, they are either happy or sad, but they are rarely any smarter!
Each Activity Has Its Own Cost Driver

From: General Ledger

<table>
<thead>
<tr>
<th>Activity</th>
<th>Actual</th>
<th>Plan</th>
<th>Favorable/ (unfavorable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$621,400</td>
<td>$600,000</td>
<td>$(21,400)</td>
</tr>
<tr>
<td>Equipment</td>
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</tr>
<tr>
<td>Total</td>
<td>$914,500</td>
<td>$880,000</td>
<td>$(34,500)</td>
</tr>
</tbody>
</table>

To: ABC Data Base

<table>
<thead>
<tr>
<th>Activity</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key/scan claims</td>
<td>$31,500</td>
</tr>
<tr>
<td>Analyze claims</td>
<td>121,000</td>
</tr>
<tr>
<td>Suspend claims</td>
<td>32,500</td>
</tr>
<tr>
<td>Receive provider inquiries</td>
<td>101,500</td>
</tr>
<tr>
<td>Resolve member problems</td>
<td>83,400</td>
</tr>
<tr>
<td>Process batches</td>
<td>45,000</td>
</tr>
<tr>
<td>Determine eligibility</td>
<td>119,000</td>
</tr>
<tr>
<td>Make copies</td>
<td>145,500</td>
</tr>
<tr>
<td>Write correspondence</td>
<td>77,100</td>
</tr>
<tr>
<td>Attend training</td>
<td>158,000</td>
</tr>
<tr>
<td>Total</td>
<td>$914,500</td>
</tr>
</tbody>
</table>

Activity cost drivers

Products / customers

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Multiple-Stage Cost Flowing

Simple ABM

Expanded ABM

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ABC/M Cost Assignment Network

Resources
(general ledger view)

Work Activities
(verb-noun)

Final Cost Objects

“Costs Measure the Effects”

“cost-to-serve” paths

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ABC/M Cost Assignment Network

Resources
(general ledger view)

Work Activities
(verb-noun)

Final Cost Objects

Direct costs

People Activities

“cost-to-serve” paths

(1) Demands On Work
(2) Costs

"Costs Measure the Effects"

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More important than a better costing method are its results.

Net Revenues Minus ABM costs = profit

$30 \text{ sales} - 28 \text{ expenses} = $2 \text{ profit}
Activity Costs “pile up” into outputs.

ABM provides insight for the product’s or service’s cost drivers and driver quantities.

Each activity’s driver quantity
\[ \times \]
unit activity driver cost
(eg. # of registrations)
Processes: Six Sigma, Lean Management, and Value Stream Mapping

Processes include activities that have high to low value-adding content.

ABM also provides unit costs of outputs for cost visibility and benchmarking.
What has Caused Interest in ABPM?

5) Strategic – The shift from being product-centric to customer centric. The emphasis will be more on economics – measuring customer profitability and customer lifetime value (for B2C).

Operational – The need for productivity improvements and cost management.
But what about the Other Below-the-line “Calculated” Costs?

Products and standard service-lines are not the only thing for which accountants should compute costs.

What about costs that have nothing to do with products and standard service-lines?

The problem with traditional accounting’s gross margin reporting is you don’t see the bottom half of the picture.
Costs from Sales & Marketing are not Products

- Indirect expenses
  - Distribution
    - Customer +
    - Channel +
    - Product

- Direct material, Direct labor & Equipment
- Indirect expenses
- Sales, Marketing, General and admin (S,G&A)
Why Do Customer-related Costs Matter? The Perfect Storm

# 1 - Customer retention versus acquisition costs.

# 2 – Sources of Competitive Advantage – Commoditization leading to service-differentiation.

# 3 – From mass selling to one-to-one customer relationships.

# 4 – The internet’s irreversible shift of power from sellers to buyers.
Angel Customers & Demon Customers

Discover Which Is Which and Turbo-Charge Your Stock

Larry Selden,
Professor Emeritus of Finance and Economics at Columbia University Graduate School of Business

Geoffrey Colvin,
Senior Editor at Large, Fortune Magazine
## ABM Customer Profit & Loss Statement

<table>
<thead>
<tr>
<th>CUSTOMER: XYZ CORPORATION (CUSTOMER #1270)</th>
<th>Margin $</th>
<th>Margin % of Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong> $$$$</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Product-Related</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplier-Related costs (TCO) $ xxx</td>
<td>$ xxx</td>
<td>98%</td>
</tr>
<tr>
<td>Direct Material xxx</td>
<td>xxx</td>
<td>50%</td>
</tr>
<tr>
<td>Brand Sustaining xxx</td>
<td>xxx</td>
<td>48%</td>
</tr>
<tr>
<td>Product Sustaining xxx</td>
<td>xxx</td>
<td>46%</td>
</tr>
<tr>
<td>Unit, Batch* xxx</td>
<td>xxx</td>
<td>30%</td>
</tr>
<tr>
<td><strong>Distribution-Related</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outbound Freight Type* xxx</td>
<td>xxx</td>
<td>28%</td>
</tr>
<tr>
<td>Order Type* xxx</td>
<td>xxx</td>
<td>26%</td>
</tr>
<tr>
<td>Channel Type* xxx</td>
<td>xxx</td>
<td>24%</td>
</tr>
<tr>
<td><strong>Customer-Related</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer-Sustaining xxx</td>
<td>xxx</td>
<td>22%</td>
</tr>
<tr>
<td>Unit-Batch* xxx</td>
<td>xxx</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Business Sustaining</strong></td>
<td>xxx</td>
<td>8%</td>
</tr>
<tr>
<td><strong>Operating Profit</strong></td>
<td>xxx</td>
<td><strong>8%</strong></td>
</tr>
</tbody>
</table>

* Activity Cost Driver Assignments use measurable quantity volume of Activity Output (Other Activity Assignments traced based on informed (subjective) %s)
Migrating Customers to Higher Profitability

Product Mix Margin

Cost-to-Serve

Types of Customers

Very Profitable

Very unprofitable

High (Creamy)

Low (Low Fat)

Profitable

Unprofitable
Rapid Prototyping with *Iterative Remodeling*

Each iteration enhances the use of the ABC/M system.
Balancing Levels of Accuracy with Effort

Accuracy of Final Cost Objects

Level of Data Collection Effort

World Class
ABC System Design

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Who is more important to pursue with the scarce resources of our marketing spend budget?

Our most profitable customers?  
Or our most valuable customers?

What is the difference?

The “customer lifetime value” is intended to answer this question.
The spending budget for sales and marketing is critical … but it should be treated as a preciously scarce resource to be aimed at generating the highest long-term profits.

This means answering questions like:

Which type of customer is attractive to newly acquire, retain, grow, or win back? And which types are not?

How much should we optimally spend attracting, retaining, growing, or recovering each customer micro-segment?
A Shift in the CFO’s Emphasis

The CFO must now help Sales and Marketing … to better target customers.

Segmentation, predictability, churn, offers, deals, risk and uncertainty must be understood in the language of money.

Analysts must overcome “hunches and gut-feel guesses by others, and prove which actions yield the highest financial returns.
Supply Chain Trading Partner Relationships

Managed Process Links
Monitor Process Links
Not-Managed Process Links
Non-Member Process Links


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What has Caused Interest in EPM?

6) Contentious Budgeting – The budget is typically a fiscal exercise by the accountants that is:

(1) disconnected from the executive team’s strategy, and

(2) not based on future driver volumes.
<table>
<thead>
<tr>
<th></th>
<th>Current Year</th>
<th>Budget Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>$400,000.00</td>
<td>Formula = Column B * 1.05</td>
</tr>
<tr>
<td>3</td>
<td>$50,000.00</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>$20,000.00</td>
<td>Copy down</td>
</tr>
<tr>
<td>5</td>
<td>$40,000.00</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>$30,000.00</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>$20,000.00</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>$560,000.00</td>
<td></td>
</tr>
</tbody>
</table>

Source: John Antos, The Value Creation Group
Match the Budget Method to its Category

Demand-driven

Recurring expenses

Project-driven

Non-recurring expenses

Integrated Budget
(Rolling Financial Forecasts)
(1) Non-Recurring Expenses // Strategic Initiatives

Budgeting is typically disconnected from the strategy. But this problem is solved if management funds the managers’ projects.

<table>
<thead>
<tr>
<th>Measurement Period;</th>
<th>1st Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Objective</td>
<td>Identify Projects, Initiatives, or Processes</td>
</tr>
<tr>
<td>KPI Measure</td>
<td>KPI Target</td>
</tr>
<tr>
<td>KPI Actual</td>
<td>comments / explanation</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Executive Team</th>
<th></th>
<th>Managers and Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>their score</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<----- period results ------->
(2) Recurring Expenses // Future Volume & Mix

Past

- Activity-Based Costing
  - Historical & Descriptive
  - Starts with known:
    spending
driver measures
output quantities
  - Calculates “costs”

Now

- Activity-Based Planning
  - Predictive
  - Requires capacity analysis
  - Starts with estimated outputs
  - Applies ABC/M rates
  - Solves for Resource “expenses”

Future

ABC/M

ABP
Operational Resource Capacity Planning

Resource expenses can be calculated with “backwards ABC/M”

Resources
- Process Costs
- Output & Outcome Costs

Customers and Service-recipients

Start Here.
Predictive Accounting

Past  ABC/M  Now  ABP  Future

Known

? resources

? work activities

? cost objects

Provides consumption rates
Predictive Accounting

Past  ABC/M  Now  ABP  Future

resources  ?
work  ?
activities

cost
objects

Estimated
Predictive Accounting

Descriptive vs. Predictive

Past | Now | Future

unused | used | sunk

unused | used

unavoidable

variable (adjustable capacity; avoidable)

Traceable to products, channels, customers, sustaining

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(3) Risk Assessment Grid

... ERM is not just contingency planning

Severity of impact on event occurrence and achievement of objectives

probability of an event occurring

High

Low

High

Low

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Match the Budget Method to its Category

**Demand-driven**
- Recurring expenses
  - volume & mix of drivers

**Project-driven**
- Non-recurring expenses
  - Strategic & risk mitigation projects

**Budget method**
- production and ABP/B
- Integrated Budget
  - (rolling financial forecasts)
- strategy map and risk grid

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Linking Strategy and Risk to the Budget

Strategy Modeling
(by executives)

Define and adjust strategy and risk, and create strategy map

Identify and manage strategic initiatives

Managerial Accounting
(e.g., Activity-based Costing)

Create balanced scorecard

Strategy methods
(e.g., SWOT)

Create a strategy map and adjust strategy.

Managerial Accounting
(e.g., Activity-based Costing)

Create a balanced scorecard.

Financial Modeling

Approve strategy risk and capital budget

Traditional and driver-based budgeting (e.g., PBB)

Managerial Accounting
(e.g., Activity-based Costing)

Manage and improve core processes

Operational Modeling
(by employee teams)

Manage and improve core processes.

Defined and adjusted strategy.

Managerial Accounting
(e.g., Activity-based Costing)

Create a balanced scorecard.

Strategy methods
(e.g., SWOT)

Approve strategy risk and capital budget.

Driver consumption rates

Results and outcomes

Driver consumption rates

批复计划

Acceptable?

Yes

No

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= financial information (e.g. $)

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79
Continuous refreshing the rolling financial forecast

More frequent forecast intervals assure better accuracy.
ACCOUNTING

Tax Accounting  
Financial Accounting  
Managerial Accounting

Cost Accounting
Financial Reporting  
regulatory compliance

Cost Measurement
Cost Reporting & Analysis  
(feedback on performance)

Cost Reporting & Analysis
[e.g., GAAP, IFRS]  
Costs of goods sold  
Inventory valuation

Decision Support/ 
Cost Planning

Source data capture  
(transactions / bookkeeping)

Non-financial data capture

Source: “A Costing Levels Continuum Maturity Model” by Gary Cokins published by the International Federation of Accountants, 2010

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Most organizations are typically at lower levels of maturity in adopting progressive managerial accounting practices, methods and systems.
Costing Continuum / Levels of Maturity

(1) Descriptive Continuum
EXPENSE TRACKING, COST REPORTING and CONSUMPTION RATES

- **1D**: Blind process and bookkeeping, Lean accounting
- **2D**: Process Visibility
- **3D**: Output Visibility
- **4D**: Improved Output Information/Approximate Accuracy
- **5D**: Improved Treatment of Indirect Costs
- **6D**: Level 6D with Channel and customer profitability Reporting; Cost-to-serve
- **7D**: Customer Demand Sensitive
- **8D**: Unused Capacity Aware

(2) Predictive Continuum
DEMAND DRIVEN PLANNING with CAPACITY SENSITIVITY

- **1P**: G/L acct. Incremental
- **2P**: Pull Activity-based Resource Planning
- **3P**: Time-driven ABC
- **4P**: Resource Consumption Accounting
- **5P**: Simulation

Source: "A Costing Levels Continuum Maturity Model" by Gary Cokins published by the International Federation of Accountants, 2012
AGENDA

- What is Performance Management?
- What is Business Analytics?
- Eight Pressures that have caused interest in EPM
- EPM as a Value Multiplier through Integration
How Does It All Fit Together?

Organization Resources (capacity)

- Strategy, Mission
- Customer Satisfaction
- ERP, etc.
- CRM

Scorecards

Supplier Inputs

ROI

Shareholders

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In Summary … first, we energize with good managerial accounting.
EPM is Circulatory and Simultaneous

Shareholder Wealth Creation is not a goal. It is a result!

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EPM is Circulatory and Simultaneous

Shareholder Wealth Creation is not a goal. It is a result!

Less productivity reduces Shareholder Wealth

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The Intelligence Hierarchy

Power of Information

- Raw Data
- Standard Reports
- Ad hoc Reports & OLAP
- Descriptive Modeling (with analytics)
- Predictive Modeling
- Optimization

$ROI

Data → Information → Knowledge → Intelligence

Two types of software are like a brain’s two halves.

Transactional systems (e.g., ERP) “the reptilian brain stem” (breathing, blinking, digesting)

Business Analytics and Performance Management “the cerebral cortex” (thinking and decision making)

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Why has the adoption rate for analytics-based EPM’s methodologies been so slow?
Why is the adoption rate so slow? What are the barrier categories?

(1) **Technical** barriers include IT related issues.

(2) **Perception** barriers are excess complexity and affordability.

(3) **Design deficiencies** include poor measurements or their calculations and weak models and assumptions.

(4) **Organizational behavior** barriers involve resistance to change, culture, and leadership.
The Complete Vision of Performance Management

Make the RPM of the EPM and BA gears spin … … better, faster, cheaper … safer and smarter
Your success depends on how well and how fast the right information and intelligence gets to the right people.
Thank You

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