

# IBM Cognos Controller

## Full financial close management — in a solution managed by the office of finance

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### Highlights

- Addresses the extended close, consolidate, report and file process
  - Delivers a complete, self-service application, owned by finance users
  - Integrates with planning, budgeting and forecasting applications
  - Integrates with ‘last mile’ applications to produce financial statements
  - Handles complex ownership structures with ease
  - Offers web application for reporting site users
  - Offers on-cloud or on-premises deployment
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The close, consolidate and report process is acknowledged as the critical starting point in financial performance management. To perform this process effectively, finance organizations need consolidation and reporting solutions that provide controlled delivery of certified financial and management information. These solutions must reflect accepted best practices and be stable, reliable and free of control risks that require manual intervention and the maintenance of spreadsheet-based “shadow systems.” When finance organizations use a single solution for consolidation, reporting and analytics, they can enjoy greater confidence in the accuracy of their numbers and avoid problems caused by performing related tasks in different and often incompatible systems.

To meet these requirements and to handle evolving regulatory and compliance standards (such as IFRS and XBRL tagging), finance organizations can rely on IBM Cognos Controller.

Cognos Controller is a comprehensive solution that delivers power and flexibility for streamlined, best-practice financial consolidation and reporting—all in one solution. Its suite of capabilities delivers a complete portfolio of financial results and provides an integrated platform for financial and management reporting. Cognos Controller can deliver financial statements and reports to finance stakeholders, as well as managers, line-of-business executives and regulatory bodies. It also serves as the de facto starting point for planning, budgeting, forecasting and other performance management processes. Controller Web – our new browser-based user interface (UI) – offers an efficient means of data collection and validation for reporting site users. In addition,

Controller Web makes it possible to run consolidations and track the status of the financial close in real time right from your web browser. An on-cloud deployment option helps organizations meet their individual IT requirements without limiting future options.

## Financial information: Enterprise performance in the hands of Finance

Finance organizations regularly face the challenges of meeting strict reporting deadlines and satisfying data quality requirements for closing the books and delivering accurate financial statements. This is true for both large multinationals and smaller companies with complex accounting needs. Centralizing control and management of the financial consolidation process in a purpose-built application enables finance teams at these diverse organizations to automate the close process and simplify the task of providing certified financial information.

A key component of the IBM performance management platform, Cognos Controller enables finance organizations to define and maintain financial consolidation rules and processes. It provides an audit trail to track data flow throughout the consolidation process, satisfying the demands of both internal and external auditors. Finance users can drill down into details to investigate and analyze financial information and identify who did what and when.

### *Finance-driven performance management with self-service and automation*

At the heart of Cognos Controller is a centralized database that ensures efficient processing and administration. It enables continuous feedback and supports organizational decision making. With menu-driven data access, Cognos Controller provides a solid foundation for smooth data collection and dissemination of information.

Managed directly by finance users, Cognos Controller requires neither extensive development resources nor costly programming. It adapts quickly to changing ownership structures and allows users to amend entities, account details and organizational structures with a complete range of accounting, consolidation, and internal and external financial reporting capabilities. Its industry-standard platforms and databases ensure high performance, data integrity and rigorous, yet flexible security.

Cognos Controller also offers a choice of interfaces. Web browser or Microsoft Excel both provide secure, ready access to data. And familiar Excel functionality streamlines financial data input and formatting. The web application for reporting site users offers a modern user interface and an intuitive experience that guides users through a step-by-step process to complete necessary tasks and notify users of relevant issues. The web application for consolidation site users offers a modern and complete overview of the reporting status and allows users to execute tasks like changing entity status, locking/unlocking and the consolidation of data.

## Features and benefits: Global consolidation capabilities

Cognos Controller provides a wide range of benefits for the office of finance, including:

- Reduced close and report times to accelerate the close process
- Improved accuracy
- No waiting or dependence on IT
- Collaborative and auditable report assembly
- Pre-built functionality with 260+ standard reports
- Compatibility with existing IT investments
- Automated financial consolidation processes and accounting procedures
- Consolidated financial information in a centralized, controlled and compliant environment
- Web application for reporting site users and consolidation users
- Flexible on-cloud or on-premises deployment options

Capabilities that achieve the above benefits include data collection, validation, currency conversion, minority interest calculations, intercompany eliminations, group closing adjustments, management adjustments, allocations, advanced formula calculations and compliance testing. Cognos Controller also provides support for consolidated financial reporting for local jurisdictions and multilingual reporting. It supports IFRS, FASB, Basel II and Sarbanes-Oxley requirements and is designed to handle any GAAP or regulatory environment.

### Data collection

Cognos Controller handles all the process and control steps necessary to gather financial information from multiple sources and systems. Both quantitative and qualitative data can be entered automatically or manually, and financial data can be collected and presented in multiple reporting and transaction currencies. Individual data entry forms and templates are easy to create and manage.

Data can be imported and entered via Excel forms or via a web browser. Other reporting site tasks (e.g., intercompany reconciliation, posting of manual journals, data validation and the review of data) can also be performed via the web interface in a step-by-step process.

Controller Web features a “real time update” engine so users can not only see the latest number without a refresh but also see validation checks update dynamically as numbers are edited. In addition, a quick reference calendar provides a visual cue of approaching submission deadlines to help make sure that deadlines are not missed.

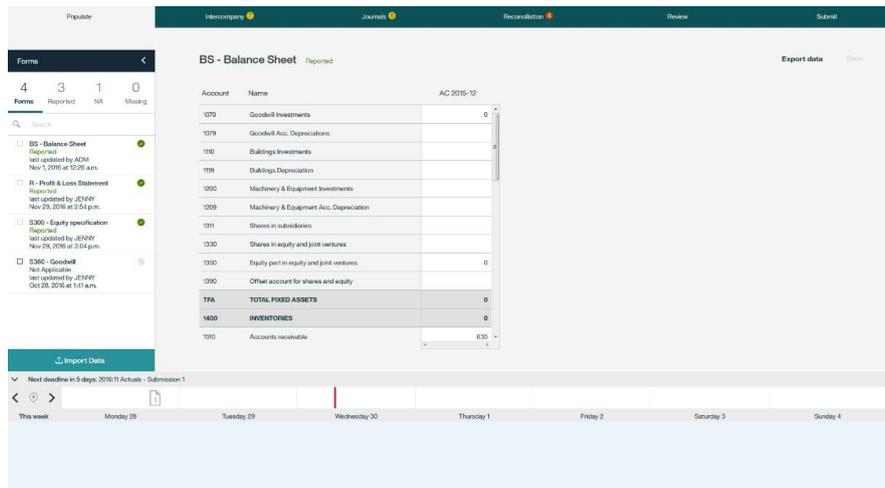


Figure 1: Cognos Controller provides an intuitive web user experience for reporting sites.

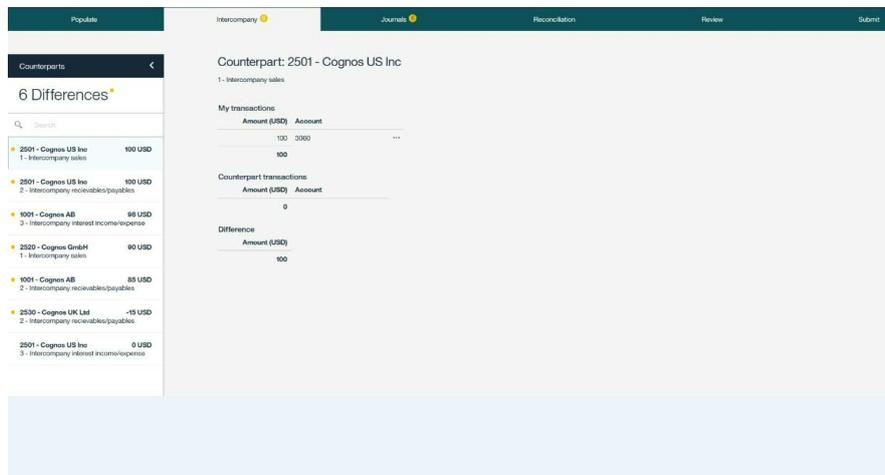


Figure 2: Cognos Controller provides an intuitive web application for intercompany reconciliations.

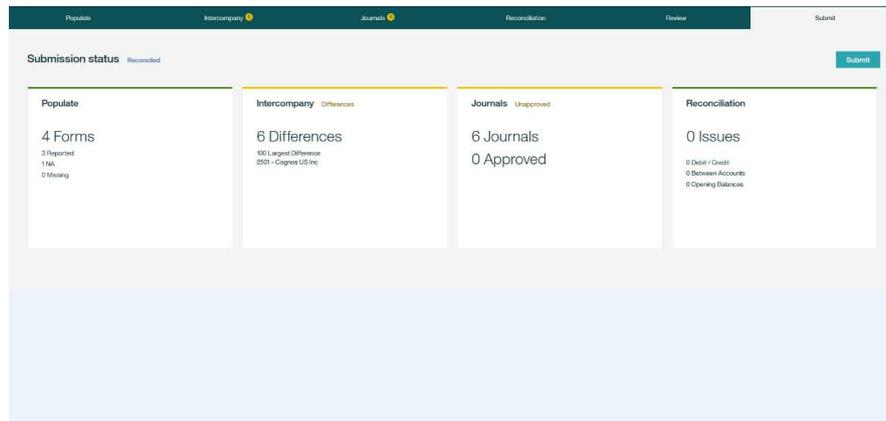


Figure 3: At the end of the process – but before submitting the data – Cognos Controller Web provides users with an overview of the status of different tasks in the close cycle.

Users can attach documents to reported figures for a broader perspective beyond quantitative information, while text notes and reporting manuals explain reported information and facilitate its analysis. Cognos Controller can also access information from Microsoft Word or Microsoft Excel documents, email attachments, or links to web pages stored on personal computers. To ensure both process and information delivery, Cognos Controller combines data process and management capabilities with IBM Cognos Analytics (formerly IBM Cognos Business Intelligence) and IBM Planning Analytics.

## Audit trail for data

Cognos Controller enables administrators to configure, track and audit data flow within the consolidation process. It maintains a clear audit trail that follows application and data changes by individual users and has the ability to filter, evaluate and analyze changes, supporting both application maintenance and critical requirements for compliance and internal control. Cognos Controller helps users understand adjustments and changes to accounting information submitted or collected during consolidation by tracking the date and time of data access and load, monitoring approvals and maintaining an unchanged version of source data.

## Validation

Cognos Controller enables thorough validation processes to reduce lead times and ensure data consistency. Once entry or upload is complete, data is readily reconciled for accuracy and users are notified immediately of any inconsistencies. Cognos Controller facilitates the certification of data submissions to ensure accountability – crucial to the consolidation process.

## Allocations

Cognos Controller allocates values based on input or calculated ratios to specific targets. Allocations can be between companies and accounts or between extended business dimensions and they are booked on a predefined automatic journal type with a journal number. Users provide allocation details such as source, journal name or group name, whether to execute an equity transfer and target details such as counter booking account, target account, or extended dimension. With the Jobs feature, users can create and order allocation jobs. Allocations are automatically included in consolidation with status, but they can also be run as a separate step or as batch jobs.

## View automatic journals at the subgroup level

Automatic journal types can be retrieved at the group and consolidated subsidiary level, which enhances reporting options and makes it possible to drill down through all values in the Trial Balance report by automatic journal type and originating company.

## Inter-company eliminations

Intercompany transactions can be entered at the entity level and counterparty input can be viewed online to resolve differences immediately. The ability to enter the original transaction currency (such as the invoicing currency) helps distinguish currency differences from real differences.

Real differences are automatically eliminated from predefined accounts and differences can be posted to accounts receivable or accounts payable as required. Intercompany elimination is carried out in stages, regardless of consolidation structure, with all transactions handled at the point of origin. In addition, an intercompany report, which is available for both groups and companies, provides a flexible and efficient way of detecting differences in the basic transactions. This helps you speed up the reconciliation of intercompany balances.

## Capital eliminations

Cognos Controller supports all current methods of capital consolidation and can perform staged eliminations in either legal or management structures. After entering the investment value at the individual holding company level and entering relevant acquisition data, share capital is automatically eliminated. Goodwill is written off and can be booked to the individual company as required. The development of reserves and the impact of currency movements on the initial consolidation can be reconciled at any time. Cognos Controller also fully supports any structural changes such as acquisitions, disposals, or mergers.

## Advanced formula calculations

The advanced formula calculations capability, which calculates and stores financial and non-financial metrics, is part of the account and rules definition and is integrated into the consolidation process. Users enter information such as code, names, account type, description and more, linking this information to a formula field. The formulas offer a wide range of functionality, supporting both in-period and multi-period calculations. Formulas that can be calculated include YTD value, period value, average based on YTD values for a selected number of periods, average based on period values and a selected number of periods. The user indicates the source and target of the formulas and can then schedule the calculations as jobs.

## User defined business rules

Users have the ability to structure, control and execute consolidation rules designed for customized, repeatable processes. User-defined business rules (UDBR) allow users to add calculation steps that are not part of the pre-defined consolidation process and enable unique consolidation calculations, for example, changes in a company structure during the year, before currency translation, after intercompany eliminations or before acquisition calculation. This innovative capability enables Cognos Controller to maintain a configurable foundation for finance users, while allowing special application consolidation cases to be constructed without external workarounds and under full program control.

## Currency conversion

Cognos Controller supports all currency conversion methods. It translates data in a foreign currency into the group default currency using predefined rates. The resulting translation effects are calculated automatically and reported in detail. Cognos Controller can also simulate the impact of exchange rate fluctuations. Any currency may be used on any account, so that operating entities can work in their own currency, while corporate finance can present figures in any currency suited to its purposes.

## Managing the close process

Cognos Controller offers an array of features to simplify and speed the consolidation process—performing consolidations both automatically and manually with checkpoints, guiding users through every stage. Built-in process controls enable users to track reporting from data capture and processing to data submit. Color coding identifies contributors who have submitted information and those who have not. Submissions are identified by date and by whether or not they have been verified and reconciled. When submissions are approved, administrators can lock data period and versions by entity and person.

Companies / Groups	Reporting Status	Lock Status	Actions
<b>1000 - Cognos Group</b>	Processing		...
1001 - Cognos AB	Missing	6	...
1100 - Cognos Technics AB	Missing	6	...
1200 - Cognos System AB	Missing	6	...
<b>2000 - Cognos Swiss Group</b>	Processing		...
2001 - Cognos Switzerland AG	Missing	6	...
2100 - Yldra Real Estate AB	Missing	6	...
2200 - Next Real Estate AB	Missing	6	...
<b>2500 - Cognos US Group</b>	Processing		...
2501 - Cognos US Inc	Processing	6	...
2510 - Cognos Midwest Inc	Reconciled	6	...
2520 - Cognos GmbH	Missing	6	...
2530 - Cognos UK Ltd	Processing	6	...
<b>5000 - Cognos Investment Group</b>	Processing		...
2520 - Cognos GmbH	Missing	6	...
2530 - Cognos UK Ltd	Processing	6	...

Figure 4: The project overview: an easy-to-use web interface for managing the close process.

## Managing change

The built-in business intelligence options of Cognos Controller can accommodate changes such as mergers, acquisitions or reorganizations. Structure and business rule updates are made only once and are then reflected throughout the application, supporting statutory consolidation, management consolidation, planning, monitoring and strategy management. Changes to entity structures can be saved with a time stamp. By linking entity structures to a time axis, structural changes can be carried out easily, enabling users to follow developments in the group structure. If a company is bought or sold either internally or externally, relevant postings like acquisition or adjustment of opening balance are automatically executed according to a previously defined system configuration. Treatment of foreign currency effects is included.

## Reporting and analysis: Reliable data for quality decision making

### Accounting close and financial statement reporting

Cognos Controller optimizes the delivery of in-process accounting, close reports and financial statements to internal and external stakeholders, and financial reports to line-of-business executives and managers. In addition, it enables individual segment reporting by customer, product or market.

Cognos Controller includes a portfolio of more than 260 packaged, standard reports with ready-to-use financial analytics. These standard reports provide information about financial performance for business stakeholders and managers. Financial and management measures and metrics are available for scorecards, dashboards, analytics and ad hoc analysis, and reporting standardization delivers operational, management and financial information.

Cognos Controller provides real-time access to data for OLAP-style analytical reporting and analysis, using the patented in-memory, 64-bit OLAP engine of IBM Planning Analytics (which is powered by IBM TM1) and its supported viewers.

## **Monitoring financial performance**

The monitoring of key performance indicators (KPIs) is vital to the broader performance management process. With readily available scorecarding and metrics, Cognos Controller can be used to define critical success factors and link strategies to specific plans, measures and objectives. Users can monitor and analyze results, identify shifts in trends, model alternative plans, and take timely action.

## **Financial analytics for planning**

Financial information from Cognos Controller can automatically feed the enterprise planning process, establishing an initial base for a plan or updating a plan with the latest actuals to facilitate a reliable rolling forecast. Seamlessly integrating with IBM Planning Analytics, Cognos Controller enables forward-looking performance management for the entire enterprise.

## **The IBM enterprise performance management advantage**

As part of the IBM enterprise performance management system, Cognos Controller complements an array of other solutions. These solutions provide financial statement reporting, financial reporting and analytics, enterprise planning, budgeting, forecasting, scorecarding and analysis—including multi-format, enterprise-wide information delivery by Cognos Analytics.

Data process and management capabilities combine with Cognos Analytics and IBM Planning Analytics to ensure both process and information delivery. In addition, Cognos Controller exploits the full power of the IBM enterprise performance management platform for security, data access, integration and shared dimension and business rules management.

## Deploy Cognos Controller on the cloud to lower costs and accelerate time to value

Organizations can accelerate their time-to-value and lower adoption costs with the subscription-based on-cloud offering for Cognos Controller. The availability of on-cloud deployment enables you to choose the best delivery mechanism for your individual corporate environment—without sacrificing capabilities or limiting future deployment options. When you deploy on the cloud, you can add users as needed while minimizing the costs related to capital equipment, software licenses and IT infrastructure. You can also gain benefits in cost accounting by shifting costs from capital to operating expenses.

### IBM Cognos Controller features

- Finance owned and operated software model
- Cloud-based deployment option
- Fast application performance
- Integration with IBM and non-IBM systems
- Ability to handle complex ownership structures with ease
- Scalable for any size organization
- Centralization and audit control
- Parameter-driven consolidation
- Flexible processing of modifications to corporate and account structures and group histories
- Integrated scenario manager for simulation and modeling
- Real-time reconciliation of internal balances in data input
- Automated calculation of:
  - Group-internal earnings on inventories
  - Elimination of internal balances
  - Resolution of translation issues
  - Acquisition value processing
  - Advanced formulas
- Allocations that are automatically included in consolidation with status
- Extensive process monitoring and control
- Practical, automatic report book generation and distribution
- Integration with a complete performance management system for planning, monitoring, reporting and analysis
- Support for IAS, IFRS, U.S. GAAP, local GAAPs and other regulatory regimes
- Multi-lingual support
- Standard reporting that provides information about financial performance for business stakeholders and managers

- Financial and management measures and metrics for scorecards, dashboards, analytics
- Reporting standardization that delivers operational, management and financial information
- Support for Microsoft Excel 2016 & 2013, Microsoft SQL Server 2016, Oracle 12c & 11g and other software environments.
- Support for IBM DB2 11.1 as the transaction data system
- Integration with IBM Planning Analytics for reporting and analysis
- IBM platform portal:
  - Single access point to coordinate information delivery
  - Single sign-on for easy access to other IBM solutions
  - Part of the IBM enterprise performance management system
- Security:
  - Role-based security to minimize maintenance and enhance flexibility
  - Security and authorization model for centralized solutions
- Dynamic and user-modifiable workflow menus

## Why IBM?

IBM offers a fast, flexible and complete solution for planning, budgeting, forecasting and analysis—deployable on premises, on cloud and in hybrid environments. It automates manual processes and enables users in finance, operations, HR, sales and more to perform in-depth, multidimensional analysis and communicate insights with compelling visualizations.

## For more information

### Request a call

To request a call or to ask a question, go to [www.ibm.com/analytics/contactus](http://www.ibm.com/analytics/contactus). An IBM representative will respond to your inquiry within two business days.

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