Credit Suisse achieves more agile business planning

Increasing flexibility for plans and forecasts, and enabling scenario modeling

CREDIT SUISSE

Overview

The need
How can a leading global investment bank drive profitability by streamlining financial operations? Credit Suisse realized that to adapt to organizational change, its business planning processes had to become more flexible and interactive.

The solution
A new centralized planning and modeling solution based on IBM® Cognos® TM1 replaced slow, laborious spreadsheet-based planning processes, helping to boost business agility.

The benefit
Planning models can be updated to reflect organizational changes within minutes rather than days, helping to keep plans aligned with business realities. Budget data can be collected from circa 45 business areas and loaded and consolidated within a single day – significantly faster than the previous turnaround of up to two weeks. This enables deeper analysis and more accurate business plans.

For modern businesses – particularly in fast-moving sectors such as investment banking – it's vital to make detailed business plans that accurately reflect the needs of all business areas. But what happens to the plans when the business areas themselves are subject to change?

The investment banking division at Credit Suisse wanted to be able to adapt its business plans quickly to accommodate corporate reorganizations and restructures. This would help finance teams stay on target to meet strategic and operational goals, regardless of the pace of business change.

Setting the scene

Credit Suisse Group is one of the world's largest and most respected financial services companies, advising clients in all aspects of finance, across the globe and around the clock. Investment Banking is one of Credit Suisse's two main business areas, along with Private Banking and Wealth Management.

The investment banking division operates globally, employing approximately 9,000 people in over 500 offices across 50 countries. In terms of standard metrics such as market capitalization, total assets and assets under management, it ranks as one of the top ten investment banks in the world.

Rapid adaptation to business change

By introducing a new, centralized solution based on IBM Cognos TM1 software, Credit Suisse has been able to dramatically increase the flexibility of all aspects of its planning, budgeting and forecasting processes within the investment banking division.

Solution components

Software

- IBM® Cognos® TM1® 10.1
- IBM SPSS® Modeler

IBM Business Partner

- QueBIT

Darren Roberts, Head of Information Architecture for the investment banking division, comments: "Instead of a planning model built on a mass of complex linked spreadsheets, we have a central solution that provides a single point of control. It's completely transformed our ability to be agile in response to business change."

If something changes in the corporate structure – for example, if a new department is formed or a new legal entity is acquired by the business – the planning team can make the appropriate changes to the planning model quickly and with a minimum of effort. These changes then flow automatically through the whole model.

"With our old process, we had to make the same change multiple times across dozens of different spreadsheets," explains Darren Roberts. "We also had to rely on individual spreadsheet owners to make the changes, because the model was complicated and not well documented. With Cognos TM1, we only need to make a change once, and the new model is ready in hours rather than days."

Better control of contributions

Within Credit Suisse's investment banking division, there are approximately 45 business areas that need to participate in business planning processes. The new solution has transformed the way that finance teams in these business areas interact with the central planning team.

"Instead of each line of business contributing its figures via dozens of non-standard spreadsheets, we now have structured workflows that gather the data in a much more controlled way," comments Darren Roberts.

As a result, the data collection process has been significantly accelerated – instead of one to two weeks, it can be completed in a single day.

"Because the collection process is much quicker, we now have time to validate the data with the contributors in a thorough and iterative way," says Darren Roberts. "As a result, we can be much more confident that the data we put into our planning models is accurate – which means we can avoid making much more costly and complicated corrections and adjustments later on in the process."

Achieving the transformation

This transformation of Credit Suisse's business planning capabilities began with a decision to find a more effective solution, not only for planning, budgeting and forecasting, but also for scenario modeling and analysis.

"With IBM Cognos TM1, we have a central solution that provides a single point of control. It's completely transformed our ability to be agile in response to business change."

— Darren Roberts, Head of Information Architecture, Investment Banking, Credit Suisse

None of the company's existing analytics tools could support scenario modeling, so the Information Architecture team began looking at alternative options. When they evaluated IBM Cognos TM1, they quickly realized that it offered all the key capabilities they required.

IBM recommended working with QueBIT, an IBM Business Partner that specializes in performance management solutions and has considerable experience in the financial services sector. QueBIT helped the Credit Suisse team gain executive support and buy-in from stakeholders by providing a two-phase proof of concept that demonstrated how TM1 would deliver value.

"QueBIT was an excellent choice of partner because they were willing to put some skin in the game right from the beginning," comments Darren Roberts. "The proof of concept they ran for us was very well planned: not only did it convince the business to go ahead with the project, but it also gave us a head-start by creating a number of deliverables that we were able to re-use in the final production version of the solution."

Although scenario modeling was the main factor in software selection, the first priority for the implementation was to replace the existing planning and forecasting processes, as this would deliver immediate business value. QueBIT helped the Credit Suisse team with the architecture and development of the new planning and forecasting models, as well as with project roadmapping, training and support.

"We've now built models for a one-year operational plan, a three-year strategic plan and a quarterly rolling forecast," says Darren Roberts. "The next steps are to create additional models for each finance department and to roll out the modeling and analysis capabilities of the tool.

"These tools will give our finance team the ability to perform 'what if' analyses that allow detailed contingency planning for many different scenarios – helping us prepare for whatever the future holds."

Looking to the future

In the longer term, the Credit Suisse team is considering the possibilities of predictive analytics with IBM SPSS® software.

"We're starting a proof of concept to see what data-mining techniques can tell us about our business – whether there are any patterns that we're missing, or relationships that we haven't seen," comments Darren Roberts. "We'd like to look at our customers and products and see what kinds of behavior we can predict – but we're also aware that there might be uses we haven't even considered yet."

He concludes: “It’s an exciting time to be working in the business analytics arena. IBM Cognos TM1 has already shown the business how much we can do with our data now that the right structures are in place. With scenario modeling and predictive analytics, we expect to build on this foundation and create applications that deliver even greater value in the future.”

About QueBIT

QueBIT is an IBM Premier Partner and a leader in providing business analytics consulting services. In 2012, QueBIT was recognized as IBM’s North American Business Analytics partner of the year, and the company has also been the recipient of numerous other industry awards.

QueBIT has been engaged on hundreds of successful implementations of IBM Business Analytics software, including over 350 implementations of IBM Cognos TM1. Utilizing proven, best-practice methodologies that provide companies with efficient, easy-to-use solutions at exceptional value, QueBIT empowers companies to make intelligent decisions faster.

To learn more about services and solutions from QueBIT, please visit **www.quebit.com**

About IBM Business Analytics

IBM Business Analytics software delivers data-driven insights that help organizations work smarter and outperform their peers. This comprehensive portfolio includes solutions for business intelligence, predictive analytics and decision management, performance management, and risk management.

Business Analytics solutions enable companies to identify and visualize trends and patterns in areas, such as customer analytics, that can have a profound effect on business performance. They can compare scenarios, anticipate potential threats and opportunities, better plan, budget and forecast resources, balance risks against expected returns and work to meet regulatory requirements. By making analytics widely available, organizations can align tactical and strategic decision-making to achieve business goals.

For more information

For further information please visit **ibm.com**/business-analytics

© Copyright IBM Corporation 2013

IBM Corporation
Software Group
Route 100
Somers, NY 10589

Produced in the United States
April 2013

IBM, the IBM logo, ibm.com, Cognos, SPSS and TM1 are trademarks of International Business Machines Corp., registered in many jurisdictions worldwide. Other product and service names might be trademarks of IBM or other companies. A current list of IBM trademarks is available on the web at: www.ibm.com/legal/copytrade.shtml.

IBM and QueBIT are separate companies and each is responsible for its own products. Neither IBM nor QueBIT makes any warranties, express or implied, concerning the other’s products.

This document is current as of the initial date of publication and may be changed by IBM at any time. Not all offerings are available in every country in which IBM operates.

The client examples cited are presented for illustrative purposes only. Actual performance results may vary depending on specific configurations and operating conditions.

It is the user’s responsibility to evaluate and verify the operation of any other products or programs with IBM products and programs. THE INFORMATION IN THIS DOCUMENT IS PROVIDED “AS IS” WITHOUT ANY WARRANTY, EXPRESS OR IMPLIED, INCLUDING WITHOUT ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND ANY WARRANTY OR CONDITION OF NON-INFRINGEMENT. IBM products are warranted according to the terms and conditions of the agreements under which they are provided.

The client is responsible for ensuring compliance with laws and regulations applicable to it. IBM does not provide legal advice or represent or warrant that its services or products will ensure that the client is in compliance with any law or regulation. Statements regarding IBM’s future direction and intent are subject to change or withdrawal without notice, and represent goals and objectives only.

Please Recycle