

## **IBM UNVEILS NEW FINANCIAL MANAGEMENT TOOL TO HELP COMPANIES ANALYZE AND IMPROVE FINANCE EFFECTIVENESS**

**Armonk, NY, July 25, 2008** -- IBM (**NYSE: IBM**) today announced a unique analytical financial transformation tool to help companies more effectively analyze and manage the performance of a company's finance function. Developed by IBM Research in conjunction with IBM Global Business Services, the Finance Transformation Workbench tool (patent pending) uses advanced IBM patented software and service methodologies to help Chief Financial Officers and other senior finance executives identify underperforming finance functions within their company and identify new opportunities to transform and improve the finance function.

Analysis has shown that traditional methods that companies employ to improve their finance functions are often lacking in their ability to effectively and accurately identify exactly where pain points and redundancies occur within the finance organization. Finance functions need to have access to key metrics and benchmarks in order for companies to gain optimal financial performance. CFOs and other senior finance executives need to have simple and standardized finance processes to make fact-based decisions reduce finance costs and effectively partner with business units to enhance growth opportunities through integrated reporting and analytical capabilities.

According to the recent 2008 IBM Global CFO Study, one-third of CFOs and senior finance executives stated they are ineffective at measuring and monitoring business performance. The study of 1,200 CFOs suggests that current financial management models lack the effectiveness and flexibility to accommodate the needs of global enterprises. The Financial Transformation Workbench tool has been designed to address the CFO agenda and help improve effectiveness of the finance function.

"CFOs need quick access to the truth, they need process and data commonality through enterprise standards to achieve higher levels of efficacy," said William Fuesler, Global Financial Management Leader, IBM Global Business Services. "The delay in understanding the true state of the business can mean the difference between profitability and lost growth potential. The Finance Transformation Workbench tool is yet another example of IBM's high-value services proposition which automates labor-based process and uses our Intellectual Property (IP) to create repeatable software-like assets."

IBM's Financial Management practice part of IBM Global Business Services, developed the Finance Transformation Workbench tool to help company's address key challenges in financial processes and data collection. By using this tool, companies can diagnose and develop specific opportunities to improve an organization's finance function and ultimately the performance of the overall company. CFOs can examine which finance functions and components are underperforming in comparison to industry benchmark measures and the reasons why they are not performing effectively.

Specifically, the Finance Workbench tool can:

- Analyze business performance
- Identify underperforming finance functions and components
- Identify transformation opportunities
- Assess the business value of finance function transformation initiatives
- Visualize linkages to various enterprise models
- Pre-populate finance function benchmark data and process taxonomies
- Leverage Finance Function best practices and methodologies
- Focus on increasing revenues and reducing costs

From an organizational and financial systems perspective, by investigating the organizational responsibilities and IT application portfolio in relation to business components, shortfalls such as duplications, over-extensions, gaps and deficiencies can be identified. Using this tool, specific solutions can be discovered to address the identified shortfalls. Financial benefits of implementing specific solutions can be analyzed further by conducting a business case analysis. The Finance Workbench dramatically improves the ability, accuracy and speed with which an organization can do this.

The Finance Transformation Workbench tool provides an integrated and seamless view of various business models and financial data. These models which are all linked together include: Finance Function component business models, business process Taxonomies, (such as the American Productivity and Quality Council Process Classification Framework) and organization structure maps. The tool embodies a method for conducting this functional analysis using a structured framework and approach to generate valuable and actionable insights to finance executives. The tool is scalable and customizable to an organizations needs.

This Finance Transformation Workbench tool underscores the future of IBM's services business. The services model of the future includes analytical software coupled with high-value consulting services and world-class research underpinning it. The future of services is about providing high value services through the application of Intellectual Property assets in an efficient, consistent and repeatable fashion. Software plays an increasingly important role in the provision of consulting services, and this tool supports IBM's strategy to provide high value Financial Management Consulting services for our clients in an efficient and consistently effective manner.

### **About IBM**

For more information visit [www.ibm.com](http://www.ibm.com).

###