



SALES ANALYSIS WITH COGNOS® PERFORMANCE APPLICATIONS

HIT THE MARK FOR BIGGER DEALS

The key to closing more and larger deals faster is undoubtedly building strong customer relationships. When a sales organization has the right information about customer buying patterns and needs, sales reps can spot top prospects and move quickly with solutions that hit the mark. The organization can also streamline the sales cycle and ensure that sales strategies translate into greater “wallet share.”



The sales, shipping, and billing functions operate in close conjunction with many other core functions in an organization to ensure effective demand planning and fulfillment, and customer profiling.

Cognos Performance Applications quickly turn your corporate data into an information asset to answer your key business questions. By packaging best-practices business requirements, Cognos Performance Applications create a rich, business analysis environment for all levels in your organization.

CONFIDENT SALES MANAGEMENT

Cognos Sales Analysis gives you actionable information about your sales function. You can understand what products are being sold, into which regions, by whom, and for how much. You can see customer buying patterns, needs, and levels of satisfaction, and find links to satisfaction measures such as returns and late deliveries. You can slice any measurement by region, channel, sales rep, order type, product, and so on, and see how it’s trending over time.

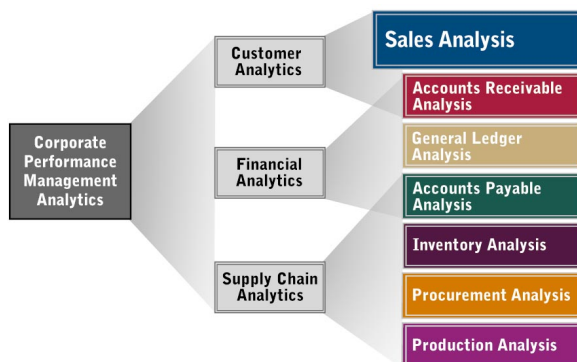
The five key areas of analysis answer 500-plus critical business questions, using more than 140 key performance indi-

cators (KPIs) and over 45 reports. Real-time interaction with the reports and the 11 dimensions lets you manipulate the information and drive deeper analysis. You gain an in-depth understanding of your key sales transactions that lets you:

- Create accurate customer profiles to help sales reps close larger deals faster.
- Plan, execute, manage, and monitor programs, campaigns, and product strategies that effectively grow your market share.
- Ensure that sales processes and policies (such as shipping and billing) allow efficient delivery to customers and support functional objectives and strategy.
- Evaluate the performance of the sales organization and streamline the sales cycle.

STRENGTHEN ENTERPRISE MANAGEMENT

Using Cognos Sales Analysis, you can analyze operational effectiveness to ensure that the sales function is contributing to overall corporate performance and stakeholder value. Evaluate current processes, policy, and strategy, and identify trends and opportunities for improvements.



Sales Analysis is part of Cognos Performance Applications CPM Foundation—which tears down information silos and lets you see across all core business functions.



THE NEXT LEVEL OF PERFORMANCE™

Answers to the Im

This is just a sample of the many sales-related questions you

Sales A

SALES FUNCTIONAL PERFORMANCE ANALYSIS

Evaluate sales performance and shape sales strategies by finding out how various parts of the organization—regions, sales offices, and sales reps—are meeting revenue, volume, and margin expectations.

Sample Questions

- How much has the company sold this period, in revenue and volume, and how does it compare to last period? What has been the trend over time?
- What regions have done well, and where are we losing ground? Are our highest revenue regions delivering on margin?

CUSTOMER SALES ANALYSIS

Increase your share of customer by understanding customer buying patterns, needs, and levels of satisfaction with your organization's response.

Sample Questions

- How large is our customer base? How has this changed over time?
- What is the average revenue per customer?
- Which customer groups offer the highest total and average revenue contribution, the highest volume, and the highest margin?
- Have revenues from a specific customer group been increasing over time? Is this an indication of a trend—an opportunity? Have revenues for any group decreased, indicating a satisfaction issue?

PRODUCT SALES ANALYSIS

Improve the quality and effectiveness of your product offering by understanding how current products address customer needs and contribute to the bottom line.

Sample Questions

- What product lines or specific products are we selling most? How much revenue are they generating? How have these lines contributed to overall margin? Which products are emerging as leaders? Which products are experiencing declining share?
- In what regions and to which customer groups have the dominant products been selling? What is the rank of these?

SALES ORGANIZATIONAL EFFECTIVENESS ANALYSIS

Evaluate and improve the effectiveness of the sales and invoicing processes through an understanding of how resources are being allocated, where transaction volumes are, and more.

Sample Questions

- How many sales orders and invoices are being processed per year? How does this volume relate to revenue? Has this been improving over time?
- Which organizations are producing the highest volumes of transactions? How do these regions compare to the average revenue per transaction across the organization?
- How effective are sales reps at maintaining margins by keeping discounts low? Are these discounts rising?

SHIPPING PERFORMANCE ANALYSIS

Evaluate and improve the effectiveness of the shipping process through an understanding of shipping volumes, costs, fulfillment ratio, and more.

Sample Questions

- Which shipping points are experiencing the highest volume of delivery processing? Has this been an ongoing trend? How does the number of late deliveries compare in the high volume shipping points compared to others?
- How many shipments are being processed per year? How does this volume relate to revenue? Has this been improving over time?
- How many sales orders are being logged per rep? Invoiced per sales administrator? Is this trend increasing or decreasing? Does this represent increased volume of product or value of deals?

Cognos Performance Applications enable a thorough analysis of the sales function well beyond the questions shown here. Multidimensional analysis lets you expand on any single question in any direction you choose, deepening the knowledge you gain from your ERP data.

Important Questions

You can answer in five vital areas using Cognos Sales Analysis.

Analysis

- How have the various sales channels and divisions contributed to overall performance? Which are most effective, and which are meeting revenue and margin expectations?
- How have corporate sales offices contributed this year?
- How do individual sales reps rank on revenue, volume, and margin, and how has their contribution changed over time?

Sample KPIs

- Units sold, percentage change
- Revenue, percentage change
- Average order value
- Profit margin per order

- What has been the contribution of the customer base to our objectives as a sales office? What have customers been buying—how much and how often?
- As a sales representative, how has my customer base's profile changed over time?
- Are customer return levels outside exception levels? Are high returns specific to a customer group, region, or sales office?
- Have we been shipping on time? Are late deliveries specific to a customer group or region?

Sample KPIs

- Units sold, total, average
- Count of materials by customer
- Margin by customer
- Returns count, quantity, value
- On-time delivery count
- Customer count
- Revenue by customer

- Who has been selling these products? Which sales offices and reps have performed in specific product lines?
- What level of revenues or contributions has our sales office generated from specific product lines or products and how does this compare to the previous period?
- As a sales rep, how has my product mix impacted my potential contribution to revenues and margins? Am I meeting my volume targets?

Sample KPIs

- Units sold by product
- Percentage revenue and profit by product
- Customer count by product
- Rep count by product
- Contribution to profit by product
- Revenue by product

- How many sales orders are being logged per rep? Invoiced per sales admin? Is this trend increasing or decreasing? Does this represent increased volumes of product or value of deals?
- How many invoices are being prepared and adjusted per order and how is this changing over time?
- What is the ratio of customers to reps? Is this evenly distributed over regions? Is the number of customers per rep related to the average revenue per customer for each rep?

Sample KPIs

- Sales revenue by sales rep
- Count of orders
- Count of invoices
- Sales rep count
- Product count by sales rep

- Are certain products, geographies, sales reps, customers or customer types being impacted by shipping productivity? Does this relate to the volume of products being shipped versus the number of shipments being processed?
- How is the freight cost changing over time? How does this relate to geography or product?
- How many shipments are completed and how many outstanding in the period? How is the ratio changing over time?

Sample KPIs

- Shipment counts - completed versus outstanding
- Product shipment volumes
- Freight price, as percentage of revenue
- Percentage of deliveries on time
- Delivery days late
- Delivery days early

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Of course, no function operates in isolation. An enterprise-wide implementation of Cognos Performance Applications lets you see causes and effects across functions. You can see how marketing and sales strategies have impacted cross-organizational performance. You can create customer profiles with accounts receivable, perform customer-focused supply chain planning with procurement, and carry out demand planning with inventory. This strategic enterprise-wide analysis lets your organization manage with confidence.

**SALES ANALYSIS SCENARIO:
PROFIT MARGINS**

As senior sales manager, you have been asked to evaluate sales performance in terms of profit margins instead of the traditional revenue-based evaluation. You turn to Cognos Sales Analysis to help you do this.

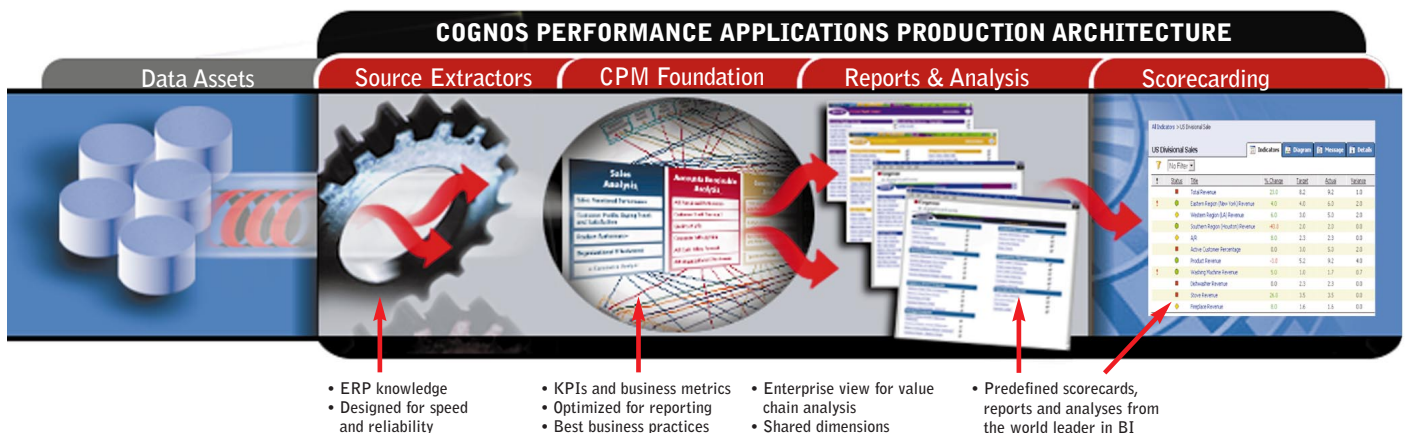
Looking at sales performance by region reveals that overseas is outperforming other regions with a YTD revenue growth of almost 24 per cent, driven by the Sydney and Hong Kong offices. Of the two main product groups, “professional systems” were the primary drivers of increased sales. Three products in this group represented 45 per cent of sales. Over all regions, the same product group is growing significantly more than others, though the growth in those three products is higher overseas than in North America and Europe.

But viewing margin by product reveals that these products generate much lower margins than others. So despite the spike in overseas revenue, North America is showing higher margins because the product mix includes higher margin products.

Cognos Performance Applications have shown that despite high sales in one region, high margins did not result. Enhancing a region’s product mix and changing sales compensation packages to reward for higher margins may replicate North American successes in terms of margin contribution.

FULL SOLUTION – ONE VENDOR

To build Sales Analysis, Cognos has drawn on years of expertise as the market-leading provider of fully integrated business intelligence solutions. Cognos is the only vendor in the market to offer an end-to-end solution that gives everyone from executives to production managers fast, insightful, appropriate answers to critical business questions. The global coverage and world-class professional services, support, and training offered through Cognos give you a single point of contact focused on your success. When you combine these advantages with the rich business content of Cognos Performance Applications, you get a powerful business solution designed to give you that competitive edge.



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