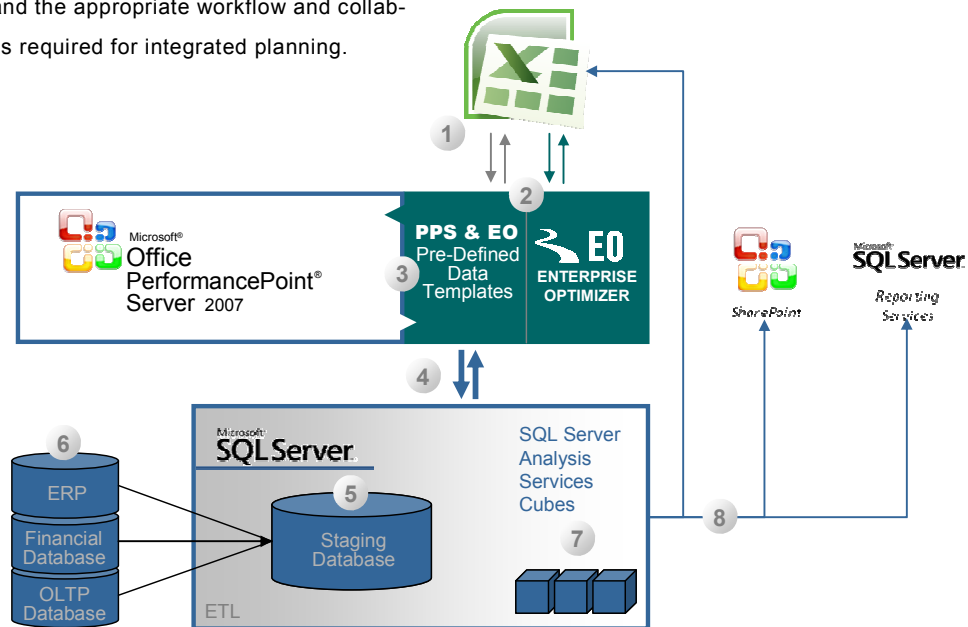


Integrating Enterprise Optimizer with PerformancePoint Server 2007

River Logic's Enterprise Optimizer® (EO) combined with Microsoft PerformancePoint Server® (PPS) 2007 provides true Integrated Business Planning. Managers using EO have greater insights and make better decisions by understanding which activities and interactions drive financial performance. Additionally, PPS and EO enable users to maximize their existing Business Intelligence by providing strategy formulation, financial planning, and budgeting and forecasting, in a holistic planning and modeling system.

EO | Server 2008 seamlessly integrates with Microsoft PPS to establish planning roles (e.g., Contributors, Approvers) and the appropriate workflow and collaboration cycles required for integrated planning.



As illustrated above, EO and PPS are integrated in a middle layer to support the flow of data between applications. 1 The primary user interface for Contributors is Excel, which facilitates adoption and accelerates deployment and value creation.

2 Managers can access and solve EO models, and create “what-if” scenarios independently or with the aid of predefined tables. Contributors and Approvers, after making the desired adjustments in Excel, can test their adjustments in EO.

3 PPS allows managers to assign the predefined data templates to contributors for each respective planning activity. Templates may have multiple iterations or cycles before being forwarded through the PPS workflow for upstream approvals.

Data collection templates can point directly to an EO model or can be mapped to EO using SQL Server Integration Services (SSIS) 4 and a data cleansing package for transforming the data. Data needed to complete the model, but not collected in the templates, can automatically be “back solved” by EO or left blank depending on analysis details. Data integrity is maintained by thousands of analyses, which are automatically executed before each solve. This process improves model accuracy by identifying and checking for errors prior to solving the model.

5 EO, using SSIS for ETL (Extract, Transform and Load) populates the staging database with “live” data from a number of sources including 6 OLTP (Online Transaction Processing), financial systems, ERP, and other systems that do not require real-time data.

7 The results produced by EO are collected and analyzed using query tools to maximize the efficiency of the analysis. The query technology utilized is determined by the amount of data, and the desired output or performance of the query. Solutions requiring less than a 100,000 rows of modeled data can use a relational database for storage. Larger solutions, those requiring more than 100,000 rows of modeled data, use SQL Server Analysis Service to transform multidimensional data into data cubes, which use aggregation algorithms to maximize query efficiency. This analysis framework is quickly implemented and uses templates designed for EO-based analysis.

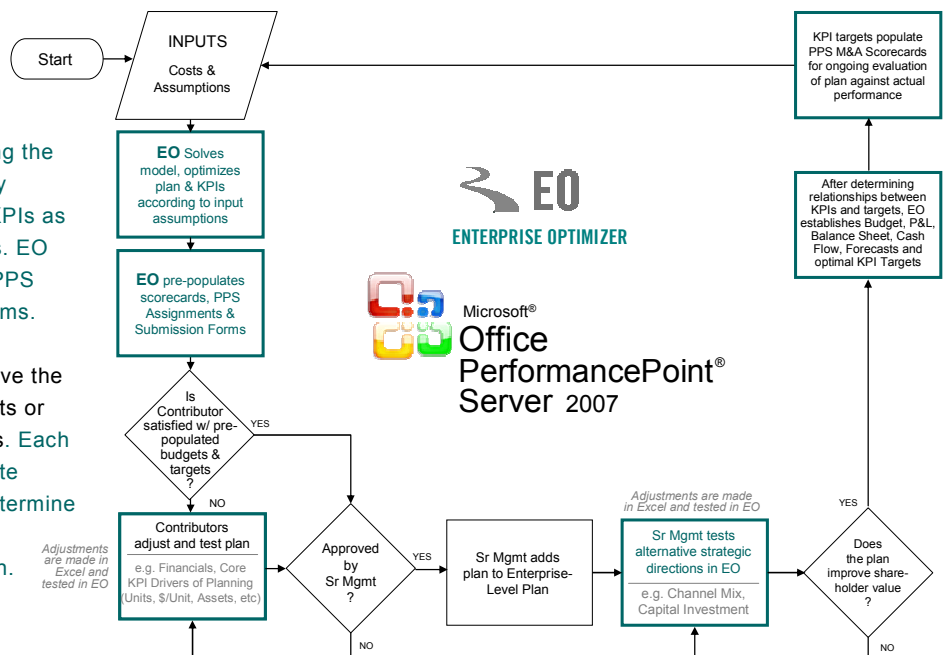
NOTE: PPS, which is based on a multidimensional architecture, is an ideal repository for data calculated by an EO solve [model]. Additionally, this architecture allows EO output to be used as the foundation for subsequent planning cycles and workflows, which are also managed through PPS approval structures.

8 Reports can be generated and delivered in Excel, SharePoint and SQL Server Reporting services. Additionally, data can be viewed and analyzed in SharePoint with the use of PPS Monitoring & Analytics (M&A). M&A is used to create simple, transparent reports and performance-based scorecards, and includes advanced visualization options for Key Performance Indicators (KPIs).

Sample Use Case Flowchart

The flowchart on the right illustrates the flow of inputs, outputs and corresponding workflows and approvals. The process is initiated by inputting costs and assumptions into Excel. EO, using the Excel inputs, solves the model by optimizing the plan and related KPIs as defined by the input assumptions. EO then pre-populates scorecards, PPS Assignments and Submission forms.

Next, the Contributor must approve the pre-populated budgets and targets or provide adjustments to the inputs. Each Contributor can use EO to execute multiple “what-if” scenarios to determine the optimal outcome for their respective department or function.



Once the Contributor is satisfied with the data, the plan is forwarded to the next manager and so on, until it rolls up to senior management. At this level, EO can be used to test and refine the plans.

If management rejects the Contributor’s input, the process loops back for revised inputs and assumptions, and the cycle repeats. Once management approves the Contributor’s input, Approvers add the departmental plan to the enterprise plan.

After combining all plans into the enterprise-level plan, management can test alternative strategic directions to determine the optimal plan based on financial outcomes. Like Contributors, Approvers can make adjustments and test in EO.

Once the collective plan has been optimized, senior management must agree the plan maximizes shareholder value. If rejected, senior managers will be required to provide revised input until final agreement is achieved.

Upon approval of the Integrated Business Plan (IBP), EO updates M&A scorecards with the relevant KPI targets and establishes the supporting Budget, P&L, Balance Sheet, Cash Flow, and Forecasts.

Next, the process begins monitoring actuals versus plan and identifying course corrections as needed. Key learnings obtained during monitoring form the basis for the start of the next planning cycle.