Agenda

- Overview
- Market Trends
- CFO Challenges
- CCH Tagetik Solution
- Benefits
Wolters Kluwer at a Glance

**Since 1836**
A rich **180-year** heritage of strong values, deep domain knowledge, innovation, and a continuous focus on the customer

**€4.4B** Revenues
Serving customers in **180+ countries**
Operations in **40+ countries**

**19,000** employees globally
50% female
75% favorable employee engagement

93% of Fortune 500 companies
100% of top 100 US accounting firms
90% of the world’s top banks and 98% of the top U.S. banks
90% nearly 90% of US academic medical centers
Trends Driving the Modernization of Finance

**Changing Expectations for the Office of the CFO**
Market trend is clearly that **CEOs expect CFOs to be more strategic**, business-focus not just financial-focus, providing insights not just numbers.

**Increasing Analytics & Modeling**
Finance applications must natively provide **modeling** and **analytics** capabilities, and be capable of handling **vast amounts of data**.

**Preparing for Future Technologies**
Artificial Intelligence, Machine Learning, Prescriptive Analytics require tools to handle high volume big data

**Expanding Reporting Demands**
Financial, non-financial / pre-financial, post-financial, regulatory reporting require **granular data from many sources** to produce **multiple outputs in multiple formats**.

**Greater depth for Planning & Profitability Analysis**
Planning and Profitability processes across Finance and Operations now need to plan at a lower level to provide transparency.

**Self-Service with Control**
**Greater access and transparency** across the organization. Empower end-user/individual with more reporting & analysis tools while maintaining **Finance control and CFO confidence**.
GOVERNANCE IS HARD!
DATA HAS BECOME A BARRIER TO MODERNIZING FINANCE

The Challenge:
Traditional CPM solutions were designed to manage processes not data

FIND THE DATA
- Disparate systems
- Decentralized
- IT dependent
- Data warehouse is only partial solution

COLLECT THE DATA
- Too much data
- Lack of control and auditability
- Manual process
- Issue with accuracy
- Lack of confidence in consistency

MANAGE THE DATA
- IT maps and normalizes data
- Financial intelligence and workflow only at summary level
- Insights remain buried
- ‘Spreadmart’ proliferation
- Inconsistent sources of reporting, analysis and disclosure
That’s Why We Extended Our Platform
Finance Transformation Platform

Harness the data. Gain the insights. Drive the business.

- Full transparency
- Forward looking plans
- Be more agile
- Adjust quicker to market changes
- More predictable
- Greater confidence for stakeholders
- Ensure company longevity!
How our customers get results

Unification of finance processes
Innovative technologies ‘in context’
Built-in Financial Intelligence
Link Operations and Finance
Ease of use
Cloud
Budgeting, Planning & Forecasting

**Integrated Planning**
- Budget, Strategic and Operational Plans, Forecasts

**Time Horizons**
- Annual Budget
- Plan & Forecast (Monthly/Quarterly)
- Rolling Forecasts
- Long Range Plans (LRP)

**Planning Your Way**
- Top-down & Bottom-up
- Allocation Engine
- Financial Intelligence
- Versions, Scenario & Snapshots
- Modeling and What-if Analysis
- Zero-based & Driver-based Planning

**Operational Planning**
- Balance Sheet Planning
- Cash Flow Analysis
- Capital Planning
- Expense Planning
- Integrated Business Planning
- Production Capacity Planning
- Profitability Analysis
- Sales and Operational Planning
- Strategic Planning
- Workforce and HR Planning

Why CPM?
**Regulatory Solutions**

<table>
<thead>
<tr>
<th>CCH® Tagetik</th>
<th>REGULATORY SOLUTIONS</th>
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<tbody>
<tr>
<td>Solvency II</td>
<td>欧洲银行业监管局 (EBA)</td>
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<tr>
<td>Pillar 1</td>
<td>FINREP / COREP</td>
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<td>Pillar 2</td>
<td>Financial Instruments (IFRS 9)</td>
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<td>Pillar 3</td>
<td>Revenue Accounting (IFRS 15 &amp; ASC 606)</td>
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<td>Lease Accounting (IFRS 16 &amp; ASC 842)</td>
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<td>Insurance Contracts (IFRS 17)</td>
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**Previous Success:**
- Solvency II - implemented at 150+ companies
- Now in discussions for IFRS 17

**IFRS/ASC Contract Solutions:**
- Covers end-to-end (Pre-configured data model, calculations and reports)
- Flexible configuration ready to adopt to changes
- Workflow and Audit trail
- Performance tuned for fast processing
- Impact analysis with drill down to contract level and scenarios
- Easy to include in CPM processes
- An integrated platform for financial reporting & disclosures

**Business Case for Modernizing!**
- ✔ Compliance is required
- ✔ Budget allocated for compliance
COMPANY
20 Billion REVENUE LEADING CPG COMPANY

THE MODERNIZATION NEED

- OPTIMIZE THE PLANNING PROCESS
- REDUCE THE NUMBER OF MODELS IN USE (+150!)
- HARMONIZE SYSTEMS TO IMPROVE COLLABORATION
- GET CONFIDENCE ABOUT DATA AND IMPROVE INSIGHT

REPLACING THEIR LEGACY SOLUTION WITH CCH TAGETIK FOR BUDGETING AND PLANNING

- Integrated workflow
- Full audit trail
- Insight into the business
- Improved reporting and analysis
COMPANY
GLOBAL INSURANCE GROUP

THE MODERNIZATION NEED
• MEET COMPLEX BUDGETING AND PLANNING REQUIREMENTS
• IMPROVE MODELING
• IMPROVE INSIGHT

ADDING VALUE TO THE PLANNING PROCESS WITH CCH TAGETIK, IMPROVING ANALYSIS AND STRATEGIC INSIGHT

One centralized process

Driver-based planning solution

Complex data modeling
THE MODERNIZATION NEED

• MANAGE INCREASING COMPLEXITY
• REPLACE NON-SCALABLE LEGACY CONSOLIDATION AND REPORTING SOLUTION

A GLOBAL, MODERN CONSOLIDATION AND REPORTING SOLUTION WITH CCH TAGETIK

Navigate large volume of data  
Determine origin of profit and loss  
Integrate income, cash flow statement and balance sheet  
Integrate regulatory with internal reporting
What is the Analytical Workspace?

FLEXIBLE DATA MODEL & POWERFUL PROCESSING
- Open Data Model - No Dimensional Limitations (not tied to financial data structure)
- Designed for large datasets
- High Performance
- Data validation & anomaly/outlier records handling
- Advanced Modeling capabilities

EASY TO CONFIGURE
- Built-in operations and validations
- Configuration vs. Programming

CONTROLLED
- Data flow and audit trail
Extension for Planning & Profitability

CREATE A DATA MART
- Handles granular Financial or Operational data
- Open data model, not restricted by limits
- High Performance for Loading data and Data Management (Normalize, Validate, Adjust, Transform)
- Ability to normalize Financial and Non-Financial data and incorporate in CPM processes
- Drill through to ‘Transactional’ data

PERFORM MODELING & ANALYTICS
- Built-in Operations (Configuration not Programming)
- Quick prototyping of new data model
- Versioning of data model
- Performance tuned for high volumes of data
- Drill through to ‘Transactional’ Data

BENEFITS
- High performance for collection, normalization and transformation
- Flexible modeling
- Perform detailed analytics
- High performance on calculations
- Auditable
- Controlled environment
Example: Forecast for Leasing Contracts

Monthly Leasing Portfolio Run-off

- Calculates Portfolio Run-off for Lease Contracts
- Adjustments for Seasonality, Volume Changes, Market Values
- Actuals vs Plan Deviation Analysis
- Integrated into CPM Monthly Forecasting

RESULTS / BENEFITS

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<th>Able to forecast monthly with adjustments</th>
<th>Increased quality of results</th>
<th>View actual/plan deviations</th>
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<tr>
<td>Contract repository for analytics</td>
<td>Transparency to full portfolio</td>
<td>Comprehensive reporting</td>
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BETTER PREDICTIONS — PROACTIVELY ADJUST PLANS FOR GLOBAL LEASING DIVISIONS NOW!
Example: HR Planning

HR Planning Data Mart & Analytics for Head Office and Stores

- Data from SAP HR, SAP FI-CO and more
- Cost Item Level
- Calculate CID/Position matching, Budget vs. Actual, Gap Analysis, Resource Cost and HC Valorization
- Elaboration and Simulation of Head Count / FTE etc.

RESULTS / BENEFITS

- Reduced processing time by 80%
- Scenario Analysis
- Empowers each user with the data
- Workflow provides visibility to status
- Consistent processes and standards across the organization

ADJUST HR LEVELS ACROSS THE ORGANIZATION QUICKER AND PLAN BETTER FOR THE FUTURE
Example: Boost Profitability

Profitability Analysis and Allocation of Cost/Revenue of 100+K records

- Calculate Profitability: Evaluation of Net Cost of Universal Service Obligations (USO)
- Net Cost calculation at lowest element of analysis
- Perimeter calculation

RESULTS / BENEFITS

- Reduced processing time by 70%
- Allocation of cost/revenue on any dimension
- Net Cost at Lowest Level
- Comprehensive reporting
- Auditable
- Historical of the different data model

Accurate and auditable net cost of the USO to generate new net revenues!
Value to you

- Uncover the hidden value in diverse business data
- Refine raw data into information, insights & advice
- 360° perspective for informed decisions faster
- Unified process orchestration and analytics
- Develop future-focused skills and talent
- Retain and develop top performers
- Create a solid foundation for future modernization and innovation
CHANGING OUR LIFE
Market Trends
- Waves of unfulfilled AI expectations for the CFO like Predictive and Prescriptive Analytics
- Technology continues to scale in all of the above
- According to Gartner ALL (10 out of 10) 2018 hot technology trends AI related
- ML for deriving meaningful predictions & insights from structured and unstructured data
- ML self-learning optimization algorithms enabling forecasting
- Based on data, history, patterns, and further down the road DNNs forecasting

Challenges for CFO
- Need vast quantities of data, computing power, real time access and “business understanding”
- Huge appetite in the Office of the CFO for better forecasting

Results – To be determined!
- The jury is still out in terms of
  - effectiveness of AI in the CFO world
  - speed and ease of adoption, also given the shortage of data scientists
Key Technology Issues in CPM and the SAP HANA revolution
A radical new approach required in order to deliver more information faster

THREE key issues

- **Latency Relational / OLAP** derived from the need to generate OLAP cubes for multi-dimensional analysis (for example SQL Analysis Services)

- **Speed is never enough** especially on complex financial processes like budgeting with heavy duty cascade allocations, complex consolidations (currency conversion, inter matching & eliminations), large simulations, granular analytics by product, customer etc. and semi-transactional applications (like CCH Tagetik Analytical Information Hub with individual contracts, employees etc.)

- **Increase in demand** for tools for more in-depth Analytics today and the future technologies of AI, ML and Predictive Analytics

SAP HANA unique technology architecture

- **UNIFIED RELATIONAL & “OLAP”** eliminating latency altogether

- **ALL IN MEMORY** avoiding constant read / write to disc

CCH Tagetik is a strong believer that SAP HANA is revolutionizing the market and will ultimately bring real time Financial & Analytics to the CFO!
Integration with SAP HANA

ULTIMATE CPM PERFORMANCE
- Leverages in memory and parallel processing capability of SAP HANA
- Performance gains: Allocations up to 40%, Consolidation 50% and Reports 70% faster

POWERFUL PLATFORM FOR ANALYTICS
- CCH Tagetik platform provides the ability for CPM and in-depth Planning & Analytics.
- SAP HANA processes high volumes of data quickly (structured/unstructured and external/internal)

FASTER IMPLEMENTATIONS
- Prebuilt Connectors for SAP HANA, SAP ECC FI, and BW tables speed up implementation and mitigate ETL risks.
- CCH Tagetik continues to expand integration capabilities

LEVERAGE YOUR SAP INVESTMENT
- First CPM solution certified on SAP HANA earning the ‘powered by SAP HANA’ designation.
- Leverage your investment in SAP as you move onto the SAP HANA data platform.

COMMITTED PARTNERSHIP
- CCH Tagetik is an Internet Service Vendor (ISV) / OEM partner with SAP.
- CCH Tagetik has joined the SAP ICC program and is part of SAP HANA OEM Council, helping to steer SAP HANA development.
## Value to You

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<tr>
<th>CFO</th>
<th>Controller</th>
<th>FP&amp;A</th>
<th>IT</th>
<th>CEO</th>
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<tbody>
<tr>
<td>✓ Harness Big Data</td>
<td>✓ Handle new Regulation</td>
<td>✓ Handle in-depth planning &amp; analytics</td>
<td>✓ Non-disruptive solution</td>
<td>✓ My CFO can provide better guidance</td>
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<tr>
<td>✓ Full 360° View of the Organization</td>
<td>✓ Handle in-depth analytics</td>
<td>✓ Align Operations &amp; Finance</td>
<td>✓ Single extensible solution</td>
<td>✓ Make the right decisions faster</td>
</tr>
<tr>
<td>✓ Gain key insights</td>
<td>✓ Reduced cycle times</td>
<td>✓ Reduced cycle times</td>
<td>✓ Low IT involvement</td>
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<tr>
<td>✓ Time for Forward Looking</td>
<td>✓ Faster results</td>
<td>✓ Faster results</td>
<td>✓ Integrates with all source systems</td>
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<tr>
<td></td>
<td>✓ Unified solution for CPM + Regulatory</td>
<td>✓ More comprehensive Plans &amp; Forecasts</td>
<td>✓ Cloud, Hybrid or On-Premise options</td>
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*Harness and transform raw data into actionable, auditable information in a finance controlled environment*
Why CCH Tagetik?

✓ **Easy to Use:** Intuitive GUI & toolset for mapping dataflows and building calculations

✓ **Finance Owned:** Similar to CCH Tagetik CPM, allows Finance to maintain, retain control and reduces dependency on IT

✓ **Unified Platform** Integrates all data processing and reporting together, reducing silo’d systems and increasing efficiency and accuracy of data

✓ **Database / Source System Agnostic:** Our powerful ETL provides connection to any databases and source systems (SAP, Oracle, etc.)

✓ **Cloud without Compromise:** Use Analytical Workspace or CPM on the cloud or on-premise. Functionality is the same on both, so you don’t have to compromise.
THANK YOU

Wolters Kluwer | CCH® Tagetik