

QlikView

The Right Decisions Matter Most – Now

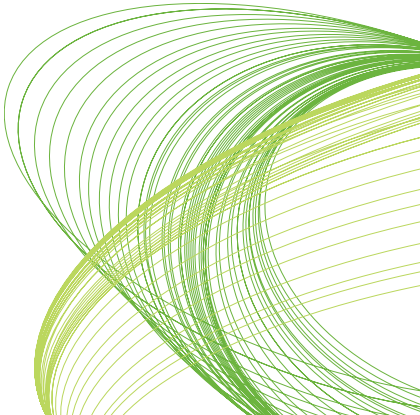
Five Ways to Thrive in Today's
Business Environment

QlikView gives you the answers you need for
the decisions you need to make today





Introduction: The Critical Questions	4
Five Ways to Thrive in Today's Business Environment	6
1. Visibility: Assess the true picture of the health of your business	6
2. Cash: Make targeted cost cuts and shore up cash flow	7
3. Be Right: Look for opportunities	9
4. People: Empower employees to take coordinated action	10
5. Now: Act quickly to make an impact	11
Summary: The Right Decisions Demand QlikView Now	14



Introduction: The Critical Question is How to Best Manage the Company

Today's business situation has never been more volatile, with the forecast appearing uncertain at best and dismal at worst. Business analysts, columnists, executives and management gurus are providing great advice on "how to navigate, survive and even thrive" in this environment.

Essentially, recommendations can be summarized in the following five key points:

1. **Visibility:** Assess the true picture of the health of your business.
2. **Cash:** Make targeted cost cuts and shore up cash flow.
3. **Right:** Look for opportunities to innovate, invest or gain competitive advantage.
4. **People:** Motivate and empower employees to take action.
5. **Now:** Act quickly to make an impact – to capture new opportunities or to find savings.

All practical guidance, but it all *hinges on visibility to analyze up-to-date information to make the right decisions – fast and cost effectively.*

In a boom (or even a static) economy, companies have the luxury of time, resources and financial cushion to take on large-scale initiatives. Now, everything in your business is under the microscope. Making decisions during this economic downturn is about trade-offs. But they aren't binary choices. It's not quite that simple as "yes or no" or "this versus that."

It's not about cost cutting across the board, but about making the right cost cuts – looking at which product lines or markets are unprofitable to shift investment into those with better potential.

It's not about freezing all new initiatives, but about understanding which initiatives can make the biggest impact – not only in the short-term, but also to leapfrog ahead when the business climate improves.

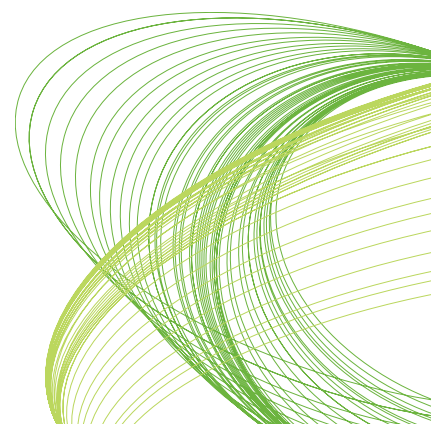
Can traditional Business Intelligence solutions – which can take months or years to deploy, and weeks or months to change – be relevant for business users today? Companies need to focus on high impact, fast value projects – those that can make a difference now to find cost savings, seize new market opportunities and make your people as effective as possible.

This paper addresses the five key elements – and the corresponding Key Performance Indicators (KPIs) to track – to navigate your business successfully through the economic downturn by using QlikView, award-winning analysis software from QlikTech.

QlikView is the world's fastest-growing business analysis solution. People in nearly 10,000 organizations including 3M, Deutsche Telekom, Novartis, Pergo, Schenker, Williams-Sonoma and Zurich Insurance are using QlikView to visualize the information they want with the detail they need to make the right decisions – decisions about risk and investment, customer retention, product portfolios and profit margins, inventory and staffing. The same decisions you need to make now.

It didn't take them months to get their solutions out to the hands of the business users (too late to address the most pressing questions). They developed and deployed QlikView applications in just days or weeks – and now get the answers they need in an instant.

And perhaps most important today, it didn't cost millions. QlikView is not only fast to implement and simple to use, but it's also affordable – a fraction of the cost of traditional, so-called "business intelligence" solutions.



The Five Ways to Thrive in Today's Business Environment

“ KPIs include product and service profitability, customer service levels and the ability to conduct “what if” scenarios.”

1. **Visibility:** Assess the true picture of the health of your business.

QlikView can give you the information you want for the answers you need. Fast and affordably.

Across the enterprise and inside departments – in companies large and small – people are looking at [where to focus, where to cut and where to invest](#).

Gartner analysts expect BI platform revenue to be less affected by an economic downturn than some other technologies because of the high priority BI platforms hold with CIOs. BI was the number one technology priority in 2008 in a worldwide survey by Gartner of 1,500 CIOs – the third consecutive year that the technology has held the top spot.

Having the true picture requires transparency in all aspects of the organization. It starts with the ability to ask – and answer – questions at the speed of thought. Ireland's Connacht Gold Co-Op is a large multi-purpose co-operative. The organization's IT Manager stated that they [learned more about their business](#) in the first 15 minutes of a [demonstration](#) of QlikView with their business data, [than they did in the past year](#).

How healthy are your customer relationships? What is the order backlog? How loyal are they? And perhaps most important – how profitable are they? Have long-term contracts led to gaps in current pricing? Would re-pricing keep those customers loyal – or would it risk your bottom line performance? What's the true cost of sales?

Target Express/CityLink, a leading UK logistics company, has improved customer retention rates to 96% with faster response times and higher on-time delivery rates with QlikView. In addition, they can deploy dashboards for each new customer to collaborate and manage services directly in less than 72 hours, adding to their high satisfaction rating.

Where are you positioned competitively? Who is outperforming you, and who is taking away your current customers? Where are you outperforming them – and why? What's your unique sales proposition and how can you better reinforce and promote it?

What is the impact of revised sales projects on overall revenues – and overall profitability? Is one region outperforming another?

These, and dozens of others, are the questions that need to be answered in order to determine your current – and future health.

The added challenge of course, is that past performance cannot guarantee future results. Today's uncertainty requires a variety of “what-if” scenarios – with the corresponding agility to adapt to the most likely possibilities. So visibility's corollary keyword is speed.

2. Cash: Make targeted cost cuts and shore up cash flow.

Decisions that make a difference now – actions enabled by QlikView

The visibility gained by better information has many cost saving implications in every area of the organization. In order to keep your managers focused on the business, the cash position needs to be strong. Cash also captures opportunity – you need it on hand when openings arise.

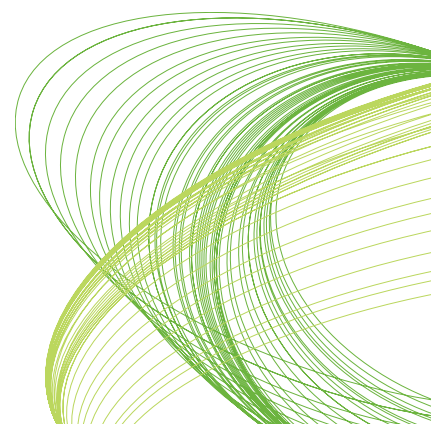
The key word here is “targeted” – indiscriminate cost cutting can affect your current customer base, de-motivate staff and conflict with medium to long-term goals.

Transparency makes the difference between the “scalpel and the hatchet” approaches. You need an integrated and complete set of information to make the right decisions. Regardless of the external economic climate you’re operating in, it’s operational efficiency that yields savings.

Here are specific operational tactics to shore up cash – along with real world examples of companies who’ve done it through their QlikView analysis:

- ✓ **Determine financial risk and exposure.** Zurich Insurance uses QlikView to analyze premiums, claims, profitability and risk by customer, type of damage, product and country, giving underwriters the visibility to make better-informed decisions faster.
- ✓ **Understand current cash flow.** FE Global Electronics analyzes its inventory and accounts receivable data with QlikView. The better visibility has enabled them to both decrease aging receivables by 20% and decrease inventory by 15%, strengthening their cash flow and prompting the CEO to state, “Using QlikView has put our company in a stronger cash position.”
- ✓ **Maintain profit margins.** Dean Foods, a leading food and beverage company, is continuously tracking the rising costs of commodities and transportation and its impact on profit margins with QlikView. The real-time accuracy allows them to quickly adjust pricing accordingly to maintain profitability. They deployed the application in less than 3 weeks.
- ✓ **Minimize profit erosion.** A leading brick-and-mortar, mail order and e-commerce retailer of home and cooking products was able to enforce a new 30-day return policy by bringing together purchase date and product data from online and in store sales in a dashboard to analyze return requests and approve them. The project was recently lauded in its financial press release stating that the “results associated with our catalog optimization and returns, replacement and damages initiatives drove better than expected savings for the quarter.” And, it took just nine days to deploy the first application.

“Financial KPIs that need to be tracked include risk levels, invoice to payment cycles, customer profitability and burn rate.”



- ✓ **Lower purchasing costs.** The UK National Health Service (NHS) has reduced contract spend through visibility they've gained using QlikView. By rationalizing products across hospital trusts and purchasing in bulk from preferred suppliers, they've saved \$66 million in procurement costs over two years within a regional hub that manages \$2.4 billion in spend. Lauded as one of the most successful NHS projects for its time-to-value, it took less than 12 weeks to deploy QlikView.
- ✓ **Move goods faster.** Apparel maker Bernard Chaus has reduced inventory turns and increased sell through by pinpointing slow selling items for faster markdowns and replenishing inventory immediately in stores where items are selling well.
- ✓ **Lower inventory costs and optimize production runs.** Campbell Soup has gained the ability to quickly adapt to day-to-day changes in customer demand with more flexible production and order flows. Visibility through QlikView led to a 50% improvement in inventory forecasting across 4,500 SKUs and better alignment with their plant production schedule. In addition, the time-to-value was just a few weeks to deploy this application.

3. Be Right: Look for opportunities to innovate, invest or gain competitive advantage.

“Be fearful when others are greedy and be greedy only when others are fearful.”

Warren Buffett

It's a fairly straightforward path: Operational visibility frees up cash; market visibility uncovers opportunities for investment, which requires cash on hand. The sooner you can execute, the sooner you can benefit. In a recent Business Week article, Peter Coy writes, “As long as you're not overleveraged, scary times like the current recession can present a perfect opportunity to make calculated bets. That's true whether you're a manager, an employee, an investor, a consumer, or a borrower.”¹

Acquisitions of competitors' assets, for instance, can help gain market share and customers for cross selling. Wholesale acquisition of the competition brings with it talent, intellectual property, distribution and supply networks, new geographies and a host of other opportunities.

Product and service investments are critical now, as well. While the temptation is to freeze or cut R&D budgets, organizations that do so will be caught short when the upturn comes.

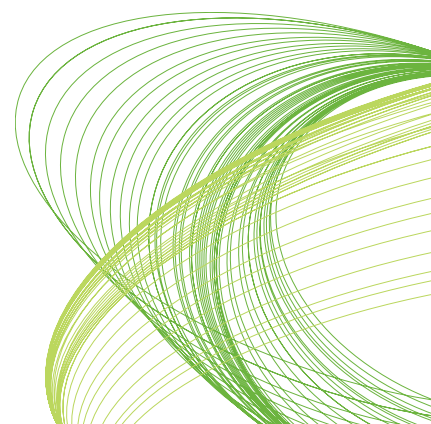
Technology investment has its place as well. In a study of 400 companies in the 2001 recession cited in an October Wall Street Journal online article, showed that half improved their gross profit margins during the year, according to Diamond Management & Technology Consultants, of Chicago.² Among the winners was a transportation company who chose to invest in RFID technology, as just one example of using technology strategically to drive the business objectives.

QlikView can help you discover the business opportunities for investment and growth – information that is currently buried in multiple Excel spreadsheets and cumbersome business applications. You can “zig while everyone else zags.” Moreover, QlikTech adds 14 new customers every working day. If you're not using QlikView, chances are good that your competitors are.

“ KPIs to seize opportunities include supplier performance, win-loss analysis, R&D pipelines and quality assurance benchmarks.”

¹ “Surviving the Storm,” by Peter Coy, *Business Week*, October 23, 2008, http://www.businessweek.com/magazine/content/08_44/b4106048092128.htm?campaign_id=rss_daily

² “To Win in Recession, Make Targeted Cuts,” by Erin White, *The Wall Street Journal*, October 22, 2008, <http://online.wsj.com/article/SB122366269874523605.html>



4. People: Empower employees to take coordinated action.

Motivation focuses opportunity.

In a recent article, “Hard Times Demand Teamwork – Not an MVP,” appearing on Harvard Business Publishing online site, management expert Tamara J. Erickson wrote that, “Significant research has shown that groups make better decisions than individuals, that there is wisdom in crowds. Rather than personally grabbing the ball during a downturn, leaders need to tap into the wisdom and, perhaps even more importantly, the energy of the entire organization.”³



KPIs include performance goals, recruitment and understanding of core values.”

Motivation is critical at this time, and people need both the tools and culture to be empowered to make decisions. While leadership shouldn't downplay the difficulty, the opportunities to excite teams for new thinking and new directions abound.

Although layoffs may be inevitable, organizations need to be targeted. Dismissing or freezing recruitment of entire layers of staff will leave you short when conditions improve, or sooner, when new expertise is required to expand into new markets.

And while A-players aren't looking elsewhere now, motivation today means retention tomorrow. This is also a time when talent from the competition becomes available.

As important, organizations need to put the tools of decision making into the hands of everyone. This not only makes the users – and the business itself – more responsive and proactive, but it also creates a common language. As one executive at transportation and logistics giant Schenker commented, “If we didn't have QlikView, tomorrow there would be chaos. We've been working with QlikView for so long that it is difficult to imagine how we could have done business without it. Management views the same applications as the warehouse people, so they can understand each other very easily. They speak the same language and see the same figures.”

³ “Hard Times Demand Teamwork – Not an MVP,” Tammy Erickson, Harvard Business Publishing, August 28, http://discussionleader.hbsp.com/erickson/2008/08/hard_times_demand_teamwork_not.html

5. Now: Act quickly to make an impact – to capture new opportunities or to find savings.

What's the true cost of inaction?

There's both a hard-dollar and an opportunity cost to delay. Below are two “back of the napkin” calculations of the monthly, weekly and daily cost of not taking action. Consider the most straightforward issue – your time of expert resources, who are focused on pulling together reporting instead of value added activity.

Reporting Administration Annual Savings:	<u>\$125,000</u>
<i># of FTEs for Reporting Administration:</i>	<u>5 Full-Time Employees</u>
<i>% of Time on Reporting:</i>	<u>50%</u>
<i>Average cost per FTE:</i>	<u>\$100,000</u>
% Reduction in Time due to QlikView:	<u>50%</u>

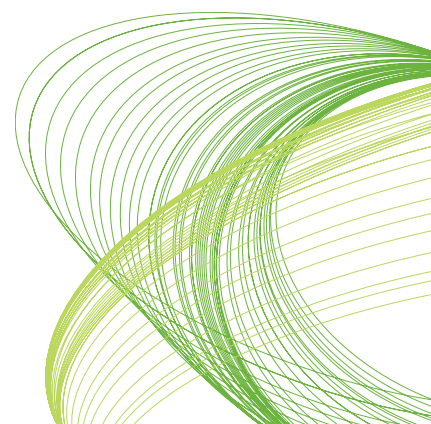
Wegter Services, the logistics arm of the Benelux lifestyle company, reduced report generation time by 99% from days to minutes. And Singapore based retailer, The Robinson Group, now requires 50% less time to access 80% more detailed information.

The above just focused on resources, but what about the real business costs – and associated savings – through the decisions enabled by better analysis? Take a simple example of using QlikView to better manage inventory, where the added visibility and the resulting adjustments in processes and purchases could save 30% on inventory costs.

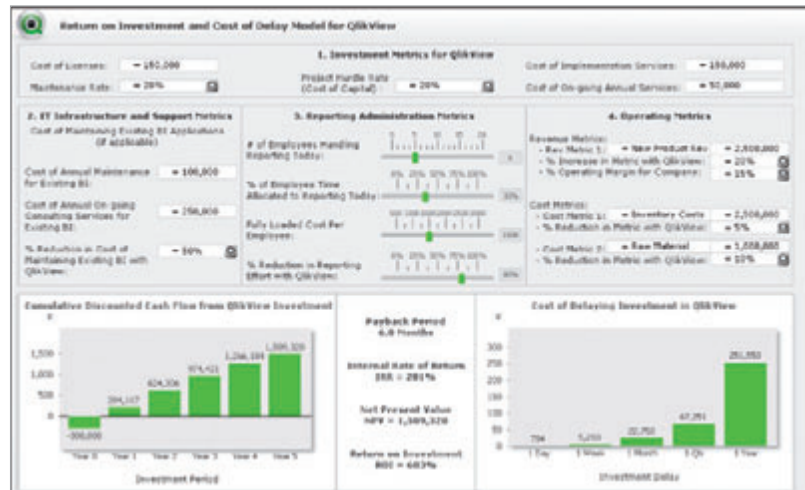
Operational Annual Savings:	<u>\$3,000,000</u>
Annual Operational Cost: e.g., Inventory:	<u>\$10,000,000</u>
% Reduction in Cost due to QlikView:	<u>30%</u>

Since it takes only days to develop and deploy such a QlikView application, these savings can positively impact real cash flow and the bottom line within a month.

Total Projected Annual Savings:	<u>\$3,125,000</u>
Cost of Delaying a Month:	<u>~\$260,000</u>



For an interactive view using your data, QlikTech has developed an ROI & Cost of Delay Model to help buyers prepare the appropriate financial projections of QlikView's immediate value.



QlikView's Interactive ROI and Cost of Delay Model (available [here](#))



Summary: The Right Decisions Demand QlikView Now

- **New visibility.** QlikView frees information trapped in corporate systems and puts it in the hands of people who are best equipped to make decisions. QlikView provides information the way you want to see it – in dashboards, charts, and reports – with drill-down details to the data in a few clicks. Slice, compare and aggregate data to make the right decisions.
- **Fast impact.** You need to make these decisions now, not in a several months or a year. With QlikView, applications can be deployed in days, and changes made in minutes. With business conditions shifting by the hour, agility is critical to your success.
- **Simple to use.** If it’s not easy to work with, people won’t use the tool. QlikView is intuitive to learn, bringing the power of sophisticated analysis to anyone in your organization. IT staff can be freed from report writing, while people in the field can focus on the business issues – armed with better information, faster.
- **Low cost.** Budgets are constrained and resources limited. QlikView provides a significantly lower Total Cost of Ownership than traditional “Business Intelligence” solutions.
- **Safety guaranteed.** QlikView is backed by a 30-day, money-back guarantee from award-winning QlikTech, the world’s fastest-growing BI software vendor according to IDC. For well over a decade, QlikTech has been lauded by analysts and industry groups for its innovation, vision and value. No other major software vendor gives this guarantee.

The risk of inaction is high. The cost of QlikView is low. The time to value is now.

