

Field Report: Intentia Enterprise Performance Management

ARC was briefed (and saw dozens of screen shots) of Intentia's new Enterprise Performance Management product this week. This software application is exciting, and the best-executed software application in any product category we have seen this year.

Enterprise Performance Management (EPM) applications provide tools for intelligently setting strategic goals through scenario planning, budgeting, balanced scorecards, and quarter end financial reconciliation.

Intentia's Solution

Intentia's solution is simply better executed than rival offerings, and probably required some 10 man-years development effort. It supports a four step process for:

1. Opportunity Analysis
2. Identifying gaps between current and best practice
3. Measuring KPIs
4. Performance Evaluation

The opportunity analysis uses Intentia data warehouse technology to analyze current performance across regions, products, and market sectors. Using the SCOR model, metrics and benchmark data, it helps identify performance gaps between current performance and best in class performance. The tool then supports managers to calculate which projects at a regional/product/sector level best improve the corporate financial ratio of net profit/working capital using the DuPont schedule.

Having identified performance gaps, the tool selects which of 350 best practice processes would enhance a particular metric. Managers can see which processes they have implemented, and which processes they could select to enhance performance.

In the final step, the tool helps managers calculate the net present value (NPV) and internal rate of return (IRR) from implementing the candidate processes, and so enables managers to select the most appropriate candidate projects.



The tool also provides a central place to document project justifications, which supports “post mortem” analysis of investment justifications – an activity rarely undertaken, and usually more driven by politics than a thirst for knowledge.

User Benefits

Mostly, EPM solutions are designed for financial personnel and the primary power users are CFOs, Treasurers, and Controllers. While CFOs and Controllers would certainly find this tool useful, in our view this tool brings together process-owners, CEOs, P/L holding business unit managers, COOs and sales managers.

Many EPM solutions send departmental personnel some Internet-based spreadsheets into which they feed appropriate numbers. The EPM solutions then generate financial scenarios. Intenia’s solution would be more profitably used to drive a productive “strategic planning away-day”, where key executives gather to set core goals and targets, and plan which new processes their company should adopt.

Intenia’s solution does a better job of allowing the company’s core drivers to be visualized and manipulated than any other EPM solution ARC has seen. This powerful mechanism takes the politics out of capex (capital expenditure) budgeting, since managers can quickly compare, contrast and select from hundreds of potential improvement projects.

The tool incorporates industry specific benchmarking data into the application. The ability to quickly compare your performance with best in class performance, and understand the costs and benefits of obtaining either best in class or peer performance is in itself, best in class management practice.

Intenia has done a great job incorporating best practices into the application, and showing the associated financial impact of operating with best practices. Senior executives may question if the best practices identified by Intenia are indeed the definitive, complete set of best practices. Still, having these best practices included in the EPM is a true innovation and this feature/function set will probably grow in subsequent releases as Intenia incorporates feedback from users.

Kudos to Intenia for a truly exciting, next generation EPM solution.