



**Microsoft**  
**CERTIFIED**  
*Partner*

ISV/Software Solutions

Enhancing Microsoft® Office  
PerformancePoint® Server 2007  
through Integrated Business Planning



**RIVERLOGIC™**

*Because Performance is the Point*



RIVERLOGIC™

*Gartner classifications:*

- *Integrated Business Planning*
- *Product Performance Management*
- *Profitability Modeling and Optimization*
- *Driver-based Planning*

## Highlights

River Logic's Enterprise Optimizer® (EO) enhances the value of Microsoft® PerformancePoint® Server 2007 by providing true Integrated Business Planning that links strategic, operational and financial planning. Microsoft Partners and users can now extend PPS and planning across the enterprise.

## VALUE

Business leaders transform the basis of their BI efforts from "How are we performing?" to "This is what will drive optimal financial performance." EO enables decision makers to identify and take the appropriate actions to:

- Maximize strategic and financial impact
- Link decisions directly to execution
- Monitor performance in near real time
- Benefit from the easy-to-use natural-language interface
- Achieve unprecedented ROI

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## River Logic enhances Microsoft's Business Intelligence platform by increasing PerformancePoint's reach, reward and return

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Enterprise Optimizer® (EO) is an award-winning Integrated Business Planning platform that fully integrates with Microsoft® Office Excel® and Microsoft® Office PerformancePoint® Server 2007.

EO improves an organization's corporate performance management efforts by incorporating strategy formulation, financial planning, and budgeting and forecasting into a holistic planning and modeling system.

EO's end-to-end performance management significantly enhances the attractiveness of the Microsoft Business Intelligence and Microsoft Office platform by improving reach, rewards and returns.

**Reach: Expansion to all business users** by delivering Integrated Business Planning

**Reward: Stronger value proposition** for business users through unprecedented insights, while increasing the appeal of the PPS platform.

**Return: Higher partner success** through competitive differentiation and a wider range of assignments.

## Integrated Business Planning expands reach

EO provides the opportunity to extend PPS into all aspects of business planning. By modeling at the enterprise level, **EO integrates planning across functional silos at both the strategic and operational levels.** This strengthens the PPS platform by:

- Providing **true cross-functional planning** by accurately representing the entire company to quantify the financial and operational impact of alternative plans and decisions
- Enabling advanced "**what-if**" **simulations and optimization capabilities** structured in a natural language
- Automatically **translating business and financial metrics** at the enterprise and business unit levels
- Aligning **financial planning and budgeting** through projections that match financial reporting structures
- Maximizing execution by **linking decisions to operational planning** systems; while monitoring performance in near real time

EO, leveraging Office Excel 2007 and Office PerformancePoint Server 2007, considers a company's collective, end-to-end processes, market situation and interdependent relationships to deliver **a level of insight that is not possible using conventional OLAP and modeling tools.**



EO has been used to successfully model and integrate the planning efforts in a number of applications, including:

- Product and customer profitability
- Capital expenditures
- Manufacturing operations
- Supply chain
- Business processes (human and information-based)
- Business policy
- Procurement/sourcing
- Competitive strategy
- Financial planning

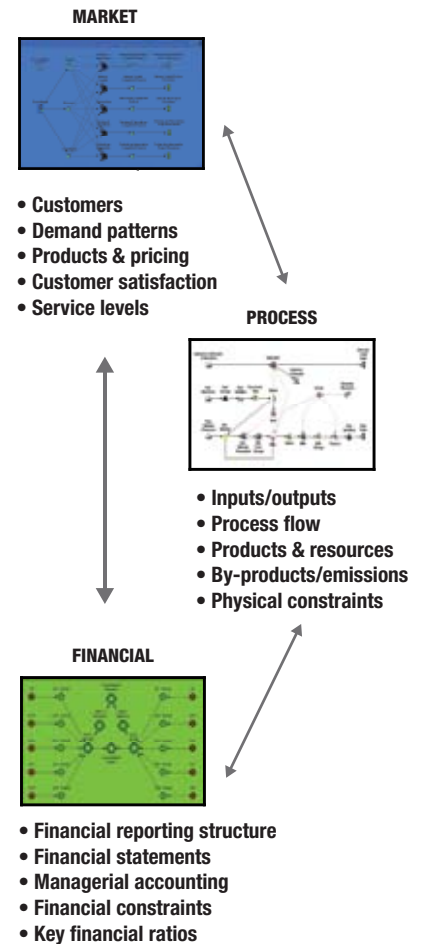
## Higher rewards through unprecedented insights and execution capability

EO enhances the ability of core PPS planning users to model and optimize long-term strategy, business policy, tactical planning, and financial planning.

EO also increases a company's ability to execute by providing unprecedented insight and understanding by:

- Performing advanced, accurate **driver-based "what-if" scenarios**
- Modeling **profitability of resources, products and customers** and their impact on the company
- **Optimizing to financial outcomes** across multiple interdependent options
- Identifying and resolving **infeasible scenarios**
- **Linking decisions** directly to operational planning systems

– Tim Payne, Research Director



Enterprise Optimizer delivers the kind of enterprise-wide integrated decision-making capabilities that have been talked about for years.

– Mark Smith, CEO/EVP Research

By leveraging Office PerformancePoint Server 2007 and Microsoft Office products for input/outputs, workflow and collaboration, data management and several other critical functions, EO significantly enhances the attractiveness of the Microsoft business intelligence platform.

### Improve Partner Success

Microsoft partners have a unique opportunity to significantly enhance and extend their BI/Performance Management solutions and service offerings.

The combined EO/Office PerformancePoint Server 2007 platform offers a unique opportunity to:

- Establish sales differentiation from other performance management offerings with unprecedented insights and speed

- Penetrate deeper into IT and Finance with “what-if” driver-based planning, as well as profitability modeling and optimization offerings
- Extend the reach and value-add into other business functions (operations, marketing, sales, supply chain) by deploying Integrated Business Planning solutions
- Develop unique industry and functional solutions to address specific issues

By embracing the combined platform, **Microsoft partners will capture more assignments with higher services dollars, while strengthening their organization through service expansion and improved competitive positioning.**

EO's translator engine eliminates the need for coding, debugging and managing formulas. EO, using natural language, enables users to structure scenarios in minutes versus the usual days or weeks.

## Enterprise Optimizer Packaging

### EO | Developer

Model development application

- Model configuration
- Deployment
- Administration
- PC-based
- 32 or 64-bit solver
- Optional advanced solver
- Available stand-alone (license or subscription basis)

### EO | Server 2008

For distributed, integrated business planning

- Fully integrated with Office PerformancePoint Server 2007 to provide seamless workflow and data management
- 32 or 64-bit solver
- Optional advanced solver
- Minimum license includes EO | Developer and 10 users

### EO | Analyzer 2008

Model analytics featuring faster, lower cost deployment for driver-based planning and profit optimization for PPS users

- Fully integrated with Office Excel 2007
- PC based with 32-bit solver
- Minimum license includes 1 EO | Developer and 20 copies of EO | Analyzer



## EO/MS PPS integration

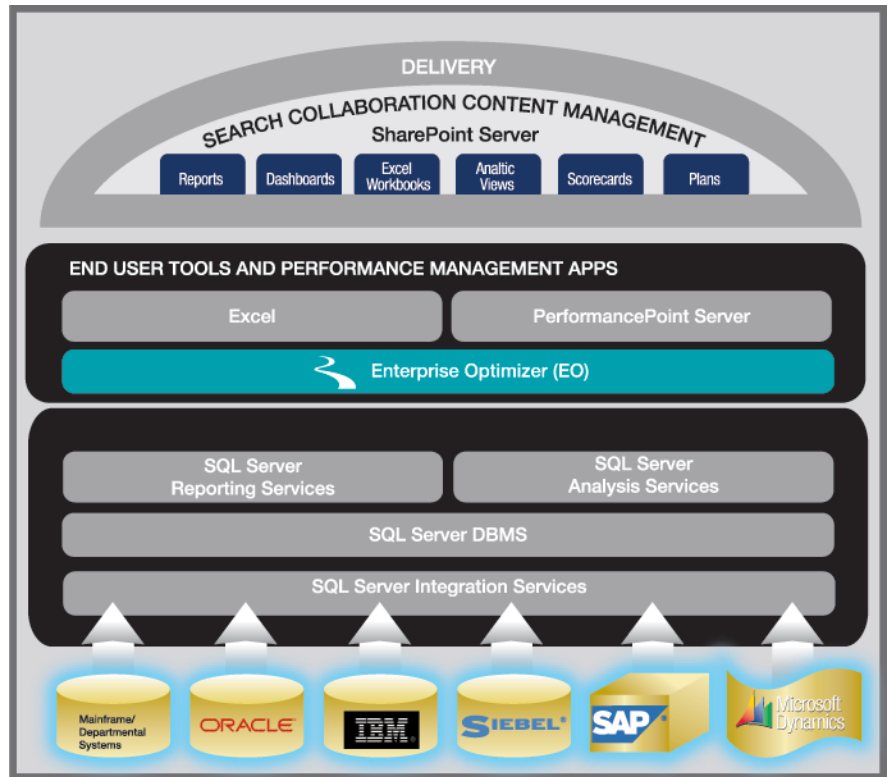
As illustrated, EO complements Microsoft's Business Intelligence and productivity architecture. **With the most advanced modeling engine, EO provides unprecedented analyses and rich content** to turn planning and performance management into a competitive advantage.

## EO modeling engine

EO has full interoperability with both Office PerformancePoint Server 2007 and Office Excel 2007 giving users of all types access to performance-enhancing insights. With EO Server 2008 users can quickly store an entire model output in the EO Data Store for further analysis through Office PerformancePoint Server 2007 and Office Excel 2007.

## EO data store

The EO data store accepts, cleans and translates data from almost any source; then updates the model. Updates can occur according to events or time cycles, or may be manually processed. The EO data store also translates EO outputs into Office PerformancePoint Server 2007 cubes for reporting and analysis. Finally, the EO data store archives past planning scenarios for analysis of plans versus actual performance.



## Input/output interfaces

Users interact with EO through pre-defined tables in Office Excel 2007. Using Office Excel 2007 also enables users to dissect and further analyze, as well as communicate, the information. In addition, users can interact with EO or simply view EO outputs through MS SharePoint dashboards, scorecards and reports; allowing multiple users to collaborate in the formulation and analysis of different scenarios.

## Workflow and user management

EO Server 2008 seamlessly integrates with Office PerformancePoint Server 2007 to establish planning roles (e.g., contributors, approvers) and the appropriate workflow and collaboration cycles required for planning.

## Deployment/administration

EO Developer allows easy drag-and-drop visual diagrams and tables for model configuration. Administration includes tools to analyze and improve service performance.

## Behind the scenes of EO

Once the user has structured the scenario in Office Excel 2007 or via Microsoft SharePoint, EO pulls the appropriate data, and initiates the “solve” process before forwarding to the translator engine.

## Translator engine

The computational aspects of EO begin with the translator engine. The translator recognizes the business problem and uses the corresponding business rules, templates, and analyses to address the specific problem, issue or concern.

**The translator engine eliminates the need for coding, debugging and managing formulas; thereby enabling users to structure scenarios in minutes versus the usual days or weeks – All in natural language.**

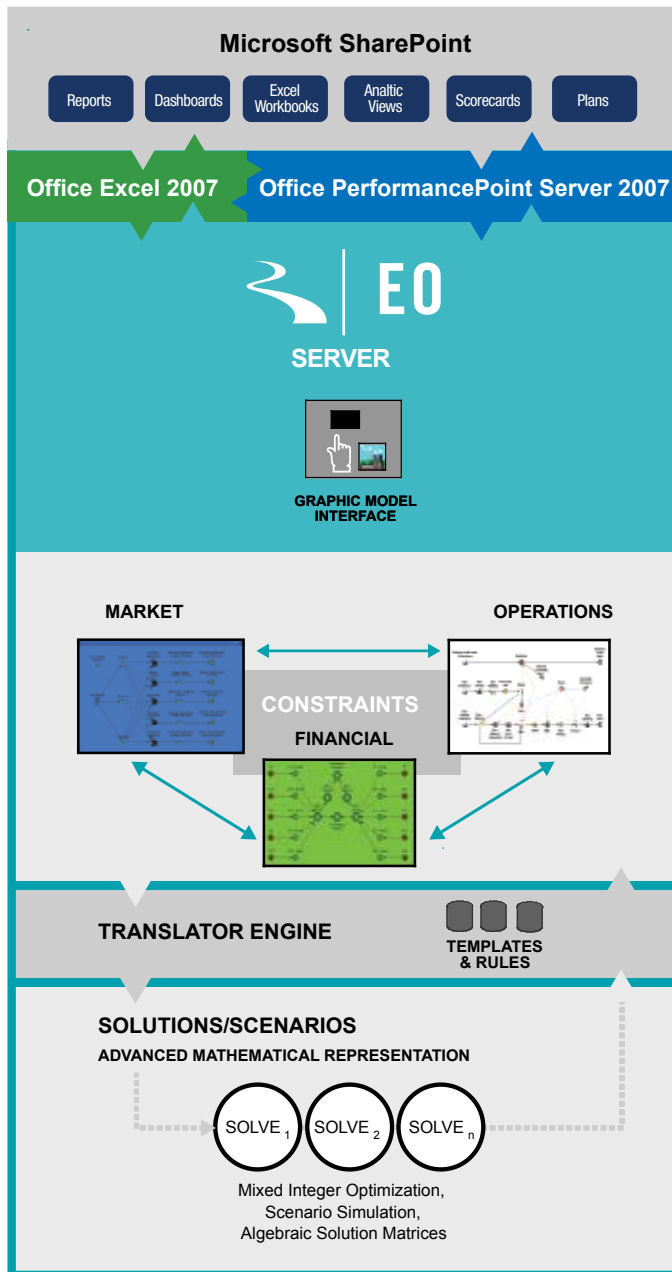
The translator engine uses more than 50 templates and business rules during the solve process. These rules, assembled over a 15+ year period, provide the appropriate criteria and guidance required for advanced modeling and integrated planning.

## Solutions and scenarios

The translator engine produces a dynamic mathematical representation in the form of a matrix. EO then uses advanced mathematics to conduct a number of “solves” on the matrix, including mixed integer optimization, scenario simulation, and advanced algebraic solution matrices.

## Loop back

The results of the “solves” are then fed back into the translator engine, which again utilizes the templates and rules to update the integrated model. The interface and data layers are automatically updated with the new scenario results. The output results can be stored, analyzed and reported; then input into a data warehouse or execution system.



# Enterprise Optimizer: Functional Areas and Capabilities

## Business analysis

Consideration of financials, market demand, operational variables and business constraints in one integrated, simultaneous representation  
Optimization to any financial (e.g., throughput, inventory) or managerial metric (or multiple metrics)

'What-If' questions to changing assumptions or loosening constraints

Simulation analyses of impact from a range of values

Intelligent sensitivities (opportunity values) for profit

improvement and opportunity costs of over-constrained variables

Complex inter-dependency modeling to identify maximum potential from each scenario

Infeasibility analysis of over-constrained operational and financial resources of managerial metrics (e.g., SLAs, emissions)

## Market modeling

Linear, non-linear and step-change price & demand curves

Contractual commitments and SLAs as constraints

Competitor financial structures, potential actions and impact on prices and demand

Purchase and sale of by-products and intermediate products

## Process modeling

All inputs and outputs, including by-products and emissions

Resources (personnel, physical) and activity

Batch and continuous process flows

Conditional minimums

Production sequencing

Pooling of inventory and resources

Full mass/energy

Full and partial-load transportation

Inventory (LIFO, FIFO), holding cost degradation and shrinkage

Product mix analysis and optimization

Resource open/close decisions (greenfield and brownfield)

Network design and optimization

## Scenario management

Side-by-side comparison of hundreds of scenarios

Variance analysis of plan vs. actual and forecast

Rolling plans, budgeting and forecasting

Graph and report building

Local and enterprise (server) versions

Access and distribution rights to different scenarios

Export to Microsoft Office applications

Dynamic data feeds

Single-button refresh

## Solver

MIO (mixed integer optimizer)

Specialized solver option

## Financial modeling

Full financial reporting structure replicating company's general ledger  
Audit-quality Income, Balance Sheet and Cash Flow Statements using GAAP accounting

Financial, budget (vertical and horizontal) consolidations, including beginning balances

NPV, Economic Profit and all other financial ratios at corporate and division levels

Detailed unit costs and profitability by customer, products, resource, channel partner and facility (includes activity based costing)

Resource utilization and implications on unit costs and profits

Capital expenditure allocation and optimization

Transfer cost and tax planning

Full and partial ownership of assets

Working capital management

Sources and uses of cash (treasury)

Multiple currencies in a single model with automatic conversion

Customized depreciation schedules

Customized aging of accounts and inventory value

## Workflow and user management

Pre-defined planning roles include contributors, approvers, owners and report viewers

Pre-defined administration and model-management roles

Workflow definition set by approvers and owners with proper permissions, access rights and audit trails

Collaboration via Microsoft SharePoint

## Reporting and analytics

Up to near real time business activity monitoring via SQL Server 2005  
Scorecards and alerts to deviations from performance targets

View and analyze results dynamically via SQL Server Reporting and Office Excel 2007

## Data management and integration

Interoperability with other systems via powerful APIs

Integration with databases, ERP, CRM, Office Excel 2007, Microsoft Access or external sources

Packaging and automation of data management tasks

Automatic translation and cleansing of data inputs into EO inputs

Automatic translation of EO outputs into MS PPS data cubes

## Visual diagram and model management (EO Developer)

Intuitive drag and drop interface

Automatic propagation of categories through the model (e.g., material names, locations)

Visualization of business constraints and material flows

Automatic propagation of constraints (e.g. min/max)

Comprehensive data, consistency and error checks

## Deployment and administration

Model configuration via EO-Developer license (included with EO Server 2008)

Installation includes Master Data Store and integration package with MS PPS

Model workload and performance analysis reporting

Ability to add/subtract users and enable/change permission rights



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River Logic, Inc.

8350 N. Central Expressway Suite 1500 Dallas, Texas 75206 214.393.4650

[www.riverlogic.com](http://www.riverlogic.com)