



# FINANCE FORUM

2009

## Supporting smart business decisions : A CFO perspective

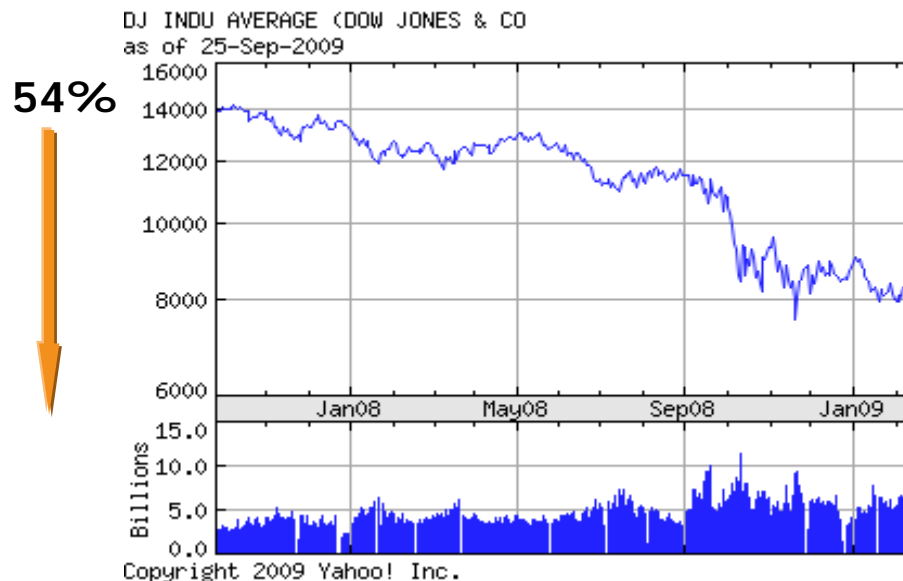
Steve Gazzard  
CFO, Asia-Pacific and Japan  
IBM Cognos



## *Agenda*

- **The CFO challenge**
- **Linking strategy to reporting**
- **Processes as a foundation**
- **Improving performance management**

# Turbulent times



## *Organizations are Operating with Blind Spots*

1 in 3

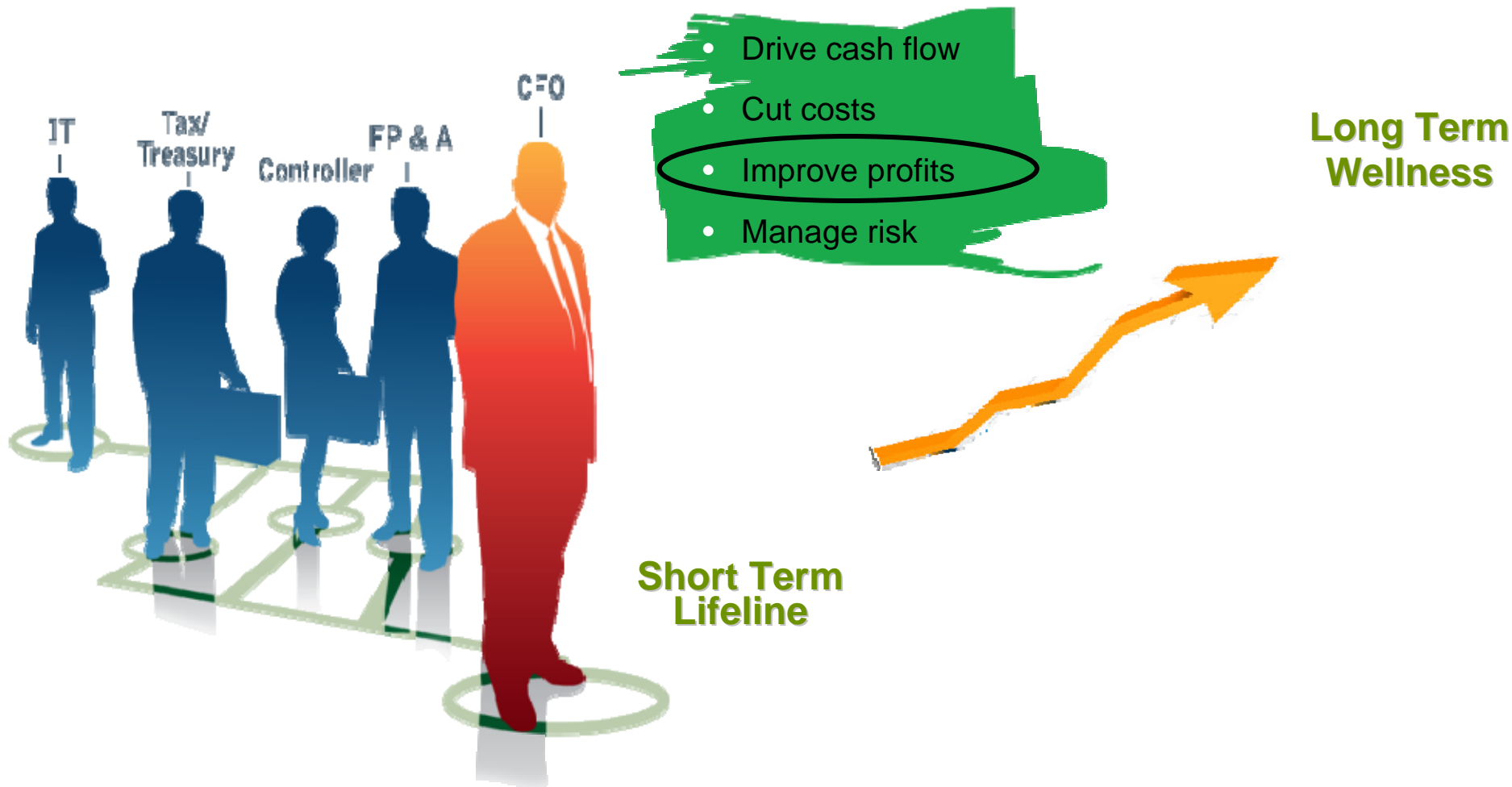
**business leaders frequently make critical decisions without the information they need**

53%

**don't have access to the information across their organization needed to do their jobs**

Source: IBV Business Analytics and Optimization Study, March 2009, n=225:

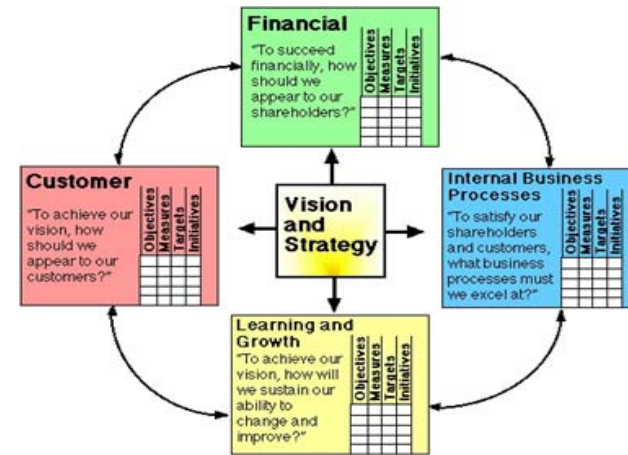
# The coming power shift to the CFO



## Balanced scorecard

“9 out of 10 companies fail to execute their strategic visions.”

Kaplan, Norton



Adapted from *The Balanced Scorecard* by Kaplan & Norton

**Links strategy to execution**  
**More than just financial**  
**Not just a list of measures**

## Management reporting

*Management reporting is over delivering on quantity and under delivering on quality*

**Quantity ≠ Quality**



- Average length of management report
- Data points
- Average amount of information included that managers find useful

- ▶ **30-40 pages**
- ▶ **12,000-15,000**
- ▶ **5%**

Source: CFO Executive Board ("Session Four—High Impact Controllership: Architecting the Data Pipeline for Business Impact", Finance Leadership Academy, 2007)

## *One page management reporting*

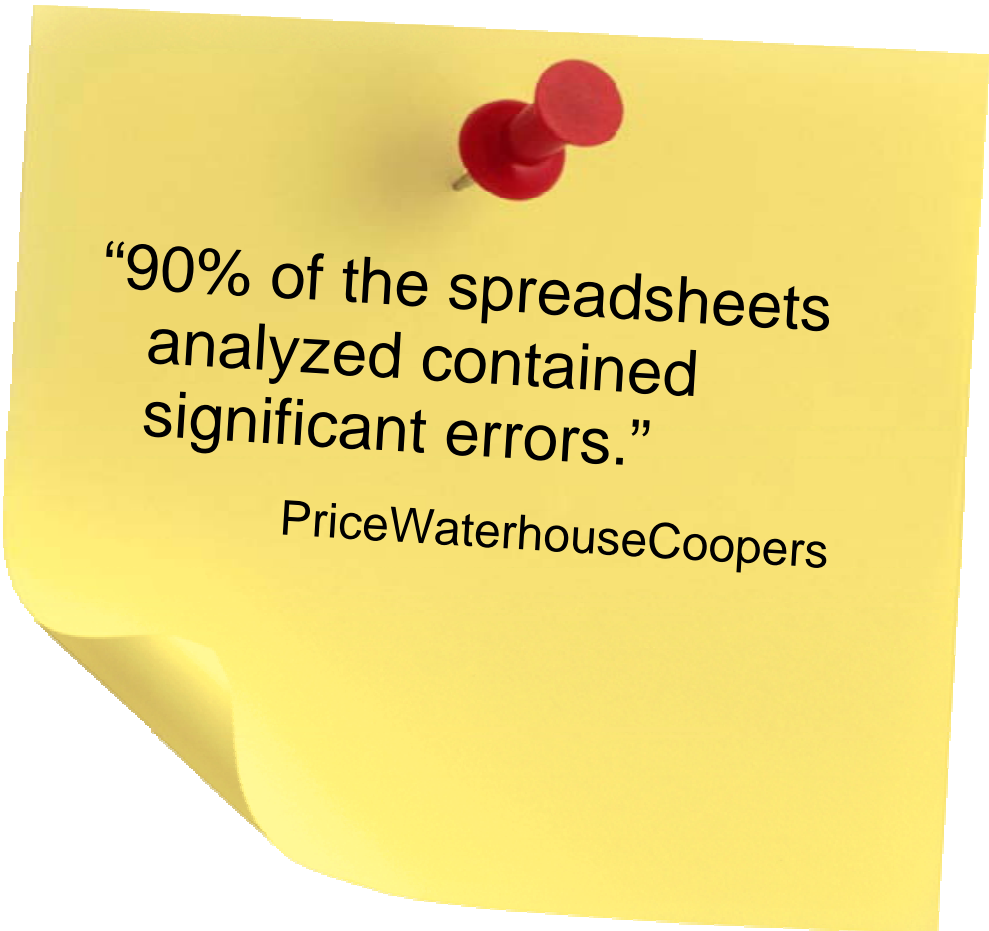


**Frequent  
Performance  
Report**

- 1 page – may expand to LoBs
- Reduced data points with ad hoc deep dive
- Focus on
  - Consistent measures
  - Aligned to strategy
  - Focused analysis on KPIs and business events
  - Calls to action
  - Feedback on relevance and evolve

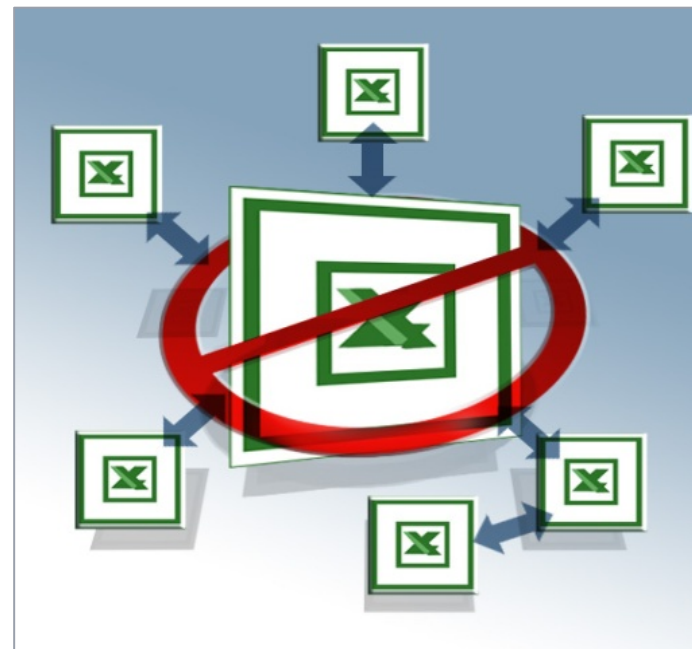


**FINANCE ACTIONS:**  
**Simple, Strong, and Standard Processes**



“90% of the spreadsheets analyzed contained significant errors.”

PriceWaterhouseCoopers



# The IBM 2008 CFO Study showed that Integrated Finance Organizations (IFOs) outperform non-IFO enterprises

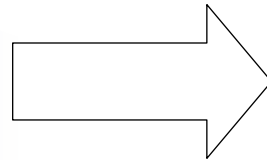
Corporate philosophy of globally mandated standards

Common data definitions enterprise-wide

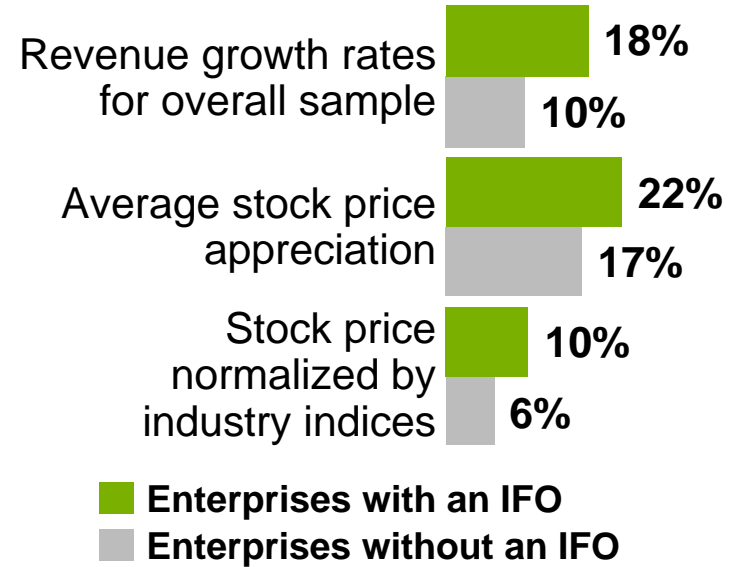


Standard chart of accounts enterprise-wide

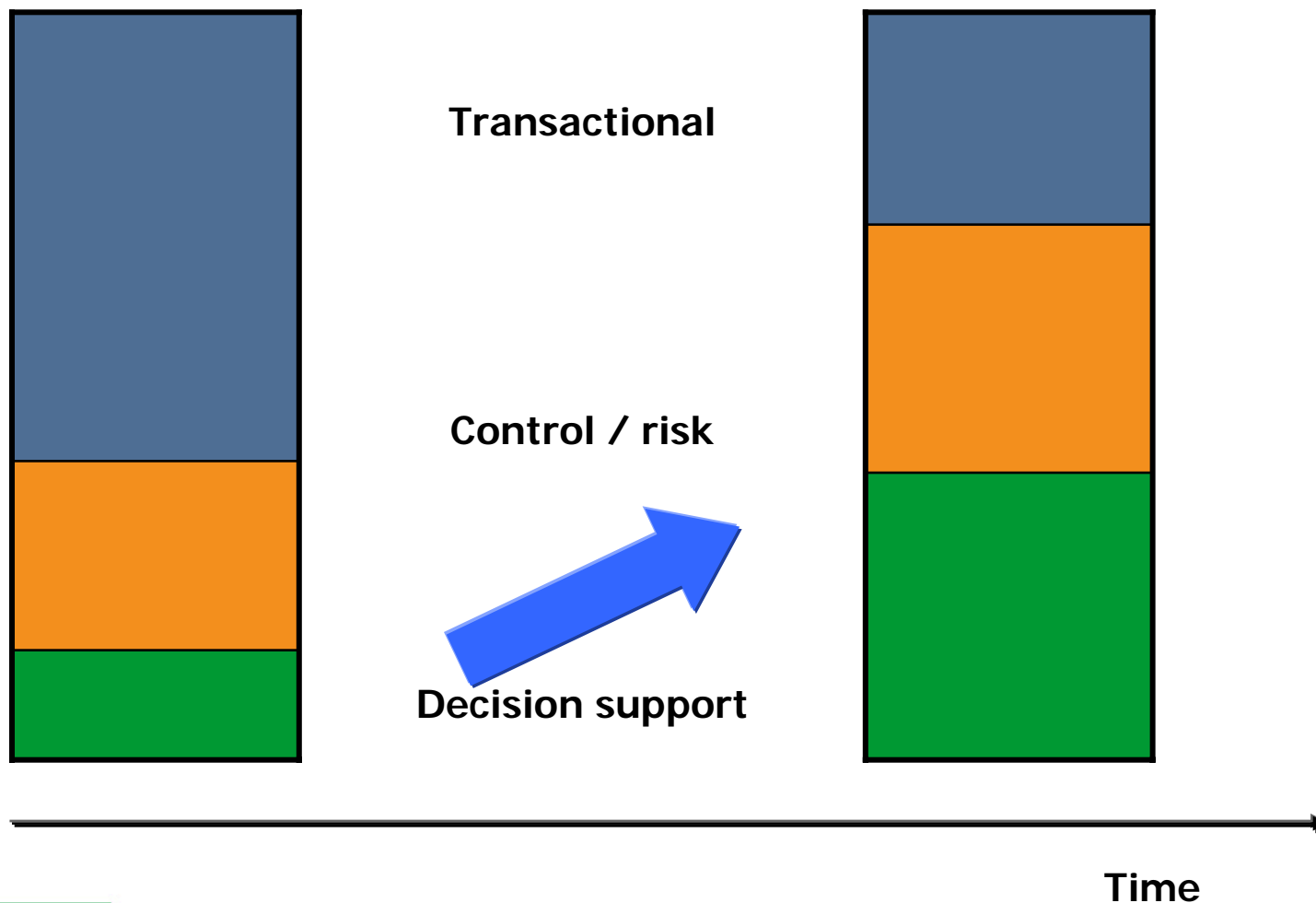
Standard common processes enterprise-wide



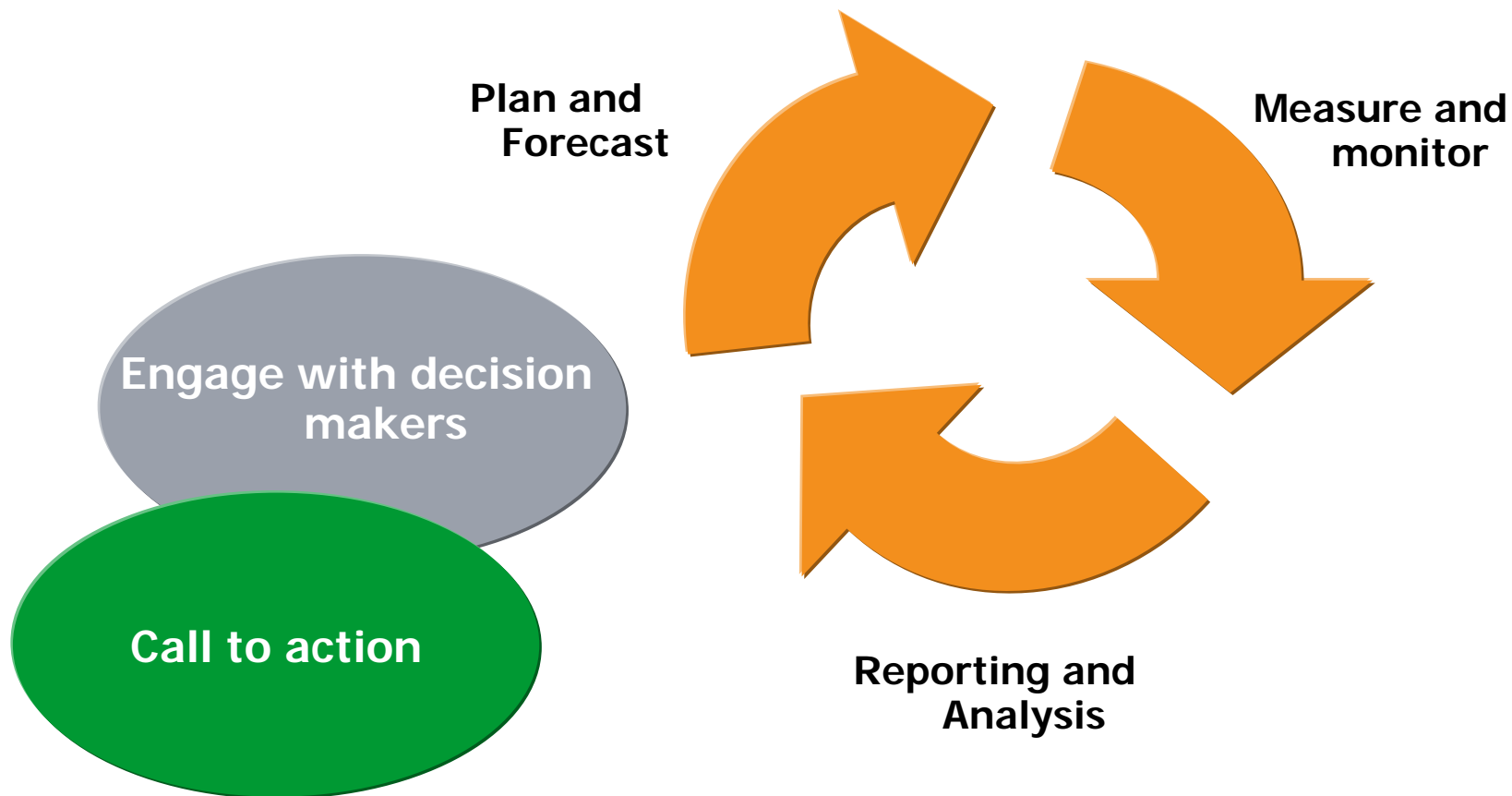
## Growth rates 5 year CAGR



# *The finance workload – the drive for decision support*



# *The performance management cycle*



## Many Organisations are wasting valuable talent

MONDAY

TUESDAY

WEDNESDAY

THURSDAY

FRIDAY

*Collecting Data*

*Collecting Data*

*Maintaining Spreadsheets*

*Developing Reports*

*Maintaining Spreadsheets*

*Other Activities*

*Performing Analysis*

*Developing Reports*

## The Best Drive Analytics & Insight

MONDAY

TUESDAY

WEDNESDAY

THURSDAY

FRIDAY

*Collecting Data*

*Performing Analysis*

*Performing Analysis*

*Interacting With Decision Makers*

*Interacting With Decision Makers*

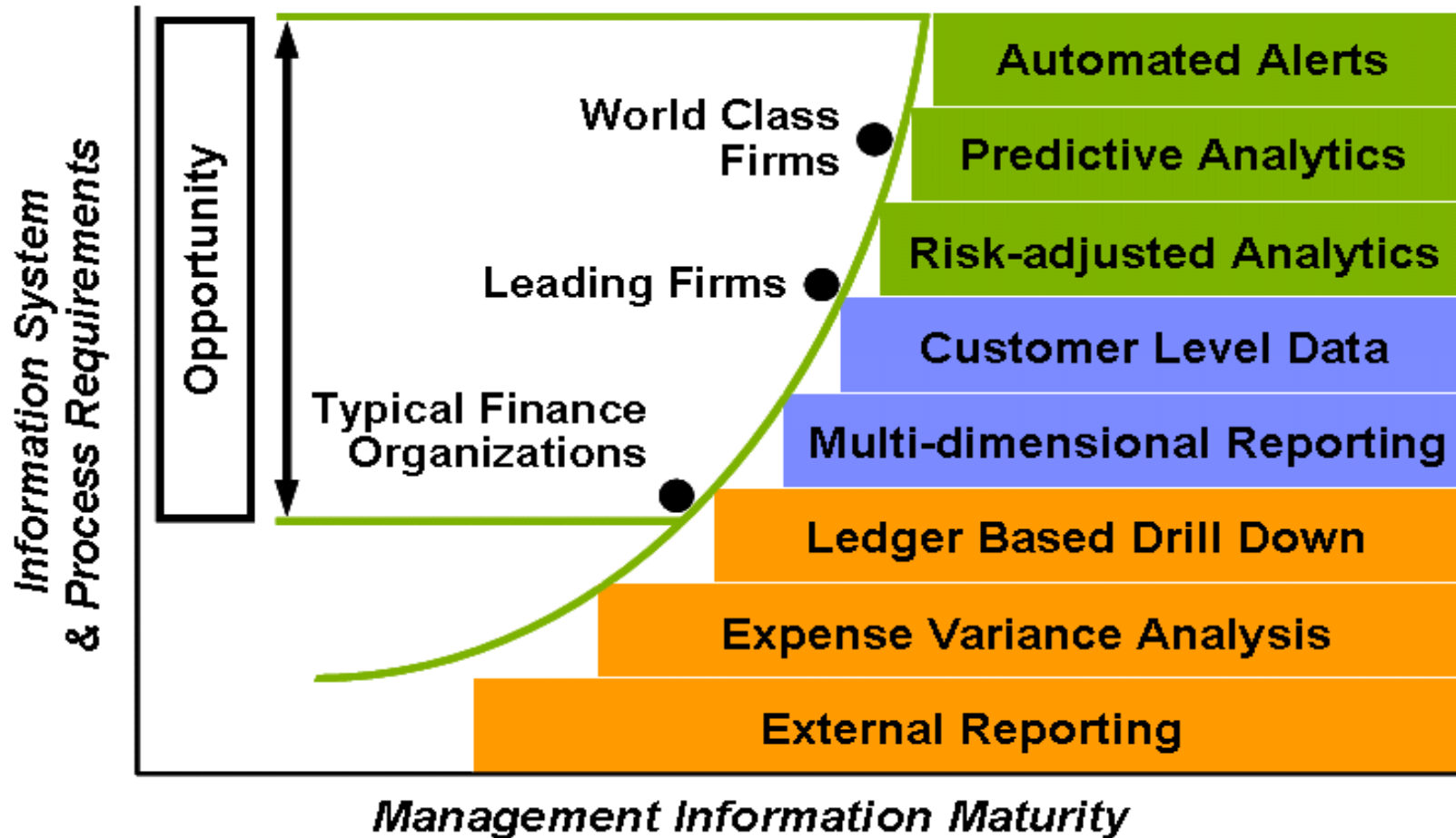
*Other Activities*

*Strategic Initiatives*

*Personal Development*

# Opportunity for improvement

## Performance Management & Analytics Maturity Model



**Finance**

## *2009 – A Year of Challenge & Opportunity*

“ CFOs have an opportunity to enhance their role as a trusted advisor, help protect the enterprise’s franchise, improve their enterprise response to turbulent times and help the enterprise reprioritize ”

**IBM Institute for Business Value**



Thank  
YOU

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