

HOW TO SHAVE 16 DAYS OFF YOUR REPORTING CYCLE AND DELIVER THE INSIGHTS YOUR BUSINESS DEMANDS

A GUIDE FOR SME FINANCE TEAMS

THERE'S NO STOPPING IT - ADVANCING TECHNOLOGY IS CHALLENGING INTERNAL PROCESSES, WHOLE BUSINESSES AND TRANSFORMING ENTIRE INDUSTRIES. BUSINESSES OF ALL SIZES NEED TO ADAPT – AND NO-ONE IS BETTER PACED TO TAKE ADVANTAGE OF THESE WAVES OF CHANGE THAN SME ORGANISATIONS.

In this world – where innovation is key – it is data and the insights it delivers that is the new currency. It is what powers smart decisions and helps businesses effectively plan, measure and adapt to minimise risks and exploit opportunities as they present themselves.

And it is the Finance teams that are most often responsible for delivering the business insights the

organisation relies on. As a strategic business partner, the SME Finance leader needs to have visibility across key areas of the business: Marketing, Sales, Operations, HR. Only then can they help to steer the business in the right direction.

For most SMEs, the challenge is not the lack of data, but rather the lack of resources in managing it: storing it, collating it and analysing it. Most SMEs are drowning in stats and figures but unable to turn them into the actionable insights the business demands.

But there is a better way – in this guide we discuss how Finance teams can take control of their data and deliver the insights their business demands to thrive in the digital world.

KEY CHALLENGE: THE FINANCIAL REPORTING FUNCTION IS STILL A MANUAL ONE

While business owners and CEOs expect their finance leaders to provide strategic guidance and play an active part in setting the business direction, the reality is often quite different.

As businesses produce and receive more and more data - from various sources, in different formats and levels of granularity – much of the finance team's efforts are spent on managing it.

Different sources of data include the Finance, HR, CRM and Operational systems; internally produced spreadsheets; and external systems such as those run by suppliers. And the process of consolidating it is typically a manual one, undertaken using a complex web of spreadsheets.

THIS HAS A SIGNIFICANT FLOW-ON EFFECT:

- **Innovation takes the back-seat as annual strategic plans are rarely revisited.**

The annual planning process takes place and budgets are set. But then the complexity of the monthly reporting process kicks-in. Sourcing information, seeking clarification, running formulas, all takes time. There is little time left to explain variances to budget, let alone to create the deeper insights required to support new strategic direction or initiatives. Speed to act is a problem and some problems can spiral out of control if not addressed quickly!

It is not unusual for the first 15 days of a 20-day monthly reporting cycle to look like this, leaving very little time for the detailed analysis required to fully understand the trends, risks and opportunities facing the business. As one month's reports are just completed the next month begins - and so the cycle continues.



• **Decisions are made on incorrect data or no data at all.**

When you rely on multiple spreadsheets and manually manipulating thousands of lines of data, mistakes are easy to make. In fact, according to a study by IBM, 88% of spreadsheets contain some kind of error. Formulas need to be updated and broken links fixed – and how can you be sure you are looking at the latest versions? Recognising these limitations, many businesses instead make decisions on ‘gut-feel’ alone which is rarely the best approach. But it can be better than the alternative – making decisions on incorrect data and flawed insights.

• **Lack of visibility of key drivers between departments.**

Each department operates on a series of assumptions and drivers. In one business, these are all interconnected - a change in one area will have an impact in another. Yet without a central point of reference, communication channels often break down. How often are customers left short when a production back-log is not known to sales, or – in reverse – how often are the warehouse staff under pressure when they don't receive advanced warning of a large order?

The examples above may describe your business well or your own scenarios may come to mind. More often than not, however, the common thread across all is the fact that numerous spreadsheets are being used to manually run a series of critical business processes.

There is a better way.

SOLUTION: A CENTRALISED PLANNING AND REPORTING PLATFORM

Excel is not the answer. A powerful personal productivity tool, it should not replace a business process management approach. Any organisation with multiple departments or experiencing and planning for growth reaches a critical tipping point where spreadsheet-based data management, planning and reporting starts holding it back.

A Financial Performance Management (FPM) solution – a centralised planning, reporting and analytics platform that captures the company-wide plans and budgets, tracks against those and cascades changing variables between departments – can help finance teams to regain control and lead from the front.

But FPM is not just a finance function. It bridges all the different areas of the business - and their respective plans - together. It provides cross-functional visibility to marketing campaign planning, sales planning, capacity planning, headcount planning, etc.



THE BENEFITS INCLUDE:

• Reduced reporting cycle frees up time for strategic input.

Automating the manual data sourcing and collating task can help you reduce your end-of-month reporting cycle down to 4 days – freeing up the remaining time for detailed analysis, collaborating with other department heads and strategic thinking to help propel the business forward.



• Financial and operational links enables better foresight.

The ability to link financial and operational performance management – for example: demand plans automatically update revenue plans, departmental employment plans automatically update divisional expense plans, and so forth across the business. This creates more lead time – more foresight – as operational causes are linked to financial outcomes. Imagine if you had an extra month or quarter of reliable foresight on revenue and/or expenses. This extra lead time provides more time to assess alternatives and kick-off new initiatives to drive business growth.

• Faster decision making, based on reliable insights.

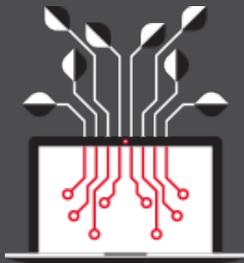
The right solution will enable your users to interact with data and analytics the way the human mind works: make predictions based on evolving trends and perform in-depth, ‘what if’ analysis from several dimensions – taking a customer view, a product view, or a supplier view as a simple example. Eliminating manual spreadsheets removes much of the error risk, making the insight much more reliable.

HOW BISTECH CAN HELP

Bistech's FPM solution uses IBM's Planning Analytics to let you link financial plans to operational tactics to better synthesise information and infer trends. The dynamic planning and analytics workspace enables driver-based planning and rolling forecasts, and helps organisations to break free of the constraints of Excel and previous generation planning processes.

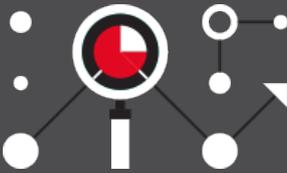
Finance and non-Finance users gain visibility into plans, budgets and forecasts, and can undertake rapid what-if scenario modelling and profitability analysis. Our solution goes beyond basic automation to drive collaboration and improve decision making throughout the organisation.

IMPLEMENTED BY FINANCE EXPERTS – YOU WILL WORK WITH OUR VERY OWN CPA'S –
OUR SOLUTION DELIVERS:



Speed

Start quickly and grow your deployment wherever needed, automating plans, analysis and reports to drive efficiency.



Agility

Adapt plans, budgets and forecasts to changing business conditions. Then align financial plans with corporate objectives, linked to operational tactics and market events.



Foresight

Explore and visualize insight from internal and external data, understand what is driving your business, and then incorporate those insights into plans that anticipate the future with confidence.

If you would like to see a preview of Bistech's FPM solution, visit the website and register.

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