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A CFO'S GUIDE TO Decision-Making Platforms

A look at the tools and strategies that help inform business decisions

CFO

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INTRODUCTION:

Closing the Data Gap with Decision-Making Platforms

As the role of modern CFOs expands, finance chiefs are tasked with monitoring the performance of all aspects of the business, including sales, HR, marketing, and the supply chain. To make informed decisions about how to run and grow the company, data needs to be consolidated in a single repository shared by the entire organization.

While CFOs face increasing pressure to leverage vast amounts of unwieldy data, the reality is that many finance chiefs either lack the tools or expertise to perform the deep data analysis needed to propel the business forward. In some cases, the data is distributed across several legacy systems poorly connected or not connected at all.

In other instances, the data isn't accessible, as much of today's valuable corporate data is locked in a spreadsheet on someone's laptop. To compound the challenge, much of the available data is often underutilized in the decision-making process due to a lack of proficiency in data analysis.

Recent research reinforces the assertion that CFOs have insufficient information for optimal decision-making, despite having to manage increasing volumes and varieties of data. *The Future of Finance 2016*, a recent FSN Survey of more than 760 senior finance managers, revealed that one-third of CFOs rely on gut feel rather than data, and two-thirds have not mastered the variety and the volume of business data available to them. In addition, *The 2016 Gartner FEI CFO Study* of 900-plus respondents found that 42 percent said the top business process that needs technology investment is that for facilitating analysis and decision-making.

Clearly, there is still progress to be made when it comes to analyzing data to drive strategy. Decision-making platforms are emerging as valuable tools to help tech-savvy CFOs develop data-driven business strategies.

Topics covered in this eBook include:

- The current gaps in the use of data for decision making;
- Features and functions of a decision-making platform, including the advantages of combining business intelligence, performance management and business analytics into a single platform;
- The importance of collaboration and data governance to optimize decision making; and
- A look to the future of decision-making tools, including the Internet of Things (IoT).

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A LACK OF CONSOLIDATED DATA
Hampers Decision Making

There are a number of challenges CFOs face today in terms of decision-making, but lack of a unified environment, limited visibility and siloed databases top the list.

Without a decision-making technology infrastructure, many organizations run several disconnected systems and patchwork them through Excel files. This is ultimately the cause of most of the current decision-making problems, according to experts.

"There is a clear need of a decision-making platform capable to break data-silos and to leverage business data to properly address the business planning, controlling and analysis processes," said Andrea Alfieri, Head of Marketing for BOARD International, a global provider of business intelligence and corporate performance management platforms. "Decisions need to be in strict alignment with strategic purposes, achieving end-to-end visibility on company performance."

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> **ANDREA ALFIERI** **Head of Marketing BOARD International**

Transparency is difficult to achieve with disconnected applications for budgeting, planning, forecasting, analysis and simulation. All of this far-flung data makes it difficult to gather the relevant information in a timely manner. As much as 80 percent of data analysts' time is spent on data preparation, according to recent research from IDC.

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WHY CFOs NEED DECISION-MAKING PLATFORMS

A decision-making platform can ease many of the analytical challenges, but some CFOs lack a clear definition of this technology. In short, these tools provide a unified software environment for data analysis, simulation, planning and forecasting.

"[A decision-making platform] encompasses the ability to integrate and manage in a single logical repository all the relevant data, metrics, and objectives to properly share them across the organization and to use them as basis of end-to-end decision making processes," said Alfieri.

From a functional level, a decision-making system should enable CFOs to extend financial planning and analysis down to the operational level and better align the entire decision making process to corporate strategy.

Eight Features of a Robust Decision-Making Platform

1. **Unified business intelligence, planning, and predictive analytics capabilities.** Data-entry and simulation should support multiple levels of aggregation and dimensions. For example, once a user updates sales data by product lines, the changes will be also distributed across geographic areas, channels, customers, and other relevant segments. The platform should also support the ability to manage key financial/cost accounting processes such as allocations, consolidations, and conversion.

2. **Embedded capability to manage key financial and cost accounting processes.** Decision-making platforms should have the ability to incorporate allocations, consolidation, and conversion metrics.

3. **Dynamic data modeling.** Decision-making tools should provide users with the ability to change the data model, including adding new business units or products while analysis, planning, and forecasting processes are running.

   One example of the need for dynamic data modeling is the retailer H&M, which uses BOARD's decision-making platform to collect data from its 6,000 stores. H&M opens or closes about 300 shops per year so without a unified decision-making platform the retailer would need a specialized data integration product or significant programming updates to make changes to its store-level data collection strategies.

4. **Support for granular data management.** The systems should be able to manage data at a granular level, such as SKUs or single lines of invoicing, not only in the data analysis phase, but also in the simulation and planning phase of the decision-making processes.

5. **Self-service analysis capability.** For a decision-making platform to reach its maximum potential, it should enable anyone in the decision making process to quickly understand the insights needed to make data-driven decisions at any stage of the process. Also, there should also be embedded predictive analytics to provide business users with immediate feedback on their course of action.

6. **Data transparency across the entire decision-making process.** There should be visibility in terms of planning, simulation, and forecasting, as well as across the entire organization, including different departments, hierarchical levels and information systems.

7. **The ability to define, calculate and represent KPIs, metrics, and objectives.** The metrics should also be able to cascade across the organization. For example, the CFO can be assigned a profitability goal that can be split into a cost-per-lead objective for marketing and a discount target for sales.

8. **Support for hybrid cloud connectivity.** This connectivity will allow automatic connection both to ERP solutions and data warehouses — which are still typically deployed as on-premise systems — and payroll, CRM, expense management and other financial applications that have migrated to the cloud.

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COLLABORATION AND DATA GOVERNANCE
ARE CRITICAL TO SUCCESS

To maximize the outcome of any decision-making process, it's essential to combine the experience and knowledge of all individuals involved and to do it quickly to keep pace with an evolving business environment.

The decision-making platform should be able to create a structured workflow process with defined approval steps and also facilitate interaction and real-time collaboration between data users.

"This is why the capability to build structured process workflows has to be complemented with functionalities oriented to less structured but more flexible and faster kinds of collaboration, such as cell commentary, file attachment to cell, creation of overlay explanation of reports, real-time sharing of the same screenshots and online chat into the apps," said Alfieri.

While the ability to have users work together on data analysis is important, it should not come at the expense of data management. "While it is important to offer users a full self-service capability, it is equally important to maintain full governance of data accessibility, reliability and security," Alfieri noted.

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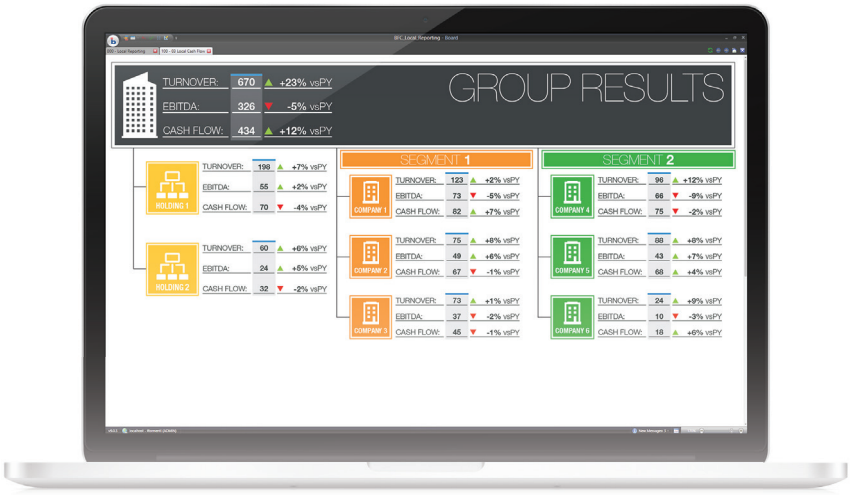

COGNITIVE COMPUTING AND IoT

SHAPE THE FUTURE OF DECISION-MAKING

Cognitive computing and the IoT will shape forthcoming developments in decision-making tools, according to Alfieri.

The interaction between users and data will be further simplified by natural language processing, Alfieri said. "In the near future, decision-making platforms will embed cognitive capabilities, so that users will be able to ask questions by voice or a simple 'Google-like' search, and the system will answer by creating the most appropriate report."

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Alfieri also noted that the move toward connected devices will also have a significant impact on decision-making tools. "We see a future trend where machines will significantly increase their intelligence, and where data will be collected more and more from IoT, automatically combining the information gathered by millions of devices with companies' data, plans, and objectives."

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CONCLUSION:

Leverage Decision-Making Platforms to Drive Business Strategy

Today, CFOs need to have their eyes on the entire business, which means they need to step up their data analysis capabilities. In a world where so much data still resides in unconnected spreadsheets, that's a tough task indeed. When the data is pulled together, it is often analyzed in a patchwork of applications that lack a unified approach to planning and forecasting.

As a result, many data-centric finance chiefs are turning to platforms that automate the process of gathering and analyzing the data that drives smart business strategies.

Decision-making tools enable a strategic focus on business goals, enabling users to analyze, simulate, plan and predict from a single platform.

To achieve a company's true potential, there needs to be a strict connection between sales, operations and finance goals. That is only achievable with a robust decision-making platform that transcends functions and business units and is accessible to all users.

Smart business strategies aren't developed in a vacuum. Decision-making tools should support a collaborative process that brings together the data and the people to make the best choices to move the business forward.

In the end, the decision-making process will be enhanced through greater automation and connectivity to data and devices, which will help finance chiefs make even smarter decisions about where to take their businesses.

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ABOUT THE **Sponsor**

BOARD International is the #1 decision-making platform for organizations of any size.

Founded in 1994, BOARD International has enabled more than 3,000 companies worldwide to rapidly deploy Business Intelligence, Corporate Performance Management and Analytics applications on a single unified and programming-free platform.

The BOARD platform allow companies to achieve a single, accurate and complete view of business information and a full control of performance across the entire organization, from strategic formulation down to operational execution.

BOARD provides seamless solutions for:

- Reporting and Business Analytics
- Budgeting, Planning & Forecasting
- Profitability Modelling and Optimization
- Simulation and What-if Analysis
- Scorecarding and Strategy Management
- Financial Consolidation

Thanks to its programming-free toolkit approach global enterprises such as Acer, DHL, H&M, Mitsubishi, NEC, Puma, Siemens have rapidly deployed end-to end decision-making applications in a fraction of the time and cost associated with traditional solutions.

Implemented in over 100 countries, BOARD has 21 offices around the world and a global reseller network.