

TURNING INSIGHT INTO ACTION: It's a Matter of Time

Financial Executives Series

For professional services, business services, and other project-driven organization



As a financial executive for a mid-sized professional services firm, time is your product and, often, your nemesis. In order to support and contribute to improving business performance, you've got to be able to put your finger on accurate information that can be used to improve business decisions. Cash flows both ways and the balance maintained between them is critical for growth and scale.

With the economy showing signs of recovery, it's time to shift your focus from cost reduction to improving organizational performance. Decisions made about new market opportunities, customer acquisition and retention, and process improvement initiatives can all be affected by the quality, accuracy and timeliness of the information used to make them.

There are three shifts that will help you speed time to information while also helping you to apply more time to addressing higher-value activities. By employing an adaptable enterprise resource planning (ERP) system to automate processes, shorten time to close and generate reports to meet differing stakeholder needs, decisions will be improved—along with performance.



AUTOMATED WORKFLOWS AND PROCESSES

The growth of information during the last few years has had a profound impact on business processes by creating more silos across departments. Without integration, disparate databases promote the use of spreadsheets as employees struggle to search through each source to compile the information they need. The decentralized model with spreadsheets is great for letting people work with data on their own, but introduces another set of problems that makes the effective management of financial information difficult.

These issues include:

- Collaboration challenges when employees work on individual spreadsheet versions.
- Data corruption through sharing via email.
- Errors in formula models due to incorrectly copied or modified logic.
- Lack of a centralized record of changes.
- Non-existent security.

The outcome of spreadsheet issues ultimately results in less accurate information and longer time to close accounting cycles due to the manual compilation and reconciliation needed to verify accounts. In fact, the average number of spreadsheets used in mid-size companies ranges from 15 to 60. The workflow necessary to reconcile them becomes convoluted and often results in a questionable audit trail.

An ERP system doesn't remove the comfortable format of the spreadsheet, but automates their ability to be instantly refreshed with the most up-to-date information on demand. It also remodels the flat columnar data you used to seeing into more meaningful representation that makes insights more useful.

TIME TO CLOSE

The time it takes to close your accounting cycles can have a major impact on business outcomes. Improving time to information produces insights that can be used to create a more responsive company able to adapt to current market needs. By improving close processes you'll also minimize the need for manual intervention and error corrections.

Consider the difference between a 3-week close and a close process that is completed in half that time using fewer resources. Just think about what's possible when you can redirect that time to enable you and your team to focus on managing performance instead of crunching numbers repeatedly due to a lack of confidence in their accuracy.

FLEXIBLE REPORTING

The roles of executives, investors and stakeholders require you to present information in a variety of contexts and formats to help them make better decisions in line with business goals. The ability to set parameters and filters to compile reports based on the most relevant and up-to-date data provides a true picture of business operations. By switching from a transactional process to a dynamic system, mid-sized companies have been successful at reducing the time it takes to generate customized reports by at least 20 hours per month.

But that's not the best part. This flexibility and ease of data analysis means that you can quickly identify why costs are high in a certain area and solve a problem before it results in lost profitability or project overruns. You'll have more confidence in answering questions critical to improving company performance and the ability to do more by working

YOU CAN'T RECLAIM TIME SPENT

The challenge with time is that—once spent—it can't be reclaimed. Therefore, what you choose to spend your time on is critical. The information driving company performance can become overwhelming. And that's not likely to lessen. Improving your ability to turn insights into action will determine just how nimble your company can be as the economy shifts into recovery mode.

Although cost reduction won't likely disappear from your to-do list, the need to expand your focus to improved performance to help your company take advantage of growth opportunities will require increased efficiency. The opportunities afforded by automating processes and workflows, shortening time to close and flexible reporting can transform how you spend your time enabling you and your team to help your company turn insights into action.

LEARN MORE

To learn more about how we can help your company extract better insights from the information used to make business decisions, please contact:

Bill Aiton
SSi Consulting
Phone: 703-297-5070
baiton@ssiconsulting.com

Visit our Website: <http://www.ssiconsulting.com>