

The Story Behind the Numbers

The keys to analytical and insightful financial reporting

A CFO.com Webcast

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Moderator

Jason Sumner
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Jason is the research editor at CFO Europe Research Services, the sponsored research arm of *CFO Europe* magazine, where he oversees custom research projects in corporate finance.

He joined CFO Europe Research Services in July 2006, having worked as an editor and researcher for Melcrum Publishing, a business-to-business publisher in London, specialising in corporate communication, human resources and knowledge management.

Speaker

Andreea Vasiliu
Director, Product Marketing, EMEA
Oracle | Hyperion



Andreea Vasiliu joined Hyperion in 1994 and was responsible for defining, managing and developing Performance Management solutions, including planning, scorecard, business modeling, and activity-based management. She has developed the strategy, vision and market roadmap for FPM applications in EMEA, and is driving the revenue growth of these applications.

Ms. Vasiliu holds an Honors Bachelor in Computer Science from the University of Toronto, Canada, and has finished her PhD in software quality and risk management.

An internationally renowned subject matter expert on performance management solutions, Ms. Vasiliu has published articles in such diverse publications as Computer World, DM Review, DSS Resources, and eWeek Korea.

Speaker

Nigel Youell
Director, Global Integrated Marketing
Oracle



Nigel Youell has over 25 years of experience in IT covering a wide range of senior management roles in product development, consultancy services, sales, general management and latterly in marketing. He has worked in end user, management consultancy and software house businesses with both national and international responsibilities. Organisations that Nigel has worked for include Hyperion Corp, Comshare Corp, The Strathclyde Institute, Morgan Crucible plc, Marconi plc and Sage plc.

Nigel has a BSc in Physics from Bath University and a postgraduate Management Diploma and he has spoken internationally and has published articles on Performance Management in a number of journals.

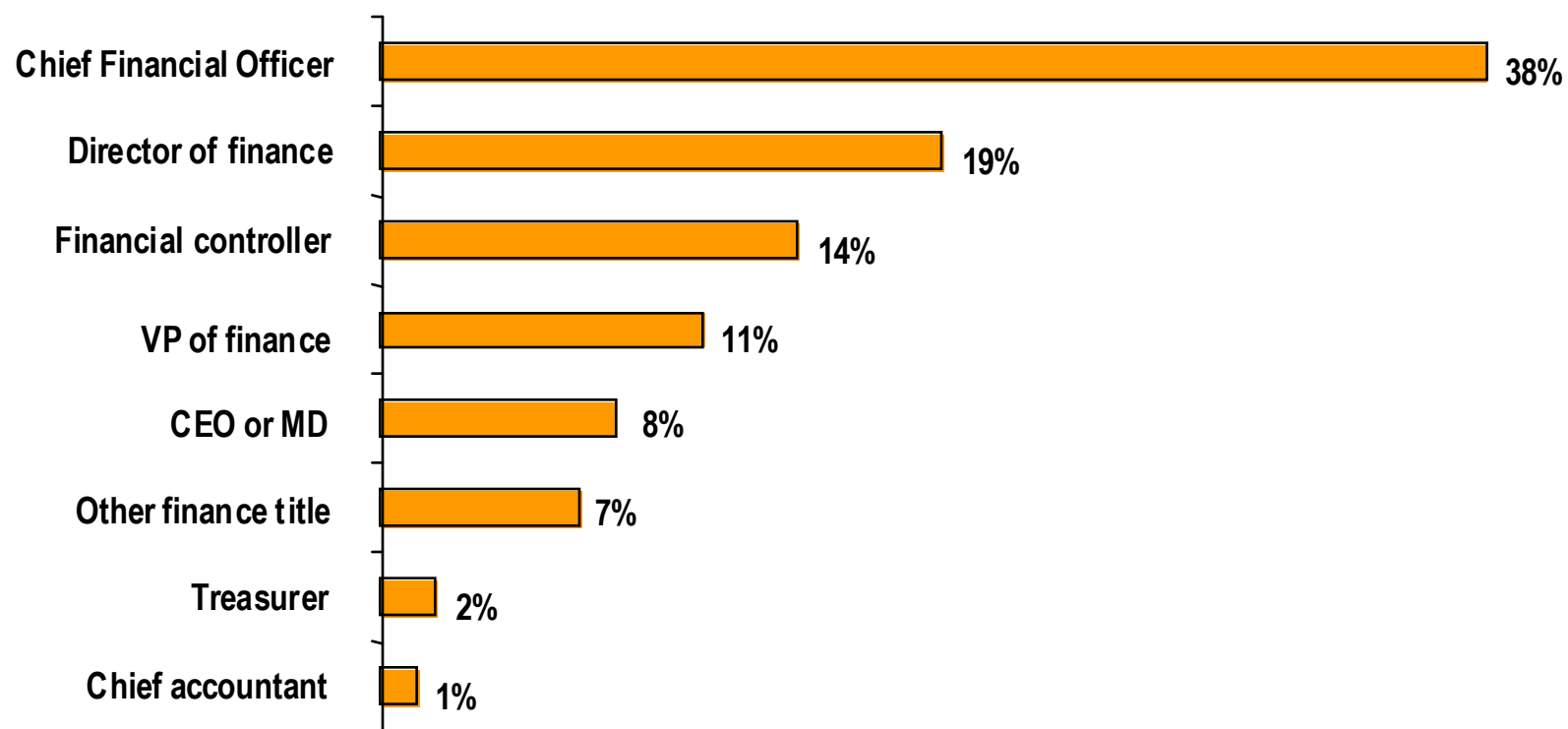
Overview

- 1. Goals for the research, who took part and six key findings**
- 2. Complexity is rising: the new reporting landscape**
- 3. Finance unbound: bridging the gap with operations**
- 4. Audience questions**

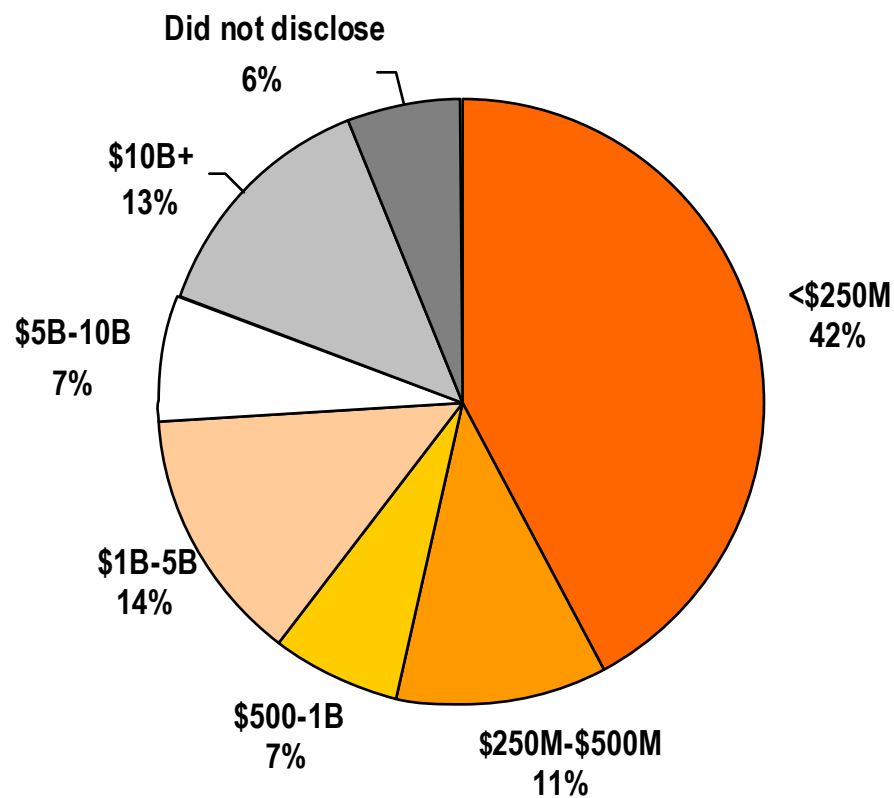
Goals for the research project

- **Research project with Oracle to get the views of senior finance executives in Europe on their ability to provide analysis and insight in financial reporting**
- **Online survey of 100+ senior finance executives across Europe (final total 160)**
- **In-depth interviews with six senior finance executives**
- **Publish Research report in November 2007**

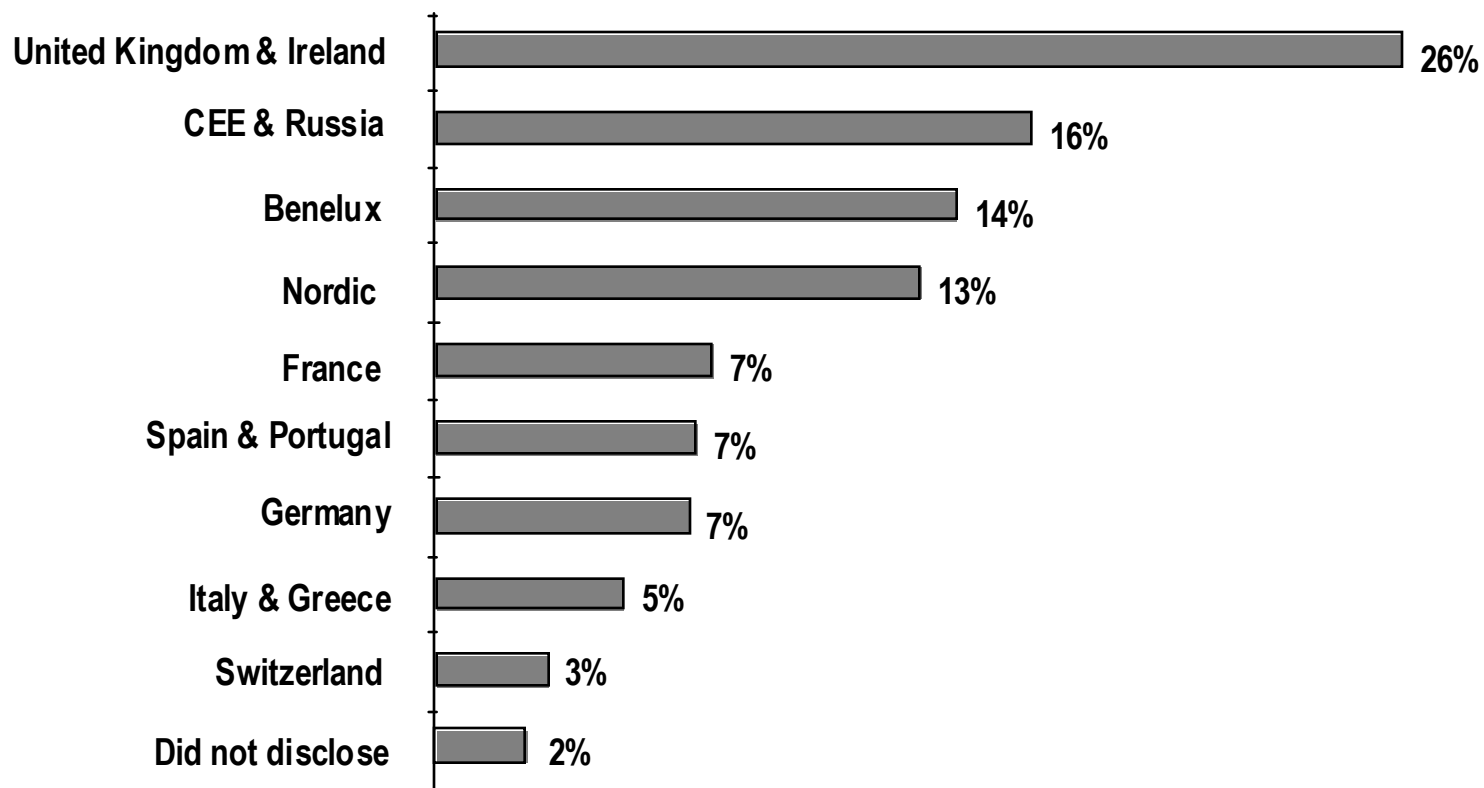
Who took part in the survey?



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Six key findings

- 1. Reporting complexity is on the rise.**
- 2. The ability to provide insight and analysis is failing to keep pace with demand.**
- 3. Operational data is expected to make up a much larger proportion of 'financial' reporting.**

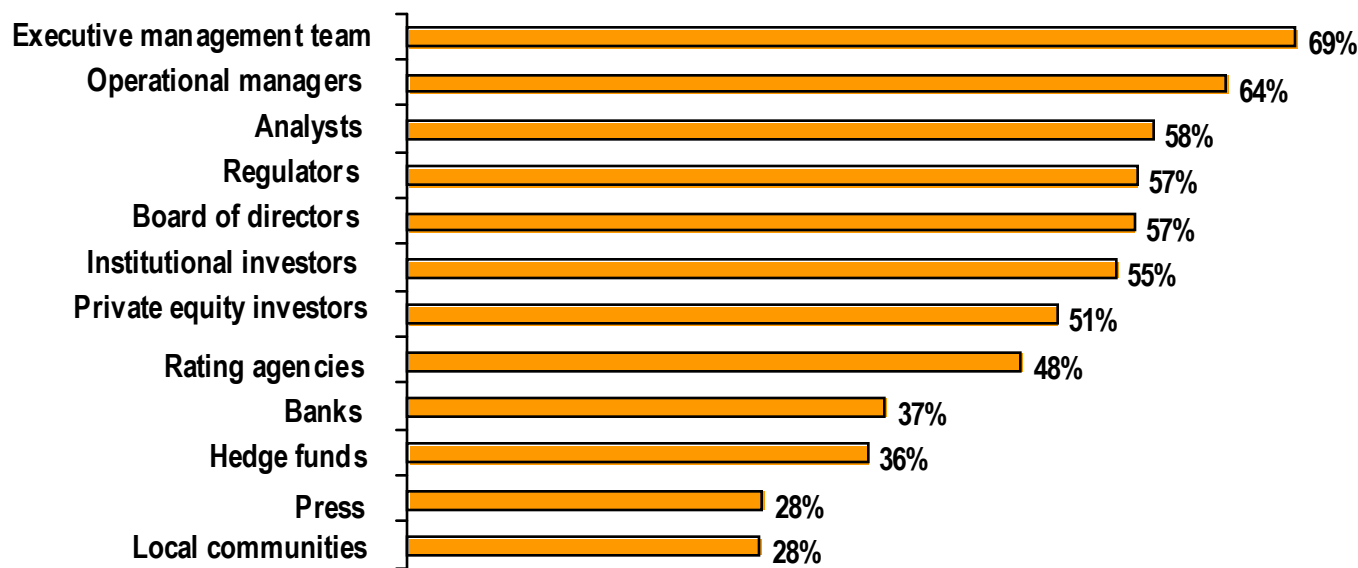
Six key findings

4. **The biggest barrier to providing more insight and analysis is the time it takes to gather and consolidate operational data.**
5. **Those using a single, unified information system are happiest with their reporting (just!).**
6. **A majority of companies have ERP, BI and consolidation projects under way.**

Complexity rising

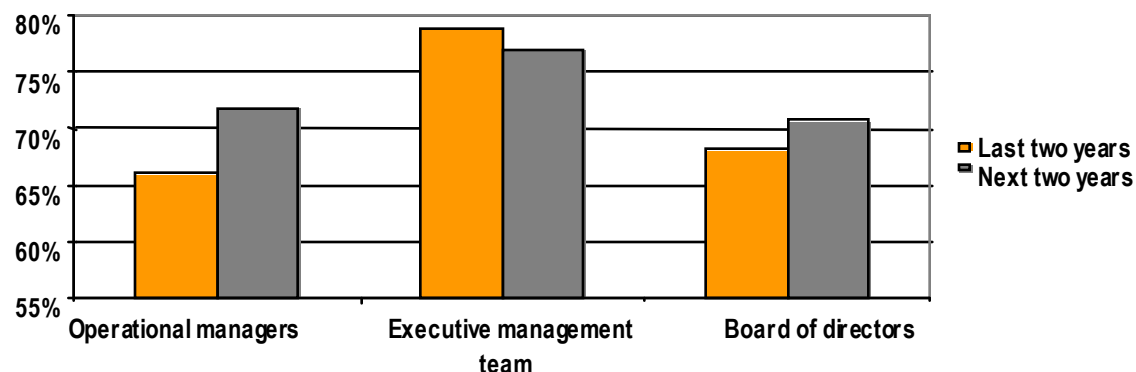
CFOs in the survey think reporting requirements have become more complex in the past two years and that complexity will rise again in the next two years.

In the next two years do you expect the finance department's reporting for the following stakeholders become more or less complex? (% answering "More complex")



More demand for insight and analysis

Please indicate to what extent stakeholder demands for insight and analysis alongside the financial figures have increased or decreased?

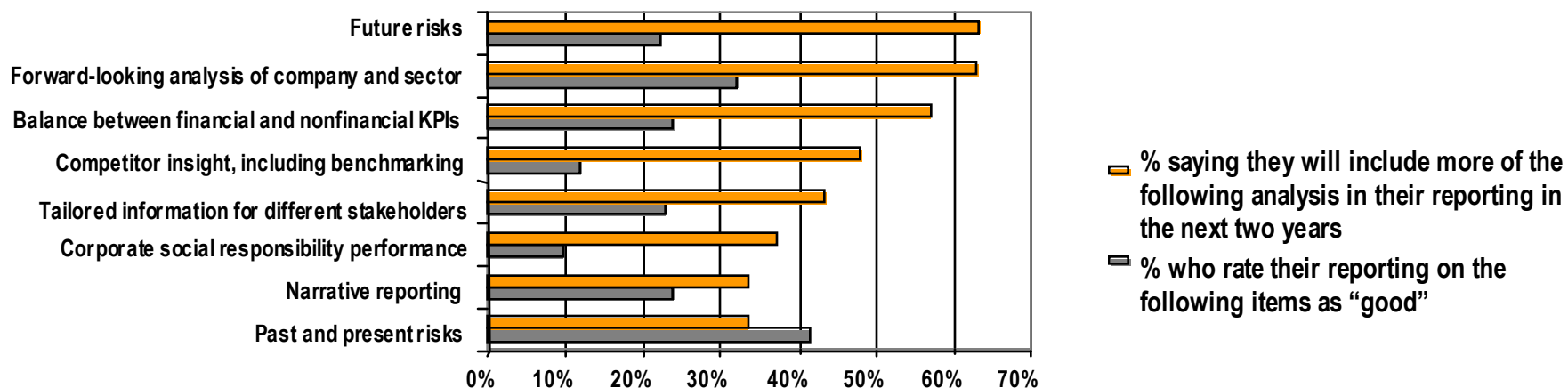


During the next two years, do you expect the amount of time your finance function spends providing insight and analysis to stakeholders to change?



Decrease significantly
 Decrease
 Stay the same
 Increase
 Increase significantly

Analysis and insight—the performance gap



- Future risks, forward-looking analysis of company and sector, and a balance between financial and nonfinancial KPIs top the list of analysis and insight increasingly in demand. However, relatively few rate their ability to provide such data as “good.”
- One in four respondents rate their ability to analyse future risks as “poor” and one in five rate their forward-looking analysis as poor.
- Although nearly half of respondents expect competitor insight to make up more of their future financial reporting, more than a third rate their current ability to produce it as poor, and another quarter don’t include it at all.

Bridging the gap with operations

“Financial reporting has become more challenging and complex.”

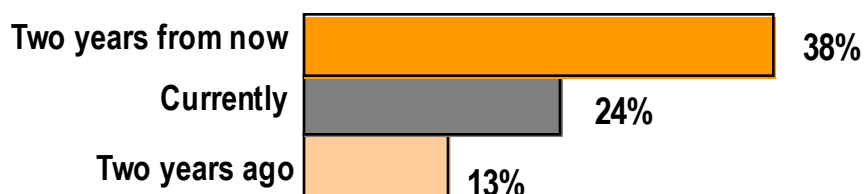
-- Jeppe Nyman Jensen, European CFO, APM Terminals

“The prime responsibility of finance is of course financial data. But it’s a core competence of finance to manage huge operational and financial data transactions. Other units like marketing find it difficult to deal with.”

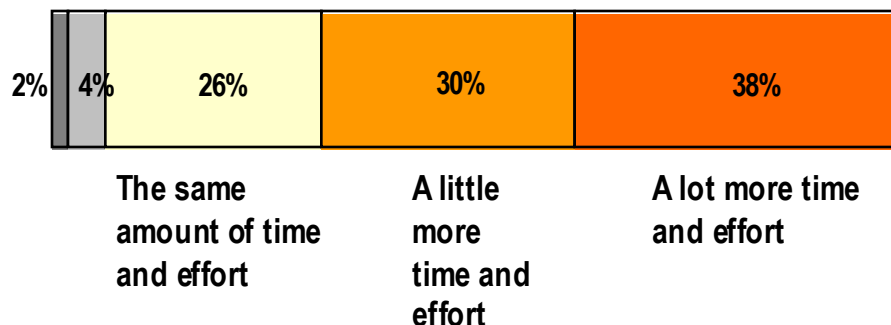
-- Matthias Weber, CFO, Eastern Europe, Sandoz

The future is non-financial

% saying operational data will make up more than half of financial reporting



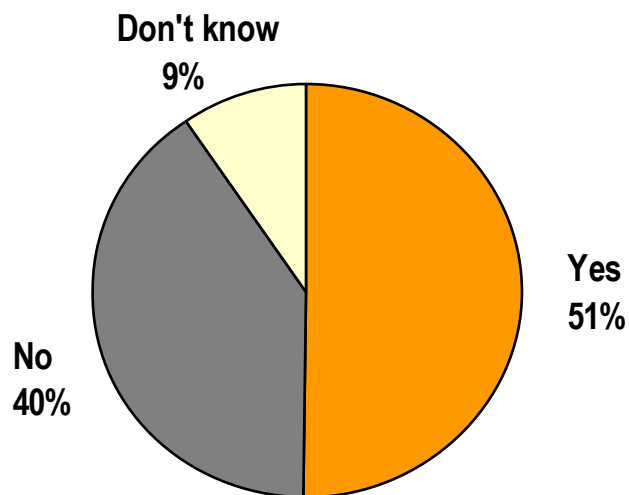
Which statement best describes the amount of time and effort it takes your finance function to get operational data compared with financial data?



- This research suggests that we will see a striking change in financial reporting in the next two years. Some 40% of respondents believe operational data will make up more than half of financial reporting, compared with 25% today.
- The change from two years ago is even more striking—only one in five said operational data made up more than half of financial reporting two years ago.
- Our survey suggests that it is gathering operational data that’s causing problems—with almost 40% reporting that it takes “a lot more time and effort” to gather operational data versus financial data

Closing the gap between finance and operations

Does your company have any programs or plans to improve the flow of information for reporting purposes between finance and the rest of the business?

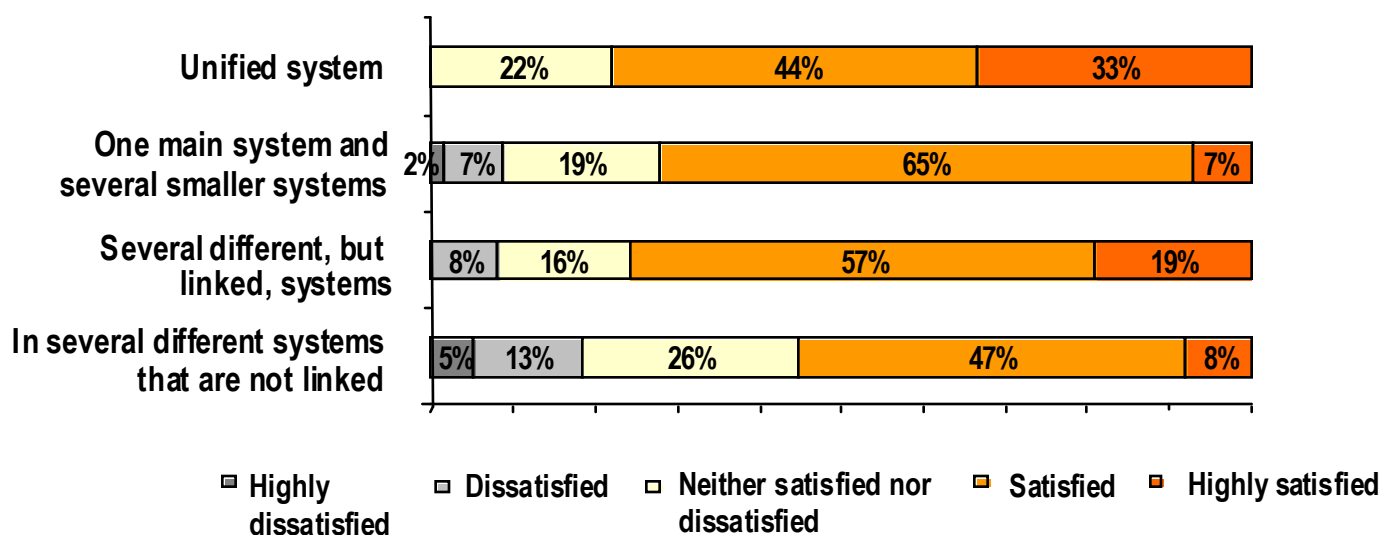


- More than half of respondents have programmes or plans in place to improve the flow of information between finance and operations.
- Open-ended responses reveal big technology investment plans.
- Two-thirds of respondents indicate they will invest in technology during the next 12 months to improve their analysis and insight.

Unified systems—the promised land?

One third of those using a unified system are “highly satisfied” with their financial reporting, which is four times the number for those who use disparate systems. However, we see a distinct improvement in overall satisfaction for all groups (unified, main and linked systems) in comparison with those NOT using linked systems.

Satisfaction with financial reporting compared with location of data



The choice for finance

“Do we want to be at the back of the boat informing the crew that we have hit a rock and are sinking, or at the front of the boat plotting the course?”

- Chris Halbard, CFO, BT Global Services

“A project was initiated in May 2007 to reorganise administrative processes and integrate working methods across the company. A second project started in August, focusing on consolidation, budgeting and reporting.”

-- Survey respondent

Audience questions and answers

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