CFO Vision and Total Financial Management

Peter Bull
Introduction

- Overview of Total Financial Management and CFO Vision
- Peter Bull SAS EMEA – Product Manager
Total Financial Management

- Situation
- Conceptional framework
- Incremental and evolutionary approach
Total Financial Management

- Situation
- Conceptional framework
- Incremental and evolutionary approach

CFO Vision™
Delivering Real Business Analysis

Information Flows Must Enable Value-Added Activities

- Management reporting must support predictive modeling and analysis by gathering, integrating and reporting appropriate information.

Management and Performance Reporting

Decision Support Tools

Data Warehouse/Mart

- Financial Systems
- Operational Systems
- Customer and Market Information

Transaction-level data is gathered from many sources

Performance measures and management reports guide decision making

Decision support tools enable value-added business analysis

A common data model organizes management information

Infrastructure

Presentation

Modeling & Analysis

Integration

Transaction
Strategic Financial Management today

Transactional Information Systems
Data sources (ERP, Standalone, Legacy, PC World, ..)
Levels of Complexity

**Transaction Information Systems**

- Data sources (ERP, Standalone, Legacy, PC World, ..)

- Financial Systems
- Operational Systems
- Customer and Market Information

**Information Management Platform (Reporting, etc.)**

- **Consolidation**
  - Cash Flow Balance Sheet, P&L
  - Benchmarking
  - Acquisitions controlling

- **Planning & Budgeting**
  - Strategic Planning
  - Forecasting

- **Analysis**
  - Forecasting

- **Strategic Controlling (z.B. BSC, EVA)**

- **External (z.B. VBR)**

**Management Organisation**

**Regions**

**Markets, Segments, etc.**

**Products**

**Legal Organisation**

**Process**
Areas of Complexity

- Data Sources
- Reporting Procedures
- Consolidation Procedures
- Report Requirements
- Analytical Requirements
Strategies to manage complexity

- Standard Practises
- Standard Tools
  - Operational Level
  - Strategic Level
- Divide and Conquer
Total Financial Management

- Situation
- Conceptional framework
- Incremental and evolutionary approach
Information Flows Must Enable Value-Added Activities

- Management reporting must support predictive modeling and analysis by gathering, integrating and reporting appropriate information.

- Financial Systems
- Operational Systems
- Customer and Market Information

Performance measures and management reports guide decision making.

Decision support tools enable value-added business analysis.

A common data model organizes management information.

Transaction-level data is gathered from many sources.
CFO Vision - Overview

Integration of different (transactional) base systems
- Information access
- Information management
- Manual data entry

Flexible and powerful modelling of multidimensional consolidation hierarchies

Financial Intelligence
- Automatic Eliminations, reconciliations
- Currency translation
- Equity consolidation
- Manual Journals
- Allocations
- Financial modelling

Process automation, process control
Information Overkill vs. „Lost in the dark“
Supply vs. Demand
Push vs. Pull
1-4-All vs. User centered reporting
Retrospective view vs. Forecast

CFO Vision

- Decision Support
- Analysis
- Ad Hoc Requests
- User Specific
- Standard Reports

Push vs. Pull

- Information Delivery
- Web Reporting
- Corporate Portal
- Email, PDF

Information Management Platform
CFO Vision und Total Financial Management

Top Down

Bottom-Up

External (z.B.VBR)

Strategic Controlling (z.B.BSC, EVA)

Information Management Platform (Reporting, etc.)

Planning & Budgeting

Strategic Planning

ANALYSIS

Forecasting

Consolidation

Cash Flow Balance Sheet

Benchmarking

Acquisitions controlling

P&L

Operational Transaction Basis

Integration of Corporate planning steering & control

Strategic Coordination with Information

Transactional Information Systems

Data sources (ERP, Standalone, Legacy, PC World, ..)
Report distribution

- What are ‘typical’ user profiles?
  - Analytical - information provider
  - Business Manager - information consumer
  - Occasional Users - consumers

- What do they want?
  - One version of truth
  - Share & analyse to various levels
Reporting and Analysing

Report distribution

- What can we offer
- One version of the truth
- CFO Vision analytical & reporting capabilities - information provider
- Reporting browser - Business Manager
- Distributed static reports
Standard Reports

![Image of CFO Vision software interface]

- **Standard Templates**
- **Single Data Source**
- **End-user Controlled**
Report Books

Book with contents

Include text & KPIs

Standard templates

Include Charts
Ad hoc Reports

Drill in to detail

Include other dimensions

Full formatting

Calculated items

Include text comments
Integrated Solution

CFO Vision

Budgeting

Budgeting & Planning

Current Budget Process
Budget 2000

- Budget Process definition
- Business Drivers
- Group mapping

- Forms Definition
- Forms Assignment
- Process Management
Advanced Budget Forms

- Drag & drop
- Comparative Data
- Totals
- Customizable Input
- Drivers
- User data form tools
Forms to Users

Forms to assign

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Status & assign

Form due date
Controlling the Process

List or Graphic

Form status alert

Form details

Full Audit Trail
Intra Enterprise Mapping

Local budget

Group budget
COA to COA Mapping

Drag & drop to map
Where are we today

- **Strategic Controlling**
  - e.g. Balanced Score Card, Value based reporting
- **ABC / ABM**
- **Financial Reporting**
- **Budgeting Forecasting**

**Consolidation**

**Planning**

**Acquisition Controlling**

**Benchmarking**
E.g.: Phase 1: Bottom Up Start

- Strategic Controlling
  - e.g. Balanced Score Card, Value based reporting

- Financial Reporting

- Consolidation

- Planning

- Acquisition Controlling

- ABC / ABM

- Budgeting Forecasting

- Benchmarking

- Controlling
E.g.: Phase 2: Bottom Up Start +
Top Down Strategy Implementation

- Strategic Controlling
  e.g. Balanced Score Card, Value based reporting
- Financial Reporting
- Consolidation
- Planning
- Budgeting
- Forecasting
- ABC / ABM
- Acquisition Controlling
- Benchmarking
E.g.: Phase 3: Integrated Bottom Up Start + Top Down Approach

- Strategic Controlling
  - e.g. Balanced Score Card, Value based reporting
- Financial Reporting
- Consolidation
- Planning
- Budgeting Forecasting
- ABC / ABM
- Acquisition Controlling
- Benchmarking

Strategic Controlling

Consolidation Planning

Budgeting

Forecasting

ABC / ABM

Acquisition

Controling

Benchmarking
Implementation process

- **Strategy Definition**
- **Definition of Performance Measurements**
- **Budgeting Planning Phase 2..n**
- **Consolidation Reporting Phase 1**
- **Strategic Orientation**
- **Integrational Implementation (Manage complexity)**
- **Process support and automation with IT Enabler**
Total Financial Management

Managed Complexity
Summary

- Come and see us on the Presentation Theatre for more information.....