
HOW BUSINESS INTELLIGENCE IS BECOMING THE CFO'S GREATEST ALLY

The evolution of commercially focussed Finance functions and CFOs for whom finance represents only a proportion of their strategic remit has been a long-term process with significant impact on Finance's position within business. Since the turn of the millennium, the vast majority of senior finance appointments have included elements of commercial responsibility with most senior executives of all functions recognising the importance of senior Finance input in business decision making.

Concurrently, the rise of stronger Business Intelligence tools as a means for making informed decisions about commercial direction has helped to transform organisation-wide corporate behaviours. Today, more than ever, those businesses with the edge over their competitors are the ones who have successfully allied BI insight with exceptional financial acumen.

Finance has always been particularly well-positioned to drive change within organisations, owing in part to the high volumes of data and insight which pass through the function on an on-going basis. As the collection, consolidation and dissemination of financial and commercial information becomes increasingly complex and the role of the Finance team becomes more integral to commercial development, so CFOs are presented with an opportunity: to turn the distillation of diverse information into insight which can transform business performance.

In a 2010 paper, The Data Warehousing Institute contends that effective Business Intelligence 'deliver[s]...a single version of corporate truth' with the best Business Intelligence structures enabling finance teams to translate that 'single truth' into recommendations to the business on how to influence all elements of profitability, revenue generation and strategic development. The marriage between strong finance and strong Business Intelligence is, perhaps, the single most effective tool for commercial and operational improvement.

An understanding of the ability to apply commercial information to finance remits is nothing new; indeed, one of Partner

Financial's first ever CFO mandates had a specific focus on ensuring the business was up-to-speed on short, medium and long-term commercial influences. Business partnering has been a key part of the finance lexicon for almost a decade and the next generation of finance professionals have long needed to demonstrate their capacity for commercial acumen

THOSE BUSINESSES WITH THE EDGE OVER THEIR COMPETITORS ARE THE ONES WHO HAVE SUCCESSFULLY ALLIED BI INSIGHT WITH EXCEPTIONAL FINANCIAL ACUMEN

as readily as their statutory expertise if they aspire to the Boardrooms of the future.

So, while commercial expertise may be nothing new, Business Intelligence is an evolutionary leap forwards. Where a senior Commercial Finance executive might once have had to rely on intuition and instinct to guide the hand of operational management, improved data capture and analysis has added a powerful tool to the Finance community's capabilities.

For today's CFO community, an understanding of Business Intelligence and the development of Analysts with the ability to translate complex data into trends and clear advice are critical in gaining a commercial edge.

HOW BUSINESS INTELLIGENCE IS BECOMING THE CFO'S GREATEST ALLY

Intuition, of course, still plays a part in effective strategy, and Business Intelligence alone should not be considered a panacea, but finance leaders who ignore the prospective value of Business Intelligence are ham-stringing themselves unnecessarily. Indeed, in commercial finance mandates delivered by Partner Financial this year, over two-thirds have noted the importance of Business Intelligence to the successful candidate.

BUSINESS INTELLIGENCE FOUNDATIONS

In its same paper, The Data Warehousing Institute identified 8 critical BI outputs to enable Finance communities to provide the most effective insights to the wider business. These were:

- Financial Reports & Consolidations
- Plans and Budgets
- Analyses and Models
- Predictions
- Profitability Analysis
- Risk Analysis
- 360 Degree Views
- Metrics and Indicators

The importance of effectively establishing systems and directing analysts towards each of these outputs is imperative in turning good data into first-rate insight.

KEY CONSIDERATIONS FOR CFO'S:

- How much of the Business Intelligence process can be automated, freeing time for strategic and commercial analysis?
- How skilled is the current Finance community in translating complex financial information to strategic guidance?
- How widely-used is existing management information by operational management? What gaps could strong Business Intelligence fill?
- How frequently is Business Intelligence data communicated to the organisation? How soon do operational and commercial teams need analysis in order to turn it into action?

As technology and big data collection and analysis become more advanced, so business' knowledge of their customers' behaviours - and their own organisational behaviours - will become more nuanced and, in the hands of the right finance community, more able to point to opportunities to grow top and bottom line performance. As an increasing number of

FINANCE LEADERS WHO IGNORE THE PROSPECTIVE VALUE OF BUSINESS INTELLIGENCE ARE HAM-STRINGING THEMSELVES UNNECESSARILY.

CFOs take the step to the CEO seat, the impact of Finance across the commercial operations of businesses is becoming more and more apparent. Business Intelligence, undoubtedly, is one of the most powerful tools available to Finance leaders in demonstrating value-add to the wider business: in our view, it will continue to be a dominating factor in CFO planning and strategy for the foreseeable future.

ABOUT US

Partner Financial is the standout performer in the financial recruitment industry. Since 2007, Partner Financial's Partners and Associates have worked with senior finance business leaders throughout industry and commerce to advise on selection, building commercial finance expertise and developing human capital solutions.

CONTACT US

E: email@partnerfinancial.co.uk

T: 020 3178 4996

W: partnerfinancial.co.uk
