



IBM Global Business Services

The Agile CFO: Enabling the innovation path to growth

February 2007
IBM Institute for Business Value

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Overview

- In response to the CEO's changing, strategic agenda, the role and focus of the CFO is shifting to include more strategic activities, especially enabling innovation within the organization.



- By becoming an Agile CFO, finance leaders are uniquely positioned to bridge the gap between innovation ideas and real world operational impact, making innovation a reality.

Presentation Agenda

- **The Agile CFO** – Paul Ingram
- **Putting theory into Practice** – Paul Ingram
- **IBM Case Study** – Lynn Belo
- **Summary and Call to Action** – Paul Ingram
- **Questions & Answer** – Isabel Meharry

On the mind of the CEO: Growth, change and innovation

Growth and
change are critical

- Above average growth doubles the odds of higher shareholder value¹

Conventional
growth drivers
aren't enough

- Acquisitions often destroy value
- Incremental organic growth rarely creates differentiation
- Creating efficiencies are always necessary, but don't create sustainable advantage

Innovation
enables growth

- ***Best opportunity for sustainable growth***

"In the last ten years, the free movement of information, products and services has made putting up sustainable competitive advantages more difficult. Companies need to be quick and agile by identifying and acting on opportunities quickly." –CFO, A Leading Supplier of Industrial Gases

¹Kapur, Vivek, "The Growth Triathlon," IBM Institute for Business Value

After speaking to over 750 CEOs, three key themes emerge in achieving innovation and growth

- Two-thirds of CEOs will make fundamental changes in the next two years. However, over half are uncertain about the internal ability to manage change. Only a third of CEOs indicated that they are responsible for innovation. This points to a gap in real support for innovation.

CEO Innovation Themes



Business model innovation matters

Innovation must be fundamental, pervasive, and affect the business model and the core operations. Peripheral or cosmetic changes are not enough.



Collaboration is indispensable

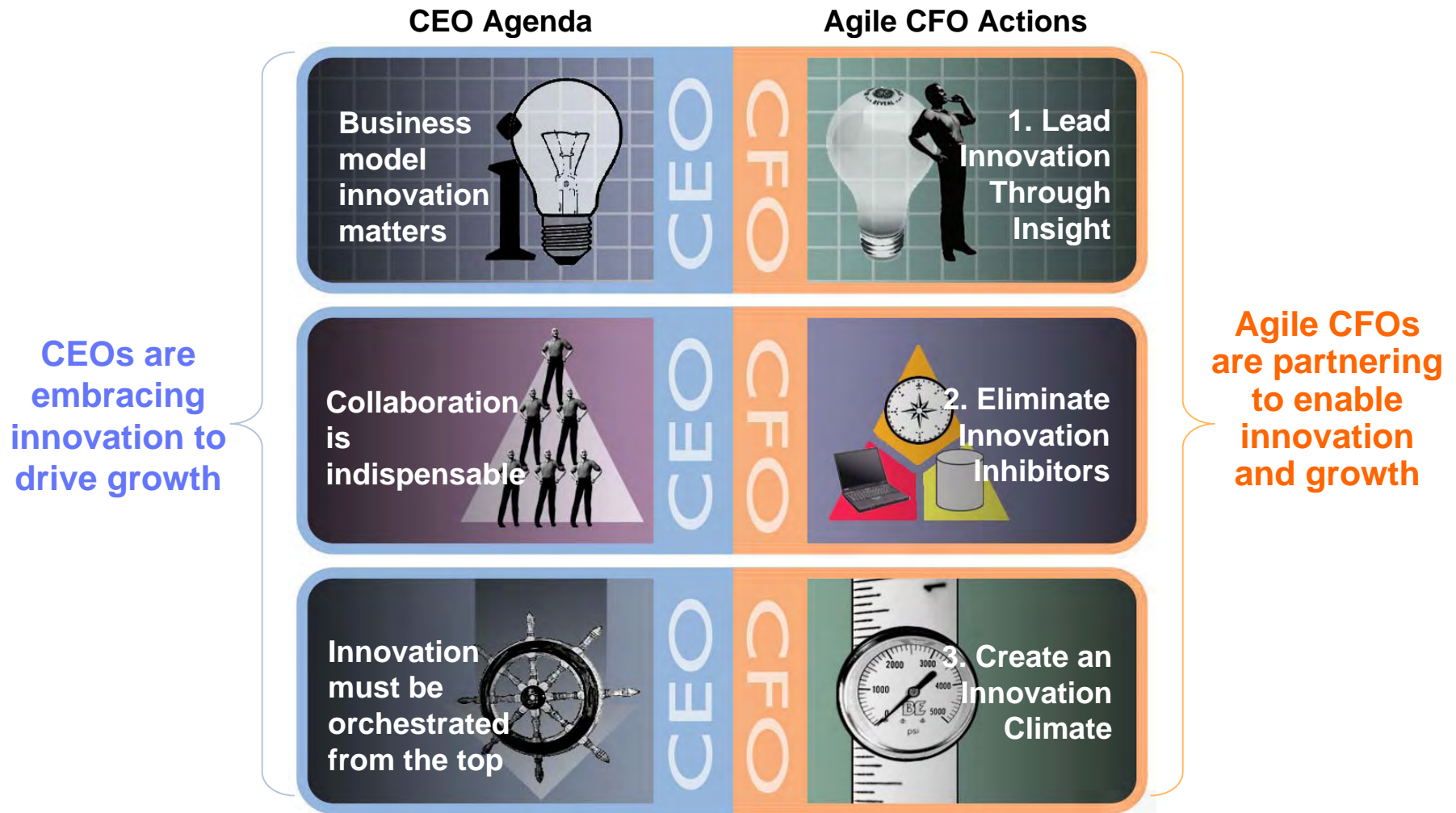
From finding new synergies to taking advantage to economies of scale and shared services, growth and innovation come from putting pieces together, not from having them operate separately.



Innovation must be orchestrated from the top

While innovation can be created at any level, and while change must happen holistically, innovation can only have profound effects if it is supported and advocated from executive management.

Agile CFOs are leveraging their capabilities to drive and manage innovation-based growth in support of the CEO agenda



Innovation building blocks:

1. Be an Innovation Leader

CEO Agenda

Business model innovation matters



CEO

Agile CFO Actions



1. Lead Innovation Through Insight

CFO

Innovation Building Blocks

- Identify business model innovation opportunities
- Create a finance function that enables insights and flexibility for business model innovation

Collaboration is indispensable



CEO

CFO

2. Eliminate Innovation Inhibitors



- Reduce structural complexity to facilitate collaboration
- Create global business process sight lines

Innovation must be orchestrated from the top



CEO

CFO

3. Create an Innovation Climate

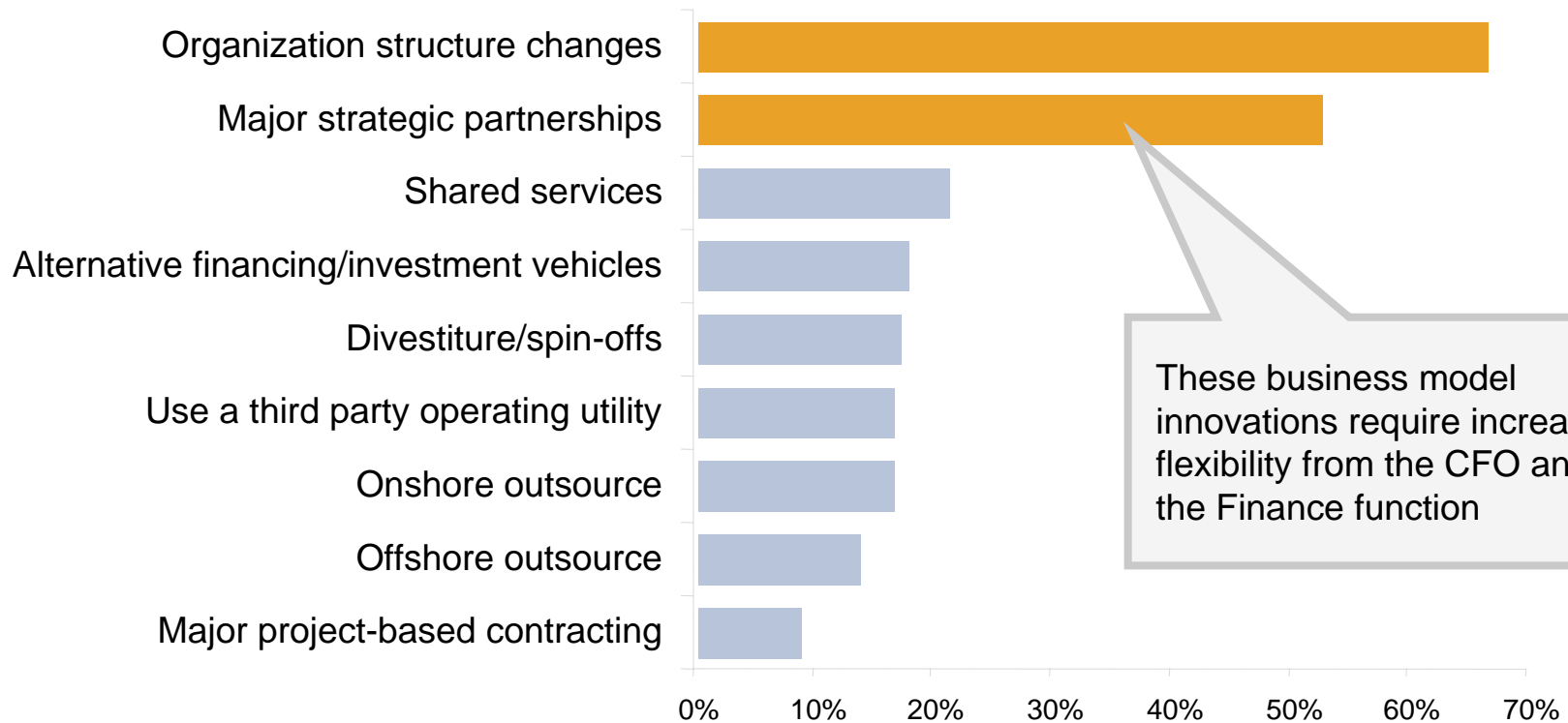


- Track innovation without stifling it
- Fund the unknown world
- Dialogue differently

Business model innovation is typically driven by changes in organizational structure & partnerships



Most Significant Innovations - Business Model Area



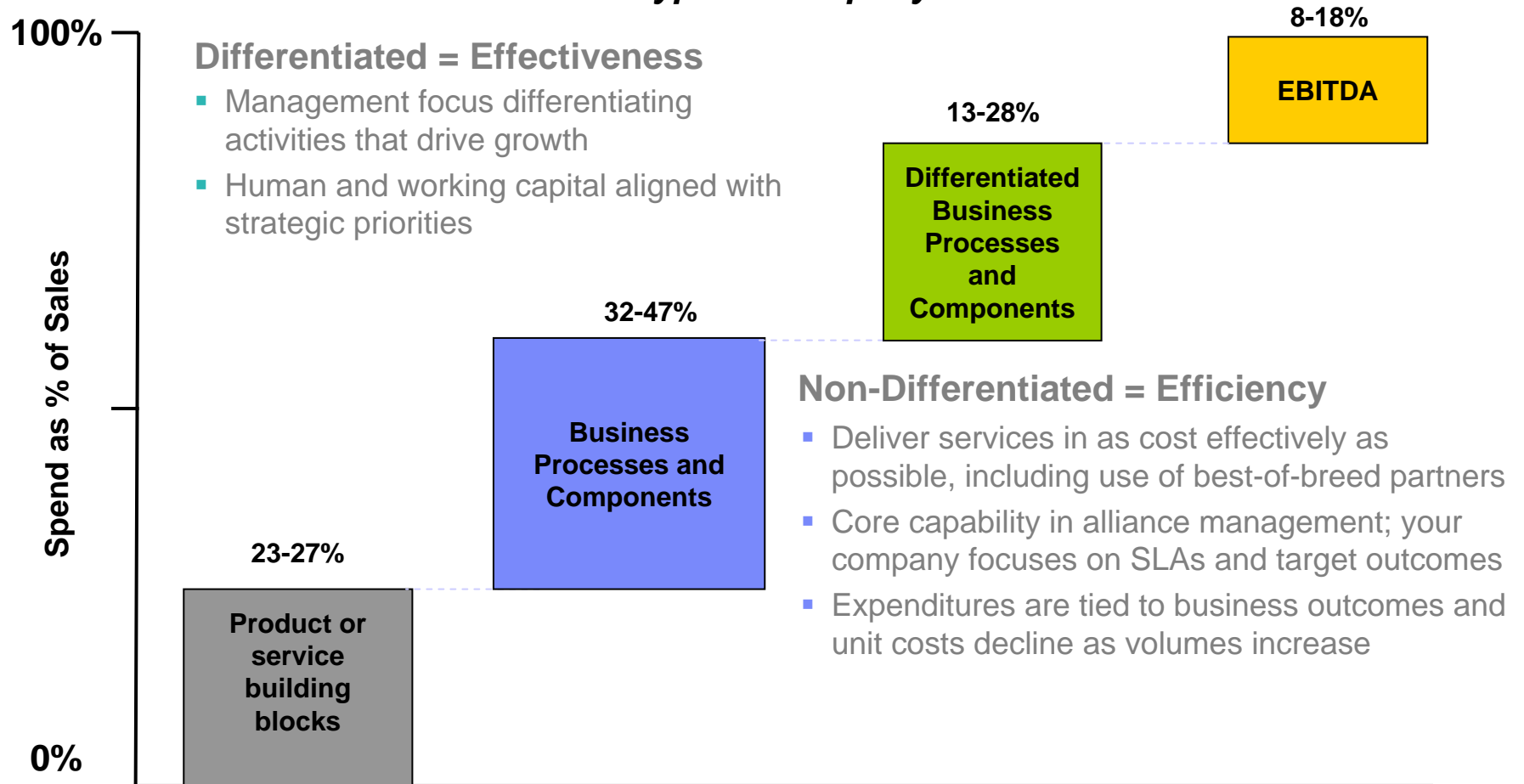
Source: The Global CEO Study 2006, IBM

Key Business Model Questions:

What are our differentiating capabilities?
 What processes should we focus on?

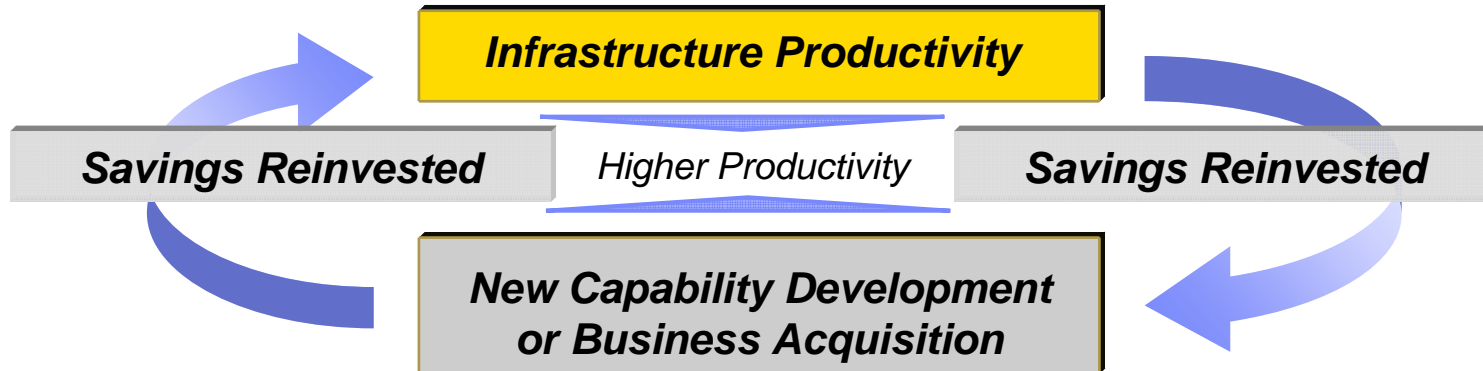


Prototypical Company

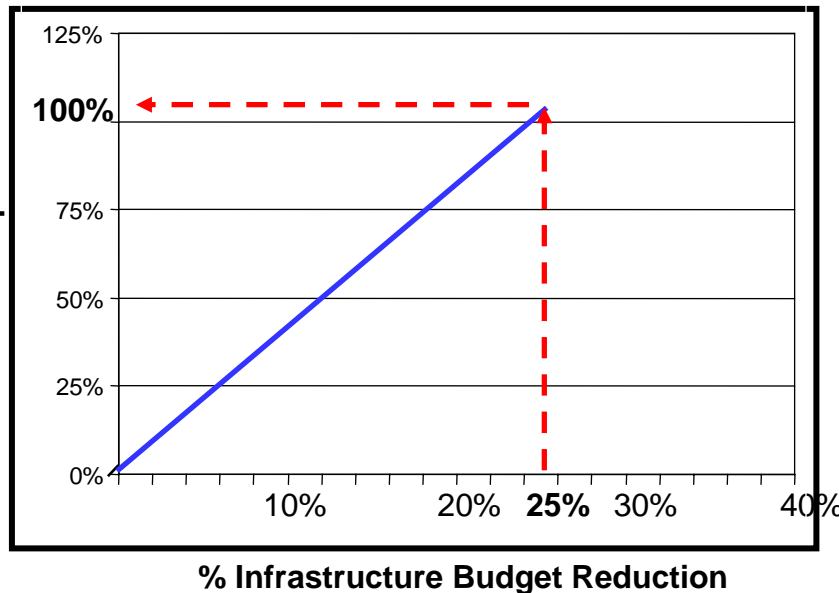


Source: IBM Institute for Business Value based on McKinsey analysis

Business model changes create opportunities for self-funding models - reducing costs to fund new development activities.



Increase (in %) of budget for IT applications developments



Business Enablement Funding Example:

25% Reduction in IT Operations Costs = 100% Increase in Application Development Budget

Innovations in IT provisioning

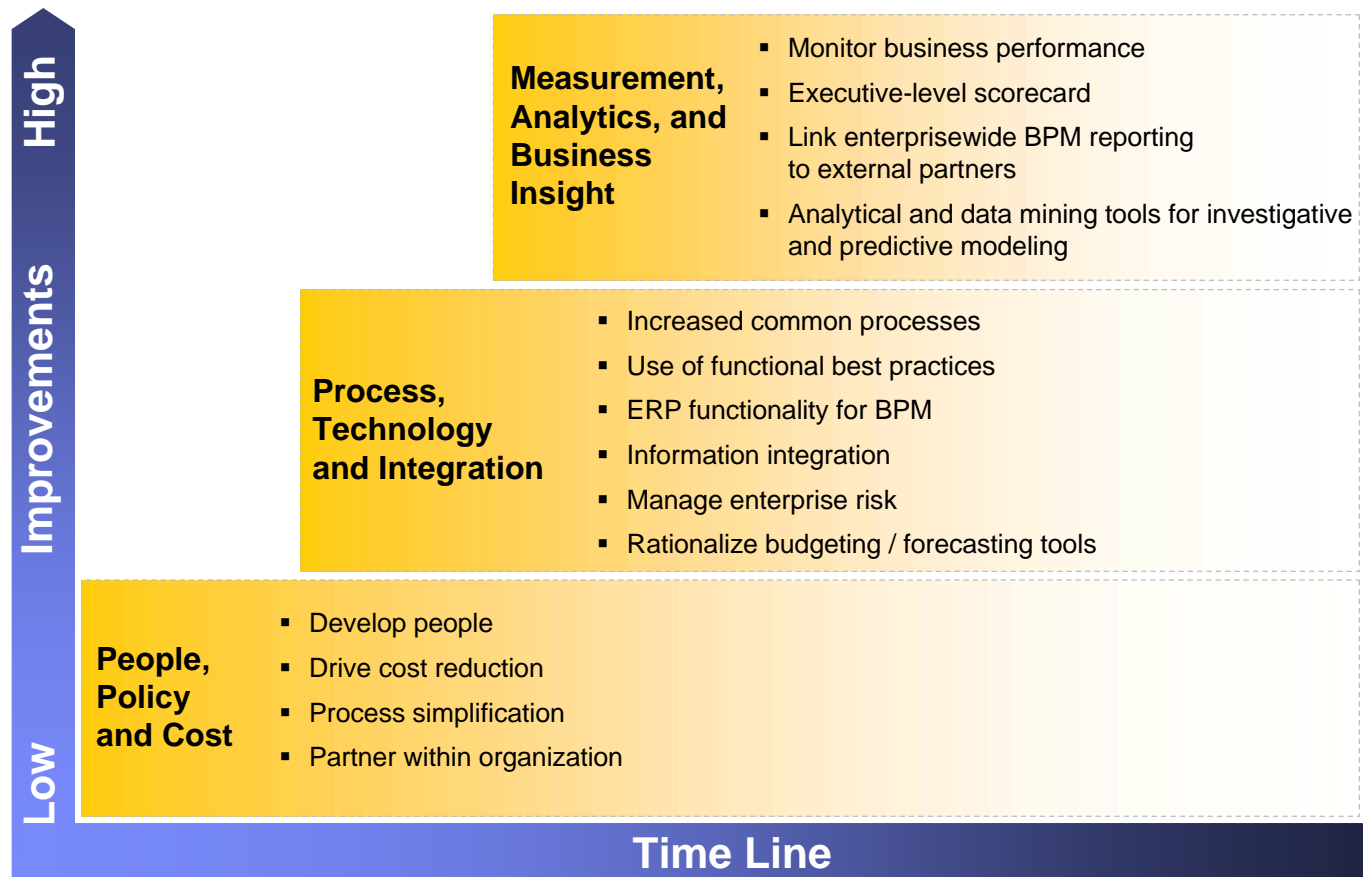


- Business Value Pricing: Innovation is the underlying feature of this model
 - The price is bound to a specific business-oriented metric
 - These metrics are usually key performance indicators of the overall health of the organization and attaining critical business objectives
 - Advantage lies in its utility – enables organizations to satisfy their objectives in their own way based on three important client-centric attributes:
 - Pricing
 - Adapting to the client's unique circumstances
 - Delivering a customized version of value for a particular buyer to enable competitive advantage
 - Delivers value by making customer requirements the central feature of the offering
 - The innovation of this approach lies in the placement of customization: at the operational level rather than the IT application/infrastructure level

Support for the innovation agenda requires basic capabilities and improvements within Finance



Finance Function Maturity Model



Source: IBM CFO Study, IBV analysis

Innovation building blocks:

2. Break Internal Barriers to Innovation

CEO Agenda

Business model innovation matters



CEO
CEO

Agile CFO Actions

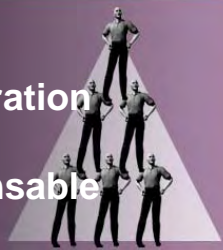


1. Lead Innovation Through Insight

Innovation Building Blocks

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CEO
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2. Eliminate Innovation Inhibitors

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Innovation must be orchestrated from the top



CEO
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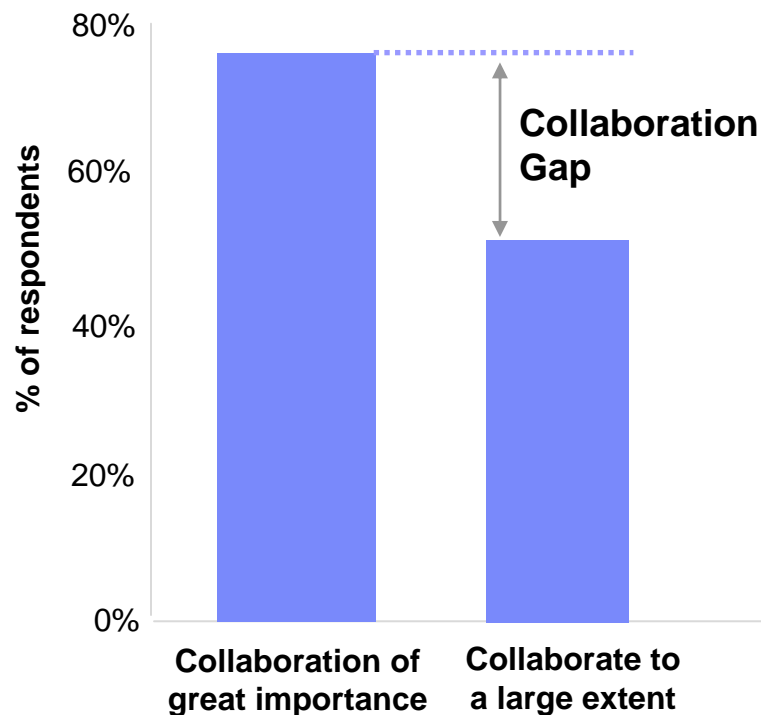
3. Create an Innovation Climate

- Track innovation without stifling it
- Fund the unknown world
- Dialogue differently

Collaboration is essential, yet there is a gap between importance and practice



**Collaboration Importance versus Extent
(i.e., intent vs. practice)**



Source: The Global CEO Study 2006, IBM

A collaboration gap exist between ideas and reality

Although over three quarters of CEOs cite that “collaboration is of great importance”, only about half collaborate to a large extent within their organizations. This suggests a gap between understanding this strategic imperative, and making it a reality within the business.

Quotes from the CEO study in support of collaboration:

“Without collaboration innovation would be impossible.”

“It would be counterproductive to do everything yourself.”

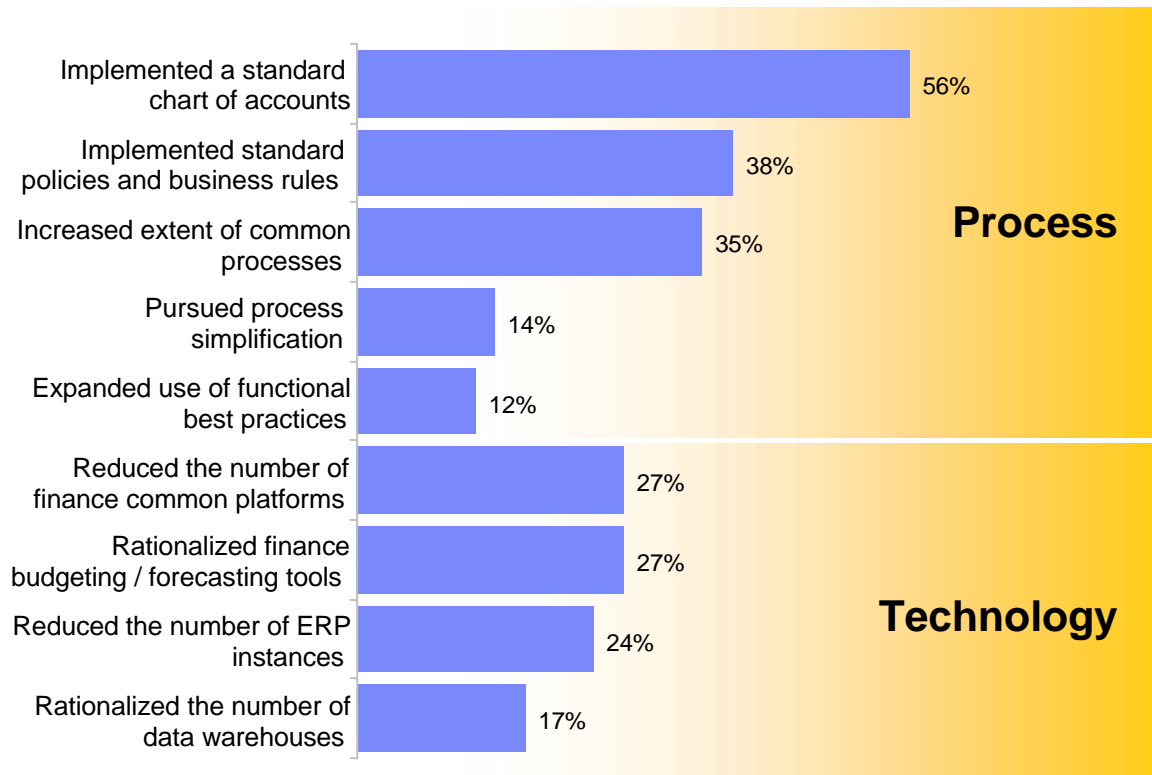
“Partnering...extract maximum value and avoid reinventing the wheel.”

Collaboration requires tackling the enterprisewide process & technology issues driving structural complexity



Enterprise-wide Process and Technology Improvements

Percent Fully Adopted Enterprise-wide



Responses = 844
 Source: IBM Global Business Services, The Global CFO Study 2005

Agile CFOs are integrating strategy and technology by standardizing, simplifying and optimizing



Defying Collaboration Limits By Addressing Structural Complexity

Standardizing

- Standardizing processes and information definitions drive effective integration and, in turn, innovation
 - Drive ownership and mapping of processes
 - Create a governance structure to ensure common information standards
 - Manage external data sources / suppliers

Simplifying

- Simplifying enables technology integration and a single source of truth
 - Reduce number of ERP instances
 - Rationalize finance budgeting / forecasting tools
 - Pursue process simplification
 - Increase extent of common processes

Optimizing

- Optimizing the delivery model through shared services and/or outsourcing helps to streamline processes and technology as well as make the organization more flexible

Source: IBM Global Business Services, The Global CFO Study 2005

Innovation building blocks:

3. Build a culture that supports Innovation

CEO Agenda

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CEO
CEO

Agile CFO Actions



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Agile CFOs who track and measure also focus on ideation, collaboration and metrics to create the innovation climate



Creating Innovation Climate

Ideation

- Employ analytical tools for investigative and ad-hoc analytics (e.g., hypothesis testing)
- Focus on exception-based reporting and analytics

Collaboration

- Use enterprise wide performance management reporting and access, linked to external partners (e.g., suppliers, customers)

Metrics

- Use enterprise resource planning performance management functionality
- Link and align scorecard metrics cascaded down to each function and business unit
- Attach metrics, incentives and accountability to groups and teams

Source: Global CFO Study 2005, IBV analysis

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Irving Oil – Managing costs while gaining access to best-in-class applications through Business Model Change



- **BUSINESS CHALLENGE:**
 - reduce overall technology costs
 - focus on core competencies by outsourcing IT, while keeping the majority of outsourced operations in Saint John, New Brunswick, Canada
 - Improve their competitive position in the marketplace.
- **SOLUTION:**
 - Outsource server operations, application maintenance, Help Desk and support of desktops.
 - Approximately 100 employees were transferred to IBM Application Management Services.
 - IBM used a proven five-tier methodology to assess the existing business, application, technology and security architectures. The result was a target enterprise architecture that would allow Irving Oil to transform its legacy structure towards an integrated application management model.
- **BENEFITS:**
 - Lowered development costs, reduced application defects and delivers application function much faster.
 - Stabilized the application environment: reduced reported problems by 85%; increased system availability to 99.8% for critical



Business Model change on a smaller scale – The Co-operators – Lotus Notes



- **BUSINESS CHALLENGE:**
 - E-mail is mission-critical but not strategic
 - Highly important for the employees to serve their customers, but not core business or enabler of competitive advantage
 - Use IT resources on more strategic projects and systems that enable competitive differentiation
- **SOLUTION:**
 - Solution was to pay a fixed fee per user for the maintenance of Lotus Notes e-mail IDs, support and operational services for a set number of customers
 - Metric that is controlled by the customer and reflects accurate costs
- **BENEFITS:**
 - Improved performance and availability over previous internal delivery
 - Cost of operating and maintaining the e-mail system commensurate with business objective of linking its employees and its brokers across Canada with each other and with customers
 - Limiting the exposure to the risks and responsibilities of owning, managing and maintaining IT solutions that are not strategic to business operations



Support Innovation by Leveraging Business Partners Hydro Ottawa – Customer Information & Billing Systems



- **BUSINESS CHALLENGE:**
 - Electricity distribution company serving the City of Ottawa formed as an amalgamation of other Hydros in the Ottawa vicinity
 - Need for stable and reliable customer information & billing systems
 - Improve risk management
 - Not viable through the legacy infrastructure
- **SOLUTION:**
 - Hydro Ottawa selected and implemented a new Customer Information & Billing system operated by IBM
 - Solution optimizes the system and equates the cost of the services provided with the number of customers Hydro Ottawa invoices
 - Hydro Ottawa is billed by the number of customer accounts (or hydro meters) they bill their customers
- **BENEFITS:**
 - Clear view of the client paying for what is purchased
 - Robust solution that is high functioning, stable, extensible and flexible
 - Enabled to face competitive challenges and shifting business models (i.e. Impact of de-regulation)
 - Reduction of overall IT costs
 - Clear linkage between revenue (number of meters read) and the cost of the customer information system



Supporting Innovation through simplification & standardization - Food Service Industry Client – Back Office Transformation



- **BUSINESS CHALLENGE:**
 - Strategic Plan anticipated doubling revenues over a 5-year period
 - Back-office processes (accounting, payroll, HR) could not support such an increase without significant cost increases, which in turn would negatively impact profitability
 - Multiple Lines of Business had unique processes, resulting in complexity and redundancy
- **SOLUTION:**
 - Develop simplified, standardized business processes for all back-office administrative processes
 - Enforced the adoption of all LOBs to these standardized processes
 - Migrate all administrative processes to a common set of applications, simplifying the technology environment and reducing costs
- **BENEFITS:**
 - Identified opportunities for significant reduction in costs
 - Improved leverage of ERP system, migrating all business processes onto a single, common technology platform
 - Established a strong foundation for future growth

Creating an Innovation-Supporting Climate – Canadian Financial Institution



- **BUSINESS CHALLENGE:**
 - The bank needed to be able to align its organization with its business strategy in order to correctly measure performance, meet shareholder expectations, and enable the business plan to forecast and steer the correct course.
 - Required an efficient financial reporting system to enhance and standardize profitability measurement methodologies, processes and reporting.
 - System also needed to support multidimensional profitability measurement.
- **SOLUTION:**
 - The project was executed in two phases:
 - The first phase of the project put in place a new financial management system
 - The second phase, the advanced profitability information phase, provided product-level data and best practice methodologies across the enterprise to support increased analytical capabilities for line of business and finance users.
- **BENEFITS:**
 - Profitability calculations and results will be reported at the lowest level of detail and by multiple dimensions.
 - The bank now has a single, enterprise-wide system performing profitability measurement calculations.
 - The company will utilize the industry's best practices and methodologies.

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IBM Global Business Services

IBM Case Study

February 2007
Lynn Belo, CFO, IBM Canada

Finance at IBM Transforming finance operations in 170 countries to a Globally Integrated Function

IBM Corporation



IBM Canada

Global Issue: Pre-1994

IBM Finance was primarily a decentralized maze of Financial Systems
– limiting the ability of Finance to contribute strategically

- **14,000 Finance employees – 2x Competition**
- **Decentralized organization**
- **Disparate Financial Systems**
- **High percent of time spent on Administrative tasks**
- **Finance organization viewed as low value add**



Lack of corporate-wide data strategy

- Inconsistent definitions
- Unique measurements
- Slow close process
- Lack of data integrity and transparency

No global process leadership

- Inefficient processes
- Inability to implement best practices across units
- No measure of process efficiency

Multiple data centers/applications

- Lack of integration
- 20 – 25 years old

Finance was organized around country structures, providing full services in every country; IBM Canada, like most countries, was a microcosm of the big IBM

Multiple levels of management in country

- High number of people
- Pre-reviews
- Pre-consolidation
- Business unit legal entity

Large number of subsidiaries

- High complexity during consolidation
- High degree of independence
- High Auditor costs

Responsibility for every accounting process

- Payroll
- Fixed Assets
- Cost & Revenue
- Treasury
- Statutory
- Acc.Systems & Applications

Local solutions and applications

- Changes cost time
- Dedicated skills
- High cost

Complex and manual accounting close

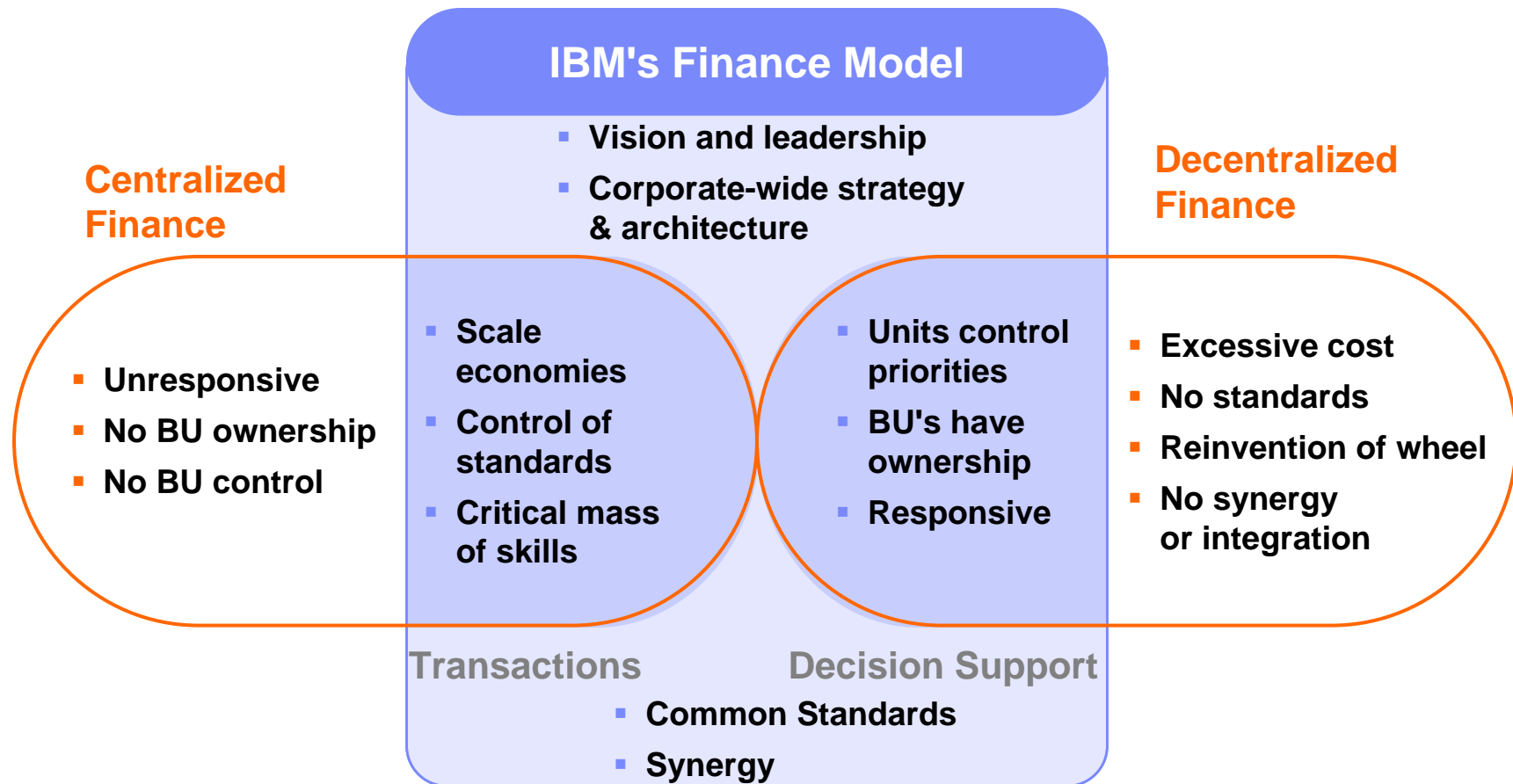
- Input by many subs
- Input mainly by accountants
- Minimal time for data and results analysis
- Little COA standardization

Local Function focused on country results

- Close to statutory books structure
- Very measurement centric for local business unit

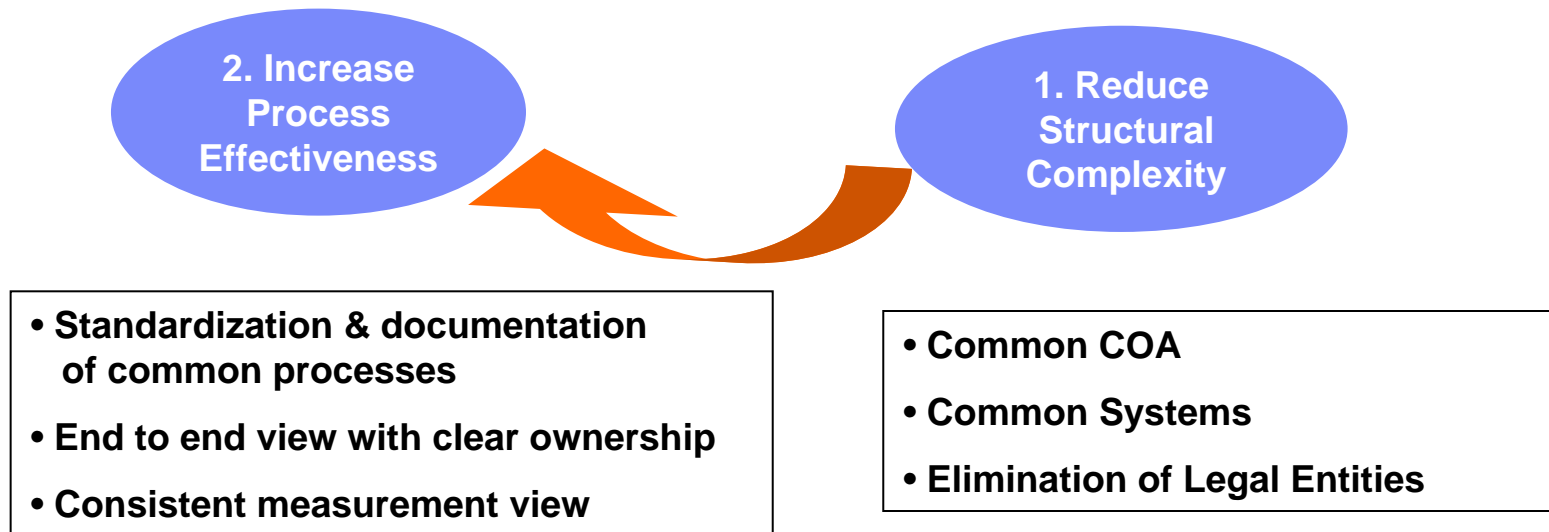
**Finance focus was on transaction processing.
Limited time / resource availability for ad hoc analysis and decision support**

IBM deployed a **Global Finance Model** that captures the benefits of centralization and use of shared services for transactions with decentralization of decision support



Transformation started with reducing structural complexity built on a common foundation

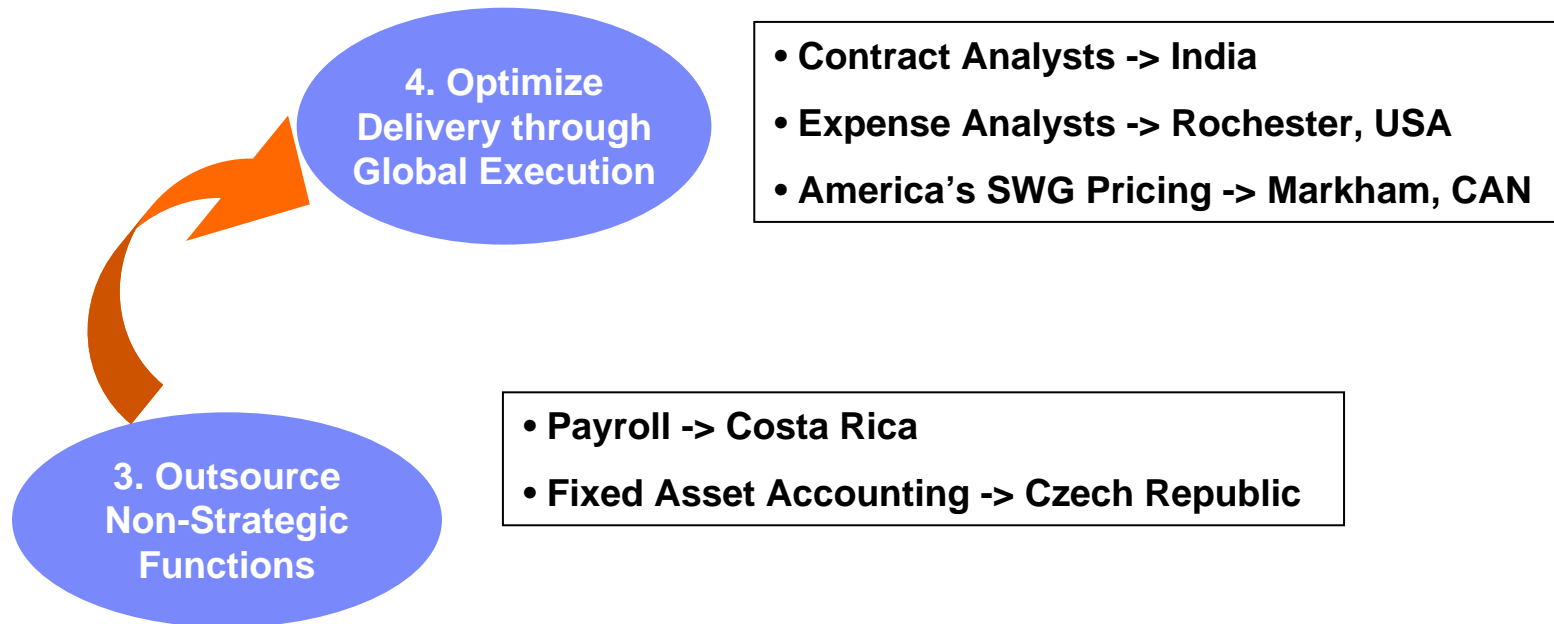
Corporate-wide Finance strategy & architecture



| Transformation | Past | Today |
|---|--|--|
| Common Platform and Focus for Standard Processes | <ul style="list-style-type: none"> ▪ Multiple Systems <ul style="list-style-type: none"> – Billing X 9 – Ledger X 2, Payroll X 2 – Fixed asset sub ledger X 5 Ongoing regulatory change impact on IT | <ul style="list-style-type: none"> ▪ Simplified IT environment <ul style="list-style-type: none"> – Billing X 2 – Single System Ledger Fixed asset sub ledger Payroll |

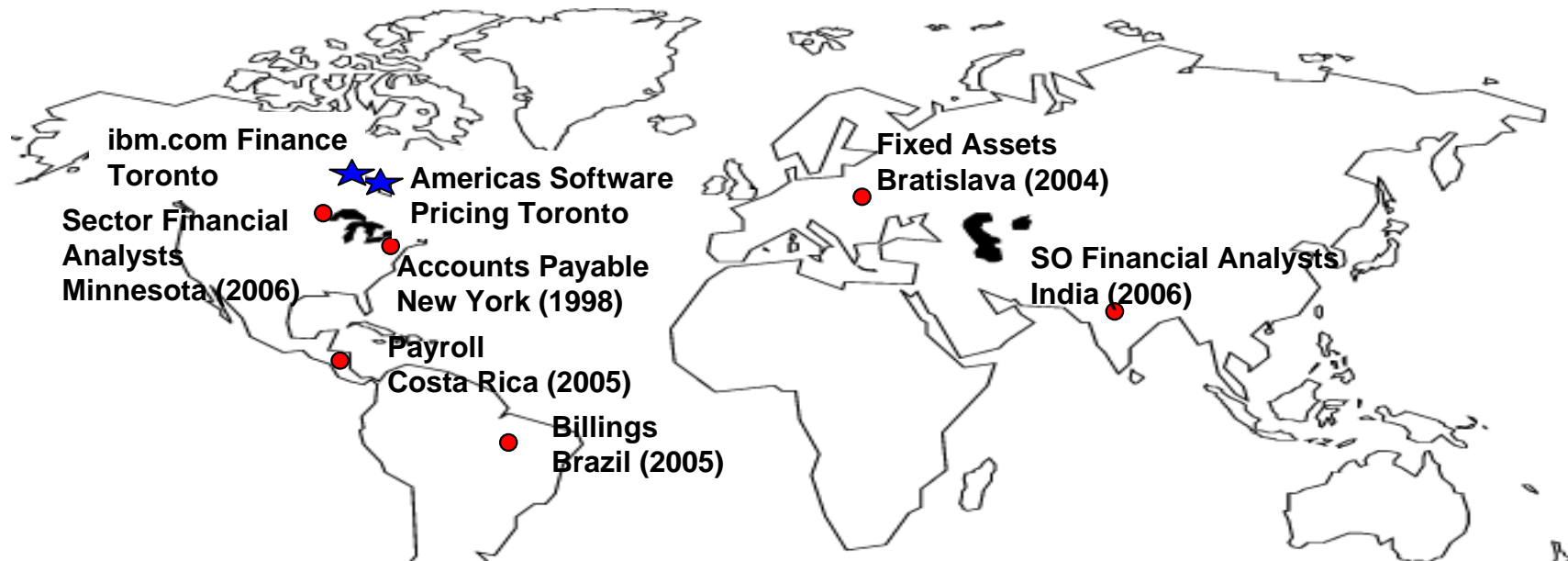
**Non Strategic Functions were outsourced for cost savings.
Critical Role Execution was enhanced through Global Center of Excellence execution**

Corporate-wide Finance strategy & architecture



2007: IBM Canada

Functioning as part of a Globally Integrated Company through Finance Transformation

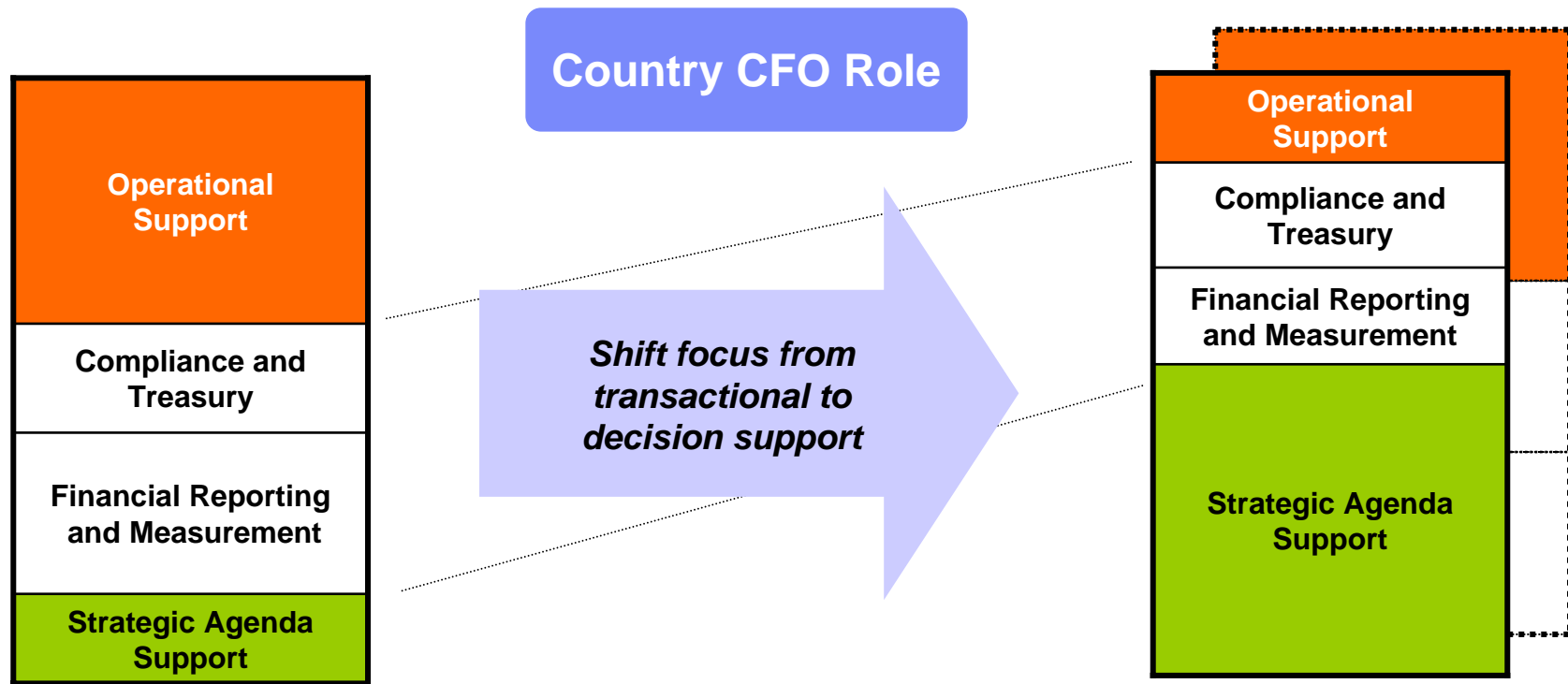


| Transformation | Past | Today |
|--|---|---|
| Outsource Non Strategic Roles | <ul style="list-style-type: none"> High cost for value Department Management a key time focus | <ul style="list-style-type: none"> Resources available for re-investment Time spent with Analysts on top business issues |
| Consolidate Core Functions into Shared Services | <ul style="list-style-type: none"> Fragmented Roles & Skills for Operations and Decision Support | <ul style="list-style-type: none"> Specialization and backup through Centre of Excellence model <ul style="list-style-type: none"> Increased Integrity of Results, Common Focus with Standard Reports |
| Speed | <ul style="list-style-type: none"> 30 days to close out quarter | <ul style="list-style-type: none"> IBM Canada closes 5 days after quarter and 7 days after year end |

The transformation journey involved many steps, but ultimately increased Finance time and resources for the CEO's Agenda



The CFO role has evolved to become strategic to the business



Acting as a Strategic Partner

- Identify core processes and centralize or outsource
- Focus on analysis and business issues
- Provide decision support for innovation-based growth

Working to Attract and Retain “Top Talent”

CFO as a Strategic Partner – Enabling Growth

| | | |
|----------------|---|--|
| Problem | <ul style="list-style-type: none"> ▪ Experienced Country growth, in a growing market, but did NOT meet plan objectives ▪ Complex IBM business model inhibited identifying & executing on local growth opportunities | <ul style="list-style-type: none"> ▪ Missed plan 4 years in a row ▪ Business units not allowed to invest ▪ No Cross Unit Synergy for common market opportunities |
| Actions | <ul style="list-style-type: none"> ▪ Collaborative Growth Initiative process Funding Process enabled by Finance – reallocate resources to growth | <ul style="list-style-type: none"> ▪ Local Market investment opportunities identified by Business Unit Leaders ▪ Business Led Growth Submissions 1 (2004) -> 20+ (2007) |
| Results | <ul style="list-style-type: none"> ▪ 11 Cases Selected for Investment (i.e. Health Industry, Oil Sands) ▪ \$15M allocated; ▪ 96 headcount redeployed | <ul style="list-style-type: none"> ▪ Made plan objective - for 1st time in 5 years ▪ New capability established for future growth |

CFO as Organizational Leader

- Working to Attract & Retain “Top Talent”

– Taking Personal Accountability

| | | |
|----------------|--|---|
| Problem | <ul style="list-style-type: none"> ▪ Strong demand for Finance skills ▪ Young/mobile workforce ▪ Global resourcing concerns | <ul style="list-style-type: none"> ▪ Sarbanes-Oxley (compliance) ▪ Approximately 50% of population has < 5years experience |
| Actions | <ul style="list-style-type: none"> ▪ Elimination of administrative tasks ▪ Increase job scope opportunities ▪ Communicate, Communicate, Communicate | <ul style="list-style-type: none"> ▪ Outsource repetitive tasks ▪ Retain and expand analytical functions (i.e. Americas Software Pricing) ▪ Executive interviews, roundtables, townhalls, monthly newsletters |
| Results | <ul style="list-style-type: none"> ▪ Motivated, highly skilled team ▪ Continuous productivity improvements | <ul style="list-style-type: none"> ▪ IBM Innovation awards, “Finance Olympics” ▪ Significant decrease in attrition |

3 Keys to Bottom Line and Top Line Success

■ Focus on Productivity

- Have a strategy for effective process execution
- Drive to free up resources and time for broader contribution

■ Act as a Strategic Partner

- Enabling top line growth requires collaboration across the business

■ Focus on your People

- Build capability in the Finance team to deliver Local and Global value

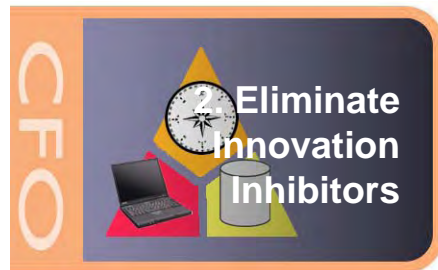
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Conclusion – CFOs must align to the CEOs innovation agenda to drive real impact into the business.



- Do you help identify and capitalize on business model innovation opportunities?
- Does your finance function creates insights and flexibility for business model innovation?



- Do you reduce structural complexity to facilitate collaboration?
- Have your created global business process sight lines?



- Are you able to track innovation without stifling it?
- Do you have a sound approach to “fund the unknown world”?
- Will you be able to “dialogue differently” within your organization?

Component Business Modeling is a tool that many of our clients have used to identify the activities / processes that provide differentiation and drive innovation

A **Business Component** is a part of an enterprise that has the potential to operate independently, in the extreme as a separate company, or as part of another company.

Columns are **Business Competencies**, defined as large business areas with characteristic skills and capabilities, for example, product development or supply chain

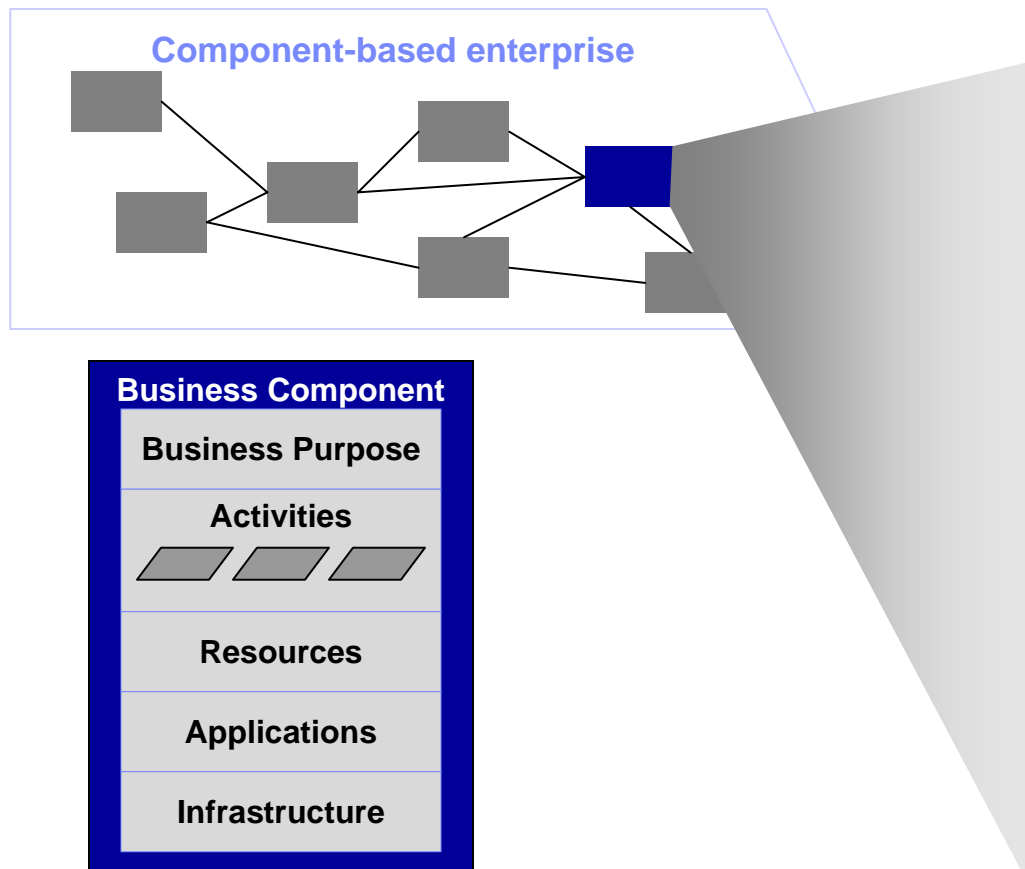
An **Accountability Level** characterizes the scope and intent of activity and decision-making. The three levels used in CBM are Direct, Control and Execute

- Direct is about strategy, overall direction and policy
- Control is about monitoring, managing exceptions and tactical decision making
- Execute is about doing the work

| | Transaction Processing | Accounting Close and Consolidation | Financial / External Reporting | Business Performance Management | |
|---------|---|---|--------------------------------|---------------------------------|--|
| Direct | Financial Policies | Close Coordination and Scheduling Accounting Policies and Procedures | | | |
| Control | Authority and Limits Delegation Account Reconciliation | Financial Data Management Results Reconciliation | | ... | |
| Execute | Accounts Payable Processing . | Project and Cost Accounting . | | | |

A Business Component Is A Logical Group Of Activities And The Resources Needed To Accomplish Them

Definition – Business Component



A Business Component...

- is a **group of cohesive business activities** to serve a **unique purpose**
- **contains all resources** (people, activities, know-how, technology, and assets) to accomplish its purpose
- creates **specific value** to other parts of the organization
- has a **high degree of autonomy** and is managed separately
- is linked to the rest of the organization through **business services and integrated information systems**
- **Represents real functions performed by discrete business areas**

Source: IBM Institute for Business Value, IBM BCS: CBM Component Talking Points, May 2003

A Business Component Map is a tabular view of the business as the sum of the various “component” processes and activities performed

| | Business Administration | New Business Development | Relationship Management | Servicing and Sales | Product Fulfillment | Financial Control and Accounting |
|-------------|-------------------------|--------------------------|-------------------------|---------------------|----------------------|----------------------------------|
| Directing | Business Planning | Sector Planning | Account Planning | Sales Planning | Fulfillment Planning | Portfolio Planning |
| Controlling | Business Unit Tracking | Sector Management | Relationship Management | Sales Management | Fulfillment Planning | Compliance Reconciliation |
| | Staff Appraisals | Product Management | Credit Assessment | | | |
| Executing | Staff Administration | Product Directory | Credit Administration | Sales | Product Fulfillment | Customer Accounts |
| | Product Administration | Marketing Campaigns | | Customer Dialog | Document Management | General Ledger |
| | | | | Contact Routing | | |

Finance and Accounting Component Business Model

| | Financial Operations | Accounting Close and Consolidation | External Financial Reporting | Business Performance Management | Planning, Budgeting, Forecasting | Risk and Compliance Management | Treasury & Investments | Tax Management | Specialty Services | Financial Administration |
|---------|--|---|---|--|---|--|--|--|---|--|
| Direct | <ul style="list-style-type: none"> Financial Procedures & Business Rules | <ul style="list-style-type: none"> Close Coordination and Scheduling Accounting Policies and Procedures | <ul style="list-style-type: none"> Investor Relations Management Financial Disclosure Requirements | <ul style="list-style-type: none"> Management Reporting Framework Management Reporting Procedures & Rules KPI Definition | <ul style="list-style-type: none"> Budget Procedures & Guidelines Strategic Planning & Target Setting Operational Planning Capital Planning | <ul style="list-style-type: none"> Internal Controls Framework Enterprise Risk Framework | <ul style="list-style-type: none"> Liquidity Planning Treasury Procedures & Rules Investment Portfolio Planning Investment Procedures & Rules | <ul style="list-style-type: none"> Tax Strategies & Planning Tax Compliance Policies & Procedures | <ul style="list-style-type: none"> External Financial Audit Requirements Internal Audit Objectives & Planning M&A Strategy Financial Business Strategy & Corporate Structure | <ul style="list-style-type: none"> Financial Policies & Procedures Financial Systems Architecture Png. Staff Planning Data Governance Strategy & Rules Finance Service Delivery Model |
| Control | <ul style="list-style-type: none"> Authority and Limits Delegation Operational Reconciliation Finance Policy Monitoring | <ul style="list-style-type: none"> Financial Reconciliation Journal Entry Review & Approval | <ul style="list-style-type: none"> Reporting Compliance Monitoring Detective Self-Audit Financial Statements Approval | <ul style="list-style-type: none"> KPI Monitoring Business Performance Review/Impact Assessment Incentive Comp Integration | <ul style="list-style-type: none"> Budget / Forecast Model Design Budget Policy Monitoring Plan Approval | <ul style="list-style-type: none"> Risk & Compliance Monitoring Controls Monitoring Fraud Management | <ul style="list-style-type: none"> Bank Account Reconciliation FX Exposure Management Portfolio Performance Monitoring | <ul style="list-style-type: none"> Tax Compliance Monitoring | <ul style="list-style-type: none"> Audit Recommendations Monitoring M&A Board Approval M&A Synergy Monitoring | <ul style="list-style-type: none"> Policy Monitoring Staff Performance & Reviews Master Data Management Financial Systems Architecture Compliance Service Provider Monitoring |
| Execute | <ul style="list-style-type: none"> Payroll Accounting Travel and Expense Processing Dispute / Deduction Accounting Fixed Assets Accounting Project Accounting Accounts Receivable Processing Accounts Payable Processing Procurement | <ul style="list-style-type: none"> Pre-close Execution Tax Accounting Periodic Close Performance Consolidations Intra-company / Transfer Pricing | <ul style="list-style-type: none"> Financial Statements Preparation Board Reporting Preparation Regulatory Reporting Production Investor Relations Support Regulatory Inquiries Handling | <ul style="list-style-type: none"> Management Reporting Business Analysis and Modeling Cost Accounting Management Scorecard / Dashboards Creation Business Case Preparation | <ul style="list-style-type: none"> Budget Preparation Forecast Preparation | <ul style="list-style-type: none"> Risk Scoring and Evaluation Risk Reporting Compliance & Controls Reporting | <ul style="list-style-type: none"> Cash Forecasting Cash Management Operations FX Transactions Execution Portfolio Management Investment Modeling Equity / Debt Management Capital Acquisition and Securitization Trading & Settlement | <ul style="list-style-type: none"> Tax Return Preparation Tax Inquiries Handling Transaction-based Tax Advice Tax Research | <ul style="list-style-type: none"> Internal Audits Execution Audit Findings Reporting M&A Candidate Identification M&A Due Diligence M&A Deals Execution Special Projects & Internal Consulting | <ul style="list-style-type: none"> Master Data Maintenance Staff Development & Retention Financial Systems Maintenance Service Provider Management |

Leadership vs. Management

“Are organizations today over-managed but under-led? Management and leadership is not the same thing. Management copes with *complexity*, relying on budgets, plans, targets and organizational charts. Managers tend to follow rules and are risk averse. In contrast, leaders cope with *change* - change that is accelerating. Leadership requires vision, direction setting, the inspiration of employees and intelligent risk management.”

Performance Management: Making It Work: *The Future: Risk-Based Performance Management?*
Column published in DMRReview.com; November 3, 2005 By [Gary Cokins](#)

To move forward, Finance executives should take steps to enable and enhance insight

Steps Forward

Enable Insight

Standardize, simplify and optimize to reduce and mitigate structural complexity

Integrate information to enable fact based decisions

Enhance Insight

Partner with the CEO and business operations to drive growth insight

Optimize decision support to enhance performance insight

Drive beyond compliance to enhance risk insight

Presentation Agenda

- **The Agile CFO** – Paul Ingram
- **Putting theory into Practice** – Paul Ingram
- **IBM Case Study** – Lynn Belo
- **Summary and Call to Action** – Paul Ingram
- **Questions & Answer** – Isabel Meharry