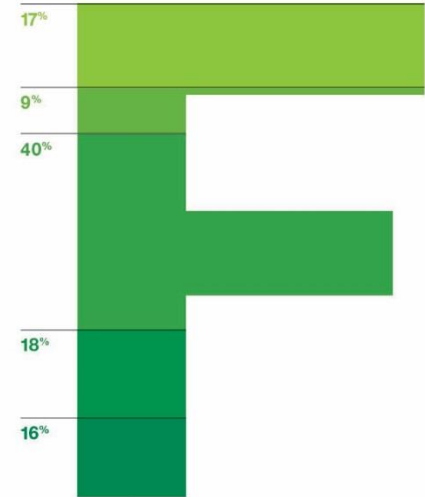


# Pushing the frontiers

*CFO insights from the Global C-Suite Study*



# Introductions: IBM Core Team



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## Pushing the frontiers

CFO Insights from the Global C-suite Study

# Agenda

The IBM CFO Study

Revisiting the Global CFO Study: Value Integrators

### Pushing the frontier: Performance Accelerators

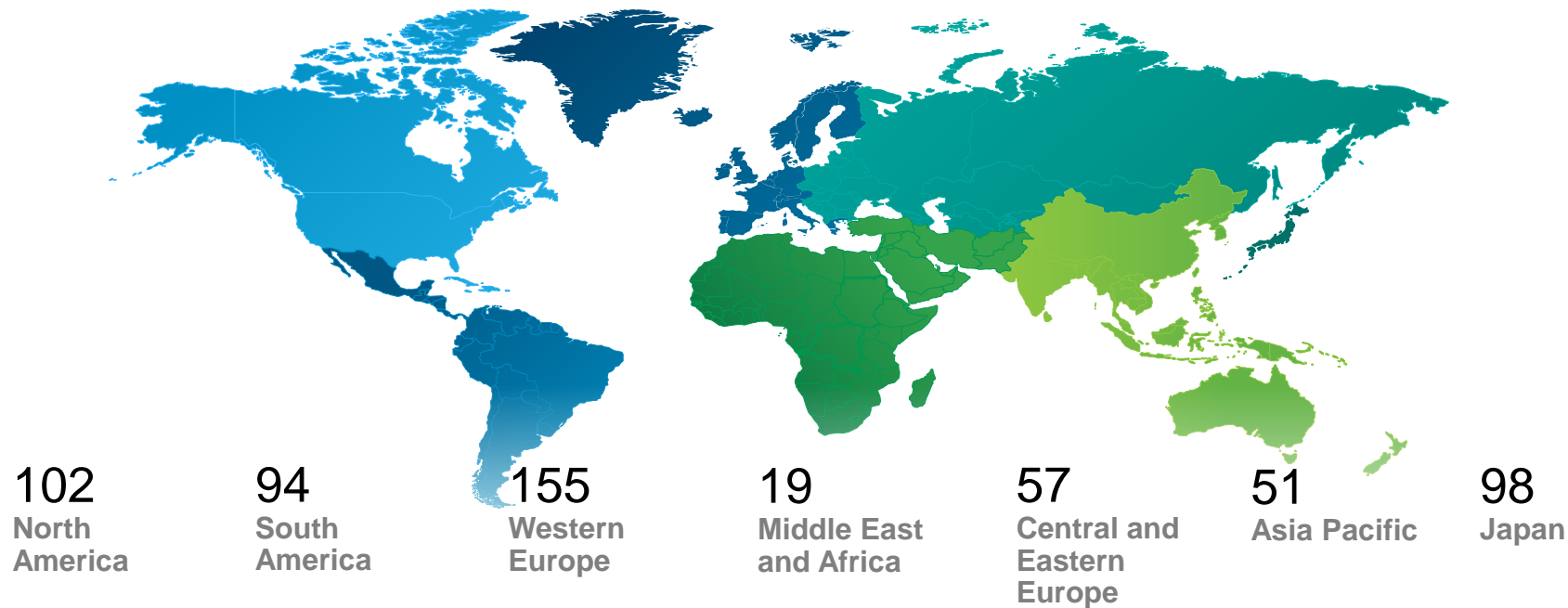
- Perfecting finance efficiency
- Capitalizing on business insight
- Creating profitable growth



# IBM Perceptions



This installment covers 576 CFO interviews  
from around the world



# Our CFO respondents represent a diverse set of industries

## Communications sector

- Energy and Utilities
- Media and Entertainment
- Telecommunications

## Distribution sector

- Consumer Products
- Life Sciences
- Professional & Computer Svcs
- Retail
- Transportation
- Travel

## Financial Services sector

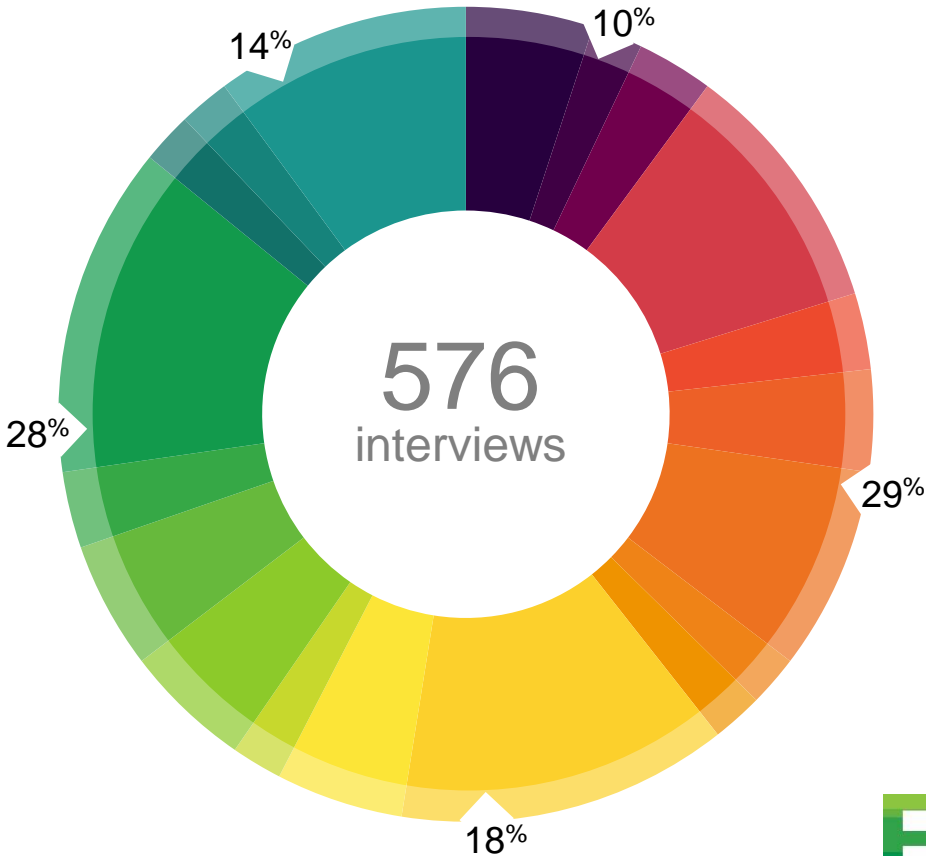
- Banking & Financial Markets
- Insurance

## Industrial sector

- Aerospace and Defense
- Automotive
- Chemicals and Petroleum
- Electronics
- Industrial Products

## Public sector

- Education and Research
- Healthcare
- NGOs and Government



## Sample Questions

### E9 How do you see the landscape changing over the next 3 to 5 years?

|   |  |   |   |   |   |   |   |
|---|--|---|---|---|---|---|---|
| a | Competitors from same industry               | 2 | 1 | 0 | 1 | 2 | Competitors from other/new industries                 |
| b | Reduced partner base                         | 2 | 1 | 0 | 1 | 2 | Expanded partner network                              |
| c | Partnering for efficiency and cost reduction | 2 | 1 | 0 | 1 | 2 | Partnering to deliver higher business value           |
| d | Innovation from inside the enterprise        | 2 | 1 | 0 | 1 | 2 | Innovation from outside the enterprise                |
| e | Approaching customers as a market segment    | 2 | 1 | 0 | 1 | 2 | Approaching customers as individuals                  |
| f | In-person interaction, face-to-face          | 2 | 1 | 0 | 1 | 2 | Social and digital interaction, virtual collaboration |
| g | Maintain current products and services       | 2 | 1 | 0 | 1 | 2 | Develop new products and services                     |
| h | Defend your core markets                     | 2 | 1 | 0 | 1 | 2 | Actively enter new markets                            |
| i | Operational control                          | 2 | 1 | 0 | 1 | 2 | Organizational openness                               |

↑  
No change



# Sample Questions

**E12** How does your enterprise perceive the effectiveness of Finance in the following areas?

- a** **Strategy planning and execution**  
(Enterprise strategy, cost reduction, investor/stakeholder relations) Ineffective 

|   |   |   |   |   |
|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|

 Very effective
- b** **Control / risk management**  
(Compliance programs, internal controls, enterprise risk) 

|   |   |   |   |   |
|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|
- c** **Performance measurement and management**  
(Business performance, information integration, planning, budgeting and forecasting) 

|   |   |   |   |   |
|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|
- d** **Finance function**  
(Transactional processing, talent development, process improvements) 

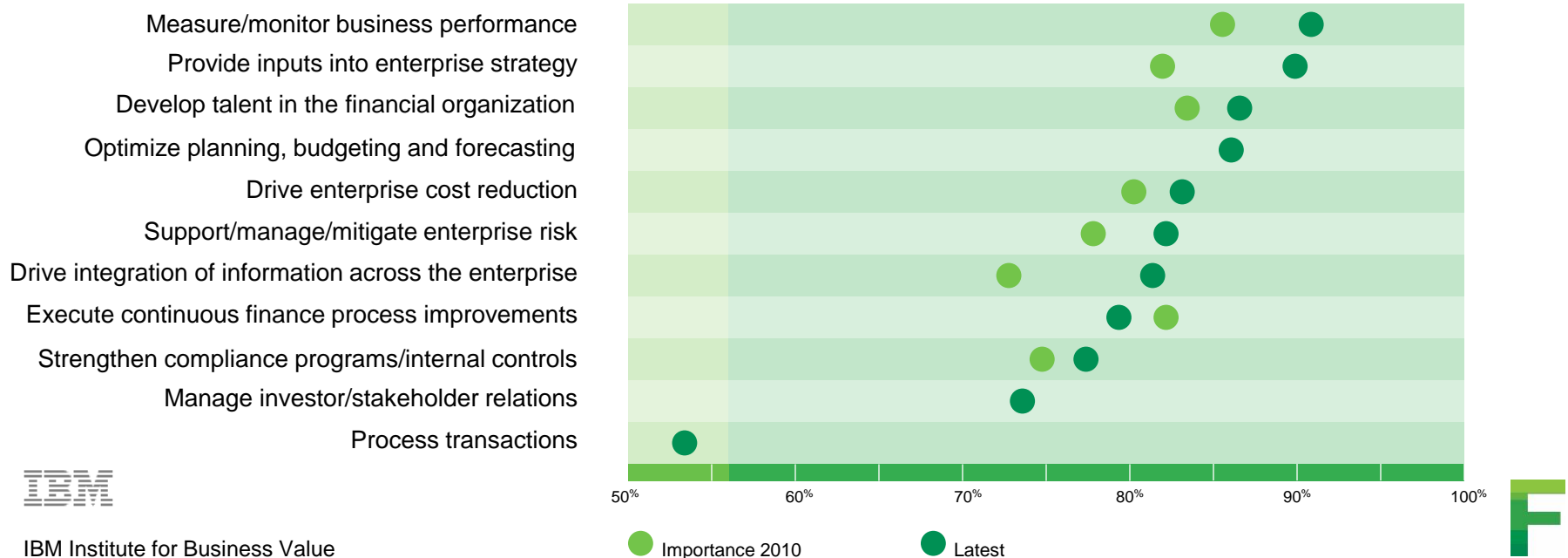
|   |   |   |   |   |
|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|





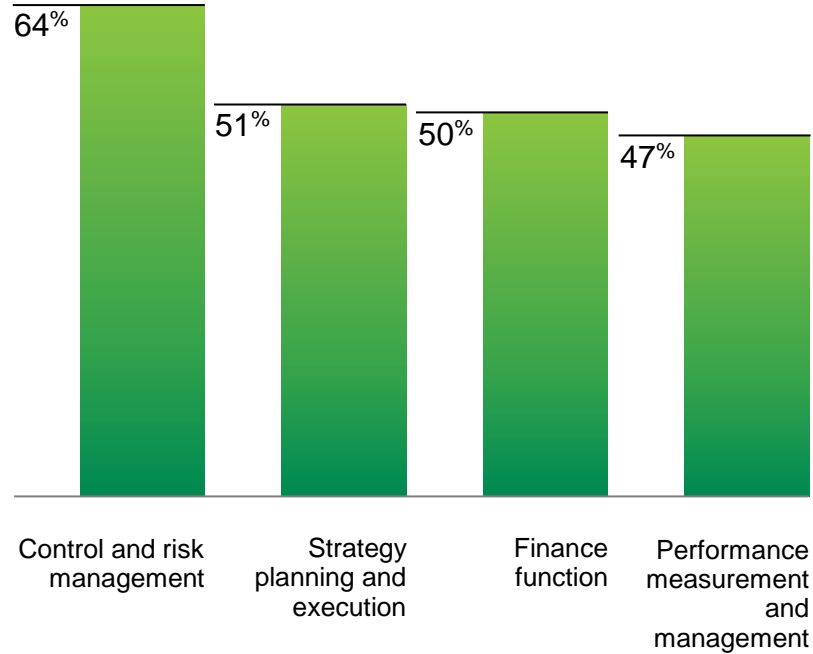
# CFOs report that almost all aspects of their role have increased in importance over the past few years

## Areas of importance—historical



## Finance's perceived effectiveness—CFO perspective

Only half of CFOs believe Finance is highly effective at key functions



Source: Question E8--What are the most important external forces that will impact the enterprise over the next 3 to 5 years?

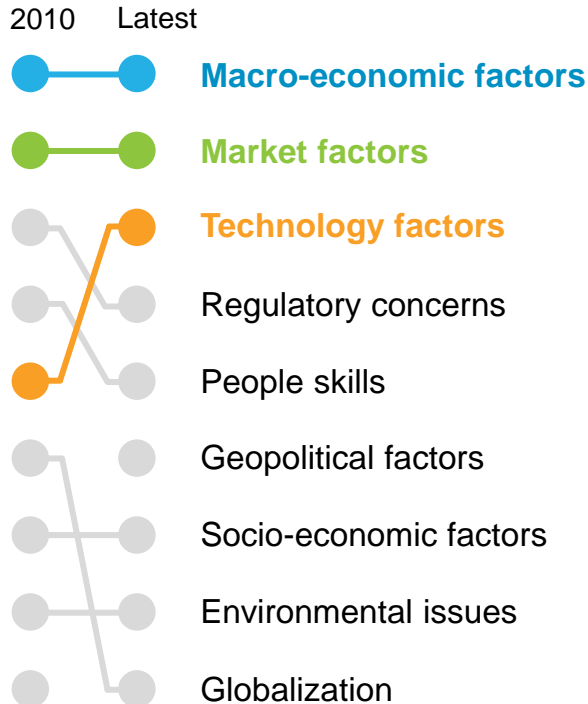


*We need to have the right information on time and give it the interpretation value. There is a need to frame information in a financial focus.*

**CFO**, Industrial products company, Mexico

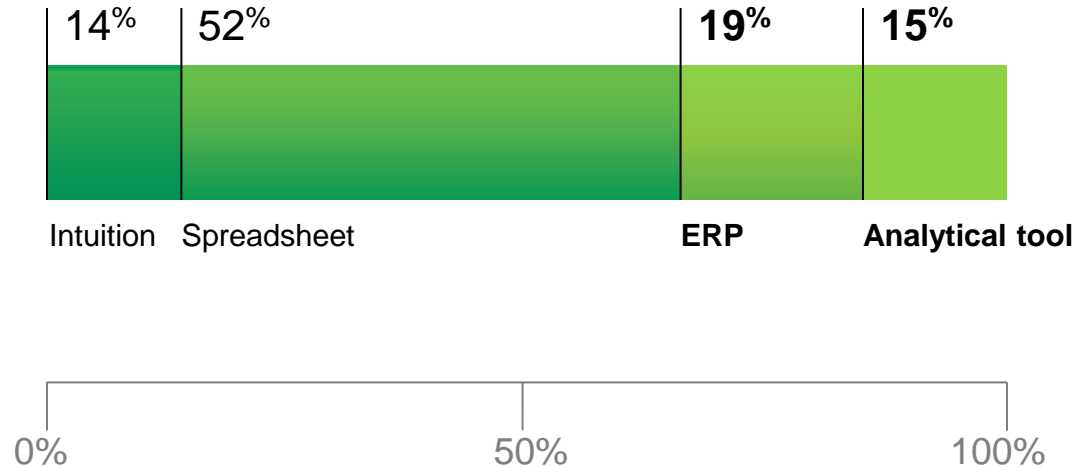


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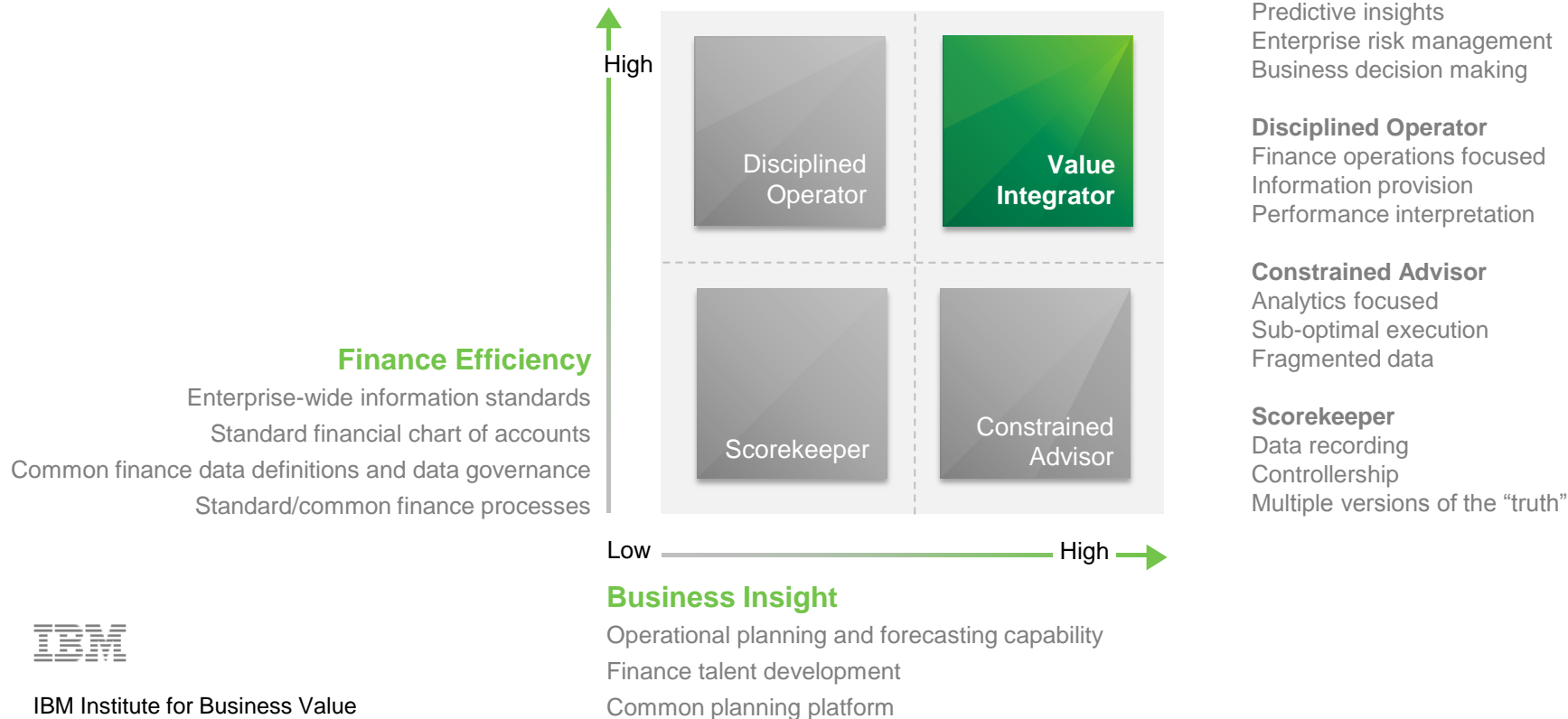


## Capabilities/tools used to support Finance

CFOs report they use sophisticated, enterprise-wide tools to support Finance one-third of the time

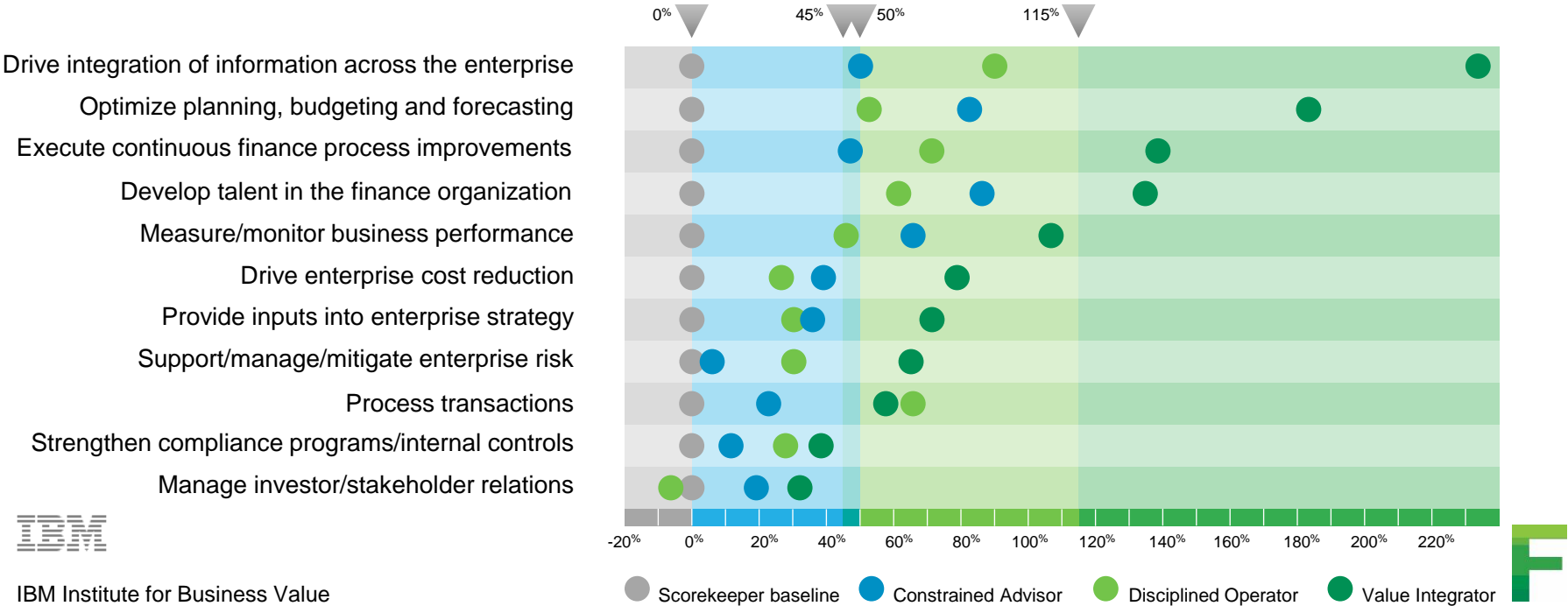


# The 2010 Global CFO Study identified 4 Finance profiles, with one group, Value Integrators, outperforming the rest



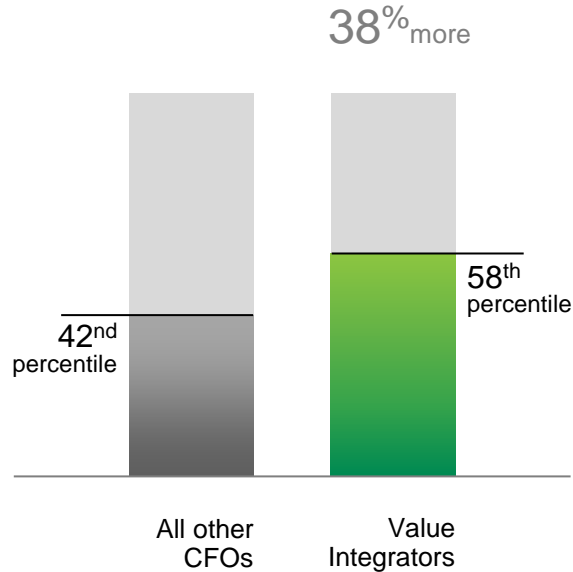
# Value Integrators have proven that they are more effective at core finance functions utilizing both efficiency and insight

Effectiveness across the CFO agenda

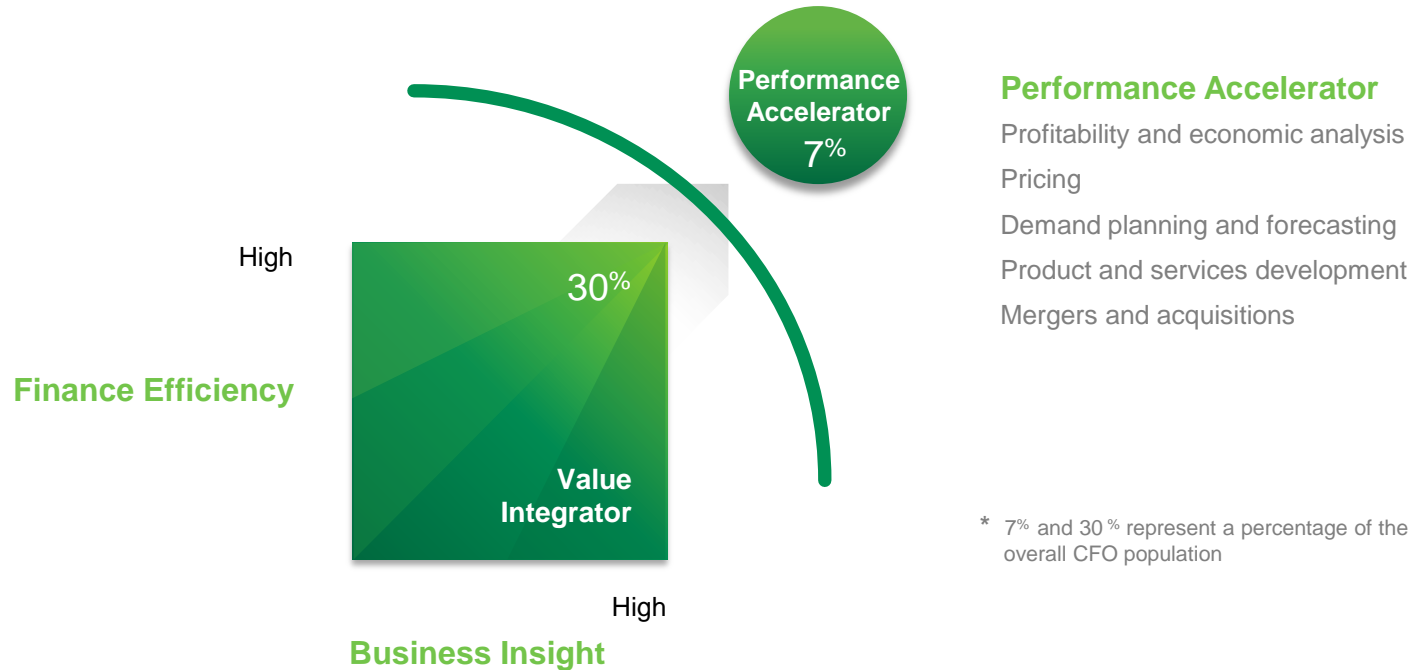


## Average ranking on measures of profit and revenue

Over the last three years,  
Value Integrators continue  
to push the boundaries  
of both revenue growth  
and profitability



# Value Integrators are pushing the boundaries of efficiency and insight—a subset are emerging as Performance Accelerators



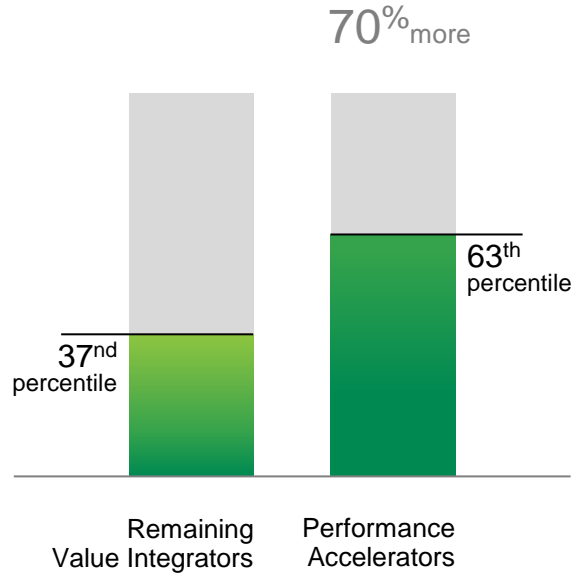
\* 7% and 30% represent a percentage of the overall CFO population





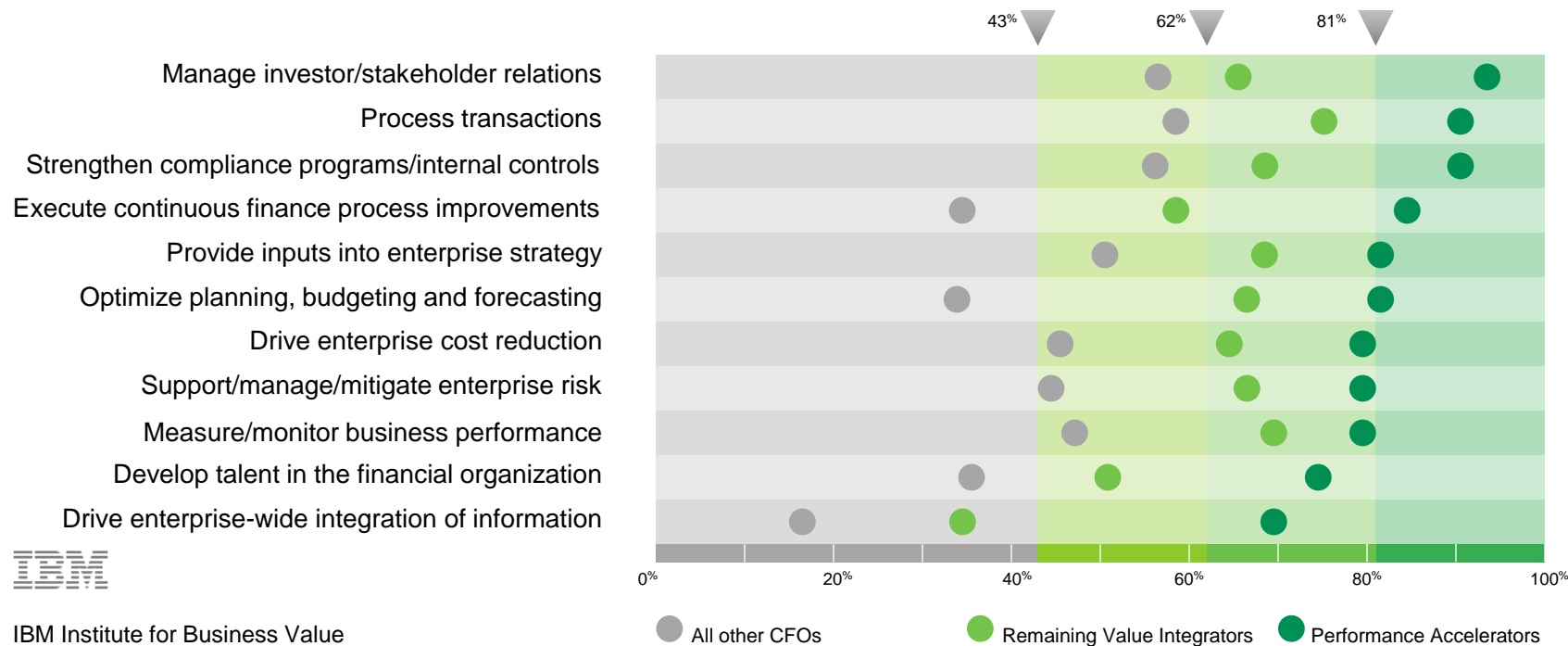
## Average ranking on measures of profit and revenue

Performance Accelerators  
also lead Value Integrators  
in both revenue growth  
and profitability



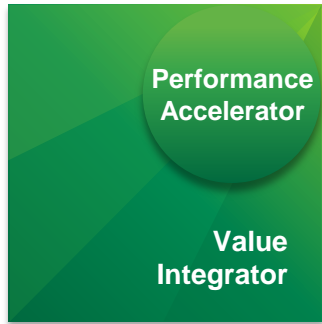
# Performance Accelerators have mastered core financial enterprise duties—outperforming Value Integrators in every dimension

Effectiveness across the CFO agenda



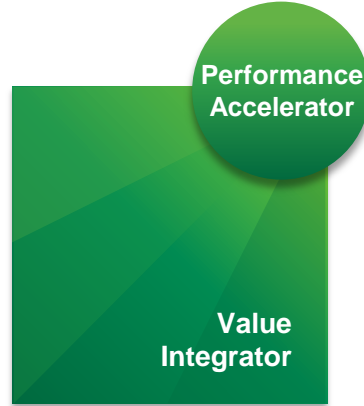
Performance Accelerator's focus areas can be grouped into efficiency, insight, and growth initiatives—one ability builds on the previous

### Finance efficiency



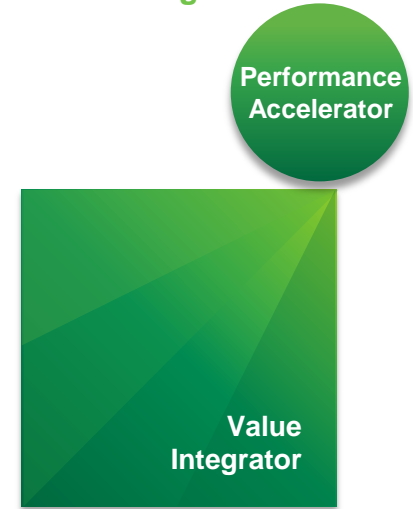
Value Integrators and Performance Accelerators are neck and neck in **finance efficiency**

### Business insight



Performance Accelerators begin to pull away in terms of **business insight**

### Profitable growth

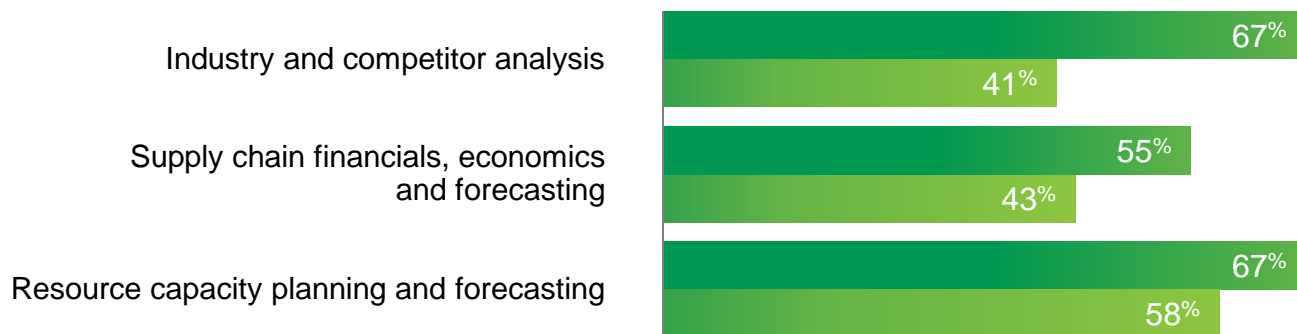


Performance Accelerators shine when it comes to **profitable growth** and are truly the engines of change



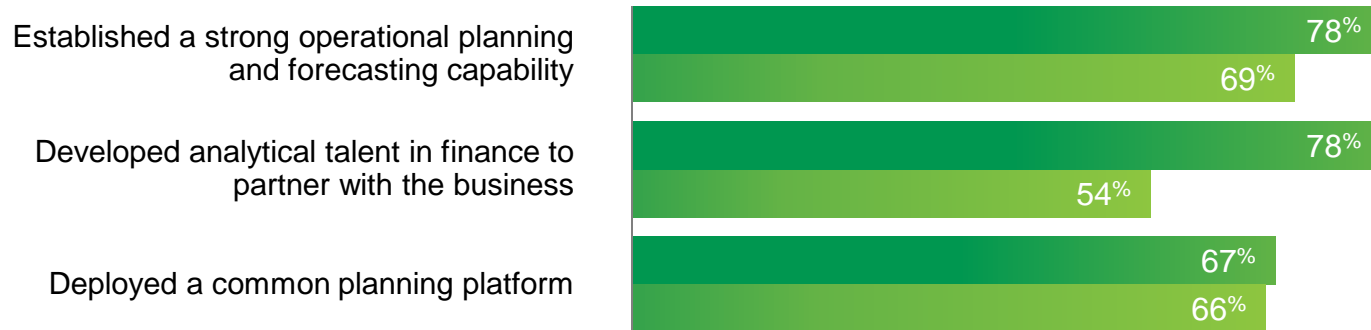
## Performance Accelerators are more effective in certain finance core competencies which use these capabilities

### Effectiveness of Finance

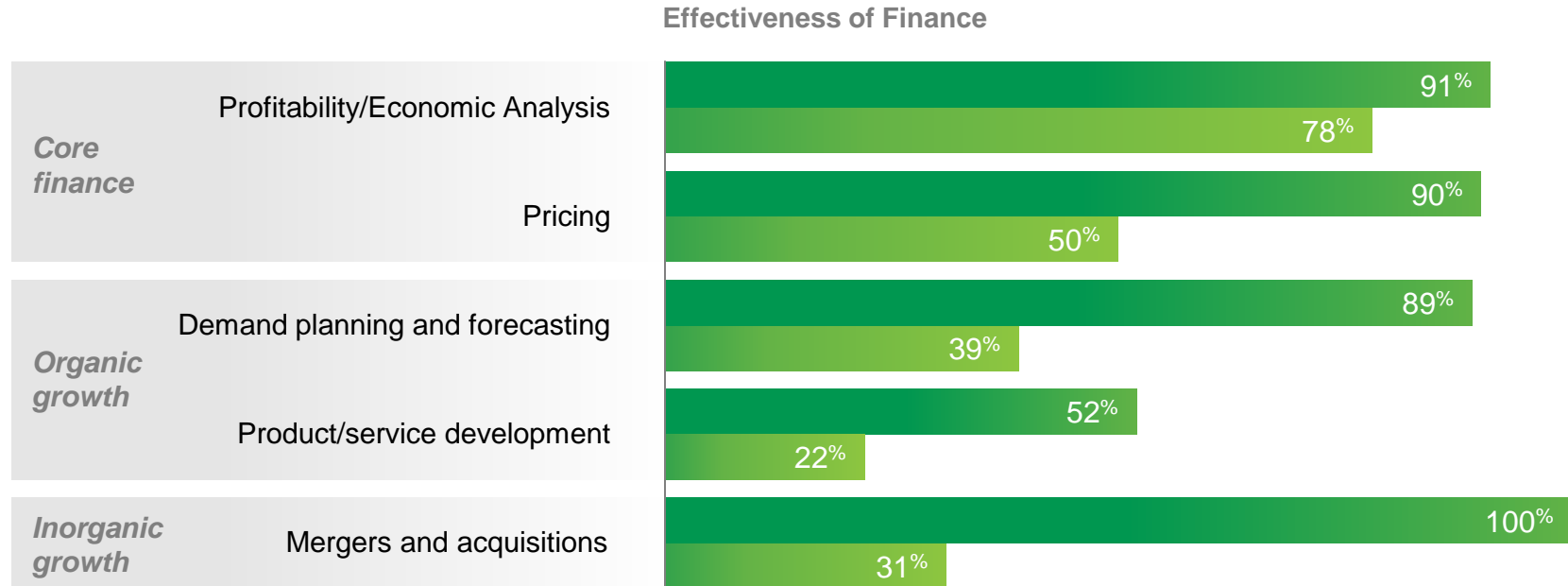


# Performance Accelerators have implemented key components necessary to generate deep business insights

## Improvements undertaken by the organization



Performance Accelerators are defined by the fact that they're both better at performing core tasks *and* more willing to enter new arenas



# One third of Performance Accelerators report using data analytics to identify new products and services

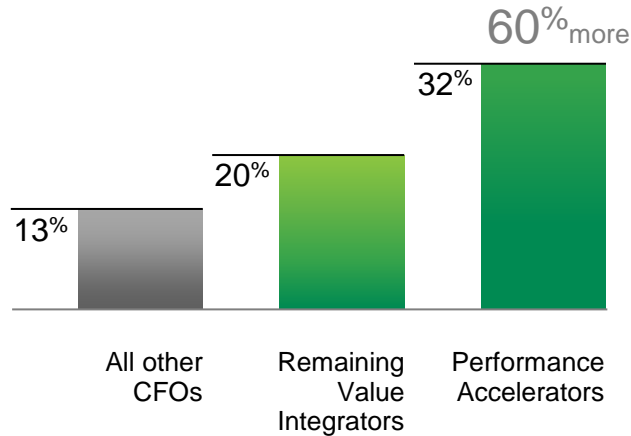
Use of big data to identify new products and services



*My objective is to move the finance staff from a state of transaction thinking to one of analytical thinking.*

**CFO**

Insurance company, Canada



## Performance Accelerators understand their customers better than any other group of CFOs

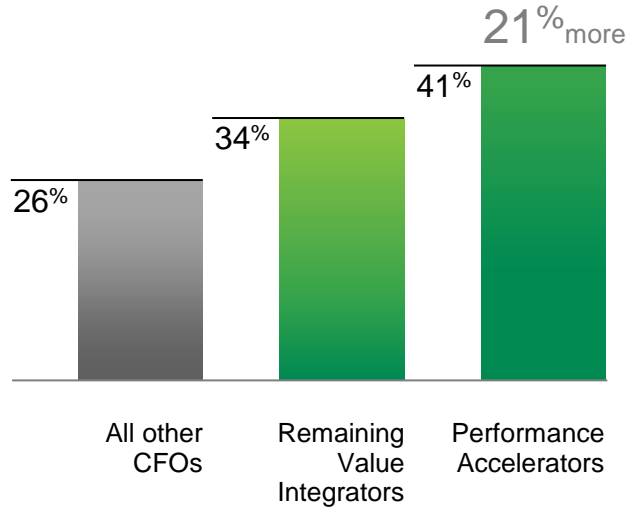
Source: Question C1--How well do you understand your customer?



*We have a huge opportunity to help our colleagues understand and get closer to our customers.*

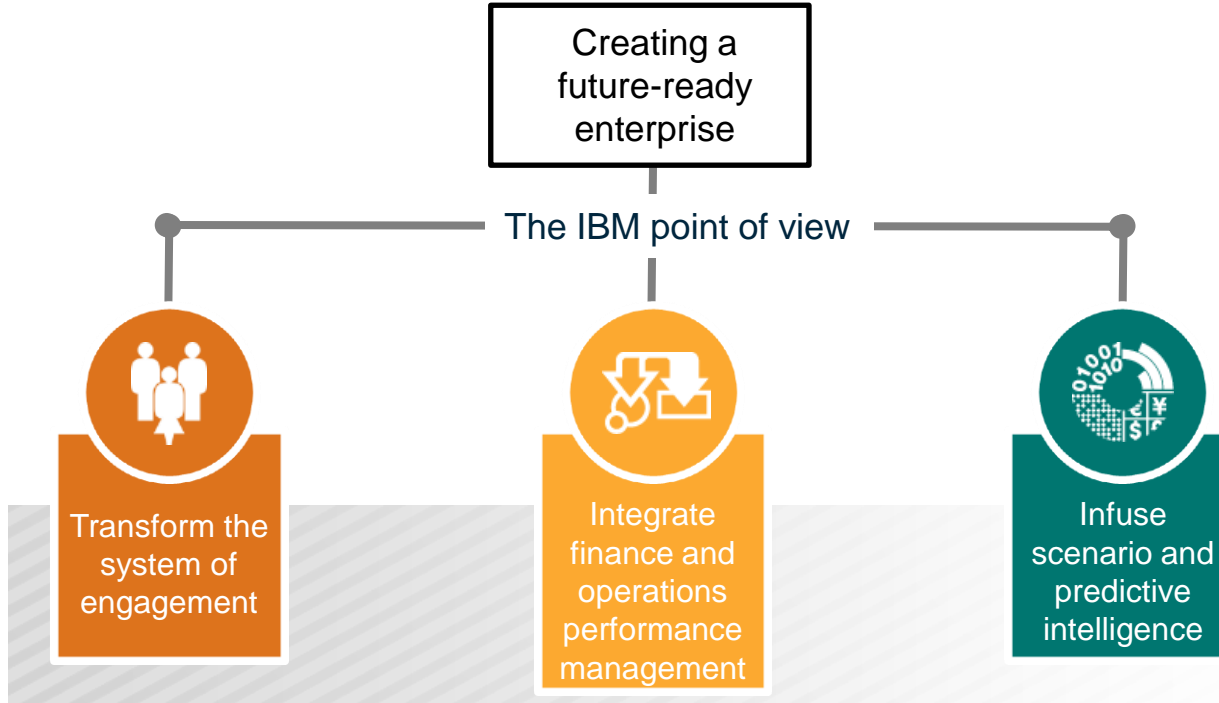
**CFO**

Insurance company, Mexico



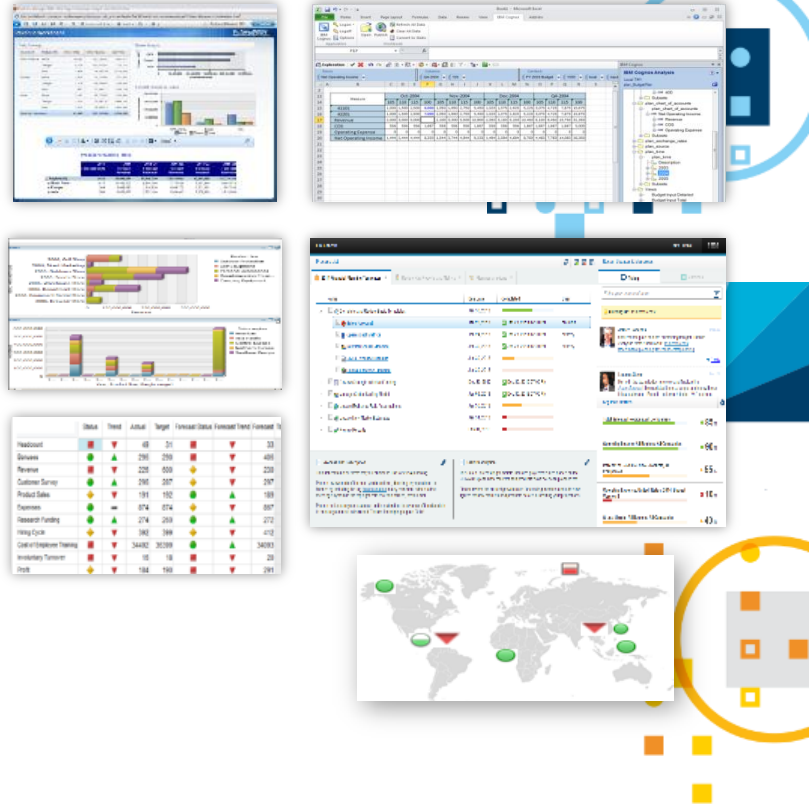


# Three imperatives for improving performance management outcomes



# Support a wide variety of user needs to encourage high participation

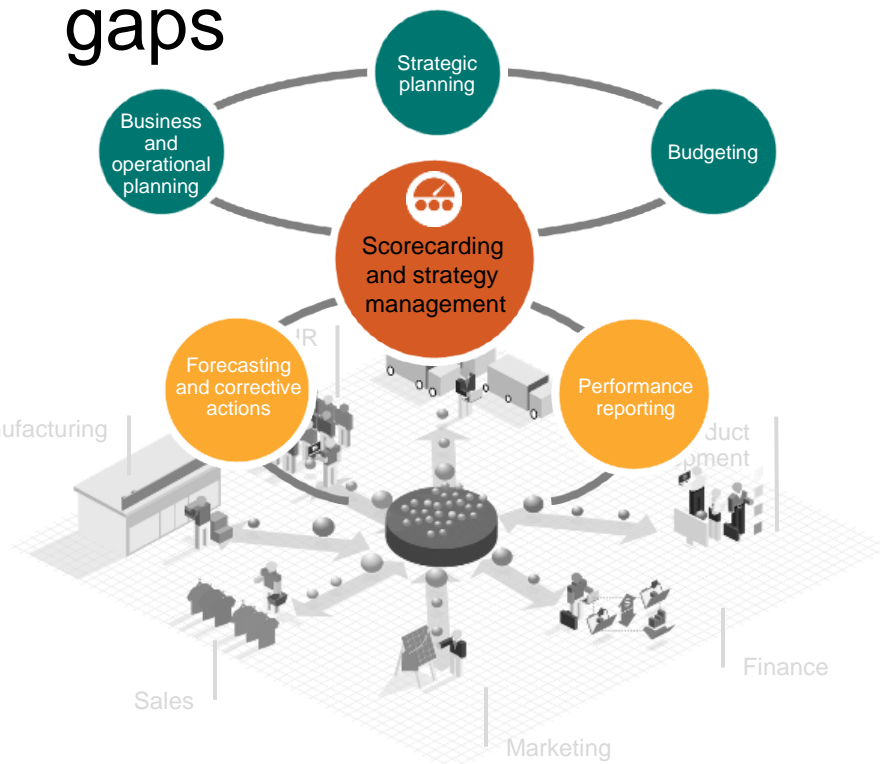
- Cloud
- Mobile
- Desktop—connected and pack and go
- Microsoft Office integration



# Monitor strategy execution to quickly recognize performance gaps

Integrated scorecards highlight KPI and metric variances

- Communication of strategy and vision to support success
- Visual classification of the results, outcomes and impacts
- Ability to tie strategic plans to forecasting data



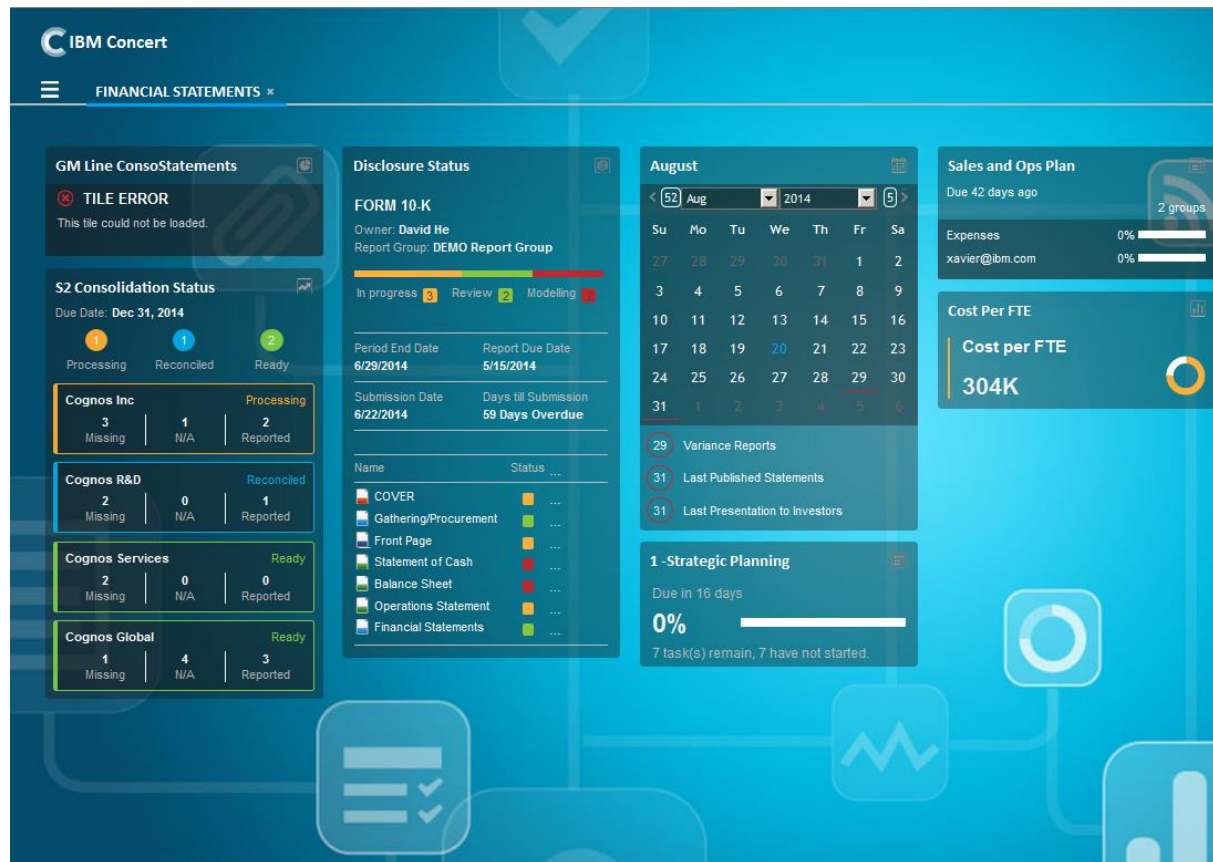
# Rapidly assemble management and performance reports to drive understanding



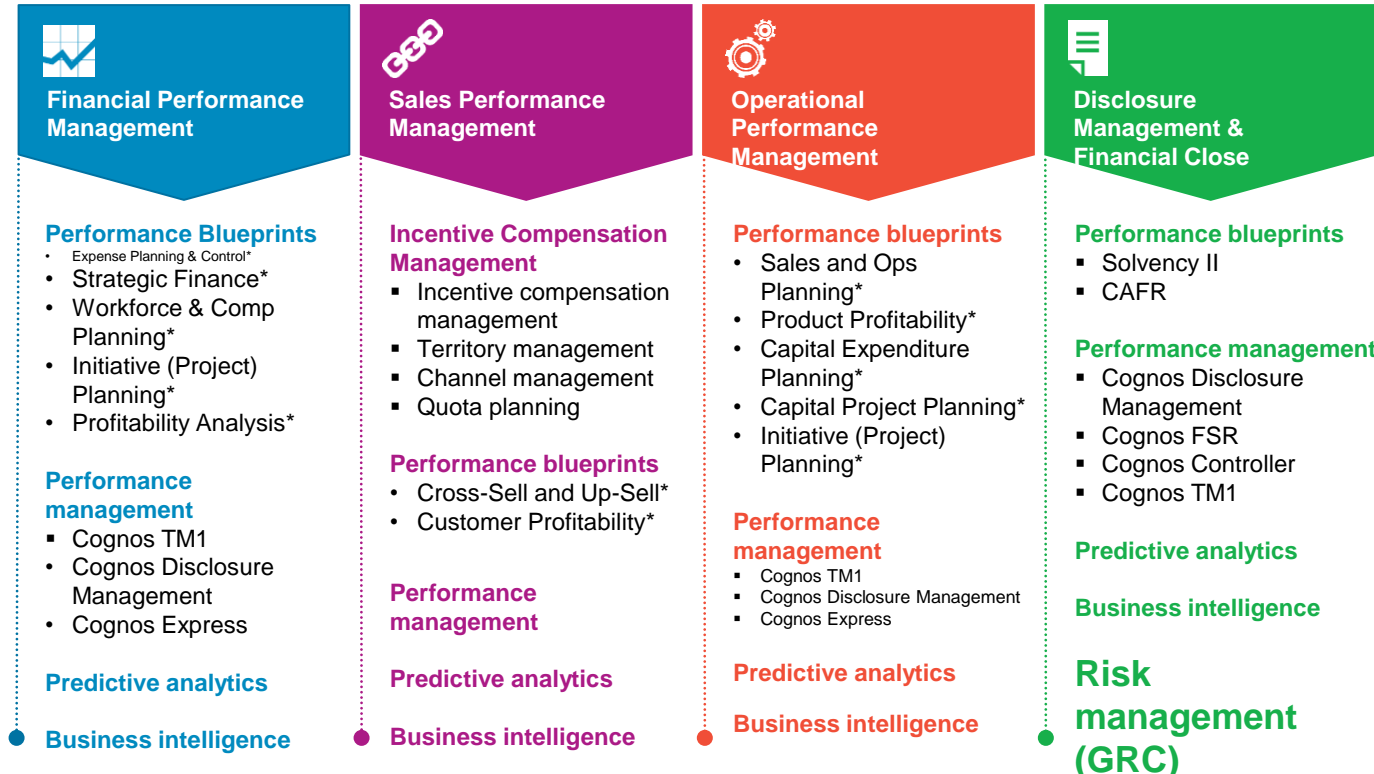
- Save potentially hundreds of hours per year
- Reduce errors
- Accelerate understanding



# Product Presentation

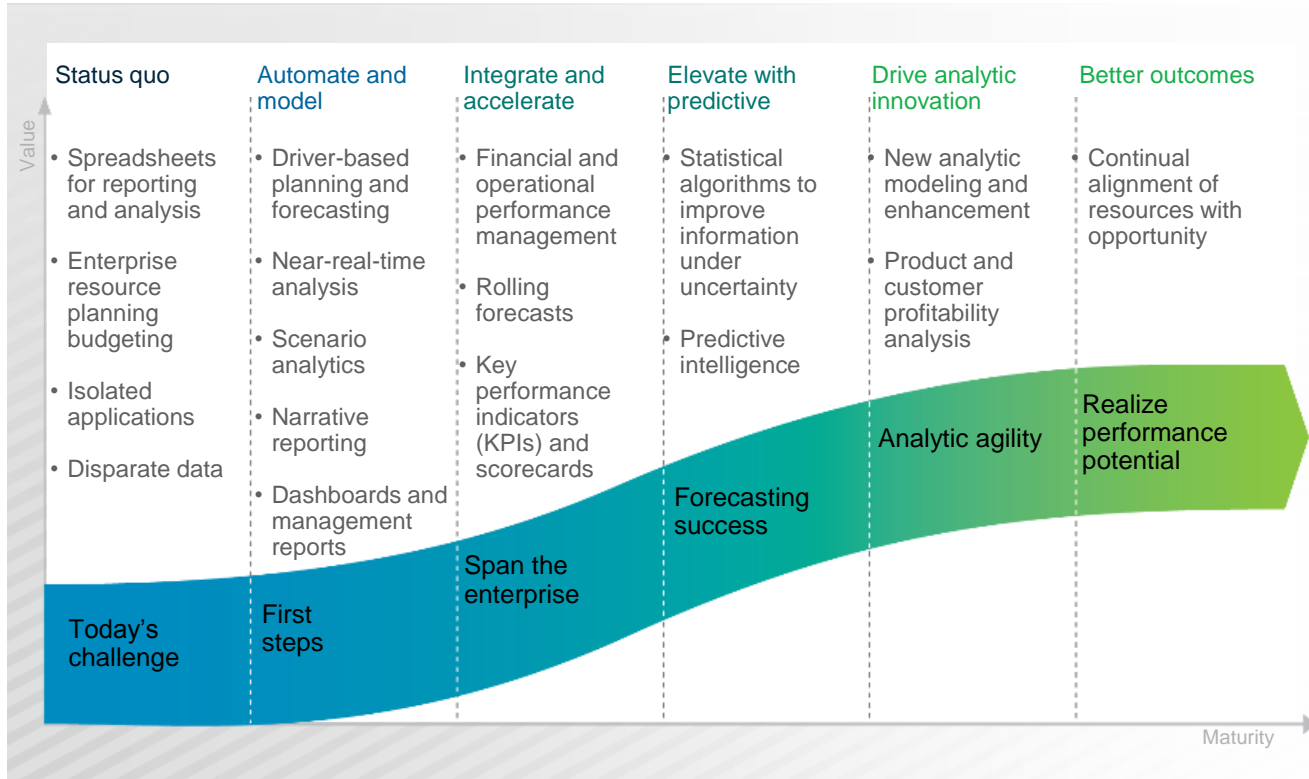


# IBM Business Analytics addresses key performance management areas



\* IBM Cognos Performance Blueprints are pre-defined data, process and policy models that address a number of [functional process](#) areas and the needs of [specific industries](#). (links available in slide show mode)

# IBM is a world-class ally for this journey



# Business Analytics – Financial Performance Management

- Finance seeks to drive growth with greater levels of process agility and business insight as new technology (e.g., SaaS, user experience, analytics) drives innovation in financial performance management (FPM).

IBM Financial Analytic solutions deliver:

- Comprehensive budget, planning, forecasting
- With Financial Reporting and disclosure management
- And a robust translation and consolidation solution
- All delivered on the cloud.

A thought on cloud:

- Time-to-Value
- Low Cost, Low Risk
- Cost Accounting
- Scalability
- Eliminates IT Backlog





# Business Analytics – Success

**Office  
DEPOT**

**NIKE**



Hindustan Unilever  
Limited



RBC  
Royal Bank



THOMSON REUTERS

**SHOPPERS**  
DRUG MART



**ICAP**



Shangri-La hotel

COMMERZBANK



COMMERZBANK



MICROCHIP

**McKESSON**

Empowering Healthcare

**Infosys**

**AVIVA**

**Manpower**

**TORO**



**MEHILÄINEN**

**PRISA** DIGITAL

**Takeda**

**SCC**  
Technology Solutions Provider

**Bank of America**

**acer**

**GPC**

**ING**



**AON**  
RISK SERVICES

**Linde**

**ZWILLING**  
J.A.HENCKELS

**PFG**  
Performance Food Group

**abbvie**

**Fidelity**  
INVESTMENTS

**TM** Termomecanica

**El Corte Inglés**

**UI**  
The United Illuminating Company

**ZIONS BANK**



PT. PLN (PERSERO)

**stelsia**  
**WEHR**

**PPD**

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GROUP

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## Next Steps

- Sign up for Watson Analytics – Freemium
- Go to [www.Analyticszone.com](http://www.Analyticszone.com)
- Let us know if you want to be part of the Next CFO study
- Reach out to any one of us for Additional information



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# THANK YOU



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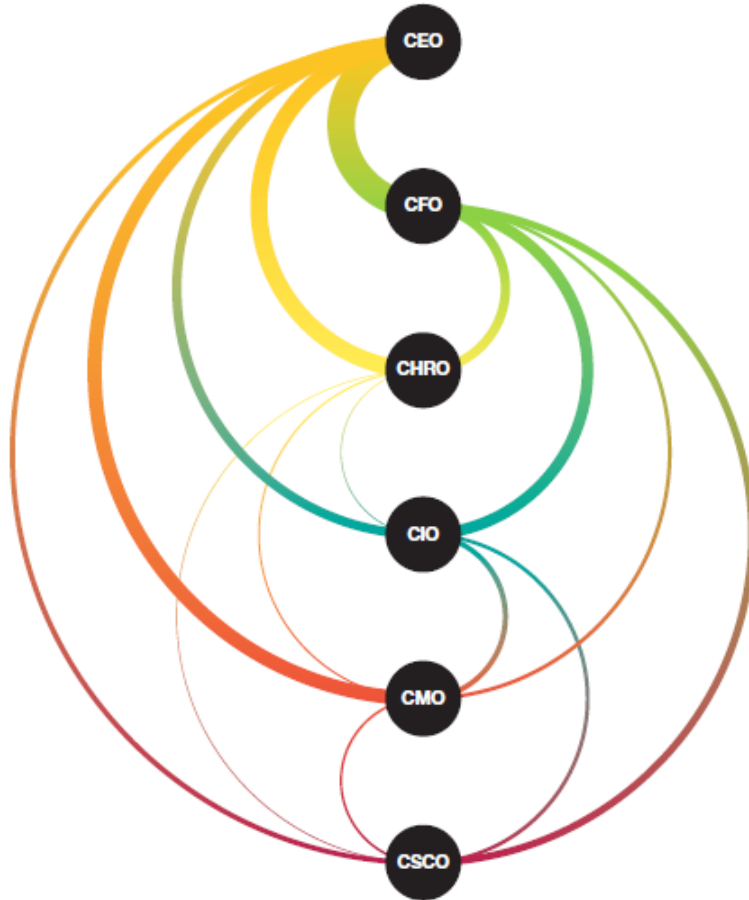
## EXTRA Slides





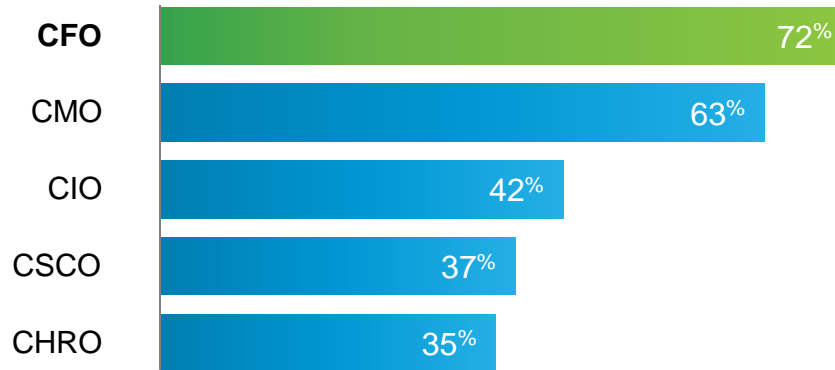
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Today, CFOs work closely with CEOs and maintain strong relations with both the CIO and CHRO



# Overall, CEOs turn most frequently to CFOs for strategic planning advice followed closely by CMOs

Involvement in organization's business strategy



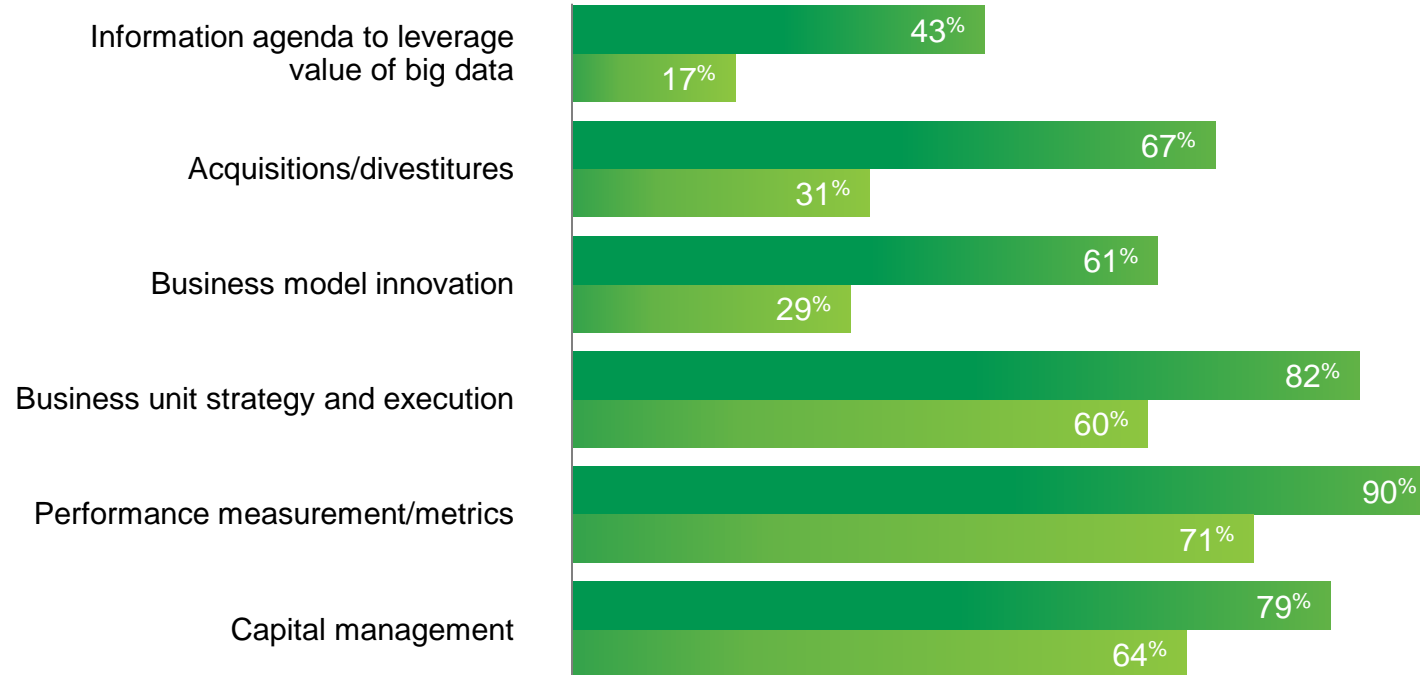
Percentage of valid cases



# Performance Accelerators are applying their analytic capabilities to the pursuit of profitable growth

■ Performance Accelerators  
■ Remaining Value Integrators

## Where Finance spends its time





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CFOs play an integral role within the C-suite and Performance Accelerators have the vision to act on evolving landscape changes



*Technology's not only changing very quickly, new customers are using it in new ways. A vast majority of the C-suite does not understand the way younger consumers get information. What's our most important customer initiative, moving forward? The one we haven't thought of yet.*

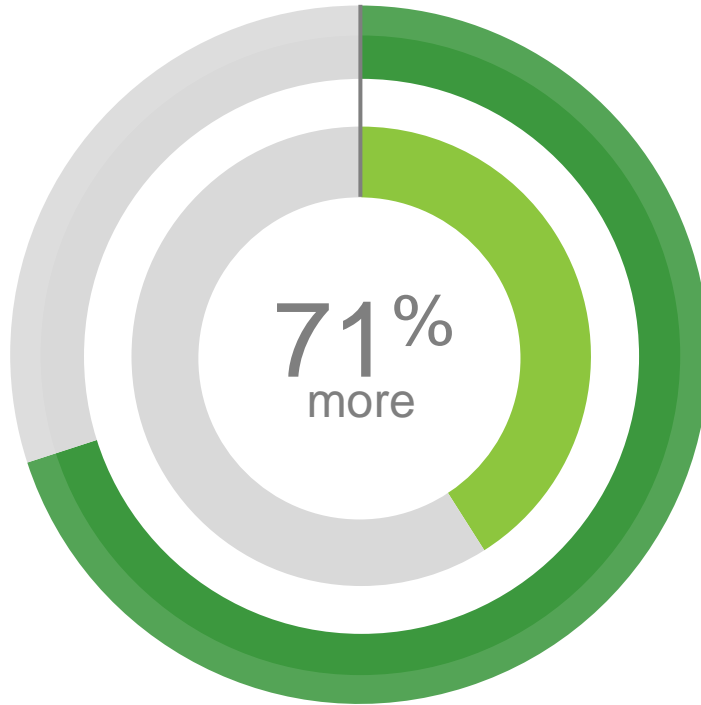
**CFO**

Energy and utilities company, United States



## Extent of CFO collaboration with customers: Today

Performance Accelerators recognize the value in working with customers and are shifting their priorities



41%  
Remaining Value  
Integrators

70%  
Performance  
Accelerators



# IBM Methodology

1

Transform the system  
of engagement



- Drive participation and greater frequency in performance management processes
- Support continual, dynamic collaboration with social and mobile advances
- Guide business process engagement with task lists to help reduce alert overload

2

Integrate finance and  
operations performance  
management



- Link operational models and plans with financial forecasts
- Monitor strategy execution to more quickly identify performance gaps
- Assemble performance reports more quickly to drive understanding

3

Infuse scenario and  
predictive intelligence



- Leverage available data to drive predictive intelligence into forecasts and profitability models
- Enable more rapid simulation and scenario analytics across the enterprise

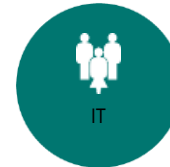


## Transform the system of engagement



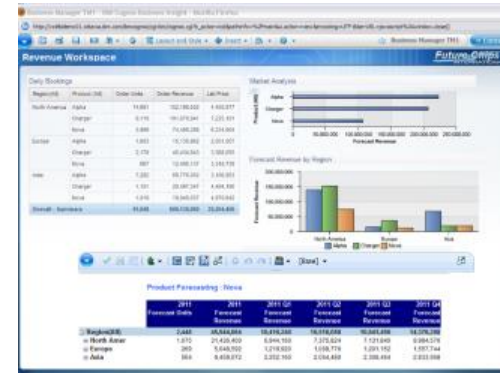
Help ensure tailored user experiences and keep people in the loop, even when on the go

- User experiences support a variety of user needs across the web, desktop and spreadsheet.
- Drive participation and greater frequency in performance management processes
- Guide business process engagement with task lists to help reduce alert overload
- Blend social collaboration and guided business processes with mobile devices into a collaborative performance management process evolution



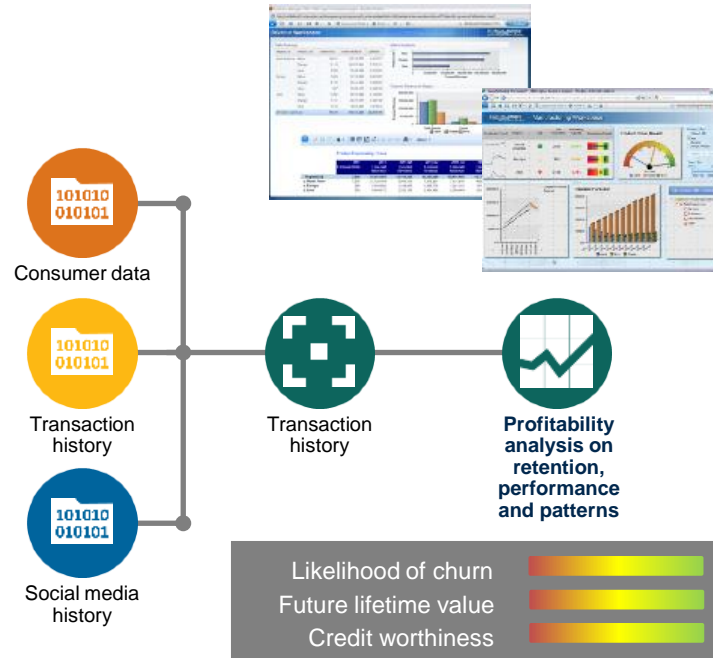
## Scenario analytics

- A patented 64-bit, read-write, in-memory, online analytical processing (OLAP) engine provides analysis beyond the financial planning process to:
  - Profitability modeling
  - Detailed customer analysis
  - Marketing campaign analysis
  - Sales forecasting
  - Headcount analysis
  - Almost anywhere there are large amounts of disparate data
- Supports multidimensional analysis
- Advanced sorting and ranking
- Familiar Microsoft Excel and web interfaces



# Profitability modeling

- Modeling and quantifying the business
- Scaling the analytics to include small subsets of the business to the entire organization
- Providing an interactive user experience to manage data and scenarios
- Enabling scope to cover almost all operational and financial aspects of the business
- Direct integration to predictive intelligence modeling for statistical impact



# What is predictive analytics?

I do not know what I may appear to the world, but to myself I seem to have been only like a boy playing on the sea-shore, and diverting myself in now and then finding a smoother pebble or a prettier shell than ordinary, whilst the great ocean of truth lay all undiscovered before me.

—*Sir Isaac Newton*

Predictive analytics helps connect data to effective action by *drawing reliable conclusions* about current conditions and future events.

—*Gareth Herschel,  
research director,  
Gartner Group*



Screen Captures Showing Blue Prints, HR  
Profitability, Financial Strategic Planning,  
Metrics





Screen Captures Showing Blue Prints, HR  
Profitability, Financial Strategic Planning,  
Metrics



Screen Captures Showing Blue Prints, HR  
Profitability, Financial Strategic Planning,  
Metrics



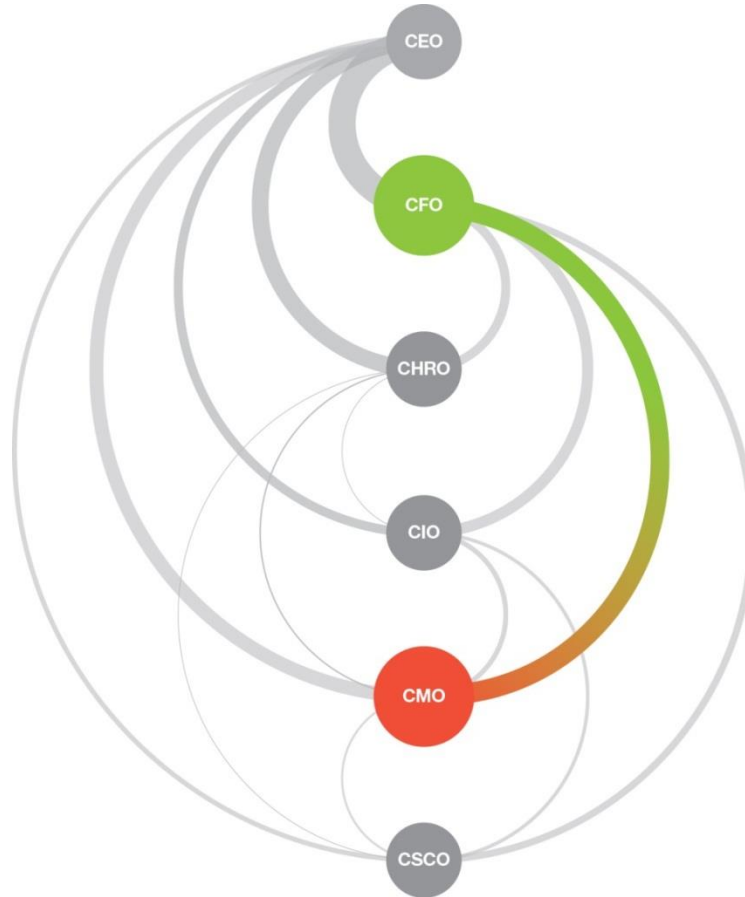


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Let's get started achieving better business outcomes with proven approaches to collaborative problem solving



In the future, successful CFOs and CMOs will collaborate more closely to search for sources of profitable growth



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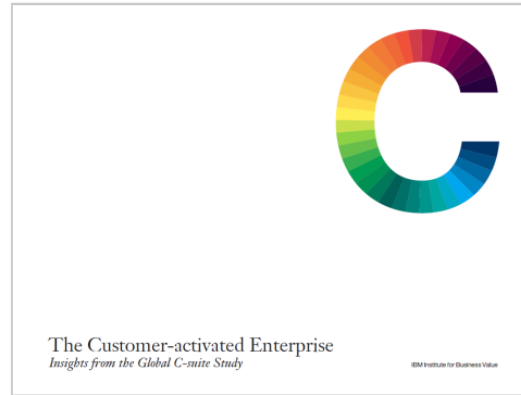
We invite you to continue the conversation



## Connect with us...

For more information about this study and to get the full version of this report, see [www.ibm.com/csuitestudy](http://www.ibm.com/csuitestudy)

Access interactive content and listen to CxOs in their own words by downloading the **IBM IBV** app for Android or iPad.



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