CLOUD COMPUTING FOR FINANCIAL EXECUTIVES

fei financial executives international dirigeants financiers internationaux canada

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ACKNOWLEDGEMENTS

We gratefully acknowledge the efforts of our survey respondents and our forum participants who took valuable time away from their day jobs to participate in this work. We are particularly grateful to our research partner, IBM Canada, without whom this study would not have been possible.

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Vice President, Research and Communications
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CONTENTS

EXECUTIVE SUMMARY

Cloud computing is clearly afloat amongst Canadian companies. One in two (47%) financial executives surveyed by the Canadian Financial Executives Research Foundation reported their organizations were already using some form of cloud computing

- 20% of survey respondents had adopted a public form of cloud computing
- 18% had adopted a private cloud
- 9% were using a hybrid of both private and public clouds

An additional 15% of respondents who participated in the survey for the report Cloud computing for financial executives reported they were planning to adopt cloud computing in the future, resulting in a total of 62% of executives indicating that their organization were either already using or planning to implement some aspect of the computing approach.

The perceived key benefits of incorporating cloud computing into their organization, according to survey respondents, included:

- the ability to access real time information anywhere;
- better utilization of assets;
- save money on hardware and investing in data centre capacity;
- scalable to size of company; pay only for the number of users needed

The research study also shows that financial executives are scrutinizing the concept of finding efficiencies and cost savings through this technology in order to optimize their computing resources and reach a usage level of 70% or higher. (Typically, most organizations effectively use only 5% to 10% and sometimes as much as 20 % of their computing infrastructure.)

Financial executives were also curious about the potential cost savings which may be obtained through the shared environment of a public cloud. (The public cloud may be likened to a hotel with users renting rooms for several days per month, sharing common resources, at a lower price than each organization owning a dedicated company condo that is unused much of the time.)

Cost saving and efficiency gains are not the only factors considered. As appealing as these are, CFOs and financial executives expressed serious concerns about cloud computing, particularly around data security. There is a concern that cloud computing lacks the ability to customize software as a service in the way an ERP system can be modified. Major barriers cited by survey respondents included concerns about:

- data security, with 69% viewing this as a significant issue and an additional 6% deeming these concerns an "insurmountable barrier",
- putting all data "eggs" in one external basket,
- need for highly customized applications,
- regulatory and compliance issues,
- lack of in-house IT expertise to move the project forward,
- loss of control over upgrades and changes in the software, and
- adequate bandwidth to run complex applications.

Cloud is a long-term strategy. Survey participants suggest it doesn't need to be a binary, all or nothing process. Companies can evolve gradually to a mainly cloud environment while still retaining legacy systems which are highly differentiated. Current usage among survey respondents indicate an even split between public and private cloud users, as well as a smaller but significant portion of companies using both types. If this trend continues, it suggests most enterprises will use a combination of private and public cloud in future, as well as the so-called hybrid users who may connect newer cloud applications with legacy systems. As major vendors address concerns around security, conversion costs, and requirements around customization, the amount of public cloud usage is more likely to increase, which in turn could lower costs due to greater economies of scale. When considering security, organizations may consider whether or not their own IT department can offer as high a level of security as a major cloud vendor. They should ensure the cloud provider is reputable and stable, and should research the vendor thoroughly and check references.

Organizations may want to consider using a workload, or application-based approach, to migrate to cloud computing. When an organization is implementing a new application development project, it should consider the application and business requirements

to assess whether or not the application is suitable for a cloud implementation. If it is, there might be existing public cloud solutions available. Alternatively, it can be deployed on an internal private cloud. In cases where the application being examined is existing and it is determined that it can be run in the cloud, the organization needs to assess whether there is an economic justification to migrating it. The economics of migration will vary application by application basis so don't stop if the first one you study is not suitable. Good places to start looking for candidates are development and test environments, as well as projects which require collaboration by multiple parties. In addition, many companies, for instance, already outsource the payroll function, and manage their requirements using a cloud-based interface. Savings are often found from software licensing by paying only for what is needed, instead of the current method of licensing software directly to the hardware on which it is used. Another area to examine is your approaches to disaster recovery. Cloud computing may be considered as a cost-effective way to perform disaster recovery, as an alternative to backup drives.

Finally, the widespread use of mobile devices in the workplace has evolved into a major game changer driving the growth of cloud computing. Of particular concern is what is referred to as the phenomenon of IT consumerization, in which organizations discover that their staff is demanding to use their own mobile devices to do work. In an evolving workplace, the explosion in the use of mobile devices is fueling the demand for the ability to work anywhere the employee can access the Internet.

RESEARCH METHODOLOGY AND DEMOGRAPHICS

Cloud computing for financial executives was prepared by CFERF and sponsored by IBM. It comprises the results of an online survey of executives, which was conducted between April 12 and May 16 of 2012, and was completed by 110 respondents. 44% of respondents held the title of CFO, 21% were Vice Presidents of Finance and 14% were controllers. The rest held other titles. The majority of respondents were from private companies (55%) and 31% worked at public companies, and 14% at other organizations. For more demographic information, please see Appendix A. The results of the online survey were complemented by insights obtained during an executive research forum held in Toronto and Montreal on May 29th, 2012.

GENERAL KNOWLEDGE

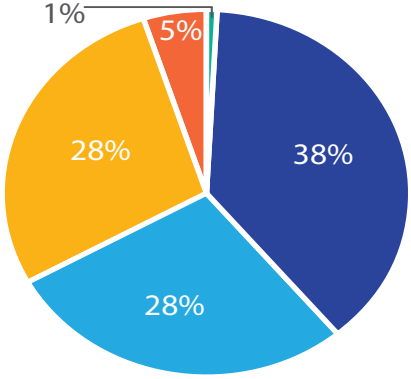
In terms of general familiarity with the cloud, most executives divided themselves into one of three roughly equal groups:

- 36% described themselves as knowledgeable (only 1% said they were "extremely knowledgeable"),
- 30% described themselves as not knowledgeable or not very knowledgeable,
- 33% were somewhere in the middle.

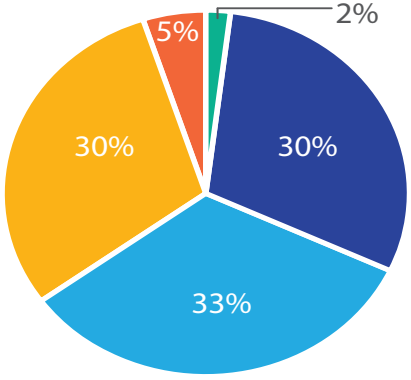
More executives said they were knowledgeable about public clouds than private clouds.

CHART 1 – PLEASE RATE HOW KNOWLEDGEABLE YOU ARE ABOUT THE FOLLOWING :

Public cloud (defined as cloud systems that are made available to many consumers, organizations, companies or the general public):



Private cloud (defined as cloud systems that accessible only by members of single organization):



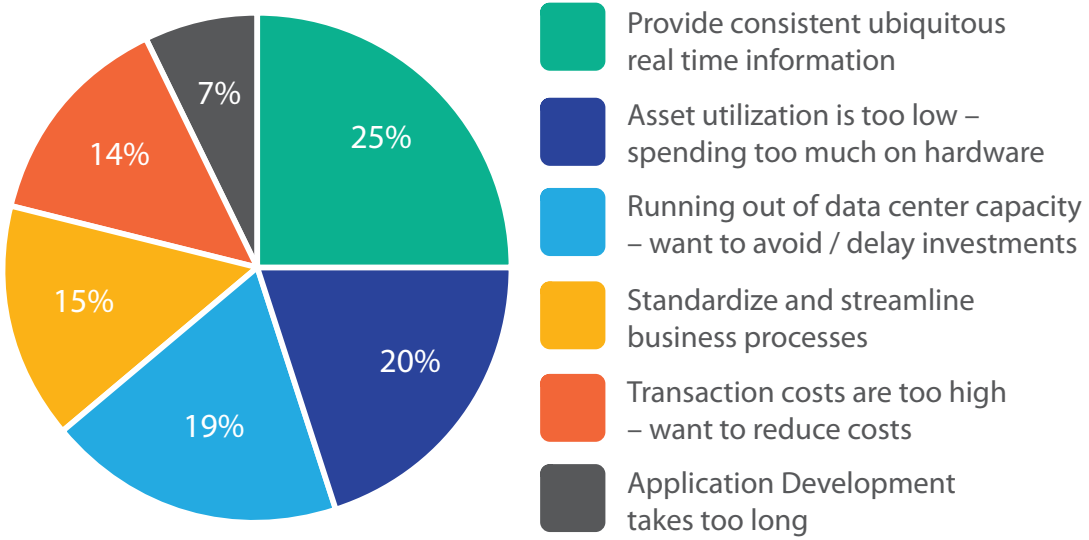
Nearly all survey respondents knew that computing means the network is accessible everywhere the Internet is available. Two in three knew that organizations have the ability to aggregate and share computer resources no matter where they are physically located, as part of Cloud. Six in 10 understood that cloud computing offers rapid elasticity (the ability to scale up or scale down computer resources significantly and in almost real time to address significantly changing business needs/requirements). Fewer (four in 10) were familiar with the concepts of pay per use, and on demand self-service.

PERCEIVED BENEFITS TO ADOPTION

Mobility: Up to date information on the go

25% of respondents indicated that the cloud could help provide their business with real time information available anywhere, while 20% think they currently underutilize their assets, thus cloud could help them save money on hardware. One in five believed the cloud could allow them to delay investing in further data centre capacity. In addition to real time business information, the cloud software itself was perceived as offering users the opportunity to be automatically up to date with access to the latest business features and latest version of the software. One executive said his company would likely adopt a disaster recovery solution using cloud, since it seemed it would provide an immediate "no-brainer" return on investment.

CHART 2 – BASED UPON YOUR CURRENT KNOWLEDGE ABOUT PRIVATE AND PUBLIC CLOUDS, WHAT DO YOU VIEW AS THE BIGGEST BUSINESS CHALLENGE THAT THE CLOUD COULD HELP ADDRESS?



Assessing benefits to adoption

- When assessing benefits, organizations are somewhat more likely to factor qualitative data into their business cases (37%) versus quantitative data (31%). About one-third (32%) did not factor either type of data into their business cases

> "One of SciAn's requirements was collaboration with various sites: getting people together, being able to discuss things and work in a collaborative fashion. Individual training programs created little inconsistencies in the way things were done around the world. With 70 sites in a single project, that could hugely hit our data quality. Using an online training and messaging forum allowed us to train and address issues all at once. The ability to speak to the same issues at the same time with the same training materials and you could deal with all of the questions in a single setting and build a standard baseline of understanding, and that was key to us being able to produce things rapidly and inexpensively. So the storage, the communication features of the net and infrastructure, were valuable and saved us thousands of dollars, particularly in expensive post-hoc error correction."
>
> **Mark Donaghy – Former VP Finance, General Manger, SciAn Services Inc.**

PERCEIVED BARRIERS TO ADOPTION

Main barriers

The biggest barrier to moving workloads or applications to the cloud was concerns about data security: 69% of respondents saw this as a significant issue and an additional 6% deemed these concerns an "insurmountable barrier". Some executives expressed concern about hackers seeming to be slightly ahead of companies' ability to defend themselves. They questioned whether cloud providers would represent a more attractive target for hackers, more so than the individual clients they were serving, who would be putting all their data "eggs" in one basket. However, another study participant suggested that when organizations are considering security, they should consider whether their own organization's IT department can offer as high a level of security as a major cloud vendor. Organizations will likely want to make sure the provider is reputable and will be around for a while, by researching the vendor thoroughly and checking references. Organizations will also want to make sure there is room for expansion as data needs will grow.

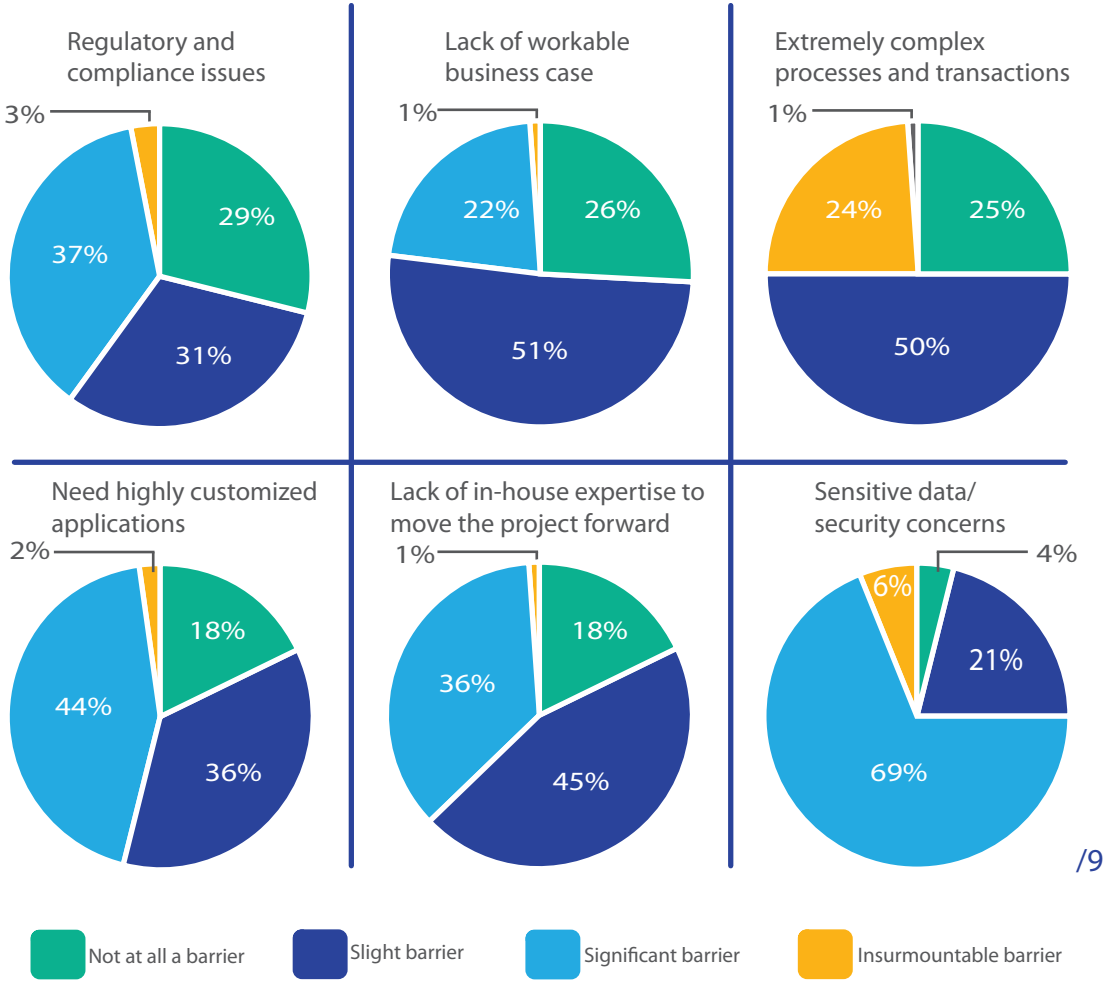
Some respondents cited concerns about regulatory and compliance issues, and forum participant Bruce Bailey, Chief Financial Officer of Urban Electrical Contractors, a company whose contracts include doing work on the Union Station revitalization project in Toronto, suggested governance responsibilities at the board level around risk should play a role in an organization's decision to move ahead with cloud adoption. "A lot of the people making those decisions at the board level, maybe they don't truly understand the risks of what a potential data leak could entail to their company, and where those pressure points are," Bailey said.

> "We already do a lot of things in terms of corporate governance. I think that any change in technology will just ask us to sharpen our pencils a bit more to make sure we're not caught by anything. The issues regarding security will have to be look at in terms of governance to make sure we do it exactly the right way and we're protected."
>
> **Ross Corcoran – Vice President and Chief Financial Officer, Global Railway Industries Ltd.**

PERCEIVED BARRIERS TO ADOPTION

Other IT issues raised included concerns about a lack of in-house expertise to move projects forward (Chart3). There was also perceived need for highly customized applications, which public clouds may not be able to address. One respondent expressed reservations about the amount of bandwidth necessary to run complex applications, such as 3D rendering software, using the cloud. Another one was concerned about a loss of control over upgrades and changes in the software. Several study participants were concerned about higher costs.

CHART 3 – WHAT ARE THE THREE BIGGEST BARRIERS TO MOVING WORKLOADS OR APPLICATIONS TO A PRIVATE OR PUBLIC CLOUD? (CHOOSE ALL THAT APPLY):



Location

Most survey respondents (82%) said they would prefer a Canadian based service provider. Of all respondents, 15% said they would exclusively choose a Canadian provider. 31% of all respondents stated a cloud provider based in Canada was important. A slightly larger group (36%) said they would prefer a Canadian based service provider but said data location was a secondary issue. 17% said location was not important.

> "Since we have both our own data and also our clients employee data, if you start talking to companies about storing their employee data in the U.S., I think it would be a non-starter. Whether it contravenes laws or not, just from an image perspective, it would be a non-starter. They'd be expecting the data to be in Canada."
>
> **Raymond Castonguay – Senior Vice President, Finance, Morneau Shepell**

> "As the finance person, I am still somewhat skeptical that it's going to make fiscal sense at the end of the day to move into a cloud arena. I understand the benefits aspect. I appreciate that the cloud is a great way to stay current, invest in the more leading edge technologies – your whole infrastructure platform and the application software. I just need to be convinced. So show me the numbers."
>
> **Bruce Bailey – Chief Financial Officer, Urban Electrical Contractors**

> "IBM has invested heavily in datacentre space in Canada for all IT needs, including Cloud, which allows clients to hold their data in Canada meeting the patriot act and synchronism needs of our clients."
>
> **Judith Purves – Chief Financial Officer, IBM Canada**

PERCEIVED BARRIERS TO ADOPTION

Cloud computing requires all the planning, development and customization that non-cloud applications require. In addition, it is a long-term strategy. As one survey respondent observed, it doesn't need to be a binary, all or nothing process. Companies can evolve gradually to a mainly cloud environment while still retaining pieces of legacy systems which are highly differentiated. This is known as a hybrid cloud.

Respondents who have adopted cloud suggested using a workload or application-based approach. Organizations may choose to analyze upcoming projects to determine characteristics and to assess whether they could be moved to a cloud-based application. If the application can be run in the cloud, assess whether there is an economic justification to migrating it, and continue this analysis on an application by application basis. Good places to start are development and test environments, as well as projects which require collaboration by multiple parties. In addition, many companies, for instance, already outsource the payroll function, and manage their requirements using a cloud-based interface.

Four in 10 survey respondents said a cloud project would require either a 50% or two-year payback on their ROI. Slightly fewer (36%) said they would require an ROI of 25% or four years to embark upon a cloud project. That said, many respondents indicated that they currently do not charge users of IT services in their organizations internally, due to the difficulty of measuring usage, allocating costs and billing. In addition, about one-third said they do not charge for real costs for services used because IT is a corporate 'tax' and they want it to be considered to be 'free'. Those who did charge said they did so to ensure proper allocation of costs to evaluate performance of different divisions or as a routine management fee to operations. Several respondents also stated fees created transparency as well as user awareness around usage of scarce resources.

> "I think we discovered another benefit while investigating a cloud strategy: suppliers are extremely aggressive with their pricing. We were expecting incremental costs with cloud computing because you are comparing fully loaded costs against incremental costs or out of pocket costs. But it was not the magnitude of difference that I was expecting, to a point where we thought maybe that's a good way of stepping into the technology: Carving out an ERP application and moving it to the cloud. But cost consideration still weighed in and the timing did not work. But I was very surprised by how aggressive pricing was."
>
> **Raymond Castonguay – Senior Vice President, Finance, Morneau Shepell**

Cloud computing can even present a challenge from an accounting perspective, according to Raymond Castonguay, Senior Vice President, Finance, of Morneau Shepell. As a former income fund, the company is still driven by EBITDA, and there is no incentive to move IT from the infrastructure (capital expenses) category to the operating expense category. "So that was also a challenge we need to think about as we're investigating this type of technology," Castonguay said. Other organizations may welcome the opportunity to shift IT costs to operating expenses. Savings can also be obtained in the area of software licensing, where a company only has to pay for what it uses, instead of the current method of licensing software directly to the hardware on which it is used.

Risk

Another challenge to the technology is taking the risk that any newly introduced cloud system could potentially cause a delay, according to Craig Smith, of McAsphalt Industries. "You have to take a leap of faith that your data is going to interact with the cloud model upon deployment. We would have concerns regarding how seamlessly it will connect. Will the interconnectivity create latency? Will users have the same access and functionality as they did with the old model or will there be some compromises? Users can be very finicky and in some cases, if they are high volume data processors, they don't like delays of milliseconds," Smith said. "Our company strives to remain lean and mean, which means we don't want to introduce a solution that decreases our efficiency."

"Any major implementation will require executive awareness and support. All functional areas of the business need to be consulted and involved, not just finance and IT. Revisit your current processes to ensure an understanding of what actually is in place. Do not underestimate the effort for data migration. Do not underestimate the effort to integrate with other systems. Make sure your implementation provider understands the new system and implications on your business."

Attitudes towards IT staff

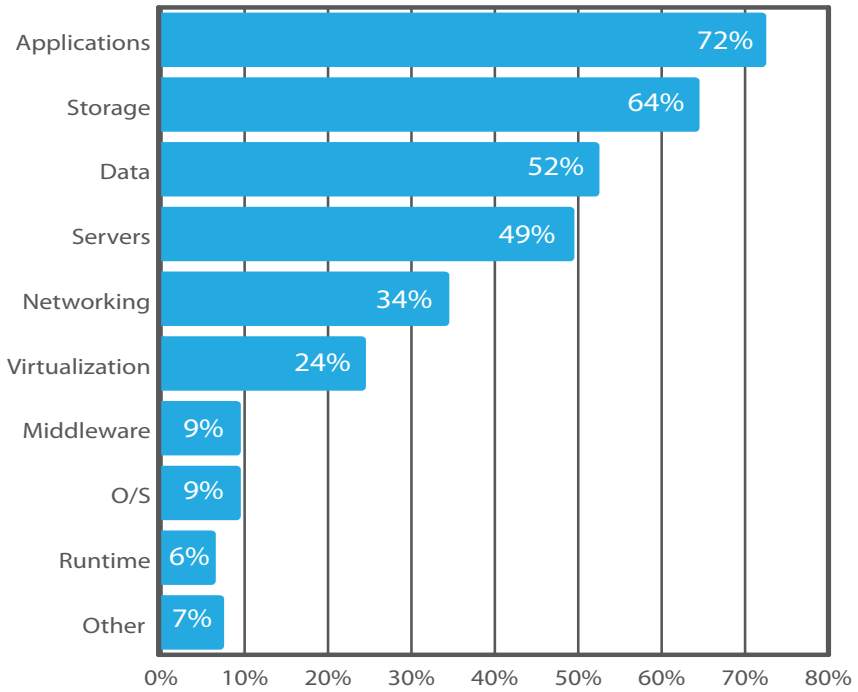
- Most survey respondents prefer in-house IT knowledge; 64% said their most trusted technology project advisor is their in-house IT department. One in five said it was an external tech consultant.

CLOUD USERS AND THOSE PLANNING TO ADOPT CLOUD

Planning and strategy

Organizations primarily see cloud computing (either public or private) as a way to access applications (72%), storage, data and servers .

CHART 4 – WHICH CLOUD SOLUTIONS (EITHER PRIVATE OR PUBLIC) ARE YOU PLANNING TO ADOPT? (CHOOSE ALL THAT APPLY):



According to survey respondents, a minority of organizations (18%) had developed cloud strategies: 12% based on a public cloud, and 6% on a private cloud. 29% said they were working on a strategy and 36% said they had only begun to discuss a cloud strategy. 17% were not studying any cloud strategy at the time of the survey.

Criteria

Visualization: Six in 10 survey respondents said their organization's servers are already set up for virtualization, which is one of the criteria necessary for the adoption of cloud computing.

Standardization: Cloud works well when business processes are standardized. Standardization is being driven by economic benefits. Only 14% of respondents said they had standardized their IT practices (which often requires moving to a single partner strategy). Said one respondent: "We discourage technical diversity unless there is a measurable business driver." 34% of respondents had not done so at all. A significant portion (43%) said they had mostly standardized the business; however there were certain units that required unique standards. The remainder (9%) had standardized IT practices only within each business unit. According to one respondent, the organization's "business units have a great deal of autonomy, and innovation and customization is encouraged." One respondent said the benefits of standardization include lower cost, but the trade off comes at a price: less flexibility for local market needs.

Automation: The majority of respondents (nearly six in 10) reported they had implemented automation tools (which are used to automate the execution of standardized processes and workflows to reduce errors, effort and increase speed). The remainder had not. When automation increases, the need for staff may decrease. In some cases, companies reduced staff through layoffs. Others did not have to due to corporate growth, while others chose to reassign staff to other duties. "We focused the staff on more value added work and analyses," said one survey respondent. "We worked on enhancing the systems so that as the company grows, back office staff does not need to increase, resulting in lower administrative costs as a percent of revenue."

> "Payroll processing is a current mainstream cloud solution. Companies outsource payroll because this function is not necessarily a good use of company resources."
>
> **Craig Smith – Chief Financial Officer, McAsphalt Industries Ltd.**

PUBLIC CLOUD

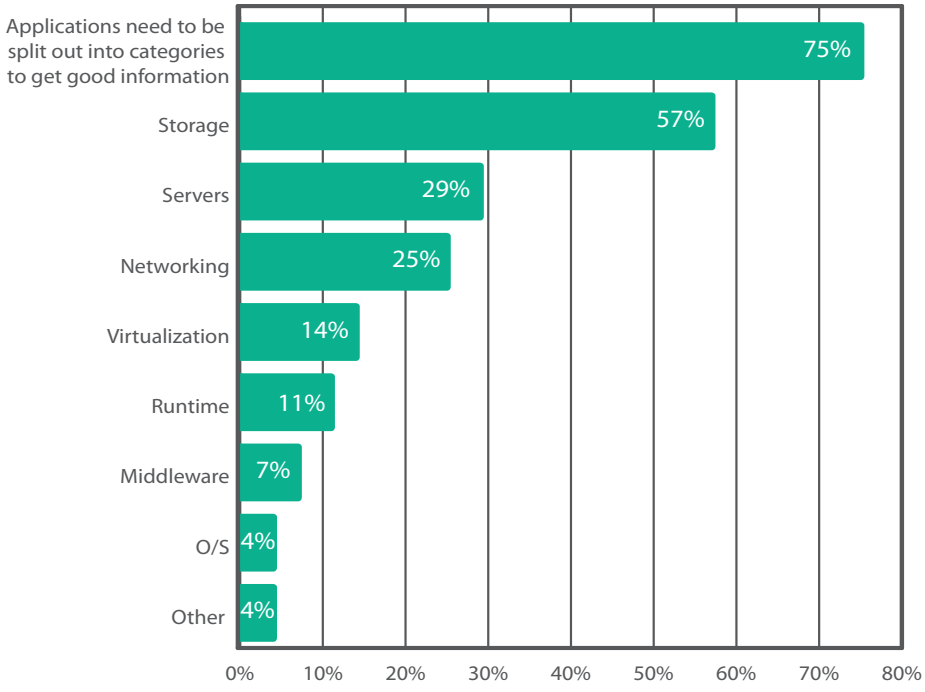
Organizations adopting public cloud, or planning to adopt

> "There is a community aspect of the cloud where you're in an area where several people or several collections of companies are fighting through the same challenges, the same uncertainty, the same need for a solution. You're in a gated community with people with whom you can solve problems together."
>
> **Derek Petridis – Vice President, Finance, Shikatani Lacroix Brandesign**

Implementation

Of those who had moved some IT functions to the cloud, 20% were using a public cloud, 20% had opted for a private cloud solution while 10% used both. On the other hand, 71% of public cloud users said they were integrating data between the public cloud and their internal environments, through the use of custom integration, file transfer, cloud integration software or an appliance, or other solutions.

CHART 5 – IN WHAT AREAS OF IT HAVE YOU ADOPTED A PUBLIC CLOUD-BASED SOLUTION? (CHOOSE ALL THAT APPLY).



Public cloud: 25% of all respondents answered that their organizations had recently adopted or were in the process of adopting a public cloud. Of those, the majority were using the cloud to run applications and/or for storage. Several organizations stated some deterrents around moving to the cloud included concerns about data being safe and available, as well as concerns about speed of service and reliability. Several respondents complained about a lack of specialized applications that met their needs, or the difficulty of choosing the appropriate application. Industry experience was among the leading criteria used by organizations adopting public cloud to choose their vendor, followed by the vendor's reputation. Lowest cost by competitive bid was the third mostly commonly cited criteria (18%). An equal number of respondents (18%) said the cloud vendor was chosen from a business case based on sole sourcing from an existing provider.

CHART 6 – WHAT WAS THE PRIMARY CRITERIA USED TO DETERMINE YOUR CLOUD VENDOR?

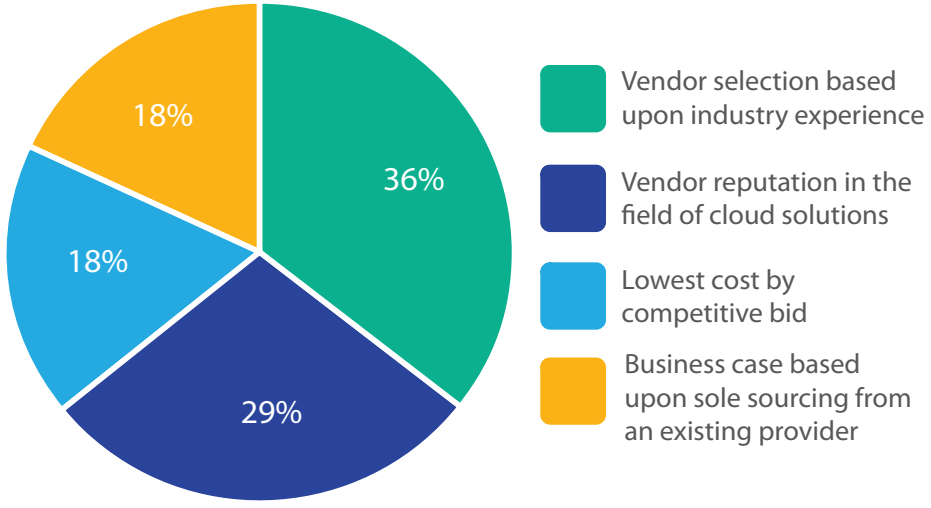


CHART 7 – WHAT APPLICATIONS WOULD YOU NEVER MOVE TO THE CLOUD? (CHOOSE ALL THAT APPLY):

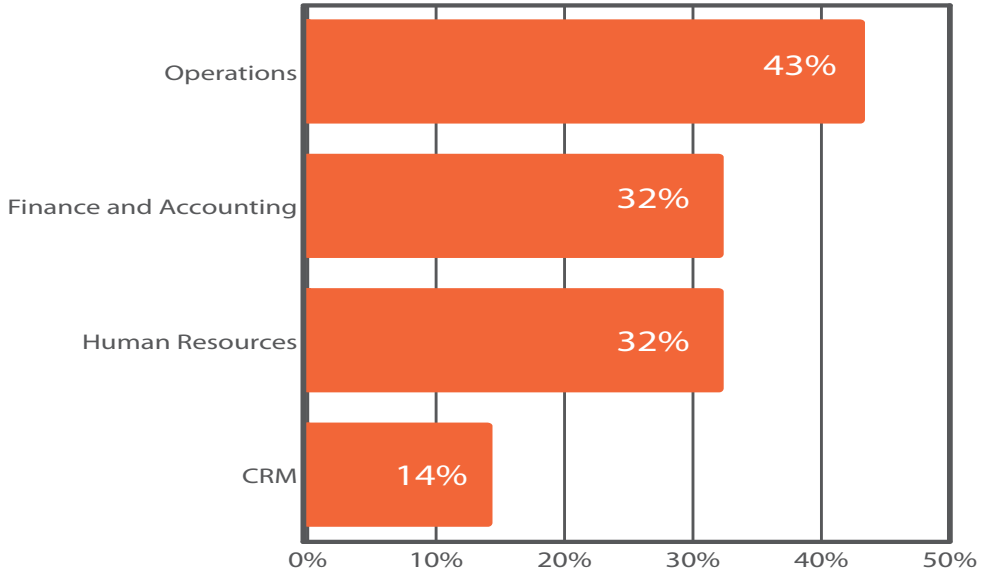
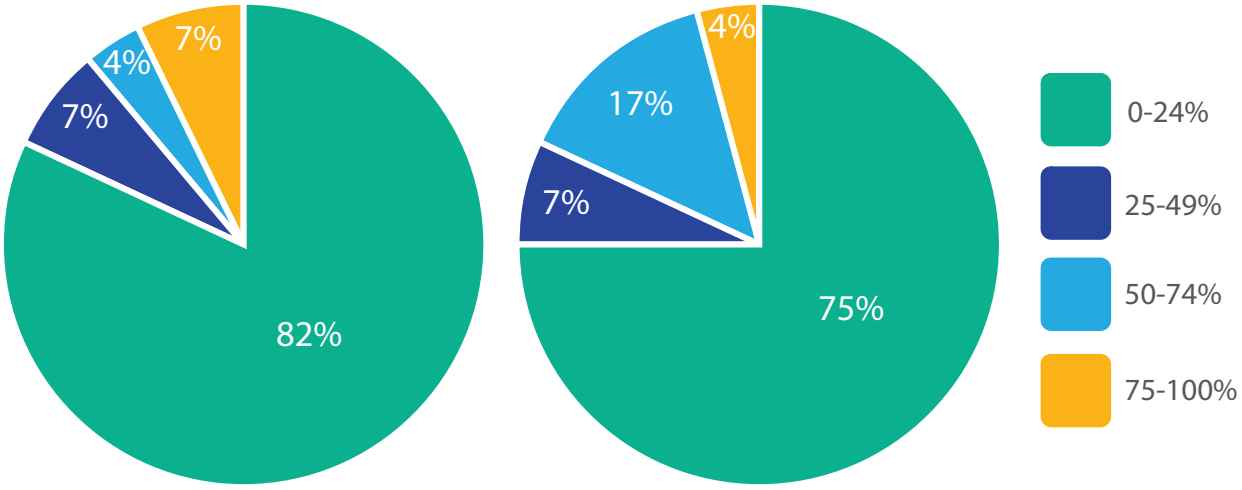


CHART 8 – HOW MUCH OF YOUR OVERALL IT BUDGET (IN %) DOES YOUR ORGANIZATION SPEND ON PUBLIC CLOUD?



Cloud CRM plus ERP: A rocky start for one company

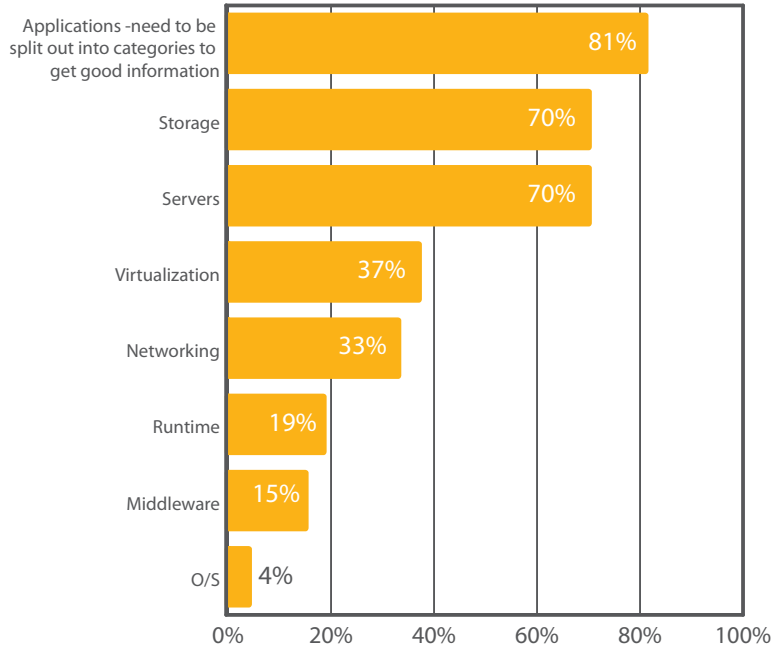
"We started merging our systems with a customer relationship management software cloud solution this year and our biggest challenge has been to get the cloud solution talking to the in-house ERP system that we've got, and it's not necessarily a problem with the cloud it's a problem with the provider who was supposed to do the bridge between the two and we're still not yet totally operational. We're running into some problems with that. The advantage of the cloud though, is that we've got people running around the world, whether they're in China or Australia, they can have access to the CRM and the information that's on there, as long as they're in a hotel room or they have access to the internet. So that's a definite advantage. The disadvantage is the fact right now that the cloud-based CRM is not really talking to our ERP system."

Michel Levasseur – Vice President, Finance and Administration, Vortex Aquatic Structures

PRIVATE CLOUD

81% of those who have adopted or are planning to adopt a private cloud-based solution said they planned to use it for applications. 70% also planned to use the private cloud for storage and/or servers. Perceived risks of the private cloud included security, data integrity, lack of skills to manage a private cloud and control.

CHART 9 –N WHAT AREAS OF IT HAVE YOU ADOPTED/ARE PLANNING TO ADOPT A PRIVATE CLOUD-BASED SOLUTION? (CHOOSE ALL THAT APPLY):



About 60% of respondents said the percentage of their IT budget devoted to the private cloud was less than 25%, while four in 10 said it was 25-49%.

> "We're using both solutions: public and private. I don't think it's just one answer. It's a combination of answers."
>
> **Ross Corcoran – Vice President and Chief Financial Officer, Global Railway Industries Ltd.**

CONCLUSION

With a total of 62% of executives reporting that their organizations were either already using or planning to adopt some form of cloud computing, further transformation is inevitable. The trend may be driven by the widespread use of mobile devices in the workplace, or a desire to outsource some applications, storage, infrastructure and other IT capabilities, or a combination of these.

However, the finance function is very concerned about data security, with 69% of survey respondents viewing this as a significant barrier, and an additional 6% deeming these concerns an "insurmountable barrier". There is also a perceived lack of ability to customize shared or public software in the way an ERP system can be modified.

Study participants offered advice and comments for their peers, which included the following suggestions:

- Cloud is a long-term strategy. It doesn't need to be a binary, all or nothing process. Companies can evolve gradually to a mainly cloud environment while still retaining pieces of legacy systems which are highly differentiated. This is known as a hybrid cloud.
- Use a workload or application-based approach when adopting cloud. Analyze upcoming projects to determine its characteristics and to assess whether it could be moved to a cloud-based application.
- If the application can be run in the cloud, assess whether there is an economic justification to migrating it, and continue this analysis on an application by application basis. Good places to start are development and test environments, as well as projects which require collaboration by multiple parties. In addition, many companies, for instance, already outsource the payroll function, and manage their requirements using a cloud-based interface.
- Savings can be obtained in the area of software licensing, where a company only has to pay for what it uses, instead of the current method of licensing software directly to the hardware on which it is used.
- Cloud works well when business processes are standardized. Standardization is

CONCLUSION

being driven by economic benefits.

- Consider cloud as a cost-effective way to perform disaster recovery, as an alternative to backup drives.
- When considering security, as a counter to the "all eggs in one basket" concerns about cloud computing, consider whether your own organization's IT department can offer as high a level of security as a major cloud vendor.
- Make sure your provider is reputable and will be around for a while. Research the vendor thoroughly and check references. Also make sure there is room for expansion as your data needs will grow. See if you can do any testing to ensure you're happy with speed etc.
- Internally, companies need to ensure you have the right people with the expertise to conduct this move since most IT professionals do not have it.
- You have to have a standard approach to the application before you move to the cloud that is backed by standard processes as much as possible. You also have to accept the fact that is a little harder to make changes once you are there.
- Financial executives should research their options and choose the path that is right for their company, regardless of the latest trend in IT. Doing your homework can save your organization money through IT infrastructure (hardware, software, people) and this allows the executive to take those IT resources and focus on the next IT project.

"You can say no a lot, but if a technology is may create a competitive advantage you have to eventually say this is a yes. Cloud computing is a yes, and it's an inevitable yes. It's not an all or none situation. We gray ourselves into it. Certain elements we do as sort of a trial and error and integrate with a hybrid implementation. Stick your toe in the water to get comfortable with it, because it is the future. I think that's the direction we're heading and I think it's inevitable."

Mark Donaghy – Former Vice President, Finance and General Manager, SciAn Services

Current cloud adoption rates from the survey (20% public, 18% private and 9% using both) indicate an even split between public and private cloud users, as well as a smaller but significant portion of companies using both, suggesting the manifestation for most enterprises will be hybrid of private and public cloud use in future. The degree of that spectrum, in terms of an increase in public usage could increase over time as the cloud matures. As major vendors address concerns around security, conversion costs, and requirements around customization, the amount of public cloud sharing is more likely to increase, which would then further bolster the economic benefits of sharing.

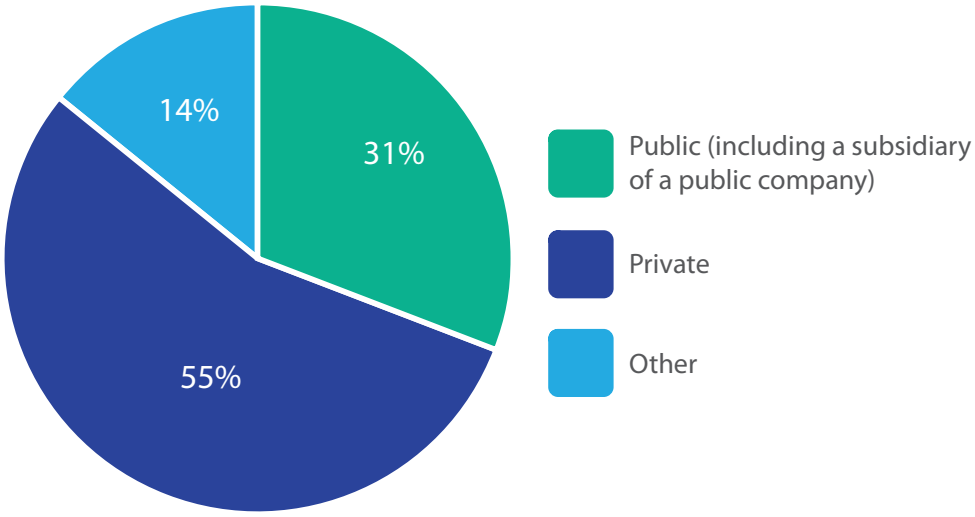
A major game changer driving the growth of cloud computing is the widespread use of mobile devices, and in particular the phenomenon of the consumerization of IT, in which organizations discover their staff are demanding to use their own mobile devices to do work. In an evolving workplace, the explosion in the use of mobile devices is fueling the demand for cloud-based business applications that can be accessed in the palm of an executive's hand.

Cloud is a significant transformation being driven by multiple factors, one of which is the desire by some executives to simplify the management of the IT function by in effect, outsourcing it. "I don't want to work for technology, I want technology to work for me." says Ross Corcoran – Vice President and Chief Financial Officer, Global Railway Industries Ltd.

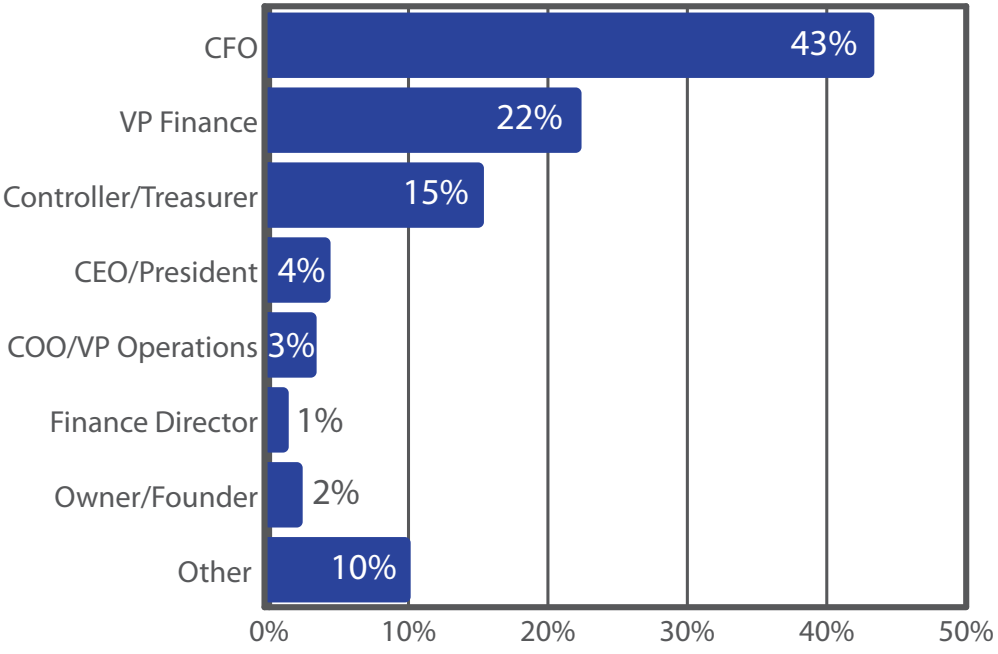
> "I look at cloud computing as the face of future and a transformation that cannot be ignored. The CFO needs to understand what the 'cloud' is about in order to make informed decisions as to whether it is relevant or not for his or her company. A challenge our company faces, which I am sure is not uncommon – is system uptime. The goal of our IT group is to make the user experience as care-free as possible and that elusive goal of 99.9% system availability is something that I see as a potential advantage of a 'cloud' solution. Since I see the possibility that a 'cloud' solution could produce a better user experience at some time in the future, I like to keep abreast of what's happening in that realm."
>
> **Craig Smith – Chief Financial Officer, McAsphalt Industries**

APPENDIX A: DEMOGRAPHICS

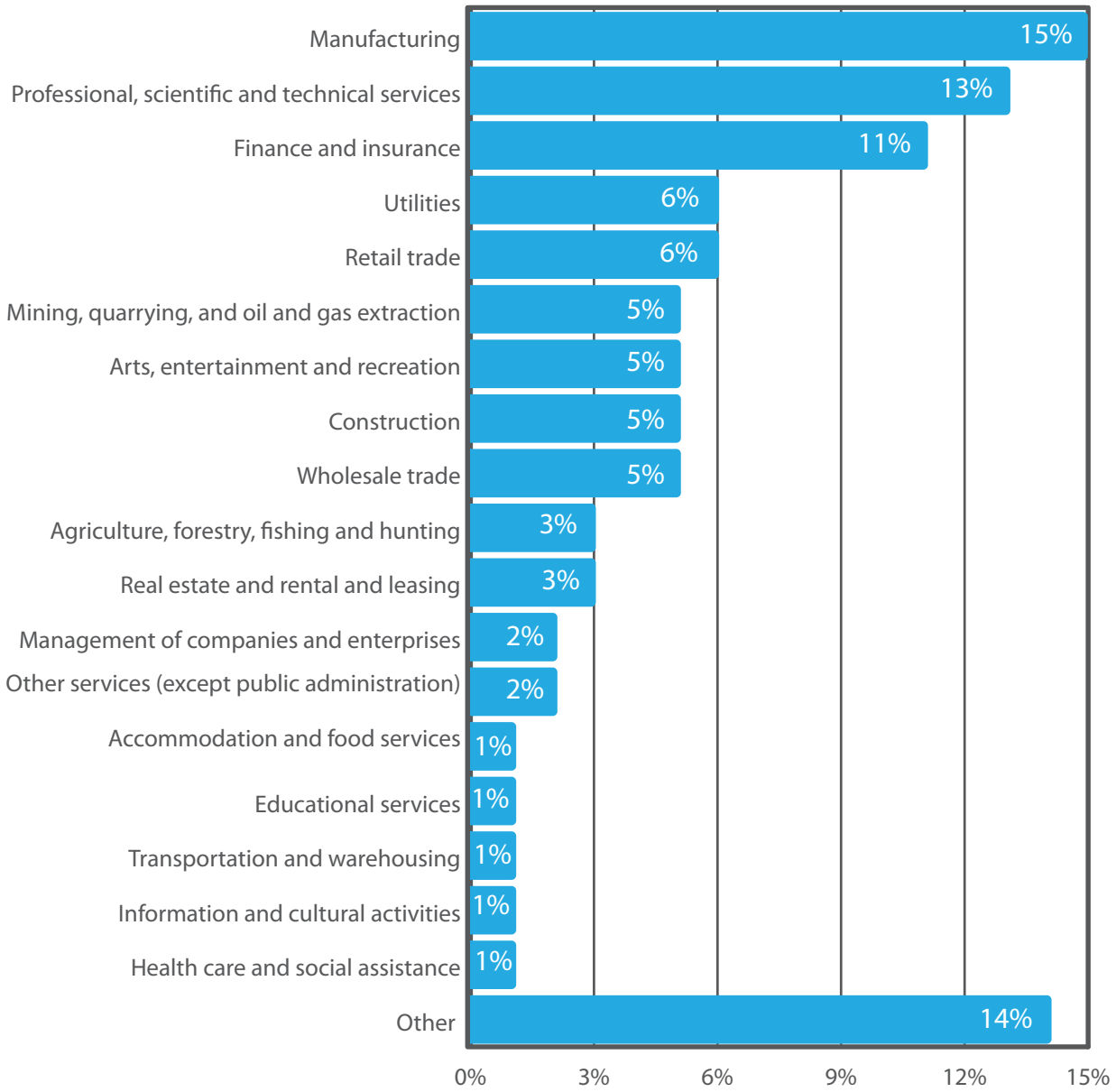
CORPORATE STRUCTURE



POSITION TITLE

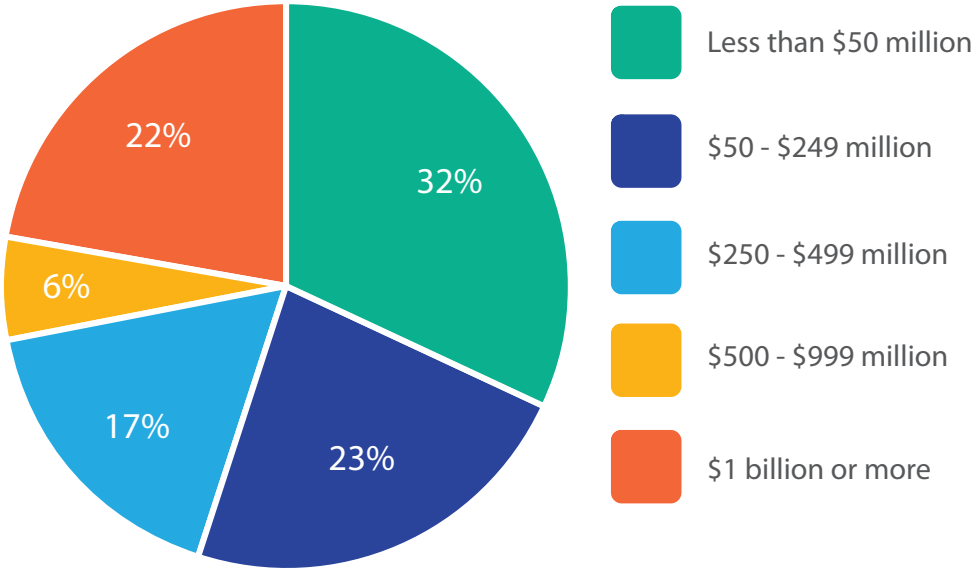


INDUSTRY CLASSIFICATION

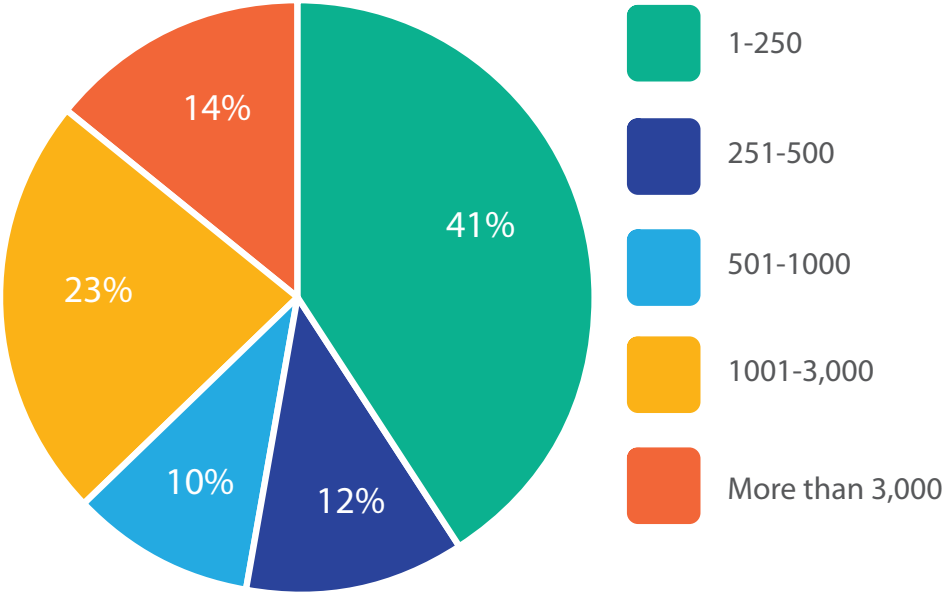


DEMOGRAPHICS

ANNUAL REVENUE



EMPLOYEES



APPENDIX B: FORUM PARTICIPANTS

Forum Chair:

Michael Conway – Chief Executive & National President, FEI Canada

Moderators:

Christian Bellavance – VP, Research & Communications, FEI Canada
Aldo Gallone – Cloud Leader, IBM Canada

Toronto Participants:

Bruce Bailey – Chief Financial Officer, Urban Electrical Contractors
Raymond Castonguay – Senior Vice President, Finance, Morneau Shepell Inc.
Andrew Dindayal – Chief Financial Officer, Netsweeper Inc.
Mark Donaghy – Vice President Finance & General Manager, SciAn Services Inc.
Chad McCleave – Chief Financial Officer, Waterfront Toronto
Derek Petridis – Vice President, Finance, Shikatani Lacroix Design Inc
Judith Purves – Chief Financial Officer, IBM Canada
Craig Smith – Chief Financial Officer, McAsphalt Industries Limited

APPENDIX B: FORUM PARTICIPANT

Montreal Participants:

Ross Corcoran – Vice President Finance & Chief Financial Officer, Global Railway Industries Ltd.

Stéphane Lavigne – Vice President & Chief Financial Officer, Supremex Inc.

Michel Levasseur – Vice President, Finance & Administration, Vortex Aquatic Structures International Inc.

Observers:

Megan Bell – Communications and Research Intern, FEI Canada

Laura Bobak – Senior Writer, FEI Canada

Melissa Gibson – Communications & Research Manager, FEI Canada

Pavithra Parthasarathy – Demand Programs, STG Event Manager, IBM Sales & Distribution Marketing

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FEI CANADA'S RESEARCH TEAM:

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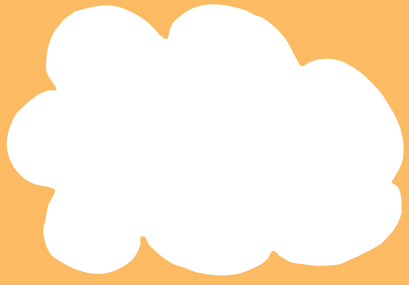

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