

Kurt Salmon

DRIVING VALUE BY RE-THINKING MI

Is your Management Information currently worth the cost?



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We are seeing a paradox emerging: while technology is enabling greater quantity, diversity, and availability of business performance data than ever before, a growing number of senior managers are expressing dissatisfaction with the quality of their management information (MI).

In a recent survey of senior Finance Executives, “improving MI” was identified as the top priority for establishing Finance as a more valued business partner. Today, it’s no longer a lack of data that is the problem; instead, it’s the lack of focus and real insight generated, which management need in order to gain full visibility of business performance.

Companies have invested heavily in transforming their Finance functions and improving transactional processes. However, many of these companies have failed to address their MI which remains insufficient to effectively inform

strategy, underpin sound decision-making, or change behaviours to optimise performance. Frequently, organisations rely on a mass of unfocussed reports which overwhelm resources (both producers and receivers) and render the reports meaningless, and consequently limit the effectiveness of business partnering/commercial finance teams.

The **MI Challenge** is to harness the right financial and non-financial information to drive performance and behaviour in line with business objectives.

The Opportunity:

Meeting the MI Challenge means getting the right information, to the right people, at the right time, with the minimum of effort.

In our experience, the benefits of improving MI speak for themselves and include:

- Significant reduction in volume of reports, often in excess of 50%
- Corresponding reduction in the effort and cost of producing those reports that remain
- More time to focus on analysis and supporting the business
- Crucially, significant enhancement in the value the information adds – improved content and format, and alignment to management responsibilities across the business

Insightful MI is a key enabler of business performance. Providing accurate, perceptive and relevant reports should be a core objective for the Finance function.

Engagement Snapshot:

The rapid growth of this successful, multinational company led to a gap between available management information and the needs of the business. In addition, production processes were onerous and prevented Finance from fulfilling its business partner role.

Kurt Salmon were engaged to improve the organisation’s reporting. The resulting, re-designed information set rationalised the reports produced while providing a concise and informed view of performance. Implementation of the proposed design leveraged existing systems and led to a significant reduction in time and cost to produce. A centre of reporting excellence was established to produce the redesigned standard reports and perform basic level analysis.

Where is your organisation today:

How well do your management reports measure up to these 'leading practice' criteria?

- Timely, concise and insightful
- Clear hierarchy of reports, with 'drill-down' from an executive summary into relevant levels of detail for appropriate audiences
- KPIs and measures are aligned to business objectives so that progress can be monitored
- Balanced views of financial and operational performance, with trends and issues highlighted
- Identify required actions with clear link to management responsibilities
- An integrated set of current, historic and future views providing a well-rounded view of the business, its direction and its prospects, and an analysis of threats and opportunities
- Provides a view of 'true profitability' across product, channel and customer dimensions, together with an understanding of resource utilisation and process performance
- Standardised processes and data models to ensure information is consistent, clear and accessible
- Free of duplication, with redundant reports eliminated
- Automated, efficient, centralised production processes, making effective use of available technology
- Report production costs are understood and controlled, and business partners/commercial finance teams receive and analyse information instead of producing it

Delivering results:

Storing data and producing MI is a significant cost to the business. Finance should lead regular reviews of MI to ensure that it is telling managers what they need to know and helping to drive the business forward. We advise a fast-track approach to ensure value is being delivered:



An Overview of Kurt Salmon and our CFO Advisory Services Team

- Kurt Salmon is one of the world's leading strategy and transformation business advisory firms, with over 1,400 experienced professionals worldwide
- We have been recognised as a Leader in Gartner's "Magic Quadrant for Business Operations Consulting Services, Worldwide", October 2012
- Our CFO Advisory Services team focuses on the CFO change and improvement agenda through a combination of finance expertise and deep industry knowledge
- We have worked with over 30% of the Fortune 500, 30% of the FTSE 100, and 75% of the CAC 40
- Our consultants are experienced specialists with significant experience in finance line management and consulting
- We know what works, how best to make it work and the pitfalls to avoid, and ensure these lessons are shared throughout each client engagement
- We are recognised for our practical approach - 'rolling up our sleeves to make change happen'
- We are independent and have no exclusive ties to any systems or software vendor, or outsourcing service providers

"The Kurt Salmon consultants understood our original message and our goal very clearly from the beginning. They have been extremely pragmatic, professional and effective." FINANCE DIRECTOR

Contact

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