



Power to the CFO

How BI and advanced analytics
changes the finance game

LET YOUR **DATA**
TELL YOUR **STORY**



Why CFOs should be know-it-alls

If you think about it, the finance function is responsible for a huge proportion of the enterprise data that's generated today - from internal operations, including sales and marketing, to manufacturing and facilities, supply chains and customers.

In theory, this means that finance is better placed than anyone to understand the big picture. So the challenge is finding a way to move beyond just reporting to a deeper analysis of data - yielding previously unseen insights that can drive strategy.

There's no doubt that the financial rewards of advanced analytics are considerable. Real-world achievements range from a major manufacturer who saved \$7m by improving forecasts, to a leading hotel chain who increased profits by \$86m in just a single year.

Too much reporting, too little insight

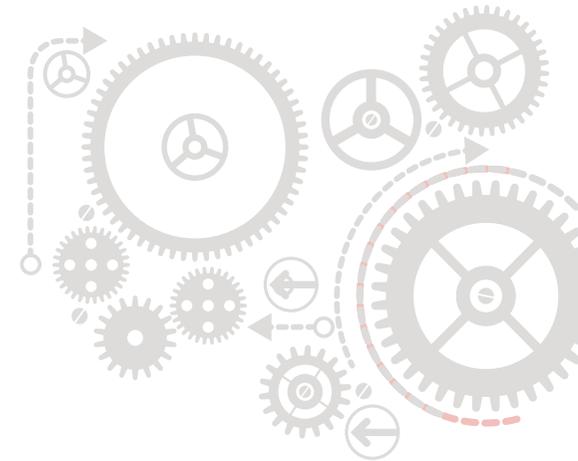
Today, most reporting focuses on topline forecasting, monitoring cash flow and analysing return on investment. And, while other factors play a role, this focus is often due to the limitations of on hand tools like Excel, which remains a valuable data management tool, but which was never designed for advanced analytics or for tracking data from multiple disparate sources.

As a result, financial forecasts can lack the external trends, regulatory implications and economic changes that have a direct impact on profitability. And CFOs have been forced to simply make do with incomplete information.

From reporters to innovators: the future is proactive

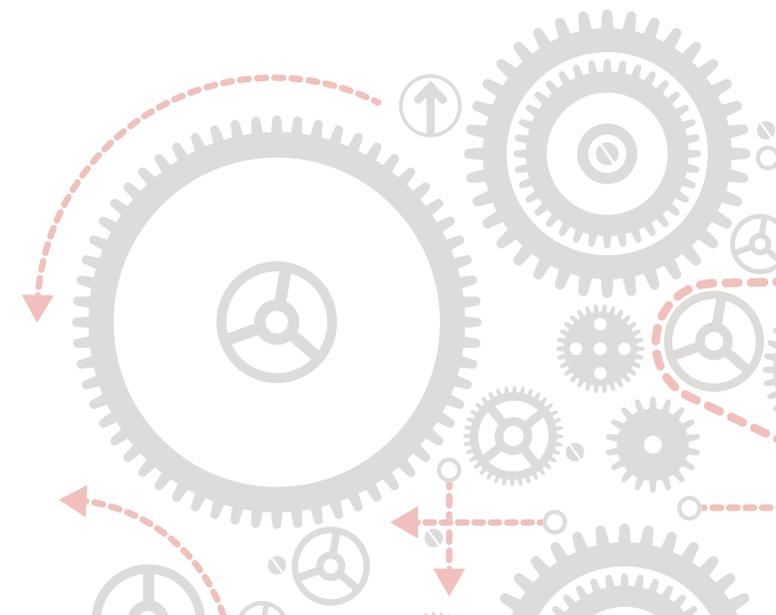
However, by adopting an advanced analytic stance, CFOs will be able to look at their data in a deeply granular way, identifying the trends that shape finance metrics, and alter KPIs as market and internal conditions change.

Being able to unlock deep insight enables companies of all kinds to do more than just protect themselves against seemingly capricious market spikes and trends. They can now build a more complete understanding of where these shifts come from, more accurately predict future movements - and take advantage.



Reasons to work smart

- 1 CFOs regularly work 12 to 15 hour days¹
- 2 "Many companies extol the value of work-life balance, but the reality for senior executives? There is none."²



1. Deloitte: CFO Signal Survey
2. Harvard Business Review

'Good enough' visualisation isn't good enough

Organisations that have invested in visualisation tools that create simple dashboards showing evidence of what has happened are missing a huge opportunity. They have the tools to deliver more impressive reports, but these still won't give CFOs the depth of information and understanding required to generate more profitable strategies.

In part, this is because these tools are not underpinned by powerful data management platforms that both integrate disparate data silos and allow many different types of data, including social media sentiment, to be collated and maintained in a single, instantly usable repository of high quality information. This issue of data quality is something that CFOs worry about. In fact, research shows that 35% of CFOs globally are concerned about the quality, accuracy and completeness of the underlying data. 46% of executives are also unsatisfied with the timeliness of data.³

CFOs will gain maximum benefit by investing in an analytic solution that puts the decision-making power back in their hands – rather than waiting for IT to run analyses which – by the time they are returned – are out of date.

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Putting the power in your hands

With an advanced analytics capability, CFOs will have the power to:

- Ask better, more precise questions of their data in real-time for real-time answers
- Gain richer insights by creating a broader pool of data, including social media feeds, that contain intelligence on brand perceptions, buying preferences etc., that can have an impact on sales and profitability
- Generate predictive insights across pricing, supply chain, operations, marketing and other areas that can change the way business is done.

Are the results worth it?

Shifting to advanced analytics isn't an instant switch. However, you can start to see results with SAS in a matter of months rather than years. Is the change worth it? Take a look at these impressive results⁴:

- A global chemical company reported saving \$200,000 every time they reduced forecast error by 1 percent
- A major manufacturer of surgical, pharmaceutical and consumer products saved \$7 million by improving its forecasts
- A major hotel chain increased profit by \$86 million in a single year by using analytics
- A European energy company trimmed costs by 50 percent simply by increasing the accuracy of their forecasts.

CFO recommendations

- 1 Recognise and investigate the limitations of visualisation tools
- 2 Be sure of what you want to achieve and communicate the day-to-day benefits of advanced analytics to every line of business
- 3 Choose an advanced analytic solution that includes data integration & management. Remove barriers to the effective collection of data
- 4 Bring in the right talent – SAS data scientists support customers on-site around the world
- 5 Phase the roll out of advanced analytics capabilities, starting with basic analytics, moving to advanced analytics, then predictive analytics and scenario testing in order to be able to identify 'best next actions' for the business

To learn more about these results, visit www.sas.com/en_gb

If you would like such transformational results in your business, please call to discuss your particular needs.



Join our discussion

Register for our webinar at www.sas.com/en_gb/webinars.html

Contact us www.sas.com/en_gb/contact.html or +44 (0) 1628 490 972

3. Making data analytics work: CFOs are keen to exploit the potential of data analytics—but are their organizations prepared?, PWC, 2015

4. All results from: A CFO's Guide to Analytics – Arm yourself for the next wave in finance, SAS Institute
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