Finance Transformation Workbench

According to the recent 2008 IBM Global CFO Study, one-third of CFOs and senior finance executives stated they are ineffective at measuring and monitoring business performance. The study of 1,200 CFOs suggests that current financial management models lack the effectiveness and flexibility to accommodate the needs of global enterprises from a Business Performance Analysis and Risk Management perspective.

The IBM Finance Transformation Workbench is designed to accelerate the analysis of your organization’s finance function and the development of clear and concise finance transformation opportunities, supported by the application of IBM’s world-class finance function solutions. The FT Workbench integrates IBM’s leading thinking and intellectual property (IP) on finance transformation into one analytical tool that can provide the following benefits for your enterprise:

- Addresses the complete CFO agenda
- Applies world-class finance function principles to root cause analysis and resolution
- Identifies a roadmap of initiatives, appropriately staged and prioritized, for a change program to improve finance effectiveness
- Produces a full business case to support the change program

How can this help you? It will assist your enterprise on the path to becoming an Integrated Finance Organization (IFO). According to the IBM 2008 CFO Study, IFOs represent one in seven of the organizations surveyed that have developed mature capabilities in Business Performance Analysis and Risk Management. In fact, the IFOs in the study had revenue growth rates nearly double that of industry peers and can be more prepared for risk because they are more aware of risk.

IFOs have more mature finance capabilities addressed by four commonalities: 1) globally mandated standards, 2) standard common processes, 3) a company-wide standard chart of accounts and 4) common data definitions. Further, these organizations have made significant progress consolidating onto a common financial application platform, resulting in fewer financial data reconciliation issues and increased confidence in reported numbers.
**Improve finance effectiveness**

The FT Workbench is the latest IBM tool developed that can be used to help you transform your finance organization to generate value. It is designed to help CFOs and senior finance executives determine how to improve finance’s efficacy, by increasing the level of capability and maturity. You need to have transparent and standardized finance processes and information to make fact-based decisions, reduce finance costs, and effectively partner with business units. This can help to enhance growth opportunities through integrated reporting, analytical and risk management capabilities.

IBM Financial Management Consulting Services developed the FT Workbench as a diagnostic and decision support tool that can help you determine what needs to be done and how to get there more quickly and for less cost. Ultimately, this helps a company react more nimbly to fast changing macro and micro business conditions.

The FT Workbench can identify shortfalls throughout finance, people, process and technology. This includes duplications, over-extensions, gaps and deficiencies that prevent your enterprise from operating optimally and identifying valuable business opportunities. Used in conjunction with IBM consulting services (which can cut the cost of an engagement by up to one-third), the tool starts with a high-level view of all of the department’s activities, such as budgeting, reporting and closing. It then breaks down each one into tasks that can be benchmarked against best practices.

**Key finance function issues**

The IBM Finance Transformation Workbench is one of many tools designed to help IBM Financial Management Services more effectively and efficiently advise senior finance executives on how to improve finance functions and identify specific action plans to realize those improvements. Realize the following benefits with the FT Workbench:

- Achieve scalability throughout information channels, tools, templates and other assets to properly identify and characterize underperforming finance functions to determine root cause and potential solutions.
- Learn how to assess your finance organization’s performance analysis capabilities and determine how well you are able to help with decision support, and better partner with and help manage, the line of business financial performance.
- Develop a clear roadmap for finance function transformation/change/improvement strategy.
- Discover ways to streamline and automate your data gathering and management processes.

- Evaluate your suboptimal finance functions and more efficiently manage and update your assets and methods consistently across the board. This includes financial control/risk management issues and regulatory and statutory compliance challenges (SOX, SEC reporting and IFRS).

- Capture multiple views (process, metrics, components and resource) with “distributed” documents to link the method with upstream and downstream analysis.

The FT Workbench provides an integrated and seamless view of various solution models (processes, metrics, resources, organization structure, skills, enabling technology) and financial data. Using reliable and time-tested financial tools such as ROI, NPV and payback period, powerful and compelling business cases are developed.

**Past, present and future**

The CFO’s role has expanded dramatically over the past 7 - 10 years. Practically speaking, given the rapidity and degree of change and new demands upon finance, most have had little choice but to address issues with point solutions and quick fixes. For many, this has resulted in greater complexity, disjointed and unreliable/unrecognizable data and high cost of finance. It is very likely the future pace of change will continue to increase demands upon finance. Current challenges, such as the financial markets
crisis, increased level of risk, increased financial scrutiny, IFRS, and a host of other factors, will likely lead to new and unforeseen challenges as these constant demands are approached with quick fixes. You need to be able to visualize a clear evolution for finance that is connected and optimized, considering what is being done today and what is anticipated for the future.

IBM’s FM consultants use the FT Workbench to bring the finance ecosystem into clear view. It resolves those historical challenges by putting the whole ecosystem together into one flexible and highly customizable computer model. It then provides the tools to analyze the best ways to increase finance’s level of maturity and capability.

Conclusion
“CFOs need quick access to the truth; they need process and data commonality through enterprise standards to achieve higher levels of efficacy,” said William Fuessler, Global Financial Management Leader, IBM Global Business Services. “The delay in understanding the true state of the business can mean the difference between profitability and lost growth potential. The Finance Transformation Workbench tool is yet another example of IBM’s high-value services proposition, which automates labor-based process and uses our intellectual property to create repeatable software-like assets.”

Why IBM
The FT Workbench tool is designed to accelerate the analysis of your finance function and development of clear and concise finance transformation opportunities, supported by the application of IBM’s world-class finance function solutions. The FT Workbench is an application that integrates IBM’s leading thinking and IP on Finance Transformation into one analytical tool; applies world class finance function principles to root cause analysis and resolution; and is designed to address the CFO agenda and help improve effectiveness of the finance function, especially as you move towards becoming an Integrated Finance Organization.

With more than 4,100 financial management resources located across the globe, IBM has a strong record of serving as a trusted advisor to CFOs and finance leaders. Our dedicated teams of research and thought leadership professionals provide insights into the issues facing finance professionals, enabling us to offer deep finance function expertise coupled with effective technology implementation and integration capability.

We offer proven finance transformation tools and experience, such as SAP, Oracle and Cognos. IBM Financial Management Consulting Services brings strong partnerships; we are the number one SAP consulting provider and a leading integrator of Oracle/Hyperion applications. Our recent acquisition of Cognos has added over 200 experienced Cognos practitioners to our financial management practice.

We bring experienced IBM finance executives to meet with clients, including former CFOs, controllers and CIOs. Our consultants have worked with 75% of the global Fortune 50 and 80% of the FT 50. We frequently leverage our IBM CFO and his team to share their finance transformation story and lessons learned.

For More Information
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