

## Invest in Financial Consolidation to Deliver Financial Reporting and Analytics

*Delbert Krause, Business Unit Executive, Cognos Software, IBM Information Management*

**This essay is part of a series, *Controllers' Corner: Two-Minute Essays on Financial Management and Control*, which asks industry thought leaders for their opinions on critical issues facing today's finance organizations.**

*The current business and regulatory climate is demanding more transparency and insight than ever before. This has a direct impact on the office of finance, both as a leading stakeholder in financial reporting and in guiding the organization's decision making.*

### **Q. What is the state of reporting today and where are the opportunities for improvement?**

Recent economic events have placed a great deal of pressure on finance teams to deliver information critical to measuring company, business and individual performance. Many organizations have invested heavily in both transactional and operational systems to track the business, as well as supporting systems for reporting and analytics that provide the organization with better business insight.

Enterprise reporting systems have adapted well and in many cases simply continued delivering information across the broad spectrum of users just as they have always done. In



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fact, elevating business intelligence (BI) as a strategic platform has put many companies in a good position to withstand the information demands that naturally occur in times of economic stress. The ability of business intelligence to deliver sophisticated reports and analytics in a timely manner, through mediums such as mobile devices, has justified the investment that these companies have

made, enabling them to keep up with increased reporting demands.

These increased reporting pressures have affected finance teams, who were able to meet the demands of regulatory reporting, delivering their financial statements, certified and on time. Even the continually evolving financial rules from different jurisdictions did not have a material impact on meeting reporting

deadlines. Yet in recent customer-facing surveys, the top two internal drivers for investing in performance management systems were, 1) increased demand for financial data/reports and, 2) increased information demands from CxOs.<sup>1</sup>

### **More reports needed for more people**

When we dig deeper into financial reporting, we see that business pressures have caused companies to make greater demands for reporting in three specific areas: 1) more frequent, regular reporting on core financial data, 2) increased self-service access for both finance teams and business users, and 3) increased ad-hoc analysis and related reports.

Organizations that do not have firm control of the close, consolidate, report process will have difficulty providing a source of record for certified financial data that can enable their finance teams to deliver reports with confidence. That includes ongoing financial statements, financial reports and ad-hoc analysis. An environment that contains certified financial results covering a broad spectrum of financial data is critical for meeting the increased demands on finance teams.

Finance teams without modern reporting systems based on business intelligence principles will be unable to sustain the increased frequency expected by growing audiences for reporting. A lack of modern systems prevents finance from easily creating reports, dashboards, and scorecards,

and distributing automated reports over the web as HTML, in PDF documents, or to mobile devices.

Financial analytics that do not leverage high-performance analytical OLAP environments limit the ability of the finance team to address the complex financial analysis and profitability requests that are critical for enabling senior management to optimize the performance of the business.

### **Improving visibility with modern solutions**

At IBM we are focused on continually improving the financial reporting experience. Our customers are improving their reporting and visibility through the following actions:

- 1. Renewing financial consolidation and corporate reporting to provide a solid base for all financial reporting.** IBM Cognos 8 Controller provides centralized setup, management and control to ensure a financial view of the business that is accurate, certified and secure. By eliminating manual processes and systems, the finance team reaps enormous rewards in confidence and the reliability of financial information.
- 2. Providing financial information for decision making by aligning enterprise business intelligence with financial consolidation and corporate reporting.** The investment in a financial consolidation system, IBM Cognos 8 Controller, combined with

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enterprise business intelligence, IBM Cognos 8 BI, provides an excellent foundation for managing and sharing financial information with the rest of the business.

3. Integrating financial information with high performance analytics. The extension of financial information from the consolidation process directly into our OLAP analytic solution, IBM Cognos TM1, provides a high performance solution for a wide range of analysis and reporting needs.

Modern financial consolidation systems such as IBM Cognos 8 Controller provide the foundation that enables the finance team to deliver accurate financial results, and extend financial data from the close process to enterprise reporting and analytics to drive better decision making.

#### **About Delbert Krause**

Delbert Krause is the Business Unit Executive, Financial Performance Management Solutions, for Cognos Software in the Information Management division of IBM. In addition to his formal training in finance, Mr. Krause has more than 20 years of experience in consulting, selling, and marketing performance management software solutions for finance, business and IT users. Mr. Krause can be reached at [delbert.krause@ca.ibm.com](mailto:delbert.krause@ca.ibm.com).

#### **About IBM Cognos BI and Performance Management**

IBM Cognos business intelligence (BI) and performance management solutions deliver world-leading enterprise planning, consolidation and BI software, support and services to help companies plan, understand and manage financial and operational performance. IBM Cognos solutions bring together technology, analytical applications, best practices, and a broad network of partners to give customers an open, adaptive and complete performance solution. Over 23,000 customers in more than 135 countries around the world choose IBM Cognos solutions.

For further information or to reach a representative: [www.ibm.com/cognos](http://www.ibm.com/cognos)

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3755 Riverside Drive  
Ottawa, ON, Canada K1G 4K9

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#### **Endnotes**

- 1 Nigel Pendse, The BI Survey 8, Business Application Research Center (BARC), 2009