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Reporting on the Fly

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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.

Smart decision-making requires relevant information in the right format at the right time. Yet, in spite of the time and resources that Finance and IT teams have spent to gather, prepare and report on information, there is still a large, unfulfilled demand for quality and timeliness.

Q. Given the pressure to improve decision-making while driving down costs, what options are open to the Controller's office for improving the reporting ecosystem?

Organizations of all sizes and hues regularly cite their lack of satisfaction with management information. Whether it is issues with timeliness, quality or relevance, management reporting is rarely out of the spotlight. Despite step-changes in technology, for example, massive databases, improved ease of data exchange and strides in business intelligence tools, the shortcomings of management information remain stubbornly unresolved.

So, if the technology has improved so much and we are still not meeting management's needs, then perhaps we are looking in the wrong place for

a solution. Are human (organizational) factors a bigger part of the problem than we sometimes care to admit?

Anecdotally, the answer appears to be "yes." For example, a finance function's obsession with accuracy (waiting for that last accrual before closing the books), although essential for statutory reporting and tax returns, can be a detriment to timely flash reporting, budget preparation and monthly management reporting.

> *"One of the keys to improving management information therefore, is to deeply embed collaborative technologies into the reporting cycle, reconnecting users with each other and the processes for which they are responsible."*

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Power play and fear of sharing information between different functions can act as a severe impediment to performance. "Critical" spreadsheets kept in the hands of one or two specialists can stifle the introduction of important reporting changes as well as limiting the relevance of reported information.

So what can be done to encourage the "right" organizational behaviors and does technology have a role to play? Clearly some character traits are impossible to remedy through technology alone. But recent developments could certainly encourage a more conducive atmosphere.

Much has been said about the "democratization" of information, for example, the way in which information is assembled, what is disclosed and what is distributed. Collaborative technologies, especially workflow, shared web space for projects, (SharePoint) finance portals, instant messaging systems and email all have a role in binding the producers and consumers of management information so that they are all better connected to the processes on which they rely. As a consequence, they are better informed, more able to spot errors and better placed to suggest and propagate best practice through an organization.

Historically, reporting practices have ignored this human component. The focus has been transactional – which works well when transactions are completed as planned but fail miserably when things go wrong. Effectively, information workers inhabit two worlds, namely the structured world of management reporting for predictable processing of information, and the world of telephone calls, ad-hoc meetings and walking corridors when things go wrong!

One of the keys to improving management information therefore, is to deeply embed collaborative technologies into the reporting cycle, reconnecting users with each other and the processes for which they are responsible. Not only is this the way to improve knowledge sharing, reporting accuracy and timeliness, but it fully supports a learning organization that is committed to continuous process improvement. Finally, it provides a more fulfilling "user experience," positively reinforcing all of the improvements previously made and setting the scene for enduring change.

About Gary Simon
Gary Simon is the Group Publisher of FSN Publishing Limited, Managing Editor of FSN Newswire and the author of many product reviews and white papers on financial software. Simon is a graduate of London University, a Chartered Accountant and a Fellow of the British Computer Society, with more than 23 years of experience implementing management and financial reporting systems. Simon was a partner with Deloitte for more than 16 years and has led some of the most complex information management assignments for global enterprises in the private and public sector. Gary Simon may be contacted at gary.simon@fsn.co.uk..

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