IBM Software

Vision2014

Drive Growth. Manage Risk. Optimize Performance.

Built on Analytics:

The next-generation finance function

Department for Business Innovation & Skills

Anita Peters & Niall Lavery

Deloitte.

Introductions

Anita Peters
Business Insight Competency Centre Lead

Department for Business, Innovation and Skills (“BIS” – the UK government department responsible for developing the growth of British GDP and intellectual capital).

Niall Lavery
Head of Data Engineering

Deloitte (a leading global professional services firm and IBM Premier Business Partner, named a IBM Global Alliance Partner of the Year or Global Systems Integrator of the Year for five consecutive years).

©2014 IBM Corporation

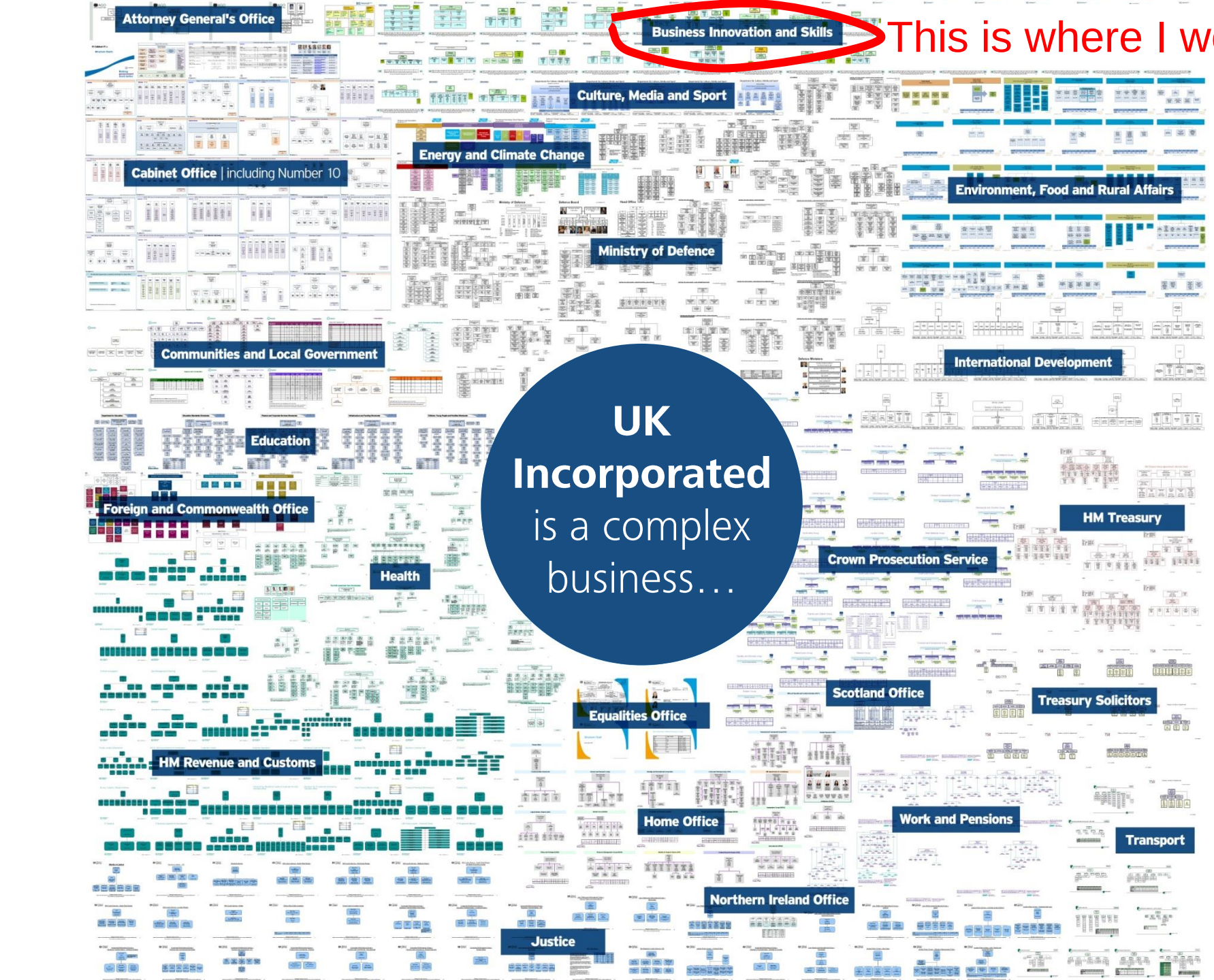
Objectives of the session

To explain **how** and **why** we have built our organisation on analytics…

1. Business context and challenges…
2. Moving to a next-gen finance function…
3. Current status and next steps…

©2014 IBM Corporation

Business context and challenges…



Source: The Telegraph Politics Blog

Business context and challenges…

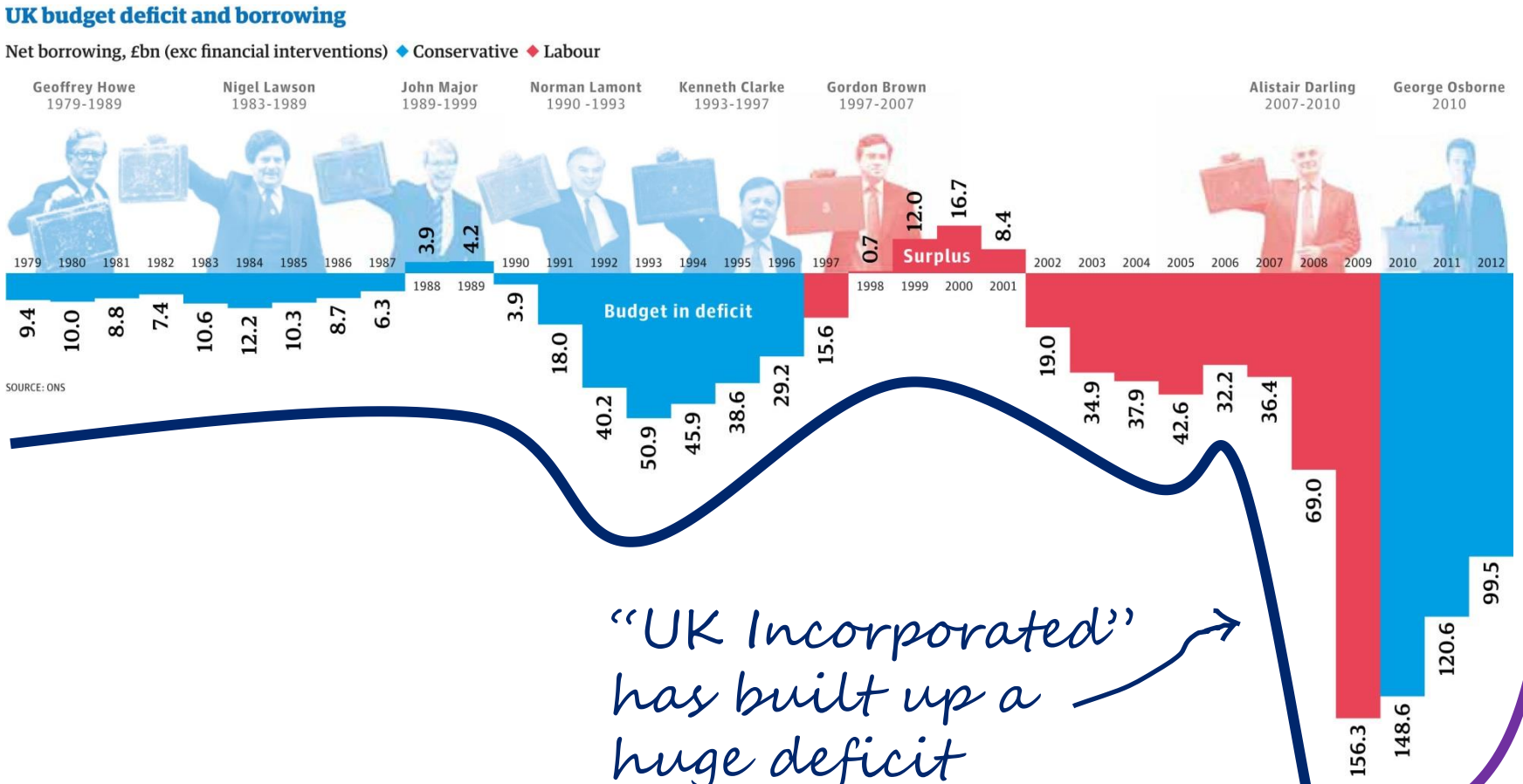
In
£648bn
Total receipts

Out
£732bn
Total expenditure

Source: The Guardian Data Blog

©2014 IBM Corporation

Business context and challenges…



"UK Incorporated" has built up a huge deficit

(the challenge is how we reverse that…)

©2014 IBM Corporation

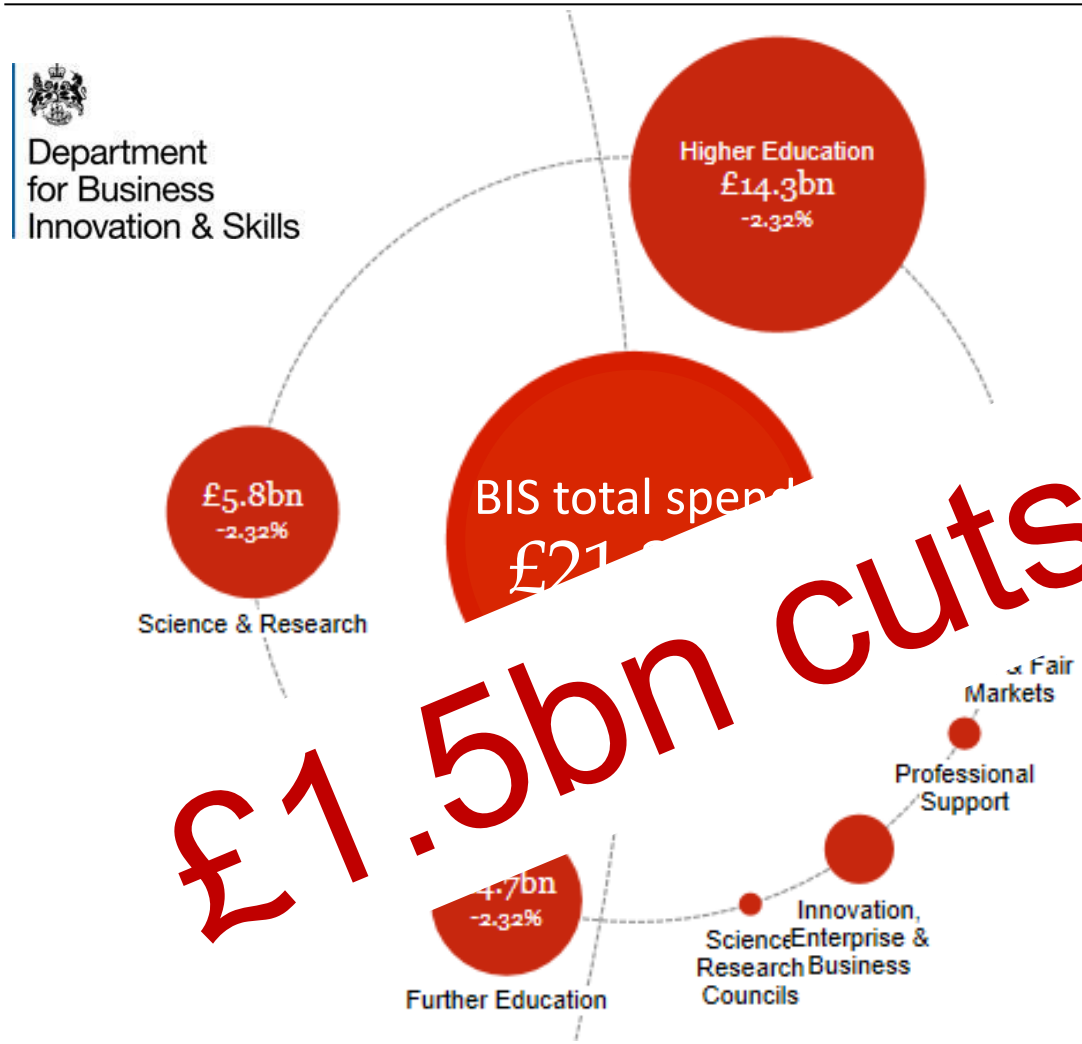
Source: The Guardian Data Blog, Forbes

Business context and challenges…

UK Spend Review video

©2014 IBM Corporation

Business context and challenges…



£1.5bn cuts =

facebook

PUNT

or

Lufthansa

©2014 IBM Corporation

Source: The Guardian Data Blog, Herald Scotland

Focus on Department of Business…

acas

BBSRC
bioscience for the future

NATURAL ENVIRONMENT RESEARCH COUNCIL

Competition Service

Capital for Enterprise

The Insolvency Service

MRC Medical Research Council
CENTENARY 1913-201

CSEP

FRC

diamond

Arts & Humanities Research Council

Consumer Focus
Campaigning for a fair deal

Green Investment Bank

LSIS LEARNING AND SKILLS IMPROVEMENT SERVICE

E·S·R·C ECONOMIC & SOCIAL RESEARCH COUNCIL

EPSRC
Engineering and Physical Sciences Research Council

citb

Nesta

National Measurement Office

Science & Technology Facilities Council

ecITB
Engineering Construction Industry Training Board

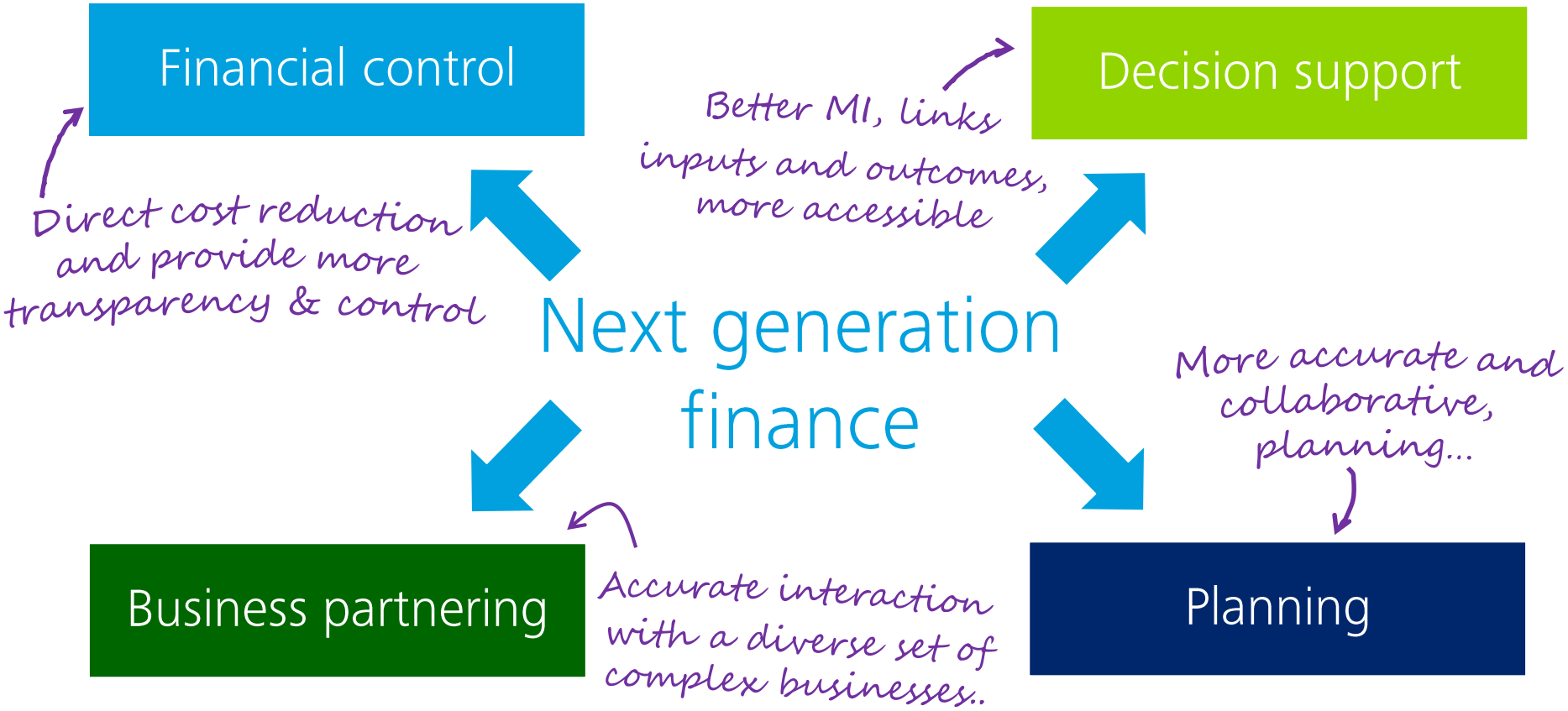
COMPETITION COMMISSION

HIGHER EDUCATION hefce FUNDING COUNCIL FOR ENGLAND

oration

Business context and challenges…

- How can the Finance function evolve to enable this?



©2014 IBM Corporation

Moving to a next-gen finance function…

1. Analytics at the heart of finance
2. Leveraging your data
3. Making transformation happen

Action 1 – Analytics at the heart of finance

Objective:

To envision an analytics-centric, view of the finance function…

…then learn from this to put analytics at the heart of everything we do.

©2014 IBM Corporation

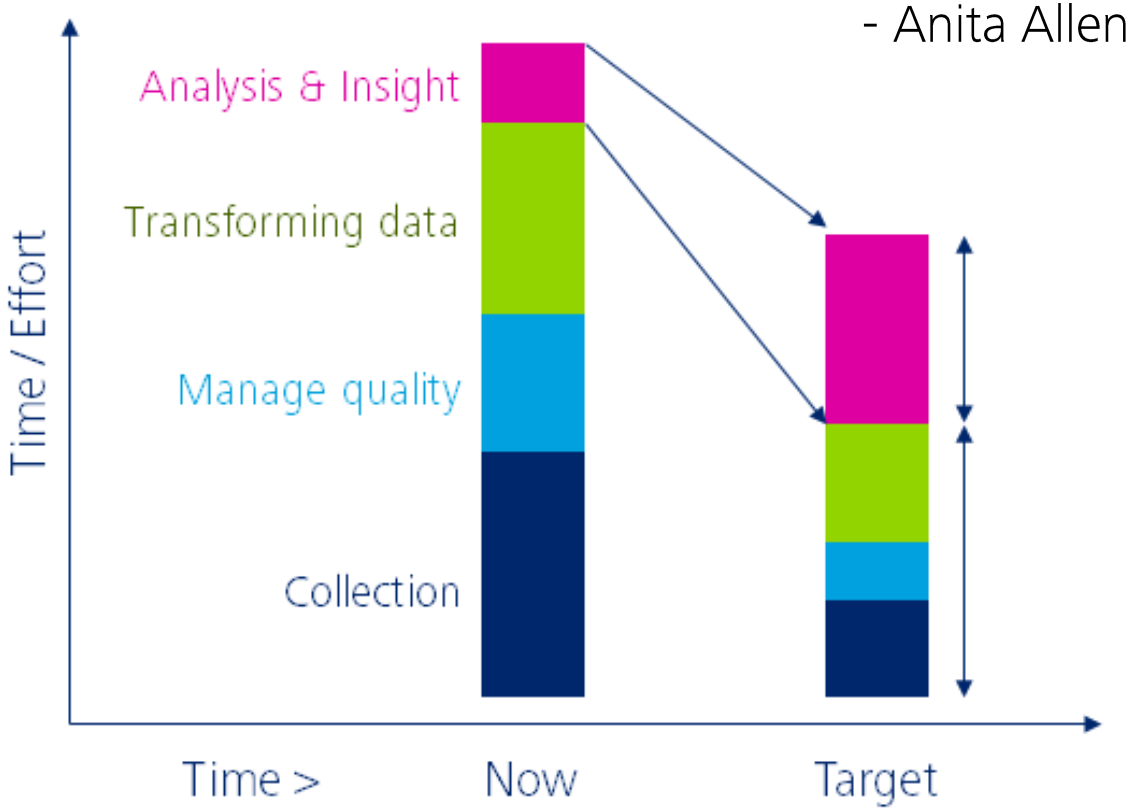
Action 1 – Analytics at the heart of finance

©2014 IBM Corporation

Action 1 – Analytics at the heart of finance

"…with 20% of our effort on management reporting across 1100 staff both the efficiency and effectiveness of this domain is a key question for us."

- Anita Allen, 2012



©2014 IBM Corporation

Action 1 – Analytics at the heart of finance

1 Establish foundations

analytics

©2014 IBM Corporation

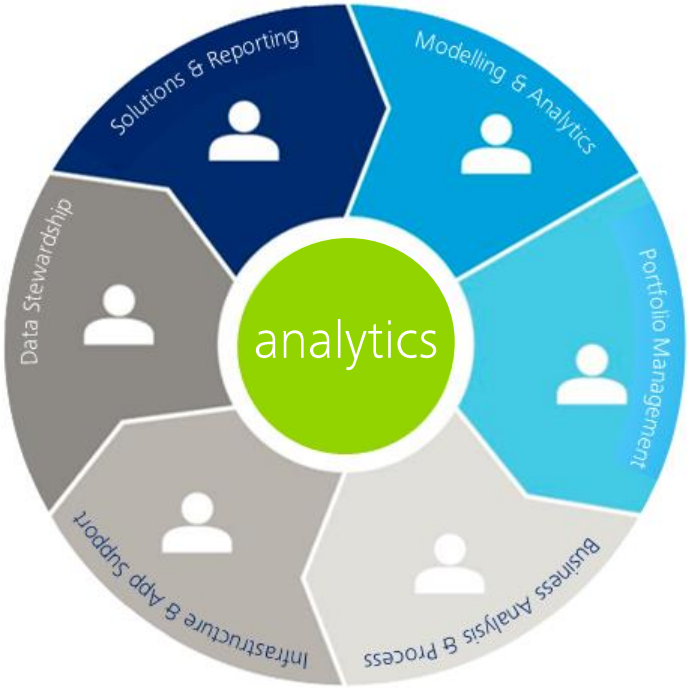
Action 1 – Analytics at the heart of finance

1 Establish foundations

©2014 IBM Corporation

Action 1 – Analytics at the heart of finance

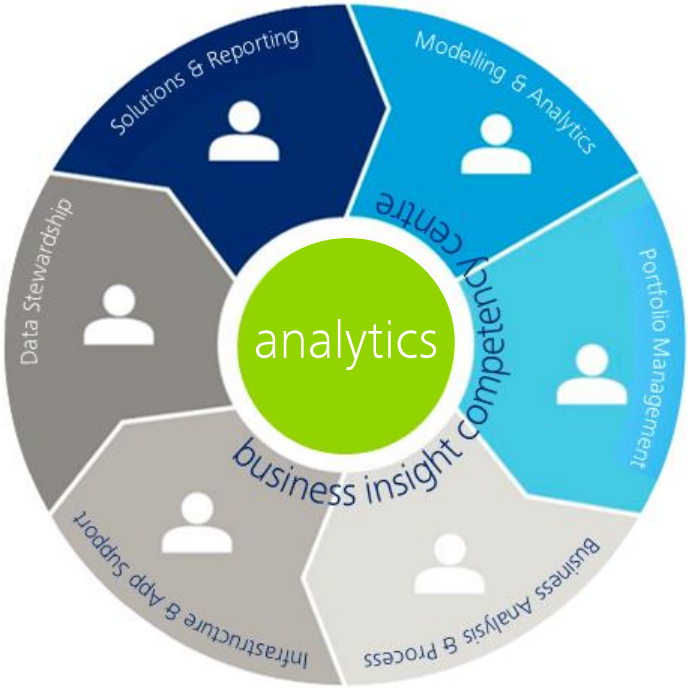
1 Establish foundations



©2014 IBM Corporation

Action 1 – Analytics at the heart of finance

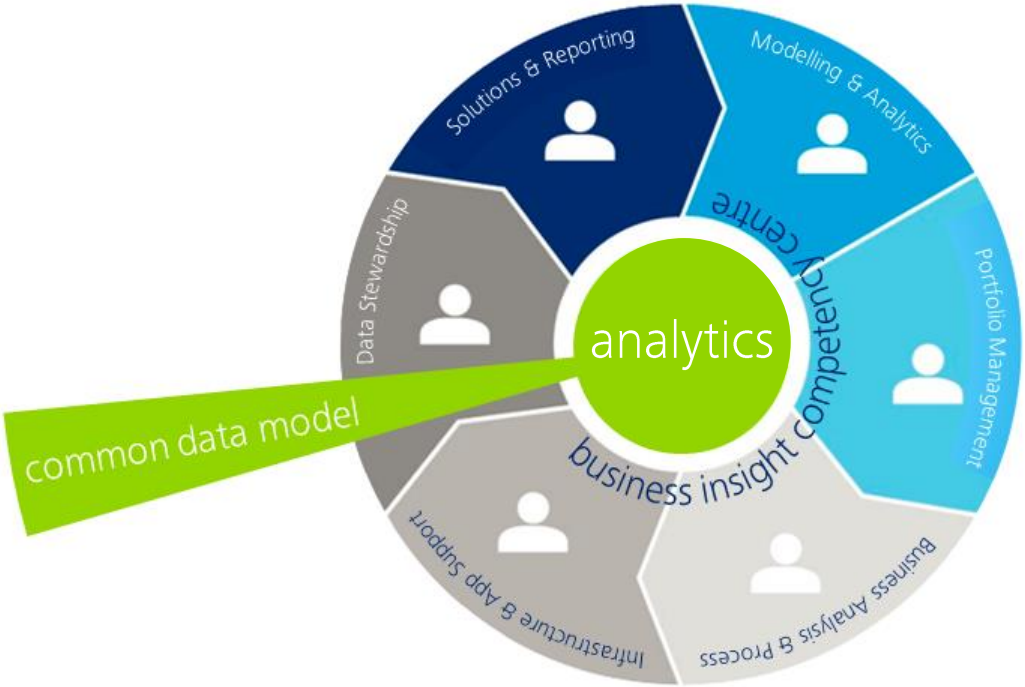
1 Establish foundations



©2014 IBM Corporation

Action 1 – Analytics at the heart of finance

1 Establish foundations

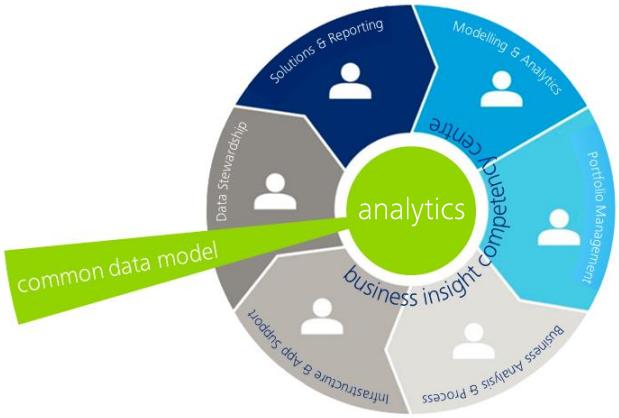


©2014 IBM Corporation

Action 1 – Analytics at the heart of finance

1 Establish foundations

2 Build capability

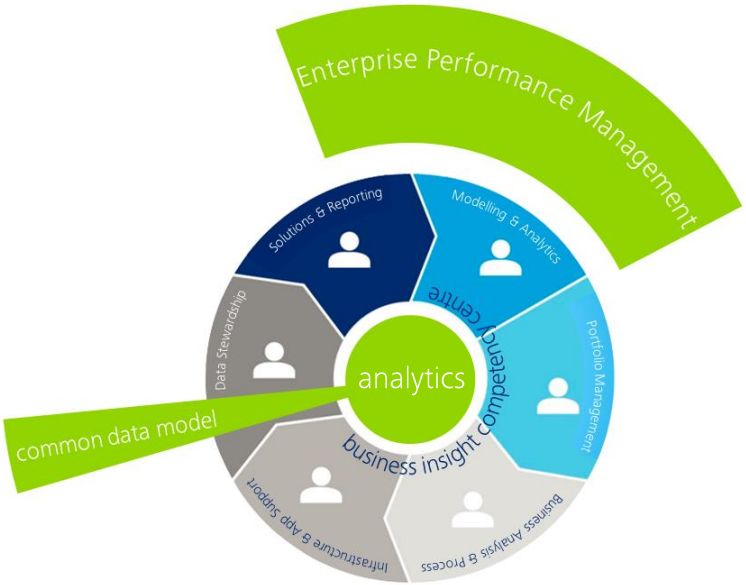


©2014 IBM Corporation

Action 1 – Analytics at the heart of finance

1 Establish foundations

2 Build capability

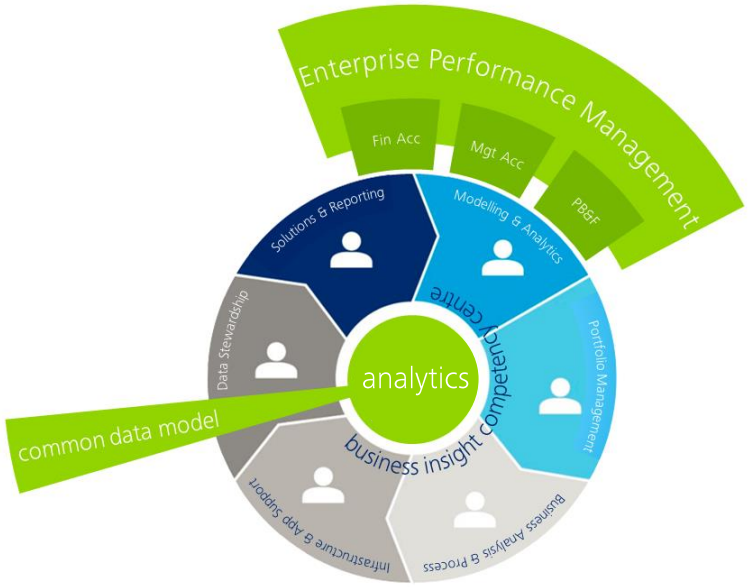


©2014 IBM Corporation

Action 1 – Analytics at the heart of finance

1 Establish foundations

2 Build capability



©2014 IBM Corporation

Action 1 – Analytics at the heart of finance

1 Establish foundations

2 Build capability

©2014 IBM Corporation

Action 1 – Analytics at the heart of finance

1 Establish foundations

2 Build capability

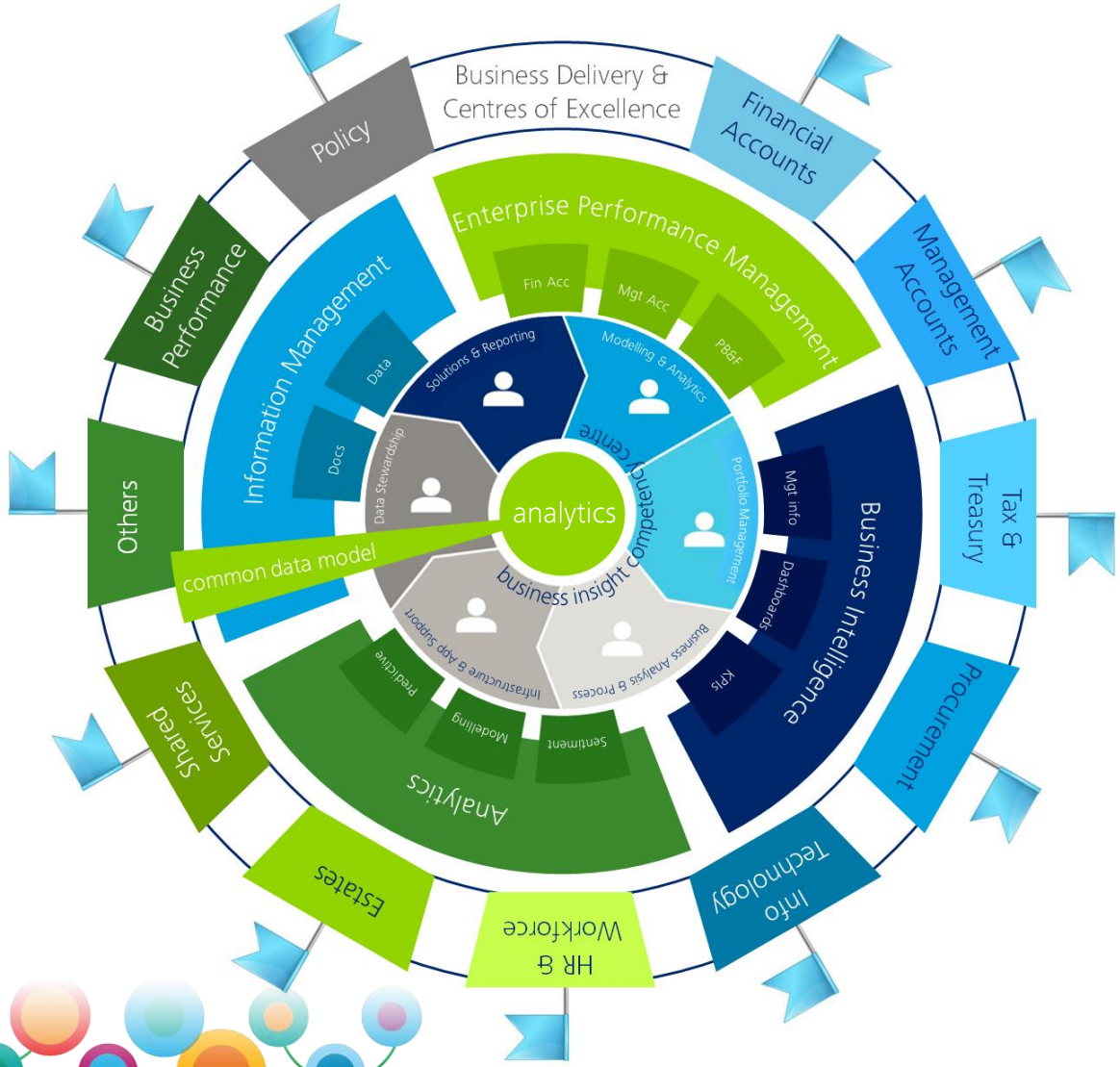
©2014 IBM Corporation

Action 1 – Analytics at the heart of finance

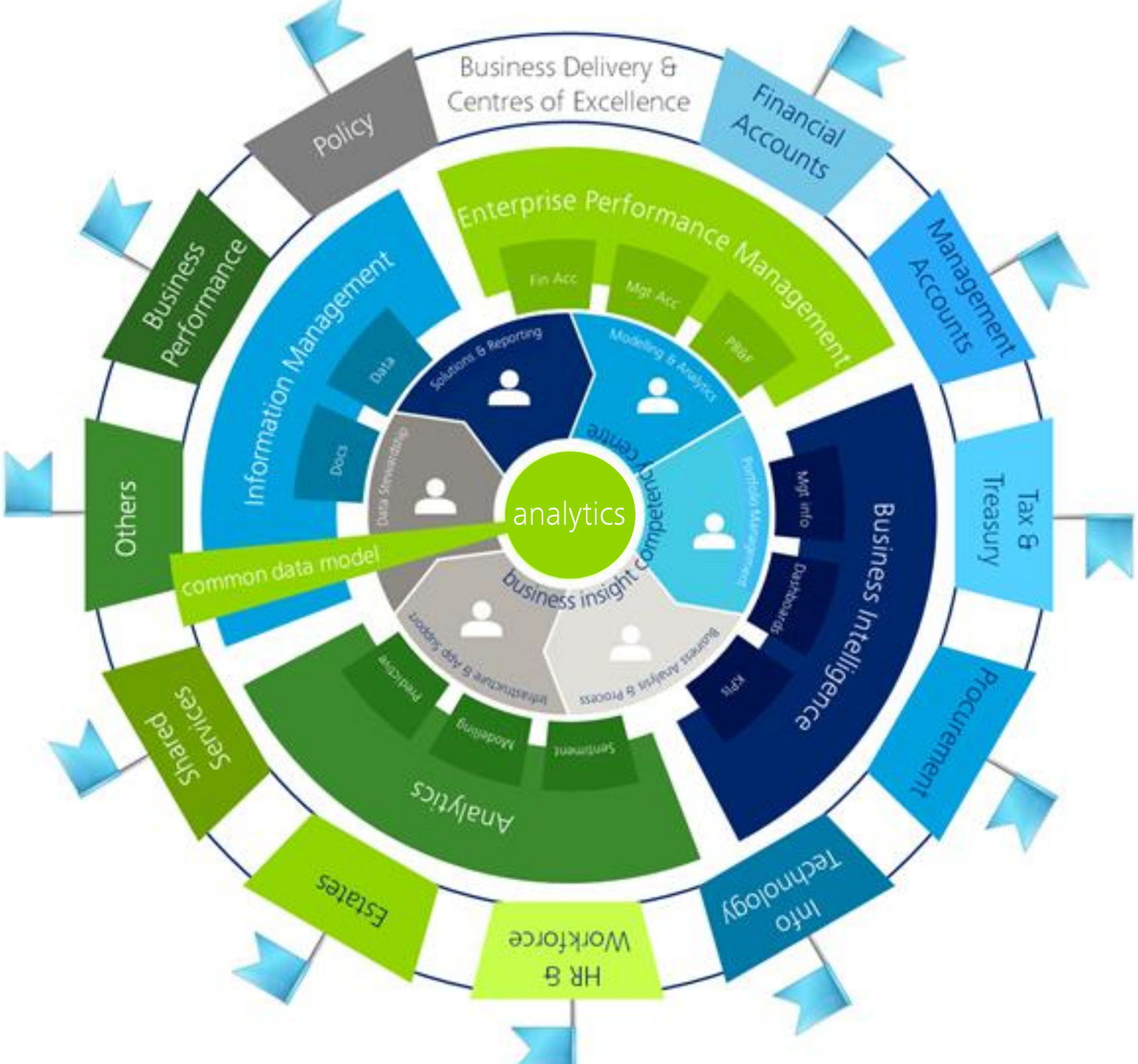
1 Establish foundations

2 Build capability

3 Enhance Service Delivery



©2014 IBM Corporation


Business Delivery & Centres of Excellence
Policy
Financial Accounts
Management Accounts
Tax & Treasury
Procurement
Info Technology
HR & Workforce
Estates
Shared Services
Others
Business Performance
Information Management
Enterprise Performance Management
Fin Acc
Mgt Acc
P&BF
Data
Docs
Solutions & Reporting
Modelling & Analytics
Portfolio & Investment
Data Stewardship
analytics
business insight competency centre
Business Intelligence
Mgt info
Dashboards
KPIs
Business Analysis & Process
Infrastructure & App Support
Analytics
Sentiment
Modelling
Pred Algs

Action 1 – Analytics at the heart of finance

- Start building capability early – it is hard to build a new capability from scratch, we're still running to catch up.
- Ownership is critical – get the balance right between internal and 3rd party resources, to ensure you feel ownership for your data and insight. We still have patches of scepticism.
- Think strategically about structure and resource – but be prepared to change tack. We continue shocked by how much and how quickly our requirements change…

LE

©2014 IBM Corporation

Action 2 – Leveraging your data

Objective:

To review our technology and tools against our analytics ambition…

…then work to provide tools and solutions that would really make a difference to our performance.

©2014 IBM Corporation

Action 2 – Leveraging your data

Planning and Monitoring	Access to insi	ctivity
By improving decision support we will: • **Provide direction** • **Enabl** **we are**	By i **culture** **Build skills, capacity and capability** • **Prioritise MI on what really matters** • **Improve the quality and timeliness of MI**	By making data more interactive: • **Start with the ask, not the solution** • **Strip out duplication** • **Align financial and non-financial data** • **Design flexible MI solutions**

We need to look at our systems!

©2014 IBM Corporation

Action 2 – Leveraging your data

Our systems felt a bit like…

```
[root@localhost ~]# ping -q fa.wikipedia.org
PING text.pmtpa.wikimedia.org (208.80.152.2) 56(84) bytes of data.
^C
--- text.pmtpa.wikimedia.org ping statistics ---
1 packets transmitted, 1 received, 0% packet loss, time 0ms
rtt min/avg/max/mdev = 540.528/540.528/540.528/0.000 ms
[root@localhost ~]# pwd
/root
[root@localhost ~]# cd /var
[root@localhost var]# ls -la
total 72
drwxr-xr-x. 18 root root 4096 Jul 30 22:43 .
drwxr-xr-x. 23 root root 4096 Sep 14 20:42 ..
drwxr-xr-x.  2 root root 4096 May 14 00:15 account
drwxr-xr-x. 11 root root 4096 Jul 31 22:26 cache
drwxr-xr-x.  3 root root 4096 May 18 16:03 db
drwxr-xr-x.  3 root root 4096 May 18 16:03 empty
drwxr-xr-x.  2 root root 4096 May 18 16:03 games
drwxrwx--T.  2 root gdm  4096 Jun  2 18:39 gdm
drwxr-xr-x. 38 root root 4096 May 18 16:03 lib
drwxr-xr-x.  2 root root 4096 May 18 16:03 local
lrwxrwxrwx.  1 root root   11 May 14 00:12 lock -> ../run/lock
drwxr-xr-x. 14 root root 4096 Sep 14 20:42 log
lrwxrwxrwx.  1 root root   10 Jul 30 22:43 mail -> spool/mail
drwxr-xr-x.  2 root root 4096 May 18 16:03 nis
drwxr-xr-x.  2 root root 4096 May 18 16:03 opt
drwxr-xr-x.  2 root root 4096 May 18 16:03 preserve
drwxr-xr-x.  2 root root 4096 Jul  1 22:11 report
lrwxrwxrwx.  1 root root    6 May 14 00:12 run -> ../run
drwxr-xr-x. 14 root root 4096 May 18 16:03 spool
drwxrwxrwt.  4 root root 4096 Sep 12 23:50 tmp
drwxr-xr-x.  2 root root 4096 May 18 16:03 yp
[root@localhost var]# yum search wiki
Loaded plugins: langpacks, presto, refresh-packagekit, remove-with-leaves
rpmfusion-free-updates
```

…but our stakeholders wanted…

We wanted to match their ambition (as far as we could…)

©2014 IBM Corporation

Action 2 – Leveraging your data

Level of integration	Level of agility	Level of compromise
Unique to each context	Fixed	"Vanilla" technical implementation
Shared components	Configurable	Some configuration
Single solution for all organisation	Completely and automatically future-proof	Completely customisable (and fully tailored ASAP) to meet any business requirement imaginable

The most difficult to achieve and maintain, but the most strategic

Hmm...now we're starting to get into challenging territory...

Seriously...?

This took a lot of work, but delivered something really special...

©2014 IBM Corporation

Action 2 – Leveraging your data

- ✓ Shared components
- ✓ Completely and automatically future-proof
- ✓ Completely customisable (and fully tailored ASAP) to meet any business requirement imaginable

Across ~40 very different organisations

Very process and workflow driven

Rapidly changing environment and requirements

©2014 IBM Corporation

Action 2 – Leveraging your data

How on earth are we going to do this?

©2014 IBM Corporation

Action 2 – Leveraging your data

1. Find a powerful technology platform that is both totally customisable and highly agile…
2. Design and build core components based on the shared data model…
3. Develop an entire **app store** to support our new ways of working…

©2014 IBM Corporation

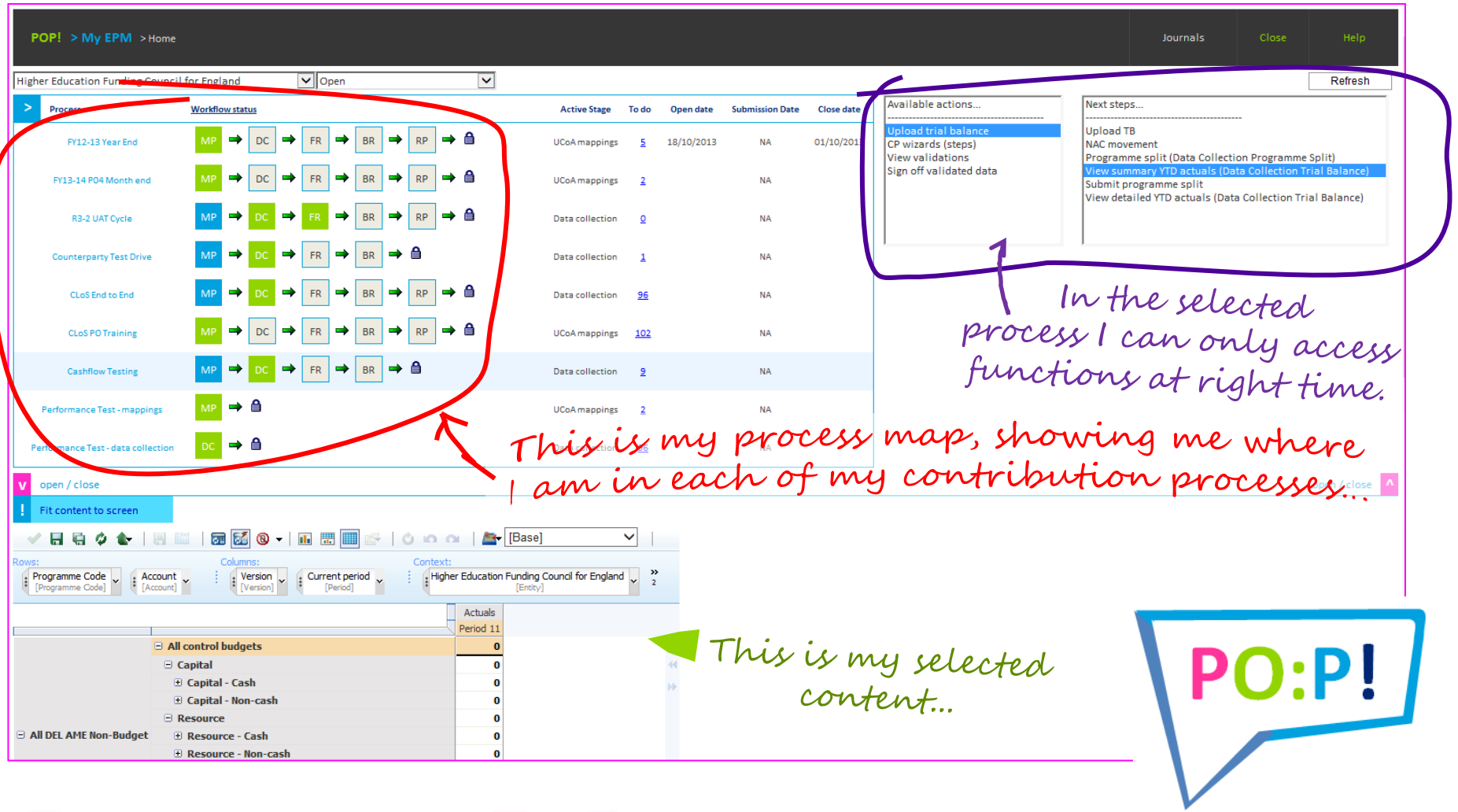
Action 2 – Leveraging your data

Our new EPM environment provides a suite of interactive apps for all users to allow them to interact with their data in different ways…

Admin apps also provide online access and more powerful functions for admin and some type of users.

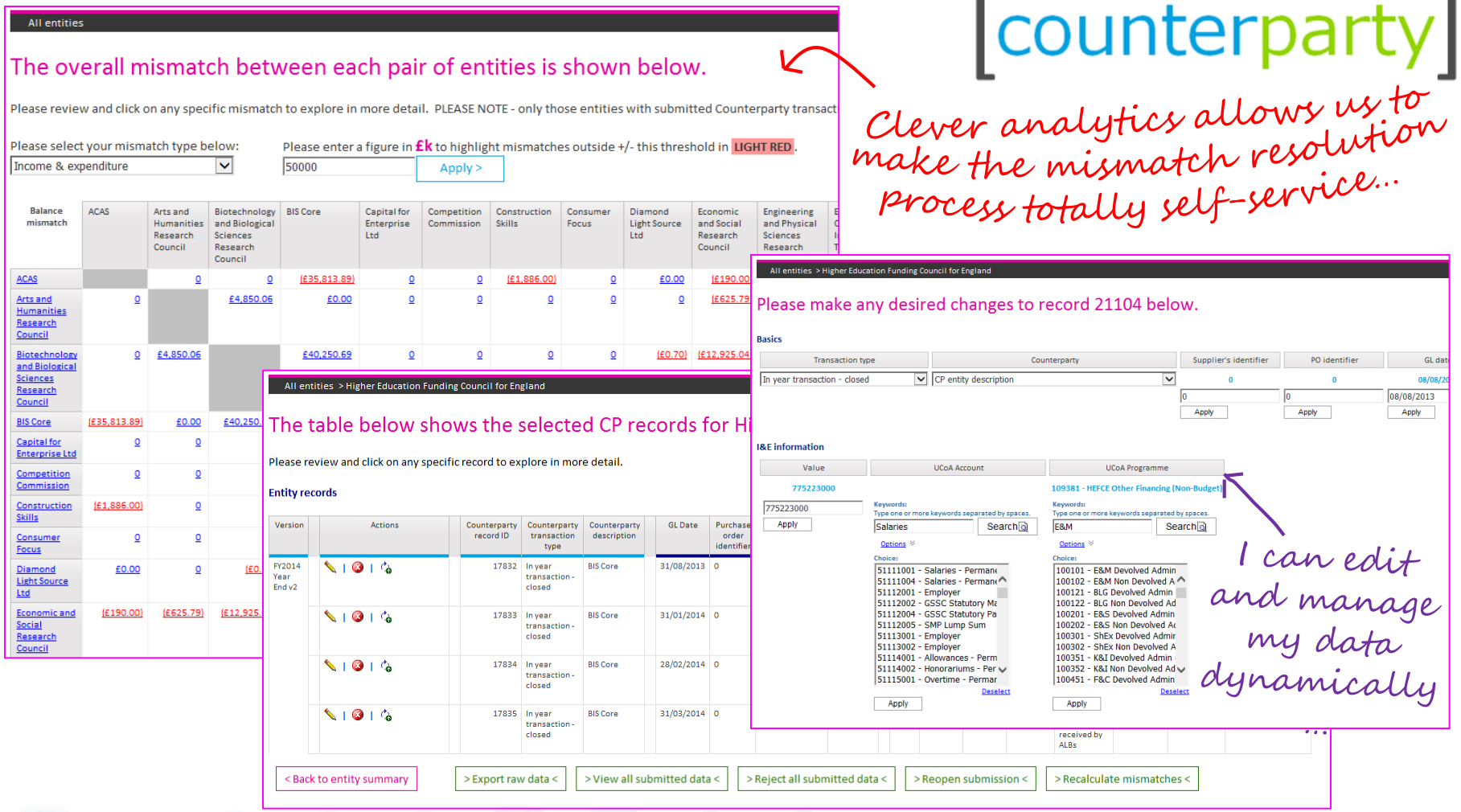
©2014 IBM Corporation

Action 2 – Leveraging your data



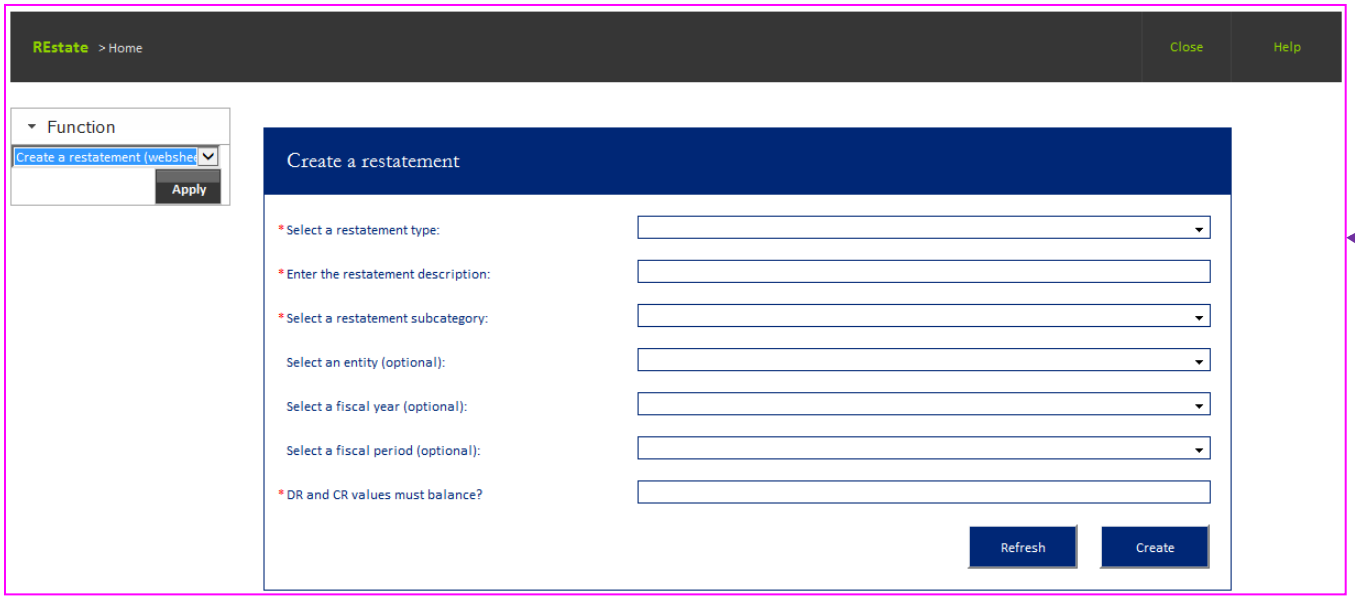
©2014 IBM Corporation

Action 2 – Leveraging your data



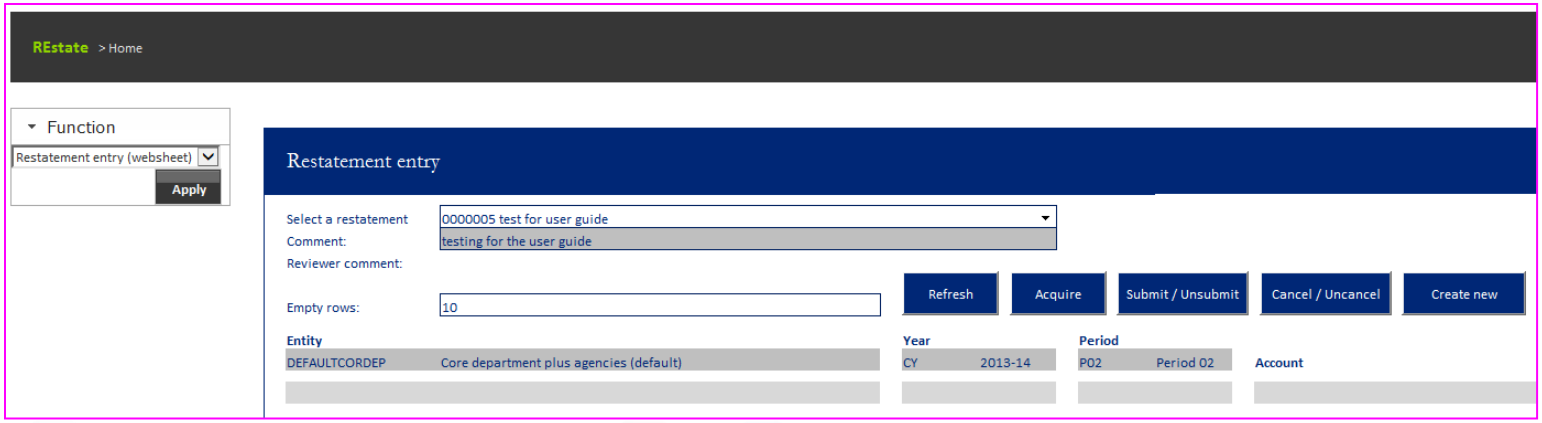
©2014 IBM Corporation

Action 2 – Leveraging your data



REstate

More "forms" structured...but will allow us to restate our historic accounts in numerous ways.

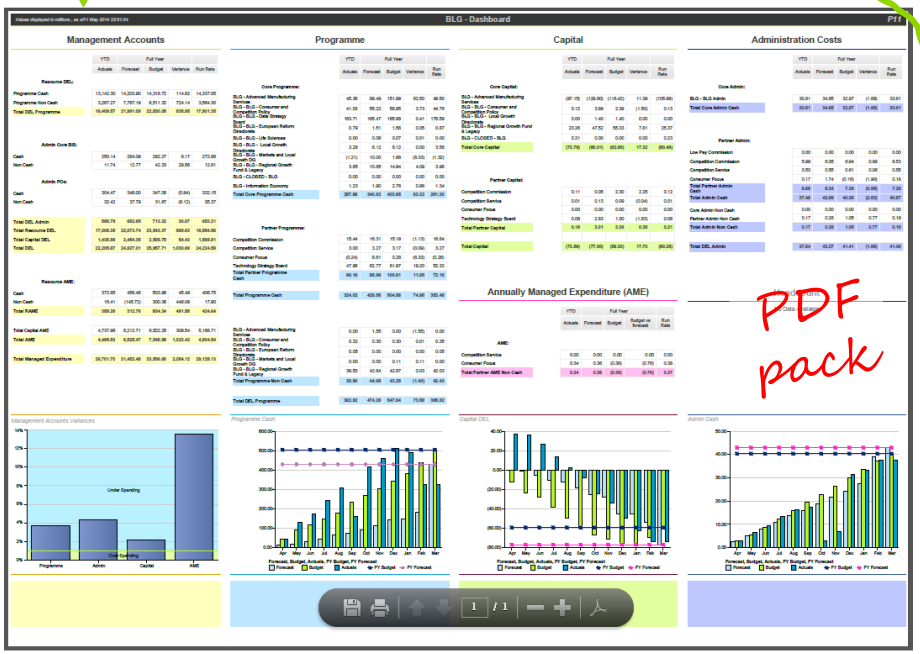


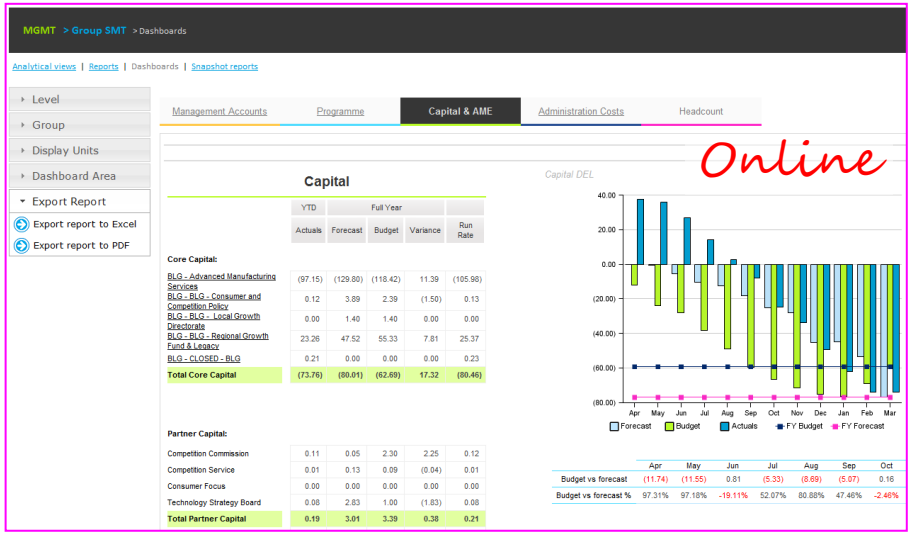
©2014 IBM Corporation

Action 2 – Leveraging your data

MGMT

Single version of the truth, delivered across multiple channels...





©2014 IBM Corporation

Action 2 – Leveraging your data

- Balance complexity and maintainability – we're proud of all of the apps we've delivered, but there are a few that require extra effort to maintain.
- Focus on performance – with an "app" style approach, users expect app-style performance, and when dealing with large real-time data sets, that's a challenge (we're still working on this one).
- Listen to your users – this can be difficult when they are many and varied, but it's so important…we have regular user groups and could stay 100% busy just trying to improve what they suggest.

LE

©2014 IBM Corporation

Action 3 – Making transformation happen

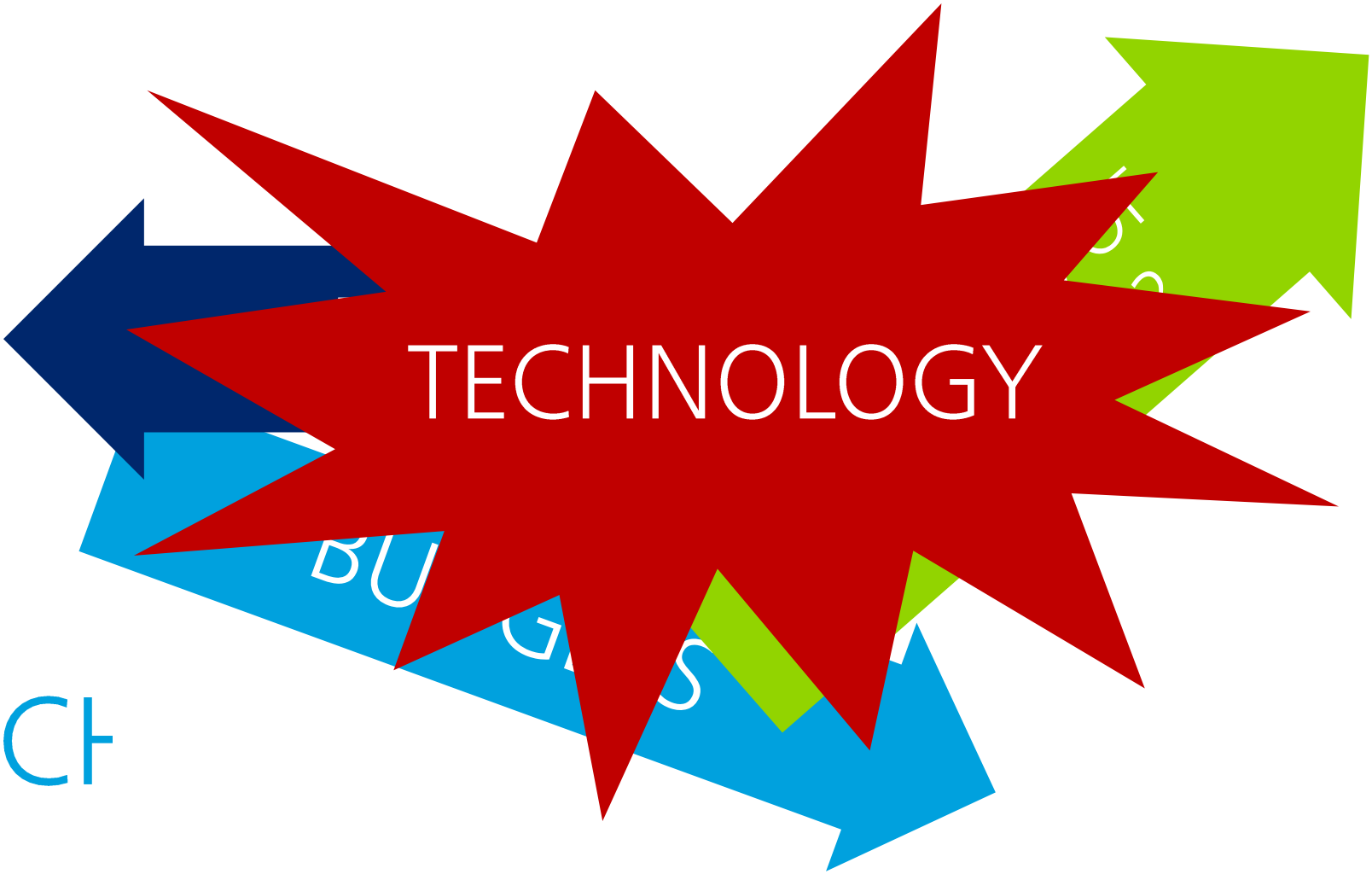
Objective:

To establish processes and structures aligned to our new way of thinking…

…and engage with the business to deliver real transformation across the entire business.

©2014 IBM Corporation

Action 3 – Making transformation happen

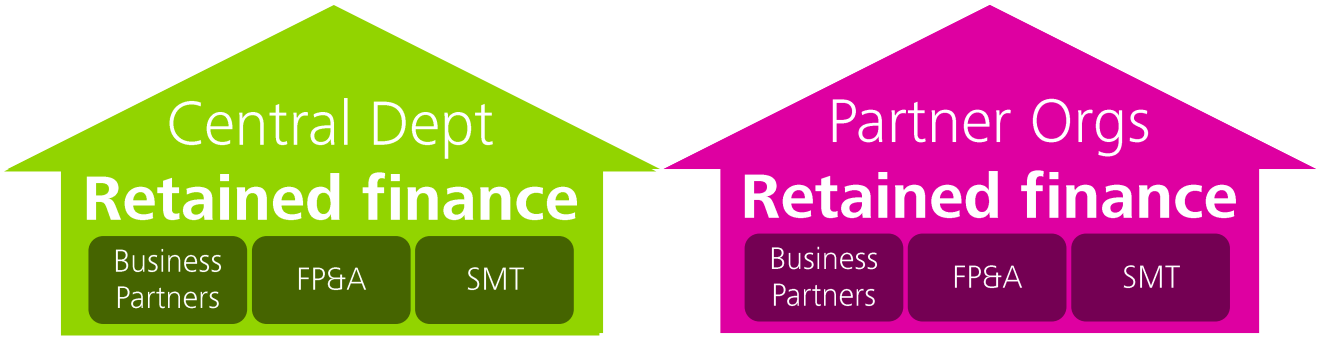


©2014 IBM Corporation

Action 3 – Making transformation happen

©2014 IBM Corporation

Action 3 – Making transformation happen



"Networks" of Excellence championed by our CoEs...

©2014 IBM Corporation

Action 3 – Making transformation happen

1. Consult and build consensus around the new model, structures and systems…
2. Implement the Business Insight Competency Centre as our first Centre of Excellence…
3. Start scaling the model out, delivering a Financial Reporting CoE next…

©2014 IBM Corporation

Action 3 – Making transformation happen

- Benefits realisation – it's really hard...
- You need commitment – developing a vision is one thing, but getting many senior people to buy into it, when it most likely threatens their jobs is difficult.
- Manage the rate of change – organisations can only absorb so much – my advice is to try and target ***just*** enough to make you feel pretty uncomfortable…

LE

©2014 IBM Corporation

1. Analytics at the heart of finance
2. Leverage your data
3. Making transformation happen

Insights into next-gen finance

Current status and next steps…

Current status

©2014 IBM Corporation

Current status

- ✓ New operating model agreed, and implementation well underway.
- ✓ New Business Insight Competency Centre up and running, working for all 40 organisations.
- ✓ New technology platform in place, and 16 apps already live.
- ✓ **New data-driven culture established across the Department – a new passion for analytics.**

©2014 IBM Corporation

Next steps

PO demand by **theme**

Data playback and benchmarking	100%
Faster, flexible data access	85%
Operational MI	62%
Workforce planning	55%
Simpler disclosures	55%

Next steps should focus here

PMO modelling & reporting
Research analytics
Spend analytics
Fraud analytics
Others…

<50%

(suggestions below the line should be considered later…)

©2014 IBM Corporation

Next steps

©2014 IBM Corporation

Questions

©2014 IBM Corporation