# The CFO's Guide to Ever-Growing Datasets

Tim Caudill
Rohan Kapil

July 7, 2022

**ima®**
The Association of
Accountants and
Financial Professionals
in Business

**jedox®**
Simplify Planning

# Webinar Features and CPE Credit

**Q&A** — Asking Questions

**CC** — Closed Captioning

**?** — Help

**CPE** — CPE Credit
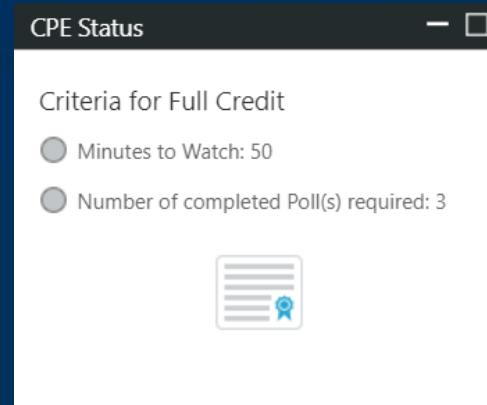
## CPE Status

### Criteria for Full Credit

- Minutes to Watch: 50
- Number of completed Poll(s) required: 3

The Association of Accountants and Financial Professionals in Business

jedox. Simplify Planning

# Moderator

**Sue Khawaja**
**Business Development Manager,**
**Business Development**
IMA

# Featured Presenter

## Tim Caudill
### Director of Solution Advisory
### Jedox, Americas

# Tim Caudill's Biography

- Tim Caudill has over two decades of domain expertise primarily focusing on financial software implementation as well as leading corporate finance teams. As Director of Solution Advisory at Jedox, Inc., Tim is responsible for showing how Enterprise Performance Management solutions advance the digital transformation journey.

- By using information gathered over myriad implementations in almost every industry, Tim brings a unique view about what is practical, important, and achievable.

# Featured Presenter

## Rohan Kapil

**Director of Customer Success**

Jedox, Americas
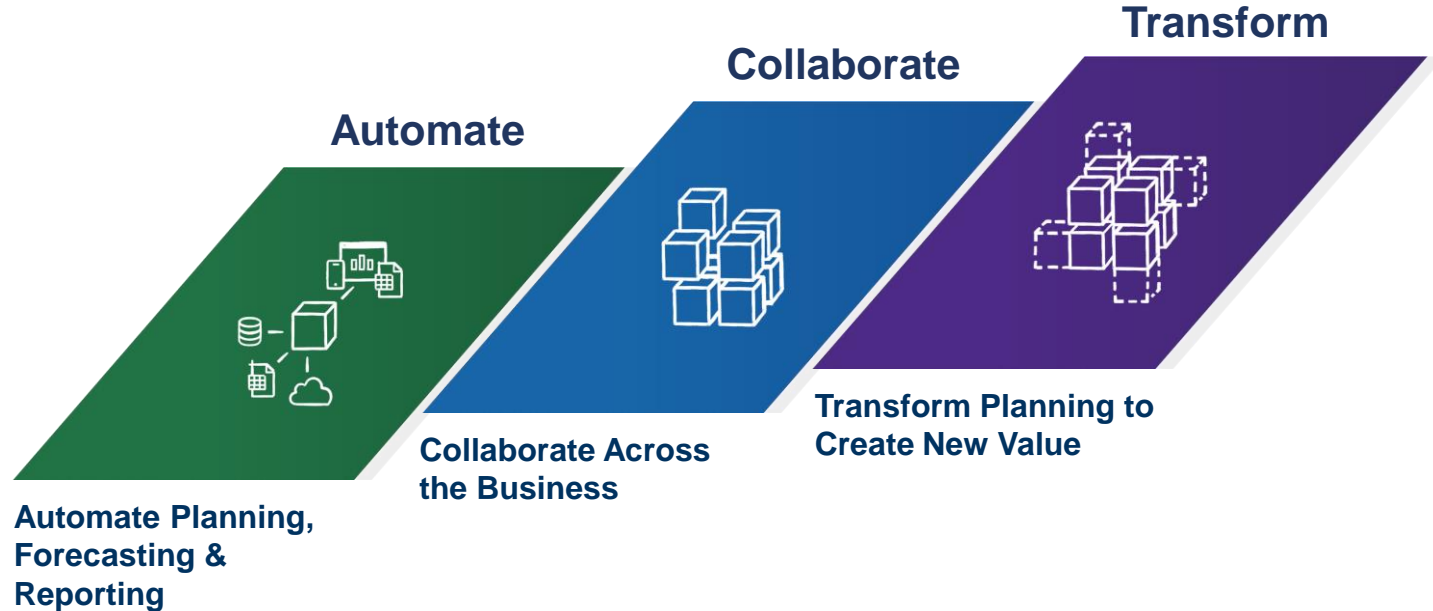
# Rohan Kapil's Biography

- Rohan Kapil is the Director of Customer Success for Jedox, Americas. He has 14 years of experience in the Enterprise Performance Management space solving critical financial planning and budgeting problems and executing complex projects to enable ambitious growth. Skilled at translating granular financial and non-financial information into actionable intelligence, he helps companies of all sizes enhance executive decision making and mitigate potential risks to improve business performance.

- Rohan holds a Master of Business Administration in Strategy and Finance and a Bachelor of Engineering in Computer Science.

# Learning Objectives

1. Discuss the emergence of CFO 4.0 and Finance 4.0 and the impact on the finance function.

2. Explain Financial Transformation and the steps for implementation.

3. Identify data strategies that can help your organization achieve financial transformation.

4. Recognize the value of using modern techniques to enable proactive decision making.

# About Jedox
## Jedox Supports the Entire Journey to Digitalization



**Transform**

**Collaborate**

**Automate**

**Automate Planning, Forecasting & Reporting**

**Collaborate Across the Business**

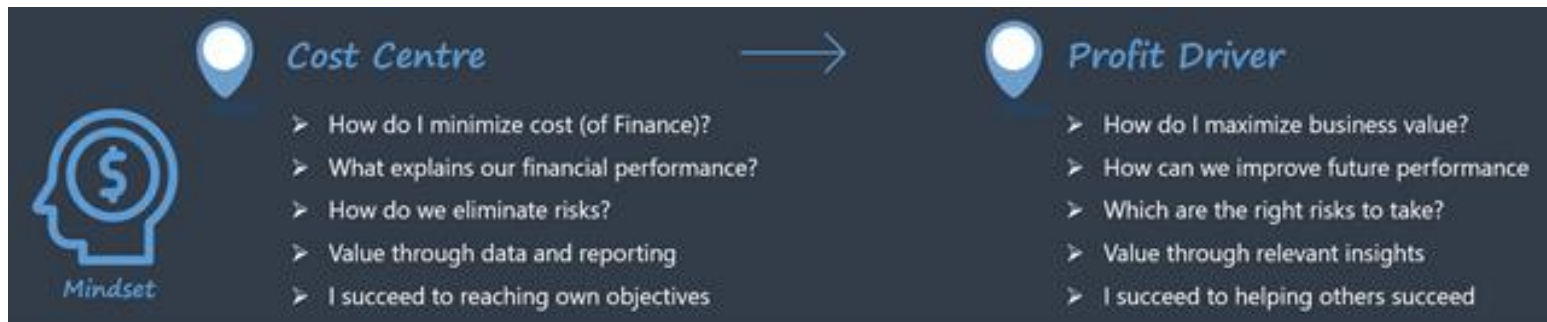**Transform Planning to Create New Value**

# Agenda

1. CFO & Finance - 4.0

2. Data Challenge

3. Data Strategy
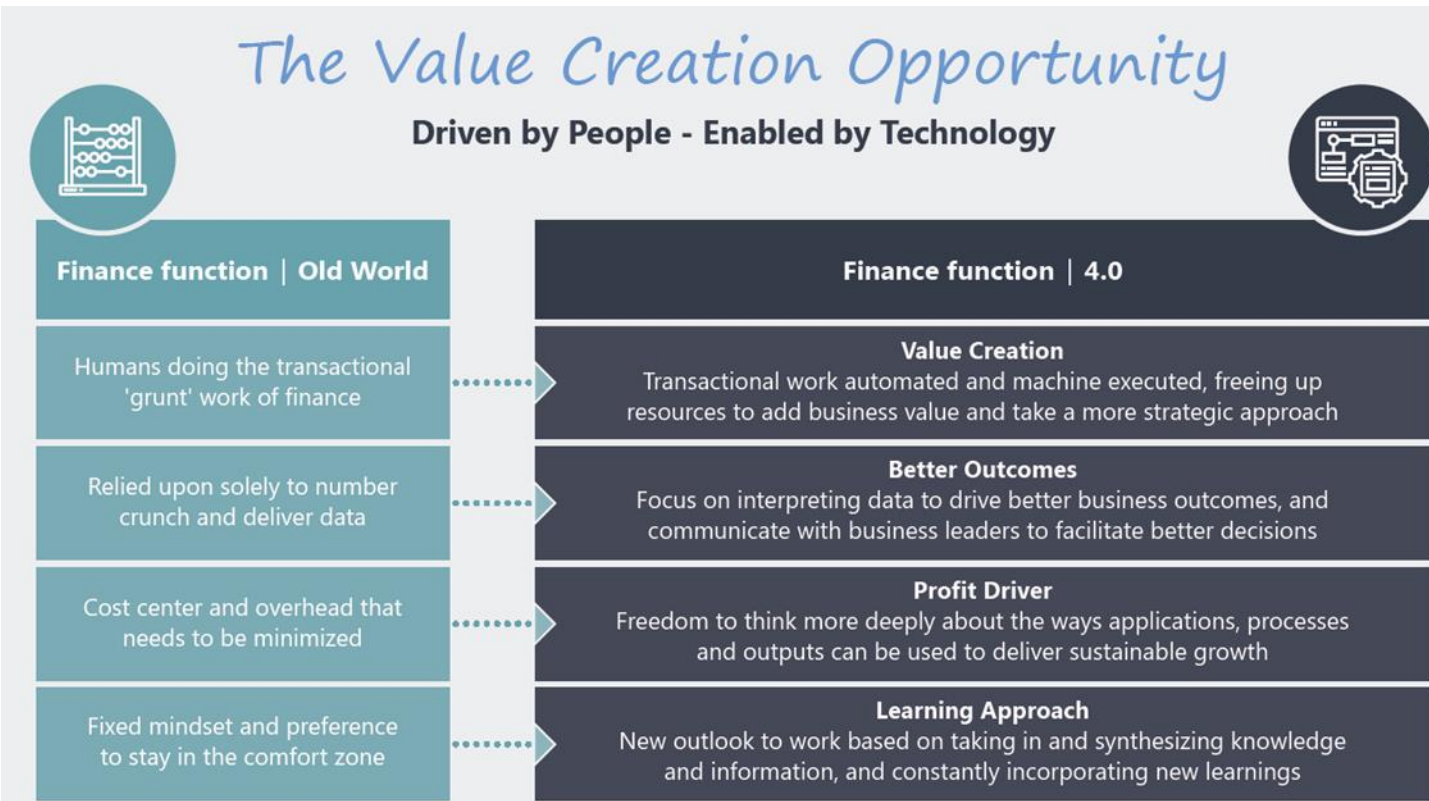
4. Key Take Aways

# CFO 4.0

# What is CFO 4.0?

- CFO needs to evaluate not only the overall corporate strategy, but also the many components of the organization from Sales to IT

- From cost center to profit driver



Cost Centre → Profit Driver

**Cost Centre**
- How do I minimize cost (of Finance)?
- What explains our financial performance?
- How do we eliminate risks?
- Value through data and reporting
- I succeed to reaching own objectives

**Profit Driver**
- How do I maximize business value?
- How can we improve future performance
- Which are the right risks to take?
- Value through relevant insights
- I succeed to helping others succeed

Mindset

# Alignment with Finance 4.0



The Value Creation Opportunity

**Driven by People - Enabled by Technology**

| Finance function | Old World | Finance function | 4.0 |
|---|---|
| Humans doing the transactional 'grunt' work of finance | **Value Creation** Transactional work automated and machine executed, freeing up resources to add business value and take a more strategic approach |
| Relied upon solely to number crunch and deliver data | **Better Outcomes** Focus on interpreting data to drive better business outcomes, and communicate with business leaders to facilitate better decisions |
| Cost center and overhead that needs to be minimized | **Profit Driver** Freedom to think more deeply about the ways applications, processes and outputs can be used to deliver sustainable growth |
| Fixed mindset and preference to stay in the comfort zone | **Learning Approach** New outlook to work based on taking in and synthesizing knowledge and information, and constantly incorporating new learnings |

# New Pathways in Finance 4.0



**Driven by People - Enabled by Technology**

So what does this mean in practice for the new finance professional?
And how is value creation different in Finance Function 4.0?

**Three Career Strands**

**Technical Accounting**
Determine & Implement Standards
Create Technology-Enabling Processes
Perform Forward Planning

**Data Science & Analytics**
Dig Deep & Interpret Data
Use Advanced Technology & Tools
Human Intuition for the Organisation

**Business Partner**
Translate Data into Insight & Action
Focus on Communication & Signposting
Drive Decisions & Business Outcomes

**The New Day-to-Day**

Create business relationships at all levels

Develop a deep & wide understanding of the business

Design processes to produce valid & valuable outputs

Translate information into valuable new insight

Disseminate insights for better visibility into critical metrics

Signpost & drive better decisions & real-world outcomes

# Finance Transformation 4.0



7 Pillars of finance transformation

We can fulfil the potential of Finance Function 4.0 by agreeing on a transformation plan.

Concrete **investment in automation** and other **digital transformation** activities

**Human expertise** able to operate in a field based on relationship building and value creation

Focus on **process design**, creating sensible and easily understandable processes

Transfer processes on to automated systems in order to **generate useful outputs**

**Comprehensive gap analysis** will determine the steps needed in order to get to the new operating model

Industry-wide and industry-standard **training and support** to put the right structures in place

**Visible role models** to help finance professional to make the leap and show them how to succeed

# Poll Question 1:

What is the focus of your current finance transformation project?

a. Financial Planning
b. Accounting (ERP)
c. Billing and Payment Processing
d. Inventory Tracking
e. Payroll Management
f. Treasury
g. None of the above

# Poll Question 1 Results: (Placeholder)

# Data Challenge

# CFO's Data Challenges

1. Poor data quality
2. Difficulty accessing data
3. Multiple systems
4. Too much data
5. Different views of data
6. Data visualization

**Data fragmentation is a top challenge for many CFOs.**

**Top challenge for CFOs,** % of respondents (n = 50)

| | | | | Other |
|---|---|---|---|---|
| 48 | 20 | 20 | 8 | 4 |
| Data fragmentation, enterprise-resource-planning and other systems | Acquiring and managing talent in finance team | Aligning with rest of top team on business priorities | Communicating with investors and board members | |

Source: Findings from the private-equity CFO roundtable sponsored by McKinsey and the *Financial Times* in September 2019, with 50 respondents to a series of "pulse check" questions

# How did we get here?



Solving the problem with duct tape and chewing gum

No unified system.
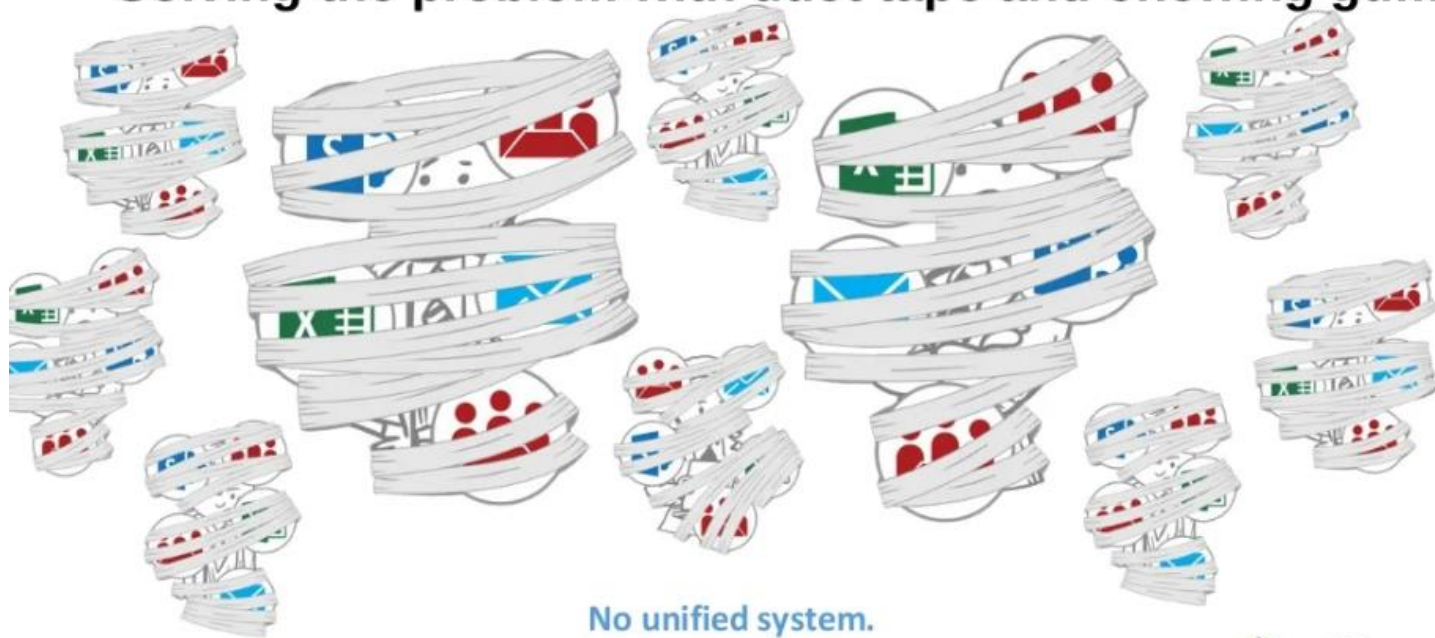
# Poll Question 2:

What tools are you currently using for data management?
(please select all that apply)

a. We use a data warehouse

b. AI (machine learning) and ML (machine learning) are used

c. Mostly Excel

d. Another tool

# Poll Question 2 Results: (Placeholder)

# Data Strategy

# Data Strategy - Introduction

- Supports business goals and stakeholders

- Fuels decision making analytics

- Encompasses governance

- Connects data, processes, technology, and people

# Data Strategy – Guiding Principles

- Automation

- Audit and traceability

- Balance flexibility with complexity

- Tool investment

# Data Strategy - Tools

## Cloud Infrastructure

- Upgrade your computational footprint
- Elastic provisioning
- Security and data protection
- Outsource infrastructure

# Data Strategy - Tools

## Data Warehouse / Lake

- One source of truth
- Easier data access
- Mitigates data silos

# Data Strategy - Tools

## Data Integration (ETL)

- ETL = Extract Transform Load
- Data in place vs. moving data
- Files vs API/Direct connections

# Data Strategy - Tools

## AI and Machine Learning

- Data Preparation
- Error identification
- Manage and analyze vast quantities of data

"70% of enterprises expect to implement AI over the next 12 months." Predictions 2018: The Honeymoon For AI Is Over, Forrester

# Data Strategy - Tools

## End User Tools

- Dedicated visualization tools

- Hybrid tools

- BI/Query tools

- Interactive/Data generation tools

- Things to look for when choosing a tool

Data Strategy – Common Issues

# Poll Question 3:

What is your organization's biggest data challenge?

a.  Poor data quality
b.  Difficulty accessing data
c.  Multiple systems
d.  Too much data
e.  Different views of data
f.  Data visualization
g.  Something else

# Poll Question 3 Results: (Placeholder)

# Data Strategy – Solving Common Issues

**Poor data quality**

- Identify root causes

- Implement remedial processes

- Create automated solutions to root cause issues

- Create "one source of truth"

# Data Strategy – Solving Common Issues

**Difficulty accessing data**

- Consider a data warehouse/lake
- Software Tools
- Cloud Infrastructure

# Data Strategy – Solving Common Issues
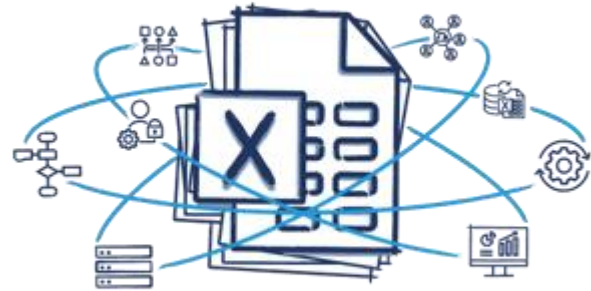
**Multiple systems**

- Consider a data warehouse/lake
- System connectivity
- ETL

# Data Strategy – Solving Common Issues

**Too much data**

- Use Cloud Infrastructure

- Look for minimum viable footprint (low Sparsity)

- Use data management best practices

# Data Strategy – Solving Common Issues

**Different views of data**

- Create "one source of truth"
- Consider a data warehouse/lake
- Implement data procedures, standards, and audit
- Leverage automation
- Guide, audit, and control user inputs

# Data Strategy – Solving Common Issues

## Data visualization

- Invest in tools, training, and maintenance

- Ensure you utilize previously mentioned data strategy to underpin this effort

- Look for easy to use tools

# Key Take Aways

# Key Take Aways

- Data has enormous value
- A robust and flexible data strategy can help your business succeed
- Investment in tools and processes in data can have a hard to quantify, but large ROI
- Never lose sight of the end business focus of data strategy

# Poll Question 4:

What best describes your organization's data strategy?

a. We have a clear strategy that incorporates much of what we've covered in this session.

b. Data strategy is a goal but is not yet defined or implemented.

c. We load data into Excel and hope for the best.

# Poll Question 4 Results: (Placeholder)

# Questions and Answers

**Tim Caudill**
**Director of Solution Advisory**
Jedox, Americas

**Rohan Kapil**
**Director of Customer Success**
Jedox, Americas

**Sue Khawaja**
**Business Development Manager**
IMA

# Thank You to Our Featured Presenters!

**Tim Caudill**
**Director of Solution Advisory**
Jedox, Americas

**Rohan Kapil**
**Director of Customer Success**
Jedox, Americas

# Final Reminders

►**Complete the Evaluation poll** – 2 options
- • On your screen
- • Evaluation Survey icon at the bottom of your console

►**Access to your CPE Certificate** – 2 options
- • Click the "CPE" icon at the bottom of your console

  <u>or</u>
- • Click the link in your post-event e-mail

►Please print a copy of the CPE certificate for your records.

►Your CPE credit will be automatically recorded in your transcript.

# Thank you!

Jedox

www.Jedox.com