



Applied Insight Pty Ltd

CPA Congress 2007:
Implementing Systems for
Improved Reporting Efficiency

Workbook



October 2007

Final

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Purpose and Scope

About this Presentation

This session addresses issues in selecting and implementing information systems that will ensure efficient business reporting. It provides a strategic framework for building your information systems, ways to assess reporting efficiency and strategies that will improve your business' response to this important commercial issue.

The presentation will include 'case studies from the field' and a comprehensive guide for selecting and implementing systems to achieve improvements in reporting efficiency.

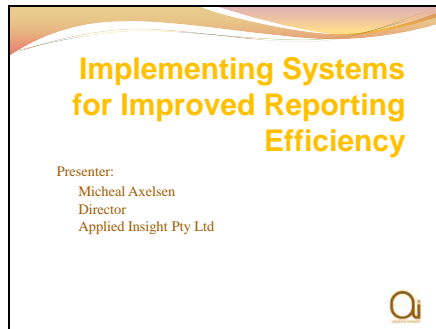
About the Presenter

Micheal Axelsen is a Director of Applied Insight Pty Ltd, and is based in Brisbane. Micheal's role is to assist clients with building their information systems capabilities, improving the governance of IT and information management, and the strategic use of new technologies for business.

Micheal has had several articles published through his role as Chairman for the CPA Australia Information Technology & Management Centre of Excellence and in undertaking research. Micheal is a CPA as well as holding a Bachelor of Commerce (Hons) and a Masters of Information Systems.


Presentation

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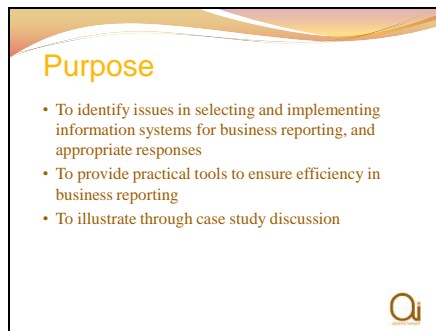


**Implementing Systems
for Improved Reporting
Efficiency**

Presenter:
Micheal Axelsen
Director
Applied Insight Pty Ltd



Slide 2

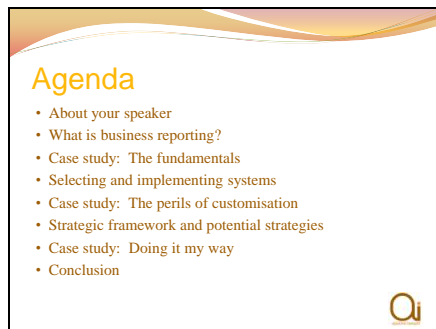


Purpose

- To identify issues in selecting and implementing information systems for business reporting, and appropriate responses
- To provide practical tools to ensure efficiency in business reporting
- To illustrate through case study discussion




Slide 3



Agenda

- About your speaker
- What is business reporting?
- Case study: The fundamentals
- Selecting and implementing systems
- Case study: The perils of customisation
- Strategic framework and potential strategies
- Case study: Doing it my way
- Conclusion



Slide 4

About your speaker



- Micheal Axelsen is Director of Applied Insight Pty Ltd
- Micheal provides consulting services in IT Governance, IT Strategy, IT Service Review, and Information Management Strategy.
- Micheal is also Chair of the CPA Australia Information Technology & Management CoE
- Micheal holds a Bachelor of Commerce (Hons), a Masters of Information Systems, and is a CPA
- Blog: Issues in Information Systems Management www.michealaxelsen.com



Slide 5

Case Study: The fundamentals


- Distributed retail business
- Ageing information system without support
- Management reports take two months
- Implemented business intelligence (Cognos) tool
- Fundamental controls not in place
- Garbage in, garbage out
- Reporting still not timely or accurate



Slide 6

What is business reporting?


- *Business reporting* is the process of manipulating and presenting information held within one or many systems so that the information can inform operational, tactical, and strategic decisions.
- This definition does not limit the information to accounting information, and it does not limit the definition to quantitative information only.
- *Business reporting* is very broad.



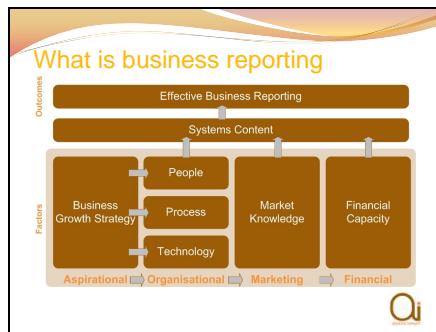
Slide 7

What is business reporting?

- Effectiveness is affected by business growth strategy, people, process, technology and financial resources.
- All five elements must be effective to ensure that business reporting is working



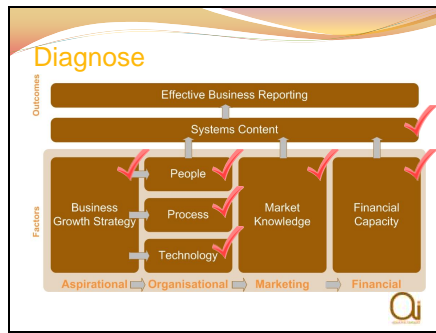
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Slide 10



Slide 11

Case Study

- Financial controller for a medium business extracted data for management reports:
 - CSV export on Unix
 - FTP to Novell
 - Import to Access
 - Data conversion
 - Export to CSV
 - Import to Cognos
 - Reporting Queries
 - Export to HTML
 - CEO swore because it rarely worked
- Then the financial controller left

Qi
applied insight

Slide 12

Strategise

- Identify which factors have the most impact (i.e. does people have more impact than technology on systems content?)
- Identify initiatives you can take to address the issue
- Prioritise and plan using SMART goals

Qi
applied insight

Slide 13

Strategise

- Business Growth Strategy
 - A statement of where the business is heading and what is important
- Business growth plans
- Operational Excellence, Customer Intimacy, Product Excellence



Slide 14

Strategise


- People
 - Training
 - Reports Interpretation
 - Only write reports that are used and relevant
 - Attraction and retention strategies
 - Role sharing
 - Outsourcing infrastructure management
 - Reduce technical complexity



Slide 15

Strategise

- Process
 - Information management
 - Quality control framework
 - Policies and procedures
 - IT Governance
 - Service delivery methods
 - Project management methods
 - Know what is to be done, and do it



Slide 16

Strategise


- Technology
 - Common Technology Framework
 - IT is often downside risk
 - Less applications the better
 - Less technologies the better
 - Single view of the truth
 - Consistency and compatibility of technologies is most important
 - Role of internal /development



Slide 17

Strategise


- Technology - some options:
 - BI Vendors like Business Objects, Hyperion SAS Institute, Hyperion, Cognos, or Microsoft BI Solutions
 - Custom solutions using common tools - Excel, Access, Office etc
 - 'Report-writer' tools
- Web integration
- Understand the consulting costs and what will be obtained for this



Slide 18

Strategise


- Marketing
 - Know what you need to know
 - Capture & use relevant information
 - Don't try to capture the world



Slide 19

Strategise

- Financial
 - Fund software acquisition adequately
 - Don't buy the software and cut down on the professional services – buy cheaper software if you need to and grow
 - Insist on ROI, BUT include the intangible benefits



Slide 20

Case Study: Customisation


- Professional services firm
- Selected practice management software 5 years ago
- Customised the heck out of the software to meet needs; re-customised when new version came out
- Software vendor has gone broke: no local support, no R&D
- Have to select new software, but all customisations will be lost



Slide 21

Implement


- Ask the 'what' and the 'why':
 - Understand information needed – no ambiguity!
 - Know how the information is defined and where it is from
 - Change management
 - Have a good lie down before starting anything adventurous
 - Will it make a difference?



Slide 22

Implement

- Ask the 'how':
 - Single and simple tools preferred over multiple and complex tools
 - Actually write down how this is to be done – a standard, systematic way
 - Document, document, and document some more – make it easy, but make it useful



Slide 23

Implement


- Attacking the problem:
 - Medium term fix vs short-term pressure
 - Accountability
 - Monitor progress at senior level – regularly and always
 - Break down into independent 90 day deliverables
 - It ain't over 'til it's over – is business reporting effective?



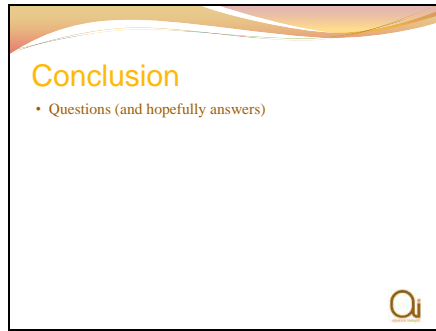
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The guide

- Comprehensive guide with detailed discussion on approach to implementing systems for reporting efficiency.
- The guide provides a short diagnostic to use by asking some questions about your business, and directing your efforts for ensuring effective business reporting.
- Is available at my blog, www.michealaxelsen.com, for you to download at any time.



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Guide to Diagnosing Factors in Effective Business Reporting

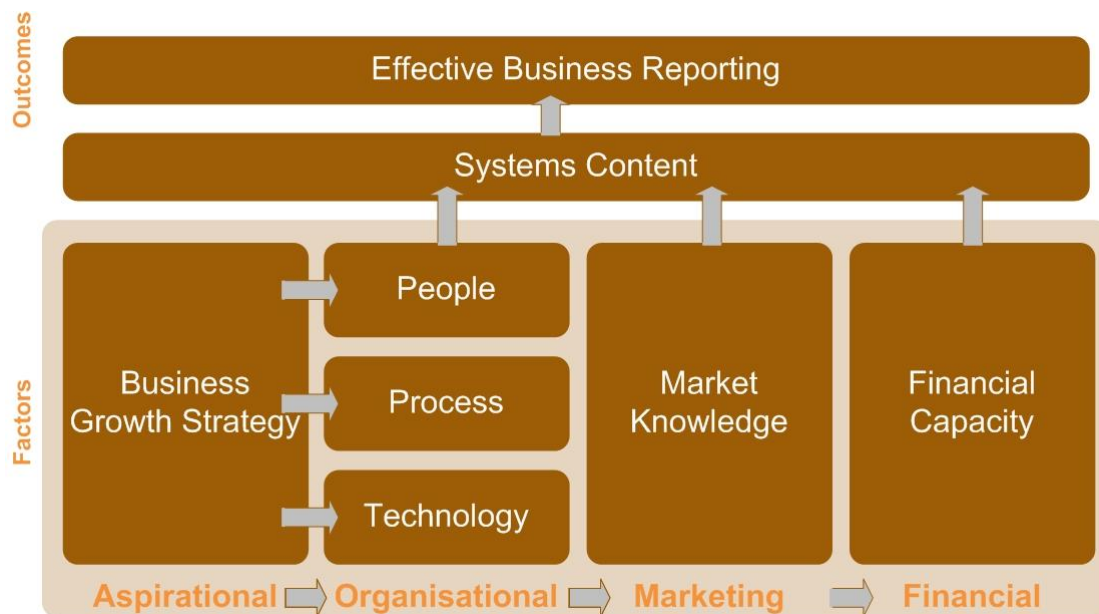
Overview

Effective business reporting is determined by several factors in business:

- Business Growth Strategy
- People
- Process
- Technology
- Market Knowledge
- Financial Capacity

These factors directly determine the quality of the information stored in the business' databases ('systems content').

The relationship between these factors and effective business reporting is outlined below. This approach is used in this diagnostic instrument to assess the position of the firm and to guide a strategic response to the need for effective business reporting.



To use this guide, answer each question outlined honestly and objectively. The responses will provide direction in determining the strategic responses your business should put in place to ensure effective business reporting.

Guide to Improving Reporting Efficiency

For each factor in effective business reporting, indicate how strongly you agree with the statement as it applies to your current business, and to a proposed technology solution for effective business reporting.

Business Growth Strategy

Current Business

The business strategy, setting out goals and actions, is set out in writing

Strongly Disagree Strongly Agree
1 2 3 4 5

The business will grow substantially in size and staff over the next three years

Strongly Disagree Strongly Agree
1 2 3 4 5

The products and/or services provided by the business will stay fairly static over the next three years

Strongly Disagree Strongly Agree
1 2 3 4 5

Our service and/or product delivery methods do not need to fundamentally change over the next three years.

Strongly Disagree Strongly Agree
1 2 3 4 5

The business environment will be fairly constant and unvarying over the next three years.

Strongly Disagree Strongly Agree
1 2 3 4 5

The client marketplace will be fairly constant and unvarying over the next three years.

Strongly Disagree Strongly Agree
1 2 3 4 5

Real-time reporting is **not** required to meet the challenges of business growth

Strongly Disagree Strongly Agree
1 2 3 4 5

People

Current Business

We are good at managing IT technical staff

Strongly Disagree Strongly Agree
1 2 3 4 5

Our people are good at coping with change

Strongly Disagree Strongly Agree
1 2 3 4 5

Our people will use the quantifiable information contained within the reports, rather than relying on 'gut feel' to make business decisions

Strongly Disagree Strongly Agree
1 2 3 4 5

Technology Solution

We have the skills available (either through direct employment or contractual relationships) to support the technology solution

Strongly Disagree Strongly Agree
1 2 3 4 5

People with the skills to support the technology solution are easy to find and employ at a sustainable cost

Strongly Disagree Strongly Agree
1 2 3 4 5

The relationship with the software vendor is potentially strong

Strongly Disagree Strongly Agree
1 2 3 4 5

The extra information provided by the technology solution will be sufficiently easy to access and interpret that staff will use the information provided to make operational decisions

Strongly Disagree Strongly Agree
1 2 3 4 5

Process

Current Business

Our business reporting needs are well defined

Strongly Disagree Strongly Agree
1 2 3 4 5

Our current business processes capture the information relevant to business decisions

Strongly Disagree Strongly Agree
1 2 3 4 5

A defined risk-aware process for selecting software exists

Strongly Disagree Strongly Agree
1 2 3 4 5

Our internal controls over information are strong

Strongly Disagree Strongly Agree
1 2 3 4 5

End users do not develop and implement their own reports on an ad hoc basis

Strongly Disagree Strongly Agree
1 2 3 4 5

Our governance and management of information technology is very effective and robust

Strongly Disagree Strongly Agree
1 2 3 4 5

Technology Solution

The technology solution does not require our processes and the way we do things to substantially change.

Strongly Disagree Strongly Agree
1 2 3 4 5

The technology solution can be adapted to meet our business reporting needs without customisation

Strongly Disagree Strongly Agree
1 2 3 4 5

Strongly Disagree
1 2 3 4 Strongly Agree
5

The technology solution is widely used by our peers and/or market leaders in relevant industries

Strongly Disagree
1 2 3 4 Strongly Agree
5

The vendor of the technology solution is profitable and stable, with a clear market direction that is aligned with our business needs

Strongly Disagree
1 2 3 4 Strongly Agree
5

The technology solution is aligned with our Common Technology Framework

Strongly Disagree
1 2 3 4 Strongly Agree
5

The technology solution is web-enabled

Strongly Disagree
1 2 3 4 Strongly Agree
5

Market Knowledge

Current Business

We currently record all the relevant information about the market in which we operate in an accurately and timely manner

Strongly Disagree
1 2 3 4 Strongly Agree
5

It is possible to capture and find information about our market, our competitors, and our customers sufficient to inform our decisions

Strongly Disagree
1 2 3 4 Strongly Agree
5

Technology Solution

The technology solution supports enhanced linking to clients or customers in order to obtain qualitative and subjective information using web technologies

Strongly Disagree
1 2 3 4 Strongly Agree
5

Financial Capacity

Current Business

Our business would be no more effective if our business reports were any more accurate, relevant, or timely

Strongly Disagree Strongly Agree
1 2 3 4 5

Our business understands the real business value of the intangible benefits of information technology and having quality information

Strongly Disagree Strongly Agree
1 2 3 4 5

Technology Solution

Our business has allocated sufficient funds for the software, hardware, and the professional services required to achieve a real business change

Strongly Disagree Strongly Agree
1 2 3 4 5

Our business has allocated sufficient funds for the ongoing maintenance of the software in place (maintenance support contracts, other hardware needs)

Strongly Disagree Strongly Agree
1 2 3 4 5

Our business has allocated sufficient funds for any increase in staffing or supplier resources to ensure that the technology implementation is a success

Strongly Disagree Strongly Agree
1 2 3 4 5

Systems Content

Current Business

Our current information systems and databases have a high level of internal consistency and integrity

Strongly Disagree Strongly Agree
1 2 3 4 5

Our current information systems and databases reflect ‘one version of the truth’

Strongly Disagree Strongly Agree
1 2 3 4 5

Our current information systems and databases use common definitions and common database keys to enable linking of information across databases

Strongly Disagree Strongly Agree
1 2 3 4 5

Our current information systems and databases contain information that is highly relevant to the manner in which we conduct our business

Strongly Disagree Strongly Agree
1 2 3 4 5

Our current information systems and databases have a high level of accuracy

Strongly Disagree Strongly Agree
1 2 3 4 5

Our current information systems and databases are complete – there is no missing information or information that has been wrongly coded

Strongly Disagree Strongly Agree
1 2 3 4 5

Summary of Results and Action Plan

Overall, how do you rate the following factors? Lower responses, with higher business impact, should be considered as a high priority towards ensuring effective business reporting.

Identified Issues	Impact	Response
Business Growth Strategy 1 2 3 4 5		
People 1 2 3 4 5		
Process 1 2 3 4 5		
Technology 1 2 3 4 5		
Market Knowledge 1 2 3 4 5		
Financial Capacity 1 2 3 4 5		
Systems Content 1 2 3 4 5		

Identified Key Initiatives to implement effective business reporting systems are:

Ref	Description	Deliver By
1		
2		
3		
4		
5		