



Why the Future of Financial Performance Management is Data-driven

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As companies embrace digitalisation, the role of the Chief Financial Officer (CFO) has become increasingly complex, evolving beyond traditional financial duties to encompass strategic leadership, performance management, and organisational transformation.

A **2017 McKinsey survey** revealed that 64% of CFOs are also responsible for operational risk management, 55% for regulatory compliance, 38% for IT, and 36% for corporate strategy. Another recent study found that the amount of finance leaders responsible for their companies' digital activity **more than tripled between 2016 and 2021**.

Now expected to strategize on and influence operational decision-making, it is telling that CFOs have emerged as one of the main drivers behind digital transformation. Many companies are reluctant to invest in new technologies due to the expensive up-front costs, lack of internal skills to create and implement the technologies, or organisational resistance to change. Despite this, the adoption of digital tools like task automation, advanced analytics, data visualisation, and artificial intelligence is on the rise across finance departments, with a **high return on investment reported** over the past year.

Financial performance management is one area which can particularly benefit from greater technology adoption, relying as it does on accurate data collection and analysis from disparate company sectors.

Updating manual financial processes with digital automation

The issue with relying on spreadsheets, data silos, and manual data entry is that far too much time is spent on the consolidation and validation of large volumes of data. Successful financial performance management relies on gleaning accurate, valuable insights from company data to maximise revenue performance and operating margins; a goal which is difficult to achieve when dealing with outdated business systems.

Using manual financial processes, CFOs inevitably run the risk of predicting future outcomes based on incorrect or incomplete data. The time drain that is manual data collection can also leave stakeholders waiting in vain for vital reports, plans, budgets, and forecasts.

Automating these tasks increases the agility of finance departments, allowing teams to focus on analysis and discover new opportunities for value creation.

Adoption of a cloud-based digital tool such as **SAP Analytics Cloud** has the benefit of completely streamlining the financial performance management process. By providing an integrated forecasting, reporting, and predictive analytics platform, SAC enables the use of dynamic planning and modelling techniques while centralising data for easy access. Bluetree has gone one step further, building pre-packaged solutions for processes including management reporting, financial planning, sales forecasting, and workforce planning. Designed to reduce implementation costs and accelerate deployment, our modular **Bluepacks** are an ideal starter kit for digital transformation.

How data-driven performance management enables value creation

The best CFOs have been compared to orchestra conductors – able to reach across departments and offices to gather, interpret, manage, and act upon relevant company data. Data-driven finance tools such as SAC provide smart, real-time insights so CFOs can align financial initiatives with strategic gaps in the business.

When compiled and interpreted correctly, data is the key to facilitating business growth and increasing organisation value. By adopting digital data reporting, planning, and analysis tools CFOs are given the **power of foresight**; they can make faster, more informed decisions, calculate and reforecast important business metrics, and compare potential ‘what-if’ scenarios that span entire operations and transcend all budgets. This not only gives CFOs more power over corporate and financial strategy,

but also ensures that companies achieve or exceed performance commitments in both the short and long term.

With extensive industry experience and a range of innovative planning and data analytics solutions, our experts work directly with the office of the CFO to transform finance organisations for the better. **Contact Bluetree** to discuss your business requirements or request a free Bluepacks demonstration today.