Performance Reporting
An eye on the facts

A KPMG and ACCA Thought Leadership Report
## CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>About the research</td>
<td>4</td>
</tr>
<tr>
<td>Introduction</td>
<td>6</td>
</tr>
<tr>
<td>Executive summary</td>
<td>7</td>
</tr>
<tr>
<td>Build the right data and governance foundation</td>
<td>8</td>
</tr>
<tr>
<td>Structure the delivery model for success</td>
<td>14</td>
</tr>
<tr>
<td>Empower Finance professionals to collaborate with the business effectively</td>
<td>20</td>
</tr>
<tr>
<td>About the authors</td>
<td>26</td>
</tr>
</tbody>
</table>
ABOUT THE RESEARCH

This global report is the second of three pieces of research that have been jointly commissioned by ACCA and KPMG to evaluate how the Enterprise Performance Management (EPM)* capability within Finance functions is providing the Chief Financial Officer (CFO) with the appropriate people, processes and technology to deliver effective and efficient Performance Reporting.

The data used in the report is from a survey which was conducted between 11th September 2015 and 28th September 2015, and represents the views of over 1,100 Finance professionals from more than 50 countries. Whilst employees from organisations of all sizes participated in the survey, over 60 percent were from organisations with over 1,000 employees with annual turnover of at least $100m.

In addition, 35 percent of the respondents identified themselves as a Senior Finance Manager/Manager, 20 percent as newly qualified/experienced Accountants, 11 percent as Financial Controllers, 7 percent as Directors/Partners, 6 percent as CFOs and the remaining 21 percent spread between a range of roles that included CEO, Internal Audit, Treasury Analysts and Consultants.

*EPM consists of Planning, Budgeting & Forecasting, Performance Reporting and Dimensional Profitability (including costing)
INTRODUCTION

Our view is that Performance Reporting should be developed within a performance management framework consisting of three core components (the other two being Planning, Budgeting & Forecasting and Profitability/Costing analytics) which collectively organisations can use to convert data into insightful, relevant and timely management information that is at the kernel of supporting fact based decision making.

This offers a competitive advantage to an organisation that undertakes such an investment in their Performance Reporting capability.

With the volume of both internal and external data increasing exponentially, coupled with the unrelenting demand for more information from the business, organisations need to take the time to truly consider what information they really need to achieve their strategic objectives and hence drive value and how to deliver it in an efficient and effective manner. Achieving a balance between this supply and demand is key to achieving success in Performance Reporting.

Unfortunately, too many organisations are weighed down by a mass of performance reports. These often contain far too many metrics (which are frequently in conflict with one another) and far too little insight, and thus these organisations are unable to clearly analyse past and anticipated performance in order to make better decisions.

Yet, despite the opportunity that exists in the face of ever-increasing volumes of data and disruptive technologies, this study suggests current Performance Reporting processes are flawed, and many enterprises continue to proceed with “information” that is ineffective in the support of rapid and informed decision making. The result is missed value delivery opportunities and slow responses to emerging threats.

Performance Reporting at its best should enable a business to link its operational activity and decision making with the attainment of its strategy. It gives organisations the essential information to make more confident and effective decisions, focuses the attention of management on activities that truly matter, and provides a consistent view of actual performance across the business.

EXECUTIVE SUMMARY

1. BUILD THE RIGHT DATA AND GOVERNANCE FOUNDATION

- There must be a focus on collecting the data that really matters to the organisation – i.e. what is the right data to support an integrated set of defined key performance indicators.
- In addition, data quality is imperative, and is the bedrock upon which a Performance Reporting capability should be built, ensuring that there is absolute trust in the data provided to the business.
- It is also essential that this data is supported by a robust governance structure to ensure integrity in the data is maintained on a sustainable basis.

2. STRUCTURE THE DELIVERY MODEL FOR SUCCESS

- The management team needs performance information which is consistent, controlled, timely, relevant and delivered in a cost-efficient manner.
- How the Finance function is structured, and how efficiently and effectively it delivers its Performance Reporting capability, will determine success.

3. EMPOWER FINANCE PROFESSIONALS TO COLLABORATE WITH THE BUSINESS EFFECTIVELY

- The ultimate goal of Performance Reporting is increased speed and quality of decision making in the business to deliver a sustainable competitive advantage.
- The skills and behaviours that Finance professionals bring, and the provision of appropriate technologies to support them, form the essential groundwork to achieving this step change in performance.
In the knowledge economy, optimised and appropriate use of data is central to helping organisations make better decisions, create competitive advantage and successfully deliver its strategy. For Performance Reporting to be truly effective, a common data hierarchy needs to be successfully deployed across the enterprise around the right key performance indicators (KPIs) of the organisation. This in practice is underpinned by data which supports the representation of a single version of the truth.

The good news is that this study suggests progress has been made in ensuring common KPIs are used consistently across the business. This is a great step towards being able to compare and understand performance across the organisation consistently. Transparent metrics provide management with a clear line of sight on how the overall strategy across the organisation is being impacted by operational activity. However, there are three questions which must be addressed:

1. Are the performance indicators used aligned to the strategy of the organisation?
2. Is the data underpinning these performance indicators consistent?
3. Is the organisation managing data sustainably?

Organisations may have consistent KPIs, but there is a danger that they could paint a misleading picture of performance if they aren’t focused correctly.

Of course there is more to it. Organisations also need to look at where their data is housed. Seldom can it be found in one source system, nor owned by one team. As many different parts of the organisation will be using that data, and for many different information needs, it is not as simple as saying “the business owns the data”. That is too vague, and leaves no one in charge.

I believe the solution lies in building a cohesive information and data governance framework across the organisation. Underpinning common information standards will help to foster a unified approach to data management and reporting. That will offer them stability to deal with an ever-changing environment, and a better shot at delivering repeatable, trustworthy insight to drive the right decisions.
Yet in a volatile and fast moving environment, data structures and hierarchies often fail to keep pace with the changing needs of the enterprise. Acquisition, divestment or other significant corporate developments can mean existing data structures are no longer in sync with the most appropriate measures of value for the new strategy of the business.

A common set of consistent KPIs that are sustainably maintained and governed should encourage comparisons to be used in Performance Reporting, such as comparisons to be used in traditional month-end and annual reporting activities of Finance, rather than offering the business real-time information with proactive comparators.

As we saw in the previous ACCA/KPMG report on Planning, Budgeting & Forecasting, despite the vast amounts of data available, the use of external data, in this case the provision of comparator performance information, remains predominantly an annual (26 percent) or ad-hoc (28 percent) process which can impede the ability of organisations to raise their performance to that of market leaders. Data across a number of additional, external comparators enables an organisation to identify where it needs to invest to catch up, and often more importantly, where it is already ahead of the competition, but must continue to invest to maintain or create a competitive advantage.

The limited extent to which the information used by organisations to drive Performance Reporting incorporates both internal and external data indicates that this is still a challenge. Previous research by ACCA and KPMG has suggested enterprises still struggle to effectively incorporate external data across different Finance processes, and this survey suggests this is an ongoing problem.

A reliance primarily on internal data renders the Performance Reporting process less cogent. The benefits of using better data sources – particularly external data sources – are obvious. However, companies struggle to integrate this category of data because of the differences in the structure of internal and external data sets, with over a third of responses indicating that this is their biggest impediment to the effective and efficient use of external data.

Moreover, there are still cultural barriers within the organisation. Almost 40 percent of respondents believe that decisions are grounded not on information-based insight, but on the ‘gut instinct’ of business leaders. It is easy for this type of thinking and practice to become ingrained in the organisation.

Gaining the trust and buy-in of the business into Performance Reporting is essential. The activity is undermined if management do not trust the data on which the performance insight is based, or don’t receive it in an appropriate format or a timely manner. This would make it even harder for the rest of the business to embrace the process and see it as an essential and integral part of their activities.

Q1. How often is internal benchmarking used to compare current performance against the organisation?

Q2. What are the biggest impediments to the effective and efficient use of data in the reporting process?

**Data structures including quality and volume of data**

**Culture takes top-down decision regardless of what the data shows**

**Cost**

**Technology landscape**

**No perceived benefit**

**Don’t know**

**ALMOST 40 PERCENT OF RESPONDENTS BELIEVE DECISIONS ARE BASED ON ‘GUT FEEL’**
Many organisations struggle to understand what is driving their performance. Without this key information at their disposal it is impossible for them to support strategic decision making.

A common approach to generating insights for decision making is to collect as much data as possible and then decide what to measure. This can cause a proliferation of metrics and thus result in organisations unable to see the wood from the trees. Organisations must instead align the measures to their strategy first, and only then can the relevant data be collected.

The survey illustrated just how few organisations are using external data and comparators to measure performance. While this was not a shock, organisations must realise that by only focusing on internal measures, they will not be able to contextualise where they fit against the market competition to make proactive decisions based on relevant measures.

Through working inside some of the world’s most progressive Finance functions, I have often seen them measure their performance based on the external market. They have found that success isn’t as simple as improvement on last year’s internal performance measures. Instead, it must be viewed against external factors such as market growth and competitor results, not just a few.

The external data available to organisations to convert into insight continues to grow at an ever-increasing rate. They need to start viewing it as a long-term opportunity to provide more thorough and accurate analysis, rather than focusing on the short-term complexity of incorporating the data into reports.

Inevitably, investment is needed in order to focus on the right measures and commercial insights. As we know, the case for investment in Finance has historically been preoccupied with cost cutting. This paradigm must be shifted to reap the benefits of data and insights their fiercest competitors are already waking up to.

Organisations today must be bold and forward-looking to thrive. To do this they must use both internal and external comparators to inform their decision-making, defined with one cohesive performance management framework. If they do not use external information in their performance measures, they will be stuck in a state of inward comparison, and fail to drive efficiencies or create competitive advantage in the market. This can only last for so long.
2 STRUCTURE THE DELIVERY MODEL FOR SUCCESS

The structure of the Finance function, and its efficiency and effectiveness in allocating and executing its Performance Reporting activities, is a huge factor in determining its impact in providing decision support to the business. This study suggests that, while respondents advise the majority of Performance Reporting processes currently take place in local business units, a number of respondents clearly see more opportunities to house certain reporting activities elsewhere. For example, the more transactional activities such as data cleansing/manipulation could occur in a Shared Service Centre (SSC), whilst the more value-adding activities such as the provision of standard reports and initial forward-looking commentary could be housed in a Centre of Excellence (CoE).

Organisations have invested heavily in SSCs and CoEs over the last two decades, usually undertaking detailed location analysis to ensure they gain the desired level of quality at a cost that they deem to be efficient. Moving away from local business units should help address questions over the comparability and consistency of the information being produced.

However, there is a danger that shifting work to a centralised location is often a solution to an above average cost-to-serve, rather than motivated by a desire to increase quality. If the demand for the retained Finance organisation does not shift with the work, there is a risk of creating shadow Finance organisations, as we saw in the first offshoring boom in the 1990s. A retained Finance organisation that lacks confidence in the numbers generated offshore or in captive SSCs or CoEs is likely to recalculate and rework the data in any case. Such inefficiencies contribute to the perception that Finance has not been structured to deliver the Performance Reporting process effectively.

This can be particularly acute if the shadow Finance organisation also sees an increase in “self-service” reporting in the business. With technological advances continuing apace, over half of respondents to the survey said they believed that a degree of duplication of reporting happened in the business outside of Finance.

In effect, we have a triplication of work: the retained Finance organisation replicating work previously undertaken in a SSC or CoE environment, and further repetition taking place across the business.
A rapidly increasing number of organisations may have outsourced transactional Finance activities, but according to our survey very few have done the same for Performance Reporting. Only 4 percent of respondents said they used outsourcing providers instead of local/BU finance or internal SSC/COE. Part of the challenge here again remains the ingrained culture of Finance professionals. Concerns over data security, loss of potential IP and cultural change issues were all identified as possible impediments. In moving to a SSC or CoE, companies often wrestle with the perception of distance, in other words the belief that people cannot know the business or market if they are not living and breathing it every day. Frequently organisations focus on analysing a variety of locations to ensure their offshore capabilities are the right cultural fit. Our survey suggests culture remains a critical issue. But it is not the greatest impediment in the view of those questioned.

Data security and potential loss of intellectual property remain the main reasons why organisations prefer to use onsite personnel according to our survey. There have been very few data breaches in offshore locations in recent times, both captive and outsourced. However, the sensitive market information contained in performance reports is still seen as too valuable to risk potential exposure as a result of a transformation to a more efficient delivery model. Educating the Finance function around data security, coupled with the deployment of well-defined data security processes and controls, could unlock the trust required to work hand in hand with shared service partners instead of withholding information and thus enabling shadow functions to flourish.

For such a grand name, the reporting Centre of Excellence (CoE) tends to have a bad reputation. The survey showed that it is still more of a concept than reality for most organisations, with only 7 percent of Performance Reporting activities currently delivered through a CoE. This lack of popularity comes as little surprise, but I believe people’s scepticism is often misguided. The true value of a CoE is not just cost efficiency, but the improved effectiveness of reporting and decision-making. The survey shows a prevailing perception throughout organisations that Finance remains rooted to its gatekeeper past, rather than being a true partner for the business. I struggle to see how Finance can transcend this reputation, when reporting is fulfilled by local business units, which tend to be entrenched in the traditional Finance ‘bean counting’ culture and thus not free to focus on acting as a true business partner. Centres of Excellence can provide more timely and qualitative information to support the business. The controls over the production of reports and KPIs are tighter and therefore ensures a stronger link to the strategic goals of an organisation. I can understand why organisations might be reluctant to invest in a CoE transformation however, particularly after having lived through previous changes to the delivery model of transactional processing. To lower the risk of transformation failure, organisations should fix the underlying data, systems and processes before their move to a CoE, rather than adopting a simple ‘lift and shift’ mentality. It cannot be disputed that designing and implementing a CoE will require more effort than continuing with a predominantly locally-driven Performance Reporting delivery model. However, I truly believe that it will prove demonstrably valuable to the business and pay back the investment tenfold, enabling the CoE to finally live up to its name.

IT’S TIME FOR FINANCE TO CONQUER ITS OUTSOURCING FEARS AROUND PERFORMANCE REPORTING

John O’Mahony | Head of Enterprise Performance Management, KPMG in the UK

The concept of outsourcing is not new to Finance, yet very few organisations have outsourced Performance Reporting, as this survey shows. I believe they should look again.

Don’t get me wrong, outsourcing is inevitably a sensitive subject, with certain ramifications for organisations. However, I believe common fears about data security and potential loss of intellectual property are overblown as technology capability has evolved. When organisations are increasingly entwining a wide range of sensitive business activities with third-party providers such as online marketing activities, to dismiss outsourcing completely seems extreme.

Of course any organisation releasing sensitive data to third parties needs assurance around security protocols, risks and governance, but to some extent they can secure this by engaging a solution provider that has tried and tested processes, methods and controls which ensure that the service can be delivered on a sustainable basis. The survey shows Finance professionals understand the benefit that outsourcing brings, not only in providing cost control, but also in accessing external perspectives and insights.

I would go further and suggest that external providers are likely to provide services through scale, such as predictive and prescriptive analytics, used to support reporting, that might otherwise be beyond the capability and capacity of many organisations. Such capability forms a key cornerstone in supporting better decisions, yet on average only 5 percent of these activities are in the hands of outsourced providers currently.

There is, of course, a limit to how far I would recommend Finance teams go in outsourcing Performance Reporting and analytics. The centralisation of raw data production, the provision of analytics capability and external benchmarking are all potential areas of outsourcing. Where I draw the line is in the interpretation and use of those outsourced reports. After all, it is the Finance team – not a third party – who best understand what drives performance, both organisation-wide and at a local level.

THE CENTRE OF EXCELLENCE CAN LIVE UP TO ITS NAME

Paul Coffey | Senior Manager, KPMG Financial Management

For such a grand name, the reporting Centre of Excellence (CoE) tends to have a bad reputation. The survey showed that it is still more of a concept than reality for most organisations, with only 7 percent of Performance Reporting activities currently delivered through a CoE. This lack of popularity comes as little surprise, but I believe people’s scepticism is often misguided. The true value of a CoE is not just cost efficiency, but the improved effectiveness of reporting and decision-making. The survey shows a prevailing perception throughout organisations that Finance remains rooted to its gatekeeper past, rather than being a true partner for the
There is often a perception that the Finance function impose the Performance Reporting process on the enterprise with little regard to integrating into the wider business. With senior management setting the overall strategy, the Finance team has a critical role to play in establishing a transparent Performance Reporting process that is cascaded right the way through the organisation to support decision making at all levels.

How the rest of the business perceives Finance is one of the function’s greatest challenges. Its problem is interlinked: poor underlying data raises questions about the relevance of metrics and, indeed, the whole Performance Reporting process. So as management lose confidence in the effectiveness of the process, there is a risk that Finance will continue to be perceived simply as data providers, fit only to perform basic analysis. This is shown in the survey results, where despite respondents suggesting consistent KPIs and an increasing use of technology, which both form the backbone of Performance Reporting, Finance personnel are still not partnering with the rest of the organisation effectively. Over 56 percent of respondents believe Finance are perceived principally as gatekeepers of data or providers of basic financial analysis at best. A much smaller number of organisations see Finance as purer business partners across internal and external parties (41 percent of responses).

Q6. Finance staff involved in performance reporting are principally seen by the organisation as…

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>18%</td>
<td>Gatekeepers of data</td>
</tr>
<tr>
<td>38%</td>
<td>Provider of basic financial analysis</td>
</tr>
<tr>
<td>26%</td>
<td>Business partner but only for internal meetings</td>
</tr>
<tr>
<td>15%</td>
<td>Business partner for all meetings (incl. with customers/third parties)</td>
</tr>
<tr>
<td>3%</td>
<td>Don’t know</td>
</tr>
</tbody>
</table>

**KEY ACTIONS TO STRUCTURE THE DELIVERY MODEL FOR SUCCESS**

**SET THE TONE AT THE TOP**
Ensuring the right tone from the top is critical. Without a clear perception that Finance can add value through Performance Reporting insights and the data they control, organisations will struggle to maximise the benefit of their investments across the delivery model, process and their people.

**MONITOR REPORTING DELIVERY**
Shadow organisations appear when trust breaks down between areas of the business, i.e. local Finance and SSCs/CoEs. They are not a solution, they are duplication. Organisations need to monitor where information is coming from to ensure it complies with the delivery model and where it does not they need to solve the problem at source.

**LEVERAGE THE RIGHT LOCATIONS**
Location analysis for Shared Services and Centre of Excellence is traditionally driven by cost saving requirements. However capability, scalability and cultural fit with the organisation must be considered equally alongside cost efficiency targets, whether it is captive or outsourced.

**DEMONSTRATE SECURITY TO BREED TRUST**
Finance will be one of the first to understand the cost-benefit case of offshoring. However, to prevent Finance viewing the process as a risk, organisations need to demonstrate the controls in place for information security.
EMPOWER FINANCE PROFESSIONALS TO COLLABORATE WITH THE BUSINESS EFFECTIVELY

As we have already seen, building the right data foundations, putting in place robust governance structures and adapting the delivery model might provide the backbone for delivering effective Performance Reporting, but Performance Reporting will only prosper if Finance personnel are properly equipped to deliver high-quality insight that supports decision making empowered with deployment of reporting technologies.

Does the Finance function have the right personality to become a true business partner? The gut reaction from the business would probably be a ‘no’. After all, Finance professionals are rarely thought of as extroverts, with the ability to think outside of the box - or spreadsheet - and actively lead on strategic decision making. But in my view, there is no reason why Finance cannot do all of these things. Some Finance functions are already displaying some of these qualities, although our survey shows there is evidently some way to go before the majority earn their business partnering stripes.

It comes as little surprise that world-leading organisations tend to have the best performing Finance functions. Yet few organisations seem to have deduced that Finance working alongside their colleagues, and having the ability to support and advise on strategic and operational decision making will drive better business performance. This is definitely their loss.

Many Fast-Moving Consumer Goods companies are in the vanguard of change, breaking down the silos across the functions. Their Finance teams have formed powerful internal alliances with marketing and the wider business. Together they make Performance Reporting a collaborative process; and as a result their analysis is enriched by a wealth of additional expertise and skillsets from all parts of the enterprise.

The survey suggests the majority of Finance functions are still hiding behind their emails and spreadsheets rather than directly engaging with the business. Finance must shed its image as a mere service provider or it will never escape prosaic tasks and become part of the decision making elite. Finance teams must ensure that they are getting exposure to business-wide decision making to enhance their own capability. Equally, the business has much to learn about Finance’s capabilities, how it can inform business decisions with deep insights and recommendations. Collaboration will therefore lead to an enhanced reputation for Finance and a step-change in decision-making in the business.

Organisations must ensure that those Finance personnel that are retained within the local organisation have a significant proportion of their time to devote to collaborating with the business. This cannot be done while local Finance is still tied up in transactional activities, such as time-consuming data extraction and manipulation or traditional month-end activities, as the survey seems to indicate. As mentioned earlier, over 56 percent of respondents believe Finance staff involved in Performance Reporting are principally seen by the organisation as gatekeepers of data, or providers of basic financial analysis, rather than true business partners.

However, providing time is not sufficient to enable true collaboration with the business. Organisations must provide their personnel with the right environment in order to build appropriate capabilities, some of which may not come naturally to many technical Finance personnel.

ACCA has consistently reported the challenges in the Finance function of demonstrating the right skills, such as strategic vision, stakeholder communication, commercial acumen, and analytical capabilities. Moreover, for the Performance Reporting process to “live and breathe,” Finance personnel must exhibit the right behaviours and have the confidence to work with the business to interpret the data to drive more effective decision making.

Once again, the study suggests that, for many organisations, this remains work in progress. Only a minority received formal training to understand the wider impact of Performance Reporting across the organisation (20 percent of respondents). Whilst formal training is not the be-all and end-all for learning and development, this lack of business understanding is a fundamental gap in the attempt to empower Finance professionals to collaborate with the business effectively, and is a further example of why Finance remains somewhat rooted to its gatekeeper past.

FINANCE MUST STEP UP TO EARN BUSINESS PARTNER STATUS
Gavin Donaldson | Partner, KPMG Financial Management

© 2015 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss entity. All rights reserved.
Q7. How much training is provided to staff to help them understand the process/tools behind Performance Reporting and the level of influence it has on the success of the wider business?

- None: 9%
- Informal training for new joiners: 23%
- Informal training for all staff: 23%
- Formal training for tools only: 20%
- Formal training to understand wider impact of performance reporting in organisation: 20%
- Don’t Know: 5%

AUTOMATION WILL FREE FINANCE FROM UNREWARDING ACTIVITIES

Hayley Rocks | Senior Manager, KPMG Financial Management

The survey suggests that the hard work of the Finance function is being unnecessarily replicated by the business. Their lack of direct interaction is no doubt exacerbating this issue. However, where organisations can automate aspects of Performance Reporting processes, I believe we could see a positive change in their dynamic. Finance will have the time to tackle more meaningful issues and deliver value to the business.

We are now living in an era in which organisations could use automated Performance Reporting tools to conduct competitive, forward-looking analysis. Yet fewer than half of companies are doing so, and worrying still is the 21 percent of survey respondents without reporting tools in the first place.

Technology is a game changer in Performance Reporting. Tools for organisations are evolving all the time. Inevitably organisations will sooner or later cease to see the value of Finance’s ‘basic’ financial analysis when it can be done cheaper and more efficiently with technology. This has significant repercussions for Finance, who will need more value-adding skills to remain relevant to the business.

Many Finance teams already have a talent problem failing to retain commercially focused staff, losing their key people to more ‘glamorous’ parts of the business which might come with the promise of faster career progression and compensation. By automating the very basic Performance Reporting analysis, Finance has no excuse not to become both a more desirable business partner and a place for its own people to work. The time spent on extracting and manipulating reports on a spreadsheet and sharing over email would be better served training Finance teams to become better business partners – a goal most functions are now seeking to achieve.

In this position, they will be able to validate information, support the interpretation of the reports and drive and challenge strategic decision making. This will fulfil the needs of both the organisation and professional.

Whilst there is a focus on business knowledge and the ‘softer’ skills that retained Finance requires to collaborate with the business effectively, there is also a huge opportunity in implementing some of the powerful reporting tools available in the market. These can be used to provide more interaction in reports, such as drilldown capability or summary dashboards, and in much more of a ‘real-time’ manner, providing the organisation with the necessary speed and quality that they need to stay ahead.

Q8. Has your organisation invested in a specific reporting application? (not Excel)

- No: 21%
- Yes, and application has delivered benefits as expected: 30%
- Yes, but application has not delivered all benefits as expected: 36%
- Yes, but application has not delivered any benefits, and we have reverted to excel/ manual process: 6%
- Don’t Know: 7%

In addition, the majority of respondents to the survey continue to extract data and manipulate offline, rather than use source systems, resulting in more inefficiency, higher risk of error, less timely provision of information to management and poor confidence in the reporting process.

Part of the challenge with poor reporting tools is the extent to which manual intervention is required to derive the information needed. Less than one third of respondents to the survey suggested that the reporting solution was dynamic, where users can intuitively scrutinise the data in the tool to provide further analysis.

In addition, this survey suggest that the provision of reports for ‘on-the-move’ viewing is still not occurring in most organisations. Whilst mobile devices are being used more and more in the consumer world, mobile-friendly reporting has not yet become a mainstay in Performance Reporting.

According to the survey, this has been a significant area of investment, with over 72 percent of respondents having invested in a specific Performance Reporting tool application. However, almost two-thirds of those declared that the application did not deliver the benefits that were expected.
Q9. How are your reports delivered and viewed? Please tick all that apply.

- 21% Face to Face meeting
- 24% Directly in an email
- 29% Excel/PPT doc
- 20% Reporting tool
- 5% Tablet/mobile application
- ? Don’t know

Another technology growth area that has yet to be harnessed widely is the advances in cloud technology. The most common reason given was a concern over data security, with over 50 percent of respondents declaring that the information used in reports is too sensitive to risk utilising cloud solutions.

In addition, there is clearly still some confusion about the functionality of cloud technology, as 68 percent of respondents either disagreed or were unsure on whether current cloud solutions have the required capability to be used in their Performance Reporting processes.

An uptake in mobile reporting and/or cloud technology solutions would enable much easier and quicker collaboration across functions or markets, enabling those involved in the Performance Reporting process to almost ‘crowdsource’ intelligence in a way that could provide more of in depth and bespoke analysis to the users of the reports, especially in organisations with global operations.

OVER 50 PERCENT OF RESPONDENTS FELT THAT CLOUD SOLUTIONS WERE NOT SECURE ENOUGH TO HOLD THE SENSITIVE INFORMATION INVOLVED IN PERFORMANCE REPORTING

OVER 67 PERCENT OF RESPONDENTS EITHER DIDN’T KNOW OR DISAGREED THAT CLOUD SOLUTIONS HAVE THE REQUIRED FUNCTIONALITY TO COMPLETE THE PERFORMANCE REPORTING PROCESSES

KEY ACTIONS TO EMPOWER FINANCE PROFESSIONALS TO COLLABORATE WITH THE BUSINESS EFFECTIVELY

REMOVE THE TRANSACTIONAL BURDEN
Empower retained Finance to partner effectively with the business by removing the burden of transactional activity, such as data extraction and month-end close.

TRAIN FINANCE OF THE FUTURE, NOT THE PAST
Training programmes for retained Finance should not focus heavily on the technical/transactional Finance processes that does not form a large part of their day job.
Training should instead be focused on softer skills such as communication and stakeholder management, as well as on-the-job training for aspects such as commercial acumen.

ENCOURAGE FINANCE TO “STEP OUT INTO THE FIELD”
Retained Finance must be encouraged to remove themselves from their transactional roots and join their colleagues in the field, playing an active role in meetings with suppliers, customers, contractors etc.
This should be enabled by mobile reporting solutions and cloud-based technology.

INVEST IN APPROPRIATE ENABLING TECHNOLOGY
Invest in reporting technologies that assist with data analysis and interpretation, allowing Finance to showcase their analytical skills and become more influential as business partners.
Ensure that the right technology is selected which matches your delivery model – i.e. ensure that technology can incorporate elements of SSCs, CoEs or outsourcing reporting delivery models.
ABOUT THE AUTHORS

JOHN O’MAHONY
John leads the Enterprise Performance Management service offering in KPMG’s UK member firm, which supports large, complex, multi-national organisations in transforming their Planning, Budgeting & Forecasting, Performance Reporting and Dimensional Profitability processes.
Prior to joining KPMG, John spent nine years within industry, where he held several senior roles including Finance Manager and Divisional Finance Director positions with global blue chip firms.

JAMIE LYON
Jamie is the global knowledge lead for ACCA’s activities and research on the CFO function. Jamie has contributed to numerous management and finance media including the Financial Times, Accountancy Age, Finance Director Europe, Finance Director Outsource Magazine and ITN as well as media around the world.
Before joining ACCA he qualified as an accountant and spent his formative career in industry working in the UK and internationally for leading FTSE 100 businesses.

ACKNOWLEDGEMENTS
We would like to thank the many people from KPMG and the ACCA who contributed to the report, including Mark Warne-Smith and Tom Ross from KPMG’s Financial Management team in the UK, Harriet Webster, Ben Harding and Helen Brennan from KPMG’s SIGHT Thought Leadership team, and of course our Subject Matter Experts who provided valuable insight to complement the survey results and main body of the report (Nick Whitfeld, Anthony Bailey, Paul Coffey, Gavin Donaldson and Hayley Rocks).
Contact us

**John O’Mahony**  
Head of Enterprise Performance Management, KPMG in the UK  
T: +44 (0)7768 542 078  
E: john.o’mahony@kpmg.co.uk

**Jamie Lyon**  
Head of Corporate Sector, ACCA  
T: +44 (0)7736 630 682  
E: jamie.lyon@accaglobal.com

www.kpmg.com  
www.accaglobal.com