



Gary Simon, CEO of FSN, talks to Alok Ajmera of Prophix about the Future of Finance

The finance function is increasingly called on to provide predictive and proactive insight but without collaborative business partnering and a cohesive technology umbrella, organisations will be stuck looking backwards instead of forwards to the future, according to Prophix President and COO, Alok Ajmera.

Investing wisely

Ajmera acknowledges that most organisations have invested a lot of money in infrastructure, whether it be operational, sales, marketing, or software engineering. Despite very rich operational systems, they are frequently disparate, with dashboards of data used by each department independently. "The key to business partnering is to weave it all together to tell a story of where the business is heading," he says.

That story is made up of data; both financial and non-financial, that is increasing in volume, velocity and impact every day. It requires a person or group to be responsible for managing, interpreting and disseminating the data, and often this role falls to the finance function – for a good reason.

"There's a base requirement that my financial team has to provide with regards to the financial review of the business. We also discuss where the business is heading, how the business is tracking financially and operationally and potential areas of risk and concern so that action can be taken based on more insightful data."

***Alok Ajmera,
Prophix President and COO***



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The big challenge for finance is how to bring an organisation’s disparate systems together to collate the data that will build a comprehensive picture of corporate health and strategic direction. Organisations may have marketing automation tools, sales automation tools, ERP and CRM systems, and business intelligence tools, but very often these do not communicate with each other.

CPM beyond the finance function

In many cases, the solution is hiding in plain sight. Corporate Performance Management (CPM) systems are being used to solve certain isolated finance problems like streamlining the budgeting or forecasting

processes. The powerful functionality of a CPM system can bring data from other operational systems together, both financial and non-financial, to model how the business is operating.

“Business partnering is the process of taking information, interpreting and modelling it, to understand the implications and serving it back to stakeholders. That’s the core competency of a CPM tool,” Ajmera says.

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That being said, convincing the C-suite to allocate resources to a cohesive technology backbone can be difficult, especially for mid-market companies. Ajmera believes smaller, nimbler companies with fewer departmental silos, a tight leadership team and better cross-functional communication are in a better position than their larger counterparts to put a cohesive system together. The challenge is that they typically don't have the infrastructure or the right skills in place to effect change.

"If you have a dollar to invest, it's tough to decide whether to put it into driving the business forward or into back-office systems," Ajmera says. "What businesses need to understand is that CPM data and analytics are not about back-office systems. While it might cut cycle times for a specific process or save money on others, that's not its only value. The real value comes from business partnerships that generate strategic insight and lead to better decision-making."

Investing in technology infrastructure has become easier and often cheaper with the proliferation of cloud applications. Still, there is a risk that implementing best-of-breed applications for different functions makes bringing the data together even more complicated. "The cloud enables best-in-class systems and quick access to applications, which is fantastic for businesses, but it also creates a challenge because now we have more systems, which means more data floating around in different places," Ajmera says.

Technology isn't necessarily the biggest issue

He isn't hung up on the type of technology businesses choose to use though. When he speaks to CEOs and CFOs, they rarely talk about technology specifically, be it cloud or on-premise instead, most of their



conversations centre around business challenges.

For CEOs and CFOs, whose organisations are at varying stages of development and technical competency, all factors need to be taken into consideration when deciding which technology will help solve real business problems.

Business partnering sits at the confluence of these business problems and the strategic collaboration needed to solve them. Just as it takes a village to raise a child, it takes more than just the finance department to generate foresight and strategic insight into a business.

For Ajmera, there are several organisational hurdles to successful business partnering. Crucially, they must be accomplished in a strict order, starting with a cultural change towards a collaborative mindset. "You need to align around the idea of business partnering, and it must filter from the CEO to the CFO, down through the finance function and across the rest of the business," Ajmera says. There's no point investing resources, time and energy into the process only for it to be rejected by the other functions.

The second phase is to change the skill set to reflect the new corporate paradigm. As the finance function and its role as a business partner changes, so too must the analytical and relationship skills of its professionals. The analytical tools available today are more intuitive, powerful and sophisticated than ever before, and they require a specialised skill set to extract the most effective insight for each business.

Once the culture and skills are in place, it is time to start investing in the infrastructure and tools that will drive business partnerships. These tools will enable collaboration of knowledge, skills and data from across the organisation so that the finance function can deliver true strategic insight.

About Prophix

Prophix develops innovative software that automates critical financial processes such as budgeting, planning, consolidation and reporting — improving a company's profitability and minimising its risks. Thousands of forward-looking organisations in more than 90 countries use software from Prophix to gain increased visibility and insight into their business performance.



Gary Simon **CEO of FSN & Leader of the Modern Finance Forum for CFOs**

A highly sought after lecturer and trusted provider of 'thought leadership' and analysis about finance and business systems for CFO's around the world. He is a Fellow of the British Computer Society; a Chartered IT Professional; a Fellow of the Institute of Chartered Accountants in England and Wales; a Graduate of Queen Elizabeth College (now Kings) London University and the author of four books on financial software and information systems.



Alok Ajmera **Prophix President and COO**

A 13-year veteran of Corporate Performance Management (CPM) software at Prophix, Ajmera is at the centre of the evolution of the finance function. He has seen the rich insights business partnering can produce and he believes it is best enabled through collaborative technology.

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