Management reporting:
Let's stop reinventing the wheel

IBM

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Presenting to management again?

It's a basic fact of business decision-making. Access to accurate data, and timely commentary and analytics is critical to making sound business decisions. And the pressure to provide that data and analysis to management is only becoming more intense. Uncertainty and volatility in the economy is increasing the need for frequent forecasting, project updates and roadmaps in most organizations. A quick turnaround of detailed reports with embedded narrative is essential for management teams anxious to keep their fingers on the pulse of the marketplace.

Yet, for many departments, report building is often a tedious, time consuming and error prone process. Management presentations and reports are built following a series of complex, manual tasks, usually copying and pasting data (operational, statistical, performance, financial, etc.) and related commentary into disparate Microsoft Word, Microsoft Excel and Microsoft PowerPoint files, then emailing these files to multiple authors, in different functional areas, throughout the organization for editing and approval. This makes it difficult for report builders, contributors and reviewers to collaborate. And someone is always left to compile all the revisions from cross-functional managers. This can lead to inaccurate, out-of-date reports because of the inherent difficulties in aggregating plans and analysis from around the organization into an enterprise-level view. The process provides little transparency or timeliness of data and increases the risk of inaccuracies, which can cause management to question the integrity of data in key internal reports.

Another issue is governance. Inadequate governance and controls, along with the manual reporting process, can make it difficult to control who sees sensitive information concerning company performance and strategy. There are often gaps in internal controls and governance and little in the way of an audit trail or visibility into who made specific changes to the reports.

Today, few companies have automated tools for gathering text, narrative and analysis from multiple source systems. Many companies have made significant investments in solutions that focus on business intelligence or financial close management. But while these solutions do a good job of presenting quantitative information, they were typically not designed to capture narrative commentary—including input from operations. That recurring process remains time consuming and yet essential for good decision making. Without an automated process to provide consistent, verifiable data and narrative for internal audiences, many line-of-business users independently create their own reports, based on incomplete or out-of-date information. That makes it harder to align senior management's strategic objectives with employees' day-to-day operational decisions.

To respond and adapt to the many challenges organizations face in today's economic environment, business leaders need shared insights based on accurate, up-to-the-minute information and a shared analytic interpretation. They need information and commentary that conveys the insights of those who have examined the supporting data—and a report generation process that is consistent and repeatable.

A "factory" approach to assembling text, narrative and analysis

Change is coming. Just as Henry Ford once envisioned an efficient, factory process for the mass production of automobiles, top performing organizations are now using software to produce their recurring reports, documents and management presentations on an efficient assembly line. This software enables a streamlined report generation process that supports productive discussion and collaborative team analysis. Companies can create a unified process for automating the production of both external financial reports and internal management and performance reports in a controlled and auditable environment. With the help of report production management solutions, users can create reports that include up-to-the-minute data—and the technology will automatically update the associated narrative commentary based on this changing data. This enables finance or operations staff to provide more accurate and reliable reports to the people who need them, when they need them.

A report production management solution, functioning as a "factory" for efficiently building recurring, multi-author management reports and presentations can:

- Allow highly specialized professionals to work on their individual components of the final product (a section of a final report, document or presentation)
- Decrease production costs for the organization
- Ensure quality control
- Provide quick, reliable, on-demand updates to data, text and analysis to cut costs, eliminate human error and increase speed

A report production management solution can provide a single, secure database and an application environment to pull data from both structured and unstructured sources. It can also provide an easy-to-use method for accessing and integrating data from key operational systems including Excel files, the leading enterprise resource planning (ERP) systems, general ledger (GL) and consolidation systems, payroll and human resource (HR) systems, online analytical processing (OLAP) and relational data, customer relationship management (CRM) systems and more. Many top-performing companies

are linking insights from their BI tools directly into these "factories." This linkage ensures that valuable BI insights and analytics are protected—and not presented to management inaccurately. And it ensures that the values from those sources are automatically updated wherever they appear in reports and commentary. Report formats can stay exactly the same. When a late change comes in from one of the report's authors, this change is updated instantly throughout the entire document.

This linkage … ensures that the values from those sources are automatically updated wherever they appear in reports and commentary.

A factory for management presentations and reports can accommodate virtually any report style or formatting, so you can continue using your existing report formats instead of forcing reports to conform to pre-built templates. And when it's time to publish a report, it automatically marries quantitative data with narrative discussion and analysis to produce a single, formatted Microsoft Word document, Microsoft PowerPoint presentation or Adobe® PDF.

An automated assembly line for reports

By automating the process of creating presentations for management, frontline managers can save time on the logistics of report assembly and spend more of their time analyzing performance and taking action. They can make better decisions based on an integrated view of data from financial and operational systems, combined with supporting commentary, in one unified and secure report. In addition, improving the timeliness of management reporting can yield significant benefits, including the ability to:

- Identify inaccuracies in performance data, using business rules and validation tools to notify users of potential problems during the review cycle.
- Improve governance and enhance controls by delivering reports as frequently as needed.
- Present insight—rather than just financial data—to senior management with supporting narrative analysis created in collaboration with other internal experts.

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Streamlining a complex process

A report production management solution can provide capabilities that help organizations streamline and enhance virtually all aspects of the report production process.

Improve governance and control

When employees are tasked with gathering information for internal management reporting, they need access to sensitive data, which raises security issues. With built-in security and workflow, only the employees who need to see the information are provided access, and only when they need it.

Link source data to report data

Text, narrative and analysis in reports can be linked directly back to a single data source, ensuring that there are no conflicting numbers anywhere in the report. Changes to the source numbers automatically cascade through the report to ensure there is "one version of the truth" reliably "tied out" throughout.

Use prior reports as a template for following reports

Successive reports typically contain the same sections and formatting as previous reports and use the same sources to populate the data and text in the report (e.g. sales pipeline numbers, revenue, etc.). A report production management solution should automatically roll over a report to the subsequent period to "jump-start" the report creation process. The latest data is automatically loaded into the new report, allowing the user to focus on the content rather than on the collecting, consolidating and formatting of the report.

Change once, update everywhere

Using variables in text, users can link hundreds of reports to a master report, enabling report sections to be shared. This ensures that reports always reference a single narrative or data point in the highest level report; other sections are simply replicated to expedite editing at lower levels. In this way, hundreds of departments or legal entities within an organization can quickly source common data from the highest level entity.

Build on existing skills

Most people are already familiar with Microsoft Word and Microsoft Excel. A useful report production management solution should use the familiar interface and capabilities of Word and Excel with the added value of security, audit trail integration and automation of a database-backed enterprise application.

Maintain an audit trail

Comprehensive audit trail reporting tracks each user and each change to a document. Users can easily compare any two versions of the document to see what was changed, who changed it and when.

Optimize control with workflow and task management

A workflow process tracks the status of each section of a document, with due dates and responsibility assignments. With workflow, an administrator can easily see the status of each section of the document, see which sections are overdue and who is responsible for each section.

Choose multiple output options from a single data source

An effective solution should employ a variety of output options including: Microsoft Word, Microsoft PowerPoint, Adobe PDF and Adobe InDesign.

Conclusion

An automated report production management process can improve productivity dramatically, just as the assembly line did for auto production decades ago. And just as the sophisticated, precision robots of today's auto factories build vehicles that are vastly superior to those of the past, today's analytic software offers a level of speed and sophistication in reporting and decision support that was not possible only a few years ago. The result is significant savings in staff time that can be reinvested in more value-added work, timely, better-informed business decisions and a more focused, more competitive organization.

About IBM Business Analytics

IBM Business Analytics software delivers data-driven insights that help organizations work smarter and outperform their peers. This comprehensive portfolio includes solutions for business intelligence, predictive analytics and decision management, performance management and risk management.

Business Analytics solutions enable companies to identify nd visualize trends and patterns in such areas as customer analytics that can have a profound effect on business performance. They can compare scenarios; anticipate potential threats and opportunities; better plan, budget and forecast resources; balance risks against expected returns and work to meet regulatory requirements. By making analytics widely available, organizations can align tactical and strategic decision making to achieve business goals. For more information, see **ibm.com**/business-analytics.

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