

LIFE BEYOND SPREADSHEETS

OUR EXPERT PANEL DISCUSSES HOW FINANCE DEPARTMENTS CAN PROGRESS BEYOND THE ROLE OF SPREADSHEET JOCKEYS

Why do finance professionals still rely so heavily on spreadsheets?

Peter Simons, technical specialist, CIMA

Accountants love spreadsheets. It is hard to remember accounting before them and luckily they will always have a role. But CIMA's position is that we owe accountants a duty of care and we have to try and future proof their careers and there is a danger they will be sidelined if they continue to number crunch.

One challenge is that accountants tend to look at financial information and report it. Clever ones can do analysis and the spreadsheets are very handy for that, but you have to look at a wider range of information to provide insight and help to predict the future. That way we would be much more valuable to the business.

To future proof their careers, accountants have to be alert to the fact that business intelligence has the potential to do a lot of the mundane stuff much more efficiently and deliver the information directly to people's desks. They should see it as an opportunity.

Is there is a need for accountants to spend more time analysing and less time re-keying data?

Dr Devendra Kodwani, lecturer in finance, The Open University Business School

Spreadsheets are a great tool to anyone who wants to play with numbers. When we give our MBA finance strategy students financial information in a spreadsheet they start crunching the numbers without thinking about making sense of them. You need a clear purpose of your key requirements. The caveat to that is that analysis can become addictive just like data entry. There's a danger it can lead to "paralysis by analysis".

An important question is how much of



The panel: (l-r) Dr Devendra Kodwani, Glen Westlake, Nick Jarman and Peter Simons

that data do you need, or how much of that analysis do you need to carry out. At board level you need a very different analytical report summarising the things in a different way than at the operational level. If you put a 300 page report in front of a board of directors when they are taking a decision on the latest acquisition and expansion, they would trust the finance manager to have digested that report and give them a summary in half a page. So the nature of organisation, the function you are trying to manage, and the size of the organisation are all important factors.

Why is this reliance on spreadsheets potentially a bad thing?

Glen Westlake, CEO, IT Performs

Years ago the business intelligence world was trying to get rid of spreadsheets. All BI vendors now acknowledge we've lost that battle so management information tools now interface seamlessly with spreadsheets to supply them with data and I think it's for the better.

People in finance can spend too much time doing too much with the information rather than looking at the bigger picture. The current climate is forcing companies to do that a little bit more aggressively now.

Today everybody is fire-fighting to make a living. So finance should have that long term strategic view and we need to free up

finance to be more analytical and more reactive in their planning.

What impact has the recession had on the role of finance and the sort of information it should be looking to provide to the business?

Nick Jarman, partner PricewaterhouseCoopers

Before you start getting people fired up about the technology, have a very sensible and structured conversation about what it is that is driving business revenue and cost.

In the last two years what's been very clear is that the role of the CFO has changed in terms of managing costs and where to invest in a very constrained environment. The challenge is whether they understand the drivers of the business so when we talk about customer profitability or channel profitability or product profitability; that is the information that the managers of the business want to understand. I think it is important that we structure the education so that we get people to a point where they can actually influence the business.

It's about striking a balance of information being requested by the business that is being delivered direct to the recipient and then finance playing a more valuable role in interpretation and analysis.

Chaired by Rachel Fielding

50%
deliberately rely on spreadsheets for the majority of financial analysis

42%
reluctantly rely on spreadsheets for the majority of financial analysis

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