

BPM benefits

A single piece of software can look after all aspects of a business's budgeting and consolidation

IN ASSOCIATION WITH



Is a spreadsheet best for your budget?

Nearly every finance department will be grappling with the challenge of the 2008 annual budget and no doubt relying heavily on the trusty spreadsheet. But for many the spreadsheet may not be the most effective budgeting tool. A recent survey by KPMG found that in 91 per cent of cases where spreadsheets are used for consolidation or budgeting they produce the wrong answer.

Perhaps more worrying was that the users were unaware of this.

A company with around 10 business units, reporting in only one currency will almost certainly find spreadsheets an invaluable tool.

However, consider these points:

- Reporting in multiple currencies
- Need to analyse business by "line of business"
- Maintaining a single version of the system in a single place
- Growth by acquisition, forcing frequent changes to structures
- Linking budgets to a strategic plan
- European stock exchange listing – IFRS compliance
- US stock exchange listing – Sarbanes-Oxley compliance.

If any of these apply to you, spreadsheets may create more problems than they solve and you should really consider a business performance management (BPM) system.

The BPM is a single application that covers all data used for consolidation, budgets, forecasts and



strategy management.

A BPM system will link strategy to budgeting, which is critical for managers who need to see that strategy is being implemented.

Powerful end-user reporting is an important facet of a BPM system that makes analysis easy and empowers managers to deal with issues quickly.

So before you reach for the spreadsheet, think about the benefits of a BPM solution:

- Reduced reporting cycles for consolidation, planning and budgeting
- Reduced cost of ownership as there will be just one system to maintain
- One version of the truth
- More time for data analysis instead of input and checking
- Support of IFRS implementation and segmental reporting requirements
- Undertaking "what-if" modelling
- Increased audit trails
- The ability to link strategy and measure achievement/failure of objectives – and thereby join the elite of companies who continually beat their competition.

Co-written by **CHRIS FIELD**, Business Consulting Manager, Infor and **KEN SCOTT**, Business Consultant, Castle Computer Services.. For help and advice on Business Performance Management email info@castle-cs.com, call 0845 230 1314 or visit www.castle-cs.com