

# FINANCE TRANSFORMATION

## Product Profitability Reporting



### OPPORTUNITY

A year after making a significant investment in a new ERP + Management Reporting solution, our client's Accounting & Finance Division was still not in compliance with key corporate semi-annual reporting deadlines. They were unable to produce results that accurately reflected current business conditions. While financial results were accurate and timely, management reporting results took significantly longer and mis-aligned with financial reporting results.

### STRATEGY

Given the significant impact of their inability to make timely business decisions, client's finance and accounting executives engaged Directed Action to:

- Assess and understand the range of issues and the related root causes & countermeasures.
- Facilitate prioritization of issues and countermeasures.
- Create and implement a short-term plan to handle issues/countermeasures that can be implemented immediately.
- Layout a roadmap for longer-term challenges requiring broader stakeholder engagement and funding.
- Stand-up a new organization (resources, roles & responsibilities) and processes to consistently deliver product profitability analysis and move towards monthly reporting.

### KEY FINDINGS

**Accuracy:** Upstream business processes not aligned with downstream finance processes

**Complexity:** Sophisticated allocation rules needed to represent business complexity

**Roles & Responsibilities:** Key stakeholders did not acknowledge responsibility for accurate and timely management reporting

### RESULTS

50%

**FASTER  
REPORTING  
TIMES**



**ON TIME  
REPORTING**



**STAKEHOLDER  
BUY-IN**



**FINANCIAL AND  
MANAGEMENT  
REPORTING  
LINKED**

**Decentralization:** Goal was a decentralized model of management reporting analysis across units

**Systems:** Unresolved technical issues slowed reporting and discouraged accountability

**Clarity:** End-to-end business process was neither clearly defined nor governed